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ROMANIAN RESIDENTIAL MARKET REPORT

Q4-2019

CONTENTS

3 2018 vs 2019
10 Market overview
11 Residential price index
12 Quarterly trend of the residential property prices
13 Price trends across main cities
17 Price trends across neighborhoods
31 Demand for residential properties for sale
34 Number of listings - for sale
36 Number of listings - for rent
37 Sale transactions
38 Transactions in main cities
44 Time on market
45 Negotiation margin
46 Construction of dwellings
49 About us

DEMAND

	2018	2019
Demand for residential properties in six major cities[1]	460.000 potential buyers	470.000 potential buyers
Real estate transactions at national level	560.000 real estate transactions	540.000 real estate transactions
	50% of nationwide transactions are conducted in Bucharest and in six counties[2]	269.000 properties sold in Bucharest and in six counties[2]
Average time on market in six major cities[1]	147 days / 67 days	193 days / 93 days
Housing loans granted to the population nationwide	73,5 mld lei December sold 2018	80,4 mld lei November sold 2019

[1] *București, Timişoara, Iaşi, Cluj-Napoca, Braşov, Constanţa*
[2] *Ilfov, Timiş, Iaşi, Cluj, Braşov, Constanţa*

SUPPLY

	2018	2019
Supply for sale on old properties market in six major cities[1]	**41.000** old apartments and houses for sale	**40.000** old apartments and houses for sale
Rental supply on old properties market in six major cities[1]	**49.000** old apartments and houses for lease	**56.000** old apartments and houses for lease
Supply for sale on new properties market in six major cities[1]	**New apartments for sale**	**15.000** 15,000 apartments in 400 residential projects
Newly-built homes at national level	**59.700**	**62.000**[2] best year since the crisis
Number of construction permits for residential buildings nationwide	**42.700** permits	**42.000**[2] permits

[1] Bucureşti, Timişoara, Iaşi, Cluj-Napoca, Braşov, Constanţa
[2] estimare Analize Imobiliare

PRICES AND COSTS

	2018	2019
Annual growth rate of residential property prices	+5,3% nationwide	+7,4% nationwide
Old properties market	+4,6% București; +2,6% rest of the country	+9% București; +6% rest of the country
New properties market	+9% București; +2,1% rest of the country	+8% București; +10% rest of the country
Annual growth rate of hourly cost of labour in constructions		+21% nationwide
Cost index for residential buildings nationwide (2015 = 100)	122	133 +9% annual growth rate

THE VALUE OF A HOME

Sorin Petre,
ANEVAR President

The quality of the home we choose is increasingly becoming a primary requirement. Whether we lease, own, or just prospect the market to identify a home, the selection criteria see a slight shift in terms of priority.

According to the latest data provided by Eurostat, 10% of the European Union population have allocated more than 40% of their income to maintaining their homes. 42% of the EU population lived in apartments, one third (34%) lived in individual homes, and approximately one quarter (24%) lived in residential compounds of row house type. 16% of the EU population lived in overcrowded dwellings in 2017 (in Romania the percentage being of 47%!) and 8% of the population in EU states did not have the capacity to provide adequate heating in their homes.

Living quality should become a priority for real estate developers also, as a result of the increase in demand. With the new generations, starting with the Millennials and even considering the Z generation, the requirements related to living conditions are ever more obvious. Pollution or overcrowdedness, the absence of infrastructure or the proximity of unsanitary areas, the insufficient, weakly lit or badly divided useful floor space and, last but not least, the aesthetics of the dwelling space, as well as numerous other such shortcomings, negatively affect the quality of individuals' life. For this reason, the *Smart City* or *Green City* concepts are no longer mere ideas in design stage. They represent an overview of the new organization of the cities, based on a harmonious, sustainable architecture, aiming to save energy, to maintain a comfortable climate for living and efficiency.

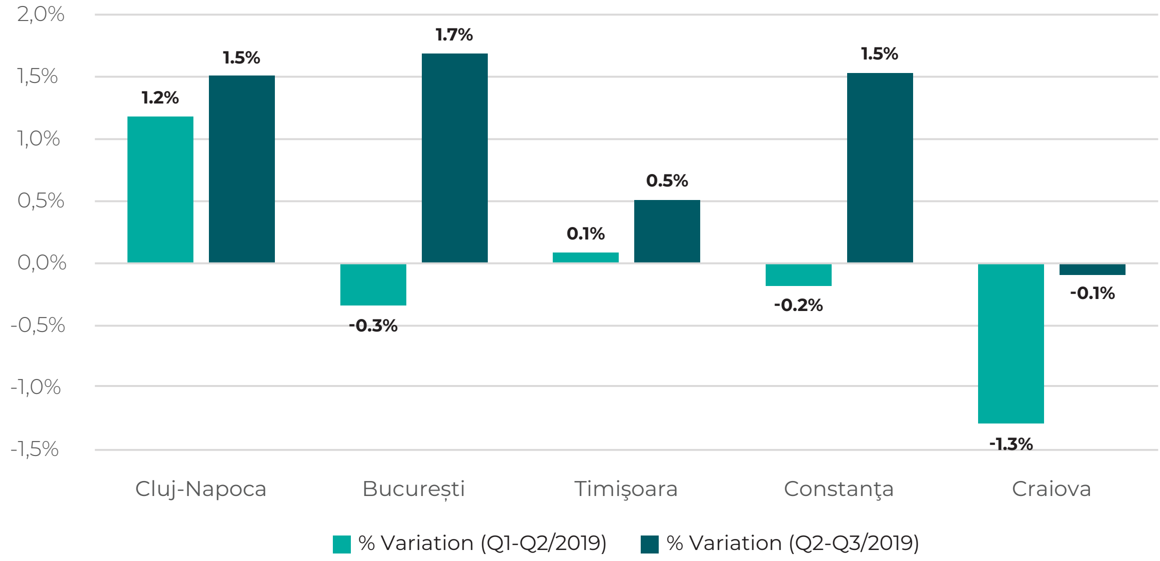
Against this background, upon analysing other figures published by Eurostat, regarding the percentage of people who own a dwelling - between 51.4% in Germany and 96.8% in Romania, in the year 2017 (the latest Eurostat report), we note the Romanians' fondness for the dwelling owner status.

Considering the above comments, the ascending dynamics noted lately regarding the estimated market values for real estate properties to the purpose of securing loans could be explained by the improving quality of new constructions, given of a more active market.

Thus, the overall image we have from the point of view of the profession which the National Association of Authorized Romanian Valuers (ANEVAR) represents, regarding the dynamics of the works contracted to the purpose of guaranteeing the loans, is as follows: If we take a closer look at the median unit price on the market (€/sq. m) for apartments in blocks (Fig. 1) - **values estimated by authorized valuators in the case of assessments made to the purpose of securing loans and collected between January 2019 and September 2019** in the database which ANEVAR manages through IROVAL - Research in Valuation (Database of Property - Backed Securities - BIG) - we will see, in the 5 major cities in the country, as follows: in the city of Cluj-Napoca, a constant increase in market value (€/sq. m), of 2.7%, from 1,441 €/sq. m in the first quarter, to 1,480 €/sq. m in the third quarter; in the Capital, a slight growth, of 1.3%, from 1,190 €/sq. m, to 1,206 €/sq. m, similar to the phenomenon registered in Constanța, where a 1.4% increase can be seen; Timișoara maintains a slightly ascending trend (of only 0.6%), while in the city of Craiova unit market prices decreased by 1.4%, from 1,089 €/sq. m to 1,074 €/sq. m.

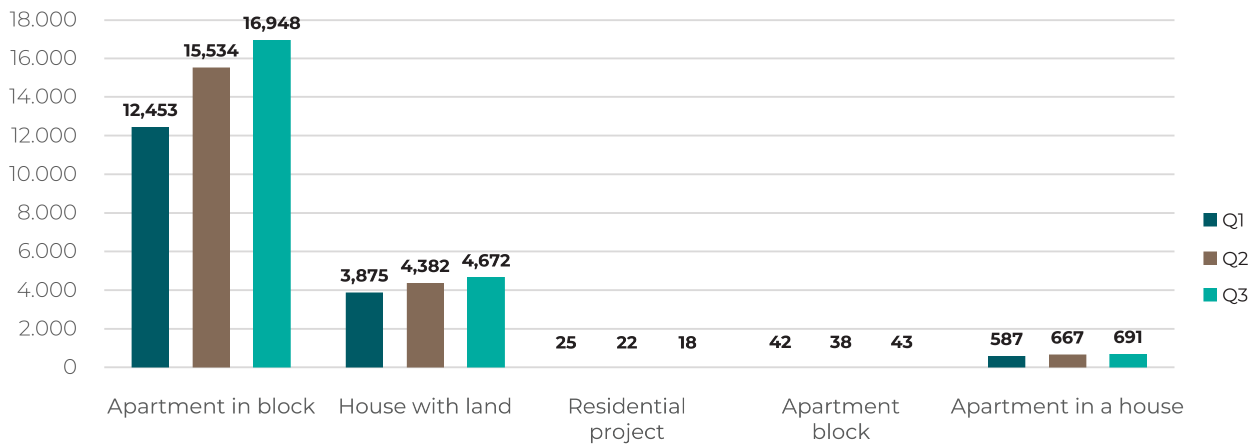
THE VALUE OF A HOME

FIG. 1 - % Variation of market values (€/ sq. m)
Q1 - Q2 - Q3/2019



In the same analysed interval, the data provided by BIG also reveals, in the case of several types of residential properties, an ascending trend in terms of the demand for such services (according to the number of reports), as follows (Fig. 2): in the case of apartments in blocks - an increase of approximately 36%, from approximately 12,453 reports in the first quarter, to 16,948 reports in the third quarter; in the case of houses with land - a 21% increase, meaning from 3,875 to 4,672 reports; in the case of apartments in houses - an 18% increase, from 587 to 691 reports. Concerning residential projects, a decreasing trend can be noticed which, in relation to the number of reports made, is not significant (only 7 reports less) and, in terms of blocks of flats, the number of reports remained approximately constant.

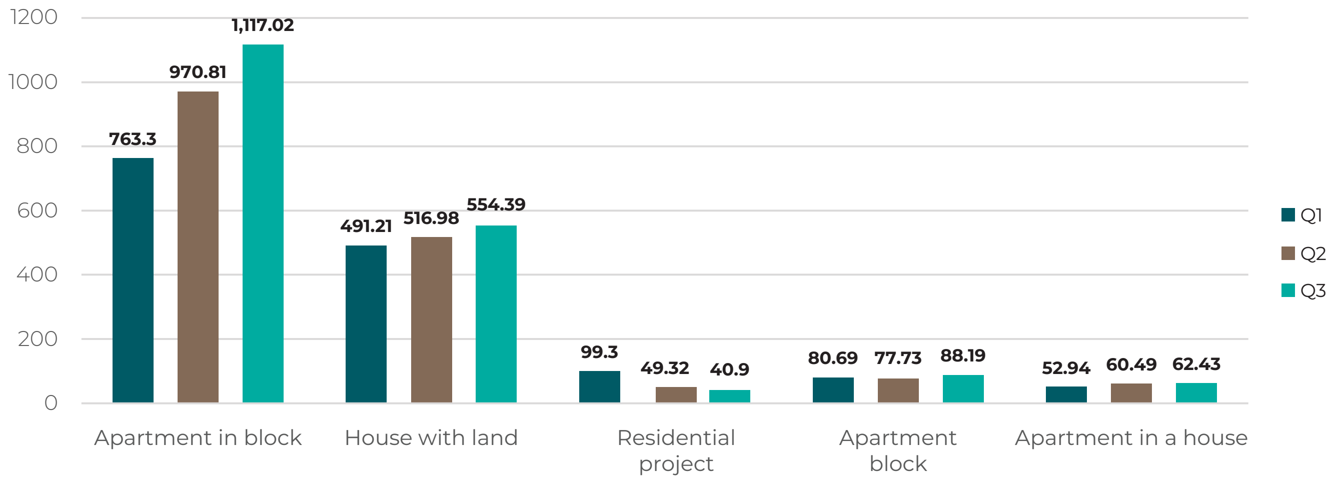
FIG 2 - Number of reports - Residential per country
Q1 - Q3/2019



THE VALUE OF A HOME

In Fig. 3 we can note a variation in the market value (in million euro) of the residential properties assessed during the analysed period, a variation correlated with the ones presented above referring to the number of reports, in the case of all 5 subtypes of residential properties, as they are classified according to BIG.

Fig. 3 - Sum of market values (mil. Eur) - Residential per country Q1 - Q3/2019



2019 VS 2020 EVOLUTION, TRENDS, CHALLENGES

ANDREI SÂRBU, CEO SVN ROMÂNIA:
"We believe that, in 2020, we will see a continuation of the trends registered in 2019. The offer for the middle market segment will continue to be varied and it will, most likely, dominate the market, we will sew new project launches, we will see new poles of development outlined, as well as the occurrence of an ever-increasing number of joint projects. There are certain circumstances for a slight increase in price, for certain segments and certain projects, just as there will be certain developers who will not attain the estimated results and who, sooner or later, will have to rethink their business plans."

GEO MĂRGESCU, CEO FORTE PARTNERS:
"Over the course of the year 2019, the number of transactions and the prices have gone up or down; however, on average, they did not give rise to any concerns, as they were healthy, being generated by the law of supply and demand. Excluding any potential unforeseen negative evolutions at global level, we estimate a similar evolution of the residential market in the year 2020"

AHMET BUYUKHANLI, PRESIDENT OPUS LAND RESIDENTIAL DEVELOPMENT:
"We expect stability in 2020. Fluctuations will continue to exist, depending on certain market segments or on certain moments. There are circumstances for slight increases in price, particularly due to the ever-higher construction costs, but we will not see any significant changes."

VALENTIN MORAR, CEO WALLBERG PROPERTIES:
"In 2020 we can expect an increase in the price of homes similar to that of the preceding year, although the general description of construction costs would require a more significant price increase."

RAFAELA NEBREDA, MANAGING PARTNER IMOTECA:
"In 2020 we can expect an increase in the price of homes similar to that of the preceding year, although the general description of construction costs would require a more significant price increase."

VICTOR VREMERA, RESIDENTIAL SALES DIRECTOR, METROPOLITAN DEVELOPMENTS:
"Having analysed demand and supply, we estimate that the year 2020 will be one of stability and market strengthening, with price developments closely related to the economic climate, to the increase in the cost of materials and to the workforce. The absorption rate during the construction period will be maintained at a high level, new housing will continue to be sold from the design stage, if the product is adjusted to demand and to the market in general."

ADRIAN VASIU, BROKER/OWNER RE/MAX GRUP DE LUX:
"Demand will generally be rising, in all segments of the real estate market. I dare say that prices will grow, as I see very high demand, but I hope it is a sustainable growth. The past three years have been stable and auspicious for the major players, those who set the tone on the market, they have been tempered in terms of price and flexible concerning the buyers' payment methods."

BOGDAN IVAN, THE ROMANIAN ASSOCIATION OF REAL ESTATE DEVELOPERS URBANIS (ADIRU):
"2020 will be a good year. We will continue to see demand on the market, we will have no phenomena disturbing the real estate market to a significant extent, if we ourselves do not incur them, of course, and growth will be constant."

MARKET OVERVIEW

Asking prices have grown by 7.4% in 2019, exceeding expectations
Whereas at the start of the year 2019 we expected a moderate evolution, the annual growth rate of asking prices for residential properties precipitated once again in the latter part of the year, reaching 7.4% in the last quarter. The annual growth in 2019 was higher than the one registered in 2018, when residential properties increased by 5.3%.

Regionally, the prices asked by owners in Cluj-Napoca are nearing the level of EUR 1,700 per useful square meter, after a 9.8% annual increase. The difference from the average prices in Bucharest increased last year from EUR 290 per useful square metre, and from EUR 230 per useful square metre in 2018. What is interesting is the fact that, at the start of the growth period, at the end of the year 2014, Bucharest had higher average prices than Cluj-Napoca.

With regard to transaction prices for housing at national level, the newest data published by the National Institute of Statistics (INS) reveals, for the third quarter of 2019, a 3.9% annual growth rate, whereas the European average was 4.1%.

The shortage in the existing supply and the higher demand rates have pushed prices up
The laws of economics apply to the real estate market, as well: prices have seen a higher growth rate because the supply of residential properties for sale has decreased. On the old housing market, supply has decreased by 18% in the last quarter of 2019 compared to the previous year, as well as by 58% compared to 2014. Currently, there are only 13,000 old apartments and houses for sale in the major cities. In all fairness, the buyers from the major cities can also choose from the approximately 20,000 apartments for sale in the new residential projects.

