

	YoY Chg	12-Mo. Forecast
7.15% Prime Office Yield	▲	▬
€914mn Total Volume (EUR)	▲	▲
24 Properties sold	▼	▼
€38mn Avg. price per property	▲	▲

ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
1.50% Monetary policy rate	▼	▼
5.8% q/q GDP growth Q3 2020	▼	▲
€700 Net average salary November 2020	▲	▲

Source: National Institute of Statistics

Romanian economy, more resilient than initial forecasts

A -12.2 q/q economic decline was recorded in Q2 2020 followed by the first steps towards recovery in Q3, when a 5.8% q/q growth was noted. Ultimately, a GDP downturn of around -4.5% is expected for the whole year, as the industrial output has seen a drop of more than 10% and HoReCa was seriously affected by the lockdown and other restrictions all throughout 2020. Retail sales recorded a surprising 2.1% y-o-y increase during the first eleven months of the year, while construction works registered an impressive year-on-year increase of 17% in the January-November period. Moreover, the net average salary remained on a positive trend, having a 6.6% growth in the first 11 months of 2020.

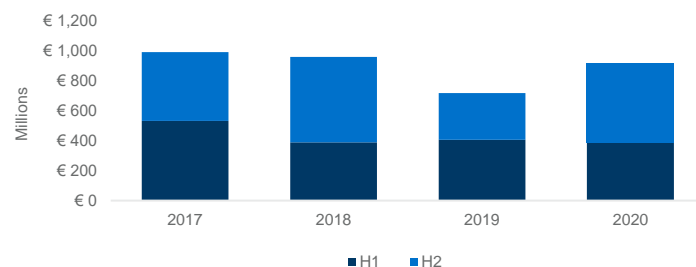
Office sector enhances the investment market

In 2020, the total volume invested in real estate assets in Romania reached €914 million, a 28% increase compared 2019, a growth mainly fueled by the H2 activity. The most active segment was the Office sector, with estimated transaction values of app. €784 million, representing 86% of the total investment value. The Industrial segment attracted 9% of the capital, while the remaining 5% were split between the Retail and Hospitality sectors. The largest transaction was the one involving the disposal of NEPI Rockcastle's office portfolio to AFI Europe. The transaction consisted of four office buildings in Bucharest and Timisoara totaling 118,000 sq. m GLA, which were sold for €307 million, the largest office deal ever signed in Romania. Moreover, two other transactions exceeded the €100 million threshold, namely a 62% stake of GTC which changed hands between Lone Star and Optimum Ventures from Hungary, with the latter gaining control over four office assets in Bucharest with a total GLA of 67,000 sq. m and the disposal of Floreasca Park, a landmark 38,000 sq. m GLA office project which was purchased by a joint venture between Zeus Capital Management and Resolution Property (Fosun), marking the entry of Chinese investors on the Romanian office market.

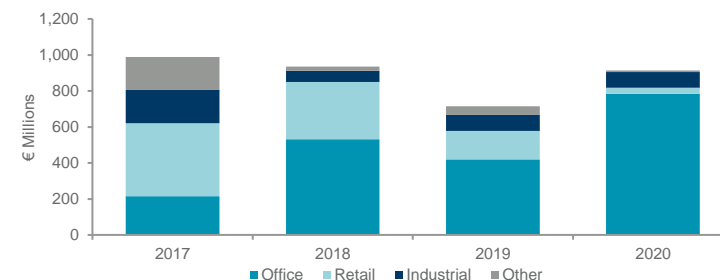
Yields remain fairly stable

Market liquidity held throughout the period of the pandemic in 2020 and looks likely to stay healthy in 2021, as Romania still has some of the most attractive yields in the region. There has not been a significant yield adjustment for prime assets and it is mostly expected that only non-prime assets will see yield increases. The industrial & logistics sector will be the most sought-after, although a lack of available product will mean that office transactions will likely remain dominant in 2021 too.

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



MARKETBEAT ROMANIA

Investment H2 2020



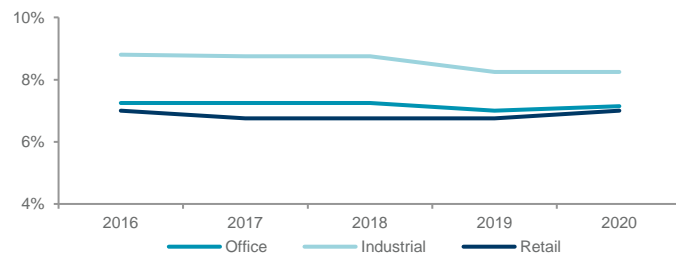
INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Office	14	783.5	56
Industrial	6	86.5	14.5
Retail	3	34.5	11.5
Other	1	9.5	9.5
TOTAL	24	914	38

MAJOR TRANSACTIONS YTD

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
NEPI Rockcastle local office portfolio	Office	AFI Europe	NEPI Rockcastle	118,000	307	Bucharest, Timisoara
62% of GTC local portfolio	Office	Optimum Ventures	Lone Star	41,000	126	Bucharest
Floreasca Park	Office	Zeus Capital Management – Resolution Property (Fosun)	GLL Real Estate	38,000	Confidential	Bucharest
Global City	Office	Arion Green	Global Finance	51,000	55	Bucharest
The Bridge III	Office	Dedeman	Forte Partners	21,200	53	Bucharest
50% of Renault Bucharest Connected	Office	Globalworth	Elgan Group	21,000	38	Bucharest
Equest Logistic Center	Industrial	CTP	East Balkan Properties	56,000	30	Bucharest
A1 Business Park	Industrial	CTP	Cromwell Property Group	95,000	25	Bucharest

PRIME YIELD TREND



PRIME YIELD IN CEE AT THE END OF Q4 2020 (%)

CITY	OFFICE	RETAIL	INDUSTRIAL
BUCHAREST	7.15	7.00	8.25
WARSAW	4.75	5.25	5.50
PRAGUE	3.90	5.25	4.50
BRATISLAVA	5.75	6.25	6.00
BUDAPEST	5.10	6.00	6.75

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