



REAL ESTATE NEWSLETTER

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In the news

Pachiu, White&Case: Significant re-orientations will occur on the real estate market

In the near future, Bucharest-based office held by international advocacy house White & Case plans to increase its number of lawyers by 5 people, declared White & Case partner, Delia Pachiu. "At present, our office is formed by 20 lawyers and we intend to reach a total of 25 in the near future. Company policy is to attract young talents to be form in our own spirit through intensive internal training, but also lawyers with experience," declared Delia Pachiu. Delia Pachiu considers that during this year advocacy companies will be extremely interested in the movements from the financial-banking sector, where it is expected that the requested services should consist of inefficient loans, securitization, investments in bad assets, recovery of receivables, and others. "Energy sector will freely follow its development, even under the present conditions. And important reorientations will occur on the real estate segment, where there is a high interest from some investors for acquiring some projects which are in difficulty and refinancing some unfolding projects," added White & Case partner. At the same time, another important source for business advocacy companies will consist in investments in infrastructure and renewable energy. "Thus, we will orient towards these directions and we intend to offer assistance regarding the financing of the projects initiated by local authorities," underlined lawyer Delia Pachiu.

The losses of people who invested in land plots in 2008

Prices of land plots exploded in 2007 and in H1 2008, situation which was followed by a freezing of any transaction and what it seemed to be a safe investment turned out to be an "uninspired" one. How much lost the people who acquired land plots during this boom period and what solutions do they see now? One of the solutions is selling if they are under pressure or wait for the market to unblock, because, in the long run, the land plots must be regarded as a long-term investment, according to the real estate consultants questioned by Wall-Street. "Transactions with land plots will remain this year, too, the safest form of real estate investments from Romania," was declaring, at the beginning of last year, Gabriel Zamfir, President of National Union of Real Estate Agencies (UNIM). However, the situation was different. "Up to present, the loss margin ranges between 30 and 35%, the most affected ones being the speculators. What can buyers do now? It very much depends on how they acquired the respective properties- if these were bought through credits, now they are forced to reduce the prices in order to pay the installments. If the property does not have other obligations in the back, then can wait for this crisis to pass," declared for Wall-Street, Iulian Fechita, who is coordinator of Land Plots Department of company Euroest. On the other hand, Mihai Astratinei, General Manager of real estate consultancy company GVA ASCO Properties states that, as the market is blocked and no transactions are performed, it is difficult to estimate what losses can record the people who made acquisitions in 2008. "The most affected ones are the buyers who made acquisitions at the prices practiced in 2008, with a speculative purpose and through money from credits. Thus, the owners who dispose of a good

financial situation and who are not under the pressure of the credits will adopt an expectation strategy for the following 12-18 months, hoping that the market will strengthen back,” explained GVA ASCO Properties official. The most optimistic one is Costin Lazar, President of company Neoland Real Estate. He believes that the people who bought land plots last year did not lose anything as the acquisition of a land plot is regarded as a long-term investment and only within 5-10 years one can make a concrete evaluation of either the profit or loss. “It is a fact that the investments in land plots were the most secure and profitable real estate investments. No matter if it is about a smaller or a more generous surface, one or two years of “staying on the market” brought a profit of at least 15-20% per year, against the acquisition price. But last year, the transactions with land plots were affected by the financial crisis and if until 2007 we could talk about a tough negotiation between 1 and 3 month until finalization, in 2008 the negotiation period doubled,” explained Daniel Negrea, director of ImmoLand company. Iulian Fechita, consultant of Euroest, states that at present the prices of land plots dropped in some cases by up to 50% as if no credit relaxations are foreseen, they will lower by another 10%. Daniel Negrea, from ImmoLand, says that at present a viable solution can consist of testing the market as long as the owner is not forced to sell or is not involved in a real estate transaction, thus being conditioned by selling the land plot. Other buyers can be investments funds, large developers, especially the less affected by the economic crisis, says Costin Lazar from Neoland, underlying that at present they can acquire land plots which used to be 20-30% more expensive last year.

Constanda sent to Court for the money on French Village

Businessman Constantin Constanda, who in summer of last year signed a sale contract of a lot of 1.6ha from French Village district situated in the Northern part of Bucharest, requested in court the sought court enforcement of buyers, Greek company Raptis Kavouras, which should also pay, according to the contract, EUR 33mln, out of a total exceeding EUR 68mln, the value which the transaction was negotiated at. The contract between the 2 parties stipulated that the Greek company should pay the second installment of the transaction until the end of October 2008, under the condition that the former owners should obtain the approval of an urban area plan (PUZ) which should allow the development of some blocks-of-flats with a coefficient of land use (CUT) of 3.5, a potential employment land (CAN) 60% and a height of P + 5. Because this PUZ was not approved until the established date, Raptis Kavouras representatives requested contract termination or renegotiation of terms, and cite the fact that the financial crisis fund depreciated value of the land. At signing the contract, Constanda received a banking guarantee from Piraeus Bank for the last payment of money, payment which he failed to collect because the conditions stipulated in the contract were not fulfilled.

Korona Brasov, investment worth EUR 150mln

Polish real estate investor and developer Echo Investment obtained the construction authorization for Korona project from Brasov in which it announced it will invest around EUR 150mln and which it plans to finalize in H2 2010, according to the company. “At present, some activities related to demolishing are unfolding. Soon, these are to be finalized. At the same time, the developer began all the actions precursory to starting construction expected to begin after a few months. The finalization of the project is scheduled to be finalized in H2 2010,” declared investor’s representative.

The house near Bucharest at price of comfort 2- studio apartment

A house with land plot in a locality 20-30 kilometers away from Bucharest can be bought with less than EUR 30,000. The prices of properties from localities near Bucharest decreased in the last months. For a 3-room house in Mihailesti locality, at approximately 30 kilometers from Bucharest, the owners ask for EUR 18,000. For a similar building situated in Pantelimon locality the claims of the owner amount to EUR 25,000- EUR 28,000. For a newer, modernly- arranged, the price exceeds EUR 55,000. However, there are other areas where the prices are extremely low. The price of a 3-room house in Branesti, locality placed 25 kilometers away from Bucharest ranges between EUR 25,000 and EUR 30,000. As we draw near Bucharest, the prices rise. In Jilava, for instance, an old house and a 300m-land plot cost around EUR 45,000. In Fundeni, a 3-room house and a double surface of land plot compared to the one afferent to the property from Jilava are put forward for sale for a similar price. In well-rated areas near Bucharest, the prices are higher and the available properties are villas in general. Thus, in Rosu, for a new villa the prices start from EUR 60,000-EUR 65,000. In Voluntari, the price of a house ranges between EUR 70,000 and EUR 75,000. In Berceni village, the price of a house with 4 rooms and a land plot of 500-600sqm is approximately EUR 70,000 worth. The explanation is the lack of solvable demand. Banks no longer grant credits. On the other hand, we have to keep in mind that a house near Bucharest can be bought also as a house for weekend so that it can also be regarded as an acquisition of luxury” says Ion Radu Zilisteanu, spokesman of Romanian Association of Real Estate Agents.

