

ROMANIA

Retail Q1 2023

	YoY Chg	12-Mo. Forecast
€7,600 Disposable Income Per Capita	▼	▲
€80.00 Prime Rent, sq. m/month	▬	▲
6.75% Prime Yield	▲	▲

ROMANIA ECONOMIC INDICATORS Q1 2023

	YoY Chg	12-Mo. Forecast
3.8% GDP growth (Q1 2023)	▲	▲
5.8% Unemployment Rate	▼	▲
14.9% CPI (Q1 2023)	▲	▼
2.2% Retail Sales Volume (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: Robust pipeline

Two new projects were delivered during Q1 2023, namely Shopping Park Giurgiu developed by Mitiska REIM and Square 7 Properties and Irimia Shopping Center, owned by a local investor. The units in question are both retail parks and they consist of a total of GLA of 13,000 sq. m. Moreover, both openings added new cities to the modern retail map. Despite the modest new supply registered in Q1, developers have announced ambitious plans on the short and medium terms, as projects totaling around 340,000 sq. m are currently under construction, most of them being located outside Bucharest, in cities such as Craiova, Alba Iulia, Arad or Sibiu. NEPI Rockcastle, Prime Kapital - MAS RE, Scallier, AFI Europe or Oasis are the most active developers in Romania, looking to further increase their footprints in the country.

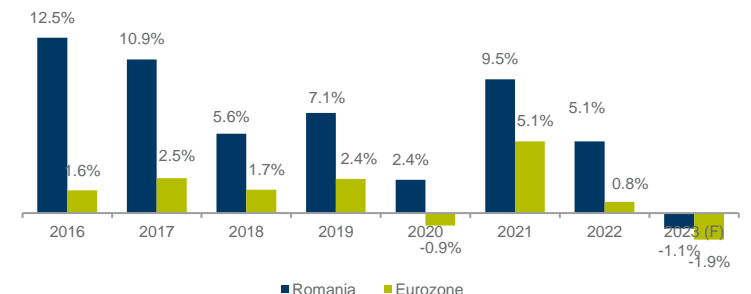
PRICING: Rental levels remain stable

The prime shopping center rents remained stable in Q1 2023, 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 €50 – 65 / sq. m/ month, with €30 – 35/ sq. m/ month being the level recorded in tertiary locations.

BUCHAREST PRIME RENT



ROMANIA VS. EURO ZONE RETAIL SALES VOLUME Y/Y 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	768,960	34,000	1,716,983	448	€80	6.75%
Cluj-Napoca	125,500	-	286,598	438	€65	7.25%
Timisoara	173,000	-	250,849	689	€55	7.25%
Iasi	82,000	59,700	271,692	302	€55	7.25%
Constanta	122,000	-	263,707	463	€50	7.50%
Brasov	136,700	-	237,589	575	€40	7.50%
OTHER CITIES	928,000	148,400			€35	8.00%
TOTAL	2,336,700	242,100	19,053,815	123	€80	6.75%

Source: 2022 Census

KEY CONSTRUCTION COMPLETIONS Q1 2023

Irimia's Shopping Center

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Shopping Park Giurgiu	Giurgiu	Lidl, Hervis, New Yorker, CCC, Sinsay	7,000	Square 7 Properties - Mitiska REIM
Irimia Shopping Center	Calarasi	Profi, Sinsay, Pepco, Profi, Kik și Animax Petshop	6,000	Local investor

MAJOR PROJECTS IN PIPELINE 2023 - 2025

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER / DEVELOPER
Promenada Craiova (Shopping center, retail park + Dedeman store)	Craiova	78,500	NEPI Rockcastle
Prima Shopping Center	Sibiu	70,000	Oasis Consulting
Mall Moldova	Iasi	59,700	Prime Kapital – MAS RE
Arges Mall	Pitesti	51,400	Prime Kapital – MAS RE
Promenada Mall extension	Bucharest	34,000	NEPI Rockcastle
AFI Arad	Arad	29,400	AFI Europe
Alba Iulia Mall	Alba Iulia	29,000	Prime Kapital – MAS RE
IMGB Value Center	Bucharest	28,000	Prime Kapital – MAS RE

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