



Office Q1 2024

14.4%
Vacancy Rate

YoY Chg



12-Mo. Forecast



€22.00
Prime Rent, PSQM



7.25%
Prime Yield



ECONOMIC INDICATORS Q1 2024

326.2K
Bucharest Office Employment

YoY Chg



12-Mo. Forecast



3.7%
Bucharest Unemployment Rate



6.0%
Romania Unemployment Rate



Source: Moody's Analytics

ECONOMY: Robust growth perspectives, but the inflationary pressures remain

Romania had a robust economic growth of 2.7% in Q1, with solid perspectives for the coming period, as an overall annual rise of around 3% is expected across 2024, an impressive figure considering the general international and local contexts, in a year when 4 rounds of elections are scheduled in the country. However, the inflationary pressures remain, as a 7.3% y-o-y rate was registered in Q1, while a more consistent downward movement should be recorded in H2, with a 4% level forecasted for the end of the year. The monetary policy rate (7%) has not seen any cuts so far, but possible shifts were indicated by the National Bank of Romania and may be operated in May or June.

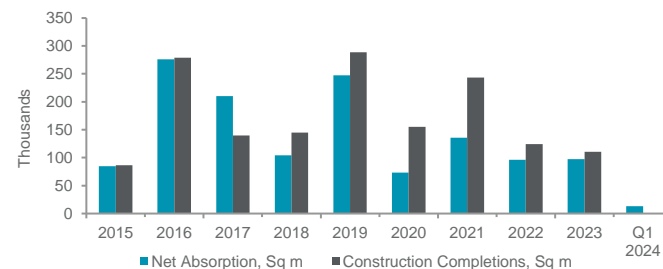
SUPPLY & DEMAND: Consistent leasing activity in Q1, lower share of the net take-up

There was no office project delivered in Bucharest in Q1, while the 2024 pipeline only consists of one 15,000 sq. m building, as the present year will thus benefit from the lowest supply of new office spaces in the past 25 years. However, the Q1 2024 transactional activity was very consistent (91,100 sq. m), corresponding to a significant 63% y-o-y increase. Net take-up had a low share (38%) in the total activity, in line with the trends observed during the past 3 years, as the major tenants preferred to consolidate their operations and renew their contracts in the existing premises. The vacancy rate has slightly decreased to a level of 14.4%, with further compressions expected going forward, mostly on the account of the very limited pipeline.

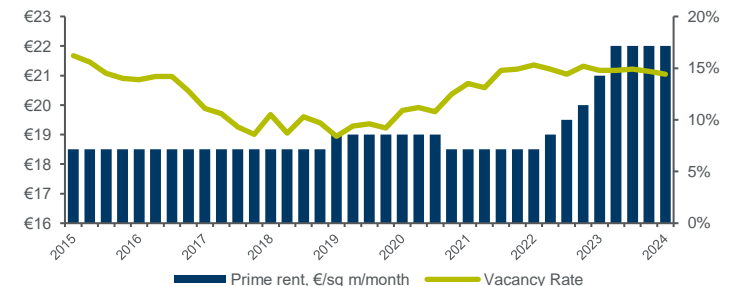
PRICING: Stable rents early on in the year

There has been no significant movement in terms of rental levels in Bucharest at the beginning of 2024, with the prime headline rent in the CBD area remaining at €22.00/ sq. m/ month. The under construction pipeline is fairly limited in the city (88,400 sq. m GLA) and it consists of 3 projects, the largest being the 2nd phase of the Timpuri Noi Square development (50,000 sq. m) which started construction in Q1. A number of other projects are currently under permitting processes, as the development activity may resume at a faster pace from 2026 onwards if a solution is reached in regards to the ongoing urbanistic issues.

SPACE DEMAND / DELIVERIES



BUCHAREST VACANCY & ASKING RENT



MARKETBEAT BUCHAREST



CUSHMAN &
WAKEFIELD

Echinox

Office Q1 2024

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	21,200	5.9%	4,000	4,000	-	-	€20.00 - 22.00
Center	453,000	28,100	6.2%	13,300	13,300	-	50,000	€16.00 - 18.00
Floreasca – Barbu Vacarescu	589,600	40,600	6.9%	10,000	10,000	-	23,400	€15.50 - 17.50
Expozitiei	325,300	82,700	25.4%	12,600	12,600	-	-	€15.00 - 16.50
Center - West	614,100	120,000	19.5%	4,000	4,000	-	15,000	€15.50 – 16.50
North	182,700	32,000	17.5%	2,300	2,300	-	-	€12.00 - 15.00
Dimitrie Pompeiu	440,700	48,400	11.0%	42,900	42,900	-	-	€11.00 - 13.00
Pipera North	201,300	88,200	43.8%	2,000	2,000	-	-	€9.00 - 11.00
West	165,900	11,500	6.9%	-	-	-	-	€12.00 – 13.50
East	51,100	15,700	30.7%	-	-	-	-	€9.00 - 12.00
South	41,800	2,900	7.0%	-	-	-	-	€9.00 - 12.00
Bucharest (overall)	3,422,800	491,300	14.4%	91,100	91,100	-	88,400	€22.00

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
Hermes Business Campus	Dimitrie Pompeiu	Genpact	29,100	Renewal / Renegotiation
Novo Park	Dimitrie Pompeiu	HP	7,000	Renewal / Renegotiation
S - Park	Expozitiei	SAP	5,500	Renewal / Renegotiation
Floreasca Park	Floreasca - Barbu Vacarescu	Goodyear	4,000	New lease

KEY UNDER CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Timpuri Noi Square II	Center	50,000	Vastint
Promenada Offices	Floreasca – Barbu Vacarescu	23,400	NEPI Rockcastle
AFI Loft	Center - West	15,000	AFI Europe

VLAD SAFTOIU

Head of Research

+40 21 310 3100 /

vlad.saftoiu@cwechinox.com

CRISTINA LUPASCU

Director PR & Research

+40 21 310 3100 /

cristina.lupascu@cwechinox.com

cwechinox.com

cushmanwakefield.com

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2024 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.