

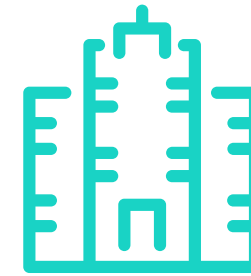
In a nutshell

Bucharest Office Market 2023 • Q2





KEY FIGURES



4,07 M sqm

TOTAL OFFICE STOCK

↓ **1,45%**

TREND



14,43%

VACANCY RATE

↑ **2,55%**

TREND



41,500 sqm

NEW OFFICE SUPPLY
Q1 2023

↓ **31%**

TREND

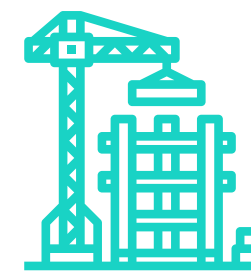


€20/sqm/mth

PRIME OFFICE RENT



TREND



117,167 sqm

UNDER
CONSTRUCTION 2023

↓ **7.49%**

TREND



7,25%-8,25%

YIELDS



TREND

DEMAND

TOTAL WITH
RENEWALS

128,915 sqm

TOTAL WITHOUT
RENEWALS

64,012 sqm

NEW DEMAND

24,165 sqm

PRE-LEASE

1,000 sqm

- In Q2 2023, the net take-up increased strongly +81% (to 64,012 sqm, from 35,281 sqm/Q1 2023). The office market, with renewals, totaled 128,915 sqm.
- The overall volume of renegotiations was also more substantial in Q2 2023: 64,903 sqm.
- The prime rents keep at the same level.

IN A NUTSHELL

Transactions with large office areas have reappeared. The companies that leased the largest office spaces are: eMag, with an area of 10,000 sqm in Globalworth Square, Banca Transilvania, with an area of 9,860 sqm in Green Court, Vois (Vodafone division), with 5,462 sqm in The Bridge, Coca Cola, with 4,500 sqm, in Globalworh Campus and the Ministry of Transport and Infrastructure, with a space of 3,780 sqm in Sema Park.

Record quarter on the office rental market in Bucharest, in the last three years. In Q2 2023, the net take-up increased strongly +81% (to 64,012 sqm, from 35,281 sqm/Q1 2023), the highest quarter value since 2021.

Overall, due to these large transactions, the average transaction in Q2 increased to 1,143 from 705 sqm, in Q1 2023.

The renewal segment was also consistent, amounting to a total volume of 64,903 sqm, being close in volume to the new rental market. Honeywell has signed the largest contract for the renewal of an office space: 24,000 sqm, in BOC Office.

Prime office rents in the key submarkets keep the same value: 20 Euro / sqm / month.

DEMAND

IT&C retains the first in top sectors share. The IT&C companies represent the major demand (38%).

On the second place, is the energy sector, growing again as a business and as a total of rented spaces, of 21% of the net take-up (from 16%, Q1 2022).

FMCG companies leased office space with a total of 16,534 sqm (13%). The most important tenants of this sector were Coca-Cola and eEmag, who rented 15,500 sqm.

TOP AREAS SUBMARKETS

The relocation of four large private companies and a public institution completely changed the hierarchy of areas.

The first in the top of the most appreciated areas submarkets rose the Floreasca - Barbu Vacarescu area (FI-BV), with 22,859 sqm take-up, representing 35.7% of the demand. Notable transactions in FL-BV: the new demand office space of Banca Transilvania to the Green Court A building (9,960 sqm) and relocation of eMag in Globalworth Square (10,000 sqm), from an area without direct access to the subway. In total, there were 10 transactions in FI - BV area, but the first two transaction had the highest market values in Q2.

The second in the top was the West area, with 31.7%. In this area, 20 transactions were closed, the highest number in an area of Bucharest. On the other hand, however, the values were lower. The biggest transaction: renting a space of 3,780 sqm, by the Ministry of Transport and Infrastructure, in the Sema Park London building.

