



HERTZ

Construction & Project Management

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Newsletter

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I. REAL ESTATE MARKET REVIEW 2014

SOUTH-WEST OLTENIA REGION



This region includes the counties of Dolj, Gorj, Mehedinți, Olt and Vâlcea. Data shows that a usable square meter for residential units is at an average of 525 euro in Drobeta Turnu-Severin, 546 euro in Slatina (Olt) and 661 euro in Târgu Jiu (Gorj).

Craiova: This city has recorded an increase of 0.5% to 727 euro per usable square meter in Q4 2014 versus 723 euro in Q4 2013.

Râmnicu Vâlcea: This city has recorded the most significant decrease of prices per usable square meter compared to Q4 2008: 50%. Thus, six years ago, a usable square meter cost an average of 1,200 euro, and the value recorded in Q 4 2014 is of 598 euro. Compared to the same period of 2013, when the value was 612 euro, the decrease is of 2.2%.

WEST REGION

Arad ranks first as far as price decreases are concerned, and Reșița ranks first in the top of cheapest apartments in Romania. The West region includes the counties of Timiș, Arad, Hunedoara and Caraș-Severin.

Arad: This city has recorded the highest price decreases over the last 12 months. In Q4 2014 a usable square meter for a residential unit was at an average of 486 euro, 6.7% less than Q4 2013. Compared to Q4 2008, when the price level was 742 euro, the decrease is of 35%.

Deva: In Deva residential market levels remained stable: the average price per usable square meter remained at 595 euro, the same as in Q4 2013.

Reșița: Although it holds first place in the top cheapest residential units in Romania, prices in Reșița have increased by 2% in Q4 2014, reaching a level of 422 euro compared to 410 euro last year.





Timișoara: This city is the fourth most expensive in Romania. In Q4 2014, apartments in Timisoara were traded at 824 euro per usable square meter, a level that is 4.4% higher than 789 euro, recorded last year. Compared to June 2008, when the price level reached 1,329 euro, the difference is of 37%.

41% of buyers were interested in two-room apartments, compared to 40% in 2013. Studios were of interest to 15% of buyers in 2014, compared to 16% in 2013; three-room apartments were of interest to 35% of buyers, compared to 32% in 2013, while four-room apartments were of interest to 9% of buyers, compared to 12% last year.

Timisoara buyers were 44% interested in the price range between 40,000-60,000 euro, 25% in the 20,000-40,000 euro range, and 17% in the 60,000–80,000 euro range. 5% were interested in residential units priced between 80,000-100,000 euro, and another 5% in units over 100,000 euro or under 20,000 euro.

Between January and November 2014, 7,246 apartments, 5,739 villas and 5,219 lands were traded in Timisoara. In addition, 7,448 apartments and 823 villas were leased.

(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

Demands for apartments in Bucharest increased by 24 pct

During the first five months of 2015 the demand for apartment sales has increased by 24 percent in the capital, according to Imobiliare.ro. The most significant increment was registered in Iasi (50 percent), followed by Timis (38 percent), Cluj (22 percent), Brasov (20 percent) and Constanta (12 percent).

“According to our studies, a third of the urban population with access to the Internet says it is keen to conclude a real estate transaction, given that prices bottomed out already in most areas, reaching little over 40 percent as compared to the peaking in 2008. However, expectations for the time horizon are beyond six months for nearly half of the buyers, which creates the context for price stability on a medium time frame and by no means accelerated growth,” said Adrian Erimescu, Imobiliare.ro CEO.

Demand continues to be highest for apartments costing up to EUR 40,000, nearing 50 percent of searches in all areas mentioned above, with the lowest share being held by Bucharest (35 percent) and the highest by Iasi (57 percent).

Apartments costing over EUR 80,000 score lowest in the buyers’ interest area, representing a maximum of 17 percent of requests in Timis and only 3 percent in Iasi.



(Source: www.business-review.eu)



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