



Modern office stock
(sqm)

3.51M



Q1 2023 Supply
(sqm)

42,000



Pipeline 2023
(sqm)

70-80,000



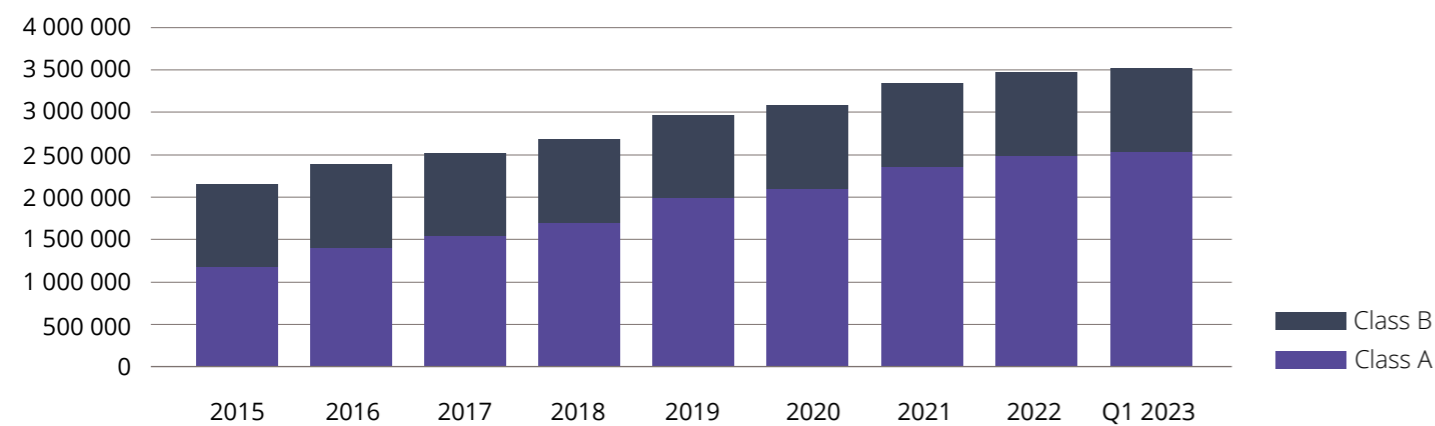
Vacancy rate
(%)

14%

Office stock and pipeline

In Q1 2023, only two buildings totaling 42,000 sqm were completed, namely Muse, in the northern half of the city and the second phase of One Cotroceni Park. Through these new additions, the Bucharest modern office stock increased to 3.51M sqm, with the overall vacancy rate estimated at 14.00%. This is the second quarter in a row when the Central West submarket generated the highest stock, followed by Floreasca-BV and Pipera South submarkets. The remaining office pipeline in 2023 consists of three office projects, coupled with a few small-sized office projects currently under construction, which may increase the pipeline with an additional 10,000 sqm. These small projects enjoy a central location, having an increased potential to attract occupiers and respectively to be completed by year end.

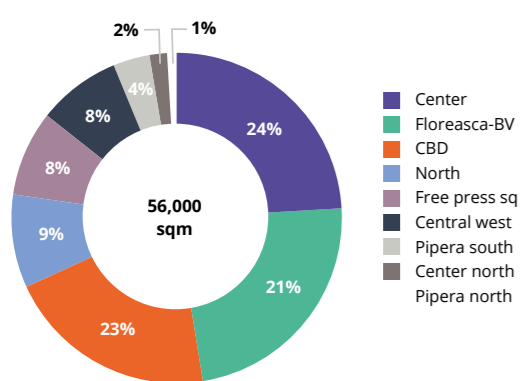
Cumulative office stock evolution, class A and B (sqm)



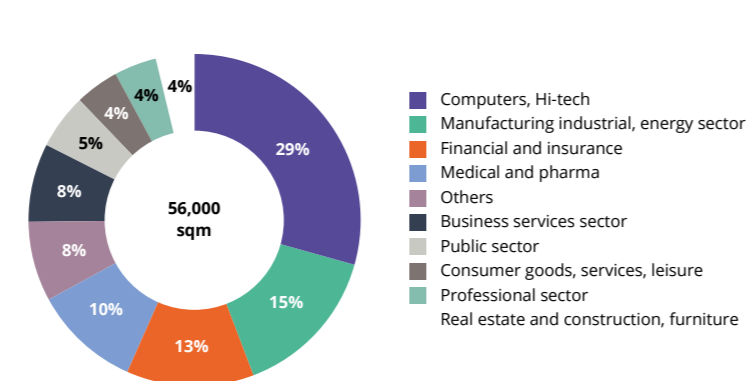
Office demand

Despite the slow start of the year, the first quarter of 2023 has generated a gross office take up in the region of 56,000 sqm (including renewals). Three office submarkets such as Center (24%), Floreasca-BV (23%) and CBD (21%) contributed with cca 68% to the total leasing activity. By industry, computers hi-tech attracted 29% of the demand, followed by manufacturing & energy (15%), financial & insurance (12%) and medical & pharma (10%) sectors. Net take-up represents only 58% of the gross leasing activity as in Q1 2023 cca 18 renewal contracts were signed, for an average leased area of 1,730 sqm. This is an increase compared to the same period of last year, when 14 lease contracts were concluded for an average leased area of 1,050 sqm.