In the third place in top on the third place in the top was the Pipera area, around the metro station with the same name. Here were rented office spaces of over 10,000 sqm. The largest transaction: Coca-Cola relocation, on the 4,500 sqm office space, in Globalworh Campus.

All three top areas in Q2 2023 are near a metro station.

SUPPLY

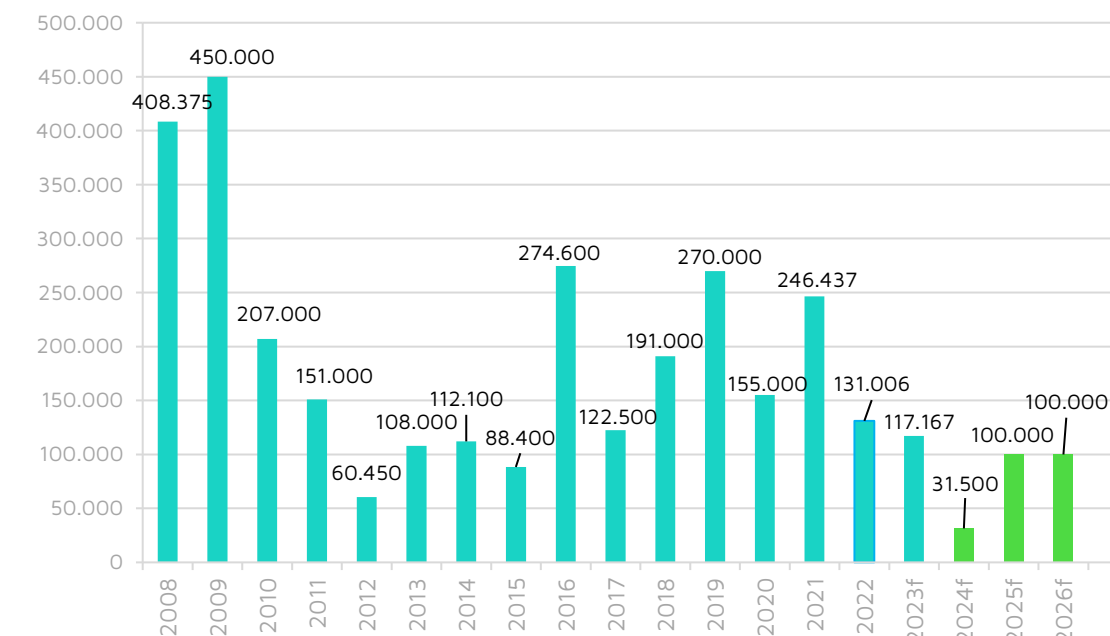
A single office building was delivered, @Expo building 1, 28,360 sqm, developed by Atenor.

In the future, deliveries decrease. In 2024 could be delivered spaces with a total area of approx. 31,500 sqm, due to postponement of projects.

Several small office buildings were taken out of stock. One of these, Construdava, will no longer be used for commercial purposes, the new landlord bought it for his own use, and two other buildings have fallen out of the category of modern spaces, not being modernized.

However, the average vacancy rate increased slightly, at 14.43% (from 13.7%, Q1 2023) - if we take into account all the office spaces that owners give as available.

