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201410001 Impact Acquires Land for Bucharest Housing Project

Romanian real estate developer Impact Developer & Contractor (IMP), controlled by businessman Gheorghe Iaciu, has bought a one-third share of 78,970 sq. m of land at Barbu Vacarescu Street in Bucharest for EUR 9.0 mln.

The transaction evaluates the whole land at EUR 27 mln, or EUR 341 per sq. m. Lots on Barbu Vacarescu Street, where Kaufland and Billa stores were built, are controlled by heirs of the Bragadiru family, according to Ziarul Financiar.

"Upon signing the contract, the purchase price of EUR 9.0 mln was fully paid from funds raised by the company following a capital increase. The land will be used for a housing project," Impact said in a statement to the Bucharest Stock Exchange.

The acquisition is part of the company's strategy for the 2014-2018 period.

The Barbu Vacarescu area in the north of Bucharest has become an important office zone, but the land bought by Impact, which until recently was used as a concert space known as Zone Arena, is more suitable for housing.

201410002 CA Immo to Sell Logistics Assets in Romania, Poland, Serbia

Austrian real estate investor and developer CA Immo today announced it is in final negotiations with an unnamed bidder to sell a logistics-portfolio with a total lettable area of 460,000 sq. m.

The planned transaction comprises a logistics park in Romania, two standing assets in Poland with attached land reserves and a smaller land plot in Serbia.

The assets are currently held by a joint venture between CA Immo (65 pct) and the European Bank for Reconstruction and Development (EBRD) (35 pct).

CA Immo expects that, after taking positive effects from the premature repayment of intra-group loans linked to the assets into account, the transaction will have a net neutral effect on the Net Asset Value (NAV) of CA Immo.

As Property Xpress reported, CA Immo is negotiating with PointPark Properties (P3) to sell its Europolis Logistics Park in Bucharest.

In Serbia, CA Immo owns the Europolis Park Belgrade E75 project. CA Immo became owner of this project, comprising 111,600 sq. m of land, in 2011 following the acquisition of Austrian Europolis group.

201410003 Six Top Residence to Complete 1,200-Unit Bucharest Housing Project in 2015

Six Top Residence company, owned by Romanian businessman Ion-Alexandru Tariuc, will complete next year seven blocks in its Confort Urban residential estate in Rahova neighborhood, and reach 1,200 new homes.

"The complex currently has 12 blocks with 750 apartments, entirely inhabited; two blocks which are currently 90 pct sold, will be completed by October 31, 2014. Four blocks, already under development will be launched in 2015 and this autumn we will begin work on three more blocks that will be commissioned in 2015. The complex will have more than 1,200 housing units," said Ramona Ganea, project manager at Sud Rezidential, the company that manages the sale of apartments.

Investment in this project had reached EUR 22 mln by this spring, when Six Top Residence completed 10 blocks with 500 apartments and other buildings were under construction.

"Early next year we will continue with a project of villas and other six blocks," said Ramona Ganea.

Apartments in the Confort Urban complex, located about a km from Rahova Market, are marketed at a price of EUR 700-800 per. sq. m, ZF.ro reports.

201410004 O1 Group Acquires Stake in CA Immo

Investment firm O1 Group, controlled by Russian billionaire Boris Mints, has agreed to buy a stake in the Austrian real estate investor and developer CA Immobilien Anlagen (CA Immo), the parties said in a joint statement.

In particular, O1 Group's subsidiary O1 Properties has entered into an agreement to acquire 15,954,891 ordinary shares, or approximately 16.35 pct of the outstanding share capital and voting rights of CA Immobilien Anlagen from Unicredit Bank Austria. The transaction will take place at a rate of EUR 18.5 per share (CA Immo shares are traded on the Vienna Stock Exchange and yesterday's closing price was EUR 15.7 per share), thus, the transaction amount will be EUR 295 mln. The deal is expected to close in November 2014.

O1 Group also intends to launch a public takeover bid for up to approximately 26 pct of the issued ordinary shares of CA Immo, according to the parties. In this case, the transaction cost will rise to approximately EUR 468 mln. Transaction advisors act Goldman Sachs, Ithuba Capital and JPMorgan.

CA Immo is a large investment company, specializing mainly in the A class office real estate segment. Its portfolio includes 74 completed properties and a few development projects in Austria, Germany, and Eastern Europe. CA Immo has only one Russian project – ‘Airport City’ (53,000 sq. m) in St. Petersburg. The total value of its portfolio now stands at about EUR 3.5 bln.

O1 Group specializes in real estate investments and the financial sector. Its subsidiary O1 Properties is one of the largest owners of Moscow office space. The company owns 13 income producing business centers, with a GLA of 497,000 sq. m. Its portfolio is valued at around USD 4.5 bln. ICT Group and Goldman Sachs own stakes in O1 Properties, of 26 pct and 12 pct respectively.

"The aim for this investment is risk diversification and capital preservation," O1 Properties CEO Dmitry Mints said. Dmitry Mints also added that there are no plans for CA Immo to actively develop projects in Russia. The O1 Group representative also said that the parties do not plan to combine assets.

According to consulting company Knight Frank, in the next five years office rents in the world's 10 major business capitals will increase by 10-36 pct, while in Moscow, on the contrary, they will decrease. Since the beginning of 2014, Moscow office rents have fallen by about 10 pct. CBRE expects that by the end of the year the share of vacant space in Moscow will reach 16 pct, and the share of the A-class office segment will be about 26 pct, Vedomosti reports.

201410005 Romanian Retailer Acquires 5.0 Ha of Land in Bucharest

A Romanian retail group has purchased approximately 5.0 of land in the east of Bucharest for EUR 8.0 mln plus VAT.

Dedeman, the largest player in the Romanian DIY market, with sales of over EUR 600 mln in 2013, has bought a 4.7 ha area, part of the former Chimopar industrial site at Theodor Pallady Boulevard for construction of its fourth Bucharest store.

Chemical manufacturer Chimopar, controlled by Lebanese businessman Jaffal Imad, became insolvent in 2012 and this spring was declared bankrupt, so the land purchase was approved by the company creditors, including UniCredit Tiriatic Bank.

"In September we completed a deal to acquire a 4.7 ha site, part of the Chimopar platform, where a new store with an area of over 15,000 sq. m will be built. The opening is scheduled for late March," Dragos Paval, president and majority shareholder of Dedeman, told ZF.ro.

According to data from the Insolvency Bulletin, Dedeman made an offer of EUR 8.17 mln (EUR 174 per sq. m) plus VAT for this site last spring, but the transaction took place only

after obtaining a building permit for the new store. Construction work has recently begun, with Arad-based P.A.B. Romania, with a EUR 38.6 mln business last year, as general contractor.

Dedeman's new store will be located opposite the former OBI Pallady store, closed this summer by the German DIY operator, due to its exit from the Romanian market.

The total area of the former industrial platform is 23 ha, and the Chimopar company now controls an 18 ha area, valued at EUR 25-30 mln.

201410006 EBRD to Grant EUR 23 mln Loan for Romanian Factory Project

The European Bank for Reconstruction and Development (EBRD) is considering providing a long term loan of up to EUR 23 mln to Romanian company ETI European Food Industries, a subsidiary of Turkish Eti Gida Sanayi ve Ticaret A.S. The loan will finance capital expenditures and working capital needs related to construction of a greenfield confectionery factory near Craiova.

The project has passed the concept review stage and is pending the final approval from the EBRD board, which is scheduled for November 11, the bank announced.

The project's total cost is EUR 39 mln. Earlier this year, the company received about EUR 6.0 mln in state aid for the new factory, which will create 300 new jobs.

Founded in 1962, ETI is one of the leading confectionery producers in Turkey.

201410007 Hercesa to Invest EUR 30 mln in Romanian Projects

Spanish real estate developer Hercesa plans to begin construction of the third phase of its Vivenda residential project in the Bucharest Titan area.

The developer is also negotiating a partnership to renovate an old building in downtown Bucharest. Both projects are estimated at a total investment of over EUR 30 mln.

"Our plan is to sell the last 60 housing units in the Vivenda complex by the end of November. Meanwhile, work on the third phase, including two blocks with 300 apartments, is being prepared. We want to modify the structure of apartments, to be more efficient and benefit from the 5.0 pct VAT. We'll start construction in June next year and the investment is estimated at EUR 16 mln," Mauricio Mesa Gomez, head of Hercesa Romania, told Mediafax.

Hercesa owns more land for residential projects within its Vivenda complex. The Spanish company representative said that the decision to start a new phase of the project is based on some favorable economic factors, including those related to funding sources; on the other hand Hercesa has nearly depleted its housing stock in the local market.

"We are talking with banks to finance the project and the situation has changed for the better in terms of credit availability for residential projects. Loans are more accessible to clients. Moreover, the market activity is back and consumer confidence returns. Compared to last year, the pace of sales of homes in Vivenda doubled from 7.6 units per month to 15 units per month," said Mesa.

He said that in the next period Hercesa's strategy will focus on the Titan project, which has three buildings with 420 apartments. "We will continue to focus on this project because we already have the infrastructure, utilities. We also plan to sell one of land plots we own in Bucharest to fund other investments. It is likely to be the Orhideelor land (18,000 sq. m near Basarab Overpass) because it is highly sought after by investors. There could be built very good office buildings in the future," said Mesa.

Hercesa also owns a 700 sq. m land plot near Unirii Square, where they could develop a hotel, but there are no plans to start the investment soon.

In 2004, Hercesa Group bought the Cismigiu Hotel and subsequently redeveloped the building into a four star hotel with offices. The building has so far attracted three tenants, Gambrinus brewery, Instituto Cervantes and Humanitas bookstore, and will generate revenues of EUR 1.2 mln this year, up from EUR 800,000 last year. The hotel had an occupancy rate last year of 57 pct, and for the last quarter of this year, it is expected to reach 60 pct.

"We estimate occupancy of 65-67 pct for this year. We also look at other similar projects, which is another direction of Hercesa business in Romania. We've had discussions for some projects, and are in advanced talks for a partnership with the owner of an old building in downtown Bucharest, in the University area," said the company representative.

He added that the building is not functional and similar in size to the Cismigiu Hotel, which has an area of approximately 9,600 sq. m, and the intention is to build a hotel. The owner has a building permit and Hercesa will handle the renovation project, whose budget is estimated at EUR 15 mln.

Hercesa entered the Romanian market in 2004, and since then has invested about EUR 150 mln in land and development.

201410008 Westhouse Sells 4,000 Sq. m Land Plot in Romania

Westhouse company, a subsidiary of Norwegian RomReal investment fund, has sold a 4,127 sq. m land plot in the city center of Brasov, intended for a residential project, for EUR 1.05 mln. The name of the buyer was not disclosed.

"The price is higher than the latest valuation performed by Knight Frank and represents 3.0 pct of the total land bank value," RomReal said in a report to its shareholders at the end of the

second quarter of this year. The transaction is expected to close in the second quarter of next year.

Bermuda-registered RomReal is listed on the Oslo Stock Exchange and held by Norwegian-British capital. The company was to develop real estate projects in Romania through Westhouse Group.

RomReal is also seeking to sell other properties from its portfolio, including 13 land plots in Bucharest and Constanta, and expects further disposals, BizBrasov.ro reports.

