ROMANIA REGIONAL CITIES

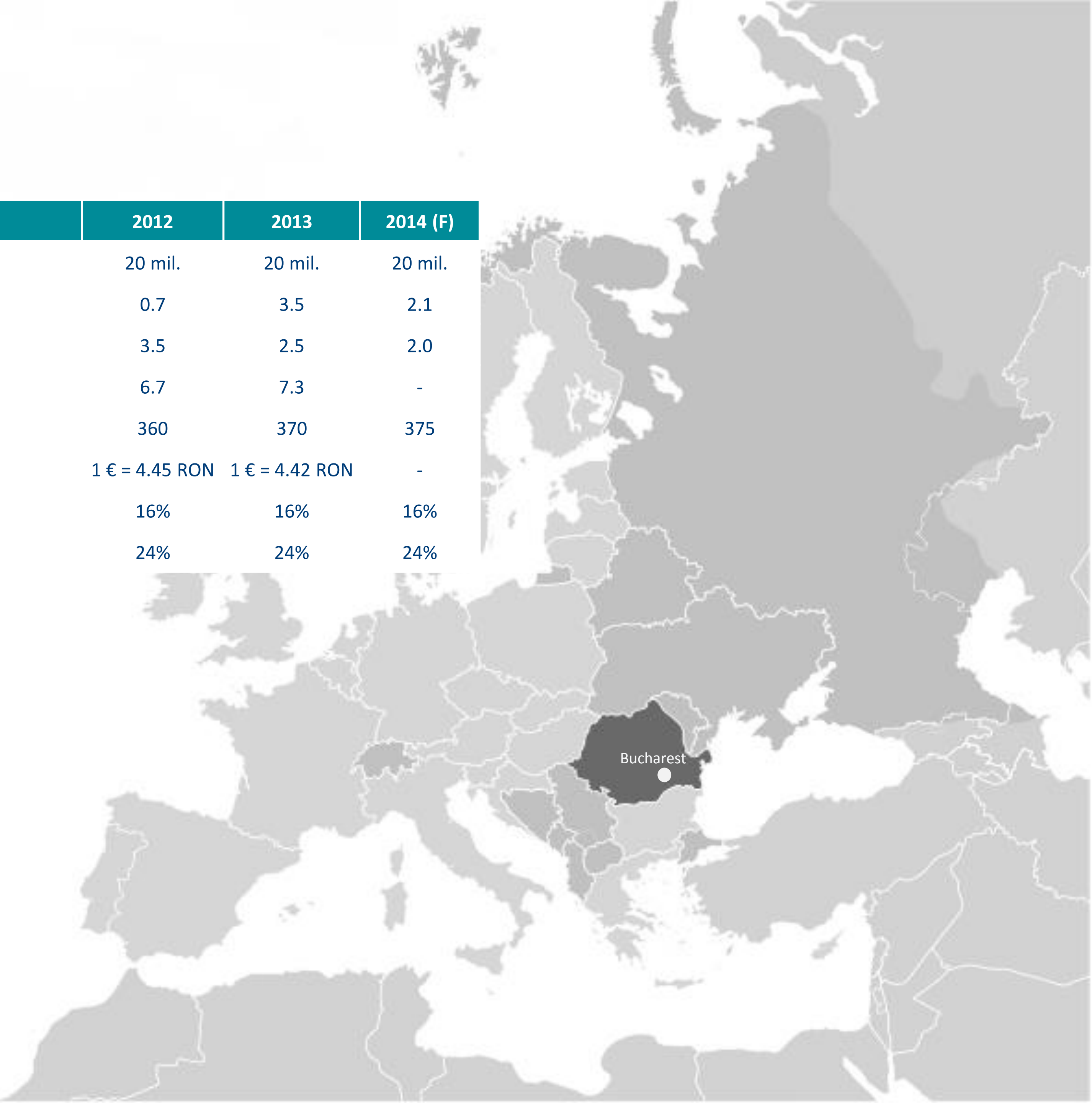
OFFICE MARKET 2014

transforming the world
of property services

ROMANIA

MAJOR ECONOMIC INDICATORS	2012	2013	2014 (F)
Population	20 mil.	20 mil.	20 mil.
GDP growth (%)*	0.7	3.5	2.1
Inflation rate (%)**	3.5	2.5	2.0
Unemployment rate (%)*	6.7	7.3	-
Average net monthly wedge (€)***	360	370	375
Average exchange rate**	1 € = 4.45 RON	1 € = 4.42 RON	-
Corporate income tax	16%	16%	16%
VAT	24%	24%	24%

Source: Eurostat*
*Source**: National Bank of Romania*
*Source***: National Commission for Prognosis*




CLUJ NAPOCA

CLUJ NAPOCA

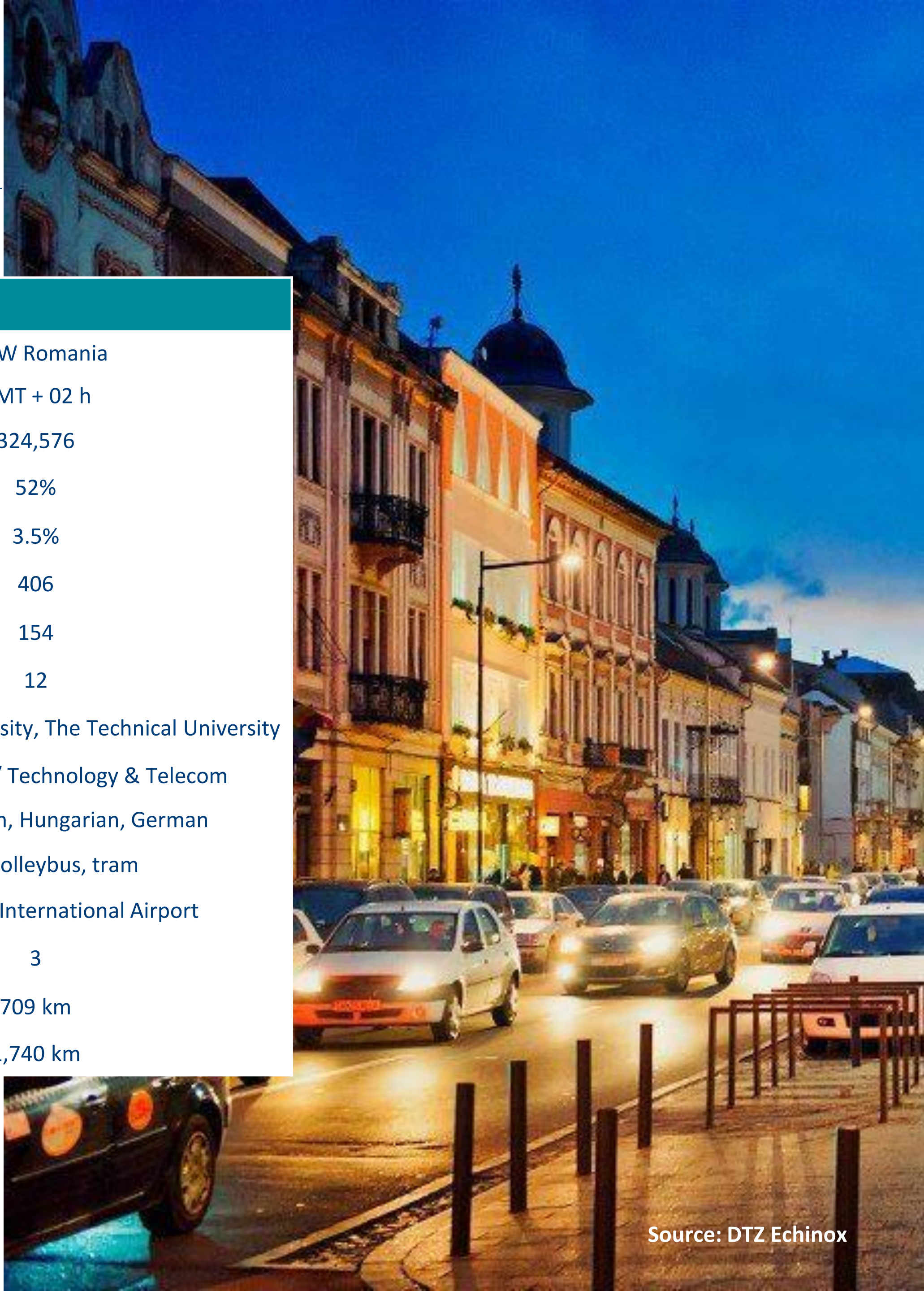

Trondheim
Helsinki
Stockholm
Tallinn
Moscow
Riga
Aalborg
Kaunas
Copenhagen
Warsaw
919 Km
Berlin
London
Delft
Kiev
Brussels
937 Km
Prague
610 Km
Bratislava
Chisinau
Paris
Vienna
Cluj Napoca
652 Km
Budapest
460 Km
448 Km
Bucharest
Zagreb
Ljubljana
750 Km
Belgrade
633 Km
Sofia
Rome
Skopje
Ankara
Lisbon
Madrid
Athens
Messina

CLUJ NAPOCA

INDICATORS

2013	
Location	N - W Romania
Time zone	GMT + 02 h
Population*	324,576
Inhabitants with ages between 15 – 45*	52%
Unemployment rate*	3.5%
Average net salary (€)*	406
Number of students per 1,000 inhabitants*	154
No. of universities	12
Main universities	Babeş - Bolyai University, The Technical University
Main industries	Manufacturing / Technology & Telecom
Languages	English, French, Hungarian, German
Transportation means	Bus, trolleybus, tram
Airport	Avram Iancu International Airport
Rail stations	3
Average distance between CEE's main Capitals**	709 km
Average distance between EU's main Capitals***	1,740 km

**National Institute of Statistics*
***Vienna, Budapest, Warsaw, Prague, Bratislava, Zagreb, Sofia*
****Berlin, Paris, Rome, Brussels, London*



Source: DTZ Echinox

CLUJ NAPOCA

FACTS

- 2nd Largest city in Romania after Bucharest
- 2nd University center in Romania after Bucharest
- 2nd Largest Airport in Romania in terms of traffic*
- Major companies: MOL, Emerson, Ursus, Genpact, De'Longhi, Bosh
- 2015 European Capital of Youth
- Competes for the title of European Capital of Culture in 2021
- Considered a mini Silicon Valley
- Declared the most welcoming city in Europe**
- 30th Place in the world in terms of internet speed (59.21 Mbps)***
- 50% Building taxes reduction for Green buildings

**Over 1,000,000 passengers in 2013*
***European Commission report 2013*
****Net Index 162 cities February 2014*

Source: DTZ Echinox

CLUJ NAPOCA

OFFICE SUPPLY

- In terms of office supply, Cluj Napoca is considered the second office market in Romania after Bucharest;
- The modern office stock in Cluj is estimated to be 150,000 sq m, the largest amount being represented by B class office buildings;
- Important office hubs are located on Dorobantilor Avenue and 21 Decembrie St., with 30% from the total office stock;
- Currently under construction with estimated delivery date this year there are app. 42,000 sq m of modern office space, in office projects like The Office – phase I (19,000 sq m) developed by NEPI, United Business Center Tower (10,000 sq m) developed by Iulius Group or Liberty Technology Park – phase 2 (11,400 sq m) developed by Fribourg Investment;
- The largest office projects announced on Cluj market are Cluj Business Center developed by Felinvest and The Office developed by NEPI;
- Cluj Business Center's first office building was delivered in Q2 2013 (8,000 sq m); the entire project will have 57,000 sq m and is due to be delivered in 2015 – 2016;
- The Office will be delivered in 3 phases starting 2014 and upon completion will add to the total stock app. 54,000 sq m;
- Considering all the announced projects, the modern office stock in Cluj is estimated to double and reach app. 300,000 sq m in 2016.

