



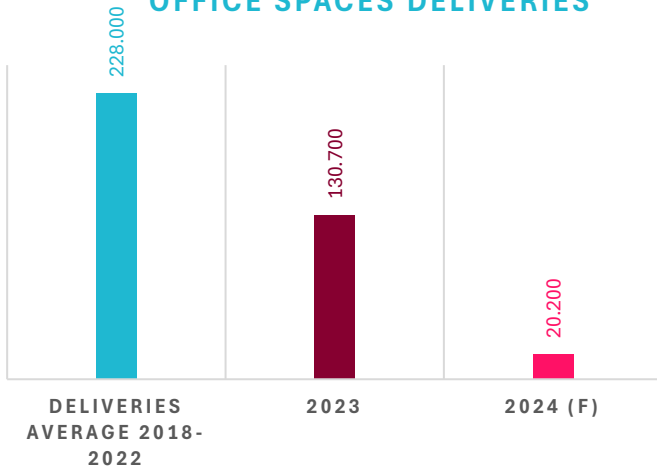
THE OFFICE MARKET IN BUCHAREST

BEGINNING OF 2024



2023 OVERVIEW

OFFICE SPACES DELIVERIES

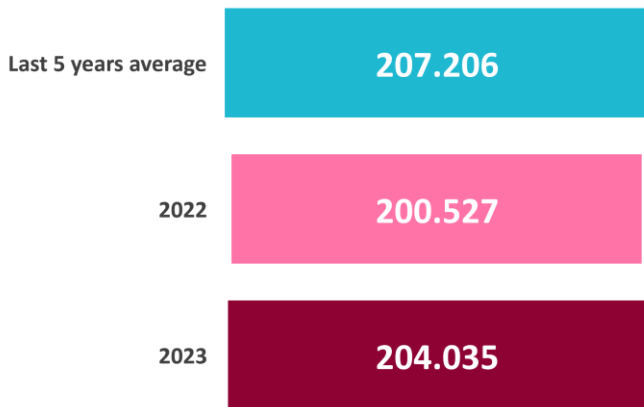


2023 brought deliveries of 130,700 sqm to the office market, which represented a **22% increase compared to the previous year**. At the same time however, compared to the average deliveries in the last 5 years (228,000 sqm), 2023 recorded a **decrease of 43%**.

- ✓ 68% of the 2023 deliveries **took place in the 1st Semester**
- ✓ 89% of the new spaces are part of **business parks**.

For 2024 the deliveries will be of only 20,200 sqm, the lowest level in the last 20 years. Only one significant high class project is announced, namely AFI Loft Cotroceni.

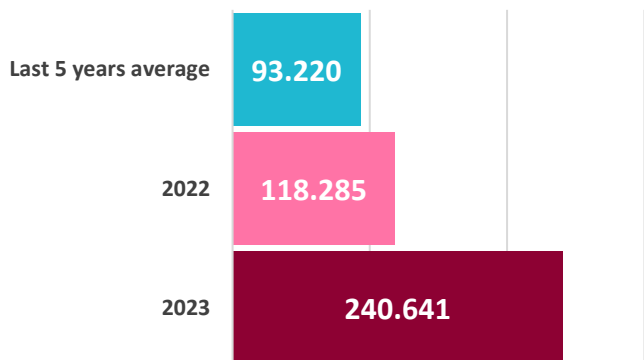
(PRE) LEASES and EXPANSIONS



As a whole, the volume of office transactions in 2023, aggregating both (Pre)Leases and Expansions as well as Renewals / Renegotiations, registered a substantial increase compared to 2022 of almost 40% and a 48% increase compared to the average of the last 5 years.

Analyzed separately, **(Pre) Leases and Expansions in 2023 remained at stable values**, with only +/-2% variations compared to 2022, as well as to the last 5 years' average. **In 2023, the IT&C, BPO, SSC companies were the most active, returning to the pre-pandemic level, with 46% of the newly leased areas.**

RENEWAL / RENEGOTIATION



The Renewal/Renegotiation transactions registered a notable increase, namely a doubling in 2023 compared to the previous year and a 2.5 increase compared to the average renewal transactions of the last 5 years.

Regarding the rent levels, they registered a slight increase of the headline, especially in the central areas and for the class A buildings. Increases of up to 1 – 1.5 Euro/sqm/month depending on the location were registered for the headline rents.

