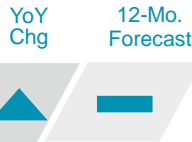


**13.5%**  
Vacancy Rate



**€18.50**  
Prime Rent, PSQM

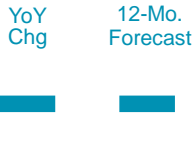


**7.15%**  
Prime Yield



**ECONOMIC INDICATORS  
Q1 2021**

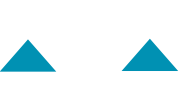
**1.0M**  
Bucharest  
Employment



**1.2%**  
Bucharest  
Unemployment Rate



**€897**  
Net Average Salary  
In Bucharest



Source: National Institute of Statistics

**Moderate supply at the beginning of the year**

In Q1 2021, two new buildings were delivered in Bucharest, namely Campus 6.2 (19,800 sq. m GLA), part of the larger Campus 6 project developed in the Politehnica (Central – West) area of the city by Skanska, and Millo Offices (9,700 sq. m GLA) in the Central submarket. The modern office stock of Bucharest will reach the 3 million sq. m threshold (excluding owner-occupier buildings) soon, as important new deliveries are expected in the following months, while the vacancy rate increased to 13.5% overall. A significant difference remains between the vacancy rates for A and B class office buildings, with A class properties recording a level of 10.7%, compared to 22.1% in B-class buildings.

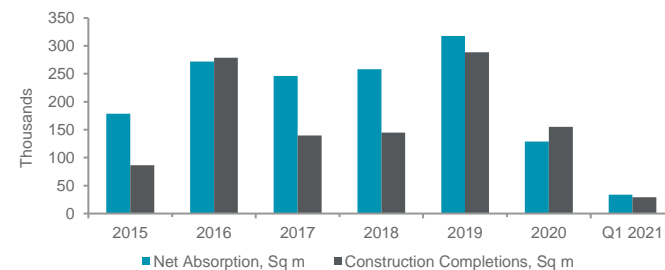
**Demand shows signs of recovery**

The total leasing activity in Bucharest was of 48,000 sq. m in Q1 2021, with net take-up (excluding renewals) having a robust share of 71%. Compared to Q1 2020, when Covid-19 pandemic was in early stages, demand recorded an 8.6% decrease, thus showing some initial signs of recovery. The largest transaction during Q1 2021 was a pre-lease of 11,000 sq. m signed by Wipro in Globalworth Square, an under construction project in the Floreasca – Barbu Vacarescu area. A number of large transactions are expected to be signed by the end of the year, thus we expect the yearly transactional volume to reach the 300,000 sq. m threshold.

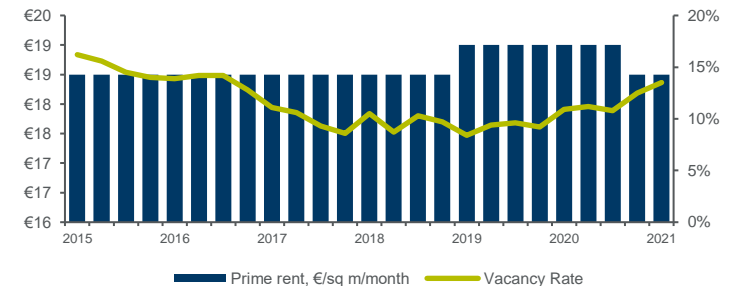
**Prime rents remain stable**

New projects totaling approximately 373,000 sq. m GLA are currently under construction, with a remaining pipeline of around 220,000 sq. m being announced for 2021. The most active sub-market in terms of deliveries during the following period will be Center-West, with almost 145,000 sq. m under construction (a share of 39%), while the Expozitiei, Central and Floreasca – Barbu Vacarescu submarkets will also see significant deliveries by the end of 2022. The most important developments currently under construction are One Cotroceni Park, J8 Office Park, Globalworth Square or U Center. Prime headline rents in Bucharest remained stable in Q1 2021, ranging between €18.00-18.50/ sq. m/month in the CBD area, while values of €17.50-18.00/ sq. m/month are recorded in the Center and Floreasca - Barbu Vacarescu submarkets.

