Construction and Real Estate market analysis

2016.01.15.

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GTK Gazdasági Tanácsadó Klub

Professional coordination:

EAST consulting

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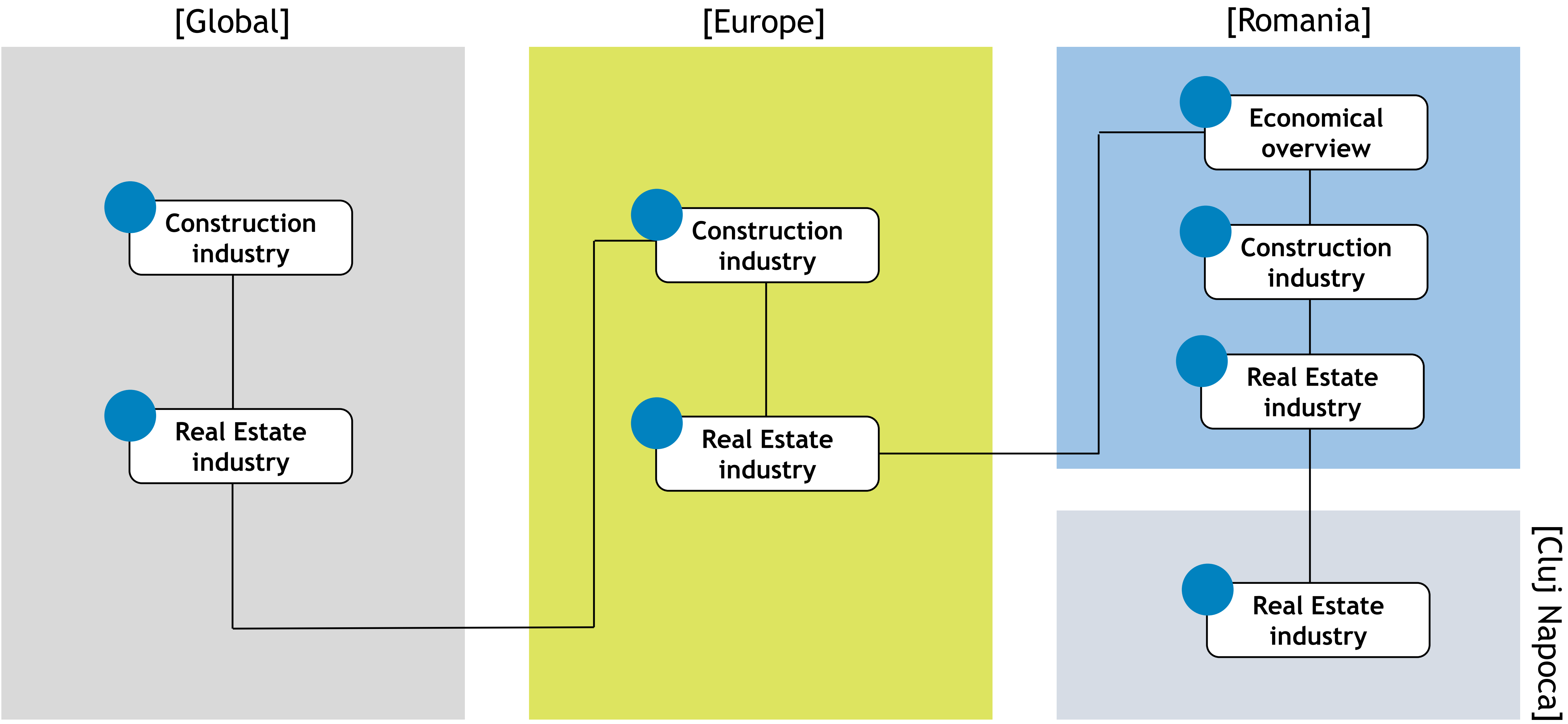
Agenda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Construction industry

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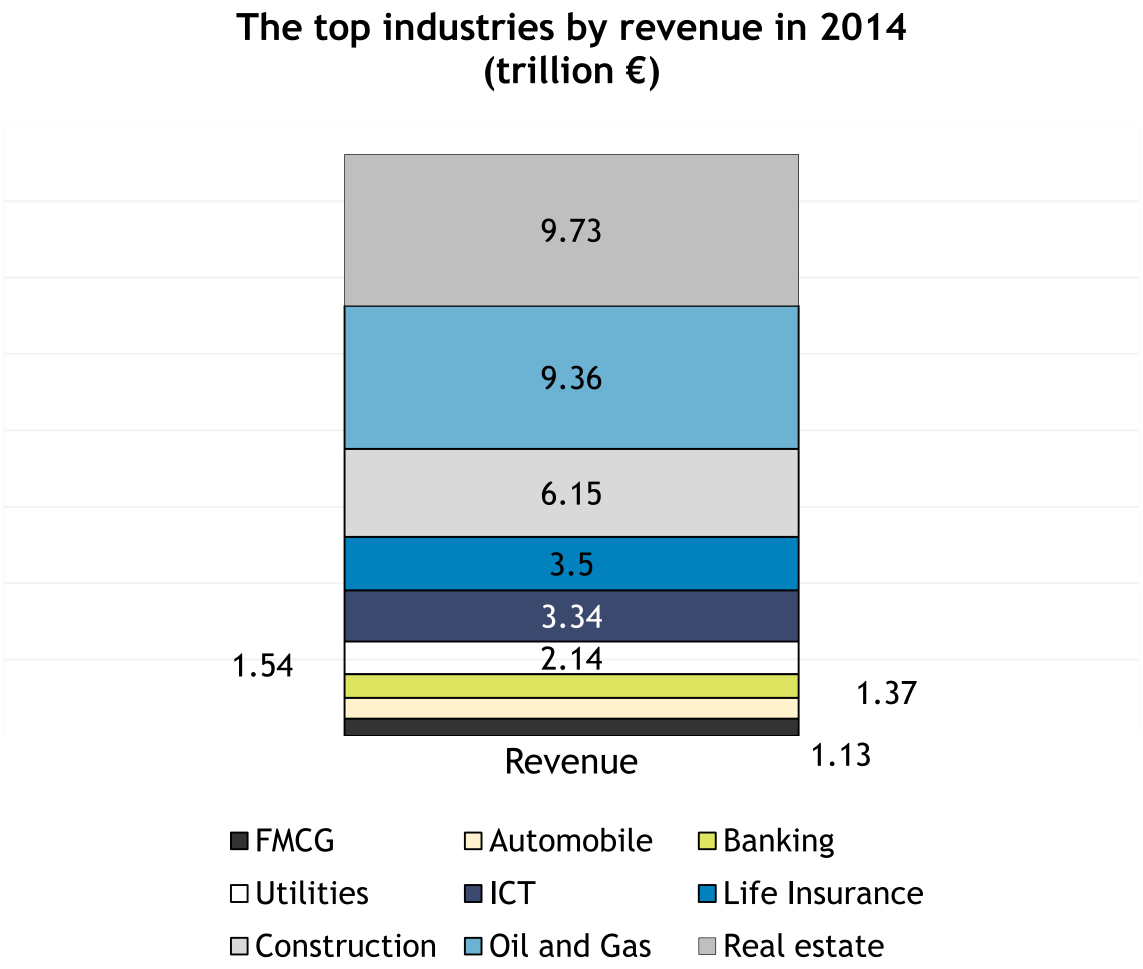
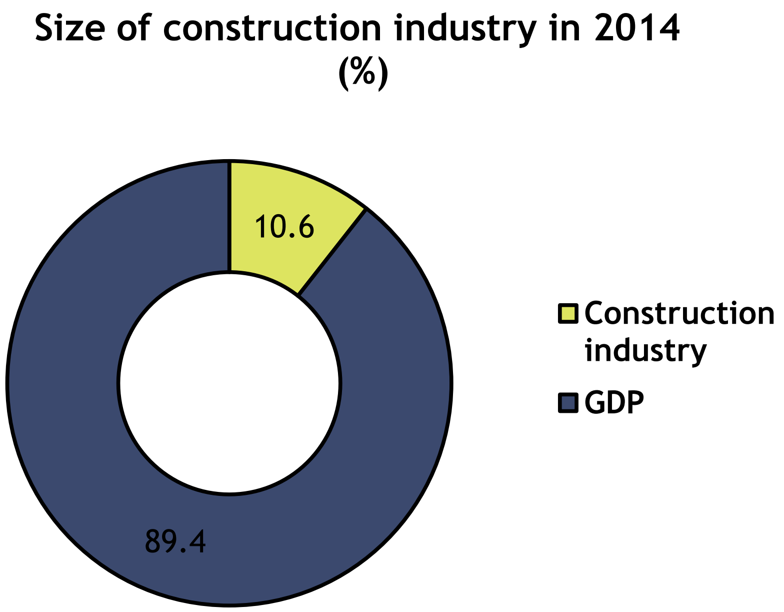
Construction industry overview- Global (2014)

The construction industry's total revenue in 2014 was 6.15 trillion EUR, a 3,1% increase compared to 2010.



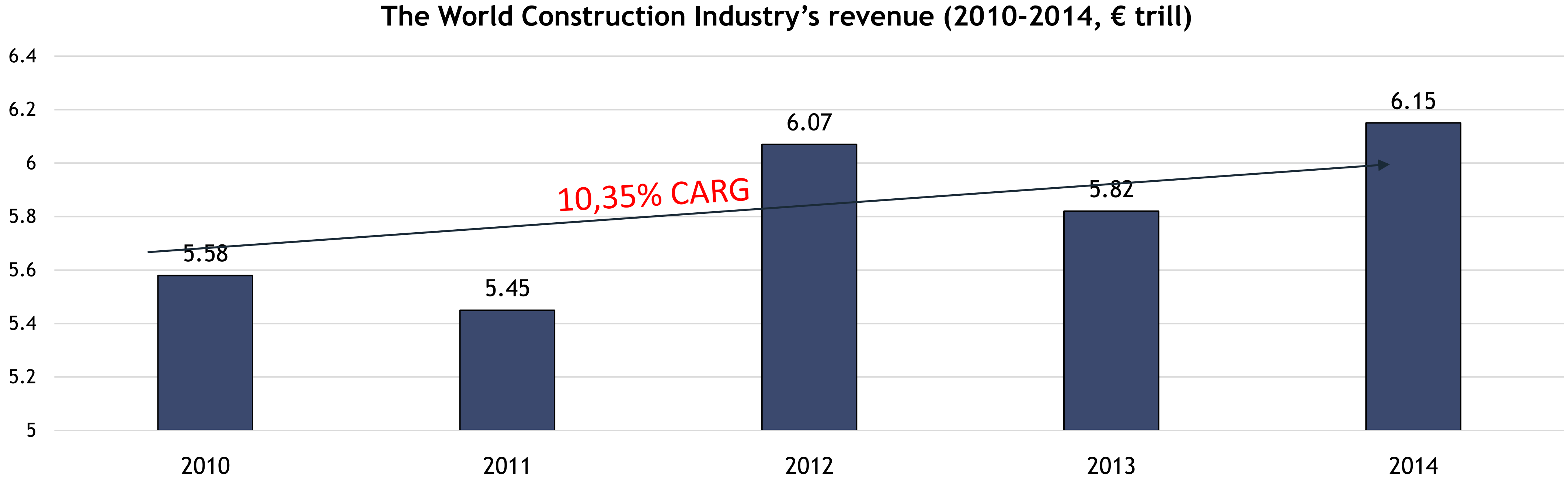


The global construction industry increased from 5.58 trillion EUR (2010) to €6,15 trillion in 2014, by an average of 3% yearly.

Source: prnewswire.com khl-group.com databank.org swissre.com statista.com

Construction industry by revenue (2010-2014)

The Global Construction market's revenue grew € 640 bill between 2010-2014.



We can observe the worldwide continuous growth of the construction market's size, due to the use of expansive monetary politics, that countries use all over the world. By this stimulating the economy and increasing, among others, the construction market too.

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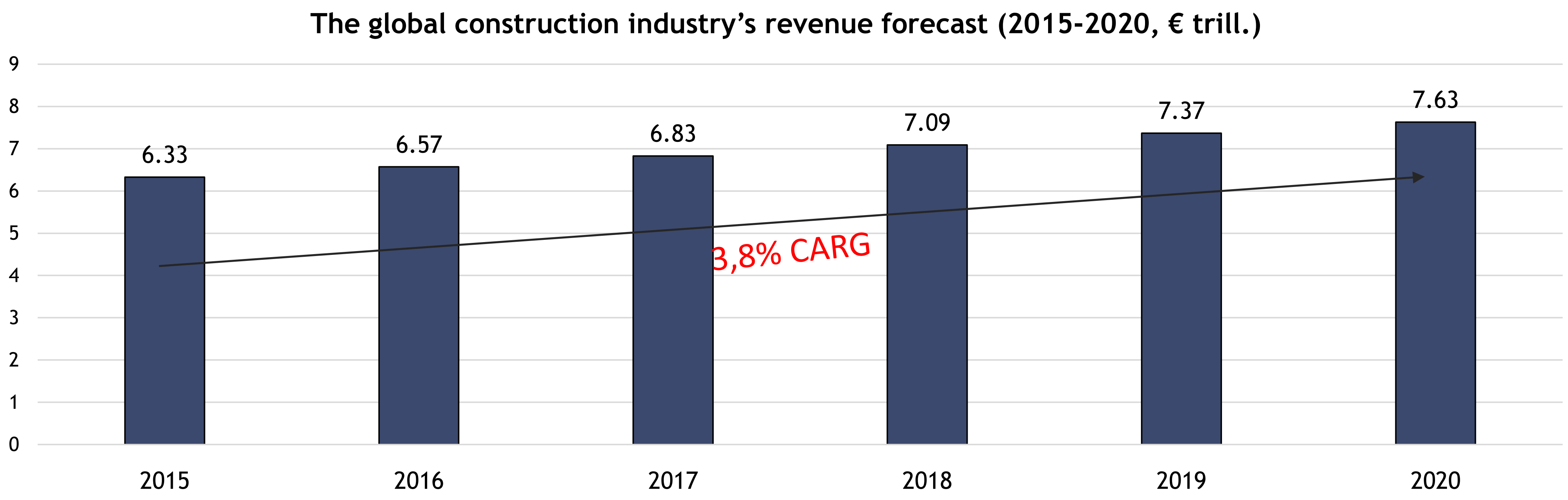
Source: prnewswire.com, marketrepostsstore.com

Construction industry by revenue- forecast (2015-2020)

The Global Construction market's revenue grew and the experts say will rise up to €7,63 trillion in 2020.



The Construction market will produce a 3,8% yearly average growth between 2015 and 2020. This continuous and steady growth signals the industry's stability and shows its real potencial.

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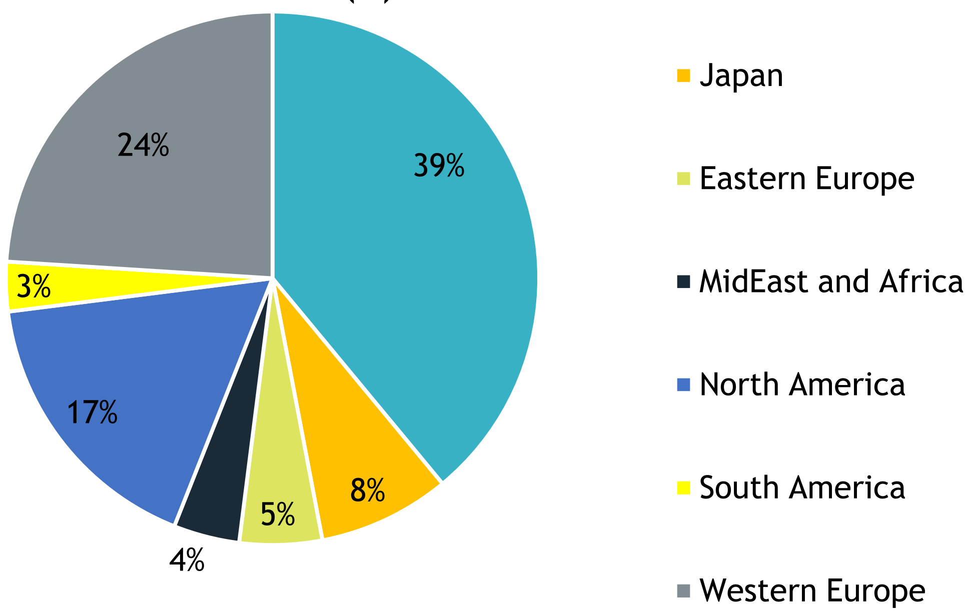
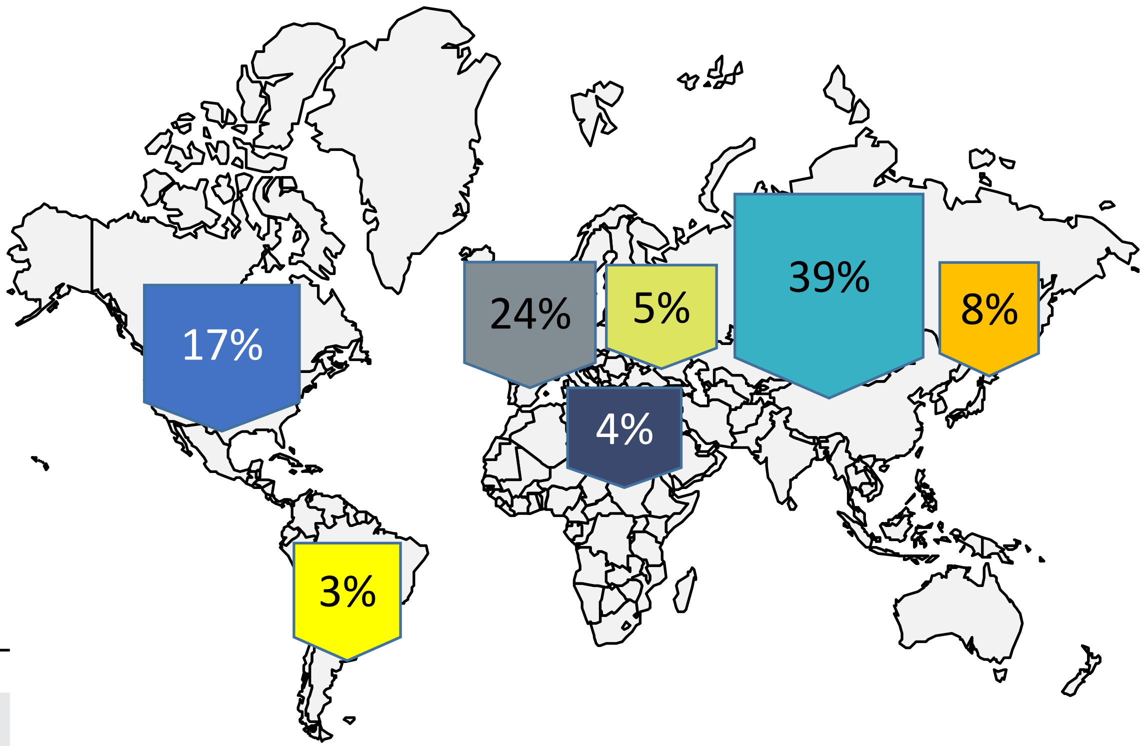
Source: marketrepostsstore.com

Construction industry's market share- forecast (2018)

In 2018 Asia will dominate in the construction industry, with a 39% global share, thanks to of China`s rapid development.

Estimated global shares in 2018 (%)





Asia probably will dominate the construction outlook with 39% global share, mainly because of China`s development.

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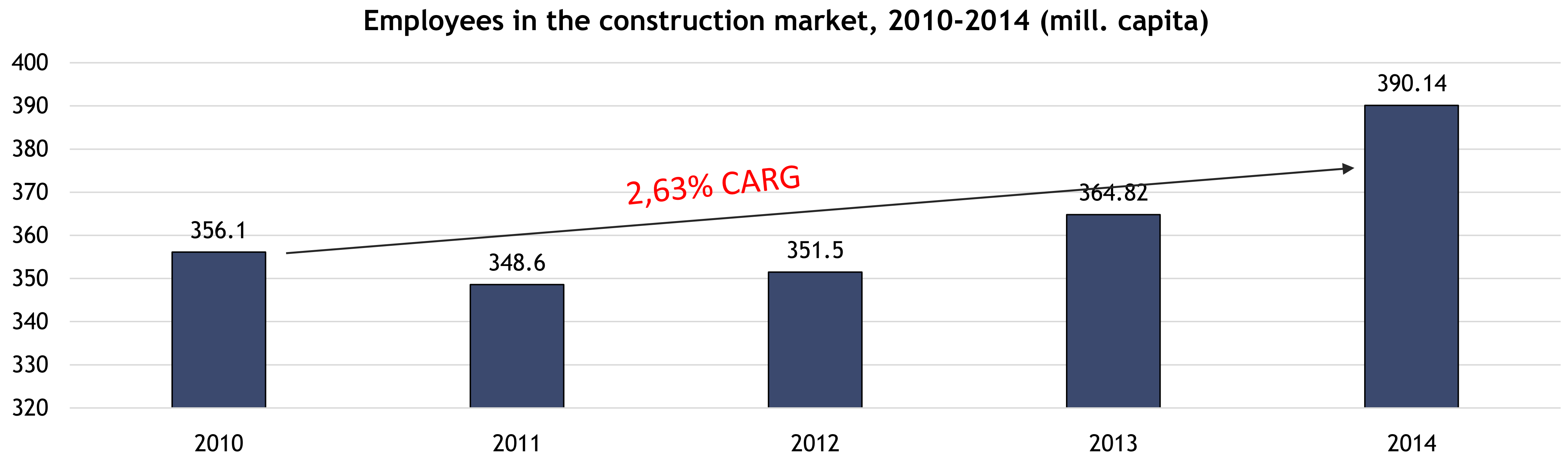
Source: IHS

Construction industry by employment (2010-2014)

Between 2010 and 2014 the number of employees in the construction market shows a growing tendency, from 356 million to almost 391 million.

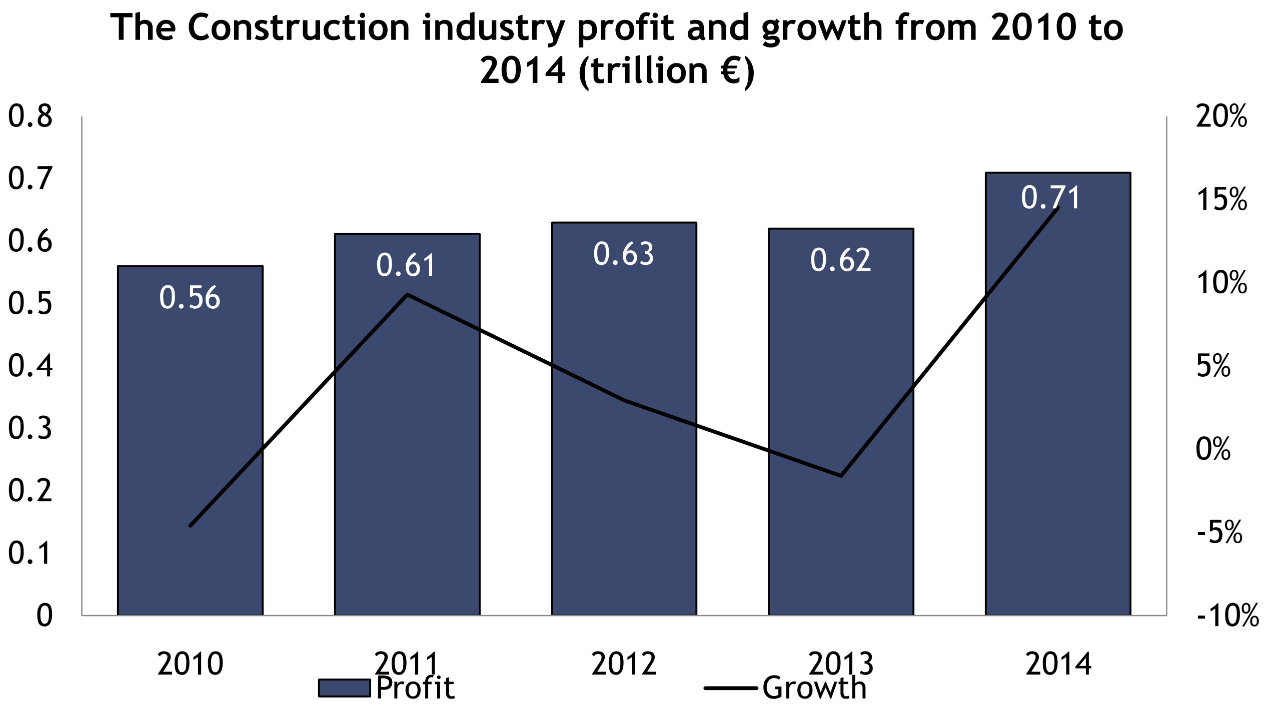


The change number of employees between 2010 and 2014 shows a steady growing tendency. Worldwide, the yearly average growth is 2,63%, which possibly will continue, because the experts predict a continuous expansion of the sector.

Source: Statista.com

Construction industry by profit (2010-2014)

The construction industry had 710 billion (€) profit in 2014, with a profit margin of 11.5% and its growth was 14.5% from 2013.



Profit Margin extreme values

Lowest	Average	Highest
0.45%	10.89%	11.5%
Q3 - 2008		Q3 - 2014

The economic crisis at 2008 had a great negative impact on the profitability of the construction industry, its profit margin was 0.45%. But a fast increase came, and it gained its highest point at 2014 with a profit margin of 11.5%

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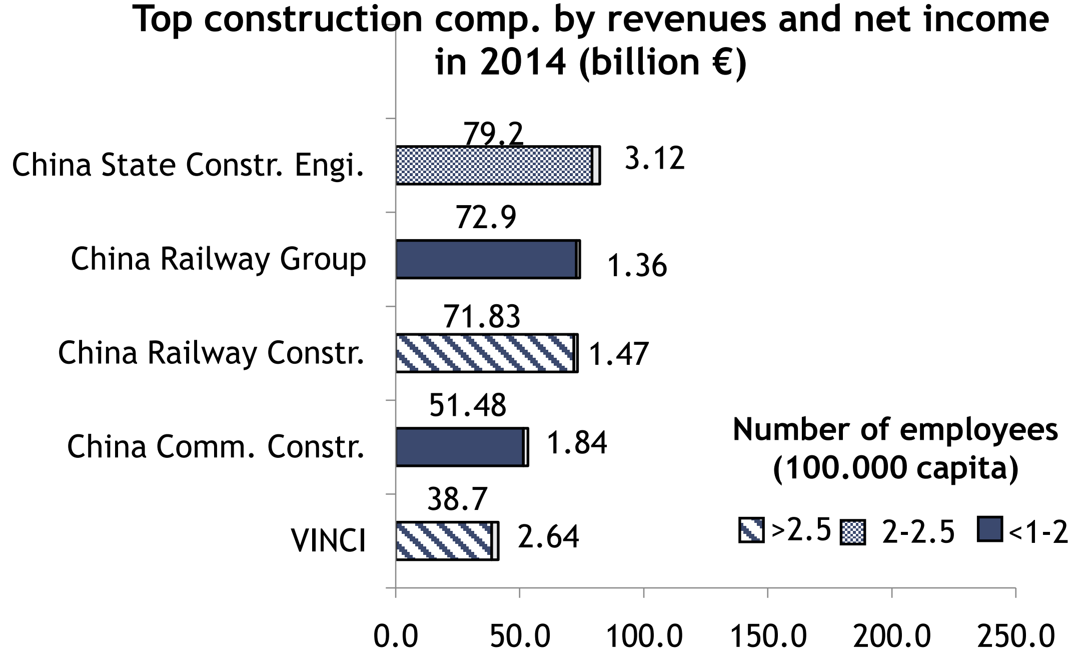
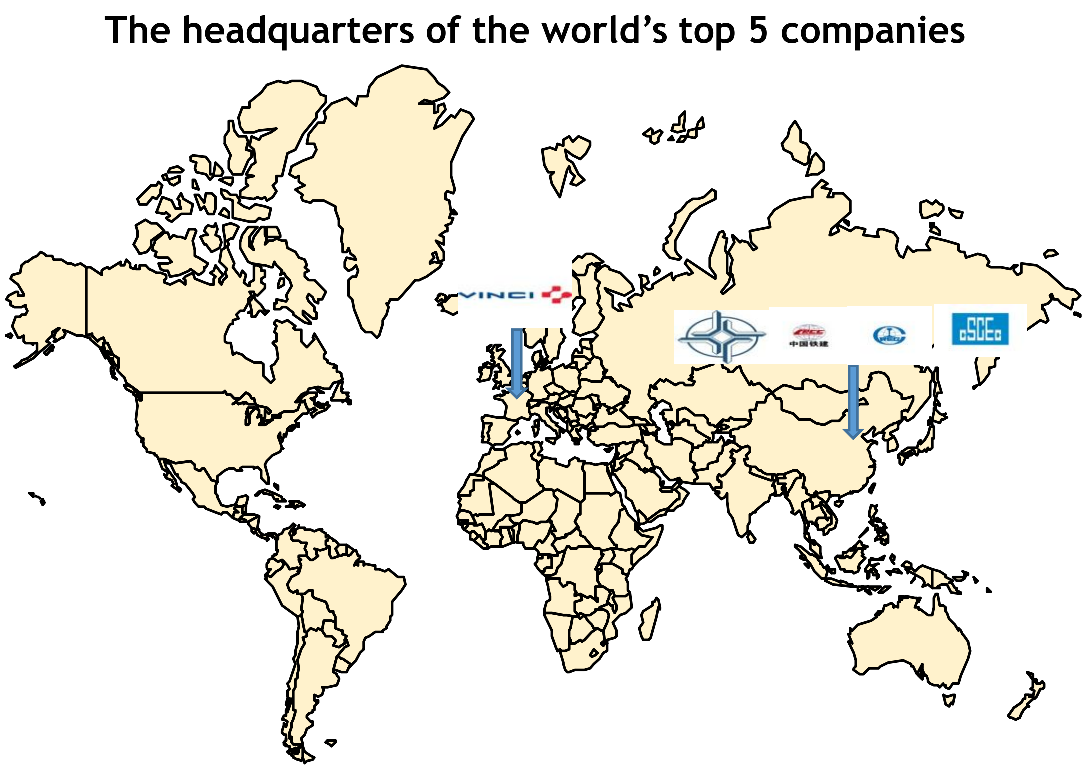
Source: CSImarket.com; prnews.com

Top 5 construction companies (2014)

The world's biggest 5 construction companies in 2015 are mainly situated in Beijing, China, just one of them is in Europe (France).





China State Construction Engineering is the most profitable construction company, with a € 3.12 billion profit. China Railway Group employ the biggest number of employees, approximately 2,5 times more than China Comm. Constr.(about 294 thousand employees)

4 of the world's biggest construction companies are in Beijing, China and just one of them is in Rueil-Malmaison, France.

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Source: forbes.com, portfoliu.hu, insidermonkey.com

Top 5 construction companies (2009-2015)

There hasn’t been much change in the construction companies rankings, the 4 companies from China dominated in the last 5 years the global market.

Company	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	**2009-2015**
China State Constr.		○	○	○	○	○	○
China Railway Group		○	1	○	○	1	○
China Rail. Constr.		○	1	○	○	1	○
China Comm.		○	○	○	○	○	○
Vinci		○	1	1	1	1	○

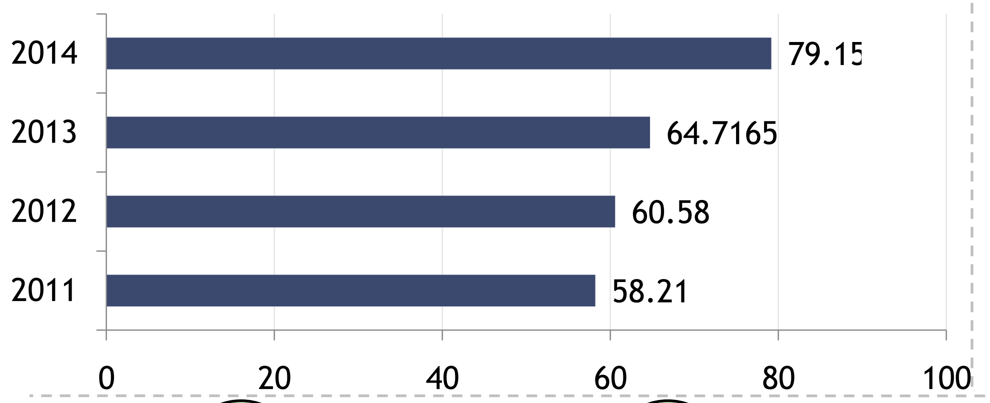
Chine Railway Group and China Railway Constructions switched place in 2011, but by the end of 2014 China Railway Group recovered its second position.

Source: enr.com, forbes.com

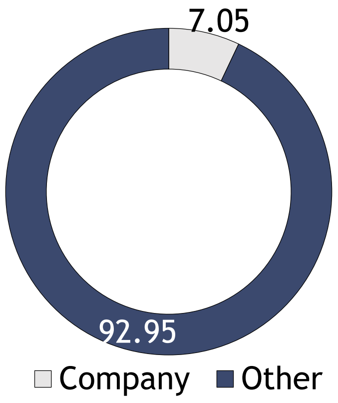
1. China State Construction Engineering

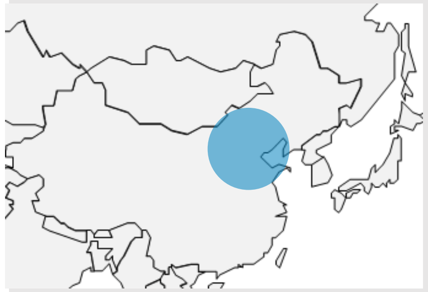
Over 30 years, the company has achieved, by the end of 2013, its total contract value for overseas business of 64.56 billion € and total turnover of 79.15 billion €.

Revenue (Billion €)



Market share (%)





3.12 Billion €

216,824

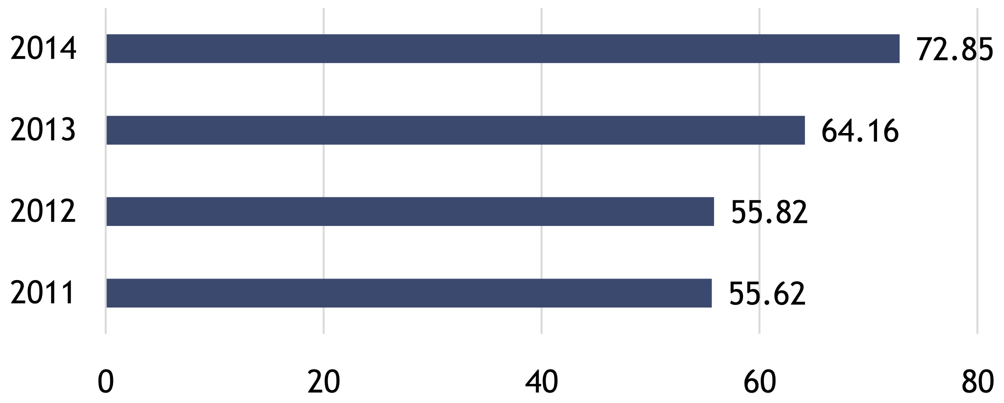
79.15 Billion €

120.48 Billion €

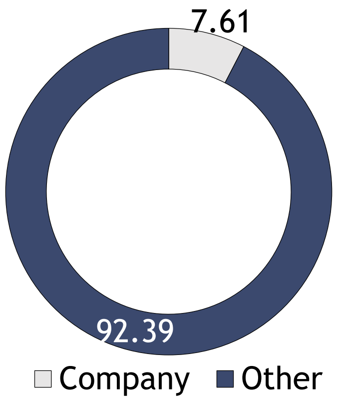
2. China Railway Group

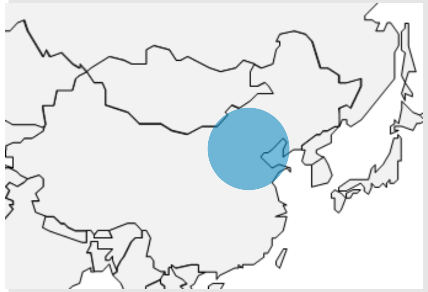
As one of the world's largest construction engineering contractors, China Railway Group Limited has been among the World Top 500 Enterprises for 10 years straight.

Revenue (Billion €)



Market share (%)



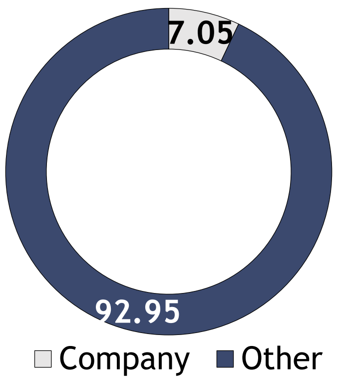


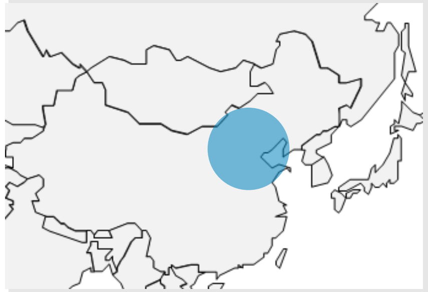
1.36 Billion €	293,592	72.58 Billion €	88.1 Billion €

3. China Railway Construction

CRCC, one of the world's most powerful and largest integrated construction group, ranking the 79th among the Fortune Global 500.

中国铁建





1.47 Billion €

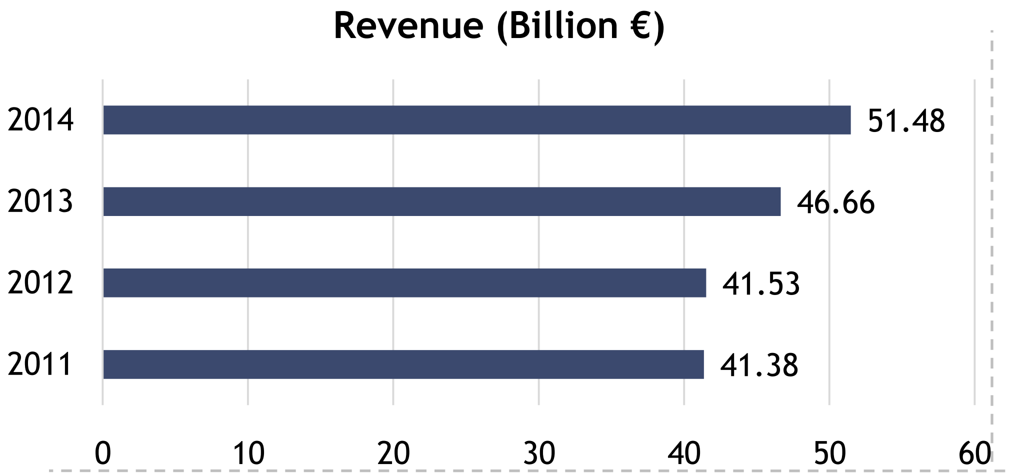
249,624

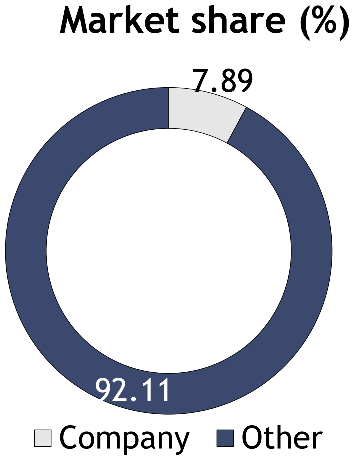
71.83 Billion €

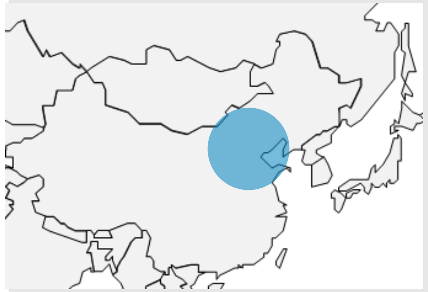
79.6 Billion €

4. China Communications Construction

The Company has actively participated in and competed for projects under external assistance and international contracting projects.



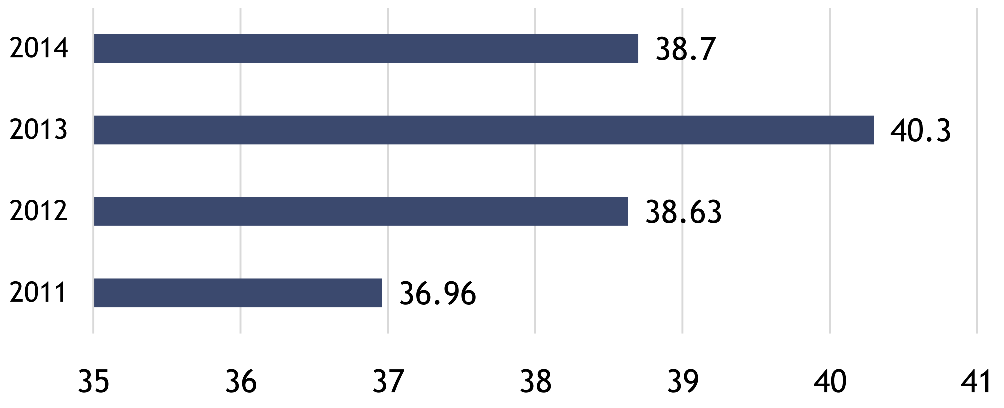


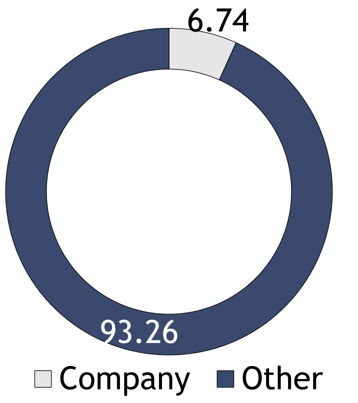


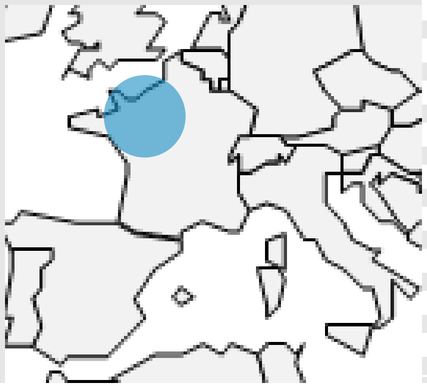
1.84 Billion €	103,357	51.48 Billion €	81.28 Billion €

5. VINCI

VINCI is a global player in concessions and construction, employing more than 185,000 people in some 100 countries.







2.64
Billion €

185,293

38.7
Billion €

62.08
Billion €

Agenda

[Global]

[Europe]

[Romania]

Construction industry

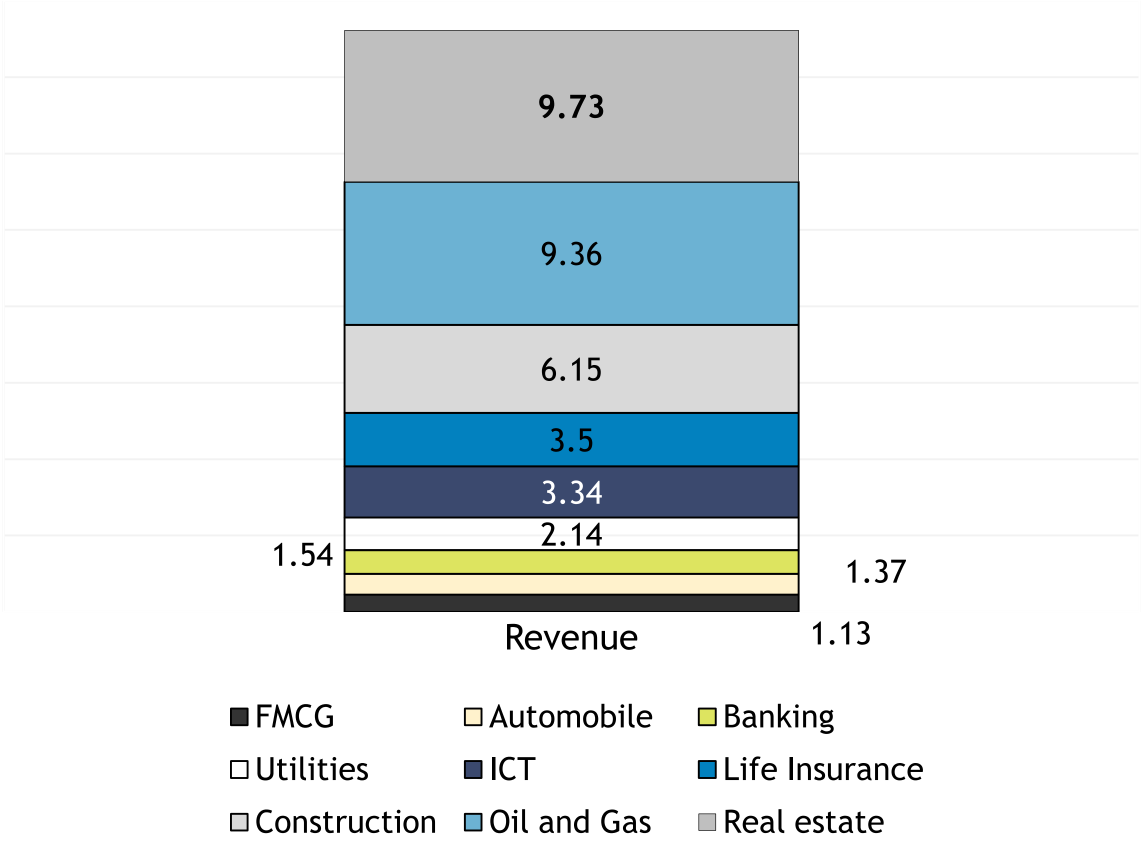
Real Estate industry

[Cluj Napoca]

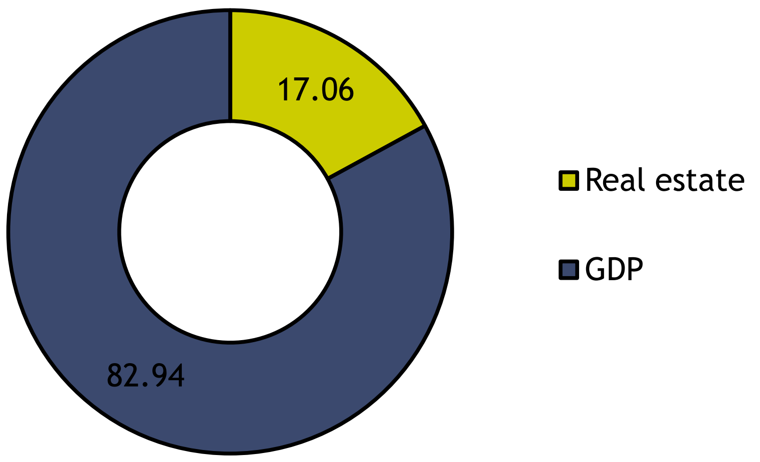
Real estate industry overview- Global (2014)

The real estate market total revenue in 2014 was € 9.73 trillion, reached through a 5,1% yearly average increase from 2010.

The top industries by revenue in 2014 (trillion €)



Size of real estate industry in 2014 (%)



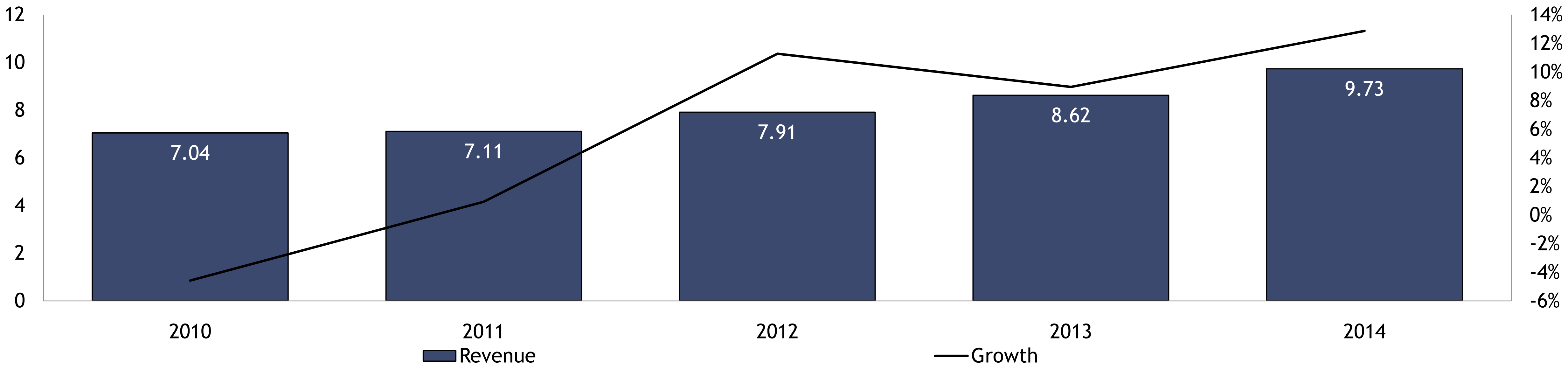
The global real estate market is 9.73 trillion EUR in size, accounting for 17.06% of the global GDP.

Source: prnewswire.com khl-group.com databank.org swissre.com statista.com

Real estate industry by revenue (2010-2014)

The global real estate industry`s size in 2010 was € 7,04 trillion , and with a CAGR of 6,7% it increased to € 9,73 trillion until 2014.

The Global Real Estate sector`s revenue and growth from 2009 to 2014 (trillion €)



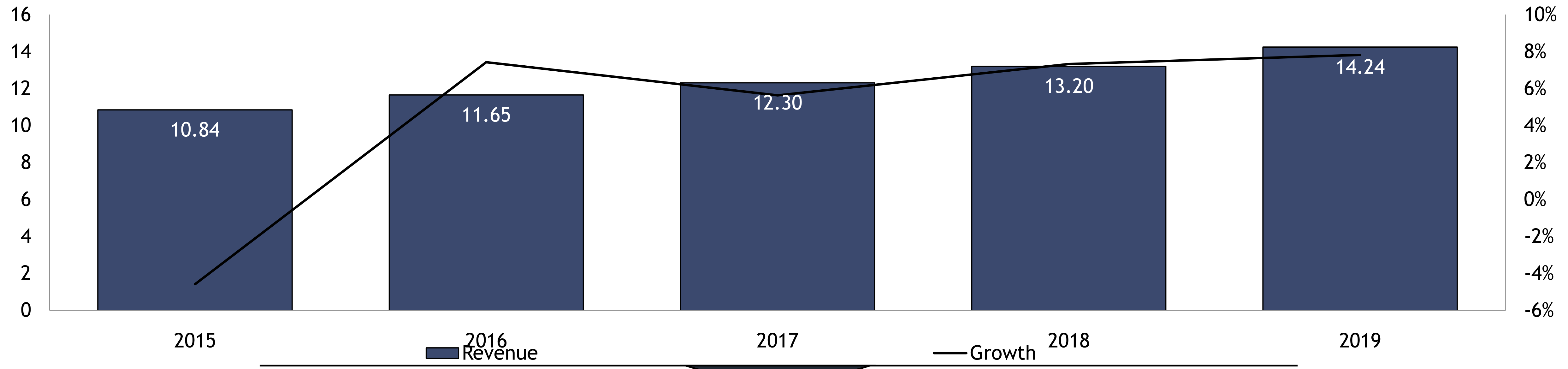
The industry`s size was € 7,04 trillion in 2010, however it increased with a CAGR of 6,7% which represents € 2,68 trillion. With this growth the real estate industry achieved a revenue value of € 9,73 trillion.

Source: ibisworld.com; blackrock.com; pwc.com

Real estate industry by revenue- forecast (2015-2019)

The global real estate industry`s size was € 9,73 trillion in 2014, and it assumably will rise to € 14,24 trillion until 2019 with GAGR of 5,6%.

The Global Real Estate industry`s revenue and growth forecast from 2015 to 2019 (trillion €)



Specialist predictions shows that the global real estate industry will have a revenue level of € 10,84 trillion in 2015. And with a CAGR of 5,6% it will reach € 14,24 trillion by 2019.

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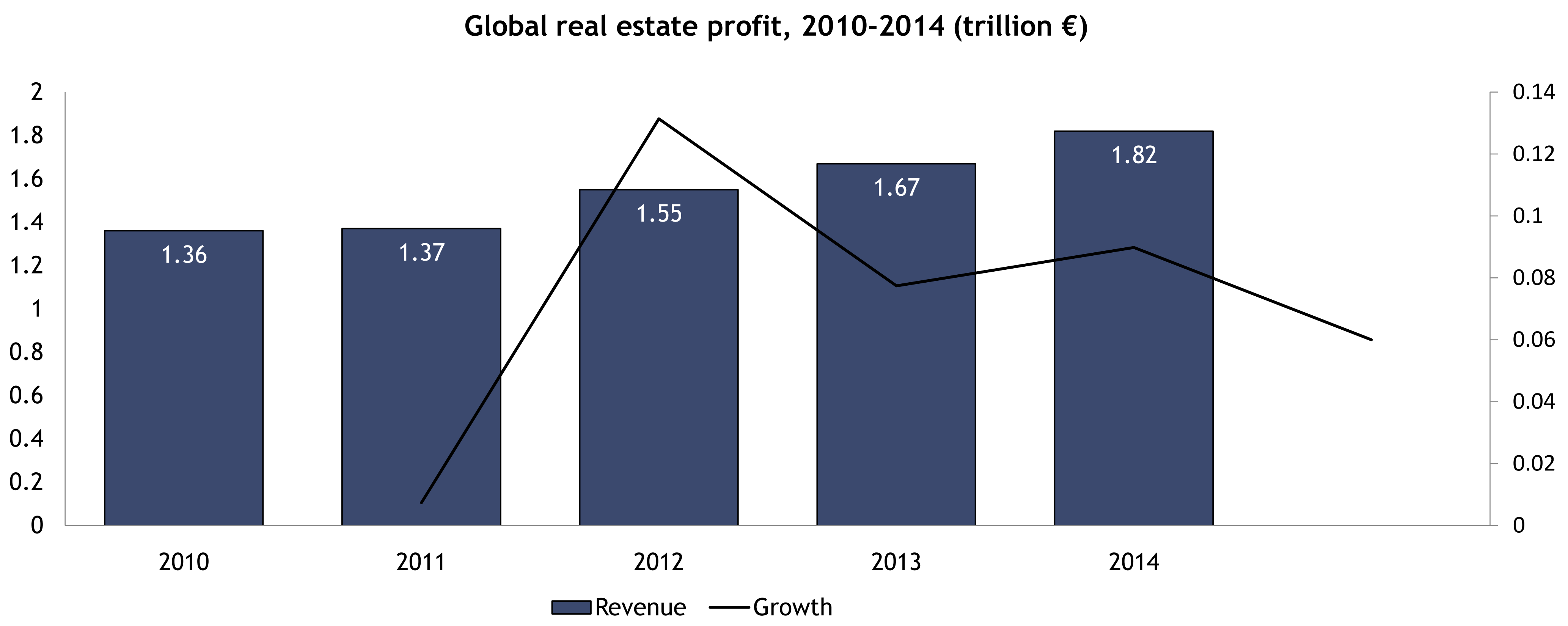
Source: blackrock.com; pwc.com; statista.com

Real estate industry by profit (2010-2014)

The global real estate industry profit registered growth at a 6% CAGR in the 2010-2014 period.

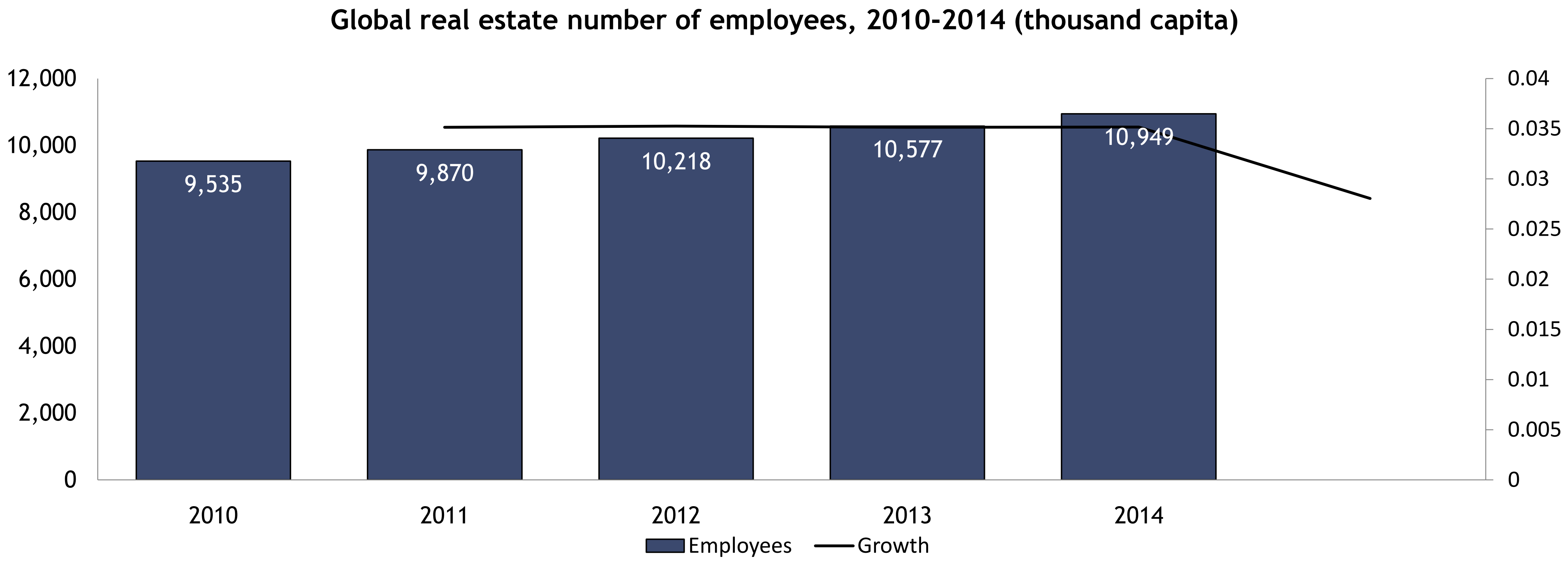


The global real estate profit increased from € 1.36 trillion to € 1.82 trillion in 2014.

Source: globaltimes.com quora.com forbes.com

Real estate industry by employement (2010-2014)

The employment in the real estate sector shows a constant growth at a 2.8% CAGR in the 2010-2014 period.

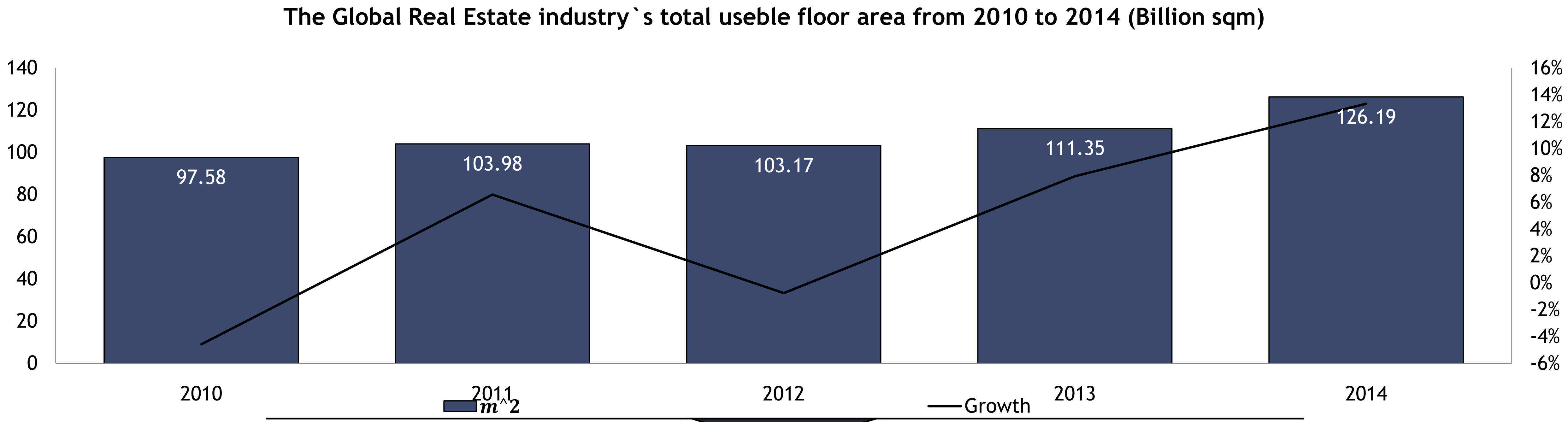


The total number of employees reached 10,949 thousand in 2014 with a yearly average growth rate of 3.5% between 2010 and 2014.

Source: ibisworld.com data.bls.gov statista.com

Real estate industry by GFA* (2010-2014)

The industry`s total useble floor area had a CAGR of 5.3%in the past 5 years. In 2014 it reached a value of 126,19 billion sqm.



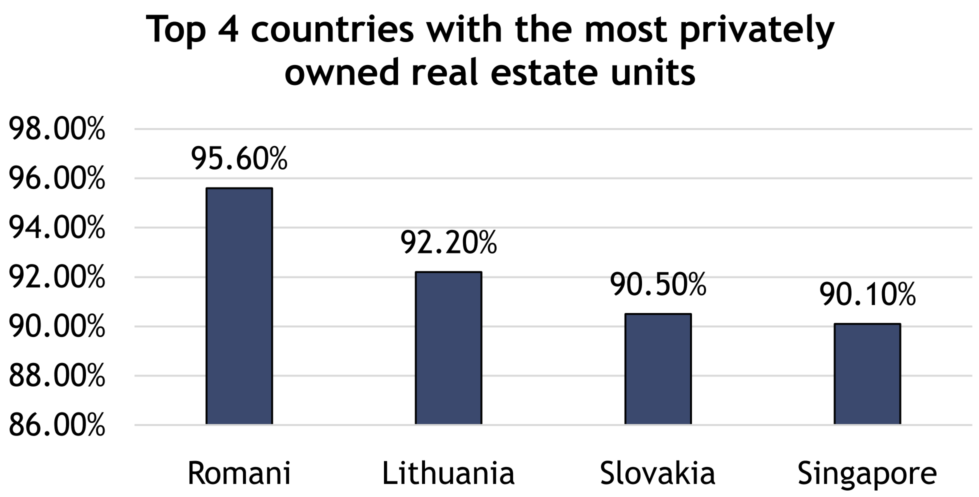
The global real estate industry increased with a CAGR of 5.3%, based on GFA values. Considering the sector`s changes through the years, in 2014 occured the highest growth, 13.3% precisely. By 2014 the total useble floor area value of the sector reached the number of 126,19 billion sqm.

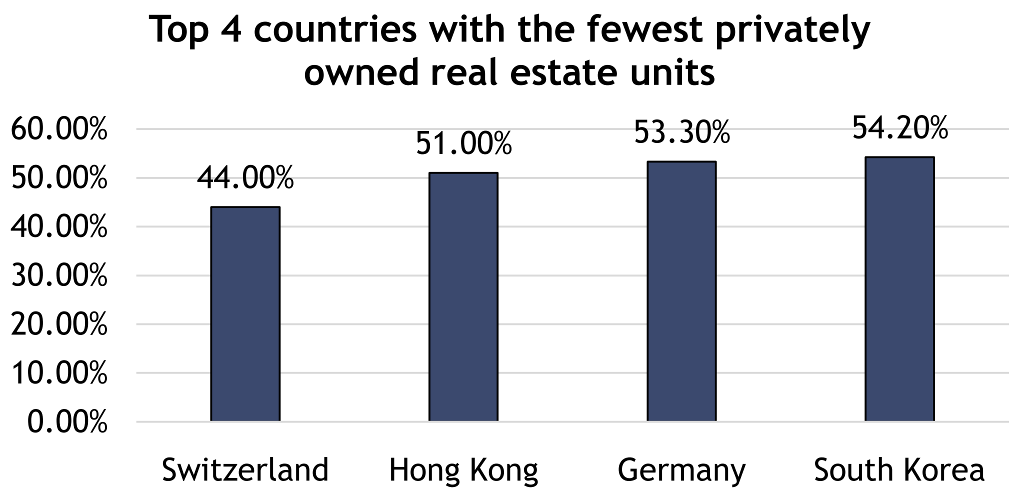
*GFA= gross floor area

Source: BPIR.eu; FMI.com; KHL-group.com

The privately owned real estate statistics

Romania is the leading country regarding the privately owned real estates, while Switzerland is the first at the bottom.



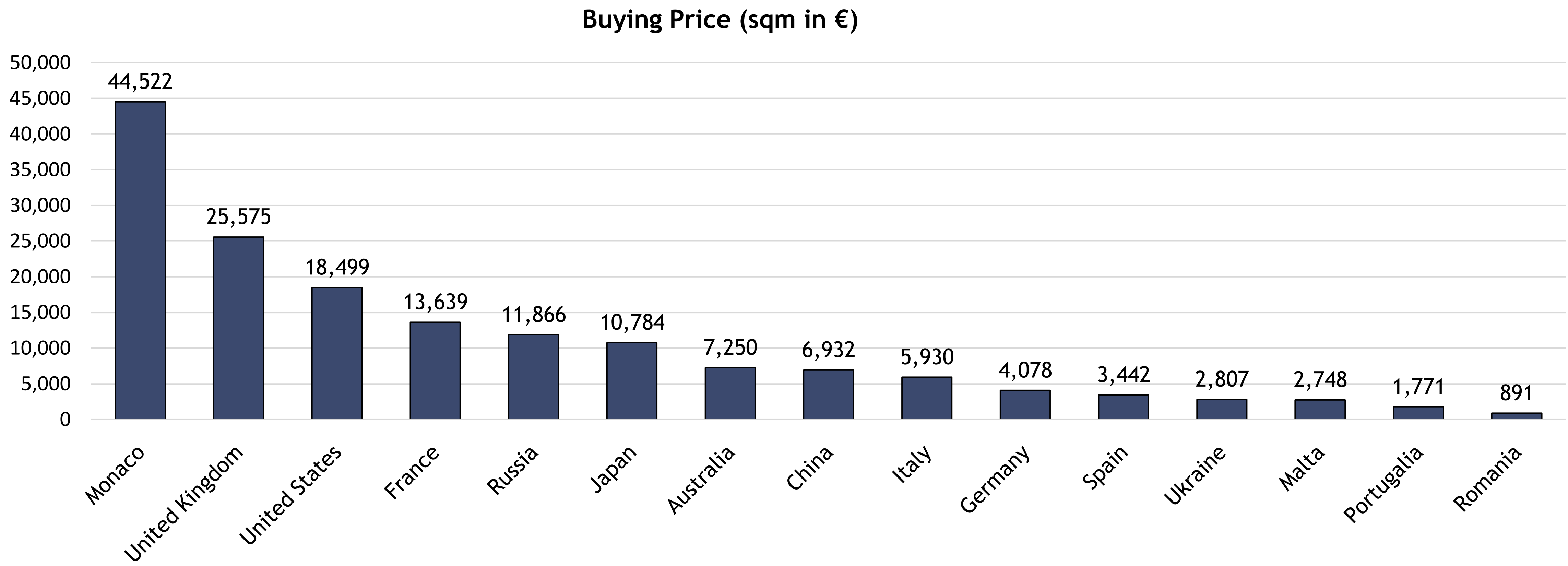


We can observe that in countries where mobility is low, like Romania, people tend to live in their privately owned flats and houses. Complete opposites are Switzerland or Germany, where people are more mobile.

Source: eurostat.com, stats.govt.nz, cso.ie

House prices worldwide (2014)

Monaco is the leader at house prices, having prices almost twice as much as the UK which is in the second place.

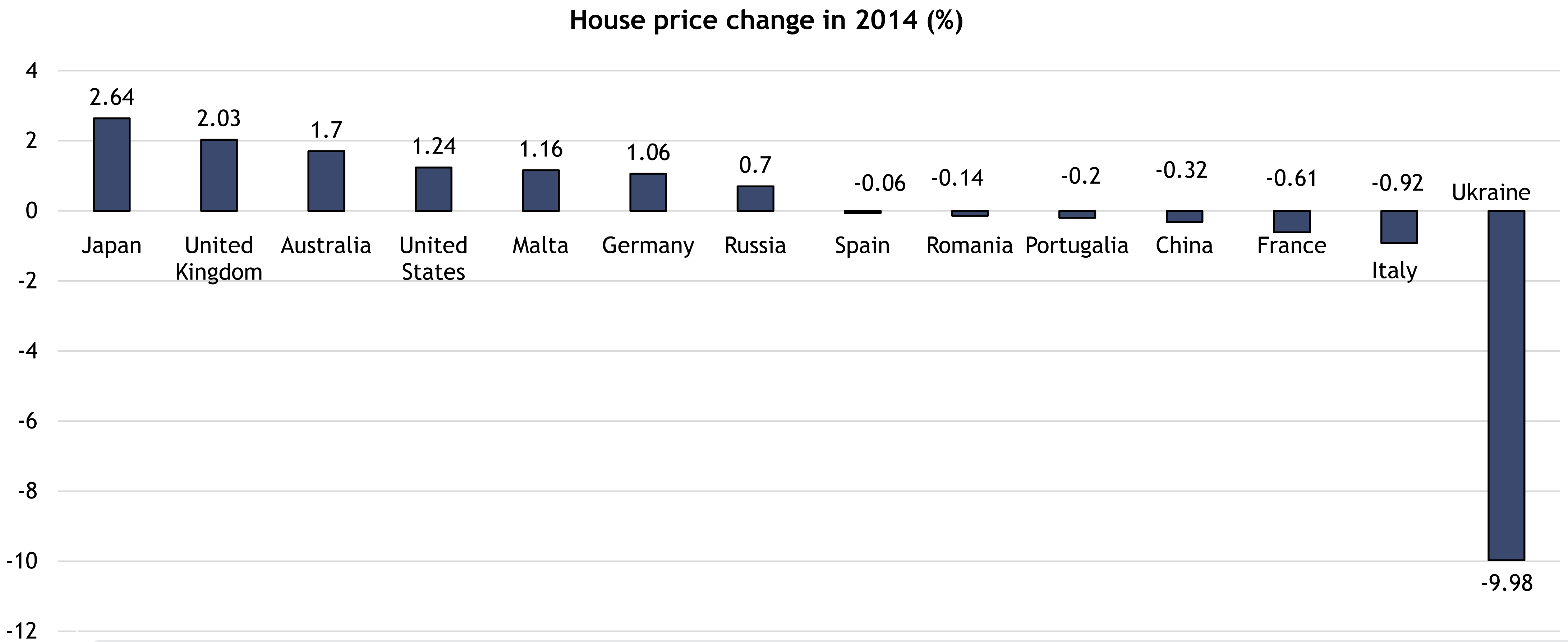


The price of sqm is the highest in Monaco, the price is € 44,522.

Source: globalpropertyguide.com

House prices worldwide (2014)

Japan had the biggest growth regarding house prices, while in Ukraine, because of the unstable political environment the prices dropped almost 10%.

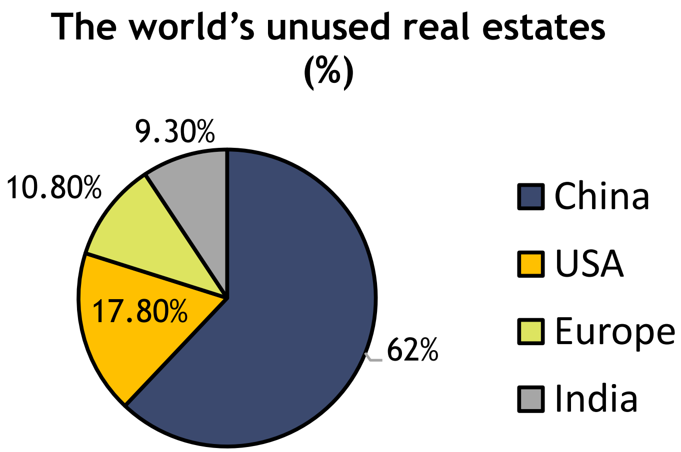


House prices have changed the most in Ukraine, slumping 9,98%.

Source: globalpropertyguide.com

The undeveloped real estate in the world (2014)

The undeveloped real estate's overwhelming part is in China.



The majority of the world's unused real estate is located in China. This can be explained by the fact that whole cities have become unlivable due to natural disasters, the dramatic change of working zones or simply the chinese regime and the burocracy made them unused.

There are no accurate data on the world's unused real estates, but the situation in the USA, Europe and Asia gives a good representation.

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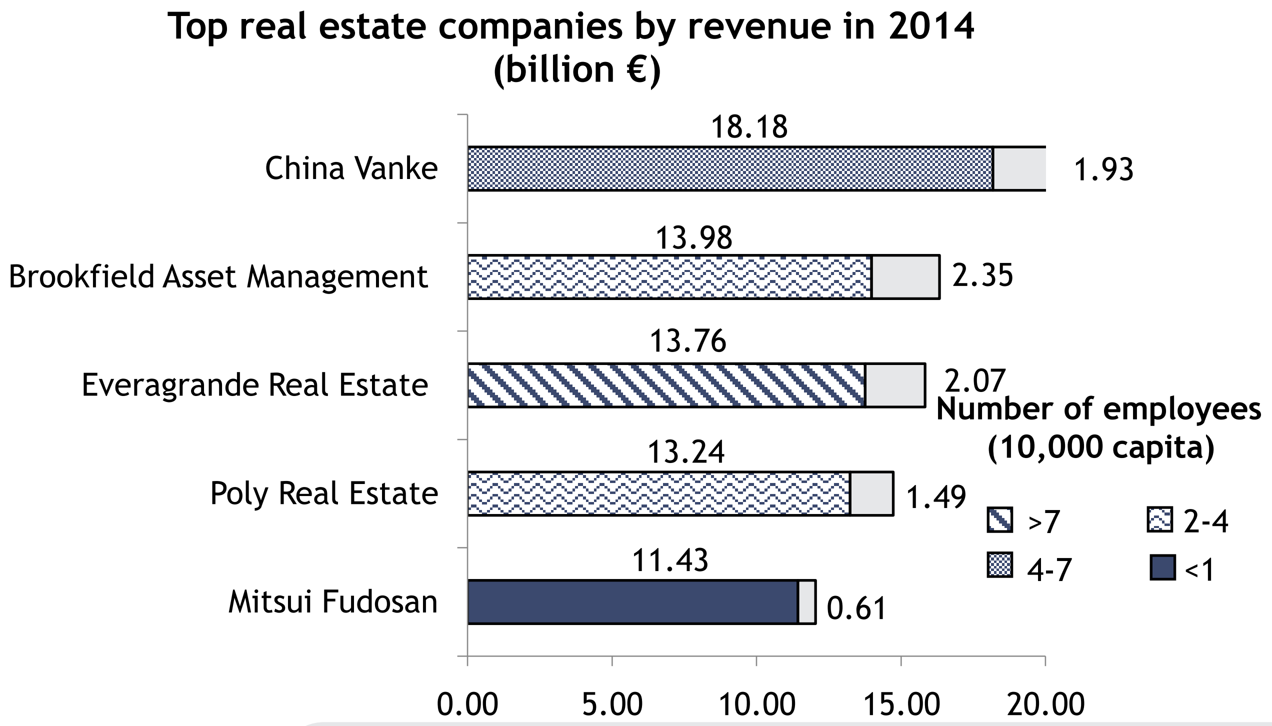
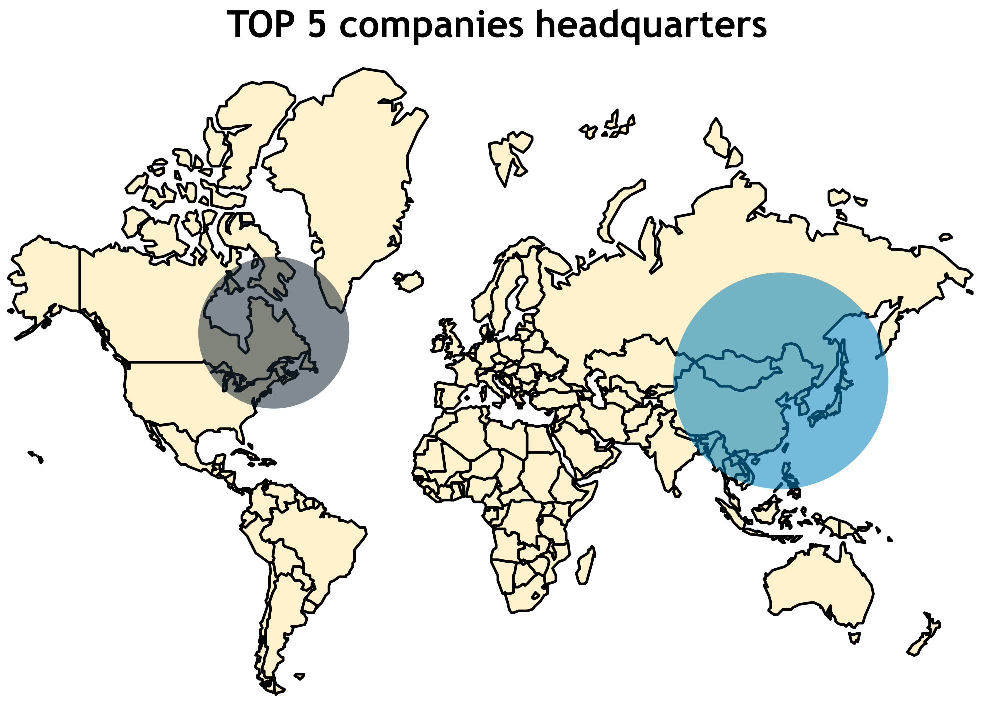
Source: theguardian.com, bbc.com, businessinsider.com

Top 5 real estate companies (2014)

The leading company in 2014 was China Vanke with a € 18.18 billion revenue, but Brookfield Asset Management has the biggest profit (€ 2.35 billion) and Evergrande the most employees (77,057).





The 5 biggest companies **cumulated revenue** in 2014: € **70.59** bill, **7.1%** from the global real industry revenue.

The headquarters of 3 companies are in **China**, the other two are in **Japan** and **Canada**.

forbes.com

Top 5 real estate companies (2010-2014)

China Vanke was the leading company of real estate market with a € 18.18 billion revenue.

	Company	2010-11	2011-12	2012-13	2013-14	**2010-2014**
1.	China Vanke			2		2
2.	Brookfield Asset Management		1	1		
3.	Evergrande Real Estate		1	1	1	1
4.	Poly Real Estate		1	1	1	1
5.	Mitsui Fudosan		1	1	2	4

About 90 percent of Vanke's projects were homes of less than 144 sqm in 2012, which helped it boost sales even as the government maintained property curbs, including tighter lending and restrictions on the number of homes people can own.

Top 5 real estate companies by profit (2010-2014)

The TOP 5 real estate companies ranking by profit was relatively stable in the 2010-2014 period. In 2010-2011 and 2012 Brookfield Asset Management was the leader.

	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Brookfield Asset Management		2		2	
2.	Everagrande Real Estate					
3.	China Vanke		2		2	
4.	Poly Real Estate					
5.	Mitsui Fudosan					

China Vanke full-year profit rose 30 percent in 2011-12 period as it sold more small and medium-sized homes that are less affected by government curbs.

Brookfield Asset Management says 2013 was its best year in more than a century because it launched BPY in this year.

Top 5 real estate companies by employees (2010-2014)

The TOP 5 real estate companies ranking by employees was relatively stable in the 2010-2014 period. The leader is Evergrande Real Estate with more than 77 thousand employees.

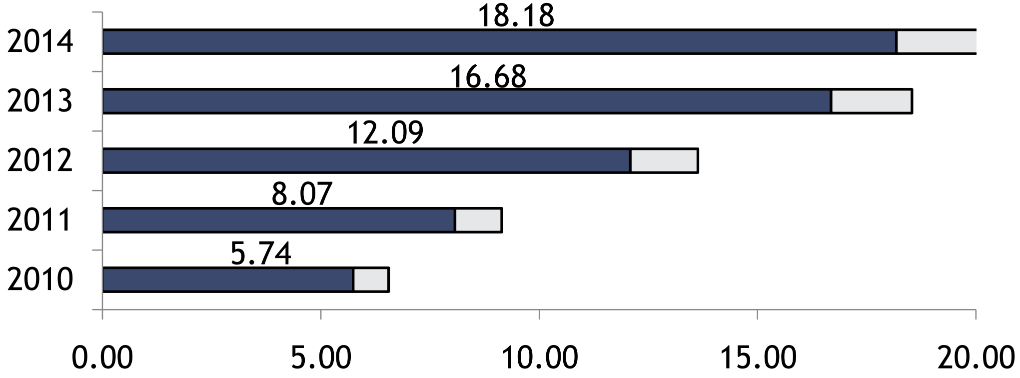
	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Evergrande Real Estate	2				2
2.	China Vanke					
3.	Brookfield Asset Management	2				2
4.	Poly Real Estate		1			1
5.	Mitsui Fudosan		1			1

The biggest change was in 2011 when Evergrande Real Estate company employed more than 13,000 people and that caused the fall of Brookfield Asset Management in the ranking.

1. China Vanke

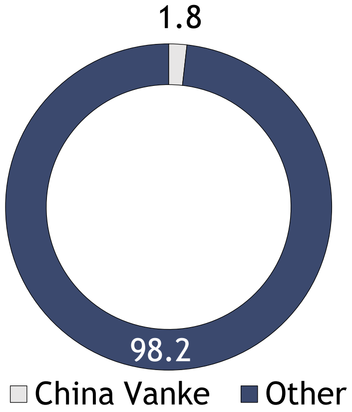
China Vanke operates in more than 60 Chinese cities and had a 1.8% market share with a 18.18 billion EUR revenue in 2014.

Revenue and profit of China Vanke, 2010-2014 (billion €)



40,647

Market share (%)



Shenzhen, China

RFR Holding LLC and Hines
CPP Investment Board
Dalian Wanda
PAG Real Estate
Tishman Speyer Properties

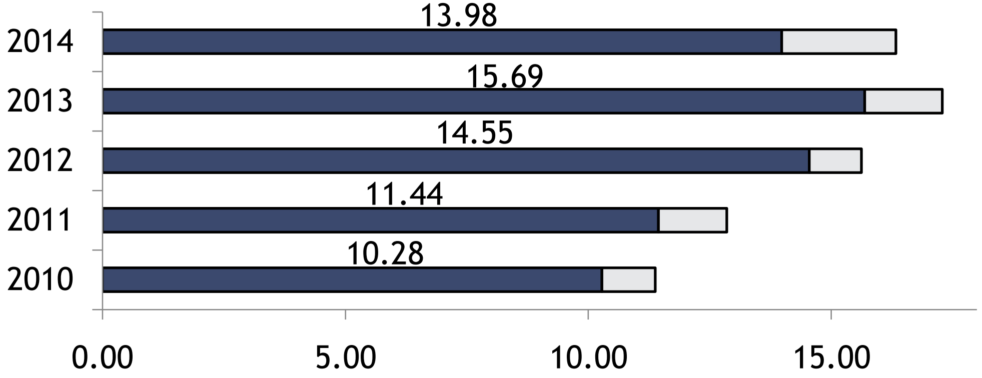
London property development
Real-estate development projects in Hong Kong, Singapore, Los Angeles, and the New York City
Residential property venture in San Francisco (two residential towers in the city)

forbes.com quotes.wsj.com wsj.com cppib.com reuters.com bloomberg.com chinadaily.com vanke.com

2. Brookfield Asset Management

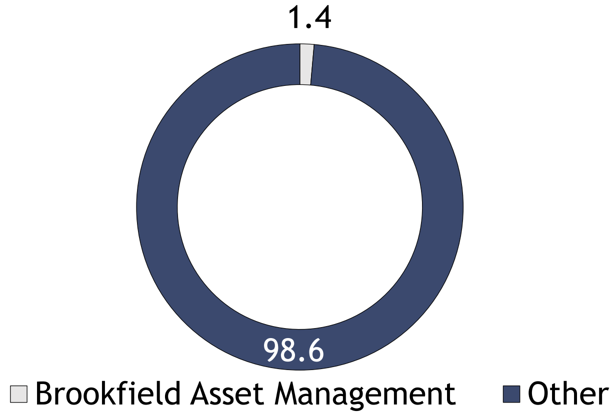
Brookfield Asset Management says 2013 was its best year in more than a century with a 15.69 billion EUR revenue and 1.60 billion EUR profit.

Revenue and profit of Brookfield Asset Management, 2010-2014 (billion €)



30,000

Market share (%)



Headquarter: Toronto
Other: New York, Rio de Janeiro, London, Dubai, Mumbai, Hong Kong, Sydney

Subsidiaries:
Brookfield Property Partners
B. Infrastructure Partners
B. Renewable Energy Partners
B. Capital Partners
B. Investment Management
B. Canada Office Properties

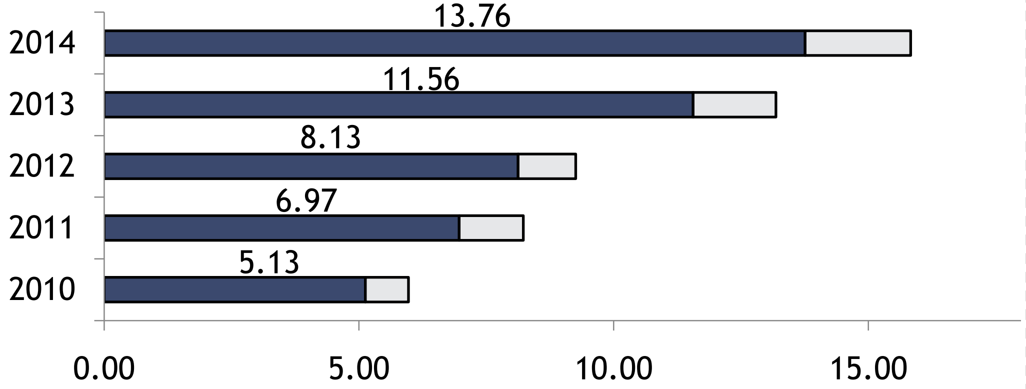
Mumbai-Nashik highway
Six road and three power projects from India
Controls ports in England

forbes.com brookfield.com indiatimes.com proactiveinvestors.com brookfieldofficeproperties.com

3. Evergrande Real Estate

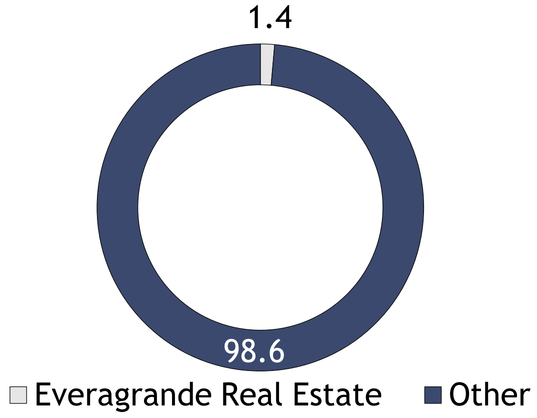
Evergrande Real Estate Group is an integrated residential property developer with a 13.76 billion EUR revenue in 2014.

Revenue and profit of Evergrande Real Estate, 2010-2014 (billion €)



77,057

Market share (%)



Guangzhou, China

Harvard University
Chongqing government

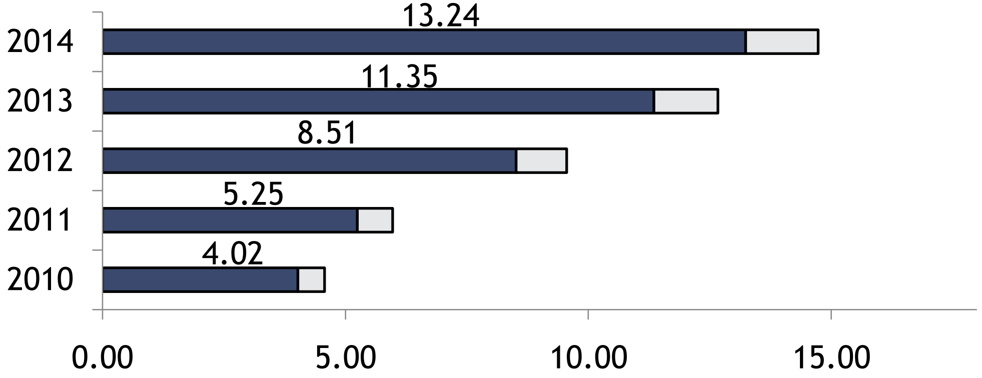
Education projects
Chinese Estates Plaza Hotel properties
Mass Mutual Tower, a prime office block
Two developments in Wuhan
Chinese Estates

forbes.com scmp.com law360.com mingtiandi.com

4. Poly Real Estate

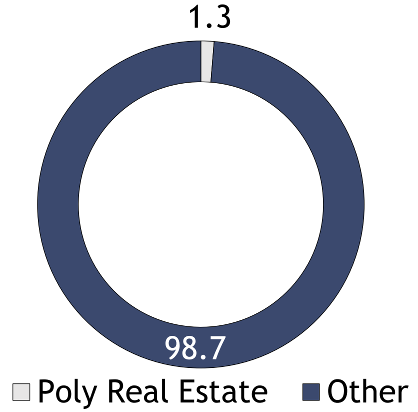
Poly Real Estate engages in real estate development and had a 13.24 billion EUR revenue and 1.49 billion EUR profit in 2014.

Revenue and profit of Poly Real Estate, 2010-2014 (billion €)



27,290

Market share (%)



Guangzhou, China

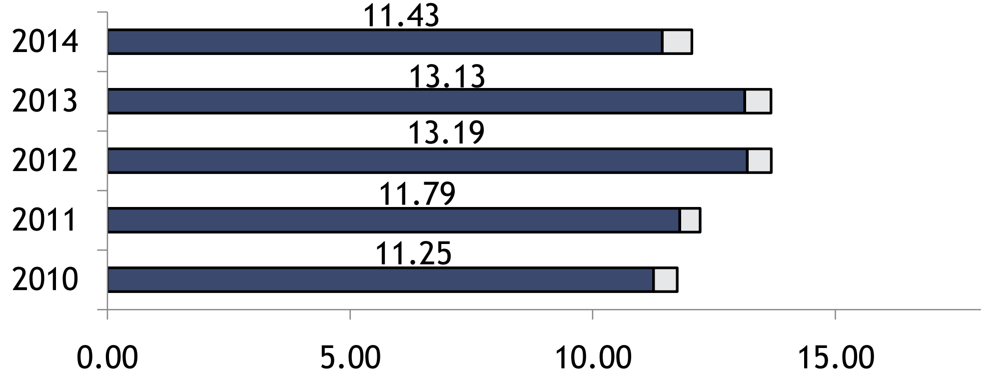
AkzoNobel Decorative Paints

Property development
Commodity residential building distribution
Property management businesses in China.

5. Mitsui Fudosan

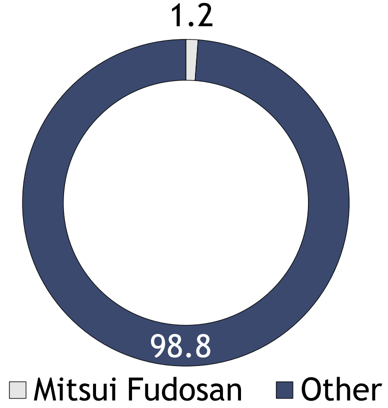
Mitsui Fudosan is Japan’s largest publicly traded real estate company with a total of 11.43 billion EUR revenue in 2014.

Revenue and profit of Mitsui Fudosan, 2010-2014 (billion €)



16,585

Market share (%)



Tokyo, Japan

Tokyo 2020
Taconic Investment
SJP Properties
DLJ Real Estate Capital

Unit Residential Development for Manhattan’s West Side
42-story luxury apartment block in Manhattan
Soon-to-be-vacated home of the British Broadcasting Corp. in London

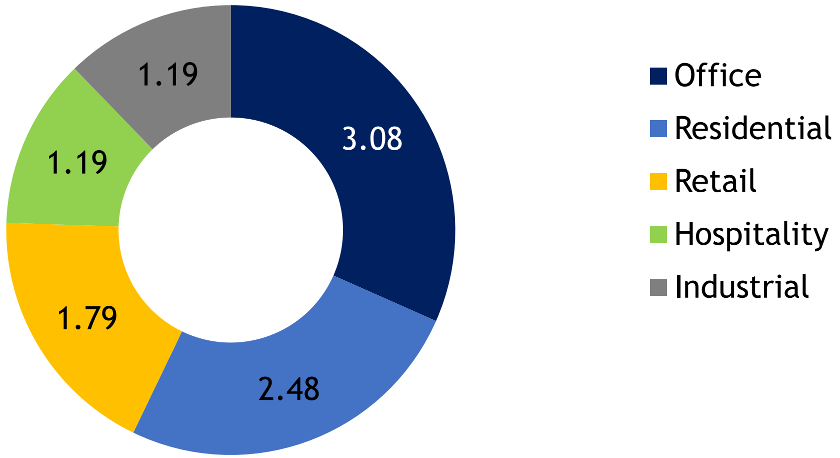
Gazdasági Tanácsadó Klub

forbes.com japantimes.com paralympic.org reuters.com wsj.com

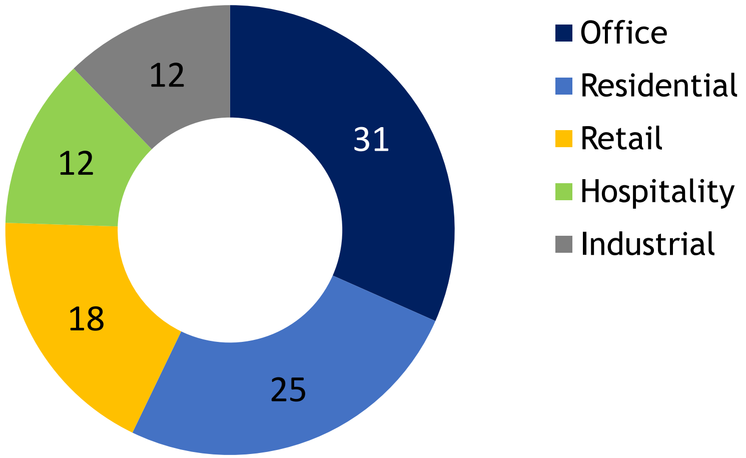
Real estate industry by sectors (2014)

The overall global real estate industry worth 9,73 trillion (€) in 2014. The office sector peaks out from the global real estate market with 3,08 trillion (€) annual investment and 32% market share.

The real estate industry sectors by revenue 2014 (trillion €)



The real estate industry sectors share 2014 (%)



The real estate market amounted for € 9,73 trillion in 2014. The offices sector generated the highest revenue €3,08 trillion. Following it is the residential sector with € 2,48 trillion ,the retail sector has € 1,79 trillion , the hospitality sector worth € 1,19 trillion and finally the industrial sector with € 1,19 trillion.

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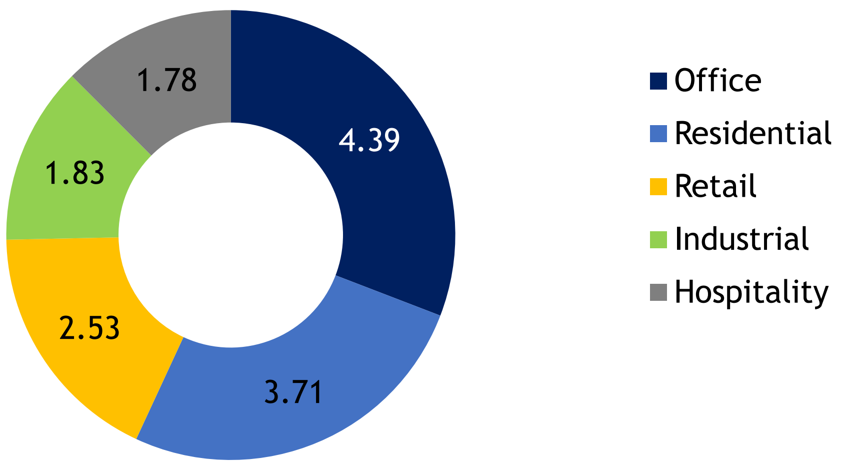
Source: Jll.com, realestate.bnpparibas.com; blackrock.com

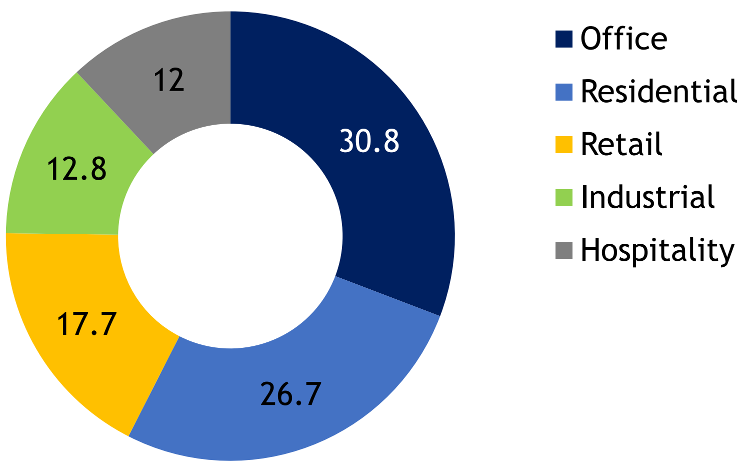
Real Estate industry by sectors- forecast (2019)

The global Real Estate industry will have will worth € 14,24 trillion by 2019. The office sector will remain the leader, and the hospitality will become the last

The real estate industry sectors by revenue 2019 (trillion €)



The real estate industry sectors share 2019 (%)



Presumably the global Real Estate industry will amount for € 14,24 trillion. The office sector will remain the leading one with a revenue value of € 4,39 trillion, the residential will be the second with € 3,71 trillion, the third one will be the retail sector with € 2,53 trillion. The following sector will be the industrial with € 1,83 trillion, and the last one will be the hospitality with a revenue value of €1,78 trillion.

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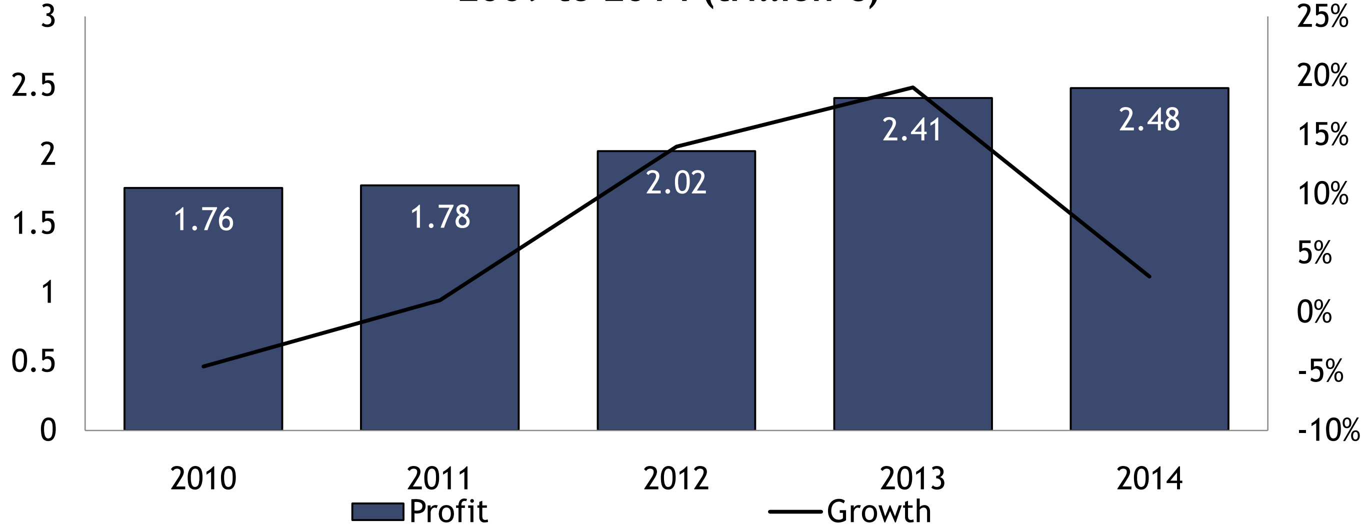
Source: FMI outlook, JLL.com

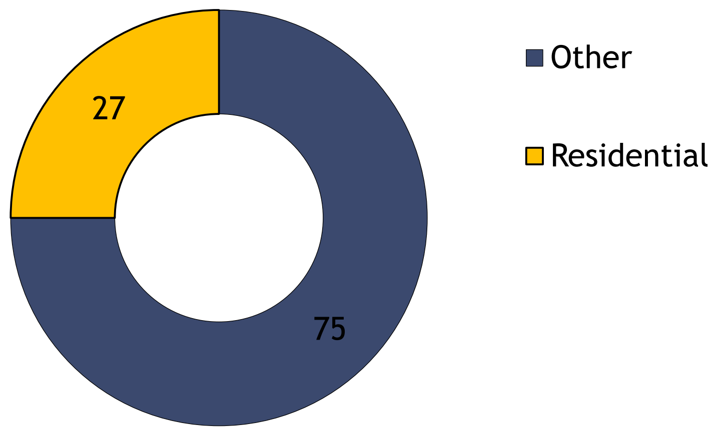
Residential sector by revenue (2010-2014)

The second sector`s revenue grew through the last 5 years by a CAGR of 7.1%. The increase started picking up pace in 2011,in 2013 its growth was 19% and in 2014 it reached a revenue of € 2.48 trillion.

The Residential real estate sector`s revenue and growth from 2009 to 2014 (trillion €)



The real estate industry sectors share 2014 (%)



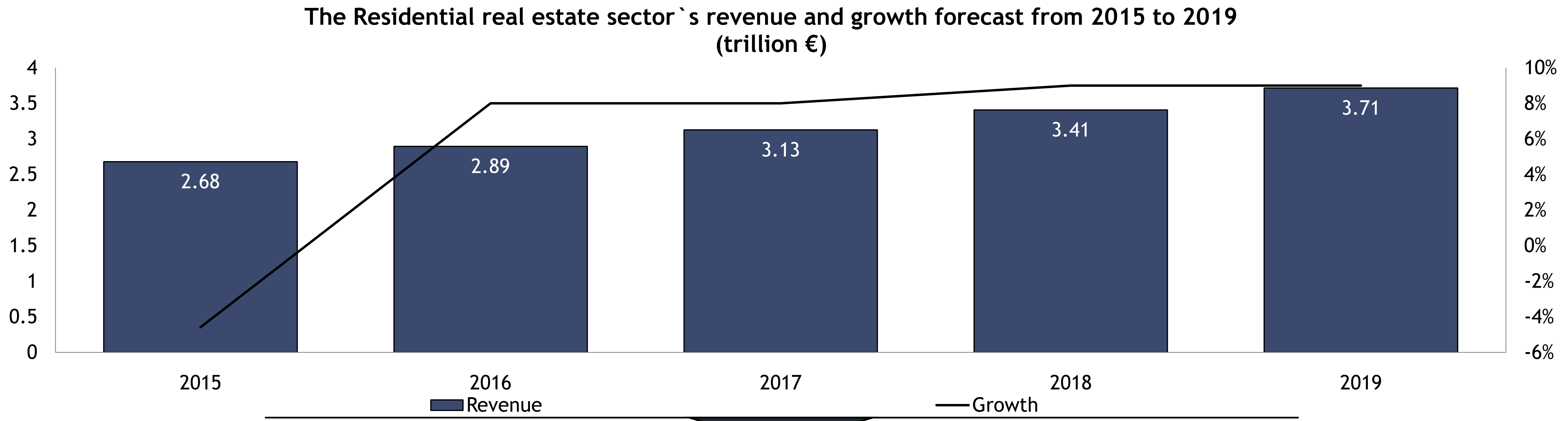
The residential sector shows a stabile growth rate from 2010. Its revenue increased slowly, with an average growth of 5.5% until 2013, when it jumped up to €2.41 trillion, with a growth rate of 19%. In 2014 the rising process continued and the sector`s revenue peaked at € 2.48 trillion.

Gazdasági Tanácsadó Klub

Source: FMI outlook

Residential sector by revenue- forecast (2015-2019)

The global residential sector will perform with an estimated CAGR of 6,7%, and by 2019 it will reach a revenue of € 3,71 trillion.



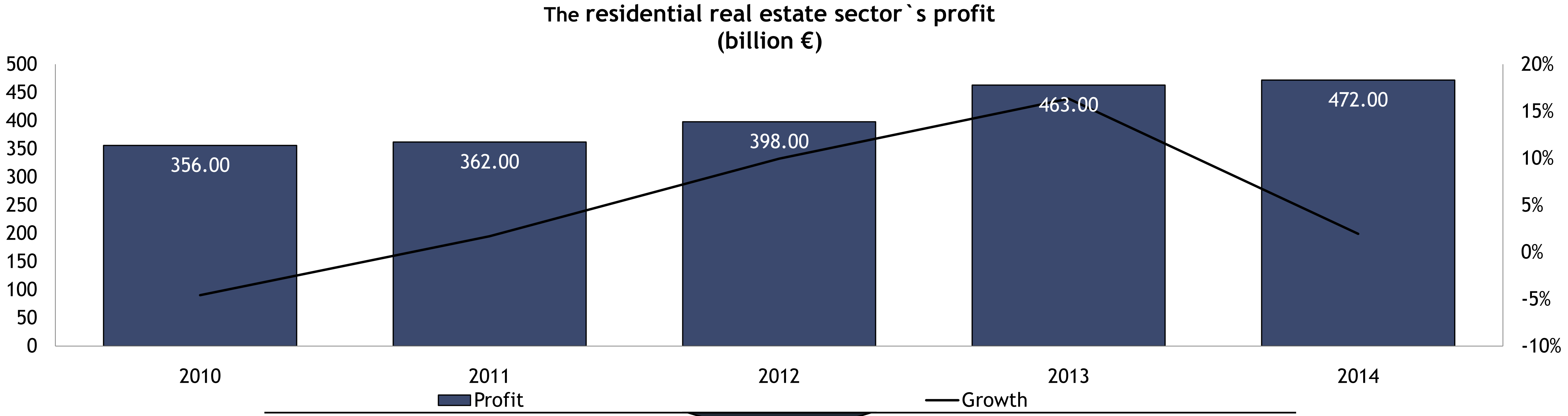
The residential sector from 2015 will increase in a stable manner with a minimum growth rate of 8%. The CAGR in this forecast is 6,7% and if it occures, by 2019 the residential sector will have a revenue of € 3,71 trillion. This values will be enough for the sector to protect its second place in the real estate industry with it`s share of 26%.

Gazdasági Tanácsadó Klub

Source: FMI outlook

Residential sector by profit (2010-2014)

The residential sector's profit grew with more than 20% percent between 2012 and 2014 thank to big revenue growth having a CAGR of 5.8%



With a profit margin of 20.9% between the 5 years, the residential sector is one of the most profitable one, thanks to constant investments an rising prices all around the world.

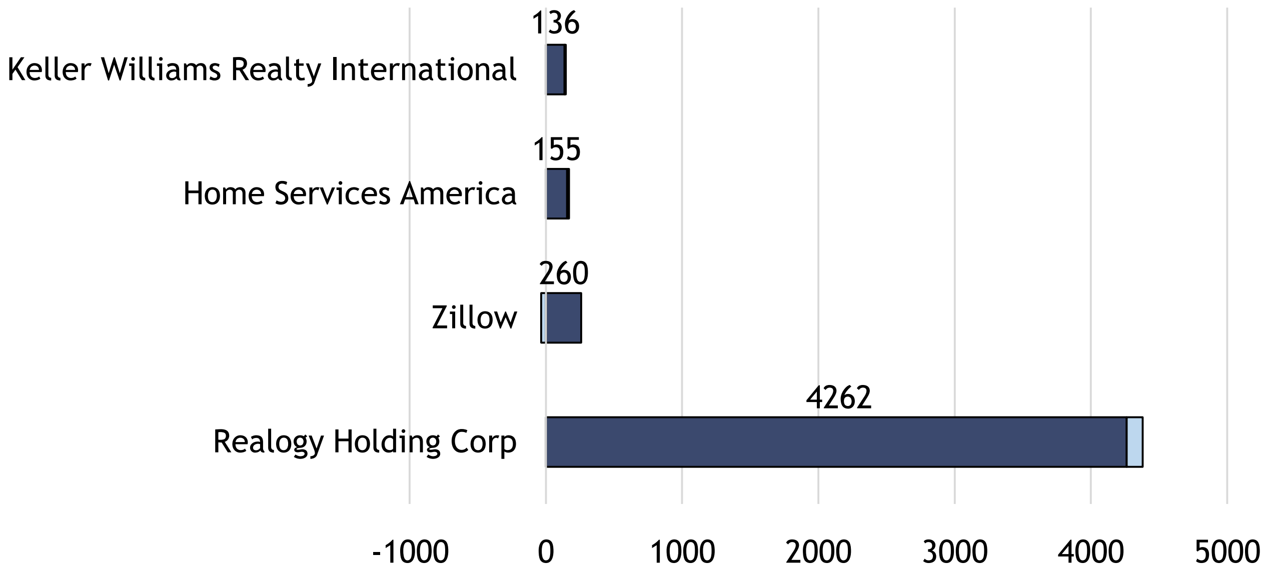
Gazdasági Tanácsadó Klub

Source: FMI outlook

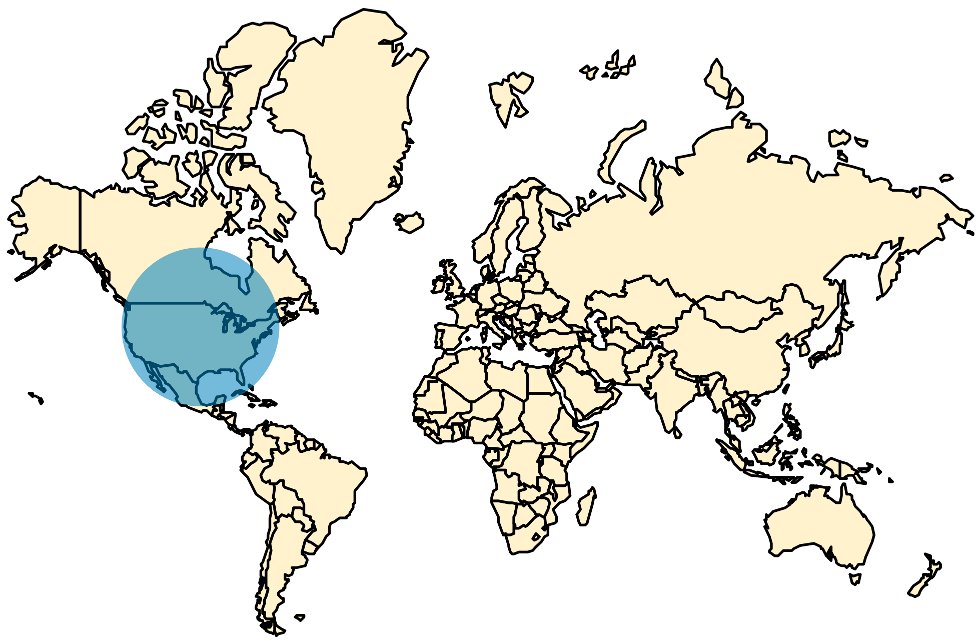
Top 4- residential sector (2010-2014)

The Top 4 companies are dominated by Realogy Holding Corp. which is a huge company compared to the others. All of these companies are located in the United States.