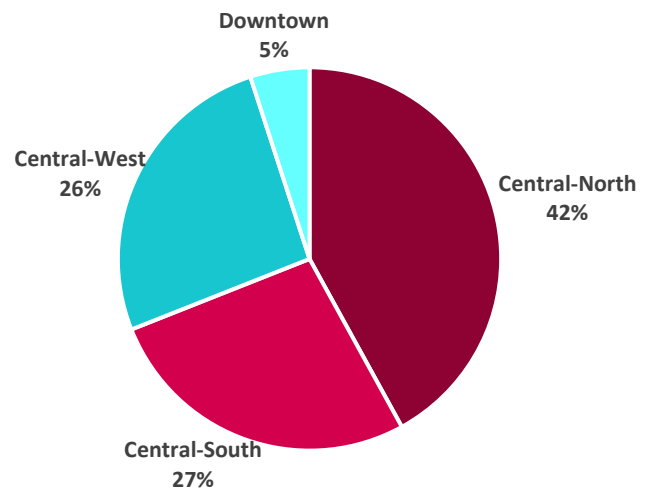
THE OFFER

In 2023, 130,700 sqm of office spaces were delivered in Buchares, 15% less than the estimation from the beginning of the year. This area still represents a 22% increase compared to the level of the previous year, when 107,000 sqm were delivered.

Most office buildings delivered in 2023 were located in the **Central-North area, with 42% of the total**, 22% more than in 2022. The other locations where office spaces were delivered were **Central-South with 27%**, **Central-West with 26%** and **Downtown with 5%**.

Spaces in **multi-building / business park type projects** represented **89% of deliveries in 2023**.

Office spaces deliveries 2023, by Location



The Main Projects Delivered in 2023 in Bucharest

Delivery	Project Name	Size (sqm)	Area	Location
S1 2023	One Cotroceni Park – Phase 2	34,000	CENTRAL-WEST	Razoare
	@Expo – Building A	28,300	CENTRAL-NORTH	Piata Presei
	Equilibrium – Phase 2	19,400	CENTRAL-NORTH	Barbu Vacarescu
	Muse	7,000	CENTRAL-NORTH	Piata Presei
S2 2023	U-Center – Building B	35,000	CENTRAL-SOUTH	Tineretului
	Arghezi 4	7,000	DOWNTOWN	Universitate



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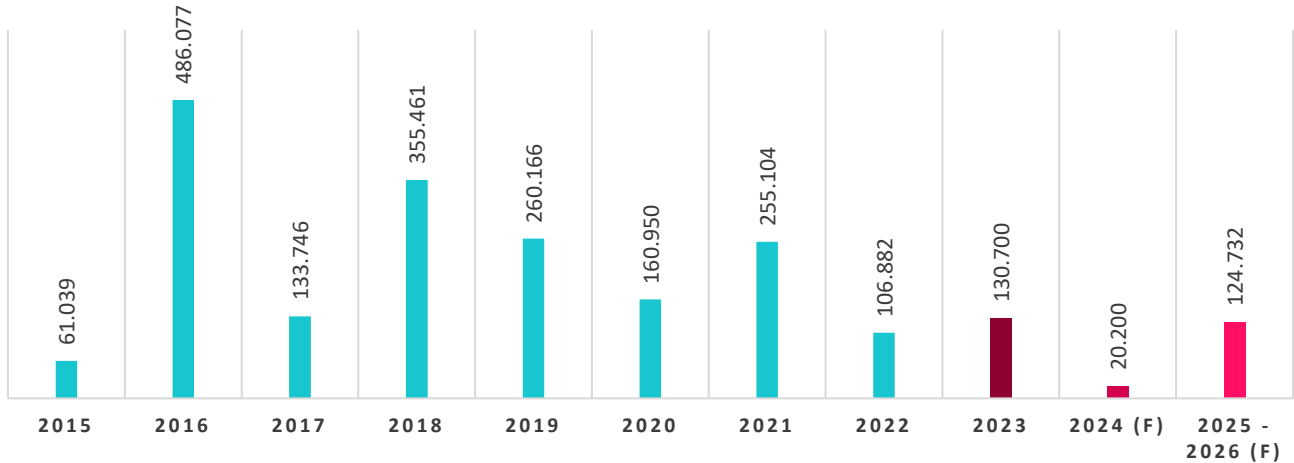


Estimated office deliveries for 2024

At the beginning of 2024, for the current year, the completion of a single new office project, AFI Loft, integrated in the AFI Cotroceni mall is planned, as well as the conversion of the former Puișor Post Office into office spaces.