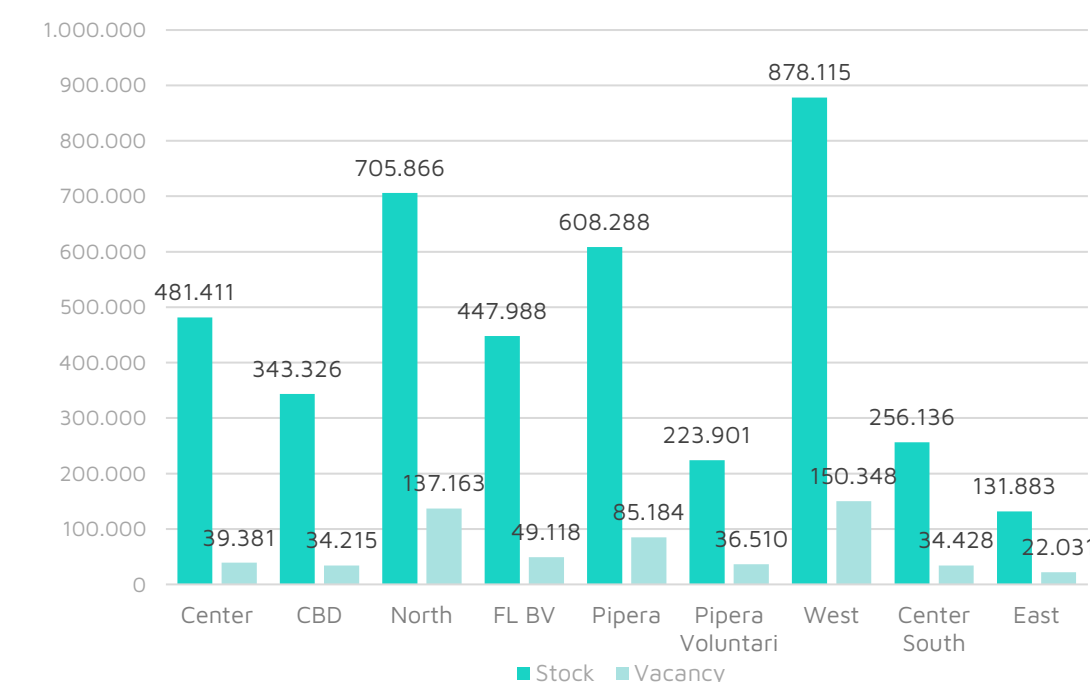
ANNUAL OFFICE SUPPLY 2008-2026F



The lowest vacancy rate is registered in the Center area: 8.2%. The highest vacancy rate is registered in the West area: 17.1%.

The evolution of the vacancy rate will depend on the policy of large companies, such as Oracle, which analyse the current need for office space.

STOCK & VACANCY Q2 2023



BUCHAREST INVESTMENT MARKET

In Q2 2023, Capital area attracted just two small investments transactions. In total, Bucharest investments cumulated 8.4 mil. Euro value, representing 15% of Romanian investments.

In Bucharest, only one transaction was concluded the office segment: a company controlled by Element Invest Partners purchased the One North Gate, with 6 million Euro. The building with 4,500sqm GLA has an occupancy of about 80%.

Another transaction was the purchase of a small warehouse, 5,981 sqm total surface, with 2,4 million Euro.

On the other hand, in the pipeline there are several negotiations having as object recently built or prime office buildings with a total GLA over 100,000 sqm which once closed, will provide a validation of the current pricing on this asset class in Bucharest.

ROMANIA INVESTMENT MARKET

Q2 2023 was a soft quarter in terms of investments (56.9 million Euro), about a third of previous quarter volume.

The most active sectors in terms of number of deals were retail and hotels which have recorded several deals below 10 million Euro each, adding up to a total of 27.5 million Euro for retail and 17 million Euro for hotels.

These deals show a continuing interest for retail parks both in metropolitan areas of big cities or in smaller cities around the country. The largest transaction, evaluated at 10 million Euro was the purchase by a Romanian private investor of 50% stake in two Family retail parks developed and operated by Iulius Group, located in Miroslava and Bucium suburbs of Iasi (the second largest Romanian city, in terms of population).

Also notable is the recovery of interest for hotel segment where are reported three transactions with leisure & holiday potential: two on the Black Sea resorts and one on the Fantanele lake, near the city of Cluj-Napoca.

Most buyers were from Romania, 57% (33 million Euro Investments).

8 Office Buildings sold in the first half of the year, in Romania. The property investment sector in the first half of the year (H1 2023) have attracted a volume of 210.2 mil. Euro far below the 516m Euro of H1 2022. So far, in 2023 most of the transaction volumes were in industrial segment with 78.7m Euro followed by office segment with 73m Euro.

