

## High quality office space becoming available in Iasi

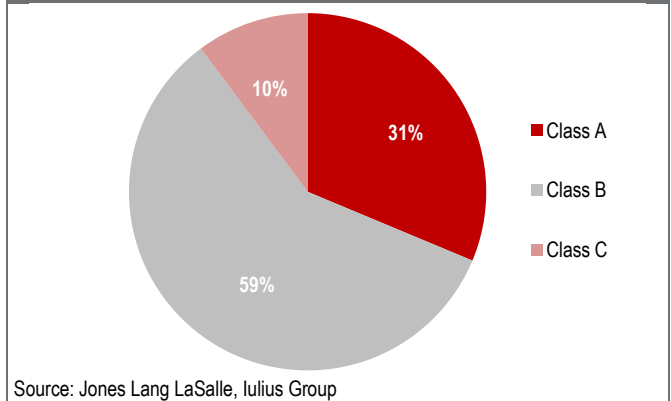
As of June 2013, the city of Iasi offers one of the largest modern office stocks among Romania's regional cities. In accordance with the latest review, undertaken by one of our strategic partners in the city, the modern office stock is estimated at 142,200 m<sup>2</sup>, which means that Iasi has a stock of 490 m<sup>2</sup> per 1,000 capita (Bucharest 1,083 m<sup>2</sup> per 1,000 capita). The placement of Iasi, at the top of the regional cities seems to follow a natural process, bearing in mind that back in 2005 Amazon decided to open operations in Iasi to the detriment of Bucharest. Demand generated by international occupiers has encouraged local developers to consider placing investments into small and medium sized office buildings.

According to the June 2013 office market survey, the stock in Iasi consists of 45 buildings, spread over 3 office locations identified as central, non-central and peripheral. From the identified stock, 16 buildings (53,900 m<sup>2</sup>), including the United Business Center (UBC) office complex are enjoying a central location, 19 buildings are placed in non-central areas while 10 buildings are located in peripheral locations, mainly in the Pacurari area (north west), considered as the main gateway to Iasi. The pipeline currently consists of two office projects, UBC extension and the Lukoil Building on Sf Lazar Street. Although an additional two office projects have been announced in Iasi, these are not expected to start construction works anytime soon. Over 30% of the stock is classified as Class A office stock, while Class B offices amount to 59% of the stock. Arguably, the United Business Center complex, with more than 20,000 m<sup>2</sup> GLA, represents the first choice for the majority of the multinational occupiers that have a presence in Iasi. UBC is part of Palas Project considered the largest multifunctional development in Romania outside of Bucharest.

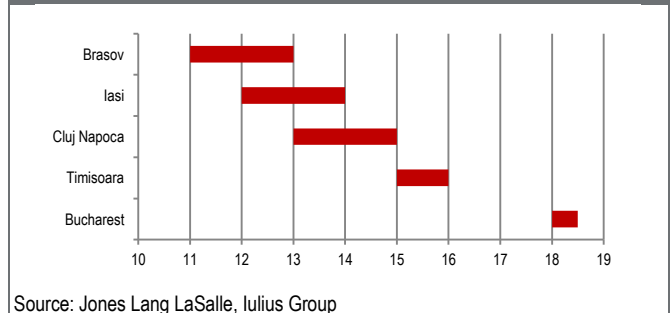
Rental levels in Iasi are competitive. For Class A space, headline rents range between 12 and 14 EUR/m<sup>2</sup>/month, while in the case of lower quality office space this may decrease to below 10 EUR/m<sup>2</sup>/month. The competitive rental levels coupled with a vacancy rate in the city estimated at 15-16%, transform the city of Iasi into a highly attractive office location in Romania. The list of major international occupiers that already have operations in Iasi includes: Amazon, Endava, Synogy, Ness, Centric, Movial, Bentley Systems, Travel Tech, EBS, AROBS, Teamnet, Basware, XEROX, Yonder, Infineon Technologies, Pentalog, PwC, Ernst& Young, Capgemini, Continental Automotive; commercial banks such as Volksbank, Unicredit Business Partner, Raiffeisen Bank; insurance companies (Groupama) and private healthcare companies, to name just a few. Annual gross take-up is currently estimated at 10,000 to 12,000 m<sup>2</sup> with some new leases and representative lease renewals being concluded in 2012.

Market Standard	Useful Guide
<b>Leased area</b>	BOMA standard
<b>Rent</b>	Quoted in EUR/payable in RON Monthly or quarterly in advance
<b>Prime Headline Rent</b>	14 Euro/m <sup>2</sup> /month
<b>Average Rent</b>	8-10Euro/m <sup>2</sup> /month
<b>Service Charge</b>	Between 2.5-4 EUR/m <sup>2</sup> /month
<b>Parking Rent</b>	Underground 50 EUR/place/month
<b>Incentive</b>	1-3 months' rent free
<b>Lease period</b>	Most common 3-year lease

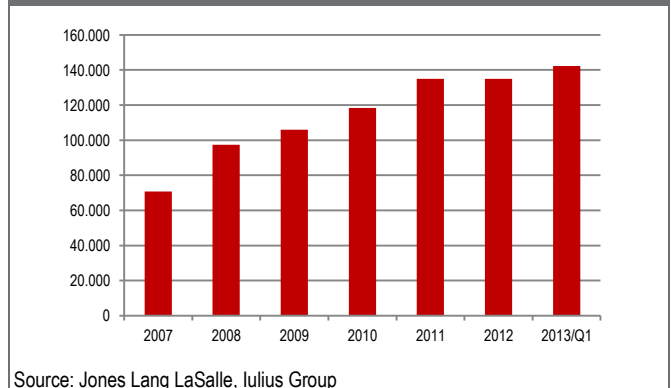
### Modern office stock composition in Iasi

