

Bucharest Office Market Snapshot Q3 2021



The Multiverse of Work

The talent-optimizing workplace
is one that exists in more than one location.

[Read our report](#)

Our global presence

Legal entities

- Canada
- United States
- Mexico
- South Korea
- South Africa
- United Kingdom
- Israel
- France
- Czech Republic
- Hungary
- Poland
- Romania
- Republic of Ireland
- Russia

Planned entities 2021

- Austria
- Portugal
- Spain

About us

Avison Young creates real economic, social and environmental value as a global real estate advisor, powered by people. As a private company, our clients collaborate with an empowered partner who is invested in their success. Our integrated talent realizes the full potential of real estate by using global intelligence platforms that provide clients with insights and advantage.

5,000

real estate professionals

16

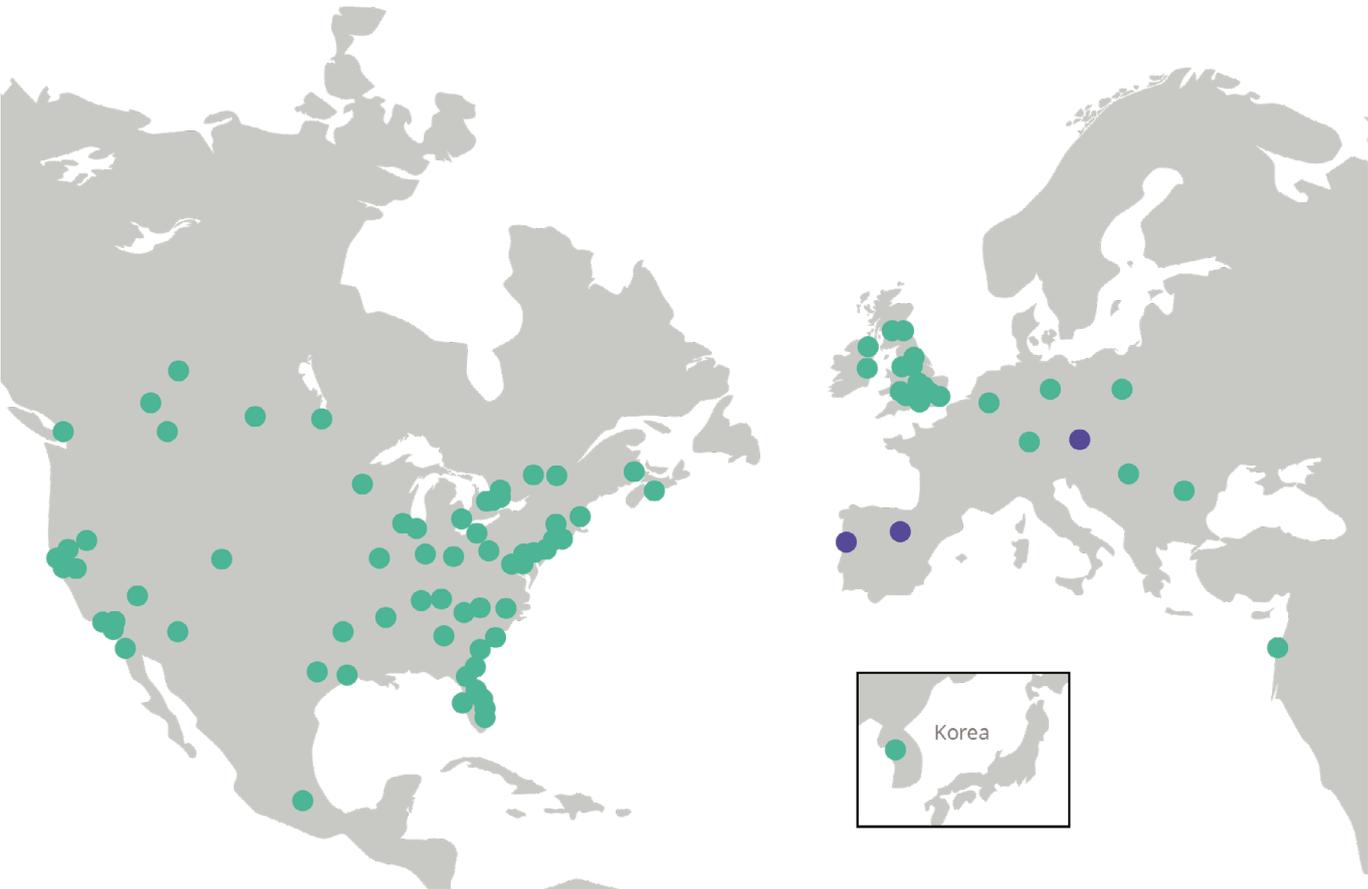
countries and growing...

