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**Asset Management**

The Eurobuild Awards 'Lifetime Achievement Award' goes to Mr. David Mitzner

## Poland's real estate legend

**F**ounder of Rida Development Corporation and Apollo-Rida Poland, the man born in pre-war Warsaw who as a child sang birthday songs for Marshal Pilsudski is a quietly-spoken icon of the US and Polish real estate markets, an inspiration to all who have had the good fortune to meet him.

David Mitzner is an American businessman whose life spans five languages, three continents, and encompasses some of the most terrible – and most elating – chapters of the 20th century. Born to a Jewish family in Warsaw, he grew up in the newly independent Poland, eventually setting himself up in business with his father. When the country's two hostile neighbours invaded in

1939, a new international boundary between them suddenly cut off the city Mitzner lived in from where his family was. Undaunted, he set up a cross border business operation which ensured the survival of his family in Warsaw until his mother and sister were killed in the Holocaust. He himself was imprisoned for eight years in the Soviet GULAG, which also killed his brother and father. Fleeing Communist-controlled Eastern Europe in 1949, he arrived in New York with 17 dollars in his pocket, not knowing English and not having a trade.

Through his intelligence, determination and hard work, David Mitzner rebuilt his family in the US and became a successful textile manufacturer prior



David Mitzner, Apollo-Rida Poland

to his involvement in real estate, which began in 1972. He began buying property in the State of Texas in 1974 with the purchase of several shopping centers and office buildings in the Houston and Dallas area. In 1980, he, his wife Ruth and their two sons relocated to Houston and became involved on a full-time basis through his company, Rida Development Corporation, in the purchase, development, and management of commercial real estate projects. In 1985, Rida also entered the Florida real estate market.

In 1992 David Mitzner travelled back to Poland, his first visit in more than forty years, eventually establishing a real estate operation here. In 1995 he acquired his first two office buildings in Warsaw, becoming among the first American real estate companies to do business in Poland. Two years later, in 1997, Mitzner and his company Rida established a partnership with AREA Property Partners of New York resulting in Apollo-Rida Poland, to purchase, develop, and manage commercial real estate in Poland, becoming one of the real estate pioneers here. Since then Mitzner has developed numerous commercial developments in the office, industrial and retail sectors. Landmark projects developed

and invested include Ericsson Center, Par Tower, Renaissance Tower, Zeran Park I and II, and the tallest building in Central Europe, the Warsaw Trade Tower. In 2004 Apollo-Rida Poland completed the largest real estate acquisition in Central Europe's history, the \$1 billion purchase of the Metro-anchored 28 shopping center portfolio from Metro AG of Germany.

David Mitzner has received several honours and awards, including an honorary doctorate from New York – Yeshiva University in recognition of his extraordinary life. From escaping Communist Poland to assisting in the rebirth and rebuilding of the commercial infrastructure of his country of birth, and the lifelong support of and commitment to his people, country and humanity, Mitzner's lifetime of achievement is a testimony to the indestructibility of the human spirit. At Eurobuild CEE we are proud of our long association with this extraordinary man, reporting on his real estate activities and achievements from the early days of the magazine. There was no discussion about who to award our 'Lifetime Achievement Award' to – the decision made itself. We congratulate him and wish him and his family a happy and prosperous future.



Rida Development Corporation's Omni resort at championsgate in Florida

# Investment Deal of the Decade

## Jury

Arch Magic  
Avestus Real Estate  
Axis Real Estate  
Barrington Holdings Poland  
BZ WBK AIB  
CB Richard Ellis Polska  
Chadbourne & Parke  
Clifford Chance  
  
Colliers International  
Cushman & Wakefield  
Deutsche Pfandbriefbank AG  
Echo Investment  
Eurohypo AG  
Europolis  
Heitman  
Hogan Lovells  
Integrated Finance Group  
Jones Lang LaSalle  
Keen Property Partners Retail  
King Sturge  
Knight Frank  
Linklaters  
Master Management  
Mayland Real Estate  
Panattoni Europe  
Polonia Property Funds  
ProLogis  
PwC  
REAS Residential Advisors  
Salans  
TPA Horwath  
WestImmo

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Otis L. Spencer, Managing Director  
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Paweł Dębowski, Partner & Head of CEE Real Estate  
Katarzyna Klimkiewicz, Partner  
Maciej Tuszyński, Executive Director, Poland

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## Nominated deals + winner

### Andersia Tower sale by Von der Heyden Group to DEKA Immobilien in 2008



Andersia Tower, a mixed-use, 171-room 4-star hotel & modern class A offices (10,500 sqm), was sold to DEKA Immobilien Investment GmbH in 2008 after an extensive tender was carried by Knight Frank. Transaction volume in excess of EUR 80 mln. Record low cap rate on regional markets in Polish history. The project forms a part of Andersia Square, the next phases of which are still to be developed. AT's sale attracted the largest number of international funds interested in a regional city, some of whom had not yet purchased in Poland. AT started against overall trends and at unfavorable

market conditions (v.high office vacancy level) but was completed before the peak of the market boom. Perfect timing, location, experienced development team & quality tenants laid the foundation for success of the deal. The transaction established a new price benchmark for regional markets & for mixed use hotel/office schemes nationwide & in CEE.

