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Real Estate
Country Facts

"The commercial real estate markets of Bulgaria and Romania"

Latecomers with growth potential?

11

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Bulgaria's and Romania's economies are slow to recover

The economies of Bulgaria and Romania were both hard hit by the financial crisis. In both countries the sharp fall in exports, the lack of direct investment, the impact of a deteriorating job market and the banks' reluctance to approve new lending depressed personal consumption and resulted in a sharp recession. Bulgaria's real GDP in 2009 dropped by 4.9 %, Romania's by 7.1 %.

Both economies are taking their time to recover. Following the Greek crisis, European measures aimed at encouraging fiscal consolidation and decreasing national debt have tended to dampen economic growth and export-driven recovery. Growing unemployment and fiscal consolidation have had a direct negative impact on private consumption, especially in Romania. After the Supreme Court ruled that cutting pensions by 25 % was unconstitutional, the Romanian government raised VAT from 19 % to 24 %. Wages and salaries in the public sector were cut by 25 %. Bulgaria's public debt indicators are significantly better, giving it more latitude in fiscal policy, but here, too, the public sector payroll – to take but one example – was frozen. As Bulgaria's Currency Board makes it impossible to devalue the lev in an attempt to improve its international competitiveness, the administration can only pursue a so called internal devaluation policy which aimes at lower wages and prices.

Public finances (2009) in % of GDP

	Budget balance	Public debt
Bulgaria	–0.8	16.1
Romania	–7.4	29.9
Euro area	–6.3	79.0

Source: IMF

Despite some economic growth in the second half of this year, real annual GDP for both countries will once again decline slightly in 2010. Moderate economic growth of 1.7 % in Romania and 2.2 % in Bulgaria is expected in 2011. Both of these rates are similar to the other CEE-17 countries – significantly slower than before the crisis.

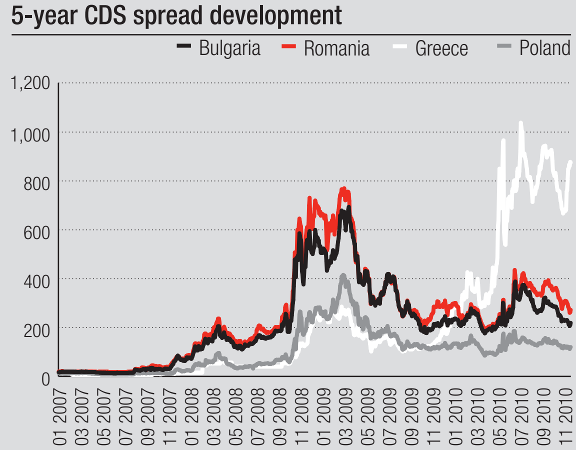
Based on CDS spreads, both countries' sovereign risk rating is decidedly better than during the early months of 2009, at the height of the crisis. Most recently, the 5-year CDS spread for Bulgaria moved around 220bp and Romania's around 270bp. Both countries have better ratings than Greece, for example, which is still classified as in danger of defaulting. However, the spreads for both are still wider than for countries such as Poland, which is considered one of the safest CEE countries.

Growth of real GDP

Growth in %	2007	2008	2009s	2010p	2011p
Bulgaria	6.4	6.2	–4.9	–0.5	2.2
Romania	6.2	7.1	–7.1	–2.5	1.7
Bosnia-H.	6.8	5.4	–2.9	0.5	1.8
Croatia	5.5	2.4	–5.8	–1.5	1.6
Czech Rep.	6.1	2.5	–4.1	2.0	1.9
Estonia	7.2	–3.6	–14.1	2.4	3.9
Hungary	1.0	0.6	–6.3	1.0	2.5
Kazakhstan	8.9	3.3	1.2	6.3	4.5
Latvia	10.0	–4.6	–18.0	–0.9	3.9
Lithuania	8.9	2.8	–15.0	0.9	3.7
Poland	6.8	5.1	1.8	3.3	3.7
Russia	8.5	5.2	–7.9	3.4	4.2
Serbia	6.9	5.5	–3.0	1.5	2.7
Slovakia	10.6	6.2	–4.7	4.3	3.1
Slovenia	6.9	3.7	–8.1	1.2	2.1
Turkey	4.7	0.7	–4.7	7.0	4.1
Ukraine	7.6	2.1	–15.1	3.5	5.0
CEE-17	**7.0**	**3.8**	**–5.7**	**3.6**	**3.7**
Austria	3.7	2.2	–3.9	1.9	2.0
Germany	2.8	0.7	–4.7	3.2	1.9
Italy	1.4	–1.3	–5.1	1.0	1.1

