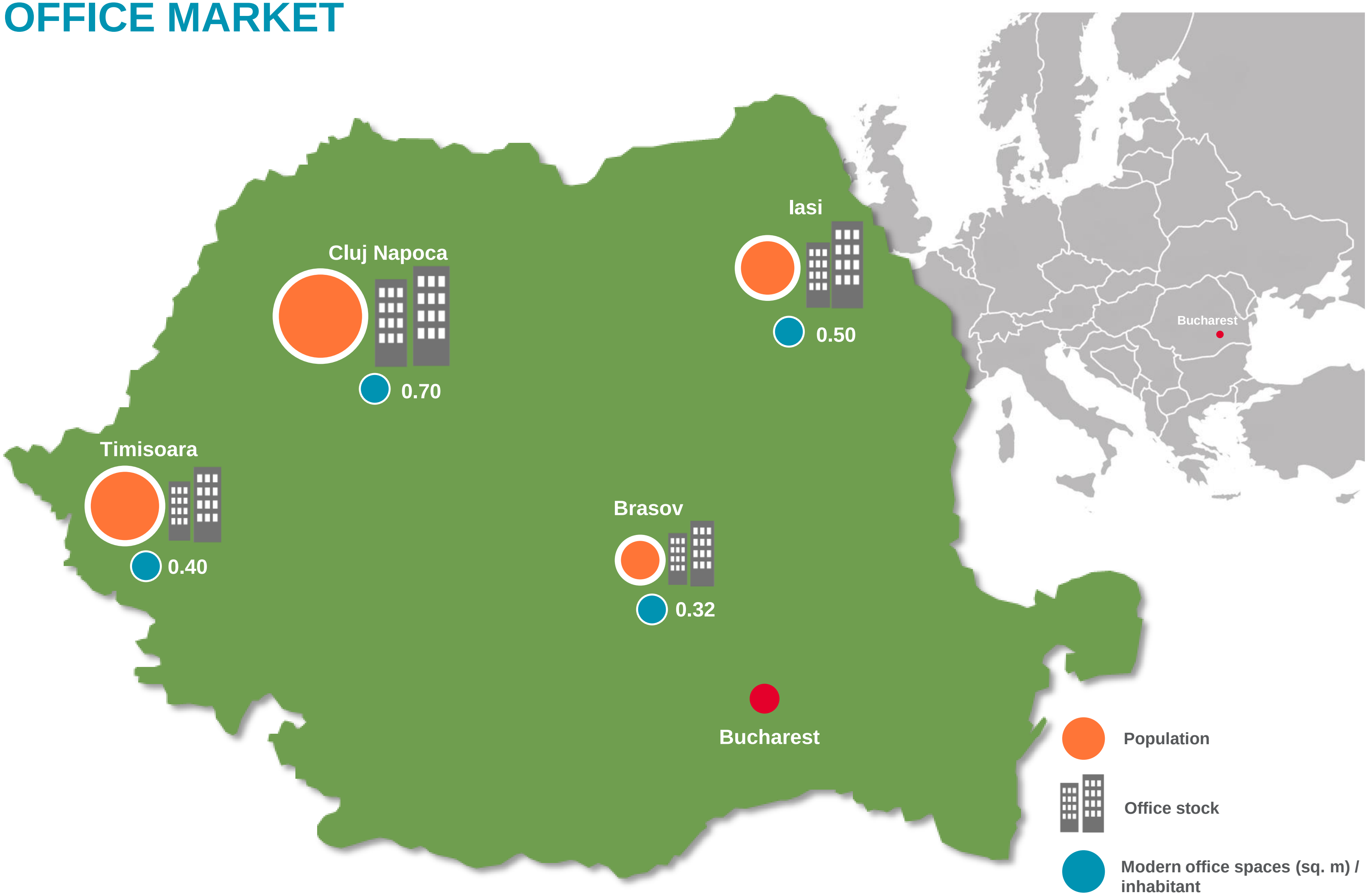
DTZ Echinox

ROMANIA

OFFICE MARKET
REGIONAL CITIES

2016

2016 ROMANIA REGIONAL CITIES OFFICE MARKET



2016 ROMANIA REGIONAL CITIES OFFICE MARKET

INTRODUCTION

Throughout 2015 gross take-up in the main regional cities amounted ~70,000 sq. m, being higher by 25% when compared with 2014. Net take-up represented 90%, with approximately 60,000 sq. m transacted and was divided between new demand (80%) and relocations within A & B stock. Pre-lease activity improved significantly. Compared with 2014, the office area subject of pre-lease transactions in 2015 was three times higher and amounted 25,500 sq. m. Also, the largest deal concluded outside Bucharest last year was a pre-lease transaction.

Compared with the previous year, in 2015 demand for office space outside Bucharest was more fairly divided between markets. From the total office area transacted, Iasi accounted 35%. It was followed by Cluj Napoca – 23%, Timisoara – 22% and Brasov with 20%. Technology & Telecommunication companies continued to be the best performing office occupiers, with 75% of gross take-up, followed by Financial companies, with 10% and Manufacturing / Industrial with 8%.

In H1 2016, gross take-up in the main regional cities has nearly equaled last year's results. Given the strong level of transactional activity, office demand outside Bucharest is projected to reach in 2016 the highest figure ever recorded.

Last year the modern office stock in the main regional cities has increased by ~ 20%. At the end of 2015, class A & B office space in Cluj Napoca, Timisoara, Iasi and Brasov reached 584,000 sq. m. New supply exceeded 90,000 sq. m and compared with 2014, it was two times higher. Almost half was delivered in Cluj Napoca (47%). The remaining was equally divided between Timisoara and Iasi. The largest office project completed in 2015 outside Bucharest has a rentable area of 18,000 sq. m and was delivered in Cluj Napoca.

In the first half of 2016, the level of new office supply in the main regional cities was of 47,500 sq. m, leading to a total modern office stock of ~ 632,000 sq. m. By the end of the year, another 39,000 sq. m are expected to be delivered.

Going forward and analyzing the pipeline for H2 2016 - 2017, approximately 165,000 sq. m of office space are scheduled for completion, with Cluj Napoca and Timisoara accounting 80%. At the end of 2017, the modern office stock in the main regional cities might reach ~ 800,000 sq. m.

2016 ROMANIA REGIONAL CITIES OFFICE MARKET

SUPPLY & DEMAND

Figure 1
Total modern office stock evolution (sq. m)

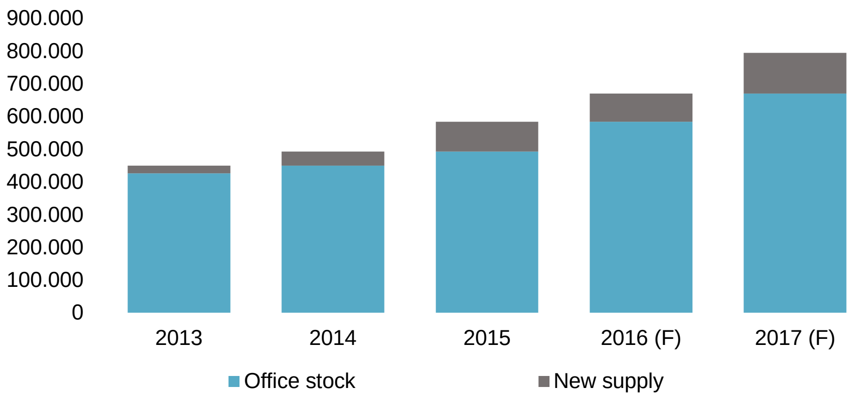


Figure 2
Modern office stock evolution per city (sq. m)

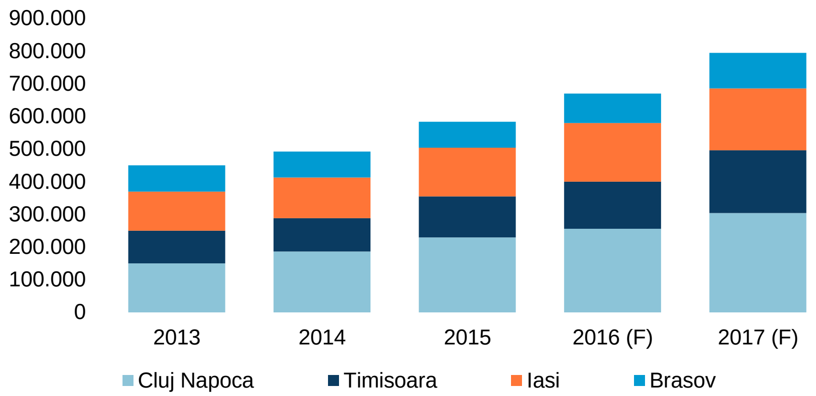


Figure 3
Total gross take-up evolution (sq. m)

