

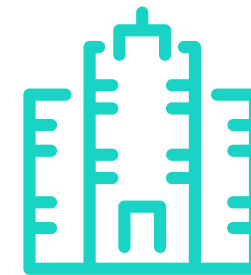
In a nutshell

# Bucharest Office Market 2024 • Q3





## KEY FIGURES



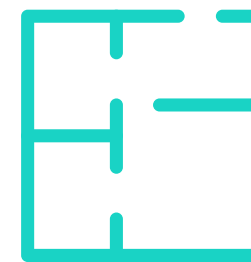
**4.1 M sqm**  
TOTAL OFFICE STOCK

↑  
TREND



**13.5%**  
VACANCY RATE

↑ **0,7%**  
TREND



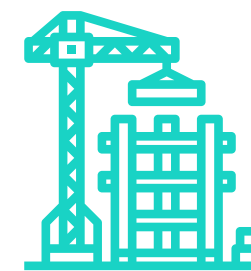
**0 sqm**  
NEW OFFICE SUPPLY  
Q3 2024

↓  
TREND



**€20.5/sqm/mth**  
PRIME OFFICE RENT

→  
TREND



**16,500 sqm**  
UNDER  
CONSTRUCTION 2024

↓ **84%**  
TREND



**8%**  
YIELDS

→  
TREND

## DEMAND

TOTAL WITH  
RENEWALS

**77,368 sqm**

TOTAL WITHOUT  
RENEWALS

**34,865 sqm**

NEW DEMAND

**20,014 sqm**

PRE-LEASE

**2,030 sqm**

+0,3% old buildings

- **Q3 2024 was the best performing quarter in terms of investments in office buildings, since 2023 – 2024.**
- **In the third quarter of 2024, net take-up fell by 34% compared to the previous quarter to 34,865 square meters, down from 52,066 square meters in the second quarter of 2024.**

## IN A NUTSHELL

Demand for office space has shifted **to better central or ultra-central locations**, such as the CBD. They prefer office buildings close to the metro and with very good accessibility.

Companies that have moved into newer Grade A buildings also **upgraded**, opting for quality over quantity - in this case it's the size of the space.

**The largest take-up transaction** was DB Technology, an IT&C company, which leased 7,000 square metres of office space in BOB - Upground Office Building. The average value of take-up rental transactions was 850 sqm.

**No new office buildings were delivered during this quarter.**

The vacancy rate for modern office space in Bucharest increased slightly to 13.5%, up from 13.4% in Q2 2014. This is due to the entry into the market of older office buildings previously occupied by a single tenant, which are now available on the open market.

**All investment transactions in Bucharest were in the office sector, in Q3.** The total value concludes EUR 136.2 million. The biggest Capital transaction was the purchase the Landmark office building, with a price of 75 million euros, by an Indian investor, from a Greek investment fund.

## DEMAND

In the third quarter of 2024, **66 companies rented** a new space or extended a lease in Bucharest. **Most of the tenant companies** were from the **IT&C sector (36%)**. In second place in terms of share was Professional Services (15%) and the third place of share was FMCG (14%).

The companies signing, starting or renewing new contracts include BNP Paribas Group, Arval, Cardiff, Cognizant, Kellogg's, Atelierul de Slabit, Lensa, Insignis, Ipsos, Asseco.

**Net take-up** fell by 34% quarter-on-quarter to 34,865 sqm, down from 52,066 sqm in Q2 2024.

The total area of the office spaces in the **renewal contracts** was 42,503 sqm, higher than the total area of the new lease contracts. The fact that no new office buildings have been completed this year may be an explanation for the companies' decision to stay in place. This also explains why the companies have pre-let space with an area of only 2,030 square metres.