Top 4 residential real estate holders by revenue and profit, 2014 (million €)



TOP 4 companies headquarters



The second company is Zillow, which has registered losses in the last couple of years, but it is important to mention, that Zillow's revenue has grown tenfold in the last 5 years, which is an impressive accomplishment.

Source: sec.gov; amigobulls.com; last10k.com; swanepoel.com

Top 4- residential sector (2010-2014)

Realogy Holding Corp is a huge company so this way it easily keeps the leading position in this category.

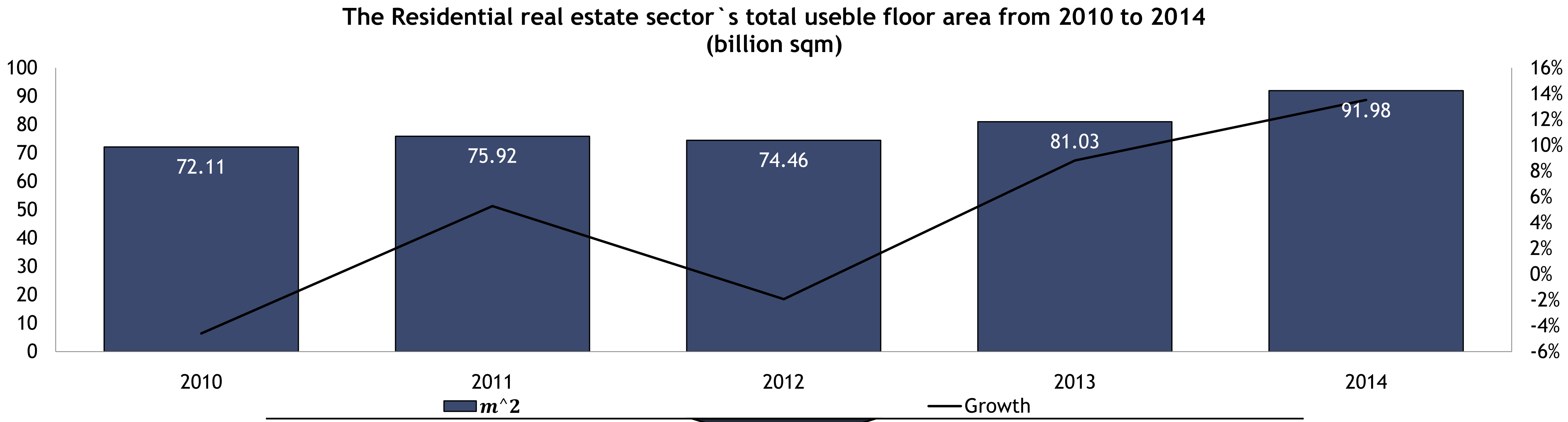
	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Realogy Holding Corp					
2.	Zillow		1	1		2
3.	Home Services America			1		1
4.	Keller Williams Realty International		1			1

Zillow has made huge improvements and by increasing their revenues tenfold they managed to get into the 2nd position.

Keller Williams Realty International is the company with the most agents beating the 95000 count in 2014.

Residential sector by GFA (2010-2014)

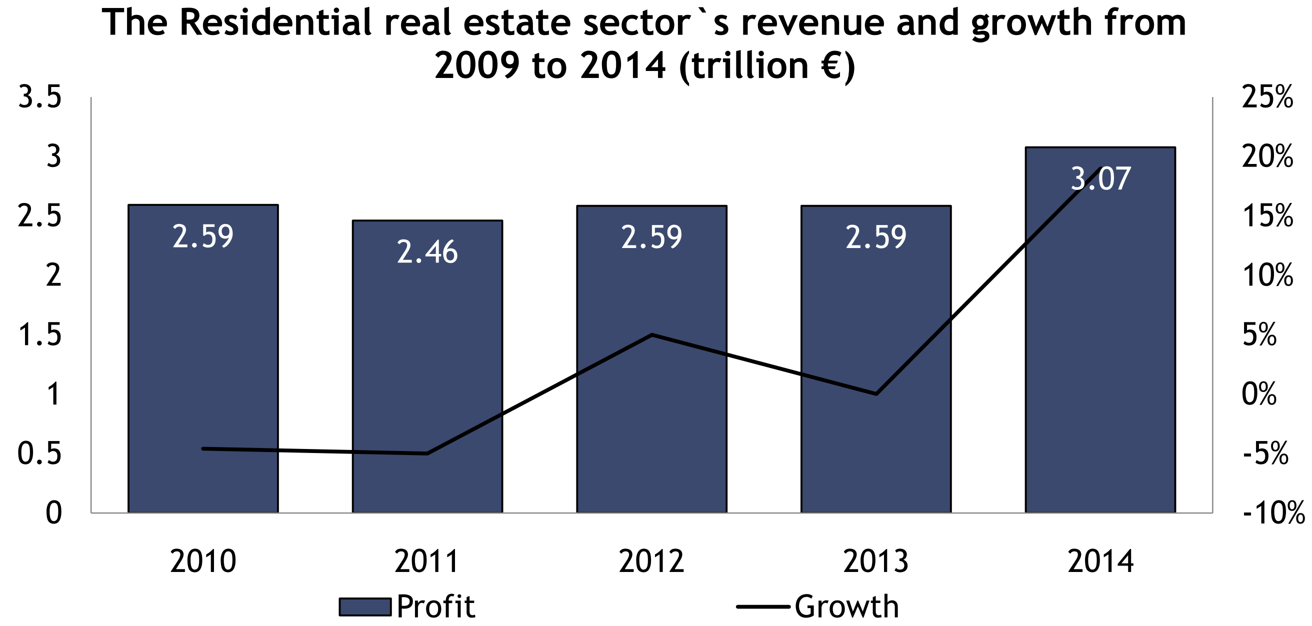
The global residential sector`s gross floor area had a CAGR of 5%in the past 5 years.In 2014 the sector reached a value of 91.98 billion sqm.

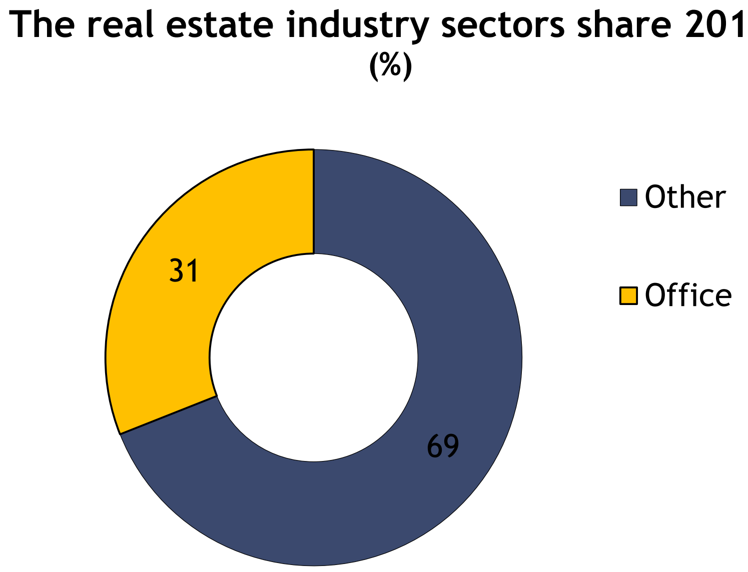


The second sector GFA changes were stabel, the CAGR equaling 5%. Considering the growth rates through the years, the biggest jump occurred in 2013, 13.5% precisely. By 2014 the global residential sector reached the surface of 91.98billion sqm.

Office sector by revenue (2010-2014)

The leading sector`s revenue remained stabile throughout the years, with a CAGR of 3.5%. It was in the worst position at 2011, with € 2.46 trillion, since then it increased until 2014, to € 3.08 trillion, with a 19% growth rate.





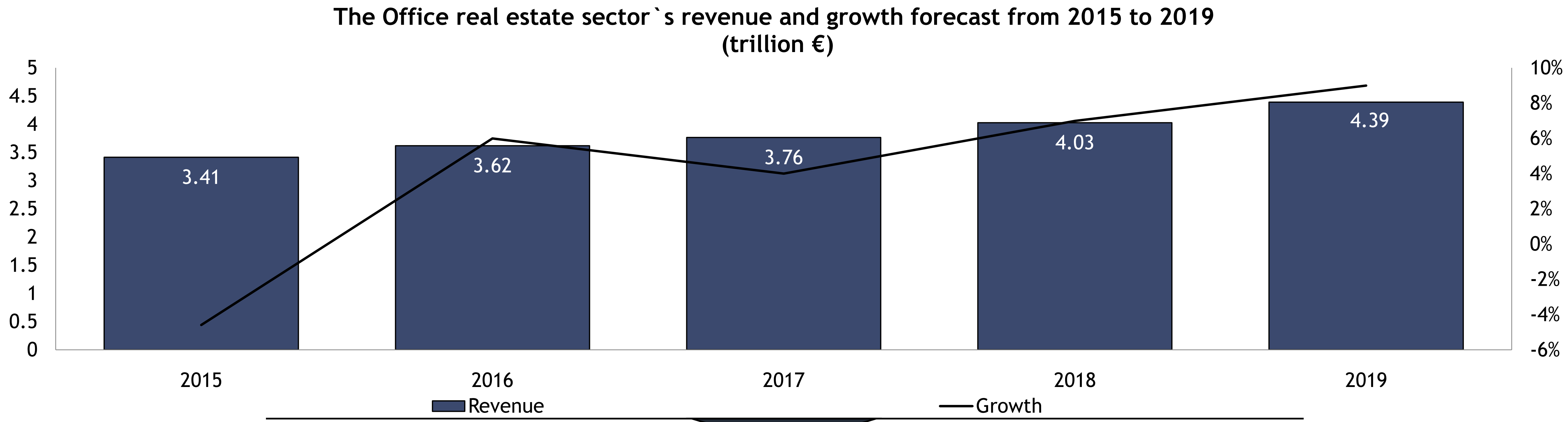
The economic crisis became perceptible around 2009 in the office sector. 2011 was the worst year, with a 5% decrease and a revenue of € 2.46 trillion. But soon after this downfall the sector became stable, and in 2014 with a 19% increase it reached a total revenue of € 3.07 trillion, which is more than enough to remain the leading real estate sector.

Gazdasági Tanácsadó Klub

Source: FMI outlook

Office sector by revenue- forecast (2015-2019)

According to industry sources the global office sector will grow by a CAGR of 5,2%, and by 2019 it will reach a revenue of € 4,39 trillion.

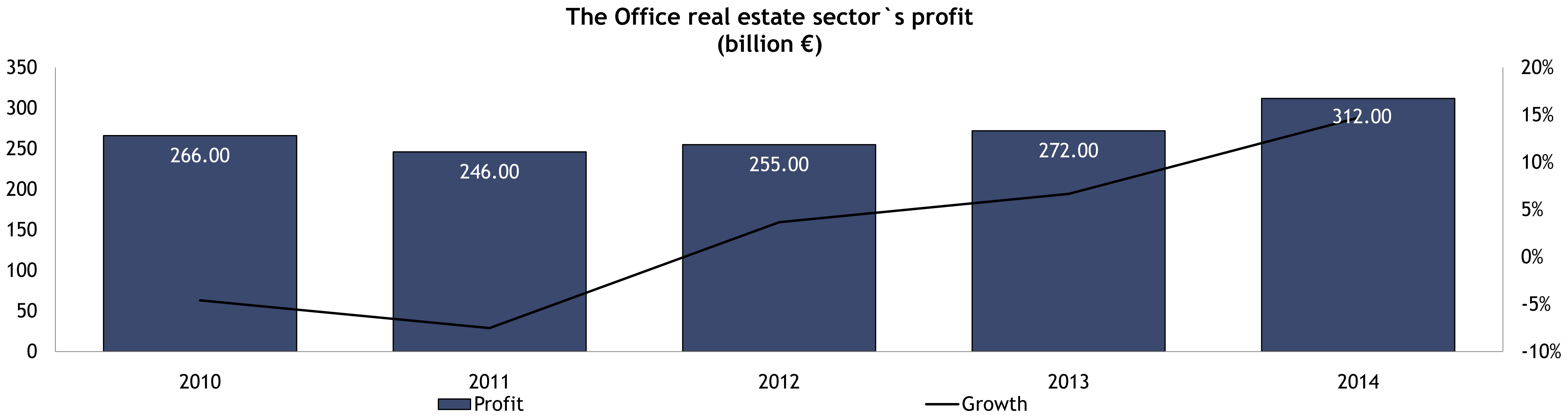


The global office sector will perform well in the near future, it will increase stabily with a CAGR of 5,2%. The slowest growth rate will be a 4% that will occure in 2017. Despite that, by 2019 the office sector`s revenue will reach a value of € 4,39 trillion and it will still be the leading sector in the real estate industry with a share of 31%.

Source: FMI outlook

Office sector by profit (2010-2014)

The office sector's profit grew with 15% percent between 2013 and 2014, having an annual average growth of 3.2%.



The office sector had a fluctuated growth, remaining almost constant within the years, but with a significant growth of 15% in the last year due to big investments, it had an average growth of 3.2% during the five years.

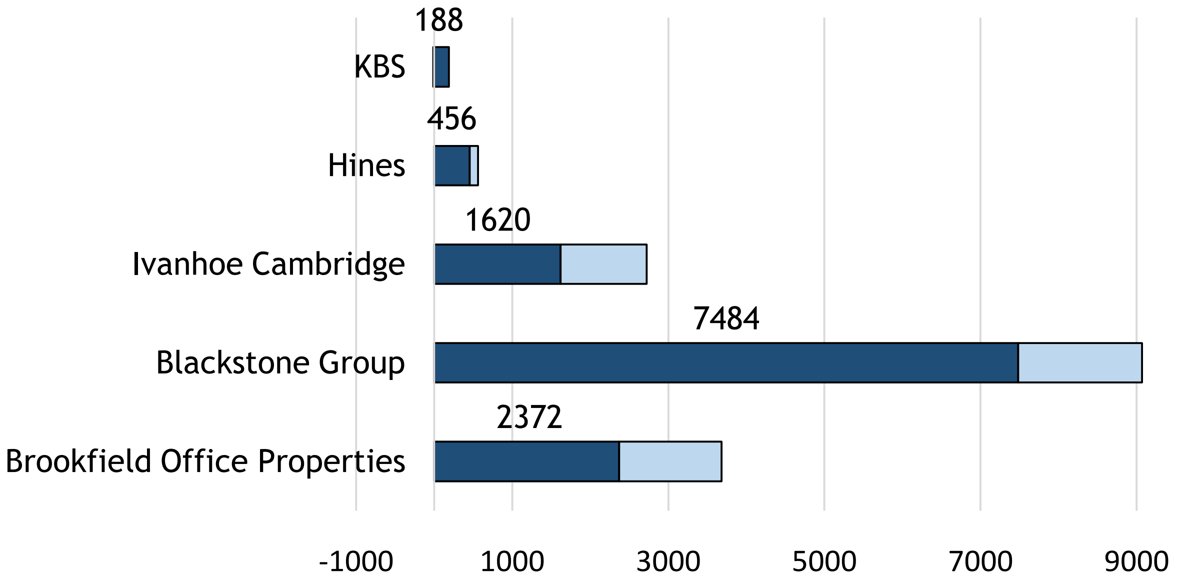
GTK Gazdasági Tanácsadó Klub

Source: FMI outlook

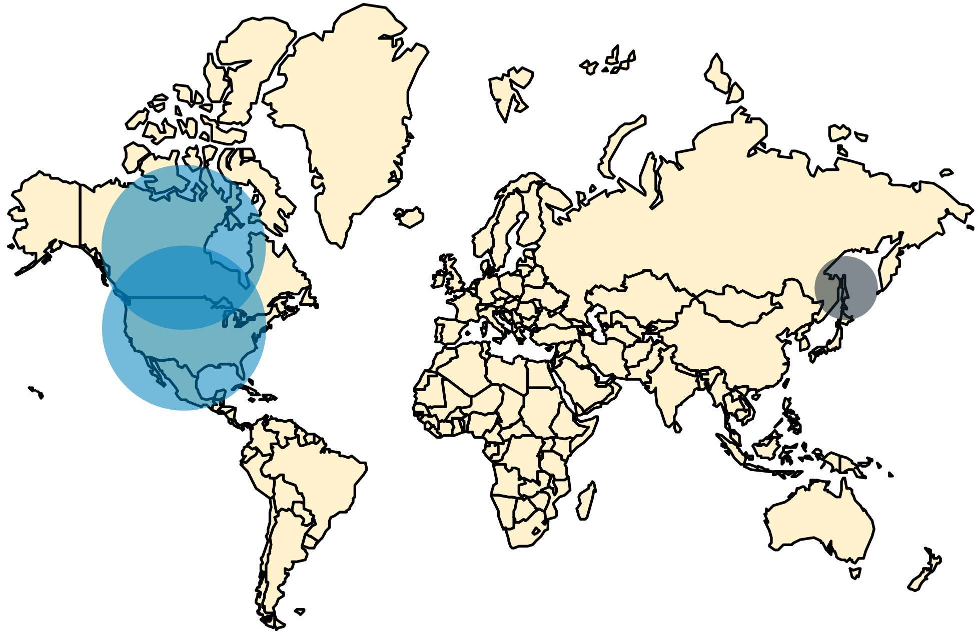
Top 5- office sector (2014)

This sector is the most varied in geographical distribution. Brookfield and Ivanhoe are based in Canada, Hines and Blackstone are from the US, and KBS is from South Korea.

Top 5 office real estate holders by revenue and profit, 2014 (million €)



TOP 5 companies headquarters



Blackstone Group is the leader in revenues, but Brookfield Office Properties works with a higher margin. KBS is the only company which registered losses in 2014, but Hines also was not profitable in the last few years ending its' streak with 2014.

GTK Gazdasági Tanácsadó Klub

Source: nreionline.com; brookfieldofficeproperties.com; cloudfront.net; ir.blackstone.com; reitcanada.com; hinessecurities.com; last10k.com

Top 5- office sector (2010-2014)

Blackstone Group has been a stabile leader in this category, they have doubled their revenues in this 4 year period, in 2014 they managed to beat the 7 billion mark.

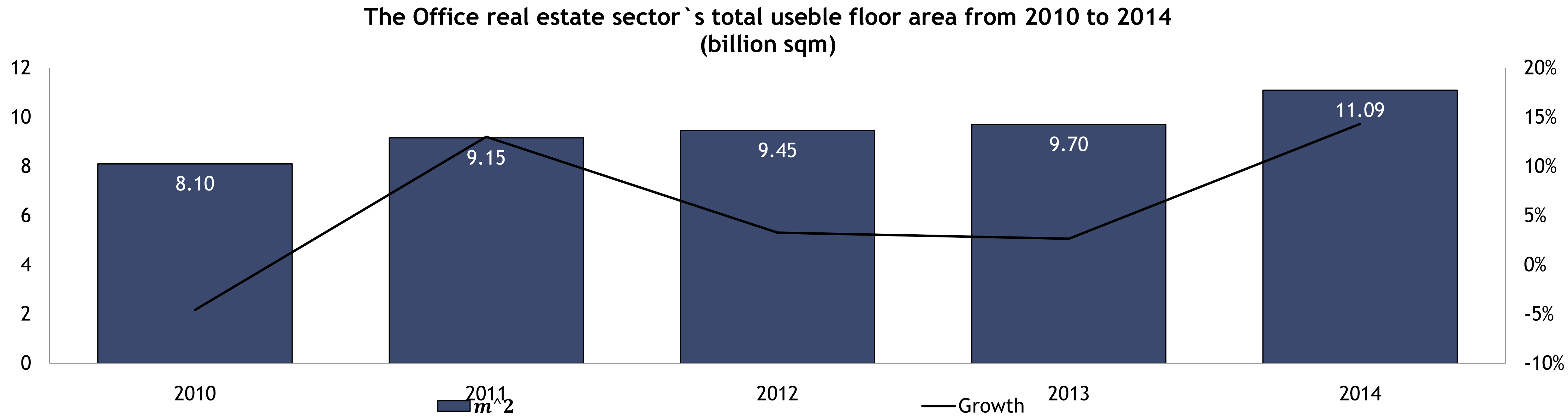
	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Blackstone Group					
2.	Brookfield Office Properties					
3.	Ivanhoe Cambridge					
4.	Hines					
5.	KBS					

The competition was entirely static in the last four years. KBS and Hines have relatively small numbers compared to these companies. The only tension was between the 2nd and 3rd positions, but Brookfield Office Properties have successfully kept their position.

Source: nreionline.com; brookfieldofficeproperties.com; cloudfront.net; ir.blackstone.com; reitcanada.com; hinessecurities.com; last10k.com

Office sector by GFA (2010-2014)

The global office sector`s total useble floor area had a CAGR of 6.5% in the past 5 years. In 2014 the sector reached a value of 11.09 billion sqm.

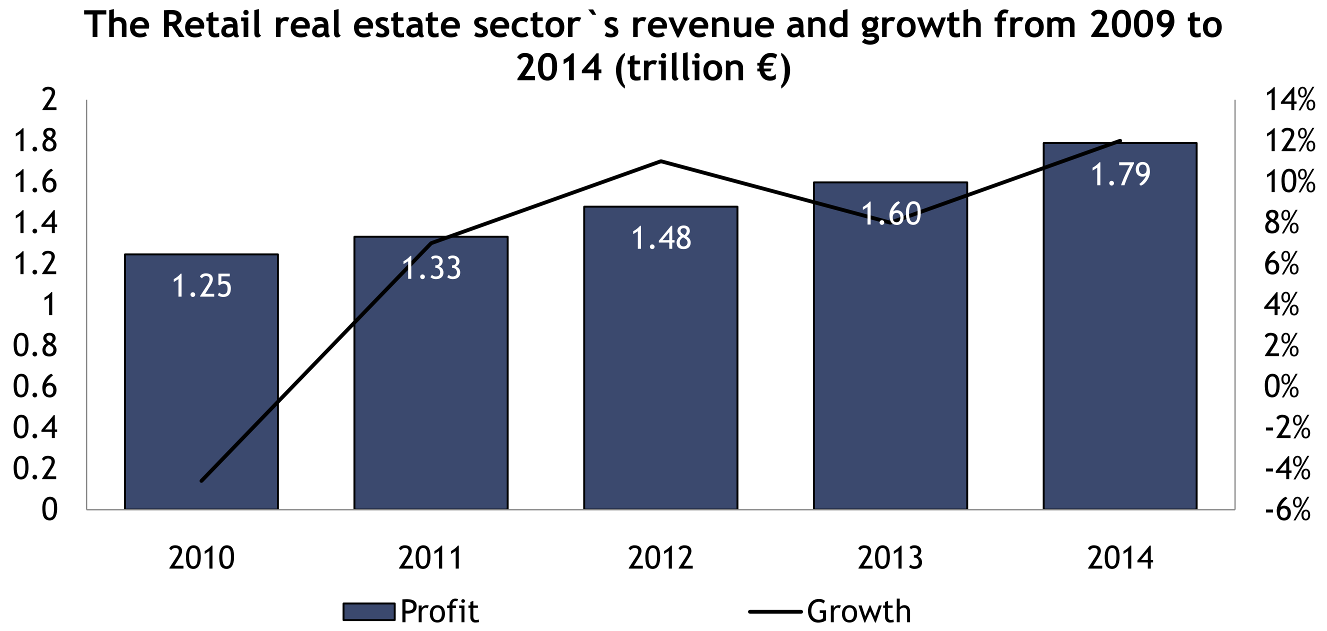


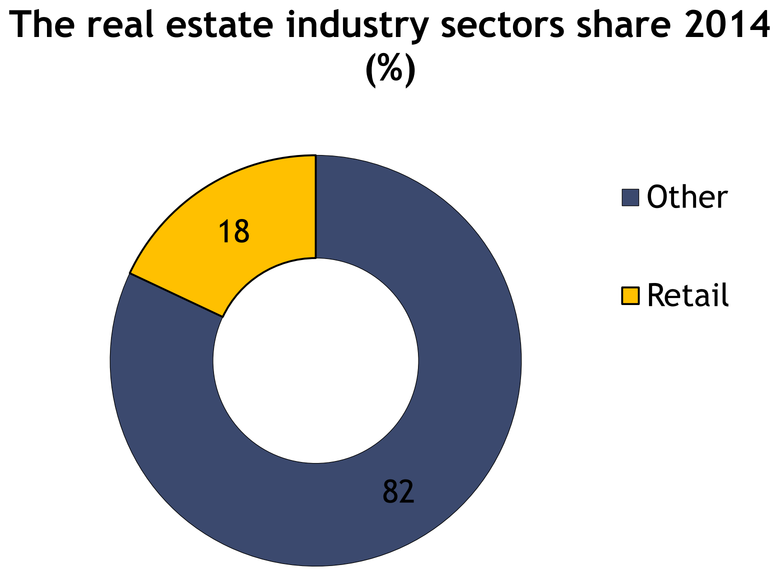
The leading global real estate sector increased by a CAGR of 6.5%, based on GFA values. Considering the changes through the years, 2014 steps out with the highest growth rate of 14%. By 2014 the sector`s GFA will have reached a number of 11.09 billion sqm.

Source: BPIR.eu; FMI.com; KHL-group.com

Retail sector by revenue (2010-2014)

The commercial sector has a CAGR of 7.5%, and showed a stable increase from 2010. At 2014 it reached a revenue of € 1.79 trillion, with a 12% growth.



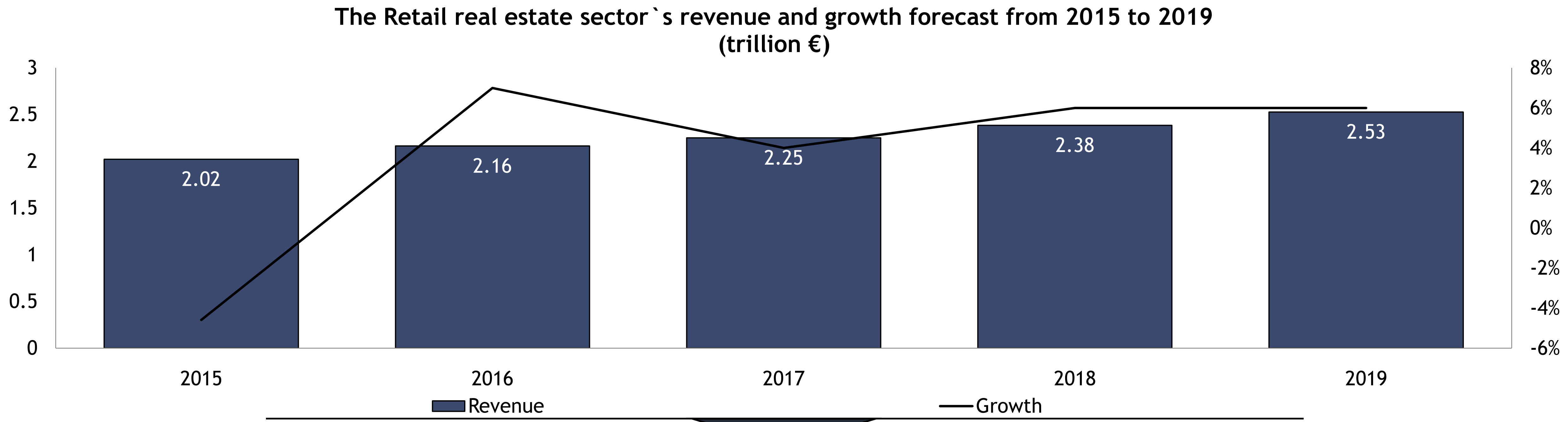


The retail sector from it`s revenue of € 1.25 trillion at 2010 increased steadily. The highest growth rate of 12% occurred recently in 2014, and resulted in a revenue of € 1.79 trillion. The CAGR of the retail sector between 2010 and 2014 was 7.5%.

Source: FMI outlook

Retail sector by revenue- forecast (2015-2019)

The global retail sector is expected to perform with CAGR of 4,6%, and by 2019 it will reach a revenue value of € 2,53 trillion.

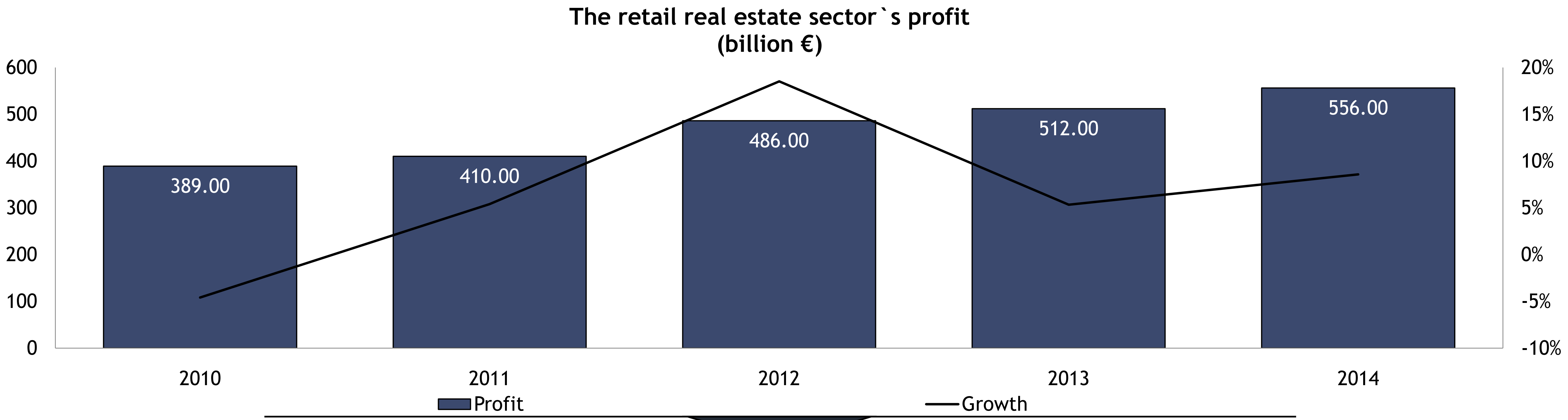


According to the forecast the retail sector will increase steadily as well, with a CAGR of 4,6%. The highest growth rate is estimated to occure in 2016, with a 7% annual increase. Presumably by 2019 the sector revenue will be € 2,53 trillion, which will result in a 18% share in the global Real Estate industry.

Source: FMI outlook

Retail sector by profit (2010-2014)

The retail sector's profit grew constantly in the past 5 years, with an average of 7.4% during the years.



The retail sector is the first subsector which hat constant growth of profit, with almost 20% between 2011 and 2012, and has the second largest profit rate of almost 30%.

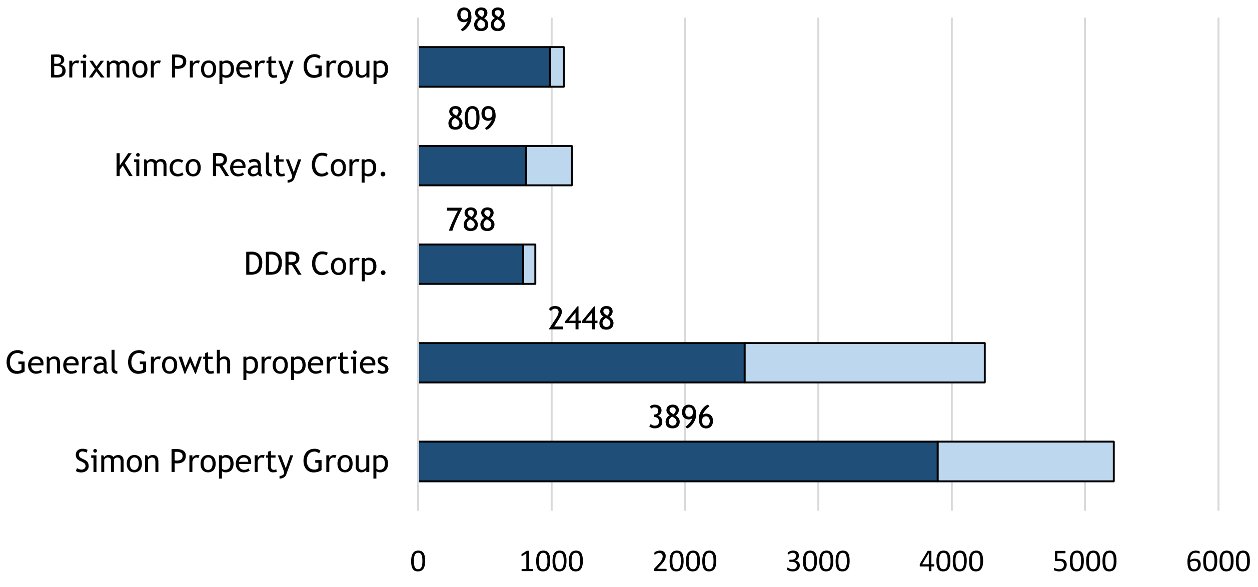
Gazdasági Tanácsadó Klub

Source: FMI outlook

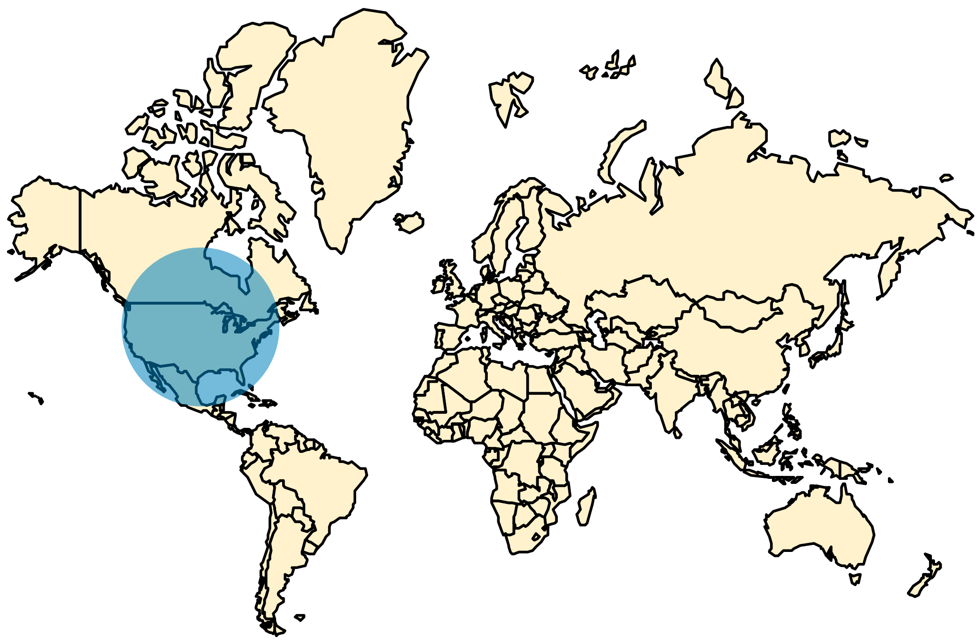
Top 5- retail sector (2014)

All of these 5 companies have their headquarters in the United States. Simon Property Group has around 5000 employees, but all of the other companies have 1600 or less listed employees.

Top 5 retail real estate holders by revenue and profit, 2014 (million €)



TOP 5 companies headquarters



By revenue Simon Property Group was the leader with almost 4000 million euros, but the best profit margin was at General Growth properties with 73% in 2014.

Source: Thomson.mobular.net; media.corporate-ir.net; investor.ggp.com; files.shareholder.com; investors.kimcorealty.com; snl.com

Top 5- retail sector (2010-2014)

The competition has been completely static, despite the fact that Simon Property group has declined in the last year it still easily keeps the first position

	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Simon Property Group					
2.	General Growth Properties					
3.	Brixmor Property Group					
4.	Kimco Realty Corp.					
5.	DDR Corp.					

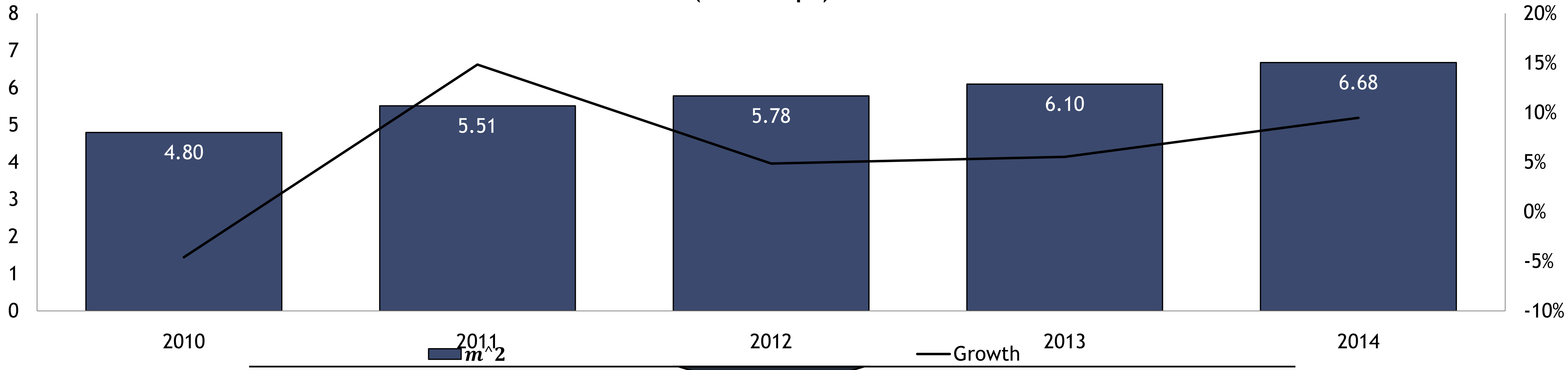
The two closest companies are Kimco Realty Corp. and Brixmor Property Group, their revenues have been on a steady incline but Kimco Realty Corp. is closing the gap.

Source: Thomson.mobular.net; media.corporate-ir.net; investor.ggp.com; files.shareholder.com; investors.kimcorealty.com; snl.com

Retail sector by GFA (2010-2014)

The global retail sector`s gross floor area had a CAGR of 6.1%in the past 5 years. In 2014 the sector reached a value of 6.68billion sqm.

The Retail real estate sector`s gross floor area from 2010 to 2014 (billion sqm)

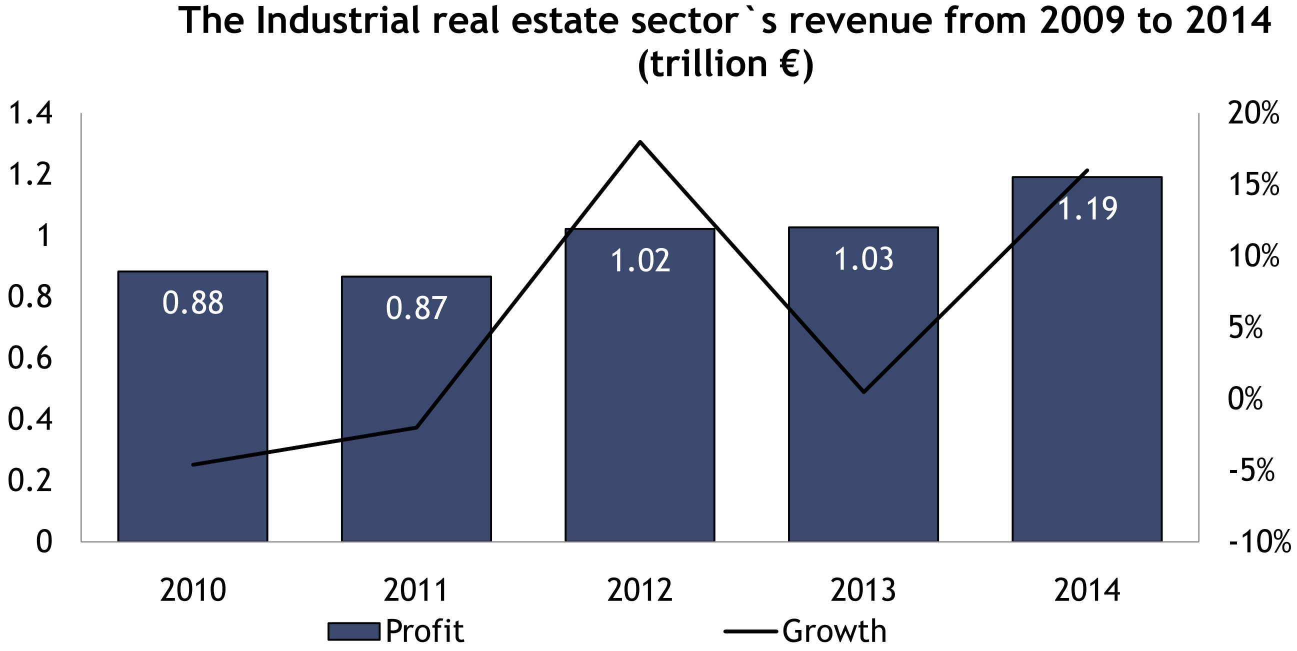


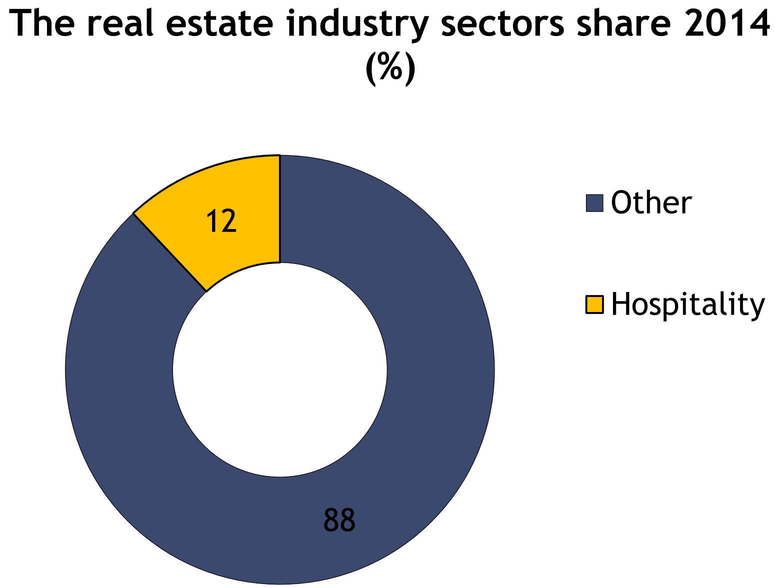
The global retail sector increasedby a CAGR of 6.1%, based on GFA values. Considering the sector`s changes through the years, 2011 had the highest growth rate, 14.8% precisely. By 2014 the gross floor area reached the 6,68 billion sqm.

Source: BPIR.eu; FMI.com; KHL-group.com

Industrial sector by revenue (2010-2014)

The industrial sector performed with a CAGR of 6.2%. From 2010 with a revenue of € 0.88 trillion, it increased to € 1.19 trillion, which is 38.63% of the office sector`s revenue.





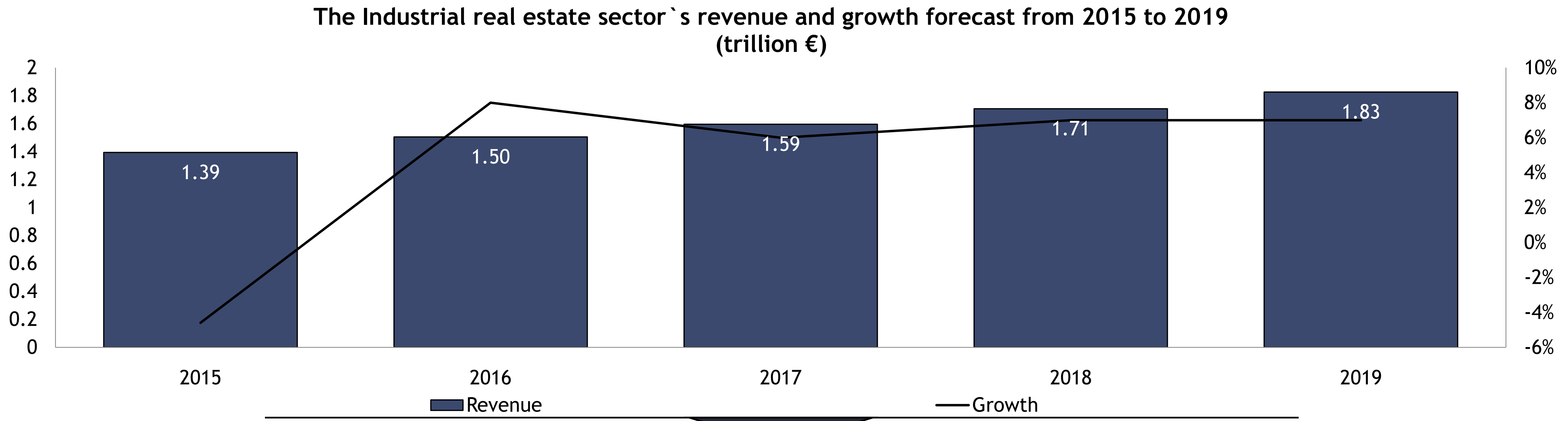
The industrial sector had a decrease of 2% in 2011, but from then it started to perform better. The CAGR of the sector is 6.2%, but it is not stable. In 2012 it had a growth of 18%, the next year 0.5% and in 2014 its revenue increased by 16%, reaching a total amount of € 1.19 trillion, which is 38.63% of the industry leading office sector`s revenue.

Gazdasági Tanácsadó Klub

Source: FMI outlook

Industrial sector by revenue- forecast (2015-2019)

Presumably the global industrial sector will perform with CAGR of 5,6%, and by 2019 it will reach a revenue value of €1,83 trillion, and will overtake the hospitality sector.



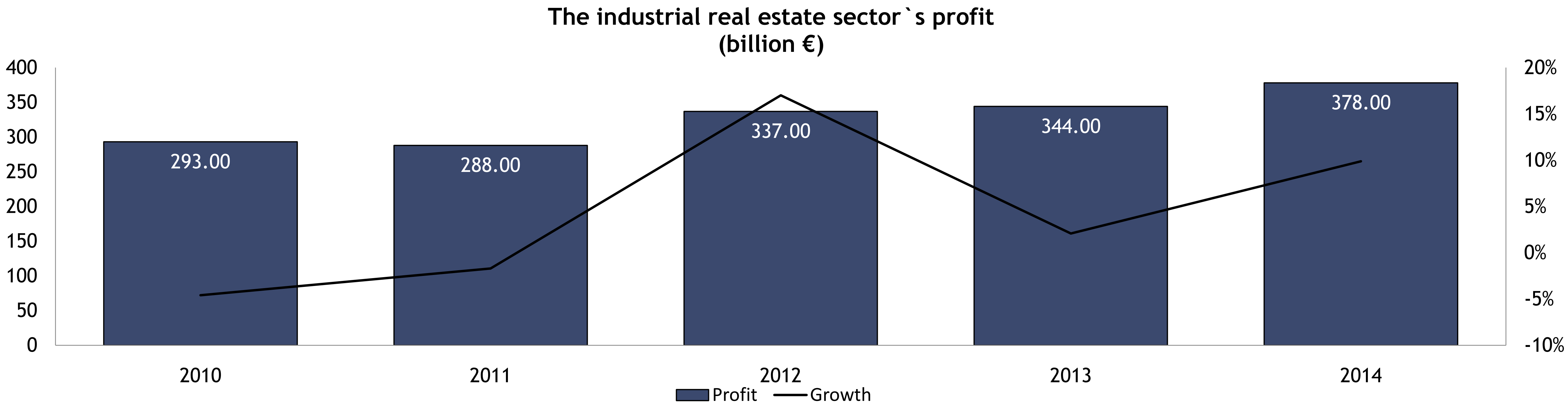
According to the forecast the global industrial sector will grow steadily, with a CAGR of 5,6%. The highest growth rate presumably will be 8% and will occur in 2016. This increase by 2019 will result in a revenue value of € 1,83 trillion, which will be enough for a total share of 13% in the global real estate industry.

Gazdasági Tanácsadó Klub

Source: FMI outlook

Industrial sector by profit (2010-2014)

The industrial sector's profit grew with 20% in 2012, the biggest growth in the past 5 years, having a CAGR of 5.2 between 2010-2014.

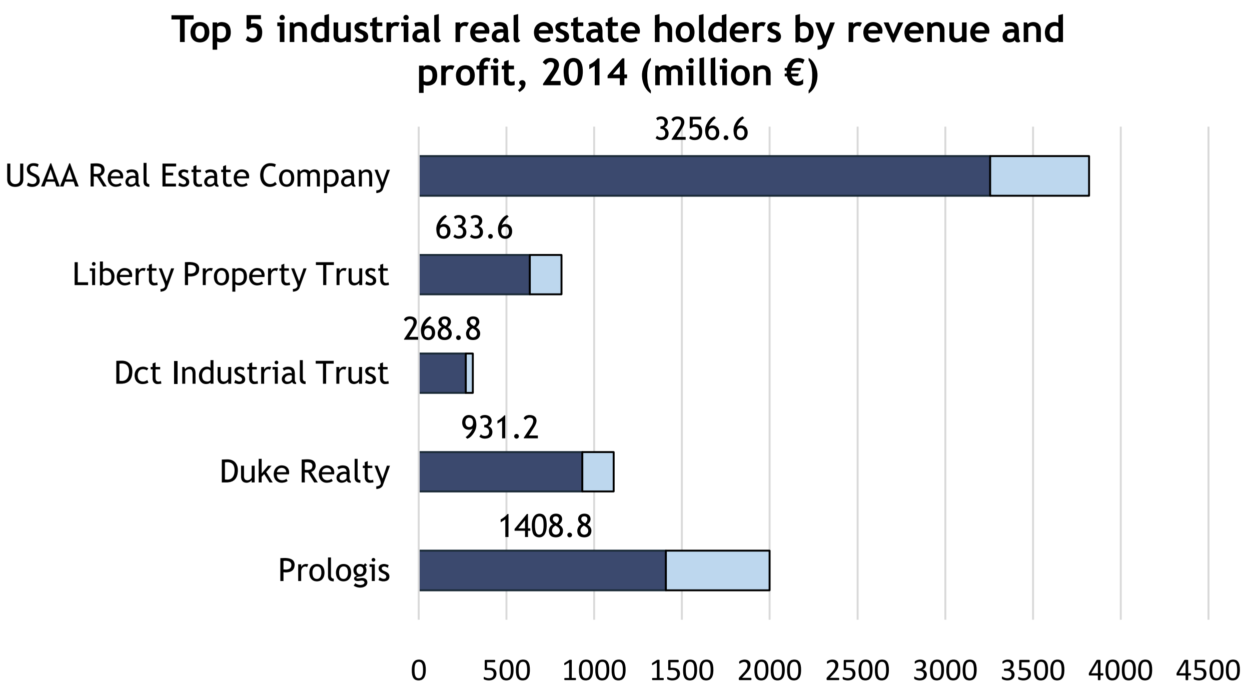


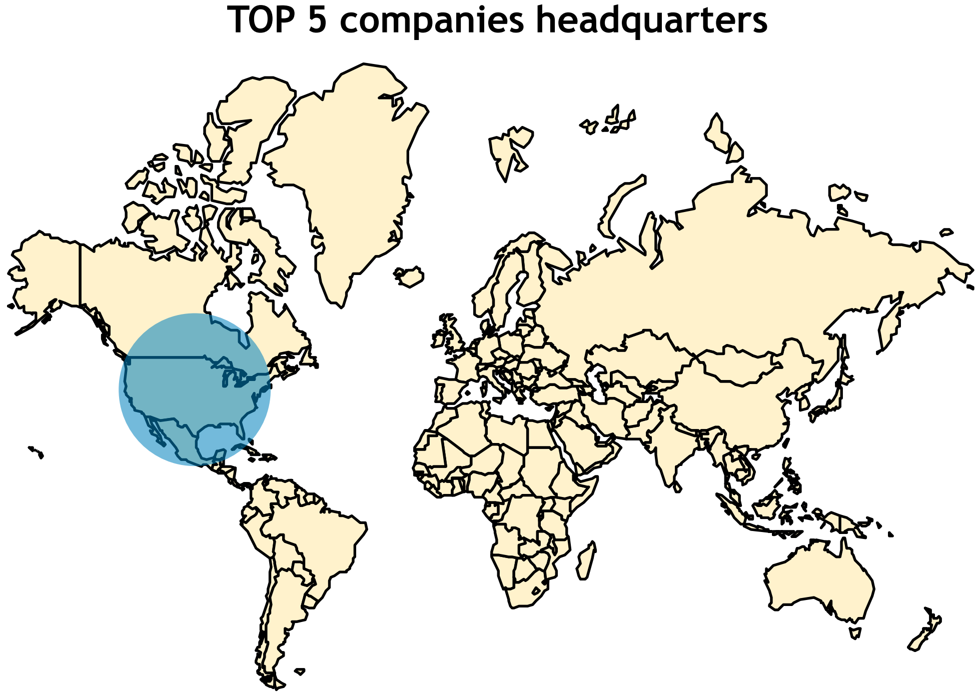
The industrial sector is the most profitable subsector from the five, with almost 3% more than the retail sector, having a profit margin of 33%.

Source: FMI outlook

Top 5- industrial sector (2014)

These companies are all based in the US. From these 5 companies Prologis is the leader in revenues and profits and also has the highest profit margin.





USAA Real Estate Company being a subsidiary of a huge holding company does not have separately registered numbers, but by total owned property it ranks in the top 5.

Source: nreionline.com; ir.prologis.com; sec.gov; phx.corporate-ir.net

Top 5- industrial sector (2010-2014)

USAA Real Estate Company leads the competition by a huge margin and it is followed by Prologis with a revenue of 1.7 billion €.

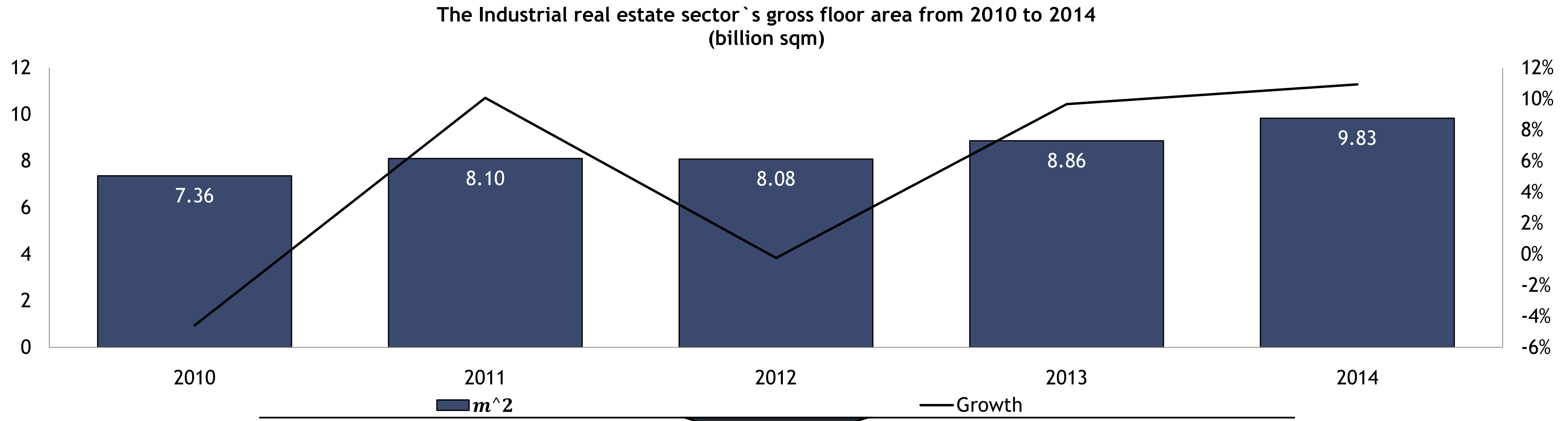
	Company	2010-11	2011-12	2012-13	2013-14	**2010-2014**
1.	USAA Real Estate Company					
2.	Prologis		1			1
3.	Duke Realty		1			1
4.	Liberty Property Trust					
5.	DCT industrial trust					

While Prologys has doubled its revenues in the last 4 years Duke Realty has kept its 2011 numbers despite having a spike of 50% in revenues in 2011.

Source: nreionline.com; ir.prologis.com; sec.gov; phx.corporate-ir.net

Industrial sector by GFA (2010-2014)

The global industrial sector`s gross floor area had a CAGR of 6% in the past 5 years. In 2014 the sector reached a value of 9.83billion sqm.

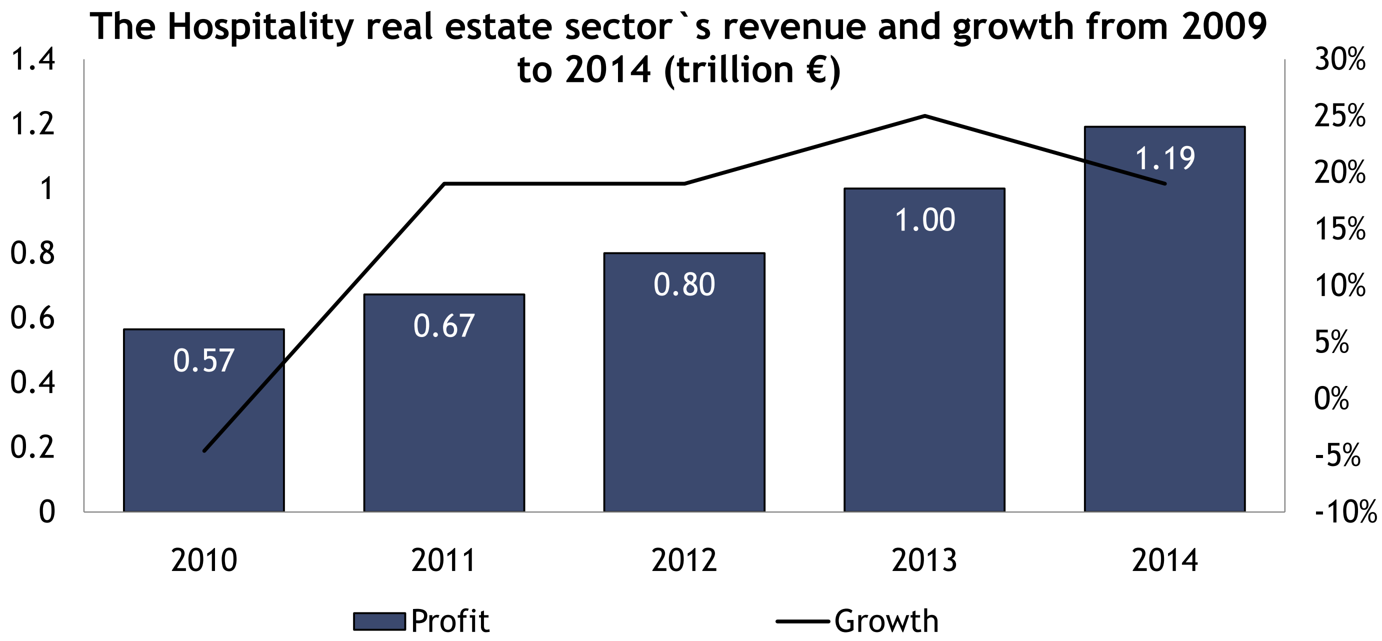


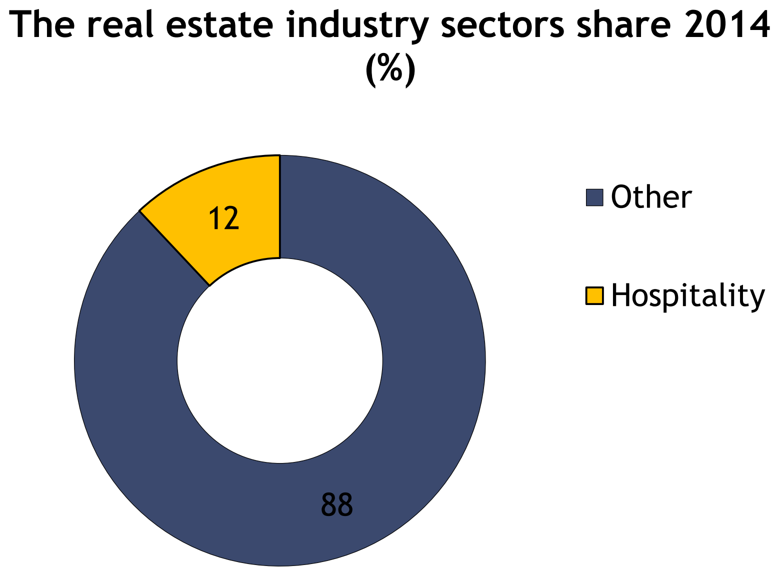
The global industrial sector grewby a CAGR of 6%, based on GFA values. Considering the changes through the past years, 2011 had the highest growth rate, 12.1% precisely. By 2014 the sector reached a gross floor area value of 9.83billion sqm.

Source: BPIR.eu; FMI.com; KHL-group.com

Hospitality sector by revenue (2010-2014)

The hospitality sector performed with a CAGR of 16.1% and grew by € 0.62 trillion from 2010, reaching a revenue of €1.19 trillion in 2014, equal to the industrial sector`s value.



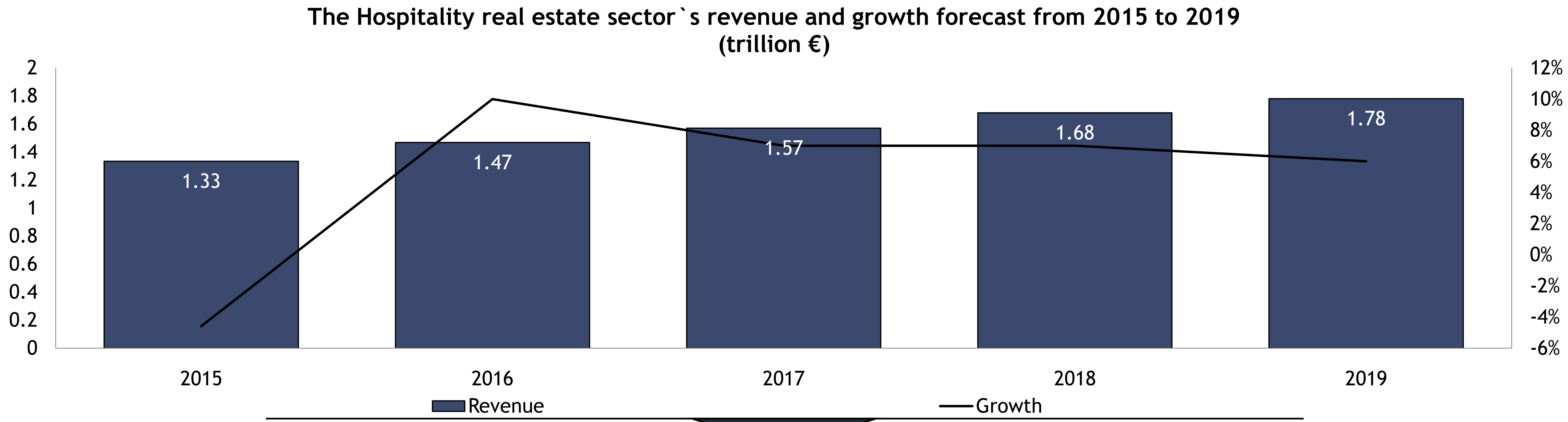


The hospitality sector revenue values showed a major growth rate. From 2010 it started with € 0.56 trillion, but it gained more and more revenue every year, its CAGR was 16.1%. The highest growth rate was 25% in 2013, and the revenue reached it`s peak at 2014 with a value of € 1.19 trillion.

Source: FMI outlook

Hospitality sector by revenue- forecast (2015-2019)

The hospitality sector will perform with an estimated CAGR of 5,9%, and by 2019 it will reach a revenue value of € 1,78 trillion.

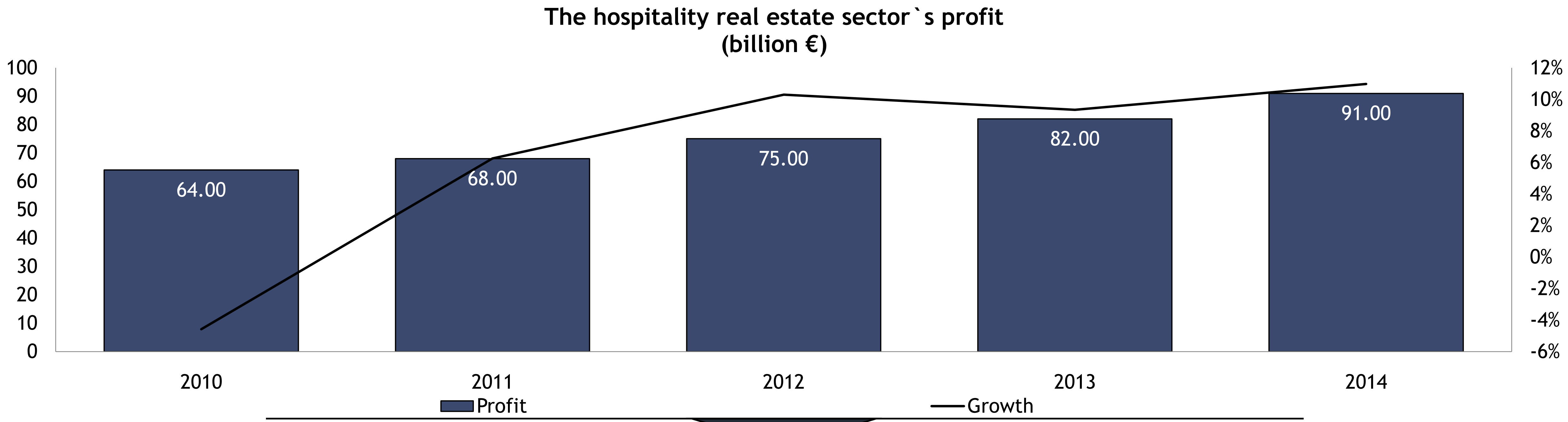


The hospitality sector will have a bit slower increase with a CAGR of 5,9%. In 2016 it even reaches a growth rate of 10%, which by 2019 becomes 6%. However this rate is only enough for the sector to reach a revenue value of € 1,78 trillion that year. With this number the sector cannot hold its previous position in the Real Estate industry and probably will fall and become smallest sector.

Source: FMI outlook

Hospitality sector by profit (2010-2014)

The hospitality sector's profit was the lowest in 2010 and it grew to € 91 billion by 2014.



The hospitality sector's profit grew by 27 billion € from 2010 to 2014. The growing was not continuous, it dropped from 2012 to 2013 but retook it's growing form after this year. In 2014 the hospitality sector's profit was € 91 billion.

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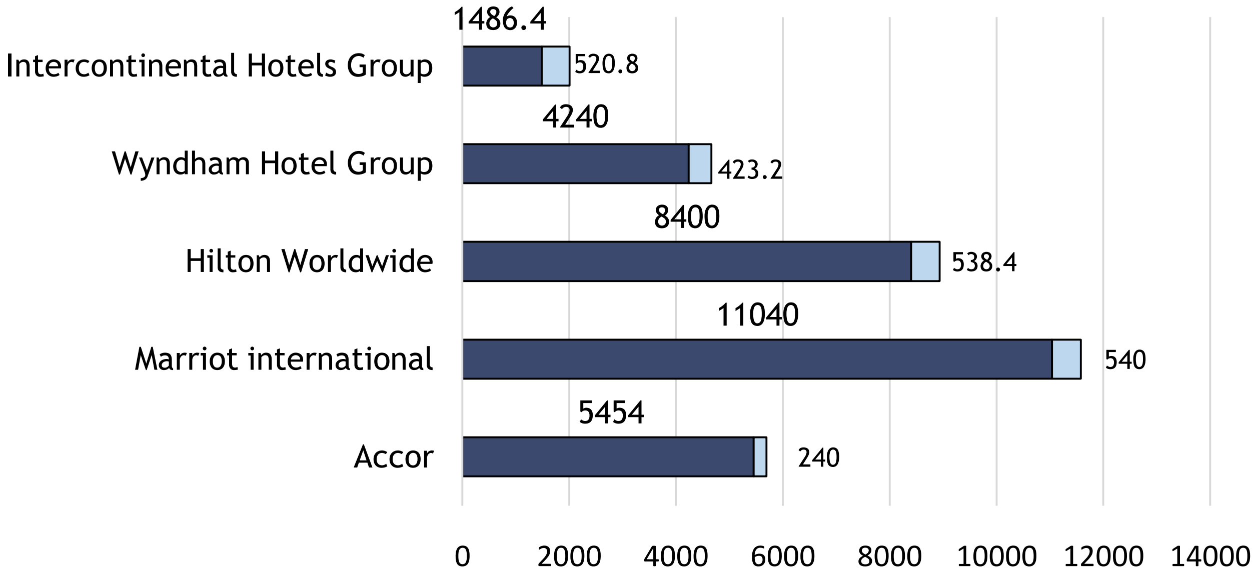
Source: FMI outlook

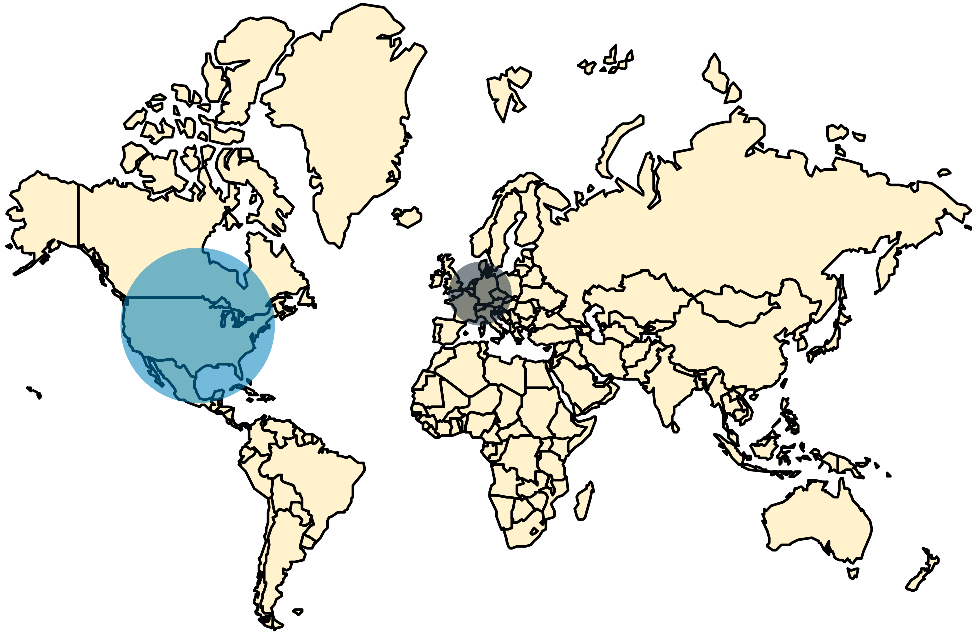
Top 5- hospitality sector (2014)

From the Top 5 companies only Accor, with its headquarters in France, is not located in the United States. These companies own and are franchisers of several brands, aimed at different consumers.

Top 5 hospitality real estate holders by revenue and profit, 2014 (million €)



TOP 5 companies headquarters



It is hard to define how many employees work for these companies because of the many types of different hotel franchising, but we can easily put these numbers above 100.000 in most of these cases.

Source: nreionline.com, pages.questexweb.com, accorhotels-group.com, bib.kuleuven.be, ihgplc.com, statista.com, networkworld.com, annual reports, marriot.com, shareholder.com, investor.wyndhamworldwide.com, amigobulls.com

Top 5- hospitality sector (2010-2014)

Not only the competition is entirely static, but the differences are huge between these companies. Marriot International leads by 2.5 billion.

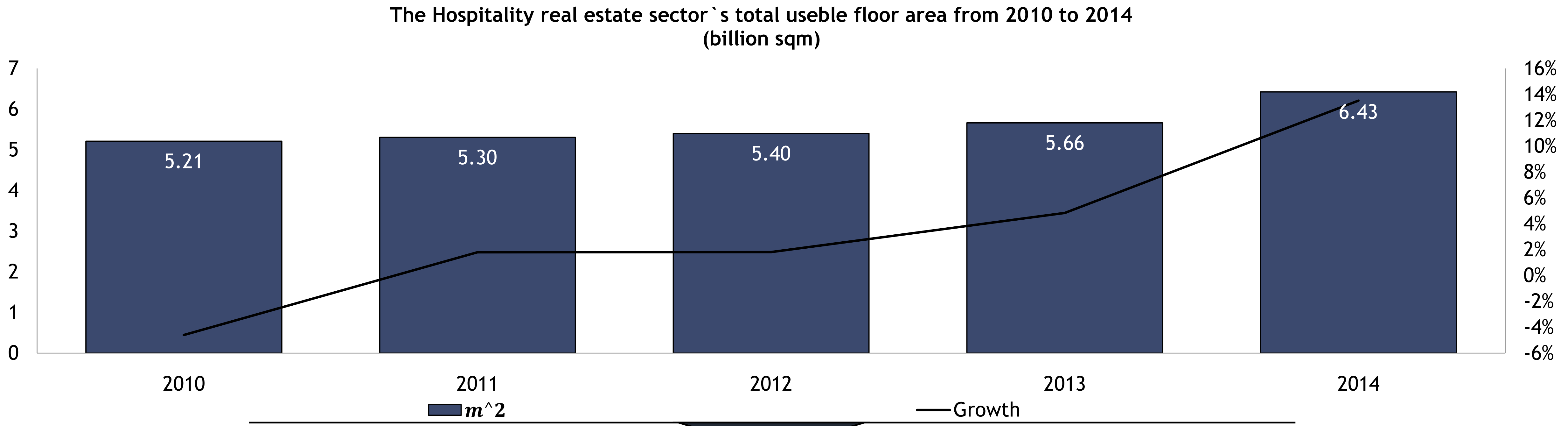
	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	Marriot International					
2.	Hilton Worldwide					
3.	Accor					
4.	Wyndham Hotel Group					
5.	Intercontinental Hotels Group					

Both Marriot International and Hilton Worldwide have managed to increase their revenues by more than 2.5 billion euro and have distanced themselves even more from the competition.

Source: nreionline.com, pages.questexweb.com, accorhotels-group.com, bib.kuleuven.be, ihgplc.com, statista.com, networkworld.com, annual reports, marriot.com, shareholder.com, investor.wyndhamworldwide.com, amigobulls.com

Hospitality sector by GFA (2010-2014)

The global hospitality sector`s gross floor area had a CAGR of 4.3%in the past 5 years. In 2014 the sector reached a value of 6.43billion sqm.

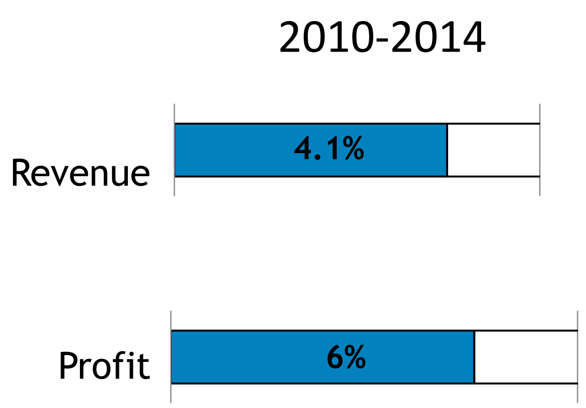


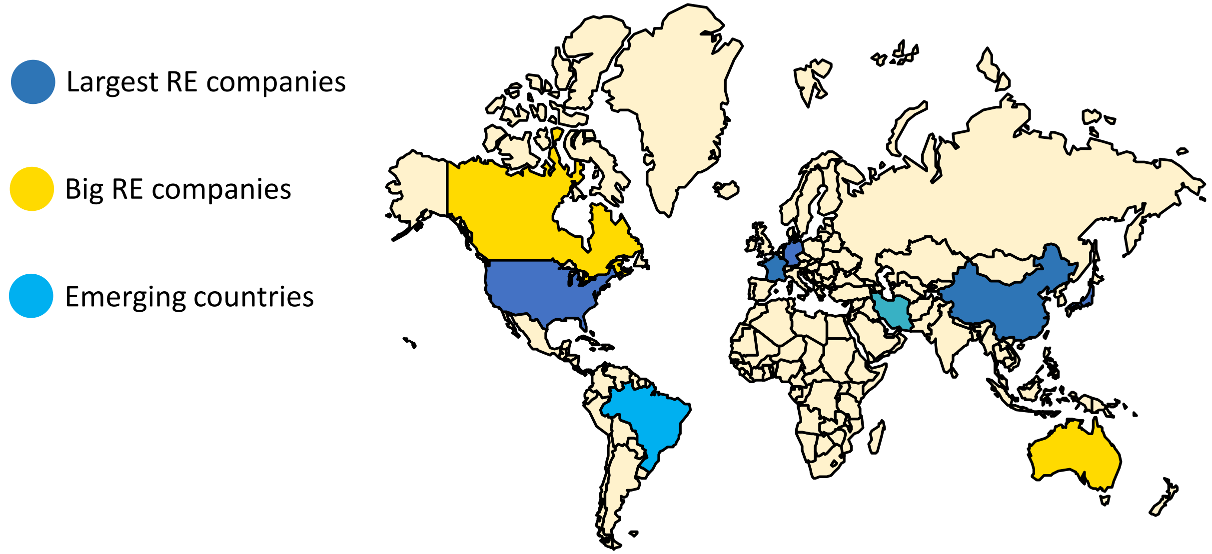
The global hospitality sector increased with a CAGR of 4.3%, based on GFA values. Considering the sector`s changes through the years, the highest growth occurred in 2011. By 2014 the total useble floor are value of the sector reached the number of 6.43billion sqm.

Source: BPIR.eu; FMI.com; KHL-group.com

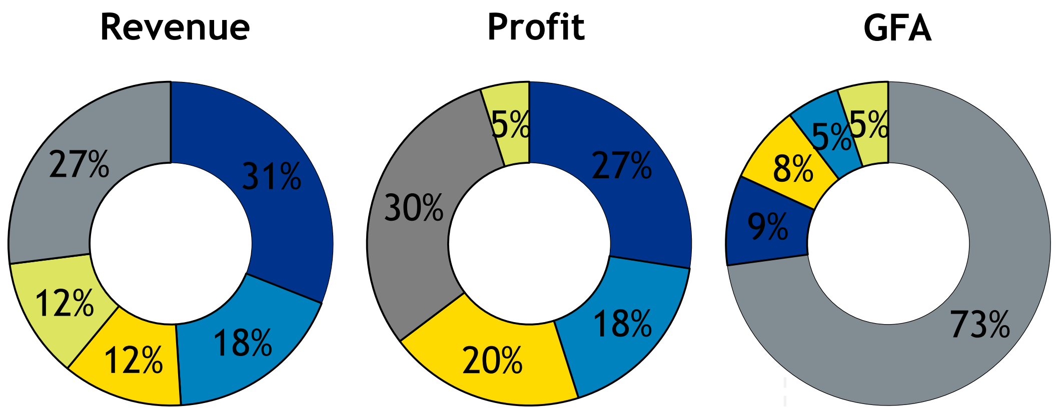
Global Real Estate market summary

Total Real Estate



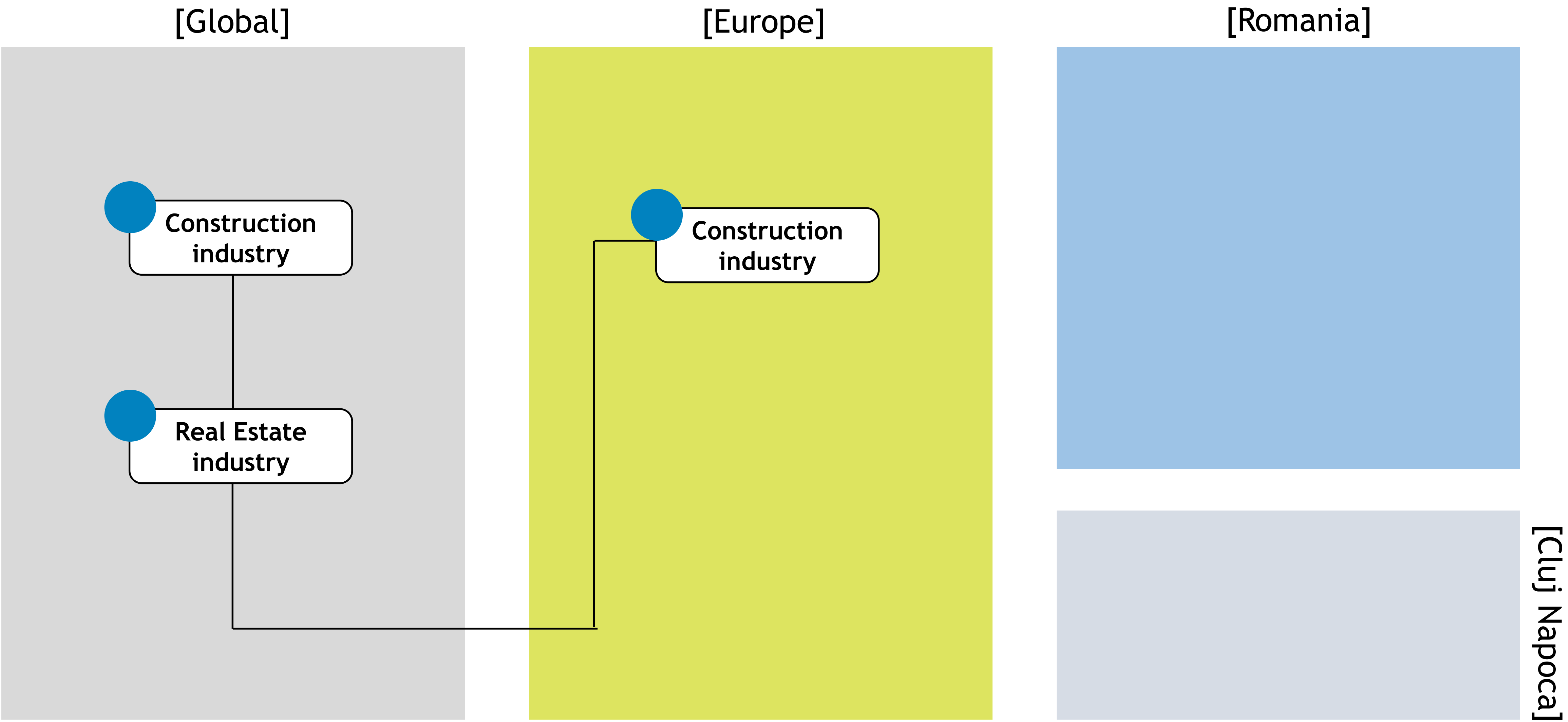


R.E. Subsectors



	Top companies	Headquarters	Revenue
Residential	Realogy Holdong Corp	US	€ 4.26 billion
Office	Balckstone Group	US	€ 7.48 billion
Retail	Simon Property Group	US	€ 3.89 billion
Industrial	USAA Real Estate Company	US	€ 3.25 billion
Hospitality	Marriot International	US	€ 11.04 billion

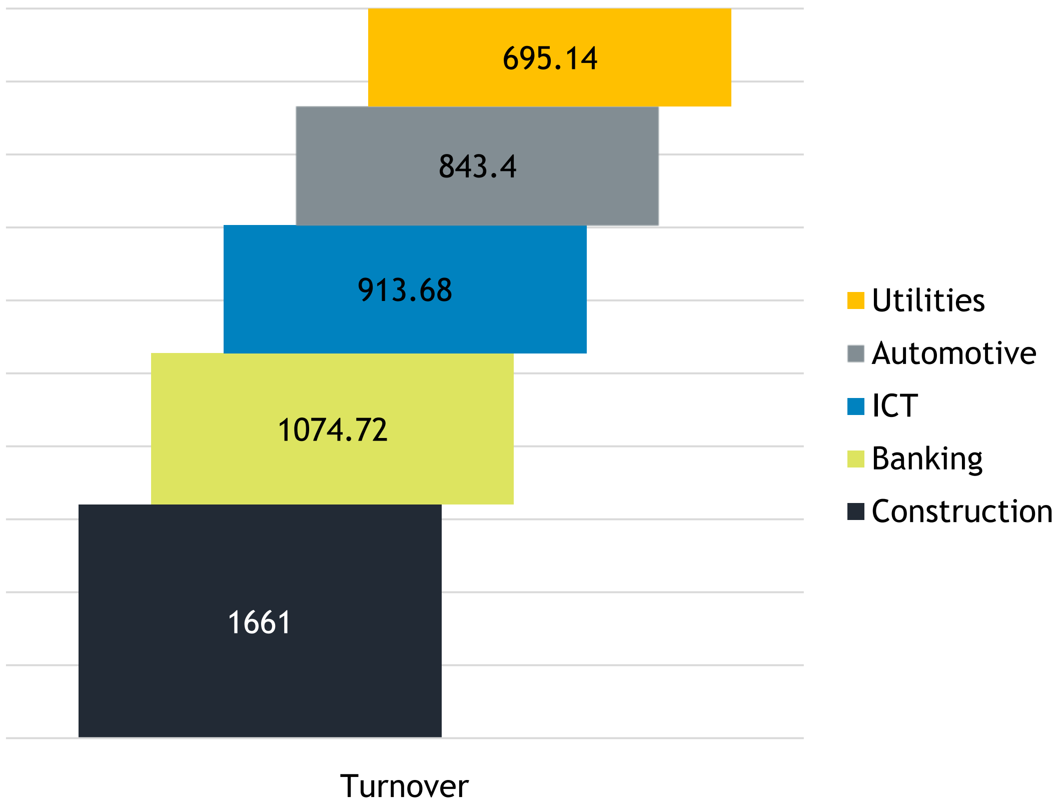
Agenda


[Global]
[Europe]
[Romania]
Construction industry
Real Estate industry
Construction industry
[Cluj Napoca]

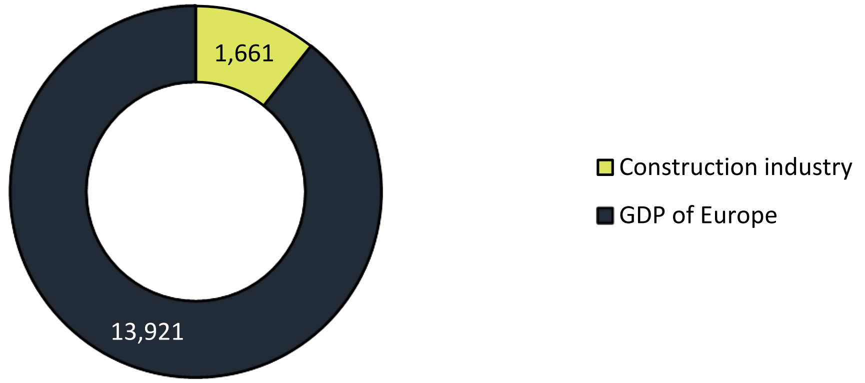
Construction industry overview - Europe

The Construction industry's total turnover in 2014 was €1.661 billion and provided 11,93% of the total GDP in Europe.

European industries by sales/turnover in 2014 (€ billion)



Size of Construction industry in 2014 (€ billion)



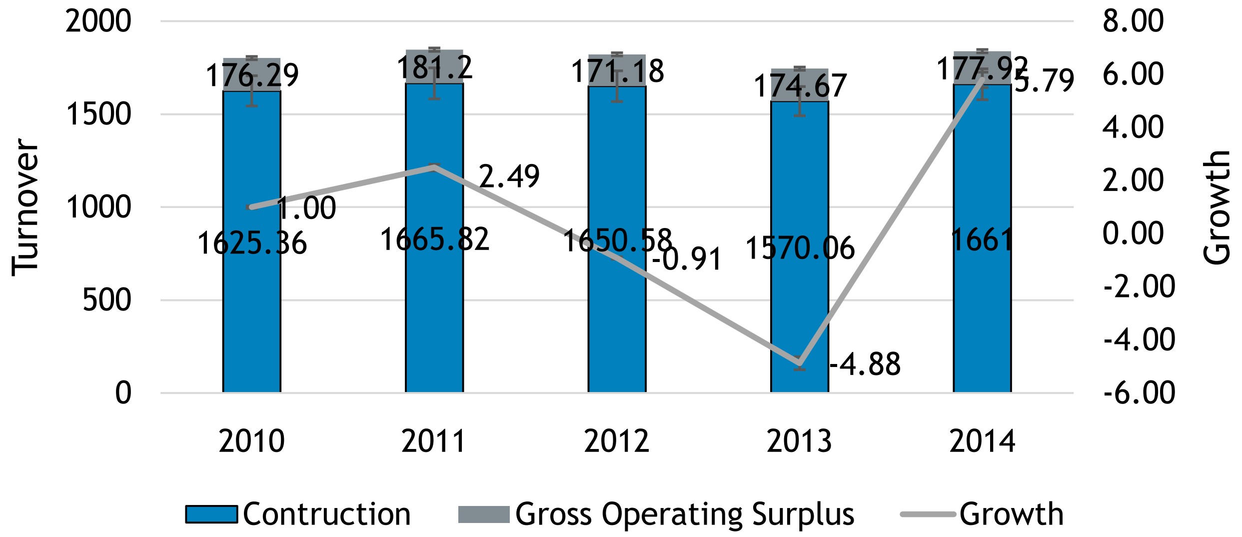
Europe's GDP – by Purchasing Power Parity – in 2014 was €13.921 billion compared with other significant industries, the Construction sector provided 11,93% of the total GDP.

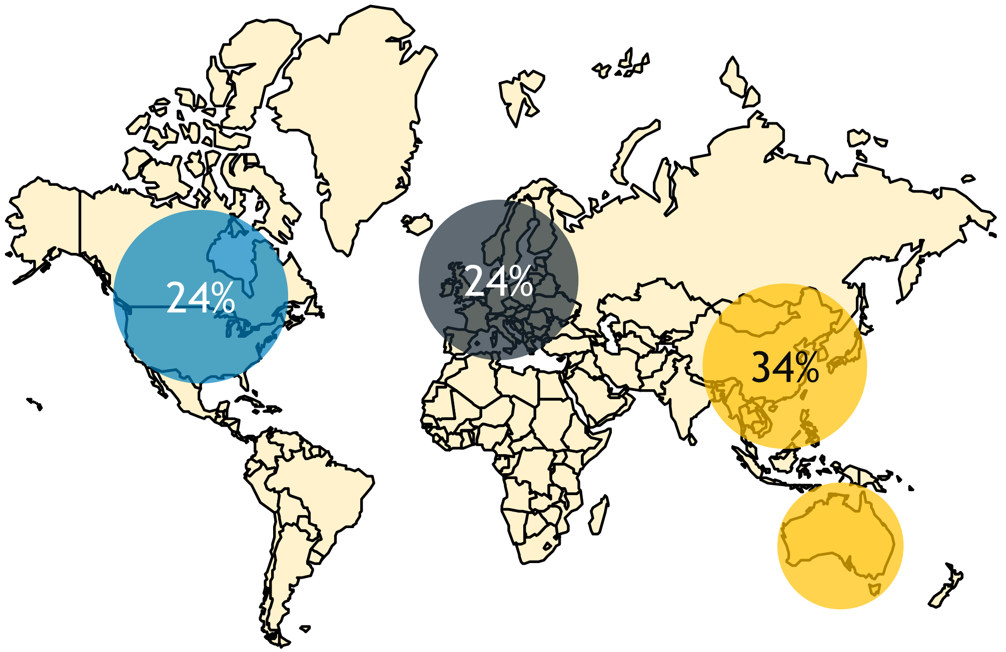
Source: ec.europa.eu/eurostat, khl-group.com, cia.gov,

Construction industry by revenue (2010-2014)

The European construction sector's market size by revenue was €1.661 billion in 2014; with this revenue, the sector made up 24% of the world's total production.

The construction sector market size and percentage growth in Europe - by revenue. (2010-2014, €bn)



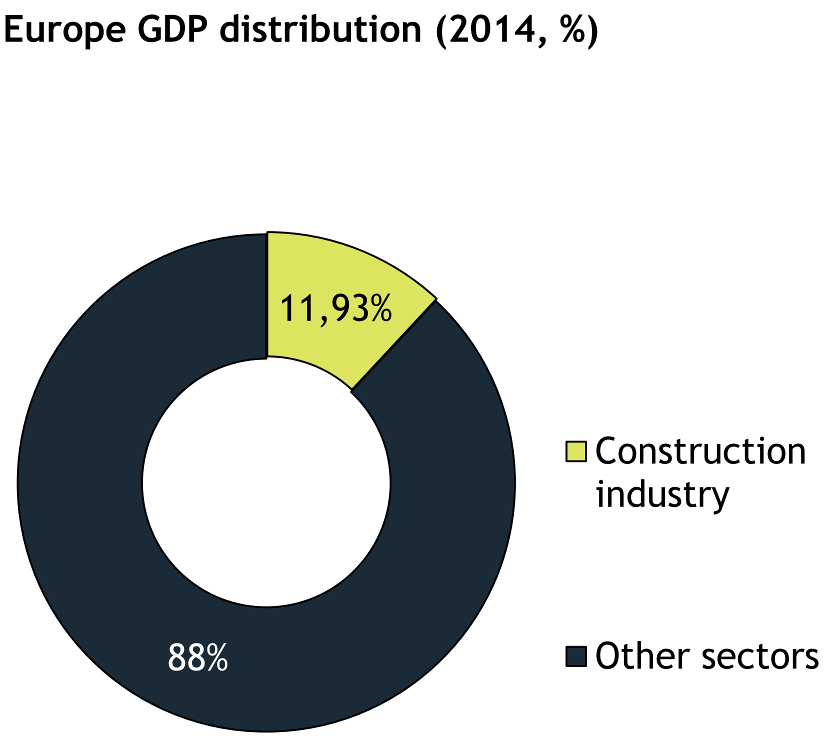


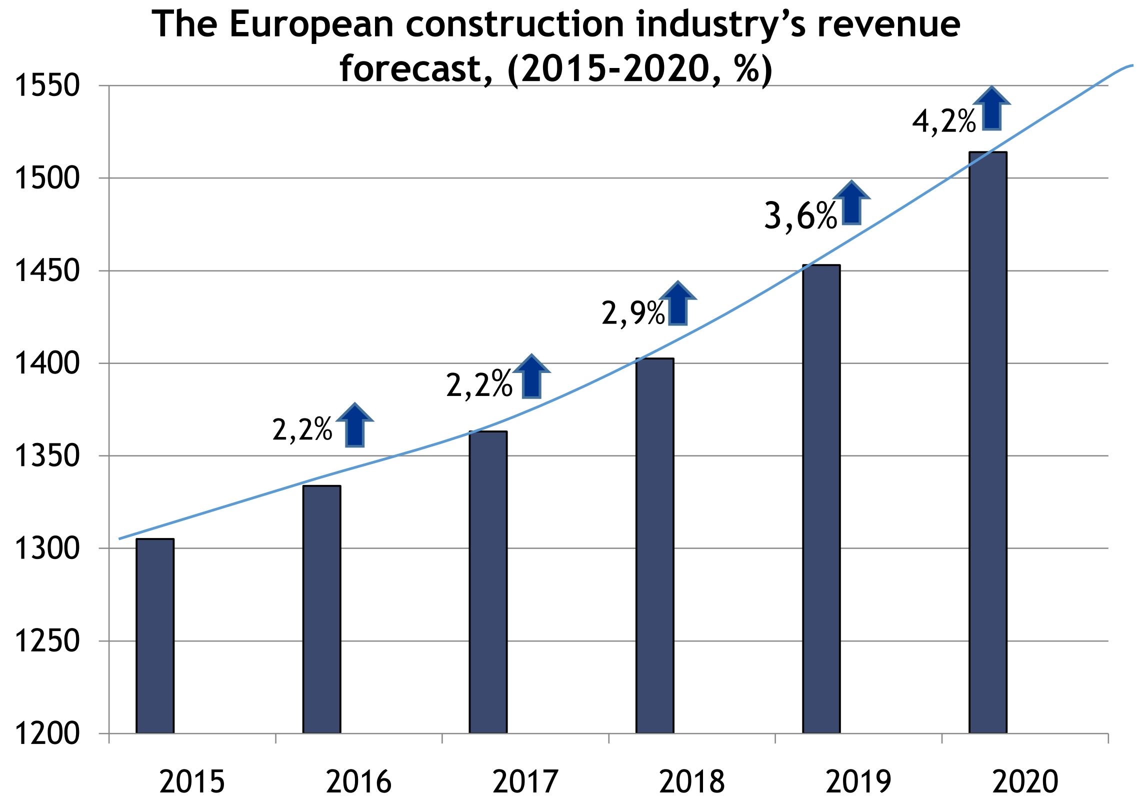
The construction sector saw an increase in 2011, after this year it was characterized by volatility. After the recession, the number of the new buildings decreased. Despite this decrease, Europe is still one of the biggest markets in the global playing field, with 24% market share. In addition, the sector reached 10,03-11,12% Gross Operating Surplus.

Source: *ec.europa.eu, ebc-construction.eu, khl.com, cia.gov*

Construction industry by revenue- forecast (2015-2020)

Considering that the construction industry totals up to 11,93% of Europe's GDP, its growth has a significant importance.



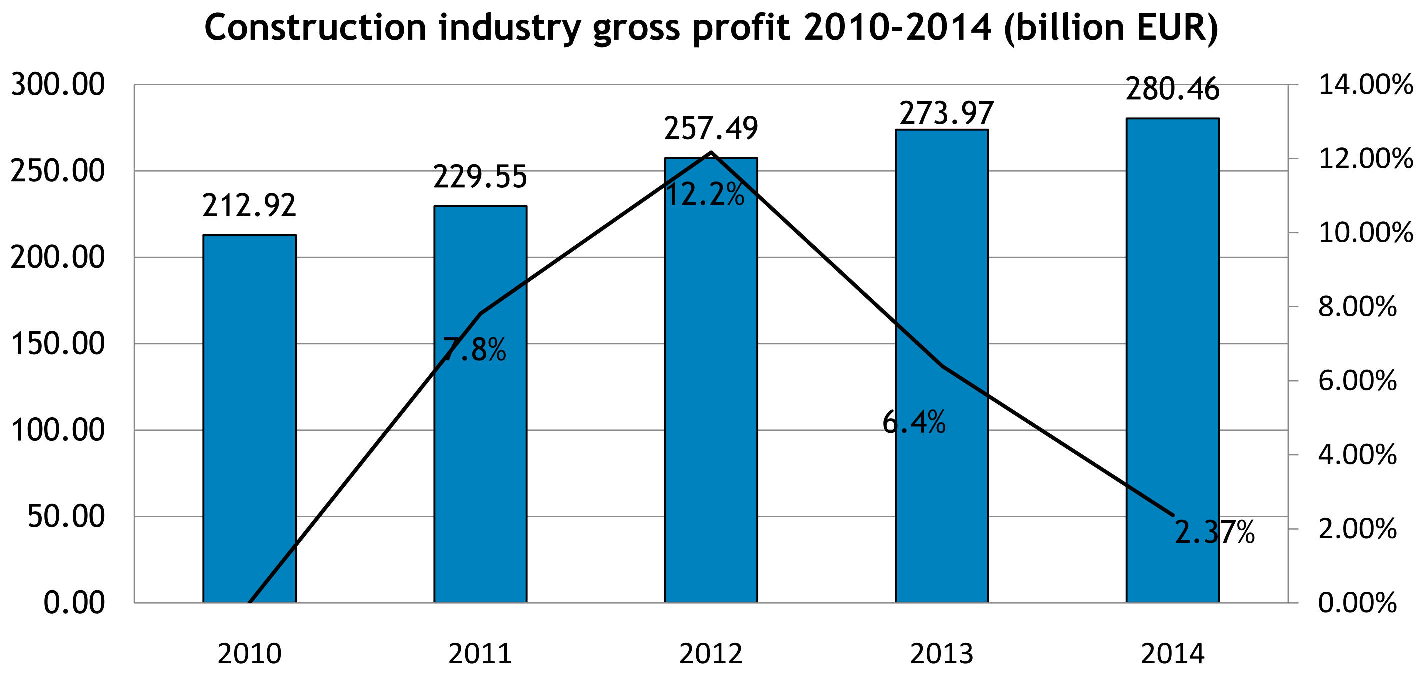


According to the forecasts, the European construction industry will grow, on average, by 3% per year.

Source:*forbes.com;Ec europa.eu;Buildingradar.com*

The construction industry profit between 2010-2014

The construction industry gross profit growth constantly between 2010-2014. The highest value in this period was in 2014 with 280.46 billion(€). The CAGR was 7.18% in this period



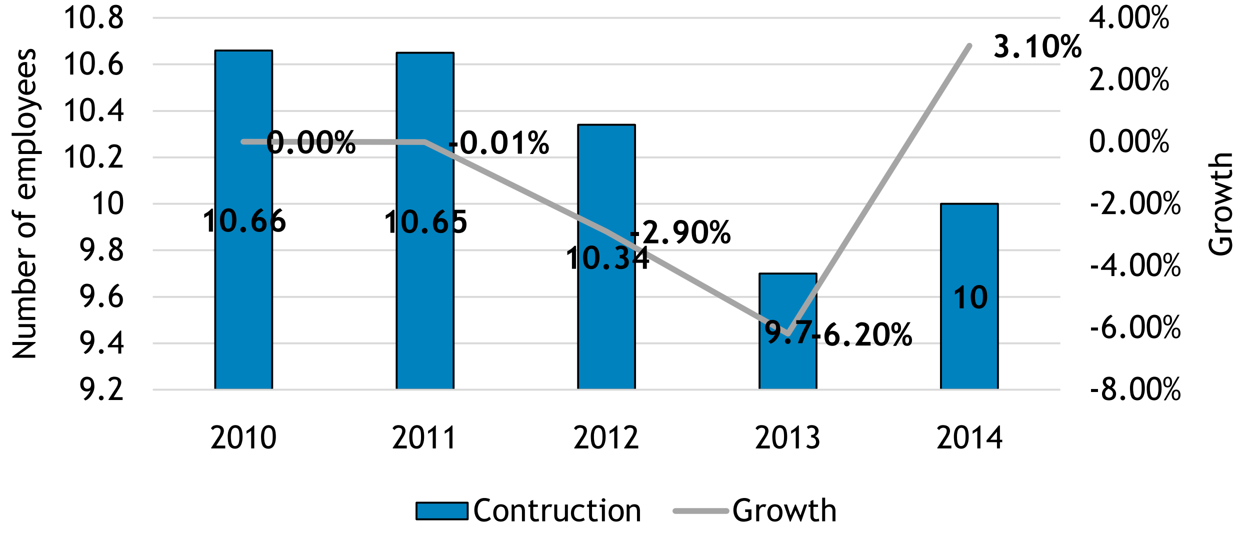
The construction industry gross profit growth constantly between 2010-2014. The gross profit in 2014 was over 280 million(€) and the CAGR is 7.18% in this period.

Source: ec.europa.eu, csimarket.ro;

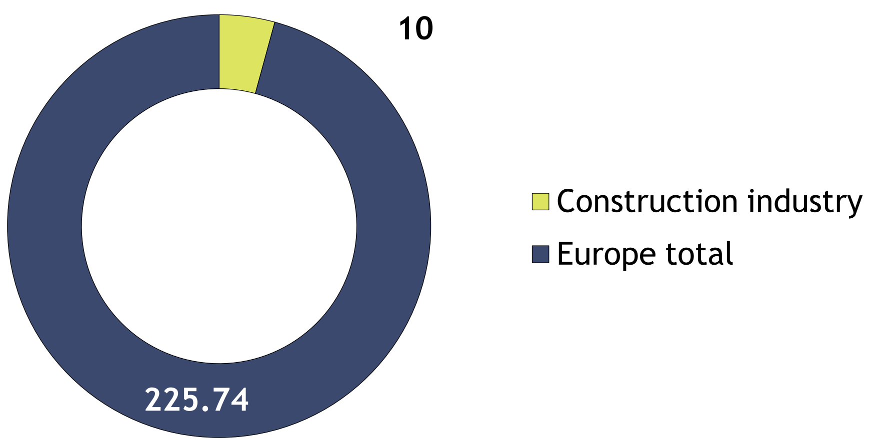
Construction industry by employment (2010-2014)

With 10 million employees, the Construction industry has a 4.43% share of the workforce.

Number of employees and percentage growth in the European Construction sector (mil. capita, 2010-2014)



Construction industry employees compared to total employment in Europe (mil. Capita, 2014)

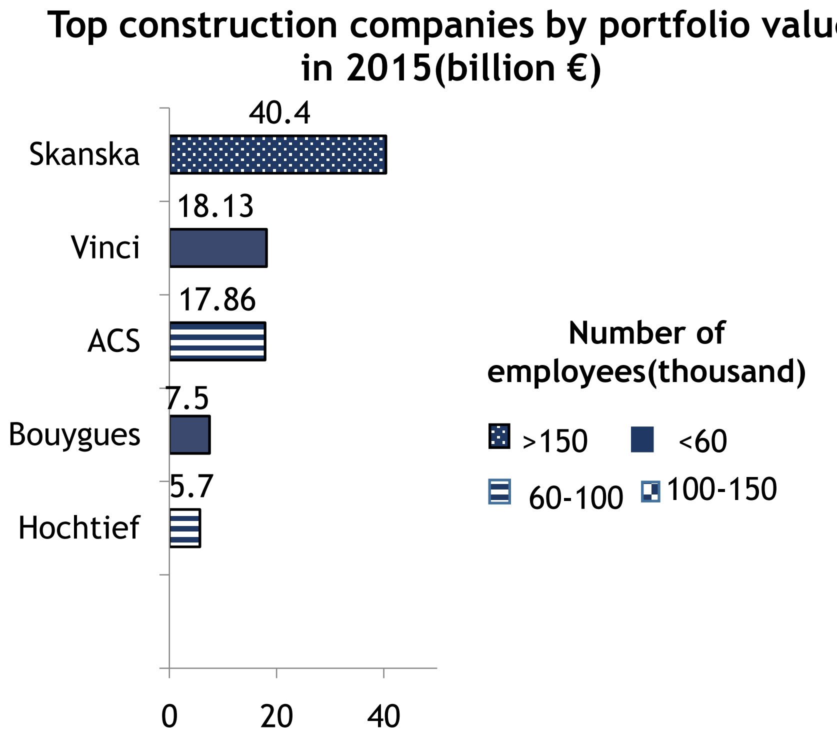


The number of employees in the construction sector has been in a continuous decrease.

Source: ec.europa.eu/eurostat, khl-group.com, cia.gov,

Top 5 construction companies (2015)

The five largest european construction companies in first half year of 2015 have a total market share of € 89,59 billion.



TOP 5 construction companies headquarters

Skanska is the market leader with € 40,4 billion in turnover and € 1,7 billion in profit, therefore Skanksa is also the runner-up in terms of employees, with 185.000 people.

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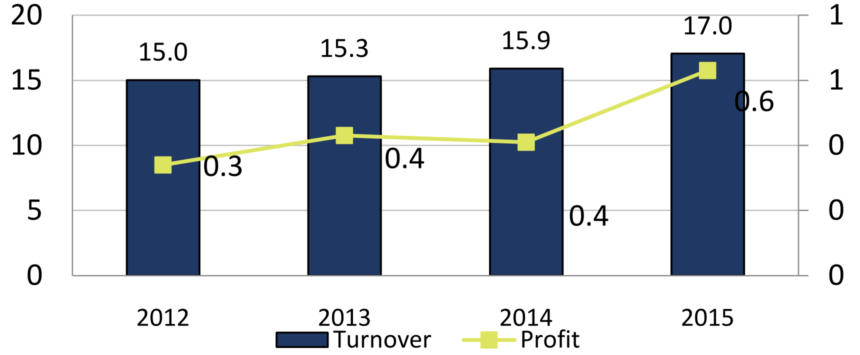
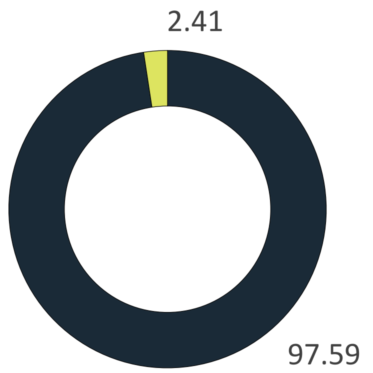
Source: buildig.co.uk ; no1construction.com ; statista.com

1. Skanska

The first construction company by turnover is Skanska with € 17 billion.



57 866



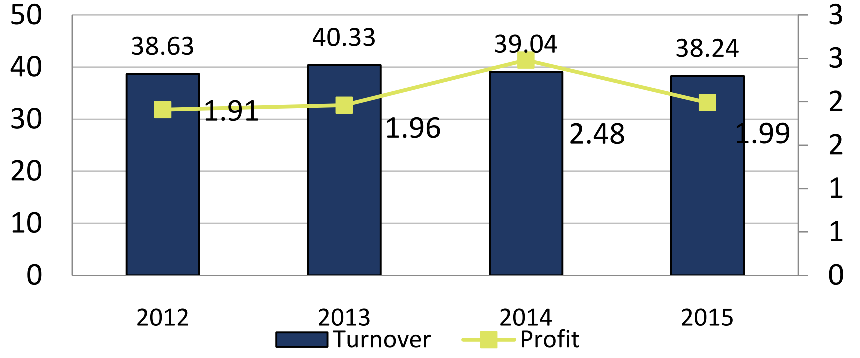
Stockholm, Sweden	Silesia Business Park, Katowice	Green Court, Bucharest

Source: market.ft.com; group.skanska.com

2. Vinci

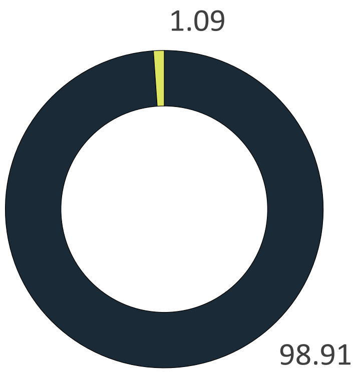
The second construction company by turnover is Vinci with € 38,24 billion.

Revenue and profit, 2012-2015 (billion €)



185 293

Market share, 2015 (%)



Rueil-Malmaison, France

Quatari Diar

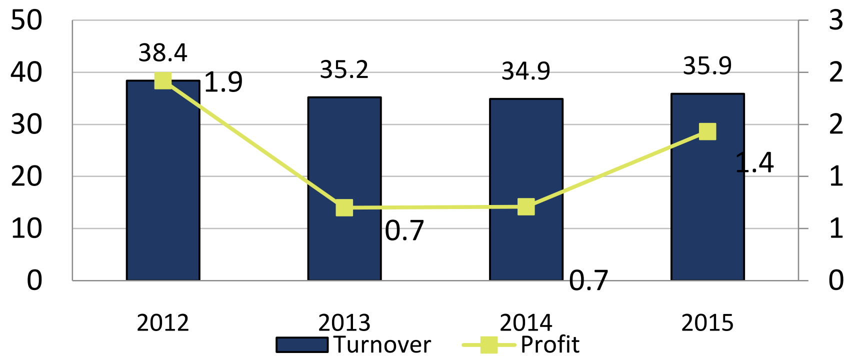
Constructora Conconcreto, Colombia

Source: markets.ft.com; vinci.com

3. ACS Group

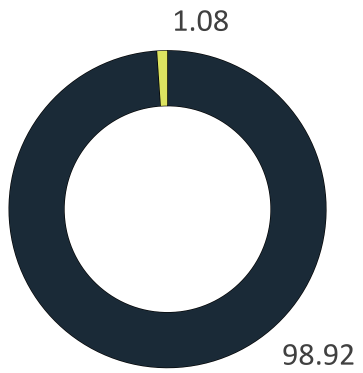
The third construction company by turnover is ACS Group, with € 35,9 billion.