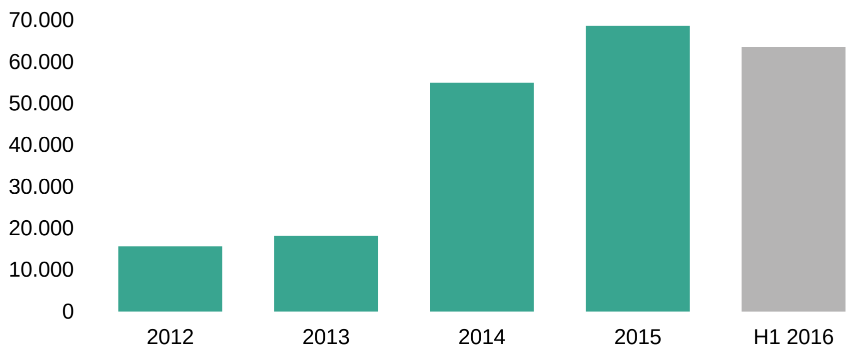
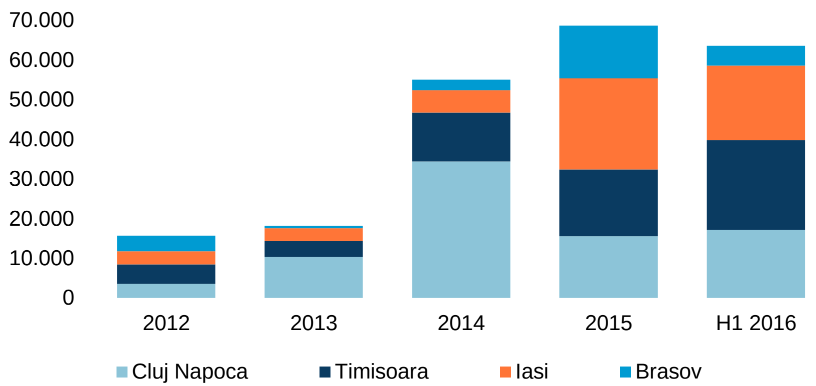


Figure 4
Gross take-up evolution per city (sq. m)



Source DTZ Research H1 2016

Source DTZ Research H1 2016

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CLUJ NAPOCA

"Cluj has become a phenomenal addition to our U.S., UK and Australian/APAC offices and serves as an exciting tech hub for progressive Eastern Europe. It's amazing to see that in less than six months, 8x8 has quickly grown to 45 employees in Romania, with expansion plans already in place as the count expects to more than double by the end of the year. In fact, the local officials are billing Cluj as the "Silicon Valley of Eastern Europe" ."

Bryan R. Martin, Chairman of the Board & Chief Technology Officer at 8x8
April 2016

Source: Falvius Fulea Photographer

2016 CLUJ NAPOCA

- 2nd Largest city in Romania by population
- 2nd University center in Romania after Bucharest
- 2nd Largest Airport in Romania in terms of traffic*
- Declared the most welcoming city in Europe**
- 2nd Best city in Romania for business in 2016***
- 2015 European Capital of Youth
- 50% Building taxes reduction for Green buildings
- Major companies: MOL Romania, Terapia, Farmec SA, Fujikura Automotive, Endava, Genpact, Emerson, Bosh, De'Longhi

Location	N - W Romania
Time zone	GMT + 02 h
Surface (Km2)	179.5
Population*	324,576
Inhabitants with ages between 15 – 49*	52%
Unemployment rate*	2.3%
Average net salary (€)*	440
Number of students**	50,000
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 (36 International & 3 Local destinations)
Rail stations	3

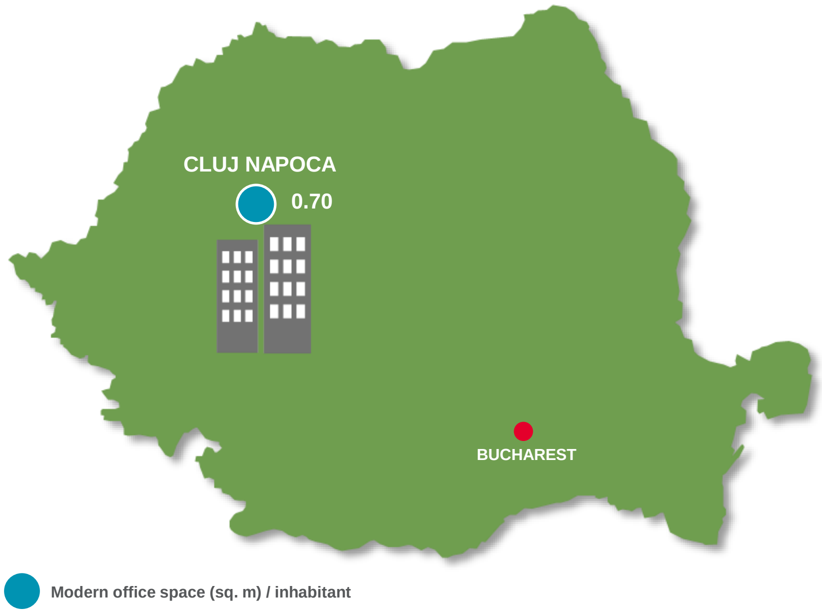
*Over 1,48 million passengers in 2015; **European Commission report 2013;*

****Forbes Best cities 2016*

***National Institute of Statistics 2014*

**National Institute of Statistics 2015*

2016 CLUJ NAPOCA OFFICE MARKET



SUPPLY

- Class A & B office stock in Cluj Napoca reached 240,000 sq. m at the end of H1 2016;
- The city continues to be the 2nd largest office market in Romania, after Bucharest;
- In 2015 new office supply was of 43,000 sq. m, this being the highest level recorded for a regional market. Also, the largest office building completed outside Bucharest has been delivered in Cluj – The Office phase II, having 18,000 sq. m GLA;
- Between the 2nd half of 2016 and 2017 approximately 65,000 sq. m of office space are scheduled for completion. At the end of 2017, class A & B office stock in Cluj Napoca might exceed 300,000 sq. m.

DEMAND

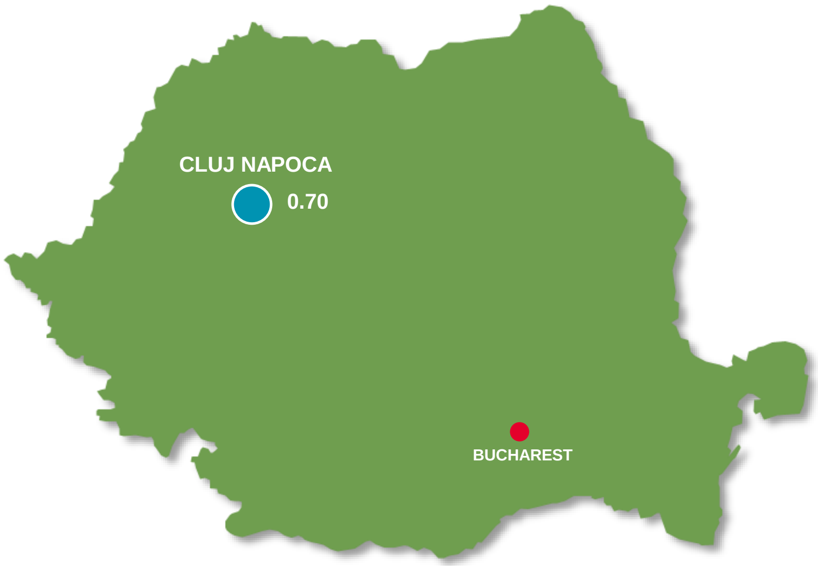
- In 2015 gross take-up was of 16,000 sq. m. Given that no renewal & renegotiation deal has been recorded, net take-up equaled the gross take-up figure
- The vast majority of the office deals concluded throughout 2015 were relocations from old stock to class A & B office space and new operations (new companies entering the market);
- The average deal size in 2015 was of 1,100 sq. m. The most active office occupiers continued to be Technology & Telecommunication companies, followed by Professional Services;
- In H1 2016, demand for office space was higher by 7% when compared with 2015. This proves that office occupiers continue to consider Cluj Napoca one of the most attractive office markets outside Bucharest.

