

**5.10%**  
Vacancy Rate

YoY  
Chg



12-Mo.  
Forecast



**€4.50**  
Prime Rent, PSM



**7.15%**  
Prime Yield



(class A stock only)

### ECONOMIC INDICATORS Q1 2023

**3.8%**  
GDP growth Q1  
2023

YoY  
Chg



12-Mo.  
Forecast



**5.8%**  
Unemployment Rate



**-5.3%**  
Industrial Production



**14.9%**  
CPI (Q1 2023)



Source: Moody's Analytics

### ECONOMY: Downward inflationary trend

The y-o-y inflation rate reached 14.9% in Q1 2023 in Romania, a level which remains relatively high, but prices have been on a downward trend since the beginning of the year and the forecasts are now more optimistic, with single digit levels being expected before the end of 2023. The monetary policy rate has also been stabilized, as it has not been increased from 7.00% in the past 3 months. Romania is predicted to register a GDP growth ranging between 2.5 – 3% in 2023, one of the largest in the European Union, even during a year marked by a series of economic and geopolitical uncertainties throughout the continent, an overwhelmingly positive aspect which should allow the country to attract record foreign investments in the coming period.

### SUPPLY & DEMAND: Less projects developed on a speculative basis

The demand for industrial and logistics spaces remains relatively strong at the beginning of the year, even in a context characterized by high inflation and interest rates, decelerating consumer demand and economic overall uncertainly. The total take-up for Q1 2023 was of around 331,100 sq. m, up from 305,000 sq. m registered in the same period of last year. The overall leasing activity was mainly driven by the new demand, accounting for a robust share of 60% (198,000 sq. m) in the Q1 2023 gross take-up. Moreover, the pre-lease contracts signed in Q1 2023 amounted to over 50% of the new demand, mainly related to projects due to be delivered in 2024.

The largest transaction closed in Q1 2023 pertained to a 48,000 sq. m pre-lease of Pirelli within WDP Park Slatina further expanding their presence in the project, followed by the pre-lease agreed by Ericsson for a 33,500 sq. m production space within WDP Park Timisoara and by the a new lease signed by Tefron, for a 7,300 sq. m space within P3 Bucharest A1. Bucharest attracted 40% of the total take-up in Q1 2023, with Timisoara, Sibiu and Slatina being the other key locations targeted by tenants. It also important to mention that CTP acquired almost 100,000 sq. m of warehouse spaces from FM Logistics, a transaction which involved the sale & leaseback of the latter's spaces in Bucharest, Timisoara and Pitesti.

Although the industrial pipeline is still high, only around 100,000 sq m of warehouse spaces were completed in Romania in Q1 and the total modern stock reached 6.64 million sq. m at the end of March. Given the consistent pipeline for the rest of the year, the stock will most probably hit the 7 million sq. m threshold during the following 9 months, as developers plan to deliver new projects with a total leasable area of 385,000 sq. m across the country by the end of 2023. The overall vacancy rate slightly decreased, reaching 5.1%, the same level being also reported in Bucharest.

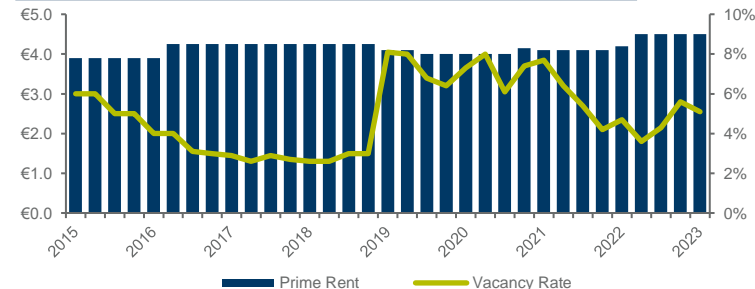
### PRICING: Rents still under pressure

The prime rents stood at a level between €4.25 - 4.50 / sq. m / month in Q1 2023, as we have seen moderate increases in development costs, energy and land prices. After a record year in terms of both supply and demand, the development activity will slow down in 2023, with developers being more cautious as a result of the high financing costs and also of the consumer demand evolution. The pipeline consisting of speculative projects is limited we do not therefore expect to see significant prime rent movements in the near future.

### SPACE DEMAND / DELIVERIES (SQM)



### OVERALL VACANCY & PRIME RENT



# MARKETBEAT ROMANIA

## Industrial Q1 2023



### MARKET STATISTICS

SUBMARKET	STOCK (SQM)	AVAILABILITY (SQ. M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ. M)	YTD TAKE-UP (SQM)	YTD COMPLETIONS (SQ. M)	UNDER CNSTR (SQ. M)	PRIME RENT (€/SQ M/MONTH)
Bucharest	3,343,400	168,900	5.1%	113,000	113,000	63,300	190,000	4.50
Timisoara	732,300	78,300	10.7%	85,000	85,000	-	10,000	4.00
Ploiesti	386,600	4,500	1.2%	-	-	-	9,000	4.00
Cluj - Napoca	420,100	19,900	4.7%	-	-	-	-	4.50
Brasov	372,000	15,500	4.2%	-	-	18,000	40,000	4.00
Pitesti	283,900	0	0%	30,000	30,000	-	-	4.00
Sibiu	160,800	7,000	4.4%	10,100	10,100	-	8,800	4.00
Other Cities	965,700	45,500	4.7%	93,000	93,000	16,500	127,300	4.00
<b>ROMANIA</b>	<b>6,664,800</b>	<b>339,600</b>	<b>5.1%</b>	<b>331,100</b>	<b>331,100</b>	<b>97,800</b>	<b>385,100</b>	<b>4.50</b>

### KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
CTPark	Timisoara	FM Logistics	51,600	Sale & leaseback
WDP Park	Slatina	Pirelli	48,000	Pre-lease
WDP Park	Timisoara	Ericsson	33,500	Pre-lease

### KEY CONSTRUCTION COMPLETIONS Q1 2023

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER/DEVELOPER
WDP Park Stefanesti	Bucharest	47,000	WDP
VGP Park Brasov III	Brasov	18,000	VGP
VGP Bucharest North	Bucharest	18,000	VGP
Mures City Logistics	Targu Mures	16,500	Globalvision - Globalworth

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### PIPELINE PROJECTS 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
ELI Park Bacau	Bacau	-	37,000	Element Development
CTPark Oradea (Cargo)	Oradea	-	39,300	CTP
WDP Park Slatina	Slatina	Pirelli	25,000	WDP
ELI Park 3 phase III	Bucharest	-	21,500	Element Development

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