

BUCHAREST

Cushman & Wakefield

Global Cities Retail Guide



Bucharest is the capital of Romania , Bucharest and the largest city in the country and CEE region, having an official population of 1.9 million inhabitants, and around 2.3 million inhabitants in the metropolitan area. Since the average net salary in Bucharest is 35% higher than the national average, the city accounts for around 25% of the retail expenditure recorded in Romania.

Retail activity is mostly concentrated in shopping centres and retail parks, while the importance of high street retail is mainly limited to convenience activities and services. While the first modern shopping centre opened in 1999, it was not until 2003-2004 that retail development really took off. Today the city has a modern shopping centre (excluding retail parks and shopping galleries) density of 366 sq. m per 1,000 inhabitants, which is still behind other capitals in the region.

The key areas for retail in Bucharest include the dominant shopping centres Baneasa Shopping City, AFI Palace Cotroceni, Sun Plaza and Mega Mall, along with the high streets Magheru Bd., Calea Victoriei and Calea Dorobanti, and the reborn historical city center.

Bucharest is the first target for an international retailer seeking representation in Romania due to its market size and the fact that the highest sales densities are recorded here. Several major retailers such as Uterque, Under Armour, Longchamp have entered the city during the last few years, while others are exploring the market for future entries.

FACTS ABOUT CITY

1.88 million

Population within city borders

2.3 million

Population in Bucharest and Ilfov surrounding county

250,000

Number of people working in modern office buildings

2.0 million

Tourists visited Bucharest in 2017

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BUCHAREST

KEY RETAIL STREETS & AREAS

CALEA VICTORIEI

Calea Victoriei is established as the luxury high street location in Romania, including the mono-brand shops of Gucci, Emporio Armani, Max Mara, Burberry, Hugo Boss, Freyville, Mengotti etc. The retail attractiveness of Calea Victoriei started to revive after the enlargement of the pedestrian areas and since Bucharest became a more attractive tourist destination. Adjacent to Calea Victoriei, the HoReCa segment has also developed, several restaurants and coffee shops being developed in the area of Romanian Athenee, in the vicinity of Radisson Blu and Athenee Palace Hilton five stars hotels.

