



GE Real Estate CEE joins Tishman Int. for the development of Sofia Airport Centre

The logistic part would be fully occupied and opened in spring next year. Currently, Tishman was negotiating with a number of clients to lease 50 per cent of the logistic space. GE Real Estate Central and East Europe, one of the leading property investors across Europe, set up a joint venture with the US-based Tishman International, which is among the top European real estate funds, for the development of Sofia Airport Centre - a multi-purpose project, certified by LEEDs, comprising office and logistics, retail, and hotel space.

The 250 million-euro establishment, strategically located near the Sofia Airport, marks both the advent of the global American investor on the Bulgarian property market and the first project of GE Real Estate and Tishman International in the region. This is GE Real Estate's third large transaction in Bulgaria after the acquisition of Mall of Sofia some 18 months ago and the purchase of Plovdiv Mall about six months ago.

The two companies are not unfamiliar with each other. They have already had successful cooperation for projects in the US. The decision to team up with GE Real Estate for a CEE project emanates from their previous experience, Allan Levi, chairman of Tishman International Companies, concluded.

GE Real Estate, owning a 50 per cent stake in the enterprise, has big ambitions for Bulgaria and is honoured to be associated with such a landmark project, Karim Habra, the company's executive director stated. He went on to explain that GE is not only a washing machine producer, but also seeks profound penetration in the property sector. The company, owning \$62 billion in assets, has worked on more than 30 residential projects in Poland and the Czech Republic and intends to replicate the success in Bulgaria and Romania.

It will continue the dual strategy of concentration on existing assets and development of new ones. The focus will be on Sofia and major Bulgarian cities, Habra explained. Given that the current office and logistic markets in the country are heavily undersupplied, the latter being almost non-existent, GE will continue to invest in this direction, he related.

Tishman International does not preclude consultancy with GE Real Estate on other projects in Bulgaria and Romania, Allan Levi said.

Sofia Airport Centre will be an energy-efficient development aligned to green building requirements. Currently, the investors are working towards setting the infrastructure of the project. The first parts to be launched will be the Marketing Suite with an adjoining restaurant area, and the inauguration is expected in January 2008.

The logistic part will hopefully be fully occupied and opened in spring of next year. Currently, Tishman is negotiating with a batch of clients for leasing 50 per cent of the logistics space. There is an ongoing tender for a contractor for the office part; its construction is expected to start in December 2007-January 2008 and completion is due in the spring of 2009. Logistics units rent at 5 euro a sq m per month, the adjoining office parts at 12 euro, and offices from the office section will be let out at 16 euro a sq m.

Tishman International is also developing a logistic centre in Rousse. It is negotiating similar projects in Plovdiv, Varna, and Bourgas as well, but unlike in Rousse, it envisages multi-use compounds with logistics and office parts. When asked about its strategy on the mentioned projects, Pepi Dimitrova, operations manager of Tishman International Ltd., said the company was more likely to purchase ready buildings and facilities in Plovdiv, Varna, and Bourgas, whereas in Rousse it would buy land and carry out construction on its own.