



MARKET UPDATE

ROMANIA

2026

Better never settles



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01

ROMANIA OVERVIEW

*The Telephones' Palace
Bucharest*



ROMANIA OVERVIEW

KEY FIGURES

19.0M

POPULATION*

€20,900

GDP / CAPITA*

€1,075

AVG. NET MONTHLY
INCOME*

€134.8B

FDI STOCK**



LOCATION

CEE Region

AREA

238,397 sq. km

EXPORTS

€99.3 billion*

UNEMPLOYMENT RATE

3.5%*

LABOUR FORCE

5.44 million*

WHY ROMANIA



2nd largest country in the CEE by area



17 operational international airports with
28.5 million passengers in 2025



Total FDI stock of almost €135 billion
(+108% compared with 2015)



Constantly developing highway
infrastructure, with almost 1,500 km of
high-speed roads (+98% compared with
2016)



6th largest population among the EU
member states with 19 million inhabitants



Romania became a full member of the
Schengen Area on January 1, 2025

Source: National Commission for Strategy and Prognosis, National Institute of Statistics
*2026 data and forecast; **2025



ROMANIA OVERVIEW

SLOWER GROWTH PACE, RELATIVELY POSITIVE FORECAST

Romania has benefitted from strong economic growth over the last two decades, steadily narrowing the gap to the European Union average, especially after joining NATO and the EU in 2004 and 2007 respectively. Between 2007 and 2025, the economy grew at an average annual rate of 2.7%, the second-fastest pace in the region after Poland (3.5%), ahead of Slovakia, Bulgaria, Czechia and Hungary, and more than double the EU average (1.2%).

The pace has slowed considerably, however GDP is forecast to reach almost €400 billion in 2026, while real growth is projected at only 0.1%, as the ongoing fiscal reform required to reduce the budget deficit continues to weigh on economic activity.

Inflation remains high, with an annual average of 7.9% forecast for 2026, still one of the highest levels in the EU. As a result, the monetary policy rate has been kept at 6.5% (October 2026), with no cuts since August 2024.

The labor market remains tight, with unemployment forecast at 3.5% nationally and only 0.5% in Bucharest in 2026. The average net salary is expected to reach €1,075 per month in Romania and €1,462 in Bucharest, around 36% higher, confirming the capital's position as the country's main economic hub.

COUNTRY	GDP CAGR 2007 – 2025 (%)
Poland	3.5
Romania	2.7
Slovakia	2.6
Bulgaria	2.4
Czechia	1.7
Hungary	1.6
European Union	1.2

GDP	€ 396.9 billion (2026F)
GDP growth	0.1% (2026F)
Monetary Policy Rate (RON)	6.5% (October 2026)
Inflation rate	7.9% (2026F annual average)
Average net salary (€/ month) Romania	1,075*
Average net salary (€/ month) Bucharest	1,462*
Unemployment rate Romania	3.5%*
Unemployment rate Bucharest	0.5%*

** 2026 average forecast (year-end for the unemployment metrics)*
Source: National Institute of Statistics, National Commission for Prognosis, Eurostat



ROMANIA OVERVIEW

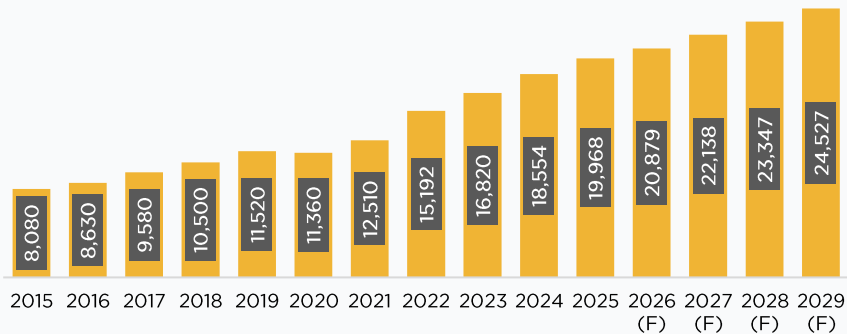
GDP PER CAPITA GREW 147% SINCE 2015, REACHING 78% OF THE EU AVERAGE (PPS)

A GDP per capita of c. €20,000 was recorded in 2025 (corresponding to a gross total of €380 billion), an increase of 147% compared with 2015.

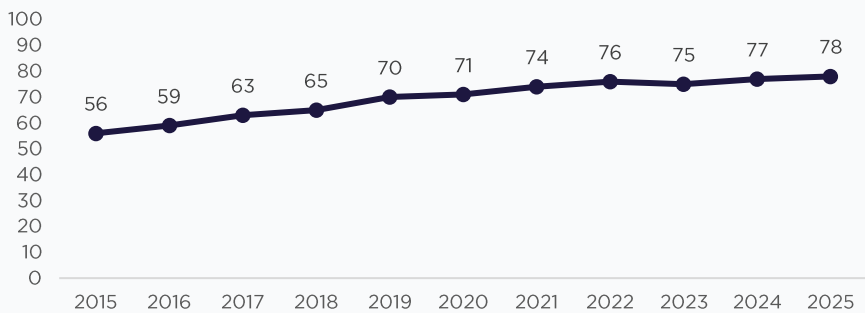
Moreover, in terms of purchasing power parity, this evolution has been even more impressive, as Romania has seen a growth from a GDP per capita level which represented 56% of the EU average (when adjusting for market prices) in 2015 to 78% in 2025, a level which is now higher than in Hungary, Greece, Slovakia or Bulgaria.

Moreover, the GDP per capita at national level is forecasted to continue on this solid track (reaching a level of €24,500 in 2029), even during the present uncertain period caused by high inflation and a complex geo-political climate, combined with a series of fiscal measures taken by the Romanian government in order to tackle the high budget and current account deficits.

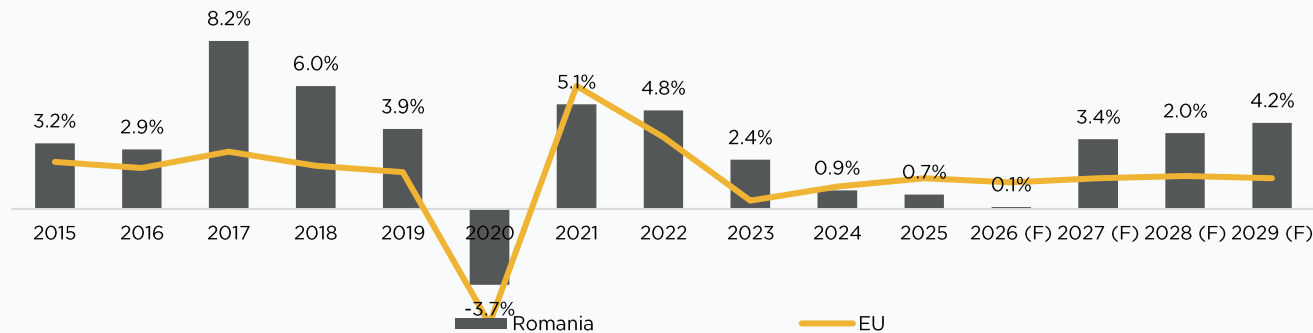
NOMINAL GDP PER CAPITA EVOLUTION IN ROMANIA (€) (2015 - 2029F)



GDP PER CAPITA EVOLUTION IN ROMANIA IN TERMS OF PURCHASING POWER STANDARD (EU AVERAGE = 100)



ECONOMIC GROWTH AND FORECAST IN ROMANIA (2015 - 2029F)





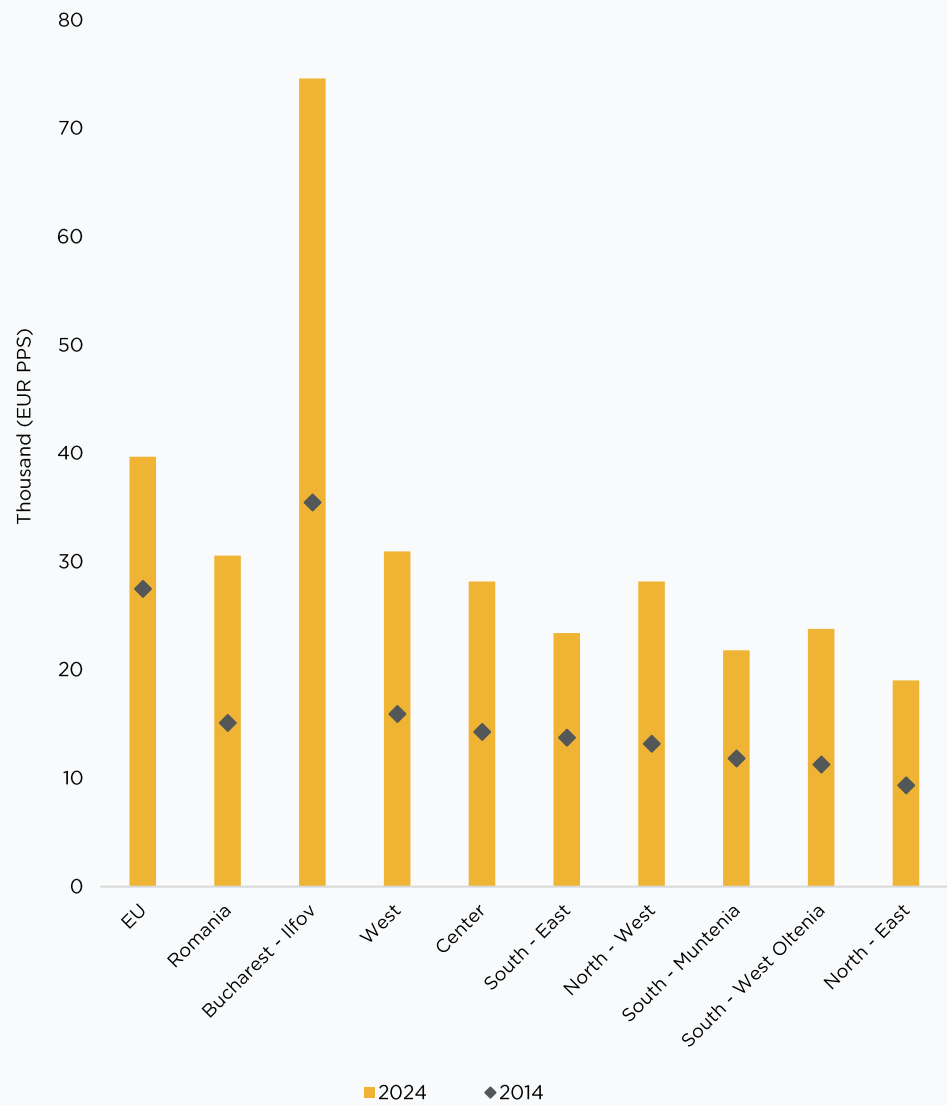
ROMANIA OVERVIEW

BUCHAREST - ILFOV IS ROMANIA'S FASTEST-GROWING REGION, WITH GDP PER CAPITA ABOVE THE EU AVERAGE

Romania has eight NUTS 2* statistical regions having different economic profiles, demographics and industrial structures. The Bucharest - Ilfov region, which includes the capital city and the surrounding Ilfov county, has the largest economic output, the most highly educated labor force and also the smallest geographical area (1,823 km²). There are major economic differences within the country, as the GDP per capita in Bucharest - Ilfov is more than double than in any other region and almost four times higher than in the North - East for example. West region has the second-highest GDP per capita, followed by North - West and Center. The GDP per capita levels of all Romanian regions, except Bucharest - Ilfov, are smaller when compared with the EU average.

*NUTS (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU and the United Kingdom. NUTS 2 statistical regions are basic regions for the application of regional policies.

GDP PER CAPITA (PPS) IN ROMANIAN REGIONS 2014 - 2024



Source: Eurostat



ROMANIA OVERVIEW

MAJOR ECONOMIC REGIONS

REGION	POPULATION	STUDENTS	LABOR FORCE	SHARE IN GDP (%)	NOMINAL GDP PER CAPITA (€)	SHARE IN FDI (%)	UNEMPLOYMENT RATE (%)
Bucharest - Ilfov	2,313,455	188,100	1,241,600	29.0	49,400	66.9	0.5
West	1,671,030	62,600	537,400	8.8	21,000	6.5	2.5
Center	2,291,551	63,100	680,700	11.2	19,400	7.9	0.3
North - West	2,544,010	98,400	741,600	12.3	19,300	6.2	3.0
South - East	2,331,165	41,900	575,700	9.4	16,200	3.1	4.2
South - Muntenia	2,825,694	21,000	614,100	10.5	14,900	5.2	4.7
South -West Oltenia	1,848,028	30,700	424,000	8.0	16,900	2.3	6.6
North - East	3,218,218	74,900	624,900	10.8	13,300	1.9	4.9

Source: Eurostat, National Institute of Statistics, National Commission for Prognosis, National Bank of Romania

The net foreign direct investment inflows attracted by Romania reached €7.9 billion in 2025, up 41.1% compared with 2024, reversing the downward trend recorded over the previous two years. This represents the third-highest level recorded during the past decade.

At the end of 2025, Romania’s total net FDI stock reached €134.8 billion, up 7.8% compared with 2024. Equity, including accumulated reinvested earnings, amounted to €98.1 billion (72.8% share), while debt instruments totaled €36.7 billion, as the FDI stock-to-GDP ratio stood at 35.5% at the end of last year.

Moreover, the FDI stock was predominantly concentrated in the Bucharest - Ilfov development region (66.9% of the total stock), followed by the Center (7.9%) and the West regions (6.5%). By contrast, the lowest levels of foreign investments were recorded in the North - East (1.9%) and South - West Oltenia (2.3%) regions.



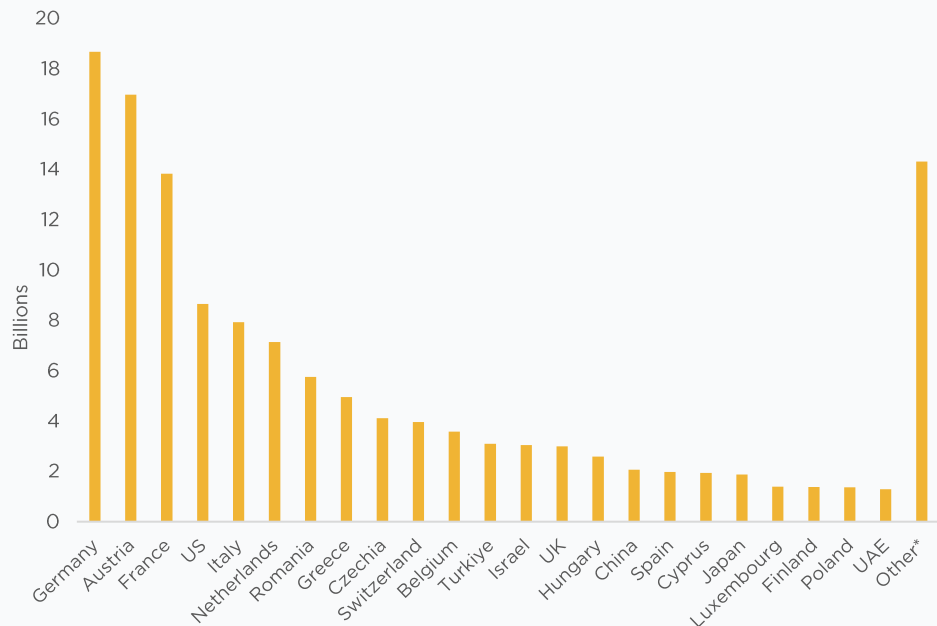
ROMANIA OVERVIEW

FDI OVERVIEW

In terms of economic activity, 86% of it was concentrated in four business sectors: industry (37.8%) – primarily manufacturing (26.3%), with mining at 5.9% and electricity, gas and water supply at 5.6% – construction and real estate transactions (17.7%), trade (15.8%), and financial intermediation and insurance (14.8%). Professional, scientific and technical activities held 5.6%, while IT&C accounted for 3.7%.