Supply is lower than demand. In the final quarter of last year, we registered 157,000 active buyers in the six big cities, which represents a 25% annual increase, as well as a doubling over the past five years.

Although competition for the procurement of residential properties has enhanced, the buyers do not act under pressure: in 2019, time on market for apartments increased to 93 days in the big cities, from 67 days in 2018; for houses, time on market increased to 193 days from 147 days.

More choices, less transactions
The shortage of existing supply is also the reason why 540,000 properties were sold last year, 4.1% below the 2018 level. Although fewer than in 2018, the transactions still followed an ascending trend throughout 2019. Note the marked polarization (over 50% of nationwide transactions are conducted in Bucharest and in six counties: Timiș, Cluj, Iași, Brașov, Constanța, Ilfov), as well as the differing developments at regional level (strong increase in Bucharest +21%, Ilfov county +17% and Brașov county; significant drops in the counties of Constanța and Iași, -28% and, respectively, -29%).

Transactions in 2020 depend on the flow of residential properties listed for sale. Unfortunately, in the fourth quarter of 2019, the properties listed on the old housing market are 33% less numerous than in the previous year. Even though 2019 was the best year in terms of housing deliveries since the start of the crisis, the supply of new homes remains insufficient.

Following this vicious circle, buyers will react to the low stock of properties for sale, offering higher amounts, which sometimes exceed the asking price. In fact, the owners too, who are more informed and more aware of the competition on the market, will promote their offers at higher prices in 2020.

Dorel Niță
Head of Data and Research, Imobiliare.ro

RESIDENTIAL PRICE INDEX

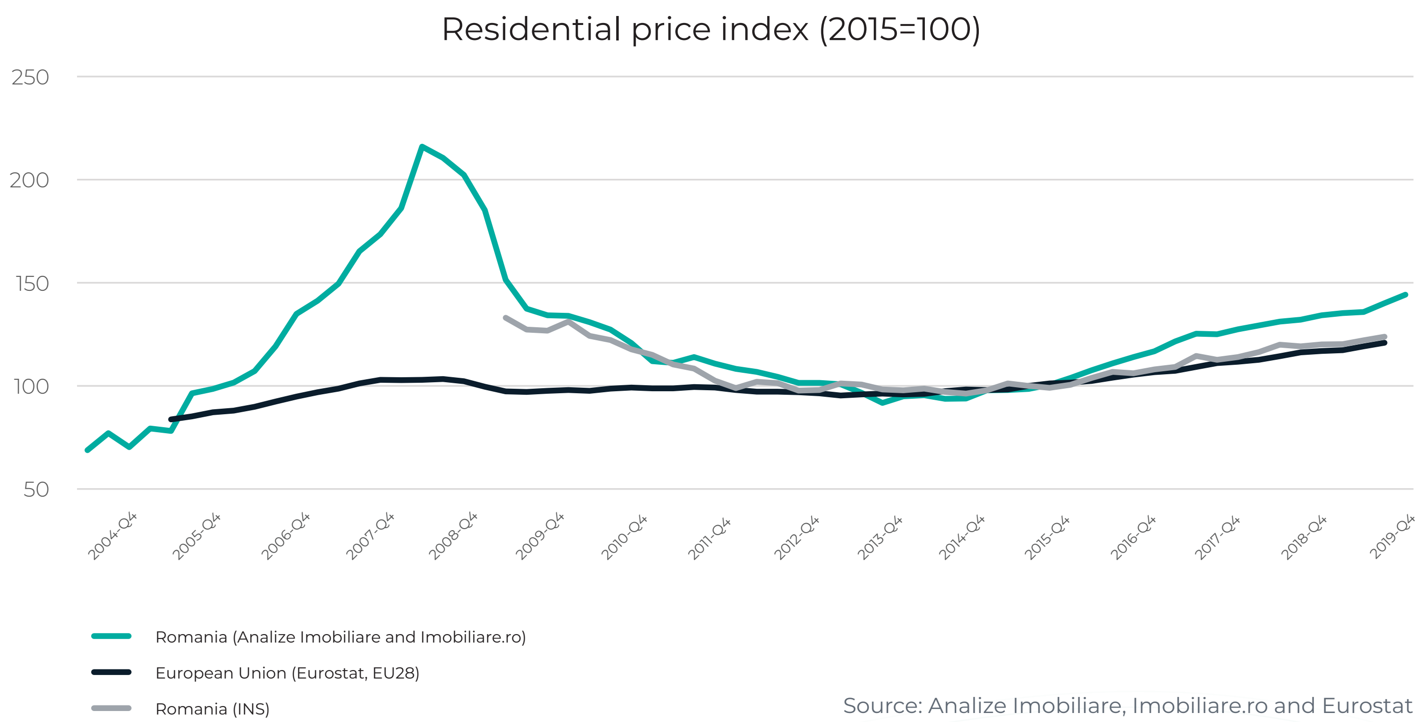
In the last quarter of 2019, asking prices for residential properties in Romania increased, on average, by 2.9% compared to the previous quarter, according to the data centralized by Analize Imobiliare. Although it is very close to the growth margin recorded in the previous three months, this figure does, however, mark a slight slowdown under this chapter, at the end of the year.

However, on the residential market, the price difference over 12 months reached, in the final quarter of last year, a value of 7.4%, compared to 6.1% in the previous quarter. Worth mentioning is the fact that, although 2019 incurred, on the whole, an enhancement in the growth rate recorded for prices in the residential segment, the registered growth is not, on the whole, much higher than the one we saw in the previous year - the price of residential properties increased by 5.3% over the entire course of 2018.

Another significant aspect is that, at the end of the year, the price of apartments in the Capital was below the national average - the annual price difference was of only 6.4% in this case. By comparison, in terms of apartments available for sale nationwide, the difference was much more significant last year, namely 7.9% compared to the similar period of the previous year. In the houses and villas segment, the gap between the Bucharest market and the other parts of the country is even wider: in the former case, properties are 5.6% more expensive than they were 12 months ago, and in the latter, case, prices grew by 9.5%.

In terms of transaction prices for homes, the most recent data published by Eurostat and by the National Institute of Statistics (INS) reveals, for the third quarter of 2019, a quarterly increase of 1.5% and, respectively, an annual rate of 4.1% at European Union level. For the local market, the quarterly growth rate was maintained at 1.5%, being, therefore, equal to the average growth registered in the EU states.

However, the 12-month price difference stood at 3.9%, slightly decreasing below the European average. The differences between the development of asking prices and the final prices, the transaction prices, only illustrate once more that the expectations of the sellers and those of the buyers continue to diverge - although the gap is not so large so as not to allow for a settlement, just as in any normal market context, through the negotiation process.



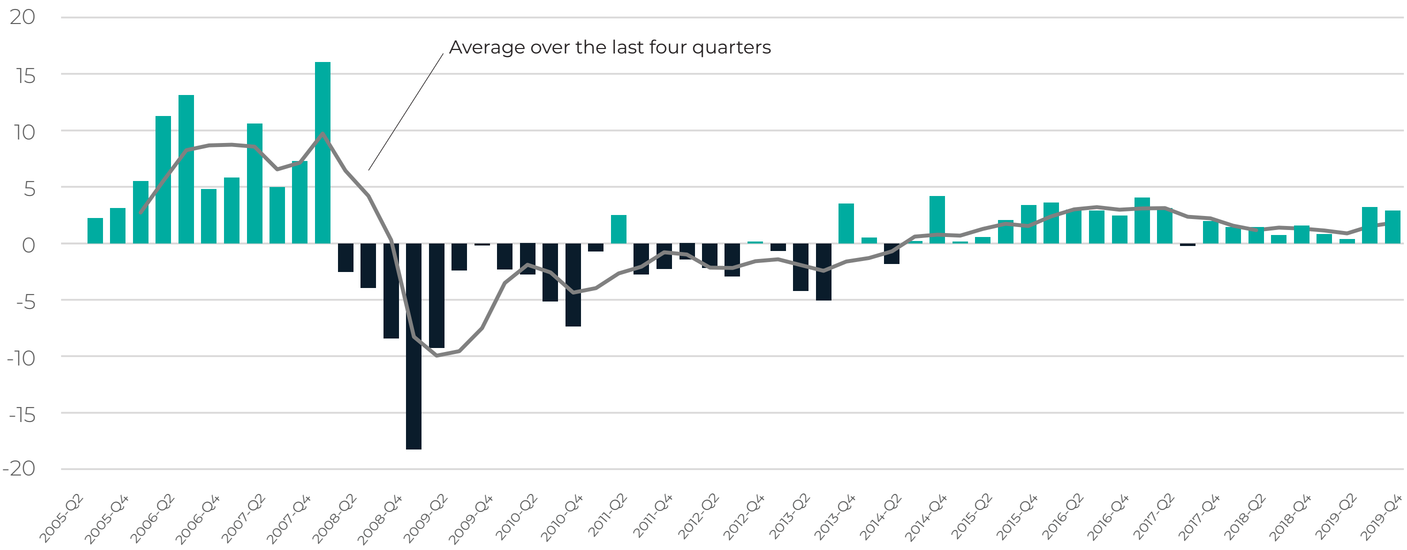
Source: Analize Imobiliare, Imobiliare.ro and Eurostat

DEVELOPMENT OF RESIDENTIAL PROPERTY PRICES

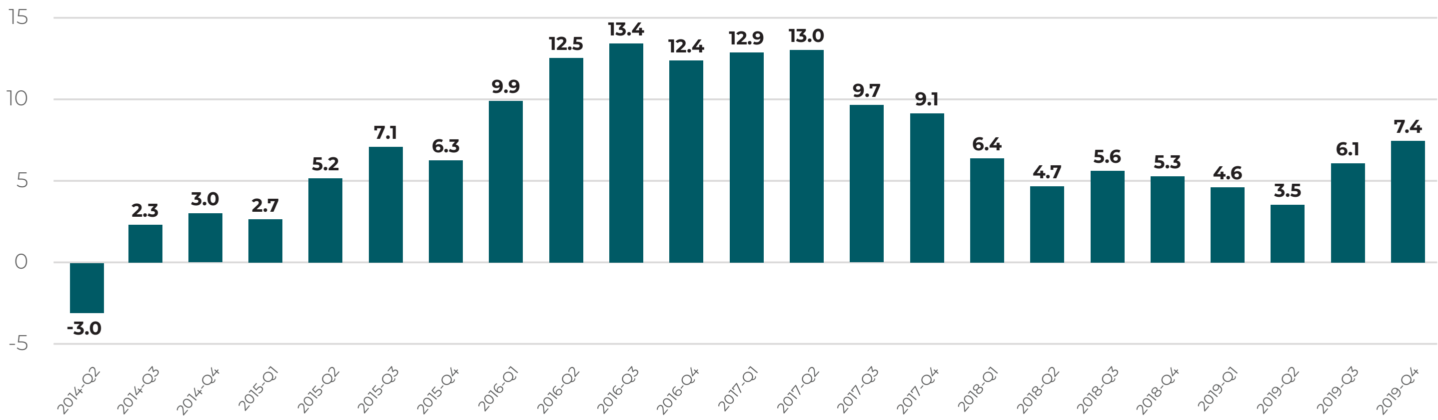
Having reached a maximum of 3.2% in the third quarter of 2019, the growth rate for residential properties has reached 2.9%, in the last three months of the year. Having a similar evolution, the final two quarters of last year stood at a significant distance from the first ones, when a growth of 0.8% and respectively of 0.38% was registered. Therefore, the second quarter of 2019 came with a significantly higher mark-up on the housing market (although the overall price developments were tempered by the small increases from the first half of the year).

Thus, the annual growth rate attained last quarter, respectively of 7.4%, was, indeed, the highest over the past two years - this indicator stood at 6.4% in the first quarter of 2018. However, the growth registered at the end of 2019 is significantly below the one from the last quarter of 2017, for instance, namely 9.1%. From the second half of 2014, when the local residential market returned to an ascending trend, the highest annual difference in terms of prices, respectively 13.4%, was registered in Q3 2016.

Quarterly rate of change in prices



Yearly evolution



Source: Analize Imobiliare and Imobiliare.ro

PRICE TRENDS ACROSS MAIN CITIES

apartments for sale/rent

The status across the major cities - apartments for sale

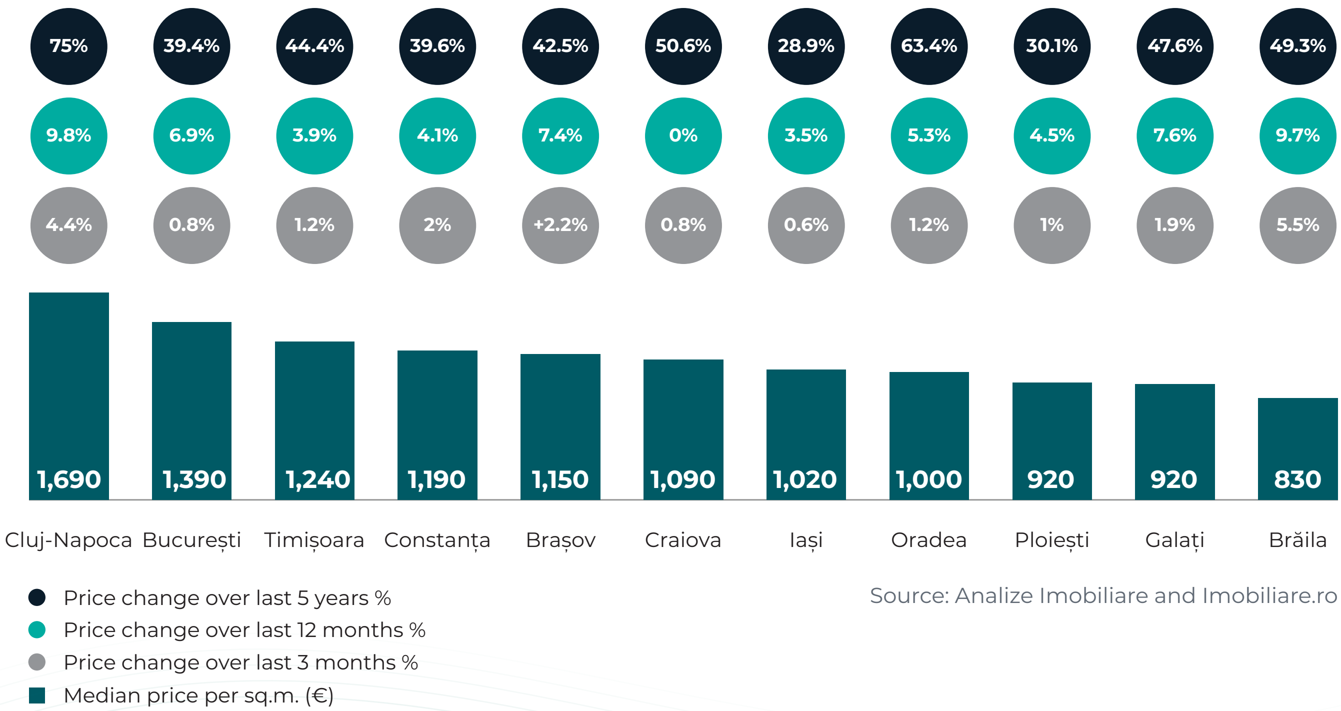
Among the Romanian cities having more than 200,000 inhabitants, eight regional centres had, in Q4 2019, average asking prices of at least EUR 1,000 per useful square meter for the apartments available for sale, Cluj-Napoca continues to rank first (with an average of 1,690 per useful square metre), followed by Bucharest (EUR 1,390 per square metre), Timișoara (EUR 1,240 euro per square metre), Constanța (EUR 1,190 per square metre), Brașov (EUR 1,150 per square metre), Craiova (EUR 1,090 per square metre) Iași, EUR 1,020 per square metre) and, respectively, Oradea (EUR 1,000 per square metre).

The seat of Bihor county is, as a matter of fact, a new entry on the list of cities having asking prices which start from EUR 1,000 per useful square metre, after the sellers' claims had reached EUR 990 per square metre last quarter. In Ploiești, on the other hand, an apartment has reached, on average, EUR 920 euro per square metre, in Galați, it was also EUR 920 per square metre, and in Brăila, EUR 830 per square metre.

In terms of the quarterly evolution of prices, we note that all these regional centres registered growth -although smaller than 2% in most of them. A significant exception is the city of Cluj-Napoca, with a 4.4% growth over three months; the capital of Transylvania is, however, the second in a classification according to price growth, being preceded by Brăila, which had an added 5.5%. Worth mentioning is the fact that Bucharest, on the other hand, only saw a 0.8% increase last quarter - which counterbalances the 5.5% growth registered over the previous three months.

