



BUCHAREST OFFICE MARKET UPDATE

S1 2023

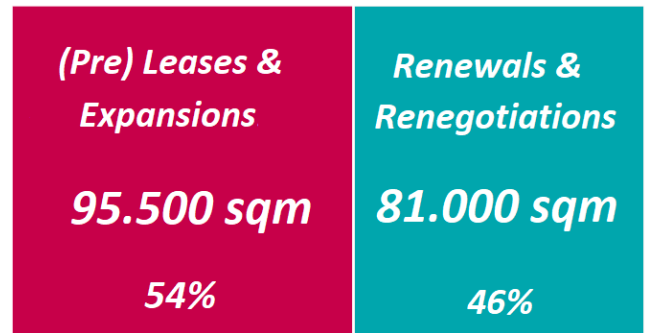
OCCUPIER FOCUS

Lease Transactions by Category

In S1 2023, the total volume of transactions on the Bucharest office market reached **176,900 sqm**.

From this, **(Pre) Leases & Expansions** represented **54%**, and the remaining 46% was represented by Renewal / Renegotiation transactions.

*Bucharest Leases in S1 2023,
By Category*

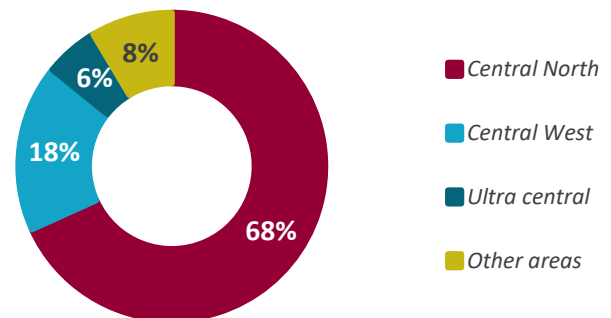


Source: The Real Estate FORUM

(Pre) Lease & Expansions, By Area

The most sought-after area in S1 2023 was the **Central-North one**, with 69% of the total (Pre)Lease & Expansions volume, followed at a great distance by the **Central-West area with 18%** and the **Downtown, with only 6%**.

*(Pre) Leases & Expansions in S1 2023,
By Area*

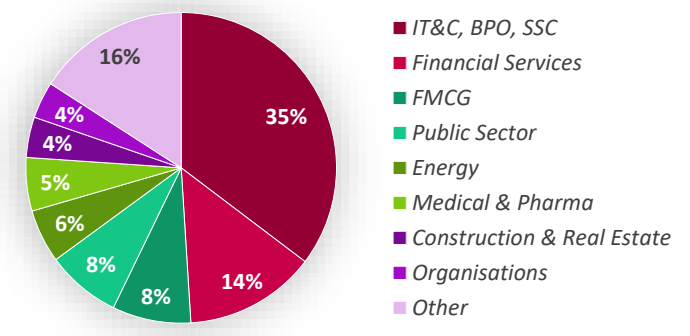


(Pre) Lease & Expansions, By Industry

The **IT&C industry** had clearly led the office market in S1 2023, with **35%** of the newly leased areas. This represents an increase with 50% of its percentage compared to 2022, when IT industry represented 23% of the transactions.

The **Financial Services** and **FMCG** sectors followed with **14%** and respectively **8%** of the leased area.