Germany was Romania's main foreign investor, maintaining its dominant position from the past decade. Entities based in Germany held investment totaling €18.7 billion (13.9%), either directly or through subsidiaries and branches of German companies located in intermediate countries. Next in rank of ultimate investing countries came Austria (12.6%), France (10.3%), US (6.4%), Italy (5.9%) and Netherlands (5.3%).

FDI POSITION BY COUNTRY OF ORIGIN AS AT DECEMBER 31, 2025**

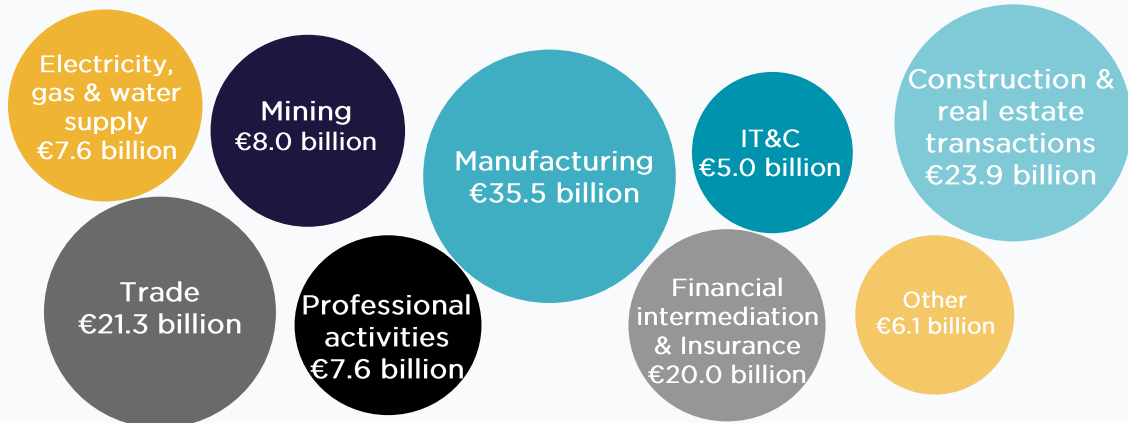


*countries of origin whose FDI position was less than €1 billion, as well as countries for which data are confidential

**Foreign direct investment includes the paid-up capital and the reserves related to a non-resident investor holding at least 10% of the voting power or of the subscribed share capital of a resident enterprise, debt instruments between the investor or the group to which the investor belongs and the resident direct investment enterprise, as well as the reinvestment of earnings.

Source: National Bank of Romania

FDI POSITION BY MAIN ECONOMIC ACTIVITY AS AT DECEMBER 31, 2025

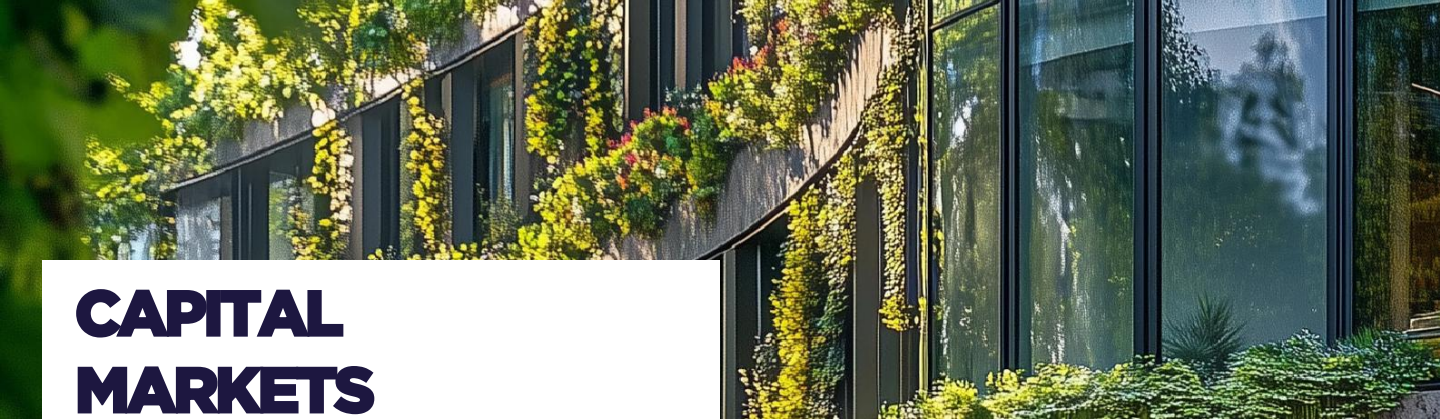


Source: National Bank of Romania



02

**CAPITAL
MARKETS**



CAPITAL MARKETS

CONSISTENT TRANSACTIONAL ACTIVITY IN 2026

The local real estate investment market registered a transactional volume of approximately €536 million YTD 2026, with investors maintaining their interest in income-producing assets.

Moreover, a number of large transactions across most segments are currently in advanced stages of negotiation and could still close before year-end. Therefore, the total investment volume could rise to approximately €800 – 900 million, a level broadly in line with the market's 10-year average and consistent with the volumes recorded over the past few years, even as financing conditions remain more selective than before.

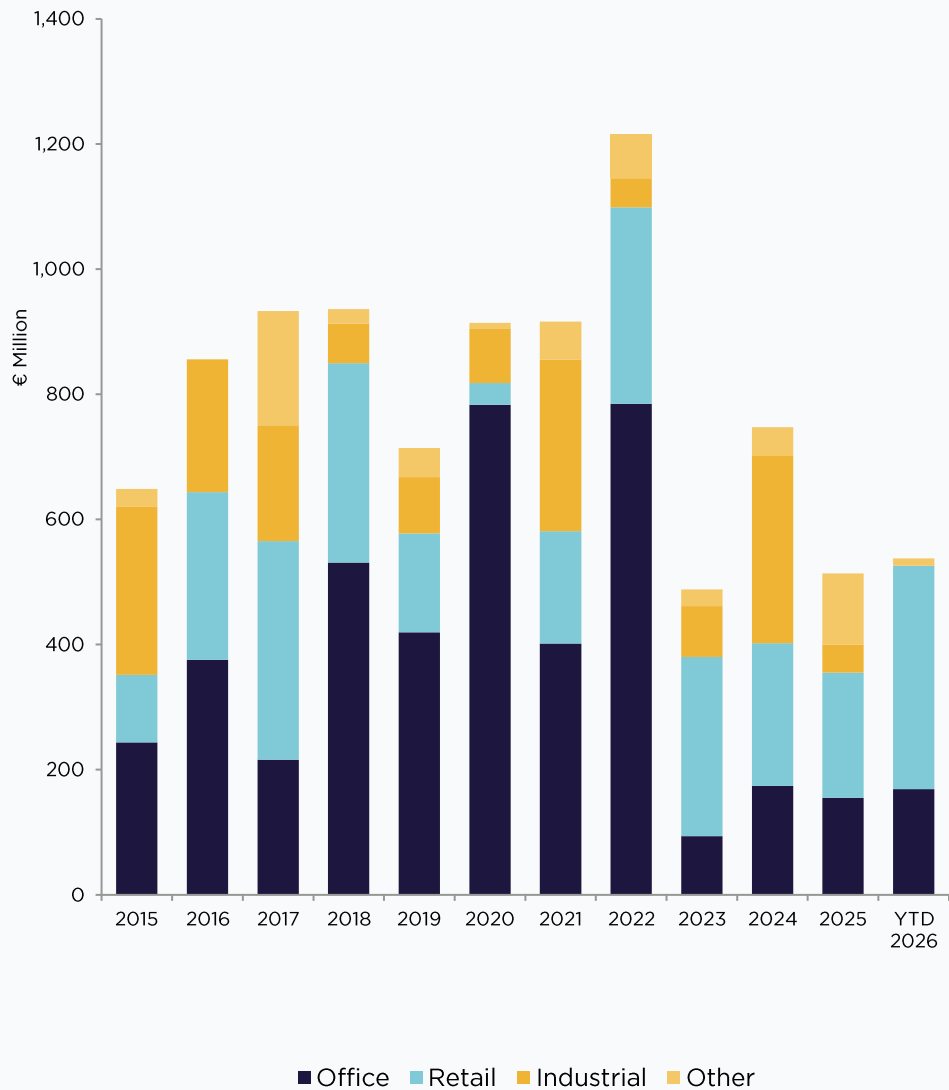
Retail was the most active segment, with 67% of the total volume, followed by Office with 31% and Hospitality with 2%.

The largest transaction of the year was the acquisition by AFI Europe of a portfolio of 6 retail parks from Prime Kapital – MAS RE, totaling 125,500 sq. m, for approximately €282 million.

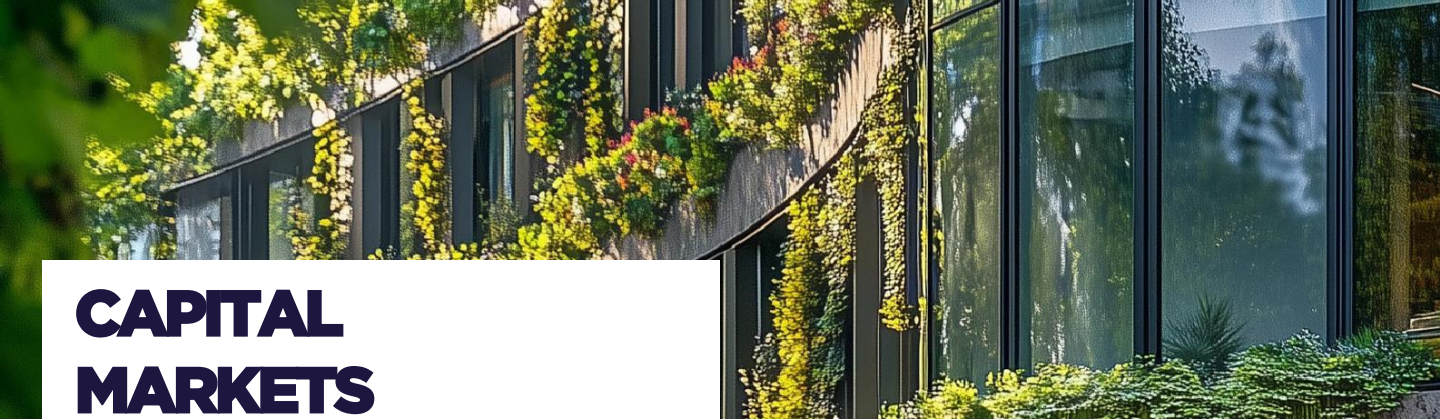
In the office segment, Mondo Development acquired the @EXPO project (49,000 sq. m) from Atenor for €52 million, and BT Property acquired Record Park (15,000 sq. m) from AYA Properties Fund for c. €40 million.

Another notable retail deal was the sale of the NEST retail parks in Miercurea Ciuc and Moinesti (23,600 sq. m) by RC Europe to Star Capital Finance, for c. €40 million.

INVESTMENT VOLUME EVOLUTION



Source: Cushman & Wakefield Echinox Research



CAPITAL MARKETS

STABLE YIELDS ACROSS ALL SEGMENTS

The prime yields have been very stable across all segments in H1, with no relevant movements. As interest rates are still relatively 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 (7.25% for office & retail and 7.50% for industrial spaces) and the references from most CEE countries, is generally high on all market segments (-100 – 200 basis points). This gap gives Romania a meaningful pricing cushion relative to regional peers and keeps the market attractive to yield-seeking capital even as financing costs remain elevated.

ANTICIPATING RECOVERY AND STRATEGIC GROWTH

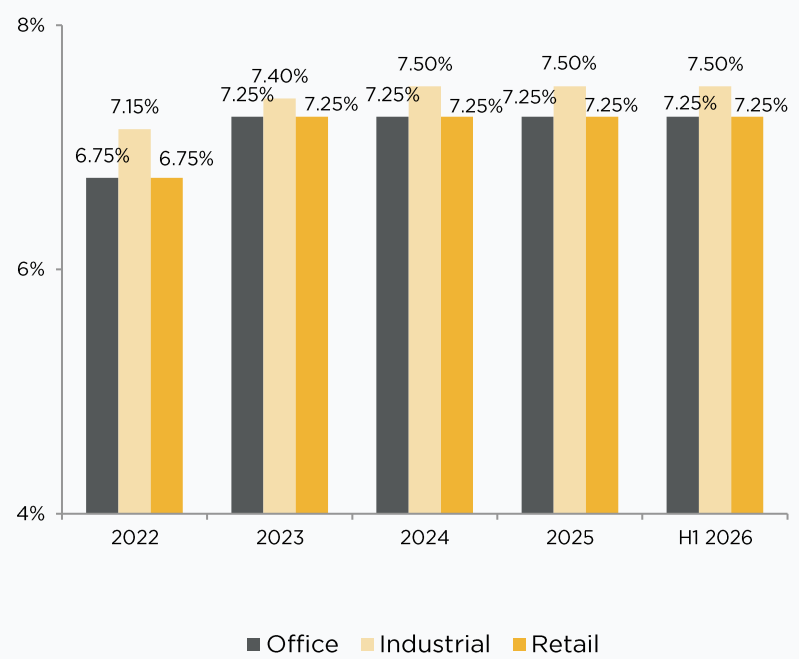
The CEE investment market trajectory remains decidedly positive for the remainder of 2026, supported by yield stabilization, regional economic resilience, and the continued return of institutional capital. The region's structural advantages, including EU membership, economic convergence potential, and attractive risk-adjusted returns, position it well for sustained investment flows. Investors are increasingly differentiating between markets on liquidity, asset quality and currency stability, favoring markets such as Romania that combine EU-backed stability with higher starting yields.

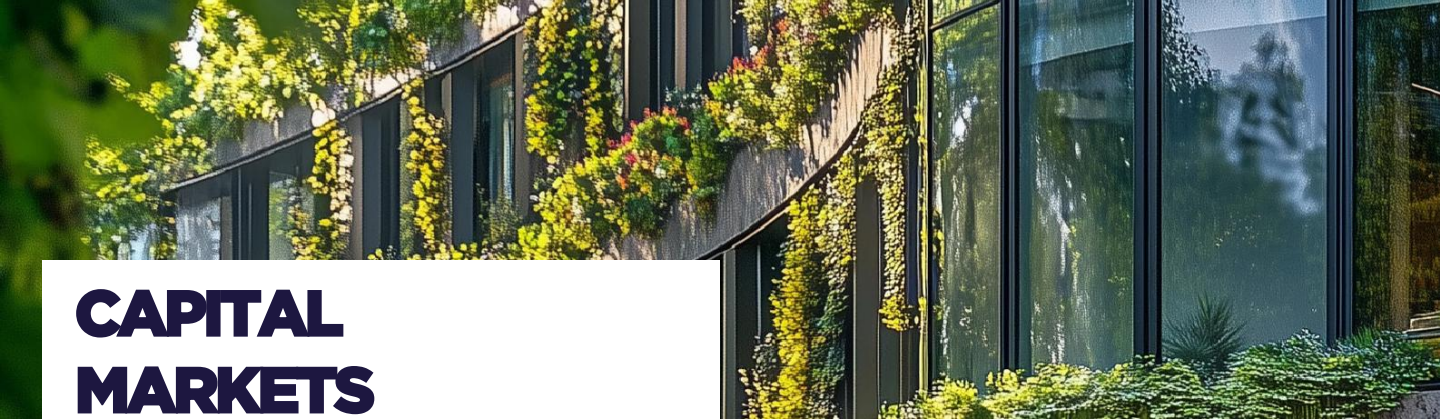
Risks to the outlook include potential geopolitical developments, changes in global monetary policy, and sector-specific challenges. However, the region's diversified economic base, EU integration, and attractive fundamentals provide resilience against external shocks. Against this backdrop, investors are expected to remain selective, with a clear preference towards prime assets with secure income and strong fundamentals over speculative or value-add opportunities until financing conditions ease further.

