

# Real Vienna 2010: Cautious optimism in the real estate sector

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On the evening of Thursday 20th May 2010 the fifth edition of the 3-day Real Vienna came to a close at the Messe Wien expo centre. 6822 participants from 20 countries attended this international trade fair for commercial and industrial real estate with a strong focus on the countries of the CEE/SEE regions (Central, South-Eastern and Eastern Europe) involving a 34.6% share of foreign participants, to establish business contacts and seal property deals. The event featured 220 exhibitors - businesses, municipalities and representatives of regions - showcasing their commercial real estate projects, potential for investment, and services honed to countries of central and south-eastern Europe.

The expo concept has been expanded to serve three fascinating and extremely relevant themes with the HTL Forum (hotels, tourism & leisure), the 'Shopping & Retail' platform and the 'Eco Energo' zone. These events were complemented by the 'Property Talks' featuring various experts and organised in cooperation with the publishers of GEWINN magazine; as well as a number of other top side events to enable those present to socialise, set up business networks and set up numerous deals.

Two specialist events were staged parallel to the trade fair. The Messe Wien Congress Centre hosted the 15th edition of the 'Real Corp 2010'; an international conference for municipal planning and regional development involving around 450 city and traffic network planners from all over the world, as well as experts in IT and ICT, architecture, ecology, building, geodesy and multimedia technology. The neighbouring Marriott Hotel Messe Wien Courtyard was used to host the annual International Bar Association (IBA) conference on international real estate legal issues.

## The show: Cautious optimism

In view of the economic, financial and state debt crisis there had been several signs of scepticism in the run-up to the Real Vienna 2010. Fortunately, Matthias Limbeck (Dipl.Ing.), CEO for new business at Reed Exhibitions Messe Wien, was able to express cautious optimism at the end of the 3-day show. 'Despite the current period of economic turbulence we were able to attract a good mixture of participating businesses, municipalities and regions to the Real Vienna and almost equally the participant count of the previous year. Although the fair provided evidence that the crisis is continuing to distort the framework for economic activity, the market has been exhibiting a number of signs of recovery and has provided justifiable reasons for optimism: 'However cautious and selective, there is now evidence of purchasing and investment again'.

The fifth edition of the Real Vienna also reconfirmed the market function of the show. 'Especially during a difficult period it is important to fly the flag, stay active, consolidate existing contacts and establish new ones', stated Matthias Limbeck. 'For businesses in the real estate sector it's now all about taking advantage of the available chances and pressing forward with viable projects'.

The visitor poll conducted during the Real Vienna confirmed this viewpoint. Almost three out of every five people polled (58.9%) said they were satisfied with the current economic situation in their sector. Altogether, those 'delighted', 'pleased' or at least 'satisfied' amounted to 91.4 %. An equal proportion of those polled (94.7%) expected a significant improvement in conditions over the next 12 months.

## New features boost interest in the Real Vienna

In order to boost synergies amongst participants at the Real Vienna additional themes now augment the show's portfolio. The Eco Energo Zone was featured for the first time, set up as a centre of excellence and meeting point for businesses offering services and development for locations to aid convergence with companies in the construction sector and providers of technology, and to showcase projects dealing with renewable energy sources. Another new theme section was 'Shopping & Retail'. This was a platform for retailers and franchisees planning activities in the CEE/SEE regions to build bridges to specialised developers for outlets, shopping centres and mono-stores. The Real Vienna HTL Forum again focussed on 'Hotels - Tourism - Leisure'. The HTL Lounge was used to showcase international chains. Previously held on two days, the HTL conference is now held as part of the 'Property Talks' on all three days of the show to deal with issues of great relevance in this segment.

Real Vienna fair manager, Thomas Jungreithmair (Dipl. BW (FH)), explained, 'The success of these newly featured themes has encouraged us to expand and intensify our efforts in these fields for the future'.

### **Cooperation between domestic and foreign industry associations**

'The Real Vienna is a successful mixture of business, contacts, know-how and networking. The various domestic and internationally active representative associations were directly involved in shaping the show and were an ideal addition to the exhibitor mix' reported Exhibition Manager, Thomas Jungreithmair. 'Indeed, the active involvement of these bodies is proof of the considerable status of the Real Vienna'. Among the international associations at the fair were the ULI (Urban Land Institute) and FIABCI (International Real Estate Federation), and domestic associations such as ÖGNI (Austrian Association for Sustainable Real Estate Practices), GBCA (Green Building Council of Austria), FMA (Facility Management Austria), WKO (Austrian Chambers of Commerce), ÖVI (Austrian Association of Property Trustees) and the ACSC (Austrian Council of Shopping Centres).