Revenue and profit, 2012-2015 (billion €)



210 345

Market share, 2015 (%)



Madrid, Spain

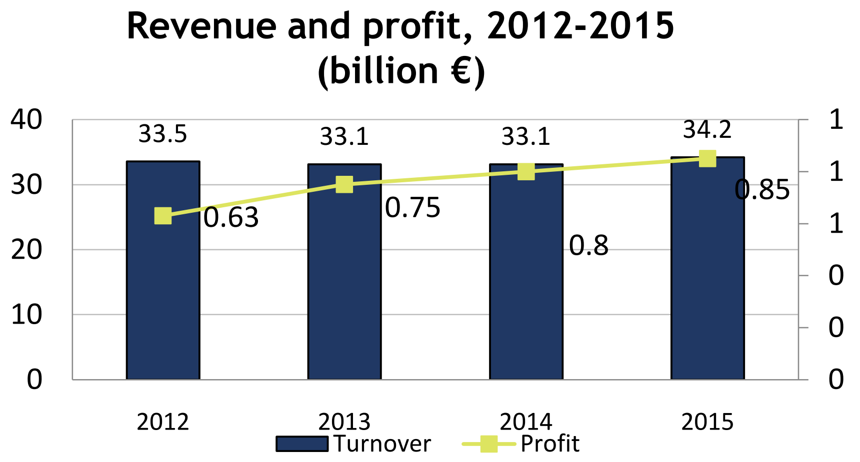
Santander Group

IATA Strategic Partner Program

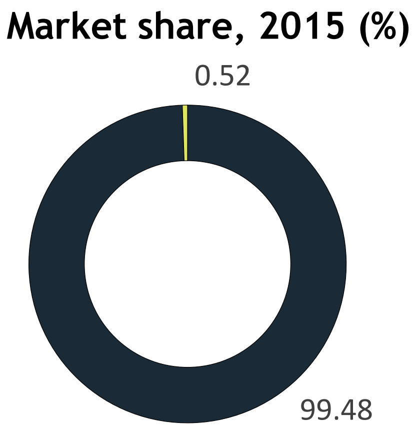
Source: markets.ft..com;

4. Bouygues

The fourth construction company by turnover is Bouygues, with € 34,2 billion.



127 470



Paris, France

Altice, France

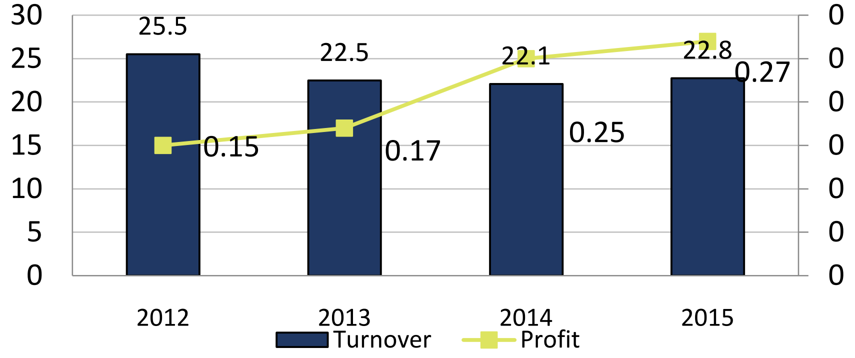
M&A, France

Source: markets.ft.com;

5. Hochtief

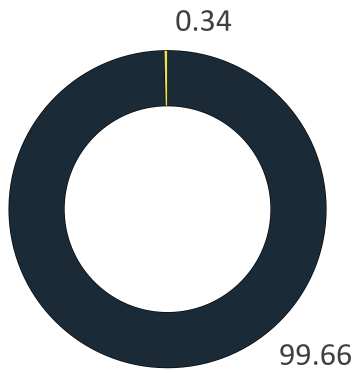
The fifth construction company by turnover is Hochtief with € 5,7 billion.

Revenue and profit, 2012-2015 (billion €)



68 426

Market share, 2015 (%)



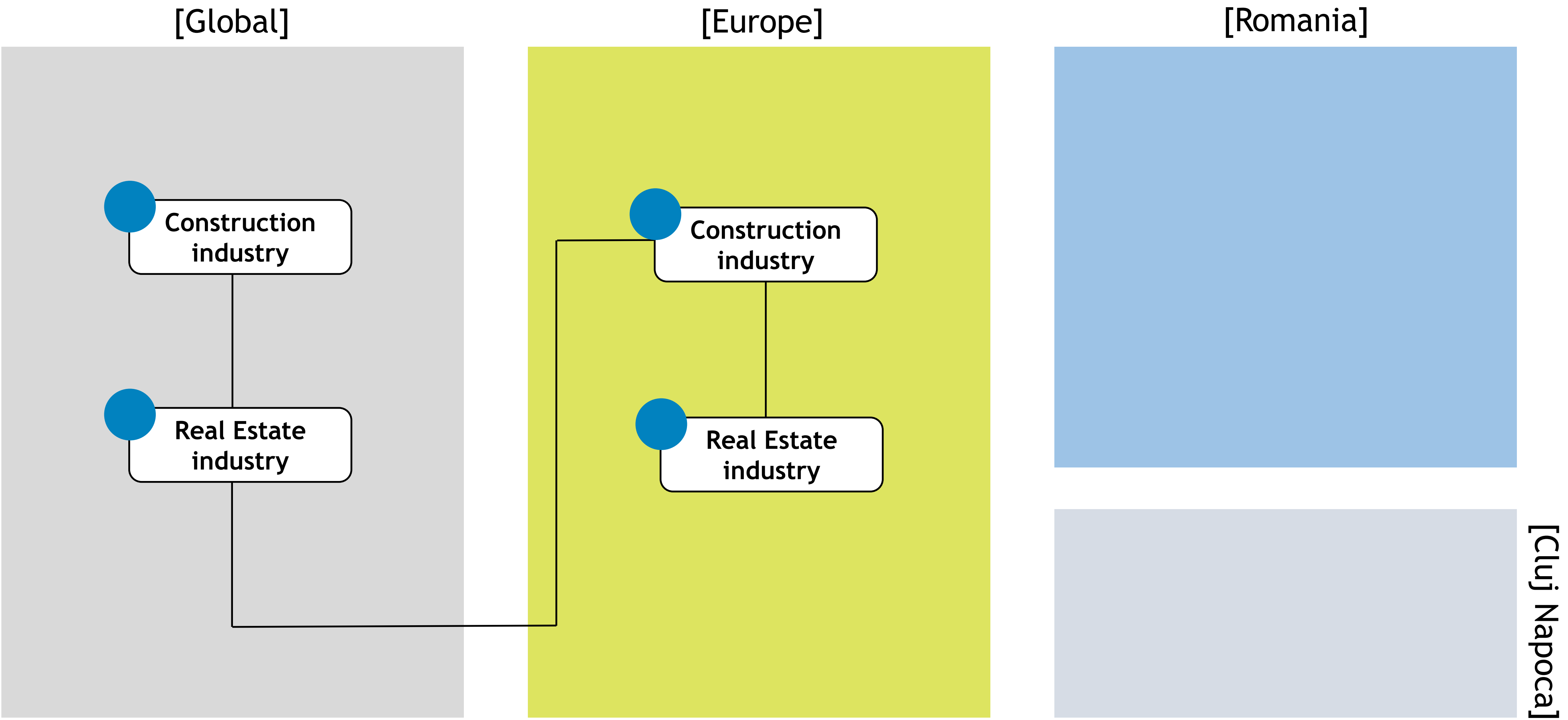
Essen, Germany

Aecon Group, Canada

ILO Conventions

Source: markets.ft.com

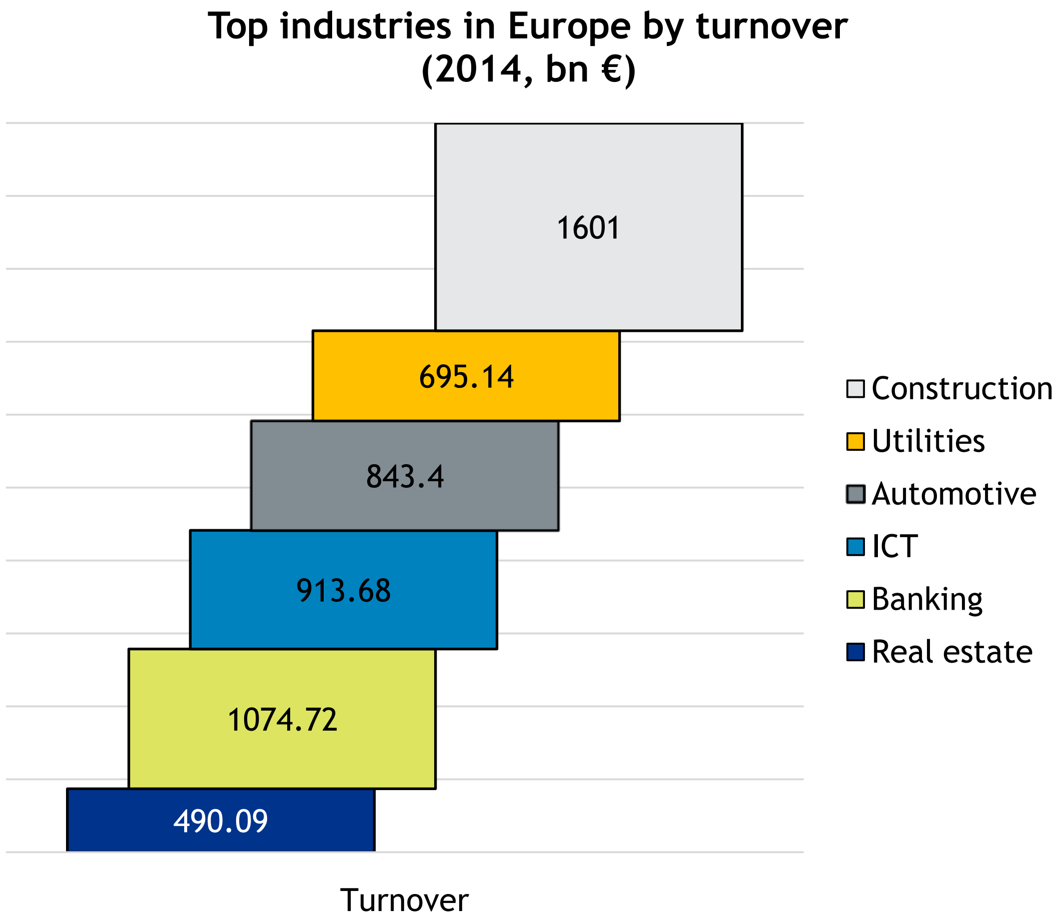
Agenda

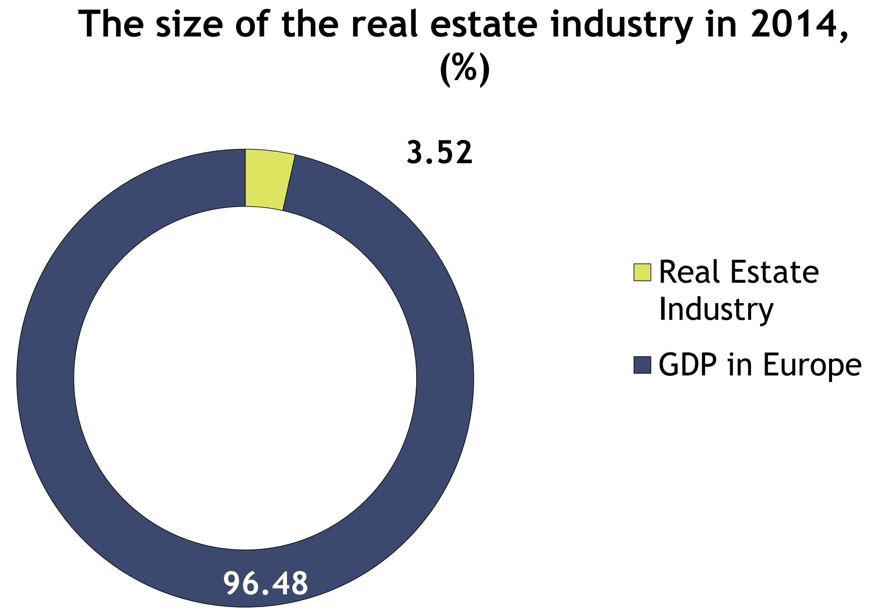


[Global]
Construction industry
Real Estate industry
[Europe]
Construction industry
Real Estate industry
[Romania]
[Cluj Napoca]

Real estate industry overview- Europe, 2014

The real estate industry's total revenue in 2014 was €490,09 billion which means a contribution of 3,52% to the GDP.



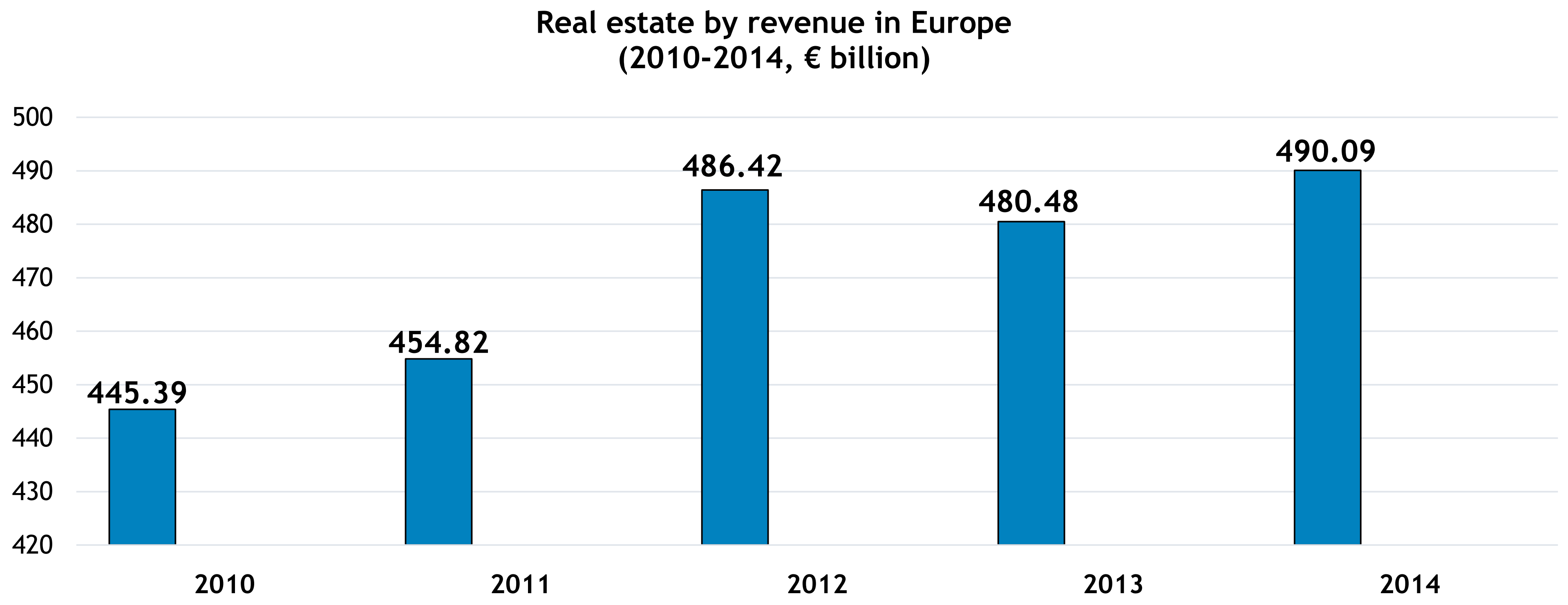


Europe's total GDP in 2014 (by Purchasing Power Parity) was €13.921 trillion. Real estate industry has 3,52% share of total GDP.

Statista.com, Eurostat.com, europeanrealestateforum.eu

Real estate industry by revenue (2010-2014)

After the property bubble in 2007 caused by low mortgage interest rates, low short-term interest rates, low standards for mortgage loans, the real estate industry started picking up pace in 2010. The investment market drivers are weight of capital, increasing debt leverage and new “innovative” financial products.



In the real estate industry there was a significant increase - **6,95%** - between 2011 and 2012. Between 2013 and 2014 this market increased only by **2%**, reaching more than €490 billion.

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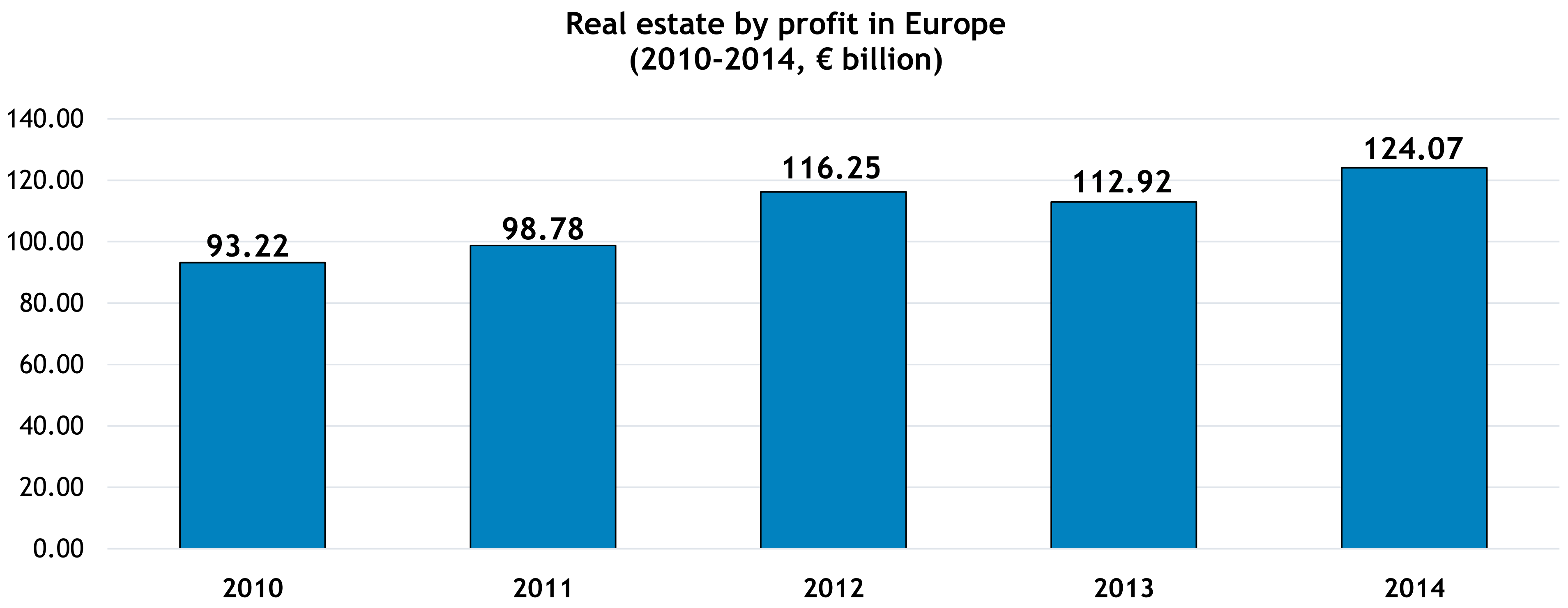
Eurostat.com, Colliers.com, jll.com

Real estate industry by profit (2010-2014)

The European real estate market's gross profit in 2014 was €124,07 billion. This indicator increased with a CAGR of 7,65 %.

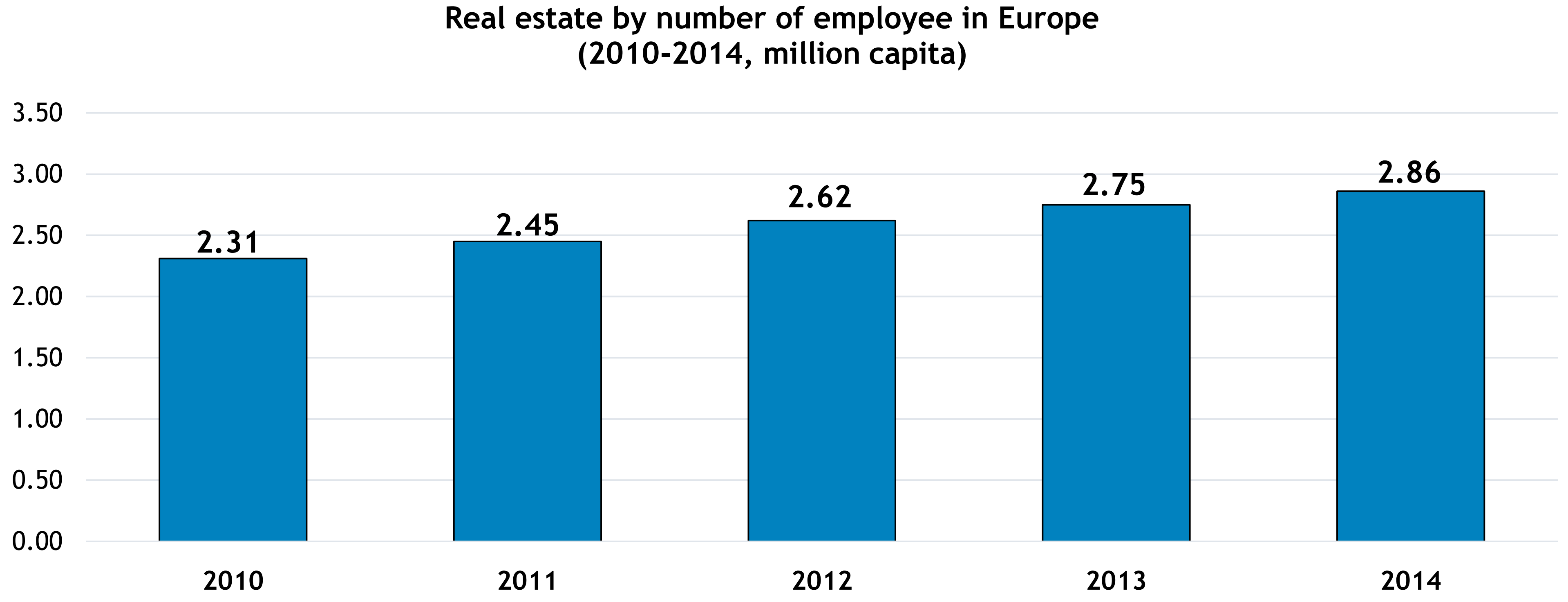


The European real estate market's average profit margin between 2010 and 2014 was 7,65%.
2012 and 2014 was an exceptional year in RE business, back then were the highest grow rates.

Source: telegraph.co.uk

Real estate industry by employment (2010-2014)

Between 2010 and 2014 the global growing tendency in the number of employees was followed by the European one. In 2014 the number of employees in this industry reached 2,86 million capita.



Since 2010 the number of employees in European real estate market showed a growth of 5,49% CAGR.

Source: ec.Europa.eu

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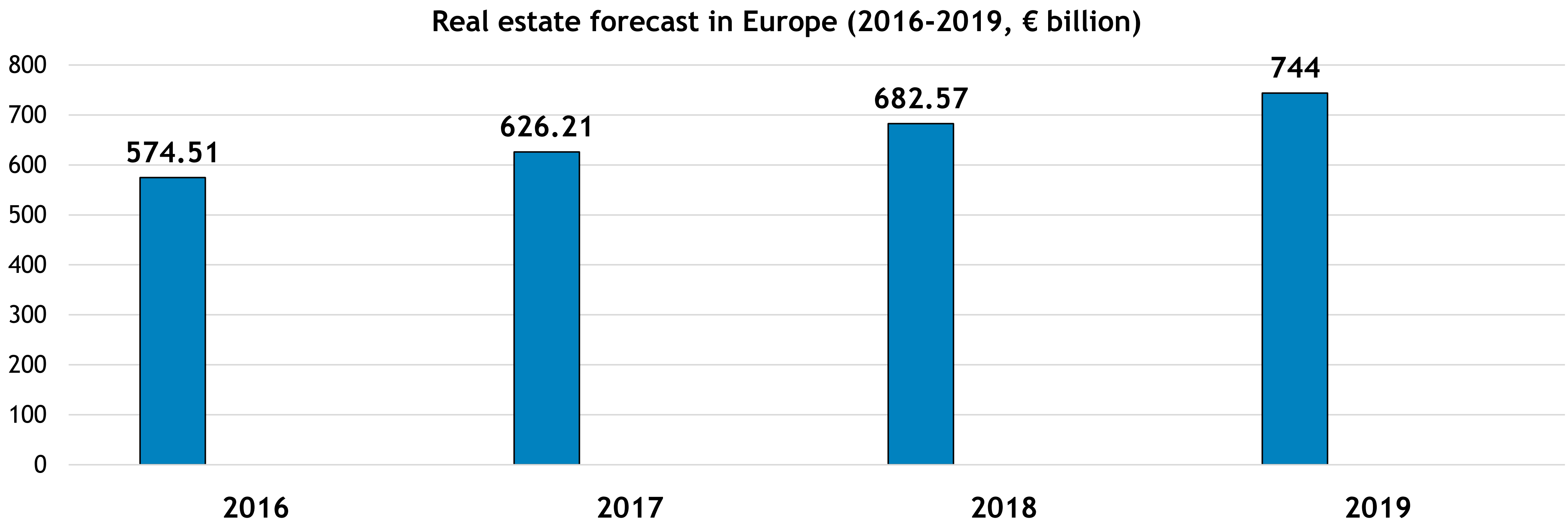
Real estate industry by revenue- forecast (2016-2019)

After the property bubble in 2007 caused by low mortgage interest rates, low short-term interest rates, low standards for mortgage loans the real estate industry started picking up pace in 2010. The investment market drivers are weight of capital, increasing debt leverage and new “innovative” financial products.

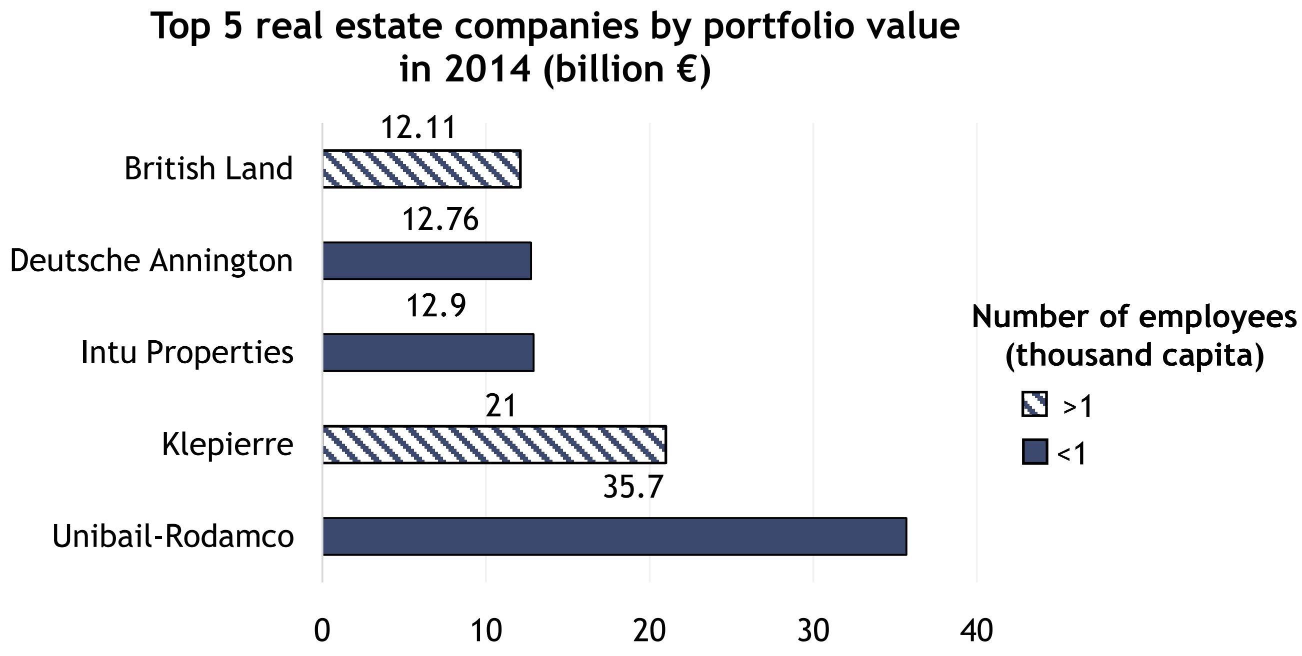


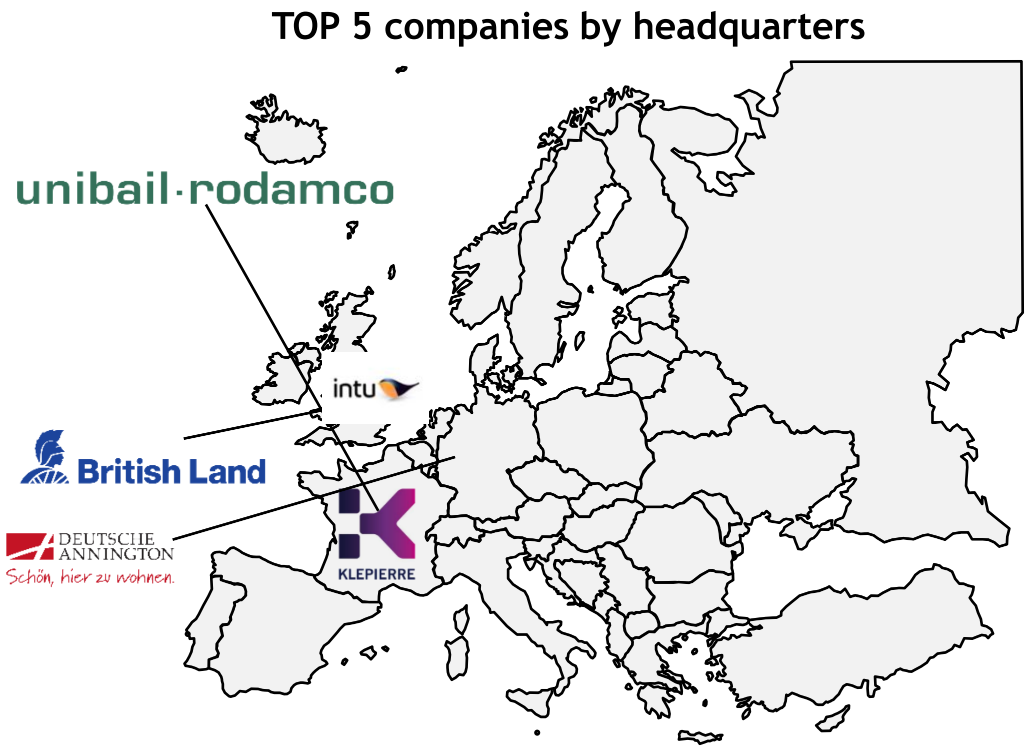
Forecasters raised their estimates for the European Real Estate annual return between **2015** and **2019** to **9%** from **8,7%**.
* Real estate markets are cyclical: their peaks will be followed by troughs and inversely.

Eurostat.com, Colliers.com, jll.com

Top 5 real estate companies (2014)

The largest real estate companies are involved in at least two segments of real estate. Examining these companies by headquarters there is a revealing tendency: France and UK are the leader countries in RE.





The 5 biggest companies' cumulated portfolio value in 2014: **€ 94,47 billion**

The biggest employer is Unibail-Rodamco with 2085 employee which is followed by Klepierre with 1598 employee.

Source: epra.com; Annual reports

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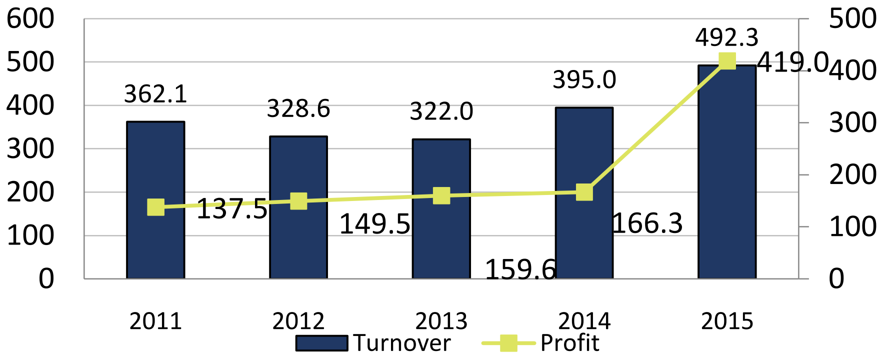
1. Unibail Rodamco

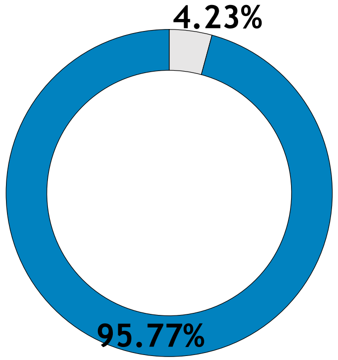
Unibail Rodamco is the second european retail real estate company by revenue with € 492,3 million. This company has 4,23% share in French retail market.

Revenue and profit, 2011-2015 (million €)



2085

French retail property market share(%)



Paris, France

Brownfield Project, Alicante, in Spain

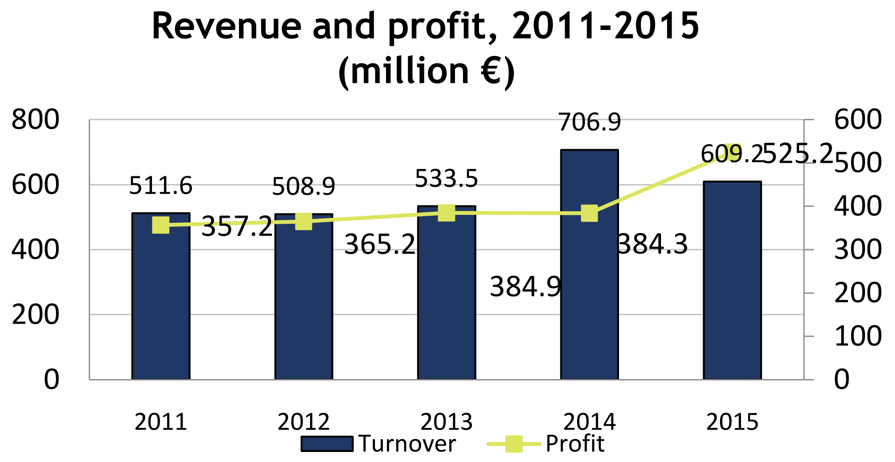
Perella Weingberg

Gazdasági Tanácsadó Klub

Source: unibail-rodamco.com

2. Klépierre

The first european retail real estate company by revenue is Klépierre with € 609,2 million. This company has 3,9% share in French retail market.



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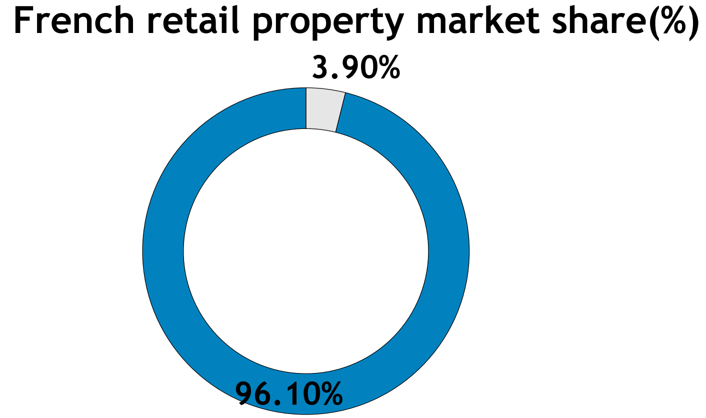
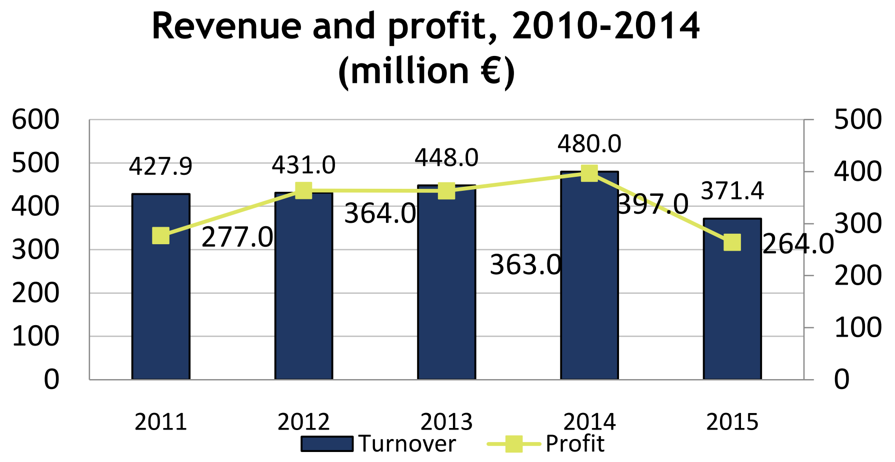


Paris, France	Monte Cristo Capital Project,Marseille, France	BNP Paribas

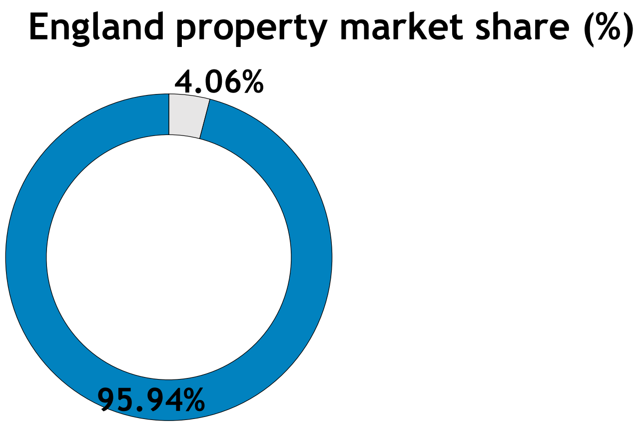
Source: klepierre.com;

3. Intu Properties

This company has 4,06% share in England retail market.



2018



London, England

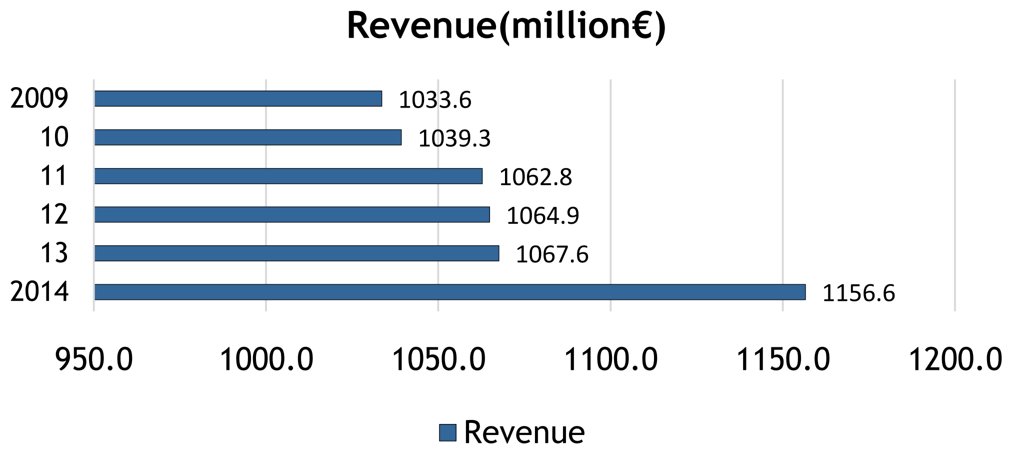
Puerto Venecia Poject, In Spain With Canada Pension Plan Invest.

Trafford Centre, Peel Group

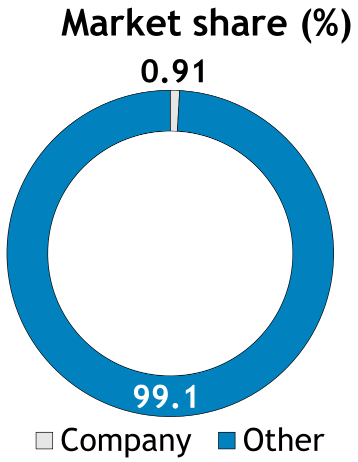
Source: intugroup.co.uk

4. Deutsche Annington Immobilien

Deutsche Annington Immonilien is the leading company in residential market in Europe. The company total assets 14.76 billion(€). In 2015 the company purchased Gagfah the third company in the rankings.



3850



Bochum	184000 residential unit	Dortmund, Berlin, Frankfurt, Essen Gelsenkirchen, Bochum, Munich, Herne, Duisburg, Bonn, Marl and 534 other cities citizens.	Average rent: 5.09-6.63(€/sqm/month)	Gegfah purchase Modernization projects Acquisitions Property construction

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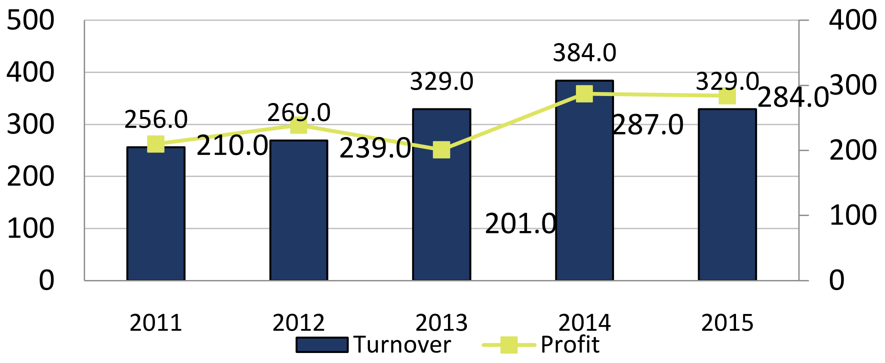
Source: deutsche-annington.com;

5. British Land

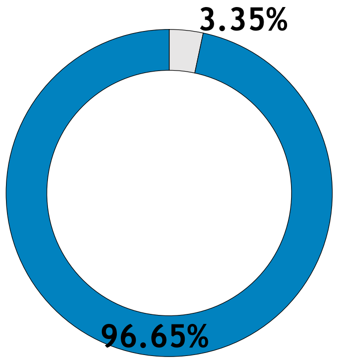
The third european retail real estate company by revenue is British Land with € 329 million. This company has 3,35% share in England retail market.

Revenue and profit, 2011-2015 (million €)



598

England property market share (%)



London, England

New Mersey Shopping Park, in Speke

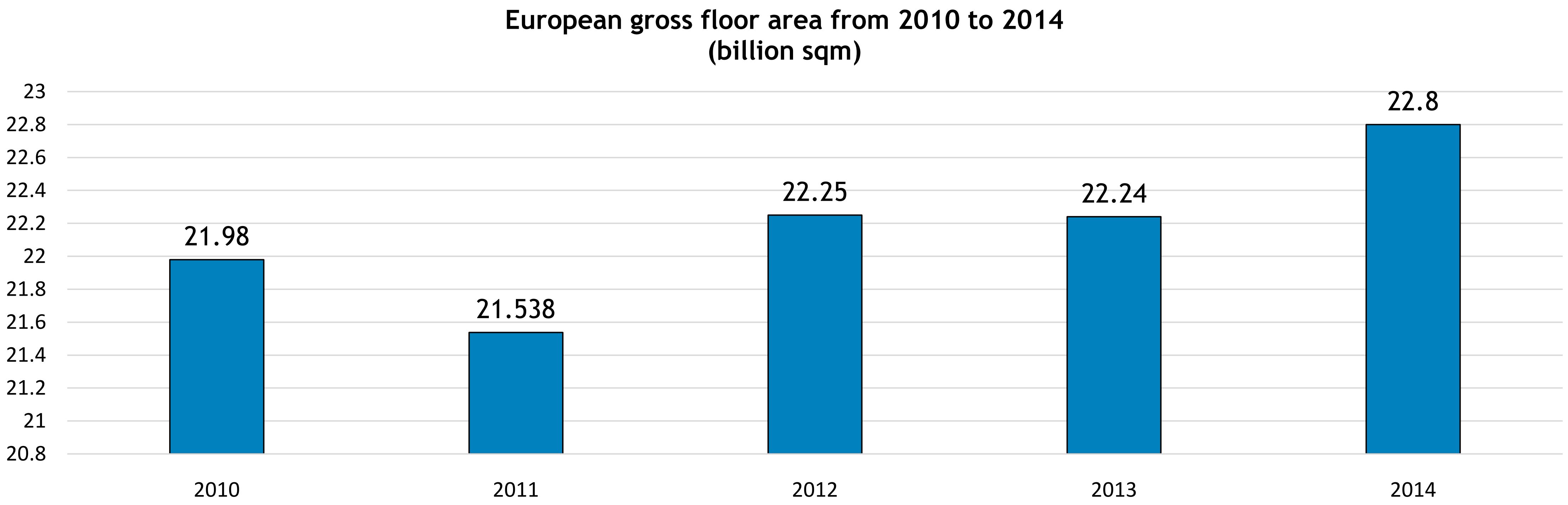
Paddington Central

Gazdasági Tanácsadó Klub

Source: britishland.com

Real Estate industry by GFA (2010-2014)

The the industry`s total usable floor area had a CAGR of 0.74% in the past 5 years. In 2014 it reached a value of 22,8 billion sqm.



The European real estate industry increased with a CAGR of 0.74%, based on GFA values. Considering the sector`s changes through the years, in 2011 occured the highest growth, 3,3% precisely. By 2014 the gross floor are value of the sector reached the number of 22,8 billion sqm.

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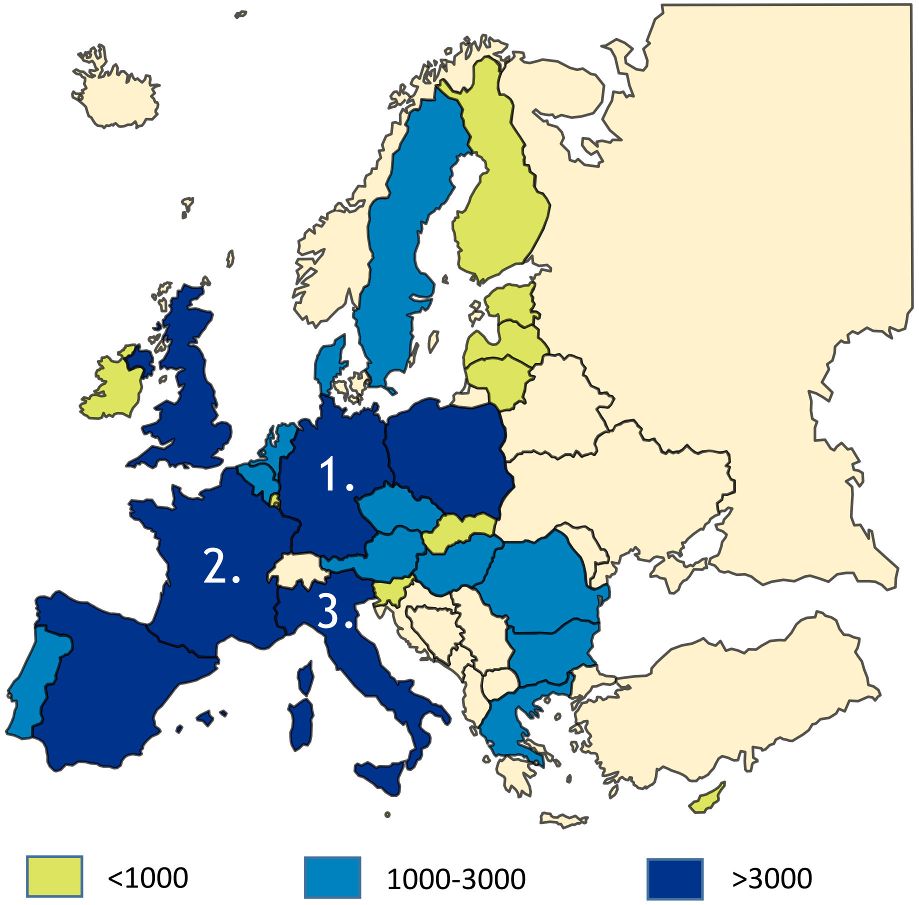
Source: energyagency.at

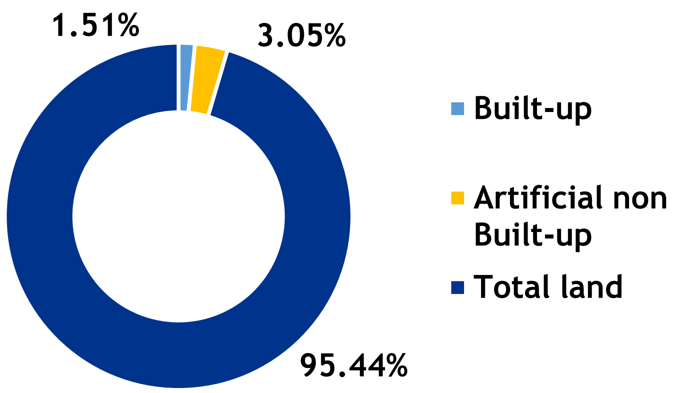
Built-up areas in the European region

The total Built-Up area in 2012 in the European region was 65.055 ksqm. Germany has the largest artificial built-up land cover, a 9.184 ksqm area, followed by France with 9.028 ksqm and Italy with 8.188 ksqm.

Built-up areas in Europe (2012, km^2)



Land in use compared with total land (2012, %)



Size of the total Artificial land in Europe was 195.972 ksqm whose composition is: Built-Up Area 1.51% and Artificial non Built-Up 3.05%.

The number of the total Built-up areas in the European region has been constantly increasing from 2009 through 2012. Malta has the highest percentage of Built-up areas with 18.99%, Belgium has 7.12% and Netherlands 4.20%.

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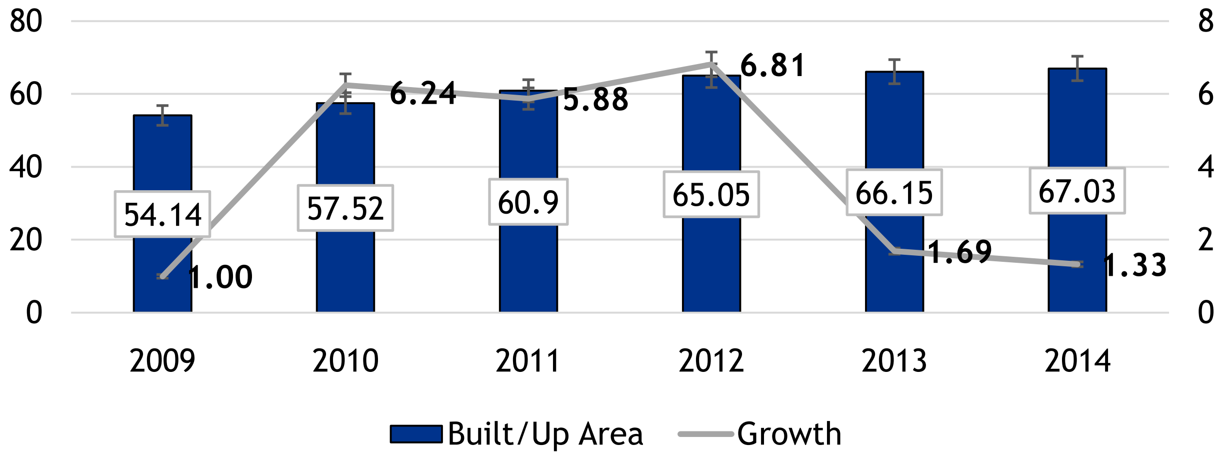
Source: eurostat.eu

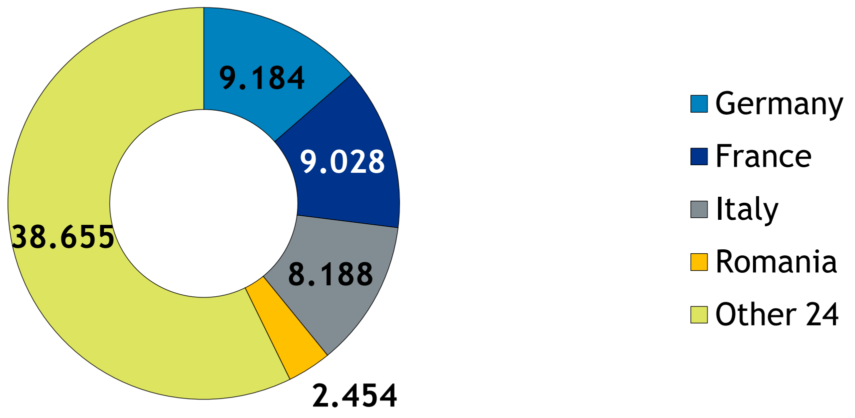
Built-up surface (2009-2014)

Germany has the biggest artificial built-up land covered, a 9.184 sqkm area, followed by France, Italy and the United Kingdom. Romania also had a quite large built-up area, 2.454 sqkm.

Total Built-up area in Europe and percentage growth (th. Ksqm, 2009-2014)



Built-up surface in the largest European countries (th. Ksqm, 2012)

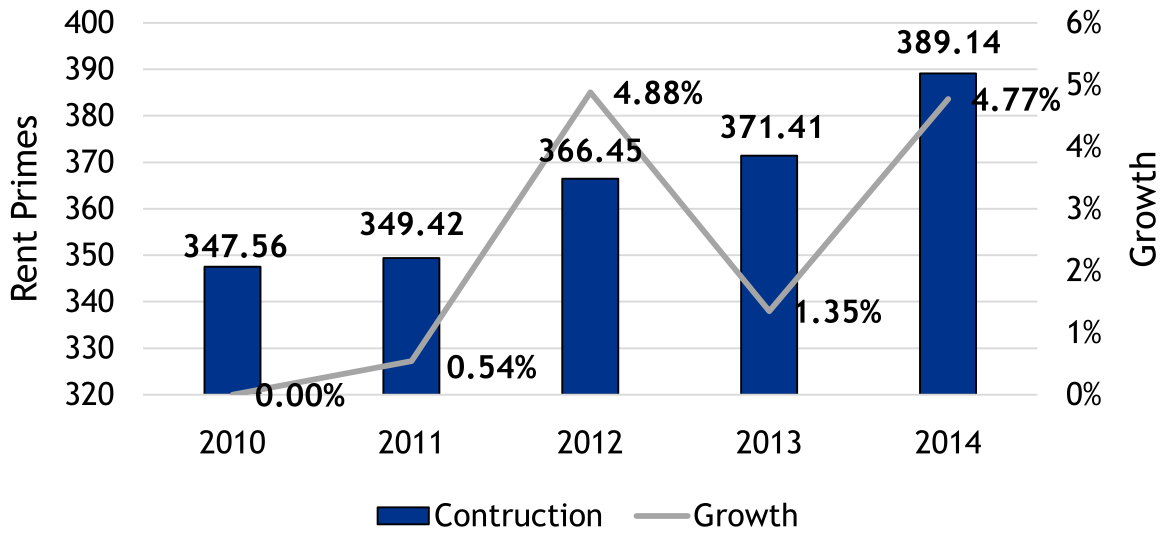


The European artificial land surface has experienced slowing growth from 2012 to 2014. According to the european LUCAS survey, the largest artifical and built-up area in 2012 was provided by Germany, France and Italy. Romania is in a good place with its quite extensive land and large built-up surface, 2.454 ksqm.

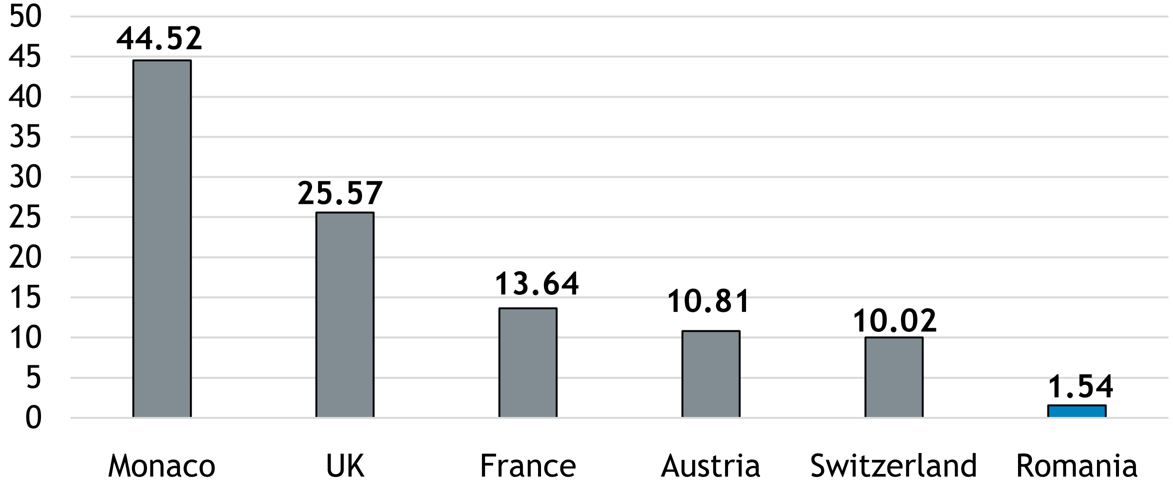
Real estate construction and rent prices (2010-2014)

The highest rental primes were those in Central London, amounting up to €1.603/sqm/year. However, Monaco was the most expensive country to construct a new building, with prices over €44.500/sqm.

Average Real Estate rent primes in the largest European cities and their growth rate (€, 2010-2014)



New building square metre prices in the most expensive countries (Th. €, 2014)



From 2010 to 2014, average rent primes in Europe's largest cities were in a continuous increase, with a CAGR of 2.28%. The most expensive average rents in 2014 were in London, Zürich, Paris and Geneva.

For building construction, Monaco was the most expensive country, where the price of one sqm was € 44 522. The cheapest were Macedonia with € 1.134 and Moldova with € 965.

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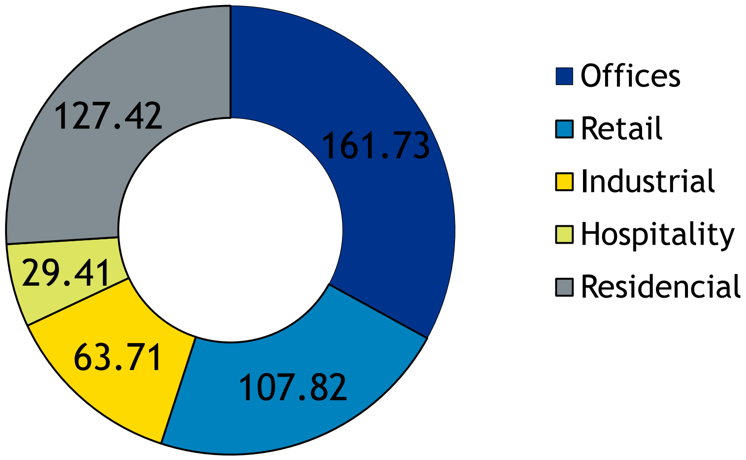
Source: realestate.bnpparibas.com, globalpropertyguide.com, statista.com

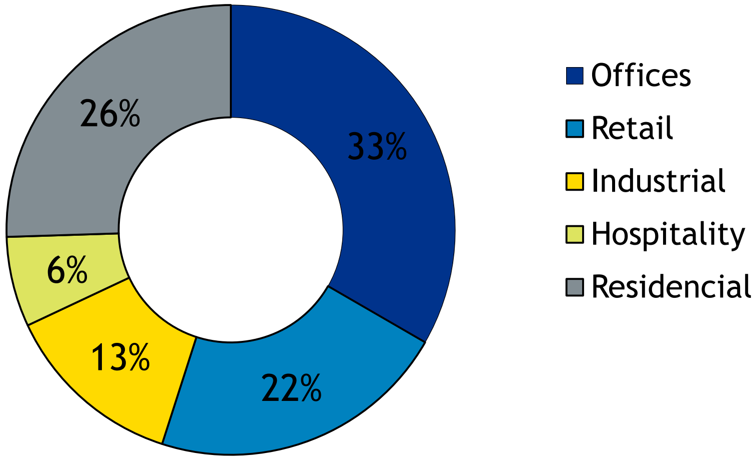
Real estate industry by sectors

The real estate market in Europe amounted up to € 490.09 billion in 2014. The highest investment was in the offices sector with €161.73 billion which represented 33% of the real estate market.

The real estate industry by segments 2014 (billion €)



The real estate industry by segments 2014 (%)



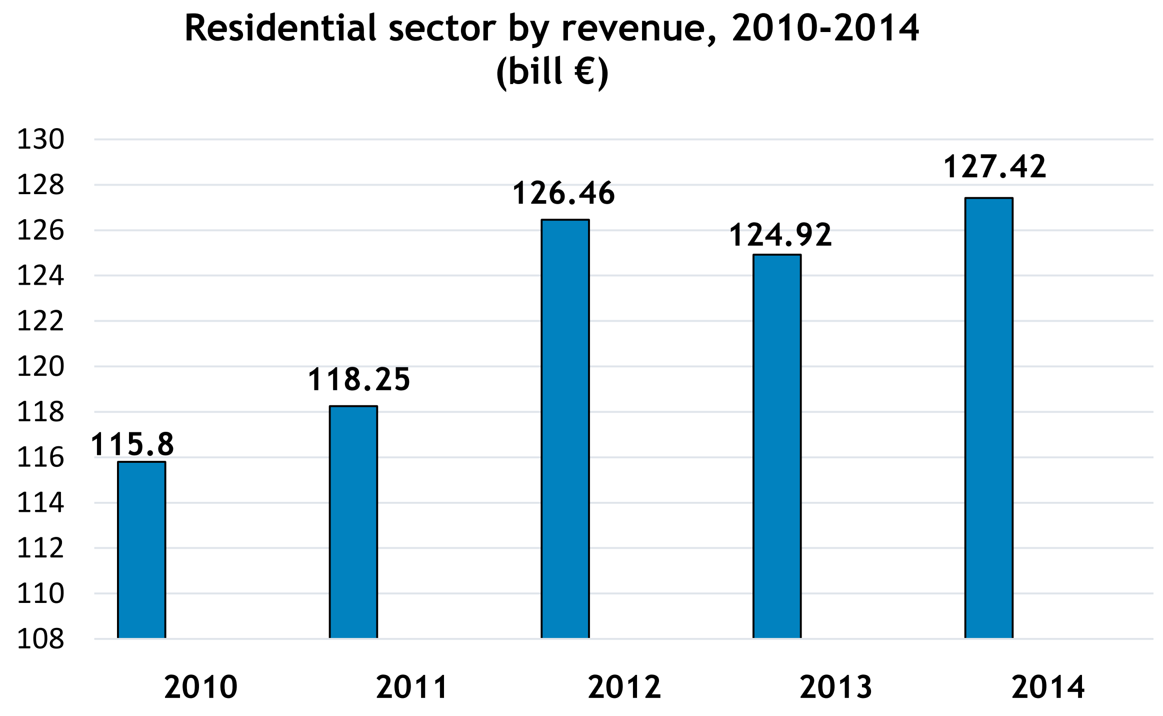
The real estate market amounted up to € 490.09 billion in 2014. The offices sector generated the highest revenue € 161.73 billion. The residential sector amounted up to € 127.42 billion,the retail sector to € 107.82 billion, the industrial to € 63.71 billion and the hospitality sector to € 29.41 billion.

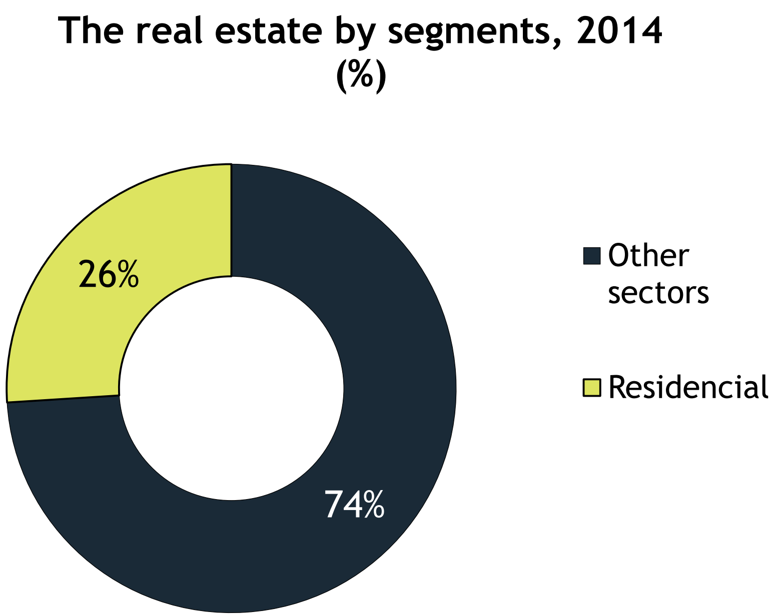
Gazdasági Tanácsadó Klub

Source: ec.europa.eu, realestate.bnpparibas.com, hospitalitynet.org;

Residential sector by revenue (2010-2014)

The residential investment volume represents 26% of the total real estate industry, and has a 21,6% profit margin. In the 2010-2014 period the CAGR was 2,45% for revenue and net profit as well.





Similarly to the retail subsector, in case of the residential sector there was a continuous growing tendency between 2010 and 2014, 2013 having been the only year with a decrease, of 1.2%

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Europeanrealestateforum.eu, epra.com, europe-re.com, jll.com

Residential sector by profit (2010-2014)

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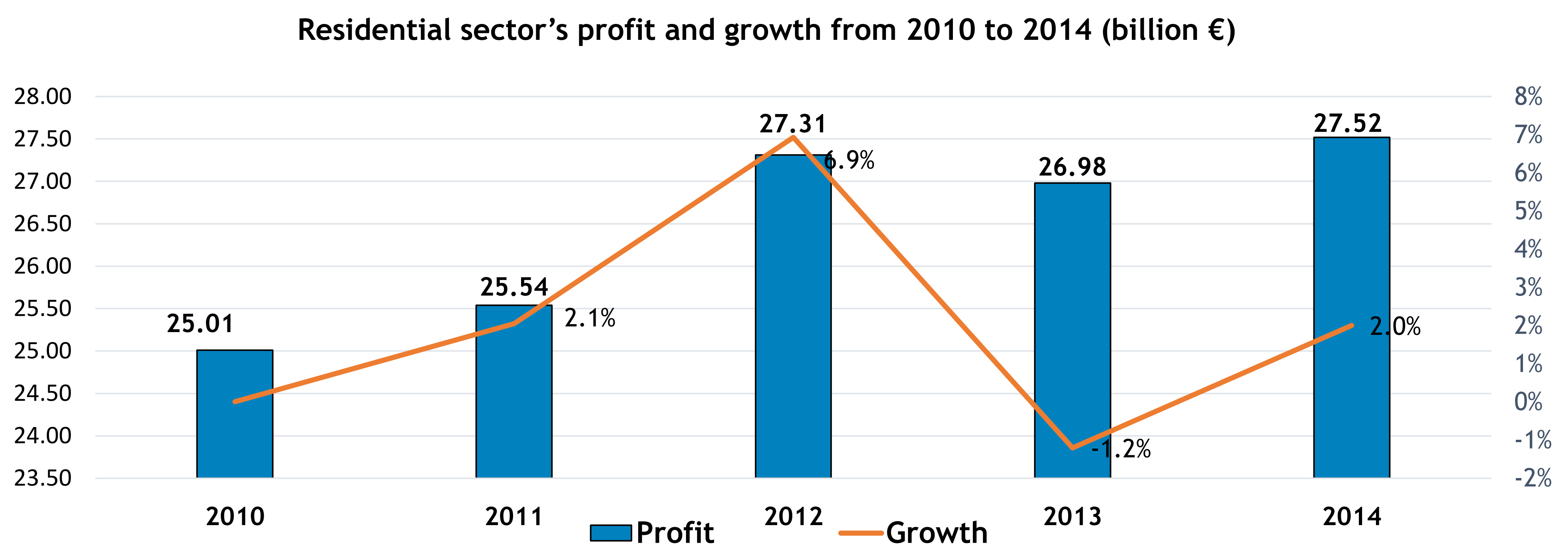
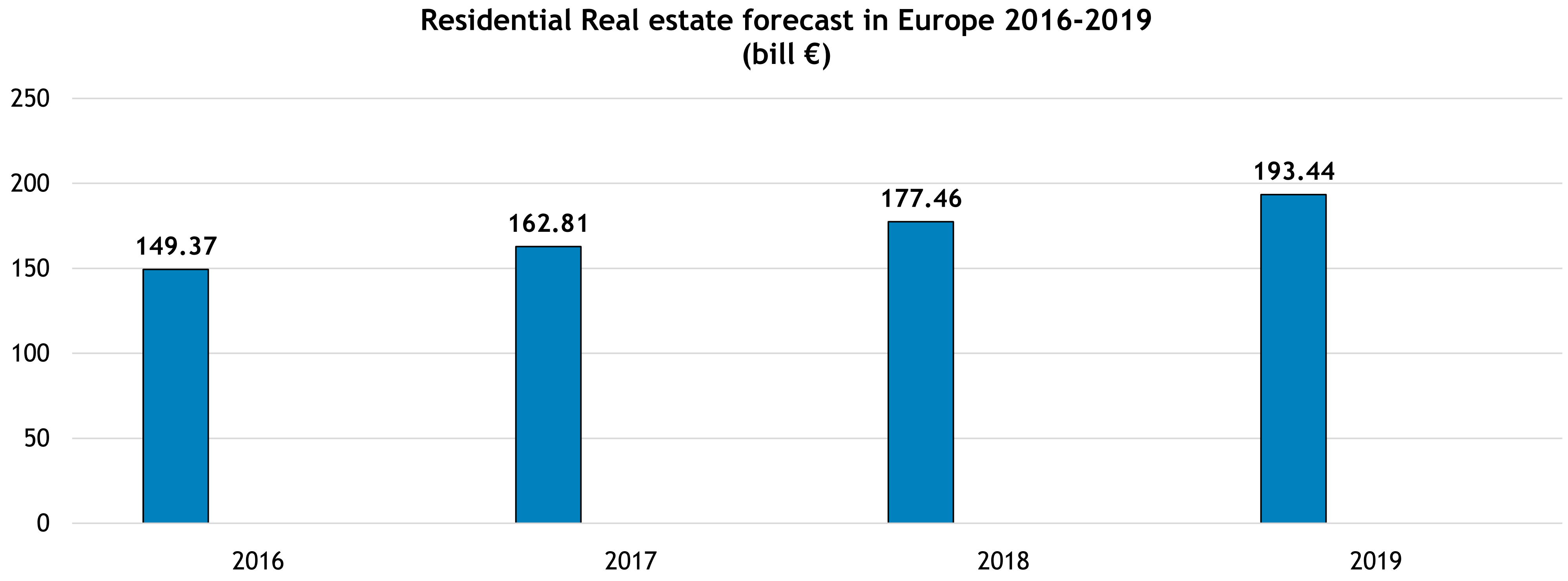


Similarly to the retail subsector, in case of the residential sector there was a continuous growing tendency between 2010 and 2014, 2013 having been the only year with a decrease, of 1.2%

Europeanrealestateforum.eu, epra.com, europe-re.com, jll.com

Residential sector by revenue- forecast (2016-2019)

Just like in the case of the European real estate industry, there is a 9% five-year annual return forecast for the European residential subsector as well.



The experts raised their forecast for the European residential real estate annual returns between 2015 and 2019 to 9% from 8.7%.

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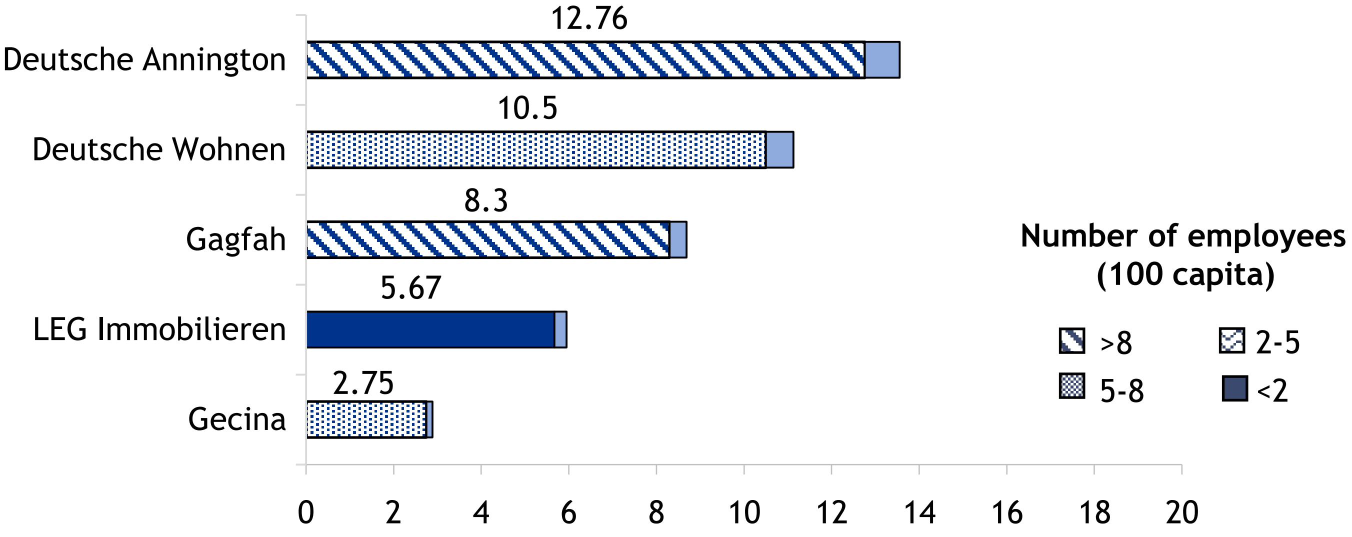
Source> *Propertyfundsworld.com*

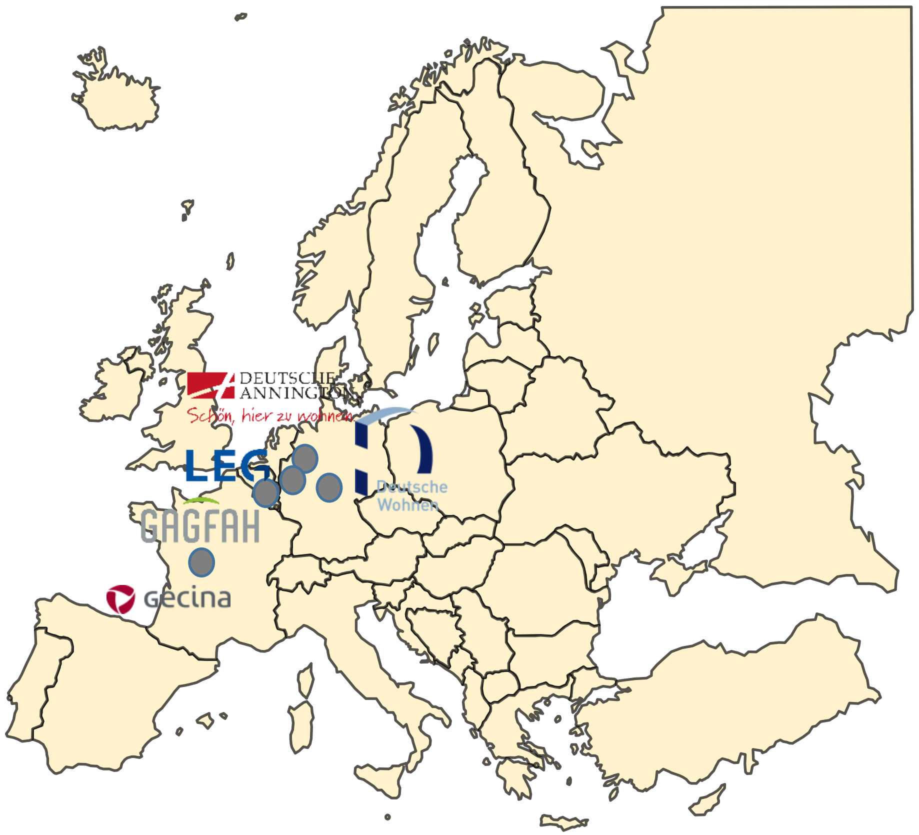
Top 5- residential market (2014)

Largest european Residential property companies are based in Germany. Firsts is Deutsche Annington and Deutsche Wohnen, who was merged some big competitors in these years like GSW Immobilieren.

Top Real Estate Office sector companies by portfolio value and net income in 2014 (billion EUR)



Top 5 companies headquarters



All of the companies are listed in stock exchange and one of the biggest residential companies. Largest Residential company in 2014 is the Deutsche Annington with € 12.76 billion total portfolio value.

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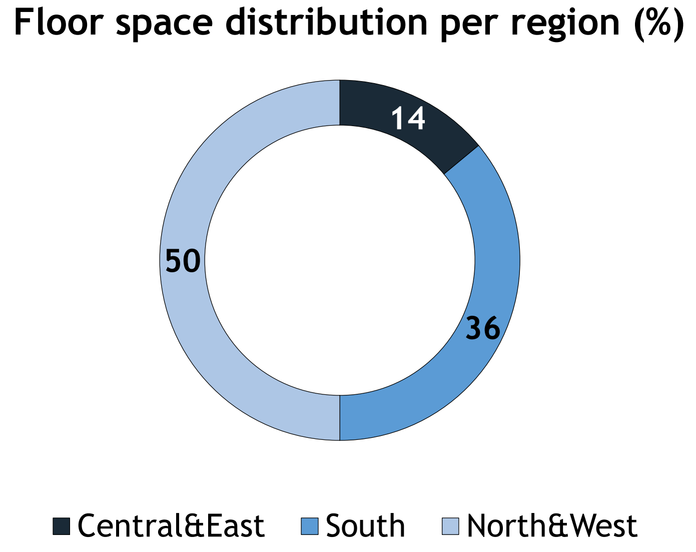
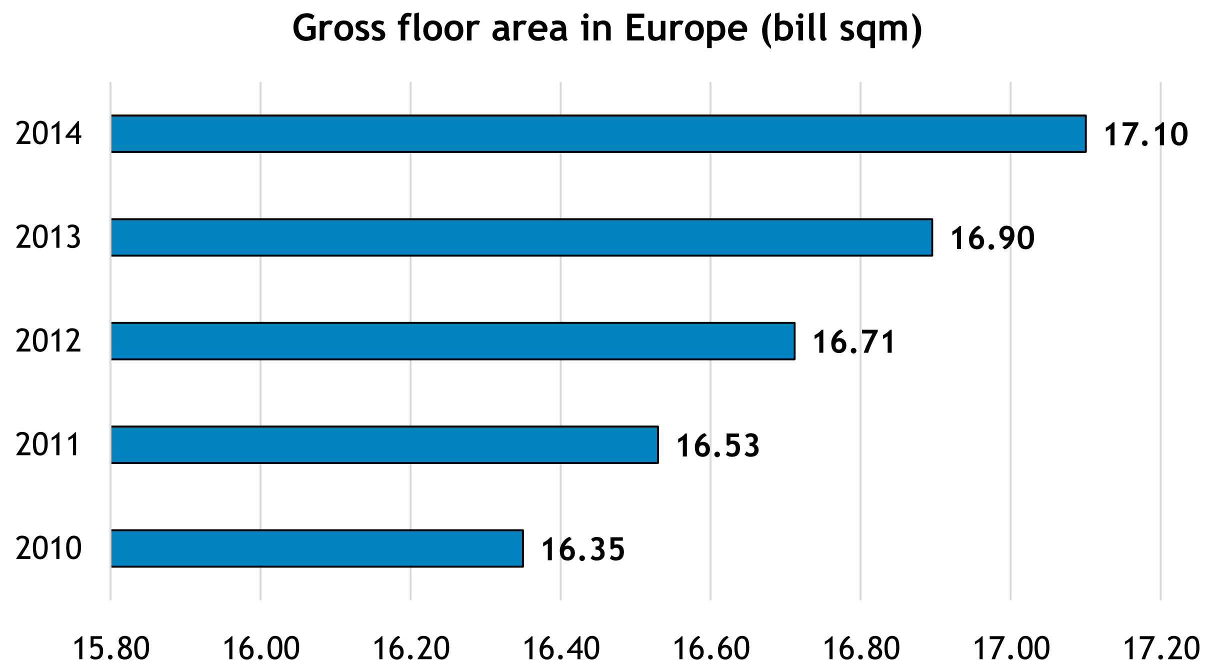
Source: scoperatings.com; deutsche-annington.com, gagfah.com, leg-wohnen.de, grandcityproperties.com

Residential sector by GFA (2010-2014)

It is estimated that there are 22,8 billion sqm of useful floor space in the EU27, 75% of this floor space is residential and 25% is non-residential. Annual growth rates in the residential sector are around 1%.





The most populated countries (DE, FR, UK, IT and ES) account for 65% of total floor space.

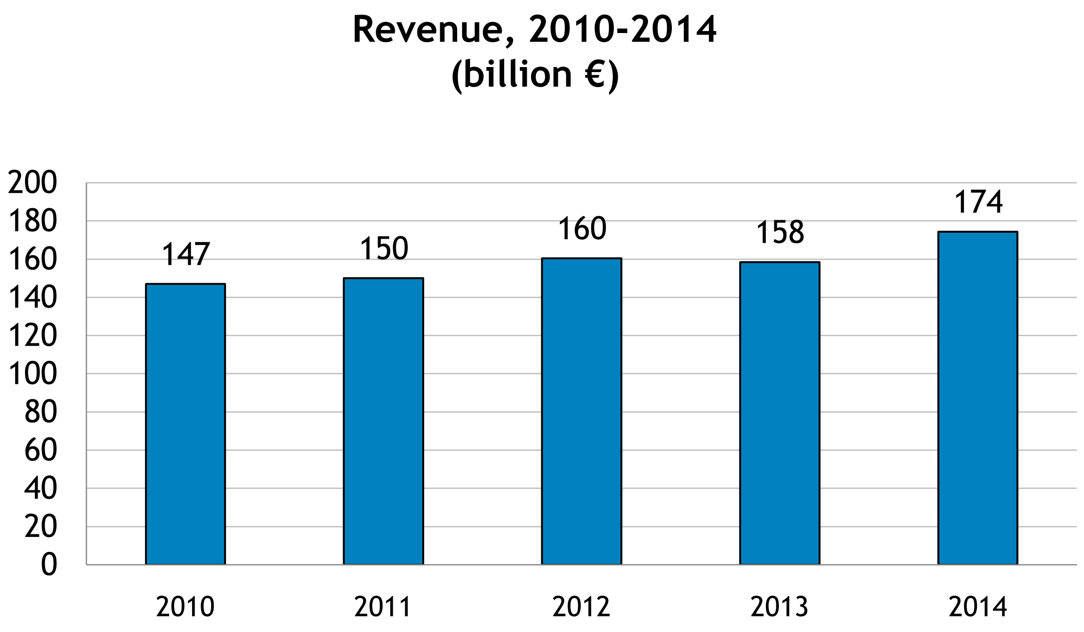
64% of the residential buildings are single family houses and 36% are apartment blocks.

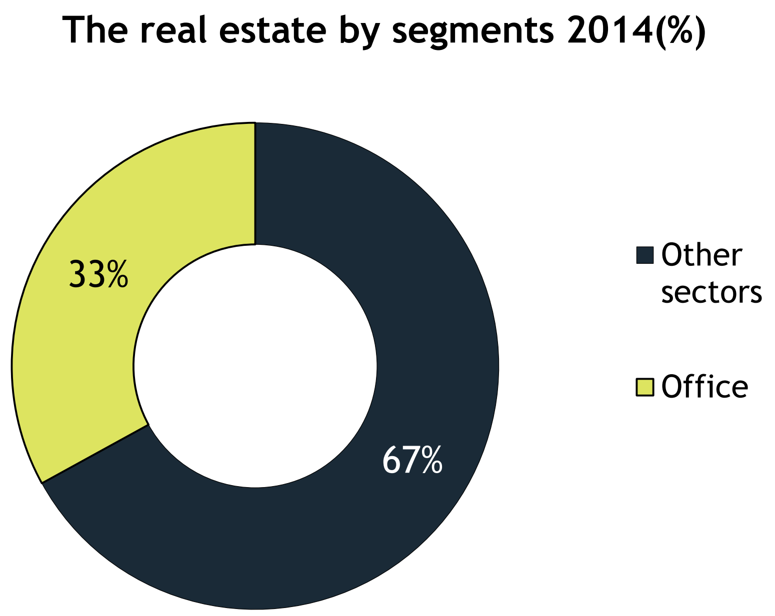
Source> *Insitutebe.com, energyagency.at, deloitte.com, Eurostat.com*

Gazdasági Tanácsadó Klub

Office sector by revenue (2010-2014)

The European office sector’s revenue has been steadily increasing, on average it increased by 5% each year.



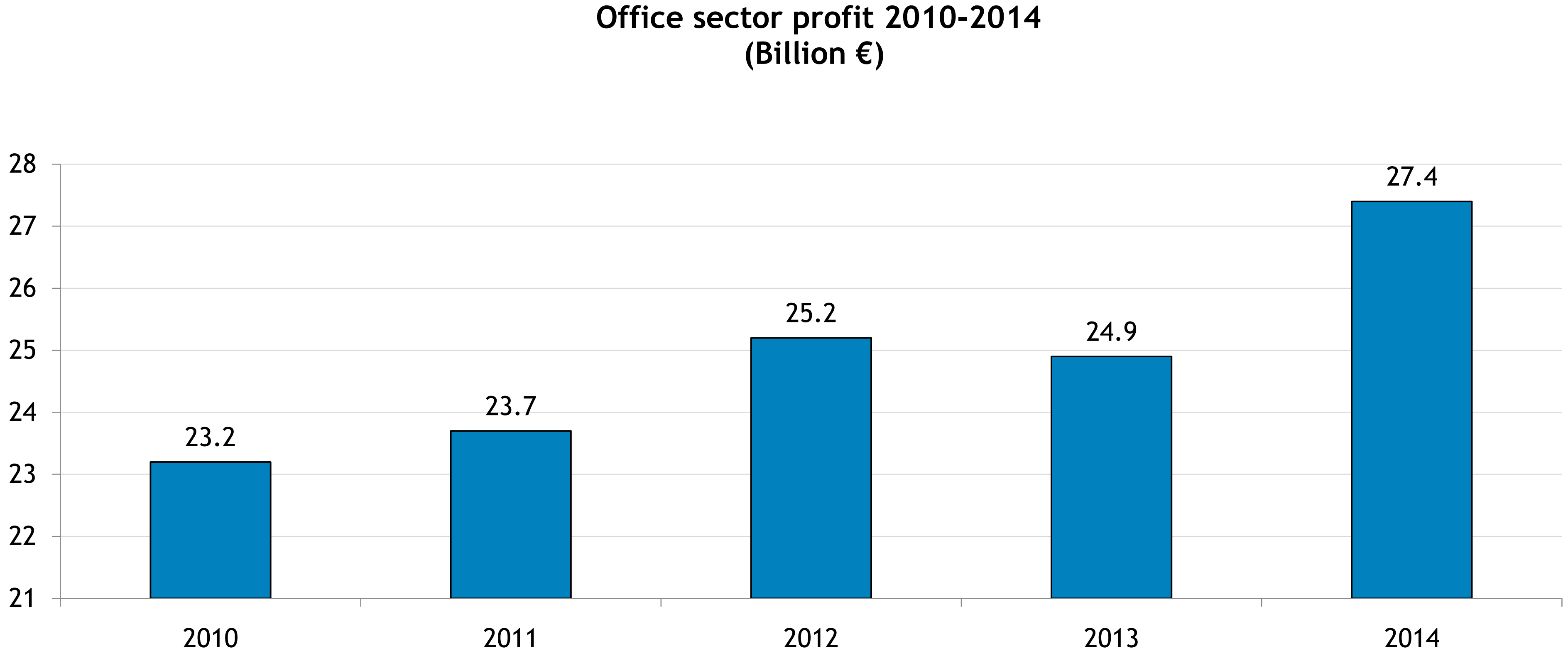


As the biggest sector from European real estate, the office sector grew constantly, except in 2013.

Industrybrowser.com,*ec.europa.eu*, *realestate.bnpparibas.com*

Office sector by profit (2010-2014)

The office sector accounts for 33% of the retail industry; its profits have shown an overall growing tendency in the last years.

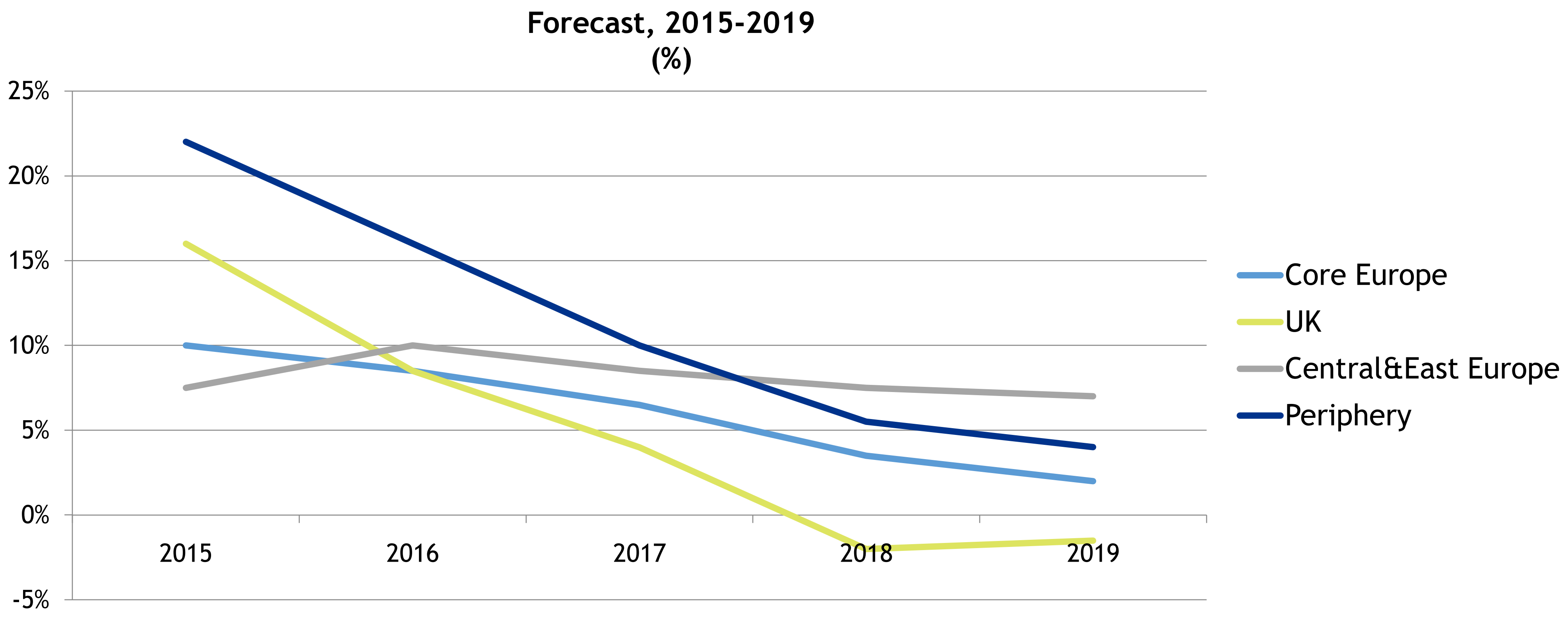


The European office sector has a net profit margin of 12,8%.

Source: *ec.europa.eu, realestate.bnpparibas.com*

Office sector by revenue- forecast (2015-2019)

The European office sector is growing, but at a slowing rate.

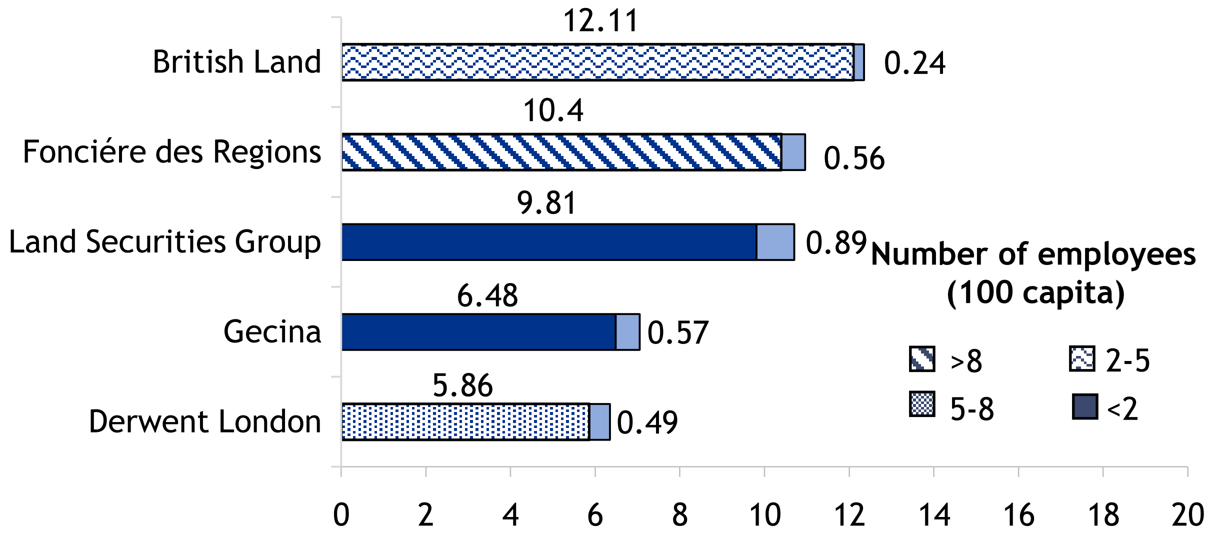


By 2019 we expect the European market to start shrinking.

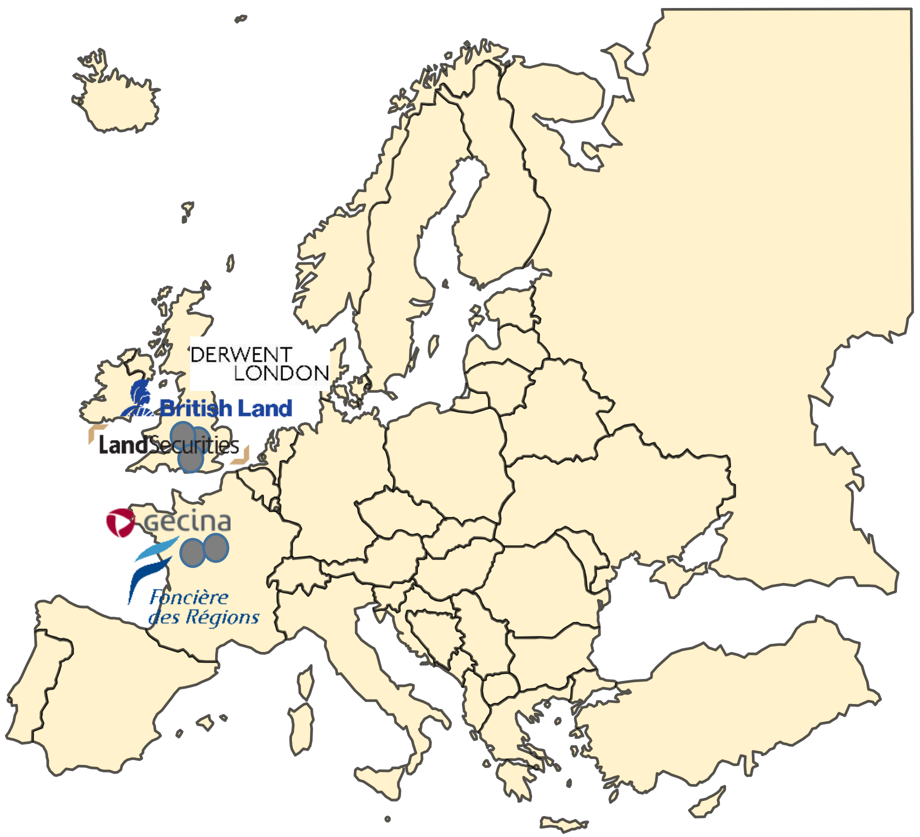
Top 5- office market (2014)

Office investments made up 48% of total investments in Commercial Real Estate. The list of largest European property companies with office departments include 2 from London, 2 from Paris.

Top real estate office sector companies by portfolio value and net income in 2014 (billion €)



Top 5 companies and their headquarters

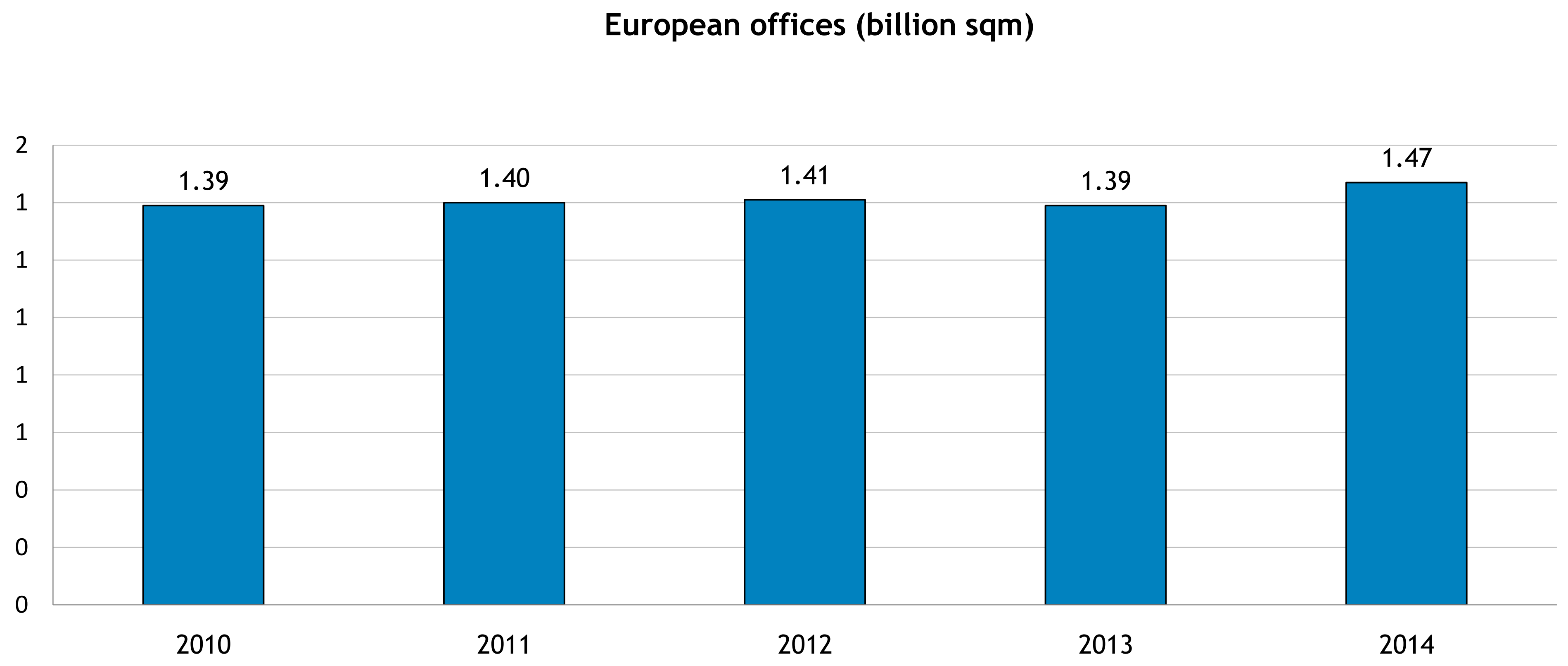


All of the above companies are listed on the stock exchange and are among the biggest property companies. British Land has the biggest office division: 48% of the total portfolio value, amounting up to € 12.11 billion and € 239 million profit.

Source: epra.com; forcieredesregion.fr; deutsche-wohnen.com; britishland.com; gecina.fr; landsecurities.com

Office sector by GFA (2010-2014)

After a long decline, the European office market started to grow again in 2014.

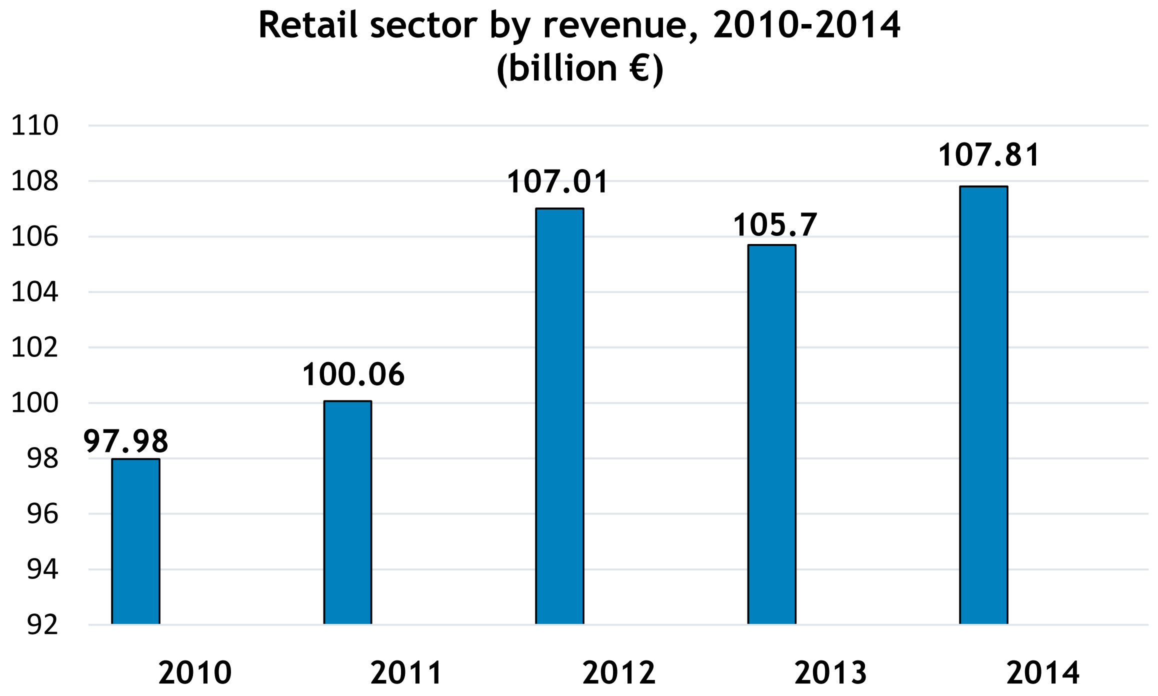


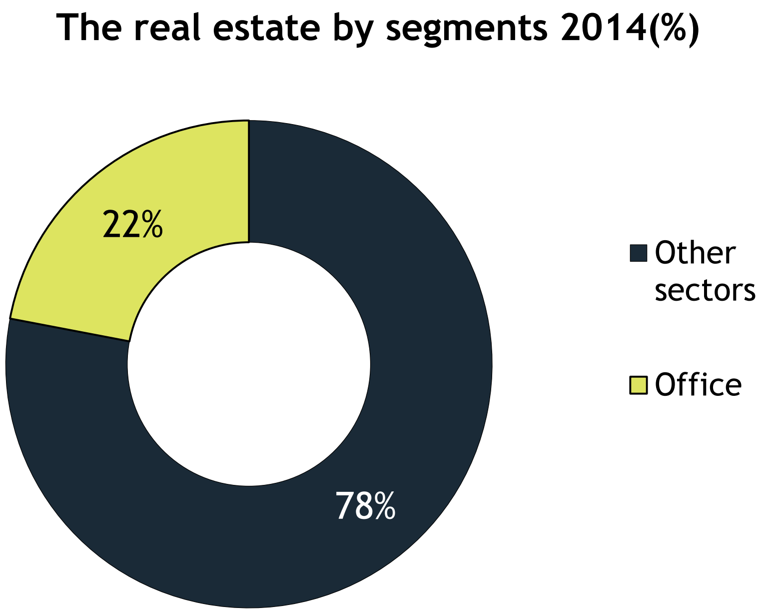
The improvement of economic conditions and labor market performance in 2014 helped kick off the office market in 2014.

Source: *BNP Paribas.com;JLL.com*

Retail sector by revenue (2010-2014)

The retail investment volume represents 22% of the commercial real estate sector, and has a 32,6% profit margin. In the 2010-2014 period the CAGR was 2,47% for revenue and net profit as well.





The above charts show a continuous growth tendency in the 2010-2014 period, the sole decrease being recorded between 2012 and 2013.

Europeanrealestateforum.eu, epra.com, europe-re.com, jll.com

GTK Gazdasági Tanácsadó Klub

Retail sector by profit (2010-2014)

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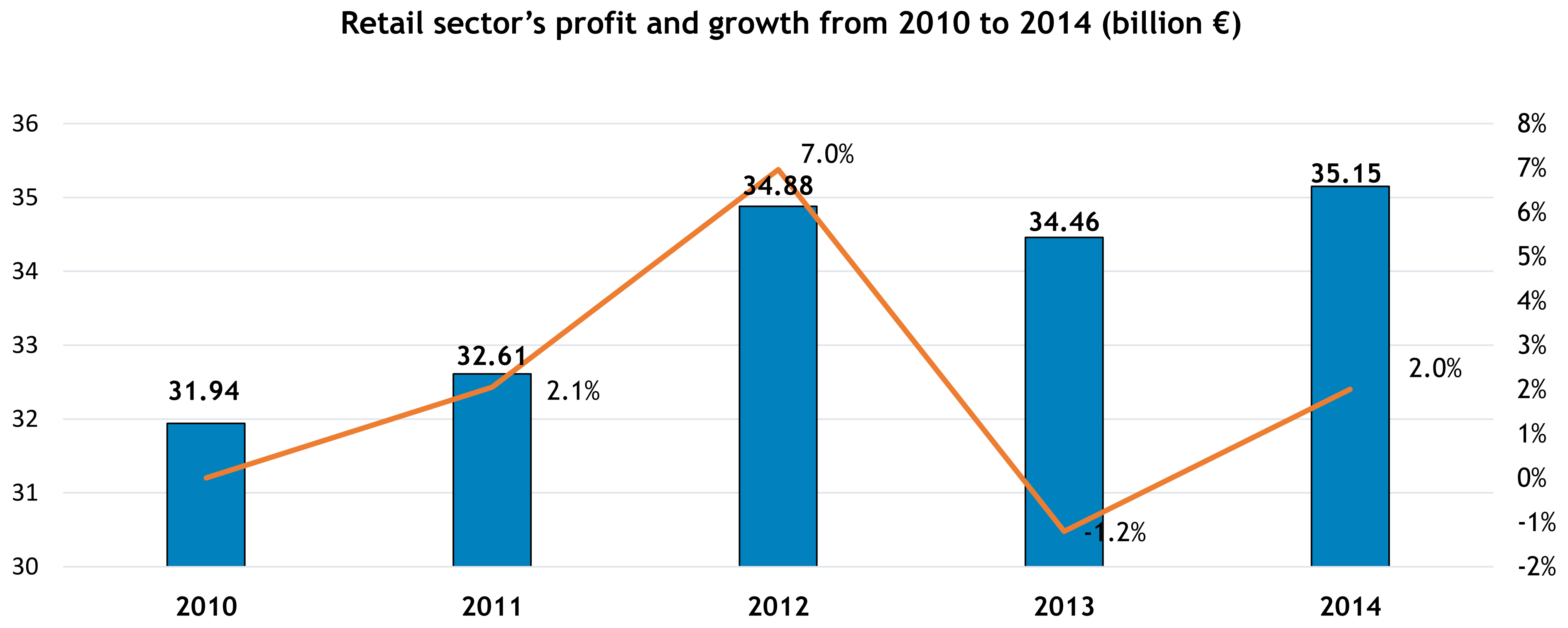

The above charts show a continuous growth tendency in the 2010-2014 period, the sole decrease being recorded between 2012 and 2013.

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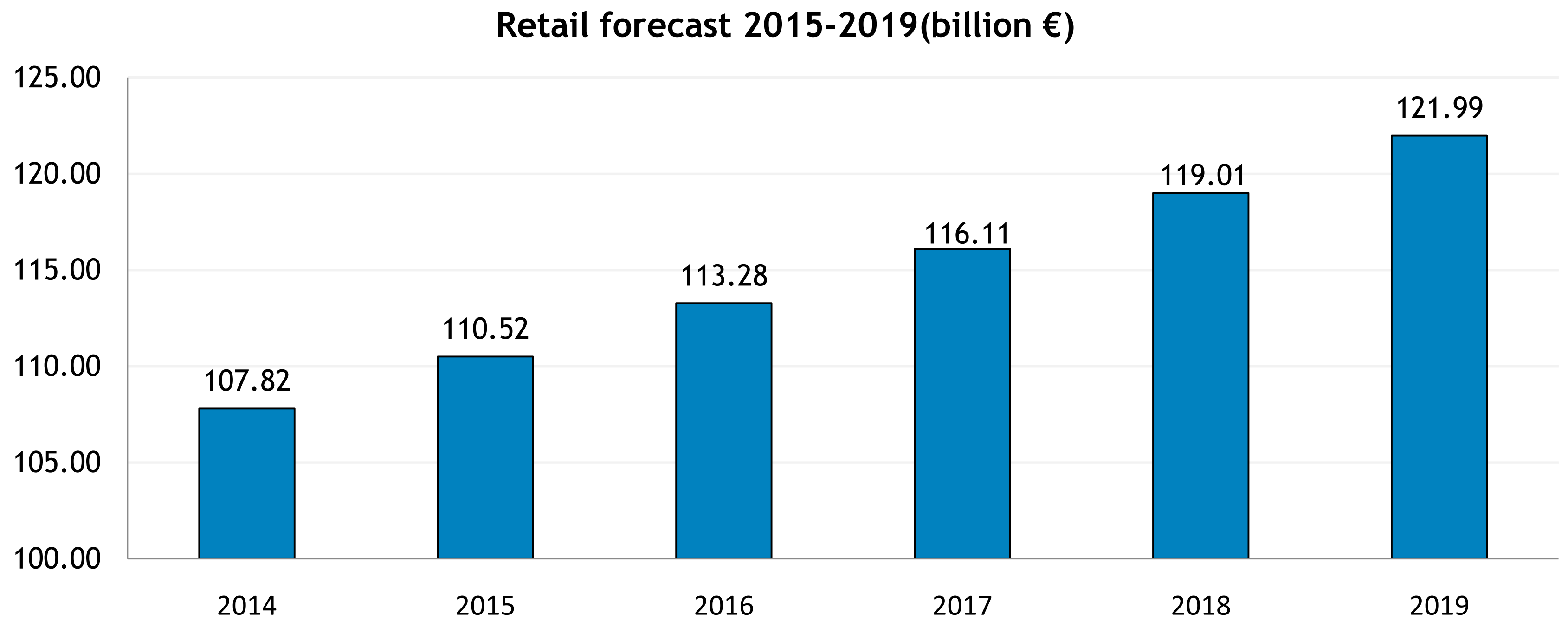
Retail sector by revenue- forecast (2015-2019)

The retail sector will grow constantly in the next 5 years, by a CAGR of 2.5%. The growth is due to the Eurozone GDP growth. The revenue will be over € 121 billion.



