PROPERTY FINANCE EUROPE

• European REITs • German non-performing loans (NPLs) • Institutional real estate portfolio investment • Mortgage securitisation, CMBS/RMBS • French office property • Distressed debt • German real estate banking • Special mortgage servicing • US real estate funds in Europe • Pfandbriefe/covered bonds • Paris SIICs •

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US real estate firms obliged to seek European returns
The increasing globalisation of property means US firms are obliged to seek returns elsewhere, says New York investor. **Page 5**

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Shore Capital, based in the Channel Isles, has formed Puma Brandenberg to list on AIM and invest in Berlin and other German housing. **Page 6**

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French construction company Eiffage, whose predecessor firm built the Eiffel Tower in 1889, says a stake acquisition by Spain's Sacyr Vallehermoso is unwelcome. **Page 7**

Deutsche Wohnen makes first move to delink from DBRE
Mainz-based Deutsche Wohnen has won a crucial vote in its first step to deconsolidate this year from Deutsche Bank's DBRE subsidiary. **Page 13**

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Property experts see questionmark over 2007 after yield compression

2006 should be a good year for European property, similar to 2005, but the yield compression of the last 24 months will come to an end soon and the real questionmark hangs over what happens in 2007.

That view, expressed at MIPIM earlier this month by John Carrafiell, Morgan Stanley's co-head of worldwide real estate (see p3), reflects the general concern over the speed of repositioning of property as an investment asset. "2006 looks really good. With the compression in yields over the last two years there's a little bit more room to play that game out but that's a 12-18 months phenomenon and the question is what do we do after that," Carrafiell said. The Morgan Stanley investment response has been to buy in assets and skills that allow a strategic repositioning and release of the inherent value.

Corio CEO Jan de Kreij said that despite the price rises in investment real estate and the yield falls, the outlook in Europe still looks promising, though interest rate increases are the main the risk. "We don't have the cliff effect yet where it's all going down; it's not going to happen yet anyway," de Kreij said.

Urban Edenstrom, CEO of Sweden's Stronghold Invest AB, said the European property market was easier to predict three years ago, and investors now need to be selective about assets and positioning.

A survey by the Urban Land Institute and PriceWaterhouseCoopers concluded that the major challenge in 2006 will be to negotiate the imbalance between investable funds and available assets without moving prices to a dangerously unsustainable level. "Sentiment is hugely weighted to the buy-side," it said. "A vocal minority believed this is indicative of a market nearing its peak. However there are a few who firmly believe we are in a market bubble that will burst in the next 12 months."pfe

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Happy Birthday to us! With this 22nd issue, **Property Finance Europe** celebrates the first year of information and analysis on continental European real estate finance for you."You guys are doing a good job; keep it up!" said a director of one of largest international banks in the City recently. Subscriptions for several property finance specialists in his department are in the works, with maybe some advertising to get their message out to the community. And why not indeed? PFE has has become widely-read, particularly in Europe and the US over the last 12 months. As the man said: "You ain't seen nuthin' yet!"

You will find hard copies of Property Finance Europe at the British GRI conference in London this week. Next week, a jaunt along to IMN's Second Annual European CMBS conference, being held in conjunction with Clifford Chance at Canary Wharf should also win you a paper edition if you don't already have one.

Thanks again to our friends at Immobilienwirtschaft for taking us along to MIPIM, and shepherding PFE through the wilds and burrows of the Congress Centre. Despite the rainy weather, the mood in Venice for the European Securitisation Forum's annual meeting last week was also very upbeat - just as in Cannes one week earlier. Things are happening here!

Commerzbank's CGI real estate subsidiary launches first German-owned REIT in Paris

Commerzbank's Grundbesitz Invest real estate fund subsidiary today closes the public part of the IPO for its CeGeREAL property unit in the first-ever launch of a German-owned Real Estate Investment Trusts listed in another jurisdiction (See p6).

CeGeREAL owns three assets in the inner suburbs of Paris valued at €855m. While German rules prevent further acquisition, the company has said it will expand if permitted to do so. Its mission is to become the premier SIIC specialising 100% in class A assets in the Paris region. France in 2003 introduced REITs (Sociétés d'Investissements Immobiliers Cotées, SIICs). However Berlin continues to delay legislation allowing G-REITs, despite the announcement of British REIT legislation in the UK Budget speech last week. pfe

Structural change happening in European property, or liquidity hurricane and irrational exuberance?

Opinion in the European property market is divided as to whether the start of 2006 is marked by structural change in the equilibrium value or whether a "liquidity hurricane" has led to irrational exuberance from investors.

A survey by the Urban Land Institute (ULI) and PriceWaterhouseCoopers, presented at the MIPIM in Cannes 10 days ago, concluded that the major challenge in 2006 will be to negotiate the imbalance between investable funds and available assets without moving prices to a dangerously unsustainable level. "Sentiment is hugely weighted to the buy-side," it said. "A vocal minority of those surveyed believed this is indicative of a market nearing its peak. However there are a few who firmly believe we are in a market bubble that will burst in the next 12 months."

The survey canvassed more than 300 individuals in service firms, private property companies, developers, listed property, institutional investors, investment banks, commercial banks and other intermediaries. It also concluded the following:

• An increasing consensus that real estate has been repositioned as an asset class; this is supported by the continuing rise in institutional weightings, plus a wave of private equity venture and hedge fund capital moving into, in addition to core investments.

• German open-end funds are in deep trouble and will be the only source of equity not expanding in 2006. "The only ray of light is the timely explosion of international interest in German real estate that could bolster the value of the fund's holdings."

• The non-listed sector is experiencing growing pains and many funds now have waiting lists. "Despite the current problems, indirect investment is still deemed the most efficient route to cross-border investment for the majority of investors."

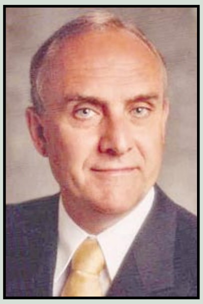
• Listed real estate in Europe will continue to receive huge global investor interest in 2006, particularly if more tax transparent REIT vehicles become available.

• UK banks and institutions are increasingly committing to property derivatives, and an over-the-counter trading system has been established.

• Growing numbers of investors are taking on property development risk; even speculative development is making a comeback.

• The shortage of conventional real estate is forcing investors to look at a broader range of assets including nursing

Can Cannes can-can? I know it's the first question on your lips in regard to the annual MIPIM French Riviera circus - sorry, 'European real estate fair'. And the answer is a resounding YES! It dances! In the dusk of a hard day in Cannes, the ladies and gentlemen of European property spilled so far out of the bars onto the Croissette that traffic ground to a standstill. MIPIM lived up to its billing in other ways too: bright-blue sunny skies, warm mediterranean winds, and a maelstrom of enthusiastic participants - 21,000 in all - bustling through every nook and entrail of the Congress centre, and huddled in earnest discussion groups on the beflagged, glistening white cruisers in the port. Yes of course Deutsche Bank-RREEF had to have a bigger one, floating discretely in the bay well away from the crowd. So would you if you managed €53bn!



Packed with even more regions, realtors, institutional investors and intermediaries than even before, MIPIM this year was notable not only for the sheer numbers but also the amount of Russian spoken in hallways and restaurants. Alongside the mayors of Paris and London the heaviest political weight belonged to Russian Economics Minister German Gref who showed up to support the 180 stands from across the 11 time zones of the Russian Federation. Plenty of east Europeans in general; not many Spanish companies though. Strange that. And MIPIM, as usual, had its share of mega projects. One being kept under wraps due to its oh-gosh value is the first 1km-high tower in the world. Dubai of course. Where else? All one is saying for now is that the tower being constructed on the Sheikh Zayed Road will be over 700m high. Will they keep building until they genuinely scrape the clouds? We'll know for sure in 2008.

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Still mindful of the gap between stock market valuations of European property and national assessments, we are grappling with the implications of growing secondary market trading for open-end fund certificates. And not only because Deutsche Börse is about to engage in it, or due to our chat with INREV's Lisette van Doorn (see p12), but because many are puzzling how to best exploit the massive interest from inter-regional investors that has ramped up listed vehicles to, frequently, huge premia to NAV. Deutsche Wohnen, a German residential play in the process of freeing itself from Deutsche Bank, is trading at a record €260, up about 40% on 12 months and a near 30% premium to adjusted NAV. France's largest REIT, Unibail - with a fully diluted NAV per share of €95 - is trading at €149. OK not the Italians but the Spanish anyway: Inmobiliaria Colonial, with NAV of €45, was trading Friday at €56, which looks to be about a 20% premium. Meanwhile, open-end funds flounder. Premia to NAV can't happen here since, by definition, they just issue more certificates. But what if stock exchange-driven demand hugely outstrips funds' investment product? Do they close? We grapple on. Grateful assistance.

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Commerzbank has, justifiably, lost patience with the shilly-shallying of Berlin politicians on REITs and is boarding a plane to Paris to become, with its CeGeReal subsidiary, the first German institution ever to SIIC to launch a REIT. France, Netherlands and Luxembourg offer you REIT formation options and, according to Gordon Brown, from next year also the UK. The LSE is chomping at the bit to become the REIT stock exchange of choice for Europe. And why not form your REIT elsewhere if Chancellor Angela Merkel is bogged down in plainly stupid arguments from the Social Democrat left about dreadful capitalists descending on poor innocent tenants to drive up rents and cast them destitute onto the street. If anyone knows a national jurisdiction with more of a thicket of red-tape to protect tenants I'd like to be informed. Maybe the SPD just doesn't like capitalism.

*****

Allan Saunderson, editor@pfeurope.de

homes, retirement communities, student housing, self-storage car parking, pubs, recreational facilities, spas, resorts, entertainment complexes, condo hotels, schools, hospitals, airports, and other infrastructure.

• Financing for real estate from all sources is substantially increasing.

