

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

CBRE RESEARCH | 2015

CBRE





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THE REAL ESTATE OF OUTSOURCING IN ROMANIA

Outsourcing industry in Romania offers employment to over 67,000 people within 215 companies, that have over 310 offices covering an office space of half million sq m spread throughout Romania.

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

INTRODUCTION

Outsourcing industry in Romania is big. How big? According to ABSL (Association of Business Service Leaders) more than 60,000 people work in this sector and that the market is growing rapidly. We know that Bucharest is ranked 8th in Europe as a preferred outsourcing destination according to Tholons 2015, while Romania is in Top 20 in the world as an outsourcing destination according to A.T. Kearney (up 7 places compared to 2013 index). In terms of real-estate, more than 50% of registered office sector transactions are done by companies in outsourcing, whether this is IT, business processes or human resources companies.

What we wanted to find out is how the outsourcing business shapes the real-estate market and vice versa. This report started out as an in-depth one-by-one count of the outsourcing companies present in Romania and grew to be a X-Ray of the real-estate of outsourcing.

The following report will try to provide answers to questions like:

- What type of outsourcing is done in Romania?
- What are the real-estate solutions chosen by outsourcing companies?
- What are the regional hotspots for development of this industry?
- What should the companies forecast in terms of budgets and timing when sourcing out an office in Romania?
- What is the short term future of outsourcing sector in Romania?

Looking ahead it is clear that the outsourcing business in Romania is a field that requires a high level of attention and we will continue to present the trends, changes and movements within this sector on an annual basis.

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

METHODOLOGY & DEFINITIONS

For this report we started out really simple – with an excel file and filling in, step by step all the details of outsourcing companies in Romania. While some of these companies have a strong PR presence and information is relatively easy to find, others are focused on the business operation with few details reaching the surface.

Once this list was complete, we had a sit-down with more than 10 members of the CBRE team to really get this information to a high-level of accuracy. In addition we have involved the Building Consultancy department, as well having discussions with direct representatives of outsourcing companies. In many ways, this report is a truly multi-disciplinary endeavour, highlighting the strong level of collaboration within CBRE's numerous departments.

Business Process Outsourcing (BPO) – a specialized organization that provides specific business functions (or processes), usually non-production ones to third parties.

Shared Service Centre (SSC) – a separated part of an enterprise that provides a service to an organization or group where that

service had previously been found in more than one part of the organization or group. The funding and resourcing of the service is shared and the providing department effectively becomes an internal service provider.

Knowledge Process Outsourcing (KPO) – a form of outsourcing, in which knowledge-related and information-related work is carried out by workers in a different company or by a subsidiary of the same organization, which may be in the same country or in an offshore location to save cost. This typically involves high-value work carried out by highly skilled staff.

Information Technology Outsourcing (ITO) – a form of outsourcing, where Internet related work (such as programming, software design) or IT infrastructure is done by a third party company.

Research & Development (R&D) – a separated part of an enterprise that provides highly skilled services and / or process to an organization or group where before these services were not previously centralised.

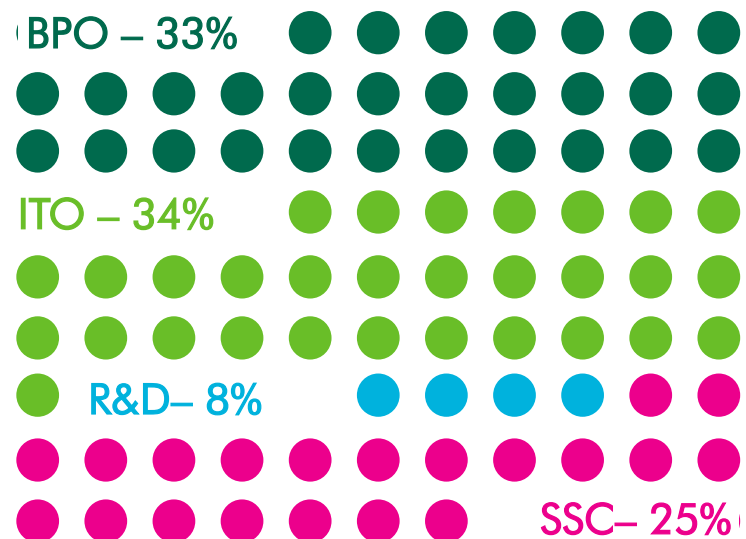


OUTSOURCING IN ROMANIA

BY EMPLOYEES

In our calculation around 67,000 people are working within BPO, SSC and ITO in Romania, with at least another 5,000 new jobs in planning to be occupied within the next 12 months. Alongside software and telecom companies, outsourcing is one of the biggest employers within the white-collar segment in Romania.

OUTSOURCING SECTORS BY NUMBER OF EMPLOYEES



Source: CBRE Research

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OUTSOURCING IN ROMANIA

BY BUSINESS SECTOR

BPO and ITO sector are the most lucrative segments within the outsourcing business in Romania, each with around 22 – 23,000 employees, pan-Romania. A relatively new branch, SSC are starting to gain momentum and have under employment around 15,000 employees. Research & Development, due to its high-skill level of operation is a relatively small sector, around 5,000 employees. On average, an outsourcing centre in Romania has 320 employees, with BPO's having almost 500, while ITO's around 270.

More than half (47%) of the analysed companies are focused on Application Development & Maintenance, followed by companies dealing with a multitude of processes, including Human Resources, Finance & Accounting, Support Services. Pure contact centres (call centres) account for 12% of the companies analysed. Still, as the nature of the business entails large operations, these companies employee over 10,000 people (15% of total).

