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June 2022

# REAL ESTATE SECTOR ANALYSIS IN THE REPUBLIC OF MOLDOVA

Brochure Version

# TABLE OF CONTENTS

1. MACROECONOMIC OVERVIEW
2. SECTORIAL CONTEXT
3. REAL ESTATE MARKET IN MOLDOVA
4. NON-RESIDENTIAL MARKET-KEYFACTS
5. COMPARABLE ANALYSIS OF THE REGION
6. PERMISIVE ACTS AND SECTORIAL INCENTIVES
7. KEY ECONOMIC DRIVERS OF THE REAL ESTATE MARKET
8. MARKET PLAYERS AND PROJECTS
9. GENERAL OVERVIEW FOR INVESTORS-WHY TO INVEST?
10. ENGAGING A DIALOGUE WITH PLAYERS IN THE REAL ESTATE MARKET
11. ANNEXES

## LIST OF ABBREVIATIONS

**CIS - Commonwealth of Independent States**

**EU - European Union**

**Eur - EURO (currency)**

**FEZ - Free Economic Zones**

**GDP - Gross domestic product**

**mln - millions**

**sq.m. - square meter**

**thous. - thousand**



# 1. MACROECONOMIC OVERVIEW

## GENERAL OVERVIEW

With positive GDP (real) YoY growths for all the analysed countries during the three years preceding 2020, a year of global health crisis which triggered a global economic crisis that put a break on all economies and forced them to reset.

Moreover, the military conflict between Russian Federation and Ukraine, started in February 2022 will significantly impact the trade and the regional development, especially for Ukraine and its neighbors, as it is the Republic of Moldova<sup>1</sup>.

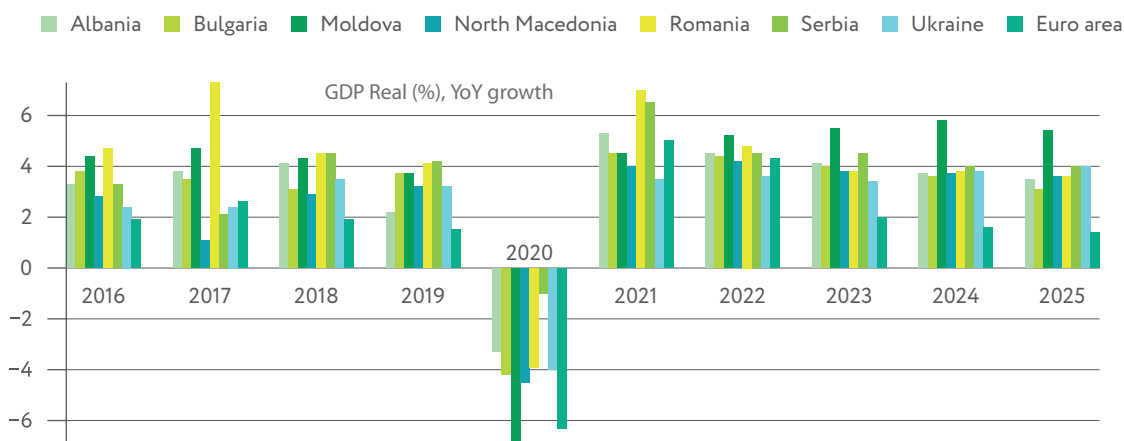
Thus, Albania, Bulgaria, North Macedonia, Romania, Serbia and Ukraine's GDP (real) registered positive growths at the end of 2019 of 2.2%, 3.7%, 3.2%, 4.1%, 4.2% and 3.2%, the unforeseeable 2020 crisis strained the countries' economies to the point of a negative growth, lowering at -3.3% for Albania, -4.2% for Bulgaria, -4.5% for North Macedonia, -3.9% for Romania, -1% for Serbia and at -4.0 for Ukraine. A similar trend of GDP (real) was recorded in Republic of Moldova, positive growth at the end of 2019 of 3.7% and a sharp contraction of 7% in 2020, respectively. As observed, the **Moldovan** economy<sup>2</sup> was dramatically affected in comparison to her neighbours and was ranked among the countries in Europe most affected by COVID. Moreover, the country registered one of the most severe droughts in the past two decades, temporary slowing pace of overall economic activity.

Nonetheless, 2021 is forecasted to be the ground zero for the economic recovery for all the analyzed countries. During this period, the Moldovan economy as well has started to rebound gradually in the second quarter of 2021. As was forecasted, a robust rise in private consumption and total level of investments within the country, associated with a vigorous domestic demand and restocking after the lockdown led to a significant drag on growth from net exports. As a result, all sectors of the economy have highlighted positive developments signs after the sharp contraction last recession.

Sensitive to mass vaccination, the spread and even modifications of COVID-19 virus and related safety measure that would have to be implemented by governments, the prognosed GDP (real) for 2021 and the following four years show positive YoY growths.

As forecasted by World Bank and International Monetary Fund, under several assumptions related to the containment of the COVID-19 pandemic, implementation of a broad-based reforms program and sustained fiscal support, the swiftly recovering and growth of Moldovan economy is expected to be above potential in the medium term and to remain above 4 percent for the following years.

**Figure 1. GDP real, annual growth in the region (incl. forecast for 2022-2025)**



Source: International Monetary Fund, Database, 2022<sup>3</sup>

<sup>1</sup> At the time of writing this report (April-May 2022) it is premature to determine the impact of this military conflict both at the macroeconomic level for the countries in the region, and especially at the real estate level. The scale of the infrastructure damage caused in Ukraine will be able to be objectively assessed after the end of the conflict (including by non-residential categories - offices, industrial, etc)

<sup>2</sup> The data for the Republic of Moldova are collected from IMF sources <https://www.imf.org/external/np/ds/matrix.htm>

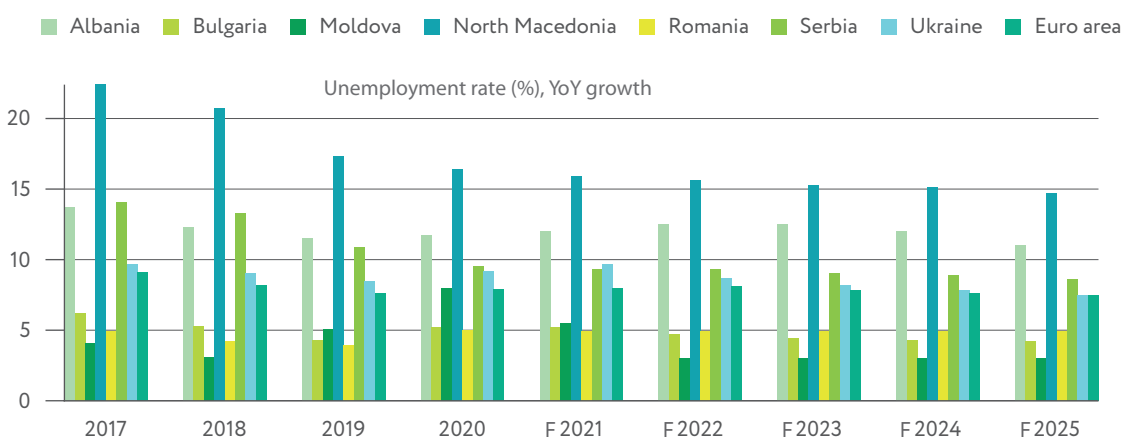
<sup>3</sup> <https://www.imf.org/external/datamapper/NGDP.RPCH@WEO/ALB/ROU/SRB/MDA>

## UNEMPLOYMENT RATE

As numerous companies were forced to reduce or even shut down their business due to the imposed lockdown from early 2021, a direct consequence could be observed as well in the unemployment rate<sup>4</sup> which rose in all the analyzed countries. If from 2017 to 2019 the trend was mainly descending, with values of 11.5% for Albania, 4.3% for Bulgaria, 17.3% for North Macedonia, 3.9% for Romania, 10.9% for Serbia and 8.5% for Ukraine, the unemployment rate registered increases in 2020 in Albania, Bulgaria, Romania and Ukraine, reaching at 11.7%, 5.2%, 5.0% and 9.2%. North Macedonia and Serbia were the two countries that registered decreases of the unemployment rate in 2020, reaching at 16.4%, respectively 9.5%. As per **Republic of Moldova**, the country is following the same regional trend unemployment. The unemployment rate at the level of country recorded a value of 5,1% in 2019 and has significantly increased in 2020 surging to 8%, as a result of country struggling with the impact of COVID-19 pandemics.

For 2021, unemployment rate is expected to increase for some countries (Albania and Ukraine), to decrease for three of them (North Macedonia, Serbia and Romania) or remain at the same level from 2020 as is the case for Bulgaria. Republic of Moldova is expected to decrease the value of the unemployment rate of the country in comparison with the previous year and will be adjusted to 5,5 %. Starting with 2022, unemployment rates in the analyzed countries show mainly a stable or a slightly descending trending (Albania, Bulgaria, Romania, Serbia, Ukraine as well as Republic of Moldova), while North Macedonia is expected to register increases of 0.5 pps up to 0.8 pps by the end of 2025.

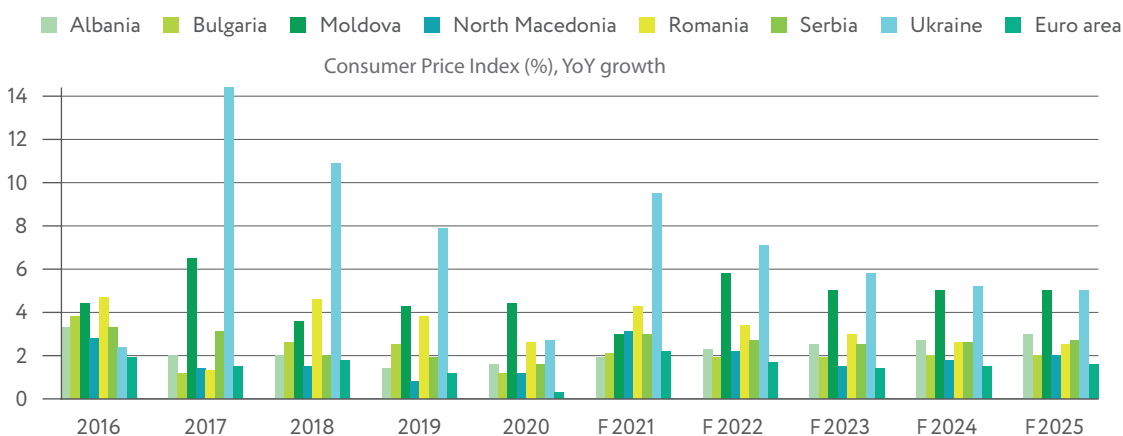
Figure 2. Unemployment rate in the region



Source: International Monetary Fund, Database, 2022<sup>5</sup>

Based on every country's monetary policy and regulations applied in order to help the economy to recover after the 2020 economic and sanitary crisis, the annual CPI inflation ranged in 2020 for the analysed countries from 1.2% in North Macedonia and Bulgaria to 2.7% in Ukraine. 2021 prognosis show an increase for all countries, the largest one being estimated for Ukraine which is forecasted to reach at 9.5%. The only country forecasted to start recording a gradually decrease of the annual CPI inflation from its currently elevated levels in 2020 of 4,4% to 3% in 2021 is the Republic of Moldova, nevertheless the overall inflationary pressures are expected to remain high in the coming years, with annual CPI inflation forecast to increase to the level of 5,8 % in 2022, and a slightly correction for next 3 years.

Figure 3. Consumer Price Index in the region



Source: International Monetary Fund, Database, 2022<sup>6</sup>

<sup>4</sup> the share of ILO unemployed in the labour force

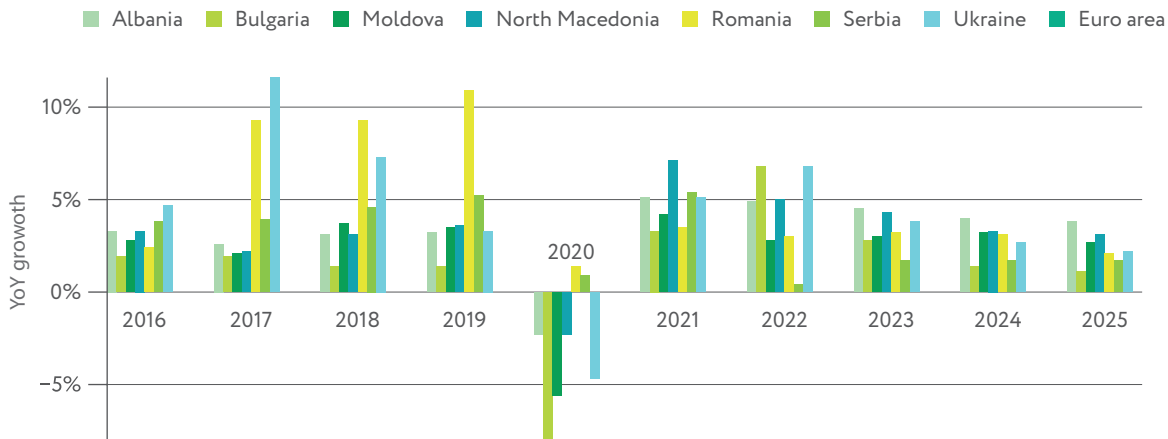
<sup>5</sup> <https://www.imf.org/external/datamapper/LUR@WEO/ALB/ROU/SRB/MDA/EURO/BGR/MKD/UKR>

<sup>6</sup> <https://www.imf.org/external/datamapper/PCPIPCH@WEO/ALB/BGR/MDA/MKD/ROU/SRB/UKR/EURO>

Private consumption was as well impacted by the economic strain and the general feeling of uncertainty caused by COVID-19 pandemics. If during 2017 – 2019 the private consumptions registered positive YoY growths in all analysed countries, in 2020 negative values were flagged in most of them. Thus, if in 2020, Albania, North Macedonia, Serbia and Romania registered decreases of -2.3%, -5.6%, -2.3% and -4.7%, Ukraine and Bulgaria showed YoY increases of 1.4% and 0.9%.

The values for 2021 indicate strong recovery for all markets with positive annual growths ranging from 3.5% (in Ukraine up to 7.1% (in Serbia). Moreover, the positive growths estimations are forecasted for the next four years as well, but at smaller pace.

**Figure 4. Private Consumption in the region**

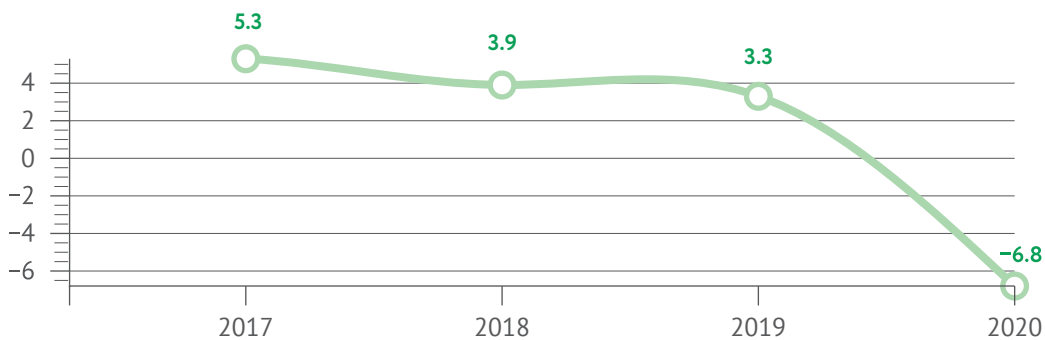


Source: Oxford Economics database, CBRE Research

Private consumption in Republic of Moldova is lagging other GDP components and remains below its pre-pandemic level. During 2017-2019 the private consumptions registered same positive YoY growths, as the rest of the analyzed countries, with a severe drop of -6,8 %. In 2021 the economy has started to rebound gradually, but most of the short-term indicators remain in negative territory.

**Figure 5. Private Consumption in the Republic of Moldova**

Privat Consumption (%), YoY growing, Republic of Moldova

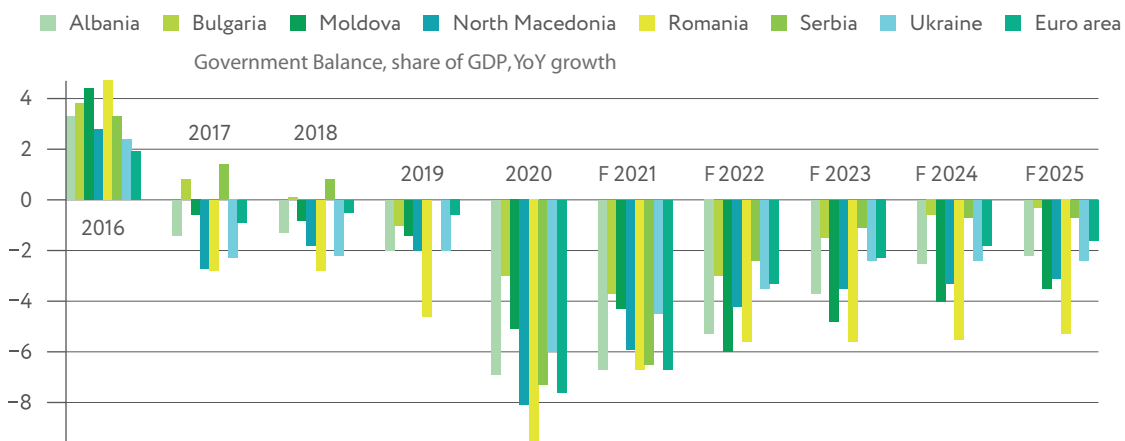


## GOVERNMENT BALANCE, SHARE OF GDP

In 2020 the budget deficit widened for all the analysed countries, the government balance as share of GDP, reaching at -6.9% for Albania, -3.0% for Bulgaria, -8.1% for North Macedonia, -9.6% for Romania, -7.3% for Serbia and -6.0% for Ukraine. Similar trend occurred in the Republic of Moldova as the share of government balance in GDP reaching an average of -5.1 % in 2020 in comparison to -1.4% level in 2019. Starting with 2021 and further on estimations show a narrower gap, as the governments are expected to spend less amounts on state support to COVID-19 pandemic affected sectors. Hence, 2021 forecasts indicate budget deficits of -6.7% for Albania, -5.9% for North Macedonia, -6.7% for Romania, -6.5% for Serbia, -4.5% for Ukraine and -4.3% for Republic of Moldova. Only Bulgaria is expected to slightly increase the budget deficits to GDP ratio up to -3.7%.



Figure 6. Government Balance in the region



Source: International Monetary Fund, World Economic Outlook Database, October 2021





## 2. SECTORIAL CONTEXT

Real estate is one of the most durable products in the economic terms. It occupies an important place in any state, being a means of production and a commodity for living, recreation and cultural pastime.

**Moldova's** modern real estate history has come a long way from **the 1<sup>st</sup>**, most turbulent **stage** of development, at the beginning of the 90s, marked by the emergence of private property due to privatization, then - **the 2<sup>nd</sup> stage**, the main features of which were the emergence of regulations, governing taxation, registration of property rights and evaluation activities. New forms of transfer of ownership have emerged. It is not surprising that in such a vacuum of demand for quality services, the first real estate agencies appeared, and banks started to provide the first loans secured by apartments. **The 3<sup>rd</sup> stage** was characterized by an excess of demand over supply. The real estate market has reached maximum speed. By 2008, prices had reached maximum levels in foreign currency.

The next, **the 4<sup>th</sup> stage** was a turning point for all participants of the real estate market. It was registered a sharp increase of supply. The main causes for this phenomenon were the rising number of investment facilities, the massive emigration of the population that caused, among other factors, a withdrawal of money from the sale of real estate.

Currently, the real estate market in the Republic of Moldova registers high growth rates in terms of available stock (annual real estate stock) and demand (number of annual transactions on the market). The real estate market in Moldova consists of the residential real estate sector (private houses, office buildings) and those intended for individuals. This sector has a share of about 75% of the total real estate market. Non-residential space is one of the most important real estate parts, although this category holds a 25% share (20.4 million sq. m) and an annual growth of more than 4%.

The main components of the non-residential are:

- offices;
- industrial premises;
- land for construction purposes.

The most recent analysis of non-residential sector<sup>7</sup> revealed that:

1. **Office spaces** have been identified as attractive for investment, providing a rate of return of 7-12%, a payback period of 7-8 years, and an occupancy rate of 80%+ for class A offices. This segment has developed in recent years, along with the development of the service sector, including foreign-owned companies with large pay capacities (especially IT and BPO).
2. Investing in **industrial premises** is less attractive, due to low demand (which is higher for warehouses than for production buildings), the long payback period of almost 10 years and the low paying capacities of key customers (mainly agribusiness). The rate of return is 8-12% and the investment can be optimal for own use purposes, either in custom-built construction for large companies, or in industrial parks, free economic zones, which have facilities for companies with large production capacities, or for companies that form industrial clusters. The demand trend is for spaces up to 1000 sq.m., modern facilities for storage purposes (warehousing). The investment trend for industrial production is not in sight.
3. For **land plots** for construction purposes (greenfield) - as the supply of brownfields is low, the demand for greenfield has increased lately. The demand is influenced by the area in which they are located and their destination, the more being demanded the lands for constructions.

Demand for office space has risen due to the migration of Ukrainian companies<sup>8</sup>, as well as rising sales prices per square meter. Regarding the industrial opportunities and land plots, there is a tendency to increase the demand for industrial goods storage spaces, as a result of which the demand for land corresponding to constructions for such spaces has increased.

<sup>7</sup> [https://realist.md/pdf/2019\\_RE%20Fundamentals%20Brochure.pdf](https://realist.md/pdf/2019_RE%20Fundamentals%20Brochure.pdf)

<sup>8</sup> Due to military conflict that started there in February, 2022

# 3. REAL ESTATE MARKET IN MOLDOVA

## THE BUSINESS ENVIRONMENT

### The business environment overview

The business environment of the real estate market is defined by the **construction companies, developers** as well **real estate agencies**. The below data show the overview of each domain (table 1)<sup>9</sup>.

There are two related areas that can be appreciated in relation to the real estate sector: **building construction (BC)**<sup>10</sup> and **real estate transactions (RET)**<sup>11</sup>. The sectorial evolution of both areas is presented in the table below.

**Table 1. Economic overview of real estate related activities in the Republic of Moldova, 2016-2020**

Years	Areas	No. of companies	Turnover, mln EUR <sup>12</sup>	Net Profit, mln EUR	No. of employees
2016	Construction	2,035	670.11	56.54	64,364 (max)
	Transactions	2,015	180.74	32.70	12,729
2017	Construction	2,884 (max)	822.31	82.33	27,994
	Transactions	3,223 (max)	223.17	64.93	14,862 (max)
2018	Construction	2,234	939.52	109.86	28,631
	Transactions	2,249	251.63	67.91	12,875
2019	Construction	2,399	1,119.34	112.86 (max)	29,777
	Transactions	2,342	272.53 (max)	76.36 (max)	12,499
2020	Construction	2,488	1,167.40 (max)	107.22	29,318
	Transactions	2,531	270.29	48.83	12,694

The highest values (max) on each indicator can be identified in **green cells** for construction entities and **yellow cells** for transaction entities. So that, 2017 is the period when both areas registered the maximum number of companies (construction and real estate agencies) and the period 2019-2020 is the time of the highest turnover and profit generated by the domains. In 2020, the construction domain consisted of a number of over 2,400 companies, generating 1.1 billion Euro and hiring a number of over 29,300 employees. On the other side, the entities dealing with real estate transactions recorded over 2,500 companies in 2020 along with 270.2 million Euro in terms of turnover and almost 12,700 employees.

Being represented by almost the same number of companies, the areas have generated different performance in terms of indicators. For example, the construction sector employed 2.3 times more employees than agencies, generating a turnover 4.3 times higher than the latter. At the same time, it seems that the period 2019-2020 is the best period in recent times for both areas, when they recorded maximum values of turnover and profit (see table 1). Annex 1 reveals more details about the real estate sector by domains and subdomains by 2020.

## MACROECONOMIC FACTORS AND THE SECTOR, 2020

**Table 2. Macroeconomic factors and the sector, 2020 (unless otherwise specified)**

No	Index	Value
1	Country area, sq. km	33,850 <sup>13</sup>
2	Population, thous. persons	2,620
3	GDP, mln USD	11,916
4	GDP per capita, USD	4,547
5	Trade balance, mln USD	-2,948.8 <sup>14</sup>
6	Foreign direct investment, net inflows (BoP, mln USD)	157.4 <sup>15</sup>
7	Consumer price index (CPI interannual), %, March 2022	22.2%
8	Average monthly income (Q4, 2021) <sup>16</sup> , EUR/person	ca. 490 <sup>17</sup>
9	Unemployment rate (Q1, 2021), %	4.3 <sup>18</sup>
10	Ease of doing business (2019 ranking)	47
11	Competitiveness ranking (2019 rank)	86
12	Corruption Index (2021)	36
13	Turnover of construction companies, mln EUR	1,167
14	Turnover of real estate agencies, mln EUR	270.2
15	Average salary in construction sector <sup>19</sup> , EUR	ca. 385 <sup>20</sup>
16	Average salary in real estate agencies <sup>21</sup> , EUR	ca. 318
17	No of construction companies, units	2,488
18	No of real estate agencies, units	2,531

<sup>9</sup> National Bureau of Statistics  
<http://webapp.statistica.md/info/RSF/>

<sup>10</sup> Domain „F. Construction“ from the CAEM (Economic Activities Classification) of the Republic of Moldova

<sup>11</sup> Domain „L. Real Estate Transactions“ from the CAEM (Economic Activities Classification) of the Republic of Moldova

<sup>12</sup> Annual average NBM exchange rate EUR/MDL

<sup>13</sup> <https://countryeconomy.com/>

<sup>14</sup> Intracen Trade Map

<sup>15</sup> <https://dataworldbank.org/>

<sup>16</sup> The average gross monthly nominal earnings at the units in the real sector with 4 and more employees as well all budgetary institutions

<sup>17</sup> <https://statistica.gov.md/newsview.php?en&idc=168&id=7315>

<sup>18</sup> <https://countryeconomy.com/>

<sup>19</sup> Average gross monthly earnings, EUR

<sup>20</sup> <https://statbank.statistica.md>

<sup>21</sup> Average gross monthly earnings, EUR



## POSITION OF THE REAL ESTATE IN THE NATIONAL ECONOMY, 2020

**Table 3. Position of the real estate in the national economy, 2020**

	Share in national economy, %	No. of companies	Employees	Turnover	Net profit	Owned lands <sup>22</sup>
1	Construction activities	4.3	5.6	6.1	14.4	9.3
2	Real estate activities	4.4	2.4	1.4	6.6	14.6

## WAGES IN THE SECTOR

The wages<sup>23</sup> of the employees from the construction sector in Moldova is 94% from the national average monthly net earnings or 316.7 euro in 2020 (see Table 4 below).

**Table 4. Earnings in construction sector in Moldova, 2018-2020<sup>24</sup>**

SECTORS	2018		2019		2020	
	Average gross monthly earnings, EUR	Average net monthly earnings, EUR	Average gross monthly earnings, EUR	Average net monthly earnings, EUR	Average gross monthly earnings, EUR	Average net monthly earnings, EUR
<b>CONSTRUCTION:</b>	<b>312.3</b>	<b>255.4</b>	<b>363.7</b>	<b>298.9</b>	<b>385.4</b>	<b>316.7</b>
Construction of buildings	299.4	244.7	348.2	284.6	360.5	295.6
Civil engineering	359.6	292.8	404.8	332.2	451.4	370.2
Specialised construction activities	284.8	234.4	342.1	283.7	340.4	281.5

### At the same time:

- among the basic economic fields, except for the PRODUCTION AND SUPPLY OF ELECTRICITY AND THERMAL ENERGY, GASES, HOT WATER AND AIR CONDITIONING, the remuneration in Construction sector is the most consistent nationwide;
- however, the growth of the net salary in construction sector (2020/2018) is lower than the increase of the average salary in the real economy sector (23% versus 28%);
- the best paid are the employees in the subdomain "civil engineering", i.e. 370.2 euro compared to 316.7 euro of the whole construction sector;
- so far, the sectorial earnings paid by local employees are much more competitive than salaries in the region, where the national average is higher than in the Republic of Moldova.

## BUILDING (CONSTRUCTION) PERMITS

The latest available data reveal that in 2021 a number of 4,118 building permits have been issued for residential and non-residential buildings, meaning an increase by 35.5% compared to 2020. Also in 2021, 3,026 building permits were issued for residential buildings and 1,092 building permits for non-residential buildings, increasing by 48.0% and 9.9% respectively compared to 2020 (table 5)<sup>25</sup>.

**Table 5. Building permits issued for buildings in 2021**

	Total, number	In % compared to:		2020 in % compared to 2019
		2020	Total	
<b>Total</b>	<b>2020 in % compared to 2019</b>	<b>135.5</b>	<b>100.0</b>	<b>98.1</b>
<i>of which for buildings:</i>				
residential	3,026	148.0	73.5	108.1
non-residential	1,092	2020	Total	
<i>in total, in:</i>				
urban area	2,430	140.5	59.0	106.4
rural area	1,688	129.1	41.0	89.0

<sup>22</sup> Based on declared value of lands

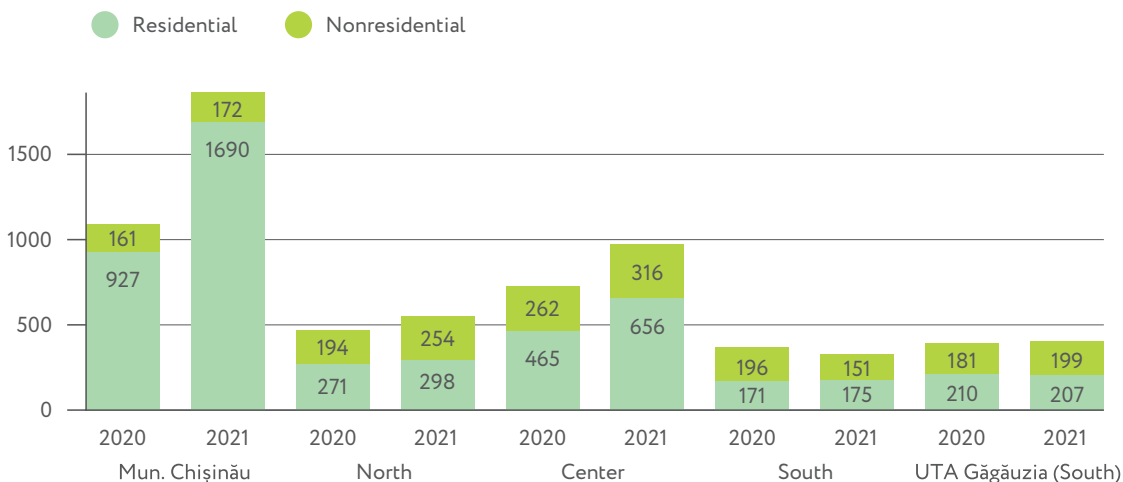
<sup>23</sup> <https://statbank.statistica.md>

<sup>24</sup> Annual average exchange rate EUR/MDL: 2018 – 19,8492, 2019 – 19,6737, 2020 – 19,7414

<sup>25</sup> <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=7283>

Also, in 2021 compared to 2020 there are increases in the number of building permits for non-residential buildings in the following regions<sup>26</sup> : Chişinău municipality (+11 permits or +6.8%), North (+60 or +30.9%), Center (+54 or +20.6%) and ATU Gagauzia (+18 or +9.9%). At the same time, in the South region in 2021 there were issued with 45 building permits for non-residential buildings (or 23.0%) less compared to 2020 (figure 7 below).

**Figure 7. Building permits issued in 2020 and 2021, by region**



## TRANSACTIONS AND SURFACES

Another aspect to consider in mapping the evolution of real estate is the assessment of the number of transactions by categories of non-residential categories of real estate and the traded surfaces. Based on data available for the last 10 years (2011-2021)<sup>27</sup> provided in table 6 below, one can conclude, inter alia<sup>28</sup> :

- the capital city (Chişinău) sums up almost 11% of total number of transactions with constructions meaning 8.8% of the total traded surface (or 2.2 mln sq. m);
- other top municipalities by traded area of constructions are Bălţi (716.7 thousand sq. m), Edinet (628.7), Comrat (506.1), Ungheni (197.4) and Cahul (197.2);
- Chişinău, Bălţi and Comrat are top 3 municipalities which detachedly lead the ranking of transactions with plots of land, both in terms of number of transactions and area;
- in terms of the traded area of the premises, the municipalities of Chişinău, Bălţi and Cahul are the leaders;
- in Chişinău, Ciocana district is the absolute leader in traded surface of constructions (446.5 thousand sq. m), followed by Botanica (274.7) and the same leader (Ciocana) related to traded surfaces of land plots (followed by Rascani district in this respect);
- the year 2021 continued the pattern of the pandemic period (2020-2021), but it was also characterized by certain particularities:
  - compared to 5 years ago (2016), although the number of transactions with administrative buildings in the main cities increased, the traded area decreased during the reference period (from 24.0 thousand sq.m. to 20.7 thousand sq.m.);
  - the largest decrease was registered by the area of the industrial surfaces with production purposes, from 188.8 thousand sq.m. traded in 2016 to 91.5 thousand sq.m. in 2021;
  - the number of warehouse transactions increased in 2021 compared to 2016, but the average traded area decreased from 486 sq.m. (2016) to 396 sq.m. (2021).

