

## REDEFINING CLASSIC REAL ESTATE: ONE COTROCENI PARK PHASE I WAS SUCCESSFULLY DELIVERED UNDER VITALIS COORDINATION



The year 2021 has ended with a new successful delivery on Bucharest's office market in which the Vitalis team has played a vital role. We have coordinated the construction works for One Cotroceni Park Phase I, consisting of two modern buildings with office and commercial destinations, that are now completed.

One Cotroceni Park is the largest urban regeneration project in Bucharest with mixed functionalities, aiming to redefine the classic real estate and elevate the city image to a level comparable to the top global metropolises.

The first phase of the development comprises two

office buildings with a gross leasable area of 46,000 sq. m, located in Cotroceni district, one of the most famous and wanted areas in Bucharest. The concept brings to market a unique business park offering the future tenants modern and certified workspaces and efficient headquarters solutions, with various services and exclusive facilities.

The sustainable approach of the project is assessed by international green certifications, as One Cotroceni Park office component benefits from LEED Platinum pre-certification, attesting sustainable operation and minimal impact on the environment. Moreover, the development is in the process of obtaining WELL Health and Safety certification, confirming health and wellbeing at work for future tenants, and Zero-Carbon certification for environmental protection and global warming reduction.

The collaboration between Vitalis Consulting and One United Properties has begun in 2018 and, since then, we have been involved in residential, office, and mixed-use projects, bringing to life the Developer's innovative vision by Building Trust in buildings and partnerships.

This amazing delivery would not have been possible without the commitment and professionalism of our awesome team of Project Managers and Construction Engineers. Thank you, guys, for the wonderful work!

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## ROMANIAN CONSTRUCTION MARKET DURING THE COVID-19 PANDEMIC



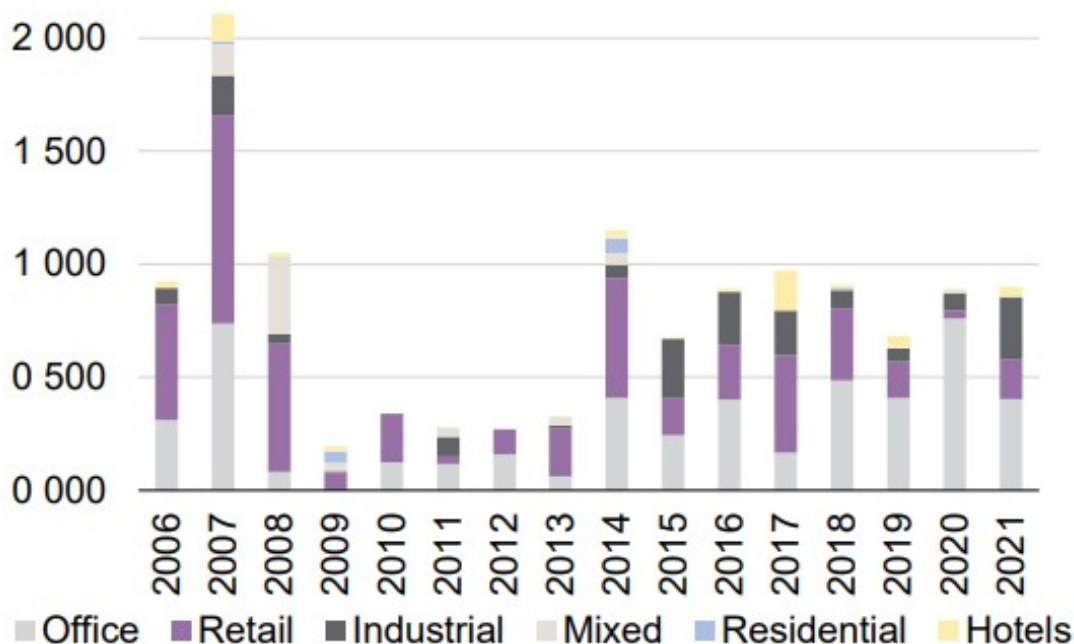
Despite the fourth COVID-19 wave in autumn, the Romanian economy performed very well during 2021, with an estimated GDP growth of 7%.

Q4 2021 property investment volume for Romania is estimated at €337 million, almost 30% over the previous quarter and more than 4.5 times the volume registered in Q4 2020. For the whole of 2021, total investment volumes reached €900 million, almost the same as in 2020.

Office space demand is gradually recovering.