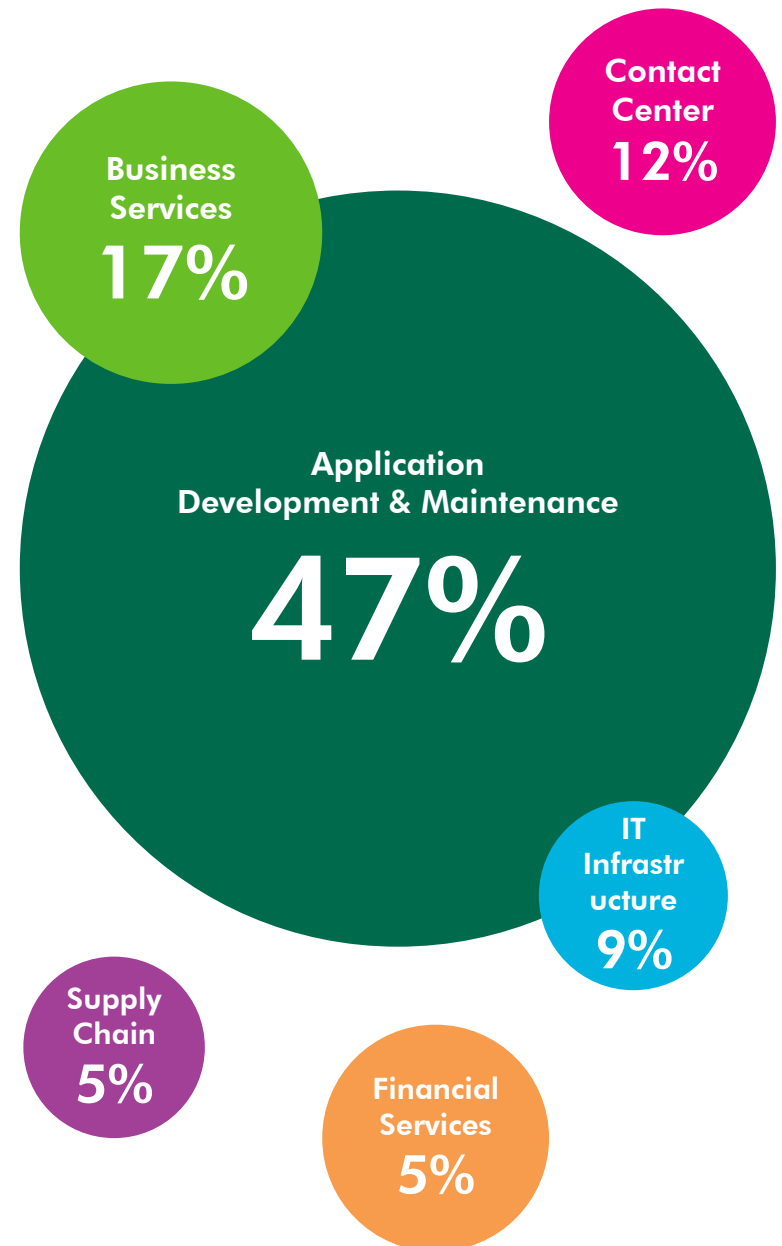
The presence of so many ITO's is not random – two factors are at play:

- High number of graduates with programming / IT skills, in all major regional cities – over 20,000 graduates with technical skills on a yearly basis.
- The number and value of state incentives awarded by the Romanian Government to the IT industry. This includes 100% exemption on income tax for IT employees and public financing for development of IT innovation parks.

Software and outsourcing companies alike can benefit from state aids for regional development, job creation and investment support for new technologies creation, as well as 50% tax deduction for R&D related cost of operations, according to ANIS (Employers Association of the Software and Service Industry).

While the last couple of years the exposure and size of outsourcing companies has increased substantially, these companies are very much present as early as 1991. Indeed, in the last 4 years, the number of SSC has almost tripled in size, while a majority of other outsourcing companies expanded their presence.

NUMBER OF OUTSOURCING COMPANIES BY BUSINESS SECTOR



Source: CBRE Research

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OUTSOURCING IN ROMANIA

BY COUNTRY OF ORIGIN

In terms of country of origin, USA is the number 1 supplier of outsourcing companies in Romania. No less than a quarter of companies come from USA, not surprisingly considering that over 90% of the urban population speaks English, thus employees with this language skill are numerous. In addition, the economic and geo-political partnership between USA and Romania has contributed to such a massive presence of American companies within the outsourcing sector.

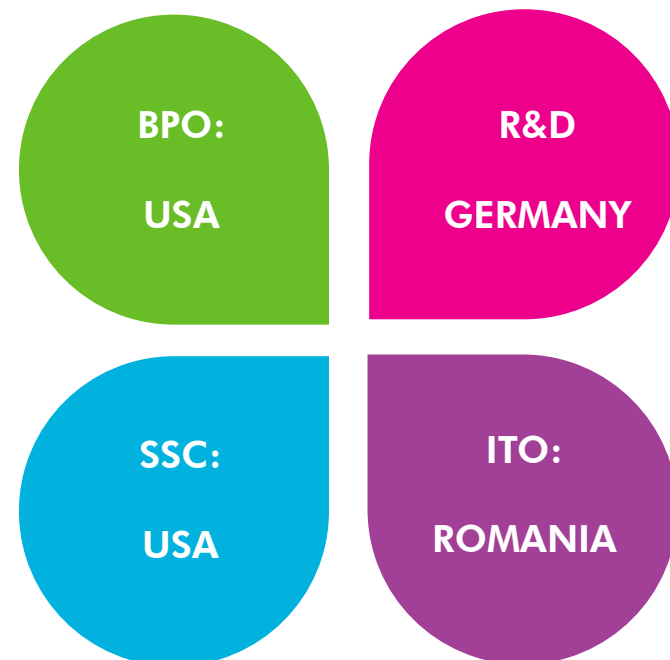
Romania comes second, as local companies, mostly ITO's, have grown in size and reputation, thus they have the capacity to serve international clients, on a truly global scale. Two European countries are incubators for such companies: Germany, a leader in terms of SSC's in Romania, and France.

While ITO's tend to be Romanian in origin, BPO's mostly come from USA and Romania. SSC's and R&D's are American or German. Numerous other countries are present in Romania via outsourcing companies, as varied as Japan, Philippines, Finland, Brazil or Austria, but the total number is generally small, 1 to maximum 5 companies per country.

