

A NEW RETAIL PROJECT IN VITALIS CONSULTING PORTFOLIO – COLOSSEUM RETAIL PARK



Vitalis Consulting and Nova Imobiliare, the developer of Colosseum Retail Park, has started a new collaboration at the beginning of April 2018, which involves the extension of the current retail scheme with a new brand concept, the construction of Colosseum Mall.

Vitalis Consulting is not at its first assignment with Nova Imobiliare. For the construction of Colosseum Mall, Vitalis was assigned to provide the project management services, including design management, tenant's coordination, construction permits monitoring and tender procedures.

Colosseum Retail Park, located in North-West Bucharest, District 1, Chitilei Street, 284 was inaugurated in 2011. Currently, the retail park includes a Carrefour hypermarket and multiple fashion and home and deco brands such as LC Waikiki, Sport Vision, Pepco, Altex, Leroy Merlin and Jysk, but also almost 2.760 free outdoor parking spaces. The existing parking will be supplemented with 750 spaces once with the construction of Colosseum Mall. The extension of Colosseum Retail Park will add 16,500 sq. m GLA and more than 50 tenants, including a modern cinema multiplex and a fitness center.

This project involves the construction of a new building which will be connected with the existing retail scheme and developed mainly on a single level, except for the cinema and fitness center which will be disposed on the 1st Floor.

The excellent results obtained by Colosseum in the last years have increased the traffic by 15% to more than 5 million visitors annually, positioning this retail park as the main commercial destination in the North-West Bucharest. Therefore, the positive trend has determined a growing interest from commercial international

retailers.

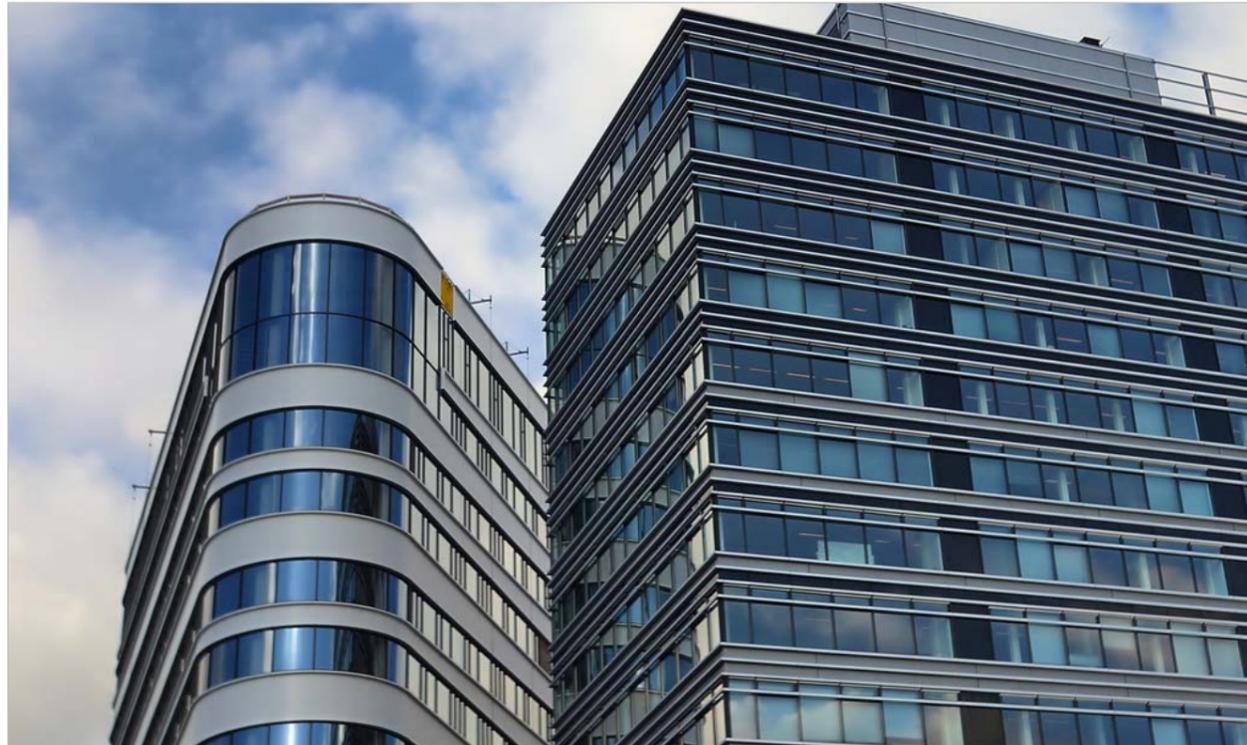
With this new collaboration, Vitalis Consulting aims to provide the best quality services and to be a trustful partner for a successful completion of the project. The inauguration of Colosseum Mall will be scheduled for the first half of 2019.

