

**Industry**
**Real Estate**
**Overview**

The International Monetary Fund (IMF) forecasts Romania's economy will shrink by 4.1% in 2009 and remain flat in 2010. Romania's National Prognoses Commission also expects a contraction by 4.0% in 2009 and a thin growth of 0.1% in 2010.

After boosting growth rates of 9.3% and 9.2% in the second and the third quarters of 2008, respectively, the Romanian gross domestic product (GDP) was chilled by the global crisis to 2.9% in the fourth quarter of 2008. Romania's economy grew by 7.1% in 2008.

In the third quarter of 2008 Romania reported a record gross domestic product (GDP) of 9.1%, soaring from 8.2% in the first quarter of 2008. The higher than expected increase of GDP was attributed to buoyant domestic demand and bountiful harvest in agriculture.

In 2007 Romania's GDP, calculated in current prices, reached an estimated RON 404.7 bln, up by a real 6.0% from a year earlier. In 2007 the unemployment fell to 4.1%, while real wages marked an increase of almost 20% on the year.

The thriving in the recent years Romanian real estate market, mainly propelled by foreign investment, strong demand and high yields, took in the opposite direction in the beginning of 2009 under the combined effect of the global crisis and the Romanian central bank's restrictive lending rules.

The real estate market, backed by the 39.75% growth of the construction sector, was among the major drivers of the local economy in the first nine months of 2008.

In 2007 investment in real estates in Bucharest, the capital of Romania, stood at EUR 2.5 bln.

Romania's real estate market continued to develop actively in 2006 on the back of rising foreign investments, strong demand and high yields. Experts estimated the annual real estate market growth at around 25% for 2005, fuelled by the forthcoming EU accession in 2007.

**Main Macroeconomic Indicators\***

	<b>2008</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
<b>GDP (EUR bln)</b>	136,42	41,86	38,41	31,54	24,51
<b>GDP growth rate (%)</b>	7,1	2,9	9,2	9,3	8,2
<b>Composition of GDP by sectors</b>					
<b>Agriculture: %</b>	6,46	7,23	10,23	4,22	2,22
<b>Industry: %</b>	22,86	18,95	22,19	26,55	26,05
<b>Construction: %</b>	10,50	13,80	10,60	9,24	6,14
<b>Services: %</b>	49,45	50,16	46,57	48,64	53,62
<b>Unemployment rate (%)</b>	3,98	4,17	3,88	3,77	4,17
<b>Inflation rate (average for the period in %)</b>	7,9	7,3	7,8	6,7	8,6
<b>Average gross monthly salary (EUR)</b>	455,98	471,31	482,53	473,51	435,05

Source: Romanian National Institute of Statistics

(\*Editor's note: The figures for 2008 are preliminary.)

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.

SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.

SeeNews 2007

<b>Main Macroeconomic Indicators</b>			
	<b>2007*</b>	<b>2006</b>	<b>2005</b>
<b>GDP (EUR bln)</b>	112.10	101.88	78.37
<b>GDP growth rate (%)</b>	6,0	7,9	4,2
<b>Composition of GDP by sectors</b>			
<b>Agriculture: %</b>	6,6	7,8	8,4
<b>Industry: %</b>	23,4	24,2	24,6
<b>Services: %</b>	49,6	48,7	48,8
<b>Unemployment rate (%)</b>	4,1	5,2	5,9
<b>Inflation rate (average for the period in %)</b>	4,8	6,6	9,0
<b>Average gross monthly salary (EUR)</b>	388.23	326.29	266.62
Source: Romanian National Institute of Statistics			
(*Editor's note: The figures for 2007 are preliminary.)			

<b>Gross Domestic Product (mln RON)*</b>					
	<b>2008</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
<b>Agriculture. forestry and fishery</b>	32 566	11 532	14,152	4,862	2,020
<b>Industry</b>	115 192	30 208	30,694	30,548	23,742
<b>Construction</b>	52 894	22 005	14,661	10,632	5,596
<b>Services</b>	117 224	36 650	29,831	27,607	23,138
<b>Gross Value Added (total)</b>	449 869	143 710	123 923	102,019	80,218
<b>Net taxes on products</b>	54 090	15 720	14,401	13,056	10,913
<b>GDP</b>	503 959	159 430	138 324	115 074	91 130
Source: Romanian National Institute of Statistics					
(*Editor's note: Preliminary data)					

<b>Gross Domestic Product (mln RON)*</b>				
	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>
<b>Agriculture. forestry and fishery</b>	8,615	12,664	3,657	1,929
<b>Industry</b>	27,611	24,977	23,186	19,197
<b>Construction</b>	16,892	9,507	6,803	3,674
<b>Services</b>	70,096	51,304	42,604	36,886
<b>Gross Value Added (total)</b>	123 214	98,452	76,249	61,686
<b>Net taxes on products</b>	14,554	12,583	10,815	7,155
<b>GDP</b>	137 769	111 035	87,064	68,842
Source: Romanian National Institute of Statistics				
(*Editor's note: Preliminary data)				

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

<b>Gross Value Added*</b>				
	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
<b>Agriculture. forestry and fishery</b>	6,99%	13.88%	5.08%	2,77%
<b>Industry</b>	22,41%	24.54%	30.00%	30,49%
<b>Construction</b>	13,71%	12.06%	11.06%	7,07%
<b>Services</b>	56,89%	49.52%	53.86%	59,68%
(*Editor's note: The figures are preliminary.)				
Source: Romanian National Institute of Statistics				

<b>Gross Value Added</b>			
	<b>2007*</b>	<b>2006</b>	<b>2005</b>
<b>Agriculture. forestry and fishery</b>	7.47%	8.85%	9.54%
<b>Industry</b>	26.41%	27.49%	27.90%
<b>Construction</b>	10.25%	8.42%	7.26%
<b>Services</b>	55.86%	55.24%	55.30%
Source: Romanian National Institute of Statistics			
(*Editor's note: The figures for 2007 are preliminary.)			

#### **Geography**

The Romanian real estate market in 2007 was most active in the country's capital Bucharest, Cluj, northwestern Romania, Brasov and Sibiu, both in central Romania, and Timisoara, eastern Romania.

#### **Major Developments**

##### **Regulations**

On March 7, 2007, Romania's Official Gazette published amendments to Law 10/2001, regulating the restitution of private property confiscated in the period March 6, 1945 to December 22, 1989. The changes are aimed at improving the property restitution process and simplifying the procedures.

Romania's Government amended the Public Procurement Law in April 2006, which came into effect on June 30, 2006. The amendments relate to the methods for calculating the value of a procurement contract and the procedures for awarding a contract. According to the new law, once the price for the contract is determined, no changes can be imposed at a later stage. The contracting authority should conclude the contract seven to fifteen days after the contractor is selected. Contracts for providing services worth EUR 40,000 or less and contracts for public works worth EUR 250,000 or less should be concluded within seven days. If the contract exceeds EUR 40,000, or EUR 250,000 for public works, it should be concluded within 15 days. The turnover of bidders is taken into account when a contract is awarded. This hinders local companies from participating in public tenders because they face strong competition from international players with very high turnovers.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

Non-Romanian citizens and companies registered abroad were previously not allowed to acquire any property in Romania until 2003, when the Romanian constitution was amended. After the amendments foreign citizens may acquire only buildings or rights to use land under concession or leasing agreements. Companies with foreign capital, up to 100%, are allowed to buy land in Romania only if they are registered with the country's trade registry. The Romanian government approved a law in 2005 changing the regime on land acquisition by foreigners in Romania. The law was published in the Romanian official State Gazette on November 14, 2005 and came into force on January 1, 2007 when Romania acceded to the EU. According to the law EU citizens, EU domiciling stateless persons and Romanian domiciling stateless persons will be allowed to acquire agricultural and forest land seven years after the country's accession to the EU. Non-EU citizens will also be allowed to acquire land provided that their country of origin has an appropriate mutual recognition treaty with Romania. EU citizens will be allowed to buy land to establish businesses or representative offices in Romania five years after Romania's accession to the EU.

Notary authentication is compulsory for the validation of land transfer agreements. Each transaction should also be recorded in the Romanian Land Registry. Both Romanian and foreign legal entities are allowed to rent property in the country.

#### **Other**

The Romanian Government planned to allocate subsidies of up to EUR 7,776, VAT excluded, starting from 2007, to newly married couples and the underprivileged who contract mortgage loans for acquiring of housing. The national programme was approved by the government in June 2006 and will subsidise 20% of the cost per sq m of homes smaller than 81 sq m.

The maximum subsidy is EUR 480 per sq m, VAT excluded, for single-storey houses. Apartments or houses with luxury facilities such as saunas, greenhouses and wine cellars cannot apply for a state subsidy.

### Leading Companies

<b>Developers Investors &amp; Business Centers</b>			
	<b>Company</b>	<b>Turnover (EUR)</b>	<b>Year</b>
1	Strabag SRL	39,175,523	2006
2	Impact Developer & Contractors SA	34,257,095	2006
3	Summa Romania SA	31,479,000	2006
4	Anchor Grup SA	29,061,000	2006
5	Iulius Group SRL	18,940,000	2006
6	Billa Iinvest Construct SRL	12,918,863	2006
7	Bucharest Financial Plaza SRL	8,720,471	2006
8	Avrig 35 SRL	7,113,383	2007
9	Neocity Group Romania SRL	6,565,520	2006
10	Nova Trade SA	4,926,186	2006
11	Metav SA	4,735,485	2006
12	Victoria International Property SRL	3,821,567	2006
13	Opera Center One SRL	3,567,468	2006
14	River Iinvest SA	3,071,166	2006
15	Baneasa Iinvestments SA	2,612,183	2006
16	Monlandys SRL	1,801,790	2006
17	Sitraco Conimpex SRL	1,512,360	2006
18	Pumac SA	1,425,128	2006
19	Jolie Ville Invest SRL	1,106,078	2006
20	Portland Management SRL	392,589	2006

Source: Major Companies in Romania ([www.mcir.doingbusiness.ro](http://www.mcir.doingbusiness.ro))

#### Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Agencies</b>			
	<b>Company</b>	<b>Turnover (EUR)</b>	<b>Year</b>
1	Colliers International SRL	41,991,969	2006
2	Eurisko Consulting SRL	5,758,731	2006
3	Regatta SRL	2,800,000	2006
4	DTZ Echinox Consulting SRL	2,196,780	2006
5	Top Imobil 3 M SRL	1,814,692	2006
6	C.B Richard Ellis Ronamia SA	1,207,390	2006
7	Neocasa Real Estate Solution SRL	778,391	2006
8	Cushman & Wakefield Activ Consulting SRL	754,908	2005
9	Imobiliar Expert Grup SRL	446,373	2006
10	house Service SRL	422,156	2006

Source: Major Companies in Romania ([www.mcir.doingbusiness.ro](http://www.mcir.doingbusiness.ro))

<b>Services Turnover (RON bln)</b>					
	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>Q3 2007</b>
Real estate transactions	3 000	2 774	2 392	2 313	1 998
Total services turnover	31 737	31 647	26 296	34 195	30 289
% share in total services turnover	9,45	8,77	9,10	6,76	6,60

Source: Romanian National Institute of Statistics

## Employment

<b>Average Number of Employees Under Labour Contract</b>					
	<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
Real estate transactions	23 133	23 767	422 570	420 800	410 200
National total	4 694 460	4 784 966	4 832 230	4 825 530	4 781 430
% Share in national total	0.49%	0.50%	8.74%	8.72%	8.58%

Source: Romanian National Institute of Statistics

<b>Average Number of Employees Under Labour Contract</b>		
	<b>Q4 2007</b>	<b>Q3 2007</b>
Real estate transactions	338 300	340 600
National total	4 717 200	4 743 700
% of national total	7,17	7,18

Source: Romanian National Institute of Statistics

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Average Gross Monthly Salary (RON)</b>					
	<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
Real estate transactions	1 705	1 793	1,495	1,435	1,290
National average	1 839	1 795	1,749	1,731	1,601
% of national average	92,71%	99,89%	85.48%	82.90%	80,62%

Source: Romanian National Institute of Statistics

<b>Average Gross Monthly Salary (RON)</b>		
	<b>Q4 2007</b>	<b>Q3 2007</b>
Real estate transactions	1,450	910
National average	1,574	1,403
% of national average	92,12	64,9

Source: Romanian National Institute of Statistics

## Supply

1. Industrial real estate
2. Residential building leasing
3. Self-storage unit leasing
4. Residential property managers
5. Non-residential property managers
6. Office real estate
7. Retail real estate
8. Residential property dealing/owning

### Residential Real Estate:

In the first three months of 2009 Romanian authorities issued 17,195 building permits, of which 15,368 for residential buildings, to cover 3.13 million sq m.

The number of issued residential building permits in the fourth quarter of 2008 stood at 26,478, of which 24,131 were for the construction of residential buildings. The issued building permits covered 4.76 million sq m.

In the fourth quarter of 2008 the number of completed homes rose 57.8% on the year to 27,751. Again as in the beginning of the year, most of the homes were delivered in rural areas, while 12,810 homes were located in urban areas.

Romania's regulatory authorities issued 30,611 building permits for residential construction in the third quarter of 2008.

In 2007 investors started 60 residential projects, to be completed by 2015, which accounted for 65% of the overall residential projects in Romania. The number of homes delivered in northeastern Romania totalled 8,180, while southwestern Romania accommodated 3,457 dwellings.

In 2007 Romanian residential market registered the completion of mixed-purpose complexes with a smaller number of houses and an increasing number of apartments. Projects for villa complexes were developed mainly in Bucharest outskirts. Another trend in 2007 was the delivery of residential complexes with a large number of units. Cosmopolis, in Bucharest-Ilfov area, and Baneasa Residential, in Bucharest, are examples for such projects.

The number of residential units completed in 2007 totalled 45,867, which is an over 20% increase on the year. Nearly 92% of the dwellings were financed by the owners. The most attractive regions were northeastern Romania, accounting for 17.8% of the total, southeastern Romania for 14.6%, Bucharest-Ilfov for 14.7% and southern Muntenia making up 13.5% of the overall. The units under construction for the period stood at 120,570, of which 37.7% were in the final stage.