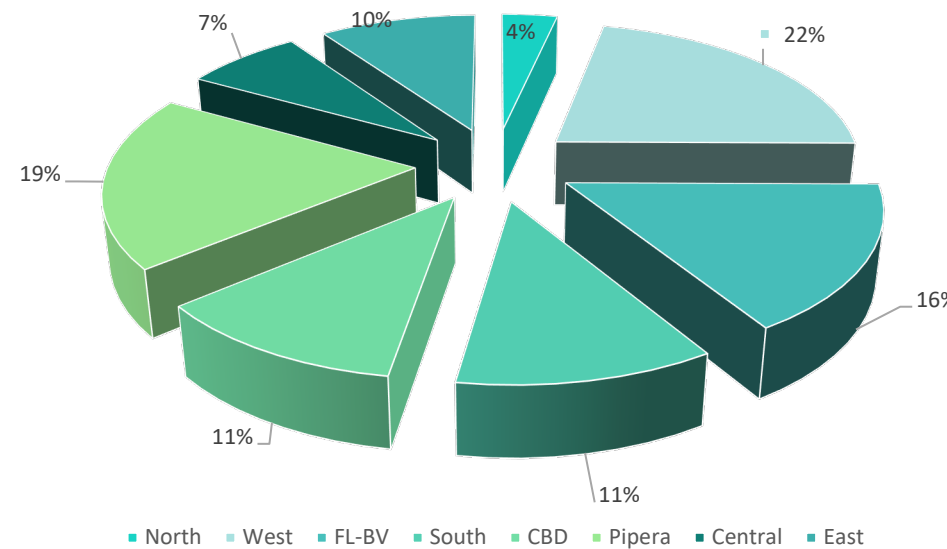
In total, since the beginning of the year, in the first three quarters, offices with a total area of 243,333 sqm have been leased, including take-up and renewal transactions.

## MORE BALANCE IN THE AREAS

**The highest number of transactions, 15, was recorded in the West area.** In this area, companies have chosen office buildings such as Sema Park Paris, Afi Tech, River Tower; and One Cotroceni Park.

The central area plus the CBD attracted almost the same volume of lettings as the western area, which ranked number one. Tenants who have chosen these top areas include TMF, Digi, New Balance, LPP, Visa and Asseco. Buildings such as America House, D'OR Offices and The Mark, which have excellent public transport links and are in the best business areas, were among the top choices for tenants in these areas.

## BUCHAREST OFFICE DEMAND BY SUBMARKETS



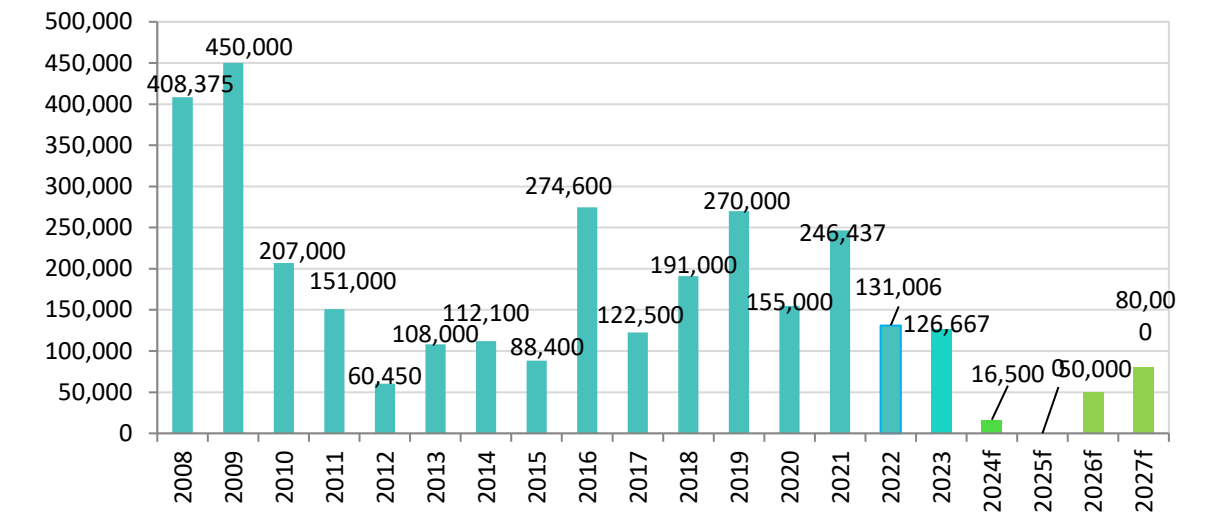
## SUPPLY

The forecasts for the creation of new spaces have decreased even more, for 2024 and the next period. Only one small office building will be put into use in the last quarter of 2024.

