



HERTZ

Construction & Project Management

April 2015

Newsletter

In this month's issue:

Real Estate Market Review 2014

Our Most Significant Current Projects

Our GM's Wall Street interview

I. REAL ESTATE MARKET REVIEW 2014

SOUTH-EAST REGION



This region includes the counties of Brăila, Buzău, Constanța, Focșani, Galați and Tulcea, and two of the cities registering the highest increase in price in the last year.

Brăila: In Q4 2014, apartments in Brăila cost 574 euro per usable sq m, 5.8% more than the 543 euro value recorded in the similar period of last year. This increase percentage puts Brăila on the second place as far as price increases over the last 12 months are concerned.

Buzău: Buzău is located on the first place in the top of price increases this year. Thus, a usable residential square meter cost 553 euro in Q4 2014, 6.7% more than the value of 518 euro recorded in Q4 2013.

Constanța: The Black Sea city recorded an increase of 1.5% to 858 euro per usable sq m in Q4 2014 versus 845 euro in Q4 2013. If compared to June 2008, the peak of the local real estate market, when the price level was 1,589 euro, the decrease is of 45%. The value recorded in Q4 2014 puts Constanța on third place in the top of the most expensive cities in Romania. As regards new apartments, the price index is 883 euro per square meter.



43% of Constanta residents were interested in two-room apartments in 2014, dropping from 45% in 2013. Studios were of interest to 11% of potential buyers in 2014, compared to 16% last year; three-room residential units were of interest to 35% of potential buyers in 2014, compared to 30% in 2013, while four-room apartments were of interest to 11% of potential buyers, compared to 9% last year.

As far as prices are concerned, Constanta buyers are 36% interested in the price range between 40,000-60,000 euro, 28% are interested in the range between 20,000-40,000 euro, while 18% are interested in apartments ranging between 60,000 and 80,000 euro. 8% of potential buyers are interested in residential units ranging between 80,000 and 100,000 euro, while 6% are interested in residential units over 100,000 euro, and 3% – under 20,000 euro.

Focșani: In Focșani, prices have increased this year by 1.5%, from 561 euro in Q4 2013 to 569 euro per usable sq m in Q4 2014.

Galați: This is the only city in the South-Eastern development area where the average prices per usable square meter have decreased over the last 12 months. Thus, in Q4 2014, the value is of 623 euro, 0.4% less than the value of 626 euro recorded in Q4 2013.

Tulcea: Apartments here are 2% more expensive in Q4 2014 compared to the similar period of 2013. A usable square meter is now at an average of 688 euro, compared to 674 euro in 2013.



SOUTH-MUNTENIA REGION

Pitești: In the capital city of Argeș County, prices have increased this year by 0.7% from 670 euro in Q4 2013 to 675 euro per usable square meter in Q4 2014.

Ploiești: Prices here have increased over the past 12 months by 2.6%. Thus, a usable residential square meter was 733 euro in Q4 2014, compared to 714 euro in 2013.

Târgoviște: This city recorded a 20.3% increase to 507 euro per usable square meter in Q4 2014 versus 506 euro in Q4 2013.

(Source: <http://gandul.info/>)

II. OUR MOST SIGNIFICANT CURRENT PROJECTS

Tomis Blvd. Residential Project - Constanta, Romania



The site organization and foundation works of the latest residential development managed by the Hertz Construction & Development team in Constanta are underway as of December 2014. The project is set to comprise two 11-floor buildings with an apartment mix suitable for all types of clients – 2, 3 and 4-room apartments. The demand for residential units in Constanta has registered a significant increase in the past years and this new project is sure to compete with the most luxurious projects in the seashore city of Constanta.

Primaverii 47-49 Residential Project - Bucharest, Romania



The finishing works relating to the latest residential development in one of Bucharest's prime neighbourhoods are underway. The most luxurious addition to Hertz Construction & Project Management's project portfolio is going according to schedule and on budget thanks to our dedicated project team. We are very proud to take part in the development of this project, with its lavish design and amazing location.

Tagor Urban Village - Pipera, Romania



Tagor's second unique Urban Village concept in Bucharest is completed and has started the sales process as we speak.

The project developed by the company in Pipera will start with 100 units and is set to comprise 600 units by its completion.

Dimri Residential project – Bucharest, Romania



Israeli investor Dimri is in progress of developing a new project in the South area of Bucharest. The concept is simple, yet modern and focuses on offering clients the best value for their budget. The full project is set to comprise 12 buildings of 11 storeys each. The apartment mix mostly comprised 2-room apartments, in accordance with the market demand.

Student accommodation buildings – Bucharest, Romania



The management and supervision services provided by Hertz C&PM for the renovation of two new student accommodation buildings in Bucharest, involving an investment of approx. 1 million EUR continue, since market demand has increased. The buildings have strategic locations, in the vicinity of universities and public transport hubs. The consolidation and renovation of these units will improve the offer of accommodation for students.

(For more details, visit: www.hertzmanagement.com)

III. MARKET DEVELOPMENT NEWS

Who is Adrian Hertz, the business owner building million EUR apartments in Bucharest. The first steps in the Hertz Construction & Project Management business.



After gaining experience in Israel, Adrian Hertz returned to Romania to deal with the development of a commercial centre in Constanta. After being involved in the Constanta mall's project management process, Adrian Hertz was also involved in the development of Euromall Galati and Euromall Pitesti. "We subsequently took on projects developed by Israeli investors, among which Green Park Iasi, a mix-use building on Mihai Eminescu St. in Bucharest and an apartment building in Titan", said Adrian Hertz.

He was familiar with the real estate boom, faced the crisis, but now views the development of the construction sector in a very optimistic manner. The story of Romanian business owner Adrian Hertz, head of one of the largest project management companies in Romania, currently developing million euro apartments in Bucharest.

Estimating a 1.2 million euro business in the field of project management

Since accessing the local market, Hertz Construction & Project Management has constantly grown from one year to another, closing 2014 with a turnover of approx. 800,000 euro generated by the management of several key-projects in Bucharest and Romania.

The most notable projects Hertz Construction & Project Management is involved in includes a residential project located in the Northern area of Bucharest, on Primaverii Blvd., comprising luxury apartments with prices reaching 1 million euro.

Besides the North Bucharest project, Hertz Construction & Project Management is also dealing with the development of a 12-storey residential project in Constanta, which was started in April and is to be finalized over the next two years, but also of several student accommodation units in Bucharest, located on Energeticienilor Blvd., for which there is a waiting list of over 700 students, says the representative of Hertz Construction.

Adrian Hertz currently has a team of approx. 50 employees and collaborators (site inspectors and site engineers).

(Source: <http://www.wall-street.ro/articol/Real-Estate/183850/cine-este-adrian-hertz-structorul-apartamentelor-de-mil-de-euro-din-romania.html>)



HERTZ Construction & Project Management

4C Pipera - Tunari Rd.
Voluntari, Ilfov.

Telephone: + 4 0 75 110 7010

Fax: + 4 021/311 8595

E-mail: contact@hertzmanagement.com

Website: www.hertzmanagement.com