IAOP issues yearly a world-wide renowned ranking of Top 100 outsourcing companies. This ranking looks at the most important companies in the world. In Romania a total of 20% of these firms are present. The exposure of international brands in our country is limited, as big-size companies tend to have an Asian presence, rather than Eastern European geography.

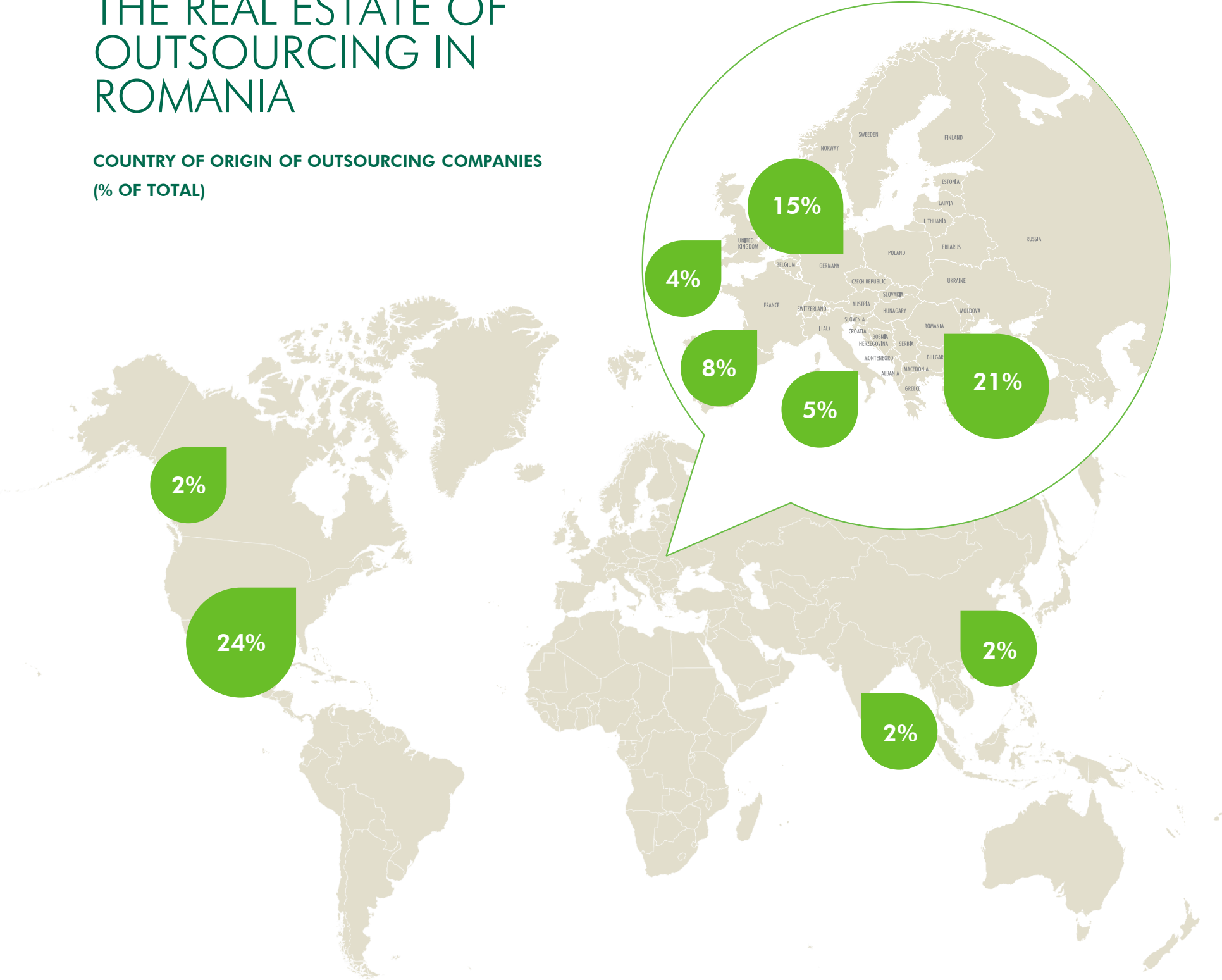
A quarter of outsourcing companies present in Romania come from USA and another quarter from Germany, France and Italy.

MAIN COUNTRY OF ORIGIN BY TYPE OF OUTSOURCING



THE REAL ESTATE OF OUTSOURCING IN ROMANIA

COUNTRY OF ORIGIN OF OUTSOURCING COMPANIES
(% OF TOTAL)





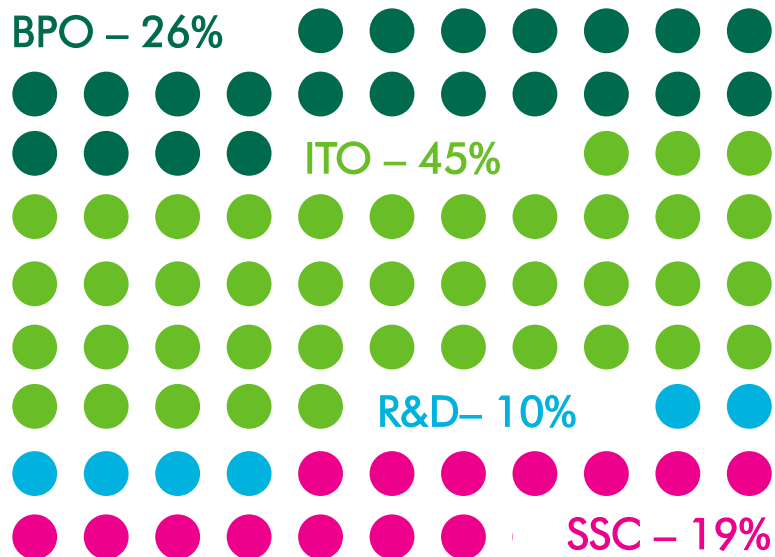
REAL ESTATE OF OUTSOURCING

BY SIZE

In total we have counted close to 215 outsourcing companies in Romania, which in turn have over 320 offices in Romania.

The total modern office stock in Romania is of 3.1 million sq m and outsourcing companies occupy more than 500,000 sq m.