<sup>26</sup> <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=7283>

<sup>27</sup> Based on the data provided by the Cadastre Department of the Public Services Agency (PSA) of the Republic of Moldova

<sup>28</sup> The analysis covers the data for the capital city as well for municipalities

**Table 6. Transactions and traded surfaces of non-residential real estate in Moldova, total for 2011-2021**

Regions	Constructions <sup>29</sup>		Land plots <sup>30</sup>		Premises <sup>31</sup>	
	Total, 2011-2021		Total, 2011-2021		Total, 2011-2021	
	Number of transactions	Surface, sq.m	Number of transactions	Surface, ha	Number of transactions	Surface, sq.m
Mun. Chişinău, and districts:	14,114	2,289,492.4	32,149	5,360.2	107,185	5,682,399.3
Botanica	1,078	274,784.8	714	105.2	23,667	1,171,926.0
Buiucani	1,080	181,673.5	709	93.8	17,820	931,221.1
Centru	1,659	242,250.2	1,227	95.5	18,967	1,052,860.6
Ciocana	1,062	446,568.3	1,049	230.7	16,122	895,860.8
Rascani	1,459	260,878.3	1,423	151.4	21,839	1,197,810.5
Mun. Bălţi	5,733	716,788.3	5,371	1,167.9	17,495	813,034.4
Mun. Cahul	1,382	197,237.7	1,564	329.9	2,874	152,277.2
Mun. Comrat	1,896	506,161.0	3,557	1,817.9	1,519	78,015.3
Mun. Edinet	1,747	628,759.1	1,458	663.1	985	45,753.6
Mun. Orhei	1,812	156,811.0	1,519	161.0	1,902	90,720.2
Mun. Soroca	1,692	166,118.4	610	76.6	2,592	115,024.5
Mun. Ungheni	952	197,474.2	1,375	145.3	3,098	149,999.6
<b>Total, Moldova</b>	<b>128,695</b>	<b>25,864,001.8</b>	<b>337,174</b>	<b>165,012.8</b>	<b>156,859</b>	<b>8,081,022.6</b>

The further description will address the demand and supply by categories of non-residential real estate, as well as the players involved in this market.

<sup>29</sup>All kind of constructions as per PSA methodology (administrative, warehouse, agricultural, individual house, production, accessory)

<sup>30</sup>As per PSA (agricultural land, land for construction)

<sup>31</sup>As per PSA (locative, non-locative)



## 4. NON-RESIDENTIAL MARKET-KEYFACTS

### THE CONTEXT AND THE APPROACH

To the situation of the period to which the real estate analysis refers, a series of significant events generated a totally different context compared to the period of 2021, namely:

- **the post-COVID period** and the economic processes generated by the return of growing demand, the attempt to restore supply chains, as well the inflationary effects (especially for food and energy products, construction materials);
- **the military conflict in Ukraine** (started in February 2022), which generated, in turn, a number of risk factors and major supply and logistical constraints for the region - Ukrainian ports are blocked, primary production required for construction is delivered late or suspended, the producers from the region, incl. Moldova are looking for options to diversify suppliers especially for metal, wood, and other building materials, but the solution is a complicated one and it is done with major delays compared to the previous periods;
- **general inflationary pressures**, declining purchasing power of consumers in the region.

In order to capture the current situation, a series of **interviews** (offline discussions) were conducted with the most relevant players from the real estate (construction companies, real estate developers, real estate agencies)<sup>32</sup>, to validate the key data of the sector, but also to understand the place of Moldova in the region, in terms of market practices. At the same time, a number of other questions related to perspectives were covered. The respondents have been selected based on market mapping of entities dealing with **offices, industrial premises, as well greenfield**. This mapping provided topicality to desk research.

Also, the logo and contacts have been collected from the respondent companies. In this respect, a total of 13 interviews have been conducted based on a defined questionnaire<sup>33</sup>. The respondents' list is described below:

	Respondent company <sup>34</sup>	Contact person (name, position)	Respondent' profile
1.	Inamstro	Serghei Panfli, Director	Constructor, developer
2.	NCH Capital (Zorile S.A.) <sup>35</sup>	Andrei Chițanu, Deputy General Manager	Developer
3.	Romanescu & Co.	Victor Romanescu, Founder and Director	Real Estate Agency
4.	Comsales	Vladimir Balaban, Founder and Development Director	Construction
5.	Colass S.A. (JSC)	Andrei Slivinschi, General Manager	Construction
6.	Regata Imobiliare	Cornelius Gasca, General Manager	Developer
7.	Realist Estate	Lilia Sinciuc-Engelen, Founder	Real Estate Agency
8.	Stayer	Vladimir Baldovici, Director	Constructor
9.	Titan Capital	Victor Sandu, CFO	Developer
10.	SUMMA (Lemi Invest)	Alla Orlenco, Finance Director	Constructor, developer
11.	Promstroi S.A. (JSC)	Serghei Sanalatii, Head Manager	Constructor, developer
12.	Remark Imobil	Valeria Sevciuc, Managing Director	Real Estate Agency
13.	IPC (Industrial Park Centre)	Nicolae Marchitan, Manager	Developer

<sup>32</sup> Mainly with Directors of the companies or similar top managers

<sup>33</sup> Some of the questionnaires were completed in online format in the questionnaire template directly by the respondents, another part was completed by guided discussion with notes made in the questionnaire by the Consultant

<sup>34</sup> In order of interviewing date (April-May 2022)

<sup>35</sup> Joint stock company (JSC)

Among them: 6 construction companies, 7 developers, 3 real estate agencies.

The findings of the interviews are used to validate the data from the real estate sector (compared to the data for 2017-2018 from the previous study) and to position the place of the Republic of Moldova towards the countries in the region. Both aspects are described in the following chapters.

## OFFICE MARKET

### FINDINGS FROM THE RECENT REFERENCE PERIOD (2017-2018)

The pre-pandemic period is important as a reference because it indicates years of typical development, and everything that followed during and after the COVID-19 pandemic is the atypical period of development and is much less relevant to be considered as periods of development. reference. Thus, as per 2017-2018 data on non-residential real estate market in the Republic of Moldova, the following key-messages emerged, approached as recent historical findings:

- the office sub-sector began to grow rapidly in 2008-2010 along with the development of the service sector (especially IT and telecommunications), opening of foreign companies' representation offices that needed the best working conditions and appearance of large investors expecting high return from the activity of large office centres. (e.g., the business centres "Skytower" with an area of 12,000 sq.m. and "Le Roi" with 8,000 sq.m., both of which are class A offices offering high-quality spaces for rent);
- the office sub-sector made up 20% of the total delivered (commissioned) area of non-residential premises in 2017 and 12% of the total stock of the existing non-residential real estate in Chişinău, Bălţi;
- the offer on the Moldovan market for class A office spaces is rather limited and is mainly available in Chişinău. On the other hand, due to incentives Moldova offers to domestic and foreign investors in IT related activities and due to multilingual population, which attracts international business processes outsourcing companies, there is a growing demand of office spaces in the capital city of Chişinău but also in the biggest municipalities in the regions like Bălţi, Cahul and Comrat.

### KEY-FACTS

#### Stock & Delivery:

- ✓ stock: 2,407 thous. sq.m. (2017, Chişinău, Bălţi, Cahul, Comrat);
- ✓ delivery: 126 thous. sq.m. (2017, -2% compared to 2016), 129 sq.m. (2012), (Chişinău, Bălţi, Cahul, Comrat);
- ✓ concentration of office premises in urban areas;
- ✓ prevalence of B class, A class is available mainly in Chişinău.

#### Average turnkey costs:

- ✓ A class 760 EUR/sq.m., B class 560 EUR/sq.m. (2018, Chişinău);
- ✓ +2% average annual rate (2012-2018, Chişinău).

#### Average prices:

- ✓ selling: -5% average annual rate (2012-2018, Chişinău); A class 1100 EUR/sq.m., B class 743 EUR/sq.m. (2018, Chişinău); prices in Bălţi, Cahul, Comrat - 25-30% lower than in Chişinău;
- ✓ rental: -4% average annual rate; A class 11 EUR/sq.m., B class 7,6 EUR/sq.m. (2018, Chişinău); prices in Bălţi, Cahul, Comrat - 20-25% lower;
- ✓ expensive districts: Centre, Botanica, Rascani.

#### Renting/Selling, %:

- ✓ 54/46 (by area), 52/48 (by number of transactions)

#### Trends:

- ✓ demand ranges from 50 to 150 sq.m., mainly for class B and C;
- ✓ key clients: service companies concentrated in the capital and large cities (i.e. financial, IT, TIC), projects' organizations;
- ✓ trend for renting large spaces (>500 sq.m.), with separate entry and modern facilities, co-working spaces, etc.



Also, the research revealed the following TOP PREMISES:

### Top delivered in Chişinău

- ✓ 12 units from class A with 95 thous. sq.m.;
- ✓ 53 units from class B with 392 thous. sq.m.;
- ✓ average age: 11 years class A, 22 years class B;
- ✓ highest rental price 18 EUR/sq.m.;
- ✓ occupancy rate: 82% class A, 69% class B;
- ✓ big offices (>10 thous. sq.m.): Buiucani district 9 objects, Rascani - 5, Centre - 5, Botanica- 1, the largest – 38.7 thous. sq.m. (Rascani).

### Top co-working spaces in Chişinău

- ✓ 9 units; average daily rental price 5-10 EUR/sq.m.

### Top delivered in Bălţi, Cahul, Comrat

- ✓ 20 units Bălţi with 75.5 thous. sq.m.;
- ✓ 10 units Comrat with 92.7 thous. sq.m.;
- ✓ 10 units Cahul with 30 thous. sq.m.;
- ✓ average age: 9 years;
- ✓ the largest – 39.9 thous. sq.m. (Comrat).

### Top under construction in Chişinău

- ✓ 15 units, most of them with 6 floors; 4 units have 7-8 floors; the largest - 30 floors and 17 floors;
- ✓ 5 objects have a permit issued in 2018.

### Top under construction in Bălţi, Cahul, Comrat

- ✓ 3 units in Bălţi, the largest - 13 floors;
- ✓ Comrat – 5 units, Cahul – 3 units of 3-4 floors.

### Occupancy:

- ✓ class A: 70-80%, class B: 60-70%.

### Payback period:

- ✓ 7-8 years.

Finally, for the 4 cities (Chişinău, Bălţi, Comrat, Cahul) there were identified an office stock of 2,407 thous. sq.m. in 2017 along with a delivery of 126 thous. sq.m. in the same year.

## CURRENT TRENDS (2019-2021)

The COVID-19 period and post-COVID period reshaped entire sectors, as did the real estate domain. Moreover, starting with February 2022, when the armed conflict started in Ukraine, the neighbouring country with the Republic of Moldova, a series of other challenges were identified and addressed. For example, according to map of offices in Chisinau, 2019, a number of 76 office buildings have been identified, out of which:<sup>37</sup>

- ✓ one class A+ office building;
- ✓ 12 class A office buildings;
- ✓ 63 class B office buildings;

The pipeline projects at that period:

- ✓ one class A+ office building;
- ✓ 9 class A office buildings;
- 7 class B office buildings.

In the last three years, the following A class office buildings have been put into operation in Chişinău (7 of them are located in the Central sector of the city, 2 in Botanica and 2 in Rascani sector):

- Eminescu Offices38 (2022, class A, developed by Inamstro, 6,000+ sq.m.)
- Toro Center39 (2022, class A, by Lagmar Impex, 3,000 sq.m.)
- Royal Tower40 (2022, class A, by Titan Capital, 16,000 sq.m.)
- Status Business Center41 (2022, class A, by Status Invest)

- iTower42 (2021, class A, by Industrial Park Centre, 4,000+sq.m.)
- Infinity Tower43 (2021, class A+, by Inamstro, 10,100+ sq.m.)
- Endava Tower44 (2020, class A by SUMMA/Lemi Invest, 20,000 sq.m.)
- Varincom Business Center45 (2020, class A, by Varincom, 1000+ sq.m.)
- Avenue46 (2020, class A, 5,000 sq.m.)
- Liberty Business Center47 (2019, class A, 2,400 sq.m.)
- Digital Park (2019, class A, by Starnet, 25,630 sq.m. of offices and co-working spaces)

Finally, for the 4 cities (Chişinău, Bălţi, Comrat, Cahul) there were identified an industrial stock of 10,523 thous. sq. m. in 2017 along with a delivery of 216 thous. sq. m. in the same year. This recent period can be characterized as the period in which most Class A offices in Chisinau were built and put into operation.

In the regions, the offer of offices is quite limited, but what can be noticed is a series of real estate agencies that operate at regional level and offer office offers. Such a case is relevant for the municipality of Cahul where "Casa Nouă"<sup>48</sup> agency has placed ads that are mostly represented by offers for sale of office rooms, with an area of 40-160 sq.m.. These announcements have a local character and are not mostly reflected on the national portal 999.md.

At the same time, the interviews revealed the following related to office market:

### Stock & Delivery:

- ✓ stock: 2,407 thous. sq.m. (2017, Chişinău, Bălţi, Cahul, Comrat) with estimated growth of 7-8% for stock as for 2021 and an anticipated growth on stock and delivery of 5-10% in the next 3-5 years;
- ✓ modern office stock: 550,000+ sq.m. throughout the country in over 100 buildings;
- ✓ concentration of office premises in urban areas;
- ✓ prevalence of B class (ca. 80% out of total); A class (20%) is available mainly in Chişinău.

### Average turnkey costs:

- ✓ A class 1,000-1,050 EUR/sq.m., B class 700-800 EUR/sq.m. (Chişinău).

### Average prices<sup>49</sup>:

- ✓ selling: A class 900-1,100 EUR/sq.m., B class 850-950 EUR/sq.m.; prices in Bălţi, Cahul, Comrat - 25-30% lower than in Chişinău;
- ✓ rental: A class starting 10-12 EUR/sq.m. and a maximum of 15-25 EUR/sq.m.; B class 8,5-9,5 EUR/sq.m.; prices in Bălţi, Cahul, Comrat - 25-40% lower;
- ✓ expensive districts in Chişinău: Centru, Ciocana, Botanica (for sales) and Centru, Telecentru and Botanica for renting.

### Renting/Selling, %:

- ✓ 60/40 (by area and transactions).

### Trends:

- ✓ open space offices, with parking spaces, separate entry and modern facilities, co-working spaces;
- ✓ increasing prices for renting (the trend for class A offices is towards 20 euros per sq.m.);
- ✓ nowadays it's less attractive to buy office property given the increasing prices<sup>50</sup>, which changed the vision customers on investment – the renting being more advantageous;
- ✓ demand ranges from minimum 150 sq.m. – maximum 500 sq.m., mainly for class A and B;
- ✓ key clients: services' provider companies concentrated in the capital and large cities (IT, BPO, financial sector), international organizations and development partners.

### AS IS REPORT

Another approach applied in the creation of the current picture of the office market was the analysis of the sale-purchase and office rental announcements posted by the real estate agencies (9 entities)<sup>51</sup> for Chişinău and other 7 municipalities<sup>52</sup> in the period March 2022-April 2022. As well, the biggest local marketplace<sup>53</sup> has been researched for office ads in municipalities. As a result, one can conclude the following market picture (table 7 and 8).

**Table 7. Sale and rent price of offices in Chişinău (March-April 2022)**

Capital Districts	Price per sq. m., Eur	
	For Sale	Rent
Botanica	974.44	8.95
Buiucani	863.38	7.27
Centru	1,314.50	12.48
Ciocana	1,169.96	7.15
Poşta Veche	-	4.65
Rascani	912.59	8.34
Telecentru	946.66	10.00
Average per Chişinău	1,098.49	8.49
Average per Chişinău	1,098.49	8.49



<sup>34</sup> <https://www.invest.gov.md>

<sup>36</sup> <https://www.eminescuoffices.md>

<sup>38</sup> <https://www.toro.md/>

<sup>40</sup> <https://royal-tower.org>

<sup>41</sup> <https://status.md>

<sup>42</sup> <https://towermd/available-spaces/>

<sup>43</sup> <https://inamstro.md/en/projects-2/infinity-tower/>

<sup>44</sup> <https://www.endava.com/en/About/Locations/Central-Europe/Chisinau>

<sup>45</sup> <https://varincom.md/proiecte/business-centru/>

<sup>46</sup> <https://offices.md/161-sq-m-office-space-rent-avenue-business-center-chisinau-downtown/>

<sup>47</sup> <https://offices.md/410-sq-m-office-liberty-business-center-chisinau/>

<sup>48</sup> <https://casa-noua.com/category/spatii-comerciale/>

<sup>49</sup> based on the analysis of sale and lease announcements of the offices on the biggest online local marketplace (which mostly represent the offer prices) which indicated an average of 1,100 euros per sq.m. and also based on the discussions with the interviewed companies which referred to a minimum of 700-800 euros per sq.m. in the current conditions of uncertainty and challenges

<sup>50</sup> determined by the factors described above

<sup>51</sup> The biggest ones that have the highest number of ads posted on their websites: ProImobil, O'KEY Imobil, Acces Imobil, Cvarial, Romanescu&CO, Eco Imobil, Remark, AXA Imobil, Realist Estate Agency

<sup>52</sup> Bălţi, Cahul, Comrat, Edinet, Orhei, Soroca and Ungheni

<sup>53</sup> [www.999.md](http://www.999.md)

The average selling price for offices in Chişinău, offered by real estate agencies, is about 1,098 Eur/sq.m., the highest price being recorded for the offers in the Central district, and the lowest price offered - for the Buiucani sector (ca. 863). As for rent, the Capital average is 8.49 Eur/sq.m. with the highest value in Central sector (12.48) and lowest in Posta Veche (4.65).

As for the offer in the municipalities of interest, only municipalities of Bălţi, Orhei, Soroca and Ungheni reflected ads on transactions with offices:

**Table 8. Sale and rent price of offices in municipalities of interest (March-April 2022)**

Municipality	Price per sq. m., Eur	
	For Sale	Rent
Bălţi	709.80	5.09
Orhei	-	3.00
Soroca	-	6.00
Ungheni	-	7.33

The highest rent is registered in Ungheni (7.33 Eur per sq.m.) followed by Soroca and Bălţi.

### BASIC FEATURES OF THE OFFICE MARKET (2022)

- **Average rental price class A:**  
15 Eur/sq.m.
- **Average rental price class B:**  
8 Eur/sq.m.
- **Minimum and maximum surfaces on the floor:**  
150-2,500 sq.m.
- **Class A office request trends from tenants' type:**  
IT companies, NGOs, representatives of foreign companies, embassies, financial services
- **Class B office request trends from tenants' type:**  
Call centres, BPO, logistics, pharma
- **Specific requirements for office rental of 500+ sq.m.:**  
Allocated parking space, catering kitchen, favorable location, accessibility for employees, possibility to compartmentalize the space
- **Currently available Class A surfaces:** ca.15,500 sq.m. (surfaces from 70 to 6,800 sq.m.)
- **Currently available Class B surfaces:**  
ca. 2,200 sq.m.(surfaces from 30 to 1,200 sq.m.)
- **Average age of office buildings (for the period 1995-2022):**  
14 years
- **Class A occupancy rate:**  
80%
- **Class B occupancy rate:**  
92%
- **Parking lot price per month:**  
50-300 Eur
- **Average rental term:**  
**min 1 year -max 10 years**

**Annex 2** provides description of the relevant office premises in Chişinău with their characteristic and tenants' profile.

## INDUSTRIAL CONSTRUCTION MARKET

### FINDINGS FROM THE RECENT REFERENCE PERIOD (2017-2018)

The same analysis referred to above<sup>54</sup> revealed that the share of existing industrial facilities in the total non-residential real estate in Moldova is significant (51.5%) as they were built up during the Soviet period. The old and large areas of industrial premises require serious improvements and investments in repairs, communications and infrastructure, and are often not provided with heating. Unlike the office sub-sector, the offer of industrial spaces is more dispersed in the regions than in the capital (for example, most of the cold stores are located in rural areas) and in industrial areas of cities/towns, and in suburbs.

#### KEY-FACTS

##### Stock & Delivery:

- ✓ stock: 10,523 thous. sq.m. (2017, Chişinău, Bălţi, Cahul, Comrat);
- ✓ delivery: 216 thous. sq.m. (2017), -2% 2017/2016 (Chişinău, Bălţi, Cahul, Comrat), -30% 2017/2012;

- ✓ concentration of industrial premises in rural areas and in industrial areas of cities/ towns, and in suburbs; prevalence of old buildings.

##### Average turnkey costs:

- ✓ cold stores 520 EUR/sq.m., production buildings 320 EUR/sq.m. (2018, Chişinău);
- ✓ +2% average annual rate (2012-2018, Chişinău).

<sup>54</sup> [https://invest.gov.md/attached\\_files/2020/10/22/Real%20estate.pdf](https://invest.gov.md/attached_files/2020/10/22/Real%20estate.pdf)



#### Average prices production buildings:

- ✓ selling: -6% average annual rate (2012-2018, Chişinău); for old buildings - 125 EUR/ sq.m. (2018, Chişinău), prices in Bălţi are lower by 20%, in Comrat, Cahul are 2 times less; for new/renovated buildings - 280 EUR/sq.m. (2018, Chişinău); and for Bălţi are 2 times less, Cahul and Comrat – 3-4 times less;
- ✓ rental: -2% average annual rate; old buildings 1,4 EUR/sq.m. (2018, Chişinău), Bălţi, Comrat and Cahul: <1 EUR/sq.m.; new buildings 3 EUR/sq.m. (2018, Chişinău), Bălţi, Comrat and Cahul: <1,5 EUR/sq.m.; price for modern spaces: 5 EUR/sq.m.

#### Prices cold stores:

- ✓ selling 250-4az50 EUR/sq.m.; rental 3-6,5 EUR/sq.m. (2018, Chişinău, Comrat, Bălţi, Cahul).

#### Renting/Selling, %:

- ✓ 66/34 (area), 61/39 (transactions).

#### Also, the research revealed the following TOP PREMISES:

##### Top delivered in Chişinău

- ✓ 7 units - new buildings with 65 thous. sq.m.;
- ✓ 46 units - old buildings with 1606 thous. sq.m.;
- ✓ average age: 41 years old buildings, 14 years new buildings;
- ✓ big premises (>100 thous. sq.m.): Buiucani district 2 objects, Rascani - 1, the largest – 174 thous. sq.m. (Tracom JSC premises).

##### Top delivered in Bălţi, Cahul, Comrat

- ✓ 28 units Bălţi with 1095 thous. sq.m.;
- ✓ 18 units Comrat with 174 thous. sq.m.;
- ✓ 17 units Cahul with 137 thous. sq.m.;
- ✓ average age: 9 years;
- ✓ the largest – 190 thous. sq.m. (Bălţi).

##### Top under construction in Chişinău

- ✓ 5 objects (<5 floors), all with permits from 2018.

##### Top under construction in Bălţi, Cahul, Comrat

- ✓ 15 units in Bălţi and Cahul 4 objects under construction/design;
- ✓ Comrat – 3 objects, the largest - wiring factory Fujikura (on the premises of the industrial park), being already the 2nd factory of the Japanese company opened in Comrat, which will create jobs for about 2 thous. people.

##### Occupancy:

- ✓ 40-50%.

##### Payback period:

- ✓ 20 years.

Finally, for the 4 cities (Chişinău, Bălţi, Comrat, Cahul) there were identified an industrial stock of 10,523 thous. sq. m. in 2017 along with a delivery of 216 thous. sq. m. in the same year.

#### CURRENT TRENDS (2019-2021)

The industrial landscape turned to be quite diverse in terms of volume, type, as well potential clients. There are the warehousing and cold storage spaces that are mainly operated by the companies from the agribusiness and commerce, as well on the other side there are the industrial production especially in the automotive sector. For automotive components and industry opportunities one can consult the recent investment prospects advertised by the Moldovan Investment Agency<sup>55</sup>. On the other hand, for agribusiness, the mapping of cold storage facilities from the entire country can be useful for potential investors or developers<sup>56</sup>.

Due to incentives offered to potential investors (including within FEZ), as well as to due to the favourable geographic location of Moldova, providing an exceptional investment platform with opportunities to export to EU and CIS countries, many foreign manufacturing companies are potentially interested in extending their production capacities in Moldova. It increases the demand for ready- to-use production halls for quick production start, but also demand for development of build-to-suit (BTS) projects. Over 300 hectares of free buildable area (with available masterplans) within FEZ are available for industrial and logistic real estate development projects<sup>57</sup>.

## BASIC FEATURES OF THE INDUSTRIAL FACILITIES MARKET (2022)

- **Industrial premises perceived with high market liquidity:**

- industrial objects of type A and B in free economic zones (FEZ);
- industrial buildings with an area of up to 1,000 sq.m.

- **The biggest potential customers:**

Automotive manufacturers, building materials manufacturers, meat processing industry, wine industry, warehousing, cold storage for foreign companies represented in Moldova<sup>58</sup>

- **Basic Trends:**

- an increase in demand for warehouses and industrial buildings is anticipated;
- the demand for type A industrial buildings (production + warehouse + office + yard) will increase;
- turnkey construction and energy self-contained buildings will be increasingly in demand;

- the service of the industrial buildings and the afferent territories will be more and more requested;
- poor supply for new industrial buildings, usually on the market are exposed spaces with total wear, which require major investment in major repairs;
- top expensive areas: industrial areas with access to international roads;
- there is a growing trend in demand for industrial space of storage of goods, as a result the demand for land corresponding to constructions for such spaces has increased;
- no market leader with a major market share in offices, industrial premises and greenfield has been identified;
- investors in industrial facilities are largely players already operating in the local market.

At the same time, the interviews revealed the following characteristics related to industrial market:

### Stock & Delivery:

- ✓ stock: 10,523 thous. sq.m. (2017, Chişinău, Bălţi, Cahul, Comrat) with estimated growth of 5-10% for stock as for 2021 and an anticipated growth on stock and delivery of 5-10% in the next 3-5 years;

- ✓ the most dynamic is the demand for new warehouses and industrial buildings with access to the main arteries;
- ✓ industrial premises concentrated in rural areas and in the suburbs of Chişinău; old buildings prevail.

### Average turnkey costs:

- ✓ a 30-40% increase in turnkey costs in the period 2021-2022 as well as the forecast of further price increases (due to the risk factors and challenges described above);
- ✓ cold stores 650+ EUR/sq.m., production buildings 400+ EUR/sq.m.;
- ✓ turnkey cost evolution:

Industrial type class A, B:

- until 2021 - 450 Eur / sq.m.
- in 2022 - 650 Eur / sq.m.
- forecast - 700 Eur / sq.m.

Industrial type class C:

- until 2021 - 250 Eur / sq.m.
- in 2022 - 400 Eur / sq.m.
- forecast - 500 Eur / sq.m.

### Average prices industrial buildings:

- ✓ for new buildings, the average sale price in 2020 was 400 euro / sq.m., and the average sale price in 2022 is 500 euro / sq.m.; for Bălţi are 2 times less, in the regions – 3-4 times less;
- ✓ for old buildings – 200-300 EUR/ sq.m, prices in Bălţi are lower by 20%, in Comrat, Cahul are 2 times less;
- ✓ rental: 3-5 EUR/sq.m., Bălţi and Cahul: 1.5-2.7 EUR/sq.m.

### Prices cold stores:

- ✓ selling 350-650 EUR/sq.m.; rental 3.5-6.5 EUR/sq.m. (Chişinău), 2-3 Eur/sq.m. in Bălţi, 1.4-1.5 Eur/sq.m. for Cahul, 1.5-2,7 Eur/sq.m. in Orhei.

### Renting/Selling, %:

- ✓ 65/35 (area and transactions).

<sup>55</sup> [https://invest.gov.md/attached/files/2022/01/25/2021%20Automotive\(ENG\).pdf](https://invest.gov.md/attached/files/2022/01/25/2021%20Automotive(ENG).pdf)

<sup>56</sup> <https://www.google.com/maps/d/u/0/viewer?mid=1pAjbwDWtTP-lb361olWSFSPxdh2UyeKV&ll=47025541472058%2C28329884200000038&z=6>

<sup>57</sup> [https://invest.gov.md/attached/files/2022/01/25/2021%20Automotive\(ENG\).pdf](https://invest.gov.md/attached/files/2022/01/25/2021%20Automotive(ENG).pdf)

<sup>58</sup> Heinz, McDonalds

<sup>59</sup> as per classification <https://iskalo.com/insights/understanding-the-industrial-building-classifications/>

## AS IS REPORT

The similar approach as in the case of office market has been applied for industrial market too in determining the sale-purchase picture. As a result, one can conclude the following (table 9 and 10).

**Table 9. Sale and rent price of industrial constructions in Chişinău (March-April 2022)**

City Sector	Price per sq. m., Eur	
	For Sale	Rent
Botanica	232.64	3.30
Buiucani	373.43	3.90
Centru	223.96	6.06
Ciocana	851.56	3.99
Poşta Veche	258.22	4.88
Raşcani	510.26	3.90
Telecentru	300.00	3.94
Average per Chişinău	577.48	4.23

The average selling price for industrial construction in Chişinău, offered by real estate agencies, is about 577.48 Eur/sq.m. with the highest price registered for Ciocana district (where the concentration of industrial, trading, warehousing and other entities generates a high demand), followed by Rascani district. As for renting, Center district reflect a record 6.06 Eur/sq.m. followed by Posta Veche.

**Table 10. Sale and rent price of industrial constructions in municipalities of interest (March-April 2022)**

Municipality	Price per sq. m., Eur	
	For Sale	Rent
Bălţi	256.67	2.71
Cahul	300.00	1.43
Edineţ	-	5.00
Orhei	171.70	1.90
Soroca	300.00	-
Ungheni	-	3.00

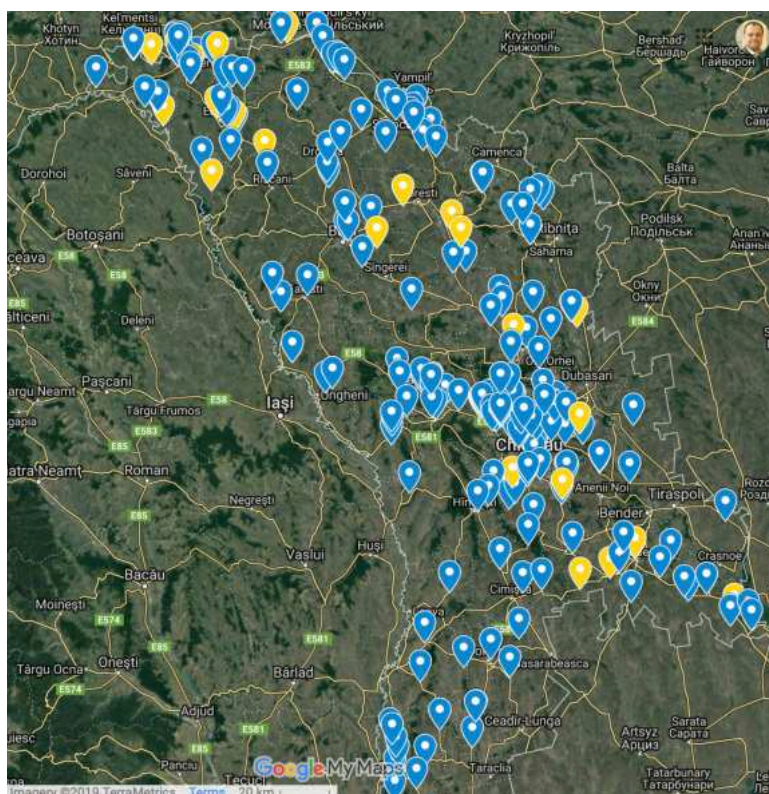
As for the offer in the municipalities of interest, Soroca and Cahul score highest rate for sale, while Edinet registered the highest rate for renting the industrial premises (5 Eur/sq.m.) from the district with available data.

At the same time, the key clients for the industrial constructions are agricultural and industrial companies, SMEs and other potential investors. A relevant focus in this respect is an example from the agricultural sector related to mapping of cold chain units. The cold storage map and its updated version can be consulted on Google Maps app<sup>60</sup>.

The yellow markings represent the refrigeration complexes with sorting lines, the blue ones - without sorting lines (see the legend of the map below). On the interactive map (Google Maps), by clicking on each refrigeration unit, its details can be consulted, such as: the specific location, storage capacity, equipment of the unit.

The most updated version of the map (as of November 2021) reflects 280+ units of cold storage spread across the country (232 cold storages and 55 cold storages with sorting lines).

**Map 1. Moldova's coldstorage interactive map (Google Maps)**



## GREENFIELDS (CONSTRUCTION PLOTS)

The similar approach has been applied for greenfield in determining the sale-purchase context. As a result, one can conclude the following (table 11 and 12).

