

# Is the curse over?

Today, they already know that when back in 2005 they decided to buy Skeletor, they were naive. They believed that construction works would get cracking, and they would only marvel at the effects. Now, after years of struggle, court campaigns, and sleepless nights,

**SZYMON DUDA**

and **HENRYK GAERTNER**

hope that Krakow's nightmare will finally cease to haunt the city.

A photograph of two men in suits standing in a field of dry grass in front of a large, multi-story building under construction. The building's structure is exposed, showing a complex network of steel beams and scaffolding. The sky is clear and blue. The man on the left is wearing a dark suit and has his hands in his pockets. The man on the right is wearing a light blue suit and is smiling slightly.

**The two who want to lift  
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# The two who want to lift the curse of Krakow's Skeletor

They started off as students investing modest savings to adapt an attic. Now, they are about to take on Krakow's tallest building with an office compound worth approx. EUR 100 million! Architect **SZYMON DUDA** and attorney-at-law **HENRYK GAERTNER** have formed a perfect business duo.

By Piotr Tymaczak

From the windows of their office located at ul. Mogilska, Szymon Duda and Henryk Gaertner have a view on Skeletor, Krakow's sky-scraper standing unfinished for 37 years. From these windows, they will be able to watch the progress of the works scheduled to begin at the end of March this year. Did it occur to them twenty years ago that they would become one of the most spoken of investments in the city?

*'At that time I was working in an office in Frankfurt. One day my boss was away on business. I went into his office, sat down in an armchair and took a look at sky-scrapers out of the window, and thought: you need to do some business in your life'* - Duda reminisces.

Little did he know that together with a friend he would found a company and have a successful career. Its climax is a joint venture with a Saudi fund handling millions of dollars all over the world. Thanks to this cooperation, Skeletor is to be transformed into a representative office building, like a lantern shining above the city at night. Szymon Duda and his partner Henryk Gaertner dream to have their offices right there to be able to watch the panorama of their hometown. They believe their dreams will come true. The construction works are to commence on 30 March, exactly twenty years after they founded their GD&K Group company and, on top of that, on Gaertner's 45th birthday. Duda is his peer.

## STARTING FROM THE ATTIC

Duda's opportunity to check how comfortable the armchair of one of the heads of a big developer company was due to international politics.

After the collapse of the Wall, Berlin was priming itself to take on the role of the capital of united Germany. New buildings were growing, companies needed employees, including architects.

His command of German allowed Duda to find first employment in architectural studios of Berlin and Frankfurt. He was studying in Krakow and working in Germany, spending many a night on the train. Since that time, he cherishes a strong aversion to couchettes.

Living out of suitcase began to yield the first profits. When he saved some eight thousand Deutsch Marks, together with a friend, he resolved to set up a company and invest in adapting attics in the building at ul. Zygmunt Augusta into apartments. They produced a design and commissioned a selected construction firm to carry out the works. It was the 1st half of the 1990s, the time of the market free-for-all. They could lose all the funds they had at their disposal at that time. Soon they realised that the tangle of regulations was more than they were able to cope with unassisted. They started asking their friends and acquaintances about a lawyer worth recommending.

At one of the social functions he attended, Duda was introduced to Henryk Gaertner, a student of medicine and law. Thanks to his assistance, the invested money was salvaged. Duda already then realised that he cannot achieve anything without help of a lawyer. He offered Gaertner cooperation and his offer was accepted without hesitation.

And thus it all began. *'We did not inherit anything. We started from scratch with modest savings that we had,'* Henryk Gaertner - says.

Duda chimes in: *'Henryk did not have anything, we didn't have anything. We weren't risking much.'*

## BREAKTHROUGH DEAL WITH BANK

One of the flats in the attic at ul. Zygmunt Augusta was sold to wife of a developer from Germany. It occurred to him that if they were able to adapt an attic for residential purposes so well, perhaps they could do other things, as well.

He invested - purchased a small plot at ul. Szwedzka, where they built a residential building together.

Later, they found an Austrian investor for adaptation of a tenement house at ul. Kurkowa. This project yielded their first bigger profit. They were young, dynamic, they wanted to keep up the momentum. Whatever they earned, they invested in full in real estate, they were running on all cylinders. A breakthrough moment was their investment into Nowa Kamienica at ul. Rakowicka. It was to be erected next to a building with a bathroom window in the wall. Maintaining that the new building to be erected would be too tall and located too close to his property, the building's co-owner wanted to block the investment (the case is still pending before court).

One of the administration employees even sat in the window with his legs outside to render construction impossible. The investors waited for him to leave his outpost to use toilet and when he was gone, the builders installed a steel board and set down to building the wall. The neighbour did not want to relent, but Gaertner came to an understanding with the co-owners of the disputed property and bought the necessary shares from them.

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Nowa Kamienica was an office building and at that time letting such premises in Krakow was not an easy feat. And yet again, it was a coincidence that helped Duda and Gaertner. They made their money transfers in Deutsche Bank, and they were already well-known to one of the bank's employees.

They were always polite to her and shared their plans with her. Thanks to her, they met a DB representative, their peer hailing from Eastern Germany who, as the chance would have it, was looking for new premises for his bank's seat in Krakow. This way Deutsche Bank found its way into Nowa Kamienica.

*'It was our most important contract. Had it not been for this one, I don't know if we would have ventured any further in this business. We needed an important transaction. The building for Deutsche Bank provided us with the necessary prestige,'* - Duda admits.

