

ALTERNATIVE WORKPLACE

# Bucharest Flex Market Overview

REPORT

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Romania  
REAL ESTATE

CBRE RESEARCH

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Contouring as a branch of the office leasing market, coworking spaces have some unbeatable advantages with which attract especially freelancers, startups, small to medium sized companies or new entries on the local market.

Throughout the process of correctly sizing the needed office footprint, flex operators remove the strains of long contractual terms and fit-out, furniture and equipment expenses.

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Daniela Gavril  
Head of Research,  
CBRE Romania



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01

# General Context

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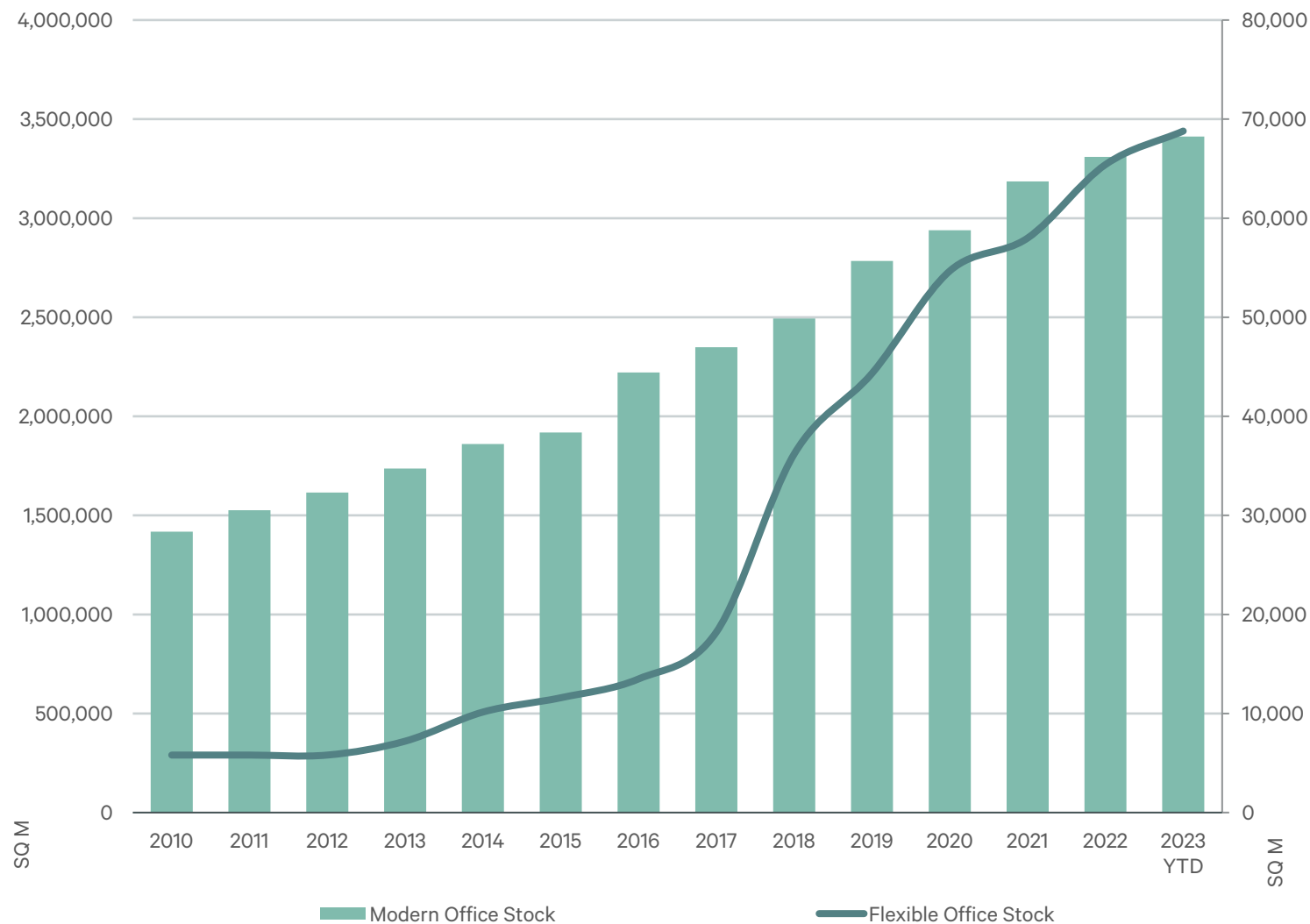
### Bucharest Office Market

Bucharest office modern stock gathers at 2023 YTD (Q3) circa 3.41 mln. sq m including class A and B office buildings, split in eleven sub-markets. Nonetheless, modern stock composition is in a continuous change, and its breakdown won't be exclusively between class A and B, but if green certified or not. With 75% of its office stock already green certified, Bucharest can accommodate companies compliant with ESG regulations.