Source: UniCredit Research

5-year CDS spread development



Source: Bloomberg

Demand for commercial properties in CEE on the rise again – better developed markets lead the way

The economic recovery in CEE has improved the market environment for commercial real estate investments there. Although investments in commercial properties were only EUR 0.7 billion in first quarter 2010, they rose to EUR 1 billion in the second quarter and EUR 1.5 billion in the third. Cumulative investment of EUR 3.2 billion in the first nine months of 2010 was considerably higher than the total of EUR 2.5 billion for the whole of 2009.

International investors continued to focus on core properties in more developed CEE markets such as Poland and the Czech Republic.There was little or no interest in commercial properties in Romania and Bulgaria, although banks with sound financial indicators are again providing funding. According to data provided by CBRE there were no transactions in the first three quarters of 2010 in Bulgaria. Investments in the Romanian market during the same period came to only about EUR 200 m.

Given the current minimal or non-existent investment levels, the top yields of 10 % and 9.5 % given by CBRE for office property in Sofia and Bucharest for third quarter 2010 are only indicative.

Investments in commercial real estate in EUR bn

	Europe*	CEE	Germany	Italy	Austria
2005	141.7	5.8	20.0	5.0	1.9
2006	227.0	12.7	51.0	8.5	2.4
2007	246.0	14.2	57.5	10.0	2.8
2008	120.0	9.8	19.7	8.0	2.1
2009	69.7	2.5	10.5	5.1	1.3
Q1 2008	40.5	2.9	7.5	2.5	0.1
Q2 2008	29.0	3.1	4.6	1.9	0.8
Q3 2008	30.0	3.1	3.8	0.9	0.4
Q4 2008	20.5	0.7	3.8	2.6	0.7
Q1 2009	11.6	0.3	1.7	0.7	0.7
Q2 2009	14.2	0.2	1.6	1.4	0.2
Q3 2009	18.3	0.7	2.7	1.3	0.1
Q4 2009	25.7	1.3	4.4	1.7	0.5
Q1 2010	20.3	0.7	4.7	0.7	0.2
Q2 2010	24.6	1.0	4.0	1.3	0.8
Q3 2010	23.1	1.5	3.7	1.1	0.3

Source: IRG, CBRE
*) including CEE

Office prime yields 3rd quarter 2010

	Prime yield in %	change on quarter in bp	change on year in bp	change from peak* in bp
Vienna	5.40	–15	–30	65
Warsaw	6.25	–35	–50	85
Prague	6.85	0	–15	167
Bratislava	7.50	0	0	190
Budapest	7.75	0	–25	200
Zagreb	8.30	0	–20	160
Bucharest	9.50	0	0	325
Sofia	10.00	0	0	250
Belgrade	10.00	0	0	100
Moskow	10.50	–50	–150	300
Kiev	14.00	0	–100	550

Source: CBRE
*) lowest yield

JLL Transparency Index 2010

Transparency	Ranking	Market
High	3	UK
	6	United States
	10	Germany
Transparency	15	Austria
	20	Switzerland
	21	Italy
	22	Poland
	24	Czech Republic
	27	Hungary
Semi	30	Slovakia
	31	Russia Tier 1 Cities
	32	Romania
	35	Russia Tier 2 Cities
	36	Turkey
	40	Bulgaria
	43	Russia Tier 3 Cities
	46	Ukraine
	53	Slovenia
Low	61	Croatia
	70	Kazakhstan
	78	Belarus

Source: JLL

Real estate markets still considered only semi-transparent

The relatively slow progress of the economic recovery in Bulgaria and Romania only partially explains international investors' lack of interest in these two countries. Market transparency remains also an important issue. In Jones Lang LaSalle's biennial transparency index, Romania has climbed to 32nd place, but is still classified as semi-transparent. Ranked 40th, Bulgaria is also classified as semi-transparent; however, it must be noted that its ranking has not improved in recent years.

A weak market also creates new opportunities

For international investors favouring core properties, construction quality is an important issue. During the boom before the crisis, when skilled construction workers were in short supply, quality control in construction was frequently a low priority.

