

Romania Real Estate Market Overview

Latest figures and trends

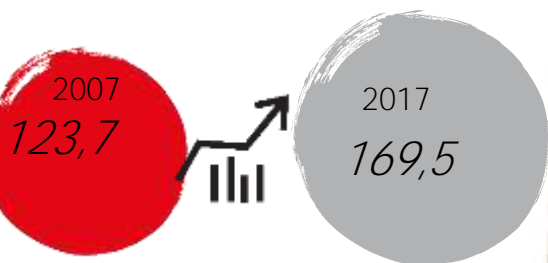


10 years of Romania in the

EUumpy ride

Romania macroeconomic indicators

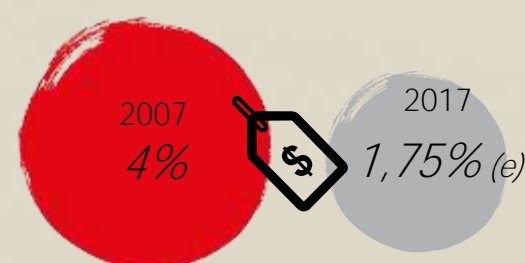
GDP (bil. €)



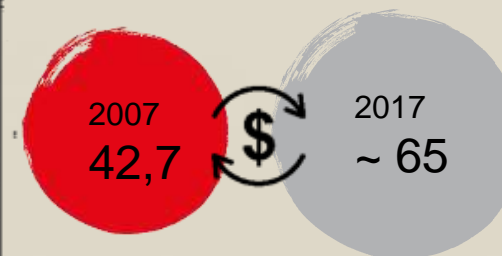
Number of employees (mil.)



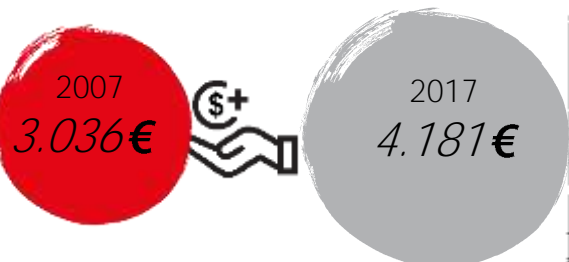
Monetary policy rate



FDI (bil. €)



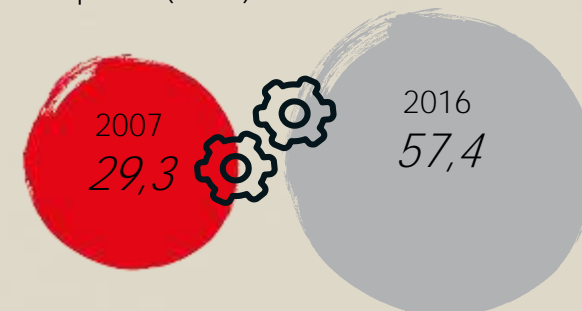
Purchasing power*



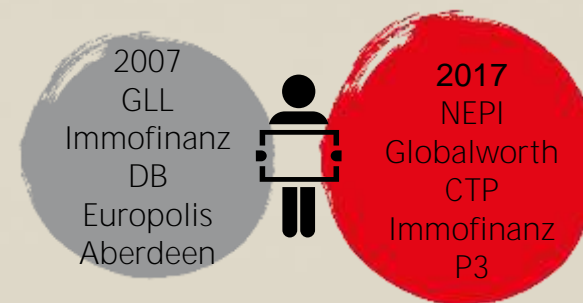
Net average monthly wage €



Exports (bil. €)



