

Construction of Wellness Center in "Galleria" Subotica started- Available turkish and VIP baths, sauna, swimming pool



Exclusive hotel, conference and business center "Galleria" in the center of Subotica, will be richer by one more exclusive location in the spring of 2010 - a modern designed wellness center, whose construction begins next week, announced for *eKapija* portal Mr. Miodrag Krstin, general director assistant of "Phiwa", the company that owns the center.

- Center will be located on the third floor, across the newly opened clinic Ph.D. "Jasmyn", and will cover the area of 800 m². It will have Finnish, Turkish and VIP saunas, swimming pools, massage bathtubs, and spa therapy. We plan to bring in an expert from Beijing, who will deal with acupuncture and massage, and we currently have a general practice doctor and a nurse. We are currently working on elaborating the design of mechanical installations; construction is planned for mid-November, and we expect that the work will last about 6 months - explained Mr. Krstin.

International Center "Galleria" with an area of 29,000 m², will consist of a 4 star hotel "Galleria", "Galleria" Business Center and a shopping mall "Galleria" that connects the covered atrium. The building will have five floors and two underground levels with 215 parking spaces. HKPC "Galleria" is a greenfield investment, meaning that the land on which it is built was once covered with house ruins that were destroyed.

Hotel Galleria - modern congress center in Subotica Hotel

The hotel, which operates since September of 2007, extends to 7500 m² and has the capacity of 80 rooms, 10 apartments - 7 traditional and three residential-royal, wedding and presidential. The largest is the presidential apartment, which is located on the fourth floor and occupies 120 m². What attracts special attention is the bathroom, with a starry sky and a jacuzzi for two.



- We have 78 double rooms which can also be used as single rooms, while two are custom made for those with special needs. The hotel is a congress hotel, it has 7 conference halls that cover an area of 60 to 570 m², with a capacity of 400 people. We have all the modern techniques, equipment for simultaneous translation, and free internet access. What is intriguing is the panorama restaurant on the fifth floor, with capacity of 220 seats, with a ball room of 400 seats. VIP Club on the sixth floor of the hotel has a night club, and a fitness center size 400 m².

The most romantic place in the "gallery" is the Pavilion which is located at the top of the hotel, the 6th floor, where guests can enjoy the panorama view of Subotica while having breakfast.

The hotel has 70 employees.

Business Center "Galleria" - 10,000 m² of office space ready for rent.

Business Center "Galleria" covers most of HKPC "Galleria" on all five floors, and together with the "Atrium Shopping Center" covers an area of 11,000 m². Office space is air-conditioned and abundant in daylight, though it can be customized for commercial renters.

- What we have on the groundfloor is a shopping mall, cafes, and a "Valdi" supermarket is coming soon. Only the first floor is already rented, and the rest of the business space of 10,000 m² is available for rent. Minimum office area is 40 m², while the largest may be up to 1,500 m². Offices have partition walls, so that future tenant can choose the surface area and adapt it to his/her needs- the speaker says for *eKapija*.

Net cost of renting space up to 65 m² in the basement is 14 EUR, on the first floor it is 13 EUR, while the renting space units of offices from second to the fifth floors are 12 EUR. Rent decreases as the area size and floors decrease, so that the space size 420 m² on the fifth floor is EUR 9 per square meter.

In the center there are two restaurants, one is on the fifth floor and has views of the city, the capacity of 215 seats, while the other is a fast food restaurant, very convenient for travel agencies that have a transit group, and the guests from the city.

Indoor atrium, the surface of 1500 m² is suitable for various events, while the event organizers offer technical support.

The First Tenants in the Business Building "Tri Lista duvana" are Expected in mid 2010- Retail Stores at the Ground Level Already Booked



Exclusive A class office building "Three Tobacco Leafs", which is located on the corner of Republic Square and King Alexander St., across from the City Assembly, will be finished and ready for moving in by June 2010, announced for *eKapija* Mr. Bosko Tomasevic, the Manager of "Colliers", Commercial Reals Estate sector, which is the exclusive agent for the rental space.