PRIME YIELDS IN CEE (END OF H1 2026)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
Bucharest	7.25	7.25	7.50
Warsaw	5.75	6.45	6.40
Prague	5.00	5.50	4.75
Bratislava	6.25	6.50	6.00
Budapest	6.25	7.25	6.75

PRIME YIELDS TREND IN ROMANIA



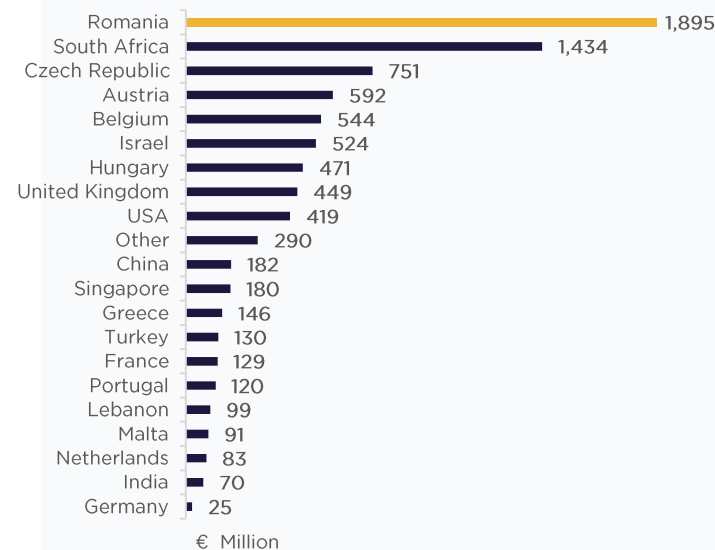


CAPITAL MARKETS

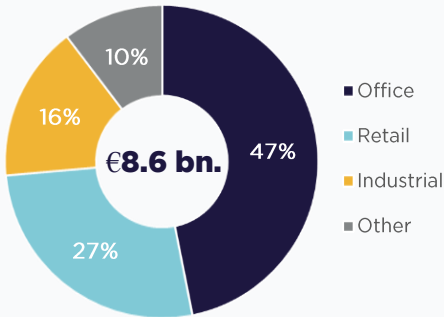
MAJOR REAL ESTATE INVESTORS

COMPANY	PORTFOLIO VALUE (billion)	COUNTRY OF ORIGIN	SECTORS
 NEPI ROCKCASTLE	€ 2.8	South Africa	Retail, Residential, Industrial
 ctp	€ 2.6	Netherlands	Industrial
 IULIUS  ATTERBURY EUROPE	€ 2.0	Romania, South Africa	Retail, Office, Residential
 AFI EUROPE	€ 1.8	Israel	Retail, Office, Residential
 WDP	€ 1.7	Belgium	Industrial, Retail
 CPI Property Group	€ 1.5	Czechia	Office, Retail, Hotel
 one	€ 1.2	Romania	Residential, Office, Retail, Hotel
 globalworth ppp	€ 1.2	LSE listed	Office, Industrial, Residential
 MAS  Prime Kapital	€ 1.0	South Africa	Retail, Office, Residential

INVESTORS' ORIGIN (2016 - H1 2026)



MARKET SECTORS (2016 - H1 2026)



Source: Cushman & Wakefield Echinox Research



03

OFFICE

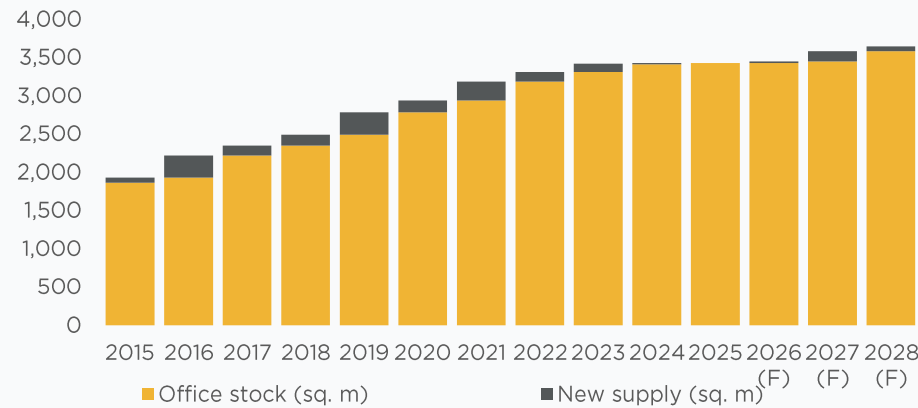
OFFICE

SUPPLY & DEMAND

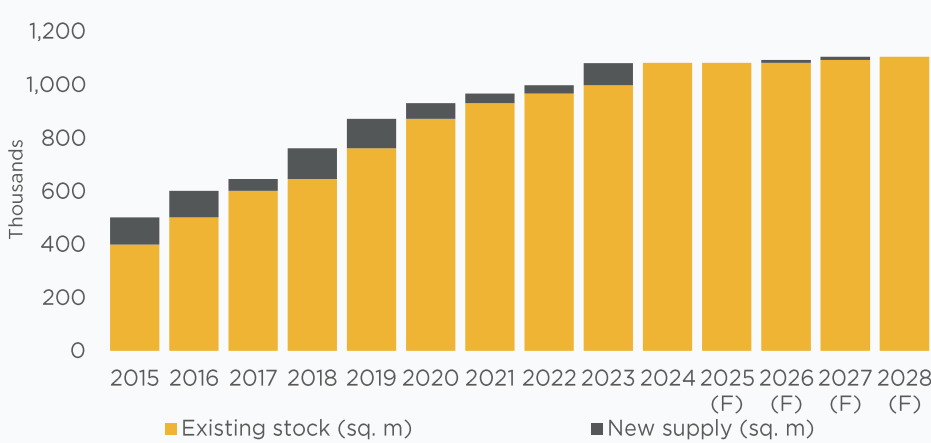
Bucharest's office stock was unchanged at 3.43 million sq. m at the end of H1 2026, as no new projects were delivered in the city for 18 months. Approximately 216,500 sq. m are currently under construction, a volume that remains limited by the urbanistic and permitting issues that have slowed new developments in recent years.

Demand in Bucharest reached approximately 391,600 sq. m over the 2025 – H1 2026 period, about 20% below the 489,900 sq. m recorded in 2024 – H1 2025. With no new supply, vacancy fell to 11.6%, down from 13.4% a year earlier. Outside the capital, the four main regional cities (Cluj - Napoca, Iasi, Timisoara and Brasov) hold a combined 1.08 million sq. m and attracted 85,100 sq. m of take-up, with Cluj - Napoca accounting for over half (43,600 sq. m). Brasov is the only regional city with projects under construction (totaling 22,800 sq. m).

BUCHAREST OFFICE STOCK EVOLUTION



REGIONAL OFFICE STOCK EVOLUTION



	BUCHAREST	REGIONAL CITIES
TOTAL STOCK (SQ. M)	3,429,500	1,082,300
TOTAL TAKE-UP 2025 – H1 2026 (SQ. M)	391,600	85,100
NEW SUPPLY 2025– H1 2026 (SQ. M)	-	-
UNDER CONSTRUCTION (SQ. M)	216,500	22,800
HEADLINE RENT (SQ. M/ MONTH)	€ 22	€ 15 – 17
VACANCY (%)	11.6	12.3

OFFICE

MAJOR OFFICE OWNERS

COMPANY	COUNTRY OF ORIGIN	PORTFOLIO (SQ. M)
 globalworth φφφ	LSE listed	450,000
 Paval Holding	Romania	355,000
 AFI EUROPE	Israel	273,000
 IULIUS ATTERBURY EUROPE	Romania, South Africa	242,000
 CPI Property Group	Czechia	239,000
 GENESIS PROPERTY	Romania	150,000

CEE COMPARISON

CITY	STOCK (SQ. M)	PRIME YIELD (%)	PRIME RENT (€/ SQ. M/ MONTH)
Warsaw	6,236,400	5.75	27.50
Budapest	4,474,200	6.25	26.00
Prague	3,950,200	5.00	30.00
Bucharest	3,429,500	7.25	22.00
Bratislava	1,755,000	6.25	22.00



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RETAIL



RETAIL

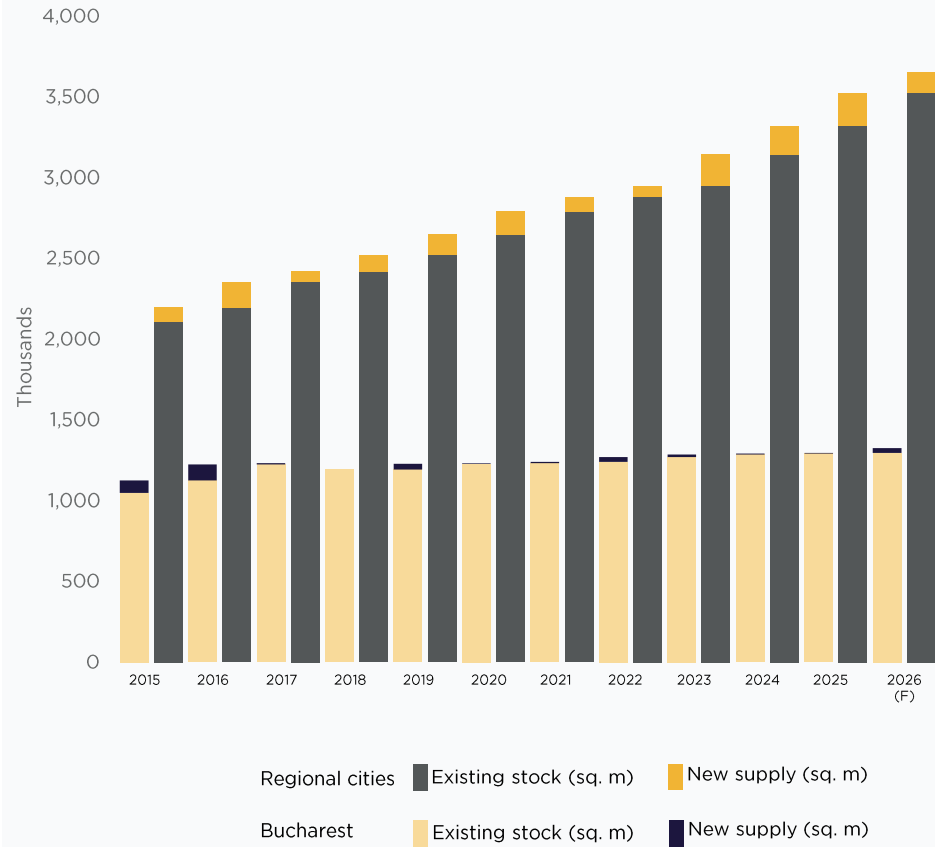
SUPPLY & DEMAND

Over the last 18 months, developers delivered around 266,000 sq. m of new retail space, 95% of it in regional cities, while Bucharest received only 12,500 sq. m. The national modern retail stock now stands at roughly 4.92 million sq. m, of which 3.58 million sq. m is located outside the capital.

A further 310,000 sq. m are under construction, 81% of it in regional cities. Rivus Cluj (142,000 sq. m, Iulius Group – Atterbury Europe) is the largest project in pipeline, followed by NEPI Rockcastle’s Galati Retail Park and Promenada Mall extension in Bucharest, and M Core’s M Park Galati.

Shopping center headline rents stand at €80 – 90/ sq. m/ month in Bucharest and €30 – 65/ sq. m/ month in regional cities. Retail sales growth in Romania slowed to 0.7% in 2025, below the Eurozone’s 2.4%, and is forecast to turn negative in 2026 for the first time in 15 years.

ROMANIA – MODERN RETAIL STOCK EVOLUTION (SQ. M)



	BUCHAREST	REGIONAL CITIES
TOTAL STOCK (SQ. M)	1,340,500	3,575,800
NEW SUPPLY 2025 - H1 2026 (SQ. M)	12,500	253,500
UNDER CONSTRUCTION (SQ. M)	58,600	251,400
HEADLINE RENT SHOPPING CENTER (SQ. M/ MONTH)	€ 80 - 90	€ 30 - 65



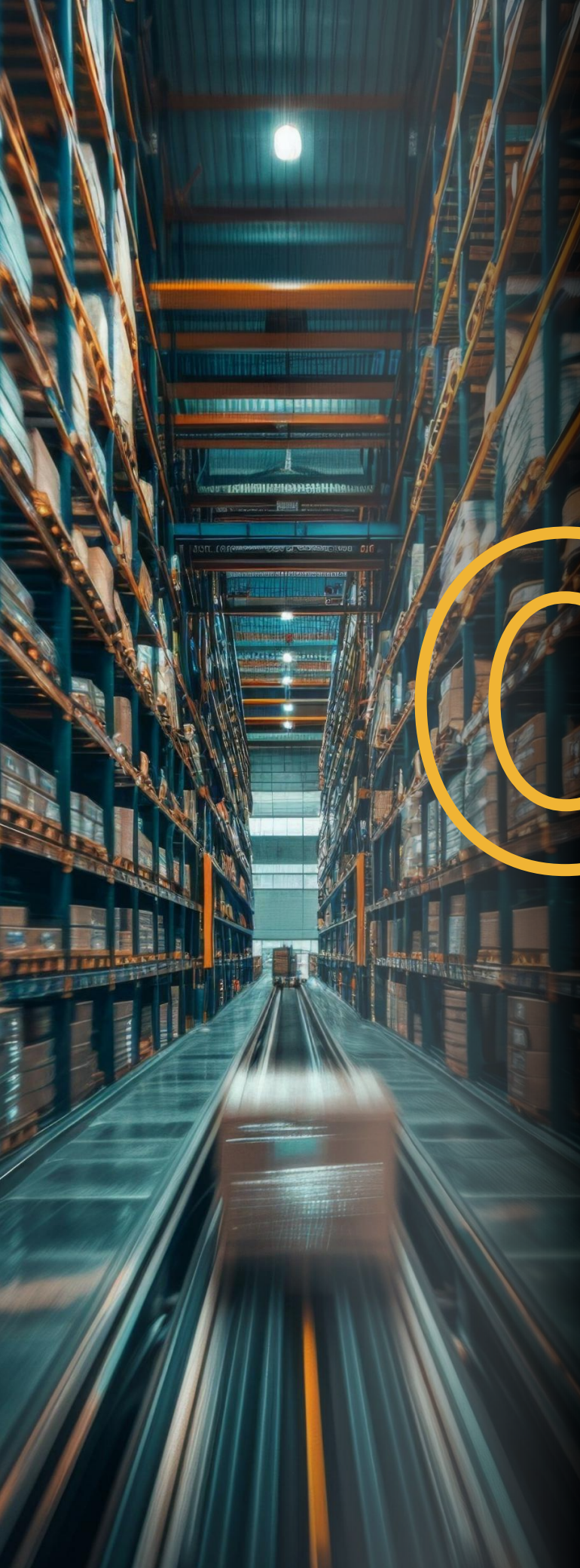
RETAIL

MAJOR RETAIL OWNERS

COMPANY	COUNTRY OF ORIGIN	PORTFOLIO (SQ. M)
	South Africa	939,000
	Israel	325,000
	Romania, South Africa	320,000
	South Africa	310,000
	United Kingdom	278,000
	Czechia	241,000

