CUSHMAN & WAKEFIELD | Echinox

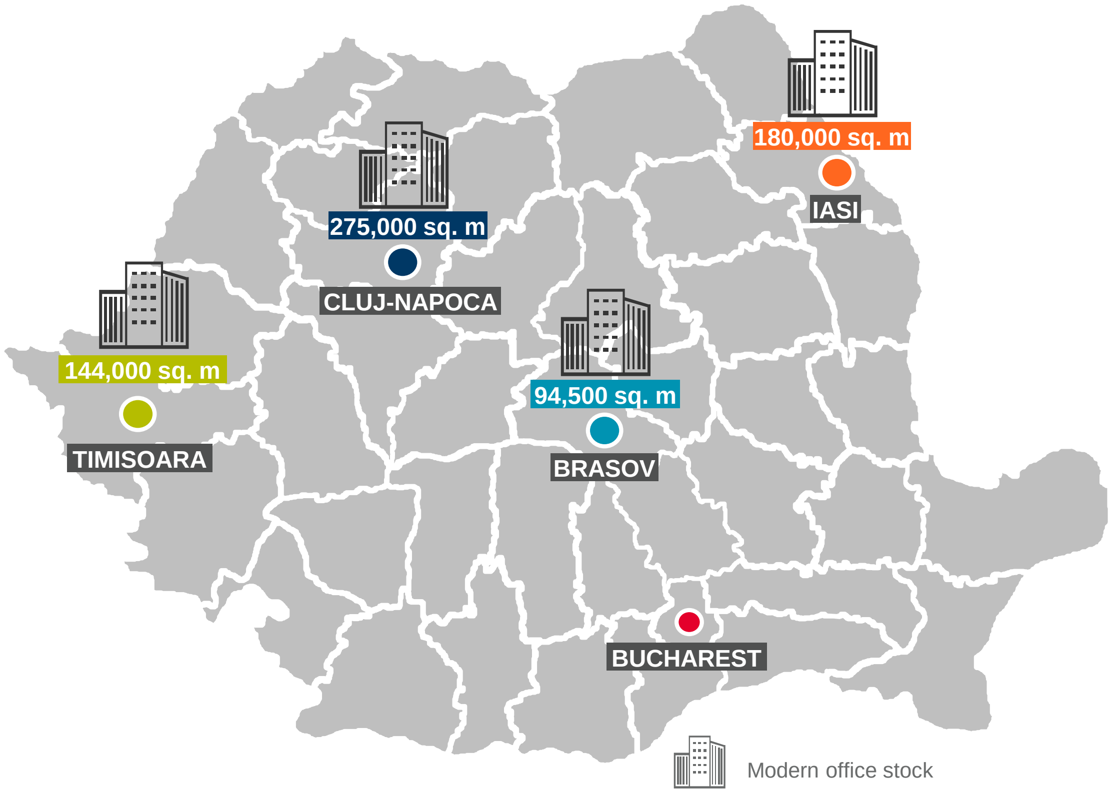
ROMANIA

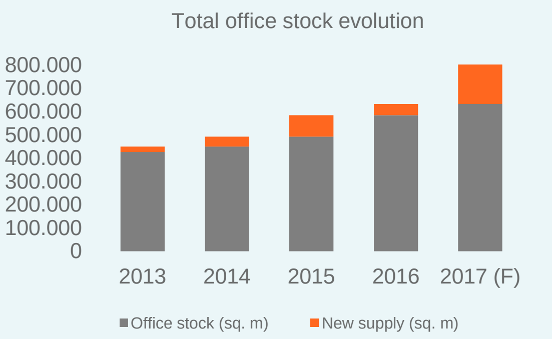
OFFICE MARKET
REGIONAL CITIES
2017

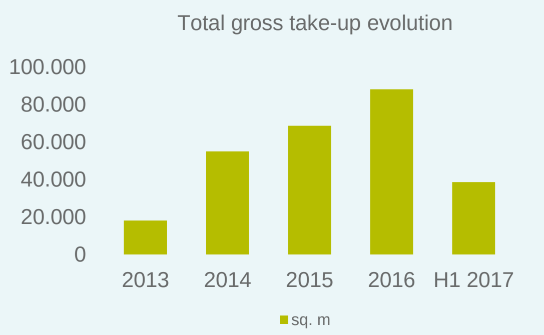
Disclaimer

ROMANIA OFFICE REGIONAL CITIES

INTRODUCTION







693,500 sq. m

Is the modern office stock in the main regional cities

60,000 sq. m

Were delivered outside Bucharest in H1 2017

~ 40,000 sq. m

Is the office leasing activity recorded throughout the 1st half of 2017

~ 7,000 sq. m

Is the largest office deal closed in H1 2017 in a regional market

Technology & Telecommunication Companies

Remain the most active office occupiers outside Bucharest, with 75% of the gross take-up recorded in H1 2017

11 – 15
€/ sq. m/ month

Is the rental level range in the main regional cities for class A office space

Source: C&W Echinox Research H1 2017

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 8&8
April 2016

CLUJ-NAPOCA

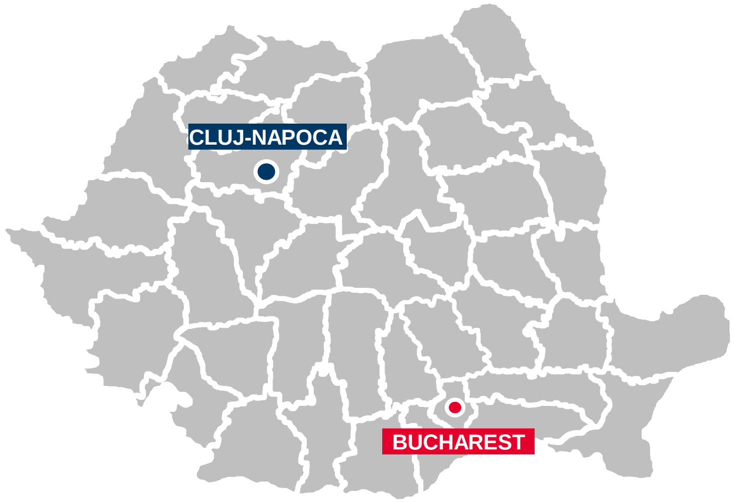
GENERAL INFORMATION

GENERAL INFORMATION

LOCATION	North West Romania
SURFACE (Km²)	179.5