Romania's regulatory authorities issued 56,956 building permits for residential construction in 2007, up 11.21% year-on-year. The permits covered a total of 12,480,300 sq m area.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>New projects Launched in H1 2007</b>			
<b>Project</b>	<b>Developer</b>	<b>Total number of units</b>	<b>Number of units for sale</b>
Atlantis Residence	Pelican Com	134	134
Carol Park	Hanner si Bellerive	144	144
Lemon Garden	Triumpf Construct	158	158
Gran Residencia	Vitra Real Estate	160	160
Natura Residence	Grupo Lar	186	186
Citadella	BRC Business Grup	210	210
Metropolis	Star Project Development	276	276
Monaco Towers	Marble House	304	304
10 Blocks	Comnord	430	172
New Town	Mivan	651	316
Felicity	GTC	1300	324
NeoPeninsula	Neocity	2300	208
Latin Apartments	Natural Person	2680	81
<b>TOTAL</b>		<b>8933</b>	<b>2673</b>

Source: Colliers International

<b>Number of Completed Homes</b>				
	<b>2007*</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Urban areas	22,806	17,994	16,619	15,874
Rural areas	23,061	20,184	16,249	14,253
<b>Total</b>	<b>45,867</b>	<b>38,178</b>	<b>32,868</b>	<b>30,127</b>
*Provisional data				

Source: Romanian National Institute of Statistics

<b>Number of Issued Building Permits</b>					
	<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
Residential buildings	15 368	24 131	28,073	36,046	30,391
Administrative buildings	67	62	73	79	48
Other types of buildings	1 760	2 285	2,465	2,573	1,841
<b>Total</b>	<b>17 195</b>	<b>26 478</b>	<b>30,611</b>	<b>38,698</b>	<b>32,280</b>

Source: Romanian National Institute of Statistics

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Number of Issued Building Permits</b>			
	<b>2007</b>	<b>2006</b>	<b>2005</b>
Residential buildings	56,956	51,215	43,542
Administrative buildings	426	297	298
Other types of buildings	10,803	11,093	10,287
<b>Total</b>	<b>68,185</b>	<b>62,605</b>	<b>54,127</b>

Source: Romanian National Institute of Statistics

<b>Issued Building Permits (sq m)</b>					
	<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
For residential buildings	1 987 500	2 877 600	3 669 000	4 589 500	3 704 400
For administrative buildings	131 100	175 600	117 500	79 300	58 900
For other types of buildings	1 015 300	1 708 200	1 271 400	1 590 900	1 340 200
<b>Total</b>	<b>3 133 900</b>	<b>4 761 400</b>	<b>5 057 900</b>	<b>6 259 700</b>	<b>5 103 500</b>

Source: Romanian National Institute of Statistics

<b>Issued Building Permits (sq m)</b>			
	<b>2007</b>	<b>2006</b>	<b>2005</b>
For residential buildings	12 480 300	9 825 700	7 293 200
For administrative buildings	424 100	220 500	302 700
For other types of buildings	6 522 800	4 817 400	3 448 500
<b>Total</b>	<b>19 427 200</b>	<b>14 863 600</b>	<b>11 044 400</b>

Source: Romanian National Institute of Statistics



Number of Completed Dwellings					
	Year	Q1	Q2	Q3	Q4
Total	2004	3,436	6,272	7,776	12,643
	2005	4,161	5,838	8,187	14,682
	2006	4,924	6,990	8,816	17,448
	2007	7,238	9,724	11,323	17,582
	2008*	10,901	11,352	14,410	27,751
Urban areas	2004	2,021	3,655	4,222	5,976
	2005	2,515	2,925	4,373	6,806
	2006	2,881	3,345	4,446	7,322
	2007	4,042	4,802	5,357	8,605
	2008*	5,136	5,357	7,362	12,810
Rural areas	2004	1,415	2,617	3,554	6,667
	2005	1,646	2,913	3,814	7,876
	2006	2,043	3,645	4,370	10,126
	2007	3,196	4,922	5,966	8,977
	2008*	5,765	5,995	7,048	14,941
*Provisional data					
Source: Romanian National Institute of Statistics					

### Office Real Estate

A report of BNP Pariba Real Estate estimated that in the first quarter of 2009 some 45,000 sq m of office property was delivered in Bucharest. The new office supply for the quarter was 25% down year-on-year, due to postponing of several large-scale projects. The total take-up in the first three months of 2009 comprised 20,000 sqm of Class A spaces and 40,000 sq m of Class B offices.

Property consultancy company Jones Lang LaSalle reported the delivery of 240,000 sq m of office spaces in 2008, a 30% rise year-on-year, to a total of 1.19 million sq m. The 2008 office supply was equally distributed between Class A and Class B office spaces. In the fourth quarter on 2009 alone were delivered 63,000 sq m of new offices.

According a Cushman and Wakefield publication the supply of office property in the four quarter of 2008 remained tight, despite the large volume of construction.

Jones Lang LaSalle estimated that the take-up on the Romanian office real estate market totalled 240,000 sq m in the first quarter of 2008. Modern class A and B office spaces reached 900,000 sq m, of which 170,000 sq m was delivered in 2007. A total of 100,000 sq m, scheduled for completion in 2007, was delayed and will be supplied in 2008, while another 370,000 sq m is postponed for 2009.

Property services company CB Richard Ellis (CBRE) estimated that in 2007 Bucharest office market expanded by 225,000 sq m, up 50% year-on-year. Most of the delivered projects comprised large buildings and business parks.

The northern part of Bucharest turned out to be most attractive in 2007, with 66% of the completed office buildings located there. However, the diminishing opportunities in northern Bucharest drove investors and developers to the western part of the capital, in which a total of 55,000 sq m was delivered in 2007. The central part of Bucharest accommodated 4.0% of the completed office spaces in 2007.

According to consultancy company Colliers International Romania the take-up of modern office spaces in Bucharest totalled 608,200 sq m at end-2007, up 50% on the year. The consultancy saw the business park model gaining popularity, encouraged by the success of previously launched IRIDE and Bucharest Business Park. A total of 194,000 sq m was delivered in 2007, of which only 30% were in key locations.

In the third quarter of 2007 Bucharest office real estate market witnessed a strong demand, which increased take-up to 175,000 sq m, up 59% compared to the same period of 2006.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

Companies from the IT, banking and financial sectors contributed most to the growth, with demand for premises of over 1,500 sq m. Bucharest's market for office space is one of the most dynamic in the CEE region. Levels of both supply and demand have been growing since 2002. Bucharest level of office space, however, is still relatively low compared to the core CEE markets - Budapest, Prague and Warsaw.

In 2007 the office market in Bucharest saw a rise in rentals, brisk demand and improved quality of the stock. Modern office space is expected to reach 1.0 million sq m in 2008. According to an experts' forecast, the demand for the office space suitable for corporate headquarters in Bucharest will be strong in 2008, as a result of the market undersupply. The number of the speculative projects increased.

Bucharest experienced a lack of large sites, suitable for office development, which raised land prices.

At the end of 2007, the total high quality office space in Bucharest stood at 545,000 sq m, of which 372,000 sq m located in prime areas.

For the first three months of 2007 Bucharest office market take-up reached 40,000 sq m. In 2006 the new supply in Bucharest was 130,000 sq m, totalling the stock level at 430,000 sq m. By the end of the year prime locations vacancy rate reached a record low of 1.5%, while for secondary locations the rate was 14%. The office space completed in Bucharest in the first half of 2006 stood at 207,000 sq m, up 41% compared to 146,000 sq m for the whole of 2005. Total modern office space in Romania's capital rose to 1.1 million sq m in June 2006, with the northern part of the city accounting for 38%. Offices covering around 85,000 sq m were built in northern Bucharest in the first half of 2006. A total 36 new office buildings were delivered in Bucharest between January and June 2006. The most significant projects were the America House, Bucharest Corporate Center, Construdava Business Center and Buzesti Office Building, totalling some 67,000 sq m. Around 40% of the newly built offices vary from 1,000 sq m to 6,000 sq m in size.

<b>Forecast for Office Supply in Bucharest</b>		
Year	Class A (sq m)	Class B (sq m)
2009	75 000	75 000
2010	100 000	160 000

Source: [Jones Lang LaSalle](#)

<b>Office Spaces to be Delivered in H1 2008</b>		
<b>Buidling</b>	<b>Location</b>	<b>Area (sq m)</b>
Bucharest Tower Center	center	22,000
BBTP	north	13,000
Urdareanu 34	center	3,000
Premium Plaza	center	8,650
Delea Noua	center	7,300
Rosetti Tower	center	9,800
Gara Herastrau	north	7,000
Lamda	north	4,000
Iemi	north	46,000
West Gate Park	west	28,000
Sema Parc	west	42,000
Aaylex	north	3,000
Nord City Tower	north	8,700
Rosetti 17	center	3,000
Central Business Park	center	6,000

Source: Colliers International Romania

**Major Office Buildings - 2007**

Building	Developer	Location	Sq m	Major Tenants
S-park	Primavera Development	North	30,000	ING Bank, Cameron McKenna, WizRom, Servier, Brau Union,
Victoria Park	Liebrecht & Wood	North	20,000	Zapp Mobile
Anchor Plaza	Anchor Group	West	20,000	Finansbank, Finans Leasing, Carrefour, Dogan, Adobe
Baneasa Airport Tower	Value Roi	North	11,500	Arabesque, Tetrapak, Dayrom
North Gate	Creativ & Quinn Properties	North	20,000	Renault Group, BCR
Buzesti 85	Private Individual	Centre-North	7,500	Sanoma Hearst, Swiss Air
North Center	Delta Intensiv	North	12,000	Relad, Bungee, Oracle, Bristol Squid

Source: DTZ Research

**Major Office Buildings Under Construction\*, 2007 - 2009f**

Building	Developer	Location	sq m	Major Tenants
Building	ARCA	North	46,500	-
Swan Office Park	GTC	North	42,000	-
City Gate	Africa-Israel	West	40,000	-
Cotroceni Park	Raiffeisen Evolution	North	40,000	-
Floreasca City Center - Ph. I	Cefin Real Estate	North	40,000	-
Cefin Office Building	River Invest	Centre-West	40,000	Zapp, Easy Call, Dante, Top Tech, Ipsos
Sema Parc - Ph.I+II	Portland	North	36,000	-
Floreasca Business Park	European Future Group	North	33,000	-
Jandarmeriei Business Park	AVRIG 35	Centre-North	32,000	Alpha Bank
Tower City International	Kendama	North	27,000	-
Cubic Centre	Baneasa Investments	North	26,000	Moeller Electric, DuPont, F. Zanti Com
Baneasa Business & Technology Park - Ph.I	Private	North	21,000	-
Twin Towers Barba Center - Ph.I	Cascade Group	Centre-North	15,400	-
Euro Tower	Millenium Building Development	Centre	15,000	-
Cathedral Plaza	Media Galaxy	North	14,000	Media Galaxy
Media Galaxy BC I+II	ID Grup	North	12,000	HP, Infineon, ITC Networks
Novo Park Bdg. E	ID Grup	West	12,000	Renault Dacia, BCR
West Gate - Ph.I	-	Centre	12,000	-
Maria Rosetti Tower	ART GRUP	Centre	11,500	-
Dorobanti Business Centre	S&B	North	11,000	-
S&B Offices	-	Centre-North	11,000	-
Victoria Plaza	-	Centre	11,000	-
Excelsior Tower	-	Centre	11,000	-

Source: DTZ Research

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Major Office Transactions – 2007</b>			
<b>Building</b>	<b>Tenant</b>	<b>Location</b>	<b>sq m</b>
City Gate	Romtelecom	North	9,000
Floreasca Business Park	Oracle	North	7,600
West Gate	Dacia Renault	West	6,300
City Gate	Millennium Bank	North	6,000
City Gate	City Bank	North	5,000
West Gate	Accenture	West	5,000
Sema Park	Ipsos	West	4,000
Biharia Building	Avas	North	3,500
Floreasca Business Park	Holcim	North	3,000
North Gate	Groupe Renault	North	3,000
City Gate	Microsoft	North	3,000

Source: DTZ Research

<b>Major Investment Transactions – 2007</b>							
<b>Property Name</b>	<b>Sector</b>	<b>City</b>	<b>Purchaser</b>	<b>Nationality</b>	<b>Sq m</b>	<b>Price (EUR mln)</b>	<b>Yield (%)</b>
Caramfil Business Centre	Office	Bucharest	City Capital Property	UK	3,300	10	7.50
A1 Industrial Park	Industrial	Bucharest	Teesland IOG	UK	75,000	70	8.50
S-Park	Office	Bucharest	Immoeast	AU	30,000	101.50	6.25
Victoria Park	Office	Bucharest	Immoeast	AU	20,000	65	6.75
AMCO BC	Office	Bucharest	PIRAEUS RE	GR	1,300	5.00	7.00
Cubic Centre	Office	Bucharest	Fabian	UK	44,000	N/a	N/a
North Gate	Office	Bucharest	Immoeast	AU	20,000	N/a	N/a
Evo Center	Office	Bucharest	Fabian	UK	2,600	4.90	8.50
Dacia Blvd.	Office	Bucharest	Fabian	UK	2,000	8.00	N/a
Baneasa Business Center	Office	Bucharest	Fabian	UK	9,600	23.90	7.50
Millenium Business Center	Office	Bucharest	DEGI	DE	12,800	52.60	7.00
PGV Tower	Office	Bucharest	DEGI	DE	13,000	27.40	7.00
Construdava I	Office	Bucharest	DEGI	DE	9,150	26.50	7.00
Golden Tulip Sky Gate	Hotel	Bucharest	Warimpex	AU	170 rooms	N/a	N/a
Polus Center	Retail	Constanta	Immoeast	AU	50,000	185	6.75
7 warehouses	Industrial	7 cities	GE Real Estate	US	315,000	175	N/a
10 warehouses	Industrial	10 cities	Immoeast	AU	400,000	300	N/a
Harbourside Hotel	Hotel	Constanta	Immoeast	AU	150 rooms	23	N/a
River Plaza	Retail	Ramnicu Valcea	Sonae Sierra	PT	12,300	42	8.00
Gold Plaza	Retail	Baia Mare	Immoeast	AU	43,000	97	N/a
Felicia Shopping Center	Retail	Iasi	ING Real Estate	NL	27,000	40	N/a
Euromall	Retail	Pitesti	Immoeast	AU	20,500	87	7.50
Euromall	Retail	Galati	Immoeast	AU	24,000	63	7.50
Cefin Logistic Parc Arad	Industrial	Arad	Europolis	AU	46,700	34	N/a
Modul Shopping Centre	Retail	Targoviste	Equest Balkan Properties	UK	6,500	8.00	N/a

Source: DTZ Research

## Retail Real Estate

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

The consultancy expects the supply of 430,000 sq m of shopping centre space by end-2009, after the newly-delivered retail area in the first three months of 2009 stood at 100,000 sq m. Grand Arena shopping centre, in Bucharest, opened in the first quarter of 2009 and offered to tenants a retail area of 44,500 sq m.

LaSalle estimated that in 2008 a total of 400,000 sq m of modern retail spaces was delivered in Bucharest and 11 major Romanian cities. The total retail area in Romania in 2008 reached 1.0 million sq m, of which Bucharest's retail spaces took up 330,000 sq m. La Salle reported that 18 new retail centres and stores opened doors in 2008, which was a record number within one year. LaSalle estimates some 450,000 sq m will add to the supply in 2009, of which 35% will come from Bucharest pipeline projects.

Global real estate consultant Cushman and Wakefield marked an upward trend of the retail segment, likely to remain in the short term due to strong development of shopping centres. In the fourth quarter of 2008 a total of 25 shopping centres, with a combined GLA of 815,000 sq m, were under construction. Bucharest remained a major location for shopping centre developments accounting for a third of the supply in the country. Other cities which attract a growing number of projects are Craiova, Suceava and Arad.

Cushman and Wakefield reported a hike of highstreet spaces' rents in the first quarter of 2008, backed by banks' desire to obtain the best available spaces.

In 2007 Romanian retail real estate market grew 26% year-on-year in terms of volume of sales. Jones Lang LaSalle projected an annual increase of 10% over the next three years. Bucharest retail spaces are still limited, whereas regional cities, such as Cluj and Targu Mures, central Romania, enjoyed the delivery of some 250,000 sq m of modern retail space in 2007.

The number of hypermarkets in Bucharest stood at 11 at end-2007, but analysts expect the construction of more in 2008. The supermarket segment is more developed with players such as Mega Image, Angst, La Fourmi and Ethos. In 2007 the cash and carry segment comprised four units of Metro and three of Selgros.

Bucharest is one of the European capitals with the lowest number of shopping malls. In 2007 Bucharest had only three modern shopping malls.

Downtown highstreet retail spaces were quite popular and equally hard to find in 2007, a trend to remain in 2008. Retailers had greatest demand for 800 sq m to 1,000 sq m spaces. Real estate consultants forecast retail rents in 2008 increasing at a slower pace than in 2007. The rent level of highstreet spaces in Bucharest varied at EUR 50 to EUR 150 per sq m in 2007.

Since 1999 when the first mall, Bucharest mall, was opened, most of the country's retail space in malls has been delivered in the capital. In the last three years, however, the segment has marked an expansion in the regional cities as well. Most major Romanian cities currently have at least one ongoing project for a shopping centre, to open doors in the next two to three years. Market research data showed that retail space is to triple by end-2009 from its current level. In the fourth quarter of 2007 four shopping centres were completed, which added around 130,000 sq m to the retail real estate market.

The total gross leasable area (GLA) of the existing shopping centres in Romania stood at 365,000 sq m at the end of the first half of 2007.