• This year's top five markets for solid risk adjusted returns will be Paris, London, Helsinki, Madrid and Barcelona.

• The sustained downward shift in yields in western Europe has sent many investors into eastern Europe, including particularly Romania; but many are headed further afield to the Far East and India.

• The most promising 2006 asset classes are retail parks and shopping centres but there are increasingly concerns about a number of markets so investors must be discerning; hotels rise to third place from sixth last year, benefiting from an improving cycle as well as the secular increase in intra-European leisure travel. pfe

MIPIM panel sees major questionmark over 2007 after yield compression

This year should be a good year for European property, similar to 2005, but the yield compression of the last 24 months will come to an end in the not too distant future and the real questionmark hangs over what happens in 2007, according to the co-head of Morgan Stanley's worldwide real estate business, John Carrafiell.

Speaking at a MIPIM panel discussion on the ULI/PWC survey (see earlier), Carrafiell said: "2006 looks really good. With the compression in yields over the last two years there's a little bit more room to play that game out, but that's a 12-18 months phenomenon and the question is what do we do after that?"

The Morgan Stanley investment response for the longer term has been to identify companies and buy in assets and skills that allow a strategic repositioning of the assets and release of the inherent value. "What you really need to do to be a successful investor over the next five years is to own and control the people and the investment, which can then be developed – really get back to basics," he said.

Jan de Kreij, CEO of the Netherlands-based Corio, said that despite the capital-value rises in investment real estate and the yield falls the outlook in Europe still looks very promising. Interest rate increases by the European Central Bank are the major risk on the horizon. "We don't have the cliff effect yet where it's all going down; it's not going to happen yet anyway," de Kreij said.

Urban Edenstrom, CEO of Sweden's Stronghold Invest AB, said the direction of the property market was easier to predict three years ago, and now it is essential to be very selective about assets and positioning. "I think it's clear to everyone that everything has an end and the question is only if it's 12 or 24 months from now," he told the panel.

Carrafiell said there is much more research and information on investment property matters in Europe than ever before, and this is spreading also to Asia. "That develops and diversifies the options that we have and makes it a much more investable universe," he added. pfe

PFE COMMENT: The ULI/PWC survey is a very comprehensive survey of current attitudes, and pretty much sums up all aspects of the European sector. There was considerable caution in the comments of the panel over medium-term prospects. The structural repositioning of property on the continent as an investment asset class is undeniable, as is the coming fungibility - prominently including REITs and property derivatives - which will bring in a wave of new investors, and also vastly shorten the trading times of exposure to the asset. We continue to be slightly sceptical over the ULI approach - overlaying the US blueprint one-to-one onto Europe - but are generally supportive. It would be nice to see more French, German, Italian, Spanish, Polish (etc) participants in this particular association. Carrafiell's views are, of course, always interesting. MS tends to be, alongside Whitehall and Lehman, well ahead in its thinking on clever strategies for the European real estate market.

No end in sight to global capital move into real estate - US expert

There is no end in sight to the weight of capital coming into global real estate and demographic ageing in developing countries will ensure the allocation to yield assets over the longer term, an expert on demographics says.

Kelly Whitman, head of European research services with the US-based Property and Portfolio Research, says this trend will determine capital market developments, accelerate liquidity and

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transparency in real estate in general. "This is a structural shift of portfolio allocation to real estate that should keep capital in the sector for the long term," she told the MIPIM conference in a lecture entitled 'Extreme Demographics'.

Cap rates in the world have dropped fast in the last couple of years, with the most dramatic falls seen in Russia, Brazil and India. "An aging population in the developed countries, however, spurs demand for property assets as an investment class," she said. "The asset allocation move is from a growth model to an income model now as the population ages. There is lower risk, but it is still generating dividends."

Whitman ran through the impact of demographics on residential, retail, office, and warehouse assets. In residential, the factors of main influence are total regional population growth, urbanisation, a decrease in household size, and the impact of immigration or emigration in a particular region. In western Europe and the US, there is growing residential demand for regional retirement second homes - in Spain and France, just as in Florida.

In turn, retail development follows the growth in population which derives from these elements. "Retail follows rooftops," Whitman said. The Russian and east European regions are continuing to see a boom in retail simply because of the ongoing structural upgrade after years of communism. pfe

Fall in French yields takes private Paris-based Leonard de Vinci group into eastern Europe

The rapid fall in commercial property yields in France has prompted the Paris-based real estate private equity fund company, the Leonard de Vinci group, to diversify some of its €5bn in assets into eastern Europe over the last year.

Deputy Managing Director Francoise Durand said the group has expanded its asset base into Turkey, Switzerland, the Czech Republic and Slovakia. "We think yields in France are now very low and this is why we think it's necessary to go outside, especially into eastern Europe," she told PFE at the MIPIM exhibition.

The group, which takes its name from the street location of its Paris headquarters, was formed in 1988 as asset manager and provider of services and advisory to private equity investors in real estate. Originally started with private money, it now manages several funds with around a total of 800,000 sq.m. of office retail centre and warehouse space.

The LDV approach is to use substantial leverage – 80% debt-financing in most transactions – to provide strong returns for long-term investors. Its funds focus on different criteria of real estate assets, originally and still very strongly focused on the golden triangle in the central business district of Paris. LDV now has expanded into hypermarkets and runs seven funds in total, of which the best known is Aerium.

"We want to create funds which have different criteria and aim at different kinds of investments to diversify on behalf of our clients," Durand said. One current portfolio valued at €450m contains assets resulting from purchase and lease-back of supermarkets originally belonging to Carrefour in Poland, the Czech Republic, Turkey and Slovakia. In some cases Carrefour has withdrawn as operator and the space taken over by the Tesco UK grocery chain.

In financing, LDV works with Wuerttemburger Hypo Finance, the French representative of the mortgage bank unit of Germany's Hypo Real Estate, and develops strategies involving equity, mezzanine, joint-venture and securitisation. It also identifies foreign capital partners and advises on and manages the formation of private and publicly-traded property funds.

LDV's REM finance unit establishes property funds for private institutional clients and also undertakes structured financings. Its asset management unit acts as a partner for European and US-based property funds. The Keter subsidiary is in property management and lease administration, while Gyration handles acquisition-development leasing and management of domestic and foreign assets. pfe

US property firms seen obliged to go global, search for opportunity in Europe

The increasing globalisation of the real estate industry is no different from that experienced by industrial companies over the last few years, and US property firms are virtually obliged to go global and search for opportunity in Europe, says one New York-based investor.

Alfio Lanuto, speaking earlier this month on his first-ever stand at a MIPIM conference, told PFE he is bringing the activities of his LLC company into Europe in a search for yield, and the chance to exploit skills learned in the fast-moving US market. "Our strength is our ability to respond quickly to investment opportunities, whether it means going for higher yield in the equity portion of a transaction or whether it also entails arranging and bringing in the financing," he said.

The closely-held Lanuto LLC is active in commercial real estate, generating value through investment and finance, development, brokerage and advisory. It looks for opportunity across the broad spectrum, including retail, office, mixed use and residential, as well as speciality areas such as hospitality and hotel, public sector advisory land use and redevelopment. The decision to expand outside the US was made within the last year.

"It's about yield-driven capital," Lanuto said. "Profit is the return to risk; we are looking for higher-yielding transactions. They don't have to be construction projects, these can be existing buildings where you might put in capital to improve the quality, raise rents and therefore returns, and sell it again." He introduces local managers if operation of the project over the longer term is needed.

"Every business sector is now global. Even though real estate is considered local, interest in Europe or the middle east is a function of the globalisation of the business now. One can't say

With 21,000 participants, well up on last year's 17,600, MIPIM in Cannes earlier this month fully lived up to its billing as Europe's premier real estate fair. For three full days, regions showed off their wares, while investors, realtors and intermediaries made new contacts, and generated business ideas.

I'm in the North American market and I'm not in this one. If you are in the real estate business you are in the global market whether you like it or not. Just as in other industries, real estate is now having to adjust." pfe

Commerzbank's CeGeREAL subsidiary prices REIT IPO for Euronext listing

Commerzbank's CGI subsidiary priced the initial public offering for its CeGeREAL unit at an indicative price range between €31.80 and €36.96 per share, and is seeking some €132m with the sale of 3.8m shares, or 28.7% of outstanding equity capital. This issue is scheduled to close today for the French public, and tomorrow for institutional subscription.

CeGeREAL announced the IPO earlier this month for listing on Paris' Euronext stock market. It marks the first attempt by a German institution to launch a Real Estate Investment Trust (REIT) overall, and to do it by entering another jurisdiction. While France in 2003 introduced REITs (Sociétés d'Investissements Immobiliers Cotées, SIICs), Berlin continues to drag its feet on legislation allowing G-REITs. Despite the announcement of British REIT legislation in the UK Budget speech last week, Berlin has yet to make clear precise plans, or a timetable.

CeGeREAL specialises in property acquisition and management, and it main tenants are major national and international corporations. Its assets consist of three properties in the inner suburbs of Paris, with an total value estimated by CB Richard Ellis at €855m. Its stated mission is to become the premier SIIC specialising 100% in class A assets in the Paris region.

Current German rules prevent the acquisition of further assets for now. However, the company has made clear that it will expand into other assets if and when permitted to do so, either alone or in partnership with other institutional investors.

PFE COMMENT: This is of course a move to watch for many reasons. Will other German or non-French institutions follow suit, impatient with their own government's inability to perceive the advantages of a transparent property capital market vehicle? Will Germany lift the current rules that restrict CeGeReal to the three assets it already owns? How will French authorities react? And those are only the first questions one has! Watch that space.

GMAC commercial sold to consortium of KKR, Five Mile, Goldman Sachs

General Motors last Thursday announced it has sold most of its GMAC commercial real estate unit for $1.5bn in cash. The purchasing consortium of Kohlberg Kravis Roberts, Five Mile Capital Partners and Goldman Sachs Capital Partners also assumed $7.3bn in debt owed to the unit parent, General Motors Acceptance Corp. (GMAC).