POPULATION*	324,576
INHABITANTS WITH AGES BETWEEN 15 – 49*	57%
UNEMPLOYMENT RATE**	2.1%
AVERAGE MONTHLY NET INCOME (€)**	590
NUMBER OF STUDENTS (2015)	66,534
MAIN UNIVERSITIES	Babes – Bolyai University; The Technical University
MAIN INDUSTRIES	Manufacturing / Technology & Telecom
TRANSPORTATION MEANS	Bus, trolleybus, tram
AIRPORT	Avram Iancu International Airport

**National Institute of Statistics Census 2011*

***National Institute of Statistics May 2017*



2nd Largest city in Romania

by population

2nd University center in Romania

after Bucharest

2nd Largest Airport in Romania

in terms of traffic

2nd Best city in Romania for business

Forbes Best Cities 2016

50% Property taxes reduction

for Green buildings

Among the **top 20** cities in Europe

in terms of air quality

CLUJ-NAPOCA

OFFICE MARKET OVERVIEW

KEY FIGURES

275,000 sq. m of modern office space at the end of H1 2017

30,000 sq. m is the total office demand recorded between 2016 – H1 2017

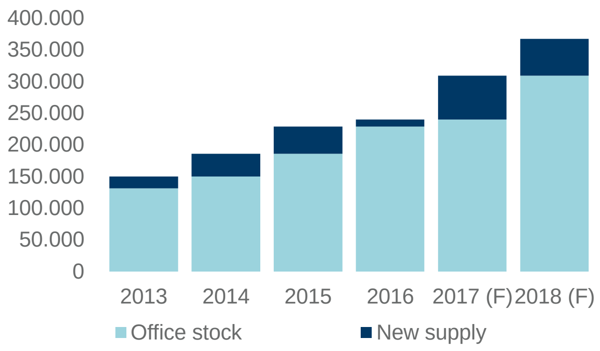
95,000 sq. m of office space planned for delivery between H2 2017 - 2018

