

Production spaces, increasingly sought after, accounting for 25 pct of transactions in Romania (study)

Demand for production space is on an upward trend, accounting for about 25% of transaction activity in Romania in the first quarter of this year, according to a study conducted by real estate services and investment company CBRE.

The automotive industry is the leader in terms of increasing demand, generating the highest demand for production space in the whole country in the period 2013 - H1 2023, more precisely 56%. It is followed at a considerable distance by the furniture and electronics industry, with shares of 10% and 6% of total leased space for production purposes respectively, a CBRE press release said.

According to the "Manufacturing 2023" report, in the last 10 years, in addition to local manufacturers, companies that have chosen Romania for production space are mainly from Europe and the USA. The top five countries of origin of the players on the market by leased production space during the period under review are Germany, Italy, Romania, USA and France.

At the same time, the total leasing activity over ten and a half years shows that the West/North-West industrial region is a magnet for companies needing to lease production space. The South region is next on the list of logistics players. The two industrial sub-markets together generated half to all of the leasing activity (in 2017) in the period from 2013 - H1 2023.

Conversely, the Eastern/North-Eastern part of the country has the lowest percentage of leased area, with one exception in 2013 when it accounted for 14% of the area leased for production purposes.

Bucharest remains the most developed industrial and logistics region in the country and is the only market that had to be divided into eight other sub-markets. Besides the Capital's almost 50% share in the country's modern stock, at the end of the first half of 2023, the West/North-West region is the second most developed, with a quarter of the total leasable area, followed by the South, Centre and East/North-East regions.

The study also points out that the industrial market in Romania has experienced significant development in the last ten years, with a substantial increase in demand and supply. According to the latest data, new deliveries of industrial space have more than doubled compared to what was considered modern stock a decade ago. The strong synergy created by industrial and retail players and the digital commerce boom have contributed to the growing demand for such spaces.