Compared to the similar period of the preceding year, prices also had an upward development in most major cities subject to our analysis; this time, only Craiova is an exception, where the prices of apartments practically remained at the same level. Following last quarter's various developments, the highest annual growth rate, respectively 9.8%, can now be seen in Cluj-Napoca, which dethroned the Capital in the classification of price growths registered in Q4 2019. Next in rank are Brăila (9.7%), Galați(+7.6%), Brașov (+7.4%) and only then follows Bucharest (+6.9%). With a significant price increase of 75% over the past five years, Cluj-Napoca continues to be the city with the best recovery rate in terms of the decrease caused by the recession; with a growth of 39.4% (compared to 38.3% in the previous three months), the Capital is still at a considerable distance.

Price trends across main cities - apartments for sale



Source: Analize Imobiliare and Imobiliare.ro

The status in county seats - apartments for sale

Unlike the previous quarter, when Bucharest was among the county seats with the highest price growth, this classification did not include any of the large regional centres last quarter. Thus, the highest quarterly price increase, respectively 9.8%, was registered in Reșița, up to an average of EUR 550 per useful square metre. With an added 6.6%, up to EUR 740 per useful square metre, Slobozia ranks second nationwide, being followed by Brăila (+5.5%, up to EUR 830 per square metre), Giurgiu (+5.4%, up to EUR 570 per square metre) and, respectively, Vaslui (+4.6%, up to EUR 800 per square metre). An interesting presence in this ranking is the seat of Caraș-Severin county which, in spite of its significant growth, continues to be county seat with the most accessible segments.

In contrast to the generally ascending trend noted at national level, price drops were also registered in several county seats. The most significant decrease was thus registered in Miercurea Ciuc, where the apartments available for sale were 5.3% lower, down to EUR 900 per useful square metre. In Alba Iulia, on the other hand, the price for this category of properties was 0.5% lower, reaching an average of EUR 890 per useful square metre. A decrease of less than 0.5% was registered in two county seats, namely in Piatra Neamț (-0.2%, down to EUR 740 per square metre) and, respectively, in Călărași (-0.1%, down to EUR 700 per square metre). On the other hand, prices in Bistrița stagnated at a value of EUR 770 per square metre.

In spite of the variations registered over the past three months, the national classification of county seats having the most expensive apartments and, respectively, the lowest-priced apartments, saw no changes. Cluj-Napoca still ranks first, with an average price of EUR 1,690 per useful square metre, the following positions being held by Bucharest (with EUR 1,390 per useful square metre), Timișoara (with EUR 1,240 per square metre), Constanța (EUR 1,190 per square metre), and respectively Brașov (with EUR 1,150 per square metre).

At the opposite pole, the cheapest apartments can be found in the same counties as last quarter, namely in Reșița (where prices have grown from EUR 500 to EUR 550 per square metre), then in Giurgiu (EUR 570 per square metre), Alexandria (EUR 600 per square metre), Târgoviște (EUR 700 per square metre) and, respectively, Zalău (still EUR 700 per square metre).

Maximum price per sq. m.
Price change over last 3 months

+4.4%	+0.8%	+1.2%	+2.0%	+2.2%
1,690 €	1,390 €	1,240 €	1,190 €	1,150 €
Cluj-Napoca	București	Timișoara	Constanța	Brașov

Smallest price per sq. m.
Price change over last 3 months

+9.8%	+5.4%	+0.2%	+4%	+2.1%
550 €	570 €	600 €	700 €	700€
Reșița	Giurgiu	Alexandria	Târgoviște	Zalău

Top price increases per sq. m
Price change over last 3 months

+9.8%	+6.6%	+5.5%	+5.4%	+4.6%
550 €	740 €	830 €	570 €	800 €
Reșița	Slobozia	Brăila	Giurgiu	Vaslui

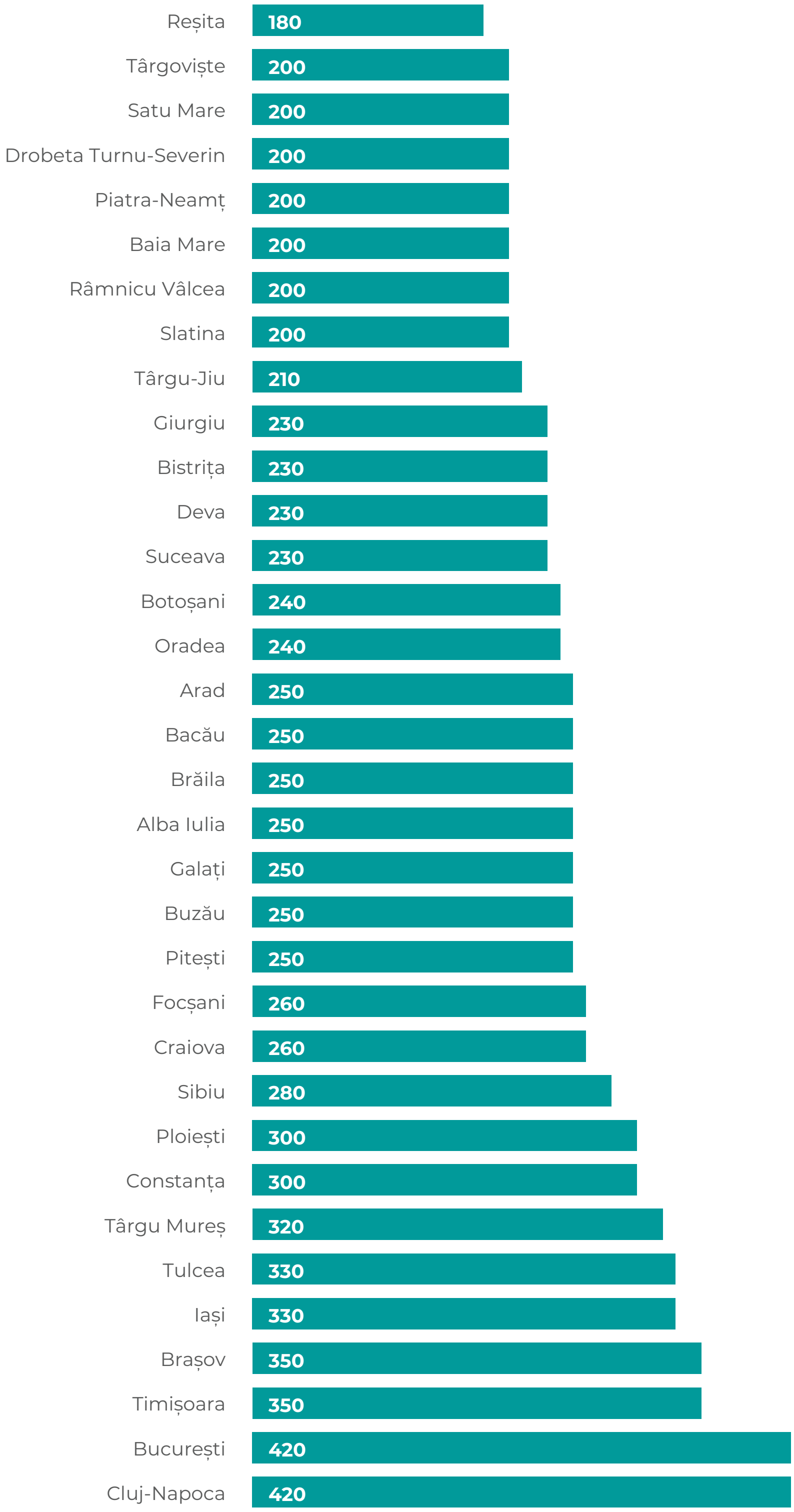
Lowest price increase per sq. m
Price change over last 3 months

-5.3%	-0.5%	-0.2%	-0.1%	0%
900€	890 €	740 €	700 €	770 €
Miercurea-Ciuc	Alba Iulia	Piatra-Neamț	Cășărași	Bistrița

Source: Analize Imobiliare and Imobiliare.ro

Rental prices

The average rental price requested for the rental of a 1st rate comfort 2-room apartment built between 1980 and 2000



In the final quarter of 2019, the apartment rental market was quite dynamic for the end of the year: the average prices asked by the owners saw variations in several regional centres, as well as in other county seats. In Bucharest, for instance, the average asking rent for a two-room apartment now stands at EUR 420 per month, up from EUR 410 per month in the third quarter of the year. The same type of property (type 1 comfort, from the period 1980-2000, having a useful area of 50-60 square metres) can be rented in Cluj-Napoca at EUR 420 per month, just as in the previous three months.

Ranking next according to the highest rent asked for the two-room apartment segment are the cities of Timișoara and Brașov, where the owners ask, on average, EUR 350 per month (just like last quarter). Iași, on the other hand, saw decrease in this period, from a level of EUR 350 per month, to EUR 330 per month. The same average rent, namely of EUR 330 per month, is also applied in Tulcea, whereas in Târgu Mureș, the owners claim EUR 320 per month. What is interesting is that in Constanța, on the other hand, a two-room apartment can be rented at EUR 300 per month (just as last quarter), as the seaside city stood at the same price level as Ploiești.

Increases in the monthly average amounts asked for two rooms were also registered in the cities with the apartments with the lowest rental prices. Reșița is the exception to the rule, where the owners ask EUR 180 per month, just as in the previous two quarters. The seat of Caraș-Severin remained, for that matter, the only county seat where a two-room apartment can be leased at less than EUR 200 per month. On the other hand, EUR 200 per month is the average asking price in a series of county seats, such as: Târgoviște, Satu Mare, Drobeta Turnu-Severin, Piatra Neamț, Baia Mare, Râmnicu Vâlcea. A similar price level, namely EUR 210 per month, is valid in Târgu-Jiu.

Source: Analize Imobiliare and Imobiliare.ro

PRICE TRENDS ACROSS NEIGHBORHOODS


Timișoara


Brașov


Iași


București


Cluj-Napoca


Constanța

Bucharest - apartments

1,390 €
Average price/sqm

+0.8%
Price evolution in the last 3 months

+6.9%
Price evolution in the last 12 months

+39.4%
Price evolution in the last 5 years

Neighbourhoods and areas in Bucharest:

In Bucharest, the average price asked by apartment sellers registered a growth of only 0.8% in the final quarter compared to the third quarter of the year, reaching a value of EUR 1,390 per useful square metre (compared to EUR 1,380 per square metre in the previous three months). In relation to the areas and the neighbourhoods, the Capital also registered higher price growth than the average at city level - however, they were counterbalanced by some drops, as well. Ranking highest in terms of price increases, is the city’s Centre-North area.

Thus, the highest price growth in the sellers’ asking prices, amounting to 6.1%, was registered in the Aviației area, and next in the classification of price growths is the Herăstrău-Nordului, with an added 4.7% in three months. Significant growth was also registered in Dristor-Vitan Vechi (+3.8%, up to EUR 1,380 per square metre), as well as in the Unirii area (an added 3.5%) and, respectively, Vitan Nou (+3.2%, up to EUR 1,490 per square metre).

Last quarter, the Capital registered some significant price drops, as well - the most significant decline was in the Griviței-Gara de Nord area, where prices for homes decreased by 8.8%, down to an average of EUR 1,220 per square metre. A significant decrease occurred in the Parcul Carol (Cantemir-Mărășești) area, as well, where apartment owners reduced their claims by 6.2%, down to an average of EUR 1,540 per square metre; the Moșilor area is also at a small distance, where a 6.1% decrease from the previous quarter occurred, down to an average of EUR 1,410 per square metre.

On the other hand, in the Militari neighbourhood, a 4.8% rebound was registered, up to EUR 1,040 per square metre. As a result of the price variations recorded in the last quarter, the classification of Bucharest’s neighbourhood having the most expensive apartments saw a significant change. The Herăstrău-Nordului area ranks first now, with an average price of EUR 2,720 per square metre, which has managed to surpass Kiseleff-Aviatorilor, where the seller’s claims went up by 1.9%, to EUR 2,590 per useful square metres. The next places in the ranking are held, just like in the previous quarter, by Dorobanți-Floreasca (with EUR 2,130 per useful square metre, from EUR 2,190 per square metre), by Aviației (with EUR 2,060 per square metre, from EUR 1,940 per square metre), by Dacia-Eminescu (with EUR 1,860 per square metre, from EUR 1,820) and, respectively, by the Unirii area (with EUR 1,840 per square metre, from EUR 1,780).

On the other hand, the classification of Bucharest's areas with the lowest-priced apartments remained practically unchanged during the period subject to our review: the top position is still held by Ghencea (with an average price of EUR 880 per square metre, from 910), whereas next in rank are the neighbourhoods Rahova (with EUR 990 per square metre 970), Giulești (EUR 1,030 per square metre, from EUR 1,050) and Giurgiului (EUR 1,040 per square metre, from EUR 1,030).

Neighborhoods with the largest price per sq. m.

Median price & price change over last 3 months

+4.7%	-1.9%	-2.9%	+6.1%	+1.9%
2,720€	**2,590€**	**2,130€**	**2,060€**	**1,860€**
Herăstrău-Nordului	Kiseleff-Aviatorilor	Dorobanți-Floreasca	Aviației	Dacia-Eminescu

Source: Analize Imobiliare and Imobiliare.ro

Apartments for sale

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Herăstrau-Nordului	**2,720**	**4.7%**	**6.5%**
Kiseleff-Aviatorilor	**2,590**	**-1.9%**	**23.4%**
Dorobanți-Floresca	**2,130**	**-2.9%**	**6.5%**
Aviației	**2,060**	**6.1%**	**7.5%**
Dacia-Eminescu	**1,860**	**1.9%**	**12.1%**
Unirii	**1,840**	**3.5%**	**7.5%**
Victoriei-Romană-Universitate	**1,790**	**1.3%**	**9.0%**
Decebal-Calea Călărașilor	**1,700**	**0.7%**	**6.3%**
Cotroceni	**1,700**	**0.2%**	**9.6%**
1 Mai	**1,690**	**-0.9%**	**8.7%**
Băneasa	**1,670**	**0.8%**	**-0.1%**
Tineretului-Timpuri Noi	**1,600**	**1.2%**	**8.4%**
Pipera	**1,540**	**-2.1%**	**7.5%**
Parcul Carol (Cantemir-Mărășești)	**1,540**	**-6.2%**	**0.4%**
Vitan Nou	**1,490**	**3.2%**	**7.2%**
Ștefan Cel Mare	**1,470**	**2.0%**	**-2.6%**
Moșilor	**1,410**	**-6.1%**	**-7.2%**
Iancului-Mihai Bravu	**1,400**	**-0.8%**	**4.0%**
Dristor-Vitan Vechi	**1,380**	**3.8%**	**5.1%**
Ferdinand	**1,330**	**-3.3%**	**1%**
Bucureștii Noi	**1,300**	**-0.3%**	**2.8%**
Tei	**1,300**	**-0.5%**	**2.7%**

Source: Analize Imobiliare and Imobiliare.ro

Apartments for sale

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
13 Septembrie-Panduri	**1,250**	**2.2%**	**1%**
Titan	**1,230**	**2%**	**5.1%**
Griviței-Gara de Nord	**1,220**	**-8.8%**	**-2.2%**
Crângași	**1,210**	**-1.3%**	**2.1%**
Berceni	**1,130**	**1.5%**	**7.6%**
Colentina	**1,110**	**2%**	**2%**
Pantelimon	**1,110**	**0.3%**	**-2.2%**
Drumul Taberei	**1,100**	**1.3%**	**5.5%**
Militari	**1,040**	**-4.8%**	**0.2%**
Giurgiului	**1,040**	**1.4%**	**4%**
Giulești	**1,030**	**-1.8%**	**3.4%**
Rahova	**990**	**2%**	**4.1%**
Ghencea	**880**	**-3.1%**	**-1.2%**

Source: Analize Imobiliare and Imobiliare.ro

Cluj-Napoca - apartments

1,690 €
Average price/sqm

+4.4%
Price evolution in the last 3 months

+9.8%
Price evolution in the last 12 months

+75%
Price evolution in the last 5 years

Neighbourhoods and areas of Cluj-Napoca

After a 4.4% increase compared to the three previous months, the claims of apartment sellers from the capital of Transylvania stood, in the second quarter of 2019, at an average of EUR 1,690 per useful square metre (from EUR 1,610 per square metre). In terms of area, the city on the Someș river registered, compared to Bucharest, significantly higher positive variations, of up to two digits.

Thus, the greatest growth, amounting to 15%, was registered in the Someșeni area: the price asked by apartment sellers here increased substantially, from EUR 1,270 to EUR 1,460 per useful square metre. Significant increase was also registered in the area Bună Ziua-Europa-Calea Turzii (+9.9%, up to EUR 1,670 per square metre), in Zorilor (+9.2%, up to EUR 1,720 per square metre), as well as in Iris (+6.5%, up to EUR 1,600 per square metre) and, respectively, in Florești (+5.5%, up to EUR 940 per square metre).

