

VITALIS CONSULTING HAS BEEN ANNOUNCED AS THE WINNER OF THE “BEST PROJECT MANAGEMENT COMPANY OF THE YEAR” AWARD WITHIN THE CIJ AWARDS GALA 2017



The 10th edition of the CIJ Awards Gala Romania took place on 7th December 2017, at Radisson Blu Hotel, in Bucharest and gathered together the most important actors from Romanian construction and real estate market, developers, investors and consultancy experts from various areas, such as office, retail, industrial,

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residential, etc. Within the event Vitalis Consulting was announced for the 5th time in 11 years of industry activity, as the winner of the “Best Project Management Company of the Year” Award. Our efforts for permanent improvement, the forward thinking and the implementation of a client oriented strategy have been rewarded through professional recognition within the CIJ Award Gala over the years, as Vitalis won the “Best Project Management Company of the Year” Award in four consecutive years, in 2011, 2012, 2013 and 2014. This year, Vitalis team’s proficiency and determination was once again appreciated through the 5th Award attributed, out of 9 nominations. Thus, 2017 is another year full of major achievements for Vitalis Consulting, who has been involved in over 60 projects this year, all over Romania, from various market sectors, the company’s portfolio registering a significant growth on office, retail and industrial projects. One of the most important achievements of Vitalis team this year is the completion of Ramnicu Valcea Shopping City, a 40,000 sq. m commercial center with over 100 tenants, delivered in only 6 months of works execution. During this project Vitalis assured Project and Cost Management services, as well as Site Inspection and Health & Safety Coordination. Ramnicu Valcea Shopping City is the biggest commercial center developed in Romania this year that opened its doors on 7th December.

This year Vitalis was also involved in office projects in Bucharest and not only, such as The Bridge Phase I and II office building (over 50,000 sq. m), “The Light” office project (40,000 sq. m), “Zone 313” office building (over 12,000 sq. m total area), Hattrick office building in Sibiu (approx. 7,500 sq. m area), Q-Fort office building in Craiova and many others.

Flora Popa

INDUSTRIAL, LOGISTICS AND OFFICES WERE THE DRIVERS OF THE ROMANIAN REAL ESTATE DEVELOPMENT MARKET

The industrial, logistics and office sectors in Bucharest were the drivers of the real estate development market in the first nine months of the year, while the retail sector recorded the lowest growth rate in terms of projects delivered in this period of time. According to a market report, over 215,000 sq. m were delivered in the Romanian industrial market between January and September, of which 187,000 sq. m only in Bucharest.

The remaining 28,100 sq. m are located in the central area of Romania. The total stock in Romania exceeded 2.9 million sq. m at the end of September. By the end of the year, were announced projects totaling 120,500 sq. m in Bucharest, Timisoara and Roman, with the modern stock in Romania exceeding the 3 million sq. m.

On the office market, in the analyzed period, the developers delivered projects with a total area of 114,200 sq. m in Bucharest.



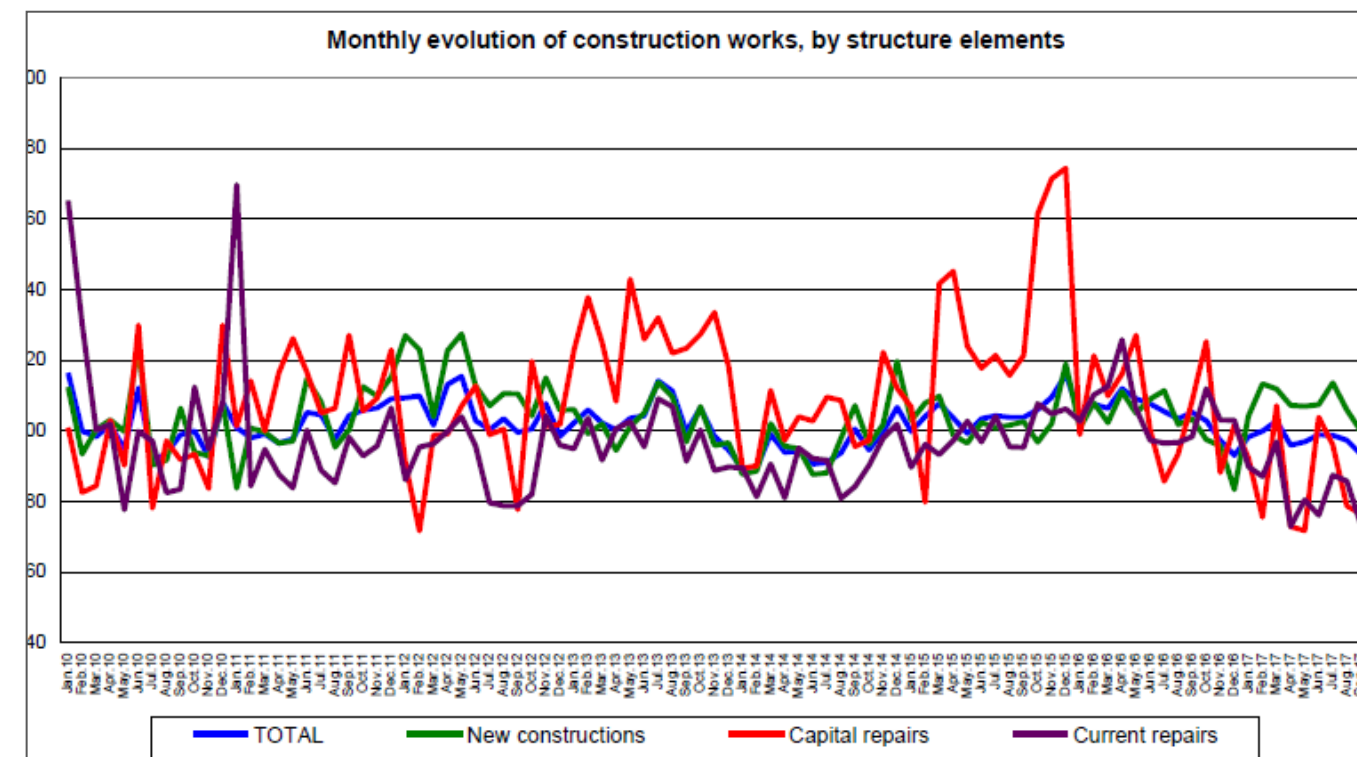
The Center-West area benefited from the largest office area delivered this year, with 64,200 sq. m in two projects, the southern area is second receiver of the new stock in the first 9 months. The office stock in Bucharest increased to 2.5 million sq. m while the stock of modern commercial spaces in Romania is estimated at 3.05 million sq. m, of which 1.11 million sq. m in Bucharest. On the property investment market, the retail sector was the star, cumulating 60% of the volume traded in the first nine months. The first 9 months of 2017 the property investment volume for Romania is estimated at €610 million, a value almost 44% higher than the one registered in the same period in 2016 (€423 million). The number of transactions increased, with the average deal size standing at approximately €25.3 million. Deals involving office buildings reached close to 25%, the rest being represented by industrial and hotel assets.