75%

of Bucharest's office stock is already green certified

Figure 1: Modern Office Stock vs Flexible Office Stock Evolution



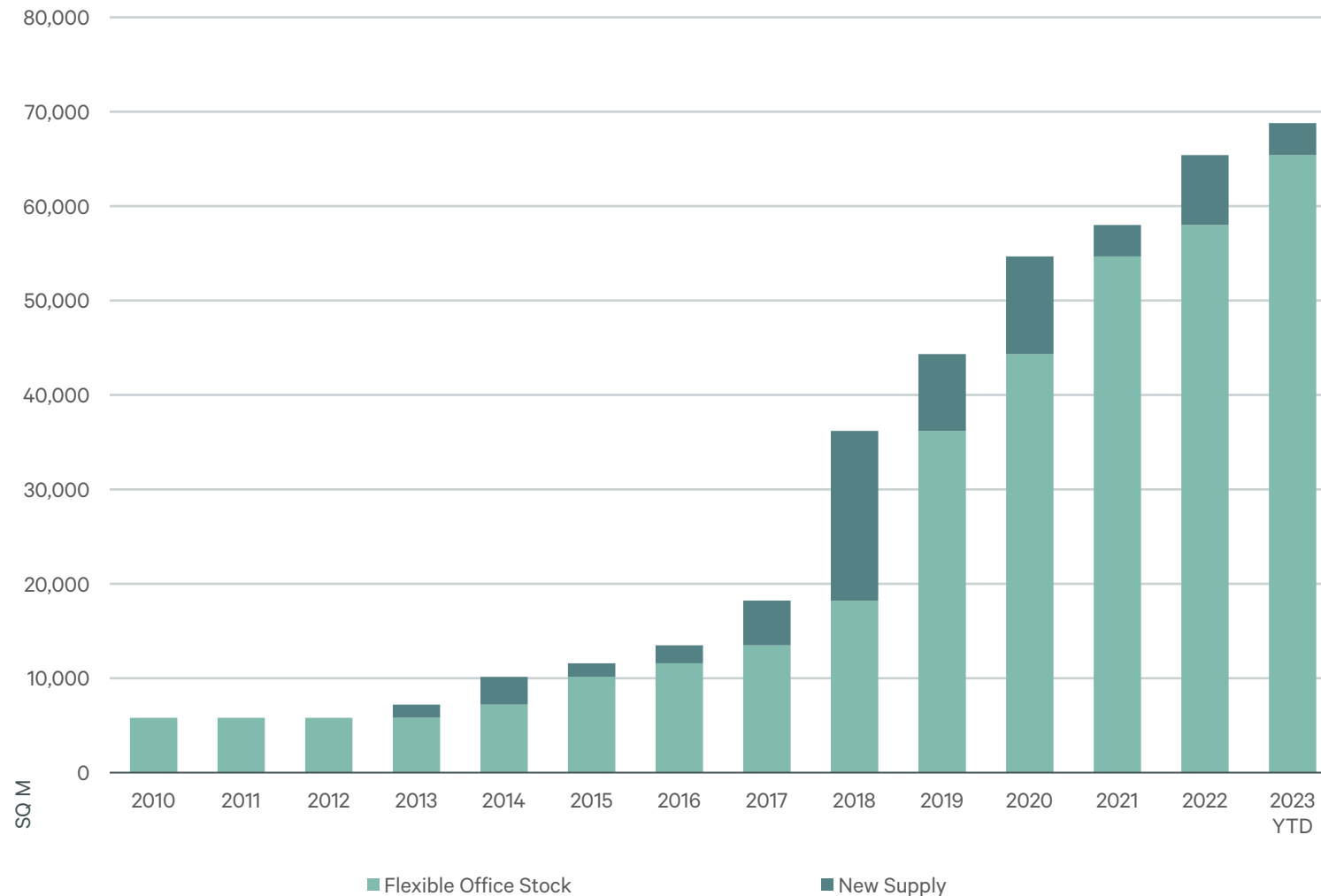
Source: CBRE Research

At the end of the third quarter of 2023, the flexible office stock in Bucharest comprises circa 69,000 sq m, while the average occupancy rate stands around 70%. In terms of new supply, prolific years proved to be 2018 and 2020 when 17,800 sq m and 10,300 sq m were added to the flexible stock in the capital city.