The variant of block-of-flats

The prices of old dwellings from Bucharest dropped. If less than one year, the owners used to ask for over EUR 55,000 for a modest studio apartment situated in an area from Bucharest outskirts, at present, they ask for EUR 35,000-40,000. In case of comfort 2-studio apartments, the prices range between EUR 25,000 and EUR 30,000.

Crisis turns the real estate developer into bank

Developers suggest various solutions in order to tempt the client interested in acquiring new apartments. Because of acute lack of clients and in order to avoid operating prices discounts, real estate developers come up with more and more inventive solutions. Thus, real estate developer of complex Confort City, company Domus Stil, suggests to its possible clients the solution that they should lodge for a year, while this rent will be taken into account at payment the advance of 30%. If this year the clients still failed in producing the money necessary for the advance payment, the company suggests another year of lodging, but this sum will not be calculated in advance if the owners still do not dispose of all the money. In case they have it, this sum will be included in the advance, too. After this period, the customer has a grace period of six months, after which they will begin to pay us the installments. The installment will be paid in equal sums for a period of maximum 15 year, with no interest required, “declared Silvia Melcescu, sales manager of company Domus Stil.

Call for reduction in property prices

Romania does not offer favorable conditions for the investors interested in acquiring real estate assets because of the prices which are still too high. “The market is still non-transparent; investors do not have access to information regarding real estate sector, and the difference between the prices requested by the seller and those which the buyers are disposed to pay for is still significant,” pleads

Henri Faure, assistant executive director of BNP Paribas Real Estate, real estate division of French group BNP Paribas. In Faure's opinion, under these circumstances, the developers who will fail in adjusting to the market, through lowering the prices, will be the most affected ones. At the same time, BNP Paribas Real Estate representative believes that in 2009 a very good opportunity on the Romanian profile market consists in developing housings with prices up to EUR 100,000, which should benefit of VAT of 5%. Henri Faure warned that the most optimistic variant for the real estate market is changing the conditions starting H2 2009, in case the financing is un-blocked.

Whiteland: New clients, crisis solution

Representatives of Whiteland Logistics, which is one of the main players on the local market of logistics services, states that the producers began to look for solutions in order to make the costs more efficient, especially regarding the distribution processes performed at the networks Key Account following the financial crisis. As regards the affairs of the companies within logistics and distribution sector, Andrei Rusu, general manager of Whiteland Logistics says that up to present, one can certainly see a rise of the financial costs for leasing and banking credits necessary for investments. "Taking into account that population's revenues are not spend in equal share on housings, cars, household appliances, the resulted savings seem to be spend on food, field which has not been affected by crisis so far," specified for Business Standard Andrei Rusu, general manager for Whiteland Logistics. He also states that, given the present crisis, Whiteland can count on 2 sources for increasing its business, namely developing the present partners, attracting new clients and integrating them in the system. At the same time, crisis affects company's investments.

OBI chief: It is not crisis, but leu devaluing the biggest challenge in 2009

"It is not the global crisis the main problem that we are facing in 2009, but devaluing rate in relation to the euro, which adversely affects profit margins," declared for Wall-Street, Romano Quinzi, general director of OBI Romania. "If this situation continues, our profit margins will record significant drops as OBI covers the present leu devaluing without increasing the sale price. The prices remained at the level of those from November 2008, while the local currency devalued by 15%," says Quinzi. Under these circumstances, OBI official takes into account 2 possible scenarios for DIY market in 2009. "Both hypothesis are strictly linked to the rate of exchange: if leu stabilizes at the value recorded tat present, the most difficult period for the local bricolage market will be felt in H2 2009, and if leu devaluation continues with the same pace recorded in the last 3 months, the difficulties will occur in 2010," considers OBI Romania chief. If the investments plans of the new player from the Romanian market are not affected by the present economic environment, the expansion of OBI network in Romania could be delayed by the problems real estate sector confronts with.

Mike Lloyd, the man who assisted Patriciu in acquiring the office buildings

The partnership between Michael Loyd and businessman Dinu Patriciu could create one of the most important buyers of real estate assets from the local market. British man Michael Loyd, former managing partner of project Baneasa from the Northern part of Bucharest, project which implies investments estimated at EUR 2bn and one of the most appreciated developers on the market

coordinated for businessman Dinu Patriciu the transaction through which the billionaire took over the control on British investments fund Fabian, through a transaction that evaluates the company at EUR 50mln, declared for ZF some sources from the real estate market. The cooperation between Lloyd and Dinu Patriciu could also mean the involvement of businessman in the company which the British man is founding these days, information which Lloyd did not confirm. The partnership between the 2 people could create one of the most important buyers of real estate assets from the local business, taking into consideration Lloyd experience in the local real estate segments and the fact that Patriciu is probably the local investor with the highest volume of available liquidities.

Arabesque owner increased his participation at Mr. Bricolage

Cezar Rapotan, owner of the largest distributor of constructions materials, Arabesque, and another Romanian investor, Maximilian Puiu Danilov, reached to hold a package of 84% out of the shares owned by the local operator of the Mr. Bricolage network, against the value of 78%, which they held last year, according to the data from the Register of Companies. The majority shares' package is held by Cezar Rapotan (80.5%), the man who brought Mr. Bricolage network to Romania in 2006 through a partnership with the French retailer which holds this bricolage brand. Mr. Bricolage long-term plans regard the development of a network of 30 stores on the local market in cities with over 150,000 inhabitants, through total investments estimated at approximately EUR 220mln.

REAL ESTATE PROJECTS ON GHOST LAND/"Presidential" road in Baneasa Forest

Residential projects developed in the Northern part of Bucharest by SC Impact Developer & Contractor SA damaged two owners of land plots. Ionita Florian and Lucian Daghie discovered that they are "to host" recreation areas or access roads for the projects developed by the company. In addition to this, the investors obtained a presidential ordinance for the construction of a road which will attend the luxury complex. In Baneasa, 2 owners were included, against their will, within 2 of the urban area plans (PUZ) obtained by Impact. Lucian Daghie was bereft of land in 2005, following project's approval. The land plot which he had legally owned up to that moment was 80% turned into a leisure area for Greenfield project. Three years later, "Aleea Teisani - Padurea Pustnicu - Padurea Baneasa" urban area plan (PUZ) included within the complex also the property held by Florian Ionita. Both damaged people plead that their properties were used in order to increase the urban coefficients of the projects developed in the Northern part of Bucharest.