Flavia Popa

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REQUEST FOR OFFICE SPACES INCREASING IN BUCHAREST



The upward trend in demand for office space in Bucharest and the low vacancy rate will lead to the continued accelerated development of this segment of property.

The modern office space stock in Bucharest will be at the end of the second quarter at about 2.85 million sq. m. In the first quarter 28.000 sq. m were delivered and approximately 64.000 sq. m will be completed in the second quarter.

Over the next three years, it is estimated that office buildings will be completed with a total area of over 900.000 sq. m, of which around 185.000 sq. m are scheduled for delivery in 2018 and 350.000 sq. m in 2019.

At the end of this year, the modern office space stock will reach the 2.95 million sq. m threshold. In the first quarter, the office space segment recorded 52 rental transactions totaling 65.500 sq. m.

The areas where the most demanded are: industrial production and energy with 36% of total, IT with 23% and retail with 16%. Net demand, excluding renegotiations and renewals, accounted for 82% of rental activity in the first quarter.

The average contract rent remains unchanged compared to the last period and is estimated at 18.5 euro/ sq. m/ month.

The most active areas, both in terms of total demand and new demand, were the central area and the western area, followed by the northern area. Office desks in central and western Bucharest recorded 34% of the total demand, and the northern area, 19%.

In 2019, 57% of the 350.000 sq. m that are scheduled for completion will be delivered to the West. As regards the evolution of the rental business, the trend is increasing from 2012 and the vacancy rate is in a continuous decline since 2013.

Office space demand is steadily on the rise in Bucharest, and with a vacancy rate of around 8.4%, there is a clear need for new projects.

(Source: www.arenaconstruct.ro)

INCREASE OF BUILDING PERMITS FOR RESIDENTIAL BUILDINGS IN APRIL

In April 2018 they were issued 3735 construction permits for residential buildings up 10.4% compared to March 2018, by 12.3% compared to April 2017.

During the period January - April 2018, 11852 building permits were issued for residential buildings, in 10.3% against the same period last year.

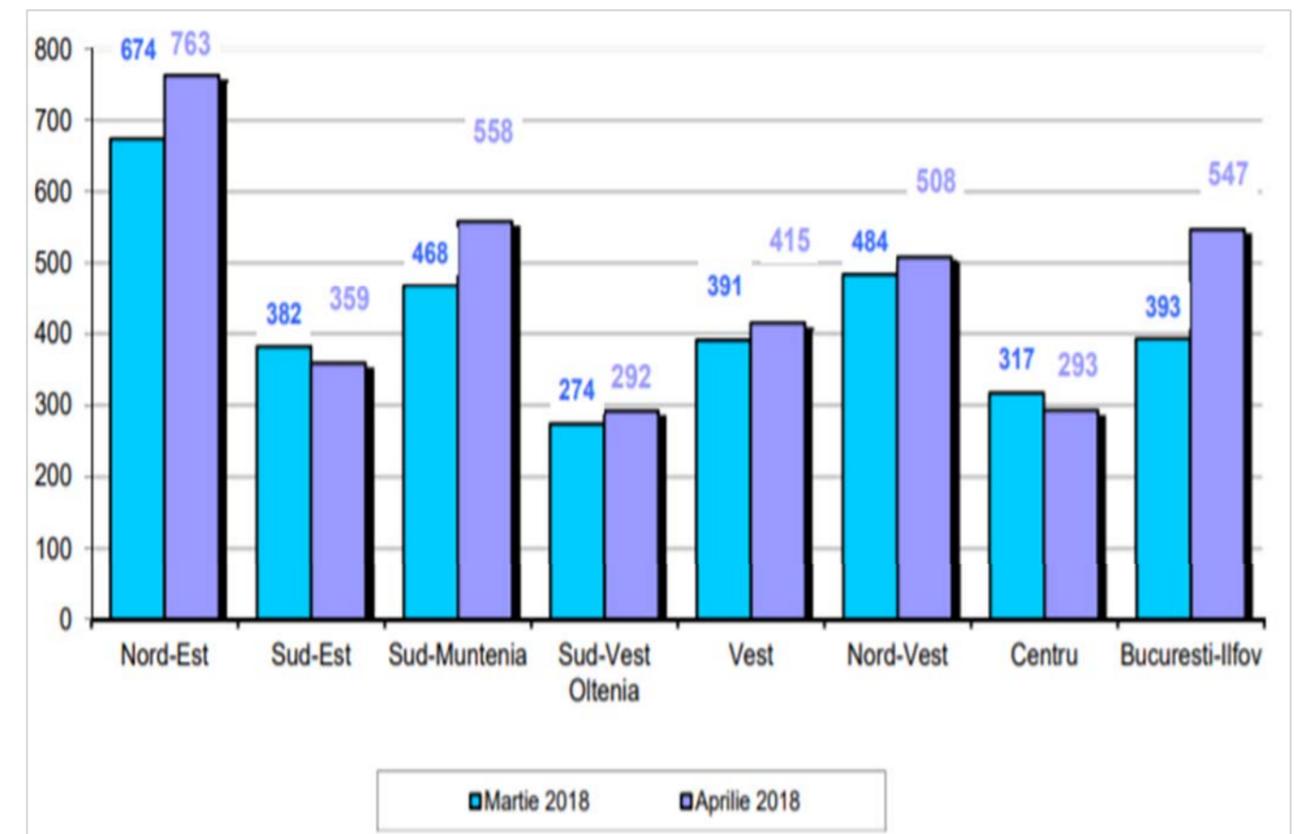
In April 2018, 3735 permits were issued for the construction of residential buildings, of which 60.3% are for rural areas. April 2018 comparing to March 2018 - the regional distribution shows an increase in the number of building permits issued for building 352 residential permits: Bucharest - Ilfov - 154 permits, South-Muntenia - 90, North East - 89, West and North West - 24 each, and South -West Oltenia - 18.