Source: DTZ Echinox

CLUJ NAPOCA

OFFICE SUPPLY

EXISTING OFFICE BUILDING	GLA (sq m)	DEVELOPER/OWNER
Coratim BC	17,000	Coratim
Sigma BC	14,500	Sigma Centre Development
Power BC	10,150	Eximprod Power Systems
Cluj BC (phase I)	8,000	Felinvest
United Business Center Iulius	7,500	Iulius Group
Maestro BC	7,000	Omniconstruct
Amera Tower	6,800	Amera Group
Liberty Technology Parc (phase I)	5,600	Fribourg Investment
Cluj City Center	5,000	Euro Trend
Olimpia BC Cluj	4,800	AG Consulting
Silver BC	4,300	Silver Development
Brancusi BC	2,700	N/A

PROJECTS UNDER CONSTRUCTION	GLA (sq m)	DEVELOPER	DELIVERY
The Office - phase I	19,000	NEPI	Q2 2014
Liberty Technology Parc - phase 2	11,400	Fribourg Investment	Q2 2014
United Business Center Tower	10,000	Iulius Group	Q3 2014
Ferdinand BC	1,240	Private	Q1 2014

Source: DTZ Echinox

CLUJ NAPOCA

OFFICE DEMAND

- Cluj Napoca has been considered over the last few years as the second most attractive city after Bucharest for BPOs and SSCs;
- Due to its large student population, competitive salaries and occupancy costs, the city has been chosen as an office location by companies such as Genpact, Endava, Atlas Telecom, Evalueserve, Skyes Enterprises, HP, Siemens, Intel, SAP, Bombardier, Pentalog;
- In 2007 the American company Office Depot chose Cluj to open a Shared Service Center (SSC) in order to support the back-office financial operations of Office Depot in Europe; the company leased 3,800 sq m in UBC Iulius; SSC Cluj is the first of its kind opened by Office Depot worldwide and is currently the only office that the company has in Romania;
- Steelcase entered the Romanian market in 2011 and chose Cluj for their first office; in 2012 the company decided to open its 3rd worldwide Global Center for Business, center that provides support to company's innovation centers, production units and sales throughout Europe and North America;
- E.On opened at the end of 2012 a Business Service Center (BSC) renting 2,000 sq m in Amera Tower, the only green office building currently existing in the city; this center will offer accounting services for all the companies part of E.ON group;
- Companies from Financial sector and Professional sector such as Raiffeisen Bank, Banca Transilvania, PWC, Deloitte, KPMG, Ernst & Young are also tenants present on Cluj market;
- Among leasing transactions concluded in 2013 there are Endava – 5,200 sq m in UBC Tower, RBH Technologies – 3,500 sq m in Coratim, SAP – 890 sq m in Cluj BC, 3 Pillar Global and Deloitte in The Office.

CLUJ NAPOCA

OCCUPANCY COSTS & VACANCY RATE

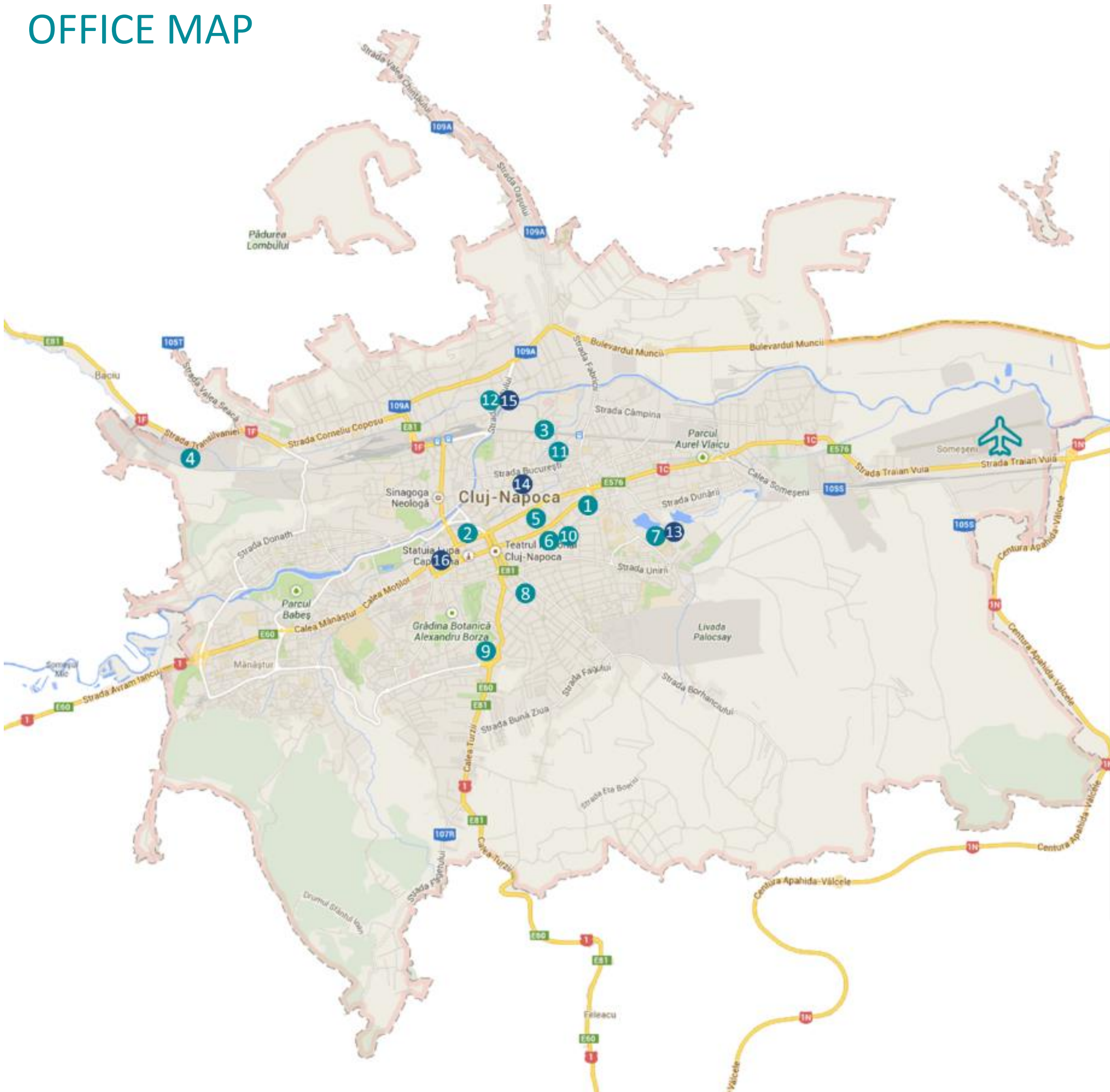
- The office rental level has experienced a slight decrease when compared with 2011, when the rental level for class A office buildings were around € 15 – 16 / sq m/ month;
- At the end of 2013, the headline office rents for class A were between € 12 – 14 / sq m/ month;
- For B class office buildings, the rental level is situated between € 9 - 11 /sq m/ month;
- The office market's service charge costs are subject to triple net leases. The service charge costs vary between € 2 – 3.5 /sq m/month;
- Currently the vacancy rate for class A office buildings is below 10%**,** while the vacancy rate for class B is situated around 15 %. The vacancy rate for class A is expected to increase, considering that the office stock will be enhanced with app. 42,000 sq m class A office space.

