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Cluj-Napoca, segment rezidential



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General Description

With a significant development in the past years, Cluj neighborhoods grew in number lately, nowadays existing 20 neighborhoods all around the historical center of the city. The Central area, Manastur, Marasti, Gheorgheni, Grigorescu, Zorilor, Zorilor South (Europa), Andrei Muresanu, Bulgaria, Buna Ziua, Dambul Rotund, Plopilor, Gruia, Iris, Intre Lacuri, Someseni, Colonia Sopor, Colonia Faget, Colonia Borhanci and Colonia Becas.

Cluj-Napoca Neighborhoods

Center

With concern to the center of the city, the main financial and administrative area, it is structured in 3 main squares that form a triangle: Unirii Square, Mihai Viteazul Square and Avram Iancu Square. The center consists mainly of historical buildings raised between the XVII - XX centuries in different architectural styles. (baroc, renaissance, gothic)

The center has represented and will remain the main attraction from a cultural, financial and administrative point of view, and also from a real estate development point of view that are above average when it comes to price ranges. The buildings developed in this area have office functions, commercial functions or a combination of commercial plus residential. In the last years there has been a significant development of real estate projects, which were also high sellers with prices above average.

Most of the new projects in this area focused on the office segment (for example the largest office project outside the capital, with a surface of over 50.000 square meters, The Office) or the residential/mixed segment. The latest such project that has been developed in the central area is Platinia, a complex project, with living spaces, office spaces and commercial spaces.

The structure of the old residential segment is not standardized and the new projects have varied surfaces, with big differences from one project to another.

Manastur

With a population representing 1/3 of the population of the Cluj County, Manastur neighborhood was built on the territory of the village that had the very same name. Most of the architecture structure was built by block of flats having 4, 8 and 10 floors. The neighborhood was designed by north-Korean architects in between 1965-1989. The most important offer of the Manastur neighborhood is made up by old block of flats, the major new projects being on Campului and



Negoiu streets and expanding towards the south of the city. These are mostly developed as houses and apartment buildings organized as: ground floor+2 floors + attic.

The newly extended area has developed mostly on the small living space segment, and are evidence of a coherent urban line that results in a medium quality development.

The structure of the old residential segment

(The new projects have variable areas on each project)

Studio flat 3rd class ~ 12 mp

Studio flat 2nd class - 18-20 mp

Studio flat 1st class - 28-30 mp

Apartment with 1 room (the entrance in the kitchen is from the hall and not directly from the room) ~34-38 mp

2 room apartments 2 class -37-38 mp

2 room apartments UNIC class - 42-44 mp

2 room apartments 1st class - 50-55 mp

2 room apartments' special class - ~58 mp

3 rooms apartment 3rd class ~ 44 mp

3 rooms apartment 2nd class ~50 mp

3 room apartment UNIC class - ~57 mp

3 room apartment 1st class - ~65-68 mp

4 room apartment UNIC class - ~ 60-62 mp

4 room apartment 1st class - ~ 74-76 mp

4 room apartment special class ~ 80-90 mp

Marasti

This neighborhood was built in between 1970-1980 and covers the area between Calea Dorobantilor Boulevard – Aurel Vlaicu Street and the railway to the north. It is made up mostly by blocks of flats having 4, 8 and 10 floors. Most apartments in this neighborhood have 2 rooms, 1st class of living comfort. It was built mostly respecting the plans of Russian architects and Nord-Koreans architects. Most of these block of flats was built in order to offer a place to live to all those working on the industrial platform of the city back at that time. The offer of this area consists mostly of old blocks of



flats, big new projects on the residential sector could be found in the area of Calea Dorobantilor Boulevard and also in the area of streets Bucuresti, Fabricii and Traian Vuia.