Gross take-up by submarket in Q1 2023



Gross take-up by business sector in Q1 2023



Occupancy costs

The increase in prime headline rent that began last semester is continuing, being currently quoted between €21-22 /sqm/month. The recent increase of the prime headline rent is mainly generated by the limited supply in the CBD, active demand for CBD and centrally located office buildings as well as the inflationary pressure of both Euro and RON currencies. Total occupancy cost increased over the quarter, as rent increases were recorded for parking place and service charges too.



Prime headline rent
(€/sqm/m)

€21-22



Incentives discount
(%)

15-20%



Underground parking rents (Avg)
(€/sqm/m)

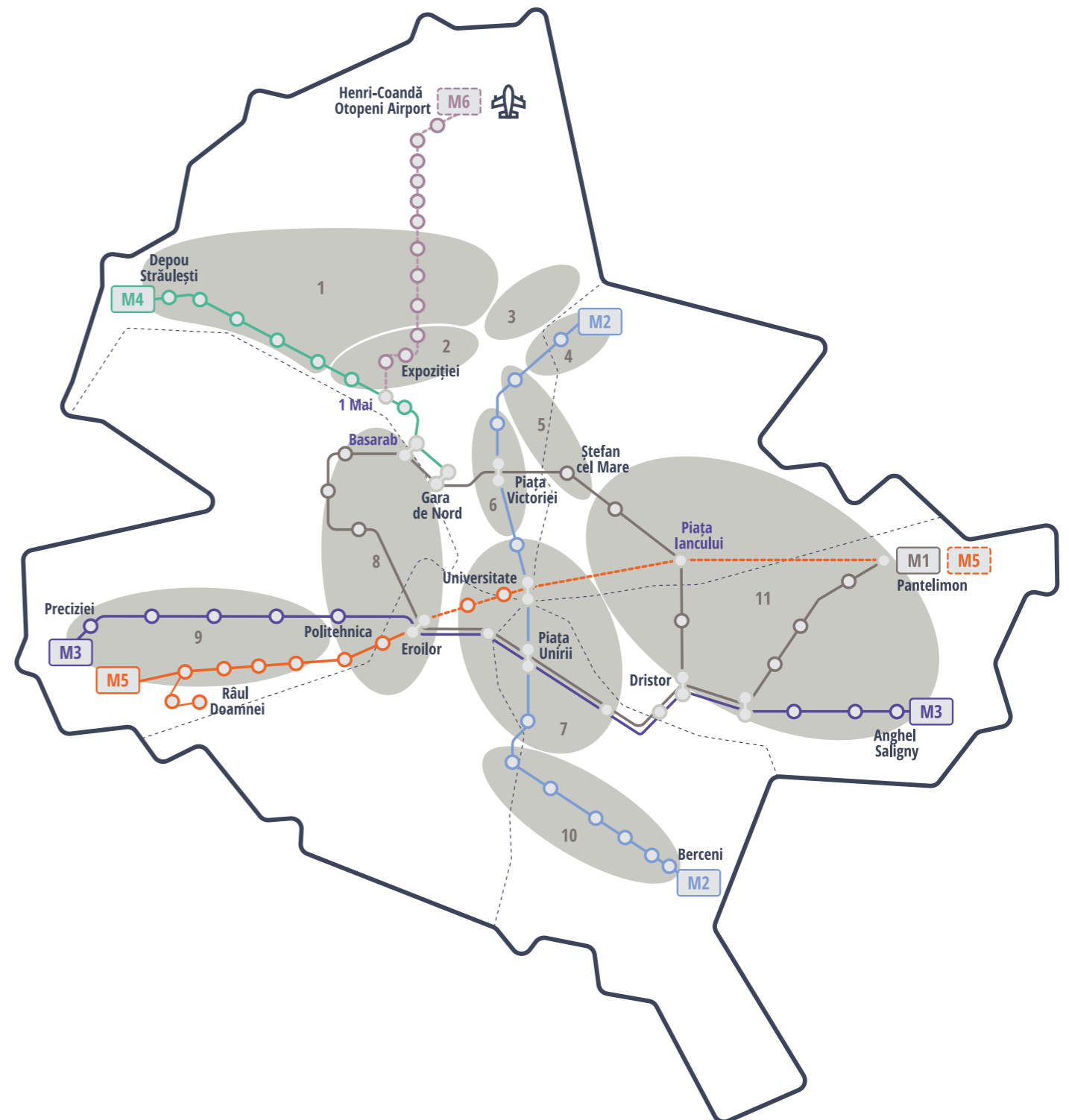
€90-160



Service Charge rents (Avg)
(€/sqm/m)

€4.0-4.5

Office submarkets, stock and headline rents



No.	Q1 2023	Class A&B stock (sqm)	Headline Rent Class A (€/sqm/month)
8	Central West	620.614	€15-16
5	Floreasca-BV	548.806	€15-18
4	Pipera South	482.168	€12-14
7	Central	407.179	€15-17
6	CBD	359.535	€18-22
1	North	356.187	€13-15
2	Free Press Square	228.672	€15-16.5
3	Pipera North	184.946	€8-10
9	West	173.100	€11-13
11	East	105.385	€9-12
10	South	52.164	€9-12

Existing subway lines:	
M1	Dristor - Pantelimon
M2	Berceni - Pipera
M3	Preciziei - Anghel Saligny
M4	Gara de Nord - Depou Străulești
M5	Râul Doamnei-Eroilor
Planned subway lines:	
M5	Eroilor - Pantelimon
M6	Gara de Nord - Henri Coandă Airport

Subway station:	
●	Correspondence station
○	Subway station

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