

€18,700

Av. HH Disposable Income

YoY Chg



12-Mo. Forecast



€75.00

Prime Rent, sq. m/month



7.00%

Prime Yield



ROMANIA ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
-5.5% GDP (est.)		
4.2% Unemployment Rate		
-7.8% Consumer Spending		
1.3% Retail Sales		

Major regional shopping center delivered

AFI Palace Brasov, a major regional 45,000 sq. m shopping center was delivered in Q4, one the most important modern retail deliveries of 2020, the total yearly supply reaching almost 126,000 sq. m. However, cinemas and indoor F&B units have been closed in Q4 as a result of a new wave of restrictions caused by the increasing number of Covid-19 cases in October and November. The start of vaccination campaign in January 2021, combined with a decrease of the number of daily cases is expected to suspend most of these restrictions during H1 2021.

Uncertain pipeline on the short term

Presently, new schemes or extensions to existing projects totaling around 50,000 sq. m are under construction and expected to be delivered by the end of the year, 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 Sepsi Value Center in Sfantu Gheorghe, Transylvania. 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.

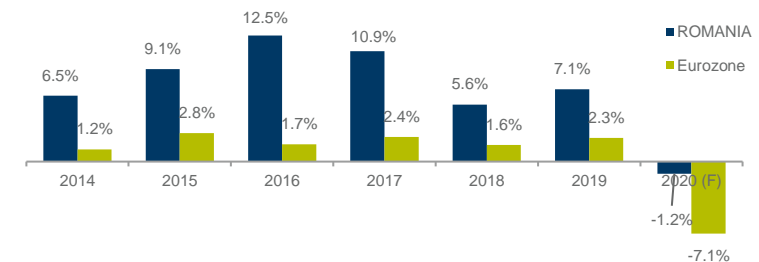
Prime rents facing extended pressure

The suspension of activity during the state of emergency from March to May had a strong impact on a number of tenants which resulted in renegotiations which slightly decreased the headline rents in several locations with more consistent incentive packages becoming the norm, a trend which continued until the end of the year and which is expected to carry on going forward. Therefore, the headline rent achieved for 100 sq. m units in prime dominant shopping centers in Bucharest was of around € 75 / sq. m/ month at the end of Q4 2020 compared to a value of € 85 / sq. m/ month at the end of 2019. 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 € 30 – 35/ sq. m/ month.

BUCHAREST PRIME RENT



RETAIL SALES VOLUME Y/Y GROWTH



Source: Oxford Economics, National Institute of Statistics



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	€45	7.75%
Brasov	136,700	-	253,200	540	€35	7.75%
OTHER CITIES	966,200	-			€35	8.00%
TOTAL	2,308,800	16,500	20,121,641	115	€75	7.00%

Source: 2011 Census

NEW-COMERS 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	SECTOR
Baneasa Shopping City	Bucharest	Armani Beauty	~50	Beauty Products
Baneasa Shopping City	Bucharest	Breitling	~50	Jewellery
Bucharest Mall	Bucharest	Calvin Klein Jeans	~160	Clothing
Baneasa Shopping City	Bucharest	Yves Saint Laurent Beauty Boutique	~50	Beauty Products

KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
AFI Palace Brasov	Brasov	Carrefour, Zara, Mango, Intersport, Deichmann	45,000	AFI Europe
Shopping City Targu Mures	Targu Mures	Carrefour, Cineplexx, LPP, New Yorker, LC Waikiki	40,000	NEPI Rockcastle
Dambovita Mall	Targoviste	Carrefour, Cinema City, Altex, Pepco, CCC	31,200	Prime Kapital / MAS Real Estate

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
Sepsi Value Center	Sfantu Gheorghe	Carrefour, JYSK, New Yorker, Hervis	16,300	PK - MAS REI

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