

YoY Chg 12-Mo. Forecast

6.50%
Prime Office Yield



€916mn
Total Volume (EUR)



54
Properties sold



€17mn
Avg. price per property



ECONOMIC INDICATORS H2 2021

2.00%
Monetary policy rate



7.4%
q/q GDP growth Q3 2021



€737
Net average salary
November 2021



Source: National Institute of Statistics

Robust GDP growth in Q3 2021

The Romanian economy remains extremely resilient, posting a robust y-o-y GDP growth of 7.4% in Q3 2021, thus marking the 5th successive quarterly growth, a strong recovery after an initial period of uncertainty caused by the Covid-19 pandemic. Moreover, consumption has been impressive in the first 11 months of 2021, recording a 10.5% y-o-y increase, a trend which should remain constant on the short and medium term. However, the net average salary recorded a 7.1% y-o-y growth in the first 11 months of the year, below the annual inflation rate which reached 7.8% in November, forcing the National Bank of Romania to increase the monetary policy rate from 1.25% to 2% in less than three months, with further increases expected in 2022.

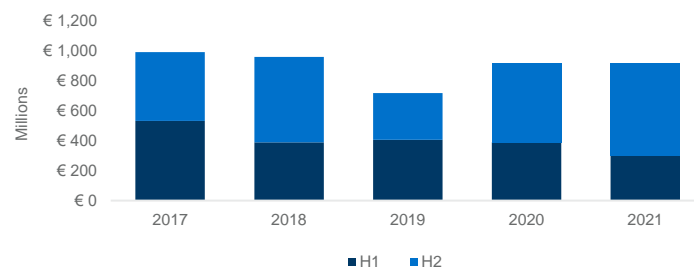
Strong activity on all market segments

In H2 2021, the total volume invested in real estate assets in Romania reached €618 million, thus bringing the volume for the whole year at €916 million, a slightly higher level when compared with 2020 (€914 million). The most active segment in 2021 was the Office sector (44% market share out of the total volume transacted), followed by the Industrial (30%) and Retail (20%) sectors, the three asset classes remaining the most sought after ones by investors. There largest transactions in terms of volume pertained to Louis Delhaize's (Cora) sale and leaseback of its six commercial galleries in Romania to Supernova and Atenor Group's disposal of the Hermes Business Campus (75,000 sq. m GLA) office project in Bucharest to Adventum Group, this transaction marking the latter's entrance on the Romanian real estate market. Moreover, CTP (the largest owner of industrial and logistics spaces in the country) went forward in terms of strengthening its position by completing four transactions during the year, totaling €170 million.

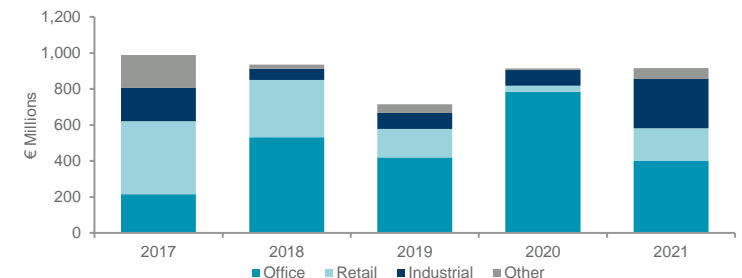
Yield compression throughout the market

The prime yields recorded a significant compression of around 65-75 basis points in H2 2021, as a further decrease is expected in 2022, especially in regards to a series of properties that are currently on the market and which may be the subject of landmark transactions in the following period. However, the spread between the local market and the more mature markets in the CEE, such as Czech Republic, Poland or Hungary, is still relatively high in all market segments (generally in the 100 – 300 basis points' range).

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



MARKETBEAT ROMANIA

Investment H2 2021



INVESTMENT ACTIVITY

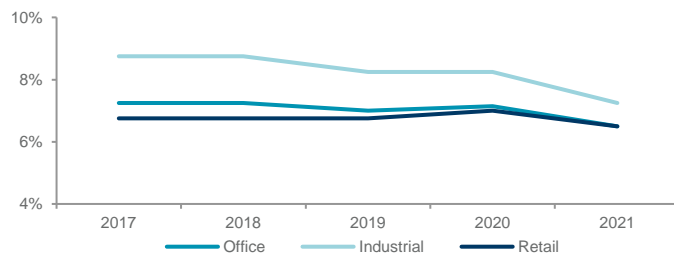
PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)	AVERAGE PRICE / PROPERTY (MIL. €)
Office	8	402	50.3
Industrial	21	274.2	13.1
Retail	13	179.2	13.8
Other	12	60.7	5.1
TOTAL	54	916.1	17

MAJOR TRANSACTIONS 2021

PROPERTY NAME	TYPE	BUYER	VENDOR	SIZE (SQ. M)	PRICE (MIL. €)	CITY
Hermes Business Campus	Office	Adventum Group	Atenor Group	75,000	150	Bucharest
Cora Commercial Galleries	Retail	Supernova	Louis Delhaize Group	120,000	N/A	Bucharest, Constanta, Bacau, Drobeta Turnu - Severin
Campus 6.2 & 6.3	Office	S Immo	Skanska	38,000	97	Bucharest
Helios Phoenix Logistics Parks	Industrial	CTP	Olympian Parks	153,000	75*	Bucharest, Timisoara, Brasov
Zacaria Industrial Parks	Industrial	CTP	Zacaria	112,000	60*	Craiova, Sibiu, Arad, Oradea
The Light One	Office	Uniqa Real Estate	River Development	22,000	56	Bucharest
Dacia One	Office	Dedeman	Atenor Group	15,000	50*	Bucharest

*estimated

PRIME YIELD TREND



PRIME YIELDS IN CEE AT THE END OF H2 2021 (%)

CITY	OFFICE	RETAIL (SC)	INDUSTRIAL
BUCHAREST	6.50	6.50	7.25
WARSAW	4.50	5.35	4.80
PRAGUE	4.00	5.50	3.75
BRATISLAVA	5.25	6.00	5.25
BUDAPEST	6.00	6.00	5.75

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