

# BUCHAREST OFFICE MARKET UPDATE Q3 2022

## OVERVIEW

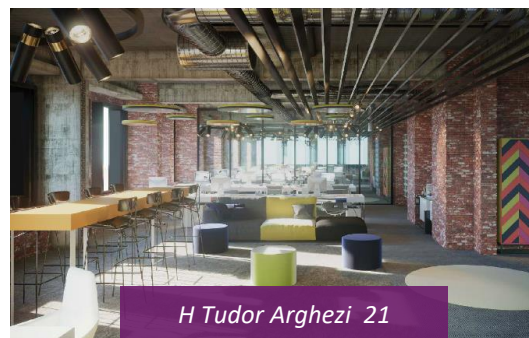
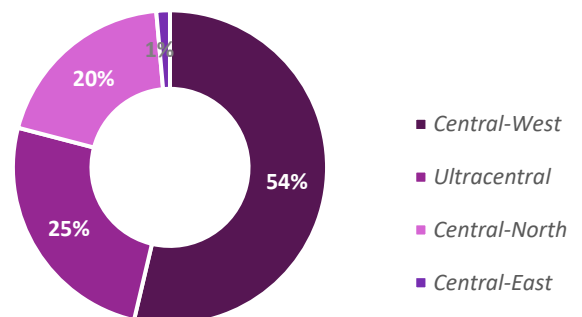
- *The third trimester of 2022 in the office market in Bucharest is distinctive by the **large proportion of lease contract renewals in current spaces**, adding up to almost half of the total leased area.*
- *Professional Services was the most active industry in the 3<sup>rd</sup> quarter, with **37% of the transactions**, after the first half of the year was dominated by the IT&C industry, with 23%.*

## OFFICE SPACE DELIVERIES

Within the third quarter of 2022, only **one office building** was completed in Bucharest. The building, named **H Tudor Arghezi 21**, has almost 7,000sqm and is a complete renovation and reconversion project in the downtown area by HAGAG Development Europe. Having an exceptional position, right next to Universitatii Square, it offers modernly designed office spaces.

Up to now in 2022, within the first 9 months, there **were delivered over 109,000 sqm** in 8 buildings, namely **37% less office spaces than the prior year**. In terms of location, **more than half** of the new office spaces delivered till now in 2022 were situated in the Central-West area, followed by the Central-North area, with 25% of the spaces.

Office space deliveries in Q1-Q3 2022, by AREA



H Tudor Arghezi 21



## Main Projects Delivered within the first 9 months of 2022, by AREA

Area	Project Name	Delivery	Surface (sqm)	Location
CENTRAL-NORTH	@EXPO - Building B1	Q1 2022	11,000	Piata Presei
CENTRAL-NORTH	@EXPO - Building B2	Q1 2022	10,000	Piata Presei
DOWNTOWN	Tandem	Q1 2022	21,000	Universitate
CENTRAL-WEST	Sema Parc - London	Q1 2022	21,500	Splaiul Independentei
CENTRAL-WEST	Sema Parc - Oslo	Q1 2022	10,000	Splaiul Independentei
CENTRAL-WEST	Afi Tech Park 2	Q2 2022	26,000	Razoare
<b>DOWNTOWN</b>	<b>H Tudor Arghezi</b>	<b>Q3 2022</b>	<b>6,800</b>	<b>Universitate</b>

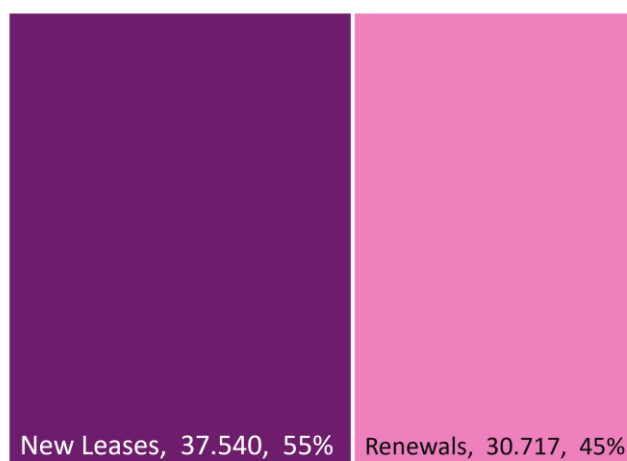
## OCCUPIER FOCUS

In Q3 2022 in Bucharest, a total area of **68,257sqm of modern office spaces was rented**, out of which **45% was represented by the extension of the lease contracts** in the current premises and **55% by the rent of new surfaces** (newly contracted offices and expansions in existing ones).

