

Intelligent Investment

Romania Real Estate Market Outlook H1 2025

REPORT

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Toward Stability within EU: Romania’s Path through Reform & Recovery

MACROECONOMICS

In early 2025, Romania officially entered the Schengen Area, marking a long-awaited milestone in its European integration. This step symbolizes firm trust of Romania’s institutional alignment with EU framework. The presidential elections later in the year reinforced this trajectory, as voters chose Nicușor Dan—a pro-European, independent candidate—as President. His victory confirmed the public’s support for **continued alignment with EU values**, fiscal responsibility, and deeper integration within the European framework.

The mid-year forecast of Romania’s main macroeconomic indicators adopts a generally **cautious tone**, as both economic and political uncertainties still unfold following the presidential elections held in May 2025. While Romania’s GDP is expected to maintain a positive trajectory, **year-on-year growth remains modest**. For 2025, a 1.6% YoY increase is projected (with possibility for a downward revision), followed by more optimistic annual growth rates of 2.5% in 2026 and 2.9% in 2027.

GDP performance in the Euro area is projected to follow a similar subdued path. The average YoY growth is forecast to **rise marginally** by only 0.1 pps, from 0.8% in 2024 to 0.9% in 2025.

The short-term outlook remains moderately optimistic, with growth expected at 1.4% in 2026 and 1.9% in 2027.

The **unemployment rate** in Romania is estimated to rise by 0.2 pps in 2025 compared to the previous year, reaching 5.7%. From 2026 onward, minor annual adjustments are expected, reflecting a gradual downward trend—5.6% in 2026 and 5.2% in 2027.

The National Bank of Romania (NBR) **maintained the monetary policy interest rate** at 6.50% as of May 2025, unchanged since August 2024. This decision reflects the NBR’s ongoing caution regarding the structure and timing of the fiscal consolidation measures planned for the year ahead. However, a **potential easing** of monetary policy could be anticipated in the second half of 2025.

Consumer price index (CPI) **inflation** in Romania is expected to decline to 4.9% in 2025, marking a 0.7 pps drop compared to 2024. A downward trend is anticipated to continue, with inflation forecast to reach 2.8% by 2027—approaching the NBR’s target of 2.5%. However, this is still one of the **highest levels in EU** and continues to be a point of concern.

Figure 1: GDP Growth (annual averages)

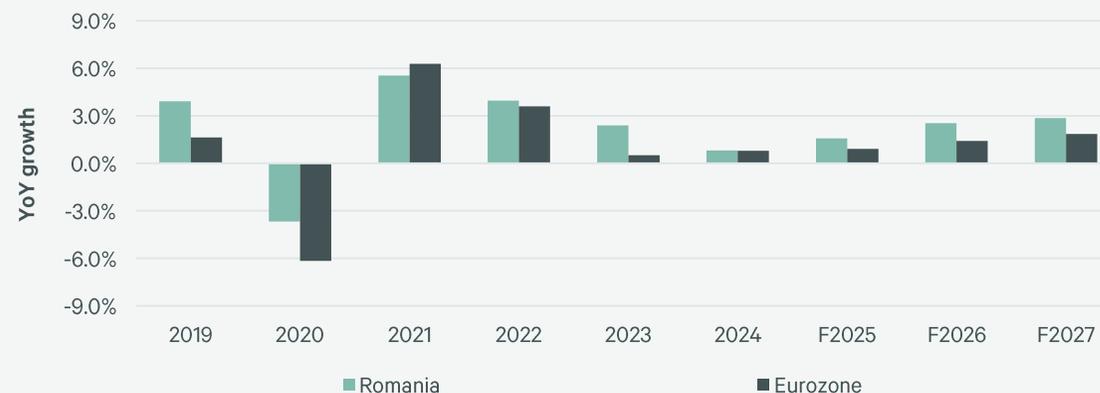


Figure 2: Unemployment Rate Evolution

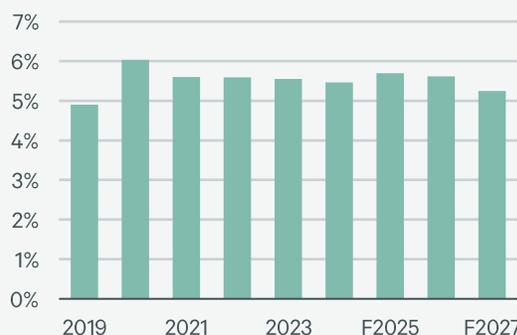
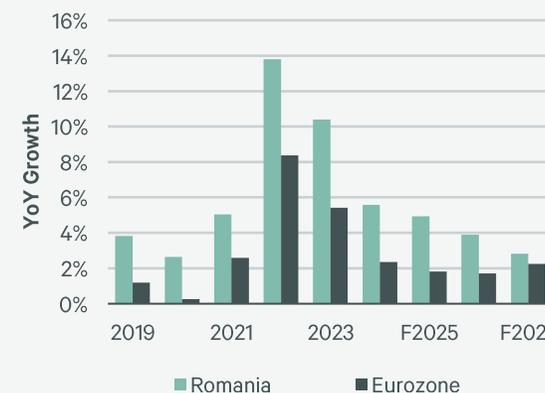


Figure 3: CPI (Headline) Inflation (annual averages)



Source: House View, CBRE Research, April 2025

Euro-Centric President Elected, Budget Adjustment Begins

The first half of 2025 was marked by the **presidential elections**, won by Nicușor Dan—an independent candidate and running mayor of Bucharest. This period also saw the formation of a **new Euro-centric government** and growing anticipation around the implementation of a debated austerity plan, set to begin in the second half of the year.

Looking ahead, Prime Minister elect, Ilie Bolojan has emphasized that reducing the budget deficit and ensuring continued access to **EU funding** are government's top priorities.

Romania's **fiscal consolidation** targets have shifted significantly due to the high budget deficit of 9.3% of GDP recorded in 2024. For 2025, the government is now targeting a deficit in the under 8% GDP range. However, the European Commission and markets still estimate a **deficit closer to 8.6%**, unless further consolidation measures are implemented. Looking ahead, the medium-term plan aims to lower the gap to around 6% in 2026, and ultimately below the EU's 3% benchmark.

Regarding progress on the **National Recovery and Resilience Plan (PNRR)**, the Ministry of Investments and European Projects announced in June 2025 that Romania has received a total of EUR 10.74 bln. from the allocated funds. This includes approximately EUR 1.3 bln. obtained through the third payment request, reflecting a partial disbursement based on fully achieved targets and milestones. However, EUR 869 mln. from this request remains suspended, with Romania granted a six-month deadline —until November 2025 — to fulfil the necessary conditions.

Romania continues to make **steady progress** in absorbing EU funds, even if at a lower rate than generally desired, funds being directed towards infrastructure & connectivity, economic resilience, green transition and digital transformation among others.





“ 2025 represents a pivotal moment for Romania’s political and economic trajectory. Recent fiscal reforms — including the standard VAT increase from 19% to 21% — may temporarily impact purchasing power, but they are part of a broader strategy aimed at restoring fiscal stability, enhancing the country’s credibility, and unlocking a higher absorption rate of European funds. These measures, while challenging in the short term, lay the groundwork for more sustainable growth and improved public investment over the long run.

Laura Dumea-Bencze

Head of Research & Director Investment Properties

02

Investment Market



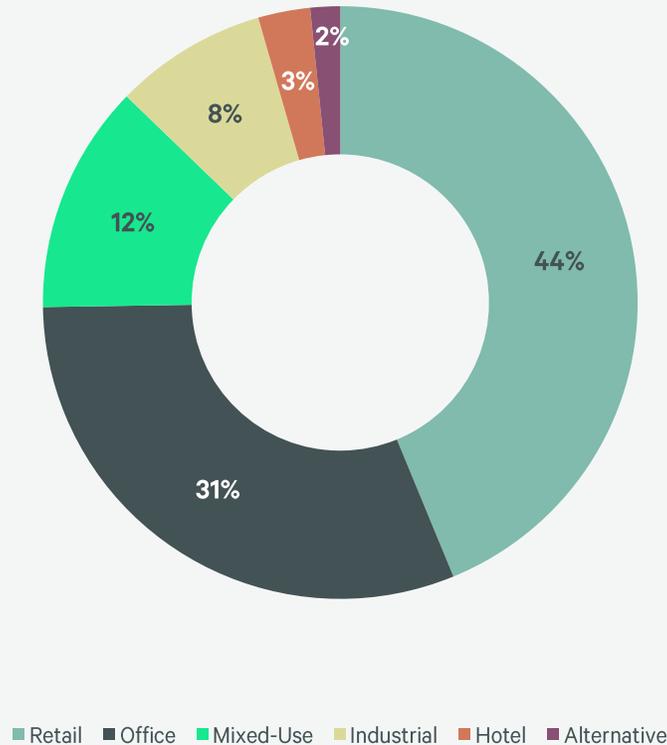
Retail Leads & Offices Rebound

INVESTMENT

The Romanian real estate investment market showed **remarkable resilience and vigor** in the first half of 2025, with total investment volume surpassing EUR 390 mln., more than a quarter the amount recorded in the last six months of 2024 and approximately 8% below the H1 2024 figure. This performance confirms Romania's positioning as a stable and **increasingly attractive destination for regional capital**, particularly in light of growing European investment volumes.

A defining feature of H1 2025 was the dominance of **retail assets**, which accounted for 44% of total volume, consolidating a trend that began in 2023. Most of the activity was concentrated in **retail parks**, particularly those located in secondary and tertiary cities. These convenience-oriented schemes continue to appeal to both regional and institutional investors due to their **resilient footfall and predictable cashflows**. The largest deals included the acquisition of two shopping centers (Shopping City Suceava and Focsani Mall), as well as the retail park portfolio of MAS Real Estate, all acquired by M Core. Interest from **Romanian investors** has been shown for small retail income generating assets, like Winmarkt Somes.

Figure 4: H1 2025 Romania Investment Volume by Sector



Source: CBRE Research

The **office sector**, which has seen limited activity in recent years, made a **strong comeback**, representing roughly a third of the total volume. Investor appetite is increasingly selective, with preference for **stabilized buildings in core locations**. Prime yields for office assets held firm at 7.75%, though sentiment suggests potential compression in the following 12 months, especially if interest rate trends continue downward.

Industrial assets accounted for just under 10% of the volume, with transactions spread across Bucharest, Arad, and Timisoara. While investor interest remains solid, a limited supply of prime industrial products continues to constrain volumes. Yields remain flat at 7.50%, particularly for logistics parks with blue-chip tenants and long WAULTs. Product scarcity means that **investor appetite** will continue to be strong for the sector, yet volumes of transactions will be limited.