CALEA DOROBANTI

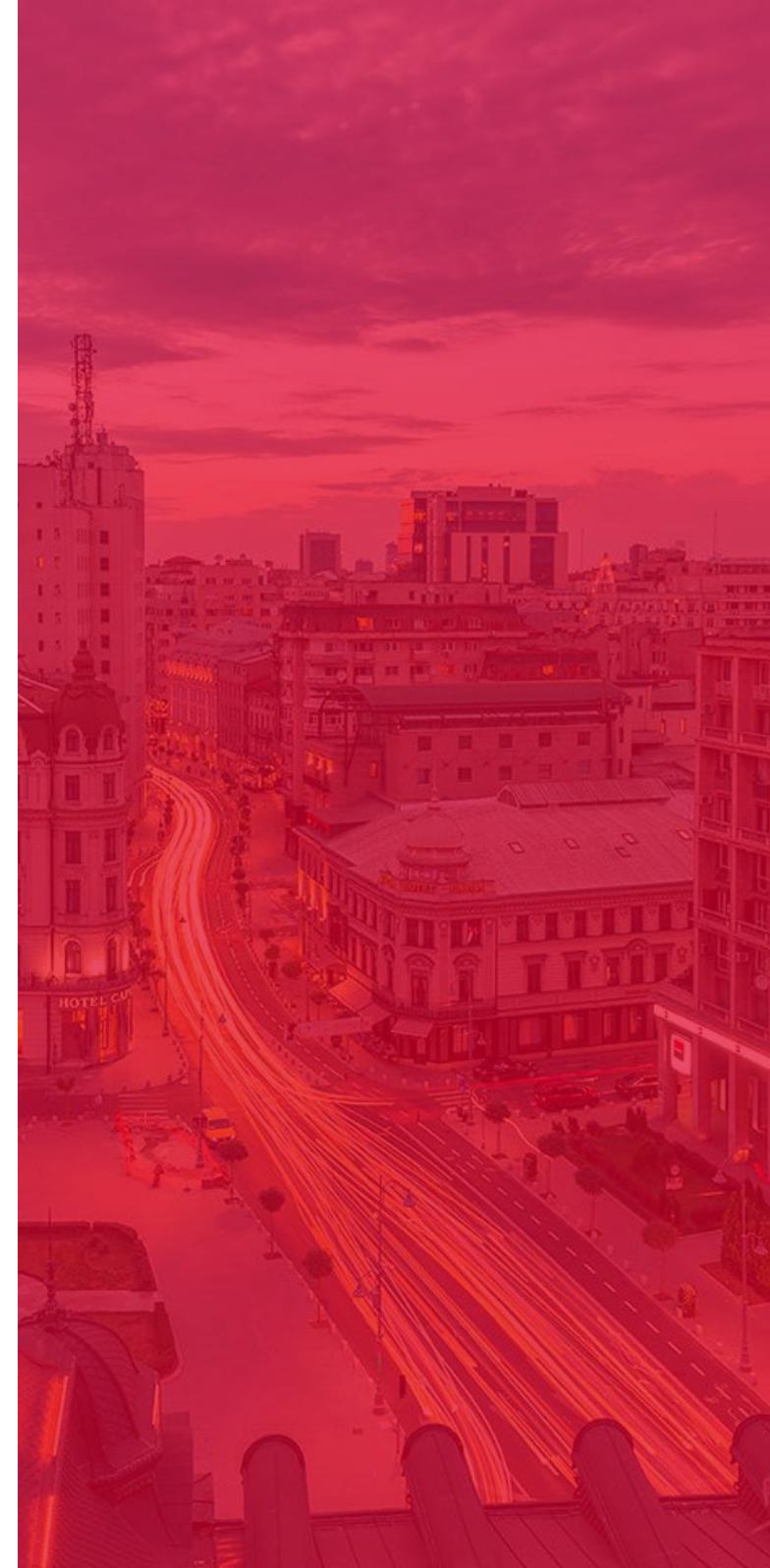
Calea Dorobanti is located in the Central – Northern part of Bucharest and became an area of interest for luxury brands due to the high end residential neighborhoods in the area. Dorobanti is also known as a top location for restaurants and cafes and benefits from the proximity of the CBD and Barbu Vacarescu – Floreasca business hub. Among the most important retailers present on the street are Canali, Madison, Moschino, Beautik Heute Parfumerie, Brunello Cucinelli or La Rosa.

MAGHERU/N.BALCESCU BOULEVARD

Magheru Boulevard is one of the most important high street areas in Romania. The street has a mass-market profile and a merchandise mix that is dominated by banks, services and food & beverage, while the fashion representation is limited. The most important tenants include names such as McDonald's, KFC, Stefanel, Terranova, Sephora, Calzedonia, Collective and Vodafone. The northern section of Magheru Boulevard, closest to Romana Square, has the highest footfall and sales, concentrating most of the retail demand.

HISTORICAL CITY CENTER

The historical downtown area, spreading around Lips cani Street, went through an important process of refurbishment during the last few years, transforming the centre from an almost abandoned area into the main destination for a night-out in Bucharest. A large number of pubs, coffee shops and restaurants have opened during the last five years, and the footfall and sales have exceeded expectations. It is the single pedestrian retail area in Bucharest, accounting today for almost 150 shops and 60,000 visitors per day during summer weekends. The first fashion retailers which have decided to expand in the area are H&M, Cato, Carturesti and Koton, but their overall performance is weaker than expected.



