With around 64,000 sq. m completed in Q1 2021, the office stock in Bucharest stands at 3.3 million sq. m. The largest sub-markets in terms of supply continue to be Pipera South, Barbu Văcărescu – Floreasca and Central West.

Five office projects have been finalized, with a total GLA of 64,000 sq. m, the largest being One Floreasca Tower in Barbu Văcărescu – Floreasca submarket and Campus building 6.2 in Central West.

By the end of Q4 over 200,000 sq. m are expected to be finalized, out of which 34% are in the Central West area.

### Class A&B office stock by submarket

- Pipera South: 16%
- Barbu Văcărescu – Floreasca: 15%
- Central West: 15%
- Central: 12%
- CBD: 11%
- North: 10%
- Pipera North: 6%
- West: 5%
- East & South: 5%

### New office supply by submarket Q2 – Q4 2021

- Liberă - Expoziției: 34%
- Pipera North: 22%
- Barbu Văcărescu – Floreasca: 22%
- Central: 13%
- CBD: 9%
- North: 6%
- Central West: 5%

### Largest office projects Q2 – Q4 2021

<table>
<thead>
<tr>
<th>Developer</th>
<th>Office project</th>
<th>GLA (sq. m)</th>
<th>Office submarket</th>
<th>Delivery date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland Trust</td>
<td>J.B Office Park A&amp;B</td>
<td>48,000</td>
<td>North</td>
<td>Q2 2021</td>
</tr>
<tr>
<td>One United</td>
<td>One Cotroceni Park</td>
<td>45,000</td>
<td>Central West</td>
<td>Q4 2021</td>
</tr>
<tr>
<td>Forte Partners</td>
<td>U Center Campus I</td>
<td>30,000</td>
<td>Central</td>
<td>Q3 2021</td>
</tr>
<tr>
<td>Globalworth</td>
<td>Globalworth Square</td>
<td>28,000</td>
<td>Barbu Văcărescu – Floreasca</td>
<td>Q2 2021</td>
</tr>
<tr>
<td>Tiriac Imobiliare</td>
<td>Tiriac Tower</td>
<td>20,000</td>
<td>CBD</td>
<td>Q2 2021</td>
</tr>
</tbody>
</table>
Office demand

Leasing activity sums 60,000 sq. m and compared with the previous quarter it has increased by roughly 40%. Net take-up, meaning relocations and new business operations, represents 72%.

Tenants’ willingness to relocate within class A&B office stock has broadened, which led to a share of 67% in net take-up for this type of office leasing activity.

The most active tenants were Professional Services and Computers Hi-Tech companies, while the largest office deals were Wipro pre-letting 11,000 sq. m in Globalworth Square and Superbet pre-leasing 8,000 sq. m in One Cotroceni Park.
Bucharest Office Market
Q1 2021 Snapshot

Vacancy

General vacancy rate
10%

- CBD: 5%
- Barbu Vacarescu - Floreasca: 7%
- Central West: 11%

Rents

Prime headline rent
(€/sq. m/m)

€19

Asking rent
(class A Bucharest)

Stable

Legend:
- Headline Rent Class A (€/sq. m/m)
- Metro Station
- North-Baneasa
- Expozitiei
- North-Pipera
- South-Pipera
- Barbu Vacarescu - Floreasca
- CBD
- Central
- Central West
- West
- East
- South
Forecast

With over 200,000 sq. m of offices being scheduled for delivery by the end of Q4, and another 64,000 sq. m already completed, 2021 is projected to be very strong in terms of office deliveries. As a result, the office stock is projected to reach 3.5 million sq. m by the end of this year.

In Q1 pre-lease activity accounted for 70% of the net take-up, while the occupancy rate of 2021’s remaining pipeline increased to 50%. Going forward, tenant’s appetite for pre-lettings is forecasted to continue to have an important contribution to the office leasing activity.

Considering the new safety regulations that office occupiers must regard and implement, and the hybrid work model which, according to Avison Young X factor trend report, is set to shape the labor market moving forward, the office segment is forecasted to evolve around tenants’ focus to make their offices safe and highly attractive for their current & future workforce.

X Factor

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