

## WORLD'S LEADING INSURANCE BROKER APPOINTED THE BEST CONSTRUCTION MANAGEMENT TEAM FOR THE RENOVATION OF ITS HEADQUARTERS



An 8-years successful business partnership between Vitalis Consulting and Marsh was celebrated in September 2021 with the start of a third collaboration, as we were appointed once again to provide Fit-Out Management services for the renovation and expansion of the company's Romanian headquarters.

Marsh has been established in Romania in 1995, being the first international insurance broker to

open an office in Romania. Marsh headquarters located at no. 169 Calea Floreasca Street in Floreasca Business Park, Bucharest, has been set up in 2013, when our partnership with the company first started, by providing Project and Cost Management services.

Within our first collaboration, Vitalis team has handled the coordination of the planning phases, helping the Beneficiary determine initial costs and unpredicted expenses and taking care of the entire construction and fit-out process until the successful completion of the project in time and on budget.

Moreover, in January 2017 a new collaboration between Vitalis team and Marsh has started, this time the project consisting of the expansion of the same headquarters. Vitalis team first prepared the Feasibility Study for the expansion, granting an unbiased view on net occupancy, maintenance costs, and overall financial efforts, and recommending proper building solutions to endorse the most suitable development strategy. Additionally, in March 2017, we provided Project Management, Cost Management, Site Inspection, and Health & Safety Coordination, managing the execution works until the successful completion of the project.

The new expansion and renovation of Marsh offices is a result of the company's desire to provide the best workplace environment for its employees and to comply with the newest tendencies in terms of safety, wellbeing, and sustainability.

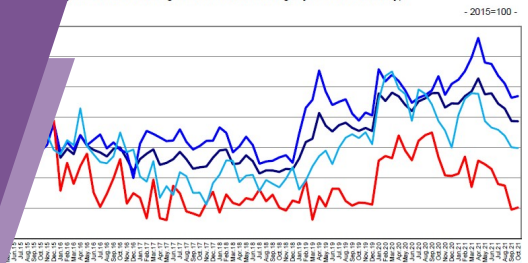
Our extensive experience in this field combined with our knowledge and business history with Marsh is giving our team the best assets to successfully deliver this project.

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*Flavia Popa*

## ROMANIA'S CONSTRUCTION WORKS INDEX DOWN 16,8% YoY IN OCTOBER

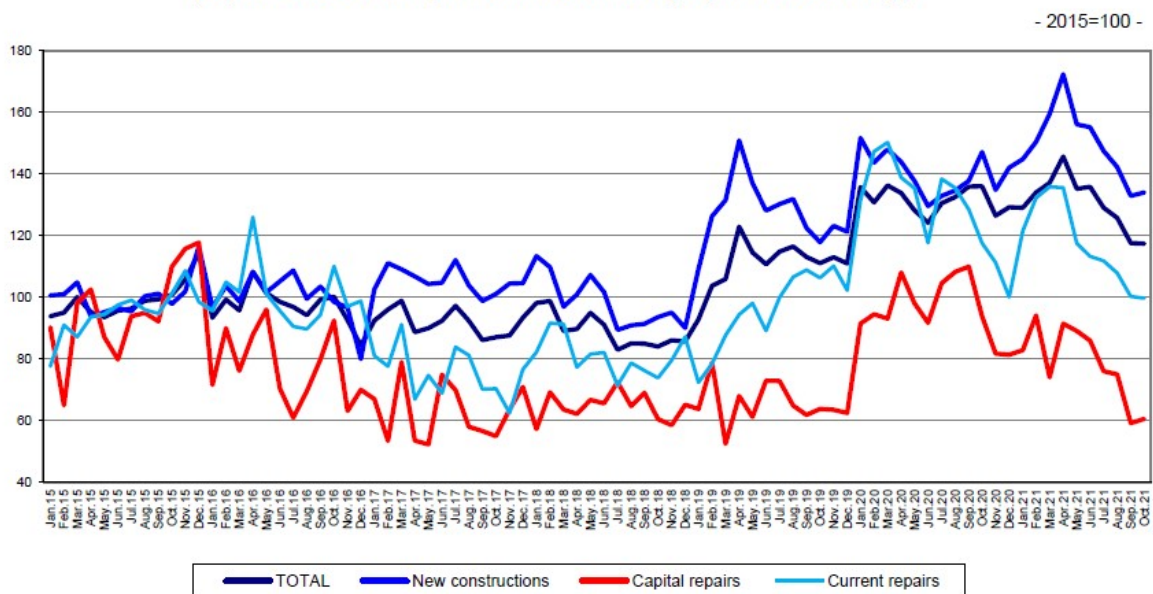


Romania's construction market kept shrinking in October, but the seasonally adjusted index posted a marginal 0.2% decline compared to September as the sector of non-residential buildings performed slightly better along with its downward trend that nevertheless remains negative.