AFI LOFT, GLA 16,500 sqm is an unique boutique A-class office project developed on top of AFI Cotroceni mall, the largest shopping center in Romania, spread on approximately 90,000 sqm GLA and having almost 350 international and national brands, an indoor skating area, IMAX cinema, fitness gym and a generous & diverse food court.

Conversely, some companies have reassessed their space requirements, resulting in several existing office buildings coming onto the market with offices in the process of being vacated. Such spaces can be occupied immediately and often have more advantageous rents than those of the office buildings in the pipeline.

## ANNUAL OFFICE SUPPLY 2008-2027F



Source: Fortim Trusted Advisors, alliance member of BNP Paribas Real Estate

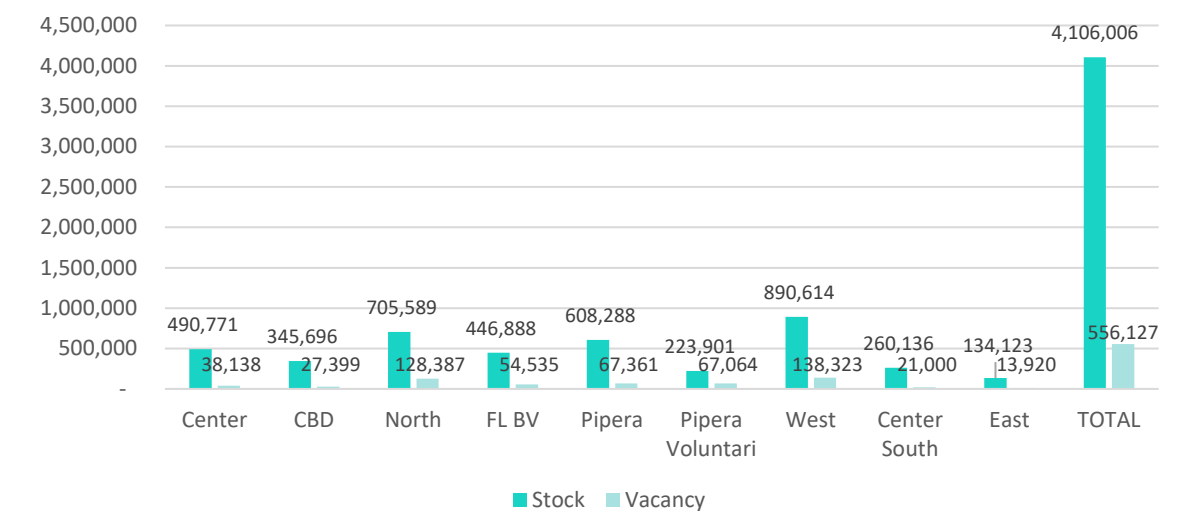
Almost all office development has been on hold. No deliveries are planned for 2025, and in 2026-2026 only the next phase of the Timpuri Noi Square complex and a few small boutique office buildings are likely to be developed.

So, for 2026-2027, several projects have been announced, but there are still no firm delivery deadlines.

**Vacancy Rate:** The vacancy rate for modern office space in Bucharest increased slightly to 13.5%, up from 13.4% in Q2 2014. This is due to the entry into the market of older office buildings previously occupied by a single tenant, which are now available on the open market.

**Prime Rent Value:** There were no significant changes in prime rent values during this quarter.

## STOCK AND VACANCY Q3 2024 (sqm)



## ROMANIA INVESTMENT MARKET

Romania's property investments totalled EUR 247.6 million in Q3, 24% more than in the previous quarter.

In Q3 2024, four office buildings were the subject of transactions, with a total of EUR 136.2 million.

The biggest office transaction: Vectr Realty bought The Landmark office building, with EUR 70-80 million.