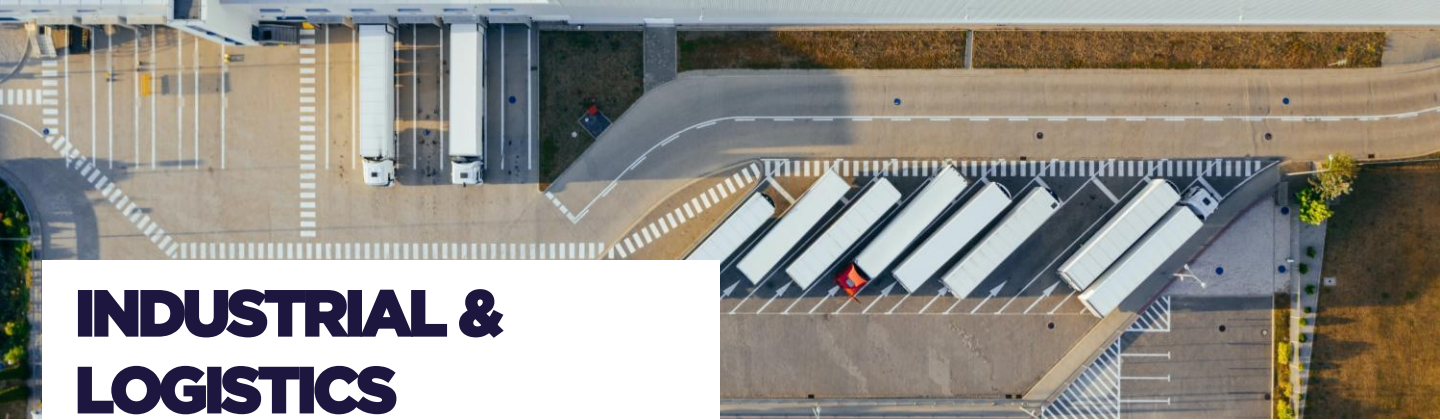
CEE COMPARISON

COUNTRY	STOCK (SQ. M)	PRIME YIELD SHOPPING CENTER (%)	PRIME RENT SHOPPING CENTER (€ / SQ. M / MONTH)	DENSITY (SQ. M / 1,000 INHABITANTS)
Poland	14,037,900	6.45	170	366
Romania	4,916,300	7.25	90	258
Czechia	3,986,100	5.50	148	365
Hungary	3,172,200	7.25	95	330
Slovakia	2,431,500	6.50	65	450



05

**INDUSTRIAL &
LOGISTICS**



INDUSTRIAL & LOGISTICS

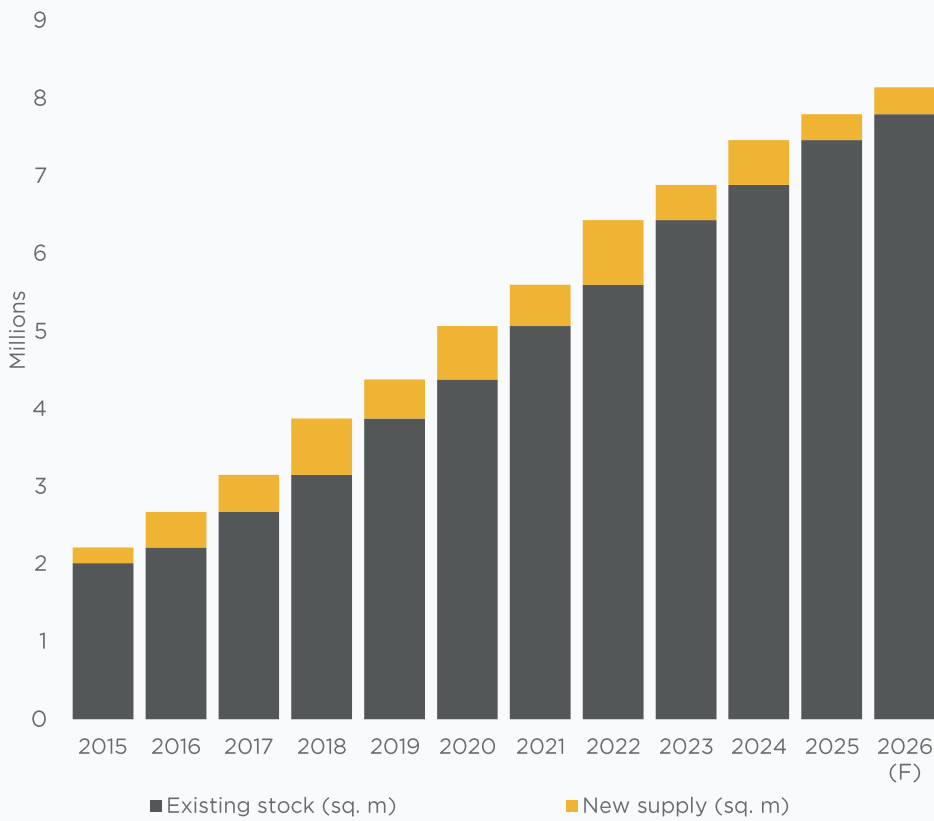
SUPPLY & DEMAND

Industrial demand stayed strong over the past 18 months. Tenants leased more than 1.8 million sq. m between January 2025 and June 2026, with Bucharest accounting for almost three quarters of this volume. By the end of H1 2026, the national modern stock had passed the 8.1 million sq. m mark, split almost evenly between Bucharest and the rest of the country.

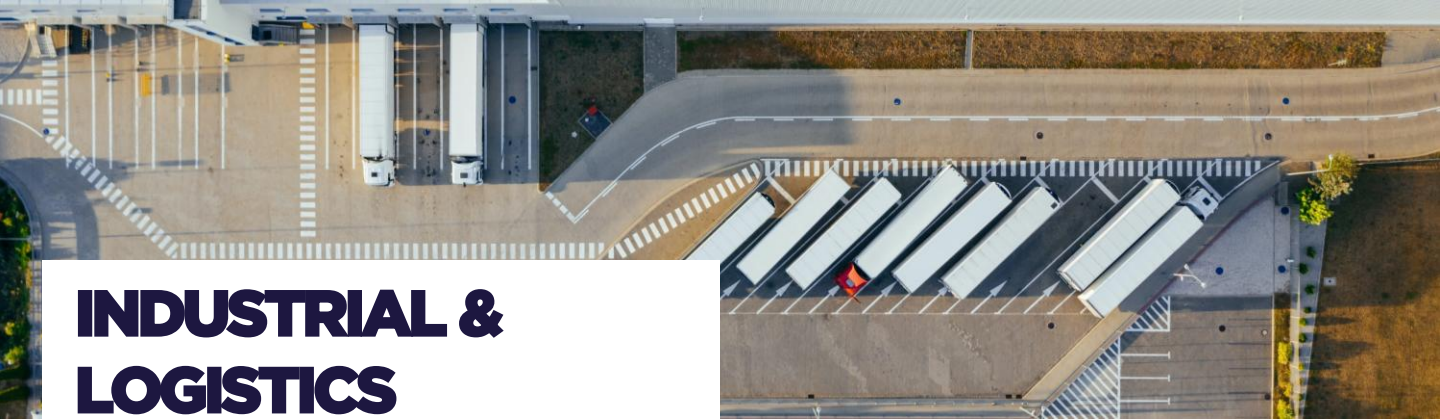
More than 523,000 sq. m of new spaces were delivered over the same period, and a further 532,000 sq. m are currently under construction, 85% of it in the areas around Bucharest, as the capital city also accounted for almost two thirds of these deliveries. Headline rents reached € 4.80 per sq. m per month in Bucharest, slightly above the € 4.65 recorded in the rest of the country.

At national level, vacancy rose to 6.7% (6.3% in Bucharest and 7.0% outside the capital). With few speculative projects in the pipeline, the rate is expected to decline in the coming quarters.

ROMANIA INDUSTRIAL & LOGISTICS STOCK EVOLUTION (SQ. M)



	BUCHAREST	OUTSIDE BUCHAREST
TOTAL STOCK (SQ. M)	3,994,900	4,144,900
NEW SUPPLY 2025 - H1 2026 (SQ. M)	337,400	185,900
UNDER CONSTRUCTION (SQ. M)	450,900	81,300
HEADLINE RENT (SQ. M/ MONTH)	€ 4.80	€ 4.65
TAKE-UP 2025 - H1 2026 (SQ. M)	1,352,500	491,800
VACANCY (%)	6.3	7.0



INDUSTRIAL & LOGISTICS

MAJOR INDUSTRIAL OWNERS & NEW ENTRIES

COMPANY	COUNTRY OF ORIGIN	PORTFOLIO (SQ. M)
	Netherlands	3,335,000
	Belgium	2,006,000
	Belgium	571,000
	Singapore	380,000
	China	325,000
	USA	New entry
	Germany	New entry
	USA	New entry
	South Africa	New entry

CEE COMPARISON

COUNTRY	STOCK (SQ. M)	PRIME YIELD (%)	PRIME RENT (€ / SQ. M / MONTH)
Poland	38,006,400	6.40	5.50
Czechia	13,733,800	4.75	7.50
Romania	8,139,800	7.50	4.80
Hungary	6,510,200	6.75	5.70
Slovakia	4,890,500	6.00	5.30



06

RESIDENTIAL

RESIDENTIAL

SUPPLY OVERVIEW

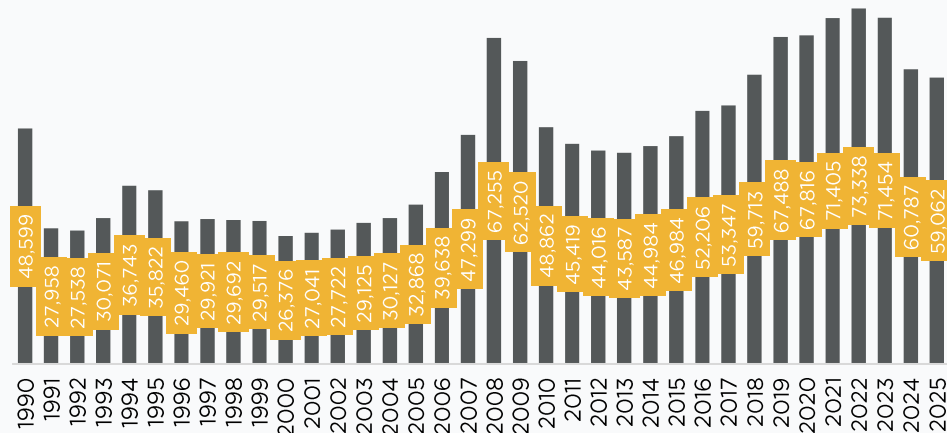
1.63 million new dwellings were delivered in Romania in the 1990 – 2025 period, with an average of around 45,000 per year. This total pertains to only ~17% of the existing stock in Romania, thus leaving significant room for a consistent pace of further new deliveries in the next decade, in order to gradually replace the older stock.

Moreover, around 862,000 units were completed in the 2011 – 2025 period and therefore more than 50% of the post-communism deliveries were finalized after the financial crisis of 2009 – 2010. Completions reached 59,062 units in 2025, slightly below the 60,787 units delivered in 2024 and the 73,338 peak of 2022.

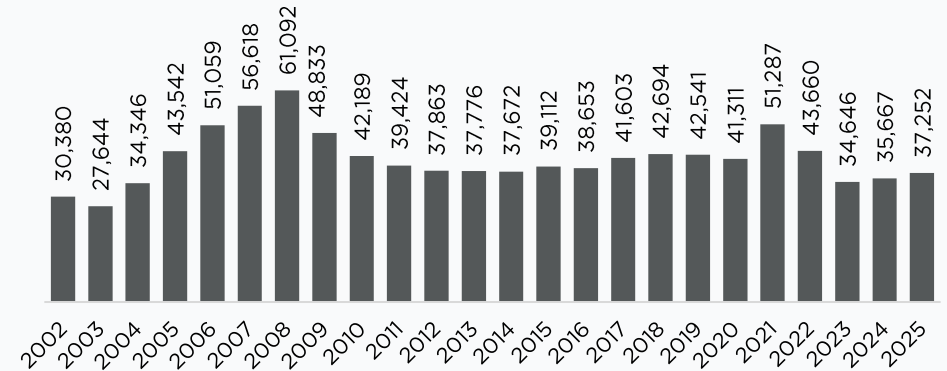
The housing stock in Romania was of 10,177,161 at the end of 2025, a rate of 534 dwellings per 1,000 inhabitants taking into account the effectively resident population at the beginning of the same year.

On average, around 40,100 building permits were issued annually in Romania in the 2011 – 2025 period, as the peak total of 61,092 (14.95 million sq. m in total) in 2008 has not been reached afterwards. In 2025, 37,252 permits totaling 9.7 million sq. m were issued, a slight recovery from 2024 (35,667 permits, 8.8 million sq. m), but still below the long-term average, which may result in fewer residential completions in the coming years, thus potentially putting pressure on this market segment mainly in terms of pricing.

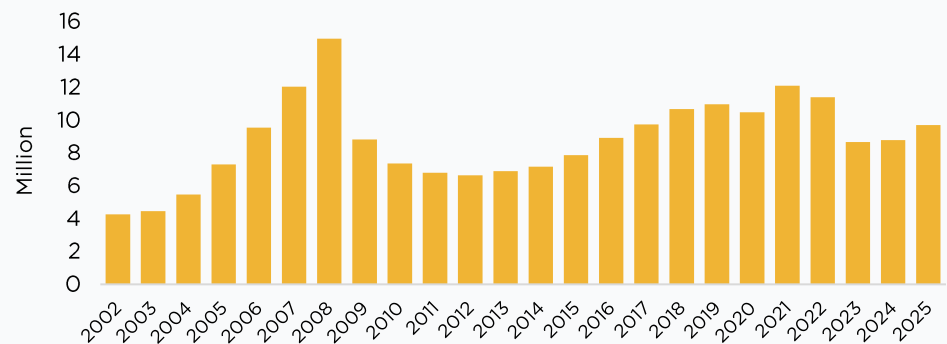
NEW DWELLINGS DELIVERIES IN ROMANIA (1990 – 2025)



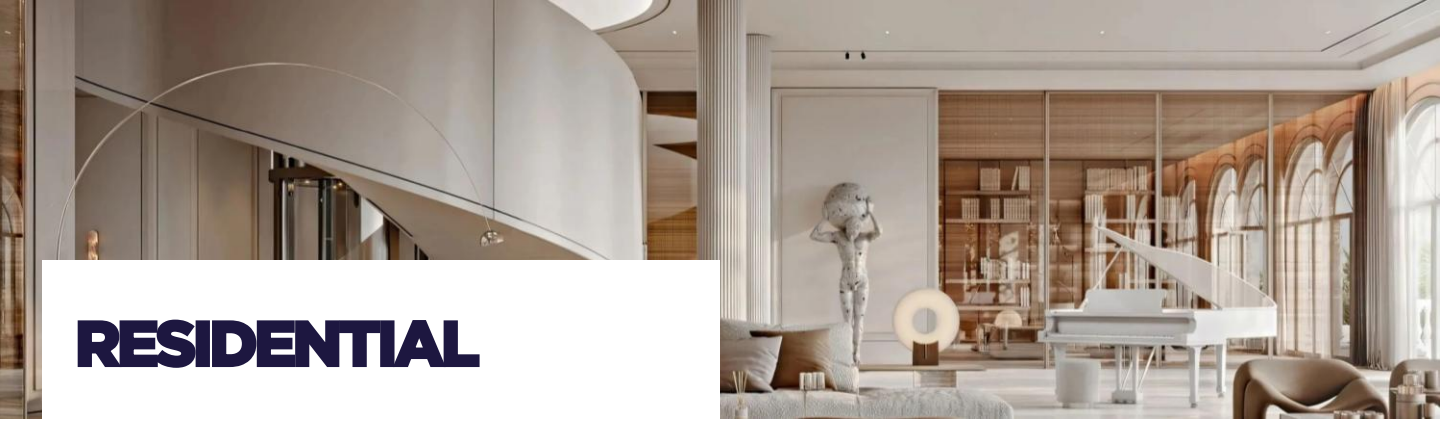
BUILDING PERMITS ISSUED ROMANIA - BY NUMBER



BUILDING PERMITS ISSUED IN ROMANIA - TOTAL SQM USABLE AREA



Source: National Institute of Statistics

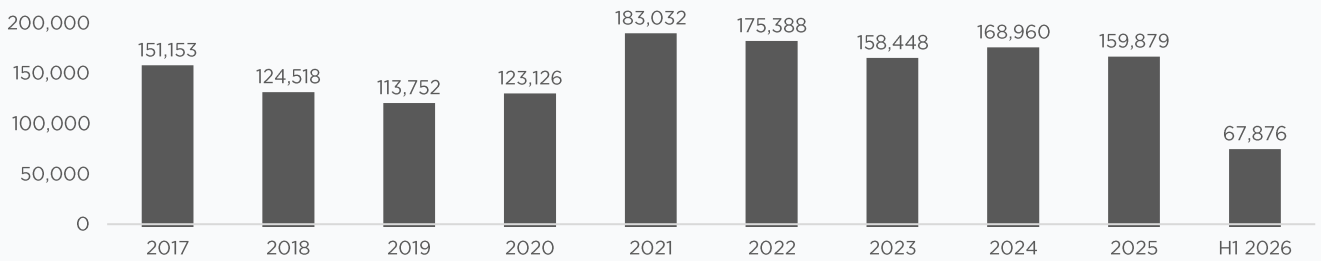


RESIDENTIAL

DEMAND OVERVIEW

Almost 1.43 million real estate transactions involving individual units (apartments or houses) were closed in Romania in the 2017 – H1 2026 period. After a short-lived dip during the Covid-19 pandemic in Q2 2020, the market rebounded strongly and reached record levels in 2021 and 2022, reflecting a relatively high housing affordability compared with other CEE countries. The interest rate increases weighed on activity in 2023, while their gradual easing supported a recovery in 2024. In 2025, the number of transactions decreased by around 5% y-o-y, to 159,879, as the VAT increase from August 2025 (from 9%/19% to 21%) slowed housing sales and added upward pressure on prices. The trend continued in H1 2026, with 67,876 transactions, approximately 9% below H1 2025.

