

ROMANIA INDUSTRIAL & LOGISTICS MARKET

2017



Disclaimer

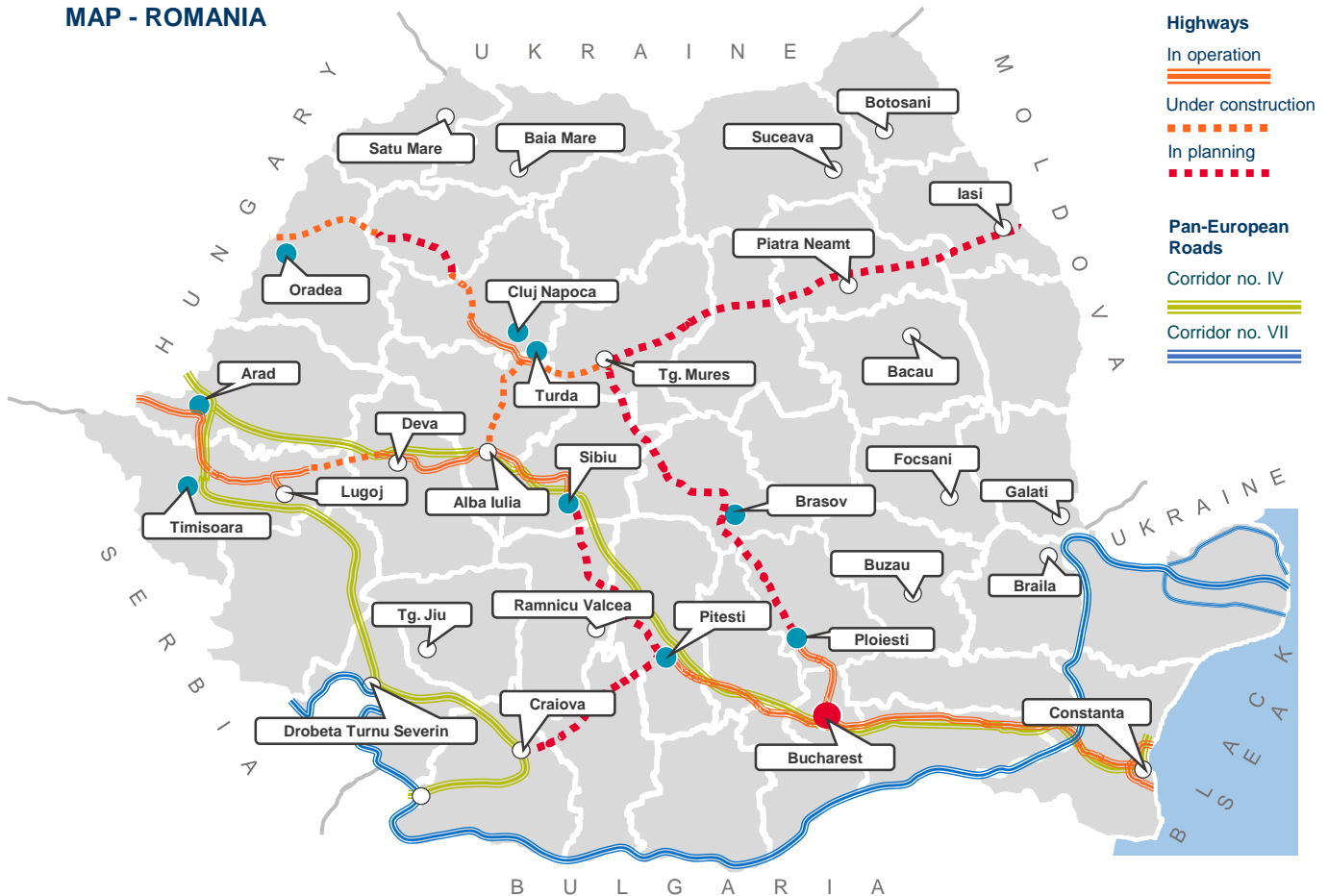
This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been checked, C&W Echinox shall take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced or referred to without prior approval. Any such reproduction should be credited to C&W Echinox.

© C&W Echinox July 2017

ROMANIA

GENERAL OVERVIEW

MAP - ROMANIA



LOCATION:	CEE Region
AREA:	238,397 km²
POPULATION*:	20,121,641 inhabitants
UNEMPLOYMENT RATE**:	4.6%
AVERAGE MONTHLY INCOME**:	€ 514
GDP/CAPITA:	€ 8,390
EXPORTS (goods and services):	57 bn. €
LABOUR FORCE:	4.83 mil.

Source: National Institute of Statistics, National Commission of Prognosis December 2016

*Census 2011

**March 2017

ROMANIA

INDUSTRIAL & LOGISTICS MARKET



2.65 M. sq. m

Industrial & Logistics
stock in H1 2017



80,000 sq. m

Industrial & Logistics space
delivered in H1 2017



350,000 sq. m

Industrial & Logistics space
leased in H1 2017



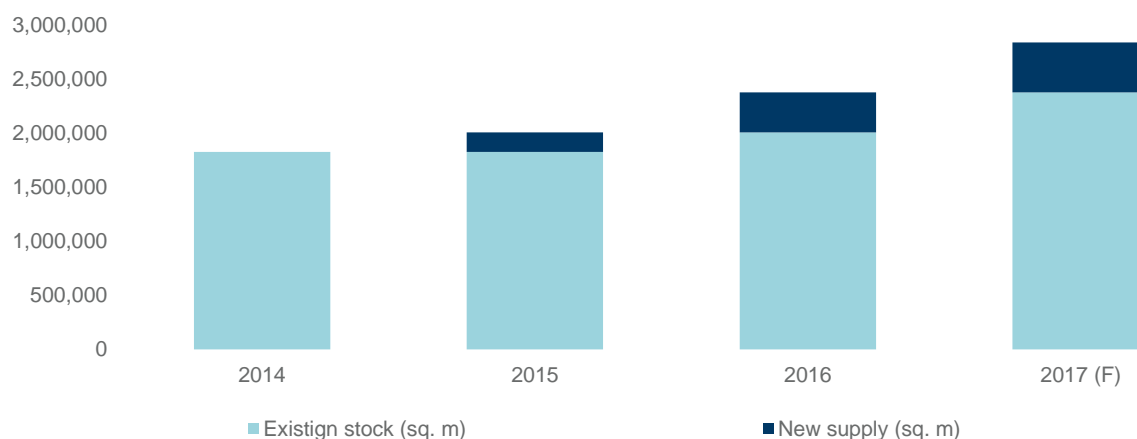
4% Vacancy rate

for Industrial & Logistics
space in H1 2017

SUPPLY

- The industrial & logistics stock in Romania reached 2.65 million sq. m, at the end of H1 2017;
- The most developed market in the country is Bucharest, accounting for approximately 45% from the total stock;
- Outside Bucharest, Timisoara has a share of ~12% from the total existing stock, followed by Ploiesti, with 10%, and Cluj area, with 8%;
- Throughout 2016, more than 370,000 sq. m of industrial & logistics space were completed across the country. This represents the highest level of new supply recorded so far;
- For 2017, the level of new supply is forecasted to be higher by 25% when compared to 2016, given that more than 450,000 sq. m of industrial & logistics space are scheduled for completion; In H1 2017, approximately 80,000 sq. m were delivered;
- 56% of the space will be delivered in Bucharest and 14% in Timisoara, followed by Pitesti – 9%, Cluj – 5%, Ploiesti and Sibiu, each with a 2% share.

