



Investors hesitantly turn to Belarus LUKASHENKO LETS A LITTLE LIGHT IN

Micro-cities: the way forward for urban planning?

GIANTS WITH A HUMAN FACE

Real estate specialists are in great demand in the region WANTED: REAL TALENT



Rynek nieruchomości w Europie Środkowej i Wschodniej INFORMACJE W SKRÓCIE

Feature



Micro-cities: the way forward for urban planning?

VISUALIZATION: Západni Město (West City) in Prague will cover an area of 115-ha

WHY BUILD SMALL INTIMATE HOUSING ESTATES WHEN A WHOLE DISTRICT CAN BE CREATED IN ONE GO? INVESTORS IN THE CEE REGION ARE CONSIDERING BOLD PLANS TO DEVELOP MICRO-CITIES NEAR LARGE CONURBATIONS. BUT HOW MANY WILL ACTUALLY BE NEW TOWNS AND HOW MANY WILL END UP SIMPLY AS DORMITORY DISTRICTS FOR LARGER CITIES? AND HOW IS IT POSSIBLE TO MAKE GOOD MONEY FROM SUCH LARGE SCALE INVESTMENTS?

According to the plan drawn up by IN-VI, Centrop Valley will hold a university campus with a developed scientific infrastructure, a modern hospital and sports facilities together with a golf course. But this is just for starters. The micro-city is also to include 500,000 sqm of retail, hotel and office space. Parks and nature reserves are to cover 155-ha of the total area, while 200-ha has been earmarked for flats and houses. Warehouse space, for which the demand will increase from the near-by car factories (Volkswagen, Porsche and Audi), will cover a further 55-ha. "Construction work is to begin next year, with the final building completed 15 years from now," promises Martin Hudec.

■ Mladen Petrov

At the beginning this was all just fields – a wide expanse, but near the beautiful Wilanów Royal Palace. The former residence of Polish monarchs is visited today by crowds of tourists, but investors and potential real estate entrepreneurs are attracted by the nearby meadows that have become one of Poland's major building sites. An area totalling almost 170-ha has attracted 14 investors, who are planning homes for 25,000 residents, with large areas of greenery, shopping, office complexes and a school. In other words – Miasteczko Wilanów (Wilanów Small Town). The project dates back to 2000 and was the first of its kind in Poland, but definitely not the first in Europe. Such "micro-city" models have been successfully developed near Paris, in London, Berlin and Hamburg. And now Riga, Prague and Bratislava are also implementing this new model. Piotr Lorens, board member of the Polish Town Planners Society, feels that: "Projects on such a grand scale are just one of several trends in the contemporary investment process, especially in the West."

Micro-climate Town planners claim that micro-cities are the answer to the problems of the urban spill-over from cities – a major headache for our project. Our micro-city will be built near the border with Austria in an area which was entirely neglected during the communist era. The proximity to Austria will be of fundamental importance for our venture's success." In terms of size, the Opera project is a European leader. Hamburg's Hafen City, which is often cited as an example of a well-planned micro-city, is "on-

ly" 155-ha in size. Is this big enough to be called a micro-city or just another dormitory district? Piotr Lorens' opinion is that "the criteria to define a given investment as either a mixed-use community or a micro-city is that the latter should be at least 20-30-ha and have a population of between 5 and 30,000."

Micro-computing According to the plan drawn up by IN-VI, Centrop Valley will hold a university campus with a developed scientific infrastructure, a modern hospital and sports facilities together with a golf course. But this is just for starters. The micro-city is also to include 500,000 sqm of retail, hotel and office space. Parks and nature reserves are to cover 155-ha of the total area, while 200-ha has been earmarked for flats and houses. Warehouse space, for which the demand will increase from the near-by car factories (Volkswagen, Porsche and Audi), will cover a further 55-ha. "Construction work is to begin next year, with the final building completed 15 years from now," promises Martin Hudec.

Micro-economics The total value of the investment comes to EUR 15 bln, for which negotiations, now in advanced stages, are taking place in the Middle East and elsewhere, led by Opera's bosses. The project is currently being

with city expansion have become obsolete. "Micro-city" projects are a new approach to how they should be planned, allowing something to be created which is both profitable and environmentally-friendly, and taking sustainable growth into account."

Does size really matter? According to experts, purchasing several hundred hectares or so of land is no easy task, though in the final account investing in a larger project may prove simpler than in several smaller projects.

Martin Hudec, the president of Opera, the Slovak company that is currently working on Centrop Valley in Bratislava (which will probably prove to be the largest "micro-city" project in the CEE region), is aware of this. Opera acquired 850-ha of land for the project through several hundred transactions with owners of small plots in the area. Opera's founder Martin Hudec, who has already overseen the development of the Rozadol multi-functional complex, refuses to be drawn on the price he paid. The purchased land, which is situated along the motorways to Vienna, Budapest, Prague and Kraków, is a mere 10 km from the border with Austria, and another 55 km to Vienna. Martin Hudec emphasizes the point that: "Bratislava is no standard location, being near to a number of other cities is a major advantage for our project. Our micro-city will be built near the border with Austria in an area which was entirely neglected during the communist era. The proximity to Austria will be of fundamental importance for our venture's success."