The retail sector will grow constantly between 2015-2019. The CAGR in this period is 2.5% and the revenue in 2019 will be over € 121 billion. The growth reason is the Eurozone GDP growth and especially the growth in the most important countries like the UK, Germany and France.

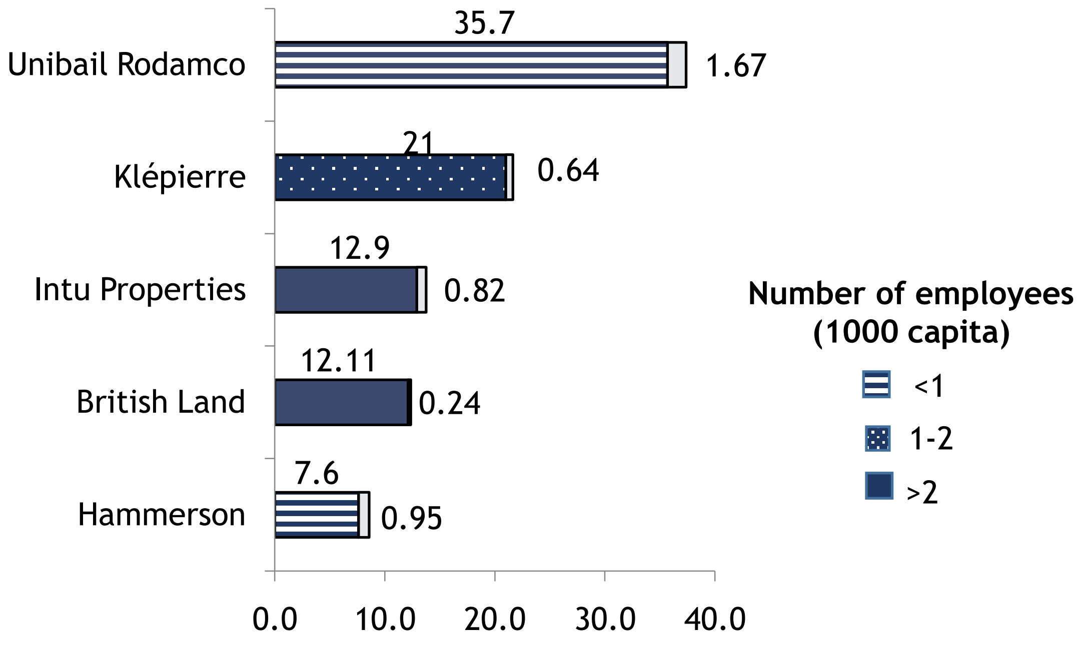
GTK Gazdasági Tanácsadó Klub

Source: realestate.bnpparibas.com, ey.com, retailresearch.org;

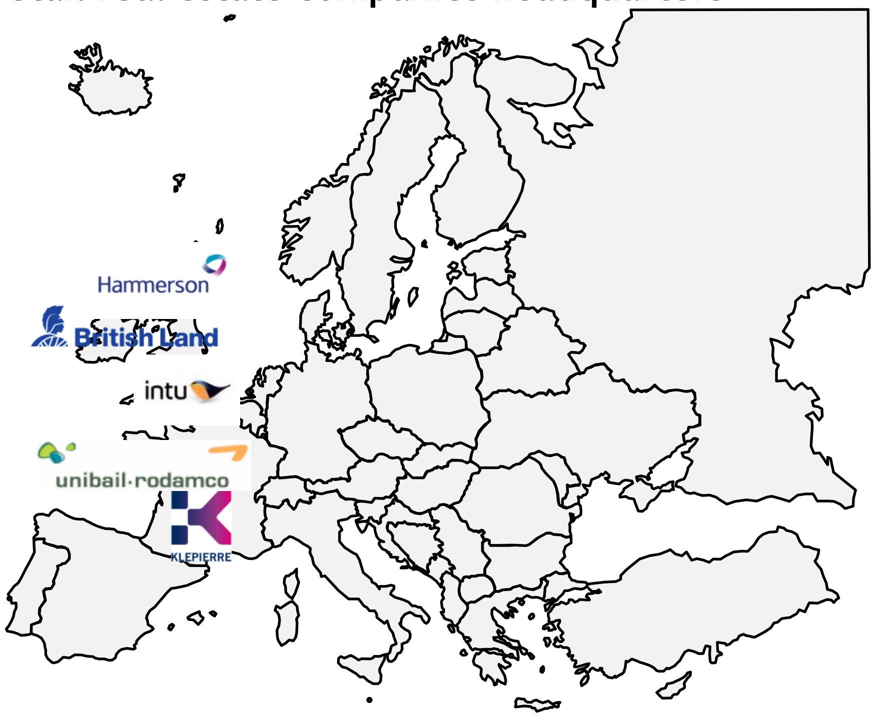
Top 5- retail sector (2014)

The top European retail real estate companies have a total market share of € 1,6 billion. The first and second company have 8,1% in the French market, and the other tree have 10,8% in British market.

Top real estate office sector companies by portfolio value and net income in 2014 (billion €)



TOP 5 retail real estate companies headquarters



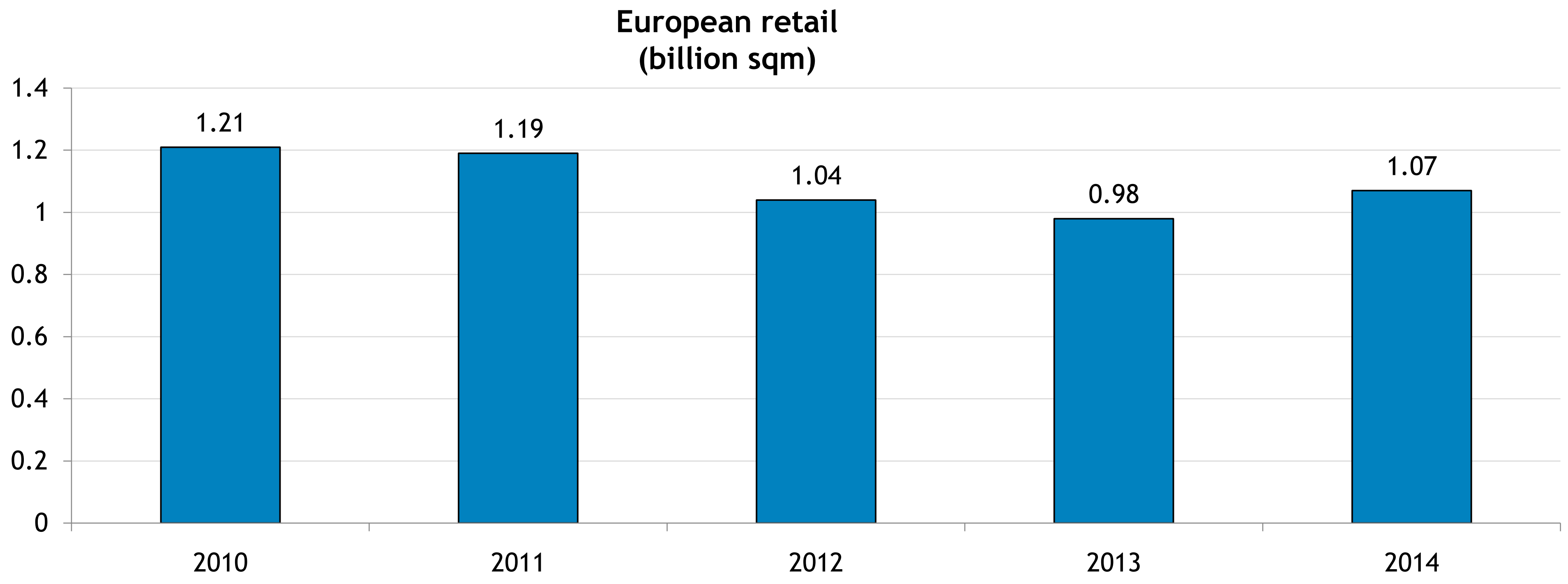
Unibail Rodamco is the biggest European real estate company in retail sector, and the third biggest in the world.

Unibail- Rodamco is the market leader by portfolio value and net income, although Intu Properties and British Land have more employee.

Source: Annual reports

Retail sector by GFA (2010-2014)

In 2010 and 2011 there were about the same number of square meters in retail real estate in Europe. Then it started to decline in 2014, going against the global trend.



- The retail are was largest in 2010 and 2011 in Europe, about 1,2 billion sqm.
- Between 2010-2014 Europe had a hard time, while the global retail's GFA constantly grew, in Europe it was shrinking.

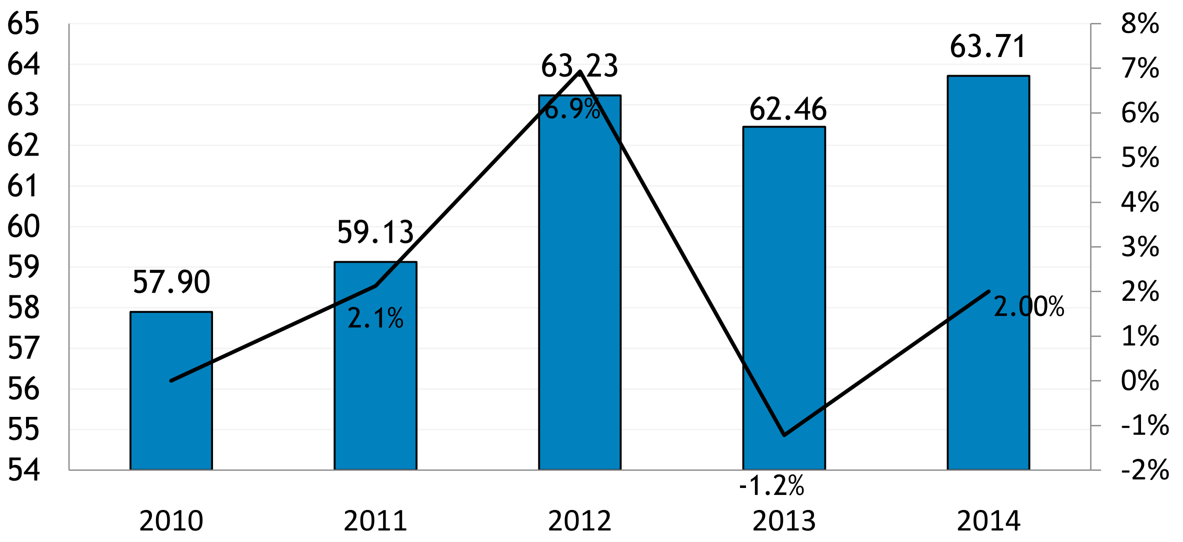
GTK Gazdasági Tanácsadó Klub

Source: BNP Paribas.com;JLL.com

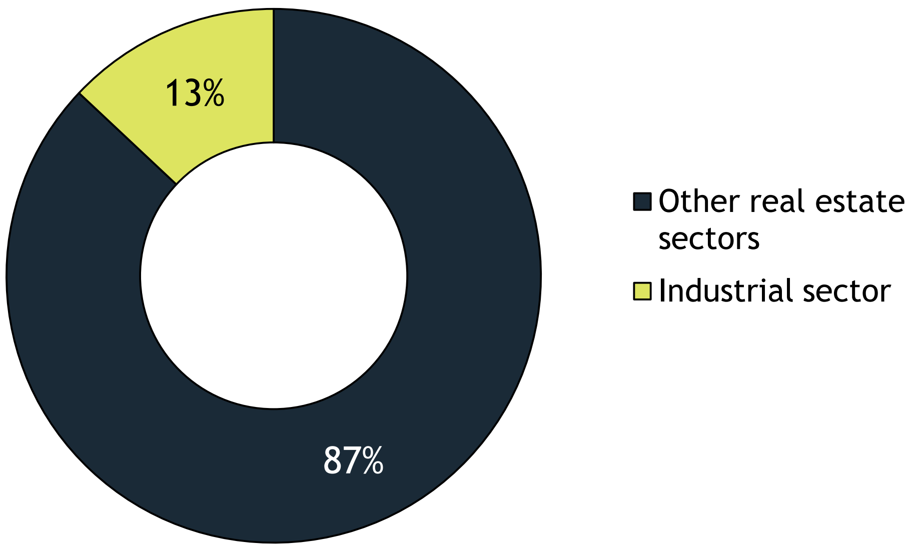
Industrial sector by revenue (2010-2014)

In 2014 the industrial sector's revenue was € 63.71 billion the highest of the last 5 years. The industrial sector accounted for 13% of the real estate market in 2014. The revenue grew constantly except 2012-2013.

Industrial sector revenue 2010-2014 (billion €)



The industrial sector market share 2014(%)



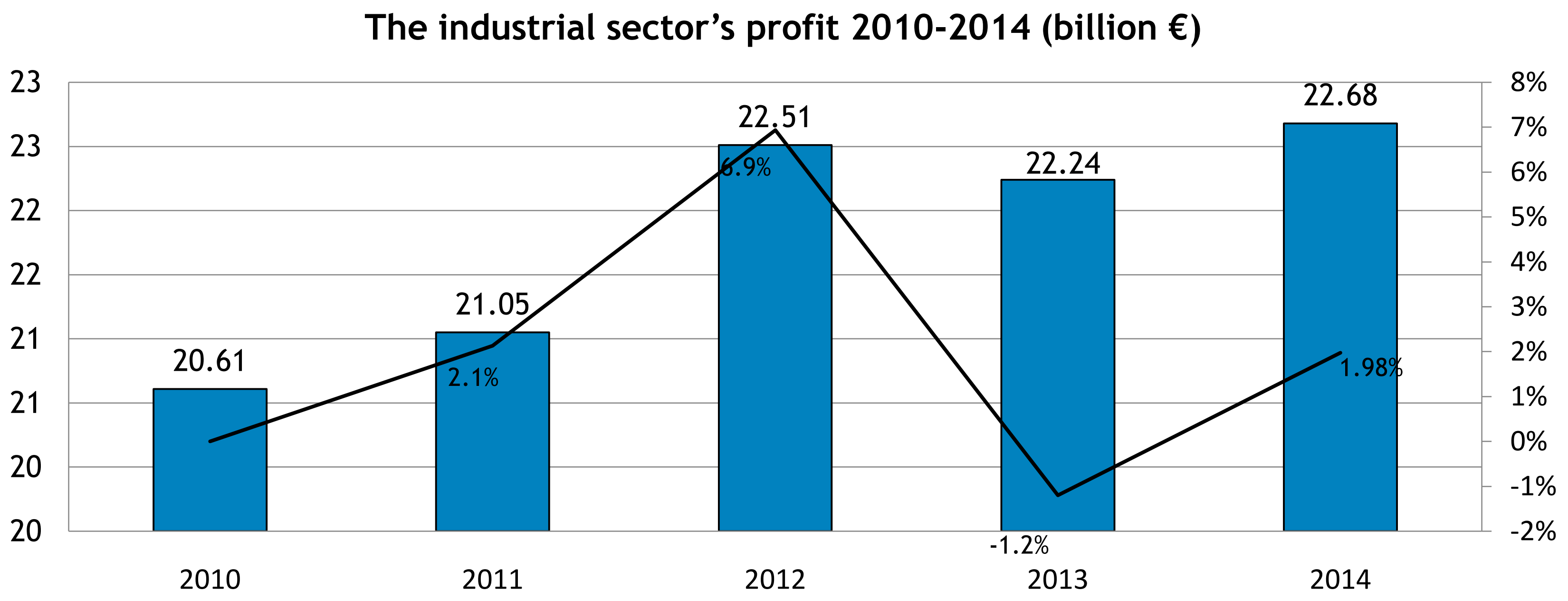
The industrial segment revenue grew constantly except between 2012-2013. The revenue was € 63.71 billion in 2014. The revenue grew by 2% between 2013-2014. The industrial segment's share was 13% of the total market in 2014.

GTK Gazdasági Tanácsadó Klub

Source: ec.europa.eu, realestate.bnpparibas.com, hospitalitynet.org;

Industrial sector by profit (2010-2014)

The industrial real estate profit grew every year except 2012-2013. The highest value was in 2014, € 22.68 billion. The average net profit margin was 35.6%.

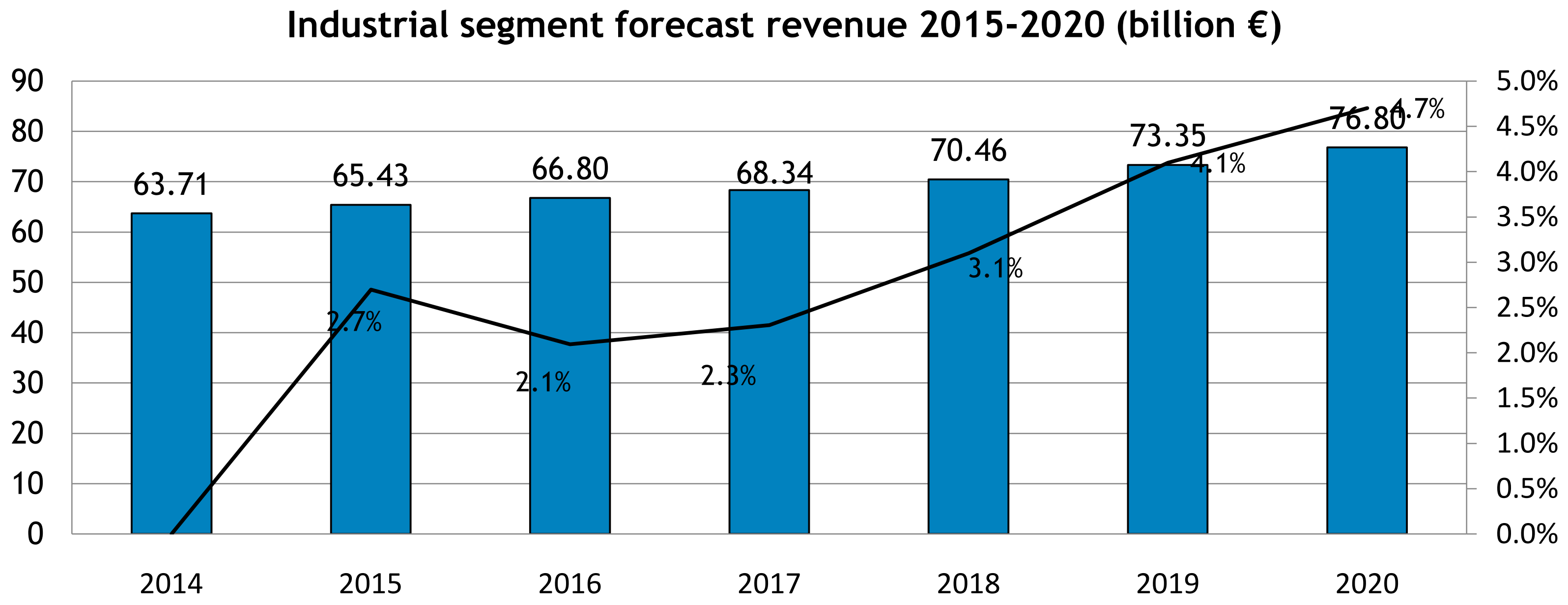


The industrial real estate's profit grew every year except 2012-2013.
The highest value was in 2014, € 22.68 billion. The average net profit margin is 35,6%.

Source: ec.europa.eu, realestate.bnpparibas.com, hospitalitynet.org; bizz.yahoo.com;

Industrial sector by revenue – forecast (2015-2019)

The industrial segment will grow constantly between 2015-2020. The CAGR is 3.17% in this period. The revenue will be over € 76 billion in 2020.



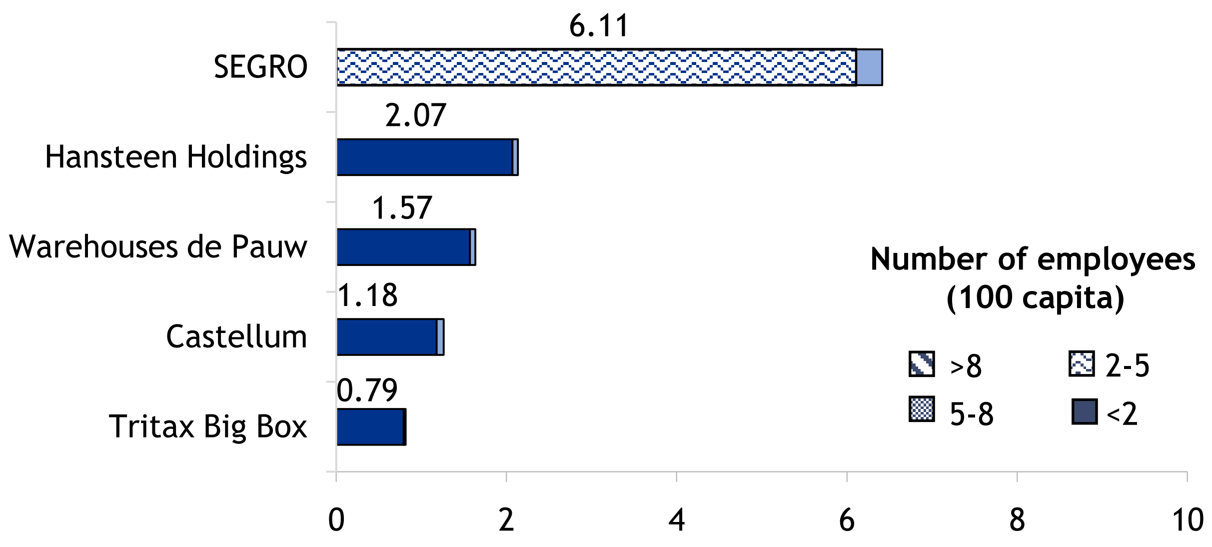
The industrial sector will grow constantly between 2015-2020. The CAGR in this period will be 3.17% and the revenue in 2020 will be over € 76 billion.

Source: buildingradar.com;

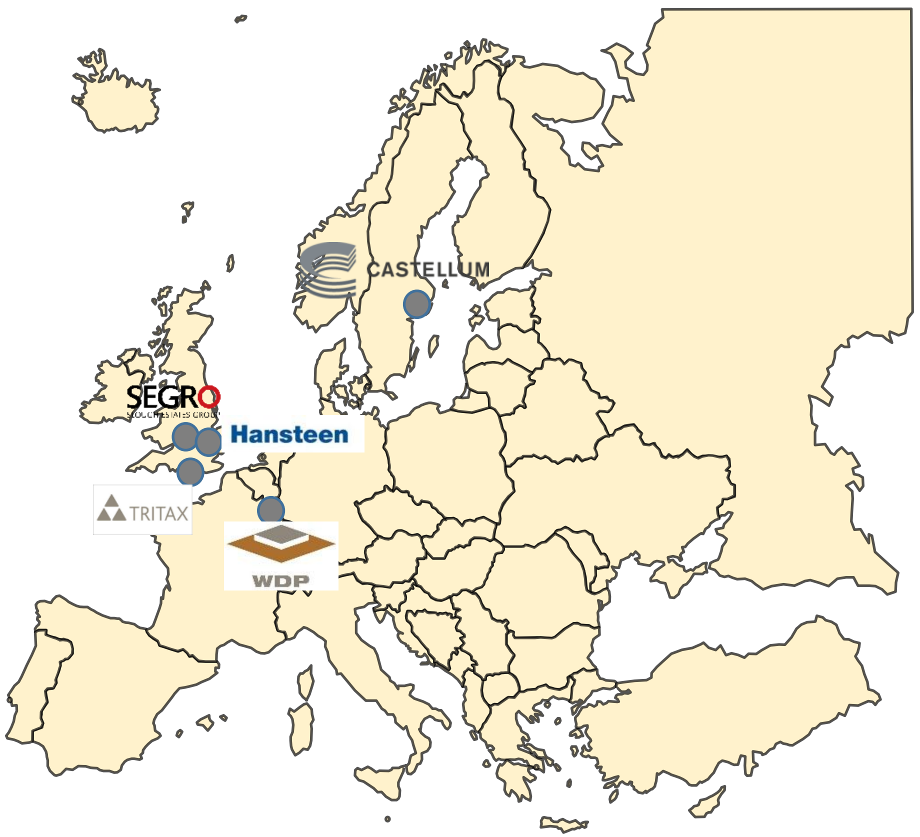
Top 5- industrial sector (2014)

Industrial sector investments made up 11% of total investments in the real estate's commercial sector. The largest Europe-based Industrial property company was Segro, with € 6.11 billion portfolio value.

Top Real Estate Industrial sector companies by portolio value and net income in 2014 (billion €)



Top 5 companies headquarters

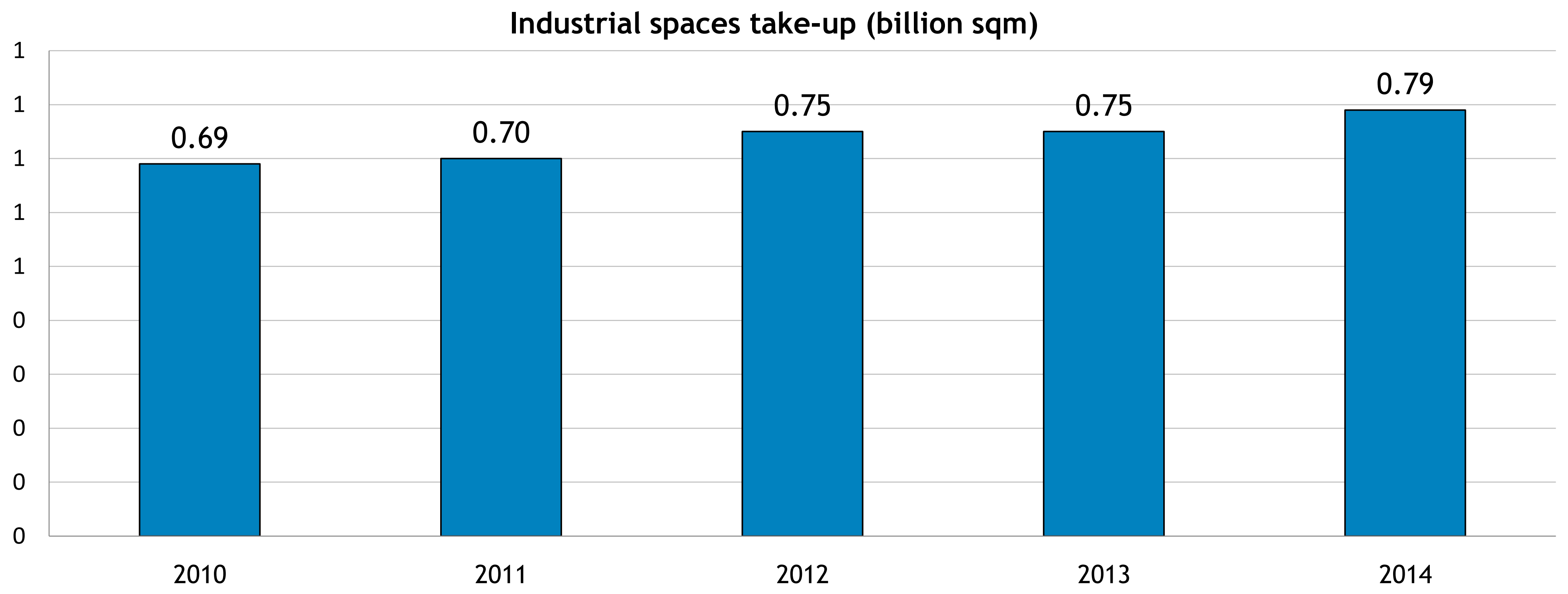


All of the companies are listed on the stock exchange and are among the biggest property companies. The largest industrial company is SEGRO, its portfolio value being € 6.11 billion and making a € 362 million net profit.

Source: epra.com, segro.com, castellum.se

Industrial sector by GFA

Overall the industrial space take-up increased from 2010 to 2014, with a slight drop in 2013



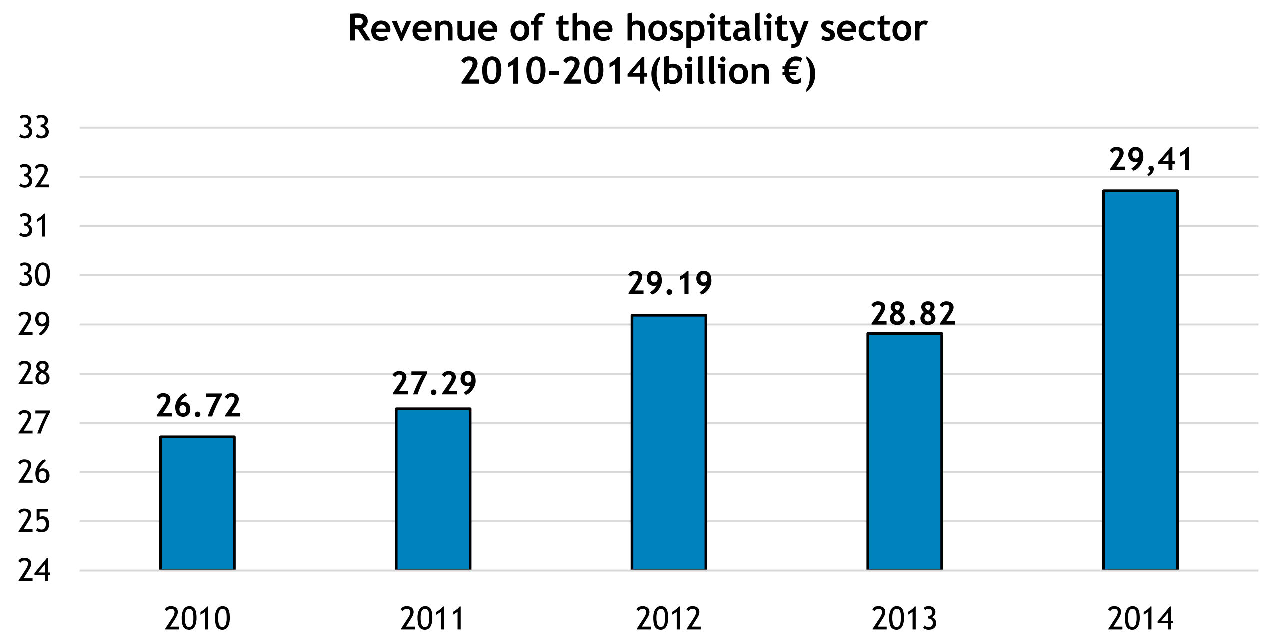
The international investors showed a strong interest towards the European industrial market with almost € 1 billion of the inflows in Europe coming from them

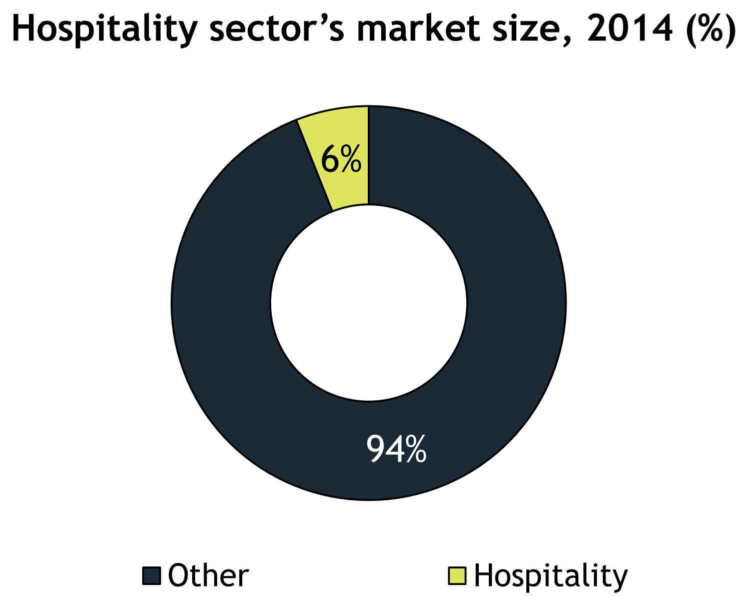
Gazdasági Tanácsadó Klub

Source:dtz.dk

Hospitality sector by revenue (2010-2014)

The hospitality investment volume represents 6% of the total real estate industry. The revenue of the hospitality sector is growing, and it reached € 29,41 billion in 2014.



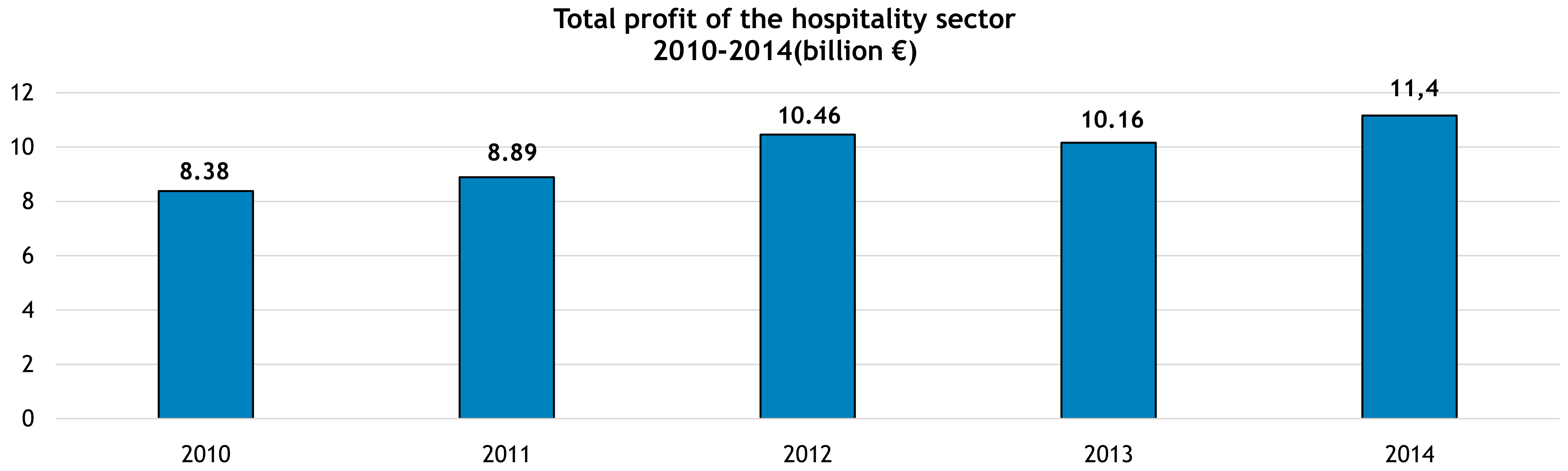


- In the 2010-2014 period the CAGR was 0,87% for revenues and net profits as well.

Source:*compensationforce.com*

Hospitality sector by profit (2010-2014)

European hospitality transaction volume totaled €11,4 billion in 2014. This figure represents a new record since the onset of the global financial crisis and marks a continuation of the market recovery seen in 2013.



- The profit in the hospitality sector show € 3,02 billon growth from 2010 to 2014.

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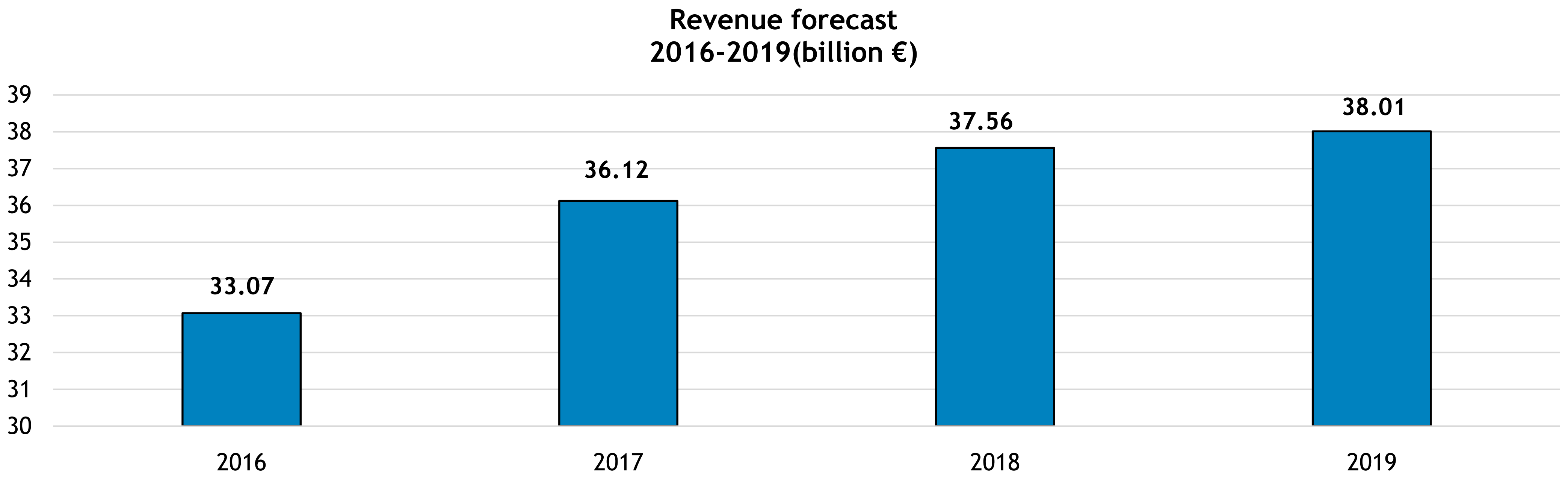
Source: hospitalitynet.org

Hospitality sector by revenue- forecast (2016-2019)

Due to the forecast increase in demand, the sector is going through capacity expansion as well as increasing investment into infrastructure.

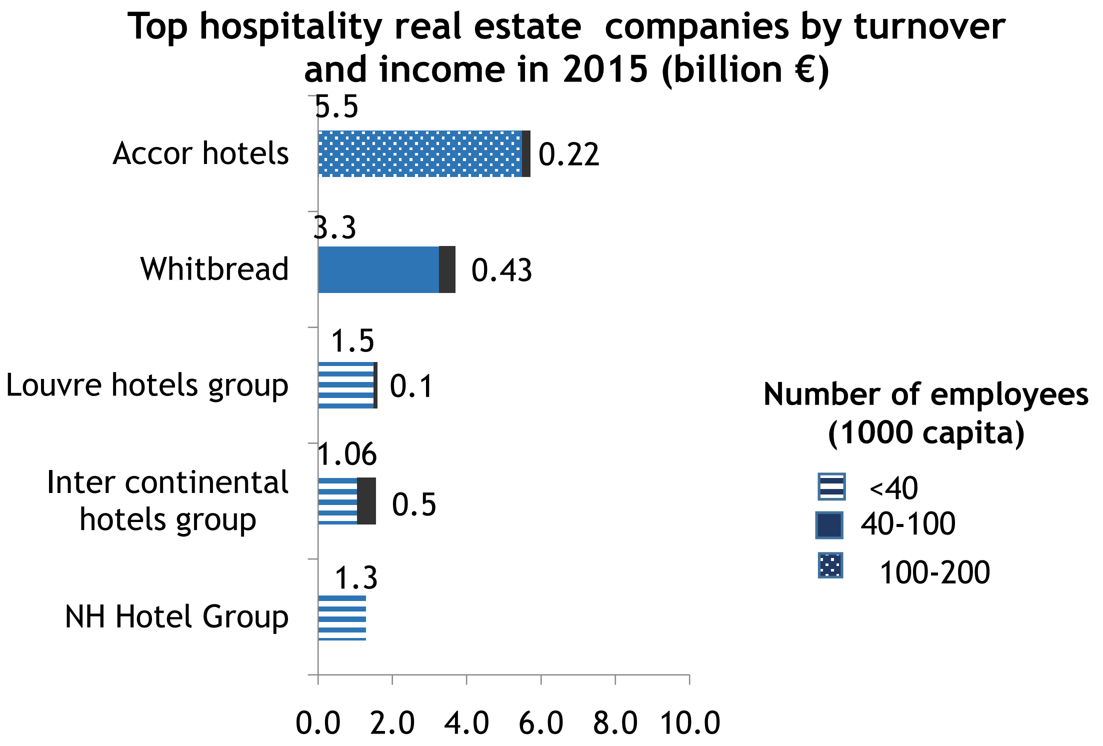


- Positive growth trends are also reflected across occupancy levels, revenue and EBITDA margins.
- This sector is going to grow by 4,66% CAGR.

Source: propertyfundsworld.com; avivainvestors.com; jll.com; europa.eu; colliers.com

Top 5- hospitality sector (2014)

The five largest hospitality companies in Europe have a total profit of 1,67 billion Euro.



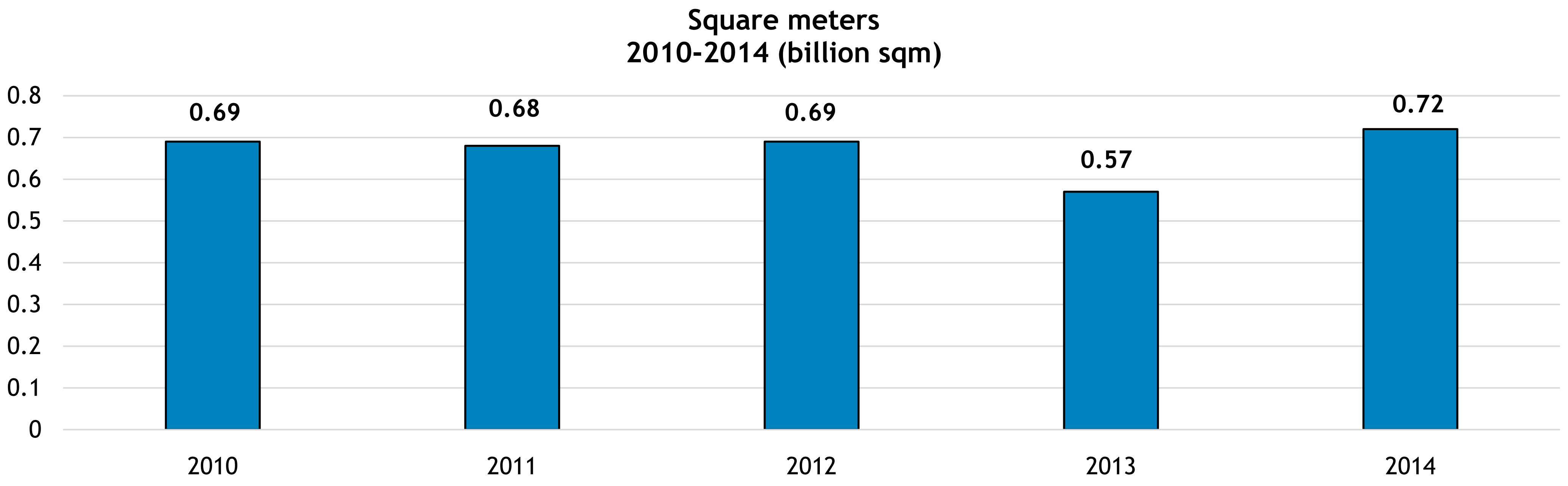
The Accor hotels are the market leader in terms of € 5,5 billion in turnover and € 0,22 billion in income.

The runner-up is the Accor hotels with 180 000 employees.

Source : statista.com ; reuters.com ;investopedia.com; accorhotels-group.com; marketwatch.com ; louvrehotels.com; ehitbread.co ; nasdaq.com

Hospitality sector by GFA (2010-2014)

In 2013 this sector's GFA fell by 17,39% compared to 2012 then it recovered.



- The European hospitality sector recovered after an abrupt fall.
- In the hospitality sector the square meters show 0,03 billion sqm growth from 2010 to 2014.

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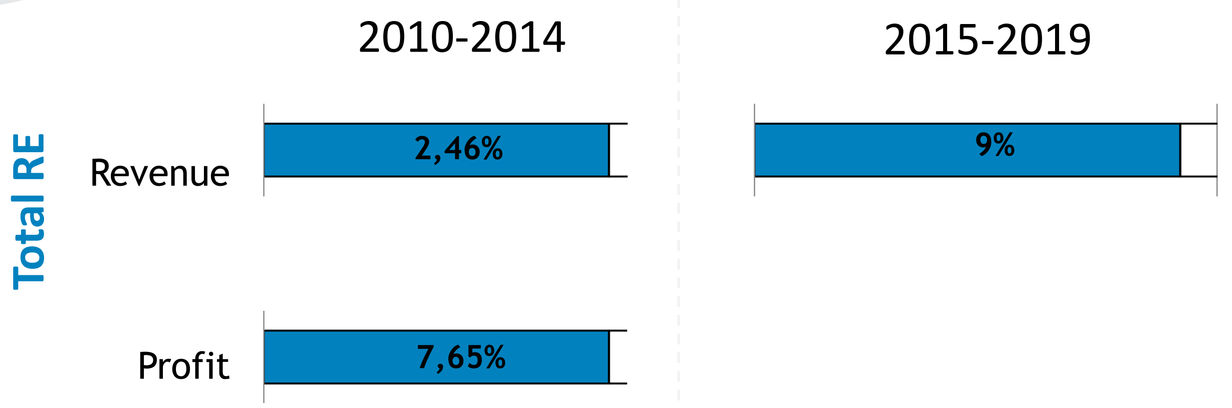
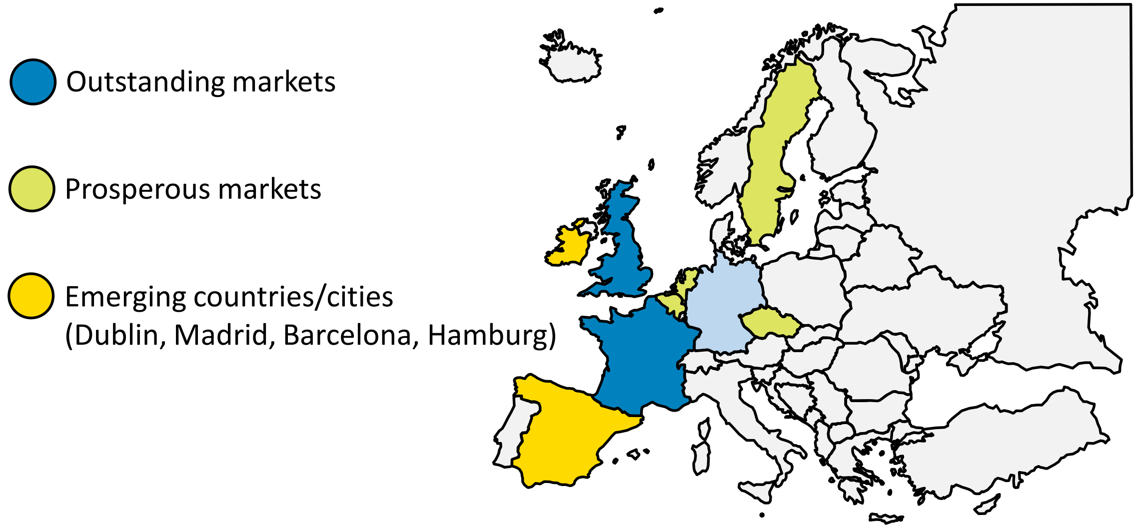
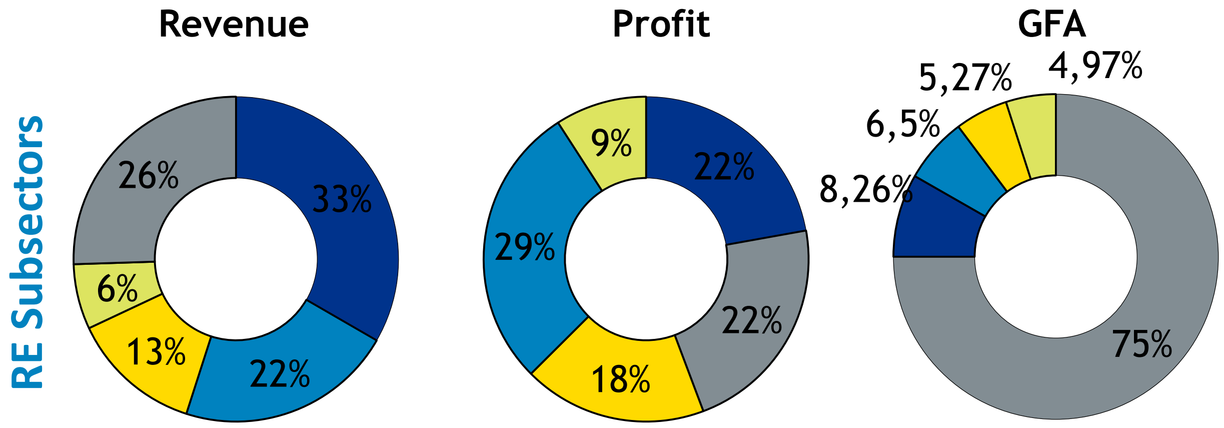
Source: epra.com ; newsec.lt ; realestate.bnpparibas

European RE market summary







	Top companies	Headquarters	Portfolio Value
Residential	Deutsche Annington Immobilien	Germany	€ 12,76 bill
Office	British Land	UK	€ 12,11 bill
Retail	Unibail Rodamco	France	€ 35,7 bill
Industrial	Segro	UK	€ 6,11 bill
Hospitality	Accor	UK	€ 5,5 bill

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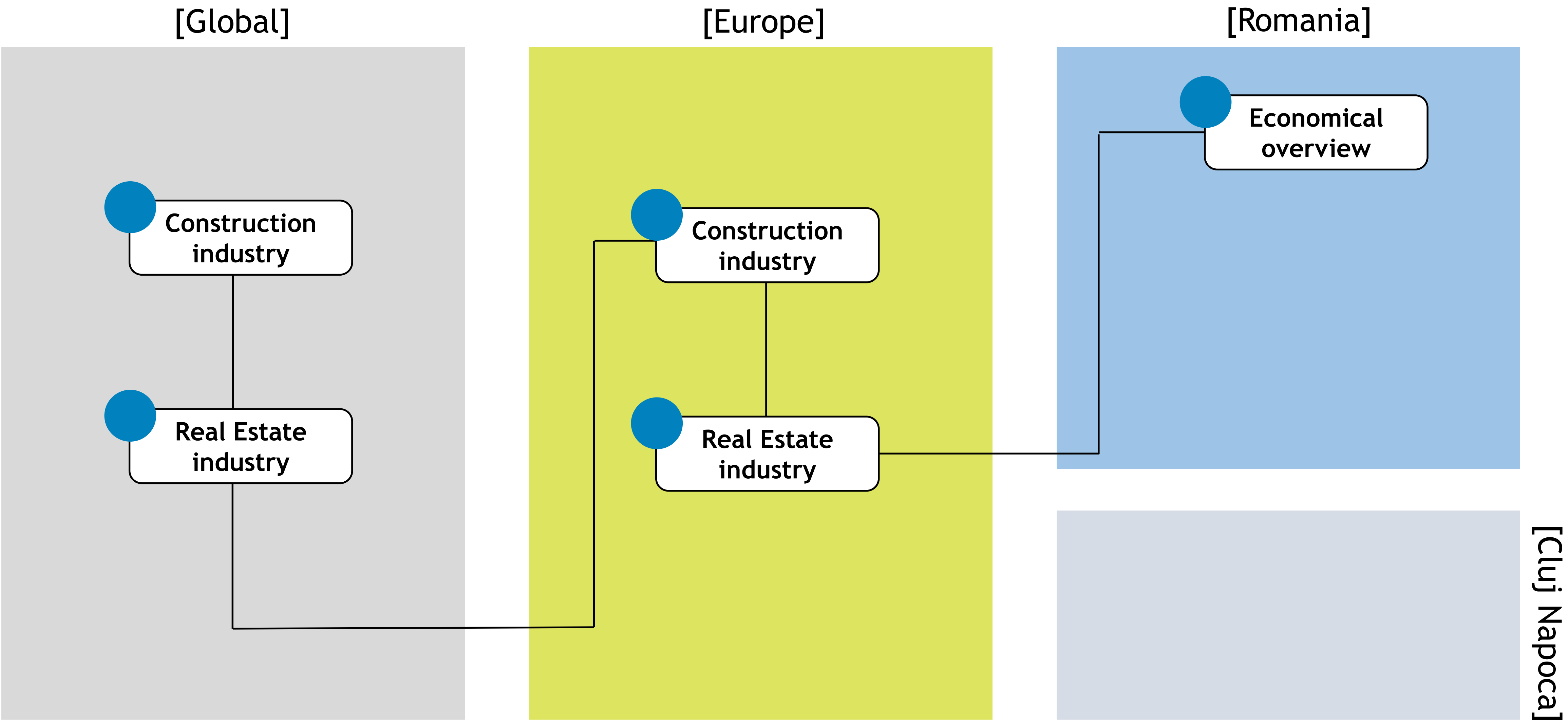
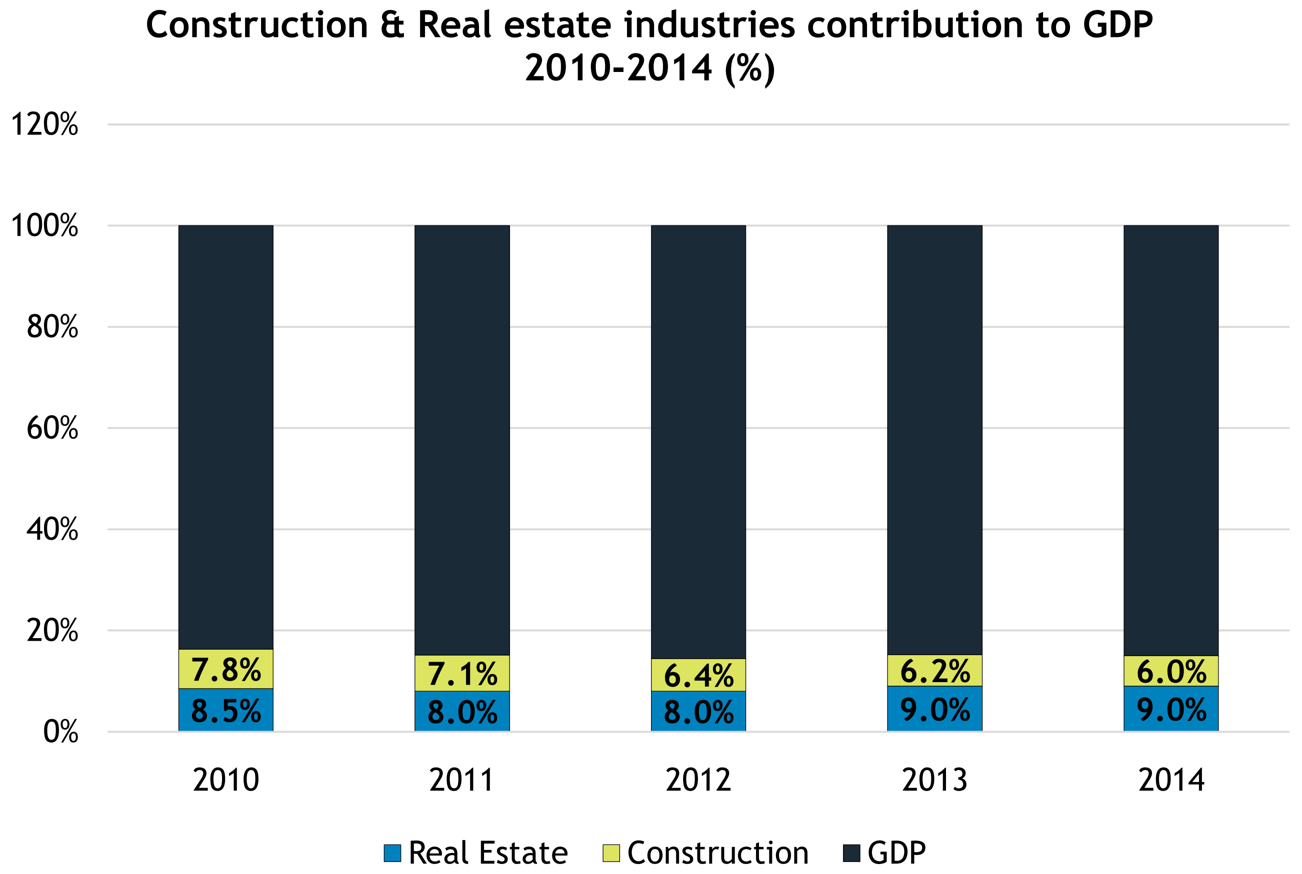
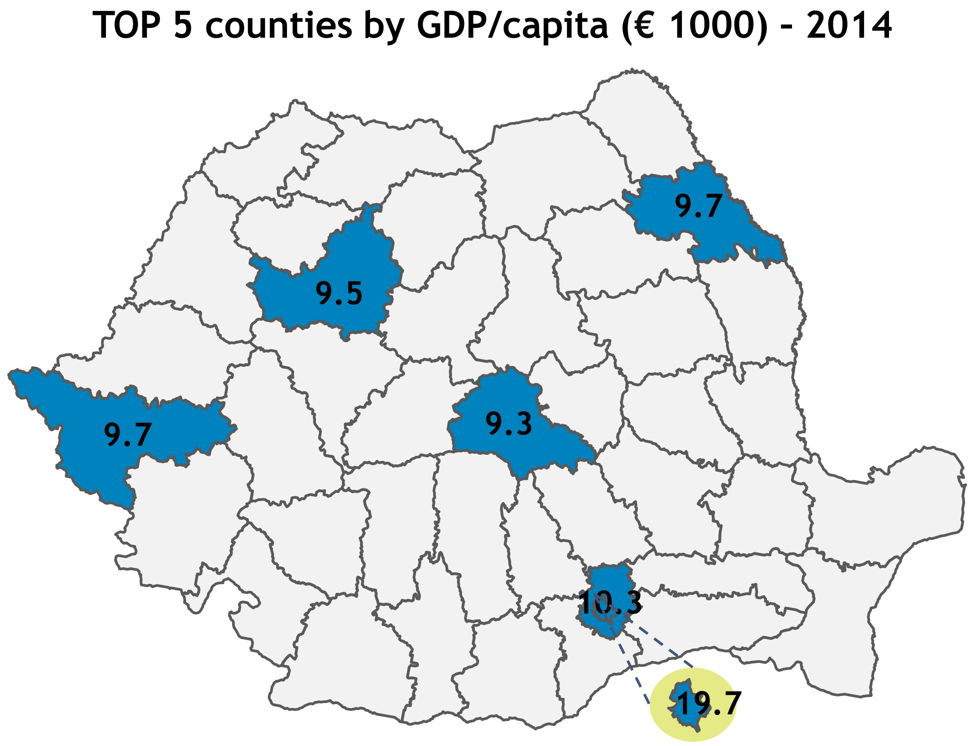
Agenda


[Global]
Construction industry
Real Estate industry
[Europe]
Construction industry
Real Estate industry
[Romania]
Economical overview
[Cluj Napoca]

Economy overview - Romania (2010-2014)

The romanian GDP has grown steadily in the past years, along with the contribution of real estate industry, which amounted 9% of GDP in 2014, while the impact of the construction industry has decreased.



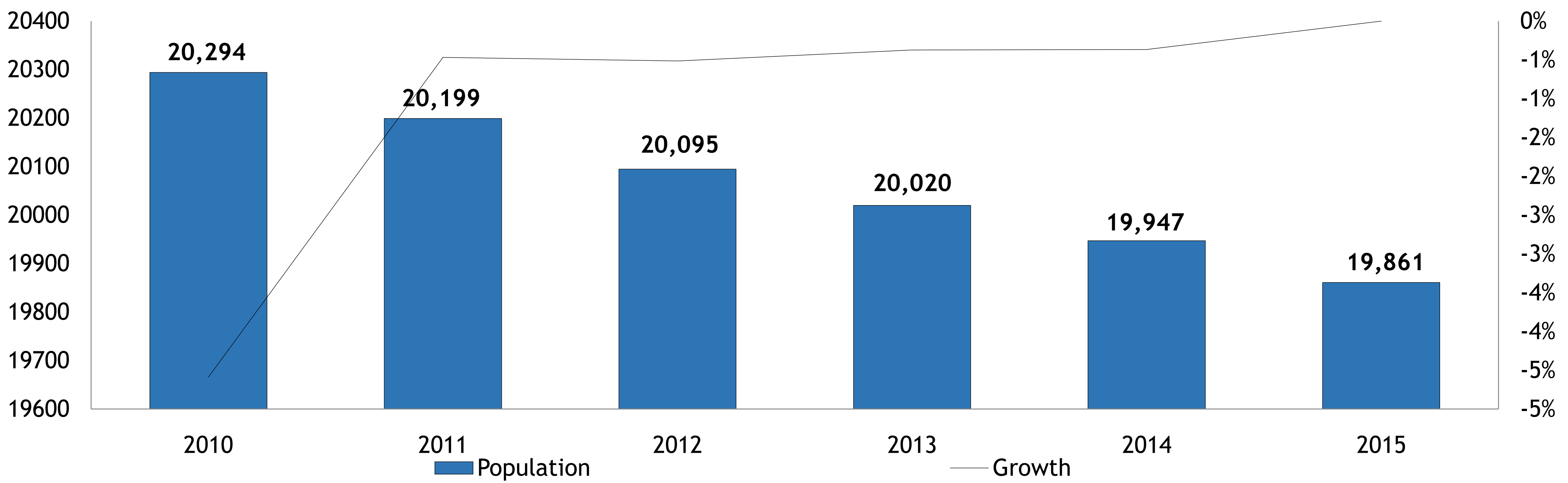


The **real estate** industry in the past years was a fast growing industry in Romania. It's contribution to GDP reached **9%** in **2014**, while the **construction** industry's contribution dropped to an all time minimum, with **6%**.

Source: insse.ro

Population – Romania (2010-2015)

There is a noticeable depopulation tendency in Romania, which, together with a strong urbanization process, keeps the stable residents of the major cities relatively constant.

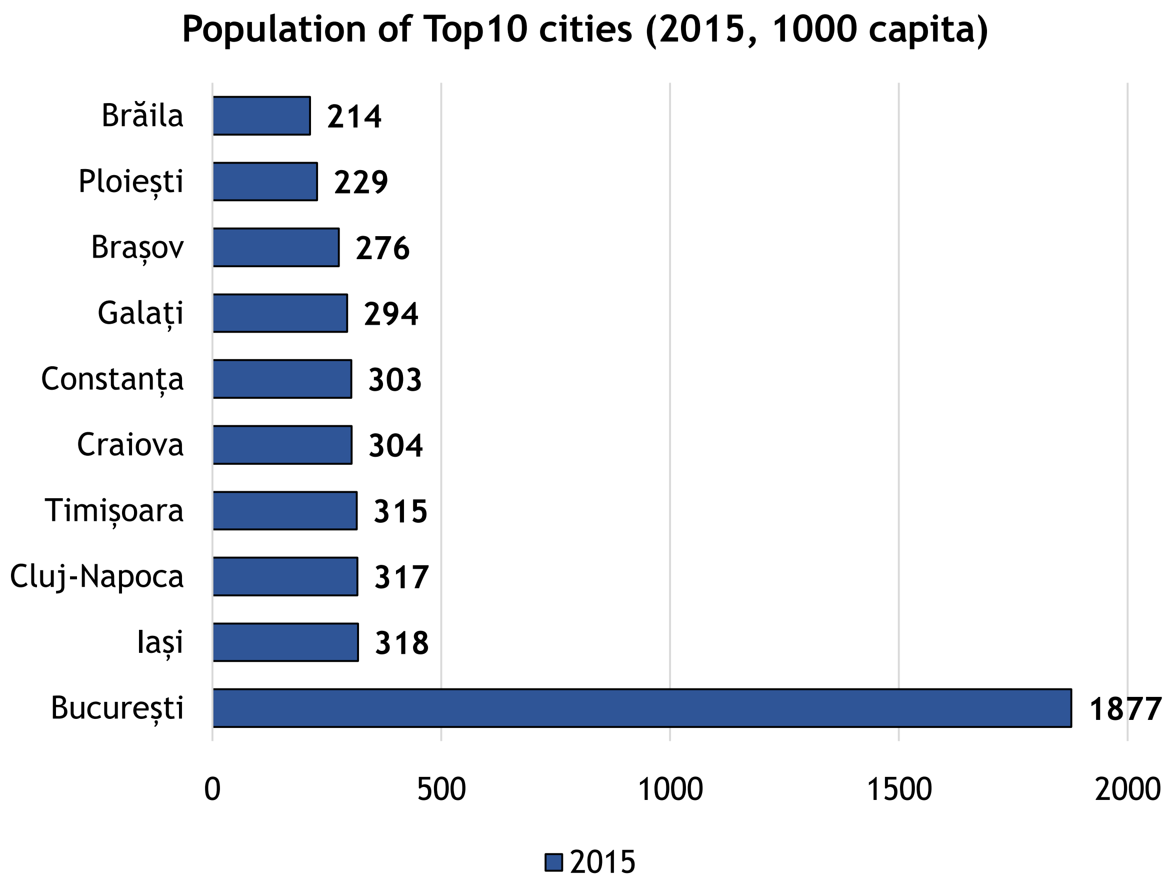


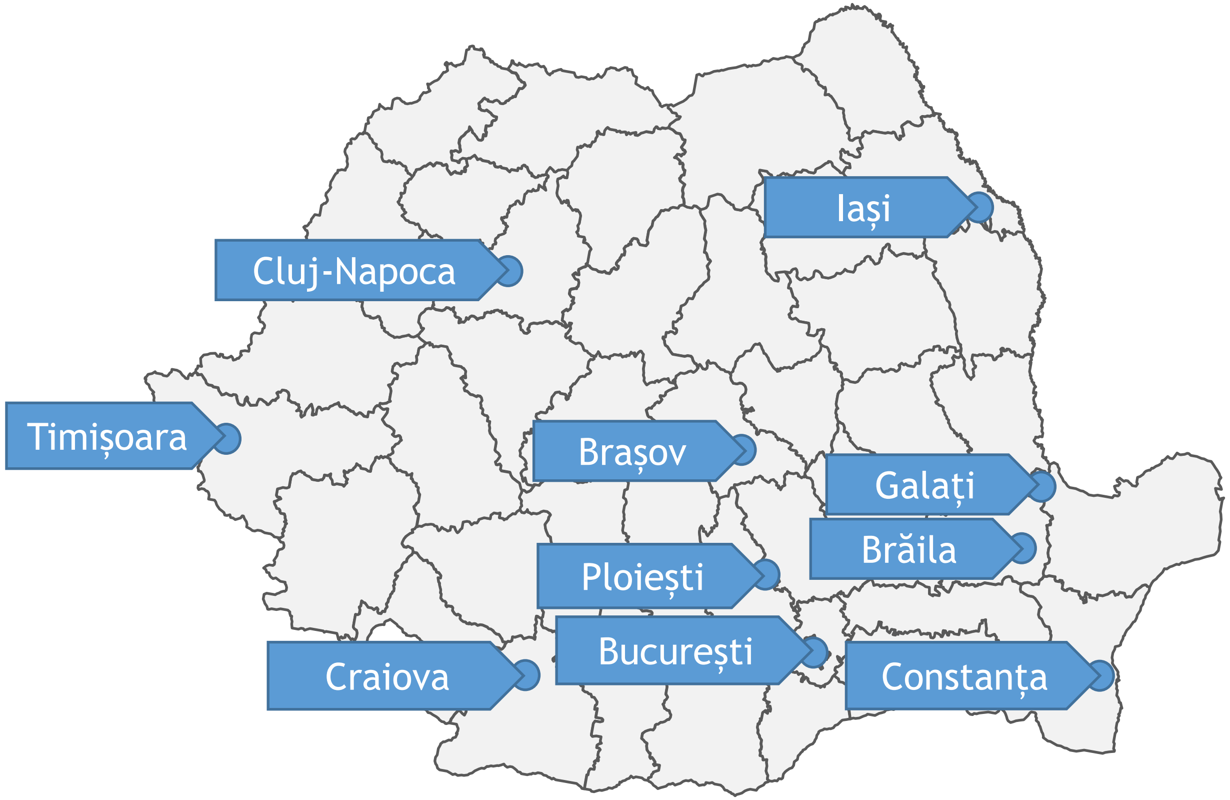
The sudden decrease in 2011 can be explained by the official census conducted that year. On a year-by year basis, we only have estimations. Also the number of stable residents is hard to estimate because of the national migration process.

Source: insse.ro, scribd.com, hotnews.ro, mediafax.ro, worldpopulationreview.com, populationpyramid.net, criticatac.ro, gandul.info, indexmundi.com

Top 10 cities by population (2015)

There is no apparent change in the population of the major cities over the last 5 years due to the two simultaneous migration processes: depopulation and urbanization.





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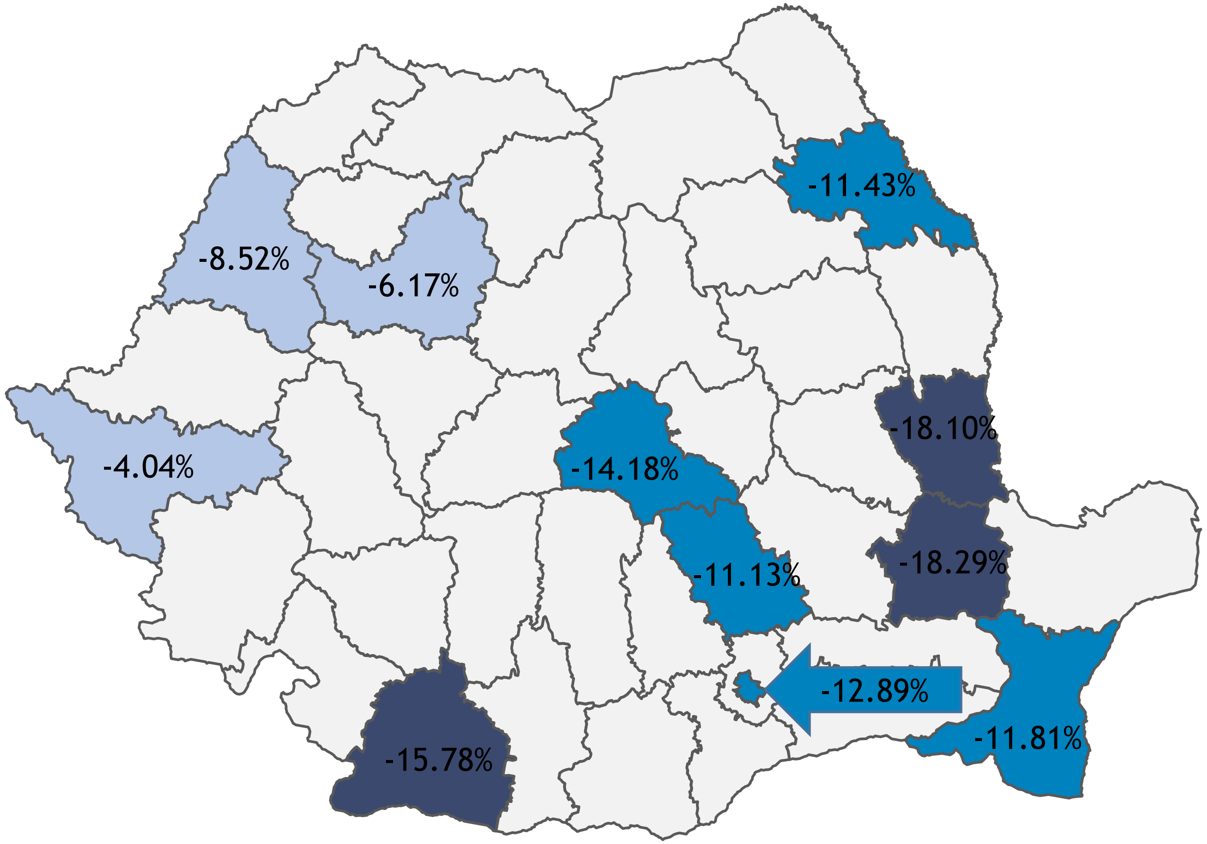
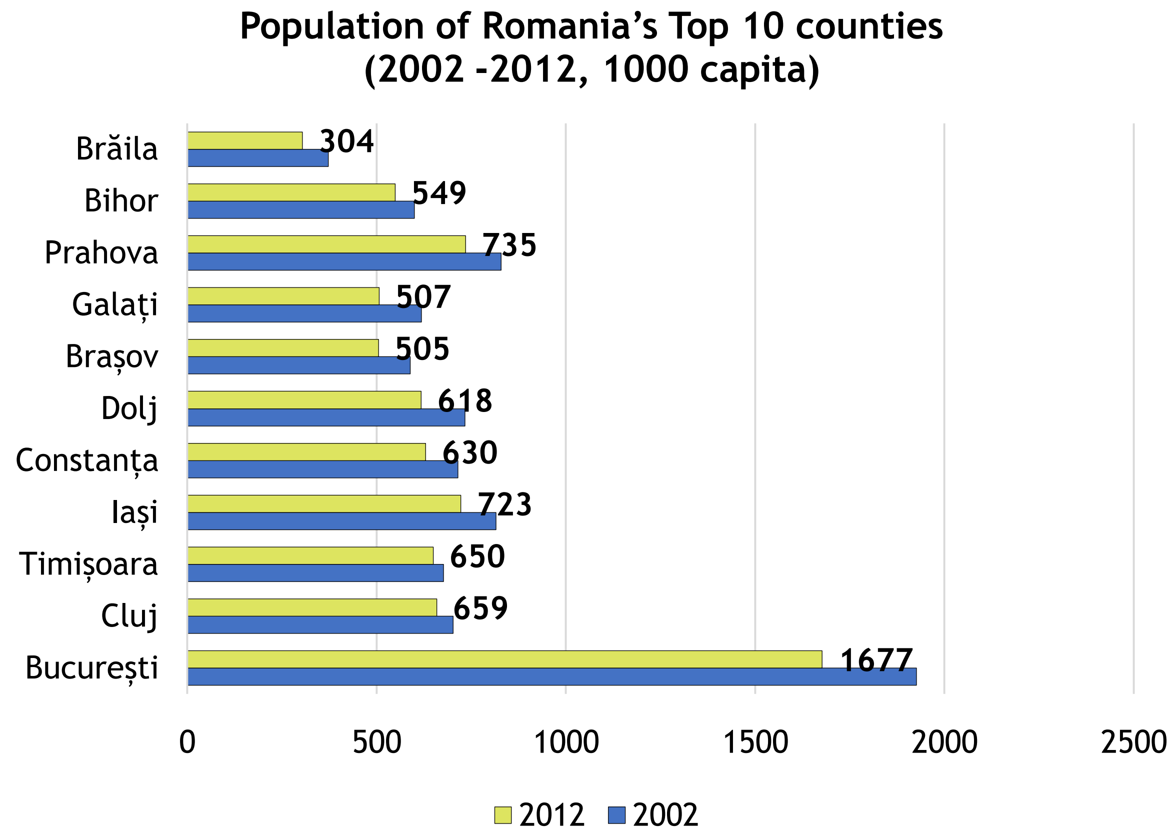
Source: insse.ro, scribd.com, hotnews.ro, mediafax.ro, worldpopulationreview.com, populationpyramid.net, criticatac.ro, gandul.info, indexmundi.com

Top 10 cities by populatin (2015)

Despite the fact that many counties suffered an over 15% decrease in population, in the big cities the number of stable residents remains the same.





In the big cities of Romania the number of stable residents remains the same. This can be explained with the phenomenon of urbanization and depopulation happening at once. The number of Romanians living abroad adds up to a staggering amount of more than 3 million, concentrated in Spain, Italy, and UK.

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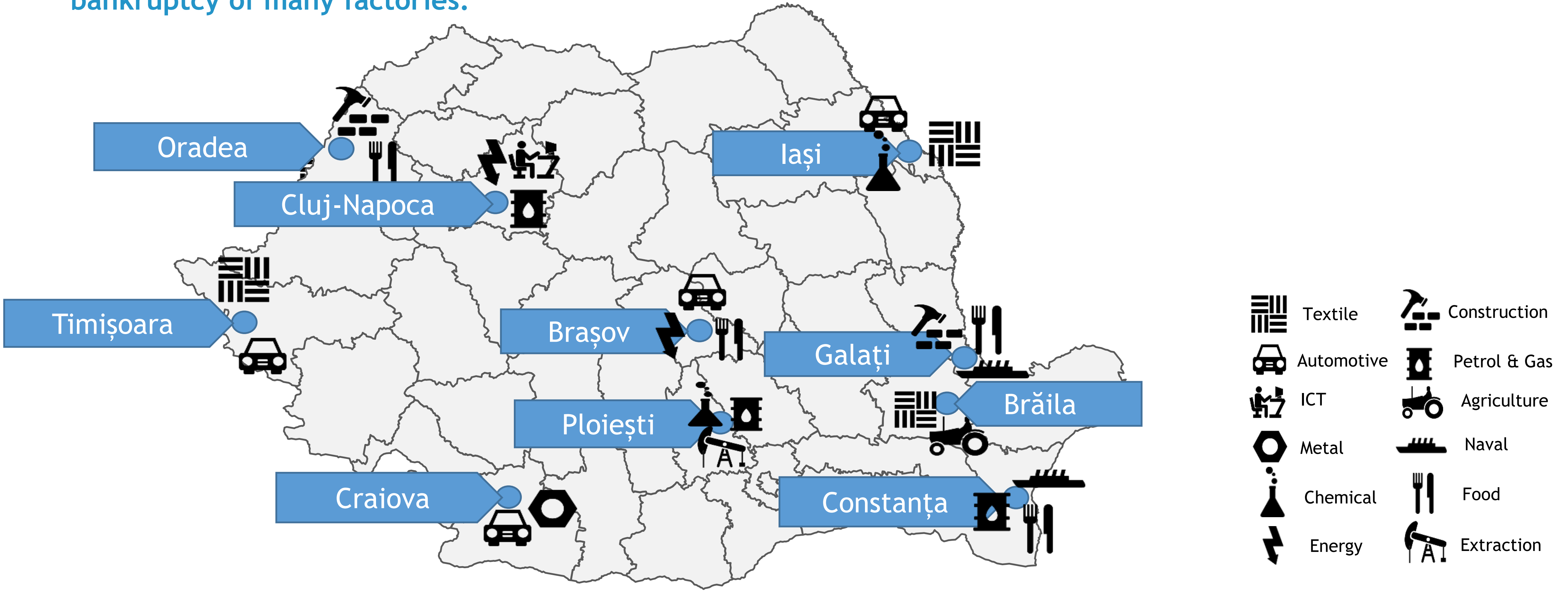
Source: insse.ro, scribd.com, hotnews.ro, mediafax.ro, worldpopulationreview.com, populationpyramid.net, criticatac.ro, gandul.info, indexmundi.com, economica.net

TOP 10 cities by industry (2015)

After the fall of communism most of the Romanian industry was privatized, which consequently led to the bankruptcy of many factories.



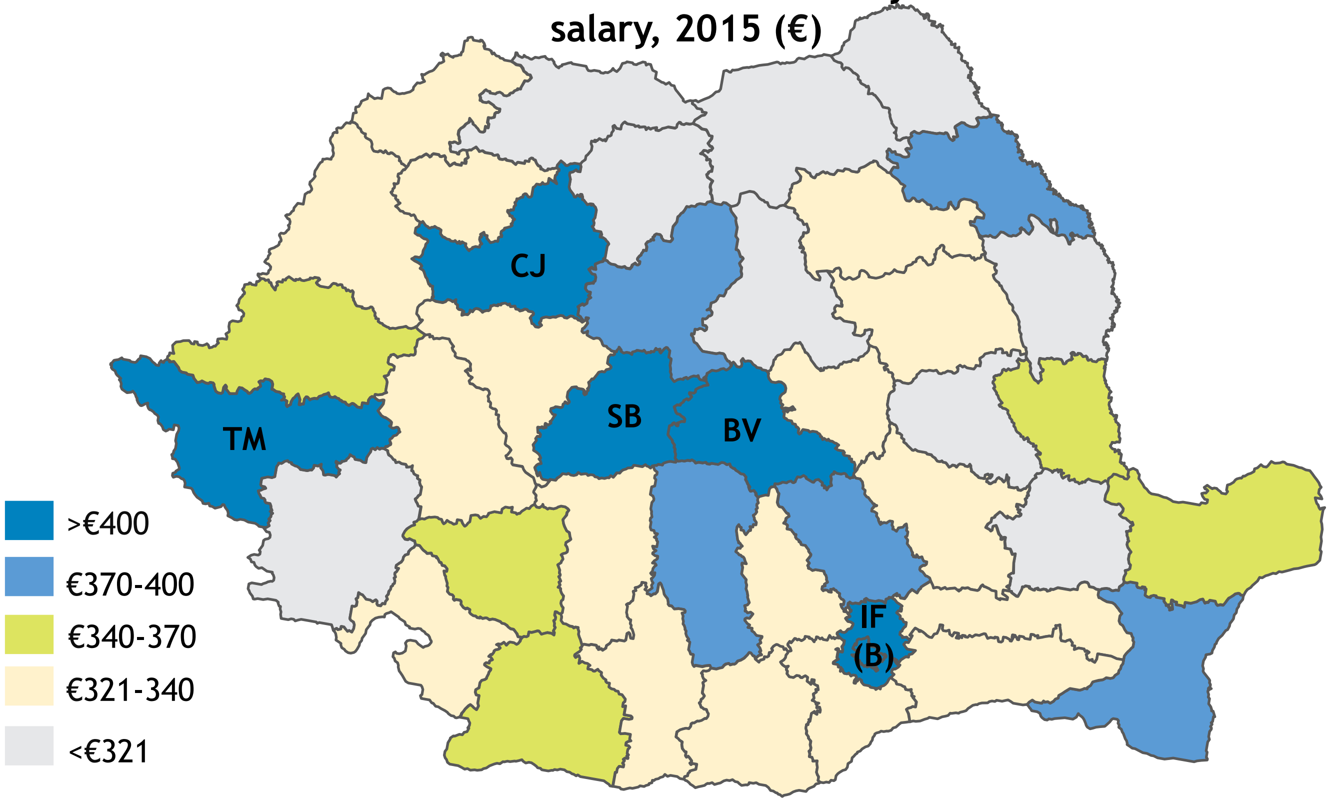
Bucharest is not mentioned, because the capital is characterized by a mixture of several industries. Many companies bring their official business to the capital, but their activity is actually happening elsewhere.

Source: cotidianul.ro, adrbi.ro, zf.ro, primariatm.ro, prefecturaiasi.ro, digi24.ro, brasovcity.ro, adrcentru.ro, viata-libera.ro, cciph.ro, Oradea.ro, cjbraila.ro

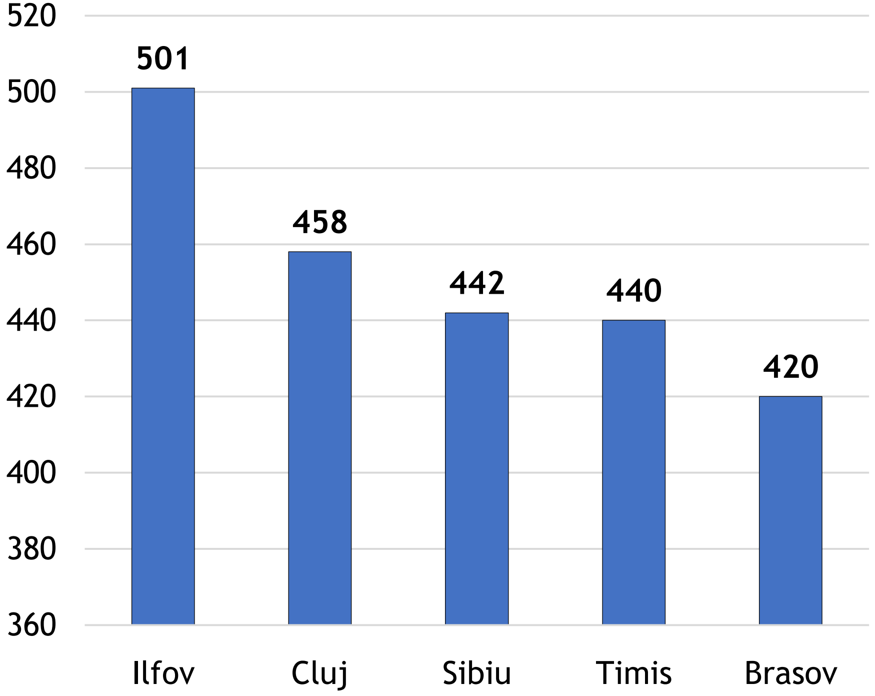
Top counties by medium salary (2015)

Bucharest had the highest average monthly wage in 2015, €596. The capital is followed by Ilfov with €501 , Cluj with €458, Sibiu with €442 and Timiş with €440.

Romanian counties distribution by medium salary, 2015 (€)



TOP 5 counties by medium salary in Romania, 2015 (€)



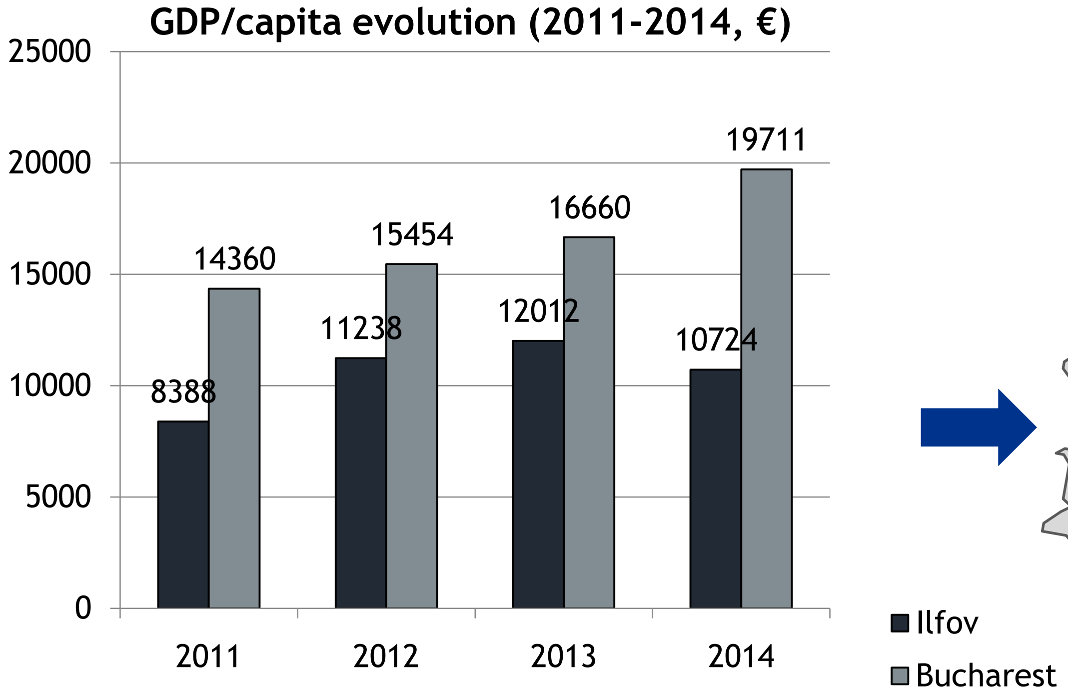
Bucharest had the highest average monthly wage in Romania in 2015, €596. Six Romanian counties have the average monthly wage over €400. Vrancea and Vaslui have the lowest wages on a national level, with €305 and €301 respectively.

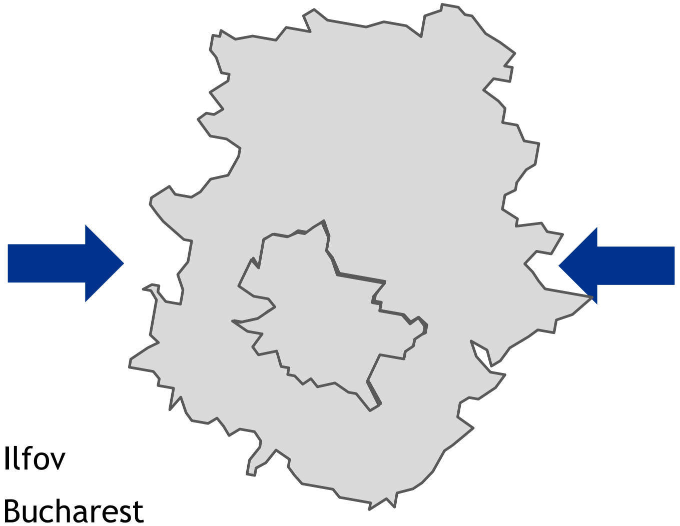
Source: jurnalul.ro, oanda.com;

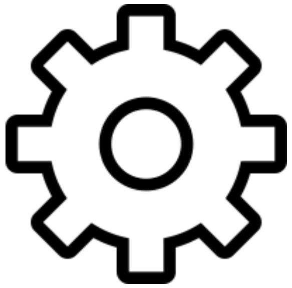
Gazdasági Tanácsadó Klub

1. Bucharest

Bucharest and the county of Ilfov have had the highest GDP/capita in Romania in the last 4 years. These counties are the only ones with GDP/capita over € 10 000. Their top industries: real estate, manufacturing and commerce.







- Real estate
- Manufacturing
- Commerce

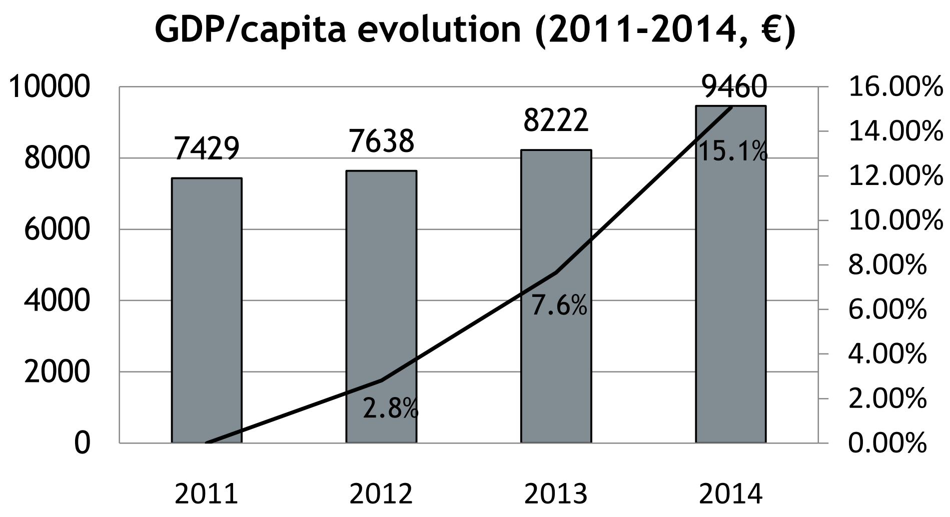
Bucharest's GDP/Capita has undergone constant growth, reaching € 19 711 in 2014, the highest in Romania. Bucharest is followed by Ilfov county with € 10 724 in GDP/Capita. Its main industries: real estate, manufacturing and commerce

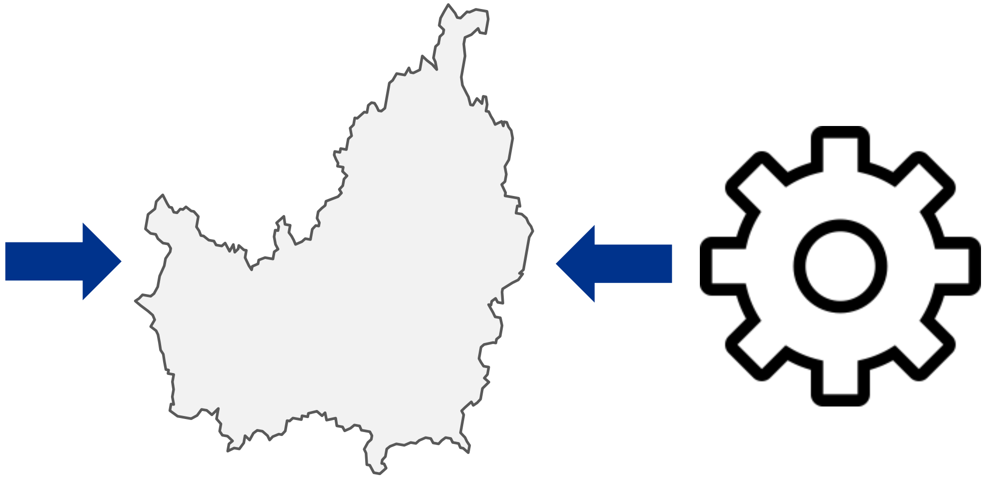
Gazdasági Tanácsadó Klub

Source: old.econtext.ro, analizeeconomice.ro, forbes.ro , monitolcj.ro, oanda.com;

2. Cluj

Cluj county’s GDP/capita grew constantly between 2011 and 2014. In 2014 the GDP/capita was €9.460, the 4th highest in Romania. Its main industries: IT, automotive and production.





- IT
- Car
- Production

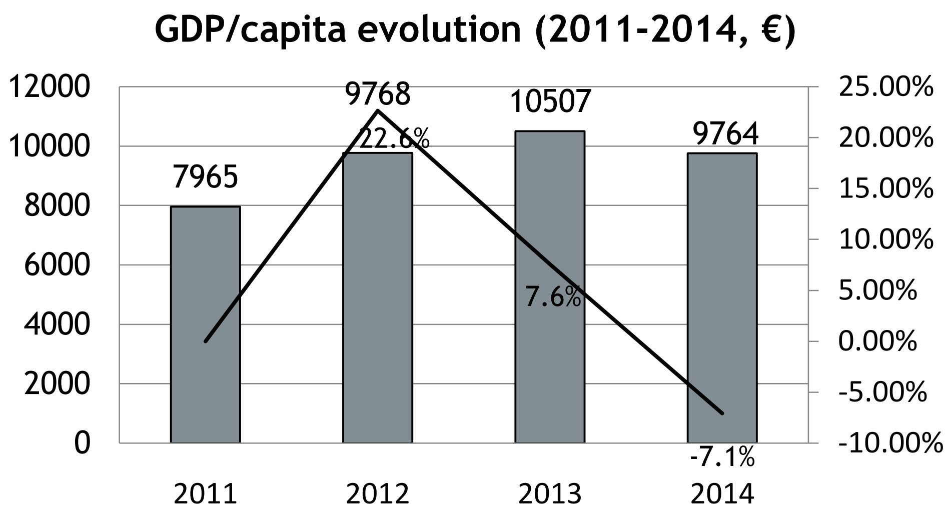
Cluj GDP/Capita has grown constantly and in **2014** it reached **€9.460**, the 4th highest value in Romania. Between 2013-2014 the growth was 15,1%, mainly driven by the dynamic **IT industry.**

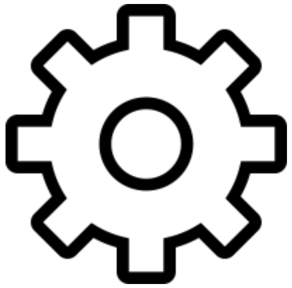
Gazdasági Tanácsadó Klub

Source: old.econtext.ro, analizeeconomice.ro, forbes.ro , monitolcj.ro, oanda.com;

3. Timiş

Timiş's GDP/capita in 2014 was €9.764, the 3rd highest in Romania. Its main industries: IT, automotive, electronics and petrochemicals. Acording to Forbes, Timişoara was the county with the biggest business potential in 2015.





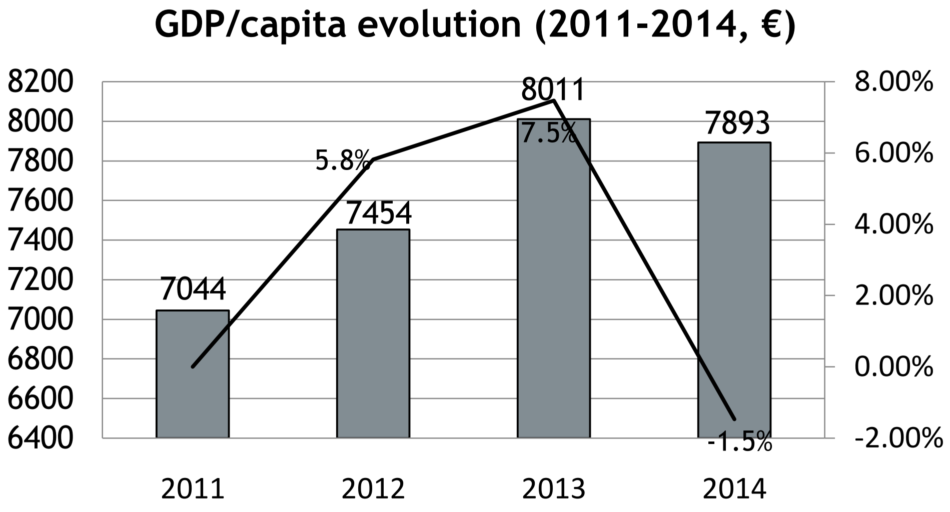
- IT
- Automotive
- Petrochemicals
- Electronics

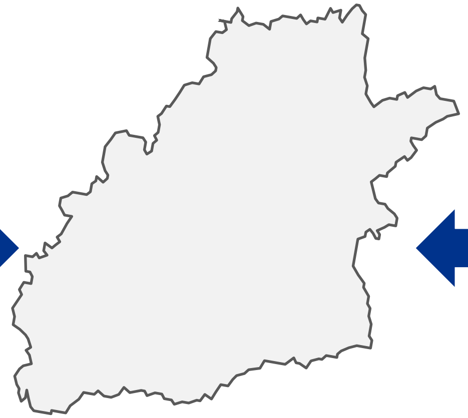
Timiş GDP/Capita in 2014 was **€9.764**, the 3rd highest value in Romania. Its main industries: **IT, automotive, petrochemicals** and **electronics.** The IT industry has had a dynamic and fast growth. According to Forbes, Timişoara was the county with the **biggest business potential in 2015**.

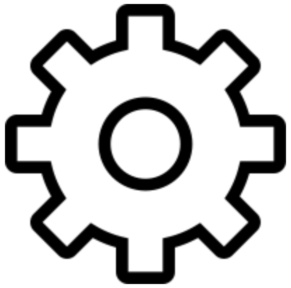
Source: old.econtext.ro, analizeeconomice.ro, forbes.ro, oanda.com;

4. Sibiu

Sibiu's GDP/capita in 2014 was €7.893. Its main industries: automotive parts, electronics and machinery. The GDP/capita decreased due to the fact that the Piteşt-Sibiu highway was not finished.







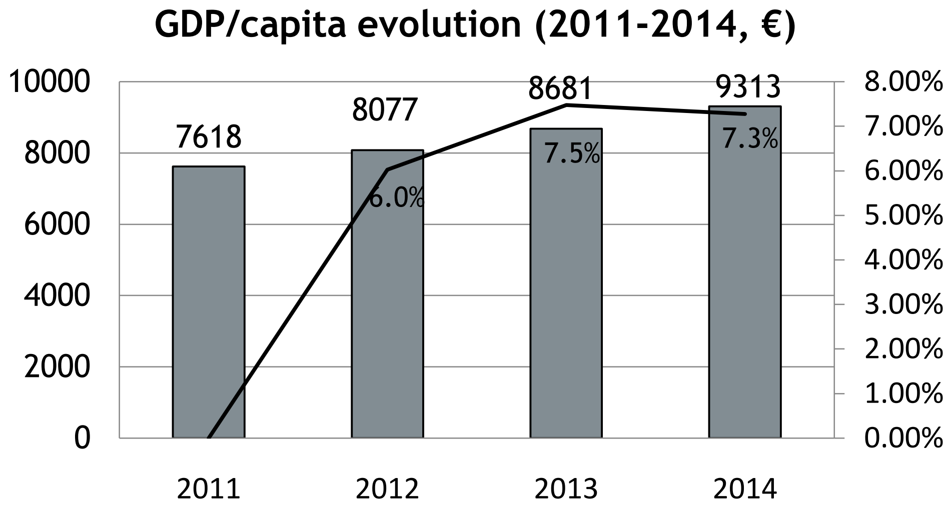
- Automotive parts
- Electronics
- Machinery

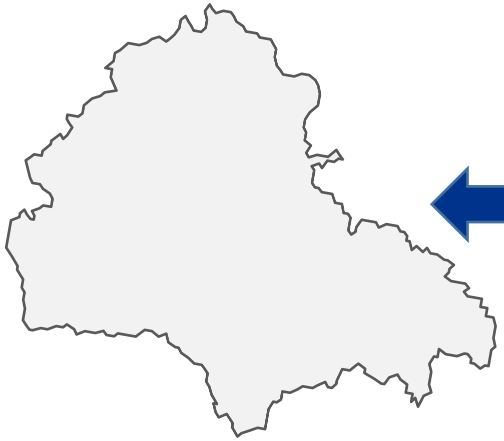
Sibiu's GDP/capita in **2014** reached **€7.893**. Its main industries: **automotive parts, electronics and machinery.** The GDP/capita decreased due to the delays in the construction of the Piteşt-Sibiu highway.

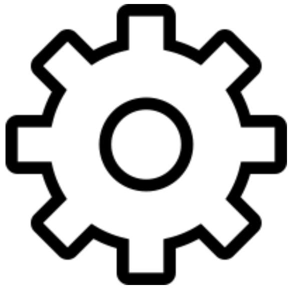
Source: old.econtext.ro, analizeeconomice.ro, forbes.ro, oanda.com;

5. Brasov

Braşov's GDP/capita in 2014 was €9.313, the 5th highest in Romania. Its main industries: real estate, services and manufacturing. The annual growth speed is twice the national average.







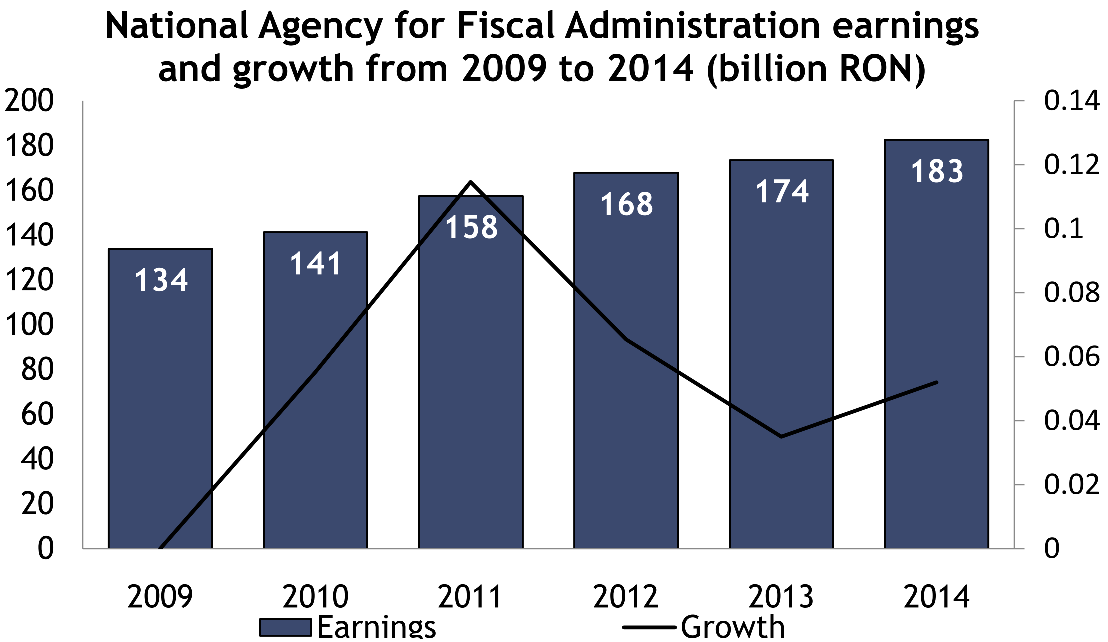
- Real estate
- Services
- Manufacturing

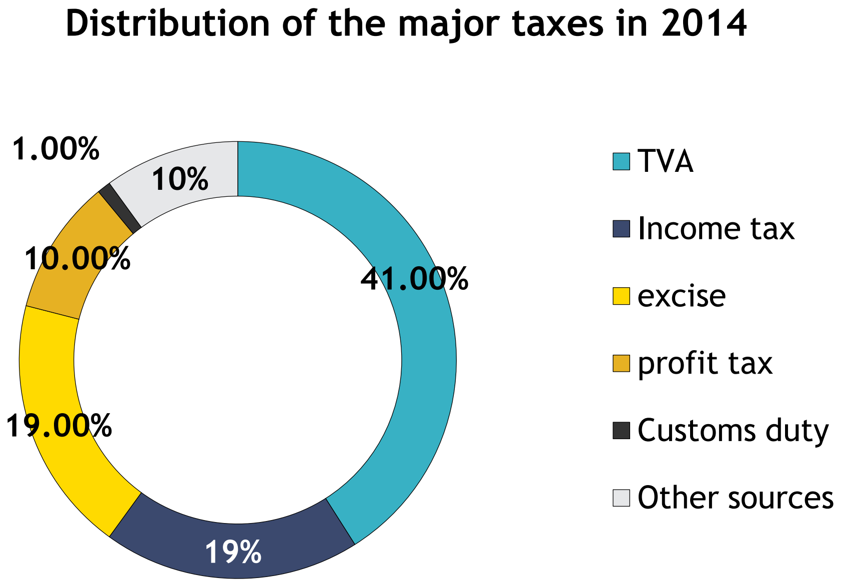
Braşov's GDP/capita grew constantly between 2011 and 2014, in **2014** reaching **€9.313**, the 5th highest value in Romania. Its main industries: **real estate, services** and **manufacturing.** Braşov's GDP/capita grew constantly, by over 5% between 2011 and 2014. The growth speed is twice the national average.

Source: old.econtext.ro, analizeeconomice.ro, forbes.ro, oanda.com;

Earnings from taxes – Romania (2014)

The NAFA earnings are constantly growing year by year. In the first 9 months of 2015 is already a 7.8% growth compared to the first 9 months of 2014. Despite the reduction in the TVA for the foods, the earnings increased from this tax by 12,5%.





Between 2009 and 2014 the National Agency for Fiscal Administration has registered an average of 6.44% growth in their earnings year by year.

The Value Added Tax generates the 41% of the earnings for the NAFA. The value of the VAT in 2014 was 75,03 billion RON.

Gazdasági Tanácsadó Klub

Source: anaf.ro; amosnews.ro; fiscalitatea.ro; capital.ro; myaccountant.eu

Taxes & minimal wage - Romania (2010-2014)

The MW (minimal wage) is constantly growing with a yearly average of 11,88%. A major change was introduced in 2014 by adding a 1.5% tax in constructions. This tax decreased over the years, and in 2016 will be totally removed. From 2016 the TVA will decrease from 24% to 20% and in 2017 to 19%.

2010-11

- 19%->24% TVA
- 2010-600 Ron MW
- 2011-670 Ron MW
- Possibility of 50% discount for penalties

2012-13

- 2012-700 Ron MW
- 2013, Jan-Jun: 750 Ron MW
- 2013, Jul-Dec: 800 Ron MW

2014

- Jan: Building tax: 1,5%
- Jan-Jul: 850 Ron MW
- Jul-Dec: 900 Ron MW

2015

- Jan-Jul: 975 Ron MW
- Jul->: 1050 Ron MW
- Building Tax: 1%
- Jun: 24%->9% TVA for foods

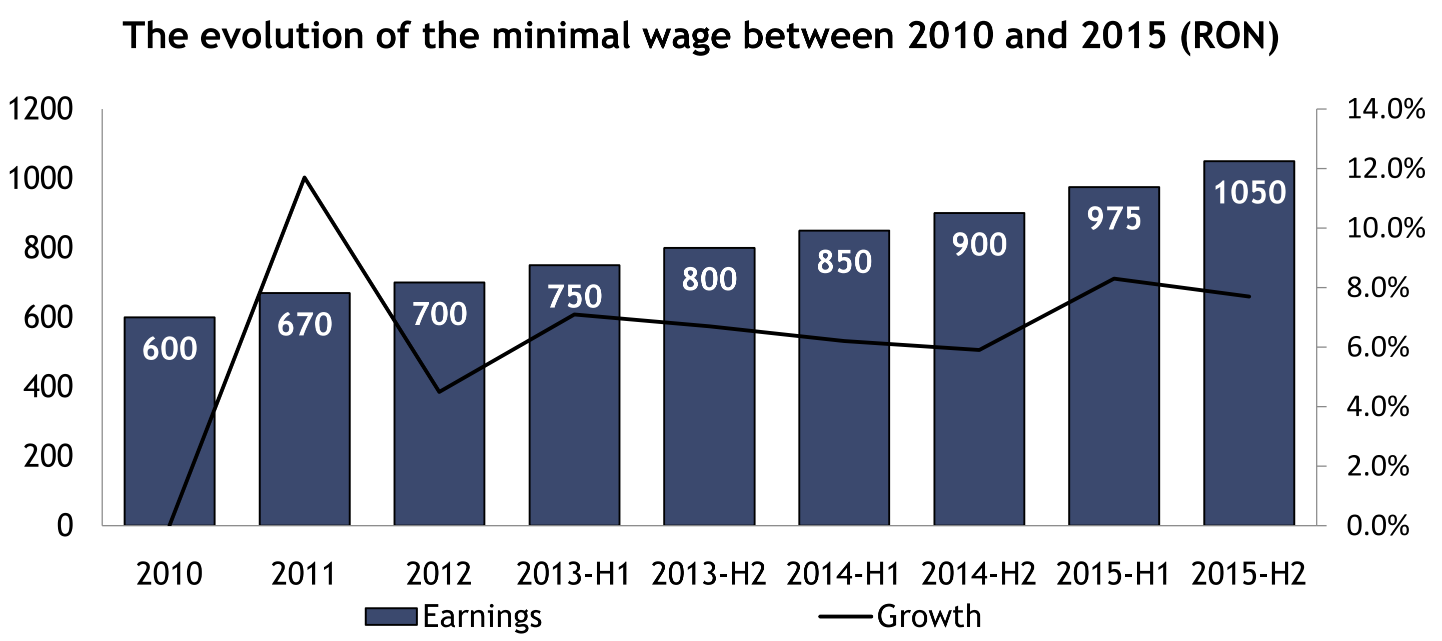
2016-17

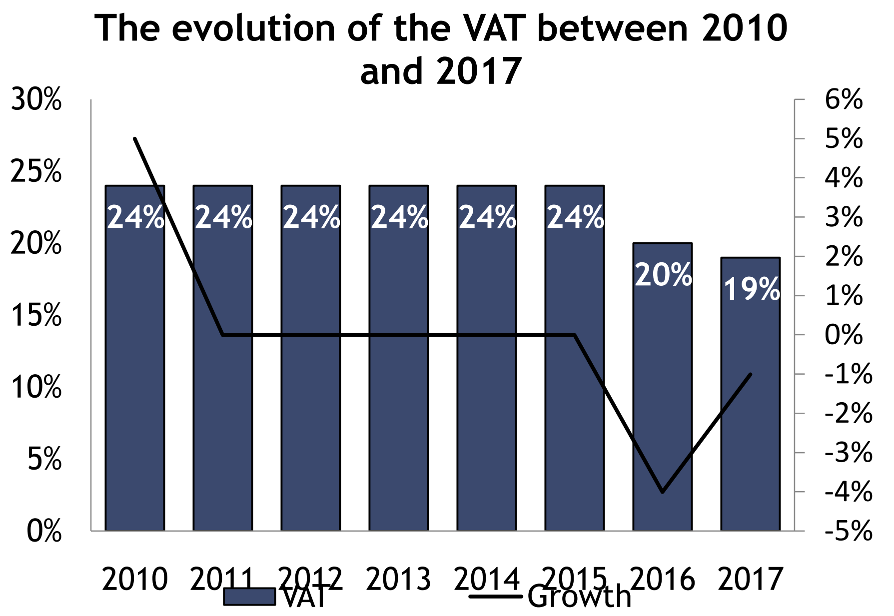
- 24%->20% TVA
- 16%->5% dividend tax
- Jul-Dec: 800 Ron MW
- Growth in the limit of max. sales for a micro-enterprise from €65 to €100 thousand.
- Removal of the building tax

Source: legestart.ro; codfiscal.net; avocatnet.ro; mediafax.ro; mfinante.ro

Minimal wage & VAT (2010-2015)

The minimal wage is constantly growing from 2010 year by year. Since 2013 there is a grow in every half year until 2015. In 6 years the minimal wage increased from 600 RON to 1050 RON.





