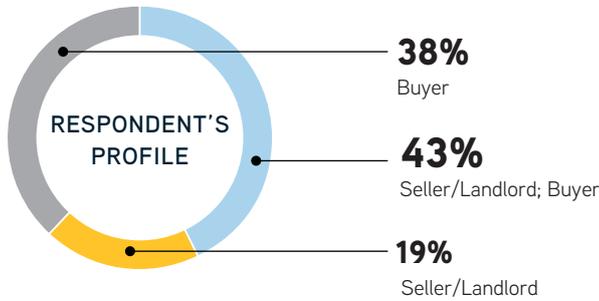




2nd Round Questions ROMANIAN LAND MARKET

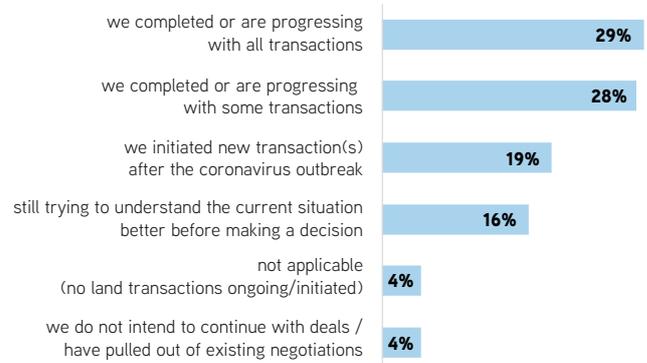


Since the longer-term pandemic consequences are difficult to predict, between the 28th of September and 6th of October, Colliers International interviewed 93 professionals involved in land sales and purchases, trying to sketch how land market professionals are navigating the crisis, almost 7 months after the significant acceleration of COVID-19 pandemic. Also, for a comprehensive look please check at this link our spring survey results, conducted in the fragile stages of the crisis, back in April.

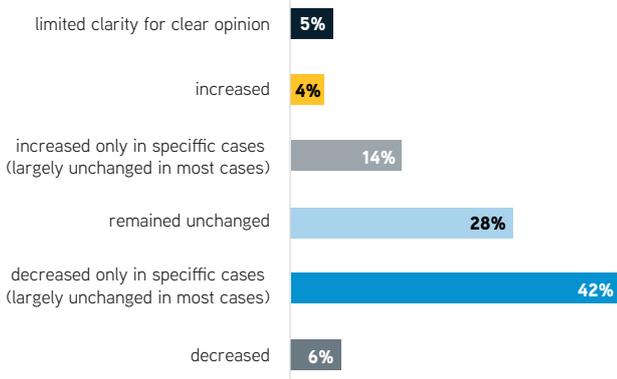
[CLICK HERE FOR THE SPRING SURVEY](#)

1 What happened to your land transaction(s) - either acquisition or sale - in 2020?

Views about land transaction(s) - either acquisitions or sales during this period, were similar in the spring survey and the autumn review. In both instances, more respondents (c.60%) said they moved ahead with all or some of the on-going deals, despite the economic recovery which is stalling owing to a resurgence of the virus. Moreover, 19% of the registered voters spotted fresh prospects and sought diverse perspectives for initiating new transactions, while 16% are still trying to understand the current situation better before deciding.



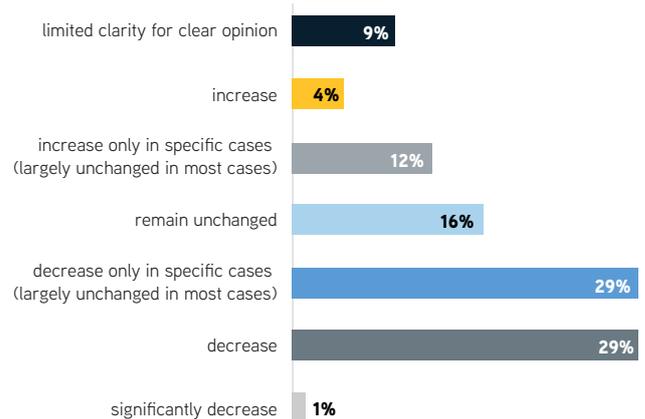
2 Which of the dynamics below best captures, in your opinion, the evolution of prices in the land market in 2020?



