

THE LANDMARK AN OFFICE COMPLEX TO BE DELIVERED THIS YEAR UNDER VITALIS' SUPERVISION



Bucharest, 4 Alecsandri Vasile Street, 1st District.
Ideally located in a historically preserved central area, The Landmark office complex is an A-Class development comprised of three buildings offering approx. 21,000 sq. m net rentable office space. Each building is composed of 6 above-ground floors and 2 underground floors and has a separate access to the parking. The new tenants will benefit of a number of 359 underground parking lots.

Almost three years of working together has concretized in a successful project by delivering in the central business district of Bucharest, a high-end mixed-use complex, i.e. besides modern office space the development will include shops, general stores and/or

Our collaboration with Proiect Bucuresti SRL - one of the most renowned architecture and design companies started in May 2014, when we were appointed to provide site inspection and site supervision services for construction works of an over 26.500 sq. m office building located in



Inside this issue:

The Landmark – An Office Complex Under Vitalis' Supervision To Be Delivered This Year	1
Investment Climate In Romania	2
Over 350,000 Sq. m Office Spaces To Be Delivered In Bucharest And Other Romanian Cities This Year	3
Number Of Authorizations For Residential Buildings In Romania Down By 5.7 Pct In February	4

restaurants.

The construction works are already finalized, and currently The Landmark is under testing and commissioning phase, while the official opening date is planned for summer 2017.

Flora Popa

INVESTMENT CLIMATE IN ROMANIA

The property investment volume for 2016 is estimated at approximately €900 million, with a third higher than the one registered in 2015. However, 2016 witnessed a number of portfolio deals and owners strengthening their positions in projects. Bucharest accounted for close to 75% of the total investment volume. Market volumes were dominated by office transactions (46%), followed by industrial/ logistic segment (28%) and retail (26%).

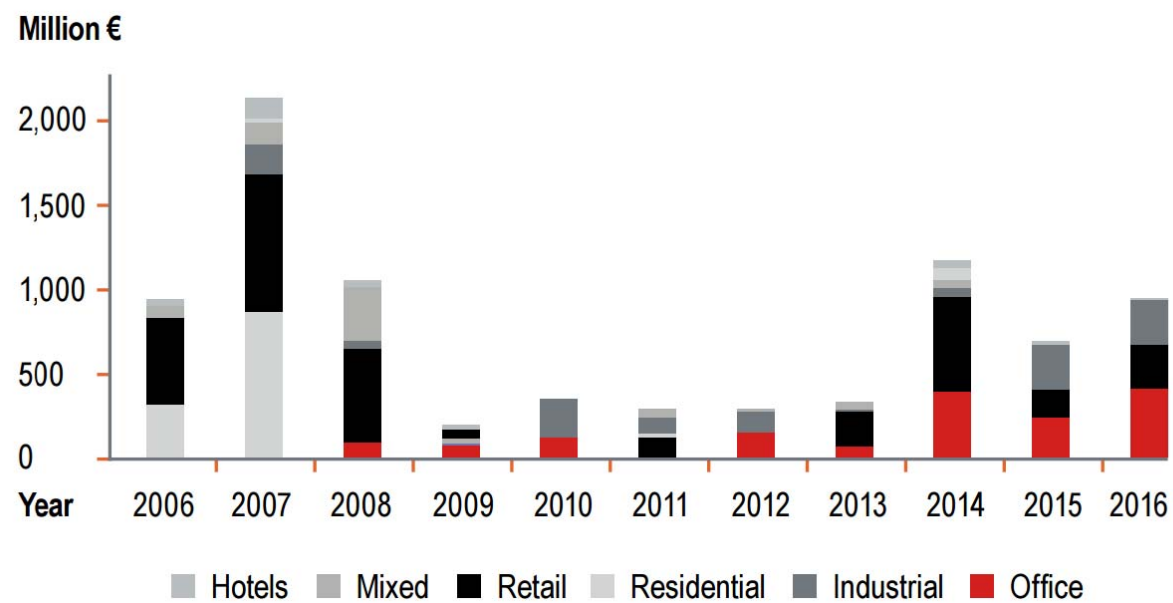
Industrial developments are spread throughout the country, but the large clusters are formed obviously in Bucharest, the largest city and in the western part of Romania (Timisoara, Arad, Sibiu), due to its proximity to the rest of the CEE and the Western Europe and to the good, existing and planned, infrastructure.

