

## NEW DELIVERY IN VITALIS'S RETAIL PORTFOLIO: KAUFLAND CARACAL OPENED ITS GATES



The residents of Caracal city are officially enjoying the first Kaufland hypermarket in the area, with the help of the Vitalis team.

As a result of an extended long-term collaboration with Kaufland, one of the biggest

retailers in our country, we are happy to be a part of the company's extension, by coordinating the construction works of the fourth hypermarket in Olt County and the first one in Caracal.

The new single-floor Kaufland store has a total built area of approximately 5.909 square meters, being located on Dragos Voda Street.

The hypermarket benefits from an „IMBISS“ buffet container, a fast-food serving tent space, and parking spaces.

Within this project, the Vitalis team provided Project and Cost Management services along with Site Inspection services, assuring the quality of the construction process and bringing to life the long-awaited store while meeting the Client's high standards in terms of sustainability and efficiency.

Starting on the 23rd of February, the new Kaufland in Caracal opened its doors offering a new shopping experience for people in the area.

We are happy for having the chance to Build Trust in the Romanian retail sector, once again!



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# BUCHAREST INVESTMENT MARKET REPORT Q4 2022

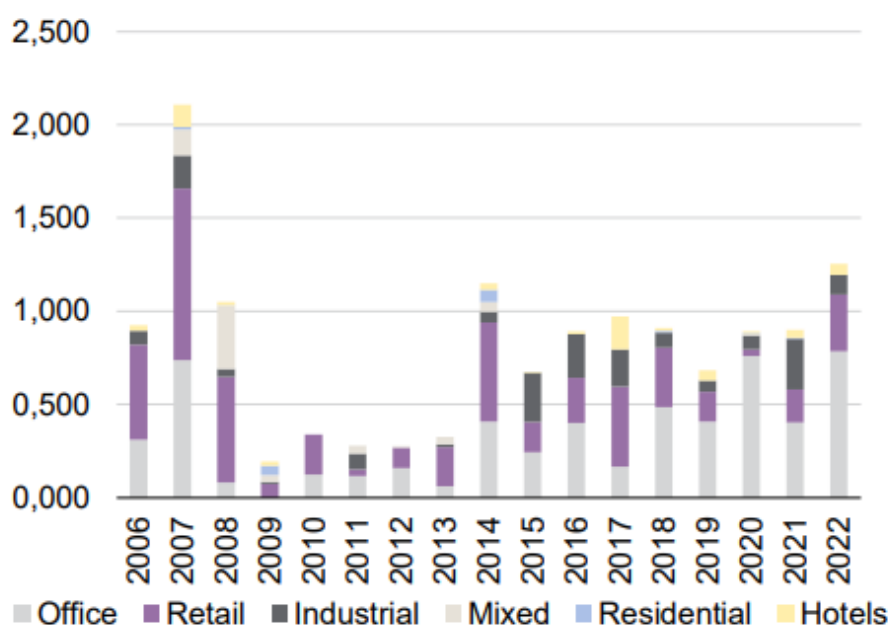


Total investment volumes for Q4 2022 reached approximately €597.5, 81% above the previous quarter and 77% over Q4 2021.

During 2022 overall, investment deals worth over €1.25 bln. were concluded, 39% above 2021. This is the highest volume recorded since 2007.

We expect investment volumes in 2023 to reach around €800-900 million. This would be in line with the last 5-year average.

**Figure 1: Romania Investment Volumes\*  
(€ million)**



In Q4, the office sector accounted for 80% of total investment volumes, with almost €480 million, followed by retail, with 12% (approximately €70 million), hotels, with 5% (€31 million), while the rest was represented by industrial properties.

By far the largest investment deal closed in Q4 2022 was the sale of CA Immo's office portfolio in Bucharest, consisting of 7 buildings with a total GLA of 165,000 m<sup>2</sup>, to local investor Paval Holding, for a reported €377 million.

The second-largest deal in Q4 was the sale of the first phase of U-Center Campus in Bucharest, developed by Forte Partners, also to Paval Holding, for an estimated €87 million.

Despite the ongoing war in Ukraine and high inflation (and consequent increase in interest rates), the market remains fairly liquid.

During Q4 2022, prime office yields increased by 25 bps, to 7.00%, while prime retail and industrial yields remained the same as in the previous quarter, at 7.25%, respectively 7.50%.

There is upward pressure on yields, that we expect will materialize in the first half of 2023, followed by a more stable second half.

