

	YoY Chg	12-Mo. Forecast
<b>4.30%</b> Vacancy Rate	▼	▼
<b>€4.50</b> Prime Rent, PSM	▲	▲
<b>7.00%</b> Prime Yield	▼	▲

*(class A stock only)*

### ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
<b>7.1%</b> GDP (Q3 2022 F)	▲	▼
<b>5.6%</b> Unemployment Rate	▲	▲
<b>0.7%</b> Industrial Production <i>(seasonally adjusted)</i>	▼	▼
<b>14.8%</b> CPI	▲	▼

Source: Moody's Analytics

### ECONOMY: Inflationary pressures remain constant

The y-o-y inflation rate reached 14.8% in September in Romania, one of the highest levels in the European Union and, although expected to stabilize in Q4, it is likely to remain in double digits at least until late H1 2023. The monetary policy rate has also been increased by the National Bank of Romania, up to a most recent level of 6.25%, with further increases expected in the following months. The Q3 2022 economic growth has been solid (+ 7.1% y-o-y), but a slowdown may be observed in Q4, as most agencies and analysts forecast a GDP growth ranging between 4-5% for the whole year, which remains a robust level considering the overall impacts of the inflationary pressures and also of the side effects caused by the Russian invasion of Ukraine.

### SUPPLY & DEMAND: Total modern industrial & logistics stock exceeds the 6 million sq m threshold

With a gross take-up of over 374,000 sq. m in Q3 2022, the transactional volume for the first 9 months of 2022 totaled more than 916,000 sq. m, representing a 63% growth when compared with the same period of 2021. Therefore, we expect this year to establish a new record in terms of transacted spaces considering that the total for the whole last year was of 1,003,000 sq. m.

The leasing activity was mainly driven by new demand, which had a share of 82% in the Q3 2022 volume and 84% respectively in the whole Q1-Q3 2022 period, thus confirming the Romanian industrial and logistics market's potential for a further robust expansion.

The largest transaction closed in Q3 2022 pertained to a 52,300 sq. m new lease of Kuehne + Nagel within CTPark Bucharest West, as Bucharest had a 68% share of the Q3 2022 take-up, the capital city being followed by Ploiesti, Deva and Timisoara.

Developers completed new projects totaling around 230,000 sq m GLA in Q3 2022, the development activity reaching over 525,000 sq. m in the first nine months of 2022, the total stock at national level exceeding 6.1 million sq. m. Moreover, there are currently new projects under construction with a total leasable space surpassing 570,000 sq. m across Romania, a robust pipeline which confirms the developers' confidence in the local market.

### PRICING: Rents remain under pressure

Even though the vacancy rate has slightly increased during Q3 2022, the rising development costs continue to put pressure on the new projects' asking rents. The prime headline rent stood at a level between €4.25 - 4.50 / sq. m / month in Q3 and we expect it to remain stable or to record minor increases in the following months even while considering the consistent under construction pipeline. However, the industrial and logistics market depends heavily on the evolution of consumption in the context of a high inflation which may impact the retailers' expansion plans, retailers who are the main driver of demand in this particular real estate market segment.

### SPACE DEMAND / DELIVERIES (SQM)



### OVERALL VACANCY & PRIME RENT



### MARKET STATISTICS

SUBMARKET	STOCK (SQM)	AVAILABILITY (SQ. M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ. M)	YTD TAKE-UP (SQM)	YTD COMPLETIONS (SQ. M)	UNDER CNSTR (SQ. M)	PRIME RENT (€/SQ M/MONTH)
Bucharest	3,099,300	137,800	4.4%	256,200	547,200	293,400	275,000	4.50
Timisoara	583,300	64,100	11.0%	13,300	45,300	41,800	107,400	4.00
Ploiesti	386,600	4,500	1.2%	51,800	139,400	17,000	-	4.00
Cluj - Napoca	431,700	6,500	1.5%	-	17,100	30,900	-	4.50
Brasov	344,000	17,200	5.0%	-	6,700	50,000	38,000	4.00
Pitesti	245,700	0	0%	6,300	6,300	6,700	-	4.00
Sibiu	160,800	6,400	4.0%	2,500	8,100	-	-	4.00
Other Cities	853,200	24,200	2.8%	44,000	146,000	85,500	152,000	4.00
<b>ROMANIA</b>	<b>6,104,600</b>	<b>260,700</b>	<b>4.3%</b>	<b>374,100</b>	<b>916,100</b>	<b>525,300</b>	<b>572,400</b>	<b>4.50</b>

### KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
CTPark Bucharest West	Bucharest	Kuehne + Nagel (3PL for Pepco)	52,300	New lease
Logicor Ploiesti	Ploiesti	Profi	51,800	Renegotiation
Lazar Real Estate	Bucharest	Corteva Agriscience Romania	15,000	Pre-lease

### KEY CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
Chitila Logistic Hub phase 3	Bucharest	-	37,000	Globalworth - Global Vision
VGP Brasov Building A	Brasov	-	28,000	VGP
Lazar Real Estate	Bucharest	Corteva Agriscience	23,100	Lazar Company
LogCenter Mogosoaia	Bucharest	-	23,100	Logicor

### PIPELINE PROJECTS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Oradea (Cargo)	Oradea	-	60,500	CTP
WDP Park Timisoara	Timisoara	Profi	57,000	WDP
CTPark Bucharest North 3	Bucharest	-	34,100	CTP
ELI Park 3 – Phase II	Bucharest	Homelux	30,000	Element Development

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