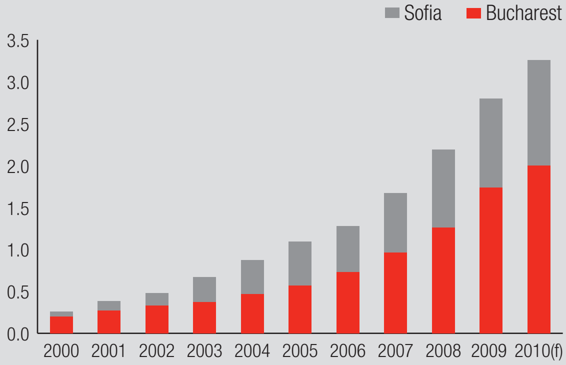
This enables developers who are able to take advantage of falling land prices and construction costs, and the availability of qualified construction workers to build energy efficient properties which can be rented out at sustainable prices. For instance, office projects with sustainable monthly rents of around EUR 12 / m^2 have a distinct competitive advantage.

Significant rise in office space leads to increase of vacancy rates

Over the past few years Bucharest and Sofia have been the scene of vigorous construction activity, which has led to a large increase in modern office space.

By the end of 2009, there was a total of 1.75 million m^2 modern office space in Bucharest and 1.1 million m^2 in Sofia. In 2009 the new space constructed in Bucharest reached record levels of close to 400,000 m^2, roughly a third of the total inventory space available in 2008. The amount of new space completed in Sofia was also very high, at 160,000 m^2.

Office market development CEE 2000–2010(f) (Million m^2)



Source: CBRE, IRG

However, in terms of office space per capita, both cities are still well behind Bratislava, Prague, Warsaw and Budapest. Compared with Vienna, the difference is even more marked: like all major western European cities, Vienna has a significantly higher inventory of office space, albeit with a higher percentage of old stock.

Office space per capita (2009)

	m^2 per capita
Frankfurt	17.89
Munich	13.97
Milan	8.99
Paris	7.56
Vienna	5.99
Bratislava	3.03
Prague	2.19
Warsaw	1.87
Budapest	1.40
Moscow	1.05
Bucharest	0.89
Sofia	0.78
Zagreb	0.73

Source: IRG

A huge number of speculative office building projects were completed during the investment boom in Eastern Europe. But many projects were also launched shortly before the onset of the international financial meltdown, meaning that a substantial quantity of office space was completed during the height of the crisis.

A significant increase in office space is expected this year as well: during the first half of 2010, 140,000 m^2 of new office space was completed in Bucharest and close to 100,000 m^2 was in Sofia. The estimated total new office space to be completed for the whole of 2010 is 280,000 m^2 for Bucharest and 200,000 m^2 for Sofia. New office space coming to market will decline appreciably only in 2011 and 2012.

Projected office space for 2010 (selection)

Office project	Total lettable space (m^2)	Status	City
Nusco Tower	35,500	completed	Bucharest
Cascade Euro Tower	18,000	completed	Bucharest
Crystal Tower	16,200	under construction	Bucharest
Polona 68–72	10,000	completed	Bucharest
Perform Business Center	17,000	close to completion	Sofia
Sofia Airport Center	17,500	under construction	Sofia
Brussels Center	12,000	under construction	Sofia
Q Center	5,600	under construction	Sofia

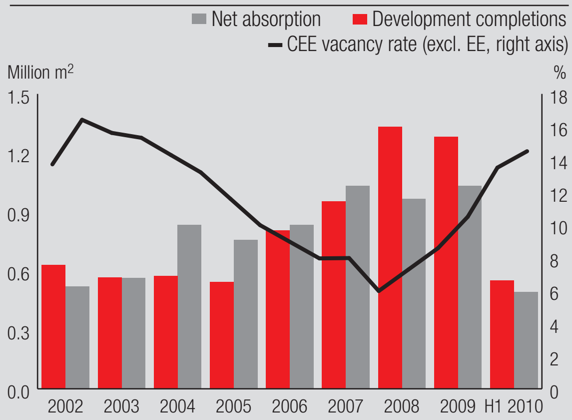
Source: IRG

The market cannot absorb the completed office space in either capital. The rate at which space is being completed exceeds the take-up rate, with the result that vacancy rates have increased considerably.

In mid-2010, the average vacancy rate for Bucharest was approximately 18 %, with the centre of the city less badly hit than other districts. A further increase is expected, in particular outside the city centre.