The current modern industrial stock in Romania is estimated at 2.5 million sq. m (density of 125 m² per 1,000 capita) of which over 1.1 million m² are located in and around the capital city of Bucharest. Approximately 75% of the Bucharest stock is clustered along the A1 highway corridor in the west making this the largest hub of industrial stock in Romania. Other industrial hubs have been established in Ploiesti, Pitesti, Craiova, Oradea, Cluj, Brasov, Timisoara and Arad.



After a good year in 2015, when the industrial gross take-up activity registered a level close to 310,000 sq. m, out of which slightly over 38% were deals in the industrial hubs in and around Bucharest, 2016 saw a record 465,000 sq. m signed with almost 65% in the capital city. In 2016, more than 75% of the total take-up was net.

In the last 7 years (2010 - 2016), over 1,750,000 m² of industrial and logistic space was leased in Romania, Out of this, close to 72% was net take-up.



(Source: jll.ro)

OVER 350,000 SQ. M OFFICE SPACES TO BE DELIVERED IN BUCHAREST AND OTHER ROMANIAN CITIES THIS YEAR



Over 350,000 sq. m office spaces will be delivered in Bucharest and other Romanian cities this year, as the office market registered in 2016 the highest delivery rate since the last 7 years.

Similar to last year, the demand will come especially from IT and BPO/SSC company.

Taking into account the services industry development, which became the second big contributor to the GDP, it is expected that this sector to bring the expansion of the office spaces in Bucharest and big university centers cities, such as Iasi and Cluj-Napoca. At the same time, Timisoara or Brasov are prepared to develop new offices due to the demand from the engineering sector.

Taking these into account, it is estimated that the current stock of 3 million sq. m at country level will increase by approximately 352,000 sq. m in 2017, out of which 265,000 sq. m in Bucharest and 87,000 sq. m in the other cities.

While cities such as Iasi or Craiova need to develop their office spaces stock, Bucharest and Cluj-Napoca are focusing on improving the technical skills and Timisoara and Brasov on the workforce growth. If these issue were solved, it is assumed that in Bucharest approximately 20,000 persons/year would be hired, which would determine an annual demand for offices of 160,000 sq. m. Cluj-Napoca and Iasi might add approximately 50,000 sq. m annually to the current stock.

In 2016, the stock of office spaces in Bucharest reached 2.1 million sq. m due to the new deliveries, which amounted to 230,000 sq. m. The highest demand volume was registered in known areas, but during this year the areas in development, such as the northern part of Bucharest, will attract the developers.



(Source: business-review.eu)

NUMBER OF AUTHORIZATIONS FOR RESIDENTIAL BUILDINGS IN ROMANIA DOWN BY 5.7 PCT IN FEBRUARY

The number of authorizations for residential buildings went down by 5.7 percent in February, to 2,367, especially due to the drop in demand in Bucharest and Banat areas, after an increase by 9 percent in January, according to the data of the National Institute of Statistics (INS).



Out of the total authorizations from February, 69.2 percent were in the rural area. The biggest increase was in Moldova area and the biggest drop in Bucharest- Ilfov. „The increases were registered in the development areas: North-East (86 authorizations), Center (54 percent), North-West (20 percent) and South-East (6 percent),” according to INS.

In the first two months of this year, authorities issued 3,928 constructions authorizations for residential buildings, a drop by 0.3 percent compared with the same period of 2016. The number of the authorizations for residential buildings dropped by 1.2 percent in 2016 compared with 2015 to 38,653, mainly due to the decrease in demand in Bucharest, Moldova and Muntenia region.

In the 2009-2014 period, the number of authorizations for buildings dropped by 38 percent, according to the official statistics, due to the reduction in demand for apartments.



(Source: insse.ro)

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

VITALIS[®]
CONSULTING
PROJECT & COST MANAGEMENT in Construction