OUTSOURCING SECTORS BY NUMBER OF OFFICES



Source: CBRE Research

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

REAL ESTATE OF OUTSOURCING

BY CLASS

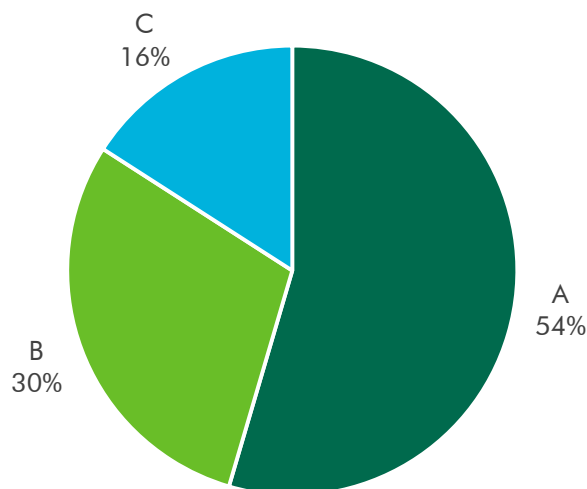
In general, the class of the offices occupied by a company tends to be similar regardless of city. If for example, one company has its headquarters in a Class A office building in Bucharest, in general it will seek to occupy a building of similar quality in the other offices, located in regional cities. It is evident that a push for upgrade of occupancy has happened in the last 2 - 3 years, with companies taking advantage of the market conditions and availability of superior quality offer for their new offices.

Software and SSC's generally occupy class A premises - over 75% of the companies analysed have the residency in such a building.

While R&D centres require a certain type of technical specifications for their premises, in some cases these are integrated within manufacturing premises, leading to a downgrade in terms of class. As such, only about 50% of them are within class A premises, rest in class B, with a minority in class C buildings.

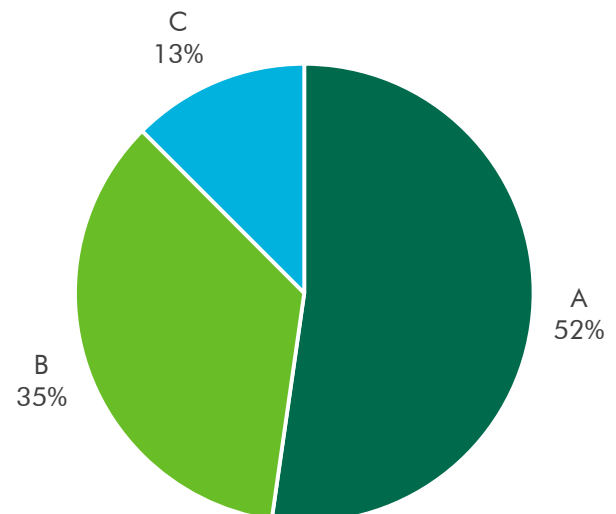
BPO's are quite diverse in terms of chosen office premises - up to 50% of them are within class A premises, while the rest tend to be rather in class C, not class B. We would explain this through cost-saving approach and in the case of regional cities through an insufficient and cost-efficient modern office stock.

OUTSOURCING OFFICES IN BUCHAREST BY BUILDING'S CLASS



Source: CBRE Research

OUTSOURCING OFFICES PAN-ROMANIA BY BUILDING'S CLASS



Source: CBRE Research



DEMAND

As mentioned before, outsourcing companies represent a major driver of the office market, responsible for half of all pan-Romania office transactions. These companies account for some of the biggest deals the market has ever registered, some in excess of 20,000 sq m. Outsourcing companies, alongside telecom companies and software companies, are a no. 1 priority for any developer when looking to create a complete office tenant mix.

If in 2014, Outsourcing Sector represented just 27% of the Total Leasing Activity in Romania, in 2015, this business generated more than half of the activity.

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OUTSOURCING

BY REGIONAL LOCATION

Majority of analysed companies have one or two offices in Romania - generally in Bucharest and one regional city. Some companies (around 10%) have a truly pan-country presence with service provider offices in 3 up to 5 regional cities in Romania. Those with offices in lesser known cities for outsourcing, like Craiova or Galati, tend to have their offices only in these cities. While most companies have went through consolidation of the business operation and occupy a maximum of 2-3 offices in one city, there are extreme cases with up to 7 offices in one city and a total of 13 offices throughout Romania.

As mentioned above, the outsourcing industry in Romania is not necessarily new, with more than two thirds of companies opened the Romanian location before 2011. On the other hand the modern office market in Romania is new, especially in regional cities. This is why a number of companies (approx. 20%) decided to invest in a built-to-suit premise, either in property, or long-term leased from a local developer. This holds especially true for companies with expansion in the period 2006 – 2009, when the market was in short supply and at high rental levels.

In addition we have found some small size offices in tertiary cities like Suceava, Piatra Neamt, Alba Iulia, Targu Mures, Targu Jiu, Ploiesti, Baia Mare. For companies with presence with large regional cities, a small – medium size office in these cities could represent an opportunity, as there is little competition for labour market.