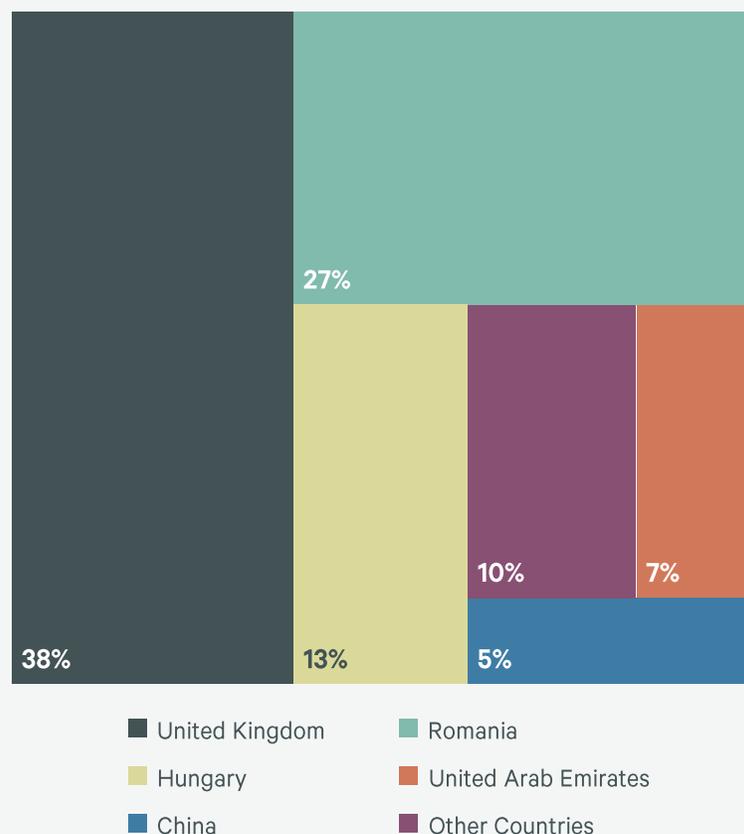
Local Agility Meets Regional Capital as Market is Positioned for Growth

A notable highlight of the period was the **diversity of capital sources**. Foreign investors remained dominant, accounting for 73% of the total investment volume, with capital flowing from countries such as the United Kingdom, Belgium, Hungary, and Middle East. Meanwhile, **Romanian capital remained highly active**, particularly in retail, mixed use and office segments. Locally based groups continue to demonstrate agility and deep market knowledge, often being the first movers in value-add opportunities.

In terms of **pricing**, yields remained largely stable for prime assets. Office and retail are both quoted around 7.75%, while industrial yields at 7.50%. However, for secondary or short-WAULT assets, we observed increased caution and wider yield spreads, with deals closing at up to 150 basis points higher than prime benchmarks.

Romania's macroeconomic fundamentals continue to support investment momentum: inflation is on a downward trajectory, the reference interest rate was **cut** to 2.40% by the ECB in June 2025, and consumer sentiment remains strong. Net average wages rose by 12% year-on-year, while unemployment is stable at 5.7%, one of the lowest rates in the CEE region.

Figure 5: H1 2025 Romania Investment Volume by Purchaser's Nationality



Source: CBRE Research

Looking ahead, we anticipate that total investment volumes in 2025 will **equal 2024 volumes**, at around EUR 800 mln., slightly revised downwards compared to initial forecasts. The instability period caused by the presidential elections and government formation have caused **some delays in transaction or capital deployment**. Further yield compression is not seen in the short-term period, yet looking ahead, in select sectors, particularly logistics and core-plus offices, as competition intensifies compression may be seen. Additionally, the limited pipeline of new developments in key markets such as central areas in Bucharest and Cluj could push rental levels higher, especially in sectors with structural undersupply.

Overall, **investor sentiment is optimistic**, with Romania increasingly seen as a yield play and also a **strategic growth market within CEE**. A healthy pipeline of transactions and robust fundamentals suggest that the best may be yet to come in the following 12 months.



“ *The first half of 2025 has proven that Romania continues to hold its ground as a competitive and resilient investment destination, despite wider global and local uncertainties. While overall volumes saw a slight contraction compared to the same period last year, the market structure tells a more nuanced story — retail remains solid, offices are showing renewed momentum, and industrial assets continue to benefit from long-term fundamentals. Capital remains diverse and increasingly agile, particularly among local investors who are seizing early-stage opportunities. We maintain a cautiously optimistic view for the remainder of the year, expecting stable performance and selective yield compression in sectors with strong underlying demand.*

Mihai Pătrulescu

Head of Investment Properties

03

Office Market



Bucharest Office Market Recalibration: Quality over Quantity

OFFICE MARKET

Bucharest's office market is entering a phase of recalibration, following two years of exceptional activity. While leasing volumes have **moderated**, the market remains fundamentally healthy, supported by steady demand from mid-sized occupiers and trust from large occupiers in stabilizing their office footprint. The lack of new supply is **tightening availability** in prime locations, especially for high-quality Class A spaces, which is already putting **upward pressure on rents**. Investor interest in well-located assets remains strong, signaling **long-term confidence** in the city's office fundamentals.

Next years office development pipeline in Bucharest is **significantly below** the average of the past years (~40% annual delivery volume), reflecting a more cautious pipeline, within a **complex and difficult permitting context**. However, upcoming projects stand out through strong ESG compliance, high-quality design, and the involvement of well-established, reputable developers. These **next-generation offices** are well-positioned to meet evolving tenant demands for sustainability, efficiency, and long-term value. In occupiers **drive towards quality**, Bucharest office stock and pipeline is best suited to accommodate demand.



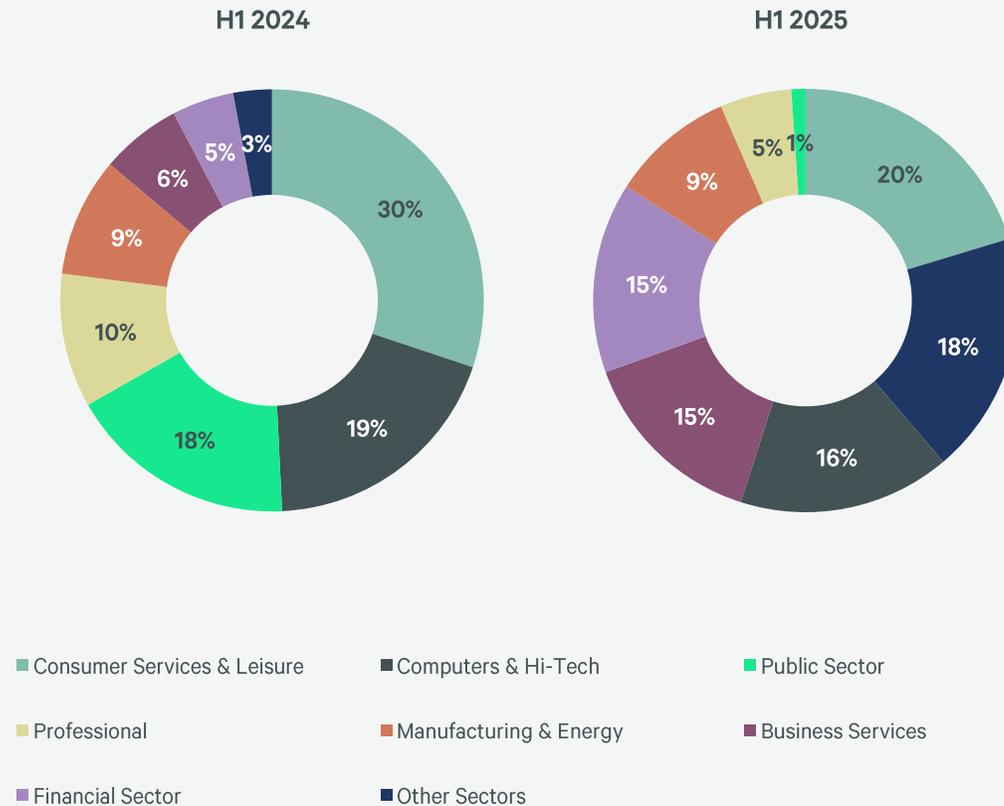
H1 2025 Marks a Balanced Leasing Activity from all Sectors

Demand in Q2 2025 **softened** compared to previous quarters, with total leasing activity (TLA) reaching 61,000 sq m, bringing the H1 2025 volume to 124,000 sq m. This represents a 27% decrease compared to H1 2024 and a 34% drop compared to H1 2023, although volumes are broadly in line with H1 2022. The recent decline follows two **exceptional years** in terms of leasing activity and may reflect a **partial normalization** of market dynamics.

Take-up volumes in Q2 dropped by 35% compared to Q2 2024. However, total leasing volumes were supported by one very large renewal transaction (BCR), which skewed the overall figures. Excluding this outlier, most deals were **smaller in size**, averaging around 1,000 sq m per transaction, a decline compared to previous quarters. This indicates a **market driven largely by mid-sized occupiers**, with limited activity from large corporate users.

Financial Services accounted for approximately 45% of all leasing transactions in Q2 2025, underlining the sector's leading role in current demand. In contrast, the Computer & Hi-Tech sector continued to lose ground, contributing less significantly to overall take-up compared to its peak years.