As of 2006 retail space in Bucharest was estimated at 860,000 sq m, of which 34% was modern retail space. There was a shortage of modern retail space in the northern part of the city. Prime retail locations are along Magheru & Balcescu Boulevards, Calea Victoriei and Mosilor. The main international hypermarkets in Bucharest are French Carrefour and Cora. Major retail warehouses in Bucharest included German Praktiker with two warehouses, French Bricostore with three and local Mobexpert with three warehouses. Rent for prime retail space was over 100 EUR per sq m, and rent for retail space in Bucharest shopping centres was about EUR 30 per sq m. The 25,000 sq m City Mall was pre-leased several months before completion in 2005. French Cora completed a second hypermarket with a 14,000 sq m lettable area in the Lujerului area in 2005. German Metro Cash & Carry relocated its outlets to Baneasa district in Bucharest from Otopeni, a town near Romania's capital, and Kaufland opened its first outlet in the Obor Area, the surrounding district of Bucharest, in 2005.

A total of 55,000 sq m of modern retail space were delivered in Bucharest in the first half of 2006, bringing the total modern space in the city to around 579,000 sq m. The first phase of the Baneasa Commercial project was completed in April 2006.

Bucharest Retail Area	
Year	New Supply (sq m)
2008	130 000
2009*	240 000
* forecast	
Source: Jones Lang LaSalle	

<b>Romanian Retail Segment in 2008</b>			
<b>Location</b>	<b>Romania</b>	<b>Bucharest</b>	<b>Larger Cities</b>
Available Stock (sq m)	964 300	330 200	634 100
Deliveries in 2008 (sq m)	345 400	119 700	225 700
Stock increase	56,00%	57,00%	55,00%
Announced Pipeline for 2009 (sq m)	825 600	274 000	551 600

Source: Colliers International Romania

<b>Shopping Centres to be Delivered in 2008</b>			
<b>Project</b>	<b>City</b>	<b>GLA (sq m)</b>	<b>Delivery</b>
Galleria	Suceava	10,700	Q1, 2008
Galleria	Piatra Neamt	12,200	Q1, 2008
Galleria	Buzau	13,500	Q1, 2008
City - Park Mall of Constanta	Constanta	25,000	Q1, 2008
Suceava Shopping City	Suceava	47,100	Q2, 2008
Focsani Plaza	Focsani	20,000	Q4, 2008
Euromall	Galati	24,000	Q4, 2008
Perla Shopping Center	Ploiesti	25,000	Q4, 2008
Tiago	Oradea	27,000	Q4, 2008
Galleria	Arad	30,000	Q4, 2008
Era Shopping Park	Iasi	42,000	Q4, 2008
Iulius Mall	Suceava	45,800	Q4, 2008

Source: Colliers International

<b>Planned Shopping Centres Projects in Bucharest</b>			
<b>Project</b>	<b>Developer</b>	<b>Size (sq m)</b>	<b>Completion Date</b>
Baneasa Mall, Baneasa Shopping City, Phase II	Baneasa Investment	65,000	2007
Galleria Bucharest	GTC	57,000	2008
Sun Plaza	EMCT	76,600	2008
Liberty Centre	Mivan	30,000	2008
Cotroceni Park	Africa-Israel Invest.	58,000	2008
Floreasca City Centre	Raiffeisen Evolution	40,000	2009

Source: Jones Lang LaSalle

<b>Existing Shopping Centres in Romania at end-2007</b>				
<b>Property Name</b>	<b>Location</b>	<b>Developer</b>	<b>GLA* (sq m)</b>	<b>Year</b>
Bucharest Mall	Bucharest	Anchor Group	28,500	1999
Unirea Shopping Center	Bucharest	Unirea Shopping Center SA	44,000	2000
Iulius Mall	Iasi	Iulius Group	10,845	2000
Lotus Market	Oradea	Lotus Market	22,000	2002
Tomis Mall	Constanta	Tomis SA	33,000	2003
Plaza Romania	Bucharest	Anchor Group	38,000	2004
Eliana Mall	Brasov	Atlanta House	10,000	2004
Iulius Mall	Timisoara	Iulius Group	70,000	2005
Macromall	Brasov	AWG Macro	14,000	2005
City Mall	Bucharest	Jaguar Development	20,000	2005
Magnolia Center	Brasov	Stratus	7,600	2006
River Plaza	Ramnicu Valcea	Setler Mina	15,000	2006
European Retail Park	Sibiu	BelRom	9,600	2006
Moldova Mall	Iasi	Moldova Universal SA	9,500	2006
Centrul Comercial TOM	Constanta	Dobrogea	10,500	2006
GLA* - Gross Leasable Area				
Source: DTZ Research				

## Industrial Real Estate

Colliers International registered low leasing activity in the industrial segment in the first quarter of 2009. According to the consultancy the Romanian industrial market will not supply modern spaces in the following period due to high costs and strict measures on bank loans.

Jones Lang LaSalle consultancy estimated modern industrial spaces in Romania rose to 850,000 sq m at-end 2008. ProLogis made a delivery of 50,000 sq m with their Park Bucharest A1, while another large-scale projects were halted due to financial difficulties.

Cushman and Wakefield saw Romanian industrial market as lacking modern spaces in the fourth quarter of 2008. The vacancy rates stood low. Bucharest was the prime location for delivery of industrial real estate, with its western and northern parts gaining popularity. The eastern part of the capital also enjoyed strong interest after the completion of the first phase of NordEst Logistic Park. Companies from the logistics and retail sectors were among the most active players on the industrial market in the fourth quarter of 2008.

CBRE expects the industrial real estate market to go up in 2008 after the completion of 310,000 sq m in Bucharest.

In the first quarter of 2008 local industrial spaces totalled 600,000 sq m, most of which included in multiphase projects along major arteries such as A1 and A2 motorways in Bucharest.

Immoeast, Equest, Europolis and Valad, formerly known as Teesland IOG, were among the key investors in 2007.

In line with the market demand, industrial real estate developers contract the construction of units, covering 400 sq m.

Bucharest western part will offer the most attractive industrial spaces in 2008, whereas the eastern part of the capital is seen to enjoy an increasing interest, due to the industrial platforms located there.

In 2007 CBRE identified two new categories of developers on the Romanian industrial real estate market. First time developers on the local market such as CTP Invest and Belgian Warehoused de Pauw, comprised the first category. The second category was represented by developers already established on the domestic market.

The strategic location of Bucharest's western part, which accommodated 87% of the overall delivered spaces in Bucharest in 2007, triggered the interest of logistics developers.

The industrial real estate market in Bucharest was very active in 2007. The warehouses market was expected to rise to 610,000 sq m in 2007, compared to 290,000 sq m in 2006. The fast growth was expected to continue in the next two years.

In 2007 the supply of warehousing space outstripped the demand and the vacancy rate registered in the first eight months of 2007 stood at 5.0%, whereas in the previous two years the supply was equal to the demand. In January to August 2007 take-up rose two-fold on the year to 220,000 sq m and was projected to further grow due to the high interest shown by both local and international companies.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

In the first six months of 2007 the total stock of warehouse facilities stood at 438,000 sq m, up by 178,000 sq m compared to the beginning of the year. The forecast for the second half of 2007 stood at 169,000 sq m. Rentals ranged from EUR 3.8 to EUR 4.25 per sq per month for areas of over 10,000 sq m, areas of 3,000 sq m to 10,000 sq m were leased for EUR 4.25 and EUR 4.7 per sq m per month, while for areas of up to 3,000 sq m rentals stood at between EUR 4.7 and EUR 5.0 per sq m per month.

<b>Industrial Spaces Delivered in 2007</b>			
<b>Property</b>	<b>Developer</b>	<b>Area</b>	<b>Space</b>
ProLogis Park	ProLogis	West	56 000
Cefin Logistic Park	Cefin	West	50 000
A1 Business Park	Cefin	West	45 000
Bucharest West	Portland	West	42 000
Equest Logistic Centre	Equest	West	18 000

Source:CB Richard Ellis

<b>Major Warehouse Buildings Completed in Bucharest in 2005</b>			
<b>Property</b>	<b>Owner</b>	<b>Location</b>	<b>Area (sq m)</b>
Atlas	Atlas R&D	North	10,000
Rostock 2000	Rostock 2000	North	3,000
Phoenix Business Park	Phoenix Real Estate	West	10,000
ACT Cold Storage	ACT	West	5,000
Cefin Logistic Park	Europolis	West	35,000
Apollo Center	Apollo	West	2,000

Source: DTZ Echinox International Property Advisers

## Land Market

Prices of land in Bucharest are expected to remain stable, in certain regions even to decrease in 2008. Prices of land were highest in northern Bucharest at EUR 600 to EUR 5,000 per sq m, whereas cheapest land could be found in southern Bucharest at EUR 150 to EUR 2,000 per sq m. Despite the large number of sale offers, the industrial land market was not very active in the first half of 2007, which was attributed to the jump in the property prices. In 2007 the availability of land within Bucharest city limits was made up of former industrial sites, most of which located in the western parts of the city. The availability of land within Bucharest was significantly below demand in the first half of 2006. The gap was filled by a substantial amount of former industrial sites and agricultural land which were converted into plots. Industrial sites within Bucharest exceeded 855 hectares as of mid-2006. Most of the available land in Romania's capital was dominated by small plots from 1,000 to 5,000 sq m and former industrial sites varying between 10,000 to 50,000 sq m in size. Land for office development was dominated by plots suitable for Class B buildings in decentralised locations, while there was almost no land available suitable for Class A office developments. This forced developers to build offices in non-central locations such as Baneasa, Pipera, Expozitiei and Semanatoarea districts. Large plots for industrial development, up to 10 hectares, are located mainly in northern and western Bucharest.

## Demand

### Residential Real Estate

In 2008 CBRE expects strong competition on the residential market, conditioned by the delivery of projects in biggest Romanian cities. Prises of residential property, however, will not go down in 2008, just the opposite, an increase of 10% to 30% per sq m is expected. Real estate developers in Romania expect to complete some 16,000 homes by 2009, yet the number could shrink significantly due to delays in delivery.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007



The property company divides the Romanian residential real estate market in three categories regarding household budgets:

- middle class, represented by families with a monthly income at EUR 1,000 to EUR 2,500;
- upper-middle class, in which household budgets are between EUR 2,500 and EUR 5,000;
- luxury class for households with a monthly income of over EUR 5,000.

Sales of two and three-room apartments made up 70% of the residential real estate market in Romania in 2007. The price of new dwellings rose by an average 20% to 50% on the year in 2007, due to more expensive land, building materials, as well as higher labour costs.

For the first six months of 2007 the number of sold new housing units in Bucharest stood at 3,000, compared to 1,400 units for the same period of 2006.

According to industry experts, demand for new homes in Romania was estimated at 800,000 units for 2006, including 100,000 in Bucharest. The shortage is becoming a social problem in the country since the demand cannot be met in the short-run due to the population's low purchasing power and the National Bank restrictions on mortgage lending.

Demand for new flats in buildings located in the northern and central part of Bucharest increased in the first half of 2006. Demand from middle-income clients increased due to their increased purchasing power and the availability of mortgage credits.

<b>Residential Projects To Be Completed in 2008</b>		
<b>Name</b>	<b>Developer</b>	<b>Number of Units</b>
Incity Residences	Anchor Group	502
Confort Park	Domus Stil	465
Orhideea Gardens	Trend Imobiliar	430
Rose Garden	Globe Trade Centre	400
Residenz	Tiriac Imobiliare & LEG	360
Ibiza Sol	Ibiza Residence	304
Asmita Garden	Asmita Group	300
Source:CB Richard Ellis		

<b>Residential Projects To Be Completed in 2009</b>		
<b>Name</b>	<b>Developer</b>	<b>Number of Units</b>
Belvedere Residence	Rotary Constructii	600
Upground	Upground	600
Edenia	Adama	558
Asmita Garden	Asmita Group	499
Sunset Residences	Ablon Grup	424
Primavara	Can Serv	397
Evocasa Armonia	Adama	393
New Town Residence	Mivan	316
Monaco Towers	Marble House	304
Vitan Platinm Towers	Platinum Grup	300
La Stejari	Tiriac Imobiliare	300
Source:CB Richard Ellis		

<b>Average Home Prices in Bucharest in H1 2006 (EUR/sq m)</b>		
<b>Location</b>	<b>Apartments</b>	<b>Villas</b>
Baneasa / Pipera	1,200-2,200	1,100-1,600
Domenii	1,700-2,000	1,500-2,100
Herastrau	1,600-2,500	1,300-2,000
Floreasca	1,800-2,500	1,500-2,300
Primaverii	2,000-3,200	1,800-2,500
Dorobanti/Aviatorilor/Kiseleff	2,300-3,200	1,800-2,500
City Centre	1,500-2,200	1,700-2,300
Source: CB Richard Ellis		

### Office Real Estate

CBRE forecasts the total office space in Bucharest to reach some 1.95 million sq m by 2010, with expected deliveries of 440,000 sq m and 562,000 sq m in 2008 and 2009, respectively. The vicinity of Pipera, where some 370,000 sq m are scheduled in the following two years, is pointed out as the most desirable area.

In April 2009 Colliers International saw Romanian office segments as greatly affected by global crisis with tenants opting for costs reduction, instead of expansion. The consultancy expects companies to shift from the expensive central administrative buildings to less attractive locations, where rents stand around EUR 14 per sq m. Colliers claims that tenants are willing to negotiate twice shorter pre-lease periods of 6-9 months, much to the distress of landlords. Vacancy rates, narrow in previous years, will start to grow and push office rents down.

BNP Pariba Real Estate observed a shift of some tenants in Bucharest towards quality administrative buildings, which was attributed to the increasing office stock and the opportunities of negotiating better rent conditions. A notable tendency for tenants was to seek completed building with a maximum pre-lease period of 3 years. In the first quarter of 2009 were leased some 51,000 sq m, down 35% on the year. The main drivers in the segment were small and medium companies, specialising in public utility, medical and consultancy services. The overall vacancy rate reached 6.0%, while the vacancy rate of Class A spaces stood at 2.5%.

According to LaSalle annual take-up in 2008 stood at 260,000 sq m, of which more than 55,000 sq m of office spaces were occupied in the fourth quarter of 2008. Major drivers of demand were international companies which sought for relocation of headquarters due to expansion. Most desired were office spaces of 1,000 sq m to 1,500 sq m. Prime office rents varied between EUR 23 and EUR 25 per sq m. LaSalle estimated that vacancy rates of offices in central locations remained within the range of 1.0%-2.0%. The consultancy expects lower demand and postponing of several large-scale projects in 2009, due to global crisis.

Cushman and Wakefield recorded a strong demand for office spaces in the fourth quarter of 2008. The vacancy rate, below 1.75%, happened to be among the lowest in Europe and was driven down further by the lack of new completions in the third quarter of 2008. The existing stock was estimated at 1,03 million sq m, with projections to grow significantly in the second half of 2009, when several new project will be delivered. Monthly rents in Bucharest varied at EUR 15 to EUR 21 per sq m, while in the rest of the country the monthly office rentals had an average price of EUR 15 per sq m. According to Cushman and Wakefield only 55,000 sq m of office space was to be delivered before end-2008.

According to Jones Lang LaSalle the vacancy rate of office spaces in Bucharest was below 1.0% in the first three months of 2008. The monthly office rents varied at EUR 22 to EUR 24 per sq m, up 20% on the year. If pre-leased, the monthly rent of office spaces could drop to EUR 14.5-EUR 16.5 per sq m.

At end-2007 projects for green buildings were introduced on the Romanian office market with UTI Headquarters, Euro Tower and Willbrook Platinum Business and Convention Centre. The construction and design of green buildings aims at the reduction of both pollution and maintenance costs.

According to CBRE the leased office space in Bucharest in 2007 reached 220,000 sq m, of which 85% represented pre-leased transactions. Banks, automotive companies, retailers as well as IT and telecommunications companies were the major clients, seeking modern offices. Yet, the vacancy rates of class A and B offices in Bucharest stood at 1.0% and 3.0%, respectively.

In 2007 the average rent of class A offices stood at EUR 18 to EUR 21 per sq m, while the average rents of class B spaces varied between EUR 14 and EUR 15 per sq m.

#### Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

The office rents in Bucharest were expected to rise in 2008 due to the growth of the Romanian economy, despite their stable level in the third quarter of 2007. The highest demand for office space was registered in the north and the central-north submarkets of Bucharest in 2006, while the western and central-western areas witnessed an increase in terms of supply and take-up.