Mr. Tomasevic said that they have already pre-signed lease contracts for eight shops in the basement, and are now in the negotiation process with an Embassy from the EU for the last two levels, and with several banks and audit firms that are interested in office space.

- Price is very good and is the best time to enter the process of leasing space. Net cost of office space will be from 16 to 18 EUR per square meter plus service charges - said Mr. Tomasevic.

He reminds that the building "Three Tobacco Leafs" is of the total area of 8200 m², consisting of a ground floor, eight floors and a gallery. Office space occupies over 7,000 m², retail space is approximately 1,100 m², and there are 51 underground garage parking places.

- The building is designed so that there can not be more than 2 tenants per floor, and the minimum rent area is about 400-500 m². The building has three elevators, built floors, four pipes "fan-coil" system, low ceilings, computer network, internet and 24-hour security - he said.

The investor for this business building "Three Tobacco Leafs" is the company MPC Properties.

Promoted Browser of the Real Estate "NaJednomMestu"



Search browser for information on real estate "NaJednomMestu" (www.najednommestu.com) was promoted during the real estate trade fair BelRE at Belgrade Fair.

"NaJednomMestu" is an Internet portal that is very similar to the concept of generic search engines such as world-famous "Google" and "Yahoo" by focusing only on the domain of real estate properties.

Similarly to Google spiders searching the Internet, portal "NaJednomMestu" visits all other property portals and gives the

user a summary score that matches the search criteria.

The service is free for users, who will be informed via SMS messaging about property that matches their criteria appears on the market – find out the portal *eKapija*.

Robert Schweitzer, a Representative of "RE Balkans" - Serbian Real Estate Market Leading in the Region



Serbian market has a great potential in almost all areas of construction, meaning that the investors should take the advantage of it as soon as possible. Foreign investors still do not consider Serbia as a separate market but as part of the regional market, in which Serbia has a leading role, concluded the panel discussion that was held on the first day (November 5, 2009.) of the 4th BelRE Belgrade Real Estate and Investment Fair in Belgrade.

Questions regarding the opportunities and challenges of investing in Serbia, in the region, whether this is the right time for investments in real estate in Serbia and many others were posed. Answers to these issues were offered to the audience by Robert Schweizer, representative of "Balkans RE and Vice President for Investments for the region of Central Europe in one of the largest investment funds, "Merrill Lynch", Mr. Jovan Jovanovic, director of the financial group "Danon-BNP Paribas, Mr. Goran Gojakovic, director of investments "BOMEX Holding" and by Mr. Jovica Jakovac, director of Colliers International.

- First I have to say that foreign investors perceive Serbia as a part of the region, not as a separate market. Further on, they examine Serbia from multiple perspectives- economic growth among many attracts the investors, and calls for the context of investments, then from the perspective of the political situation and of course the banking sector. And these are the sectors which we choose whether to invest in or not - said Robert Schweizer.

He noted that it is obvious that the Serbian economy has been dependent on foreign credits in the last five years, that GDP is negative and there is no indication that it will get any better in 2010. All these are indicators that represent a significant risk for investors.

However, the good news, in his opinion, is that the banking sector is highly litig, supported by Greek, Italian and Austrian banks.

- Serbia obviously needs financial resources, logistics and surprisingly more "A" Class office space. Of course it is impossible to do this all at once. The rental terms and prices have stabilized a bit and hopefully will remain so - he mentions.

- I think that Belgrade presently does not need another shopping center. In the future there will be need for shopping malls, however not only in Belgrade, but Novi Sad and Nis. In terms of logistics, I think Serbia has the potential and a bright future, somewhat like Romania several years ago - says the vice president of investments for the region of Central Europe in one of the largest investment funds "Merrill Lynch".

Schweizer believes that it is particularly interesting to invest in the hotel business in Serbia.

- I haven't heard about so much interest in the hotels as I have heard in the last 6 months. A huge amount of Greek money could be invested in this sector. For example, a project of rearranging hotel "Yugoslavia", and Delta's Continental would be able to attract enough capital.

- Serbia is probably one of the most interesting markets in Europe. The money will come from Israel, Greece, and perhaps more of Austrian investors. Large investments from Western European countries may have swung Serbia, but a lot of money should flow into Serbia from the neighboring countries for various historical reasons. -concluded Schweizer.

