

ROMANIA Office Market Snapshot First Quarter | 2019



Overview

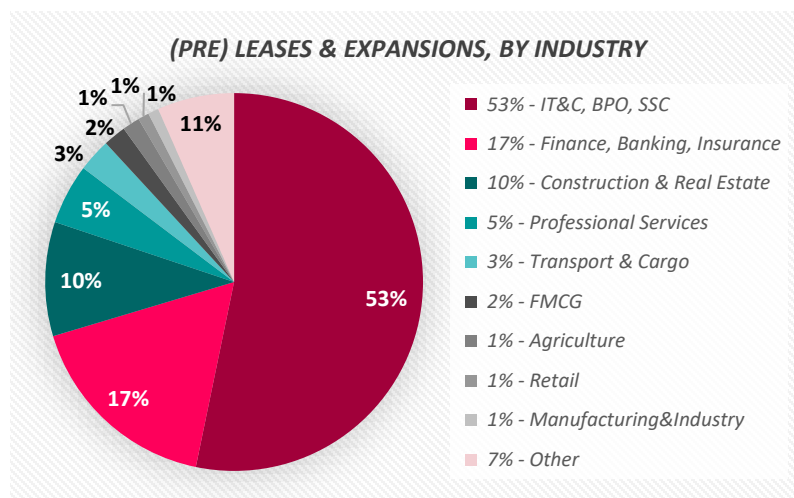
In the first quarter of 2019, the total stock of office space in Bucharest exceeded 3 million sqm. In terms of new supply, three office projects were completed, with a total GLA of 92,000 sqm. Demand continued to be strong, with pre-letting activity accounting for 35% of the total volume transacted. Prime rents are expected to remain stable going forward.

Occupier focus

In Q1 2019, demand for modern office space in Bucharest was of 107,000 sqm. Net take-up represented 79% from the total volume recorded and consisted mainly of pre-leases and new operations. West and north areas attracted the largest share – approx 80% of the net take-up. The most active occupiers were companies from Technology and Telecommunications sector – 53% from the total take-up, followed by companies from Financial sector.

Main transactions in Q1 2019

Tenant	Size (sq m rented)	Property
Sparkware	4.700	Business Garden
Spaces	3.700	Tiriac Tower
New Work Offices	2.800	Afi Tech Park
Thales	2.500	Orhideea Towers
Consignor	2.000	Victoria Center
Peli Filip	1.800	Equilibrium
BRD Asigurari de Viata	1.700	ONE Victoriei Center
Contexpert	1.200	Equilibrium
OSF	1.168	Business Garden
Satinor Technology	1.100	OB Panduri
Ludan Engineering	1.067	Afi Tech Park I
Sustainlytics	1.006	Unirii View



Outlook

By the end of 2019, over 300,000 sqm of modern office space is forecasted to be completed. Due to the high number of office projects under development, rental levels are forecasted to remain stable. Demand for quality office space is projected to follow the same positive trend going forward.

