

## RETROFIT OF THE EXISTING – AUCHAN TITAN SHOPPING CENTER – UNDER VITALIS MANAGEMENT



In May 2016, the largest owner of retail space in Romania, NEPI, started the renovation works within Auchan Titan Shopping Center.

A leading property investment and development group in the CEE, NEPI was founded in 2007, registering a rapid growth by expanding its portfolio in Romania, Slovakia, Croatia, Czech Republic, Serbia and gradually into other CEE countries. NEPI's focus is on retail assets as well as A-grade offices and more recently industrial properties.

The shopping center is located in the Titan area of Bucharest, and has a lettable area of 45,000 square meters. The project was developed by Avrig 35, after which it was taken over by Deutsche Gesellschaft für Immobilienfonds (DEGI) in 2008. Among the major tenants in the Auchan Titan Shopping Center are: Adidas, Auchan, C&A, CCC, Cine Grand, Deichmann, dm, Flanco, H&M, KFC, LC Waikiki, Marionnaud, New Yorker, Pepco, Takko, Top Shop, Vodafone. The shopping center also has a car parking area with approximately 1,800 bays available.

The construction works consist in a retrofit of the two existing galleries: Auchan Titan and Iris Gallery in order to become compliant with the ISU (fire authority) regulations in force with the final goal being to obtain / renew the Fire Permit.

Within this project, Vitalis Consulting was appointed to provide Construction Management Services (Project Management, Cost Management, Site Management) as well as Site Inspection and Health and Safety Services.

Auchan Titan Shopping Center project was Vitalis' first collaboration with NEPI, followed by two other projects which are currently in progress.



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Besides Auchan Titan Shopping Center, Vitalis' retail portfolio includes over 10 commercial properties across the country, such as: Mercur Commercial Center (Craiova), Moldova Center (Iasi), Bistrita Retail Park (Bistrita); Winmarkt Galati – Modern Shopping Center, Winmarkt Piatra Neamt – Petrodava, Winmarkt Ploiesti – Omnia, Doraly Expo Market X2 and P8 Warehouses (Afumati, Ilfov), etc.

*Flora Popa*



## MAJOR CHANGE ON ROMANIA'S RENEWABLE MARKET: GREEN CERTIFICATES TO BE VALID UNTIL 2032



The government approved the emergency ordinance to change and complete the renewable law 220/2008 to improve the framework in the energy production field from green sources and to support the development of this sector, at the proposal of Energy Ministry, so that the green certificates to be valid until 2032.

According to the European norms and commitments, Romania has an established a national target of 24 percent of renewable energy from the final gross consumption of energy, a target that it already reached, but has to be

maintained for the reference year. The bill from (March 30) will prepare and regulate including the moment of reinsertion of the green certificates in the market that were delayed from trading through the decisions from 2014, a period that ends in March. The Ministry underlines that through the changes, such as the elimination of the validity of one year for green certificates, are in the benefit of the energy production from renewable sources and in the benefit of the final consumer.

Basically, according to the new ordinance, these will be valid during the functioning support scheme, respectively until 2032. In this manner, situations registered in the last years will be avoided, such as an important number of GCs couldn't be sold by producers.



(Source: [business-review.eu](http://business-review.eu))

## PRICES OF APARTMENTS IN BIG ROMANIAN CITIES UP BY 4 PERCENT IN Q1 2017

The prices of apartments in big Romanian cities have increased by 4 percent in Q1 2017.

According to the data, this trend was noticed in all Romanian major cities. The most interesting development was recorded in Cluj-Napoca, the city with the biggest medium price for a flat, where the prices remained stable.

After recording a 1.1 percent increase in March, the amount requested for apartments put up for sale at a national level, new and old, reached EUR 1,092 per carpet area (from EUR 1,080 per square meter at the end of February).

In Bucharest, the costs of apartments up for sale increased



by 1.4 percent in the past month (from EUR 1,159 to EUR 1,175 per carpet area). The average price requested for an old apartment remained constant at EUR 1,112 per square meter, while new apartments went up by 3 percent, from EUR 1,189 to EUR 1,225 per square meter.

In Brasov, the Imobiliare.ro index shows a 0.8 percent increase in March, from EUR 918 to 925 per square meter. Old apartments went up by 1.3 percent from EUR 918 to 930 per square meter, while new ones went up by 0.5 percent (from EUR 917 to 912 per square meter).



(Source: [Imobiliare.ro](http://Imobiliare.ro))

# THE VACANCY RATE OF MODERN OFFICE SPACES IN BUCHAREST HAS DROPPED BELOW 10% IN Q1 2017

Deliveries for new office spaces in Bucharest were limited in the first three months of this year, with only 11,000 square meters being completed, so the stock slightly increased up to 2.55 million sq. m.

However, the total volume of transactions with modern office spaces in Bucharest was over 110,000 sq. m, ten times larger than the deliveries, 50% representing net demand, new rental contracts and lease agreements or extensions of existing companies.

In this context, for the first time in the last eight years, the office vacancy rate in Bucharest has dropped to 9.8%, with



unoccupied spaces of about 250.000 square meters. Between 2009 - 2010, after the crisis, the office vacancy rate in Bucharest reached 18%.

The office market in Bucharest has had a healthy evolution in the last years, so despite a substantial increase in the stock, the vacancy rate has dropped below the psychological benchmark of 10. This is due both to the growth of the IT and BPO sectors and to the maturity of developers who have delivered buildings adapted to today's demand in well-established areas with access to public transport, so most of the spaces delivered in recent years have been rapidly absorbed.

Vacancy rates below the market average were recorded in the CBD (9.1%), as well as in the most dynamic areas in recent years, meaning West (4.6%) and Barbu Vacarescu - Floreasca (5.9%). The vacancy rate has decreased in recent years also in the Pipera Nord area up to 31%, but is still above the market average.

Companies in the Technology and Telecommunications, Finance and Manufacturing / Industrial sectors continued to be the most dynamic in the first three months of this year.

This year, the level of modern office space deliveries in Bucharest is estimated to exceed 150,000 sq. m, with 40% of these spaces to be delivered in the West.

At the end of 2018, the modern office stock in Bucharest could reach the threshold of 3 million square meters.

(Source: cwechinox.com)

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