

# ROMANIA

Retail Q3 2023



**€7,700**

Disposable Income Per Capita

YoY Chg



12-Mo. Forecast



**€85.00**

Prime Rent, sq. m/month



**7.15%**

Prime Yield



## ROMANIA ECONOMIC INDICATORS Q3 2023

	YoY Chg	12-Mo. Forecast
<b>2.1%</b> GDP growth		
<b>5.9%</b> Unemployment Rate		
<b>8.5%</b> CPI		
<b>1.1%</b> Retail Sales Volume		

Source: Moody's Analytics

## ECONOMY: Single - digit inflation with a consistent GDP growth

The inflation rate reached a single – digit level in Q3 (8.5% y-o-y), a positive trend which is due to continue in the next 12 months. The monetary policy rate has remained at 7.00% since January, but no downward shifts are expected by the end of the year. A consistent 2.1% y-o-y GDP growth was recorded in Q3, thus confirming Romania's robust economic performance in 2023 so far, in a challenging context characterized by numerous financial and geopolitical issues which have already troubled the European Union both from an economic and social perspective. Moreover, another strong GDP growth (3.6%) is also forecasted for 2024, a year with 4 rounds of elections in Romania.

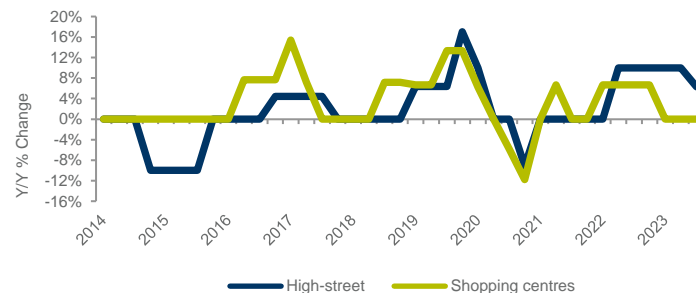
## SUPPLY & DEMAND: A new shopping center delivered, record new supply due in Q4

Q3 2023 saw the delivery of Carolina Mall in Alba Iulia, a 29,000 sq. m GLA project owned by Prime Kapital – MAS Real Estate, the largest shopping center completed in the past 3 years in Romania. The other scheme finalized in the same quarter was Annabella Retail Park, a 10,000 sq. m unit located in Horezu, thus bringing the total 2023 YTD retail new supply in the country to 69,000 sq. m GLA. Q4 is due to benefit from record deliveries of more than 220,000 sq. m of shopping centers and retail parks, among which are Promenada Craiova (80,000 sq. m), Prima Shopping Center (70,000 sq. m) or AFI Park Arad (29,000 sq. m), with this year therefore being expected to register the highest number of modern retail deliveries since 2008. Furthermore, other projects totaling more than 600,000 sq. m are in different construction or zoning / planning stages and should be completed across the country in the next 5 years, according to the plans announced by developers.

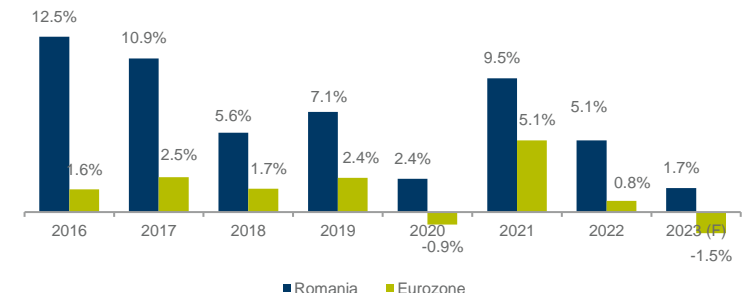
## PRICING: Rental levels move slightly upwards in Bucharest

The prime shopping center rent in Bucharest has seen a small increase in Q3 2023, to a level of €80 - €85 / sq. m/ month for a 100 - 150 sq. m unit located in a dominant shopping center, while the corresponding figures in secondary cities, such as Cluj-Napoca, Timisoara, Iasi and Constanta remained flat, ranging between €50 – €65 / sq. m/ month, the same situation being observed in tertiary locations, where levels between €30 – €35/ sq. m/ month were recorded.

## 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	€85	7.15%
Cluj-Napoca	125,500	-	286,598	438	€65	7.50%
Timisoara	173,000	-	250,849	690	€55	7.60%
Iasi	82,000	-	271,692	302	€55	7.50%
Constanta	122,000	-	263,707	463	€50	7.75%
Brasov	136,700	-	237,589	575	€40	7.85%
OTHER CITIES	957,000	109,300			€35	8.00%
<b>TOTAL</b>	<b>2,365,200</b>	<b>143,300</b>	<b>19,053,815</b>	<b>124</b>	<b>€85</b>	<b>7.15%</b>

Source: 2022 Census

## KEY CONSTRUCTION COMPLETIONS Q3 2023\*

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Carolina Mall	Alba Iulia	Carrefour, Reserved, C&A, New Yorker, CCC, Animax, Pepco, Hervis	29,000	Prime Kapital – MAS Real Estate
Annabella Retail Park	Horezu	Annabella, Pepco, Sinsay, Kik	10,000	Annabella

\*Above 5,000 sq. m GLA

## MAJOR PROJECTS IN PIPELINE\*

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER / DEVELOPER
Transilvania Mall	Cluj - Napoca	130,000	Prime Kapital – MAS Real Estate
Mall Moldova	Iasi	130,000	Prime Kapital – MAS Real Estate
Rivus Cluj	Cluj - Napoca	115,000	Iulius Group – Atterbury Europe
Promenada Craiova	Craiova	80,000	NEPI Rockcastle
Prima Shopping Center	Sibiu	70,000	Oasis Consulting
Arges Mall	Pitesti	51,000	Prime Kapital – MAS Real Estate
Bacau Shopping Mall	Bacau	51,000	Prime Kapital – MAS Real Estate
Nhood Resita	Resita	35,000	Nhood (Ceetrus)
Promenada Mall extension	Bucharest	34,000	NEPI Rockcastle
Galati Retail Park	Galati	33,000	NEPI Rockcastle
AFI Arad	Arad	29,000	AFI Europe

\*Under construction or in different zoning / planning stages

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