

## 29 DIY and Furniture Centers are Preparing to Open this Year

Players in the do-it-yourself (DIY) and furniture market seem not to care about the financial difficulties the Romanian economy is going through, at least not for the projects that have already begun construction works. Therefore, 29 projects are announced to open in 2009, which will add to the actual stock 215.000 sqm.



According to the market report conducted by IBC Focus, company specialized in monitoring the construction sector in Romania, 29 projects in this market are under construction at the moment and their developers plan to inaugurate them this year. Moreover, 6 other projects are in the design stage and construction works are programmed for 2010. „The 29 centers would add approximately 215.000 sqm to the actual DIY and furniture stock in Romania. If all projects which are now just intentions are to be built, in 2010 this stock will exceed 1 million sqm” asserted Adriana Bodron, managing director at IBC Focus.

The greatest investment in this market this year is realized by Hornbach, which will invest 15 mil euros in a store in Brasov, which will extend on 24.000 sqm. Dedeman will invest as well almost 10 million Euros in a center in Arad, on 13.500 sqm. Arabesque is building a warehouse and an office building in Baia Mare on a 12.000 sqm surface, which implies a 10 million Euros investment.

Also, Mobilia Company declared that only after the economic conditions in Romania improve, will they start working on 3 main projects they have planned for 2010.

"In the last three years retailers in the DIY market have recorded annual sales growth of about 20-30%. This year the growth rate will be smaller due to greater competition. Romanian consumer will be this year too interested in buying as we are dealing with products which are relatively cheap in this market. Moreover, most of these centers are financed with loans obtained in 2008 and most investors wish to open them as early as possible this year” added Adriana Bodron.

At this moment player on the market assert that competition on the market has intensified in the last 3 years and that this trend will maintain for the next 2 years. In this period many local and international retailers have prepared expansion plans. Only 10% of the respondents in the report herein mentioned have admitted postponing their plans due to financial crisis.