

<b>€7,800</b> Disposable Income Per Capita	▼	▲
<b>€80.00</b> Prime Rent, sq. m/month	▬	▬
<b>7.00%</b> Prime Yield	▲	▬

### ROMANIA ECONOMIC INDICATORS Q2 2023

	YoY Chg	12-Mo. Forecast
<b>3.0%</b> GDP growth (Q2 2023)	▼	▼
<b>5.9%</b> Unemployment Rate	▲	▲
<b>10.7%</b> CPI (Q2 2023)	▼	▼
<b>1.0%</b> Retail Sales Volume (Q2 2023)	▼	▼

Source: Moody's Analytics

### ECONOMY: Decreasing inflation and stable economic growth

The inflation rate has been on a downward trend in Q2, reaching an y-o-y level of 10.7% at the end of H1 2023 in Romania and it is expected to be in single digits from Q3 onward. The monetary policy rate has not been increased by the National Bank of Romania since January, remaining at 7.00% with possible downward shifts at the end of the year. The Q1 and Q2 economic growth has been solid (3.8% and 3% respectively), the local economy being one of the best – performing ones in Europe in a very challenging context characterized by inflationary pressures and also by numerous geopolitical issues. A consistent GDP growth of 2.6% is also forecasted for 2024, a year with 4 rounds of elections in Romania.

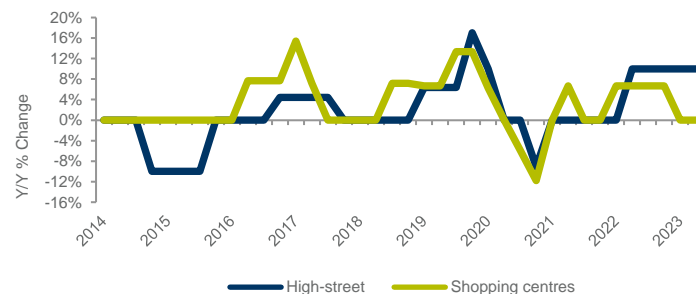
### SUPPLY & DEMAND: Scarce activity in Q2, but record deliveries expected in H2

The only retail schemes delivery in Q2 were Funshop Park Vaslui (10,000 sq. m) developed by Scallier and Retail Park Dej (7,000 sq. m) owned by Cometex, the real estate branch of the Altex electro-IT retailer, while Promenada Craiova (78,500 sq. m), Alba Iulia Mall (29,000 sq. m) and AFI Park Arad (29,400 sq. m) are expected to be completed in the second part of the year. The two projects delivered in Q2 bring the total H1 2023 supply to 30,000 sq. m GLA, with the modern retail stock in Romania reaching 4.23 million sq. m, out of which 55% being represented by shopping centers, while retail parks and commercial galleries account for the other 45%. The pipeline for the H2 2023 is consistent, as projects totaling close to 260,000 sq. m are due to be delivered by the end of the year, 40% consisting in shopping malls and 60% in retail parks. As a result, 2023 is primed to set a new record level of retail deliveries in Romania since 2008.

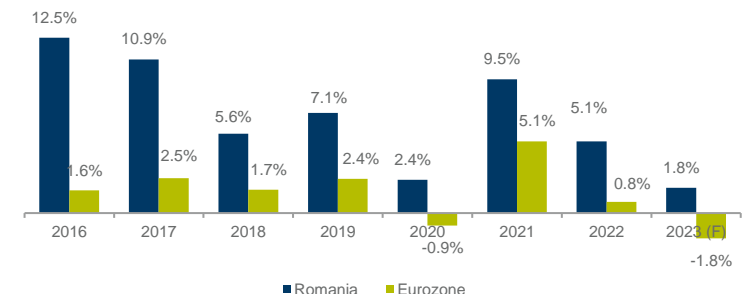
### PRICING: Rental levels remain stable

The prime shopping center rents remained flat in Q2 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	769,000	34,000	1,716,983	448	€80	7.00%
Cluj-Napoca	125,500	-	286,598	438	€65	7.50%
Timisoara	173,000	-	250,849	690	€55	7.60%
Iasi	82,000	59,700	271,692	302	€55	7.50%
Constanta	122,000	-	263,707	463	€50	7.75%
Brasov	136,700	-	237,589	575	€40	7.85%
<b>OTHER CITIES</b>	<b>928,000</b>	<b>148,400</b>			<b>€35</b>	<b>8.00%</b>
<b>TOTAL</b>	<b>2,336,200</b>	<b>242,100</b>	<b>19,053,815</b>	<b>123</b>	<b>€80</b>	<b>7.00%</b>

Source: 2022 Census

## KEY CONSTRUCTION COMPLETIONS Q2 2023

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
FunShop Park Vaslui	Vaslui	Kaufland, Sinsay, Altex, Hervis, Kik, New Yorker, Pepco, Sportissimo, Tedi, Zoo Center	10,000	Scallier
Retail Park Dej	Dej	Kaufland, Altex, JYSK, Pepco, Deichmann, DM, Takko, Animax	7,000	Cometex

## 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 extension	Iasi	59,700	Prime Kapital – MAS RE
Arges Mall	Pitesti	51,200	Prime Kapital – MAS RE
Bacau Shopping Mall	Bacau	50,000	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 Centre	Bucharest	28,000	Prime Kapital – MAS RE
Brasov Value Centre	Brasov	24,000	Prime Kapital – MAS RE

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