3% is the vacancy rate at the end of H1 2017

12 – 14
Headline rent
2 – 3
Service charge
(€/ sq. m/ month)

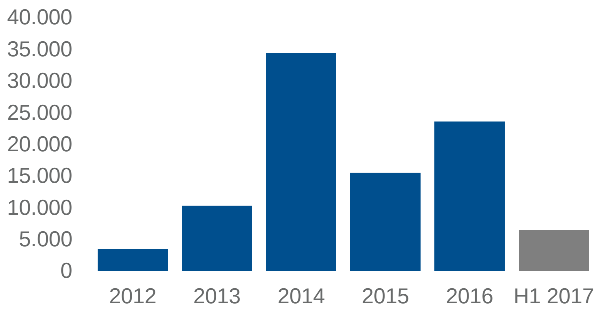
Source: C&W Echinox Research H1 2017

Figure 1
Modern office stock evolution (sq. m)



Source: C&W Echinox Research H1 2017

Figure 2
Gross take-up evolution (sq. m)



Source: C&W Echinox Research H1 2017

Table 1
2016 – 2018 Major office deliveries (sq. m)

Project	GLA (sq. m)	Developer	Year
The Office III	17,000	NEPI	2017
Novis Plaza I	8,000	Transilvania Constructii	2017
United Business Center Riviera I & II	17,000	Iulius Group	2017/2018

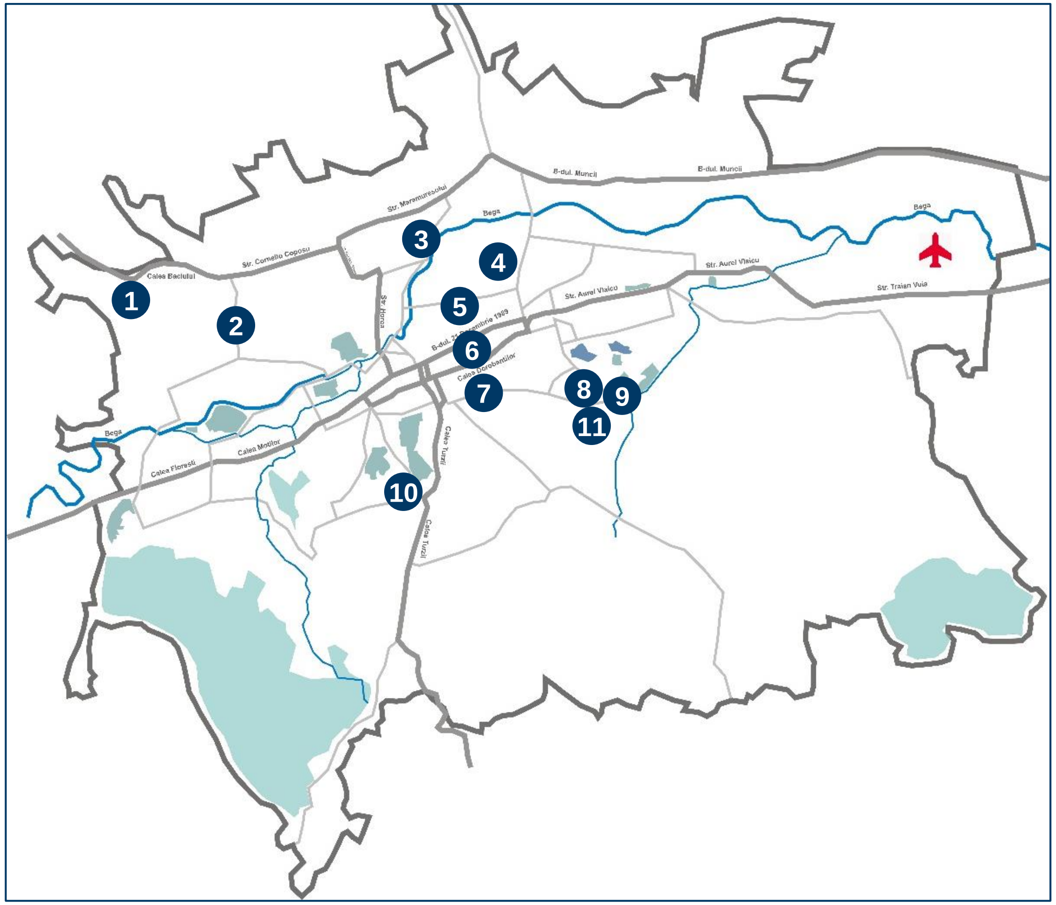
Source: C&W Echinox Research H1 2017

Table 2
2016 – H1 2017 Major office deals (sq. m)