**SPACE DEMAND / DELIVERIES**



**BUCHAREST VACANCY & ASKING RENT**





## MARKET STATISTICS

| SUBMARKET                   | STOCK (SQ M)     | AVAILABILITY (SQ M) | VACANCY RATE | CURRENT QTR TAKE-UP (SQ M) | 2021 TAKE-UP (SQ M) | YTD COMPLETIONS (SQ M) | UNDER CNSTR (SQ M) | PRIME RENT (MONTH) |
|-----------------------------|------------------|---------------------|--------------|----------------------------|---------------------|------------------------|--------------------|--------------------|
| CBD                         | 327,700          | 34,500              | 10.5%        | 5,494                      | 5,494               | -                      | 32,300             | €18.50             |
| Center                      | 351,700          | 36,200              | 10.3%        | 5,416                      | 5,416               | 9,700                  | 51,600             | €18.00             |
| Floreasca – Barbu Vacarescu | 544,100          | 39,800              | 7.3%         | 18,486                     | 18,486              | -                      | 48,300             | €17.50             |
| Expozitiei                  | 222,800          | 31,600              | 14.2%        | 2,264                      | 2,264               | -                      | 73,400             | €17.50             |
| Center - West               | 477,100          | 60,800              | 12.7%        | 3,750                      | 3,750               | 19,800                 | 144,500            | €15.00             |
| North                       | 159,800          | 24,100              | 15.1%        | 5,350                      | 5,350               | -                      | 23,000             | €15.00             |
| Dimitrie Pompeiu            | 440,700          | 60,300              | 13.7%        | 4,967                      | 4,967               | -                      | -                  | €13.00             |
| Pipera North                | 210,500          | 85,000              | 40.4%        | 2,078                      | 2,078               | -                      | -                  | €11.00             |
| West                        | 157,900          | 4,800               | 3.0%         | -                          | -                   | -                      | -                  | €12.00             |
| East                        | 51,100           | 19,300              | 37.7%        | -                          | -                   | -                      | -                  | €12.00             |
| South                       | 41,800           | 7,500               | 17.9%        | -                          | -                   | -                      | -                  | €12.00             |
| <b>Bucharest (overall)</b>  | <b>2,985,200</b> | <b>403,900</b>      | <b>13.5%</b> | <b>47,805</b>              | <b>47,805</b>       | <b>29,500</b>          | <b>373,100</b>     | <b>€18.50</b>      |

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q1 2021

| PROPERTY           | SUBMARKET                   | TENANT             | RSQM   | TYPE      |
|--------------------|-----------------------------|--------------------|--------|-----------|
| Globalworth Square | Floreasca – Barbu Vacarescu | Wipro              | 11,000 | Pre-lease |
| Miro Offices       | North                       | COS                | 4,000  | Pre-lease |
| U-Center           | Center                      | Banca Transilvania | 2,800  | Pre-lease |
| Metrooffice        | Dimitrie Pompeiu            | Porr Romania       | 2,100  | Renewal   |
| One Cotroceni Park | Center - West               | Conectys           | 2,100  | Pre-lease |

## KEY SALES TRANSACTIONS Q1 2021

| PROPERTY                  | SUBMARKET | SELLER / BUYER         | SQM    | PRICE |
|---------------------------|-----------|------------------------|--------|-------|
| Bucharest Financial Plaza | Center    | BCR Erste / Immofinanz | 26,000 | €36M  |

## KEY CONSTRUCTION COMPLETIONS Q1 2021

| PROPERTY      | SUBMARKET     | MAJOR TENANT | PROJECT SIZE (SQM) | OWNER / DEVELOPER |
|---------------|---------------|--------------|--------------------|-------------------|
| Campus 6.2    | Center - West | Microsoft    | 19,800             | Skanska           |
| Millo Offices | Center        | -            | 9,700              | Forte Partners    |

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