**The biggest Romanian transaction** came from the industrial sector: WDP purchased 3 industrial parks, covers an area of 136,000 sqm. The value of the transaction is currently confidential and is estimated at EUR 110 million.

**In the first three quarters of 2024, real estate investments in Romania totaled EUR 652.4 million, 27 transactions were concluded, representing an investment volume 22% higher than that invested in all of 2023.**

## BUCHAREST INVESTMENT MARKET

Major office buildings acquired were in the second or third generation of tenants. In the case of the sixth building, Miro, which is more than 5 years old, the majority shareholder bought the last part of the 25% of the shares for 15 million euros.

In first three quarters of 2024, real estate investments in Bucharest totaled EUR 277.4 million, 8 transactions were concluded, representing an investment volume 96% higher than that invested in all of 2023.

Photo: The Landmark



## INVESTMENTS TOP SECTORS Q3 2024

SECTOR	Value Q1 2024 (mil. EUR)	Value Q2 2024 (mil. EUR)	Value Q3 2024 (mil. EUR)
INDUSTRIAL	12.8	168	110
RETAIL	138.5	25	1.4
HOTEL	44	6	0
OFFICE	10.5	0	136.2
<b>Total (mil. EUR)</b>	<b>205.8</b>	<b>199</b>	<b>247.6</b>

Q3 2024 is an example of the resilience and adaptability of Romanian real estate, with opportunities in the office sector.

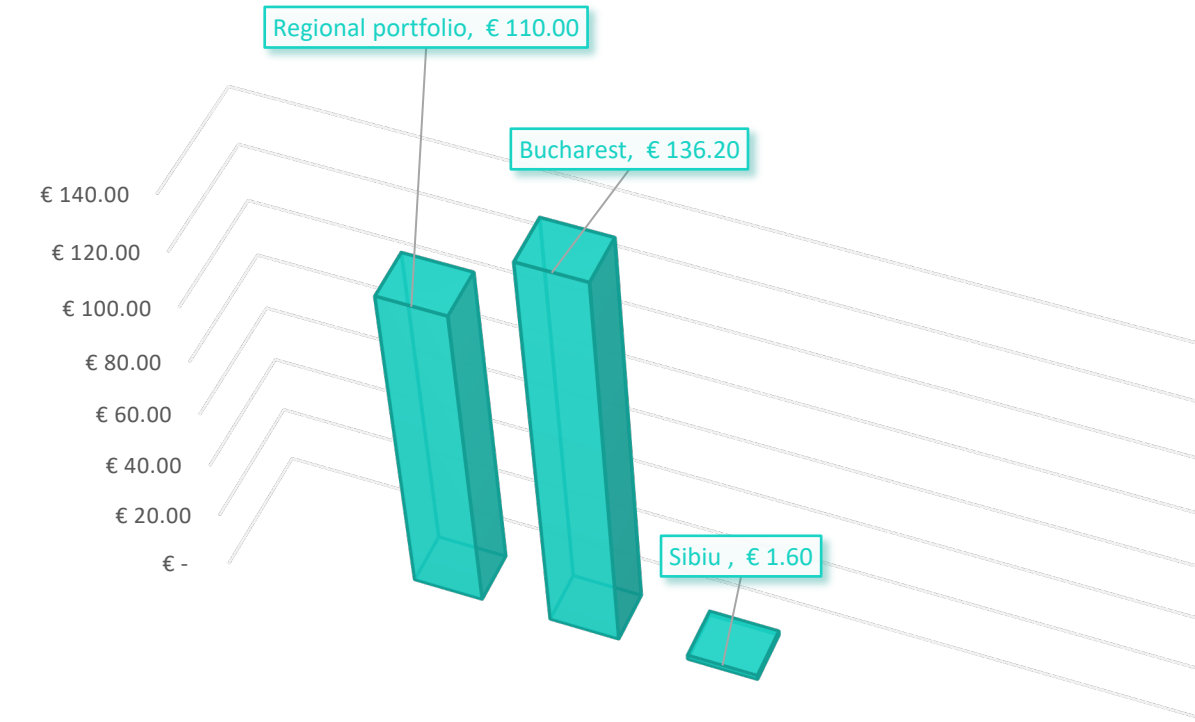
## INTEREST RATES & MARKET SENTIMENTS

Given the current global financial landscape, where most investment markets are experiencing a downturn, this is a remarkable achievement for the Romanian market, marking new record highs.

