

Title: A NEW CITY NEXT TO SOFIA AIRPORT

Sofia Airport Center attracts its first tenants

If there should be someone who would be really happy from Sofia Airport's development, this would be plot owners near it.

Bulgaria's main air entrance has given shelter to several big projects, which will probably turn the area into Sofia's latest business center. Currently, plots around the airport exceed EUR 300 per a sq m and the rising tendency does not seem to change. Currently, there are five large investment projects near Sofia Airport: World Office Center of Cohen Group, a mega park and cargo center of Soravia company, Ubbicalia – logistics center of Ubbicalia firm and Sofia Airport Center of Tishman International and General Electric Real Estate.

Although recently areas around the airport were preferred mainly for logistics bases, big projects, which are about to start, intend to turn the area into a serious trade and business zone. First modern office building in the region – Porsche Center (11 000 sqm all-out area) was sold for EUR 13 M. The first building in one of the largest projects in the area – Sofia Airport Center is already a fact. The new building is an expo center in which all details of future offices and storehouses of companies investors can be seen. Similar center has been opened for the first time in Bulgaria and it will operate 24 hours a day. Tishman International is an international company for properties investments, which is one of the participants in the project. The other one is General Electric Real Estate, which is one of the biggest world players in business with real estate and manages assets worth over USD 62 B.

Construction and first storehouse of Sofia Airport Center will be completed in May at the latest, Tishman International announced. The first tenant – Hilti firm will be located in it. Hilti has signed a contract for 1000 sq m logistics area and another 300 sq m offices and workshops. Negotiations for signing of contracts with another 2 companies for leasing of more storehouse areas are being held, Julian Edwards, General Manager of Tishman International for Bulgaria said. He did not specify rent prices but according to unofficial information they cost around EUR 5.75 per a sqm for storehouses, around EUR 12.75 for offices and EUR 16 for offices class A. Minimum term of contracts is 5 years.

Planned investments in the project are around EUR 250 M. An internal infrastructure and about 22 000 sq m storehouse areas with offices will be constructed. Around 100 000 sqm offices and first-class business hotel are also envisioned. End term for the complex's completion is 2011-2012 as the separate parts will be put into operation at stages. First, around 10 000 sq m logistics base will be built – storehouses with offices and another around 20 000 sq m office areas (a building with 28 000 gross-floor area) which will be on leasing. Next stages will be realized depending on future tenants' interest. A hotel with 250 rooms must be ready by 22 months after the choice of an operator.

It is not clear yet what will happen with the 3-decares plot, which is located in the center of Tishman's project but it actually belongs to Bulgarian firm Smarta Services owned by Trendafil Kolev. In spite of the many negotiations between the two companies there is not an agreement for sale yet.

The Beginning

Sofia Airport Center project has been prepared from the beginning of 2005 when a consortium with Tishman International negotiated to buy the 140-decares plot.

Later, Germany's Lindner left the consortium. In November 2007 GE Real Estate Central and Eastern Europe – one of the leading investors in real estate in Europe joined the project. Each of the company holds 50% in the project.

Text under picture: Julian Edwards, General Manager of Tishman for Bulgaria shows a model of Sofia Airport Center.