201410009 Athenee Palace Hilton Bucharest to Undergo Renovation

The 272-room five-star Athenee Palace Hilton Hotel in the Romanian capital will undergo an extensive renovation.

"On December 15 we want to start renovating the 10 conference rooms on the first floor, which will reopen on March 1 and at the end of next year we plan to start renovating rooms, which will be a gradual process. The hotel will stay open," said Alexandra Copos, who earlier this year took over the management of Ana Hotels, the property owner, from its father, businessman George Copos.

The project will take two to three years to complete.

According to Alexandra Copos, the renovation project, worth approximately EUR 8.0 mln, will be funded by ANA Hotels and bank loans.

The hotel building was built in 1914 by French architect Teophile Bradeau. The hospitality unit came under the umbrella of the Hilton chain in 1997. Businessman George Copos bought the hotel in 2005, after in 1996 acquired the former Flora Hotel (now Crowne Plaza), and in 2001 the Europa Hotel on the Black Sea coast, ZF.ro reports.

201410010 Moldova Mall to Reopen as Office Space in Romania

Romanian businessman Gheorghe Iaciu, who earlier this year bought Moldova Mall shopping center in the city center of Iasi from East Balkan Properties (EBP), will start this week work on converting the building into an office property. The project will absorb a EUR 10 mln investment that will be self-funded by the developer.

Gheorghe Iaciu has obtained a building permit to transform Moldova Mall into a building called Moldova Center. "Moldova Center will have a total lettable area of 14,500 sq. m, including 11,600 sq. m of office space. The project will continue to operate normally," said Gheorghe Iaciu, who is also the main shareholder of Bucharest-based Impact Developer & Contractor (IMP).

Iasi construction company DAS, with 490 employees and a EUR 24.7 mln turnover last year, will be general contractor for the project.

Regarding leasing the building, the businessman considers that rents will be in the range of EUR 13-16 per sq. m monthly for the office component. "We estimate that the first lease will be signed in October," said Iaciu without providing details. He said that the newly created office building could provide space for around 1,150 people, while the ground and first floors will continue to house clothing shops, services, restaurants and a Billa supermarket.

After Timisoara and Cluj, Iasi tends to become a sought destination for outsourcing activities.

Moldova Mall, with a GLA of 9,024 sq. m, was developed by Iasi businessman Danut Prisecariu and sold in 2006 to Equest Group (now East Balkan Properties, EBP) for EUR 34.5 mln. The mall results were below expectations, and the situation deteriorated in 2012, when the Palas Iasi project opened nearby, Ziarul Financiar reports.

201410011 Romanian Construction Firm Wins RON 50 mln Contract

A Romanian construction company has been awarded a RON 50 mln (including VAT) contract to build a business incubator in the north of Brasov.

Buzau-based SC Integral SA has won a tender organized by Brasov Municipality to build a business incubator building in the city's Bartolomeu Nord area. The Buzau-based company won the tender after several successive appeals that were resolved by a decision of the Brasov Court of Appeal in September.

Construction work on the business center is to be implemented by December 31, 2015.

The development, called Centre for Business, Technology Transfer and Business Incubator, is financed with European funds.

The project involves construction of a building with a basement, ground and one upper floor, with a total area of 10,400 sq. m and 36,300 sq. m of green space. The center will have a conference room, amphitheater, information and documentation center, restaurant, exhibition spaces, and several meeting rooms, Monitorul Expres reports.

201410012 Adeo Group Raises Capital of Romanian Subsidiary

French Adeo Group, controlled by the Mulliez family, has increased the share capital of its Romanian subsidiary Leroy Merlin Bricolaj by EUR 26.5 mln to support development of local stores, currently consisting of only two units in Bucharest and Craiova.

Following this capital injection, Leroy Merlin's capital reached RON 285 mln (about EUR 65 mln), according to the Official Gazette.

Earlier this year, Leroy Merlin Bricolaj bought land in Bragadiru, in the south of Bucharest, to develop a new store, with an investment estimated at EUR 15 mln. This transaction was followed by a EUR 10 mln capital increase. The store opening is scheduled for early next year.

On the other hand, Leroy Merlin Bricolaj has recently received the green light from Romania's Competition Council to acquire all 15 BauMax stores in the country.

Last year, Leroy Merlin's Bucharest store generated a EUR 24.5 mln turnover. By comparison, Leroy Merlin's rivals Hornbach and Dedeman, operating Bucharest stores with comparable surfaces, had average sales of EUR 20 mln and EUR 18 mln per store, respectively.

201410013 Three New Stores to Open at Hello Shopping Park Bacau

Three new stores, with a total area of 3,500 sq. m, will open in November at the Hello Shopping Park Bacau retail park, which is currently undergoing insolvency proceedings.

In particular, Danish retailer JYSK will open a 1,000 sq. m store at the retail park, along with San Francisco Outlet and Stock House stores.

The shopping center, which is now 88 pct occupied, has an annual footfall of around 3.8 million.

Hello Shopping Park occupies a 105.000 sq. m site and includes 45.000 sq. m of rentable space and 1,400 parking spaces, including a 13,000 sq. m Auchan hypermarket.

Belgian developer BelRom opened the retail park in 2008, following a EUR 60 mln investment. Anchor stores include Auchan, BauMax, Proges, Alvila, Altex and C&A. Hello Shopping Park is managed by Resolute Lar Romania, a company specializing in management of distressed real estate assets.

Bel Rom Cinci, the shopping center owner, recorded a EUR 3.56 mln turnover in 2013 and losses of EUR 1.1 mln. Its total debt was EUR 47 mln at the end of last year, according to data from the Finance Ministry.

201410014 U.A.E. Developer Plans EUR 400 mln Project in BiH

A U.A.E.-based real estate company is eyeing opportunities to develop projects in Bosnia and Herzegovina, Turkey, and Romania.

Dubai-based Buroj Property Development, which has built hotels, shopping malls, apartment buildings, and resorts in the U.A.E. and other countries, is planning similar development projects in BiH, Turkey, and Romania.

The company CEO Ismail Ahmed Bin Sultan is currently visiting BiH to meet with country officials and representatives of the business community in order to identify the most perspective areas for development and investment.

“The plan is to start projects in different locations all over BiH. We are currently searching for suitable locations and will send teams of consultants to further research and develop studies in order to identify the most appropriate locations and projects,” Ismail Ahmed Bin Sultan said in an interview for eKapija.ba.

In a separate interview for Alkhaleej.ae, Ismail Ahmed Bin Sultan said that the company is studying the possibility of developing an integrated tourist city in Sarajevo, worth in excess of UAD 2.0 bln (EUR 430 mln) , which will become the company’s first project outside the UAE.

He also pointed out that the project will consist of residential villas and a five-star hotel.

Ismail Ahmed Bin Sultan added that his company has reached agreement with the Bosnian government about the project, which will be located on Mount Igman, one of the most beautiful tourist areas in the capital.

Ismail Ahmed Bin Sultan predicted that the final signature on the deal will be made by the end of this year after completion of all studies and procedural steps.

He stressed that the project will depend on funding from the company’s own resources.

201410015 Office Building to Appear in Bucharest City Center

A new office real estate project will be developed in the city center of Bucharest by Romanian businessman and former tennis player Ion Tiriac.

Global East European Investment, a firm within Tiriac Imobiliare, part of Tiriac Holdings, controlled by Ion Tiriac, obtained in June this year permission to build a 12-story office tower on land it owns at Buzesti Street, near Victoria Square in Bucharest, according to data from Sector 1 City Hall.

Global East European Investment is currently working on resettling the ventilation outlet of Victoriei 2 metro station, located on the site.

Total investment in this project was earlier estimated at EUR 30 mln. The company received zoning plan (PUZ) approval in 2005, and the building permit issued provides for construction of a building with office, retail and service premises in a 5S+P+4E/9E/12E structure..

According to the Tiriac Imobiliare website, the property, called Buzesti Center, will have a built-up area of 35,000 sq. m.

Global East European Investment is owned by E.E.I. Imobiliaria Investment (40 pct; and the latter is 50 pct controlled by Lebanese businessman Khalil Abi Chahine), Weybridge Real Estate (10 pct) and Weybridge Property Co (50 pct). The last entry in the Register of Commerce was made in February 2012, Economica.net reports.

201410016 RPF Development Starts Bucharest Housing Project

RPF Development, a Bucharest-based real estate developer controlled by U.S. investors, is developing the first building with 12 floors and 80 apartments of its Tineretului Park Residence, whose completion is scheduled for June next year.

"The trend in the residential market is clearly upward. Banks have started to lend and evaluate apartments in some cases even higher than the prices charged by us," Dragos Vranceanu, managing partner of RPF Development, said to Ziarul Financiar.

The project will consist of three buildings at the entrance to Tineretului Park from Constantin Brancoveanu metro station, where other residential buildings have been raised in recent years.

Vranceanu said that more than a quarter of the first block apartments have already been sold, at prices of around EUR 1,200 per sq. m.

Up to now, RPF Development has developed and sold the first block with 158 apartments within its Vitan Residence project in Bucharest and recently completed and sold half of the 83 apartments of the second block, Vitan Residence 2.

201410017 Shikun & Binui, Red Sea Group to Accelerate Work on Bucharest Housing Project

Israeli companies Shikun & Binui and Red Sea Group, developers of the City Point residential complex in the Bucharest Aviatiei area, will begin this month work on a third block of the project as a result of rising sales this year.

The first block, completed in September, consists of 45 apartments. The structure of the second block is almost complete and commissioning is scheduled for May next year. Construction of the third block will start soon while work on the fourth building will be launched next spring.

"We did not know that we would have 90 pct of the apartments sold before completion of the first block. For this reason we changed the pace of development. Building a block takes about a year, a year and some months, and in a project like this we estimated sales of between 60 and 100 apartments per year. Most of the buyers of the first block work in firms in the Barbu Vacarescu-Pipera area," said Favi Stelian, CEO of the project development company.

In the first block 42 of the 45 two-bedroom apartments are priced between EUR 75,000 and 85,000 (about EUR 1,400 per sq. m), but in the second block of 48 housing units, developers have decided to arrange 20 three-bedroom apartments to meet the demand for this type of housing.

Danya Cebus is the general contractor. According to Favi Stelian, building a block in the complex requires a EUR 2.5 mln investment. The developer acquired the project site, of 12 ha, from Industrialexport in late 2007.

"We also plan to enter the retail market segment, as well as to buy more land for residential projects. We are currently negotiating to acquire land in Vitana, and a 5,000 sq. m site in the Aviatiei area," Stelian said.

Shikun & Binui is one of the largest Israeli real estate developers, with EUR 1.2 bln of assets under management, as at the end of 2013. Red Sea Group specializes in hotel projects, Ziarul Financiar reports.

201410018 Bucuresti Mall, Plaza Romania Owners to Merge Operations

Companies of the Turkish Anchor group, holding two shopping centers in Romania, Bucuresti (Bucharest) in Vitana, with assets valued at over RON 290 mln (EUR 66 mln), and Plaza Romania in the Bucharest Drumul Taberei area, with assets valued at RON 603.9 mln (EUR 137 mln) will merge.

"Bucharest Mall Development and Management will take over all assets and liabilities of Plaza Mall Development and Management. After the merger its headquarters will remain unchanged, i.e. at Bucuresti Mall in Vitana," said a document for the proposed merger.