Total gross transaction volume in Bucharest during Q4 2021 reached 84,300 m<sup>2</sup>, 17.6% over the previous quarter, and 53.5% over Q4 2020. Q4 2021 recorded consistent deliveries in Bucharest, amounting to almost 92,000 m<sup>2</sup>, 15% below the previous quarter, but almost 3 times higher when compared to Q4 2020. Four new office buildings were delivered in Bucharest during Q4 2021, bringing the total modern stock to 3,198,000 m<sup>2</sup>.

Despite the fourth wave of the COVID-19 pandemic hitting Romania in autumn, retail sales volumes kept recovering during Q4, the increase reaching as high as 7% in December 2021, when compared to the same month of 2020, according to the National Institute of Statistics.



Q4 2021 also concentrated the largest number of retail deliveries during 2021, with 6 new schemes or extensions of existing ones, totaling 63,100 m<sup>2</sup>. Q4 2021 marked a record total demand for modern industrial spaces in Romania, reaching 483,600m<sup>2</sup>, almost 4 times over the previous quarter and 77% over Q4 2020.

In 2021 overall, total transactions volumes surpassed the 1 million m<sup>2</sup> mark for the first time, reaching 1.009 million m<sup>2</sup>, 47% over 2020. Net take-up accounted for 726,700 m<sup>2</sup>, an increase of 40% when compared to the previous year. Almost 244,000m<sup>2</sup> of industrial and logistics spaces were delivered in Romania during Q4 2021, compared to only 67,000 m<sup>2</sup> in the previous quarter.

## INVESTMENTS IN RESIDENTIAL AND LOGISTICS CONTINUE AT FULL SPEED



Investments in real estate continue at full speed in Romania, the residential market and the logistics segment attracting the largest volume of new investments. The retail segment is attracting new investments and formats, while investors in office buildings are preparing for the increase of the traffic volume and employees` return employees to offices. Overall, the volume of investments attracted by the largest projects under construction or which will start this year, at the level of the entire country, exceeds 1.8 billion euros.

More than 10 large residential projects, with over 500 apartments each are under development this year only in Bucharest. On the office buildings segment, as this year the restrictions that have characterized the last two years are expected to relax and most companies are planning to bring their employees back to the office or turn from "work from home" to various hybrid work formats, in 2022 we will assist new investments in this segment as well. Six new office projects are announced only in Bucharest and they will bring in almost 140 thousand square meters on the market.



On the logistics segment, at national level, the new deliveries will reach a volume of over 500,000 sqm this year.

Also, over 200,000 sqm of modern retail space will be developed, most of the investments being announced in Bucharest and in the large cities in the Western part of the country, but also in secondary and tertiary cities such as Pitesti or Alba Iulia. In the retail segment, investors are preparing new formats and concepts, integrating elements related to sustainability or community.

A real estate player who is strongly focused on sustainability believes that we would rather bear the rising cost of construction than the cost of doing nothing to protect the environment.

We have confirmed through our projects the target of carbon emissions reduction by 50% and for the future we want to reach 70%, according to the company's representative.

One of the main industry challenges remains the increase of construction costs and the lack of qualified personnel. There is a number of 400,000 workers working in Romania, while 700,000 Romanians work on construction sites in Western Europe.



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We are pleased to announce that Vitalis team is expanding its hotel portfolio, as we have been appointed to coordinate the construction works for #Mercure Sibiu Park Arini Hotel Complex!

Right in the heart of #Sibiu, the new hotel complex will bring exclusive facilities for future guests. We are happy to use our consistent expertise in hotel projects to bring to life this innovative development!

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Florin Popa, Managing Partner Vitalis Consulting, was invited by Forbes Romania to talk about the evolution of the Romanian construction market in 2021, the industry challenges, and forecasts for the current year.

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Sneak peek at the construction site of the first Swissôtel in Romania where the construction works are progressing rapidly under Vitalis coordination.

The structure is already completed, and we are currently supervising the MEP works and the interior partitioning, while the unitized facade works are advancing at a brisk pace.

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Over the years our services portfolio has grown, continuingly adapting to the market's needs and transformations.

Besides Project and Cost Management services, indispensable to the successful delivery of a construction project, important expert services were added.

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📍 BUCHAREST, ROMANIA

8 Stefan Burcus Street, District 1, 011415  
T: +4 021 231 53 57/ 58, F:+4 021 231 53 59  
office@vitalis.com, www.vitalis.com

📍 LONDON, UK

📍 CHISINAU, MOLDAVIA

📍 KIEV, UKRAINE

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