**Table 11. Sale price of greenfields in Chişinău (March-April 2022)**

City Sector	Price per 100 sq.m., Eur
	For Sale
Botanica	13,581.17
Buiucani	15,566.18
Centru	42,678.75
Ciocana	10,332.67
Poşta Veche	15,417.25
Raşcani	19,069.39
Telecentru	23,809.69
<b>Average per Chişinău</b>	<b>24,459.50</b>

The average sale price for greenfield in Chişinău is 24.4 thous. Euro per 100 sq.m. (or ca. 2.4 mln Eur per Ha) with the highest price for Centru (Center) district and the lowest one for Ciocana<sup>61</sup>.

**Table 12. Sale price of greenfield in the main municipalities (March-April 2022)**

Municipality	Price per 100 sq.m., Eur
	For Sale
Bălţi	3,018.14
Cahul	3,255.96
Comrat	2,243.20
Edineţ	1,375.81
Orhei	10,005.37
Soroca	1,463.99
Ungheni	1,005.94

In this case, Orhei municipality is the price leader (10 thous. Eur per 100 sq.m.) as the town has already attracted relevant foreign investors in manufacturing (greenfield based initially) and positioned as a development pole near the capital city (less 50 km is the distance between Chişinău and Orhei). Orhei is followed by Cahul, another municipality (residence city) of this large Southern district.

In terms of potential clients, they can be represented by:

- agricultural business, automotive entities, retailers, traders, logistic operators, developers etc.

The forms of merging with the greenfield may vary, for example:

- COLD STORAGE: Fruit and vegetable storage (please refer to example above), Meat Processing Factory, Slaughterhouse, Freezer cold storage, Dairy processor.
- PRODUCTION HALLS: Various factories (furniture, textiles, food, etc.).
- WAREHOUSING: Logistics companies, trading companies (traders, distributors, importers).

## BASIC FEATURES OF GREENFIELD MARKET (2022)

### The context:

In the context of the increasing trend of the demand for industrial spaces for the storage of goods, as a result the demand for the lands corresponding to the constructions for such spaces has also increased.

### The trend:

- acquisition of land plots for construction that are located in strategic areas and subsequent construction of new real estate for the purpose of developing the regional infrastructure;
- as the supply of brownfields is low, the demand for greenfield has increased;
- forecast of increase in sale price and lease: 10% in the next 3 years;

### Relevant findings:

- the highest demand is represented for land plots with access to utilities and road infrastructure;
- supply - most land suitable for development in Chisinau is agricultural, so construction land is listed at high prices, as offer prices but not transaction prices;
- liquidity - land plots with an area of up to 1,000 sq.m.;
- logistically placed correctly, placed horizontally, without legal problems, without constructions on them;
- clients: construction companies, production companies, owners of logistics centers;
- transaction growth forecast: +10-15%;
- forecast increase in sale price and lease: + 15%;
- average price for sale (2022): 5,000 Eur/100 sq.m.;
- average lot rent per month: 0.5 - 1 euro / sq.m.

As per 2020-2021, the following greenfield plots are available in FEZs:

	FEZ / Location	Free buildable greenfield area, ha	Land price, Eur/sq.m.
1	FEZ Bălți <sup>62</sup>	85	3.5
2	FEZ Ungheni-Business /Călărași <sup>63</sup>	32	0.15
3	FEZ Taraclia <sup>64</sup>	33	0.65
4	FEZ Bălți/Cahul <sup>65</sup>	23	0.15
5	FEZ Ungheni-Business /Soroca <sup>66</sup>	17.6	1.5
6	FEZ Valkanes / Comrat <sup>67</sup>	40	1.5
7	FEZ Valkanes / Ciadîr-Lunga <sup>68</sup>	42	0.65
8	FEZ Valkanes	20	0.65
<b>Total</b>	<b>8 locations, zones and subzones</b>	<b>292,6 ha</b>	<b>min 0.15, max 3.5</b>

### GENERAL MARKET INSIGHTS

Other information of interest for potential investors, based on the data collected from the representatives of the interviewed companies, is described as follows:

#### MARKET INSIGHTS

##### Offices:

- average area required as rental space (offices): **150-500 sq.m.;**
- investment payback period (offices): **7-9 years;**
- annual return on investment (yield): **7-10%;**
- it is recorded an increase of **1.5 Eur / sq.m. / month** of the rent in 2022 compared to 2021 for class A offices, and for class B there are no noticeable changes;
- the highest demand is for panoramic offices, bright and with modern facilities; location in the city centre, or in less crowded areas;
- trends indicate demand for open spaces, class A type, with various facilities (especially parking spaces);

##### Industrial:

- trends of a high demand: warehouses (deposits) of up to **1,000 sq.m.** (the average demand is for 400 sq.m.);
- annual return on investment (yield): 9-12%;
- production premises with modern facilities;
- one of the largest constructor and developer of industrial spaces presented the trend for integrated spaces: production + warehouse + office + canteen + yard as well the demand for Type A areas: 1,500 sq.m, Type B areas: 6,000 sq.m., Type C surfaces: 3,000 sq.m.;
- vacancy rate: 3-5%;
- a local portfolio of one of the largest constructor and developer of industrial spaces looks as follows:

- ✓ Offices for one of the largest pharma companies (2,000 sq.m.)
- ✓ Warehouse for the same company (2,554 sq.m.)
- ✓ Brewery (1,623 sq.m.)
- ✓ Top European retail store in Comrat, in the southern part of the country (6,000 sq.m.)
- ✓ Offices for an Auto Show Room (1,153 sq.m.)
- ✓ Warehouses and cold storage for a global FMCG company (2,242 sq.m.)
- ✓ Production building for one of the top meat processing company (4,136 sq.m.)
- ✓ Production building for a top winery (3600 sq.m.)
- ✓ Cold storage for a global fast-food company (1,622 sq.m.)

##### Greenfields:

- the highest demand and supply are in Chişinău;
- the most expensive areas are those close to parks, the city centre as well ecological areas;
- as the supply of brownfields is low, the demand for greenfield plots has increased;
- average selling price: **5,000 Eur** per 100 sq.m.;
- average monthly rent: **0.5 - 1 Eur** / sq.m.

##### ECONOMIC FACTORS:

- **Risks:** rising costs and inflationary pressure, military conflict in the neighboring country (Ukraine), factors that distort the decision to buy or sell the property, force majeure situations;
- **Opportunities:** development of free economic zones in the Republic of Moldova, attractive investment offers, wide spectrum in construction services, favourable location of the Republic of Moldova (between east and west, EU and CIS);

<sup>61</sup> which explains, in part, the agglomeration of residential and commercial projects in recent years in this sector

<sup>62</sup> <https://zeib.md>

<sup>63</sup> <http://www.freezone-ungheni.md/images/rezidenti.pdf/FEZSubzoneCalarasi.pdf>

<sup>64</sup> <https://feztaraclia.com>

<sup>65</sup> <https://fez-usba.md/en/article/sb-kagul.php>

<sup>66</sup> <http://www.freezone-ungheni.md/images/rezidenti.pdf/FEZSubzoneSoroca.pdf>

<sup>67</sup> [https://investagauzia.md/pdf/FEZ\\_Subzone\\_Comrat.pdf](https://investagauzia.md/pdf/FEZ_Subzone_Comrat.pdf)

<sup>68</sup> <http://freezone-valcanes.md/en/about/ciadar-lunga-subzone>

- **Perception of the business environment:** rather optimistic, favourable tax system, advantageous operating costs, attractive government and investment programs;
- **Access to utilities** in real estate development is one of the key factors. In the case of the suburbs of Chişinău, the takeover of the initiative by the local authorities on the development of infrastructure with utilities and roads will be the factor that will boost the investments of individuals and legal entities;
- **Growing demand** in locations with developed infrastructure (national and international roads), especially in the office market, commercial and industrial spaces;
- **The demand** for offices and industrial is influenced by areas with developed infrastructure, with the following factors of influence: the first line of the road (offices), access roads and communications (industrial). As for greenfield, the demand is influenced by the area in which they are located and their destination, the more the land for construction is required;
- **Incentive Factors** for the real estate market: the fiscal incentives, real estate investment funds, development of the national roads network, development of logistics centres, reduced taxes and cost of construction materials, sectoral development funds, reduced cost of bank loans, access to utilities, transport and infrastructure at the municipal level and district centres;
- **Monthly salaries** in the field of industrial real estate market: Project manager: 1,000 - 1,500 Eur, Engineer: 800 - 1,000 Eur, Builder: 500 - 900 Eur.

#### FORECASTS AND ESTIMATES:

- There is an **activation of the sale activity** and a reduction of the purchase activity in the context of the increase of the prices and of the conflict in the region. On the rent side, there is a significant increase, also due to the decrease of the investment activity;
- On large industrial and logistics projects there is a break for the initiation of new projects, but for the existing projects, there is growing activity of potential investors. The same for offices, where some IT and BPO companies from Ukraine and Russia intent to emigrate to the Republic of Moldova due to favourable fiscal regime for the activity of IT companies;
- There is a **clear trend towards class A offices**, flexy-office type (e.g. hybrid rental: several times a week), due to the fiscal system, the possibilities of working remotely, reflux of companies from the region (especially Ukraine<sup>69</sup>);
- For existing **industrial projects for automotive and textiles** - things have calmed down. If initially relocation activities were taken into account, at the moment things have resettled, the number of employees in the migrants'

account has increased;

- High demand and anticipation of growth on the **logistics premises** (warehouses for example), due to the growth of online commerce and due to a very large deficit for such spaces. Both the retail (food, non-food) and other players will generate this significant demand for storage space;
- For **greenfield**, there is a tendency to stabilize the prices - based on the presence of some players, the transactions already operated, but also the situation in the region that determined the owners of these lands to reconsider their prices and normalize them
- Also, the local investors have been very active in **real estate investments in Romania** (especially in offices) and have started to take over the good practices from there and things are settling in a healthier and more correct format;
- The current situation of uncertainty and the sale prices in relation to the rent ones do not generate investment offers for **3-5-year projects**;
- Rising **turnkey costs** due to rising prices for construction materials and general inflation trends; Also, the following increases are expected in the next 2-3 years: Industrial sale price: + 30%, Greenfield sale price: + 15%, Industrial rent price: + 10%.

#### INVESTMENT OPTIONS:

##### Offices:

- *First option:* investing in remodelling the existing offices into offices adaptable for hybrid or flexi-office activity. There is the option of property management or as an acquisition of these assets;
- *Second:* Construction of class A offices.

##### Industrial:

- *First option:* capitalize on opportunities still available in Free Economic Zones (FEZ) as described above;
- *Second:* investment in logistics and warehousing premises (due to online commerce development, shortening the supply chain, proximity to the European Union, business relocations from Ukraine etc.);
- *Third:* investments in medium-sized industrial buildings and their location in different localities.
- The options of investment packages for large strategic investors are locally developed. For the creation of those opportunities that would highlight the place of Moldova in the region, as happened with the IT sector (fiscal facilities, institutional ecosystem, etc.)

##### Greenfield:

- The reserve of agricultural lands that can be transformed into construction plots continues to be very large. They can be purchased at a competitive price and capitalized on.

<sup>69</sup> e.g. one major consumer electronics company intent to relocate offices for the southern Ukraine to Chişinău

## WHY TO INVEST:

Geographical location as well the trade agreements with the EU, CIS, Turkey, etc. creates interesting opportunities that transform Moldova into a gateway to the East and the West;

The opportunity and flexibility of cooperating with the central public authorities are more appropriate compared to other players in the area;

High real estate investment potential is emerging in all areas of real estate investing, as local players have limited resource capabilities to realize their full potential; a higher local return on assets vs EU one (up to 15% per year);

The closer approach to EU integration, granting the status of candidate country for accession (expected to be granted in June, 2022);

Competitive labour costs as well multilingual country (Romanian, Russian, English, French), open-minded people, small country that has always been open to the foreign market, export-oriented;

In order to attract investments, top local players implement new working strategies, adopts individual projects, selects the most attractive and advantageous

The potential investors from Ukraine and Russia, becoming residents of the Republic of Moldova, they can continue their activity in a facilitated customs and logistical regime with the business from CIS, obtaining at the same time the opportunity to operate on the European Union market;

Positive experience with IT sector where there is one of the most suitable tax systems in Europe; as well, capital city awarded in 2020 as "The emerging city of the year in SEE" in the field of Business Process Outsourcing & Shared Service Center<sup>70</sup>; as well the significant digitalisation of public services;

Local players, builders and developers, are ready to participate in the effort to attract investment by: Investment calculations for projects, including industrial (in different construction technologies), Visualization of future constructions, Technical consultations in construction, Consultations on technological processes (logistics), Design services

### 1. The ownership

#### 1.1. Land plots

- ✓ in terms of ownership, the private **land plots** record the highest value estimated in 2021 at 1.39 bln Eur, compared to 0.76 bln Eur of land under LPA<sup>72</sup> and Government ownership (public) and only 34.3 mln Eur of those of mixt purpose
- ✓ the share of Chişinău municipality as a location of public lands is 87.3% (representing land estimated at 669.1 mln Eur), followed by Bălţi mun (23.3 mln Eur), Cahul and Soroca (6.3 and 5.7 mln Eur respectively);
- ✓ as per capital districts: although Botanica is the leading holder of public lands by surface (2,561.5 ha), the highest estimated value is recorded in Buiucani (163.2 mln Eur) where only 1,456.5 ha of public land are located;
- ✓ as for **private lands**, the share of capital city in the land fund is less than in the case of public lands (73.7% versus 87.3%), being followed by Bălţi mun. (with land estimated at 52.1 mln Eur), Cahul (28.4 mln Eur) and Comrat (16.3 mln Eur);
- ✓ as per capital districts: Ciocana is the leader by owned surface of the private lands and it locates 580 ha of such land plots, followed by Rascani district (440.8 ha) and Botanica (400.9 ha); meanwhile, the owned estimated value of private lands is mainly concentrated district Centru (131.9 mln Eur) folloved by Rascani (129.6 mln Eur) and Ciocana (111.7 mln Eur);
- ✓ in terms of land plots of mixt ownership (public and private), Chişinău locates 218.5 ha out of the total national of 3,265 ha (or only 6.7%) while other leaders in this respect are represented by Soroca mun. (171.8 ha), Ungheni (51.3 ha) and Bălţi (46.5 ha).

#### 1.2. Constructions

- ✓ in terms of ownership, the private constructions record the highest value estimated in 2021 at over 4.0 bln Eur (4,070 mln Eur), compared to 269.2 mln Eur of constructions owned by LPA and Government ownership (public) and only 7.8 mln Eur of those of mixt purpose
- ✓ the share of Chişinău municipality as a location of **public constructions** is 79.7% (representing constructions estimated at 214.8 mln Eur), followed by Bălţi mun (13.1 mln Eur), Cahul and Comrat (5.5 and 1.7 mln Eur respectively);
- ✓ as per capital districts: the Central district encompasses the highest number of registered public units (2,476) as well constructions with the biggest cumulative estimated value (53.8 mln Eur), followed by Rascani district which locates a value of 53.2 mln Eur of public constructions and Buiucani (52.6 mln Eur);
- ✓ as for **private constructions**, the share of capital city in the total fund is less than in the case of public lands (63.0% versus 79.7%), being followed by Bălţi mun. (with constructions estimated at 259.6 mln Eur), Soroca (62.3 mln Eur) and Cahul (51.6 mln Eur);

<sup>70</sup> [https://invest.govmd/attached\\_files/2021/05/18//BPO\\_Investment\\_profiles\\_catalog.pdf](https://invest.govmd/attached_files/2021/05/18//BPO_Investment_profiles_catalog.pdf)

<sup>71</sup> Own calculations based on data provided by the Cadastre Department of the Public Services Agency (PSA) of the Republic of Moldova

<sup>72</sup> Local Public Authorities

- as per capital districts: the Central district locates constructions estimated at over 500.8 mln Eur, followed by Rascani (352.0 mln Eur) and Buiucani (325.0 mln Eur);
- in terms of constructions of mixt ownership (public and private),
- in terms of land plots of mixt ownership (public and private), Chişinău locates a significant share (32.9% out of the national total or 116 units) representing 5.9 mln Eur as estimated value; the leading district on number of mixt units is the Central one (51 units valued at 742.6 mln Eur) while the leader on the owned value is Buiucani district (2.8 mln Eur);
- at the national level, the municipalities of Soroca, Bălţi and Ungheni are the leader on the owned value of mixt property constructions with 219.5, 2020.5 and 146.4 mln Eur respectively.

## 2. The registered surface

### 2.1. Land plots

- based on table 13 below, one can conclude the area of the registered land plots of construction purpose has gradually evaluated in Chişinău especially in 2021 compared to 2016 period. In this respect, all capital city districts except the Central one, recorded an exponential growth of the registered areas of construction land plots: almost 5 times
- for Rascani and Botanica, 3.8 times for Ciocana and 3.6 times for Buiucani;
- meanwhile, the Chişinău registered area of construction lan plots was 7.4% out of total national in 2021; other leading regions in this respect are mun. Comrat (30.1 ha), Orhei (24.3 ha) and Bălţi (8.9 ha).

**Table 13. Area (ha) of land registered during the years 2011-2021**

Localities	Agricultural			Construction's purpose		
	Total land surface, ha, 2011	Total land surface, ha, 2016	Total land surface, ha, 2021	Total land surface, ha, 2011	Total land surface, ha, 2016	Total land surface, ha, 2021
Mun. Chişinău:	256.2	136.9	105.0	273.6	111.7	171.2
Botanica	-	-	-	44.4	5.5	27.2
Buiucani	-	-	-	12.9	5.7	21.0
Centru	-	-	-	9.1	5.2	4.1
Ciocana	-	-	-	21.1	3.4	13.0
Raşcani	-	-	-	17.6	5.8	29.8
Mun. Bălţi	37.5	23.8	2.4	28.8	24.6	8.9
Mun. Cahul	1.0	0.9	0.2	11.4	2.9	6.7
Mun. Comrat	79.4	338.7	704.2	15.6	11.3	30.1
Mun. Edinet	93.0	3.2	7.6	10.3	6.1	1.5
Mun. Orhei	-	-	-	20.5	12.4	24.3
Mun. Soroca	-	-	-	3.6	3.0	2.8
Mun. Ungheni	-	-	-	8.7	2.5	1.9
<b>Total Country</b>	<b>13,425.2</b>	<b>16,627.7</b>	<b>7,602.4</b>	<b>3,715.5</b>	<b>1,884.3</b>	<b>2,302.7</b>

### 2.2. Industrial constructions

- based on table 15 below as well the data from the Cadastre Department of the Public Services Agency, one can conclude a similar growth of the registered area of industrial buildings in 2021 compared to 2016;
  - for Chişinău, unlike the case with lands where only one sector has not recorded increases in registered areas, in the case of industrial constructions we have a number of Capital city sectors that had reported areas registered in 2021 smaller than in 2016, e.g. Buiucani (6.6 thous. sq.m. in 2021 versus 30.7 thous. sq.m. in 2016), Centru (12.5 versus 15.0);
  - on the other hand, some prominent growth has been shown by properties from Botanica (4.3 times in 2021 compared to 2016), Rascani and Ciocana (2 times growth);
  - for other localities of interest, Cahul, Comrat, Soroca and Ungheni recorded a growth in registered surface with Cahul municipality as a leader (11,623.8 sq.m.) for 2021;
- On separate categories, the following ranking emerged in 2021 based on surface, sq.m. (table 14 below):

**Table 14. The surface of industrial construction in Chişinău and total national, 2021**

Localities	Construction total surface, sq.m., 2021					
	Administrative building	Agro-industrial	Agricultural construction. Agro-industrial	Construction with merged functions	Hydrotechnical construction	Warehouse
Mun. Chişinău	4,936.6	47,935.6	16,724.8	2,445.3	1.1	42,399.1
<b>Total Country</b>	<b>12,713.6</b>	<b>100,641.4</b>	<b>157,318.7</b>	<b>4,227.3</b>	<b>73,487.6</b>	<b>154,568.3</b>

The Capital city encompasses 47.6% of surfaces of national production buildings, 38.5% out of administrative buildings and 27.3% of national warehouse surfaces.



**Table 15. Ground area (sq.m.) of industrial buildings registered during 2011-2021**

Localities	Construction total surface, sq.m., 2011	Construction total surface, sq.ma016	Construction total surface, sq.m., 2021
Mun. Chişinău:	265,212.5	137,564.8	172,593
Botanica	45,754.2	8,813	38,355.9
Buiuani	15,982.6	30,735.5	6,649.6
Centru	17,869.8	15,018.5	12,590.8
Ciocana	62,967.6	17,593	39,433.6
Raşcani	47,159.2	10,774.2	22,217.3
Mun. Bălţi	31,427.4	25,873.0	10,465.4
Mun. Cahul	9,893.3	930.8	11,623.8
Mun. Comrat	17,580.6	5,907.6	9,720.3
Mun. Edinet	9,408.4	2,619.8	837
Mun. Orhei	13,423.0	10,094.1	2,475.5
Mun. Soroca	4,876.8	662.4	779.7
Mun. Ungheni	13,792.7	5,125.9	7,128.3
<b>Total Country</b>	<b>1,577,896.9</b>	<b>893,077.9</b>	<b>838,310.6</b>

### 3. Rental of properties

#### 3.1. Land plots

- based on number of construction land plots registered for rental (table 16 below) one can conclude that national overall number of registered units for rental decreased to 93 units in 2021 compared to 121 in 2011 or 162 in 2016;

- the share of Capital city in the overall rented construction land plots is 26.8% for 2021, meaning an increase from 18.5% in 2016;

- the same dynamic is characteristic for Chişinău districts and almost all analysed municipalities (except Soroca and Comrat).

**Table 16. Number of rented land plots of construction purpose, 2011-2021**

Localities	Construction land plots		
	Number of units, 2011	Number of units, 2016	Number of units, 2021
Mun. Chişinău:	47	30	25
Botanica	8	4	3
Buiuani	3	6	5
Centru	7	2	2
Ciocana	5	3	1
Raşcani	2	1	2
Mun. Bălţi	8	7	5
Mun. Cahul	0	7	2
Mun. Comrat	0	1	1
Mun. Edinet	1	1	0
Mun. Orhei	5	7	0
Mun. Soroca	1	0	1
Mun. Ungheni	1	11	1
<b>Total Country</b>	<b>121</b>	<b>162</b>	<b>93</b>

#### 3.2 Industrial constructions

- based on table 17 below as well the Cadastre's data, it's revealed that national overall number of registered units of industrial construction for rental decreased to 149 units in 2021 compared to 185 in 2011 or 190 in 2016;

- the share of Capital city in the overall rented industrial constructions is 20.1% for 2021, meaning a significant decrease from 37.8% in 2016 and from 46.3% in 2011.

**Table 17. Number of rented units of industrial buildings (construction), 2011-2021**

Localities	Number of leased constructions, 2011	Number of leased constructions, 2016	Number of leased constructions, 2021
Mun. Chişinău:	88	70	30
Botanica	23	15	4
Buiucani	4	6	7
Centru	8	9	1
Ciocana	10	10	9
Rascani	12	3	5
Mun. Bălţi	4	6	1
Mun. Cahul	1	0	2
Mun. Comrat	1	0	4
Mun. Edinet	1	0	1
Mun. Orhei	2	4	0
Mun. Soroca	2	0	0
Mun. Ungheni	2	2	2
<b>Total Country</b>	<b>190</b>	<b>185</b>	<b>149</b>

**3.3. Non-residential premises**

- ▼ based on table 18 below it's revealing that national overall number of registered units of non-residential premises for rental increased to 185 units in 2021 compared to 157 in 2016 or 145 in 2011;
- ▼ non-residential premises is the only one category that increased this number, compared to decreases of industrial building and land plots;
- ▼ the share of Capital city in the overall rented non-residential premises is 56.7% for 2021 (the highest within other real estate categories analysed above), while meaning a decrease from 77.0% in 2016 and 69.6% in 2011.

**Table 18. Number of registered rentals of non-residential premises**

Localities	Number of leased premises, 2011	Number of leased premises, 2016	Number of leased premises, 2021
Mun. Chişinău:	101	121	105
Botanica	27	23	11
Buiucani	18	16	23
Centru	25	33	19
Ciocana	12	10	12
Rascani	16	34	21
Mun. Bălţi	1	5	9
Mun. Cahul	0	3	1
Mun. Comrat	1	3	5
Mun. Edinet	1	0	3
Mun. Orhei	1	1	2
Mun. Soroca	3	3	5
Mun. Ungheni	1	0	2
<b>Total Country</b>	<b>145</b>	<b>157</b>	<b>185</b>

## 4. Average selling price

### 4.1. Land plots

- ▼ average selling price of construction land plots (table 19 below) reached over 818 thous. Eur in 2021 per one hectare in Chişinău or 8.18 thous. eur per one ar (100 sq.m.); it is 3.7 times higher than similar price in 2016, while the national average reached 152.7 thous. Eur per ha in 2021 or 1.9 times higher than similar price in 2016;
- ▼ in Chişinău, Botanica is the most expensive district in this respect, reaching a price of 1.86 mln Eur per ha which is 2.2 times higher than Capital's average price;
- ▼ in Chişinău, construction land prices have risen 2 times faster in the last 5 years (2016-2021) than the national average;
- ▼ Soroca, Orhei and Comrat recorded the highest prices among the analysed municipalities, with Soroca reaching 496.5 thous. Eur per ha.;
- ▼ comparing the official data from the Public Services Agency (PSA) to the prices posted by the biggest real estate agencies on their websites (the research presented above in this Chapter) one can conclude the following:

**Table 19. Compared prices of land plots (PSA-agencies)**

Localities	Average price, thous.Eur/ar (100 sq.m.)		
	PSA data	Real estate agencies	Difference
Chişinău	8.18	24.45	3 times
Bălţi	2.17	3.0	1.3 times
Orhei	4.23	10.0	2.3 times
Cahul	1.39	3.25	2.3 times
Comrat	2.23	2.24	=

- ▼ although the posted ads of the agencies are intended to be offer prices instead of transactional prices as those prices presented by PSA, the significant difference (2-3 times for the prices displayed by the agencies) indicates a decrease in the official declaration of the trading prices registered by PSA.

**Table 20. Average selling price of construction land plots during 2011-2021**

Localities	Average selling price per ha, Eur		
	2011	2016	2021
Mun. Chişinău:	144,434.5	220,882.6	818,091.3
Botanica	1,402,913.8	1,192,394.5	1,865,145.9
Buiucani	730,300.4	1,711,566.1	1,781,444.8
Centru	1,061,862.2	581,578.7	1,620,399.6
Ciocana	380,146.1	347,209.5	531,493.0
Rascani	265,842.9	649,742.4	1,174,816.2
Mun. Bălţi	82,541.5	124,578.4	217,575.1
Mun. Cahul	150,332.3	59,707.7	139,981.2
Mun. Comrat	83,547.1	114,595.0	223,161.5
Mun. Edinet	35,073.6	30,450.3	71,305.7
Mun. Orhei	195,544.3	69,960.9	423,272.7
Mun. Soroca	68,414.5	48,364.5	496,546.9
Mun. Ungheni	82,182.7	208,330.4	172,317.7
<b>Total Country</b>	<b>22,821.4</b>	<b>77,005.9</b>	<b>152,731.6</b>

## 4.2. Industrial constructions

- average selling price of production building (table 21 below) reached 2,281.6 Eur per sq.m. in Chişinău in 2021 compared to 173.6 Eur/sq.m. on national level; it is 14 times higher than similar price in 2016 in Chişinău, while the national average price increased 8.2 times in the same period;
- on the other side, the selling price for warehousing decreased in 2021 compared to 2016 in Chişinău, reaching 81.5 Eur/sq.m. or 3 times higher than national average;
- Ungheni, Comrat and Orhei recorded the highest selling prices for production buildings, with Ungheni and Comrat above the national average (173.6 Eur/sq.m.), with 379.8 and 185.7 Eur/sq.m. respectively;
- on the other hand, Bălţi, Orhei and Comrat recorded the highest selling prices for warehouse facilities, with Bălţi showing the highest national value in this respect (599.5 Eur/sq.m.).

**Table 21. Average selling price of industrial buildings during 2011-2021, Eur per sq.m.**

Localities	Production building			Agriculture purpose			Merged functions			Warehouse		
	2011	2016	2021	2011	2016	2021	2011	2016	2021	2011	2016	2021
Mun. Chişinău:	95.0	161.2	2,281.6	11.8			107.2	22.4	55.1	214.4	139.6	81.5
Botanica	156.2	341.3					248.2			216.4	72.3	329.2
Buiucaeni	377.5	1,389.6	51,759.8							634.0	572.6	545.9
Centru	456.9		170.6					224.6	140.5	1,578.3		
Ciocana	175.8	227.2	364.0							1,248.8	158.6	110.1
Raşcani	421.7	289.7	144.8				823.8			823.4	328.8	178.1
Mun. Bălţi	74.1	17.0	52.2			25.7	13.0	72.6	288.1	247.6	334.8	599.5
Mun. Cahul	19.5	7.6	15.0							237.1		91.1
Mun. Comrat	246.4	412.3	185.7	0.4	2.3					41.4	185.4	280.6
Mun. Edinet			131.4							5.2	66.4	40.6
Mun. Orhei	70.4		143.2				32.4		332.6	65.6	156.7	331.0
Mun. Soroca	5.3	7.4	42.0							156.1	11.6	28.5
Mun. Ungheni	57.4	67.3	379.8							2,613.9		33.7
Total Country	26.1	21.4	173.6	4.5	4.9	8.6	26.2	14.2	33.0	35.5	27.8	26.3

## 5. Top transactions

### 5.1. Construction land plots

Based on **Annex 3<sup>73</sup>**, one can reveal the following key-facts about top 50 transactions with construction land plots in the period 2011-2021:

- Chişinău, Bălţi and Orhei are the most frequent locations of top transactions;
- 12 out of 50 of top transactions happened in 2021 – which is a record for the analysed period;
- in 24 transactions (almost 50% of total) lands with a surface of more than 1 ha were traded; the biggest transaction involved a plot of 18.4 ha (in Chişinău);
- in 26 transactions each traded value was more than 1 mln Eur and in 6 transactions - more than 5 mln Eur each;
- in 2021, construction land transactions were mainly carried out by companies in the energy and fuel distribution sector, banking and trade institutions (with building materials, fruits and vegetables), including construction companies.

### 5.2. Industrial buildings

Based on **Annex 4<sup>74</sup>**, one can reveal the following key-facts about top 50 transactions with industrial buildings in the period 2011-2021:

- Chişinău, Bălţi and Comrat are the most frequent locations of top transactions, accounting for 48 transactions out of top 50;
- 15 top transactions happened in 2015, 9 in 2019 and 8 in 2021; it is the reverse of the situation with land transactions, when top transactions took place in more recent periods;
- the biggest transaction involved a production building (facility) of more than 32.7 thous. sq.m. in Chişinău in 2016;
- in 19 transactions each traded value was more than 2 mln Eur and in 31 transactions - more than 1 mln Eur each;
- in 2021, the transactions with industrial constructions were mainly carried out by companies in the energy and fuel distribution sector, grain traders while in the period 2019-2020 the transactions are carried out by the companies trading construction materials and by the real estate developers.

### 5.3. Non-residential premises

The following key-facts about transactions with non-residential premises in the period 2011-2021 are revealed:

- Chişinău, Bălţi, Ungheni and Soroca are the most frequent locations of transactions, accounting for 25 transactions out of 26 recorded;
- 8 transactions happened in 2020, 6 in 2015, 5 in 2019; it is the reverse of the situation with land transactions, when top transactions took place in more recent periods;
- the biggest transaction involved premises of more than 7.8 thous. sq.m. in Chişinău in 2015;
- in 14 transactions (out of total 26) each traded value was more than 1 mln Eur;
- in the period 2015-2021, transactions with non-residential premises were mainly carried out by real estate agencies and developers, trade and retail companies, as well as by individuals.

<sup>73</sup>m.p. refer to sq.m.

<sup>74</sup>ibidem

## BASIC FEATURES OF TRANSACTIONS

### A. TIMELINE (2019-2021)

#### 2021

- in 2021, the largest transaction, based on value, was an administrative building, located in Chisinau, with an area of 456.6 sq.m. worth 2.6 mil Eur (price per sq.m. equals 5,860 Eur), traded by a company with the domain of activity "Wholesale of raw agricultural products";
- out of the top 20 transactions for 2021, 7 construction plots were traded, with a total value of EUR 8.7 million, 3 administrative buildings - Eur 5.5 mil, 3 warehouses - Eur 2.4 mil, the rest being various constructions;
- 5 transactions from the top 20 were made by a company in the field of "Manufacture of milling products";
- 4 transactions from the top 20 were made by a company with the field of activity "Wholesale of solid, liquid and gaseous fuels and derived products";
- 3 transactions from the top 20 were made by a company with the field of activity "Wholesale of raw agricultural products";
- out of the top 20 transactions in 2021, most have been traded in Orhei municipality - 7, followed by Bălți and Comrat with 4 transactions each.