"Phiwa" Expands Retail Chain "Valdi" in Vojvodina - 23 Markets Will be opened by 2013



"Phiwa" Subotica, sister company of the company "Walther Gruppe", which currently has seven markets, "Valdi", plans to open 16 more retail objects in the next four years, announced for "eKapija" Portal Mr. Miodrag Krstin, General Director assistant of "Phiwa".

- All objects are standardized and sized about 1,500 m², they have 100 parking spaces, and the value of such markets varies between 500,000 and 600.000 EUR. Planned dynamic of opening up the new supermarkets is 3-4 each month- said

Mr.Krstin.

"Phiwa" currently has supermarkets across Subotica, Kanjiza, Senta, Ada, Kikinda, Zrenjanin and Temerin, and will open one up shortly in Apatin.. Chain "Valdi" should be extended by 2013. to Sombor, Backa Topola, Odzaci, Kula, Vrbas, Becej, Novi Becej, Backa Palanka, Indjija, Ruma, Sremska Mitrovica and Novi Sad ,where he planned to open three supermarkets, and one in Zrenjanin, Kikinda and Subotica each.

Previous investments were all greenfield investment, except for supermarkets in Kikinda, Kanjiza and Senta, which are located in the area of reconstructed buildings. The first center was opened in 2004.

Company "Phiwa", sister company of the German "Walther Gruppe", is present in Serbia since 2002. years and has built more than 100,000 m² in Vojvodina. In its composition operates hotel-conference and business center "Galleria" from Subotica, the retail chain "Valdi" and market "Angrohit" from Kikinda.

"Geometar" from Kanjiza is building a mini dairy factory



"Geometar" company from Kanjiza is searching for a business partner for joint opening of a mini dairy factory for production of goat milk cheese and for processing of sheep milk with a capacity of 2.500 liters per day.

As the company emphasized in the interview with "eKapija", the project will be developed in accordance with HACCP and ISO 9001-2000 standards.

The project was introduced as part of Kanjiza Municipality presentation at BelRE Belgrade Real Estate Fair.

"Phiwa" Builds Logistics Center in Srbobran - the Fourth Construction Unit of the Company in Vojvodina sized 36,000 m²



Company "Phiwa", one of the largest investors in Vojvodina, has started construction of logistics center in Srbobran, the fourth that the company has in Serbia. The Center will consist of two halls of the 18.000 m², one of which will be designed for rental, while the other part of the present distribution center for the Markets "Valdi", which operates within the "Phiwa" announced for eKapija portal Mr. Miodrag Krstin, General Director Assistant of Phiwa.

According to him, the value of such halls is estimated at about 4 million EUR.

- Future Center will be located alongside the regional road Slunj - Vrbas, and 2.5 km away from highway Subotica - Belgrade and only 2 km from the city center. In the first phase a hall of 18.000 m² will be built, of which 9,000 m² are planned for the needs of our chain, "Valdi". In the second phase another hall of the same area will be built - Mr. Krstin explained, highlighting that the completion of the first hall is expected next year.

"Phiwa" is also the owner of logistics centers in Subotica, Senta and Zrenjanin. Centar in Subotica, which was completed in 2007, consists of three halls, the total area of nearly 39,000 m², located 2.5 km from the city center, with the main road to Sombor.

- Two halls are occupied by the company "Loher", while a third is shared by supermarkets "Idea" and "Valdi". Center in Zrenjanin, size 14,294 m², is completely rented by a company "Drexmaier" which produces parts for BMW. Center in Senta has not yet received tenants, but is ready for rent. It is located in the industrial zone at the exit from Senta to Ada, in a reconstructed textile factory. There are two objects, the main storage area is 3600 m², while the second occupies 8000 m² of office as 2,000 m² plus 1300 m².

Company Phiwa, sister company of "Walther Grupp" from Germany has been present in Serbia since 2002, and so far in Vojvodina has built more than 100,000 m². In its domain operate a hotel-conference and business center "Galleria" from Subotica, the retail chain "Valdi" and market "Angrohit" from Kikinda, also known as the privatized company "Angropromet".