After the merger, Bucharest Mall Development and Management will be owned by the same shareholders, i.e. Anchor Retail Investment (96.92 pct) and Fiba Capital Investment (3.07 pct), both registered in the Netherlands, and its capital will remain unchanged – RON 2.39 mln.

The merger of the two companies is aimed at increasing the efficiency of business activities of the two shopping centers owned by companies participating in the merger.

Plaza Mall Development and Management has revalued its assets to RON 603.9 mln (EUR 137 mln), including the RON 147.5 mln (EUR 34 mln) Plaza Romania shopping center, the

second mall opened by the Turkish Anchor group in Romania. The company also owns land plots at Timisoara Boulevard, where Plaza Romania shopping center is located. The company has negative net assets as its debts total RON 732 mln (EUR 166.3 mln).

Bucharest Mall Development and Management, which owns Bucuresti Mall shopping center, controls total assets of RON 290.1 mln (EUR 66 mln) and has debts of RON 60.96 mln (EUR 13.85 mln).

The two shopping centers are undergoing a EUR 25 mln refurbishment project.

201410019 CA Immo Sells Logistics Assets in Romania, Poland

Austrian real estate investor and developer CA Immo today announced it has completed negotiations to sell a logistics portfolio in Poland, Romanian and Serbia, with 467,000 sq. m of total lettable space.

The transaction, which is still subject to contractual terms and regulatory approvals, comprises a logistics park in Romania (215,000 sq. m), two standing assets in Poland (252,000 sq. m) and almost 165 ha of land for development, principally in Poland and Romania.

The agreement was signed with PointPark Properties (P3), a specialist owner, developer and manager of European logistics properties. P3 is owned by TPG Real Estate and Ivanhoe Cambridge. Financial terms of the transaction were not disclosed. The assets are currently held in a joint venture between CA Immo and the European Bank for Reconstruction and Development (EBRD).

The transaction is expected to close around year-end 2014. Colliers International and Allen & Overy acted as advisors to the vendor.

Dr. Bruno Ettenauer, CEO of CA Immo: „The transaction enhances CA Immo’s strategic portfolio focus on core-office assets and increases the operational efficiency of our investment platform. In addition, the sale will release equity in the significant amount of around EUR 110 mln, which should be deployed in a value-accretive way for our shareholders and support our long-term profitability targets.”

201410020 Euromall to Develop Luxury Residential Project in Bucharest

Real estate company Euromall, controlled by Israeli investors, will develop a luxury residential complex in Bucharest, which will become the company’s first investment in the local residential market.

Vernescu Residence, a project of Euromall’s subsidiary Metropolitan Developments, will comprise 36 luxury apartments. The building, situated at Sfintii Voievozi Street, will contain

one-, two- and three-room apartments, from 62 to 207 sq. m each. Construction work will start next week.

Before the crisis, the company developed Euromall commercial center in Pitesti, which was subsequently sold to Austrian Immofinanz. In 2007, Euromall pledged to invest hundreds of millions of euro to develop real estate projects on its own land plots in Romania, but plans were frozen due to the crisis. In particular, the company, in partnership with Immofinanz, planned to develop a EUR 150 mln residential complex in Baneasa, with 1,000 homes, Mediafax reports.

201410021 Skanska to Complete First Romanian Office Building

Swedish construction and real estate development company Skanska will complete the first building of its Green Court office compound in the Bucharest Barbu Vacarescu area at the end of the month. Meanwhile, the company has raised the structure of the second building within the project.

Investment in the first building is estimated at EUR 46 mln, while the aggregate investment in both buildings will rise to around EUR 80 mln.

The ‘A’ building will have a GLA of 19,000 on 12 above-ground floors and three underground levels with 280 parking spaces. Orange will occupy 13,700 sq. m of space at the building. Another tenant will be Schneider Electric.

This is the first project developed in Romania by the Swedish group, and according to market sources the building has already been put for sale.

The Green Court Bucharest scheme will consist of three A-class office buildings with a total rentable area of 52,000 sq. m. Each building will have 12 above and three underground floors. The project will apply for LEED (Leadership in Energy and Environmental Design) certification at Gold level.

Skanska representatives earlier said that the company is considering buying new land for development in areas with easy access to metro stations in western and central Bucharest.

201410022 Romanian Company Acquires Land for Logistics Center

A Romanian company has bought a 2.7 ha land plot, part of a former industrial platform, for construction of a logistics center.

Entrepreneurs Felix Patrascanu, Adrian and Neculai Mihai, owners FAN Courier, have bought a 2.7 ha land plot, part of the former Tractorul Brasov site from Immochan Romania, in a transaction estimated of around EUR 1.0 mln, Capital.ro reports.

FAN Courier, which is Romania's largest courier company with domestic capital, will build a regional hub in Brasov. "They will develop a project, which will open next year and create 250-300 jobs. The land is free and has planning approval for construction of an industrial-logistics complex," Tatian Diaconu, general manager of Immochan Romania, said in an interview for Capital.

Immochan Romania, part of France's Auchan Group bought in April 2012 the 100 ha Tractorul Brasov industrial platform for about EUR 25 mln.

FAN Courier had a EUR 63.3 mln turnover and a EUR 10.3 mln net profit last year.

201410023 NEPI to Open Shopping City Targu-Jiu on October 16

South African investment fund NEPI, the largest investor in the Romanian property market, will open tomorrow its Shopping City Targu-Jiu shopping mall, following a EUR 30 mln investment.

The property has a leasable area of 27,000 sq. m and tenants such as Carrefour, H&M, Takko, Deichmann, JYSK, CCC, Altex and Flanco, while cinema operator Cinema City will operate a multiplex with over 1000 seats.

The construction project lasted about a year. The mall also includes an underground car park with 1,000 parking spaces.

This is the second commercial center opened by NEPI this year. In early September the fund opened its Vulcan Value Center project in southern Bucharest.

201410024 Epoque Hotel Targets Revenue of EUR 2.0 mln in 2014

The five-star Epoque Hotel in Bucharest, which opened in October 2010, following a EUR 8.0 mln investment, plans to reach a EUR 2.0 bln business this year, an 18 pct increase compared to 2013.

Epoque Hotel, located near Cismigiu Hotel, recorded a 28 pct increase in turnover in the first nine months of the year compared to the same period in 2013 and revenue of about EUR 1.5 mln, resulting in revenue growth based on accommodation (13 pct) and the MICE segment (275 pct). Business travelers and leisure tourism generated 70 pct and 30 pct of the revenue respectively.

Over 75 pct of the hotel guests were foreign tourists who came mainly from the EU, Israel and USA. The boutique hotel recorded an average occupancy of 71 pct in the first nine months of 2014, 9.0 pct above the market average in Bucharest, estimated at 62 pct by STR Global. In the January-September 2014 period, Epoque Hotel operated with 75.2 pct

occupancy on weekdays, an increase of 9.0 pct from the same period last year, and 65.4 pct occupancy in weekend days, up 20 pct.

Epoque Hotel is a five star boutique hotel with 45 suites, a gastronomic restaurant, wintergarden, spa, conference center and club for private parties.

201410025 Arena Mall Developer Acquires Land for Expansion

Romanian entrepreneur Ovidiu Budeanu has reached agreement with Spanish real estate developer Fadesa to acquire a 13,000 sq. m land plot, adjacent to Arena Mall shopping center in Bacau, owned by the businessman, at a price of about EUR 100 per sq. m.

Martinsa-Fadesa, which entered into insolvency proceedings in summer 2008, owns over 80 ha of land in and around the cities of Bucharest and Bacau. At the beginning of the crisis, the company announced its intention to sell a portion of its land bank in Romania.

The Spanish developer earlier planned to develop 2,000 residential units on the site, but the project was postponed.

Budeanu expects to soon close the deal and start expanding the mall by a further 5,000 sq. m in 2015. Total investment is estimated at about EUR 3.4 mln, including the land cost of EUR 1.3 mln.

By 2020, Ovidiu Budeanu intends to repay much of the EUR 35 mln loan, taken from UniCredit Tiriac Bank for the shopping mall development. The businessman has paid EUR 11 mln for the seven years of operation of the mall. The Arena Mall owner pays about EUR 1.5 mln a year.

Ovidiu Budeanu has managed to reach a level of 100 pct rent collection and because the average rent has decreased to EUR 10 per sq. m per month, but expects that it will gradually increase to EUR 12 per sq. m per month in the next six years, Capital.ro reports.

201410026 Two Major Office Projects under Construction in Bucharest

Construction work on two office buildings has begun in Bucharest, near Pipera metro station. Both sites are due to open in 2016.

In particular, Bog'Art construction company, controlled by businessman Raul Doicescu, has begun demolishing the former Farmexim deposits to make room for a new office project on the site, while Octagon Contracting & Engineering, controlled by Greek businessmen Alexandros Ignatiadis and Paschalis Paganias, has started work on the second building of the Hermes Business Campus project located across the street.

These are the most recent office projects started in the north of the capital, which in recent years has emerged as the new business center of the city, where the average rent for office space is currently in the range of EUR 12-14 per sq. m per month.

Directly above Pipera metro station, Bog'Art brought the first machines to demolish the existing buildings on the site, bought this year by Globalworth investment fund, controlled by businessman Ioannis Papalekas, for EUR 14.3 mln, where Globalworth Campus office project will be carried out. The development will comprise three buildings with 105,000 sq. m of lettable area and a height of up to 25 floors, and the first phase is scheduled for completion in 2016, according to Globalworth. The latter relies primarily on signing a contract with a telecom group for a space of 25,000 sq. m.

This is not the first collaboration between Bogart, with a EUR 91.3 mln business in 2013, and Globalworth, given that the construction company has demolished the former Porsche Aviatiei showroom and is currently working on raising the Bucharest One tower developed by Ioannis Papalekas' fund near Aurel Vlaicu metro station.

Octagon, with a business of almost EUR 20 mln in 2013, has now begun construction of the second building within Hermes Business Campus scheme, following signing a EUR 6.2 mln contract with the project developer, Belgian Atenor Group. The building will have a leasable area of 24,000 sq. m and involve a EUR 30 mln investment. Completion is scheduled for the first quarter of 2016.

Atenor relies on a contract with German DB Schenker - taking into account that the transport company has leased the first floor of the first building of project to develop a service center, whose work will be moved into the second building as the number of local employees is set to increase.

201410027 Greek Businessman to Complete Office Building in Romania

Greek businessman Anastasios Gkotsis, who along with a group of Italian investors has developed the Polona 68 office building, the Bucharest headquarters of companies such as Roche, Novartis, AECOM and Ariston, will complete next month a new office project on Calea Floreasca, at the intersection with Gheorghe Titeica Street in the city, following a EUR 8.0 mln investment.

In contrast to the Polona 68 property, whose construction was completed in 2010 and renting lasted about two years, until 2012, the building on Floreasca Street, called Ethos House, is already almost fully leased, amid growing requests from tenants in the Bucharest office market.

"We will complete the Ethos House in November 2014 following a EUR 8.0 mln investment. Tenants are companies Arval, Cardiff, Glencore and Gopet and the effective rent is EUR 13.5 per sq. per month," developer representatives said.

Among the building tenants will be Glencore, one of the most discrete companies in Romania, with a EUR 100 mln annual turnover in the local market. The property, with a lettable area of 7,300 sq. m, will also house the head office of Gopet shipping company, with a EUR 27 mln business last year.