PAVED GREEN SPACE

State institutions have supported the residential plans from Baneasa even since the beginning. Thus, in 2007, City Capital transform without National Forests agreement, a road fund under public forest ownership in the public road. Since the Department Silvica Bucharest rejected the request of SC Impact Developer & Contractor SA on forest access road, invoking the provisions of Law 26/1996 which ban the access vehicles in forest fund, the company opened the action in court and through the Presidential Ordinance No.. 8918/299/2007 won provisional approval to access land applicant, reads Romsilva report. Subsequently, the Department Silvica Bucharest was summoned and the company has installed two mobile barriers on the forest road. Moreover, a developer implemented the presidential order. As soon as the access convention with Impact was signed, the company installed two mobile barriers on the forest road. *In June 2007, Silvica Department won the case with Capital City*. The idea of raising the four blocks, one of which high 30 floors, attached to the historic area of the capital came back to the public attention through an Urban Area Plan, what is, however, altered,

and which is in public debate on the website of Municipality. The situation has changed from last year, when the new owner of SC universe SA wanted to raise four skyscrapers in the middle of Bucharest. Now, according to PUZ Street map of Brezoianu 23-25, the investor has dropped the first project after talks with the new team of architects from Capital City. They no longer build four towers, but two. Neither this version is a happy one, especially as one of the buildings will be next to Park Cismigiu, 12 floors high. If the PUZ is approved by general counselors, on Brezoianu area office buildings, shopping, food and publish a five-star hotel will rise in coming years.

The expansion works of IuliusMall Timisoara are abiding by the graphic

Scheduled to be inaugurated in H2 2009, the expansion of IuliusMall Timisoara will bring an improved offer of dining and entertainment, as well as original concepts of retail. Only one week ago, IuliusMall Timisoara inaugurated a new Altex store, with a surface of 1,200sqm while in the period to come, before the proper inauguration, it is to open new stores. "IuliusMall Timisoara expansion is an extremely important stage for the development of national network Iulius. On-time finalization of the works is a priority, as we have many tenants who requested the advance -opening of the stores," declared Cornel Verigut, manager of IuliusMall Timisoara. Following the expansion, the constructed -surface of the mall will double, reaching 177,613sqm, the food court area will increase by 75%, new stores will be added to the already-existing ones, with national and international brands, among which Auchan and INDITEX (Zara, Bershka, Pull and Bear and Stradivarius), and the parking will be resized, the capacity being scheduled to amount to approximately 2,500 spaces. Following the investment worth EUR 65mln, it is estimated that the visitors' traffic will increase by over 30%, taking into account that in 2008, over 10.8 million buyers visited Iulius Mall Timisoara.

Michael Lloyd has launched his own company of management in real estate

After 8 years at Baneasa Developments, Michael Lloyd founded his own company, Quintet Asset Management SRL, a Bucharest-based company which provides complete services of asset management in real estate. Quintet is totally held by Michael Lloyd and it is run by 5 founder directors: Michael P. Lloyd (President), Stratos Angelinos (Executive Director), Simon Trappes-Lomax (Commercial Director), Paul Phillips (Director of Development) and Ross MacDiarmid (Investment Director). "Our main activity is to manage both own financial resources, and our customers, to establish such a clear philosophy and development investment for every client, to maximize gains from investments at a level of acceptable risk. In order to maintain the quality and maximize the profit, we decided to run the entire key disciplines specific in real estate business through the in-house team," said Michael Lloyd. Quintet implements investment strategies for real estate development and private and institutional clients in Central Europe and the Black Sea region. The company is going to manage and fructify portfolios of land, will provide value-added to property management strategies, will take work and oversee real estate development, and will also identify, attract and allocate funds for property development in the region. "We believe that, although it is in a difficult situation at present, the Romanian real estate market will be strong on long term. We intend to take advantage of experience and expertise gained by our team during the last cycle of the real estate market in Romania and to apply in other markets in Central Europe and the Black Sea region in the following 10-20 years," added Lloyd.

Another 9 tower-blocks-of-flats could be constructed in Bucharest

Bucharest could abound in tower-blocks-of-flats in case the general councilors will vote no less than 9 urban area plans (PUZ) which allow the construction of buildings between 53.5 and 155 meters high. It is worth mentioning that most of these projects already have the approval of the architects appointed by Chief-Mayor Sorin Oprescu. The highest building, with 34 floors and of 155 meters high is planned to be developed on Dambovită bank, within Dambovită Center project. Another tower block-of-flat, 140m-high could be constructed on Petricani Highway from sector 2, and another one of 120 meters –on Poligrafiei Boulevard from sector 1. The 2 projects were approved by former town planning committee, which was functioning during Adriean Videanu mandate. The same committee also approved a 120m-high building on Nutu Ion Street from sector 5. The beneficiary of urban area plan (PUZ) from Poligrafiei Boulevard is SC CDIA Management SRL, controlled by 2 Cypriote companies which each hold 40% out of the shares. The beneficiaries of urban area plan (PUZ) for Petricani Highway and for Nutu Ion Street, respectively SC Agtoinvest Construct SRL and SC Universalcoop SA are not registered at the Registry of Commerce. In addition, the town planning committee of Oprescu (Technical Committee of Urban Planning and Territorial, according to official name) re-approved an approval form of the former commission, under which, on Samuil Vulcan Street from sector 5, there will be constructed a tower of 105 meters. The same committee appointed by Sorin Oprescu gave its consent for two urban area plans that allow the construction of 90m-high buildings in sector 6, on Timisoara Boulevard, and in sector 4 on Oltenitei Highway. Rather smaller buildings, of 60 meters (on Colentina Highway) and of 53.5 meters (on Iancului Highway) received the approval form from the same town planning committee appointed by Oprescu. The heights approved by the 9 PUZ far exceed the average of 20 meters regulated for buildings in Bucharest, through the General Urban Plan (PUG). “Currently in public debate, the projects afferent to tower-block-of-flats will subsequently be sent to approval within the General Council of Bucharest Municipality (CGMB), thus aiming their adoption until March 1st, when the Government ordinance that alters the law regarding spatial planning comes into force. Ordinance will not allow changes to the plan generally in most urban areas of cities and too easy to modify any other urban indicators. This is the reason why the municipal administration is rushing with the draft projects of tower blocks up to the mentioned date,” representatives of civil society plead. Recently, Capital Advisers have approved the development of the highest tower block in Bucharest, which will be located in the sector 6 and, according to the approval from Civil Aeronautics Authority, will have height of 116 meters. Technique Committee of Urbanism and Territorial Arrangement (CTUAT), whose members were appointed by Mayor Sorin Oprescu, re-approved the project related to the construction on December 19th after the commission from the mandate of former Chief- Mayor (Adriean Videanu) had approved it, in his turn, on April 23rd. At present, the highest building in Bucharest, functional on all its levels is Intercontinental hotel, which is 86m-high, followed by Free Press House and the Palace of Parliament.

