



## ***INTERVIEW: Hungarian developer Gestor to start HUF 6 bln mixed-use project in Budapest***

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BUDAPEST. MARCH 18. INTERFAX CENTRAL EUROPE - Hungarian real estate development company Gestor, part of Gestor Holding, is planning to start the construction of a HUF 6 bln mixed-use development at the end of 2008 in Budapest, Gestor Managing Director Peter Gero told Interfax in an interview at the sidelines of an IIR industry conference on Tuesday.

"Demolition of dangerous buildings at the site has already started," Gero said. "We will be able to start the actual construction after receiving the building permit, which we expect to happen in September or October this year. After that, construction will take about 18 months."

The company is mainly active in the construction of luxury apartment buildings comprising a relatively low number (5-15) of flats in Hungarian capital city Budapest. The company also completed and is currently managing office buildings in several downtown locations.

The project dubbed "The Gallery" is located close a metro station and Ulloi ut, a major road leading to Budapest's international airport Ferihegy.

Gero said the company is in talks with banks concerning financing for the development, which is expected to cover the majority of project costs, but Gestor is also covering the development partly from its own sources.

The 29,500 square meter (sqm) mixed-use project will include 9,400 sqm of loft office space, 3,200 sqm of retail space on a passage leading through the street level, and 830 sqm of apartments, located solely on the top of the building.

"We are not planning to build ordinary offices here, instead we will cooperate with the nearby medical university, in the construction of laboratories or research areas," Gero said.

The project is also planned to include a three-star hotel of 100 rooms, on a total area of 3,300 sqm.

"We are in advanced talks with a renowned international hotel operator, we will most likely sign the contract tomorrow," Gero said.

Gestor Holding is owned by the family of Hungarian businessman Peter Gero, who is also taking part in real estate development projects in Hungary including a 4,000 square-meter apartment building "Kiralyhago Passage" in Budapest, "Peterhegyi Lakokert" and "Taborfoldi Lakokert" in nearby town Urom, as well as "Optimum Heviz" and "Vasvar Szentkut" in popular spa towns in southwest Hungary.