

Real estate in Bucharest yields 1,500% profit within 8 years



PHOTO: Silviu Matei

The prices of real estate in certain areas of Bucharest have increased 14 times since 1999, when a two-room apartment could have been bought for 5,500 euros in a fairly central area of the city. Areas which neither investors nor city inhabitants were interested in ten years ago have become significant property areas due to factors such as the opening of the first mall, which caused the prices of real estate to rise by a greater degree than in similar neighbourhoods. "The opening of the first mall in Bucharest, in December 1999, boosted the prices of apartments in the area. When the shopping centre opened, a two-room apartment could have been purchased at the price of 5,500 euros, while today the same housing unit would cost 85,000 euros,"

say the representatives of the real estate consultancy firm Coldwell Banker Affiliates of Romania. In comparison, the price of apartments in the Drumul Taberei district have increased almost 10 times, according to the same sources. The development of the Vitan area created a boom in the market for plots of land, which has seen a 20-fold rise in prices over the past five years, from 25-80 euros per square metre to, at present, 500-1,500 euros per square metre. However, developers of residential areas have earmarked this area of the city and are expected to announce the development, over the next two years, of three big residential complexes, with almost 1,500 apartments in total, within close proximity to the mall.