Figure 6: Take-up by Domain



Source: CBRE Research

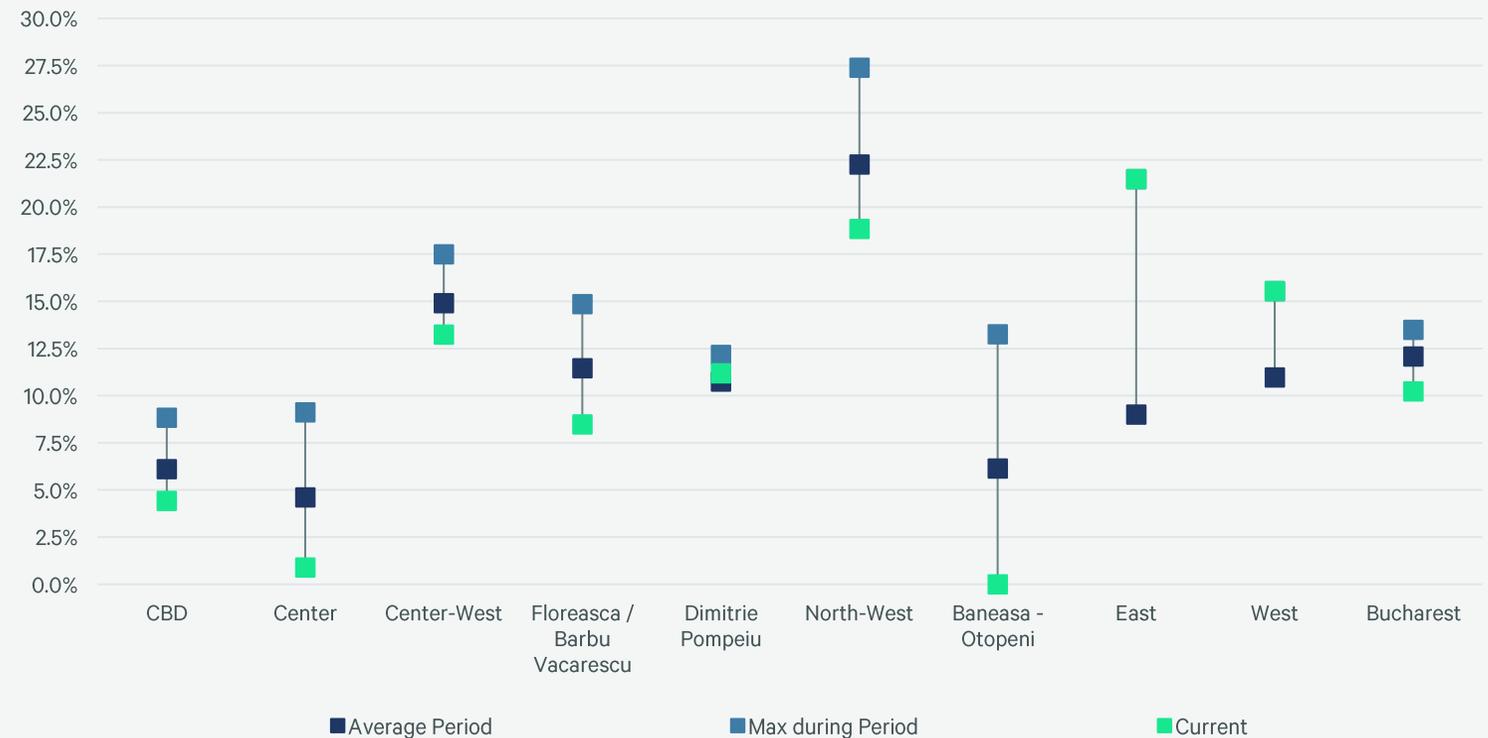
What we are seeing in H1 2025 is a **balanced leasing activity from all sectors**, with Business Services, Computer & IT, Consumer Services & Leisure and Financial Sector companies having an almost equal split out of H1 take-up volumes. This marks a stark contrast to previous years, when up to almost half of take-up came from Computer & IT sector.

Tenant Interest in Centrally Located Office Buildings Remains Strong

On the supply side, no new deliveries were recorded in H1, and no major completions are expected for the rest of 2025, with **One Gallery** remaining the only significant pipeline project. Looking ahead, we count another 150,000 sq m of office space under construction to be delivered in the period 2026 – 2028, a 40% decrease in volume versus the last 3 years, which will put add to the pressure on **space availability**.

At the end of Q2 2025, the vacancy rate for Bucharest’s modern office stock continued its **downward trend**, reaching 11.7%. Vacancy remains **lower** in Class A buildings, at approximately 10.2%, while Class B properties show a higher rate of around 15.2%, indicating a growing tenant preference for more efficient, well-located buildings. In **central submarkets**, Class A buildings report vacancy rates below 5%, highlighting a tightening availability of quality space in prime locations. **Hidden vacancy**, meaning units which are in tenants’ occupation, yet available for lease, has registered a 40% **decrease** compared to last year, showing a continuous tightening of the market availability.

Figure 7: Modern Office Stock Vacancy Rate (class A)*



*including an analysis from Q1 2023 – Q2 2025 vacancy rate per sub-market. Please consider that class A sample size is limited.

Source: CBRE Research

Market Fundamentals Remain Supportive of Rental Increase

The office investment market also showed **signs of resilience**, with four transactions closed in H1 totaling EUR 121 mln. (or 31% of total half year volumes). Majority of office deals involved Class A properties, reflecting continued investor appetite for well-located, high-quality assets. The buyer profile was a mix of existing players and new entrants, a positive signal for market liquidity and long-term confidence in the Bucharest office sector.

With limited new supply and stable demand from medium-sized tenants, market fundamentals remain supportive of **rental growth**, particularly in central locations where options are increasingly scarce.

We continue to quote prime rent at EUR 22 sq m / month (a 6% YoY increase) with potential for growth in the short to medium term. We continue to see a **disparity** between in rental levels between secondary and prime office properties, something that is visible in all major capitals in CEE region.





“ Bucharest’s office market is entering a new cycle defined by quality, scarcity, and long-term resilience. With no significant new deliveries expected in the near term and vacancy rates tightening further, particularly in central submarkets, competition for high-quality space is set to intensify. Occupiers are expected to accelerate transitions toward efficient, ESG-compliant workplaces, reinforcing the ongoing flight to quality and sustained demand from mid-sized and financially stable corporate tenants. Supported by solid tenant demand, constrained new supply, and continued investor interest, market fundamentals remain well positioned to drive performance forward.

Tudor Ionescu

Head of Leasing Office

04

Retail Market



Retail Momentum: Navigating Growth in a Changing Economy

RETAIL MARKET

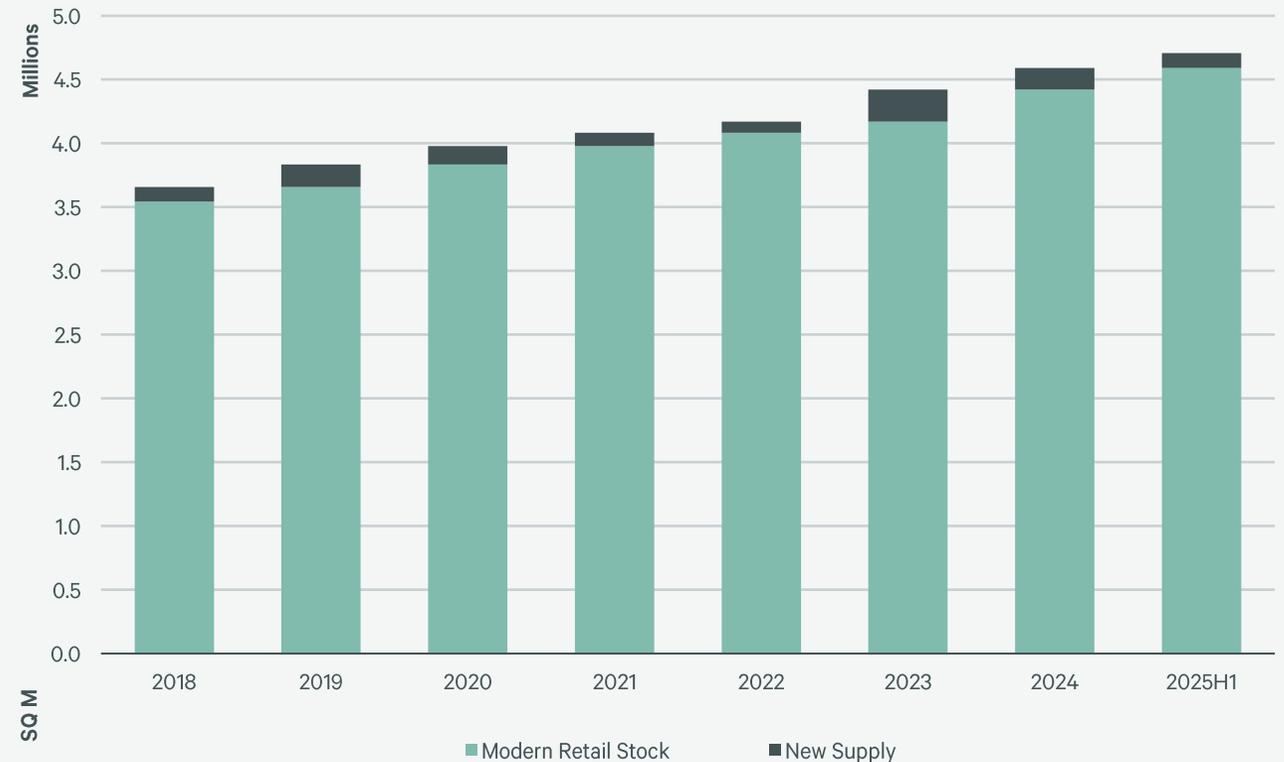
Following a stock revision conducted by the CBRE Research team in Q2 2025, the total **modern retail stock** has reached 4.7 mln. sq m.

The modern retail stock in Romania expanded by approximately 116,000 sq m in H1 2025, reflecting a notable acceleration in delivery pace. This includes 41,000 sq m in retail parks (both new schemes and extensions) and 75,000 sq m in shopping center extensions.

Looking ahead, an additional 78,000 sq m of retail space is currently under construction and scheduled for delivery in H2 2025. This brings the total expected **new supply for 2025** to 195,000 sq m, up 15% y-o-y, and confirming the upward trend in development activity.

The increase in completions was supported by a diversification of product in various type of **regional cities**, where investors have shown greater interest, particularly for **retail park developments**.

Figure 8: Modern Retail Stock Evolution | Romania



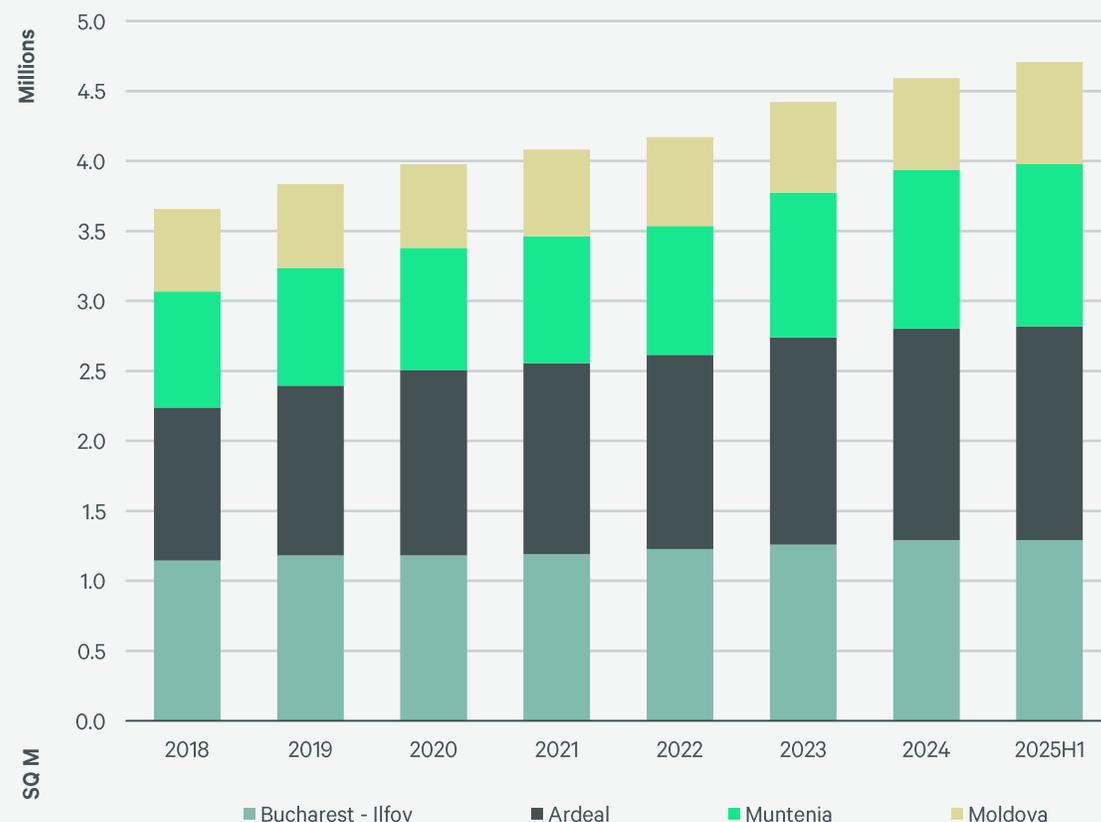
Source: CBRE Research

Retail Expansion Continues to Move Beyond Bucharest

Within the retail stock, while shopping centers continue to have the largest share (almost 70%), the **retail park sector has tripled in size** in the last 10 years, overpassing the 1.0 mln. sq m mark. We will continue to see development in this sector, as another 8 medium size retail parks are under construction (GLA 46,700 sq m), to be delivered in next 12 months. These parks are mostly located in **tertiary cities**, by population size, yet they have **limited modern retail space**, thus are quite sought-after within their catchments.

