

## Press information

Bao Yang Shanghai  
2 March 2005

**DREES &  
SOMMER**

### ***Bao Yang* in Shanghai: Drees & Sommer Development Management supporting traditional exclusive residential area**

The ongoing Chinese economic boom continues to lure European companies to Shanghai. Adequate residential property with the necessary social infrastructure for European company representatives is still scarce in the Chinese metropolis. In Shanghai, tenants pay up to 7.5000 US Dollars a month for a free-standing one-family house and put up with a two hour-drive to the office. On behalf of the parastatal Chinese property holding C.R.E.D., Drees & Sommer Development Management and Property Consultancy GmbH develops an area with historic English colonial villas. The six hectare-area *Bao Yang* consists of sixty listed villas in Shanghai's central city district of Hongkou and is to be developed to a premium residential area of European standard.

In the first stage and on basis of urban planning, Drees & Sommer informed European target customers of the automotive, high-tech, food, pharmaceutical, clothing and aviation industries about the new development. Simultaneously, development managers registered requirements and desires of potential clients and used these as basis for the development of the residential area. This resulted in determining vital criteria for renting villas, which, next to quality, security and amount of rent, are factors such as proximity to international kindergartens and schools, hospitals on European level and shopping facilities. Many existing compounds are located outside of Shanghai and thus, outside any urban structure and social integration into the city structure and form a closed unit for foreigners.

The next stage is to present the project *Bao Yang* to the specialist audience at the property exposition MIPIM 2005 in Cannes. "Our aim is to integrate potential financing and investment partners at an early stage," says Roland Huber, Managing Director and person responsible for the Drees & Sommer Development Management. At the MIPIM, a Chinese delegation of eight governmental representatives will assume first negotiating talks with potential partners at their own stand. "European investments into Chinese property developments are novel, and the property market follows developments with interest," Huber appraises the project.

The Hongkou district administration sees the development very positive, although this will result in many new tasks in terms of protecting historical buildings and property

Please send a specimen copy with publication of the contribution. Many thanks.

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management. As an example, according to Chinese law, property cannot be sold but must be allocated for a certain period of time and on basis of a long-lease regulation.

Development managers estimate the investment volume of the project to be ca. 100 Million Euro. The city of Shanghai and the district of Hongkou target completion of the exclusive residential area *Bao Yang* before the start of the world exposition EXPO 2010.

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