100+

global offices

1978

founding year



↑ 6% y-o-y

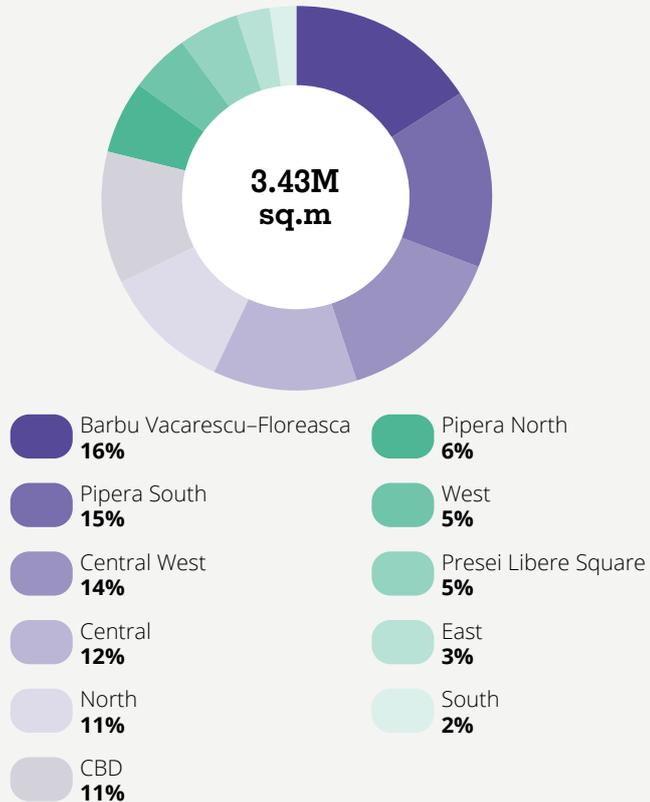
Supply

With over 130,000 sqm completed in the third quarter, Bucharest's modern office stock reached 3,43M sq.m. Due to completion of Globalworth Square, Barbu Vacarescu-Floreasca sub-market currently contributes with the largest office stock, followed by Pipera South & Central-West.

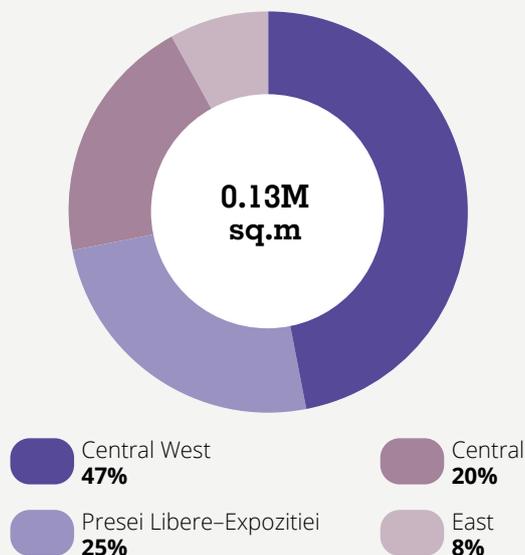
Worth mentioning the completion of J8 Office Park in North with a GLA slightly exceeding 46,000 sq.m as well as the completion of an institutional grade project in the southern half of the city, U-Center Phase 1.