#### 2020

- in 2020, the largest transaction, based on value, was a construction land plot, located in Chișinău, with an area of 5.6208 ha worth 11.6 mil Eur, traded by the State of the Republic of Moldova;
- out of the top 20 transactions in 2020, 7 construction plots were traded, with a total value of Eur 16.8 mil, 3 warehouses - Eur 2.4 mil, the others being various constructions and premises;
- 7 transactions from the top 20 were made by a company in the field "Wholesale of cereals, seeds, fodder and unprocessed tobacco";
- 3 transactions from the top 20 were made by a company in the field of "Renting and operating of own or rented real estate";
- out of the top 20 transactions for 2020, most have been traded in Soroca municipality - 9, followed by Chișinău with 4 transactions and Bălți and Orhei municipalities with 3 transactions each.

#### 2019

- in 2019, the largest transaction, based on value, was a building with merged functions, located in Chisinau, with an area of 10,943.7 sq.m. in the amount of EUR 12.9 million (price per sq.m. equals Eur 1,185), traded by one of the largest real estate developers operating locally;
- out of the top 20 transactions for 2019, 6 construction plots were traded, with a total value of Eur 8.7 mil, 5 warehouses - Eur 5.9 mil, and the rest - various buildings;
- 7 transactions from the top 20 were made by a company in the field of "Manufacture of milling products";
- 4 transactions were made by a company in the field of "Road and highway construction works";
- out of the top 20 transactions for 2019, most have been traded in Soroca municipality - 9, followed by Bălți with 5 transactions and Chișinău with 3 transactions.

## B. PROPERTY TRACKING

In terms of transactions, it was important to present some cases on objects were traded, by showing the respective transaction characteristics. In this respect, a couple of examples are presented below in transaction sheets:

### Case 1. Example, 2021



2021

As a unitary object, in 5 transactions Seller: manufacture of milling products	
<ul style="list-style-type: none"> <li>Greenfield</li> <li>mun. Orhei, str. Drumul Taberei 6</li> <li>1,2838 ha</li> <li>550+ thous EUR transaction value</li> </ul>	<b>440+</b> thous EUR/ha
<ul style="list-style-type: none"> <li>Garage</li> <li>mun. Orhei, str. Drumul Taberei 6</li> <li>279,3 sq.m.</li> <li>550+ thous EUR transaction value</li> </ul>	<b>2,000</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Construction with merged functions</li> <li>mun. Orhei, str. Drumul Taberei 6</li> <li>1602,3 sq.m.</li> <li>550+ thous EUR transaction value</li> </ul>	<b>350</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Building</li> <li>mun. Orhei, str. Drumul Taberei 6</li> <li>231,3 sq.m.</li> <li>550+ thous EUR transaction value</li> </ul>	<b>2,400+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Warehouse</li> <li>mun. Orhei, str. Drumul Taberei 6</li> <li>451,4 sq.m.</li> <li>550+ thous EUR transaction value</li> </ul>	<b>1,200+</b> EUR/sq.m.

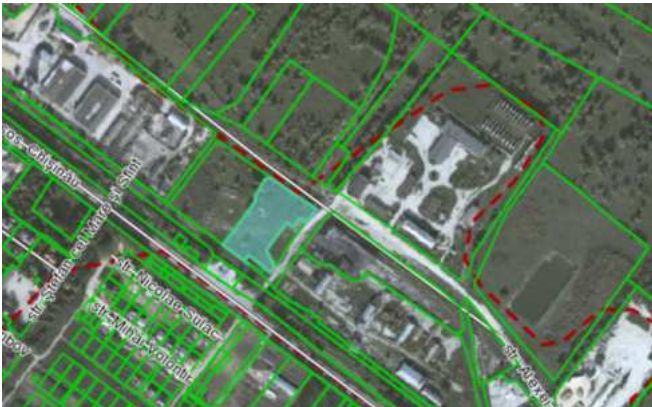
### Case 2. Example, 2020



2020

As a unitary object, in 7 transactions Seller: Wholesale of cereals, seeds, fodder and unprocessed tobacco	
<ul style="list-style-type: none"> <li>Greenfield</li> <li>mun. Soroca, str. F. Budde 34</li> <li>0,9311 ha</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>430+</b> thous EUR/ha
<ul style="list-style-type: none"> <li>Attachment construction</li> <li>mun. Soroca, str. F. Budde 34</li> <li>149,9 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>2,600+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Production building</li> <li>mun. Soroca, str. F. Budde 34</li> <li>221,2 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>1,800+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Building</li> <li>mun. Soroca, str. F. Budde 34</li> <li>249,7 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>1,600+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Building</li> <li>mun. Soroca, str. F. Budde 34</li> <li>242,2 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>1,600+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Building</li> <li>mun. Soroca, str. F. Budde 34</li> <li>242,2 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>1,600+</b> EUR/sq.m.
<ul style="list-style-type: none"> <li>Warehouse</li> <li>mun. Soroca, str. F. Budde 34</li> <li>897,8 sq.m.</li> <li><b>400+</b> thous EUR transaction value</li> </ul>	<b>450</b> EUR/sq.m.

Case 3. Example, 2018



2018

<p>As a unitary object, in 3 transactions</p> <p><b>Seller:</b> Renting and operating of own or rented real estate</p> <p><b>Current owner:</b> a group of companies dealing with agricultural supplies trade</p>	
<ul style="list-style-type: none"> <li>• Building</li> <li>• Or. Strășeni, șos. Chișinău 16</li> <li>• 134,7 sq.m.</li> <li>• <b>550+</b> thous EUR transaction value</li> </ul>	<p><b>4,200+</b> EUR/sq.m.</p>
<ul style="list-style-type: none"> <li>• Garage</li> <li>• Or. Strășeni, șos. Chișinău 16</li> <li>• 766,1 sq.m.</li> <li>• <b>550+</b> thous EUR transaction value</li> </ul>	<p><b>740+</b> EUR/sq.m.</p>
<ul style="list-style-type: none"> <li>• Greenfield</li> <li>• Or. Strășeni, șos. Chișinău 16</li> <li>• 0,801 ha</li> <li>• <b>550+</b> thous EUR transaction value</li> </ul>	<p><b>700+</b> thous EUR/ha</p>

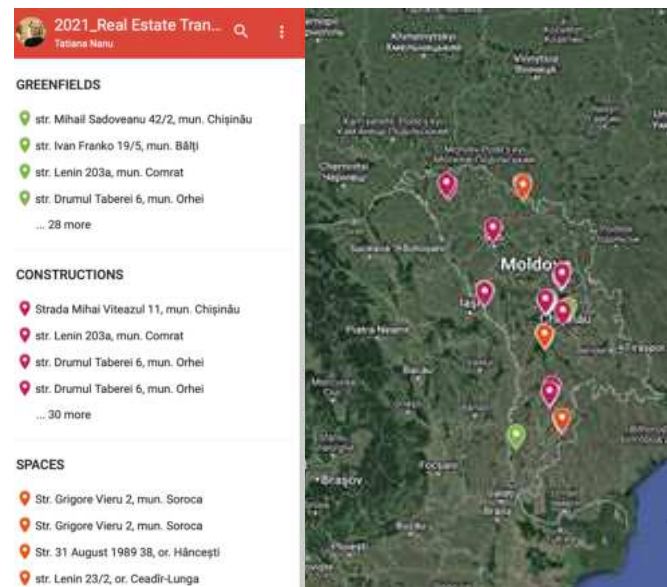


Further, in order to facilitate the visualization of transactions, three maps were made, one for each year, respectively 2019<sup>75</sup>, 2020<sup>76</sup> and 2021<sup>77</sup>. The maps highlight the top transactions of this period and allow the location and detailing of transactions by type of traded object (marked in different colours on the map: greenfield, constructions, premises), the transaction value, the seller, etc.

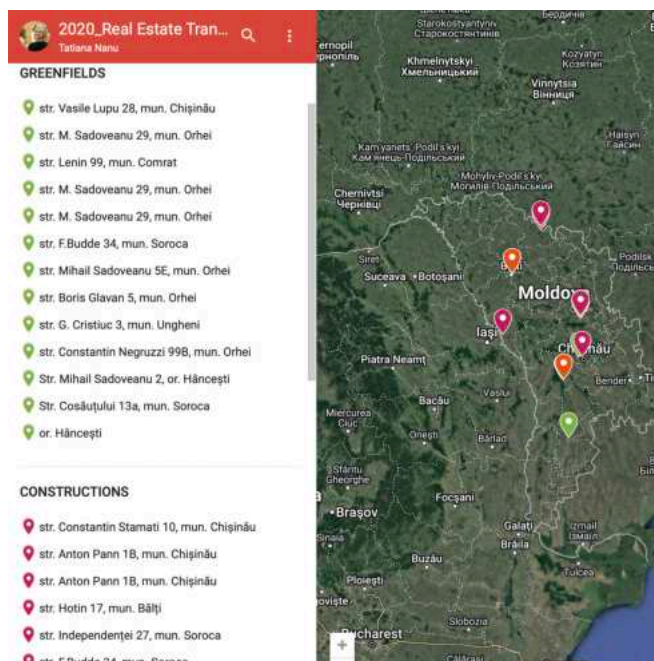
The maps are created in Google Maps and can be viewed by accessing their link on footnotes.

The maps look like:

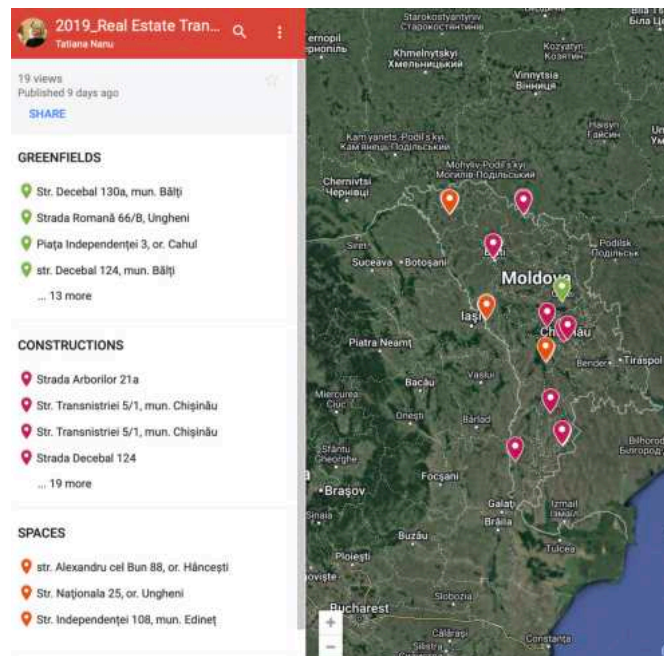
Map 2. Top real estate transactions in 2021



Map 3. Top real estate transactions in 2020



Map 4. Top real estate transactions in 2019



<sup>75</sup> <https://www.google.com/maps/d/u/0/viewer?mid=1M13AAI9IwetH1e-SCZ-IUyviZ9QsoTKd&ll=47.00922128816734%2C30.92889530312501&z=7>

<sup>76</sup> <https://www.google.com/maps/d/u/0/viewer?mid=18g5wSDqWY3t-nhquzN-IPR-K4IUhsWOLM&ll=47.039029224945374%2C30.9239313578125&z=7>

<sup>77</sup> <https://www.google.com/maps/d/u/0/viewer?mid=1sDmOTp2POZ8cH1H1bO5e-mQatE6wwExa&ll=46.85646053082433%2C30.337011851562472&z=7>



## 5. COMPARABLE ANALYSIS OF THE REGION

For a better understanding of the regional context, a comparative analysis was conducted, implying the Republic of Moldova and the countries in the region.

### Outline 1. The regional market practices in real estate

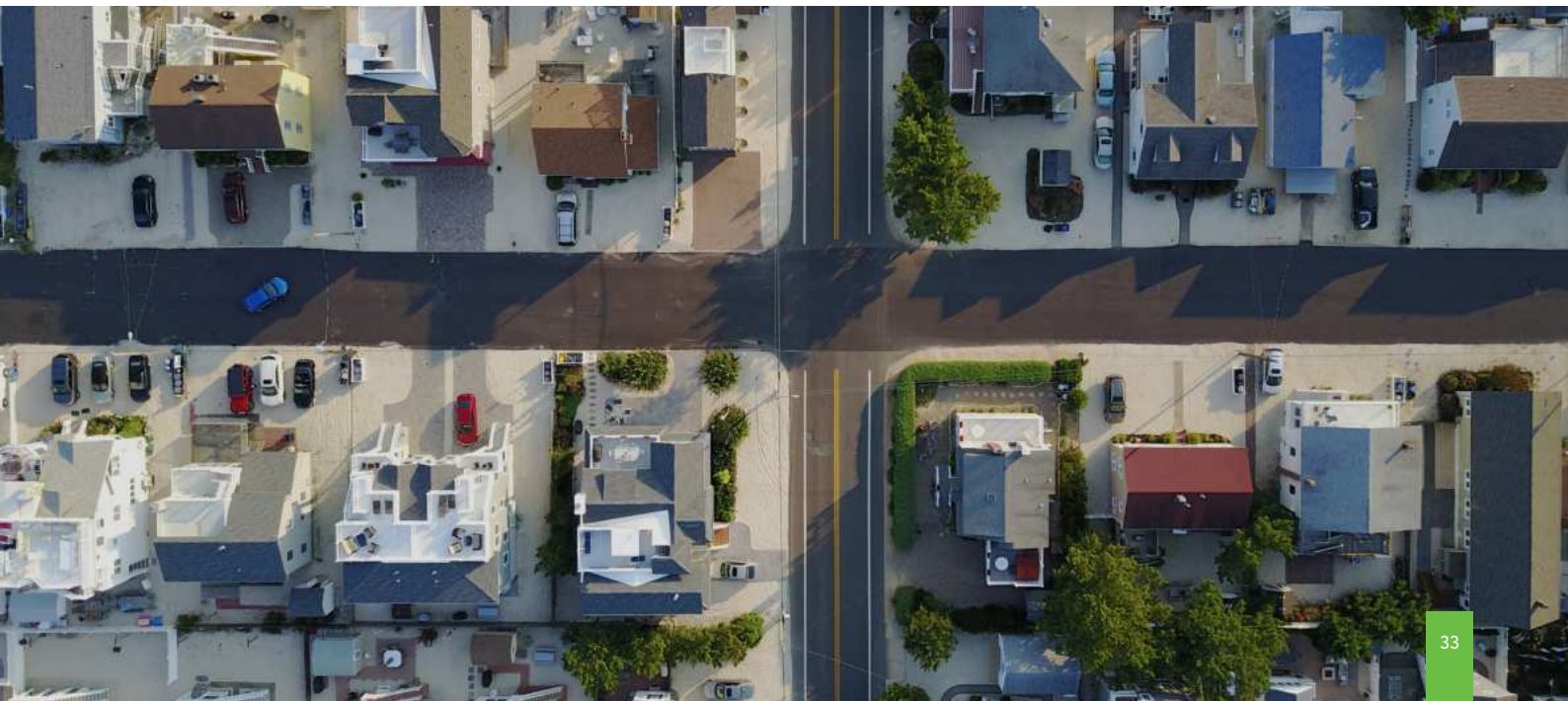
MARKET PRACTICE	Republic of Moldova	Romania	Bulgaria	Serbia	Ukraine <sup>78</sup>
<b>OFFICES:</b>					
<b>Lease Duration</b>	In new office buildings 3-5 years on average, minimum 1 year	5 to 7 years. Anchor tenants sign pre-lease agreements for 10 years unbreakable	In new office buildings range from 3 to 5 years	In new office buildings range from 3 to 5 years	Varies from 3-5 years, depending on the size of the occupier, building quality, market stage, lease terms
<b>Rent Payment</b>	Normally, the payment of the commission is 1 month of rent, sometimes 2 months of rent - depending on the contractual conditions and the term of the rental period. For A class offices the rent is mainly adjusted annually according to the HICP index	In advance monthly or quarterly			A typical ratio of carpetable area to rentable area in a Class A building in Kyiv is 84-90%. Rent Quoted: typically, in USD per sq.m. per month, rarely in EUR. For inferior quality premises and short-term leases (1-3 year and under), rent denomination in Ukrainian Hryvnia (UAH) may be negotiated but only for non-professional buildings in case of reputable tenant and for a short period. Sometimes the exchange rates are set with a cap in lease agreement.  Rent Quoted: typically, in USD per sq.m. per month, rarely in EUR
<b>Service Charges</b>	Services: electricity, gas, water - expenses incurred by the tenant, maintenance, cleaning - on average 2.5 - 4.0 (A class office) Eur / sq.m. / month. Conditions differ from case to case	A - Class building in Bucharest ranges between EUR 3.0 and 4.5 / sq.m. / month	Include utilities, security, cleaning of common areas, taxes, insurance and all other maintenance and operational costs of the building and common areas		Typical service charges level for Class A buildings in Kyiv varies between
<b>Car Parking</b>	Car parks are very limited, and in most cases, office owners do not offer parking spaces or are offered for a fee starting with 30-50 Eur / month / per place. There are other forms of allocation, for example when renting at least 3 places for rent per floor or 1 parking per 100 sq.m. of rented space of office	EUR 60 - 120 in Bucharest	In general, the ratio is 1 per 75 sq.m. of leased office space		The tenant pays for secured parking in addition to the rent: typically, USD 100-350 per Month per place, depending on the location and whether it is a garage or surface parking space. Parking spaces are allocated according to a parking ratio. Buildings usually offer one space per 100-200 sq.m. in prime CBD district, one per 100-150 sq.m. in secondary central locations and one per 50-100 sq.m. in non-central areas
<b>Add-on Factor</b>	Included in service taxes	In Bucharest are in the range of 5-12%	As a percentage of the space added to the net rentable area. These include lift lobbies, ground floor lobby, toilets available for all tenants and guests	Calculated as a percentage of the space added to the net rentable area. These include lift lobbies, ground floor lobby, toilets available for all tenants and guests, rest areas and corridors	
<b>Security Deposit</b>	The guarantee is worth 1-2 months of rent, on a case-by-case basis, depending on the contractual conditions.	Deposit equal to 3 months' worth of rent	Bank guarantee letter or deposit equal to 3 months' worth of rent		Up to 3 months' rent (mostly, 1-2 months), bank guarantees are rare, bank guarantee in the same amount is quite rare. These amounts normally apply for tenants of all kinds including strong credit tenants and start-up companies
<b>Fit-out Contribution</b>	The arrangement contributions are largely borne by the owner	Subject to negotiation with tenants			Most recent developments are delivered in shell & core condition. For shell & core fit out, the additional tenant's improvements, in case of an international corporation, typically vary in the vicinity of \$400-450/sq.m., however may reach up to USD 1,000 per sq.m. for a top-notch design and/or highly sophisticated IT. It is common practice now that the tenant covers all further expenses themselves due to the shortage of supply

<sup>78</sup> The data for Ukraine have been collected prior the military conflict in this country, which started in February 2022

MARKET PRACTICE	Republic of Moldova	Romania	Bulgaria	Serbia	Ukraine <sup>28</sup>
<b>Rent-free Periods</b>	Negotiable when signing the contract, but no discount is practiced every year, mostly at the beginning of signing the contract. There are grace periods - periods when repairs take place.	Granted as 1 month rent free per each contractual year	Granted as 1 month rent free per each contractual year, depending on the lease length		As a general practice, when lease is renegotiated, only rates are changes, while other terms remain the same.
<b>Reinstatement</b>	The tenant returns the space as it was received, with a reasonable wear limit	Tenants usually have reinstatement obligations related to their premises		Tenants usually have reinstatement obligations related to their premises to their original hand-over with normal wear and tear being acceptable by the Landlord	Tenants rarely have to restore the premises. The landlord usually accepts previously approved layout with normal wear and tear
<b>INDUSTRIAL:</b>					
<b>Lease Duration</b>	New buildings - 5 years, old buildings - 3 years	3 years in existing buildings; 5 years for newly constructed buildings in established parks and 7 to 10 years for build to suit (BTS) projects			Leases can be set for a fixed term which is 3 years in existing buildings; 5-10 years for newly constructed buildings in established parks and 7 to 10 years for build to suit (BTS) projects.
<b>Rent Payment</b>	Rent payment - monthly advance payment. Annual adjustment. Sometimes 2 months of rent - depending on the contractual conditions and the term of the rental period.	Payable in RON in advance monthly or quarterly	Payable in advance monthly or quarterly		Usually rent is quoted net in UAH or USD or EURO and payable in RON in advance monthly or quarterly. VAT of 20% is payable on rents and sales in transactions between companies. Rents are subject to annual indexation: for UAH Ukraine CPI
<b>Effective Rent</b>	4.0-5.5 Eur / sq.m, depending on the surface	Average rent accounted over entire lease period, including financial incentives provided to tenant by landlord			
<b>Service Charges</b>	Is supported by owners or varies between 0.5 - 1 Eur /sq.m.	Include security of park - common areas, property taxes, property insurance (excl. tenant internal area), property management, maintenance and repairs, landscaping / site cleaning, snow removal, on-site personnel. Service charges are more often quoted in EUR, as net plus VAT and are based on 'open book principle', reconciled annually			Service charges are quoted in UAH, USD, EUR, as net plus 20% VAT and are based on 'open book principle', reconciled annually.
<b>Lease Security</b>	Often - worth 1 month's rent, depending on the terms of the contract. Sometimes it is practiced for 2 months' rent (first month and last).	Bank guarantee (common) or deposit (rare), equal to 3 - 6 months' rent + service charges + VAT			
<b>Insurance</b>	Usually, the insurance is included in the rent payment	Liability insurance, insurance for own installations and owned equipment - covered by tenant			
<b>Repairs</b>	The internal ones are borne by the tenant, of the structure - the owner, reimbursed by the service fee	Internal - tenant Structural and common areas - landlord, recovered via service charges			
<b>Tenant Incentives</b>	In general, it's not applied, but sometimes grace periods are in place - periods in which repair takes place.  A market leader (developer and constructor) offers a free month for the location of the machines and the adjustment of technological processes	Rent-free periods			
<b>Modern Warehouse Building Standard</b>	Modern Warehouse Building Standard	Modern Warehouse Building Standard			Modern Warehouse Building Standard
<b>GREENFIELD:</b>					
<b>Real Estate Acquisition</b>	<i>Notary fee:</i> 0.5% up to 800 thousand lei (40 thousand Eur) 0.2% if the amount is between 800 thousand and 1 mil lei (50 thousand Eur) 0.1% if the amount exceeds 1 mil lei <i>State tax:</i> 0.5% of the amount of the sales contract	Transfer to companies: 0.5% of the property's value. Transfer to individuals: 0.15% of the property's value	The real estate transfer tax rate varies from 0.1% to 3% (depending on the relevant municipality)	The basis of assessment is the agreed sales price, which may be reassessed by the tax authorities if it is below the market value. A tax rate of 2.5% is applicable	If the seller is an individual-resident of Ukraine, 5% PI tax + 1.5% military tax will apply to the income received. If the seller is an individual non-resident of Ukraine, 18% PI tax + 1.5% military tax will apply to the income received.

MARKET PRACTICE	Republic of Moldova	Romania	Bulgaria	Serbia	Ukraine <sup>78</sup>
<b>Share Deal - Interest on debt financing of acquisitions</b>	Interest is charged on the generation of non-taxable income	Under Romanian law, expenses which are linked to non-taxable income are non-deductible	A real estate transfer tax is not applicable	-	
<b>Income tax</b>	Income tax: 12% legal entity, 12% natural person.  Note: If the Legal entity buys from the Natural person, the Legal Entity will have to withhold 7% of the cost of the property and transfer these funds to the public budget as an advance payment for the tax on the capital increase of the Natural person	Sale of immovable property by legal entities: 16% CIT is applicable to the taxable gain Sale of real estate properties by individuals: 3% income tax on the revenue exceeding RON 450,000 (revenue below this limit is non-taxable, approx. EUR 95,000)	The capital gain of companies is subject to a CIT rate of 10%, whereas a sale by private persons is subject to 10% income tax (with exceptions)	Taxation of legal entities: 15% CIT on capital gain in case the seller is a resident company (capital gains could be offset with capital losses) 20% CIT on capital gain in case the seller is a non-resident company	Corporate rights are treated as investment assets in Ukrainian tax system. Legal entities as well as individuals are generally subject to 18% IT +1.5% military tax in share deals. Tax base is investment income which is calculated as income from sale of investment asset minus cost of investment asset.
<b>VAT</b>	VAT 20% (Free Economic Zone – FEZ - 0%)	The sale of new real estate property and land suitable for real estate property is subject to VAT	The sale of real estate is basically subject to 20% VAT. Furthermore, exceptions for the sale of non-regulated land and old real estate (over 60 months) are applicable	The first transfer of buildings and economically separable units used for business purposes (e.g., office spaces) is subject to 20% VAT. The first transfer of residential buildings (and such economically separable units) is subject to 10% VAT	The sale of real estate is subject to VAT (20%) if the seller is registered as VAT-payer while land transactions are VAT-exempt
<b>Share Deal – Income Tax</b>	12% income tax	Legal entities are subject to 16% CIT. Exception: If the seller holds at least 10% of the shares for an uninterrupted period of at least 1 year, the capital gains are exempt from tax under certain conditions	A capital gain from the sale of a domestic company (LTD, JSC) or a partnership with real estate in Bulgaria is subject to 10% CIT in Bulgaria if the double taxation treaty does not provide a different treatment	15% CIT on capital gain in case the seller is a resident company (capital gains could be offset with capital losses).	Residential real estate is income tax exempt if it is the only sale within a tax reporting year and the property has been owned for 3+years
<b>TAXES &amp; LEGAL:</b>					
<b>The preferred local legal forms</b>	The preferred local legal forms are limited liability companies (SRL)	The preferred local legal forms are limited liability companies (SRL) and joint-stock companies (SA)	The preferred local legal form is the corporation (LTD or JSC). The corporation is treated as non-transparent for tax purposes and is subject to 10% CIT	The preferred local legal form is the limited liability company (d.o.o.). This legal form is treated as non-transparent for tax purposes. Also, partnerships (o.d., k.d) are treated as non-transparent for tax purposes. However, they are rarely used as legal forms	
<b>Taxation regime</b>	12% tax	The corporate income tax rate in Romania amounts to 16%.	In Bulgaria the corporate income tax rate amounts to 10%.	The corporate income tax rate in Serbia amounts to 15% (flat rate). A withholding tax of 10% is levied on employment income (flat rates from 10% to 20% for other income categories).	The rate of real estate tax is conditional and depends on the decision of local. The maximum rate is 1.5% of the official minimum salary (in 2021 this is 6000 UAH, 1.5% is 90 UAH) per meter. Residential is subject to certain exemptions: taxable is the area above 60 sq.m. of an apartment and above 120 sq.m. of a private house

Further, the **Annex 5** describes in details the regional mapping of the real estate markets



# 6. PERMISSIVE ACTS AND SECTORIAL INCENTIVES

## CONTEXT AND REGULATIONS

### OVERVIEW OF RELEVANT PERMISSIVE ACTS AND STAKEHOLDERS

In the Republic of Moldova, the legal framework that establishes the regulatory principles, the way of authorization, approval and verification of works of design, execution or demolition of constructions and arrangements in accordance with urban planning and spatial planning documentation by applying the system of normative documents in constructions in the purpose of ensuring transparency and publicity in the issuance of administrative acts is governed by the following laws:

1. Law no. 163 of 09.07.2010 regarding the authorization of the execution of construction works;
2. Law no. 835 of 17.05.1996 on the principles of urbanism and spatial planning;
3. Law no. 1350 of 02.11.2000 regarding the architectural activity;
4. Law no. 1530 of 22.06.1993 on the protection of monuments;
5. Law no. 218 of 17.09.2010 on the protection of the archaeological heritage;
6. Law no. 86 of 29.05.2014 regarding the environmental impact assessment.

In addition, the above-mentioned legislation is supplemented by acts subordinated to the law such as Government Decisions, orders and instructions of public authorities.

The system of issuing permissive documents in the Republic of Moldova involves the interaction of several public authorities and according to the general rule they are issued by the executive body of the local public authority (City Hall) of the locality where the building is to be built.

The legislation in force distinguishes the following types of permissive acts in the field of construction:

- ✓ Urbanism certificate (which can be informative or for design);
- ✓ Building permit;
- ✓ Demolition permit (in case a new building is to be erected instead of an existing one).

The executive authority of the local public authority in the process of issuing permits in construction, depending on the particular cases, may request from other specialized authorities some specialized opinions, such as:

- ✓ network connection notice;
- ✓ the sanitary approval, in the cases established by law;
- ✓ the approval granted by the state supervision body of the fire protection measures jointly with the General Inspectorate for Emergency Situations of the MIA, in the cases established by law;

- ✓ the opinion of the state ecological expertise, in the cases established by law, unless the applicant has obtained the environmental agreement according to Law no. 86/2014 on environmental impact assessment;
- ✓ the approval (technical prescription) of the road administrator, in case of location of the building (object) in the protection area of the public road.

It should be noted that all these documents (notices) related to the process of issuing permits in construction are required and are issued only to the issuer (City Hall) and not to the beneficiary of the permit.

### Urbanism certificate types

*Informative urbanism certificate* - optional act, issued by the executive authority of the local public administration, which makes known to the applicant (beneficiary) the elements that characterize the legal, technical and architectural-urbanistic regime of a building / land, established by the documentation urbanism and landscaping, necessary in case of sale-purchase, lease, dismantling, parcelling, merging, sharing, inheritance of land intended for construction or building in which reconstruction works are expected, as well as in case of property disputes.

### The content of the certificate of informative urbanism

The certificate of informative urbanism will include elements regarding:

- a. the legal regime of the building / land, with reference to:
  - ✓ location of the building / land in the built-up area or outside the built-up area;
  - ✓ the property right over the building / land and the easements that encumber it;
  - ✓ extracts from urban planning and spatial planning documentation or related regulations, which establish a special regime on the building / land (protected areas, temporary or permanent construction bans, areas declared of public interest, architectural monuments, etc.);
  - ✓ the monument status of the building or of the built area;
- b. the technical regime of the building / land, with reference to the municipal networks;
- c. the architectural-urbanistic regime, with reference to:
  - ✓ the destination of the building / land, established by the urban planning and landscaping documentation;
  - ✓ the percentage of land occupation (P.O.T.);
  - ✓ land use coefficient (C.U.T).

Urbanism certificate for design - regulatory act, issued by the executive authority of the local public administration, which makes known to the applicant (beneficiary) the prescriptions and elements that characterize the legal, economic, technical and architectural-urban regime of a building / land, established by the urban planning and landscaping documentation, and which allows the elaboration of the project documentation.

### Content of the urbanism planning certificate

The urban planning certificate for design will include prescriptions and elements regarding:

- a. the legal regime of the building / land, with reference to:
  - ✓ location of the land inside or outside the town;
  - ✓ the property right over the building / land and the easements that encumber it;
  - ✓ extracts from urban planning and landscaping documentation or related regulations, which establish a special regime on the building / land (protected areas, temporary or permanent construction bans, areas declared of public interest, architectural monuments, etc.);
  - ✓ the status of monument of the building or of the built area in which the design is requested;
- b. the economic regime of the building / land, with reference to:
  - ✓ current use;
  - ✓ the tax regulations specific to the respective locality or area;

### The issuer (City Hall) will attach to the urbanism certificate for projecting works:

- ✓ the location plan of the building / land, indicating its dimensions / boundaries according to the construction regulations, approved by order of the Ministry of Economy and Infrastructure;
- ✓ the sanitary approval, in the cases established by law;
- ✓ the approval granted by the state supervision body of the fire protection measures jointly with the General Inspectorate for Emergency Situations of the MIA, in the cases established by law;
- ✓ the opinion of the state ecological expertise, in the cases established by law, unless the applicant has obtained the environmental agreement according to Law no. 86/2014 on environmental impact assessment;
- ✓ the approval (technical prescription) of the road administrator, in case of location of the building (object) in the protection area of the public road.

### Deadlines for issuing and validating town planning certificates

The informative urbanism certificate is elaborated and issued within 20 working days from the date of registration of the application and is valid for 6 months.

The design planning certificate shall be drawn up and issued to the applicant (beneficiary) within 20 working days from the date of registration of the application or shall not exceed 30 working days in case of issuing the design planning certificate

- c. the technical regime of the building / land, with reference to:
  - ✓ equipping with municipal networks;
  - ✓ the geotechnical characteristic of the land;
  - ✓ related works of public interest necessary for the operation of the object;
  - ✓ constructions or municipal networks subject to demolition or relocation from the dangerous area of the construction site;
- d. the architectural-urbanistic regime, with reference to:
  - ✓ the destination of the building / land, established by the urban planning and landscaping documentation;
  - ✓ expected construction capacity;
  - ✓ the dimensions and surfaces of the plots;
  - ✓ alignment of land and buildings with adjacent streets and distances between buildings and neighbouring properties;
  - ✓ construction height;
  - ✓ construction aspect (architectural expressiveness, compositional balance, finishes, etc.);
  - ✓ pedestrian and motor vehicle traffic, necessary accesses and parking lots;
  - ✓ the percentage of land occupation (P.O.T.);
  - ✓ land use coefficient (C.U.T.);
  - ✓ the need to submit the project outline for approval.

for buildings / land located in the areas with a special regime.

