

RETAIL REGIONAL CITIES

2017



ROMANIA RETAIL MARKET

GENERAL OVERVIEW

At the end of 2017, the modern retail stock outside Bucharest reached 2.42 million sq. m. Approximately 59% of the total stock is represented by shopping centers, while retail parks and commercial galleries represent 33% and 8%.

Throughout 2017, almost 70,000 sq. m of retail space was delivered in the Romanian regional cities, approximately 80% from the total volume consisting of shopping centers.

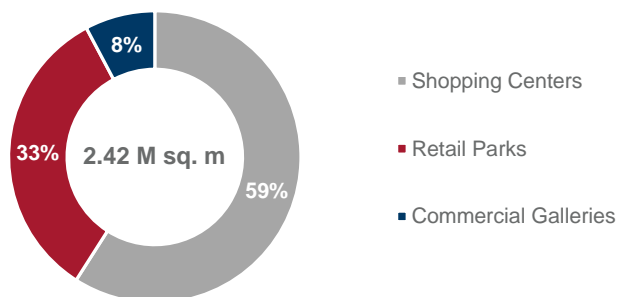
Shopping City Ramnicu Valcea, developed by NEPI Rockcastle, is the largest project completed in 2017, with a total GLA of approximately 28,000 sq. m. Moreover, an extension of 21,000 sq. m lettable area was developed for Shopping City Galati, increasing the total surface of the scheme to approximately 50,000 sq. m.

Additionally, two retail parks have been delivered throughout 2017, outside Bucharest, with a total cumulated GLA of 14,000 sq. m – B1 Retail Park in Bistrita (9,000 sq. m GLA) and Prima Shops in Oradea (5,000 sq. m GLA). Furthermore, Brasov Retail Park was extended with a surface of 4,000 sq. m GLA.

For 2018, approximately 196,000 sq. m of retail space is forecasted to be completed, a volume that will increase the total stock by ~8%. The largest announced project is Openville Timisoara, with a lettable area of ~47,000 sq. m, developed by Iulius Group.

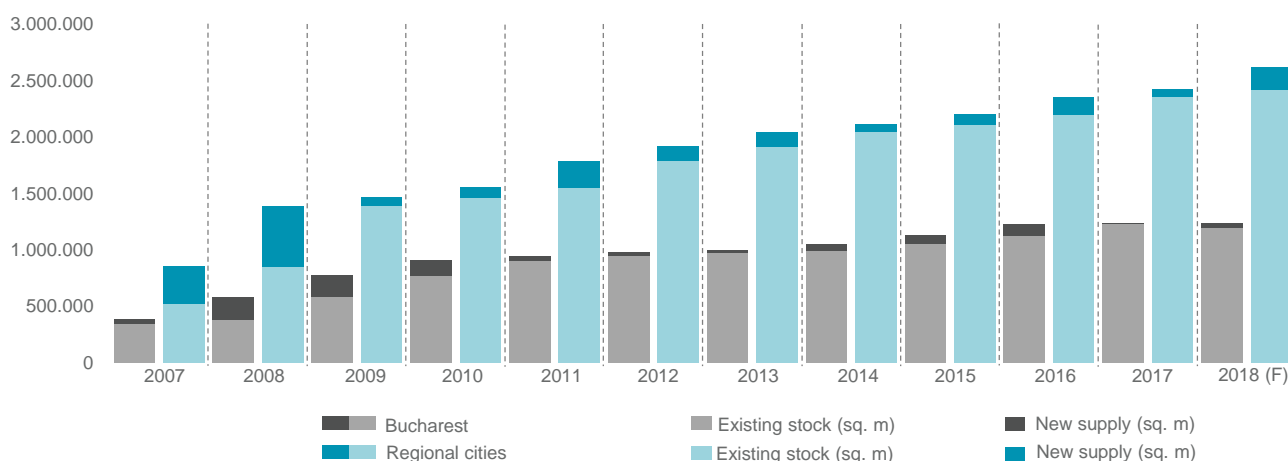
Headline rents achieved for units of 100 sq. m in prime shopping centers outside Bucharest range between € 25 – 30 / sq. m / month on average. In primary cities such as Cluj Napoca, Timisoara, Iasi or Constanta the prime headline rents are higher by 20% - 30%. For tertiary cities the prime headline rents fall between € 18 – 23 / sq. m / month.

