

AMERICA HOUSE, ONE OF THE LARGEST BUSINESS CENTERS IN BUCHAREST, IS UNDERGOING A COMPLETE REFURBISHMENT PROCESS UNDER VITALIS SUPERVISION



America House is one of the largest multifunctional business centers in Bucharest, ideally located at the heart of the city's CBD, in Victoriei Square, at only 15 minutes away by car from Otopeni International Airport and at a walking distance from public transportation including 2 Metro lines and 12 trams and buses lines on the doorsteps of the building. It is also served by 3 main dedicated bicycles lines.

With a total of approximately 28,000 sq. m of GLA, this iconic development is designed for modern offices and retail spaces, having an impressive modern design with glass and metal façade along the main Titulescu Boulevard, high standard features and a terrace located at the second floor of the building.

The ground floor and half of first floor of the building are

occupied by the most comprehensive range of restaurants, coffee shops and services for the benefit of the building tenants and visitors. In addition, America House provides its tenants with ample parking facilities with over 350 parking spaces disposed on 3 underground levels complete refurbished.

In order to keep up with the newest tendencies on the modern office market, an extensive refurbishment process, designed by AMA design, is being currently undertaking and Vitalis team is fully coordinating it.

The refurbishment works involved the complete renovation of the 3 underground parking levels including 3 new epoxy layers, 3 new bikes rooms with a capacity for 70 bikes, new showers, toilets and lockers for the benefit of the bike riders. This work was executed by Terano Costruct as general contractor and was completed 6 months ago. In addition, full refurbishment of the above ground common areas in the building including the two main reception lobbies, all lift lobbies, all common toilets and common corridors was completed in May 2021 and was executed by COS.

Currently, Vitalis is also overseeing 2 new refurbishment projects. The first project, to be completed by November 2021 is the full refurbishment of the ground floor exterior which will mainly include the adding more green spaces in the front of the building to improve the quality of the space and allow better enjoyment to the visitors of the retail spaces.

The second project involves the relocation of part of World Class gym to the western side of the building, creating a separate and private entrance to the facility and enabling World Class to create in the new space a fresh, modern and accessible space, perfect for fun and energizing activities.

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Flora Popa

BUCHAREST OFFICE MARKET UPDATE Q1 2021

The demand for future office spaces will be the function of two aspects: 1. The companies' remote work policy (which may or may not lead to a lower GLA, depending on how it views the office's place) and 2. Hiring.

Total demand stood at a bit over 54,000 sq. m of leasing activity in the first quarter of 2021, which, while still down compared to last year's first quarter (61,000 sq. m), it is still on par with the quarterly average of the whole 2020.

With market activity around one third below pre-crisis trend, this suggests that quite a lot of tenants remain in wait-and-see mode, primarily because of two aspects: 1. to know when and how the vaccination campaign will reach its goals of providing the target of herd immunity and 2. there is still not a clear consensus on how the hybrid work regime will unfold from here on.

In late 2020 tenants were mostly looking to offer their employees around 2-3 workdays of remote work per week. Given the high uncertainty environment, some tenants and landlords are moving forward with short-term renewals of contracts, if the need arises, so as to guarantee that a decision can be made with all the necessary info. Others are not so patient and are seeking to optimize their occupied office space – particularly large tenants.

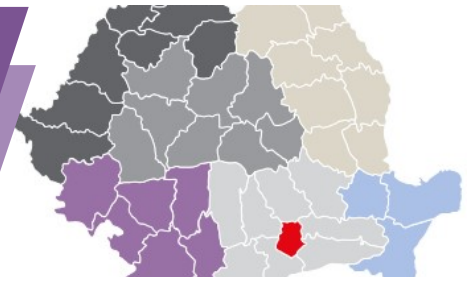
The sublease offering, currently in excess of 80,000 sq. m based on the monitoring is just a precursor of future space optimizations from large occupiers as rental contracts mature. This creates an opportunity of some soft for the local office market, as it can gradually absorb future vacant spaces as contracts will reach maturity over several years



The market is very much in a wait and-see mode and it is still not clear where tenants might be heading in terms of office occupancy in the future. The assertion is that while most will reduce their space, they will still hold onto the bulk of this, as the office of the future will feature more GLA per employee amid a much deeper focus on collaboration and creativity, as well as providing a certain amount of back-up space in case physical distancing is required. That said, based on current trends, it may take several years before the market returns to neutral conditions from a tenant-oriented market (maybe 3-4 years); thankfully, labor market trends are more favorable than it was initially anticipated after an economic downturn like the one suffered in 2020. Until the market returns to a neutral stance, the aggregate net effective rent level for the Bucharest submarket is likely to decrease.