Just like in the Capital, the classification of the areas with the most expensive apartments in Cluj-Napoca remained the same as in the previous quarter: the central and ultra-central area continue to rank first, with an average price of EUR 2,020 per useful square metre (up from EUR 1,940 per square metre). Next in rank are Plopilor (where the sellers' expectations reach EUR 1,840 per useful square metre), Gheorgheni-Andrei Mureșanu (EUR 1,820 per useful square metre), then Zorilor (at EUR 1,720 per square metre), which has managed to surpass the Mărăști-Între Lacuri-Aurel Vlaicu area (EUR 1,700 per square metre). At the opposite pole, the lowest-priced apartments can still be found in the neighbouring localities, namely in Florești (EUR 940 per square metre) and, respectively, Baciu (EUR 1,060 de per square metre); the third most accessible area remains Someșeni, but at a price difference of EUR 400-500 per square metre.

Just as in the past quarter, the current level of apartment prices is higher than it was 12 months ago in all of Cluj's areas and neighbourhoods. However, the most significant annual growths can be seen in Someșeni (+21.1%), in Iris (+16.9%), in Bună Ziua-Europa-Calea Turzii (+14.5%), in the central and ultracentral area (+12.7%) and, respectively, in Gheorgheni-Andrei Mureșanu (+11.3%). The lowest annual growth rates, of less than 5%, are visible, on the other hand, in Florești (+4.5%) and, respectively, in Gruia-Dâmbul Rotund-Gară-Bulgaria (+4.8%).

> *"EUR 1,080 per square metre is the price difference between the most expensive area in Cluj - Central/Ultra-central (EUR 2,020) and the lowest-priced area - Florești (EUR 940)".*

Neighborhoods with the largest price per sq. m.

Median price & price change over last 3 months

+4.1%	2,020€	Central - Ultracentral
-0.9%	1,840€	Plopilor
+2.8%	1,820€	Gheorgheni - Andrei Mureșanu
+9.2%	1,720€	Zorilor
+3.4%	1,700€	Mărăști - Între Lacuri - Aurel Vlaicu

Source: Analize Imobiliare and Imobiliare.ro

Apartments for sale

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Central - Ultracentral	**2,020**	**4.1%**	**12.7%**
Plopilor	**1,840**	**-0.9%**	**7.5%**
Gheorgheni - Andrei Mureșanu	**1,820**	**2.8%**	**11.3%**
Zorilor	**1,720**	**9.2%**	**8.4%**
Mărăști - Intre Lacuri - Aurel Vlaicu	**1,700**	**3.4%**	**7.9%**
Bună Ziua - Europa - Calea Turzii	**1,670**	**9.9%**	**14.5%**
Grigorescu	**1,640**	**2.3%**	**7.2%**
Iris	**1,600**	**6.5%**	**16.9%**
Mănăștur - Borhanci - Câmpului	**1,560**	**4%**	**9.1%**
Gruia - Dâmbul Rotund - Gară - Bulgaria	**1,520**	**-0.8%**	**4.8%**
Someșeni	**1,460**	**15.0%**	**21.1%**
Baciu	**1,060**	**0.5%**	**8.3%**
Florești	**940**	**5.5%**	**4.5%**

Source: Analize Imobiliare and Imobiliare.ro

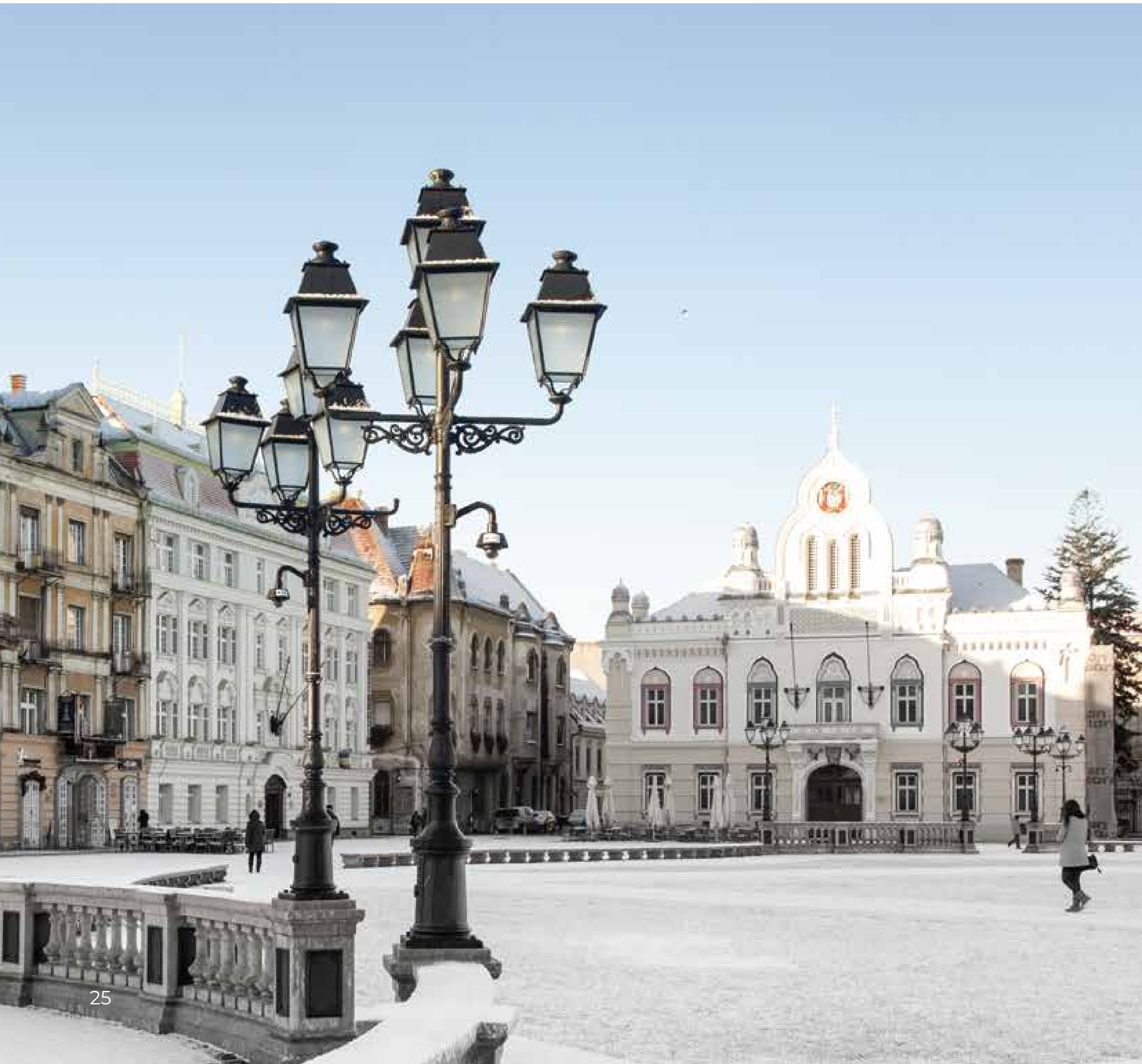
Timișoara - apartments

1,240 €
Average price/sqm

+1.2%
Price evolution in the last 3 months

+3.9%
Price evolution in the last 12 months

+44.4%
Price evolution in the last 5 years



Neighbourhoods and areas in Timișoara

Taking into account a 1.2% growth, the average asking price for an apartment in the capital of the Banat region reached, in the fourth quarter of 2019, an average of EUR 1,240 per useful square metre(from EUR 1,230 per useful square metre). Just as in the Capital, as well as in Cluj-Napoca, the Timișoara market only saw positive variations in the analysed period. Moreover, the growth margins registered as significantly lower here - compared to Bucharest and, especially, to the city on the Someș river.

The highest quarterly growth, namely +5%, was registered in the Complex Studențesc - Dacia - Elisabetin - Olimpia-Stadion area, and next in rank are the areas Torontalului (+4.8%), Circumvalațiunii (+4%), then Central- Bălcescu-Take Ionescu -Piața Maria (+2.9%) and, respectively, Ultracentral-Medicină-Piața Unirii (+2.3%). On the other hand, the apartments from Lipovei - Aradului saw a price increase, in the analysed period, of 1.6%, the one from Girocului-Soarelui - Buziașului of 1.3%, the ones from Braytim of 0.6%, and the ones from Șagului - Dâmbovița - Iosefin - Steaua of 0.5%. Practically, Bucovina - Simion Bărnuțiu - Gării- Dorobanților -Mircea cel Bătrân is the only area which registered a price drop in the analysed period - it is, however, a negligible decrease, of only 0.1%.

In a classification of Timișoara's neighbourhoods with the most expensive apartments available for sale, Ultracentral - Medicină - Piața Unirii naturally still ranks first, with an average price of EUR 1,580 per useful square metre. Next are the area Complex Studențesc - Dacia - Elisabetin-Olimpia - Stadion (at EUR 1,380 per square metre), followed by Torontalului (EUR 1,340 per square metre), by Central-Bălcescu-Take Ionescu-Piața Maria (EUR 1,330 per square metre) and, respectively, Circumvalațiunii (EUR 1,320 per square metre). At the opposite pole, the lowest-priced apartments can still be found in Șagului-Dâmbovița-Iosefin-Steaua, where the sellers' claims reach EUR 1,190 per square metre on average. Following the changes registered in the last quarter, we can see an expansion of the variation in asking prices in Timișoara, as most areas now stand between EUR 1,200 and 1,400 per useful square metre (compared to EUR 1,200 and 1,300 per useful square metre).

In the city located in the Bega River, as well, the claims of apartment sellers continue to be higher now in all neighbourhoods, compared to the similar period of last year. The highest annual growth, in the two-digit range, can be noted in Torontalului, where the sellers' claims are 11.5% higher. Ranking next in the classification of annual price growths are Complex Studențesc - Dacia -Elisabetin - Olimpia - Stadion (+9.5%), Central- Bălcescu - Take Ionescu - Piața Maria (+9.1%), Circumvalațiunii (+8,4%) and, respectively, Ultracentral - Medicină -Piața Unirii (+8.1%).

> *"EUR 390 per square metre is the price difference between the most expensive area in Timișoara (Ultracentral-Medicină - P-ța Unirii/EUR 1,580) and the lowest-priced area (Șagului - Dâmbovița - Iosefin - Steaua/ EUR 1,190)."*

Neighborhoods with the largest price per sq. m.

Median price & price change over last 3 months

Change	Price	Neighbourhood
+2.3%	1,580€	Ultracentral Medicină P-ța Unirii
+5%	1,380€	Complex Studențesc Dacia Elisabetin Olimpia-Stadion
+4.8%	1,340€	Torontalului
+2.9%	1,330€	Central Bălcescu Take Ionescu P-ța Maria
+4%	1,320€	Circumvalațiunii

Source: Analize Imobiliare and Imobiliare.ro

Apartments for sale

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Ultracentral - Medicină - P-ța Unirii	**1,580**	**2.3%**	**8.1%**
Complex Studențesc - Dacia - Elisabetin - Olimpia-Stadion	**1,380**	**5%**	**9.5%**
Torontalului	**1,340**	**4.8%**	**11.5%**
Central - Bălcescu - Take Ionescu - P-ța Maria	**1,330**	**2.9%**	**9.1%**
Circumvalațiunii	**1,320**	**4%**	**8.4%**
Lipovei - Aradului	**1,270**	**1.6%**	**5.6%**
Girocului - Soarelui - Buziașului	**1,220**	**1.3%**	**3.9%**
Braytim	**1,210**	**0.6%**	**3.5%**
Bucovina - Simion Bărnuțiu - Gării - Dorobanților - Mircea cel Bătrân	**1,200**	**-0.1%**	**2.3%**
Șagului - Dâmbovița - Iosefin - Steaua	**1,190**	**0.5%**	**3.1%**

Source: Analize Imobiliare and Imobiliare.ro

Neighbourhoods and areas in Brașov

After a growth of 2.2% registered in the final quarter of 2019, the apartments from Brașov can currently be purchased for EUR 1,150 per square metre on average. Just like in Bucharest or in Timișoara, price growth was registered in most neighbourhoods of the city located at the foot of the Tâmpa Mountain: however, most of them were rather moderate, not exceeding the 5% level. The exception to the rule is the Schei-Stupini area, where the claims of apartment sellers increased by 16.7% in the last quarter of 2019, reaching an average of EUR 1,200 per useful square metre. However, we note the fact that a significant decrease in the prices for this area had taken place in the three previous months, namely 8.9% (from EUR 1,130 to EUR 1,030 per useful square metre).

The areas which registered price drops at the end of 2019 are Noua-Dârste (-1.8%) and, respectively, Drumul Poienii (-0.5%). In these two neighbourhoods, the prices asked by the sellers are now lower compared to the similar period of last year: it's a 10.8% difference in Drumul Poienii and, respectively, of 2% in Noua-Dârste. However, in the other neighbourhoods of Brașov, prices are much higher than in the similar period of the previous year, the most significant price growth, namely 9.8%, being seen in Avantgarden-Bartolomeu.

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Drumul Poienii	**1,780**	**-0.5%**	**-10.8%**
Centrul Istoric - Centrul Civic - Ultracentral - Dealul Cetății	**1,300**	**1.7%**	**6.4%**
Schei - Stupini	**1,200**	**16.7%**	**4.7%**
Central - Brașovul Vechi - Bluma-na - Aurel Vlaicu	**1,200**	**1%**	**6.6%**
Avantgarden - Bartolomeu	**1,200**	**1.9%**	**9.8%**
Griviței	**1,160**	**0.3%**	**8.5%**
Tractorul - 13 Decembrie	**1,160**	**4.5%**	**7.8%**
Astra - Răcădau - Calea Bucureș-ti - Gării - Vlahuță	**1,140**	**1.3%**	**7%**
Craiter - Triaj - Harmanului	**1,060**	**2.1%**	**13.3%**
Noua - Dârste	**980**	**-1.8%**	**-2%**

Source: Analize Imobiliare and Imobiliare.ro

Neighbourhoods and areas in Iași

After a growth of 0.6%, the average asking price for an apartment in the capital of Moldova reached, at the end of 2019, a value of EUR 1,020 per square metre - thus remaining above the threshold of EUR 1,000 per square metre. Without any exceptions, the neighbourhoods of Iași registered positive developments in apartment prices in the October-December period. Price variations were moderate here, as well, and, in most cases, they stood below the 4% level. Last quarter, the 4% level was only surpassed by the apartments from the Copou area, where a variation of 4.7% was noticed, and prices reached an average of 1,280 per square metre, thus ranking second in a classification of the highest prices (after the Centrul Civic - Gară - Central - Ultracentral area, with EUR 1,340 per useful square metre).

Compared to the similar period of the previous year, asking prices for the apartments available for sale increased in all the neighbourhoods of Iași. The highest annual price difference can be noted, just like in the previous quarter, in the Nicolina - Cug - Frumoasa - Baza3 area: this is the only one where the annual growth is in the two-digit range - more specifically, we are speaking of a 11.1% growth.

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Centru Civic - Gară - Central - Ultracentral	**1,340**	**1.9%**	**0.2%**
Copou	**1,280**	**4.7%**	**7.8%**
Podul de Fier - Moara de Vânt	**1,210**	**1.2%**	**7.9%**
Tătărași - Tudor Vladimirescu	**1,060**	**1.3%**	**3.1%**
Alexandru cel Bun - Dacia	**1,020**	**1.5%**	**5.5%**
Podu Ros	**1,000**	**1.6%**	**4.2%**
Nicolina - Cug - Frumoasa - Baza 3	**1,000**	**3%**	**11.1%**
Bucium - Galata - Mircea cel Batrân	**960**	**0.2%**	**1.5%**
Pacurari - Popas Păcurari - Cânta	**960**	**0.4%**	**5.7%**

Source: Analize Imobiliare and Imobiliare.ro

Neighbourhoods and areas in Constanța

Last quarter, apartment prices in Constanța registered a 2% growth, up to an average of EUR 1,190 per useful square metre. Just like in other regional centres, price growth was registered in all the areas of Constanța on the October-December period; at the same time, in most cases, price variations did not exceed the 4% level. The exception to the rule is the Poarta 6 area, where asking prices increased by 5.8%, up to an average of EUR 1,050 per square metre. Next in the classification of price growths, with a 4% growth for each of them, are the areas Faleză Nord-Trocadero-City ParkMall-Capitol-Delfinariu (up to EUR 1,390 per square metre) and, respectively, CET Anda (up to EUR 1,040 per square metre).