The largest transaction in H1 2023, evaluated at 60-70 million Euro was the sale-leaseback of the 100,000sqm industrial portfolio of FM Logistic by CTP.

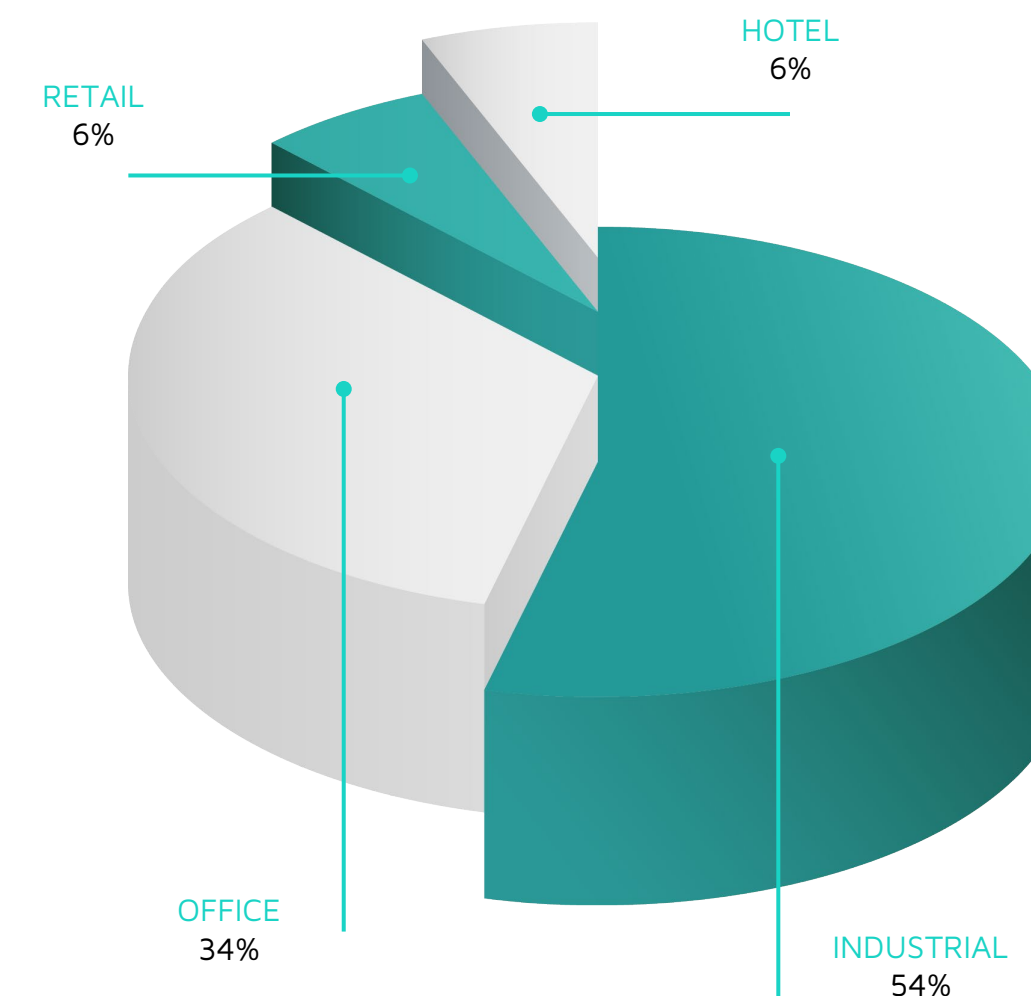
In total, 8 office buildings were sold, representing an investment volume of 73 mil Euro. Of these, 7 were office buildings in Bucharest.

Noteworthy transactions in office segment are the acquisition by Cypriot HNWI of One Herastrau Office (8,074 sqm GLA) for 21 million Euro, and acquisition by Yellow Tree of Olympia Tower (10,000sqm GLA) for 20 million Euro.