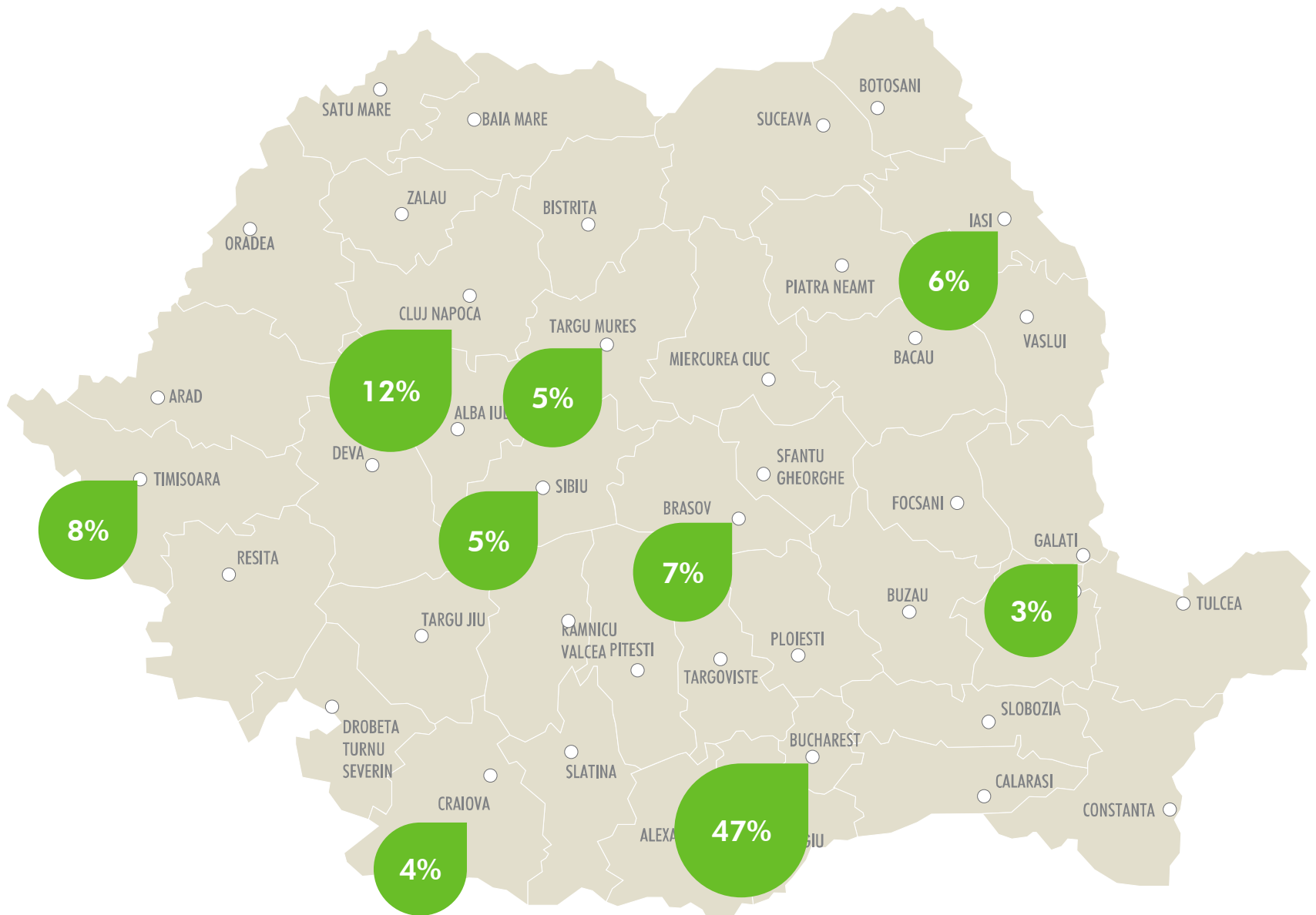
The proportions tend to be similar when looking at the distribution of outsourcing offices by number of employees, with one major exception – the leader position of the capital city is even stronger, as 55% of the total number of employees working in this sector is based in Bucharest.

Majority of outsourcing companies are present in both Bucharest and one, major regional city, like Cluj Napoca, Timisoara or Brasov. With the increase of competition for labour force, some companies are expanding into second-tier cities, like Targu Mures, Ploiesti, Galati or even third-tier cities, like Suceava or Targu Jiu.



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OUTSOURCING OFFICES IN ROMANIA (% OF TOTAL NUMBER OF OFFICES)



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LIST OF SELECTED OUTSOURCING TRANSACTIONS 2013 - 2015

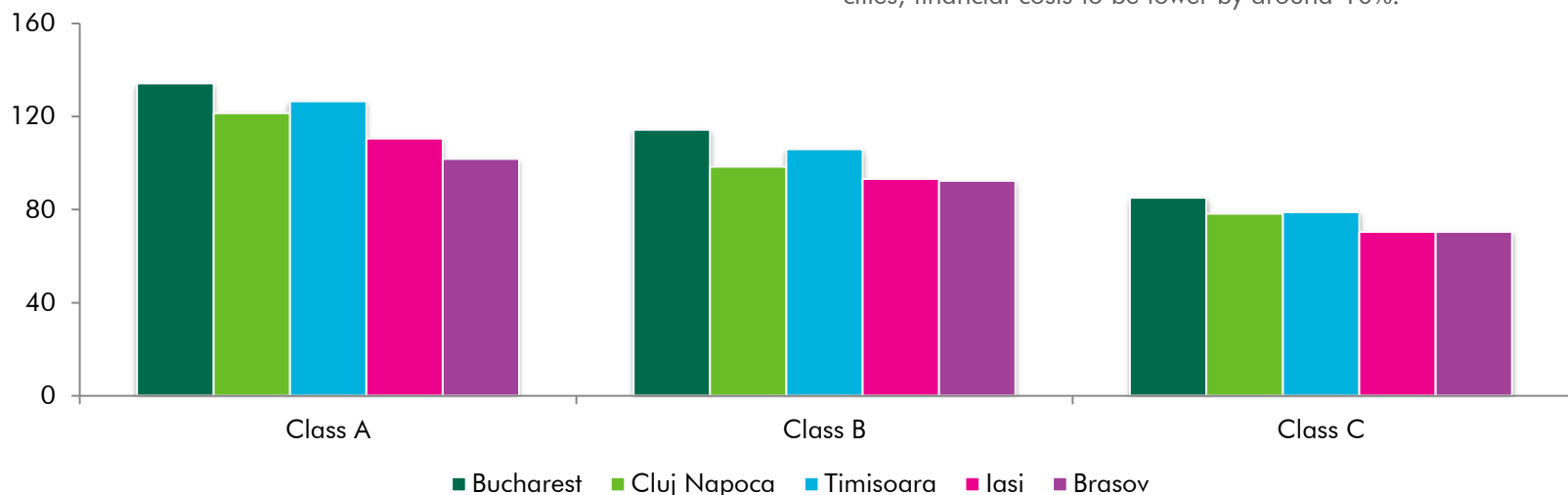
Year	Occupier	Size	City	Building	Advised by CBRE
2013	Global Technology Client	26,000	Bucharest	Pipera Sub-Market	Yes
2015	Genpact	22,000	Bucharest	Hermes BC	
2013	Deutsche Bank	7,200	Bucharest	UpGround	
2013	BASSE	5,250	Bucharest	Riverview House	
2013	Siemens	5,000	Bucharest	West Gate	Yes
2014	DB Schenker	6,000	Bucharest	Hermes BC	Yes
2015	CGS	4,000	Brasov	Coresi Business Park	
2014	Ixia	3,900	Bucharest	Goldenberg Center	
2014	1&1	3,500	Bucharest	Sky Tower	
2013	Michelin	3,450	Bucharest	Global City	
2013	3Pillar Romania	3,200	Cluj Napoca	The Office Cluj	
2014	GFK	3,000	Iasi	Tester Building	Yes
2014	Yardi	3,000	Cluj Napoca	The Office	
2015	Xerox	3,000	Iasi	United Business Center 3	
2014	Accenture	2,906	Timisoara	City Business Center	Yes
2013	Cegeka	2,500	Bucharest	Tower Center International	
2013	UBIS	2,500	Bucharest	Novo Park	
2014	Webhelp	2,250	Bucharest	Premium Plaza	
2014	Lenovo	2,000	Bucharest	Floreasca Business Park	Yes