VACANCY & OCCUPANCY COSTS

- At the end of H1 2016, general office vacancy rate is around 5%. For A class office buildings, the vacancy is below 4%, while for B class office buildings the vacancy is higher and is situated at 7%.
- The headline rents for A class office space are between € 13 – 15 / 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 /sq. m/ month.

2016 CLUJ NAPOCA OFFICE MARKET

DTZ Echinox



Modern office space (sq. m) / inhabitant

2015

OFFICE STOCK	230,000 sq. m
NEW SUPPLY	~ 43,000 sq. m
GROSS TAKE-UP	15,500 sq. m
NET TAKE-UP	15,500 sq. m

Source: DTZ Research H1 2016

H1 2016

OFFICE STOCK	240,000 sq. m
NEW SUPPLY	~ 10,000 sq. m
GROSS TAKE-UP	17,000 sq. m
NET TAKE-UP	17,000 sq. m

Source: DTZ Research H1 2016

H2 2016 - 2017

~ 65,000 sq. m

Q4 2017

> 300,000 sq. m

OCCUPANCY COSTS

Headline rents (€/ sq. m/ month)

Class A: **13 - 15**

Class B: **8 - 11**

Service charge (€/ sq. m/ month)

2 - 3

VACANCY RATES

(%)

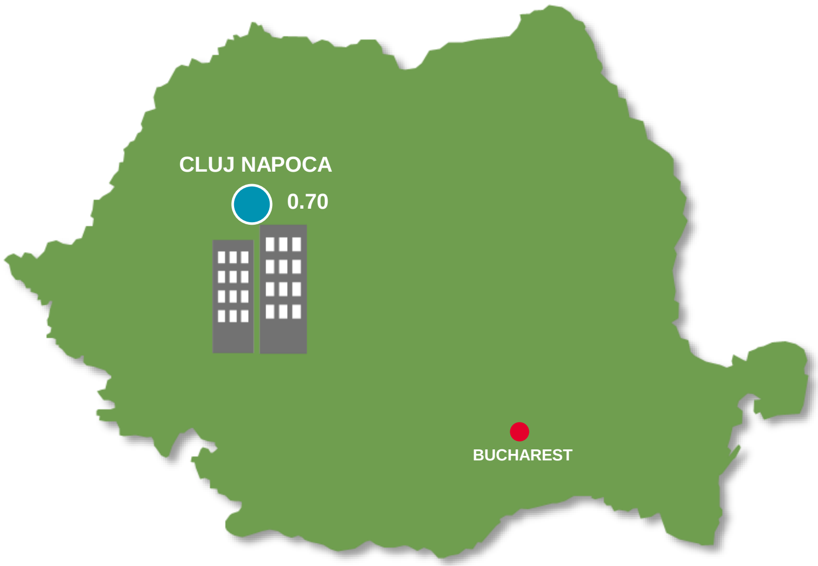
General: **5**

Class A: **< 4**

Class B: **7**

Source: DTZ Research H1 2016

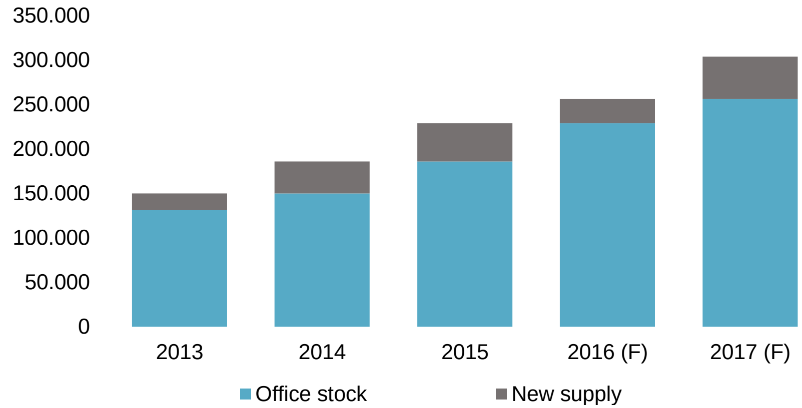
2016 CLUJ NAPOCA OFFICE MARKET



Modern office space (sq. m) / inhabitant

Figure 1

Modern office stock evolution (sq. m)



Source DTZ Research H1 2016

Table 1

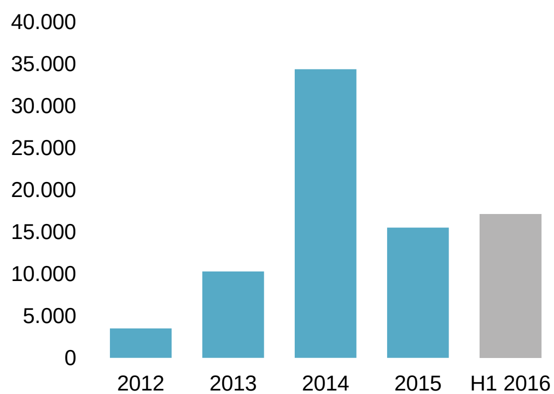
2016 – 2017 Major office deliveries

Project	GLA (sq. m)	Developer	Year
The Office III	18,000	NEPI	2016
EBS Tower	10,000	EBS Romania	2016
Novis Plaza	12,500	Transilvania Constructii	2017
United Business Center II & III	25,000	Iulius Group	2017

Source: DTZ Research H1 2016

Figure 2

Gross take-up (sq. m)



Source: DTZ Research H1 2016

Table 2

2015 – H1 2016 Major office deals

Company	Surface (sq. m)	Project	Deal type
Betfair Romania	3,500	The Office II	New lease
Hub Bucharest	1,200	Liberty Technology Park	New lease
National Instruments Romania IT	1,800	The Office I	New lease
Arvato	1,700	Liberty Technology Park	New lease

Source DTZ Research H1 2016

2016 CLUJ NAPOCA OFFICE MARKET

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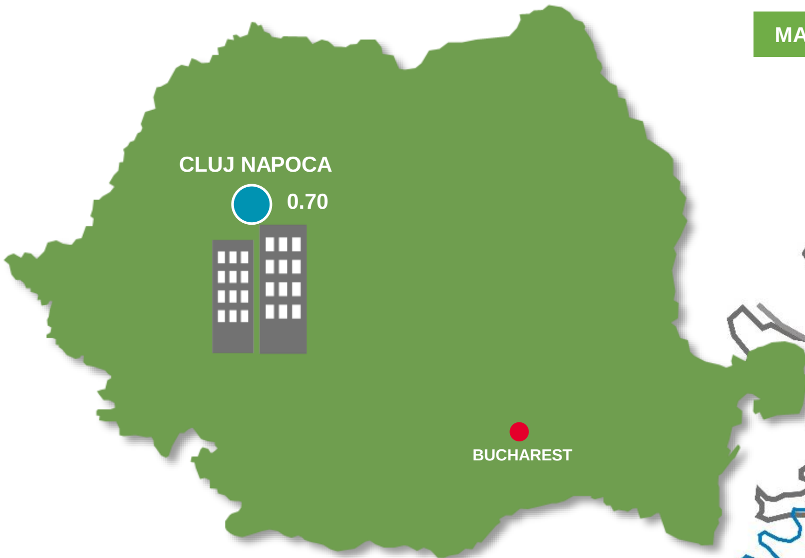
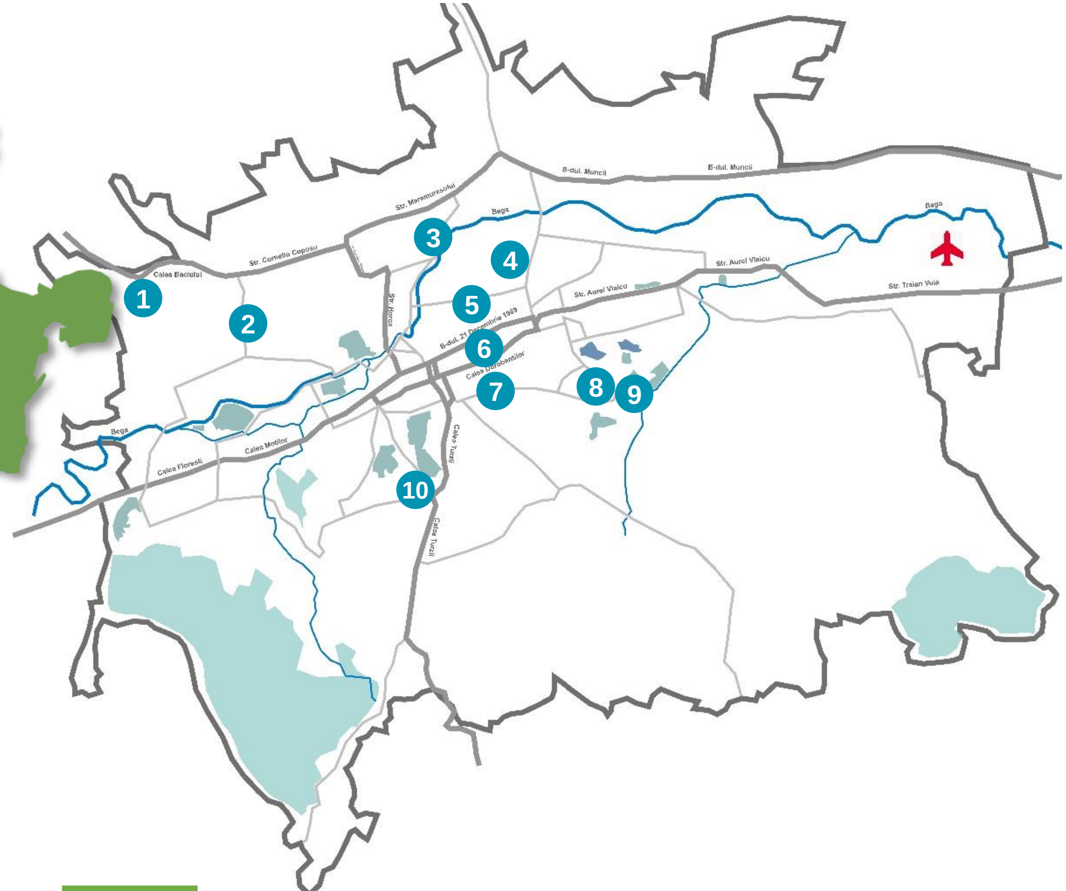