The commercial real estate business represents only a small piece of GM's finance arm GMAC. Its residential real estate and auto financing units are much larger profit generators, and a majority stake is expected to fetch more than $10bn. Under the terms of Thursday's deal, the investor group bought 78% of GMAC Commercial Holding, up from the 60% GM agreed to sell last August, Reuters reported.

GMAC Commercial Holding will change its name to Capmark Financial Group Inc., probably in the second quarter of this year. Capmark closed on a $10.75bn loan facility that will provide a solid debt funding base, GM said. All three major credit ratings agencies assigned investment-grade ratings to Capmark after the deal was announced. pfe

Guernsey's Shore Capital sets up firm to invest in Berlin residential property

The Guernsey-based Shore Capital Group is establishing a new company, Puma Brandenburg Limited, which aims to list on the UK's Alternative Investment Market and ultimately invest up to £1bn in German residential real estate, focused heavily on Berlin.

The Tagespiegel newspaper reported that institutional investors have already committed €269m for the equity, and the remainder of investment funds will be financed through debt. Puma Brandenburg was registered initially last month as a closed-end investment company.

Puma Brandenburg said in a release it will use the funds to, "take advantage of the opportunity it sees to create value by investing in German residential real estate, principally apartment blocks which often also have some retail/commercial element." Initial focus will be Berlin but it will consider attractive opportunities throughout Germany. It noted "substantially lower asset prices in Berlin, particularly when compared to other major European cities such as London or Paris, but also lower than many other European cities."

The new company is chaired by Peter Freeman, co-founder of Argent Group plc and until recently non-executive director of Land Securities, Shore Capital Chairman Howard Shore, James Rosenwald, co-founder of Dalton Investments and former adviser to Soros Group funds, Gernot von Grawert-May, formerly member of the regional board for Deutsche Bank's east Germany division, and Helen Green, a partner in chartered accountants Saffery Champness.

The firm's investment committee includes Berlin-based property broker Ernst-Moritz Krossa, and property investor and manager Elisa Tarlow. The principals - including Shore Capital, Rosenwald, Freeman, Tarlow and Krossa - are committed to invest £8.17m in the placing. In a registration document in late February, Shore Capital made the following statement on investment strategy:

"The Directors believe that prices of German residential property have commenced their recovery from recent historic lows and therefore that there will also be capital growth opportunities in the portfolio through active asset management and yield compression. This yield compression may arise from rising rents, a higher market rating of such income streams and/or greater demand from owner occupiers. The level of owner occupation in German is low compared to other European countries and is particularly low in Berlin. Whilst the Company intends to hold properties on an investment basis, it will in some instances investigate opportunities to sell properties in due course in order to realise capital gains, for example through sales of individual apartments to tenants or other potential buyers." pfe

PFE COMMENT: … and George Soros. OK, we are probably wrong in assuming that the eminent US investor has a hand in this. We will investigate – unless someone tells us first! However, since Puma Brandenberg looks like a very clever and timely construction - in all aspects - and since Soros interests seem involved in most every other cleverly thought-out opportunistic property investment in Europe, including apellas already in Berlin residential, then we are ready to fall on our sword if proven incorrect. For those interested in fees, the reg doc says annual management fee will be 0.4% of gross asset value, of which 75% will be retained by Shore Capital.The carried interest for the principals - the promote - is 20% of returns subject to an 8% hurdle.

Spain's Renta Corporacion stock exchange listing values it at €560m

One of Spain's largest real estate companies, the Catalonia-based Renta Corporacion, plans to offer about 33% of its capital early next month, with an initial public offering of 5.2m shares or 23.69% of existing capital, and a subscription offer for a further 2m shares.

The indicated price range is €25.30 per share, giving an initial value to the company of €557m.

UK risk capital firm 3i will sell all its stake in the public offer. The operation has been mainly earmarked for institutional investors, with a split of 20% for domestic and 65% for foreign institutions, while the remaining 15% is intended for retail investors. The company will also build in a green shoe of up to 1.08m shares.

In accounts for 2005, Renta reported net consolidated profit up 63% at €32.5m, and revenues rising by 45% to reach €324m. EBITDA increased by 70% compared to 2004, to reach €54m, and total investments over the course of last year rose to €331m.

Separately, Renta also announced it will acquire the former headquarters of Banco Atlántico in the centre Madrid, the historic building at 48 de la Gran Via. It aims to invest €100m in total and provide more than 10,000 sq.m. of residential space designed by the celebrated architect Rafael de La-Hoz.

Renta focuses on property acquisition, renovation and onsale and has offices in Barcelona, Madrid, Seville, Malaga and Palma de Mallorca, and in Paris and London. It has just opened a representative office in Germany. pfe

Morgan Stanley's Mines de Lucette buys five KanAm buildings around Paris

Mines de Lucette, a listed property group controlled by Morgan Stanley Real Estate, has acquired five Parisian office buildings from Germany's KanAm Grund for €1.11bn.

The sudden sale of the buildings by Kan Am was shrouded in secrecy and came after the fund manager early this year closed two open-ended property funds after a heavy run of withdrawals following a recommendation downgrade by a German agency. The five buildings make up about one-third of Kan Am's French property holdings.

Mines de Lucette said it plans to make other acquisitions before the end of 2007, after which it can no longer benefit from a lower tax regime under its Real Estate Investment Trust status (Société d'Investissements Immobiliers Cotée, SIIC). At the end of last year the group bought three office buildings and a warehouse in the Paris region for €12.5m and a yield of 7.5%.

It said the five properties, totalling 116,500 sq.m. and generating about €59m in rental income, will give it a "critical size" necessary for future high-yield operations. They include two only recently bought by KanAm - the River Plaza in Asnière-sur-Seine and a building on Avenue de Messine in central Paris. The other three are the Scor tower at La Defense, the Crystal Park in Neuilly-sur-Seine and a building in central Paris rue Scribe. pfe

French Eiffel Tower builder Eiffage says stake by Spain's Sacyr is unwelcome

French construction giant Eiffage said a stake build-up by Spanish developer Sacyr Vallehermoso is unwelcome. Sacyr acquired a 10% stake in Eiffage earlier this month, and newspaper reports late last week indicated it had now acquired 15%.

Sacyr Vallehermoso said it wants to develop closer ties with Eiffage, one of France's oldest companies that subsumed the original firm that built the Eiffel Tower, and is aiming at 33%. However, the latter has rejected the move outright.

The PFE Interview: Fredrik Widlund, Mike Bryant, GE Real Estate - Europe

GE Real Estate widens horizons from UK, France, Nordics to south and eastern Europe in opportunity-driven strategy crossing asset classes

One of the biggest players in European property, GE Real Estate is currently expanding from a major presence in the UK, France and Scandinavia into Germany, Italy, Spain and eastern Europe in a strategy driven by opportunities in various asset classes, according to two of the senior business development managers for Europe.

Fredrik Widlund and Mike Bryant told *PFE* in an interview that large property platforms exist already in the UK, France and the Nordic countries, and the company is focusing more resources on opportunities further afield. "The strategy is opportunity driven," Bryant said earlier this month onboard the chartered company cruiser alongside the MIPIM real estate congress in Cannes. A typical transaction for GE would involve buying an undervalued real estate asset of any kind, investing the needed capital, and reselling it to a pension fund, insurance, or similar institution. "We're prepared to take different kinds of risks depending on the market they're in," he said.

Fredrik Widlund: looking for more residential assets in German market

GE Real Estate, a unit of the GE Commercial Finance arm of US giant General Electric, has invested the UK property market since 1986, went into France and the Nordic countries about a decade later, and around the turn of the millennium gradually spread into, respectively, the Iberian peninsular, Germany, central Europe and Italy. With some €7.6bn in net earning assets, it provides equity and debt financing for third parties and acts as a principal financial investor where it identifies opportunities. It has exposure to a cross section of real estate asset classes, including office, residential, retail, healthcare, hotels and mixed use.

The strategy, which is replicated throughout Europe, is to invest opportunistically, whch often means the business focuses on very diverse sectors, depending on variances in property cycles. One distinct difference between the UK and the continent though is that most assets are managed externally. "We think very hard about what we do and how we do it," Bryant says. "The usual approach in Europe is to make the acquisition either ourselves or with a partner, find the local expertise where we acquire the building and get paid a margin for doing this, then earn also on the promote at the exit from the deal."

Of nearly 500 employees in Europe including the UK, the largest GE Real Estate presence is in France, where the company has an office in Paris with over 150 professionals. It has just opened one in Toulouse to service regional investments in the south of the country. GE Real Estate France still feels there are many opportunities despite a rapid decline in commercial yields. "We still see quite a number of opportunities in France," Widlund says. In 2001, it joined forces with Goldman Sachs' Whitehall Fund and CDC IXIS to create the CGW JV and acquire 473 property assets from France Telecom - the largest corporate divestment to date. In November 2003, it took over the fourth largest quoted real estate company Sophia, delisting it a year later. "We took the assets and integrated them into our existing businesses," Widlund says. Most recently, in May 2005, GE Real Estate France acquired the Toulouse-based Foncière Ariane and its asset management subsidiary GAGI from DB Real Estate, Five Mounts Properties – part of the Geneva-based investment arm of the Beny Steinmetz Group - and the private equity fund Highridge Partners.

Mike Bryant: "Prepared to take different kinds of risks depending on the market"

GE Real Estate set up in the Nordic countries in 1995, and has been active mainly in Sweden in various commercial property deals including a €220m portfolio bought in December from the listed property company Fabege and, last September, a small office property investment in Stockholm acquired from an engineering company.

By comparison, GE Real Estate has traditionally been less active in Germany in recent years but, alongside a host of other international institutions, is rapidly upgrading its presence there, and it recently acquired two apartments portfolios.

