

## CONTINUING BUILDING TRUST IN THE HOSPITALITY DEVELOPMENT



At Vitalis Consulting, our extensive experience in managing hospitality projects has positioned us as a leader in the construction project management sector in Romania. With a portfolio featuring several high-profile projects, we continue to demonstrate our commitment to quality, innovation, and client satisfaction. Our journey in the hospitality sector is marked by a diverse array of projects, ranging from boutique hotels to large resorts, each uniquely tailored to meet the specific needs of our clients and the communities they serve.

We understand that the hospitality industry is subject to a myriad of regulations and standards, and our team is well-versed in ensuring compliance at every level. This expertise not only streamlines the project lifecycle but also minimizes potential delays and setbacks, allowing our clients to focus on what they do best—providing exceptional experiences for their guests. Among our notable achievements is the prestigious Grand Hotel Boulevard in Bucharest, where we executed a comprehensive renovation that seamlessly blends modern luxury with the building's historic elegance. Another ongoing project is the Swissôtel in the heart of Bucharest. We also played a key role in the Mercure and Ibis hotel projects, where our team was tasked with delivering exceptional hospitality experiences through innovative design and efficient construction management. These projects highlight our ability to adapt to varying client needs while maintaining a commitment to quality and efficiency.

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As we continue to grow and expand our presence in the hospitality sector, we remain focused on building lasting relationships with our clients. Our approach is rooted in transparency, communication, and collaboration, ensuring that we are aligned with our clients' visions every step of the way. We believe that our clients' success is our success, and we strive to be a trusted partner in their journey.

Together, let's create exceptional experiences in the world of hospitality!

## CALEA VICTORIEI RISES TO 38TH IN GLOBAL COSTLY COMMERCIAL STREETS



Real estate investment typically involves owning property to generate rental income or capital appreciation. The European and Dubai off plan properties market presents unique advantages like higher rental yield or early investment opportunities. Rental income from tenants can deliver steady passive revenue month after month. Careful property management and smart financing can maximize cash flows.

Real estate often appreciates over time, allowing for profitable sales in the future. Real estate prices in Europe have increased substantially, with average rents up 18% and house prices up 49% since 2010. Real estate acts as a portfolio diversifier that can hedge against stock market volatility. While past performance does not guarantee future results, real estate historically has low correlations with stocks and bonds.

Calea Victoriei in Bucharest climbs two positions, up to the 38<sup>th</sup> place, in the ranking of the most expensive commercial streets across the world, as rents in Bucharest recorded the 7<sup>th</sup> highest growth among the 138 analysed markets worldwide, in the latest edition of the "Main Streets Across the World" report by Cushman & Wakefield. Calea Victoriei, the main retail street in the city, boasts a prime rental level of €60/ sq. m/ month, 9% higher compared with last year, as Bucharest ranks 38<sup>th</sup> worldwide and 23<sup>rd</sup> in Europe, on par with Ljubljana. Rents in Prague (€225/ sq. m/ month), Budapest (€140/ sq. m/ month), Belgrade (€90/ sq. m/ month), Warsaw (€86/ sq. m/ month) and Zagreb (€70/ sq. m/ month) were above the Bucharest benchmark, with lower values being recorded in Sofia (€57/ sq. m/ month), Bratislava (€45/ sq. m/ month), Vilnius (€37/ sq. m/ month), Riga (€35/ sq. m/ month) or Skopje (€28/ sq. m/ month).

Milan's Via Montenapoleone (€1,667/ sq. m/ month) overtook New York City's Fifth Avenue (€1,628/ sq. m/ month) as the world's most expensive retail destination; the change marks Europe's first time at the top in the report's history, which reached the 34<sup>th</sup> edition. This reflects a robust rental growth for the reputed Italian street, exceeding 30% in the last two years, further bolstered this year by the euro's appreciation against the U.S. dollar.