Modern office space (sq. m) / inhabitant

MAP - MAJOR OFFICE PROJECTS



MAJOR OFFICE OCCUPIERS

- Office DEPOT OfficeMax
- endava
- NTT DaTa Global IT Innovator
- BT BANCA TRANSILVANIA
- hp
- SIEMENS
- e·on
- FORTECH.
- GENPACT INTELLIGENT ENTERPRISES POWERED BY PROCESS
- IQUEST

LEGEND

1. Amera Tower
2. Novis Plaza
3. Liberty Technology Park
4. CBC
5. The Office
6. Maestro BC
7. Power BC
8. United Business Center Iulius
9. United Business Center Tower
10. Sigma Center

Avram Iancu International Airport

TIMISOARA

"The second service center business in Timisoara will be a step forward to improve the efficiency and quality of services and to simplify procedures within the Bosch Group."

Joerg Fischer, President of Bosch Service Solutions
December 2015

2016 TIMISOARA

- 3rd Largest city in Romania by population
- 4th University center in Romania
- 3rd Largest Airport in Romania in terms of traffic*
- Best city in Romania for business in 2016**
- 2nd City in the world after New York illuminated by electric light
- The Polytechnic University in Timisoara is one of the largest technical universities in Central and Eastern Europe
- Major companies: Delphi Automotive, Continental, TT Electronics, Hella, Alcatel, Dräxlmaier, Nestlé

Location	W Romania
Time zone	GMT + 02 h
Surface (Km2)	130.5
Population*	319,279
Inhabitants with ages between 15 – 49*	53%
Unemployment rate*	1.24%
Average net salary (€)*	429
Number of students**	32,000
No. of universities	8
Main universities	Polytechnic University, The West University
Main industries	Automotive / Technology & Telecom
Languages	English, French, German, Hungarian
Transportation means	Bus, trolleybus, tram, cabs
Airport	Traian Vuia International Airport (15 International & 3 Local destinations)
Rail stations	2

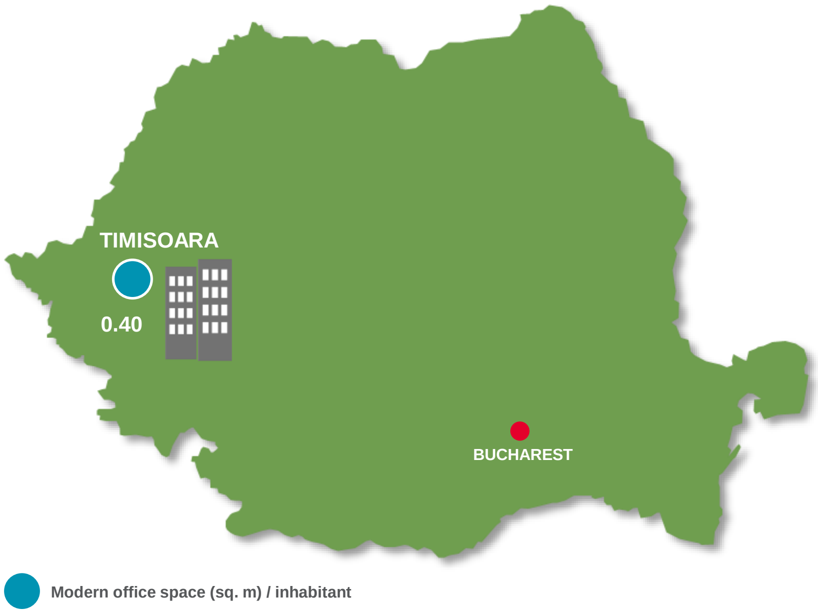
*Over 924,000 passengers in 2015

** Forbes Best cities 2016

*National Institute of Statistics 2015

**National Institute of Statistics 2014

2016 TIMISOARA OFFICE MARKET



DEMAND

- In 2015 gross take-up was of 17,000 sq. m, 36% higher y/y. With no renewal & renegotiation deal recorded, net take-up equaled the gross take-up figure;
- Net take-up was divided between new demand and relocations within class A & B office space, with new demand representing 70%;
- The average deal size in 2015 was of 1,800 sq. m and the most active office occupiers were from Technology & Telecommunication sector, followed by Manufacturing;
- In H1 2016, demand for office space has increased significantly. Compared with the other regional markets, Timisoara recorded the highest level of sq. m transacted (~23,000 sq. m).

SUPPLY

- At the end of H1 2016, class A & B office stock in Timisoara amounts 126,000 sq. m;
- The city is the 4th largest office market in Romania, after Bucharest, Cluj Napoca and Iasi;
- In 2015 approximately 24,000 sq. m of office space were completed. The largest office project delivered represents the refurbishment of a former factory hall. The project has a total GLA of ~ 14,000 sq. m;
- Between 2nd half of 2016 and 2017 approximately 66,000 sq. m of office space are scheduled for completion. At the end of 2017, class A & B office stock in Timisoara might be higher by 50% compared with H1 2016.

VACANCY & OCCUPANCY COSTS

- At the end of H1 2016, general office vacancy rate is less than 4%. For A class office buildings, the vacancy is close to 0%, while for B class office buildings the vacancy is situated at 4%.
- The headline rents for A class office space are 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.

2016 TIMISOARA OFFICE MARKET

Modern office space (sq. m) / inhabitant

2015

OFFICE STOCK	126,000 sq. m
NEW SUPPLY	~ 24,000 sq. m
GROSS TAKE-UP	17,000 sq. m
NET TAKE-UP	17,000 sq. m

Source: DTZ Research H1 2016

H1 2016

OFFICE STOCK	126,000 sq. m
NEW SUPPLY	0 sq. m
GROSS TAKE-UP	~ 23,000 sq. m
NET TAKE-UP	~ 18,500 sq. m

Source: DTZ Research H1 2016

H2 2016 - 2017

~ 66,000 sq. m

Q4 2017

> 190,000 sq. m

OCCUPANCY COSTS

Headline rents (€/ sq. m/ month)

Class A: **12 - 14**

Class B: **9 - 11**

Service charge (€/ sq. m/ month)

2 – 3.5

VACANCY RATES

(%)

General: **< 4**

Class A: **< 2**

Class B: **4**

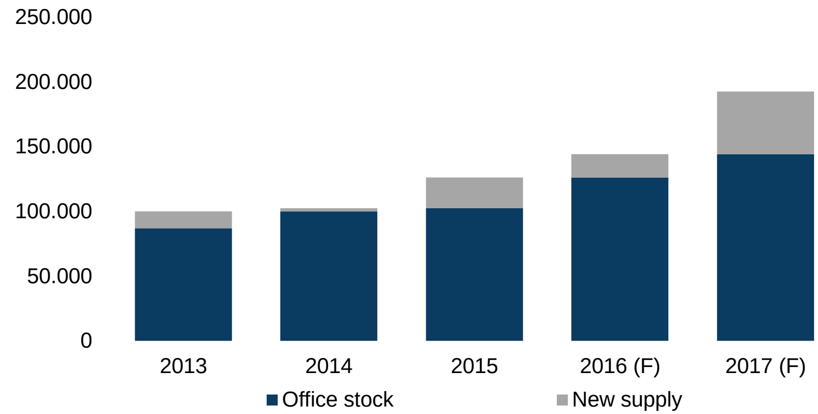
Source: DTZ Research H1 2016

2016 TIMISOARA OFFICE MARKET

Modern office space (sq. m) / inhabitant

Figure 1

Modern office stock evolution (sq. m)



