

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



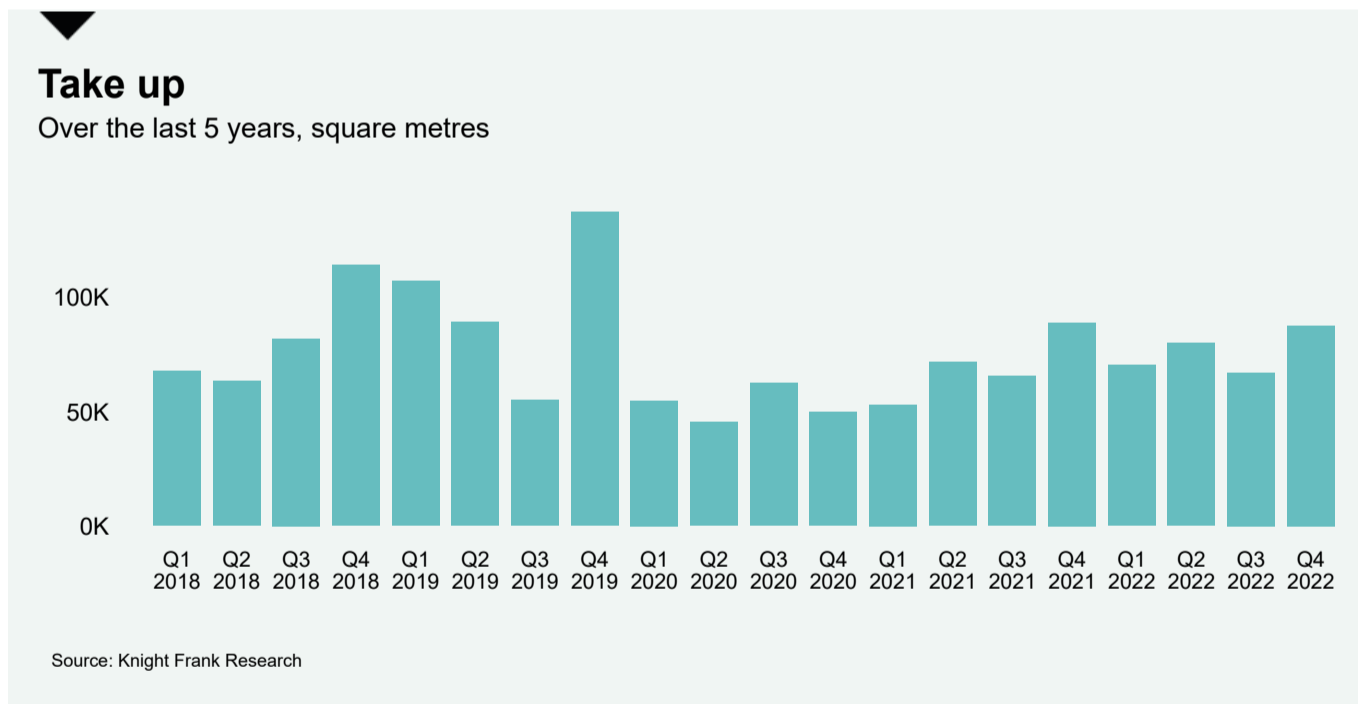
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Bucharest Office Market

Research, Q4 2022

OCCUPIER MARKET HEADLINE FIGURES

TAKE UP		VACANCY RATE		PRIME RENT	
87,623	-1.4%	15.0%	11.6%	€ 228	5.6%
SQM	YOY CHANGE	RATE	5 YR AVERAGE	RENT (PSQM)	YOY CHANGE