(Source: www.colliers.com)

ROMANIAN RETAIL AND INDUSTRIAL MARKET IN Q1 2021



The retail sector faced many challenges during the pandemic, especially because of the restrictions imposed to contain the spread of the COVID-19 virus, and the recovery is rather slow. Overall, retail sales volumes in Romania increased in March 2021 by 2.3% compared to the previous month, and by 5.6% when compared to March 2020 (National Institute of Statistics). No new shopping centers were delivered in Bucharest during Q1 2021, or in 2020 for that matter. However, two new openings are expected by the end of the year. Thus, the total modern retail stock in Bucharest remained at 1.176 million sq. m of GLA at the end of Q1 2021. During Q1 2021, one retail park was delivered outside of Bucharest with 17,000 sq. m GLA.

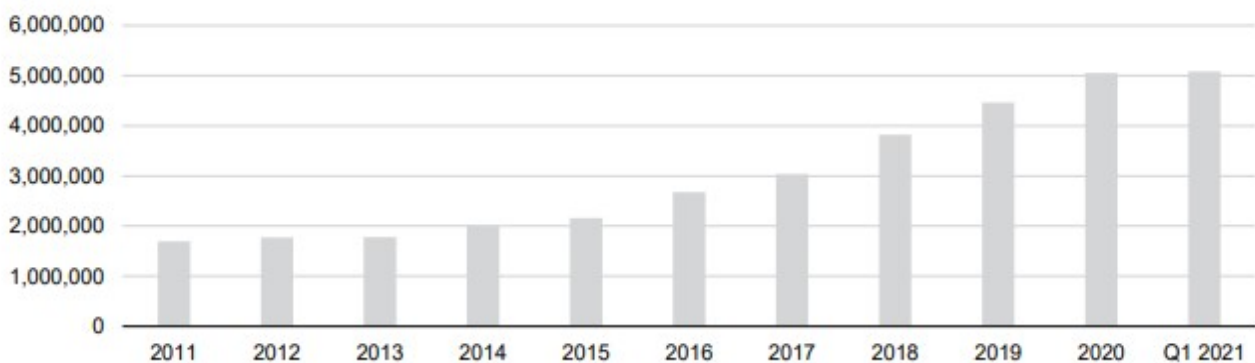
After 148,600 sq. m of GLA were completed during 2020, it is estimated that approximately 156,000 sq. m of shopping centers and retail parks are awaiting delivery in 2021. Only 29,200 sq. m are to be delivered in Bucharest during 2021.

In Q1 2021 total rental demand for modern industrial and logistics spaces in Romania summed to approx. 261,500 sq. m. Net take-up accounted for 63% of the total, or approximately 164,600 sq. m. Bucharest had by far the largest share of total demand for industrial and logistics spaces in Q1, with almost 77% (approx. 201,000 sq. m), followed by Brasov, with a 5.8% share (15,200 sq. m) and Timisoara, with 3.3% (8,700 sq. m). The automotive industry had the largest contribution during Q1, accounting for 29% of total demand, or approximately 75,000 sq. m, followed by the logistics sector, with almost 13%, or 33,800 sq. m.

Only approximately 30,700 sq. m of new industrial and logistics spaces were delivered during Q1 2021, representing below 16% of total deliveries in Q1 2020. In Bucharest & Ilfov alone 11,000 sq. m were delivered during the period. Another 11,300 sq. m were delivered in the South region and the rest in the Center region. Therefore, at the end of Q1 the modern industrial stock to rent in Romania reached over 5.083 mil. sq. m.

Even though deliveries during Q1 were modest, during the next three quarters another 690,000 sq. m are expected to be added to the stock throughout Romania, compared to total deliveries of 590,000 sq. m in 2020. Thus, the stock would reach 5.78 mil. sq. m at the end of the year. Good market perspectives for 2021 The industrial and logistics sector in Romania performed very well in 2020 and also during the first quarter of 2021, and this trend is most likely to continue throughout the year.

Figure 9: Total Stock Evolution – Romania (m²)



Source: JLL Research

(Source: www.jll.ro)

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Dear companies looking for an exclusive working space, here we come with two A-class office buildings, soon to be delivered in Bucharest!

The construction works for Oslo and London Office Buildings, part of Sema Parc multi-use project, are well progressing under Vitalis team supervision.

Level Phase 2 is the new residential project developed in Northern Bucharest, aimed to offer 130 apartments, more than 150 parking lots, green spaces and great facilities.

Vitalis team is coordinating the construction works soon to begin with the foundation and the concrete structure of the building.

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Hotel Sport in Cluj-Napoca, soon to become the first Radisson Blu Hotel in the city, is taking a remarkable new shape, don't you think?

Our team is fast progressing with the execution, as we have already started the fit-out and partitioning works.




We greet you from Craiova, where Vitalis team is coordinating the construction works of the newest residential project developed by Casa Noastra Imobiliare, soon to be completed.




Decebal Residence is the second residential project coordinated by Vitalis team for the same developer, after Bujorului Residence also located in Craiova.

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