Company	Surface (sq. m)	Project	Deal type
T&T tenant	4,500	Sigma Business Center	New lease
Steelcase	3,000	Maestro Business Center	Renewal / Expansion
T&T tenant	3,000	The Office	Expansion / New lease
HP	1,800	The Office	New lease

Source: C&W Echinox Research H1 2017

MAP - MAJOR OFFICE PROJECTS



LEGEND

MAJOR OFFICE PROJECTS

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

Avram Iancu International Airport

PLANNED / UC OFFICE PROJECTS

11. United Business Center Riviera I & II

MAJOR OFFICE OCCUPIERS

Office DEPOT OfficeMax · endava · SIEMENS · hp · NTT DaTa Global IT Innovator · BT BANCA TRANSILVANIA · IQUEST · e.on · FORTECH. · GENPACT

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

IASI

GENERAL INFORMATION

GENERAL INFORMATION

LOCATION	North-East Romania
SURFACE (Km²)	93.9
POPULATION*	290,422
INHABITANTS WITH AGES BETWEEN 15 – 49*	53%
UNEMPLOYMENT RATE**	4.4%
AVERAGE MONTHLY NET INCOME (€)**	500
NUMBER OF STUDENTS (2015)	54,653
MAIN UNIVERSITIES	Al. I. Cuza University, Technical University Ghe. Asachi
MAIN INDUSTRIES	Manufacturing/ Technology & Telecom/ Pharma
TRANSPORTATION MEANS	Bus, tram, cabs
AIRPORT	Iasi International Airport

**National Institute of Statistics Census 2011*

***National Institute of Statistics May 2017*

4th Largest city in Romania

by population

3rd University center in Romania

after Bucharest and Cluj-Napoca

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

Forbes Best Cities 2016

IASI

OFFICE MARKET OVERVIEW

CUSHMAN & WAKEFIELD Echinox

KEY FIGURES

180,000 sq. m of modern office space at the end of H1 2017

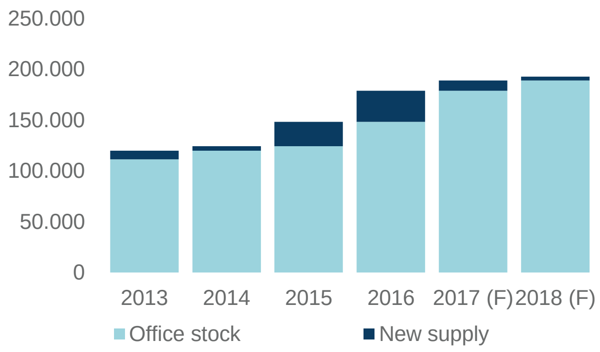
31,300 sq. m is the total office demand recorded between 2016 – H1 2017

14,000 sq. m of office space planned for delivery between H2 2017 - 2018

4% is the vacancy rate at the end of H1 2017

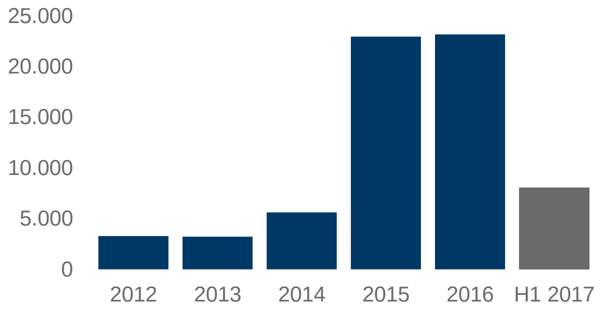
13 – 15
Headline rent
2 – 3.5
Service charge
(€/ sq. m/ month)