Growth can also be noted in all areas, compared to the similar period of last year, with variations below the 8% level in all of Constanța's neighbourhoods. Thus, the highest annual price differences are seen in the areas Poarta 6 (+7.8%), Central-Ultracentral-Peninsula (+7.6%), as well as in Faleză Nord - Trocadero - City Park Mall - Capitol - Delfinariu (+7.3%).

	Average price/sqm(€)	Price evolution in the last 3 months %	Price evolution in the last year %
Faleza Nord - Trocadero - City Park Mall - Capitol - Delfinariu	**1,390**	**4%**	**7.3%**
Central - Ultracentral - Peninsula	**1,230**	**2.9%**	**7.6%**
Tomis III - Dacia - Tomis II - Brotă-cei - Tomis I	**1,210**	**0.8%**	**2.7%**
Tomis Nord - Inel II - Inel I - Primo - Far	**1,190**	**2%**	**4.3%**
Casa de Cultură- Tomis Plus	**1,170**	**2.1%**	**5.6%**
I. C. Brătianu - Brătianu - Energia	**1,140**	**1.7%**	**4.9%**
Gară - ICIL - Abator	**1,140**	**2.5%**	**3.8%**
Km 4-5 - Km 5	**1,080**	**2.6%**	**4.7%**
Poarta 6	**1,050**	**5.8%**	**7.8%**
CET - Anda	**1,040**	**4%**	**6%**

Source: Analize Imobiliare and Imobiliare.ro

DEMAND FOR APARTMENTS AND HOUSES

Demand* for residential properties for sale

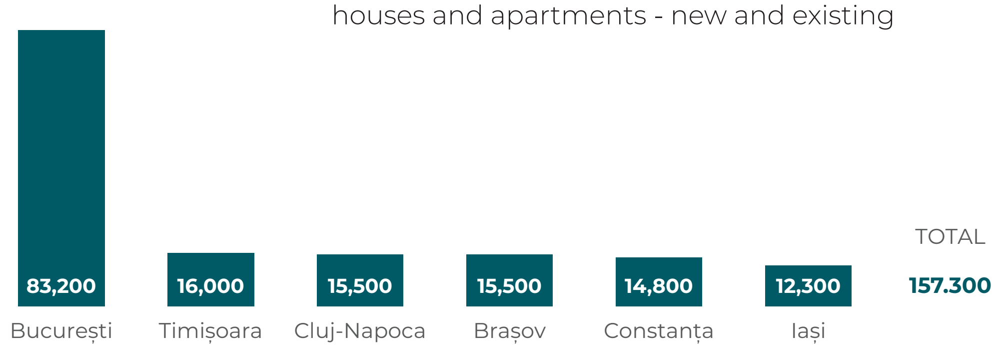
Throughout last year, interest in the procurement of residential properties in the major cities saw a rather significant growth compared to the previous year. Thus, in the last quarter of 2019, approximately 157,000 potential buyers looked for apartments and houses put up for sale on Imobiliare.ro in the country's six major regional centres - a figure equivalent to a 25% growth compared to the similar period of 2018.

Compared to the similar period of 2018, all the major analysed regional centres saw a two-digit growth. Thus, the highest growth can be seen in Cluj-Napoca, where demand increased by 49%; the city on the Someș river is followed by Iași (+40%), then by Brașov (+32%), by Timișoara (+31%), Constanța (+20%) and, respectively, by Bucharest (+18%).

Regarding the number of searches for apartments and houses registered by Imobiliare.ro, Bucharest naturally ranks first, at a considerable distance from the other regional centres - approximately 83,000 searches for homes were registered here last quarter. Ranking second in the classification is Timișoara, with 16,000 searches, thus surpassing Cluj. In terms of demand, the capital of Transylvania ranks equal to Brașov, each with 15,500 searches, followed by Constanța (14,800), and, respectively, by Iași (12,300).

The demand for residential properties for sale

houses and apartments - new and existing



București	Timișoara	Cluj-Napoca	Brașov	Constanța	Iași	TOTAL	
+18%	+31%	+49%	+32%	+20%	+40%	**+25%**	Change over last 12 months %
+71%	+102%	+177%	+191%	+120%	+228%	**+102%**	Change over last 5 years %

* By demand, we refer to the potential buyers who generated Leads for sale properties on the Imobiliare.ro portal, in a certain period.

A lead is recorded when a visitor performs an action (views the phone, sends an email to request more details, prints or saves your ad).

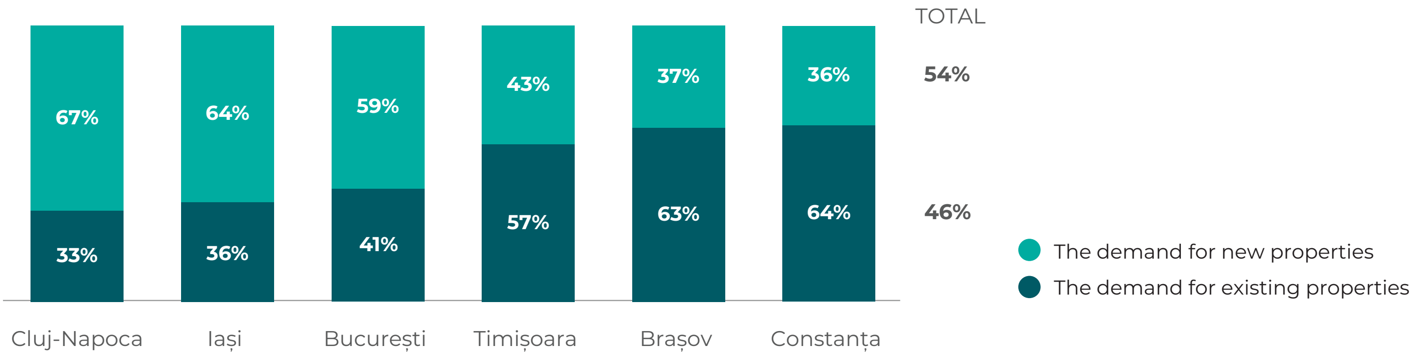
Source: Analize Imobiliare and Imobiliare.ro

Apartments and houses for sale

New vs. old

The preferences of potential buyers of homes practically maintained the same structure in the previous quarter, in spite of certain changes; thus, most customers from the major cities still have a propensity for new properties. In the six analysed major regional centres, newly-built apartments and houses represent 54% in total searches (slightly lower than the 56% of the previous quarter). Thus, housing units completed after the year 2000 are more popular than the old ones in three regional centres of the country, namely Cluj-Napoca (where they hold a 67% market share), Iași (64%), and Bucharest (59%, slightly decreasing from 60%). On the other hand, in the other three major regional centres subject to our analysis, new properties have a significant share, but still in minority within total searches: 43% in Timișoara, 37% in Constanța and, respectively 36% in Brașov.

Demand for new vs existing properties in 2019-Q4



Source: Analize Imobiliare and Imobiliare.ro

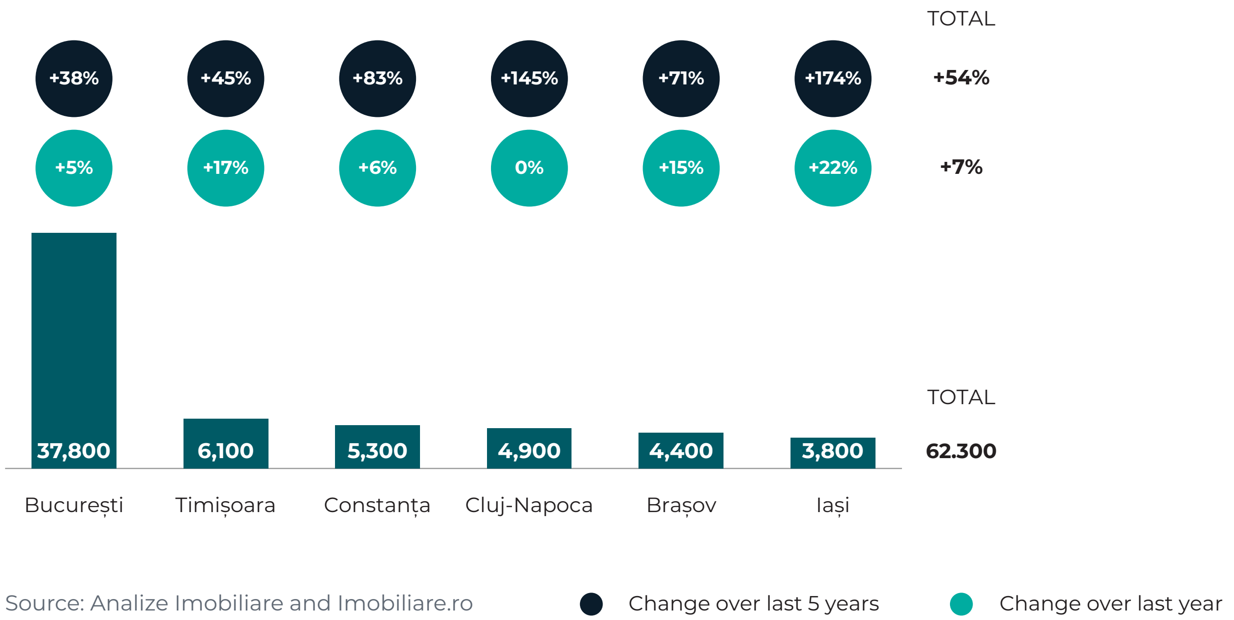
DEMAND FOR RESIDENTIAL PROPERTIES FOR RENT

Naturally, demand for apartments and houses for rent in the major cities was considerably reduced compared to the third quarter of the year - a period in which, traditionally, trading activity on this market reaches its peak. Thus, in the past three months, approximately 62,300 potential renters tried to rent a home using Imobiliare.ro, compared to the 90,000 registered in the three previous months. Bucharest naturally drew more than half of the new searches, namely 37,800. Second in rank was Timișoara (with 6,100 searches), the city on the river Bega being followed by Constanța (5.300 searches), Cluj-Napoca (4,900 searches), Brașov (4,400) and Iași (3,800).

In spite of the decrease in the last quarter of the year, compared to the similar period of 2018, the demand for rent in these six major cities was, on the whole, 7% higher. Except for the city of Cluj-Napoca, where this indicator stagnated, growth was registered in all other regional centres: +22% in Iași, +17% in Timișoara, +15% in Brașov, +6% in Constanța and, respectively, +5% in Bucharest.

Compared to the similar period of 2015, interest in renting was 54% higher last quarter in the major regional centres subject to analysis, and an ascending trend can be noted in each of these cases. The most significant growth, of over 170%, was seen in Iași, the capital of Moldova, followed by Cluj-Napoca, with a 145% growth in the past five years. Next in rank are Constanța, where the number of searches on these market segments increased by 83%, then Brașov (+71%), Timișoara (+45%) and, eventually, Bucharest (+38%).

The demand for apartments and houses for rent



Source: Analize Imobiliare and Imobiliare.ro

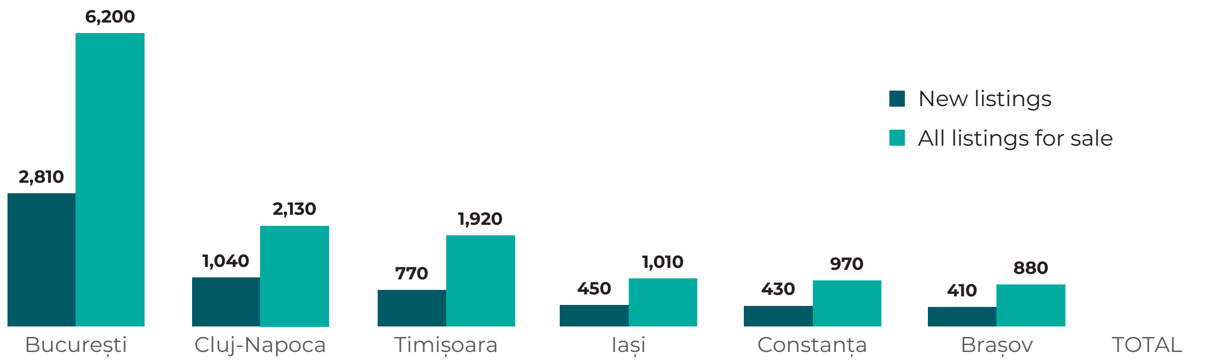
NUMBER OF PROPERTIES FOR SALE IN THE MAJOR CITIES

In accordance with the estimations of Analize Imobiliare from the previous market report, the total supply of residential properties available for sale in the six major regional centres of the country (apartments and houses built before the year 2000) saw a significant drop compared to the similar period of 2018. More specifically, we are speaking of an annual rebound of 18%, valid for the analysed cities, and an ascending trend can be noted in this regard in each of them.

In the past 12 months, the greatest drop in supply, of 35%, was registered in Brașov, as only 880 residential properties were put for sale here last quarter; a significant decrease, of -20.5%, was also seen in Iași, where 1,010 announcements were registered on the market, as well as in Constanța (-18.3%, down to 970 offers). Ranking next in terms of drops in supply are Bucharest (-17.6%, down to 6,200 offers), followed by Timișoara (-14.1%, down to 1,920 offers) and Cluj-Napoca (-14%, down to 2,130 offers). The annual drop in supply was generated, to a significant extent, by the reduction in the number of properties newly-introduced on the market: compared to the last quarter of 2018, it was 33.8% lower in the country's major cities. The ascending trend can be noted once again in all analysed cities, starting with Brașov (-47.6%) and continuing with Constanța (-40.3%), Iași (-35%), Bucharest (-33.6%), Timișoara (-33.1%) and, respectively, Cluj-Napoca (-22.8%).

In terms of offers which were new on the market, the Capital naturally ranks first in the classification of the major regional centres, with a total of 2,810 ads in the last quarter of 2019; this figure is equivalent to more than 47% from the total of 5,910 new offers existing at the level of all these regional centres. With a stock of 1,040 new ads, Cluj-Napoca ranks next, at a reasonable distance from Bucharest, the city on the Someș river being followed by Timișoara (770 offers), Iași (450), Constanța (430) and Brașov (410).

Number of listings - for sale in Q4-2019
Apartments and houses built before the year 2000



	București	Cluj-Napoca	Timișoara	Iași	Constanța	Brașov	TOTAL
New listings	-33.6%	-22.8%	-33.1%	-35%	-40.3%	-47.6%	**-33.8%**
All listings for sale	-17.6%	-14%	-14.1%	-20.5%	-18.3%	-35%	**-18.3%**

Change over last 12 months

Source: Analize Imobiliare and Imobiliare.ro

RESIDENTIAL PROJECTS AVAILABLE FOR SALE

According to a monitoring performed by Analize Imobiliare, last quarter there were 643 residential projects with housing units available for sale in the Capital, Ilfov county, and four other major centres of the country. More than half of these projects, more specifically 417 of the total, were under construction, and the remaining 226 were already completed.

Most analysed projects, each having more than 20 homers, were, naturally located in Bucharest - a total of 301 projects, of which 187 are under construction and the remaining 114 have been completed. Ranking second in terms of the number of residential projects, with a total of 115 such real estate developments, 65 of which are under construction - the metropolitan area thus has a market share of approximately 25% of total residential projects from the Capital and the surrounding areas.

Ranking next are Cluj-Napoca (with 67 projects), Iași (65), Brașov (51) and, respectively, Constanța(44). In each of these real estate development centres, the number of projects under construction significantly exceeds the number of already-completed projects: 52 compared to 15 in Cluj-Napoca, 46 compared to 19 in Iași, 41 compared to 10 in Brașov and, respectively, 26 compared to 18 in Constanța.

In terms of the number of housing units put for sale, the Capital continues to have a total of 11,000 homes, ranking first, at a considerable distance from the country's all other major cities. If we add the 3,000 apartments available for procurement in the county of Ilfov, it follows that the inhabitants of Bucharest have available a new housing stock of 14,000 units (slightly higher than the previous quarter). By comparison, all the other regional centres in the country had less than 2,000 available housing properties available for sale: Brașov ranked first in this category, with 1,800 units, being followed by Cluj (1,000 units), Iași (900) and Constanța (700).