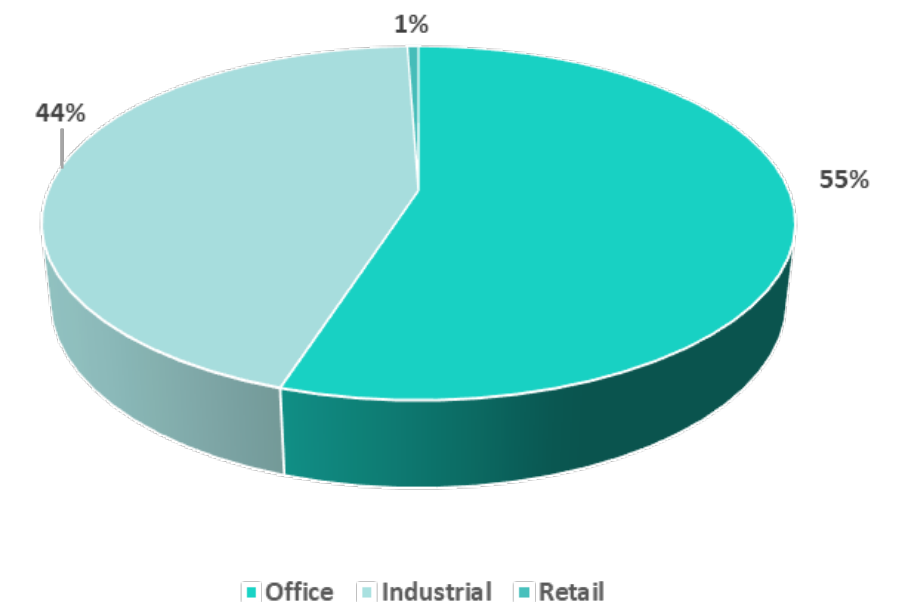
Romania has demonstrated greater resilience compared to Western European markets in terms of yields and transaction volumes.

We have also observed a resurgence in office property transactions in recent months, particularly in projects that have proven their resilience and strong performance over the challenging past few years. This trend is expected to continue, especially considering the limited availability of new office space in Bucharest due to permitting issues.