BUCHAREST

MARKET OVERVIEW

KEY AREAS / STREETS	CONSUMER PROFILE	MAJOR RETAILERS PRESENT	TYPICAL RENT FOR UNIT OF 200 SQM	RANGE OF UNIT SIZES
Calea Victoriei	Luxury retailers, dispersed into different sectors of the boulevard.	Burberry, Gucci, Emporio Armani, Max Mara, Marc Cain, Hugo Boss, COS, La Perla	50 €/sq m/month	50-200 sq.m
Calea Dorobanti	Luxury retailers and classy coffee shops concentrated around Piata Dorobanti	Canali, Brunello Cucinelli, Moschino, Hipnose, Madison, Nespresso, Doncafe, Simona, Paul, Nuba Cafe, Moschino, La Rosa, Canali	50 €/sq m/month	50 – 900 sq. m
Magheru Boulevard	Mass consumption profile, dominated by services operators. Best sector is placed at Romana Square.	Calzedonia, McDonald's, KFC, Vodafone, Orange, Stefanel, Sephora, Paul, Mega Image	50 €/sq m/month	50-200 sq.m
Historical City Center	Several streets located around Lipscani Street, dominated by pubs, coffee shops and restaurants. The only retail pedestrian area in Bucharest.	H&M, Lashez, Cato, Penti, Koton, Carturesti	20-25 €/sq m/month	50-500 sq.m
Baneasa Shopping City	Medium and upper-medium retailers from all the retail sectors to target the wealthiest population in Romania.	Zara, H&M, Peek & Cloppenburg, COS, Furla, Michael Kors, Marks & Spencer, Paul & Shark, Reserved, Under Armour, Uterque, Nespresso	75 €/sq m/month	50-4,000 sq.m
AFI Palace Cotroceni	Mass market retailers with a high international representation.	Auchan, Peek & Cloppenburg, Zara, H&M, C&A, Humanic, LC Waikiki, Intersport, Mango, Next, Altex, Deichmann, New Yorker, Nespresso, Under Armour, Cinema City	65 €/sq m/month	50-3,000 sq.m
Promenada Mall	Mass market and premium retailers targeting the employees from the Barbu Vacarescu – Floreasca office submarket	Zara, H&M, C&A, Peek & Cloppenburg, Massimo Dutti, Tommy Hilfiger, Lacoste, US Polo Assn., Beanz Café, Vagabond Studio	60 €/sq m/month	50-3,500 sq. m
Sun Plaza	Mass market retailers, including a large number of anchors.	Cora, Leroy Merlin, Zara, New Yorker, H&M, Hervis, LC Waikiki, F21, Flanco, Cinema City	55 €/sq m/month	50-1,000 sq.m
Mega Mall	Mass market retailers with a strong accent on fashion and entertainment	Carrefour, Zara, H&M, New Yorker, Bershka, Pull & Bear, Douglas, Media Galaxy, LC Waikiki, Koton, Peek & Cloppenburg, Cinema City, Taco Bell, McDonald's	55 €/sq m/month	50-4,000 sq.m
ParkLake Plaza	Mass market retailers with a significant offer of fashion brands	Carrefour, Zara, H&M, Debenhams, Forever 21, Hervis, Intersport, Koton, Reserved, Cinema City	55 €/sq m/month	50-3,000 sq. m



BUCHAREST

SHOPPING CENTRES

BANEASA SHOPPING CITY

Baneasa is the largest retail project in Romania, comprising almost around 140,000 sq. m GLA of shopping centre space and retail boxes. It includes the 46,500 sqm Baneasa Shopping City anchored by fashion and leisure operators, the 39,000 sqm Feeria Shopping Centre anchored by Carrefour, the only IKEA in Romania, Brico Depot DIY and Mobexpert furniture mall. The scheme is located north of Bucharest, in the wealthiest catchment area in Romania. Baneasa Shopping City is considered the best performing shopping centre in Romania.

AFI PALACE COTROCENI

AFI Palace Cotroceni is the dominant shopping centre in western Bucharest, close to Militari and Drumul Taberei, two high density districts in Bucharest. The scheme is developed over two levels, and has a total letting area of 90,000 sqm. The tenant mix includes a large number of international anchors, along with an extended leisure area with food-court, a 20-screen cinema with the only IMAX in Romania, ice rink, a kid's playground, casino, indoor roller-coaster etc. An app. 9,000 sqm extension was added during 2017, hosting the largest Peek & Cloppenburg store in Romania (5,200 sqm) and the largest Zara shop in the CEE region (4,000 sqm).

