



**BUCHAREST OFFICE**



**MARKET  
BEGINNING OF 2023**



*Locally Owned. Globally Connected.*



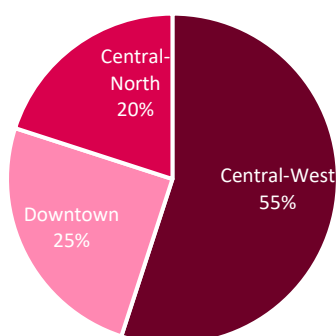
# SYNOPSIS

- **107,000 sqm of office spaces delivered in 2022, 60% less than in 2021 and almost 50% less than the average 5 years deliveries**
  - ✓ Over **93%** of spaces were delivered in the **1st Semester** (approximately 100,000 sqm)
  - ✓ **90%** of the new spaces are in office buildings that are part of **business parks**
  - ✓ **For 2023 and 2024**, compared to the previous years, reduced deliveries are currently: **153,000 sqm and respectively 115,000 sqm**
- **The total level of transactions, (Pre)Leases and Renewals, registered a slightly higher level than in 2021, representing a 5% increase compared to 2021 and a 7.5% increase compared to the last 5 years average**
  - ✓ Most transactions closed **within Center-West and Center-North areas, adding up to 69%** of the net take-up
  - ✓ **IT&C, BPO, and SSC field remains the most active**, but it registers a downward trend, having a market share of 23% in 2022 compared to 26% in 2021, 30% in 2020 and 50% in 2019.
- **Rent levels remained relatively stable in terms of headline rent**, especially on A class office buildings situated within the central areas. Depending on the location, a slight decrease with up to 1E/sqm was registered in terms of net effective rent (considering the incentives like the rent-free periods and fit-out contributions).

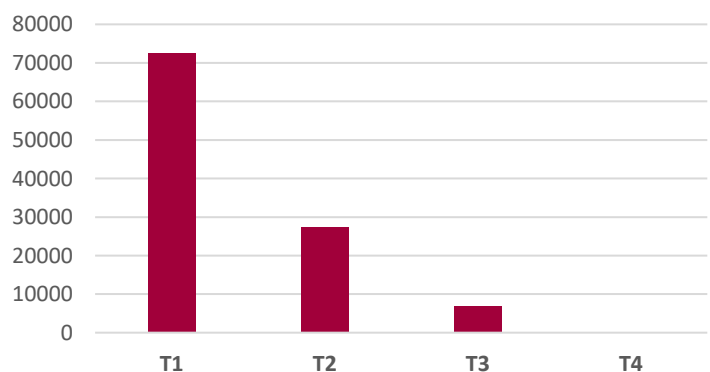
# THE OFFER

In 2022, 107,000 sqm of office space were delivered in Bucharest, 43% less than the estimate made at the beginning of the year. This represents a decrease of approx. 60% compared to the level of the previous year, when 263,000 sqm were delivered.

DELIVERIES IN 2022, BY AREA



DELIVERIES IN 2022, BY QUARTER



Over 93.5% of spaces were delivered in the first half of the year, the first quarter recording the highest share, while in the last 6 months only one office building being delivered.

Most of the office buildings delivered in 2022 were grouped in the **Center-West area**, with 55% of the total area, 25% more than in 2021. The other areas where office buildings were completed were the **Downtown area with 25% of the deliveries and the Center North with 20%**.

The spaces in **multi-building / business park type projects** represented 90% of the deliveries.