ROMANIA – MODERN RETAIL STOCK STRUCTURE



Source: C&W Echinox Research 2017

ROMANIA – MODERN RETAIL STOCK EVOLUTION (SQ. M)

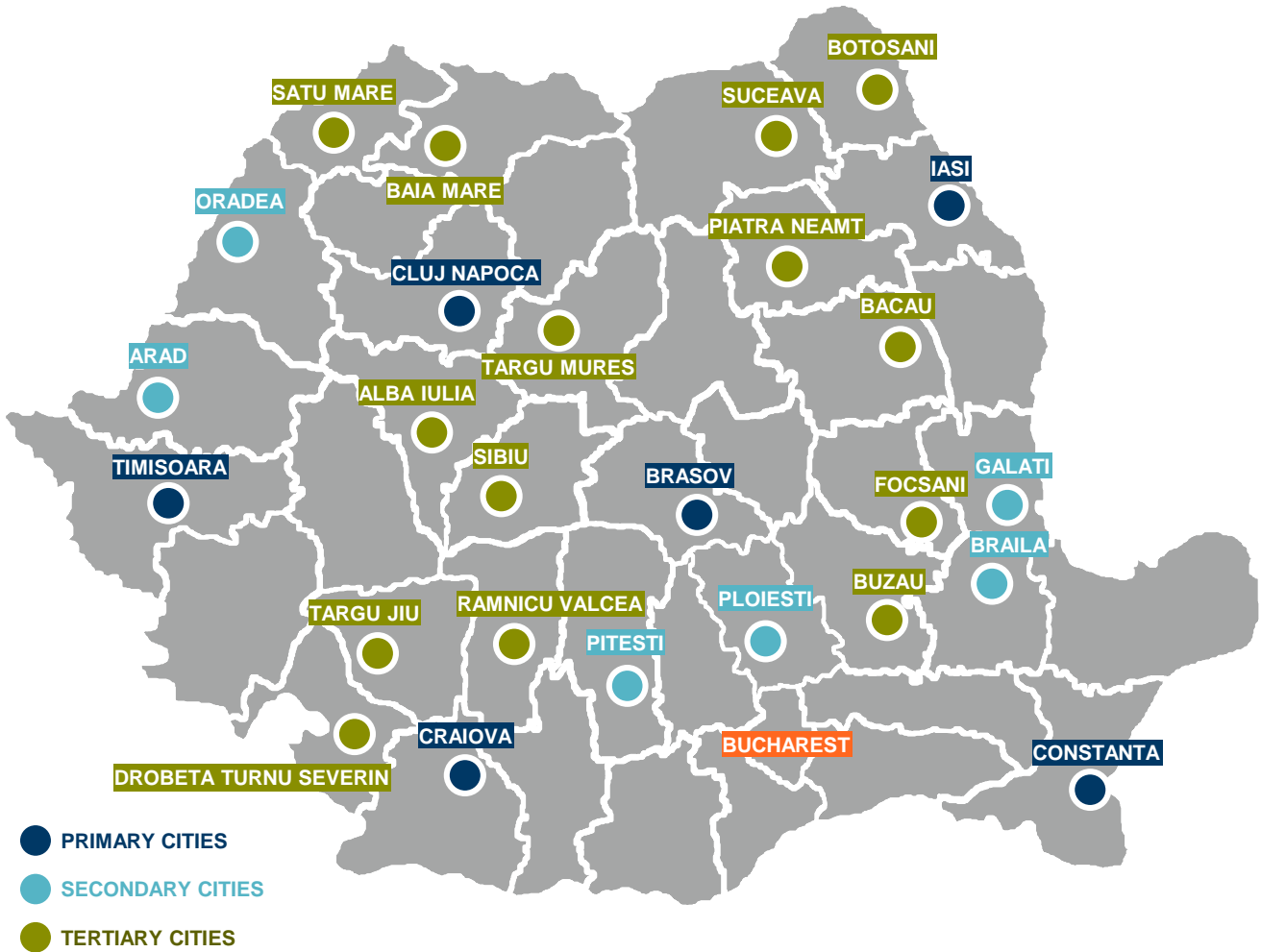


Source: C&W Echinox Research 2017

ROMANIA RETAIL MARKET

KEY HIGHLIGHTS

ROMANIA – MAP OF REGIONAL CITIES WITH MODERN RETAIL STOCK



Total modern retail space in the Romanian regional cities was of **2.42 MILLION SQ. M** at the end of 2017

Primary and Secondary cities have the same retail density of retail space – **551 SQ. M / 1,000 INHABITANTS**

70,000 SQ. M of retail space has been delivered throughout 2017

196,000 SQ. M of retail space is currently planned to be delivered by the end of 2018

~960,000 SQ. M represents the total stock in the 6 primary cities of Romania

SHOPPING CENTERS account for **~60%** of the modern retail space outside Bucharest

ROMANIA RETAIL MARKET

PRIMARY MARKETS

The primary markets consist of the **6 largest cities** outside Bucharest, in terms of catchment area, with a population exceeding **250,000 inhabitants**.

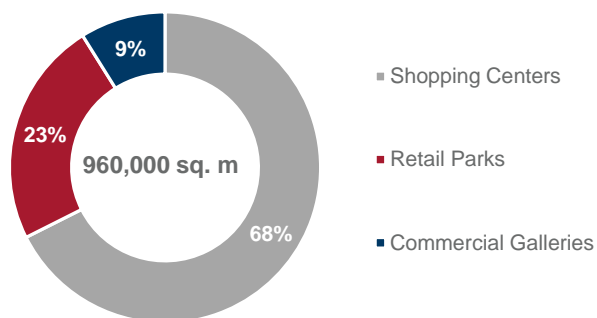
The modern retail area in these cities totals almost **960,000 sq. m**. The headline rent for a 100 sq. m leased to an operator, situated in a prime location in a dominant shopping center ranges between **€ 35 – 40 / sq. m / month**.