The structure of the old residential segment

(The new projects have variable areas on each project)

Studio flat 2nd class - 18-20 mp

Studio flat 1st class - 28-30 mp

Apartment with 1 room ~34-38 mp

2 room apartments 1st class - 50-56 mp

2 room apartments' special class - ~58 mp

3 room apartment 1st class - ~65-68 mp

3 room apartment special class - ~ 75-78 mp

4 room apartment 1st class - ~ 74-76 mp

4 room apartment special class ~ 80-90 mp

Gheorgheni

Considered at one time to be one of the neighborhoods preferred by the high class people, the neighborhood tends to remain behind by comparison with the new areas of residential development like Buna Ziua, Campului or Zorilor Sud. Considered also mostly as a residential neighborhood, the development of this neighborhood for the commercial sector met a boom as the Iulius Mall Commercial Center was built on the lot close to the Tineretului Hotel. Mostly, the old buildings in Gheorgheni have 4-10 floors.

The offer of this area consists mostly of old blocks of flats, big new projects being built in the area of Liviu Rebreanu street, Bistrita Street, Theodor Mihali Street (the area of FSEGA College) or at the end of Constantin Brancusi Street. An important part of the residential offer in this neighborhood consists of houses, mostly built by the owners. There are no master planned houses as a consequence of the lack of lots with large surfaces.

The structure of the old residential segment

(The new projects have variable areas on each project)

Studio flat 3rd class ~ 10 mp

Studio flat 2nd class - 18 mp



- Studio flat 1st class - 28 mp
- Apartment with 1 room ~34-36 mp
- 2 room apartment 3rd class- ~28 mp
- 2 room apartment 2 class - 32-33 mp
- 2 room apartment 1st class - 44-46 mp
- 2 room apartment 1st class "decomandat" - ~52 mp
- 2 room apartment special class ~ 58 mp
- 3 rooms apartment 3rd class ~ 40 mp
- 3 rooms apartment 2nd class ~ 46-48 mp
- 3 room apartment 1st class - ~ 56- 60 mp or ~ 66-67 mp
- 3 room apartment special class - 78-80 mp
- 4 room apartment 1st class - ~ 74-78 mp
- 4 room apartment special class ~ 90 mp

Grigorescu

The old neighborhood Donath whose name was changed back to the '60 in Eremia Grigorescu, the name of a Romanian General that leaded the army of the Old Kingdom in Transylvania, this neighborhood is another area developed as residential area. In many aspects can be compared with Gheorgheni Neighborhood.

It stretches on the bay of the river Somesul Mic, spreading to the north towards Hoia forest.

If we look this area from the perspective of the others neighborhoods of Cluj, Grigorescu has fewer blocks of flats, even so the real estate offer is made up by apartments of 2 and 3 rooms in blocks of 4-10 floors.

New big projects are now developed on Donath-Fantanele Streets, spreading towards Donath and Uliului streets, and also on Taietura Turcului street.

The structure of the old residential segment

(The new projects have variable areas on each project)

Studio flat 2nd class -~20 mp

Studio flat 1st class - 28 mp

Apartment with 1 room - ~ 28 mp



2 room apartments UNIC class - ~42 mp

2 room apartments 1st class - 48-50 mp

2 room apartments' special class 60-65 mp

3 room apartment UNIC class - ~ 48-50 mp

3 rooms apartment 1st class - ~ 56- 60 mp (in the blocks build by bricks) or 64-66 mp on the blocks built by concrete and BCA

3 room apartment special class - 90 mp

4 room apartment 1st class - ~ 64-74 mp

4 room apartment special class 90-100 mp

Zorilor/Zorilor South (Europa)

Located on the South area of the city, the Zorilor neighborhood has as limits: Calea Turzii Street and Frunzisului Street. Its architectural structure is mostly made up by block of flats of 4, 8 or 10 floors, having apartments of 1-4 rooms. The Observator Students Complex is situated in this neighborhood. The new residential projects have been developed on plots of land in the old neighborhood, with limits due to the restricted surfaces available. The obvious development has been towards the south, expanding into a new neighborhood named Europa (or Zorilor South). This is mostly structured on the sub segment of houses (Ground floor + 2 floors) and apartment buildings with a maximum height of ground floor + 3 floors, with few exceptions crossing over this limit. The area expands on the eastern side all the way to Calea Turzii. Zorilor remains a very well seen neighborhood of the city.