## ROMANIAN INVESTMENTS MARKET BY CITIES, IN Q3 2024 (MIL EUR)



## ROMANIAN INVESTMENTS MARKET BY SECTORS, IN Q3 2024



## 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 asset's 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



## 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.

### » 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 EURpe  
Vinci Energies  
Heineken Romania



Edy Logistics



Bluehouse Portfolio



Carrefour Romania



Veranda Mall



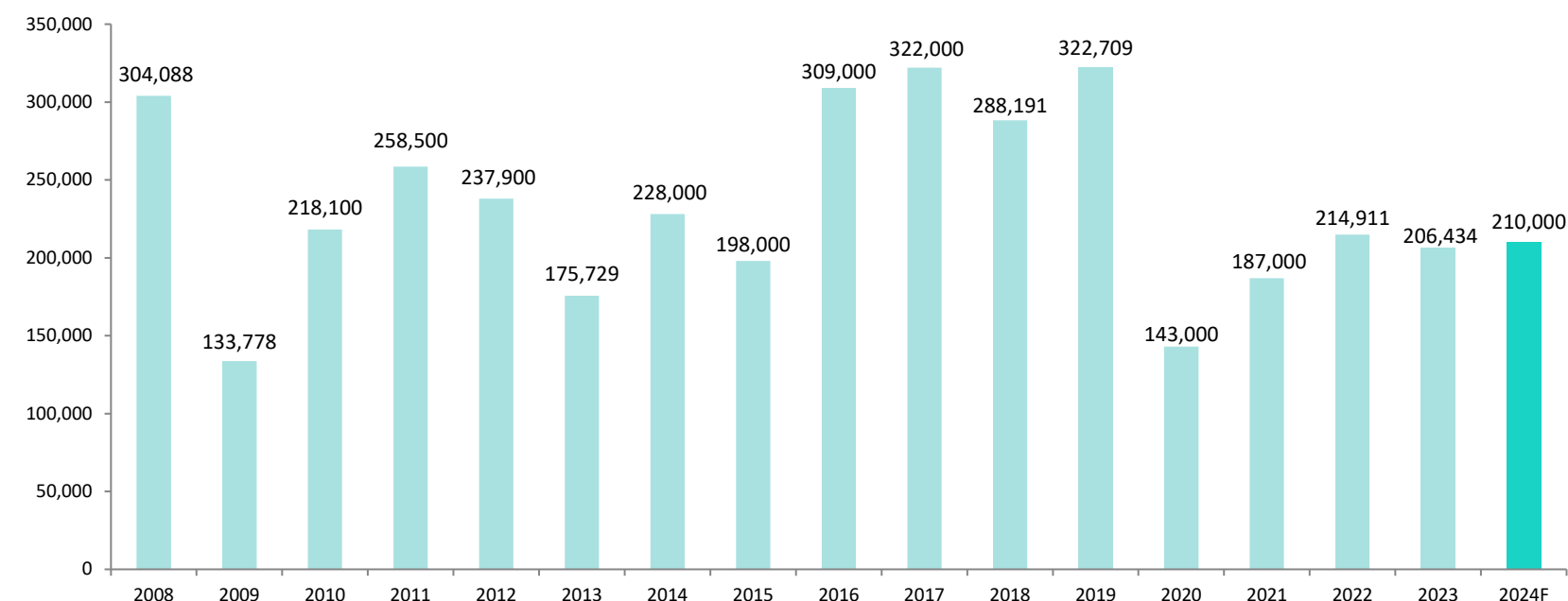
Liberty Center



Iris Titan

## OFFICE NET TAKEUP 2008-2024\*

\*EXCLUDING RENEWALS



## CONTACTS

### Costin Nistor

Managing Director  
Romania  
[costin.nistor@fortim.ro](mailto:costin.nistor@fortim.ro)

### Nicolae Ciobanu

Managing Partner  
Head of Advisory  
[nicolae.ciobanu@fortim.ro](mailto:nicolae.ciobanu@fortim.ro)

### Bogdan Cange

Managing Partner  
Business Development  
[bogdan.cange@fortim.ro](mailto:bogdan.cange@fortim.ro)

### Daniel Mitu

Senior Consultant  
Office Agency  
[Daniel.mitu@fortim.ro](mailto:Daniel.mitu@fortim.ro)

### Ștefan Oană

Head of Capital Markets  
Romania  
[stefan.oana@fortim.ro](mailto:stefan.oana@fortim.ro)

### Maria Neda

Deputy Head PR & Research  
Romania  
[maria.neda@fortim.ro](mailto:maria.neda@fortim.ro)

### Bianca Batin

Consultant  
Office Agency  
[bianca.batin@fortim.ro](mailto:bianca.batin@fortim.ro)

### Alexandru Gliga

Senior Valuer  
Mobile: +40 720 043 141  
[valuation@fortim.ro](mailto:valuation@fortim.ro)

