

Cushman & Wakefield Echinox: The logistics market had its best period during the pandemic, with a record demand from retailers and logistics



The Romanian logistics market will have a record demand by the end of 2020, with a transactional volume exceeding the 700,000 square meters threshold, amid the accelerated development of ecommerce and the positioning of Bucharest as a regional logistics hub for a series of international retailers, according to the data of the real estate consulting company Cushman & Wakefield Echinox.

In the first nine months of the year, the transactional volume reached 581,000 square meters, up to 94% compared to the same period of last year. Bucharest attracted 65% of the demand, and Timișoara almost 13%, the two markets being the largest and most active industrial and logistic poles in Romania.

In this context, the developers were also active, delivering new spaces with an area of 356,000 square meters between January and September 2020, a 27% increase compared to the same period of 2019. Approximately 75% of the new spaces were delivered around the Capital, where the traditional pole develops at the Bucharest - Pitești highway entrance, as well as in the North-West and North areas, near the Bucharest - Ploiești highway. Thus, while IKEA, through Maersk and IB Cargo logistics operators, has chosen to develop a regional distribution center with an area of 75,000 square meters within the CTPark Bucharest West project located at kilometer 23 of A1, the Polish fashion retailer LPP decided to double the area of the distribution center within WDP Park Ștefanești, in the northern part of the Capital, with an additional 22,000 square meters leased space.

Rodica Târcavu, *Partner Industrial Agency, Cushman & Wakefield Echinox*: “We noticed a fluidity and an extremely dynamic activity of the logistics segment in the context in which both the existence of stocks located as close as possible to the selling marketplaces and fast deliveries to final consumers are crucial in maximizing the sales. The expansion strategy of online retailers or operators and the consolidation of FMCG, logistics and delivery companies have been correlated with the growing demand and have the role of preventing potential blockages in supply chain distribution due to the existing limitations applied in the last 8 months.”

Andrei Brînzea, *Partner, Head of Land, Industrial & Logistics, Cushman & Wakefield Echinox*: “This year we were able to observe various strategic implementations of the industrial and logistics market players, processes accelerated by the pandemic and the supply chain blockages caused by circulation restrictions. Thus, optimizations were made that generated additional space demand and intensified the activity both on the courier and pharma

segments, as well as on the production and logistics ones. We estimate that next year this trend will continue based on the production sector global reconfiguration, but also on the online retail segment evolution that will maintain its accelerated development.”

The stock of logistics and industrial spaces in Romania reaches about 4.3 million square meters, half of these spaces being located around Bucharest. The prime headline rents remained stable this year, between 3.75 - 4 euro / sqm / month. The largest players are CTP and WDP, which have a total market share of approximately 50%.