

BUILDING TRUST FOR A GREENER FUTURE: POWERING PROGRESS WITH PHOTOVOLTAIC PARKS



In today's rapidly evolving construction industry, the spotlight is shining brightly on sustainable, eco-friendly projects that not only drive economic growth but also contribute to a greener and more sustainable future.

As the Leading Construction Management Company, we are proud to play a pivotal role in this transformative journey. At the heart of our commitment to building a better tomorrow through trust and dedication lies among other impressive developments our burgeoning portfolio of renewable energy projects – an innovation that paves the way for a greener future.

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With an aggregated installed capacity of 20 MWp, Gamma Solar photovoltaic park, developed by our client Eximprod, is one of the latest projects of this kind that entered our portfolio.

Built on a total area of approximately 267.074 sq. m in Ciorani, Prahova County, the new solar photovoltaic park is yet another proof of investors' interest in sustainable developments.

Over the years, the Vitalis team has been involved in an important number of photovoltaic projects, providing a wide range of services from Project and Cost Management to Site Inspection, Health and Safety coordination, Project Monitoring, and Technical Due Diligence services. We've been part of the development of a 2.5 MW Photovoltaic Park in Ghimbav, a 7.5 MW Photovoltaic Park in Isaccea, two 5MW Photovoltaic Parks in Oltenita, one built on a total surface of approximately 63,000 sq. m and the other of approx. 64.290 sq. m. We've also been involved within the 27,5 MW Wind Power Plant in Tulcea County.

It is well known that the construction industry has long been associated with its carbon footprint. We believe that renewable energy projects such as photovoltaic parks and wind power plants are rewriting the narrative, becoming an indispensable tool for redefining the world's energy landscape. We are proud of our growing portfolio in this field, and we are looking forward to using our expertise in many other sustainable projects in the next period!

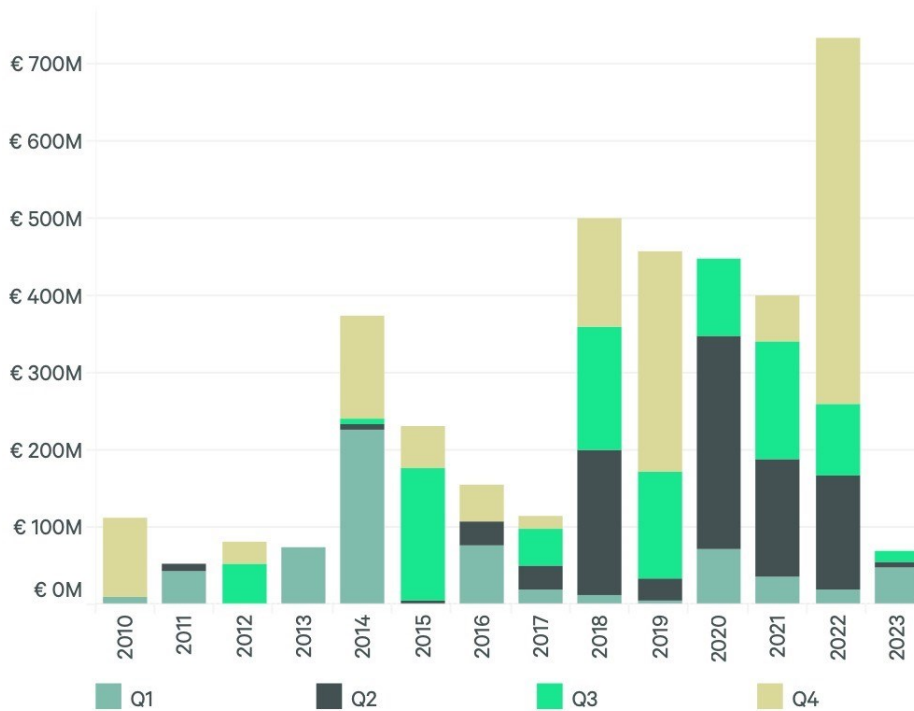
BUCHAREST OFFICE FIGURES Q3 2023



After the delivery in the center sub-market with a GLA of 32,500 sqm, the modern office stock reached 3.41 million sqm. Only one office scheme will be inaugurated by the end of the year, a boutique office project, with a GLA of approx. 7,500 sqm in the center sub-market, 100% leased.

Without any new deliveries in 2024 and a limited number in 2025, the third quarter of this year represented a historical record concerning total leasing activity. With occupiers staying cost-conscious together with lease renewals and flight-to-quality relocations were the main drivers of demand this quarter.

Bucharest Office Investment Volumes



Note: 2023 annual numbers till 9/30/2023

More than 164,000 sqm were transacted in Bucharest, and this could be translated with a confirmation of the long-term engagement of the existing players. 41% of the TLA was represented by take-up, showing an increase of 16% QoQ and 46% YoY.