NUMBER OF REAL ESTATE TRANSACTIONS WITH INDIVIDUAL UNITS IN ROMANIA



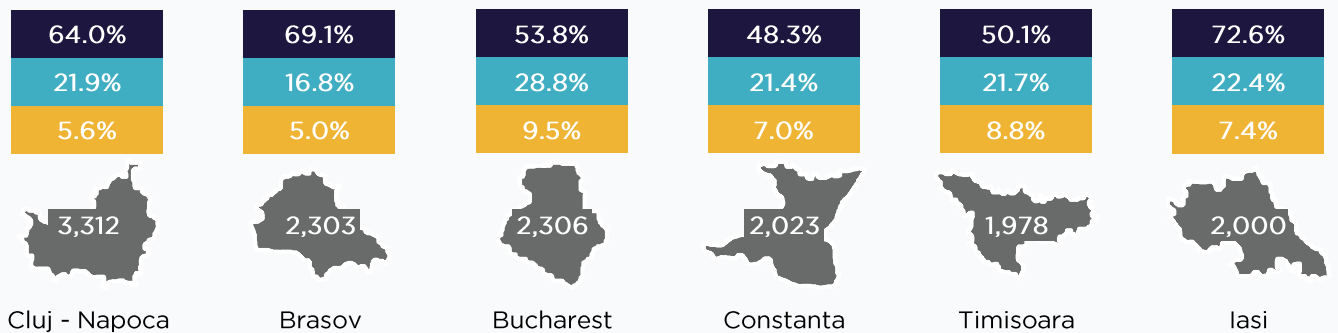
Source: ANCPPI

PRICE

The residential prices have been constantly increasing during the last couple of years due to the general population purchasing power growth and to the low interest rates before 2022, with demand remaining relatively consistent in the past decade or so.

The average asking price for apartments in Romania was of €2,027 / net (usable) sq. m at the end of August 2026, according to imobiliare.ro, a level which reflects a 7.4% y-o-y increase. Cluj - Napoca keeps a significant lead in the ranking of the most expensive cities, at €3,312 / sq. m, while Bucharest (€2,306) and Brasov (€2,303) are almost level on the 2nd and 3rd places, with average asking prices around 30% lower than in Cluj - Napoca.

PRICE TRENDS IN THE MAJOR CITIES (APARTMENTS FOR SALE)



● Average price/ net sq. m (€) ■ Price evolution over the past 60 months ■ Price evolution over the past 24 months ■ Price evolution over the past 12 months

Source: imobiliare.ro

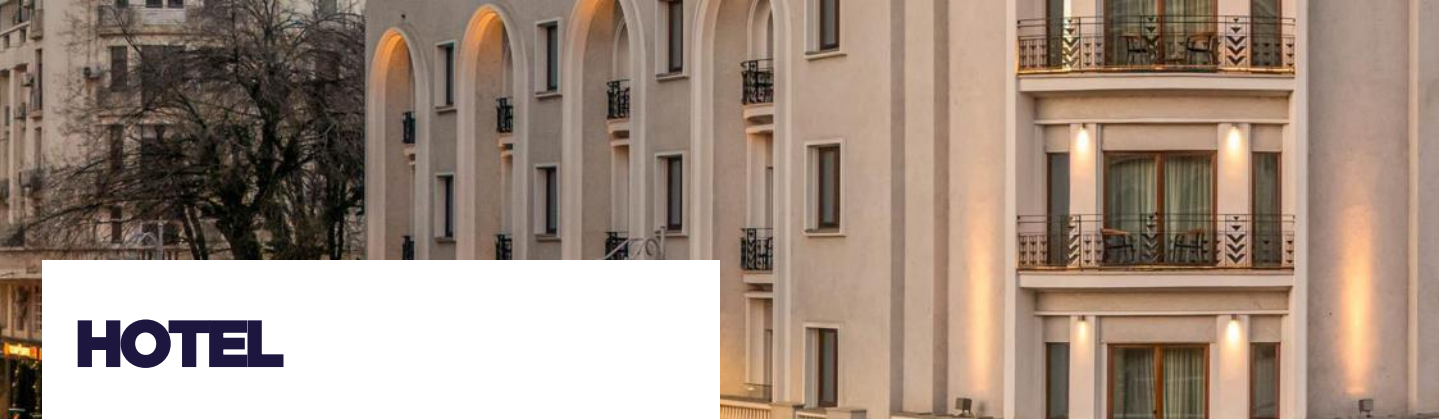


① INTERCONTINENTAL
ATHÉNÉE PALACE

07

HOTEL

*Intercontinental Athénée
Palace Bucharest*



HOTEL

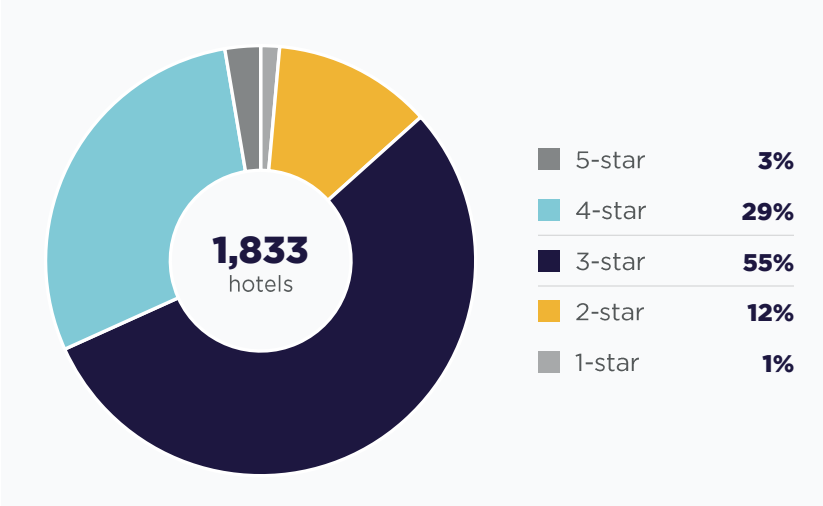
SUPPLY OVERVIEW

The latest data from the Romanian Ministry of Tourism shows that there are 1,833 registered hotels in the country, totaling 110,043 rooms. In terms of classification, premium hotels (4 and 5-star) have a share of 32% (582 out of 1,833), while 3-star hotels remain dominant, accounting for 55% of hotels and 49% of rooms. On average, a hotel in Romania has ~60 keys, with the size increasing with the classification, from approximately 33 keys for 1-star to around 109 keys for 5-star properties, which explains why premium hotels concentrate 40% of the total supply. Moreover, less than 5% of the existing hotels in Romania (and less than 9% of total rooms) are affiliated to an international brand, with a significant number of affiliations being expected in the coming years. This still-low level of international branding points to considerable room for branded expansion as the market matures and investor interest in hospitality assets grows.

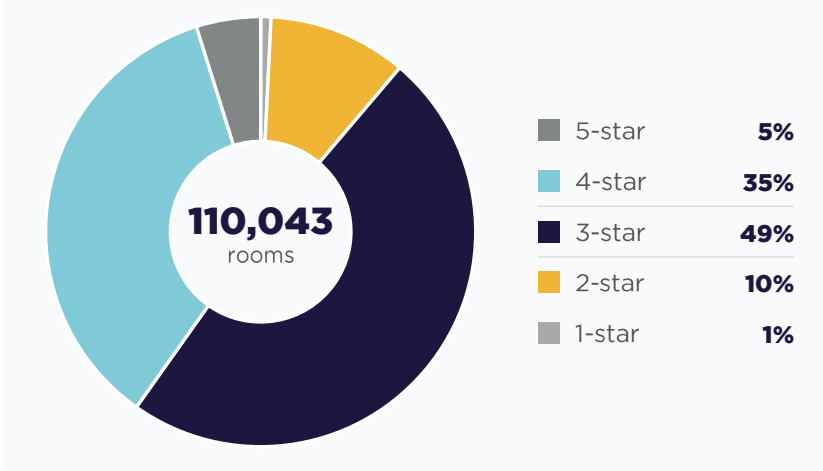
Bucharest's hotel market recorded a strong performance in H1 2026, with RevPAR (in EUR) increasing by 5% compared to H1 2025, mainly driven by a 3.2% increase in ADR, while occupancy grew by 1.9%. Compared to H1 2019, the pre-pandemic benchmark year, RevPAR and ADR are 25.2% and 27.7% higher, while occupancy remains slightly below the 2019 level, with the gap narrowed to 2.0%. These figures show that the recovery of the Bucharest hotel market has been driven mostly by higher room rates. This rate-led recovery, rather than one driven purely by volume, points to a market gradually repositioning itself toward a higher-value guest mix.

This strong performance encourages further interest in new hotel developments: by 2028, the pipeline is expected to add more than 1,500 rooms to the existing stock, equivalent to approximately 13% of the current supply, across all segments, from midscale to luxury properties. Among the projects announced for delivery over the next three years are Swissotel Bucharest (199 rooms), Hyatt House and Hyatt Place Nusco City (270 rooms), Ambassador Hotel The Julius (160 rooms) and Promenada Mall Hotel (205 rooms), while Hilton Garden Inn Militari and Tecadra Bucharest Handwritten Collection are scheduled to open in the coming period, adding a total of 225 rooms to the market. The mix of international flags entering the market signals growing confidence among global operators in Bucharest's long-term demand fundamentals.

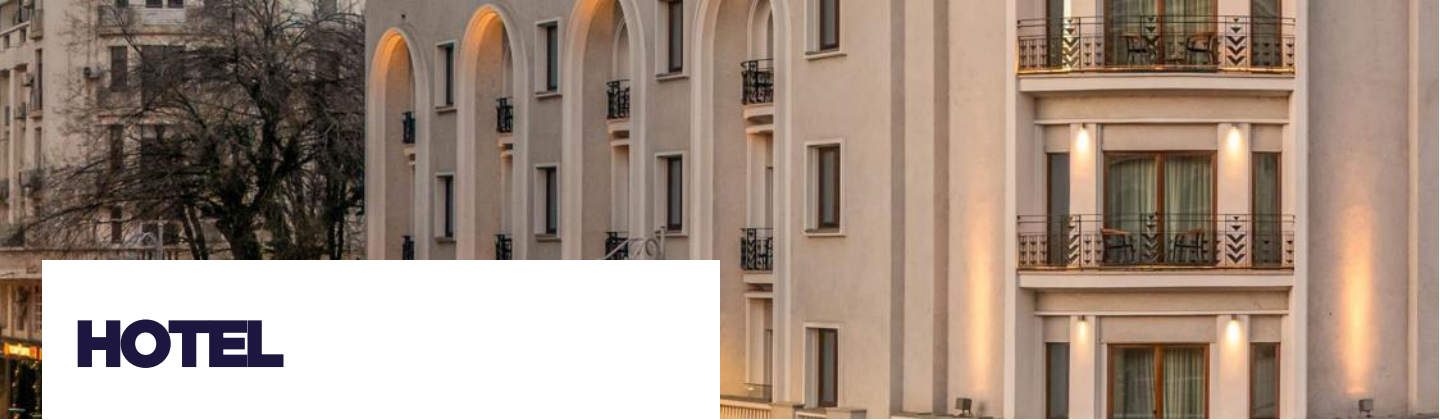
DISTRIBUTION OF HOTELS BY CLASSIFICATION ROMANIA



PERCENTAGE OF HOTEL CAPACITY BY CLASSIFICATION ROMANIA



Source: Romanian Ministry of Tourism



HOTEL

DEMAND OVERVIEW

An analysis covering the period since 2008 shows that the number of tourists who spent at least one night in the tourist accommodation units in Romania more than doubled from 2009 (6.14 million) to 2019 (13.27 million). Although the economic crisis that peaked in 2009 - 2010 caused a significant decrease (one million fewer tourists in 2009 and 2010 than in 2008), the Romanian tourism had afterwards witnessed an important development, mainly due to the increasing purchasing power of the Romanian citizens, while also being able to attract a larger number of foreign tourists.

The number of tourists who preferred to stay in hotels had also doubled in the same period from 4.54 million in 2009 to 9.27 million in 2019. However, the Covid-19 pandemic resulted in a drastic 56% decrease in the number of tourists accommodated by hotels in Romania in 2020 and also in an overall decrease of 52% in terms of total tourists.

