



# COVID-19 SURVEY

## ROMANIA OFFICE LANDLORDS MARKET

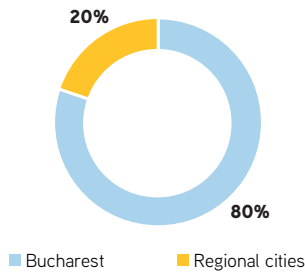


While the spread of the COVID-19 coronavirus continues to have major implications for public health and economic stability around the world, we are doing our very best to understand the real estate sector and to communicate our insights.

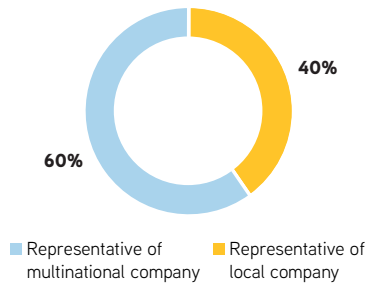
For this reason, Colliers conducted surveys involving top office landlords and developers in Romania, mainly between 3rd and 9th of April, 2020. In the following sections we are presenting the aggregated market sentiment of 60 respondents.

### PARTICIPANTS PROFILE

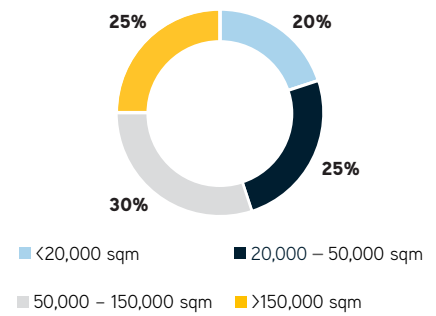
By location



By business structure



By portfolio size



### 1 Has the COVID-19 outbreak affected your business?

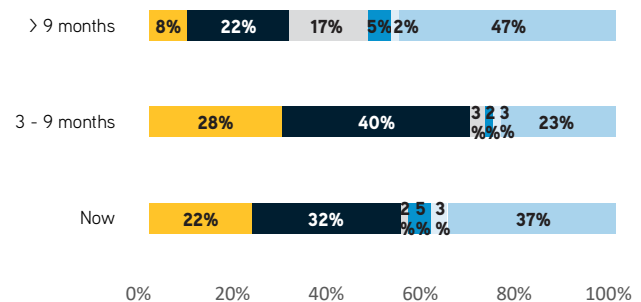
Almost 1 month after the start of the lockdown in Romania, there is still a lot of uncertainty a lot of uncertainty in the market. However, 54% of the respondents experienced already negative impact to a certain extent.



- Already negatively impacted
- Somewhat negatively impacted
- Business as usual
- Somewhat positively impacted
- Positively impacted
- Limited clarity on future outlook

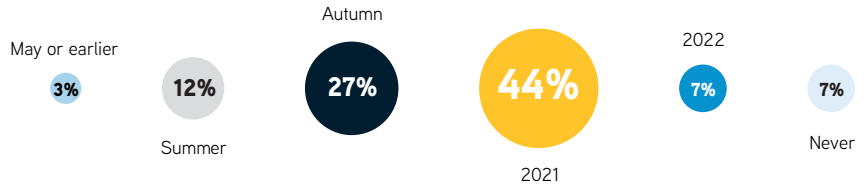
### 2 Do you think that the COVID-19 outbreak will affect your operations on short and medium term (3-9 months) or on a longer period (>9 months)?

Looking at the current status, but also, short-term and mid-term in one graph, 68% of respondents say the aforementioned negative impact is expected to deepen during the next 3 – 9 and then taper off between the end of the year and mid next year .



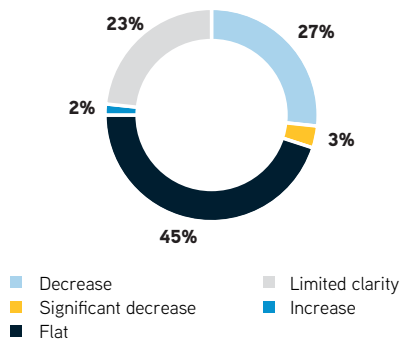
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### 3 When do you expect business to be back as it was before Covid-19 outbreak?



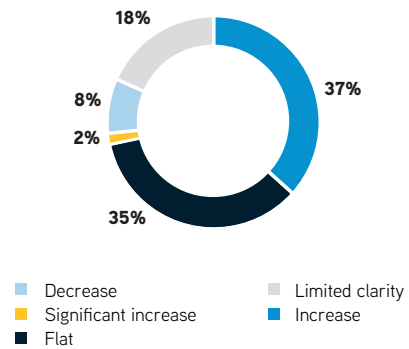
### 4 What are your expectations on rent level until Q4 2020 – Q2 2021?

While most of respondents bet on a flat market, with no changes in rent levels, 30% are expecting a correction of the market through a certain decrease in rents.



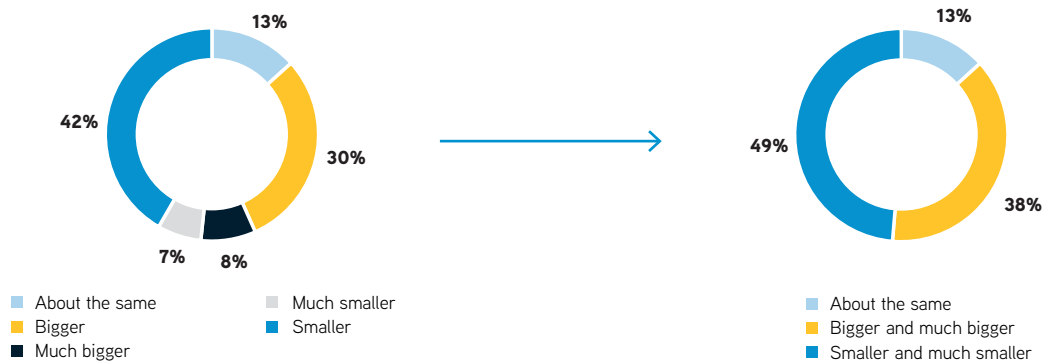
### 5 What are your expectations on vacancy rate until Q4 2020 - Q2 2021?

In terms of the evolution of the vacancy rate in the next 12 – 15 months, 39% of respondents (37% foresee an increase and 2% more a significant increase) expect to see it growing to a certain extent, while 35% of them are more optimistic and do not foresee any change in vacancy.



### 6 Do you expect COVID-19 to have a bigger or smaller impact on markets than the 2008-2009 downturn?

In comparison to the impact of 2008 – 2009 downturn, the respondent votes are rather balanced, 51% of them predict that Covid-19 will bring about a similar or bigger impact, while the remaining 49% expect a lighter effect.





## CONCLUSION

Although a significant part of the landlords stated that they were already negatively impacted, there is a high level of trust in the capability of the local office market to recover in 2021. This is reflected also in the fact that they expect rent level and vacancy rate to remain rather stable in the next 12 - 18 months.

The other side of the coin is given by the tenants' view of the current situation and their plan of rethinking the business needs in a market where companies were forced to experience work from home.

## FOR MORE INFORMATION



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