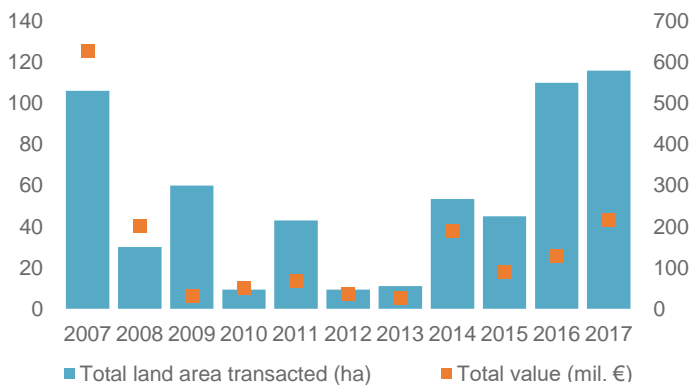




**Overview**

The total land area transacted in Bucharest during 2017 was of 116 ha, the highest volume recorded in the last ten years. In terms of value, land transactions amounted to € 216 mil., which represents an increase of 69% compared to the previous year. Some of the largest acquisitions were performed by local investors, such as ERES, DVD Residential Imobiliare, Eden Capital Development, Impact and Exigent Development, which along other local developers contributed to almost 51% of the total volume transacted.

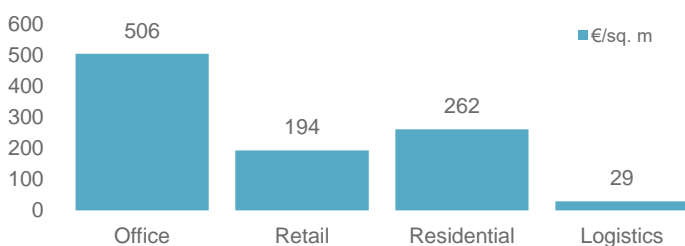
Figure 1  
**Land transactions dynamic**



Source: C&W Echinox Research

The most expensive sites were acquired for office development, followed by residential and retail segments. With transaction prices ranging between 25 €/sq. m and 1,700 €/sq. m, the average price was of 186 €/sq. m, compared to an average 115 €/sq. m in 2016.

Figure 2  
**Average price paid by development destination**

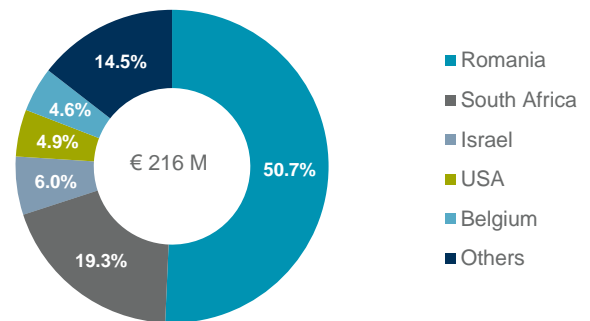


Source: C&W Echinox Research

**Demand**

While local investors focused mainly on sites suitable for residential development, foreign investors, such as GTC, Atenor and Globalworth have secured positions for new office projects in the northern and western parts of the city. With a total transaction value worth of € 110 mil., the Romanian investors were the most active, being followed by South African and Israeli investors.

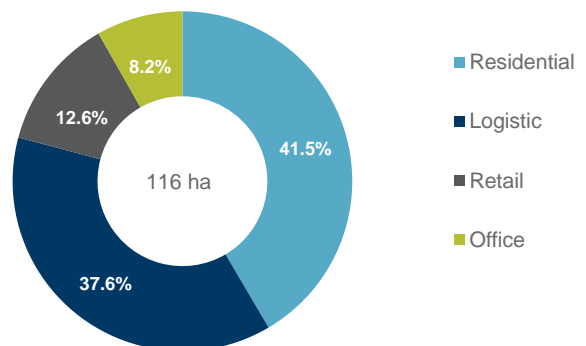
Figure 3  
**Transactions' value breakdown by investors' origin**



Source: C&W Echinox Research

Sites summing up app. 48 ha were transacted for residential projects. When developed, these sites will be the ground for 10,000 – 15,000 new residential units.

Figure 4  
**Land area transacted by development destination**



Source: C&W Echinox Research

Sites for residential projects have been transacted in all parts of the city, but the northern area of Bucharest was the most sought-after, as developers have tried to position their projects closer to the main office hubs, in order to meet the needs of the young professionals working there.

When it comes to the office segment, the five transactions concluded in 2017 ensure a pipeline for app. 200,000 sq. m of new office space to be delivered within the 2019 – 2021 period.

The most important transactions involving sites suitable for retail projects were two former factories – Policolor and Industria lutei – which were acquired for the development of a retail park and respectively a DIY store.

A1 highway remains the most attractive area for the logistics segment, since CTP and P3, two of the major owners and developers, decided in 2017 to strengthen their position through new land acquisitions. To the north, close to Chitila, the Polish group MLP decided to re-enter the local market through the acquisition of an 18.8 ha site, suitable for the development of an 80,000 sq. m logistics project.

Map 1

**Bucharest – 2017 Land transactions**



Source: C&W Echinox Research

**Outlook**

The perspective on the Bucharest land market remains positive, but the number of large sites inside the city, with utilities and public transportation nearby started to lessen.

Vacancy rates for office, retail and logistics properties continued to decrease during 2017, reflecting a sustainable demand from the occupiers. The office pipeline for the following two years is consistent, with more than 500,000 sq. m being planned for delivery.

The north – west part of the city can absorb a new major retail scheme, several sites being available in the area. In the same time, big box operators are still looking for options to increase their presence in Bucharest.

The residential market is very dynamic, with prices on a positive trend. In the Bucharest – Ilfov area, 9,533 new residential units were delivered during 2017, reflecting a 5% decline compared to the previous year. But, the market will probably pick-up in the following period, since local authorities released building permits for almost 2.5 mil. sq. m of new residential spaces during 2017, an increase of 40% compared to the previous year.

Table 1

**2017 Major land transactions**

Purchaser	Size (sq. m)	Location	Destination
ERES	120,000	Pallady	Retail
DVD Residential	27,500	Domenii	Residential
Globalworth*	10,500	Gara Herastrau	Office
Eden Capital – Novum Invest	28,000	Plevnei	Residential
Impact	23,000	Expozitiei	Residential
GTC	15,000	Expozitiei	Office
Atenor	11,600	Expozitiei	Office
Globalworth – Elgan Group	57,000	Preciziei	Office
H4L Development	63,000	Militari	Residential
MLP Group	188,000	Chitila	Logistics

Source: C&W Echinox Research, \*two sites in the same area

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