Prime office yields are at 7.5%, prime retail yields at 7.25%, while prime industrial yields are at 8.5%. Yields for office and retail are at the same level as 12 months ago, while industrial yields have compressed by 50 bps over the year. There is soft downward pressure on yields and in 2017 we might witness further compression in case prime assets will transact.

IN OCTOBER 2017 THE VOLUME OF CONSTRUCTION WORKS DECREASED BY 1.3% COMPARED TO THE PREVIOUS MONTH

In October 2017 compared to September 2017, the volume of construction works increased, as gross series, by 6.2%, an increase highlighted in all structure elements: in maintenance and current repair works (+19.3%), in capital repair works (+18.2%) and in new construction works (+0.6%).

By construction objects, the residential buildings and the engineering works increased by 10.8% each. There was a drop of 5.9% in non-residential buildings. The volume of construction works decreased, as adjusted series according to the number of working days and to seasonality, by 1.3%, a decrease highlighted in capital repair works (-2.5%). There were rises of 5.6% in maintenance and current repair works and 0.9% in new construction works. By construction objects, the volume of construction works fell in non-residential buildings (-3.7%). The residential buildings and the engineering works increased by 0.7% each. In October 2017 compared to October 2016 the volume of construction works decreased, as gross



series, by 13.4%. By structure elements, there were drops in the following structure elements: in capital repair works (-38.9%) and in maintenance and current repair works (-31.5%). There was a rise of 2.9% in new construction works.

By construction objects, the volume of construction works fell in non-residential buildings (-26.8%) and in engineering works (-19.7%). The residential buildings increased by 29.2%. The volume of construction works decreased, as adjusted series according to the number of working days and to seasonality, by 10.3%. By structure elements, there were drops in capital repair works (-40.5%) and in maintenance and current repair works (-30.8%). There was a rise of 3.3% in new construction works. By construction objects, the volume of construction works fell in non-residential buildings (-27.1%) and in engineering works (-22.4%). The residential buildings increased by 29.8%

27 PCT MORE HOUSING UNITS BUILT IN THIRD TRIMESTER OF 2017 COMPARED TO SAME PERIOD OF LAST YEAR

The number of housing units built in the third trimester of 2017 was 27 percent higher than during the same period of the previous year, with a total of 16,315 dwellings, according to data from the National Institute of Statistics.

In terms of residential areas, in T3 2017 the most housing units have been built in the urban environment (58.1 percent). Distribution of completed dwellings by financing sources shows that the number of both privately and publicly funded dwellings increased in T3 2017 from T3 2016, by 3,302 private and 162 public housing units.



Regional distribution shows an increase in the number of completed dwellings in the following regions: Centre (+1,031), North-West (+1027), South-East (+961), West (+668) and South-West Oltenia (+89).

Regions that saw drops in T3 2017 v. T3 2016 were Bucharest - Ilfov (-125), North East (-109) and South Muntenia (-78).

In January 1-November 30 of 2017, compared to the same period of 2016, research data shows that 2,415 more dwellings went into use, adding up to a total of 39,372. Of these, most were in the urban area – 57.8 percent.



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Vitalis Consulting

175 Calea Floreasca Street,
Bucharest, Romania
T : +4 021 231 53 57/ 58
F : +4 021 231 53 59
office@vitalis.com
www.vitalis.com

Associated offices
UNITED KINGDOM
3 The Shrubberies, George
Lane, South Woodford,
London, E18 1BD
london.office@vitalis.com

UKRAINE
20 Tarasovskaya Street,
103 Office, 01033 Kiev
kiev.office@vitalis.com

MOLDAVIA
25 Banulescu Bodoni,
G. Street, Chisinau, MD- 2004
chisinau.office@vitalis.com

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CONSULTING
CONSTRUCTION MANAGEMENT