They never ceased in their attempts to continue education and acquire professional experience. Further investments followed, including apartment buildings in Kazimierz, Krakow's Jewish Quarter, Park&Inn Hotel by Radisson close to Rondo Grunwaldzkie, and office buildings: Carpathia in Warsaw, Avia and Meduza in Krakow at ul. Mogilska where GD&K's offices are presently located. Upon entering the hall, a model of Skeletor surrounded with smaller office buildings stands out immediately. By the end of 2019, it is to be transformed into a compound of buildings named Treimorfa. It is going to be the biggest investment of this kind in Krakow. It would not happen if it hadn't been for Duda's trips to Cannes, France, the city known for its famous film festival, but also the biggest real estate fair. The fair is held in Palais des Festivals, i.e. the same place where Palme d'Or awards are handed to film stars.

## BUSINESS ON COTE D'AZUR

For the first time Duda visited the fair in Cannes in the mid-1990s. He went there, as he himself maintains, thanks to kindness of one of the developers. He went to an exposition where Tishman Speyer employees presented designs for Nowe Miasto in Krakow. The project never took off the ground.

Skeletor's history goes back to the year 1968, when the competition for a design for the Chief Technical Organization's [NOT] building was announced. The winner was a proposal presented by the team headed by Zdzisław Arct. The construction of the high-rise building commenced in 1975. After four years, however, the investment was discontinued for economic reasons. To this day, the construction has not been completed, despite numerous new concepts for its use and changing owners. The present investor intends to complete the works and turn the building into an office building. The edifice will grow by approx. 10 m to reach the height of 102.5 m. Two added top floors will provide restaurant and banquet spaces with a panoramic terrace. This part of the building will be available to the general public. According to the plan, the first stage of construction will be put to use by mid-2018. The second stage of the investment will consist in the building of a shopping avenue. It will be flanked on both sides with two office buildings. It cannot be ruled out, however, that one of them will be a hotel. The cost of both stages is estimated to be approx. EUR 100 million.

Years later, it was transformed into Galeria Krakowska, built by another investor.

The fair's venue and flair put the young architect under a spell. He decided that the fair in Cannes must become a fixture in his annual itinerary. He sensed that Cote d'Azur offers valuable business opportunities and interesting contacts. The opportunity of a lifetime came ten years later, in spring 2005. It was then when he encountered representatives of DMI, i.e. an investment fund whose shareholders are members of the royal House of Saud. The fund invests on four continents and manages assets with the value exceeding US\$ 3.6 billion.

From one word to another, Duda became acquainted with people from DMI. From them he learned they were looking for prestigious ventures to invest in. At that time in Cannes, Duda had nothing to offer them. He, nonetheless, did not forget to exchange telephone numbers.

## 10 YEARS OF STRUGGLE WITH FATE

Several months had passed. Duda was browsing through a newspaper in his office. On one of the pages he found an announcement that Węglózbyt, a Katowice-based company, sought to sell a skeleton structure of a high-rise building located at Rondo Mogilskie in Krakow. The architect quickly remembered about DMI. He grabbed his phone straight away ...

He read the advertisement on Friday and already on the next day he was drawing plans for Skeletor's completion. DMI's representatives participated in negotiations at all times. Duda called Geneva where he consulted everything with DMI's authorities. They first agreed that PLN 30 million would have to be paid for Skeletor.

In an afterthought, they reflected that competition may also offer a round sum. And so, they decided to add PLN 700 thousand and this way they won the tender.

Later that day, they climbed the roof of Nowa Kamienica to cele-

brate. They felt as if the world was at their feet.

*'Our optimism was great. Taking on such a huge project seemed natural to us. We counted for more even greater ventures in other cities. Looking back, we were very daring,'* - Duda admits.

It seemed that everything would go smoothly: the design would be produced quickly, DMI and banks would transfer the funds, and the construction would progress fast. They seemed to have forgotten that since 1979 Skeletor had been under a curse, while subsequent projects aimed at completing the building were discarded one after another. Duda and Gaertner encountered piling obstacles. Neighbours and ecologists protested against the investment.

The case went to court. A permit for increasing the building's height by two levels, meant to hold the panoramic terrace available to the public, was slow in coming. Finally, after a battle of ten years, the investors obtained the building permit and signed with the city an agreement to commence

the works at the end of March this year.

*'There is no other way out, but we really want to see this project through,'* - Gaertner emphasises. Looking at Skeletor, he and Duda often reflect on their beginnings. *'Obviously, the competition at that time was not as intense as today, there were more opportunities for young people. We were the first generation putting their first footsteps in the developer business from scratch,'* - Gaertner says.

Duda adds, *'It was enough to keep your mind open and to know foreign languages.'*

They have put Skeletor's curse out of their minds entirely. Neither do they enthuse about a possibility to go down in the annals as those who took the spell off the Krakow's sky-scraper anymore. *'It must be done. Full stop,'* - Duda ends the discussion.

He is fully aware that without Gaertner's knowledge of law and his resourcefulness none of this would have been possible.

This is what the tower-block at Rondo Mogilskie is going to look like at night.





The turn of the 1980s and 1990s was to see the creation of a hotel and conference complex.



The design from the beginning of the 21st century, including a decrease in the building's height and construction of a hotel.



A 2008 design for a domed tower-block failed to obtain approval.