Paying €190m GE Real Estate in March 2005 purchased the Berlin and Ludwigshafen-based HPE Hausbau Group, a company specialised in residential privatisation, from one of the oldest US investing institutions, the Peabody Funds, managed by O´Connor Capital Partners and JP Morgan Chase. In January of this year GE Real Estate paid €63m for a portfolio of 1400 apartments and commercial units of just under 100,000 sq.m. of space located in Leipzig, Dortmund, Essen, Siegen, Oberhausen and Aachen.

Widlund says the company may look for more residential assets in Germany but is keeping all options open and seeking opportunities in a number of different asset classes. "Let me put it this way: if we find the right opportunities we certainly wouldn't shy away from them," he says.

In Italy GE Real Estate has been investing in retail – most recently a shopping centre in Sicily - and also the huge €1.8bn portfolio of non-performing loans acquired together with ABN Amro and Tecnocasa. In Spain the focus until recently has been on warehouse and shopping-centre assets. Last March though it invested €66m in office assets, and early this year made a small investment in more office and logistics. pfe

"You couldn't say that it is something I want," Eiffage chief executive Jean-Francois Roverato was quoted by AFX news as saying. "We were not informed, nor consulted before they approached 10%," he said. "We are waiting for clarification."

French investor Albert Frere, via his Compagnie Nationale a Portefeuille investment vehicle, plans to increase his own stake in Eiffage. CNP announced it had acquired a 6.1% shareholding.

Eiffage, the result of a merger in 1992 of the Fougerolle and SAE companies, is Europe's sixth largest construction and concessions group with 48,000 employees and a turnover of some €7bn. Its five core activities are construction, concessions (car parks, motorways, infrastructures), road building, electrical contracting, and metallic construction. The predecessor company that built Paris' iconic Eiffel Tower received the ordered from the French government in 1885 and constructed it between 1887 in 1889.

Unsolicited cross-border investment has become politically sensitive in France after the government hastily orchestrated the fusion of energy groups Suez and Gaz de France to avoid a hostile takeover of Suez by the Italian Enel. Sacyr's foray north is the latest in a series of moves by Spanish property companies into France which have included the purchase by Metrovacesa of the REIT/SIIC Gecina, and the purchase of SFL in 2004 by Spain's Colonial.

Sacyr announced separately that it has bought an office tower in Paris' La Defense business district for €600m through its Testa subsidiary. The Tour Adria, with 54,000 sq.m. of office space over 40 floors, is fully leased to the French oil services company Technip. Sacyr bought the building from the open-ended property fund Grundbesitz-Invest, which belongs to DB Real Estate. The German fund bought the tower in April 2003 for about €380m.

The transaction will be carried out by a newly-created unit called Testafrance, which will eventually be floated on the Paris bourse and transformed into a French Real Estate Investment Trust, known as a SIIC. Testa already controls 1.4m sq.m. of rentable surface in Spain and Miami valued at about €3.48bn. pfe

PFE COMMENT: A clearer sign of the times in continental European real estate could barely be made up. Spanish firm A builds equity position in promising French real estate company B - and this one was involved in building Paris most famous Eiffel Tower landmark! Spanish company A also wishes to list subsidiary as a REIT C in France. Troubled Germany open-end fund D hurriedly liquidates prior investment - but gets out at a 72% capital gain, or something over a 20% annual return. All the elements of a major new feature film, and some of them are sounding very familiar.

German Pfandbrief market-makers form association to help communications

In response to the chaos surrounding market-making in Jumbo Pfandbrief issued by Allgemeine Hypotheken Bank Rheinboden (AHBR), German market-makers have formed an association to improve communications between them and with issuers.

The aim is, together with the Association of German Pfandbrief Banks (VDP) to regulate and control the making of markets in issues that encounter problems. Henning Rasche, VDP president and board member of Hypo, told the Handelsblatt newspaper that he wants to set minimum standards to improve liquidity in the market overall.

The market-makers association, ACI Deutschland, groups 16 banks, headed by representatives of Barclay's Capital, Commerzbank, DZ Bank and WestLB. Rache said the new association is very important "because up until now there has been no central spokesman for the market-making community." The formation is also a response to other issues where occasional problems with market liquidity had occurred.

Market-making in AHBR Pfandbrief has been highly erratic since October due to concern over the stability of the mortgage bank after its owner BHW placed it into a trust company prior to sale to the US private equity fund Lone Star.

Because of the huge liquidity and the large issuance – jumbos are by definition issuance of above €1bn – market-making is a key role. Some €674bn Jumbo Pfandbrief are in issuance, of which nearly 55% of issuers are German, nearly 26% Spanish and just under 9% French. Irish, British and Austrian issuance of structured covered bonds is growing. pfe

PFE COMMENT: Near illiquidity in AHBR Pfandbrief has raised considerable concern in the German covered-bond community. The inability to set prices on such paper has reflected poorly on the assertions of the issuers of a legal separation of risk between cover pool and institution. It is particularly important at present since covered bond issuance around Europe is booming, and the VDP is pressing strongly for secondary legislation to be crafted along German lines. Many institutions – for instance in Britain and the Netherlands – have announced huge issuance programs to take advantage of highly efficient financing costs. The market is gradually integrating on a European level, and most jurisdictions are eager to establish a generic standard to boost and maintain attractiveness for wholesale global institutional investment.

EC opens procedure against German savings banks' name monopoly

A challenge by US investor Christopher Flowers in the early part of the decade has now prompted the European Commission to reopen a procedure against Germany to lift the monopoly rights to the name Sparkasse – savings bank – from the banking segment that currently claims it as protected property.

European Internal Market Commissioner Charlie McCreevy is due to reopen a process begun by predecessor Fritz Bolkestein in 2003. "I hope that we will be able to move forward in this matter quite soon," McCreevy told the Handelsblatt newspaper. The EC argument is that Paragraph 40 in the German Banking Law (KWG), anchoring the name monopoly for public sector institutes, contradicts EU capital and establishment freedoms.

Bolkestein allowed the case to lapse due to stiff political opposition, particularly from then-German Finance Minister Hans Eichel. McCreevy said however, "We have thought about this situation for long enough now, and have decided to move forward." He is likely to take the case to the European Court of Justice. pfe

PFE COMMENT: The timing of the case is important since a bidding contest is expected next year for Bank Gesellschaft Berlin which owns the Berliner Sparkasse. The EC will

PROPERTY FINANCE EUROPE - BULLETIN BOARD

DIARY DATES AND UPCOMING IN 2006

March 30, Thursday

The British GRI 2006, London, England.

Pre-eminent leaders of the UK and Irish property markets come together at the British GRI to debate the burning issues and latest trends affecting the real estate industry today. The British GRI is a forum for decision makers. More info:www.globalrealestate.org

April 6-7, Thursday-Friday

The Second Annual European CMBS Conference, London

Information Management Network in conjunction with Clifford Chance LLP. Commercial Mortgage Backed Securities is the fastest-growing asset class in European ABS. The conference is a prime venue for networking with the industry leaders responsible for this growth. More info: www.imn.org

April 19-20, Wednesday-Thursday

Euromoney's inaugural global REITs conference, London

This two-day event covers all aspects of global REIT markets. Topics include: What makes REITs attractive to investors and where should they feature in your portfolio? Why have REITs been so popular in the US? What can the UK market learn from the US experience? Which model will become the industry's vehicle of choice post UK REIT Introduction? Why convert to REIT status? More info: www.euromoneyseminars.com/reits

April 21-23, Friday-Sunday

14th International Real Estate and Investment Fair REFE, Wroclaw, Poland

To examine current themes on investment and property financing, including apartment building for communes, strategies of investment funds, a forum of economic cooperation with regions such as the Persian Gulf, Russia and Siberia, and central and eastern European markets evaluated in the light of the economic situation and opportunities for further investment. More info: www.refe.pl

April 27-28, Thursday-Friday

INREV Annual Conference, Rome, Italy

The 2nd Annual Conference will address key issues on the current state and future evolution of unlisted real estate vehicles in Europe and beyond. The conference program is divided into three main themes: Economy, Capital Markets and Real Estate: current state and prospects, Going Global, and INREV Initiatives. More info: www.inrev.org

April 28, Friday

Paris-London The Perfect Match! Paris, France

One-day seminar of INSEAD Alumni and Cambridge University Land Society in association with HEC Paris. "The two major cities in Europe observe each other with mutual envy and admiration. Founded and fostered in different historical, environmental and architectural contexts, each has developed specific answers to Real Estate challenges upon which the future quality of life depends." Register by 25 April. More info: www.the-perfect-match2006.com

May 8-9, Monday-Tuesday

Deutsche GRI 2006, Frankfurt, Germany

This brings together the leading international players and national decision-makers driving the real estate business in Germany and Austria today. The Deutsche GRI consists of interactive conversations, involving all participants.
More info: www.globalrealestate.org

May 10-11, Wednesday-Thursday

13th Handelsblatt Annual Conference on Real Estate, Berlin

This conference in German language brings together top class speakers and offers numerous panel discussions and is one of the most important meeting points for the real estate industry in Germany. More info (in German): www.immobilien-forum.com

May 10-12, Wednesday-Friday

IPD European Property Investment Conference 2006 and IPD Leisure Property Investment Conference, Lisbon, Portugal.

This will explore the dimensions of the property investment universe: new financial mechanisms and debt instruments, evolving national markets and greater cross-border activity, innovative asset categories and forms of tenure, wider investor base, such as those in private equity, indirect vehicles. More info: www.ipdindex.co.uk

May 11-12, Thursday-Friday

Central European Property & Investment Fair (CEPIF), Warsaw, Poland.

