

VITALIS CONSULTING PROVIDES CONSTRUCTION PROJECT MANAGEMENT FOR 5-7 PETRU RARES RESIDENTIAL PROJECT

A new 8-storey residential building will be erected at 5-9 Petru Rares Street, 1st District, Bucharest, under Vitalis Consulting coordination. The new construction will benefit from an ideal location, being placed in the Northern Railway Station and Grant Bridge area, just a few minutes away from the center of Bucharest and Victoriei Square. In the vicinity of the project there are some of the most significant hypermarkets, academic institutions (universities, private and public schools and kindergartens), medical services, urban transportation lines, along with important commercial centers and recreation spaces, such as parks, restaurants, terraces and hotels.

The project comprises over 7,000 sq. m above ground of GBA, on nine levels and over 3,000 sq. m underground of GBA on two basements, totalizing over 10,200 sq. m of GBA and around 865 sq. m of footprint area. The building will feature a total of 95 1-bedroom-apartments as well as 2, 3 and 4-rooms apartments and 114 underground parking lots, at basement levels and at ground level too.

This is the second collaboration between Vitalis Consulting and the developer, i.e. Vector Construct Technology Ltd. In August 2016, Vitalis successfully

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delivered a 5-storey residential building located at 26 Dr. Iacob Felix Street, Bucharest, having been entirely sold.

Given the previous effective partnership, Vitalis was once again appointed to provide Project and Cost Management services, as well as Site Management services, Site Inspection services all specialties and Health and Safety Coordination. The Building Permit was obtained at the end of September 2017 and currently are being executed the preliminary works related to utilities deviation .

The construction works are scheduled to start in the second half of October 2017. According to the construction planning, the new residential building is estimated to be delivered in the first quarter of January 2019.

Flavia Popa

THE BUCHAREST OFFICE MARKET CONTINUES TO ENJOY A STEADY GROWTH

During the past 6 months, the preference of tenants for high standard offices concentrated the development activity on class A segment. Development activity added only 72,000 sq. m during H1 2017 while approximately 50,000 sq. m area proposed to be delivered in H2 2017.

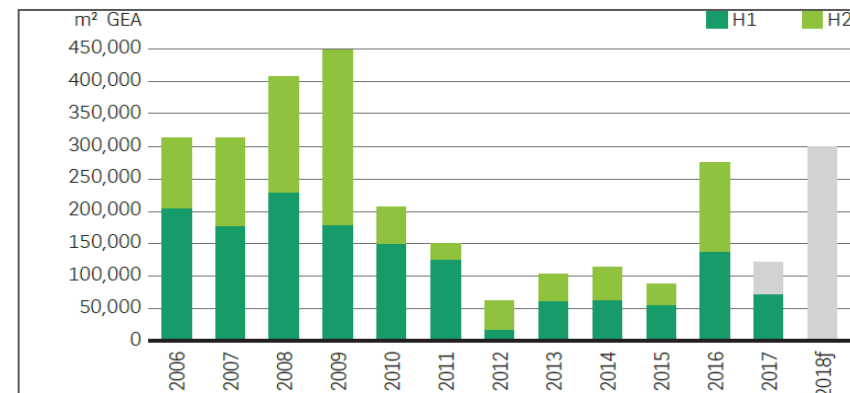
Thus, at the end of H1 2017, the total office stock in Bucharest stood at 3.1M sq. m. The pattern of market development is likely to change in the near future as the newly emerging central western area will add approximately 200,000 sq. m during the next 2-3 years. Although new buildings will be completed, class A vacancy is expected to have a further reduction triggering a similar evolution for the overall vacancy and a change in the negotiation power of the



tenants. When the overall vacancy is going to decrease below 7-8%, the office segment will experience a landlord market. The most noteworthy factor in H1 2017 has been the significant drop of vacancy rate from 13% at the end of 2016 to approximately 9% at the end of H1 2017, as a result of the combination of rising demand and limited supply, especially on class A segment. While the level of completions between 2015 and H1 2017 was 435,000 sq. m, the level of take-up was approximately 680,000 sq. m, literally absorbing the existing supply and creating also pressure in the future due to the effect of pre-leases on the proposed supply.

As a result, some new developments will be fully leased before the completion. The lowest vacancy rates are recorded by the most sought after areas, such as central (Universitatii - Victoriei), central-northern (Aviatorilor - BarbuVacarescu Floreasca) and western areas. The large number of projects initiated or currently under-construction is fueling the fierce competition creating difficulties for non-competitive properties vacated by tenants. Owners of class B offices located in prime locations are expected to carry out refurbishment works of their buildings as a response to the expectations of

tenants. In a very competitive environment, the success of these buildings will depend on the application of modern technical and architectural solutions. This tendency is already anticipated by investors that are actively prospecting the market for the identification of properties with redevelopment potential.



