

3,500 hectares of industrial space



By 2011 the total industrial space area might double. Currently, 43 logistics, retail and production centers are in different development stages and 20 of the 48 finalized projects are expanding. The financial crisis does not forgive the industrial parks segment either. In 2009, the investments that will be finalized will be dramatically reduced as compared to the previous year.

In spite of the uncertainty on the market, the demand for the industrial space is high, under the circumstances that at the end of 2008, the industrial parks in the country covered a total area of 1.600 hectares, according to a market report conducted by **IBC Focus, a research company**.

“Romania finds itself in a germinal stage of industrial parks development as compared to other states in the region. There is a great potential on this market segment that will continue to develop this year too, although with a much inferior growth rate than the one recorded in the past 3 years”, asserts **Adriana Bodron, Managing Director at IBC Focus**.

Ploiești, ranked first last year

The decrease of the investment that will take place in 2009 is also made obvious by a study carried out by CBRE Eurisko, a real estate consultancy company. According to their report, almost 250.000 square meters of industrial space are to be finalized in 2009, with 30.000 square meters less than the last year. In 2008, the investments realized in this market summed up 112 million Euros.

The industrial parks investments top in 2008 has the Ploiesti Industrial Park as leader, with 370 million Euros, followed by UTA 2 Industrial Park in Arad County with 250 million Euros and by Tetarom III in Cluj County with 127 million Euros.

There are also developers that have already purchased land for future projects and who will start building over the next few years. „in the **Industrial and Logistics Parks** database there are over 10 industrial parks

verified by the IBC Focus consultants, which at the end of 2008 were in the intention stage and had established the exact location and area”, explains **Adriana Bodron**.

These add to the 33 units of this kind that, in November 2008, were under construction or in the designing stage. Therefore, even if there is the possibility that some projects are delayed this year, „Romania will have by 2011 approximately 3.500 hectares dedicated to industrial parks, which means a 100% growth rate in 3 years”, reckons **Bodron**.

Rents remain steady

the occupancy price, which includes rent and maintenance costs, of a square meter of warehouse varies between 10 and 60 Euros annually, and the granting of a square meter of industrial land costs between 0.1 and 10 Euros. Bucharest, with a rent of 60 Euros/year is the most expensive city in the country and ranks 38 in a top of 49 most expensive cities over the world in terms of industrial space occupancy costs, according to the Industrial Space Across the World study conducted by the Cushman&Wakefield company.

At the moment, in Romania there are 48 operational industrial parks, out of which 40% are expanding, according to **the IBC Focus representatives**. The southern and Central areas lead the top of the areas with the most industrial parks in the country, each with 16 units.

As total area of industrial parks, the leader is the Southern area with circa 1.000 hectares, followed by the Central area, with circa 500 hectares. At the opposite pole is the south-western area, with only 6 industrial parks. „Investors are mostly looking for the Western parts of the country – Oradea, Satu Mare, Arad, Timișoara, Cluj, and more recently Craiova, where there are many solicitations for industrial spaces from the auto components providers”, asserts Sorin Vasilescu, manager within the Romanian Agency for Foreign Investments.