

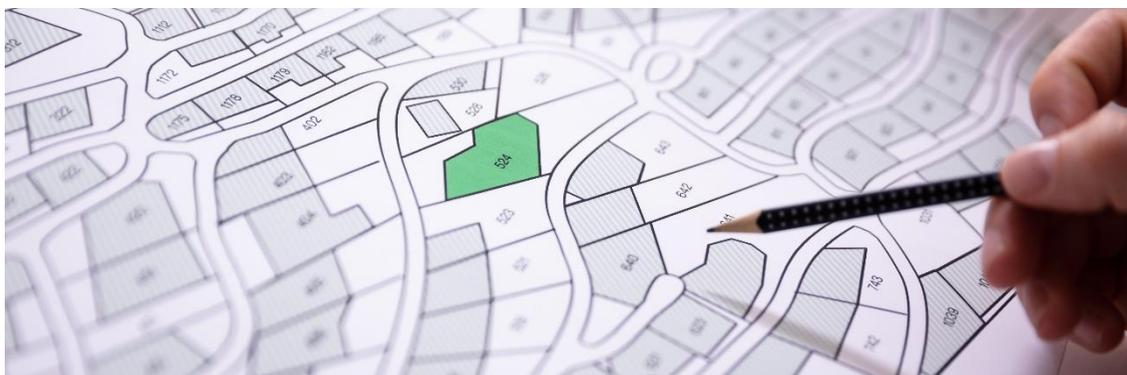
ROMANIA LAND MARKET SNAPSHOT | Q3 2020

RESIDENTIAL SECTOR IS FUELLING THE DEMAND FOLLOWED BY RETAIL AND INDUSTRIAL

DEMAND

Significant land transactions have been registered also during the third quarter of 2020 despite the COVID-19 pandemic, both in Bucharest and in the rest of the country.

Many transactions have been recorded in the Capital where residential and retail land plots have been the most sought-after properties. In terms of residential the local (Forty Management, Metropolitan Developments, Praga Imobiliare etc.) as well as international investors (Cordia, Shandong Dejian) have bought sites suitable for large schemes with 100 to over 500 apartments within areas connected to the public transportation and good infrastructure (in some of the cases the local authorities will start improving the infrastructure only after the plots are acquired). These particular areas are located across the city on former industrial platforms or on plots with no constructions.



Retailers like Kaufland, Lidl or Penny are extremely active in Bucharest but not limited to, setting the pace for the industry and trying to increase their market share by locating the new units in the proximity of the customers' residences.

The industrial sector has registered a large transaction in Arad: VGP the Belgian company has bought the 39 ha plot for logistic development in order to benefit from the proximity to the Hungarian border and the A1 highway.

The other big players on the local market like CTP, WDP and P3 Logistic Parks are actively searching for similar plots of land.

The aim is to develop new schemes around Bucharest and in major logistic nodal points throughout the country, that should be connected to highways or major routes.

Former industrial platforms like IMGB and Romprim in Bucharest are either sold plot by plot or as one property to local investors that are looking to develop residential units or mixed-use schemes.

Locations suitable for office developments are more carefully analysed and evaluated since the beginning of the current sanitary pandemic.

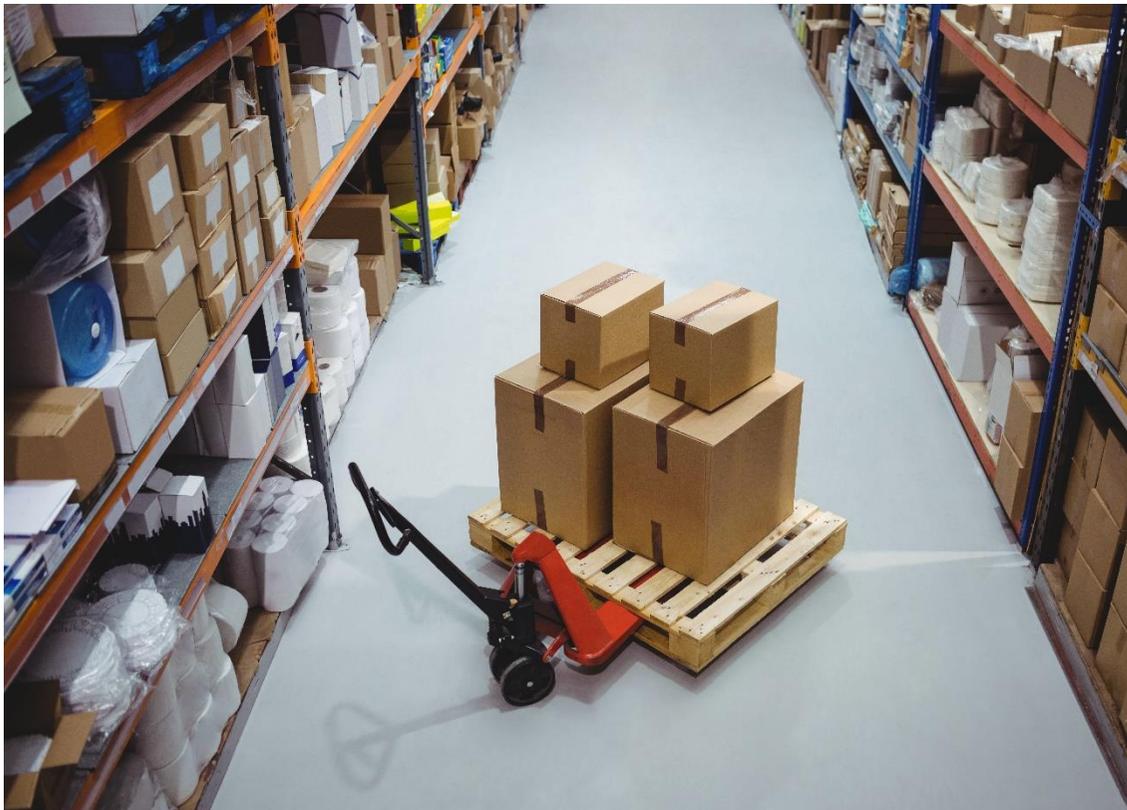


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THE PERSPECTIVES OF GROWTH ARE CONNECTED WITH THE RISE OF E-COMMERCE

OUTLOOK

Taking into account that we are currently witnessing the second wave of COVID-19 pandemic in the world we expect a growing demand for logistic space that should accommodate the boom of e-commerce.



There is a huge potential for development on this particular sector and this is why the biggest local players operating on the local market are searching either to acquire large plots or to buy smaller competitors.

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2021 might represent a reset in terms of transactional activity with potential buyers and potential sellers talking on different terms that they used to do during the pre-COVID-19 era.

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The pricing level might become an issue if the current pandemic will last longer than expected.

CBRE

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