This is the third annual event, and this year is expected to attract up to 3,500 participants active in central and eastern European property. CEPIF is an exhibition plus conference, and topics include public-private partnerships, the CEE commercial property market, the CEE retail market, risks in property acquisition in CEE.
More info: www.cepif.com

have to decide whether BGB can be sold in the open market, complete with savings bank subsidiary. If a buyer from the private sector is allowed, the value of the bank and/or its subsidiary (if separately sold) would considerably increase. The German federal government has said it will stand behind the Sparkasse name monopoly. This implies it is not prepared to rock what would be a very large boat in authorising the entry of private capital into German savings banks - in effect, endorsing the break-up of the age-old 'three-pillar' segregation of savings, cooperative and private banking institutions. Given the delicate balance of power in Chancellor Angela Merkel's grand coalition, and the fierce opposition of the SPD to tampering with the savings banks, this is unlikely to change.

of expertise in the treatment and work-out of distressed debt.

Lennhammer is now tasked with trimming Crown for a listing or alternative financing. "My role is to build shareholder value and underlying value in the company," he says. "We're doing this by complementing the UK activities with strong platforms in the Nordic region and in Germany. There's also more to be done in the UK, perhaps also together with a strong partner. But it's like chicken and egg, Crown has been able to develop the company so far but wants to lay the groundwork to take the business forward for the longer run."

"But there's much, much more to be done in order to prove that what you have said you can also achieve. We should be able to show this financially over the next six, 12 and 18 months." pfe

Crown Northcorp builds cash-flows to open new financing alternatives soon

Mortage specialist Crown Northcorp is aiming to boost cash flow stability in the next 18 months and open up the possibility of listing on Britain's Alternative Investment Market or seeking other financing alternatives for business expansion, says Chairman Stefan Lennhammer.

He told PFE in an interview that the focus for Crown is on mortgage management, asset management, and mortgage origination, concentrating in its European operations at first on the Nordic region, Germany and the UK. "Our aim is to set up three or four stable platforms," Lennhammer said on the sidelines of MIPIM earlier this month.

In recent years Crown has been active in all aspects of mortgage servicing in Europe, becoming one of the first to acquire a rating. It engages in the growing business of master servicing through a joint venture with Fortis Bank in Brussels and last year announced a joint venture with the Bochum-based Westfalen Bank to service sub- and non-performing residential, commercial and corporate debt.

The joint Crown-Westfalen Credit Services, co-managed by Crown Mortgage Management MD Clarence Dixon, initially took on an NPL portfolio of some 3,500 loans, valued at €600m.

Asset management, largely organised from the company's Stockholm office, has around €400m in assets under management. Mortgage origination in Europe is focused around its associate company Rooftop in the UK, held jointly with the investment bank Bear Stearns.

"I think that all this activity will prove that the underlying stability of the company is there and that we can go and seek new money to take it to the next level in the not too distant future, " says Lennhammer, who from 1997 to 2004 headed the European expansion of the Catella Property Group as CEO.

In the Nordic region, Lennhammer sees a shortage of alternative mortgage financing methods and with Catella used sophisticated structured finance techniques to finance a proportion of mortgage funding via listed bonds on the Copenhagen Stock Exchange. "There is not an active mortgage market in Scandinavia and there is a strong need for it," says Lennhammer, who continues to be based in Stockholm.

Group Chief Executive of Crown is Ronald Roark, co-founded the company in the early 1990s. Focused currently on US operations, his experience in the mortgage business goes back to the US S&L collapse in the 1980s and the subsequent work out via the state-backed Resolution Loan Corporation. This, in turn, led to the rapid development of mortgage securitisation and

Lithuania's real estate market white hot in 2005; some apartment prices double

Lithuania's residential real estate market in 2005 experienced the most rapid growth ever in the past few years, with apartments in some cities more than doubling in value, according to data provided by the real estate company InReal.

Average apartment price growth in the biggest cities was 50%, but in some segments prices rose by as much as 120%. Rapidly growing interest for single-family houses meant prices in that segment rose by an average 30%, and in some segments up 70%.

The biggest increase was recorded for home building land plots, where the average price soared by 70%, and for com-

European property associations: INREV Non-listed Funds Association

INREV works on improving information for institutional fund investors, promoting secondary market trading, as interest, membership surges

Alongside their higher-profile listed real estate cousins, European non- or un-listed funds are booming as indirect vehicles to provide institutional exposure to property investment. The Amsterdam-based INREV, launched just under three years ago, has now built a database of 460 funds representing total gross asset value of €300bn, and its chief executive says this is only the beginning.

Lisette van Doorn told PFE on the sidelines of MIPIM earlier this month that collecting information on European property funds was just the first step in building an information source for the INREV membership base of institutional investors, fund managers, advisors, investment banks and academics. "Going forward you notice that just having the information is not enough," she said. "Definitions are different, and interpretations are even more different. That's not a surprise but it's something that still complicates the investment."

INREV, the European Association for Investors in Non-listed Real Estate Vehicles, was incorporated in the Netherlands in September 2002 and launched in May 2003. A not-for-profit association, its 200th corporate member was confirmed the day before van Doorn arrived in Cannes for MIPIM, a rapid rise on the 121 members at the end of 2004. It traces its origins to the general rise of real estate as an asset class. "At the beginning of the new century the equity markets collapsed, so investing institutions began to focus much more on diversification," van Doorn says. "A new sector started to emerge, with managers starting up real estate funds, and pension funds and insurance companies starting to invest indirectly."

They wanted pure real estate exposure for diversification so they tended toward non-listed vehicles rather than investing via the stock market. "It started to develop quite quickly and as it was non-regulated, or at least not regulated in an overall sense so that fund managers invented their own way of working, their own definitions. As a result it was very difficult for investors to oversee the market: Who is offering what? What can I compare with what? I want to invest in southern Europe; who is offering product there? And those issues were the starting point for INREV."

INREV's membership is now global. New members include The Blackstone Group, the DEGI property fund group owned by Germany's Allianz, Delta Lloyd owned by Britain's Aviva life insurer, the German savings bank group HSH Nordbank, the Dutch ING Real Estate Finance, Australia's Macquarie Global Property Advisors, the US Standard Life Investments, Swiss Re and the Finland-based Tapiola General Mutual Insurance Company.

Van Doorn, previously Managing Director Research & Strategy for ING Real Estate Investment Management took the helm at INREV in July 2005. She had previously co-chaired INREV's Research Committee where, in 2004, she led a research project into investment styles. "We do a lot of surveys among our fund managers and investors on topics such as investment intentions, management fee structures, and capital raising" she says. One recent survey showed that liquidity was not a top priority for institutions investing in non-listed real estate vehicles: "Lack of liquidity was only mentioned as fifth or sixth... The main issues were lack of suitable product and lack of transparency, so it would be nice if funds had more liquidity but it's not the key issue. It's more about increasing transparency; allowing investors to judge investments - that they get the information to make the right investment decision and also once they are invested."

In January, INREV launched guidelines and a code of conduct as a framework for secondary market trading in non-listed real estate funds across Europe. The initiative is aimed to go much of the way toward solving the four key challenges in investment in non-listed property vehicles: lack of suitable product, lack of transparency and market information, high costs and limited liquidity. Germany's principal stock exchange, Deutsche Börse, announced last week that it would establish a secondary market for certificates in all investment funds. Hamburg, Berlin and Düsseldorf have seen volumes soar this year, helped by the closure of two large real estate open-end funds.

Lisette van Doorn: "It's about increasing transparency for investors to make the right decision and be able to judge once they are invested."

Turning to the growth of REITs in Europe, van Doorn says the development is unlikely to significantly impact the unlisted sector. "The ones that profit most in the short term from REITs are private individuals and so it won't directly affect the market we are in. If you, consider France; they have now moved to the second stage by offering a REIT-type structure for non listed funds, the OPCIs. That's another option to structure non-listed property vehicles in a tax efficient way, and the whole market can profit from it. In continental Europe, many unlisted funds follow a diversified strategy and a REIT only profits from the tax advantages if it invests where the REIT is listed. For example, the Netherlands has had a REIT-type structure for many years but non-listed funds who invest internationally don't use the REIT structure unless they only invest in the Netherlands."

The trend toward property funds using REITs and other listed firms to increase their liquidity position is growing in continental Europe. "We do see fund of funds but most of these are only investing in other non-listed funds. However, institutional investors more and more use a combination of listed and unlisted. It's not a competition any more, it's complementary. Some use direct investments in their home market because they have the history there, the local expertise and a team. They use unlisted funds internationally to add returns, diversification, higher risk-adjusted returns - and then they use listed real estate vehicles to add liquidity." pfe

This *Property Finance Europe* series looks at national and trans-national associations and the implications of their activities for European property.investment mercial use by 75% - and in some cases even 215%. Commercial premises lease prices, however, changed rather moderately during 2005.

InReal said the situation in the Lithuanian real estate market is for the most part explained by surging general economic and income growth, low interest rates, and the unpopularity of alternative investment instruments. Supply of new homes is not meeting substantially higher demand in a population that is becoming increasingly prosperous.

Market research done by InReal at end-2005 showed that the average dwelling area per capita in Lithuania constitutes only 40% of EU average. Some 51% of those surveyed are not satisfied with their current homes and would move if residential property were available.

However Inreal warned that a crisis in the residential property market cannot be excluded since it also depends on expectations. In case of unfavourable environmental conditions such as a national crisis or in a close economic partner country caused by the geopolitical and global economic turbulence, prices may collapse.

The announced euro introduction and related inflation expectations means that the dynamics of housing price growth in 2006 remain unpredictable. In normal conditions, the forecasted macroeconomic indices and the extent of new construction projects would indicate average housing price growth of 10-15%. New growth records are unlikely after soaring prices for the last three years. Amild and probably temporary price correction is possible.

The market for commercial real estate has, by contrast, remained rather stable, and price variations have been negligible in recent years, Inreal said. For 2006, gradual price growth is likely and rental rates should remain more or less stable provided that supply does not stick. pfe

Deutsche Wohnen makes first step in deconsolidation from Deutsche Bank

One of Germany's largest listed property companies, the Mainz-based Deutsche Wohnen AG that acquires and manages residential portfolios, has won a crucial first vote in a move to unravel ties with the Deutsche Bank group that it sees as constraining its ability to expand and develop. Shares have soared in anticipation of the success of the move.