Figure 1
Modern office stock evolution (sq. m)



Source: C&W Echinox Research H1 2017

Figure 2
Gross take-up evolution (sq. m)



Source: C&W Echinox Research H1 2017

Table 1
2016 – 2018 Major office deliveries (sq. m)

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: C&W Echinox Research H1 2017

Table 2
2016 – H1 2017 Major office deals (sq. m)

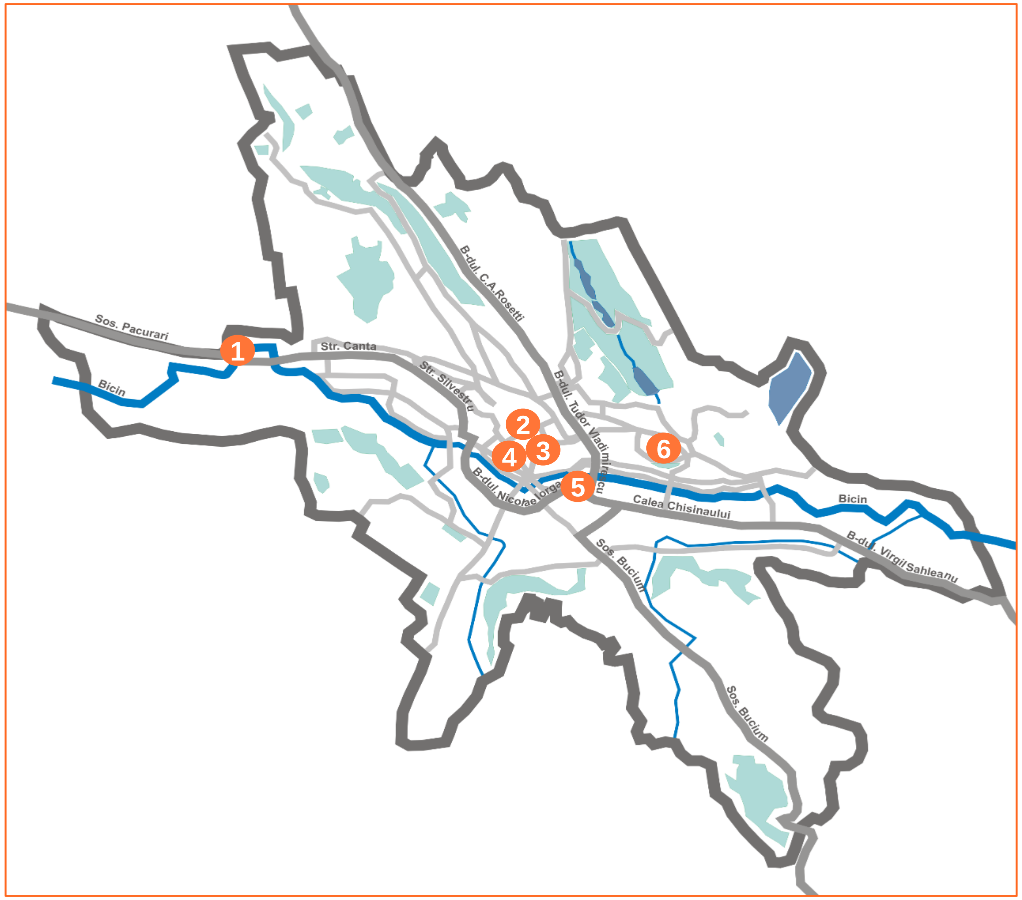
Company	Surface (sq. m)	Project	Deal type
Amazon	13,000	UBC 5	Pre-lease
Bitdefender	2,500	UBC 1	New lease
CRF Health	2,400	Moldova Center	New lease
T&T tenant	2,300	Moldova Center	New lease

Source: C&W Echinox Research H1 2017

IASI
OFFICE MARKET OVERVIEW

CUSHMAN & WAKEFIELD | Echinox

MAP - MAJOR OFFICE PROJECTS



LEGEND

MAJOR OFFICE PROJECTS

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

Iasi International Airport

MAJOR OFFICE OCCUPIERS

UniCredit, amazon, ORACLE, GfK, cegeka, SV Softvision, webhelp, xerox, Bitdefender