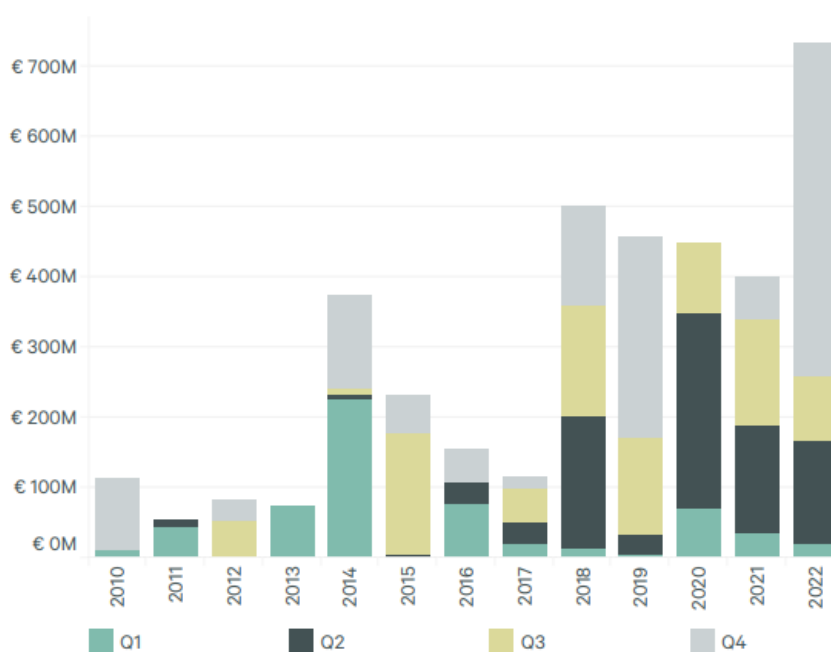
(Source: [www.jll.ro](http://www.jll.ro))

# BUCHAREST OFFICE MARKET SNAPSHOT Q4 2022

Bucharest office modern stock gathers at the end of 2022 circa 3.3 mln. sqm, as six office buildings with a total gross leasable area (GLA) of 124,400 sq m were inaugurated throughout the year.

The total leasing activity (TLA) in 2022 involved 295,300 sqm, with 5% more than the value recorded for the previous year and with a bit over 20% compared with 2020. 60% of the TLA was represented by take-up (total transactions excluding renewal/renegotiation) and recorded a 9% YoY increase in absolute figures. The upward trend on which transactional activity embarked in the post-pandemic era indicates a steady recovery of the leasing market and working at the office gaining a larger share in the hybrid working schedule. Computers & Hi-Tech sector dominates once again the transactional activity, being responsible for 43% of the leased area.

**Bucharest Office Investment Volumes**



At the year's closing, Bucharest modern office stock recorded an overall vacancy rate of 14.1%, with 1.0 pps higher compared with the vacancy from the end of 2021. When looking exclusively at class A office premises, the vacancy rate is decreasing to 12.3%.

At Q4 closing, prime rent reached EUR 19.50 sqm/month, after a subsequent growth of EUR 0.25 sqm/month registered in the year's first quarter. Looking retrospectively, the change in prime rent from Q1 2022 was the first movement registered since the first quarter of 2020, the in-between period marking a stagnation at EUR 18.75 sqm/month.

The forecasted new supply to be delivered by the end of 2023 gathers 112,500 sqm in five buildings, an amount that will increase Bucharest's modern stock to 3.4 mln. sq m.

Such evolution may come as a response to the overall economic environment, with office owners addressing somehow the increased operational costs and rising inflation, coupled with the limited office new supply in Bucharest on the short-term. Even so, landlords maintain their flexibility when negotiating a lease, offering incentives that can lower the net effective rent.

CHECK OUT OUR LATEST UPDATES  
ON LINKEDIN AND JOIN OUR  
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As we enter the 17th year of Building Trust in the Construction and Real Estate market, we couldn't be more grateful for every opportunity, challenge, and partnership that comes our way.

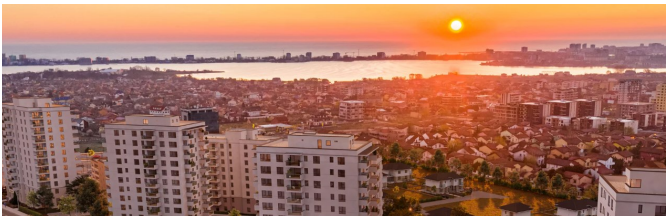
Every year is a new chance to review our activity, learn our lessons, to set up new goals and innovative strategies to achieve them.

Both our existing achievements and the ones yet to come are surely dedicated to our amazing team of professionals – the team that brought us to the top and keeps us there, year after year!

2022 made us better at our work and prouder of our projects, colleagues, and partnerships. 2023 is already amazing!

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Innovation, quality and trust for new standards of living. We are grateful that we can take part in these development processes.

**6.000**  
**followers**  
**Thank you for Building Trust by our side!**

Your support is invaluable. Thank you for helping us spread our vision and values into the word, by joining our community of more than 6000!




With your help, we will keep Building Trust here and on the construction site!

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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

 /Vitalis-Consulting

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