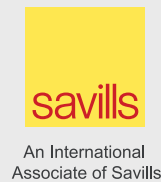


Spotlight

Coworking and serviced office spaces in Bucharest



April 2019



Summary

- The concept of coworking and serviced office spaces entered the Romanian market in 1998 and has been expanding ever since.
- Currently, there are 22 serviced offices and 39 coworking spaces in Bucharest. New entries from large operators are expected.
- The total area occupied by coworking and serviced office operators in Bucharest stands at over 71,000 sqm.
- Prices range from 100 €/month for a hot desk to 1,500 €/month for all-inclusive services provided to small teams.
- The largest number of coworking spaces are located in the city centre.
- 2019 is set to register new entries from important international operators as well as the development of new concepts.

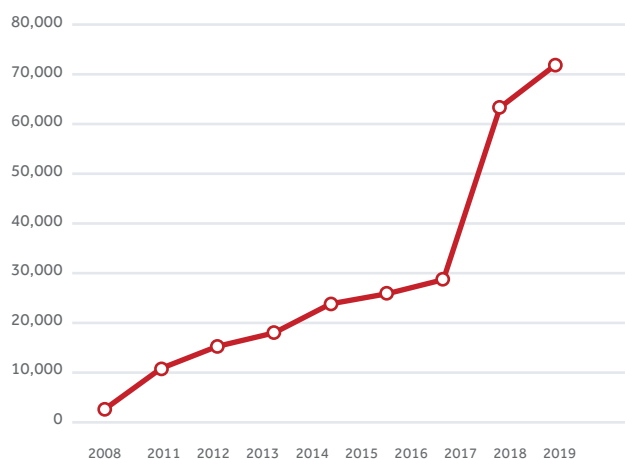
Overview

The concept of coworking and serviced office spaces entered the Romanian market in 1998, when Belgian group Regus opened its first location in Bucharest.

Since 2008 to 2018 the total surface occupied by coworking operators grew from a little over 2,500 sqm to over 60,000 sqm. The expansion was influenced by the development of the IT&C industry, the need for spaces where creative individuals can meet and collaborate and most importantly, by the new generations' inclination towards alternative professions, which no longer require a steady workspace and a traditional working schedule.

Bucharest is the largest market for such spaces, and the past two years have seen a booming growth of the segment. Currently, the surface occupied by coworking spaces and serviced offices in Bucharest stands at over 71,000 sqm, around 2% of the capital city's total office stock.

Evolution of coworking spaces in Bucharest



Serviced office vs. coworking

A serviced office is a fully equipped office space that provides administrative and maintenance services and is leased for a short term. The rental terms as well as the space itself are more flexible compared to conventional office spaces. They typically host established small to medium sized businesses in need for a plug-and-play office space.

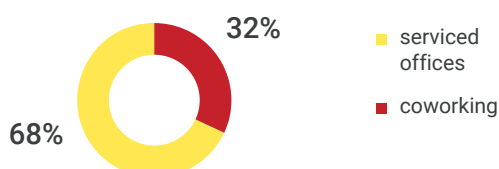
A coworking space is a type of flexible workspace dedicated to freelancers, startups, entrepreneurs and small businesses. The space can be leased for as little as an hour, there are open desks as well as dedicated desks and private offices.

The main goal of coworking spaces is to provide a sense of community by encouraging collaboration and innovation.

22 serviced offices in Bucharest

39 coworking centers in Bucharest

Share of coworking vs. serviced office spaces in Bucharest by lettable area



Why coworking?

- Cost-effective
- Flexible lease terms
- Great networking opportunities
- Complete work flexibility
- Creating communities
- Providing access to a diverse talent pool

Upcoming openings:

Mindspace
4,000 sqm, City Offices

Regus (IWG)
3,600 sqm, Tiriatic Tower

3House
3,500 sqm, Equilibrium

New Work Offices
2,800 sqm, AFI Tech Park

The largest operators of coworking spaces in Bucharest are IWG (with almost 30,000 sqm in 14 serviced offices around the city) and Mindspace (with 12,000 sqm in three locations). The market is on the rise, with the first quarter of 2019 registering expansions and new entries from large and small operators of about 8,000 sqm.

Flexibility & variety

Although the market is dominated by large players, there is an increasing number of smaller coworking spaces in Bucharest. Located mainly in the city centre, these spaces offer tailored working experiences, host conferences, seminars and cultural or social events. Some focus on transforming neighborhoods into communities (like Cartier Hub by NOD Makerspace in Drumul Taberei), while others are bringing together the co-living and coworking concepts (like Pura Vida Hub and the recently opened Omega House).

Pricing

Coworking spaces offer extremely flexible leasing plans, from hourly rates starting from under 1 EUR for a hot desk in an open area to monthly rates for fixed desks or higher fees for membership packages which grant access to events, workshops and conferences.

Average costs

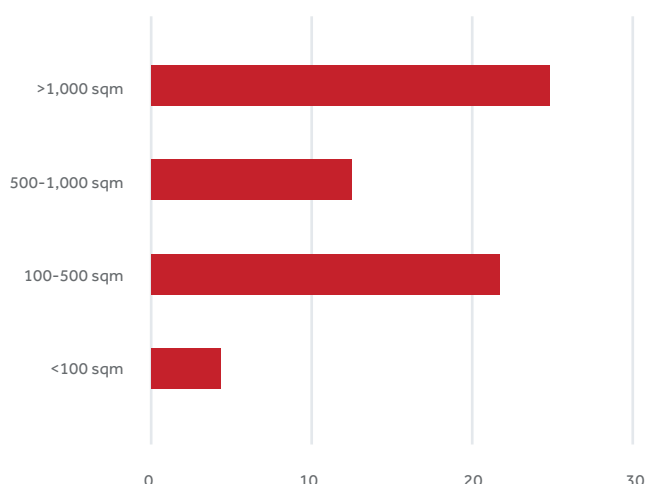
1 EUR/hour

10 EUR/day

120 EUR/month (hot desk)

1,500 EUR/month (dedicated desks for teams up to 6 people)

Number of coworking spaces in Bucharest by size





Main operators of coworking spaces and serviced offices in Bucharest

MINDSPACE	Globalworth Campus Tower Center International City Offices
Regus	C.A. Rosetti Business Center Hermes Business Campus Iride Business Park Charles de Gaulles Plaza Floreasca Business Park Anchor Plaza World Trade Centre Unirii View Tower D'OR Offices (upcoming) Sun BC
SPACES.	Tiriac Tower (upcoming) Expo Business Park Unirii View Tower Campus 6
house	Tudor Arghezi 8-10 Equilibrium
Flash	Rosetti Tower Armand Center Louis Calderon Business Center
dbh GROUP	Buzesti Business Center
WeLoveDigital	Dacia Business Center Radu Voda Office Center
Commons	Halelor Office Center Nicolae Iorga 5
IMPACT HUB	Timpuri Noi Square
NWO	AFI Tech Park (upcoming)

Conclusions & forecast

The fast growth of the coworking segment in the past two years, the upcoming openings of new spaces and entrances of international operators (like the North-American giant WeWork), as well as the planned mixed-use developments with dedicated coworking spaces (e.g. Marmura Residence by Prime Kapital, Fosta Fabrica by Hanner) prove that the concept is here to stay.

As a young market, Bucharest has potential for growth. However, operators will have to continuously innovate their spaces and services in order to thrive in the coworking business. There is only so much a space can do when it comes to keeping people together and making them happy and therefore the human factor is also extremely important. The presence of a community manager or a facility operator in a coworking space, for example, can make an important difference.





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