The interest was also high in the hotel segment, with four transactions closed reaching a volume of 23 million Euro out of which the biggest deal was acquisition by a HNWI of Inter Hotel (92 keys) on Black Sea resort Venus for 8m Euro.

INVESTMENTS TOP SECTORS Q2 2023

| Sector | Value (mil. EUR) | Total (mil. EUR) |
|------------|------------------|------------------|
| Retail | 27.5 | |
| Hotel | 17 | |
| Industrial | 6.4 | |
| Office | 6 | 56.9 |



ROMANIAN INVESTMENTS MARKET BY SECTORS, IN H1 2023

VALUATION SERVICES

Our team of experts provide comprehensive commercial real estate valuation across Romania, focusing on understanding the value of our clients' assets, to help them make informed decisions.

We provide a complete range of valuation services for each type of asset and for various purposes, such as:

- » Loan purposes
- » Financial statements
- » Acquisitions & disposals
- » Investment/development projects
- » Restructuring & Recovery

We act on behalf of financial institutions, developers, investment funds and private individuals to enhance their properties. Our assignments include both single units and portfolio valuations across all assets types.

- » Valuation reports in line with national standards (Romania – ANEVAR)
- » Valuation reports in line with international standards (Red Book, IVS, EVS)
- » Mortgage lending valuations
- » Valuations for accounting purposes (IFRS)
- » Portfolio valuations for transaction purposes
- » Asset valuation for investment purpose
- » Asset valuation for tax purpose
- » Asset valuation to support the client in preparation of the transfer file
- » Provide professional advice to clients and contribute to fee, billing and profit targets
- » Deliver client service and significant value added relating to property valuation throughout Romania

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TRACK RECORD | VALUATION SERVICES BY ASSETS CLASSES

» AGRICULTURAL LAND

ON BEHALF OF

Iragri
Bank of Cyprus
Hellenic Bank
ALS
GED Capital

» OFFICES

ON BEHALF OF

Bluehouse
Aberdeen
Banca Românească
Portland Trust
Danube Property Fund
First Property
Veneto Banca

» RESIDENTIAL UNITS

ON BEHALF OF

AXA Life Insurance
Millenium Bank Portfolio
BNP Paribas Leasing
Veneto Banca
NCH
Kredyt Inkaso

» WAREHOUSES

ON BEHALF OF

Pepsico
Credit Agricole Bank
GLS (Royal Mail)
Felix Development
OTP Bank
ING
Dacia - Renault

OUR TRACK RECORD

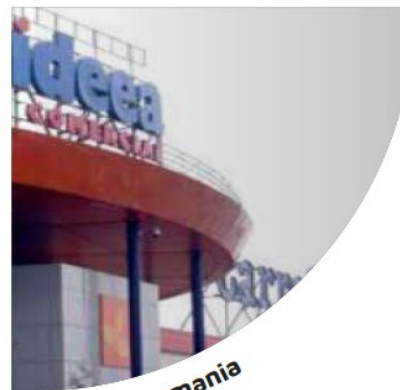
It's more than experience, it's about the results we deliver.



