

Having made its investments in the country, AEW Europe is content to pro-actively manage its current portfolio.

Amelia Turp-Balazs

AEW Europe has been active in Romania since 2007, when one of the funds it manages purchased America House and a shopping mall in Targu Mures, central Transylvania. As head of asset management for AEW Europe in Central Europe, Isabelle Clerc says that much has changed in the world, but those acquisitions continue to form the basis of AEW's investment approach.

"The strategy of AEW Central Europe is to manage core and value-added, well-positioned assets. The tenants of the assets we manage know we are active and always work for them and this makes us successful," says Clerc.

The company certainly took an active approach when the mobile telecom operator Cosmote last year left America House, it left empty a large portion (3,900 sqm of office and 700 sqm of retail). Since then, however, AEW Europe has managed to attract new tenants whose quality has only served to increase the building's reputation. McDonald's moved its headquarters there in September 2011, taking 740 sqm, and opened a 350 sqm restaurant on the ground floor in December. World Class – which operates fitness centers all over Europe - has also signed up for around 1,000 sqm will this month open a fitness facility on the first floor. America House has also been successful in renewing the leases some of its long-term tenants.

"The law firm Tuca Sbarcea si Asociatii signed for the renewal of its 2,100 sqm, plus an expansion of 500 sqm, amounting to a total new surface of 2,600 sqm, while IT provider S&T has signed on for another eight years, retaining the 2,800 sqm it currently occupies," says Louis-Maxime Juhel, asset manager at AEW. Additional negotiations are being finalized to extend the lease of some of the building's biggest tenants.

AEW Europe's Romanian retail asset has required no less attention.

“Turnover at our Targu Mures mall increased last year by more than 12 percent compared to December 2010,” says Louis-Maxime Juhel. “We’ve been investing money, time and energy in this retail project, and we have built an eight-screen cinema in order to bring in Cinema City.” The cinema opened in December last year and is currently the only modern cinema complex in Mures county. AEW Europe is also bringing the German fashion retailer New Yorker to the mall, with an 800 sqm shop due to open this spring.

For the time being, AEW Europe has no plans to invest more in Romania mainly “because there is no financing available here,” yet Isabelle Clerc believes that the country has “a strong consumer base, with customers having a specific taste for shopping.”

In CEE, where AEW Europe has €1.5bn of the €18bn it has under management, Poland is the company’s primary focus but it is also active in the Czech Republic and Hungary.