Source DTZ Research H1 2016

Table 1

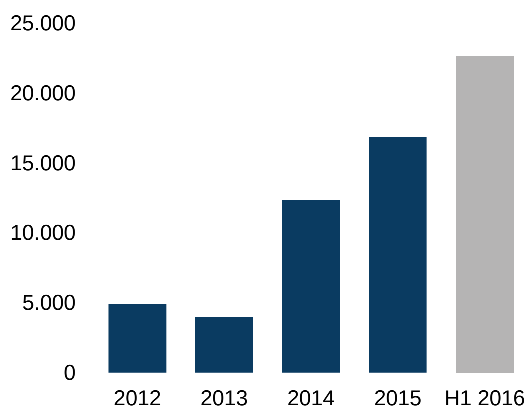
2016 – 2017 Major office deliveries

Project	GLA (sq. m)	Developer	Year
UBC 2	18,000	Iulius Group	2016
Romcapital Center II	9,500	Altus	2017
Vox Technology Park	26,000	Vox Technology Park SRL	2017
UBC 1	13,000	Iulius Group	2017

Source: DTZ Research H1 2016

Figure 2

Gross take-up (sq. m)



Source: DTZ Research H1 2016

Table 2

2015 – H1 2016 Major office deals

Company	Surface (sq. m)	Project	Deal type
Ness Software Engineering	2,800	UBC 2	Pre-lease
Regina Maria	1,600	UBC 1	Pre-lease
Autoliv	5,000	UBC 2	Pre-lease

Source DTZ Research H1 2016

2016 TIMISOARA OFFICE MARKET

Modern office space (sq. m) / inhabitant

MAJOR OFFICE OCCUPIERS

Alcatel·Lucent
SAP
BOSCH
Autoliv
Microsoft
accenture
Carpatair
Continental
NESS

MAP - MAJOR OFFICE PROJECTS

LEGEND

1. UBC I & II
2. Fructus Plaza
3. City Business Center
4. Romcapital Center
5. Optica Business Park

Traian Vuia International Airport

IASI

'In Romania we have now the largest center in the Europe, Middle East and Africa (EMEA), largest even than our headquarter in Stockholm, Sweden. We have 243 people in Bucharest and in Iasi, which is the second office in Romania, we are close to 10. It is the first time we have a second center in another city, and our plan is to grow there. Iasi has the highest concentration of IT companies outside Bucharest, as it is perhaps only in Cluj. From our studies, Iasi's advantages proved to be a bit more competitive in terms of costs, availability of resources, universities and skills."

Anders Libeck, CEO & President ENEA
June 2016

2016 IASI

- 4th Largest city in Romania by population
- 3rd University center in Romania
- 4th Largest Airport in Romania in terms of traffic*
- 1st City in Romania to have a higher education institution
- Capital of Romania between 1916 - 1918
- 10th Best city in Romania for business in 2016**
- Major companies: Delphi Diesel Systems, Antibiotice SA, E.On, Xerox, Amazon, Lear Corporation

Location	N-E Romania
Time zone	GMT + 02 h
Surface (Km2)	93.9
Population*	290,422
Inhabitants with ages between 15 – 49*	53%
Unemployment rate*	4.4%
Average net salary (€)*	379
Number of students**	44,000
No. of universities	10
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, cabs
Airport	Iasi International Airport (16 International & 3 Local destinations)
Rail stations	3

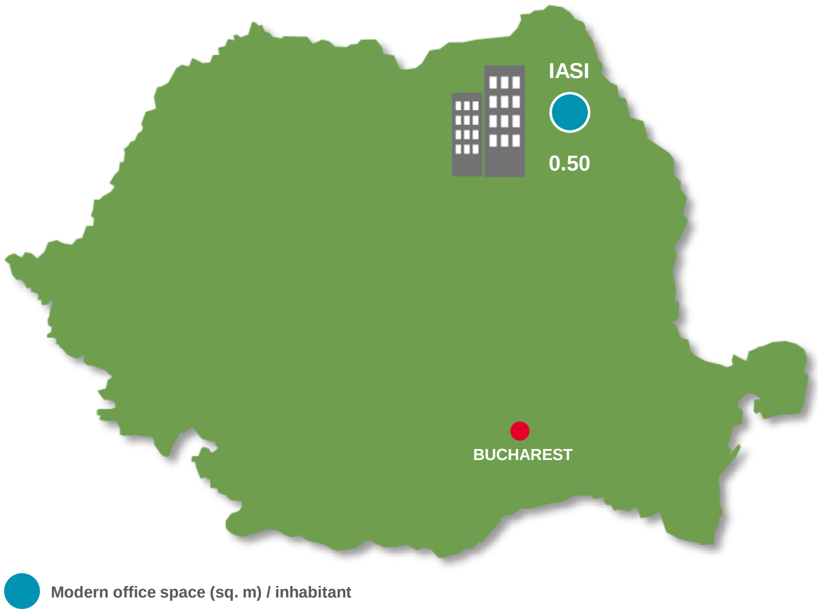
*Over 380,000 passengers in 2015

** Forbes Best cities 2016

*National Institute of Statistics 2015

**National Institute of Statistics 2014

2016 IASI OFFICE MARKET



SUPPLY

- At the end of H1 2016 the modern office stock in Iasi amounts 180,000 sq. m. Compared with other cities in Romania, Iasi is the 3rd largest office market, after Bucharest and Cluj Napoca;
- Last year five office buildings were delivered, having a total GLA of ~ 25,000 sq. m. The largest office building completed was Moldova Center having a rentable area of 11,500 sq. m;
- For the 2nd half of 2016 no major deliveries are expected. Going forward and analyzing the pipeline for 2017, only 10,000 sq. m are planned for completion. Compared with other regional markets, Iasi will rank 4th in 2017 in terms of deliveries.

DEMAND

- Having an advanced telecom infrastructure and a large educated labor pool, Iasi is the second most attractive regional city after Cluj Napoca for companies looking to open BPO, R&D or SSC operations.
- In 2015 gross take-up amounted 23,000 sq. m. Net take-up represented more than 90%, with ~ 21,000 sq. m transacted and was divided between new demand and relocations from old stock to class A & B office space;
- Last year the largest office transaction outside Bucharest has been concluded in Iasi – Unicredit pre-leasing 7,000 sq. m in UBC 5. Overall, the average deal size was of 1,200 sq. m and the most active office occupiers were Technology & Telecommunication companies;
- In H1 2016 net take-up amounted 19,000 sq. m, with one transaction representing 70% (Amazon pre-leasing 13,000 sq. m in UBC 5).

VACANCY & OCCUPANCY COSTS

- At the end of H1 2016 the general office vacancy rate is around 8%. For A class office buildings, the vacancy is 6%, while for B class office buildings the vacancy is situated at 9%;
- The headline rents for A class office space are between € 12 – 14 / sq. m/ month;
- For B class office buildings, the rental level is situated between € 8 - 10/ 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.

