

# Emporia Towers - another victim of the crisis in the capital of Slovakia?

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On June 18, 2008 Quinlan Private Golub (QPG) Company announced launching Emporia Towers in Bratislava Petržalka, its largest administrative project in Slovakia. The complex promising comfort and equipment according to international criteria would become one of the most visible landmarks in Bratislava because of the exceptional facade and silhouette. The urban district, which reached to transform into the dynamic locality with the sharp increase in foreign investments and the precious trade destination of multinational firms towards the metropolis, has one setback: the Emporia Towers project was stopped after one year.

## Unclear terms and total costs

The leading developer of properties in the Central and the Eastern Europe, QPG, which in the tandem with Cresco Group is just handing over the project III Towers in Bajkalská Street and in Petržalka is preparing the impressive South City Projects (1.5 bills Euro), or the shopping centre South City Shopping (90 millions Euro), suddenly has problems to start Emporia Towers. Not long time ago it believed that a strong financial background of the Irish mother Quinlan Private, which manages assets in the amount of 11.5 bills Euro, combined with high performance of Slovak economy will enable to realize its intentions also in times of the current global slowdown. Branches in Bratislava, Warsaw, Prague, Budapest, Sofia, Bucharest, Vilnius and Zagreb with more than 175 employees should have been carriers of the next expansion.

The card, however - according to the official version, only temporarily - turned and among first victims fell QPG office project in Bratislava. Instead of the intensive construction rush and the movement of heavy mechanisms there is currently the look to the bottom of the construction pit with water and garbage. "Currently conditions for financing speculative projects in the real estate market are not favourable. In today's business climate is the key word circumspection," said the leasing and marketing director of QPG Guy Speir SITA agency that it would be unwise to speculate on the next phase of construction works. Without the specified date, however, he pointed out that the resumption of the construction should follow immediately after the conclusion of lease contracts. Also, the amount of investment costs, initially estimated at nearly 27 million Euro, is debatable at this moment, but Speir did not exclude that construction costs will be ultimately lower than they were in 2008.

## This balance will be scarcer

The Emporia Towers complex should be created by two separate 14-storied towers offering each of 9 500 m<sup>2</sup> of best equipped offices, 350 m<sup>2</sup> of retail spaces (restaurants, cafes, showrooms of tenants) and totally 337 parking spaces on three underground floors and a ground floor. In the case of the completion in the planned range it will provide more than 22 thousand m<sup>2</sup> of "A" class office spaces with a large variety of internal segmentations. Attributes of the excellent locality support the proximity of shopping and entertainment centre Aupark, Petržalka station with the train connection to Vienna, excellent transport accessibility, the main road to five Bratislava bridges and the international highways D1 and D2.

It is therefore reasonable to assume that this-year balance of new office spaces in Bratislava will be somewhat scarcer compared to the year 2008 (+ 30 000 m<sup>2</sup>). Developers of projects such as the Apollo Business Center II, AC Petržalka, IP Center and Administrative Complex Lakeside Park - Phase 01 can, at least for this moment, forget the rivalry and congratulated each other. If for nothing else, they can congratulate each other that they managed so-so to bring their intentions to the successful finale last year

at least. Initially expected gain of 164 thousand m<sup>2</sup>, which should meet Emporia Towers in 2009 along with the Digital Park II, Riverpark, BC Galvaniho IV and Jarošova OC, probably will not be achieved. With respect to this project, Quinlan Private Golub was simply unlucky that the splitter power of the crisis wave (in contrast to the III Towers residential project with extremely successful state of sell-ability) did not catch it in the late, but in the early stage of implementation.

Visualisation - QPG

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