

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€8,700 Disposable Income Per Capita	▲	▲
€90.00 Prime Rent, sq. m/month	▲	▲
7.25% Prime Yield	▲	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.6% GDP Growth	▼	▲
4.8% CPI	▼	▼
8.4% Retail Sales Growth	▲	▼

Source: Moody's Analytics

ECONOMY: KEY INTEREST RATE CUTS AND INFLATION SLOWDOWN

Inflation reached a level of 4.8% in Q3 2024, the lowest quarterly figure since Q3 2021, a positive context in which the National Bank of Romania has operated 2 consecutive 25 bp key interest rate cuts, down to 6.50%, while another similar cut is expected by the end of the year. The economic growth has somehow reduced its rhythm, but a reasonably solid 1.6% y/y surge was recorded in Q3, mainly fueled by the overly impressive retail sales growth (8.4% y/y), as consistent evolutions are forecasted for the end of the year and also throughout 2025.

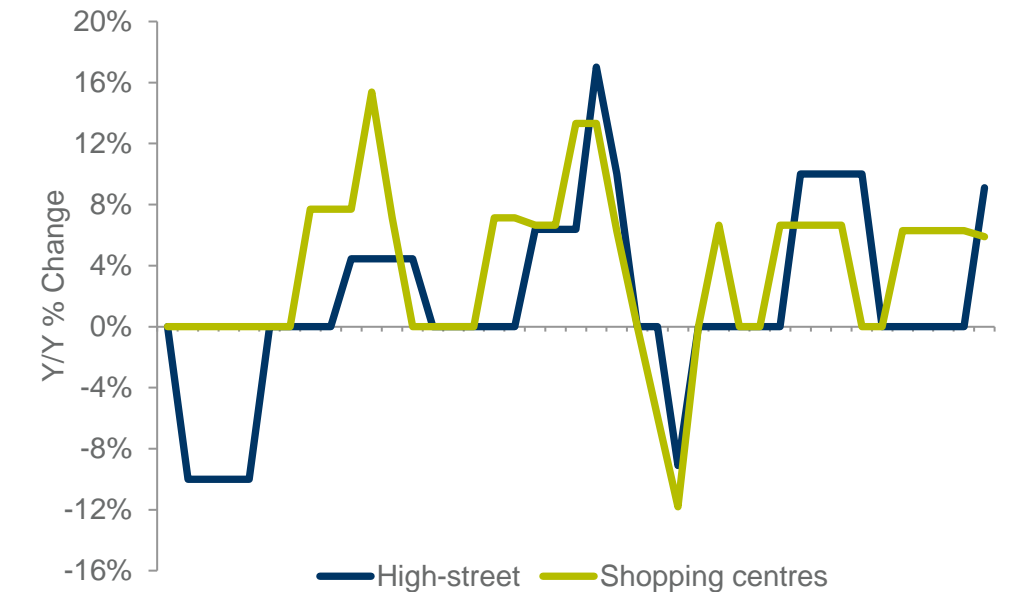
SUPPLY & DEMAND: NEW PROJECTS AND EXTENSIONS DELIVERED

In Q3, 2 new projects (Annabella Retail Park, Sinaia Plaza) and 2 extensions - to Ploiesti Shopping City and Prahova Value Centre - were completed, totaling around 22,000 sq. m. Therefore, the YTD new supply reached a level of ~140,000 sq. m GLA, as 2024 is due to become one of the best years in terms of new deliveries, as the 200,000 sq. m annual threshold could be broken once again, after 2023. The modern retail stock in Romania is of 4.59 million sq. m, out of which 55% consists of shopping centers, while retail parks and commercial galleries account for the other 45%. Moreover, the short-to-long term pipeline is highly consistent, as developers have projects exceeding 800,000 sq. m GLA under construction or in different permitting stages, projects which are due to be completed by the end of the decade and which include several supra-regional shopping centers of more than 100,000 sq. m each.