In 2007 the office rentals stood at between EUR 15 and EUR 17 per sq m per month in the business parks, compared to an average of EUR 15.6 per sq m per month a year earlier. In downtown Bucharest the office rents reached EUR 22 per sq m per month in 2007.

In June 2007 the office vacancy rate dropped to 0.02%.

The average monthly rentals of office space in 2007 grew to EUR 17.1 per sq m in the prime areas and EUR 13.5 per sq m in the secondary locations, mostly driven by the low vacancy rate, increased demand of the pre-leases and rise in taxes, labour and utility costs.

Rentals also grew in Brasov, Timisoara and Costanta, where the average rents at the city centres stood at EUR 21.

In the first half of 2007 take-up stood at 115,000 sq m, up 25% on the year. The deals in the prime areas stood at 48,200 sq m, while those in secondary areas totalled 66,800 sq m. The companies which contributed most to the growth were from the IT, telecommunications and financial sectors. The biggest transaction in the first half of 2007 was the pre-lease of a total of 8,000 sq m in the first class office building project City Gate, while in the secondary areas the biggest deal was the 11,000 sq m Twin Towers.

Office real estate demand in Bucharest is mainly driven by the private sector. The demand is also related to the nearshoring activities which are likely to speed up since Romania joined the EU in January 2007.

The vacancy rate of class A offices in Bucharest was below 3.0% at the end of 2006, one of the lowest in Central and Eastern Europe. The overall office vacancy rate stood at about 3.7%. Most of the office construction projects were pre-let.

Rents for Class A office space in the northern part of Bucharest varied between EUR 16 and EUR 19 per sq m. Prime office rents varied between EUR 13 and EUR 16 per sq m in the down town area and EUR 11 and EUR 15 per sq m outside the city centre. Average rent for Class B office space was between EUR 12 and EUR 15 per sq m in 2005. Total take-up increased by 35% in 2005 compared to 2004, reaching approximately 190,000 sq m.

Experts expected government and public institutions to have an increased demand for office space. The cost of office space varied between EUR 1,000 and EUR 1,500 per sq m for vacant buildings. Demand for office space increased significantly in the first six months of 2006 and take-up reached nearly 183,000 sq m. Pre-leases accounted for 83,000 sq m for the same period. Rent for Class A offices varied between EUR 18.5 and EUR 21 per sq m per month in the first half of 2006. Outsourcing and telemarketing companies mostly preferred Class B offices varying between 4,000 to 6,000 sq m in non-central locations. Due to the limited supply most tenants concluded pre-lease contracts for such premises. Class A properties were most in demand among banks and financial companies.

The overall vacancy rate increased to 4.9% in June 2006 from 3.7% at the end of 2005. The vacancy rate for Class A offices was 3.8% in mid-2006, compared to 1.0% six months earlier. The decreases were attributed to differences in opinion over the area and leasing periods between landlords and prospective tenants. Most landlords require leases of more than five years, while tenants are reluctant to agree to leases longer than 3 years.

<b>Forecast for Office Take-up</b>	
Year	Volume (sq m)
2009	150 000
2010	200 000

Source: Jones Lang LaSalle

<b>Forecast for Rent Prices</b>		
Year	Class A (EUR/sq m/year)	Class B (EUR/sq m/year)
2008	180	300
2009	170	290
2010	170	260

Source: Jones Lang LaSalle

<b>Transactions on the Bucharest Office Segment in Q1 2009 by Area</b>	
<b>Location</b>	<b>Share (%)</b>
Central	4,00
Northern Area	76,00
Southern Area	0,00
Eastern Area	10,00
Western Area	10,00
Source: BNP Pariba Real Estate	

<b>Bucharest Office Market Rents in Q1 2009</b>		
<b>Location</b>	<b>Rent for Class A spaces (EUR/sq m/month)</b>	<b>Rent for Class B spaces (EUR/sq m/month)</b>
City Centre	20-21	14-16
Secondary locations	-	12-15
Peripheral locations	-	9-11
Source: BNP Pariba Real Estate		

<b>Office Buildings To Be Completed in 2008</b>		
<b>Building</b>	<b>Leasable Area (sq m)</b>	<b>Location</b>
Sema Park	42 700	Splaiul Independentei
BOB Centre	40 000	Dimitrie Pompeiu Blvd.
Floreasca Business Park	35 000	Calea Floreasca
Baneasa Business and Technology Park	30 000	Bucharest-Ploesti Road
Bucharest Tower Centre	27 000	Ion Mihalache Blvd.
Cubuc Centre	27 000	Pipera-Tunari Road
Twin Towers Barba Centre – Tower B	20 000	Pipera-Tunari Road
Source:CB Richard Ellis		

<b>Office Buildings To Be Completed in 2009</b>		
<b>Building</b>	<b>Leasable Area (sq m)</b>	<b>Location</b>
Swan Office Park	53 000	Bucharest North Road
Global City	44 000	Bucharest North Road
City Gate	43 000	Piata Presei Libere
BOC Centre	40 000	Dimitrie Pompeiu Blvd.
Anchor Plaza Metropol	36 600	Timisoara Blvd.
Neocity Business Centre	35 000	Pipera
Bucharest Victoria Complex	30 000	Calea Victoriei
Lakeview	26 000	Barbu Vacarescu Str.
ART Business Centre 6	24 300	N.Caramfil Str.
Urbagasa BC	21 400	Pipera-Tunari Road
Source:CB Richard Ellis		

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

<b>Offices To Be Completed by Q4 2009</b>			
<b>Building</b>	<b>GLA (sq m)</b>	<b>Pre-leased Area (%)</b>	<b>Location</b>
Anchor Plaza	55 000	10,00	Western Bucharest
River Side Tower	13 000	0,00	Western Bucharest
Metropolis Center	12 800	85,00	Central Bucharest
Excelsior BC	12 000	100,00	Central Bucharest
Olympia Tower	9 500	70,00	Central Bucharest

Source: BNP Pariba Real Estate

<b>Office Market Overview</b>						
	<b>2008*</b>	<b>2007*</b>	<b>2006*</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Modern space (sq m)	1,170,000	985,000	750,000	570,000	440,000	363,000
New supply (sq m)	185,000	235,000	180,000	130,000	77,000	49,000
Take-up (sq m)	200,000	200,000	180,000	150,000	120,000	66,000
Prime office rents (EUR/sq m)	16-18	16-19	16-19	16 - 18	16 - 20	18 - 20
Prime yields (%)	6.0%	6.0%-7.0%	7.%-8.%	8.5%-9.5%	11%-12%	12%-13%
Vacancy Rate (class A + class B offices) (%)	0.04	3.8	2.6	5.6	7.1	9.1

\* forecast

Source: DTZ Echinex International Property Advisers

<b>Office Rents in Q1 2008</b>		
<b>Location</b>	<b>Rent (EUR/sq m/month)</b>	<b>Growth (%; y-o-y)</b>
<b>Bucharest</b>		
Centre	21,0	5,0
Out of Town	15,0	7,1
<b>Brasov</b>	15,0	0,0
<b>Timisoara</b>	15,0	0,0
<b>Constanta</b>	15,0	0,0

Source: Cushman & Wakefield

<b>Prime Office Rents as of Dec 2007</b>	
<b>Location</b>	<b>Rent in EUR/sq m/month</b>
Bucharest - Centre	21,0
Bucharest - Out of Town	15,0
Brasov	15,0
Timisoara	15,0
Constanta	15,0

Source: Cushman & Wakefield

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

Prime Office Yields			
Location	Yield %		
	Dec 2007	Q3 2007	Dec 2006
Bucharest - Centre	6.25	6.50	7.50
Bucharest - Out of Town	6.50	6.75	7.80
Brasov	7.50	7.50	8.25
Timisoara	7.50	7.50	8.25
Constanta	7.50	7.50	8.25

Source: Cushman & Wakefield

## Retail Real Estate

Colliers claim that Bucharest retained its attractiveness to retailers in the first three months of 2009. However, the rest of Romania faced difficulties, attributed to weaker purchasing power and lower investment interest. There were no new deliveries of retail property in the period, and existing space was negotiated for periods no longer than 6-12 months.

Jones Lang LaSalle identified financial difficulties and negative economic outlook as major reasons for the weak demand for retail spaces from local retailers. However, their international counterparts did not give up their expansion plans in 2008, with the difference they turned to Romanian cities with population of 150,000-200,000. Prime monthly rents registered a drop to EUR 100-EUR 115 per sq m in shopping centres and EUR 95-EUR 115 in highstreets. Rents were expected to fall further in 2009, due to the delivery of new spaces. Prime annual rents in Bucharest stood at EUR 1,400 per sq m in 2008.

In the first quarter of 2009 Cushman and Wakefield registered a decline in demand for highstreet and shopping centre retail space.

A Cushman and Wakefield report on the retail segment in Romania highlighted the increasing demand for highstreet units in the fourth quarter of 2008. Most active on the retail market were large retailers and banks, competing for prime locations.

In 2008 retailers such as Kika, Next, Max Mara, Karen Miller and Oasis will enter local retail market, which will drive further the need of modern retail spaces.

Vacancy rate of highstreet retail spaces is low and the opportunities are limited. Besides, average monthly rent levels at EUR 80 to EUR 120 per sq m push retailers to regional cities or to shopping malls.

Cushman and Wakefield reported a hike of highstreet rents in the first quarter of 2008, backed by banks' desire to obtain the best available spaces. There were a couple of deals contracting monthly rents at EUR 150 to EUR 180 per sq m, while the actual monthly level was at EUR 135 per sq m. In the first three months of 2008 Suceava Shopping City retail park, spreading on 47,000 sq m, opened doors.

In the middle of 2007 GLA in shopping centres stood at 365,000 sq m in Romania.

The demand for retail space both in Bucharest and other major cities was strong in 2007. Because of the low level of supply, the entire retail space was pre-leased by tenants or new brands entering the Romanian market. Many international companies set up their local representative offices in Romania, including UK department store chain Debenhams, Italian retailer Oltre and German clothing company S. Oliver, as well as U.S. Starbucks.

Due to the increase of the new projects, which were delivered to the market, the rentals in Bucharest dropped to EUR 25 per sq m per month in 2007, compared to EUR 40 in 2000, whereas the rentals in the rest of the country varied between EUR 18 and EUR 20 per sq m per month.

Demand for retail space in Bucharest in 2006 increased as local retailers expanded their networks. Limited availability in the city centre forced retailers to expand to non-central locations and pushed rents up. The average rent increased by 20% and reached between EUR 90 and EUR 130 per sq m per month for prime high street shops. Shopping mall rents remained relatively stable, varying between EUR 60 and EUR 150 per sq m per month depending on the size of the shop. The average area most required by banks in Bucharest was 100 to 200 sq m, compared to between 200 and 500 sq m for retailers of household goods. The vacancy rate was less than 5.0% in mid-2006.

The cost for retail space in Bucharest ranged between EUR 3,000 and EUR 5,000 per sq m for prime locations and between EUR 2,500 and EUR 3,000 per sq m for secondary locations.

Demand for high street outlets exceeded supply in 2005. Residential districts such as Militari, Crangasi, Titan, Dristor, Colentina and Mihai Bravu are considered secondary locations for retail and are preferred mainly by banks, household appliance retailers, pharmacies and restaurants.

Demand for retail space in high streets in 2005 was estimated at between 40,000 – 45,000 sq m, with the average unit size of about 70 – 120 sq m.

Take-up for high street retail space increased by 20% year-on-year in 2005 and reached 35,000 sq m.

Rents for outlets in shopping malls in 2005 were around EUR 60 to EUR 120 per sq m per month and experts forecast rents to increase by approximately 20% in 2006.

### Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Shopping Centre Projects</b>		
<b>Name</b>	<b>GLA (sq m)</b>	<b>Opening</b>
Baneasa Shopping City	85 000	April 2008
Sun Plaza	76 000	2008
Iris Shopping Center	14 000	2008
West Park	28 000	2008
Vitantis Shopping Center	36 000	Fall 2008
Liberty Center	25 000	November 2008
AFI Palace Bucuresti	75 000	2009
Mall of Romania	70 000	2009
Promenada Mall	33 000	2009
Mega Mall	80 000	2010
ParkLake Plaza	110 000	2010
Casa Radio	100 000	2010-2011
Colloseum Center	160 000	2010-2011
Esplanada	40 000	2010-2011
Galleria	60 000	2010-2011
Militari Shopping Center	14 000	2010-2011
Bucur Obor	40 000	2010-2011

Source:CB Richard Ellis

<b>Retail Rents in Q1 2009</b>		
<b>Location</b>	<b>Rent (EUR/sq m/year)</b>	<b>Growth (%; y-o-y)</b>
<b>Bucharest</b>		
Calea Victoriei	840	-50.0
Magheru Blvd	960	-46.7
<b>Brasov</b>	480	-27.3
<b>Timisoara</b>	420	-30.0
<b>Constanta</b>	540	-25.0
<b>Cluj Napoca</b>	600	-33.3

Source: Cushman & Wakefield

<b>Retail Rents in Q4 2008</b>		
<b>Location</b>	<b>Rent (EUR/sq m/year)</b>	<b>Growth (%; y-o-y)</b>
<b>Bucharest</b>		
Calea Victoriei	1,680	40.0
Magheru Blvd	1,800	30.4
<b>Brasov</b>	660	37.5
<b>Timisoara</b>	600	25.0
<b>Constanta</b>	720	50.0
<b>Cluj Napoca</b>	900	20.5

Source: Cushman & Wakefield

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

Retail Rents in Q1 2008		
Location	Rent (EUR/sq m/year)	Growth (%; y-o-y)
<b>Bucharest</b>		
Calea Victoriei	1 440	20,0
Magheru Blvd	1 620	22,7
<b>Brasov</b>	660	37,5
<b>Timisoara</b>	540	12,5
<b>Constanta</b>	600	25,0
<b>Cluj Napoca</b>	780	8,3
Source: Cushman & Wakefield		

Prime Retail Rents as at Dec 2007				
Location	Rent	Growth % (pa compound)		Short Term
	EUR/sq m/year	5 years	1 year	Trend
Bucharest-Calea Victoriei	1320	14	10	Up
Bucharest-Magheru Blvd	1440	16	9.1	Up
Brasov	540	13.6	12.5	Up
Timisoara	540	9.5	12.5	Up
Constanta	540	13.6	12.5	Up
Source: Cushman & Wakefield				

Prime Retail Yields					
Location	Yield %				
	Q1 2009	Q4 2008	Dec 2007	Q3 2007	Dec 2006
Bucharest-Calea Victoriei	9,00	7.75	7.5	7.5	7.5
Bucharest-Magheru Blvd	9,00	7.75	7.5	7.5	7.5
Brasov	9,50	8.25	8.0	8.0	8.0
Timisoara	9,50	8.25	8.0	8.0	8.0
Constanta	9,50	8.25	8.0	8.0	8.0
Source: Cushman & Wakefield					

## Industrial Real Estate

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007



Colliers report a weak demand for industrial spaces in the first three months of 2009. Although the need of modern spaces was pressing, the companies refrained from moving out because of economic uncertainty and high rents. The vacancy rate in the segment climbed to 8.0-9.0%.

A report of Jones Lang LaSalle outlined that demand in 2008 was driven by companies, seeking to group and modernise their logistics space. The total take-up in 2008 stood at 200,000 sq m, which draw the volume of overall industrial space in the country to almost 1.0 million sq m. Levels of prime industrial rents decreased slightly to monthly average EUR 4.0 per sq m. Modern logistics spaces, compliant with European standards, were contracted at EUR 4.0-EUR 4.5 per sq m. In Bucharest annual prime rents for industrial spaces stood at EUR 58 sq m.

Cushman and Wakefield observed that retail expansion was the key driver of the strong domestic demand for industrial spaces in the fourth quarter of 2008. Prime industrial yield rose 0.5 percentage points on the quarter across the country, with Bucharest keeping it the lowest at 8.00%.