The minimal wage was increasing averagely 7% a year from 2010 to 2015.

The VAT was extended to 24% from 19% in 2010. After 6 years it will decrease to 20% and then to 19%.

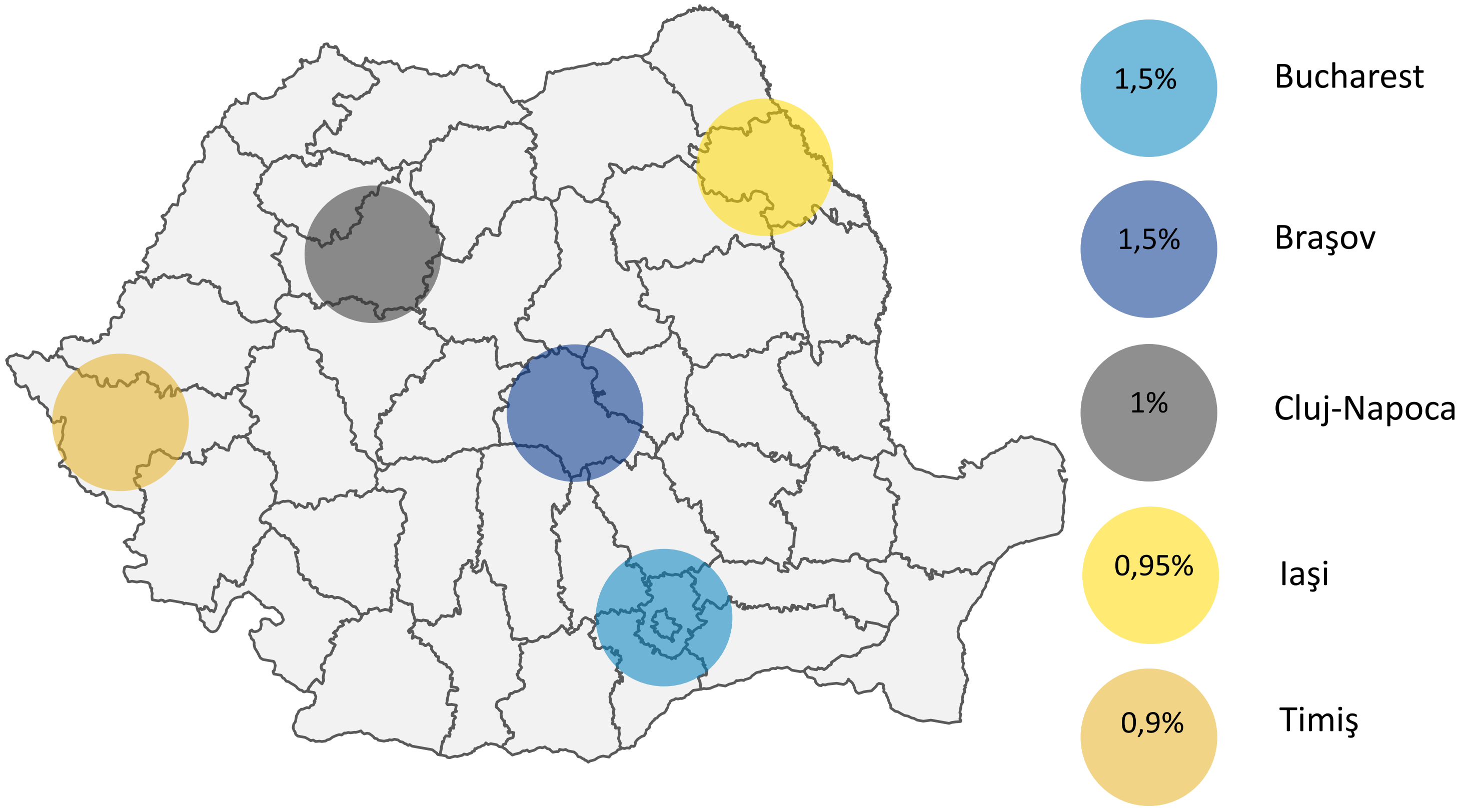
Gazdasági Tanácsadó Klub

Source: legestart.ro; codfiscal.net; avocatnet.ro; mediafax.ro; mfinante.ro

Local Tax - Romania (2015)

The local tax for firms are determined by the cities, in a range between 0,25% and 1,5%, meanwhile the individuals have a fixed tax, 0,1%.

The local tax in the biggest cities for firms (2015)



The cities can determine the local tax between 0,25%-1,5%. The highest local tax in 2015 is in the capital and Braşov.

Local taxes - Romania (2015)

After 25 years, in 2016 the local taxes will be defined by the intended use of the building, and not by the ownership status. The buildings without revaluation in the past 5 years will be taxed by 2% of the statistical value of the construction.

The change in defining the local taxes between 2015 and 2016, in Romania

2015, by **ownership** status		**2016**, by **intended use** of the building	
Individuals	Firms	Residence	Business
0,1%	0,25%-1,5%	0,08%-0,2%	0,2%-1,3%

Source: avocatnet.ro

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Prima Casa (2015-2016)

In 2015, the state determined 584 million € as the maximum for guarantees. From 2016, they want to lower the coverage level to a maximum of 337 million €. Also from 2016 everybody can only use Prima Casa's credit only once.

2015, ROBOR+2,5%

State contribution

€584 million

50% guarantee

Average credit: €40,000

Prima Casa

31,460 credits

2016, ROBOR+2%

State contribution

€337 million

50% guarantee

Average credit: €40,000

Prima Casa

16,850 credits

Since 2009 July, the start of the program, there were given **157.000 credits** with a total of **€2.88 billion** of guarantee from the state.

Gazdasági Tanácsadó Klub

Source: psnews.ro; economica.net

Cadaster (Terrier, Land Registration)

A cadaster is a comprehensive register of the real estate which commonly includes details of the ownership, the tenure, the precise location, the dimensions and the value of individual parcels of land.

Headline indicating the number and the name of the locality where the property is situated.

Part I or Wealth Sheet as a reference on describing the real estate

Part II or Property Sheet: the reference document which the ownership right is based on

Part III or Charges Sheet: guarantee rights and tasks

What documents are required for registration in cadaster?

- ✓ Demand for matriculation
- ✓ Cadastral documentation drawn by a ANCPI-authorized person
- ✓ The Authentic Act by which constituted or was transmitted the ownership
- ✓ Tax certificate
- ✓ Proof of payment of the registration fee

According to Minister of Regional Development, in the next 8 years the cadastral process will be costless. The main reason is to register every single field and property in the system until **2023.**

Source: imobiliare.mervani.ro, legestart.ro, dreptonline.ro, cadastru-cluj.ro

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Co-ownership right

Ownership between two or more person, simultaneously, whose property is divided in fund shares, without the asset to be split in its materiality. Every owner has a share in form of nominal fraction, decimal fraction or percentage.

Two type of ownership right

Ordinary ownership

- may result from a *legacy*
- usual sources are:

1. *Acquisition contract of a property by two or more persons*
2. *Fund shares as a result of termination or dissolution of marriage*
3. *Construction in common*
4. *etc*

Forced co-ownership

- if these goods are divided, usually become unfit for the use they have been made.

Forced co-ownership cases:

1. *co-ownership partitions between two buildings (wall, moat, fence)*
2. *co-ownership of the common parts of buildings (with two or more apartments) with different owners*
3. *co-ownership of good considered by family (family pictures, family papers, ect)*

The main difference between them is that the first kind of co-ownership can be determinated by parting or separation.

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Source: euroavocatura.ro, juridice.ro, avocatconsultantajuridica.ro

Lease rights

If the duration in *not determined*, the contract is valid: for 1 year in case of unfurnished real estate or for a unit of time corresponding to calculated rent (furnished real estate). The maximum duration of lease is 49 years even if the parties stipulate a longer duration, this period it is reduced to 49 years.

Lessor's rights according to contract:

1. May proceed to immediate eviction of the other party if the lessee does not respect his/her obligations under the present contract.

2. In case of lessee's eviction, the lessor has the right to retain the goods found in actual real estate until the calculated obligations (the rent) will be paid.

3. All arrangement approved by the lessor pass into his property his/her property, deducting the value of these facilities from the rent.

Source: euroavocatura.ro, legalis.ro, legestart.ro, ucecom.ro, efin.ro, mdrl.ro

Property rights

Except some special cases provided by law, the ownership of the property is acquired by registration in the cadaster (land register).

The owner enjoys goods that belongs to him/her but within the limits prescribed by law:

- *Right of tenure*
- *Right to use*
- *Right of disposal*
- *Right of "uzufruct"*: the owner's right to acquire and use the "fruit" of a good, the income of a inheritance, a loan interest, etc

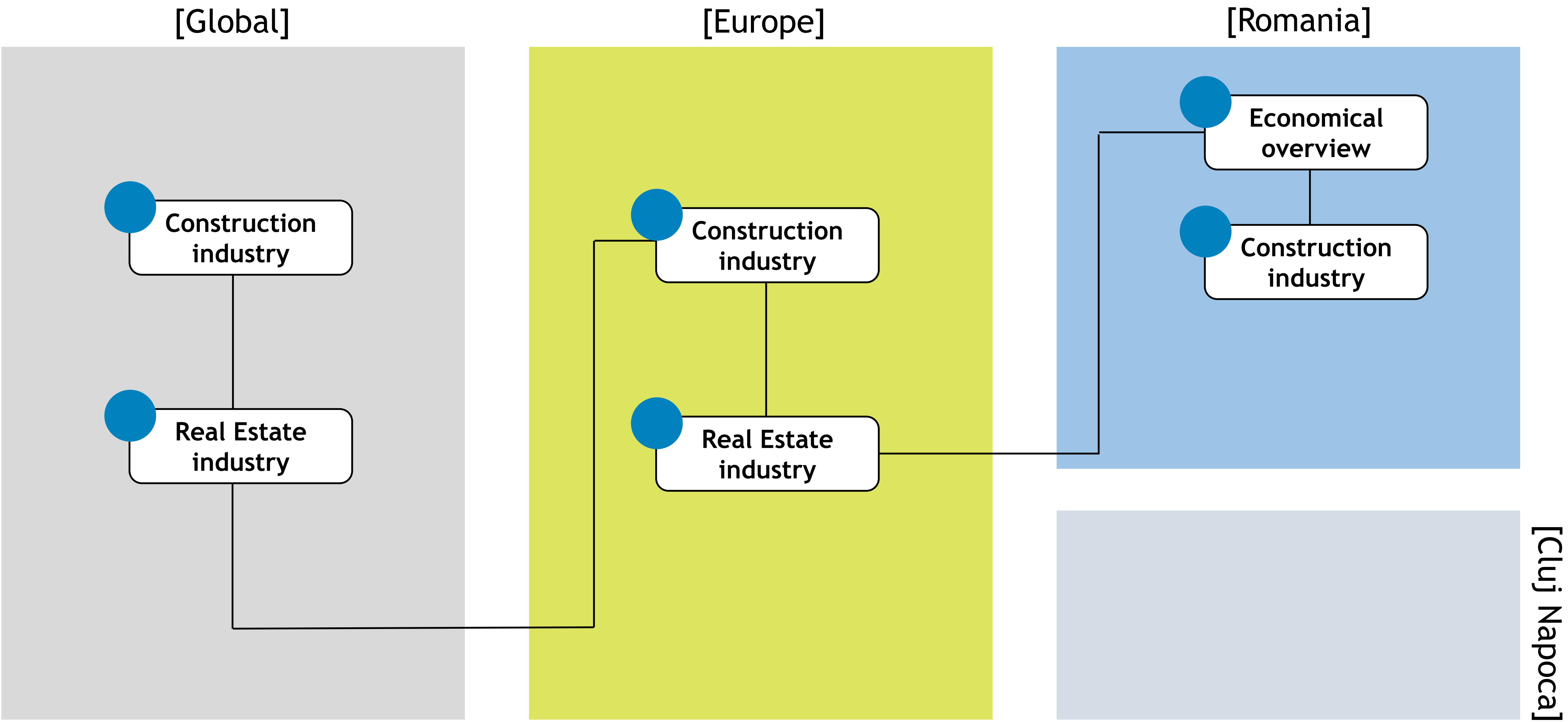
Object of property right: the property itself

(Categorised by function, by physical form, etc)

Subject of poperty right: individuals, families, social groups and organizations

Two big categories: *private property* and *public property*

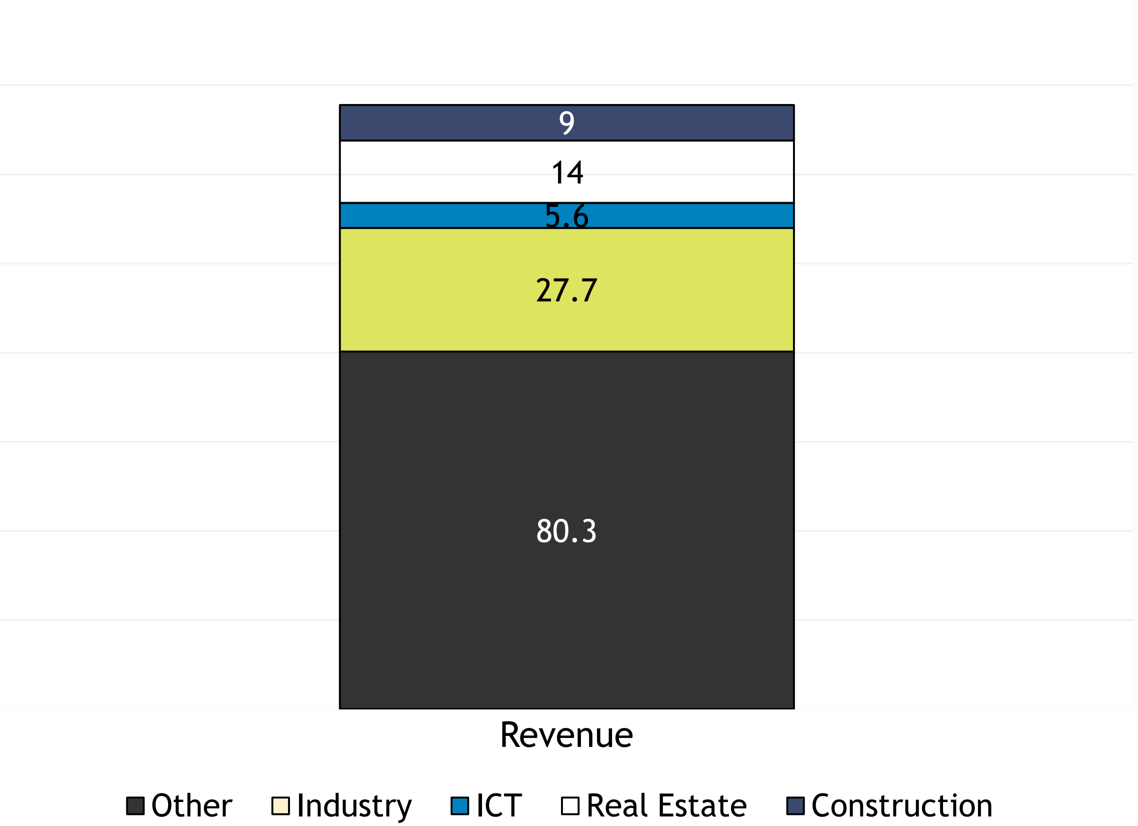
Agenda


[Global]
Construction industry
Real Estate industry
[Europe]
Construction industry
Real Estate industry
[Romania]
Economical overview
Construction industry
[Cluj Napoca]

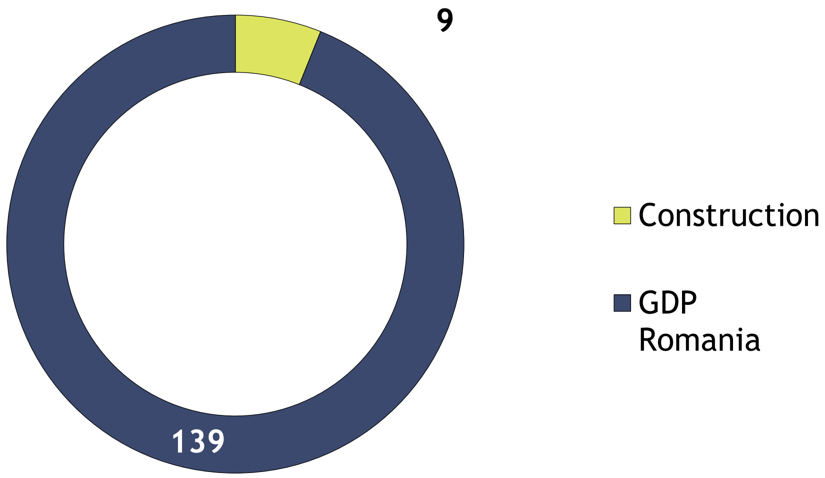
Construction industry overview – Romania (2014)

The romanian GDP was influenced by the following industries.

Romanian industries distribution by revenue in 2014 (€ billion)



The size of the construction industry in 2014, (€ billion)



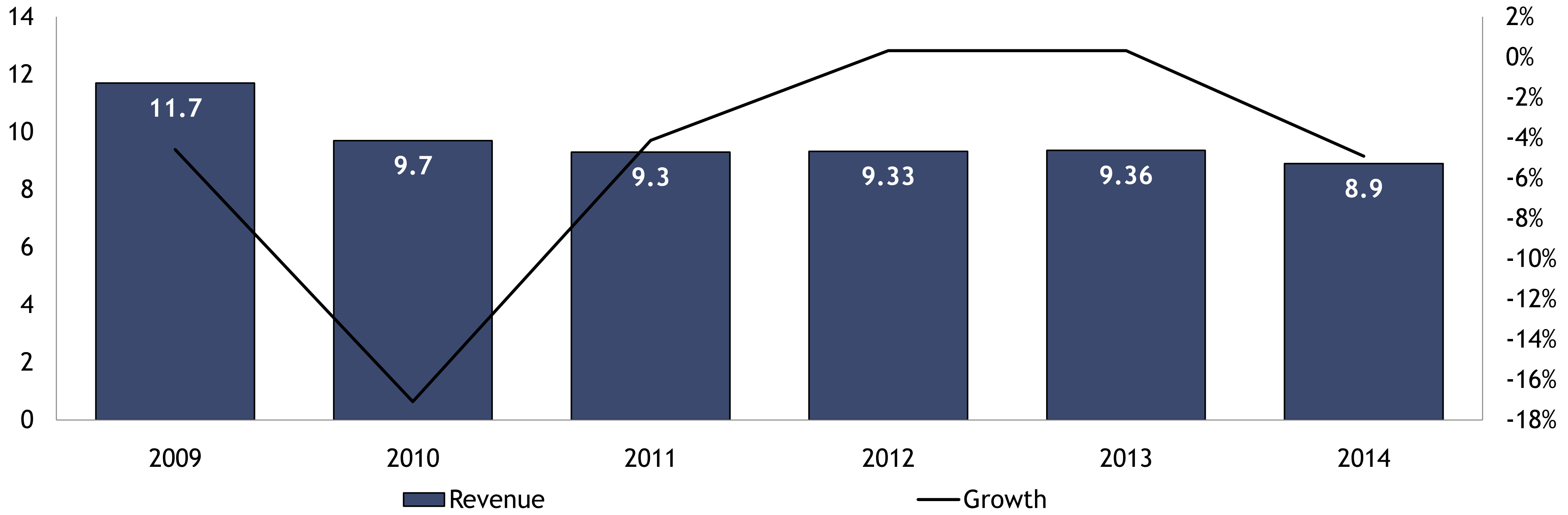
The **construction** industry made up **6,3%** of the Romanian **GDP in 2014.**

Source: cursdeguvernare.ro, arenaconstruct.ro

Construction industry by revenue (2009-2014)

The overall evolution of the construction industry in Romania has seen a decline starting from 2009 and has maintained a strong stagnancy in recent years. However in 2014 it dropped to under 9 billion.

The construction industry's revenue and growth from 2009 to 2014 (€ billion)



The industry's stagnancy is due to the lack of a strong political investment program, which would have corrected the declining profit in 2014. Also the growing lack of foreign funding is coupled with the inability of authorities to promote the building projects in the public and private sectors. Since the influencing factors have risen in 2013 the industry's revenue dropped to an all time minimum, by 5% compared with the previous year.

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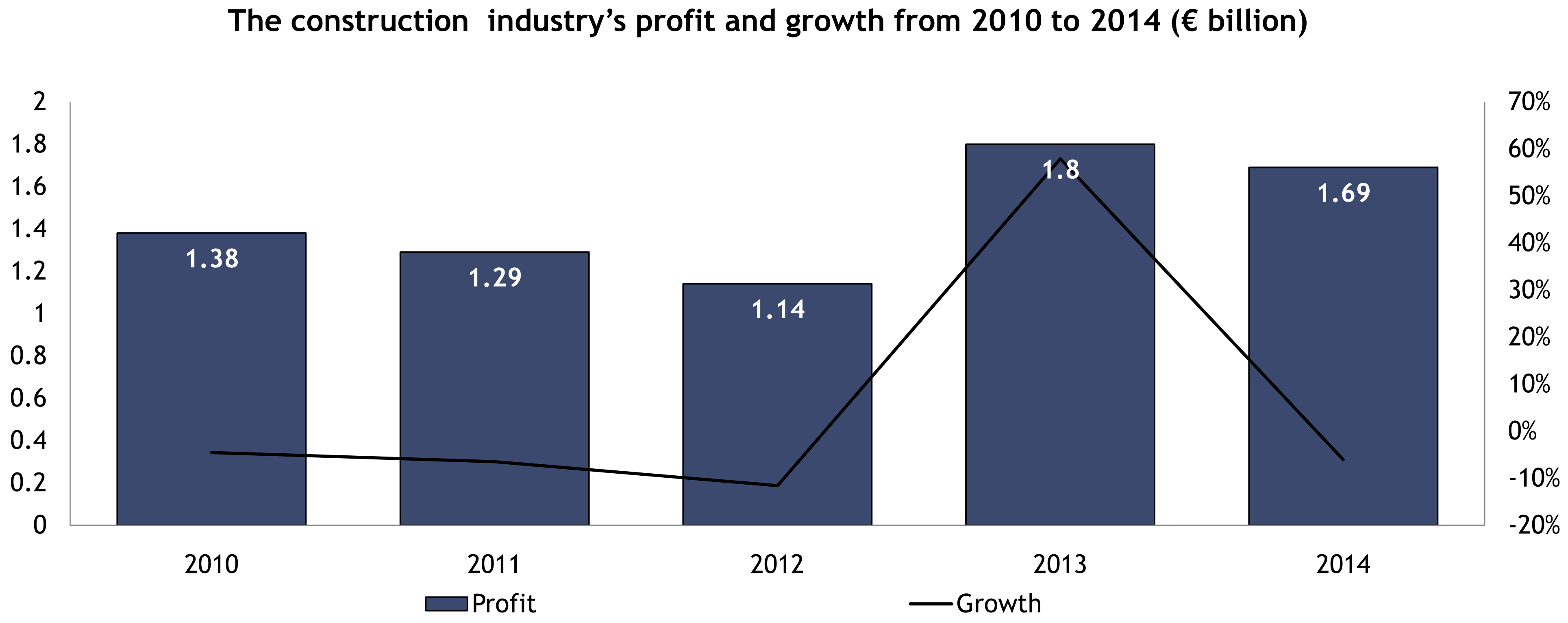
Source: constructiv.ro, zf.ro, araco.org, mediafax.ro, wall-street.ro, dailybusiness.ro, interbizgroup.ro, business24.ro

Construction industry by profit (2009-2014)

The construction industry in Romania has seen a decline starting from 2010 and has maintained a strong stagnancy in recent years. However in 2013 it rose 57% compared to the previous year.



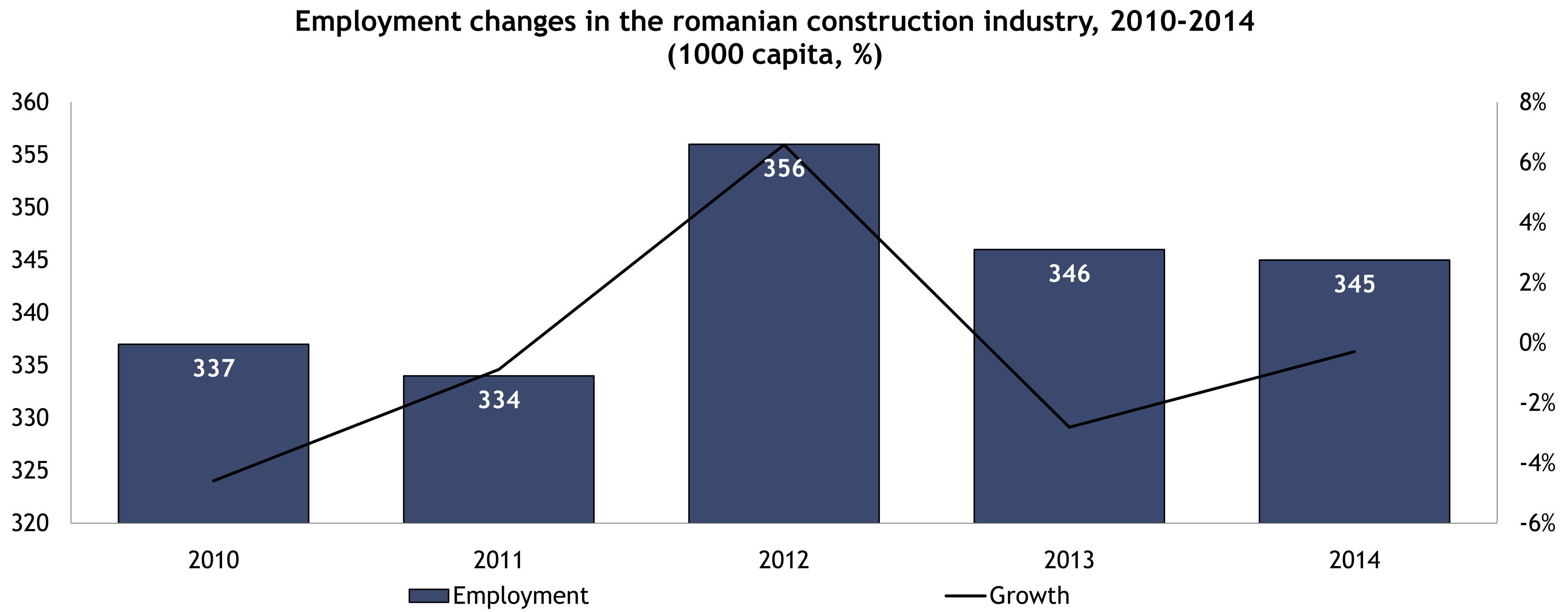
The industry's stagnancy is due to the lack of a strong political investment program, which would have corrected the declining profit in 2014. Also the growing lack of foreign funding is coupled with the inability of authorities to promote the building projects in public and private sector, which led to the sudden drop of 6,1% compared to previous year in 2014.

Gazdasági Tanácsadó Klub

Source: constructiv.ro, zf.ro, araco.org, mediafax.ro, wall-street.ro, dailybusiness.ro, interbizgroup.ro, capital.ro

Construction industry by employment (2010-2014)

These numbers show us evolution of the number of the employees from 2010 to 2014 and release the information about witch year brought the change from falling to increasing.



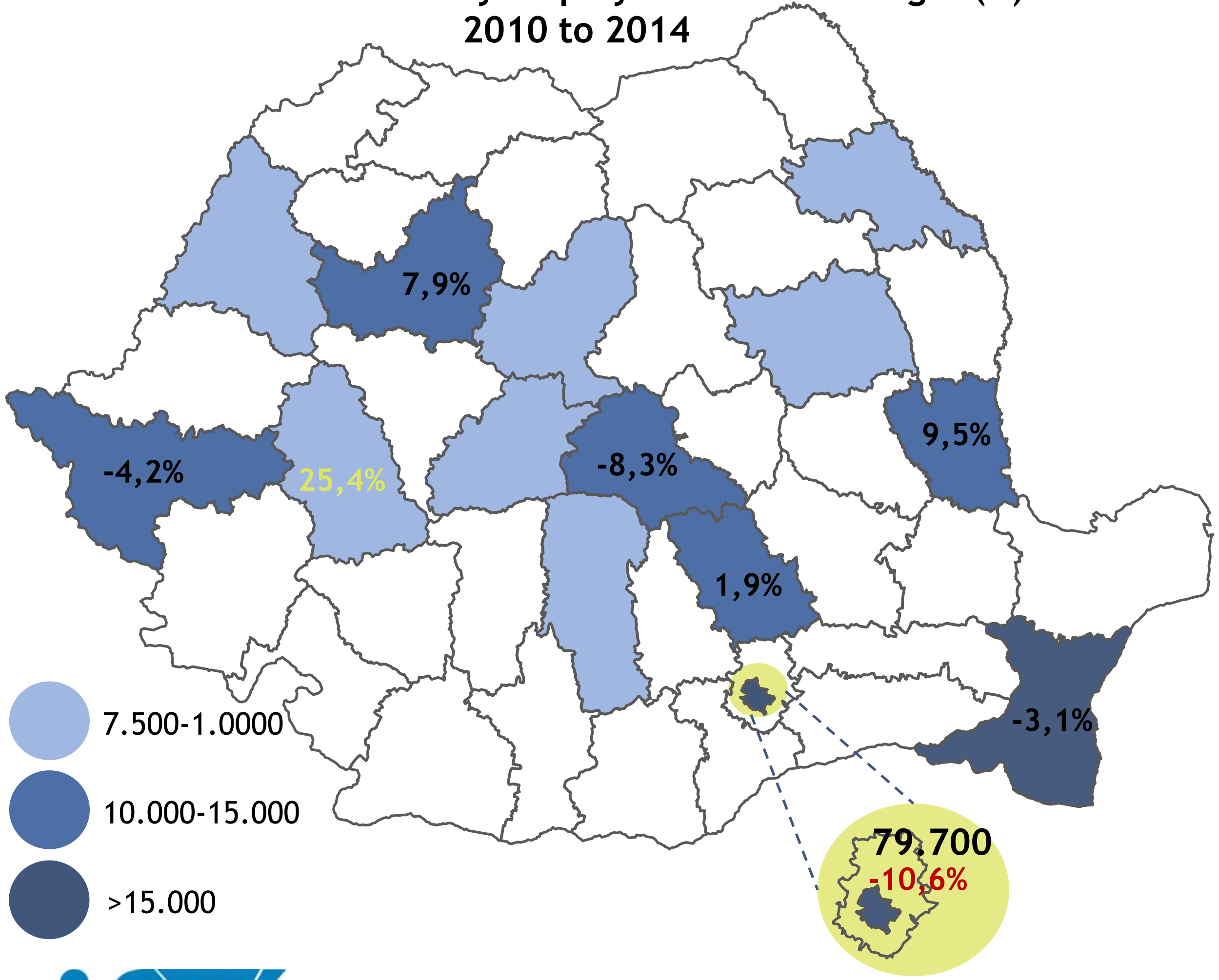
Since 2010 the number of the employees was significantly falling mainly because of the global crisis but in the year of 2011 the industry started to recover . In 2013 we can see a small falling part again with 1.23% but from 2014 until now the industry start to grow again. In general in these 5 years the overall fall of the number of employees was -2.29% but it's rising for the moment.

Source: insse.ro

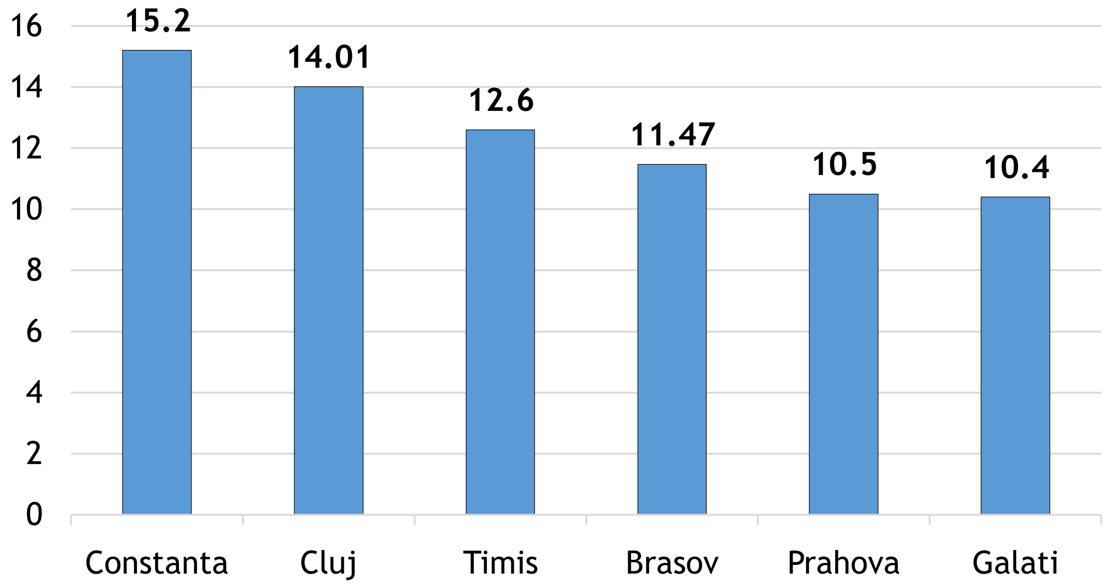
Construction industry by employment (2010-2014)

The Romanian construction sector is heavily concentrated, the vast majority of construction workers working in the capital. However, in the past years the number of employees in Bucharest has decreased by 10,4%.

Construction industry employee number changes (%) 2010 to 2014



TOP 6 counties by number of employees in construction industry (2014, 1000 capita)



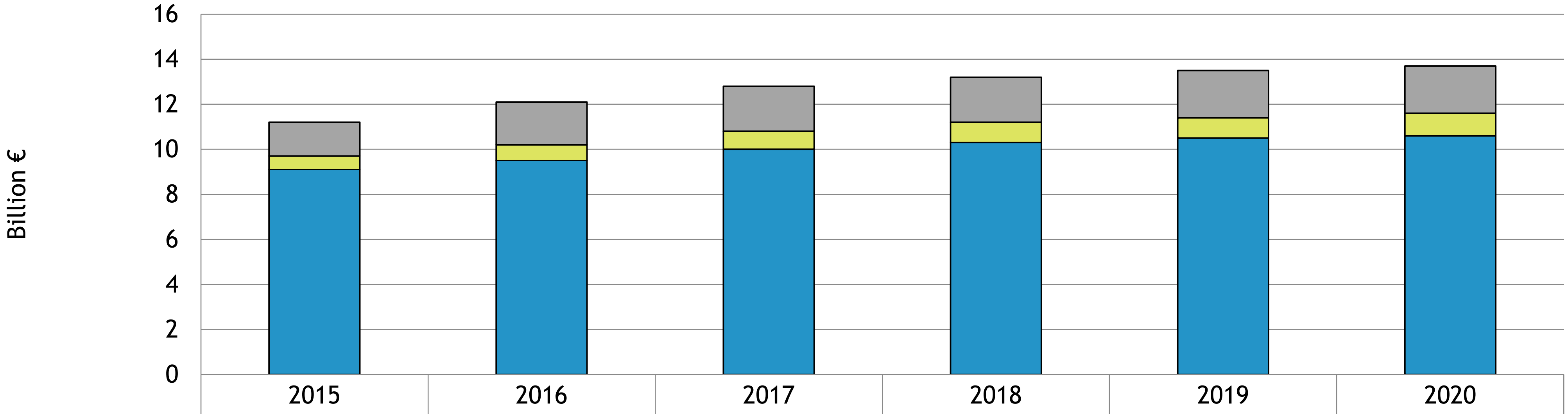
In the **2010-2014** period, **Bucharest** had the biggest employee pool in the industry, around **80.000 people**. During this period, **Hunedoara** county has experinced the biggest boom, because the counties employee number has increased by **25,4%**.

Source: Insse.ro

Construction industry by revenue - forecast (2015-2020)

The annual expected average growth rate of construction industry is 3,4% for the 2015 - 2020 period.

Romanian construction industry revenue forecast from 2015 to 2020 (€ billion)



	2015	2016	2017	2018	2019	2020
Optimist plan	1.5	1.9	2	2	2.1	2.1
Realist plan	0.6	0.7	0.8	0.9	0.9	1
Pessimist plan	9.1	9.5	10	10.3	10.5	10.6

From 2015 the government has budgeted 20% more funding than the amount consumed in 2014 for Prima Casa support warranties, for this reason the market of construction industry and the market of „old buildings" is growing. From 2017 forecasters expect a slow increase and from 2019 the market will start growing.

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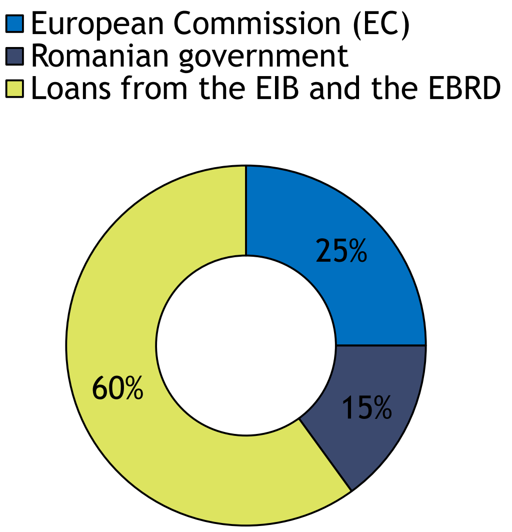
Source: interbizgroup.ro infrastructure-insight.com europaproperty.com

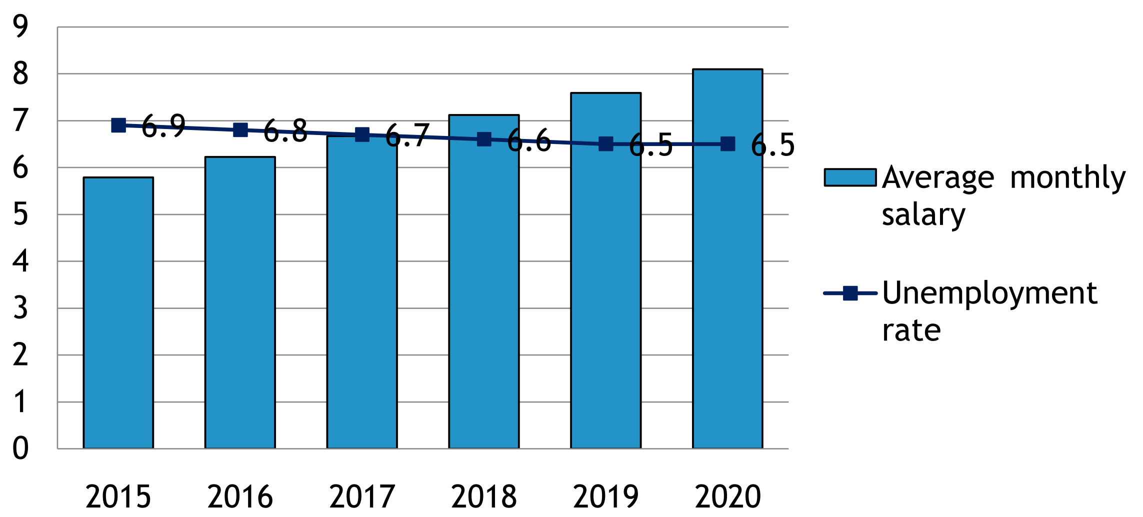
Construction industry by revenue - forecast (2015-2020)

Investment in infrastructure, red-tape cuts and coming wage increases may be efficient in attracting and retaining foreign investors.

The plan of financing distribution of investment in infrastructure until 2020



Forecast for average gross monthly salary (€100) and unemployment rate



In 2015 the government outlined a strategy for the construction of motorways from 2015 up to 2030 (Transport Masterplan of Romania).

The decrease in unemployment rate and increase in purchasing power will increase the demand for constructions. The stabilization of the exchange rate is also a favorable factor.

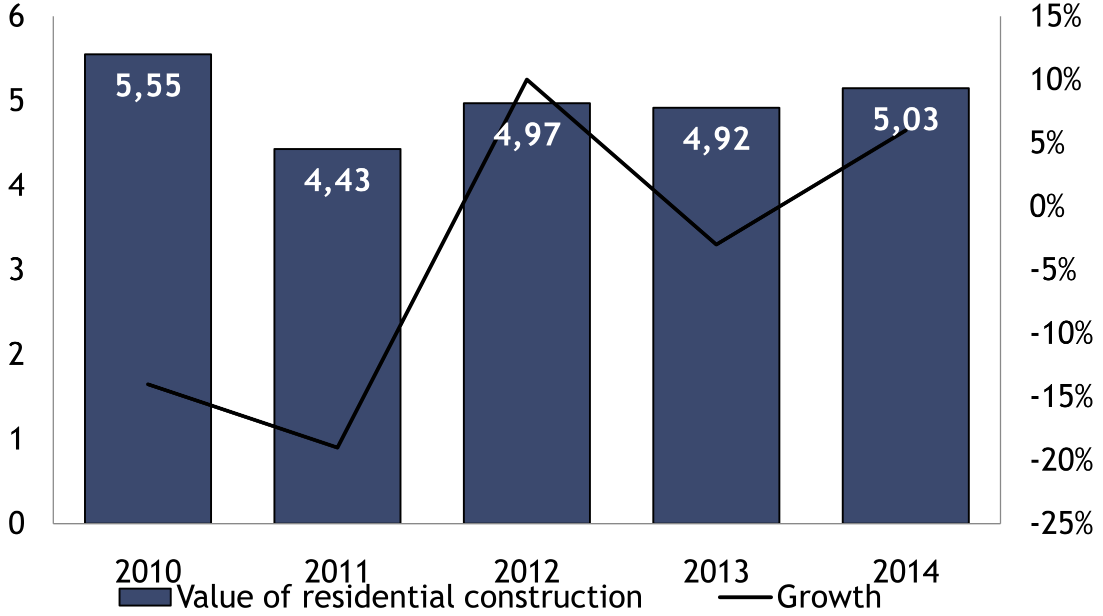
EIB - European Investment Bank EBRD - Eueopean Bank for Reconstruction and Development

Source: reports.pr-inside.com europaproperty.com interbizgroup.ro statista.com cnp.ro

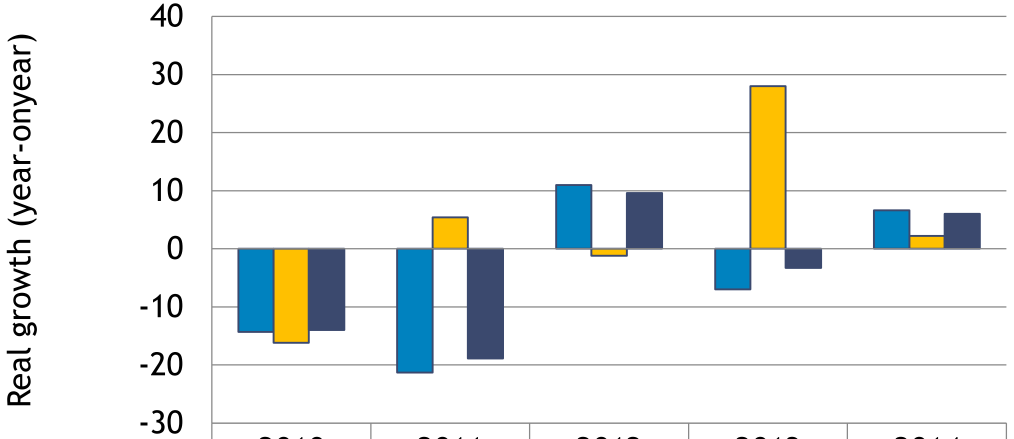
Residential sector by revenue (2010-2014)

Romanian residential constructions started picking up pace after the economic crisis, however the revenues have not grown significantly.

Residential market revenue 2010-2014 (€ billion)



Distribution of residential projects by type



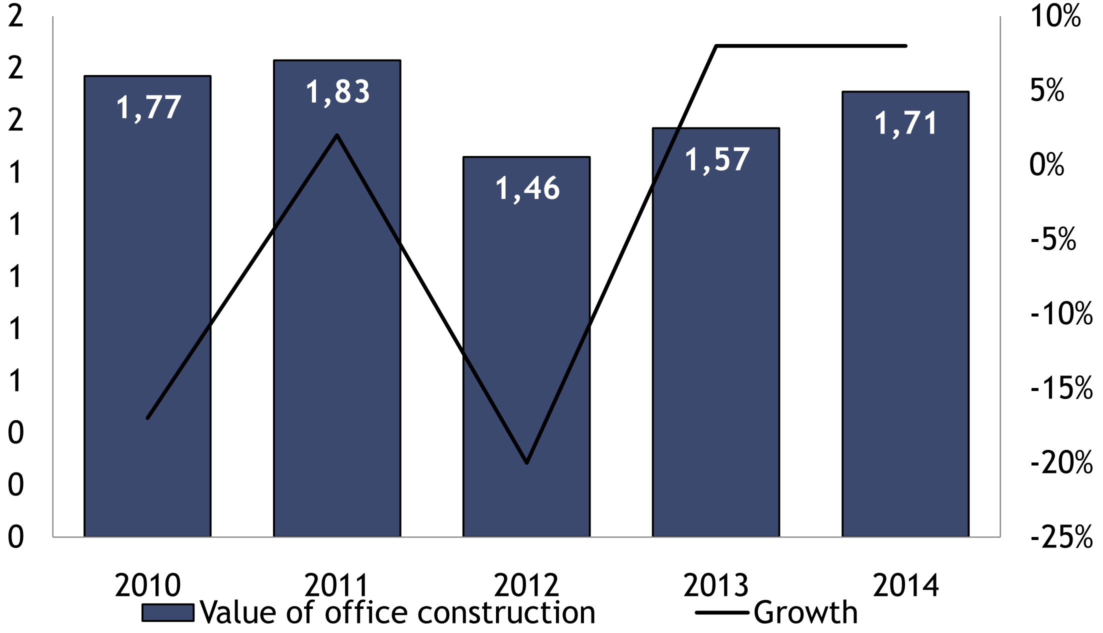
	2010	2011	2012	2013	2014
New	-14.3	-21.3	11	-7	6.6
Renovation	-16.2	5.4	-1.2	28	2.2
Total	-14	-18.9	9.6	-3.3	6

The larger activity in the residential sector was renovation. This make sense, since the 65% of the homes in Romania are older than 35 years. The Ministry estimated that 2,4 million apartments did not have proper thermal insulation. Most of the Romanian houses need to be renovated, the Ministry of Regional Development estimated that this market will grow by 1,5€ billion yearly.

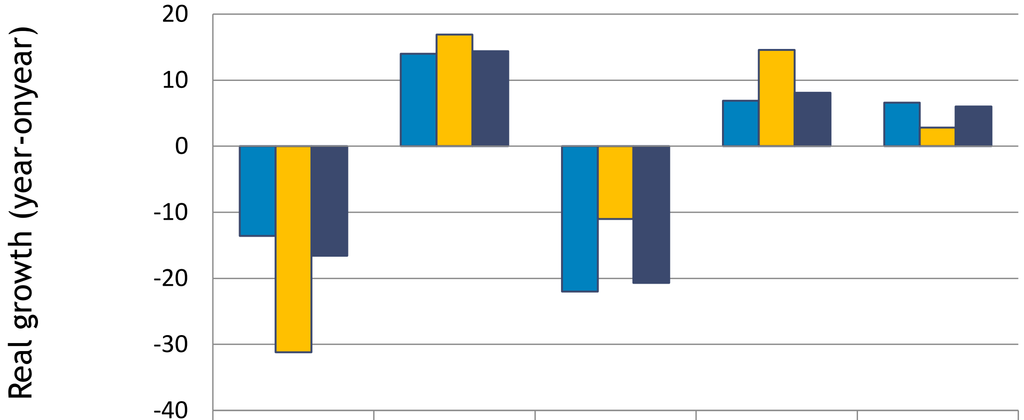
Office sector by revenue (2010-2014)

The office construction activity went through a revitalization period in 2013, after several years of strong decline.

Office market revenue 2010-2014 (€ billion)



Distribution of projects in the non-residential constructions sector



	2010	2011	2012	2013	2014
New	-13.6	14	-22	6.9	6.6
Renovation	-31.2	16.9	-11	14.6	2.8
Total	-16.6	14.4	-20.7	8.1	6

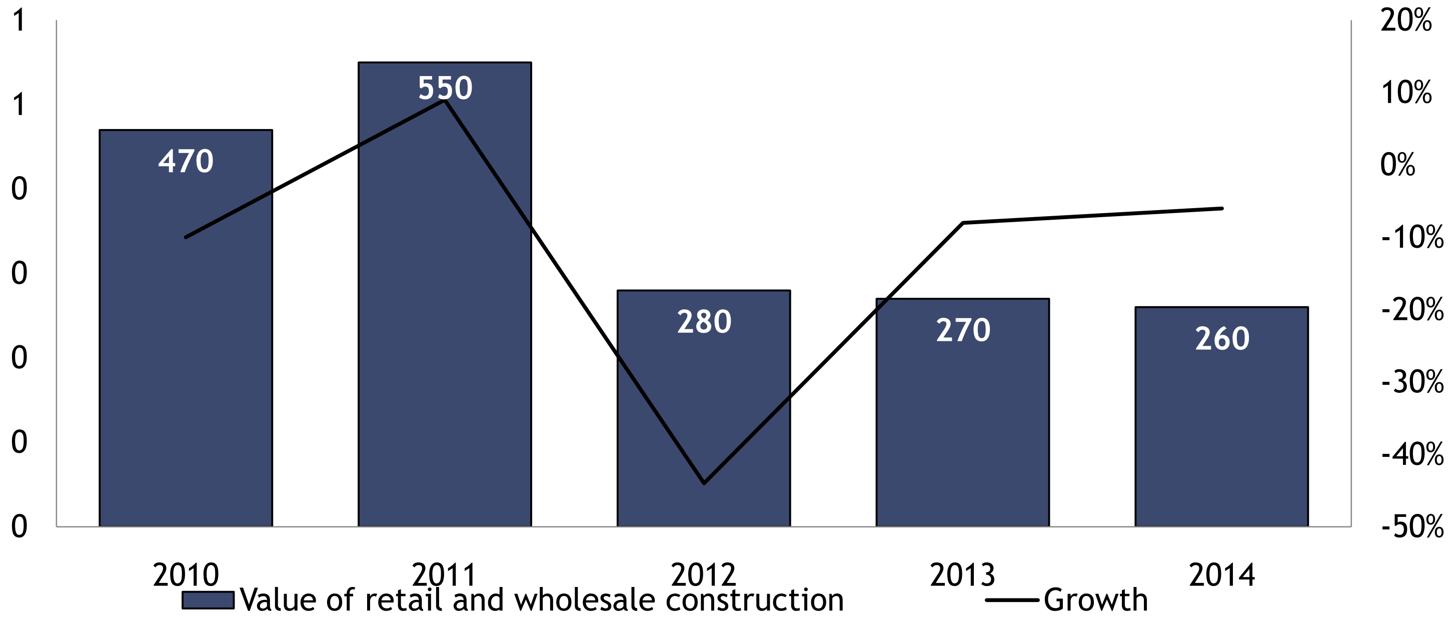
The office space in Bucharest grew from 120.000 m² in 2013 to 132.000 m² in 2014. The slow growth is the result of the companies maximizing the usage of the office space. The office buildings should be renovated in every 3-5 years, so the revenue of the renovation will exceed the new constructions.

Source: buildecon.com ensight.ro

Retail sector by revenue (2010-2014)

The retail went through a decrease in this period, several big shopping centers having been finished in the previous years.

Retail and wholesale market revenue 2010-2014 (€ million)



This segment of the construction industry saw a negative evolution. Few large scale projects were undertaken in 2014, the major retail centers had been finished in the previous period. In 2014 only two units were under construction: the Vulcan Value Center in Bucharest and the Targu Jiu Shopping City in Targu Jiu.

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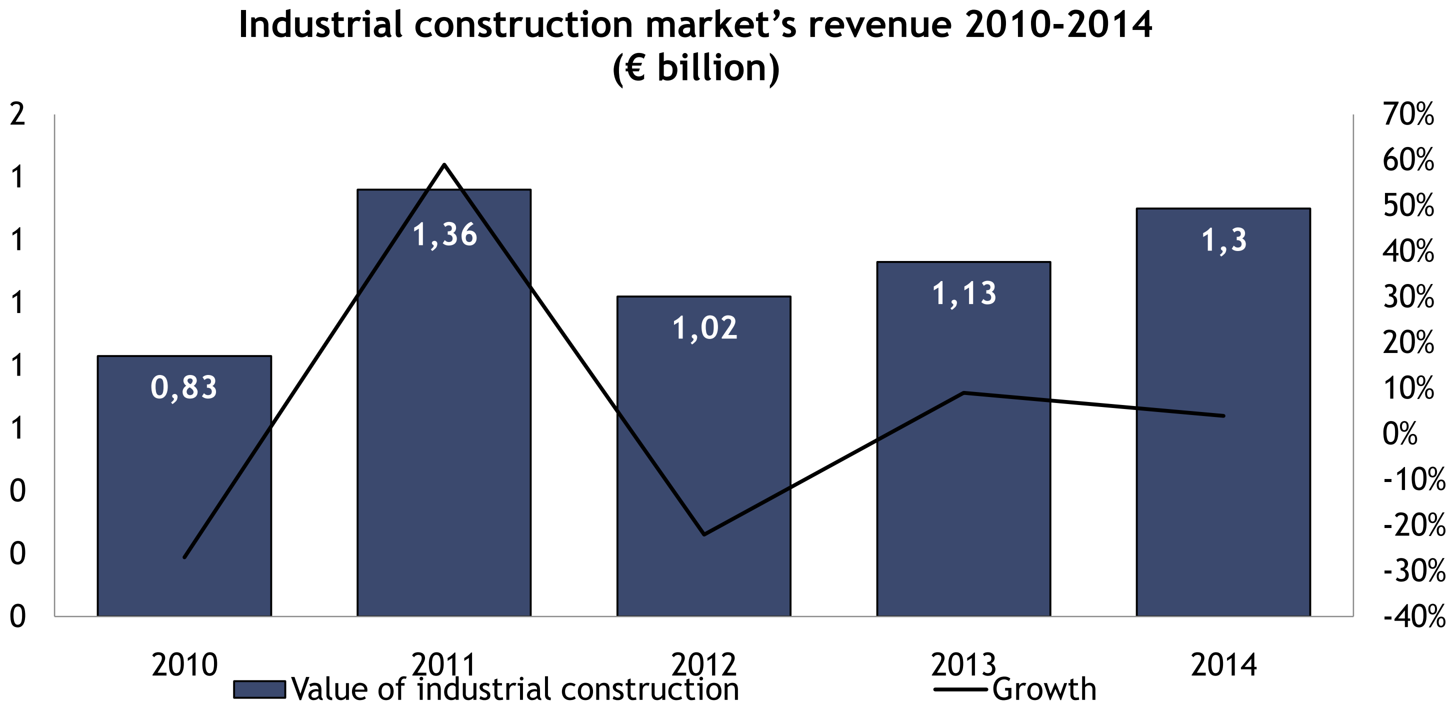
Source: buildecon.com

Industrial sector by revenue (2010-2014)

The dynamic growth of the industrial construction sector, by 10-15% in average, is attributed to heavy investment into factory development.

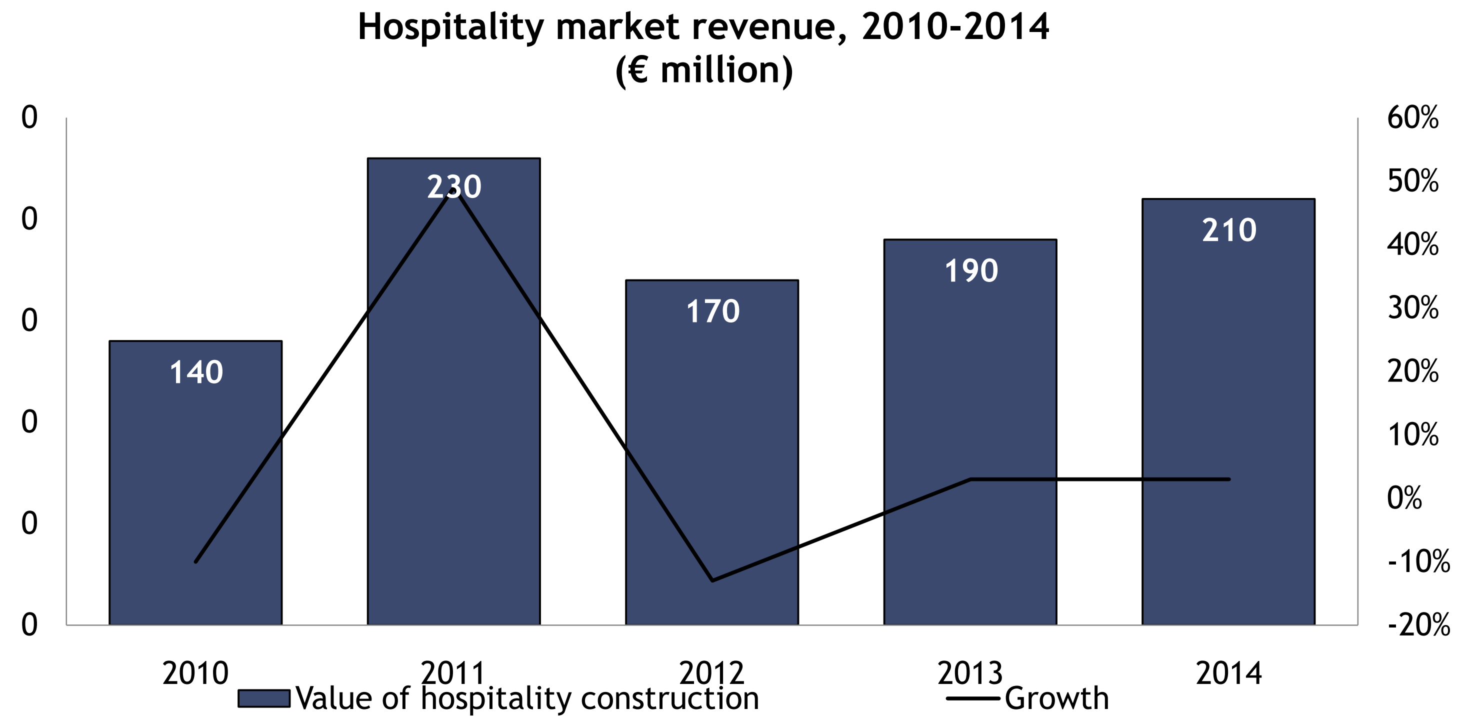


The industrial construction's growth was very stabel. The main reason of this increase is the investors' positive view of Romania. Due to this, several new factories have been built in the Central and North-Western Region, like the Ruck factory in Tarnavei, the Trelleborg factory in Dej and the Emerson factory in Cluj-Napoca. The value of these investments surpasses € 100 million.

Source: buildecon.com zf.ro infoconstructii.com statista.com sageworks.com

Hospitality sector by revenue (2010-2014)

The hospitality's best year was 2011, which was followed by a steep fall in 2012, then a steady growth starting in 2013.

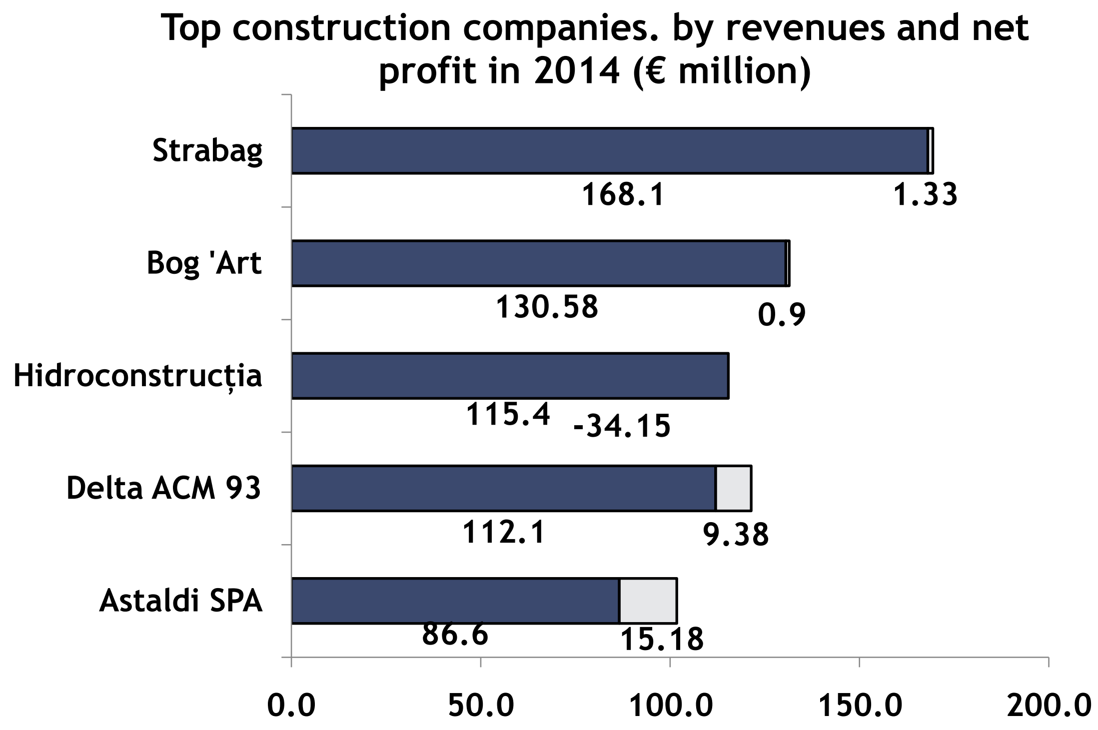


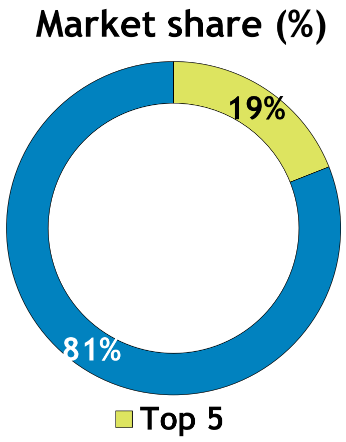
The stable growth is the result of increasing tourist activity, the low prices after the crisis made Romania an attractive destination. Furthermore, the number of overnight tourists increased a significant amount. This contributed to the growth of hotel constructions: in 2014 121 units have been completed, including 27 new hotels and 67 agro touristic units. The housing capacity at the end of the year was increased by 5500 beds.

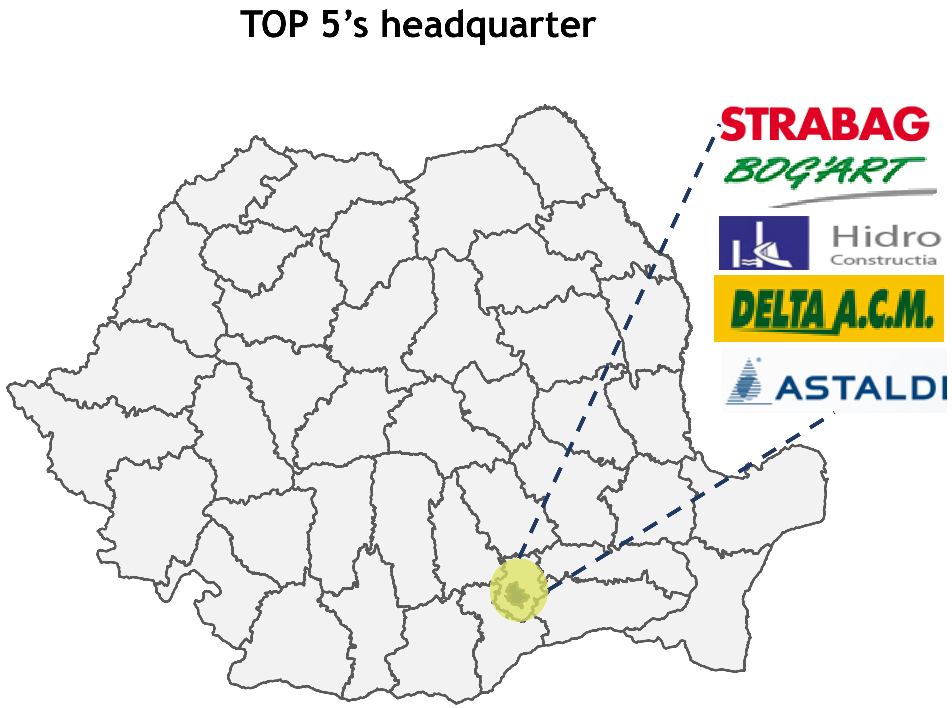
Source: buildecon.com

TOP 5 – construction industry (2014)

The market share of the top 5 companies represents almost one fifth of the top 100 regarding the revenue of the companies. All of the companies headquarters are in Bucharest.







The top company in the construction industry by return is once again Strabag, but looking at the realized net profit, we can see that Astaldi, which is only in fifth place in the return category, is the distant leader. The return obtained by Strabag stands for 30% of the total revenue of the top 5. The capital seems to be the most advantageous city in the country to have a headquarter.

Source: zf.ro, zi-de-zi.ro, deltaacm.ro, monitorizari.hotnews.ro

TOP 5 – construction industry (2014)

The industry is very dynamical since because the top 5 firms change their position each year, thus concluding that it is rapidly evolving and growing.

Company	2010-11	2011-12	2012-13	2013-14	2010-2014
Strabag		2			2
Bog ‘Art	3	4	8	5	6
Hidroconstrucția		3	2	1	2
Delta ACM 93	1	1	4	1	3
Astaldi SPA	14	7	10	8	19

Strabag and Hidroconstrucția have always been part of the top 5 in the past 5 years, these two have been the most stagnant amongst the top 5. The biggest changes throughout this years in position were made of Astaldi SPA who has been from 3rd place to the 25th.

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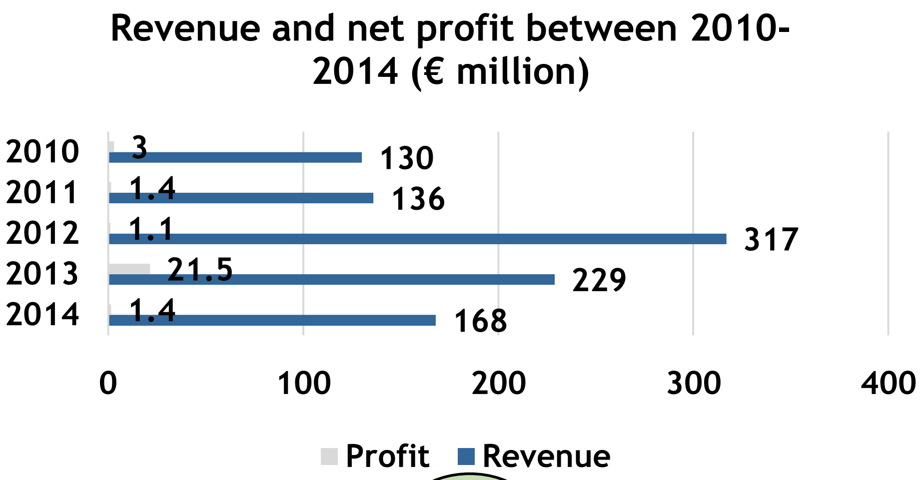
Source: risco.ro

1. Strabag

Strabag has the biggest revenue in Romania in the construction industry, but that is not the case in the net profit category. Their headquarters and biggest project are boh located in the capital.



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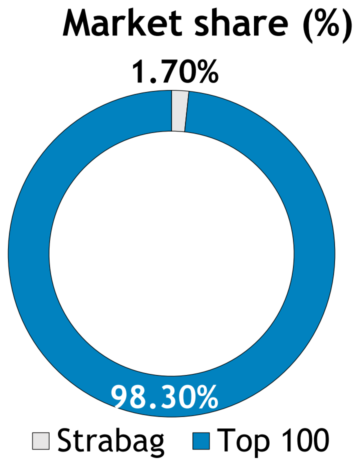


- Bucharest

- Raiffeisen Evolution
- PPP
- Romanian Government

- Sky Tower
- Comarnic-Brașov highway
- Vintu de Jos-Simeria railroad section
- Mantuirea Neamului cathedral
- The building which will contain the world's largest LASER

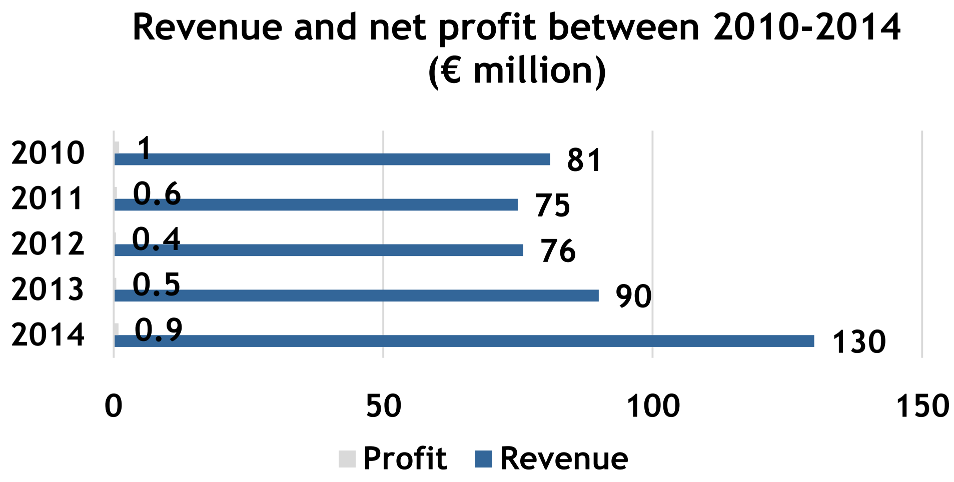
STRABAG

GIK Gazdasági Tanácsadó Klub

Source: zf.ro, zi-de-zi.ro, deltaacm.ro, monitorizari.hotnews.ro

2. Bog 'Art

Bog 'Art is the second company in Romania by revenue earnings, but they are not excelling in the net profit category either, they have a very low profit margin. Their headquarters and biggest project are in Bucharest.



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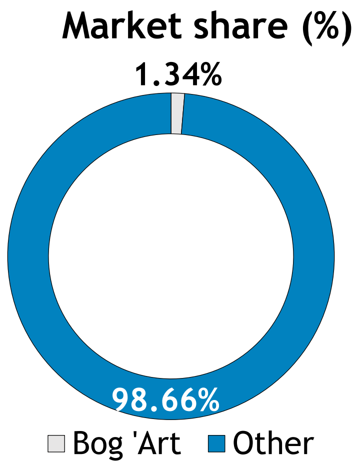


- Bucharest

- Nepi
- Globalworth Real Estate Investmentes
- Alusystem
- Hyper GK Construct
- Toni Trading

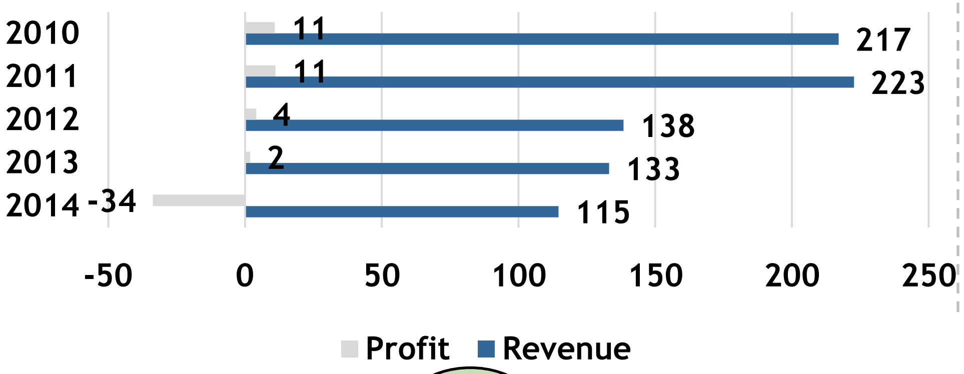
- Megamall
- Auchan commercial center
- Bucharest One
- City Offices
- Tower Center
- Coresi Mall

Source: zf.ro, zi-de-zi.ro, deltaacm.ro, monitorizari.hotnews.ro

3. Hidroconstrucția

Hidroconstrucția is the third company in Romania regarding it's revenue, but they generated losses in 2014. Their headquarters is in the capital and their biggest project took place in Mureș county.

Revenue and net profit between 2010-2014 (€ million)



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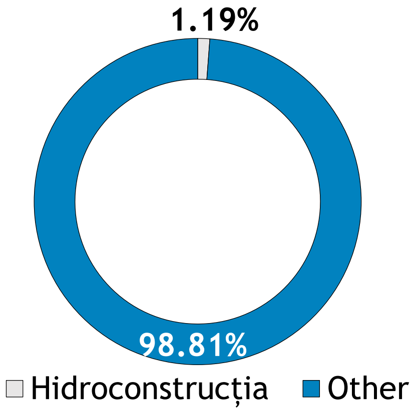
Market share (%)



- Bucharest

- CSC
- Local governments
- Romanian government
- Georom
- Hidroturism
- Indconstruct

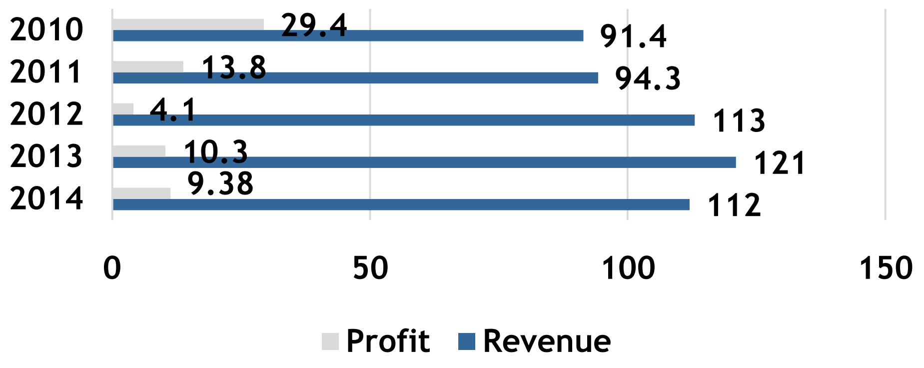
- The landfill of Mureș county
- This company is occupied mainly by building landfills, and water conducts throughout the country, their projects are, in big part, very similar one the another.

Hidro Constructia

4. Delta ACM 93

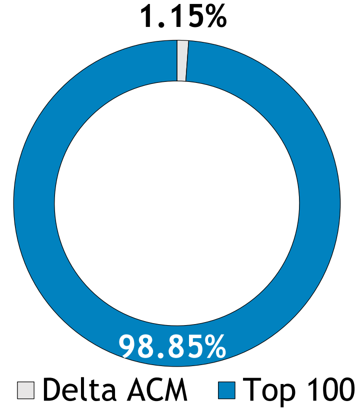
Delta ACM 93 is in the fourth place regarding it's revenue in 2014, and they occupy a respectable position in the net profit category too. Their headquarters and biggest project are both located in Bucharest.

Revenue and net profit between 2010-2014 (mil. Euros)



1396

Market share (%)



- Bucharest

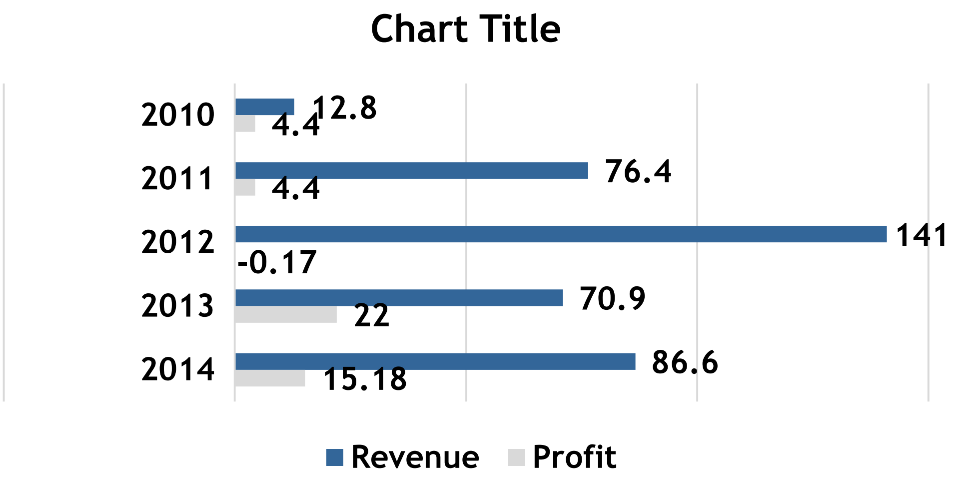
- Metrorex
- Astaldi
- FCC Construction
- AB Construct

- Eroilor-Drumului Taberei metro section
- Raul Doamnei- Hasdeu metro section
- Recently they relocated their focus on projects to other countries.

Source: zf.ro, zi-de-zi.ro, deltaacm.ro, monitorizari.hotnews.ro

5. Astaldi SPA

Astaldi SPA is the fifth among construction companies in Romania in 2014 regarding their revenue, but they also excel in earning profit as they are on of the most profitable companies on the Romanian market.



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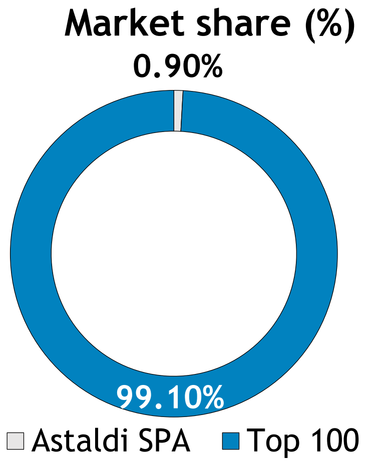


- Bucharest

- Astalrom
- Delta ACM 93
- MAX BOEGL Romania

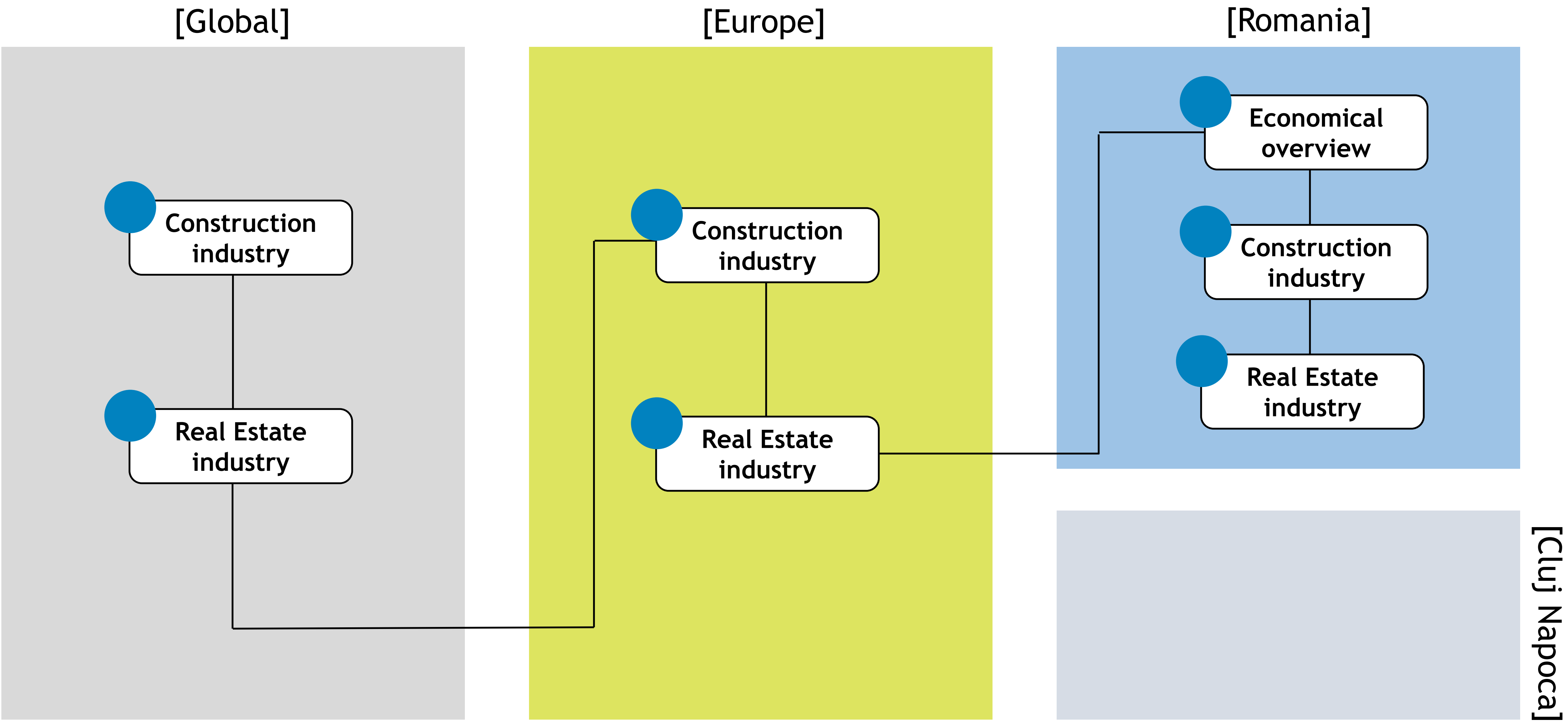
- The Mihai Bravu-Calea Văcărești overpass
- Basarab passage
- Arena Națională national stadium in Bucharest
- Nadlac-Arad highway
- Cernavodă-Orăștie highway

ASTALDI

GTK Gazdasági Tanácsadó Klub

Source: zf.ro, zi-de-zi.ro, deltaacm.ro, monitorizari.hotnews.ro

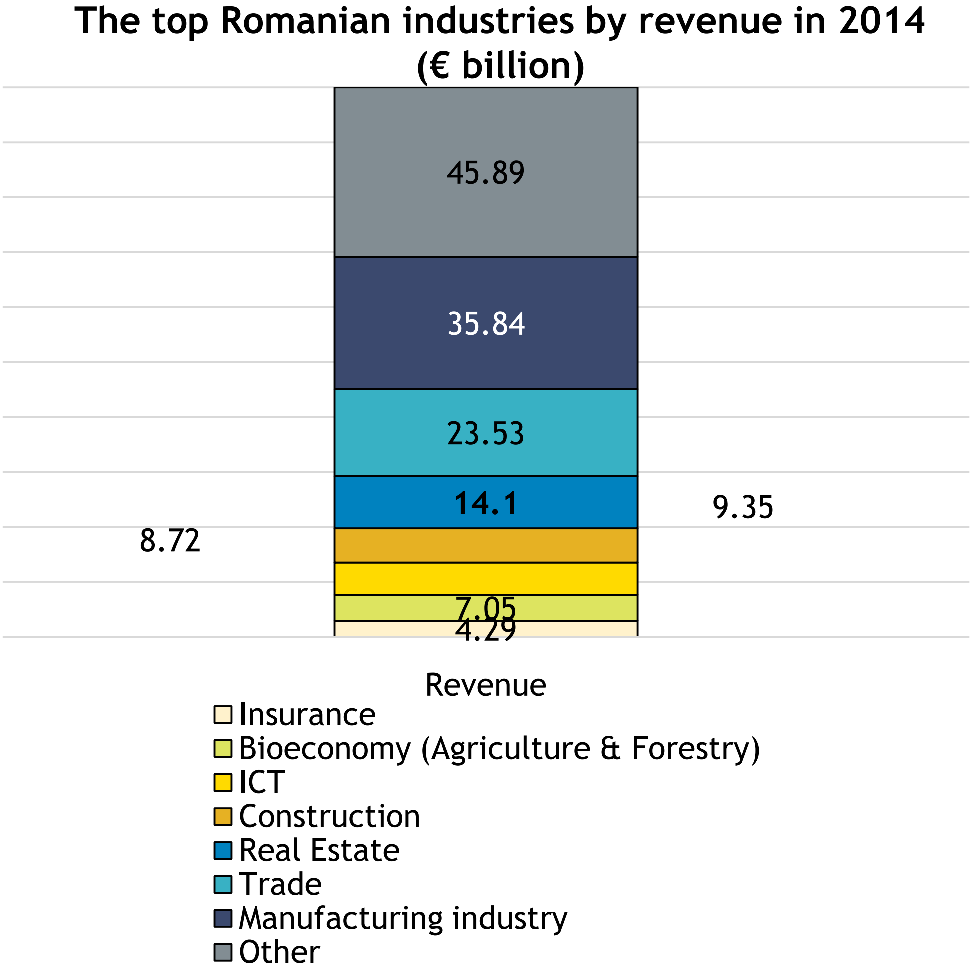
Agenda

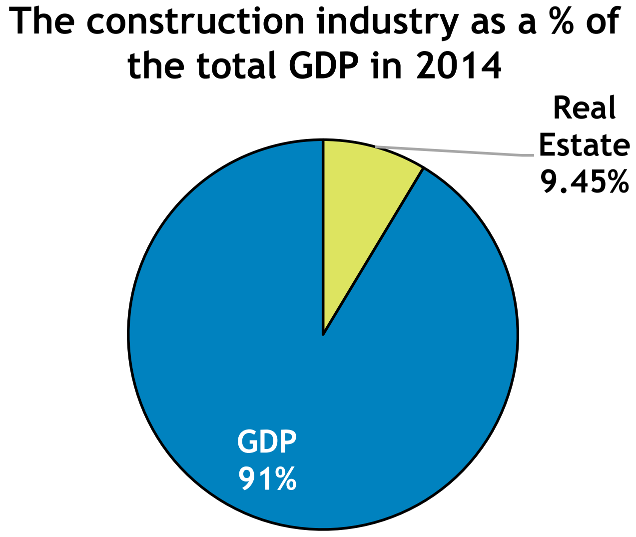


Gazdasági Tanácsadó Klub

Real estate industry overview (2014)

The GDP in 2014 was €148.7 billion. The largest industry is the manufacturing industry followed by the Trade industry. The third largest industry was the real estate, producing €14,06 billion.



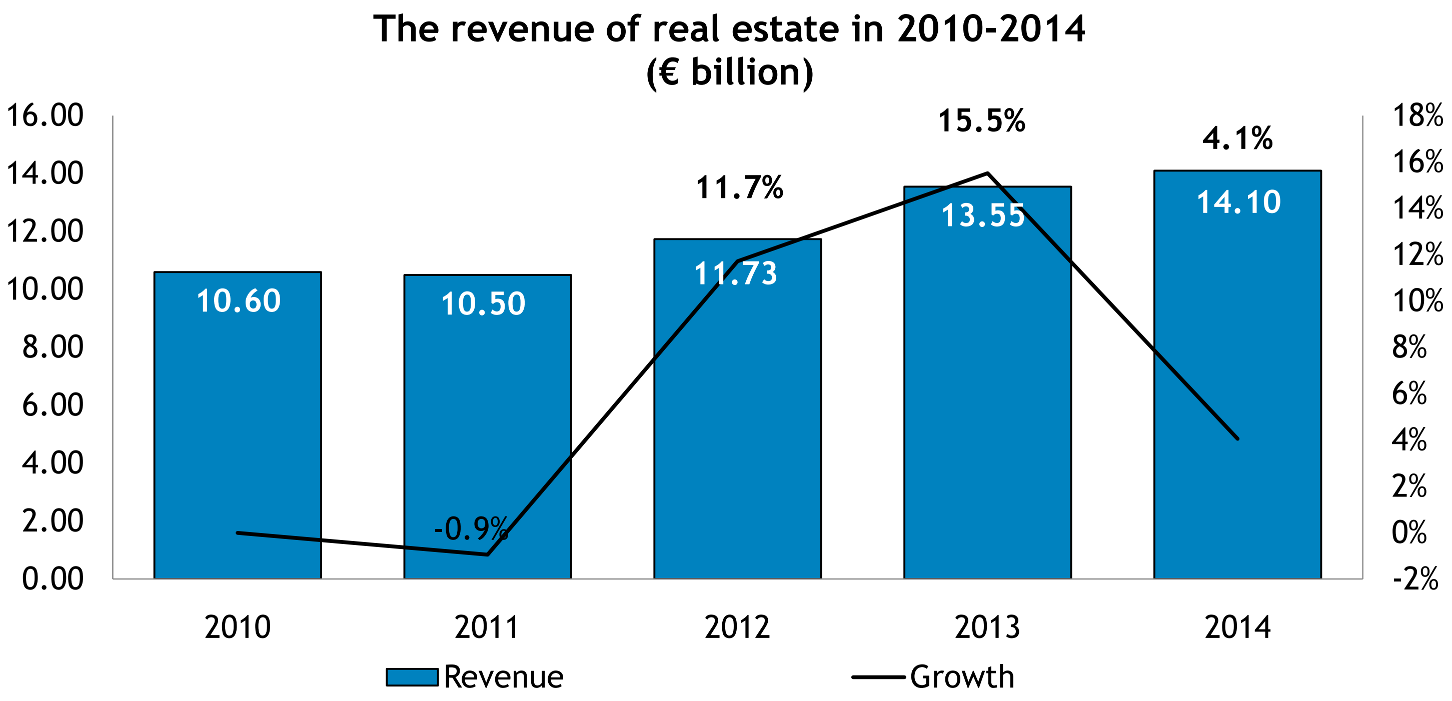


In 2014 the revenue generated by the real estate industry represented **9.45%** of the total GDP.

Source: insse.ro

Real estate industry by revenue (2009-2014)

In the period between 2010 and 2014 the average revenue was €1,64 billion.

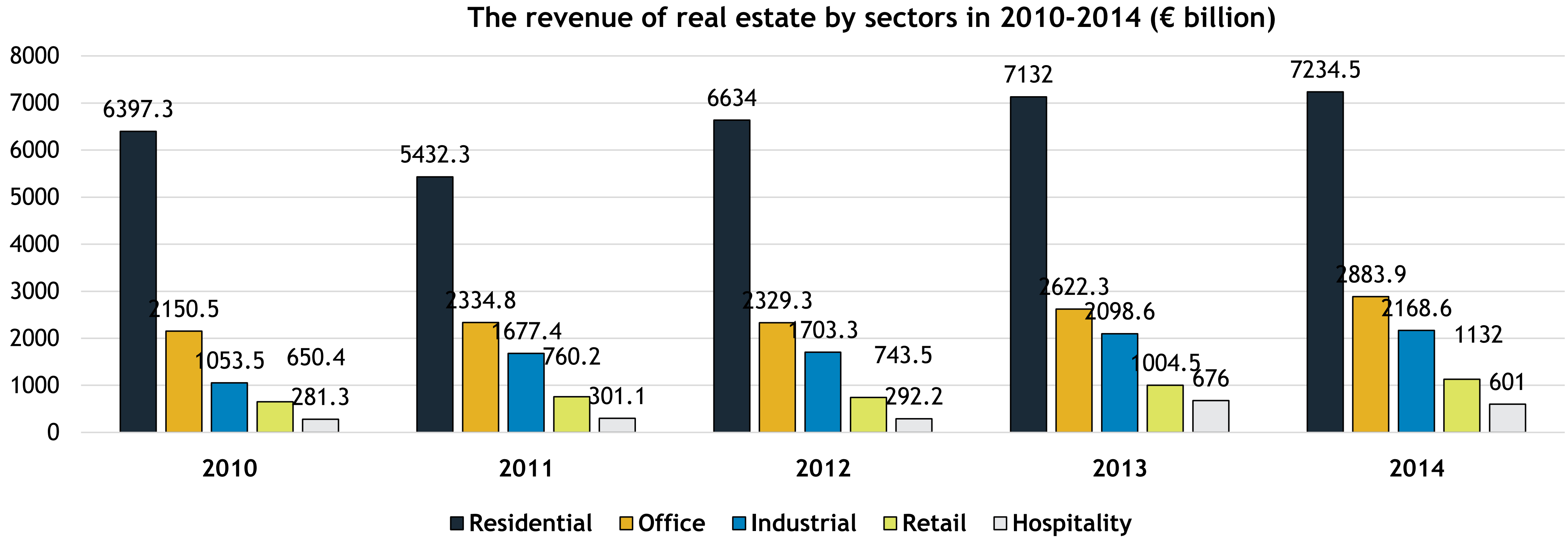


In the real estate industry there was registered a decrease in 2011 with a minus of **0,9%**. The causes of the decrease are: lack of public investments, lack of foreign investments, political influence on projects, insufficient funding and the authorities incapability in the promotion of the projects.

Source: statista.com, capital.ro, constructiv.ro

Real estate industry sectors by revenue (2010-2014)

The residential sector stands for more than half ot total profit of the whol real estate market, and this will be true in the near future too. The industrial sector is presenting serious competition the the office market.

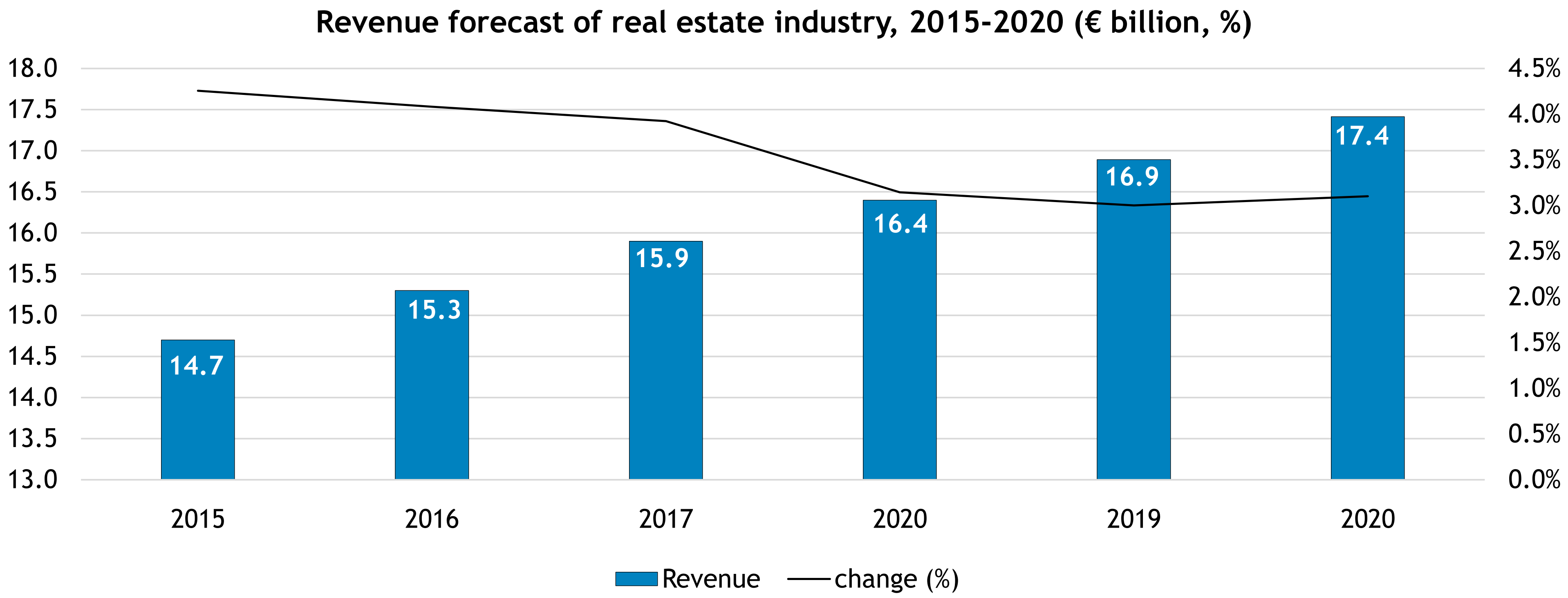


The relation between the value and the profit of the sectors in this industry is related percentage-wise in both yearly change and inside each real estate sector. Inside these sectors the change varies from year to year, for instance in the industrial sector, the year 2011 was a great year, value numbers grew with approximetely 60%.

Source: buildecon.com, ensight.com

Real estate industry by revenue – forecast (2015-2020)

The annual turnover of real estate for 2015 has a stable growth, after this year it will have a stagnating tendency.

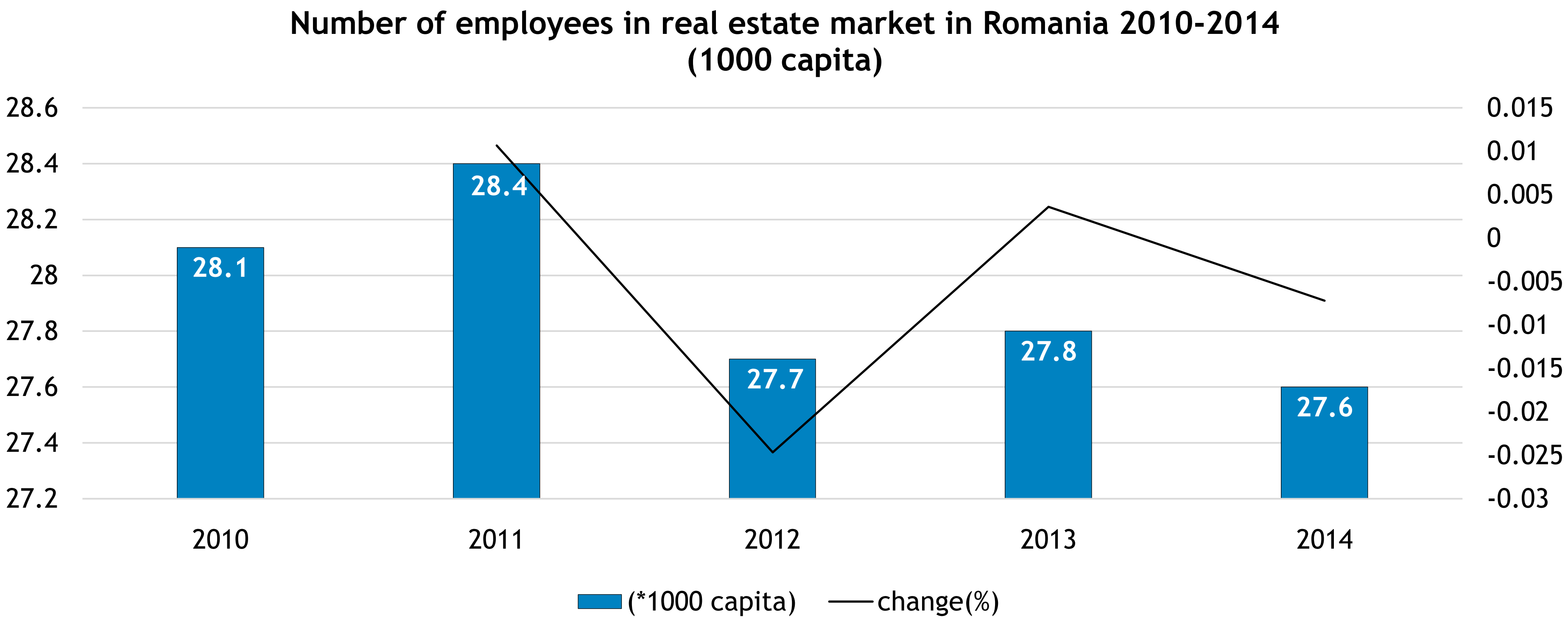


During this period of time the total growth of the real estate revenue will be € 2,7 billion.

Source: statista.com, officerentinfo.ro

Real estate industry by employment (2010-2014)

The number of employees in the real estate market in Romania has decreased by 1.78% from 2010 (28.100) to 2014 (27.600).



In the Romanian real estate market we see a significant drop in the number of employees from 2011 to 2012 (28.400 to 27.700).

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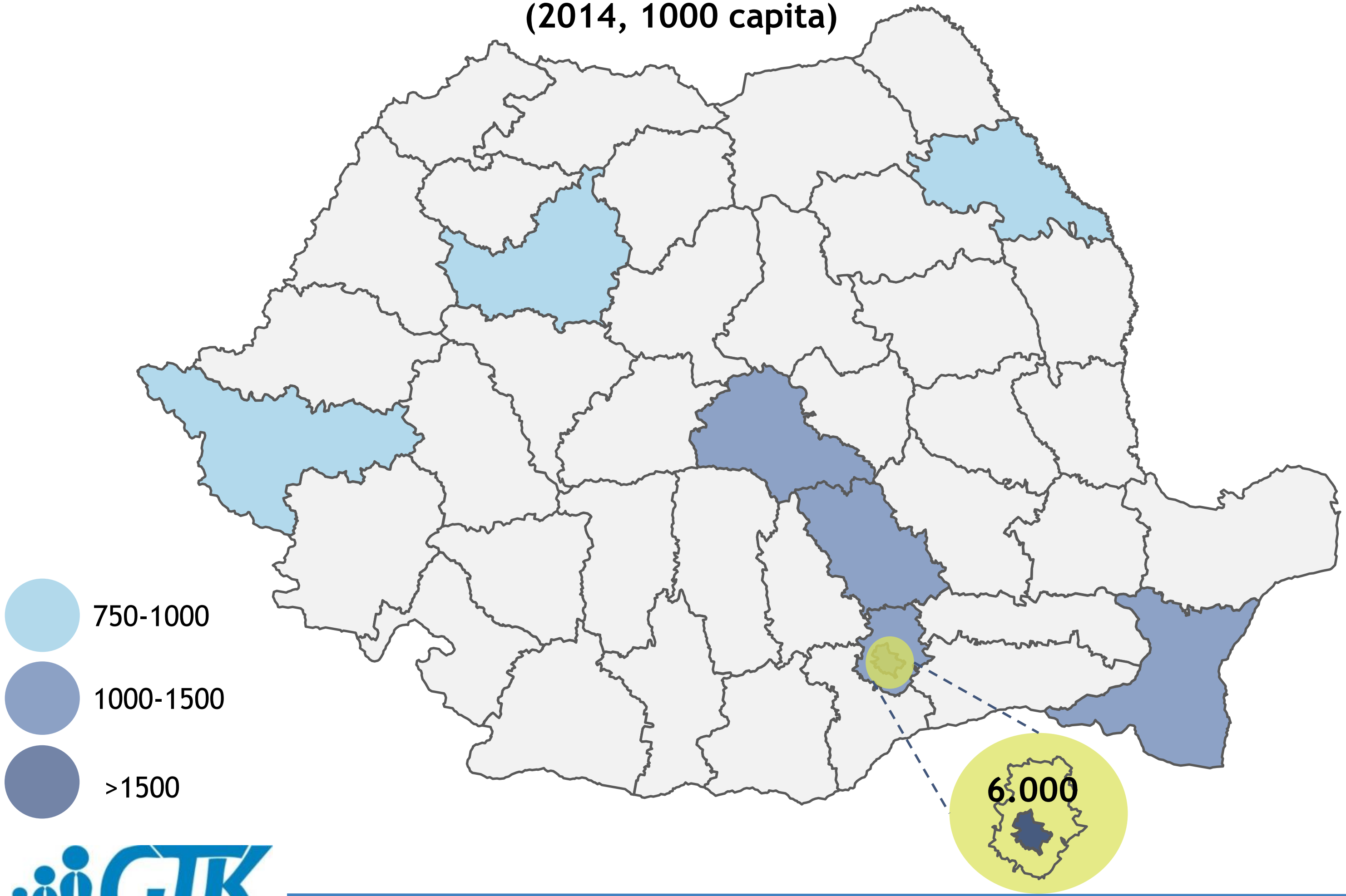
Source: insse.ro

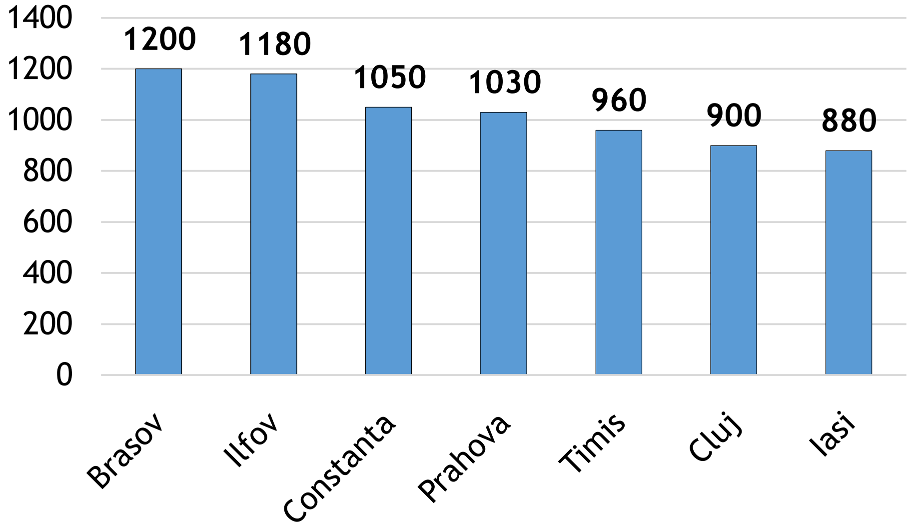
Real estate industry by employment (2010-2014)

The following 7 counties have had the largest pools of employees in the real estate sector in 2010-2014: Brasov, Constanta, Prahova, Ilfov, Iasi, Timis and Cluj. The most employees are in Bucharest with 6.000 capita.

TOP counties in real estate by employee number (2014, 1000 capita)



TOP 7 counties by number of employees in construction industry (2014, capita)

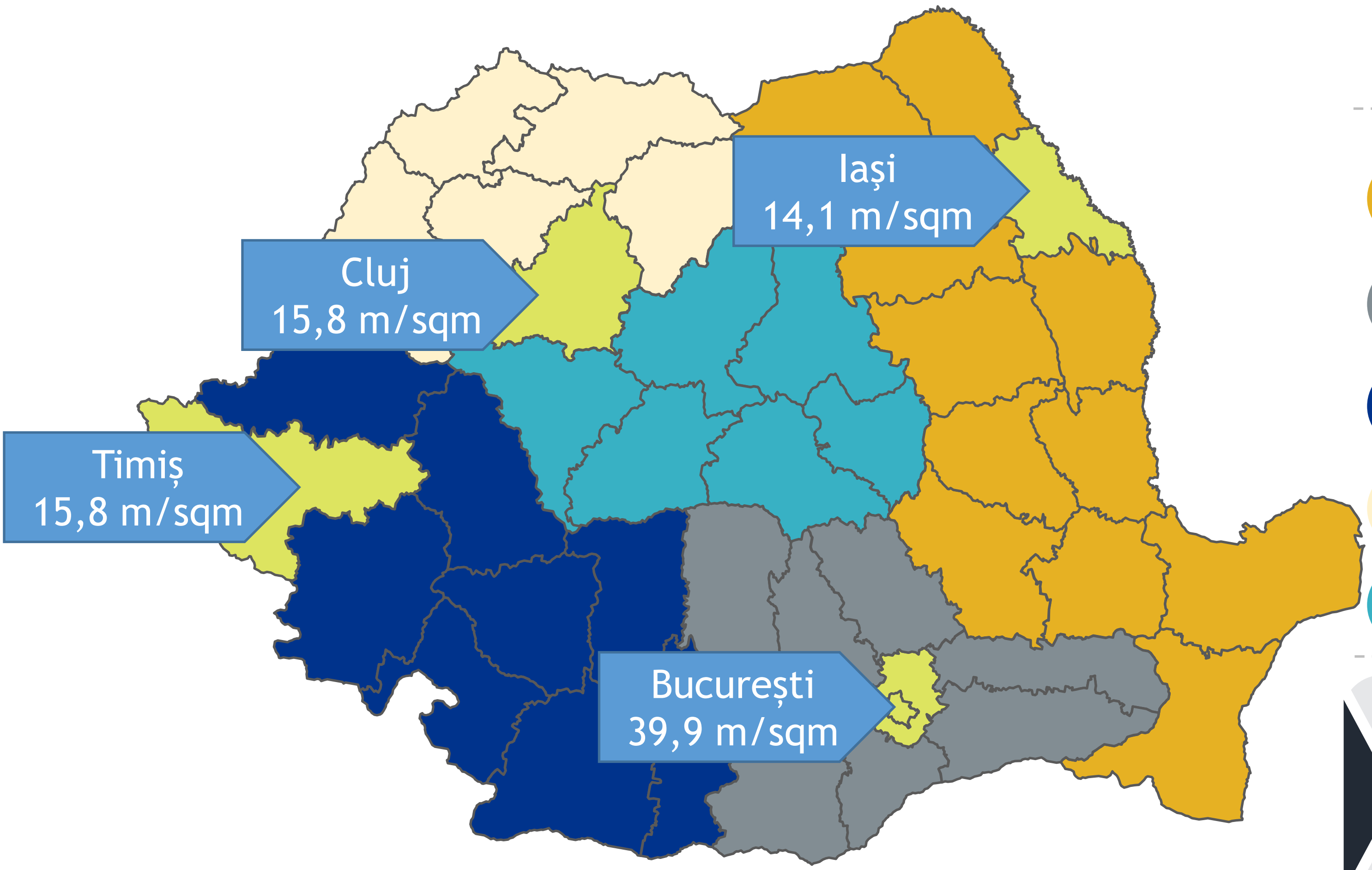


Between 2010 and 2014, 4 of these counties have had between 1000 and 1500 real estate employees, and Bucharest had 6000.

Source: insse.ro

Real estate industry by built surface (2014)

The existing useable area in Romania in 2014 was 416,8 million sqm. The most useable surface was in macroregion 2, and after that in macroregion 3, where the capital is located.



Region	Million sqm
Macroregion 2	116,36
Macroregion 3	111,8
Macroregion 4	83,58
Nord-Vest Region	55,44
Central Region	49,7

Inside these the largest useable areas are in the Capital and after that the following counties are Timis and Cluj.