*(Pre) Leases & Expansions,
By Industry*

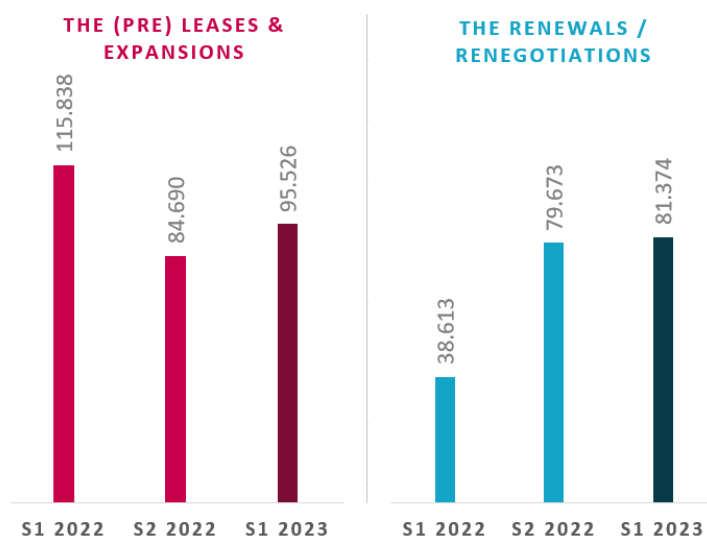


Relative Stability on Office Leasing

S1 2023 maintained both on (Pre) Leases & Expansions and on Renewals segment a volume relatively close to S2 2022.

The (Pre) Leasing & Expansions segment maintains yet in S1 2023 at a 17% lower level than the first semester of 2022.

The Recent Evolution Of:



The Main Transactions in S1 2023

Tenant	Lease Area (sqm)	Building	Area
EMAG	10,000	Globalworth Square	Center North
TRANSILVANIA BANK	9,960	Green Court A	Center North
VOIS	5,460	The Bridge 2	Center West
COCA-COLA	4,500	Globalworth Campus – Bldg. B	Center North
MINISTRY OF TRANSPORT	3,780	Sema Parc London	Center West
NUCLEARELECTRICA	3,140	Crystal Tower	Downtown
Auchan (retail space)	2,600	U Center – Building B	Center South
ADSWIZZ	2,270	AFI Park Floreasca – Bldg. A	Center North
BUCHAREST STOCK EXCHANGE	2,230	America House	Downtown
FLIP TECHNOLOGIES	2,000	Riverview House Atrium	Center West

OFFICE DELIVERIES

Main Office Projects to Be Delivered in 2023

Area	Project Name	Delivery	Surface (sqm)	Location
CENTRAL-WEST	ONE Cotroceni Park – Phase II	S1 2023	34,000	Razoare
CENTRAL-NORTH	Equilibrium – Phase II	S1 2023	19,400	Barbu Vacarescu
	@EXPO - Building A	S1 2023	28,300	Piata Presei
	Muse	S1 2023	7,000	Piata Presei
CENTRAL-SOUTH	U-Center - Building B	S2 2023	35,000	Tineretului
DOWNTOWN	ARGHEZI 4 Business Center	S2 2023	7,500	Universitate

At the end of S1 2023, four office buildings were completed in Bucharest, with a total leasable area of 88,700 sqm.

