

	YoY Chg	12-Mo. Forecast
€8,000 Disposable Income Per Capita	▲	▲
€80.00 Prime Rent, sq. m/month	▲	▲
6.50% Prime Yield	▼	—

ROMANIA ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
7.1% GDP (Q3 2022 F)	▲	▼
5.6% Unemployment Rate	▲	▲
14.80% CPI*	▲	▼
1.7% Retail Sales Volume*	▼	▼

Source: Moody's Analytics
*September 2022 vs September 2021

ECONOMY: Inflationary pressures remain constant

The y-o-y inflation rate reached 14.8% in September in Romania, one of the highest levels in the European Union and, although expected to stabilize in Q4, it is likely to remain in double digits at least until late H1 2023. The monetary policy rate has also been increased by the National Bank of Romania, up to a most recent level of 6.25%, with further increases expected in the following months. The Q3 2022 economic growth has been solid (+ 7.1% y-o-y), but a slowdown may be observed in Q4, as most agencies and analysts forecast a GDP growth ranging between 4-5% for the whole year, which remains a robust level considering the overall impacts of the inflationary pressures and also of the side effects caused by the Russian invasion of Ukraine.

SUPPLY & DEMAND: Diversified under construction pipeline, with both shopping centers and retail parks underway

Retail projects of over 40,000 sq. m were delivered in Q3 2022, the new supply comprising of three new retail parks in smaller cities (Turda, Turnu Magurele and Miroslava), one retail park in the vicinity of Bucharest and extensions of two existing retail schemes in Slatina and Baia Mare. As a result, retail parks remained dominant in terms of development activity in 2022, accounting for 80% of the total new supply registered in the Q1 – Q3 (75,000 sq m) period. Therefore, investors such as Iulius Group, Cometex (owned by the Altex electro-IT retailer) and Synergy entered the retail park market along with Prime Kapital - MAS Real Estate, Scalier, and Mitiska - Squaretime (the most active developers of such projects in Romania). Moreover, almost 250,000 sq. m of new projects are currently under construction and are due to be delivered by 2025, the new investments consisting of both shopping centers and retail parks. The Consumer Price Index (CPI) increase has also impacted the retail sales, which registered a lower y-o-y growth rate in Q3 2022, a rate of only 1.7% compared with 9.3% in Q3 2021.

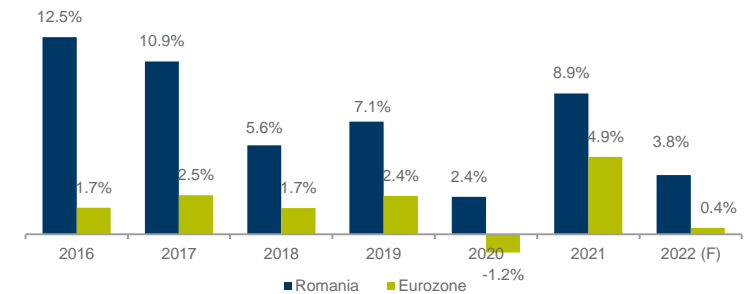
PRICING: Stable rents across the market

The rental level in prime shopping center locations remained relatively stable in Q3 2022, with the headline rent achieved for 100 - 150 sq. m units in dominant shopping centers in Bucharest being of around € 75 - 80 / sq. m/ month, while the corresponding figures in secondary cities, such as Cluj-Napoca, Timisoara, Iasi and Constanta ranged between € 45 – 55 / sq. m/ month, as a level falling between € 27 – 32/ sq. m/ month was recorded in tertiary cities.

BUCHAREST PRIME RENT



ROMANIA VS. EURO ZONE RETAIL SALES VOLUME YY GROWTH



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	731,500	34,000	1,883,425	388	€80	6.50%
Cluj-Napoca	125,500	-	324,576	387	€55	7.25%
Timisoara	173,000	-	319,279	542	€50	7.25%
Iasi	82,000	58,900	290,422	282	€55	7.25%
Constanta	122,000	-	283,872	430	€45	7.25%
Brasov	136,700	-	253,200	540	€35	7.50%
OTHER CITIES	966,200	92,700			€32	8.00%
TOTAL	2,336,900	185,600	20,121,641	116	€80	6.50%

Source: 2011 Census

KEY CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Funshop Park Turda	Turda	Kaufland, Kik, Flanco, Hervis, Takko, New Yorker, CCC	9,000	Scallier
Lemon Retail Park	Bucharest	Mega Image, Tedi, Pepco, Fressnapf, Tucano, Popeyes	7,700	Synergy
Family Market Miroslava	Miroslava (Iasi)	Auchan, Pepco, Sinsay	6,600	Iulius Group
Slatina Retail Park (extension)	Slatina	C&A, JYSK, Hervis, New Yorker, Kik, Sinsay	6,600	Mitiska - Squartime
Turnu Magurele Retail Park	Turnu Magurele	Altex, Sinsay, KIK, Pepco, Deichmann	6,000	Cometex
Baia Mare Value Center (extension)	Baia Mare	Mobexpert, New Yorker, Dr.Max, Cropp, House	4,200	Prime Kapital – MAS RE

MAJOR PROJECTS IN PIPELINE 2022 - 2023

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Prima Shopping Center	Sibiu	Jumbo, XXXLutz, Momax, Hornbach, Kaufland	70,000	Oasis Consulting
Alba Iulia Mall	Alba Iulia	Carrefour, Altex, Hervis, LC Waikiki, Sizeer, Sinsay	29,000	Prime Kapital – MAS RE
Shopping Park Pitesti	Pitesti	Altex, Hervis, Deichmann, KiK, Sinsay, Super Zoo, Pepco, DM	22,500	Mitiska - Squartime
Funshop Park Vaslui	Vaslui	Lidl, Penny, Altex, Hervis, Deichmann, KiK, Sinsay, Pepco, DM	10,000	Scallier
Roman Value Center (extension)	Roman	New Yorker, Dr. Max	3,400	Prime Kapital – MAS RE

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