GENERAL OVERVIEW

CITY	POPULATION	AVERAGE NET SALARY (€)	UNEMPLOYMENT RATE (%)	MODERN RETAIL STOCK (SQ. M)	RETAIL STOCK DENSITY/1,000 INHABITANTS
CLUJ NAPOCA	324,576	617	2.1	150,500	464
TIMISOARA	319,279	592	1	222,000	694
IASI	290,422	527	4.1	160,000	551
CONSTANTA	283,872	502	3.1	193,300	681
CRAIOVA	269,506	481	8.8	102,500	380
BRASOV	253,200	581	2.8	131,000	518

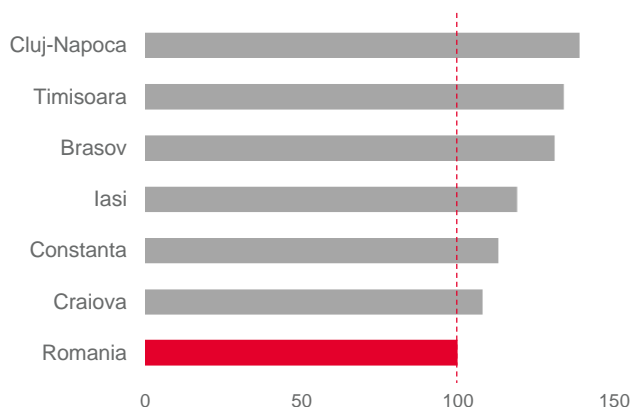
Source: National Institute of Statistics December 2017, *Census 2011, C&W Echinox 2017

MODERN RETAIL STOCK STRUCTURE



Source: C&W Echinox 2017

RETAIL PURCHASING POWER BY COUNTY



Source: C&W Echinox 2017; National Institute of Statistics 2017

2017 MAJOR RETAILERS – NO. OF STORES

	CLUJ - NAPOCA	TIMISOARA	IASI	CONSTANTA	CRAIOVA	BRASOV	TOTAL
Kaufland	3	4	4	2	3	2	18
Auchan	2	3	1	2	2	2	12
Carrefour	1	1	2	1	-	1	6
Cora	1	-	-	2	-	-	3
Metro	1	2	1	2	1	2	9
Selgros	1	1	1	2	1	1	7
TOTAL	9	11	9	11	7	8	55

	CLUJ - NAPOCA	TIMISOARA	IASI	CONSTANTA	CRAIOVA	BRASOV	TOTAL
Dedeman	1	2	2	2	1	1	9
Praktiker	1	2	2	1	1	1	8
Leroy Merlin	2	1	1	1	1	1	7
Brico Depot	-	-	-	1	-	1	2
Hornbach	-	1	-	-	-	1	2
TOTAL	4	6	6	5	3	5	29

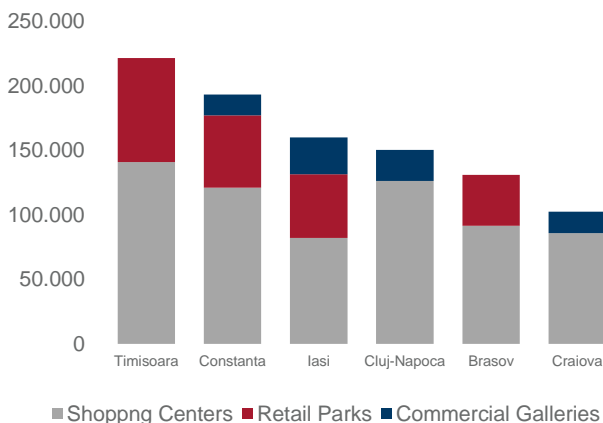
	CLUJ - NAPOCA	TIMISOARA	IASI	CONSTANTA	CRAIOVA	BRASOV	TOTAL
INDITEX	9	9	11	12	4	9	54
H&M	3	2	2	3	2	2	14
C&A	1	2	1	2	1	1	8
New Yorker	1	2	1	1	1	2	8
LPP	2	4	-	3	-	4	13
TOTAL	16	19	15	21	8	18	97

Source: C&W Echinox 2017

ROMANIA RETAIL MARKET

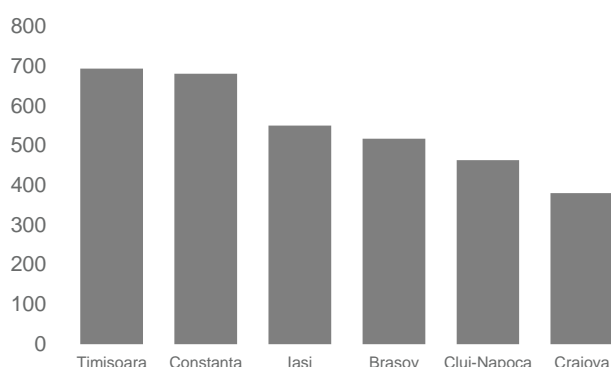
PRIMARY MARKETS

MODERN RETAIL STOCK STRUCTURE (SQ. M)