### FORTIM TRUSTED ADVISORS SA

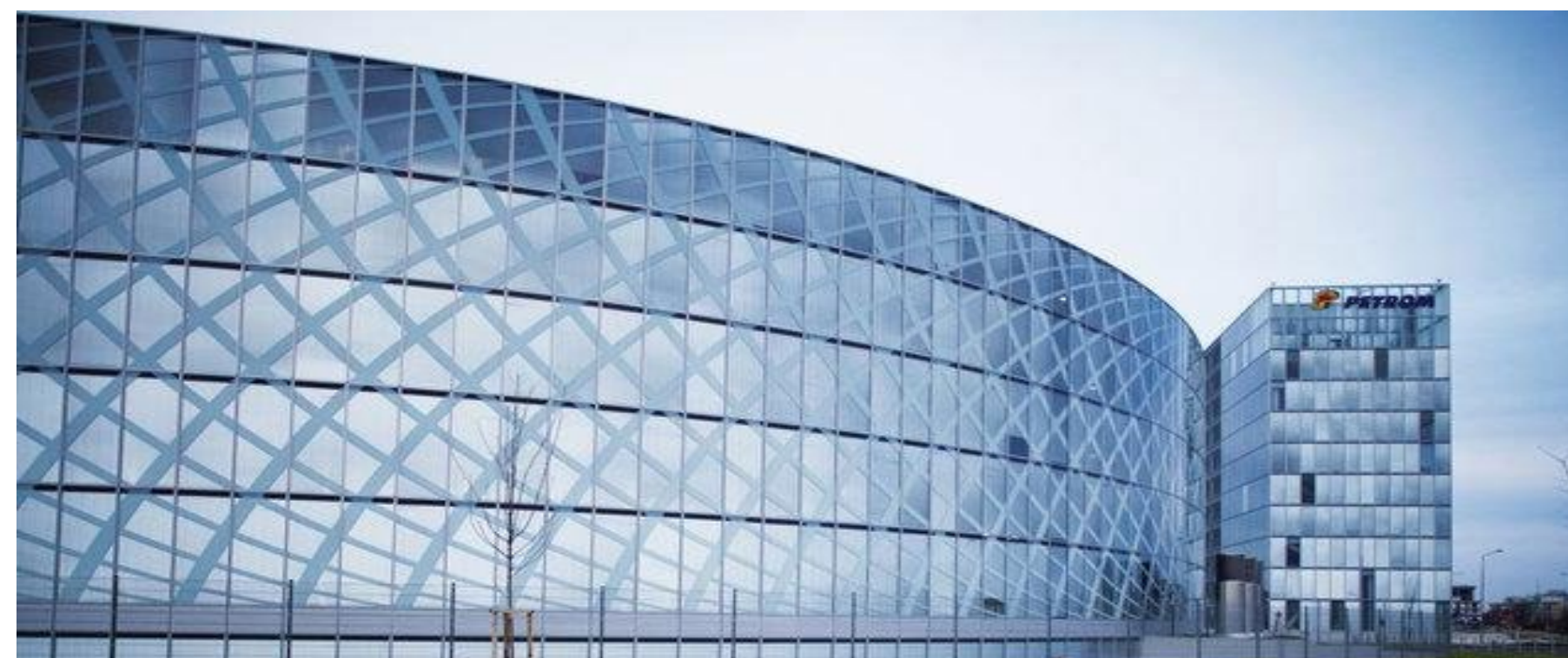
America House Office Building, Bld. Nicolae Titulescu 4-8,  
West Wing, 2<sup>nd</sup> Floor, District 1, Bucharest.

Tel: +40 21 312 70 00 Fax: +40 21 312 70 01;

[office@fortim.ro](mailto:office@fortim.ro) / [www.fortim.ro](http://www.fortim.ro) / [linkedin.com/company/fortim-trusted-advisors/](https://www.linkedin.com/company/fortim-trusted-advisors/)

## SELECTION OF MAIN LEASES CONCLUDED IN Q3 2024

TENANT	BUILDING	LEASED AREA (SQM)	TYPE OF TRANSACTION	GEOGRAPHICAL AREA
Confidential (Danone)	Confidential (EOS Business Park)	7,500	Renewal	East
DB Technology	Upground Office Building (BOB)	7,000	New Lease	Pipera
BNP Group	Oregon Park C	6,200	Renewal	Pipera
LUXOFT	Hermes Business Campus	6,200	Renewal	FL-BV
IWG	Unirii View	3,100	Renewal	Central
Cognizant	Timpuiri noi Square	2,900	Sub-lease	South
Lenovo	AFI Floreasca Park	2,880	Renewal	FL-BV
Confidential	AFI Business Park 5	2,800	Renewal	West
Ipsos	Business Garden A	2,321	New Lease	West
Arnia	Europe House	2,100	Renewal	CBD



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