HEADLINE OFFICE RENTS	€ / sq m/ month
Class A	12 - 14
Class B	9 - 11
SERVICE CHARGE COSTS	€ / sq m/ month
Triple net	2 – 3,5
VACANCY RATE	
Class A	< 10%
Class B	15%

Source: DTZ Echinox

CLUJ NAPOCA

OFFICE MAP



Regional Cities 2014
Cluj-Napoca

Existing Office Buildings

1. Olimpia BC Cluj
2. Cluj City Center
3. Coratim Business Center
4. Amera Tower
5. Maestro Business Center
6. Power Business Center
7. United Business Center Iulius
8. Brancusi BC
9. Sigma Business Center
10. Silver BC
11. Cluj BC (phase I)
12. Liberty Technology Park (phase I)

Projects Under Construction

13. United Business Center Tower
14. The Office (phase I)
15. Liberty Technology Park (phase II)
16. Ferdinand BC

Avram Iancu National Airport


TIMISOARA

TIMISOARA

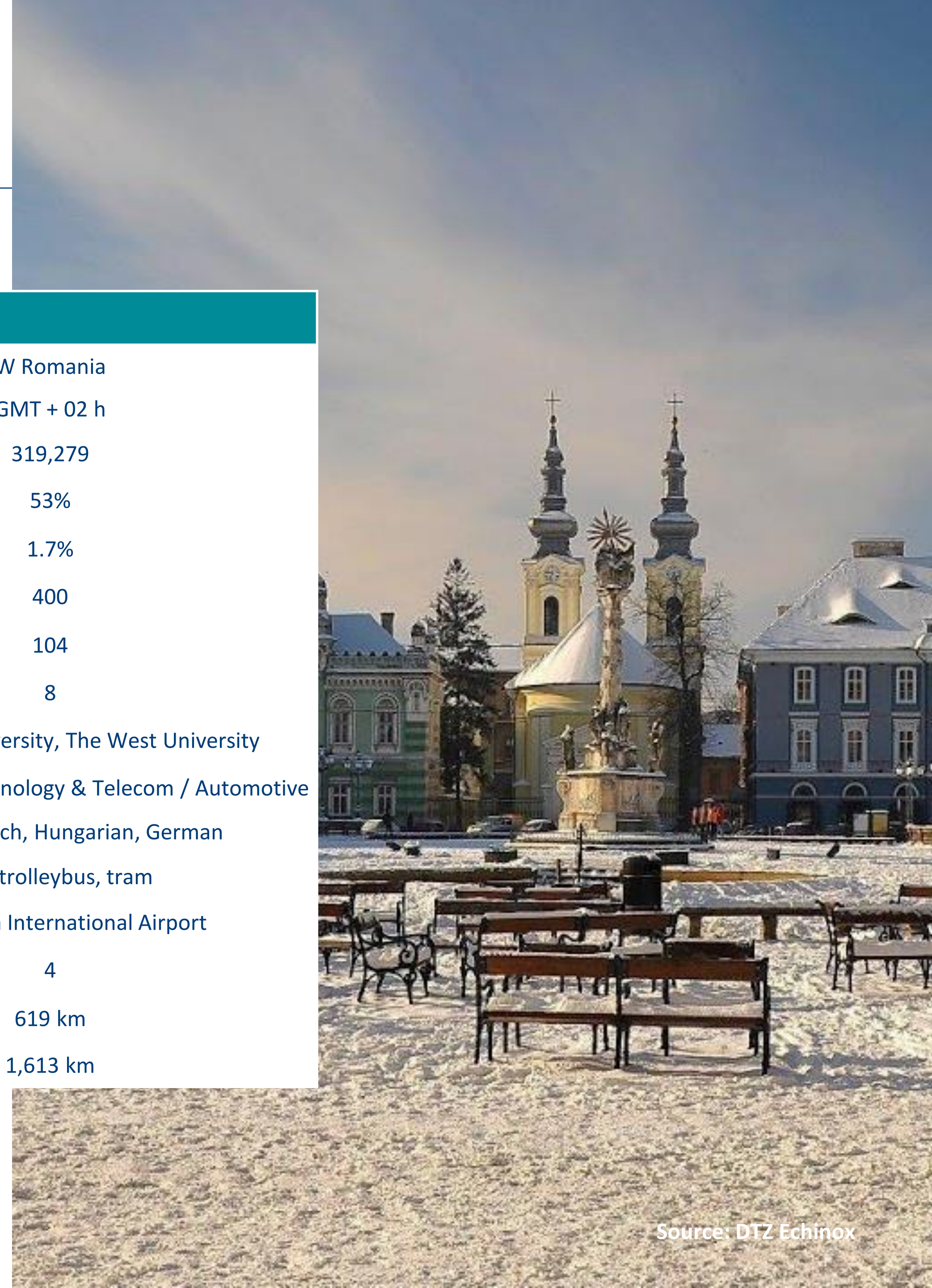

Trondheim
Helsinki
Stockholm
Tallinn
Moscow
Riga
Aalborg
Kaunas
Copenhagen
1,157 Km
Warsaw
Berlin
London
Delft
Kiev
Brussels
Prague
808 Km
482 Km
Chisinau
Paris
287 Km
523 Km
Timisoara
558 Km
Bucharest
554 Km
Belgrade
524 Km
Sofia
Rome
Skopje
Ankara
Lisbon
Madrid
Athens
Messina

TIMISOARA

INDICATORS

2013	
Location	W Romania
Time zone	GMT + 02 h
Population*	319,279
Inhabitants with ages between 15 – 45*	53%
Unemployment rate*	1.7%
Average net salary (€)*	400
Number of students per 1,000 inhabitants*	104
No. of universities	8
Main universities	Polytechnic University, The West University
Main industries	Manufacturing / Technology & Telecom / Automotive
Languages	English, French, Hungarian, German
Transportation means	Bus, trolleybus, tram
Airport	Traian Vuia International Airport
Rail stations	4
Average distance between CEE's main Capitals**	619 km
Average distance between EU's main Capitals***	1,613 km

**National Institute of Statistics*
***Vienna, Budapest, Warsaw, Prague, Bratislava, Zagreb, Sofia*
****Berlin, Paris, Rome, Brussels, London*



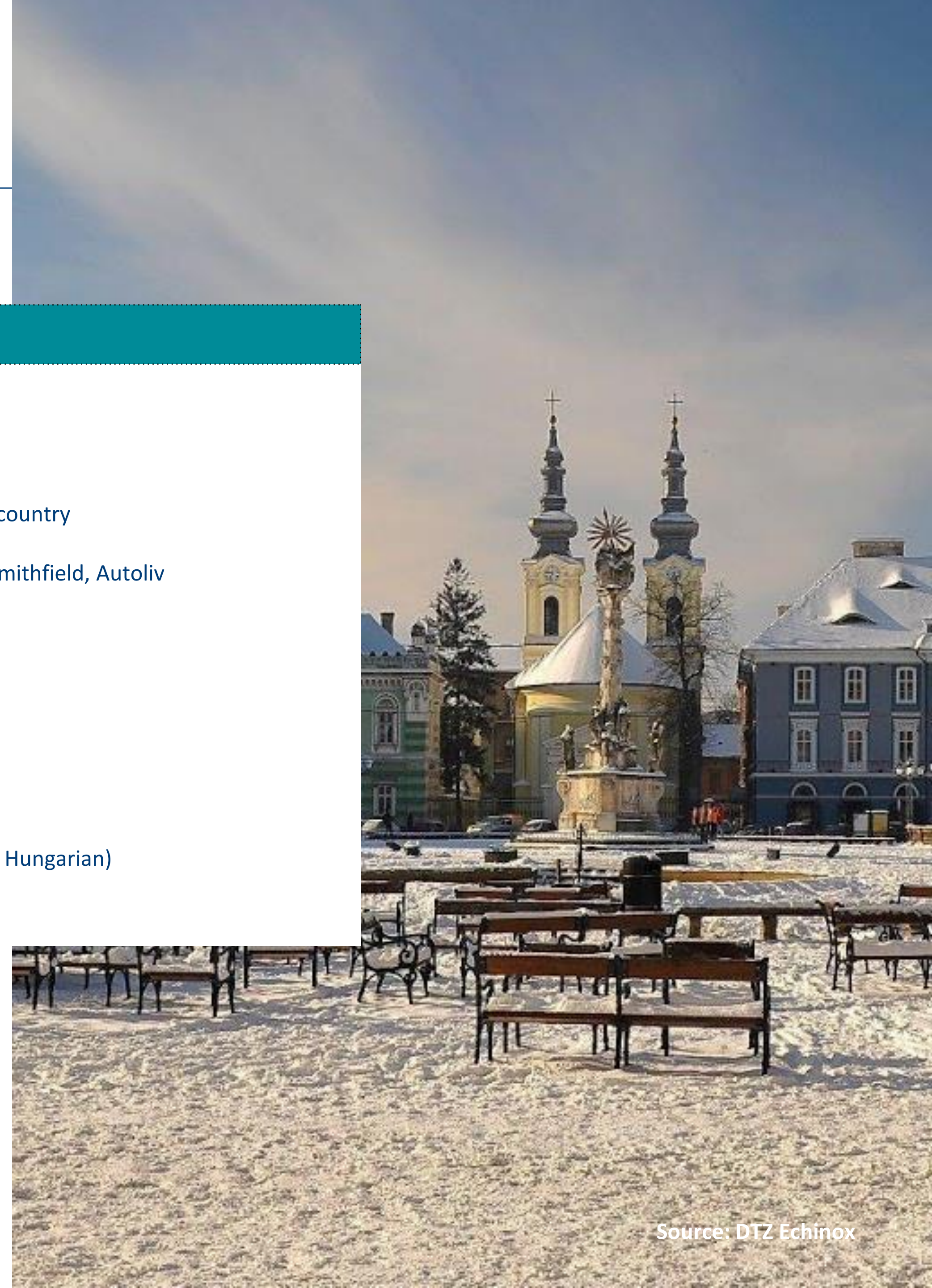
Source: DTZ Echinox

TIMISOARA

FACTS

- 3rd Largest city in Romania
- 3rd Largest Airport in Romania in terms of traffic*
- Main social, economic and cultural center in the western part of the country
- Major companies: Continental, Alcatel – Lucent, Draxlmaier Group, Smithfield, Autoliv
- Will be the 2nd city in Romania to have a subway
- 2nd City in the world after New York illuminated by electric light
- Was the first navigable canal on current Romanian territory
- Competes for the title of European Capital of Culture in 2021
- The only city in Europe to have 3 state Theaters (Romanian, German, Hungarian)
- 8th Place in the world in terms of internet speed (98.82 Mbps)**

**Over 750,000 passengers in 2013*
***Net Index 162 cities February 2014*



TIMISOARA

OFFICE SUPPLY

- Timisoara is the 4th largest office market in Romania, after Bucharest, Cluj Napoca and Iasi;
- The modern office stock in the city is estimated to be around 100,000 sq m class A & B;
- Main part of the office stock is located in city center, on Coriolan Bredniceanu and Gheroghe Lazar streets;
- The largest office project in Timisoara is City Business Center, developed by Modatim Investment and acquired by New Europe Property Investments (NEPI) in 2012; this was the largest office investment transaction registered outside Bucharest;
- City Business Center currently has four office buildings (A, B, C & D) that were delivered between 2007 – 2012, with a total rentable area of 34,000 sq m; the 5th office building of 9,000 sq m GLA is under construction and will be completed beginning 2015; in total CBC will have 43,000 sq m GLA;
- Another office project exceeding 10,000 sq m GLA is Optica Business Park developed by Bega Group and delivered in 2013;
- In terms of new office supply, currently there are 9,000 sq m under construction and another 10,000 sq m of office space planned to be delivered by the end of 2015.