2016 IASI OFFICE MARKET

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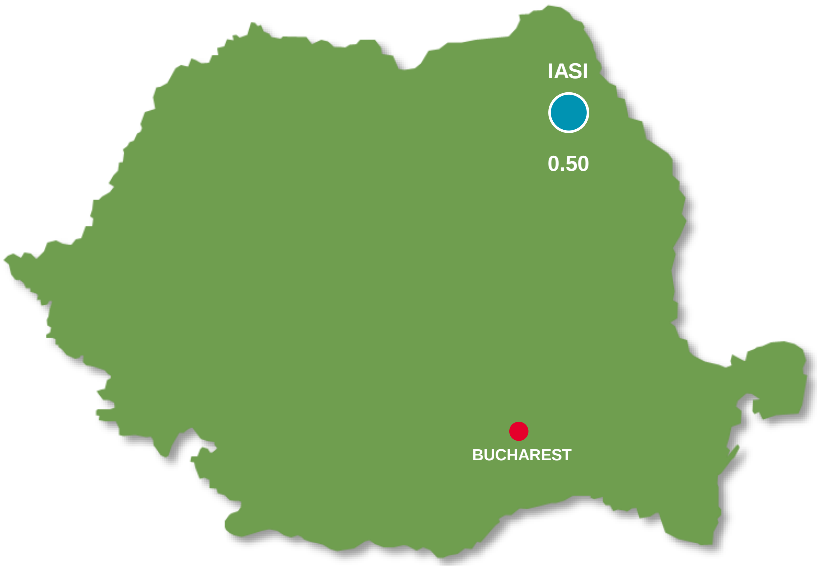


Modern office space (sq. m) / inhabitant

2015

OFFICE STOCK	~ 149,000 sq. m
NEW SUPPLY	24,000 sq. m
GROSS TAKE-UP	23,000 sq. m
NET TAKE-UP	21,000 sq. m

Source: DTZ Research H1 2016

H1 2016

OFFICE STOCK	180,000 sq. m
NEW SUPPLY	~ 31,000 sq. m
GROSS TAKE-UP	19,000 sq. m
NET TAKE-UP	19,000 sq. m

Source: DTZ Research H1 2016

H2 2016 - 2017

10,000 sq. m

Q4 2017

190,000 sq. m

OCCUPANCY COSTS

Headline rents (€/ sq. m/ month)

Class A: **12 - 14**

Class B: **8 - 10**

Service charge (€/ sq. m/ month)

2 - 3

VACANCY RATES

(%)

General: **8**

Class A: **6**

Class B: **9**

Source: DTZ Research H1 2016

2016 IASI OFFICE MARKET

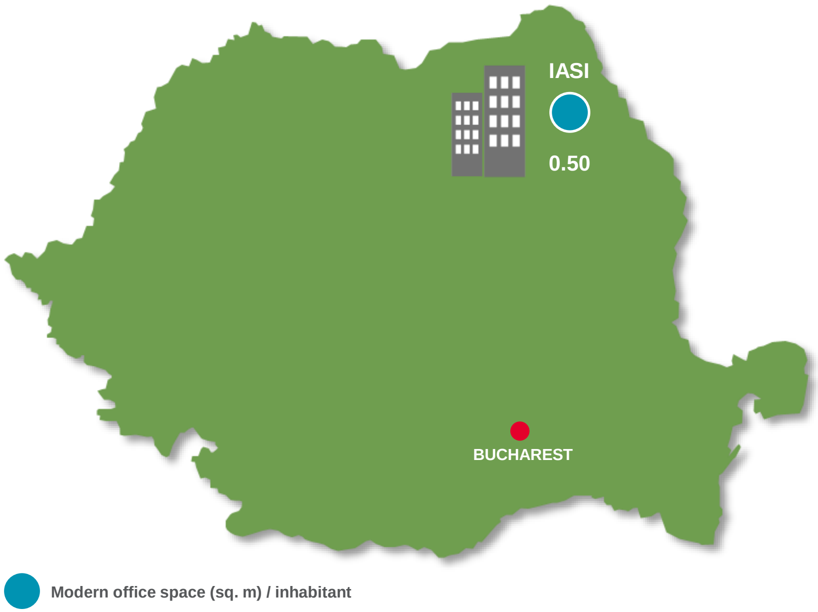
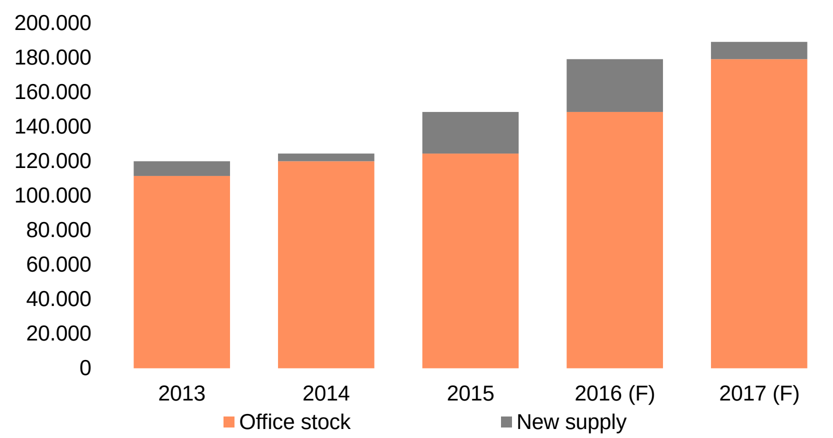


Figure 1

Modern office stock evolution (sq. m)



Source DTZ Research H1 2016

Table 1

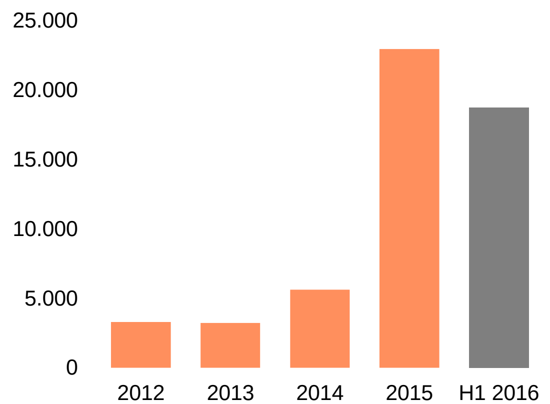
2016 – 2017 Major office deliveries

Project	GLA (sq. m)	Developer	Year
UBC 5	15,000	Iulius Group	2016
UBC 6	9,000	Iulius Group	2016
Aria Office Center	6,500	N/A	2016
Ideo II	10,000	Tester Group	2017

Source: DTZ Research H1 2016

Figure 2

Gross take-up (sq. m)



Source: DTZ Research H1 2016

Table 2

2015 – H1 2016 Major office deals

Company	Surface (sq. m)	Project	Deal type
Amazon	13,000	UBC 5	Pre-lease
Webhelp	2,300	Moldova Center	New lease
Oracle	1,600	Tester II	New lease

Source DTZ Research H1 2016

2016 IASI
OFFICE MARKET

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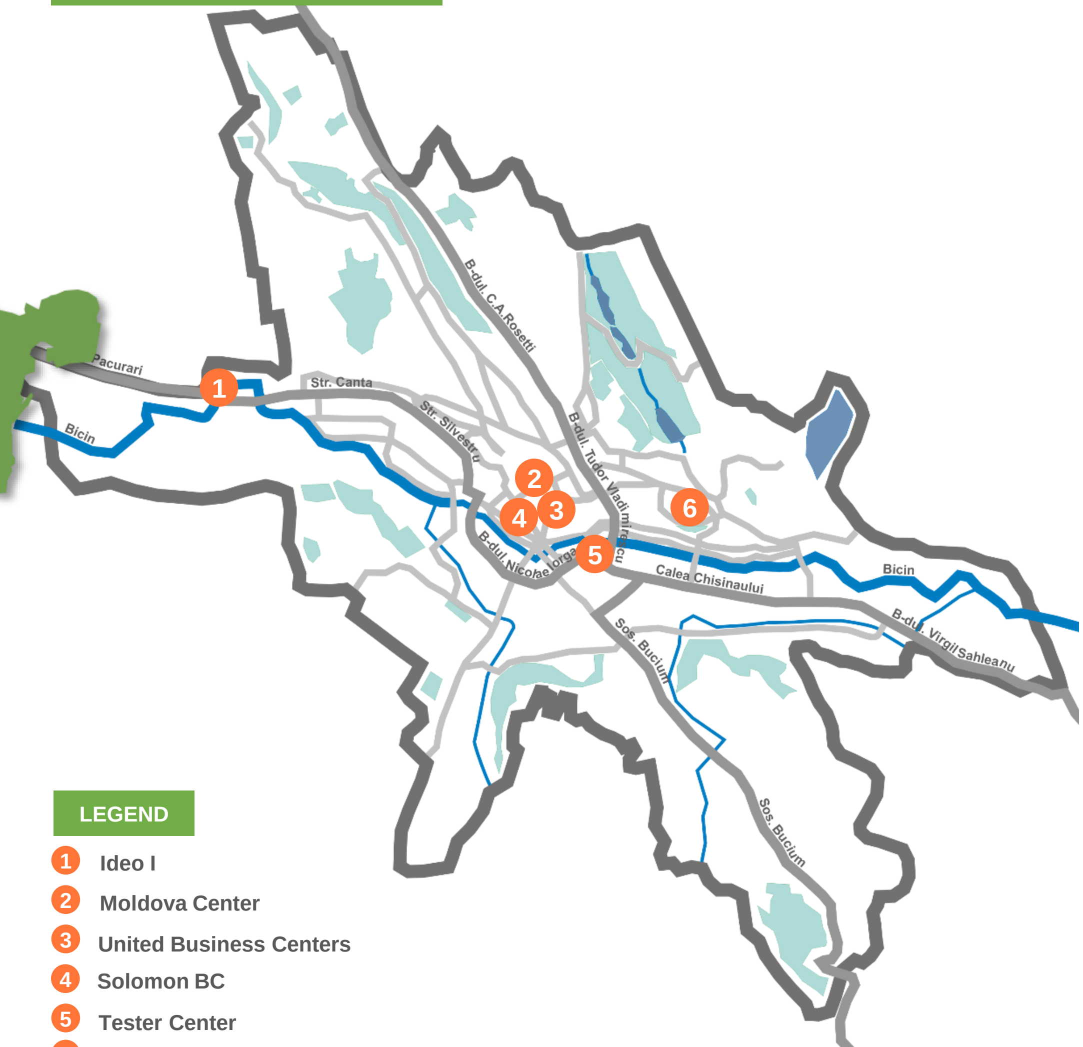
Modern office space (sq. m) / inhabitant