INDUSTRIAL & LOGISTICS STOCK EVOLUTION (SQ. M)



Source: C&W Echinox Research H1 2017

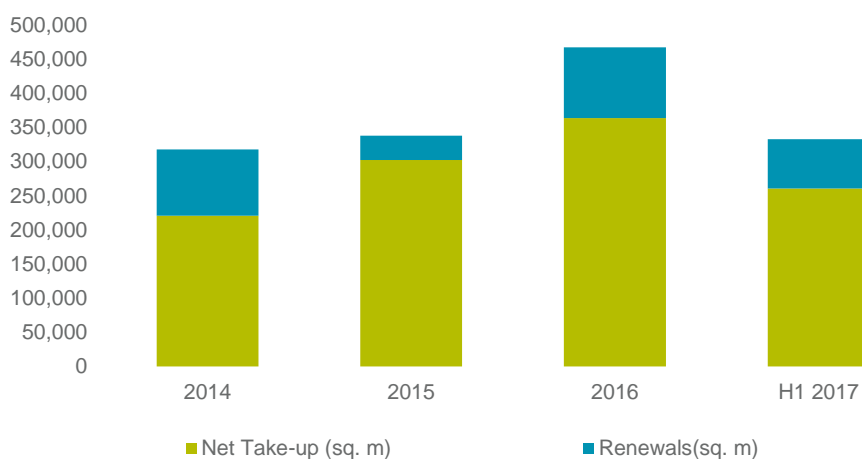
ROMANIA

INDUSTRIAL & LOGISTICS MARKET

DEMAND

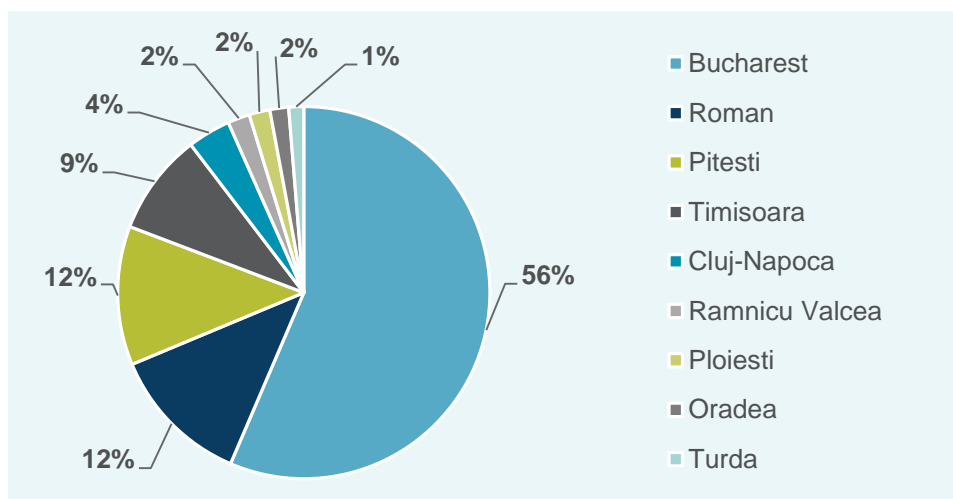
- Throughout 2016, leasing activity amounted approximately 500,000 sq. m, reaching record level;
- Out of the total leasing activity, the net take-up represented approximately 80% (400,000 sq. m);
- In the first half of 2017, the market continued to be dynamic, with lease transactions of app. 350,000 sq. m;
- Net take-up represents 75%;
- The most active occupiers continue to be companies active in E-commerce and Retail sectors (~35%), followed by Logistics and Distribution (33%).

TAKE-UP EVOLUTION (SQ. M)



Source: C&W Echinox Research H1 2017

STRUCTURE OF NET TAKE-UP H1 2017 (SQ. M)

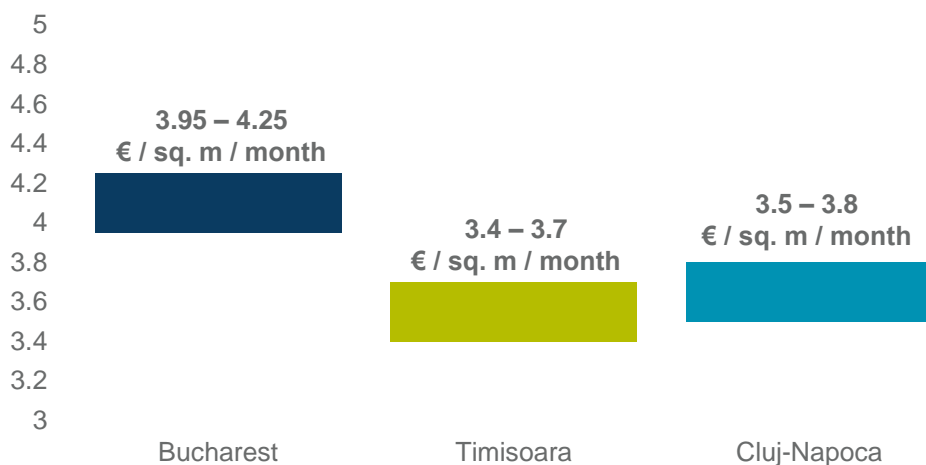


Source: C&W Echinox Research H1 2017

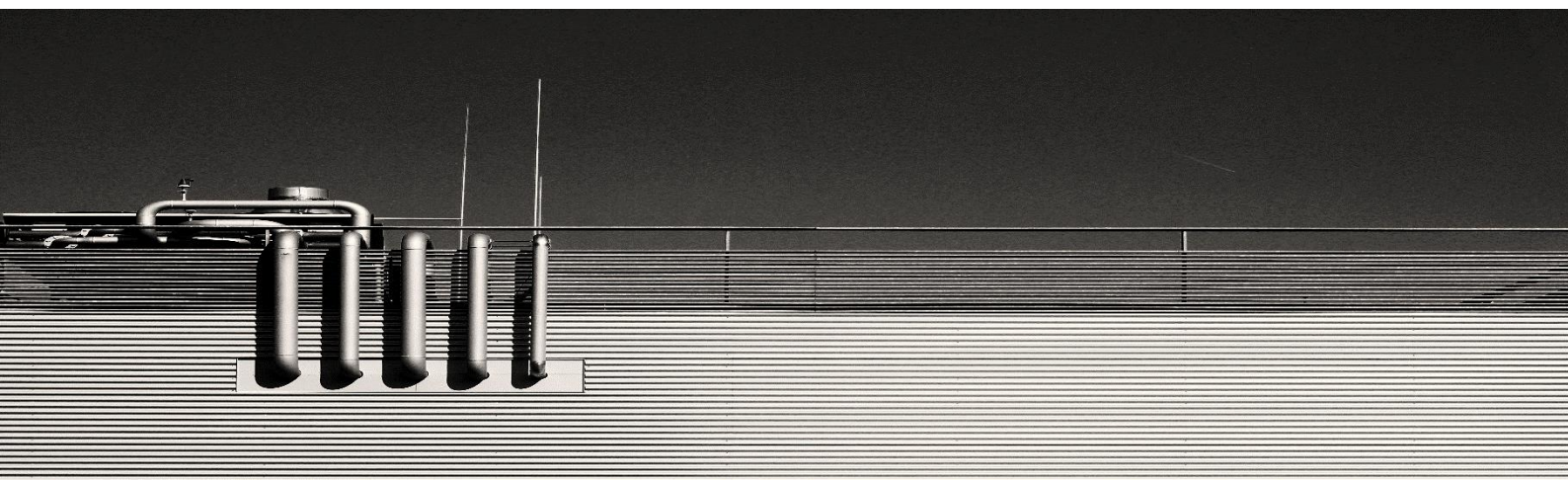
VACANCY & RENTS

- Vacancy rate for industrial & logistics spaces in Romania reached 4%, at the end of H1 2017;
- In Bucharest, the vacancy rate dropped at 3%, with approximately 31,000 sq. m available;
- In Pitesti, Brasov, Sibiu and Oradea the vacancy rate is around 1%;
- In terms of occupancy costs for industrial & logistics spaces, Romania is one of the most competitive markets in Europe. During the last year, the rental levels have slightly increased. Prime headline rents for A-class units range between € 3.75 – 4.25 / sq. m/ month;
- Net effective rents are around € 3.45 – 3.9 / sq. m/ month, depending on city, area and technical specifications;
- In addition to the rent, a service charge allowance applies, ranging between 0.6 – 0.9 EUR / sq. m / month, covering property tax, insurance, exterior security, technical maintenance, landscaping etc.