For the remainder of the year additional 89,000 sq.m are currently in advanced stage of construction which will elevate 2021's office supply to ca 290,000 sq.m.

Class A&B office stock distribution by submarkets



Office Pipeline 2022



Selection of office completions Q3 2021 & Pipeline Q4 2021

Developer	Office Project	GLA (sq.m)	Office Submarket	Delivery Date
Portland Trust	J8 Office Park	46,100	North	Q3 2021
Forte Partners	U Center Campus 1	32,800	Central	Q3 2021
Globalworth	Globalworth Square	29,100	BV-Floreasca	Q3 2021
Atenor	Dacia One	15,200	Central	Q3 2021
One United	One Cotroceni Park	45,000	Central West	Q4 2021
Speedwell	MIRO	22,800	North	Q4 2021
Atenor	@expo	21,000	Presei Libere-Expozitiei	Q4 2021

↓ 52% y-o-y

Demand

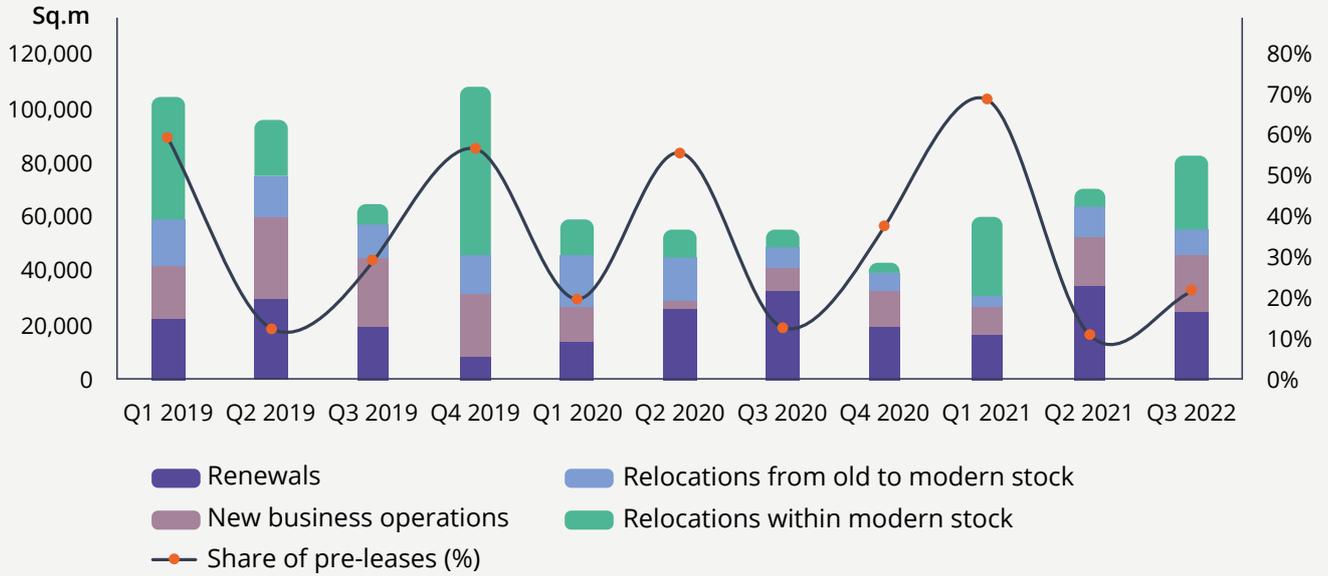
Total leasing activity reached 82,000 sq.m which represents 17% q-o-q increase. In Q3 pre-leasing activity captured ca. 22% from quarter's activity, while renewals contributed with about 30%.

Occupiers are constantly scrutinizing the market in the quest of securing the best commercial terms for their next lease cycles. The volatility of the office market persists, as majority of the occupiers are yet to return to their physical offices.