Source: CBRE Research, based on Research Forum

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

When looking to open up a centre in Romania, an outsourcing company should have in mind the following costs: pre-opening costs, related to leasing and fit-out, on-going costs, related to occupancy costs (rent, service charge, parking price, plus utilities costs) and potential costs if closing / relocating that particular office.

TOTAL OCCUPANCY COSTS PER WORKSTATION, - AVERAGE CLASS A AND B (EUR / WORKSTATION / MONTH)



Source: CBRE Research

REAL-ESTATE TERMS

OCCUPANCY COSTS

All financial costs linked with the occupancy of an office centre vary immensely depending on size, building, location, city and time of signing the contract. While Bucharest holds the highest rental levels, it also provides a unique platform for negotiation and leverage, considering the size of the market and available opportunities. On the other hand, dominant regional cities like Cluj Napoca or Timisoara have recently added substantial new modern stock to the offer and real-estate solutions are more generous.

Occupancy costs detailed below include the following: net effective rent as per the class of the building, service charge costs, parking units costs (an allocation of 1 unit per 50 sq m leased) and yearly indexation costs. It does not include utilities costs directly associated with the leased space (electricity, heating, IT, extra security, etc), solely what is related to common areas.

We expect that for a unit size in excess of 5,000 sq m, signed as a pre-lease pre-completion deal, for Bucharest and major regional cities, financial costs to be lower by around 10%.

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

TOTAL OCCUPANCY COSTS FOR A TYPICAL 2,000 SQ M UNIT, BY CLASS AND REGIONAL CITY

	Bucharest	Cluj Napoca	Timisoara	Iasi	Brasov	Secondary Cities	Tertiary Cities
Occupancy Costs – Class A	19.3	17.3	18.1	15.8	14.5	-	-
Occupancy Costs – Class B	16.3	14.0	15.1	13.3	13.2	11.5	10.2
Occupancy Costs – Class C	12.1	11.2	11.3	10.1	10.1	9.2	7.8



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REAL ESTATE TERMS

AVAILABILITY

In terms of availability of office space, there is a substantial room for manoeuvre, but at the same time occupiers should be conservative in terms of sourcing a space, as per their requirements. We detail below the immediate availability of office space by unit size and class for major regional cities in Romania (meaning a space readily available for fit-out works).

In general the office market in Romania is balanced in the favour of the tenant, but local specificities need to be assessed beforehand, as certain cities or sub-markets offer limited immediately available space.

AVAILABILITY BY CLASS, OFFICE SIZE AND REGIONAL CITY

	Bucharest	Cluj Napoca	Timisoara	Iasi	Brasov	Secondary Cities	Tertiary Cities
Class A – 2,000 sq m	Multiple	Multiple	Limited	Moderate	Moderate	No Class A Offering	No Class A Offering
Class A – 5,000 sq m	Moderate	Limited	Insufficient	Moderate	Limited	No Class A Offering	No Class A Offering
Class B – 2,000 sq m	Multiple	Multiple	Limited	Limited	Limited	Limited	Limited
Class B – 5,000 sq m	Multiple	Limited	Insufficient	Insufficient	Insufficient	Limited	Limited
Class C – 2,000 sq m	Multiple	Multiple	Moderate	Moderate	Moderate	Moderate	Moderate
Class C – 5,000 sq m	Moderate	Moderate	Limited	Insufficient	Limited	Limited	Limited

Source: CBRE Research

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

TYPICAL LEASE TERMS

ITEM	COMMENTS
LEASE DURATION:	Leases can be set for a fixed term. General terms in new office buildings range from 3 to 7 years (5 preferably).
RENT PAYMENT:	Usually rent is quoted net in EUR and payable in RON in advance monthly or quarterly. VAT of 24% is payable on rents and sales in transactions between companies. Rents are subject to annual indexation to EURO CPI (Euro – Zone).
SERVICE CHARGES:	Include utilities, security, cleaning of common areas, taxes, insurance and all other maintenance and operational costs of the building and common areas. Service charges are more often quoted in EUR, as net plus 24% VAT. A typical service charge in an A - Class building in Bucharest ranges between EUR 3.5 and 4.5 /sq m/ month.
CAR PARKING:	A fee for an underground parking space would be around EUR 60 – 120 in Bucharest and EUR 40 – 70 per month in regional cities, depending on the building’s location. Parking spaces are allocated according to a parking ratio. In general the ratio is 1 per 75 sq m of leased office space.
ADD-ON FACTOR:	Calculated as a percentage of the space added to the net rentable area. These include lift lobbies, ground floor lobby, toilets available for all tenants and guests, rest areas and corridors etc. Market standards for the add-on factor in Bucharest are in the range of 5 - 12%. In case of multiple tenant floor, a floor add-on factor is to be expected and is calculated as percentage of used common floor area.
SECURITY DEPOSIT:	Bank guarantee letter or deposit equal to 3 months worth of rent, parking and service charges, plus VAT value.
FIT-OUT CONTRIBUTION:	Fit-Out contributions are subject to negotiation, with anchor tenants receiving attractive fit-out conditions.
RENT-FREE PERIODS	Rent free period is usually granted as 1 month rent free per each contractual year, depending on the lease length, the surface leased, the type of deal (pre-lease or lease) and other general contributions.
RESTORATION/ REINSTATEMENT:	Tenants usually have reinstatement obligations related to their premises to their original hand-over, with normal wear and tear being acceptable by the Landlord.