Although the year 2024 is foreshadowing a period of calm in the development of office buildings in Bucharest, companies that are considering changing or expanding their headquarters have at their disposal extensive areas in high-class office buildings already in use and that have office spaces available.

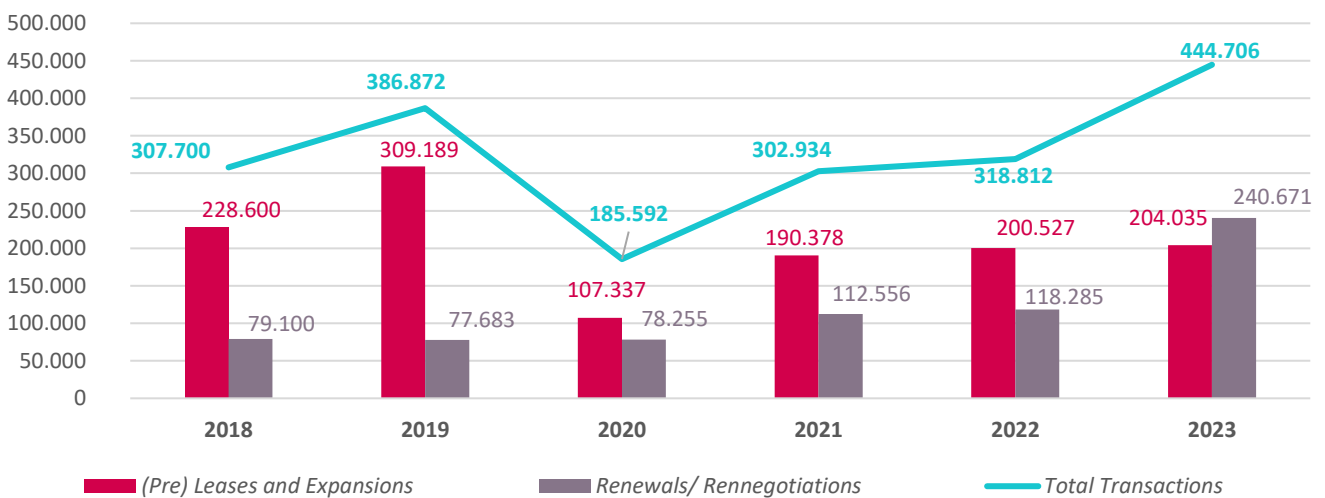
OFFICE SPACES DELIVERIES BETWEEN 2015 - 2025/2026



THE DEMAND

The volume of spaces rented in 2023 in Bucharest combined on the two components – (Pre) Rentals and Expansions, respectively Renewals / Renegotiations was of approximately 445,000 sqm. If in 2020, the pandemic caused many companies to suspend their plans to change or expand their headquarters, starting with 2021, the total volume of transactions recorded an upward trend. In 2023, this increase was mainly due to the doubling of renewal transactions compared to the previous year.

