

VITALIS CONSULTING NOMINATED AT SEE REAL ESTATE AWARDS GALA & FORUM



Vitalis Consulting is nominated for “Project Management Firm of the Year” at the 13th Annual Europa Property SEE Real Estate Awards Gala & Forum, which will be held in April 19, at the Radisson Blu Hotel.

The event brings together the most active international and local developers, bankers, investors, lawyers and other CRE professionals operating in the region, being the only event of its kind that covers south Eastern European region.

With the commercial real estate, investment, development, office, industrial and retail sectors all picking up in Romania and the SEE region, this year’s event promises to be one of the most important, with key local and international players already in or wanting to enter.

Countries eligible to enter the awards include: Albania, Bulgaria, Croatia, Macedonia, Montenegro, Republic of Moldova, Romania, Serbia and Slovenia.

Project of the Year award winners will be rated according to quality of design, building efficiency, quality of location, environmental concerns and commercial success.

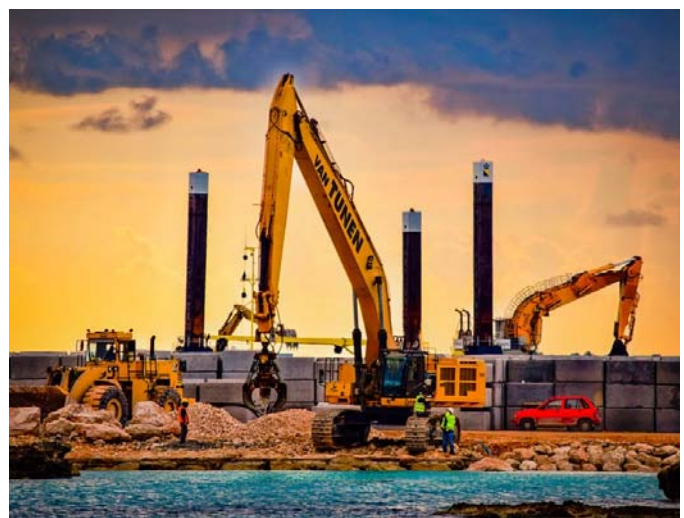
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Vitalis company is recognized for all the efforts and hard work that was submitted in over 12 years of experience were we achieve more than 250 local and international clients such as investors, developers, commercial and industrial corporations, and banks, in more than 3.500 000 sq. m.

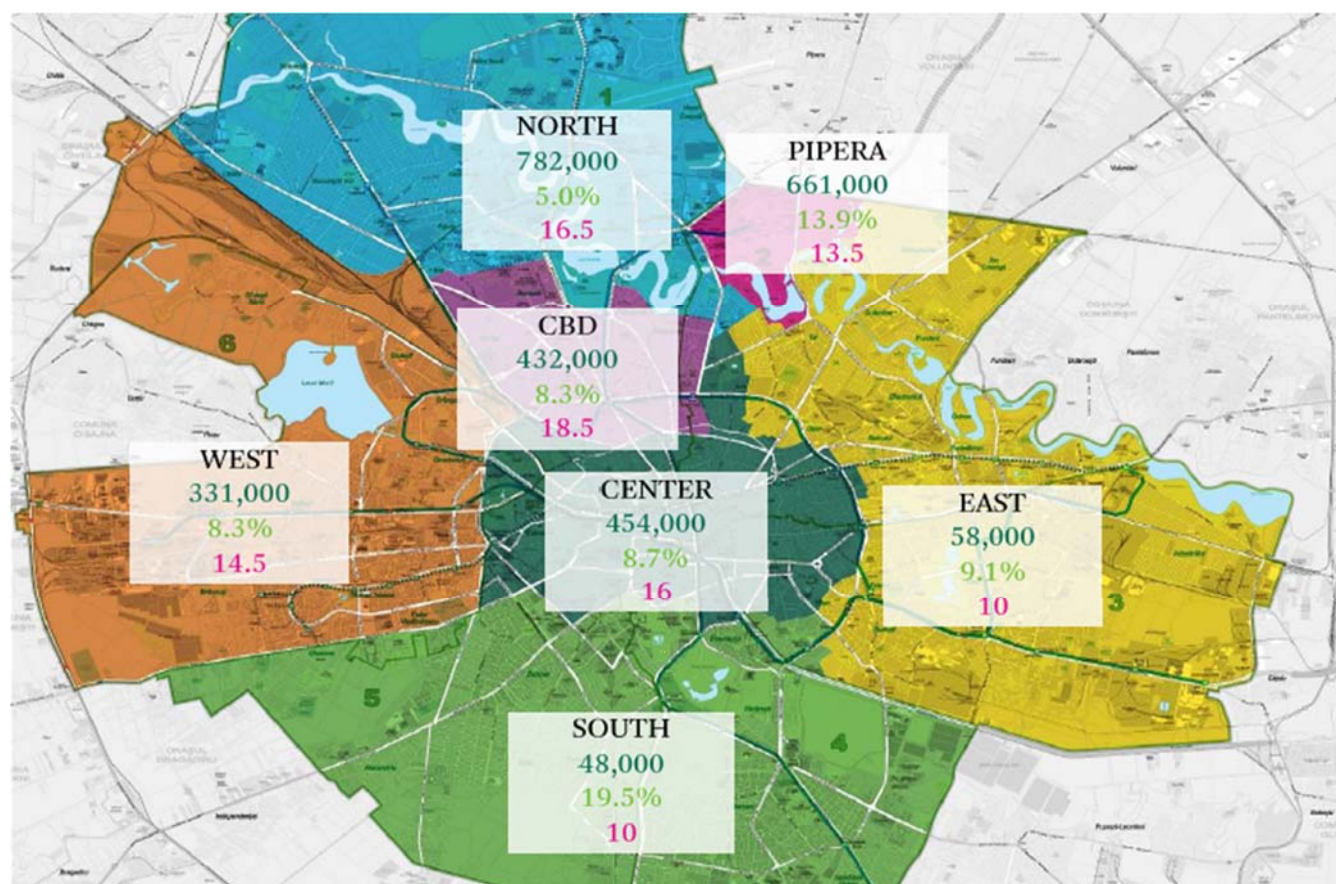
Regarding 2017 activity, on one hand completed some projects initiated in the previous years and on the other hand started new project and collaborations, and among the important projects in which Vitalis Consulting offered Project Management we can mention: Hattrick Office Building, Hilton Garden Inn Hotel, Ramnicu Valcea Shopping City, Baba Novac Residence, etc.