Rents of EUR 8-12/sqm for offices on the market again

Real estate company “Esop” signaled the re-appearance of rents of EUR 8-12/sqm within some offices spaces. This phenomenon is normal and is due to the present situation on the market. “Esop” official pleads that we are witnessing a period of economic contraction, and the direct echo of this contraction on the market of offices spaces is that the same levels of rents as the ones practiced in the last 2-3 years can no longer be supported. According to a press release the solution of the offices

spaces with rents of EUR 8-12/sqm was extremely popular during 2003-2005. Now the solution was put in force again as most of the companies are redefining their priorities are harshly lowering their expenses. The reduction of rents diminishes the risk of a blockage on the market of offices spaces.

60% cheaper apartments in Cluj

The prices of new apartments will amount to EUR 600/sqm and the developers will have to declare themselves satisfied with revenues of 15-20%, say assessors from Cluj. It is worth mentioning that EUR 38,500 for a 44sqm-apartment in Manastur or EUR 630-EUR 735/sqm for 55-74sqm in Grigorescu are some of the new offers from the market in Cluj. In spite of this situation, financial specialists plead that in order to survive, the owners will have to declare themselves satisfied with prices of EUR 600-EUR 700/sqm and with maximum 20% revenue. The explanations are low number of transactions, in the context of global crisis, and the effects of Government decision that stipulates the reduction of VAT from 19% down to 5% for acquiring the first new housing. With 5% VAT, housing worth EUR 50,000 thus became EUR 7,000 cheaper. The price drops from EUR 1,000/sqm down to EUR 860. Within Donath Panoramic complex, where housings with surfaces of 55-74sqm are put forward for sale, the sale prices are EUR 630/sqm for integral payment, respectively EUR 735 for installment-payment. ENG Consult developer has offers of EUR 900/sqm for studio apartments and 2 and 3-room apartments in Manastur, respectively EUR 750/sqm in Grigorescu. Dragomir Birlean, vice-president of National Union of Real Estate Agencies (UNAI) Cluj specified that apartments for which a price of EUR 70,000 was requested in H1 2008, it is sold now for EUR 55-60,000. "If you keep in mind that Romanians consume in lei, we see that from the first half of last year, even if prices in euro fell, while in lei they keep the same pace. Things began to relax, including on the credit segment", said Birlean. "There is still a pretty big interval between practiced prices and the level at which these could lower. The market will cause developers to frame within profit margins of 15-20%," notes Adrian Crivii, director of the evaluator Darian Rom Suisse. He says that housing prices have already fallen by 30% from peak growth of spring 2008 and will drop even close to that. "A competitive price will be of EUR 600-700/sqm, including EUR 400/sqm - price of construction, EUR 100/sqm at the ground and another EUR100/sqm – the profit of the developer," said Crivii. *Prices related to wages.* Businessman Dinu Patriciu believes that the price per square meter of housing should be as high as the average salary of the buyer. He also noted that the new apartments will be sold for EUR 600-800/sqm, and real estate sector will drop by 20% against the level recorded in 2008.

Impact Developer&Contractor revenues up 40 pc in 2008

Last year, real estate developer Impact Developer&Contractor posted a net profit of almost RON 8.3mln (EUR 2.3mln), 11.8% higher against the level recorded in 2007, level which amounted to RON 7.4mln (EUR 2.2ml), according to Romanian reporting standards (RAS) sent to Bucharest Stock Exchange (BSE) by company's representatives. During the same period, Impact turnover rose by 40%, amounting to RON 151.7mln (EUR 41.3mln), but the increasing pace significantly slackened at yearend. In the last 3 months of the year, developer's turnover increased by 9.3%, a rather slower advance against the one recorded in mid-2008, when Impact turnover had doubled compared to the similar period of the previous year. Moreover, in Q4 2008, the company recorded a loss of RON 8.5mln (EUR 2.3mln), result integrally caused by the losses from the financial side, losses which amounted to RON 14mln (EUR 3.8mln). The latter ones were caused by the fact that the

company reevaluated its EUR debts at the new rate of exchange for EUR recorded at the end of 2008, after an appreciation of 9.4% of RON against lei during last year. At the end of 2008, Impact disposed of cash worth RON 67.4mln (EUR 16.9mln), and in February it paid RON 38.7mln (RON 8.6mln) on account of some bonds issued 4 years ago. On the whole last year, profit from ordinary activities of the company rose by 4.6%, reaching 25.2 million lei, and the operational profitability declined compared to 2007, a phenomenon which has been observed in almost all companies in the field. On IFRS data, Impact will conclude the year with a net profit of RON 2mln, against a revenue of RON 295.2mln (EUR 83.4mln) in 2007. On international standards, company's turnover increased by 34%, amounting to RON 153.4mln (EUR 41.8mln). Today, February 11th 2009, Impact shares will start again being traded, after an absence of 2 months and a half, period when they were suspended in order for an operation of consolidating the face value was performed. This consisted in a reduction of 10 times the number of shares with ten times increase of the nominal value of 0.1 lei to 1 lei. Share capital remained the same, of 200 million lei. After the operation, in theory, the price of shares should increase 10 times against the last quotation from November, so that Impact capitalization remains the same. The last transaction with shares of the developer was conducted on November 21st, at a price of 0.0314 lei level at which the capitalization was 14.8 million euro at the present rate. Since that date, BET-XT index of the most 25 liquid shares on the market have lost an average 24% of value.