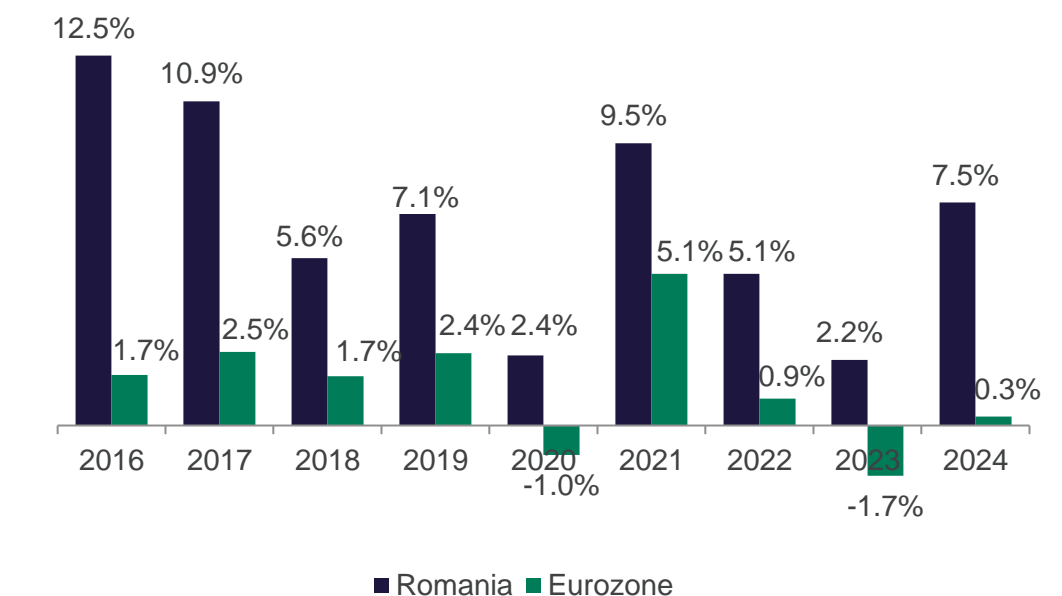
PRICING: SLIGHT RENTAL SURGE IN BUCHAREST

The prime shopping center and high street rents in Bucharest recorded slight surges, up to €90 and €60/ sq. m/ month respectively (for units ranging between 100 - 200 sq. m at the ground floor of dominant shopping centers or on Calea Victoriei), while the corresponding figures in secondary cities, such as Cluj - Napoca, Timisoara, Iasi and Constanta remained constant, ranging between €50 - 65/ sq. m/ month.

BUCHAREST PRIME RENT



ROMANIA VS. EURO ZONE RETAIL SALES GROWTH Y/Y



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	774,700	46,000	1,716,983	451	€90	7.25%
Cluj - Napoca	125,500	-	286,598	438	€65	7.60%
Timisoara	173,000	-	250,849	690	€55	7.70%
Iasi	82,000	125,700	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	1,069,600	39,500			€35	8.00%
TOTAL	2,483,500	211,200	19,053,815	130	€90	7.25%

*Source: 2022 Census

KEY CONSTRUCTION COMPLETIONS Q3 2024

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Ploiesti Shopping City extension	Ploiesti	Lefties, Dr. Max, SMYK, AVON	7,400	NEPI Rockcastle
Annabella Retail Park	Ramnicu Valcea	Annabella, Pepco, Sinsay, KiK, TEDi	7,000	Annabella

MAJOR PROJECTS IN PIPELINE*

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER / DEVELOPER
Transylvania Mall	Cluj - Napoca	130,000	Prime Kapital - MAS Real Estate
Mall Moldova	Iasi	125,700	Prime Kapital - MAS Real Estate
Rivus Cluj	Cluj - Napoca	120,000	Iulius Group - Atterbury Europe
Bacau Shopping Mall	Bacau	51,200	Prime Kapital - MAS Real Estate
Galati Retail Park	Galati	40,900	NEPI Rockcastle
Nhood Resita	Resita	35,000	Nhood
Promenada Mall extension	Bucharest	32,000	NEPI Rockcastle
Jumbo Center**	Bucharest	25,700	Rosequeens Properties

*Under construction or in different zoning / planning stages ** Major refurbishment of the former Liberty Center project

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