While in Romania, we have seen the development of **small to medium size retail parks** (up to 10,000 sq m, which represent 80% of the retail park stock), in the CEE region and Western Europe, active development is made for **larger outdoor retail schemes**, of 15 to 25,000 sq m. Their advantages lie in a greater attraction pool from customers, as well as keeping the operational costs under general shopping center service charges, thus making them attractive to tenants.

Figure 9: Modern Retail Stock Evolution By Region



Source: CBRE Research

By total volume, shopping centers will bring the biggest add-on, as currently two large extensions are under development (Arena Mall Bacau & Promenada Bucharest), as well as one of the largest retail spaces to future exist, Rivus Cluj Napoca. In total, **active pipeline 2025 – 2027** amounts to over 273,000 sq m, which will bring the retail stock to the 5.0 mln. sq m mark.

Looking at the **stock profile**, by regions it is clear that **Bucharest – Ilfov** area attracted a massive retail investment, holding 27% of total stock. Out of the historical regions of Romania, **Transylvania** has the highest share of stock (32%), whereas Muntenia region another quarter (25%) and Moldova, being the **lowest** supplied area (15% of national stock).

Renewed Preference for Physical Stores & Experience-Driven Retail

Bucharest's modern retail stock maintains a **high occupancy rate**, with overall availability of under 1%. In regional cities, the vacancy rate is slightly higher, around 3%.

Over the past 12–18 months, we've seen a clear shift in consumer behavior across CEE, driven by inflationary pressures, digital maturity, and growing awareness of sustainability. In Romania, the **rebound in footfall and sales** has been remarkably strong post-COVID, but the consumer is now more **selective & price-conscious**. The data shows consistent growth in categories like health & wellness, affordable fashion, and convenience-based retail. There's also a **renewed preference** for physical stores as consumers seek experience-driven retail, not just transactions.

Retail sales volumes have remained solid in CEE and are expected to continue the positive trend in the second half of the year, mirroring the improving macroeconomic backdrop at a wider CEE level.

At the end of Q2 2025, **prime rent** for shopping centers increased by 6% from last year, at EUR 85 sq m / month, yet remained unchanged for high street locations (EUR 55 sq m / month).



A total of 99 new tenants entered the CEE market in 2024, a record year, an increase by 40% YoY. Retailers prefer **shopping centers** – main choice for 60% of them, followed by high street. Main target countries are Czech Republic, Poland and also Romania.

In H1 2025, we saw the entry of several **new brands** into the Romanian market, including Sports Direct, Worldbox, Wendy's, and Funky Buddha. More names are expected in the second half of the year, such as Action, Holland & Barrett, and Tous. Additionally, other brands — both regional and international — are in discussions to enter Romania within the next 12 to 24 months, across segments ranging from high-end luxury to food & beverage and health & beauty. This **continued interest** highlights Romania's growing attractiveness to international retailers.

CEE Retail Investment Rebounds, Romania Follows the Lead

The retail sector is gradually regaining investor confidence. While logistics and hotel dominated post-pandemic, **retail is now back on the radar**, especially dominant shopping centres and retail parks with strong footfall data and tenant performance. **Retail investment** in Q1 2025 in CEE accounted for over EUR 800 mln., meaning a **doubling** of activity on YoY basis and we continue an optimistic view towards transactions in this sector.

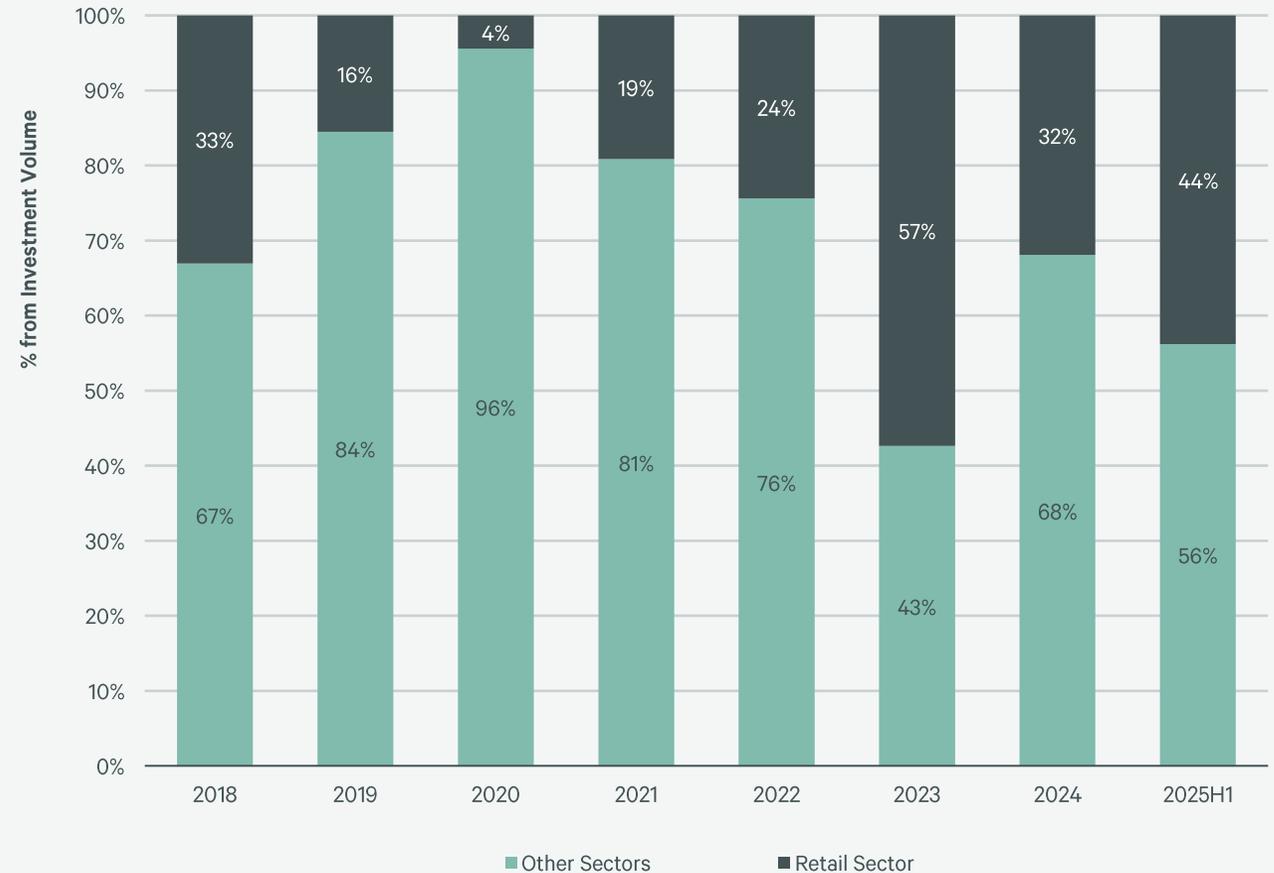
In H1 2025 in Romania, **retail was the standout sector**, accounting for **44% of total investment volume**, continuing a trend that began in 2023. Activity was driven largely by **retail parks in regional cities**, which remain attractive to both institutional and regional investors due to their stable footfall and predictable returns.

Based on this interest in the market, we have slightly **compressed yields for retail** in secondary cities, to 8.25%. Retail has a growing pool of evidence for stronger investors sentiment, and we have seen prime yields moving in by 25-35 bps (QoQ in Q1 2025) for retail assets in Czech Republic as well, flat in other core CEE markets.

While Romania's retail sector continues to expand, supported by a strong development pipeline and strong investor interest, the outlook remains nuanced. **Fiscal tightening and slower GDP growth** may temper short-term momentum, particularly for consumer spending and leasing activity.

However, the sector shows **resilience** through sustained demand for retail parks, strategic **tenant diversification**, and selective capital deployment in high-performing assets.

