

CONFERENCE “FIDIC NEW CONTRACTS 2018” MARCH 2ND IN BUCHAREST

At the beginning of March, Florin Popa general director at Vitalis Consulting is invited to participate as a speaker, at the conference FIDIC New Contracts 2018, being organized by Moreanu Law, which will debate the topic of the intervention of management project team in projects.

Founder and Managing Partner of Vitalis Consulting, Florin Popa, with 14 years of experience in construction and real estate, is one of the most experienced consultants in the field of construction in Romania.

Being at the forefront of leadership of a construction consultancy company, leader on the Romanian market, with almost 12 years of experience, Florin Popa has over 80 employees, with a portfolio of more than 100 buildings, totaling more than 3,200,000 square meters built and with a strategy of development through differentiation and penetration on new markets.

This edition from 2018, will bring together representatives from different fields, the top representatives of the most important active retailers on the Romanian market, specialized real estate consultants, project managers and industry specialists, representatives of banks and financial institutions, representatives of the authorities in the construction sector.

This year, the “New FIDIC Contracts” Conference aims to discuss the main changes made by the new FIDIC Contract, but also to analyze the two model contracts proposed by the Ministry of Regional Development and Public Administration.

The event will take place on Friday, March the 2nd, starting at 9 a.m. at the Intercontinental Hotel, Fortuna Hall, on 21st floor.

The construction market (including building materials) is estimated at around 17 billion €/ year, with a project

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International Federation of Consulting Engineers (FIDIC)

increase of around 7% per year over the next 3 years. At the same time, the construction sector accounts for about 6% of Romania’s PIB, which reveals the major importance of this area for the national economy.

International FIDIC – standard contracts have been imposed, for the last 10-12 years, as a preferred contract, recognized and accepted. However standard contracts must be adapted to the specificity of the Romanian market as well as to the legal system and the special legislation applicable in the matter, and this approach implies a detailed knowledge of the substance of these standard contracts.

After 18 years of practical use, in December 2017, three new FIDIC standard contracts, “red”, “yellow” and “silver”, were published. In addition, by MDRAPFE for infrastructure works are added and adopted by Government Decision in January 2018.

Florin Popa

MOST POPULAR APARTMENTS FOR SALE/RENT CLASSIFIEDS IN 2017

The most frequently listed properties in the residential segment in 2017 were two-room apartments.

The most classified ads, both for sale and for rent, were registered in Bucharest. Cluj-Napoca had the highest average sale price per square meter, at around 1,400 € while the price per sq. m in Bucharest was at an average of 1,355 €

The most dynamic cities on the residential sales segment were Bucharest, Cluj-Napoca, Floresti and Iasi, where two-room apartments were the most popular types of homes.

The most listed types of properties for sale in 2017 were apartments – out of the total number of classifieds, almost 90 percent were apartments in cities like Bucharest, Constanta or Floresti.

On the other hand, the most house listings were in Cluj-Napoca, with 17 percent of the classifieds in the city, followed by Constanta, with 12 percent listings for houses.



The capital holds the record for the highest percentage of old constructions listed, around 97 percent, followed closely by Constanta, with 96.5 percent. The highest number of new constructions available was found in Floresti, with 11 percent of the total in the town. It is the first time Floresti appears in the top most active cities on the real estate market.

The average sale time of a property was 95 days for new homes and 116 days for old ones.

In the rentals segment, the highest number of properties was listed in Bucharest, Cluj-Napoca, Craiova, Iasi and Timisoara – two-room apartments were the most popular in this segment as well.

The average rent price at the national level was at 500 € per property in 2017. The capital leads with an average rental price of 662 € followed by Cluj with 616 € and Timisoara with 568 €

At the other end of the spectrum, the cheapest rents were in Craiova, with an average of 260 € and Iasi, with 385 € but still Bucharest remained in first place in the number of properties listed for rent.

(Source: www.business-review.eu)

OCCUPANCY RATE OF NEW OFFICE SPACE BUCHAREST 2017 REVIEW



The offer of new Class A office space delivered last year in Bucharest was absorbed almost entirely by demand, according to the CBRE report on the office market in 2017. According to this report 90% of the surface completed last year is already leased.

Last year, around 70% of total office space demand was net demand (excluding renovation / renegotiation transactions). Total demand exceeded the 350,000 sq. m threshold, being 30% higher than in 2015 and 22% more than in 2014. New demand for office space on the Capital market, including new entrants, company expansions with new divisions and expansion of space) accounted for 28% of total demand, the CBRE report said.

Thus, over 10,000 new jobs were created in 2017 in Bucharest. The number of new demands is on the rise, if in 2016 and 2017 an average of about 10,000 new jobs were created annually, is estimated that this year the number of new requirements will increase. The most active areas in terms of office space demand were the North area (29%), Pipera (26%), West (16%), Central Business District - 15% and Center - 14%. Applications came mainly from IT (48%), industrial production and energy (16%) and Financiar - 11%.

In the next few years is estimated that will follow in several office projects in the South and South Center.. For this year another 11 office buildings are expected in a total area of more than 200,000 square meters. Of these, 57% will be built in the West of the Capital, 18% in the Center, 12% in CBD and 13% in Pipera.

The vacancy rate is 9%, decreasing by 0.9 percentage points compared to the third quarter of 2017 and by 2.7 percentage points compared to the fourth quarter of 2016. The lowest vacancy rate in Bucharest is in the North area with 5%, as a result of the increase in the number of transactions in this area. For class A buildings, the vacancy rate is 5%, about half the vacancy rate for Class B buildings, or 12.5%.

CBRE data also indicates that 20% of the total office space estimated to be delivered for 2019 is pre-leased.



(Source: www.arenaconstruct.ro)

ROMANIA – A NATION OF HOMEOWNERS



Romania is a nation of homeowners. In 2016, 96% of the main dwellings were privately owned, and for the vast majority of households, the home they live in is the largest or most of their wealth.

For a small number of citizens, housing is a rather insignificant part of personal wealth. Property means that if needed, homes need to be repaired by those who stay in them, whether or not they have the necessary resources. Research by the IRSOP on large household samples shows that between 60% and 70% of the adult population consistently claim various forms of deterioration or housing deficiency. In some social groups the percentage is up to 85%.

Currently there are approximately 7.4 million households in Romania and over 9 million homes. Households predominate, around 60%, mostly due to the rural environment, where the incidence is 97%. The offer increases by about 50,000 dwellings per year and several thousand dwellings come out of the housing stock annually due to demolition or change of destinations.

However, the rate of real estate renewal is far too low in relation to the age of the housing stock. The vast majority of the population lives in houses built between 1919 and 1980. On an aggregate level, the maintenance of these homes is the main problem of living in Romania.

The main problem is the high rate of repairs required for remedy, is to eliminate deficiencies or to prevent damage.

In developed countries, more than half of property owners spend money every year on repair. It means they improve their living comfort every year. Romanians do not have enough resources to make remedial or preventive repairs on an ongoing basis. If repairs are rare and occur at high intervals, they cost more because problems get worse over time.



(Source: www.economica.net)

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