



Office Q1 2021

13.5%
Vacancy Rate

YoY Chg



12-Mo. Forecast



€18.50
Prime Rent, PSQM



7.15%
Prime Yield



ECONOMIC INDICATORS Q1 2021

1.0M
Bucharest
Employment

YoY Chg



12-Mo. Forecast



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.

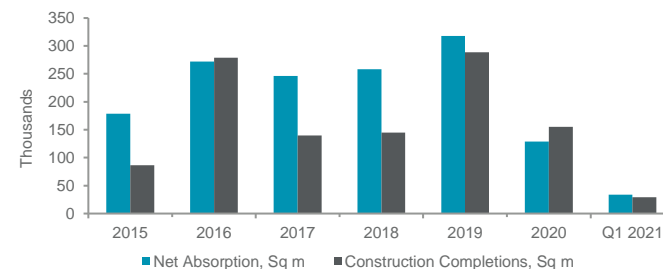
Demand shows signs of recovery

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.

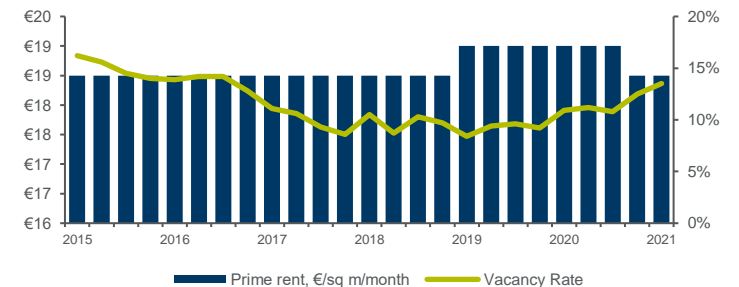
Prime rents remain stable

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
Bucharest (overall)	2,985,200	403,900	13.5%	47,805	47,805	29,500	373,100	€18.50

*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
Metroffice	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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