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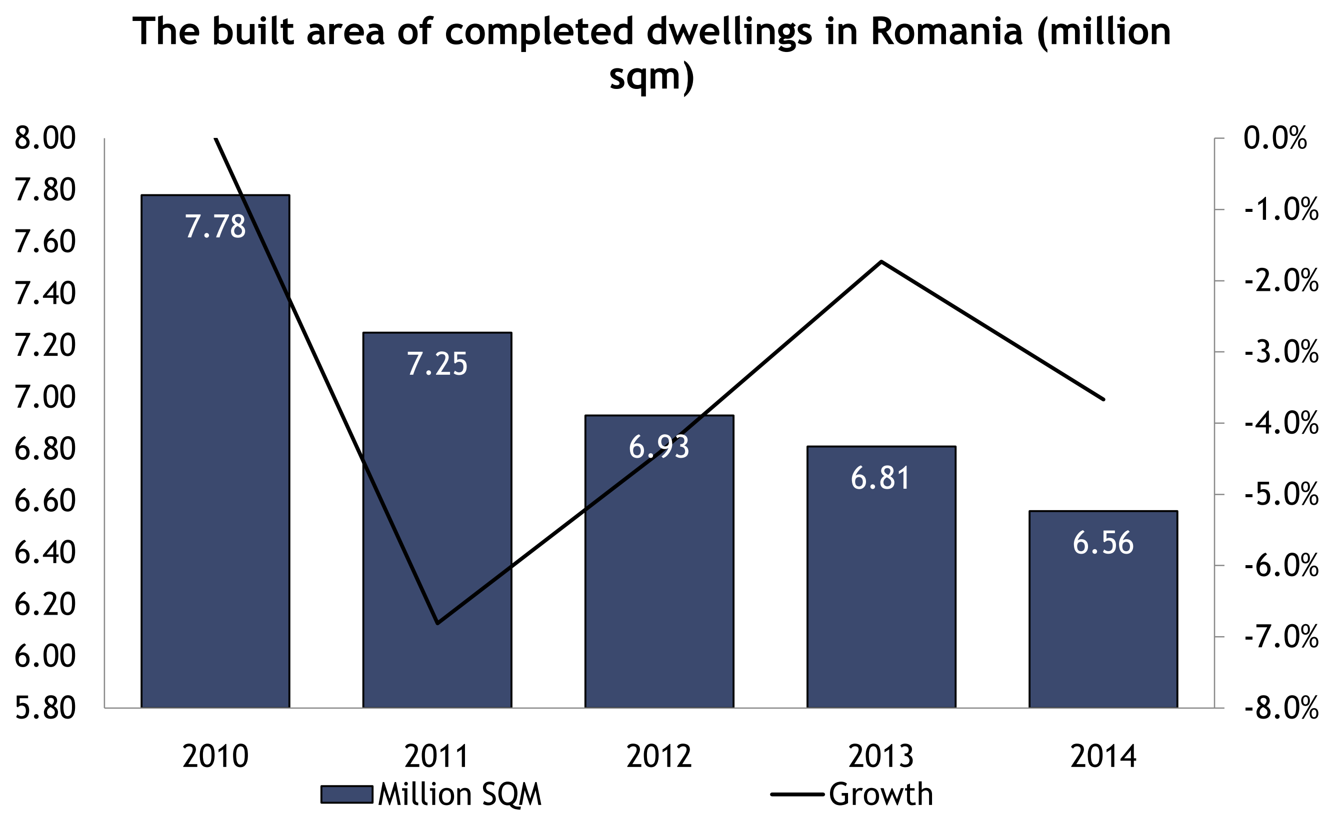
Source: insse.ro

Real estate industry by built surface (2010-2014)

Between 2010 and 2014 the total built area of completed dwellings was 35.3 million sqm, averaging 7,06 million sqm a year. Until the financial crises there was a constant growth, and from 2008 it changed to a constant decrease.



Total built are of completed dwellings: **56,3 million sqm**

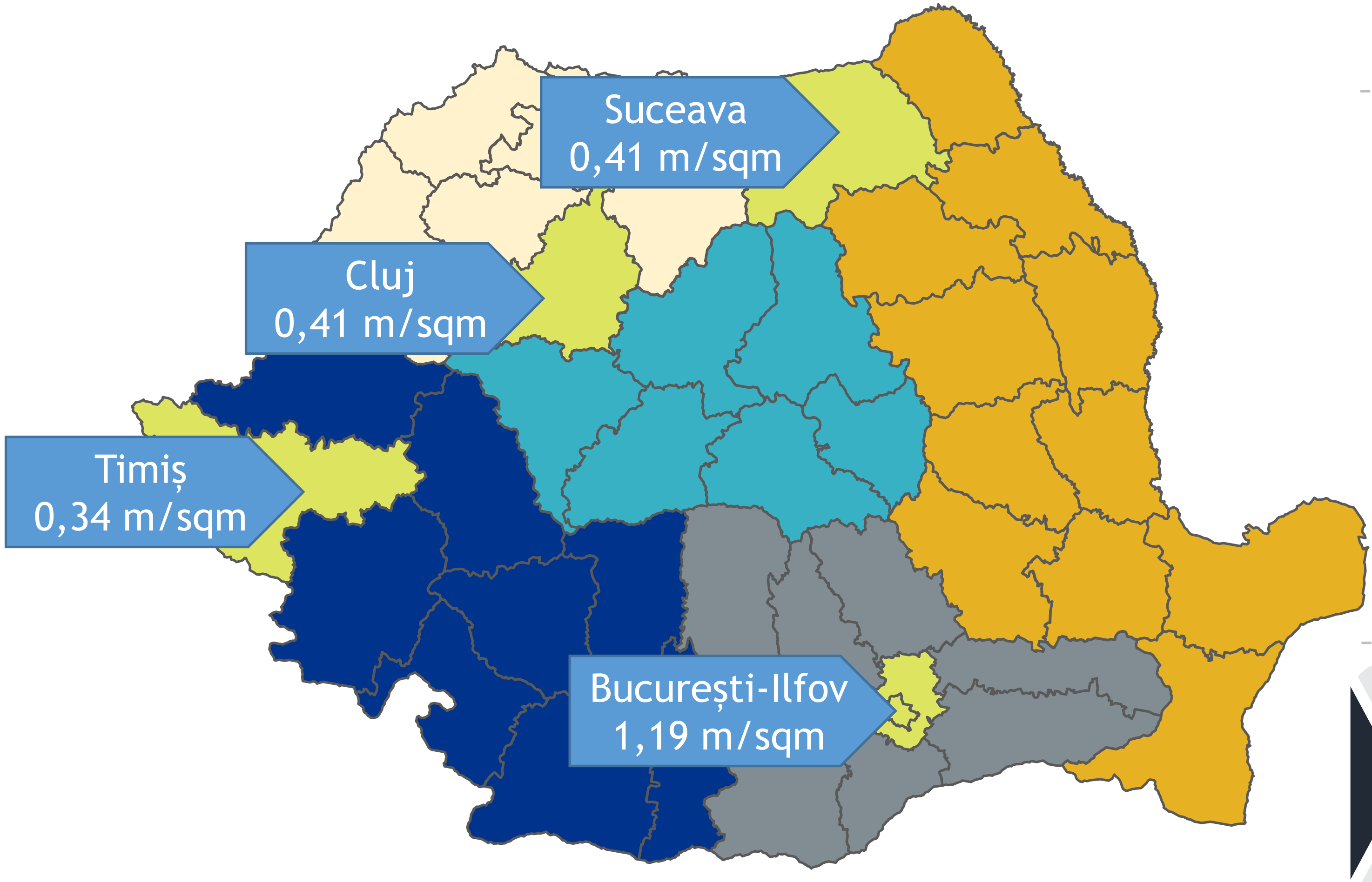
2000 → **2009**

The highest built area of completed dwellings was in **2008**, a total of **9,85 million sqm.** After the financial crises it took place a constant decline.

Source: insse.ro

Real estate industry by built surface (2014)

From the total built area of completed dwellings in 2014, 18,2% took place in the capital and it's county Ilfov, a total of 1,19 million sqm.



Region	Million sqm
Macroregion 2	1,83
Macroregion 3	2,00
Macroregion 4	0,98
Nord-Vest Region	1,07
Central Region	0,66

More then a half of the built area of completed dwellings in the second macroregion is located in București and it's county Ilfov.

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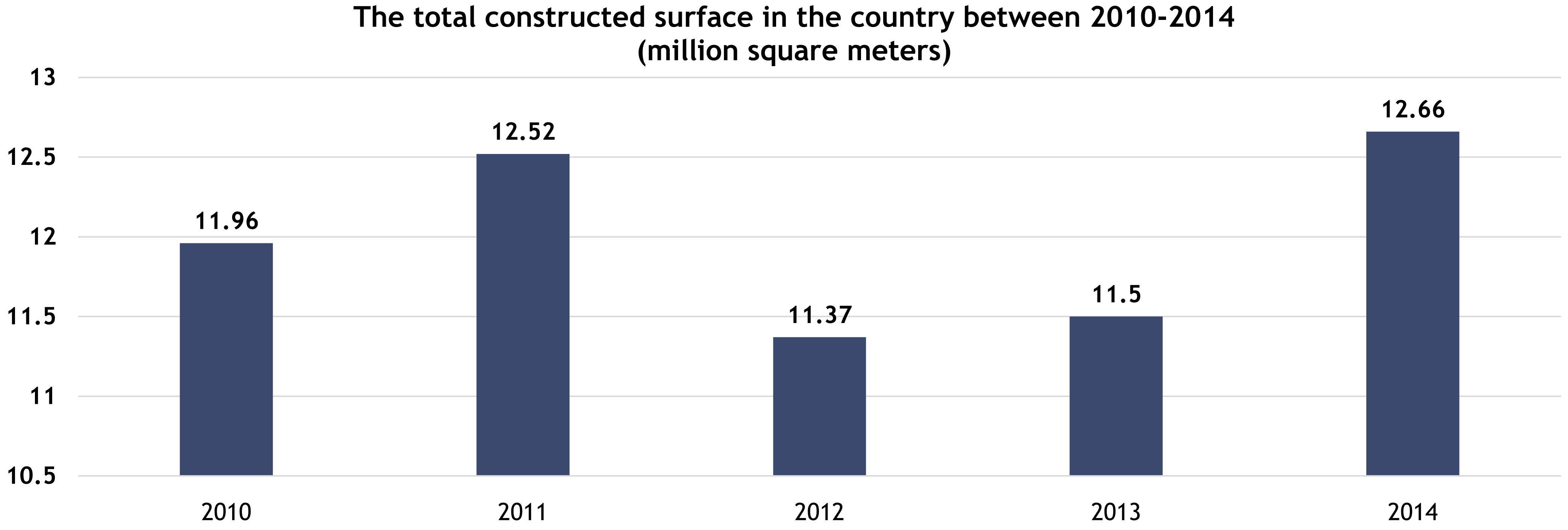
Source: insse.ro

Real estate industry by GFA (2010-2014)

The total constructed surface of the country varies in each year, but the difference between years can not be determined as a considerable change in size.

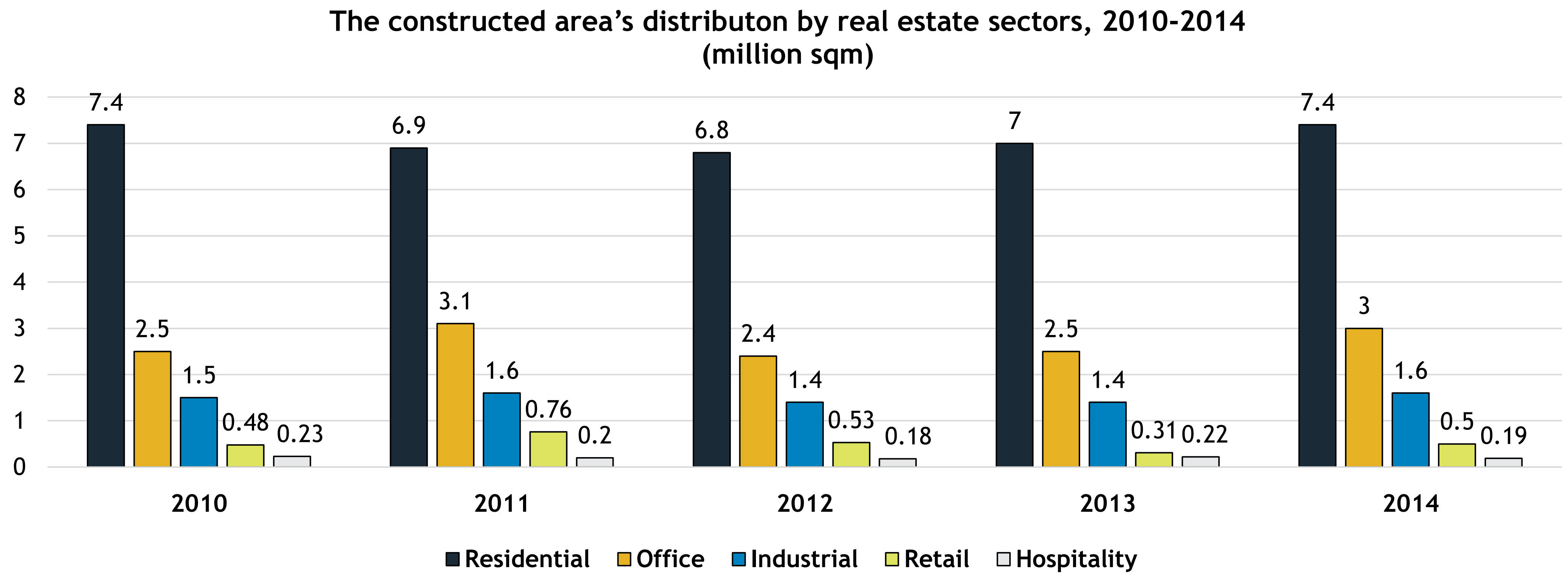


The evolution of the total constructed surface in Romania varies in growth and decrease in each year during the 2010-2014 period. Each sector has a different track of change.

Source: insse.ro, hertzmanagement.ro, nineoclock.ro

Real estate industry sectors by GFA (2010-2014)

In each year the distant leader in constructed area is the residential sector, also the last place is occupied by the hospitality sector. The hierarchy between the sectors does not change throughout the past 5 years.



The total constructed surface in each sector varies by a little in each year. The strongest sector in this area too is the residential sector by far, with approximately 7 million square meters constructed area yearly. The residential sector represents about 55% of the total constructed surface of the total, nationwide.

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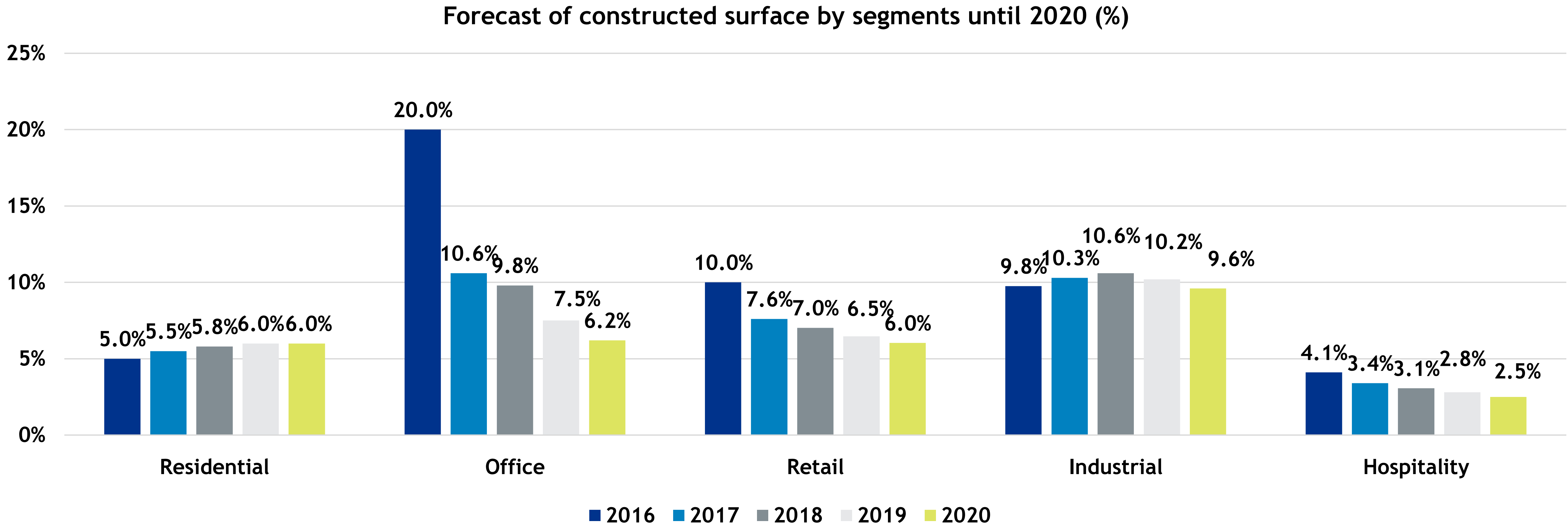
Source: insse.ro, hertzmanagement.ro, nineoclock.ro

Real estate industry by constructed surface - forecast (2015-2020)

The biggest boom in constructed area in the near future is in 2016 in the office sector, but after this year the market will grow at a lower rate.



- The residential sector is the only one which will show a slow, but constant rate of growth.
- The industrial sector will continuously grow until 2018, after that point it will show a slight decrease.

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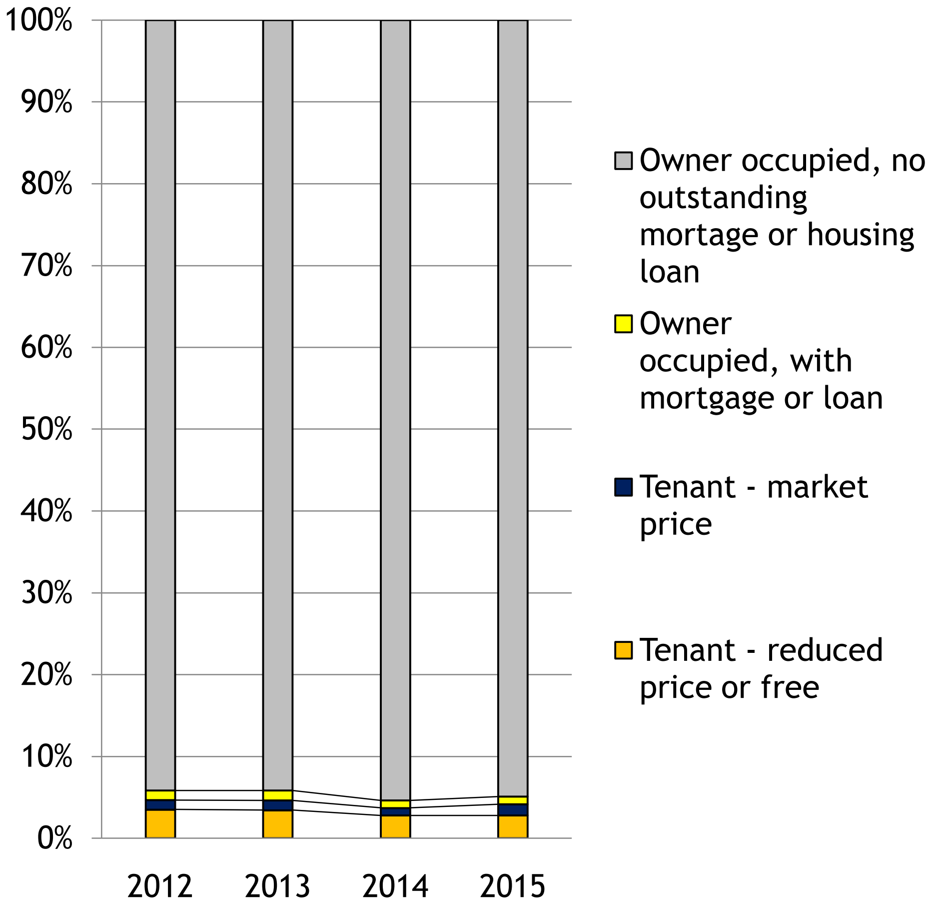
Source: mediafax.ro, cnp.ro, dezvoltatorimobiliar.ro

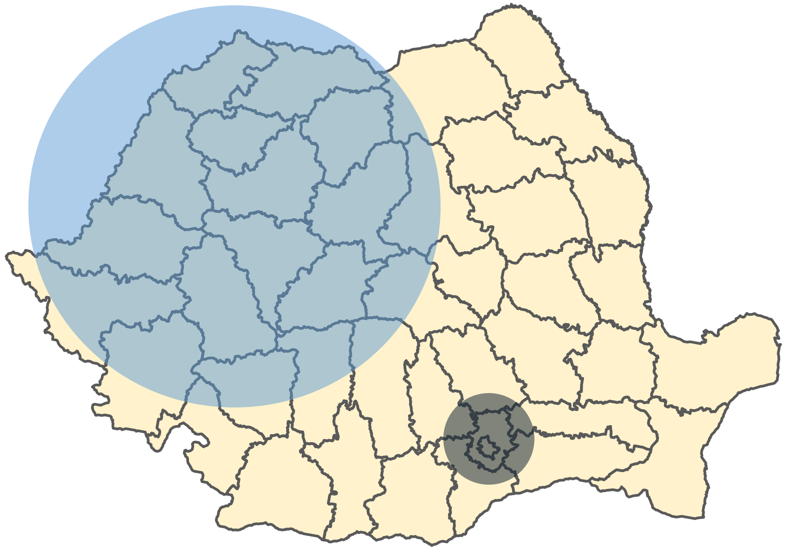
Properties by owners – Romania (2014)

The biggest part of owners are laborers without loans, but in some regions developers own a large part of the properties.

Population distibution by tenure status in Romania (%)



The main area of interest for developers (2012)



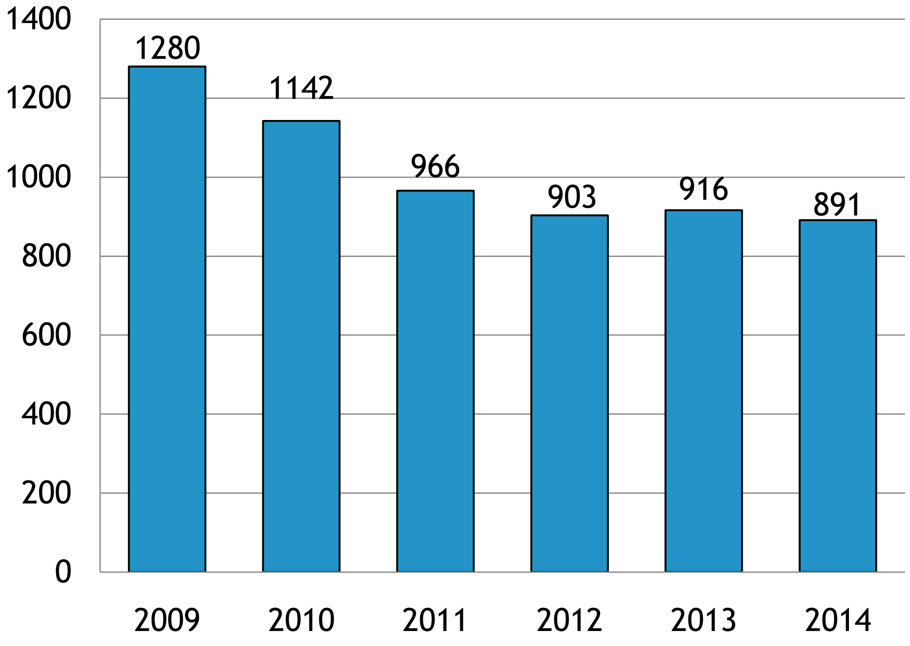
In the big university centers (Bucharest, Cluj-Napoca, Timisoara, Brasov, Iasi) the majority of renters are students. In Bucharest and Western Romania a significant share of properties are owned by companies, because these regions have developed infrastructure, the average fiscal value being more than 25%. Up to 93% of the owners of properties are its current occupiers.

Source: Eurostat, evz.ro, zf.ro

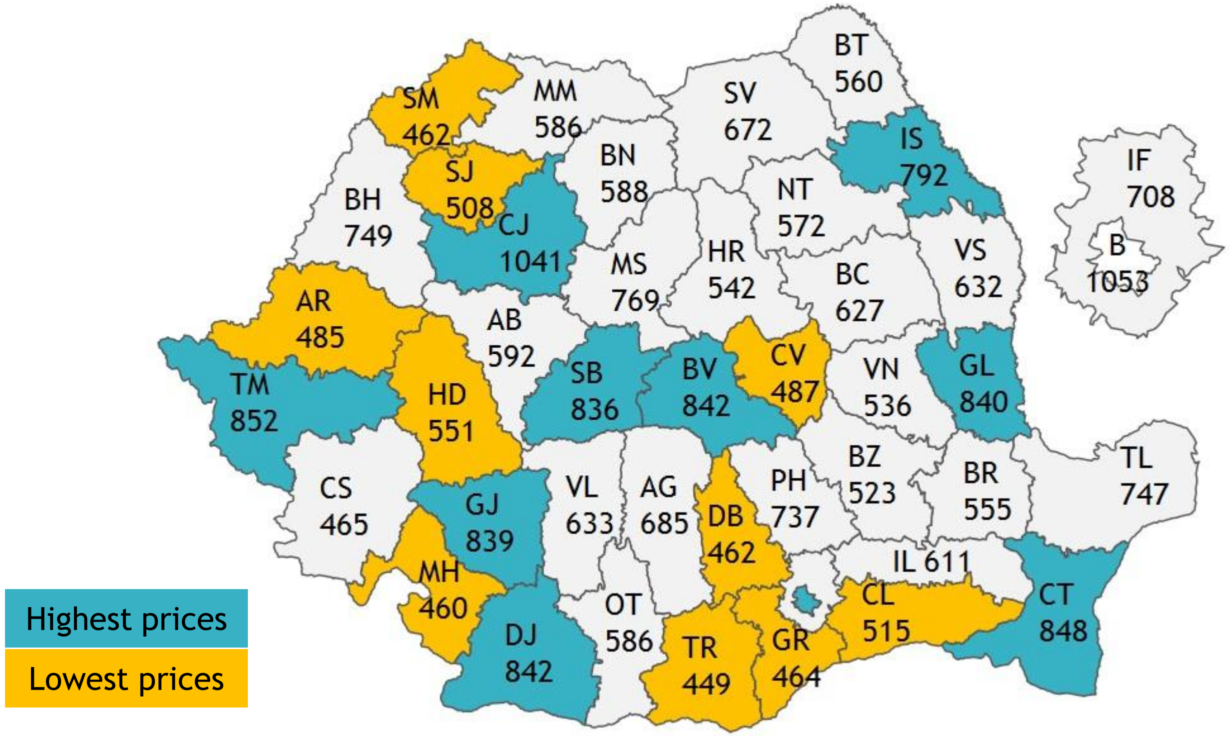
Properties by price – Romania (2009-2014)

After the economic crisis he Romanian properties square meter price decreased by about 35% from 2009 to 2014.

Price of properties in Romania (€/square meter)



The price of properties by counties in Romania in 2014 (/square meter)



In 2015 in the 15 bigest cities in Romania the average square meter prices were around €754. In the small cities the prices were lower, only 570 €/square meter. Some forecasters say that by 2020 the average prices will fall to around 500 €.

The most expensive properties are in the capital city and in Cluj-Napoca.

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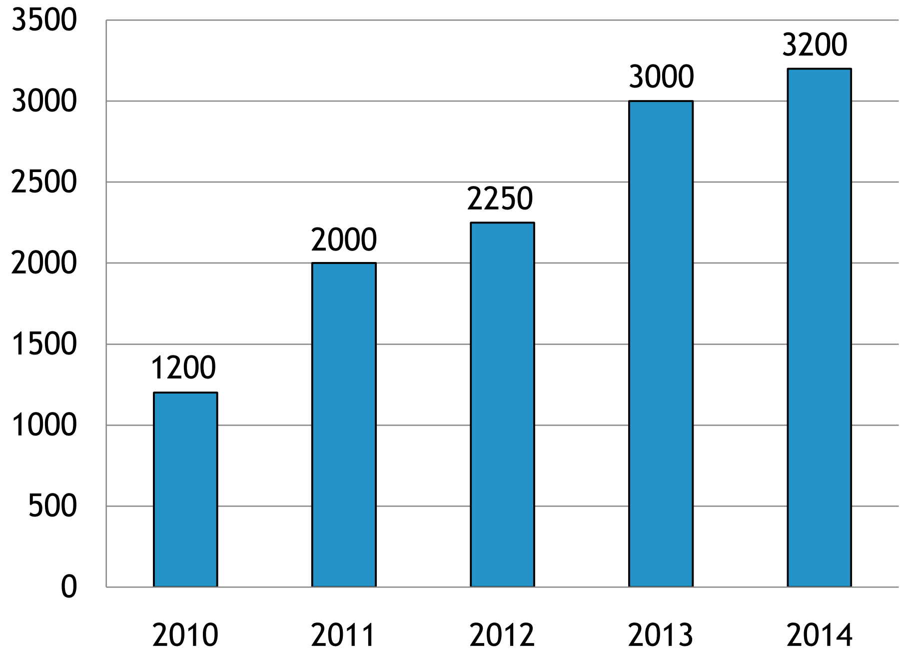
Source: bancherul.ro, ziare.com, nuwireinvestor.com, gandul.info, mediafax.ro

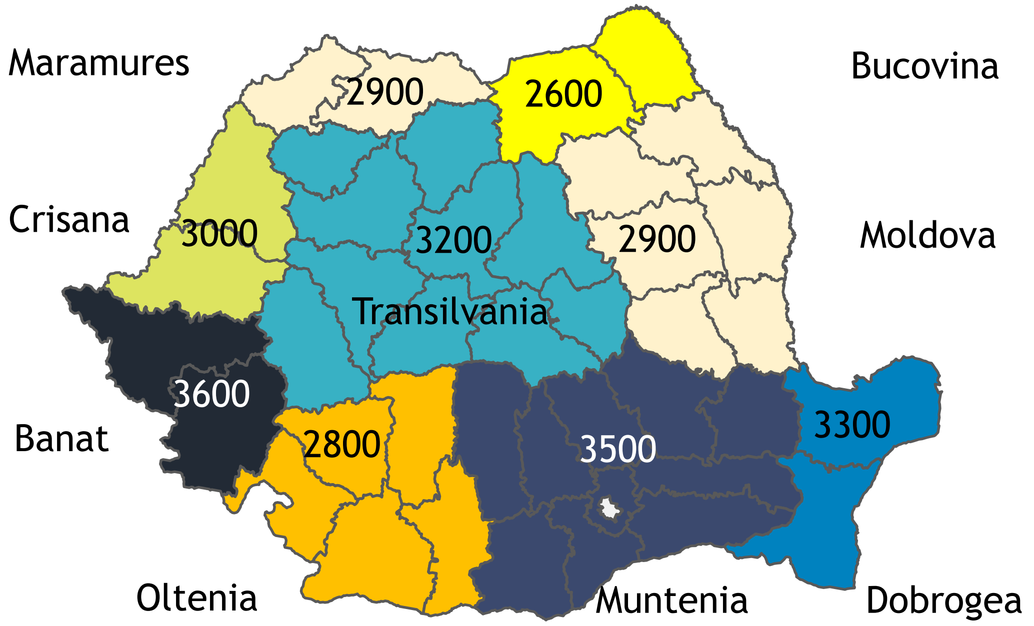
Properties by price – Romania (2010-2014)

In the previous period the agricultural land prices increased, but there is little discrepancy between the regions, unlike in the constructed lands market, where high premiums are paid for luxurious dwellings.

Evolution of the agricultural land prices in Romania (€/ha)



Average farmland prices by regions (€/ha) (2010)



In general in Bucharest a constructed square meter costs between €200 and €300. In the downtown the prices are higher, (€450- €650), in high class areas a square meter's cost can reach 1000€. In the suburban area a constructed square meter's cost is low: €50, €60, up to €80.

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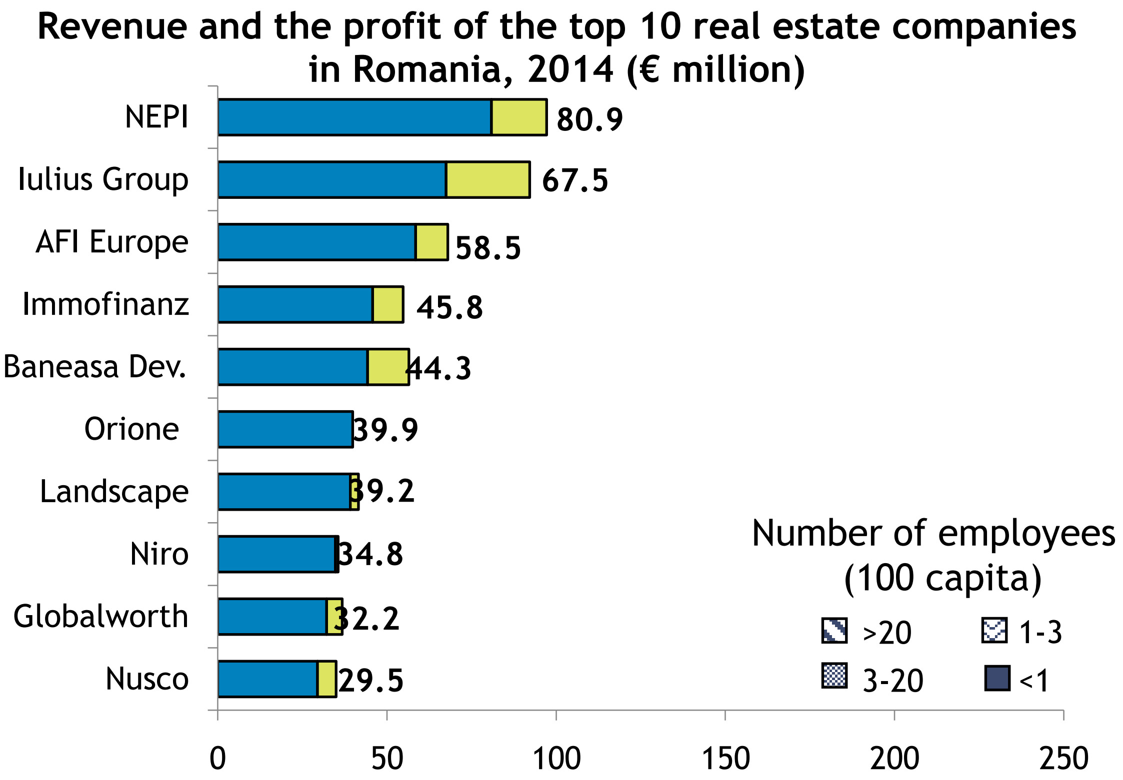
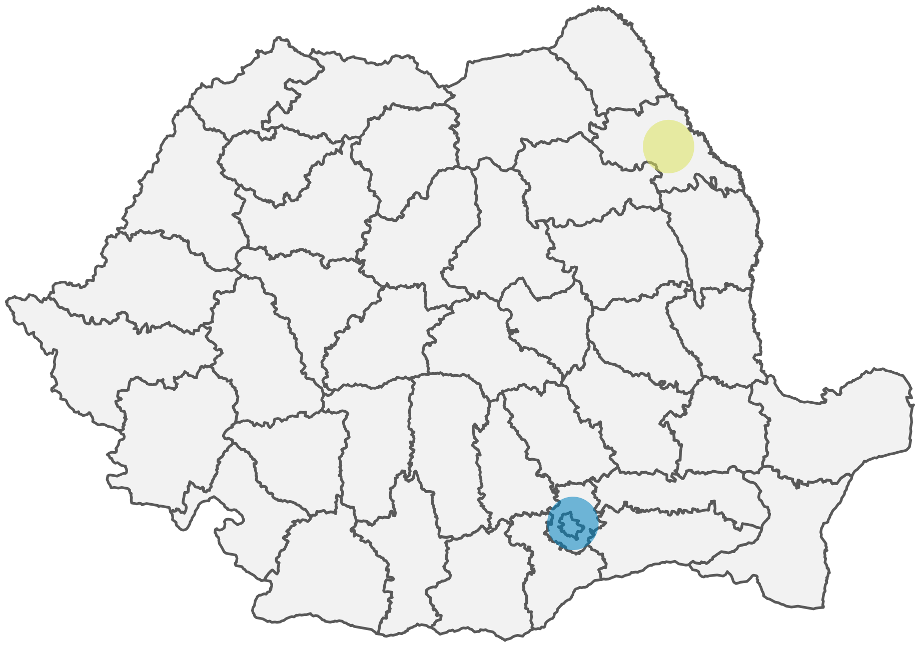
Source: dtz.com

Top 10 - real estate industry (2014)

In 2014 NEPI came first in Romania with a total revenue of 80.9 million €.





The total revenue of the top 10 real estate companies was 423 (€ million) and the total profit was 79 (€ million) from which the Iulius Group's had the biggest profit and the most employees.

Source: mfinante.ro, risco.ro, dailybusiness.ro, nepinvest.com, immofinanz.com, afi€ope.com, zf.ro, wall-streat.ro

Top 10 - real estate industry (2014)

Iulius Group had the most stable position between 2010-2014, in 2014 falling to second place, but NEPI, which is the first advanced the most.

	Company	2010-11	2011-12	2012-13	2013-14	2010-2014
1.	NEPI		2	1	2	5
2.	Iulius		1			1
3.	AFI Europe Ro				2	2
4.	Immofinanz		1	1		2
5.	Baneasa Dev.					
6.	Orione					
7.	Niro		2			2
8.	Nusco				1	1
9.	Globalworth				1	1
10.	Landscape					

The most position swaps occurred in 2014. New Europe Property Investment advanced the most, while AFI Erope fell down the furthest.

Source: mfinante.ro, risco.ro, dailybusiness.ro, nepinvest.com, immofinanz.com, afieurope.com, zf.ro, wall-streat.ro

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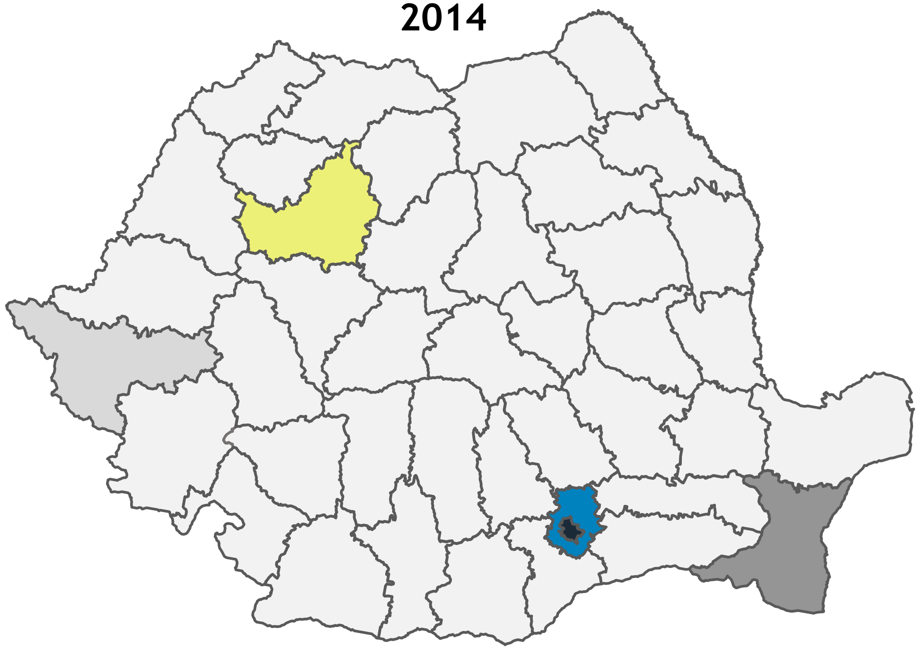
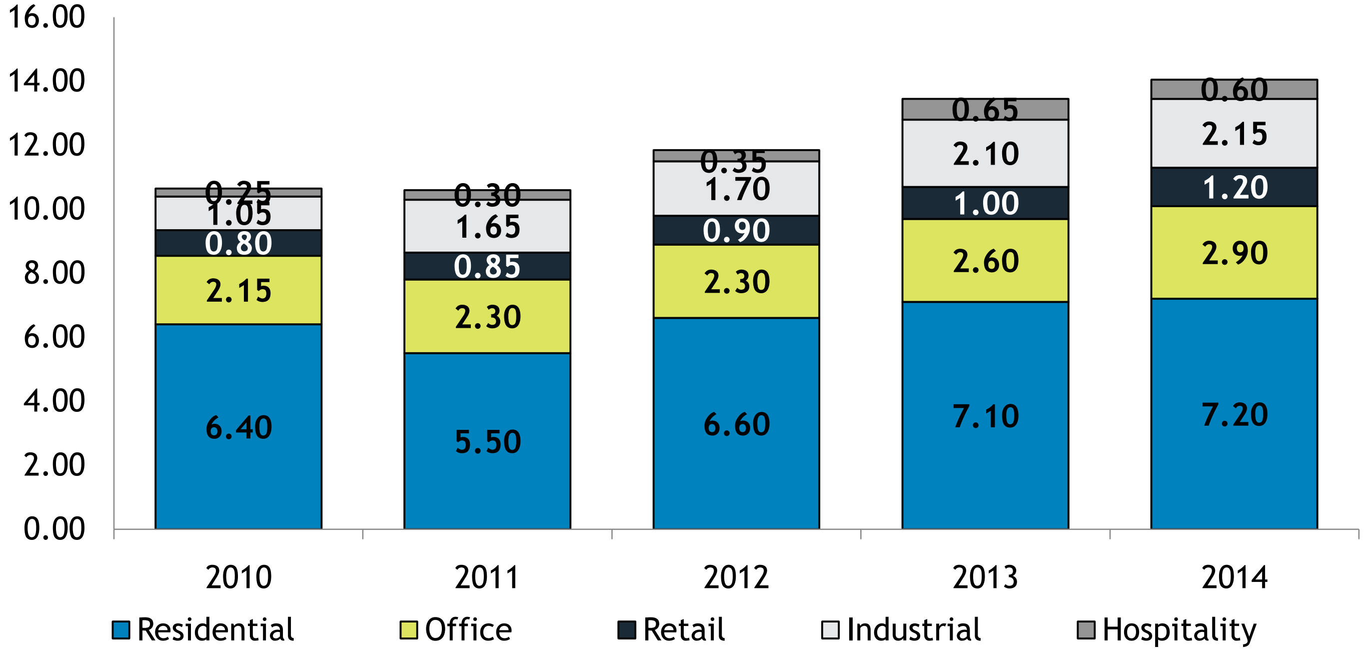
Real estate industry sectors by revenue (2010-2014)

The Romanian sub-sector's revenue is largely influenced by the main clusters situated in different counties which put out 50% of the whole revenue activity.

Top counties by sectors
2014



The real estate industry by segments from 2010 to 2014 by revenue (billion EUR)



The cluster of Romanian real estate's **office**, **residential** and **industrial** subsectors main activity is situated in Bucharest, while the main activity by revenue in the **industrial** sector is produced in large portion in Targu Jiu. Cluj county, the sudden rebound of 2014 in **residential**, **office** and **industrial** sector is mainly due to it's impact and market rise. Constanta has the second largest commercial area.

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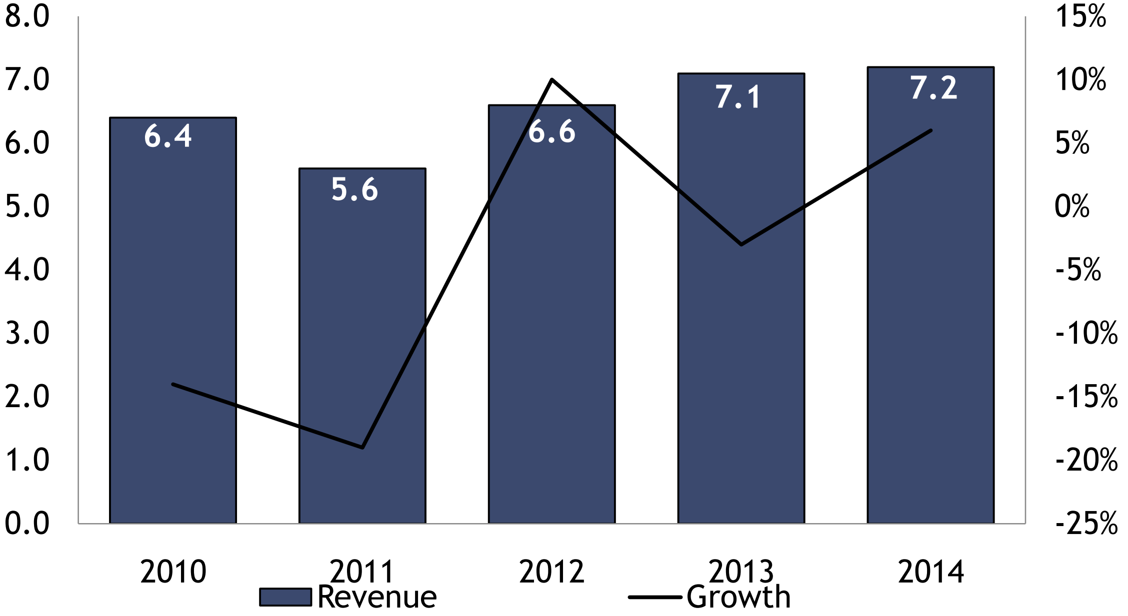
Source: buildecon.com

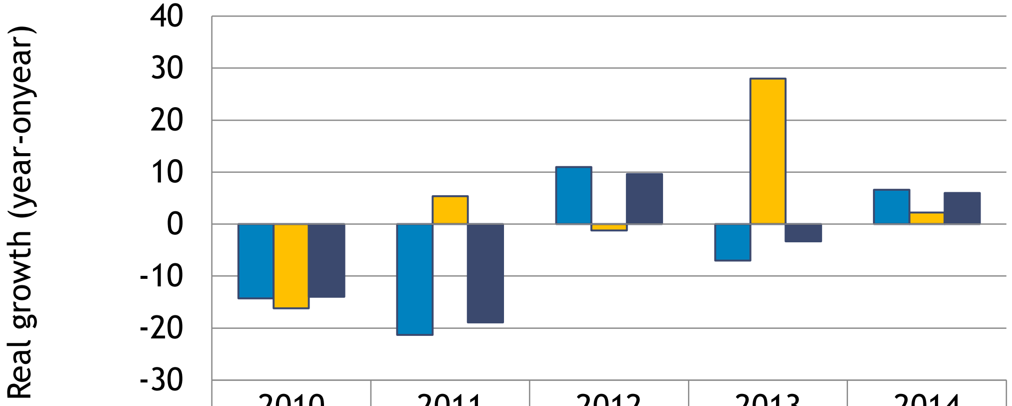
Residential market by revenue (2010-2014)

The romanian residential construction after the economic crisis started to increase, however the revenues haven't grown significantly.

Residential market revenue 2010-2014 (€ billion)



Distribution of work's in the residential construction



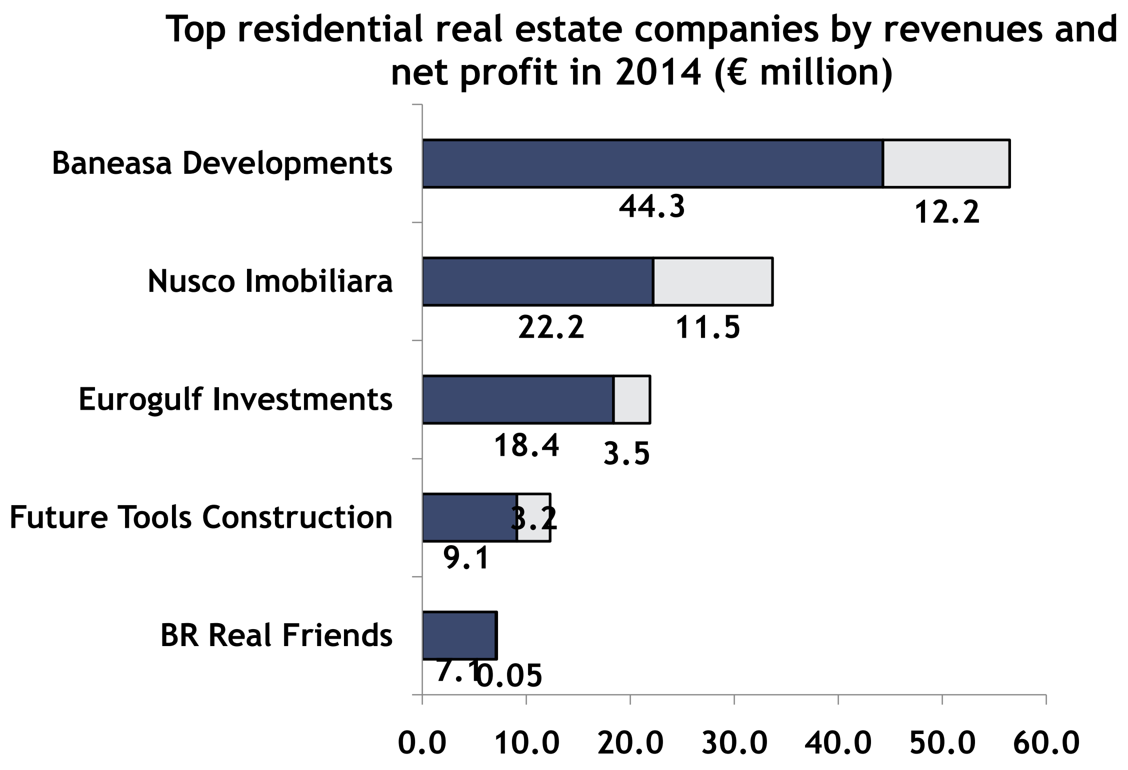
	2010	2011	2012	2013	2014
New	-14.3	-21.3	11	-7	6.6
Renovation	-16.2	5.4	-1.2	28	2.2
Total	-14	-18.9	9.6	-3.3	6

The biggest activity in the residential sector was the renovation activity. This was a very good potential for the residential sector, because the 65% of the homes in Romania were older than 35 years. The Ministry report said that it is estimated that 2,4 million apartments don't have proper thermal insulation. Most of Romanian houses need to be renovated, the Ministry of Regional Development estimated this market to be €1,5 billion yearly.

Source: buildecon.com

TOP 5 – residential market (2014)

The top 5 companies have been analyzed by return in this category. A big change has occured in the evolution of profit, which indicates that besides Nusco Imobiliara, the other companies have poor cost managements procedures.

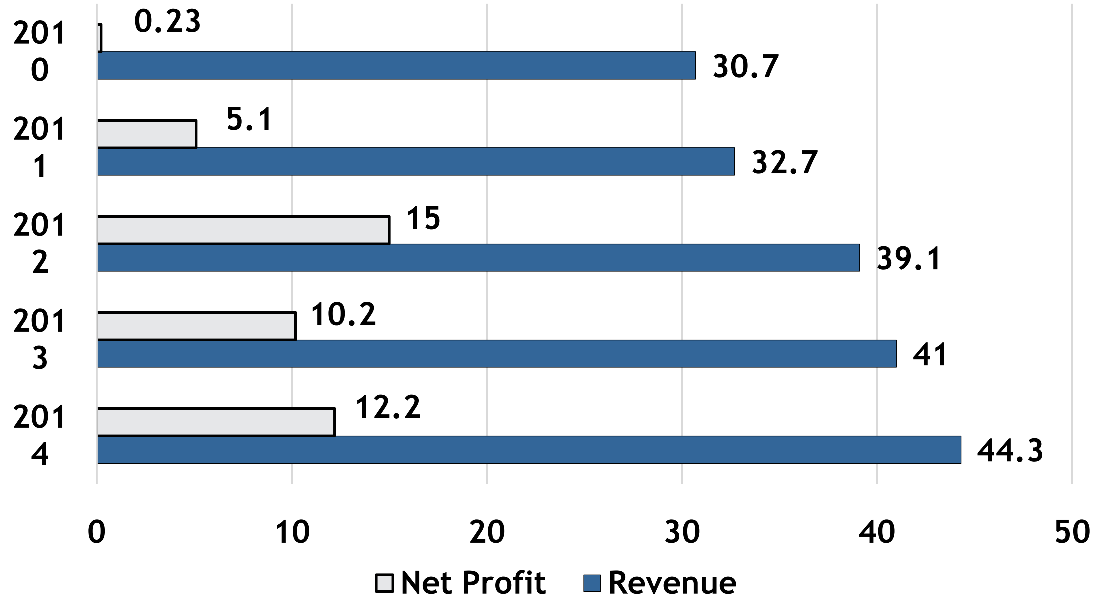


Banesasa Development has earned € 12,2 million profit in the year of 2014. Nusco Imobiliara is its big competitor with € 11,5 million profit.

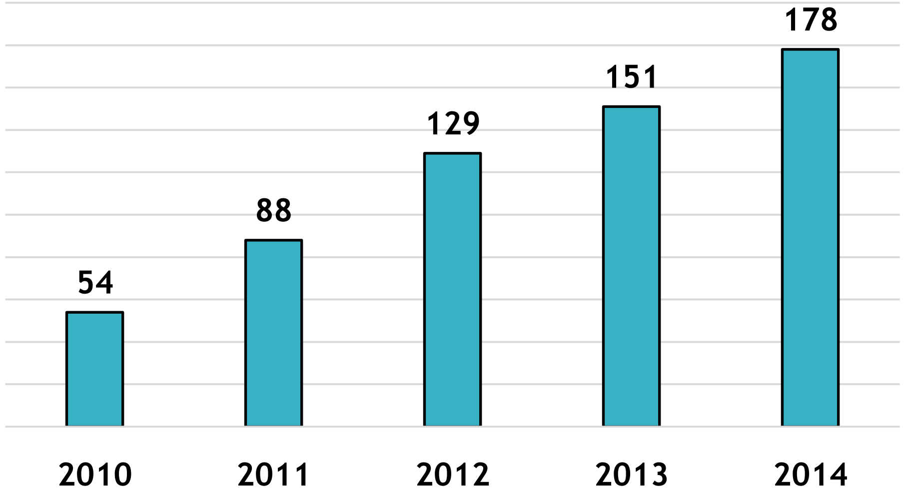
1. Băneasa Developments

The company's portfolio includes one of the largest commercial space, among which resides the most dominant mall in the capital, Băneasa Shopping City. The main tenants being Peek & Cloppenburg, Zara, H&M and Reserved.

Revenue and net profit (€ million)



Str. C A. Rosetti
nr. 5
Sector 1,
Bucharest



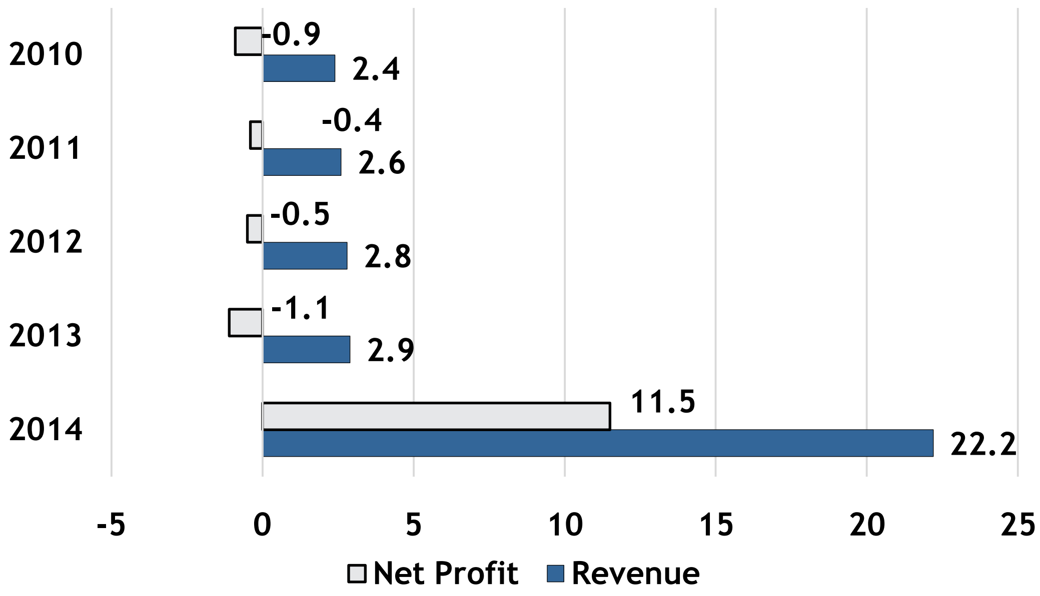
The company has seen a very stabile growth in the recent years concerning it's revenue, it's **Compound Annual Growth Rate 7.6%** . It's **profit** has risen **19.6%** compared to last year.

Source: doingbusiness.ro, listafirmei.ro, risco.ro

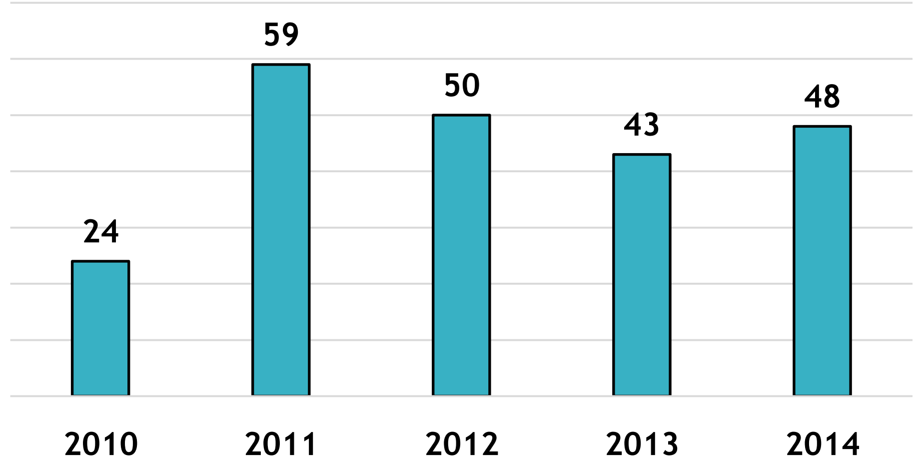
2. Nusco Imobiliara

Nusco Imobiliara SRL is the second company in this category by revenue. After a couple years of struggle, they succeeded to grow both in revenue and profit categories in 2014.

Revenue and net profit (€ million)



Bucharest, Se
ctor 2



Nusco Imobiliara SRL had a very constant period regarding the years of 2010-2013. That is until the year of 2014 when they earned almost ten times more return than the last year and generated €11,5 million in profit. That happened mainly because the company sold the Nusco Tower for €46 million to greek businessman Ioannis Papalekas.

Source: doingbusiness.ro, listafirmei.ro

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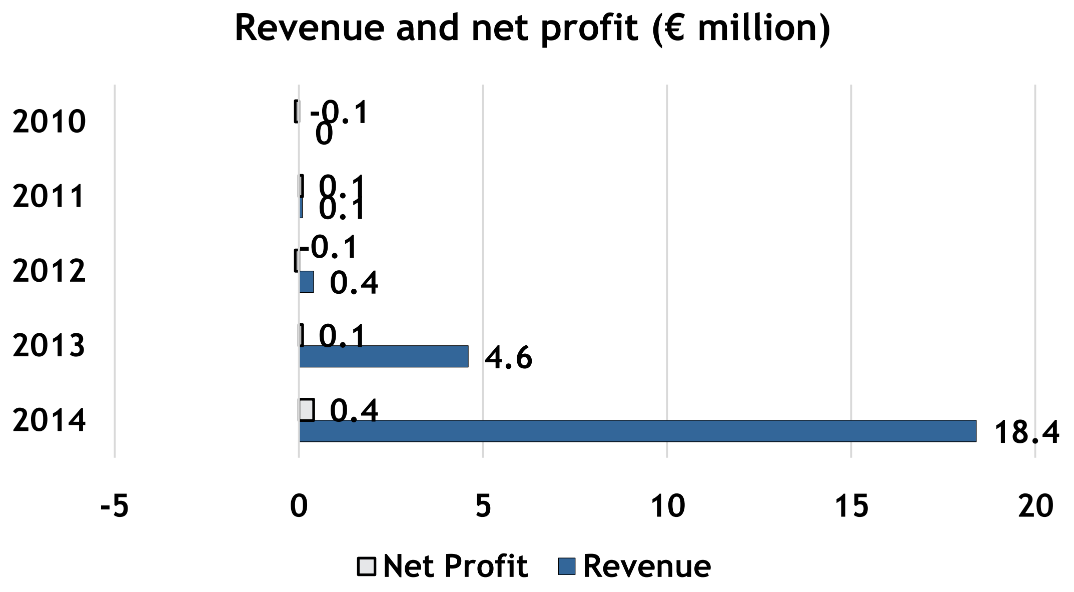
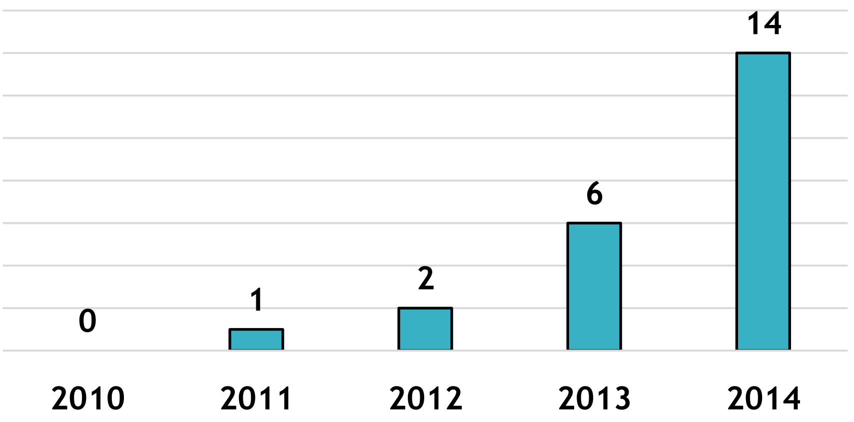
3. Eurogolf Investments

Euroglf Investments SRL is on the third place on the list. The growth of the revenue is in a strong correlation with the growth of the employees.



Bucharest, Sector 1



The Eurogolf Investments SRL began to grow it's revenue in the year 2013, in the same year that they hired more employees, by the end of 2014 their revenue reached a higher level of €18.4 million, when their employee number got to 18, but the extra costs of the employees and the high level of variable costs kept their net profit at low standards, however it is positive that they became profitable.

Source: doingbusiness.ro, listafirmei.ro

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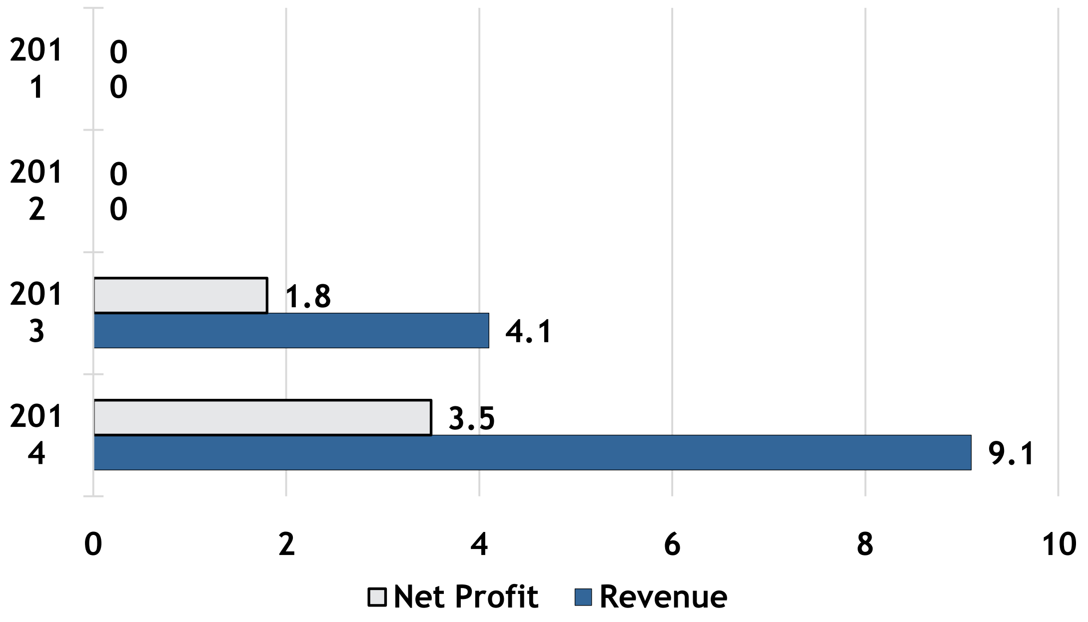
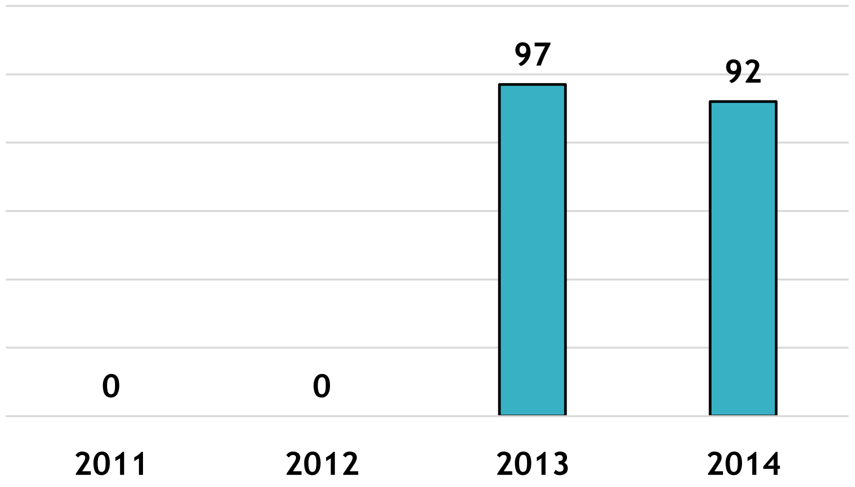
4. Future Tools Construction

Future Tools Construction SRL is on the fourth place. With the beginning of the Trend Residence project, the company started to realize not just revenue, but an important amount of profit too.

Revenue and net profit (€ million)



Ilfov county, Popesti Leordeni



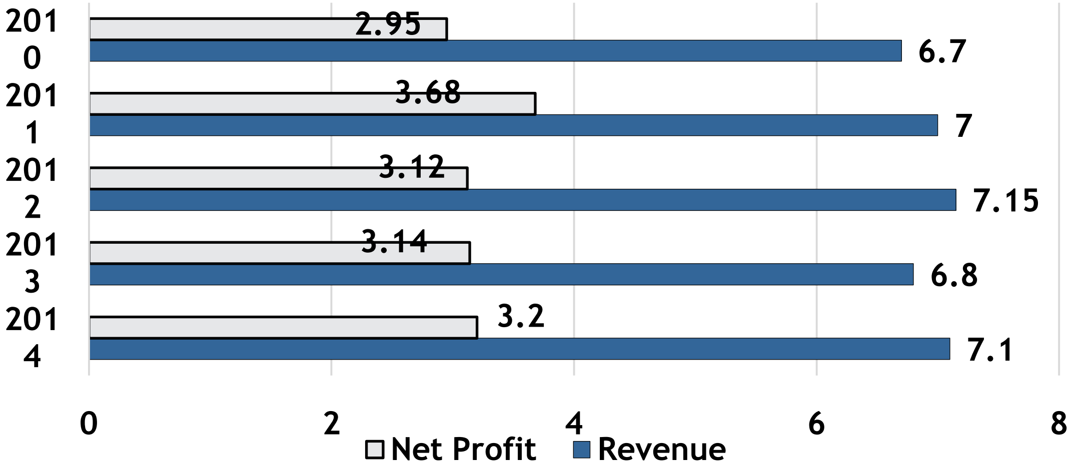
Future Tools Construction SRL began to grow it’s revenue and profit mainly because of a project named Trend Residence. The location of the project is near to the downtown of the capital, called Popesti Leordeni, and it contains 300 new houses and 144 new apartments with gardens and balconies.

Source: doingbusiness.ro, listafirmei.ro

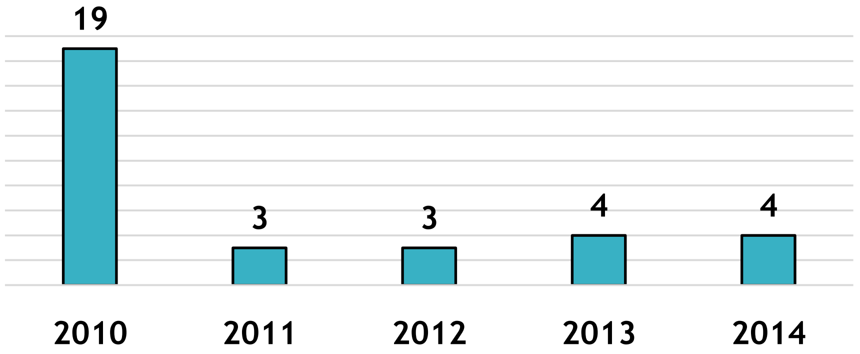
5. BR Real Friends

BR Real Friends SRL is on the fifth place on the list. They did not go through significant changes in neither revenue or profit categories.

Revenue and net profit (€ million)



Caraș-Severin county, Buchin

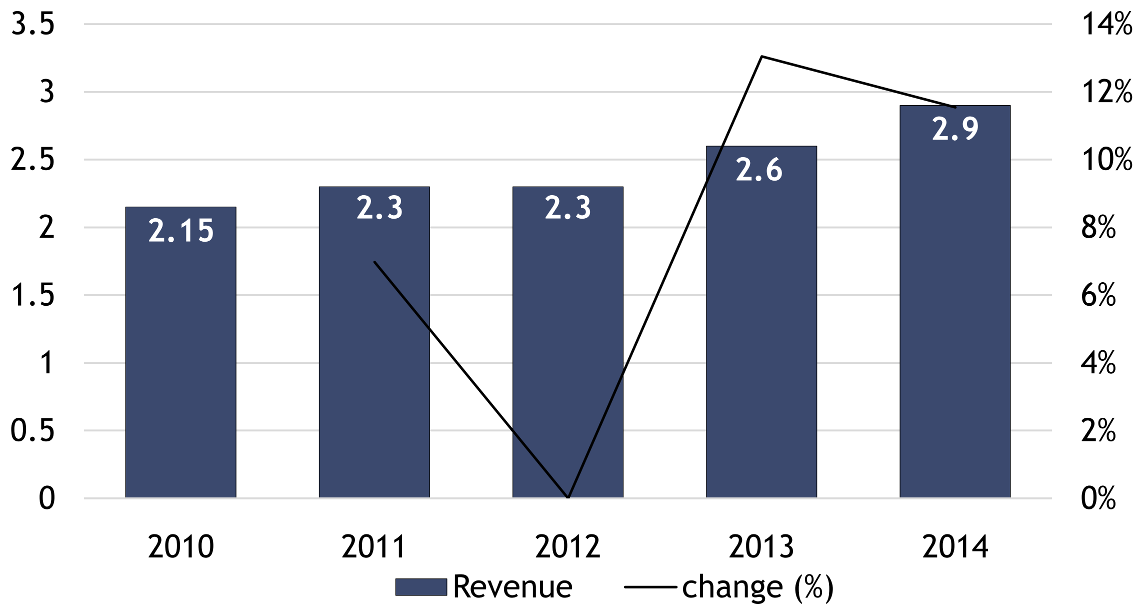


The BR Real Friends SRL has the most steady position regarding both the revenue and the net profit. After 2010 they reduced their staff numerously, but that did not show that much of a change, their profit grew a little bit more than their revenue.

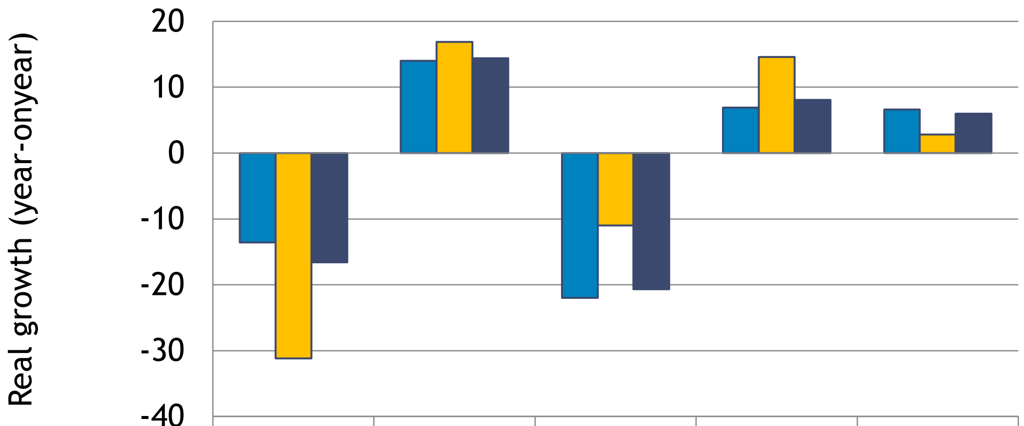
Office market by revenue (2010-2014)

The office construction was in a revitalization period in 2013, after a few years of strong decline.

Office market revenue 2010-2014 (€ billion)



Distribution of work's in the non-residential construction



	2010	2011	2012	2013	2014
New	-13.6	14	-22	6.9	6.6
Renovation	-31.2	16.9	-11	14.6	2.8
Total	-16.6	14.4	-20.7	8.1	6

The reason for the increase of office construction started because only in Bucharest for 2013 was estimated 120 000 sq m office rooms, for 2014 a little bit more, 132 000 sq m. The growing can be the result of trends, because the companies wanted to maximize the usuage of the office rooms and started a tendention, that in evey 3-5 years the offices worth to be renovated, so the renovations level is higher than the new buildings level.

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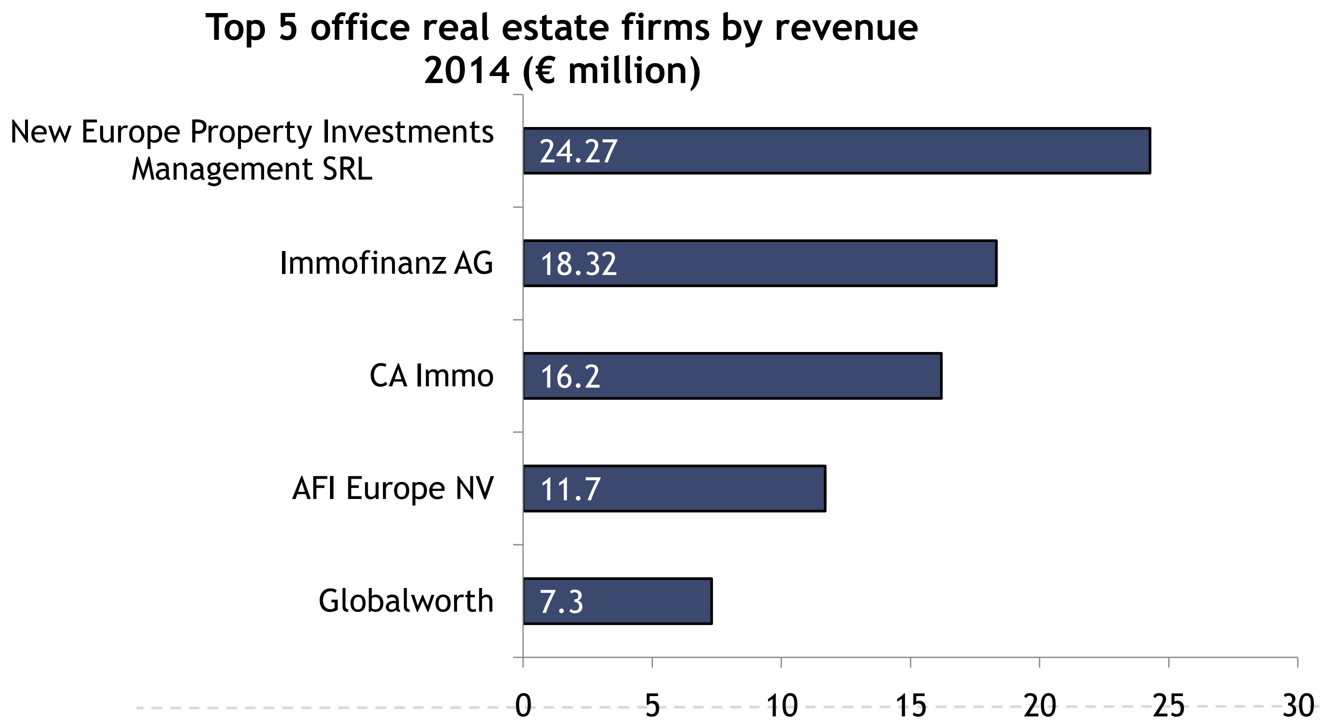
Source: buildecon.com ensight.ro

TOP 5 – office market (2014)

Bucharest dominates the office real estate sector, all the top companies main focus is this region, with NEPI leading with the biggest revenue in 2014.



The headquarters of the leading firms by revenue are all in Bucharest, but all of the 5 companies are in foreign hands.

Source: Romania-insider.ro; risco.ro; doingbusiness.ro

TOP 5 - office market (2010-2014)

Immofianz was in the first position between 2010-2013, but NEPI took the first place in 2014.

Company	2010-11	2011-12	2012-13	2013-14	2010-2014
New Europe Property Investment				1	1
Immofinanz AG				1	1
CA Immo		1			1
AFI Europe		1			1
Globalworth					

The rankings of the office companies remained almost the same, the only two changes were s in 2012, when CA Immo switched place with AFI Europe, thanks to tenants developments and in 2014 when NEPI topped Immofinaz.

Source: Romania-insider.ro; risco.ro; doingbusiness.ro

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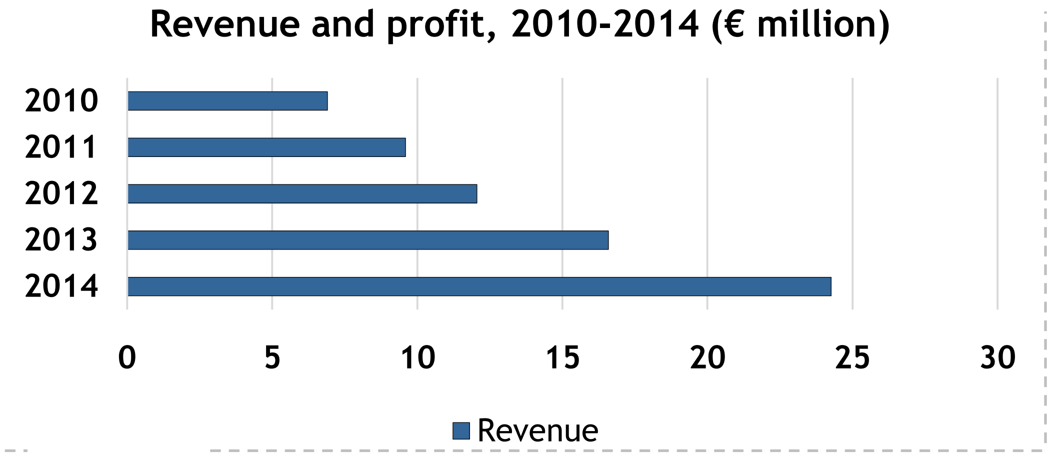
1. New Europe Property Investments

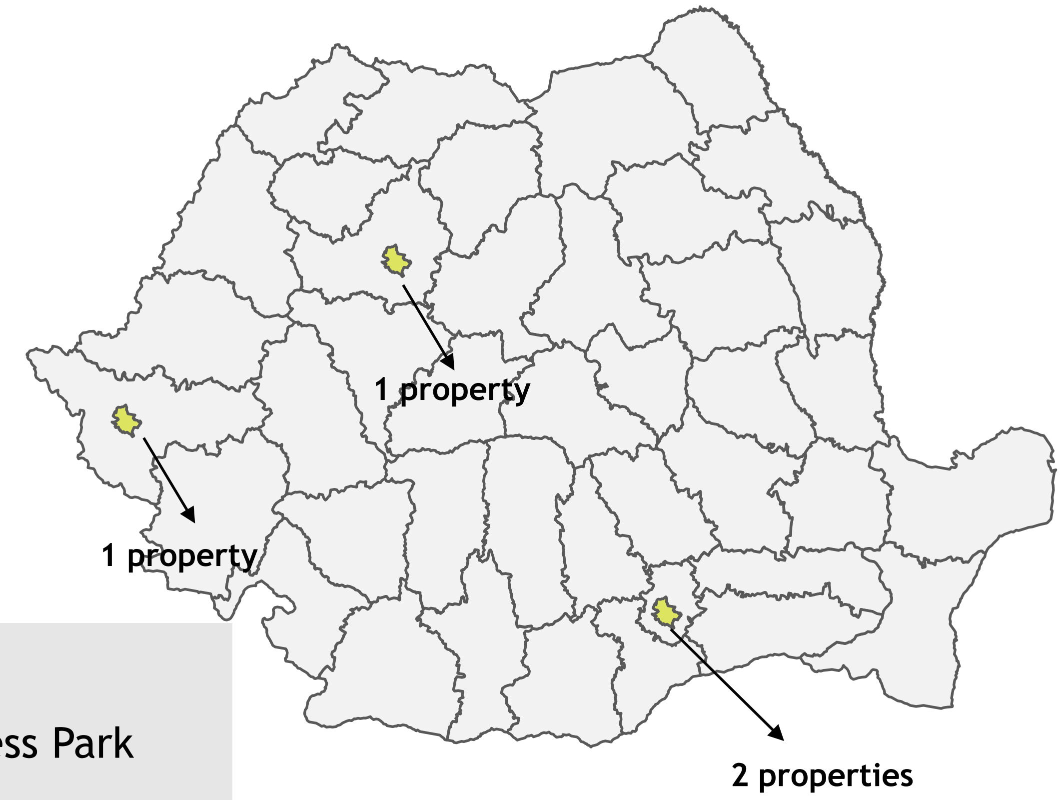
New Europe Property Investments had the highest revenue in the office sector with €24.27 million in 2014.



55

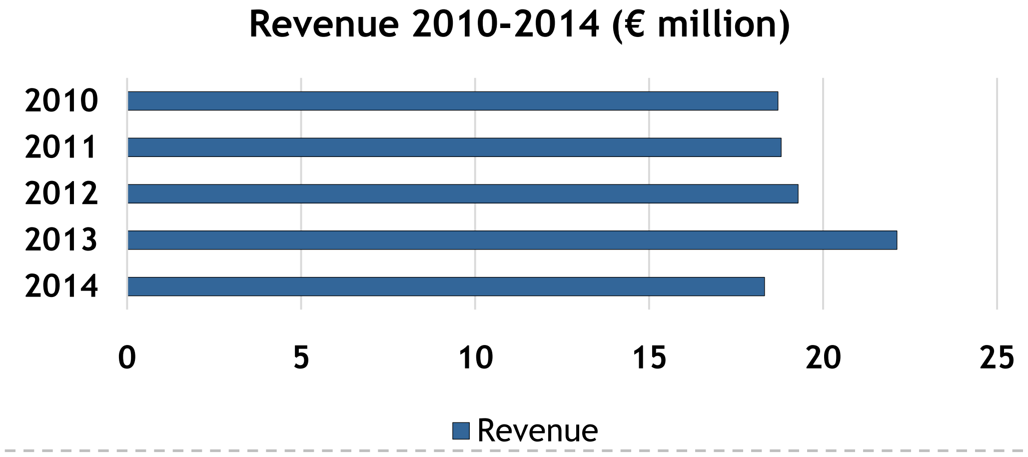
- **New Europe Property Investments** – parent group

- Floreasca Business Park
- The Lakeview
- The Office
- City Business Center



2. Immofinanz

Immofinanz has 10 properties, all having office spaces, but many of them containing also shopping areas and residential apartments.



82

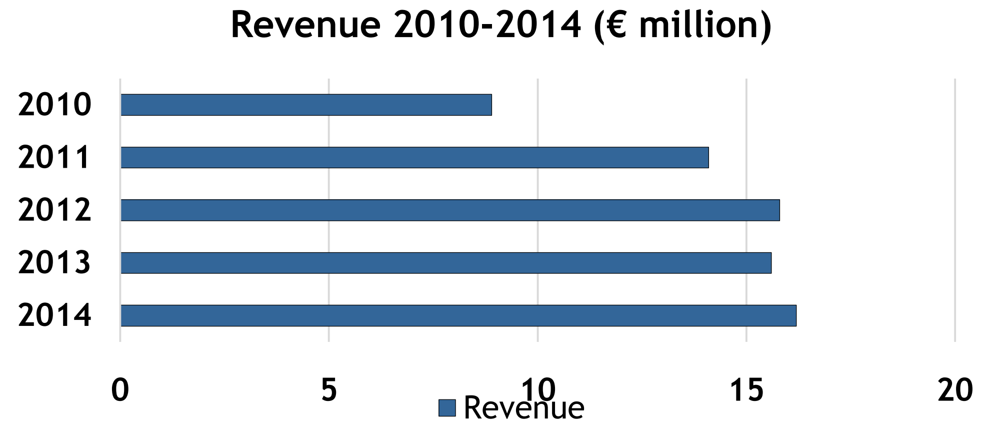
- **Immofinanz AG** – parent company

- Irdie Business Park
- S-Park
- Pipera I
- Victoria Park II-IV
- Bucharest Corporate Center
- Global Business Center
- North Center
- Baneasa Airport Tower
- Victoria Park I
- Metroffice

Source: Romania-insider.ro; risco.ro; doingbusiness.ro; economica.net

3. CA Immo Romania

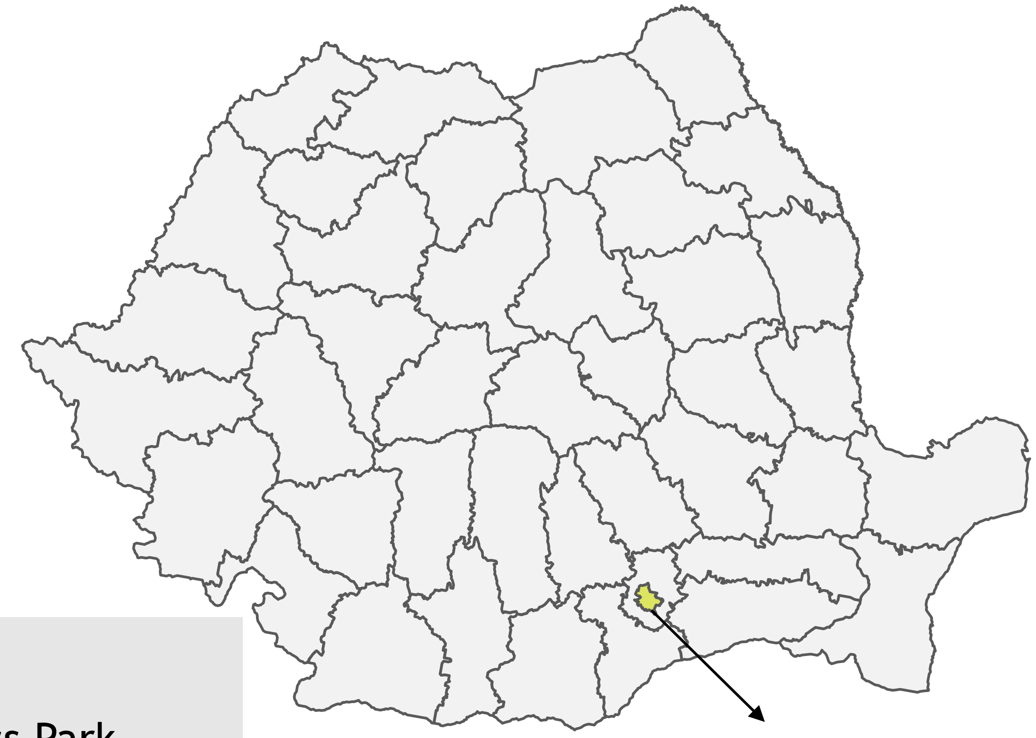
Since 2001, Romania is a CA Immo core market. The company's main focus point is Bucharest where they developed 5 office buildings.



29

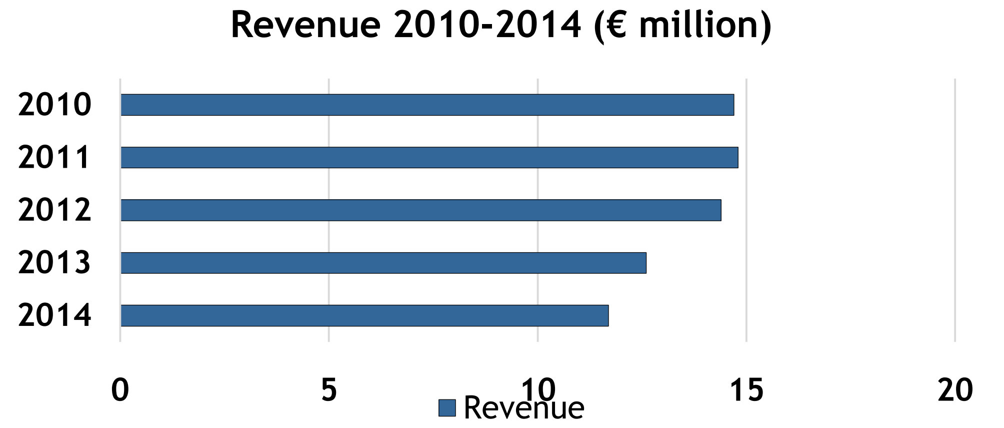
- **CA Immo** – parent company

- Bucharest Business Park
- Europe House
- Opera Center I,II
- Riverplace



4. AFI Europe Romania

AFI Europe operates in Romania since 2005, developing large scale projects such as office parks and shopping malls. AFI Park 1 is the first out of five Class A office buildings, which are going to form a 70,000 sqm office park next to AFI palace Cotroceni.



3

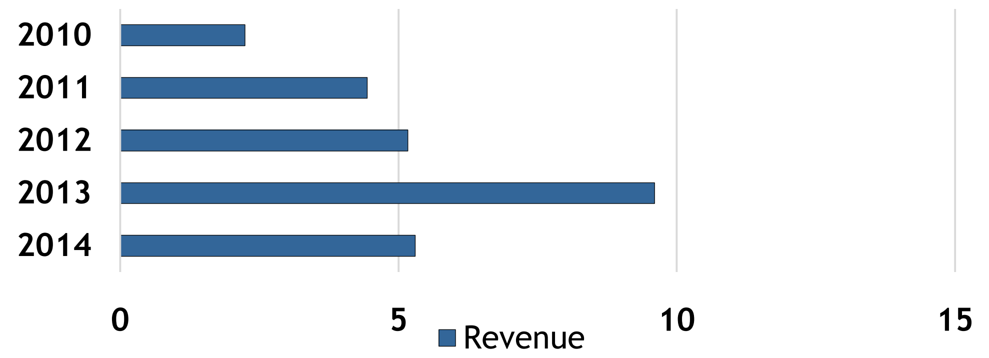
- AFI €ope – parent company

- AFI Park

5. Globalworth

Globalworth's portfolio currently comprises an Asset Manager platform and fourteen real estate investments all located in Romania.

Revenue 2010-2014 (€ million)



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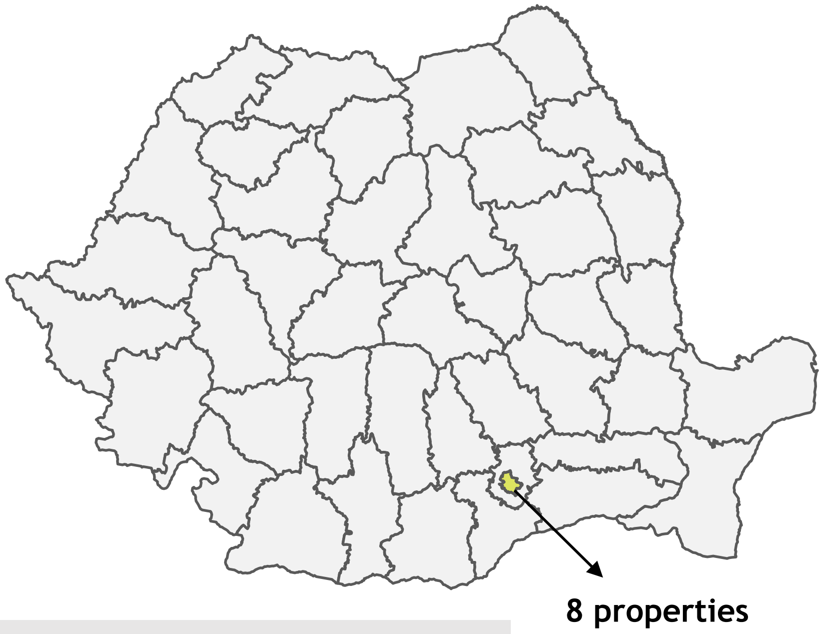


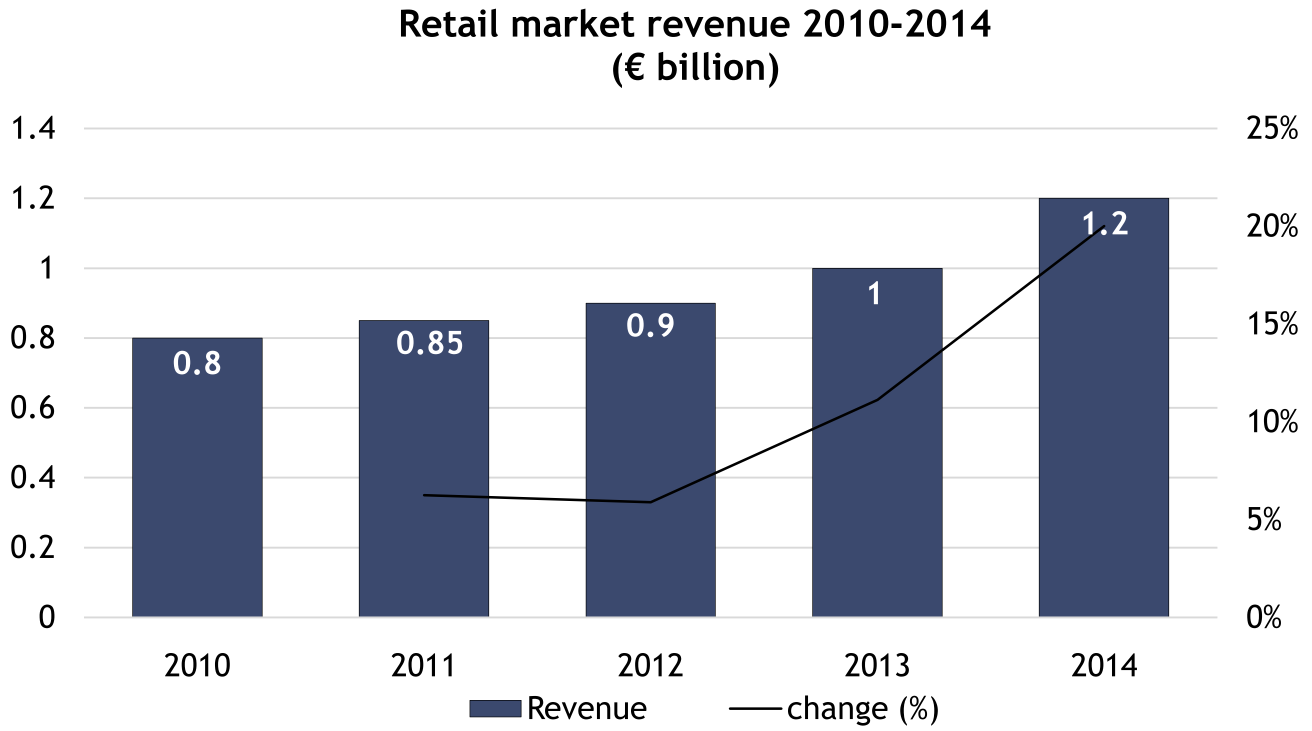
- Globalworth

- BOB
- BOC
- City Offices
- Green Court A
- Green Court B
- Nusco Tower
- Tower Center International
- Bucharest One

Source: Romania-insider.ro; risco.ro; doingbusiness.ro; economica.net

Retail market by revenue (2010-2014)

The retail construction in this period was decreased, of the reaseon that the bigest shopping centers was built in 2011 or in the previous period.



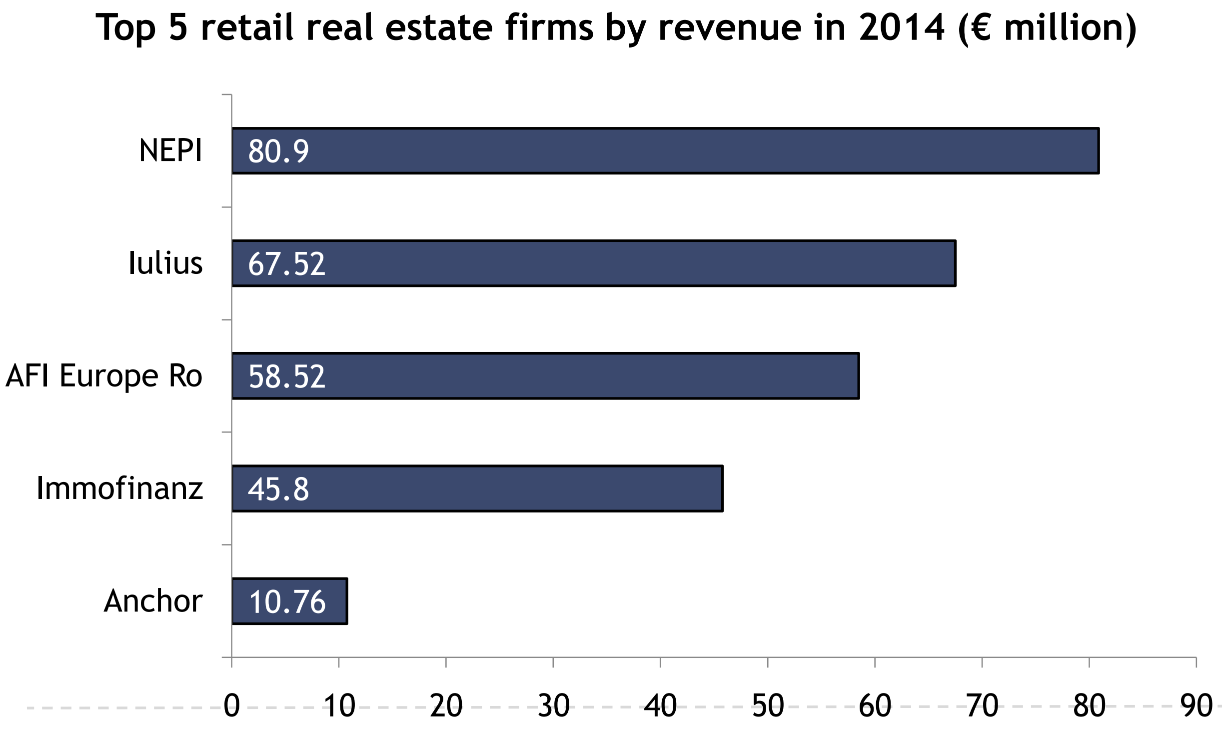
In this construction type was a negative evolution. The large-scale projects has been low in 2014, the major retail centers was built in the previous period. For example in 2014 only two units were recorded: the Vulcan Value Center in Bucharest and the Targu Jiu Shopping City in Targu Jiu.

Gazdasági Tanácsadó Klub

Source: buildecon.com

Top 5 - retail market (2014)

NEPI increased it's revenue by 400% in the last five years, totaling almost €81 million in 2014.



The cumulated revenue of the top 5 retail real estate companies in 2014 is 263.5 million €.

Source: risco.ro

Top 5 - retail market (2010-2014)

NEPI had the biggest growth between 2010 and 2014. They quadruplet their revenue in this period, and became the biggest retail real estate company in Romania.

Company	2010-11	2011-12	2012-13	2013-14	2010-2014
NEPI			1	2	3
Iulius		1			1
AFI				2	2
Immofinanz		1	1		2
Anchor					

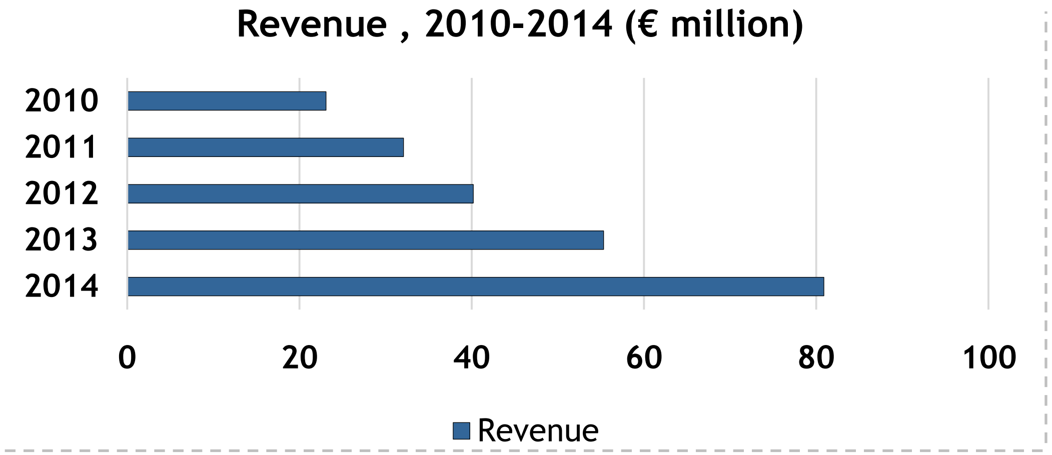
NEPI in 2014 had in development investments in value of €460 million. Currently they own around 380. 000 sqm of properties in Romania, evaluated at €656 million.

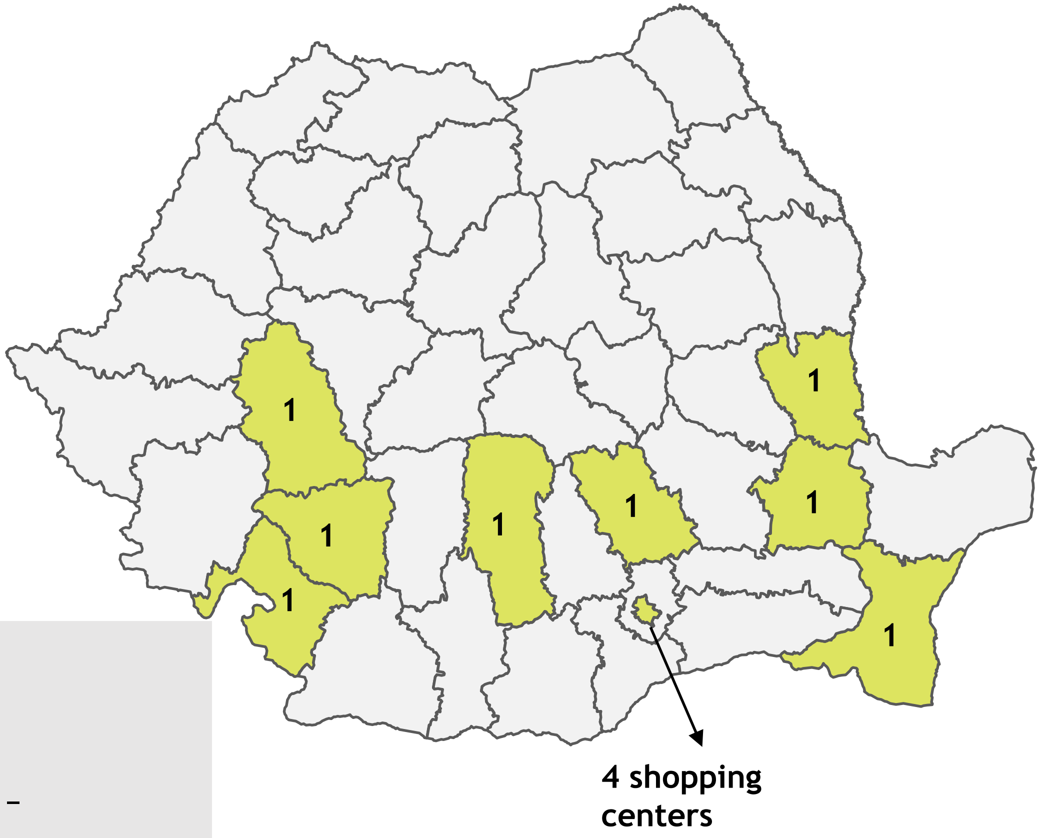
Gazdasági Tanácsadó Klub

Source: zf.ro; risco.ro

1. NEPI

NEPI has shopping centers in 9 different counties in Romania. It has 4 shopping centers in the capital.





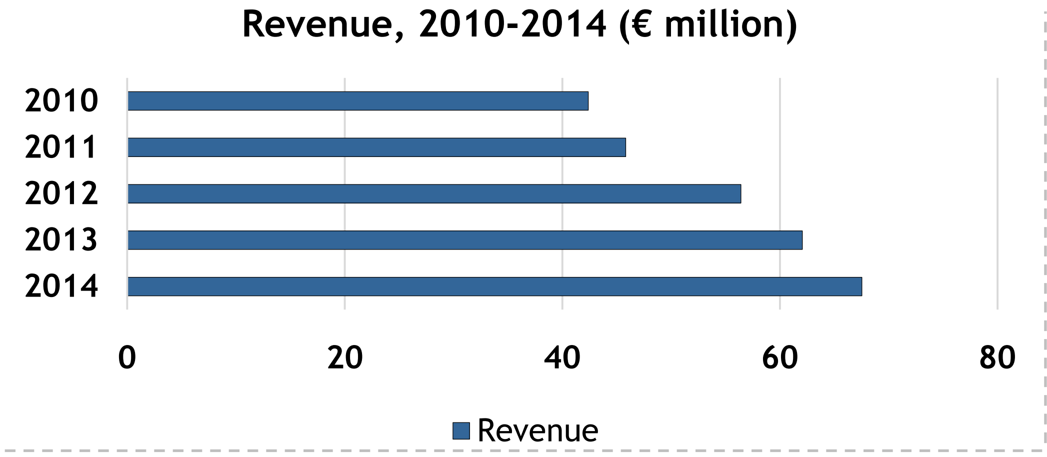
Strategic partner: CBRE (2015)

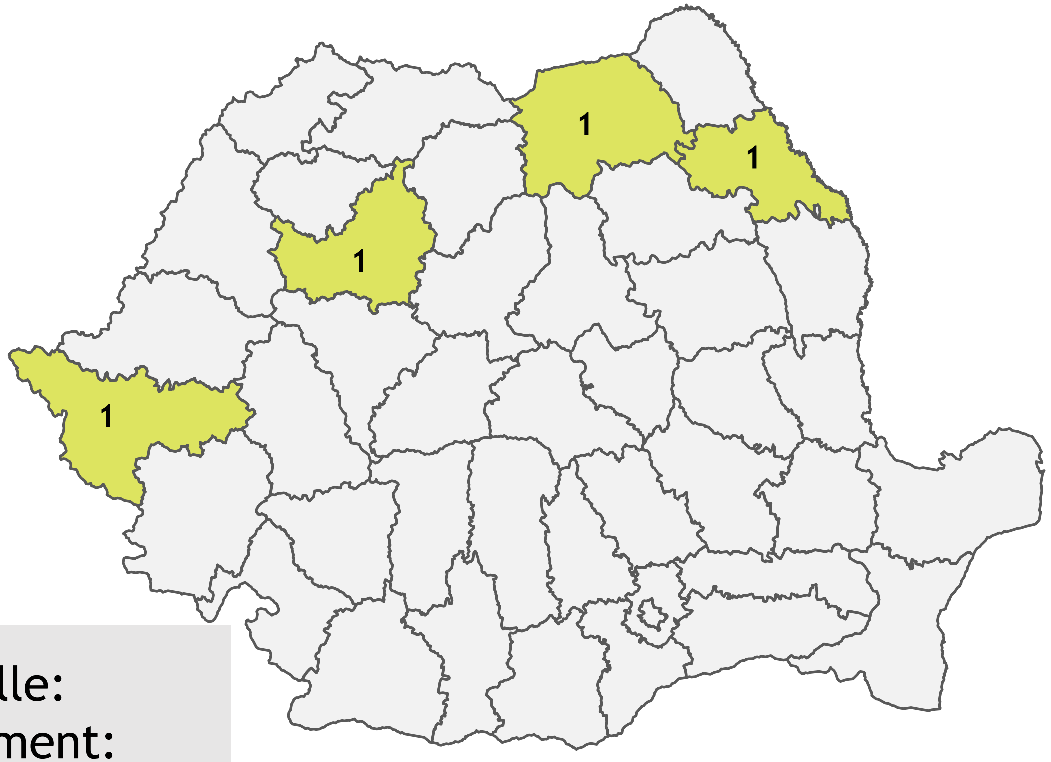
Finished projects:
- Mega Mall- 2015
- Promenada Mall – 2013/2014

Source: nepinvest.com; incomemagazine.ro;

2. Iulius Group

Iulius Group has 4 shopping malls in 4 different counties. All 4 centers are situated in the north part of Romania. Between 2010 and 2014 had a constant growth in it's revenue.





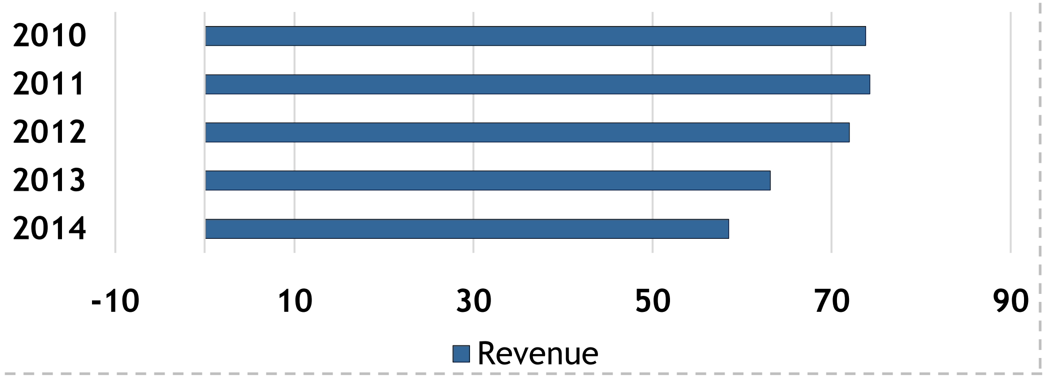
Strategic partner: Iași City Council

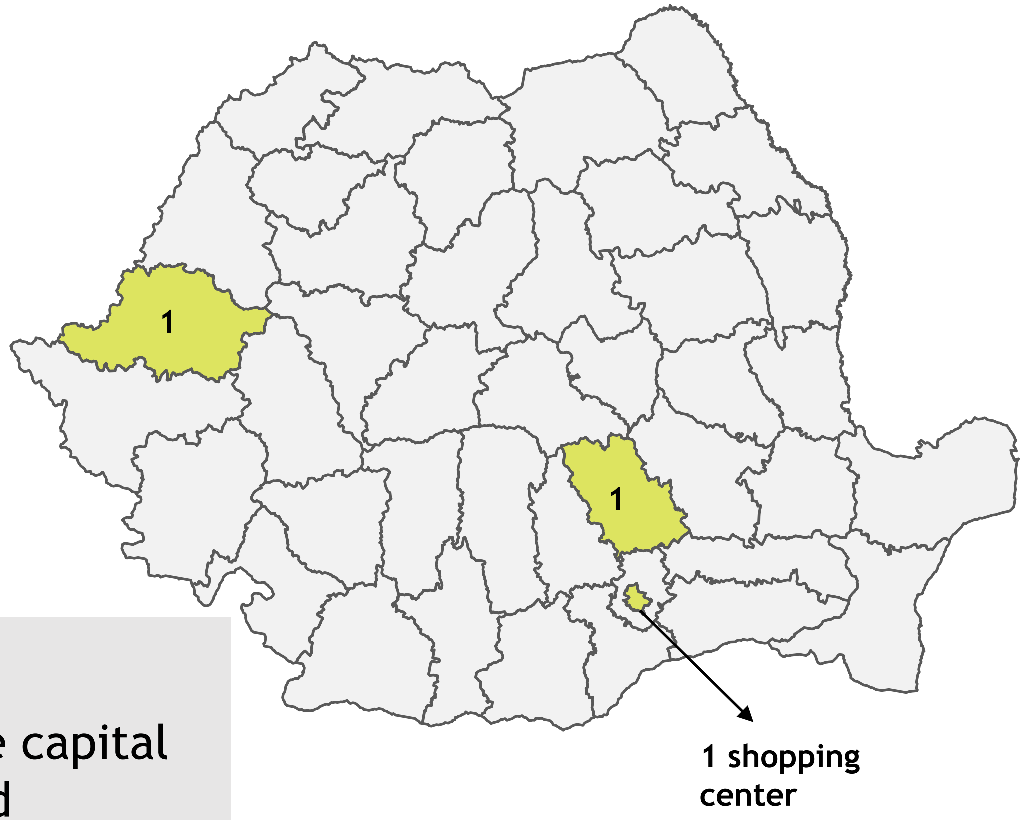
- Project – Openville:
  - Total investment: €220 million
  - Total built area: 594.000 sqm

3. AFI Europe

AFI has 3 shopping malls in Romania. It's biggest shopping center is located in the capital, covering up to 104.000 sqm. Also they have 8 projects in development in Romania.