Source: CBRE Research

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

The workplace design, the permits and fit-out of the selected space by the office occupier may well define the success or failure of that business operation. In the case of an outsourcing company it holds to be of great importance. The fine line between cost efficiency and employee satisfaction has to be met and requires time, precision and skills.



Source: Hyperoptic

FIT-OUT

GENERAL REMARKS

Average Surface per Person

6 – 10 sq m/ person. Legal restrictions can impact the density as it concerns the ventilation/ fresh air provision, which should be min. 25cum/hr/person.

Fit-Out

Approx. 6-8 months for a surface ranging from 6,000 to 8,000 sq m, including Design & Permitting phase.

Cost of the fit-out is in the range of EUR 250 – 500 / sq m, depending on the specification and partitioning rate.

IT Infrastructure

In Romania, IT infrastructure and power supply are generally reliable. IT quite simple to set-up, extra-power is generally an issue, time consuming and expensive .

Branding

Usually Anchor tenants receive the right to present their Company Logo on the exterior façade of the building, but only with the permission of the landlord. Interior wise specially designed area for branding can be used by companies.

Energy

Power Supply is generally provided for normal use, including power distribution, lighting, HVAC, but could be an issue when a data center/ larger server room would require a higher capacity for racks and dedicated cooling equipment.



THE REAL ESTATE OF OUTSOURCING IN ROMANIA

FIT-OUT

BASE BUILT

As 85% of the offices of the companies analysed are located within class A or class B properties, we have detailed general costs based on a typical base built. This represents what the developer provides as part of the rentable office space and usually comprises the following:

- Raised floors
- Suspended ceilings
- Extension of the mechanical and electrical services above the ceiling from the vertical risers across the lettable space
- finishes to the internal face of the external and core walls
- Blinds (in specific cases)

TENANT'S FIT-OUT

The fit-out to the occupier's specific requirements, typically comprising the following:

- Installation of cellular offices
- Enhanced finishes
- Carpet/ Vinyl flooring
- Conference/meeting room facilities
- Server/ IT Room
- Reception area
- Alterations to the building systems/ Mechanical & Electrical
- Enhanced services/specialist lighting
- Tea point/kitchen/ canteen fit-out

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

FIT-OUT

COSTS

Costs have been generated in line with a base building that has the necessary infrastructure to support the fit-out. For example, suitable basebuild HVAC and power requirements to support the fit-out. For a building with inferior features, costs may rise by up to 50%.

Included in the price:

- Internal Construction
- Power Distribution
- Lighting
- Structured Cabling & Basic Server Room
- Cooling (Including Server Room)
- Carpets/ Vinyl Flooring
- Project Planning/ Design
- Electrical Security System
- Fire Protection System
- Entrance System

OTHER REMARKS

In addition to fit-out and furniture, companies need to allocate a budget for **security and audio-visual installations**, which differ greatly depending on space and client standards.

Lease **reinstatement** (or dilapidations) is a process whereby landlords are entitled to claim compensation from tenants should they fail to comply with lease terms. Tenants should be fully aware of the contractual obligations of a lease and any resulting penalties. In general, the market practice in Romania holds the tenant responsible for fit-out and at the end of the term has to reverse any alterations that they have made (assuming moderate wear & tear of the space). Even though this is the general practice, leases and responsibilities are rarely alike and it is imperative to review each case individually.

ESTIMATED AVERAGE FIT-OUT COSTS BY CONSTRUCTION STANDARD AND TYPE OF SPACE

Standard*	80 % - 20% (Cellular – Open Space)	50 % - 50% (Cellular – Open Space)	20 % - 80% (Cellular – Open Space)
High	500	425	350
Medium	380	320	260
Low	290	240	170

Source: CBRE Research

* Prices are quoted in EUR, per sq m , without VAT

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FIT-OUT

FURNITURE COSTS

Whether it is the setting up of a contact centre office or an application development R&D laboratory, it is becoming increasingly important to create an office that will offer an interesting, productive and engaging space. The correct selection and specification of office furniture, in conjunction with other factors such as business strategy, IT and office design, can have a huge impact on human performance.

As 80% of the analysed companies within this report are international, many of these occupiers adhere to certain global standards and choose to procure global frameworks for the installation of furniture. A global supplier can offer consistency in product, customer service and a single point of contact for engagement.

Included in the price:

- Desk size 1600 * 800 mm
- Mobile Container
- Low Cabinet
- Chair
- Reception made of laminated materials
- Kitchen made of laminated materials, both lower and high sections, with basic appliances

ESTIMATED OFFICE FURNITURE COSTS

OFFICE FURNITURE	EUR per Work Station*
High Level	1,800
Medium Level	1,200
Basic Level	800
Moving w/o furniture	15 – 20 / sq m
Reinstatement Costs	40 – 70 / sq m
Reception	4,000 - 8,000
Kitchen	3,000 - 5,000

Source: CBRE Research

* Prices are quoted in EUR, per workstation / unit, without VAT

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FIT-OUT

TIMING

As with financial costs, the timing of a finding, signing a lease agreement, fit-out and moving-in varies greatly. For clients with a short criteria list and with a high flexibility in terms of location and position, an office can be opened in less than 4 months from first initial search. For an international brand, with multiple decision factors, strict adherence to corporate guidelines such a process takes usually more than 14 months. For tenants doing a pre-lease acquisition the process needs an extra 2-4 for research / negotiations, plus extra months for construction, depending on construction phase.