For the first ten months of the year, the construction works index decreased by 2% in 2021 compared to 2020, but it increased by 16% in 2021 compared to 2019.

The intense construction activity during 2020 created high base effects.

**Monthly evolution of construction works, by structure elements, according to NACE Rev. 2**  
 - January 2015-October 2021 -  
 (adjusted series according to the number of working days and to seasonality)



In the residential buildings segment, the activity increased by 28% compared to 2020 and 58% compared to 2019 - and the growth trend remains intact. In the non-residential buildings segment, the activity returned close to the pre-crisis level (+1.2%), easing (-12%) from 2020.

The civic engineering works, mostly under the control of the Government, mark a 9% advance compared to 2019 despite a 9% decline from 2020 (when the Government strived to increase the volume of investments as part of the fiscal stimulus).

The volume of construction works decreased overall, as gross series, by 2.0%. By structure elements, drops were reported for capital repair works (-23.9%) and maintenance and current repair works (-13.5%). The new construction works were up 6.3%.

By construction objects, a rise was recorded for residential buildings (+28.1%). The non-residential buildings fell by 12.1% and the engineering works dropped 8.8%.

The volume of construction works fell, as adjusted series according to the number of working days and to seasonality, by 1.3%, a fall reflected in capital repair works (-20.7%) and in maintenance and current repair works (-12.3%). The new construction works rose by 6.2%.

By construction objects, a rise was reported for residential buildings (+21.9%). The non-residential buildings fell by 10.7% and the engineering works were down 5.7%.

## THE EFFECTS OF THE PANDEMIC BOOST THE BUBURBAN AND RURAL RESIDENTIAL MARKET



2020 saw, for the first time in 14 years, an increase in the rural population in Romania. Working from anywhere and social distancing have led to a population migration trend towards quieter areas in the suburbs or in localities around big cities, with important effects on the residential market, according to real estate consultants. The number of Romanians who trade urban congestion and choose more spacious, affordable housing has increased, and the trend is expected to continue in the medium term, creating new opportunities for residential developers.



The Capital is a clear example of the current trend. Thus, in Bucharest, the resident population decreased by 9,800 inhabitants in 2020, based on market analysis. At the same time, the Capital's metropolitan area recorded an increase in the resident population of 10,800 inhabitants.

Similar trends have been recorded in metropolitan areas in other major parts of Romania. In Cluj, the urban population decreased by 4,800 and the rural population increased by 5,600. In Timis, the urban population decreased by 9,900, while the rural population increased by 9,200. And in Iasi, the urban population decreased by 1,900, while the rural population increased by 2,000, official data show.

This migration represents an opportunity for residential developers, and a big advantage of the suburbs is the significant abundance of land and the lower acquisition costs. They offer developers greater flexibility in the projects they build and can present buyers with larger homes with gardens. Such facilities are appreciated considering that, over the past year and a half, the time spent in and around the home has significantly increased.

Another important aspect is the number of residential units delivered in the Capital and the metropolitan area, which has been increasing year on year to new highs. If 3 years ago, both in Bucharest and in the surrounding area, 5,600 – 5,700 living units were delivered per year, the number of residential units delivered in 2020 was 13,800 in Bucharest and 7,000 in the metropolitan area.

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We are happy to be involved in one of the biggest land transactions of recent years, completed by real estate developer SPEEDWELL. The 9-hectare land plot acquired by the developer will be used for the construction of a major mixed-use project with residential, office, and commercial destinations. Within this project, Vitalis Consulting team provided Technical Due Diligence services...

110 years of history are now revived under #Vitalis team coordination. Cozieni Mansion, the Forgotten Monument located near Bucharest, is going through a refurbishment process aimed to transform the building into a modern hotel with exclusive facilities. We are happy to use our extensive expertise in the restoration of historical landmarks and monuments all over Romania in bringing back to life this amazing building!

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We are delighted to officially announce that Vitalis team is once again among the nominees for the Best Project Management Company of the Year Award, within the CIJ Awards Gala Romania 2021. More than a nomination, this is a recognition of our efforts to constantly Build Trust in the Romanian Construction...

From a building in advance state of degradation to a landmark of the luxury real estate market in Bucharest, H Victoriei 139 residential project has faced many challenges, all of them being overcome through the hard work and dedication of every single team involved. We are proud to be a part of this great project and we congratulate the Hagag Development Europe team...

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