OUTLOOK

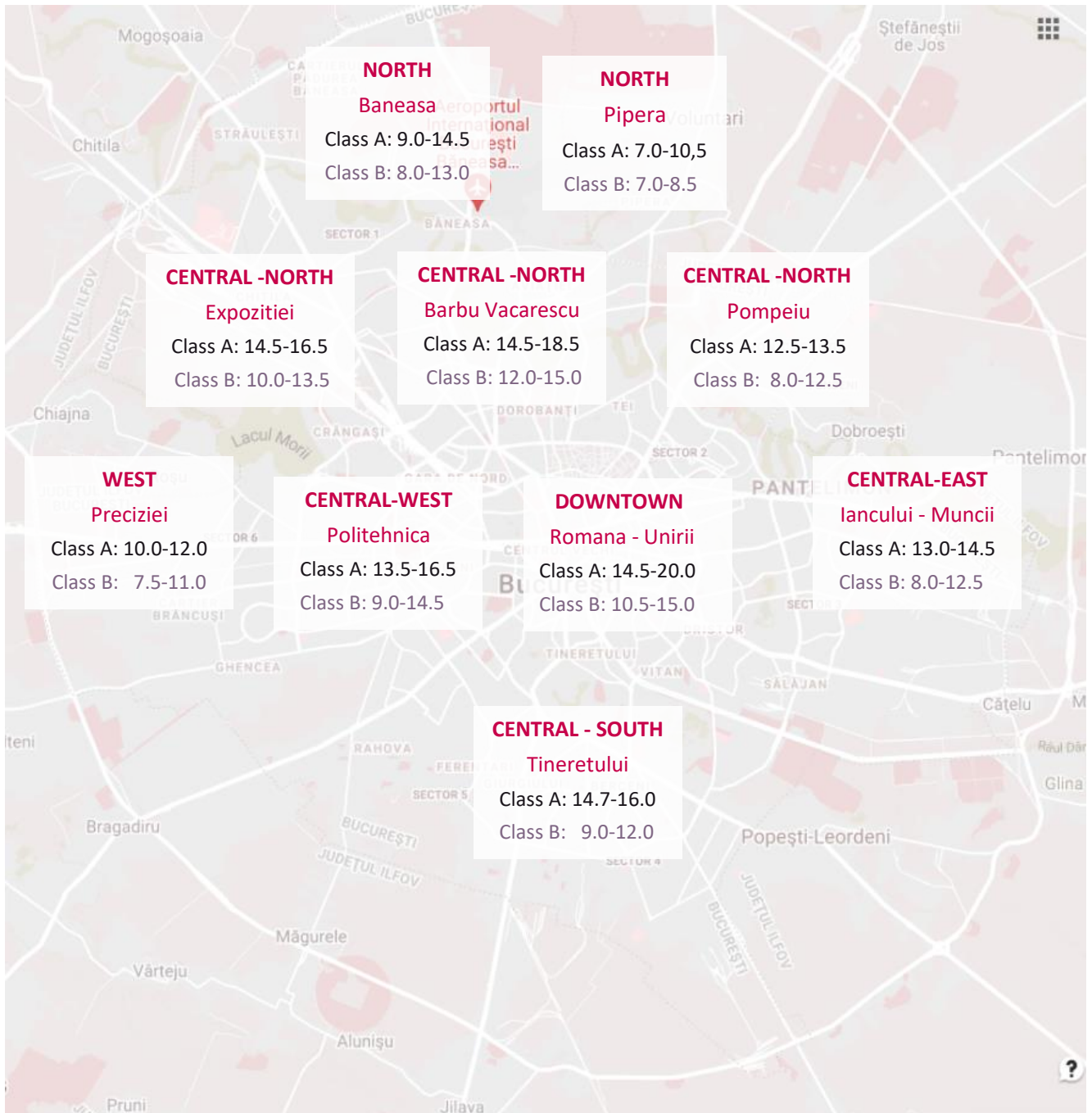
Although if compared to S1 2022, the deliveries have been 11% lower this semester, the total annual volume in 2023 is expected to reach 136,500 sqm till the end of the year. This level would represent an increase of 28% compared to the office spaces delivered in 2022.

Considering yet that for 2024 there will be highly limited new deliveries, as most initially planned projects have delayed the commencement of the construction works, office deliveries will be under pressure the following 12-18 months. This will be compensated by a series of office spaces becoming available in existing buildings, where leases reach expiry dates and tenants renew a new cycle for a smaller size, in the context of the hybrid working systems.

Asking Rent Levels in S1 2023

In S1 2023, the asking rent level of several office buildings got slightly increased, due to the high inflation rate on the market.

Please find below a general view on market rents level in Bucharest, in Mid-2023.



ESOP Partners in Time



Company: **HARMAN**

Field of activity: Automotive
Surface: 10.000 sqm
Building: Metrooffice
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**.



Locally Owned. Globally Connected.

For any other details, you can contact us at:

IRINA GHITULESCU

Research Consultant

Tel: 021 - 528.04.40

irina.ghitulescu@esop.ro

MIRELA RAICU

Partner

Tel: 021 - 528.04.40

mirela.raicu@esop.ro

ALEXANDRU PETRESCU

Managing Partner

Tel: 021 - 528.04.40

alexandru.petrescu@esop.ro



Locally Owned. Globally Connected.

