



15.3%
Vacancy Rate



€18.50
Prime Rent, PSQM

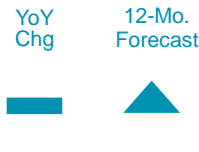


6.50%
Prime Yield



**ECONOMIC INDICATORS
Q1 2022**

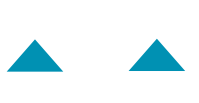
1.0M
Bucharest
Employment



1.1%
Bucharest
Unemployment Rate



€977
Net Average Salary
In Bucharest



Source: National Institute of Statistics

Three new deliveries in Q1

The Q1 2022 new supply has been consistent, with three new deliveries in Bucharest, consisting of an extension of the Sema Parc project, namely the London & Oslo buildings (31,500 sq. m GLA in total), the first phase of the @Expo project (21,000 sq. m GLA) and the Tandem building (21,000 sq. m GLA), the total new supply in Q1 2022 reaching 73,500 sq. m. As a consequence, the office stock in Bucharest was of 3.27 million sq. m (excluding owner-occupier buildings) at the end of Q1, with a slightly higher overall vacancy rate of 15.3% (compared with 13.5% at the end of Q1 2021). This can mostly be explained by the difference between A and B class office buildings, which currently record vacancy rates of 12.9% and 23.6%, respectively.

Strong demand at the beginning of the year

80,800 sq. m have been transacted in Q1 2022, an increase of 69% and 54% when compared with Q1 2021 and Q1 2020, respectively. Net take-up (excluding renewals) had a consistent share of 72%, significantly higher than the last 2 years' average of 56%. T&T companies were once again the most active tenants (47% share of the total take-up), while the Center submarket recorded the highest take-up (30% share). The Q1 take-up shows that there is a clear potential for the market to break the 300,000 sq. m threshold in 2022 for the first time since 2019.

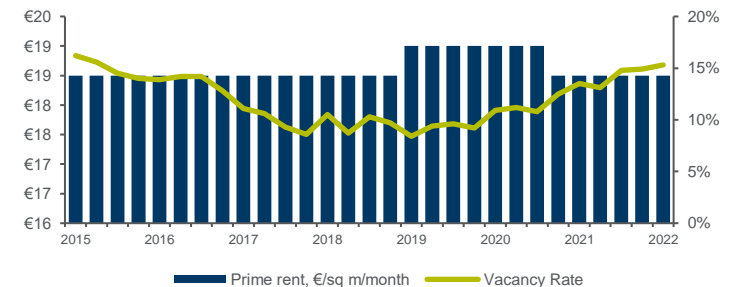
Low pipeline until 2024

The existing pipeline of under construction office projects (159,000 sq. m GLA) is relatively low, mainly as a result of the present bureaucratic issues in Bucharest, as very few real estate projects received their building permits during the last 12 months. One Cotroceni Park II, U-Center II, AFI Tech Park II or Equilibrium II are some of the most important projects that are expected to be delivered by the end of 2023. The prime headline rents in Bucharest remained stable in Q1 2022, ranging between €18.00-18.50/ sq. m/month in the CBD area, while values of €16.00-18.00/ sq. m/month are recorded in the Center and Floreasca - Barbu Vacarescu submarkets, with a small increase being forecasted in the CBD area by the end of 2022.

SPACE DEMAND / DELIVERIES



BUCHAREST VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	2022 TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT* (MONTH)
CBD	360,500	37,000	10.3%	8,957	8,957	-	-	€18.50
Center	405,500	40,000	9.9%	24,447	24,447	21,000	44,100	€18.00
Floreasca – Barbu Vacarescu**	569,700	59,100	10.4%	13,736	13,736	-	20,000	€15.00 - 17.50**
Expozitiei	289,800	66,400	22.9%	4,821	4,821	21,000	35,000	€17.50
Center - West	554,600	86,600	15.6%	15,040	15,040	31,500	60,000	€15.00
North	182,700	41,100	22.5%	8,173	8,173	-	-	€15.00
Dimitrie Pompeiu	440,700	46,200	10.5%	3,124	3,124	-	-	€13.00
Pipera North	210,500	88,500	42.1%	-	-	-	-	€11.00
West	165,900	11,500	7.0%	-	-	-	-	€12.00
East	51,100	17,700	34.6%	288	288	-	-	€12.00
South	41,800	6,300	15.1%	2,200	2,200	-	-	€12.00
Bucharest (overall)	3,272,800	500,400	15.3%	80,786	80,786	73,500	159,100	€18.50

*Rental rates reflect full service asking

**The Floreasca – Barbu Vacarescu submarket has a wider range of full service asking rents

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
U-Center I	Center	Booking.com	9,000	New lease
Tudor Arghezi 4	Center	EveryMatrix	7,500	Pre-lease
Baneasa Airport Tower	North	Profi	4,000	New lease
AFI Business Park	Center - West	Expleo	2,900	New lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE
Baneasa Business Center	North	Adval Asset Management / Indotek	9,500	€15M

KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Sema Parc London & Oslo	Center - West	31,500	River Development
@Expo I	Expozitiei	21,000	Atenor
Tandem	Center	21,000	Forte Partners

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