Revenue, 2010-2014 (€ million)



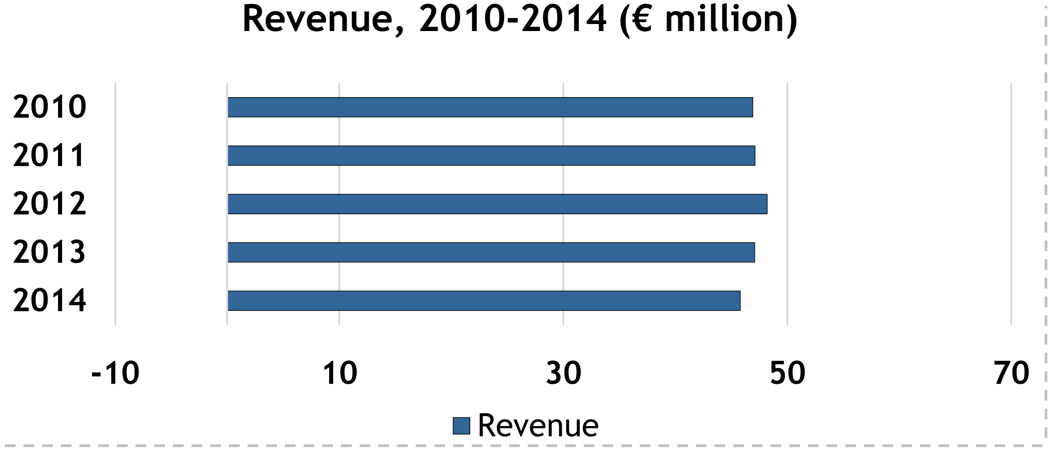


- Financial partner: Deutsche Pfandriefbank (€ 234 million)

- 6 projects in the capital
- 1 project in Arad
- 1 project of creating a village in Butimano

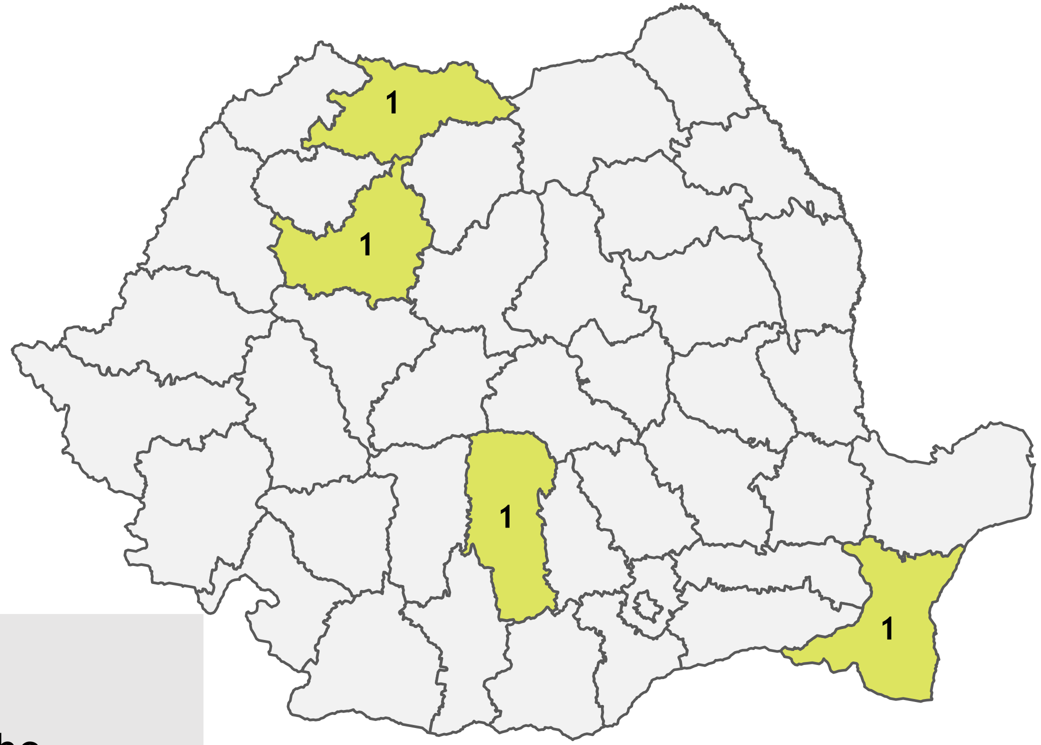
4. Immofinanz

Immofinanz near the retail properties has logistic and office properties too. They announced in 2015 that they will sell their logistic portfolio, a total of 1 million sqm.



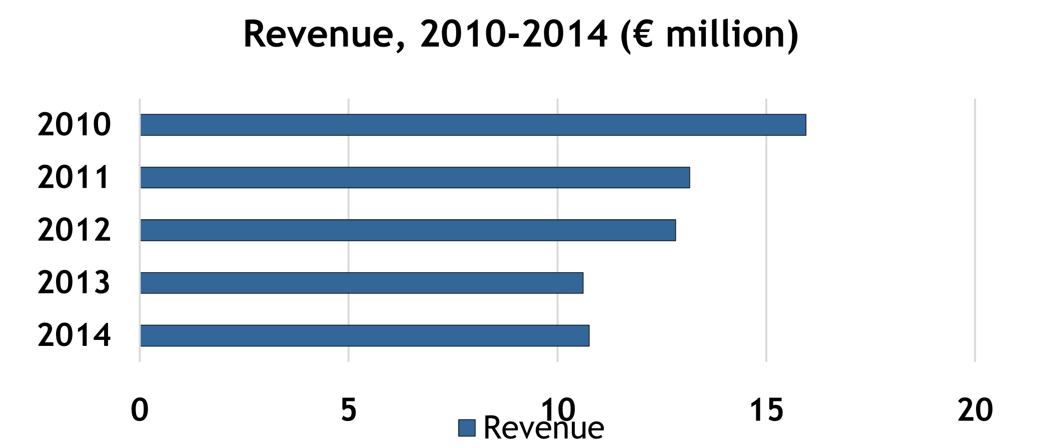
- Leasing agency partnership: Krammer & Wagner

- 3 projects in development: 1 in the capital, 1 in Sibiu and 1 in Brașov



5. Anchor Group

Anchor has 14 years of experience in real estate in Romania. Near the shopping centers they also have office buildings in Romania. They had a constant decrease in revenue between 2010 and 2013.



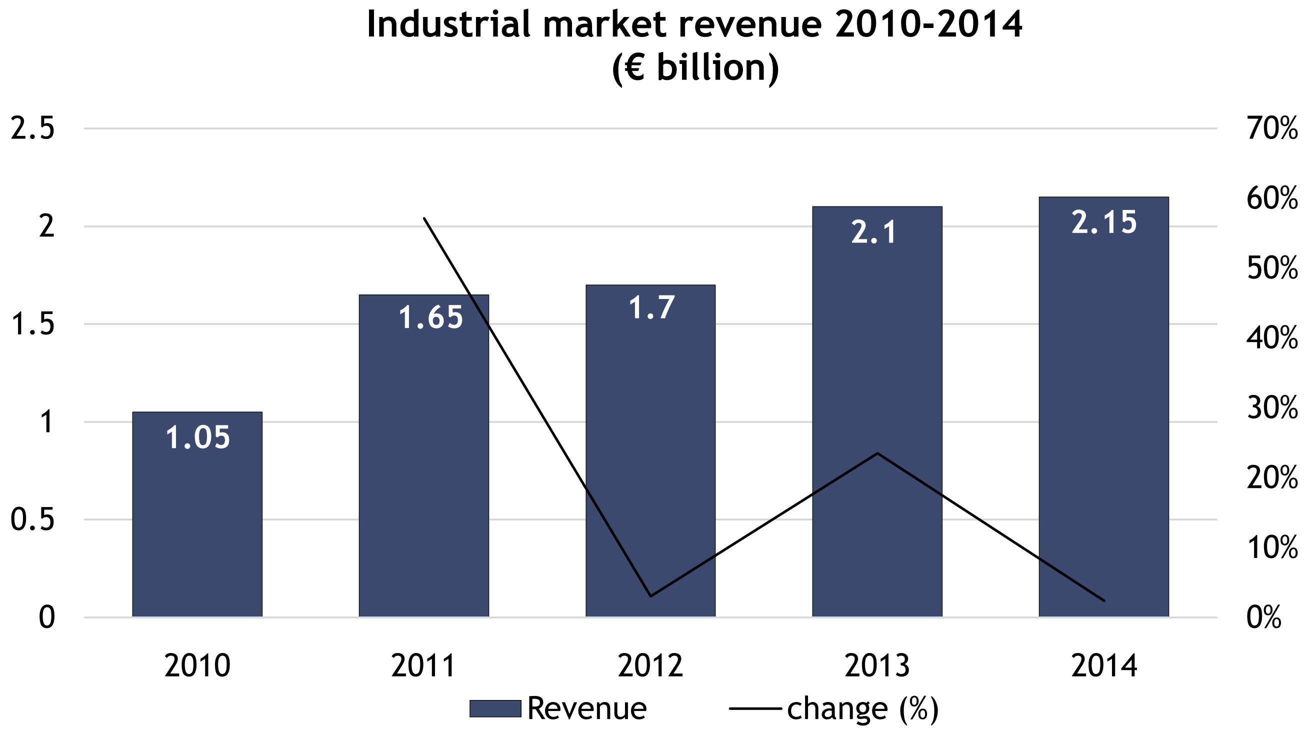
- Mother company: Real Estate Properties Fiba Holding

- Renovate of 2 shopping centers, total investment: €25 million

Source: anchorgrup.ro; zf.ro; mediafax.ro;

Industrial market by revenue (2010-2014)

The industrial construction constant growth was of the reason that big factories invested in Romania and of this reason commended buildings for factories.

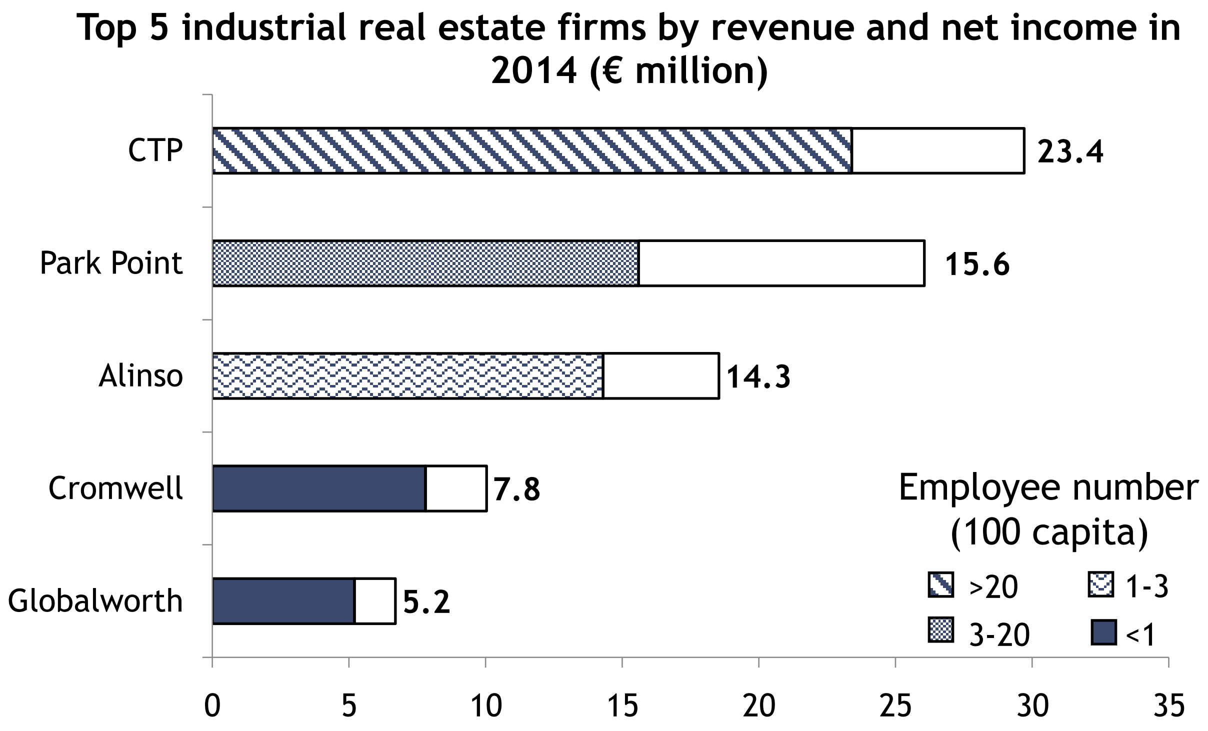


The industrial construction's growth was very stabil. The main reason of increasing is that the investors showed for the other countries that Romania is a good place for developing. Of this reason in the Center and in the Nord-West region many strange factory taked a place, for example the Ruck factory in Tarnavei, the Trelleborg factory in Dej and the Emerson factory in Cluj-Napoca. The value of this investments is more then 100 million €o.

Source: buildecon.com zf.ro infoconstructii.com statista.com sageworks.com

TOP 5 - industrial market (2014)

There is 1,9 million square meters of usable industrial space in Romania, in which segment the top five most influential companies own 51% of the total industrial space.



The headquarters of the leading firms by revenue and ownership of land are in Bucharest, except the ones that operate from foreign countries, but their main activity is also concentrated around the capital city.

Source: doingbusiness.ro, dailybusiness.ro,

TOP 5 - industrial market (2010-2014)

The industrial sector by the end of 2014 has once again regained the trust of investors, becoming the second best investment sector after the office segment. Thus the top 5 companies are vastly increasing their logistic centers.

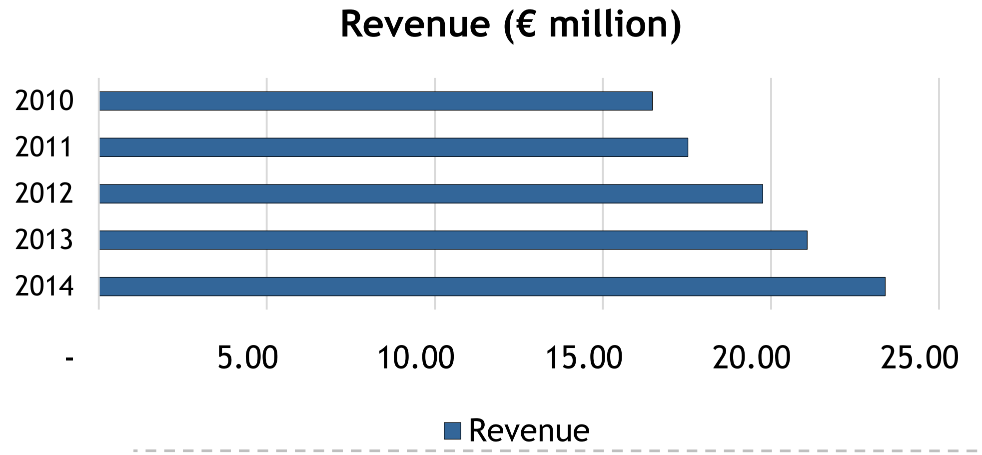
Company	2010-11	2011-12	2012-13	2013-14	2014-15	2010-2015
CTPark	1	2				1
Park Point	2		2	1		1
Alinso Group			1	3	1	5
Cromwell	3			1		4
Globalworth		1	1			

The top industrial real estate firms usually maintain their position in the top 5 placement in their industry, however amongst them emerge runner-ups who manage to increase their ranking position in years in which the other competitors showed stagnancy. Such is the case for CTP, Alinso and P3.

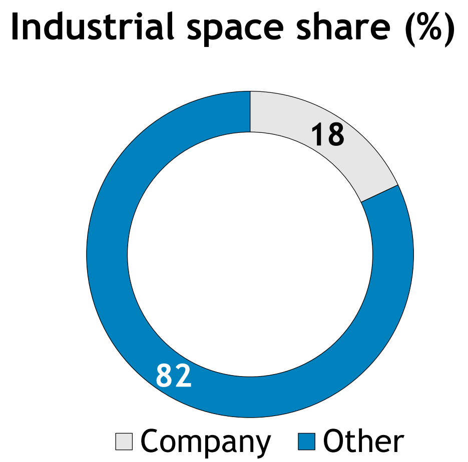
Source: doingbusiness.ro, listafirme.ro, annual reports

Romanian top 5 industrial real estate firms

CTPark company owns the largest shsare of the Romanian industrial space, a total of 342,000 square meters of industrial space.



36.941



Humpolec, Czech Republic

- Fränkische- first construction project in Romania
- Yves Weerts
- Dacia, Ford

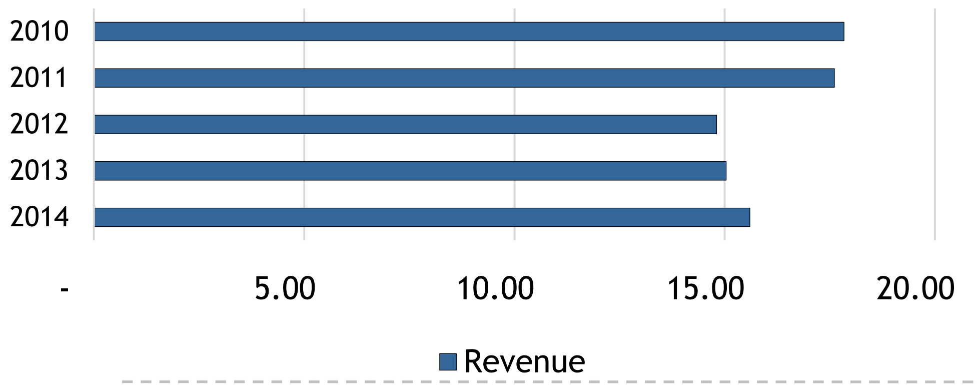
- Mercury Logistic Parc
- Cefin Park in Arad
- Deva Logistic Center
- ProLogis Park

Source: capital.ro, romania-insider

Romanian top 5 industrial real estate firms

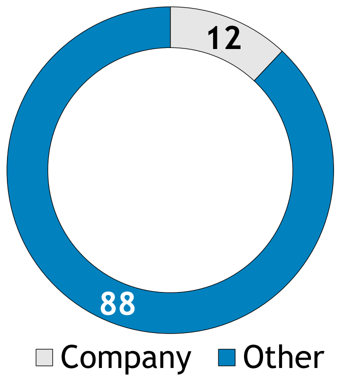
Park Point Properties company is supported by two of the largest investment funds in the world, TPG Real Estate and Ivanhoe Cambridge, which helped him to acquire 215,000 square meters of industrial land .

Revenue (€ million)



30,214

Industrial space share (%)



Bucarest, District 5

- CA Immo
- Carrefour
- eMag
- Altex

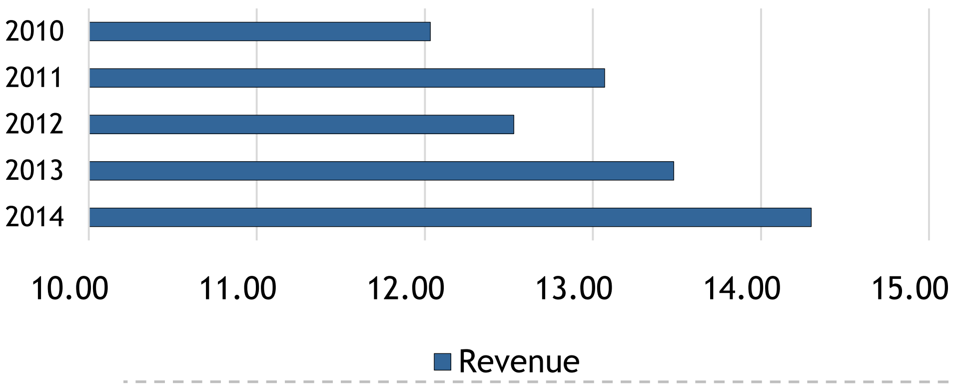
- P3 Bucharest Park
- Europolis park

Source: economica.net

Romanian top 5 industrial real estate firms

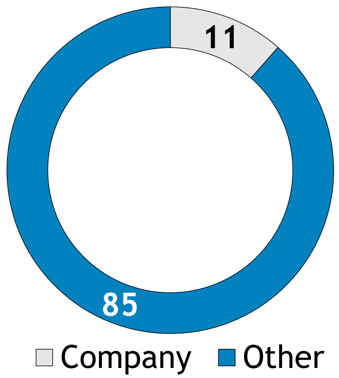
Alinso Group by differentiating itself with eco-friendly and sustainable solutions has managed to draw in a sum of large multinational companies inside there establishments.

Revenue (€ million)



34,589

Industrial space share (%)



Ploiesti West Park

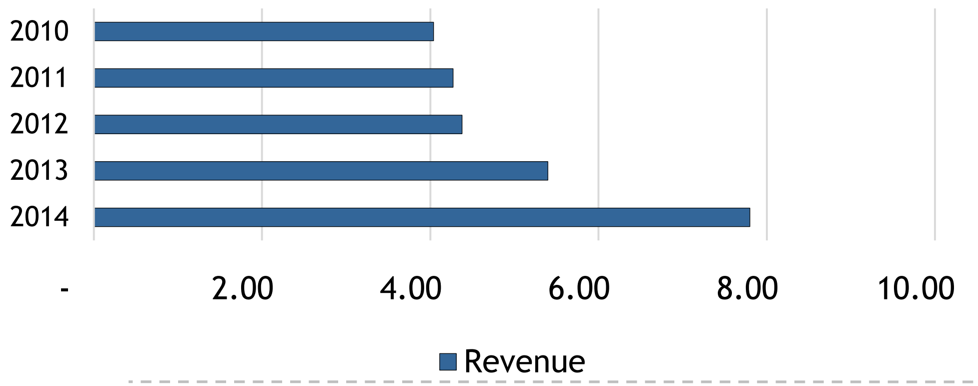
- Unilever
- Saipem
- British American Tobacco

- WestPark near Ploiesti
- ATP Terminal in Prahova County

Romanian top 5 industrial real estate firms

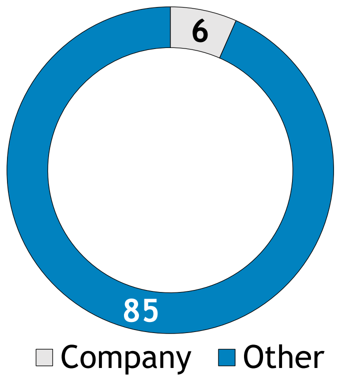
Cromwell Property Group by acquiring Valad Europe it managed to gain 6% share of the Romanian industrial sector's usable space, a total of 81,000 square meters

Revenue (€ million)



21.235

Industrial space share (%)



Bucarest, District 2

- Valad Europe

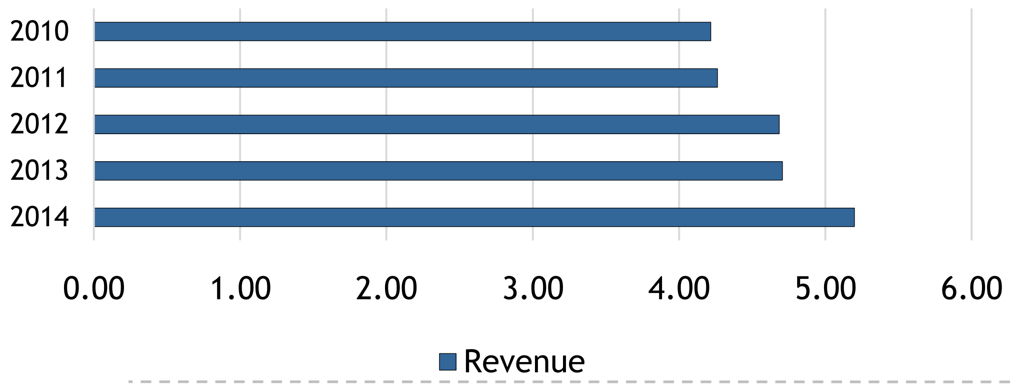
- Acquiring Valad Europe from Blackstone
- Domnești Business Park
- A1 Business Park

Source: economica.net

Romanian top 5 industrial real estate firms

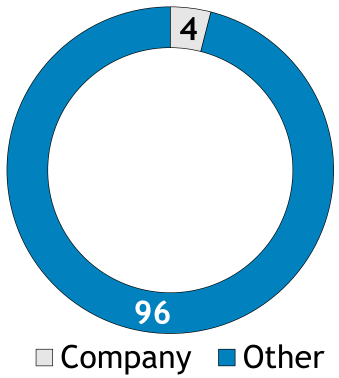
Globalworth's company oqned by the Grecian investor Ioannis Papalekas, has shifted it's focus from the office sector and has since acquired more than 80,000 square meters of industrial space.

Revenue (€ million)



44,502

Industrial space share (%)



Bucharest, Sector 3

- Valeo
- Continental
- Elster
- Vodafone

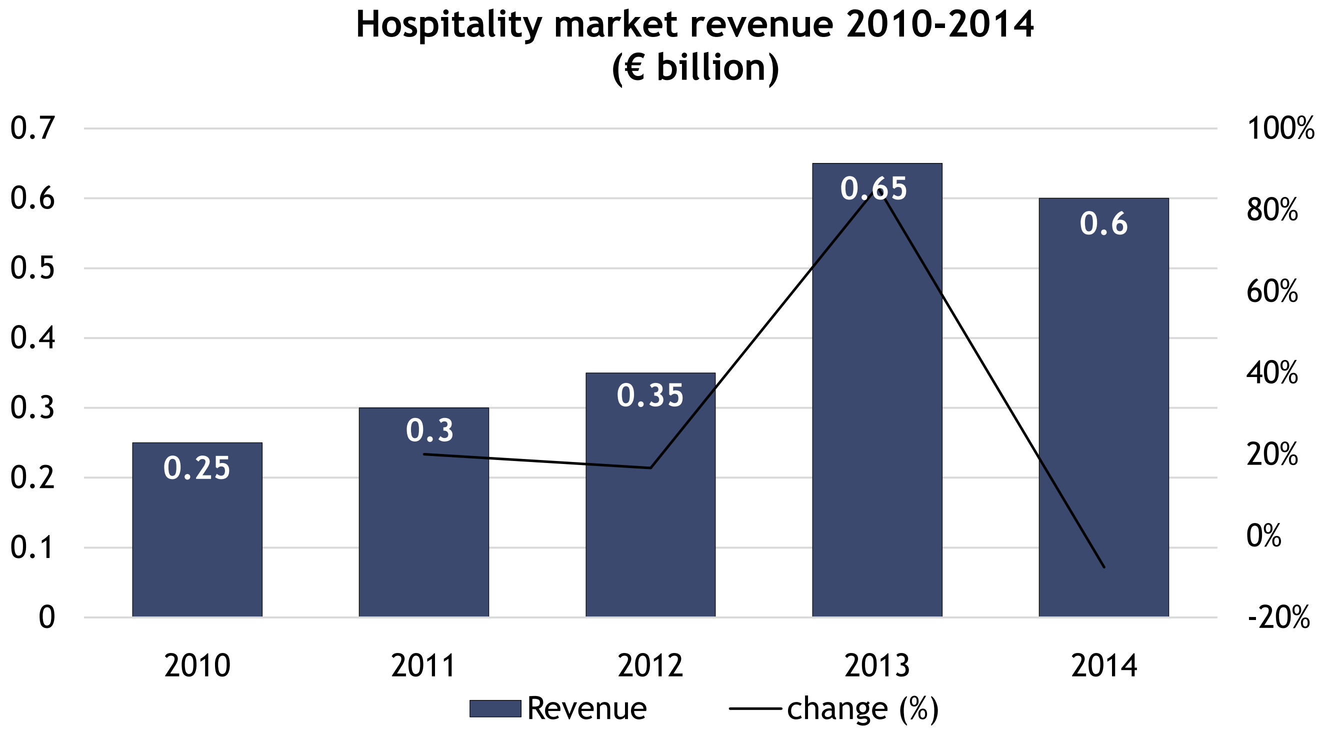
- TAP project in Timisoreana
- Globalworth Campus (Pipera)

Gazdasági Tanácsadó Klub

Source: officerentinfo.ro, officerentinfo.ro

Hospitality market by revenue (2010-2014)

The hospitality's best year was 2013, but after that it was a slight decrease in 2014, therefore the total revenue was € 0.6 billion in that year.

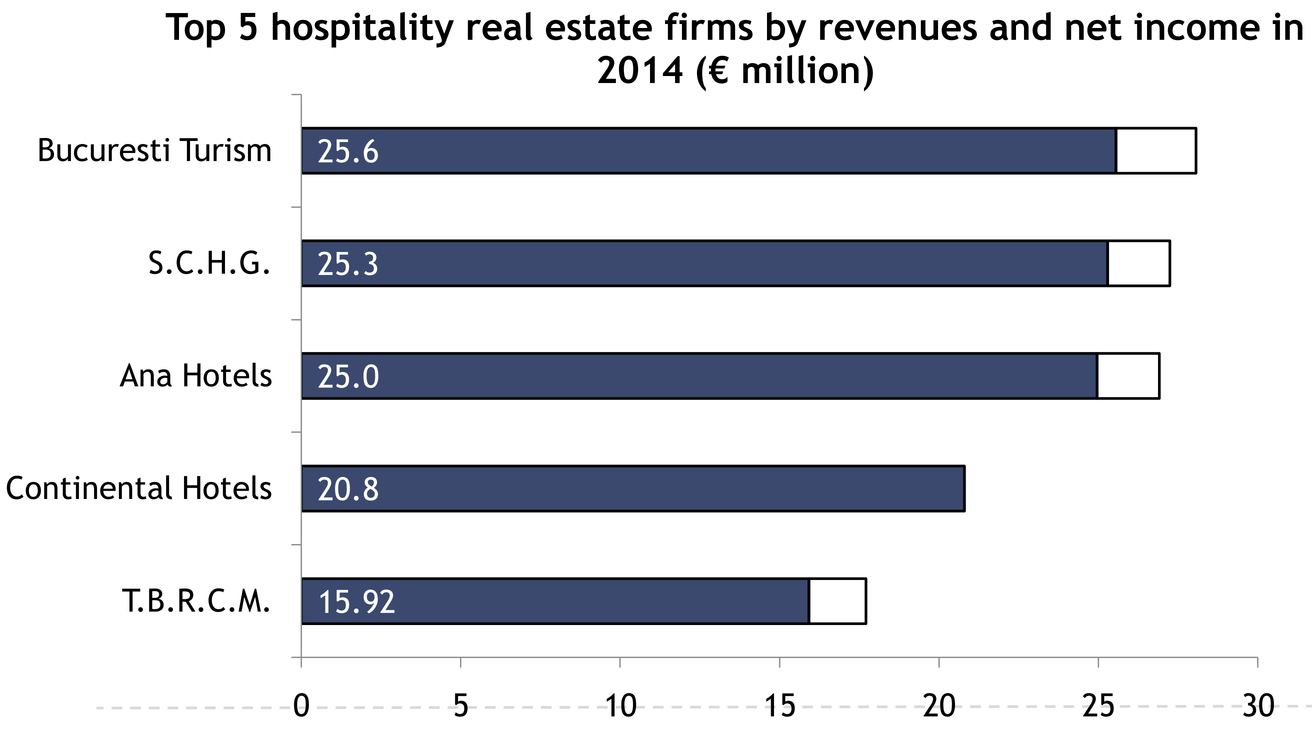


The stabile growth is the result of increasing touristic activity, Romania after the crisis of the reason small prices was a good target for a holiday. Furthermore the number of overnight tourists increased a lot of. This influential factors helped for the hotel construction in the growth, because in 2014 121 units have been completed, including 27 new hotels and 67 agro touristic units. The housing capacity at the end of the year was increased with 5500 beds.

Source: buildecon.com

TOP 5 - hospitality market (2014)

In 2014 the Bucuresti Turism company had the highest turnover and net profit also. Only the Continental Hotels had a €3 million loss in 2014.



The headquarters of the leading firms by revenue are all in Bucharest. Only one company of the top 5 had a loss in 2014.

Source: Romania-insider.ro; risco.ro; doingbusiness.ro

TOP 5 - hospitality market (2010-2014)

The Bucuresti Turism held his leading position from 2011 until 2014. The Continental Hotels and T.B.R.C.M. was all along at the forth and fifth position.

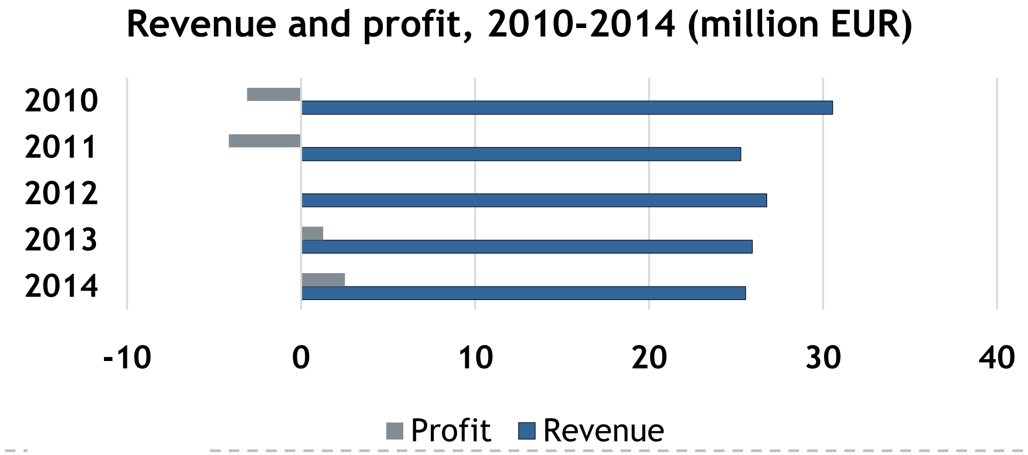
Company	2010-11	2011-12	2012-13	2013-14	2010-2014
Bucuresti Turism	1				1
Societatea Companiilor Hoteliere Grand	2			1	1
Ana Hotels	1			1	2
Continental Hotels					
T.B.R.C.M.					

Despite that the T.B.R.C.M. is at the fifth position, it’s the only company in the top 5 that had all along profit, and Continental Hotels is the only one with loss in every year between 2010 and 2014.

Source: Romania-insider.ro; risco.ro; doingbusiness.ro

Romanian top 5 hospitality real estate firms

Bucuresti Turism had it's highest revenue in 2010. In 2014 the firm had the highest income and profit also.



11

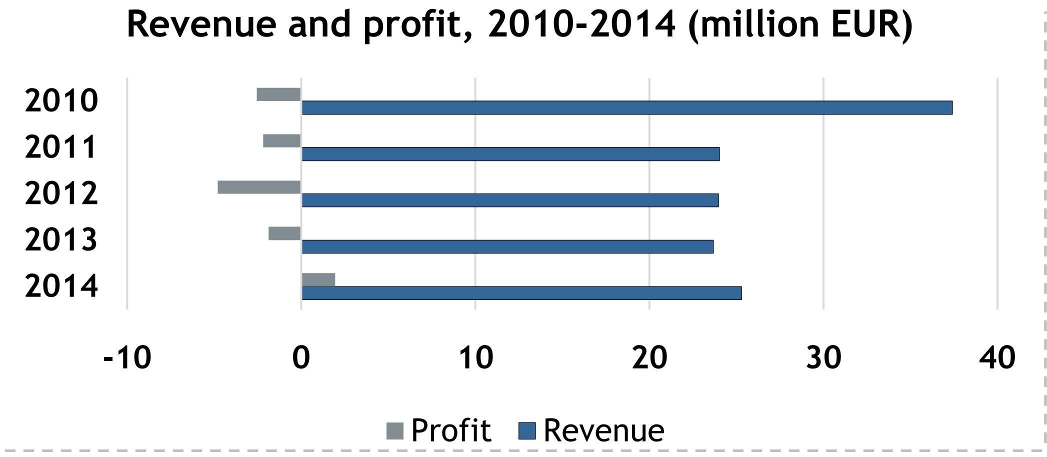
- Elbit Imaging – parent group

- apartment complex Centre Ville
- Restaurant Cina

Source: Romania-insider.ro; risco.ro; doingbusiness.ro; economica.net

Romanian top 5 hospitality real estate firms

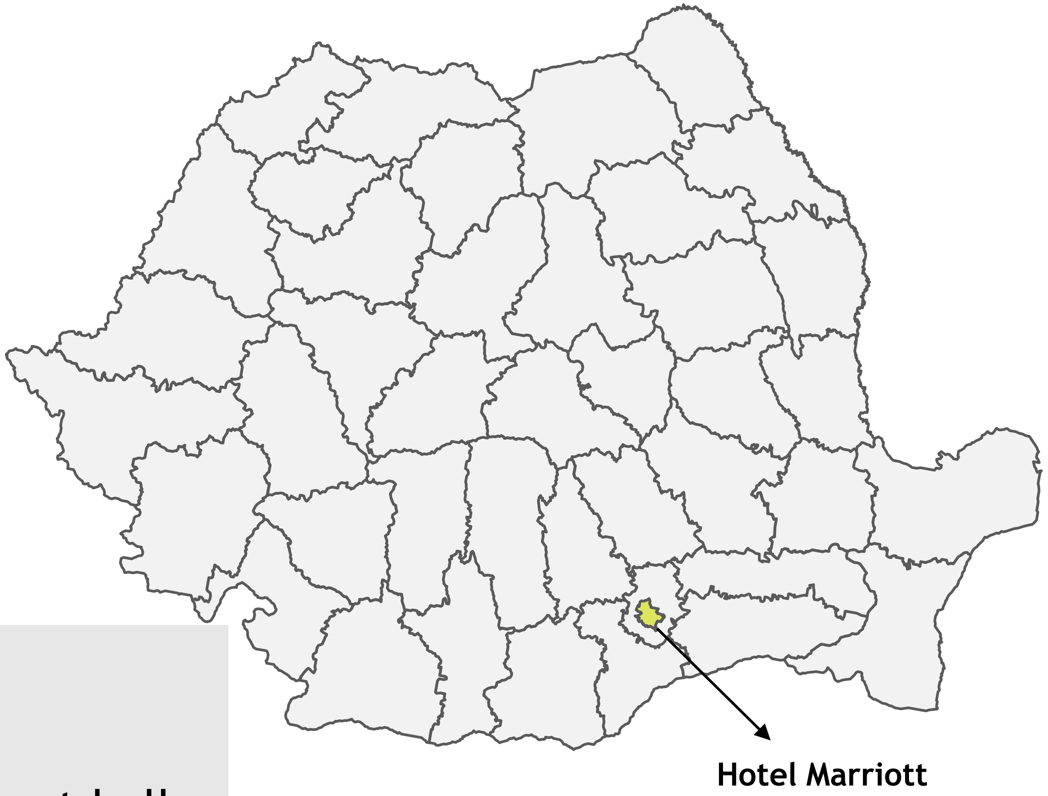
Societatea Companiilor Hoteliere Grand between 2010 and 2013 was lossmaking. In 2014 achieved a 2 million EUR profit.



301

- Strabag – parent company

- 1,2 million EUR investment in event halls

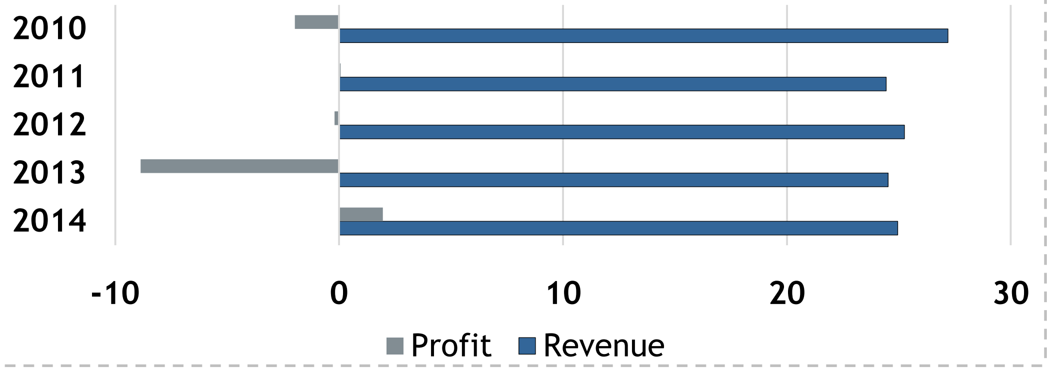


Source: romania-insider.ro; risco.ro; doingbusiness.ro

Romanian top 5 hospitality real estate firms

Ana Hotels had an almost 9 million EUR loss in 2013, but in 2014 it realized a 1,95 million EUR net profit.

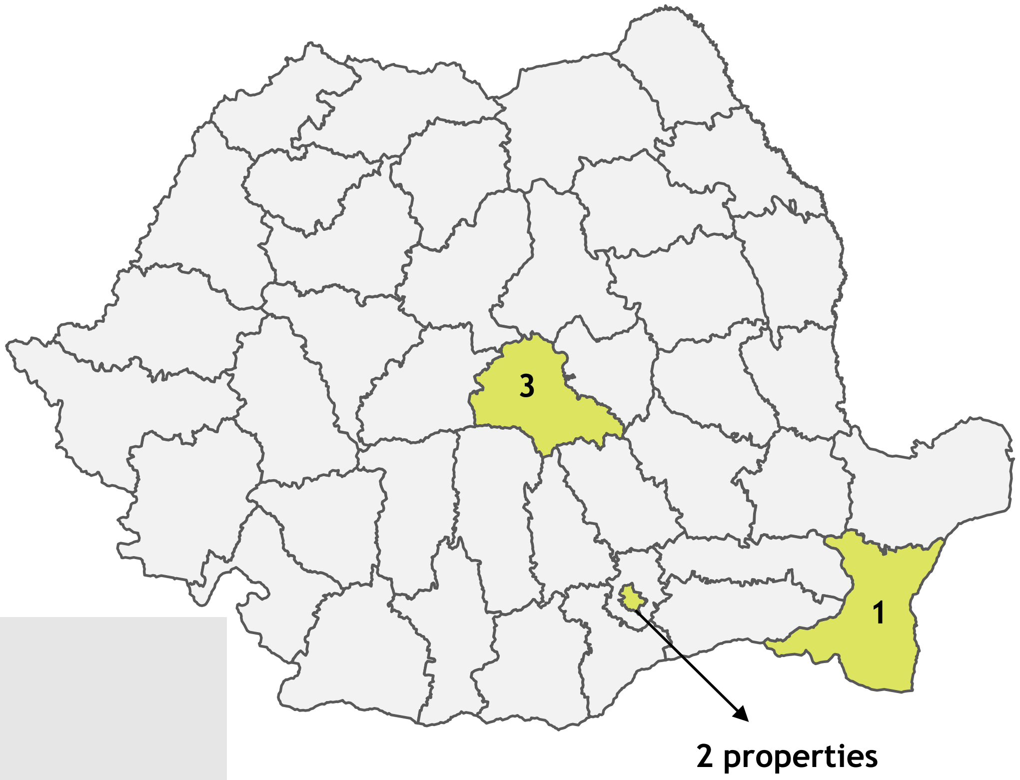
Revenue and profit, 2010-2014 (million EUR)



545

- Financial partners:
  - BRD- Groupe Societe Generale
  - ING Bank

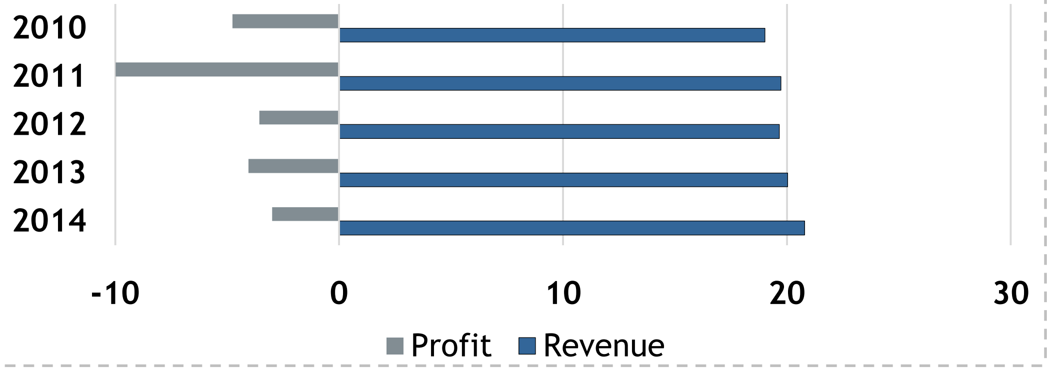
- 1,5 million EUR investment in 11 conference rooms



Romanian top 5 hospitality real estate firms

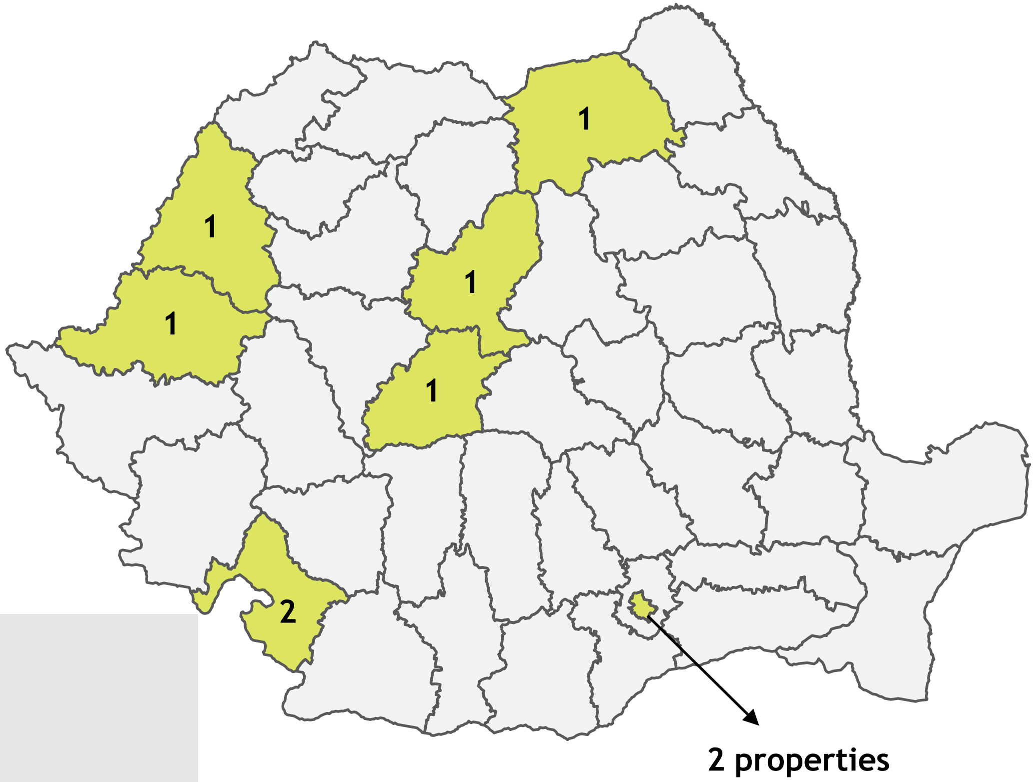
Continental Hotels is lossmaking since 2010. It had the most employees in 2014 compared to it’s competitions.

Revenue and profit, 2010-2014 (million EUR)



789

- Accor – management company

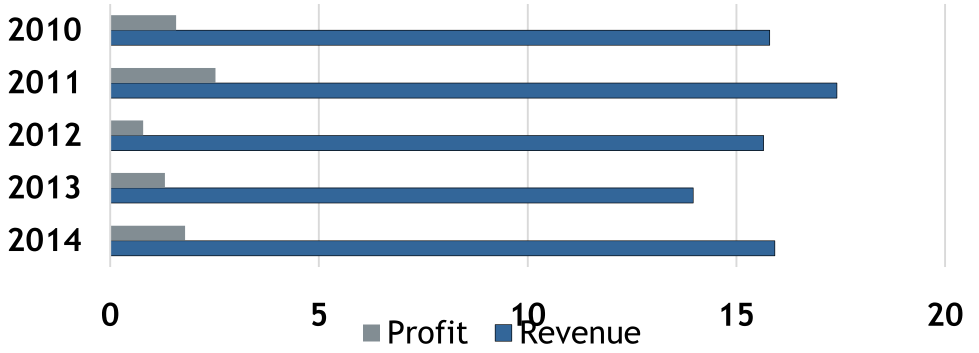


Source: Romania-insider.ro; risco.ro; doingbusiness.ro; continentalhotels.ro

Romanian top 5 hospitality real estate firms

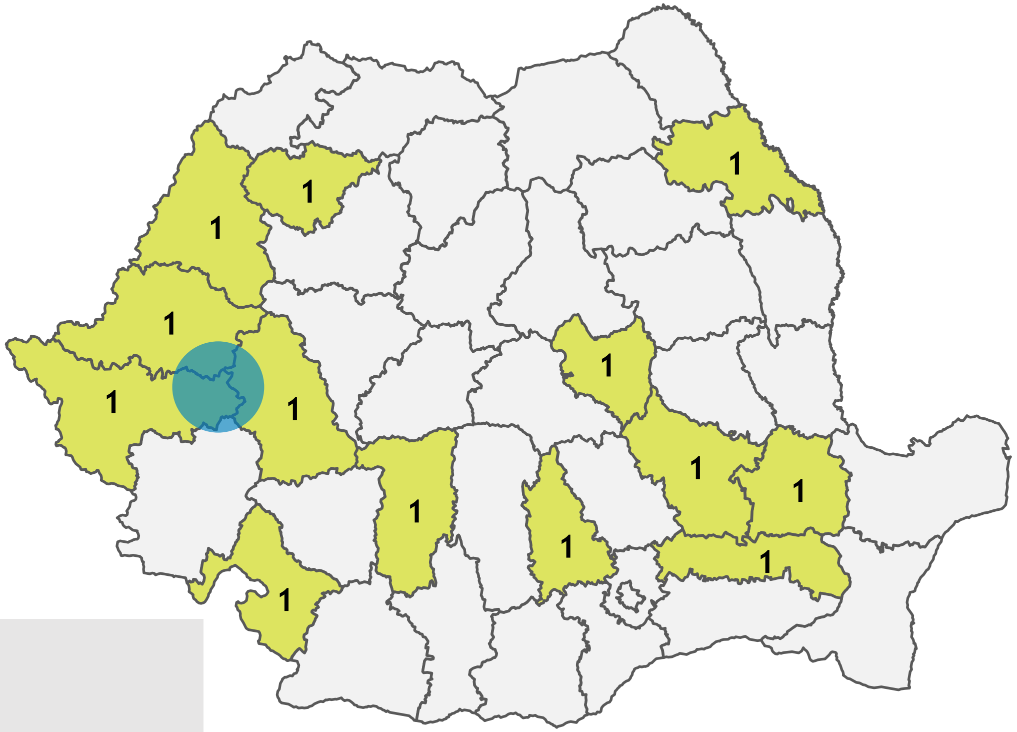
Societatea Comerciala de Tratament Balnear si Recuperarea a Capacitatii de Munca T.B.R.C.M. was the only company in the top 5 that was all along profitable.

Revenue and profit, 2010-2014 (million EUR)

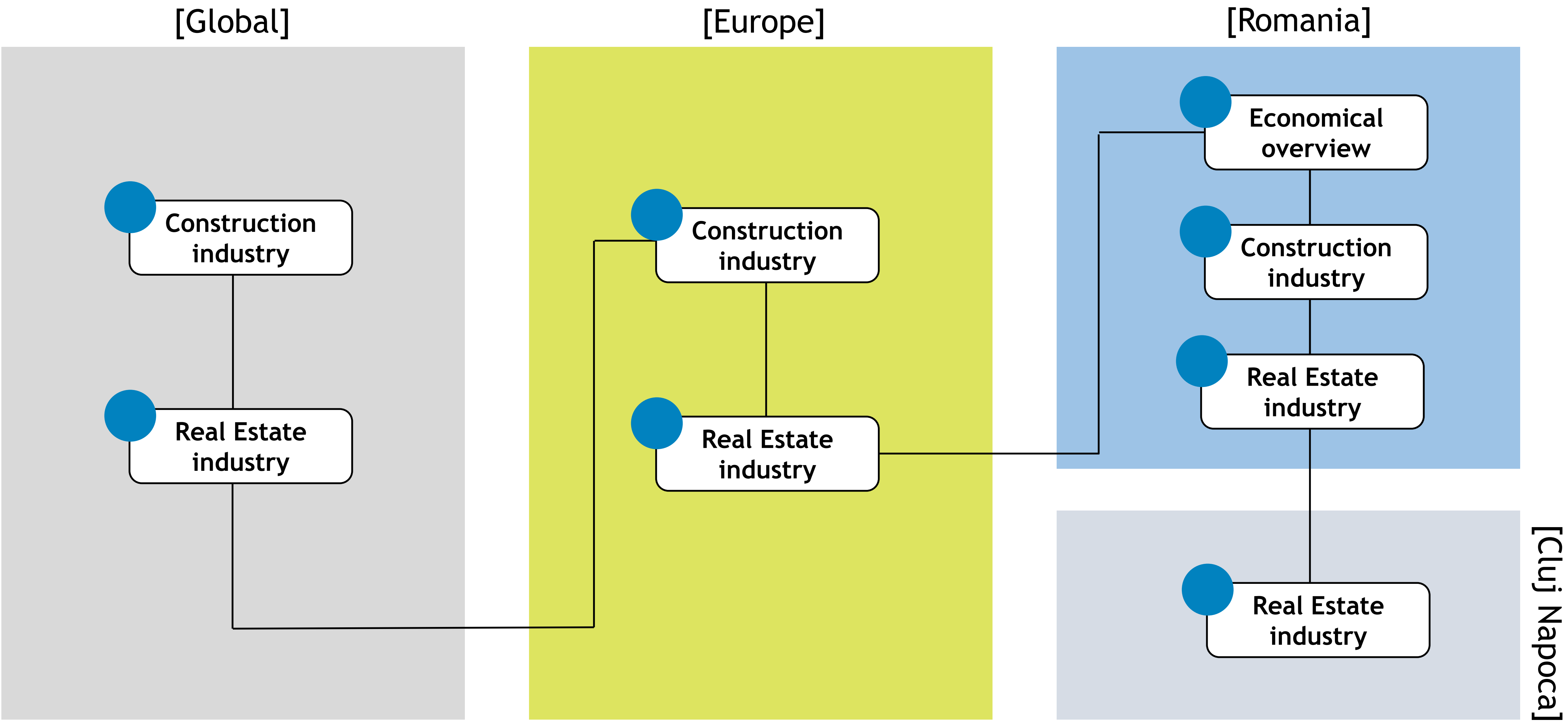


623

- 0,8 million EUR investment in treatment equipment

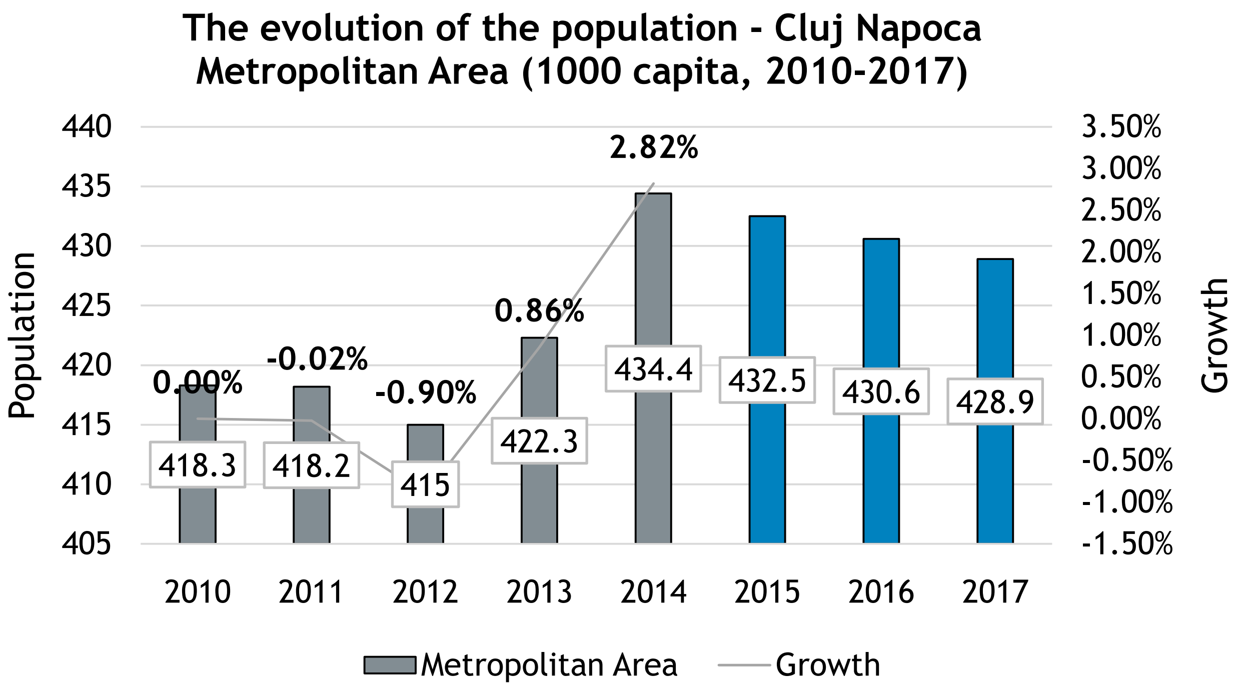


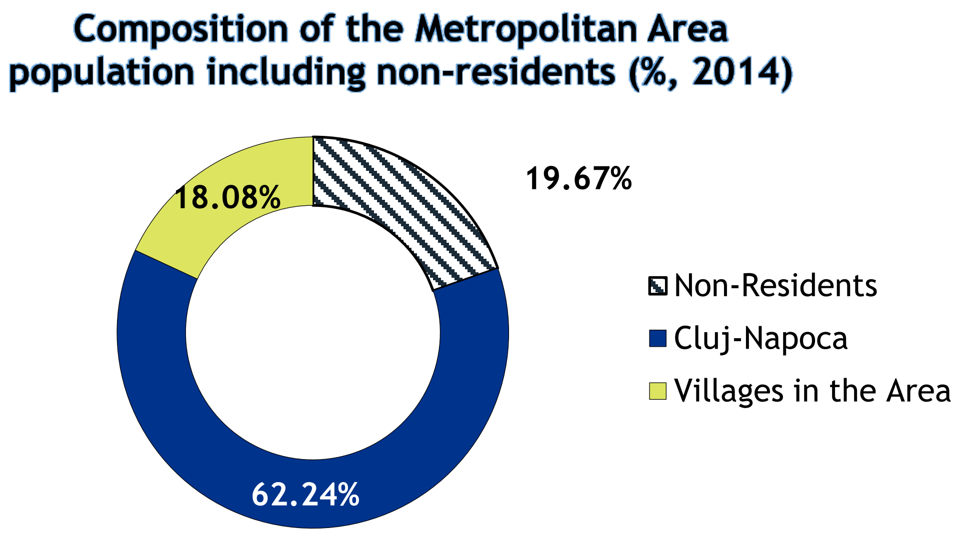
Agenda


[Global]
Construction industry
Real Estate industry
[Europe]
Construction industry
Real Estate industry
[Romania]
Economical overview
Construction industry
Real Estate industry
Real Estate industry
[Cluj Napoca]

Cluj & Metropolitan Area – by population (2010-2014)

The Metropolitan Area total population was 434.356 capita in 2014. Cluj Napoca has more than 100.000 students yearly, so with the non-residents the total number was 517.472 capita.





Cluj-Napoca is one of the biggest IT Hubs in Romania, it makes growth in the whole Metropolitan Area population.

Villages which is part of the Metropolitan Area:

Aiton, Apahida, Baciu, Bonțida, Borșa, Căianu, Chinteni, Ciurila, Cojocna, Feleacu, Florești, Gârbău, Gilău, Jucu, Petreștii de Jos, Tureni, Vultureni.

Source: cmpg.ro, economie.hotnews.ro, ziuadecj.net, cjcluj.ro

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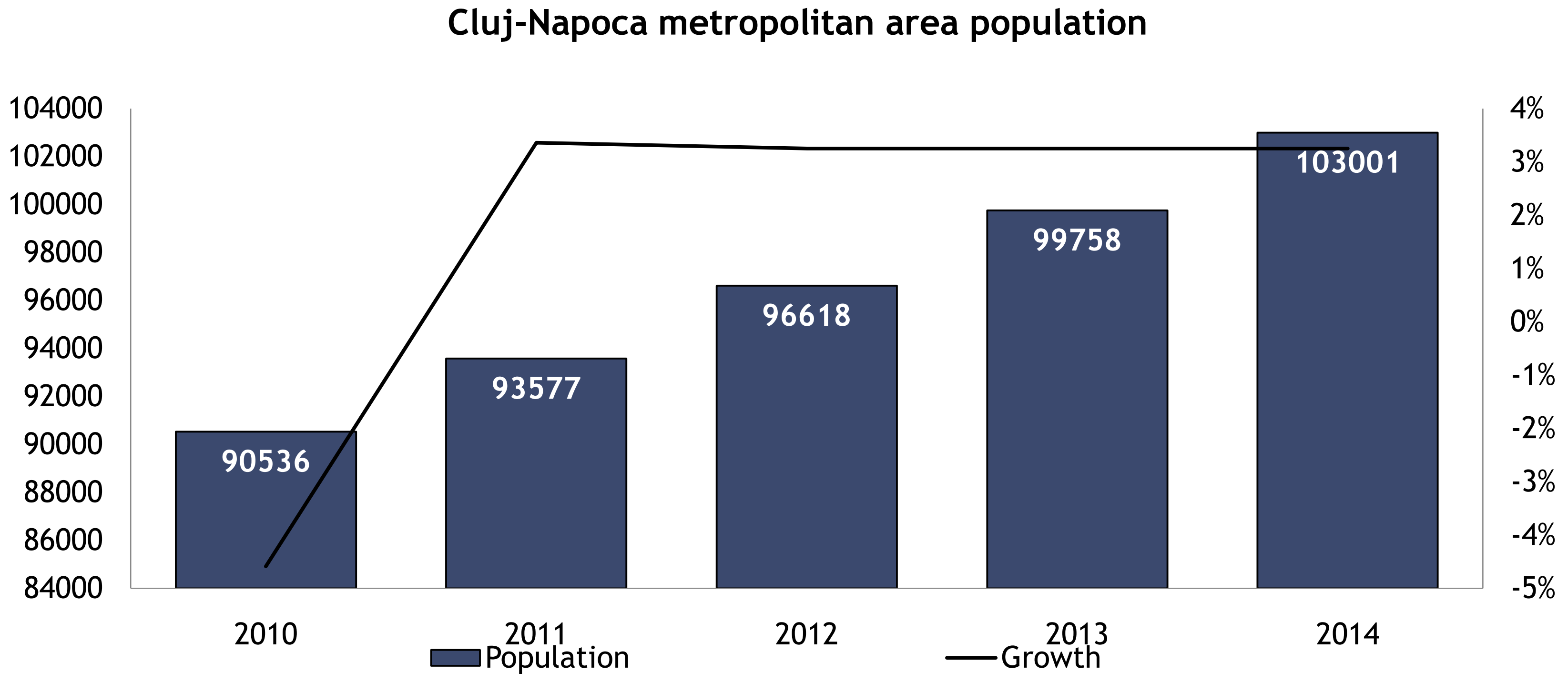
Cluj-Napoca metropolitan area population

In 2014 103.001 people live in Cluj-Napoca's metropolitan area.



Average growth:
3,25 % annually

Aiton, Apahida, Baciu.

Bontida, Borsa, Caianu, Chinteni, Ciurila, Cojocna, Feleacu, Floresti, Garbau, Gilau, Jucu, Petrestii de Jos, Tureni and Vultureni belong to Cluj-Napoca's metropolitan area.

Floresti is the fastest growing one, it tripled it's population since 2002.

Source: insse.ro, ziardecluj.ro

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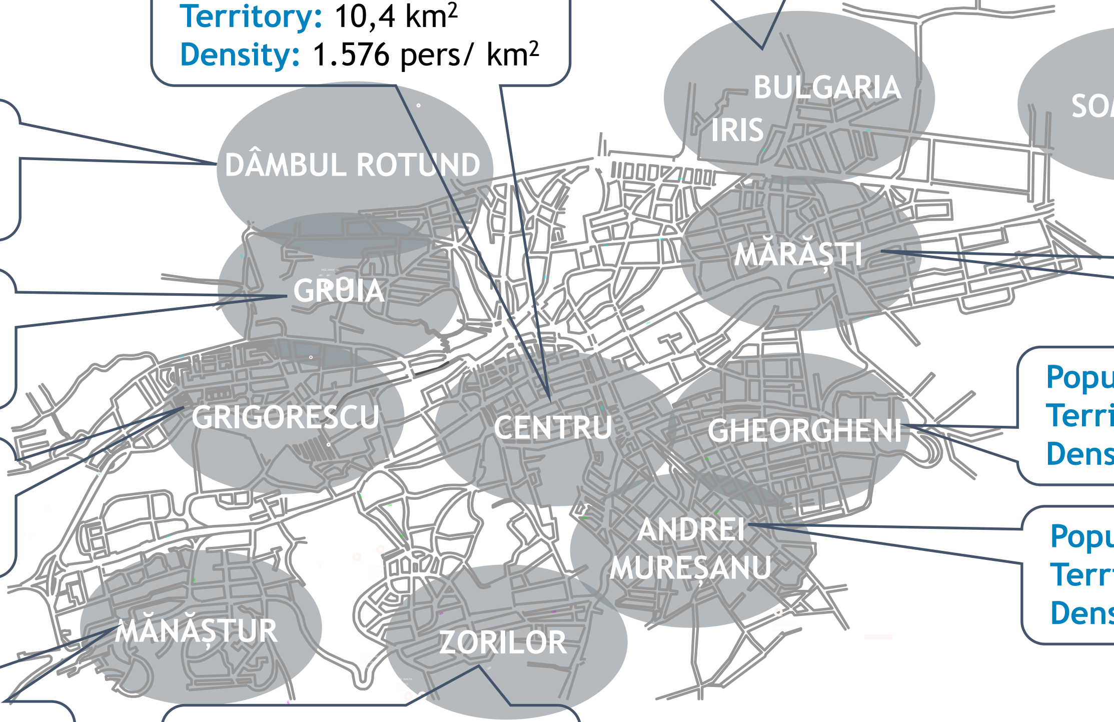
Districts of Cluj by population (2014)

The most populous district is Mănăștur, with 30.1% of the total population, 322.108 person in 2015.



Bulgaria / Iris
Population: 8.679
Territory: 9 km^2
Density: 964 pers/ km^2

Centru
Population: 16.392
Territory: 10,4 km^2
Density: 1.576 pers/ km^2

Dâmbul Rotund
Population: 8.542
Territory: 12 km^2
Density: 712 pers/ km^2

Someșeni
Population: 3.985
Territory: 7,1 km^2
Density: 561 pers/ km^2

Mărăști
Population: 45.656
Territory: 11,4 km^2
Density: 4.005 pers/ km^2

Gruia
Population: 14.465
Territory: 18 km^2
Density: 804 pers/ km^2

Gheorgheni
Population: 42.211
Territory: 12,9 km^2
Density: 3.272 pers/ km^2

Grigorescu
Population: 25.418
Territory: 13 km^2
Density: 1.955 pers/ km^2

Andrei Mureșanu
Population: 9.643
Territory: 4,81 km^2
Density: 2.005 pers/ km^2

Mănăștur
Population: 96.962
Territory: 26 km^2
Density: 3.729 pers/ km^2

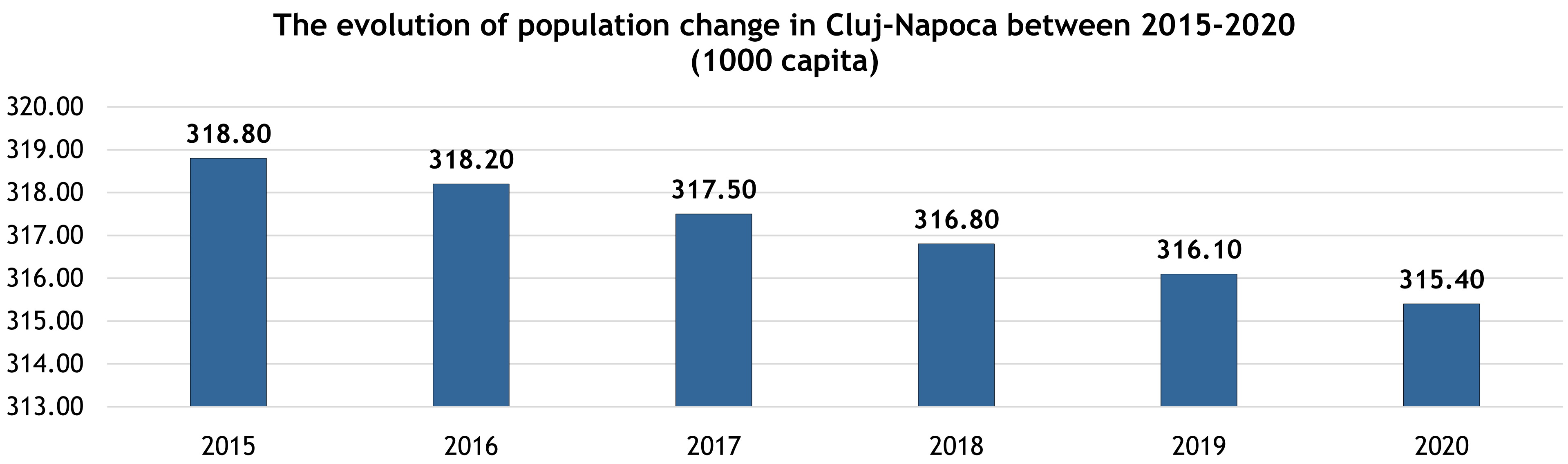
Zorilor
Population: 24.662
Territory: 11,2 km^2
Density: 2.202 pers/ km^2

Other: 25.492 person

Source: economie.hotnews.ro. insse.ro

Cluj population – forecast (2015-2020)

The forecast was completed given by the following contributory facts: fertility, rate of mortality and migration. These were combined in different measures given the circumstances.

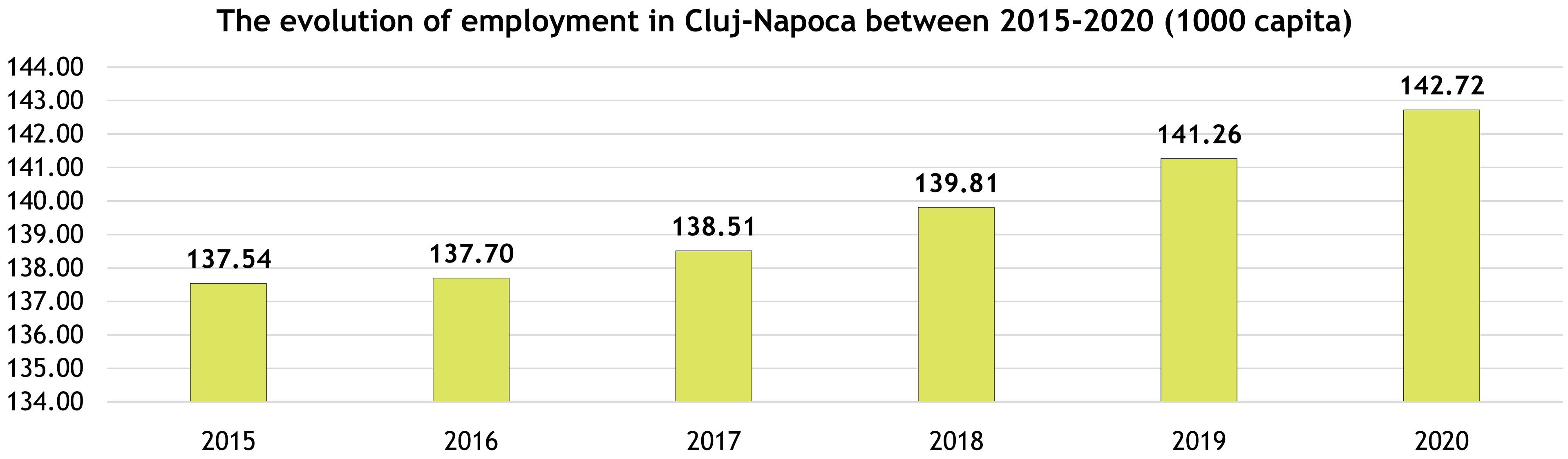


The annual averages in the examined categories were the following, number of newborns:2 209, number of the deceased: 4 130, the spore of natality is at -1 921, the spore of migration is at 1233 and the total spore, combining the previous two is at -688. The main reason for the setback of population by the year of 2020 is the big difference between the number of newborns and deceased. While migration is at a positive level, the rate of natality is a setback.

Source: cnp.ro, cmpg.ro

Cluj employment – forecast (2015-2020)

The rate of employment growth proves to be in correlation with the rate of economical output growth in the city of Cluj-Napoca. Both of them are constantly growing in spite of the fact that the population of the city will drop.

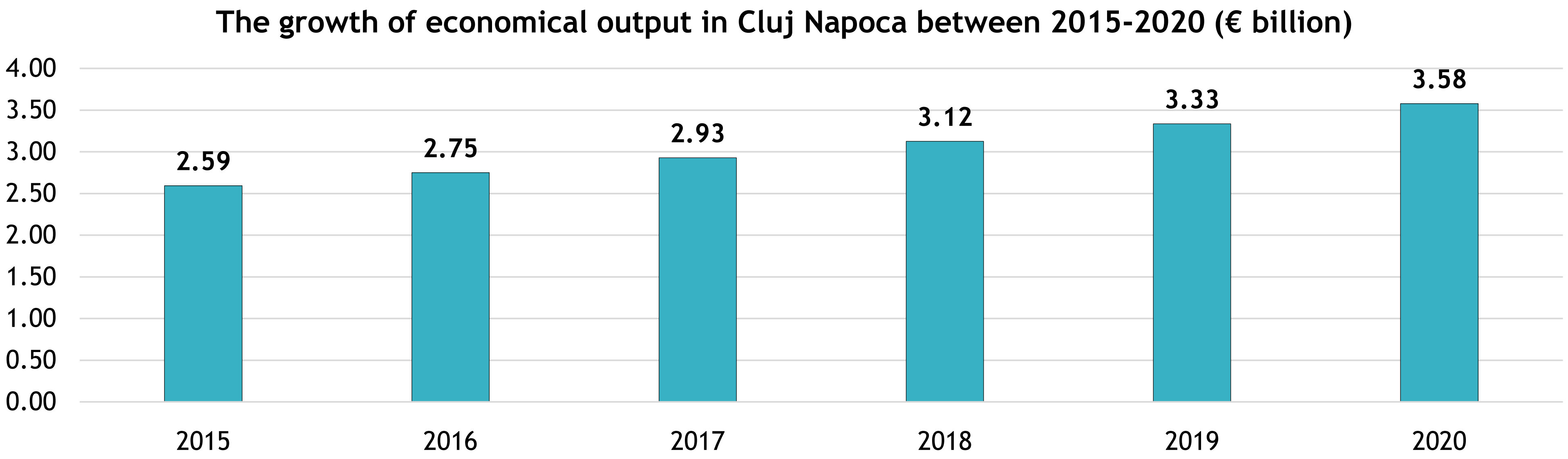


Both categories: the number of employees and the level of economical output in the city of Cluj-Napoca is well above the average of Romanian big cities, which means that Cluj-Napoca is one of the most advanced locations of the country. Not only they are at a high level in the present, but based on the forecast until the year of 2020 both categories will rise continuously, while the population will drop, which is a serious accomplishment.

Source: cnp.ro, cmpg.ro

Cluj GDP – forecast (2015-2020)

The rate of employment growth proves to be in correlation with the rate of economical output growth in the city of Cluj-Napoca. Both of them are constantly growing in spite of the fact that the population of the city will drop.



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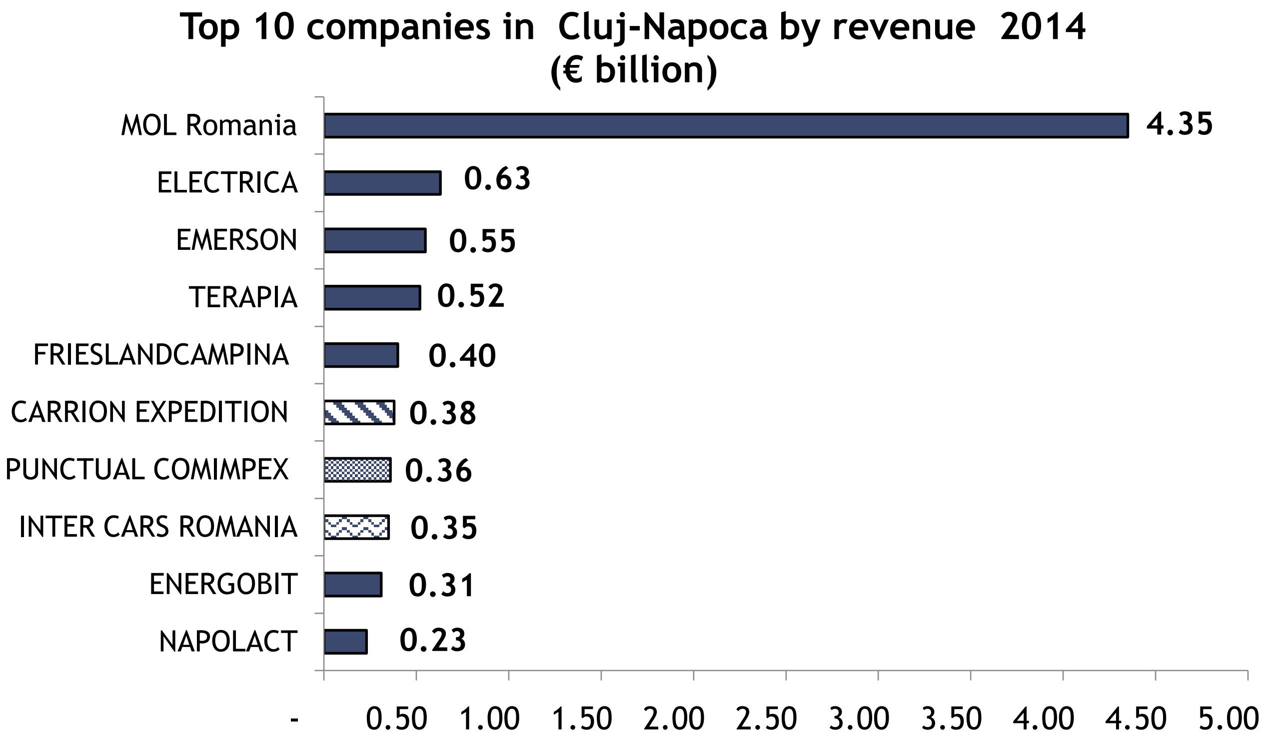
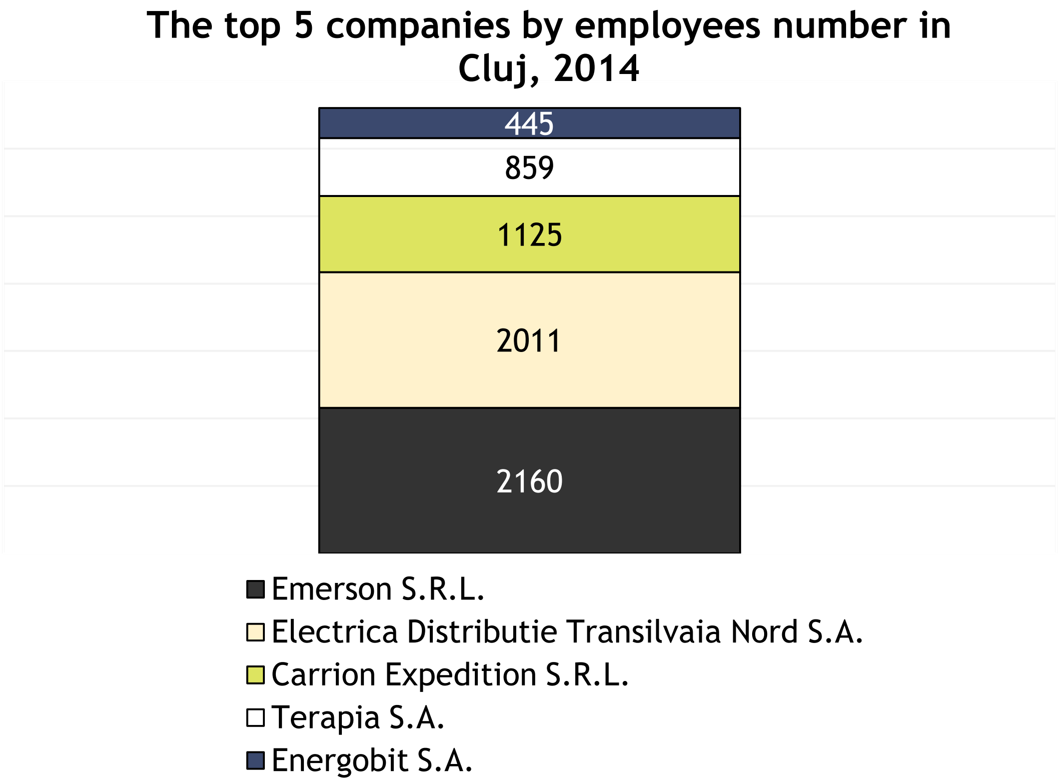
Source: cnp.ro, cmpg.ro

Top 10 companies by revenue – Cluj (2014)

The companies with the highest revenue contribute to Cluj-Napoca's economy, consequently these companies have the most employees as well.



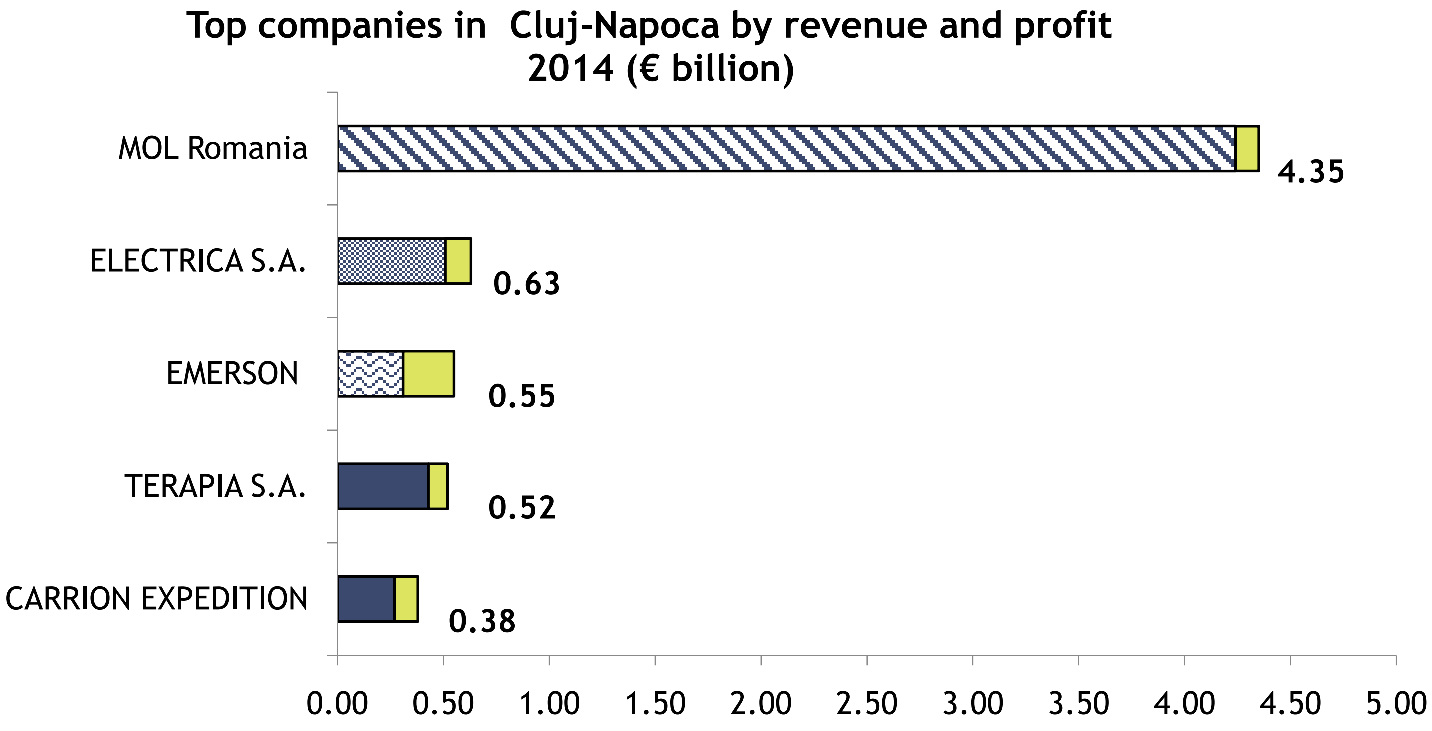


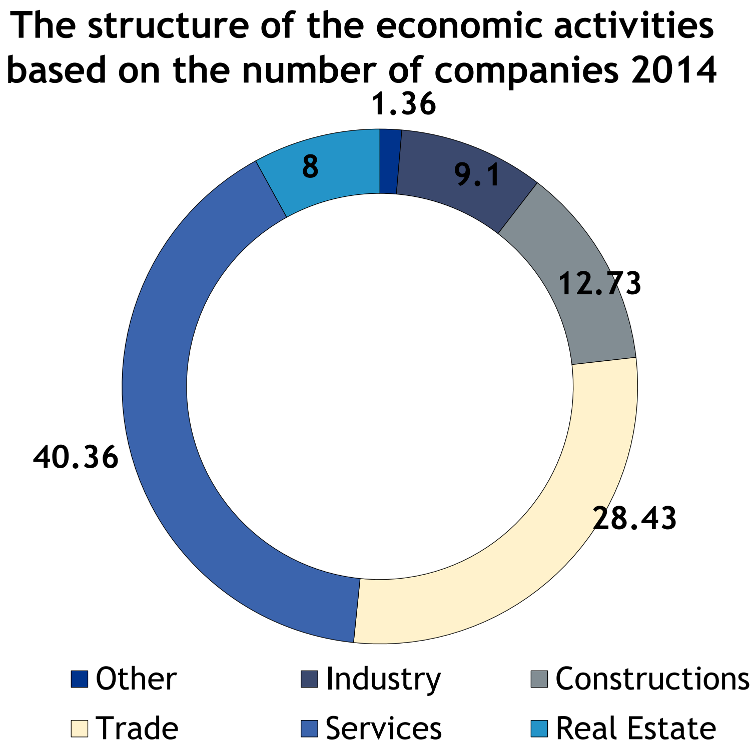
The top employing companies are in the top 10 list by revenue and contribute significantly to the evolution of the real estate economy, because of their contribution to the overall economy and because they attract employees with high salaries.

Source: netanunt.ro, catcostaclujul.ro, www.dailybusiness.ro,

Top 5 companies by revenue - Cluj (2014)

There were 23,081 of companies in Cluj-Napoca, of which the real estate and construction combined put out 21%. The most prominent companies are the ones headquartered in Cluj.





The two most prominent companies in Cluj-Napoca are MOL and BT due to there revenue. These also have their headquarters in Cluj, which raises the city’s GDP.

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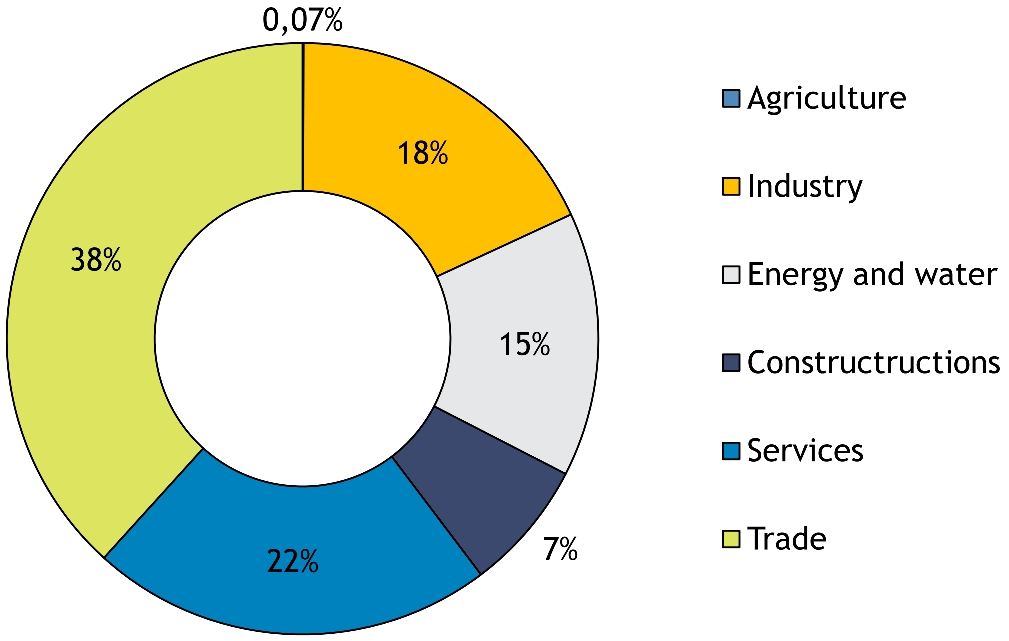
Source: listafirme.ro, clujbusiness.ro, agerpres.ro, monitorulcj.ro, doingbusiness.ro

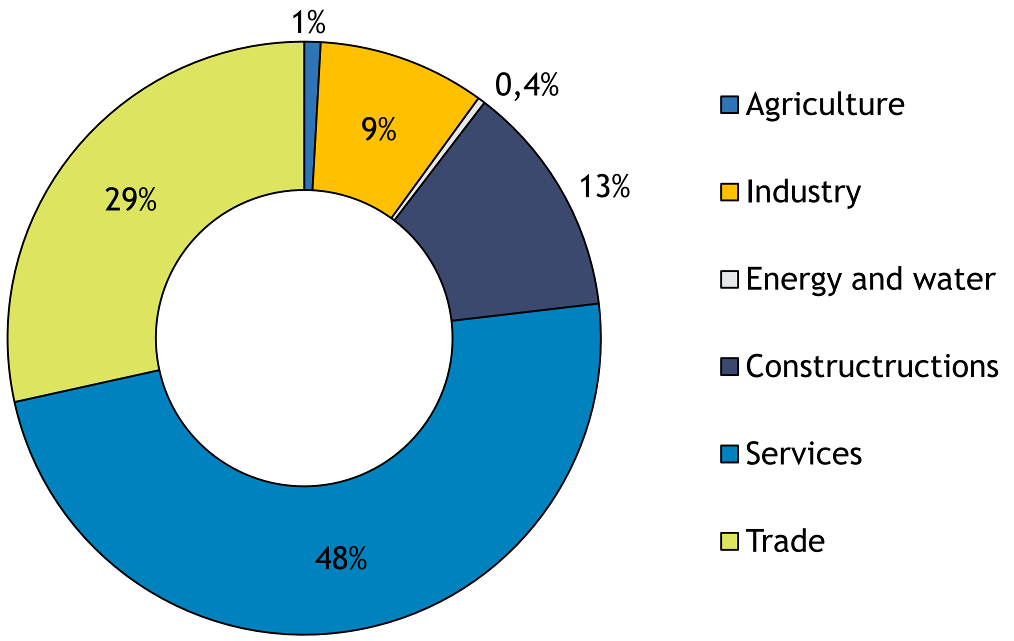
Top industries - Cluj-Napoca (2014)

The largest part of companies operate in the service sector. Scientific and technical activities are dominating, but hospitality, information & communication, and transport are strong pillars, too.

Structure of the economic activities in Cluj-Napoca, based on revenue



Structure of the economic activities in Cluj-Napoca, based on number of companies

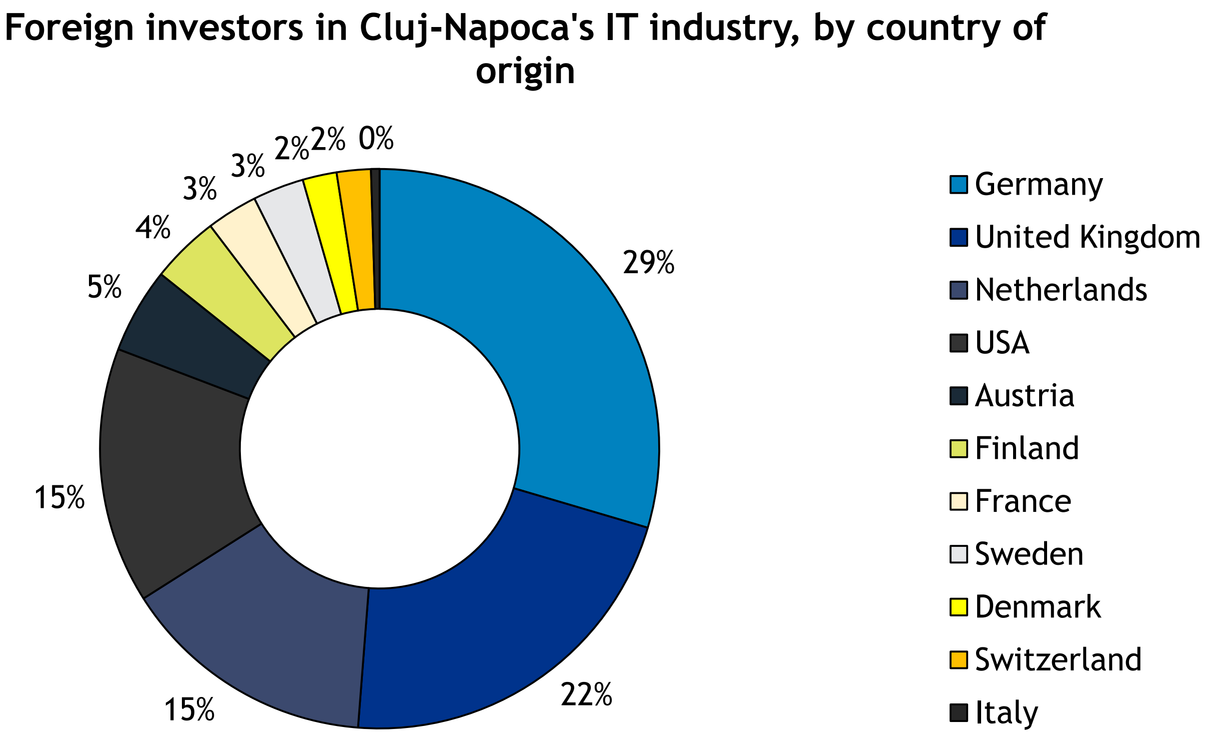


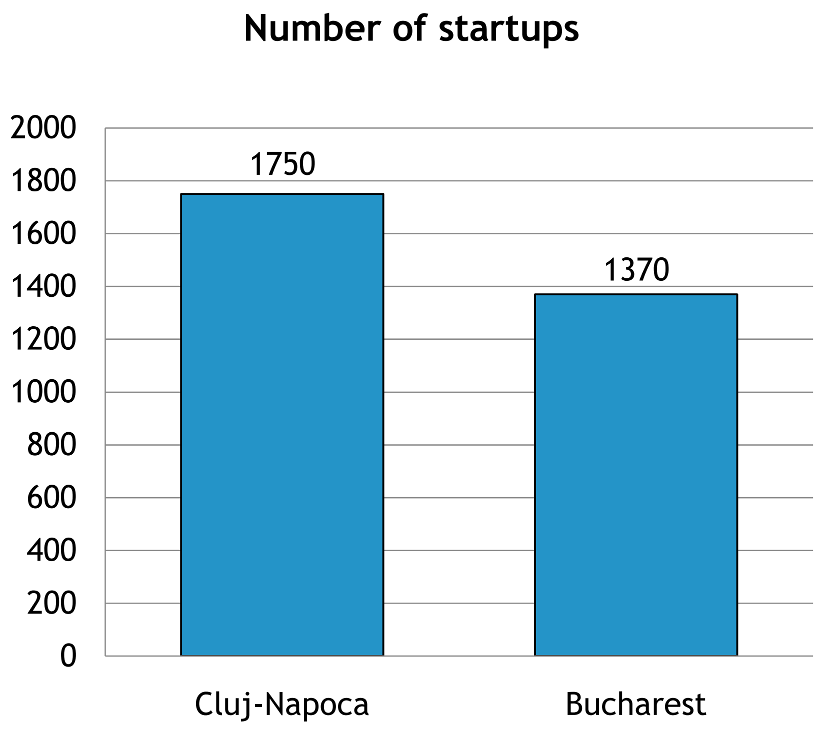
Among the services, IT is the most important in Cluj-Napoca, the commercial activity is closely related to IT and construction.

Source: clujbusiness.ro

Top industries - Cluj-Napoca (2014)

The IT sector is in expansion, foreign investors take on startups, of which Cluj has more than any other Romanian city.



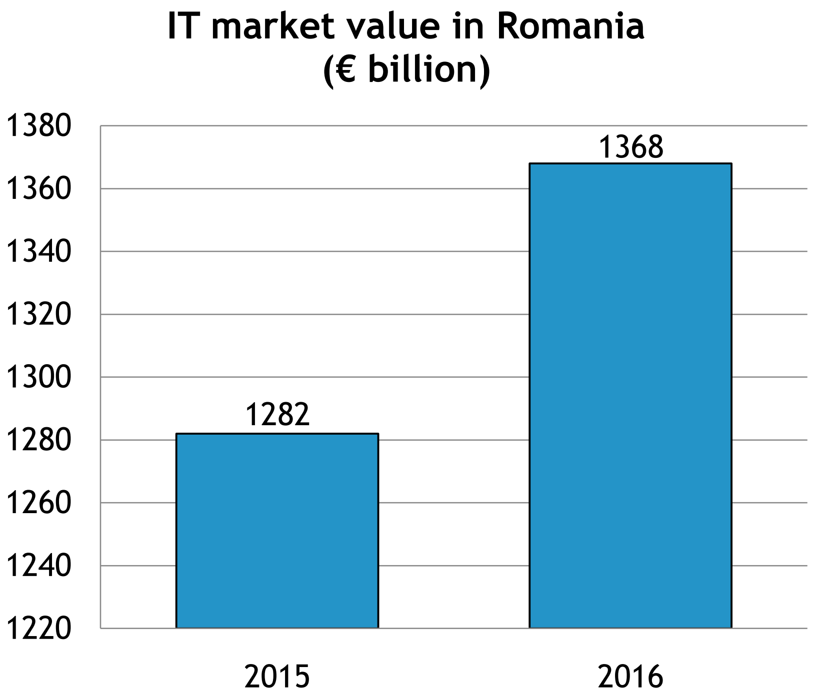


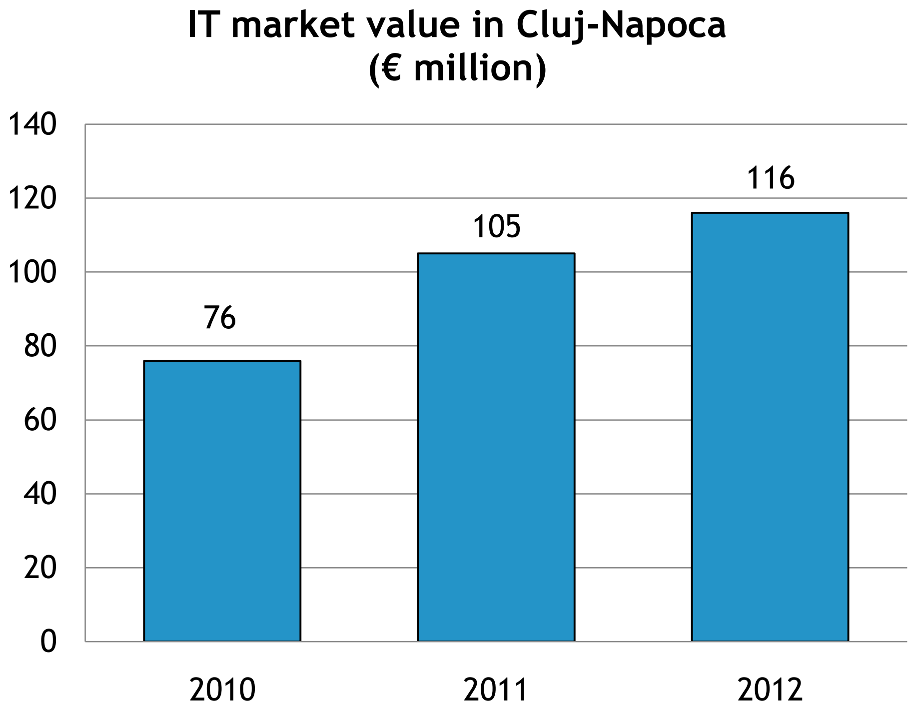
Cluj-Napoca has the highest number of startups in Romania. The IT market is in full swing, as many foreign investors, mainly German and English, venture into the city. The investors have a strong influence on the startup culture, too.

Source: zf.ro

ICT industry - Cluj-Napoca (2010-2015)

The IT sector is expected to continue its growth.





Near Emerson and Fujikura, SoftVision is one of the biggest companies in the city. SoftVision will lead in growth speed. In 2012 Fujikura Automotives had 3000 employees. The hospitality industry's growth is driven by the growing number of leisure and business tourists.

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Source: doingbusiness.ro ziardecluj.ro codespring.ro

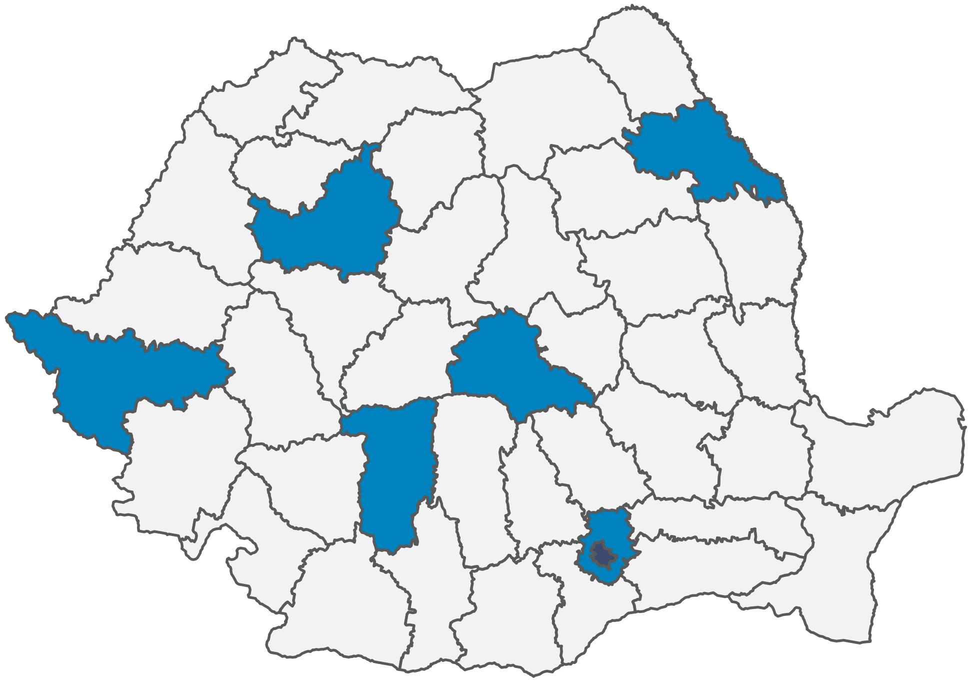
IT & SSC – Romania (2014)

Cluj-Napoca's dominant industries are the following: IT, hospitality, construction, manufacturing and commerce.

Cluj-Napoca:
Hot spot in Romania for IT and BPO services
Romanian Silicon Valley.

Timisoara:
Well-developed.
IT sector expected to grow.

Ramnicu Valcea:
German IT investors.



Iasi:
Great pool of graduates.

Brasov:
Chosen as secondary office by big companies.

Bucharest:
Concentrated, it captures more than half of the total IT workforce.
70% of largest companies reside here.

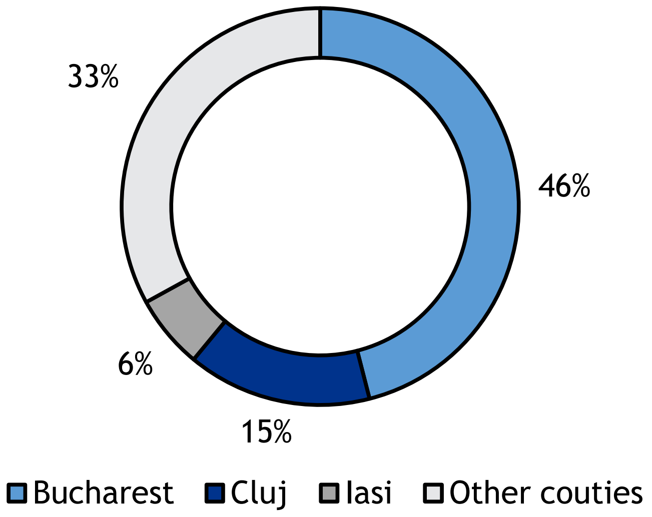
There are 250 IT companies in Cluj-Napoca, with 9000 employees. 100 of these are working on software development. Some forecasters says that by 2025 Cluj will become the Romanian Silicon Valley, with thousands of employee in the Fret Valley, a 300 acre territory for IT companies.

Source: zf.ro accessyouth.eu dilemaveche.ro romania-insider.com ziardecluj.ro erdelyinaplo.ro minind.ro fortech.ro doingbusiness.ro

IT & SSC – Romania (2014)

There are 13.800 companies, 75.500 employees in the Romanian IT sector, generating €4 million revenue in 2014

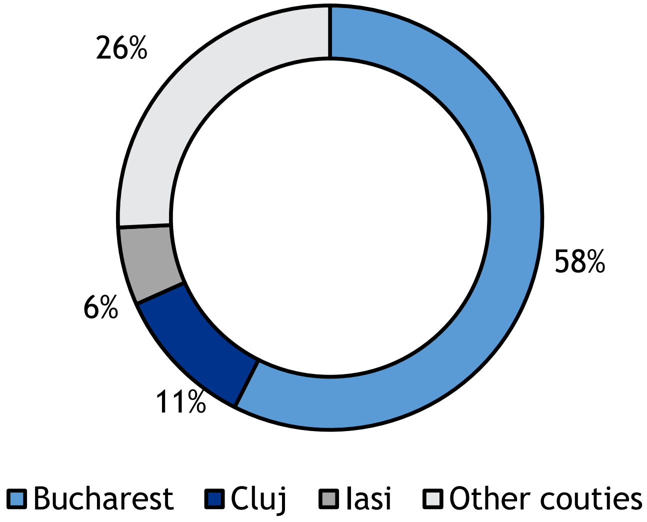
The distribution of Top 3 employing counties, 2014 (%)



The IT industry is the largest generator of businness and jobs in Romania and is growing.

The average net salary in the IT sector was 600 €/month.

The distribution of Top 3 profitable counties, 2014 (%)

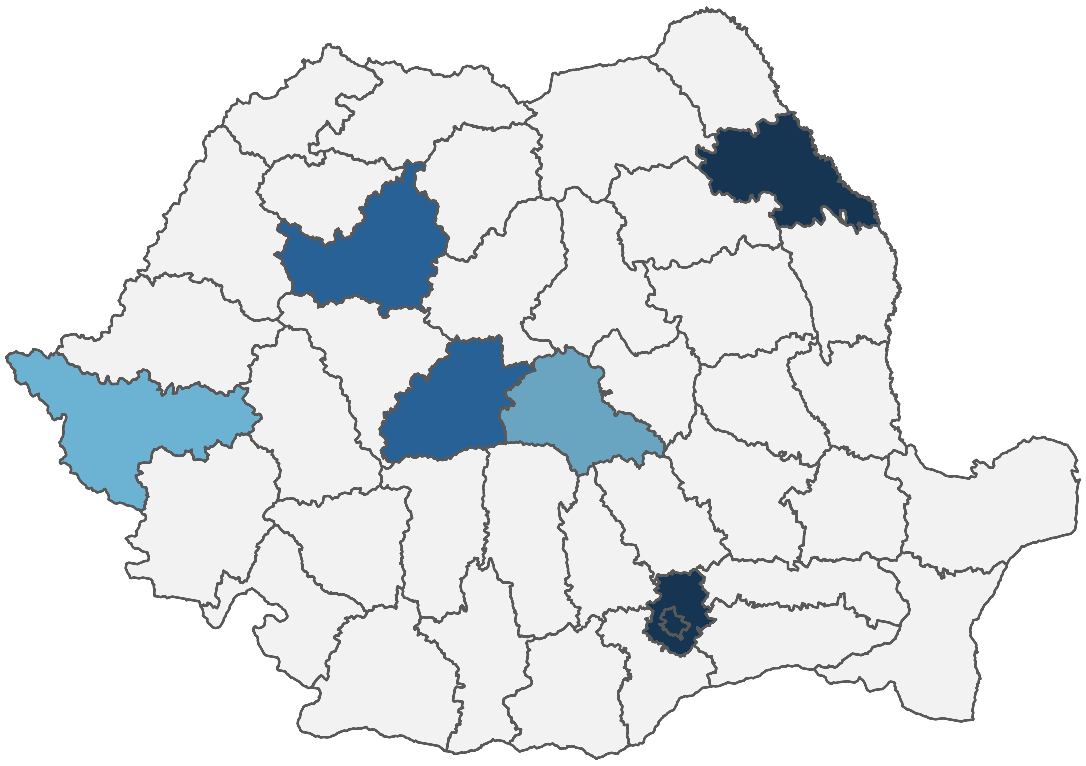


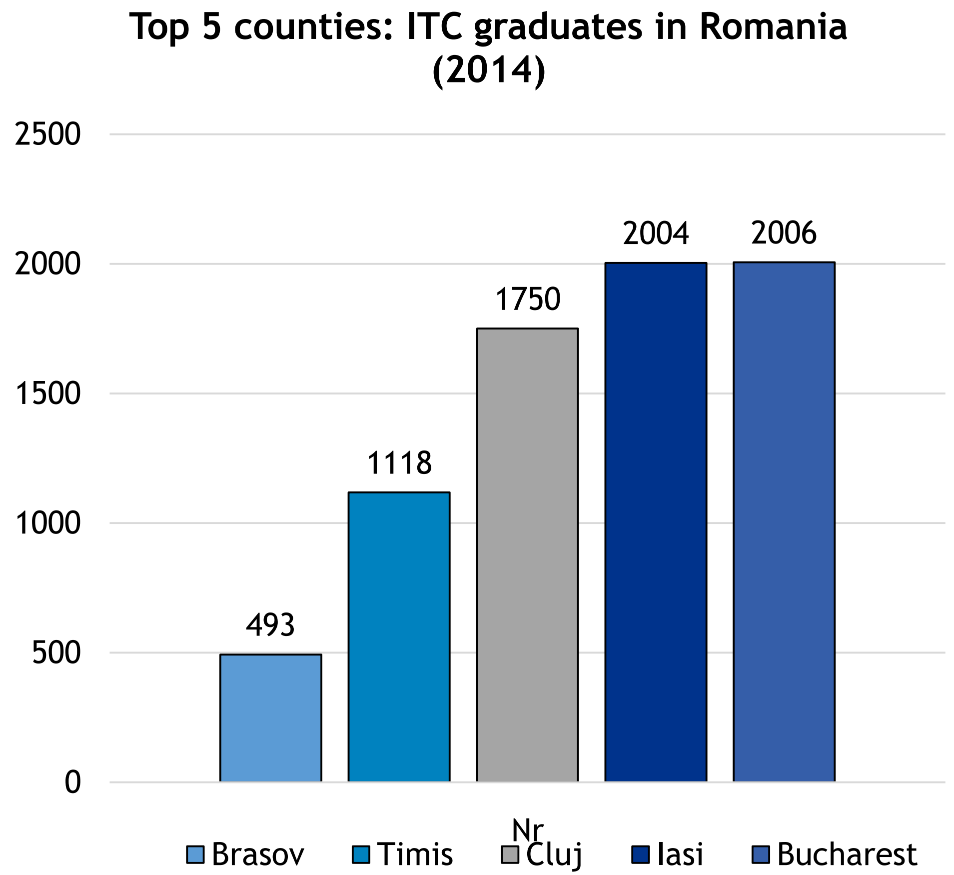
The Shared Service Center market in Romania is not a new one, it started growing in 2004 when companies like Oracle and then HP, Microsoft, Endava, EON, Deutsche Telecom, Office Depot, Temenos, Stefanini and many others set up their service centers in Romania in different cities like Bucharest, Cluj, Iasi, Timisoara, Brasov and Sibiu.