The structure of the old residential segment

(The new projects have variable areas on each project)

Studio flat - 24-25 mp

Studio flat 1 room - 34-36

2 room apartments 1st class - 52-54 mp

2 room apartments' special class 56-58 mp

3 room apartment 1st class - 65-68 mp

3 room apartment special class - 74-76 mp

4 room apartment 1st class - 76-78 mp

4 room apartment special class - 90 mp

**Andrei Muresanu**

Considered at a certain point as being the most exclusive residential neighborhood in Cluj-Napoca, it is located on the area in between Calea Turzii Street and Constantin Brancusi Street. Mostly, the offer consists in houses having different architectonic styles, many of the buildings being built in the first part of the 20th Century. The houses have big areas, that can go over 500 square meters. New projects on residential segment are developed mostly in the South area of the neighborhood, near Becas and Trifoiului Street.

Bulgaria

Located in the north-east area of the City, this neighborhood is mostly an industrial area. Nevertheless small scale projects have been built in this neighborhood as well, especially towards Muncii boulevard, Fabricii street and the area of the former Clujana factory.

Buna Ziua

Certainly the area of Buna Ziua, located around the street having the same name it is the area having the most important development in the last decade in Cluj. Started bashfully with a master project for houses that was announced for the luxury segment that ended up being sold into lots and converted to blocks of flats, the area then met a significant real estate development, being considered for a long time as the new area dedicated to the high class people of the city. As the request always tends to follow the elite the area attracted a growing number of real estate developments, being for long time the area with the highest prices/sqm in Cluj, aside from the center of the city.

The new projects targeted mostly the high society. The height regime of the area varies between ground floor + one floor and ground floor + 9 floors, depending on the project. The apartments cover the whole range, from 1 room to 4 rooms and penthouses. The urban plan is not ideally conceived and lacks in quality, one of the main reasons being the alert rithm of construction and development.

Dambul Rotund

Located in the north-west area of the city on the exit from Cluj to Zalau, this neighborhood developed in time as a mixed area: residential and industrial. Most of the constructions consist of houses.

It is considered a peripheral neighborhood, but in the last few years it stood out wih the construction of new houses and small apartment building complexes. A very favorable factor in the expansion was the southern orientation.

**Plopilor**

Placed around the Plopilor Street axis, this neighborhood has the center of the city in its east part, Somesul Mic River and Grigorescu neighborhood to the north, and Manastur neighborhood in the south and west.

Up until the end of 1895 the area (identified as Gradini-Manastur) was a suburb of the Cluj city consisting in familial houses and gardens. The neighborhood developed especially in the 19th century along Calea Manastur. In between 1970 -1980 here were built some student campuses and a blocks of flats. During the real estate boom (before 2008) a massive residential project was developed (Central Park Residence) consisting of 220 apartments of 65-136 sqm. In the following years some new residential projects were developed in the vicinity of Rozelor Park and Horia Demian Sports Hall. The projects include both apartments and small houses.

Gruia

Located up upon the hill that held Cetatua fortification, the neighborhood is made up mostly by houses, excepting some existing block of flats on streets like Gruia, Vanatorului or 16 Februarie streets.

Most of the new projects were individual projects, built up by the owners. In recent years, some small residential complexes have been built in the area of Sapte Strazi and also some luxury complexes on the Cetatuii hill with orientation and view towards the city.

Iris

Very similar as a structure to the Bulgaria neighborhood it is located in its immediate vicinity, up in the north area of the city. Iris is divided in 2 areas: one industrial and one residential. Most of the residential buildings are houses, and also some new apartment buildings have been developed, but the constructions are of low quality and aim towards the worker segment of the population.

Even so, being placed on the former industrial platform of the city this area creates mostly an image of an "obstacle" in the vision of the possible new clients, the new projects targeting mostly a population having a small to medium income.