Source: C&W Echinov 2017

RETAIL STOCK DENSITY (SQ. M /1,000 INHABITANTS)



Source: C&W Echinov 2017

DOMINANT RETAIL SCHEMES

CITY	PROJECT	OWNER	DELIVERY YEAR	GLA (SQ. M)	MAJOR TENANTS
TIMISOARA	Iulius Mall	Iulius Group, Atterbury Europe	2005	71,000	Auchan, Inditex, C&A, Media Galaxy, Intersport, Cinema City
CRAIOVA	Electroputere Parc	Catinvest/ Auchan Group	2011	71,000	Auchan, Inditex, C&A, New Yorker, LC Waikiki, Altex, Decathlon, LPP
CLUJ- NAPOCA	VIVO! Cluj	Immofinanz	2007	62,000	Carrefour, C&A, Inditex, H&M, New Yorker, Decathlon, LPP, Cinema City
BRASOV	Coresi Shopping Resort	Immochan	2015	59,000	Auchan, Inditex, LC Waikiki, H&M, Reserved, Cinema One, LPP
CLUJ- NAPOCA	Iulius Mall	Iulius Group, Atterbury Europe	2007	57,000	Auchan, Cinema City, Inditex, H&M, Deichmann
TIMISOARA	Shopping City Timisoara	NEPI Rockcastle	2016	57,000	Carrefour, Zara, H&M, C&A, Koton, LC Waikiki, New Yorker, Hervis, Sport Vision, CCC, P&C
IASI	Palas Mall	Iulius Group	2012	57,000	Auchan, Inditex, H&M, C&A, Hervis Sports
CONSTANTA	City Park	NEPI Rockcastle	2008	51,500	Cora, Inditex, LC Waikiki, H&M, C&A, Cinema City, LPP
CONSTANTA	VIVO! Constanta	Immofinanz	2011	51,000	Auchan, Peek&Cloppenburg, Zara, H&M and C&A, New Yorker, Cinema City
IASI	ERA Shopping Park	Prime Kapital	2008	49,500	Carrefour, Kingfisher, Altex, Decathlon, JYSK, Mobexpert

Source: C&W Echinov 2017; Ministry of Finance

ROMANIA RETAIL MARKET

SECONDARY MARKETS

In Romania there are **6 secondary cities** with a population ranging between **150 - 250,000 inhabitants**. The modern retail area existing in these cities totals **634,000 sq. m**.

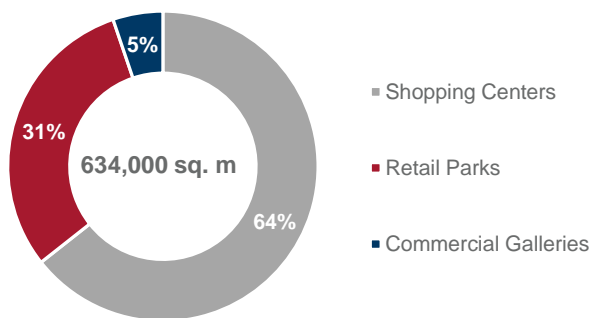
When it comes to headline rents, for a 100 sq. m leased to an operator, situated in a prime location in a dominant shopping center, the range is between **€ 25 – 30 / sq. m / month**.

GENERAL OVERVIEW

CITY	POPULATION	AVERAGE NET SALARY (€)	UNEMPLOYMENT RATE (%)	MODERN RETAIL STOCK (SQ. M)	RETAIL STOCK DENSITY/1,000 INHABITANTS
GALATI	249,432	512	7.9	70,800	284
PLOIESTI	209,945	515	3	96,800	461
ORADEA	196,367	440	2.4	182,000	927
BRAILA	180,302	426	5.1	62,700	347
ARAD	159,074	494	1.5	90,100	566
PITESTI	155,383	527	4	131,600	847

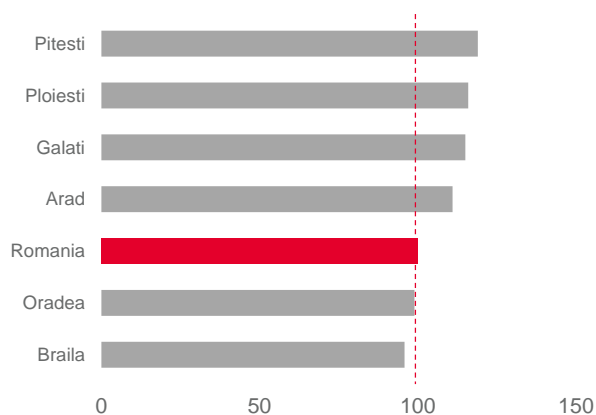
Source: National Institute of Statistics December 2017, *Census 2011, C&W Echinox 2017