PRIME HEADLINE RENTS (€ / SQ. M / MONTH)



Source: C&W Echinox Research H1 2017



BUCHAREST



BUCHAREST

INDUSTRIAL & LOGISTICS MARKET



Echinox

KEY FACTS

- The largest city in the CEE and 6th largest city in the European Union by population;
- Average GDP / capita of approximately 22,000 EUR, comparable with EU average (2016);
- Romania's main logistics hub, directly connected through highways to all major regions in the country;

Main sectors & major companies:

LOGISTICS:

Gebruder Weiss, DB
Schenker, Geodis, Delamode,
DSV Solutions, FM Logistics,
Tibbitt Logistics, KLG,
Quehenberger

RETAIL:

Altex, Auchan, Carrefour,
Cora, Decathlon, Flanco, IKEA,
Kaufland, Lidl, Mega Image,
Penny, Profi

E-COMMERCE:

E-mag, Fashion Days, Elefant,
Corsar Online, evoMag

MACROECONOMIC & DEMOGRAPHIC

BUCHAREST		ILFOV	
LOCATION:	South Romania	LOCATION:	South Romania
POPULATION*:	1,883,425	POPULATION*:	388,738
UNEMPLOYMENT RATE**:	1.7%	UNEMPLOYMENT RATE**:	1.1%
AVERAGE MONTHLY INCOME**:	€ 672	AVERAGE MONTHLY INCOME**:	€ 535
GDP (mil.):	€ 41,070	GDP (mil.):	€ 4,603
GDP/CAPITA:	€ 21,800	GDP/CAPITA:	€ 11,841
LABOUR FORCE**:	956,876	LABOUR FORCE**:	136,602
EXPORTS 2016 (bn.)	€ 9.7	EXPORTS 2016 (bn.)	€ 2.4

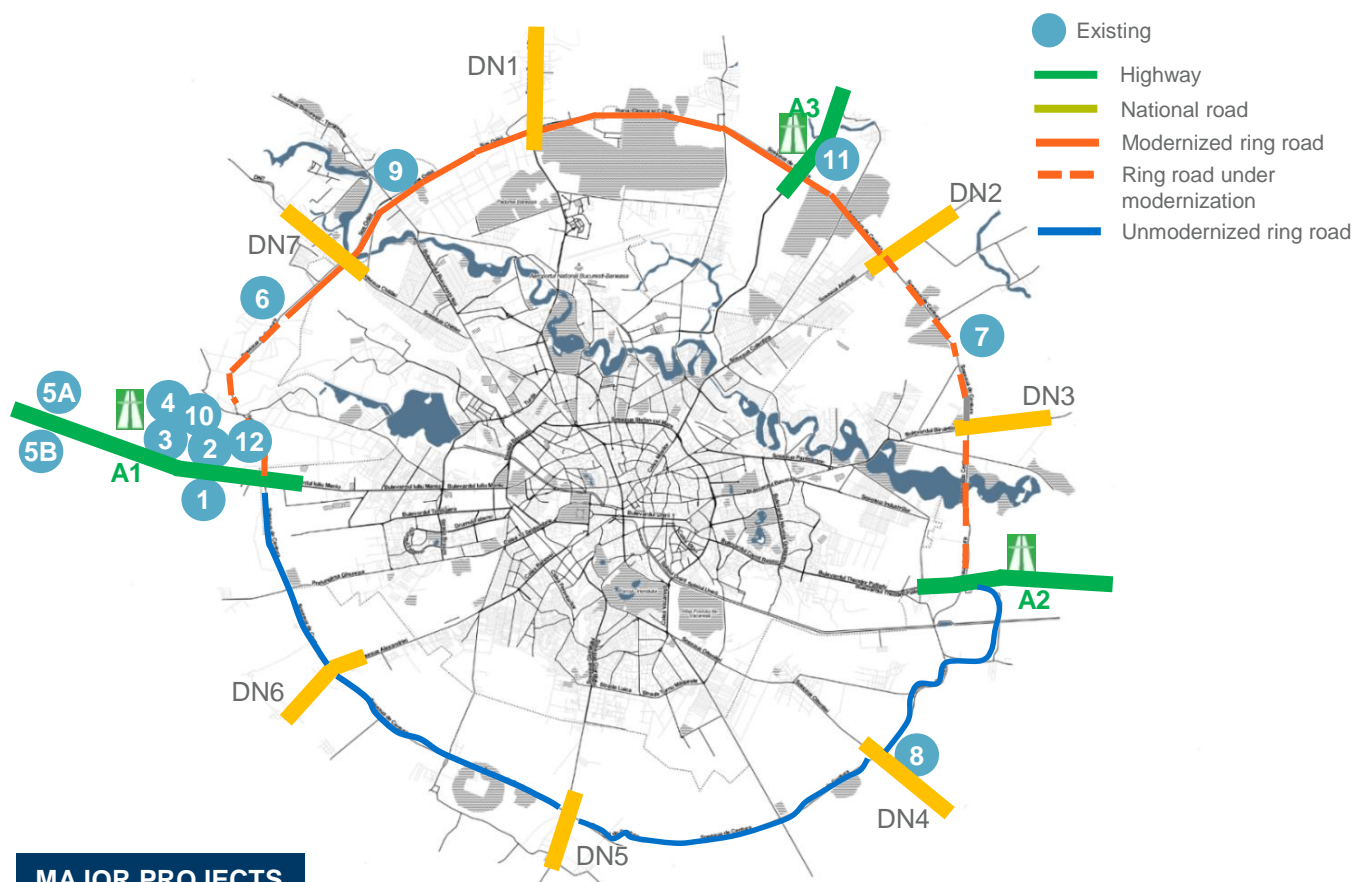
Source: National Institute of Statistics, National Commission of Prognosis December 2016

*Census 2011

**March 2017

BUCHAREST

INDUSTRIAL & LOGISTICS MARKET



MAJOR PROJECTS

- | | | |
|---------------------------|--------------------------------|-----------------------------|
| 1 P3 Logistics Park | 5B CTPark Bucharest West | 10 AIC Industrial Park |
| 2 CTPark Bucharest | 6 Chitila Logistics Park | 11 WDP Park A3 |
| 3 Equest Logistics Center | 7 Log IQ NELP | 12 Phoenix Logistics Center |
| 4 A1 Business Park | 8 Olympian East Park Bucharest | |
| 5A CTPark Bucharest West | 9 Log IQ Mogosoia | |

NATIONAL ROADS

- **DN1:** Bucharest – Bors: **643 km** → connection with Hungary
- **DN2:** Bucharest – Siret: **482 km** → connection with Ukraine
- **DN3:** Bucharest – Constanta: **200 km**
- **DN4:** Bucharest – Oltenita: **72 km**
- **DN5:** Bucharest – Giurgiu: **67 km** → connection with Bulgaria
- **DN6:** Bucharest – Timisoara: **639 km** → connection with Hungary
- **DN7:** Bucharest – Nadlac: **526 km** → connection with Hungary

HIGHWAYS

- **A1:** Bucharest – Nadlac, Arad County: **388 km** in operation
- **A2:** Bucharest – Constanta: **203 km** in operation → connection with **A4:** By-pass Constanta: **22 km**
- **A3:** Bucharest – Bors, Bihor County: **109 km** in operation

BUCHAREST

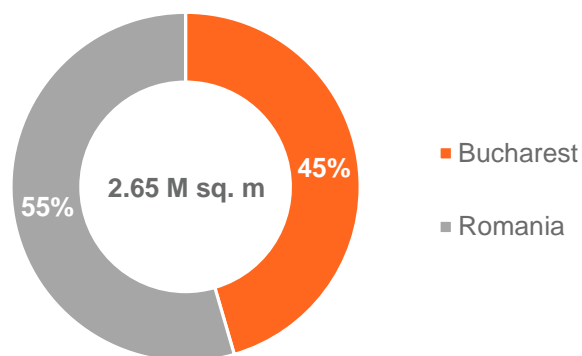
INDUSTRIAL & LOGISTICS MARKET

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	1,200,000
New supply H1 2017 (sq. m)	51,000
Pipeline H2 2017 (F) (sq. m)	220,000
Net take-up H1 2017 (sq. m)	145,000
Vacancy rate	2%
Rental level (€ / sq. m)	3.95 – 4.25
Service charge (€ / sq. m)	0.8 – 0.9

Source: C&W Echinox Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



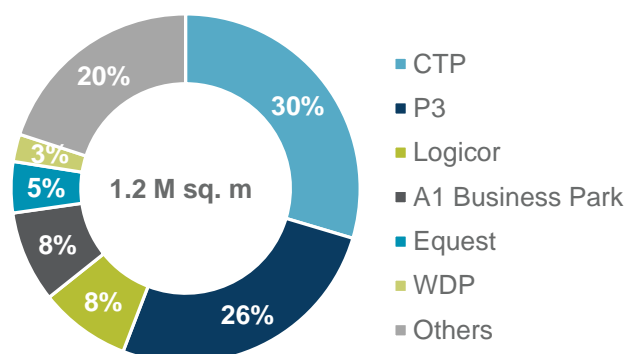
Source: C&W Echinox Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
NOD	30,000	CTPark Bucharest West	Distribution
DSV	35,000	CTPark Bucharest West	Logistics
Carrefour	45,000	P3 Logistics Park	Retail
Emag	30,000	P3 Logistics Park	E-commerce

