

Updated quarterly, our dashboards provide a concise synopsis of occupier activity in Europe's markets.



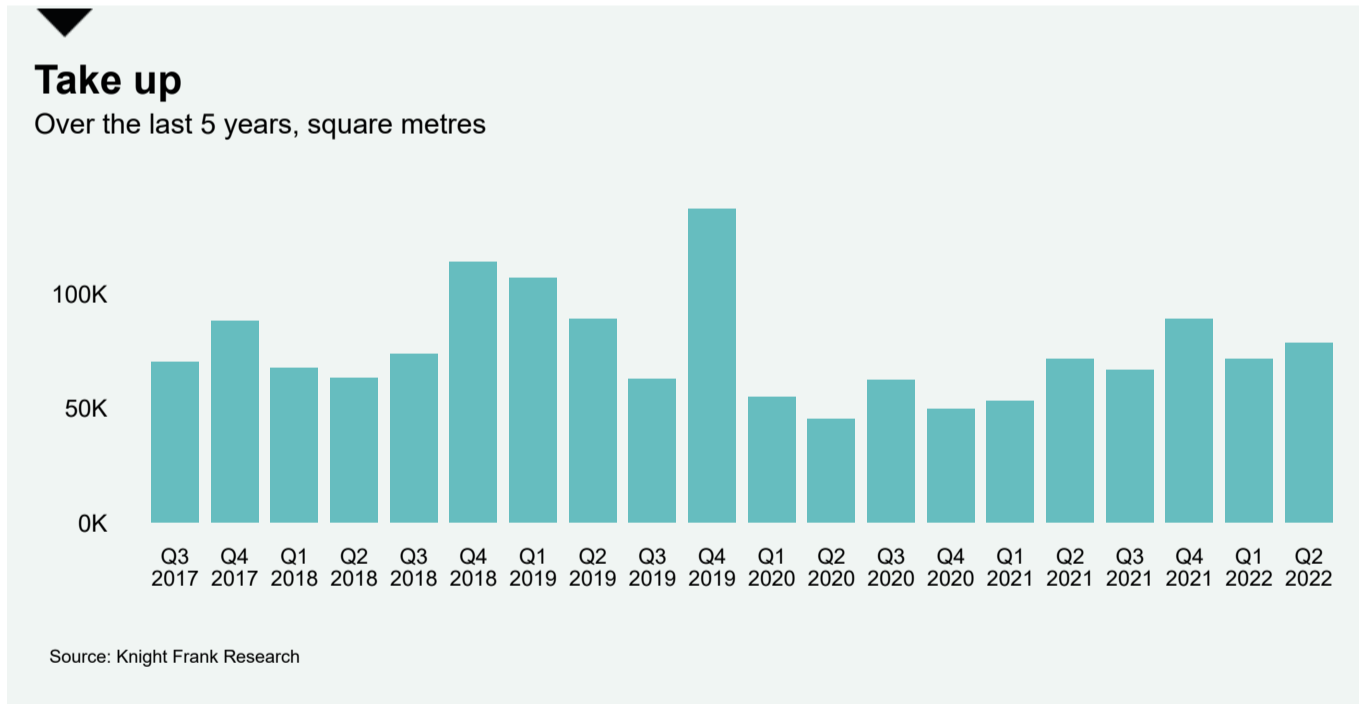
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# Bucharest Office Market

Research, Q2 2022

## OCCUPIER MARKET HEADLINE FIGURES

TAKE UP		VACANCY RATE		PRIME RENT	
<b>78,695</b>	<b>10.0%</b>	<b>15.0%</b>	<b>10.9%</b>	<b>€ 222</b>	<b>2.8%</b>
SQM	YOY CHANGE	RATE	5 YR AVERAGE	RENT (PSQM)	YOY CHANGE

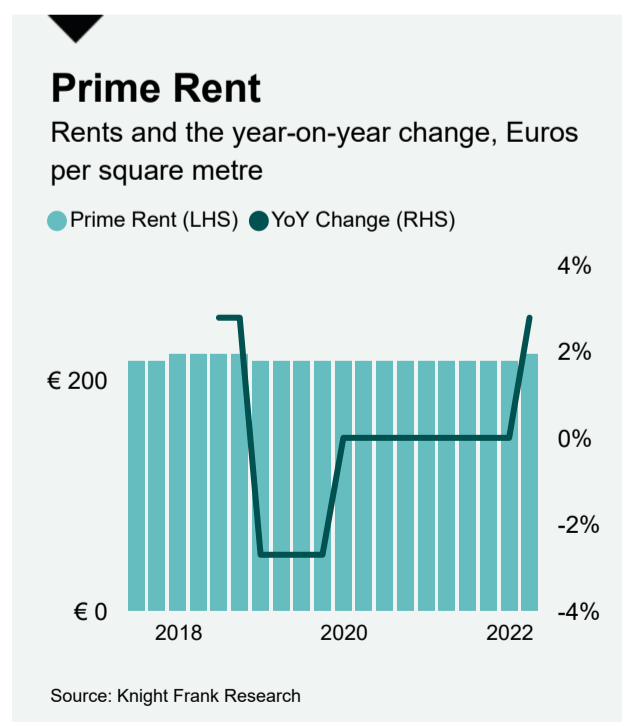
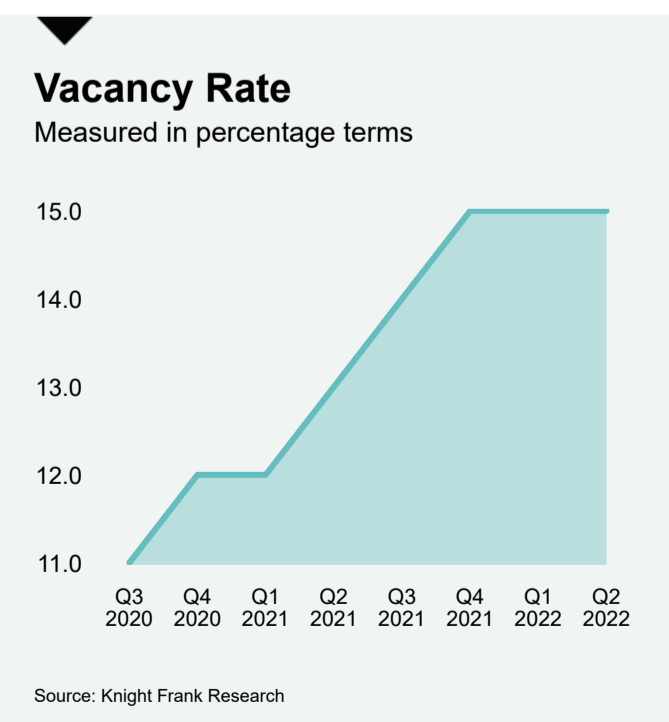