Edy Logistics



Bluehouse Portfolio



Carrefour Romania



Veranda Mall



Liberty Center



Iris Titan

» COMMERCIAL BUILDINGS

ON BEHALF OF

Portico Investments
Hypo Noe
Bancpost
Aberdeen
Arabesque
Carrefour

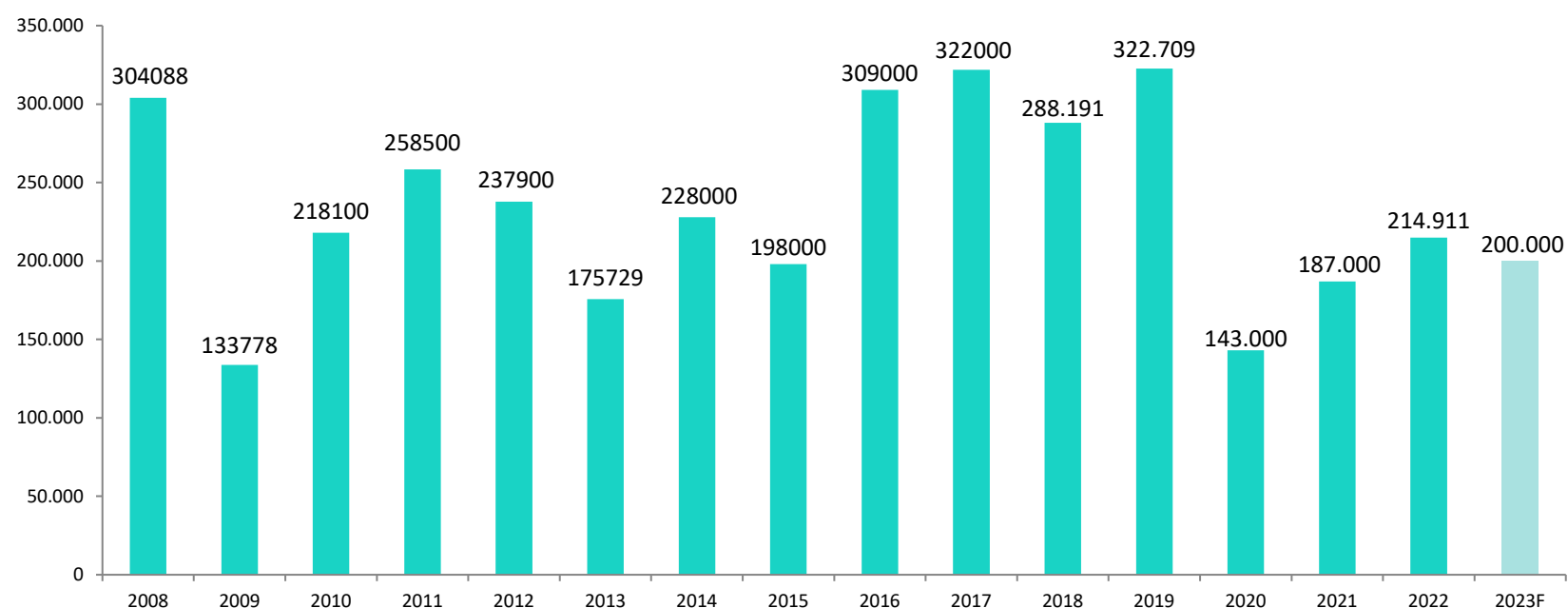
» BUILDABLE LANDS

ON BEHALF OF

MOL Romania
Deutsche Pfandbriefbank
Secure Management
Ibertruck
Panattoni Europe
Vinci Energies
Heineken Romania

OFFICE NET TAKEUP 2008-2023

*EXCLUDING RENEWALS



SELECTION OF MAIN LEASES CONCLUDED IN Q2 2023

| TENANT | BUILDING | LEASED AREA (SQM) | TYPE OF TRANSACTION | GEOGRAPHICAL AREA |
|---|--------------------------|-------------------|-----------------------|-------------------|
| Honeywell | BOC Office | 24,000 | Renewal/Renegotiation | Pipera |
| DB Technology | BOB Office | 12,721 | Renewal/Renegotiation | Pipera |
| eMAG | GlobalWorth Square | 10,000 | Relocation | FI-BV |
| Banca Transilvania | Green Court A | 9,960 | New demand | FI-BV |
| VOIS | City Offices | 6,053 | Renewal/Renegotiation | South |
| VOIS | The Bridge 2 | 5,462 | New demand | West |
| Harman | Iride Myhive Metrooffice | 5,300 | Renewal/Renegotiation | Pipera |
| Coca-Cola | Globalworth Campus B | 4,500 | Relocation | Pipera |
| WNS | West Gate H5 | 3,800 | Renewal/Renegotiation | West |
| Ministerul Transporturilor si Infrastructurii | Sema Parc London | 3,780 | Relocation | West |

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BUCHAREST OFFICE DEMAND BY SUBMARKETS