The term of validity of the urbanism certificate for design represents the duration of the elaboration of the project documentation, which cannot exceed 24 months from the date of issuance of the certificate. At the request of the holder, the term of validity of the design certificate may be extended once for up to 12 months period.

### Building permit

The building permit is issued by the mayor of the administrative-territorial unit based on the owner's request indicating the location of the building / land, within 30 working days from the date of its registration. The following documents shall be attached to the request:

- a. the notarized agreement of the co-owners of the building / land whose interests may be directly affected in the process of execution of the construction works and during the operation of the constructed object;
- b. the urbanism certificate for design or the ascertaining certificate, in case of application of the principle of tacit approval;
- c. the extract from the project documentation, including the explanatory memorandum, the general plan (situation plan, tracing plan), the facades, the chromatic solutions, the project for organizing the execution of the construction works. For the authorization of the technical-urban infrastructure works, the facades and the chromatic solutions are not presented in the extract of the project documentation;

- d. the unique report for the verification of the project documentation for construction, elaborated according to the regulation approved by the Government;
- e. the identity card (in the case of the natural person) or the registration certificate (in the case of the legal person);
- f. the contract on copyright supervision, signed by the applicant (beneficiary) and the designer;
- g. extract from the minutes of the meeting of the National Council of Historical Monuments attached to the Ministry of Education, Culture and Research regarding the positive endorsement of the execution project, in case of designing interventions at history, art or architecture monuments or built areas registered monuments of the Republic of Moldova protected by the state;
- h. the archaeological discharge certificate, in the cases provided in art. 6 para. (2) and (3) of Law no. 218/2010 on the protection of the archaeological heritage;
- i. the environmental agreement, if it is necessary to carry out the environmental impact assessment and if, from the characteristics of the planned building, it is obvious that it will carry out activities provided by Law no. 86/2014 on environmental impact assessment.

### Demolition authorization

The demolition authorization is issued by the mayor of the administrative-territorial unit based on the beneficiary's request, indicating the location of the building / land, within 10 working days from the date of its registration. The following documents shall be attached to the request:

- j. the project for organizing the execution of the demolition works;
- k. the identity card (for natural person) or the registration certificate (for legal person);
- l. technical expertise, in case of partial demolition of the building;
- m. the notarized agreement of the co-owners of the building / land, whose interests may be directly affected in the process of executing the works of total or partial demolition of the building.
- n. the positive opinion of the Ministry of Education, Culture and Research, in the case of monuments of history, art and architecture or of objects located in built-up areas registered in the Register of monuments of the Republic of Moldova protected by the state;
- o. In case of location of the building (object) in the protection zone of the public road, the issuer will request from the road administrator the dissolution agreement, which is issued under the conditions of the Road Law no. 509/1995, within maximum 20 working days.

### Content of the demolition authorization

The revocation authorization shall contain data about:

- p. the location of the building subject to demolition;
- q. the special conditions for the execution of the abolition works;
- r. the project bureau;

- s. the term for starting the demolition works;
- t. the duration of the execution of the demolition works.

## Obligations of the applicant and obligations of the issuer of the building / demolition permit

### Obligations of the applicant (beneficiary)

The applicant (beneficiary) of the building / demolition permit is obliged, within 10 working days until the start of the authorized works, to inform the Technical Surveillance Agency, the National Archaeological Agency, in case of protected archaeological sites and their protection areas, as well as the Agency of Inspection and Restoration of Monuments, in the case of monuments of history, art and architecture or of objects located in built-up areas registered in the Register of monuments of the Republic of Moldova protected by the state, by submitting the declaration.

### Obligations of the issuer (City Hall)

The issuer has the following obligations:

- a. establishing and keeping separate registers of town planning certificates, building / demolition permits issued and refusals to issue certificates and permits, which include the date of receipt of documents and the date of issuance of the respective administrative act to the applicant (beneficiary), including placing them on the official website of the issuer;
- b. the unconditional issuance of the ascertaining certificate to the applicant (beneficiary);
- c. ensuring the interaction of its subdivisions in order to obtain the necessary documentation without the involvement of the applicant (beneficiary);
- d. ensuring public access to the registers of town planning certificates and building / demolition permits issued.

### Payment for the issuance of the town planning certificate and the building / demolition permit

For the issuance of the planning certificate or informative planning certificate, the applicant (beneficiary) will pay the payment established annually by the decision of the local council which will not exceed 50 MDL, and for issuing the building / demolition permit, the applicant (beneficiary) will pay the payment established annually by the decision of the local council which will not exceed the amount of 100 MDL.

No payment is made for the extension of the term of validity of the urbanism planning certificate and the building / demolition permit.

### Liability for violation of the legislation on the authorization of the execution of construction works

Constructions executed in the absence or in violation of the building permit / project documentation, or in the absence of the ascertaining certificate confirming the application of the principle of tacit approval are considered unauthorized constructions.

Violation of the provisions of this law entails the contravention or criminal liability.

### The tacit approval mechanism

The documents issued for the purpose of authorizing the execution of construction works, provided in art. 3, 12 and 17 of Law 163/2010 fall under the principle of tacit approval in case the issuer exceeds the deadlines established by law for issuing, extending, repeating the permissive act and in the absence of a written communication regarding the refusal to issue the act.

Applicants (beneficiaries) who have not obtained within the term established by law one of the acts provided in paragraph (1) of this article or the official refusal to issue this act are entitled to apply, based on the certificate stipulated in art.24, para. (1), letter a1) of this law, the principle of tacit approval, according to the procedure established in art. 62 of Law no. 160/2011 on the regulation by authorization of the entrepreneurial activity, informing in writing about this the Agency for Technical Supervision. Annex 6 reveals the necessary documents in the design and construction procedure.

**Table 22. Key stakeholders**

Name of the organization / actor involved	The stage it is involved with		
	Design and Construction	Registration	Transactions
Ministry of Infrastructure and Regional Development	✓		
Ministry of Culture National Council of Historical Monuments	✓		
<i>City Hall (Specialized Directorates)</i> <i>General Directorate of Architecture and Urbanism</i> <i>Directorate-General for Public Transport and Communications</i> <i>General Directorate for Housing and Communal Planning</i>	✓		
Public Services Agency Cadaster Department / Territorial Cadastral Service	✓	✓	✓
National Archaeological Agency	✓		
Inspectorate for Environmental Protection	✓		
Public Health Center	✓		
Fire Safety Regulation Directorate within the General Inspectorate for Emergency Situations of the Ministry of Internal Affairs	✓		
State Tax Service	✓		✓
Municipal Enterprise for Housing Fund Management	✓		
Privatized Homeowners Association	✓		
Licensed architecture and design firm	✓		
Utility Provider Companies	✓		✓
Local Sanitation Service (Directed by Autosalubritate)	✓		
Notary	✓		✓

## REAL ESTATE DEVELOPMENT' INCENTIVES IN MOLDOVA

**Free economic zones (FEZ)**, according to Law no. 440 of 27.07.2001 on free economic zones, are parts of the customs territory of the Republic of Moldova, separated from the economic point of view, strictly delimited along their entire perimeter, in which for domestic and foreign investors are allowed, preferentially, of entrepreneurial activity, in accordance with the law.

Free economic zones are created to accelerate the socio-economic development of certain territories and the country as a whole by:

- v attracting domestic and foreign investments;
- v implementation of modern technology and technologies;
- v development of export-oriented production;
- v application of advanced production and management experience;
- v job creation.

In the Republic of Moldova at the present time we have following Free Economic Zones:

1. FEZ „Expo-Business-Chișinău”
2. FEZ „Bălți”
3. FEZ „Ungheni-Business”
4. FEZ „Valkaneș”
5. FEZ „Tvardița”
6. FEZ „Otaci-Business”
7. FEZ „Taraclia”

### Incentives offered in Free Economic Zones

1. Protection of investments by the state.
2. Legal status of FEZ regulated by the law.
3. Possibility to transfer the obtained profit abroad.
4. Preferential regime for the stimulation of economic activity.

5. Guarantee of preservation of legal provisions for the next 10 years from the moment of registration as a FEZ resident.
6. Free circulation of products (services) within the FEZ.
7. Possibility to deliver products (services) from one resident to another within the FEZ based on a bill of lading without producing customs declaration.
8. Preferential customs regime (the customs office is located in the FEZ and operates 24 hours a day, 6 days a week).
9. Preferential customs duties.

### The following types of activities may be practiced in the free economic zones of the Republic of Moldova:

1. Industrial manufacturing of goods for exportation, except for ethylic alcohol and alcohol products.
2. Sorting, packaging, marking and other similar operations with goods transported in transit via the territory of the Republic of Moldova.
3. Auxiliary types of activities, such as utility services, storage, construction, public catering, etc. necessary for practicing the above types of activities.
4. External commercial activity – wholesale of goods imported into the FEZ beyond the customs territory of the Republic of Moldova, intended for exportation.
5. Transportation activity – transportation of goods imported or exported via the free economic zone by air or sea.

The following activities are prohibited on the territory of free economic zones:

- importation of tobacco and tobacco products;
- production of tobacco products;
- manufacturing, transportation and storage of weapons;
- other activities prohibited by the laws of the Republic of Moldova.





**Table 23. Tax breaks for activities in free economic zone**

Content	Type	Term
Exports of goods and services originating from the FEZ outside the customs territory of the Republic of Moldova	50% income tax rate (12%) *	Permanently
Activities of residents in the free economic zone	75% income tax rate (12%) *	Permanently
Residents who invested in the fixed assets of their enterprises and / or infrastructure development of the FEZ share capital not less than:	Exemption from income tax	
- One million US dollars	100%	3 years
- Five million US dollars	100%	5 years
exports of goods and services originating from the FEZ outside the customs territory of the Republic of Moldova		
Goods, services delivered to the free economic zone from outside the customs territory of the Republic of Moldova, delivered to free economic zone outside of customs territory of the Republic of Moldova, delivered to free economic zone from the rest of the customs territory of the Republic of Moldova, and also delivered to residents of different free economic zones of the Republic of Moldova to each other	The zero rate of VAT and exemption from customs duties	Permanently
Excisable goods, imported into the free economic zone from outside of customs territory of the Republic of Moldova, coming from other free economic zones, with the rest of the customs territory of the Republic of Moldova, and also goods originating from this zone and taken out of the customs territory of the Republic of Moldova.	Exemption from excise duties	Permanently

\*– at the moment the tax rate for reinvested profit constitutes 12%.

#### FEZ resident fees

##### Activity costs in the FEZ:

- Payment for participation in competition – 400 Euro
- Payment for registration as resident – 600 Euro
- Payment for the activity permit – 1000 Euro

##### Zonal tax:

- v on the net sales volume – up to 1 %
- v on the volume of rendered services – up to 2 %
- v on other incomes – up to 2 %.

#### Land lease & purchase in FEZ

A land plot can be leased with an extension option. Many FEZ offers long-term land lease contracts limited to the lifetime of the FEZ or the subzone.

**Table 24. Land lease fee**

	Per 1 sq.m./year
FEZ land plot	0.5 – 1.5 EUR
Land plot (general regime)	0.75 – 2.5 EUR

Also, for several FEZ subzones, also an option is to purchase the land.

For example, a land plot adjacent to and under constructions within FEZ Bălți, Subzone Cimișlia can be purchased on the state normative price:

Land purchase price – **0.65 EUR/sq.m.**

## Incentives offered in Industrial Parks

The Industrial Park (IP) is a delimited territory that has technical and production infrastructure, in which economic activities are carried out, mainly industrial production, provision of services, capitalization of scientific research and / or technological development in a regime of specific facilities to capitalize on the human and material potential of a region.

In 2018, a total of 10 IPs are active on the territory of the Republic of Moldova, these are: IP "FAIP"; IP "Trivineta Cavi Dvelopment"; IP "Edinet"; IP "Bad"; IP "CAAN"; IP "Cimişlia"; IP "Tracom"; IP "Bionergagro", IP "Comrat" and IP "Cahul", which is under construction.

Among the opportunities offered by the Industrial Parks for investors are:

- ✓ reducing the costs and time required to launch the production activity;
- ✓ procurement of land for construction at the normative price;
- ✓ technical, legal and advisory support in the process of obtaining authorizations, opinions, coordinations and other permissive acts;
- ✓ financial support for the creation of technical and production infrastructure;
- ✓ reduction of risks related to economic activity.

To facilitate the creation and operation of the industrial park, the State, in the person of the central and local public administration authorities, shall grant to the holder of the IP title and to his residents the following facilities:

- ✓ exemption from compensation for losses caused by the exclusion of land from the category of agricultural land according to the Law on the normative price and the way of sale-purchase of land;
- ✓ free alienation or lending of public property to the managing enterprise for the creation and development of the industrial park at the decision of their owner according to the Law on the administration and denationalization of public property;
- ✓ the right to privatize the public property land related to the constructions at the normative price of the land, established at the moment of giving it for use to the managing enterprise or leasing to the residents of the industrial park, only after purchasing and / or putting into operation the industrial and related constructions and installations., according to the Law on the normative price and the way of sale-purchase of the land. It is granted, if investments have been made in constructions and installations whose value is higher than the amount consisting of 3 normative land prices, established at the time of its use to the managing enterprise or leased to residents, plus payment for compensation losses caused by the exclusion of land from the category of agricultural land, estimated at the date of the change of land use;

- ✓ the application by the managing company of the reduction coefficient up to 0.3 of the annual payment fees for the lease of public land, established according to the Law on the normative price and the sale-purchase of land, or the basic tariff for the annual rent of public property, established by the state budget law for that year;
- ✓ optimizing the state controls on the activity of the residents of the industrial parks by carrying out the planned controls according to the annual schedule approved by Government decision or of the unexpected controls, carried out with the agreement of the Ministry of Economy according to the legislation in force;
- ✓ monitoring of investment projects, carried out within industrial parks, by the Council for the promotion of investment projects of national importance;
- ✓ allocating, as appropriate, financial resources for the creation of technical and production infrastructure.

## Incentives offered for Moldova IT Park Residents

The status of a Resident of the Park may be acquired by any legal or natural person, who:

- ✓ is registered in the Republic of Moldova as the subject of an entrepreneurial activity and
- ✓ carries out/ intends to carry out as one of its main activities (the activity that generates 70% or more of the revenue from sales) one or more types of activity stipulated by art. 8 of the Law 77/2016

Main activities (according to CAEM rev.2 and CSPM rev. 2) carried out in "Moldova IT Park" are:

- (26.11) Manufacture of electronic components (modules)

### Software editing activities:

- (58.21) computer game editing activities
- (58.29) editing of other software products
- (59.12) motion picture, video and television programme post-production activities, based on the use of specialized high-performance computing equipment, limited to:
  - (59.12.14) services for obtaining special effects.
  - (59.12.15) animation production services.

### Information technology service activities:

- (62.01) customized software development activities (customer-oriented software)
- (62.02) information technology consulting activities
- (62.03) management activities (management and operation) of computing means
- (62.09) other information technology service activities

### Information service activities:

- (63.11) data processing, web page management and related activities
- (63.12) web portal activities
- (72.11) research and development in biotechnology;
- (72.19) other research and experimental development on natural sciences and engineering, based on the use of specialized high-performance computing equipment, limited to:
  - (72.19.11) experimental research and development services in mathematics;
  - (72.19.12) experimental research and development services in computers and computer science;
  - (72.19.13) experimental research and development services in physics;
  - (72.19.21) experimental research and development services in nanotechnology;
  - (72.19.29) other experimental research and development services in engineering and technology, except biotechnology;
  - (72.19.50) research and development services of original projects in natural sciences and engineering, except biotechnology.
- (74.10) specialized design activities, based on the use of specialized high-performance computing equipment
- (85.59) other forms of education limited to training in computer science

## BENEFITS FOR COMPANIES

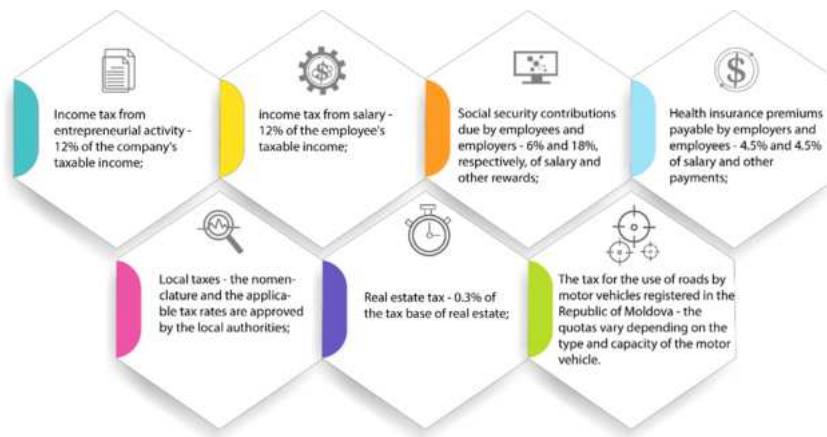
### Virtual presence

This implies that the park resident can perform work in any location on the territory of the Republic of Moldova.

### Reduced tax burden

Single tax of 7% on the sales revenue, but not less than a minimum monthly amount per employee. The minimum amount is 30 percent of the average monthly salary in the economy, projected for that year (i.e. in 2021 – 30% x 8 716 lei = 2 614,80 lei).

### The single tax includes the following taxes and duties:



### Simplified administration

A single monthly transfer to the account of the Ministry of Finance reduces the expenditures in terms of time and staff needed for tax calculation as well as significantly reduce risk of committing errors in calculating the tax obligations and thus of minimizing the sanctioning risks.

### IT Visa program

Simplified process of attracting foreign managers and IT specialists to Moldova. **Annex 7** reveals the real estate incentives' comparison.



# 7. KEY ECONOMIC DRIVERS OF THE REAL ESTATE MARKET

Real estate is an important part of the country economic potential constituting a big part of national wealth the role of which in economy influences many spheres of activity related with the development of country economics. Changes of the market value of real estate are important for all the sectors of economic activity related with real estate: construction – for forecasting the construction costs and profitability of the projects, banking – for establishment of the proportions of loans, possible risks and bond, production – for evaluation of the production costs, future demand for articles intended for construction and the possessed long term property, state – for evaluation of the property administered by the state and establishing of the real estate taxes. The market of real estate is dynamic and constantly changing. Some specialized resources have been consulted for an argumented opinion of the economic drivers and factors<sup>79</sup>.

**Offices:** the location is one of the factors with the primary influence. The closer to the city center / sector the commercial building is located, the higher the sale or rental price. The office located in a residential area is estimated to be of less value due to the fact that there are some disadvantages - it is difficult to explain to customers how to get to the office among the blocks of flats, apart from this long distance from the city centre does not favor the image of a company.

**Industrial buildings:** it's a specific and complex real estate sub-market including production facilities, warehouses, agri-food premises as well construction of mixt use.

**Greenfields:** the main factors that positively influence the market are the development of the construction sector, the increase of foreign investments (neighbourhood with the EU), the start of infrastructure projects (road construction, industrial, commercial, tourism objectives, etc.).

A breakdown on each category is presented in the table below.

**Table 25. The key development factors for non-residential real estate**

	Offices	Industrial buildings	Greenfields
On Demand side	<ul style="list-style-type: none"> <li>close proximity to required business support services</li> <li>adequate and inexpensive parking</li> <li>access to transportation networks such as transit, highways, major thoroughfares</li> <li>economic conditions</li> <li>current tenants</li> <li>amenities</li> <li>increases in the number of office firms operating in the market</li> </ul>	<ul style="list-style-type: none"> <li>relevant investors (local and foreign) available to enter in this market (agri-food sectors, traders, automotive etc.)</li> <li>business relocation in Moldova (potential business relocation form Ukraine in the context of military conflict there)</li> <li>the number of employees and financial capacity of the company, the industrial output, the possibility to obtain credits and grants for appropriate purposes, the rental and selling price</li> </ul>	<ul style="list-style-type: none"> <li>urban development policies and fund land management of local public authorities</li> <li>good practices on evidence and property management on institutional and national levels</li> <li>economic stimulus, funds and national business support</li> </ul>

<sup>79</sup>Among others

<https://economicdevelopment.extension.wisc.edu/articles/evaluating-office-space/>

<https://property-investment.net>

<https://www.feldmanequities.com/education>

**Table 25. The key development factors for non-residential real estate**

	Offices	Industrial buildings	Greenfields
On Supply side	<ul style="list-style-type: none"> <li>• lease terms</li> <li>• office space inventory</li> <li>• cost of building supplies and materials</li> <li>• land costs, property taxes, and total operating costs</li> <li>• state and local regulations toward business</li> <li>• construction and labour cost</li> </ul>	<ul style="list-style-type: none"> <li>• economic stimulus, funds and national business support (in the context of a closer collaboration with the European Union and of the potential availability of funds for investments in the pre-accession conditions of the Republic to EU)</li> <li>• construction and labour cost (especially energy)</li> <li>• state and local regulations toward business</li> <li>• available incentives in FEZ, industrial parks as other economic stimulus</li> <li>• availability of free land plots, development costs of industrial premises, demand and client preferences</li> </ul>	<ul style="list-style-type: none"> <li>• promoting good institutions at regional policy forums and dialogues shall help increase the region's attractiveness as an investment destination</li> <li>• Moldovan economic diplomacy and congruent efforts to promote and attract foreign investments for greenfield FDI's</li> <li>• urban development policies and fund land management of local public authorities</li> <li>• competitive environment for emerging industries and investors to invest in greenfield FDI's</li> </ul>
Other drivers/factors (macroeconomic or sectorial)	<ul style="list-style-type: none"> <li>• potential tenants' profile and the development of their sector (IT companies, consulting providers etc.)</li> <li>• office type and premises for specific needs</li> <li>• expected yields (annual return of an investment)</li> <li>• occupancy rate (reduced risk of vacancy)</li> </ul>	<ul style="list-style-type: none"> <li>• development of specific national industries representing potential tenants or buyers (agri-food, automotive etc.)</li> <li>• development and implementation of national sectorial programs which will draw opportunities and a favourable business context for agriculture, trade, light industry, automotive, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• country-specific factors (such as GDP per capita, macroeconomic factors and political stability, etc.) matter a lot for FDI flows in the form of M&amp;A<sup>80</sup> and Greenfield FDI<sup>81</sup></li> </ul>
General	<p>PEST<sup>82</sup> factors (political, economic, social and technological drivers) such as political stability, forecasted outcomes, living standards, as well a series of other macroeconomic key-indicators: inflation, investment climate, taxes, trade dynamics, investment climate, interest and exchange rates etc. The general development of the real estate sector impacts the development and growing trend of specific categoris.</p> <p>In the post-Covid and post-war context, the actors from the non-residential real estate will have to face a potential slower demand growth, a rising competition, as well a higher cost of capital.</p>		

<sup>80</sup> Mergers & Acquisitions

<sup>81</sup> <https://www.adb.org/sites/default/files/publication/30058/economics-wp293.pdf>

<sup>82</sup> <https://corporatefinanceinstitute.com/resources/knowledge/strategy/pest-analysis/>

## 8. MARKET PLAYERS AND PROJECTS

The non-residential real estate market is driven by construction companies, real estate developer and agencies. It's also influenced by the local business environment, government policies, business climate and the country's macroeconomic situation. Considering the profile of each group of players on the non-residential market, a mapping of the most relevant players was elaborated, together with the existing and current projects.

### • Construction companies

A number of relevant construction companies has been mapped and presented in **Annex 8**.

The companies are representing the top 30 entities (based on turnover, 2020 data) in the construction sector. A series of key-points can be described as follows:

- ✓ almost half (16) of top construction companies have office buildings in their portfolio and more (20) have industrial buildings;
- ✓ however, the most of the pipeline projects refer to residential projects and offices instead of some industrial projects;
- ✓ a number of leading companies cover a wider expertise in the construction of both residential and non-residential premises; as for example EXFACTOR<sup>83</sup>, SUMMA<sup>84</sup>, INAMSTRO<sup>85</sup>, STAYER<sup>86</sup>, COMSALES<sup>87</sup>, RECONSCIVIL<sup>88</sup>, VICON-SERVICE<sup>89</sup>.

### • Developers

On the other hand, developers are quite diverse and can basically operate in various areas of the real estate development. They are presented in **Annex 9**. In this way, a ranking of developers (based on turnover, 2020) has been elaborated and can be characterized by the following:

- ✓ the most relevant real estate developers locally are founded in '2000 years and have mainly developed business centres in Chişinău;
- ✓ however, some developers have expanded multipurpose and entered more complex projects such as production premises, commercial buildings or warehouses; among them LEUTIS, TOWER GROUP<sup>90</sup>, REGATA IMOBILIARE<sup>91</sup>, INDUSTRIAL PARK CENTRUM;
- ✓ interesting to note that some of local and biggest retailers can be important real estate developers themselves - having the experience to develop commercial locations, having resources, networking and owning lots of land could be determined to enter as developers in other categories of real estate, for example in the office or industrial area. **Annex 10** reveals such potentials (MOLDRETAIL GROUP<sup>92</sup>, 47TH PARALLEL<sup>93</sup>).

### • Real Estate Agencies

First, the largest and most relevant real estate agencies were analysed to assess the supply of offices, industrial buildings and construction land (the results shown in the chapters above). At the same time, real estate agents are interesting in terms of the importance they play in real estate transactions and in shaping supply and demand. **Annex 11** presents the main agencies.

Almost all relevant agencies are mainly focused to residential focus in their selling ads. However, 7 of them have a mix of web content, including commercial, offices, industrial and greenfield ads: PROIMOBIL<sup>94</sup>, O'KEY IMOBIL<sup>95</sup>, ECOPAL IMOBIL<sup>96</sup>, REMARK IMOBIL<sup>97</sup>, AXA IMOBIL<sup>98</sup> and REALIST ESTATE<sup>99</sup>.

<sup>83</sup> <https://www.exfactor.md>

<sup>86</sup> <https://reconscivil.md/en/>

<sup>93</sup> <https://nr1.md>

<sup>98</sup> <https://www.axaimobil.md>

<sup>84</sup> <https://www.summa.com.tr>

<sup>89</sup> <https://vicons-service.md/services/>

<sup>94</sup> <https://proimobil.md>

<sup>99</sup> <https://realist.md>

<sup>85</sup> <https://namstro.md/en/home/en/>

<sup>90</sup> <http://www.aatrium.md>

<sup>95</sup> <https://okeyimobil.md>

<sup>86</sup> <https://stayerconstruction.md>

<sup>91</sup> <https://regata.md>

<sup>96</sup> <https://ecoimobil.md>

<sup>87</sup> <https://www.comsales.md/ro/>

<sup>92</sup> <https://linella.md>

<sup>97</sup> <https://www.remark.md>



# 9. GENERAL OVERVIEW FOR INVESTORS – WHY TO INVEST?

In presenting the investment offer in the non-residential sector, potential investors will consider several key aspects, namely:

## 1. Opportunities to consider

- ✓ emerging sectors of services delivery (IT, telecom, BPO, banking, consulting, foreign investors looking for high standards premises) generates potential clients for investors in modern offices facilities, especially; along with trend in preferences for modern infrastructure, unique design, parking, open-space offices, conference and meeting rooms etc.
- ✓ for industrial buildings – the potential demand for “turnkey” premises and investing in cold storage located near active agricultural areas (as presented in the example with cold storages in Google Map in above chapter); along with prices lower than the average for non-residential and long payback period;
- ✓ This June (2022), the Republic of Moldova obtained the status of a candidate country for EU accession” si urmează „that will involve, in the short term (2-3 years), a series of relevant funds for pre-accession and adjustment of the business environment, anti-corruption regulations, mechanisms to streamline the judiciary and a number of other actions that will make the local business environment more attractive and friendly to potential real estate investors;
- ✓ available business support funds from donors for financing local investments from donors (e.g., EBRD) in order to start operating on the local market;
- ✓ all the incentives provided by FEZ and Industrial Parks are opportunities to consider especially for industrial and greenfield investment options; in this sense, the direct contacting of these entities, as well as the support of the Investment Agency of Moldova can be helpful in accessing these opportunities;
- ✓ emerging market in terms of opportunities, available “experimental field”, as well as a small number of real estate developers (competitors), which can significantly reduce the costs of entering the market;
- ✓ generating opportunities – checking the documentation of the transactional assets (at the bank and notary) and the potential partners is crucial in preparing a healthy transaction; working with large companies can grant more confidence and success in this regard;
- ✓ generating options – buying or building the respective assets (office building, industrial construction) will determine the way to enter the market, the number of procedures, transaction costs, as well as the business model proposed for application.

## 2. Potential risks

- ✓ limited offer of class A offices, relevant greenfields options near the Capital city or neighbouring districts (Ialoveni, Straseni, Orhei, Criuleni, Anenii Noi), limited offer on available industrial spaces in operational condition;
- ✓ uncertain macroeconomic environment and the actual context of the military conflict in the region (Ukraine, affecting supply chain, sea trading, generating highest inflation in the region);
- ✓ a few strong sectors in national economy (e.g. winemaking) to generate added value and represent relevant local businesses to be financially sustainable;
- ✓ slow pace growing of the non-residential real estate sector and a development model that combines the dependence of the private sector on a number of institutional factors (local public authorities), business environment and investment attraction policies.

At the same time, when compared to the region, the following findings regarding the rental of offices and industrial spaces can be concluded (table 26 below).

**Table 26. Regional comparative average prices for non-residential real estate (Q4 2021<sup>101</sup> /Q1 2022<sup>102</sup>)**

Location	Offices	Industrial buildings
	Rent, Eur/sq.m.	Rent, Eur/sq.m.
Moldova, Chişinău	8.89	4.38
Romania, Bucharest	18.75	3.90
Bulgaria, Sofia	15.00	4.25
Serbia, Belgrade	16.50	4.25
Albania, Tirana	16.00	N/A

**Romania:**

Prime rent remained at the same level as in Q4 2020, meaning Eur 18.75 sq.m./month. Headline rent in logistic parks maintains at the same level from last years' final quarter, respectively EUR 3.90 sq.m./month, while the net effective rent is Eur 3.50 sq.m./month for a 5,000 sq.m. unit.

**Bulgaria:**

Prime rent maintained a stable trend since the first months of the year, remaining Eur 15.00 sq.m./month in CBD area and partially broader centre. Headline rent in logistic parks at the end of Q3 stands at Eur 4.25 sq.m./month.

**Serbia:**

Prime rent maintained during the nine months of the year at Eur 16.50 sq.m./month, a stable trend in the last five years. Headline rent in logistic parks at the end of Q4 2021 stands at Eur 4.25 sq.m./month.

**Albania:**

The average office rent in Tirana was 16 Eur/sq.m./month while the prime headline rent was 23.5 Eur/sq.m./month.

**Moldova:**

The country presents the most competitive offer in office renting in the region (8.89 Eur/sq.m./month) and a regional average for the industrial premises (logistic parks) - slightly over 4 Eur/sq.m./ month.

<sup>100</sup> in April 2022 it is advancing with the process of applying for EU membership candidacy

<sup>101</sup> For the region

<sup>102</sup> For the Republic of Moldova



# 10. ENGAGING A DIALOGUE WITH PLAYERS IN THE REAL ESTATE MARKET

The following contributors brought their input to data collection through interviews organized by Consultant, providing relevant and updated market information. We thank them and appreciate their contribution.

