

# ERES Bucharest March 2023

## David Hunt



## David Hunt MRICS FHEA



- Over 12 years commercial real estate experience
- Worked in several countries in Central and Eastern Europe for over seven years
- Working with University College of Estate Management since September 2015
- Access Programmes Leader and Academic Delivery Manager for level 4



Source: author

## Overview – Regional Market

1. 2022: 1<sup>st</sup> half good, second saw slight decrease
2. War = supply chain shock, energy cost inflation = rising costs
3. ....led to rising interest rates
4. Inflation highest in decades, expected to fall
5. Probable “flight to quality”

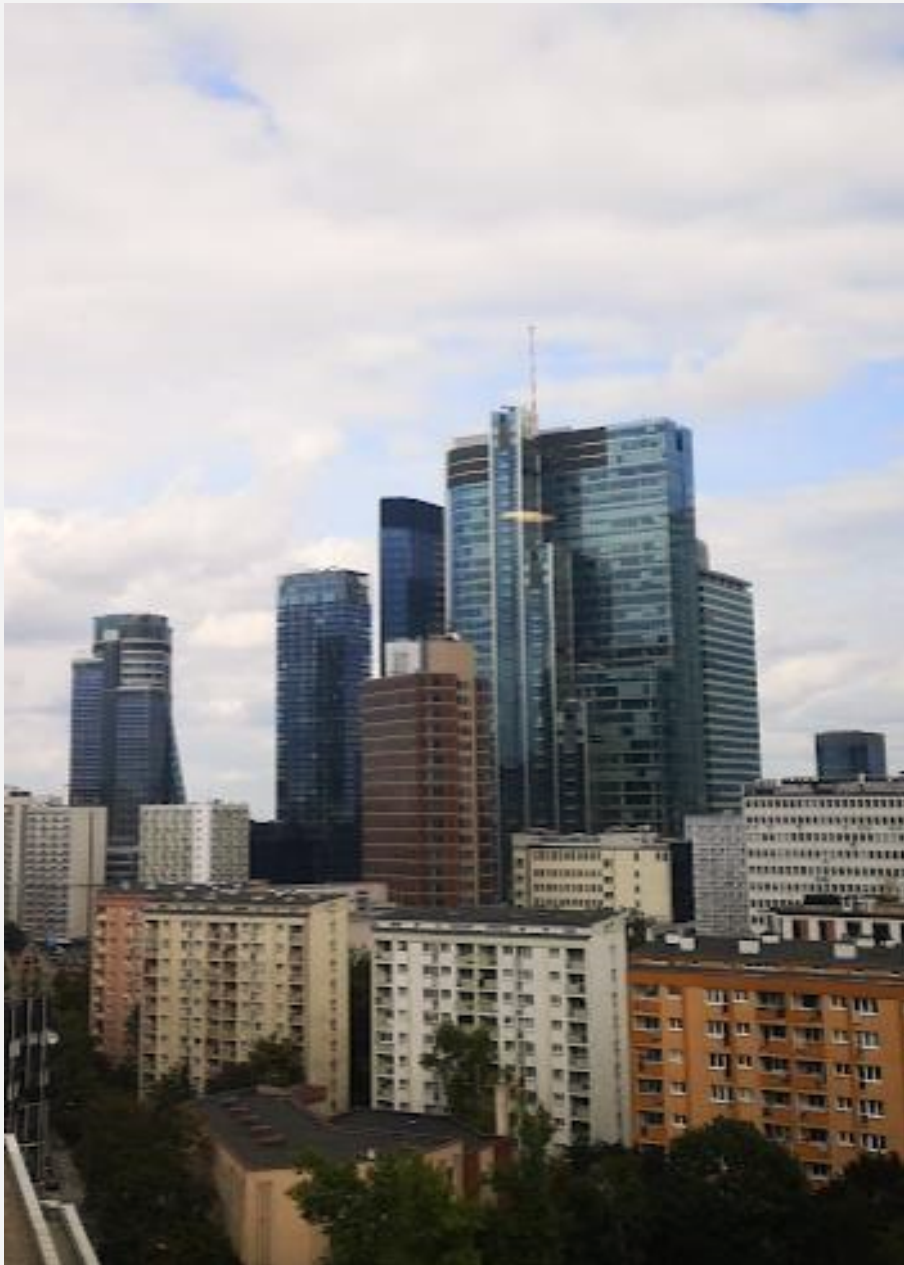
# Industrial

- Strong
- New supply +50% from three years ago
- Forms 25% of investment sales in region
- After yields of falling yields, recently rising- except Romania
- Vacancy low, rents expected to grow



