

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
13.6% Vacancy Rate	▼	▼
€21.00 Prime rent, PSQM	▼	▲
7.25% Prime Yield <i>(Overall, All Property Classes)</i>	▬	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
294.6K Bucharest Modern Office Employment	▼	▲
3.8% Bucharest Unemployment Rate	▲	▲
5.8% Romania Unemployment Rate	▲	▲

Source: Moody's Analytics

ECONOMY: STABLE GDP GROWTH, MIXED OVERALL PERFORMANCE

The y-o-y GDP growth in Romania remained stable in Q1 (1.8%), with a projected yearly spike of 1.6% in 2025 (vs. 1.2% in 2024). However, the retail sales growth pace decelerated significantly at the beginning of the year (2.3% y-o-y), in an international economic context characterized by increased volatility which may continue going forward. Inflation is still among the highest in the European Union at 4.6%, with a downward movement to around 4% being forecasted by year-end. The National Bank of Romania has not operated any key interest rate cuts in the past 8 months (the benchmark is currently at 6.50%), with the next movements expected to take place after the presidential election in May.

SUPPLY & DEMAND: DEMAND DECLINE IN EARLY 2025

A gross take-up of 51,300 sq. m was registered in Bucharest in Q1 2025, corresponding to a y-o-y decrease of 44%, but demand is forecasted to accelerate starting from H2, when a series of major deals are due to signed. The net take-up had a share of 64% in the Q1 demand (the highest such share since Q1 2022), while the vacancy rate in Bucharest continued its downward trend, reaching 13.6% (the lowest level since Q2 2021). This indicator is expected to further decrease, as no large or medium - sized office building is due for completion in 2025, while the overall under construction pipeline in Bucharest is relatively low (132,300 sq. m GLA) and most projects are slated for completion in 2026 and 2027.

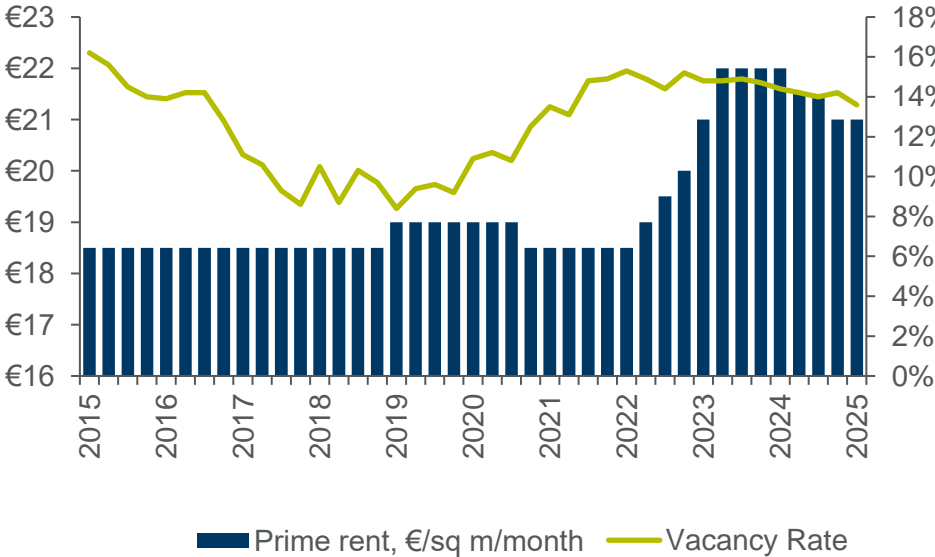
PRICING: NO RENTAL MOVEMENTS IN Q1

The prime rents Bucharest remained stable in Q1, between €20.00 - 21.00/ sq. m/ month in CBD, while the benchmarks for other submarkets ranged between €15.00 - 18.00/ sq. m/ month and €9.00 - 13.50/ sq. m/ month in central/ semi - central and peripheral locations. A limited rental growth is expected by the end of the year, especially in the more landlord - favorable submarkets such as CBD or Center, areas with very low vacancy rates and with different profiles than the other more tenant - dominant parts of the city.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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	17,000	4.8%	17,400	17,400	-	-	€20.00 - 21.00
Center	453,000	17,900	4.0%	6,800	6,800	-	55,000	€16.00 - 18.00
Floreasca - Barbu Vacarescu	589,600	52,200	8.9%	13,000	13,000	-	26,700	€15.50 - 17.50
Expozitiei	325,300	83,400	25.6%	4,600	4,600	-	-	€15.00 - 16.50
Center - West	629,100	124,700	19.8%	6,400	6,400	-	30,000	€15.50 - 17.50
North	192,700	30,300	15.7%	1,700	1,700	-	-	€12.00 - 15.00
Dimitrie Pompeiu	440,700	38,000	8.6%	1,200	1,200	-	20,600	€11.00 - 13.00
Pipera North	183,000	69,600	38.0%	200	200	-	-	€9.00 - 11.00
West	165,900	19,500	11.8%	-	-	-	-	€12.00 - 13.50
East	51,100	10,700	20.9%	-	-	-	-	€9.00 - 12.00
South	41,800	2,500	6.0%	-	-	-	-	€9.00 - 12.00
Bucharest (overall)	3,429,500	465,800	13.6%	51,300	51,300	-	132,300	€21.00

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
The Mark	CBD	Deloitte	7,600	Renewal / Renegotiation
Green Court A & C	Floreasca - Barbu Vacarescu	Banca Transilvania	4,800	Expansion
The Mark	CBD	WPP	4,500	Renewal / Renegotiation
Central Business Park	Center	Provident	2,700	Renewal / Renegotiation

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / € PSQM
Victoria Center	CBD	Manova Partners / Solida Capital	8,600	€28 - 30 M / €3,256 - 3,488

KEY UNDER CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Timpuri Noi Square II	Center	55,000	Vastint
ARC Project	Center - West	30,000	PPF Real Estate
Promenada Offices	Floreasca - Barbu Vacarescu	23,400	NEPI Rockcastle
One Technology District	Dimitrie Pompeiu	20,600	One United Properties

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