

## **BUILDING TRUST IN HOSPITALITY: OVER 10 HOTELS COORDINATED BY VITALIS IN ROMANIA'S BIG CITIES AND ABROAD**

The hospitality industry has become highly competitive in the last few years, both in Romania and abroad. The Romanian hotel market is showing a lot of attractiveness among real estate developers, fact that can be easily observed in the number of new hospitality developments delivered or presently being under construction process.

Following the market demands and the hospitality industry's tendencies and opportunities, Vitalis team developed a full range of specialized construction management services for hotel sector. During our industry activity, we had successfully delivered over 10 hotels in Romania's big cities (Bucharest, Craiova, Timisoara, Cluj, Constanta) and in UK (London), including both luxury and emerging brands.



One of the key projects that have recently entered Vitalis' hotel portfolio consist in the development of the first Swissôtel in Romania, a luxury brand of Accor, a world-leading augmented hospitality group. Developed in partnership with Niro Investment Group, one of the largest Romanian business groups with expertise in real estate investments, development and asset management, the new outstanding hotel, ideally located at Expozitiei Boulevard, will be one of the tallest buildings in Bucharest, having 23 above ground levels and 3 basements. The hotel will comprise of approximately 225 rooms, out of which 21 luxury apartments and will feature restaurants, a pool, a Spa & Sport facility and a designated area of meeting and function space. Another notable hospitality project presently coordinated by Vitalis team and managed by Accor, is the new Ibis Style Hotel, located in downtown Bucharest that will comprise 152 guest rooms.

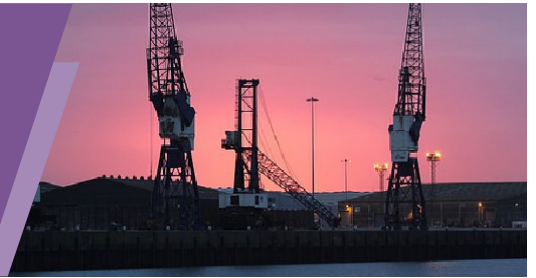
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Besides this two projects, Vitalis team is currently managing the refurbishment of Hotel Sport in Cluj (140 rooms). In 2014-2015 Vitalis team has successfully delivered Ramada Plaza Hotel in Craiova (162 rooms) and the first Mercure Hotel in Bucharest city center (114 guest rooms) and back in 2017 we managed the construction of Hilton Garden Inn Hotel in Bucharest, designed on 9 levels and 201 rooms. Outside Romania, we were involved in the construction of three new hotels in London, in partnership with our client Red Sea Group: Riverbank Park Plaza Hotel (394 rooms), Hercules House Park Plaza Hotel (494 rooms) and Club A40 (220 rooms).

*Flora Popa*

## THE MODERN RETAIL STOCK IN BUCHAREST IS HIGHER THAN IN TRANSYLVANIA AND DOUBLE THAN IN MOLDOVA



The modern retail stock in Bucharest remained constant in 2018, at 1.2 million square meters, a level 7% higher than in the Central-West region of the country (16 counties in Transylvania and Banat), which reached 1,18 million square meters, and double the stock of the region of Moldova (eight counties), which reaches 595,000 square meters, according to real estate specialists.

A fourth analyzed region is the South (16 counties, without Bucharest – Ilfov), where the modern retail stock has 735,000 square meters, therefore the total area of malls, retail parks and commercial galleries at a national level is situated at 3.65 million square meters, resulting in a density of 191 square meters / 1,000 inhabitants.

Considering the projects currently under construction, deliveries of commercial spaces will accelerate this year up to 140,000 square meters, while Sibiu, Timisoara and Bucharest will attract 70% of the deliveries. New modern commercial spaces will also be delivered in Zalau and also in Satu Mare and Buzau, where existing projects will be expanded.

Last year, new spaces were delivered in Romania, having a cumulative area of approximately 104,000 square meters, while no new retail project was completed in Bucharest.