Figure 10: Share of Retail Sector in Romania Investment Volume



Source: CBRE Research



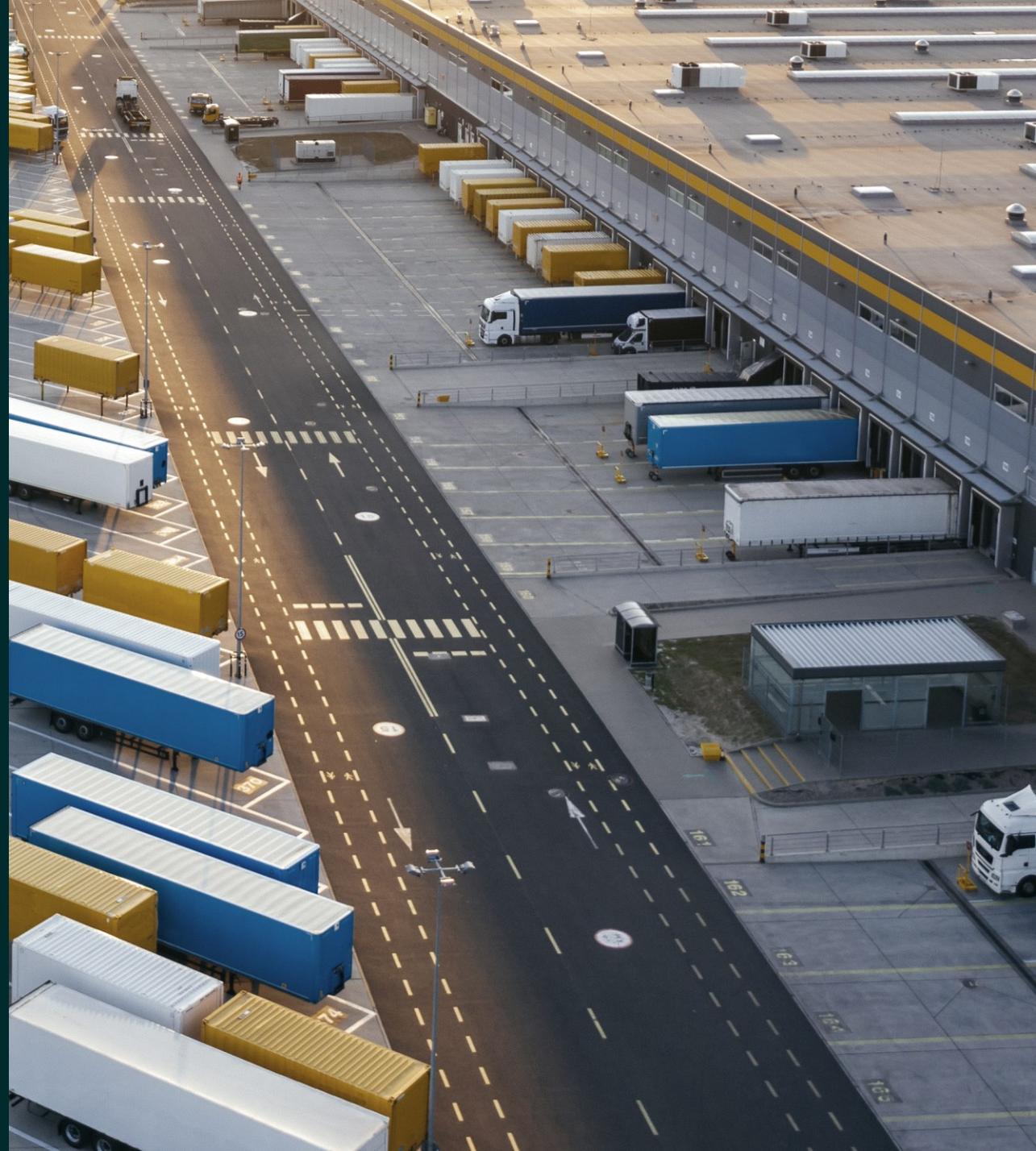
“ The Romanian retail market is marked by robust development activity & growing investor appetite. We’re seeing a clear acceleration in supply, particularly in regional cities, with retail parks remaining the preferred format. Occupiers continue to diversify their footprint, seeking both operational efficiency and strong catchment performance, with a notable entry from Sports Direct. Investor sentiment is also gaining momentum, with retail accounting for 44% of Romania’s total investment volume in H1 2025. Retail in Romania is no longer just recovering - it’s repositioning for long-term, sustainable growth.

Carmen Ravon

Head of Retail CEE & Romania

05

Industrial & Logistics Market



Romania's Industrial Stock Hits 8 Million Sq M Milestone

INDUSTRIAL MARKET

Romania's industrial market continues its **robust expansion**, with total modern stock crossing the landmark 8.0 mln. sq m mark in Q2 2025.

An analysis of the geographic distribution reveals a market heavily concentrated around the capital. Bucharest remains the **undisputed epicentre of Romania's logistics activity**, accounting for 46% of the country's total stock. Beyond the capital, the West/North-West region has established itself as a major secondary hub, comprising 24% of the national stock, followed by the Southern (16%) and Central (10%) regions.

This stock growth was fueled by the addition of nearly 90,000 sq m of **new industrial and logistics** space since the start of the year. Out of the five industrial regions based on which the country's modern I&L stock is analysed, only three of them added new spaces. Bucharest led the market, capturing over half of all new deliveries. The Central region followed, accounting for 35% of the new space, with the remaining 11% located in the West/North-West.

The modern industrial stock in Bucharest now totals 3.7 mln. sq m, following the delivery of 48,000 sq m of new space in the first half of 2025. This **new supply** was concentrated in two key sub-markets, with deliveries split almost evenly between Bucharest North (52%) and the A1-km 23 area in the West (48%).

Figure 11: Romania Modern Industrial Stock Evolution

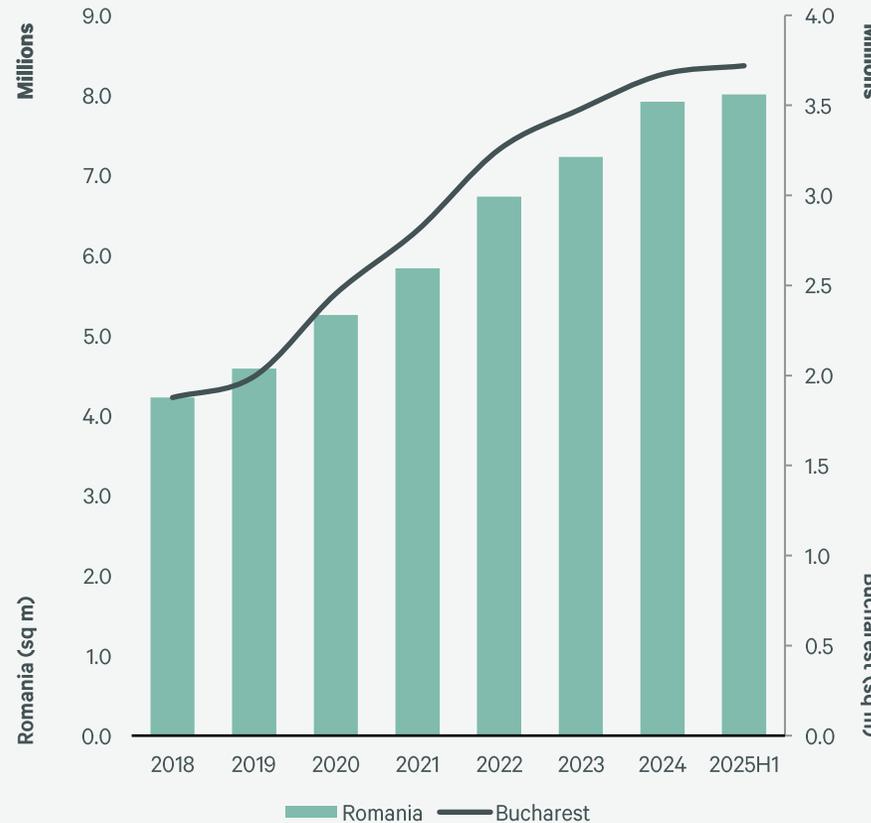
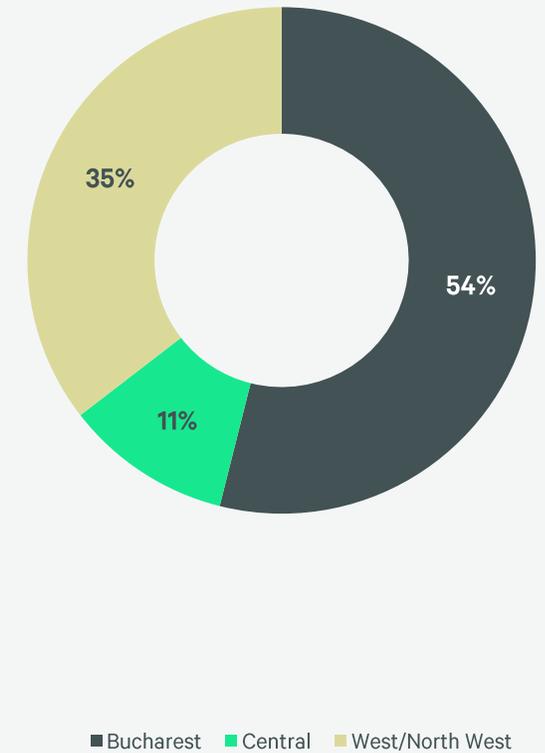


Figure 12: H1 2025 Romania New Supply



Source: CBRE Research

Subdued Pipeline Volumes Point to a Tightening Market

Romania's modern industrial & logistics stock is projected to **expand** by an additional 210,500 sq m by the end of 2025, driven by projects actively under construction at the end of Q2 2025. As anticipated, the Bucharest sub-market is poised to absorb the **lion's share of this new supply**, accounting for a substantial 72%. The remaining 28% of the total new built area will be delivered across the West/North-West and South regions, indicating a more concentrated growth in the capital.

Still, the projected new supply for the entire 2025, estimated at 300,000 sq m, represents a 55% **decline** compared to the average annual supply over the past five years.



At the end of Q2 2025, the **national vacancy rate** reached 5.1%, meaning circa 207,000 sq m, **down** from 5.6% at the end of the first half of the previous year. Breaking down the national figures, Bucharest industrial region currently exhibits a **slightly elevated vacancy rate** of 5.6%. In contrast, regional cities are demonstrating stronger occupancy, with an estimated vacancy rate of 4.7%.

The Romanian industrial market experienced an **increase in prime rents during 2024**, with a EUR 0.25 sq m / month rise. This brought prime rents to EUR 4.75 sq m / month by the end of Q3 2024, a value that remained **stable** throughout the first half of 2025.

Looking ahead, the market anticipates a continued **upward trajectory for prime rents** in the coming twelve months. This projection is underpinned by several key factors: elevated development costs, sustained robust demand for industrial space, and a noticeable decline in speculative project developments. These elements collectively point to a **tightening market and further rental growth**.

What could be observed so far in 2025, **sustainability** has transitioned from a secondary consideration to a primary driver of operational strategies within the logistics real estate sector. A clear and compelling link has emerged between sustainable practices and business performance: initiatives designed to enhance resilience and productivity inherently yield significant environmental advantages.