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# ANNEXES

## Annex 1. The Moldovan real estate sector by domains and subdomains, 2020

Areas (CAEM codes)	No. of companies	Turnover, EUR	Net Profit, EUR	No. of employees	Tangible assets in progress, EUR	Fixed assets, EUR	Long-term debt, EUR	Lands, value, EUR
<b>F - CONSTRUCTION</b>	<b>2,488</b>	<b>1,167,404,096</b>	<b>107,223,456</b>	<b>29,318</b>	<b>47,837,619</b>	<b>265,375,773</b>	<b>409,678,569</b>	<b>76,699,171</b>
F4110 - Development of building projects	34	18,540,113	2,258,030	122	260,247	913,503	37,136,710	2,585,084
F4120 - Construction of residential and non-residential buildings	712	481,963,074	55,394,253	10,397	39,595,614	62,455,562	307,897,299	58,773,491
F4211 - Construction of roads and motorways	127	295,070,382	9,503,300	6,557	2,632,359	152,441,193	17,598,859	6,915,966
F4212 - Construction of railways and underground railways	2	121,802	53,069	6	0	0	0	0
F4213 - Construction of bridges and tunnels	4	1,749,956	294,654	59	0	326,871	11,912	3,222
F4221 - Construction of utility projects for fluids	60	41,099,067	2,335,069	706	99,460	3,302,900	1,896,364	1,737,050
F4222 - Construction of utility projects for electricity and telecommunications	31	7,575,410	1,869,681	397	11,596	760,704	57,633	0
F4291 - Construction of water projects	3	161,315	62,888	13	0	129,310	0	2,627
F4299 - Construction of other civil engineering projects n.e.c.	164	38,195,741	3,924,380	1,390	2,573,671	9,969,235	9,418,660	1,390,021
F4311 - Demolition	22	5,048,271	650,748	123	0	1,388,288	380,326	0
F4312 - Site preparation	86	9,990,043	1,505,592	383	24,847	2,112,308	1,212,697	222,435
F4313 - Test drilling and boring	23	3,246,993	257,808	153	581	854,601	508,857	120,270
F4321 - Electrical installation	271	54,452,112	6564,150	2,333	652,682	7,207,635	2,653,045	1,044,754
F4322 - Plumbing, heat and air-conditioning installation	289	61,211,078	5,286,533	2,126	610,537	6,778,648	4,332,125	1,034,687
F4329 - Other construction installation	112	34,343,503	6,076,936	798	169,533	4,147,975	1,001,738	276,956
F4331 - Plastering	92	23,648,415	2,345,320	728	335,666	1,694,628	1,197,919	317,133
F4332 - Joinery installation	31	3,063,327	57,164	110	0	266,224	365,933	0
F4333 - Floor and wall covering	37	6,980,431	565,301	209	26,948	1,027,197	1,423,938	1,323
F4334 - Painting and glazing	26	2,949,011	434,933	111	9,500	276,321	65,056	4,970
F4339 - Other building completion and finishing	122	2,1587,855	2,031,802	762	218,556	1,541,215	1,701,091	306,766
F4391 - Roofing activities	39	7,391,325	785,585	289	53,747	1,145,549	297,431	24,005
F4399 - Other specialised construction activities n.e.c.	201	49,014,870	4,966,261	1,546	562,075	6,635,906	20,520,978	1,938,411
<b>L - REAL ESTATE ACTIVITIES</b>	<b>2,531</b>	<b>270,289,574</b>	<b>48,830,879</b>	<b>12,694</b>	<b>69,542,532</b>	<b>374,173,578</b>	<b>621,950,040</b>	<b>119,959,095</b>
L6810 - Buying and selling of own real estate	59	19,909,820	2,692,413	409	20,212,737	5,933,949	63,531,999	14,253,953
L6820 - Renting and operating of own or leased real estate	1896	23,0553,363	44,192,180	9,864	47,854,697	354,075,914	504,122,256	105,246,506
L6831 - Real estate agencies	314	9,412,013	1,347,190	654	1,278,144	5,513,162	21,251,467	217,498
L6832 - Management of real estate on a fee or contract basis	262	10,414,377	599,096	1,767	196,955	8,650,554	33,044,319	241,138
<b>Grand Total</b>	<b>5,019</b>	<b>1,437,693,670</b>	<b>156054334</b>	<b>42,012</b>	<b>117,380,152</b>	<b>639,549,351</b>	<b>1,031,628,608</b>	<b>196658266</b>

## Annex 2. The office premises located in Chişinău with description and tenants' profile, 2022

	Business Center	Address	Characteristics	Website	Tenants profile
1	SKY TOWER	Mun, Chişinău, str. Vlaicu Parcalab 63	SKYTOWER International Business Center is the first "A" class office center in the Republic of Moldova	<a href="https://www.skytower.md/partners">https://www.skytower.md/partners</a>	IT, Banking, Medical, Finance, Radio, Diplomacy
2	IPTEH	Republic of Moldova, mun. Chişinău, MD-2001 bd. Stefan cel Mare si Sfint, 65	The business center IPTEH offers renovated building and offering innovative and contemporary style. The building consists of 9 floors and the total area is 10,000 square meters is designed for offices and retail space.	<a href="https://ipteh.md/en/">https://ipteh.md/en/</a>	IT, Banking, Telecommunications, Legal, Finance, Financial Audit Services; Tax Consultancy Services, Financial Consultancy, Beauty Services
3	IUNAS	mun. Chişinău RM str. V. Alecsandri 143	Business center IUNAS located in the historic center of Chişinău offers Class A office lease five floors Central region has a total area of 7000 sq.m. Each floor has 1,000 sq.m. and can be divided into parts 350 + 210 + 150 + 290 sq.m. Spaces for rent from 1-5 floor area of 60 sq.m. to 270 sq.m. including office space and all necessary kitchen and bathroom unit.	<a href="http://iunas.md/renters">http://iunas.md/renters</a>	Finance, Retail, tax equipment
4	LE ROI	or. Chişinău str. Sfatul Ţării, 29	Le Roi - International Business Center offers office space for rent to corporate guests from 35 to 620 square meters (full floor) in the center of the capital. The office complex is based on European engineering solutions, in addition to the spaces with specified parameters, there are also open spaces, such as balconies, mini-terraces.	<a href="https://www.leroi.md/ro">https://www.leroi.md/ro</a>	IT, Retail, Horeca, Banking, Real Estate
5	EURO TOWER	26/3 Independen-tei str., Chişinău, Moldova	EuroTower Business Center - a new and modern Class A Business Center in Chişinău, which meets European standards. At the tenants' disposal are: quality office layout, convenient location of the building, high quality technical equipment, advanced security system. The building is designed with tested and reliable European engineering solutions. The total area of the EuroTower building is 4500 sq.m.	<a href="http://eurotower.md">http://eurotower.md</a>	Banking, Real Estate
6	PANORAMA BUSINESS CENTER	Кишинёв, Измаил 81/1	The business center is located in the area of the Consular Section of the Romanian Embassy in Chişinău. For employees and guests of the center, adjacent surface parking lots for 70 places have been built. Economical heat supply and air conditioning, using modern equipment, allows you to save up to 20% of utility bills.	<a href="http://panorama-center.md/ro/?no-redirect=ro_RO">http://panorama-center.md/ro/?no-redirect=ro_RO</a>	Nutrition, Wine industry, IT, Agricultural industry, Legal
7	ZTOWER	MD 2069 str. Calea Iesilor 8	It is an office complex owned by Zorile S.A., which is based on American founders. Due to a continuous process of conversion and renovation, the complex has been transformed into a B + class office center with an area of 14,000 sq.m., which houses dozens of companies in the field of IT and consulting, financial and agricultural.	<a href="https://zityoffice.md">https://zityoffice.md</a>	IT, Business Consulting, Wine industry, Banking, Pharmacy, Retail, Horeca
8	MALLDOVA CENTRE	21 Arborilor str. Chişinău, Republic of Moldova	A total of 30,000 sq.m. of the total leasable area is available in a combination of 250 sq.m. in size with an 800 sq.m. floor area.	<a href="https://www.malldovacentre.md/ro/oficii">https://www.malldovacentre.md/ro/oficii</a>	
9	EMINESCU OFFICES	Chişinău, Str. Mihai Eminescu, 72	Eminescu Offices is a class A business center, the Chişinău project that offers modern facilities and is a safe and profitable investment in the future.	<a href="https://www.eminescuoffices.md">https://www.eminescuoffices.md</a>	
10	TORO CENTER	mun. Chişinău, MD - 2009	Toro Center complex, located in the central area of Chişinău, on Pantelimon Halippa Street no. 6, is designed by the architectural firm AB + Partners and implemented by the construction company Lagmar Impex.	<a href="https://www.toro.md">https://www.toro.md</a>	

**Annex 3. Top 50 transactions nationwide for sale-purchase of land plots for construction, registered during 2011-2021 (based on the value of the transaction)**

	Localities	Date	Surface	Transaction Value, EUR
1	mun. Chişinău	18.11.2020	5,6208 ha	11,650,642.8
2	r-nul Cahul, mun. Cahul	30.12.2020	0,04 ha	8,961,385.7
3	mun. Chişinău	01.09.2016	0,22 ha	7,894,290.2
4	mun. Chişinău	01.09.2016	18,4589 ha	7,102,183.1
5	mun. Chişinău	01.02.2011	0,059 ha	6,128,070.0
6	mun. Chişinău	11.12.2014	0,6826 ha	6,025,752.0
7	mun. Chişinău	29.12.2011	0,4102 ha	3,741,063.6
8	mun. Bălţi	22.04.2021	0,0008 ha	3,613,311.6
9	mun. Chişinău	18.11.2020	1,5 ha	3,495,192.8
10	mun. Chişinău	01.07.2013	2,8102 ha	2,924,553.7
11	mun. Chişinău	27.06.2011	0,811 ha	2,762,639.8
12	mun. Chişinău	16.11.2021	0,22 ha	2,302,645.1
13	r-nul Orhei, mun. Orhei	02.12.2020	3,5099 ha	2,107,930.9
14	mun. Chişinău	25.09.2017	1,3177 ha	2,045,657.6
15	mun. Chişinău	13.12.2021	4,2664 ha	1,970,998.9
16	r-nul Orhei, mun. Orhei	16.12.2021	0,563 ha	1,672,496.5
17	r-nul Soroca, mun. Soroca	08.06.2021	0,472 ha	1,577,417.5
18	UTA Găgăuzia, mun. Comrat	10.04.2014	0,2624 ha	1,459,971.5
19	UTA Găgăuzia, mun. Comrat	23.07.2020	2,1387 ha	1,368,677.4
20	mun. Bălţi	11.10.2021	2,0827 ha	1,251,363.0
21	r-nul Orhei, mun. Orhei	05.10.2021	0,1766 ha	1,251,363.0
22	r-nul Ungheni, mun. Ungheni	24.12.2012	8,3374 ha	1,225,534.8
23	UTA Găgăuzia, mun. Comrat	27.12.2021	0,4792 ha	1,099,069.1
24	mun. Bălţi	27.03.2013	0,6056 ha	1,071,552.2
25	mun. Bălţi	30.06.2015	2,0467 ha	1,024,756.8
26	UTA Găgăuzia, mun. Comrat	17.08.2017	4,4501 ha	1,008,774.9
27	r-nul Cahul, mun. Cahul	04.03.2013	0,2273 ha	956,909.2
28	r-nul Cahul, mun. Cahul	21.02.2020	0,0074 ha	955,349.3
29	UTA Găgăuzia, mun. Comrat	03.10.2017	0,134 ha	898,837.8
30	r-nul Orhei, mun. Orhei	15.11.2021	0,0862 ha	741,329.4
31	r-nul Orhei, mun. Orhei	30.09.2013	0,7197 ha	717,681.9
32	mun. Bălţi	24.03.2015	0,6056 ha	669,776.3
33	mun. Bălţi	10.11.2014	0,2537 ha	654,169.2
34	r-nul Soroca, mun. Soroca	03.12.2014	1,0632 ha	590,429.7
35	UTA Găgăuzia, mun. Comrat	17.03.2021	1,7903 ha	571,515.9
36	r-nul Orhei, mun. Orhei	06.07.2021	1,2838 ha	568,057.8
37	r-nul Orhei, mun. Orhei	04.11.2020	3,5099 ha	516,680.7
38	r-nul Orhei, mun. Orhei	03.11.2020	3,5099 ha	513,155.1
39	r-nul Ungheni, mun. Ungheni	25.05.2021	3,7667 ha	502,158.7
40	r-nul Ungheni, mun. Ungheni	24.08.2017	7,5176 ha	501,713.8
41	r-nul Cahul, mun. Cahul	12.08.2016	0,1372 ha	437,884.4
42	r-nul Cahul, mun. Cahul	27.12.2019	0,054 ha	2,227.6
43	r-nul Ungheni, mun. Ungheni	25.10.2019	2,668 ha	2,224.4
44	mun. Bălţi	02.10.2019	1,2244 ha	2,223.3
45	r-nul Ungheni, mun. Ungheni	07.08.2019	0,4632 ha	2,220.4
46	mun. Bălţi	31.01.2019	2,9776 ha	2,210.9
47	mun. Bălţi	21.12.2018	0,366 ha	2,189.2
48	r-nul Ungheni, mun. Ungheni	21.12.2018	0,464 ha	2,189.2
49	mun. Chişinău	02.08.2018	0,0238 ha	2,182.1
50	mun. Chişinău	02.08.2018	0,3174 ha	2,182.1

**Annex 4. Top 50 transactions nationwide for sale-purchase of industrial buildings, registered during 2011-2021  
(based on the value of the transaction)**

	Localities	Type	Date	Surface	Transaction Value, EUR
1	mun. Chişinău	Administrative building	17.12.2018	1424,4 m.p.	27,452,890.8
2	mun. Chişinău	Mixed use building	20.03.2019	10943,7 m.p.	12,969,090.7
3	mun. Chişinău	Production building	23.01.2018	393,4 m.p.	9,068,375.5
4	mun. Chişinău	Production building	23.01.2018	1173,1 m.p.	9,068,375.5
5	mun. Chişinău	Building	23.01.2018	252,8 m.p.	9,068,375.5
7	mun. Chişinău	Building	21.01.2013	246,7 m.p.	8,223,438.3
6	mun. Chişinău	Production building	01.09.2016	32762 m.p.	7,102,183.1
8	mun. Chişinău	Building	19.05.2015	541,8 m.p.	4,144,528.2
9	mun. Chişinău	Building	19.05.2015	1229 m.p.	4,144,528.2
16	mun. Chişinău	Production building	01.07.2013	10698,8 m.p.	2,924,553.7
10	mun. Chişinău	Administrative building	21.12.2021	456,6 m.p.	2,675,994.4
12	mun. Chişinău	Warehouse	11.09.2019	135 m.p.	2,572,079.5
13	mun. Chişinău	Warehouse	11.09.2019	135 m.p.	2,572,079.5
14	mun. Chişinău	Mixed use building	12.05.2020	261,7 m.p.	2,497,660.2
15	mun. Chişinău	Building	12.05.2020	303,7 m.p.	2,497,660.2
11	mun. Chişinău	Building	20.01.2016	2064,1 m.p.	2,340,925.5
17	mun. Chişinău	Warehouse	29.06.2017	36,7 m.p.	2,161,440.4
18	mun. Chişinău	Warehouse	29.06.2017	74,2 m.p.	2,161,440.4
19	mun. Chişinău	Warehouse	29.06.2017	70,3 m.p.	2,161,440.4
21	mun. Bălţi	Building	02.10.2019	260,3 m.p.	1,972,176.0
22	mun. Bălţi	Building	02.10.2019	87,7 m.p.	1,972,176.0
23	mun. Bălţi	Building	02.10.2019	912,7 m.p.	1,972,176.0
24	mun. Bălţi	Building	02.10.2019	26,6 m.p.	1,972,176.0
25	mun. Bălţi	Building	02.10.2019	15,1 m.p.	1,972,176.0
26	mun. Bălţi	Warehouse	02.10.2019	537,8 m.p.	1,972,176.0
20	mun. Chişinău	Building	20.08.2015	279,4 m.p.	1,918,430.8
29	mun. Bălţi	Warehouse	02.03.2020	103,4 m.p.	1,633,552.2
27	mun. Soroca	Administrative building	08.06.2021	513,4 m.p.	1,577,417.5
28	mun. Soroca	Building	08.06.2021	25,6 m.p.	1,577,417.5
30	mun. Bălţi	Administrative building	11.10.2021	537,3 m.p.	1,251,363.0
31	mun. Bălţi	Building	11.10.2021	60,2 m.p.	1,251,363.0
32	mun. Bălţi	Building	11.10.2021	7088,3 m.p.	1,251,363.0
33	mun. Bălţi	Warehouse	11.10.2021	532,4 m.p.	1,251,363.0
34	mun. Bălţi	Warehouse	02.09.2015	765,4 m.p.	1,219,984.2
35	mun. Bălţi	Warehouse	02.09.2015	138,4 m.p.	1,219,984.2
36	UTA Găgăuzia, mun. Comra	Production building	27.12.2021	1327,3 m.p.	1,099,069.1
37	mun. Bălţi	Production building	30.06.2015	220,5 m.p.	1,024,756.8
38	mun. Bălţi	Production building	30.06.2015	522,4 m.p.	1,024,756.8
39	mun. Bălţi	Administrative building	30.06.2015	176,5 m.p.	1,024,756.8
40	mun. Bălţi	Building	30.06.2015	90,6 m.p.	1,024,756.8
41	mun. Bălţi	Building	30.06.2015	81,2 m.p.	1,024,756.8
42	mun. Bălţi	Building	30.06.2015	145,7 m.p.	1,024,756.8
43	mun. Bălţi	Building	30.06.2015	34,3 m.p.	1,024,756.8
44	mun. Bălţi	Building	30.06.2015	28,8 m.p.	1,024,756.8
45	mun. Bălţi	Warehouse	30.06.2015	222,7 m.p.	1,024,756.8
46	mun. Bălţi	Warehouse	30.06.2015	367,5 m.p.	1,024,756.8
47	UTA Găgăuzia, mun. Comra	Production building	17.08.2017	355,3 m.p.	1,008,774.9
48	UTA Găgăuzia, mun. Comra	Building	17.08.2017	361,4 m.p.	1,008,774.9
49	UTA Găgăuzia, mun. Comra	Building	17.08.2017	223,3 m.p.	1,008,774.9
50	UTA Găgăuzia, mun. Comra	Building	17.08.2017	64,8 m.p.	1,008,774.9

# ANNEX 5

## The regional mapping of the real estate markets

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The analysis in this chapter includes a compilation of relevant data with reference to the non-residential real estate categories in the countries in the region.

## ROMANIA

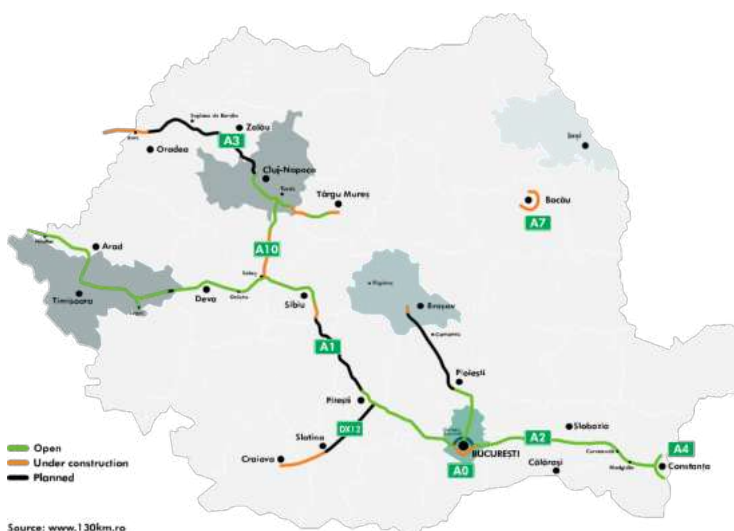
### 1. OFFICE MARKET

#### General Market Overview

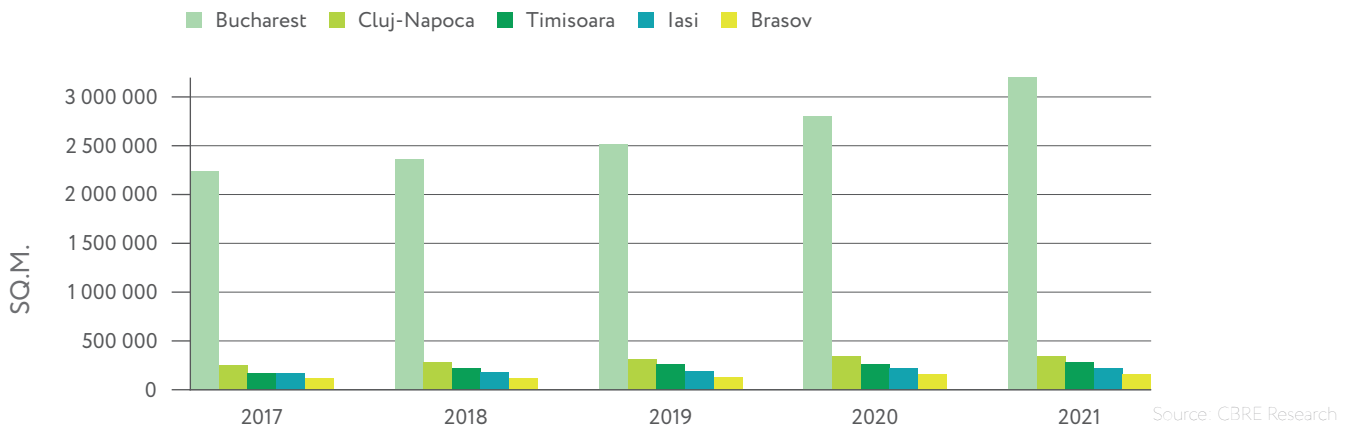
At the end of 2021, Romania modern office stock reached 4.20 mln. sq.m., comprising A & B class spaces, in Bucharest and the four most developed regional cities in terms of office space: Cluj-Napoca, Timisoara, Iasi, and Brasov

#### Map 1. Romania road infrastructure progress

Representing 76% from the country's modern office stock, Bucharest is the main activity scene for office developers, investors and tenants as well. The 24% remaining share is divided between Cluj-Napoca (8%), Timisoara (7%), Iasi (5%) and Brasov (4%).



**Figure 1. Romania Modern Office Stock Evolution**

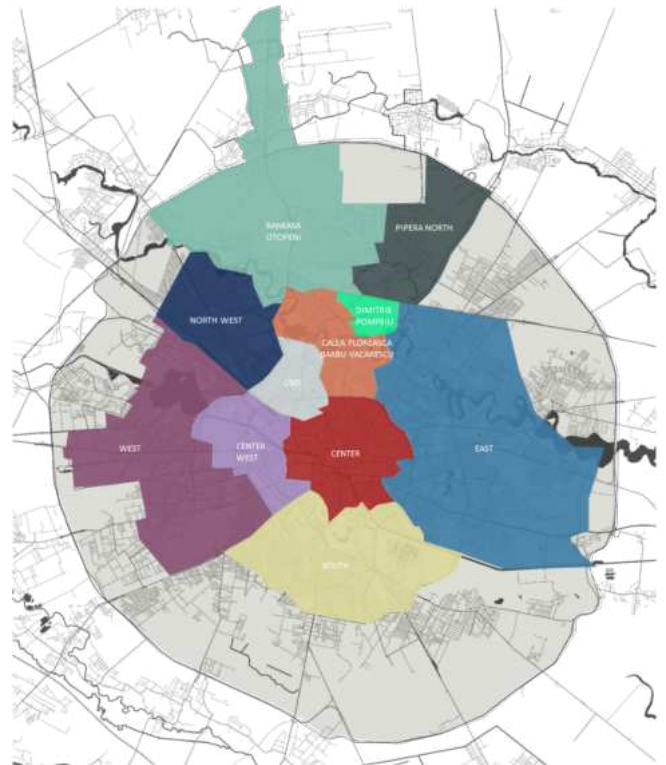


Split into 11 office sub-markets, the capital city’s modern office stock reached 3.20 mln. sq.m. at the end of 2021, after the delivery of TEN buildings with a total gross leasable area (GLA) of 245,800 sq. m.

**Map 2. Bucharest Office Sub-Markets Map**

The largest share of new supply was witnessed in the Center – West sub – market, meaning 27%, comprising two buildings: Campus 6.2 with a total gross leasable area (GLA) of 19,800 sq.m. developed by Skanska and acquired by S Immo in the first part of 2021, and the first phase of One Cotroceni with 46,000 sq.m. GLA developed by One United Properties. J8 Office Park, having a total area of 46,000 sq.m. developed by Portland Trust, was completed in the North – West, a sub-market that accounted for 19% of the new supply, followed by the Center sub-market with 17% of the new deliveries within two buildings: Matei Millo with 9,700 sq.m. GLA and U-Center - Phase 1 with a total area of 32,800 sq.m., both projects developed by Forte Partners.

Located in the CBD sub-market, Tiriac Tower with a GLA of 16,500 sq.m. developed by Tiriac Imobiliare, together with Dacia 1 gathering 15,000 leasable sq.m. developed by Atenor and acquired by Dedeman during the last quarter of the year, represents 13% of the new modern stock CBD additions.



Source: CBRE Research

The Floreasca / Barbu Vacarescu sub-market accounted for 12% of the annual deliveries, adding to its stock Globalworth Square, a 28,400 sq.m. project developed by Globalworth, while Baneasa – Otopeni and West sub-markets attracted shares of 9% and 3% welcoming Miro Offices with a GLA of 22,900 sq.m. developed by Speedwell and Politehnica Business Tower with 8,000 sq.m. built by a local developer.

## 2. INDUSTRIAL MARKET

### General Overview

The Romanian Industrial modern stock is analysed based on the division in five regions of the country. Bucharest region comprises Bucharest, Ilfov county & proximities. West / North West region comprises Caras Severin, Timis, Arad, Cluj, Bihor, Salaj, Maramures and Satu Mare counties, the South region gathers Mehedinti, Gorj, Valcea, Arges, Dambovita, Prahova, Buzau, Braila, Tulcea, Ialomita, Olt, Dolj, Calarasi, Giurgiu, Teleorman, Constanta counties, the Central region comprises Hunedoara, Alba, Sibiu, Brasov, Covasna, Harghita, Mures, Bistrita Nasaud, the East / North East region includes Galati, Vrancea, Vaslui, Bacau, Neamt, Iasi, Suceava and Botosani counties.

Half of the modern stock is located in the capital city and its proximities, the second most developed region in terms of modern logistics spaces being the West / North West region.

Map 3. Development regions

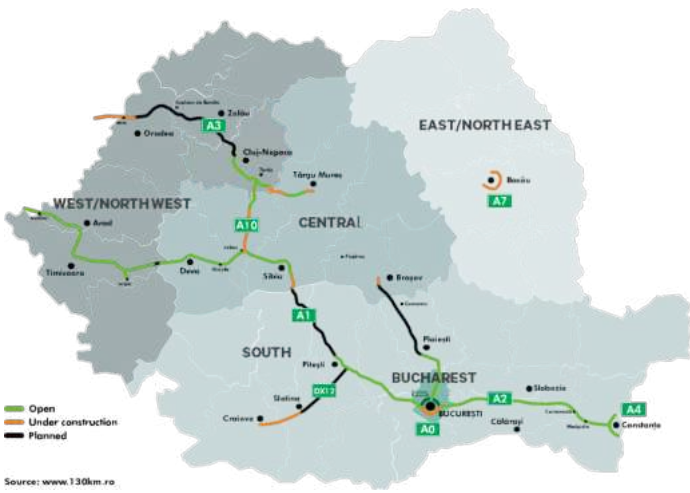
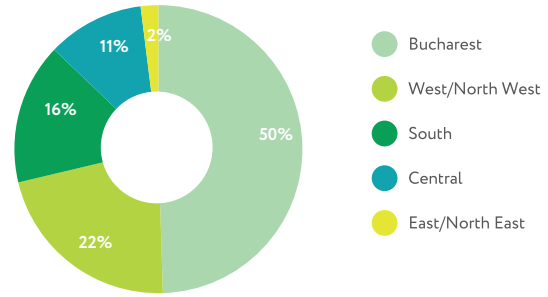
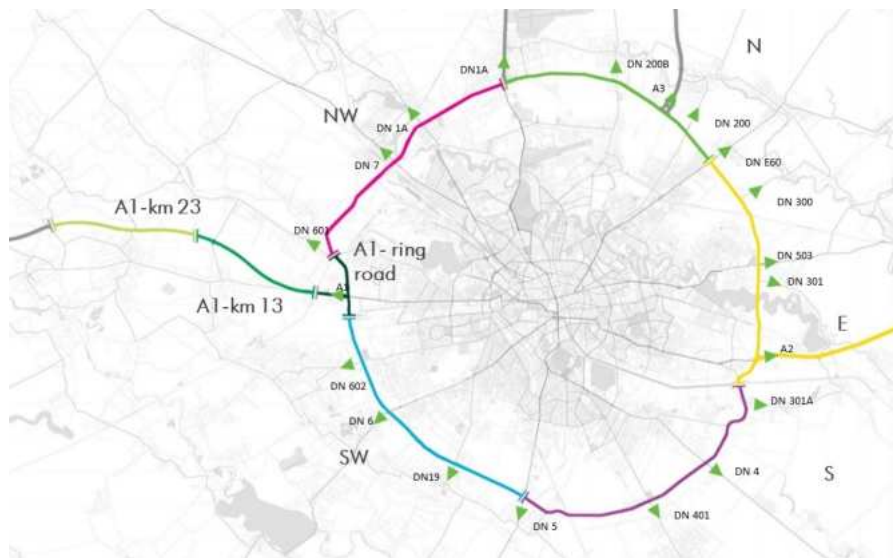


Figure 2. Industrial modern stock



Map 4. Bucharest Modern Industrial Stock Distribution

Main industrial hub in Romania, Bucharest is divided in six sub-markets, the largest being the Western sub-market followed by the North Western and Northern, areas where most logistics players locate. Further split in three areas (A1- ring road, A1 – km 13, A – km 23), the Western sub-markets is the capital city industrial pole mostly due to its good connectivity (to the Western part of the country and further on to the Western and North Western country borders).

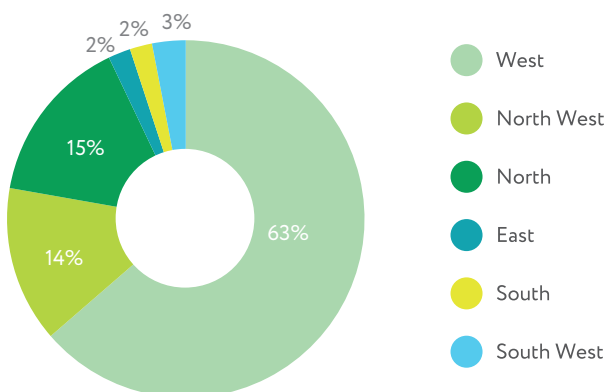


## ROMANIA MODERN INDUSTRIAL STOCK

Romania’s modern industrial stock reached 5.63 mln. sq.m. at the end of 2021, a bit over half a million sq.m., respectively 543,000 sq.m., were delivered since the beginning of the year. With 63% of the year’s new supply, Bucharest maintains its leading position as the country’s most developed industrial hub. Moreover, the capital city claims half of the country’s logistics stock, while the other four development regions jointly accommodate the other half of modern spaces.

### Bucharest Modern Industrial Stock by Sub-Market

Figure 3. Industrial modern stock

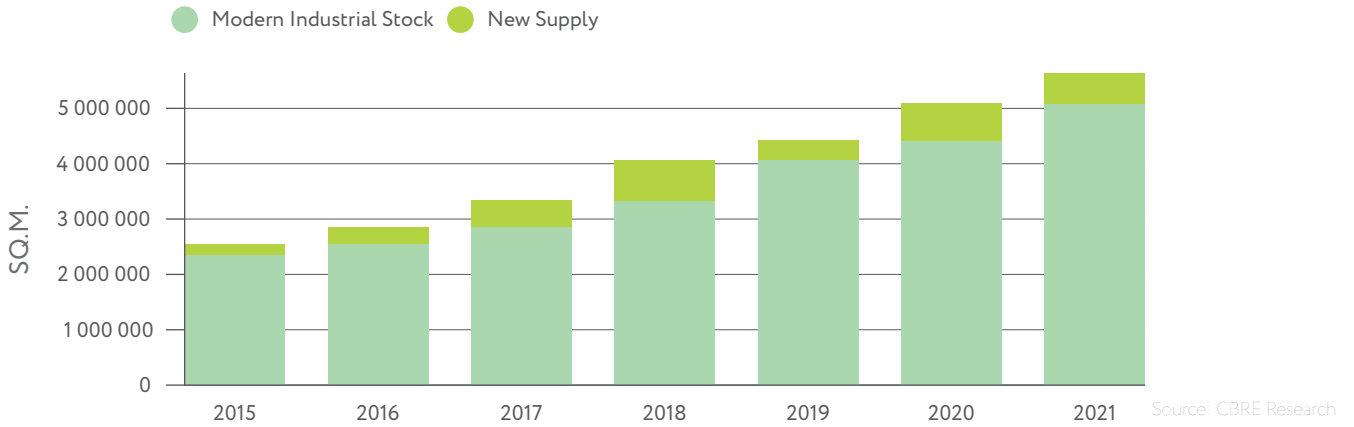


Source: CBRE Research



Embarked on an ascending trend since 2015, the consistent new supply, with yearly new deliveries above a quarter of a million sq.m. (in 2016 and 2019) and close to or even higher than half a million sq.m. (in 2017, 2018, 2020 and 2021), managed to swim against the tide during 2020 and 2021, two consecutive years with remarkable figures that contributed to the accelerated growth of Romania's industrial stock.

**Figure 4. Romania Modern Industrial Stock Evolution**



Most of the yearly new supply was directed mainly towards the capital city, while development regions such as the Southern and West / North Western parts of Romania managed to attract a share of 18%, respectively 13% of the modern spaces, while the Central and East / North Eastern regions, jointly welcomed 6% of the new deliveries.

The total volume of 2.80 mln. sq.m., which constitutes Bucharest's modern industrial stock at the end of 2021, is split by developers into six areas of interest. Nonetheless, throughout the year, only three of these areas welcomed - new spaces amounting circa 333,000 sq.m.. The largest share, meaning half of the new supply, was developed in the Western part of the capital city, followed by the North sub-market, which claimed 32%.