The most sought-after area was **the Center-West, with 53%** of the companies' preferences while relocating, followed by the **Central-North area with 31%**.

The most active tenants were companies in the **Professional Services sector with 37%** of the newly leased area, followed by companies in the **IT & Communication sector, with 31%** of the leased area.

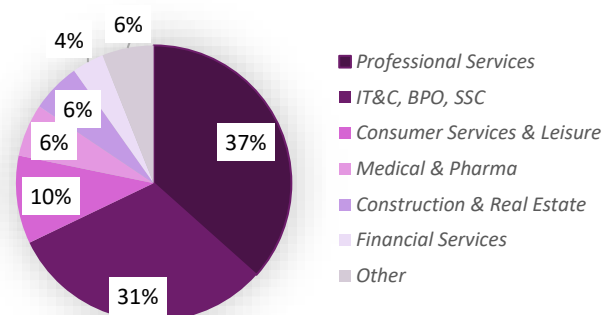
Transactions in Q3 2022, by Type



## Main Transactions in Q3 2022

Tenant	Size Rented (sqm)	Building
<b>Infineon</b>	2,500	Novo Park
<b>HCL</b>	1,690	Timpuri Noi Square
<b>ON Air Entertainment</b>	1,600	The Bridge
<b>Funcom</b>	1,330	America House
<b>SunWave Pharma</b>	1,300	Floreasca Park