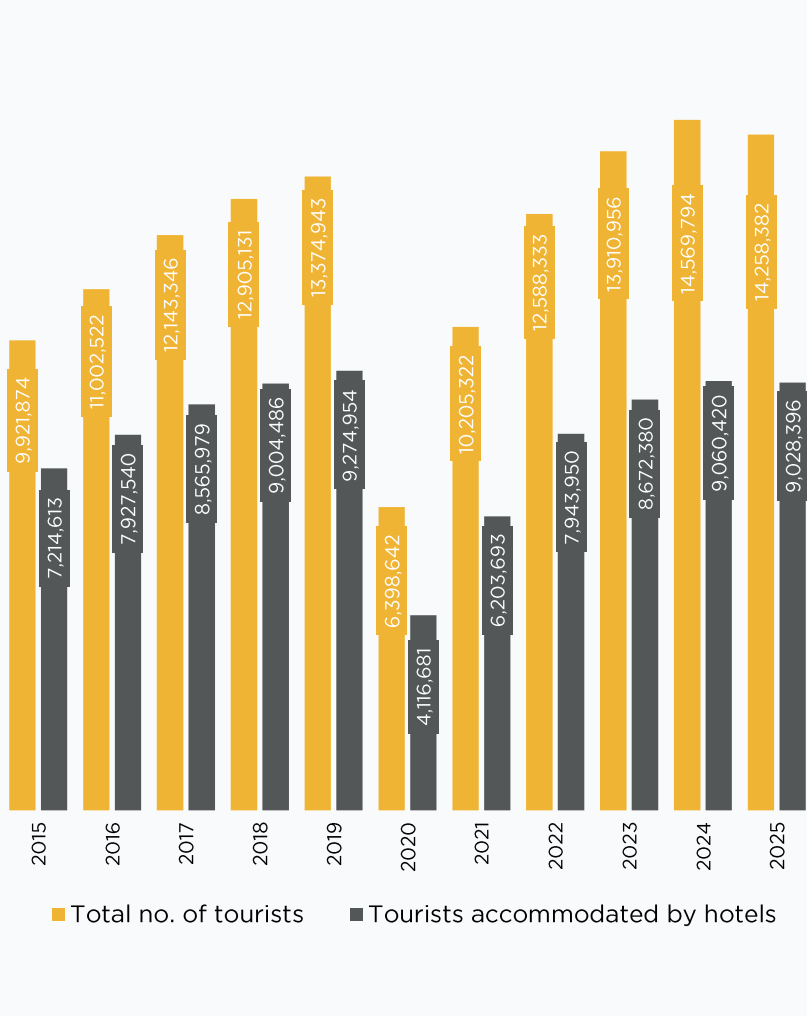
In 2022, there have been strong signs of recovery, as increases of 28% and 93% in the number of hotel tourists have been recorded compared with 2020 and 2021, an upward trend which continued until 2024, when a peak total of 14.57 million tourists was reached, out of which 9.06 million (62.2%) chose hotels as their preferred accommodation unit.

In 2025, the total number of tourists eased by around 2% y-o-y, to 14.26 million, while hotel arrivals remained almost unchanged, at 9.03 million (-0.4% y-o-y). As a result, hotels attracted 63.3% of all tourists, slightly above the 2024 share, confirming their position as the preferred accommodation option in Romania.

In terms of the cities that attracted the highest number of tourists in 2025, Bucharest occupies the first place, with 2.06 million visitors. Brasov comes next, being visited by more than 700,000 people, benefitting from its position as the number one mountain destination in the country. Cluj-Napoca and Constanta came next, with more than 500,000 tourists in 2025.

Bucharest has seen a comprehensive increase in the number of tourists during the past 10 years, from 1.72 million in 2015 to 2.06 million in 2025 (a 20% increase, according to data provided by the National Institute of Statistics).

THE NUMBER OF TOURISTS ARRIVING AT ACCOMMODATION UNITS IN ROMANIA 2015 - 2025



Source: National Institute of Statistics



08

PRS & PBSA



RENTAL MARKET

Romania has the highest share of outright home ownership in the EU: 92% of the population lived in a home owned without a mortgage or loan in 2025, more than twice the EU average of 43.7%. Most homes were inherited or purchased with own funds, a legacy of the mass privatization of state housing in the 1990s. This reflects a cultural preference for ownership over renting that persists today.

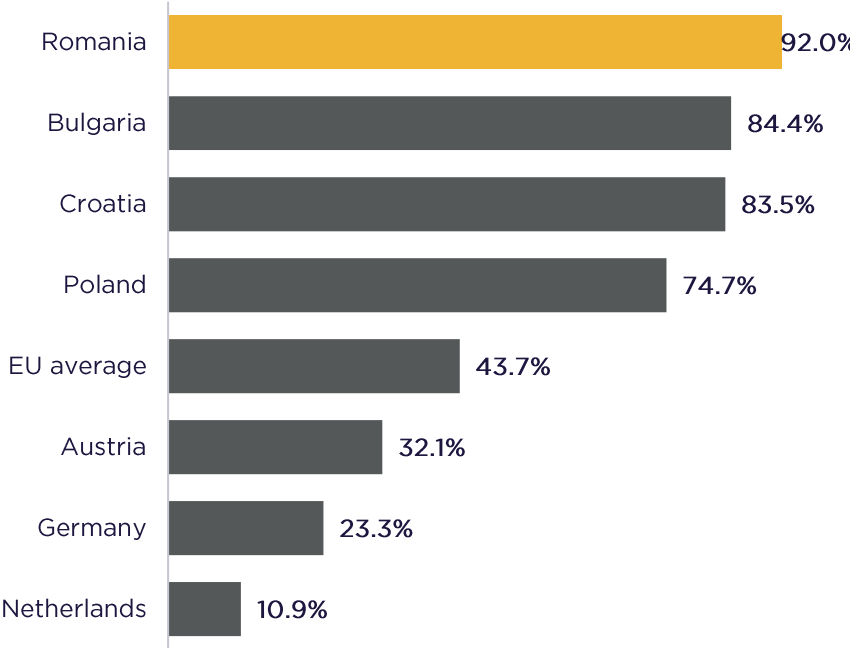
Only 6% of Romanians live in rented housing (2024), compared with 32% across the EU. The rental market remains small and largely informal, so the actual share of tenants is likely higher than official statistics show. Much of this activity sits outside registered contracts, limiting transparency on pricing and protections for landlords and tenants alike.

Mortgage penetration is low: only 1.5% of the population lives in a mortgage-backed dwelling, versus 22% in the EU. Most purchases are funded through savings or family transfers rather than credit.

At the same time, 40.7% of Romanians live in overcrowded households, more than twice the EU rate of 16.9%, while rental affordability pressures are substantial, particularly in urban areas. Overcrowding is most acute among younger adults and lower-income households who cannot yet afford a home of their own.

For PRs (Private Rented Sector), this means a very low starting base for professionally managed rental stock. The segment is at a very early stage in Romania, with only a limited number of developers currently active in the market, so institutional rental product remains largely untested.

HOME OWNERSHIP WITHOUT A MORTGAGE, % OF POPULATION (2025)



HOUSING INDICATORS: ROMANIA VS. EU AVERAGE

INDICATOR	ROMANIA	EU AVERAGE
Owners without a mortgage (2025)	92%	43.7%
Living in rented housing (2024)	6%	32%
Living in a mortgaged dwelling (2024)	1.5%	22%
Living in overcrowded households (2024)	40.7%	16.9%

Source: Eurostat, European Mortgage Federation



STUDENT HOUSING

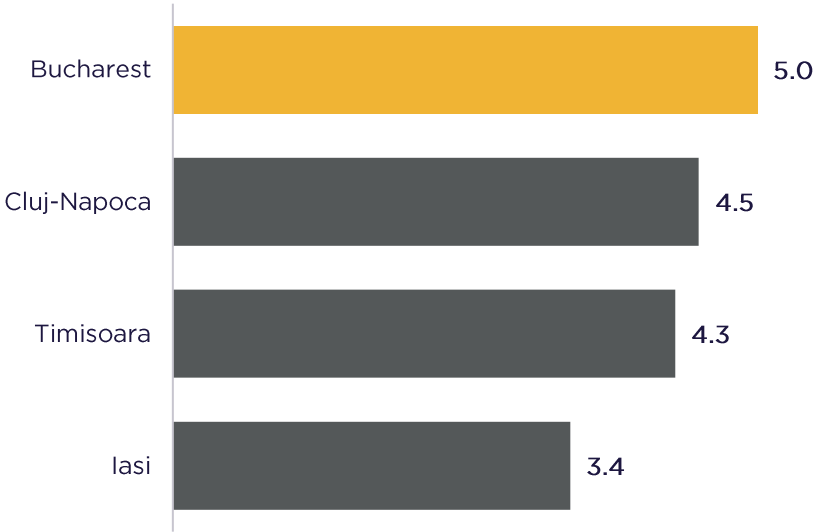
Bucharest, Cluj-Napoca, Iasi and Timisoara have more than 361,000 students combined, 62% of the national total, and approximately 80,000 public and private student accommodation beds: one bed for every 4.5 students. This leaves a persistent shortage relative to demand, even before accounting for students who choose not to seek institutional housing at all.

Around 94% of beds are public; private purpose-built student accommodation (PBSA) accounts for the remaining 6%. This dominance of public housing means pricing and quality are still largely set by universities rather than by market forces.

Competition for a bed is highest in Bucharest, with almost 5 students per bed, followed by Cluj-Napoca (4.5) and Timisoara (4.3). Iasi has the highest provision rate, with 3.4 students per bed, a gap that points to where new supply would face the least competition from existing public stock.

Iasi, Timisoara and Cluj-Napoca have a higher combined public capacity than Bucharest, while the capital accounts for nearly 90% of all private beds identified across the four cities. As a result, opportunities for new private student housing need to be assessed city by city: a larger public stock does not rule out demand for private beds offering a different standard. Beyond student numbers and student-to-bed ratios, the quality of the existing stock, rental levels, location, public transport access, services and alternative housing options all shape each market, so no two cities should be underwritten the same way.

STUDENTS PER ACCOMMODATION BED, PUBLIC & PRIVATE (2026)



STUDENTS AND ACCOMMODATION STOCK BY CITY (2026)

CITY	STUDENTS	TOTAL BEDS	OF WHICH PBSA	COVERAGE*
Bucharest	187,677	c. 37,000	≥4,700	19.7%
Cluj-Napoca	70,617	c. 15,500	c. 700	21.9%
Iasi	57,004	c. 16,500	limited	28.9%
Timisoara	45,749	c. 10,700	limited	23.5%
Total	361,000+	c. 80,000	c. 6%	c. 22%

*Share of the student population covered by public and private accommodation beds

Source: Cushman & Wakefield Echinox Research



CEE COMPARISON

Across eight Polish university centers (Warsaw, Krakow, Wroclaw, Poznan, Gdansk, Lodz, Lublin, Katowice) there were c. 83,000 public and PBSA beds, similar to the c. 80,000 beds in the four analyzed Romanian cities. Those 8 cities, however, have almost 900,000 students in total which translates into 10.8 students per bed versus 4.5 in the Romanian ones.

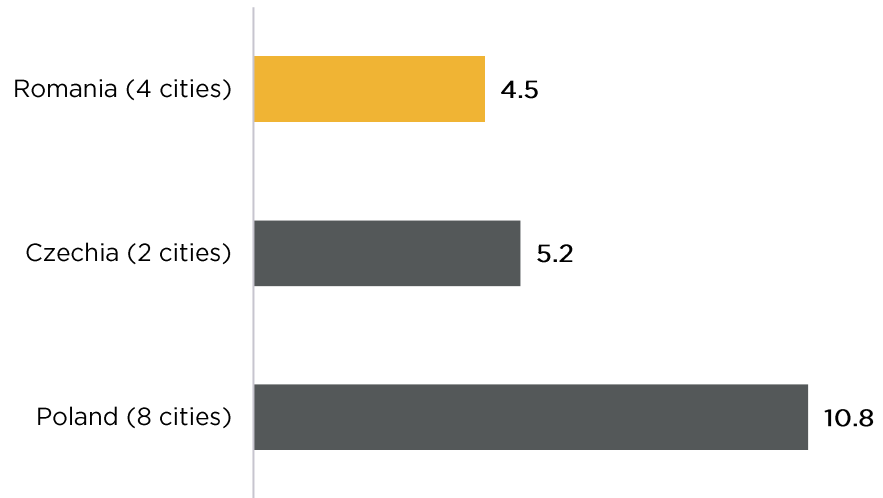
Private student accommodation accounts for 23% of the stock in Poland, compared with below 10% in Romania.

Czechia is closer to Romania when it comes to these indicators: Prague has more than 132,000 students and c. 28,400 beds, including c. 3,800 private ones, while Brno has 68,200 students and at least 13,600 mainly public beds. Prague’s ratio of roughly 4.6 students per bed is broadly comparable to Bucharest’s, while Brno’s public-heavy stock mirrors the pattern seen in Iasi and Timisoara.

Public accommodation in Bucharest costs c. €50 – 80/person/month for Romanian students, while private beds range from more than €100 to c. €300. In Poland, rents range from €80 to €300 in public and €300 to €600 in private accommodation, while Czechia sits in between, at €190 – 250 in public dormitories and €350 – 570 in private accommodation.

Cost differences also reflect room layouts, quality, amenities and service levels, while PBSA competes with conventional rentals and shared apartments in each market.

STUDENTS PER ACCOMMODATION BED, PUBLIC & PRIVATE (2026)

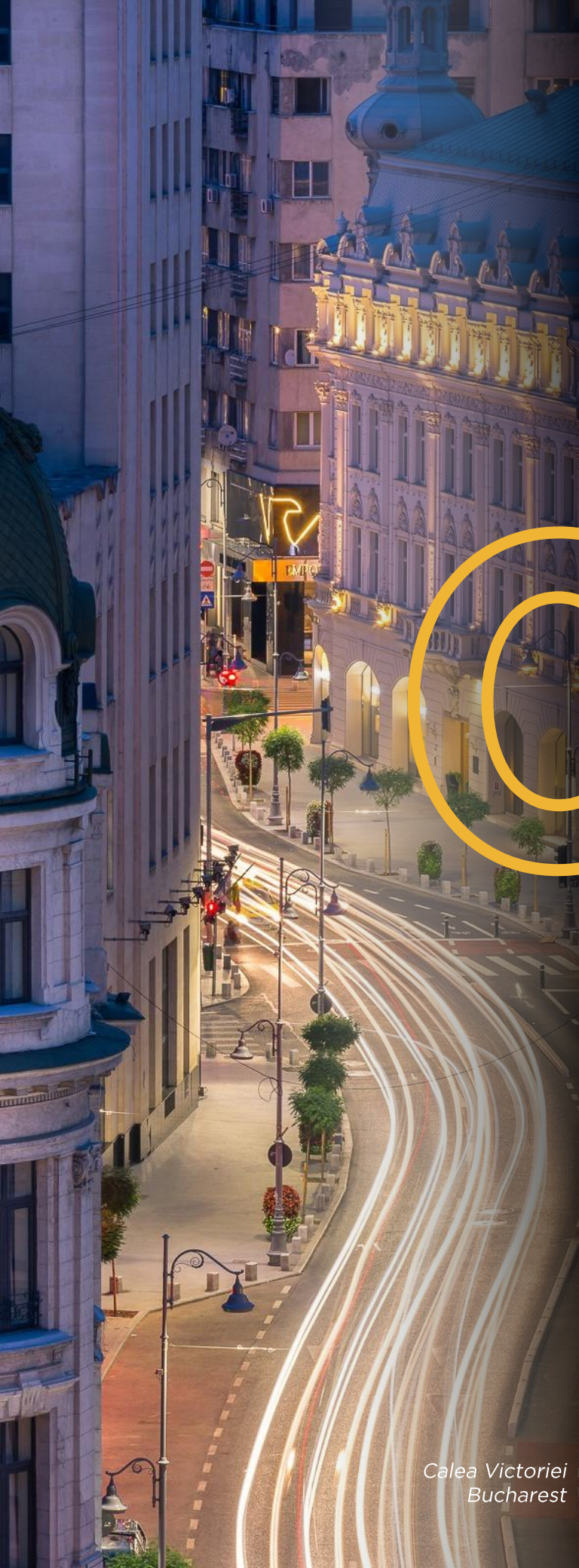


PRIVATE SHARE OF STOCK AND MONTHLY RENTS (€/PERSON)*

INDICATOR	ROMANIA	POLAND	CZECHIA
Private share of beds	6%	23%	13%
Public beds, monthly rent	€50 - 80	€80 - 300	€190 - 250
Private beds, monthly rent	€100 - 300	€300 - 600	€350 - 570
Students per bed	4.5	10.8	5.2

**Romania: Bucharest, Cluj-Napoca, Iasi and Timisoara; rents refer mainly to Bucharest. Poland: eight university centers (Warsaw, Krakow, Wroclaw, Lodz, Gdansk, Poznan, Katowice, Lublin). Prague and Brno ratios and Prague private share calculated from reported student and bed numbers;*

