The total office supply in Bucharest reached 1.19 million sq m in 2008, a level close to the one registered in Kiev and Bratislava.

The new supply reached around 240,000 sq m for 2008, a 4% decrease compared to 2007. The influence of financial market constraints caused projects to be cancelled and building delivery dates delayed.

Over the year 2008 the new supply showed that the subzone market share continued to be predominately focused on the northern area. There was gain by the centre-west area (+15.6%) and the centre (+13%) year-on-year. There are also new emerging locations such as the western zone being represented by 6.8% from the total existing stock.

The take-up volume increased by 11.1% compared to 2007. The take-up split

Key Office Market Indicators in Bucharest, 2005-2010*

	2005	2006	2007	2008*	2009*	2010*
Total supply (sq m)	540,000	700,000	950,000	1,190,000	1,490,000	1,790,000
Annual supply (sq m)	120,000	160,000	250,000	240,000	300,000	300,000
Annual take-up (sq m)	150,000	230,000	240,000	270,000	200,000	200,000
Vacancy rate (%)	5.00%	2.00%	2.00%	2.00%	8.00%	13.00%
Prime rents (€/sq m/month)	18.00	19.00	22.00	25–26	22–24	22.00

* Forecast

Office Projects Completed in Bucharest, 2008

Project	Location	Office area (sq m)	Developer	Nationality
BOB Tower	North	46,000	Upground Estates	ROM
West Gate Business Park - Ph. II	West	27,800	ID Grup	ROM
Sema Parc – City Building	Centre-West	25,000	River Invest	ROM
Bucharest Tower Center	Centre	21,300	Industrial Export & Avrig 35	ROM
Conect Building – Ph. III	North	12,000	Conect SA	ROM
Sema Parc – Courtyard Building	Centre-West	12,000	River Invest	ROM
Rams Business Park	East	11,800	Rams Business Park	ROM
Nord City Tower	North	9,700	Nord Grup	ROM
Premium Plaza	Centre-North	8,500	Premiumred	AUT

Major Pipeline Office Projects in Bucharest, 2009-2012

Project	Location	Office area (sq m)	Developer	Nationality	Planned delivery
Platinum Business & Convention Centre	North	55,000	Willbrooke	ISR	2009 - 2010
BOC Tower	North	53,000	Upground Estates	ROM	2009 - 2010
Swan Office Park	North	46,900	Arca Invest	ROM	2010 - 2011
City Gate	North	44,300	GTC	POL	2009 - 2010
Orhideea Towers	Centre-West	44,000	Europolis	AUT	2011
Global City	North	42,000	Global Finance	GRE	2009
Sky Tower	Centre-North	41,000	Raiffeisen Evolution	AUT	2011
Floreasca Business Park	Centre-North	36,000	Portland Trust	CZE/USA	2009
Pipera City - Ph. 1	North	36,000	Creativ Global Property	UK	2011
Anchor Plaza Metropol	West	34,000	Anchor Grup	TK	2009 - 2010

The Largest Office Lease Transactions in Bucharest, 2008

Tenant	Office area leased (sq m)	Occupier sector*	Building	Location
HP	11,000	ICT	Novo Parc	North
GE Money	9,200	FIRE	Novo Parc	North
ABN Amro	8,000	FIRE	Lakeview Corner	Centre-North
Price WaterhouseCoopers	7,500	BS	Lakeview Corner	Centre-North
Siemens	7,000	ICT	West Gate (Ph. III)	West
Renault	5,500	ICT	Twin Towers Barba Center	North
Coca Cola	5,438	IM	Global City	North
Raiffeisen Bank	4,800	FIRE	BOB Tower	North
Cheque Dejeuner	4,200	BS	Rams Business Park	East
Electronic Arts	3,500	ICT	Sema Parc	Centre-West

*FIRE – Finance, Insurance, Real Estate; ICT – Information, Communication, Technology; BS – Business Services; IM – Industrial, Manufacturing, Trading

Office Market
Bucharest

by subzone shows that demand was predominantly focused on the north and centre-north areas, both accounting for 63.5% from the total amount registered at year end. The most active companies in relocating and expanding their activity were in the Financial Service (32.5%), Industrial, Manufacturing and Trading sectors (20.7%) and Information, Communication and Technologies (16.4%); almost half of the take-up volume was represented by lease agreements signed before completion of the buildings.