Intre Lacuri

Located in the eastern area of the city, as is its name, it is situated between lakes, in the vicinity of Iulius Mall (in the east). Due to the new buildings on Teodor Mihali street, Iulius Mall and FSEGA College, this neighborhood has had its share of new apartment buildings. The eastern side consists of individual houses, but the Iulius Mall area has had a significant development consisting of important residential complexes.



Someseni

Being a former suburb of the city, Someseni neighborhood has on its territory some objectives of interest like: The International Airport of Cluj-Napoca, East Railway Station of the city. It is a peripheral neighborhood where some new blocks of flats have been built in recent years, addressing to those with small incomes.

The sustained pace of constructions has recently generated new neighborhoods on the city map, amongst these uplifted areas being:

- Sopor neighborhood located in the south-east of the city, in the area of Sopor colony.
- Borhanci neighborhood, located in the south-south-east, in the area of Borhanci colony
- Becas neighborhood, located in the southern part of the city, in the area of Becas colony
- Faget neighborhood, located in the south-west, in the area of Faget colony.

The structure of these neighborhoods has focused generally on new constructions, with a predominant height level of Ground floor + 2 floors + Attic. As of late, some large residential projects have started developing in the Sopor area.

Aside from these, two new projects were scheduled to be built in a public-private partnership, Tineretului and Lombului.

Localities at the limits of Cluj

The enthusiasm of building took it over step by step even the small localities around Cluj. One of the biggest trumps of developing residential projects here was the small price for the lots and this fact attracted a very diverse kind of investors. We refer here especially at those developers that wanted to build 1-2 real estate units up to those that developed hundreds of dwellings. The most developed areas on real estate market were: Floresti, Baci and Apahida, Floresti being the first most developed village in Romania as number of real estate projects and as the increasing number of the population (over 30.000 inhabitants).

Floresti

Floresti is situated in the western part of Cluj-Napoca, on the right side of Somesul Mic River. As locality it benefit of the development of the commercial segment in its nearby limits. This fact, attached to an easy access to the city (European Route E-60) brought to a significant development for the residential segment here. Moreover, the prices for the lots allowed the access of small investors on this market, whose projects did not go over 3-5 living units. The entrance on the market of the significant investors came aside a general developing trend of migration of the young families attracted here by the small prices and the easy access to the city.



The main problem Floresti arrived to encounter was the lack of quality on some of the constructions and in the recent years access became very difficult due to very busy traffic. The lack of quality in construction overall has damaged the reputation of quality constructions as well, and created an overall unfavorable image.

The main advantage of the neighborhood was and still is the price per square meter, which is significantly lower compared to the city's average. Just like Cluj-Napoca, the Floresti infrastructure could not keep up with the alert pace of construction. Promises have been made to finalize streets in the areas with accelerated development. The pace of construction also led to development standards being overlooked and the distance between buildings has often not been respected.

Even so, in 2008 no less than 4157 locative units have been finalized in Floresti, a sum that represented around 58% of the locative units developed throughout the county. After 2008, the number of residential constructions has diminished considerably.

Baciu

Located in the north-west area of Cluj-Napoca, the village covers a length of 3 km in between the hills covered by forests: Baciului Forest and Hoia Forest, on the national way Cluj-Zalau and Cluj-Oradea thoroughfare railway.

The residential segment developed mostly in the eastern area. As a main reason for this we can point the existence of a viable amount of lots proper for real estate developers and the vicinity to the city. Even if the rhythm of building never arrived to be similar to that met in Floresti, the real estate market knew here also a significant growth. We can find here projects of over 800 residential units.

Apahida

Situated on the east side of Cluj-Napoca, the locality is crossed by the national way Cluj-Dej. The most important real estate projects targeted the logistic segment. But even the residential segment met a significant growth with the development Tetarom Park in Jucu. Being so close to the city and to Jucu the developers showed a high interest for this area until 2008 but after that the interest became very low.