Residential projects for sale in the 4th quarter of 2019

APARTMENTS FOR SALE	BUCHAREST	ILFOV	CLUJ-NAPOCA	IAȘI	CONSTANȚA	BRAȘOV
Projects for sale, of which:	**301**	**115**	**67**	**65**	**44**	**51**
· Projects under construction	**187**	**65**	**52**	**46**	**26**	**41**
· Completed projects	**114**	**50**	**15**	**19**	**18**	**10**
Apartments for sale	**11,000**	**3,000**	**1,000**	**900**	**700**	**1,800**

Source: Analize Imobiliare, Monitoring of residential projects, projects having at least 20 apartments

NUMBER OF PROPERTIES FOR RENT IN THE MAJOR CITIES

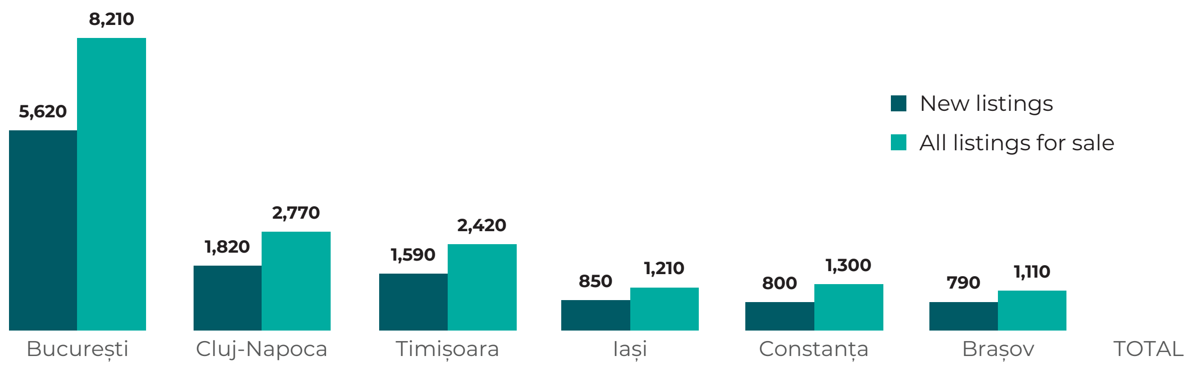
In the fourth quarter of 2019, the number of apartments and houses available for rent in the major cities of the country (properties completed before the year 2,000) stood at 17,030 - which marks a significant drop, of almost 26% compared to the previous quarter (when 23,000 such ads existed on the market). This rebound is quite natural, considering the fact that the start of fall is a climax for the rental activity, at least in the major university centres, and afterwards things get back to normal.

The city with the greatest number of homes for rent remains, of course, Bucharest, at a reasonable distance from all other regional centres: in the capital of the country, the potential renters had 8,210 ads available under this category last quarter. In all the other major cities of the country, the volume of rental offers is at less than 3,000 and, in some cases, even at less than 2,000. Thus, the number of offers reaches 2,770 in Cluj-Napoca, 2,420 in Timișoara, 1,300 in Constanța, 1,210 in Iași and, respectively, 1,110 in Brașov.

Compared to the similar period of last year, the rental offer was, at the level of the six major regional centres, 8.5% higher, the generally ascending trend being felt in most analysed cities, starting with Brașov (+32.8%)and continuing with Cluj-Napoca (+17,9%), Iași (+11.1%), Constanța (+8.9%) and Bucharest (+8.1%). Timișoara is the exception to the rule, where the rental offer is 7.5% lower than one year before. Concerning the rental ads newly-introduced to the market last quarter, the Analize Imobiliare data indicates a smaller growth, respectively of +3.6% compared to the similar period of 2018. In this case, growth only occurred in four of the six regional centres, respectively in Constanța(+27.2%), Cluj-Napoca (+12.1%), Iași (+9.7%) and Bucharest (+4.3%). Under this category, Timișoara is the most significant exception to the rule, as a 14.1% decrease was registered here after a 12-month period, whereas, in Constanța, there was a 2.8% rebound.

Properties listed for rent in the major cities in Q4 - 2019

Apartments and houses built before 2000



	București	Cluj-Napoca	Timișoara	Iași	Constanța	Brașov	TOTAL
New listings	4.3%	12.1%	-14.1%	9.7%	-2.8%	27.2%	**3.6%**
All listings for sale	8.1%	17.9%	-7.5%	11.1%	8.9%	32.8%	**8.5%**

Change over last 12 months

Source: Analize Imobiliare and Imobiliare.ro

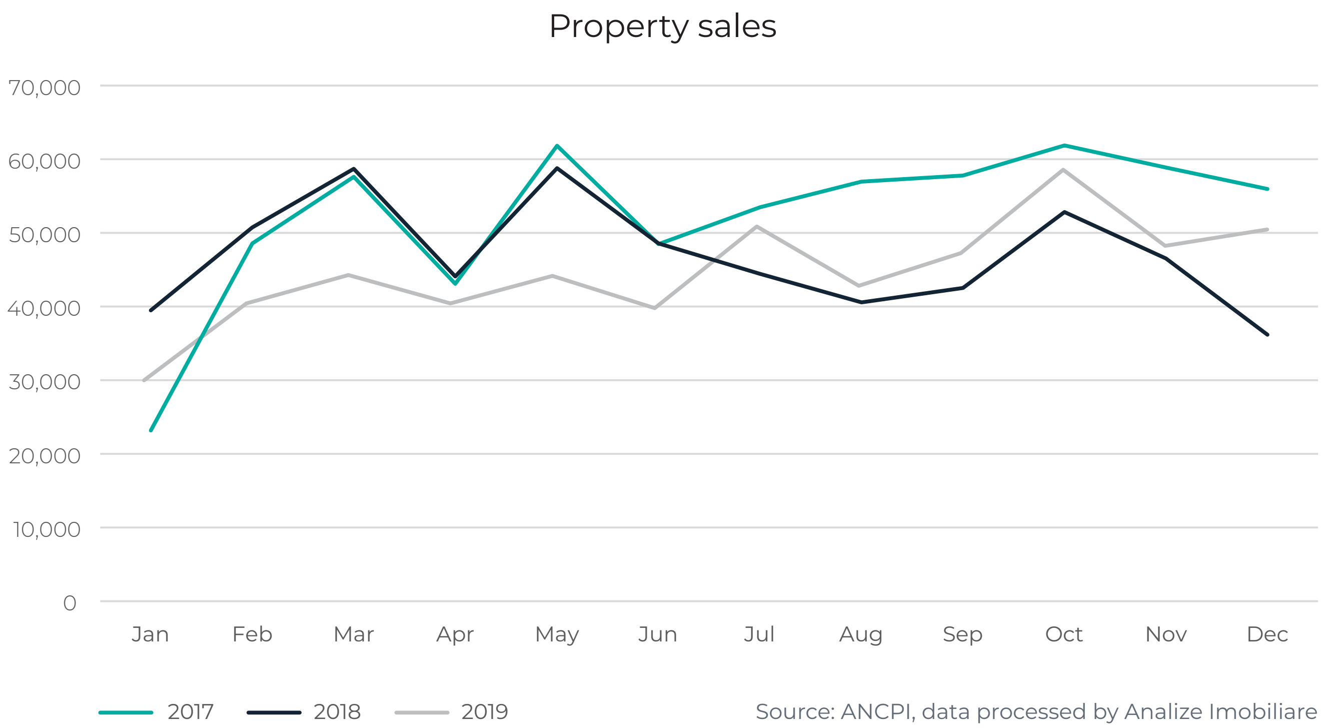
REAL ESTATE SALES, AT NATIONAL LEVEL

According to data released by the National Agency for Cadastre and Real Estate Advertising (Romanian: Agenția Națională de Cadastru și Publicitate Imobiliară, ANCPI), in the fourth quarter of 2019, 157,184 property sales were concluded at national level. This volume of transactions marks, on the one hand, a growth of approximately 11% compared to the previous quarter (when 141,413 transactions were registered) but, on the other hand, a 16% increase compared to the similar period of 2018 (when 135,541 such operations were registered). Just like in the previous quarter, the most numerous sale-purchase operations were conducted in the third quarter of 2019, in the area of the Capital: Bucharest had 29,110 transactions, and the county of Ilfov another 13,566.

In spite of the ascending development from last years' final two quarters, against the entire course of 2018, one can note a significant drop in the trading activity on the real estate market. Thus, the number of contracts concluded nationwide was of 54,0180 in the period January-December 2019, which marks a decrease of approximately 4% compared to the previous year - when almost 563,501 properties were traded nationwide. However, we must make note of the fact that the decreasing trend was counterbalanced in the second quarter of 2019, which had significantly better performance compared to the similar period of 2018.

Throughout 2019, most transactions were also registered in Bucharest (95,557) and Ilfov (47,555), next in rank being the counties Timiș (31,328), Cluj (29,818), Brașov (29,351), Iași (18,206) and Constanța (17,372). At the opposite pole, the smallest number of transactions occurred, in this period, in Olt (1,390 operations), Sălaj (3,290), in Alba (3,787) and, respectively, Gorj (3,826).

"The number of property sales was approximately 4% smaller in 2019 compared to 2018; however, the trading activity returned to a visibly ascending path in the second quarter of last year."

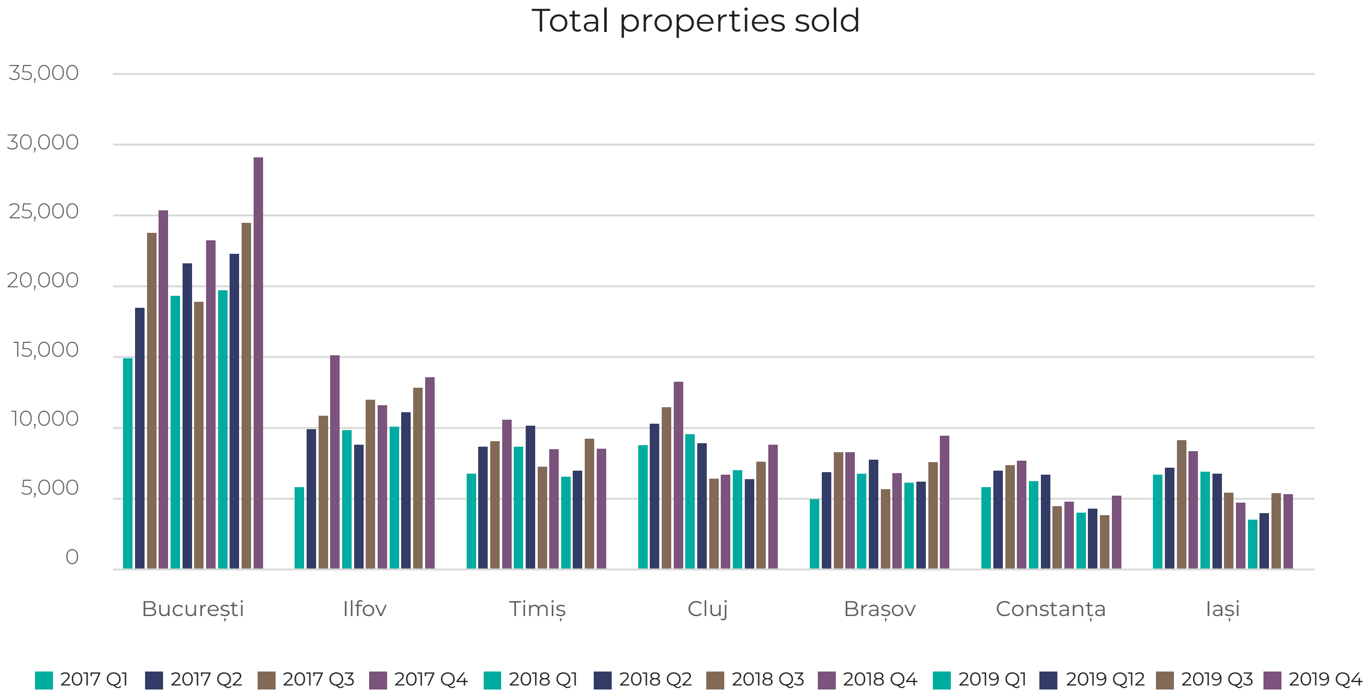


Source: ANCPI, data processed by Analize Imobiliare

QUARTERLY EVOLUTION OF TRANSACTIONS IN THE MAIN COUNTIES

According to the data centralized by Analize Imobiliare, the volume of real estate transactions concluded in the fourth quarter of 2019 grew by comparison to the similar period of the previous year in most counties with the most intense activity under this chapter. Thus, Bucharest registered a significant growth, from 23,215 to 29,110 transactions, in Ilfov the growth was from 11,582 to 13,566 operations, in Timiș from 8,487 to 8.524, in Cluj from 6,704 to 8,805, in Brașov from 6,815 to 9,453, in Constanța from 4,797 to 5,208, and in Iași from 4,710 to 5,305.

Worth mentioning is the fact that, last quarter, two of the analysed areas registered the highest quarterly volume of transactions since 2017: we are speaking of Bucharest, on the one hand, and of Brașov county, on the other hand. However, in four other counties, the highest volume of transactions over the past three years was reached in Q4 2017: these are Ilfov (15,105 operations), Timiș (10,582), Cluj (13,241) and, respectively, Constanța (7.668). In Iași, on the other hand, the climax of the past three years in terms of trading activity was reached in Q3 2017 (9,124 operations).

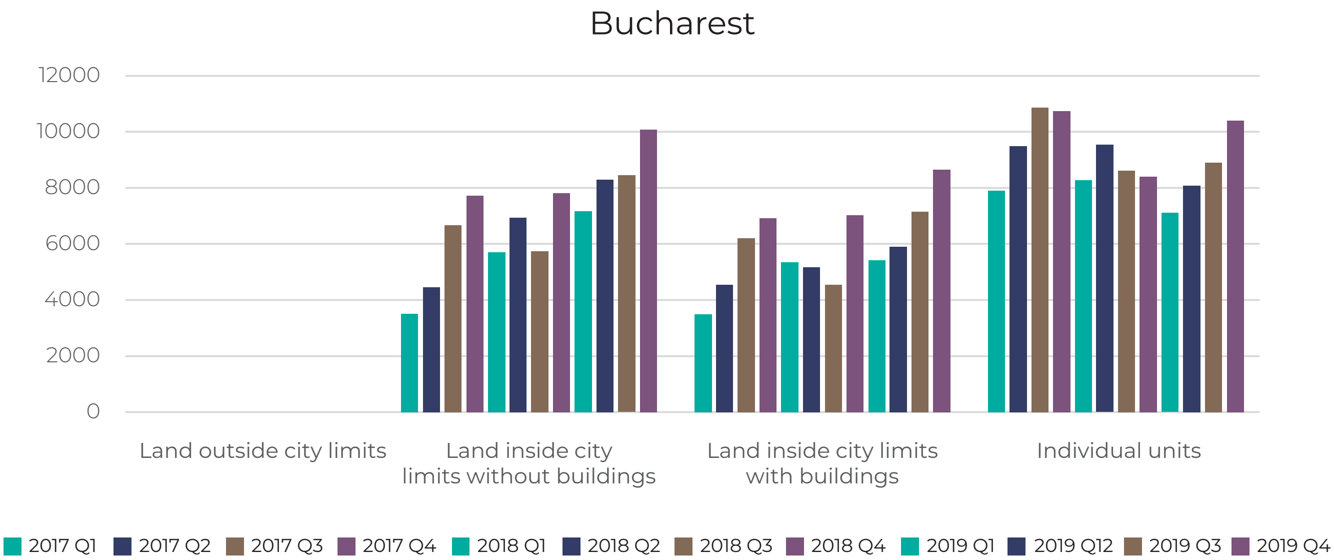


Source: ANCPI, data processed by Analize Imobiliare

Quarterly evolution of transactions
in Bucharest and Ilfov

Just like in the previous quarter, in the period October-December 2019, the greatest number of property transactions concluded in Bucharest, namely 10,394 from the total of 29,110, envisaged individual housing units (up from 8,901 such operations in the previous three months). The number of land plots in the defined urban area without constructions, which amounted to 10,077 (compared to 8,436 in July-September), was maintained on the second position; they were followed, quite closely, by land plots in defined urban area with constructions, which were the object of 8,638 sale agreements (also up, from 7,147 contracts).

Compared to the fourth quarter of 2018, the trading activity at the level of the Capital indicates an ascending trend in all analysed market segments (except, of course, for the segment of land located in unincorporated areas, where the trading activity is practically non-existent). Thus, in the similar period of the preceding year, the most numerous transactions remained the ones pertaining to individual units (8,389 operations), followed by the transactions with land in defined urban areas without constructions (7,806) and, respectively, by those with land in defined urban areas with constructions (7,020).

