

	YoY Chg	12-Mo. Forecast
€8,200 Disposable Income Per Capita	▲	▲
€80.00 Prime Rent, sq. m/month	▲	▲
6.75% Prime Yield	▲	▲

ROMANIA ECONOMIC INDICATORS Q4 2022

	YoY Chg	12-Mo. Forecast
4.3% GDP growth (2022 F)	▼	▼
5.6% Unemployment Rate	▼	▲
15.9% CPI*	▲	▼
-0.3% Retail Sales Volume*	▼	▼

Source: Moody's Analytics
* Q4 2022 vs Q4 2021

ECONOMY: Robust economic growth despite inflation

The y-o-y inflation rate reached 15.9% in Q4 2022 in Romania, one of the highest levels in the European Union and, although expected to stabilize in Q1 2023, it is likely to remain in double digits throughout the year. The monetary policy rate has also been increased by the National Bank of Romania, up to a most recent level of 7.00%, with further increases expected in the following months. The 2022 economic growth has been solid (+4.3%), an arguably robust level considering the overall impacts of the inflationary pressures and also of the side effects caused by the Russian invasion of Ukraine. The largest contribution to economic growth came from household consumption. For the next two years, a yearly GDP growth slowdown to approximately 2-3% is forecasted mainly as a result of the inflation rate and the increasing financing costs. Foreign direct investment (FDI) in Romania reached a record level of €10.3 billion in the January - November period, corresponding to a 29% y-o-y increase.

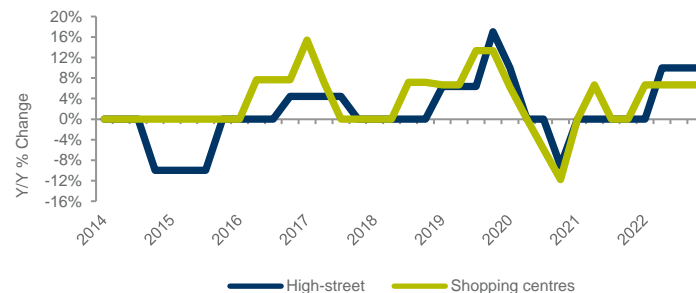
SUPPLY & DEMAND: Almost 600,000 sq. m GLA expected to be delivered by 2025

During Q4 2022, the retail market registered the completion of new projects consisting of 20,000 sq. m GLA, bringing the total 2022 supply to almost 100,000 sq. m GLA, a level in line with the last few years. Moreover, almost 600.000 sq. m of new projects are currently under different stages of construction and expected to be delivered by 2025. The development activity will be dominated by shopping centers, which account for more than 60% of the total new supply expected to enter the market by 2025. This is in contrast with 2022, when retail parks had a share of more than 80% of the total new supply. NEPI Rockcastle, Prime Kapital - MAS Real Estate, Scaliar, AFI Europe or Oasis will remain active on the short and medium term being expected to further increase their footprints in Romania. The overall appetite for consumption has encouraged new retailers such as Primark, Popeyes, TEDI or HalfPrice to enter Romania and open their first stores in 2022.

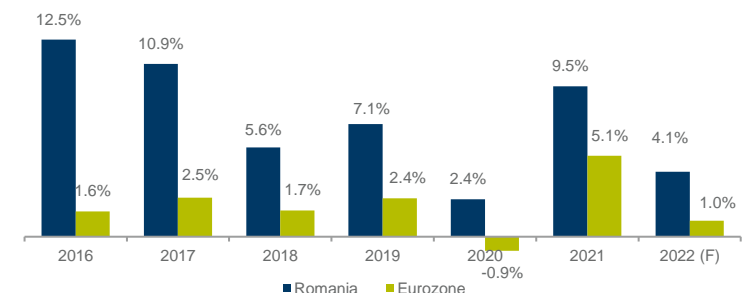
PRICING: Inflation remains the main challenge for the retail market

The rental dynamics in prime shopping center locations were relatively stable in Q4 2022, with the headline rent achieved for 100 - 150 sq. m units in dominant shopping centers in Bucharest being of around € 75 - 80 / sq. m/ month, while the corresponding figures in secondary cities, such as Cluj-Napoca, Timisoara, Iasi and Constanta ranged between € 50 – 65 / sq. m/ month, with a range of € 30 – 35/ sq. m/ month being recorded in tertiary cities.

BUCHAREST PRIME RENT



ROMANIA VS. EURO ZONE RETAIL SALES VOLUME Y/Y GROWTH



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ. M)	SHOPPING CENTRE PIPELINE UC (SQ. M)	POPULATION*	DENSITY (SQ. M / 1,000 INHABITANTS)	PRIME RENT (€/MONTH)	PRIME YIELD (%)
Bucharest	731,500	34,000	1,883,425	388	€80	6.75%
Cluj-Napoca	125,500	-	324,576	387	€65	7.25%
Timisoara	173,000	-	319,279	542	€55	7.50%
Iasi	82,000	53,700	290,422	282	€55	7.50%
Constanta	122,000	-	283,872	430	€50	7.50%
Brasov	136,700	-	253,200	540	€40	7.75%
OTHER CITIES	966,200	144,000			€35	8.00%
TOTAL	2,336,900	231,700	20,121,641	116	€80	6.75%

Source: 2011 Census

KEY NEWCOMERS 2022

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	SECTOR
ParkLake Shopping Center	Bucharest	Primark	3,700	Fashion
Shopping Park Baia Mare	Baia Mare	Tedi	n/a	Non - Food
Funshop Park Turda	Turda	HalfPrice	1,500	Fashion

KEY CONSTRUCTION COMPLETIONS Q4 2022

PROPERTY	SUBMARKET	MAJOR TENANTS	SIZE (SQ. M)	OWNER / DEVELOPER
Greenfield Plaza	Bucharest	Mega Image	6,700	Impact
Nest Miercurea Ciuc (extension)	Miercurea Ciuc	Sinsay	6,000	RC Europe
Family Market Bucium	Bucium (Iasi)	Auchan, McDonald's, Sinsay, Animax, Dr. Max	5,500	Iulius Group

MAJOR PROJECTS IN PIPELINE 2023 - 2025

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER / DEVELOPER
Prima Shopping Center	Sibiu	70,000	Oasis Consulting
Promenada Craiova	Craiova	63,700	NEPI Rockcastle
Mall Moldova	Iasi	53,700	Prime Kapital – MAS RE
Arges Mall	Pitesti	51,300	Prime Kapital – MAS RE
Promenada Mall extension	Bucharest	34,000	NEPI Rockcastle
AFI Arad	Arad	29,400	AFI Europe
Alba Iulia Mall	Alba Iulia	29,000	Prime Kapital – MAS RE
IMGB Value Center	Bucharest	28,000	Prime Kapital – MAS RE

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