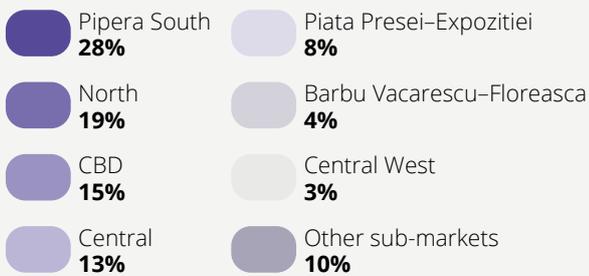
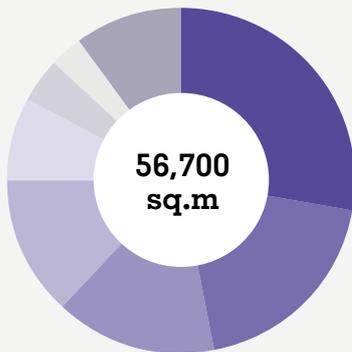
Northern locations are still in demand providing plenty of office accommodation opportunities. By far the largest lease was signed by Medicover (15,000 sq.m) for the reconversion of an office building into a private healthcare unit, followed by the pre-lease signed by Telekom in Atenor's @expo office project (4,500 sq.m).



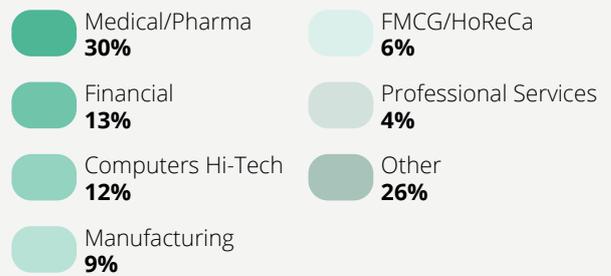
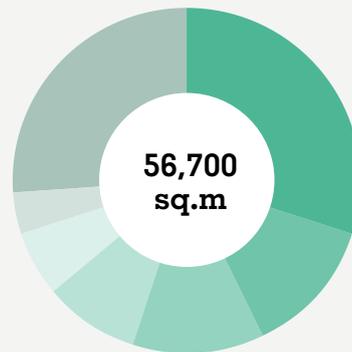
Office leasing activity evolution Q1 2019 – Q3 2021



Net take-up by submarket Q3 2021

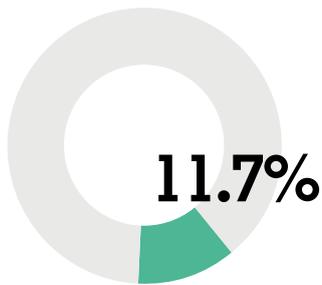


Net take-up by business sector Q3 2021



increase

Vacancy



11.7% Average Class A&B vacancy rate in Bucharest. Mild q-o-q vacancy rate increase of average vacancy rate in Bucharest.

stable

Rents

Prime headline rent stands at 19 euro per sq.m per month and overall asking rents for class A office space located in Bucharest have remained relatively stable q-o-q.

