MARKETBEAT

ROMANIA

Industrial Q4 2021

CUSHMAN & WAKEFIELD | Echinox

	YoY Chg	12-Mo. Forecast
4.2% Bucharest Vacancy Rate	▼	—
€4.10 Prime Rent, PSQM	▲	—
7.25% Prime Yield	▼	▼

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
4.7% GDP	▲	▲
5.1% Unemployment Rate	▲	▲
-4.1% Industrial Production	▼	▲
4.7% Retail Sales Volume Index	▲	▲

Source: Moody's Analytics

Demand exceeded the 1 million threshold in 2021

The demand for industrial and logistics spaces reached a new record level in Q4 2021, with a total leasing activity of 441,000 sq. m, up 46% when compared with Q3 2021 and slightly higher compared with the same period of last year. Overall, the leasing activity in 2021 has exceeded the 1 million sq. m threshold for the first time in the market's history. Net take-up accounted for over 80% (802,000 sq. m) of the transacted volume and continues to be the main driver of the market, with renewals representing only 20% of the total leased area. Amongst the most significant transactions signed in Q4 2021 were the ~50,000 sq. m renewal and expansion deal closed by CTP with Network One Distribution in CTPark Bucharest West, Inteva's 25,000 sq. m renewal in CTPark Salonta, Mobexpert's 24,000 sq. m new lease in CTPark Bucharest North and Elbi's 16,000 sq.m new lease in P3 Bucharest A1. Bucharest attracted 70% of the transactions signed in Q4 2021 and 67% of the annual volume, while Timisoara, Brasov and Oradea (Salonta) have also been dynamic markets both in Q4 and throughout the year.

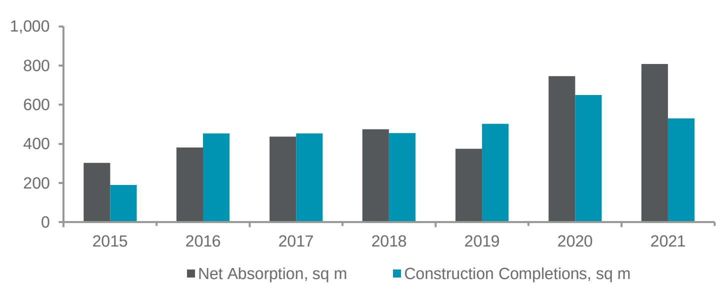
Robust construction activity

The construction activity remained robust in Q4 2021 as developers managed to deliver new buildings with a total area of 175,500 sq. m. The most significant deliveries were represented by Kingfisher's 86,000 sq. m distribution center within CTPark Bucharest West, while Logicor completed a new 38,000 sq. m building in the Logicor Mogosoaia project. The full-year new supply reached 530,000 sq. m, corresponding to an annual decline of 18%. A sustained occupier demand resulted in the vacancy rate decreasing to 4.2% in Bucharest and 3.5% across Romania.

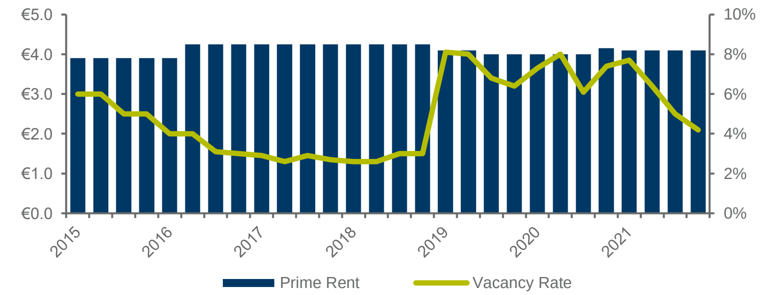
Low vacancy rates encourage developers to expand their portfolios

The strong demand for logistic and industrial properties combined with low vacancy rates, encourages developers to continue their portfolios' expansion. The pipeline reveals almost 600,000 sq. m of new spaces planned for delivery in the next 12 months, with more than 50% of those spaces being located in Bucharest. Timisoara, Brasov and Cluj will also benefit from new industrial and logistics premises in 2022, but there is also a clear interest towards secondary and tertiary cities driven by the recently increased demand for such locations.

SPACE DEMAND / DELIVERIES



BUCHAREST OVERALL VACANCY & PRIME RENT



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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	2,806,800	117,900	4.2%	311,200	674,200	325,000	303,500	4.10
Timisoara	541,500	37,000	6.8%	45,400	82,500	46,700	102,500	3.75
Ploiesti	370,000	4,500	1.2%	1,800	3,100	11,000	-	3.75
Cluj-Napoca	400,800	6,500	1.6%	3,600	10,800	22,000	43,100	4.00
Brasov	302,400	8,100	2.7%	24,000	49,000	16,300	52,900	3.75
Pitesti	239,000	0	0%	-	21,300	-	14,700	3.75
Other Cities	974,000	24,400	2.5%	55,200	162,500	109,000	70,300	3.75
ROMANIA	**5,634,500**	**198,400**	**3.5%**	**441,200**	**1,003,400**	**530,000**	**587,000**	**4.10**

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
CTPark Bucharest West	Bucharest	Network One Distribution	49,800	Renewal + Expansion
CTPark Salonta	Oradea	Inteva	25,000	Renewal
CTPark Bucharest North	Bucharest	Mobexpert	24,000	New lease
CTPark Bucharest	Bucharest	DSV	20,000	Expansion
P3 Bucharest A1	Bucharest	Elbi	16,000	New lease

KEY CONSTRUCTION COMPLETIONS Q4 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West	Bucharest	Kingfisher	86,000	CTP
Logicor Mogosoaia - D	Bucharest	Eurovet	38,000	Logicor
WDP Park Stefanesti II	Bucharest	epantofi.ro	15,600	WDP

PIPELINE PROJECTS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
WDP Park Timisoara	Timisoara	Profi	57,000	WDP
CTPark Bucharest North	Bucharest	Mobexpert	55,300	CTP
Chitila Logistics Hub III	Bucharest	Havi Logistics	37,000	Globalworth-Global Vision

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