Workplace design and solutions are closely linked with employee satisfaction, thus a proper allocation of resources for this process is imperative.

INDICATIVE TIME LINE FOR THE OCCUPATION OF A 2,000 SQ M OFFICE SPACE BY AN OUTSOURCING COMPANY

Indicative Time Line (months)	01	02	03	04	05	06	07	08	09	10	11	12	13
Market Research	Dark Grey												
Long List of Options		Dark Grey	Dark Grey										
Short List of Options				Dark Grey	Dark Grey								
Leasing Negotiations						Dark Grey	Dark Grey	Dark Grey					
Sign binding HOT / Lease Agreement							Dark Grey	Dark Grey	Dark Grey				
Selection Project Management									Dark Grey	Dark Grey			
Design & Permitting										Dark Grey	Dark Grey	Dark Grey	
Fit-Out Works												Dark Grey	Dark Grey
Moving In													Dark Grey

Source: CBRE Research

Dark grey cell represents a month required for the respective project line.

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

The outsourcing business increased by 40% in the last 4 years, with no plans for slowing down in the future. We have seen the number of SSC's almost triple in size in the same time frame.

Outsourcing companies signed half of all office transactions in Romania for the past couple of years. The increase of this business and the regional cover depth is really a source of astonishment and pride for Romania.





THE REAL ESTATE OF OUTSOURCING IN ROMANIA

TRENDS

Trends for upcoming years:

- Number, size and complexity of services provided by ITO's will substantially increase
- With a stronger track-record of SSC's, more companies will locate in Romania their regional or global service centres
- As in 2014 and 2015, all major outsourcing players in the market will continue to expand their presence, both in size of occupancy and number of employees.
- Flexibility in terms of lease duration and the need for expansion or contraction of space will become normality when dealing with such companies
- We should continue to see a fight for quality and for a higher number of companies occupying class A premises
- The need to attract and retain work force will lead to an even more attention given to the real-estate solution (in terms of finding the best location, space and fit-out of that unit), with financial costs coming in second place as importance

THE REAL ESTATE OF OUTSOURCING IN ROMANIA

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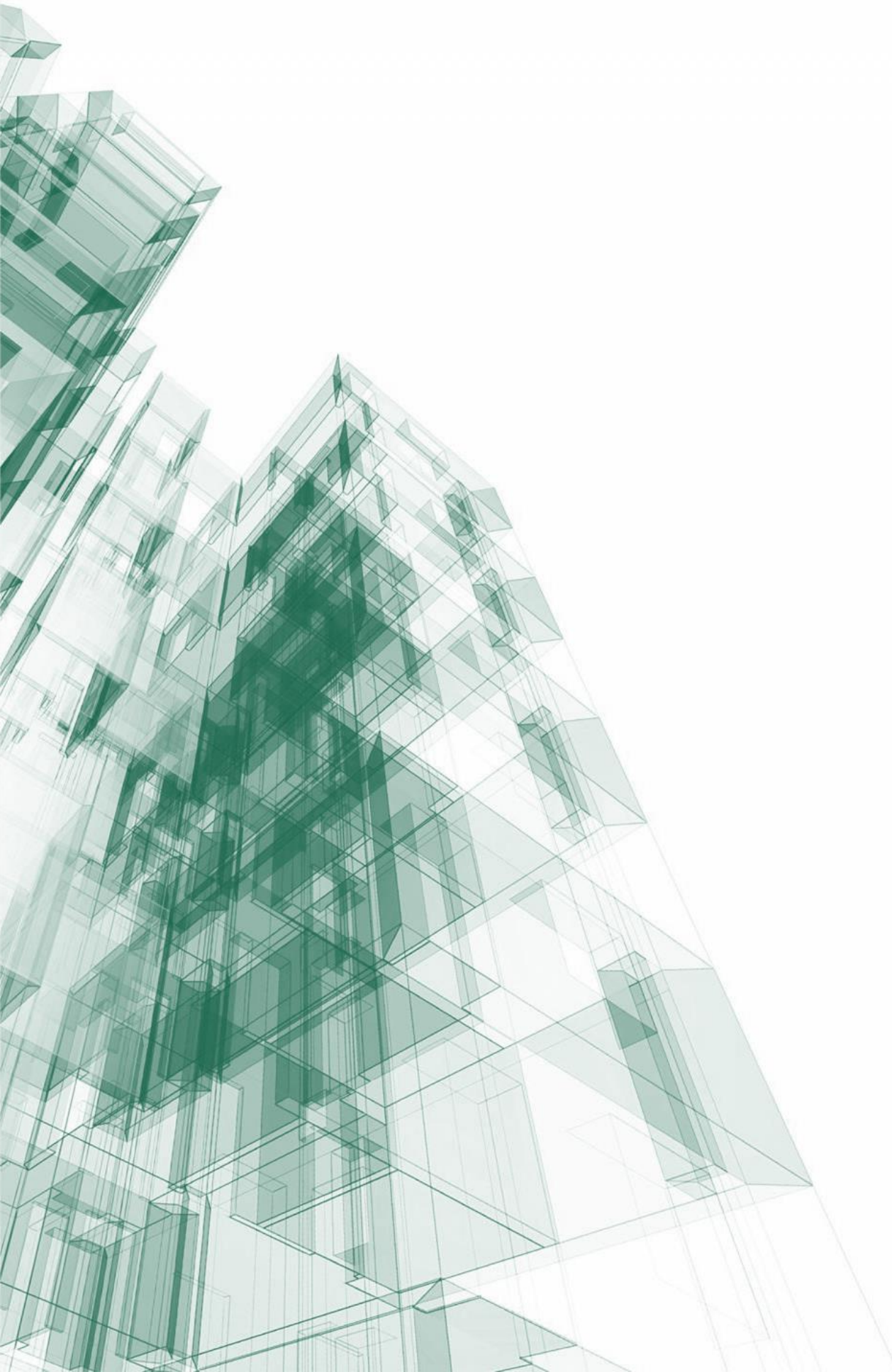
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