

**+8.9%**

Average wage

YoY Chg



12-Mo. Forecast



**32K**

Employment growth



**3.0%**

Unemployment Rate



Source: National Institute of Statistics

## ROMANIA ECONOMIC INDICATORS Q1 2020

**4.1%**

GDP Growth

YoY Chg



12-Mo. Forecast



**8.0%**

Consumer Spending Growth



**12.5%**

Retail Sales Growth



Source: National Institute of Statistics

## Openings postponed due to the state of emergency

There have been no new deliveries in Q1 as a result of the Covid-19 pandemic, as the scheduled openings of AFI Palace Brasov (45,000 sq. m), Shopping City Targu Mures (40,000 sq. m) and Dambovitza Mall (33,000 sq. m) in Targoviste were postponed for the second half of the year. Moreover, all the Romanian retail projects have reduced their activity in late March (with the exception of grocery stores and pharmacies) as a precautionary measure dictated by the current state of emergency.

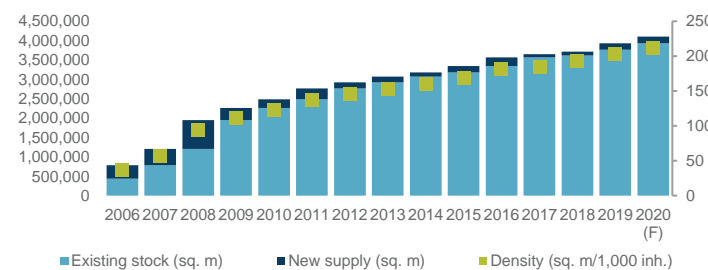
## Strong but uncertain pipeline for 2020

In terms of supply, developers are expected to open new schemes or extensions to existing projects totaling around 175,000 sq. m in 2020. However, it is difficult to assume which of the announced projects will actually be delivered this year, as the uncertain climate caused by the Covid-19 pandemic may push a number of deliveries to 2021. In terms of developers, NEPI Rockcastle, Prime Kapital (in joint-venture with MAS Real Estate) and AFI Europe will extend their local portfolios in 2020, remaining among the most relevant players both in terms of existing portfolio and new supply.

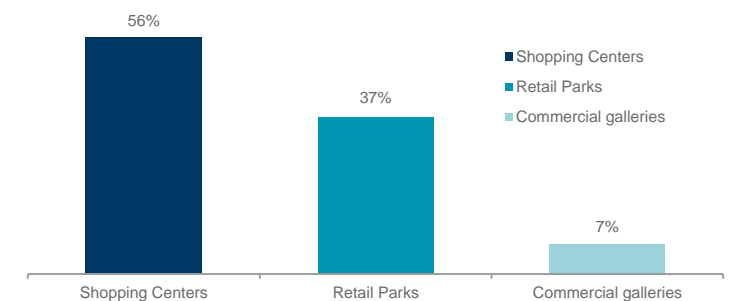
## Increasing pressure on prime rents

The owners of the dominant shopping centers in Romania were experiencing a flourishing period before the emergence of the Covid-19 pandemic, with occupancy rates close to 100%, as most tenants reported double-digit growth rates. At the beginning of Q1 2020, before the lockdown, headline rents achieved for 100 sq. m units in prime dominant shopping centers in Bucharest ranged between € 85 – 90 / sq. m/ month. In secondary cities such as Cluj-Napoca, Timisoara, Iasi or Constanta, headline rents in dominant shopping centers ranged between € 45 – 55 / sq. m/ month, while in tertiary cities the level falls between € 35 – 40/ sq. m/ month. Suspension of activity for most categories of tenants will have a significant impact mainly on small, local tenants, causing several renegotiations of contracts for the period of restrictions.

## MODERN RETAIL STOCK AND DENSITY EVOLUTION



## MODERN RETAIL STOCK BY PRODUCT TYPE



## MARKET STATISTICS

SUBMARKET	MODERN RETAIL STOCK (SQ. M)	MODERN RETAIL PIPELINE UC (SQ. M)	POPULATION*	DENSITY (SQ. M / 1,000 INHABITANTS)	PRIME RENT (€/MONTH)	PRIME YIELD (%)
Bucharest	1,227,453	36,500	1,883,425	652	€85	6.75%
Cluj-Napoca	149,674	-	324,576	461	€50	7.50%
Timisoara	253,861	-	319,279	795	€45	7.50%
Iasi	160,034	58,900	290,422	551	€45	7.50%
Constanta	211,000	-	283,872	743	€40	7.75%
Brasov	131,060	45,000	253,200	518	€40	7.75%
OTHER CITIES	1,762,406	109,400			€35	8.00%
<b>TOTAL</b>	<b>3,895,488</b>	<b>249,800</b>	<b>20,121,641</b>	<b>194</b>	<b>€85</b>	<b>6.75%</b>

Source: 2011 Census

## NEW-COMERS YTD 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	SECTOR
Baneasa Shopping City	Bucharest	Armani Beauty	-50	Beauty Products
Baneasa Shopping City	Bucharest	Breitling	-50	Jewellery

## PIPELINE 2020

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
AFI Palace Brasov	Brasov	Carrefour, Zara, Mango, Intersport, Deichmann	45,000	AFI Europe
Shopping City Targu Mures	Targu Mures	Carrefour, Cineplex, LPP, New Yorker, LC Waikiki	40,000	NEPI Rockcastle
Dambovitia Mall	Targoviste	Carrefour, Cinema City, Altex, Pepco, CCC	33,000	Prime Kapital / MAS Real Estate

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