As well, ArcelorMittal will occupy the first floor of the building, along with the Romanian French Chamber of Commerce, and businessman Ionut Dimitrescu, shareholder of Eurisko consulting company.

According to the Official Gazette, at the end of last year, the project developer obtained a EUR 3.0 mln loan from Garanti Bank to develop the building.

Ethos House company is owned by Ethos House Investments, whose shareholders are Ionescu Radu-Claudiu and Ionescu Dan, while Anastasios Gkotsis is listed only as a company manager.

The project land of 1,500 sq. m was purchased in 2012 for about EUR 1.5 mln from Willbrook Group, controlled by Israeli businessman Eyal Ofer.

Ethos House owners are now seeking land suitable for development of a new office building in Bucharest, Ziarul Financiar reports.

201410028 Swan Office & Technology Park up for Sale in Romania

Swan Office & Technology Park in the Bucharest Pipera-Tunari area, developed by Swan Property, controlled by Chayton Capital investment fund, will again be put at auction by the judicial liquidator, Transylvania Insolvency House. In the meantime, the price of the complex has been cut to EUR 22 mln.

Swan Property became insolvent in January 2013 following a decision of the Court of Ilfov and then the project went bankrupt. The office complex, with an area of 29,000 sq. m, was commissioned in 2011 and now has an occupancy rate of about 45 pct.

Transylvania Insolvency House has repeatedly tried to sell the project. The office property was initially put for auction at a starting price of EUR 42.7 mln and as there were no bidders, the creditors committee decided to try to sell the property through direct negotiations at a starting price of EUR 31 mln. Active investors were interested in purchasing the asset, but did not reach agreement.

Since the sale attempt failed, the creditors committee has now decided to hold a competitive public auction at a starting price of EUR 22 mln, without VAT. The auction is scheduled for November 17, with applications being accepted till November 13.

201410029 Historic Hotel Building up for Sale in Romania

A historic hotel building in downtown Bucharest will be auctioned at a starting price of EUR 20 mln. The eight-story Triumf Hotel in Bucharest, one of the most valuable assets in the Autonomous Administration of State Protocol Patrimony (RA-APPS) portfolio, will be auctioned at a starting price of EUR 19.6 mln, by nearly EUR 13 mln less than the previous attempted sale, in January 2007, when the auction was challenged in court and did not eventuate, Mediafax reports.

Built in 1935 by architect Petre Antonescu, the two-star hotel occupies a 15,000 sq. m land plot at Kiseleff Boulevard in downtown Bucharest, and has 98 rooms and suites, a restaurant with 120 seats and summer garden with 60 seats.

201410030 SKV Properties to Develop EUR 30 mln Bucharest Housing Project

Romanian company SKV Properties will develop a EUR 30 mln luxury residential estate in Bucharest. The 49 Gafencu project, representing an 11-story building with 110 apartments and two underground parking levels with 175 parking spaces, will be built on a 5,000 sq. m land plot near Herastrau Park. In addition, the ensemble, with a total built-up area of 35,000 sq. m, will include a spa center, swimming pool, gym, children's playground, etc.

Completion is scheduled for the first quarter of 2016.

Prices start at EUR 1,500 per sq. m (VAT included) for apartments located on floors 2-5 and go up to EUR 2,500 per sq. m (VAT included) for apartments located on floors 6-8, providing a unique view on the Herastrau Park.

SKV Properties is equally owned by Anghel Ciprian Ioan and Anghel Cristina Mihaela, who have developed several residential projects in the Herastrau park area.

201410031 NEPI to Spend EUR 6.0 mln on Shopping Center Renovation

South African investment fund New Europe Property Investments (NEPI) will invest EUR 6.0 mln in renovating and expanding Aurora Mall Buzau, purchased this summer from businessman Dan Ostahie, along with another project in Alba Iulia, in a deal valued at about EUR 10 mln.

"NEPI has acquired Aurora Shopping Mall and a strip mall with 3,200 sq. m of GLA, for a total consideration of EUR 10 mln, in a combined acquisition. The Buzau mall has a prime location, with approximately 430,000 inhabitants within a 45-minute drive. It is the city's largest retail scheme, and existing tenants include Altex, Carrefour, Deichmann and New Yorker. Currently it suffers from a poor layout and tenant mix. NEPI plans to reconfigure and refurbish this mall, including construction of a cinema, at an approximate total cost of EUR 6.0 mln," NEPI said in a statement to the London Stock Exchange.

Developed by Dan Ostahie's Cometex company, the Buzau Mall, with a GLA of 17,900 sq. m, opened in 2008 following a EUR 25 mln investment.

NEPI completed this year construction of two shopping centers, i.e. Vulcan Value Center, with a lettable area of 25,200 sq. m, which is 95 pct leased to companies such as Carrefour, CCC, C&A, Deichmann, dm, Domo, Hervis Sports, H&M, JYSK, Lems, Noriel and Takko.

"Trading has been very encouraging since the opening, which took place in September," the report said.

Last week, the fund launched its Shopping City Targu Jiu. This regional mall, which has 26,800 sq. m of GLA, is 94 pct let and houses various international brands, including Carrefour, CCC, Cinema City, Deichmann, dm, H&M, JYSK and KFC.

"Various other opportunities, such as development of a regional mall in Piatra Neamt and extensions to properties in Cluj, Constanta, Deva and Severin are under consideration and remain subject to permitting and board approved pre-leasing requirements. Further acquisitions are being considered, including a regional shopping center in Slovakia and a newly built mall in Bucharest. Subject to completion of satisfactory due diligence investigations and detailed legal agreements, one of these properties is expected to be acquired shortly," the statement said.

NEPI also announced that construction and leasing of the 70,700 sq. m GLA Mega Mall shopping center are progressing well and it is expected to open in the second quarter of 2015. The investment fund also said that Erste Bank rejected the acquisition offer for the joint venture partner's 30 pct interest in the Mega Mall scheme.

NEPI is also working on permitting and leasing its planned 80,000 sq. m GLA regional mall in Timisoara. Phase I (55,700 sq. m of GLA) will include modern leisure and entertainment offerings. Carrefour has been secured as hypermarket anchor tenant.

A month ago NEPI representatives told Mediafax that the company was negotiating to purchase Promenade Mall in Bucharest.

NEPI manages Ploiesti Shopping City, City Park Constanta and Vulcan Value Center Bucharest shopping centers in Romania

NEPI also has an office development project in Romania, Victory Office, which includes renovation of a historic mansion in downtown Bucharest.

"Construction will commence on this A-class office development in central Bucharest, near the government building, once the final deviation works permits are received from the planning authorities," the report said.

201410032 Environmental Permit Requested for Residential Project in Romania

A request to obtain an environmental permit for construction of an 11-story apartment building in the Romanian city of Brasov has been filed by Imo Management and Alpin Towers.

Imo Management is part of the Arad-based Bermo Group, developer of Alphaville residential project, while Alpin Towers is an investment vehicle of the Israeli RSK Group.

RSK is owned by EuroCom Global Real Estate, part of Eurocom Group, one of the largest media groups in Israel, Kamin Imobiliare, part of Kaman Group, and Ackerstein, which designs and develops industrial and landscaping materials.

In 2007 RSG pledged to invest EUR 70 mln in a housing compound of four 16-story blocks in Brasov. With the coming crisis, the company has abandoned plans to build 2,500 housing units in Brasov, Timisoara, Iasi and Cluj-Napoca.

According to market sources, Bermo Group is interested in buying the land at Carpatilor Street, where the Alpine Towers project was to be built.

Alphaville Brasov is a development project of Bermo Real Estate Development & Investment, a subsidiary of Arad-based Alber Holding. The latter is active in several Romanian cities, including Arad, Timisoara, Cluj-Napoca, Brasov, Oradea, and Bacau. Bermo Real Estate Development & Investment has so far invested more than EUR 6.8 mln in the Alphaville Brasov project, BizBrasov.ro reports.

201410033 Developer Plans High-rise Real Estate Project in Romania

An international real estate developer intends to build a complex of high-rise buildings in the Romanian capital. In particular, Interprime Properties, the real estate arm of IKEA Group in Romania, requires local government approval of an urban plan for construction of buildings with a height of 3B + GF + 20 floors, 3B + GF + 19 floors, 3B + GF + 10 floors, 3B + G + 6 floor on the former Timpuri Noi platform in Bucharest, B365.ro reports.

According to the project's zoning plan (PUZ), which is in public debate until October 24, all buildings will have mixed functions and contain hotel, office, commercial, service and public spaces, housing and parking. The land plot covers an area of 52,933 sq. m. The PUZ document is expected to be approved by the General Council of Bucharest

In December 2013 Interprime Properties obtained a building permit for construction of two buildings, of six and ten floors, on the same land plot.

Interprime Properties bought the 53,000 sq. m former Bucharest Timpuri Noi platform in 2010 for EUR 34.6 mln. The company also owns 2.0 ha of land in the city's Basarab Overpass area, near Carrefour Orchideea commercial center, bought in 2011.

201410034 Orbis to Consider Takeover Offer from Accor

Poland's leading hotel company, Orbis, has received a proposal from Accor to take over 46 hotels owned by the French group in Central and Eastern Europe for EUR 142 mln

"We have been considering acquisition opportunities for some time now," Orbis Chairman Gilles Clavie told Le Figaro.

The majority of the hotels are located in Hungary, the Czech Republic, Romania and Poland, said the Orbis representative.

The Polish group, which operates 68 facilities in Poland and the Baltic countries, added it will enjoy exclusivity in negotiations until November 30.

Accor has six hotels in Romania, with a total of 1,221 rooms, i.e. Pullman and Novotel hotels and four Ibis units.

201410035 Volumetric Sells Land for Billa, Penny Stores in Romania

Spanish developer Volumetric, which who owns about 40,000 sq. m of land for residential projects in Brasov, Bucharest and Pitesti, has sold over 10,000 sq. m of land in Brasov for Billa and Penny stores in a deal valued at around EUR 3.0 mln.

In particular, Volumetric sold a 3,600 sq. m area for a Billa store and a 7,000 sq. m lot for a Penny supermarket out of its 36,000 sq. m land plot at Spicului Street in Brasov.

"We concluded both transactions this year. Billa agreed to open a new store in rented premises, but on completion of the project we sold it to a local investor. We also sold 7,000 sq. m of land to Penny and the store is currently under construction. On the remaining land of about 30,000 sq. m, we will implement either a residential or commercial project. Two major retailers are already present in the area and there are others interested in building commercial real estate on the site. We will decide what to build there," Jordi Sans, CEO at Volumetric, told Mediafax

Jordi Sans added that there is a lot of housing in the area, available at low prices. Maurer Imobiliare, founded by Simon Maurer, has completed 16 blocks, part of its 1,200-unit Avangarden residential complex in the same area where the Volumetric's land plot is located.

Jordi Sans also said that the company will continue to develop projects in Romania. "We want to stay in Romania, because housing is needed, even if present economic conditions are not

the best for the final consumer to buy a house. We are convinced that demand will return, and started developing a small project in Bucharest. We have land for large developments, but now I prefer to start with smaller, less risky projects," said Jordi Sans.