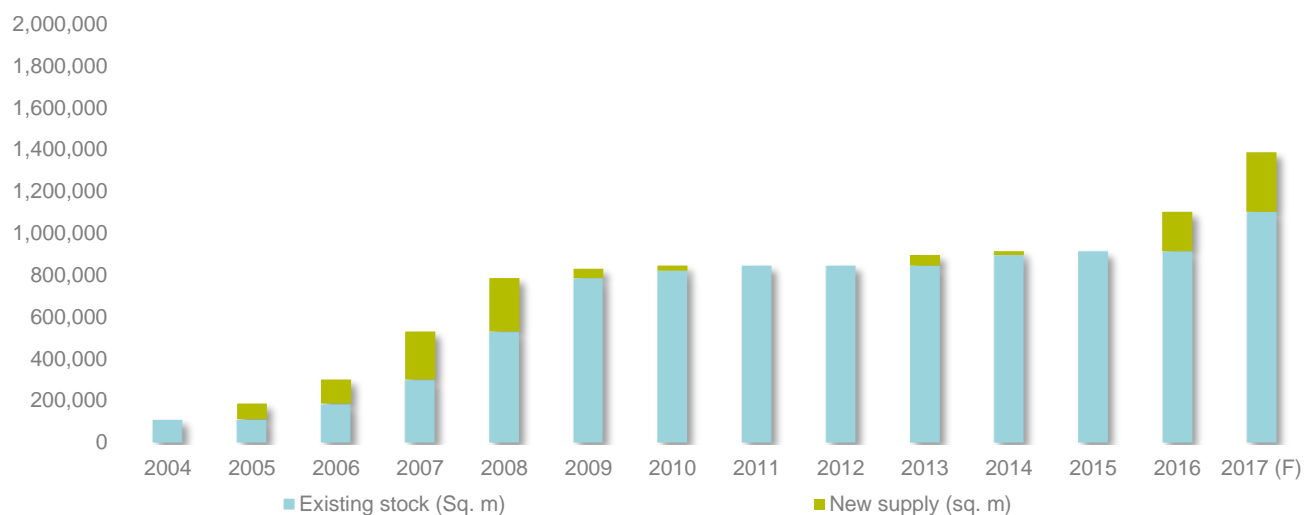
Source: C&W Echinox Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinox Research H1 2017

INDUSTRIAL & LOGISTICS STOCK EVOLUTION (SQ. M)



Source: C&W Echinox Research H1 2017

TIMISOARA



TIMISOARA

INDUSTRIAL & LOGISTICS MARKET

KEY FACTS

- One of the main industrial hubs of Romania, focused on automotive, telecom and engineering;
- Directly connected via A1 highway to Budapest and Western Europe;
- The lowest unemployment rate (1.1%) and the highest level of exports (5.9 bn. EUR in 2016), after Bucharest.

Main sectors & major companies:

AUTOMOTIVE:

Autoliv, Continental, Draxlmaier, HUF, Mahle, TRW Automotive, Valeo, Yazaki

FMCG:

Nestle, Coca-Cola, Dallı

TECHNOLOGY:

Alcatel, TT Electronics, Elba, Flextronics, AEM

MACROECONOMIC & DEMOGRAPHIC

MAP – TIMIS COUNTY

LOCATION:	West Romania
COUNTY POPULATION*:	683,540
TIMISOARA POPULATION*:	319,279
UNEMPLOYMENT RATE**:	1.1%
AVERAGE MONTHLY INCOME**:	€ 541
GDP (mil.):	€ 7,860
GDP/CAPITA:	€ 11,498
LABOUR FORCE**:	242,550
EXPORTS 2016 (bn.)	€ 5.9



Source: National Institute of Statistics, National Commission of Prognosis December 2016

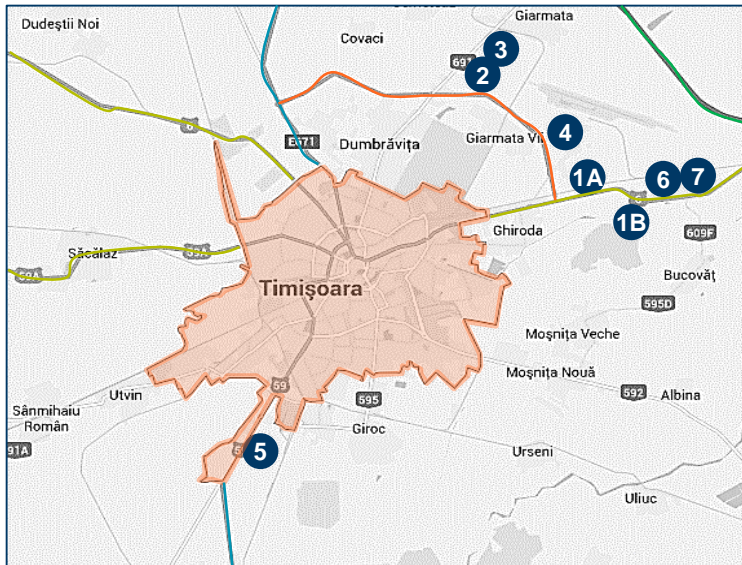
*Census 2011

**March 2017

TIMISOARA

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



LEGEND - TIMISOARA

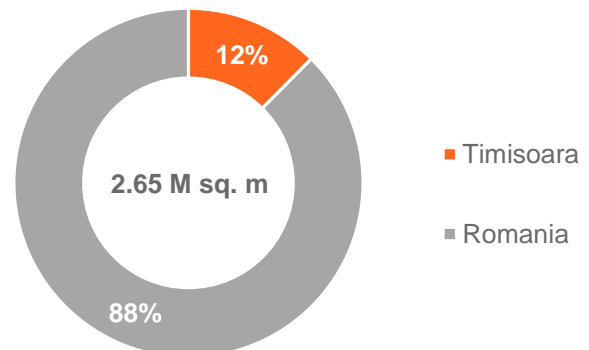
- 1A CTPark
- 1B CTPark
- 2 WDP Park
- 3 Timisoara Airport Park
- 4 VGP Park
- 5 Incontro Park
- 6 LOG.IQ Timisoara
- 7 Olympian Park
- Highway
- National road
- European road
- Ring road

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	320,000
New supply H1 2017 (sq. m)	13,500
Pipeline H2 2017 (F) (sq. m)	53,000
Net take-up H1 2017 (sq. m)	23,000
Vacancy rate	5%
Rental level (€ / sq. m)	3.4 – 3.7
Service charge (€ / sq. m)	0.6 – 0.8

Source: C&W Echinov Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



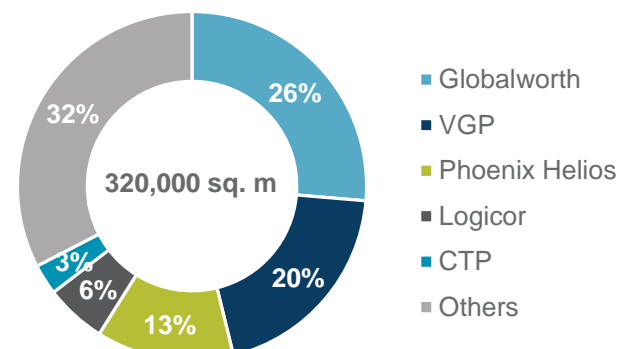
Source: C&W Echinov Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
Litens	8,500	A1 Park Timisoara	Automotive
Kuehne + Nagel	6,000	WDP Park	Logistics
Valeo	13,500	A1 Park Timisoara	Automotive
HeyForm	13,500	Olympian Park	Automotive

Source: C&W Echinov Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinov Research H1 2017

CLUJ-NAPOCA & TURDA



CLUJ-NAPOCA & TURDA

INDUSTRIAL & LOGISTICS MARKET



Echinox

KEY FACTS

- Cluj-Napoca is the 2nd largest city in Romania by population and the unofficial capital of Transylvania region;
- The region has the 2nd largest airport in Romania in terms of traffic, with almost 1.9 mil. passengers in 2016;
- The 2nd major university center in Romania, after Bucharest, with more than 66,000 students.