MODERN RETAIL STOCK STRUCTURE



Source: C&W Echinox 2017

RETAIL PURCHASING POWER BY COUNTY



Source: C&W Echinox 2017; National Institute of Statistics 2017

2017 MAJOR RETAILERS – NO. OF STORES



	GALATI	PLOIESTI	ORADEA	BRAILA	ARAD	PITESTI	TOTAL
Kaufland	3	3	3	2	3	2	16
Auchan	1	1	1	-	-	2	5
Carrefour	1	1	2	1	-	1	6
Cora	-	1	-	-	-	-	1
Metro	1	1	1	-	1	1	5
Selgros	1	1	1	1	1	-	5
Real	-	-	1	-	1	-	2
TOTAL	7	8	9	4	6	6	40



	GALATI	PLOIESTI	ORADEA	BRAILA	ARAD	PITESTI	TOTAL
Dedeman	1	1	1	1	1	1	6
Praktiker	1	1	1	1	1	1	6
Leroy Merlin	-	1	1	-	-	-	2
Brico Depot	-	1	1	1	1	1	5
Hornbach	-	-	-	-	-	-	-
TOTAL	2	4	4	3	3	3	19



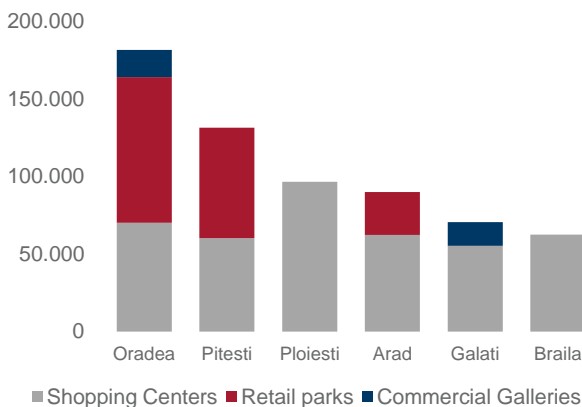
	GALATI	PLOIESTI	ORADEA	BRAILA	ARAD	PITESTI	TOTAL
INDITEX	3	4	4	3	3	4	21
H&M	2	3	1	1	1	2	10
C&A	2	1	1	1	1	1	7
New Yorker	1	1	1	1	1	1	6
LPP	-	4	-	-	-	-	4
TOTAL	8	13	7	6	6	8	48

Source: C&W Echinox 2017

ROMANIA RETAIL MARKET

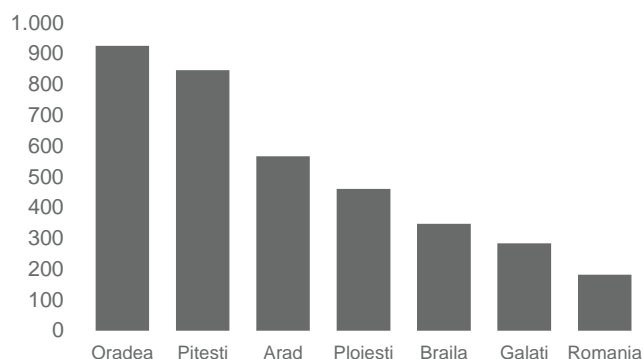
SECONDARY MARKETS

MODERN RETAIL STOCK STRUCTURE (SQ. M)



Source: C&W Echinox 2017

RETAIL STOCK DENSITY (SQ. M / 1,000 INHABITANTS)



Source: C&W Echinox 2017

DOMINANT RETAIL SCHEMES

CITY	PROJECT	OWNER	DELIVERY DATE	GLA (SQ. M)	MAJOR TENANTS
ORADEA	ERA Shopping Park	ARGO Real Estate	2009	64,000	Carrefour, Brico Depot, Media Galaxy
BRAILA	Braila Mall	NEPI Rockcastle	2008	55,000	Carrefour, Brico Depot, Cinema City, H&M, C&A, Altex, Flanco, Hervis, New Yorker
GALATI	Galati Shopping City	NEPI Rockcastle	2013	49,000	Carrefour, H&M, C&A, New Yorker, Altex, Intersport, Reserved, CCC, Inditex, Sephora
PLOIESTI	Ploiesti Shopping City	NEPI Rockcastle/ Carrefour Property	2012	46,000	Carrefour, Inditex, H&M, Koton, New Yorker, LC Waikiki, Cinema City
PITESTI	Jupiter City	Jupiter Group	2008	44,500	Carrefour, Praktiker, Mobexpert, Decathlon, New Yorker, Inditex, H&M
ORADEA	Lotus Center	Lotus Center SA	2002	40,000	Carrefour, Media Galaxy, C&A, H&M, CCC, Deichmann, New Yorker, Hervis, LC Waikiki, Cinema Palace
PITESTI	Pitesti Retail Park	NEPI Rockcastle/ Auchan	2007	40,000	Auchan, Brico Depot, JYSK, Lem's, Altex, Flanco
PLOIESTI	AFI Palace Ploiesti	AFI Europe	2013	34,000	Cora, Flanco, H&M, DM, Intersport, Koton, CCC, Reserved, Cinema City
ARAD	Atrium Mall	Granit Polus	2010	30,000	Carrefour Market, Deichmann, C&A, H&M, Takko, New Yorker, Hervis, Inditex