## The Main Projects Delivered in 2022 in Bucharest

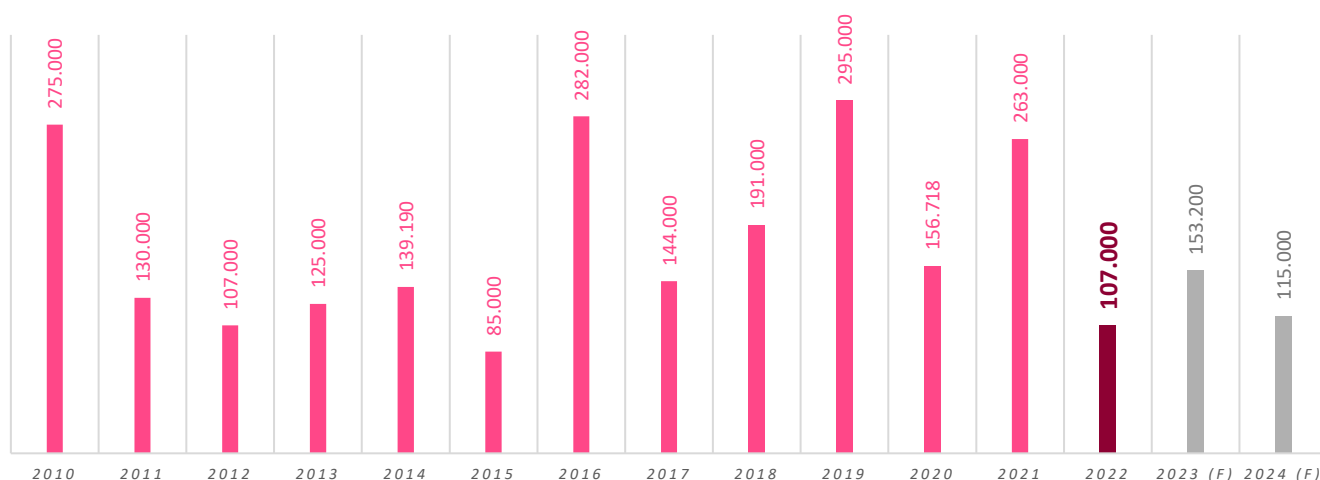
DELIVERY	PROJECT NAME	SURFACE (sqm)	AREA	LOCATION
Q1 2022	@Expo – Buildings B1 si B2	21,400	CENTRAL-NOTH	Piata Presei
	Sema Parc –London Building	21,350	CENTRAL-WEST	Grozavesti
	Tandem Building	19,700	DOWNTOWN	Universitate
	Sema Parc – Oslo Building	10,200	CENTRAL-WEST	Grozavesti
Q2 2022	Afi Tech Park 2	24,500	CENTRAL-WEST	Razoare
Q3 2022	H Tudor Arghezi	7,000	DOWNTOWN	Batistei

An increasingly noticeable trend in the design of office buildings is the attention paid by developers to the integration of generous areas of terraces and outdoor courtyards, versatile areas ideal for informal activities.



## Estimated Deliveries for 2023 - 2024

EVOLUTION OF THE ANNUAL OFFICE DELIVERIES BETWEEN 2009 - 2024



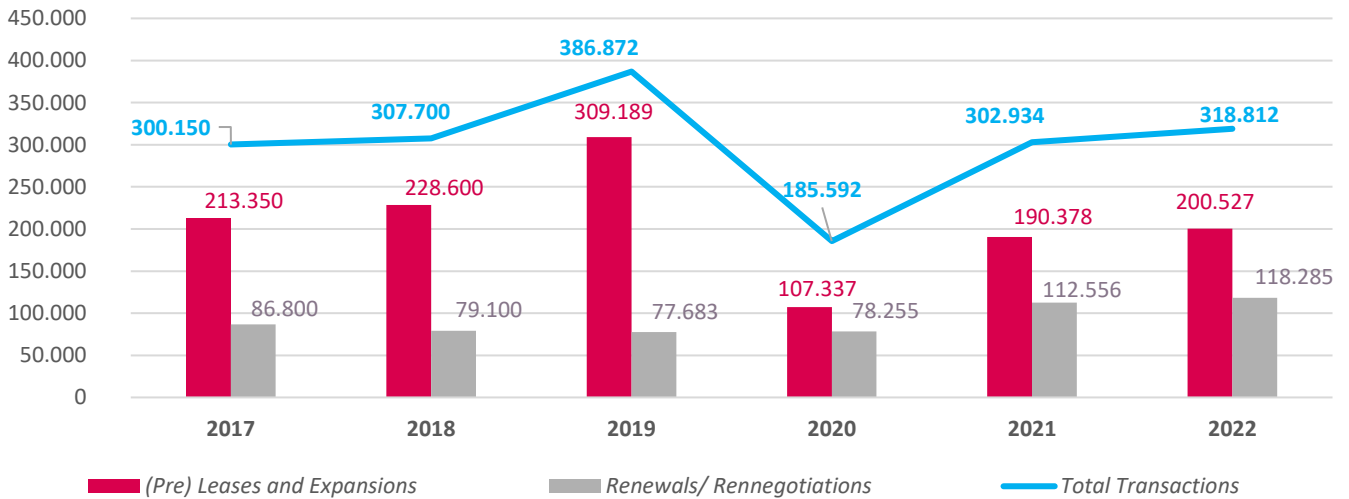
For 2024 and 2025, projects totaling approximately 130,000 sqm are announced for the time being, but it is possible that this level will increase, in case of new projects receiving the green light.