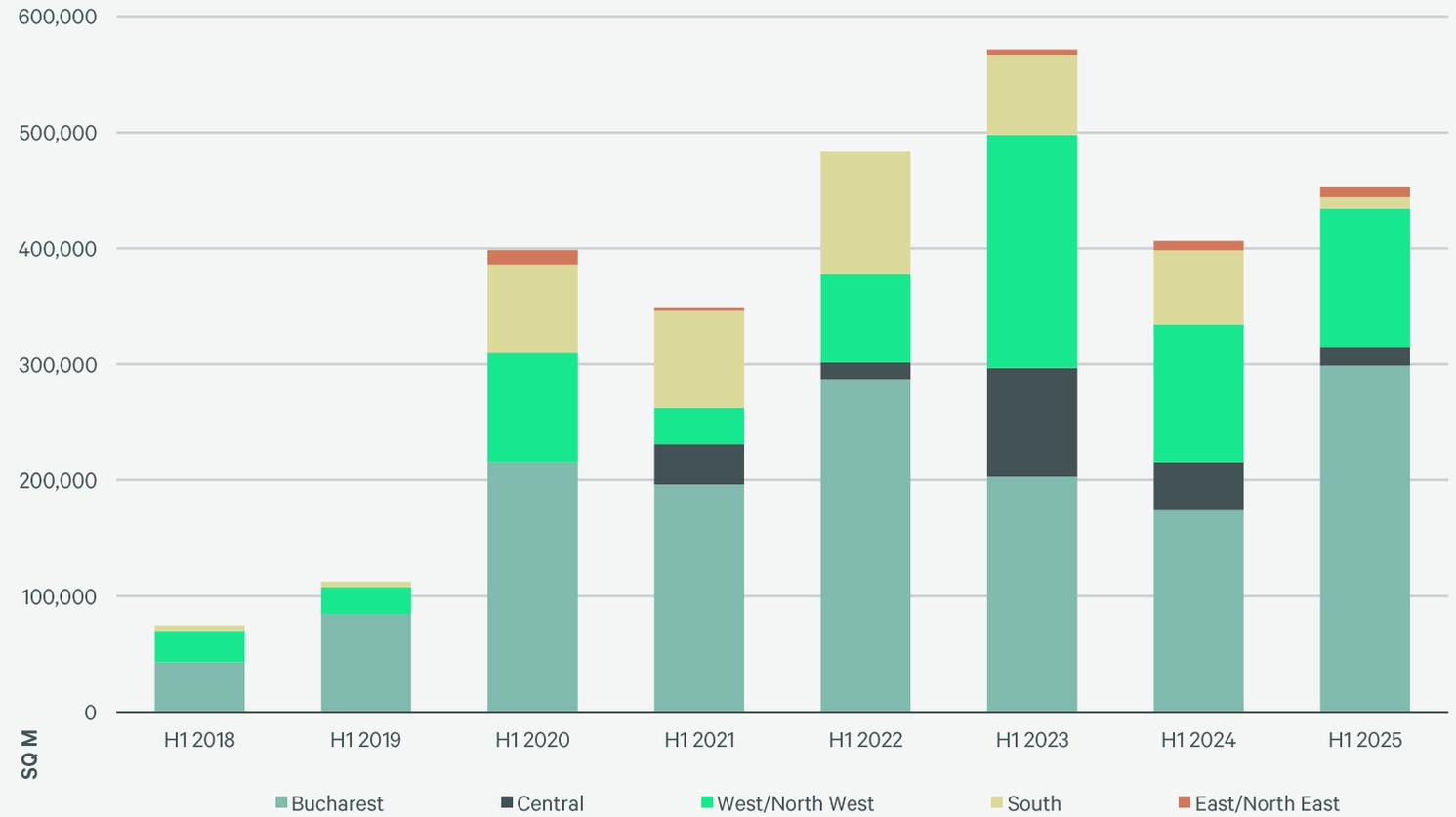
For logistics operators and property owners, **optimizing processes** to reduce the consumption of water, energy, and materials directly translates to a smaller environmental footprint and, concurrently, a stronger bottom line. This synergistic relationship underscores the imperative for **integrating sustainable solutions** into all facets of logistics operations and property management.

Strong Q2 Leasing Momentum Deploys a Strong Annual Outlook

In the second quarter of 2025, Romania's total leasing activity (TLA) reached 452,600 sq m, marking a 11% year-on-year increase. Although H1 2025's figures are only 6% respectively 21% below the historical levels of H1 2022 and H1 2023, the significant traction gained in Q2 anticipates a **remarkable annual leasing performance**. A total of 77 transactions were completed throughout Romania, with 12 of them exceeding 10,000 sq m, while the **average deal size** stands at approximately 5,900 sq m.

Take-up, which includes all transactions except renewals and renegotiations, accounts for 65% of the total leasing activity (TLA), while renewals and renegotiations make up the remaining 35%. New leases (new demand) and expansion transactions constitute nearly 31% of the TLA. **Pre-leases** claimed also a significant share of 29% from TLA, while new leases involving relocations constituted a smaller portion at 5%.

Figure 13: Total Leasing Activity Evolution By Location



Source: CBRE Research

Bucharest: Outperforms its 5Y Leasing Averages

In the first half of 2025, Bucharest solidified its position as the primary I&L hub, capturing a significant 66% share of the Total Leasing Activity (TLA), with 16 pps higher when compared with the first half of last five years average. This reinforces **Bucharest's status as the most sought-after I&L region in Romania.**

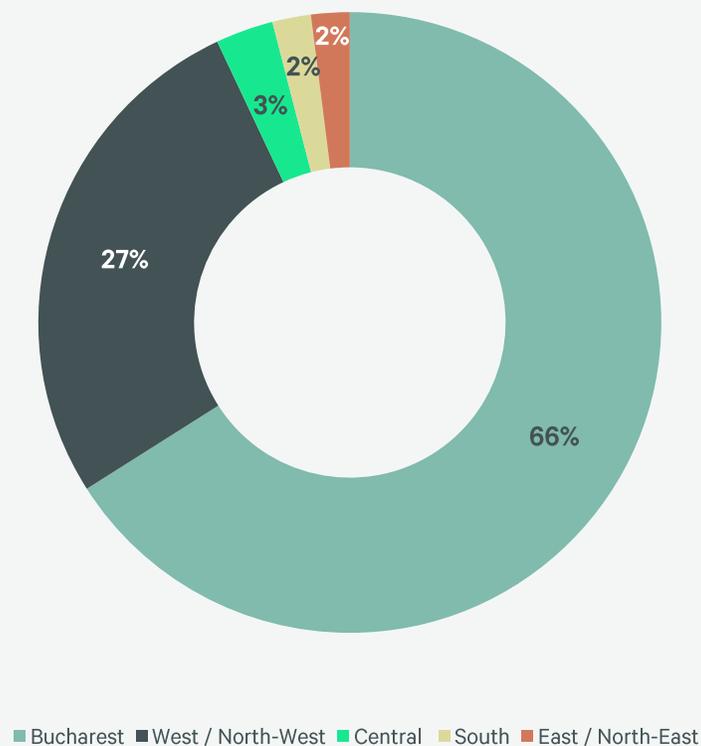
Furthermore, this trend is expected to continue, driven by ongoing infrastructure enhancements in the capital city. A key development is the opening of the southern section of the A0 highway, spanning 51 km, which now enables **uninterrupted highway travel** along the 395 km route from Curtea de Arges to Constanta.

Additionally, the completion of the connection between DEx12 Craiova–Pitesti and the A1 highway, will allow continuous highspeed travel from Craiova to Constanta over a total distance of 464 km. This will further **strengthen the national logistics corridor**, facilitating faster and more reliable goods movement between Southern and Eastern Romania, and improving access to the Port of Constanta.

Conversely, regional cities collectively accounted for the remaining 34% of TLA. While showing potential, these regional markets are still awaiting the full benefits of **ongoing infrastructure projects** designed to enhance connectivity across key areas of Romania, which are expected to further stimulate I&L demand. The West/North-West region emerged as the strongest performer, securing 27%. The Central region contributed 3%, while the South and East/North-East regions each accounted for 2% of the total.

In terms of tenant activity, the primary sectors driving demand for I&L spaces in H1 2025 were **logistics and retail**, indicating continued expansion and optimization within these industries.

Figure 14: Total Leasing Activity Evolution By Location in H1 2025



Source: CBRE Research

Persistent macroeconomic pressures and an increasingly intricate geopolitical landscape are driving a fundamental strategic shift within supply chains, emphasizing **resilience, diversification, and proactive scenario planning.** This reorientation directly impacts the demand for and utilization of industrial and logistics real estate. The dramatic surge in e-commerce, coupled with evolving consumer expectations for rapid delivery, is acting as a potent catalyst for innovation in **last-mile logistics.** This trend is reshaping demand patterns within the industrial real estate market, placing a premium on strategically located assets with efficient last-mile capabilities.

Amidst these transformative shifts, addressing critical labor shortages and persistent skill gaps remains paramount for the real estate sector and its occupiers. This necessitates substantial investment in workforce development and the **strategic integration of automation as a tool to augment,** rather than replace, human capital. These efforts are crucial for maintaining **operational efficiency and competitiveness** in a dynamic market.



“ In essence, 2025 marks a pivotal moment where industrial and logistics leaders must embrace systemic transformation, prioritize data-driven resilience, integrate sustainability as a core strategic advantage. Moreover, for the first time in history from Constanta to Craiova, trucks can pass the road entirely on highway, bringing the total number of km in operation to over 1,300 and another 740 km in active execution. The changes to be brought to the Romanian I&L market are going to be seen in coming months and years.

Răzvan Iorgu

Head of Leasing Industrial & Logistics

06

Land Market



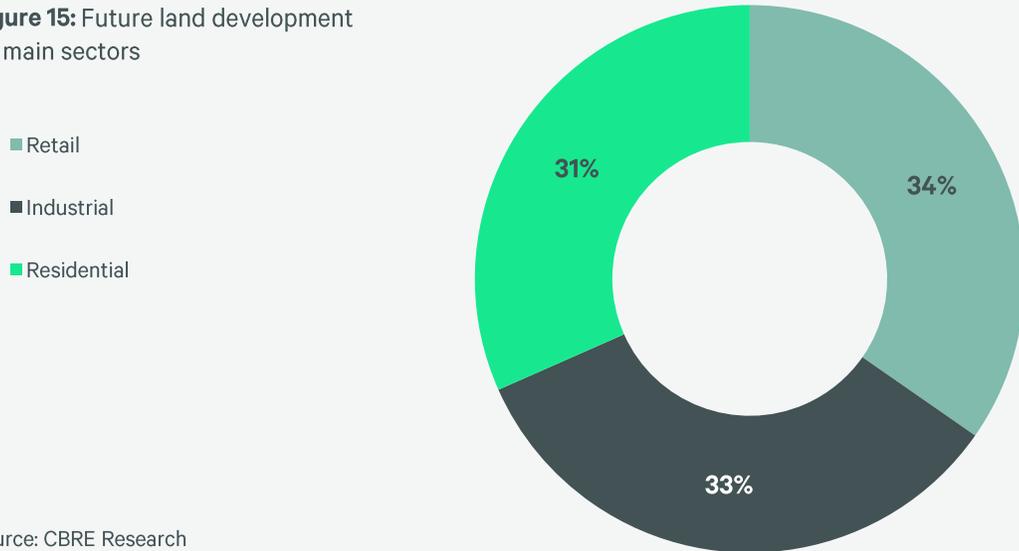
Resilient Growth , Building Opportunity

ROMANIA LAND MARKET

In the first half of 2025, approximately **73 hectares of development land** were sold across Romania, marking a **45% increase** compared to the same period last year. Of this total, 67% of the transacted area involved properties located in **Bucharest** and Ilfov counties, while the remaining 33% covered cities such as Galati, Bacau, Sibiu, and Orastie, among others.