In 2008 the demand for industrial spaces is projected strong, grounded on the pre-lease contracts concluded in 2007. Logistic services companies will be among the main players the market.

No change is expected in the rent levels, which will earn an annual yield of 8.0% to 9.0%.

Development of the industrial real estate market does not confine to Bucharest only, but also expands to Brasov, Timisoara, Arad, Cluj-Napoca, Oradea and Constanta.

International logistic companies, expanding their operations in Romania, are expected to be among the drivers of the local demand for industrial spaces. Romanian Carrefour's deal for 45,000 sq m at Cefin Logistics Park was one of the major transactions on the domestic market in 2007.

In Bucharest industrial monthly rents varied between EUR 3.8 and EUR 4.24 per sq m in the first quarter of 2008. Jones Lang LaSalle expect rental levels for modern industrial spaces to go down to EUR 3.0-EUR 3.5 per sq m with the opening of more logistics facilities.

In 2007 developers pre-leased and sold some 160,000 sq m of industrial spaces, yet the demand outran supply, leaving the vacancy rate in Bucharest below 5.0%.

Retailers were most active in the search of industrial and warehouse spaces in 2007. Demands from logistics and transportation companies accounted for 15% and 11%.

In Bucharest rents for spaces between 5,000 and 10,000 sq m stood at EUR 4.2 to EUR 4.8 per sq m in 2007. Rent levels for industrial spaces over 10,000 sq m were between EUR 3.8 and EUR 4.2 per sq m.

Take-up of warehousing space in the first half of 2007 was about 163,800 sq m, compared to 123,500 sq m in 2006. The demand on the industrial real estate market fell behind the supply and as a result the prime rents were expected to decrease. The logistics sector accounted for 40% of the total rented areas. Industrial rents remained stable in the third quarter of 2007 at EUR 4.5 per sq m per month.

Demand for high quality warehouses was driven mainly by large multinational companies entering the market or companies moving from unsuitable facilities. Logistics and retail companies are the major source of the demand. Large companies preferred buildings in the 2,000-5,000 sq m range, smaller than those preferred on better developed markets in central Europe. The demand for smaller (800 sq m - 2,000 sq m) but high quality space was also considerable.

The average rent for industrial real estate varied between EUR 5.0 - EUR 7.0 per sq m per month.

The average size of leased units in Bucharest in the first half of 2006 was around 5,000 sq m and the vacancy rate was estimated to be below 5.0%. An increasing number of local companies started to relocate their activities to new industrial premises and pushed vacancy rates in older buildings to 20-25%.

The average rent for new industrial facilities ranged between EUR 4.5 and EUR 6.0 per sq m per month depending on the location and quality.

<b>Major Warehouse Letting Transactions - H1 2007</b>			
<b>Building</b>	<b>Tenant</b>	<b>Sq m</b>	<b>Business Sector</b>
Cefin Logistics Parc	Carrefour	45,000	Retail Logistics
Bucharest West	Frans Maas	29,000	Logistics
Cefin Logistics Parc	Interbrands	16,200	Distribution
Cefin Logistics Parc	KLG Europe Logistics	15,500	Logistics
Cefin Logistics Parc	Lekkerland	15,400	Distribution
Bucharest West	CIB Trans (Ikea, Alcatel, Orange)	15,000	Electronics
ProLogis	Kuhne & Nagel	10,700	Logistics
Cefin Logistics Parc	OTZ	10,500	Electronics
Bucharest West	Leonardo	10,000	Footwear
ProLogis	Cargo Partner	8,000	Courier
Bucharest West	Georgia Pacific	6,500	Distribution
Prologis	Augsburg	6,000	Automotive
Bucharest West	Iron Mountain	6,000	Data protection
Cefin Logistics Parc	E Van Wijk	5,000	Logistics
Bucharest West	DSV	5,000	Logistics
A1 Industrial Park	Resinex	5,000	Distribution
A1 Industrial Park	Romanel	4,500	Distribution
Bucharest West	Ceva Logistics (TNT)	2,700	Courier
A1 Industrial Park	Matra	2,500	Distribution
A1 Industrial Park	Grupo Dover	2,500	Automotive
A1 Industrial Park	Europapier	2,000	Paper Production
Bucharest West	Moeller Electric	1,800	Electronics
Cefin Logistics Parc	RCS	1,500	Electronics
Bucharest West	Roto	1,200	Mettal fittings
Key Logistic Centre	Lidl	1,000	Retail Logistics

Source: DTZ Research

<b>Rents for Industrial Space in Bucharest in 2006</b>		
<b>Location</b>	<b>Building Type</b>	<b>EUR/sq m/ month</b>
North/West	New	4.50 – 6.00
North/West	Old	2.50 – 3.50
South	New	4.50 – 5.00
South	Old	2.50 – 3.50
East	New	5.00 – 5.50
East	Old	2.50 – 3.50

Source: CB Richard Ellis

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Retail Rents in Q4 2008</b>		
<b>Location</b>	<b>Rent (EUR/sq m/year)</b>	<b>Growth (%; y-o-y)</b>
<b>Bucharest</b>	48.0	0.0
<b>Brasov</b>	54.0	12.5
<b>Timisoara</b>	54.0	12.5
<b>Constanta</b>	54.0	0.0

Source: Cushman & Wakefield

## Land Market

The increasing demand for land in 2007 led to hikes of land prices, yet that fact did not stop the conclusion of several deals for the construction of residential and mixed use complexes, estimated at EUR 20 mln.

Local investors Raiffeisen Evolution bought for EUR 90 mln a 110,000 sq m land plot for the construction of an office building, residential complex and a hotel.

The demand for land outstripped significantly the supply in 2007 for all types of plots, which resulted in an increase of the prices of the plots.

In 2007 some major acquisitions of land were completed in the western and central-western regions of Bucharest. During the period approximately 50 ha, including the Frigocom and Tricodava industrial sites, were sold, as well as the 13 ha area located in Ghencea sold to a partnership between real estate companies Hercesa and Bluehouse. In the northern part of Bucharest land purchases exceeded 20 ha, and one of the most important deals was the 2.9 ha Automatica site in Floreasca. The 155,000 sq m Laromet factory site, located in the northern suburbs of Bucharest, was purchased by Israeli real estate group Africa Israel for a total EUR 77.5 mln or EUR 500 per sq m. The average size of the deals was around 5.0 ha, mainly acquired for residential building.

The average price for the real estate transactions stood at EUR 650 per sq m in 2007, compared to EUR 430 in 2006.

The greatest demand was for medium-sized plots in the northern part of Bucharest, suitable for residential buildings. In 2006 the demand was bigger than the supply.

Land prices increased by 25% to 50% in 2005 as demand significantly exceeded supply. The cost of plots in central and northern Bucharest increased by 25% to 75% between June 2005 to June 2006 due to the limited availability of land for Class A office development and reached between EUR 2,500 and EUR 3,000 per sq m. The cost of land for retail development within the city limits ranged between EUR 250 and EUR 600 per sq m for the same period. Large plots located in the eastern section of the Bucharest ring road cost between EUR 50 and EUR 70 per sq m.

Land for residential development in the Pipera-Tunari, Mogosoaia, Sisesti and Otopeni districts ranged between EUR 100 and EUR 250 per sq m while plots for luxury developments varied between EUR 1,500 and EUR 2,500 per sq m in the northern and central areas.

<b>Land Prices for Prime Locations in Bucharest</b>				
	Office	Residential	Retail	Industrial
North	2,000–3,000	1,500–3,500	–	100–150
Center	2,000–3,000	1,500–3,000	–	–
West	500–1,000	500–1,000	500–1,000	60–100
East	–	500–1,000	500–1,000	50–80
South	–	400–800	400–800	40–70

Source: Colliers International

## Investments

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.

SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.

SeeNews 2007

The Romanian Agency for Foreign Investments (ARIS) disclosed in the first three month of 2009 the foreign direct investment (FDI) totalled EUR 1.46 bln.

According to a report by the National Bank of Romania, the country attracted EUR 9.03 bln of FDI in 2008, up 28% year-on-year.

Romania's Ministry of Finance expects foreign direct investment (FDI) at EUR 10 bln in 2008, up from EUR 7.0 bln in 2007.

The Romanian Agency for Foreign Investments (ARIS) announced that FDI in the first eleven months of 2008 totalled some EUR 8.4 bln, up 19.25% compared to the same period of 2007.

Global real estate consultant Cushman & Wakefield ranked Romania's potential the construction of industrial/logistics facilities 13<sup>th</sup> among 25 European countries in its European Distribution Report 2008.

Ten of the top 50 foreign companies in Romania operated in the real estate sector in 2007.

The real estate transactions stood at EUR 1.5 bln for the first nine months of 2007. The largest investor on the Romanian real estate market was Austrian real estate investment trust Immoeast. Some major real estate investors made their first transactions in 2007, including real estate companies ING Real Estate, the Netherlands, GE Real Estate, the USA and Greek Piraeus RE. The office market was one of the most active markets in Bucharest in 2007, while in the rest of the country the majority of transactions were in the retail real estate segment.

ARIS expected total FDI at EUR 7.0 bln for 2007, down by EUR 2.0 bln on the year. Most attractive for the investors were automobile parts industry, alternative energy, construction and real estate sectors.

Most active on the real estate market were Austrian investment funds, whose portfolio reached EUR 900 mln at the beginning of 2007.

Investments in new construction works increased by 17.7% in the first nine months of 2006, compared to the same period of the previous year.

No restrictions are imposed on foreign ownership or participation in joint ventures and in Romanian companies. Foreign entities can acquire 100% of any Romanian company. Industrial sectors in which additional governmental approval is necessary include defence, state monopolies and national security. Local as well as foreign companies are allowed to acquire movable assets in Romania.

Companies investing more than USD 1.0 mln can benefit from incentives such as customs duty exemption for certain tangible and intangible assets, an investment allowance of 20% of the value of the investment and utilisation of accelerated depreciation for fixed assets, except for buildings. Investors have to register their investments with the Romanian Agency for Foreign Investment in order to benefit from these incentives.

Total investments in Romania reached RON 15.771 bln in the first half of 2006, up 12.5% year-on-year in real terms. Foreign direct investments (FDI) in Romania were expected to reach a record EUR 7.1 bln in 2006.

One of the biggest real estate deals in the first half of 2006 was the sale of the Charles de Gaulle Plaza building in Bucharest to Accession Fund SICAV for EUR 80 mln. The Luxembourg fund is managed by German GLL Real Estate Partners GmbH. Phoenix Real Estate sold the Phoenix Business Park on the western ring road, 2.0 km from the A1 highway, to British Central European Industrial Fund (CEIF) for EUR 8.0 mln in March 2006. British Helios Properties acquired Mercury Logistic Park, located along the Bucharest-Pitesti highway, for EUR 11 mln in February 2006.

Most of property investors in Romania in the first six months of 2006 were British funds, followed by Austrian and Irish companies. Experts forecast a slight decrease in the number of real estate deals in the second half of 2006, followed by a more dynamic period at the beginning of 2007.

The average annual return on investments in real estate property in Romania was estimated at between 15% and 35% for the first nine months of 2006. Investors showed increasing interest in property in Brasov and Poiana Brasov, Romania's largest ski resort. An airport and a motorway connecting the resort with Bucharest were planned for construction by 2008.

<b>Top 10 transactions in 2007</b>					
	<b>Use</b>	<b>Building</b>	<b>Area (sqm)</b>	<b>Investor</b>	<b>Price (EUR)</b>
<b>1</b>	Retail	Polus Constanta	90,000	Immoeast	185,000,000
<b>2</b>	Office	S-park	35,000	Immoeast	104,500,000
<b>3</b>	Retail	Gold PlazA	32,000	Immoeast	97,000,000
<b>4</b>	Retail	Euromall Galati	22,500	Immoeast	90,000,000
<b>5</b>	Retail	Red Baia Mare	30,000	Immoeast	90,000,000
<b>6</b>	Retail	Euromall Pitesti	20,500	Immoeast	82,500,000
<b>7</b>	Retail	Delta Craiova	25,000	Immoeast	85,000,000
<b>8</b>	Industrial	A1 Industrial Park	93,000	Teesland IOG	82,115,000
<b>9</b>	Office	Victoria Park	22,000	Immoeast	65,000,000
<b>10</b>	Office	Victoria Park	44,000	Fabian	60,000,000

Source: Colliers Intrenational

Copyright

All rights reserved. Downloads and print extracts of SeeNews - Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews - Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Major Investment Transactions in Bucharest 2006</b>				
<b>Quarter</b>	<b>Project</b>	<b>Building Type</b>	<b>Area (sq m)</b>	<b>Investment Yield (%)</b>
Q1	PGV Tower	Office	10,500	10.00%
Q1	Phoenix Business Park	Industrial	16,700	9.50%
Q1	Mercury Logistic Park	Industrial	100,000	N/A
Q2	Charles de Gaulle Plaza	Office	40,000	7.00%
Q2	Construdava	Office	13,300	N/A
Q3	Millenium Business Centre	Office	25,000	N/A
Q3	City Mall	Retail	36,000	7.00%
Q4	Vitantis Retail Park	Retail	35,000	9.00%
Q4	Sema Park – 2 buildings	Office	42,000	N/A
Q4	Sun Plaza Project	Retail	76,000	11.00%
Q4	Victoria Park	Office	20,000	N/A

Source: CB Richard Ellis, Romania

## Companies

In March 2009 Immorent, a leasing and real estate unit of Austria's Erste Bank, received EUR 100 mln from the European Investment Bank (EIB) for projects in central and eastern Europe (CEE), including Romania, Bulgaria and Slovenia.

Earlier in March 2009 Romania's Continental Hotels disclosed intentions to invest between EUR 40 mln and EUR 45 mln in the construction of two hotels and a conference centre in Bucharest. Continental will also earmark another EUR 30 mln for the construction of its sole five-star hotel, the Grand Hotel Continental, in Bucharest, and to open the Ibis Hotel in Sibiu, central Romania, in June 2009.

French hotel chain Accor planned investment of USD 28 mln in the construction of two hotels in Timisoara, western Romania. The chain announced in March 2009 it will open two hotels in Timisoara, Novotel and Etap.

Israeli emerging market property developer Plaza Centers disclosed in February 2009 intentions to stick to its initial plans and complete the development of Plaza Centers. The company had secured some EUR 2.0 bln for investment projects in Romania. The projects are located in Bucharest and the cities of Constanta, Hunedoara, Iasi, Miercurea Ciuc, Slatina, Targu Mures and Timisoara

Estonian real estate investment fund IPC delayed the launch of two projects for a combined EUR 10 mln in Romania in February 2009. The company will return to the projects in 2010 if market conditions are favourable.

The first project is for 32 houses in Brasov, central Romania. The second one consists of a logistic centre and a production unit in Timisoara, western Romania.

IPC invested EUR 33 mln in Romania in the last three years, including EUR 20 mln in the acquisition of land plots.

In February 2009 Abu Dhabi-based property developer Bloom announced the cancellation of its EUR 450 mln mixed-use project in Romania, due to restricted lending and weak corporate demand.

Ten developers in Romania postponed a total of 120 real estate projects worth a combined EUR 10 bln in the first three months of 2009 due to the tough market conditions.

UK-based real estate developer European Future Group (EFG) halted all ongoing projects, worth a combined EUR 1.5 bln, in Romania due to liquidity problems. The company was forced to the step after Austrian investment fund Immoeast's cancellation of their joint project, estimated at EUR 700 mln.

In January 2009 Romanian-based Axa Grup planned to invest EUR 6.2 mln in a residential project in the capital Bucharest. The project Ambra Residence, to comprise 33 luxurious apartments and 39 parking lots, is scheduled for start in March 2009 and is to be completed by end-2010.

ProLogis, a leading global provider of distribution facilities, announced in December 2008 it had leased some 9,300 sq m of industrial space at ProLogis Park Bucharest A1 in Bucharest to Flamingo Group, one of Romania's largest electrical retail and IT distribution companies.

Cometex, the real estate arm of Romanian household appliances retailer Altex, opened in December 2008 a shopping centre in Brasov, central Romania, estimated at EUR 6.0 mln. The centre offers 7,500 sq m of retail space and parking places for over 120 cars.