A large proportion of the area forecast for 2024 has a delivery deadline at the end of the year, and the start of the construction is conditioned by the partial pre-lease of the building, this deadline can thus be postponed for 2025.

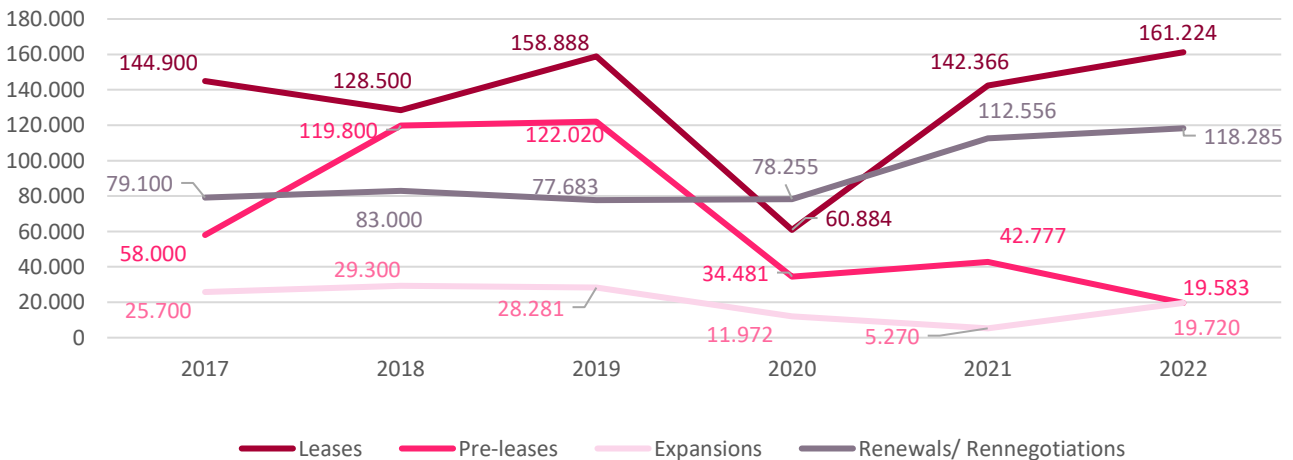
# THE DEMAND

In Bucharest, the volume of spaces traded in 2022 stood at approximately 320,000 sqm. After 2020, when the pandemic caused many companies to suspend their plans to change or expand their headquarters, in 2021 the volume of office transactions returned to the level registered in 2017-2018.