The intended future uses of these land plots are evenly split among three main sectors: **retail** (34%), **industrial** (33%), and **residential** (31%). Among the retail-designated properties, M Core emerged as a standout buyer, accounting for 28% of the total retail-allocated area. The British group is rapidly expanding its presence nationwide, via income-generating asset acquisition, as well as land suitable for retail development.

Figure 15: Future land development by main sectors



Source: CBRE Research



A Dynamic Yet Cautious Evolution Across All Sectors

Romania’s land market in 2025 is showing a dynamic yet cautious evolution across all sectors. **Industrial developers** continue to play a major role, driven by plans to expand production capacity. These efforts are further supported by Romania’s recent entry into the Schengen Area, which improves cross-border logistics and strengthens the country’s position as a regional manufacturing and distribution hub. Strategic land banking remains a key element of industrial expansion.

By contrast, **office developers** are focusing more on the redevelopment of existing properties, rather than purchase of development land. Thus, only one land office development transaction was recorded in H1 2025, with limited information available on the format of the future project.

Retail development continues to shift toward the expansion of small-format retail parks, especially in secondary cities and peri-urban areas outside Bucharest. These projects aim to meet the needs of communities that remain underserved by modern retail infrastructure and align with shifting consumer preferences for accessibility, convenience, and open-air shopping formats.

Meanwhile, the **residential sector** is facing new challenges due to fiscal measures coming into effect on August 1st, including a VAT increase to 21%, which is expected to impact both affordability and development costs. Even so, demand for modern rental housing is on the rise, particularly in urban centers with strong employment and educational ecosystems. This trend is driving growing interest in land suitable for build-to-rent developments.

Land prices in core urban areas have remained relatively stable, while in some secondary cities and peri-urban zones, modest price increases (up to max. 5%) were recorded. Land for industrial sector, driven by the completion of large infrastructure projects, is seeing a price increase, in areas with excellent accessibility and transport links. Sellers are generally holding firm on asking prices, while buyers are more price-sensitive, especially where permitting or infrastructure availability is unclear — creating a valuation gap in some submarkets.

Figure 16: Metropolitan Area Bucharest Asking Selling Price (Range) | Development Land

Main Use	Prime Location (EUR / CUT* point)	Secondary Location (EUR / CUT* point)
Office	350 – 750	150 – 300
Residential	500 – 900	150 – 450

*CUT refers to land use coefficient

Main Use	Prime Location (EUR / sq m)	Secondary Location (EUR / sq m)
Retail	500 – 800	250 – 450
Industrial	35 – 75	25 – 35

Source: CBRE Research



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New infrastructure projects, the upgrading of the public transportation network, together with predictable authorization timelines and well-defined urban planning frameworks, may act as a stabilizing factor to developers' growing appetite for new real estate developments.

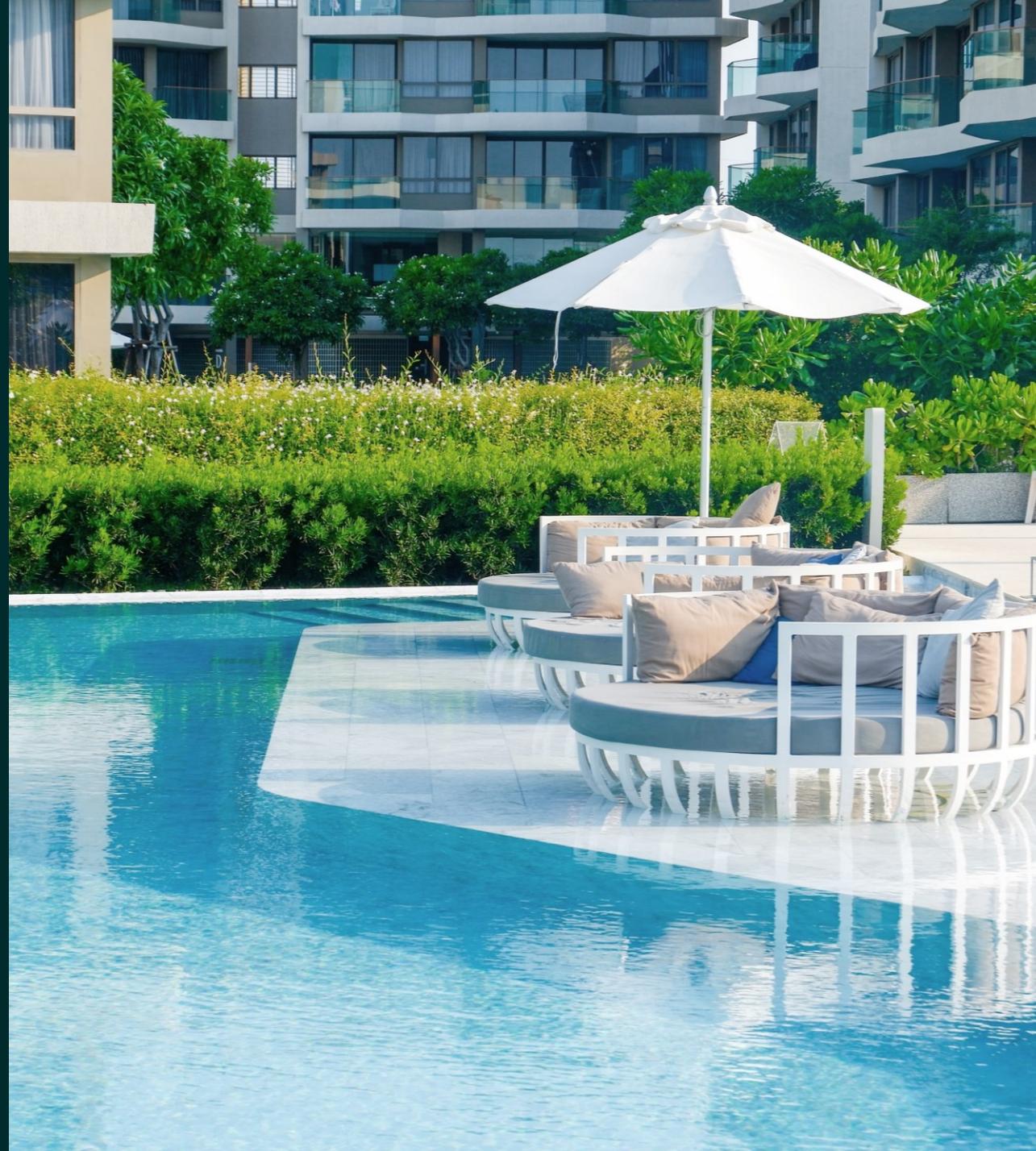
Similar to other sectors, the land market has been also shaped by political uncertainty and is now expected to be significantly influenced by new fiscal policy measures.

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07

Hotel Market



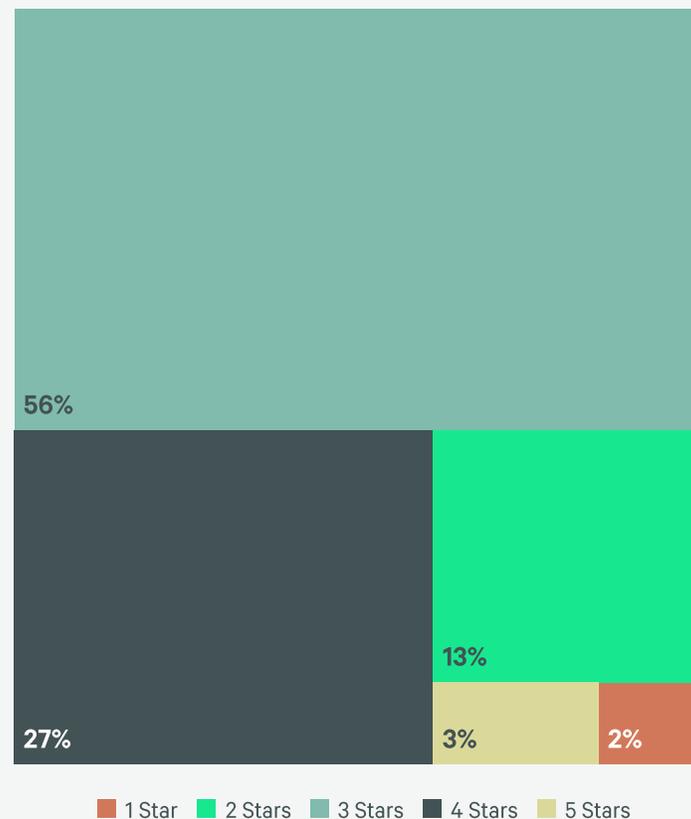
Romania Hospitality Market Matures Bucharest Leads the Way

ROMANIA HOTEL MARKET

In 2025, Romania's hotel industry continues to demonstrate **resilience and steady evolution**. The total number of operating hotel units has marginally increased with 1% compared with the previous year, reaching at a bit over 1,800 hotels, signaling a positive trend in **market expansion**. Interestingly, this growth in the number of establishments is accompanied by a slight decline in both the number of rooms and total accommodation capacity. The number of rooms and subsequently the total capacity dropped by 1%, meaning circa 108,000 rooms with a capacity of 214,400 beds. This inverse relationship suggests a **shift in development strategy**, possibly favoring smaller-scale, boutique-style hotels or the repurposing of larger properties into more specialized accommodations.

A notable development in 2025 is the increasing presence of **branded hotels**. Out of the total hotel stock, 101 units (out of which one third are located in Bucharest) are now affiliated with international or regional hotel brands. This reflects growing investor confidence and the appeal of Romania's tourism sector to global operators, particularly in urban and high-demand areas. Yet, the fact that only 6% of the total stock is branded leaves **ample room for product development in the future**.

Figure 17: Romania Operating Hotels at H1 2025 by no. of stars



Source: CBRE Research

Bucharest, as the capital and a central economic engine, continues to **lead the national hospitality market**. The city now hosts 134 operating hotels (or 7% of total stock), after a remarkable new addition, via Corinthia Grand Hotel, a luxury, five-star, centrally located establishment. The number of rooms has grown to 11,000, and total capacity slightly increased to ~ 21,600 beds. More significantly, the number of **branded hotels in Bucharest** has risen to 34, reinforcing the city's role as a magnet for international hotel chains and business travelers. This growth aligns with Bucharest's positioning as a regional hub for conferences, corporate travel, and cultural tourism.