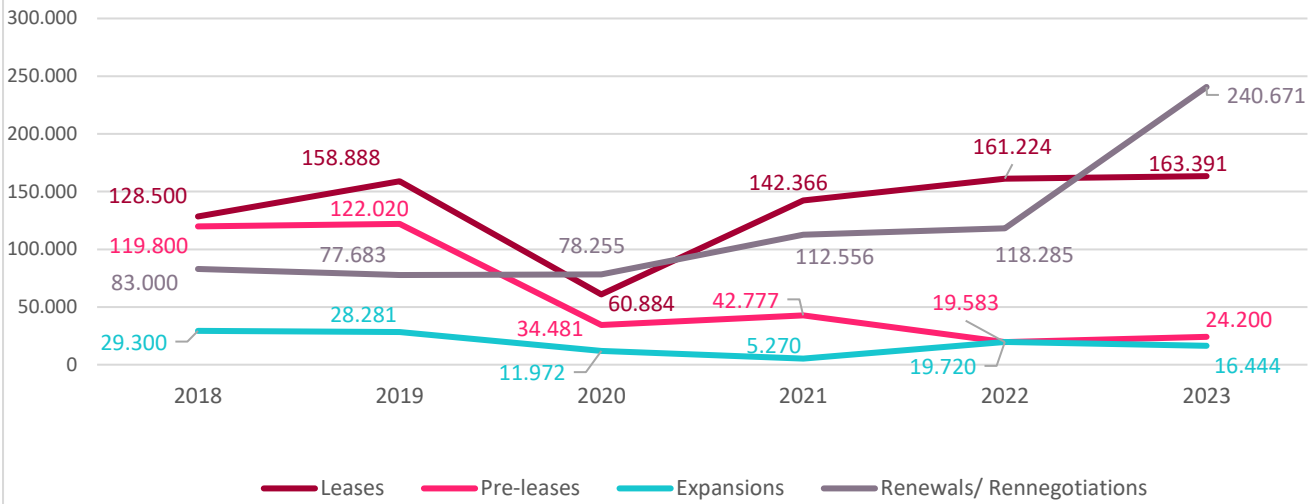
TRANSACTIONS BETWEEN 2018-2023



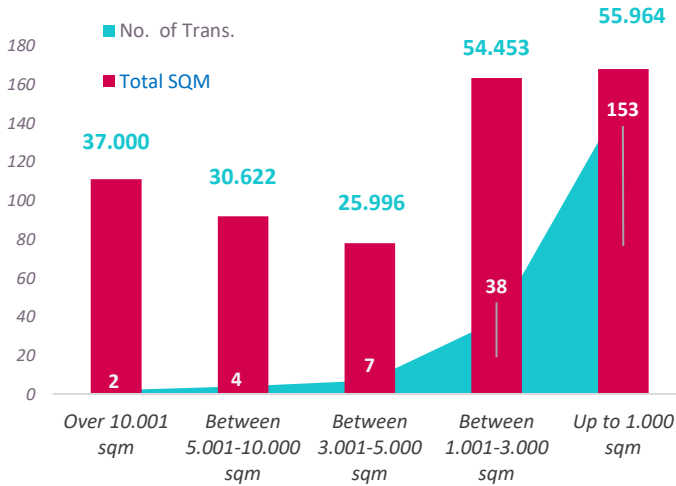
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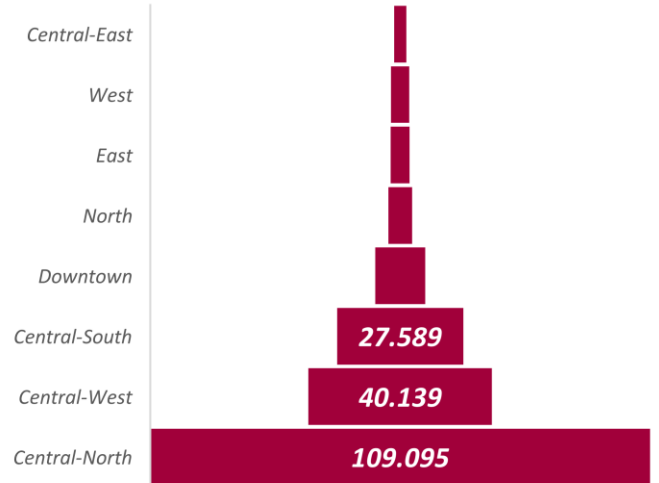
TRANSACTIONS EVOLUTION BETWEEN 2018-2023, BY CATEGORY