Source: C&W Echinox 2017; Ministry of Finance

ROMANIA RETAIL MARKET

TERTIARY MARKETS

There are **17 tertiary cities** in Romania with a population between **60 – 150.000 inhabitants** that currently benefit from a modern retail stock. The modern retail area existing in these cities totals **815,000 sq. m.**

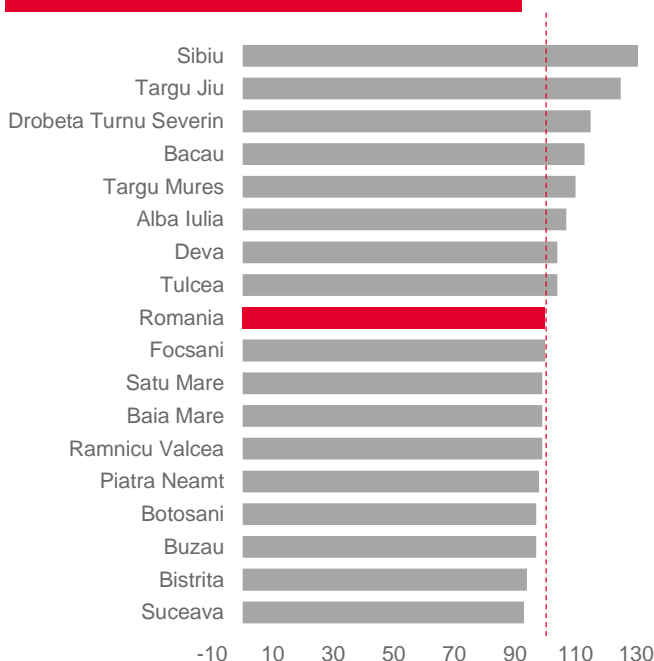
The headline rental levels for 100 sq. m leased to an operator, located in a primes location in a dominnat shopping center ranges between **€ 18 – 23 / sq. m / month.**

GENERAL OVERVIEW

CITY	POPULATION	AVERAGE NET SALARY (€)	UNEMPLOYMENT RATE (%)	MODERN RETAIL STOCK (SQ. M)	RETAIL STOCK DENSITY/1,000 INHABITANTS
Sibiu	147.245	597	2.4	79,100	537
Bacau	144.307	501	6.6	83,600	579
Targu Mures	134.290	487	4	86,400	643
Baia Mare	123.738	440	3.2	49,200	397
Buzau	115.494	432	8.6	46,300	401
Botosani	106.847	428	3.5	49,000	459
Satu Mare	102.411	441	3.2	33,200	324
Ramnicu Valcea	98.776	439	4.1	48,000	486
Drobeta Turnu Severin	92.617	510	9.4	22,600	244
Suceava	92.121	414	5.3	107,500	1.167
Piatra Neamt	85.055	434	5	46,200	543
Targu Jiu	82.504	554	6.3	26,900	326
Focsani	79.315	443	5	47,600	600
Bistrita	75.076	418	3.1	9,000	120
Tulcea	73.707	462	4.7	5,200	70
Alba Iulia	63.536	474	3.7	14,000	220
Deva	61.123	462	4.4	61,300	1.003

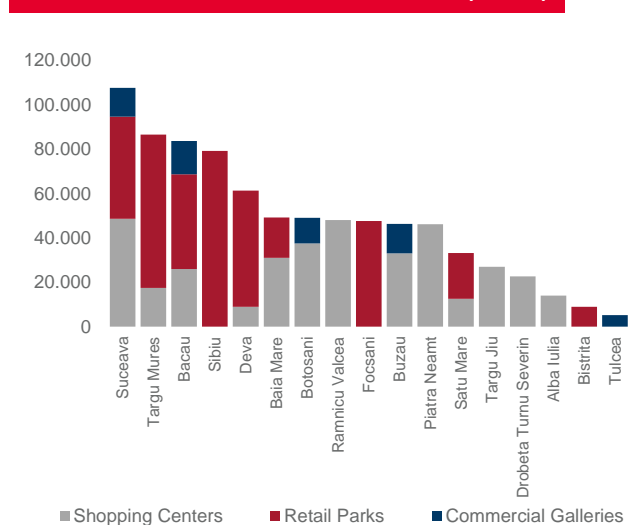
Source: National Institute of Statistics December 2017, *Census 2011, C&W Echinox 2017

RETAIL PURCHASING POWER BY COUNTY



Source: C&W Echinox 2017; National Institute of Statistics 2017

MODERN RETAIL STOCK STRUCTURE (SQ. M)