An extraordinary general meeting of DW shareholders last week voted 99% in favour of cancelling a control agreement with Deutsche Bank Real Estate that dates from 1999, the company said. Now the cancellation needs the agreement of DBRE, and the latter has said it will approve if at least 90% of registered shares are tendered into bearer shares by 7 April this year.

The cancellation of the control agreement is a precondition for deconsolidating from the Deutsche Bank group. Deutsche Wohnen said this is necessary to improve its positioning on the German residential market and to increase Net Asset Value by acquisition of further portfolios. It considers the German housing market as provides good opportunities.

The ties result from the flotation by DBRE six years ago of residential real estate portfolios of the former Hoechst AG and Heimstaette Rheinland-Pfalz, a non-profit housing society. At the time, DBRE offered every single shareholder a put option against DBRE in 2009, ensuring an annual dividend yield of 4.5% based on the IPO price of €140 per share. In return, DB retained a control agreement that constrains management from growing via acquisition since this would boost the risk profile and Deutsche's risk-weighted assets and capital requirements.

Deutsche Wohnen reported 2005 group earnings from ordinary activities up 12% to €23.9m and group net income rising a much stronger 70% to €21.3m. Its current portfolio consists of nearly 21,000 apartments. DW shares were last trading at €260. DW said it would publish on 13 April the result of whether the stipulated share conversion quota has been achieved. pfe

Aareal Bank sells third NPL package; €345m portfolio goes to Shinsei

Aareal Bank has sold its third non-performing loan portfolio with a nominal value of some €345m to Shinsei Bank. The parties agreed not to disclose the terms of the sale, but said the consideration is in the three-digit million euro range.

Aareal said the move means it has cut its NPL portfolio to approximately €1.8bn now, and the transaction will not burden net income. The portfolio sale was structured as a "true sale", in which the bank sold loan receivables where the loan agreements had already been terminated to the investor, together with the associated collateral.

With this type of disposal, no residual risk exposure remains with the bank. Shinsei is buying around 1,800 loans relating to 1,000 properties, of which 90% are residential and the other

10% are commercial real estate loans, exclusively in Germany.

This third portfolio sale is scheduled to close by the end of April. Aareal said it will pursue the reduction of its NPL portfolios during the remainder of the year. pfe

Table: Development of shopping mall space

By end-2007, and % growth from June 2006

Rank	Country	1000 sq.m.	% gth
1	Russia	1858	79
2	Great Britain	1762	13
3	Italy	1591	19
4	Spain	1290	15
5	France	1242	9
6	Poland	1137	27
7	Netherlands	862	16
8	Germany	848	7
9	Turkey	555	26
10	Portugal	548	27
11	Ireland	481	58
12	Austria	398	18
13	Romania	333	98
14	Czech Republic	306	23
15	Sweden	293	10
16	Slovakia	250	48
17	Lithuania	248	93
18	Switzerland	231	19
19	Greece	220	52
20	Ukraine	156	99
21	Croatia	155	93
22	Bulgaria	155	-*
23	Hungary	142	16
24	Latvia	121	42
25	Finland	108	9
26	Slovenia	63	26
27	Denmark	54	4
28	Estonia	33	13
29	Belgium	32	3
30	Malta	25	119
31	Norway	20	1
32	Serbia	18	64
33	Bosnia-Herzegovina	0	0
34	Luxembourg	0	0
	Total	**15.535**	
	Total 2006	8.320	
	Total 2007	7.215	

**** Bulgaria has no new shopping malls planned***

Source: Cushman & Wakefield, March 2006

Sonae Sierra boosts 2005 net by 80% to €148m, continues international expansion

Sonae Sierra, the international shopping centre specialist based in Portugal, increased 2005 consolidated attributable net profit by 80% to €148m, with EBITDA up by 17% to €126m and direct net profit rising to €69m.

The Net Asset Value (NAV) of the company's properties increased to €1.26bn last year, 19% up on 2004.

In 2005 Sonae Sierra said it showed strong growth in all financial indicators. It has steadily implemented the strategy of expanding its international businesses while protecting a leading position in Portugal. With shareholdings in eight shopping centres and last year opening four new centres in Europe, it is now present in Portugal, Spain, Italy, Greece and Brasil. It has stakes in a total gross leased area under management of 2m sq.m.

"2005 was a very exciting year for us," CEO Alvaro Portela said in an internal company interview. "It began with the launch of the new Sonae Sierra identity and ended with us not only consolidating our position in Southern European markets, specifically in Greece and in Italy, but also looking forward to the inauguration of three more centres – two in Portugal and one in Brasil – during the coming year."

For now, the group aims to develop in the markets already entered. "While we remain focused on the countries we currently operate in .. we are aware of the opportunities opening up elsewhere," Portela said. "We are open to new opportunities, mainly in the countries of the newly-enlarged European Union. While we do expect to expand our territorial scope, we will only do so when the circumstances are right for us and for our investors."

Sonae Sierra is owned by the Portugues holding company Sonae SGPS and the Paris-based Grosvenor. The latter raised its stake to 50% late last year by the acquisition of a further 17.04% from SGPS to balance the two stakes out. pfe

Conwert Immobilien starts capital increase of up to €291m

Austria's conwert Immobilien Invest is obtaining additional equity of €291m to continue the expansion of its property portfolio, and will seek these at home as well as in Germany, the Czech Republic and other European markets.

As a listed company on the Vienna Stock Exchange, Conwert focuses on high value residential properties with development potential. It is offering up to 19.5m new shares at a price of €14.90 for period ending on 5 April. If all of the shares are issued, conwert's registered equity capital increases to €587m.

Trading in the new shares is expected to commence on 11 April, 2006. The joint lead managers and joint bookrunners for the capital increase are Bank Austria Creditanstalt AG and Wiener Privatbank Immobilieninvest AG. pfe

Swedish Akelius starts program of acquisition in Berlin residential property

The Swedish real estate company Akelius Fastigheter AB bought 402 privately-owned residential properties in Berlin-Reinickendorf, but no price has been disclosed.

With 25,000 units already in its portfolio, Akelius Fastigheter is the biggest private Swedish housing company. Over the coming years, it said it plans to strenghten its portfolio by acquiring up to 10,000 residential units in Germany. pfe

Spanish 2005 mortgage volumes hit record, up 27% at €739bn

Spanish mortgage issuance broke all records for the second month in a row in December, taking the total issued in all of 2005 to €739bn of home loans issued, a rise of 27% over 2004, according to the Spanish Mortgage Association (Asociación Hipotecaria Española, AHE). In December alone, banks lent €19bn.

Savings banks continued to be the largest providers of mortgages in the market, taking over 50% share with €388bn issued last year, a rise of 34% on 2004. pfe

CMBS in Europe still immature, non-transparent - Barclays Capital study

The European commercial mortgage-backed securities market is still in an early stage of development with no standard deal type or uniform legal structure, and despite a doubling of issuance in 2005 the market's immaturity and its non-transparent nature offers investors attractive spreads compared to other ABS sectors.

This is the main conclusion in a new guide to the European CMBS market launched by Barclays Capital earlier this month. "Investors should rely on both quantitative and qualitative multilevel credit analyses," said Hans Vrensen, Securitised Research director and author of the guide. "This is still needed for European CMBS deals due to their complexity and lack of uniformity."

The delinquency, loss and rating migration performance of European CMBS has been stronger than expected in the last five years. In addition, more standardisation via increased repeat issuance from CMBS conduits such and improvements in secondary market liquidity is expected soon.

"We believe that entry into the sector now should still allow investors to benefit from the current illiquidity premium and attractive relative spread. But as the sector is expected to mature and become more transparent, returns might not be as attractive in the future."

Barclays Capital was the number three conduit issuer in 2005 with its ECLIPSE program alone, and also arranged transactions for the Business Mortgage Finance platform, the BBC, Toys ,r Us and the Italian government. CMBS market saw €41bn in issuance from 63 different transactions, of which 59% came from conduit programs. pfe

Cushman & Wakefield sees strongest climb in Euro retail space since 1960

The increase in the shopping centre space in Europe this year and next will constitute the strongest climb in retail space on the continent since 1960, with 8.3m sq.m. being added this year alone, led by Russia.

Cushman & Wakefield, which has just shortened its corporate name by dropping the Healey & Baker, said in a report this year's volume will rise 9% from the space built in 2004. Mall space planned for construction next year already totals 7.2m sq.m. In Russia alone, a massive 1.8m sq.m. of shopping centre space is due to come onto the market between June 2005 by end-2006.

"But we don't see high growth only in the peripheral countries of Europe, but also in the more established retail markets in Europe," C&W researcher Inga Schwarz commented in a presentation at MIPIM. "These new schemes not only improve the quality of retail space but also provide a greater choice for retailers and consumers." pfe

US REIT W.P. Carey acquires €170m OBI sale-and-leaseback portfolio in Poland

The international affiliate of NYSE-listed US REIT W. P. Carey & Co. is paying around €170m to acquire a sale-and-leaseback portfolio of 18 facilities from OBI AG, the fourth largest home improvement retailer in the world, based near Hamburg.

The transaction, expected to close on 30 March, includes 15 existing retail stores including OBI's Polish headquarters in Warsaw, two stores under construction and one build-to-suit retail site. OBI operates stores in Austria, Bosnia-Herzegovina, the Czech Republic, Germany, Hungary, Italy, Poland, Russia, Slovenia, and Switzerland, and plans to use these funds to further expand its footprint throughout central and eastern Europe.

The transaction represents W. P. Carey's continuing growth into Europe on behalf of its managed Corporate Property Associates series of income generating real estate investment funds. The group said it is growing its portfolio of managed properties throughout Europe and Asia, and now owns more than 4.8m sq.m. of property outside the US. Other recent European transactions include Carrefour in France, Hellweg Die Profi-Baumärkte in Germany, and John Nurminen Oy in Finland.