Source: DTZ Echinox

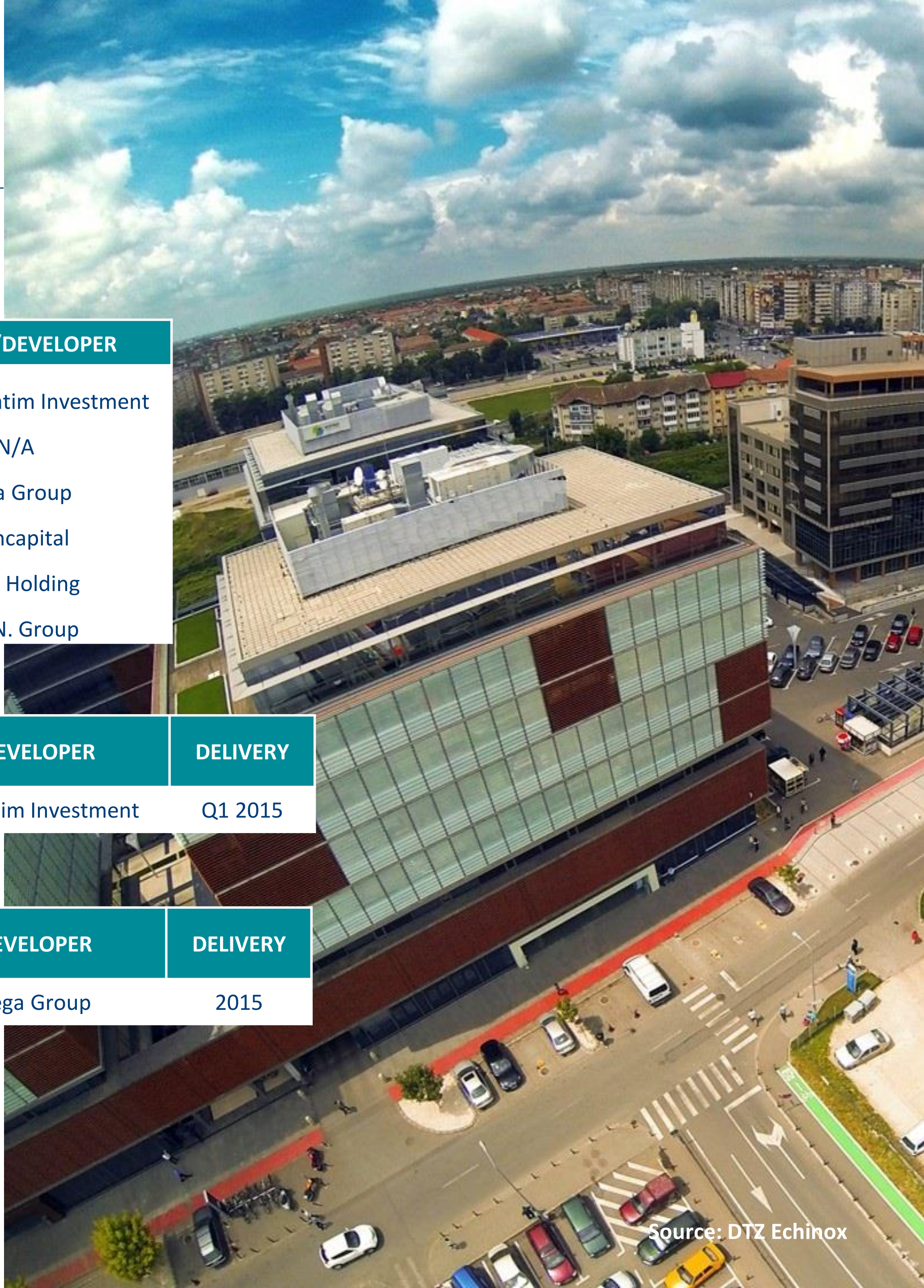
TIMISOARA

OFFICE SUPPLY

EXISTING OFFICE BUILDINGS	GLA (sq m)	OWNER/DEVELOPER
City Business Center (A, B, C, D)	34,000	NEPI / Modatim Investment
Asirom Center	11,000	N/A
Optica Business Park - phase I	10,000	Bega Group
Romcapital Center	8,500	Romcapital
Fructus Plaza	6,200	GDM Holding
AGN BC	4,800	A.G.N. Group

PROJECTS UNDER CONSTRUCTION	GLA (sq m)	DEVELOPER	DELIVERY
City Business Center E	9,000	Modatim Investment	Q1 2015

PLANNED OFFICE PROJECTS	GLA (sq m)	DEVELOPER	DELIVERY
Optica Business Park – phase II	10,000	Bega Group	2015



Source: DTZ Echinox

TIMISOARA

OFFICE DEMAND

- Demand for office space comes especially from Technology & Telecom (e.g. Alcatel, TeamNet, Three Pillar Global, IBM, Vodafone, SAP), Financial (e.g. Deloitte, PWC, Raiffeisen, BCR) and Manufacturing/Automotive sectors (e.g. Flextronics, Autoliv, Smithfield Foods);

- Even if the average transaction is between 150 – 350 sq m, Timisoara office market has also registered deals of over 1,000 sq m;

- The BPO company Wipro Technologies decided to enter Timisoara in 2010 and rented 4,500 sq m in City Business Center – building C; this is the company's second office location in Romania, after Bucharest;

- At the end of 2012 the automotive company Autoliv decided to increase its existing office premises in City Business Center – building D and rented in total 2,800 sq m;

- The German multinational software corporation SAP decided to open a Nearshore Center in Timisoara and rented 800 sq m in City Business Center in Q1 2012; in Romania the company has three office locations: Bucharest, Timisoara and Cluj Napoca;

- Microsoft opened at the end of 2012 a Technical Support Center choosing also City Business Center as location;

- Among leasing transactions concluded in 2013 there are PWC – 400 sq m in Fructus Plaza, ZTE – 675 sq m in Optica Business Park, Haufe Lexware – 920 sq m in Fructus Plaza, OMV Petrom and Expert Petroleum – 750 sq m in City Business Center – building C.

TIMISOARA

OCCUPANCY COSTS & VACANCY RATE

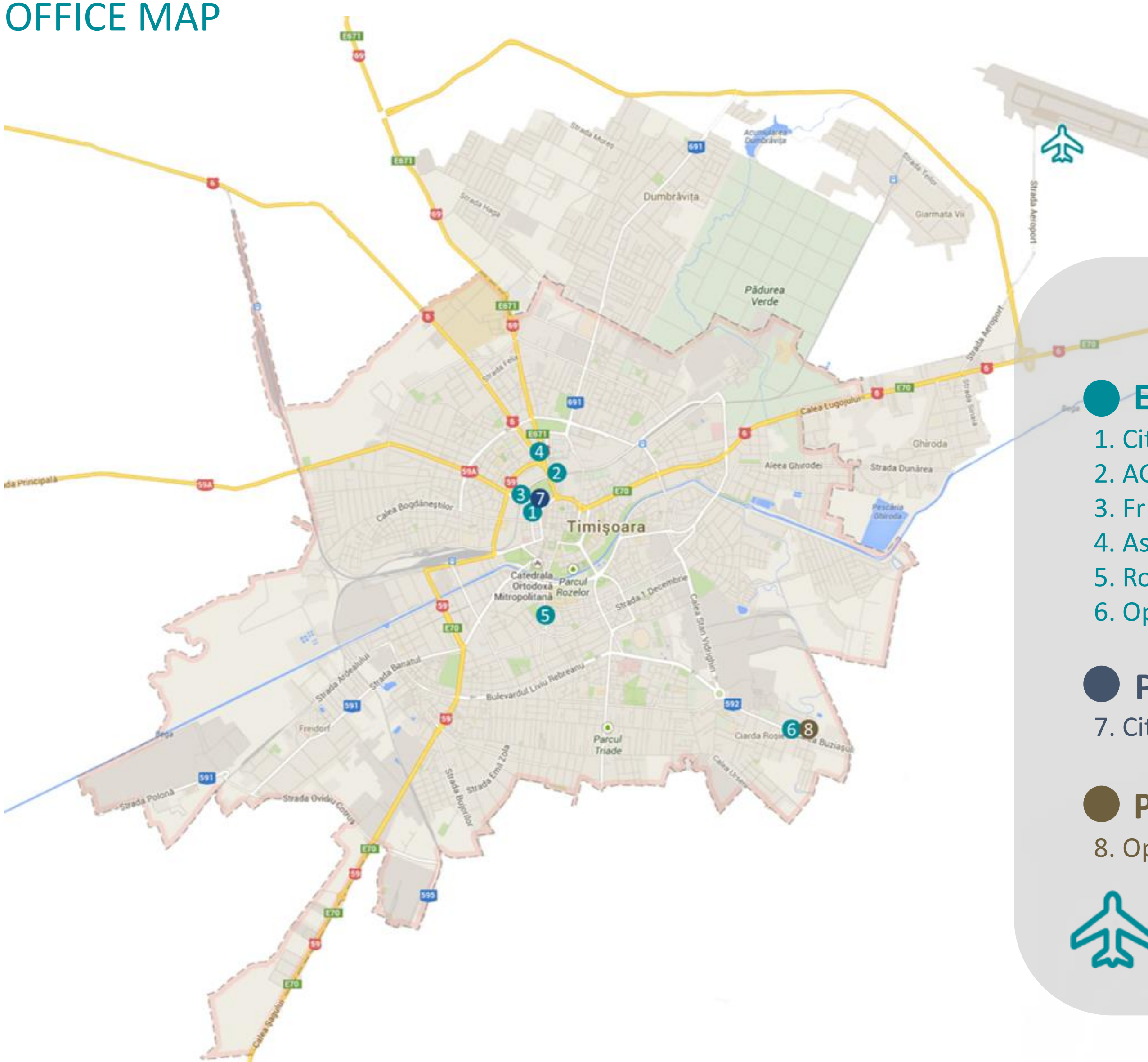
- Office occupancy costs on Timisoara market are similar to the ones registered on Cluj Napoca office market;
- The office rental level has experienced a slight decrease when compared with 2011, when the headline rents for class A office buildings were around € 15 - 16 / sq m/ month;
- At the end of 2013, the headline office rents for class A were between € 12 – 14 / sq m/ month;
- For B class office buildings, the rental level is situated between € 9 - 11 /sq m/ month;
- The office market's service charge costs are subject to triple net leases. The service charge costs vary between € 2 – 3 /sq m/month;
- Currently the vacancy rate for class A office buildings is below 5%**,** while the vacancy rate for class B office buildings is situated around 15 %.