Center and CBD were the most sought-after sub-markets, 42% of the take-up was located in this area, and the average size deal was below 2,000 sqm. The class A vacancy rate within these two sub-markets is below 10%. During 2023 YTD, the market sentiment was mixed; total leasing activity, 352,500 sqm, surpassed the previous year's annual numbers and could reach a historic rate. Moreover, the take-up could reach the values of the pre-pandemic period, during Q1-Q3 2023, representing 45% of the TLA. Occupiers' preference for high-quality space appears to be gaining momentum rapidly; 87% of the TLA were signed in class A properties. Top-quality products with attractive amenities that will help with employee engagement and the return to the office strategies will be the main purposes for most of requested spaces. The new stock added to the market, 102,500 sqm, was very fast absorbed at the end of Q3 2023, 60% being pre-leased.

(Source: www.cbre.com)

FORMER INDUSTRIAL PLATFORMS IN BUCHAREST CONTINUE TO GENERATE AMONG THE HIGHEST NUMBER OF LAND TRANSACTIONS, ESPECIALLY FOR MIXED-USE PROJECTS



The land market in Bucharest has remained active over the past 12 months, in terms of acquisitions made by residential, logistics and retail real estate developers by particularly targeting the former industrial platforms within the city, which provide easy access.

Almost 60 hectares of land plots suitable for the development of real estate projects (industrial parks, residential or retail schemes) were transacted in the Bucharest - Ilfov region in the H2 2022 - H1 2023 period. Most transactions involved land plots belonging to former industrial platforms, those specific acquisitions generally targeting the development of mixed - use projects, mainly consisting of residential, office and retail components.



The industrial & logistics developers, some of the most active buyers in recent years, were less present in the market, as their current land banks provide a consistent pipeline (under construction and planned) both in Bucharest and in the main regional industrial hubs, the land banks in question exceeding 5 million sq. m across Romania.

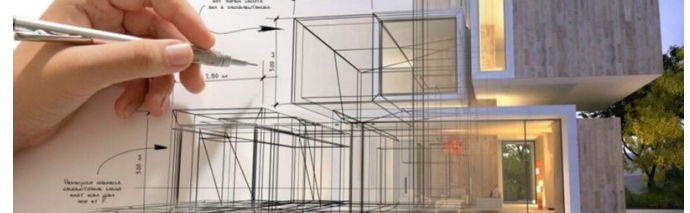
Office developers were absent in the market, with no land acquisition with a purely office destination being closed in the last 12 months, mainly due to the suspension of the Zonal Urban Plans (PUZ), which generated unpredictability for future developments.

Retail chains, mainly the German ones, continued to acquire land in order to expand their portfolios in Romania, while also purchasing former industrial platforms in densely populated areas.

The land acquisitions were split between Romanian and foreign investors (Belgian, German, Swedish, Hungarian, and Turkish). Belgians were the most active among foreign investors.

Bucharest continues to offer interesting opportunities for land buyers, even if the available land plots are located in less well-established areas, but which have the potential to become new real estate development hubs. On the other hand, a moderate demand is forecasted for the next period due to the global and local macroeconomic uncertainties, as many developers might adopt a wait-and-see approach on the short term. In this context, we believe that sellers may become more flexible with their expectations, without necessarily resulting in significantly lower amounts being paid for the most sought after land plots available on the market. The prices generally followed a linear trend in the analyzed period, as most transactions were closed within a normal margin of negotiation, which was 15% below the requested prices on average.

**CHECK OUT OUR LATEST UPDATES
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ONLINE COMMUNITY FOR MORE!**



Say hello to the Best Team, both in Construction Management and running!

In the past weekend, part of the Vitalis team took on the challenge of the Bucharest Marathon 2023, conquering the city streets with their well-known dedication and persistence.

Congratulations to each and every one of our colleagues for this remarkable achievement. You've made us all proud, both as Construction Managers and as runners.

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Today is the day we celebrate the greatest kind of art in our domain - Architecture!

We send our gratitude to all the amazing & brilliant people that accomplished to make this World more and more beautiful. To combine practical with creative and functional with artistic is the main principle in our jobs.

Happy Architecture Day to all of our colleagues out there!

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Our Managing Director Alexandru Samoila is talking about the core of Vitalis's services, way of working, and our success pillars, in an exclusive interview granted to Romanian Property Awards.

What do we do, how do we do it, and why? What does the Romanian Construction market look like right now, what's in the pipeline, and what sectors benefit the most from investors' attention?

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We're so excited to be part of the restoration of Dr. Tomescu Villa, a remarkable landmark located in the heart of Bucharest.

Our team of Project and Cost Managers will closely supervise the entire project, ensuring that the Client's vision is brought to life at the highest standards of quality and efficiency.

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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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