For Sofia the average vacancy rate for modern office space at the end of the first half of 2010 was approximately 20 %, with a further increase expected. Consequently, some developers are delaying completion of their projects where there is insufficient pre-letting, in order to avoid high operating and maintenance costs for empty office buildings.

Development vs. net absorption CEE 2002–2010

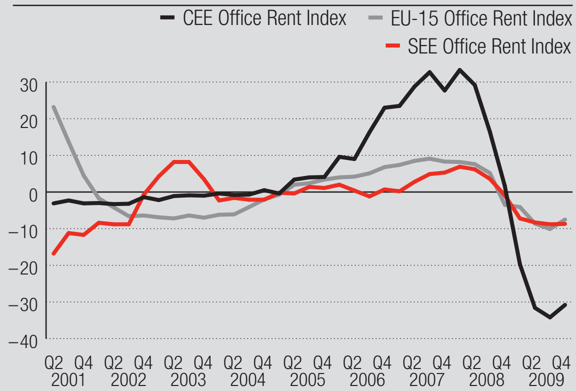


Source: CBRE, IRG

Marked drop in rent levels

The financial and economic crisis saw significant corrections in rent levels. By the end of 2009 rent levels had plummeted in CEE countries while prices in Western Europe and SEE showed a comparatively modest decline.

Prime rents development EU-15 and CEE/SEE 2001–2009 (Change in %)

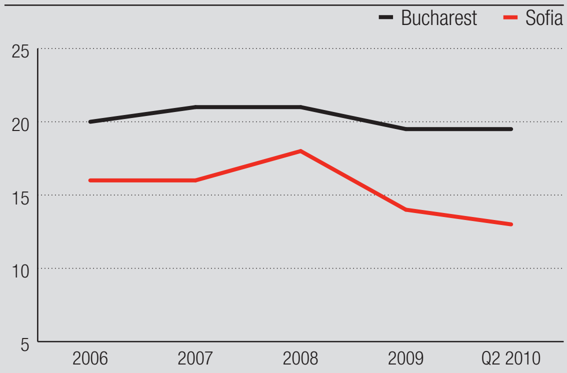


Source: CBRE

In 2008 top-quality office space in Bucharest was fetching EUR 21 / m². By the end of the third quarter prime rents had fallen back to their 2005 level of EUR 19.5 / m² per month. In Sofia prime rents fell from their peak of EUR 18 / m² in 2008 to approximately EUR 13 / m².

The drop in prices has been significantly higher in Sofia than in Bucharest. Rents in Bucharest and Sofia are likely to come under further pressure when substantial amounts of new office space are completed and become available.

Prime rents office 2006–2010 (EUR / m² / month)



Source: IRG

Despite high vacancy rates, energy-efficient office buildings offer attractive opportunities for developers

During the boom in construction, the main aim in both countries was to put buildings on the market as quickly as possible. Many of these buildings have one major deficiency – a lack of construction quality. This creates attractive opportunities for developers who are well placed to take advantage of lower construction and land costs and the renewed availability of a qualified workforce. These factors make it possible in both capitals to construct energy-efficient buildings capable of returning a profit with sustainable rents (approximately EUR 12 / m² per month). We expect significant competitive advantages and a strong response from tenants and international investors.

Retail-sector competition on the increase

Despite their geographical proximity, the retail sectors in Romania and Bulgaria have developed along quite different paths over the past few years. With 21.5 million inhabitants, Romania has nearly three times as many consumers as Bulgaria with its population of 7.6 million. In addition, Romania has over 25 cities with more than 100,000 inhabitants, while Bulgaria only has seven. This has made the Romanian market significantly more attractive to investors.

However, the two countries do have some things in common. Consumption has suffered as a result of job markets deterioration and – in particular in Romania – budgetary consolidation measures. Wages and salaries in the public sector have been cut back severely, and VAT was raised from 19 % to 24 %. Additionally, private consumption before the crisis was largely financed by borrowing, since bank loans were relatively easy to come by. To make matters worse, considerable numbers of loans were in foreign currencies. In Romania, the weakness of the leu caused a significant increase in repayments, with all the problems that entailed.

