



13.1%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

€18.50

Prime Rent, PSQM



7.15%

Prime Yield

ECONOMIC INDICATORS
Q2 2021

1.0M

Bucharest
EmploymentYoY
Chg12-Mo.
Forecast

1.2%

Bucharest
Unemployment Rate

€960

Net Average Salary
In Bucharest

Source: National Institute of Statistics

Low supply in Q2

In Q2 2021, only one new building has been delivered in Bucharest, namely Tiriac Tower (16,500 sq. m GLA) in the CBD area of the city, the new supply for H1 2021 being of 46,000 sq. m. The modern office stock of Bucharest has therefore reached 3 million sq. m (excluding owner-occupier buildings), as important new deliveries are expected in the following months, while the vacancy rate slightly decreased to 13.1%, 40 bp below Q1 2021 level. There is still a wide gap in regards to the vacancy rates for A and B class office buildings, with A class properties recording a level of 9.8%, compared to 23% in B-class buildings.

Demand picks up the pace

The total leasing activity in Q2 2021 was of 71,200 sq. m, which corresponds to a y-o-y increase of 60% and also to a 23% increase when comparing H1 2021 to H1 2020. Net take-up (excluding renewals) had a lower share (52%) compared to the previous quarter. Tenants from the T&T and Medical sectors have been the most active ones in Q2, having a combined share of 55% from the total transactional volume. Taking into account the remaining pipeline for the rest of 2021, it is expected that the overall demand will come close or even break the 300,000 sq. m threshold.

Consistent pipeline for H2 2021

Presently, there are new office buildings under construction totaling around 377,000 sq. m GLA, with a consistent pipeline of 227,000 sq. m for the second half of 2021. The most active sub-market in terms of deliveries in the following 18-24 months will be Center-West, with almost 145,000 sq. m under construction (a share of 38%), while the Expozitiei, Central and Floreasca – Barbu Vacarescu submarkets will also see important completions by 2023. The most significant developments currently under construction are One Cotroceni Park, J8 Office Park, Expo by Atenor, Globalworth Square and U Center. Prime headline rents in Bucharest have seen no upward or downward movements, still 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	344,200	36,300	10.5%	10,822	16,316	16,500	15,800	€18.50
Center	351,700	34,600	9.8%	2,699	8,115	9,700	51,600	€18.00
Floreasca – Barbu Vacarescu	544,100	35,100	6.4%	6,930	25,416	-	48,300	€17.50
Expozitiei	222,800	25,900	11.6%	17,432	19,696	-	93,500	€17.50
Center - West	477,100	56,500	11.8%	9,886	13,636	19,800	144,500	€15.00
North	159,800	36,000	22.5%	-	5,350	-	23,000	€15.00
Dimitrie Pompeiu	440,700	49,600	11.3%	13,610	18,577	-	-	€13.00
Pipera North	210,500	92,100	43.8%	320	2,398	-	-	€11.00
West	157,900	1,500	0.9%	9,500	9,500	-	-	€12.00
East	51,100	19,300	37.7%	-	-	-	-	€12.00
South	41,800	6,300	15.1%	-	-	-	-	€12.00
Bucharest (overall)	3,001,700	393,200	13.1%	71,199	119,004	46,000	376,700	€18.50

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
IRIDE 18	Dimitrie Pompeiu	Provita	11,000	New lease
City Gate	Expozitiei	KMG Rompetrol	9,400	Renewal
Anchor Plaza	West	Adobe	9,000	Renewal
AFI Victoriei Plaza	CBD	IT Confidential	3,100	Renewal
Metropolis Center	CBD	Lowe Group	2,000	Renewal

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE
Campus 6.2 & 6.3	Center - West	Skanska / S Immo	38,000	€97M
The Light One	Center - West	River Development / Uniqa RE	22,000	€56M

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Campus 6.2	Center - West	19,800	S Immo / Skanska
Tiriac Tower	CBD	16,500	Tiriac Imobiliare
Millo Offices	Center	9,700	Forte Partners

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