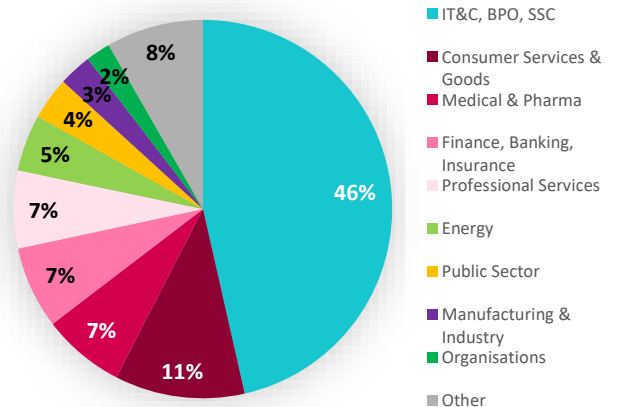
(Pre) Leases and Expansions, by SURFACE



(PRE) LEASES & EXPANSIONS, BY AREA



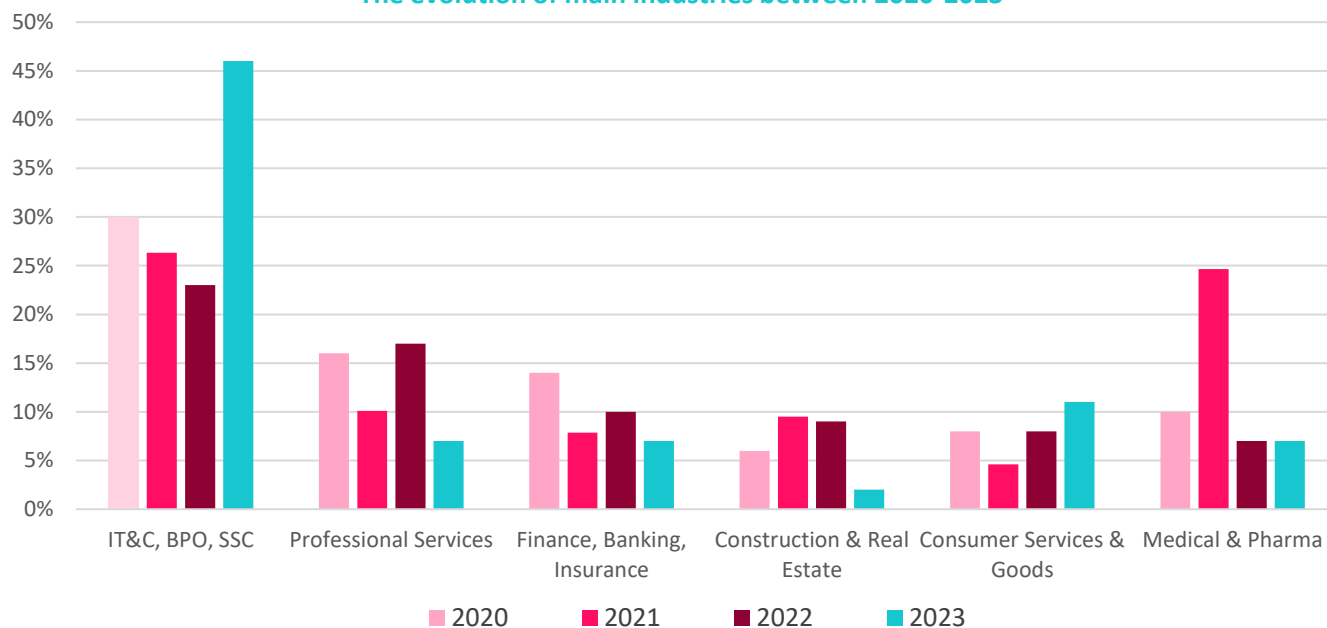
(PRE) LEASES & EXPANSIONS, BY INDUSTRY



In 2023, the most active companies were those in the field of **IT&C, BPO and SSC**, with **46%** of the total volume of transactions, followed by those in the field of **Services and Consumer Goods** with **11%**.

After several years in which the IT&C BBO and SSC field registered a constant decrease in weight (from 50% in 2019, to 23% in 2022), decrease correlated with the development of hybrid and remote work models, the year 2023 brings an obvious revival of the demand for new premises from companies in this field.

**(PRE) LEASES AND EXPANSIONS,
The evolution of main industries between 2020-2023**



Main transactions in 2023, in Bucharest

Tenant	Size (sqm)	Industry	Transaction Type	Property	Area
INFINEON	20,000	IT & Communication	Pre-Lease	One Technology District	CENTRAL-NORTH
ADOBE	17,000	IT & Communication	Lease	U-Center 2	CENTRAL-SOUTH
EMAG	10,000	IT & Communication	Lease	Globalworth Square	CENTRAL-NORTH
TRANSILVANIA BANK	9,960	Financial Services	Lease	Green Court A	CENTRAL-NORTH
VOIS	5,400	IT & Communication	Lease	The Bridge 2	CENTRAL-WEST
STRIPE	5,200	IT & Communication	Lease	One Cotroceni 2	CENTRAL-WEST
COCA-COLA	4,500	Consumer Goods	Lease	Globalworth Campus B	CENTRAL-NORTH
WNS Global Services	3,800	IT & Communication	Expansion	West Gate Park	WEST
MINISTRY OF TRANSPORTATION	3,780	Public Sector	Lease	Sema London	CENTRAL-WEST
NUCLEARELECTRICA	3,139	Energy	Lease	Crystal Tower	CENTRAL-NORTH