At a city level, the most densely populated areas remain Suceava (1,167 sq. m / 1,000 inhabitants) and Oradea (1,014 sq. m / 1,000 inhabitants), while in the primary cities with a population of over 250,000 inhabitants, this indicator varies between 380 sq. m / 1,000 inhabitants in Craiova and 692 sq. m / 1,000 inhabitants in Timisoara.

The average vacancy rate for shopping centers in Bucharest declined from 3% to 2% over the past year, while at a regional level it is situated around 4% in the southern and eastern areas and 6% in the central-western part of the country. It is thus expected that the low vacancy rate within the dominant shopping centers will put pressure on rent levels.

Comparing to 2018, this year there will be delivered 40% more modern commercial spaces, while for next year we expect an increase of the deliveries with 60% compared to 2019, if all the announced opening dates are respected. In the next period, we will see the inauguration of new shopping centers in Sibiu and Brasov, while the rest of the developments will be represented by extensions of existing schemes or projects located in secondary and tertiary cities, according to specialists.

(Source: [www.cwechinox.com](http://www.cwechinox.com))

## ROMANIAN OFFICE MARKET IN Q1: THE RENTED AREA INCREASED OVER 40%

The Romanian office market started promising in 2019, given that in the first quarter, approximately 124,500 square meters were leased nationwide, almost 41% more than in the first quarter of last year. Transactions in the first quarter of this year account for about 31% of the total volume traded last year, about 400,000 sq. m. If the current pace is maintained, the rented area of office spaces could reach over 560,000 sq. m by the end of this year.

According to real estate specialists, in the first quarter were signed a small number of transactions when comparing with the same period of last year (68 against 73), but the average leased area increased to almost 2,000 square meters, from 1,200 square meters in 2017. This evolution was driven by five transactions of more than 10,000 square meters and shows that the Romanian market remains an attractive destination for existing companies but also for new names.



Most of the tenants came from IT, financial and professional services and Bucharest attracted the largest volume of transactions, over 107,000 sq. m (over 86% of the national total), followed by Timisoara a little over 6,000 sq. m (almost 5%). Important transactions were also signed in Craiova, Cluj-Napoca and Iasi. In Bucharest, most transactions were concluded in CBD (13), Floreasca - Barbu Vacarescu (12), West-West (8) and South-Central (8). According to the volume traded, CBD is also ranked first, with 32,000 square meters traded (24% of the total), followed by the West, with 18,000 sq. m (14% of the total), West Central, with 13,300 sq. m (%). Floreasca attracted only 6.7% of total demand.

By the end of the year, the area of new office projects in Bucharest is estimated at about 200,000 square meters.



(Source: [www.jll.ro](http://www.jll.ro))

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Vitalis Consulting is involved in the construction process of a new project, developed by Wilo Romania. The project consist in the development of a new mixed-used building with office, industrial hall and underground technical spaces with a total usable area of 5,200 sq. m. Vitalis team was involved in the pre-construction phase and is currently handling the construction works for the building's infrastructure.

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Vitalis team is honored to manage the construction of the first Swissôtel in Romania, a luxury brand of Accor Hotels. The ambitious project is aimed to bring new standards to the Romanian hotel industry, offering to its future guests a modern, stylish design, cutting-edge technologies and a full range of premium services.

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Timisoara Airport Park II, a new major high quality logistics project is developed nearby Timisoara, by Globalworth under the close supervision of Vitalis Consulting team. We are currently monitoring the construction of one 18,000 sq. m industrial building with offices and storage spaces.

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The construction works for 5-9 Petru Rares, the impressive residential project developed by Vector Construct Technology, have been successfully completed, under Vitalis team close supervision. The residential project, having height regime of 2B + GF + 6F - 8F, features a remarkable collection of 95 apartments with 1 to 4 rooms and 114 parking lots.

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