Alte localitati

Aside from the 3 localities mentioned above where the new residential segment had a growing presence, there were some real estate projects developed in areas quite nearby the city: Chinteni, Jucu and Gilau also determined the investors to get closer and to develop real estate master projects having over 10 units.



The Cluj Real Estate Market 2002-2008

The real estate market, at least on the residential market, met a significant growth starting with the year of 2004. Most of the developers were local investors and the projects they developed were between 10-30 dwellings/project. Starting with the year of 2006 the local market met a growing interest from the developers with an international real estate experience. The first projects that had over 100 dwellings appeared on the market during 2005-2006.

Back to that time, investors from Austria, Spain, Israel, UK, France or Hungary chose to invest in Cluj-Napoca. On the market arrived the news of the nearby launching of some projects that were to bring thousands of dwellings inside master planned projects. But only some of the project of this size arrived to take its start. The most important of them were realized in public-private partnership. The arrival of the financial crisis arrived to delay these projects or even make them to be put on sale.

Tineretului and Dealul Lombului neighborhood are an example of projects like those mentioned above, that promised to bring on Cluj real estate market over 6000 dwellings each.

The way the constructions were made back to 2004-2008 was conditioned mostly by the request existing on the market. If in Bucharest sometime were built luxury locations, in Cluj most of them were addressed to the medium and upper medium social level. From this point of view most of the buildings of apartments had a structure of units divided in 1 up to 3 rooms. This fact was tide-up to the reality of the market that targeted to offer an upper amount of space to those built in the communist era.

The increasing of the request sustained by an increasing admittance of the lending system resulted systematically into a constant rapid and most of the time chaotic growth of the city and of the nearby localities (mostly in Floresti, Apahida and Baci). The increasing prices of the lots inside of Cluj-Napoca, along with the "unfavorable" geography of the city developed mostly into a valley surrounded by hills, made Floresti and Apahida an alternative choice for the real estate developments. The limited conditions on the real estate market in these localities conducted to the entrance of an increasing number of developers here, developers that had not the financial power to lead to a good end the projects they started. Most of them depended on the amount of money cashed from the buyers as earnest money. These amounts of earnest money were in between 30% up to 70% from the final price of the dwelling. A big problem met in Cluj as well as all around the city was the impossibility to build the infrastructure in the same rhythm with the new residential areas. This guided to develop real estate projects that had not even had a reasonable access concordant to the standards.

With the lock of good information over the residential projects market as a whole, the main element the developers took in consideration in establishing the prices was the comparison with the existing projects and the rumor.

Even if the medium prices did not reflected entirely the reality in the market they proved a general trend of it. We say this because of the large area on which they are oscillating right now. This reflects on a side by the area where the real estate project are located and on the other side are tied up by the level of finalization of these projects or are tide-up with the need of cash of the developers.



Table of the medium prices on different sub-segments of the real estate market

Location	Price OLD apartment (euro/serviceable sqm)		
	Studio flat	2 rooms	3 rooms
Cluj	1400-1500	1300-1450	1250-1400

Location	Price NEW dwellings (euro/mp serviceable)			
	Studio flat	2 rooms	3 rooms	Houses/Villa
Premium residential areas	1550-1650	1450-1600	1400-1500	1500-1900
Peripheral areas	1400-1500	1300-1450	1250-1400	1300-1600
Nearby localities	1000-1200	900-1100	800-1000	700-1000

The Cluj Real Estate Market - 2008-2010

The financial crisis had a major impact on the market, underlining actually a situation that had to come anyway on the local market. The sustained growth of the prices did not reflect the purchasing strength. This way, were expected that the situation we see nowadays on the market to appear in some moment with or without the financial crisis (small amount of transactions, decreasing prices, failed projects...). Of course, this wouldn't have happened so sudden. Nevertheless, the alarm was put on, the financial crisis brought in evidence ways to build in a wrongly, some of them appeared over the lack of legislation that should have protected the clients. This way were noted many bankruptcies, mostly present in the peripheral areas of the city, and the necessity of an existing experience in developing real estate projects became more and more clear and requested. Many of the past real estate projects were developed without a firm strategy, or without knowledge of the real estate market, or on the construction segment. Mostly were used the comparison and the rumor in order to develop a real estate project.