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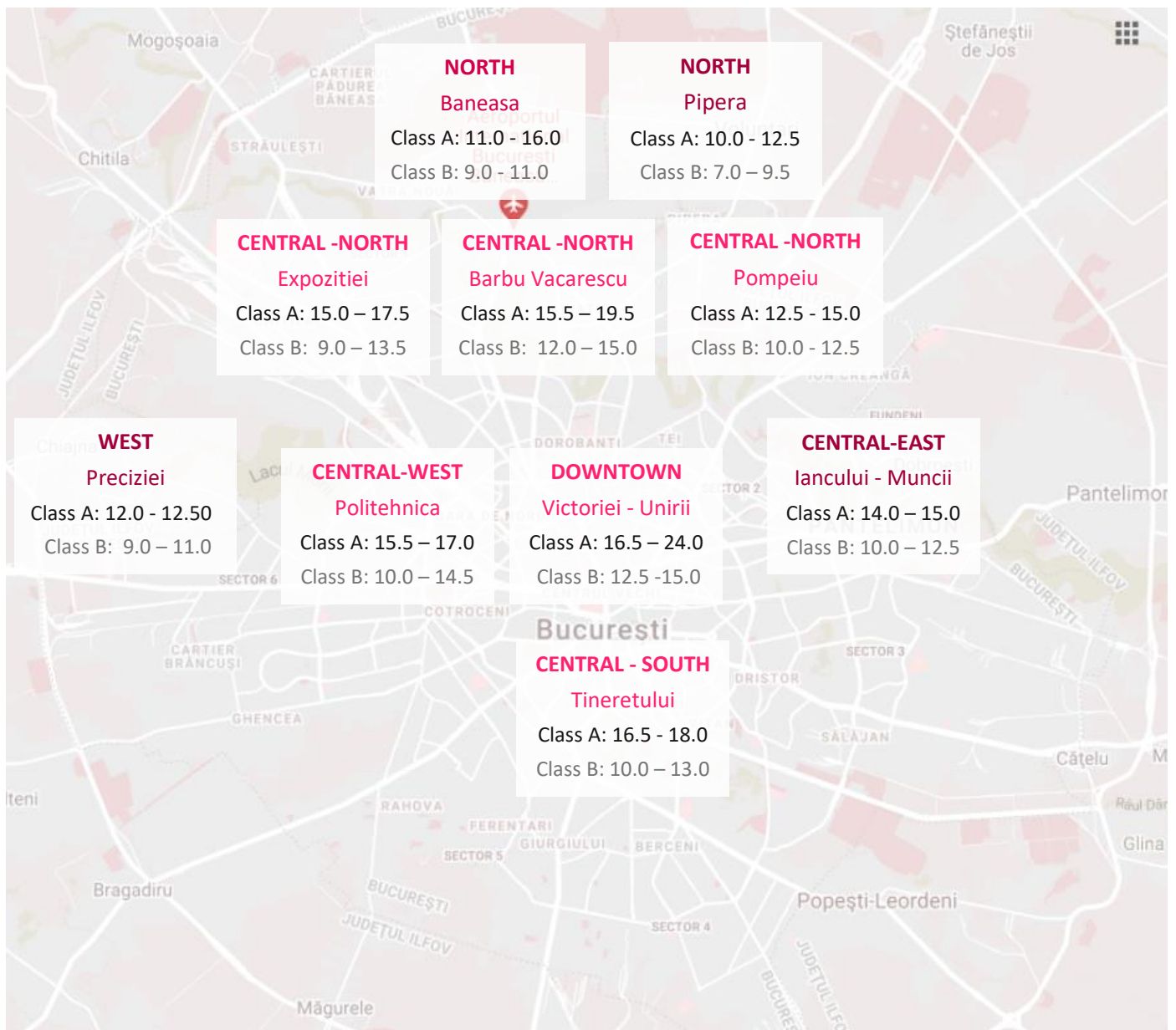


RENTAL TERMS

The rent level registered a **slight increase in terms of the headline**, up to 1 - 1.5 Euro/sqm/month depending on the location, considering that the indexation of the rents with the inflation rate raised the value of the rents paid by tenants who have ongoing contracts. Also, the downward trend of new construction permits for office buildings and the rising construction costs had a contribution to the decision to increase the headline rents by the owners.

Rent level margins, by Class, within the main Areas | Office Poles

The map below shows the general level of rents in Bucharest, during the year 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**

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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**.



For any other details, you can contact us at:

IRINA GHITULESCU
Research Consultant
Phone: 021 - 528.04.40
irina.ghitulescu@esop.ro

MIRELA RAICU
Partner
Phone: 021 - 528.04.40
mirela.raicu@esop.ro

ALEXANDRU PETRESCU
Managing Partner
Phone: 021 - 528.04.40
alexandru.petrescu@esop.ro



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