

	YoY Chg	12-Mo. Forecast
<b>4.9%</b> Vacancy Rate	▼	▼
<b>€4.70</b> Prime Rent, PSM	▲	▲
<b>7.40%</b> Prime Yield	▲	—

### ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
<b>1.7%</b> GDP growth	▼	▲
<b>5.8%</b> Unemployment Rate	▲	▲
<b>-2.2%</b> Industrial Production	▼	▲
<b>7.1%</b> CPI	▼	▼

Source: Moody's Analytics

### ECONOMY: Single – digit inflation and slow, but steady economic growth

The inflation rate in Romania continued to decrease and reached single digits in Q3 and Q4 2023 (9.1% and 7.1% respectively), a trend expected to continue in 2024 when levels below 5% are forecasted by year end. The monetary policy rate has remained at 7% for more than a year already, with the National Bank of Romania indicating possible downward movements in H1 2024. The Q3 and Q4 economic growth has been relatively robust (2.8% and 1.7%), especially when compared with most European Union countries, which reported lower or even negative numbers, in very difficult macroeconomic and geopolitical conditions. Moreover, a strong GDP growth ranging between 3 and 3.5% has also been predicted for 2024, an impressive forecast for a year when 4 rounds of elections are due to take place in the country.

### SUPPLY & DEMAND: The total stock exceeds 7 million sq. m nationwide

2023 was another strong year for the industrial and logistics market, as the segment registered a consistent activity both in terms of supply and demand. The total annual take-up surpassed 1 million sq. m, in line with the levels reported in the 3 years beforehand, with almost 300,000 sq. m being transacted in Q4. The new demand was the main driver of the overall leasing activity, accounting for 66% (672,000 sq. m) of the 2023 gross take-up. As a consequence, the share of new demand in the total gross take-up decreased in 2023 when compared with 2022 (85%).

The largest transaction closed in Q4 2023 was related to a 20,000 sq. m pre-lease by Continental within VGP Park Timisoara, followed by the new lease agreed by Mediapost Hit Mail for a 19,000 sq. m warehouse space in Chitila Logistics Park in Bucharest and by a 19,000 sq. m renewal of Yusen in CTPark Bucharest. Bucharest attracted 48% of the total take-up in 2023, with Timisoara (121,600 sq. m) being the only other location with a demand exceeding 100,000 sq. m throughout the year. Logistics and distribution operators were the most active players on the market, with 300,000 sq. m. of warehouse spaces being leased, followed by automotive (106,000 sq. m), retail, e-commerce and FMCG companies with 93,000 sq. m and pharma (41,000 sq. m).

More than 174,000 sq. m of industrial & logistics spaces were completed in Romania in Q4, with the annual development activity reaching 452,000 sq. m. As a result, the modern stock of such spaces exceeded 7 million sq. m across the country at the end of the year. The development activity slowed down in 2023 compared with 2022, when developers delivered new projects with a cumulative area of 834,000 sq. m.

### PRICING: Slight rental upward movements

The prime headline rents in Bucharest and in the main industrial & logistics destinations in Romania slightly increased at levels ranging between €4.30 - €4.70 / sq. m / month in Q4 2023, an upward trend which is expected to continue going forward. Speculative development is due to slow down, partly as a result of the developers' cautious approach aimed at preventing market oversupply following the new demand deceleration. Challenges such as higher financing costs, increasing yield levels and difficulties in securing capital for development led to less deliveries of new spaces in 2023.

### SPACE DEMAND / DELIVERIES (SQM)



### OVERALL VACANCY & PRIME RENT



# MARKETBEAT ROMANIA

## Industrial Q4 2023



### 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	3,483,800	186,700	5.4%	211,000	490,200	223,600	102,000	4.70
Timisoara	742,300	76,600	10.3%	20,000	121,600	10,000	66,500	4.30
Ploiesti	417,200	4,500	1.1%	-	28,900	30,600	23,600	4.30
Cluj - Napoca	420,100	18,100	4.3%	6,500	18,600	-	-	4.65
Brasov	392,000	10,500	2.7%	1,700	62,300	38,000	78,000	4.30
Pitesti	288,400	0	0%	-	30,000	-	-	4.30
Sibiu	160,800	2,900	1.8%	10,500	26,600	-	8,800	4.30
Other Cities	1,098,900	46,200	4.2%	46,000	235,000	150,000	326,500	4.25
<b>ROMANIA</b>	<b>7,003,500</b>	<b>345,500</b>	<b>4.9%</b>	<b>295,700</b>	<b>1,013,200</b>	<b>452,200</b>	<b>605,400</b>	<b>4.70</b>

### KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
VGP Park Timisoara	Timisoara	Continental	20,000	New lease
Chitila Logistics Park	Bucharest	Mediapost Hit Mail	19,000	New lease
CTPark Bucharest	Bucharest	Yusen	19,000	Renewal / Renegotiation
VGP Park Arad	Arad	Fan Courier	10,000	New lease

### KEY CONSTRUCTION COMPLETIONS Q4 2023

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West 24	Bucharest	65,000	CTP
ELI Park Bacau	Bacau	37,000	Element Industrial
VGP Park Brasov B	Brasov	20,000	VGP
MLP Bucharest West	Bucharest	16,000	MLP Group

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### PIPELINE PROJECTS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
VGP Park Brasov	Brasov	Intercars	60,000	VGP
Logicor Pallady	Bucharest	-	41,500	Logicor
WDP Park Timisoara	Timisoara	Ericsson	33,500	WDP

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