### Atrium City's purchase by DEKA Immobilien in 2009



The value of the deal was 115m EUR and was the most significant and remarkable deal of the year 2009. Atrium City (now Deloitte House) is one of the major recent office projects in Warsaw, with approximately 20,000 sqm of lettable space. Despite global uncertainty in the real estate market, the deal was one of the major deals of the year in CEE. At the time of the sale, several months before completion, the project was 90% pre-leased to tenants such as Deloitte, King Sturge and Deutsche Bank.

### Bema Plaza sale by Ghelamco to DEKA Immobilien in 2008



Ghelamco Poland sold its Wroclaw project Bema Plaza to DEKA Immobilien Investment GmbH for approximately 106 mln Euro, the third biggest deal on the Polish market in 2008. The 23,000 sqm project was the first Polish office project purchased by DEKA and the biggest project opened outside Warsaw that year. Thanks to its delivery Wroclaw has become an office market leader among the regional cities. Ghelamco's successful deal proved both the company's strength outside Warsaw and the fact that its Wroclaw investment became an unquestioned commercial success.

## Horizon Plaza's acquisition by Union Investment Real Estate GmbH, in 2010. Project developed by Curtis Development



Horizon Plaza Complex consists of two building with a total office area amounting to 32,7k sq m acquired by Union Investment Real Estate GmbH in April 2010 for approx. EUR 102 Mio. Union Investment is steadily creating a broad portfolio of Polish real estate properties. Significant investments in recent years include the purchase of the Stawy 3 shopping center in Katowice and the Radisson Blu Hotel located in Kraków. This year the company has concentrated on office buildings, as illustrated by Union Investment's purchase of Horizon Plaza buildings, located in excellent environment, belonging to the ten best office properties in CEE nominated for CEE Real Estate Office Development of the Year 2009 award.

## Lubicz Office Centre, Krakow, purchase by Polonia Property Funds in 2005



13,000 sqm office in downtown Krakow acquired by the Fund in May 2005 from Mostostal Export, development of second phase building extension (100% bank finance)

Acquired by the Fund in May 2005 from Polish construction company by Polonia Property Funds. One of the first transactions in Polish regional cities, purchase from Polish construction company by international Fund. Unique location in the centre of Krakow, maximised by development. Direct acquisition – no agency fees paid. 80% of leases restructured, new Property Manager appointed. Perpetual Usufruct title converted to freehold. Development of second phase building extension (100% bank finance). CBL II completed October 2009 at profit.

## Metro portfolio purchase by Apollo Rida

**WINNER**



In April 2004 Apollo-Rida completed the acquisition of a portfolio of 28 retail centers from the affiliates of Germany's Metro AG. The portfolio provides more than 650,000 sqm of retail space including 9 regional M1 malls, 4 power centers, and 15 stand-alone hypermarkets located throughout Poland. The centers are anchored by Real hypermarkets, Media Markt consumer electronics stores and Praktier DIY stores. In addition to the existing space, the properties offer significant expansion and further development potential which Apollo-Rida continuously pursues. Valued at over €700 million, the acquisition continues

to be recognized as the largest and most complex real estate transaction in Poland as well as the CEE.

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## Metropolitan's acquisition by Aberdeen Immobilien Kapitalanlagegesellschaft mbH, developed by Hines, in 2006



The Metropolitan is a building of unmatched standards not only in Poland but also across Europe, designed by Norman Foster.

The building offers about 38 000 square meters of usable floor space and 6 000 square meters of gross covered area. The value of the transaction was EUR 170 mln. The Metropolitan building was rewarded with many prestigious prizes, including: RIBA Worldwide

Award, MIPIM Award, Best Overall Project of 2003, The Platinum Drill.

## Marynarska Business Park sale by Ghelamco to Degi International in 2008



In 2008 Ghelamco Poland sold Marynarska Business Park office complex to Degi International for 167 mln Euro. It was the biggest transaction on the Polish commercial real estate market in 2008. The sale of Ghelamco's Marynarska Business Park office complex was the biggest transaction on the Polish commercial real estate market in the entire 2008. The modern office complex consisting of four buildings with a total rental area of 43,700m<sup>2</sup> was purchased by Degi International for 167 mln Euro. The deal was an even bigger success taking into account the fact that it was made at a time when the

Polish property market faced the lowest investment rate over the previous three years. Ghelamco's successful transaction proved that even in tough times high quality projects developed according to the best standards can enjoy great interest from big international investors.