Kanjiza Offer to the Investors the Land in the Industrial Zone and Industrial Park at the Total Area of 24 Hectares

The municipality of Kanjiza offered to the investors two great locations for investment in northern Serbia.

As one of the best current opportunities for investment in this municipality, at the fourth BelRE Real Estate and Investments Expo, Kanjiza presented an industrial park not far from the border crossing

Horgos. Park is located in the working zone, near the railway station, railway Subotica - Szeged and Corridor 10.



Land, which is in complete ownership of the local governments is 20 hectares and is equipped with infrastructure.

- The building is designed to accommodate clean industry and development of services in the border zone. Whether it will be an industrial park or logistics center is left to the investor to decide – says for the "eKapija" Ms. Piroška Vadas Cava, Senior Associate for the economy in the Municipality.

She noted that the municipality provides significant benefits for investors regarding the payment of rent, fees for land development and other fees for arranging construction land.

Other locations from which the Municipality of Kanjiža expects significant revenue is Kanjiža industrial zone next to the regional road R119, near the railway station and close to Kanjiža company "Potisje Kanjiža" and "Ceramics".

The industrial zone covers 3.75 hectares of land and has the possibility of extension to 7 ha. The detailed plan of regulation has been made, and infrastructure development plans are in progress.

- Now we are in the phase of the division of the area of plots of various sizes from 600 to 2,000 m². For the infrastructural equipment we're using the resources of the National Investment Plan funds and the municipal budget, and expect to attract private capital - said Ms. Piroška Vadas Cava.

The Position of the Serbian Real Estate Market in the Region



Serbia and Belgrade have especially great prospects in terms of quality and luxury residential construction, which will attract foreign investors and give Serbia a leading position in the regional real estate market- a conclusion of this kind was reached at the fourth panel discussion BeIRE.

- Infrastructure is something that should go by this perspective. Serbia did not have investment activities as well as countries in the region, for example, Montenegro, Croatia, Bulgaria and Romania, but I think that Serbia has the most potential currently. I think that now, when construction sites are cheaper and more easily available, investors need to invest and build, in residential, as well as industrial real estate market - said Mr. Goran Gojakovic, director of investments holding "BOMEX".

The reality of development of corporate investment in Serbia and the real potential of the real estate market according to Mr. Jovica Jakovca, Director of "Colliers International" is positive.

- I would add Macedonia to the regional market, because when we look at foreign investors, they are as Serbia, Montenegro and Macedonia, and we may not use the past for the occasion. Specifically, foreign investors, a market of 7 million people is not as interesting as a market of 20 million that the

three countries have. I believe that in the future we will not think about the market within the national border, but instead will start thinking about the region as a whole -said Mr. Jakovac.

He added that he agrees that presently Serbia and Montenegro have limited resources, mainly in the hotel industry, while Macedonia will probably be the logistics center, because Serbia can not seem to take on this role as well.

Bosnia in the future may be a center of industrial construction, while Serbia has the potential in all sectors.

- We are center of the region where, Belgrade is the capital of the former Yugoslavia, regardless of whether people liked it or not. We have many possibilities, but the problem is in deciding what to do first-concluded Mr.Jakovac.

Director of financial groups, "Danon BNP Paribas" Mr.Jovan Jovanovic said that they often hear the opinion of investors in Belgrade, Serbia, and that to some extent they understand why this is so, but he emphasizes that all of Serbia has the potential to be used for investment, which would in benefit the rest of the country.

The image is a promotional banner for 'ekapija'. On the left, there is a grey rectangular area containing the 'ekapija' logo (a blue and orange square icon) and the text 'ekapija' in a bold, sans-serif font. Below the logo, it says 'Business information from Serbia and the region' and 'www.ekapija.com'. To the right of the logo is a starburst graphic that says 'FREE 14-DAY TEST'. On the right side of the banner, there is a photograph of two men in business suits crouching on a running track, ready to start a race. The man in the foreground is looking down at the ground, while the man in the background is looking forward.

Source: <http://www.ekapija.com>