MAP - MAJOR OFFICE PROJECTS



LEGEND

1. Ideo I
2. Moldova Center
3. United Business Centers
4. Solomon BC
5. Tester Center
6. Tudor Office Center

Iasi International Airport

MAJOR OFFICE OCCUPIERS

- UniCredit
- amazon
- GfK
- cegeka
- ORACLE
- SOFTVISION
- Bitdefender
- xerox
- webhelp
- ESS

DTZ Echinox

BRASOV

"Brasov is an excellent destination for the IT business. We see the industry expanding rapidly and the workforce becoming more and more specialized".

Cornelius Brody, CEO iQuest
February 2016

Source: visit-brasov.ro

2016 BRASOV

- 7th Largest city in Romania by population
- Main industrial hub in the central part of Romania
- 1st City in Romania by the number of foreign visitors in the last two years
- Member of the European Forum for Urban Security (EFUS) since 2008
- 6th Best city in Romania for business in 2016*
- Major companies: Autoliv, Schaeffler, Continental, Dräxlmaier, CGS, Total Lubricants, Benchmark Electronics, IBM, Siemens

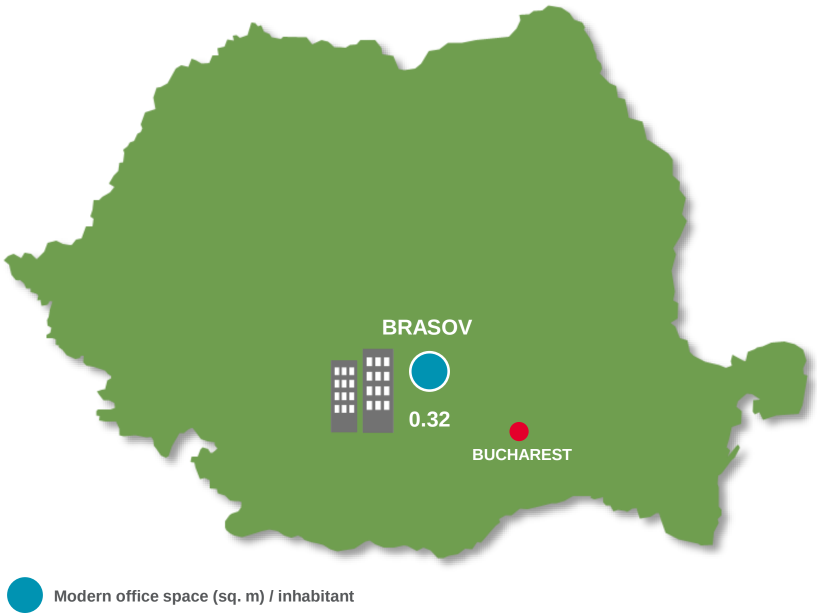
* Forbes Best cities 2016

Location	Central Romania
Time zone	GMT + 02 h
Surface (Km2)	267.32
Population*	253,200
Inhabitants with ages between 15 – 49*	49%
Unemployment rate*	3.87%
Average net salary (€)*	392
Number of students**	18,000
No. of universities	8
Main universities	Transylvania University, George Baritiu University
Main industries	Manufacturing/ Technology & Telecom/ Pharmaceutical
Languages	English, German, Hungarian
Transportation means	Bus, trolleybus, taxi
Airport	Under construction
Rail stations	5

*National Institute of Statistics 2015

**National Institute of Statistics 2014

2016 BRASOV OFFICE MARKET



DEMAND

- Located only 180 km. from Bucharest and being one of the most important economic centers in Romania, Brasov has been chosen as office location by companies active in Technology & Telecom, Financial or Manufacturing;
- In 2015 gross take-up was of 13,500 sq. m, with net take up representing more than 60%. As in other regional cities, the vast majority of transactions have been expansions or new operations;
- The average deal size in 2015 was around 1,000 sq. m and the most active office occupiers were from Technology & Telecommunication sector;
- In H1 2016 net take-up amounted 5,000 sq. m, the most active tenants continuing to be Technology & Telecommunication companies.

SUPPLY

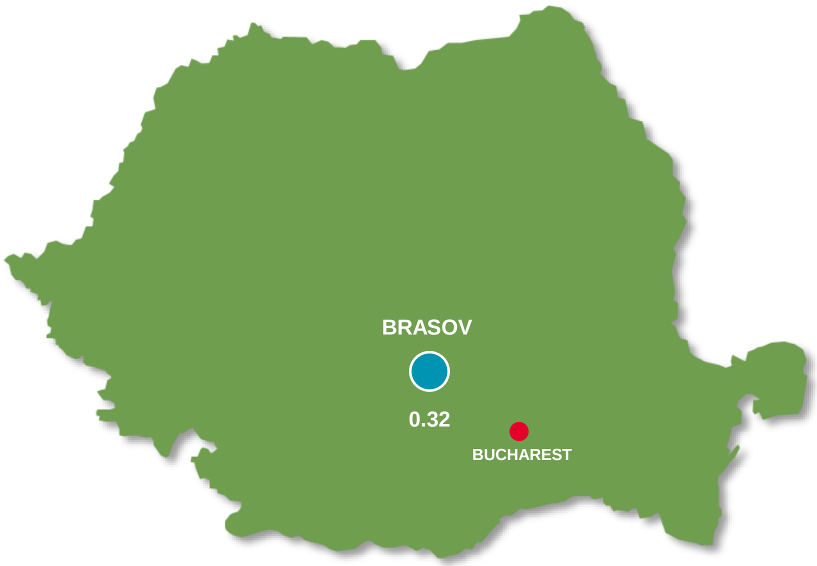
- At the end of H1 2016, the modern office stock in Brasov amounts 87,000 sq. m. Compared with Cluj, Iasi and Timisoara, the city is the 4th largest office market outside Bucharest;
- In 2015 no major office projects have been completed. Thus, the modern office stock in Brasov remained unchanged throughout the year;
- Between H2 2016 and 2017 the level of new supply in Brasov is scheduled to be of 22,000; By the end of 2017, the office stock in Brasov could exceed 105,000 sq. m;

VACANCY & OCCUPANCY COSTS

- At the end of H1 2016, the general office vacancy rate in Brasov is 8%. For A class office buildings, the vacancy is 5%, while for B class office buildings the vacancy is higher and is situated at 9%.
- The headline rents for A class office space are between € 11 – 12 / sq. m/ month.
- For B class office buildings, the rental level is situated between € 7 - 9/ 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.