In December 2008 the first store, estimated at EUR 31 mln of Austrian furniture retailer Kika opened doors.

## Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

Danish luxury furniture retailer BoConcept invested EUR 450,000 in its second store in Romania, opened in December 2008 in Sibiu, central Romania. The store is with a retail space of 550 sq m and is located in the Shopping City Sibiu. BoConcept announced plans to expand its chain to six stores by 2010, among them one in Iasi, northeastern Romania, and another in Brasov, central Romania.

The Romanian unit of French retail group Carrefour announce in November 2008 the inauguration of its 19th hypermarket in Sibiu, central Romania. The investment sum for the 8,000 sq m-store remained undisclosed. The store is located in the Shopping City Sibiu.

In November 2008 Romanian hypermarket chain Pic, a subsidiary of local Pic Group, announced the opening its 5th hypermarket in Calarasi, southern Romania. The store is located on the premises of the Pic Group's retail park in the country, worth EUR 60 mln. Pic Group intended to build a second retail park in 2009 in Ploiesti, southern Romania.

Romanian Velvet Cafe, the local operator of Italian coffee shops chain Pascucci, announced in November 2008 it planned to allocate some EUR 3.0 mln by 2011 for the opening of 12 outlets countrywide.

In October 2008 Irish realtor Mivan Development opened its shopping mall Liberty Center, worth some EUR 70 mln, in southern Bucharest. Liberty Centre, covering 25,000 sq m, was already occupied by tenants, including Hervis, Marks & Spencer, Next, Reserved, Cropp Town, Sprider, Altex/Media Galaxy and Billa. The mall has a 3D cinema, and an indoor skating ring.

Greek property development company Panhol Developments announced in October 2008 it planned to invest some EUR 70 mln in a mixed-use complex in the eastern part of Bucharest. The complex, to spread over 4.4 acres, will feature a commercial centre and 750 apartments from 28 sq m to 181 sq m and will have a retail space of 5,500 sq m. Construction works, expected to be launched in the spring of 2009, will conclude in 2012 when phase 3 of the project will be finished.

In October 2008 Israeli property developer Globe Trade Center (GTC) opened the first mall of its planned Romanian Galleria shopping center chain in Buzau, southeastern Romania. Tenants of Galleria Buzau will consist of over 60 retailers, while the mall also includes a six-screen cinema, restaurants, a food court and more than 300 parking places. The mall, standing on 2.1 hectares, will offer some 14,000 sq m of GLA.

Romanian developer Vialin Invest announced in September plans to build three residential projects for a total of EUR 6.0 mln Floresti, northwestern Romania.

Israel Land Development Company bought in September 2008 a ten-acre plot in Guirgiu, southern Romania, for EUR 6.5 million. The company planned to build a 20,000-square meter mall on the site.

In September 2008 Mega Image, a subsidiary of Belgian food retailer Delhaize Group, acquired La Fourmi chain of stores for an amount of EUR 18.6 mln, along with real estate ownership of four stores.

In September 2008 Franke Romania, a subsidiary of Swiss-based industrial kitchen equipment, spent some EUR 80,000 to open its 30th showroom in Bucharest.

Retail property investment company Dawnay, Day Carpathian secured the construction of their retail project Atrium Centre Arad, to be completed in 2008, through a loan of EUR 62 mln, extended by Romanian MKB Bank in August 2008.

In August 2008 UK property investment group Westhill Development planned to earmark EUR 550 mln for the construction of four shopping malls, office and residential units.

Centrum Logistics, a subsidiary of Belgium's Groep H Essers, leased some 211,000 sq m of industrial space in Bucharest in August 2008.

Romanian Eurobank Real Estate Investment and investment fund RREEF bought two office buildings for EUR 100 mln. In May 2008 RREEF purchased three real estate projects, estimated at EUR 340 mln.

In July 2008 local company AlfaRom Holdings SRL disclosed plans to invest EUR 200 mln in the Romanian real estate market over the following four years. The company and RO Future Group Plc are to develop an 850-unit residential project, worth EUR 70 mln.

Hungarian developer Ablon Group bought a 19,805 sq m plot in July 2008, on which it would raise an office building with a total built-up area of 118,400 sq m. The project was estimated at EUR 15 mln.

In July 2008 Romanian developer Rolast considered to spend EUR 30 mln on the delivery of a retail facility, including a 10,000 sq m store, a 14,000 sq m hypermarket and 11,000 sq m of commercial spaces. The project would be carried out in Pitesti, southern Romania.

In June 2008 Jupiter City shopping mall opened doors in Pitesti. International real estate developer Jupiter Group invested EUR 42 mln in the completion of the mall, which covers 17 ha and offers 37,000 sq m of retail space.

In June 2008 real estate investment company Atlas Estates announced it would launch a residential project in Bucharest in 2009. The project, to spread on 32,000 sq m and deliver 1,200 apartments, was estimated at EUR 180 mln.

Copyright

All rights reserved. Downloads and print extracts of SeeNews - Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews - Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

Austrian listed real estate developer Immoeast Immobilien Anlagen AG and local peer S+B intended to allocate EUR 220 mln for the construction of a joint real estate project in Sibiu. The construction, to be carried out in three phases and completed by 2010, comprises a shopping centre, offices and residential units. The shopping centre, with an area of 38,000 sq m, is estimated at some EUR 120 mln and is scheduled to start in 2009 .

In May 2008 Israeli company Ram Global Group disclosed intentions to invest EUR 140 mln in a real estate project, called Casablanca, with 1,260 homes in Titan neighbourhood, southeastern Bucharest. The construction works on the first two buildings are to commence at end-summer. Casablanca residence project will comprise 7 buildings with a total area of 36,000 sq m.

Central and Eastern European division of GE Real Estate and UK's Helios-Phoenix intended to launch six class A logistics projects in Romania in May 2008. The overall value of the projects, to spread on 315,000 sq m, was estimated at EUR 87.5 mln.

In May 2008 AFI Europe, part of Israeli conglomerate Africa Israel Investments announced the launch of its second real estate project, spreading on 600,000 sq m, in Bucharest. The project, to be completed until 2010, includes AFI Golden Palace shopping centre of 27,000 sq m, an office building of 12,000 sq m and the AFI Golden City residential complex with 5,300 apartments, and is expected to take up a total of EUR 700 mln.

In April 2008 Netherlands' ING property development arm ING Real Estate Development (ING RED) announced plans to invest EUR 400 mln in the Romanian real estate market over the following two years.

Romanian developer Raiffeisen Evolution launched a real estate project, worth EUR 600 mln – EUR 700 mln, in northern Bucharest in April 2008. The project is scheduled for completion between 2011 and 2016. Besides, Raiffeisen Evolution is to build a residential complex in northwestern Ilfov county. The complex, covering 3.0 ha, was estimated at EUR 30 mln and includes 170 housing units.

In April 2008 Portugal's Sonae Sierra and Poland-based Caelum Development planned to jointly build a EUR 591 mln shopping centre in Bucharest. The five-storey Parklake Plaza shopping centre, to open doors in April 2010, will have a GLA of 110,000 sq m and will host 443 shops and 3,300 underground parking spaces.

In March 2008 Hungarian property developer TriGranit disclosed that it started the construction of Polus City Center shopping mall in Constanta, southeastern Romania. The shopping mall, estimated at EUR 140 mln, will offer 50,000 sq m of retail space and will accommodate 170 shops. The mall is scheduled to open in the second half of 2009.

Romanian home appliances and electronics retailer Altex allocated EUR 500,000 for the construction of its second Altex store in Brasov, central Romania. The new Altex store, inaugurated in early-March 2008, is located in Unirea Shopping Center in Brasov and has a sales area of over 750 sq m.

In the first quarter of 2008 Romanian City Capital Property Limited purchased from Art Group the Buzesti Business Center, in the centre of Bucharest, for EUR 20 mln.

ING Real Estate planned to launch three residential and retail projects in Romania worth a combined EUR 400 mln. The projects will be developed in the cities of Brasov, Iasi, and Galati.

Spanish developer Spadevel will construct an EUR 8.0 mln apartment building in Romania's capital Bucharest. French-American engineering consultancy group Louis Berger signed at the end of November 2007 a 24-month Project Management contract with Spadevel for the development of a residential complex in the centre of Bucharest. Construction works were scheduled to start in early 2008. The building will comprise a commercial area and 67 apartments with a total built-up area of 11,000 sq m. It will have an underground parking lot for 75 vehicles.

Irish real estate developer Moritz Group will invest EUR 180 mln in the construction of an office building in the Romanian capital Bucharest by 2012. The first stage will include a EUR 120 mln investment in 35,000 sq m office space, to be completed by the first quarter of 2010. The second stage, scheduled for completion by 2012, will comprise 15,000 sq m of offices, an underground parking lot for 600 vehicles and a heliport.

Irish real estate developers Milvan and Moritz Group started the construction of the first mall of a 700 million euro (\$1.0 billion) project for 10 shopping centres in Romania. Tiago Malls, to be completed by 2011, will be developed in ten Romanian cities with a population of over 100,000 people. The investors have already acquired 600,000 sq m of land, or 70% of the total project area, for EUR 150 mln.

Romanian real estate company Eka Development will invest EUR 20 mln to build a business centre in the capital Bucharest. Construction works on Eka Business Center VI project will begin in April 2008 and are expected to be finished in 18 months, according to the company's statement. The centre will have a total area of 22,000 sq m. Eka Development, part of Romanian Eka Investment Group, has already completed two projects in Bucharest and is currently carrying out another three.

Romanian-based housing development group Adama will invest EUR 45 mln to build a residential project in the central Romanian city of Brasov. The Evocasa Viva project will comprise 8 blocks of apartments. The first stage of the project is scheduled for completion in two years.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

Romania's largest bank by assets Banca Comerciala Romana will lend up to EUR 575 mln to Cyprus-registered real estate developer Copper Beech which will use the 12-year loan to build a residential building in Romania. The company plans to invest EUR 2.5 bln in the building of 16,500 residential units in the next five years.

Copper Beech has recently launched its first project called Blue Tower, a EUR 30 mln block of flats in Romania's capital Bucharest.

Dutch-based Nanette Real Estate Group signed a preliminary agreement to buy 31,000 sq m of land in Romania's capital Bucharest where it will build an EUR 87 mln residential complex. The company plans to build 900 apartments, with a total area of 90,000 sq m.

Greece-based fund manager Global Finance plans to invest EUR 550 mln in three real estate projects in Romania. The first project, Global City, worth EUR 200 mln, comprises two Class A office buildings and a residential one, covering 60,000 sq m, in the northern part of Romania's capital Bucharest. Construction works have already started and are due to be completed by the end of 2010. The first stage, including the construction of the office buildings worth EUR 80 mln, is to be completed in the first quarter of 2009. The other two Romanian projects are the Global Gardens residential complex and Global Plaza Floreasca, which will include office space, commercial areas and luxury apartments.

Romanian real estate developer Domus Stil planned to invest EUR 80 mln in its third residential complex in the capital Bucharest. The complex, Confort City, will include 12 blocks, totalling 1,680 apartments. The first apartments will be completed in the summer of 2008, while the whole project is to be finished by the spring of 2009. Confort City will have 45,000 sq m of built-up area.

Icelandic real estate company Askar Capital has set up an office in the Romanian capital and will invest a total of EUR 500 mln on the country's real estate market. It plans to invest in office buildings, residential projects and infrastructure.

Romanian-French developer Euro Mediterranee Consulting (EMCT) will invest jointly with Dutch real estate developer Redevco EUR 500 mln in the Romanian real estate market over the next five years. The investment will cover a gross lettable area between 25,000 and 100,000 sq m. EMCT operates on the Romanian market since 1998. It has two ongoing projects in the country, including the Sun Plaza shopping centre in the Romanian capital, due to open in the autumn of 2008, and Siret Plaza, in the southeastern city of Galati, scheduled to be completed in 2009.

Israeli real estate developer Neocity Group plans to build a EUR 300 mln residential project in the Romanian capital Bucharest. The project will be carried out on a 14 ha land plot and will comprise 18 blocks of flats of between 14 and 30 storeys. The construction works started in 2007 and the first stage is to be completed in December 2008.

In May 2007 real estate investment fund Fabian Romania Property signed an agreement to buy a class A office building in Bucharest for EUR 60 mln from local real estate developer Kendama.

The transaction will be carried out in two stages – the fund paid the first installment of EUR 12.25 mln in 2007, and the remaining amount in the second half of 2009 when the building is to be completed.

The 12-storey Cubic Centre will cover a 44,000 sq m area and will have a car park for 533 vehicles.

Fabian Romania Property owns other two office buildings in Bucharest, which it bought in early 2006, and holds stock in two residential projects currently under construction.

The fund, set up in June 2005, invests in main segments of the domestic real estate market, acquiring finished facilities and financing construction of new ones.

Romanian real estate developer Baneasa Developments will open its EUR 150 mln Baneasa Shopping City in March 2008.

Baneasa Shopping City is part of a bigger commercial platform in the capital Bucharest, covering 25 hectares, which will include outlets of major foreign retailers such as Metro Cash&Carry, DIY chain Bricostore, Mobexpert, Ikea, Carrefour and Feeria. Baneasa Shopping City has 220 outlets and parking space for 10,000 cars. It will create more than 2,000 jobs.

The commercial platform is part of a EUR 1.2 bln residential district to be built in the northern part of Bucharest over a 10-year period.

In April 2006 Romanian real estate company River Invest started building the EUR 700 mln Sema Parc business park in the capital Bucharest. The park will be completed in 2015 and will include office and commercial areas as well as 1,200 apartments. Sema Parc is located in the west central part of Bucharest. It will have 660,000 sq m of floor space and another 450,000 sq m of underground usable space. The offices will cover 363,000 sq m and the commercial area will cover 173,000 sq m. The apartments will have an area of 122,000 sq m.

In April 2006 Austrian real estate developer Europolis announced it had doubled its investment in the construction of a logistics park, developed by Cefin Real Estate Romania, to EUR 150 mln. Europolis planned to invest a further EUR 75 mln in extending the Cefin Logistics Park's area by an additional 150,000 sq m. Construction of the park is due to be completed by 2010.

Cefin Real Estate Romania started work on the logistics park project in 2003. Europolis joined the project in October 2004, pledging investments of around EUR 75 mln.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007



British Charlemagne Capital fund bought 50% of the Asmita Gardens SRL residential project for more than EUR 10 mln in October 2006. Asmita Gardens will develop an 800-flat residential project on 150 sq m of land in the Splaiul Unirii-Calea Vacaresti district. The project is estimated at EUR 110 mln and will be developed in two stages by the spring of 2009.

The first phase will be completed by September 2008 and will be built by Austrian Strabag, and international real estate services provider Colliers will be the real estate broker.

### Residential Real Estate

Planned Residential Developments in Bucharest				
Project	District	Number of Units	Asking Price (EUR/sq m)	Year of Completion
Planorama	Colentina	1,100	1,000	2007
Central Park	Stefan cel Mare	455	1,500-1,700	2007
Orhideea Gardens	Grozavesti	430	1,100	2007
Quadra Place	Lujerului	343	1,000	2007
Phoenix	Bucurestii Noi	50	960	2007
Jupiter	Sudului Square	196	1,000-1,300	2007
City Center	Carol Park	104	1,800-2,200	2007
Asmita Gardens	Unirii	788	1,000	2008
West Park	Militari	488	1,030	2008
Green Dream Residence	Poligrafiei	225	1,600	2008
Noor	Titan	200	990	2008
Liziera	Pipera-Tunari	176	N/A	2008
Ferdinand Exclusive	Traian	85	1,200-1,400	2008
Pipera Residence	pipera-Tunari	1,000	750-900	2009
New Town	Dristor	617	950-1,500	2007-2008
Edenia	Titan	791	900	2008-2010
Source: CB Richard Ellis, Romania				

### Office Real Estate

Cushman and Wakefield report stable investor's interest in Romanian office market, with deals at EUR 40 mln in Bucharest in the fourth quarter in 2008.