(Pre) Leases & Expansions, by Industry



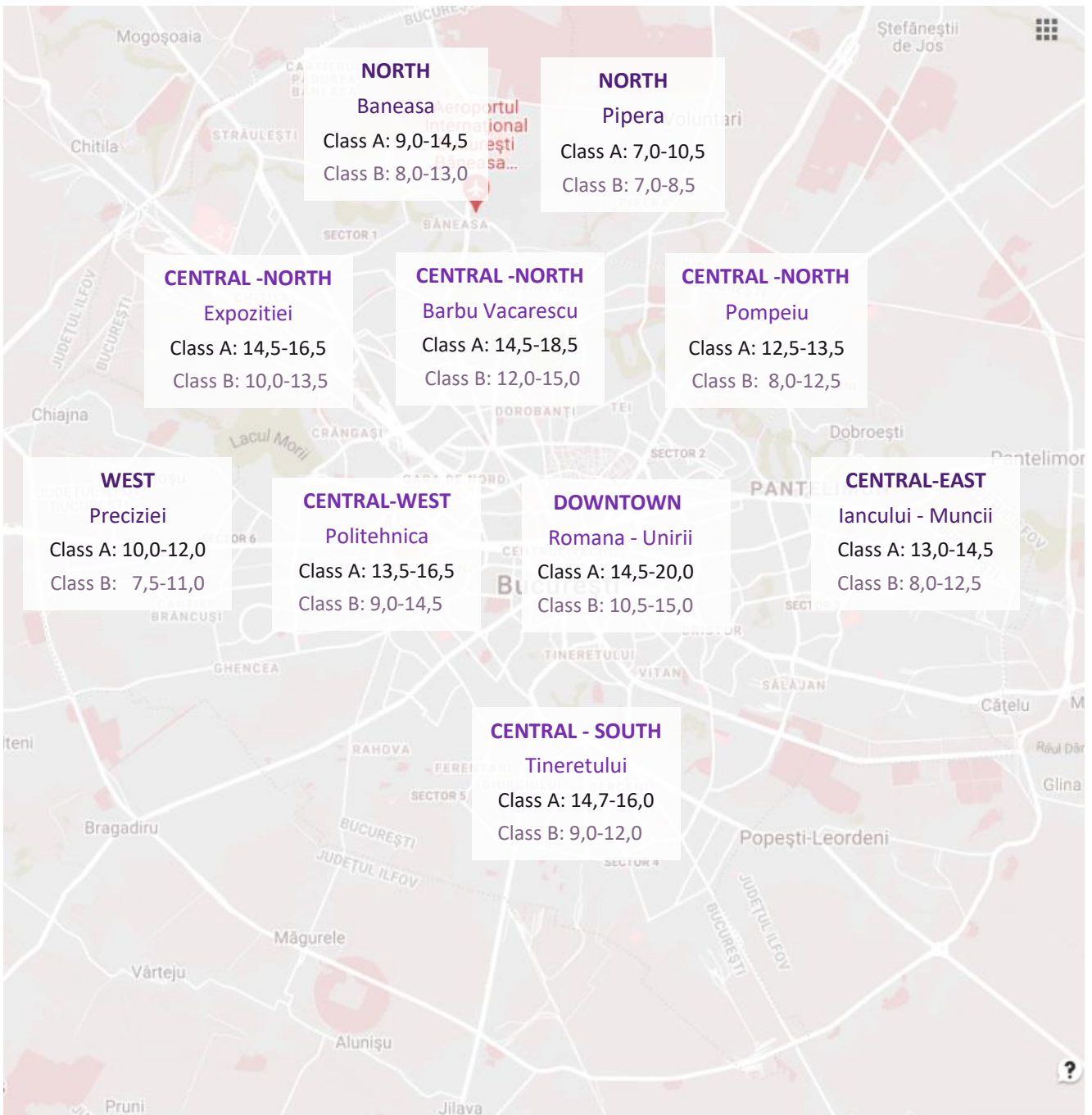
# OUTLOOK

By December 31, 2022, 3 new office buildings are expected to be completed, with a total surface of over 43,000 sqm.

There is still a significant number of employees preferring to work from home, especially in IT & C companies. Yet transaction level is expected to gain momentum, as last quarter of the year is historically speaking an active one.

Also, more companies implement various manners of hybrid working systems, implying return to the office in average 2-3 days per week.

*The map shows the rent levels in the main business areas. During the year, some adjustments might take place due to the negotiations between the tenants and the landlords.*





# ESOP Partners in Time



Company: **HARMAN**

Field of activity: Automotive  
 Surface: 10.000 sqm  
 Building: Metroffice  
 City: Bucharest



Company: **HELLA Romania**

Field of activity: Automotive  
 Surface: 4.000 sqm  
 Building: City BC  
 City: Timisoara



Company: **HELLA Romania**

Field of activity: Automotive  
 Surface: 5.800 sqm  
 Building: Electroputere BP  
 City: Craiova



Company: **UP Romania**

Field of activity: Business Services  
 Surface: 2.400 sqm  
 Building: U Center  
 City: Bucharest



Company: **IDEMIA Romania**

Field of activity: IT & C  
 Surface: 4.030 sqm  
 Building: Berlin Bldg.-Sema  
 City: Bucharest



Company: **1 & 1 Internet Development**

Field of activity: IT & C  
 Surface: 3.500 sqm  
 Building: Sky Tower  
 City: Bucharest



Company: **TRACTEBEL Engineering**

Field of activity: Profess. Services  
 Surface: 1.620 sqm  
 Building: Expo BP  
 City: Bucharest



Company: **LUDAN Engineering**

Field of activity: Profess. Services  
 Surface: 1.100 sqm  
 Building: AFI Tech Park I  
 City: Bucharest



Company: **SNC LAVALIN Romania**

Field of activity: Profess. Services  
 Surface: 1.150 sqm  
 Building: Hermes Campus  
 City: Bucharest

# About ESOP Consulting | CORFAC International

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 100.000 sqm offices within the last 3 years.

Starting 2013, ESOP is the Romanian affiliate of **CORFAC International** a leading network of **independently-owned, entrepreneurial real estate firms** that partner to deliver quality and experienced service **locally, nationally, and internationally**. CORFAC members have expertise in office, industrial and retail brokerage, investment sales, multifamily, self-storage, acquisitions and dispositions, property management and corporate services. Through **80 offices worldwide**, CORFAC covers 46 US markets, 6 in Canada and 27 international markets including **Australia, Colombia, France, Germany, Ireland, Israel, Italy, Mexico, Romania, Russia, South Africa, South Korea, Switzerland and the United Kingdom**. What CORFAC stands out for is its members' commitment in delivering reliable solutions, within a creative, trustworthy and highly customized process. **Fact Sheets – over 10.000 transactions** annually, encompassing **600 mil. sq feet** and valued at more than **\$9.2 billion**.



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