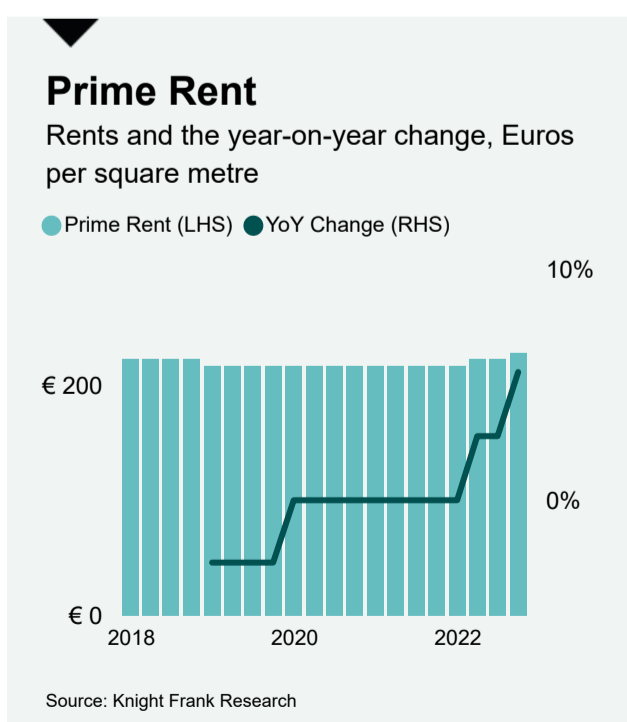
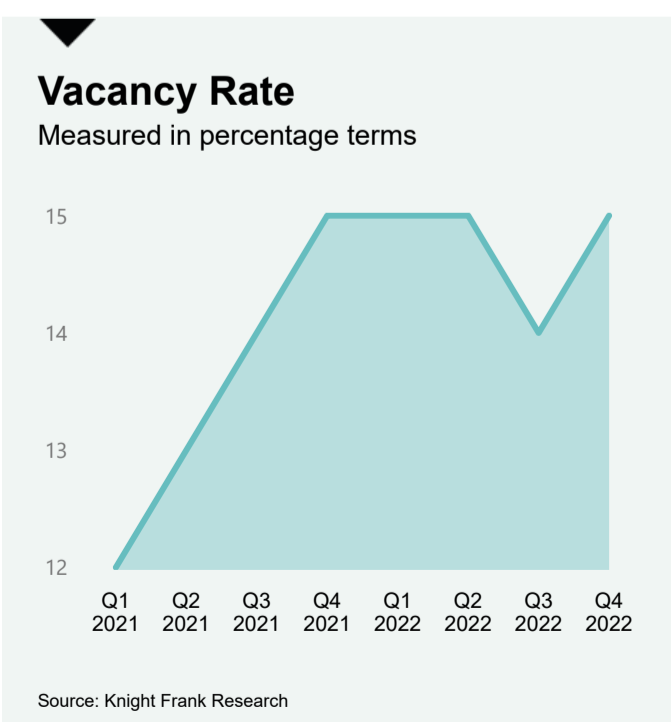


OCCUPIER HEADLINES

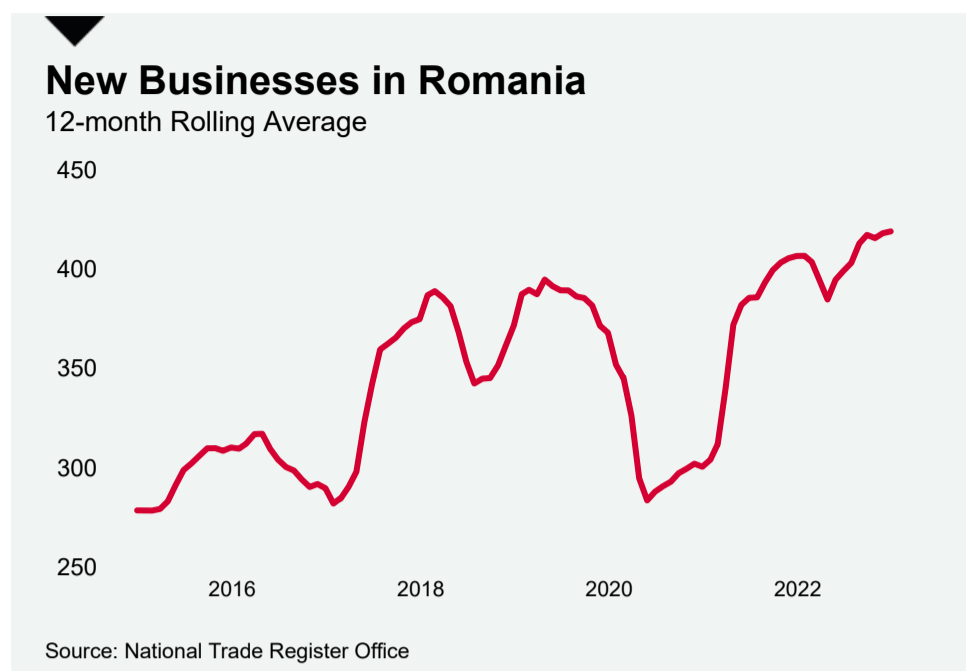
Strong leasing activity in the fourth quarter of 2022 amounted to just under 88,000 sqm of take-up, very similar to levels seen in the same time period 2021 and almost double the volume in Q4 2020. This brings total take-up for the year to 305,000 sqm, in line with annual figures in pre-pandemic years and indicating a successful recovery of office demand in the Bucharest market. The IT & Communication sector remains a primary driver of rental activity, recorded at 36% of total take-up.

Prime rents are still on the rise, up 5.6% from the fourth quarter of 2021 and now sitting at € 228 psqm per annum. They are expected to continue the growth trajectory in 2023.