CB Richard Ellis profit slumped by almost 80% in 2008

For 2008, consultancy company CB Richard Ellis Group (CBRE), present on the local market through CBRE|Eurisko, posted \$ 83.9mln profit, 78.5% lower against the one registered in 2007, of \$ 390.5mln. Last year, the company recorded revenues worth \$ 5.1bn, 15% smaller against the revenues from 2007, of \$ 6bn. In Q4, CBRE posted a profit of \$ 6.5mln, 94.6% lower against the similar period of 2007, when the company reported a profit of \$ 122.4mln. "As we expected, the results recorded in Q4 were affected by weak sales and the by the slowing-down of the leasing activity following the fall of the credit markets and the global economic changes," reads company's report. In February 2008, CB Richard Ellis took over real estate consultancy company Eurisko for \$ 35mln, at present the latter one activating under the name of CBRE|Eurisko. In 2007, CBRE|Eurisko posted a net profit of EUR 3.068mln (RON 10,238,919) and turnover worth EUR 14.403mln (RON 48,063,176).

The taxable value of the property increases by 24%

Some mayors protest saying that they have more debtors to the local budget. Increase of the taxable value for property and land is not an actual tax increase, having a recovery effect, after maintaining the same level for recent years. On January 11th, Minister of Finances announced that the percentage of corresponding increase is of 24.3%, fact which is also specified within "The report on the macroeconomic situation for 2009 and their protection during 2010-2012." As regards the rise of the incomes of the local budget through the updating of the taxable bases, Minister of Finances reads, within a press release remitted to the editorial office, that the applying of increasing local taxes for land plots, buildings and means of transportation is stipulated through article no. 292, from Law no. 371/2003 regarding the Fiscal Code. The law stipulates that, in case of any excises or local taxes, which consist of a certain sum in lei or which are established on the grounds of a certain sum in lei, the respective sums rise once at 3 years, taking into account the evolution of the inflation rate recorded at the most recent rise. The increased sums are commonly initiated by the Minister of Public Finances and the Minister of Administration and Internal Affairs and are approved through a

Government Decision, issued until April 30th, inclusively, every year. The above-mentioned law provides that in the period between January 1st 2005 and 1st January 2011, the level of the tax on vehicles is increased also through a Government decision, in accordance with the commitments assumed by Romania in the process of negotiating with the European Union. Mayor for Sector 1, Andrei Chiliman, said yesterday, that the proposal to increase taxes on houses and land is unrealistic: "Before one decides to increase those taxes, one have to be aware of the economic realities." It was invoked the rise of the market value for the apartments in the last 5 years, but this does not take into account the fact that the market value of housings is dropping. It does not take into account that the purchase power of the population is similar to the one recorded in the last 5 years. People talk about the increase of taxes in terms of salaries and pensions that have not substantially increased, and most recently, the number of people sent to unemployment is rising. City halls have receipts only on paper, not in reality; the first effect is only the increase of the number of debtors at the local budget." He is campaigning for the maintenance of tax receipts that would attract acceptable budget, within the difficult economic context we are crossing.

Apartments in Bucharest, rank 26 in the top of the most expensive in the world

Bucharest is among the most expensive cities in the world as regards the average price of the apartments from the central area, Bucharest surpassing Amsterdam, Milano, Bruxelles or Berlin, quoting site Global Property Guide.com. Thus, Bucharest ranks 26 out of 113 analyzed markets worldwide within a research regarding the most expensive cities on the price of housings, accomplished on the grounds of data from 2008. The price per square meter for a housing downtown Bucharest amounts to EUR 3,935, while in Amsterdam it does not exceed EUR 3,530, and in Milan-EUR 3,511. In Bucharest, an apartment with a surface of 120sqm exceeds EUR 470,000, against almost EUR 423,000 in Amsterdam and EUR 421,000 in Milan. The cheapest housings are in Cairo, with a price of EUR 453/sqm, while the highest price of the apartment within central area is recorded in Monaco, where the buyer pays over EUR 36,000/sqm. Moscow ranks 2nd; here, an apartment of 120sqm placed downtown can cost over EUR 1.9mln, respectively more than EUR 15,800/sqm. The following positions are taken by London and Tokyo, where apartments cost up to EUR 15,760 per square meter, or EUR 13,665 per square meter. The report analyzes the yields obtained by owners out of renting the housing units.

Cadbury Romania is selling 2 land plots

Cadbury Romania is putting forward for sale 2 land plots situated in Soseaua Viilor, where there is one of the production units before moving to another building and another one in Voluntari village, location where it is places the storage house of the company before externalizing this service to a specialized company. According to a company's press release, this selling intention is part of the business plan of the company initiated as early as 2007. Its main aim consists of optimizing the usage of production units and maximizing the existing capacity production. "At the same time, we intend to specify the fact that there is no plan that stipulates the sale of all the real estate assets held by Cadbury Romania, but only as regards the 2 locations which have stopped being used by the company for quite a while," according to Cadbury representatives, quoted by NewsIn.

The blockage of the financings puts “on hold” the new projects of Hergan

Financial crisis is not to affect the unfolding the real estate project initiated last year by Avrig 35 group, administrated by businessman Alexander Hergan. These projects are to be continued in 2009, but the beginning of the other scheduled projects will depend on the evolution of the real estate market, because of the difficulties related to the obtaining of the financings. “We have been granted the financing for the projects initiated last year, so that these are not to be affected. Certainly, the problems the real estate market is confronting with at present are also felt by us, as the financings are more and more difficult to be obtained, but we will wait for the evolution of the market in order to establish which of the scheduled programs we are to start,” declared for Business Standard Matthew Proskine, the communication director of the group. According to Proskine, one of the projects that could be launched this year will be the construction of three commercial spaces for retail box, on a land area located in Titan district of Bucharest. Avrig 35 starts last year, the construction of a real estate project worth EUR 50mln, called Avrig 7 Business Center, which will include two office buildings with seven and nine floors. The construction of the buildings will be completed in autumn this year. These are to frame the first project of the group, from Avrig Street, near Piata Obor in the Capital, and will have 30,000 square meters of office spaces and 539 parking spaces. Also in 2008, the group started a second project, which foresees construction of a block of luxury apartments, which will be located near Piata Romana, on the Mihai Eminescu Boulevard. The building will have 12 floors and will include 65 suites; the deadline for completion is foreseen for the second quarter of 2009. Projects will be partially financed from funds from the sale, in February 2008, of 18 properties to British investment company New Europe Property Investments (NEPI) through a transaction worth EUR 46.3mln.