**TRANSACTIONS BETWEEN 2017-2022**



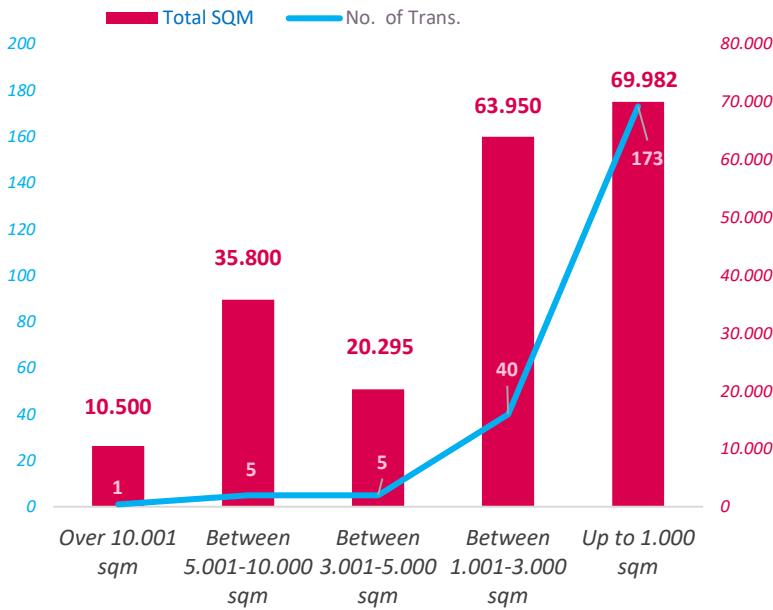
**TRANSACTIONS' EVOLUTION BETWEEN 2017-2022, BY CATEGORY**



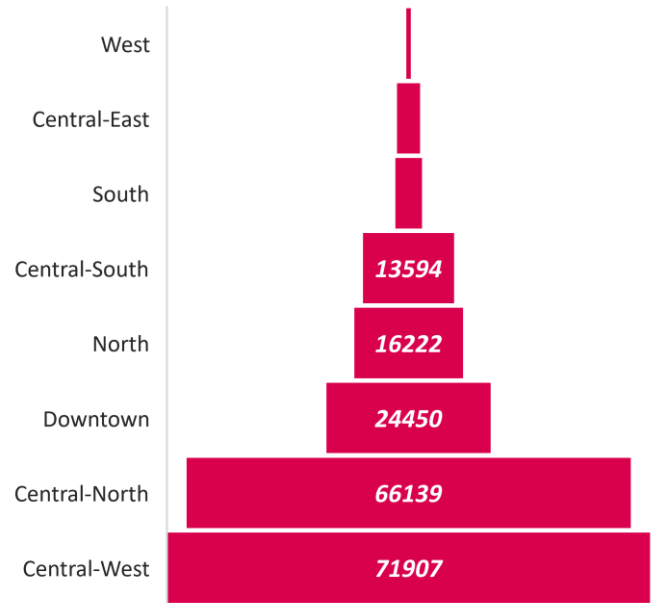
Locally Owned. Globally Connected.



**(Pre) Leases and Expansions, by SURFACE**



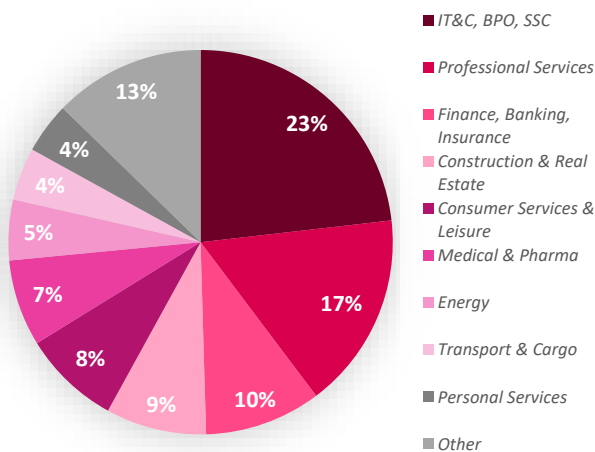
**(PRE) LEASES & EXPANSIONS, BY AREA**



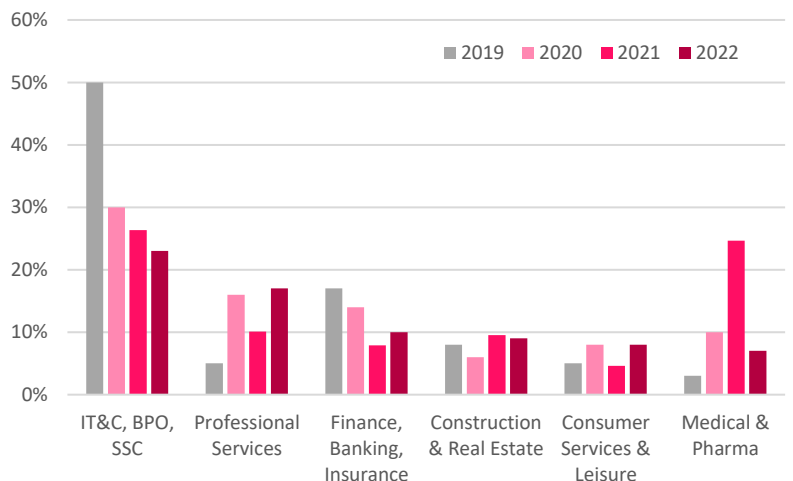
In 2022 the most active companies were those in IT&C, BPO and SSC domain, with 23% of the total volume of transactions, followed by those in the Professional Services sector with 17%.