Using and believing in the motto’s company “Building Trust”, states the commitment to our Clients to provide them with confidence, delivering professional construction management services.



Flavia Popa

OFFICE MARKET REVIEW OF BUCHAREST Q4 2017



During 2017, more than 350,000 sq. m were transacted on the market, compared with the previous year were was a decrease by 15%.

More than 120,000 sq. m were in offices delivered in Bucharest, 38% of the new supply is located in West sub-market, followed by Central sub-market.

Bucharest's modern office stock exceeded 2.76 mil. sq. m, and during 2018 more than 200,000 sq. m will be delivered, 40% of the total amount estimated is already pre-leased, and the West sub market is estimated at 57% of the total amount for this year.

The prime rent remains unchanged and is estimated at 18.5 euro/ sq. m/ month. In the next two quarters the level of the prime rent is estimated to have a slight increase due to the large demand transacted in Central Business District sub-market.

At the end of Q4 2017, the modern office stock exceeded 2.76 mil sq. m and another 900,000 sq. m are under construction and planned with estimated delivery dates during 2018-2020.

North sub-market attracted the highest demand, 29% of Total Leasing Activity (TLA), including the largest pre-lease of 2017.

The overall vacancy rate in Bucharest registered one of the lowest rates in recent history: 9% of total modern office stock. Based on a year analysis, the largest fall in vacancy was noted in North sub-market, where the vacancy rate decreased from 9.5% to 5%.

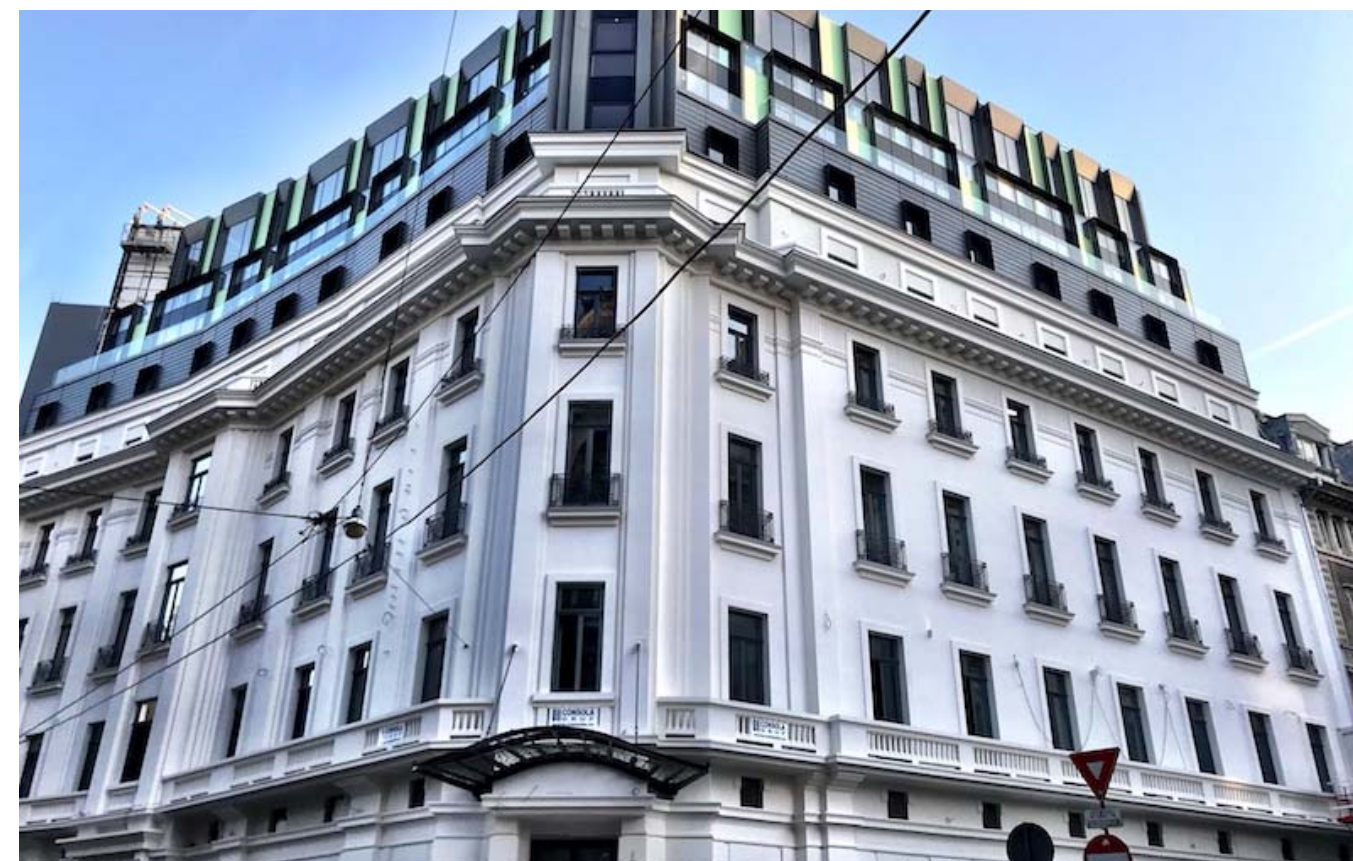
(Source: www.cbre.com.)