HEADLINE OFFICE RENTS	€ / sq m/ month
Class A	12 - 14
Class B	9 - 11
SERVICE CHARGE COSTS	€ / sq m/ month
Triple net	2 – 3
VACANCY RATE	
Class A	< 5%
Class B	15%

Source: DTZ Echinox

TIMISOARA

OFFICE MAP



Regional Cities 2014
Timisoara

Existing Office Buildings

1. City Business Center (A, B, C, D)
2. AGN BC
3. Fructus Plaza
4. Asirom Center
5. Romcapital Center
6. Optica Business Park (phase I)

Projects Under Construction

7. City Business Center (E)

Planned Office Projects

8. Optica Business Park (phase II)

Traian Vuia International Airport


IASI

IASI

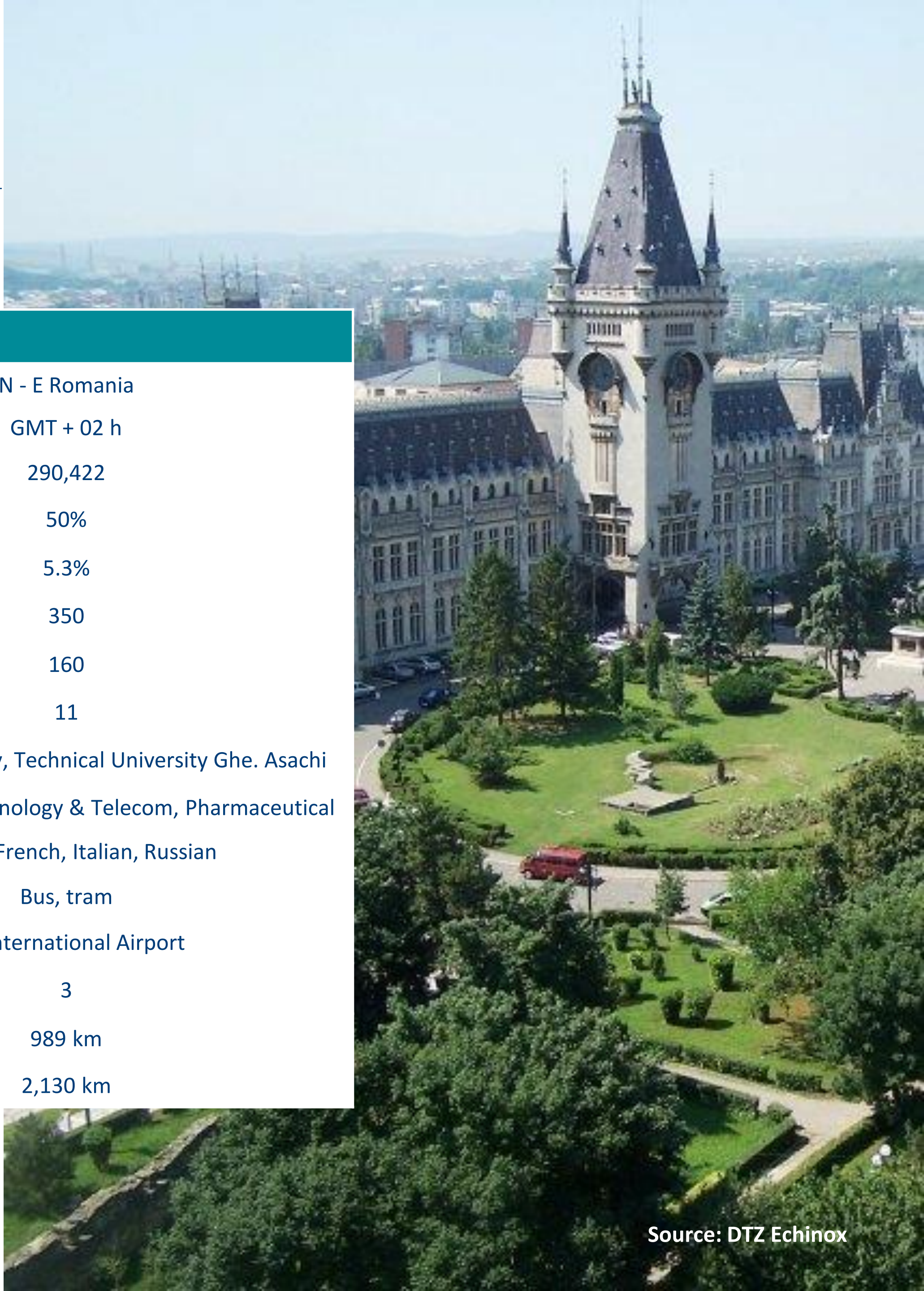
Trondheim
Helsinki
Stockholm
Tallinn
Moscow
Riga
Aalborg
Kaunas
Copenhagen
877 Km
Warsaw
Berlin
London
Delft
Kiev
1,325 Km
Brussels
Prague
877 Km
Bratislava
Iasi
Chisinau
Paris
Vienna
1.,040 Km
Budapest
798 Km
Bucharest
Zagreb
385 Km
Ljubljana
1,142 Km
Belgrade
745 Km
Sofia
Rome
Skopje
Ankara
Lisbon
Madrid
Athens
Messina

IASI

INDICATORS

2013	
Location	N - E Romania
Local Time	GMT + 02 h
Population*	290,422
Inhabitants with ages between 15 – 45*	50%
Unemployment rate*	5.3%
Average net salary (€)*	350
Number of students per 1,000 inhabitants*	160
No. of universities	11
Main universities	Al. I. Cuza University, Technical University Ghe. Asachi
Main industries	Manufacturing, Technology & Telecom, Pharmaceutical
Languages	English, French, Italian, Russian
Transportation means	Bus, tram
Airport	Iasi International Airport
Rail stations	3
Average distance between CEE's main Capitals**	989 km
Average distance between EU's main Capitals***	2,130 km

**National Institute of Statistics*
***Vienna, Budapest, Warsaw, Prague, Bratislava, Zagreb, Sofia*
****Berlin, Paris, Rome, Brussels, London*



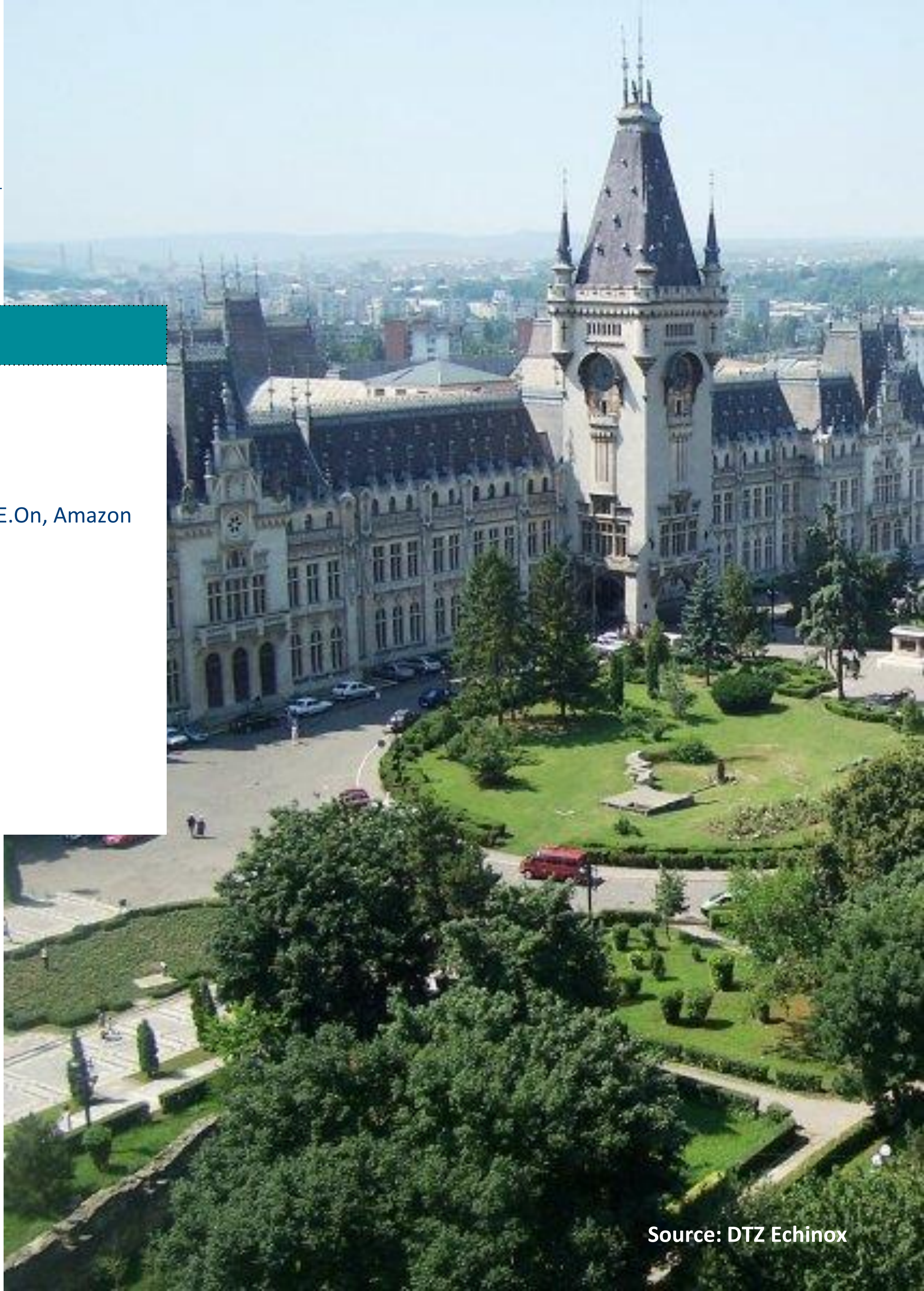
Source: DTZ Echinox

IASI

FACTS

- 4th Largest city in Romania
- 3rd University Center in Romania after Bucharest and Cluj Napoca
- Major companies: Continental, Delphi Diesel Systems, Antibiotice SA, E.On, Amazon
- Known as the Cultural Capital of Romania
- Main economic center in the eastern part of the country
- 1st City in Romania to have a higher education institution
- Was the Capital of Romania between 1916 - 1918
- 13th Place in the world in terms of internet speed (73.48 Mbps)*

**Net Index 162 cities February 2014*



Source: DTZ Echinox

IASI

OFFICE SUPPLY

- Iasi is the third largest office market in Romania, after Bucharest and Cluj Napoca;
- The modern office stock is estimated to be around 120,000 sq m, 70% being represented by B class office buildings;
- The majority of office buildings are located in city Center, Western area (Pacurari) and Southern area (Nicolina);
- The well known local developer Iulius Group started in 2010 the construction of Palas Iasi, a mixed retail, hotel and office scheme, with a total built area of 270,000 sq m;
- United Business Center, the office area in Palas Iasi, comprises of four office buildings with a total rentable area of 28,000 sq m class A office space; UBC I was completed in 2010, UBC II and UBC III in 2011 and the last office building UBC IV in 2013;
- Other large office buildings are Ideo Business Center, with 11,000 sq m rentable and Tudor Office Center with 6,400 sq m rentable;
- In terms of new office supply, the refurbishment of Moldova Mall and its reconversion will add to the total stock another 10,000 sq m of office rentable area.