Main sectors & major companies:

AUTOMOTIVE:

Bosch, Eckerle, Emerson,
Fujikura, MMM Autoparts

OTHER INDUSTRIES:

De Longhi, Energobit,
Farmec, Sanex, Terapia

RETAIL & LOGISTICS:

Kaufland, Penny, Profi, E
Van Wijk, Karl Heinz Dietrich,
Quehenberger

MACROECONOMIC & DEMOGRAPHIC

MAP – CLUJ COUNTY

LOCATION:	North-West Romania
COUNTY POPULATION*:	691,106
CLUJ-NAPOCA POPULATION*:	324,576
UNEMPLOYMENT RATE**:	2.4%
AVERAGE MONTHLY INCOME**:	€ 583
GDP (mil.):	€ 7,675
GDP/CAPITA:	€ 11,105
LABOUR FORCE**:	234,812
EXPORTS 2016 (bn.):	€ 1.3



Source: National Institute of Statistics, National Commission of Prognosis December 2016

*Census 2011

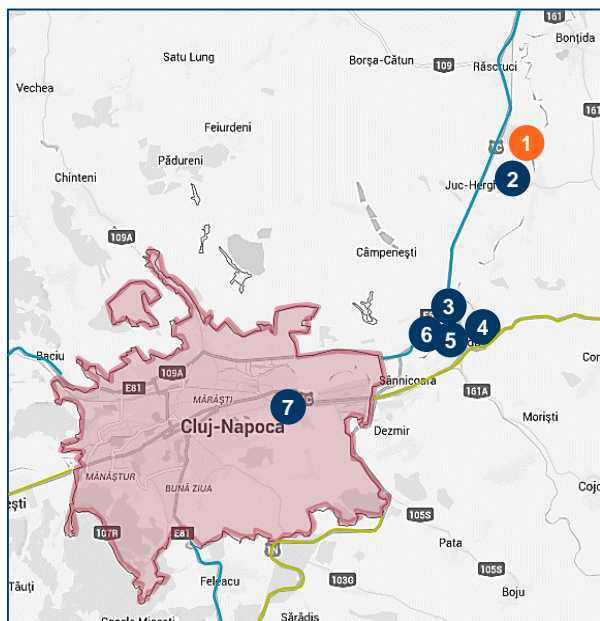
**March 2017

CLUJ-NAPOCA & TURDA

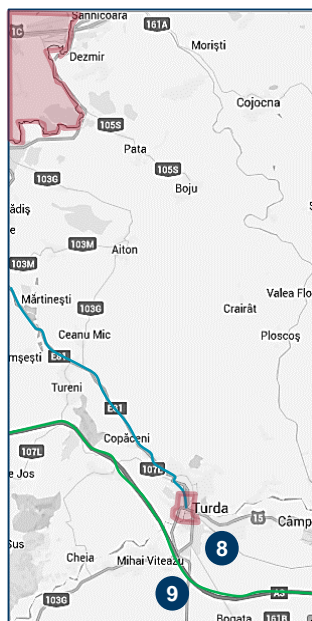
INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS

CLUJ-NAPOCA



TURDA



LEGEND – CLUJ COUNTY

- 1 Olympian Park Jucu - planned
- 2 Transilvania Logistics Jucu
- 3 SNS Park Cluj
- 4 Nervia Industrial Park
- 5 CTPark Cluj
- 6 WDP Park
- 7 Transilvania Logistics Park
- 8 Aries Industrial Park Turda
- 9 CTPark Turda

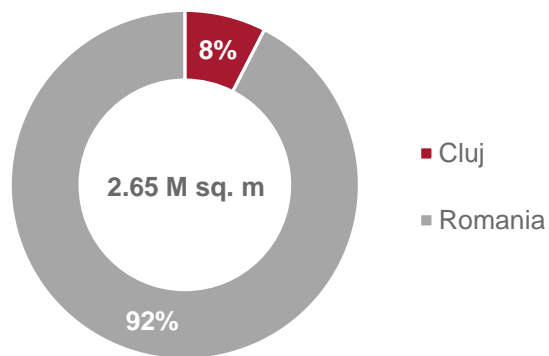
- Highway
- National road
- European road
- Ring road

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	200,000
New supply H1 2017 (sq. m)	13,000
Pipeline H2 2017 (F) (sq. m)	30,000
Net take-up H1 2017 (sq. m)	13,500
Vacancy rate	< 1%
Rental level (€ / sq. m)	3.5 – 3.8
Service charge (€ / sq. m)	0.7 – 0.8

Source: C&W Echinov Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



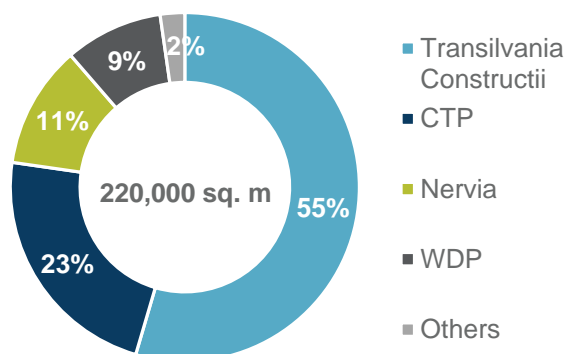
Source: C&W Echinov Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
Arcese	5,000	WDP Park	Logistics
Emag	4,000	TRC Cluj	E-commerce
ACS Industries	3,500	Aries Industrial Park	Manufacturing/Industrial

Source: C&W Echinov Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinov Research H1 2017

PLOIESTI



PLOIESTI

INDUSTRIAL & LOGISTICS MARKET

KEY FACTS

- Considered the oil & gas capital of Romania, strategic location for international groups, such as OMV and Lukoil;
- The city is directly connected to Bucharest through a 60 km highway;
- Major logistic and industrial hub for retail & FMCG companies.

Main sectors & major companies:

ENERGY:

OMV Petrom, Lukoil,
General Electric, Timken,
Amromco, Schlumberger

RETAIL & FMCG:

Kaufland, Lidl, Profi, Unilever,
BAT, Tymbark, Bergenbier,
Procter & Gamble

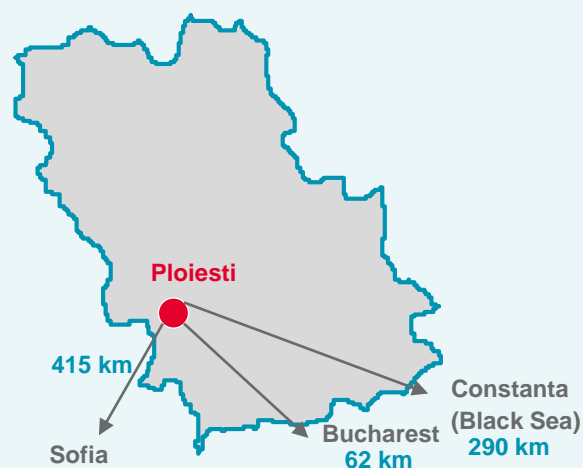
AUTOMOTIVE:

Calsonic Kansei, Coficab,
Federal Mogul, Yazaki

MACROECONOMIC & DEMOGRAPHIC

MAP – PRAHOVA COUNTY

LOCATION:	South Romania
COUNTY POPULATION*:	762,886
PLOIESTI POPULATION*:	209,945
UNEMPLOYMENT RATE**:	3.4%
AVERAGE MONTHLY INCOME**:	€ 477
GDP (mil.):	€ 7,900
GDP/CAPITA:	€ 10,300
LABOUR FORCE**:	180,654
EXPORTS 2016 (bn.)	€ 2.04



Source: National Institute of Statistics, National Commission of Prognosis December 2016

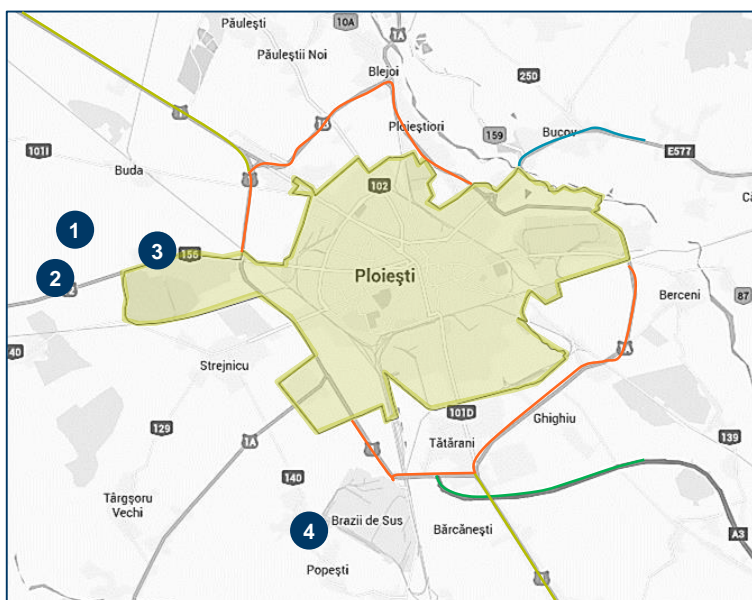
*Census 2011

**March 2017

PLOIEȘTI

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



LEGEND – PRAHOVA COUNTY

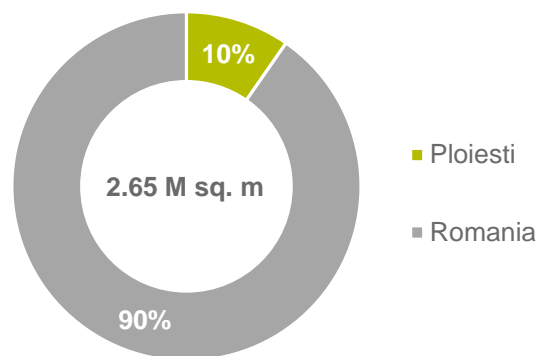
- 1 Ploiești West Park
 - 2 WDP Park Aricesti
 - 3 Log Center Ploiești
 - 4 Dibo Industrial Park
- Highway
 - National road
 - European road
 - Ring road

