## Land transactions for commercial real estate projects in 2022, almost half compared to 2021

The volume of land transactions for commercial real estate projects (excluding industrial and traditional warehouses) amounted to approximately 450 million EUR in 2022, decreasing compared to 800 million as recorded in 2021, according to the estimates of a real estate consulting company.

Bucharest and the surroundings of the Capital continue to be the most interesting for investors, attracting two thirds of the total volume, while the residential sector generated about three quarters of the transactions at the Capital level.

"It may seem paradoxical, but despite the large decrease in volume, 2022 was one of the best years in the history of the land market in Romania. On the one hand, the volume in 2021 was the best result in the last 15 years, coming after a somewhat strange 2020, while last year's result is comparable to the good years of the pre-pandemic period. Moreover, when we refer to all the activity and the number of pre-contracts signed, 2022 is at the level of 2021, even if not as many transactions were completed, mainly because of the blockages in the urban area," Land Agency Director, Colliers Romania Sinziana Oprea explained.

The decrease in interest from developers starting with the autumn months also contributed to the decrease in the traded volume. Specifically, investors started to ask more serious questions about their immediate strategy, in the context of more frequent discussions about a global recession and the increase in the cost of risk with the increase in government bond yields.

At the same time, residential projects developers have noticed a moderation in activity, as higher interest rates, inflation and uncertainties have started to decrease buyers' interest in new apartments. Even so, until these fears existed, the developers made a series of large transactions, of reference in the market, the representatives of the consulting company underscored.

In the Colliers director's view, an interesting trend is that the market is starting to become more active outside of Bucharest than in the Capital in terms of new transactions. This development has to do with the fact that investors are more reluctant to engage in pre-contracts in Bucharest, where there is a great uncertainty in terms of obtaining urban documentation.

Prices remained relatively stable, especially given that, in the first part of the year, investors were more fearful in the context of the war, and afterwards there was not much of a favorable context in general, considering that uncertainties persisted and higher interest rates started to be felt.