Volumetric recently began construction of a residential project of 12 apartments in the north of Bucharest, near Herastrau Park, which will require a EUR 1.5 mln investment. In 2011 the company completed a 170-apartment project in Brasov and owns a 4,000 sq. m site in Pitesti, where it plans to develop 200 homes, which will absorb a EUR 11-11.5 mln investment, and another one, of 5,300 sq. m near Carol Park in Bucharest, destined for 190 apartments and 830 sq. m of commercial space, which will take a EUR 13-14 mln investment.

"The market is not yet ready for projects of 200 apartments. Two years ago we completed a project in Brasov and still have 12 unsold apartments out of the total 170 units," said the investor.

According to Jordi Sans, the main problem of the Romanian residential market is the lack of finance for both developers and end users. "Banks do not support housing developers, as they have to pay a high price for failures of other developers," said Sans.

Volumetric deals with real estate development, alternative energy, and has activities in the medical and food industries. The company entered the Romanian market in 2007, with its first land purchase. Volumetric is also active in Poland and Hungary. Last year the company became a shareholder of RealTime consulting firm, founded by Ion Catutoiu.

201410036 Office Building, Lidl Store to Appear in Bucharest

German retailer Lidl, one of the largest players in the Romanian grocery market, with 180 discount stores in the country, has acquired a fourth of the former 5.0 ha MP Baneasa bakery factory site at Nicolae Caramfil Boulevard in the north of Bucharest, where an office building and a Lidl supermarket will be built, market sources told Ziarul Financiar.

The transaction value between the retailer and the vendor, MP Baneasa, is estimated at around EUR 4.0 mln, taking into account an average price of EUR 350 per sq. m.

"Two years ago we moved the production complex to Buftea, Ilfov County," Nicolae Enachiuc, director of MP Baneasa, said without elaborating on other details. Lidl representatives declined to comment.

The site is located near a Mega Image store and the headquarters of Elvila office furniture manufacturer.

Bulldozers and excavators were working yesterday to clear the ground of the MP Baneasa building, with a history of nearly three decades.

201410037 Update 2: Plaza Centers Sells Serbia Shopping Mall for EUR 39 mln

Plaza Centers earlier this month announced completion of a deal to sell its Kragujevac Plaza shopping and entertainment center in Serbia for EUR 38.6 mln, without naming the buyer.

The buyer is South African investment fund New Europe Property Investments (NEPI), the most active real estate investor in the Romanian commercial real estate market.

NEPI today announced an equity raising of approximately ZAR 1.1 bln (EUR 80 mln) through the issue of new ordinary shares. The vendor consideration placing will be utilized to fund the acquisitions of Aurora Shopping Mall and Alba Iulia Strip Mall in Romania and Kragujevac Plaza shopping mall in Serbia.

The balance of the equity raise under the company's general authority will be used to partially fund the company's future development and extension pipeline, as well as acquisitions, if acceptable terms are concluded.

The equity raise will be offered to qualifying investors through an accelerated book build process conducted on the JSE. The book build opens at 09.00 (South African time) on Wednesday, October 22 2014 and the company reserves the right to close it at any time thereafter. Pricing and allocations will be announced as soon as practical following the closing of the book build.

NEPI reserves the right to increase the size of the equity raise subject to demand.

Macquarie First South Capital Proprietary Limited and Java Capital are acting as joint bookrunners and joint lead managers for the equity raise.

201410038 NEPI Launches Fundraising Roadshow

South African investment fund New Europe Property Investments (NEPI) has announced plans to issue euro-denominated corporate bonds to attract finance.

“Moody's Investor Service has assigned NEPI a first-time Ba1 (stable outlook) corporate family rating and the company has mandated Deutsche Bank, Investec and Raiffeisen Bank International to arrange a series of fixed income investor meetings across Continental Europe and the United Kingdom starting on October 21, 2014. A Euro denominated Reg S bond offering may follow subject to market conditions. FCA/ICMA stabilization applies,” NEPI said in a statement.

“The rating enables us to explore the possibility of issuing unsecured debt at a group level in order to optimize our funding sources,” NEPI announced on Monday.

201410039 JYSK Keeps Romania Expansion Plans

Denmark's home furnishing retailer JYSK will open three Romanian stores by the end of the year. The company has added seven new units to its chain since the beginning of the year. According to sources in the furniture market, one of these stores, of 1,000 sq. m, will be located in Eliana Mall in Brasov and the opening will take place by the year's end.

"Our plans to reach 100 stores in Romania have not changed, and in 2015 we expect to launch another 15 new units. Since the beginning of the year we have opened seven stores and signed contract for a further three units," said Alex Bratu, country manager at JYSK Romania and Bulgaria. JYSK currently operates 19 stores in Romania.

The JYSK chain is owned by the founder, Lars Larsen, and the annual turnover of the group is about EUR 2.5 bln. In Romania, the company recorded a turnover of almost EUR 15 mln in 2013, according to the Finance Ministry website.

The Danish group entered the Romanian market in 2007 through franchise stores, and in March last year became owner of units in Romania and Bulgaria, so the management of the two countries was gathered in a central office in Bucharest.

Today, JYSK Group has a chain of 2,100 stores in 36 countries.

In January, JYSK announced plans to expand its presence in Ukraine, Romania and Bulgaria in the coming years.

201410040 IKEA Romania Reports 6.5 pct Sales Increase in 2013/2014 FY

IKEA Romania, operating the first and only IKEA store in the country, in the Bucharest Baneasa area, said its sales grew by around 6.5 pct to RON 468.4 mln (EUR 106 mln) in the fiscal year ending August 31.

The store had more than 3.23 million visitors in the 12 months to August 31, a 1.0 pct increase over the previous financial year.

Furniture accounted for about 60 pct of the total volume of the nearly 13.3 million items sold with decorations and accessories making up the remainder.

The first and so far only IKEA store in Romania was launched in 2007, as an anchor of Baneasa Retail Park, following a EUR 25 mln investment. It has a total area of 26,000 sq. m.

At the beginning of 2010, IKEA took direct control of the Romanian unit from the franchise holder Moaro Trading, controlled by local businessman Puiu Popoviciu, for EUR 30 mln.

The store had 496 employees in the 12 months through August.

IKEA operates more than 355 stores in 47 countries, including 40 franchise units.

201410041 IGD to Sell Romanian Property for EUR 3.5 mln

Italian retail real estate investor and developer Immobiliare Grande Distribuzione (IGD) plans to complete a deal to sell its Winmarkt Slatina retail center in late 2014. The transaction value for the property, with a GLA of 9,200 sq. m, is around EUR 3.5 mln.

IGD constantly analyzes opportunities to sell its retail properties in Romania since the company brought enough value to them, IGD said in a report.

Grand Omnia Center in Ploiesti is the most valuable asset of the 14-shopping center portfolio of Winmarkt chain of retail centers in Romania owned by IGD. The property is valued by CBRE and REAG at EUR 54.8 mln, almost a third of the total Romanian portfolio.

Grand Omnia Center is a result of a company project to group and modernize its two Winmarkt shopping centers in Ploiesti, Grand Center and Omnia, into a single shopping center, with a GLA of 16,700 sq. m.

IGD Group, in partnership with Investitori & Partner Immobiliari took over the Winmarkt chain in 2008 from Ivington Enterprises and Broadhurst Investment for EUR 182.5 mln.

The Italian company became sole shareholder of the portfolio in 2010 through the acquisition of shares of its partner Investitori & Partner Immobiliari for EUR 21 mln.

Winmarkt owns 14 shopping centers in Romania, in Alexandria, Bistrita, Braila, Buzau, Cluj-Napoca, Galati, Piatra Neamt, Ploiesti, Ramnicu Valcea, Slatina, Tulcea, Turda and Vaslui and an office building in Ploiesti with a total GLA of approximately 87,000 sq. m.

The shopping centers were assessed at the end of June at EUR 170.1 mln, comparable to the evaluation at the end of last year. Rental income generated by the 14 shopping center last year totaled about EUR 10 mln.

Modern Shopping Centre in Galati, with an area of nearly 8,500 sq. m, is valued at EUR 20.3 mln, and represents the second most valuable asset in the Winmarkt portfolio, followed by Cozia Shopping Centre in Ramnicu Valcea – EUR 14 mln and an area of about 8,000 sq. m, , according to a company report.

IGD also operates in the Italian market, and at the end of the first half had total assets valued at over EUR 1.8 bln.

201410042 NEPI Raises EUR 100 mln through Share Issue

South African investment fund New Europe Property Investments (NEPI) has raised about EUR 100 mln through a capital increase.

"NEPI closed its book build on October 22, 2014. In light of strong demand, the amount of capital to be raised was increased to ZAR 1.4 bln (approximately EUR 100 mln). At this level, the book was significantly oversubscribed. The new NEPI shares to be issued pursuant to the book build process conducted on the JSE have been priced at ZAR 103.00 per share, a 7.6 pct discount to the 30-day volume weighted average price and a 3.2 pct discount to the previous closing price as at Tuesday, October 21, 2014," NEPI said in a statement.

A total of 13,640,777 new shares will issued and listed on October 29, 2014 and the share capital of the company will increase to 258,790,000 ordinary shares.

On Wednesday, October 22, NEPI announced plans to attract EUR 80 mln through a capital increase to finance shopping center acquisitions and development projects.

"Part of the funds will be used to finance the recently announced acquisitions of Aurora shopping mall and Alba Iulia strip mall in Romania, and Kragujevac Plaza shopping mall in Serbia. The remainder of the proceeds of the capital increase will be used in part to finance future developments and extensions, as well as acquisitions, if acceptable terms are concluded," NEPI said in an announcement.

NEPI's largest development project in the pipeline, a shopping mall with a leasable area of 80,000 sq. m in Timisoara, is in the process of obtaining the necessary building permit. The shopping center will be anchored by a Carrefour hypermarket.

The only modern mall in Timisoara is Iulius, with a leasable area of 66,500 sq. m, according to DTZ.

NEPI is listed on the Bucharest Stock Exchange, where its shares were traded in mid-last week at a price of RON 38.99 per share, reflecting a market capitalization of RON 9.36 bln (EUR 2.1 bln).

201410043 Global Vision to Open Bucharest Business Center in November

Real estate firm Global Vision, specializing in property management services, will complete next month its Bratianu Business Center in downtown Bucharest, across from Coltea Hospital, following a total investment of EUR 5.0 mln.

Renovation work on the historic building started last summer, after Global Vision bought from Marfin Leasing the 3,000 sq. m building for EUR 3.0 mln. Conarg construction firm is the general contractor.

"Spaces of the building will be handed over to the first tenants in November. The building currently has an occupancy rate of 30-40 pct. For commercial premises we have a tenant in the food industry, namely a restaurant, "said Rusandra Bejan, sales & marketing manager at Global Vision.

According to Ziarul Financiar, La Placinte restaurant chain, which currently operates four units in the center and north of the capital, will open a new restaurant in the building at the entrance to the historic center of Bucharest, an area which now includes 40-50 restaurants.

201410044 Hornbach Considers New Romania Openings

German DIY retailer Hornbach, operating five hypermarkets in Romania, plans to resume its expansion in the local market. The company is considering entering the cities of Sibiu and Cluj, as well as opening a third Bucharest store, in the east of the city.

"Since entering the local market in 2005, we have turned our attention to cities with over 300,000 inhabitants, in order to achieve a turnover corresponding to investments. Thus, at this time, we are interested in cities like Cluj, Sibiu, and Bucharest, "said Mugurel - Horia Rusu, General Manager of Hornbach Romania.