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	250,000
New supply H1 2017 (sq. m)	-
Pipeline H2 2017 (F) (sq. m)	10,000
Net take-up H1 2017 (sq. m)	5,000
Vacancy rate	5%
Rental level (€ / sq. m)	3.5 – 3.85
Service charge (€ / sq. m)	0.75 – 0.8

Source: C&W Echinov Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



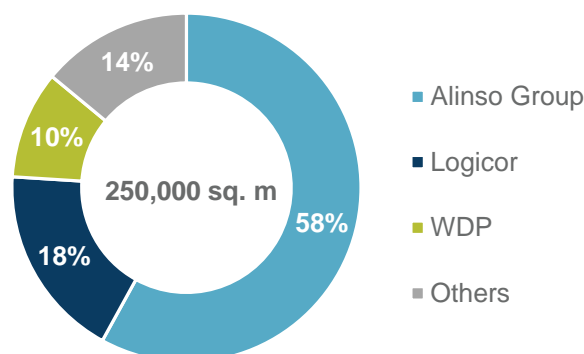
Source: C&W Echinov Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
Kamtec	4,700	WDP Park	Automotive

Source: C&W Echinov Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinov Research H1 2017

BRASOV



BRASOV

INDUSTRIAL & LOGISTICS MARKET

KEY FACTS

- One of the traditional industrial hubs of Romania, formerly recognized for the production of airplanes, tractors and trucks;
- The local industry is currently dominated by German companies active in the automotive sector;
- The well preserved historical center and the proximity of the mountain resorts make Brasov a very popular tourist destination.

Main sectors & major companies:

AUTOMOTIVE:

Autoliv, Schaeffler, Preh, Stabilus, Hutchinson, Quin

RETAIL & FMCG:

Asahi, Olympus, Delaco, Selgros

OTHER INDUSTRIES:

Premium Aerotec, Benchmark Electronics, Total Lubricants, Kronospan, Bilka Steel, Allview

MACROECONOMIC & DEMOGRAPHIC

MAP – BRASOV COUNTY

LOCATION:	Central Romania
COUNTY POPULATION*:	549,217
BRASOV POPULATION*:	253,200
UNEMPLOYMENT RATE**:	3.6%
AVERAGE MONTHLY INCOME**:	€ 520
GDP (mil.):	€ 5,790
GDP/CAPITA:	€ 10,540
LABOUR FORCE**:	179,420
EXPORTS 2016 (bn.)	€ 3



Source: National Institute of Statistics, National Commission of Prognosis December 2016

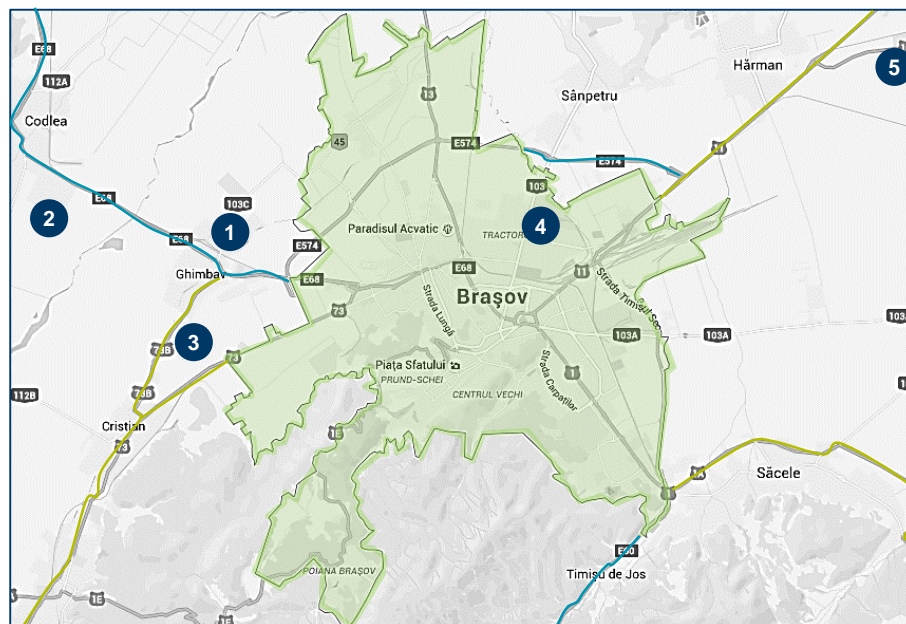
*Census 2011

**March 2017

BRASOV

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



LEGEND – BRASOV COUNTY

- 1 ICCO Park Braşov
- 2 WDP Park Codlea
- 3 Olympian Park
- 4 Sofimat Tractorul
- 5 Prejmer Industrial Park

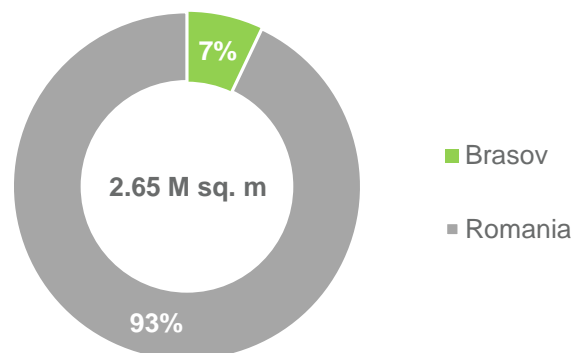
- National road
- European road

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	180,000
New supply H1 2017 (sq. m)	-
Pipeline H2 2017 (F) (sq. m)	-
Net take-up H1 2017 (sq. m)	-
Vacancy rate	< 1%
Rental level (€ / sq. m)	3.5 – 3.75
Service charge (€ / sq. m)	0.7 – 0.8

Source: C&W Echinox Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



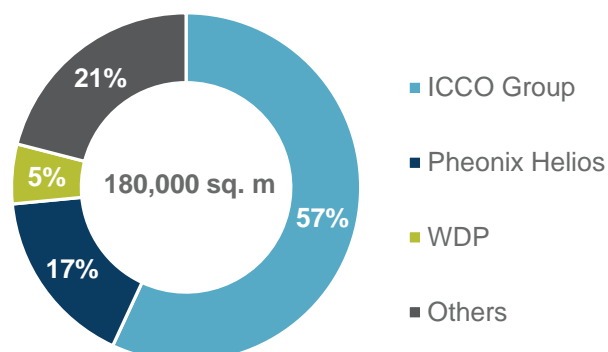
Source: C&W Echinox Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
Rolem	10,000	Olympian Park	Automotive
Emag	3,000	WDP Park	E-commerce

Source: C&W Echinox Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinox Research H1 2017

PITESTI



PITESTI

INDUSTRIAL & LOGISTICS MARKET

KEY FACTS

- Considered the car industry capital of Romania, due to Dacia – Renault plant in Mioveni;
- Directly connected to Bucharest through a 110 km highway (A1);
- The city should also be connected to Craiova and Sibiu through expressway, respectively highway.