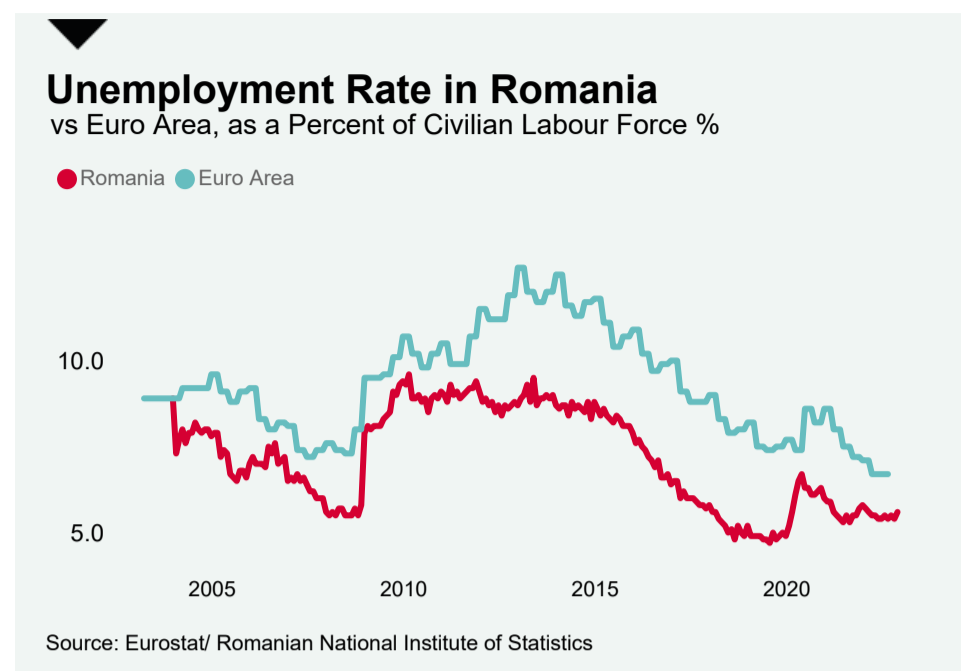
The vacancy rate in Q4 2022 ticked back upwards to 15.0% from 14.0% in Q3, but unchanged when compared to Q4 2021. Overall, the conditions are favourable to the tenant, but given the lack of approvals for new building permits, a smaller number of projects are likely to be delivered in coming years. As such, the office dynamic is likely to shift to landlord-favourable and drive further rental growth in 2024 and beyond.



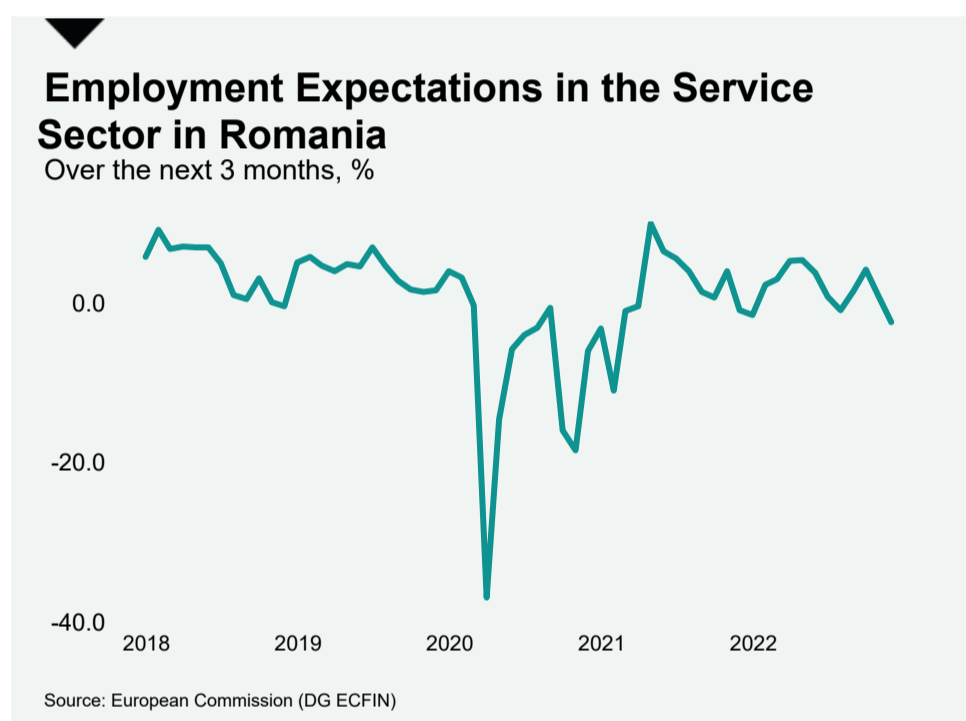
ECONOMIC INDICATORS



After a slump in new business starts in Romania in 2020, activity has more than recovered and reached 5-year highs in recent months.



The Romanian unemployment rate ticked upwards in December 2022 to 5.6% and while down from its peak in June 2020 of 6.7%, still remains above pre-pandemic figures. The crisis in Ukraine has also created labour disruptions in Romania.



Employment expectations in the Romanian service sector fluctuated slightly in Q4 but have remained fairly steady throughout 2022.



Service sector confidence in Romania improved from 5.3 in October to a record high of 9.6 in November, then dipping down slightly to 7.2 in December. Services inflation inching up may dampen the outlook for 2023.

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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