However, in recent years, the IT&C BPO and SSC field has registered a constant decrease in weight (from 50% in 2019, 30% in 2020, to 26% and 23% in 2021 and 2022, respectively), decrease correlated with the development of models of hybrid and remote work.

**(PRE) LEASES & EXPANSIONS, BY INDUSTRY**



**(Pre) Leases & Expansions Evolution between 2019-2022**



## Main transactions in 2022

Tenant	Size (sqm)	Industry	Transaction Type	Property	Area
<i>BAT Global Business Solutions</i>	10,500	Professional Services	Pre-Lease	<b>One Cotroceni 2</b>	CENTRAL-WEST
<i>Booking</i>	9,000	Professional Services	Lease	<b>U-Center 1</b>	CENTRAL-SOUTH
<i>EveryMatrix</i>	7,500	IT & Communication	Pre-Lease	<b>Arghezi 4</b>	DOWNTOWN
<i>Siemens Energy</i>	7,500	Energy	Lease	<b>One Cotroceni 1&amp;2</b>	CENTRAL-WEST
<i>Leventer Medical Group</i>	6,500	Medical & Pharma	Lease	<b>Victoria Park</b>	NORTH
<i>BCR</i>	5,300	Financial Services	Expansion	<b>The Bridge</b>	CENTRAL-WEST
<i>Alpha Bank</i>	4,457	Financial Services	Lease	<b>City Gate</b>	CENTRAL-NORTH
<i>Depanero</i>	4,200	Consumer Goods	Lease	<b>Sema Parc</b>	CENTRAL-WEST
<i>Profi</i>	4,038	FMCG	Lease	<b>Baneasa Airport Tower</b>	NORTH
<i>Maxbet</i>	4,000	Consumer Goods	Lease	<b>City Offices</b>	SOUTH
<i>Expleo</i>	2,915	IT & Communication	Lease	<b>Afi Park</b>	CENTRAL-WEST

# RENTAL TERMS

Rent levels remained **relatively stable in terms of headline rent**, while decreasing in net effective terms with up to 1 Euro/ sqm, depending on locations.

B-class offices, especially **in less central areas**, registered a slight decrease in headline terms.

Contractual periods got **more flexibility**, break options being possible to obtain after 3 years.