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

TIMISOARA

GENERAL INFORMATION

GENERAL INFORMATION

LOCATION	West Romania
SURFACE (Km²)	130.5
POPULATION*	319,279
INHABITANTS WITH AGES BETWEEN 15 – 49*	53%
UNEMPLOYMENT RATE**	1.1%
AVERAGE MONTHLY NET INCOME (€)**	536
NUMBER OF STUDENTS (2015)	39,898
MAIN UNIVERSITIES	Polytechnic University, The West University
MAIN INDUSTRIES	Automotive / Technology & Telecom
TRANSPORTATION MEANS	Bus, trolleybus, tram, cabs
AIRPORT	Traian Vuia International Airport

*National Institute of Statistics Census 2011

**National Institute of Statistics May 2017

3rd Largest city in Romania

by population

4th University center in Romania

after Bucharest, Cluj and Iasi

3rd Largest Airport in Romania

in terms of traffic

Best city in Romania for business

Forbes Best Cities 2016

2nd City in the world illuminated by electric light

after New York

Polytechnic University in Timisoara – one of the largest in CEE

TIMISOARA
OFFICE MARKET OVERVIEW

KEY FIGURES

144,000 sq. m of modern office space at the end of H1 2017

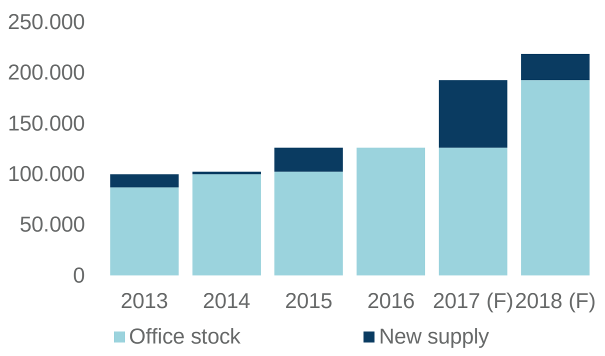
56,200 sq. m is the total office demand recorded between 2016 – H1 2017

90,000 sq. m of office space planned for delivery between H2 2017 - 2018

2% is the vacancy rate at the end of H1 2017

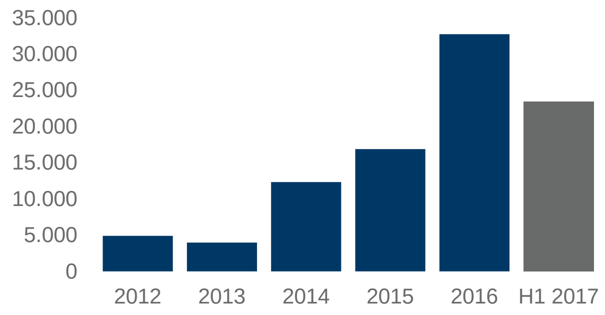
12 – 14
Headline rent
2 – 3.5
Service charge
(€/ sq. m/ month)

Figure 1
Modern office stock evolution (sq. m)



Source: C&W Echinox Research H1 2017

Figure 2
Gross take-up evolution (sq. m)



Source: C&W Echinox Research H1 2017

Table 1
2016 – 2018 Major office deliveries (sq. m)

Project	GLA (sq. m)	Developer	Year
UBC 2	18,000	Iulius Group	2017
UBC 1	13,000	Iulius Group	2017
VOX Technology Park	26,000	VOX Technology Park SRL	2017
ISHO – phase I	16,000	Mulberry Development	2018

Source: C&W Echinox Research H1 2017

Table 2
2016 – H1 2017 Major office deals (sq. m)

Company	Surface (sq. m)	Project	Deal type
Nokia	8,000	Bega Business Park	Expansion
Autoliv	5,000	UBC 2	Pre-lease
ACI	3,500	UBC 2	Pre-lease
Automotive tenant	2,000	Electrotimis Business Park	Expansion