Increasing shopping centre space in Bulgaria

The financial crisis hit most projects just before or just as they came to fruition. Many of these projects, in particular shopping centres in the planning phase or under construction, were stopped, postponed or cancelled. The halt in construction work did, however, have some positive effects. The completion of all the planned shopping centre projects would have flooded the market with shopping centre space. Projects outside Sofia were the most frequently affected. Even in Sofia not a single shopping centre was opened in 2009. However, the trend in the capital may now have reversed, since the two large shopping centres, The Mall and Serdika Center, opened in the first half of 2010. This meant that within a few months total shopping centre space in Sofia doubled, and the city is now home to six shopping centres with a total area of around 200,000 m^2. Further additions to retail space in Sofia are not expected until 2011, when the 25,000 m^2 Mega Mall development is scheduled to open.

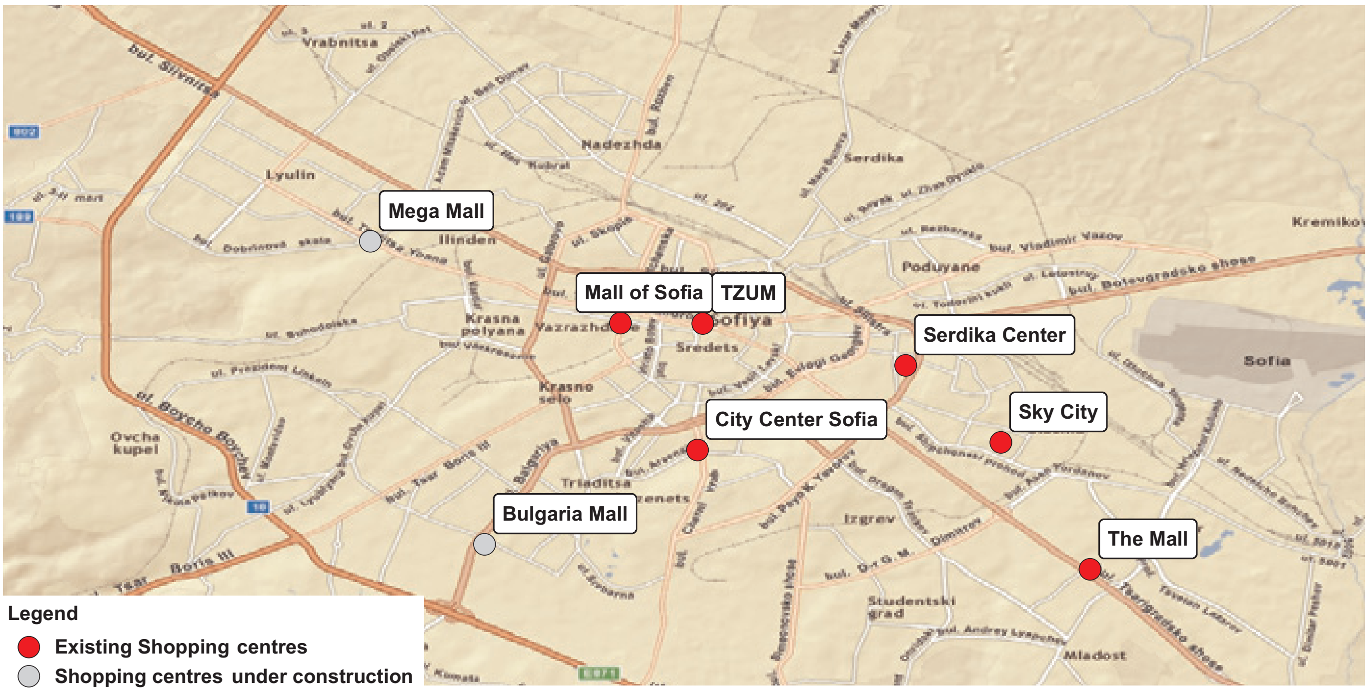
Major new shopping centres in Bulgaria in 2010

Shopping centre	Lettable space in m^2	City
The Mall	~ 66,000	Sofia
Serdika Center	~ 51,000	Sofia
Grand Mall	~ 50,000	Varna
Galleria Plovdiv	~ 45,000	Plovdiv
Galleria Stara Zagora	~ 25,000	Stara Zagora

Source: IRG

Bulgaria now has more than 500,000 m^2 of shopping centre space, not including a few major projects approaching completion in smaller cities.