The Cluj Real Estate Market - 2011-2015

Projects on the market in different stages of development totaled at the beginning of 2011 over 30.000 living units, the area including Cluj-Napoca, Floresti, Baci, Apahida, Gilau and Chinteni. But in order to reach european standards with regards to the average living surface per capita, Cluj would have needed approximately 100.000 living units. Even so, the reduced purchase power and difficult access to bank loans has made it so that from the potential demand on the market, only around 20% was solvable, and this mostly through loans from the banks.

From a price standpoint, the market recorded in the following years the same discrepancies between maximum and minimum price ranges, but the trend was descendant. The living units located inside the



city however, did not record such a drastic price decrease compared to the ones situated outside the city; infrastructure, access to the commercial segment and location playing a huge role in that sense.

The Cluj Real Estate Market – 2016 and previsions

Cluj-Napoca has had an ascending trajectory of transaction prices during 2015, reaching by the end of the year to an average value of 1.100eur/sqm in apartments. In the first trimester of 2016, the average price/sqm rose slightly to 1.150eur.

In 2015 Cluj-Napoca has surpassed Bucharest as an average price/sqm in apartments.

Lands - 2008-2010, 2011-2016

The fundament of every real estate growth, the lots of Cluj met important increasing of the prices. Most of the transactions made, were a speculation and had no other target of a further development of a real estate project. On this basis, during 2004-2008 the lots situated at the limit of the city met an increasing of the prices up to 800% - 900%. These were sustained by the initial prices that primarily were low in those areas and were also sustained by the rumors of other new real estate projects about to be developed nearby.

As for the real estate developers, vicinity to the center of the city, infrastructure and all the utilities – all these were important criteria on selecting a place for the future real estate projects. The areas considered to be “VIP areas”, located in the old neighborhoods (Gheorgheni, Grigorescu, Andrei Muresanu) and new areas entered in the mentality of the people as “luxury zones” (Buna Ziua, Zorilor South) made the rule in the case of real estate development inside the city. The growing rhythm in construction and the lack of a viable PUG (a General Urban Plan) led for a long time to building without respecting any legislation on the environment, in many cases the promised green areas to be arranged inside the new developments being converted into parking spaces.

From the end of 2008 until today (in 2016) the market of the lots met significant changes in prices, the first lots that encountered a significant decreasing of the prices being the areas located at the limits of the city, areas that had significant decreasing of the prices also for the residential segment. For example, in Floresti the prices decreased by 60%-70% in 2008-2011. The lots placed inside Cluj met also a decreasing of 30% - 40% but this decreasing never got to the same levels as the lots outside or nearby the city. Moreover, the most important decreasing of the prices represented the lots bought before as a speculation on the market. These lots were not close to the city and did not have any utilities. At the moment, these lots are no longer a segment that can be a transaction on the market, the main target of the clients remains the lots with a very clear destination (industrial/residential) with the condition that it has utilities/infrastructure.



This way the decreasing of the prices went from 10 to 70%, as a general medium level showed a decreasing of about 35% in between 2008-2009. The descending trend continued, as a matter of fact lot transactions were extremely limited compared to 2006-2008. Therefore, during 2009-2011 the number of transactions was situated at around 10% compared to 2007-2008. Starting 2012 there was a slight growth of transaction numbers, but nothing of significance as the new PUG was postponed.

Specific elements of Cluj real estate market

Who are those buying houses?

Mostly, those buying houses are people of higher education and with an income over the medium level: managers, CEO's, people working in an intellectual environment, people working in commerce and services, about 30 to 50 years old. This doesn't mean that the other categories of peoples never bought a property, but this means that these others categories are poorly represented among the home buyers after the year of 1990.