Source: C&W Echinox Research H1 2017

TIMISOARA

OFFICE MARKET OVERVIEW

CUSHMAN & WAKEFIELD | Echinox

MAP - MAJOR OFFICE PROJECTS

LEGEND

MAJOR OFFICE PROJECTS

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

Traian Vuia International Airport

PLANNED / UC OFFICE PROJECTS

6. VOX Technology Park
7. ISHO

MAJOR OFFICE OCCUPIERS

Alcatel·Lucent
SAP
Autoliv
NESS
BOSCH
Microsoft
accenture
Continental

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

BRASOV

GENERAL INFORMATION

GENERAL INFORMATION

LOCATION	Central Romania
SURFACE (Km²)	267.32
POPULATION*	253,200
INHABITANTS WITH AGES BETWEEN 15 – 49*	49%
UNEMPLOYMENT RATE**	3.3%
AVERAGE MONTHLY NET INCOME (€)**	512
NUMBER OF STUDENTS (2015)	21,366
MAIN UNIVERSITIES	Transylvania University, George Baritiu Unviersity
MAIN INDUSTRIES	Manufacturing/ Technology & Telecom/ Pharma
TRANSPORTATION MEANS	Bus, trolleybus, cabs
AIRPORT	Under construction

**National Institute of Statistics Census 2011*

***National Institute of Statistics May 2017*

7th Largest city in Romania

by population

Main industrial hub in the central part of Romania

3rd City in Romania by the number of visitors

in 2016

Member of the European Forum for Urban Security (EFUS) since 2008

6th Best city in Romania for business

Forbes Best Cities 2016

Similar distances to several tourist destinations

Black Sea resorts, Moldavia and Maramures

BRASOV

OFFICE MARKET OVERVIEW

KEY FIGURES

94,500 sq. m of modern office space at the end of H1 2017

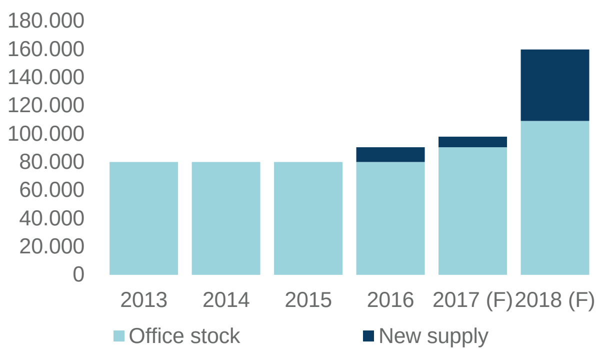
8,500 sq. m is the total office demand recorded between 2016 – H1 2017

51,000 sq. m of office space planned for delivery between H2 2017 - 2018

8% is the vacancy rate at the end of H1 2017

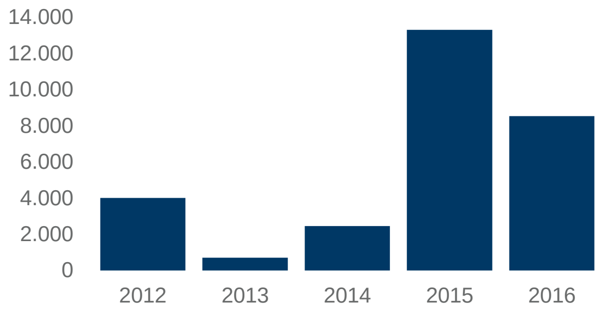
11 – 12
Headline rent
2.5 – 3.5
Service charge
(€/ sq. m/ month)

Figure 1
Modern office stock evolution (sq. m)



Source: C&W Echinox Research H1 2017

Figure 2
Gross take-up evolution (sq. m)



Source: C&W Echinox Research H1 2017

Table 1
2016 – 2018 Major office deliveries (sq. m)

Project	GLA (sq. m)	Developer	Year
Coresi Business Park – L1	8,500	Ascenta Management	2016
Coresi Business Park – N1	7,500	Ascenta Management	2017
AFI Park Brasov I	12,500	AFI Europe	2018
AFI Park Brasov II	12,500	AFI Europe	2018

Source: C&W Echinox Research H1 2017

Table 2
2016 – H1 2017 Major office deals (sq. m)