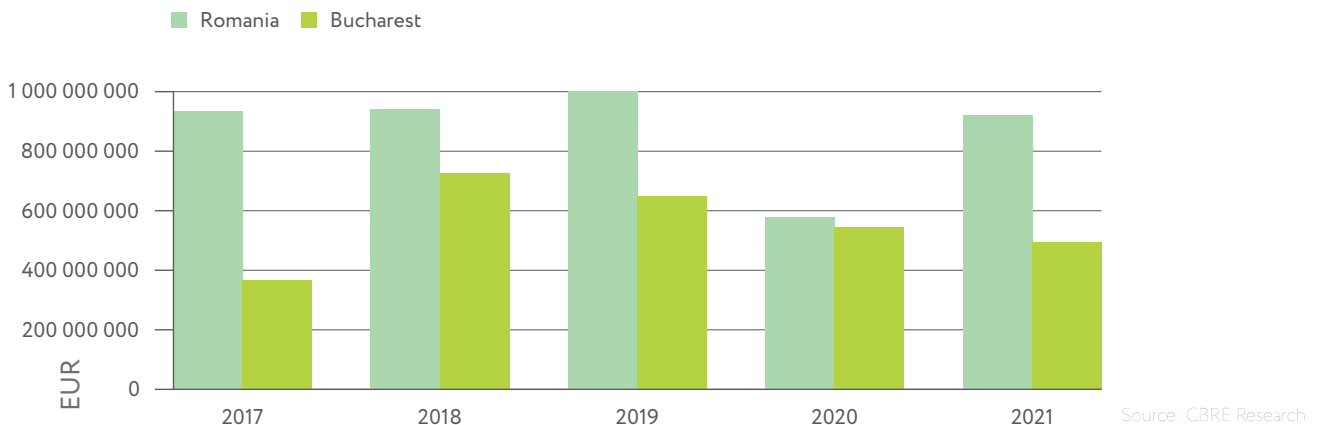
The third area, located in the North Western extremity of the capital city is considered the newest industrial hot spot, where developers such as Logikor, Global Vision and Catted chose to expand their market share.

### 3. INVESTMENT MARKET

#### General Market Overview

Total investment volume in Romania amounted EUR 920.1 mln. in 2021, 60% above the value registered for the previous year. This also marks a return to the long-term average annual volume in Romania of EUR 1.0 bln, marking the continuous growth of the market. During the second half of the year, investment volumes picked up noticeably, leading to the overall increase in trading activity.

**Figure 5. Romania Investment Volume Evolution**

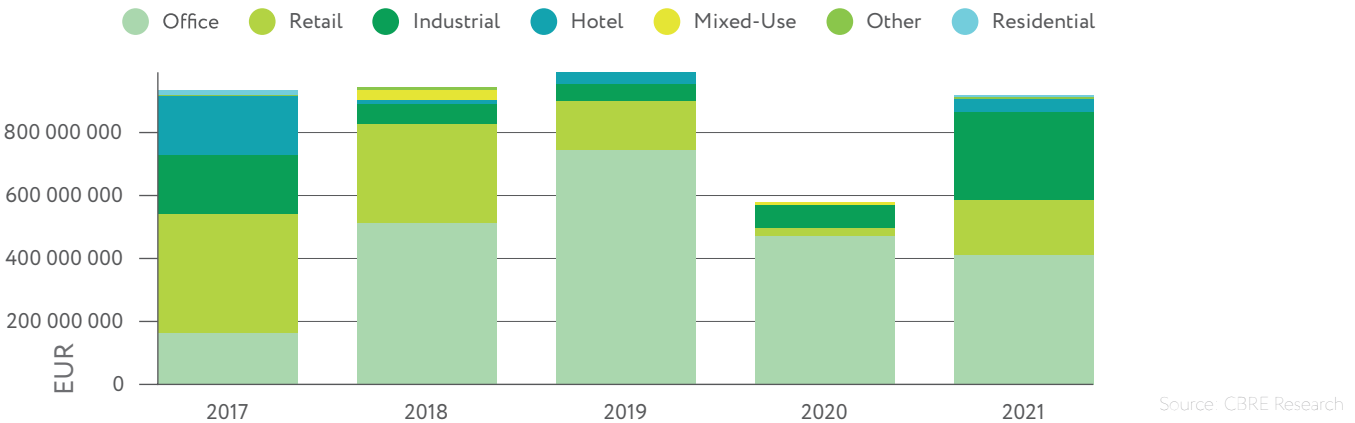


One of the most significant transactions of the year was signed during the third quarter when the Hungarian investment fund Adventum entered the Romanian office market through the acquisition of Hermes Business Campus in Bucharest for approx. EUR 150.0 mln. Another important transaction closed towards year's end was concluded between the Austrian group Supernova which bought the real estate portfolio owned by the French-Belgian group Louis Delhaize in Romania through a sale & lease back transaction, where Delhaize agreed to subsequently lease the Cora hypermarkets in various locations throughout the country.

During 2021, forty-three transactions were closed with an average ticket size of EUR 21.4 mln., 30% lower than the 2020 average. With 54% of the total investment volume in thirteen transactions, Bucharest continued to be the top location for investors, with an average ticket size of EUR 40.3 mln. The other thirty deals were signed for properties in regional cities such as Brasov, Timisoara, Sibiu, Craiova, Oradea, Iasi, Cluj and others.

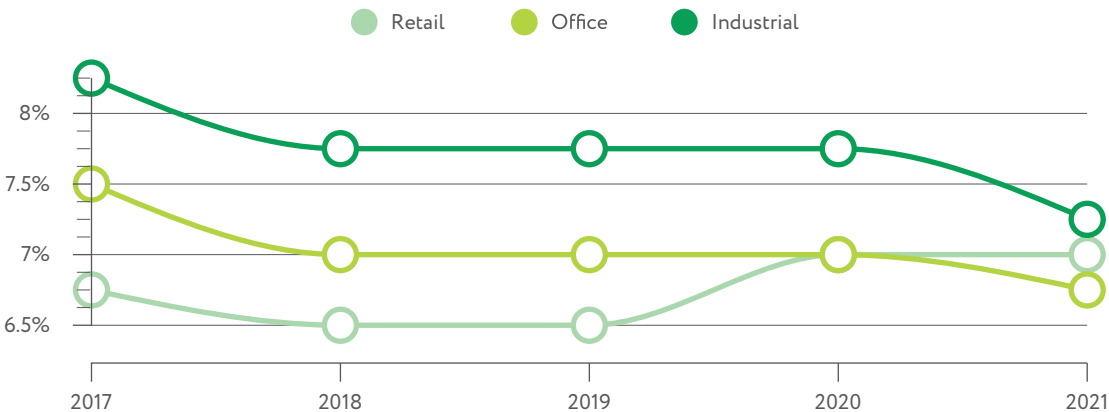
Both new investors as well as established ones chose predominantly office and industrial properties. Almost half of the total investment volume was directed towards office properties (45%), while 30% of investments went towards the industrial sector. The remaining quarter was claimed by retail sector with a share of 19% while hotel, residential and other segments gathered 6% from the total.

**Figure 6. Romania Investment Volume Evolution by Sector**



Starting with 2017, retail, office and industrial prime yields started a downward trend that either stopped or reversed (for retail market) in 2020. Thus, if in 2017 retail prime yield was 6.75%, in 2018 and 2019 it was lowered to 6.50%, while in 2020 increased with 0.50 pps, up to 7.00%. Office prime yield in 2017 was 7.50% and lowered in 2018 to 7.00%, value that maintained by the end of 2020. With the same trend, industrial prime yield in 2017 was 8.25% and lowered in 2018 to 7.75%, value that was as well maintained by the end of 2020. Nonetheless, the transactional activity for all three analysed segments was auspicious and determined prime yields maintain as is the case for retail market, or to compress as is the case for the office and industrial markets.

**Figure 7. Prime Yield Evolution**



At the end of 2021, retail prime yields remained stable at 7.00%, unchanged from end-2020. With office and industrial sectors in a constant competition amongst the first ranks and emblematic transactions and consistent interest for good products throughout the year, when compared with Q4 2020, prime yields decreased up to 0.50 pps, reaching 6.75% for the office market and 7.25% for the industrial market.

# BULGARIA

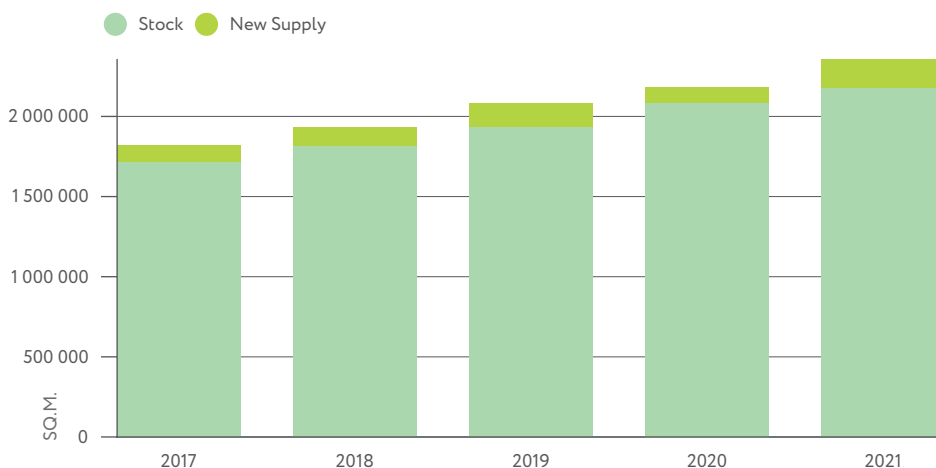
## 1. OFFICE MARKET

### General Market Overview

At the end of 2021, Bulgaria modern office stock, concentrated in Sofia, reached 2.3 mln. sq.m., comprising A & B class spaces.

Following slowdown in activity from both developers and occupiers, 2021 was a rebound year. New supply marked a decade high increase in stock by approx. 8% per annum, adding 170,000 sq.m. to the market. CBD zone remained stagnant with no major fluctuations in terms of new development and demand. While, on the other hand, broader center marked delivery of new schemes. During the second part of the year, several projects were inaugurated such as: The North Tower Bulgaria (the second tower of Bulgarian Towers complex), The Ring Tower, Park Lane Office Center, Balkan Business Center and building 4 within Garitage park. Moreover, Synergy Tower building was partially opened as well.

Figure 8. Modern Office Stock Evolution



### Pipeline Office Projects

Approx. 100,000 sq.m. of office space are expected to be delivered in 2022, while additional 150,000 sq.m. could be found at the end of 2021 at the planning phase. Sofia's city center will increase its modern stock with two projects, out of which one will be delivered in 2022. Mladost district will be welcoming German retail discounter Lidl, and Triadista district will be welcoming a building developed by Sofkam.

### Vacancy Rate

At the end of Q4 2021 the overall vacancy rate was registered at 14%, with 3.0 pps higher compared with the last quarter of the previous year. The upward trend was mainly attributed with an increasing availability in suburban area. Prime rent maintained a stable trend since the first months of the year, remaining EUR 15.00 sq.m./month in CBD area and partially broader centre.

## 2. INDUSTRIAL MARKET

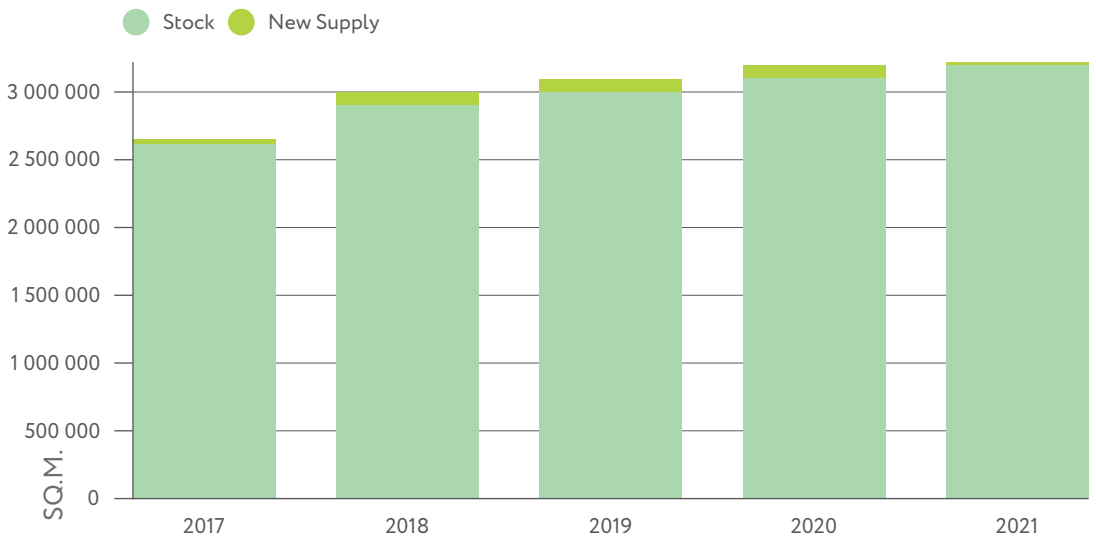
### Modern Industrial Stock

Bulgaria's modern industrial stock is mainly concentrated in the capital city area which at the end of the third quarter of 2021 reached 3.22 mln. Sq. m After consistent new supply recorded in 2019 and the delivery of several large-scale production and logistics facilities, the year 2020 started slowly with a modest number of new deliveries, followed by an increase in activity later during the year. In the first part of 2021, the limited new supply increased the modern stock with 20,400 sq.m., while a significant level of new supply is expected for completion in the following year, with a number of new logistics and warehouse projects in the pipeline. A noteworthy new entry on the Bulgarian industrial market was registered in 2020 when CTP purchased a 14,500 sq.m. warehouse next to Sofia International Airport, leased to DSV.

Moreover, in Q3 2021 CTP, acquired an 11,500 sq.m. production facility in Plovdiv from leading German Tier-1 automotive supplier Willie Elbe. The deal involved an innovative sale-and-leaseback structure and marks CTP's first step toward developing the CTPark Network outside the capital, Sofia.

Also, in Q3 CTP acquired a new warehouse with a total GLA of 31,200 sq.m. together with a 4,000 sq.m. office building on Sofia's ring road. Both buildings have a long-term leasing contract with Orbico, a major 3PL operator in the region.

**Figure 9. Sofia Modern Industrial Stock Evolution**



Source: CBRE Research

**Rents**

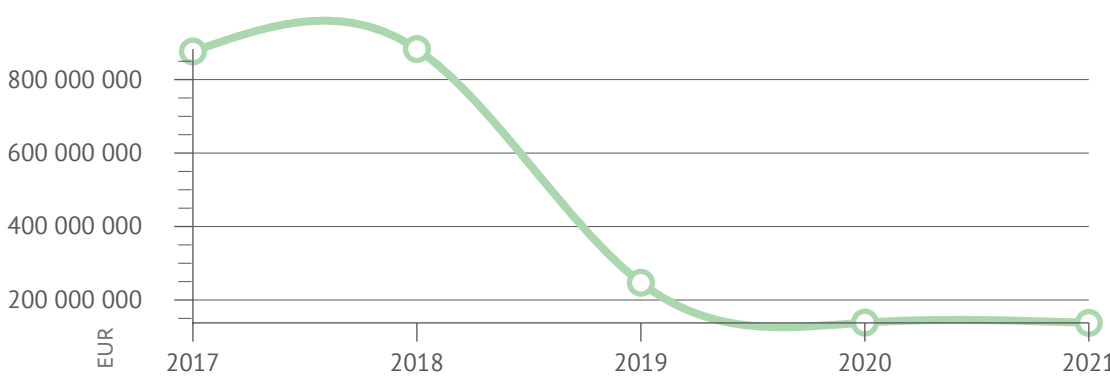
Headline rent in logistic parks at the end of Q3 stands at EUR 4.25 sq.m./month, respectively, with EUR 0.25 sq.m./month lower compared with the value registered at the end of the second quarter of the year. In our opinion the evolution trend of the industrial & logistics spaces’ rents will maintain a stable path.

**3. INVESTMENT MARKET**

**General Market Overview**

During the first nine months of 2021, the total investment volume in Bulgaria totalled EUR 137.7 mln., similar with the investment volume registered in the same period of 2020. With properties valued at approx. EUR 63.0 mln., the fourth quarter of the year was the most animated in terms of transactional activity.

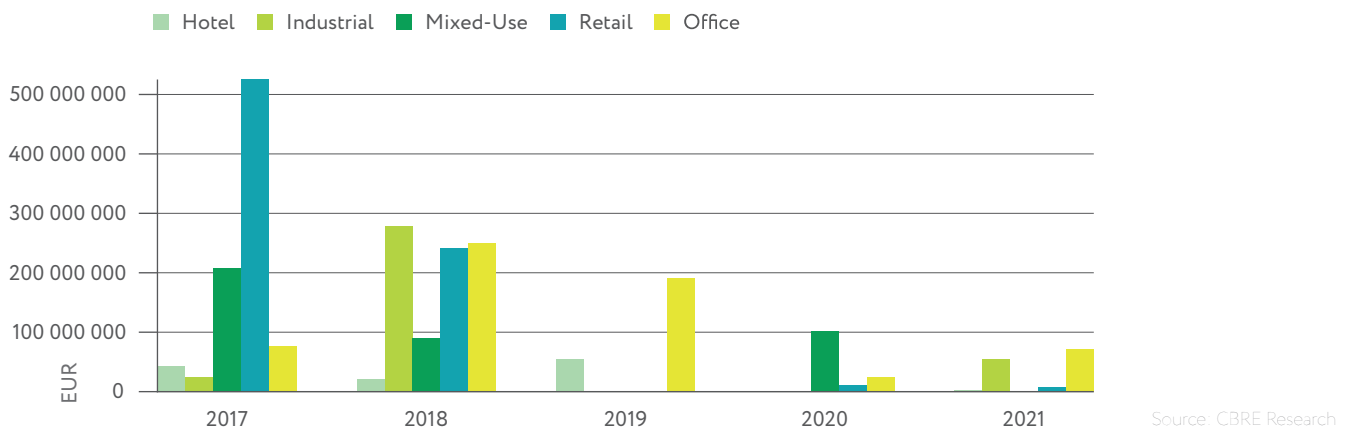
**Figure 10. Investment Volume Evolution**



Source: CBRE Research

The largest transaction of the year was signed as well in the last three months of 2021, when SAP acquired Park Lane Office Center for an amount of approx. EUR 49.0 mln. Industrial and office markets were the leading sectors that attracted mainly foreign investors in Bulgaria. During 2021, nine transactions were closed, having an average ticket size of EUR 15.3 mln. The highest volumes were recorded by the office sector, which claimed a bit more than half of the investment volume, meaning 53%, followed by the industrial sector with a share of 40%. The transactional activity from 2021 was varied, with retail and hotel sectors being active and jointly gathering 8% from the annual investment volume.

**Figure 11. Investment Volume Evolution by Sector**

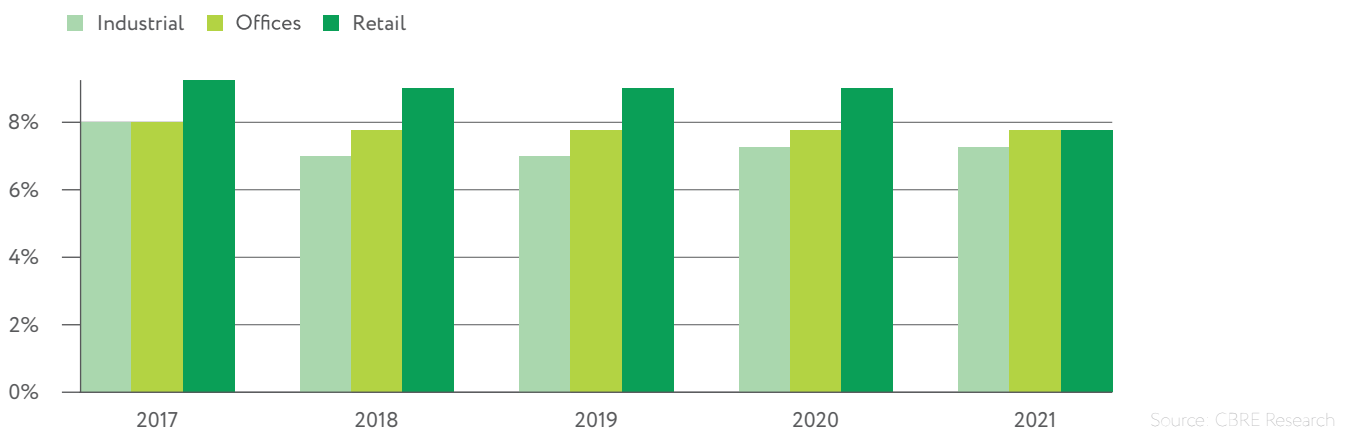


At the end of 2021, prime yields kept a stable pace for the office and retail segments, remaining at 7.75%, respectively 7.25% at the same levels as the end of 2020. As the industrial sector continued to rank first with the most wanted type of investment schemes, prime yield decreased with 1.25 pps to 7.75% as a result of increasing demand.

Starting with 2017, retail, office and industrial prime yields started a downward trend. Thus, if in 2017 retail prime yield registered for the retail market was 8.00%, in 2018 and 2019 it was lowered to 7.00%, while in 2020 increased with 0.25 pps, to 7.25%. Office prime yield in 2017 was 8.00% and lowered in 2018 to 7.75%, value that maintained by the end of 2021.

With the same trend, industrial prime yield in 2017 was 9.25% and lowered in 2018 to 9.00%, value that maintained by end of 2020. During the first nine months of 2021, prime yields maintained for the office and retail markets at the same level from 2020 while industrial prime yields registered a significant compression of 1.25 pps, reaching at 7.75%.

**Figure 12. Prime Yield Evolution**



## SERBIA

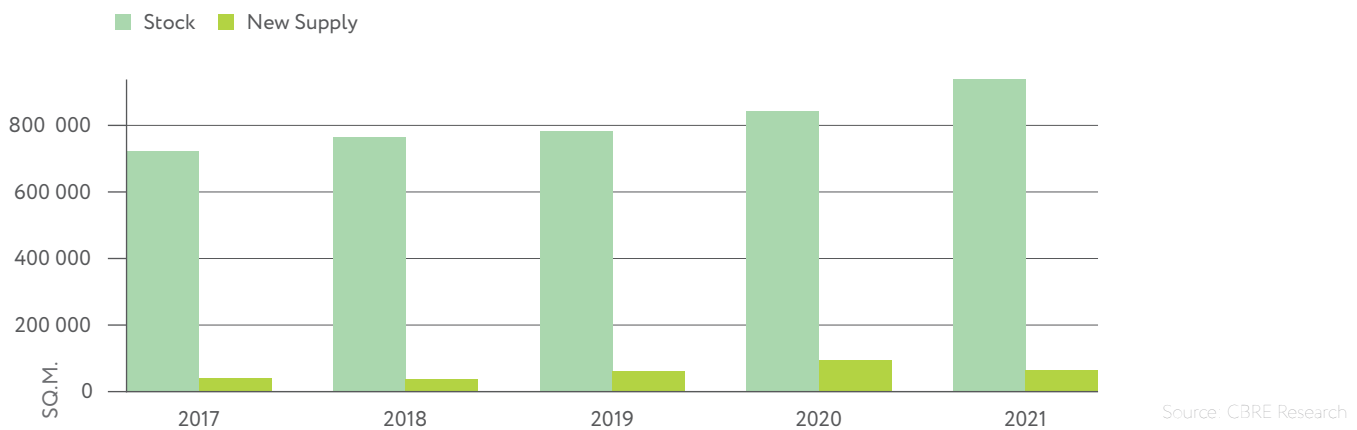
### 1. OFFICE MARKET

#### General Market Overview

At the end of 2021, Serbia modern office stock concentrated in Belgrade reached circa 1,00 mln. sq.m., comprising A & B class spaces. Throughout the year, approx. 63,700 sq.m. were added to the modern stock, contributing at the modern office stock of the capital city overpass the 1,00 mln sq.m. threshold. Strong construction activity has been recorded in the second part of the year, where both CBD (New Belgrade) and the city center inaugurated new premises.

The second half of the year was marked with the opening of Delta Corporation's new HQ in New Belgrade and Shandong Plaza and the seventh phase of Airport City (the largest office park in the capital city). Located in the central business district, Delta House brings additional 10,300 sq.m. to Belgrade's stock. The top four floors of Delta House will be occupied by the owner while the remaining 6,000 sq.m. of class A office space will be available on the market. The project is LEED-certified and was designed as an energy-efficient building that uses solar panels and collects rainwater for greenery watering purposes. Among the amenities that the project provides can be found a restaurant, café and gym.

**Figure 13. Modern Office Stock Evolution**



### Pipeline Office Projects

By the end of 2023, circa 291,000 sq.m. are expected to be added at Serbia’s modern office stock, considering the under – constructions and planned projects in Belgrade.

Boulevard Milutina Milankovica, part of the central business district is expected to welcome another office building by the end of 2022, namely GTC X which is under construction and with foundation work completed. Additionally, CBD will have another office space within Kennedy residential complex. The office building will feature 3,500 sq.m. of upscale modern space, representing the only modern office asset in the close surroundings. The completion is planned for Q2 2022. On the other side of Sava River, construction work is underway on some of the Belgrade’s most renowned landmarks. Marea Properties, one of the most popular developers in the country, is currently working on refurbishment on Palata Beograd buildings. The refurbishment is set to end in the second quarter of 2022. Moreover, in downtown Belgrade, Astoria Properties is refurbishing former Centroprom building. After completion, Belgrade’s office market will have approximately 23,000 sq.m. of refurbished stock. Close to Palata Beograd another landmark project developed by AFI Group is under construction. Construction works at AFI Tower advance according to schedule with the installation of glass façade. The completion is estimated for Q4 2022.

### Vacancy Rate

After an increase in the first quarter of 2021, vacancy rate started to decrease in Q2 reaching at 7.70% and at the end of Q3 at 6.00%. Although there has been a large influx of new supply in third quarter, the overall vacancy decreased by 170bps from last quarter. Decrease in class A office space was mostly affected by the complete lease of Usce Tower II. Furthermore, the overall vacancy was decreased in Usce Tower I, Airport City as well as in Navigator 2. In the last quarter of 2021, the delivery of over 23,000 sq.m. to the market led to slight increase in overall vacancy. At the moment, overall vacancy rate is standing at 6.50%.

Prime rent maintained during the nine months of the year at EUR 16.50 sq.m./month, a stable trend in the last five years.

## 2. INDUSTRIAL MARKET

### Modern Industrial Stock

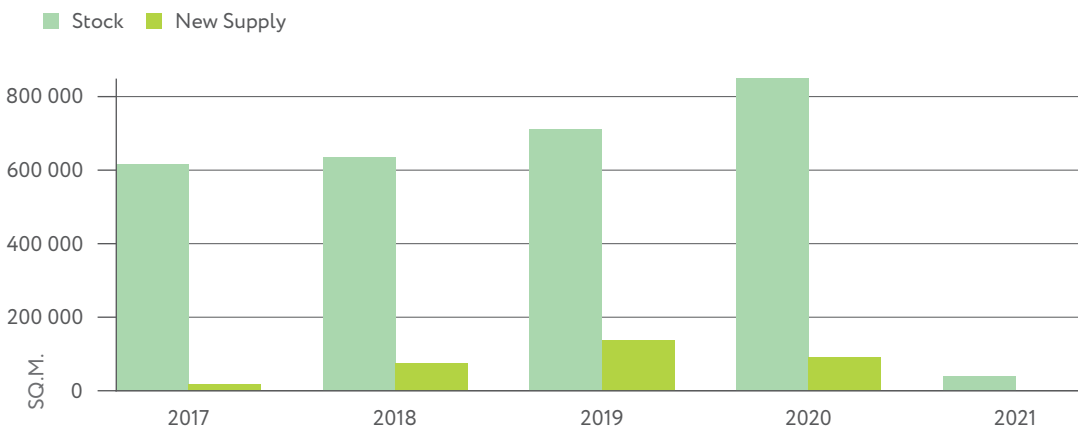
Serbia’s modern industrial stock is mainly concentrated in the capital city area which at the end of 2021 reached 940,000 sq.m.. Although there were no new deliveries on the market, the delivery of CTPark North phase 2 is nearing completion, with expectations to be opened in Q1 2022. Throughout the year the hot spot for warehouse centers continues to be wider region of Belgrade. However, other parts of the country are becoming more interesting to local and foreign investors.

Chinese pharmaceutical factory, Sinopharm, in partnership with Serbian government and UEA, is building its first vaccine factory in Serbia. Investment worth around EUR 30 mln., with first phase being completed in first quarter of 2022. Another pharmaceutical company, Galenika announced investment of EUR 6.2 mln. for development of an “technologically state-of-the-art warehouse” that will be used for packaging of raw materials, with additional modernization of boiler room. The completion is planned for 2023. Another project that is located in Belgrade area is development of warehouse unit by UDI Group, that will be located in Simanovci.

German grocery chain, Lidl, is constructing a distribution center that will feature 57,000 sq.m.. Located in Lapovo, this will be second distribution center that this company developed. The future distribution center will be supplying all Lidl store in the central and southern part of Serbia.

Development in secondary cities are flourishing as well Novi Sad will add another factory to its portfolio. Namely, Japanese electric motor company Nidec is developing a 26,000 sq.m. production facility.

**Figure 14. Modern Industrial Stock Evolution**



Attractiveness of Belgrade and its wider region has continued to be the most enticing to investors of logistics, while other regions of the country continue to be dominated by interest in owner used light industry products. The already known developer, CTP, plans to start developing about 30,000 sq.m. through several projects within its two existing parks in Simanovci and Novi Banovci, which should begin by the middle of 2022. The pipeline remains consistent, as investors are sticking to their previously announced plans. Due to its strategic position, Belgrade and its wider region is expected to remain the main hot spot of the new supply.

After the construction of the fifth phase, IPB is announcing the construction of phases six and seven of its logistics parks. As announced by the developers, the advantage of this logistics warehouse is the possibility of dividing the facility into five modules which can be combined or merged per request. In addition, the seventh phase has obtained construction permit.

One of the largest developers in the country, CTP is continuing to expand its logistics network. The second phase of CTPark Belgrade North, estimated to be delivered in Q2 2022. Furthermore, the third phase of the same project was announced as well, and the delivery is expected in Q4 2022. For CTPark Belgrade Centar planning is underway.

The supply of Novi Banovici industrial zone keeps increasing with the construction starting at Transfera Logistics Center (TLC1), creating Transfera Logistic Park (TLP). Just 20 km outside of Nikola Tesla Airport, the facility will gather warehouse space GLA of 27,000 sq.m. and 3,000 sq.m. of office space. The owner has announced that the construction is moving ahead of schedule.

German engine manufacturer MTU Aero Engines is constructing a warehouse for their purposes in Nova Pazova with an estimated completion date in 2023. Delta has announced the construction of the warehouse for the purposes of their new project called Ananas.

**Rents**

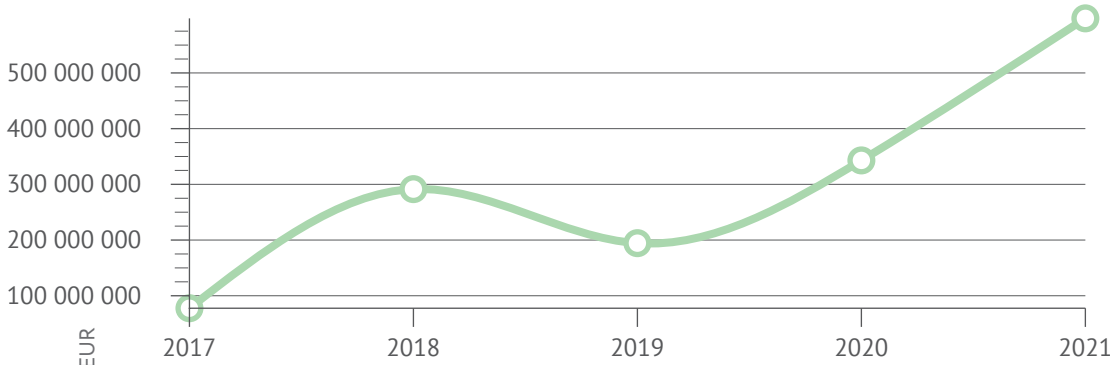
Headline rent in logistic parks at the end of Q4 2021 stands at EUR 4.25 sq.m./month, respectively, the same value since the third quarter of the previous year.

**3. INVESTMENT MARKET**

**General Market Overview**

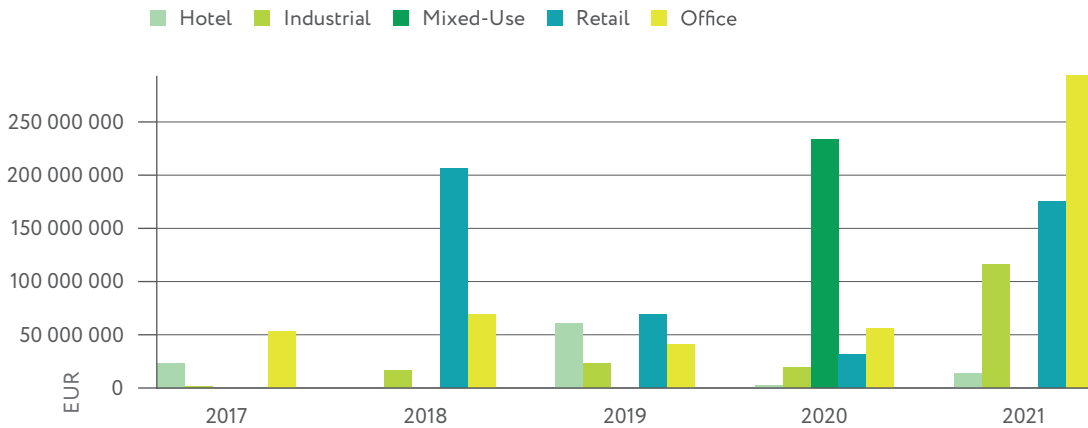
During 2021, the total investment volume in Serbia totalled EUR 598.0 mln., 74% higher than the investment volume registered in 2020. With properties valued at approx. EUR 410.0 mln., the third quarter of the year was the most animated in terms of transactional activity.

