

Industrial Q1 2020

7.3%

Vacancy Rate

YoY Chg



12-Mo. Forecast



97K

Take-Up, SQM



€4.0

Prime Rent, PSQM



ECONOMIC INDICATORS Q1 2020

5.0M

Romania Employment

YoY Chg



12-Mo. Forecast



3.0%

Romania Unemployment Rate



€223 bn

Romania's GDP



Source: National Institute of Statistics

Solid demand, despite Covid-19

The Industrial and Logistics markets had a promising start in 2020, with both demand and supply being at almost similar levels compared to Q1 2019. Total leasing activity was 97,000 sq. m in Q1 2020, while completions reached 157,000 sq. m, compared to 152,000 sq. m in Q1 2019. Additionally, a 9,000 sq. m industrial premises in Arad acquired by Global Vision in a sale and lease-back transaction was also included in the Industrial and Logistics stock. The most significant deliveries were the new distribution centers developed by WDP for Metro (58,000 sq. m) and Auchan (77,000 sq. m) in Stefanestii de Jos, close to A3 highway between Bucharest and Ploiesti.

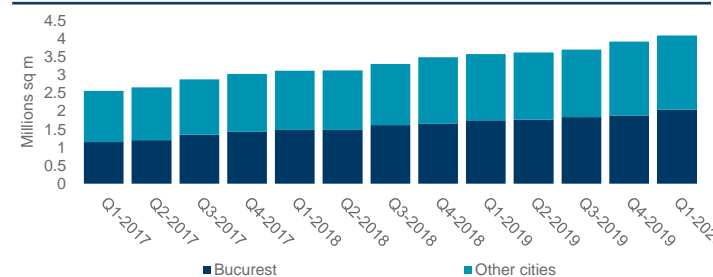
Demand is driven from a variety of sectors

Logistics (39% market share) and Production companies (27%) were the most active in terms of demand, but we have noticed that companies from all the major sectors leased new spaces, with significant transactions being also signed by Decathlon (10,000 sq. m expansion), Unilever (4,200 sq. m new lease acquisition of a cold storage) and Iwis manufacturer from the automotive industry (6,500 sq. m pre-lease for a built-to-suit plant in Oradea). Bucharest remained the most active market, attracting almost 65% of the total demand for Industrial and Logistics spaces during Q1 2020.

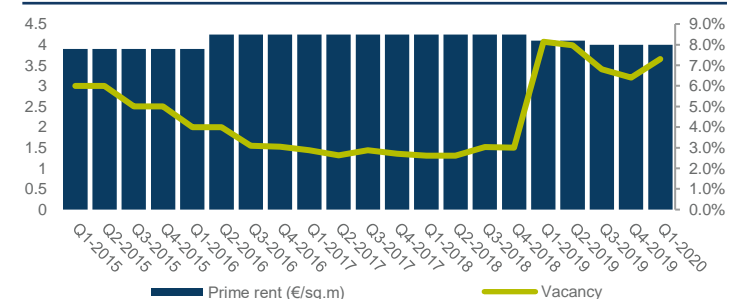
Pipeline remains consistent

The Covid-19 pandemics might have an impact on the supply of new spaces on the medium term, since developers will be more reluctant to commence speculative projects. Nevertheless, the pipeline for 2020 remains consistent, with at least 300,000 sq. m expected to be delivered by the end of the year. Major projects are under development in tertiary cities, such as Deva, Buzau and Slatina, where WDP is building new distribution or logistics centers for Carrefour, Ursus Breweries and Pirelli, while the largest development in Bucharest is a 100,000 sq. m extension of CTP's Bucharest West which will accommodate the new distribution centers of Profi supermarkets.

MODERN STOCK EVOLUTION



BUCHAREST RENT AND VACANCY EVOLUTION





MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	YTD COMPLETIONS (SQ. M)	CURRENT QTR TAKE-UP (SQ. M)	YTD TAKE-UP (SQM)	UNDER CNSTR (SQ. M)	PRIME YIELD
Bucharest	2,038,500	157,000	62,570	62,570	154,600	8.25%
Timisoara	506,400	-	8,750	8,750	-	8.75%
Ploiesti	371,000	-	-	-	-	8.75%
Cluj	278,700	-	-	-	20,000	8.75%
Pitesti	233,000	-	-	-	-	9.00%
Brasov	219,000	-	-	-	-	9.00%
Other Cities	435,000	9,000	26,100	26,100	134,900	9.00%
ROMANIA	4,081,600	166,000	97,420	97,420	309,500	8.25%

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
P3 Bucharest A1	Bucharest	Gebruder Weiss	22,400	Renewal
WDP Park Stefanestii de Jos	Bucharest	Decathlon	10,000	Pre-lease / Expansion
CTPark Stefanesti	Bucharest	DSV	10,000	Pre-lease
Huf Plant	Arad	Huf	8,700	Ptre-lease
VGP Industrial Park	Timisoara	Ericsson	7,000	New lease

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
WDP Park Stefanesti	Bucharest	Auchan	77,000	WDP
WDP Park Stefanesti	Bucharest	Metro	58,000	WDP
Eli Park II	Bucharest	Paste Baneasa	12,000	Element Development

PIPELINE PROJECTS 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West	Bucharest	Profi	100,000	CTP
WDP Park Deva	Deva	Carrefour	45,000	WDP
Global Logistics Chitila	Bucharest	Mega Image	22,000	Global Vision, Globalworth

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

*Independently Owned and Operated / A Member of the
Cushman & Wakefield Alliance*

©2020 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cwechinox.com
cushmanwakefield.com