Comparing April 2018 to the same month of the previous year, there is an increase in the number of authorizations building released for residential buildings (+408 permits), growth reflected in the following regions: West +125 permits, South-Muntenia +88, South-west Oltenia Center 24.

Decreases were recorded in the following development regions: Bucharest-Ilfov (-17 permits) and North-West (-8 permits).

During January - April 2018, 11852 were issued construction permits for residential buildings, up 10.3% as against January - April 2017.

Increases were recorded in the following development regions: West 394Permits, South-West Oltenia 254, South-Muntenia 246, North East 114, South East 65, and center 54, decreases were Nord-Vest(-14 permits) and Bucharest-Ilfov (-5 permits).



(Source: www.insse.ro)

APARTMENT PRICES IN CONTINUOUS GROW



The average demand for sold apartments nationwide (new and old) has reached 1,215.4 € per sq. m, or 1.5% above the level recorded at the end of April (1,197 € per sq. m).

The growth trend was felt in all the major cities of the country, both on the old and the new markets. During May, Iasi exceeded the threshold of 1,000 € per sq. m as average price for apartments, thus joining the other six major cities in this situation (including Craiova).

In terms of sellers expectations, the apartments in the Capital appreciated, overall, by 1% last month, from 1.315 to 1.328 € per sq. m.

Increases were recorded on both analyzed market segments, both old and new: in the first case, there was an increase of 0.7% (from 1.234 to 1.243 € per sq. m), and in the second there was an advance of 1.2% (from 1.372 to 1.389 € per sq. m).

In Brasov, was recorded a 0.5% increase in apartment prices, from 1.043 to 1.048 € per sq. m. However, the dwellings in the old blocks appreciated less, by 0.2% more precisely (from 1.044 to 1.046 € per sq. m), while newly built dwellings registered an advance of 0.8% (from 1.046 to 1.054 € per sq. m useful).

In Cluj-Napoca, available-for-sale homes appreciated last month by 12%, reaching 1.523 € per sq. m of useful space (compared to the level of 1.505 € per sq. m in force at the end of April.)

The increases in the two analyzed market segments were uneven: the flats in the old blocks appreciated by 0.5 (from 1.552 to 1.559 € per sq. m), while those in the new residential assemblies by 2.2 % (from 1.460 to 1.492 € per sq. m).

In Constanta, apartments increased by 2.1% in May, reaching an average of 1.147 € per sq. m, compared to 1.123€ per sq. m in the end of April. While the dwellings in the old blocks appreciated by 2% (from 1.122 to 1.145 € per sq. m), the newly build houses recorded a close advance of 2.2% (from 1.127 to 1.152 € per sq. m).

In Iasi, last month was recorded a 5% increase in the average price asked by sellers, above 1.000 € per sq. m useful. Thus, if an apartment in Iasi could be purchased on average with 967 € per sq. m in April, it would now cost 1.015€ per sq. m.

At most 5.8% the new apartments rose from 973 to 1.029 € per sq. m last month.

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