In general, the perception regarding the evolution of prices in 2020 was fairly similar in the spring version and the autumn survey. Respondents do not see any sharp changes in either direction, rather on a case by case basis in most cases and, with the balance tilted rather the downside; still, since these changes are tied to specific land plots, specific price influences apply. Hence, there is no perception about a generalized downward trend in prices. On the contrary, there are significant perceptions about prices remaining stable (28% of respondents) or even increasing, either in general or in specific cases (18% of respondents).

3 Which of the dynamics below best captures, in your opinion, the evolution of prices in the land market in 2021?

With regards to 2021, there is a somewhat strengthened perception for a decline in prices, not just on a case by case basis (in total, c.60% of respondents have a negative look to see prices cooling off over the next year). In general, market participants looking at office projects have the most negative perception about prices in 2021, followed by retail (albeit not as negative); for market participants selling or buying residential land plots, the perception is somewhat balanced.



4 Have you closed a land transaction in 2020 or expect to close any until the end of the year?

Land transaction activity seems to be settling into a new normal. It's worth noting that both surveys showed a significant number of respondents who already completed land deals in 2020 or expect to close deals until the end of the year (71% of spring survey, respectively 73% of autumn survey).



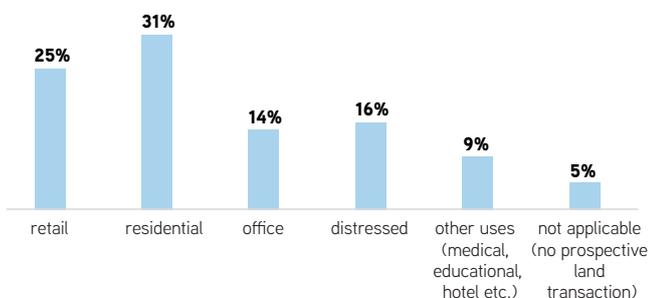
5 Do you expect to close a land transaction in 2021?

However, the perception about the future is refreshing. How much of this is scientific prediction, as opposed to mere hope, remains to be seen. 85% of the surveyed responded that they expect to close a land transaction in 2021 versus 15% of respondents who choose to remain vigilant on how the pandemic might play out in 2021.



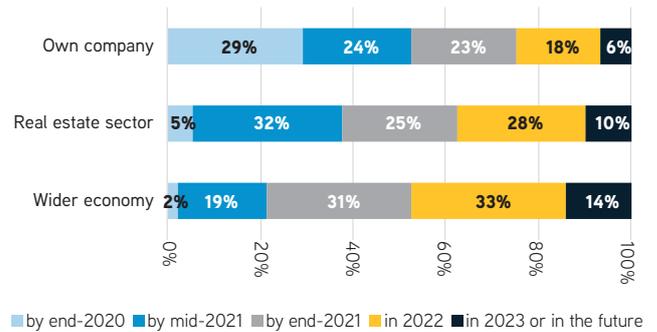
6 What type of projects are you targeting via land acquisitions? (multiple answers)

Almost in line with the spring survey reaction, the interest is quite evenly distributed across sectors, with most of respondents placing residential (31%) or retail (25%) land types on their top choices. Also, around 40% of respondents are looking at at least two types of land plots.



7 When do you expect the business situation to become satisfactory again?

There are still question marks over how long this will last, yet more than half of respondents are still positive about the impact when looking beyond 2020 and expect the business will become satisfactory again by end-2021. Interestingly, land market players are quite confident in their business getting back on track sooner than the rest of the economy. While this is similar to other surveys, we notice that some investors, like those in the residential market or retail park developers, have recovered their appetite, which would support the idea of some growing confidence in the market.



CONCLUSION

According to our survey results, no significant changes are expected in planning decisions of investment approaches during and after the pandemic, regarding the land market sector. As optimism arises from COVID-19 ashes, active professionals are open to possible changes and opportunities seeking new transactions or closing the existing ones. However, embracing the uncertainty, the land sector will not be immune from COVID-19's impact and consequences, showing already some signs of slowing down with price reductions in specific cases or players adopting a wait-and-see strategy.

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