HOTELS - ONE OF THE ATTRACTIVE MARKET OF 2017

The Bucharest hotel market is dominated by 4* and 5* hotels, which represent over 70% of the total capacity, while 1* and 2* hotels account only for 10%.

Almost 47% of the hotel rooms in Bucharest are operated under the logo of international chains, compared to an average of only 7.5% at national level, the capital being followed by Sibiu (37.6%), Oradea (27.3%) and Cluj-Napoca (18.9%).

The accommodation capacity in Bucharest will increase in the next three years by at least 10%, taking into account the planned or already under construction hotels, new units to be developed in most of the country's big cities, knowing that the local market in 2017 is in its seventh consecutive year of growth.



Nearly 100.000 hotel rooms in Romania recorded over 20 million overnight stays last year, an increase of 4% over the previous year and 57% compared to 2010.

Bucharest is overtaken by Constanta in terms of number of rooms and hotel capacity, but due to the short time of about three months of the summer season, there are almost four times as many tourists in Bucharest hotels than in Constanta.

A predominantly business destination remains Bucharest, as well as the average stay in the city's hotels, of only 1.63 days, an indicators at a comparable level to the hotel market in Warsaw.

Prague hotels receive their tourists on average for 2.35 days, while in Budapest the average accommodation is of 2.25 days, the two cities being more attractive destinations for city-break tourism.

The local hotel market will continue to grow in the coming years, being sustained by the air traffic dynamics, which has doubled over the last decade, airports in Romania exceeding the 20 million passenger threshold in 2017.

(Source: www.zf.ro)

REAL ESTATE INVESTMENTS IN 2018



In 2018, the growth of PIB will slow to a more sustainable level (to 5%) as a result of reduced tax incentives, monetary policy tightening, inflation accelerating, a higher saving trend, and a currency exchange rate RON weaker, issues that will put pressure on consumer confidence.

It is expected that the major regional cities in Romania like Cluj-Napoca, Timisoara, Iasi, Brasov, will contribute with a higher share of PIB over the next years: the good quality of life they offer influences the migratory movement of the population in Capital deprivation, and low operational costs and a large number of IT & C students could cause large companies to expand in the rest of the country.

In Bucharest, the office market registered a moderate increase, recording new deliveries of 123,000 sq. m, which brought the stock of modern premises to a total of 2.3 million sq. m.

However, the total area leased in Class A space amounted to 320,000 sq. m and the new demand exceeded the 150,000 sq. m threshold, the latter being a maximum in recent years. The IT & C segment remained the main driver of demand, generating 44% of the rental activity (140,000 sq. m).

The most active areas were Floreasca/ Barbu - Vacarescu and CBD (19% of total properties) followed by Piata Presei and West- Center Square.

The Capital has concentrated about half of the total stock, ie 1.7 million sq. m. The vacancy rate remained low: 2% in Bucharest and below 5% in the country.

Last year, rentals for 500,000 sq. m of such spaces were concluded, of which almost 52% were in Bucharest, 14.6% in Timisoara and 12.4% in Pitesti.

In 2017, the total value of land transactions for real estate projects (excluding the industrial segment) increased by 25- 30% compared to 2016, exceeding the threshold of 350 million euro at national level. Approximately two - thirds of this value came to the Capital, where land transactions for residential development accounted for more than half of the investment volume, and the rest was roughly taken up by retail and office.

Developers will also head to major regional, office and residential cities due to increased interest from tenants/ buyers, but also to smaller towns with a population of less than 100,000 who have a shortage of modern retail space.

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