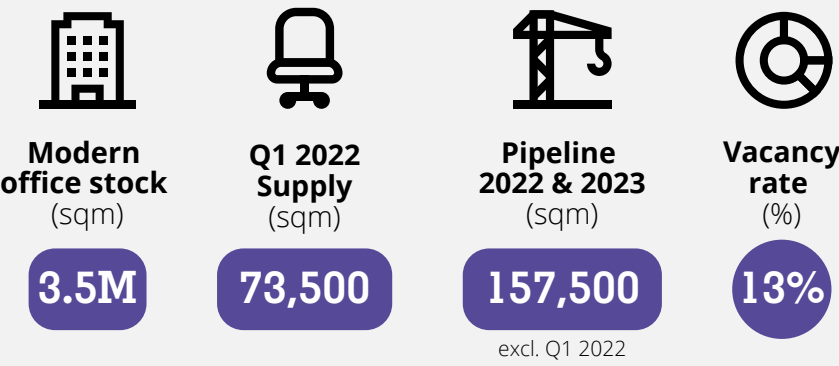


Bucharest Office Market

Q1 2022 Snapshot



Prime yield

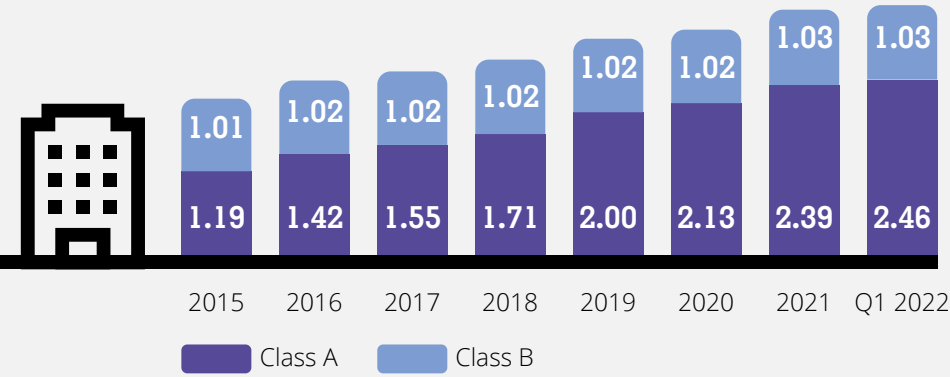
6.75%

stable

Office stock

In Q1 2022, 4 buildings totaling 73,500 sqm were completed, respectively Tandem, Sema Parc Oslo and London buildings and the first phase of @ Expo project. With these completions, the modern office stock in Bucharest stands at 3.5M sqm, with the overall vacancy rate estimated at 13.0%. The most active office sub-markets such as CBD and Floreasca B-V are recording one of the lowest vacancy rates - of 8.0% respectively 6.5%. 2022 and 2023 office pipeline is scarce, recording a high level of pre-leases.

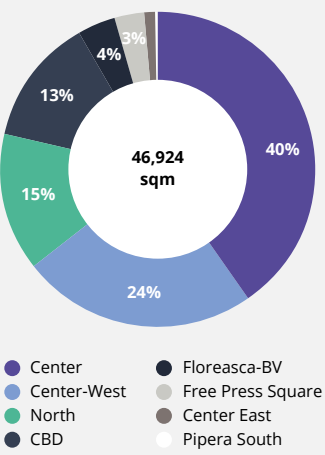
Cumulative office stock evolution Class A & B (million sqm)



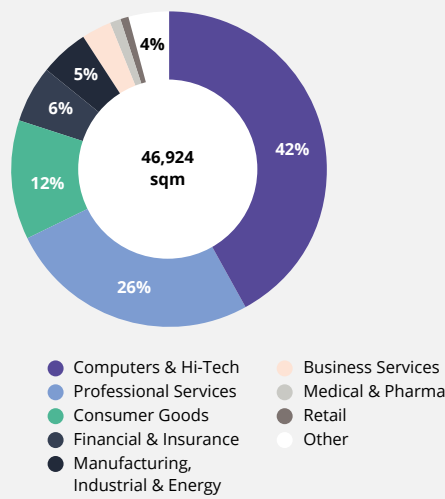
Office demand

The gross office leasing activity in Bucharest has reached 61,000 sqm, with an average lease transaction in the region of 1,166 sqm. Net take-up represents ca 75% of the Q1 2022 activity, being driven by three main economic sectors, namely Computer Hi-Tech (42%), Professional services (26%) and Consumer Goods (12%). Geographically, Center locations captured 40% of the net take-up, while Center West attracted 24% of the total leases. In Q1 2022, pre-leases accounted for 20% of the net leasing activity, slightly below 2021's full year activity, which stood at ca. 27%.