OBI CEO Sergio Giroldi said in a release the do-it-yourself franchising group aims to grow operations throughout the CEE and has reviewed several corporate financing options. "We chose the sale-leaseback alternative with W. P. Carey because it made the most sense for our business strategy and will allow us to concentrate on our core competencies rather than our real estate," he added. pfe

Gecina acquires 28 healthcare centres from Generale de Sante for €536m

The French REIT Gecina announced it has reached an agreement to acquire 28 healthcare sites for E536m from Generale de Sante.

Gecina said it would spend E30m in renovations of the sites through June 2006 and would sign closed leasing agreements for 10-14 years, generating E32.4m and a yield of 6.04%. The centres are specialized in medicine, surgery and obstetrics, rehabilitation and psychiatry,

"For Generale de Sante, this transaction is fully in line with its real estate strategy announced in March 2005, which aims to sell off part of its property holding while maintaining control over the operational management of its healthcare centres," the companies said in a statement.

"For Gecina, this investment represents a strategic diversification…Thanks to this major transaction, Gecina is set to become a pivotal player in the healthcare real estate market," the statement said.

Gecina is France's largest private listed rental real estate firm with property holdings worth nearly E9 bn while Generale de Sante is a private hospital leader in France with about a 15% market share. It also has operations in Italy.

Separately, Gecina has also acquired a building with 29,500 sq.m. of office space in the Paris suburb of Montreuil from Carlyle Europe Real Estate Partners for E130m. pfe

ProLogis to build major new industrial park outside Paris, near airport

US REIT ProLogis has announced plans to invest some US$100m to build a major new industrial park next to Charles de Gaulle Airport outside Paris.

The new park will comprise five distribution centres and nearly 177,000 sq.m. of industrial space. Located in Vemars, 30 km northeast of Paris and 4 km north of Roissy/ Charles de Gaulle airport, construction of the first three buildings is expected to begin in the first half of 2007.

ProLogis Managing Director Ranald Hahn said in a release the site will offer important strategic advantages both for ProLogis and its growing base of customers in northern France. The area around Charles de Gaulle airport is currently experiencing significant public investment, with construction of a new mega airport terminal under way and a light-rail system and science park planned for the future.

ProLogis already operates a large industrial distribution complex comprising almost 350,000 sq.m. about 17 km further south in Garonor. The property, which serves some 230 companies, offers 500 metres of frontage along France's A1 motorway, the primary transit artery and freight route between Paris and the northern region of the country. pfe

German construction expected to falter as home building permits drop sharply

The decline in the number of homes being built in Germany will have a negative impact on the entire sector in 2006 after building permits for new homes dropped again by over 10% in 2005, according to the industry association ZDB.

Last year's housing permits totalled just over 24,000, down from 27,000 in 2004, according to figures from the Federal Statistics Office.

ZDB Managing Director Karl Robl said the continued decline is proof of the uncertainties facing private residential investors following the laborious discussions surrounding the abolition of the home ownership subsidy. Since residential construction accounts for more than 50% of all building investment, the drop in home permits will have a strong negative impact on the overall construction industry. The association is calling for the inclusion of owner-occupied property in subsidised private pension schemes to halt the further decline.

In contrast to the housing sector, the number of building permits for non-residential construction in Germany remained more or less unchanged at 164.4m sq.m. compared with 165.3m in 2004. Industry specialists remain doubtful however that all will actually be converted into genuine building contracts. pfe

UK's Evans Randall to invest €1bn in prime office property on the continent

London-based private investment bank Evans Randall has announced plans to invest €1bn in prime office properties throughout continental Europe over the next year.

The company is targeting large commercial assets occupied by tenants with strong covenants on leases with fixed or index-linked rental uplifts. It is focusing on buildings worth €100m - €500m across Europe, particularly in Germany, the Netherlands, Spain, France and Belgium. Evans Randall started the process by recently acquiring ING Bank's landmark office building in The Hague for €203m from the KanAm Grund property fund.

Chairman Michael Evans told the Immobilien Zeitung newspaper that he is hoping to buy property in Germany worth at least €200m over the next year from open-end property funds, leasing or other companies.

Evans Randall is backed by high net worth private investors and corporate clients, and last year invested more than £1bn in Great Britain. pfe

Germany's IVG takes accounting profit up to €80m with more asset sales

The Bonn-based IVG Immobilien this month sold real estate assets in Brussels and Stockholm for €250m and, in the context of a fast implementation of the sales program announced in January, said it has already generated an accounting profit of €80m this year.

In a release, the exchange-listed IVG announced the sale to the European Union of the completely modernised and expanded 33-storey office tower Madou Plaza in Brussels. It also sold several commercial and residential properties, amounting to 12,500 sq.m. of lease space on the shopping street Louise Village. In Stockholm, IVG sold a 81,000 sq.m. complex to an institutional investor. Earlier this year IVG sold off five properties in Budapest for €100m.

The 40,000 sq.m. Madou Plaza was recognised in Cannes with a MIPIM Award, the Oscar of the real estate industry. IVG Immobilien owns or manages over €16bn and is active in portfolio management, project development and funds. Its investments concentrate on office and logistics real estate in Europe‘s key cities and growth centres. pfe

Allianz's DEGI buys first property in Poland, Warsaw's Metropolitan building

Investment management company DEGI, a unit of the German insurance giant Allianz, has purchased its first ever property in Poland, investing €178m in an office complex in Warsaw for its open-end fund DEGI International.

The Metropolitan office building it acquired has 33,589 sq.m. of office space and 3,441 sq.m. of retail premises over seven floors. Three-quarters of the building are currently let to principal tenants BNP Paribas, DOM Development, DZ Bank and HSBC.

DEGI managing director Malcolm R. Morgan said the timing is favourable because the Polish market is gaining in maturity, and the first rental increases should re-appear in 2007.

Following this deal and its recent purchase of an office complex in Luxembourg, DEGI International now owns properties in nine different countries, eight EU member states and South Korea. The Metropolitan building was designed by Sir Norman Foster, developed by Hines and is a past winner of a MIPIM award in the category Business Centre. pfe

Sweden's NCC in sale and leaseback to HSH on €54m of Berlin properties

Swedish property company NCC has concluded a sale and leaseback agreement valued at some SEK500m (nearly €54m) selling properties in the Sonnengarten area, just outside Berlin to the AGV leasing arm of the German savings bank group HSH Nordbank.

Leases on the properties run for 18 years and NCC will be responsible for the operation and upkeep of the area. The agreement includes a buyback option, whereby NCC will be entitled to repurchase the entire portfolio on predetermined terms and conditions after 10, 11 or 13 years. NCC will also have the right to repurchase the portfolio at the prevailing market value when the lease expires.

Sonnengarten is a well-established residential area to the north of Berlin consisting of about 30,000 sq.m.of residential and 800 sq.m. of commercial premises spread over 23 properties. It includes 362 residential units and 13 commercial premises located in a green environment, plus underground car parking. pfe

Lower yields but higher rents, prices seen in Paris office market

Yields across all of the French investment property market are expected to continue downwards this year while rents are expected to rise slightly, according to an annual survey of about 100 foreign and local investors made by the Paris region.

About 40% of respondents think yields will drop between 10 and 50 basis points this year while most expect rents for office space to rise by about 3%. Yields should stabilise in 2007. Investors are however divided on the outlook of the Paris office market this year with about half anticipating a more active market while the other half of investors are expecting the number of transactions to remain flat compared to 2005, a record year in terms of investment.

Investors think prices, especially in the retail market, will rise even though all sectors of the Paris market are overvalued. A typical investor plans to increase exposure by €100m this year and sell €29m worth of assets, most of it in the Paris region. In terms of strategy, the typical investor plans to deal mostly in office space, acquire less retail space and more residential and logistics assets.

Against the backdrop of rising prices and falling yields, investors are prepared to take more risks by buying property in need of renovation or outside Paris, even though the main attraction of the Paris region is market liquidity and diversity of the rental market. They are also willing to assume greater debt. The survey also highlighted the importance of market transparency for the first time. pfe

Swiss construction industry expects growth after 5% expansion last year

The Swiss construction industry should continue growing this year after recording a 5% increase last year compared to 2004, and 2006 continues to look promising, according to the building industry organisation Société Suisse des Entrepreneurs.

."The year 2006 promises to be good in light of 2005 orders and work underway at the end of 2005," it said in a release. The construction expansion last year came mostly in the building sector, which grew 8%, while civil engineering investment remained almost flat.

Overall, revenue from Swiss construction reached Sfr15.8bn last year. The housing industry is expected to experience the highest rate of growth this year, especially in the Geneva area, where residential vacancy rates are the lowest in the country. pfe

Zurich retail space third most expensive in Europe - survey

A new study ranks Zurich as the most expensive Swiss city for retail space rentals and the third costliest in Europe, with prices as high as €4,500 per sq.m.

A report by Local Services Zurich says, "Only in London and Paris is retail space more expensive than in the city of Zurich, the city with the highest purchasing power worldwide, the highest standard of living as well as the highest per capita income in the world."

The prime location of Bahnhofstrasse, which is located near the railway station and the home to the headquarters of the major Swiss banks, boasts a pharmacy with the highest turnover of any in Europe. pfe

Hamburg will need 35,000 additional apartments by 2020 - survey

If residential construction in the Hamburg region of Germany continues its decline of the last decade, the city will be short of some 35,000 apartments by 2020, according to a recent survey by research institute Gewos.

The survey, commissioned by two residential associations in the region, showed that new residential construction in the greater metropolitan area of Hamburg declined to only 15,000 units in 2004 from 26,400 in 1996. Apartments built for rental were the hardest hit, dropping to just 2,300 in 2004 from 10,000 in 1996. In Hamburg itself, the number of new apartments being built fell by more than half, to 3,500 units from 7,350 in 1996.