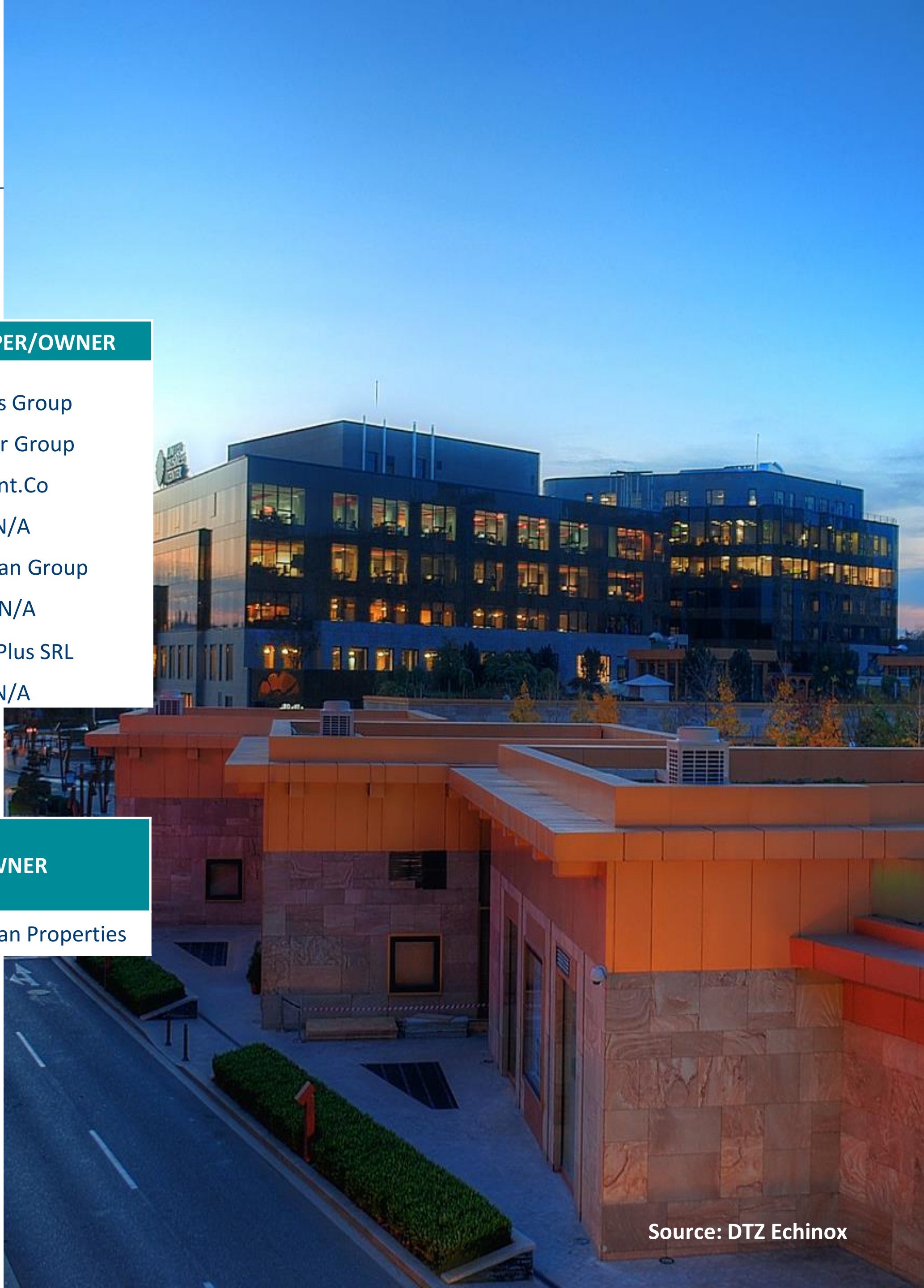
Source: DTZ Echinox

IASI

OFFICE SUPPLY

EXISTING OFFICE BUILDINGS	GLA (sq m)	DEVELOPER/OWNER
United Business Centre (I, II, III, IV)	28,000	Iulius Group
Ideo BC	11,000	Tester Group
Tudor Office Center	6,400	Tent.Co
Sandru OB	3,600	N/A
Solomons BC	3,500	Fiterman Group
Gabriel BC	3,200	N/A
Centrul Verde de Consultanta in Afaceri	2,000	Axa Plus SRL
EVO BC	1,600	N/A

PLANNED OFFICE BUILDINGS	GLA (sq m)	OWNER
Moldova Mall (reconversion)	10,000	Equest Balkan Properties



Source: DTZ Echinox

IASI

OFFICE DEMAND

- Due to its good telecom infrastructure, competitive salaries and a large educated labor pool, Iasi has become the second most attractive city after Cluj Napoca for companies looking to open BPO, R&D and SSC operations;

- The American international electronic commerce company Amazon chose Iasi in 2005 to open a development center; at the end of 2010, the company decided to relocate and pre-leased 2,000 sq m in United Business Center;

- Xerox opened a Shared Service Center (SSC) in Iasi end of 2012, choosing as office location Ideo Business Center and renting 1,800 sq m; Xerox's SSC will provide administrative and back office support for company's European clients and internal employees;

- Centric IT, an American BPO company, entered Iasi market late 2010 and rented 400 sq m in United Business Center – building II; in Q3 2013 the company leased an additional surface of 1,200 sq m;

- Ness Technologies, an Israel-based provider of IT services rented in Q4 2012 an office surface of 1,500 sq m in United Business Center – building II;

- Among leasing transactions concluded in 2013 there are PWC and Movial in United Business Center, Capgemeni – 2,400 sq m and Basware – 820 sq m, both in United Business Center.

Source: DTZ Echinox

IASI

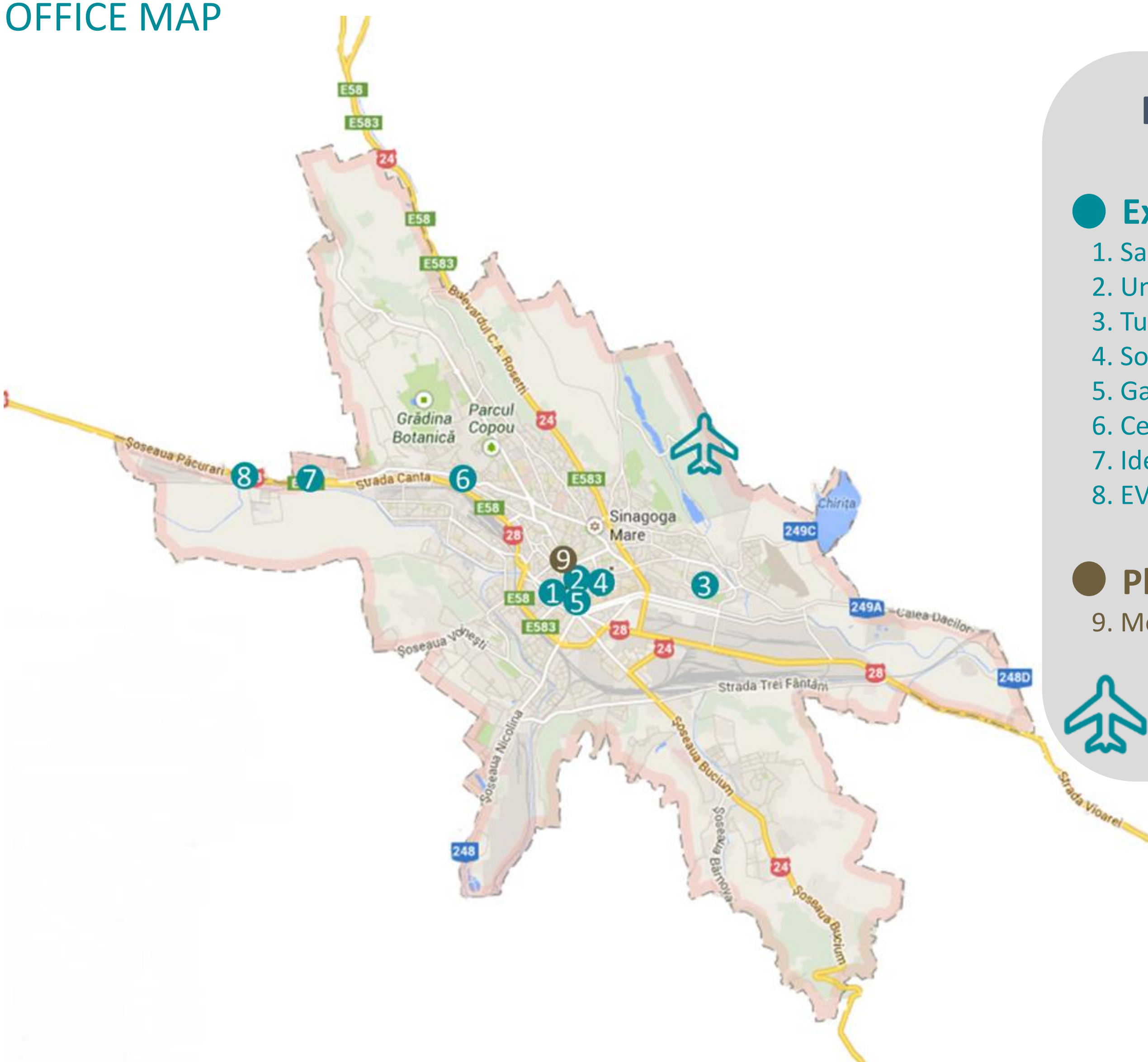
OCCUPANCY COSTS & VACANCY RATE

- At the end of 2013, the headline office rents for class A were between € 13,5 – 15 / sq m/ month;
- For class B office buildings, the rental level is situated between € 7 - 11 /sq m/ month;
- The office market's service charge costs are subject to triple net leases. The service charge costs vary between € 2 – 3,5 /sq m/month;
- Currently the vacancy rate for class A office buildings is below 8%**,** while the vacancy rate for class B office buildings is situated around 10 %.