Source: C&W Echinox 2017

ROMANIA RETAIL MARKET

TERTIARY MARKETS

DOMINANT RETAIL SCHEMES

CITY	PROJECT	OWNER	DELIVERY DATE	GLA (SQ. M)	MAJOR TENANTS
SIBIU	Sibiu Shopping City	NEPI Rockcastle	2006	79,000	Auchan, Carrefour, H&M, C&A, Altex, Decathlon, Leroy Merlin, Deichmann, New Yorker
BACAU	Arena Mall	Arena City Center	2007	26,000	Inditex, H&M, New Yorker, Reserved, Flanco, Altex Deichmann
TARGU MURES	Promenada Mall	AEW Europe	2007	50,000	Auchan, Leroy Merlin, Cinema City, New Yorker, H&M, Hervis
SUCEAVA	Suceava Shopping City	ARGO RE	2008	46,000	Carrefour, Leroy Merlin, Mobexpert, Media Galaxy, New Yorker, Decathlon, Deichmann
SUCEAVA	Iulius Mall	Iulius Group, Atterbury Europe	2008	50,000	Auchan, Brico Depot, C&A, Deichmann, H&M, Intersport
TARGU JIU	Shopping City Targu Jiu	NEPI Rockcastle	2014	27,000	Carrefour, Altex, C&A, H&M, CCC, Flanco, Takko, Pepco, Cinema City
DEVA	Shopping City Deva	NEPI Rockcastle	2008	52,300	Auchan, Metro, Praktiker, JYSK, Altex, H&M, C&A, New Yorker, Deichmann
ARAD	Atrium Mall	Granit Polus	2010	30,000	Deichmann, C&A, H&M, New Yorker, Hervis, Inditex, Cinema City
BAIA MARE	VIVO! Baia Mare	Immofinanz	2010	31,000	Cora, Cinema City, H&M, KFC, Intersport, C&A, Deichmann, CCC, New Yorker, LC Waikiki
ORADEA	Lotus Center	Lotus Center (Alexandru Mudura)	2002	40,200	Carrefour, Media Galaxy, C&A, H&M, CCC, Deichmann, New Yorker, Hervis, LC Waikiki, Cinema Palace

Source: C&W Echinox 2017; Ministry of Finance

2017 MAJOR RETAILERS – NO. OF STORES

	Sibiu	Bacau	Targu Mures	Baia Mare	Buzau	Botosani	Satu Mare	Rm. Valcea	Drobeta Turnu Severin	Suceava	Piatra Neamt	Targu Jiu	Focsani	Bistrita	Tulcea	Alba Iulia	Deva	Total
Kaufland	2	2	2	2	2	1	2	2	1	1	1	1	1	2	1	1	1	25
Auchan	1	1	2	1	-	-	1	-	-	1	-	-	-	-	-	-	-	8
Carrefour	1	-	-	-	1	1	-	1	1	1	1	1	-	-	-	-	-	9
Cora	-	1	-	1	-	-	-	-	1	-	-	-	-	-	-	-	-	3
Metro	1	1	1	1	1	-	1	-	-	1	-	-	-	-	-	-	1	8
Selgros	-	1	2	-	-	-	-	-	-	1	-	-	-	1	-	1	-	6
TOTAL	5	6	7	5	4	2	4	3	3	5	2	2	2	3	1	2	3	59

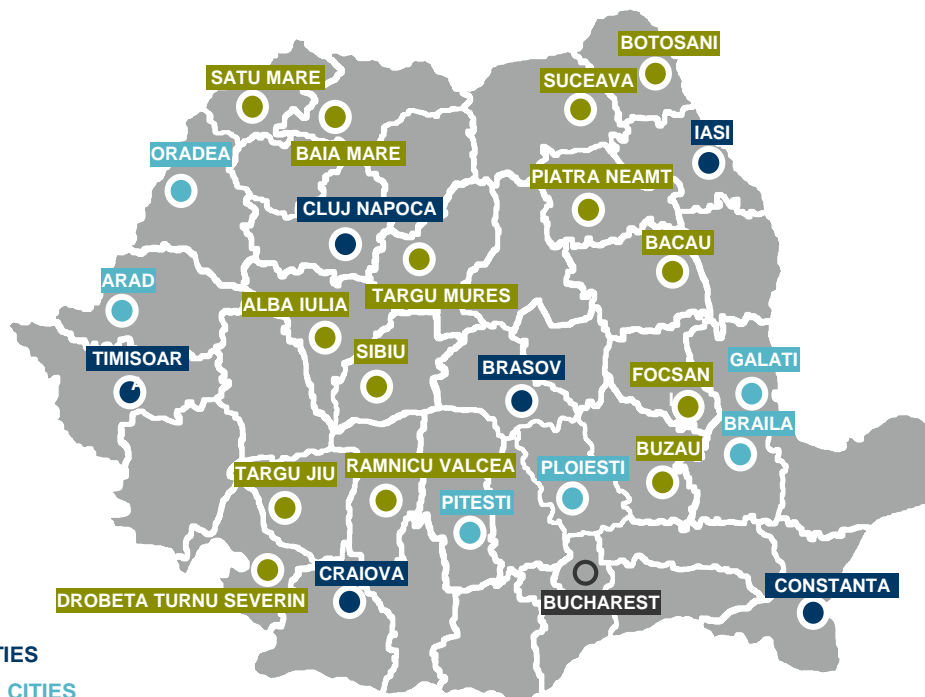
	Sibiu	Bacau	Targu Mures	Baia Mare	Buzau	Botosani	Satu Mare	Rm. Valcea	Drobeta Turnu Severin	Suceava	Piatra Neamt	Targu Jiu	Focsani	Bistrita	Tulcea	Alba Iulia	Deva	Total
Dedeman	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
Praktiker	-	1	1	1	1	1	1	-	-	-	1	-	1	-	-	-	1	9
Leroy Merlin	1	1	1	-	-	-	-	-	-	1	-	-	-	-	-	-	-	4
Brico Depot	-	-	-	-	-	-	-	-	1	1	-	-	1	-	-	-	-	3
Hornbach	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
TOTAL	3	4	3	2	2	2	2	1	2	3	2	1	3	1	1	1	2	35