PROMENADA MALL

Promenada Mall is a 40,000 sqm GLA shopping center from the northern part of Bucharest, located in the middle of Barbu Vacarescu – Floreasca area, the most dynamic office hub in Bucharest during the last years. One of the key features of the project is the 7,000 sqm terrace from the 2nd level where there are several restaurants and coffee shops, a kids playground and events areas. NEPI Rockcastle, the landlord, plans to develop a 34,000 sqm extension to accommodate a hypermarket and increase the fashion and entertainment offer.

SUN PLAZA

Sun Plaza (80,000 sqm) is the dominant scheme in southern Bucharest. The scheme opened in 2010 and is anchored by Cora, Leroy Merlin, Zara, H&M, New Yorker, C&A, Forever 21, etc. The retail offer is supplemented by a 15-screen Cinema City, bowling alleys and billiard club, casino and a large food-court area. The fashion offer was extended during 2017 by remodelling the 10,000 sqm area formerly used as a furniture store.

MEGA MALL

Mega Mall is the largest shopping center in the eastern area of Bucharest, with a total GLA of 75,200 sqm. Opened in 2015, the project gathered the majority of fashion retailers present in Romania, a large food-court, a 14 screens Cinema City and a World Class fitness center.

PARKLAKE PLAZA

ParkLake Plaza is a 70,000 sq. m GLA shopping center developed in the vicinity of A.I. Cuza Park from the Titan neighbourhood, one of the most dense areas of Bucharest. The project opened in 2016 and managed to attract some new retailers in the market, such as Forever 21, while also creating an urban F&B concept.

BUCHAREST

FOOD & BEVERAGE

Bucharest's food and beverage sector combines traditional restaurants located in historical locations from the old town, such as Hanul lui Manuc and Caru cu Bere, with exquisite international restaurants located mainly in the northern part of the city, in the surroundings of Herastrau and Floreasca lakes.