Main sectors & major companies:

AUTOMOTIVE:

Dacia Renault, Lear, Faurecia, Johnson Controls, Leoni Wiring Systems, Draxlmaier, Valeo

MACROECONOMIC & DEMOGRAPHIC

MAP – ARGES COUNTY

LOCATION:	South Romania
COUNTY POPULATION*:	612,431
PITESTI POPULATION*:	155,383
UNEMPLOYMENT RATE**:	4.4%
AVERAGE MONTHLY INCOME**:	€ 462
GDP (mil.):	€ 4,190
GDP/CAPITA:	€ 6,840
LABOUR FORCE**:	148,861
EXPORTS 2016 (bn.)	€ 5.8



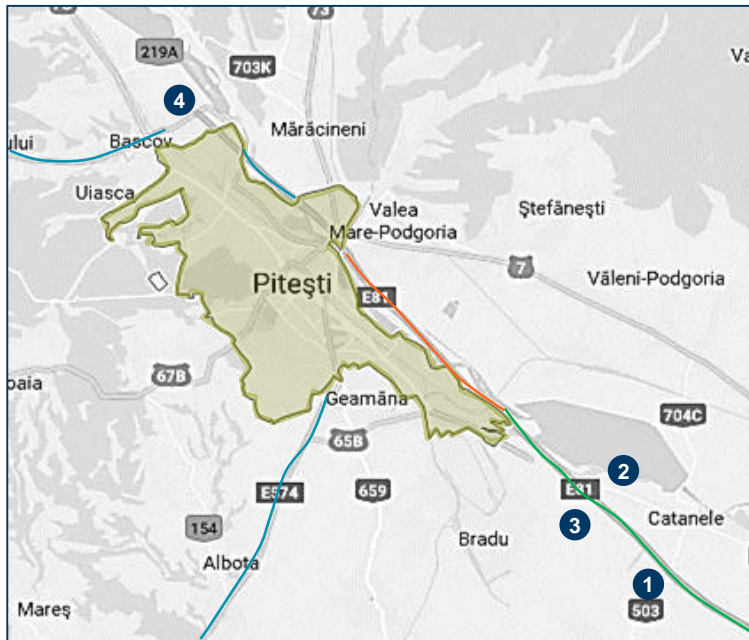
Source: National Institute of Statistics, National Commission of Prognosis December 2016

*Census 2011

**March 2017

PITEȘTI

INDUSTRIAL & LOGISTICS MARKET



LEGEND – ARGES COUNTY

- 1 CTPark Pitești
- 2 Globalworth
- 3 WDP Park
- 4 Lazar Logistics

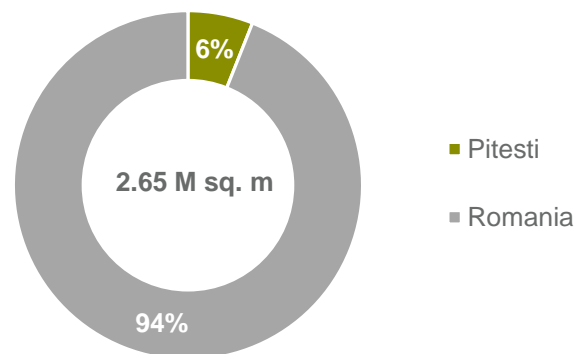
- Highway
- European road
- Ring road

INDUSTRIAL & LOGISTICS MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	155,000
New supply H1 2017 (sq. m)	-
Pipeline H2 2017 (F) (sq. m)	20,000
Net take-up H1 2017 (sq. m)	31,000
Vacancy rate	< 1%
Rental level (€ / sq. m)	3.4 – 3.7
Service charge (€ / sq. m)	0.6 – 0.75

Source: C&W Echinox Research H1 2017

TOTAL INDUSTRIAL & LOGISTICS STOCK



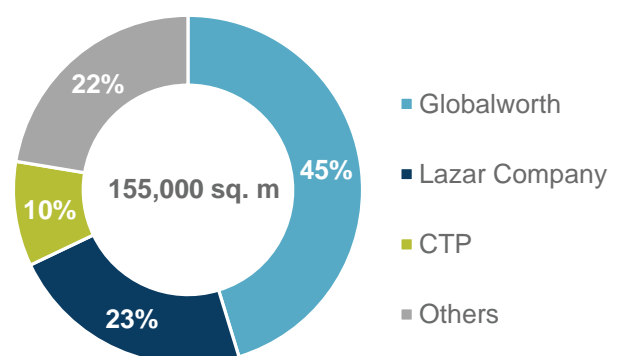
Source: C&W Echinox Research H1 2017

MAJOR DEALS 2016 – H1 2017

TENANT	GLA (SQ. M)	PROJECT	SECTOR
Arctic	21,000	CTPark Pitești	Manufacturing/Industrial
Ceva Logistics	10,000	WDP Park	Logistics

Source: C&W Echinox Research H1 2017

MAJOR DEVELOPERS MARKET SHARE



Source: C&W Echinox Research H1 2017

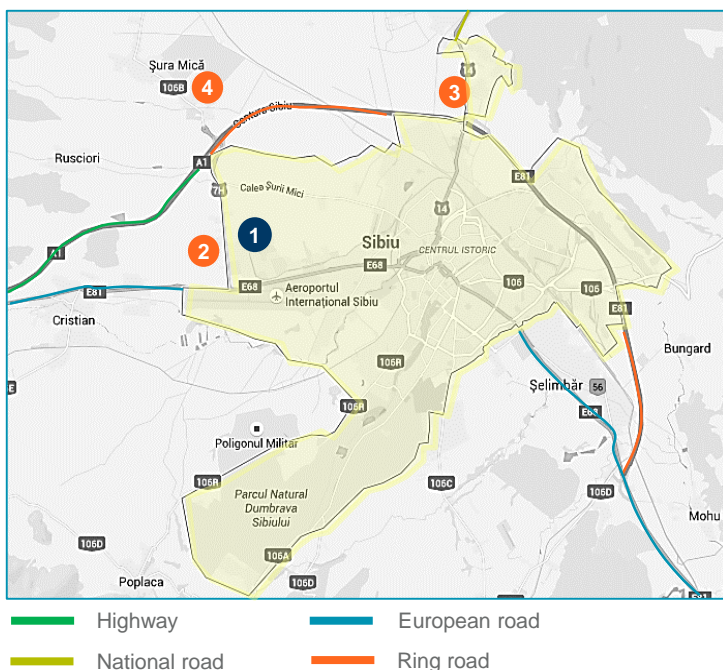
SIBIU, ARAD, ORADEA



SIBIU

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	80,000
Pipeline H2 2017 (F) (sq. m)	10,000
Vacancy rate	4%
Rental level (€ / sq. m)	3.75 – 3.85
Service charge (€ / sq. m)	0.7 – 0.8

Source: C&W Echinox Research H1 2017

KEY FACTS

- Having a large German speaking community, Sibiu attracted several German investors, especially in automotive sector;
- Located in the central part of Romania, Sibiu is easy accessible from all the regions.

Main sectors & major companies:

AUTOMOTIVE:

Marquardt, Kromberg & Schubert, Faurecia, Takata, Thyssenkrupp Bilstein, Kendrion Automotive, Swoboda Hartmann, Hendrickson, Brandl Ro

MACROECONOMIC & DEMOGRAPHIC

LOCATION:	Central Romania
COUNTY POPULATION*:	397,322
TIMISOARA POPULATION*:	147,245
UNEMPLOYMENT RATE**:	3.1%
AVERAGE MONTHLY INCOME**:	€ 528
GDP (mil.):	€ 3,613
GDP/CAPITA:	€ 9,095
LABOUR FORCE**:	131,737
EXPORTS 2016 (bn.)	€ 2.7

MAP – SIBIU COUNTY



Source: National Institute of Statistics, National Commission of Prognosis December 2016

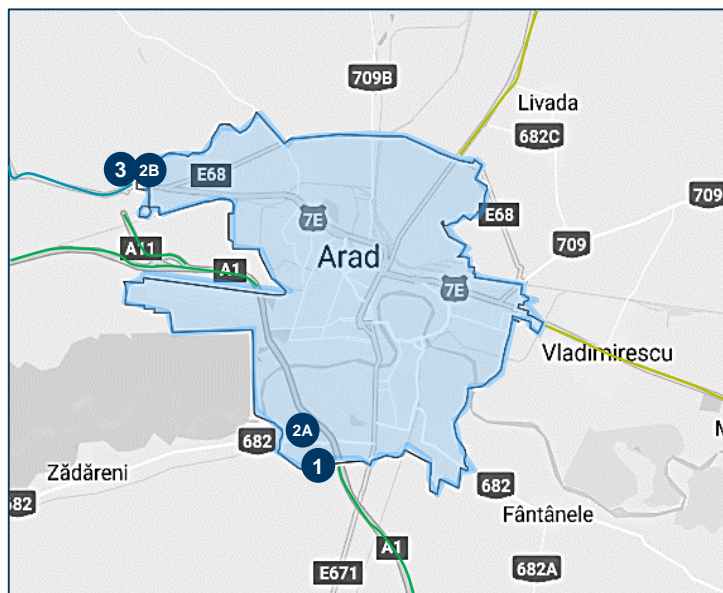
*Census 2011

**March 2017

ARAD

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



— Highway
— European road
— National road

LEGEND – ARAD COUNTY

- 1 CTPark Arad
- 2A Imotrust – Zona Industrială Sud
- 2B Imotrust – Zona Industrială Vest
- 3 Incontro – Arad Industrial Park

MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	82,000
Pipeline H2 2017 (F) (sq. m)	-
Vacancy rate	15%
Rental level (€ / sq. m)	3.5 – 3.75
Service charge (€ / sq. m)	0.7 – 0.8

Source: C&W Echinov Research H1 2017

KEY FACTS

- With a long history in the rolling stocks industry, Arad also developed as a top destination for car parts producers with clients in Central and Western Europe;
- Located at the Hungarian border, Arad is close to Central and Western Europe.