2008 brought a decline of 40% of real estate investments transactions

2008 was a year of rapid compression of real estate investments transactions on the Romanian market, especially in the second half of the year. Investments dropped by 40% compared with the record level from 2007, according to the management of the real estate company Euroest. Of the total volume, which stood at around EUR 900mln, 91% represented transactions completed in the first half of the year, of which a third represented a single transaction. Over half of the value of transactions of last year was for commercial spaces, while the office sector has attracted only 18%, the rest being represented by residential units. According to a press release of Euroest, compared with 2007, yields recorded an increase of 2.5% until the end of last year; they were standing between 8.5 and 9.5%, depending on the segment. For 2009, it is expected further decrease, yields following to reach the level of two figures, becoming the consequence of differences between the requests and offers. Transactions in 2008 were made entirely on the primary market (“developer to investor”) and none of the investment funds active between 2005 and 2007 achieved an exit from the market. Euroest showed that the trend will reverse in 2009, when in the first month of the year was already recorded the purchase of investment fund Fabian by businessman Dinu Patriciu. Euroest management estimates that the type of transactions “investor to investor” will continue throughout the year, especially considering the problems faced by certain investment funds extremely active in the previous period and which have accumulated an impressive portfolio. During this period, almost all properties register a downward trend of prices for sale.

Retailer Lidl to open a store in Sibiu

German network of food stores Lidl plans to open a supermarket in Selimbar, near Sibiu, on a total surface of 5,335sqm, of which built area of 1,449sqm. Store's sale surface will be of 1,066sqm, following that the rest of the space to be reserved for supermarket's offices. Documents filed at CJ Sibiu show that "the investor has chosen this location for several reasons, including lack of adequate commercial centers in Hipodrom district in Sibiu, beneficiary of the location and future district Zephir Residence Park, which will have over 400 apartments". Future supermarket will benefit from 100 parking spaces, and the program will be between 8:00-22:00. Investors have not specified the value of the investment or the deadline for completion of project. Lidl is part of the German concern Lidl&Schwarz Co&KG which also operates Kaufland hypermarkets. On international level, the German retailer owns over 800 stores in Germany, Czech Republic, Slovakia, Poland, Croatia, Romania and Bulgaria. In Romania, Lidl&Schwarz Co&KG is present through Kaufland division. Moreover, Lidl stores network announced in the summer of 2007 that plans in the following four years to open in Romania 15-20 stores per year, the average investment for one store being of circa EUR 10mln. The group postponed in 2006 the entry on the Romanian market because of the high price of land in our country, but decided to resume its expansion plans due to high economic potential.

Arabian company Bloom Properties froze a real estate investment worth EUR 450mln

Company Bloom Properties United Arab Emirates froze a real estate project which it intended to develop in Romania, project worth EUR 450mln, because of the restriction of the access at credit and low demand, informs HurriyetDailynews.com. The single information about the plans of the Arabians to invest in Romania appeared in the Arabian press, in mid-2008, but at a local level, there were not offered details regarding an eventual investments program. "For the time being, we froze the project because the banks no longer grant credits. It is a problem regarding the prioritization and management of cash, nothing more," said general director of the company, Hani Shammah, quoted by Turkish publication. He mentioned that the project in Romania, worth EUR 450mln was to include, in particular, retail spaces and offices. In May 2008, Bloom Properties announced that it intends to invest in the next three to five years, ten billion dollars in building projects on the local market, as well as in Romania and Algeria.

Green Dambovita Center

Real estate developers who are to construct complex Dambovita Center, on the place of former Casa Radio (Radio House) in Bucharest, introduced more "green" in the project. Approximately 38% out of the surface on which the project will lie will be represented by green spaces, gardens and parking places. "All facilities will be in accordance with urban area plans, said yesterday, representatives of developers, before the debate on the PUZ, organized by Capital City.

The occupancy rate within Dascalu's malls was constantly of 98%

Company Iulius Group, controlled by businessman from Iasi Iulian Dascalu, did not record important fluctuations as regards the occupancy rate of the commercial spaces within the 4 malls from its portfolio, although the tenants did not report significant rises in the last months. "I can not talk about

a drop of sales, but there are no increases for the time being. Up to present, we have not faced any problems with retailers as the average value of the rent is low within our projects, of EUR 21-22/sqm. We have always recorded around 98% occupancy rate, with a reserve for the international companies which intend to enter the market," declared for ZF Iulian Dascalu. The average value of the rent within commercial centers from Bucharest amounts to EUR 30/smq, while in province it ranges between EUR 20 and EUR 25/sqm. In recent months, several retailers, and owners of shopping centers, announced the renegotiation of lease contracts, based on the weak sales in a number of locations in malls which are overvalued, but also based on the crisis. Generally, there are problems with the tenants whose credit lines were not extended by the banks," added Dascalu. Blocking financing bank will leave footprint in developing shopping malls in November, considering that several projects are currently blocked for this reason. Iulian Dascalu caught "the wave" within which banks were more easily granted real estate loans and borrowed by more than EUR 350mln in time for achieving the widest network of malls on the local market, as well as mixed project Palas Iasi, which regard both that construction of commercial spaces, as well as apartments and offices.

The developer Impact (IMP) has reached the price of 80 flats

The shares held by property developer Impact Developer & Contractor (IMP) fell 33% against the last price in November 2008, the first day of trading after two and a half months when they have been suspended for the increasing of the nominal value of shares. Thus, company's capitalization dropped below the level of EUR 10mln, reaching the equivalent of 80 apartments with 2 rooms within residential complex Greenfield which the company is developing in the Northern part of Bucharest. The price of a 2-room apartment within the respective complex, with a surface of 85sqm, amounts to around EUR 120,000, VAT included. Company's portfolio comprises 140 houses and 36 finalized apartments as well as 100ha of land plot. The company holds land plots and other fixed assets evaluated at RON 627mln (EUR 156mln) at the end of last year and stock of finalized housings worth RON 168mln (EUR 42mln), according to the preliminary balance on IFRS international accounting standards). The losses recorded by the company from revaluation of assets, in accordance with IAS 40 standards amounted to 9.1 million lei (2.47 million euros) last year, after in 2007 the company reported a profit from revaluation of 341 million lei (102 mil euro). Losses from reevaluation decreased net profit according to IFRS down to 2 million lei. The total value of assets amounted to over one billion lei (257 million euros), while total liabilities according to IFRS were amounting to 319.5 million lei (80 million euros). On Romanian accounting standards (RAS), Impact's total assets are listed in the balance sheet value of 582 million lei (145.5 million euros), of which 277 million lei (69 million euro) represents stocks, and 67 million lei (16.8 million euro) are liquidities. Debts amount to 242 million lei (60.5 million euros). At the beginning of February, the company paid around 38.7 million lei (8.6 million euros) in the account of bonds issued in 2004. Impact was among the most affected companies from Bucharest Stock Exchange (BSE) at the beginning of financial crisis, in the fall of 2007, suffering huge losses at the level of capitalization, as most development companies or listed property funds market listed on the international markets. In September 2007, Impact capitalization was exceeding EUR 360mln, in terms of the real estate market was still in full euphoria. Dan Ioan Popp, president and majority shareholder of Impact with 28% participation, was then among the richest people on the Stock Exchange, with a fortune estimated at more than EUR 100mln. At current prices, his participation is merely EUR 2.8mln worth. "At present, the price of shares is penalizing the overheat of capital market, it penalizes the economic slippages of Romania

and, in addition, it freezes the real estate market and especially the residential segment, because of lack of funding sources," said Impact Popp.

