

**7.7%**

Bucharest Vacancy Rate

YoY Chg



12-Mo. Forecast



**€4.10**

Prime Rent, PSQM



**8.00%**

Prime Yield



### ECONOMIC INDICATORS Q1 2021

**-5.4% (F)**

GDP (Q1 2021)



**5.2%**

Unemployment Rate



**9.1% (F)**

Industrial Production



**-2.2%**

Retail Sales



### Demand remains consistent

The demand for Logistics space remained consistent in Q1 2021, with a total leasing activity of almost 200,000 sq. m, more than double when compared to Q1 2020, as the positive trend observed during the Covid-19 pandemic went forward to 2021 as well. Renewals represent only 16% out of the quarterly volume transacted, the activity being mainly driven by new demand. The most significant deals signed in Q1 2021 are pre-leases, which have a market share of more than 40%. Corteva Agriscience signed the largest transaction in Q1 2021 by securing a 23,000 sq. m space in a built-to-suit project in Bucharest, while a major retailer also pre-leased a 22,000 sq. m space in Transylvania region to accommodate a new distribution center. Bucharest attracted 59% of the transactions signed in Q1 2021, the Capital city being followed by Timisoara (10% market share), Pitesti (10%) and Brasov (7%). Demand was driven by various sectors, logistics and courier companies (22% market share), along with retail and ecommerce (18%), and Automotive (14%) being the most active.

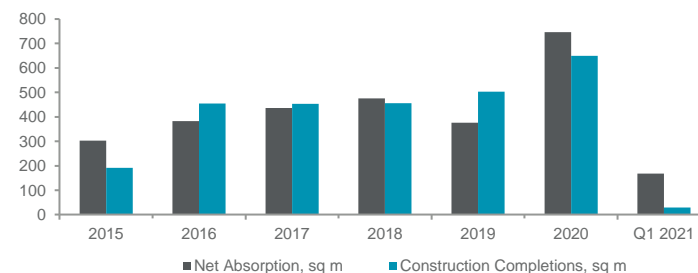
### The new supply was modest

During Q1 2021, the new supply of modern Logistics and Industrial spaces was modest, since the most significant delivery was represented by a 10,000 sq. m expansion of WDP Park Stefanesti I near Bucharest, fully leased by Decathlon who expanded its distribution center in this location to 40,000 sq. m. The vacancy rate slightly increased in Bucharest, reaching 7.7%, with an overall level of 5% across Romania.

### Consistent pipeline

The pipeline for the rest of the year is consistent, as developers currently have new projects with a total area of more than 450,000 sq. m under construction in various cities. Bucharest remains the main hot spot, 55% of the new supply being developed around the capital city. Cluj - Napoca, Timisoara and Brasov, amongst the most important logistics hubs, and Craiova, where a new 58,000 sq. m distribution center for Profi is being developed, will also see major deliveries. Moreover, smaller cities, such as Turda, Dej (both of them in Cluj county) and Roman, in the Moldova region, will benefit from new logistics spaces due to their strategic position.

### SPACE DEMAND / DELIVERIES



### BUCHAREST OVERALL VACANCY & PRIME RENT



Source: Moody's, National Institute of Statistics



## 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      | 2,371,700        | 182,200              | 7.7%         | 108,700                     | 108,700           | 19,000                  | 249,200             | 4.10                      |
| Timisoara      | 521,400          | 4,200                | 1%           | 19,000                      | 19,000            | -                       | 47,300              | 3.75                      |
| Ploiesti       | 370,000          | 4,500                | 1.2%         | -                           | -                 | 11,000                  | -                   | 3.75                      |
| Cluj - Napoca  | 312,500          | 3,500                | 1.1%         | -                           | -                 | -                       | 49,200              | 4.00                      |
| Brasov         | 282,000          | 2,500                | 0.8%         | 13,700                      | 13,700            | -                       | 17,300              | 3.75                      |
| Pitesti        | 222,500          | 0                    | 0%           | 20,700                      | 20,700            | -                       | 15,200              | 3.75                      |
| Other Cities   | 514,700          | 35,500               | 6.9%         | 37,500                      | 37,500            | -                       | 77,900              | 3.75                      |
| <b>ROMANIA</b> | <b>4,594,800</b> | <b>232,400</b>       | <b>5%</b>    | <b>199,600</b>              | <b>199,600</b>    | <b>30,000</b>           | <b>456,100</b>      | <b>4.15</b>               |

## KEY LEASE TRANSACTIONS Q1 2021

| PROPERTY               | SUBMARKET | TENANT              | SIZE (SQ. M) | TYPE      |
|------------------------|-----------|---------------------|--------------|-----------|
| Lazar Logistics        | Bucharest | Corteva Agriscience | 23,100       | Pre-lease |
| WDP Park Stefanesti I  | Bucharest | eMag                | 11,000       | New lease |
| CTPark Bucharest North | Bucharest | PPG                 | 7,500        | New lease |
| P3 Bucharest A1        | Bucharest | Agricover           | 6,000        | Renewal   |
| VGP Park Brasov        | Brasov    | ITC Logistic        | 5,800        | Pre-lease |

## KEY CONSTRUCTION COMPLETIONS Q1 2021

| PROPERTY              | SUBMARKET | MAJOR TENANT | SIZE (SQ. M) | OWNER/DEVELOPER |
|-----------------------|-----------|--------------|--------------|-----------------|
| WDP Park Stefanesti I | Bucharest | Decathlon    | 10,000       | WDP             |

## PIPELINE PROJECTS 2021

| PROPERTY                      | SUBMARKET | MAJOR TENANT      | SIZE (SQ. M) | OWNER/DEVELOPER |
|-------------------------------|-----------|-------------------|--------------|-----------------|
| CTPark Bucharest West 20 – 21 | Bucharest | Maersk – IB Cargo | 101,800      | CTP             |
| WDP Park Craiova              | Craiova   | Profi             | 58,000       | WDP             |
| WDP Park Stefanesti II        | Bucharest | epantofi.ro       | 50,000       | WDP             |
| CTPark Bucharest North II&III | Bucharest | -                 | 40,000       | CTP             |
| VGP Park Timisoara D          | Timisoara | Fartud            | 30,400       | VGP             |

**CRISTI MOGA** *Head of Research*  
+40 21 310 3100 / cristi.moga@cwechinox.com

**VLAD SAFTOIU** *Research Analyst*  
+40 21 310 3100 / vlad.saftoiu@cwechinox.com

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