Source: Property Forum





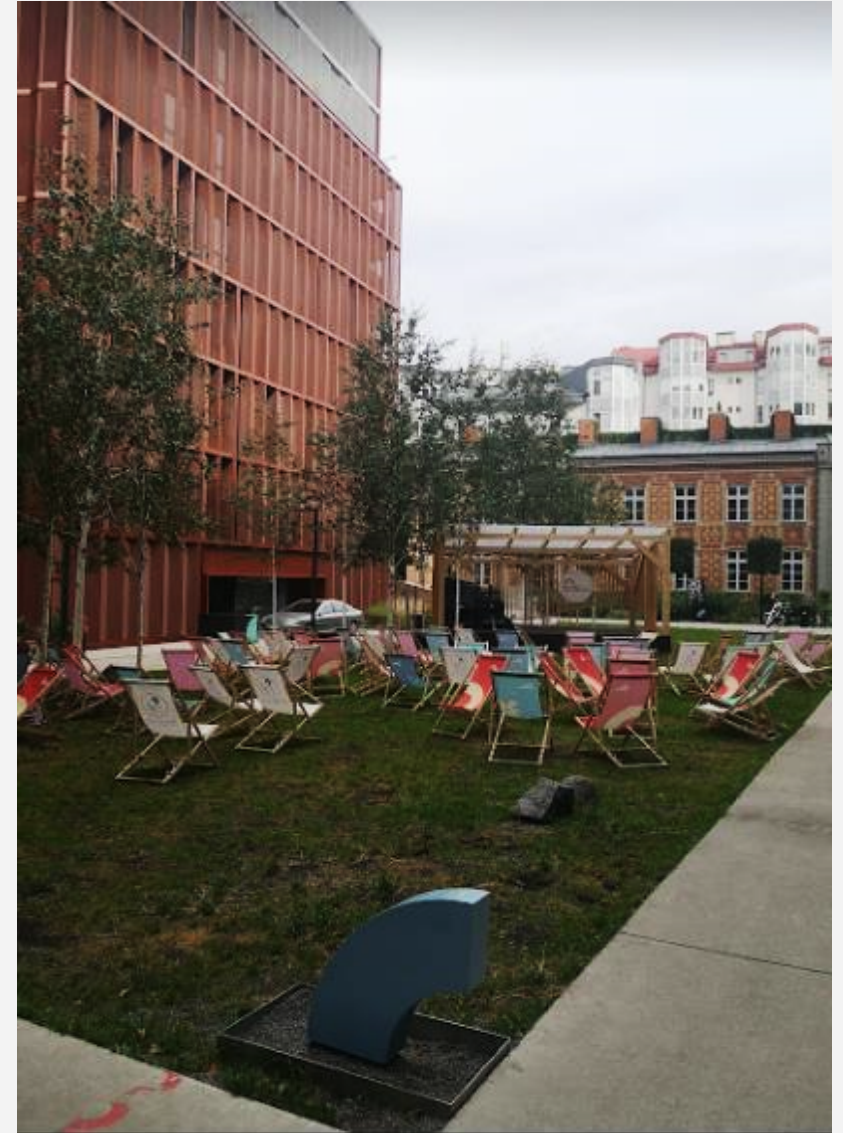
Source: author

## Offices

- Healthy
- Net absorption in particular
- Post-pandemic reorganisation
- Development activity varies across the region
- Rents mostly rising
- Over 40% of investment sales
- Yields rising (except Budapest)

# Retail

- Post pandemic recovery still ongoing
- Sales exceed 2019 levels
- Inflation issues
- Development activity limited
- Rents stable, some fall some rise
- Increased turnover provisions?



Source: author

# Investment



Source: build to rent.io

- Move to ESG
- Focus on best quality assets
- Investment sales more likely to be for individual assets
- Emergence of new asset classes – i.e. BTR/PRS

# University College of Estate Management

UCEM is the leading provider of supported online education for the Built Environment, with over 100 years' experience of providing the highest quality learning opportunities.

At any one time, they have more than 3,500 students from more than 100 countries benefiting from its qualifications taught by tutors with extensive industry experience.

UCEM helps to enhance Built Environment professional careers through its accredited property-related and construction programmes, offered at Postgraduate, Undergraduate and Apprenticeship levels.

## BSc and MSc Programmes:

- **Real Estate Management**
- **Building Surveying**
- **Quantity Surveying**
- **Construction Management**

**Also MBA in Construction and Real Estate**