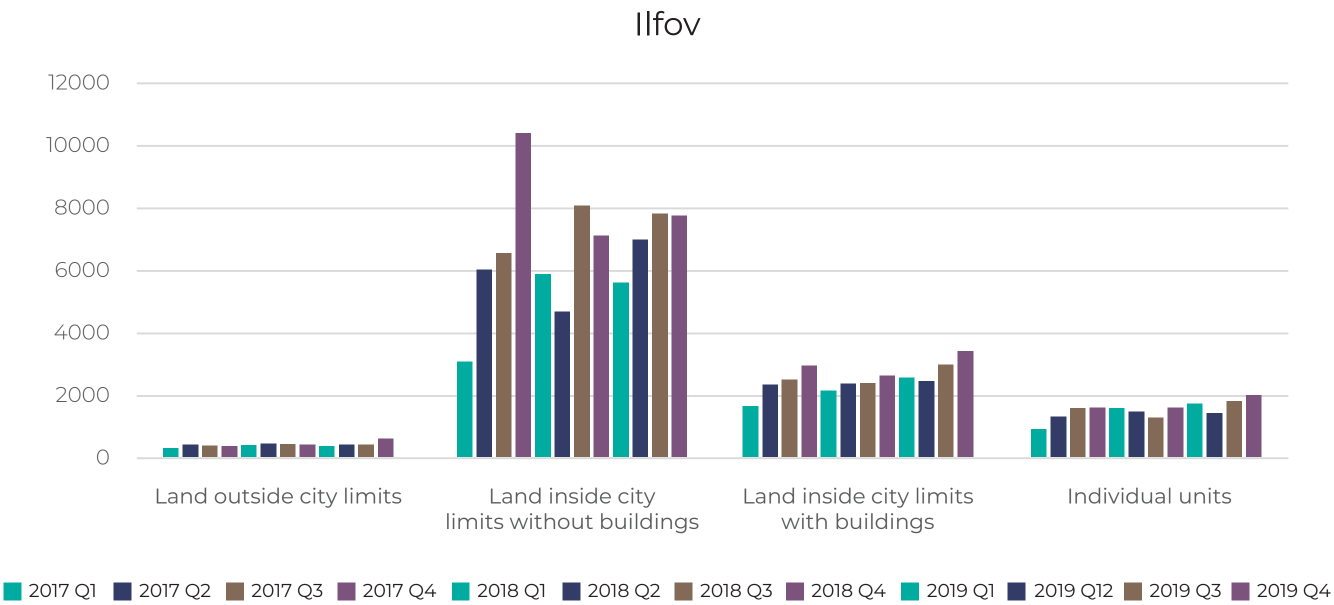


Source: ANCPI, data processed by Analize Imobiliare

Quarterly evolution of transactions
in Bucharest and Ilfov

Just like in the previous quarters, in the final quarter of 2019, more than half of the real estate transactions concluded in Ilfov county had as object urban areas without construction - more specifically, there were 7,656 such operations, from a total of 13,566 (slightly decreasing from 7,730). Ranking second, although at a substantial distance, are the procurements of land in defined urban areas with constructions, which amounted to 3,359 (on the increase from the 2,928 registered in the second quarter). The operations envisaging individual units also registered growth last quarter, from 1,770 to 1,966 contracts concluded - thus ranking third in the classification of transactions by market segments. Last, but not least, the procurement of land in the unincorporated area, although not very numerous in themselves, registered a significant quarterly growth, from 386 to 585 transactions.

The same interesting structuring by market share of the transactions from the county of Ilfov can be noted both in 2018, and in 2017. The great attention paid to transactions in land indicate a high potential of the area for new real estate developments (of which, given its closeness to Bucharest, most would be residential). In addition to the demand of private developers, who are interested in building residential projects, there is, of course, demand in the area from buyers wishing to purchase a house with a yard.

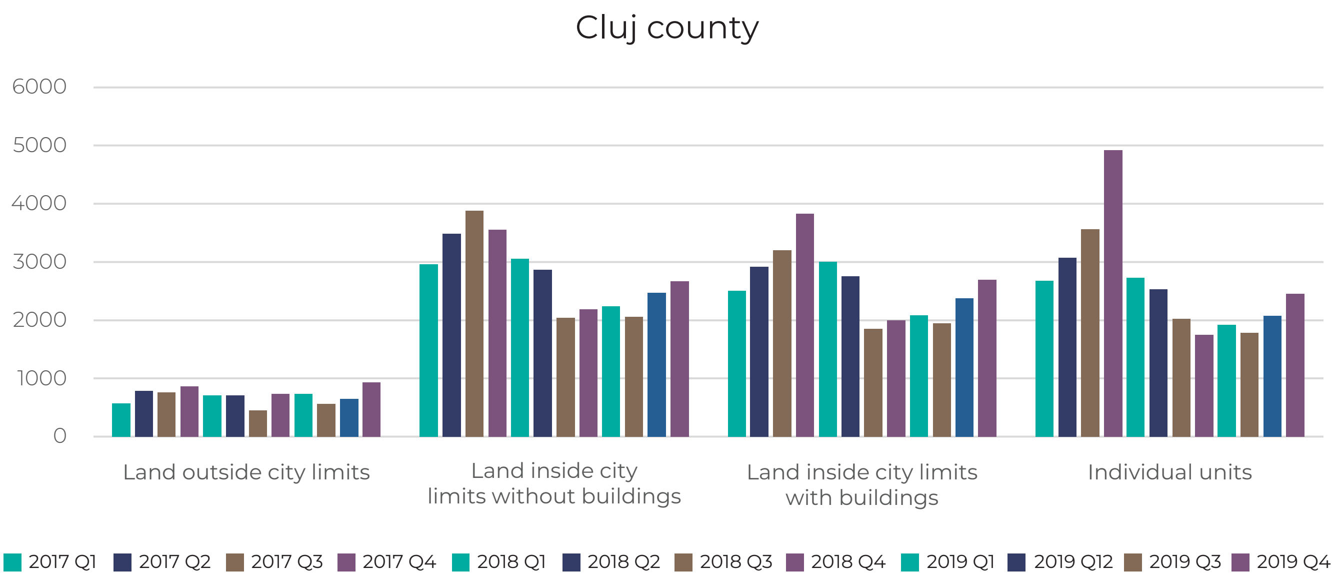


Source: ANCPI, data processed by Analize Imobiliare

Quarterly evolution of transactions in Cluj county

Just like in the previous quarter and in accordance with the evolution at county level, increase of the trading activity was registered on all of Cluj's market segments. This time the most numerous were the purchases of land in defined urban areas with constructions: they reached the level of 2,709 (out of a total of 8,805), an increase compared to the 2,388 contracts concluded in the previous three months. Ranking second in terms of number of transactions performed in Cluj county is the land segment in defined urban areas without constructions, which attracted 2,687 purchases last quarter (up from 2,485). In this case also, the significant weight of such purchases indicates the maintaining of high interest in real estate developments (most of which would probably be residential).

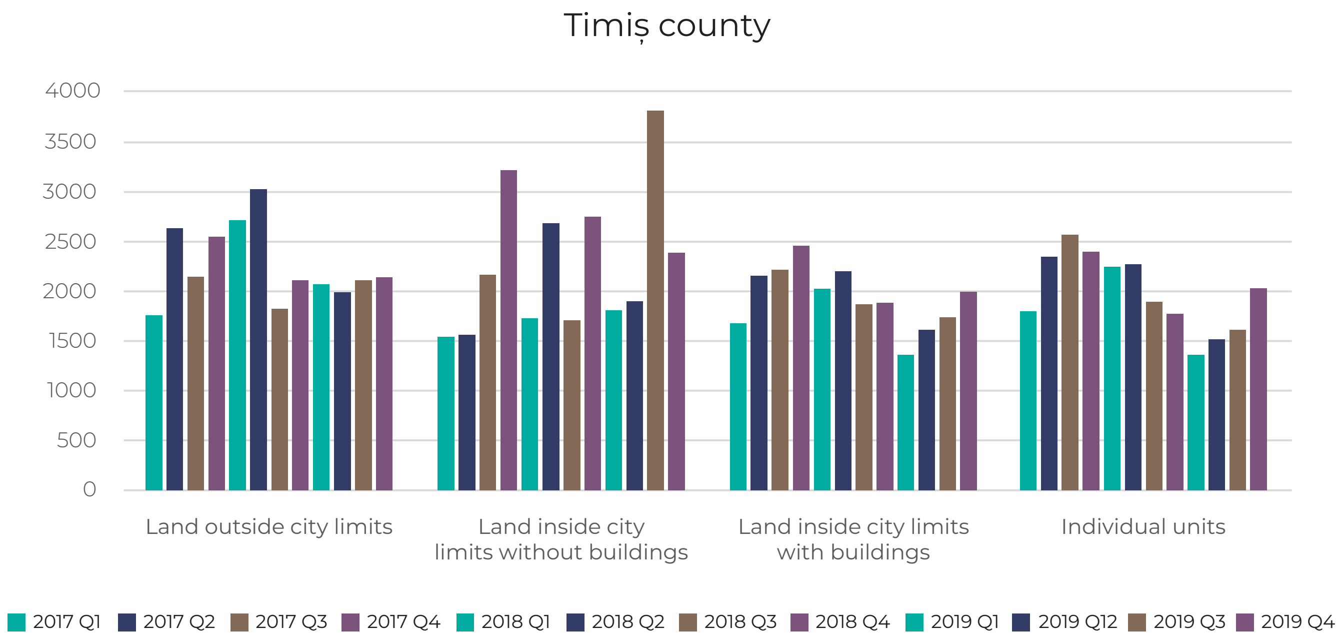
Ranking third in terms of number of transactions conducted in Cluj county are the ones having individual units as their object: their number grew from 2,084 to 2,469 in the analysed period. Finally, the contracts having land in unincorporated areas as object were, as usual, less numerous: they did, however, register a significant quarterly growth, from 652 to 940 transactions - thus reaching a share of more than 10% in total transactions.



Source: ANCPI, data processed by Analize Imobiliare

Quarterly evolution of transactions in Timiș county

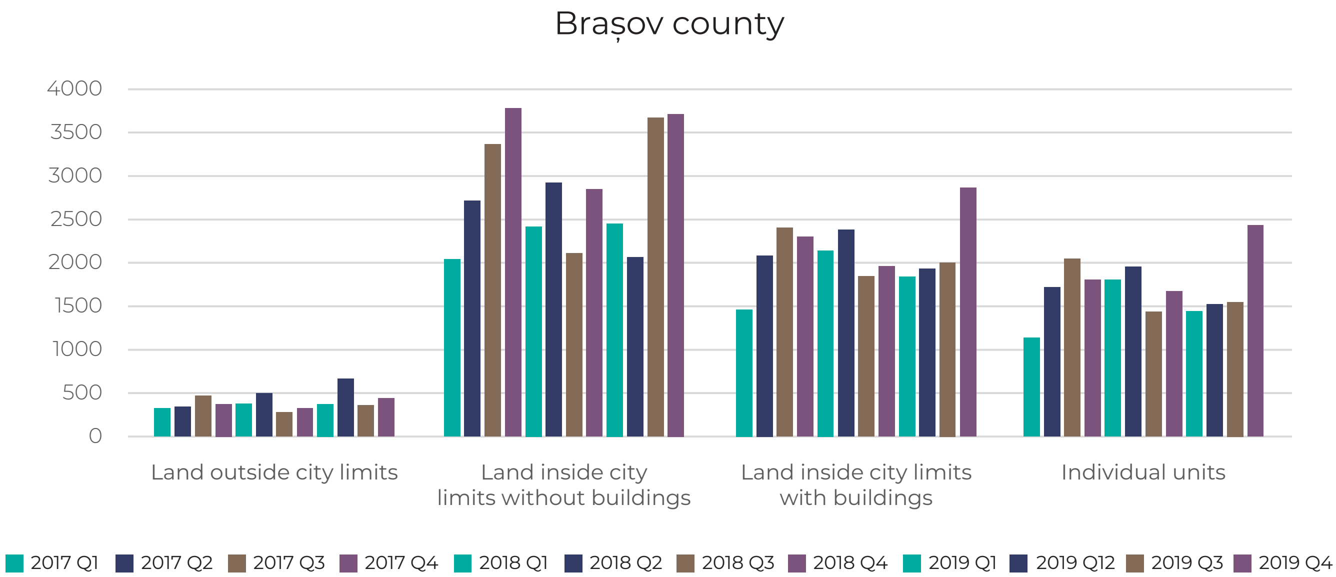
Unlike other counties, real estate transactions did not see an ascending evolution in all market segments from Timiș county. Thus, after a genuine leap registered last quarter, the transactions envisaging land in defined urban areas without constructions now saw a significant decrease, from 3,801 to 2,380 (out of the total 8,524 at county level). Thus, the segment of land plots in unincorporated areas, which drew 2,134 purchases (up from 2,100) remained second in rank in terms of market share. On the other hand, the procurement of individual units totalled 2,022 contracts (up from 1,605), and the ones with land in defined urban areas with constructions stood at 1,988 (compared to 1,731 in the three previous months).



Source: ANCPI, data processed by Analize Imobiliare

Quarterly evolution of transactions in Brașov county

Just like in Timiș county, transactions with land plots located in defined urban areas without constructions were, in Brașov county as well, the most numerous: last quarter, they recorded a growth, from 3,671 to 3,713 (out of the total of 9,453 such operations). Ranking second are the purchases of land in defined urban areas with constructions, which amounted to 2,866, in the analysed period (a significant growth from 2,005). Transactions with individual units also increased significantly in the analysed period, up to a level of 2,432 (from 1,549 in the three previous months). On the other hand, after the significant drop from the third quarter, the transactions with land from the unincorporated area saw a significant growth in terms of its share, namely from 359 to 442 purchases.



Source: ANCPI, data processed by Analize Imobiliare

TIME ON MARKET

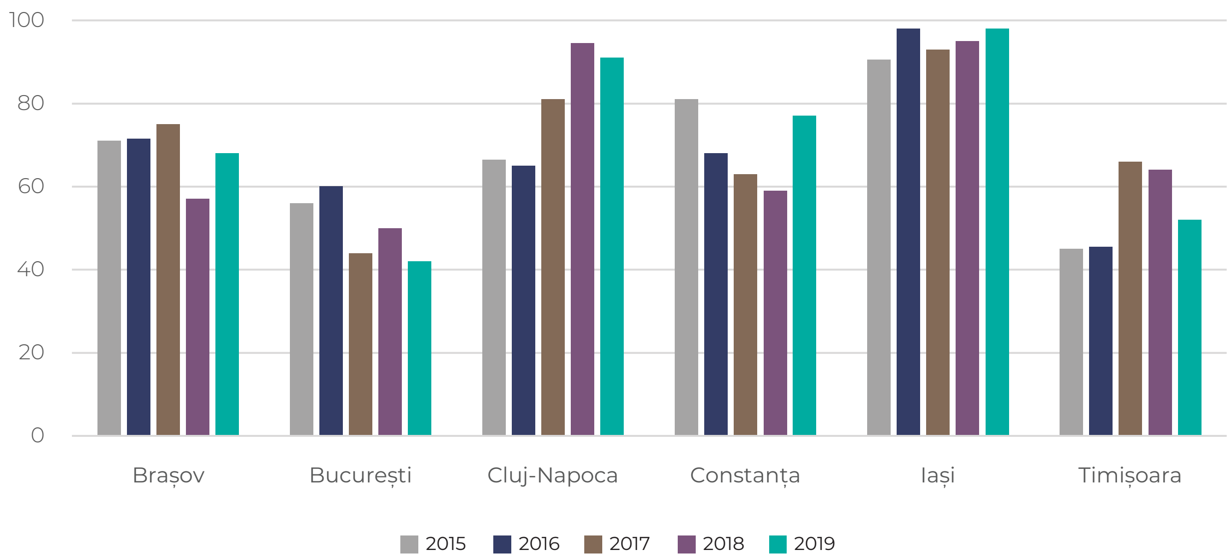
Considering that this is where, throughout the year 2019, the shortest sale period was registered for an apartment, respectively 42 days, Bucharest can be considered the most active market nationwide - which is, in fact, as natural as possible, considering that, against the background of high demographic density, this is where the highest demand for housing is. In a classification of cities according to the average selling period, the country's capital is followed by Timișoara (52 days), Brașov (68 days),Constanța (77 days), Cluj-Napoca (91 days) and, respectively, Iași (98 days).

It is interesting to notice that, compared to the preceding year, three of the major regional centres subject to analysis saw in increase in the time on market, whereas three others registered decrease. Thus, a significant drop, from 50 to 42 days, occurred in Bucharest, and the current level is the lowest since 2015, although it is quite close to the one registered in 2016 (44 days). A drop in the average time on market was also seen, compared to 2018, in Timișoara: thus, in the city on the Bega river an apartment was sold, on average, in 52 days, compared to 64 days in the preceding years; although it is lower than in 2018 and 2017, the current value of this indicator is, however, higher than in 2015 and 2016, when it reached 45 and, respectively, 45.5 days. A slight reduction of the time needed for the sale of an apartment was also seen in Cluj Napoca, from 94.5 to 91 days.

Last year, an increase in the average time on market for an apartment was registered in Brașov (from 57 to 68 days), in Constanța (from 59 to 77 days), as well as in Iași (from 95 to 98 days). In the capital of Moldavia, the current level thus reached its climax over the past five years - being, however, at the same level as it was in 2016. In Brașov, the longest time on market was registered in 2017, and in Constanța, in 2015.