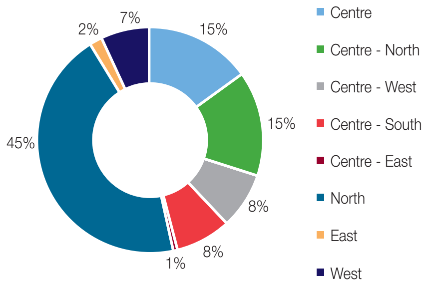
The vacancy rate was stated at 2% in 2008, approximately 3% for the northern area and below 1% for the central locations. DTZ estimates that against the background of economic uncertainty some companies will abate their activities and combined with new office spaces planned for delivery in 2009, this will lead to an increased vacancy rate for the remainder of 2009.

2008 is known as a record-breaking year in terms of rental levels as an office space rent of €25–26 per sq m per month within prime office locations is the highest level achieved in the last 10 years. For prime office schemes parking rents are quoted to range between €120–150 per parking unit per month (underground) and €90–110 (surface).

It is estimated that 2009 will see the completion of around 300,000 sq m of class A and B office space. By the end of 2009, Bucharest will experience the introduction of a new concept on the office market – the green buildings, known as a practice of increasing the efficiency of buildings, while reducing the building's impact on the environment during the building's lifecycle, through better positioning, design, construction, operation and maintenance. The first building of this type is expected to be delivered in the third quarter of 2009. The concept demonstrating its success on the local market through Euro Tower, developed by the Cascade Group, by attracting some of the major blue-chip companies.

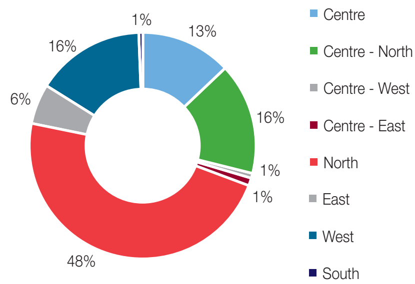

Euro Tower, Bucharest

Total Office Stock
split by subzone/subdistrict in Bucharest, percent, H1 2008



Source: DTZ Research

Office Take-up by Subzone
in Bucharest, 2008, percent



Source: DTZ Research

Bucharest
Office schemes

Existing Office Schemes

1 America House
2 Charles de Gaulle Plaza
3 Bucharest Financial Plaza
4 Bucharest Business Park
5 Metav Business Park
6 Biharia Office Centre
7 Millenium Business Center
8 Opera Center
9 Europe House
10 World Trade Center
11 Bucharest Corporate Center
12 The Grand Offices/Marriott
13 Oracle Tower
14 Iride Business Park
15 Novo Park
16 S-Park
17 Lamda Office Building
18 PGV Tower
19 Dorobanti Office Building
20 Baneasa Airport Tower
21 Construdava 1
22 TATI Center
23 Victoria Park
24 Buzesti 85
25 Nova Building
26 Nord Office Centre
27 UPC Building
28 Floreasca II Business Centre
29 Caramfil Business Centre
30 Dorobanti 239
31 Vodafone Pipera
32 North Centre
33 Unimed
34 Cascade Office Building
35 North Gate
36 BRD Tower
37 MEI Office Building
38 Neocity I+II
39 Forum I-III
40 Conect I+II
41 Trust Center
42 ART Business Center
43 Baneasa Business Center
44 Palazzo Italia
45 Anchor Plaza
46 Baneasa Business & Technology Park I
47 Premium Plaza
48 Twin Towers Barba Center I
49 Nord City
50 Sema Parc
51 River Plaza I + II
52 Calarasi OB
53 Avrig 3-5.
54 GBC
55 BOB Tower
56 Bucharest Tower Center
57 Twin Towers Barba Center II
58 Conect III
59 Maria Rossetti Tower

Pipeline Office Schemes

1 Baneasa Business & Technology Park II
2 City Gate
3 Neocity III
4 Euro-Tower
5 Novo Park
6 Floreasca Business Park
7 Sky Tower
8 Lakeview Corner
9 Sema Parc
10 Swan Office Park
11 Global City
12 Riverside Tower
13 Meteo Business Centre I+II
14 Cubic Centre
15 Bahtco BC
16 MultiGalaxy Business Centre I+II
17 Olympia Tower
18 Metropolis
19 Izvor Business Centre
20 Excelsior Office Centre
21 Pipera City
22 Anchor Plaza Metropol
23 Platinum Center
24 Platinum Convention Center
25 Anchor Plaza Downtown
26 Nusco Tower
27 Avrig 1-7
28 Art BC 5
29 Art BC 6
30 BOC Tower
31 Pipera Business Tower
32 PC Center
33 Orhideea Tower