

	YoY Chg	12-Mo. Forecast
<b>7.00%</b> Prime Office Yield	▲	▬
<b>€181 mn</b> Total Volume (EUR)	▼	▲
<b>17</b> Properties sold	▲	▲
<b>€11mn</b> Avg. price per property	▼	▲

### 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.

### Low transactional activity in H1 2023

A real estate investment volume of only €181 million was recorded in Romania in H1 2023, corresponding to a decrease of 43% compared with H1 2022. The increasing financing costs made investors more selective and delayed several ongoing transactions. The most active segment in H1 2023 was the Industrial one (37% market share out of the total volume transacted), followed by the Office (32%), Retail (21%) and Hospitality (10%) sectors. The largest transactions was related to FM Logistic's sale and leaseback of its Romanian portfolio (98,000 sq. m GLA) to CTP for around €60 million. In regards to offices, Vincit Union acquired One Herastrau Office for €21 million, while Yellow Tree purchased Olympia Tower for approximately €15 million, both assets being located in Bucharest. The most relevant retail transaction involved Iulius Group's disposal of 50% of their Family Market retail parks located in Iasi to W&E Assets for around €15 million.

### ECONOMIC INDICATORS H1 2023

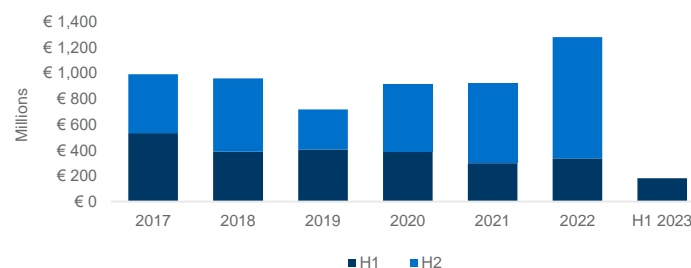
	YoY Chg	12-Mo. Forecast
<b>7.00%</b> Monetary policy rate	▲	▼
<b>3.0%</b> GDP growth in Q2 2023	▼	▼
<b>€918</b> Net average salary May 2023	▲	▲

Source: Moody's Analytics

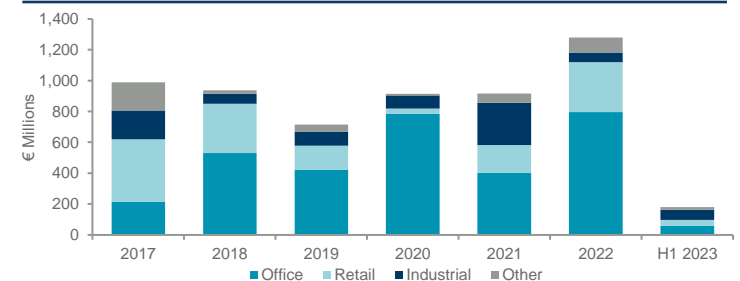
### Yields continue to move upwards in H1

The prime yields continued to move upwards across all segments, very much in line with the trend registered in the entire CEE region, as the office and retail each recorded a 25 bp spike, with a lower 10 bp rise for industrial & logistics assets respectively. Even though the high interest rates continue to put a significant pressure on exit yields, Romania remains an attractive market, as the spread between the local references and the other CEE countries, such as the Czech Republic, Poland or Hungary is relatively high on all market segments (generally in the 100 – 200 basis points' range).

### INVESTMENT SALES VOLUME



### INVESTMENT SALES VOLUME BY SECTOR



# MARKETBEAT ROMANIA

## Investment H1 2023



### INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Industrial	5	66.1	13.2
Office	5	58.5	11.7
Retail	4	38.5	9.6
Hotel	3	17.5	5.8
<b>TOTAL</b>	<b>17</b>	<b>180.6</b>	<b>10.6</b>

#### VLAD SAFTOIU

Head of Research  
+40 21 310 3100 /  
vlad.saftoiu@cwechinox.com

#### CRISTINA LUPASCU

Director PR & Research  
+40 21 310 3100 /  
cristina.lupascu@cwechinox.com

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

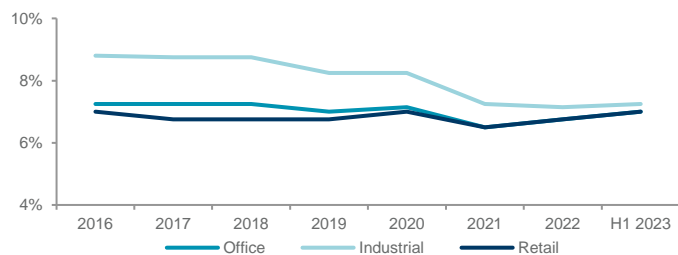
[cushmanwakefield.com](http://cushmanwakefield.com)

### MAJOR TRANSACTIONS H1 2023

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
FM Logistic Portfolio	Industrial	CTP	FM Logistic	98,000	60	Bucharest, Timisoara, Petresti (Dambovita)
One Herastrau Office	Office	Vincit Union	One United Properties	8,000	21	Bucharest
Olympia Tower	Office	Yellow Tree	Bluehouse Capital	9,600	15	Bucharest
50% of Family Market Bucium and Family Market Miroslava	Retail	W&E Assets	Iulius Group	6,000*	15	Iasi

\*The area pertains to the % transacted

### PRIME YIELD TREND



### PRIME YIELDS IN CEE AT THE END OF H1 2023 (%)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
BUCHAREST	7.00	7.00	7.25
WARSAW	5.50	6.00	5.90
PRAGUE	5.25	5.75	5.00
BRATISLAVA	6.00	6.50	6.25
BUDAPEST	5.75	6.50	6.50

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