	Sibiu	Bacau	Targu Mures	Baia Mare	Buzau	Botosani	Satu Mare	Rm. Valcea	Drobeta Turnu Severin	Suceava	Piatra Neamt	Targu Jiu	Focsani	Bistrita	Tulcea	Alba Iulia	Deva	Total
INDITEX	2	4	-	1	-	-	-	-	-	-	1	-	-	-	-	-	-	8
H&M	1	1	1	1	1	1	1	1	-	1	2	1	1	1	1	-	1	16
C&A	1	1	1	1	1	1	-	1	-	1	2	1	1	-	-	-	1	13
New Yorker	1	1	1	1	1	1	-	-	1	1	2	-	1	1	-	-	1	13
LPP	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
TOTAL	5	8	3	4	3	3	1	2	1	3	7	2	3	2	1	-	3	51

Source: C&W Echinox 2017

ROMANIA RETAIL MARKET

CONCLUSIONS



- PRIMARY CITIES
- SECONDARY CITIES
- TERTIARY CITIES

2017 MAJOR INDICATORS

	Population	Modern retail stock (sq. m)	Modern retail stock density (sq. m) / 1,000 inhabitants	Headline rental levels (€/sq. m)	Average monthly salary (€)	Unemployment rate (%)
PRIMARY MARKETS	> 250,000	960,000	551	35 – 40	502 – 617	1 – 8.8
SECONDARY MARKETS	150,000 – 250,000	634,000	551	25 - 30	426 – 527	1.5 – 7.9
TERTIARY MARKETS	60,000 – 150,000	815,000	486	18 - 23	404 - 554	2.4 – 9.4

Source: C&W Echinov 2017, National Institute of Statistics

2017 MAJOR RETAILERS – NO. OF STORES



	Kaufland	Auchan	Carrefour	Cora	Metro	Selgros	Real	TOTAL
PRIMARY CITIES	18	12	6	3	9	7	-	55
SECONDARY CITIES	16	5	6	1	5	5	2	40
TERTIARY CITIES	25	8	9	3	8	6	-	59
TOTAL	59	25	21	7	22	18	2	154



	Dedeman	Praktiker	Leroy Merlin	Brico Depot	Hornbach	TOTAL
PRIMARY CITIES	9	8	7	2	2	28
SECONDARY CITIES	6	6	2	5	-	19
TERTIARY CITIES	18	9	4	3	1	35
TOTAL	33	23	13	10	3	82



	INDITEX	H&M	C&A	New Yorker	LPP	TOTAL
PRIMARY CITIES	54	14	8	8	13	97
SECONDARY CITIES	21	10	7	6	4	48
TERTIARY CITIES	8	16	13	13	1	51
TOTAL	83	40	28	27	18	196

Note: Number of stores in the analyzed cities
Source: C&W Echinov 2017

DEFINITIONS & DISCLAIMER

Modern retail stock	Total completed space of modern shopping premises (shopping centre, retail park, commercial gallery) completed since 1999.
New supply	Completed newly built modern retail schemes that obtained a use permit in the given period.
Commercial gallery	Modern retail scheme with minimum 5,000 sq. m of GLA, anchored by a hypermarket with a rentable area that exceeds the total rentable area of the retail scheme.
Shopping center	Modern retail scheme with a commercial gallery of minimum 5,000 sq. m GLA that has a rentable area exceeding the hypermarket / supermarket's rentable area
Retail park	Modern retail scheme with over 5,000 sq. m of GLA that comprises mainly medium and large-scale specialist retailers (big boxes)
Prime headline rent	Headline rent level achieved in the most attractive shopping centres for units of approximately 100 sq. m leased to a fashion operator

Disclaimer

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