MARKETBEAT

ROMANIA

Retail Q4 2021

CUSHMAN & WAKEFIELD | Echinox

	YoY Chg	12-Mo. Forecast
€7,500 Disposable Income Per Capita	▲	▲
€75.00 Prime Rent, sq. m/month	▬	▬
6.50% Prime Yield	▼	▬

ROMANIA ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
4.7% GDP	▲	▲
5.1% Unemployment Rate	▲	▲
8% CPI	▲	▼
4.7% Retail Sales	▲	▲

Sources: Moody's Analytics

New deliveries in tertiary cities

In Q4 2021, six modern retail projects have been completed, with a total GLA of around 69,000 sq. m, bringing the overall new supply in 2021 to approximately 100,000 sq. m GLA. The most important deliveries were Prahova Value Centre (21,900 sq. m), Sepsi Value Centre (16,300 sq. m) and Barlad Value Centre (16,300 sq. m), all of them developed by Prime Kapital – MAS Real Estate, one of the most active players in the market, while Scallier and Square 7 Properties – Mitiska have also expanded their retail portfolios in the local market in Q4 2021. As a result of a new wave of Covid-19 infections, the access to retail projects (with the exception of standalone food stores) is only allowed to customers presenting the Digital Covid Certificate, these restrictions having an immediate effect on footfall.

Retail parks dominate the pipeline

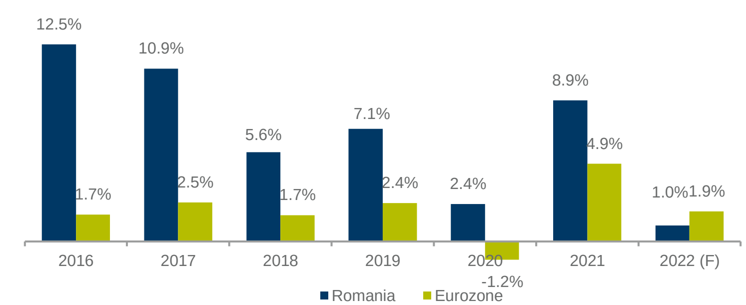
There are currently new schemes or extensions to existing projects totaling around 100,000 sq. m which are under construction and are expected to be delivered by the end of 2022, while other important projects amounting to more than 300,000 sq. m are under different planning stages. Among the most significant projects under construction are the 16,500 sq. m extension of Colosseum Mall in Bucharest, which would be the first shopping center delivered in the Capital City after six years without new such completions or Funshop Park Mosnita Noua, Timisoara developed by Scallier. In regards to developers, Prime Kapital (in joint-venture with MAS Real Estate), Scallier, Square 7 Properties - Mitiska and Iulius Group have the most consistent pipeline, aiming to extend their presence in Romania.

Stable rents across the market

The rental level remained mostly flat, in retail parks especially, since the beginning of the pandemic, with a more consistent incentive package being offered in shopping centers to mitigate the uncertainty caused by the sanitary situation and by the government measures adopted to combat the pandemic. The headline rent achieved for 100 sq. m units in dominant shopping centers in Bucharest was of around € 75 / sq. m/ month at the end of Q4 2021, while in secondary cities, such as Cluj-Napoca, Timisoara, Iasi, Constanta or Brasov, headline rents in dominant shopping centers ranged between € 40 – 55 / sq. m/ month. In tertiary cities the level falls between € 27 – 32/ sq. m/ month.

BUCHAREST PRIME RENT

ROMANIA VS. EURO ZONE RETAIL SALES VOLUME Y/Y GROWTH



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MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ. M)	SHOPPING CENTRE PIPELINE UC (SQ. M)	POPULATION*	DENSITY (SQ. M / 1,000 INHABITANTS)	PRIME RENT (€/MONTH)	PRIME YIELD (%)
Bucharest	715,000	16,500	1,883,425	380	€75	6.50%
Cluj-Napoca	125,500	-	324,576	387	€55	7.25%
Timisoara	173,000	-	319,279	542	€45	7.25%
Iasi	82,000	-	290,422	282	€45	7.25%
Constanta	122,000	-	283,872	430	€40	7.25%
Brasov	136,700	-	253,200	540	€40	7.50%
OTHER CITIES	966,200	-			€32	8.00%
TOTAL	**2,320,400**	**16,500**	**20,121,641**	**115**	**€75**	**6.50%**

Source: 2011 Census

NEW-COMERS YTD

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	SECTOR
Sun Plaza	Bucharest	Anson's	1,500	Fashion
Iulius Town	Timisoara	My-K	N/A	Cosmetics
Constanta Shopping City	Constanta	JD Sports	N/A	Sports
Promenada Mall	Bucharest	Pop-up store Tesla	N/A	Auto
Fashion House Pallady	Bucharest	Numero Uno	N/A	Fashion Outlet
Palas Iasi	Iasi	Sokolov	N/A	Jewelry

KEY CONSTRUCTION COMPLETIONS YTD

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Prahova Value Centre	Ploiesti	Carrefour, Altex, JYSK, KFC, Hervis	21,900	PK – MAS REI
Sepsi Value Centre	Sfantu-Gheorghe	Carrefour, Flanco, New Yorker, Hervis	16,300	PK – MAS REI
Barlad Value Centre	Barlad	Carrefour, Agroland, C&A, Flanco, KFC, JYSK	16,300	PK – MAS REI
Prima Shops I	Sibiu	C&A, Takko, JYSK	9,000	Oasis Retail

MAJOR PROJECTS IN PIPELINE 2022

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Colloseum Mall Extension	Bucharest	Sinsay, New Yorker, Deichmann, Happy Cinema	16,500	Colosseum Mall
Funshop Mosnita Noua	Mosnita Noua (Timisoara)	Lidl, Penny	10,600	Scallier

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