

ROMANIA

Retail Q1 2024



	YoY Chg	12-Mo. Forecast
€8,400 Disposable Income Per Capita	▲	▲
€85.00 Prime Rent, sq. m/month	▲	▬
7.25% Prime Yield	▲	▬

ROMANIA ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
2.7% GDP growth	▲	▲
6.0% Unemployment Rate	▲	▲
7.3% CPI	▼	▼
-0.4% Retail Sales Volume	▼	▲

Source: Moody's Analytics

ECONOMY: Robust growth perspectives, but the inflationary pressures remain

Romania had a robust economic growth of 2.7% in Q1, with solid perspectives for the coming period, as an overall annual rise of around 3% is expected across 2024, an impressive figure considering the general international and local contexts, in a year when 4 rounds of elections are scheduled in the country. However, the inflationary pressures remain, as a 7.3% y-o-y rate was registered in Q1, while a more consistent downward movement should be recorded in H2, with a 4% level forecasted for the end of the year. The monetary policy rate (7%) has not seen any cuts so far, but possible shifts were indicated by the National Bank of Romania and may be operated in May or June.

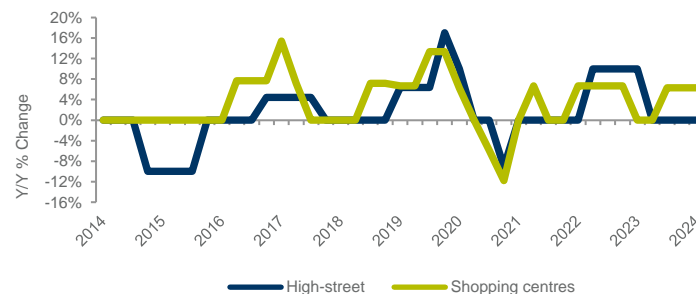
SUPPLY & DEMAND: Limited activity in Q1, solid perspectives in the coming period

The delivery of new retail projects in Romania was slower than expected during Q1, as only one scheme (5,000 sq. m GLA) was completed, namely Cometex Hunedoara, this being the lowest recorded quarterly level since Q1 2017. The development activity will be more consistent in the coming months, taking into account the investment plans announced by the major players. Therefore, around 120.000 sq. m of new projects are currently under construction and are expected to be completed by the end of 2024. Developers will add new schemes or major extensions mainly outside Bucharest, in cities such as Sibiu, Pitesti or Ramnicu Valcea, with Prime Kapital – MAS Real Estate, Oasis Consulting or Cometex having the strongest pipeline on the short term.

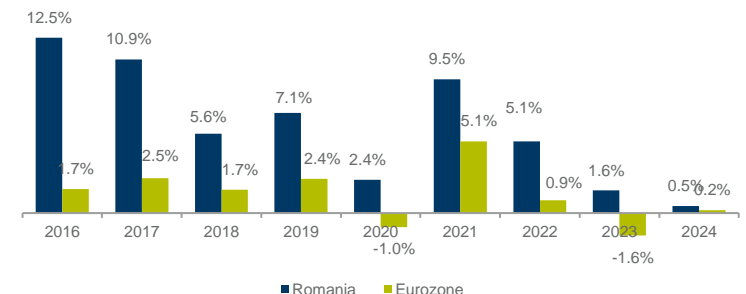
PRICING: No changes regarding rental levels

The prime shopping center rent in Bucharest stood at 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 were 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	37,700	1,716,983	448	€85	7.25%
Cluj - Napoca	125,500	-	286,598	438	€65	7.60%
Timisoara	173,000	-	250,849	690	€55	7.70%
Iasi	82,000	130,000	271,692	302	€55	7.60%
Constanta	122,000	-	263,707	463	€50	7.90%
Brasov	136,700	-	237,589	575	€40	8.00%
OTHER CITIES	1,010,800	58,400			€35	8.00%
TOTAL	2,419,000	226,100	19,053,815	127	€85	7.25%

Source: 2022 Census

KEY CONSTRUCTION COMPLETIONS Q1 2024*

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Cometex Hunedoara	Hunedoara	Altex, KiK, Sinsay, Zoocenter	5,000	Cometex

*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
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
Galati Retail Park	Galati	33,000	NEPI Rockcastle
Promenada Mall extension	Bucharest	32,000	NEPI Rockcastle

*Under construction or in different zoning / planning stages

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
cushmanwakefield.com

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