

# Destined for success

Jacek Kopyra, Managing Director of Korporacja Radex, speaks about the company's successes, awards and ambitious plans.

**PM** Last year Korporacja Radex celebrated its 20th anniversary. Last October the company received the title of Employer of the Year in Construction. What do such awards mean to you?

It gives us great satisfaction that Korporacja Radex has already operated for 20 years, the more so as the products of our activity have been noticed and honoured with many awards. Recently, we have received the Services to the Construction Industry medal and the titles of Employer of the Year in Construction and Construction Project of the Year. We regard the awards as an achievement that crowns a certain stage in the company's development. They are a sign of recognition for our approach to business. We have gone through a difficult path over the years, which were full of market changes and turbulences, technological and organisational challenges. Behind all this is the daily effort of the company staff. We regard these awards as a great distinction but they also give us an incentive to further work.

**PM** How has the company changed over these years?

Korporacja Radex started its activity as a construction company in 1989. In the first years we were building our reputation working on large projects as a member of an informal group of more than ten construction businesses. We were the core of this group. We formed the group to be able to cooperate with many large companies on turn-key projects, which were really large and complex. Among the projects were logistics centres and shopping centres: M1 in Olsztyn and Wileńska and Arkadia in Warsaw. We also coordinated the construction of a residential estate in Warsaw's district of Ursynów. We worked as a general designer and general coordinator on one

of the world's most modern jet engine testing plants for General Electric and WZL-4. The plant is used for testing engines of Boeing passenger planes, F-16 and other military aircraft. In 2009 Korporacja Radex completed a large residential project in Warsaw's district of Bemowo. The total area under development was 148 hectares, including four football pitches, one of them in a former hangar. The project also included the revitalisation of the Bema Fortress and a 36-hectare park, the construction of roads, viaducts, bridges and so on. We do not undertake simple tasks. We like challenges. And this is how we are perceived on the market – as a company for impossible tasks. This is what has earned us the awards.

**Radex Marywilska Park is quite a "cosy" centre, something which sets it apart from huge logistics monsters.**



**PM** What challenges are you going to take up in the near future? Are you not afraid of making plans in a time of crisis?

It is important to remember that while planning one should take many variants into consideration. We take into account market forecasts, as well as fluctuations in demand, supply and prices of materials and labour. This is why we take so much time to study alternative solutions. But progress in our preparatory work is fast and we will soon begin several new projects. First, we are going to start the construction of another housing estate in Warsaw's Mokotów district and a municipal waste utilization plant outside Warsaw.

**PM** But investment projects make up only one sphere of the company's activity.

That is correct. Today, the sphere of activity that gives us a sense of high stability is the lease of commercial space in Radex Park Marywilska in Warsaw. Radex Korporacja is the owner of the distribution centre. The park is regularly expanded and the company offers facility management services to its tenants. Korporacja Radex started to lease commercial space in the centre in 1998-1999. By 2005 the centre covered around 4 hectares, with four buildings providing a rentable space of around 8,500 sq m. C-class and B-class offices occupied around 30% of the space. The remaining space were warehouses of various standard and size. A period of radical changes in Radex Park Marywilska started in May 2005. We expanded our area to around 7 hectares, constructed new facilities, renovated old ones and thoroughly modernised the complex to bring it up to the standards expected by the customers. Our services are valued highly by Polish family businesses, companies listed on the stock market and international corporations. We have several built-to-suit facilities, designed and built to meet the customers' specific requirements. We have developed a professional business park. We now have more than 26,000

sq m of rentable space in autonomous modules. The well-tended greenery, combined with the excellent location of the distribution centre, is an added value appreciated by the tenants. Radex Marywilka Park is quite a “cosy” centre, something which sets it apart from huge logistics monsters. We are consistently expanding this activity. This year we have completed the preparation of our investment plans for the coming 10 years. Their implementation has already begun. A design, and the required permits for the construction of a new building in phase I of the plan, is under preparation. It will be an office building with a warehouse module – excellently designed by the Chmielewski i Skala architectural practice, which cooperates with us. It will be distinguishable by its architecture and its furnishings will be comparable with those of A-class office buildings in downtown Warsaw but the building will be situated in a forest and park complex along Marywilka Street. The top floor is to accommodate a club and a restaurant with terraces. Of course, a spacious underground car park will also be built. We want to hand over the building to tenants in the first half of 2012. This would coincide with the modernisation of the Marywilka Street, Toruńska Expressway and Północny Bridge transport system. This synergy will enable us to offer a new standard to tenants tired with congestion in the centre of the city, a shortage of parking space and excessively high rents. And this is only the beginning – phase I of a large project which is estimated to cost PLN150–200 million. We have also chosen ways to fund the project. One of them is the floatation of the company’s shares on the Warsaw floor. We will have a lot of work.

**PM** Your plans seem to be very ambitious – you are expanding Radex Park Marywilka but lease rates have recently dropped significantly. What are the advantages of Radex Park Marywilka? Do you not fear a slump in demand for space in your distribution centre?

Only those unable to think are unaware of potential threats and have no fear. It is true that the situation on the real estate market still seems uncertain. But we are closely monitoring the situation and looking at forecasts from



the perspective of our business. And we are optimistic. So far, we have always managed to achieve our goals. It is not easy. But for us our daily struggle with adversities is equivalent to crisis management. Our business simply means we always have to be on the alert. When a real crisis comes we are prepared for it and know how to proceed. What is more, we had managed to predict the downturn before the crisis actually hit the market. We managed to protect ourselves against it. But we failed to correctly predict its scale. We thought it would be a cyclical downturn and a temporary stagnation. We expected that the downturn would last more than three years and would begin at the end of 2008. Our predictions were quite accurate but there are still many difficult moments ahead of us. Still, we are convinced that the outcome will not differ too much from our expectations in this case as well. We hope we will be able to change the appearance of Marywilka Street and that it will be perceived as a place where one can do business in a way which is effective, nice, and friendly to our tenants’ staff and customers. In order to learn about the advantages of this location, it is best to talk to the tenants who already operate in our centre. Among them are Polish family businesses, companies listed on the stock exchange and subsidiaries of international corporations. During the more than 10 years of our activity on the property lease market we had virtually no dissatisfied tenants who moved out of our centre because our services did not meet their expectations. I have recently heard the opinion that our centre is a place with a very positive energy, which helps one

to achieve success. I am quite sceptical about attributing the results of human work to some magic forces but one thing is certain: we have created this place thanks to our own work, we are shaping it and take care of it with prudence. And this indeed fosters excellent relationships and a good atmosphere conducive to the expansion of our tenants’ activity. Our motto is “the customer is the king.” Even if the customer does not know how to specify their requirements we help them to do so and then support them during the period when the lease contract is in force. We never leave tenants alone with their problems. We talk to them, help them to solve their problems, work out compromises so that none of the parties is a loser. We have managed to withstand the crisis without a deterioration in our financial indices. What is more, despite many adversities, we have continued to expand and increase our sales and profits. Korporacja Radex is a family company. We treat our business very seriously and think about it in long terms. Most of the development companies operating on the market carry out commercial projects and then sell them quickly to other investors. In contrast, we are building a large and stable firm generating predictable profits. We want to draw satisfaction from this activity, we want to be proud of it and do something that would last. We respect the customers – and they also treat us like partners – with whom we can talk about the future, make joint plans, and rely on their stability. We simply like to be in good company. Perhaps this is why we do not fear challenges and usually go against the tide. ::