**69,000**  
sq m

total flexible office stock in Bucharest, by end of Q3 2023

Figure 2: Flexible Office Stock Evolution



Source: CBRE Research

Figure 3: Flexible stock area

The overwhelming majority of the flexible stock area (94%) can be found in projects that are part of the modern office stock, while the remaining 6% are spaces located in either smaller or old boutique office schemes.



Source: CBRE Research

Figure 4: Main Flexible Operators Coverage



There are seventeen main flexible office spaces operators active in Bucharest, more than half having exclusively a local presence, while 41% of the total number being present in another country.



Alina Calciu  
Head of Advisory & Transaction Services,  
Occupiers, Office,  
CBRE Romania

“

Our office leasing market is not always about **go big or go home**, companies in need for a workplace featured in a professional and attractive way, use coworking venues as their steppingstone entering the entrepreneurial dimension either they are just launching the company, or the multinational expansion meant putting Romania on their coverage map. Lowering capital expenditures for a new space coupled with not so new hybrid working arrangements, are advantages that can't be overlooked by companies.

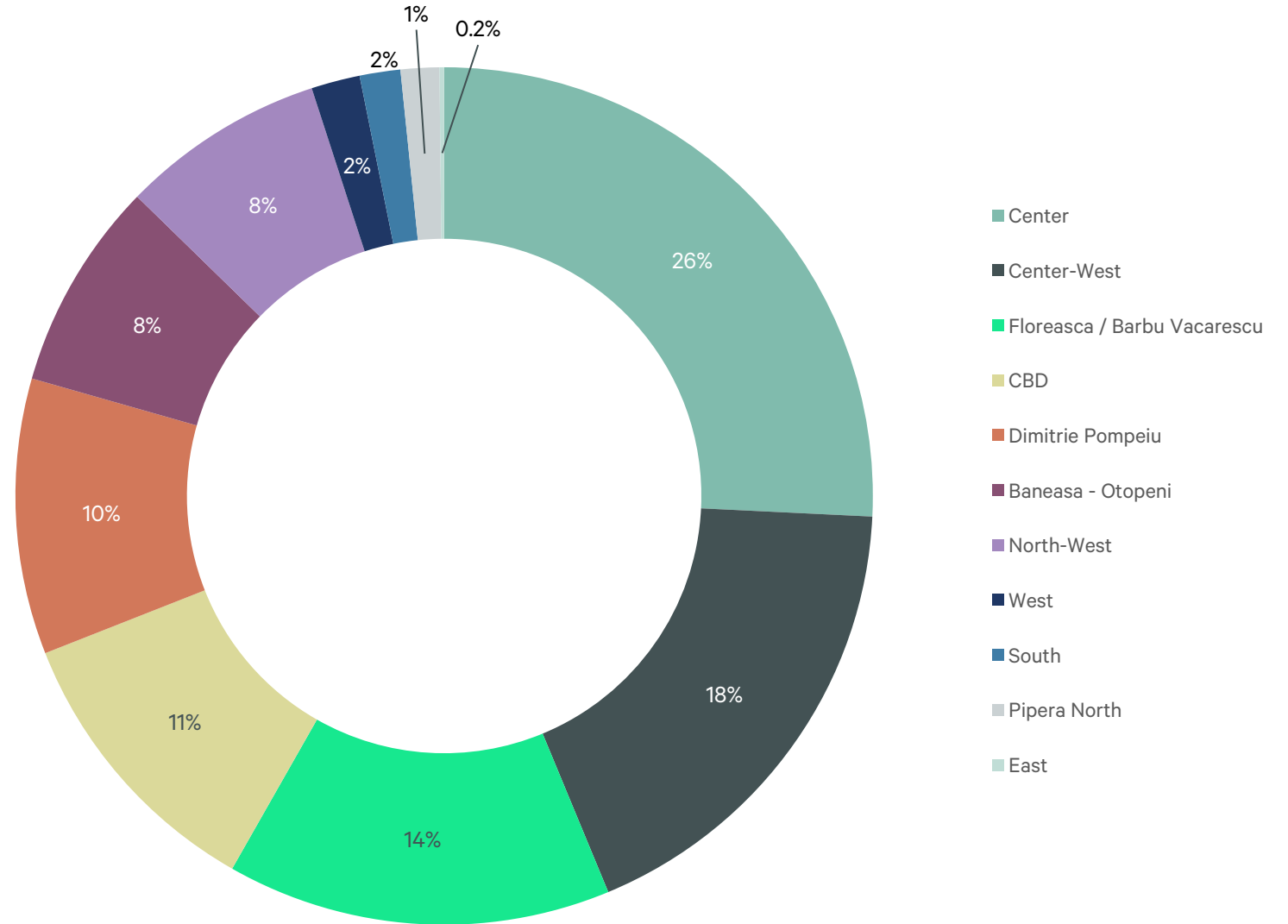
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Figure 5: Flexible Office Stock by sub-market