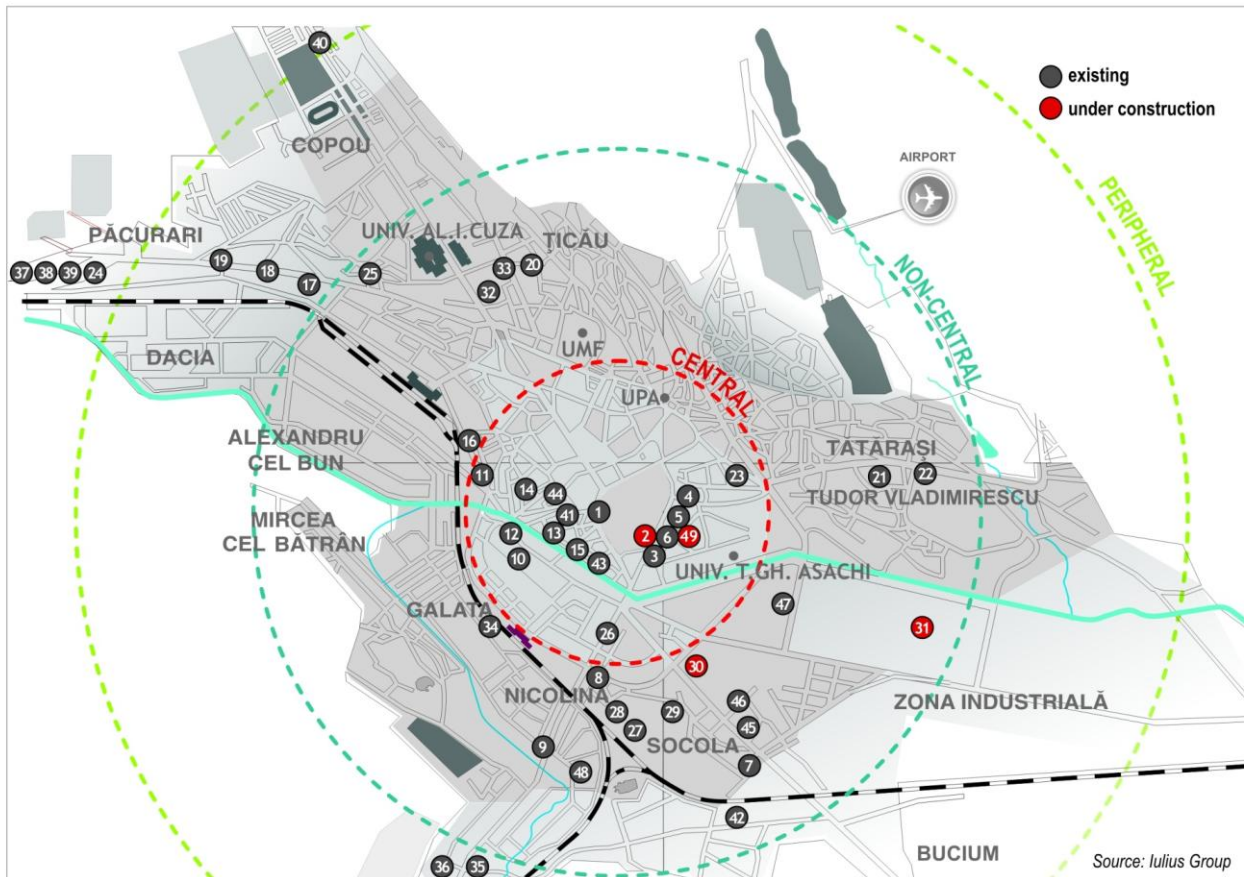


### Prime Headline Rents (Euro/m<sup>2</sup>/month) Comparison



### Cumulative Office Stock in Iasi (m<sup>2</sup>)





**Major Existing & Under Construction Office Buildings**

- |  |                           |                        |                             |                 |                     |
|--|---------------------------|------------------------|-----------------------------|-----------------|---------------------|
| 1 United Business Center Complex             | 8 Racemi Center           | 17 Moara de Foc        | 26 Vamă Office              | 35 Tehnopolis   | 44 Giros            |
| 2 United Business Center Complex - Extension | 9 Moldotrans Auto         | 18 Axxa                | 27 Napoli                   | 36 Expo Moldova | 45 Socola Building  |
| 3 Gabriel Business Center                    | 10 Sandru Office          | 19 Office Lukoil       | 28 Stefania                 | 37 CSDA Ideo    | 46 Open Mind        |
| 4 Business Center Solomon's                  | 11 Bras                   | 20 Solomon's           | 29 Nicolina Business Center | 38 Basarabia    | 47 Tester           |
| 5 Irsido                                     | 12 Podu de Piatra         | 21 Tudor Office Center | 30 Plaza Tesatura           | 39 Cap Gemini   | 48 Frumosa Building |
| 6 IasiCon                                    | 13 Office Splai Bahlui    | 22 Tatarasi Building   | 31 IBTC Terom               | 40 XL World     | 49 Lukoil Project   |
| 7 Business Center Granit                     | 14 Chronos Building       | 23 MAR Center          | 32 Habitat                  | 41 Red Office   |                     |
|  | 15 Elmond Grup            | 24 Solomon's Pacurari  | 33 XWiki Software           | 42 Continental  |                     |
|  | 16 Mercur Business Center | 25 BRCT                | 34 Suzuki-Doly              | 43 Elcom        |                     |

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