MARKETBEAT

ROMANIA

Industrial Q2 2021

	YoY Chg	12-Mo. Forecast
6.4% Bucharest Vacancy Rate	▼	—
€4.10 Prime Rent, PSQM	▲	—
8.00% Prime Yield	▼	▼

ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
14.2% (F) GDP (Q2 2021)	▲	▲
4.9% Unemployment Rate	▼	▲
40.1% (F) Industrial Production	▲	▲
17.1% Retail Sales	▲	▲

Source: Moody's, National Institute of Statistics

Demand remained solid

The demand for Logistics spaces remained solid in Q2 2021, with a total leasing activity of 160,000 sq. m, reflecting a 20% decrease both q-o-q and y-o-y. However, the gross take-up reached 360,300 sq. m during H1 2021, reflecting a 21% y-o-y growth. Renewals represented less than 20% of the transacted volume, the activity being mainly driven by new demand. Amongst the most significant deals signed in Q2 2021 we could mention the renewal (for 9,400 sq. m) and expansion (with 7,800 sq. m) of the Altex space within P3 Park Bucharest A1 or A&D Pharma's 9,000 sq. m lease in CTP's park in Sibiu. Bucharest attracted 73% of the transactions signed in Q2 2021, the capital city being followed by Sibiu (15% market share), Constanta (7%) and Cluj-Napoca (3%). Demand was driven by various sectors, retail and ecommerce (18% market share), along with logistics and courier companies (13% market share) and Pharma (10%) being the most active.

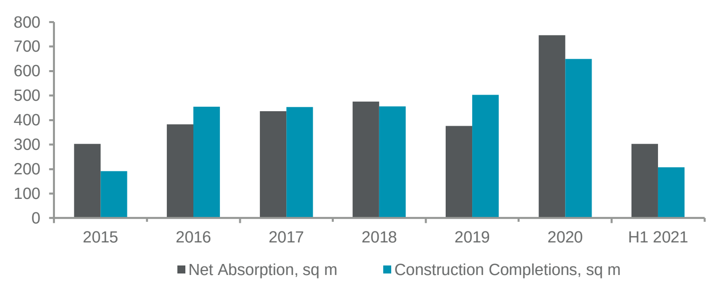
New supply is picking up

After a modest Q1 2021, when only 30,000 sq. m of new spaces were delivered, developers completed 177,400 sq. m of logistics spaces. The most significant deliveries were represented by a new 70,000 sq. m warehouse within CTPark Bucharest West, Profi's 58,000 sq. m new distribution center in Craiova developed by WDP and a 30,400 sq. m building developed by the Belgian group VGP in Timisoara. The vacancy rate slightly decreased in Bucharest, reaching 6.4%, with an overall level of 5.1% across Romania.

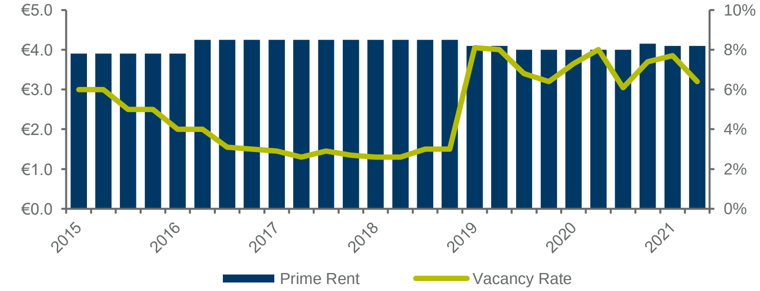
Potential to set a new supply record

Developers' confidence is extreme, many of them having several sites under construction. CTP and WDP continue to lead the way, with VGP, Global Vision (along with Globalworth) and Element Industrial also being very active. The pipeline for the second half of the year is consistent, as developers currently have new projects with a total area of more than 480,000 sq. m under construction. If all projects will be delivered on time, 2021 might set a new record in terms of new supply. Bucharest remains the main hot spot, 67% of the new supply being developed around the capital city. Cluj - Napoca, Timisoara and Brasov will also see major deliveries.

SPACE DEMAND / DELIVERIES



BUCHAREST OVERALL VACANCY & PRIME RENT



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ROMANIA

Industrial Q2 2021

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MARKET STATISTICS

SUBMARKET	STOCK (SQM)	AVAILABILITY (SQ. M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ. M)	YTD TAKE-UP (SQM)	YTD COMPLETIONS (SQ. M)	UNDER CNSTR (SQ. M)	PRIME RENT (€/SQ M/MONTH)
Bucharest	2,441,700	156,000	6.4%	117,000	225,700	89,000	427,300	4.10
Timisoara	533,500	37,000	6.9%	3,400	22,300	30,400	55,400	3.75
Ploiesti	370,000	4,500	1.2%	-	-	11,000	-	3.75
Cluj-Napoca	312,500	3,500	1.1%	4,500	4,500	4,800	34,800	4.00
Brasov	290,400	2,500	0.8%	-	13,700	8,400	7,900	3.75
Pitesti	222,500	0	0%	-	20,700	-	21,900	3.75
Other Cities	601,600	38,300	6.4%	35,800	73,400	63,800	86,200	3.75
ROMANIA	**4,772,200**	**241,800**	**5.1%**	**160,700**	**360,300**	**207,400**	**633,500**	**4.10**

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
P3 Park Bucharest A1	Bucharest	Altex	17,200	Renewal & Expansion
CTPark Sibiu	Sibiu	A&D Pharma	9,000	New lease
Logicor Mogosoaia	Bucharest	Eurovet	6,000	Pre-lease
Constanta Business Park	Constanta	Maracana	4,000	Pre-lease

KEY CONSTRUCTION COMPLETIONS Q2 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest BUW 17	Bucharest	Maersk – IB Cargo	70,000	CTP
WDP Park Craiova	Craiova	Profi	58,000	WDP
VGP Park Timisoara D	Timisoara	Fartud	30,400	VGP

PIPELINE PROJECTS H2 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West 20 – 21	Bucharest	Kingfisher	86,000	CTP
Chitila Logistics Hub II & III	Bucharest	Havi Logistics	52,600	Globalworth/Global Vision
WDP Park Stefanesti II	Bucharest	epantofi.ro	50,000	WDP

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