

BUCHAREST OFFICE MARKET



Q1 2017



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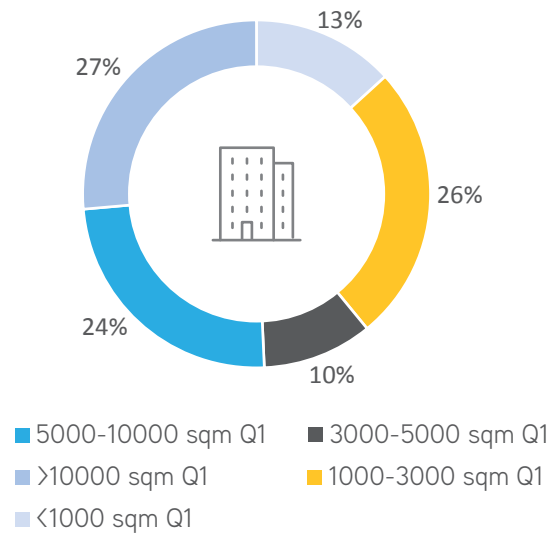
Q1 Total take-up

114,800 sqm  **y-o-y 110%**

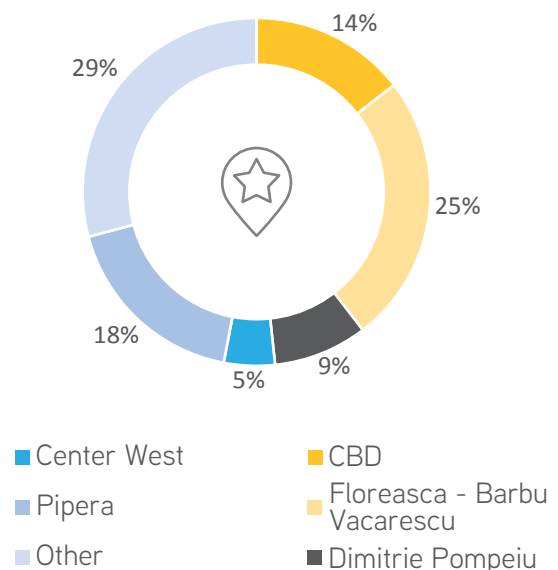
Demand

- > The Bucharest office market recorded leasing transactions more than 100,000 sqm during Q1.2017, almost doubling the volume of transactions recorded in the same period of the previous year. Net office take-up during Q1.2017 stood at 57,200.
- > The rapid increase in transactions comes on the back of strong demand in the Consumer Goods sector as well as the BPO/SSC sector. The market also saw several new entries during Q1, most notably VoxPro, Fitbit, Markant and EGT.
- > Looking at the distribution of demand, Floreasca-Barbu Vacarescu remained the most active submarket with over 28,000 sqm leased, followed by Pipera and the CBD area.
- > We expect a total market take-up of close to 400,000 sqm during 2017. Net take-up will be close to 175,000 sqm, as new players in the BPO/SSC and IT sectors are actively prospecting the market and as the existing players look towards expanding their office space. For the time being, demographics have become the largest drag on expansion for the sector, as workforce supply is struggling to keep up with demand.

Transactions by deal size



Leasing activity by sub-markets





Deliveries

➤ The market stands to receive new deliveries of approximately 175,000 sqm during 2017. Looking at the sub-market breakdown, the Center-West area will account for approximately 40% of the deliveries. At the same time, there are no new deliveries planned for the remainder of the year in the Floreasca – Barbu Vacarescu area. This area has become in recent years one of the most attractive for HQ operations, which in turn creates the potential for a repositioning in the market.

Green certifications

➤ During the first three months of the year, the market for Green Office buildings recorded over 90,000 sqm in new certifications. The highlight for this period were the certification of Globalworth Tower (LEED Platinum), Ethos House (BREEAM Very Good) and Europe House (LEED Gold). It is also important to note that Globalworth Tower is the first building in Romania and the broader SEE area to reach the highest level of Green certification for a core & shell project.

New players on the office market



Transactions by company activity

