

HATTRICK OFFICE BUILDING A NEW PROJECT UNDER VITALIS MANAGEMENT



This winter, Euro Imob International started construction works for a 5-Storey office, namely Hatrick, a modern, well-appointed development, designed to comprise office spaces, a 150 people capacity restaurant, conference and meeting rooms and secure care parking. Besides the ordinary amenities for an office project, the developer intends to adapt the building to nowadays business environment trends in foreign corporations, by offering a bicycle stand, a fitness and massage room plus locker rooms, ATM machine, as well as a lounge furniture on the terrace.

A modern approach to the construction of Hatrick can also be seen in developer's actions regarding sustainable standards to be implemented right from the beginning of pre-construction phase.

Aiming a perfect adaptation to today's need to preserve the environment, Hatrick office building is designed to receive a green building certification, i.e. BREEAM Certification.

The attractive, 7,500 sq. m office building enjoys a central location in Sibiu, one of the most important commercial zones in the city, with quick and easy access to the Sibiu International Airport.

Within Hatrick project, Vitalis acts as Project and



Cost Manager, however Vitalis team also offers individual supporting services such as: Site Management Services, Site Inspection Services and Health & Safety services as well.

The office project will be developed over a period of one year and the estimated opening date is in December 2017.

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2016 SET A NEW RECORD FOR THE BUCHAREST OFFICE MARKET, WITH OVER 400,000 SQ. M TRANSACTED

In Q4 2016 were 4 buildings totaling 80,000 sq. m. For 2017-2018 we estimate another 592,000 sq. m to be delivered to the market, distributed throughout all sub-markets. However, the highest concentration of new supply is announced in the West sub-market, with a share of 40%, followed by Pipera and north sub-markets with a total share of 37% of the new supply. In central sub-market will be delivered 15% of the new supply.

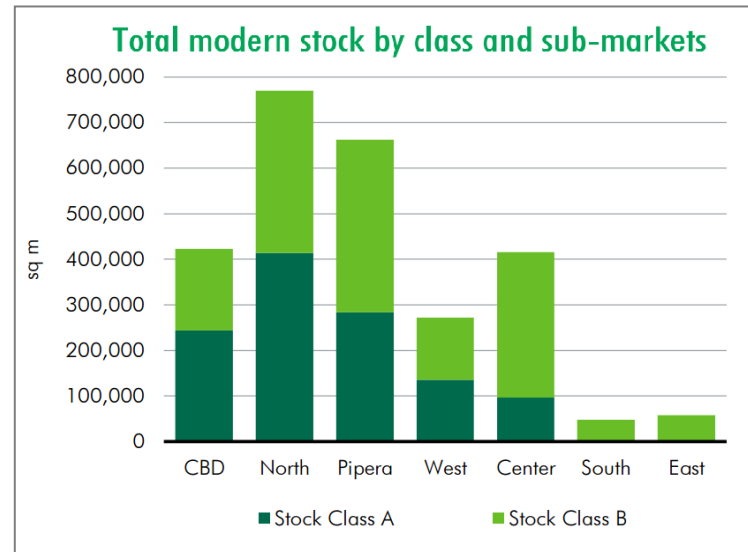
During 2016, 294,000 sq. m were delivered in Bucharest, 40% of the new supply being located in Pipera sub-market, while North sub-market hosts 25% of the new stock. 75% of the new stock delivered in 2016 was already pre-let.

At the end of 2016, the total office stock reached 2.64 ml sq. m. Class A office buildings represent 44% of the modern office stock. At the end of 2018 the share of class A office stock will outperform the class B office stock.

There is a high probability that in the coming quarters Bucharest office market will exceed 3.2 million sq. m, thus reaching a market size comparable to that of Budapest or Prague.

The activity of office occupiers remains strong, thus creating a healthy office market. Most tenants use the opportunity to expand their leased area during the renegotiation or relocation process.

In many cases, tenants can achieve better financial conditions and improve the technical standards of their office at the same time, by relocating to a newly completed building.



(Source: cbre.ro)

2016 Q4 RESIDENTIAL INDICES REMAIN STABLE



Residential price indices of Romania, remains stable, recording a slight increase of 1.4 percent in the fourth quarter of 2016 in comparison to 0.1 percent recorded in the third quarter of 2016. The upward year-on-year trend persisted and resulted in an overall increase of 4.2 percent year-on-year, since the corresponding quarter of 2015. The price stabilization in combination with the 0.9 percent change per annum during the past five years, suggests that, the succeeding price stagnation of the residential market of Romania continues, with clear signs of price recovery.

These optimistic signs are also confirmed by the index of Bucharest that preserved its year-on-year upward trend by 4.8 percent, higher than the y-o-y

evolution of 3.9 percent registered in Q3 2016. An upward year-on-year trend was also observed in the index of Bucharest Ring, whose upward trend continued by 4.3 percent, in line with the third quarter of 2016.

Central Bucharest also presented a positive year-on-year price growth of 4.2 percent, while the Bucharest and Ilfov Region exhibited positive year-on-year price growth of 4.4 percent in the fourth quarter of 2016.

The eight divisions of Romania exhibited rising year-on-year trends, with an average of 4 percent. A moderate year-on-year increase of 0.4 percent was recorded only in the North Division.

The individual indices of the 11 large cities of Romania present a stable quarter-o-quarter performance overall, with quarterly fluctuations that appear to consist of short term corrections or statistical noise, rather than any solid indication of a distinguished performance, either positive or negative. On the other hand, the year-on-year evolution is showing consistent upward trends for most of the large cities.

The prices of new properties in Bucharest continued their over-performance by 4 percent year-on-year. This positive evolution in prices of the new properties in Bucharest leads to a price increase on this segment of 3.6 percent year-on-year at a National level, too.



(Source: business-review.eu)

ROMANIA RETAIL MARKET – Q4 2016

Romanian Supply and Pipeline

Five new shopping centers and several extensions were completed in 2016 in Romania, bringing over 235,000 sq. m of retail space to the market. New projects accounted for 75% of the supply, the remainder being extensions and refurbishments of older assets.

Developers have announced approximately 150,000 sq. m of retail space to be delivered by the end of 2017, supported by the end of 2017, supported by the strong growth of retail sales and consumer confidence.

Occupier Market

In 2016 retail sales grew by an impressive 13.5% when compared with 2015, by far the highest growth of the Europe Union. This, combined with the strong consumer confidence, encouraged retailers to expand. Bucharest is clearly the most attractive retail destination in Romania due to its large population and the significantly higher spending power than in the rest of the country.

Between 2014 and 2016, the number of international retailers entering the Romanian market started to pick-up with over 60 new brands coming to the market.

Several strong international brands with a direct presence in Romania have been aggressively expanding, eager to take advantage of the favorable commercial conditions and to gain market share. The low to mid-market retailers try to cover most of the market from a geographical point of view, while mid to up-market brands are very selective and are only looking at prime centers in Bucharest and main secondary cities and are therefore opening fewer new units.



(Source: JLL Bucharest City Report Q4 2016)

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