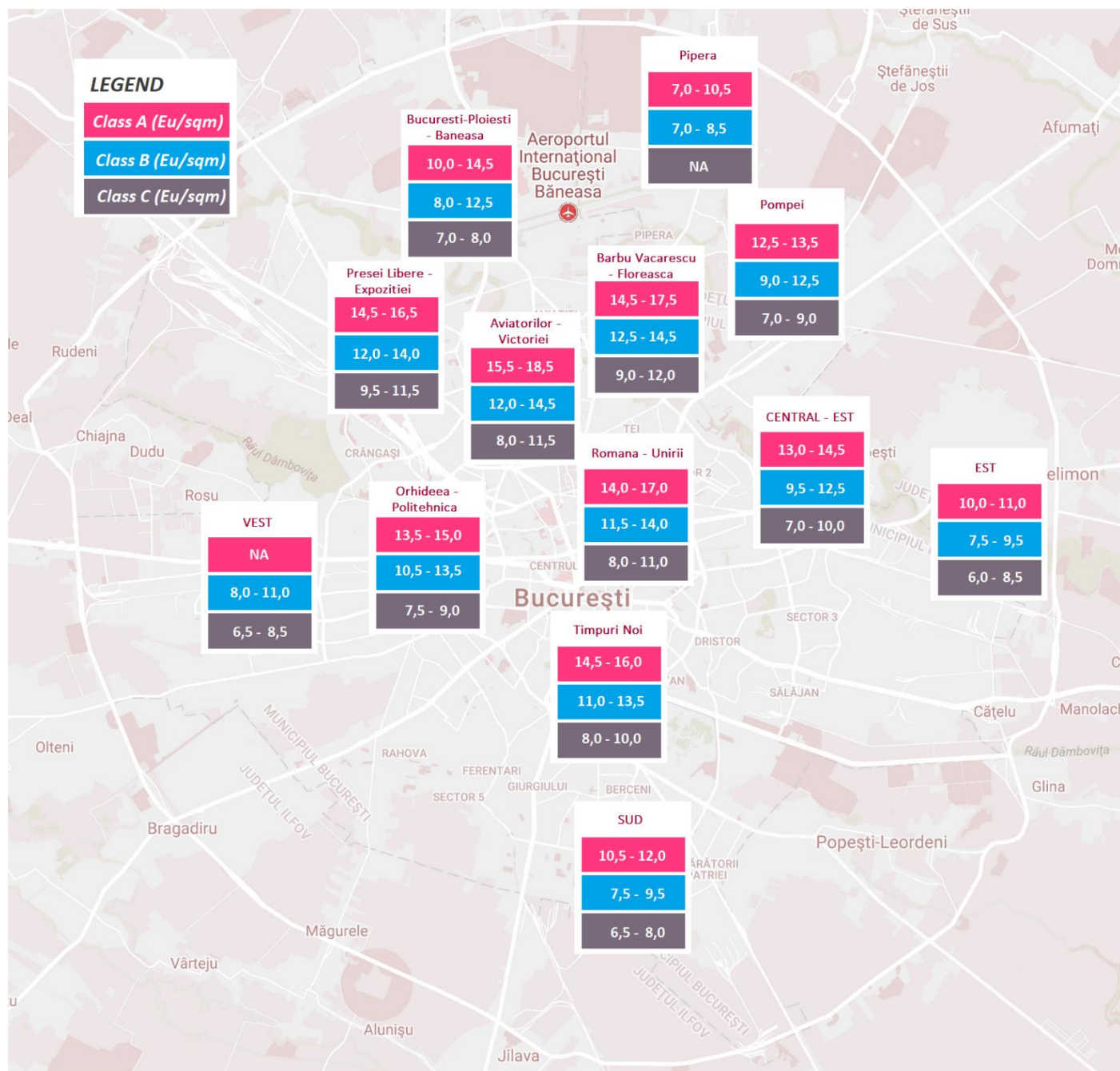
Main Projects to be delivered in 2019

Area	Project Name	Delivery	Surface (sqm)	Location
CENTRAL-NORTH	Globalworth Campus - Bldg. C	S1 2019	28.000	Pompei
	Oregon Park - Bldg. C	S1 2019	24.000	Barbu Vacarescu
	Expo Business Park	S2 2019	38.300	Expozitiiei
	Equilibrium - Phase I	S2 2019	20.600	Barbu Vacarescu
CENTRAL-WEST	Business Garden Bucharest	S1 2019	43.000	Grozavesti
	The Bridge II	S1 2019	20.200	Grozavesti
	The Light - Phase I	S2 2019	20.950	Politehnica
	Sema Parc - Bldg. Berlin	S2 2019	15.700	Splaiul Independentei
ULTRACENTRAL	Oscar Rosetti	S1 2019	7.500	Dacia
	Oscar Mendeleev	S1 2019	6.300	Romana
	Mosilor Office Building	S1 2019	4.400	Dacia
	H Victoriei 109	S2 2019	6.700	Victoriei

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The main Bucharest office areas benchmark





ESOP Relocation or Renewal process targets

Preserve the best PRICE/QUALITY ratio that the market can provide.

- understand the market
- take an informed decision (irrespective if to GO or STAY in current offices)



Improve EMPLOYEES' comfort, if the market allows in a sustainable manner such improvement

- The working environment is an essential element for any employee, especially in times when there is a pressure on the labor market.
- New air conditioning equipment's from new office projects has significantly increased employee satisfaction and reduced discomfort.

The OFFICE SPACE is a tool for the management to cultivate the STABILITY OF THE TEAM and GROWTH perspectives

- make sure that most employees are happy with the standard of work, location and communication within the firm
- there will always be a competition for talented employees, the workspace is one of the important tools.

The market best practice and our recommendations

1. If you want to get the best market PRICE/QUALITY ratio, take your time to properly run the relocation process
 - ✓ in this way you benefit for the best opportunity on the market
 - ✓ the sooner you start the information and searching process, the more you keep the benefits of your side and having a strong negotiation position.
2. If you want to stay in the current location, run the relocation process as if you wanted to move 100%. Make it not fake it.
 - ✓ in this way you empower your negotiation position with current landlord
 - ✓ running this process helps a company to be in a position to make an informed and assumed decision
3. Run relocation or renewal process through ESOP:
 - ✓ 17 years market practice, entrepreneurial approach, cost - efficient attitude.
 - ✓ access to market practice and similar transactions carried over time and currently
 - ✓ over 700 business centers in our the largest property database in Bucharest



REFERENCES

<p>Harman Romania</p> <ul style="list-style-type: none"> • 10.000 sqm • Metrooffice - Bucharest • Pre-lease and enter Romania Market 	<p>1 and 1 Romania</p> <ul style="list-style-type: none"> • 3.500 sqm • Sky Tower - Bucharest • Relocation from Non-Competitive Stock
<p>Hella Romania</p> <ul style="list-style-type: none"> • 4.000 sqm • City Business Center - Timisoara • Pre-lease and relocation from Non-Competitive Stock 	<p>Medlife</p> <ul style="list-style-type: none"> • 2.300 sqm • Victoriei BC - Bucharest • Relocation from Non-Competitive Stock
<p>Hella Romania</p> <ul style="list-style-type: none"> • 5.000 sqm • EBP - Craiova • Pre-lease and relocation from Non-Competitive Stock 	<p>Beller Soft</p> <ul style="list-style-type: none"> • 1.250 sqm • Timpuri Noi Square - Bucharest • Relocation from Non-Competitive Stock
<p>Lukoil Technologies</p> <ul style="list-style-type: none"> • 4.300 sqm • Aviatiei BC - Bucharest • Relocation from Non-Competitive Stock 	<p>Ludan Engineering</p> <ul style="list-style-type: none"> • 1.250 sqm • AFI Tech Park - Bucharest • Pre-Leasing from Non-Competitive Stock

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ESOP, established in 2002, is a **trustworthy reference name** on the Romanian real estate market, among the **top 5 consultancy companies** on the commercial segment, and the **no. 1 local brand on the office segment**, having mediated the lease of over 120.000 sqm offices within the last 3 years.

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