Gewos predictions are based on the assumption that new construction remains at its present level and that the population in the area increases by some 90,000 by 2020 from the current 4.5m. pfe

Offenbach sells stake in its housing company to Hesse state

The city of Offenbach has announced plans to sell its 2.3% stake in the residential property company Nassauische Heimstätte to its home state of Hesse, for €3.8m.

Hesse already holds a majority stake in the company, which owns some 3,000 apartments in Offenbach, and nearly 44,000 in total throughout the state. The state is said to be considering an move to auction off the housing company to private investors. The stake transfer is considered by many specialists to be in preparation for that event. pfe

Savills announces tie-up with Turkish property advisor Kuzey Bati

UK listed property advisor Savills said has acquired a strong foothold in the Turkish commercial and residential property markets by forming an association with Istanbul-based Kuzey Bati, one of Turkey's top six property advisors.

The move is a direct response to the growing demand from the international investment community for Turkish property, according to Jeremy Helsby, chairman of Savills Commercial. With a population of over 70m and a stabilising economy, Turkey offers some of the most exciting property opportunities in the Mediterranean region, he said in a release.

Kuzey Bati handles investment, valuation and leasing across Turkey and the eastern Mediterranean. It is the only international real estate service company in Istanbul to provide a property management service in addition to investment and agency services in all sectors. Its clients include CGI, DIFA, Pepsi and KPMG.

Murat Ergin, managing director of Kuzey Bati, sees the association with a leading international property adviser as a natural step against the backdrop of negotiations for Turkey to join the EU, as it opens up a large area of Europe to the company and boosts the potential for more foreign investments and cross-border deals. pfe

Aareal posts €55m net loss for 2005 but turns in fourth quarter profit

The Wiesbaden-based real estate financial institutution Aareal Bank reported a 2005 group net loss after minority interests of €55m but in the fourth quarter earned €20m, turning round a €15m loss for the same period in 2004.

Write-downs on claims and provisioning requirements in its 2005 balance sheet of €273m impacted significantly on the results, but it said it expects risk costs to return to a normal level from the 2006 financial year onwards.

Chairman Wolf Schumacher, brought in last year from DG HYP to clean up Aareal's balance sheet and restore profitability, set the bank on a strategic realignment in April 2005 based around a six-point program. This, the bank said, was a significant factor in the course of business last year.

"The results reflect our clearly-defined profit target for 2006: we will restore the bank's ability to pay dividends," Schumacher commented. "With the continued expansion of our core strengths, we are well-positioned for a sustained improvement in results."

Aareal cut its portfolio of non-performing loans to €2.1bn in 2005 through two portfolio sales combined with additional disposals of individual exposures. The sale of the due diligence and servicing units Aareal Hypotheken Vermittlung and Aareal Hypotheken Management, plus the closure of the London proprietary finance operation Via Capital marked the first achievements in reducing the complexity within the group, it said.

New business grew in the fourth quarter rose by 25%, to €7.1bn, with international new business up 31%, to €6.1bn, and new business in Germany was fully in line with projections, it said in a release. International business accounted for around 85% of total new loan commitments. The core capital ratio measured according to BIS rules rose to 7.2% from 6.9% in 4Q04, with the total capital ratio increasing to 12.6% from 12.2%.

The mortgage bank subsidiary Aareal Hyp was merged into its parent with effect from 1 January 2006. "This measure will considerably expand the scope of Aareal Bank AG's funding mix, making full use of the opportunities available under the new German Pfandbrief Act which came into force in the summer of 2005," the bank said.

Aareal's medium-term objective is to increase the share of mortgage bonds in its overall property financing to between 40% and 60% from the current 10%. Having successfully placed its first Jumbo Pfandbrief at the beginning of 2006, it plans to establish its presence as a regular issuer of Jumbo mortgage bonds.

Aareal last year opened a representative office in Turkey and has made initial loan commitments in other markets such as China and Mexico. "In the future we will segment our target markets by economic region rather than on the basis of political borders," Schumacher said. As a first step, it will join its forces in Scandinavia and the Baltic States to form a 'Nordic hub'. pfe

German institutions still the largest investors in their own market

German investors last year remained the largest purchasers of domestic property, increasing their exposure by €41bn, according to the Federal Association of Investment and Asset Management, BVI.

Some 37% of total investment in German property was attributed to domestic investing institutions, with 30% going to UK-based institutions and 20% to those based in the US.

Open-end German property funds sold 63 properties in the country last year, and purchased 25. Internationally, they acquired 98 separate investments with a market value of €6.7bn, and sold 51 non-German properties worth €4.4bn. At the end of December, the German open real estate funds owned 1,688 properties in total, with a value of €81.7bn. This has however fallen rapidly in the first months of 2006, as many have sought liquidity to satisfy a record high flow of certification redemptions. pfe

Dubai passes legislation governing property ownership in the Emirate

The Dubai government has passed a law introducing a legislative framework for freehold property ownership in the country, and making provision for foreigners to own property in specifically designated areas.

The Real Estate Register Law confirms the rights of UAE and Golf Cooperation Council (GCC) nationals to own residential, commercial or office property or land anywhere in Dubai. Pre-designated „Real Estate Areas“ offering the same rights to foreigners will be defined by the Dubai government. All property ownership will be recorded in the new land register, which the government hopes will boost investor confidence.

According to Dubai Invest, which is launching a closed-end residential property fund, the legislation offers investors the same security as in western Europe and will lead to an increase in property prices in the Emirate. pfe

Italy's listed Risanamento sells Milan buildable lot for €145m to consortium

Italy's listed Risanamento SPA has sold a building lot comprising 153,000 sq.m. as part of the Santa Giulia project in Milan for a price of €145m in execution of a preliminary contract with the Le Residenze del Parco di S. Giulia Consortium.

The consortium, which comprises 24 cooperative banks, is investing in the project which is a prestigious development to be built in the north-western area of Milan Santa Giulia and includes a diversified range of properties.

Risanamento has already started the retail sale of the units and about 200 apartments out of 650 have been booked by private individuals.

This development will include modern features from a structural, architectural and functional point of view. The core of the new district will be a large park of about 350,000 sq.m.

The whole Milan Santa Giulia covers a surface of 1,200,000 sq.m. and is located in a strategic area of South-Eastern Milan which is well connected to the road systems, linking the city with its surroundings. Milan Santa Giulia will also become a new station of the Passante Ferroviara underground railway line. pfe

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Cushman & Wakefield has announced that **John Travers**, CEO of Europe, Middle East and Africa, will retire from the firm at the end of this year. His successor in January 2007 will be **Paul Bacon**, currently deputy senior partner… **Gecina** is reorganising its strategic development team which will be headed by **Meka Brunel**. **Eric Saint Martin** will be in charge of property development, **Renaud des Portes de la Fosse** was named director of investor relations, strategic marketing and reporting, **Herve Rugo** will head hotel asset management and **Jean-Paul Deheeger** will be director of logistics... **Thierry Renault**, deputy managing director of **Reed MIDEM**, has been appointed honorary member of the **Royal Institution of Chartered Surveyors** by RICS President **Steve Williams**... **Citycon** has elected **Thomas Wernink** as chairman and **Tuomo Lähdesmäki** as deputy chairman of its board of directors… **Peter Harrison**, former **Deutsche Asset Management** Global CIO, has replaced **Mark Hadsley-Chaplin** as CEO of **MPC Investors**… **Reinier van Gerrevink** has been appointed interim CEO of **VastNed Offices** / Industrial‘s Belgian subsidiary **Intervest Offices** following the resignation of **Gert Cowé**… **Inge Tas** will become CFO of Intervest Offices with effect from 1 April… **Jean-Yves Nicol** was named managing director at **Aberdeen** and will oversee investments in France... **Jacob Volckerts** has been promoted to head of investment advisory services at **CB Richard Ellis** in Germany. He replaces **Guido Piñol** who has been appointed managing director of commercial investments at **Fortress**… **Yvan Gril** was named director of contracts at **GE Real Estate France**... Greece's **LAMDA Development** announced that **Antonios Kaffas** has resigned as CFO and **Odisseas Athanassiou** has been appointed as his successor... Independent German rating agency **Scope** has appointed **Claudia Vogl-Mühlhaus** to its board of management responsible for corporate communications… **Jean-Jacques Grados** was named development director at CVL... **Ariane Graf-Hertling** has been promoted to head of the project management department of **Vivico‘s** Berlin office… **Christian Rischke** has been appointed deputy head of the investment department of Savills‘s Berlin team to replace **Steven Rein**, who is joining Asian private equity property fund **Creed**… **Jean-Fabrice Mathieu** was named director general of **SeLoger-ImmoStreet**... **Sven Lemiss** has been appointed managing director of **BIM Berliner Immobilienmanagement** to replace **Klaus Teichert** who became state secretary in Berlin‘s finance administration at the beginning of the year… **Eric Guillemin** and **Eric Mazoyer** were both made deputy director general at **Bouygues Immobilier... Klaus Niewöhner-Pape** has left the HPE Group to join the board of **Degussa** subsidiary Industria Bau- und Vermietungsgesellschaft in Frankfurt... **Klaus-W. Dremel** has become managing director of the Berlin office of **IFMA**, the international facility management association… **France Jazany** will join **Foncière des Régions** as director of the **Bail Investissement** property portfolio... **Francois Blancard** was named director general of **Credit Foncier**'s development department... **Pierre Peberay** will become director of large accounts at **Atisreal Auguste-Thouard's Habitat Foncier** arm... **Eric Costa** was named property director for the group **Galeries Lafayette**. **Stewart Darman** and **Ergün Yildirim** have joined **DTZ** in Düsseldorf as consultants. **Yildirim** was previously advisor to **Aufina** and **Darman** has arrived from **Catella Eureal.** pfe

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