

Real estate investments in Romania drop by 19% in Q1, to 98 million Euro

The real estate investments in Romania in Q1 of 2021 totalled 98 million Euro, dropping by 19% from the volume traded in the same period of last year, according to the trimestrial report of CBRE.

Thus, office buildings in Bucharest and industrial spaces from the Western part of the country generated the most investment volume.

"What is interesting to notice is the investors' appetite for industrial projects: 38 million Euro from the total volume were generated by transactions with industrial spaces, almost tied with the generated volume of office spaces, namely 40 million Euro. This evolution confirms the investors' interest towards industrial projects and the pressure of dropping yields on this segment. Another 20 million Euro were invested in hotels, segment where we notice that there is also an increased interest in the last months. Furthermore, we are expecting for the acquisition of new office buildings, as well as retail parks, the latter being a typology of product which is very sought out in both Romania, as well as in the other markets from Central and Eastern Europe," said Mihai Patrulescu, Head of Investment Properties, CBRE Romania.

Regarding the attractiveness of cities and availability of real estate products for investments, Bucharest continued to be the preferred destination of investors, attracting 57% from the total volume of 98 million Euro, traded during Q1, namely 3 of the 9 transactions. Other cities that attracted the interest of investors at the beginning of this year were Timisoara, Arad and Caransebes, especially for industrial projects, with a cumulated value of over 20 million Euro.

"The most dynamic investors were the companies from Austria and the Czech Republic, which generated approximately 60% of the traded volume during the first three months, thus confirming the consistency of the capital flow from Central and Eastern Europe, indicated by CBRE at the beginning of the year. Romanian investors were involved in 4% of the total traded volume, namely the acquisition of an office building in Brasov," the press release reads.

According to the report, the yield of real estate investments remains stable on all three sectors: 7% for office spaces, 7.75% for the industrial ones and 7% for retail. In Central and Eastern Europe (Czech Republic, Hungary, Poland, Romania and Slovakia) the volume of real estate investments reached 1.95 billion Euro during Q1 of 2021, half from the same period of last year, according to the CBRE data.