According to local media, Hornbach is interested in renting the premises of the former OBI store in the north of Sibiu.

The German retailer currently has two stores in Bucharest, in Militari and Berceni, and one in Balotesti, Brasov and Timisoara.

In the first half of the current financial year (March 2014 - February 2015), the company registered a 10 pct increase in the number of customers due to a strategy based on customer focus, professional advice and competitive price/quality ratio, said Mugurel - Horia Rusu.

In 2013, the company reported a turnover of nearly EUR 100 mln.

Hornbach stores have an area of approximately 22,000 sq. m and offer approximately 120,000 items.

Founded in 1877 in Frankfurt, Hornbach Group is a family business and among the leaders of the market of building materials stores and gardening in Europe.

The company operates 145 stores in nine European countries, i.e. Germany, Austria, the Netherlands, Luxembourg, Switzerland, Slovakia, Sweden and Romania.

201410045 Globalworth and BCR Sign EUR 30 mln Credit Agreement

Greek businessman Ioannis Papalekas has borrowed EUR 30 mln from Banca Comerciala Romana (BCR) to refinance Bucharest Tower Center office building (TCI) in the Romanian capital.

The credit agreement was concluded recently, and total payments during the term including principal and interest are estimated at EUR 45 mln.

Globalworth, founded last year by Ioannis Papalekas to bring under one umbrella all property held by the businessman in Romania, announced late last month negotiations for signing a EUR 30 mln long-term loan agreement with a leading bank in Europe.

Completed in 2012, Tower Center building in the Bucharest Victoria Square area has tenants like EY, Hidroelectrica, Deutsche Bank, Cegeka, and the Ministry of European Funds. At the end of June, the market value of the building was EUR 76.7 mln.

Globalworth completed this year taking all majority or minority stakes in projects owned by different companies of Papalekas, with the transfer being made to values lower than the assessment. Projects include office buildings Bucharest Tower Center, BOB and BOC in Pipera and Upground Estates residential complex. Papalekas is also developing an office building in the Bucharest Barbu Vacarescu - Floreasca area – i.e. the Bucharest One office scheme, where Vodafone has rented a space of 15,000 sq. m.

The fund, with revenues of EUR 9.0 mln in H1'2014, also owns the former City Mall shopping center, which is currently being converted into offices, and more land for office and residential developments. In total, income from rents and service charges totaled EUR 6.6 mln.

At the end of June, Globalworth's assets were valued at EUR 521 mln, including EUR 390 mln of completed projects. The most expensive asset of the fund is BOC office building (valued at EUR 140.3 mln). Cumulative credits for all projects totaled over EUR 174 mln.

201410046 E van Wijk Leases Space at ProLogis Park Bucharest A1

Logistics operator E van Wijk Logistics has leased 16,147 sq. m of space at ProLogis Park Bucharest A1, which is the second largest transaction in Central and Eastern Europe (CEE) signed in the third quarter of 2014 by the American company ProLogis, the property owner.

In Q3 ProLogis leased over 387,000 sq. m of warehouse space in CEE, representing a 57 pct increase over the same period last year, with the leases for Polish properties representing more than 38 pct of all contracts signed in the region. ProLogis signed new lease agreements for a total area of 178,000 sq. m and renewed contracts for 173,000 sq. m, with the rest to the total area being short-term contracts.

ProLogis Park Bucharest A1 consists of four buildings totaling 107,000 sq. m and additional land for construction of another 186,000 sq. m of space. ProLogis Park Bucharest A1 is the first project developed by ProLogis in Romania. It is located 23 km from Bucharest, at Bucharest-Pitesti Highway.

E van Wijk is a European provider of integrated transport and logistics services with branches in Romania, the Netherlands and Ukraine. The company was founded in 1949 in the Netherlands and currently has a fleet of over 300 trucks, covering the major markets in Europe.

201410047 Bulgaria, Romania to Build Two Bridges over the Danube River

Bulgaria and Romania have signed a memorandum on construction of two bridges over the Danube River. Preliminary studies on the project will be funded under the program for cross-border cooperation between the two countries.

By the end of next week a working group will be established to begin work on preparing the project for the new bridges over the river to connect Turnu Magurele and Nikopol and Silistra and Calarasi.

This became known today after the signing of a memorandum on construction of the two facilities by Bulgaria's Transport Minister Nikolina Angelkova and Romania's Minister of Regional Development and Public Administration Liviu Dragnet.

Funding for the actual construction will be sought after the preparation stage, which will include feasibility and environmental impact assessment (EIA) studies, and an analysis of the potential benefits of construction of each of the facilities.

Most likely the project will be implemented through a public-private partnership arrangement.

201410048 Dedeman Acquires Land for New Bucharest Store

Dedeman, the largest player in the Romanian DIY market, with sales of over EUR 600 mln in 2013, has bought almost 3.0 ha of land located in the Bucharest Sector 3 area from Rosal Group, a company controlled by one of the sons of Silviu Prigoana, in a deal valued at EUR 5.9 mln plus VAT, Mediafax announced on Tuesday.

The land plot with a 29,700 sq. m area is situated at Duesti – Pantelimon Street, in sector 3, where Rosal's headquarters is located. The price agreed between the parties is EUR 160 per sq. m plus VAT.

Silviu Prigoana's son Honorius owns 67 pct of the capital of Rosal Group, with the remaining share being in possession of two other shareholders.

Dedeman, owned by businessmen Dragos and Adrian Paval, ended last year with a RON 2.67 bln (EUR 606 mln) turnover and net profit of RON 288.3 mln (EUR 65.2 mln).

Dedeman currently has 40 stores in Romania, including four units opened this year in Sibiu, Deva, Bucharest (Colentina) and Targu-Jiu. Besides the Colentina store (sector 2), the retailer also owns two other units in Bucharest, near Giurgiului (sector 4) and Valea Cascadelor (District 6).

The company previously announced plans to reach a chain of 50 stores in Romania by the end of next year.

201410049 Guess to Open First Romanian Store in November

American upscale clothing brand Guess will open its first Romanian store in November this year, in the Bucharest Fashion House Outlet Centre, in the west of the city, said Brendon O'Reilly, managing director of Fashion House Group, which is planning to start work on a second outlet center in Bucharest in 2015.

Fashion House Outlet Centre, operated by the Fashion House Group, opened in 2008, following a EUR 60 mln investment. The property, with a total lettable area of 20,000 sq. m, is located in West Park Retail Park, developed by Belgian Liebrecht & Wood. Since 2010, Fashion House Group is part of Liebrecht & Wood.

"Fashion House Outlet Centre has 53 tenants, including brands such as Adidas, Puma, Levi's, Diesel, Gatta and Tom Tailor and at the same time, there are currently 11 empty spaces in the center," said O'Reilly.

Liebrecht & Wood Group also owns 42 ha of land in the Bucharest Cernica area, where it plans to develop a retail park, including an outlet center.

"We focus on our current project in Bucharest and also have 42 ha of land in the eastern part of the city, for our Cernica Park development. At present, we develop this land with roads, electricity and sanitation and in the second half of next year plan to start construction of the project, consisting of a Fashion House retail park and a leisure component. Discussions with retailers from the Fashion House Bucharest West Park for our second outlet center in the city are positive," said O'Reilly.

Cernica project provides for construction of a 17,500 sq. m area for 93 stores and 1,400 parking spaces. The land is located right next to Bucharest-Constanta Highway.

Fashion House Group has a portfolio of completed properties with a total area of 86,400 sq. m in Poland, Romania and Russia, and development projects, with a total area of 50,000 sq. m.

201410050 Software Services Provider to Expand Romanian Operations

An Asian software services provider has unveiled plans to expand Romanian operations with additional 150 employees.

India's third largest software firm Wipro said on Tuesday it will expand operations in Romania by 25 pct, with the addition of about 150 employees by the end of 2015.

In Romania, Wipro currently has two development centers, in Bucharest and Timisoara.

"Eastern Europe is poised to become a strategic delivery location for Wipro and we are committed to investing in the region. We are building strong domain knowledge in key growth verticals and are hiring local talent with strong program management capabilities," Wipro CEO and Member of the Board TK Kurien said.

Wipro's Bucharest center is located at Floreasca Business Park, owned by South African investment fund New Europe Property Investments (NEPI). In November 2013 the company signed a 5,000 sq. m lease agreement for the space at Floreasca Business Park.

The company's Timisoara office is located at City Business Center, a complex of office buildings with a total leasable area of 43,000 sq. m, also owned by NEPI.

201410051 Sun Plaza Mall Total Revenues Reach EUR 26 mln in 2013

Sun Plaza shopping center, with a GLA of 81,000 sq. m, generated total revenues of EUR 26.3 mln last year, or about 15 pct of the sales made by its tenants, said Luiza Moraru, head of the retail department of CBRE Romania, the company that handles the management of the shopping center.

According to estimates, retail sales in 2013 totaled EUR 170 mln, and this year the figure will be higher.

The average rent in the shopping center is EUR 45-55 per sq. m per month for shops of 100-150 sq. m on the ground floor, while upstairs it ranges from EUR 38-55 per sq. m per month.

According to CBRE, the center recorded an 11 pct turnover increase in the first nine months of 2014 compared to the same period last year.

The highest sales, of EUR 4,000-5,000 per sq. m per year were achieved by cafes and restaurants, followed by lingerie stores, with sales of EUR 4,200 to 4,500 per sq. m and fashion stores, of EUR 2,500-3,500 per sq. m.

Sporting good retailers had sales of EUR 1,500-2,000 per sq. m, and shoe retailers, of 2,500 per sq. m. Maximum sales registered in the commercial center were EUR 20,000 per sq. m per year.

Compared to last year, restaurants have seen a 15 pct increase in sales, as well as electronics stores, while retailers of sports equipment sold goods by 18 pct more, and fashion retailers - by 24 pct.

Sun Plaza is the second largest development project of Austrian developer S Immo. Opened in 2010 in the south of Bucharest, the mall has over 130 stores operated by both local and international tenants.

According to representatives of the shopping center, Sun Plaza has seen a steady increase in the number of annual visitors, of about 10 pct reaching an average of 50,000 people on weekends and 36,000 on weekdays.

One factor that has increased the number of visitors is the transport infrastructure, including direct access to Piata Sudului metro station, through an underground passage, which brings about 16 to 17 pct of the mall visitors.

The shopping center, which opened in 2010, is fully leased. However, this does not take into account the fact that the 10,000 sq. m space previously occupied by Mobexpert remains unoccupied. Mobexpert closed the store in 2012 and is presently battling Sun Plaza in a litigation case.

201410052 Romanian Government to Finance Sports Complex Construction

The Romanian government will finance 90 pct of the cost of building a new sports complex in place of the existing Ion Oblemenco Stadium in Craiova.

The remaining 10 pct will be funded by the municipal budget, Romania's Deputy Prime Minister and Minister of Regional Development and Administration Liviu Dragnea said last week at a presentation of the project design.

"The investment will be worth a total of EUR 55 mln," Dragnea said.

The new sports area for FC CS Universitatea Craiova will occupy a 77,000 sq. m area and have 30,854 seats compared to the the current seating capacity of 25,252.

In addition, a parking lot close to the stadium will provide 1,123 parking spaces for cars and 74 for buses and special vehicles.

