

ROMANIA

Retail Q4 2023



	YoY Chg	12-Mo. Forecast
€7,900 Disposable Income Per Capita	▼	▲
€85.00 Prime Rent, sq. m/month	▲	▬
7.25% Prime Yield	▲	▬

ROMANIA ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
1.7% GDP growth	▼	▲
5.8% Unemployment Rate	▲	▲
7.1% CPI	▼	▼
-0.4% Retail Sales Volume	▼	▲

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: Record new supply in Q4, consistent development activity due in 2024

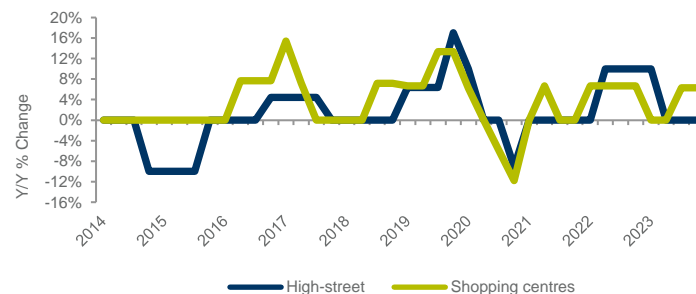
The retail market registered a consistent new supply in Q4, with new projects cumulating 144,200 sq. m GLA being completed. Therefore, the total 2023 supply amounted to 213,000 sq. m GLA, a record level during the last 7 years. Promenada Craiova, a 80,000 sq m GLA project owned by NEPI Rockcastle and Dedeman, was the largest retail scheme delivered in Q4 2023 and also since 2010. Other schemes finalized in the same quarter were AFI Arad, a 29,400 sq. m unit developed by AFI Europe and Cosmopolis Plaza of 16,300 sq. m GLA located in the Cosmopolis residential project in Bucharest. Moreover, over 500.000 sq. m of new projects are currently under different planning and construction stages and are expected to be completed in the next 5 years. Developers will add new schemes or major extensions mainly outside Bucharest, in cities such as Cluj – Napoca, Iasi, Sibiu, Pitesti, Bacau or Galati, with Prime Kapital, NEPI Rockcastle and Iulius Group having the strongest pipeline on the short and medium term.

Romania also continued to be attractive for international retail brands, as new players such as Lefties, Wittchen, Jimmy Key, Kiko or Happy Group either opened or announced the future opening of their first stores in the country in 2023.

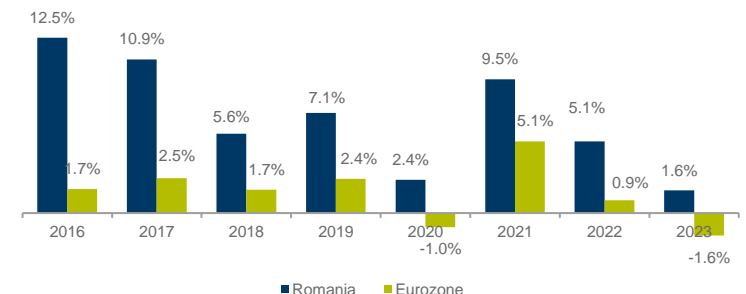
PRICING: Flat rental levels

The prime shopping center rent in Bucharest stabilized in Q4 2023, to a level of €80 - €85 / sq. m/ month for a 100 - 150 sq. m unit located in a dominant shopping center, while the corresponding figures in secondary cities, such as Cluj-Napoca, Timisoara, Iasi and Constanta remained flat, ranging between €50 – €65 / sq. m/ month, the same situation being observed in tertiary locations, where levels between €30 – €35/ sq. m/ month were recorded.

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	769,000	34,000	1,716,983	448	€85	7.25%
Cluj-Napoca	125,500	-	286,598	438	€65	7.60%
Timisoara	173,000	-	250,849	690	€55	7.70%
Iasi	82,000	-	271,692	302	€55	7.60%
Constanta	122,000	-	263,707	463	€50	7.85%
Brasov	136,700	70,000	237,589	575	€40	7.95%
OTHER CITIES	1,010,800	51,000			€35	8.00%
TOTAL	2,419,000	155,000	19,053,815	127	€85	7.25%

Source: 2022 Census

KEY CONSTRUCTION COMPLETIONS Q4 2023*

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Promenada Craiova	Craiova	Carrefour, Peek & Cloppenburg, Zara, Bershka, Lefties, Under Armour, Mohito, Cineplexx, Dedeman	80,000	NEPI Rockcastle - Dedeman
AFI Arad	Arad	Carrefour, McDonald's Drive Thru, Media Galaxy, Decathlon, Half Price, Burger King	29,400	AFI Europe
Cosmopolis Plaza	Bucharest	JYSK, Animax, Pepco, Sinsay, Tedi, Kik, Carrefour, C&A, Spartan, Dr Max	16,300	Opus Land
Cometex Ramnicu Valcea	Ramnicu Valcea	Penny, Altex, JYSK, KiK, MaxiPet, Mobexpert, Pepco	10,000	Cometex
FunShop Park Mosnita Noua	Timisoara	Penny, DM, TEDI, Fressnapf, Sportisimo, Numero Uno, Animax	8,500	Scallier

*Above 5,000 sq. m GLA

MAJOR PROJECTS IN PIPELINE*

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER / DEVELOPER
Transilvania Mall	Cluj - Napoca	130,000	Prime Kapital – MAS Real Estate
Mall Moldova	Iasi	130,000	Prime Kapital – MAS Real Estate
Rivus Cluj	Cluj - Napoca	115,000	Iulius Group – Atterbury Europe
Prima Shopping Center	Sibiu	70,000	Oasis Consulting
Arges Mall	Pitesti	51,000	Prime Kapital – MAS Real Estate
Bacau Shopping Mall	Bacau	51,000	Prime Kapital – MAS Real Estate
Nhood Resita	Resita	35,000	Nhood
Promenada Mall extension	Bucharest	34,000	NEPI Rockcastle
Galati Retail Park	Galati	33,000	NEPI Rockcastle

*Under construction or in different zoning / planning stages

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