Return on investment in the prime office space market in Romania fell to 7.0%-8.0% in mid-2006 compared to 8.0%-8.5% at the end of 2005 and 12% in 2004. Experts forecast returns on prime office space to decrease to 7.5% due to the scarcity of suitable investment targets.

Office Buildings To Be Completed in H1 2007				
Building	Location	Usable Are (sq m)	Pre-leased space	Completion Period
S Park	North	30,000	100%	Q1
Biharia Office Building	North	4,600	0%	Q1
Virtutii Office Building	West	4,500	0%	Q1
Twin Towers Barba Centre I	North	30,000	0%	Q2
Victoria Park	North	21,700	80%	Q2
North Gate Business Centre	North	20,000	56%	Q2
Source: CB Richard Ellis				

### Retail Real Estate

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

In the fourth quarter of 2008 Cushman and Wakefield report one transaction for EUR 70 mln, with expected new investments in 2009. Romanian retail market developed rapidly in the fourth quarter of 2008, despite investors' cautiousness. Still, the projection for the following period is for shrinking investments due to insecurity and risk aversions.

In the fourth quarter of 2007 the investments in retail real estate were below the annual average but marked a two-fold rise on the year. The increased market popularity among the foreign investors will contribute to the further growth of the retail real estate market in 2008.

<b>Selected Retail Developments in Bucharest</b>				
<b>Building</b>	<b>Developer</b>	<b>Location</b>	<b>Area (sq m)</b>	<b>Year of Completion</b>
Mobexpert	Baneasa Investments	North	23,000	2006
N/A	NCH	South-west	100,000	2007
Ikea	Baneasa Investments	North	26,000	2007
Auchan	MGV	East	20,000	2007
Sun Plaza	EMCT	North	73,000	2008
Baneasa Shopping Center	Baneasa Investment	North	65,000	2008
Galeria Shopping Center	GTC	North	57,000	2008
Cotroceni Park	NCH/Africa Israel	Central-West	53,100	2008
Liberty Center	Mivan	South-West	30,000	2008
Coliseum	Modus Properties	North-West	140,000	2009
Floreasca City Center	Raiffeisen Evolution	North	20,000	2009

#### **Industrial Real Estate**

In the fourth quarter of 2008 investment in industrial property was weak, with investors on the wait due to increasing debts, according to Cushman and Wakefield.

Investors in the Romanian industrial real estate market are mainly from Austria, the United States, the United Kingdom, France, Greece, Spain and Israel. Experts forecast investments to grow due to the country's EU accession in 2007.

<b>Selected Industrial Projects in Bucharest</b>				
<b>Property</b>	<b>Developer</b>	<b>Location</b>	<b>Area (sq m)</b>	<b>Year of Completion</b>
ProLogis	ProLogis	West	56,500	2007
Bucharest Industrial Park	Rynart	West	20,000	2007
Bucharest Distribution Park	Immofinanz	North-West	40,000	2007
Bucharest West	Portland Trust	West	37,500	2007
Source: CB Richard Ellis				

#### **Associated industries & factors**

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

The volume of construction works in Romania rose 39.75% on the year in the first nine months of 2008.

Romanian construction industry grew by an average 32.9% on the year in the period from January to May 2008. The volume of non-residential construction works in the same period rose by an average 35.1%, compared to the corresponding period of 2007, followed by residential building construction with 34.1% and civil engineering with an increase of 31.6% year-on-year.

In January 2008 the construction industry in the country registered a growth of 29.5% compared to the same period a year earlier. Civil engineering works increased by 31.5% on the year, non-residential building construction by 27.8% and residential construction expanded by 22.2%.

In May 2007 the construction works in the country registered a growth of 27.5% compared to the same period a year earlier. The same upward trend was observed for all types of construction works: civil engineering grew by 30.60%, non-residential building construction by 25.10% and residential construction by 20.40%.

The value of the Romanian construction market rose by approximately 18% on the year in the first nine months of 2006, the highest registered growth for the previous 17 years, driven by the rising number of infrastructure projects and purchasing power of the population. The sector reported slower growth of 13.5% at the end 2005 as a result of the heavy floods during the year and the large number of civil engineering projects, which were halted for political reasons. The value of construction works in 2005 amounted to EUR 7.31 bln, an increase of 9.8% year-on-year.

From January to September 2006, the civil engineering sector rose by more than 22.5%, residential construction increased by 12.7% and office construction by 10.4% in real terms.

<b>Volume of New Construction Orders (RON bln)</b>				
	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>
Residential buildings	2,085	1,777	1,830	0,685
Non-residential buildings	3,323	3,601	3,062	1,591
Civil engineering	8,365	7,390	6,229	5,945
<b>Total</b>	<b>13,773</b>	<b>12,768</b>	<b>11,121</b>	<b>8,221</b>

Source: Romanian National Institute of Statistics

<b>Volume of New Construction Orders (RON bln)</b>								
	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>	<b>Q4 2006</b>	<b>Q3 2006</b>	<b>Q2 2006</b>	<b>Q1 2006</b>
Residential buildings	1,027	1,407	1,099	1,089	0,958	1,191	1,014	0,683
Non-residential buildings	1,681	3,555	3,746	2,590	1,974	1,748	1,306	0,991
Civil engineering	6,144	6,903	7,599	5,425	5,152	5,015	4,014	2,570
<b>Total</b>	<b>8,852</b>	<b>11,865</b>	<b>12,444</b>	<b>9,104</b>	<b>8,084</b>	<b>7,954</b>	<b>6,334</b>	<b>4,244</b>

Source: Romanian National Institute of Statistics

In 2009 the World Travel and Tourism Council (WTTC) ranked the Romanian travel and tourism sector 54th in terms of absolute size worldwide and 149th by relative contribution to the national economy. According to a survey conducted by WTTC, the sector was expected to shrink by 2.4% in 2009 and grow by 5.8% annually in real terms by 2019. WTTC forecast the sector will generate USD 9.35 bln and contribute 5.7% to the GDP in 2009. WTTC experts projected that the travel and tourism sector would employ 582,000 people in 2009, accounting for 6.8% of the country's total employment. By 2019 the number of employed in the industry is estimated at 613,000 or 7.9% of the total. Tourism is expected to generate 4.6% of total exports in 2009.

In 2007 the country registered 7.722 million foreign tourist arrivals, up 27.9% year-on-year. Most of the visitors, or 94.4%, came from Europe, including 62.31% from the EU countries.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Foreign Tourist Arrivals by Country</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Total number of visitors from EU countries. of which</b>	<b>5 566 097</b>	<b>4 811 091</b>	<b>2 803 285</b>	<b>2 868 714</b>
Austria	210 143	217 965	61 522	129 173
France	183 361	184 515	129 518	109 976
Germany	521 675	473 431	342 675	353 621
Greece	117 901	104 507	64 073	61 362
Italy	433 167	397 592	277 916	270 864
The Netherlands	79 951	79 334	50 486	53 074
Poland	276 525	191 022	74 556	62 015
Britain	128 150	118 495	90 404	76 509
Hungary	1 950 383	1 743 093	1 366 686	1 522 166
Bulgaria	1 114 082	818 018	N/A	N/A
Total number of European visitors	8 410 598	7 289 319	5 689 726	5 521 523
Other	451 521	455 374	347 273	317 851
<b>Total</b>	<b>8 862 119</b>	<b>7 721 741</b>	<b>6 036 999</b>	<b>5 839 374</b>

Source: Romanian National Institute of Statistics

The National Bank of Romania eliminated the 25% down payment on mortgage loans at the beginning of 2007, which is expected to result in another rise of the price of flats, as supply will not meet the increasing demand.

Bank loans to individuals in Romania's capital Bucharest rose 60% on the year in March 2006, to almost RON 2.0 bln. Mortgage and housing loans in Bucharest accounted for 37% of the total in the country in March 2006. Mortgage and housing loans in Romania reached RON 5.37 bln in March 2006, up 67.4% compared to RON 3.62 bln in March 2005.

Mortgage and housing loans in foreign currency in Romania totalled RON 4.62 bln in March 2006.

The combined loan portfolio of commercial banks in Romania rose by 45.3% in nominal terms and by 33.8% in real terms to RON 60.67 bln in 2005.

On October 25, 2006 the Romanian central bank BNR established a solvency ceiling for all natural persons applying for mortgage credits. Credit institutions now have to consider all other payment obligations a natural person has before granting them a new loan. Monthly payment obligations, including the mortgage loan the client has applied for, should not exceed 35% of the applicant's income. According to the head of the Managing Board of the Romanian Banking Institute, Petru Rares, mortgage loans will be among the most attractive banking products in the following years.

The standard VAT rate in Romanian is 19%. A reduced VAT rate of 9.0% applies to the following goods and services

- admission to castles, museums, memorial houses, historical monuments, architectural and archaeological monuments, zoos, botanical gardens, fairs, exhibitions
- books, newspapers and magazines, school manuals (with the exception of those intended exclusively for publicity)
- any type of prostheses and accessories (with the exception of dental prostheses)
- orthopedic products
- human and veterinary medicine
- hotel and other accommodation including land rental for camping purposes

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

<b>Taxes and Fees</b>	
Corporate Tax	16%
VAT	19%
Property Gain Tax	16%
Transfer tax	10.5-2%
Property Tax	0.5-2.0%
Agent's Fees (Leasing)	8.33-12.5%
Agent's Fees (Sale)	2.5-3.0%
Source: CB Richard Ellis	

### Projections & expectations

Annual GDP growth for 2006 and 2007 was estimated at 5.2% and 5.6%, respectively. Inflation was forecast to fall to less than 5.0% in 2006 and 4.0% in 2007.

Experts from consultancy DTZ Echinox International Property forecast strong growth in the Romanian commercial real estate market mainly due to the increasing demand from investors to acquire property in the country and the country's EU membership.

They forecast average rents of about EUR 4.5 to EUR 5.0 per sq m for prime logistics space and EUR 5.0 to EUR 6.0 per sq m for distribution centres offering smaller units.

<b>Yield evolution</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008f</b>
<b>Office</b>	12.00%	10.00%	8.00%	7.00%	5.70%	5.50%
<b>Retail</b>	13.00%	11.00%	10.00%	7.50%	6.75%	6.25%
<b>Industrial</b>	15.00%	13.00%	10.50%	8.25%	7.50%	7.25%

Source: Colliers International

### Residential Real Estate

In the first six months of 2008 analysts expect slowing down on Romanian residential segment, due to the global financial crisis. However, medium- and long-term forecasts outline growth of the residential real estate market. Colliers International Romania estimations show that 5,000 new units will be completed by end-2008 and the number will soar to 15,000 ready units in 2010.

In the second half of 2007 several projects were expected to be delivered, including Central Park, Quadra Place and City Center, as well as the first stage of Residenz, Baneasa Residential, Planorama, Terra and Confort Park, which was estimated to add 1,985 units to the residential property market in Bucharest. Another 11 projects were expected to be completed in the second half of 2007, totalling 3,721 housing units.

Prices for luxury property were expected to vary between EUR 1,800 and EUR 2,500 per sq m and prices for medium class property to be about EUR 800 and EUR 1,300 sq m. Experts forecast a 15%-20% growth of the residential prices annually over the next two to three years.

### Office Real Estate

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

Colliers International Romania forecast the supply of nearly 500,000sq m of office space, from initially planned 700,000 sq m, by 2010. A total of 350,000 will be commissioned in 2009. The percentage of pre-lease contracts is to range between 40%-60%, from 70%-80% in previous years. Although the consultancy expects most projects delivered on time, delays of an year are quite possible. Due to scarcity of financing new large-scale projects are highly improbable before 2012.

Colliers International Romania expected office spaces at 1.2 million sq m in the first half of 2009, of which 200,000 sq m will be supplied in 2008. On Bucharest office real estate market the available spaces will reach 1.0 million sq m at end-2008. Analysts forecast office area in Bucharest to soar to 2.0 million sq m over the following five years.

Cushman and Wakefield expect insufficient supply of office real estate in the short term with preference to leasing options. Some 120,000 sq m are in the pipeline and due in 2009.

Due to the growth of the Romanian economy, the demand for office spaces is projected to grow. The vacancy rates were expected to remain low, due to the insufficient supply of office space in 2007. A total of 370,000 sq m will be supplied to the Bucharest office market in 2008, and the office stock might reach 1.0 million sq m.

The rentals in Bucharest were expected to grow to EUR 18 per sq m per month in the prime areas and EUR 14.50 per sq m per month in the secondary ones in the second half of 2007.

Prime office rents were expected to increase slightly in the short term, due to an undersupply of class A space. By the end of 2008 a total of 500,000 sq m of class A office space was scheduled for delivery. The large number of projects announced for 2007 and 2008 will increase the vacancy rates and slightly decrease the rents, mainly for the pre-lease contracts.

According to expert estimates, approximately 277,000 sq m of office space was estimated to be completed in 2007, 85% of which was expected to be Class-A. About 60% of the total office space available for 2006 was pre-leased.

Modern retail space might quadruple by 2007/2008 according to expert estimates. Experts forecast a total of 750,000 of retail facilities to be completed in Bucharest by the end of 2007. French Auchan and German Real hypermarket chains planned to open stores in Bucharest and other cities in 2006.

Experts forecast rents for Class A offices to increase to between EUR 19 and EUR 19.5 per sq m in 2006 and rents for Class B offices to reach between EUR 12 and EUR 15 per sq m per month.

<b>Pipeline Projects Forecast</b>			
<b>Year</b>	<b>Central Locations</b>	<b>Secondary Locations</b>	<b>Peripheral Locations</b>
2009	71,000 sq m	223,401 sq m	218,464 sq m
2010	10,500 sq m	70,970 sq m	90,000 sq m

Source: Colliers International Romania

<b>Total stock H1 2007:</b>	545,000 sq m
<b>Vacancy rate:</b>	0.02%
<b>Average effective rent:</b>	17.7 EUR/sqm in prime areas
	14.6 EUR/sqm in secondary areas
<b>New stock S1 2007:</b>	70,200 sqm
<b>Estimated New stock S2 2007:</b>	103,800 sqm
<b>Estimated New stock 2008:</b>	370,000 sqm

Source: Colliers International

#### **Retail Real Estate:**

The outlook is for a rising tenant demand, leading to hike of rents in the short term, according to Cushman and Wakefield.

In 2008 the new projects Liberty Centre, Baneasa Shopping City and Sun Plaza will be completed, adding 186,000 sq m of gross leasable area to the Bucharest retail market.

Retail rents of highstreet spaces will retain their high level in 2008.

Due to the oversupplied market in Bucharest, the developers started considering projects in the regional cities. According to consultancy company Colliers International, a total of 320,000 sq m of GLA will be provided in the cities with a population of over 75,000 people in 2008, where at least one or two ongoing projects were scheduled for completion.

Following the high level of supply, rentals were expected to decrease by 10% to 15% in 2008.

Experts forecast that modern retail space will double by 2008. Most of the expected retail deliveries were in shopping malls. The last phase of Baneasa Commercial, Baneasa Shopping City, which consists of a 65,000 sq m shopping mall, will be completed in 2008. In 2007 the new retail supply was expected to double and the total stock to reach 350,000 sq m. Experts forecast demand for retail space to increase in 2006. Retail projects in Bucharest scheduled for delivery in the second half of 2006 exceeded 45,000 sq m.

