

The company plans to develop projects worth around 100 million Euro in Romania, in the next three years.

"Right now we can not compete with other developers who have been here for a few years, who are developing large scale projects with thousands of apartments, but we invested in the construction of Lakeland Residence more than what we would have invested in a larger scale project."Bosco Gutierrez, General Manager of CP International says

What is the development stage of Lakeland Residence, the CP International's first project in Romania?

BOSCO GUTIERREZ: We started the construction works at the beginning of last July and we hope to deliver the building in 24 months, in the second semester of 2010. The project includes 144 apartments partitioned on 15 floors and the building is located in northern 40 meters away from Plumbuita Lake. There is no other building between our project and the lake. We invested around 25 million Euro in this project.

What kind of customers is Lakeland Residence project targeting?

BOSCO GUTIERREZ: We are targeting the middle-upper class. We have not started to sell apartments yet but we will start as soon as some percentage of the building is ready, because we believe that the customers need to see how we are working first.

What are the selling prices per sqm?

BOSCO GUTIERREZ: The prices range between 1.300 and 1.900 Euro per sqm. They depend on the floor and on the view. Apartments with view to the lake are 10 per cent more expensive than those without lake view.

Romanians are not used to projects located on the lake. This concept may be successful in other countries, but in Romania it has not been implemented too often.

BOSCO GUTIERREZ: I believe that the proximity to the lake think is our main advantage, against the competition. It is true that there are not many developers building dwellings on the shore of a lake, but this does not mean that these projects are not successful. I am confident that Romanians will perceive the advantages of this location and will wish to live in such areas.

When did you buy the land and what were the prices per sqm at that moment?

BOSCO GUTIERREZ: We bought the land 18 months ago, in 2007. The prices in the area were around 200-300 Euro back then. We had to pay a larger amount due to the proximity to the lake.

Who is the general contractor of Lakeland Residence and who is financing the project?

BOSCO GUTIERREZ: Terratest Geotehnic is the general contractor and La Caixa is granting the financing. We are also working with Romanian architects because they have more expertise on the Romanian market, than Spanish specialists.

What is company's next project?

BOSCO GUTIERREZ: We are going to build a small sized office building in northern Bucharest, with an area of 2.000 to 4.000 sqm. Right now we are in the process of acquiring all the necessary construction permits and we hope to start the works in 6 to 9 months. We are also doing an in depth marketing research in order to determine the most interesting areas in Bucharest for future developments.

What other projects are you planning to start in the near future?

BOSCO GUTIERREZ: Except for these two projects, we are not going to start and new developments for the moment, because we decided to get to know the residential market better first. Right now we can not compete with other developers who have been here for a few years, like Hercesa, who are developing large scale projects with thousands of apartments. But we pay a lot of attention to details and to the quality of our first product. We invested in the construction of this building more than what we would have invested in a larger scale project, because we are aware of the message we need to send to our customers. Once we deliver the project, people will know us as a developer focused on quality and it will be easier for us to sell. We plan to invest around 100 million Euro in the next 2 to 3 years in office and residential developments.

□ What kind of problems have you faced on the Romanian market since you set up the office in Romania?

BOSCO GUTIERREZ: It is very hard to fight with the bureaucracy. We waste a lot of time and money trying to get all the necessary permits in order to start the works on a project. The construction prices have also increased around 20 per cent compared to last year and this growth reflects in our prices as well.