

	YoY Chg	12-Mo. Forecast
<b>6.75%</b> Prime Office Yield	▼	▬
<b>€1,278 mn</b> Total Volume (EUR)	▲	▼
<b>51</b> Properties sold	▼	▼
<b>€25mn</b> Avg. price per property	▲	▲

### Robust economic growth despite inflation

The y-o-y inflation rate reached 15.9% in Q4 2022 in Romania, one of the highest levels in the European Union and, although expected to stabilize in Q1 2023, it is likely to remain in double digits throughout the year. The monetary policy rate has also been increased by the National Bank of Romania, up to a most recent level of 7.00%. The 2022 economic growth has been solid (+4.3%), the local economy proving again its resilience considering the overall impacts of the inflationary pressures and also of the side effects caused by the Russian invasion of Ukraine. The largest contribution to economic growth came from household consumption. For the next two years, a GDP growth slowdown to approximately 2-3% is forecasted mainly as a result of the inflation rate and the increasing financing costs. Foreign direct investment (FDI) in Romania reached a record level of €10.3 billion in the January - November period, corresponding to a 29% y-o-y increase.

### Historical volumes in 2022

In H2 2022, the investment volume in real estate assets in Romania reached €944 million, thus bringing the total for the whole year at a historical level of €1,278 million, corresponding to a 40% y-o-y increase. The most active segment in 2022 was the Office one (62% market share out of the total volume transacted), followed by the Retail (25%), Industrial (5%) and Hospitality (4%) sectors. The largest transactions in terms of volume pertained to CA Immo's sale of its Romanian office portfolio (6 buildings totaling 165,000 sq. m) to Pavel Holding Properties (Dedeman Group) and Prime Kapital's disposal of its 60% interest in 6 retail parks (132,000 sq. m GLA) to MAS Real Estate. Thus, Dedeman continued to strengthen its position in the Bucharest office market by completing two new transactions during the year, totaling almost €470 million. S Immo, One United, Indotek, NEPI Rockcastle have also closed significant investment deals over the past 12 months.

### Yields increase in H2 2022

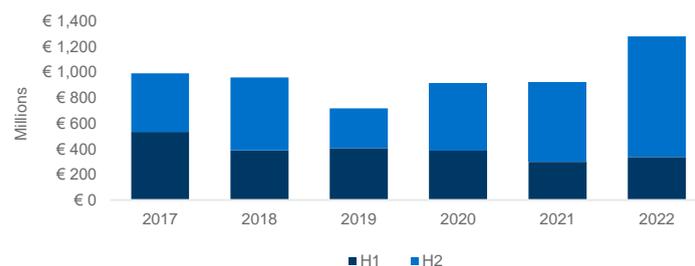
The prime yields have seen upward movement across all segments due to the increasing financing costs, in line with the trend registered in the entire CEE region, as the office and retail segments recorded a 25 bp spike, with a 15 bp rise for industrial & logistics assets respectively. Even though the increasing interest rates will continue to put pressure on the exit yields, Romania remains an attractive market, as the gap between the local benchmarks and the other CEE markets, such as the Czech Republic, Poland or Hungary is still relatively high in all market segments (generally in the 100 – 250 basis points' range).

### ECONOMIC INDICATORS H2 2022

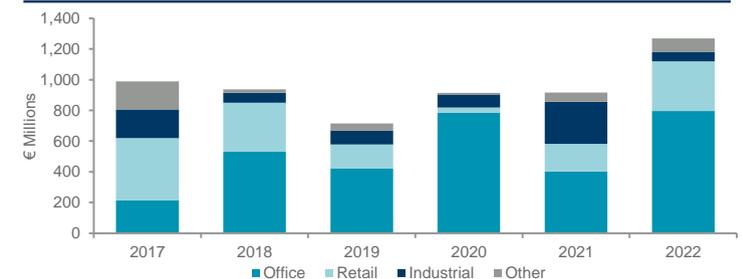
	YoY Chg	12-Mo. Forecast
<b>7.00%</b> Monetary policy rate	▲	▲
<b>4.3%</b> GDP growth in 2022	▼	▼
<b>€817</b> Net average salary November 2022	▲	▲

Source: Moody's Analytics

### INVESTMENT SALES VOLUME



### INVESTMENT SALES VOLUME BY SECTOR



# MARKETBEAT ROMANIA

## Investment H2 2022



### INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Office	22	796	36.2
Retail	12	322	26.9
Industrial	7	63	9
Hospitality	5	51	10.2
Other	5	46	9.5
<b>TOTAL</b>	<b>51</b>	<b>1,278</b>	<b>25.1</b>

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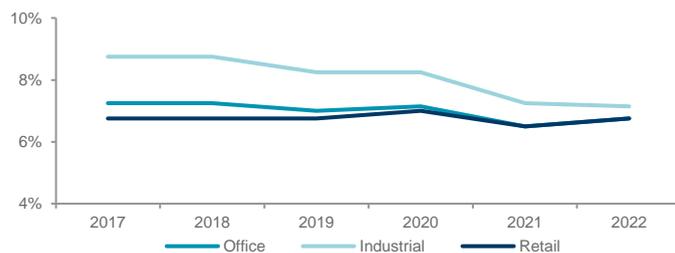
[cwechinox.com](http://cwechinox.com)  
[cushmanwakefield.com](http://cushmanwakefield.com)

### MAJOR TRANSACTIONS 2022

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
CA Immo Office Portfolio	Office	Paval Holding (Dedeman)	CA Immo	165,000	377	Bucharest
Prime Kapital 60% interest in 6 retail parks	Retail	MAS Real Estate	Prime Kapital	132,000*	192	Bucharest, Targoviste, Ploiesti, Zalau, Sfantu Gheorghe, Barlad
Expo Business Park	Office	S Immo	Portland Trust	41,500	110 - 115	Bucharest
U-Center Phase I	Office	Paval Holding (Dedeman)	Forte Partners	32,000	85 - 90	Bucharest
50% Ploiesti Shopping City	Retail	NEPI Rockcastle	Carrefour	23,000*	55	Ploiesti
75% Miro Offices	Office	Hili Properties	Speedwell	17,250*	45	Bucharest

\*The areas pertain to the % transacted

### PRIME YIELD TREND



### PRIME YIELDS IN CEE AT THE END OF 2022 (%)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
BUCHAREST	6.75	6.75	7.15
WARSAW	5.00	5.50	5.20
PRAGUE	4.50	5.50	4.50
BRATISLAVA	5.50	6.25	5.50
BUDAPEST	5.50	6.25	5.75

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