

LANDWRITERS

Wilanów Mix Takes the Long View

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At a time when interest in Polish real estate has never been stronger, the temptation to build fast is compelling. But in Wilanów, the development process has been carefully engineered to promote more organic growth.

EVERY LARGE-SCALE, MIXED-USE development needs something to distinguish it as a visitor destination, but only Wilanów on the southern outskirts of Warsaw can claim to have the Catholic Church as one of its main attractions.

A vast temple, designed to be one of the largest Catholic churches in Poland, is taking shape on the site. Architecturally, it is also regarded as one of the most important projects in the country, but soon it will raise other issues. "People are worried about visitors," says Guy Perry, the French-American architect and master planner behind Miasteczek Wilanów—Wilanów New Town. "As many as 2 million pilgrims are expected a year. I said, 'Hey, that's just part of the city.'"

Eight years from now, 20,000 people are expected to be living in Wilanów (below and facing). Residences, shops, schools, and two technology parks are part of the mix, according to architect Guy Perry (right).

Perry confesses that he is not particularly religious, but he is nevertheless grateful that the temple sits in the centre of the town. Having the church as part of the development team lent some credibility to the project when it came to securing building permits.

In real estate circles, however, Wilanów is making its mark as one of the largest cen-



trally planned new towns in Europe. "No one believed it could happen. Now it's happening extremely quickly. We'll have 1,500 residents by the end of the year," says Perry. In just eight years' time, he expects that 20,000 people will live there.

Towards the west, half a dozen gleaming white apartment blocks fill the skyline, and now the temple is almost complete. Central planning may sound very communist, but it is hard to imagine the former regime countenancing such a development. Perry prefers to go back further in time to put the site in some context. Nearby lies the 17th-century Wilanów Palace—the "Polish Versailles" as it is known locally—and it is evident that he believes the new development will sit comfortably in such a setting.

For now, it is the sheer scale of ambition at Wilanów that is most noticeable. Residences, shops, schools, and two technology parks are among the proposals for the 169-hectare (418-acre) site, at a total development cost of €1.8 billion (US\$2.17 billion). It will take at least 15 years to complete.

Landowner Prokom Investments, one of Poland's largest investment groups, brought in Perry six years ago when he was senior vice president of TrizecHahn. The American developer subsequently pulled out of Europe, but Perry stayed put and founded Investment Environments (INVI) to oversee Wilanów among other large-scale urban projects around the world.

Central to the thinking behind Wilanów is that it is integrated with its surroundings. The proximity of the palace has informed the mix of uses—an equestrian trail has been created, cutting across the main highway. It was originally opposed by a planning authority that appears to be politically in favour of road transport. This is at odds with many western European cities; but then again, car ownership in Poland has soared since the fall of the communist regime. Priorities are different here. Perry



A range of design styles is being created at Wilanów by involving different architects and developers.

dug in his heels on the horse-riding path as an essential part of the leisure mix, although he admits that Prokom/INVI and the planning authority will have to agree on more serious public transport issues in the future. A new train link to central Warsaw will be vital if Wilanów reaches its population target.

More immediately, a “town centre” will embody the idea of integration, serving a wider area of 450 hectares (1,112 acres) around Wilanów that has been designated for growth. “We don’t call this a shopping centre,” says Perry. It gives the wrong connotation, he claims, pointing to the wide-open site he has set aside as a retail and entertainment destination. What’s more, it will be largely open-air. “The whole mall phenomenon has run out of steam in North America,” he explains. The mall is “a remnant of another era,” whereas Wilanów town centre will be “as walkable a place as

possible” come rain or shine or snow. Perry says the best-performing shopping centre in the United States is an open-air one in Ohio. “Its climate is worse than Poland’s,” he says.

Other than the weather, little at Wilanów is left to chance. Perry’s master plan defines density, materials, and height of development, but he and Prokom have brought in other developers for specific plots to try to foster the same architectural variety that was inherent in the organic development of Europe’s great cities. About 80 percent of the 169-hectare (418-acre) site has been sold to eight developers, including Robyg Development (Dutch and Israeli capital) and Fadesa Inmobiliaria (Spanish). They must adhere to the guidelines in Perry’s master plan, and he meets their architects at least five times a year to ensure they do.