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Can success be exported?

Such large-scale projects are appearing both in the comparatively small Slovakia and in huge Russia. Guy Perry is convinced such large-format projects can be created anywhere. "The experience we gained through working on Miasteczko Wilanów revealed that such a project can be introduced to the market even in less than ideal conditions. When work started in 2000 the Polish housing market was going through a bad period. And as the development of the new community got underway we were still waiting for the good times to come back, which they finally did." It must also be added that those good times (2006-2007) themselves have also come to an end, with companies now only able to look back wistfully at the golden age of residential development. Wilanów's league of property developers are now being forced to fight furiously for each and every customer, who can pick and choose from the wide variety of homes on offer in the same area. To this must be added the complaints of the disillusioned residents of Miasteczko Wilanów, who still have no access to the retail outlets, offices and schools etc. that they were promised. The reason for the lack of such facilities is that first Prokom and then Polnord (the project coordinator) decided to develop the apartment buildings before anything else, since at the time they were a far more profitable proposition.

Warsaw city council promises that the errors committed when Miasteczko Wilanów was at the planning stage will not be repeated with the next large-scale investment: developing the land that used to belong to Huta Warszawa. Pirelli Pekao Real Estate, with Grove International and the Luochini family (the owners of the foundry) intend to develop 8,400 apartments on 93.5-ha of land, just to start with. The council has made it quite clear that they guarantee that there will be jobs created there, as well as schools, kindergartens and public-access areas.

PICTURE (OPPOSITE PAGE BELOW LEFT): Opera's Centrop Valley project, which is intended to be a vibrant Central European new town

Who's next? Opera has a number of other micro-city projects in the CEE region in the pipeline, and has bought a 200-ha plot in Serbia, 100-ha in Hungary and another 38-ha plot in Montenegro.

The company is also considering whether it would be feasible to enter the Ukrainian market as well. Elsewhere this May, Arco Vera – one of Estonia's largest developers – announced its own micro-city project on an 86-ha plot near Riga, 60-ha of which is to be built on. Urve Nugre of Arco Vera explains: "This is one of the largest projects of its type in the Baltic countries. Working on the earlier mini-city in Tallinn made further projects possible, while the new MB-3 Riga suburb project is something of a return to our roots." Between 1996 and 2005,



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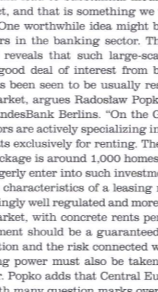
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PICTURE (OPPOSITE PAGE BELOW RIGHT): Martin Hudec, president of Opera: "We are looking for partners, but do not intend to sell off a lot of small projects. We are aware that this could lead to substantial modifications to the project, and that is something we want to avoid"

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PICTURE FAR RIGHT ABOVE: Hafen City Hamburg – The Pride of Hamburg: Hafen City will be quoted in architecture handbooks as a successful example of micro-city planning

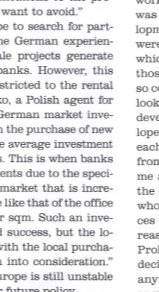


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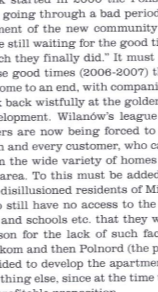


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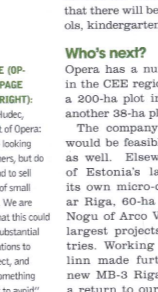


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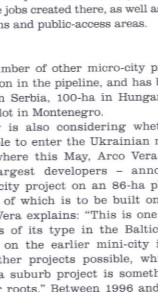


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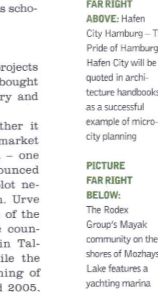


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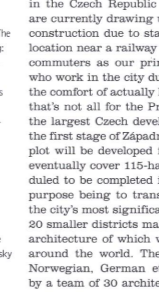


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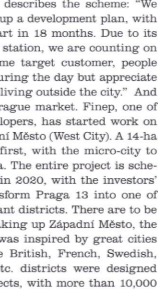


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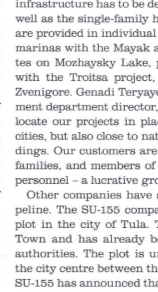


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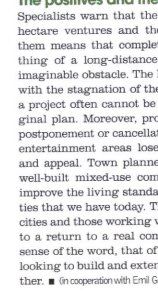


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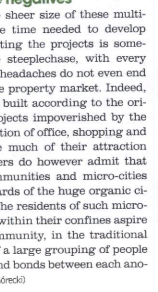


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