Source: euroactiv.ro, outsourcingadvisors.ro

University graduates - Romania (2014)

The following counties provide over 7.000 IT & C graduates per year.





27% of bachelor & master students start obtaining tehnical certifications while attending college.

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Source: brainspotting.ro

The influence of the students on the market

In 2015 Cluj had around 80.000 students with only 12.000 places in dorms. The demand for apartments is always much higher in September, when the universities starts, causing higher rental prices.

The influence of the arriving students in September on rental prices, 2015, Cluj-Napoca

	Bed-sitter	Two bedroom	Three bedroom	Luxury Apart.
Before September	140 €/M	200 €/M	350 €/M	600 €/M
STUDENTS ↓				
After September	200 €/M	300 €/M	400-450 €/M	750-800 €/M

The highest demand is for apartments with **two** and **three bedrooms** situated near the universities. In this time of the year the demands for apartments are increasing almost **30%**.

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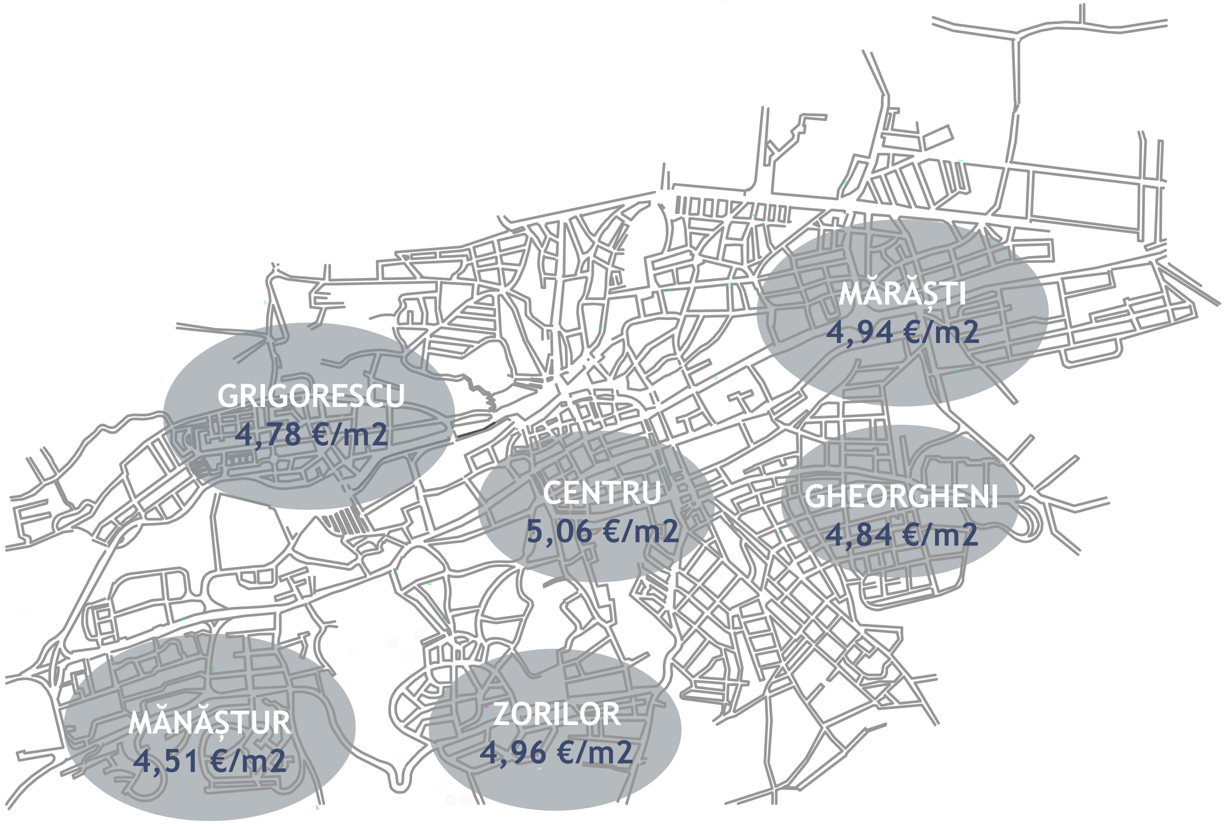
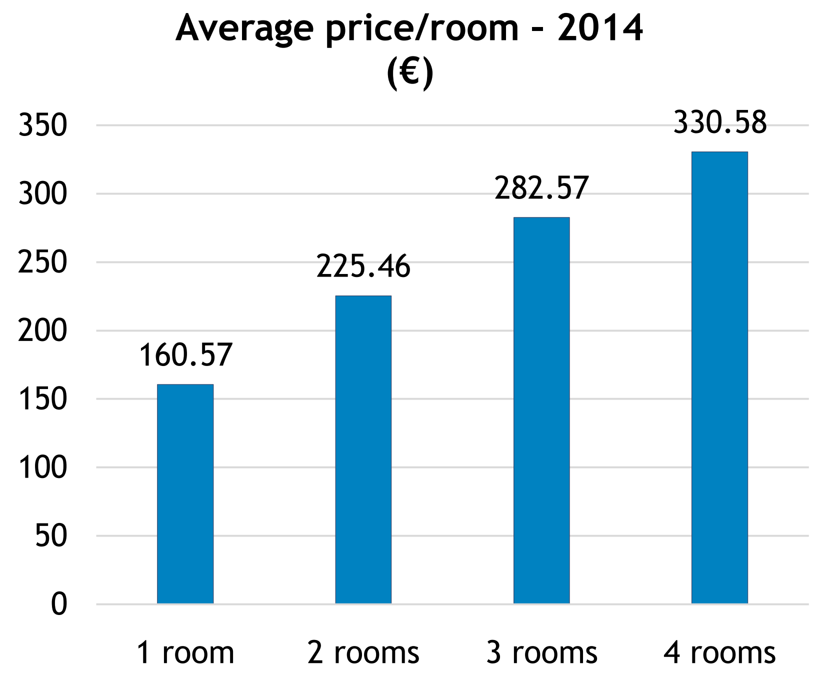
Source: catcostaclujul.ro; monitorulcj.ro

Residential real estate in Cluj-Napoca (2014)

Prices of residential real estate by number of rooms and location in 2014.



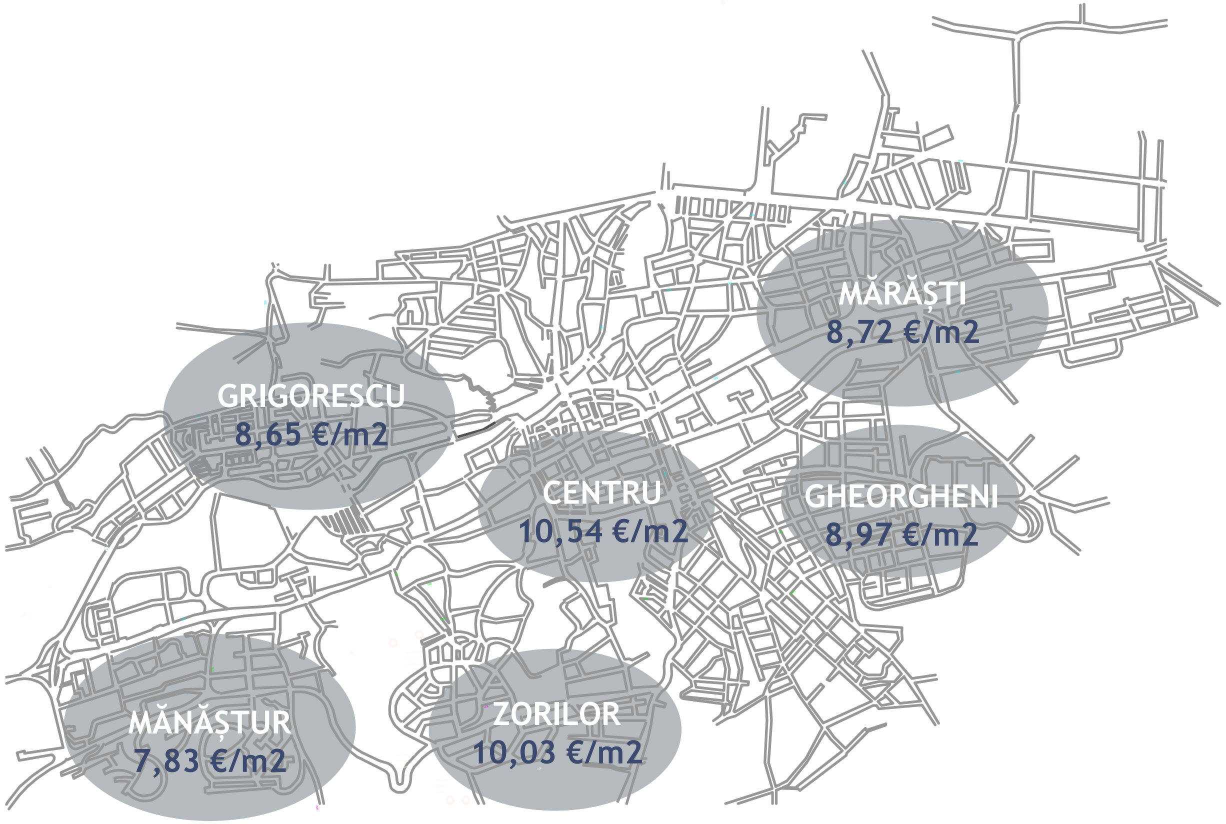


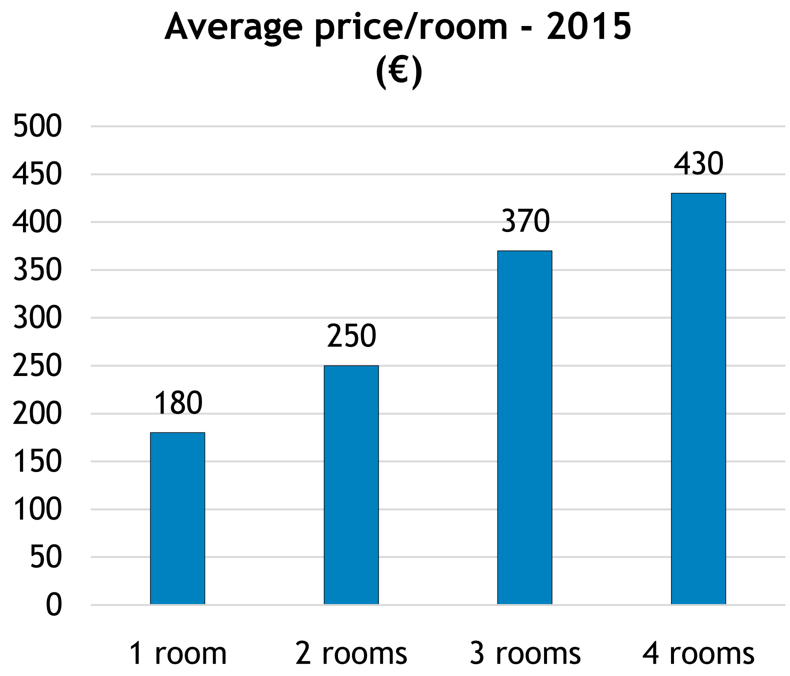
The highest average rent is in the city center, 5.06 €/m^2, while the lowest average rent is in the Manastur district, 4.51 €/m^2.

Source:transindex.ro

Residential real estate in Cluj-Napoca (2015)

Prices of residential real estate by number of rooms and location in 2015.





The highest average rent is in the city center, 10.54 €/m^2, while the lowest average rent is in the Manastur district, 7.83 €/m^2.

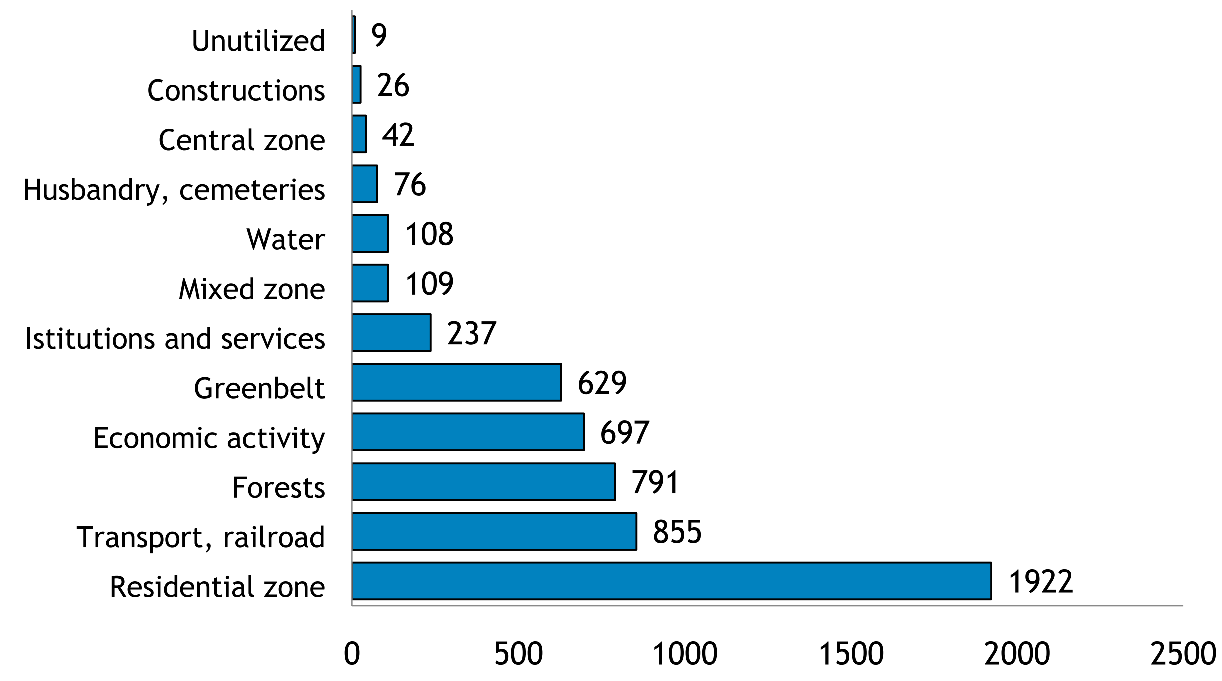
Gazdasági Tanácsadó Klub

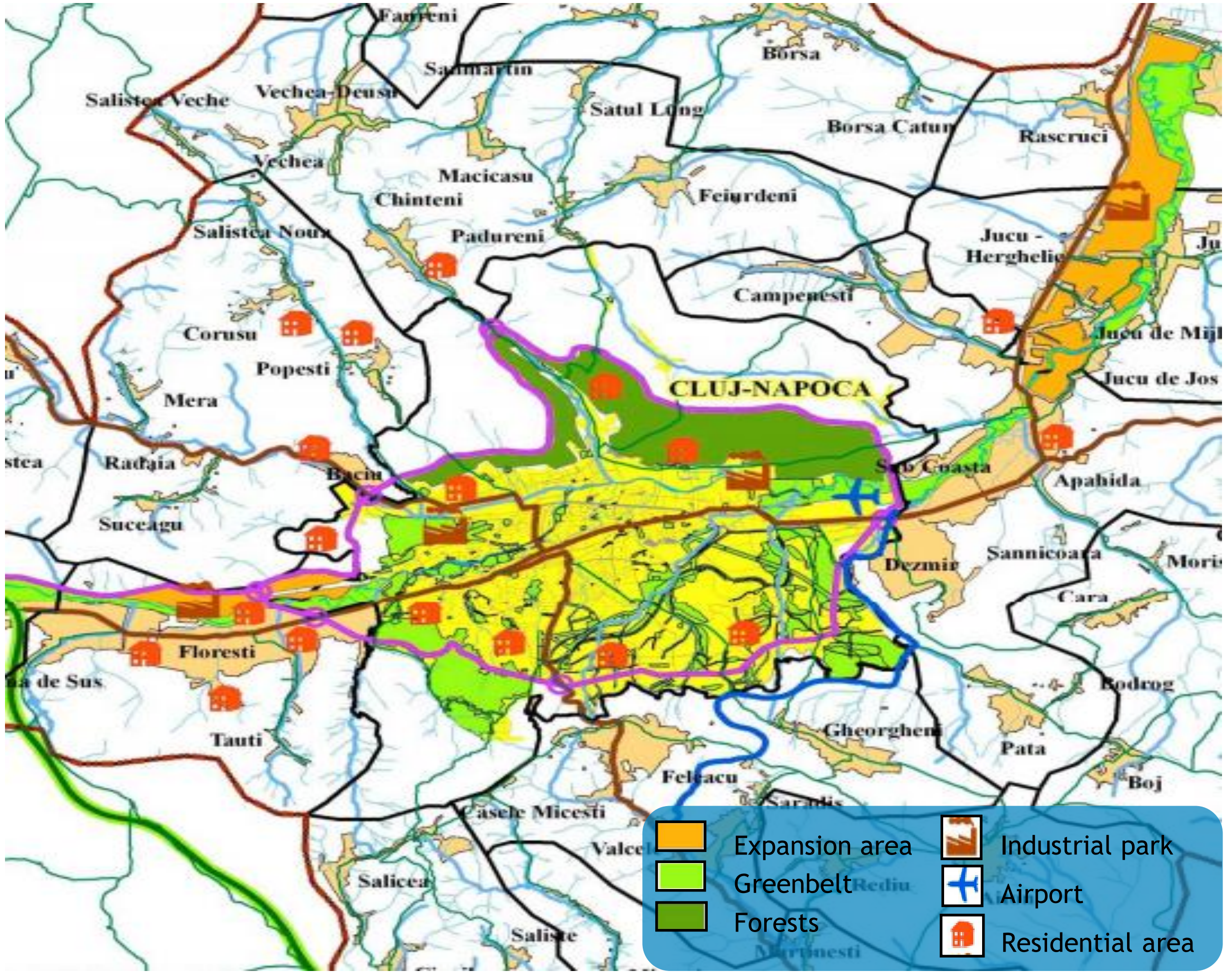
Source:imobiliara.ro

Territorial distribution in Cluj Napoca (2014)

The total size of zones in Cluj is 9784.65 ha. By surface the residential zone is the biggest one, followed by the mixed zone, which includes several services, commerce, then come offices and areas aimed at tourism

The size of zones in Cluj-Napoca (ha)



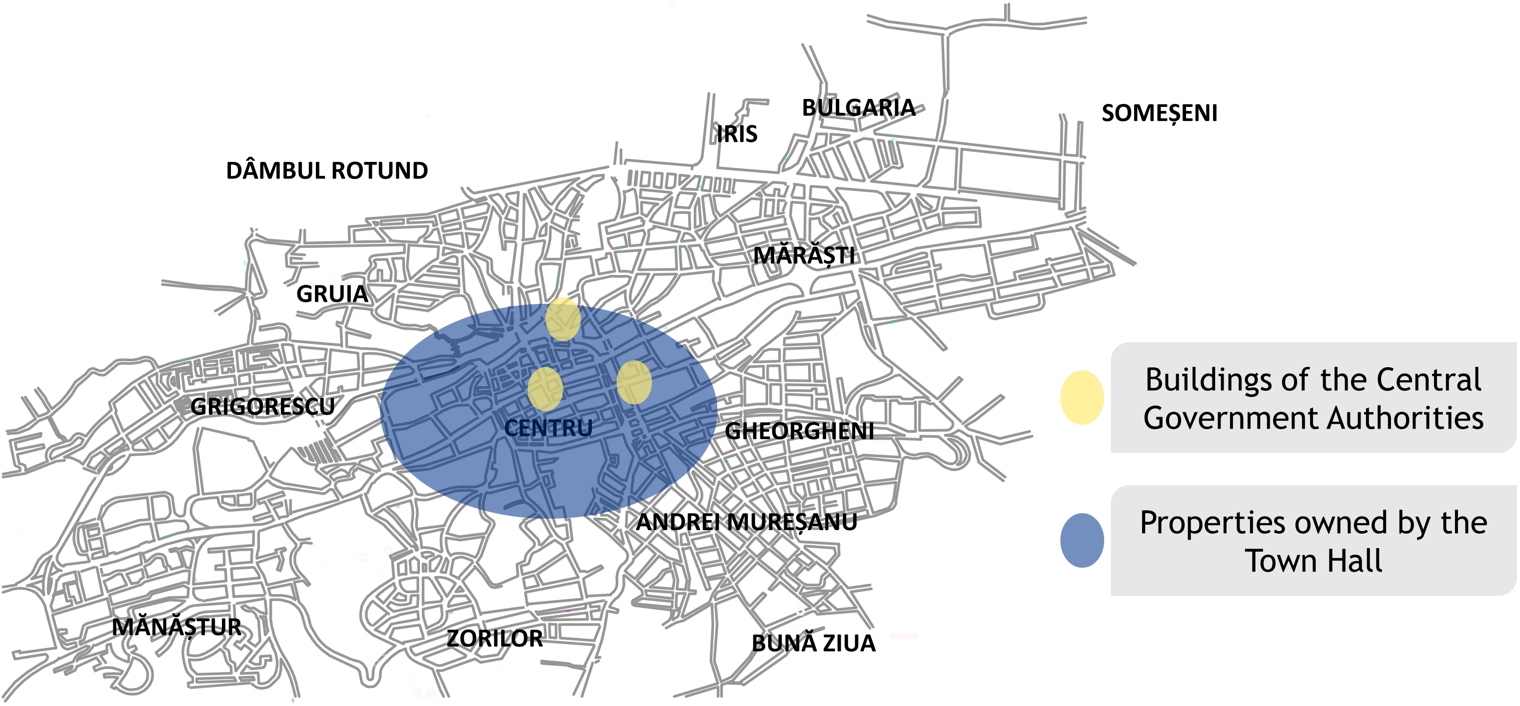


In Cluj the share of the agricultural territories is the biggest, **43,75%** of the total size. It is followed by the residential zone with **19,64%.**

The influence of the Town Hall on the real estate market in Cluj (2014)

The Town Hall of Cluj Napoca has 99 properties in downtown, a total of 8000 sqm, and leases these ultra central properties to currently 75 foundations and associations for only 0.11 €/sqm.

The locations of the central properties of the Town Hall in Cluj Napoca and the buildings of the most important Central Government Authorities



The Town Hall of Cluj Napoca also pays almost **0,9 million €** for rent in every year. The biggest part of the rent payment goes to the Unitarian and Reformed Churches, and the rest for schools and kindergartens.

GTK Gazdasági Tanácsadó Klub

Source: monitorulcj.ro; ziardecluj.ro; ziarulfaclia.ro

Cluj Innovation City

Cluj Innovation City is an integrated urban development project initiated by Cluj IT Cluster which is estimated to occupy an area of 200 hectares at Lomb, Cluj-Napoca.

Cluj Innovation City's projects:

- Information technology & Communication
- BIO Economy
- Healthcare
- Energy efficiency & Environment protection

Consiliul Judeţean Cluj's projects:

In the next period will be continued more intensively the modernization works of 1214,154 kilometers of county roads.

At the same time will continue the modernization and expansion projects of the International Airport of Cluj-Napoca.

The entire program is estimated at 500 million €, financing being provided from combined sources.

Around 20.000 people will be employed in the next 15 years within this project.

Source: Clujinnovationcity.com, cpmg.ro, hotnews.ro

Projects developed by the local government in Cluj-Napoca until 2020

There are many important companies that moved to Cluj-Napoca, and it is expected that the number of these companies will grow even more, that is why there are building more and more industrial parks and buildings.

The total cost of the project is 10.5 mil. €os, of which 5,5 mil. €os are non-refundable.

The amount of time for this project is not determined yet, but is in the timespan of the following 5 years.

- To create space for companies which provide specialized services
- Develop communication between public spheres

Source: clujbusiness.ro

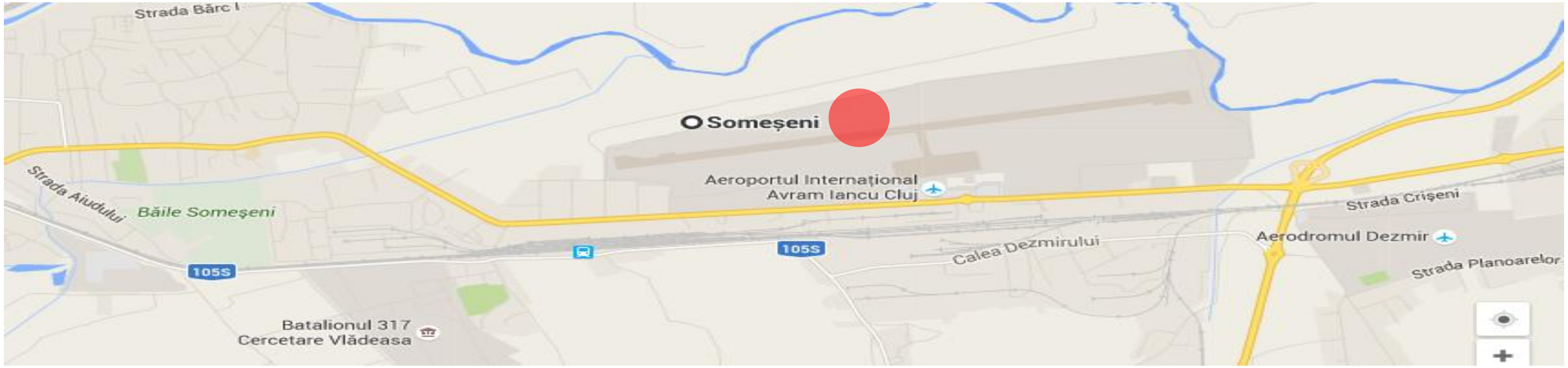
Projects developed by the local government in Cluj-Napoca until 2020

There are many important companies that moved to Cluj-Napoca, and it is expected that the number of these companies will grow even more, that is why there are building more and more industrial parks and buildings.

The total cost of the project is 10.5 mil. €os, of which 5,5 mil. €os are non-refundable.

The amount of time for this project is not determined yet, but is in the timespan of the following 5 years.

- Logistic park for companies which provide specialized services
- Develop communication and technology transfer to ameliorate companies

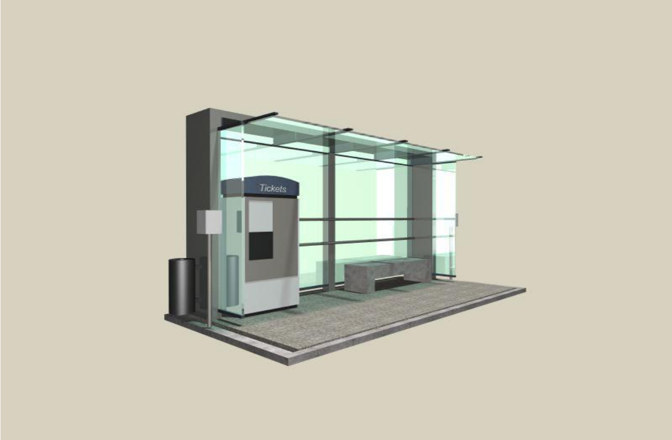


GTK Gazdasági Tanácsadó Klub

Source: clujbusiness.ro

Projects developed by the local government in Cluj-Napoca until 2020

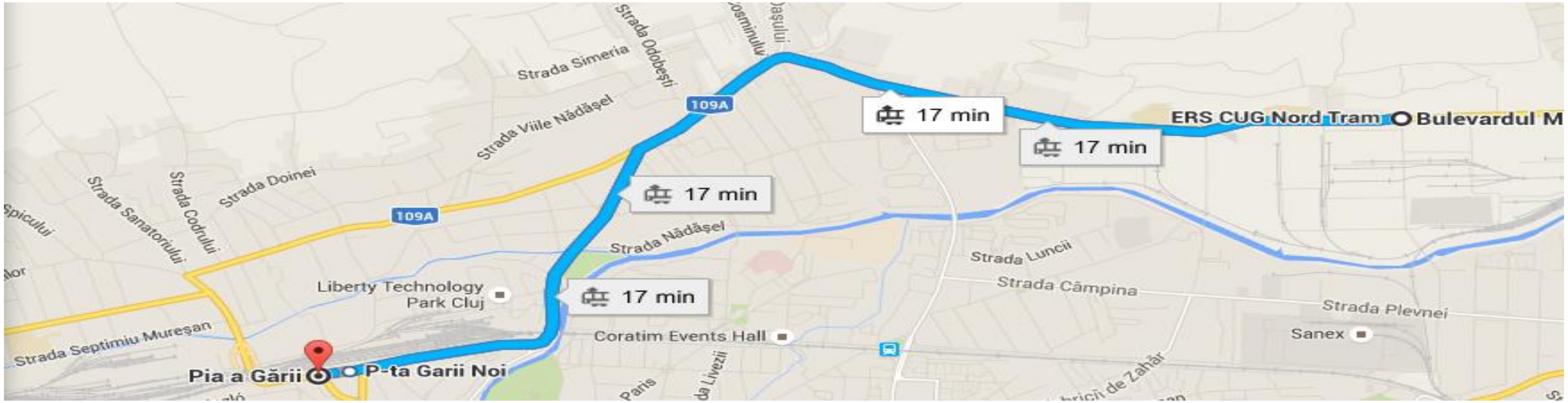
The projects, which develop the infrastructure regarding transport are one of the most important in Cluj-Napoca but also in the country. Cluj-Napoca is one of the most advanced cities in this area and continues to develop.



The total cost of the project is 20 mil €os, of which 15,4 mil. €os are non-refundable.

The total amount of time projected for the tramcar line renewal is 46 months. It is expected to be completed by 2018.

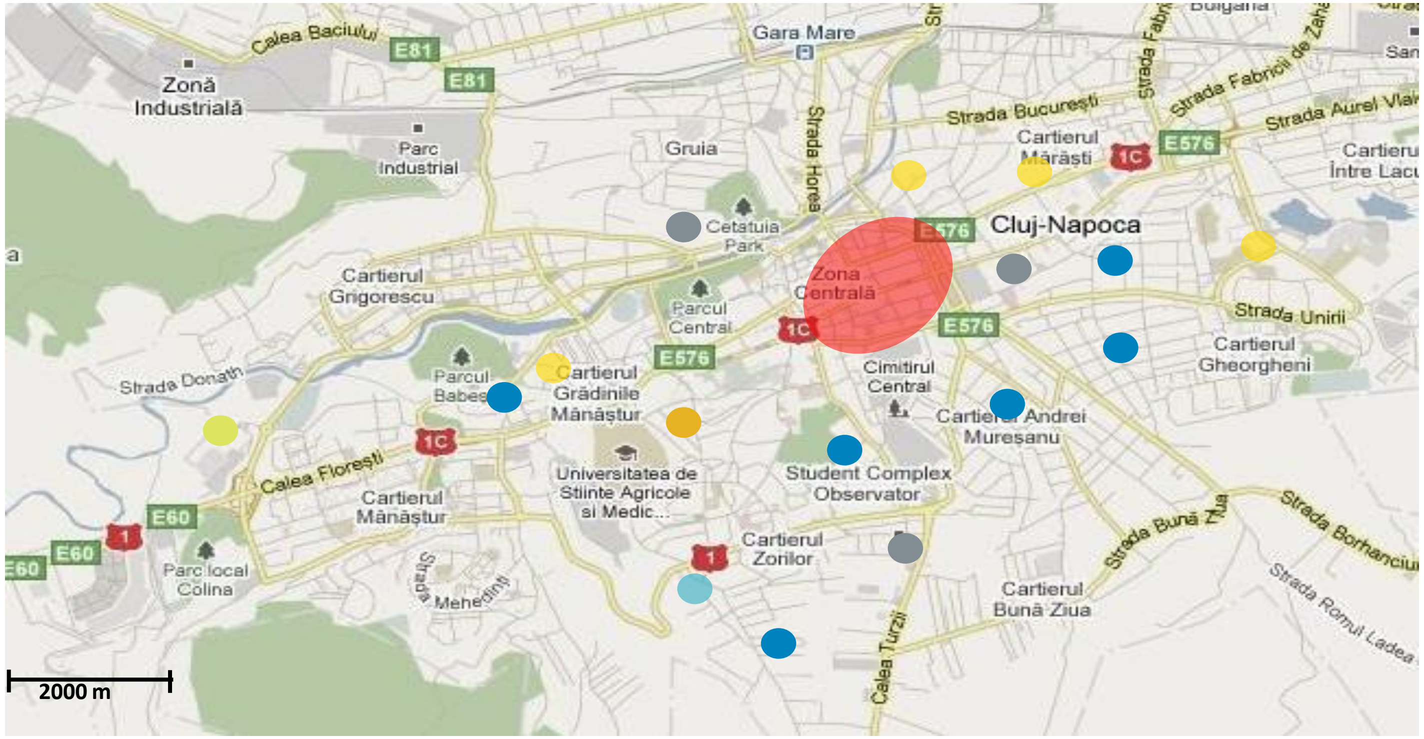
- 14,18 km tramcar line renewal – whole road network
- Creation of 402 square meters green area
- 3 new stations



Source: clujbusiness.ro

Special zones - Cluj Napoca (2014)

By surface the residential zone is the biggest one, followed by the mixed zone, which includes several services, commerce, then come offices and areas aimed at tourism.



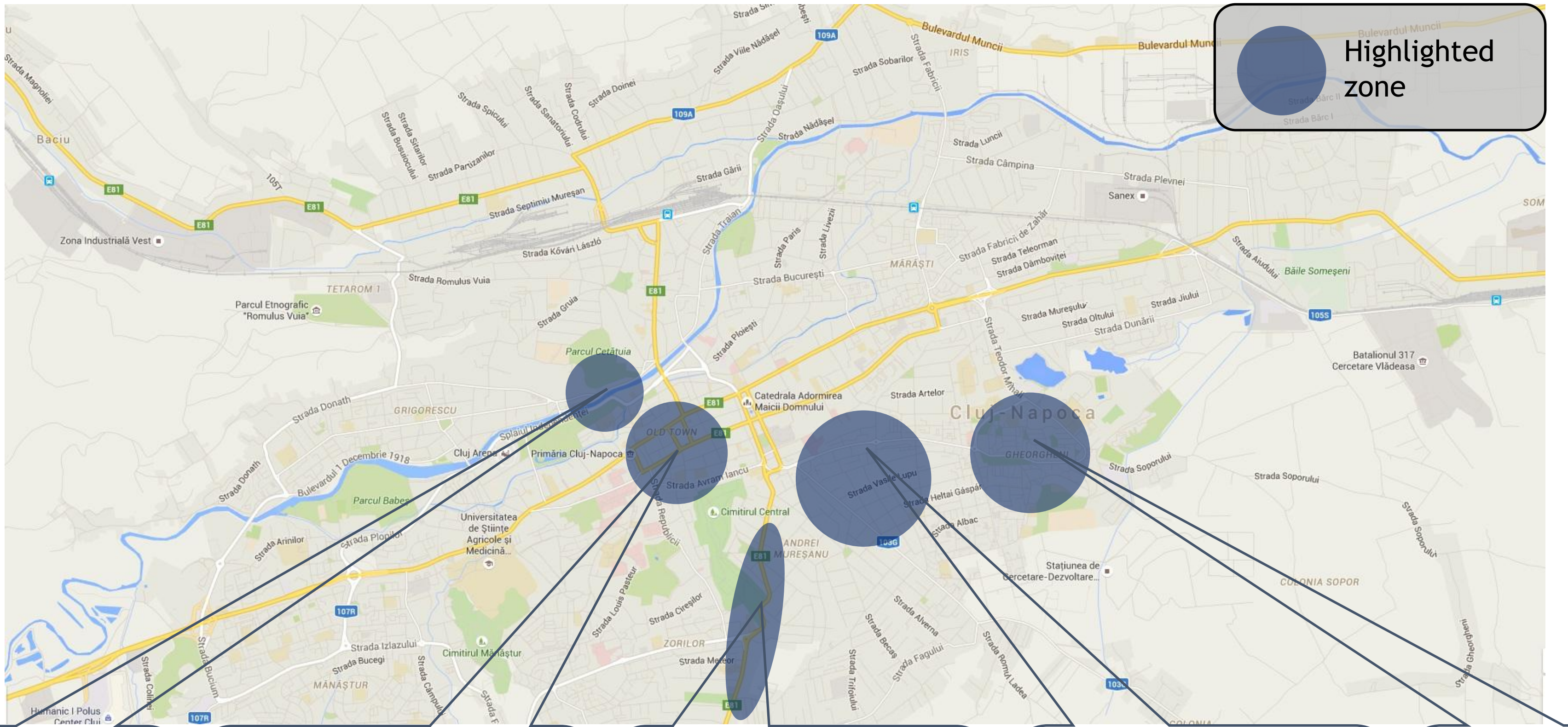
- Central zone
- Mixed zone (residential, services, trade)
- Residential zone
- Services, commerce, offices, tourism
- Economical act.: Retail, cash&carry, showroom
- Husbandry, services
- Services, student dormitory

The residential zone in Cluj Napoca has a size of 1922.24 ha.

Source: primariaclujnapoca.ro

Luxury residence locations in Cluj-Napoca (2015)

The luxury residences in the city are very similar in terms of price and size. A portion of villas are used as pensions due to their high number of rooms.



Center (Somes)
5500 €/mounth
420 sqm
11 rooms
With 2 terrace/8 sqm

Center
4800-5000 €/mounth
420-520 sqm
Circa 9-10 rooms
800 sqm court

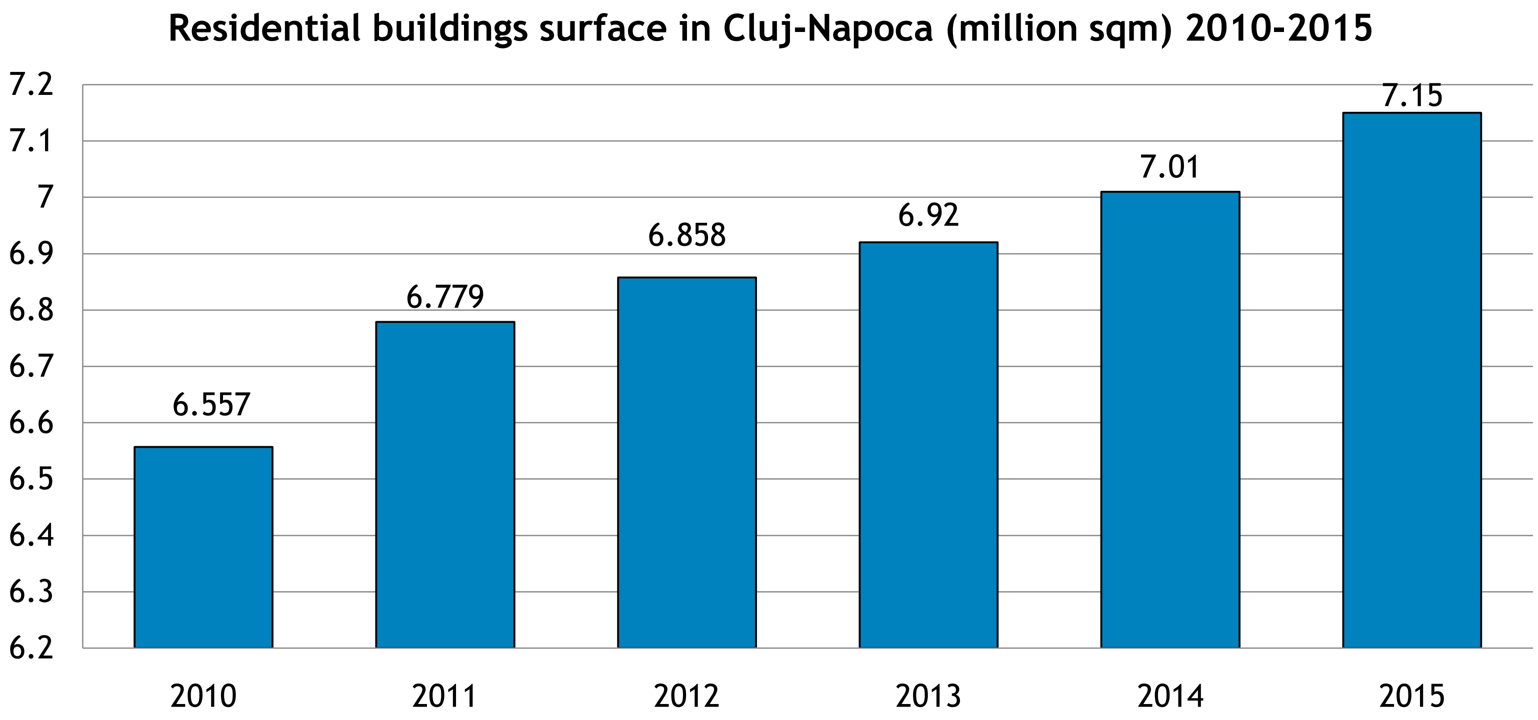
Calea Turzii
5000 €/mounth
550 sqm
13 rooms

Andrei Muresanu zone
5000 €/mounth
700 sqm
500 sqm court

Gheorgheni zone
4000 €/mounth
410 sqm

Residential sector by GFA (2010-2015)

The total surface of residential buildings has increased in the past years.

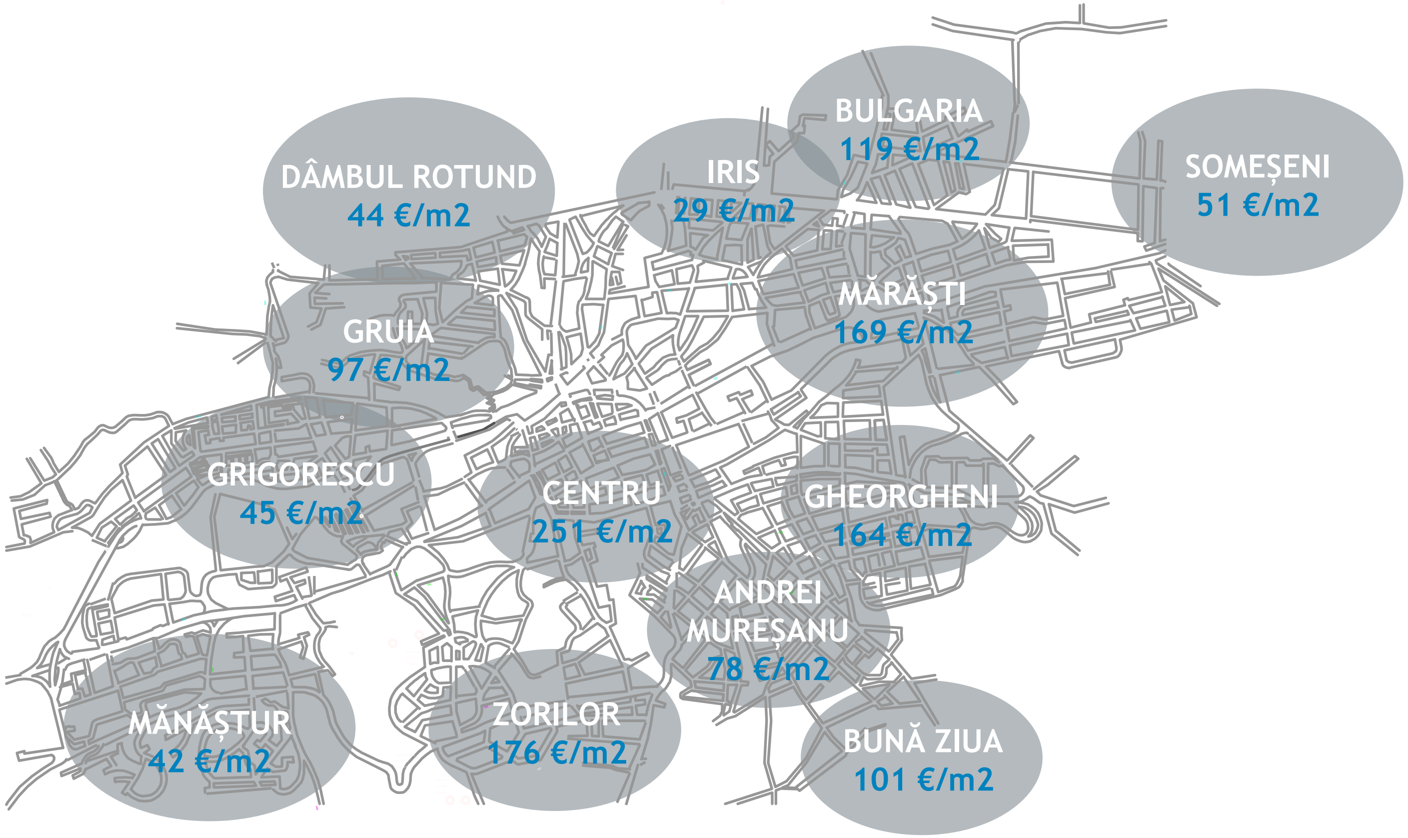


The population of Cluj-Napoca has not increased by a significant amount, but the average habitable area per person increased from 21,8 sqm/head to circa 23,6 sqm/head. In low density residential areas the rate of green spaces is higher.

Source: primariaclujnapoca.ro

The price of land in Cluj Napoca (2014)

In 2014 there were 383 lands sold, 318 thousand m² with a total value of €15.8 million.



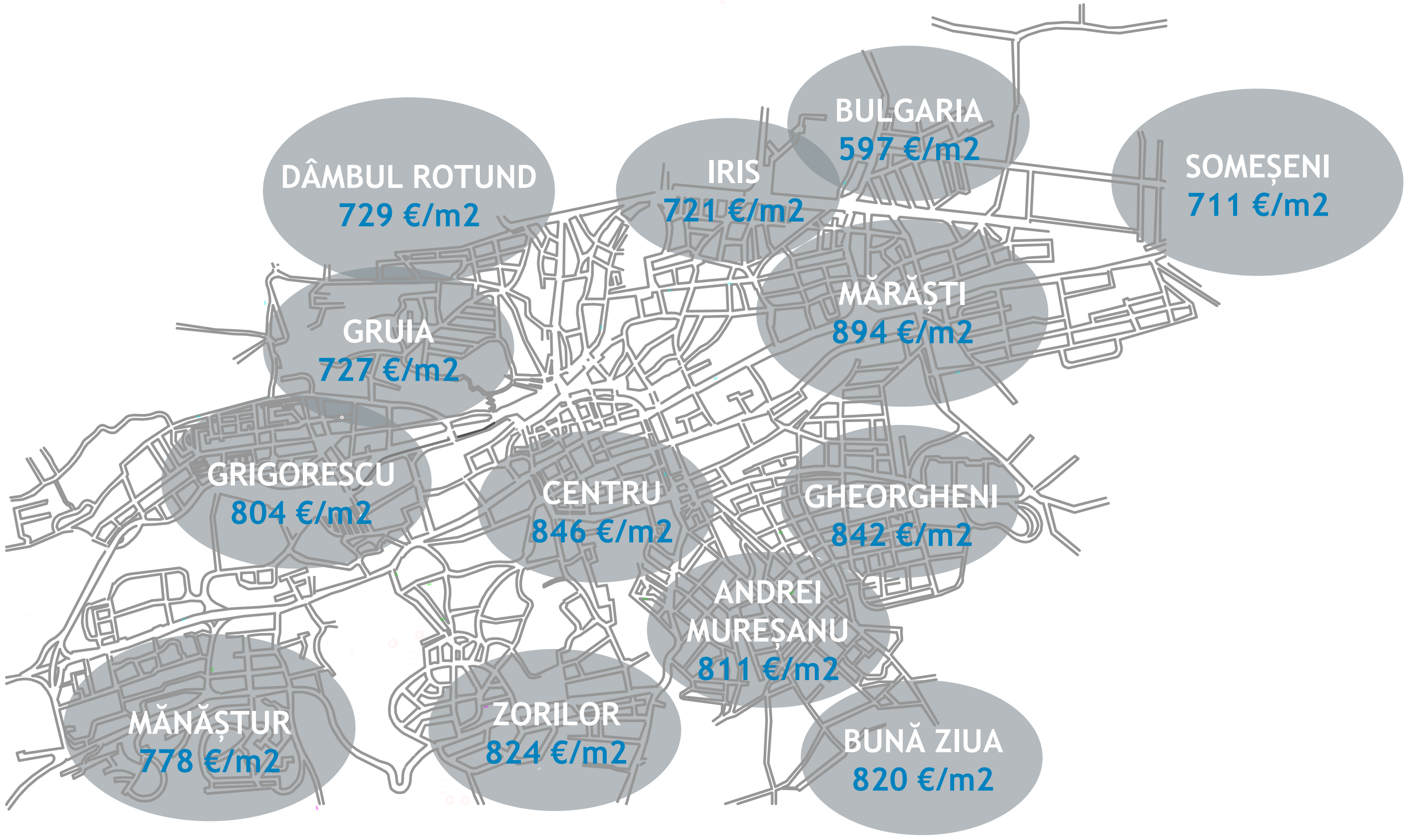
The highest prices of land are in the **central zone**, with **251 €/m²**. The lowest prices were registered in the **Iris** district, with a difference of **222 €**.

The medium cost is **50 €/m2.**

Source: primariaclunapoca.ro

The price of estates in Cluj Napoca (2013)

Between May and December 296 territories were sold, along with 181 houses, 2455 apartments and 392 different buildings and parking places.

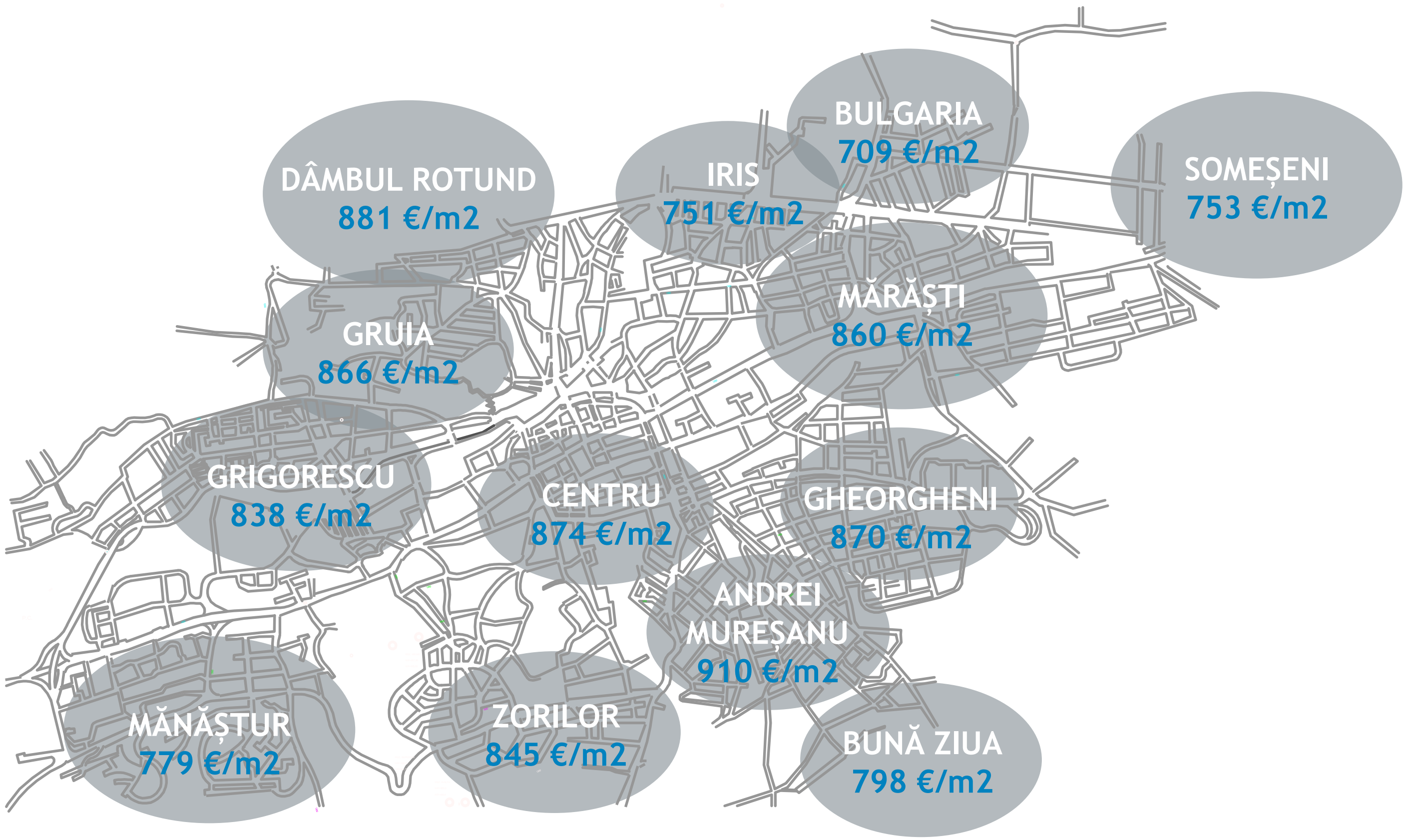


The highest prices of estates are in the **Mărăști** district, with **894 €/m2**. The lowest prices were registered in the **Bulgaria** district, with a difference of **297 €**.

Source: penzcsinalok.transindex.ro, zf.ro, primariaclujnapoca.ro

The price of estates in Cluj Napoca (2014)

In 2014 there were 383 territories sold, along with 363 houses, 3749 apartments and 1860 different buildings and parking places.



The highest prices of estates are in the **Andrei Mureșanu** district, with **910 €/m2.** The lowest prices were registered in **Bulgaria**, with a difference of **201 €.**

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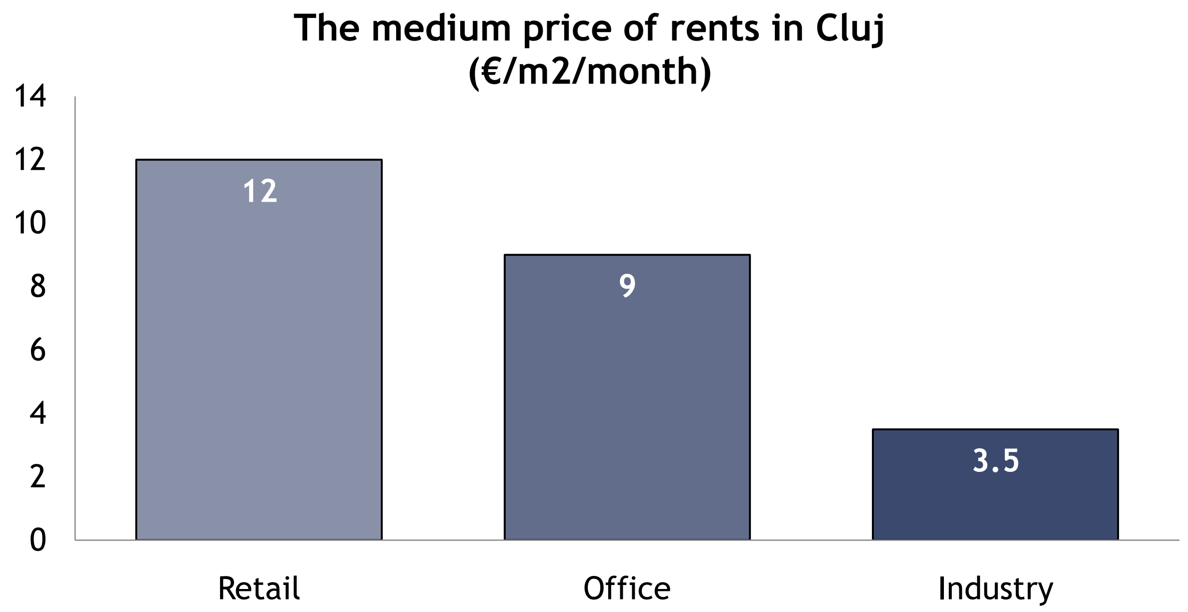
Source: primariaclunapoca.ro

The level of rents - Office, commercial and industrial market (2014)

Rental levels across the country remained constant throughout 2014. The highest prices were registered in the commercial sector, the lowest in the industry market.



The average rent of the commercial, office and industrial markets is **8,2 €o/m2/month**.

The rent in the industrial market is only **29,2%** of the one in the commercial market.

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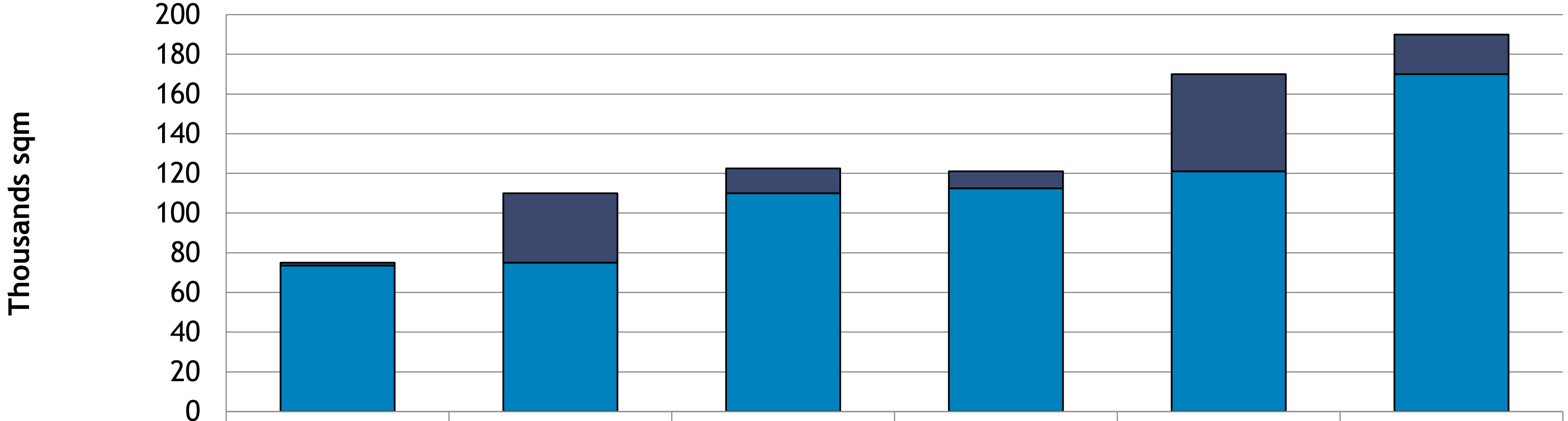
Source: realestate.bnpparibas.com, lpg-roumanie.ro, content.knightfrank.com, dtzresearch.ro

Office sector by GFA (2010-2015)

The total surface of office buildings has increased in Cluj-Napoca in the past years, due to foreign companies setting up offices in the city.

Total surface of office buildings (sqm'000)
2010-2015



	2010	2011	2012	2013	2014	2015
Completions	1.5	35	12.5	8.5	49	20
Existing stock	73.5	75	110	112.5	121	170

The surface of offices in Cluj-Napoca has increased in the past years, due to big international companies choosing the cityfor their office. Some of the biggest companies: iQuest, wiht 6000 sqm office and 380 employees, CREIC, with 2230 sqm office and TEAM, with 3301 sqm office buildings and support space.

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Source: clujbusiness.ro cluj24h.ro clujinnovationpark.ro iquestgroup.com capital.ro

Top 5- office sector (2014)

All of the biggest business centers in Cluj-Napoca are in the " A " category, this being the result of major international companies being present in the city. The leasing prices are between 10-14 €.

	Company		Category	Developer	Area (sqm)	Year of construction	Lease (€)
1	The Office	TheOffice Cluj-Napoca	A	NEPI	19,000	2014	13,5
2	Coratim Business Center	CORATIM GRUP	A	Coratim	16,000	2006	12-13
3	Sigma Business Center	SIGMA SHOPPING CENTER	A	Sigma	14,500	2006	11
4	Liberty Technology Park	Liberty Technology Park Cluj	A	Fribourg	13,400	2014	10
5	United Business Center	UNITED BUSINESS CENTER	A	Iulius Group	10,000	2014	12

In the top 5 there are 3 business centers which have been built in the last year. All of them are "A" category buildings and are in the same price range. Three of them have been developed by their own companies. However the difference in usable area between the top seed and the fifth is 9,000 square meters, which represents almost double of it.

1. The Office Business Center

The Office Business Center is the biggest and newest one in Cluj-Napoca.

1 The Office

Category A

Common area ratio: 10%

Area 19000 m²

Construction year: 2014

Lease €13.5

Developer NEPI

On the map:

Address: Bulevardul 21 Decembrie 1989

Main leasers:

- Yardi
- Ernst&Young
- Deloitte

Parking spots 1700

Rate of leasage: 100%

TheOffice Cluj-Napoca

Equipment:

- Building Management System
- Underground parking lot (1700 spots)
- Conference room with 150 seats
- Certificate BREEAM-green building

History:

- The Office Business Center was the biggest project of 2014 in the office sector in the country
- Between the beginning of the project and the end of the construction there was only a one year difference
- At the date of it's opening The Office was leased already in 90%, in the present it is fully leased

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Source: bioruinfo.ro, theofficecluj.ro

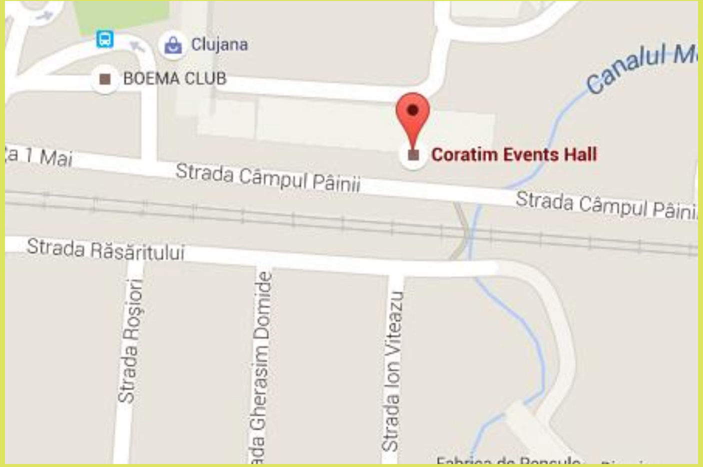
2. Coratim Business Center

The Coratim Business Center is the second largest in Cluj-Napoca.

2 Coratim Business Center	Category A	Common area ratio: 5-20%	Area 16000 m^2	Construction year: 2006	Lease €12-13	Developer Coratim

CORATIM GRUP

On the map:



Address: Strada Campul Painii 3-5

Main leasers:

- RBH Technologies
- Pitech+Plus

Parking spots	130
Rate of leasage:	80%

Equipment:

- Parking lot (130 spots)
- Elevators for products and staff separately
- Conference room
- Events room

History:

- The Coratim Business Center was built in 2006
- In the recent years they managed to get a rate of leasage of 80%
- After the construction of The Office, Coratim is now the second biggest business center in Cluj-Napoca
- They developed an event hall for hosting company events

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Source: coratim.ro

3. Sigma Business Center

The Sigma Business Center is the third largest in Cluj-Napoca.

3 Sigma Business Center	Category A	Common area ratio: 5%	Area 14500 m²	Construction year: 2006	Lease €11	Developer Sigma

On the map:

Address: Str.Republicii Nr.109

Main leasers

- Siemens
- Banca Transilvania
- Sykes
- Accenture

Parking spots	350
Rate of leasage:	100%

Equipment:

- Underground parking lot (350 spots)
- Sigma Shopping Center
- Restaurants and caffes
- Granata GYM

History:

- The Sigma Business Center was built in 2006
- In the recent years they managed to get a rate of leasage of 100%
- The developer built a shopping center on an area of 7000 square meters with more than 30 shops and restaurants
- In the present day all of it's usable area is leased

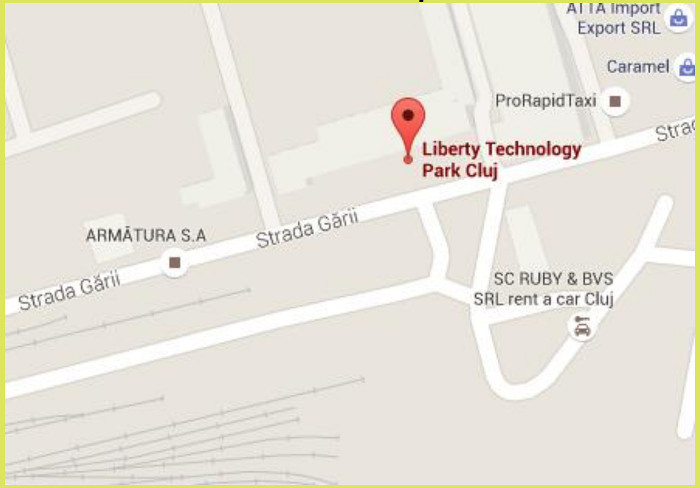
Source: sigma.ro

4. Liberty Technology Park

The Liberty Technology Park is the fourth largest in Cluj-Napoca.

4 Liberty Technology Park	Category A	Common area ratio: 5-10%	Area 13400 m^2	Construction year: 2006	Lease €10	Developer Fribourg

On the map:



Address: Strada Gării nr. 21

Main leasers

- Siemens
- Impact Hub
- halcyonmobile
- KPMG

Parking spots 565

Rate of leasage: 100%

Equipment:

- Parking lot (565 spots)
- IT infrastructure
- Medical care
- Green space with gardens and lake
- Restaurant with terace

History:

- The Liberty Technology Park was built in 2013
- It is the first tech park in the country
- There is a business accelerator, Spherik, the most complex business accelerator in Romania for startups

Source: libertytechpark.ro

5. United Business Center Tower

The United Business Center Tower is the fifth largest in Cluj-Napoca.

5 United Business Center	Category A	Common area ratio: 5-20%	Area 10000 m^2	Construction year: 2014	Lease €12	Developer Iulius Group

On the map:

Address: Strada Al. Vaida Voievod nr. 51

Main leasers

- Endeva
- Genpact

Parking spots (access to Iulius parking lot)	2500
Rate of leasage:	100%

Equipment:

- Private parking lot
- Security services (non stop)
- Direct access to Iulius Mall Cluj
- Repair services for leasers
- Common area cleaning services

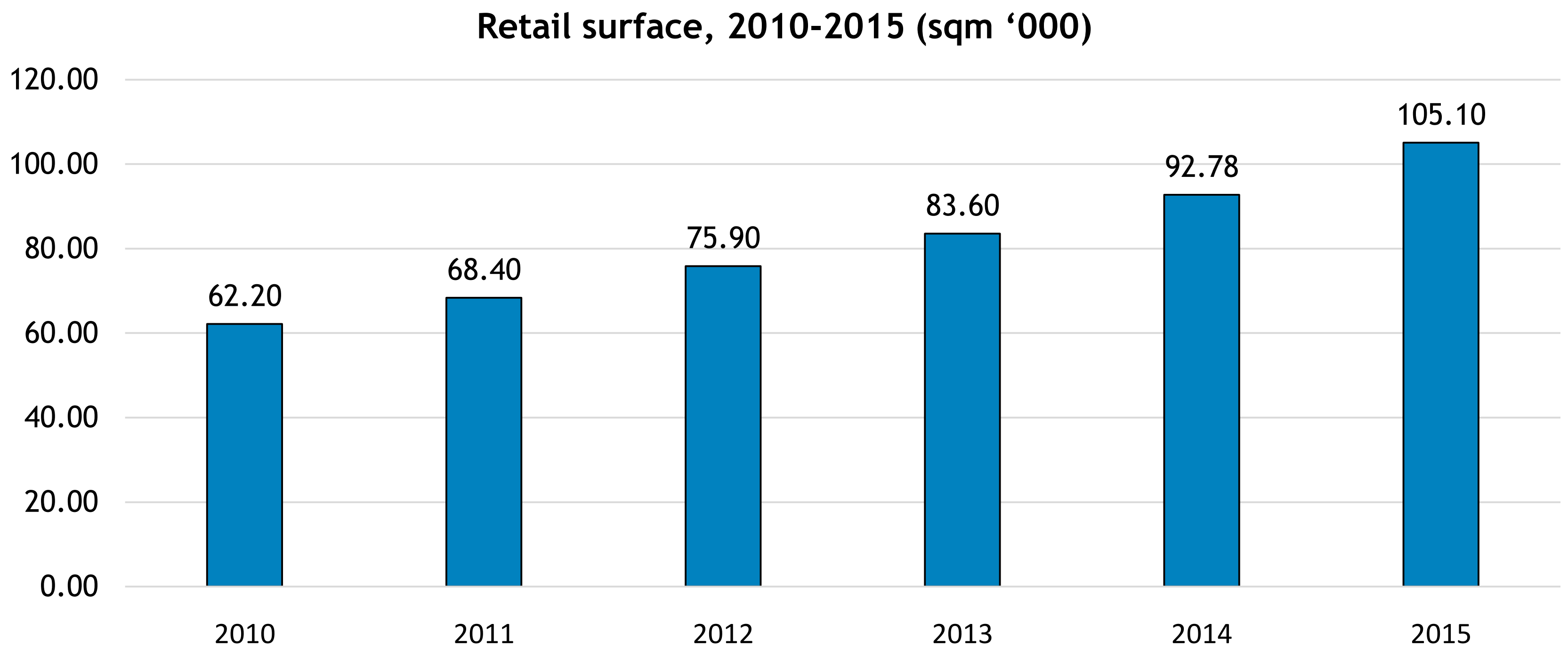
History:

- The United Business Center Tower was built in 2014
- It is the second business center developed in the vicinity of the Iulius Mall by the Iulius Group
- In the moment of it’s opening it was already fully leased; it’s leased by only two companies: Endava and Genpact

Source: unitedbusinesscenter.ro

Retail sector by GFA (2010-2015)

Cluj Napoca plays an important role in the commercial industry, this is reflected by the increase of its commercial surfaces.

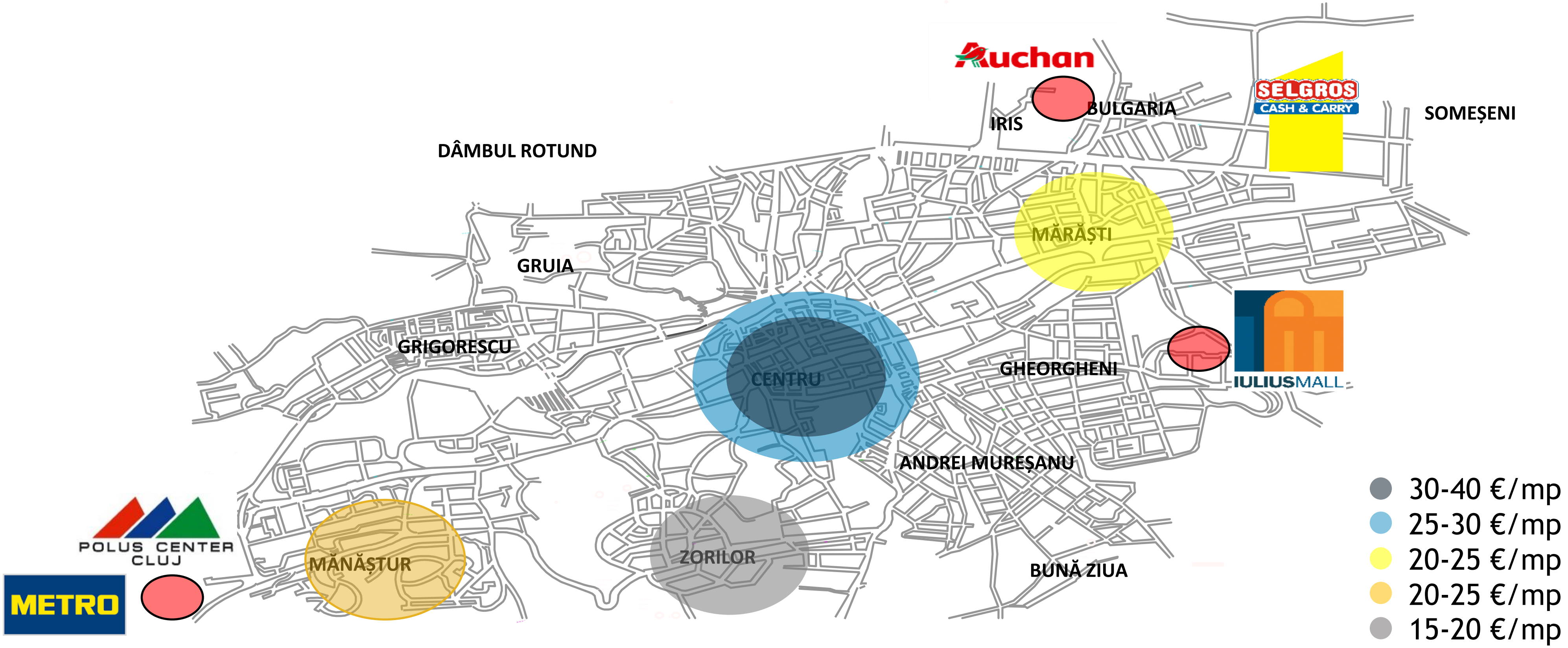


The total modern commercial buildings surface in Romania is 1,7 million sqm, nearly 1 million of it being in Bucharest and circa 10% of the rest in Cluj-Napoca. In the city there are several malls with circa 10 000 sqm surface. From 2009 the commercial surface grew by 50% each year.

Source: zf.ro blog.remsimobiliare.ro Land Measurement, Natural and Human Sciences Reserach Articles

Retail buildings in Cluj-Napoca (2015)

Cluj-Napoca has the third largest commercial useable space in the nation, 105.100 square meters. However the trend does not give way for the larger brands to open businesses in the central area, due to large rent and low accessibility.



Because the ultra central zone is mainly dominated by buildings with an average surface area of no more than 100 sqm, the major brands target the city's two malls, due to their increased pedestrian traffic and parking possibilities.

Source: *oradebucuresti.oradestiri.ro, remsimobiliare.ro*

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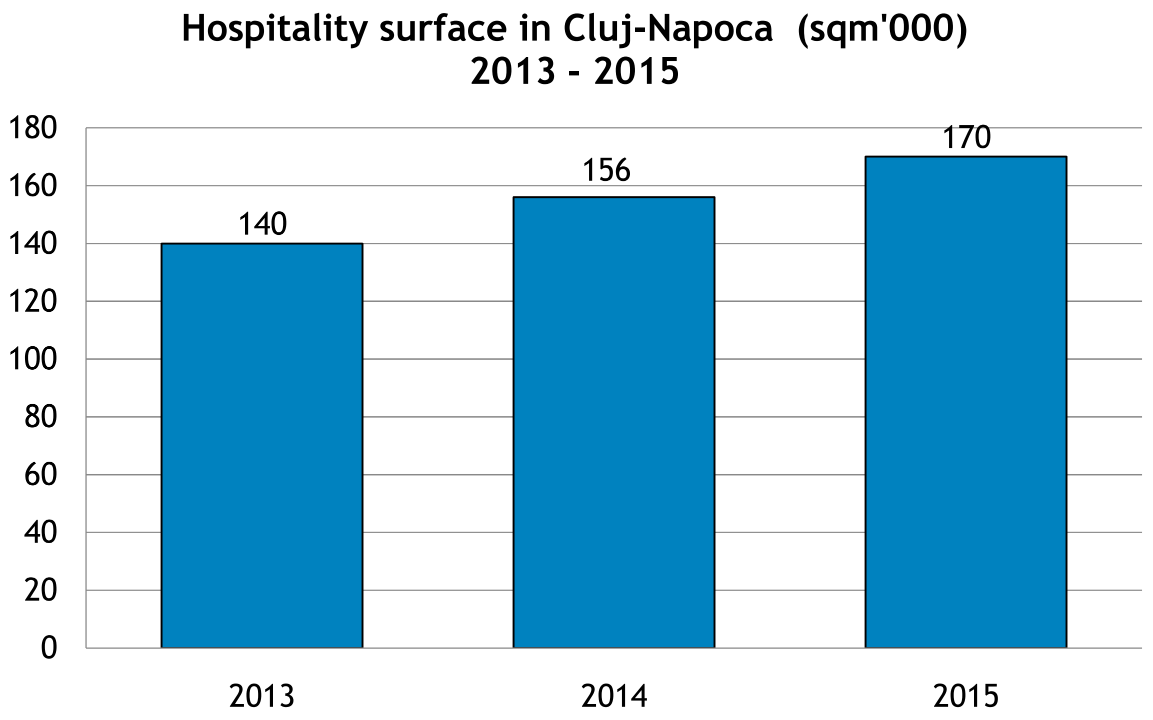
Hospitality sector by GFA (2013-2015)

The business tourism being on the rise, the surface occupied by the hospitality industry's payers is increasing.

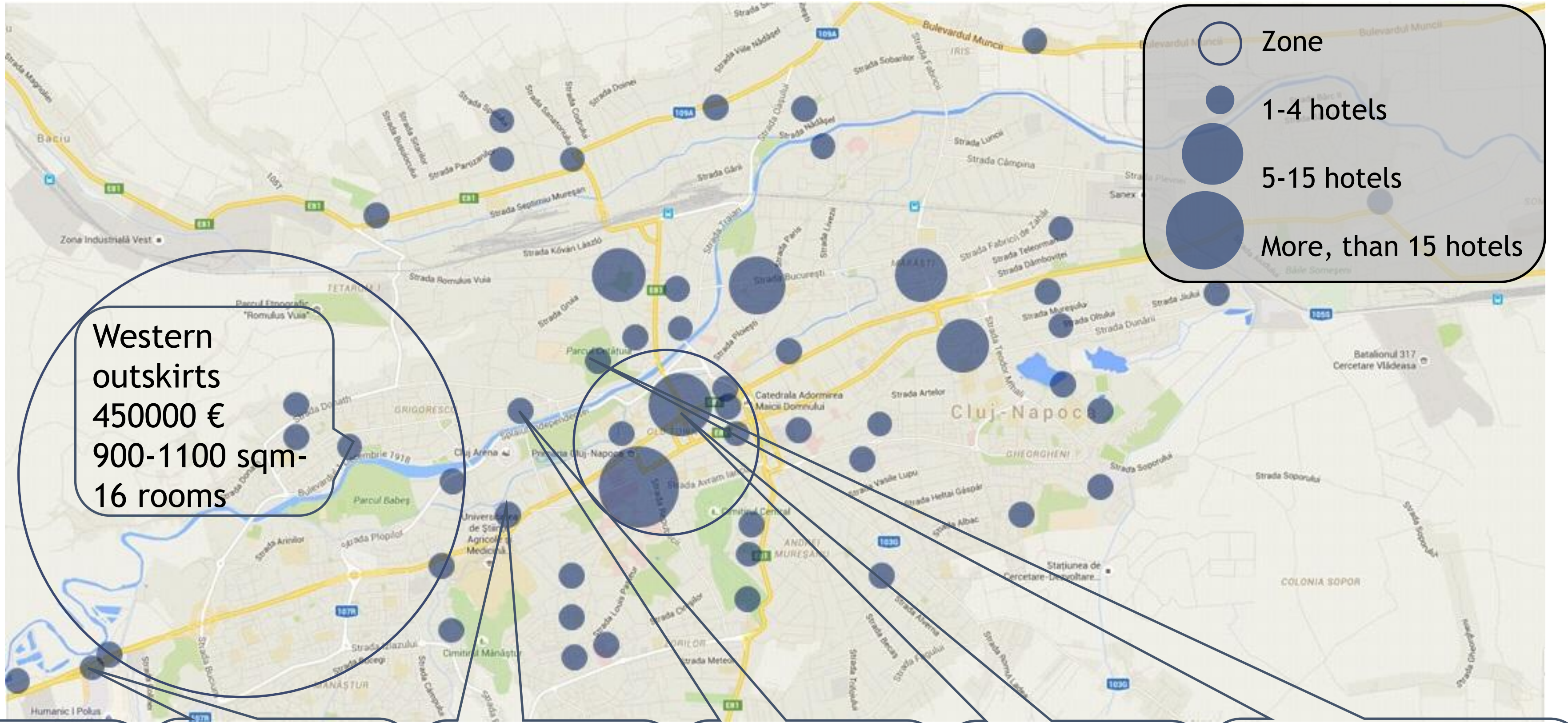


The hotel and motel capacity growth exceeded 10%, the surface growth being steady. The luxury hotels, with five stars, for the reason business turism got rounded in the city.

Source: banknews.ro comunicate.mediafax.biz

Hotel locations in Cluj-Napoca (2015)

In Cluj-Napoca are 196 hotels, mainly in and around the city center.



Fantanele hotel complex (Bianca and Radu)
5 million €
63000 sqm-30+30 rooms

Floresti:
1,2million €
900 sqm - 18 rooms

Hotel Sport
6 million €
6235 sqm/3800 sqm util - 127 rooms

Grand Hotel
Buna Ziua zone
40 million €
30000 sqm-167 rooms

Hotel Melody:
4,8 million €
2200 sqm
Restaurant, kit chen

Neptun-Olimp (Amfiteatru, Belveder e, Panoramic) 30 million €, 6200 sqm-750 rooms

Tulip Inn Sunny Hill
6,5 million €
50 rooms
5000 sqm

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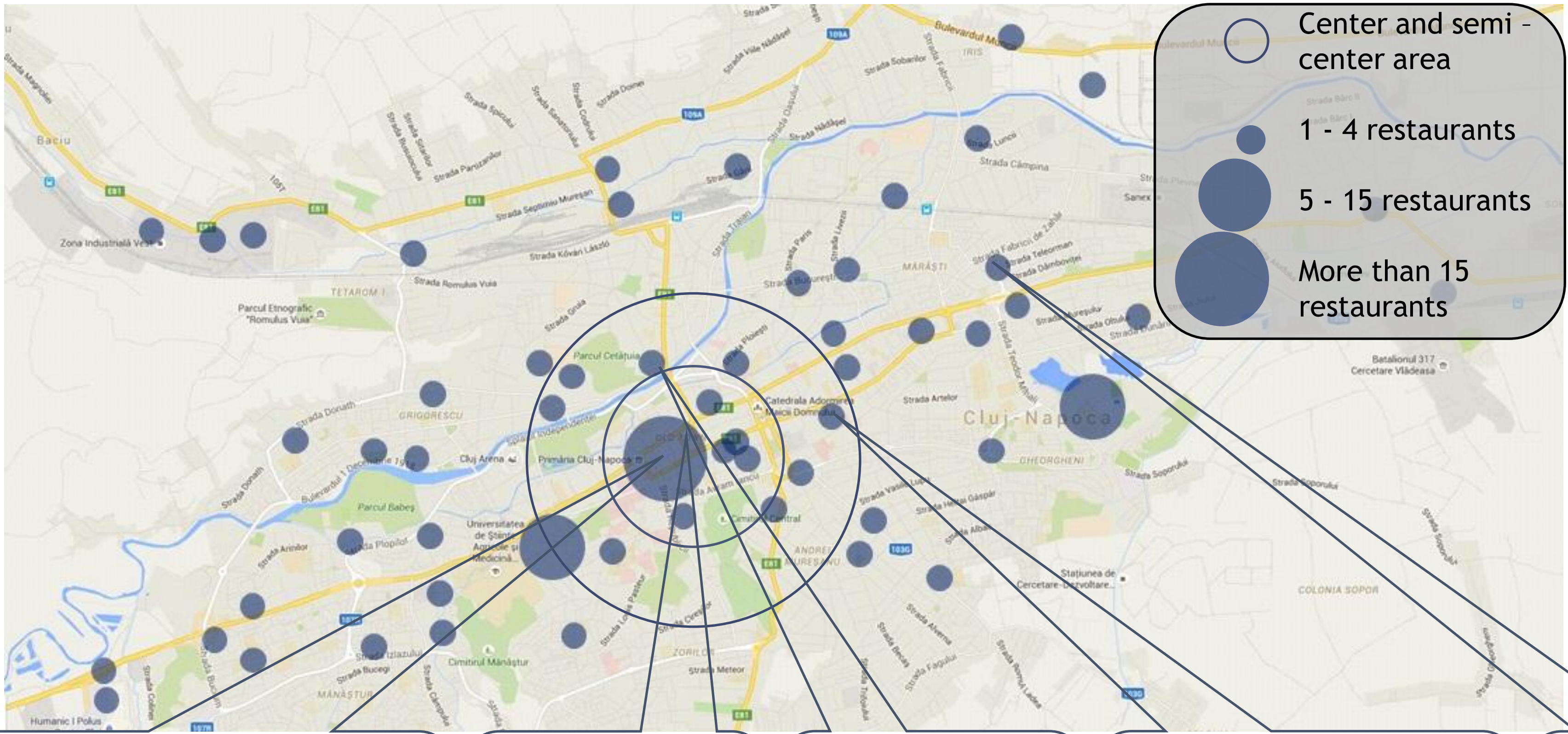
Source: booking.com monitorulcj.ro hoteluri24.net iresearch.ro actualdecluj.ro adevarul.ro stiridecluj.ro

Restaurant locations in Cluj-Napoca (2015)

There are more than 400 restaurants in the city, the rent paid depends on the location; in the city center, the average rate is 3000 €.



Center
Average: 2200 €/month
Average: 250 sqm
Lowest price: 500 €/48sqm, highest price: 2500 €, in general with terrace (100 sqm)

Piata Unirii
4000 €/mounth
350 sqm
With terrace

Piata Mihai Viteazul
1260 €/month
180 sqm

Semi-center
1800 €/month
250 sqm / circa 10 €/sqm/ month
Terrace: 300 sqm

Marasti
1200 €/month
140 sqm, or
2500 €/month
300 sqm

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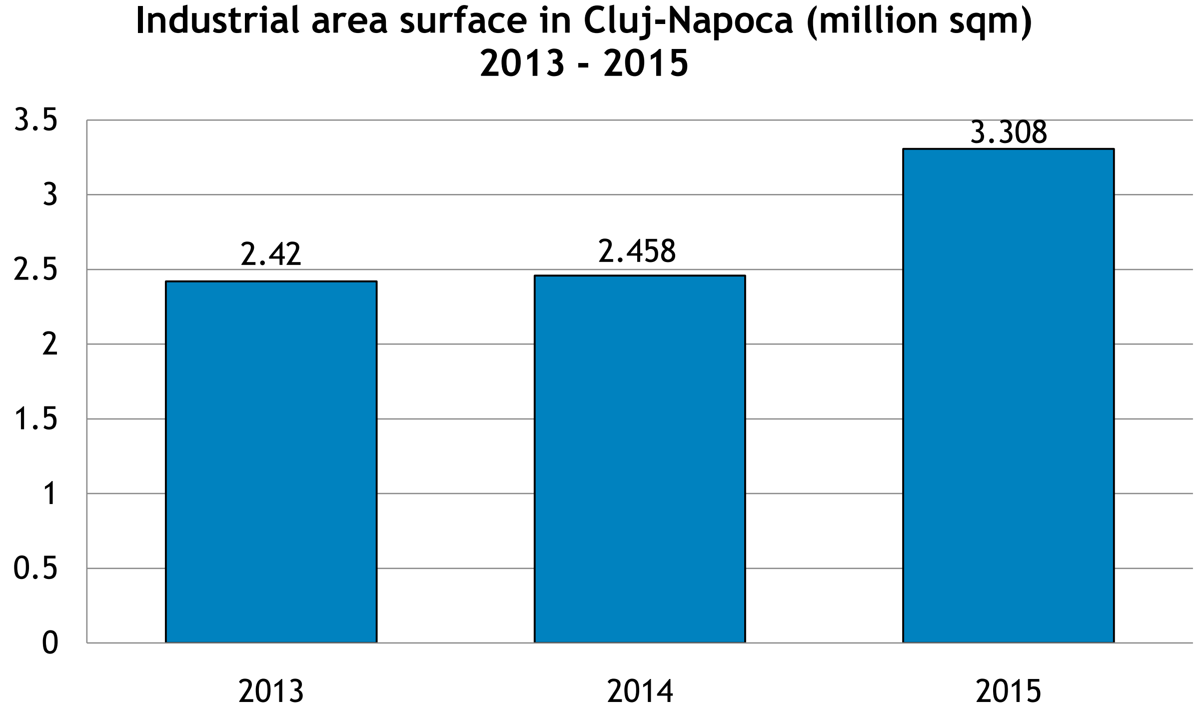
Source: buzznews.ro consulting4you.ro blitz-imobiliare.ro spatiicomerciale.ro casaclasic.ro rbcimobiliare.ro

Industrial sector by GFA (2013-2015)

The development of Tetarom drove the growth of the industrial area segment.

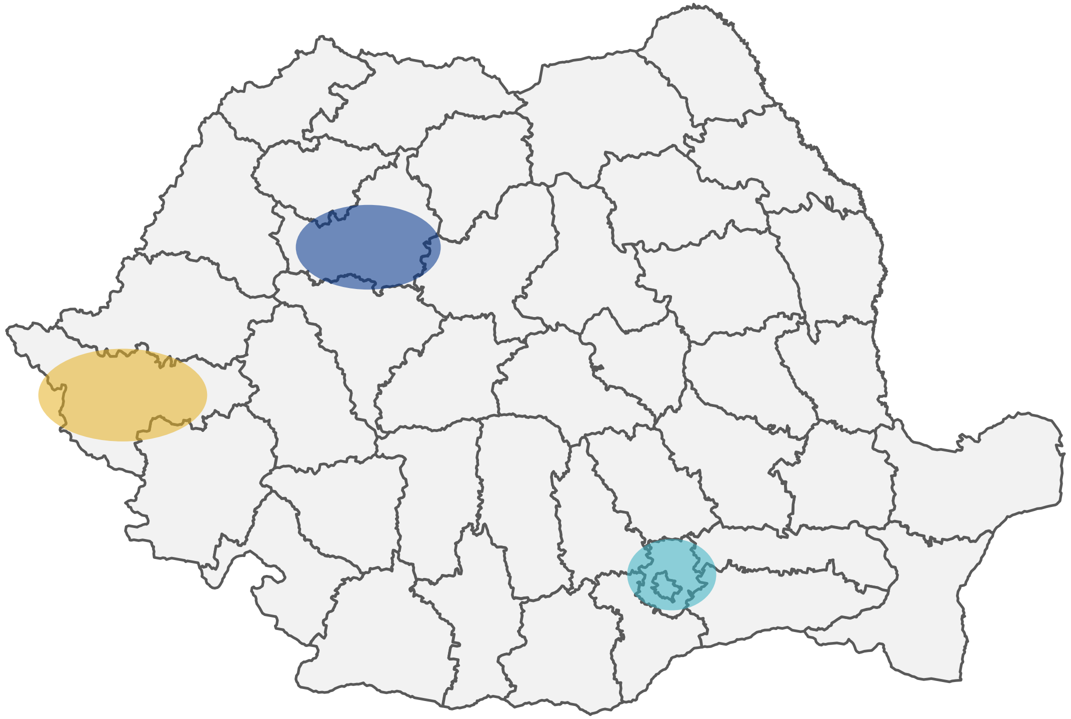


The bigest industrial park in Cluj county is Tetarom Industrial Park with a surface of 1,6 million sqm. The first park was built in 2005, Tetarom IV (850 000 sqm) is now under construction. ARC Industrial park (Dej, 40 000 sqm) is located near Cluj, as well as S.C. REIF Construct SRL, with 440 000 sqm developed infrastructure.

Source: ccir.ro snia.ro cluj24h.ro cjcluj.ro revistaconstructiilor.eu ils-forschung.de ziuadecj.realitatea.net

Top 3 counties by trade and logistic centers (2014)

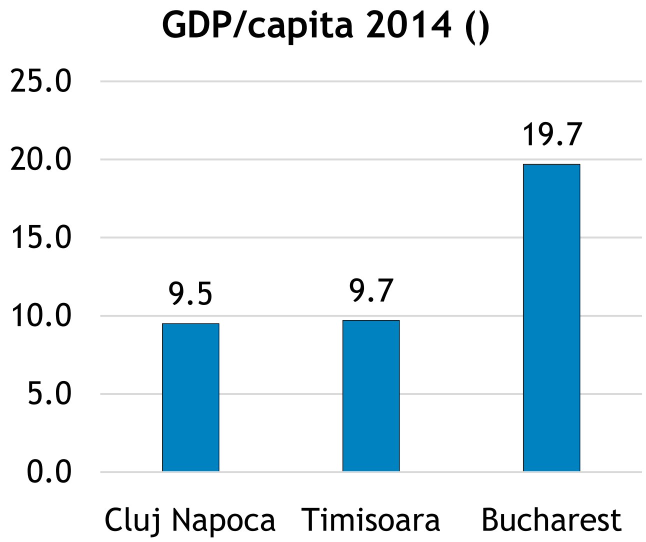
The number of important companies in the light industry, trade centers, logistics centers, research and development in Cluj-Napoca, Timisoara and Bucharest.



Cluj-Napoca:
Light industry:88
Trade centers:5
Logistics centers:3
R+D:3

Timisoara:
Light industry:12
Trade centers:4
Logistics centers:2
R+D:2

Bucharest:
Light industry: 41
Trade centers:8
Logistics centers:3
R+D:2



Although the Cluj GDP is 9 500 €/capita in Bucharest or Timisoara it is over 9 700. Cluj has 88 companies operating in the light industry, Bucharest 41 and Timisoara 12.

The industrial segment in Cluj (2015)

In Cluj county are 4 finished industrial parks an 1 in construction and 1 logistic park totaling over 1,9 million m^2 . Tetarom has 3 industrial parks finished and Tetarom IV in construction

Tetarom I

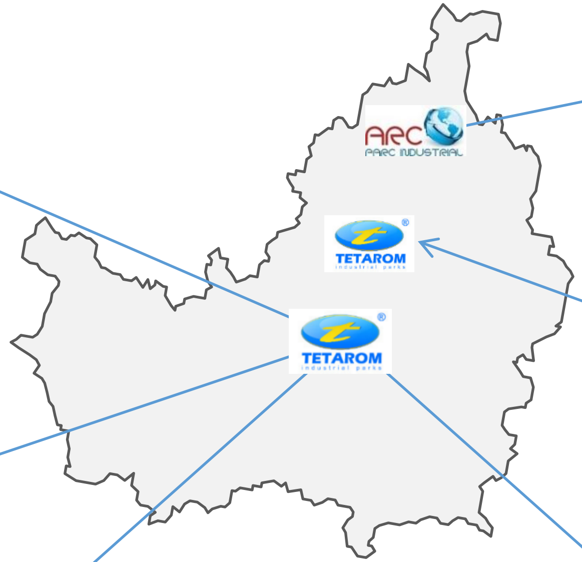
- 320000 m^2 , in Cluj-Napoca
- Over 50 companies: EnergoBit, Banca Transilvania, RCC Consult, Siemens and others
- 100% occupied
- Over 1440 jobs
- Over 46 million(€) investment

Tetarom II

- 120000 m^2, in Cluj-Napoca
- 100% occupied and 99% owned by Emerson
- Over 2210 jobs
- Over 83 million(€) investment

Tetarom IV

- 850.000 m^2, in Cluj-Napoca in construction
- Over 1200000(€) is the project value



Arc parc industrial

- 9900 m^2 , in Dej
- Fujikura and Telleborg companies

Tetarom III

- 1.540.000 m^2, in Jucu
- 8 companies: Bosch, De'Longhi, Imperial, Star Storage, Henschel România, IL Caffe Servexim, Contrast Import Export, Karl Heinz Dietrich International Exped
- Over 2100 jobs
- Over 176 million(€) client investment investment

Transilvania Logistic Park

- 83137 m^2, in Cluj-Napoca
- Over 80 companies: Profi ROM Food, tar Foods EM, Schenker- Romtrans, Danone PDPA and others
- 3.20€/m^2/month+TVA

When **Tetarom IV** is finished, the 5 industrial parks and the logistic park will total over **2.8 million m^2**.This parks offers more than **10.000** jobs and will increase Cluj county's revenue constantly.

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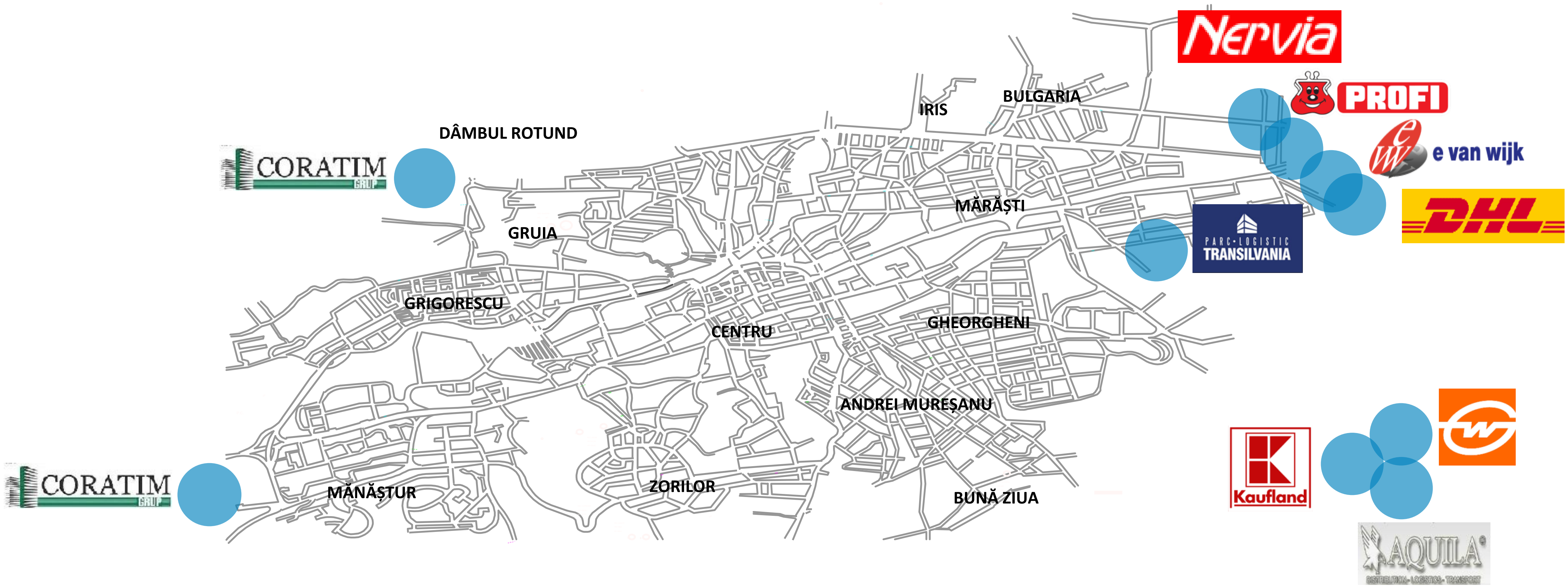
Source: minind.ro, tetarom.ro, zf.ro, arcparc.ro, parclogistictransilvania.ro;

Logistic centers in Cluj (2015)

Cluj has a high number of logistic centers, mainly located on the eastern outskirts of the city.



Logistic centers are mostly located in the suburbs: in the Metropolitan Area mostly.

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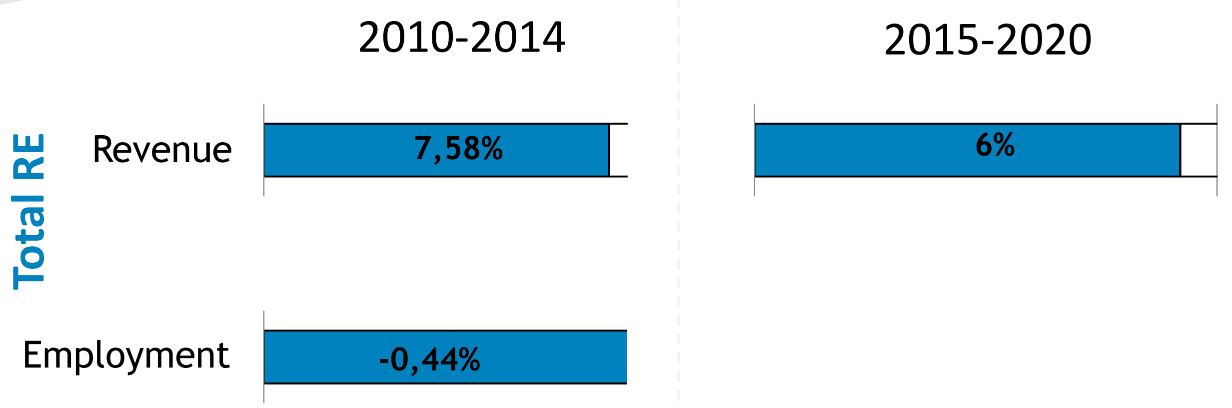
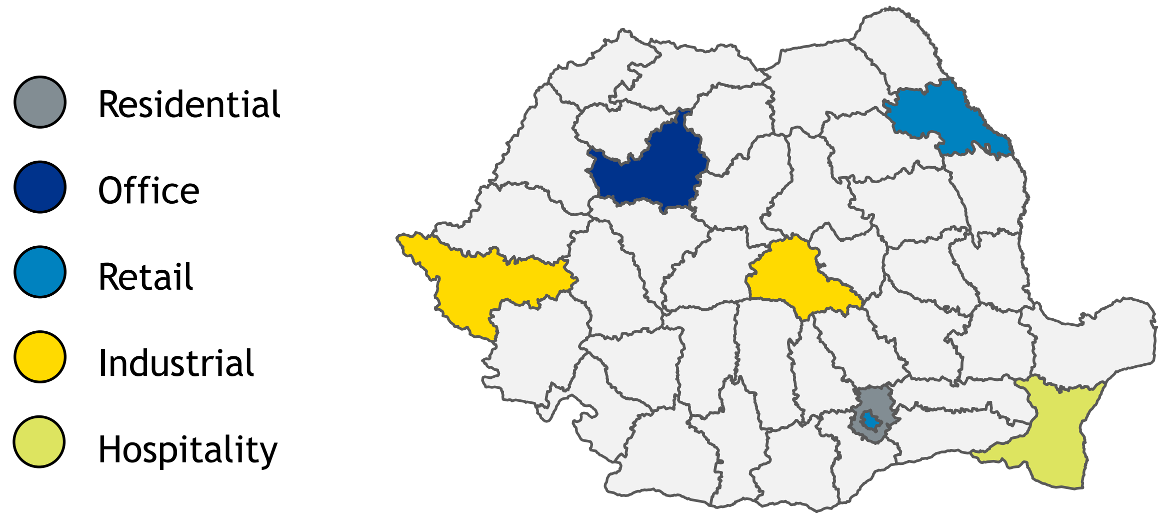
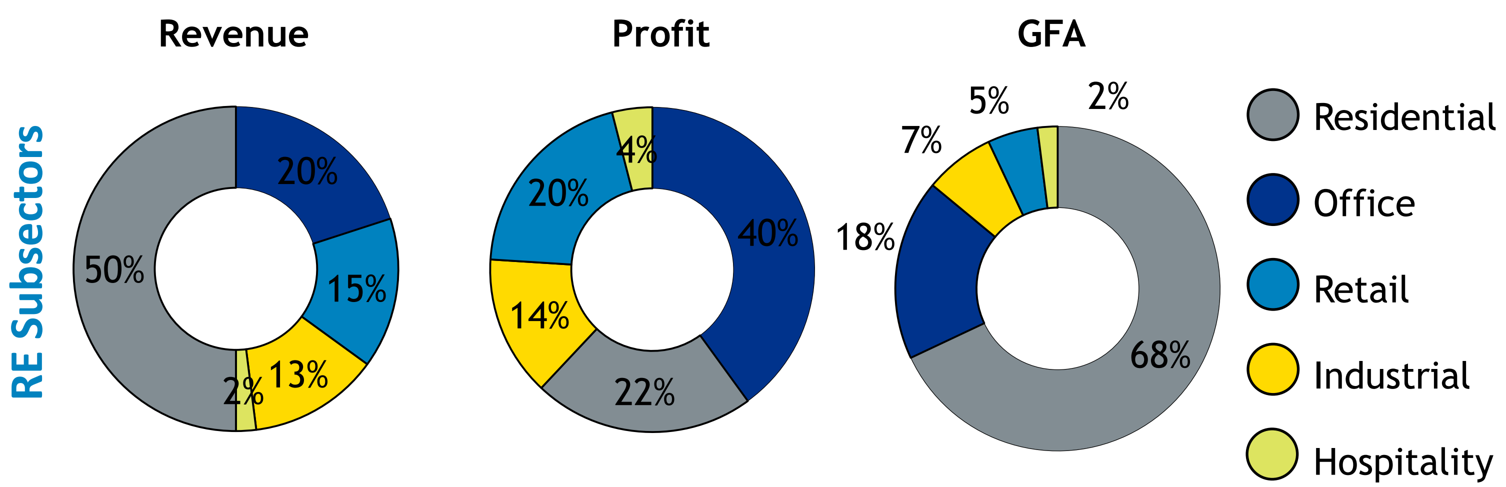
Source: dezvoltator-imobiliar.ro

Romanian RE market summary







Top companies	Headquarters	Portfolio Value
Baneasa Development	Romania	€44 million
NEPI	South-Africa	€25 million
NEPI	South-Africa	€55 million
CTPark	Czech	€23 million
Bucuresti Turism	Romania	€23 million

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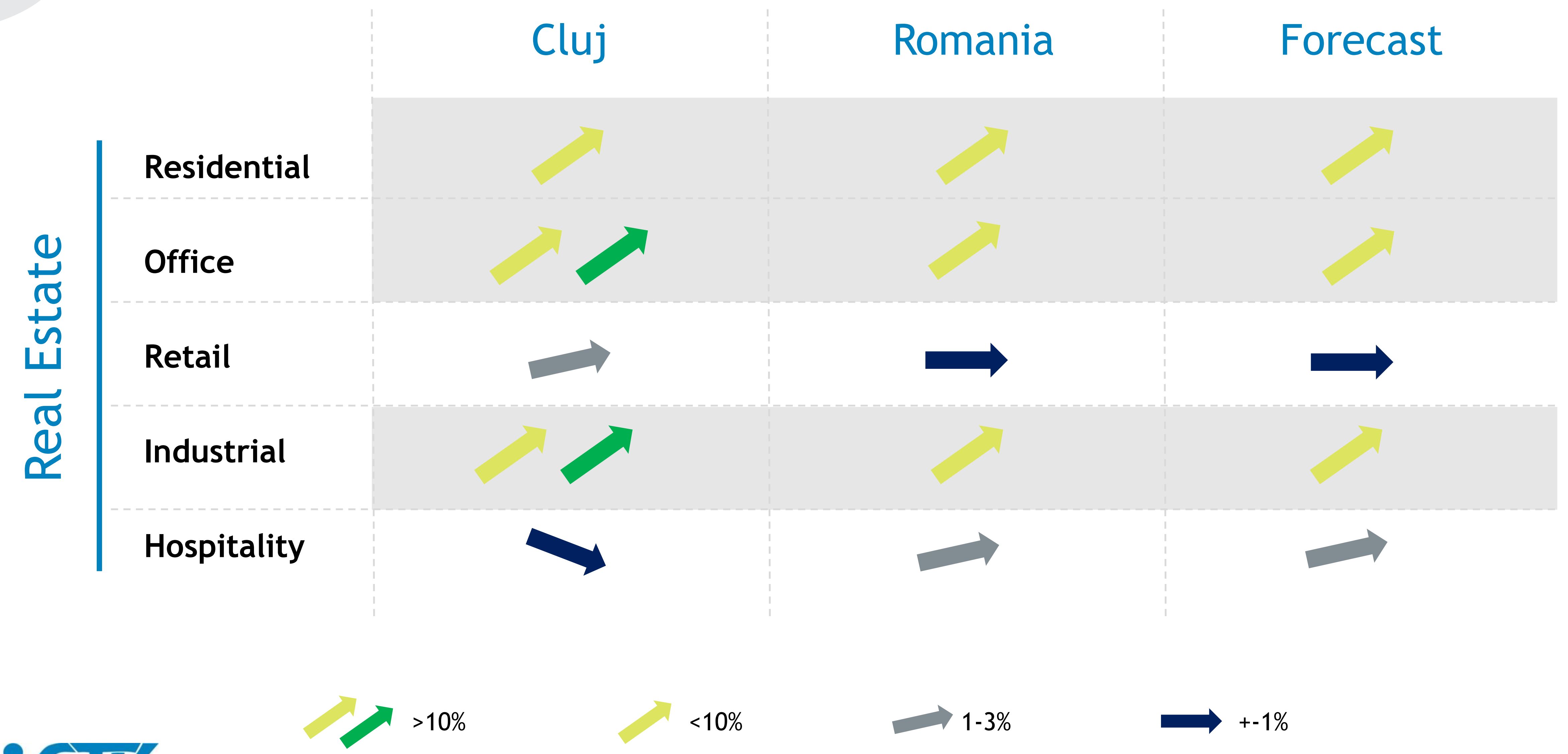
	Romania	Cluj
GDP (%)	↗	↗
Revenue	↗	↗
Price	↘	↗ ↗
sqm	↗	↗ ↗


Cluj
Romania
Forecast
Real Estate
Residential
Office
Retail
Industrial
Hospitality
>10%
<10%
1-3%
+-1%

Small investor	**€ 1-3 mill**	Residential
Medium investor	**€ 3-10 mill**	Residential Industrial
Large investor	**> €10 mill**	Residential Industrial Office