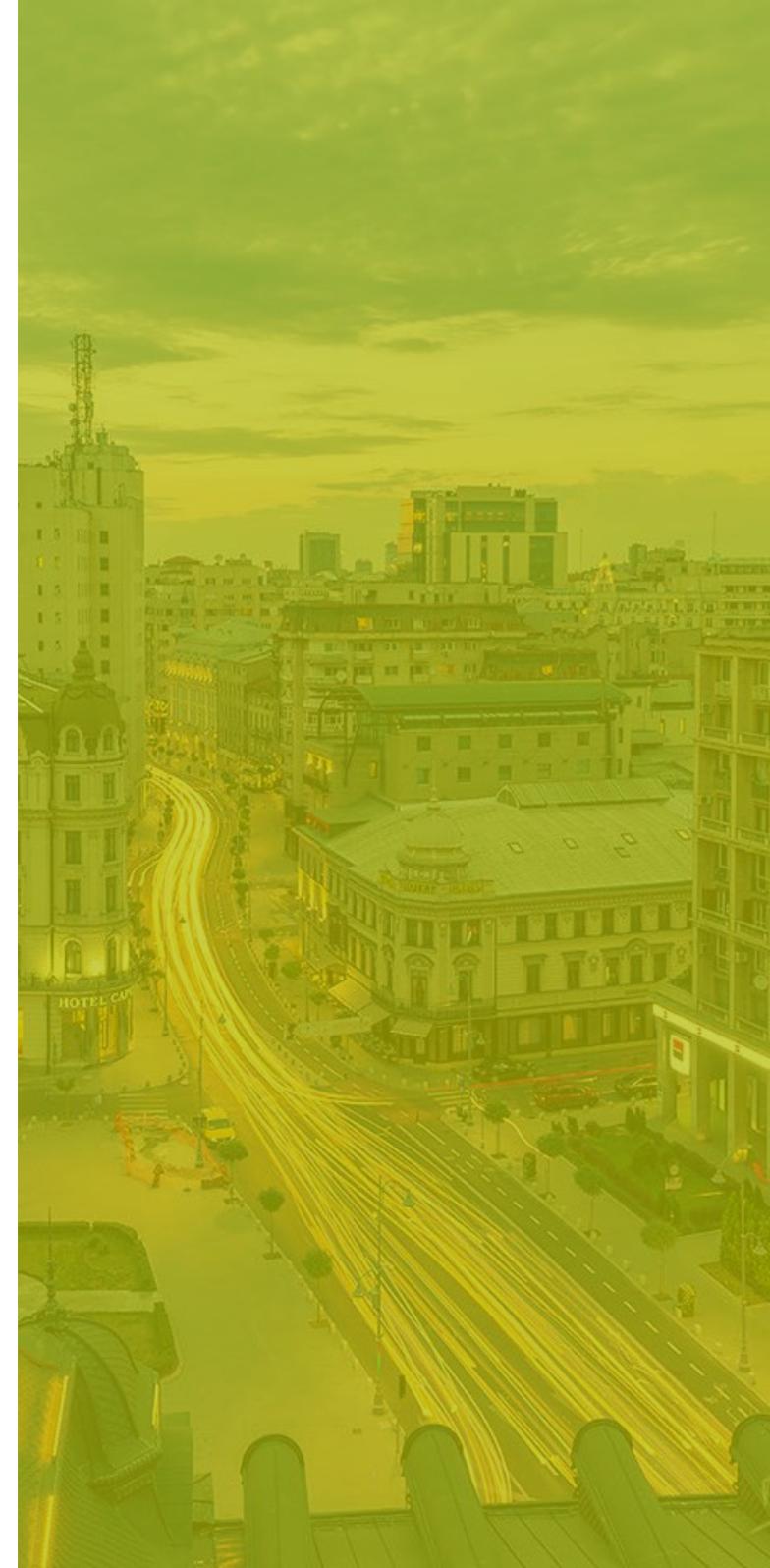
Italian food is the most popular international cuisine in Bucharest, but there are also many other cuisines to choose from, starting from burgers and steak houses to sushi and Oriental cuisine.

Within shopping centers' food-courts it is common to find mostly fast-food operators, such as international brands like McDonald's, KFC, Pizza Hut and Subway, but also local players – Salad Box, Spartan, Mesopotamia and Oro Toro.

The largest operator in terms of turnover is McDonald's, followed by Sphera Group (which operates the KFC, Pizza Hut and Taco Bell), while the largest local group is City Grill which operates 15 locations under different brands.

The coffee shop sector is represented mainly by local companies, while international representation is limited to a few names such as Starbucks and Gloria Jean's Coffees. The segment was really effervescent during the last couple of years, with tens of origins coffee boutiques being opened in central locations.

The historical city center has become a hotspot for both locals and international tourists. The old architecture, generous outside terraces, pedestrian areas and variety of food and beverage offer have established Lipscani area as the "going-out" destination in Bucharest.



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FOOD & BEVERAGE MARKET OVERVIEW

KEY AREAS	CONSUMER PROFILE	FOOD & BEVERAGE OPERATORS	RENT FOR 350 SQM UNIT
Historic City Center	Largest offer of pubs, coffee shops and restaurants. Important nightlife area.	Caru cu Bere, Hanu lui Manuc, Old City, Van Gogh, Curtea Berarilor, Starbucks, Il Pecatto, Cremeria Emilia, Nomad, Bordello	20-25 €/sq.m/month
Victoriei Square	Bucharest's CBD	McDonald's, Subway, Starbucks, Brioche Doree, Gloria Jeans Coffee, Fitto Café, Divan	25 €/sq.m/month
Herastrau Park	Entrepreneurs and Executives for lunch and dinner and Yuppies for the nightlife	Casa di David, La Brasserie, Bonton, Isoletta, Biutiful, Aqua, Bonton, Nuba, Bel Mondo, La Fattoria	25-30 €/sq.m/month

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