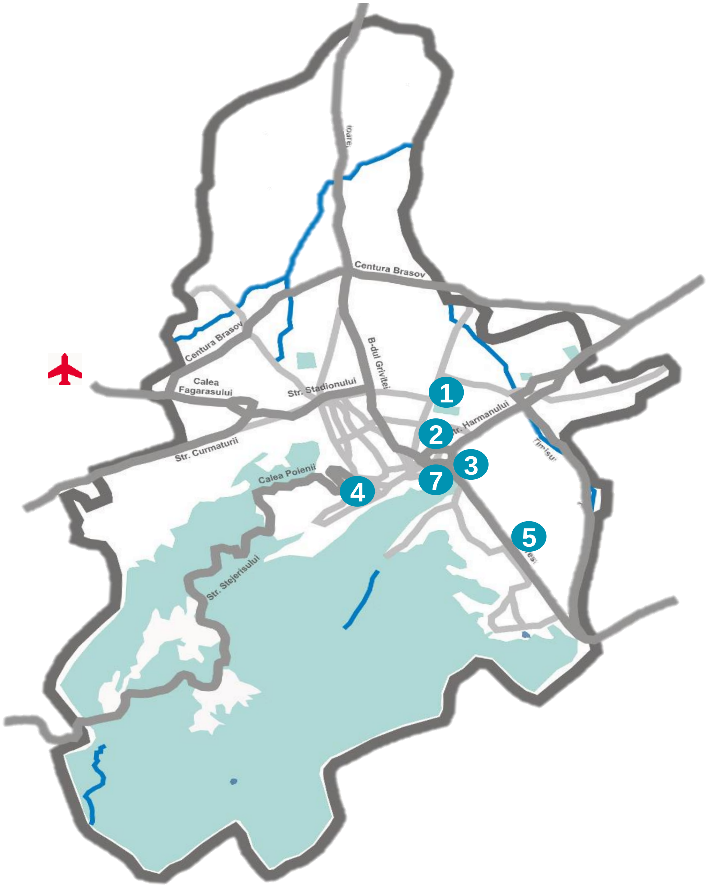
Company	Surface (sq. m)	Project	Deal type
Waters	3,500	Coresi Business Park	Expansion
iQuest	1,700	Coresi Business Park	Pre-lease
Professional Services tenant	1,600	Coresi Business Park	New lease
T&T tenant	750	Brasov Business Park	New lease

Source: C&W Echinox Research H1 2017

BRASOV

OFFICE MARKET OVERVIEW

MAP - MAJOR OFFICE PROJECTS



LEGEND

MAJOR OFFICE PROJECTS

1. Coresi Business Park
2. Brasov Offices
3. Allianz Building
4. Cristiana BC
5. Brasov Business Park

Ghimbav International Airport

PLANNED / UC OFFICE PROJECTS

7. AFI Brasov

MAJOR OFFICE OCCUPIERS

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

ROMANIA OFFICE REGIONAL CITIES

CONCLUSIONS

	Population*	Inhabitants 15 – 49 years*	Unemployment rate (%)**	Average monthly net salary (€)**	No. of students (2015)
CLUJ-NAPOCA	324,576	52%	2.1	590	66,534
IASI	290,422	53%	4.4	500	54,653
TIMISOARA	319,279	53%	1.1	536	39,898
BRASOV	253,200	49%	3.3	512	21,366

**National Institute of Statistics Census 2011*

***National Institute of Statistics April 2017*

	Modern office stock H1 2017 (sq. m)	New supply H2 2017 – 2018 (sq. m)	Gross take-up 2016 - H1 2017 (sq. m)	Headline rents A class (€/sq. m/month)	Headline rents B class (€/sq. m/month)	Service charge (€/sq. m/month)	General vacancy rate
CLUJ-NAPOCA	275,000	95,000	30,000	13 – 15	8 – 11	2 – 3	3%
IASI	180,000	14,000	31,300	12 – 14	8 – 10	2 – 3.5	4%
TIMISOARA	144,000	90,000	56,200	12 – 14	9 – 11	2 – 3.5	2%
BRASOV	94,500	51,000	8,500	11 - 12	7 – 9	2.5 – 3.5	8%

Source: C&W Echinox Research H1 2017

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