

E15: Karlin Group split

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Grouping of property development companies under the name of Karlin Group, which was umbrella organization for Prague's Karlín revitalization projects in the past decade, has split. Consequently, construction of Nový Karlín became past. The urban vision for an area of 50 hectares with potentially billions of invested crowns, planned by the developer Serge Borenstein still three years ago, thus fell apart. E15 newspaper informed about this.

“The Karlin Group portfolio still contains the envisaged Corso IIb office building and former ČKD halls which were sold to Zdeněk Bakala at the end of the year, however, we will continue in their construction,” Borenstein, who tried to bring world architects to Prague for his plans, said to E15. E15 stated that by selling Thámová hall, a recent project to build Gourmet Palace - a shopping centre for gourmets - definitely came to an end. E15 informed that Borenstein's former partners from M2 Real Estate acquired part of the land for other buildings, after the split of Karlin Group. “We finalized the division at the end of last year. We own the land for the previously planned Cubus office building and a part of the area in Pernerova street,” Petr Soukup, CEO of M2, confirmed. Borenstein, who according to E15 information lost his funding from a foreign investor last year, is gradually shedding other projects under the umbrella of Karlin Group. “Two weeks ago we sold a part of the River Gardens project to the company Karo - a new investor in the residential market,” said Borenstein. He previously sold office parts of the River Gardens projects to Premium Red and HB Reavis. “A plot for construction of several hundreds of flats still remains. He now co-owns it in half with his partner - Thomas Samii from Ungelt Partners,” emphasised Borenstein.

E15 points out that the group began to cut Karlin empire even before the flow of money from abroad dried up. In 2007, Borenstein admitted that it was not possible for Karlin Group to handle all planned construction and so he sold the nearby Libeň docks to the development company Crestyl. Two years ago, he disposed of Crystal office building which was acquired by AFI Europe. Although last year dozens of workers left Karlin Group, including its most distinctive figure sales director Milorad Miškovič, Borenstein has further plans with the a handful of the remaining closest collaborators, continues E15. “We are finalizing negotiations on sale of Keystone building to a foreign investment fund,” Borenstein announces the successful completion of one of the few office buildings which were started in Prague last year. At the same time, he is not giving up his intentions in Prague's Modřany. “A few days ago we decided on further use of Microna building, we want to rebuild it into low-cost offices,” claims Borenstein. In recent years, it was planned to rebuild Microna into loft apartments designed by architect Josef Pleskot; another in the end unrealized project was setting up the seat of The Institute for the Study of Totalitarian Regimes as well as Security Services Archive.

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