HEADLINE OFFICE RENTS	€ / sq m/ month
Class A	13,5 - 15
Class B	7 - 11
SERVICE CHARGE COSTS	€ / sq m/ month
Triple net	2 – 3,5
VACANCY RATE	
Class A	< 8%
Class B	10%

IASI

OFFICE MAP



Regional Cities 2014
Iasi

Existing Office Buildings

1. Sandru OB
2. United Business Centre (I, II, III, IV)
3. Tudor Office Center
4. Solomons BC
5. Gabriel BC
6. Centrul Verde de Consultanta in Afaceri
7. Ideo Business Center
8. EVO Business Center

Planned Office Buildings

9. Moldova Mall (reconversion)

Iasi International Airport


BRASOV

BRASOV

Trondheim
Helsinki
Stockholm
Tallinn
Moscow
Riga
Aalborg
Kaunas
Copenhagen
1,182 Km
Warsaw
Berlin
London
Delft
Kiev
1,207 Km
Brussels
Prague
880 Km
Bratislava
Chisinau
Paris
Vienna
922 Km
Brasov
686 Km
Bucharest
Ljubljana
1,020 Km
168 Km
Belgrade
Sofia
537 Km
Rome
Skopje
Ankara
Lisbon
Madrid
Athens
Messina

BRASOV

INDICATORS

2013	
Location	Central Romania
Local Time	GMT + 02
Population*	253,200
Inhabitants with ages between 15 – 45*	68%
Unemployment rate*	4,8%
Average net salary (€)*	370
Number of students per 1,000 inhabitants*	82
No. of universities	8
Main universities	Transylvania University, George Baritiu University
Main industries	Automotive, Manufacturing, Pharmaceutical
Languages	English, Hungarian, German
Transportation means	Trolleybus, bus
Airport	Planned
Rail stations	5
Average distance between CEE's main Capitals**	943 km
Average distance between EU's main Capitals***	2,011 km

**National Institute of Statistics*
***Vienna, Budapest, Warsaw, Prague, Bratislava, Zagreb, Sofia*
****Berlin, Paris, Rome, Brussels, London*

Source: DTZ Echinox

BRASOV

FACTS

- 7th Largest city in Romania
- Major companies: GlaxoSmithKline, Autoliv, Europharm, Schaeffler
- Brasov County had the largest number of foreign visitors in 2013*
- Runs together with Lausanne to host in 2020 the Youth Olympic Winter Games
- Brasov - Ghimbav International Airport is due to be completed in 2014
- 19th Place in the world in terms of internet speed (69.51 Mbps)**

**National Institute of Statistic*
***Net Index 162 cities February 2014*

Source: DTZ Echinox

BRASOV

OFFICE SUPPLY

- The office stock in Brasov stands at 80,000 sq m class A and B office space;
- The majority of office space is located in the Civic Center and on Calea Bucuresti;
- The largest office project is Brasov Business Park developed by Ravensdale Investments, subsidiary of Vlerick Vastgoed, a Belgian real estate company;
- Brasov Business Park comprises of two phases, first phase being completed and delivered at the end of 2009, having a total rentable area of 24,000 sq m class A office space;
- Coresi Business Park, developed by Ascenta Management on the former factory site Tractorul, is another large office project that has app. 24,300 sq m of office rentable area;
- The investment fund NEPI, with office properties in Bucharest, Cluj Napoca and Timisoara is also present on the local market; Brasov Offices is located in the Civic Center and has 2,600 sq m rentable area;
- In terms of new office supply, construction works for the second phase of Brasov Business Park will start after the first phase will be fully leased; the 2nd phase is scheduled to have 19,000 sq m rentable area;
- For 2015, Ascenta Management is planning the delivery of Coresi Business Park – phase II, having a total rentable area of 10,000 sq m.

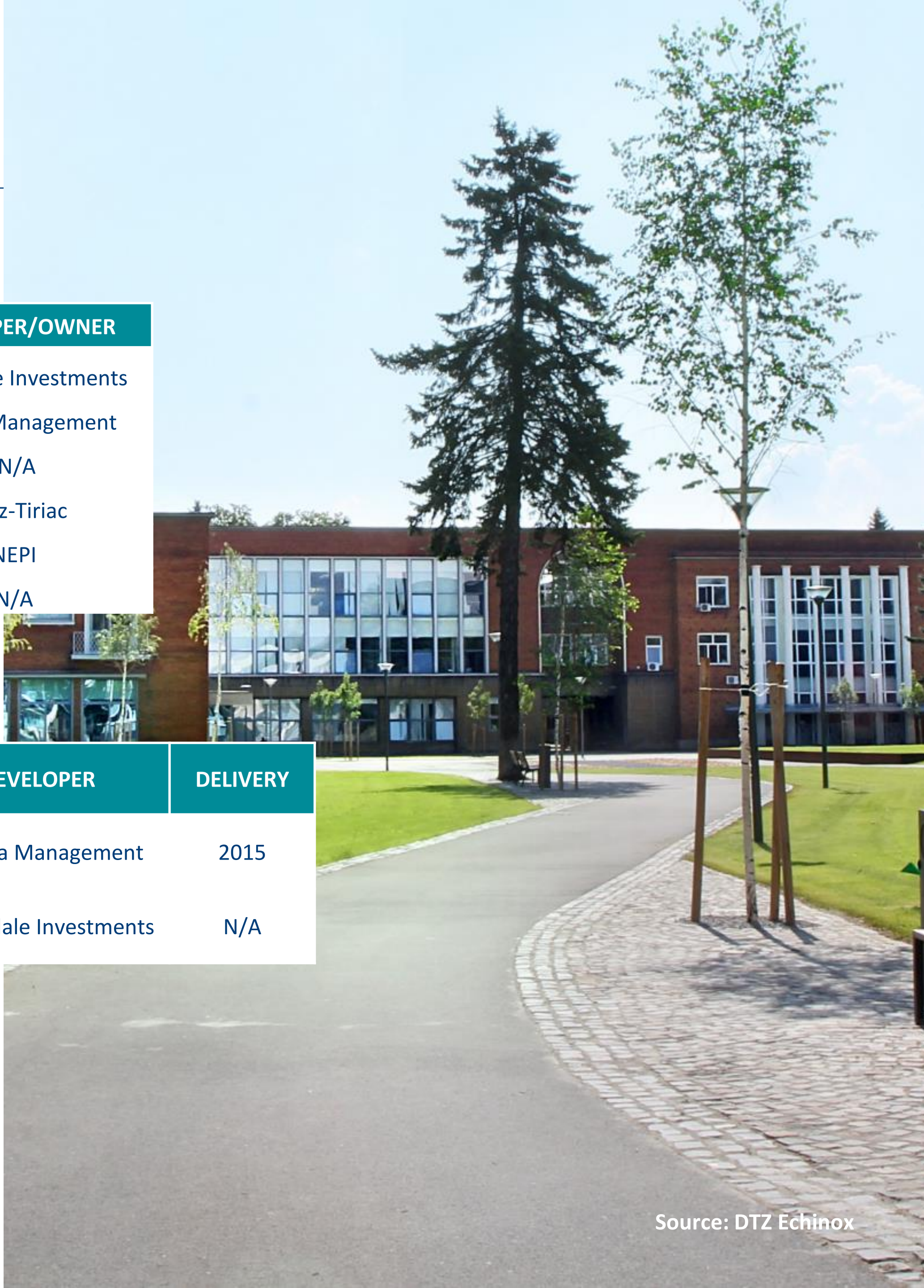
Source: DTZ Echinox

BRASOV

OFFICE SUPPLY

EXISTING OFFICE BUILDINGS	GLA (sq m)	DEVELOPER/OWNER
Brasov Business Park – Phase I	24,000	Ravensdale Investments
Coresi Business Park – Phase I	24,300	Ascenta Management
Cristiana BC	5,500	N/A
Allianz Building	4,000	Alianz-Tiriac
Brasov Offices	2,600	NEPI
Actium BC	1,459	N/A

PLANNED OFFICE PROJECTS	GLA (sq m)	DEVELOPER	DELIVERY
Coresi Business Park – Phase II	10,000	Ascenta Management	2015
Brasov Business Park – phase II	19,000	Ravensdale Investments	N/A



Source: DTZ Echinox

BRASOV

OFFICE DEMAND

- Demand for office space is generated especially by Financial and Technology & Telecom sectors;
- Computer Generated Solutions was the first company to rent offices in Coresi Business Park; the BPO company leased an area of 4,000 sq m in Q1 2008;
- One of the largest office transactions registered in Brasov was the 9,500 sq m pre-lease concluded in 2009 by Intesa San Paolo in Brasov Business Park;
- In 2011 the BPO company Arvato Services, subsidiary of Bertelsmann AG, rented 1,500 sq m in Brasov Business Park; this was the company's first office operation in Romania;
- Other tenants in the same business park are: Siveco, Heineken, Metro Systems, Europharm, Weidmuller;
- In 2012 Raiffeisen Bank opened an Operational Center and leased 3,500 sq m in Coresi Business Park;
- Among leasing transactions concluded in 2013 there are: BNP – 500 sq m in Coresi Business Park and Volskbank – 180 sq m in Alianz Building.