Even though all the eleven-office sub-markets benefit from flexible spaces, the largest amount, meaning a bit over a quarter from the total area can be found in the Center sub-market followed with shares of 18% and 14% by Center – West and Floreasca / Barbu Vacarescu sub-markets. At the opposite end, with the lowest shares of flexible office coverage are the West, South, Pipera North and East sub-markets.

# 26%

the largest share of flexible office space is located in Center sub-market



Source: CBRE Research

The easy access through public transportation is vital for a flexible operator.

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72%

of the total flexible stock area is located in the proximity of a metro station.

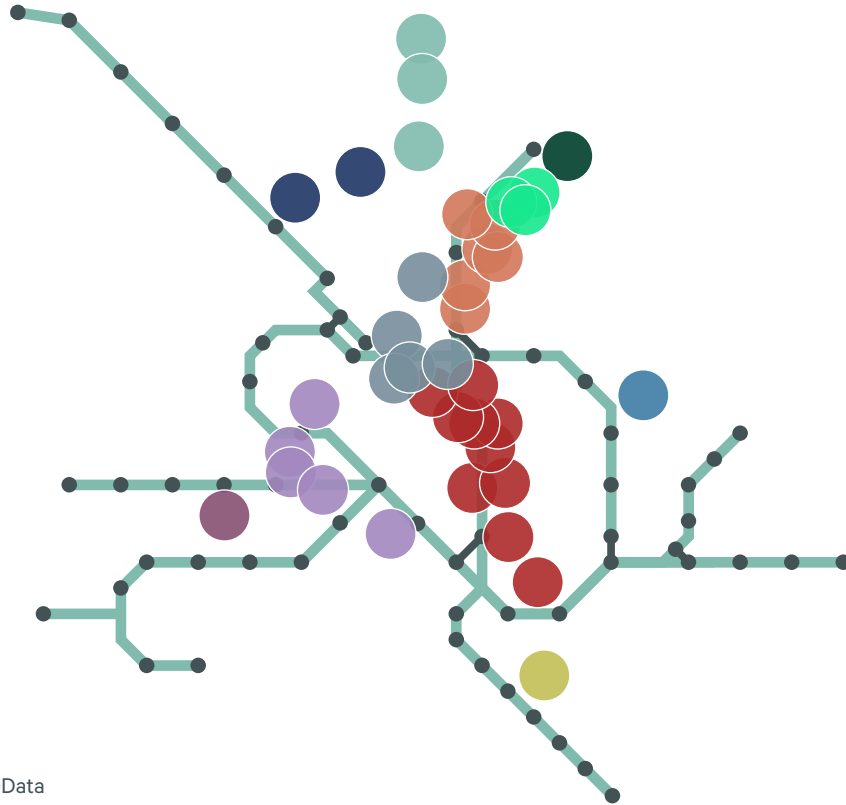


Wanted by operators and users

# A FLEXIBLE LOCATION

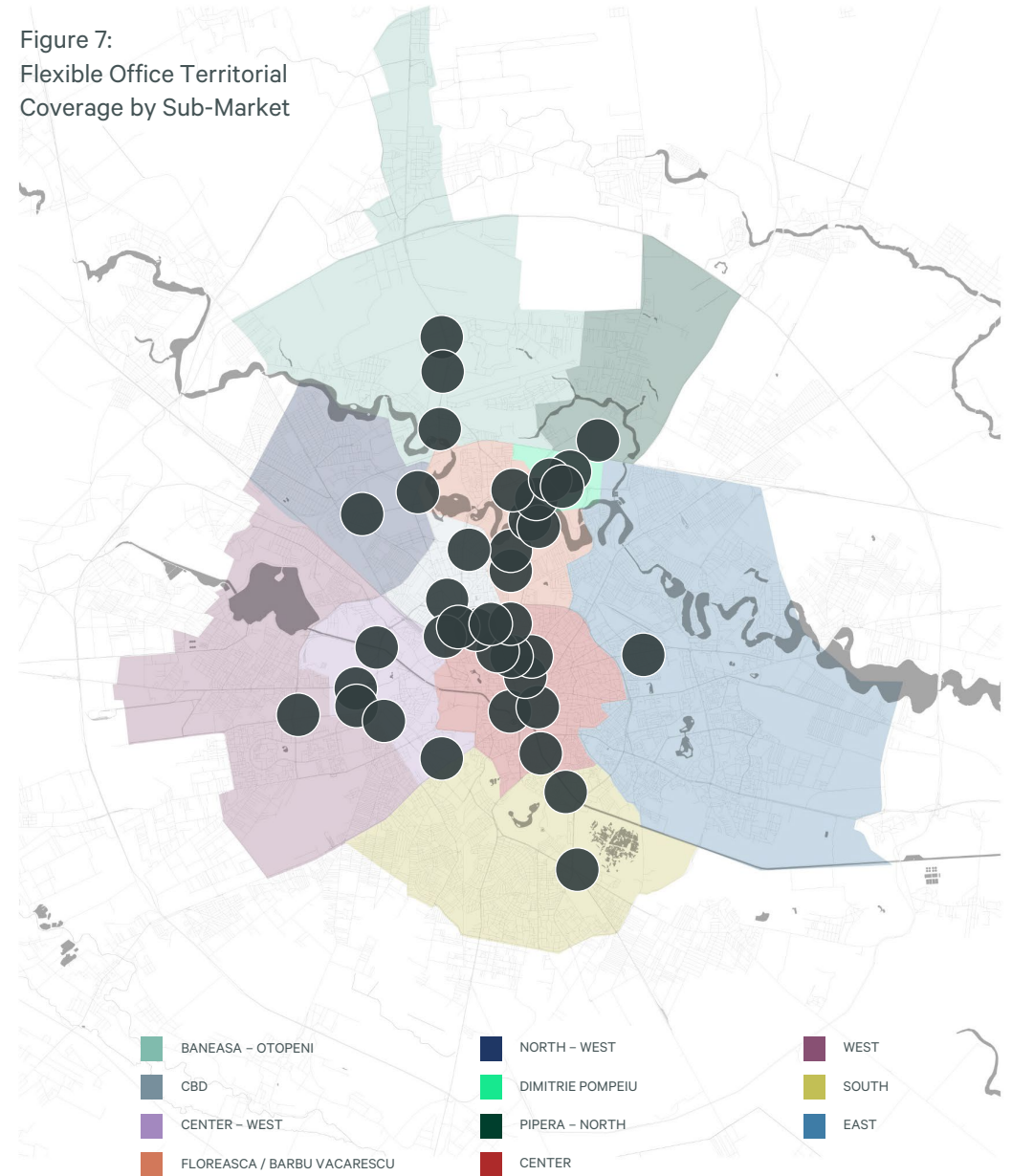
Proximity to public transportation has been and always will be a game changer

Figure 6:  
Flexible Office  
Territorial Coverage  
and Bucharest  
Metro Network