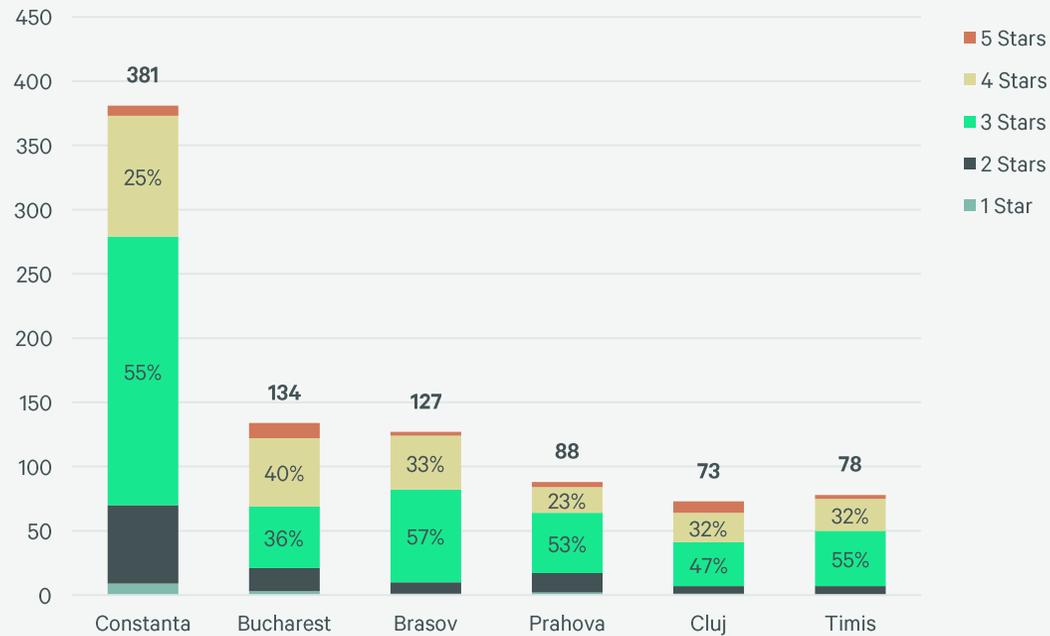
The national hotel classification structure remains heavily weighted toward the **mid-scale segment**. 56% of the total operating hotels, are ranked as **three-star**, making it the most common category, followed by four-star hotels with a 27% share and two-star properties with 13%. **Bucharest alone accounts for 28% of Romania's five-star hotels**, highlighting its concentration of upscale and luxury offerings.

From Coast to Capital: Romania’s Travel Hubs Power Tourism Revival

The **counties with the highest number of operating hotels** include Constanta, Bucharest, Brasov, Prahova, Timis, and Cluj. These areas represent a **diverse mix of tourism drivers**: Constanta for its Black Sea coastline, Brasov and Prahova for mountain and ski tourism, and Timis and Cluj as dynamic economic and cultural centers. Bucharest, meanwhile, continues to serve as the core of both business and leisure travel in Romania.

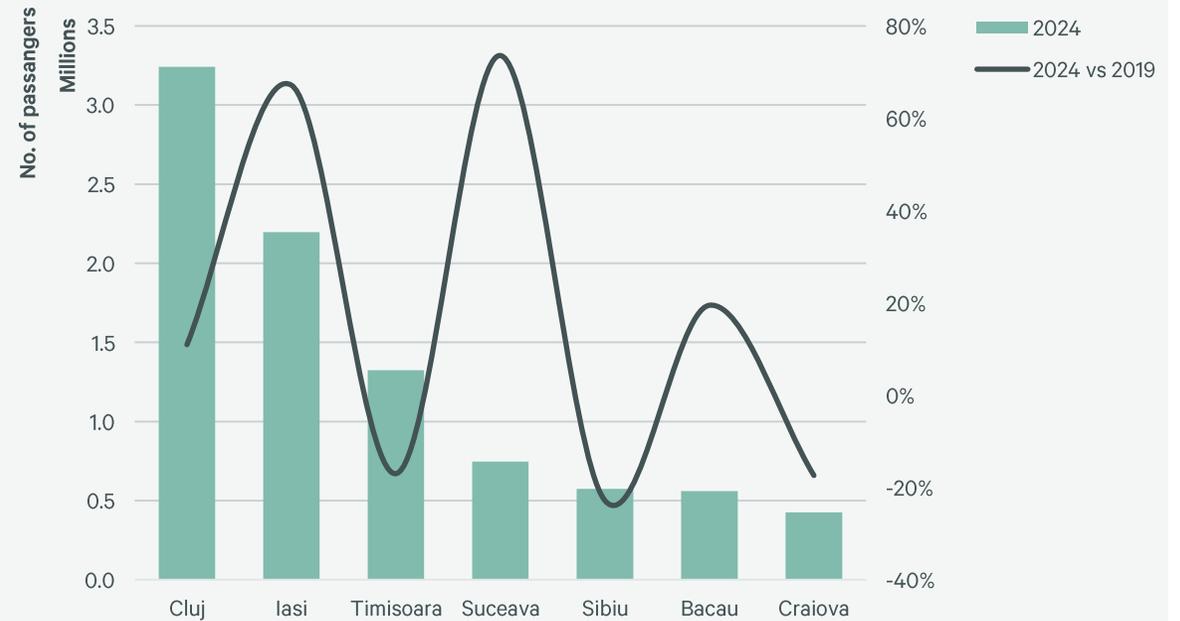
Air traffic in Romania has shown a **robust recovery** and growth pattern. In 2024, Romanian airports handled a total of approx. 26.0 mln. passengers, marking a 6% YoY increase from 24.6 mln. passengers in 2023. The increase in passenger volume reflects improved connectivity and airline capacity and also signals growing interest in Romania as a **travel destination for both leisure and business purposes**.

Figure 18: Counties with the Largest Hotel Stock



Source: CBRE Research

Figure 19: Passenger Air Traffic in Selected Regional Cities



More Visitors, More Hotel Nights, More Investor Confidence

This positive momentum is mirrored in the hotel sector's performance, particularly in terms of **nights spent** in hotels. Nationally, the total number of nights spent in hotels **rose** from circa 19.6 mln. in 2023 to 20.0 mln. in 2024, representing a 2% YoY increase. While modest, this growth indicates a steady return of travel confidence.

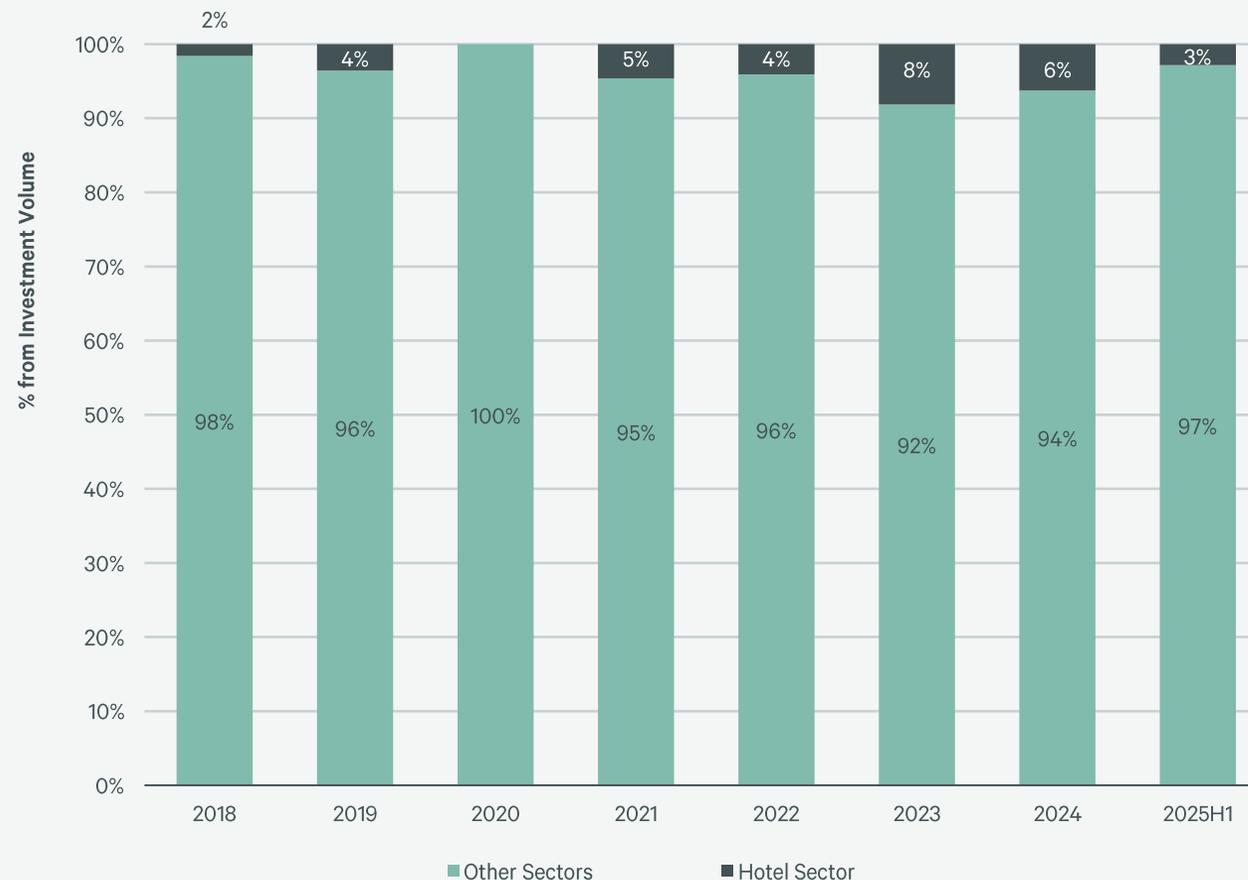
Bucharest continues to outperform the national average in tourism, recording an **8% YoY increase** in hotel nights, reaching 3.3 mln. in 2024. This growth is largely fueled by a surge in **international visitors**, whose overnight stays in the capital rose by 12%. Domestic tourism also contributed, albeit more modestly, with a 2% uptick in nights spent by Romanian travelers. Bucharest stands out in this trend, benefiting from its expanding portfolio of **branded hotels** and its strategic role as a **key hub** in the country's air transport network—making it an increasingly attractive destination for both business and leisure travelers.

On a national level, **foreign tourist** stays increased by 9%, while domestic tourism edged up by 1%, highlighting Romania's growing appeal to international audiences.

Tourism in Romania is experiencing a strong recovery and growth trajectory, driven by both performance improvements and increased investor interest. Although this aligns with broader trends across Europe, Romania still has considerable progress to make to catch up with more developed markets.

When looking at the country's **investment volume** during the last six years, hotels claimed shares ranging from 4% (in 2019, 2022) up to 8% in 2023.

Figure 20: Share of Hotel Sector in Romania Investment Volume



Source: CBRE Research



“ Together, these indicators reveal a maturing tourism market that is simultaneously recovering and evolving. The alignment of increased air traffic, rising hotel stays especially among foreign visitors and the expansion of branded hotel offerings suggests that Romania, and Bucharest in particular, is gaining traction as a competitive destination in the regional hospitality landscape. Overall, the market is expected to continue its positive trajectory, supported by Romania's entry into the Schengen Area, which is likely to boost tourism and business travel.

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