

	YoY Chg	12-Mo. Forecast
<b>7.25%</b> Prime Office Yield	▲	▬
<b>€418 mn</b> Total Volume (EUR)	▲	▲
<b>38</b> Properties sold	▲	▲
<b>€11mn</b> Avg. price per property	▬	▲

### Inflation is coming down and the economy is highly resilient

Inflation has been contracting in Romania for more than 6 months, reaching an average level of 6.8% in Q2 2024. Forecasts are positive for the rest of the year, with expectations that it will fall below 5% in Q4. The National Bank of Romania has reacted by decreasing the monetary policy rate in June by 25 bp to 6.75%, the first such movement in 18 months, thus following the example set by the European Central Bank a few weeks beforehand. Moreover, the economy was highly resilient in H1, with GDP growth rates of 1.8% and 2.1% being recorded in Q1 and Q2 respectively. An overall annual growth of 2.7% is anticipated for 2024, a notable evolution given the still volatile macroeconomic and geopolitical context.

### Capital markets rebound in H1

The real estate investment market has seen a clear rebound across H1, as the transactional volume reached €418 million, reflecting a 131% increase compared with the same period of last year. Moreover, H1 2024 has been the most active first semester since 2017, while the second half of the year is usually stronger in terms of transactions. Retail had the highest volume share (47%) in H1, followed by Industrial (43%), Hospitality (6%) and Office (4%). The largest transaction closed in the analyzed period pertained to the CTP acquisition of 6 industrial & logistics parks from Globalworth (267,900 sq. m GLA) for €168 million, a transaction through which CTP further consolidated its dominant position on this market segment. Another major deal closed in H1 was related to the WDP purchase of Expo Market Doraly, a 100,000 sq. m retail and wholesale center near Bucharest for ~€90 million.

### ECONOMIC INDICATORS H1 2024

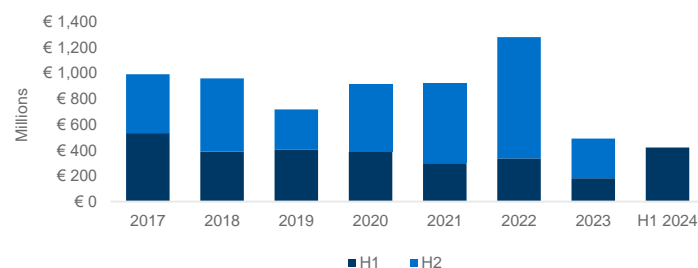
	YoY Chg	12-Mo. Forecast
<b>6.75%</b> Monetary policy rate	▼	▼
<b>2.1%</b> GDP growth Q2	▲	▲
<b>€1,029</b> Net average salary May 2024	▲	▲

Sources: Moody's Analytics, National Institute of Statistics, National Bank of Romania

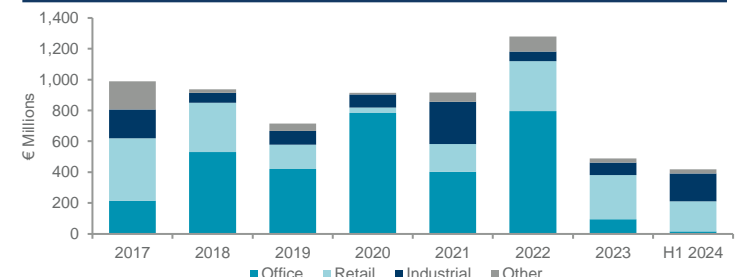
### Stable yields in H1

The prime yields have been very stable across all segments in H1, with only a 10 bp spike being recorded for industrial properties compared with the end of 2023. As interest rates remained quite high, the upward trend on exit yields persists. However, Romania is still an attractive market for real estate investors, as the spread between the local prime yields and the references from 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 2024



### INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Retail	25	194.5	7.8
Industrial	8	181.9	22.7
Hospitality	3	26	8.7
Office	2	15.8	7.9
<b>TOTAL</b>	<b>38</b>	<b>418.2</b>	<b>11.0</b>

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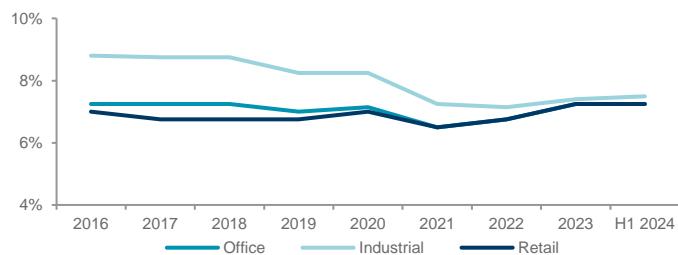
[cwechinox.com](http://cwechinox.com)

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

### MAJOR TRANSACTIONS H1 2024

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
Industrial & Logistics portfolio (6 assets located in various cities)	Industrial	CTP	Globalworth	267,900	168	Bucharest, Timisoara, Arad, Oradea, Pitesti
Expo Market Doraly	Retail	WDP	Private local investor / ARA Europe	100,000	90	Bucharest
Funshop Park Turda	Retail	BT Asset Management	Scallier	9,000	15	Turda
Ion Campineanu 2	Office	Digitain	FF Group	5,000	10	Bucharest

### PRIME YIELD TREND



### PRIME YIELDS IN CEE AT THE END OF H1 2024 (%)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
BUCHAREST	7.25	7.25	7.50
WARSAW	5.75	6.45	6.50
PRAGUE	5.75	6.00	5.15
BRATISLAVA	6.25	6.50	6.25
BUDAPEST	6.25	7.25	7.00

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