By comparison with the other countries in Central and Eastern Europe, Romania has the most social polarization with the most significant social discrepancy. Moreover, there is a division between the educational level, the income and the working level: educated people can have low incomes, and people less educated can have high incomes. Still, education seems to be a key-factor in all predictions about buying a house, even if this is not a sufficient condition. In order to buy a house in Cluj there is a need that the person or the family to have a significant income (strongly tied up to the developed activity) or to have an occupation of high position (the occupation and the income are not necessarily tied up one to another). This means that the cultural capital (the education) it is a sine-qua-non condition, but needs to be sustained by a good economical capital or a high social position. The opportunity to become an owner it is generated by the interaction from education and income or by the interaction from the education and occupation. Almost 80% of peoples tell that the construction or the acquisition of a home was made by own financial resources and only 21% reported the using of a mortgage (and there are not significant variation about the year of the acquisition even because most of them were made after the year of 2000).

Those that bought any kind of dwellings after the year of 1990 are young people (having an age average of about 42 years old compared to those about 50 years old). There are 3 period of ages to buy basically: about 25 years old, 35 years old, and about 45 or 50 years old. The peak of this is about the age of 35. Usually the families of these persons are quite big (3.25 members by comparison 3 members – a significant statistical difference).

**Finished versus semi-finished**

The new dwelling delivered on real estate Cluj market were initially (2003-2005) delivered as finished spaces but with the time passing these dwellings arrived to be delivered as semi-finished, even if from a project to another the meaning of these words could have been significantly different. The lack of a legal framework conducted to a huge amount of “interpretations” of each concept and this led to a huge amount of different spaces delivered to the market from; arrant, upper finished, semi-finished on high standards, semi-finished in an advanced way or to a high level.

In a large acknowledgment the semi-finished system includes:

- Leveling compound
- Render-set walls
- Utilities (water, gas, electricity, sewerage)
- Gas meter register, water meter register, electricity register
- Own heating system
- Radiators
- External doors
- PVC windows
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The finished level includes aside all these above:

- Bathroom tiles
- Painted walls
- Inside doors
- Laminate wooden floors (or others)

These differences from the finished and semi-finished level arrived to be seen in the prices developers are promoting. On the basis of the increasing prices, the promoted apartments as semi-finished were presented as a financial opportunity seemingly. The clients preferring this level of finishing of their apartment were tied up to the financial elements (assuming a smaller mortgage) but also doing the finishing by themselves in order to save some money.

Paying methods

The structure of development of the real estate market in Cluj enforced also a wide range of paying methods. This way happened that in the moment when the request was higher than the offer, “selling” of the dwellings were made much before it was finished as a construction. This means that most of the dwellings were about to be contracted from the project level of it, the pre-contracts were



signed in that phase and this was one of the reasons that led to the development of the market. This fact was a consequence of the method by which was established by those pre-contracts how the paying will be done in phases. The first aitchbones from the total amount of money were generally paid as an earnest money on the moment the pre-contract was signed. The percentage of this first amount of money were different but was situated mostly in between 30-45% for the total paying of the apartment. In this moment of selling were accorded usually a discount not higher than 5% from the total amount of the deal. This phasing allowed that many developers to start new projects with a minimum investment, the founding for the construction work being this way assured by the payments done by the clients.

The second payment was about 30-40% and was done in the moment that the construction work was done. The last aitchbone was paid in the moment when the final contract was signed, after the moment all the legal registration of the new building was done.