### **Top level discussions at the 'Property Talks'**

This specialist event for commercial and industrial real estate is ideally complemented by a series of side events and accompanying functions. The 'Property Talks' are discussions set up in cooperation with the GEWINN publishing house to deal with general issues surrounding 'New growing markets'. Each of the three public stages dealt with an issue: Cities & Regions, Investment & Services and 'Hotel & Tourism & Leisure' and attracted experts and speakers from Central, Eastern and South-eastern Europe.

### **Successful debuts: 'Green & Blue Building Conference', 'Real Estate Development in CEE cities' symposium, IRE (Institute for Regions in Europe) panel discussions**

The launch of the 'Green & Blue Building Conference' at the >Real Vienna< was also a resounding success and is to be expanded for later editions. The 'Green & Blue Building Conference' was organised by the Austrian Society for Sustainable Real Estate Practices (ÖGNI). There was also a positive response to the first edition of the international symposium covering 'Real Estate Development in CEE Cities', a municipal planning conference focussing on CEE needs. The Institute for the Regions of Europe (IRE) was involved for the first time in a number of panel discussions. This feature is also to be elaborated upon, as regional development in the light of increased decentralisation is of ever growing importance.

### **Visitor poll: In search of information for future projects**

The visitor poll was carried out by an external, independent research institute and found that 62.2% of those polled were very pleased with the show on the whole. Add the 'satisfied' customers to the equation and the show was evaluated positively by 92.3% of interviewees. A similar proportion (90.4%) intended to recommend the >Real Vienna< to other partners and associates as the right place to gather and disseminate information; and stated they had benefitted from attending the show (90.4%). Over a quarter (27.6%) said they had discovered new projects. Three out of ten (29.5%) found new suppliers. According to

the poll results, every sixth person attended the Real Vienna 2010 with the intention of investing in projects and 14% stated they intended to invest at a later date. The main reasons stated for attending the fair were the opportunities to socialise and consolidate contact networks (41.3%), to gather information (27.1%) and to talk business and seal contracts (23.9%).

Interviewees were allowed multiple responses to their interest in the various themes of the event: real estate development (36.4 %), real estate investment (28.6%) and real estate financing (26.6%), followed by real estate consultancy (20.1%), building management (operators) (16.2%), retail (14.9%), facility management (13.6%), architects and planning offices (11%) and renewable energy (10.4%). Seven out of ten participants attended one or more of the side events on offer.

### **Exhibitor reactions: Intensive discussions - positive reactions**

There has been positive exhibitor feedback to the fifth edition of the >Real Vienna<. 'Like last year, due to the months of extensive preparation we were able to welcome numerous guests to our stand and a large number of high-ranking partners and associates were to be seen at the show', stated Reiwag CEO Viktor Wagner (KommR). 'We have already decided to participate at next year's show we were very pleased with the overall business development during and after the fair'.

Martin Sabelko, Managing Director CEE at ING believes, 'Those who do their homework thoroughly at the planning stage have a great opportunity to be very successful. We were very satisfied and our staff all had diaries full of appointments. Those moaning about how everything was better before are just those who didn't get organised before the show'.

The SES and SPAR group enjoyed a very successful Real Vienna' reported Marcus Wild (Mag.), CEO of SES Spar European Shopping Centres. 'We were well prepared and worked together efficiently in Vienna using the many opportunities to hold business discussions. The Austrian real estate market is clearly interested in the markets of central and South-eastern Europe investing heavily in these regions. Austria engenders a large degree of trust within CEE/SEE and this was noticeable at the Real Vienna. The economic crisis now seems to have bottomed out and the markets are showing signs of reawakening. This is the perfect juncture for re-entry in projects in Eastern Europe; something behind which we are now throwing the full weight of our established name. As such, this show is rightly seen as a central commercial stage for the markets of the East'.

Although the economic framework was unstable most of the big names in the industry were represented and the atmosphere was positive', summarised Martina Maly, Managing Director of Michaeler & Partner. 'If the concept for the show is continually developed and takes the increasing degree of internationality into account, the Real Vienna will offer even greater potential for the future'.

Dr. Andreas Ridder, CEO for CB Richard Ellis expressed the desire to see increased international involvement: 'The focus on CEE/SEE regions needs to be intensified in the next few years. In such times of economic difficulty the Real Vienna 2010 has to be seen as a relatively successful show and the event definitely justifies its existence'.

### **A look ahead: 'Hoping for dynamism after the right impulses**

Reed CEO, Matthias Limbeck, explained that, 'Having noted the success of the show, the Real Vienna 2010 was able to provide the market with the right impulses and we hope to see this investment dynamism continue to increase towards next year's show'.