Main sectors & major companies:

AUTOMOTIVE:

Takata, Coficab, Webasto, Yazaki, Leoni, Coindu, BOS Automotive, Kromberg & Schubert, Contitech

MACROECONOMIC & DEMOGRAPHIC

LOCATION:	Central Romania
COUNTY POPULATION*:	430,629
ARAD POPULATION*:	159,074
UNEMPLOYMENT RATE**:	23%
AVERAGE MONTHLY INCOME**:	€ 463
GDP (mil.):	€ 3,496
GDP/CAPITA:	€ 8,118
LABOUR FORCE**:	135,427
EXPORTS 2016 (bn.):	€ 3.3

MAP – ARAD COUNTY



Source: National Institute of Statistics, National Commission of Prognosis December 2016

*Census 2011

**March 2017

ORADEA

INDUSTRIAL & LOGISTICS MARKET

MAJOR INDUSTRIAL & LOGISTICS PROJECTS



LEGEND – ORADEA COUNTY

- 1 WDP Park Oradea
- 2 Western Industrial Park

MARKET OVERVIEW

Total industrial & logistics stock (sq. m)	50,000
Pipeline H2 2017 (F) (sq. m)	15,000
Vacancy rate	2%
Rental level (€ / sq. m)	3.75 – 3.85
Service charge (€ / sq. m)	0.7 – 0.8

Source: C&W Echinox Research H1 2017

KEY FACTS

- Situated close to the Hungarian border, Oradea has a diverse industry – from shoes and furniture plants, to electronics and automotive;

Main sectors & major companies:

AUTOMOTIVE:

Faist Mekatronic, Comau Romania, Connectronics

OTHER INDUSTRIES:

Celestica, Emerson, Plexus Services, PGS Sofa, Ada Fabrica de Mobila

MACROECONOMIC & DEMOGRAPHIC

LOCATION:	West Romania
COUNTY POPULATION*:	575,398
ORADEA POPULATION*:	196,367
UNEMPLOYMENT RATE**:	27%
AVERAGE MONTHLY INCOME**:	€ 408
GDP (mil.):	€ 3,884
GDP/CAPITA:	€ 6,751
LABOUR FORCE**:	171,285
EXPORTS 2016 (bn.)	€ 1.8

MAP – ORADEA COUNTY



Source: National Institute of Statistics, National Commission of Prognosis December 2016

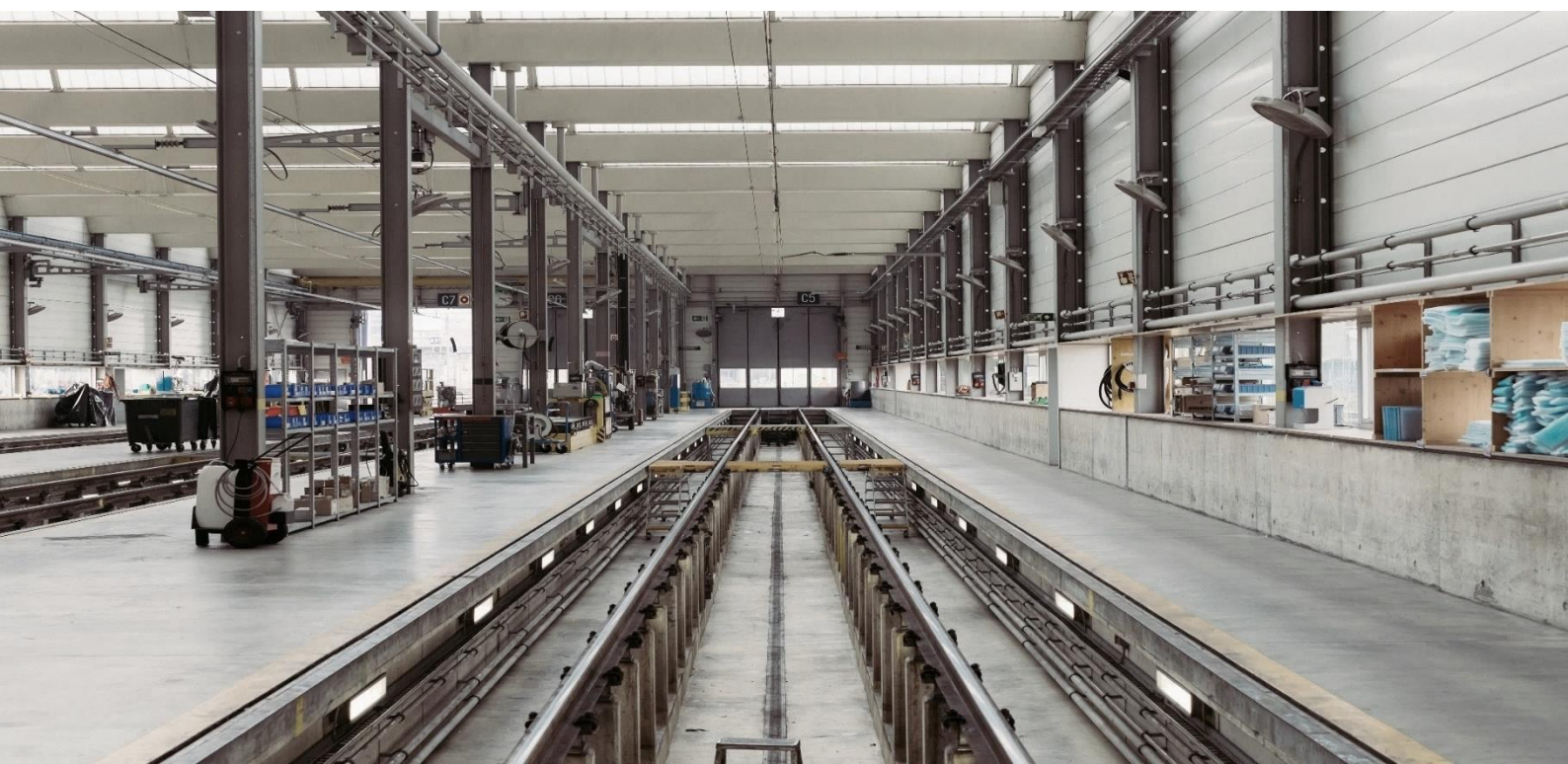
*Census 2011

**March 2017

CONCLUSIONS

INDUSTRIAL & LOGISTICS MARKET

- The industrial and logistics market in Romania is witnessing a very dynamic period, with retail, logistics and industrial companies actively looking to expand operations;
- Bucharest remains the dominant sub-market, concentrating ~ 45% of the existing stock of 2.65 mil. sq. m and over 56% (250,000 sq. m) of the new supply announced for 2017 (~ 450,000 sq. m in total);
- Outside Bucharest, top 5 major regional cities in terms of industrial and logistics stock – Timisoara, Cluj-Napoca, Brasov, Ploiesti and Pitesti - concentrate app. 43% of the existing space;
- The market is very polarized, with three major players (CTP, P3 and WDP) totalling portfolios of approximately 1 million sq. m, representing 40% of the existing stock;
- Throughout the next 12 months, the total stock will reach 3 million sq. m;
- Compared to other neighbouring countries, local market is still under-developed; Bucharest stock is 1.2 mil. sq. m, compared to 3.1 mil. sq. m in Warsaw, 2.5 mil. sq. m in Prague and 2 mil. sq. m in Budapest;
- The rents started to follow an upward trend, especially in Bucharest and other sub-markets that are recording a low vacancy rate;
- The major differences between regions in terms of infrastructure development will continue to drive investors towards more accessible, central and western sub-markets;
- Romania has one of the most industrialized economies in Europe, since local industry contributes with ~25% to GDP;
- The new investments announced by Ford (new assembling line for Ford Ecosport in Craiova), Arcelik Group (new washing machine plant in Ulmi, Dambovita) or Philip Morris (tobacco units for electronic cigarette in Otopeni, Ilfov) will probably determine other international groups to invest in the local market.



Business Contacts

Rodica Tarcavu
Partner, Industrial Agency

Phone: + 40 21 310 3100
E-mail: rodica.tarcavu@cwechinox.com

Mihaela Galatanu
Head of Research

Phone: + 40 21 310 3100
E-mail: mihaela.galatanu@cwechinox.com

Mihaela Mihai
Research Analyst

Phone: + 40 21 310 3100
E-mail: mihaela.mihai@cwechinox.com

