

	YoY Chg	12-Mo. Forecast
5.0% Vacancy Rate	▼	▼
€4.70 Prime Rent, PSM	▲	▲
7.50% Prime Yield	▲	—

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
2.7% GDP growth	▲	▲
6.0% Unemployment Rate	▲	▲
-5.1% Industrial Production	▼	▲
7.3% CPI	▼	▼

Source: Moody's Analytics

ECONOMY: Robust growth perspectives, but the inflationary pressures remain

Romania had a robust economic growth of 2.7% in Q1, with solid perspectives for the coming period, as an overall annual rise of around 3% is expected across 2024, an impressive figure considering the general international and local contexts, in a year when 4 rounds of elections are scheduled in the country. However, the inflationary pressures remain, as a 7.3% y-o-y rate was registered in Q1, while a more consistent downward movement should be recorded in H2, with a 4% level forecasted for the end of the year. The monetary policy rate (7%) has not seen any cuts so far, but possible shifts were indicated by the National Bank of Romania and may be operated in May or June.

SUPPLY & DEMAND: Modest new supply, consistent pipeline for the rest of the year

The new supply of modern industrial & logistics spaces was modest throughout Q1, as the most significant deliveries were represented by a 23,600 sq. m expansion of CTPark Bucharest West and also by 8,800 and 6,200 sq. m spaces developed by WDP in Sibiu and Almaj (Dolj). The vacancy rate slightly increased in Bucharest (6.1%), with an overall level of 5.0% being registered across Romania.

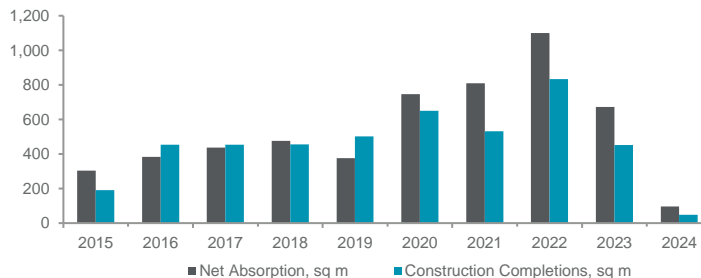
In terms of the leasing activity, the Q1 volume was of around 197,000 sq. m, down from the 330,000 sq. m recorded in the same period of last year, while the new demand accounted for 59% of the overall leasing activity. The largest transaction closed in Q1 2024 was related to a 19,000 sale & leaseback of Tenneco's spaces in Ploiesti to WDP, followed by a 11,000 sq. m pre - lease by Maravet within WDP Park Baia Mare and by the new lease agreed by Drim Daniel Distributie for a 10,000 sq. m warehouse space in MLP Bucharest West.

The pipeline for the rest of the year is consistent, as developers currently have under construction projects with a total area of 499,000 sq. m. Moreover, the development of new projects on a speculative basis continues to slow down, as 63% of the 2024 pipeline is already pre-contracted.

PRICING: Stable rents

The prime headline rents in Bucharest and in the main industrial & logistics destinations in Romania remained flat at levels ranging between €4.30 - €4.70 / sq. m / month in Q1 2024. An upward rental trend is expected in the coming months as a result of the limited pipeline of speculatively developed projects.

SPACE DEMAND / DELIVERIES (SQM)



OVERALL VACANCY & PRIME RENT



MARKETBEAT ROMANIA

Industrial Q1 2024



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	3,507,400	213,300	6.1%	97,800	97,800	23,600	92,800	4.70
Timisoara	742,300	67,400	9.1%	12,400	12,400	-	66,500	4.30
Ploiesti	436,200	4,500	1.0%	19,000	19,000	-	23,600	4.30
Cluj - Napoca	420,100	18,100	4.3%	-	-	-	17,000	4.65
Brasov	397,000	10,500	2.6%	6,000	6,000	5,000	78,000	4.30
Pitesti	288,400	0	0%	-	-	-	-	4.30
Sibiu	169,600	6,800	4.0%	7,300	7,300	8,800	-	4.30
Other Cities	1,110,200	35,300	3.2%	54,400	54,300	11,400	221,100	4.25
ROMANIA	7,071,200	355,900	5.0%	196,900	196,900	48,800	499,000	4.70

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
WDP Park Ploiesti	Ploiesti	Tenneco	19,000	Sale & leaseback
WDP Park Baia Mare	Baia Mare	Maravet	11,000	Pre - lease
MLP Bucharest West	Bucharest	Drim Daniel Distributie	10,000	New lease

KEY CONSTRUCTION COMPLETIONS Q1 2024

PROPERTY	SUBMARKET	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West 24	Bucharest	23,600	CTP
WDP Park Sibiu	Sibiu	8,800	WDP

PIPELINE PROJECTS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
VGP Park Brasov	Brasov	Intercars	60,000	VGP
Logicor Pallady	Bucharest	-	41,500	Logicor
WDP Park Timisoara	Timisoara	Ericsson	33,500	WDP

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