

Land 2020

€194mn
Total Volume (EUR)

YoY Chg 12-Mo. Forecast



-6.5%
Y-O-Y Change



27
Properties sold



€7.2mn
Avg. price per property



ECONOMIC INDICATORS Q4 2020

€968
Average salary net in Bucharest (Dec. 2020)

YoY Chg 12-Mo. Forecast



1.2%
Unemployment rate



+5%
Number of transactions with individual units in Bucharest-Ilfov



Source: National Institute of Statistics, ANCPPI

Bucharest's fundamentals marginally affected by the Covid-19 pandemic

Despite the complicated medical situation, Bucharest proved to be very resilient in 2020, since the unemployment rate remained flat (1.2%) during the year, while the average net salary increased by 7.6%, reaching 4,716 RON (€968) in December 2020. Moreover, after two months of imposed lockdown between March and May, the transactional activity resumed steadily, individual sales posting a 5% yearly growth in the Bucharest – Ilfov region. In this context, the permitting activity has reached a new record for the last decade, as developers and private individuals obtained building permits for almost 2.7 mil. sq. m of residential units in Bucharest and Ilfov. Due to the fact that most companies adopted work from home on a large scale, using only 30 – 40% of their office spaces, the role of offices is being reassessed, as the transactional activity posted a 40% decline.

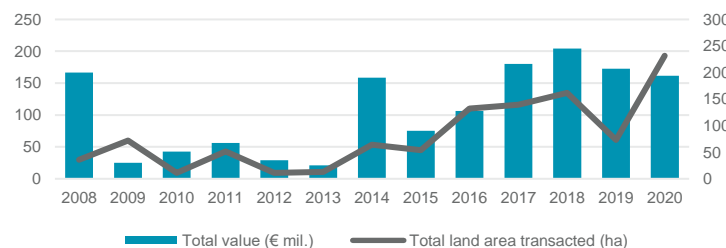
Residential developers and supermarkets remained active

In 2020, the total volume invested in land acquisitions in the Bucharest – Ilfov region reached €194 million, reflecting a 6.5% decrease compared to 2019. The analysis includes 27 deals with an average price of €7.2 mil. The size of transacted land plots was of 193 hectares, being boosted mainly by two major deals: the 54 ha former industrial site from IMGB, acquired by SIF Banat Crisana, and the 64 ha land plot acquired by Dedeman next to WDP Park Stefanesti 2. In fact, there was a clear preference towards peripheral sites suitable for residential developments, while supermarket chains, such as Kaufland and Lidl, pursued plots in the dense areas of the city, aiming to increase their footprint. With a market share of 81%, Romanian buyers were the most active, followed by German groups (17%). Office developers were less active, as their current land bank provides a pipeline (under construction and planned) of almost 1 million sq. m.

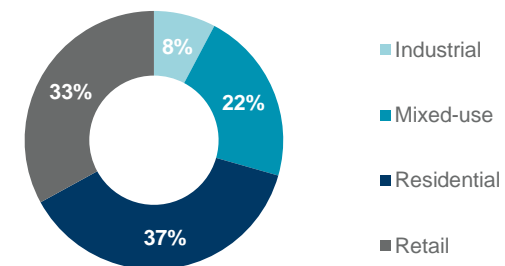
PUZ suspension reshapes the market

Bucharest's General Council has decided to suspend the Zonal Urban Plans (PUZ) in five of the city's six districts for one year, granting new construction permits based only on the General Urban Plan (PUG) adopted in 2000. As the suspension does not affect the projects which were already approved, it is expected to see an increasing demand for these sites. Moreover, municipalities within Ilfov county, such as Voluntari, Bragadiru and Popesti Leordeni have their own urban regulations. Considering the increasing interest towards more spacious residential units, we might notice more transactions with sites suitable for villa projects in Bucharest's suburbs.

LAND SALES VOLUMES AND VALUES



LAND SALES VALUES BY DESTINATION SECTOR



MAJOR LAND TRANSACTIONS 2020

BUYER	SIZE (sq. m)	LOCATION	DESTINATION
1 SIF Banat Crisana	540,000	Metalurgiei	Mixed-use
2 SIF Banat Crisana	90,000	Colentina	Retail
3 Genesis Property	59,000	Iuliu Maniu	Residential
4 Dedeman	640,000	Stefanesti	Industrial
5 Kaufland & Lidl	30,000	Sos. Vergului	Retail
6 Kaufland	17,000	Fabrica de Glucoza	Retail
7 ERES	62,000	Ilioara	Retail
8 Future Business Ideas	100,000	Industiilor	Residential
9 Forty Management	40,000	Straulesti	Residential
10 One United	5,600	Gara Herastrau	Residential



ALEXANDRU MITRACHE

Head of Transactions
Land & Investment
+40 21 310 3100 /
alexandru.mitrache@cwechinox.com

CRISTI MOGA

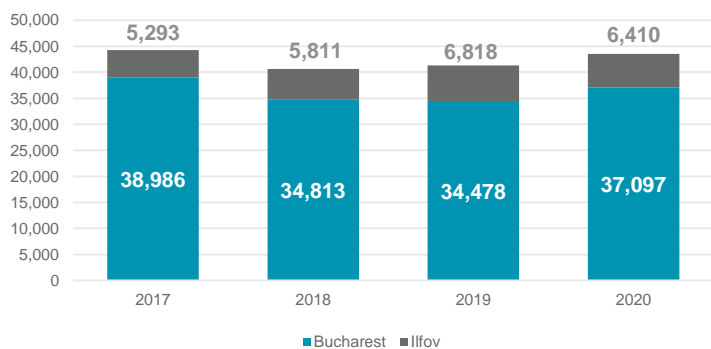
Head of Research
+40 21 310 3100 /
cristi.moga@cwechinox.com

VLAD SAFTOIU

Research Analyst
+40 21 310 3100 /
vlad.saftoiu@cwechinox.com

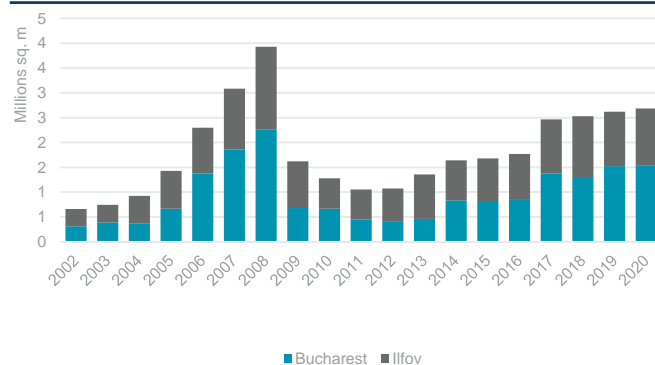
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NUMBER OF DEALS WITH INDIVIDUAL UNITS



Source: ANCP

BUILDING PERMITS DYNAMIC



Source: National Institute of Statistics

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