Source: Cushman & Wakefield Poland & Czechia; Cushman & Wakefield Echinox Research



9

INFRASTRUCTURE

*Calea Victoriei
Bucharest*



INFRASTRUCTURE

HIGHWAY DEVELOPMENT IN ROMANIA (2011 – 2026)

Highway system (km)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	350	550	644	683	747	747	763	823	866	920	931	949	1,074	1,137	1,329	1,476

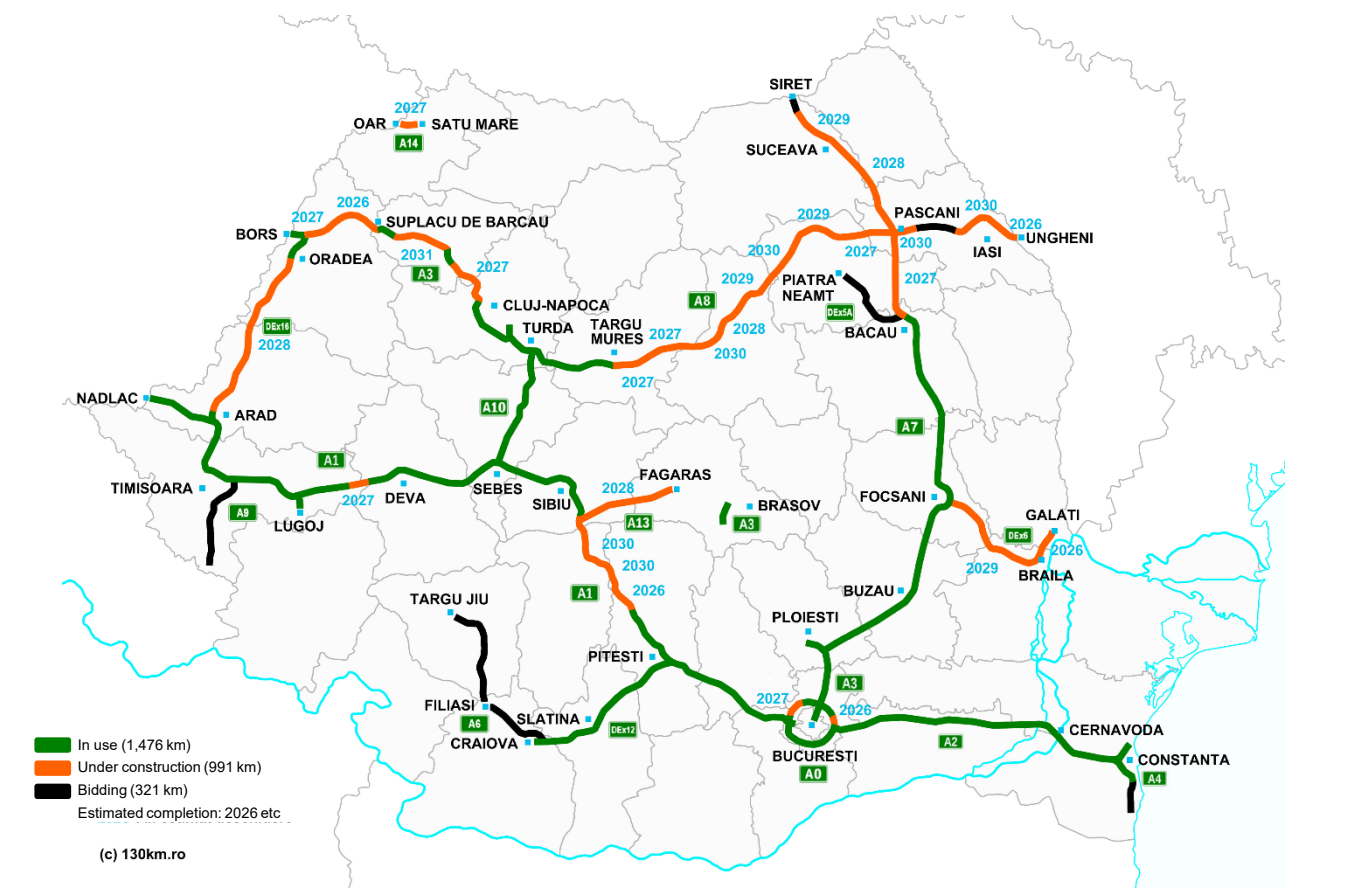
ROAD INFRASTRUCTURE

At the end of 2025, the public roads in Romania totaled 87,220 km: 18,193 km (20.9%) national roads, 35,131 km (40.3%) county roads and 33,896 km (38.8%) local roads.

1,476 km of highways are in operation (7% of the national road network), with another 991 km under construction and expected to be completed by 2030, while a further 321 km are in different tendering processes.

The network has grown significantly since EU accession in 2007 (from only 228 km in 2006), driven in recent years by EU cohesion funds and the National Recovery and Resilience Plan (PNRR), which financed the A7 Moldova motorway linking Ploiesti to the Ukrainian border when completed, together with upgrades to the national roads feeding into the core highway corridors.

The core network is built around the A1 (Bucharest-western border, Pan-European Corridor IV), the A3 (Bucharest-Cluj-Napoca-Hungarian border) and the A7 (Ploiesti-Moldova), together forming part of the planned Via Carpathia route linking the Baltic states to southeastern Europe through Romania.



Source: Eurostat, National Institute of Statistics, National Commission for Prognosis, © 130 km.ro



INFRASTRUCTURE

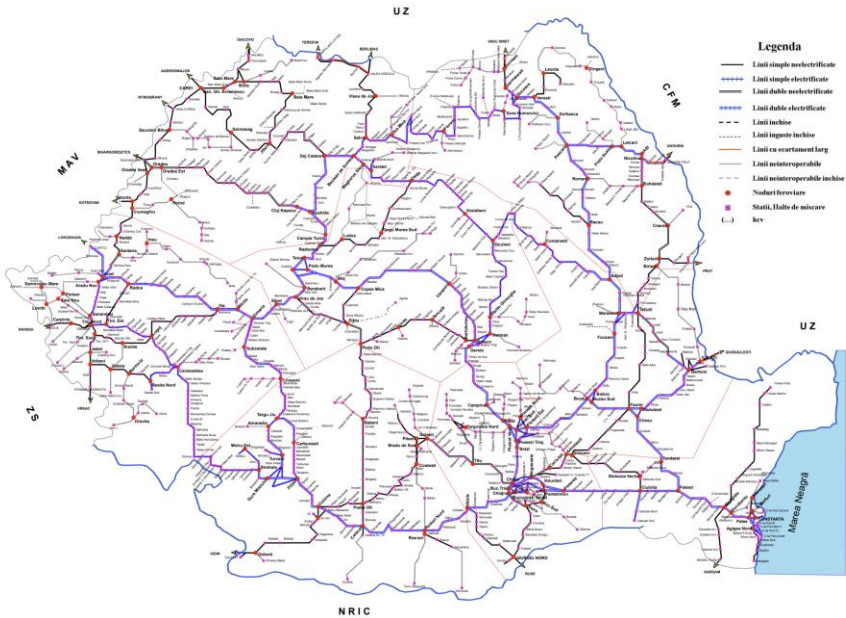
RAILWAY SYSTEM DEVELOPMENT BY REGION

REGION	TOTAL RAILWAY SYSTEM (KM)	ELECTRIFIED RAILWAYS (KM)	ELECTRIFIED RAILWAYS %
North - West	1,632	316	19.4
Center	1,438	649	45.1
North - East	1,458	604	41.4
South - East	1,274	545	42.7
South - Muntenia	1,510	489	32.3
Bucharest - Ilfov	372	227	61.0
West	1,924	669	34.7
South - West Oltenia	1,007	531	52.7

RAILWAY INFRASTRUCTURE

At the end of 2025, Romania's railway network measured 10,615 km, of which 4,030 km (38%) were electrified, with electrification rates ranging from 61.0% in Bucharest - Ilfov to 19.4% in the North - West region. Nine major railway routes cross the country, and Romania has rail links with all its neighbors: Hungary, Bulgaria, Serbia, Ukraine and Moldova.

MAP OF THE ROMANIAN RAILWAY NETWORK

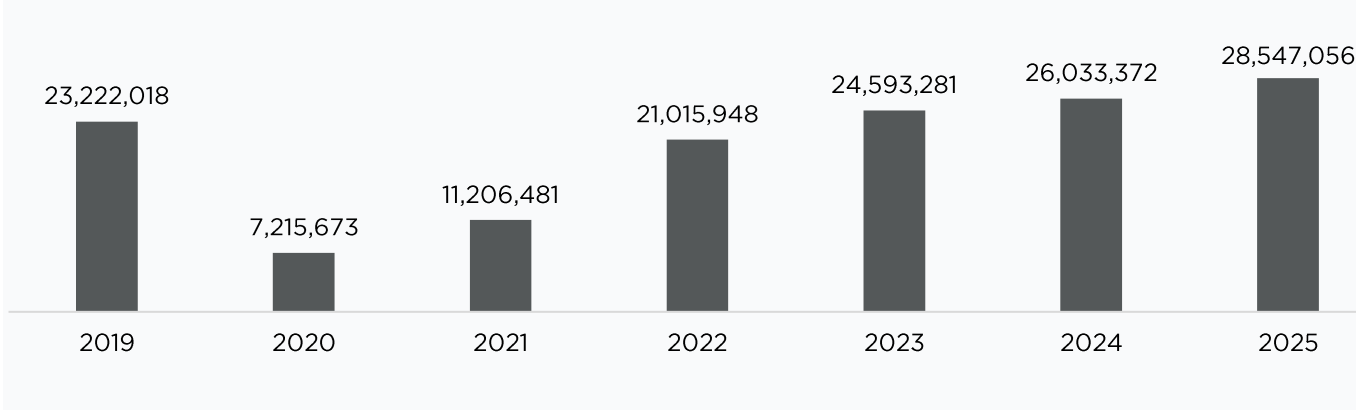


Source: Eurostat, National Institute of Statistics, National Commission for Prognosis



INFRASTRUCTURE

AIRPORT PASSENGER TRAFFIC 2019 - 2025 IN ROMANIA



AIRPORT INFRASTRUCTURE

Romania has a well-developed airport infrastructure when compared with other countries in Eastern Europe, which however still lags behind the Western European standards. There are 17 commercial airports in service today, all of them opened for international traffic. The number of passengers increased by 214% from 2009 to 2025, when 28.5 million passengers transited the Romanian airports, 23% more than in 2019 and an all-time record.

MAP OF ROMANIAN AIRPORTS



Source: The Romanian Airport Association

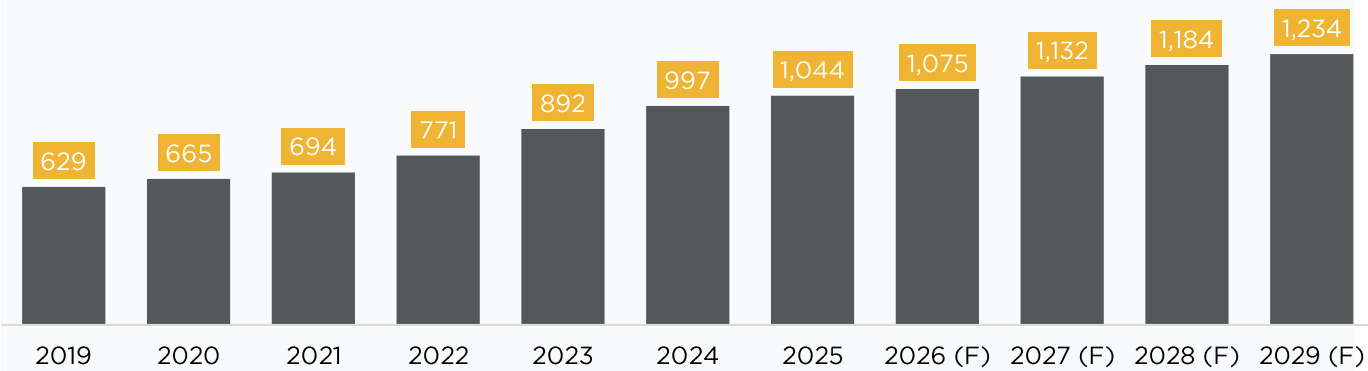


LABOUR MARKET

LABOUR MARKET



YEARLY EVOLUTION AND FORECAST OF THE NET MONTHLY AVERAGE WAGE (2019 - 2029 F) (€)



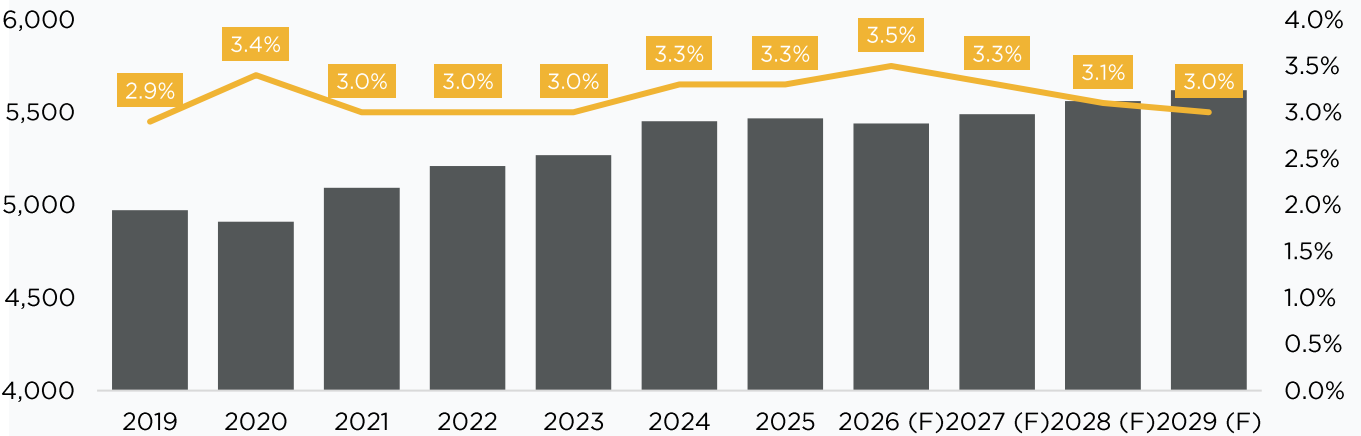
WAGES AND EMPLOYMENT IN ROMANIA WILL KEEP GROWING IN THE COMING YEARS

The monthly net average wage reached €1,044 in 2025, up 4.7% compared with 2024 and 66% above the 2019 level (€629). The upward trend is expected to continue, with the net average wage forecasted to grow by a further 18% until 2029, to €1,234, although at a more moderate annual pace of around 3 - 5%.

The total number of employees in Romania has been on an upward trend, increasing by 10% between 2019 and 2025, from approximately 4.97 million to 5.47 million. After a slight adjustment expected in 2026 (5.44 million), the market is forecasted to resume growth and exceed 5.6 million employees in 2029, adding around 150,000 new employees compared with 2025, according to the National Commission for Strategy and Prognosis.

The unemployment rate remained low, at 3.3% in both 2024 and 2025, and is expected to peak at 3.5% in 2026, before gradually decreasing to 3.0% by 2029, in line with the expected recovery in employment.