Shopping centres Sofia



Created on: 04.11.2010; Created by: Weberndorfer; Source: IRG, ESRI

Outside Sofia, one recently opened shopping centre, Galleria Stara Zagora, is noteworthy because of its compliance with modern international energy-efficiency standards.

Major new shopping centres in Bulgaria currently under construction

Shopping centre	Lettable space in m²	Scheduled opening	City
Galleria Varna	38,000	2011	Varna
Galleria Burgas	37,000	2011	Burgas
Mall Rousse	36,000	2010	Rousse
Mega Mall	25,000	2011	Sofia
Varna Towers	25,000	2010	Varna
Mall Markova Tepe	21,000	2010	Plovdiv
City Mall	21,000	2011	Stara Zagora
Mega Mall Rousse	20,000	2010	Rousse

Source: IRG

The construction of new shopping centres in Bulgaria has led international chains such as Humanic, Peek & Cloppenburg and the Indidex Group (Zara, Bershka, Stradivarius, Pull & Bear) to enter the market. In autumn 2010 Lidl moved into the country with several stores taken over from the food retailing chain Plus. Ikea is also planning its market entry, with a 30,000 m² property in Sofia; construction began in June 2010.

Despite strong pressure from tenants, so far rents in the shopping centres have been according to local information relatively stable at EUR 7 – 35 / m² per month, depending on store size. Rents are expected to come under more pressure with the significant increase in retail space. The vacancy rate at 5 % is still low at the moment, and shopping centre operators are prepared to go to great lengths to retain existing tenants.

Bulgaria's shopping streets seriously affected by the opening of shopping centres

In the first half of 2010 Sofia's shopping streets were seriously affected by the opening of the two large shopping centres. Many international brands have moved to the new, state-of-the-art malls, leaving gaping holes in the shopping streets. The occupancy rate has been falling accordingly.

Since other international market players have delayed their market entry, it is virtually impossible to find new tenants. When tenants can be found for empty shops, they are usually national retailers. Due to the current economic turndown, owners are being forced to reduce the rents they demand.

Top rents in the major shopping streets have dropped over the last half year. Rents are currently between EUR 35 and EUR 60 / m² per month, and are expected to decline further.

Shopping centre boom in Romania

Romania boasts a total of 1.4 million m² of shopping centre space. While Sofia only saw its first shopping centre in 2006, the first one in Bucharest was already opened in 1999. The past few years have seen a veritable shopping centre boom. In Bucharest and other large cities numerous shopping centres have opened their doors. In Bucharest there is already an oversupply of retail space, but nevertheless 2010 saw further openings.

Major new shopping centres in Romania in 2010

Shopping centre	Lettable space in m²	City
Sun Plaza	~ 80,000	Bucharest
Atrium Center	~ 30,000	Arad
Gold Plaza	30,000	Baia Mare
Cocor	10,000	Bucharest

Source: IRG

When the 80,000 m² Sun Plaza and the Cocor opened in 2010, the total retail space in Bucharest's shopping centres grew to 600,000 m². Roughly a third of the shopping centres in Bucharest contain more than 40,000 m² of retail space. A further 770,000 m² of retail space are being planned.

The opening of Gold Plaza in Baia Mare took place recently. The shopping centre is in the northwest of the city, and will offer its customers 30,000 m² of retail space.

Major shopping centres in Romania currently under construction

Shopping centre	Lettable space in m²	Scheduled opening	City
Dambovita Center / Casa Radio	100,000	2013	Bucharest
Palas Iasi	50,000	2011	Iasi
Polus Center	48,000	2011	Constanța
Galleria Arad	30,000	2011	Arad
Euromall	24,000	2011	Galati

Source: IRG

Approximately 30 % of retail space in shopping centres outside Bucharest is vacant. In Romania some shopping centres were forced to close again shortly after opening, but this does not mean that the market is now without potential. Given the lower purchasing power outside the capital, retail boxes offering better bargains might prove more successful than shopping centres.

A number of international brands are already represented in Romania. International retailers such as Decathlon, C&A, Kiabi, Camaieu, Gerard Darel, Six and the bakery chain Brioche Dorée have recently entered the Romanian market. The Swedish clothing giant H&M is planning its market entry with the first shops set to open in Bucharest in 2011. The DIY chain Leroy Merlin is planning to open its first store in the capital soon.

Depending on the size of the units, monthly rents are in the EUR 10–70/m² range in Bucharest's shopping centres. The vacancy rate in Bucharest is estimated at between 10% and 15%. Prime yields for Bucharest's shopping centres are indicative around 9% to 9.5%.

