

YoY Chg 12-Mo. Forecast

7.15%
Prime Office Yield



€298mn
Total Volume (EUR)



24
Properties sold



€12mn
Avg. price per property



ECONOMIC INDICATORS H1 2021

1.25%
Monetary policy rate

YoY Chg



12-Mo. Forecast



2.9%
q/q GDP growth Q1 2021



€709
Net average salary May 2021



Source: National Institute of Statistics

Romanian economy posted solid numbers in Q1 2021

Q1 2021 produced a surprising q-o-q growth of 2.9%, as a yearly GDP increase in the 5-7% range is now being estimated by both government and analysts. This evolution continues the positive momentum from Q3 and Q4 2020 when q-o-q GDP growths of 5.6% and 4.8% respectively have been recorded, the Romanian economy recovering faster than expected. Retail sales have been solid in early 2021, with a 13.7% y-o-y increase during the first five months of the year, while construction works also registered a robust year-on-year increase of 5.7% in the January-April period. Moreover, the net average salary remained on an upward trend, having an 8.2% growth in the first five months of 2021.

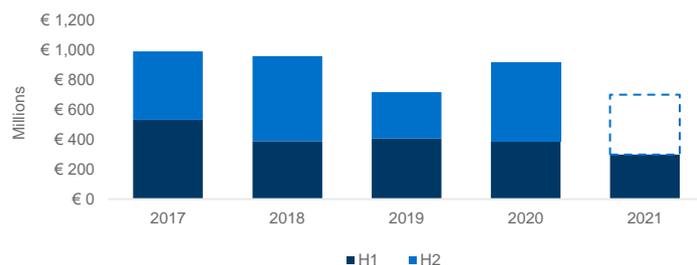
Office is still king

In H1 2021, the total volume invested in real estate assets in Romania reached €298 million, a 23% decrease compared to H1 2020, as a number of important deals are expected to close in the second half of the year. The most active segment was once again the Office sector, with estimated transaction values of app. €193 million, representing 65% of the total investment volume. The Industrial segment attracted 24% of the capital, while the remaining 11% were split between the Retail and Hospitality sectors. The largest transaction pertained to Skanska's disposal of the Campus 6.2 and 6.3 office buildings (38,000 sq. m GLA in total) in Bucharest to S Immo for €97 million. Moreover, the second largest transaction also involved an office asset, namely The Light One building from the same Center-West area of Bucharest, which was sold to Uniqa RE. CTP and Globalworth, on the other hand, expanded their industrial portfolios by acquiring several assets in the western part of the country.

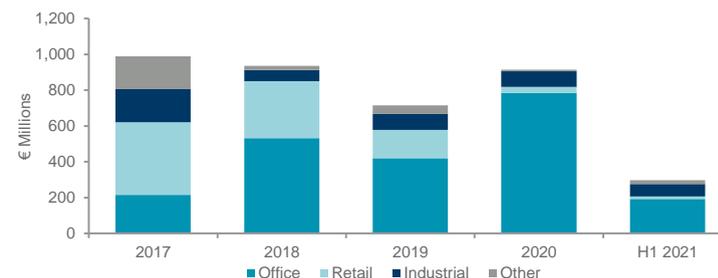
Stable yields across market segments

Market liquidity held impressively throughout the most difficult phases of the pandemic in 2020 and has also stayed quite healthy in H1 2021, as Romania still has some of the most attractive yields in the region. The yields are forecasted to remain stable this year for standard properties, while a compression is expected in regards to premium properties in landmark locations which attract a larger pool of potential buyers. Moreover, prime yields for industrial assets are expected to compress going forward, as the spread between the local market and the more mature markets in the CEE, such as Czech Republic and Poland, increased to 400 basis points and 250 basis points, respectively.

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



MARKETBEAT ROMANIA

Investment H1 2021



INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Office	5	193	38.6
Industrial	8	70	8.6
Retail	7	13.5	1.9
Other	4	21	5.3
TOTAL	24	297.5	12.4

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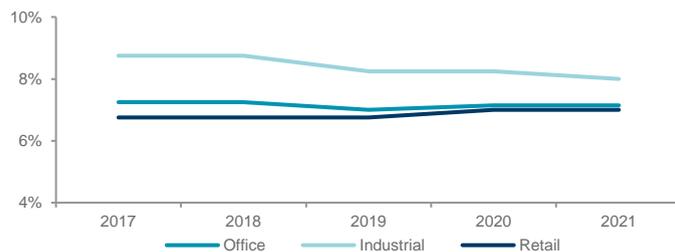
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MAJOR TRANSACTIONS YTD

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
Campus 6.2 & 6.3	Office	S Immo	Skanska	38,000	97	Bucharest
The Light One	Office	Uniqa RE	River Development	22,000	56	Bucharest
Bucharest Financial Plaza	Office	Immofinanz	BCR (Erste Group)	26,000	36	Bucharest
Industrial Portfolio	Industrial	CTP	Catalyst Capital	40,000	23	Timisoara, Arad, Caransebes
Industrial Park West Arad & Oradea	Industrial	Globalworth	Global Vision	27,000	18	Arad, Oradea
Ramada Majestic	Hospitality	Visionapartments	Private investors	111 rooms	14	Bucharest
Solo Parc	Industrial	Oresa Ventures	Tester Group	24,000	14	Iasi

PRIME YIELD TREND



PRIME YIELDS IN CEE AT THE END OF H1 2021 (%)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
BUCHAREST	7.15	7.00	8.00
WARSAW	4.75	5.35	5.50
PRAGUE	4.00	5.25	4.00
BRATISLAVA	5.50	6.00	5.75
BUDAPEST	5.20	6.00	6.50

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