

## Real estate investments reach 1.25 billion EUR threshold in 2022, up 40pct (analysis)

**The volume of transactions with commercial real estate assets with a 5 million EUR minimum value totaled approximately 1.25 billion EUR in 2022, 40pct more than in 2021, of which almost 600 million EUR represents the volume traded in Quarter 4 alone, according to a JLL Romania analysis.**

According to the quoted source, this result represents a record level after the economic crisis of 2008, while at the European level significant decreases were registered.

"A strong influencing factor was the acquisitions of the Paval Holding group, which represented almost 37pct of the annual total. In the absence of portfolio transactions and under the influence of global and regional trends which, although delayed, are also manifesting themselves in Romania, for 2023 we expect a volume that will not exceed the average of the last years, of approximately 800-900 million EUR," the press release mentions.

In terms of yields, both at regional and local level, there is a growing trend against the backdrop of increased financing costs and risk aversion.

In the fourth quarter, prime yields in Romania increased for the office market from 6.75pct to 7pct, while for the segment of commercial centers and industrial spaces they stayed at 7.25pct, namely 7.5pct.

In 2022, the office sector continued to rank first in terms of share in the volume of transactions, with almost 63pct (784 million EUR), followed by retail, with approximately 24pct (305 million EUR) and industrial, with approximately 8.5pct (106 million EUR).

In 2022, Bucharest recorded no less than 75pct of all transactions registered in Romania, with a cumulative value of approximately 940 million EUR.

From the point of view of the source of investors' capital, for the first time in the history of modern institutional market, Romanian investors had the largest share in 2022, with 52pct of the total, followed by those from South Africa (20pct), Austria (10pct) and Belgium (8.5pct).