Net take-up by submarket in Q1 2022

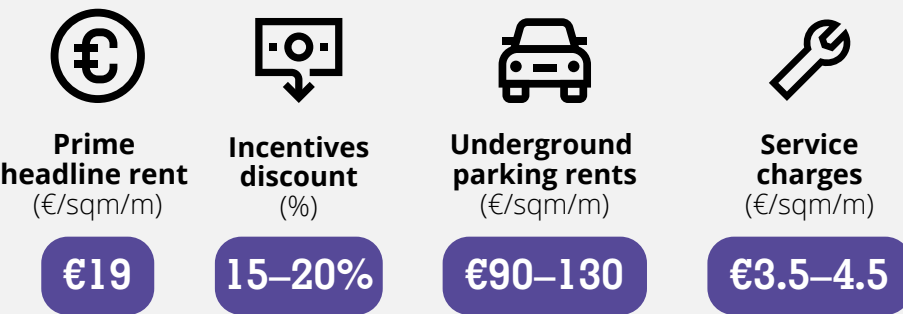


Net take-up by business sector in Q1 2022

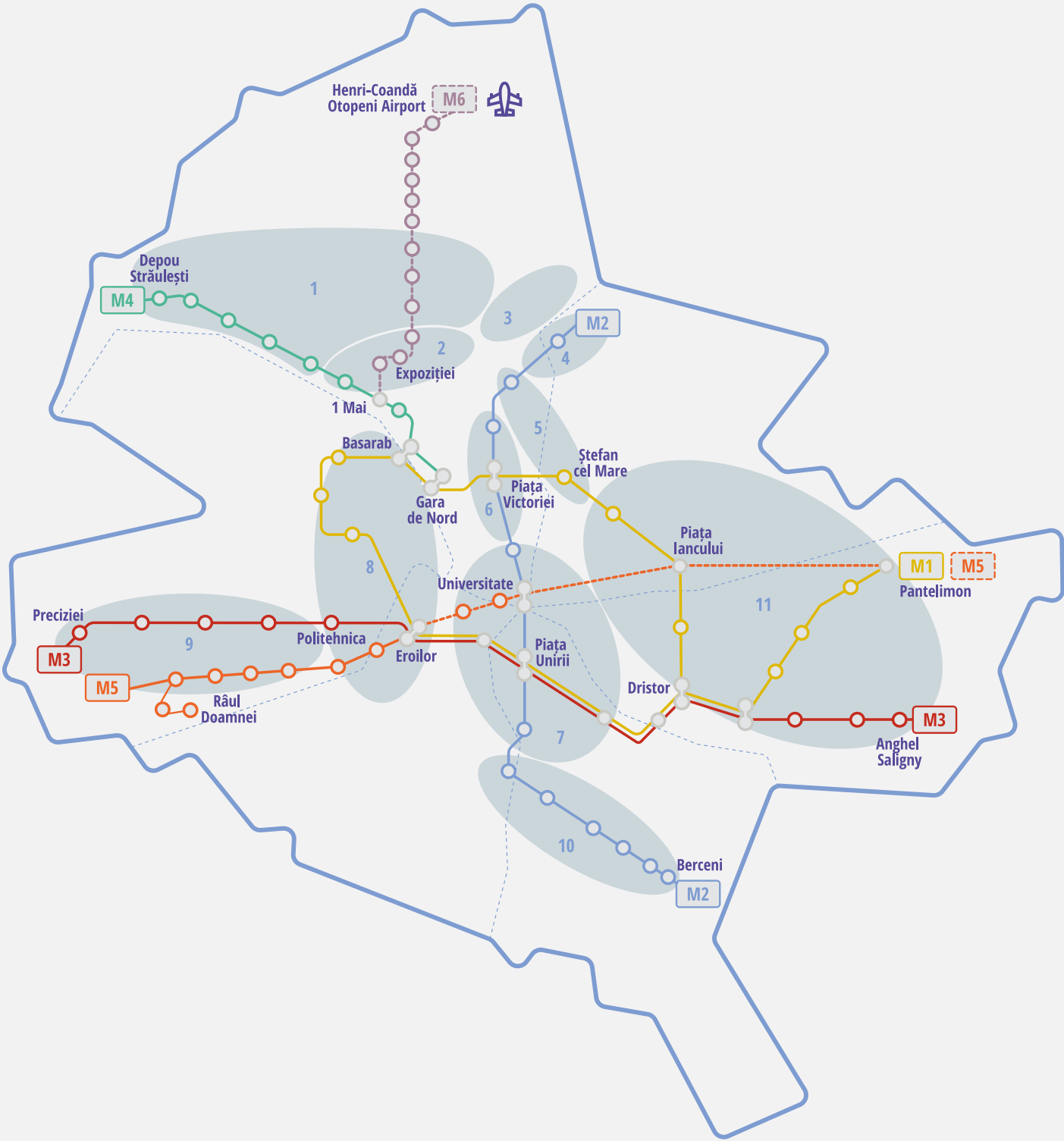


Occupancy costs

Prime headline office rent stands at €19/sqm/month, while average Class A office rent ranges between €13-15/sqm/month. By applying incentive packages to a 5-year lease contract, the net effective rent can reach a level 15–20% lower than the headline rent. Parking rents are further increasing the occupancy cost, with underground parking places commanding rents between €90-130/place/month. Service charges are quoted between €3.5–4.5/sqm/month, open book accounting system with yearly reconciliation.



Office submarkets, stock, vacancy rates & headline rents



No.	Submarket	Class A&B Stock (sqm)	Vacancy Rate Class A&B (%)	Headline Rent Class A (€/sqm/m)
8	Central West	560,000	15.5%	€14–16
5	Floreasca–BV	530,000	6.5%	€14–17
4	Pipera South	495,000	11.4%	€11–13
7	Central	430,000	14.1%	€14.5–16.5
1	North	390,000	13.9%	€12–15
6	CBD	360,000	8.0%	€17–19
3	Pipera North	210,000	27.2%	€8–10
2	Free Press Square	190,000	25.9%	€15–16.5
9	West	175,000	6.8%	€11–13
11	East	105,000	11.8%	€9–12
10	South	55,000	5.8%	€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 Stations:	
	Correspondence station
	Subway station

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