Other changes occurred in relation with the 3<sup>rd</sup> place, with London's New Bond Street leapfrogging Tsim Sha Tsui in Hong Kong, pushing the latter on the 4<sup>th</sup> spot, despite positive rental growth this year. Avenue des Champs-Élysées in Paris retained the 5<sup>th</sup> position, but the gap to 6<sup>th</sup> narrowed, following a 25% y-o-y rental growth in Tokyo's Ginza district. In global terms, rents across the 138 tracked locations have crossed another benchmark, now being on average nearly 6% above pre-pandemic levels, thanks to a strong y-o-y growth of over 4%

The retail sector not only demonstrates remarkable resilience year after year, but also proves its ability to adapt and evolve in response to changing macroeconomic conditions and customer requirements. The retail sector has been buffeted by the broader economic conditions resulting from interest rate hikes in 2022 and 2023, aimed at combating strong inflation. Implications have included a rapid increase in the cost of living, weak consumer sentiment and sluggish economic growth. As a result of such headwinds, it is not surprising that luxury brands have experienced a notable slowdown in revenue growth from approximately 15% in 2022 to 0-4% in the current financial year. Dana Radoveneanu, Head of Retail Agency Cushman & Wakefield Echinox: *"Luxury retail in Bucharest continues to evolve, reflecting regional and global trends. Calea Victoriei, the main retail street in Romania, has seen a 9% increase in rents over the past year, one of the highest rates worldwide, indicating growing interest from international retailers. However, rents for premium spaces remain below the levels recorded in other Central European capital cities, such as Prague or Budapest. This dynamic, combined with a global slowdown of the luxury brands' revenue growth, highlights both the economic challenges and opportunities which the Bucharest market can leverage in the coming years. There are already developers present in Romania who are betting on the growing interest of luxury brands towards the country and who are building retail facilities targeting this retail segment."*

(Source: [www.romaniajournal.ro](http://www.romaniajournal.ro))

## NEPI ROCKCASTLE TAKES OVER 50 MW SOLAR PARK IN ROMANIA



Monsson Group has transferred full ownership of a 50 MW solar park in Chişinău-Criş, Arad County, to NEPI Rockcastle. Construction of the project, which includes an energy storage unit for improved efficiency and grid balancing, is set to begin in January 2025, following its approval in 2024.

Sebastian Enache, Monsson board member, expressed optimism about the collaboration, stating: "We are happy and proud to have started this cooperation with NEPI Rockcastle, the largest owner, operator and developer of shopping centres in Central and Eastern Europe. As we predicted, now is the time for large consumers to invest in renewables to make their own consumption more efficient, and this is just the beginning."

The Chişinău-Criş solar park, part of Monsson's portfolio since 2022, exemplifies the company's role as a leader in renewable energy in Romania. Monsson has developed over 5 GW of wind and photovoltaic projects, with a focus on integrating battery energy storage solutions to enhance operational efficiency.

NEPI Rockcastle's green energy programme is advancing in three phases, Economica.net reported. The first, completed in mid-2024, involved installing 38 MW of photovoltaic panels on 27 Romanian properties, generating EUR 7.3 million in revenue in the first nine months of the year.

The second phase targets installations on properties outside Romania, with 24 sites in permitting or construction. The third phase includes the Chişinău-Criş project and the exploration of a second site exceeding 100 MW, supported by an investment of EUR 100 million.

Andrei Radu, NEPI Rockcastle's Group Development Director, noted: "Our programme is advancing rapidly. In addition to the 50 MW project in partnership with Monsson, we are analysing another location with a potential of over 100 MW."

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ONLINE COMMUNITY FOR MORE!



We are so happy to join today the InvEst think-tank event where both investors and developers meet to share the opportunities in a growing market.

The speakers are discussing all the relevant topics regarding current opportunities & insights, focusing also on the importance of energy and sustainability.

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A warm "Happy Birthday" to our dear colleague, Mihai.

The whole team wishes you a day full of joy spent with your loved ones. We hope you have a new year full of achievements and success.

Cheers to new adventures and enjoyable moments!

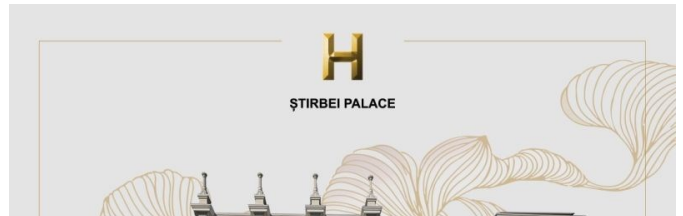
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Când discutăm cu clienții despre construcția unui proiect hotelier este esențial să stabilim că o comunicare clară va fi centrul colaborării noastre.

Un bun Project Manager ține la curent clientul cu fiecare pas al dezvoltării, oferind actualizări regulate și fiind disponibil permanent pentru clarificări.

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Happy to form with our partners from Hagag Development Europe such a strong team in developing one of the most awaited projects in the retail sector. □ □

□□H Știrbei Palace will soon become an exclusive shopping destination that embraces the beauty of architecture, conservation of classic details and a fresh touch of modern times.

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