Construction is to be completed within a period of 17 months, Inside World Football indicated.

201410053 Tavirama Acquires Romanian Real Estate for EUR 1.2 mln

Luxembourg-registered investment fund Tavirama has bought two commercial spaces and a luxury apartment in Bucharest for EUR 1.2 mln. This is the fund's first purchase in the local market, where it wants to reach a portfolio of EUR 5.0 mln by the end of next year.

"Romania currently offers many opportunities in the real estate segment. The market is at a very low level compared to recent years, and there is still demand for renting commercial spaces, especially in big cities. Thus, we plan to invest in Romania and expect to achieve a EUR 5.0 mln portfolio locally by the end of 2015," Tavirama Romania's director for investments Florina Jurchita said.

Tavirama is a private investment fund, based in Luxembourg, active mainly in the real estate segment. The fund has assets, mainly small and medium sized buildings, in Luxembourg, France, UK and Romania.

201410054 Ram West Investitii Enters Insolvency Proceedings

The Bucharest Court has recently upheld a request by Alpha Bank to initiate insolvency proceedings against Ram West Investitii, controlled by Israeli investors.

In 2008 Ram West Investitii pledged to invest EUR 140 mln in building a complex of seven 18-story residential structures on a 36,000 sq. m site in the Bucharest Titan area. The company planned to build 360 apartments in the first phase.

The project, called Casablanca, remained in the early stage of development.

Among the shareholders of Ram Global Group at that time was businessman Moshe Charash, involved in West Park residential project, now Seven Hills, in Militari.

201410055 Multinational Firm in Romanian Expansion Mode

A multinational firm is expanding its Romanian presence by acquiring land for construction of new premises. Considered one of the largest investors in Oradea, U.S.-based Emerson has won the right to buy 24 ha in the city's industrial park, where it will expand production by building a new factory. The company has already received the green light from Oradea councilors to buy the land. The transaction will bring nearly EUR 2.0 mln to the local budget.

"The opportunity to acquire land after completion of part of the investment, and having in mind that we are talking about a EUR 80 mln project, is a necessary condition to attract investors," said Delia Ungur, administrator at Industrial Park Oradea.

"The amount to be charged by the city is somewhere around RON 9.5 mln, i.e. EUR 8.0 per sq. m for over 254,000 sq. m of land, less the fee that has already been paid," calculated Eduard Florea, public administrator at Oradea City Hall.

"Oradea City Hall has become a consistent player in the Romanian industrial real estate market and this may attract other investors," financial analyst Dacian Palladi said.

Emerson began work in Oradea two years ago and since then has created hundreds of jobs. The company specializes in the design and delivery of technology and engineering services, Digi24.ro reports.

201410056 NEPI Acquires Promenada Mall in Romania

South African investment fund New Europe Property Investments (NEPI), the largest investor in the Romanian real estate market, has signed an agreement to acquire Promenada shopping mall in Bucharest from Austrian Raiffeisen Evolution in a deal estimated at EUR 150 mln.

"The deal was signed today," sources close to the negotiations told Ziarul Financiar. Representatives of NEPI and Raiffeisen Evolution declined to comment.

Warsaw-headquartered Globe Trade Center (GTC) was also in talks to purchase the mall.

Promenada Mall opened in mid-October last year following a EUR 150 mln investment, as the last phase of the EUR 300 mln Floreasca City project, also comprising two office buildings, including the Sky Tower. Both office buildings were sold to Raiffeisen Group.

Promenada Mall is located at the intersection of Calea Floreasca, Pipera Road and Barbu Vacarescu Boulevard, an area dominated mainly by office buildings constructed in the last five years.

Promenada Mall has a leasable area of 35,000 sq. m, occupied at a 95 pct rate at the opening date, divided into 140 stores and 1,300 underground parking spaces. The mall has two underground parking levels and four floors accommodating commercial premises.

201410057 Da Vinci Group Development invests EUR 3 mln in residential building near Tineretului Park

Two Romanian businessmen are investing EUR3 million in an apartment building that will have around 86 apartments, located near Bucharest's Tineretului Park with delivery scheduled for July next year writes Mediafax.

Da Vinci Group Development, controlled by Nicolae Uciu and Alin Mihalache, bought a plot of 1,300 square meters last year, positioned near Serban Voda street. The previous owner, a Norwegian investor, was planning on using the terrain for a residential building.

“Construction started three weeks ago and delivery is scheduled for July 2015. The building will have 8 floors + a loft in total 86 apartments: studios with 34 square meters, two-room apartments with 52 square meters and three-room apartments with 69 square meters. The average price is 1,000 EUR / sq m”, according to Cristian Munteanu, senior partner Luxury Properties, in charge with promoting the project.

Munteanu added that 16 apartment have already been sold, 15 of which being three-room apartments.

The Romanian-controlled group invested RON 12 million in the project (EUR 3 million) with another EUR 800,000 representing the price of the terrain.

The two Romanian developers are looking for another land acquisitions, remaining in the Tineretului area, where they could buy 2,400 extra square meters in the following weeks. For this project they are intending on building another residential complex with around 80 apartments.

201410058 eMag recruits specialists for new development hub in Iasi

Online retailer eMag is opening a new programming center in Iasi for which it will recruit 40 programmers in the first year of activity.

“The second programming center we are opening in Romania, after the one in Craiova, is a natural result of the organic development of the past few years. The hub in Iasi will start activity in a few days with a team of four programmers in a headquarters of 400 square meters,” said Tudor Manea (in picture), vice-president and HR & Technology director at eMAG.

In Iasi, eMag will recruit people specialized in PHP, Linux and other web technologies, product managers, quality assurance specialists for full-time positions.

“There will be other local programming centers and we aim to establish partnerships with universities in Bucharest and across the country,” said Manea.

The Craiova center was opened in 2013 and employs 21 people. eMag has exceeded over 1,000 employees and recruitment will continue both in Bucharest and Iasi.

eMag plans to make EUR 1 million investments for the current year into development and team consolidation.

201410059 Two IT giants preparing their Romanian entry; could create 4,500 jobs

Two international IT&C corporations are getting ready to enter the Romanian market, which would lead to creating 4,500 jobs, according to a statement from Razvan Cotovelea, minister for Information Society, quoted by Agerpres.

“We have one IT giant which will come to Romania and open up 3,000 jobs. We have another great corporation which is coming from across the Ocean and will create another 1,500 jobs. I can’t give you any further details on this subject at the moment. But what I can tell you is that we will stimulate this sector to give funding to important professional development projects”, according to Cotovelea.

The official added that one of these IT giants will establish an operations center in the country.

“The first group is not from Europe and is among the top 5 brands on the global IT scene. Their wish is to come to Romania, set up an operations center and run a host of services from the country. We are waiting for them to take all the necessary steps to implement their investment plan and, also, to go public with it. We can only offer moral support. They are too big of a company to ask for financial aid. It will be a research center, which will also develop programs to integrate hardware and software solutions. What is important is that they are delighted with the Government’s policies regarding taxation and also with the quality of workforce they find over here“, Cotovelea added.

The Romanian IT market will most likely grow by 9.1 percent this year to a total of RON 5.4 billion (EUR 1.2 billion), exceeding most countries in the region.

The progress is due to strong economic growth and Romania’s status as regional center for IT professionals.

201410060 Artist Adrian Ghenie sells over GBP 1 million paintings at Sotheby’s auction

Romanian artist Adrian Ghenie sold three paintings for a total of GBP 1.2 million during a recent auction in London, at Sotheby’s auction house which took place on October 17. His artwork Duchamp’s Funeral I was sold for GBP 1,022,500, double as the pre-auction evaluation. “Adrian Ghenie’s Duchamp’s Funeral I is an extraordinary painting that deals with the artist’s most important engagement: Marcel Duchamp and Dada. Embodying an existential obsession for the artist, allusions to the father of post-modernism saturate his oeuvre, appearing in such works as the immersive installation The Dada Room (2010), Dada is Dead (2009) as well as in a painting of Duchamp’s notorious work, Fountain (1917). Standing at the very apex of this concern, the present work is the unmitigated masterpiece, and perhaps can be considered the artist’s greatest work to date”, is the catalogue description of this work of art, provided by Sotheby’s. The painting is oil on canvas 200 by 300cm.; 78 3/4 by 118 1/8 in.

The other two paintings sold by the Romanian were Study for The Devil, sold for GBP 12.500 and Hunger, sold for GBP 116.500.

The painting “The Fake Rothko” designed by the Romanian artist Adrian Ghenie, who is considered one of the most famous contemporary artists worldwide, was sold on July 1, with GDP 1.426.500 in an auction organized by the prestigious Sotheby auction house, in London, UK.

The estimated value of Ghenie’s painting was between GDP 250,000 to 350,000 and was considered a surprise, but set a new record for the artist at auction.

201410061 IFC lends EUR 4 mln to Garanti Leasing for renewable energy financing

Garanti Leasing, part of Garanti Romania, announced it has received EUR 4 million from the International Finance Corporation (IFC), member of World Bank Group, to finance energy efficiency and renewable energy projects.

The EUR 4 million sum is part of a EUR 7 million loan that Garanti Leasing is receiving from the IFC, aiming to finance small and medium sized enterprises. This is the third loan IFC grants to a Garanti Group institution, with the purpose of financing SMEs, and the first for Garanti Leasing. In February 2012 and earlier this year IFC granted Garanti Bank two loans, amounting to EUR 57.5 million in total.

“Funding SMEs has been one of our top priorities in 2014. Our strategy in the months to come is to continue our healthy sustainable growth, expanding our market share and diversifying our portfolio of financed assets, while focusing on SMEs and the public sector,” said Okan Yurtsever, general manager of Garanti Leasing.

In the first semester, Garanti Leasing granted new financing worth EUR 36.2 million, a 68 percent increase compared to the same period last year. The distribution of new assets funded by Garanti Leasing, in the first half of the year, was: vehicles (64 percent), equipment (30 percent) and real estate (6 percent). At the end of this year’s first semester, the company had a net profit of EUR 1.34 million.

201410062 EC invests EUR 57 mln in Romania’s broadband infrastructure

The European Commission has approved on Thursday a EUR 57.1 million investment, part of a EUR 83 million project, for the development of broadband infrastructure of 3,265 kilometers in areas in Romania that lack communication networks.

The Romanian state awarded in July the contract for designing, building and running a national communications infrastructure which will supply communication services to poor areas in 35 counties to newly rebranded Romtelecom and Cosmote: Telekom Romania.

The operators will build a telecom network to provide high-speed Internet for 783 localities that so far have no coverage. The project is valued at EUR 83.1 million, VAT included. The 783 cities, communes and villages include 137,000 households and 400,000 people.

“This project aims to develop rural regions and to improve quality of living, both locally, and nationally. That is why the ministry gave the Ro-Net project priority and it will be implemented with the European funds of EUR 84 million. Romania is today closer to the targets set by the European Union through the Digital Agenda, a vital part of the Europe 2020 strategy”, according to Razvan Cotovelea, minister for the Information Society.

The EUR 57.1 million investment is part of the “Economic Competitiveness” operational program, according to a press release from the European Commission. The project should be finalized by the end of 2015.