Top locations on Bucharest's shopping streets such as Calea Victoriei, Magheru Boulevard and N. Balcescu Street are mainly sought after by international luxury retailers. Here the monthly rent is between EUR 40 and EUR 70/m², with prime yields of around 9%. Roughly 10% of retail space in the shopping streets is standing empty.

Modern shopping centres are going to prevail

Shopping centre density and purchasing power

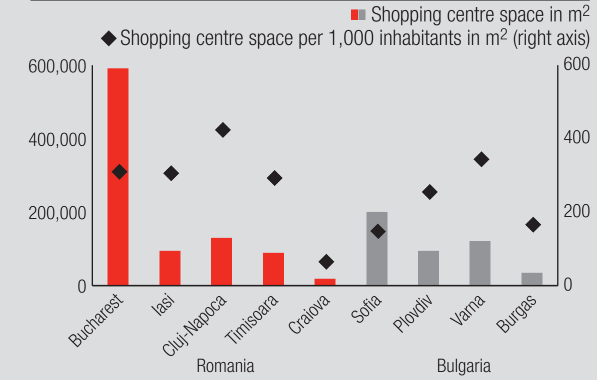
	Shopping centre area m²/ 1,000 inhabitants	GDP per capita 2009 EUR
Bucharest	305	5,390
Sofia	143	4,630
Vienna	337	33,070

Source: IRG, UniCredit Research

Compared with Vienna, Bucharest has nearly the same amount of shopping centre space per capita despite significantly lower purchasing power. Bulgaria, with even lower purchasing power, lags further behind in development. Nevertheless, in both countries, there are individual cities with higher ratios of shopping centre space per inhabitant than the respective capitals, although purchasing power in these secondary cities is even lower.

For smaller cities, retail boxes, which often attract discounters because of the lower rents, are more likely to be appropriate than shopping malls.

Shopping centre space – cities



Source: IRG

As the economies revive, consumption will pick up again. It can safely be assumed that, as competition intensifies, the centres in good locations, with interesting brand mixes, attractive food courts and professional management will be the most successful. Obsolete centre designs in poor locations will disappear. As economic stability returns, international investors, who are at present reluctant to commit, will start to find state-of-the-art shopping centres increasingly attractive.

Shopping centres Bucharest

Created on: 04.11.2010; Created by: Weberndorfer; Source: IRG, ESRI

Logistics real estate development on hold

Industrial real estate also did not escape the economic crisis unscathed. But in contrast to the delayed slowdown in new construction in the office property and shopping centre sectors due to the larger size and longer duration of projects, logistics property reacted rapidly to declining demand. New project developments were quickly scaled back, and pipeline projects were put on hold.

At the end of 2009 there was a total of around 2.4 million m^2 of logistics space in Bulgaria, about 40 % of which was in and around Sofia. However, the estimates of total stocks vary, and the exact amount is difficult to establish, particularly with respect to both modern and less up-to-date properties.

Slightly more reliable estimates of the total inventory of logistics space are available for Romania, although in this case only modern industrial space is included, i.e. space in categories A and B. At the end of 2009 Bucharest had a total of roughly 900,000 m^2 of such logistics space, with nearly 1.3 million m^2 for Romania as a whole.

In both countries, new logistics space is currently only being constructed by businesses for their own use. Speculative projects are being postponed. New projects can only usefully be implemented where there is a high proportion of pre-letting and substantial equity financing.

This accounts for the apparent paradox – there continues to be a shortage of high quality space, because there has been virtually no investment in the logistics sector since the end of 2008. The low quality of available space and unrealistic prices are acting as a deterrent to potential investors.

High vacancy rates

Although there is a lack of high quality logistics space, the general weakness in demand has pushed vacancy rates up sharply. In mid-2010, the vacancy rate in Bucharest was around 14 %, and in Sofia about 8.5 %.

It is noticeable that in Sofia tenants are at present unwilling to incur the costs of moving despite the attractive rents even for new space, which is depressing the take-up.

Rents down since 2008

Tenants wish to retain their flexibility, and are not signing long-term rental agreements. As in other segments, landlords are increasingly offering incentives (rent-free periods, caps on service charges, etc.) to try to keep their tenants loyal.