## OCCUPIER HEADLINES

After a good start to the year, activity in the Bucharest office leasing market slowed somewhat following the invasion of Ukraine. The second quarter closed at a similar level as in 2021 but demand for office space was 20% higher in the first half of the year compared to the same period the previous year.

Several factors including a smaller number of new projects in the pipeline and higher construction costs led to an increase in average gross rents in the good quality buildings that are due to be delivered.

Amid the lack of approvals of new building permits we estimate a smaller number of projects will be delivered in the next few years. This means the Bucharest office leasing market will likely change to a landlord market, which will put further upward pressure on rents.



## ECONOMIC INDICATORS

### Mobility in Workplaces in Bucharest

7-day Rolling Average, % Change from Baseline (3 Feb 20)



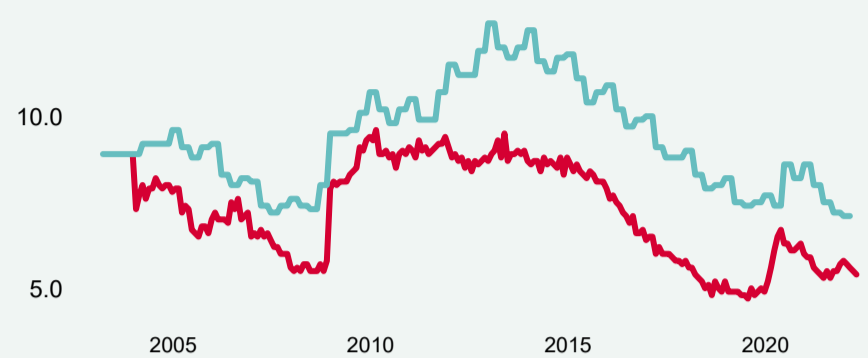
Source: Google Mobility

Workplace mobility in the Bucharest regions remains more muted but previous pandemic-related restrictions allowed businesses and services to continue operating.

### Unemployment Rate in Romania

vs Euro Area, as a Percent of Civilian Labour Force %

● Romania ● Euro Area



Source: Eurostat/ Romanian National Institute of Statistics

The Romanian unemployment rate declined further in May but remains elevated compared to pre-pandemic levels. The crisis in Ukraine has also created labour disruptions in Romania.

### Employment Expectations in the Service Sector in Romania

Over the next 3 months, %

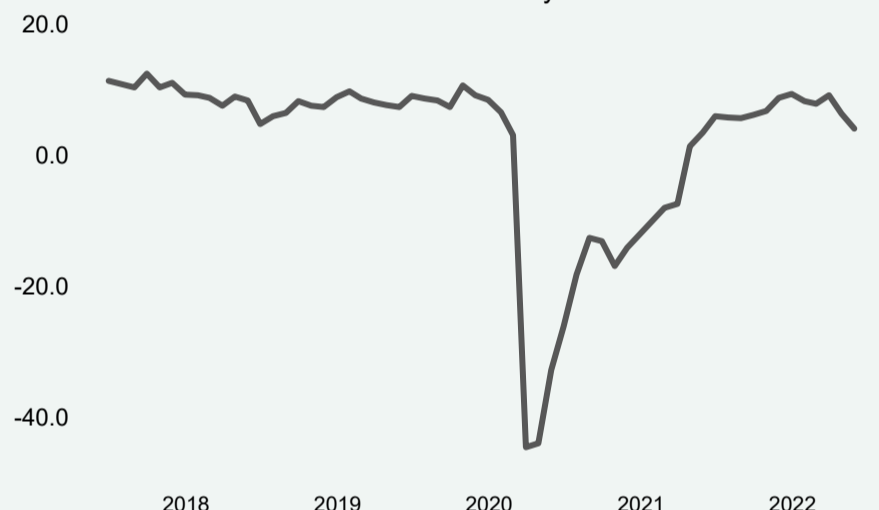


Source: European Commission (DG ECFIN)

Employment expectations in the Romanian service sector have started to slow. Romania is also facing a downward trend in labour supply as the working age population is expected to fall.

### Services Confidence Indicator in Romania

Services Confidence Indicator for the last 5 years



Source: Eurostat

Confidence in the service sector continued to fall as the economic outlook is clouded by high inflation and weak real wage growth.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you

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