201410063 Over 38,000 Italian companies active in Romania

The government is inviting the Italian business community, which counts over 38,000 companies in Romania, to invest in industrial parks and clusters and to focus more on regions that have been avoided by investors such as eastern and southern Romania, said Constantin Nita, the minister of economy, during the forum Both Worlds 2014, organized by Confindustria Romania.

The minister pointed out that Italy is the biggest trading partner of Romania, with bilateral trade amounting to EUR 11.7 billion last year. He said he was hopeful that trade could further grow to EUR 15-16 billion in the next years.

Nita added that the government is expecting the economy to grow by 3 percent this year, after accelerating by 3.6 percent in 2013. He said that the exports have contributed to growth, reaching close to EUR 50 billion last year and amounting to EUR 25.5 billion in the first half of this year.

Referring to the industrial sector in Romania, Nita explained that it generates 30 percent of GDP, against the EU average of 16 percent, and has created 1.5 million direct and indirect jobs.

201410064 Romania aims to use 80 percent of EU funds under 2007-2013 framework

The country’s absorption of EU funds will exceed 50 percent this year and further climb to 80 percent in the 2007-2013 budgetary framework, said Eugen Teodorovici, minister of EU funds, reports Mediafax newswire.

The minister said that Romania has bills worth EUR 3.5 billion that are pending reimbursement by the European Commission, the executive arm of the EU, allowing the country not to lose any funds.

“We are receiving at least EUR 3.5 billion in 2014, which is at least EUR 700 more than we have received as a country in 2013. Of course, we will exceed that percentage of 50 percent. Next year we will close to current financial framework with at least 80 percent of what Romania has been allotted in the 2007-2013 period, which is EUR 19.2 billion,” said Teodorovici.

The minister added that the first projects requests for financing in the 2014-2020 budgetary framework will be launched in October and November.

Romania’s absorption of EU funds amounted to 37.26 percent at the end of September, according to data from the Ministry of EU funds. This means that the country has used EUR 7.1 billion worth of EU money since joining the EU.

201410065 Report: The Romanian IT market to reach EUR 1.2bln this year

The Romanian IT market will most likely grow by 9.1 percent this year to a total of RON 5.4 billion (EUR 1.2 billion), exceeding most countries in the region.

The progress is due to strong economic growth and Romania’s status as regional center for IT professionals, according to Business Monitor International, quoted by Mediafax newswire.

On the long term, the growth of salaries will support the development of the hardware components retail market while the modernization of the telecom infrastructure is expected to accelerate Romania’s repositioning as an important outsourcing and cloud computing market, according to a quarterly report of the research market.

In spite of all this, the economic and political instability in the region could negatively affect the evolution of the market, according to the report.

BMI estimations show that sales of hardware components will grow up to RON 2.9 billion (EUR 656 million) this year, from RON 2.8 billion (EUR 633 million) last year, due to the re-ignition of the PC and notebook market, as well as significant growth in the number of tablets.

The software market is estimated to reach RON 1.2 billion (EUR 271 million) this year, compared to RON 1.1 billion (EUR 249 million) last year.

The piracy will bite from the growth rate, but expenses with software solutions are estimated to go up, due to installing new versions for existing operating systems, as a result of Microsoft’s decision to cease support for Windows XP.

201410066 Stefanini proceeds with recruitment plans, reaches a team of 1,000

Stefanini Romania, the local branch of Brazilian IT outsourcing company Stefanini, has reached a headcount of 1,000 specialists across its delivery centers in Bucharest and Sibiu.

In 2013, Stefanini posted a turnover of EUR 17.3 million and further plans to develop its team by the end of the year, hiring IT support specialists, analysts, software developers, testing specialists, helpdesk technicians and project managers for another 100 positions.

The IT outsourcing company is celebrating 10 years of presence on the Romanian market. The first office was opened by the company in 2004, being the main European center of the group. In 2008, Stefanini inaugurated its office in Sibiu, which specializes in providing IT support services in German.

“In 2014, we added to the portfolio a significant number of clients- more than 10 new companies, and managed to retain our existing customers. We still see potential in manufacturing, pharma or FMCG, and we expect a similar growth rate in 2015,” said Andreea Stanescu (in picture), service delivery senior director, Stefanini Romania.

Stefanini employes have delivered over 100 IT projects to companies mainly active in pharma, manufacturing, and services.

The company has 800 employees in Bucharest, up 38 percent compared to the previous year, and 200 employees in Sibiu, up 67 percent compared to 2013.

At the moment, the employees of the company are delivering IT services to companies in over 50 countries, especially the United States, Germany and France.

Help desk services represent 70 percent of the total Stefanini business in Romania, being followed by application development, which represent 20 percent, while 10 percent of the business is represented by IT infrastructure services.

The company offers IT support in English, Italian, French, German, Spanish, Portuguese, Romanian, Hungarian, Russian, Greek, Bulgarian and Hebrew.

An entry-level employee is promoted to the next level within 12 to 18 months, while level 1 support technicians must go through two stages that they should go through to get through the entry-level position. The first stage can be finalized only after 6 months.

“Within the group, there is an excellent division in the mobile development, and we are glad this is located in Romania. We are also taking pride in the fact that 80 percent of the projects are developed using Agile techniques. As far as the software development division, this has posted a 30 percent growth in turnover this year, the main markets for which we are

developing solutions are those in Western Europe,” said Sabin Girlea, application development division director, Stefanini Romania.

Most of the Stefanini employees in Romania are support technicians (60 percent), IT specialists and project managers representing 20 percent while other 20 percent are app developers who are working in delivery centers in Bucharest.

201410067 Romania lands on the third place in Deloitte’s CE Technology Fast 50

Romania has landed on the 3rd position in CE_FAST50 2014 with six companies in the competition that ranks the fastest growing technology companies based on their revenue growth over a five-year period, according to a Deloitte press release.

For the 2014 ranking, revenues from 2009 to 2013 were analyzed.

Four of the companies present in the ranking are new entries, with the average growth registered among the Romanian entities ranked being 589 percent.

Five of the companies are software developers and one is an Internet company. Two of the companies are based in Bucharest, two in Cluj-Napoca, one in Baia Mare and one in Sibiu.

“We would like to congratulate all Romanian companies ranked in this year’s Fast 50 Technology report. All of them are testimony that with talent and innovation they can make a difference even in a very difficult market as the one of the past few years”, said Alina Mirea, Deloitte Partner and Fast 50 local project leader.

With an average growth of 1,433 percent, Sibiu-based ITNT ranks fourth, the best placed among the Romanian companies.

Qualified for the seventh year in a row in the ranking, Teamnet International is also among this year’s performers as it is present in two categories: 3rd place in the Big 5 category which marks those fast-growing companies that are too large to compete on equal terms in revenue-growth terms with smaller Fast 50 businesses and the 34th place (424 percent growth rate) in the main category Fast 50.

Softelligence ranks the 27th (459 percent growth rate), followed by Life is Hard which holds the 28th place (453 percent growth rate), Fortech which ranked the 37th (403 percent) and Trencadis 42nd (362 percent).

The average growth rate of CE’s Fast 50 technology companies increased to 698 percent from 671 percent in 2013. However, this is still well below the 1026 percent average achieved in 2012.

Ten countries contributed to this year's Fast 50 ranking: Poland (17), Hungary (10), Romania (six), Croatia (four), the Czech Republic, Lithuania and Slovakia (three each), Serbia (two) and Bulgaria and Estonia (one each).

Twenty-six companies have entered the ranking for the first time, 10 moved up and 14 moved downwards. Software companies again lead the ranking with 26 entries, followed by Internet with 12 entries and telecoms/networking with six entries.

Twenty percent of the CEOs of the companies that have applied for the ranking have revealed that innovation is the greatest management challenge they face.

One of the threats CEOs identify is the limited access to specialized work force (28 percent), followed by the general economic climate (20.6 percent).

More than half of the CEOs see future organic growth and 39.1 percent see international expansion. As regards to their revenues, 33.8 percent of the subjects estimate growth between 26-50 percent in 2014 while 52.3 percent plan to increase their R&D spending in the next couple of years.

201410068 DB Global Technology center reaches 160 employees

Deutsche Bank announces that its DB Global Technology center in Bucharest has now over 160 employees. The center has been operational since January 2014.

The center will create 500 jobs in the IT&C until the end of 2016. The DB Global Technology center in Bucharest is the fourth center opened by Deutsche Bank worldwide, developing software solutions for the bank's global operations.

"We are very satisfied with the results we have posted so far in the recruitment process because it offers us the opportunity to work next to some of the most talented professionals in IT&C. I am confident that this trend will maintain, since we have open positions available for a wide range of specializations: Quality Assurance and testing, IT architecture, software development and project management," said Iulia Cirmaciu, head of HR within the DB Global Technology.

The technology center will develop high-quality software for the global operations of the bank and will represent a platform for highly trained software engineers.

"As traditional partners of Romania, Deutsche Bank is consolidating its long-term commitment towards our country by inaugurating a technology center in Bucharest. DB Global technology will develop advanced technological solutions for numerous activities of Deutsche Bank, which illustrates the enormous potential of the local IT&C sector," said Mihai Ionescu, representative of Deutsche Bank in Romania, in a press release.

Deutsche Bank is present in Romania since 1998. Recently, Deutsche Bank was lead manager of Romania's bond emission in September- October 2013.

201410069 Chinese sign for USD 1 bln project in Romania

Romanian state-owned energy company Complexul Energetic Oltenia signed an agreement with China Huadian Engineering to create the Rovinari 500 MW power plant, and created the joint company Independent Power Producer (IPP).

The project will require investments of USD 1 billion. The Chinese company became bid winner for the project back in 2012, but it took 2 years to sign an agreement.

Other Chinese companies have won or stated interest in the Tarnita power plant – a EUR 1.5 billion investment, and in the USD 4 billion reactors 3 and 4 at the Cernavoda nuclear power plant.

201410070 Google launches support program for Romanian SMEs

Google Romania has announced the start of its Google Partners Connect program, which aims to facilitate the connection between local SMEs and specialists in the online environment, such as web designers and consultants. The program will be launched with an event to be organized on November 4, 9:00, at Willbrook Platinum center in Bucharest. Entrepreneurs and managers of medium-sized companies are among attendants.

“We have over 10 million Internet users in Romania and the figure increases by 1 million every year. Most users search information about products and services online, and a third of them frequently buy products online. If we look at how Romanians use the Internet (...) we find that the user profile in Romania is an advanced one. The SMEs should now embrace this opportunity – only 25% of SMEs have a website, compared to an average of about 50% in Western Europe- and to discover the most effective ways to make themselves known in the online world,” said Rares Rusu, Marketing Manager Google Romania.

The program will consists of two initiatives: first, a series of local events, starting with the one in early-November, where SMEs will be put in touch with specialists in their areas, and secondly, using the Partners community as a forum where the SMEs can get in contact with specialists. The Partners community brings together 350 marketing agencies and 400 certified specialists.

The event on November 4 will include 4 workshops for SMEs, on topics such as branding, eCommerce, export and online strategy.

201410071 Indian group Wipro to expand operations in Romania with 150 more staff

Indian software services group Wipro plans to expand local operations in Romania and hire 150 more people by the end of 2015. Wipro currently has 600 staff in Romania, which offer support for its Eastern European clients.

In Romania, Wipro has development centers in Bucharest and Timisoara. It intends to further invest in its Eastern European operations, Romania included, said TK Kurien, CEO Wipro, according to a group statement.