Source: CBRE Research, CBRE 360Data

Figure 7:  
Flexible Office Territorial  
Coverage by Sub-Market



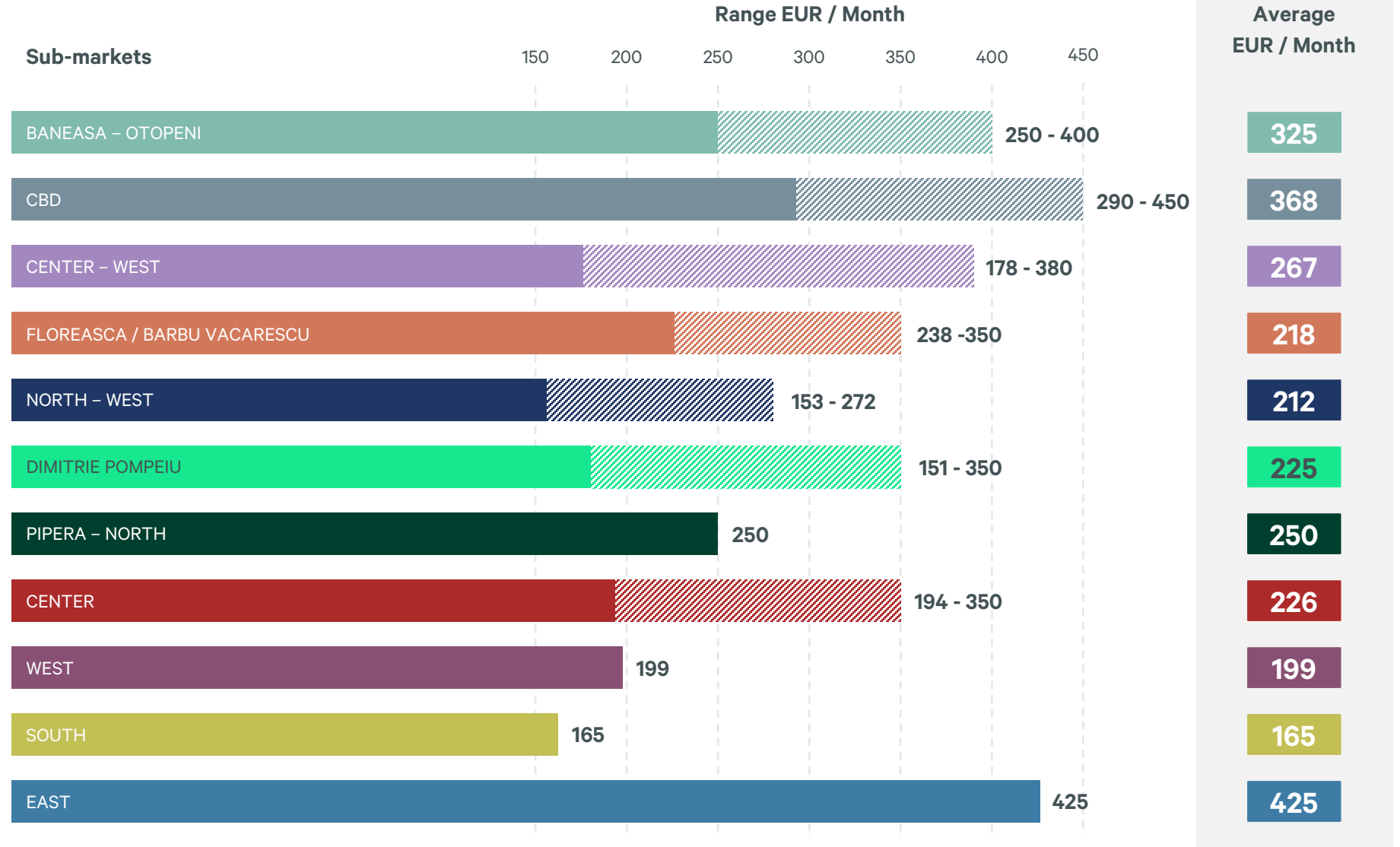
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# Financial Stats

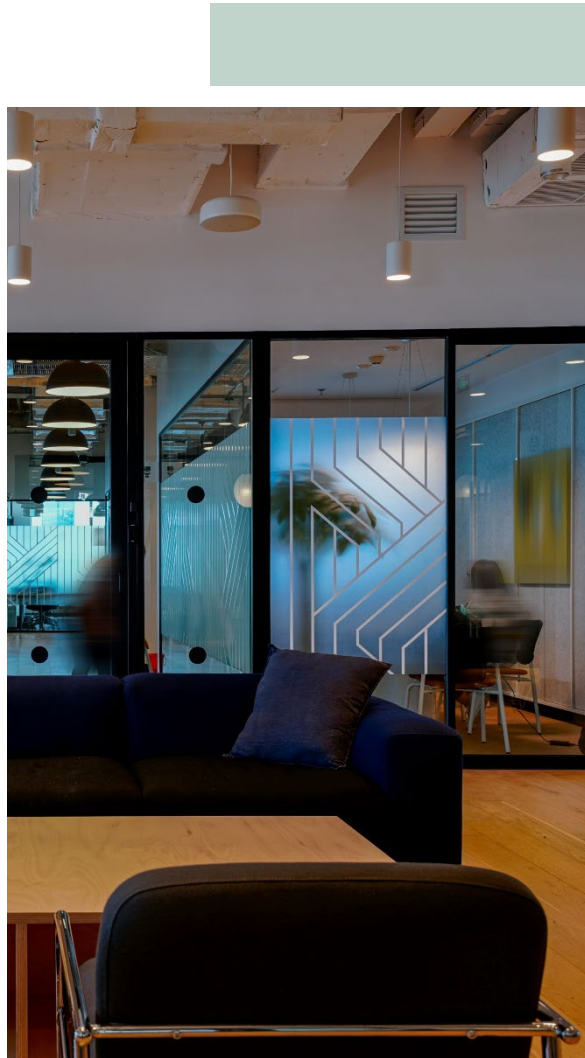
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Figure 8:

# Asking Rent for a COWORKING SPACE (EUR / Month)



Source: CBRE Research



# What Flex Operators Offer

## FEATURES (the most common)

- Coworking stations
- Serviced office
- Meeting Room
- Virtual Spaces



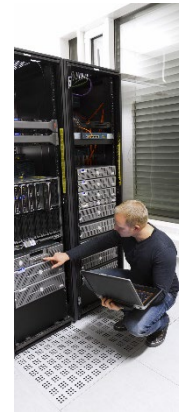
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Flexibility, the pure essence of a coworking space means more than flexible contractual terms and the power to move and scale in line with business development. Flexibility refers as well at **location, location, location**, which is crucial for office owners and end-users. Choosing to locate a flexible space close to public transportation means is one of the main criteria that operators are searching for. Also, a flexible way of thinking can be transposed to developers which retained a certain area from their premises for such type of leasing, enlarging their offer to new beginners, new entries, or limited (in time or for space) expansion requests from the existing tenants.

”



Vlad Damian  
Head of Investor Leasing,  
Advisory & Transaction Services, Office,  
CBRE Romania



# What Flex Operators Offer

## FACILITIES (the most common)

- Fully furnished
- Business printers
- Cleaning services
- IT services
- Mail & package handling
- Soda & coffee bar
- Professional events

# Why Flexible Office Space



Possibility to move immediately, with no investment for furniture, cabling or large equipment.



Contractual term per day / month with no limitations for large periods of time.



Cost savings in regard to utilities and services such as mail handling, printers.



Opportunity to grow or reduce the rented space, in line with the company's expansion plans.



Networking powered by large open coworking spaces and common reception / meeting / recreational areas.



03

# Key Trends

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# 1 Hybrid working is here to stay.

Hybrid working became embedded in numerous companies' cultures as a response of a resilient office market after the sanitary crisis from 2020 that shifted normal courses of everything, including the real estate sector. CBRE Research Romania released Return to Office 2023 Report which revealed that even though employees still juggle between working from home and from the office, the return-to-work policy is effective at least three days per week.

Thus, a flexible working schedule sets the premises for numerous companies to rent a flexible workspace in terms of size, rental periods and office equipment.



## 2 Flexible offices' main advantages are greatly appreciated by new entries on the market.

When compared with traditional leases, flexible offices' main advantages refer to both contractual terms as well as ready to use attractive office space including adjacent services such as reception, meeting/ leisure rooms or cleaning. All these benefits are greatly appreciated by new entries on the market, as it offers time to accommodate and better understand the local market.



# 3 Flex operators usually choose office buildings with a green certification.

Flex operators usually choose spaces in modern office building with a green certification as they can further capitalise on this hot topic when negotiating companies willing to be ESG compliant. Moreover, flexible per se could be featured as a sustainable way of working where furniture, partitions and equipment are available to multiple users.



# 4 Office owners retain in their schemes a space to manage as a flex operator.

Bucharest market already witnessed two such cases, where the traditional office space available for lease is managed by the owner as a flexible space. Such spaces can add value to the premises, as tenants can migrate into either smaller areas or the other way around, expand to a larger space with a traditional lease contract. Moreover, the availability of meeting rooms or even larger space for business events can attract potential tenants.



# 5 Working from a flexible office space considered as a benefit for the employees.

The opportunity to work from a flexible office space is offered to employees as a benefit, the easy access including through public transportation, the unconventional office set-up and the social and educational events creating an attractive working environment.



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