

	YoY Chg	12-Mo. Forecast
€5,600 Disposable Income Per Capita	▲	▲
€75.00 Prime Rent, sq. m/month	▼	▬
7.00% Prime Yield	▲	▬

ROMANIA ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
5.0% GDP (2021)*	▲	▲
5.5% Unemployment Rate	▲	▼
3.09% CPI*	▼	▼
5.6% Retail Sales Volume Index*	▲	▼

*Annual Growth Forecasts
Sources: Moody's Analytics (April 2021), National Institute of Statistics, National Commission for Strategy and Prognosis

New projects in pristine areas

The only project completed in Q1 2021 was Sepsi Value Centre, a 16,300 sq. m scheme delivered by Prime Kapital in Sfantu Gheorghe, one of the last county seats which did not previously benefit from a modern retail project. Cinemas and indoor F&B units have mostly remained closed in Q1 due to a surge of Covid-19 cases that kept a series of government restrictions in place. However, it is expected that a large part of these restrictions will be gradually lifted in May and June, as a result of the vaccination program combined with a decrease of new cases in late April / early May.

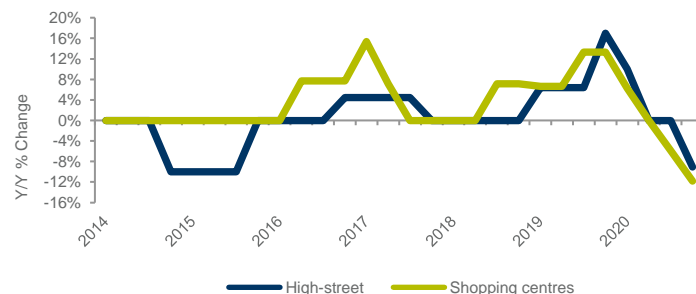
Moderate pipeline on short and medium term

Presently, new schemes or extensions to existing projects totaling around 85,000 sq. m are under construction and expected to be delivered by the end of 2021, while a number of important projects have either been put on hold or are currently under different planning stages. The most significant projects currently under construction are represented by the extension of Colosseum Mall in Bucharest and Barlad Value Centre in the Moldova region. In terms of developers, Prime Kapital (in joint-venture with MAS Real Estate), Scallier and Mitiska have the most consistent pipeline, aiming to extend their presence in Romania.

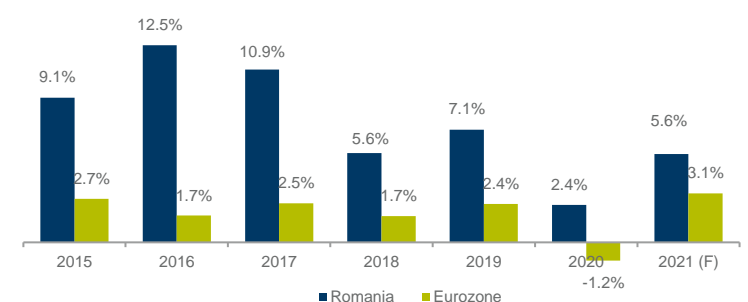
Prime rents are still facing pressure

The 90-day suspension of activity during the state of emergency from March to June 2020 had a strong impact on a number of tenants which resulted in renegotiations which slightly decreased the headline rents in several locations. However, rental level in retail parks remained flat, as this type of assets continued to have positive results also during the pandemic. The headline rent achieved for 100 sq. m units in dominant shopping centers in Bucharest was of around € 75 / sq. m/ month at the end of Q1 2021 compared with a value of € 85 / sq. m/ month in the first quarter of 2020. In secondary cities, such as Cluj-Napoca, Timisoara, Iasi or Constanta, headline rents in dominant shopping centers ranged between € 40 – 50 / sq. m/ month, while in tertiary cities the level falls between € 27 – 32/ sq. m/ month.

BUCHAREST PRIME RENT



ROMANIA VS. EURO ZONE RETAIL SALES VOLUME Y/Y GROWTH





MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ. M)	SHOPPING CENTRE PIPELINE UC (SQ. M)	POPULATION*	DENSITY (SQ. M / 1,000 INHABITANTS)	PRIME RENT (€/MONTH)	PRIME YIELD (%)
Bucharest	703,400	16,500	1,883,425	373	€75	7.00%
Cluj-Napoca	125,500	-	324,576	387	€50	7.75%
Timisoara	173,000	-	319,279	542	€45	7.75%
Iasi	82,000	-	290,422	282	€45	7.75%
Constanta	122,000	-	283,872	430	€40	7.75%
Brasov	136,700	-	253,200	540	€35	7.75%
OTHER CITIES	966,200	-			€32	8.00%
TOTAL	2,308,800	16,500	20,121,641	115	€75	7.00%

Source: 2011 Census

NEW-COMERS Q1 2021

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	SECTOR
Iulius Town	Timisoara	My-K	N/A	Cosmetics

KEY CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Sepsi Value Centre	Sfantu Gheorghe	Carrefour, JYSK, New Yorker, Hervis	16,300	PK – MAS REI

MAJOR PROJECTS IN PIPELINE 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Colosseum extension	Bucharest	Sinsay, New Yorker, CCC, DM, World Class	16,500	Colosseum Mall
Barlad Value Centre	Barlad	Carrefour, JYSK, New Yorker, Hervis	16,300	PK – MAS REI
Fashion House Pallady	Bucharest	Puma, Adidas, US Polo, Under Armour, Marc O'Polo	8,500	Liebrecht & wood

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