The stock of commercial centers in Romania grew by approximately 50% in 2008

The stock of available commercial spaces in Romania increased in 2008 by 505, compared with the available stock at the end of 2007, from 43.20sqm rentable surface/1,000 persons to 70.88sqm rentable surface/1,000 people, according to a market study conducted by CBRE Eurisko. This calculation includes all modern retail units in Romania with over 10,000sqm rentable space (commercial centers, retail parks and retail projects anchored by hypermarket, according to CBRE representatives.

Half of shopping centers projects will be canceled or delayed

2008 was one of the best years after 1989 for commercial space segment. A study of CB Richard Ellis Eurisko shows that last year the stock of shopping centers has increased by approximately 50%; also on the market have entered international players such as Peek&Cloppenburg, Humanic, Reserved, Cropptown, Nex and that there was a strong expansion of hypermarkets networks and discount-type stores. Developers focused their business plans on shopping centers located in cities with over 150,000 inhabitants. In recent months, however, financial crisis started to affect the market and a significant number of retailers and developers have postponed their expansion plans, and have adapted business plans according to the new market conditions. According to CB Richard Ellis Eurisko study, the effective completion of the shopping centers was delayed much more than was initially expected." We are convinced that at least 50 - 60% of all shopping centers announced will be canceled, delayed or finalized with a different use," said real estate company experts. The launches from 2008 (Liberty Center, West Park) and what will take place this year (Grand Arena, extending the shopping center Plaza Romania, AFI Cotroceni Park, Militari Shopping Center) will provide new commercial and new brands. Commercial spaces market is dominated by international developers such as Sonae Sierra, AFI Europe, Immoeast, Riofisa, Anchor Group, GTC. The Portuguese company Sonae Sierra, through the acquisition of River Plaza Ramnicu Valcea, is a strong player, active on the market, with projects such as Craiova ParkLake or Plaza Mall on the list of projects in development, along with other projects that have not been disclosed yet. AFI Europe is another developer with big projects such as AFI Cotroceni Park, AFI Golden Palace in Bucharest and AFI Palace Arad. GTC has announced a series of projects called Galleria, primarily in secondary cities in Romania, one of these projects are already open in Buzau. For this year, three shopping centers will be opened in Galleria Piatra Neamt, Suceava and Iasi.

EURISKO: commercial space rent have evolved chaotically

Since 1989, the rents for commercial spaces in Romania have evolved in a chaotic matter. There is no logical progression of starting prices and shop owners are rather sensitive to particular incentives than to economic realities. "Improving the quality of tenants and prolonged periods of lease rentals have not declined the rents as expected, but they stabilized at a high level. Current economic difficulties will affect commercial center from secondary areas, where rents are expected to be lower than those recorded in 2008. For top location, because of high demand from consumers, the prices will not drop,

shown a EURISKO communicate. In 2008 available commercial spaces stock in Romania rose by 50% compared to the stock available at the end of 2007 - from 43.20 mp/1.000 people to 70.88 persons mp/1.000, according to a EURISKO study. "In 2009, financial crisis started to affect the market and a significant number of retailers and developers have postponed their expansion plans, and have adapted business plans according to the new market conditions. It should be noted that the demand registered in the big cities of Romania is still at a high level and that the appetite for consumption of the Romanians hasn't fallen significantly, shows the communiqué. Moreover, even if in 2008 were several important releases in Bucharest, there is a deficit of retail stock in terms of shopping centers, while smaller cities such as Cluj-Napoca has a higher rate of retail stock per capita than in Bucharest. The launches from 2008 (Liberty Center, West Park) and what will take place this year (Grand Arena, extending the shopping center Plaza Romania, AFI Cotroceni Park, Militari Shopping Center) will provide new commercial and new brands. "We are convinced that at least 50 - 60% of all shopping centers announced will be canceled, delayed or finalized with a different use," said real estate company experts. According to the same sources, Bucharest is an atypical European capital, which hasn't a street commercial area well defined. The trade on main arteries does not represent yet a destination in Bucharest, but is expected to become so as soon as the retailers will enter the international market. Areas that are currently regarded as luxury commercial areas are Magheru Boulevard, Calea Victoriei Nicolae Balcescu Boulevard Calea Mosilor, Calea Unirii and Dorobantilor Boulevard.

Real will continue its investment and marketing plan

The Dutch Tjeerd Jegen, director of the Real Romania hypermarket network, owned by Metro, is counting on the resistance of the Romanian food sector in front of the current economic turmoil. He says there are no grounds to reduce investments and promotion budgets. Real will open this year 4-5 local stores, by an average investment of 20 million EUR per unit. Last year, the retailer has expanded in 6 locations, reaching the network's 20th unit. "Romania remains a market with great potential for development, even if the local economy is now affected by the global crisis. I think that in 2-3 years, the local market will return to growth rates well above the EU average, because Romania's competitive advantages – such as its position and market size, skilled labor hand and cheap availability of land for large investments - will not disappear," Tjeerd Jegen said. The expansion of international networks will bring this year another increase in modern food retail. In addition, Jegen says that sales growth could still be recorded in older stores. "In the October to December period last year, basically when the first negative effects of the global economic crisis were reported, we grew organically (in units older than a year), at the same pace as earlier," the Real Manager said. He stated that in 2008, the company's organic growth rate, compared to 2007, was double digit (over 10%). Real Romania business, a company in the top 3 hypermarket operators, could be estimated at over 600 million EUR in 2008.