"Compared to the preceding year, three of the major regional centres subject to analysis, registered, in 2019, an increase in the average time on market for an apartment, whereas three others registered decrease."

Time on market (apartments)



Source: Analize Imobiliare and Imobiliare.ro

NEGOTIATION MARGIN

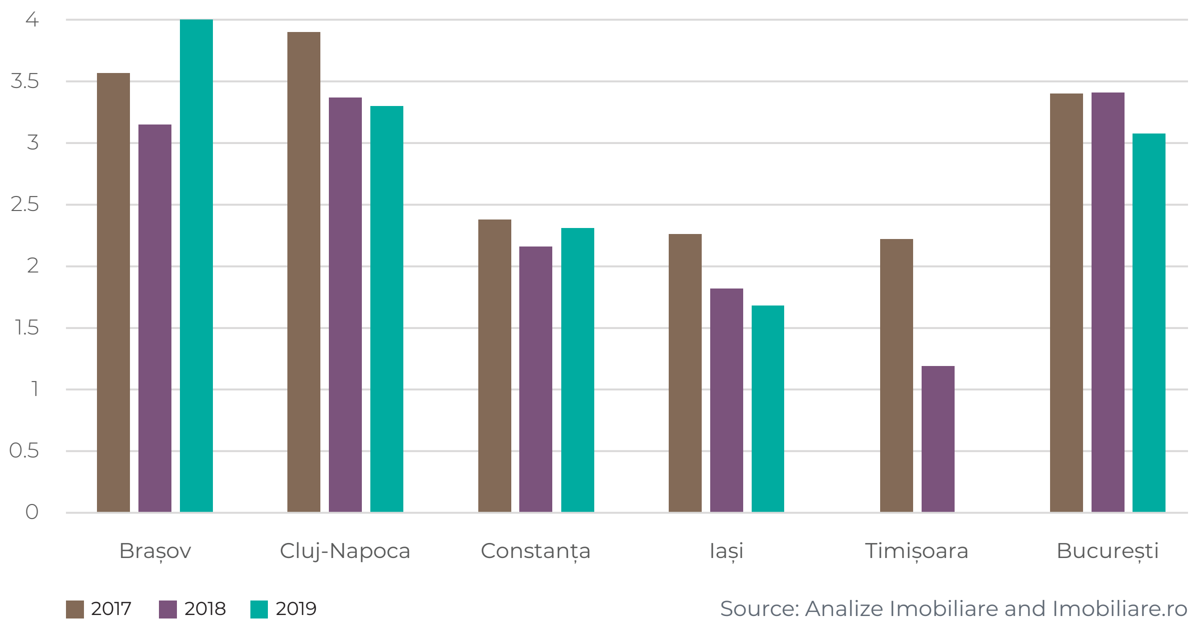
In close connection to the time on market, another significant element in understanding the trading activity is the negotiation margin - calculated as a difference between the price of a property entering the market and the final, exit price. Compared to the year 2018, we note that this last indicator registered both positive and negative variations in the country's six major cities. Of course, this indicates that the local residential market is in search for balance.

Over the course of 2019, the highest negotiation margin, namely 4%, was applied in Brașov; last year's average indicates increase compared to the level valid in 2018, namely 3.15%. Ranking second in the classification of negotiation margins in the major cities is Cluj-Napoca, at 3.3%, slightly decreasing from 3.37% in 2018 and, respectively, from 3.9% in 2017. A significant negotiation margin, namely 3.08%, can also be found in Bucharest, which represents a drop compared to the level of approximately 3.4%, attained in 2017 and 2018. On the other hand, negotiation margins below 3% can be found in Constanța (2.3%, going up from 2.16%) and, respectively in Iași (1.68%, decreasing from 1.82%).

We must notice that, over the past three years - but even more than that - the negotiation margin for the apartments traded in the country's major cities was maintained, on the whole, at a rather stable level, not exceeding the 4% level. This indicates that, although between the expectations of sellers and those of buyers a difference may naturally continue to exist, an obvious balance may be noted between the two parties regarding this, and no significant gaps occur between them.

"Compared to the year 2018, the negotiation margin for the sale of apartments ,registered last year both positive and negative variations in the country's six major cities."

Negotiation margin (apartaments in the major cities)



Source: Analize Imobiliare and Imobiliare.ro

CONSTRUCTION OF HOUSING PROPERTIES

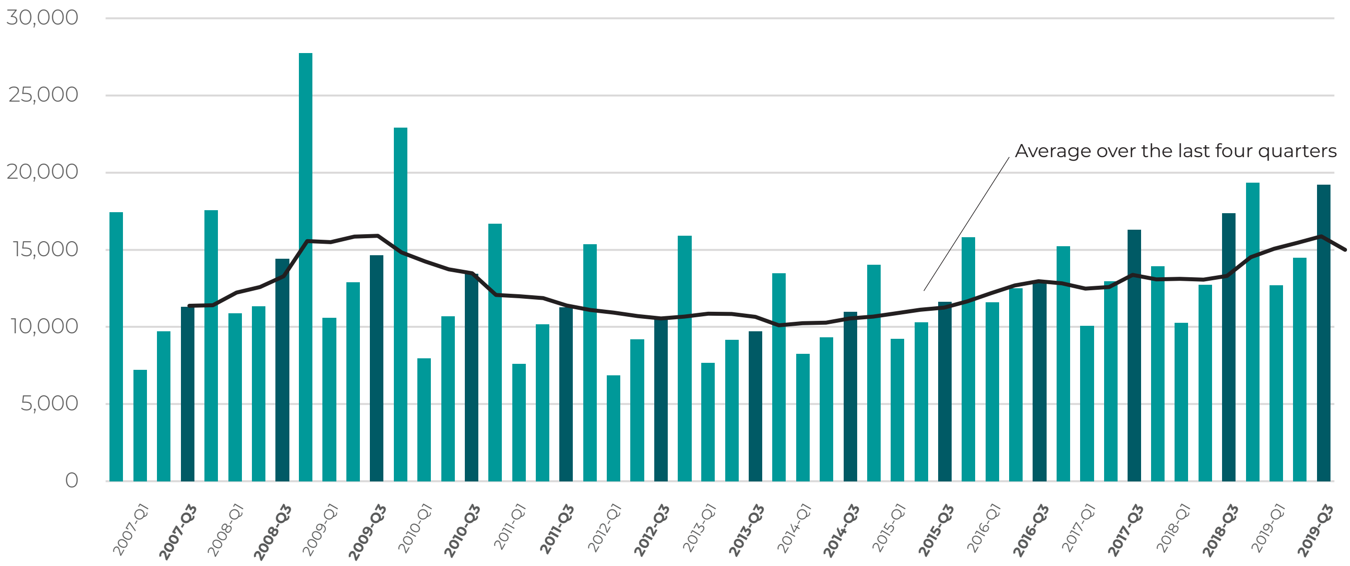
As for the dwelling construction activity, the latest data published by the National Institute of Statistics (NIS) shows that, in the first nine months of 2019, 46,437 homes were completed nationwide, increasing by 6,059 homes (approximately 15%) compared to the similar period of the previous year. In the July-September period, a number of 19,233 housing units were completed nationwide - which is equivalent to a growth of almost 11% compared to the similar period of last year (when 17,363 housing units were delivered nationwide). The trend was a significantly ascending one compared to the second quarter of the year, when 14,490 housing units were delivered according to the official data, at country level. The growth was, in this latter case, of almost 33%.

Worth mentioning is the fact that Q3 2019 has been, according to the official statistics, the most prolific third quarter since 2007, so for more than ten years. For comparison purposes, in Q3 2018 - a year which marked the climax of home deliveries on the local market - 14,410 housing units were completed nationwide. That year, a genuine "explosion" occurred in terms of home deliveries made in the last quarter, when 27,751 homes were completed - which is still a quarterly record for the local market since 2006.

Taking into account the cyclical nature of the construction sector, it can be expected, of course, that the final quarter of 2019 brings about an increase in terms of housing deliveries. Against this background, the estimations of Analize Imobiliare, envisage, throughout the year 2019, attaining a volume of at least 62,000 housing units completed nationwide - increasing from 59,700 housing units delivered in 2018. This would be the highest volume of deliveries registered since 2008 (when more than 64,000 housing units were completed).

> *"The estimations of Analize Imobiliare, have in view, throughout the year 2019, attaining a volume of at least 62,000 housing units completed nationwide - this would be the highest volume of deliveries registered since 2008."*

Construction of new dwellings



Source: ANCPI, data processed by Analize Imobiliare

CONSTRUCTION OF HOUSING PROPERTIES

The data provided by the National Institute of Statistics indicates that, in the third quarter of 2019 as well, most completed homes were located in the urban area - this is, more specifically, a share of 58.7% of the total (up from 62.6% in the previous three months), which is equivalent to 11,289 units out of the total of 19,233. The housing units delivered in the rural environment, on the other hand, reached a number of 7,944 units, representing a weight of 41.3%. By comparison with the similar period of 2018, we can note an increase of the share held by the homes completed in the urban environment, from 62.4% (10,834 housing units).

Last quarter, as well, the vast majority of completed homes, respectively 97.2% from the total, were made from private funds, and only the remaining 2.8% from public funds - this means 18,694 homes, compared to only 539. Compared to the similar period of 2018, we can note a slight decrease in the share of homes made from public funds, from a 4% market share and a number of 696 units. The category of homes built from private funds includes, of course, both the homes built by end consumers on their own, and the ones within residential projects developed by private investors (this last category is, of course, assumed to constitute a majority).

Housing completed nationwide

	COMPLETED HOMES (NUMBER)			STRUCTURE (%)	
	Q3 2018	Q3 2019	Q3 2019 compared to Q3 2018 (+/-)	Q3 2018	Q3 2019
TOTAL	**17,363**	**19,233**	**+1,870**	**100**	**100**
Urban Area	10,834	11,289	+455	62.4	58.7
Rural Area	6,529	7,944	+1,415	37.6	41.3
out of which:					
Private Funds	16,667	18,694	+2,027	96	97.2
Public Funds	696	539	-157	4	2.8

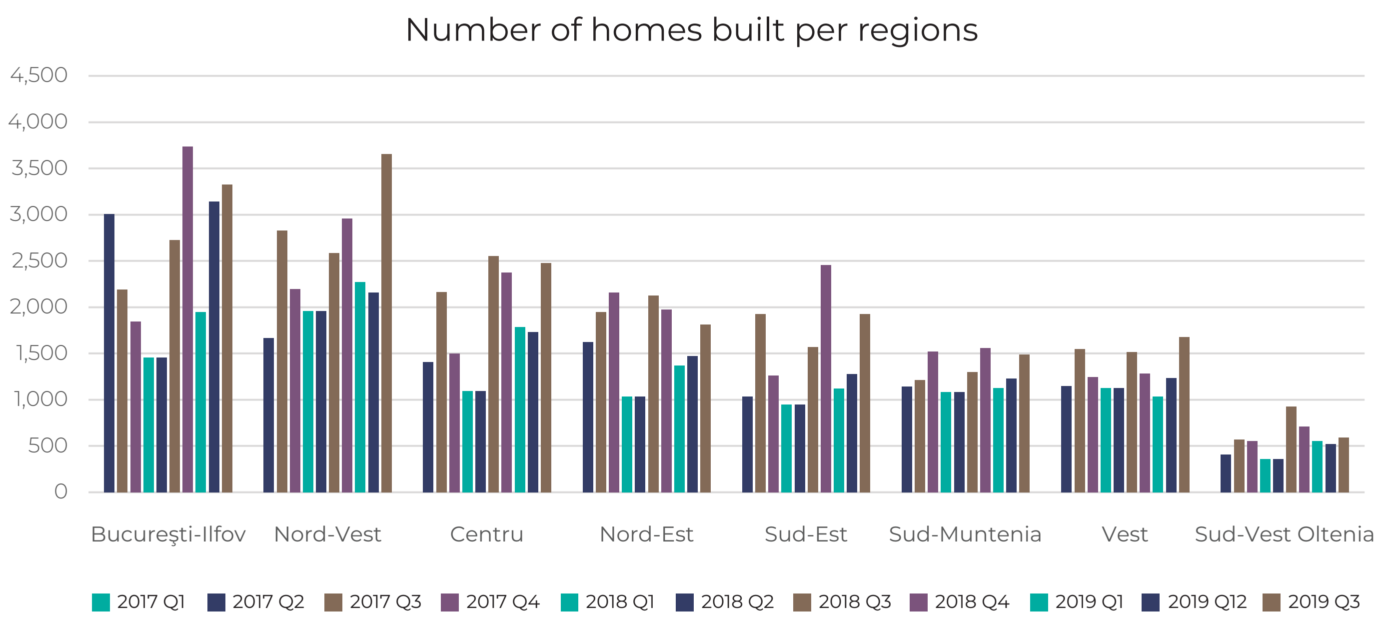
Source: ANCPI, data processed by Analize Imobiliare

Housing properties built in Romania by regions

The latest data published by the National Institute of Statistics indicates that, compared to the similar period of the preceding year, there was, in the third quarter of 2019, in relation to the country's development regions, increase, as well as decrease in the number of completed homes. Thus, in the North-West, the quarterly volume of deliveries grew from 2,933 to 4,143 units, in Bucharest -Ilfov from 3,090 to 3,773 units, in the South-East from 1,780 to 2,186 units, in Southern Muntenia from 1,476 to 1,691 units and in the West from 1,723 to 1,902 units. The other three regions saw a decrease in the volume of deliveries, but to a lesser extent: from 1,052 to 671 units in South-West Oltenia, from 2,415 to 2,055 units in the North-East and, respectively, from 2,894 to 2,812 units in the centre.

Following the development registered in the third quarter of 2019, the classification of regions according to the number of delivered homes underwent some changes compared to the similar period of 2018. The most important change is the fact that the Bucharest-Ilfov: region moved from the first place in this ranking to the second place, with a 19.6% share. The North-West region currently holds first place, with a 21.5% share. Ranking next are the Centre regions, with a 14.6% weight in total deliveries of Q3 2019, then South-East (11.4%), North-East (10.7%), West (9.9%), South Muntenia (8.8%) and, respectively, South-West Oltenia (3.5%).

"In relation to the similar period of 2018, the third quarter of 2019 saw, per development areas, predominantly growth, as well as some decrease in the number of completed homes."



Source: INS, data processed by Analize Imobiliare

ABOUT US

Imobiliare.ro

Launched in January 2000, Imobiliare.ro is the first and the most visited real estate portal in Romania. The portal has recently exceeded 1,900,000 visitors per month and includes the largest base of offers across all property categories nationwide. Since 2016, Imobiliare.ro has been part of the Swiss Ringier Group - one of the largest international media groups - and benefits from cutting-edge digital technology.

Over 20 years of experience, Imobiliare.ro has built up a strong brand among real estate portals, being recognized by 88% of Internet users with an active real estate need (according to a study carried out in December 2016).

Furthermore, Imobiliare.ro is the main provider of real estate data and statistics for the business press and TV in Romania (Ziarul Financiar, Wall-Street, Forbes, Business Review, Digi24, PRO TV, TVR1 etc.), issuing regular communications on developments in the real estate market.

Imobiliare.ro has Romania's largest specialist real estate team (online, statistics, communications and consulting), with a total staff of 150 in 2019. At present, over 1,200 corporate clients (real estate agencies, developers and banks) benefit from all the expertise of Imobiliare.ro

AnalizeImobiliare.ro

Launched in 2011, Analizeimobiliare.ro is the first Real Estate Data Intelligence platform in Romania, developed by Imobiliare.ro, in collaboration with leading statisticians and valuers from the country and from abroad.

Currently, over 200 corporate clients - leading companies in the field of valuation, real estate and financial - banking investments - have benefitted from the expertise of the AnalizeImobiliare.ro team.

The platform's ultimate benefit is its access to the largest real estate data base in Romania, with information in over 9,000 localities about Demand, Supply (sales and rental listings from private individuals, real estate agencies, banks and real estate developers), Transactions, Sales and Rental Prices for apartments, houses, land, commercial and industrial premises, and offices.

We verify the offers in more than 10 major cities and suburbs, whether the supplied data is complete and accurate, and we register the property's address.

We provide various periodic studies on the real estate market to our partners, as well as price indices, benchmarking and liquidity analysis. We have developed reports intended for real estate developers: Monitoring of residential projects in the main cities and suburban localities, Market and competition analysis.

Since 2015, we have assessed bank portfolios, in partnership with renowned consulting and real estate valuation companies. The model was developed with Momentum Technologies, a leading company in the field of automated valuation in the Netherlands.

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