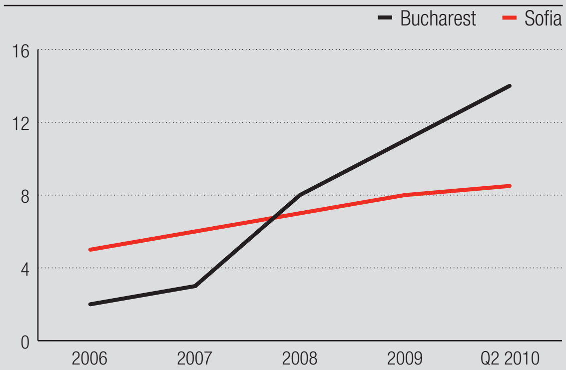
Prime rents for logistics properties at the end of first half 2010 in Bucharest and Sofia were around EUR 4 / m^2. Prices are always dependent on the size of the property, with smaller premises generally somewhat more expensive than very large warehouse spaces.

Older properties are in some cases on offer at EUR 1.50 – 2.50 / m^2. For tenants requiring certain minimum levels of equipment and quality, these substandard spaces are scarcely attractive. Moving to newer, modern premises with lower service and energy costs may in the end turn out to be more economical than continuing to occupy cheap, but outdated and energy-inefficient space.

The drastic reduction in building activity in the logistics sector and the continuing lack of really high quality industrial property promise well for the future.

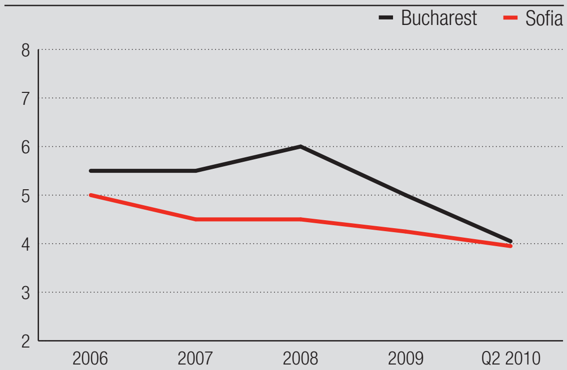
When economic activity picks up again, state-of-the-art logistics space will be in short supply both in Bulgaria and Romania and could rapidly become scarce. Investors and developers should watch market developments closely in future, so as not to miss the opportunities as they open up.

Vacancy rate logistics 2006 – 2010 (in %)



Source: IRG

Prime rents logistics 2006 – 2010 (EUR / m^2 / month)



Source: IRG

Summary

- The Bulgarian and Romanian economies are recovering slowly. Both countries were badly hit by the crisis, and their real GDP growth in the years to come will be – similar to the other CEE-17 countries – considerably less vigorous than in pre-crisis times.

- In both countries, national budgets and public sector debt figures are significantly better than the EU or eurozone average.

- Estimates of country risk based on CDS spreads have improved noticeably. Both countries are still, however, considered to be riskier than the likes of Poland or the Czech Republic.

- Interest in the two countries on the part of international investors remains slight, and the lack of interest is only partly explained by the muted economic recovery. The property markets in both countries are still judged by Jones Lang LaSalle to be only semi-transparent. The lack of building quality can also be an issue.

- Developers who can benefit from the reduced land prices and construction costs to put up energy-efficient buildings capable of returning a profit with sustainable rents (around 12 EUR / m^2 per month), will enjoy a significant competitive advantage.

- In both capitals, 2010 will see a further increase in office space. By the end of the year, new office space of around 280,000 m^2 will be on the market in Bucharest, and in Sofia about 200,000 m^2. The already high vacancy rates of 18 % and 20 % respectively will continue to rise, and rents will come under pressure again.

- Competition in the retail sector has increased. In Bucharest the opening of the Sun Plaza and the Cocor took total shopping centre space to 600,000 m^2. In Sofia the opening of Serdika Center and The Mall this year doubled the amount of shopping centre space to about 200,000 m^2. This means that the Romanian capital has 305 m^2 of shopping centre space per 1,000 inhabitants – comparable to Vienna, despite the markedly lower purchasing power. In Sofia, with even lower purchasing power, the figure is roughly 140 m^2 per 1,000 inhabitants.

- In both countries there is a shortage of quality logistics space. Prime rents are around EUR 4 / m^2 per month in Bucharest and Sofia. Some old premises are let for EUR 1.50 – 2.50 / m^2.

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