Once the number of the transactions on the real estate market started to decrease, the market knew an even higher flexibility from the developers regarding the paying methods. From the payments made on a pre-contract basis, the market arrived to the payments phased all along 5-10 years ahead, or to a decreasing advance payment, that in many cases was eliminated. The balance of the negotiations transferred from the developers to the clients. For example, the mortgage arrived to be accepted by the developer as a viable paying method. Initially the developers refused to accept this instrument because it implied the fact that the money were received for the deal only in the moment the construction was finished (approx. 2-3 months after the finalization of all legal documents for the dwelling). During 2009-2011 the version of "we accept a mortgage" or "we sell by First House Program" it is seen as a promotional message some developers chose to use. Even so, during 2009-2011 residential sales were limited, only in 2012 the market started showing signs of resuscitation. Starting 2013 and following in 2014, the demand started to emerge consistently in the market, and in 2015 Cluj became the engine of residential transactions throughout the country. We must mention that the long period of a descending trend allowed transactions in project phase and once the real estate crisis started, appeared a number of projects of low quality or projects in which developers did not respect terms and standards. This led buyers to worry and not trust purchases of living units in project phases. Some interest for these projects only reemerged starting 2014, when the demand started to catch wind.



Dimensions

The segment of old dwellings, build before the year of 1989 is made up mostly by blocks of flats from 4 floors up to 10 floors, having a structure of the apartments inside of 1 up to 4 rooms.

The structure of old apartments	Surfaces
Studio flat	12-30sqm
1 room apartment	28-38 sqm
2 rooms apartments	28-58 sqm
3 rooms apartments	40-75 sqm
4 rooms apartments	60-90 sqm

Even if the building rhythm in Cluj-Napoca was a backed one, this didn't lead to an increasing of the average of the surfaces/apartment, the medium average of the city being around the value of 39 sqm. By comparison to the same value, other countries (Poland – 69 sqm/apartment, Austria 93,9 sqm/apartment or Denmark 113 sqm/apartment) we can see one of the reasons we have here such an increasing level of demand.

The structure of new apartments	Surfaces
Studio flat	35-45 sqm
1 room apartment	35-50 sqm
2 rooms apartments	50-80 sqm
3 rooms apartments	80-90 sqm
4 rooms apartments	90-140 sqm



Good areas versus bad areas

The way the city developed was tied up to the perception regarding the “good areas” of it. Mostly, the biggest part of the population tends to follow the elite, and this way to the traditional “good neighborhoods” were added in the preferences of the people the new areas: Buna Ziua, the area where the real estate developments in the beginning targeted a population having higher incomes.

The level of the attraction of the neighborhood depends on the capitals (financial, educational, and occupational-social) that the future owner has. In this a significant place is taken by the total volume of these capitals, the lack of a certain capital (educational for example) can be covered by the presence of another one (financial for example). But also, this level of attraction is defined by the volume of the capitals that can be identified in the total amount of the capital of a neighborhood (educational-occupational or financial).

This way we see an increasing interest of those having a higher capital to areas like: Gheorgheni, Gruia, Andrei Muresanu, Plopilor, Marasti, Buna Ziua, Zorilor Sud and of those having a smaller capital to areas like; Manastur, Iris, Aurel Vlaicu (Intre Lacuri), Zorilor, Horea, Bulgaria and Someșeni. That having a specific level of education and a prestige (as an occupation and position in society) tends to buy a home in the old areas of the city, like: Gheorgheni, Gruia and Grigorescu. A person having a bigger income tends to buy a dwelling in Marasti and Plopilor.

The population coming from outside the city tends to buy a home in Marasti and in the Northern Area (Bulgaria, Iris, Dambu Rotund). In their situation and not as a rule, the area is not that important. For them it is important to enter the city. On the other hand, we see a trend to relocate nearby someone known. Over 30% of people of Cluj that buy a new house prefer to move to the same neighborhood or eventually chose a nearby neighborhood (as an example: those living in Gheorgheni prefer Andrei Muresanu). Probably the nearby areas are zones familiar to the clients and on another hand the information during the searching process for a new home comes easier this way. Another trend is to migrate from the big socialist neighborhoods (Manastur, Marasti) in more impressive areas, or even to less impressive (there is a trend to migrate from the Manastur and Marasti to the Northern areas). There is also another trend of migrating from the Center or Horea areas. This confirms the thesis of the changes at the level of the center of the city.