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

<b>Retail Pipeline in 2009</b>			
<b>Location</b>	<b>Announced Deliveries (sq m)</b>	<b>Started Projects (%)</b>	<b>Colliers' Estimates for Completion of Projects (%)</b>
Romania	825 600	67,00%	33,00%
Bucharest	274 000	92,00%	37,00%
Other Cities	551 600	54,00%	31,00%

Source: Colliers International Romania

<b>Shopping centers to be delivered in 2008</b>			
<b>Project</b>	<b>City</b>	<b>GLA (sq m)</b>	<b>Delivery</b>
Galleria	Suceava	10,700	Q1, 2008
Galleria	Piatra Neamt	12,200	Q1, 2008
Galleria	Buzau	13,500	Q1, 2008
City – Park Mall of Constanta	Constanta	25,000	Q1, 2008
Suceava Shopping City	Suceava	47,100	Q2, 2008
Focsani Plaza	Focsani	20,000	Q4, 2008
Euromall	Galati	24,000	Q4, 2008
Perla Shopping Center	Ploiesti	25,000	Q4, 2008
Tiago	Oradea	27,000	Q4, 2008
Galleria	Arad	30,000	Q4, 2008
Era Shopping Park	Iasi	42,000	Q4, 2008
Iulius Mall	Suceava	45,800	Q4, 2008

Source: Colliers International

#### **Industrial Real Estate:**

Colliers International Romania expect the supply of only 50,000 sq m of industrial spaces, from previously planned 175,000 sq m, in 2009. In the first quarter of 2009 Colliers forecast availability of some 30,000 sq m due to new deliveries and exiting of tenants of pre-leased spaces. Demand for industrial spaces is seen low throughout 2009, with developers trying to adjust to the situation. The industrial real estate market remained undersupplied in the fourth quarter of 2008. Cushman and Wakefield expect cities as Brasov, Timisoara, Cluj-Napoca and Constanta to attract more investment projects in the following period. In 2008 industrial real estate market is expected to be undersupplied despite the initial forecasts for the delivery of 320,000 sq m of industrial spaces. Companies that consider relocation are advised to start the search six to nine months in advance. After a period of a slow-down, the industrial market was expected to be very active in 2007. Total industrial stock was projected to double following the completion of a number of new modern warehouses. Around 350,000 sq m of industrial space was expected to be delivered in 2007. Experts forecast that the rents would continue to fall.

#### **Land Market:**

Colliers expects little movement on the domestic land market in 2009. The consultancy identifies two types of movers, ones who will be willing to sell first class properties in central locations, hoping to benefit from price differences, and others who will start small projects, pushing the demand for small plots of land.

Bucharest's land market was expected to grow in 2008. The price gap between the different areas was expected to narrow and the increase in prices was estimated at 10% - 20%.

In the other parts of the country the increased demand for retail space was expected to push the prices up in 2007. The plots in the centre of the major cities were expected to sell at between EUR 400 and EUR 800 in 2007, compared to EUR 150 and EUR 250 in 2005.

#### **Industry references**

##### **Newspapers, Trade Journals & On-line Information Sources**

Constructiv – magazine, 12 issues per year

[www.infoconstruct.ro](http://www.infoconstruct.ro)

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd. SeeNews 2007

[www.constructor.ro](http://www.constructor.ro)

<http://en.imobiliare.ro>

[www.adresa.ro](http://www.adresa.ro)

#### Trade associations

Romanian Chamber of Commerce and Industry  
2 Octavian Goga Blvd., Sector 3  
030982 Bucharest, Romania  
Tel: +40 21 319 01 14 18  
Tel: +40 21 319 01 21 23  
Fax: +40 21 319 00 92  
E-mail: [ccir@ccir.ro](mailto:ccir@ccir.ro)  
URL: [www.ccir.ro](http://www.ccir.ro)

Romanian Association for Metal Constructors  
(APMCR - Asociatia Producatorilor de Materiale de Constructii din  
România)  
1 Piata Iancu de Hunedoara,  
Hunedoara, Romania  
Tel: +40 254 740 200  
Fax: +40 254 740 200  
E-mail: [apcmr@west.ro](mailto:apcmr@west.ro)  
URL: [apcmr.west.ro](http://apcmr.west.ro)

Romanian Association of Building Contractors  
ARACO - Asociatia Româna a Antreprenorilor de Constructii  
202A, Splaiul Independentei, flr 7, app 18, Sector 6  
060022 Bucharest, Romania  
Tel: +40 21 212 63 91  
Tel: +40 21 212 63 92  
Fax: +40 21 312 96 26  
E-mail: [contact@araco.org](mailto:contact@araco.org)  
E-mail: [director@araco.org](mailto:director@araco.org)  
E-mail: [publicatii@araco.org](mailto:publicatii@araco.org)  
URL: [www.araco.org](http://www.araco.org)

#### State and Local Government Bodies

Ministry of Economy and Commerce  
152 Calea Victoriei Str., sector 1  
010096 Bucharest, Romania  
Tel: +40 21 202 51 06  
Fax: +40 21 202 52 69  
E-mail: [linia\\_cetateanului@minind.ro](mailto:linia_cetateanului@minind.ro)  
URL: [www.minind.ro](http://www.minind.ro)

Ministry of Environment and Waters Management  
12 Libertatii Str.  
040129 Bucharest, Romania  
Tel: +40 21 316 02 15  
Tel: +40 21 316 61 38  
URL: [www.mmediu.ro](http://www.mmediu.ro)

[www.afacerionline.com](http://www.afacerionline.com)

[www.realestate.ro](http://www.realestate.ro)

ADER Romanian Association for Economic Development  
ADER Alianta pentru Dezvoltare Economica a Romaniei  
2 Octavian Goga Blvd., Sector 3  
030982 Bucharest, Romania  
Tel: +41 21 322 95 35 39 161  
Fax: +41 21 322 95 42  
Fax: +41 21 322 95 66  
E-mail: [ader@ccir.ro](mailto:ader@ccir.ro)  
URL: [www0.ccir.ro/hosts/ader](http://www0.ccir.ro/hosts/ader)

Romanian Agency for Small and Medium Enterprises  
11 Poterasi Str.,  
04263 Bucharest, Romania  
Tel: +40 21 336 28 20  
Fax: +40 21 336 18 43  
E-mail: [publicinfo@mimmc.ro](mailto:publicinfo@mimmc.ro)  
URL: [www.mimmc.ro](http://www.mimmc.ro)

Employers' Federation in the Building Materials Industry  
8 Radu Calomfirescu Str.  
030216 Bucharest, Romania  
Tel: +40 21 314 92 75  
Fax: +40 21 315 47 70

Labour Inspectorate  
14 Matei Voievod Str., Sector 2  
021455 Bucharest, Romania  
Tel. +40 21 302 70 30  
Tel: +40 21 302 70 54  
Fax: +40 21 302 70 75  
E-mail: [economic@inspectmun.ro](mailto:economic@inspectmun.ro)  
Web site: <http://www.inspectmun.ro>

Ministry of Health  
1-3 Cristian Popisteanu Str.  
010024 Bucharest, Romania  
Tel. +40 21 307 25 00  
Tel: +40 21 307 26 00  
Fax: +40 21 307 26 71  
E-mail: [dirrp@ms.ro](mailto:dirrp@ms.ro)  
URL: [www.ms.ro](http://www.ms.ro)

Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007



Ministry of Labor, Social Solidarity and Family  
2-4 Dem. I. Dobrescu Str., sector 1  
010026 Bucharest, Romania  
Tel: +40 21 313 62 67  
Tel: +40 21 15 85 56  
E-mail: [presa@mmssf.ro](mailto:presa@mmssf.ro)  
URL: [www.mmssf.ro](http://www.mmssf.ro)

Ministry of Public Finance  
17 Apolodor Str., sector 5  
050741 Bucharest, Romania  
Tel: +40 21 410 34 00  
Tel: +40 21 410 35 50  
Tel: +40 21 410 50 25  
Fax: +40 21 312 25 09  
E-mail: [presa@mfinante.gov.ro](mailto:presa@mfinante.gov.ro)  
URL: [www.mfinante.ro](http://www.mfinante.ro)

Romanian Agency for Foreign Investment  
22 Primaverii Blvd., Sector 1  
Bucharest, Romania  
Tel: +40 21 233 91 03  
Fax: +40 21 233 91 04  
E-mail: [aris@arisinvest.ro](mailto:aris@arisinvest.ro)  
URL: [www.arisinvest.ro](http://www.arisinvest.ro)

Ministry of Public Works, Transport and Housing  
38, Dinicu Golescu Blvd., Sector 1  
010873 Bucharest, Romania  
Tel: +40 21 410 12 95  
Fax: +40 21 314 99 60  
E-mail: [relpub@mt.ro](mailto:relpub@mt.ro)  
URL: [www.mt.ro](http://www.mt.ro)

The Permanent Technical Council for Construction  
266 Pantelimon Str.,  
021652 Bucharest, Romania  
Tel: +40 21 255 71 72  
Fax: +40 21 255 71 72  
E-mail: [office@ctpc.ro](mailto:office@ctpc.ro)  
URL: [www.ctpc.ro](http://www.ctpc.ro)

#### Fairs & exhibitions

Expo Casa – October 1, 2008 – October 5, 2008  
Organiser  
Expo Transilvania SA  
3 Horea Str.,  
400174, Cluj-Napoca, Romania  
Tel: +40 264 419 075  
Tel: +40 264 410 300  
Tel: +40 264 410 500  
Tel: +40 264 432 813  
Tel: +40 264 432 731  
Fax: +40 264 432 760  
Fax: +40 264 432 730  
E-mail: [expo@expo-transilvania.ro](mailto:expo@expo-transilvania.ro)  
URL: [www.expo-transilvania.ro](http://www.expo-transilvania.ro)

Ministry of European Integration  
17 Apolodor Str., Iatura Nord, sector 5  
050741 Bucharest, Romania  
Tel: +40 21 301 14 00  
Tel: +40 21 301 14 14  
Fax: +40 21 336 85 93  
E-mail: [info@mie.ro](mailto:info@mie.ro)  
URL: [www.mie.ro](http://www.mie.ro)

Competition Council of Romania  
1 Presei Libere Square, corp D1, Sector 1  
013701 Bucharest, Romania  
Tel: +40 21 318 11 98  
Fax: +40 21 318 11 99  
E-mail: [mihai.berinde@consiliulconcurentei.ro](mailto:mihai.berinde@consiliulconcurentei.ro)  
URL: [www.competition.ro](http://www.competition.ro)

National Customs Authority  
13 Matei Millo Str., sector 1  
010144 Bucharest, Romania  
Tel: +40 21 315 58 58  
Tel: +40 21 315 58 59  
Fax: +40 21 313 82 51  
E-mail: [vama@customs.ro](mailto:vama@customs.ro)  
E-mail: [prgca@customs.ro](mailto:prgca@customs.ro)  
URL: [www.customs.ro](http://www.customs.ro)

National Institute for Building Research  
266 Pantelimon Str.,  
021652 Bucharest, Romania  
Tel: +40 21 255 22 50  
Fax: +40 21 255 00 62  
E-mail: [incerc@incerc2004.ro](mailto:incerc@incerc2004.ro)  
URL: [www.incerc.ro](http://www.incerc.ro)

Foreign Investors Council  
11-13 Kiseleff Str.  
011342 Bucharest, Romania  
Tel: +40 21 222 19 31  
Fax: +40 21 222 19 32  
E-mail: [office@fic.ro](mailto:office@fic.ro)  
URL: [www.fic.ro](http://www.fic.ro)

Construct Expo – Antreprenor – March 3, 2009 – March 7, 2009  
Romenvirotec – Sep – April 1, 2009 – April 4, 2009  
Construct Expo – Ambient – May 6, 2009 – May 10, 2009  
Bucharest International Technical Fair – TIB – October 28, 2009 – October 31, 2009  
Organiser  
Romexpo SA  
65-67 Marasti Blvd., P.O. Box 32-3  
011465 Bucharest, Romania  
Tel: +40 21 207 70 00 (ext. 1116, 1117, 1118)  
Fax: +40 21 207 70 70  
E-mail: [romexpo@romexpo.org](mailto:romexpo@romexpo.org)  
URL: [www.tib.ro](http://www.tib.ro)  
url: [www.romexpo.org](http://www.romexpo.org)

#### Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles.  
SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007

Camex – national exhibition of construction & installations  
Cluj Napoca – September 4, 2008 – September 7, 2008  
Timisoara – September 25, 2008 – September 28, 2008  
Galati – October 16, 2008 – October 19, 2008  
Suceava – October 30, 2008 – November 2, 2006  
Organiser  
ABplus SRL  
21 Sf. Vineri Str., bl 102, app 6  
030202 Bucharest, Romania  
Tel: +40 21 320 37 34  
3 Mihai Costachescu Str.,  
700495 Iasi - Romania  
Tel: +40 232 278 811  
Fax: 40 232 278 811  
E-mail: [office@abplus.ro](mailto:office@abplus.ro)  
URL: [www.abplus.ro](http://www.abplus.ro)

CER - GLASS  
Organiser:  
Romexpo SA  
65-67 Marasti Blvd., P.O. Box 32-3  
011465 Bucharest, Romania  
Tel: +40 21 202 57 05  
Tel: +40 21 207 70 00/ext. 1023  
Fax: + 40 21 207 70 70  
E-mail: [c.trifu@romexpo.org](mailto:c.trifu@romexpo.org)  
URL: [www.cerglass.ro](http://www.cerglass.ro)  
url: [www.romexpo.org](http://www.romexpo.org)

#### Disclaimer:

Whilst the information contained in this Profile has been given in good faith and every effort has been made to ensure its accuracy, AII Data Processing cannot guarantee the accuracy of this information and hereby expressly disclaims any responsibility for error, misinterpretation and any and all loss, disappointment, negligence or damage caused by reliance on the information contained in the Profile or any failure or alleged failure in the delivery of the Service referred to herein, or in the event of bankruptcy, liquidation or cessation of trade in any company, individual or firm referred to herein. Confirmation of the information accuracy should be sought from the establishments concerned. Unless otherwise stated, the copyrights and any other rights in all material on this site are owned by AII Data Processing. Use of this Profile is provided by AII Data Processing subject to the following Terms and Conditions:

1. Use of this Profile constitutes your acceptance of these Terms and Conditions which take effect when you first use this Profile. AII Data Processing reserves the right to change these terms and conditions at any time by posting changes on line. You are responsible for reviewing regularly information posted on line to obtain timely notice of such changes. Your continued use of the Profile after changes are posted constitutes your acceptance of this agreement.
2. Neither AII Data Processing nor other related parties, whilst endeavouring to provide 24/7 availability, will be held liable if for any reason the Profile is unavailable at any time.
3. Access to this Profile may be suspended temporarily or permanently and without notice.
4. Whilst AII Data Processing endeavours to ensure that the information on this site is correct and up-to-date, no warranty, express or implied, is given as to its accuracy and AII Data Processing does not accept any liability for error or omission.
5. Part of this Profile contains materials submitted to AII Data Processing by third parties. Third parties are responsible for ensuring that materials submitted for inclusion on this Profile complies with national and relevant international law. AII Data Processing can not guarantee the accuracy of this material and hereby expressly disclaims any responsibility for error, omission or inaccuracy in the material, misinterpretation and any all loss, disappointment, negligence or damage caused by reliance on the information contained in the Profile or any failure or alleged failure in the delivery of the services referred to herein, or in the event of bankruptcy, liquidation or cessation of trade of any company, individual or firm referred to herein. Confirmation of the information accuracy should be sought from the establishments concerned or from AII Data Processing upon explicit request.
6. AII Data Processing shall not be liable for any damages (including, without limitation, damages for loss of business or loss of profits) arising in contract, tort or otherwise from the use of or inability to use this Profile, or any data contained in it, or from any action or decision taken as a result of using this Profile or any such information.
7. AII Data Processing accepts no responsibility for the content of any site to which a hypertext link from this Profile exists. Such links are provided for your convenience on an "as is" and "as available" basis with no warranty, express or implied, for the information provided within them.
9. By accessing and reading any part of this Profile, you should have accepted these Terms in full.
8. If any of these terms should be determined to be illegal, invalid or otherwise unenforceable by reason of the laws of any state or country in which these terms are intended to be effective, then to the extent and within the jurisdiction in which that term is illegal, invalid or enforceable, it shall be severed and deleted from the clause concerned and the remaining terms and conditions shall remain in full force and effect and continue to be binding and enforceable.

#### Copyright

All rights reserved. Downloads and print extracts of SeeNews – Research & Profiles content are allowed for personal and non-commercial use only. Re-publication or re-distribution of content, including by framing, is strictly prohibited without the prior written consent of SeeNews – Research & Profiles. SeeNews - Research & Profiles and its logo are registered trademarks of AII Data Processing Ltd.  
SeeNews 2007