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Choose your apartment: new condominiums versus old buildings

Even if at first sight the new residential projects seem somehow superior, each option has its own advantages and disadvantages. Coldwell Banker Affiliates of Romania recommends the following study that analyses both types of offers, from different points of view.

Bucharest, 22.05.2007 After 6 years of accelerated economic growth, accompanied by a general increase of the salary level and living standards, the Romanians' demand regarding their residence follows the same patterns. Although the sustained growth has increased the general population income, at a national level it is slightly noticed. This growth has had a major impact over the inhabitants of the urban area and lead to a change of the perception over the comfort a dwelling should provide.

From this point of view the most pronounced changes in the structure of demand were recorded in Bucharest.

If 2 or 3 years ago the simple search for an apartment was limited to 10 years old buildings (or more), at the present time Bucharest inhabitants can choose from offers within recently built projects

It is known that before 1989 the block districts were raised at a fast pace, without even considering the physical and psychological comfort they should provide to the future inhabitants. The new residential projects mainly target those people who aspire to a modern lifestyle, which involves the efficient use of space, without it being diminished, a pleasant look and integration into the urban landscape.

The old blocks of flats provide less space due to inefficient planning but have inferior acquisition prices. The new apartments' inhabitants benefit of generous spaces, a clear delimitation of the living and the sleeping areas, things for which they, of course, have to pay more than in the previous case. Unlike the old offers, where the buyer used to pay for the net surface, in a new project the client has to pay for the gross surface, which includes the common spaces as well.

Looking back at the 80s-90s when rooms were regarded as sleeping areas only and rarely as mixed-use space, we now find the spacious living rooms which modified the general perception over modern life necessities. Actually the living room is a must-have of the modern lifestyle. It is the place where the family members relax, have lunch or gather with their friends. Together with the dining room and the kitchen which seem to borrow more and more from the American open style this space delimits the day area of the dwelling.

The traditional communist blocks of flats accommodated at least three generations, meaning that the situation in which 6 persons lived in a 3 room apartment could arise. Nowadays, a 3 room apartment in a new block of flats usually houses a family with not more than 3 members.

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The example above has a maximum relevance regarding the surface allocated to each family member. By analyzing the surface per member in each of the 2 situations, we came to the following conclusions: an old dwelling, with a 70-80 sq m surface allows a number of 26sq m/ person. For a new one, covering a total surface of 120-150 sq m, the number is 45sq m/person

When talking about parking places the situation is not satisfying at all in the case of old dwellings. Because they were designed 20 or 30 years ago, when the number of cars in the Capital was much smaller, nowadays there is big discrepancy between the existing parking places and the actual number of cars. This deficit was fructified by the real estate developers, who are now offering underground parking places together with the new developments. The prices range from 12.000 to 25.000 Euro for the underground place and between 6.000 and 10.000 Euro for the over ground ones.

But when it comes to paying the maintenance, the old apartments are preferred. Even if problems like inefficient distribution of common costs often arise, the maintenance costs vary between 50 and 150 Euro a month, depending on the property surface and season. At the same time, the new developments have bigger apartments and common areas, which must be paid for accordingly. Therefore the maintenance of parks, children's playground, alleys and the security of the complex translate into costs that add up to the final maintenance bill which can vary between 200-300 Euro for a 2 room apartment, depending on the facilities offered in each case.

As you can see in the table below, the sales prices/ built sq m of the old apartments are close or even higher to those in the new buildings while the surface is often smaller. Taking into consideration the fact that in the new developments the buyer pays for the shared areas as well, the final price of new apartments is 20-30% higher at the end.

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Area		Average price EUR/built sq m	
		Old Residence	New Residence
Downtown	Piata Victoriei	2,100	1,950
	Romana	2,100	1,800
	Dacia	2,000	1,600
	Bucur Obor	1,800	1,200
	Piata Universitatii	1,750	1,450
	Unirii	1,850	1,750
	Tineretului	1,600	1,500
	Cotroceni	1,900	1,200
North Area	Bucurestii Noi	1,400	1,000
	Baneasa	1,000	1,900
	Pipera	1,000	1,300
	Herastrau	N/A	2,500
	Floreasca	1,400	1,700
	Dorobanti	2,000	2,200
	Primaverii - Aviatorilor	1,900	2,800
District	1 Mai - Domenii	1,600	1,500
	Giulesti	1,000	1,050
	Crangasi	1,300	1,350
	Militari	1,300	1,000
	Drumul Taberei	1,300	1,000
	Rahova	1,100	N/A
	Ferentari	1,000	950
	Berceni	1,200	850
	Vitan	1,400	1,200
	Mosilor	1,600	1,550
	Titan	1,200	1,100
	Pantelimon	1,200	1,150
	Colentina	1,100	1,200

Type (first class)	Old Residence Surface	New Residence Surface
1 room	30-40 sq m	50-60 sq m
2 rooms	50-60 sq m	80-100 sq m
3 rooms	70-80 sq m	120-150 sq m
4 rooms	90-100 sq m	160-250 sq m

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In conclusion each type of property comes with its own advantages and disadvantages when it comes to buying it. The table shown below can help the clients take the best decision depending on the value they give to each of the elements analyzed.

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Criterium	Old Apartments		New Apartments	
	FOR	AGAINST	FOR	AGAINST
Apartment surface		Very small surfaces, inefficient partitioning	Generous surface, good partitioning according to the clients' preferences	
Price		Prices / sq m relatively close to the new buildings		Very high prices due to extended surface
Utility/Facilities	Located in downtown areas which provide them with most of the facilities	No security or green areas	The developers of new residential projects considered these aspects	A lot of new developments are situated in limitrophe areas with poor infrastructure and facilities
Construction materials quality		Construction materials deteriorate in time	Modern and useful	
Environment		Proletarian district	Great accent on creating the environment in the area	
Commercial Success - Durability	Demand comes from low to medium class		Modern and useful - 2 defining elements when choosing an apartment	
Maintenance expenses	Although there is discordance in appreciating the real and			Relatively high administration costs; maintenance costs for

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Starting with 2007, one of the most famous brands in the USA real estate industry has started its activity on the Romanian market. Coldwell Banker Affiliates of Romania provides consultancy and brokerage services for all segments of the market: residential, offices, industrial, retail and investments. With a history that covers 100 years, the American company is currently owned by Realogy Corporation. Through its wide network, Coldwell Banker covers more than 30 countries with 3,800 offices and 123,700 brokers.