Source: DTZ Echinox

BRASOV

OCCUPANCY COSTS & VACANCY RATE

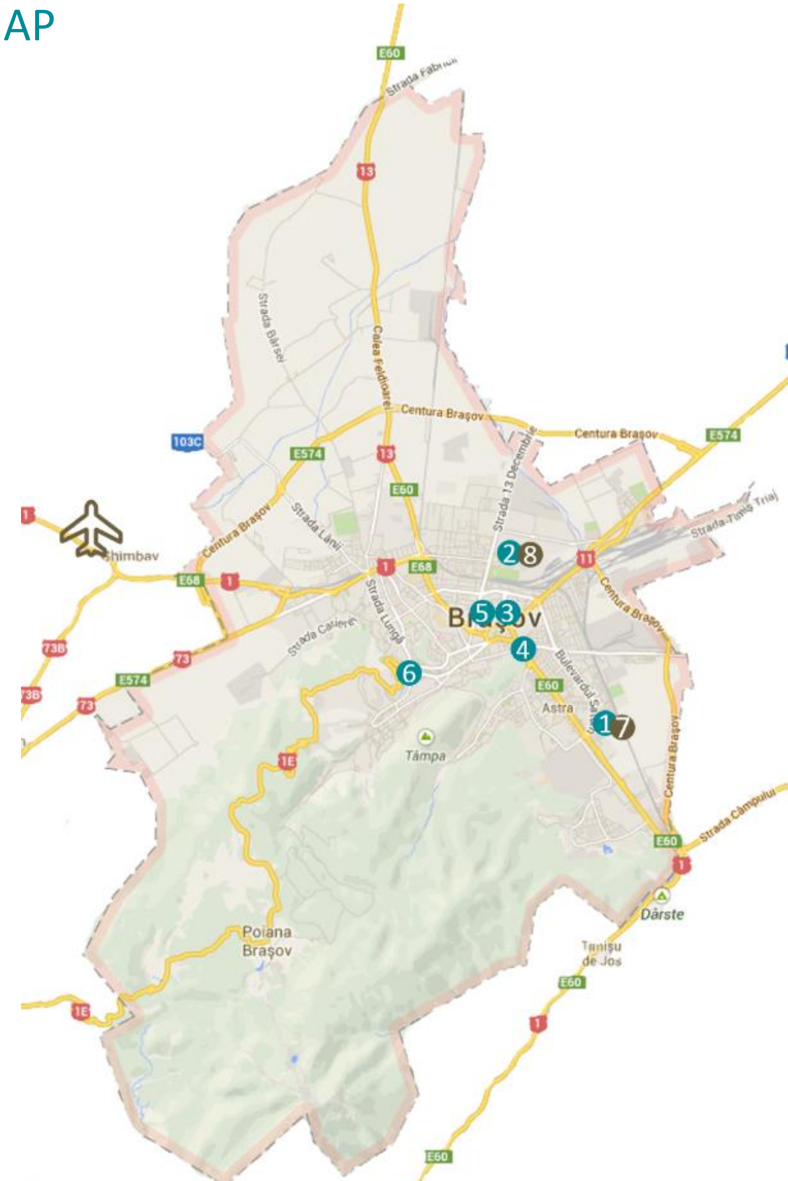
- At the end of 2013, the headline office rents for class A were between € 10 – 12 / sq m/ month;
- For B class office buildings, the rental level is situated between € 8 - 11 /sq m/ month;
- The office market's service charge costs are subject to triple net leases. The service charge costs vary between € 2 – 3,5 /sq m/month;
- The general vacancy rate is around 11%; the vacancy rate for class A office buildings is around 15%**,** while the vacancy rate for class B office buildings is app. 10 %.

HEADLINE OFFICE RENTS	€ / sq m/ month
Class A	10 - 12
Class B	8 - 11
SERVICE CHARGE COSTS	€ / sq m/ month
Triple net	2 – 3,5
VACANCY RATE	
Class A	15%
Class B	10%

Source: DTZ Echinox

BRASOV

OFFICE MAP



Regional Cities 2014
Brasov

Existing Office Buildings

1. Brasov Business Park (phase I)
2. Coresi Business Park (phase I)
3. Brasov Offices
4. Allianz Building
5. Actium BC
6. Cristiana BC

Planned Office Projects

7. Brasov Business Park (phase II)
8. Coresi Business Park (phase II)

Brasov International Airport (planned)

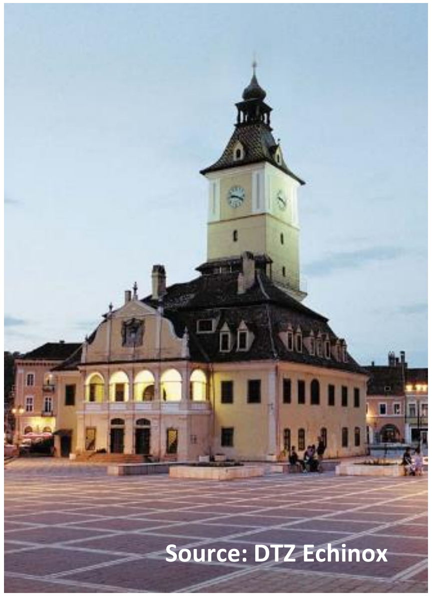
CONCLUSIONS

MAJOR INDICATORS REGIONAL CITIES

CITY	POPULATION	INHABITANS 15 – 45 YEARS	UNEMPLOYMENT RATE (%)	AVERAGE NET SALARY (€)	NO. OF STUDENTS / 1,000 INHABITANS
Cluj Napoca	324,576	52%	3,5	406	154
Timisoara	319,279	53%	1,7	400	104
Iasi	290,422	50%	5,3	350	160
Brasov	253,200	68%	4,8	370	82

Source: National Institute of Statistic 2013



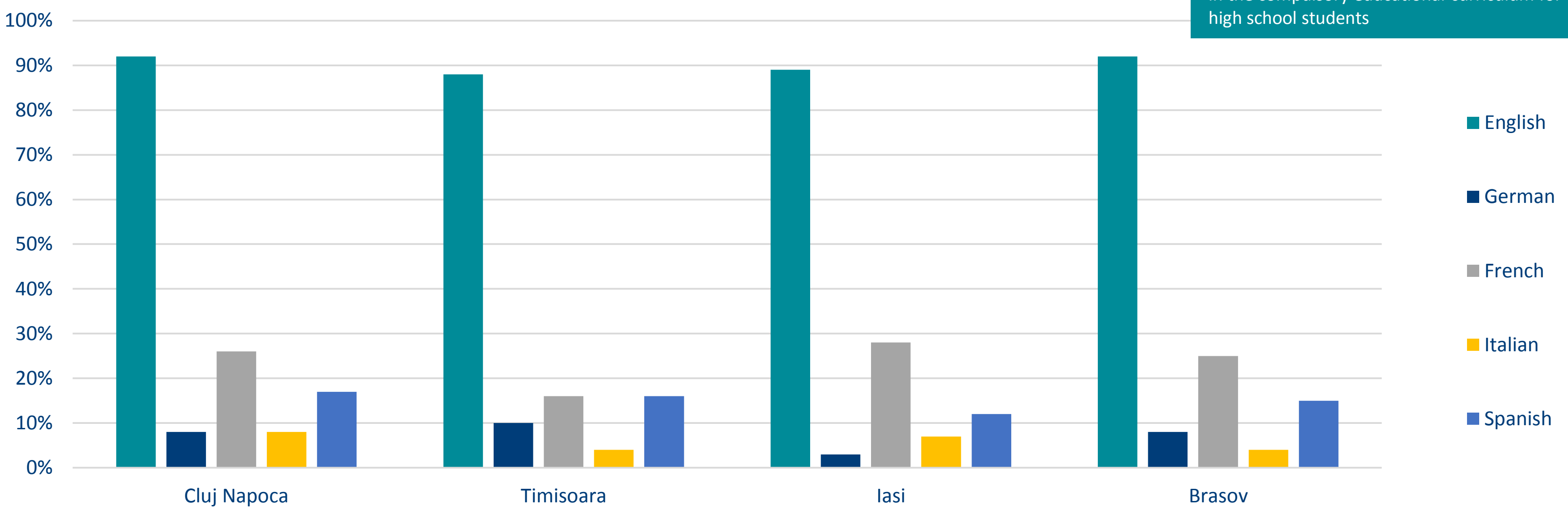



LABOUR MARKET

REGIONAL CITIES

Most common foreign languages spoken by students & graduates (self-evaluation):

English & French = the widest spread languages in the compulsory educational curriculum for high school students



Numerous languages can be recruited in smaller numbers: Russian, Portuguese, Dutch, Hungarian, Swedish, Polish, Turkish, Greek, Arabic etc. Foreign language colleges offer a wide choice of languages. Ethnical groups provide a valuable source of Central & Eastern European language capabilities.

Source: Brainspotting Romania

LABOUR MARKET

REGIONAL CITIES

NET MONTHLY SALARIES EXPRESSED IN EURO					
CITY	OFFICE MANAGER	HR	ACCOUNTING & FINANCE	SOFTWARE DEVELOPER (0 -3 years of experience)	CUSTOMER SUPPORT (0 - 2 years of experience)
Cluj Napoca	312 - 555	333 - 614	341 - 716	600 - 900	275 - 375
Timisoara	312 - 555	333 - 614	341 - 716	600 - 900	275 - 375
Iasi	250 - 450	265 - 490	275 - 575	500 - 700	200 – 325
Brasov	265 - 475	285 - 525	300 - 575	550 - 750	200 – 325

Source: Brainspotting Romania

NET MONTHLY SALARIES EXPRESSED IN EURO		
Salary expectations for graduates with no work experience / less than 1 year of experience	Business graduate	IT & Engineering graduate
Cluj Napoca, Timisoara, Iasi, Brasov	250 - 275	300 - 350

Source: Brainspotting Romania

CONCLUSIONS

OFFICE MARKET REGIONAL CITIES

CITY	OFFICE STOCK (sq m)	SPACE UNDER CONSTRUCTION (sq m)	HEADLINE RENTS CLASS A (€ / sq m/ month)	HEADLINE RENTS CLASS B (€ / sq m/ month)	SERVICE CHARGES (€ / sq m/ month)	VACANCY RATE CLASS A (%)	VACANCY RATE CLASS B (%)
Cluj Napoca	150,000	42,000	12 - 14	9 - 11	2 – 3,5	< 10	15
Timisoara	100,000	9,000	12 - 14	9 - 11	2 - 3	< 5	15
Iasi	120,000	10,000	13,5 - 15	7 - 11	2 – 3,5	< 8	10
Brasov	80,000	0	10 - 12	8 - 11	2 – 3,5	15	10

Source: DTZ Echinox

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