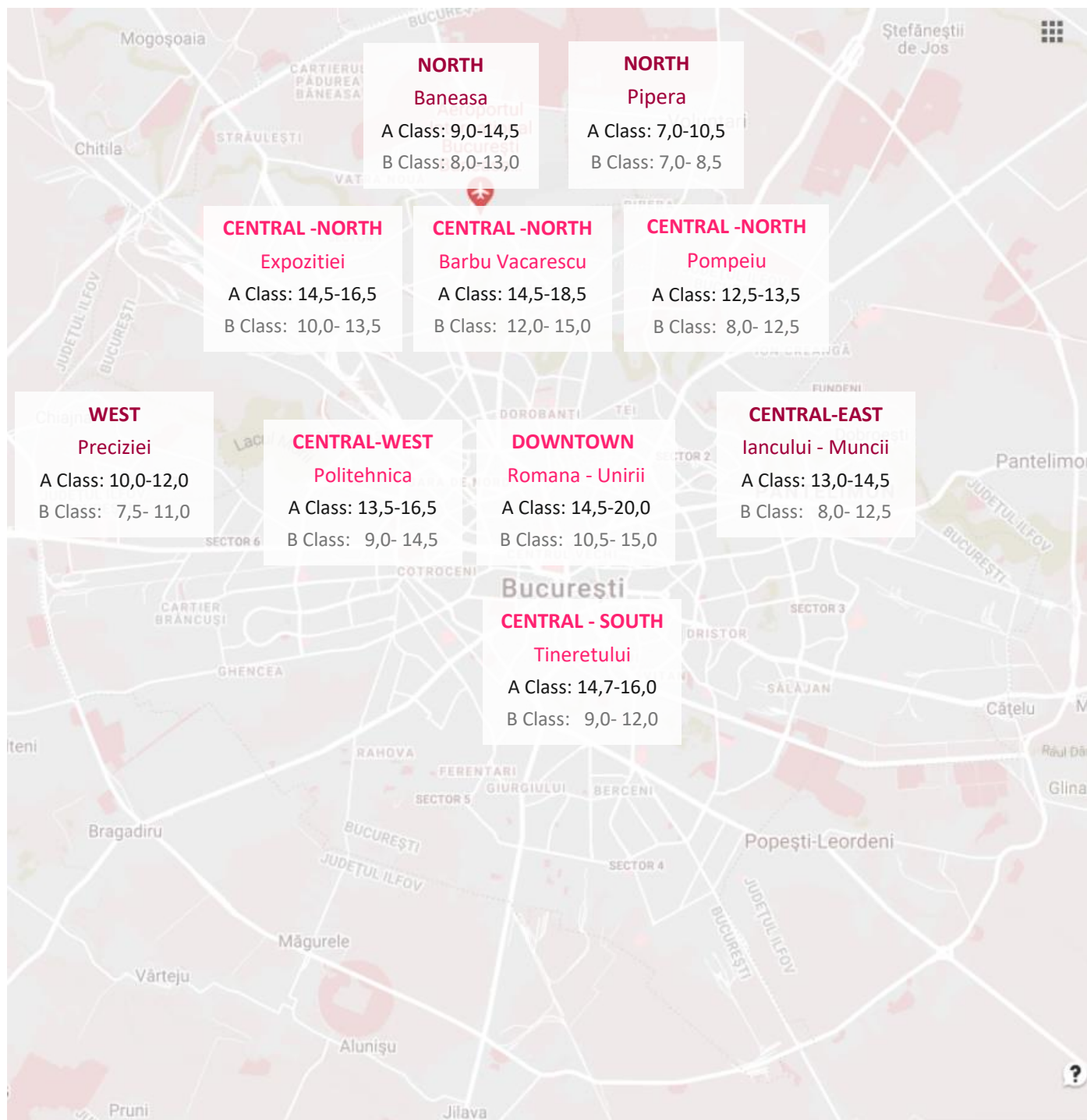
## Subleases

In 2022, in Bucharest, was the same sub-lease volume as in the previous year, with a total **volume of around 4,500 sqm**. Yet, this is a small percentage compared to the total available spaces in the market.

In these cases, the rent level was generally **10-15% lower than the rents of the available spaces promoted by the owners** in the respective projects. In many situations, this financial advantage did not tilt the balance.

**The investment in the design of the spaces proved auspicious, the fastest subleased** spaces being those with attractive layouts.

## Rent Level Margins, within the main Areas | Office Poles



## About ESOP Consulting | CORFAC International

ESOP, established in 2002, is a **trustworthy reference name** on the Romanian real estate market, among the **top 10 consultancy companies** on the commercial segment, having mediated the lease of over 100.000 sqm within the last 3 years.

Starting 2013, ESOP is the Romanian affiliate of **CORFAC International** a leading global network of **privately-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. It covers **75 offices in the U.S., Canada, and in international markets, including Australia, France, Germany, Ireland, Italy, Japan, Malaysia, Netherlands, Romania, Russia, Singapore, South Korea, Switzerland, Thailand, and 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** – CORFAC offices close an average of **10,000 lease and sales transactions** valued more than **\$9.2 billion annually**, totaling over **55 mil sqm**.



**Locally Owned. Globally Connected.**

*For any details regarding information contained herein, you can contact us using the below coordinates:*

**IRINA GHITULESCU**  
Research Consultant  
Tel: 021 - 528.04.40  
[irina.ghitulescu@esop.ro](mailto:irina.ghitulescu@esop.ro)

**MIRELA RAICU**  
Partner  
Tel: 021 - 528.04.40  
[mirela.raicu@esop.ro](mailto:mirela.raicu@esop.ro)

**ALEXANDRU PETRESCU**  
Managing Partner  
Tel: 021 - 528.04.40  
[alexandru.petrescu@esop.ro](mailto:alexandru.petrescu@esop.ro)



*Locally Owned. Globally Connected.*