(Source: www.realestate.bnpparibas.com.ro)

OVER 27,600 CONSTRUCTION AUTHORIZATIONS ISSUED IN THE FIRST 10 MONTHS, UP BY 6.2 PCT

The number of construction authorizations issued in the first 10 months, increased by 6.2 percent compared with the same period of 2016, to over 27,600, most of them in North-Eastern area (+683), according to a release of the National Institute of Statistics (INS).

In the mentioned period, the increase in the number of constructions authorizations was reflected in the development region: North-East, Bucharest-Ilfov, Center, South-East and the South-Eastern Oltenia.

The decreases were registered in the development areas North-West (-325 authorizations) and South-Muntenia (-36).



In August, compared with the same month of 2016, according to INS, there was an increase in the number of construction authorizations for the residential buildings in the development areas Bucharest - Ilfov (+340 authorizations), north-Eastern (+145), west (+100) and South-East (+33). The decreases were registered in North-Western regions (-143), South-Muntenia (-24), South-Western Oltenia and the Center (-3 each).

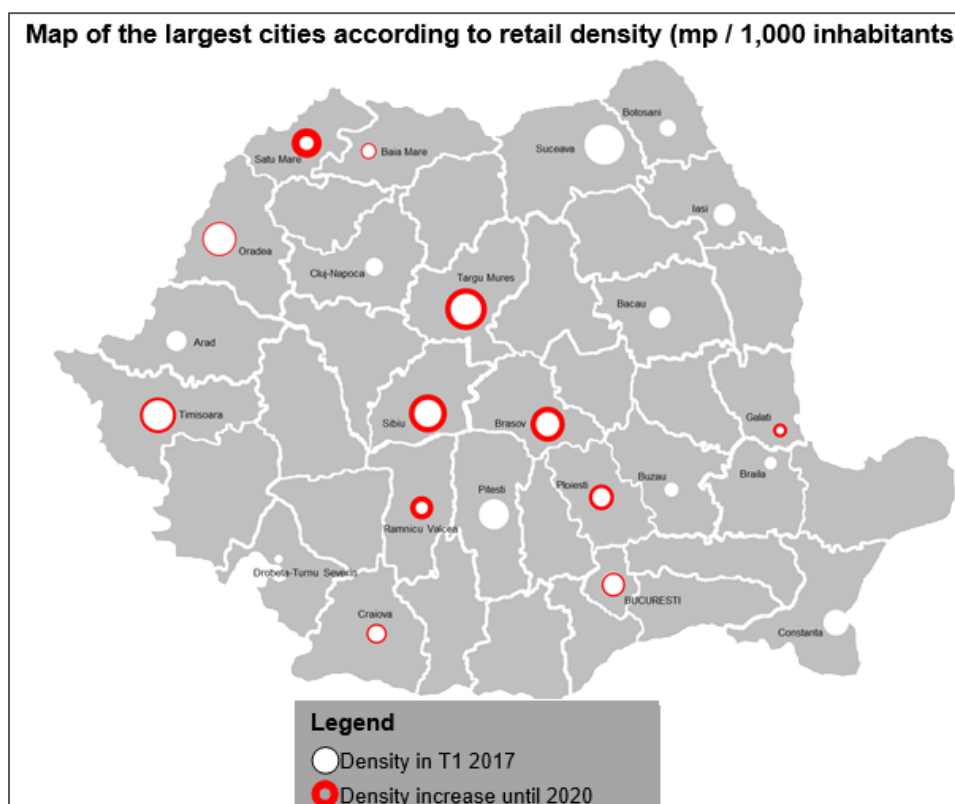
In August were issued 4,415 authorizations for residential buildings constructions, out of which 62.8 percent for the rural area.



(Source: www.business-review.eu)

SECONDARY CITIES WILL ATTRACT 500,000 SQ. M OF RETAIL SPACE OVER THE NEXT THREE YEARS

The stock of modern retail spaces in the largest 23 cities in Romania, with a population of more than 90,000 inhabitants, will grow in the next three years by approximately 500,000 square meters, with the most pronounced development activity being concentrated in Bucharest and the cities in the central and western parts of the country, such as Brasov, Sibiu, Targu Mures and Timisoara, according to an market analysis. Given the fact that some of these cities are already covered by modern retail spaces, compared to the current purchasing power, new developments are



announced only in 12 of the analyzed cities, most of them having a density of modern shopping centers per inhabitant below the average of major cities. Currently, these 23 cities have a retail stock of nearly 3.4 million square meters to a population of 6.3 million, corresponding to an average density of 534 square meters / 1,000 inhabitants. By completing the new projects announced, the average density will increase by 15% to 614 square meters / 1,000 inhabitants.

The cities with the highest planned retail spaces are Bucharest (122,000 sq. m) and Timisoara (78,000 sq. m), followed by Brasov (58,000 sq. m), Sibiu (53,000 sq. m) and Targu Mures (50,000 sq. m).

In regards to the highest percentage increase in stock and density, on the first places are Ramnicu Valcea (187%), Satu Mare (87%), Sibiu (67%), Targu Mures (58%) and Brasov (43 %).

(Source: www.cwechinox.com)

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