



## Office Q4 2023

**14.7%**  
Vacancy Rate

YoY Chg



12-Mo. Forecast



**€22.00**  
Prime Rent, PSQM



**7.25%**  
Prime Yield



### ECONOMIC INDICATORS Q4 2023

**308.8K**  
Bucharest Office Employment

YoY Chg



12-Mo. Forecast



**3.9%**  
Bucharest Unemployment Rate



**5.8%**  
Romania Unemployment Rate



Source: Moody's Analytics

### ECONOMY: Single – digit inflation and slow, but steady economic growth

The inflation rate in Romania continued to decrease and reached single digits in Q3 and Q4 2023 (9.1% and 7.1% respectively), a trend expected to continue in 2024 when levels below 5% are forecasted by year end. The monetary policy rate has remained at 7% for more than a year already, with the National Bank of Romania indicating possible downward movements in H1 2024. The Q3 and Q4 economic growth has been relatively robust (2.8% and 1.7%), especially when compared with most European Union countries, which reported lower or even negative numbers, in very difficult macroeconomic and geopolitical conditions. Moreover, a strong GDP growth ranging between 3 and 3.5% has also been predicted for 2024, an impressive forecast for a year when 4 rounds of elections are due to take place in the country.

### SUPPLY & DEMAND: Robust transactional activity in Q4 and a record year overall

Arghezi 4 (8,000 sq. m GLA) was the only office project delivered in Bucharest in Q4, thus bringing the total 2023 new supply to 110,500 sq. m, the lowest level since 2015. However, the Q4 2023 transactional activity was robust (116,000 sq. m), as the total for the year exceeded 463,000 sq. m (+43% y-o-y), thus setting an all – time annual take-up record in the city, with an increase of 19% compared with the previous record of ~390,000 sq. m set in 2019, the year before the Covid-19 pandemic. However, the net take – up had a share of only 46% in the total leased volume in Q4 (44% across 2023), with a vacancy rate of 14.7% being registered in Bucharest at the end of the year.

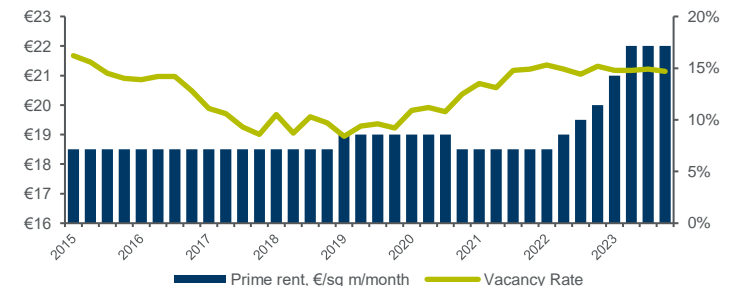
### PRICING: Rents unchanged in Q4

Office rents in Bucharest remained unchanged around the city in Q4, as the prime headline rent in the CBD was still of €22.00/ sq. m/ month. There are only 2 under construction projects in Bucharest amounting to 42,500 sq. m GLA, while the urbanistic issues persist. There is a strong possibility not to register a single office building delivery in 2024 as a direct consequence of those respective issues, with the pipeline post 2024 / 2025 being difficult to predict, without nearing towards an administrative resolution on the short and medium terms at least.

### SPACE DEMAND / DELIVERIES



### BUCHAREST VACANCY & ASKING RENT



# MARKETBEAT BUCHAREST



CUSHMAN &  
WAKEFIELD

Echinox

Office Q4 2023

## MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT RANGE (SQM / MONTH)
CBD	357,300	24,700	6.9%	10,500	29,100	-	-	€20.00 - 22.00
Center	453,000	31,100	6.9%	8,400	65,700	40,500	-	€16.00 - 18.00
Floreasca – Barbu Vacarescu	589,600	41,200	7.0%	45,300	114,400	-	27,500	€15.50 - 17.50
Expozitiei	325,300	93,600	28.8%	3,800	34,500	35,500	-	€15.00 - 16.50
Center - West	614,100	113,100	18.4%	17,000	77,400	34,500	15,000	€15.50 – 16.50
North	182,700	32,600	17.8%	1,200	13,500	-	-	€12.00 - 15.00
Dimitrie Pompeiu	440,700	49,800	11.3%	23,000	101,900	-	-	€11.00 - 13.00
Pipera North	201,300	88,200	43.8%	-	2,400	-	-	€9.00 - 11.00
West	165,900	11,500	6.9%	6,800	13,900	-	-	€12.00 – 13.50
East	51,100	15,700	30.7%	-	4,300	-	-	€9.00 - 12.00
South	41,800	2,900	6.9%	-	6,100	-	-	€9.00 - 12.00
<b>Bucharest (overall)</b>	<b>3,422,800</b>	<b>504,400</b>	<b>14.7%</b>	<b>116,000</b>	<b>463,200</b>	<b>110,500</b>	<b>42,500</b>	<b>€22.00</b>

## KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
Oregon Park C	Floreasca – Barbu Vacarescu	Oracle	20,000	Renewal / Renegotiation
AFI Lakeview	Floreasca – Barbu Vacarescu	Huawei	7,700	Renewal / Renegotiation
West Gate	West	Ericsson	6,800	Renewal / Renegotiation
Floreasca Park	Floreasca – Barbu Vacarescu	Oracle	6,200	Renewal / Renegotiation
The Bridge 2	Center - West	Molson Coors	6,000	Renewal / Renegotiation

## KEY CONSTRUCTION COMPLETIONS Q4 2023

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Arghezi 4	Center	8,000	Strabag Real Estate

## KEY UNDER CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Promenada Offices	Floreasca – Barbu Vacarescu	27,500	NEPI Rockcastle
AFI Loft	Center - West	15,000	AFI Europe

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