The value of malls and offices decreases down to the value of 2006

The value of shopping centers or office buildings fell to the level of 2006, according to data presented by a number of listed property companies, which are required to make regular assessments of properties, to be made public later to shareholders. The most recent case is the British investment fund Argo Real Estate Opportunities Fund, which owns two local shopping centers in Sibiu and Suceava. It assessed at the end of September last year, the price of its property in Sibiu at the

acquisition cost in November 2006- 83 million EUR, down 17% from the previous evaluation of 95 million EUR. Argo invested in the meanwhile in expanding the shopping center in Sibiu, spaces built after afterwards, in which retailers such as Carrefour or Mobexpert opened units, being valued at 43.4 million EUR, which leads the total market value of the project to 126.5 million EUR. Another property assessed to the acquisition price is the City Mall shopping center in the South of the capital, whose market value was estimated at 88.2 million EUR last year, after the Australians at APN has paid in November 2006 about 103.5 million EUR for the mall. More so, Fabian, a fund recently purchased by Dinu Patriciu, has recently rated one of the office buildings in his portfolio - Evo Center in Pipera - to 4.6 million EUR, 7% less than the price paid by the British halfway 2007. Argo published the financial report for last year, which shows that the UK fund currently has loans worth 141.5 million EUR on the acquisition and development of projects on the local market, creditor banks being KBC, Alpha Bank and Marfin Investkredit. In the same time, the market value of the two properties - Shopping City Sibiu and Suceava Shopping City - was valued at 201.8 million EUR. In conditions in which, according to the latest statements of the fund managers, annual operating income rises at around 16 million EUR, the yield at which the assessment is being made is 8% in EUR per year. The company takes into account the expansion of the center in Suceava, where they might open a cinema hall in future. The company's capitalization on the London Stock Exchange decreased by 80% in the last four months, down to a level of 16.5 million pounds.

Major real estate transactions in 2008, half of the 2007

The largest contribution had the acquisition of Upground by Deutsche Bank. Global level of investments in commercial properties had a steep fall, and in a very short time, by -59% in 2008 compared with 2007, reaching the total value of USD 433bn. International consultant Cushman & Wakefield estimates for 2009, in its report „Investments Atlas in 2009” a drop of total volume of investments in commercial properties up to approximately USD 412bn. The report shows that 2008 brought for Romania a decrease both in number and in the total value of investments in real estate market. Thus, major transactions totaled about EUR 970mln, representing half of the level of 2007. The largest contribution, respectively 35% of the total amount of investments in 2008, had the transaction with Upground project, sold to those from Deutsche Bank at a value of EUR 340mln. According to a press release submitted to the editorial staff, in Romania, of the total investments in 2008, the highest rate was represented, as in 2007, by transactions with commercial centers, which represented 46% of total investment volume in 2008. The second major contribution had the office sector, transactions with office buildings representing a third of total investments in 2008. Investment activity has slowed, however, also in this segment, the EUR 323mln traded last year representing 53% compared with the level recorded in 2007. The largest decreases in 2008, in Romania, recorded the transactions in hotel market, down by 79%, to EUR 18mln, compared with 2007. In the industrial sector, the decline of transactions was of 71% against 2007, reaching a level of EUR 44mln.

Volumetric has launched yesterday two residential complexes

The company Volumetric DF Romania has launched yesterday in Bucharest, during the Fair of Condominium Apartments, two dwelling complexes in Brasov and Pitesti, under its own brand “Privilegio”. The dwellings will be available as of 2011. Volumetric will build 156 apartments in Brasov center and other 110 in the area of Gavana park in Pitesti center. According to a press release submitted to the editorial staff, facilities which each building offers include underground parking,

yard and interior garden, commercial galleries. The difference consists in increased attention for every detail, from the entrance in the block, until the position of each element of the apartment. The construction of the two ensembles will begin this year – in Brasov in spring and in Pitesti in the summer. Volumetric DF Romania was set up by Grup Volumetric SL Spain, which has about 1,000 apartments completed, 1,000 apartments under execution and 2,500 apartments in various stages of design.

Half of the announced malls remain on paper

At least 50-60% of the total number of commercial centers announced on Romanian market will be cancelled, delayed or completed with a different use, according to the representatives of the real estate company CBRE Eurisko. In recent months, financial crisis left affected retail business in Romania, considering that a number of retailers and developers have postponed their expansion plans and have adapted business plans and projections regarding the turnover for 2009 according to new market conditions. However, the demand recorded in big cities still lies at a high level, and Romanians' appetite for consumption has not fallen significantly.

Dambovita Center will cost almost EUR 1bn

The construction of Dambovita Center project in the Capital, which will end in 2012, involves a total investment value of EUR 1bn, estimated the representatives of the real estate developer. For this construction "we use ultramodern methods, which comply with the rules in force with respect to environment, pollution and noise", the developer stated. According to it, Dambovita Center project provides nearly 2,000 jobs during the works, and after its completion will be created 2,500 new jobs, for the hotel, Apart Hotel, Conference Center, Mall or Entertainment Center. For the offices, the developer estimates that in the companies which will activate here will be created approximately 5,000 jobs. It's estimated that in the perimeter of the future complex will be created 5,000 parking spaces. The company has other projects under development in Romania, in Miercurea Ciuc, Slatina, Hunedoara, Timisoara, Constanta, Iasi, Targu Mures, as well as in Shumen, in Bulgaria.

DEGI to open the commercial gallery and cinema in Iris Titan

German investments fund DEGI, which last year announced the purchase of commercial center Iris Shopping Center in Titan district from Bucharest, will open this weekend the last part of the commercial gallery, which will include also a Starplex cinema with ten halls, restaurants Bundetot, Sushi to go, Swiss Grill, bowling, DTZ Echinox, Iris administrator, announced. Project's commercial gallery, in which the largest tenant is the French hypermarkets chain Auchan, also includes stores of retailers such as Domo, Sprider or Takko. The entire project currently has a rentable surface of over 51,000sqm, the value of the transaction by which DEGI bought the commercial center from Avrig 35 amounting to around EUR 147mln.

IuliusMall continues investments in Timisoara

Scheduled for opening in the second half of the year 2009, IuliusMall expansion will offer customers new possibilities of choice in public food and entertainment, as well as new retail concepts. After

enlargement, mall's built surface will double, reaching 177,613sqm: food-court area will grow by 75%, existing stores will be added to new ones with national and international brands, such as Auchan and Inditex (Zara, Bershka, Pull and Bear and Stradiavarius), and the parking will be resized, the capacity following to be increased to approximately 2,5000 spaces. Following the investment of EUR 65mln, it's estimated that the visitor traffic will grow by over 30%, in conditions in which in 2008 over 10.8 million buyers have visited IuliusMall Timisoara.

Dumitru Dragomir blocked real estate projects worth EUR 20mln

The President of the Professional Soccer League, Dumitru Dragomir, blocked because of the economic crisis several real estate projects which he wanted to develop this year and which totaled investments worth EUR 20mln. "It's about two blocks of flats and two office buildings in Bucharest, whose construction I wanted to being in the first half of this year", declared Bogdan Dragomis, Dumitru Dragomir's son, who runs the business they own together. Dragomir family also holds, together, several land plots, and a four-star hotel in northern Bucharest, Crystal Palace Hotel, with 74 rooms.