MARKETBEAT
ROMANIA
INDUSTRIAL Q3 2024

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
4.70% Vacancy Rate	▼	▼
€4.70 Prime Rent, PSM	▲	▲
7.50% Prime Yield	▲	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.6% GDP growth	▼	▲
2.2% Industrial Production	▲	▲
4.8% CPI	▼	▼

Source: Moody's Analytics

ECONOMY: KEY INTEREST RATE CUTS AND INFLATION SLOWDOWN

Inflation reached a level of 4.8% in Q3 2024, the lowest quarterly figure since Q3 2021, a positive context in which the National Bank of Romania has operated 2 consecutive 25 bp key interest rate cuts, down to 6.50%, while another similar cut is expected by the end of the year. The economic growth has somehow reduced its rhythm, but a reasonably solid 1.6% y/y surge was recorded in Q3, mainly fueled by the overly impressive retail sales growth (8.4% y/y), as consistent evolutions are forecasted for the end of the year and also throughout 2025.

SUPPLY & DEMAND: CONSISTENT UNDER CONSTRUCTION PIPELINE

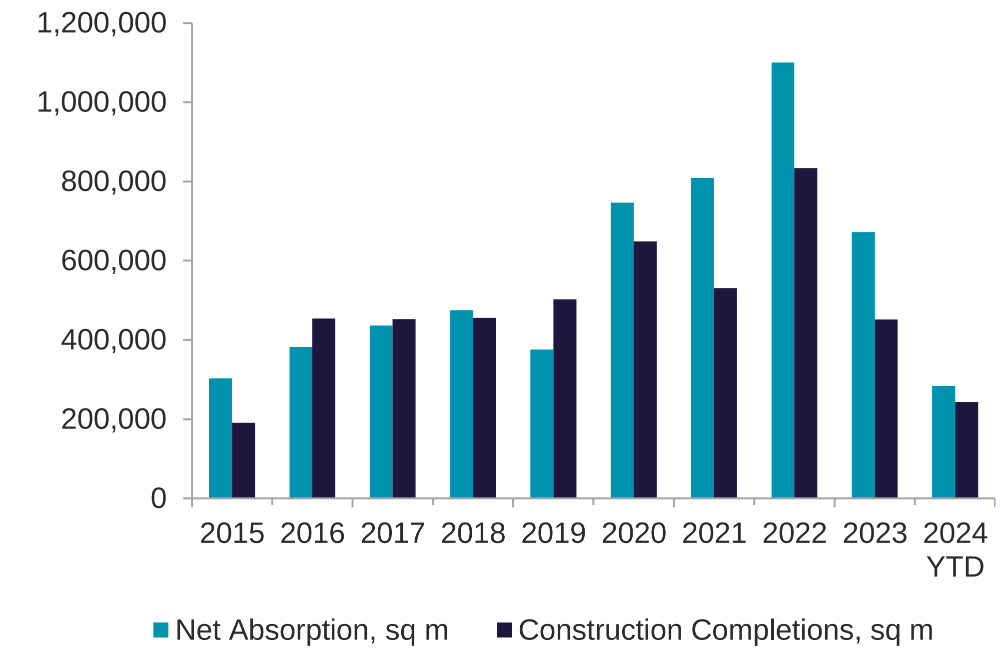
The total modern stock reached 7.28 million sq. m at the end of Q3, as developers completed new projects with a leasable area of 275,500 sq. m across the country YTD, among which 171,600 sq. m were delivered in Q3. The development activity in the first three quarters of 2024 was thus 10% higher when compared with the same period in 2023, while the current under construction pipeline is of around 439,000 sq. m. The overall vacancy rate slightly decreased at a level of 4.7%, with a further drop being expected by the end of the year, as a result of the limited developments on a speculative basis.

In terms of demand, the Q3 leasing volume was of 164,000 sq. m, down from the 213,600 sq. m recorded in Q2. The YTD activity reached 574,500 sq. m, corresponding to a 20% drop when compared with the Q1 - Q3 2023 period, while the net take-up had a share of 58% in the overall leasing volume.