Buyers on the market



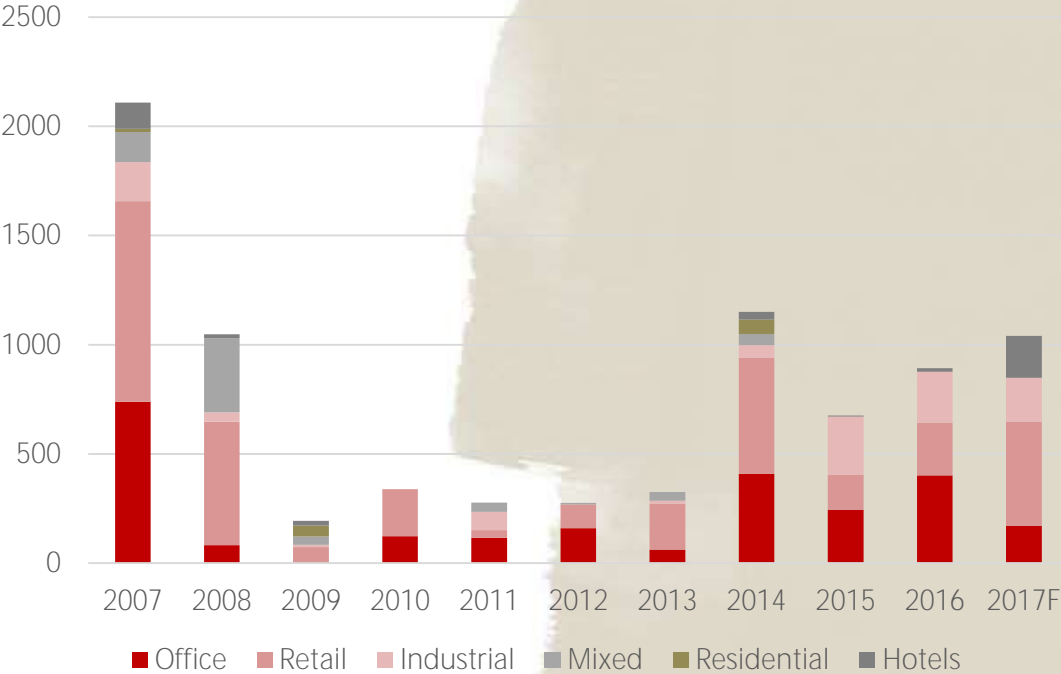
Romania Real Estate Investment Market

... dominated by foreign investors

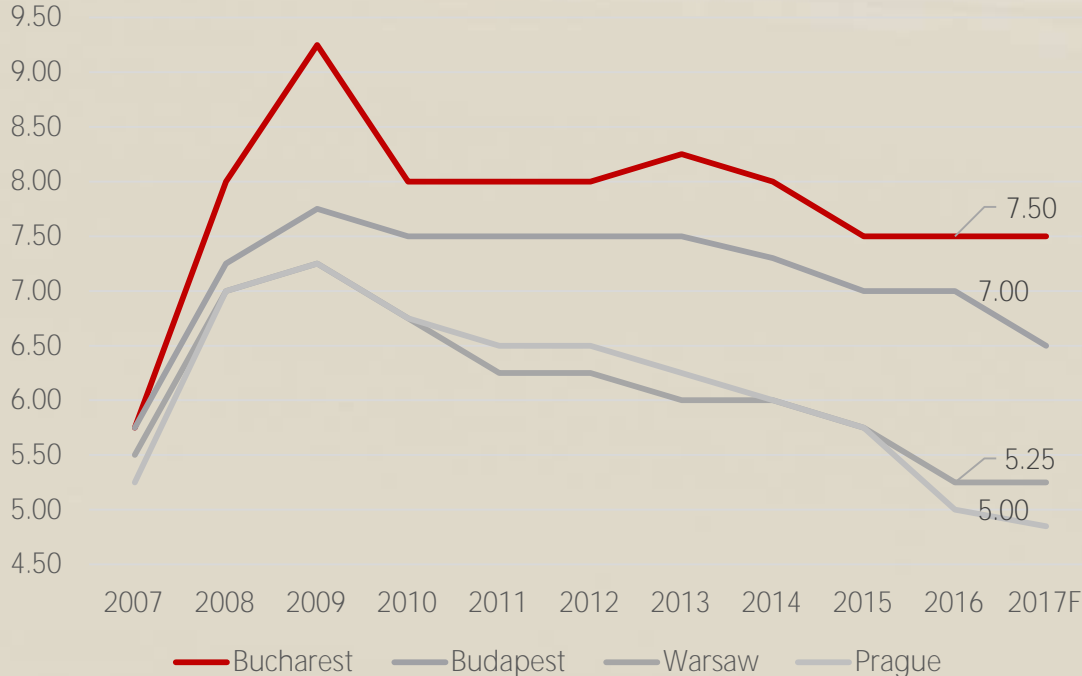
Investment volumes and yields



Romania investment volumes



Prime CEE office yields





Total Volumes

- The property investment volume in the first 9 months of 2017, in Romania is estimated at **€610 million**, a value almost 44% higher than that registered in the same period in 2016 and an average transaction of around **€25 million**.
- The total volume for 2017 is forecasted at approximately **€1 billion**.



Split by Cities

- **Bucharest** accounted for just over **25%** of the total investment volume.
- Liquidity in secondary cities has significantly improved.



Split by Sector

- Market volumes were dominated by **retail transactions (60%)**, while deals involving office buildings reached close to 25%, the rest being represented by industrial and hotel assets.



Largest Transactions

- The largest transaction registered in the Q1 – Q3 2017 was the acquisition of 50% of Iulius Group's retail portfolio and 3 office buildings by South African group Atterbury for over **€175 million**.
- The most notable recent office transaction was the acquisition of **Coresi Business Park** in Brasov by Imoochan for over **€50 million**.
- In industrial, the largest deal was the acquisition of **Renault Warehouse Oarja** by Globalworth from a local entrepreneur.



New Names

- The first half of 2017 marked the entry of several new names on the Romanian real estate market, either through the purchase of regional platforms or individual assets. Among them **Atterbury, CPI, CIC, U City Public from Thailand or Hili Properties**.



Yields

- Prime **office** yields are at **7.5%**, prime **retail** yields at **7.25%**, while prime **industrial** yields are at **8.5%**.
- Yields for office are at the same level as 12 months ago, while retail and industrial yields have compressed by 25 - 50 bps over the year.

Some questions spring to mind...



- How far is the real estate market in Romania from its full investment potential?
- **Offices in secondary cities** – when will we see investors seriously considering investing in either Cluj-Napoca, Timisoara, Iasi or Brasov?
- **Concentrated industrial market** – is there room for more investors? Are there any other new locations that can be taken into account?
- **Saturated retail market** – is there more place to develop new retail in Romania?
- **The overall business environment** – is it encouraging new investors / developers / occupiers to enter in Romania?
- **REIT scheme** – is there a market for such investment tool in Romania?
- **Financing** – Any room for further improvement?
- With the current **confidence** in the market perspective, is it possible that some sectors are overheating? Is the market mature enough not to repeat past mistakes?

Thank you

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