YEARLY EVOLUTION AND FORECAST OF THE NUMBER OF EMPLOYEES (000'S) AND UNEMPLOYMENT RATE (%) IN ROMANIA (2019 - 2029F)



Source: National Commission for Prognosis, National Institute of Statistics



1

GRANTS & INCENTIVES

*Central University Library
Bucharest*



GRANTS & INCENTIVES

THREE ACTIVE STATE AID SCHEMES, COMBINED BUDGET OF OVER €1.9 BILLION (2024 - 2032)

Investment of minimum €10 million (GD 300/2024)

- Construction of new buildings
- Renting costs for existing buildings
- CAPEX aimed at technical installations and tools
- Acquisition of intellectual property

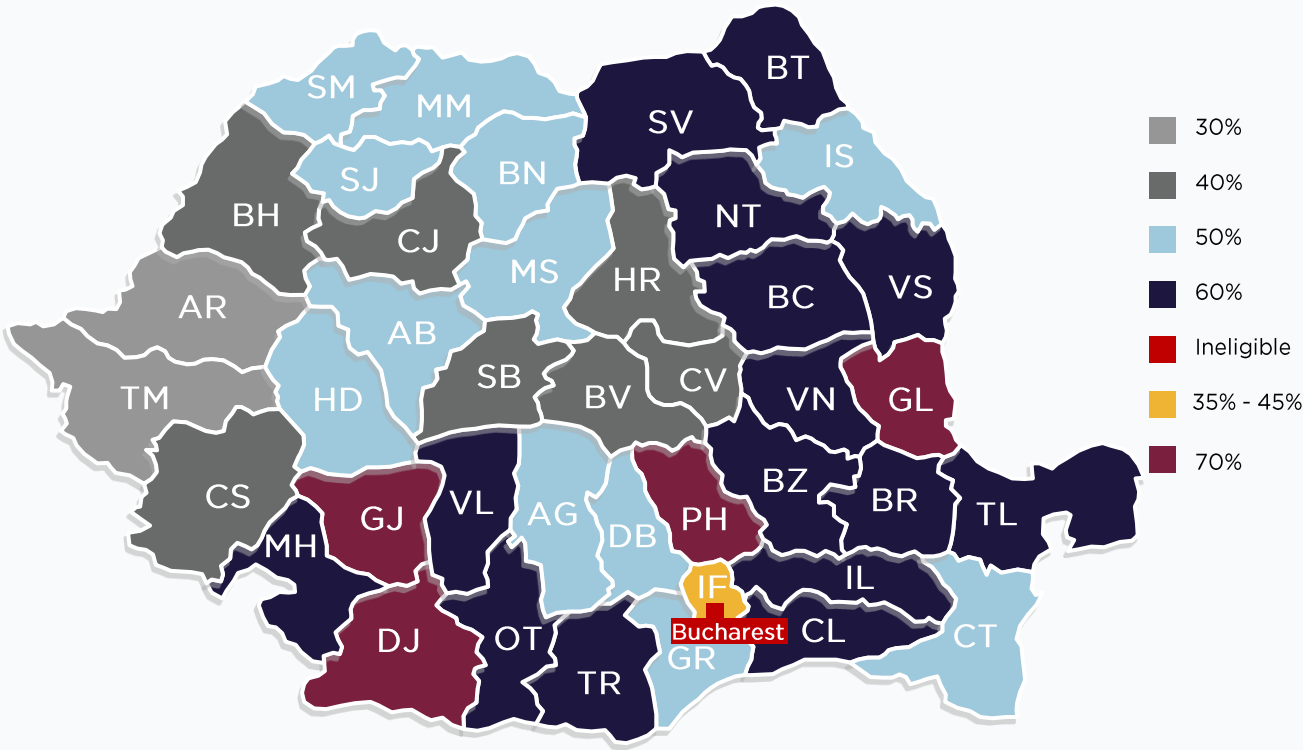
Investment of minimum €5 million, with salary costs as eligible expenditure (GD 702/2024)

- Salary costs for a consecutive 2-year period resulting as a direct consequence of the investment
- Salary costs are comprised of the gross average annual salary plus benefits
- 2024-2026 budget: €447 million; annual budget ~€149 million

Supporting investments in manufacturing products with trade deficit, minimum €10 million (GD 486/2026)

- Starting a new unit
- Expanding the capacity of an existing unit
- Diversifying the production of a unit through products that were not previously manufactured in the unit
- Fundamental change of the general production process of an existing unit
- Creating new jobs

THE MAXIMUM STATE AID INTENSITY DIFFERS FROM ONE DEVELOPMENT REGION TO ANOTHER



Source: Ministry of Finance



12

TAX REGIME

*Palace of Justice
Bucharest*



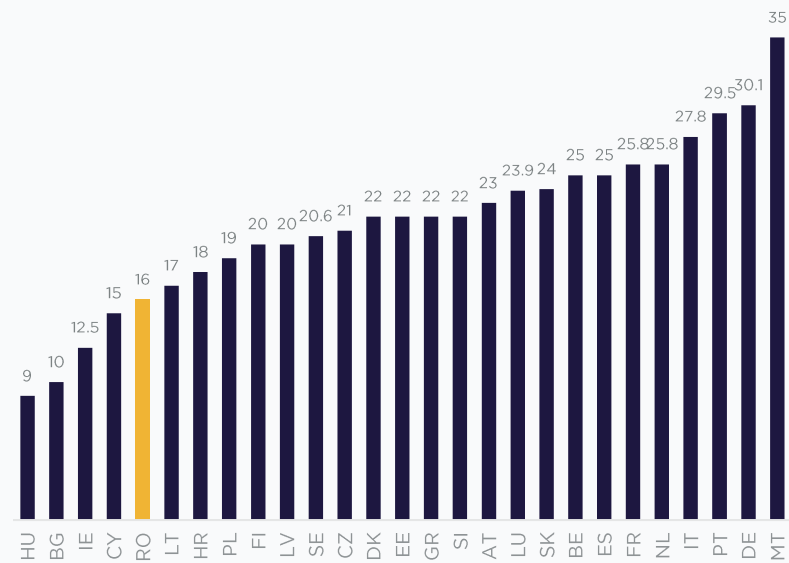
TAX REGIME

ROMANIA HAS ONE OF THE LOWEST TAXATION LEVELS IN THE EUROPEAN UNION

CORPORATE INCOME TAX

The standard corporate income tax rate of 16% has remained constant over the last 17 years, being one of the lowest in Europe, well below the EU 27 average of 20.7%. However, as of January 1, 2026, the withholding tax rate on dividends was increased from 10% to 16%, regardless of whether beneficiaries are residents or nonresidents (subject to any applicable DTT reductions). Nonresidents may still qualify for reduced WHT rates under relevant double tax treaties; these measures being applied by the government to tackle the high budget deficit.

CORPORATE TAX RATES IN EUROPE (%)

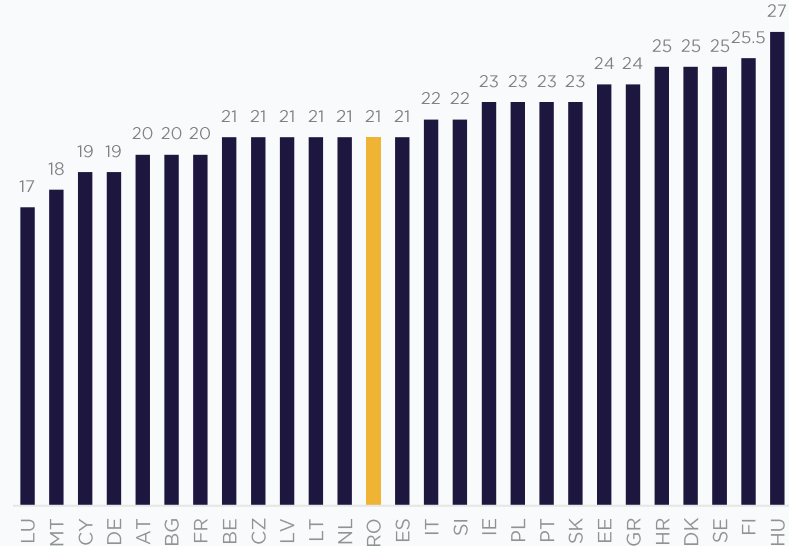


Source: Country official data

VAT

As of August 1, 2025, the standard VAT rate in Romania increased from 19% to 21%, marking the first change in eight years. The previous reduced VAT rates of 5% and 9% were replaced by a single reduced rate of 11%, applicable to most goods and services that had previously benefited from those lower rates. The new 11% reduced VAT rate applies to food and non-alcoholic beverages (with exceptions for products with high sugar content), water supply and sewerage services, irrigation water, fertilizers, pesticides, and seeds used in agriculture, medicines for human and veterinary use, medical equipment for persons with disabilities, as well as books, newspapers, magazines, and admission to cultural sites and events such as museums, theatres, and exhibitions. A temporary 9% VAT rate applied to certain residential housing transactions under specific conditions until September 30, 2026, after Law no. 161/2026 extended the initial July 31, 2026 deadline.

STANDARD VAT IN EUROPE (%)



Source: Country official data



TAX REGIME

TURNOVER TAX RATES FOR MICRO – ENTERPRISES

The turnover tax rate used for micro - enterprises is:

- 1% of revenues for those with receipts of less than €100,000/ year

PERSONAL INCOME AND DIVIDEND TAX

The standard personal income tax rate is 10% (with few variations and exceptions). It has been reduced twice during the last 20 years, from 40% to 16% in 2005 and then to 10% in 2018.

Dividend tax increased from 10% to 16%, effective 1 January 2026.

EU MEMBER STATES TAX RATES FOR 2026

COUNTRY	CORPORATE TAX RATES (%)	STANDARD VAT RATE (%)	SOCIAL SECURITY (EMPLOYER) TAX RATES (%)	TOP MARGINAL PERSONAL INCOME TAX RATE (%)	SOCIAL SECURITY (EMPLOYEE) TAX RATES (%)	TOP DIVIDEND TAX (%)
Austria	23.0	20.0	21.38	55.0	18.12	27.5
Belgium	25.0	21.0	25.0	53.5	13.07	30.0
Bulgaria	10.0	20.0	19.02	10.0	13.78	5.0
Croatia	18.0	25.0	16.5	33.0	20	12.0
Cyprus	15.0	19.0	8.3	35.0	8.3	17.0
Czechia	21.0	21.0	33.8	23.0	11	23.0
Denmark	22.0	25.0	0	60.5	0	42.0
Estonia	22.0	24.0	33.8	22.0	3.6	0.0
Finland	20.0	25.5	20.66	45.0	10.89	28.9
France	25.8	20.0	45.0	55.4	23	34.0
Germany	30.1	19.0	19.98	47.5	20.23	26.38
Greece	22.0	24.0	22.54	44.0	14.12	5.0
Hungary	9.0	27.0	17.0	15.0	18.5	15.0
Ireland	12.5	23.0	11.05	48.0	4	51.0
Italy	27.8	22.0	30.0	47.2	9.5	26.0
Latvia	20.0	21.0	23.59	36.0	10.5	0.0
Lithuania	17.0	21.0	1.77	32.0	19.5	15.0
Luxembourg	23.9	17.0	15.17	45.8	12.5	21.0
Malta	35.0	18.0	10.0	35.0	10.0	0.0
Netherlands	25.8	21.0	23.59	49.5	27.65	36.0
Poland	19.0	23.0	22.14	36.0	13.7	19.0
Portugal	29.5	23.0	23.75	53.0	11	28.0
Romania	16.0	21.0	2.25	10.0	35.0	16.0
Slovakia	24.0	23.0	35.2	35.0	13.4	7.0
Slovenia	22.0	22.0	16.1	50.0	22.1	25.0
Spain	25.0	21.0	29.9	54.0	6.35	30.0
Sweden	20.6	25.0	31.42	52.3	7.0	30.0

Source: Adecco Romania, taxfoundation.org



TAX REGIME

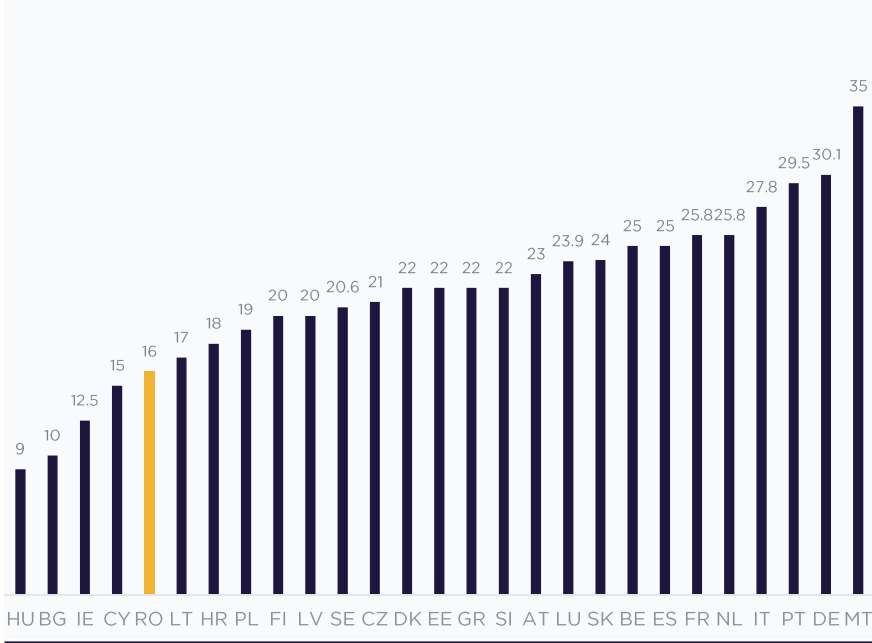
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CORPORATE TAX RATES IN EUROPE (%)



Source: Country official data

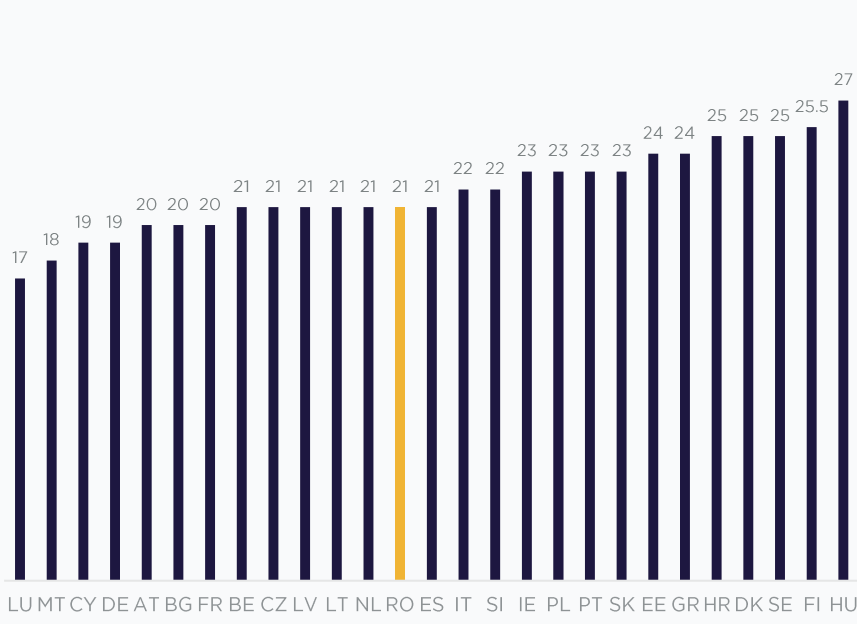
VAT

As of August 1, 2025, the standard VAT rate in Romania increased from 19% to 21%, marking the first change in eight years.

The previous reduced VAT rates of 5% and 9% were replaced by a single reduced rate of 11%, applicable to most goods and services that had previously benefited from those lower rates. The new 11% reduced VAT rate applies to food and non-alcoholic beverages (with exceptions for products with high sugar content), water supply and sewerage services, irrigation water, fertilizers, pesticides, and seeds used in agriculture, medicines for human and veterinary use, medical equipment for persons with disabilities, as well as books, newspapers, magazines, and admission to cultural sites and events such as museums, theatres, and exhibitions.

A temporary 9% VAT rate applied to certain residential housing transactions under specific conditions until September 30, 2026, after Law no. 161/2026 extended the initial July 31, 2026 deadline.

STANDARD VAT IN EUROPE (%)



Source: Country official data

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