2016 BRASOV OFFICE MARKET

DTZ Echinox



Modern office space (sq. m) / inhabitant

2015

OFFICE STOCK	80,000 sq. m
NEW SUPPLY	0 sq. m
GROSS TAKE-UP	13,500 sq. m
NET TAKE-UP	8,500 sq. m

Source: DTZ Research H1 2016

H1 2016

OFFICE STOCK	87,000 sq. m
NEW SUPPLY	7,000 sq. m
GROSS TAKE-UP	5,000 sq. m
NET TAKE-UP	5,000 sq. m

Source: DTZ Research H1 2016

H2 2016 - 2017

22,000 sq. m

Q4 2017

> 105,000 sq. m

OCCUPANCY COSTS

Headline rents (€/ sq. m/ month)

Class A: **11 - 12**

Class B: **7 - 9**

Service charge (€/ sq. m/ month)

2 – 3.5

VACANCY RATES

(%)

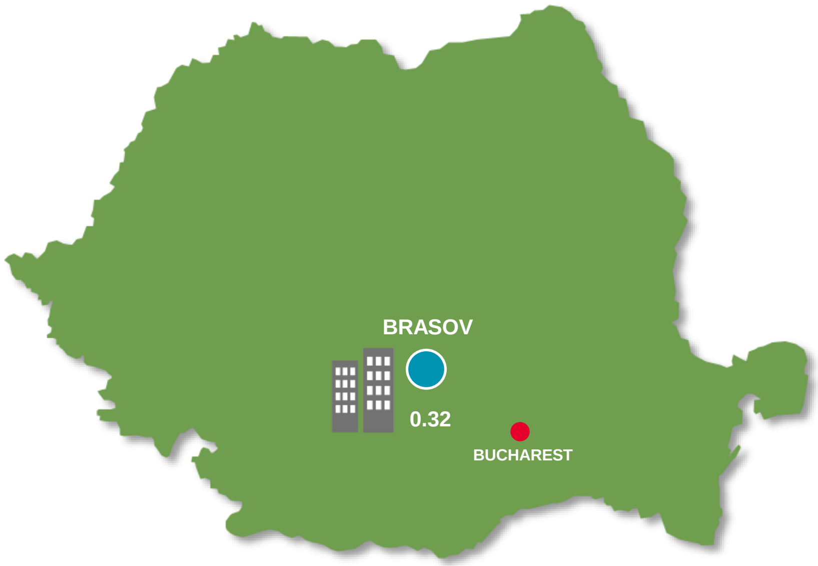
General: **8**

Class A: **5**

Class B: **9**

Source: DTZ Research H1 2016

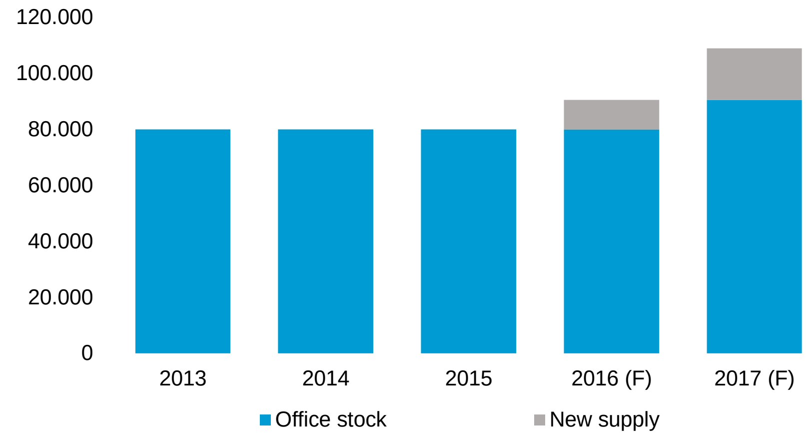
2016 BRASOV
OFFICE MARKET



Modern office space (sq. m) / inhabitant

Figure 1

Modern office stock evolution (sq. m)



Source DTZ Research H1 2016

Table 1

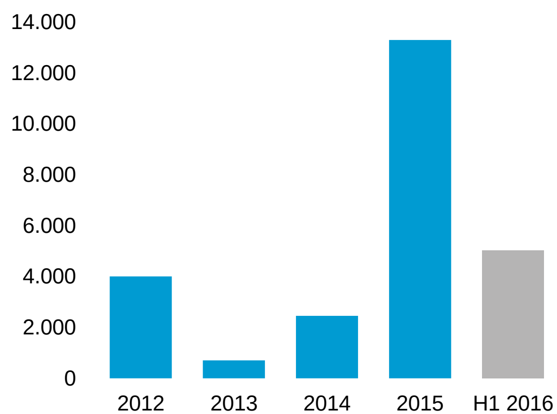
2016 – 2017 Major office deliveries

Project	GLA (sq. m)	Developer	Year
Coresi Business Park – New building I	~7,000	Ascenta Management	2016
Coresi Business Park – New building II	8,500	Ascenta Management	2017
AFI Brasov	10,000	AFI Group	2017

Source: DTZ Research H1 2016

Figure 2

Gross take-up (sq. m)



Source: DTZ Research H1 2016

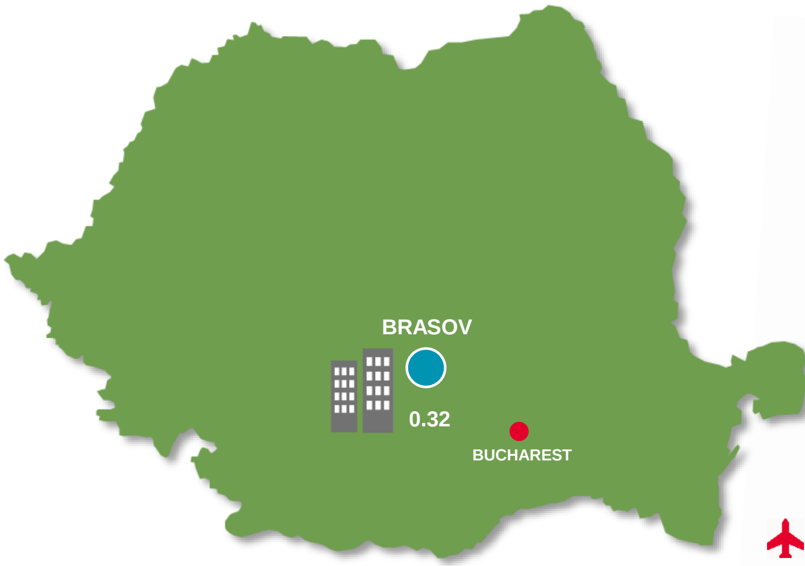
Table 2

2015 – H1 2016 Major office deals

Company	Surface (sq. m)	Project	Deal type
CGS	5,000	Coresi Business Park	Renewal & Expansion
Tata Technologies	3,300	Coresi Business Park	Pre-lease
Romarg	750	Brasov Business Park	New lease

Source DTZ Research H1 2016

2016 BRASOV OFFICE MARKET



Modern office space (sq. m) / inhabitant

MAP - MAJOR OFFICE PROJECTS

LEGEND

1. Coresi Business Park
2. Brasov Offices
3. Alianz Building
4. AFI Brasov
5. Cristiana BC
6. Brasov Business Park

Ghimbav International Airport

MAJOR OFFICE OCCUPIERS

IBM
Raiffeisen BANK
CGS
IQUEST
TATA TECHNOLOGIES
FREUDENBERG INNOVATING TOGETHER
Ipsos
arvato BERTELSMANN

2016 ROMANIA REGIONAL CITIES OFFICE MARKET

CONCLUSIONS

CITY	Population	Inhabitants 15 – 49 years	Unemployment rate (%)	Average monthly net salary (€)	No. of students*
Cluj Napoca	324,576	52%	2.3	440	50,000
Timisoara	319,279	53%	1.24	429	32,000
Iasi	290,422	53%	4.4	379	44,000
Brasov	253,200	49%	3.87	392	18,000

*National Institute of Statistics 2015 (*2014)*

CITY	Office stock H1 2016 (sq. m)	New supply H2 2016 & 2017 (sq. m)	Headline rents A class* (€ / sq m/ month)	Headline rents B class* (€ / sq m/ month)	Service charge* (€ / sq m/ month)	Vacancy rate class A (%)*	Vacancy rate class B (%)*
Cluj Napoca	240,000	65,000	13 - 15	8 - 11	2 – 3	4	7
Timisoara	126,000	66,000	12 - 14	9 - 11	2 – 3.5	< 2%	4
Iasi	180,000	10,000	12 - 14	8 - 10	2 – 3.5	6	9
Brasov	87,000	22,000	11 - 12	7 - 9	2.5 – 3.5	5	9

Source DTZ Research H1 2016

2016 ROMANIA REGIONAL CITIES OFFICE MARKET

DEFINITIONS & DISCLAIMER

New supply	Practical completions (obtaining valid occupancy permits) of new developments in a given time period.
Gross take-up	The total floor space known to have been let, pre-let, renewed / renegotiated or subleased to tenants over a specified period of time.
Net take-up	Includes new leases, meaning lease transactions within completed office schemes, pre-lease transactions and expansions.
New demand	Part of take-up and represented by expansions, relocations from noncompetitive stock to class A & B office space, existing tenants opening new operations or new companies entering the market.
Vacancy rate	Ratio of empty/vacant space in existing or newly completed buildings on the total stock.

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