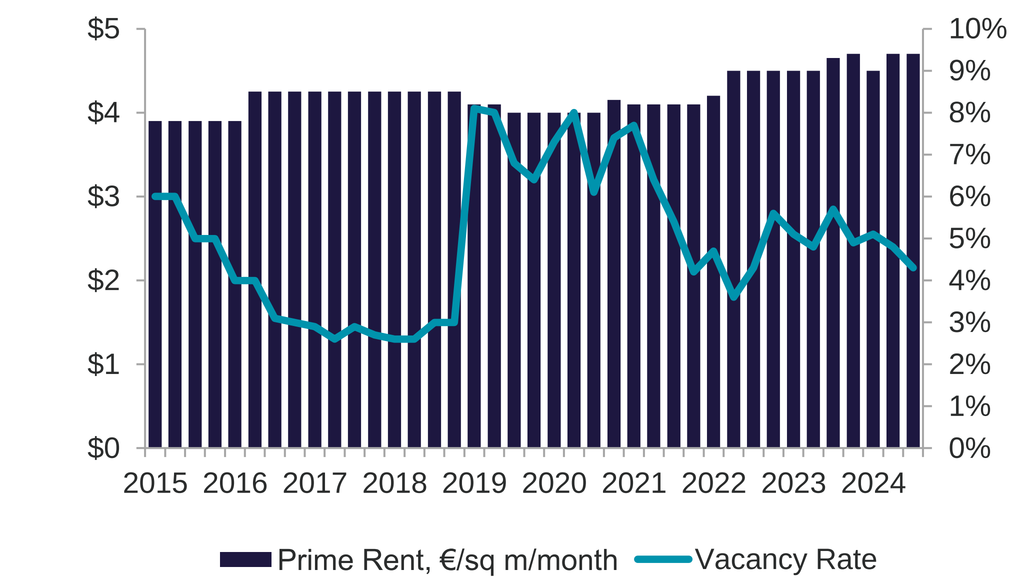
PRICING: STABLE RENTS ACROSS THE MARKET

The prime headline rents in Bucharest and in the main industrial & logistics destinations in Romania remained flat, ranging between €4.30 - 4.70/ sq. m/ month in Q3 2024. No significant changes should be observed in the coming period concerning the rental levels for existing projects, especially those which have a higher degree of vacancy, while an upward trend is predicted for the new developments due to the increasing construction costs and land acquisition prices.

SPACE DEMAND / DELIVERIES (SQM)



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	STOCK (SQM)	AVAILABLITY (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	3,494,900	166,000	4.7%	95,300	282,600	25,900	145,000	4.70
Timisoara	762,200	57,200	7.5%	18,100	76,800	20,000	46,500	4.30
Ploiesti	467,000	4,500	1.0%	-	26,300	30,800	91,000	4.30
Cluj - Napoca	430,000	18,200	4.2%	11,800	11,800	-	17,000	4.65
Brasov	450,500	8,800	2.0%	2,000	13,600	58,500	30,000	4.30
Pitesti	308,400	0	0%	9,500	9,500	-	-	4.30
Sibiu	178,600	14,600	8.2%	-	12,100	17,800	-	4.30
Other Cities	1,191,400	71,700	6.0%	27,300	141,800	122,500	109,500	4.25
ROMANIA	**7,283,000**	**341,000**	**4.7%**	**164,000**	**574,500**	**275,500**	**439,000**	**4.70**

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
WDP Park Dragomiresti	Bucharest	Alliance Healthcare	6,000	New Lease
Olympian Park Oradea	Oradea	RetuRO	6,000	Pre - lease
TRC Park Transilvania	Cluj - Napoca	Pilkington Automotive	4,000	New Lease

KEY CONSTRUCTION COMPLETIONS Q3 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER / DEVELOPER
VGP Brasov H	Brasov	Intercars	53,500	VGP
WDP Park Slatina III	Slatina	Pirelli	48,300	WDP
Industra Park Arad*	Arad	CRANE ChemPharma	32,000	Oresa Industra

Reconversion from a former retail project

KEY PIPELINE PROJECTS

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER / DEVELOPER
CTPark Ploiesti	Ploiesti	H&M	80,000	CTP
Logicor Pallady	Bucharest	Carturesti	41,500	Logicor
VGP Bucharest A	Bucharest	DHL	25,000	VGP

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