Wilanów is a long-term endeavour by the standards of modern real estate development

but a fast-track one by comparison with the way cities evolve and how their mix of uses is defined by the ebb and flow of the market over many decades. Is there a risk that you can be too prescriptive when building a town from scratch? “I agree,” says Perry, “although this one is also growing up through market forces. I would say we try not to establish guidelines that are too rigid at the outset. We’ve left quite a bit of flexibility in the master plan.”

There are what Perry calls “swing parcels” of land, which can be developed as offices or housing, depending on how demand pans out. “When we established the guidelines for the architecture and buildings, they were quite formal on the one hand and quite informal on the other,” he says, “which is why I have the personal responsibility to meet with the architects a number of times during the process. So, if someone really has a certain idea that doesn’t

fit into the guidelines of the master plan, and if I think it’s a good idea, I’ll work with them.”

Perry has drawn on his pre-TrizecHahn experience for Wilanów. He was vice president of HOK Intercontinental and worked for seven years with Kajima Corporation in Tokyo, Paris, and Brussels as project manager on a range of developments. Early in his career, he worked for Ricardo Bofill on the design of projects like the Barcelona Olympics and the Antigone district of Montpellier in France. Then as now, one of his chief concerns was to guard against the development of “instant cities with one architect.”

He hopes that INVI in its capacity as urban planner will enable as many as 30 architects to work on Wilanów over the course of its construction. “Even though we also practice as architects in certain markets, my legitimacy here is that I bring together architects who would normally not talk to each other. And we have them build next to each other,” he says. “So, we avoid the kind of cookie-cutter format where one thing succeeds, so you just keep doing it over and over. In a sense, we’re the glue that makes sure it hangs together, but we don’t try and get in the way of individual creativity.”

But Perry is candid enough to admit that development has not gone entirely according to plan as he gestures towards a couple of blocks, lying abandoned and half-built on a

prominent site near the entrance. A Turkish developer had got into difficulties on this office project, a joint venture with the city of Warsaw. Prokom has retained a financial interest on all the other plots, but not on this one. “Otherwise, we would have been able to find another investor very efficiently,” says Perry. “In this case, it was tied up in the courts because of bankruptcy. These are things that happen on large projects, but actually the lesson learned is you’ve got to keep a foot in the door, even if it’s only 10 percent.”

It appears to be a minor mishap in the scheme of things. In all other respects, market forces have favoured the new town. Demand for apartments has picked up, from overseas buyers as well as well-heeled professionals prepared to decamp from the city, even “senior people from the U.S. embassy.”

The various residential developers have achieved between €1,000 and €2,400 per square metre (US\$112 and US\$269 per square foot), which is higher than prices for equivalent space in the centre of Warsaw. “But we’re not building for the rich only,” Perry says. He insists that at least 80 percent of the new town’s population will be Poles—and therefore a proper community. “We want it to be a place where different generations live,” he adds.

But the very presence of overseas investors there is testimony to the strength of the real estate

market. One sign of growth will be seen in May, when over 3,000 people are expected at the Central Europe Property and Investment Fair, which is billed by the organisers as “a mini MIPIM” for the region. That level of attendance would be more than a third up on last year’s, when visitors from 34 countries descended on the fair.

Such interest is hardly surprising given that, as consultant Cushman & Wakefield suggests, Poland is now among the fastest-developing countries in central and eastern Europe. Research from the firm reveals that it attracted €3.4 billion (US\$4.1 billion) of foreign direct investment in 2005. This year, it should top €5 billion (US\$6 billion), all of which is underwritten by economic stability, low inflation, and a consumer spending boom that is evident elsewhere in the region. In property terms, says Cushman & Wakefield, the perceived risk of investment in Poland has lessened dramatically.

But as interest levels have increased, property investment yields have been falling at the same time and converging with those of western Europe. Prime yields for both office and retail have fallen below 7 percent. It has all come right for Prokom, INVI, and other developers that got in early with Poland’s postcommunist regeneration—notably ING Real Estate with Złote Tarasy, its 225,000-square-metre (2.42 million-square-foot) retail and office complex in Lodz will be one of Europe’s largest shopping, office, and leisure complexes.

But conceptually, only Wilanów can claim to be truly mixed use—a place in which to live, work, and play. On one “essential” level, says Perry, it is already a success—selling apartments at higher prices than in conventional residential developments around Warsaw. But can it claim success yet, as a community? “In three or four years, we’ll be able to judge it that way. Right now it’s too early,” he says. **UE**

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Residential developers have achieved higher prices than in Warsaw, but Wilanów is not just catering to the rich.