Prime office rent has been stable for the past 10 quarters

Forecast

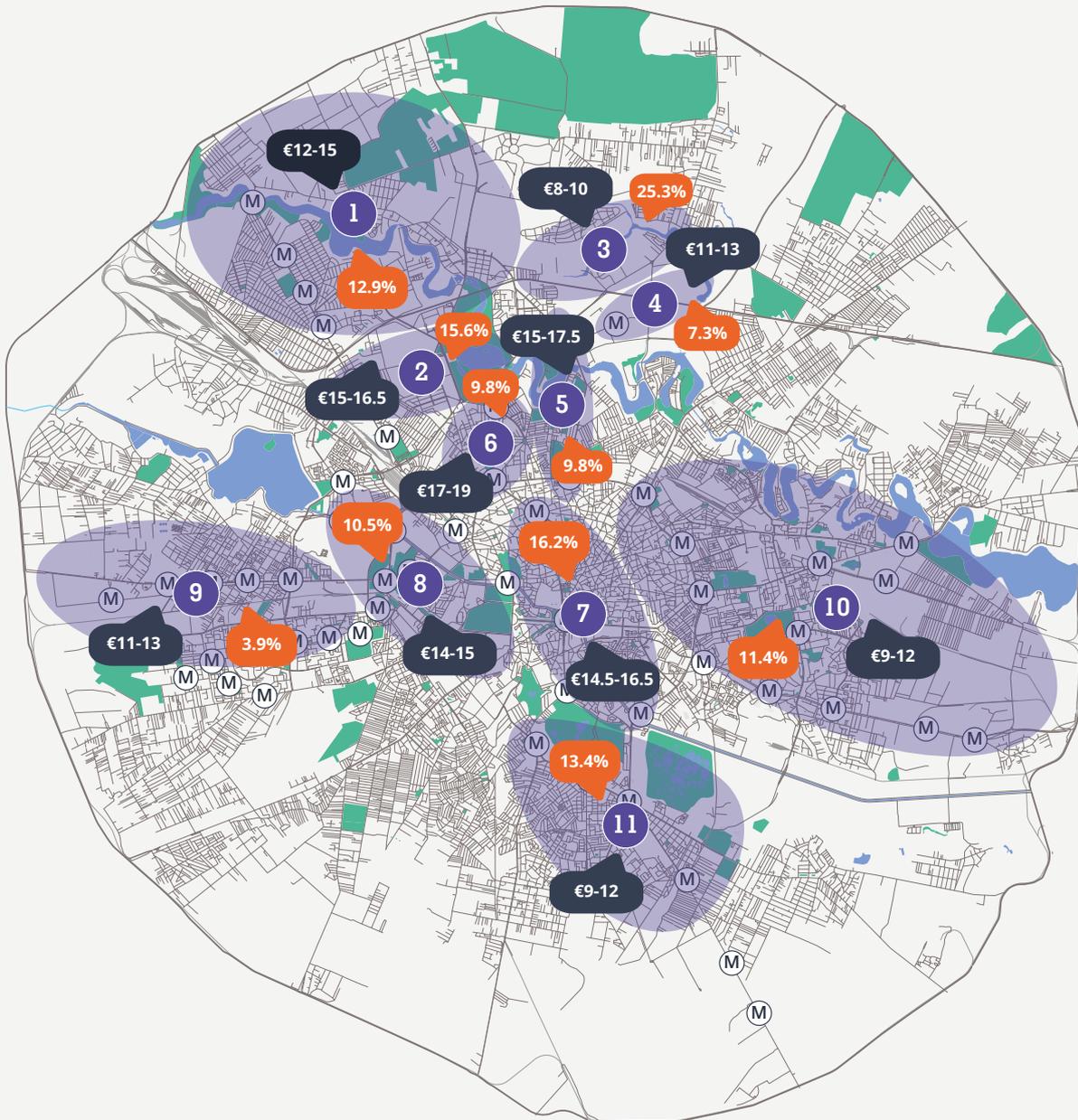
Next year's pipeline is quite scarce, with ca. 131,000 sq.m currently under construction. The largest pipeline is located in the Central West followed by Central and Presei Libere-Expozitiei sub-markets. To date ca. 50-60% of this pipeline is already pre-let.

Moving forward, pre-leasing activity will further increase in 2022 for office projects about to start. For larger requirements it is advisable to engage well in advance with real estate professionals, as many projects might start on built-to-suit basis.

There is no single "one size fit all" solution. But employers who can distinguish the right answers for their organizations – and then execute a clear workplace strategy around them – will gain two key competitive advantages: They will succeed in recruiting the best talent, and then they will maximize their employees' effectiveness ("The Multiverse of Work", Avison Young research report).

 [The Multiverse of Work](#)

Headline rents & Vacancy rates for class A office space by submarket



Legend

-  Headline Rent Class A (€/sq.m/month)
-  Vacancy Rate Class A (%)
-  Metro Station
-  1 North
-  2 Expozitiei
-  3 North-Pipera
-  4 South-Pipera
-  5 Floreasca-BV
-  6 CBD
-  7 Central
-  8 Center-West
-  9 West
-  10 East
-  11 South

Source: Avison Young

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