Marynarska Business Park's purchase by Aberdeen Asset Manager, developed by Ghelamco, in 2008. The office complex located in the Warsaw area of Sluzewiec Przemyslowy is composed of 4 modern buildings and was put into operation in 2008. The acquisition of the project was the most remarkable transaction on the market in 2008.

## Mokotow Business Park sale by GTC to Heitman European Property Partners III Fund in 2006



In 2006 Globe Trade Centre S.A. (GTC) sold Mokotów Business Park (MBP) in Warsaw to Heitman European Property Partners III Fund. The sale price for MBP was USD 287.5 million. Construction of Mokotów Business Park began in 1995. The innovative project, demonstrating the exceptional vision of the people behind it, was GTC's first investment in Poland. Its implementation was crucial to the development of the post-industrial district of Służewiec Przemysłowy an area that is now regarded as the business centre of the capital.

At the time of closing of the sale transaction, MBP was the largest office complex in Central & Eastern Europe, comprising nine buildings with a total net lease area of 107,000 sm. The transaction also included the right to perpetual usufruct of 7.3 hectares of land. The sale price for MBP was USD 287.5 million. GTC realized a pre-tax profit on the transaction of about USD 40 million.

## Panattoni Europe/Standard Life portfolio sale to EPISO in 2010



Panattoni Europe and Standard Life Investments sold five projects in Poland (170,000 m<sup>2</sup>) to European Property Investors Special Opportunities, L.P. (EPISO), a fund co-advised by AEW Europe and Tristan Capital Partners, for the value of €91 million. The schemes were located in Łódź, Pruszków and Poznań, fully let to a tenant mix of 18 logistics, light production & FMCG companies. The projects were developed in 2007-2008 and are acknowledged by AEW/Tristan Fund due to their core location, institutional quality and commercial success. The assets were sold with the investment yield of 8,5-8,9%.

Poland is becoming an ever more interesting place for foreign investment funds. The deal is one of 6 transactions on the Polish industrial market in 2010, where 5 belong to Panattoni. It is the more meaningful considering the overall vacancy rate at 18%, the same proving presence of stable assets.

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## Poznan Financial Centre sale by Von der Heyden Group to AIB Polonia Property fund in 2004



A class office building in the centre of Poznan developed by VD-HG (joint venture between VDHG and the City of Poznan). 32,500 sqm gross, 18,500 sqm net usable area, opened in 2001, sold to AIB Polonia Property Fund in December 2004. Transaction volume of USD 56 mln. PFC as the joint venture of the City of Poznan and VDHG was the first working example of public-private partnership in Poznan, initially viewed with scepticism. It was a landmark transaction in terms of size for a regional city. VDHG smartly orchestrated a deal with BZWBK to buy the bank's plot dedicated for their new headquarter and in return VDHG leased up 11,500 sqm of prime office space for 10 years to BZWBK. The remainder of the space followed suit. Timing

again was everything. In addition, VDHG was able to sell the plot in 2007 after redesigning, for a record price to a Spanish Developer.

## Rondo 1 acquisition in 2006



Rondo 1 is a 40 storey office tower, with ancillary retail and car park, developed by Hochtief and completed in March 2006. This landmark tower is a truly prime asset creating benchmark to the local and regional market. The Property was acquired in 2006 in a 50/50 joint venture between MGPA Europe Fund II and London & Regional Properties. In 2008 MGPA Europe Fund II assumed full ownership of the building. The Property was acquired in a cyclical low at 43% occupancy level. MGPA acquired this truly prime asset and captured rental growth during market recovery. It maintains a high occupancy above 98% ever since achieving high end market rents. Despite the fact that these transactions were not the first time building was sold, MGPA assumed control over the building at its completion recording one of the largest deals of 2006 and consecutively 2008.

## Skorupki 4 sale by Von der Heyden Group in 2000



VDHG's sale transaction of A class office building, 4,000 sqm net space, in the heart of Warsaw. The building was sold to government institution Bankowy Fundusz Gwarancyjny in 2000. Transaction volume USD 16,5 mln. The sale was the first transaction on the Polish Market at a time before even construction work commenced. The high quality building was a unique product on the Polish market in 2000. It was constructed turn-key according to specific individual needs and in very close day-to-day co-operation with BFG, an institutional client. Location, a small reliable development team, carefully chosen subcontractors and perfect timing were main factors for the success of this deal. The Skorupki 4 transaction was one of the most transparent and carefully examined by the state and governmental institutions like NIK (Supreme Audit Office).