**Figure 15. Investment Volume Evolution**



The largest transaction of the year was signed as well in the third quarter of 2021, when Balkans Real Estate acquired Delta City Belgrade for an amount of approx. EUR 115 mln. Retail and industrial markets were the leading sectors that attracted mainly foreign investors in Serbia. During 2021, twentyfour transactions were closed, having an average ticket size of EUR 25 mln. The highest volumes were recorded by the office sector, which claimed almost half of the investment volume, meaning 49%, followed at a considerable distance by the retail sector with a share of 29% and industrial sector gathering 19% from the annual investment volume.

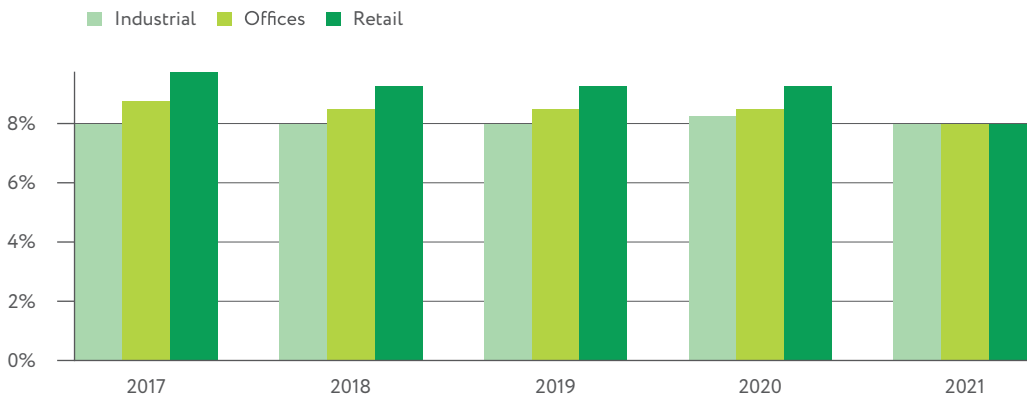
**Figure 16. Investment Volume Evolution by Sector**



At the end of 2021, prime yields were on a downward trend, reaching at 8.00% for industrial, office and retail markets.

If at the end of 2017, prime yields were at 9.75% for industrial, 8.75% for the office and 8.00% for the retail market, the overall trend was to compress, industrial and office prime yields standing from 2018 to 2020 at 9.25%, respectively 8.50%, while retail prime yields kept a stable pace from 2017 until the 2019, in 2020 increasing with 0.25 pps.

**Figure 17. Prime Yield Evolution**



## ALBANIA

### OFFICE MARKET

#### General Market Overview

At the end of 2020, Albania modern office stock, concentrated in Tirana, reached at 137,600 sq.m.. Increasing the modern stock with 28%, the 2020 new supply consisted of 13,200 sq.m. of class A, 7,200 sq.m. of class B office space in Tirana. 77% of the office modern stock is concentrated in CBD and inner city while the remaining office stock (23%) is located in the outskirts of Tirana.

**Table 1. Tirana Office Market, 2020**

Tirana Office Market, 2020	
Total Modern Stock	137,600 sq.m.
Vacancy Rate	24.3%
Prime Headline Rent	23.5 EUR / sq.m./ month

Source: CBRE Research



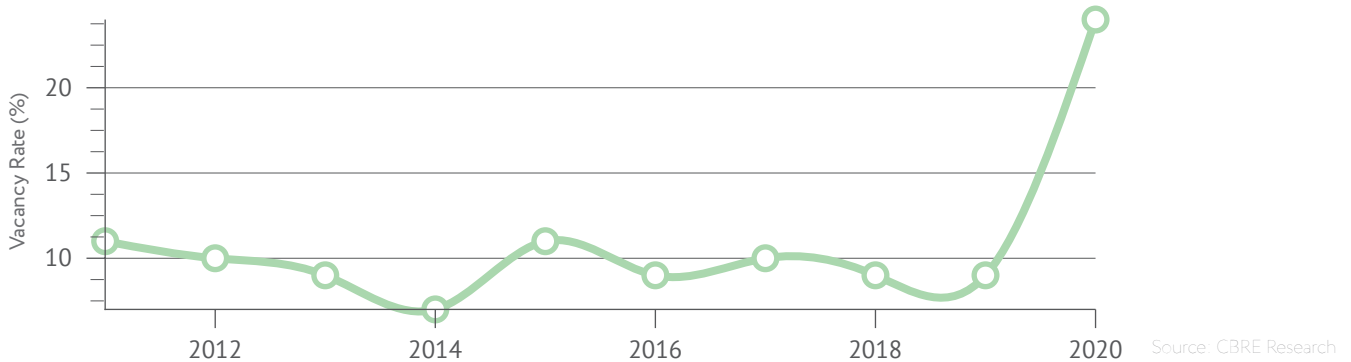
## Pipeline Office Projects

With prime locations in Tirana, several mixed-use developments (office and residential components) are expected to enlarge the modern office stock of the city as well. Projects such as MET Tirana Building, Downtown One, Orion Business Centre, Eyes of Tirana, Tirana's Rock and Ekspozita Building could be found in different development stages at the end of 2020. The total office space under active construction is 67,900 sq.m. and is expected to enter the market by the end of 2023. Nonetheless, in the medium to long term, the office market is expected to expand considering as well other large projects that at 2020 closing were found in an incipient planning phase.

## Vacancy Rate

Strongly affected by COVID-19 pandemic throughout 2020, Tirana's office market registered the highest vacancy rate, respectively 24.3%, in the last ten years. The record vacancy rate put into perspective the leasing approach for most landlords, who became more client - oriented and were willing to bring more at the negotiation table instead of offering the very basics to their clients.

Figure 18. Vacancy Rate Evolution

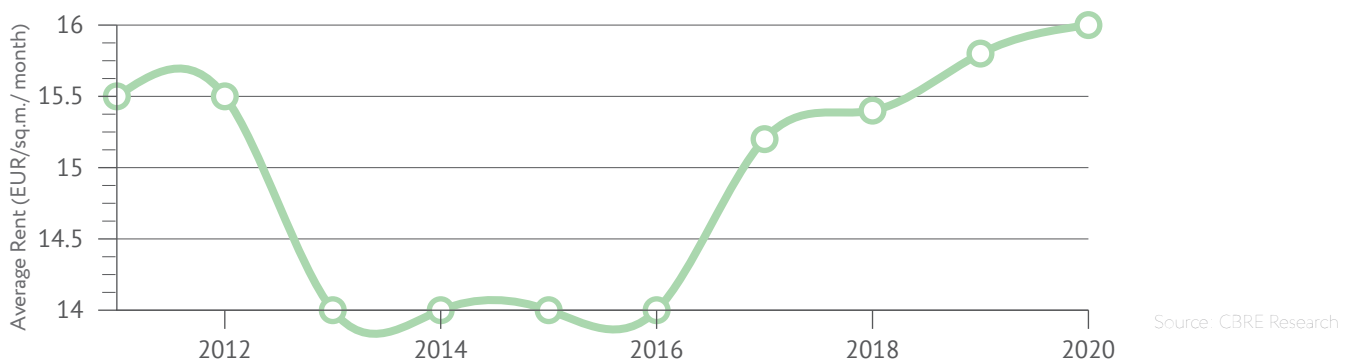


## Rents

The impact of COVID-19 pandemic was reflected on the rent level as well, making equally landlords and tenants to be open to concessions. The second part of 2020 was more animated in terms of office space presence, as the Albanian government decided to not have a second lockdown, making it possible for companies to open their offices while obeying all the mandatory health and safety rules. The hybrid work (part work at the office and part work from home), rotating work schedules, and workspace adaptation to social distancing were the go-to alternatives for companies.

The broad majority of office space owners chose to lower the net effective rent by offering more attractive incentives. Nonetheless, there were landlords that proved to be flexible on the rental price as well, offering reductions and accommodating tenants' requests. Hence, at the end of 2020, the average office rent in Tirana was 16 EUR /sq.m./ month while the prime headline rent was 23.5 EUR /sq.m./ month. The lowest decrease was registered by headline rents as high-quality office spaces were limited while the highest decrease could be found at class B office buildings.

Figure 19. Average Rent Evolution



## Total Leasing Activity

With all the uncertainties lingering towards the new workspace format, the demand for office space was diminished. Companies are searching for smaller sized office space and leasing contracts with more flexible terms. On the other hand, there were large companies that maintained their expansion plans and welcomed new offices throughout the year.

# NORTH MACEDONIA

## OFFICE MARKET

Table 2. North Macedonia Office Market indicators

Skopje Office Market, 2020	
Total Stock	314,800 sq.m.
Vacancy	4.0%
Prime Headline Rent	13 EUR / sq.m./ month (typical transactions up to 400 sq.m.)
Pipeline	22,000 sq.m.

Source: CBRE Research

## INDUSTRIAL MARKET

Table 3. North Macedonia Industrial Market indicators

North Macedonia Industrial Market, 2020	
Total Stock	68,000 sq.m.
Average Rent	3.5 EUR / sq.m./ month
Pipeline	65,400 sq.m.

## INVESTMENT MARKET

Table 4. North Macedonia Investment Market indicators

North Macedonia Investment Market, 2020	
Retail Prime Yield	9.00%
Office Prime Yield	9.25%
Industrial Prime Yield	12.00%

Source: CBRE Research

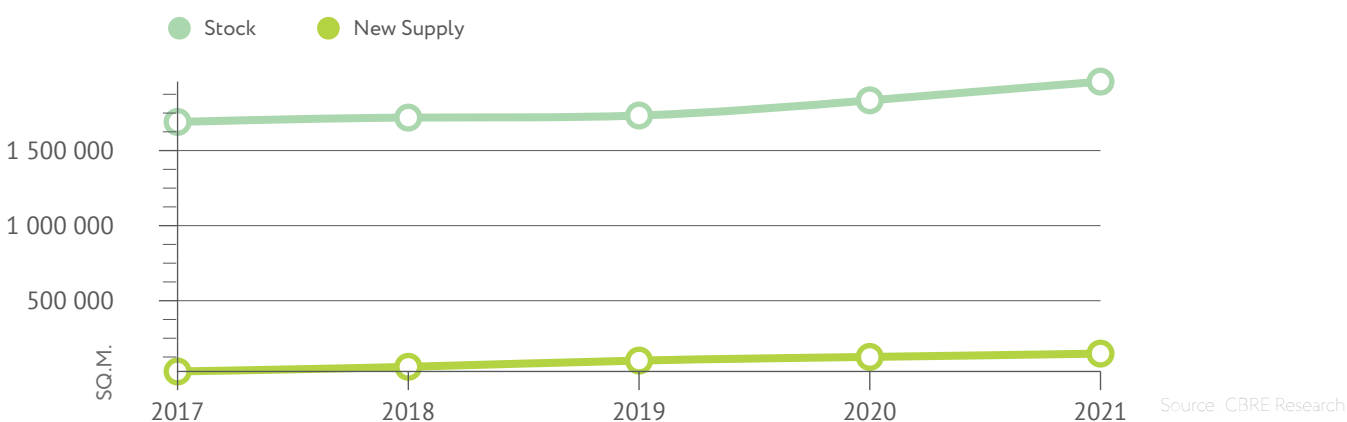
# UKRAINE <sup>103</sup>

## 1. OFFICE MARKET

### General Market Overview

At the end of Q3 2021, Ukraine modern office stock, concentrated in Kyiv, reached 2.18 mln. sq.m., comprising A & B class spaces. In Q3 2021, a massive volume of 105,000 sq.m. was delivered to the market and, as a result, the total Kyiv competitive office stock increased by 5% YTD. Notable completions included phase I of Magnett BC (33,000 sq.m.), phase III of Eleven BC (16,500 sq.m.), Office Scheme at 26/14 Spaska St. (9,400 sq.m.), UNIT.City B14 (12,600 sq.m.).

Figure 20. Modern Office Stock Evolution



Source: CBRE Research

<sup>103</sup> The military conflict between Russian Federation and Ukraine, started in February 2022 will significantly impact the trade and the regional development, especially for Ukraine and its neighbours, as it is the Republic of Moldova. At the time of writing this report (March-April 2022) it is premature to determine the impact of this military conflict both at the macroeconomic level for the countries in the region, and especially at the real estate level. The scale of the infrastructure damage caused in Ukraine will be able to be objectively assessed after the end of the conflict (including by non-residential categories - offices, industrial, etc).

## Pipeline Office Projects

The volume of new office space currently planned for commissioning in H1 2021 amounts to ca. 91,000 sq.m. and is represented by phase II of Office Scheme at 4-6 Korolenkivska St. (60,000 sq.m.), UNIT.City B6 (20,000 sq.m.), and UNIT.City B15 (11,000 sq.m.).

The volume of new supply after 2022 is expected to decline due to the absence of new construction commencements in 2020 and 2021.

## Vacancy Rate

Average vacancy rate decreased up by 0.9 pps QoQ at 15.3% due to significant volume of new supply entering the market. Notably, top-quality newly completed projects demonstrated high occupancy rates owing to the subdued new prime quality office supply over the course of 2020-H1 2021 and continued demand for such properties. Near-null vacancy was recorded in top-quality completions, namely, BC Magnett I (33,000 sq.m.), UNIT.City B.14 (12,600 sq.m.), and phase I of Office Scheme at 4-6 Korolenkivska St. (20,000 sq.m.). Prime rent maintained at \$25/sq.m./month, while asking rents posted no change QoQ and stood at \$23-\$28/sq.m./month for class A office space and \$13-\$23/sq.m./month for class B premises.

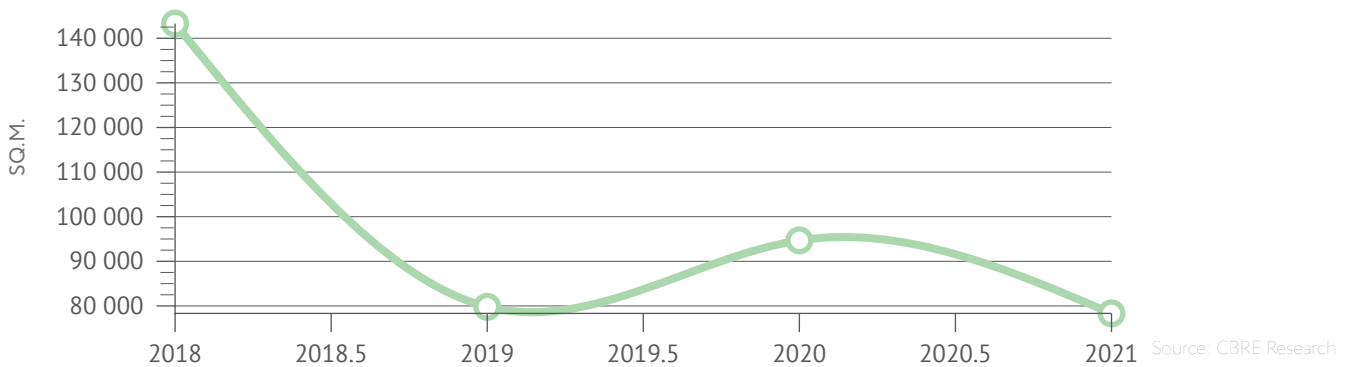
Asking rents are likely to remain stable, given the ongoing economic recovery amid increasing vaccination rates. We expect vacancy rate to remain stable or slightly increase with the delivery of new schemes.

## Take-up

From the beginning of 2021, take -up (total leasing activity excluding renewal/re negotiations) amounted for approximately 78,000 sq.m. in Kyiv. In Q3 2021, office market demonstrated continued leasing activity in high-quality office properties along with the gradual increase in business activity.

The largest deal was represented by the market entry of American university (7,800 sq.m.) in the office spaces of River Port. Other prominent new lease transaction included relocation and expansion of the Public Sector company (2,000 sq.m.) in the Office Scheme at 9 Bohdana Hmelnytskoho St.

Figure 21. Take-up evolution



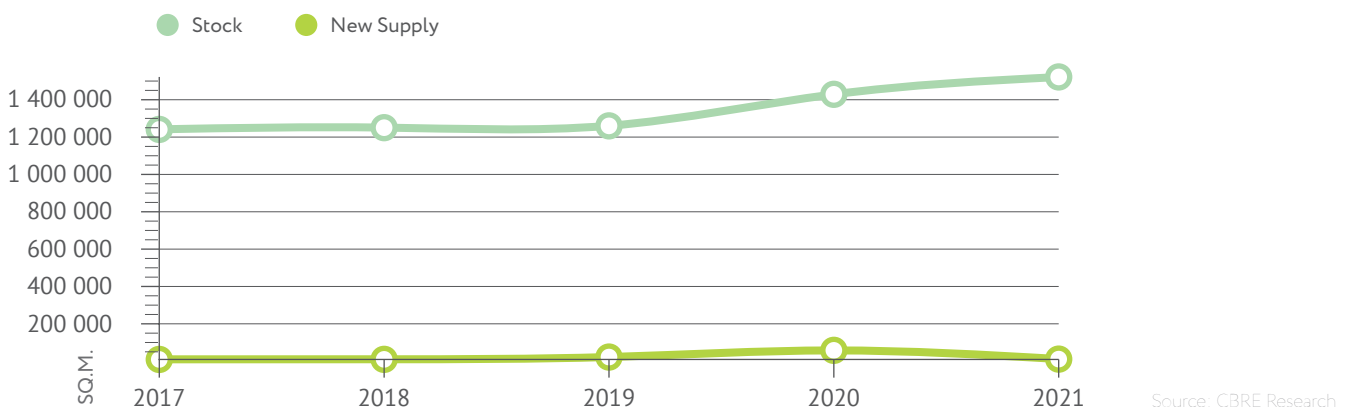
## 2. INDUSTRIAL MARKET

### Modern Industrial Stock

Ukraine's modern industrial stock is mainly concentrated in the capital city area which at the end of the third quarter of 2021 reached 1.53 mln. sq.m.. During the first nine months of the year, circa 11,000 sq.m. were brought on Kyiv's industrial market. New supply was represented by a single logistics complex Makarivskyi Warehouse II along Zhytomyr Highway.

The supply of warehouse space has been particularly low in the last several years, with the annual average growth rate of warehouse space in the Kyiv region standing at 6% between 2015 to 2020.

Figure 22. Modern Industrial Stock Evolution



## Pipeline

Speculative supply is expected in very small volumes of ca. 10,000-20,000 sq.m. per unit in 2021-2022, while more large-scale units will be represented by build-to-suit projects. Speculative warehouse schemes under construction and scheduled for 2021 amount to 67,000 sq.m. and are represented by phases III (10,000 sq.m.) and IV (11,000 sq.m.) of Makarivskiy Warehouse, III phase of Mirazh (9,000 sq.m.), the second phase of San Factory Storage Area Network (17,000 sq.m.) and first phase of E-40 Industrial Park (20,000 sq.m.).

## Vacancy Rate & Rents

During 2021 could be observed a progressive tightening of Kyiv industrial market, with very few options for tenants in need for a logistic space. The limited new supply in the last few years has led to high occupancy levels and little choice in existing stock. Demand from Wholesale & Retail, as well as Manufacturing, Energy & Industrial sectors continued to be upbeat on the back of strong growth in e-commerce coupled with gradual economic recovery. As a result, at 2.3% the Kyiv industrial market recorded its lowest vacancy since 2008.

As of the end of Q3 2021, asking rents for ambient warehouse didn't register changes QoQ and stood at UAH 133-159/sq.m./month (\$5-\$6/sq.m./month) for class A and UAH 95-110/sq.m./month (\$3.6-\$4.1/sq.m./month) for class B properties. Rents for cold warehouses remained stable YTD, with asking rents ranging between UAH 300-360/sq.m./month (\$11.3-\$13.5/sq.m./month). Effective rents were 6%-19% lower than asking rents on average. Effective prime rent rose by 2% QoQ to \$5.6/sq.m./month due to strengthening of the UAH and USD rate, as most leases remained UAH-denominated.

## Take-up

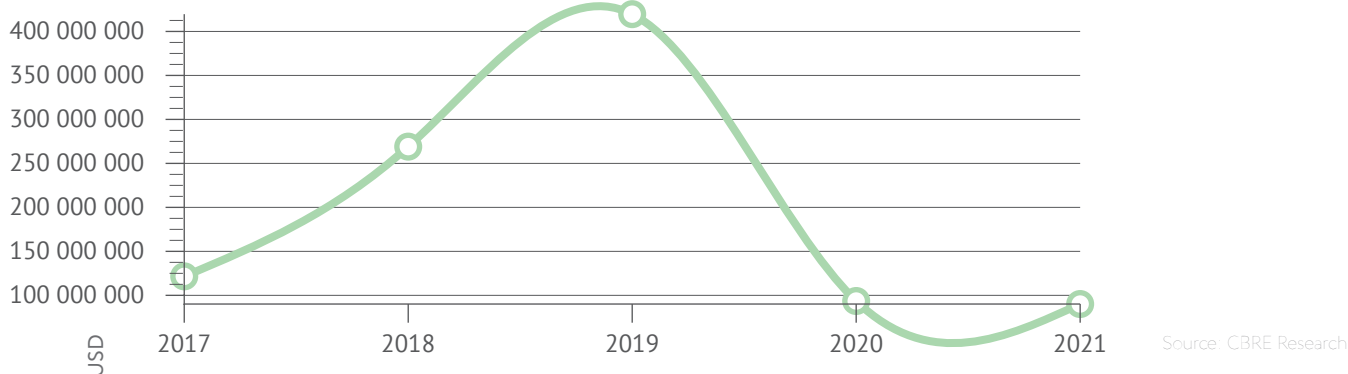
Total take-up declined by 43% QoQ to 12,500 sq.m., mainly due to the lack of speculative vacant stock in the market. Among the notable transactions were expansion of Wholesale and retail trade company Morskyi Dim (2,000 sq.m.) and 3PLs & transportation company Business Group (7,500 sq.m.) in Makarivskiy Logistic II.

## 3. INVESTMENT MARKET

### General Market Overview

During 2021, the total investment volume in Ukraine totalled USD 90.1 mln., with only 4% less than the investment volume registered in 2020. With properties valued at approx. USD 56.0 mln., the second quarter of the year was the most animated in terms of transactional activity.

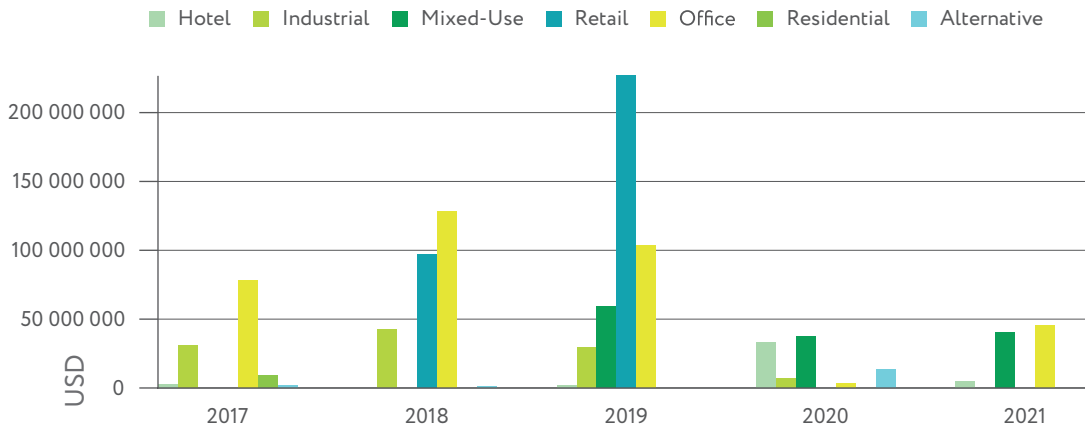
Figure 23. Investment Volume Evolution



The largest transaction of the year was signed as well in Q2 of 2021, when UCPIH (a member of the Dragon Capital group of companies) acquired Amtel Logistics Complex for an amount of approx. USD 40.1 mln. Mixed-use and office properties were the leading sectors that attracted mainly local investors in Ukraine. During 2021, eight transactions were closed, having an average ticket size of USD 11.3 mln.

Office properties claimed half of the investment volume, followed by the mixed-use properties with a share of 44% and hotel sector with 6% from the investment volume.

**Figure 24. Investment Volume Evolution by Sector**



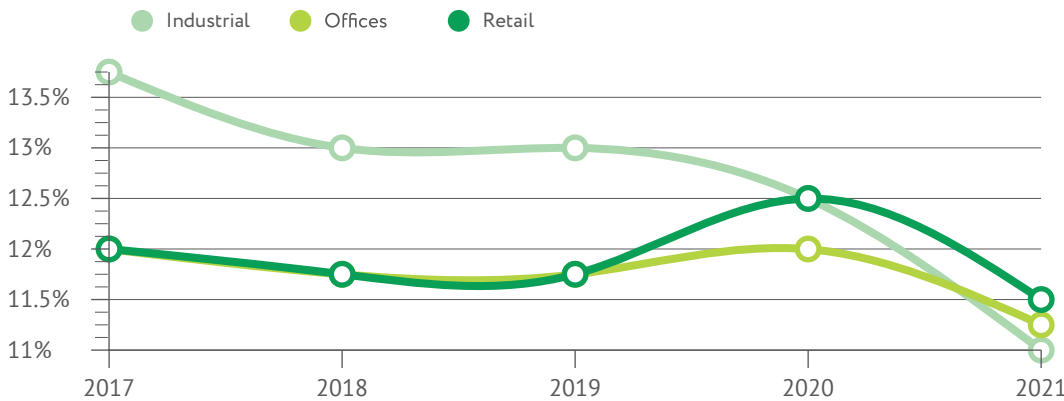
Source: CBRE Research

At the end of 2021, prime yields kept decreased for all analysed sectors when comparing with the values from the end of 2020, reaching at 12.00% for the industrial sector, respectively 11.25% and 11.50% for the office and retail sectors.

Starting with 2017, retail, office and industrial prime yields started a downward trend. Thus, if in 2017 the registered retail and office prime yield was 12.00%, in 2018 and 2019 it was lowered to 11.75%, while in 2020 increased with 0.75 pps for the retail market, reaching 12.50% and with 0.25 pps for the office market, reaching to 12.00%. Office prime yield in 2017 was 8.00% and lowered in 2018 to 7.75%, value that maintained by the end of Q3 2021.

With the same trend, industrial prime yield in 2017 was 13.75% and lowered in 2018 to 13.00%, value that maintained by end of 2019. At Q4 2020, industrial prime yields witnessed another compression of 0.50 pps, down to 12.5%.

**Figure 25. Prime Yield Evolution**



Source: CBRE Research



## Annex 6. The necessary documents in the design and construction procedure

Title of the act / Brief description	The issuing body	Obtaining period, working days	Cost in MDL
<b>1. Project sketch</b> - contains drawings that reflect the architect's creative idea of architectural solutions and the location of a building, which can later be made in the project documentation. The sketch consists of: framing plan, general plan, facades, chromatic solutions, the development of a portion of the street front.	Licensed architecture and design firm	Contractual în funcție de condițiile stipulate	DCO Depinde de Complexitatea Obiectului
<b>2. Informative urbanism certificate</b> - optional act by which the elements characterizing the legal, technical and architectural urbanistic regime of a building / land are made known to the applicant (beneficiary), established by the urbanism and landscaping documentation, necessary in case of sale -purchase, lease, dismemberment, subdivision, amalgamation, division, inheritance of the land intended for construction or of the building in which reconstruction works are expected, as well as in case of patrimonial litigation. <i>The following documents are required to obtain the certificate:</i>	City Hall	20	50
2.1. Application of established form, which is submitted to the specialized counter of the LPA	The applicant		
2.2. Identity card (Individual) or certificate of registration (Legal Person).	As the case		
2.3. In case of patrimonial litigations, specific documents can be requested: the cadastral plan of the land and the survey of the building with the current situation accompanied by the certificate on the results of the real estate inspection, issued by the Territorial Cadastral Service of ASP; acts regarding the examination of administrative contraventions and the report of technical expertise, in case of interventions or construction of unauthorized constructions; topographic control survey, Scale 1:500; others.	As the case		
<b>3. Urbanism certificate for design</b> - regulatory act by which the applicant (beneficiary) is made aware of the prescriptions and elements that characterize: the legal regime (land location, ownership, extracts from urban planning documentation), economic regime (current use and tax regulations), the technical regime (urban networks, geotechnical characteristic, other works and related constructions), the architectural-urbanistic regime (destination, capacity, dimensions, alignment, height, appearance, pedestrian traffic POT., CUT) of a building / land, established by urban planning and spatial planning documentation, and which allows the elaboration of project documentation. <i>To obtain the certificate you need:</i>	City Hall	20-30	50
3.1. Application of established form, is submitted to the specialized counter of the LPA	The applicant		
3.2. Identity card (Individual) or certificate of registration (Legal Person).	As the case		
3.3. Extract from the Real Estate Register accompanied by the geometric (cadastral) plan and / or the building plan.	Public Services Agency / Licensed architecture and design firm	7	51
3.4. The report of technical expertise, in case of reconstruction, restoration, modification, consolidation of the existing building, elaborated by certified technical experts.	Licensed architecture and design firm	Contractual	DCO
3.5. Notarized agreement of the co-owners of the building / land whose interests may be directly affected in the process of execution of the construction works and during the operation of the constructed object.	Notary	1	151 1 agreement, 1 co-owner
3.6. The project sketch approved by the chief architect, in case of the construction situated in the area with special regime established by the urbanism and landscaping documentation.	The local body of architecture and urbanism	10	Free of charge

Title of the act / Brief description	The issuing body	Obtaining period, working days	Cost in MDL
3.7. Project sketch approved by the National Council of Historical Monuments in case of interventions at the monuments of history, art and architecture or in the areas registered in the Register of Monuments of the Republic of Moldova protected by the state.	National Council of Historical Monuments	10	Free of charge
<b>4. Project documentation</b> - contains written and drawn parts that include technical and economic solutions to achieve the investment objective in the volume established by the normative documents. The project documentation includes: general plan (situation plan, layout plan), facades and chromatic solutions, project for organizing the execution of construction works, external municipal networks. <i>In order to obtain the project documentation, the following are required:</i>	City Hall	20-30	Free of charge
4.1. Notices of connection to municipal networks (aqueduct, sewerage, electricity, telephony, internet, television, etc.).	Utility providers	20	Free of charge
4.2. Network layout plan (appropriate solutions for positioning external municipal networks in accordance with urban planning documentation and connection notices).	City Hall	10	Free of charge
4.3. Project outline	Licensed architecture and design firm	Contractual	DCO
4.4. Project for organizing the execution of construction works	Licensed architecture and design firm	Contractual	DCO
<b>5. Building permit</b> - an act authorizing the execution of construction works on the basis of and in compliance with the urban planning certificate for design and the project documentation prepared and verified. The construction permit includes: the location, the special conditions for the execution of the construction works, the design institution, the term for starting the construction works, the duration of the execution of the construction works. Note: Works that do not modify the resistance structure, the external appearance, the initial characteristics of the constructions and the afferent installations can be executed without a planning certificate for design and without a building permit.  <i>To obtain a building permit, the following are required:</i>	City Hall	10	100 + 0,15 MDL/ sq.m. <sup>104</sup>
5.1. Application of established form, is submitted to the specialized counter of the LPA	The applicant		
5.2. Urbanism certificate for design.	City Hall	20-30	50
5.3. Extract from the project documentation: explanatory memorandum, general plan (situation plan, tracing plan), facades, chromatic solutions, project for organizing the execution of construction works.			
5.4. Notices for verification of project documentation or single project documentation verification report			
5.5. Identity card (Individual) or certificate of registration (Legal Person).	As the case		
5.6. Author supervision contract, signed by the applicant (beneficiary) and designer.	Licensed architecture and design firm	Contractual	As the case
5.7. Extract from the minutes of the meeting of the National Council of Historical Monuments regarding the positive endorsement of the execution project, in case of designing interventions at the monuments of history, art and architecture or in the built areas registered in the Monuments Register of the Republic of Moldova.	National Council of Historical Monuments		

<sup>104</sup> Payment for the use of unallocated municipal land, fenced and temporarily occupied, during the execution of construction work

5.8. The archaeological discharge certificate, in the cases provided in art. 6, para. (2) and (3) of Law no. 218 of 17.09.2010.	National Archaeological Agency	10	Free of charge
5.9. The environmental agreement, if it is necessary to carry out the environmental impact assessment and if, from the characteristics of the planned building, it is obvious that it will carry out activities provided by Law no. 86/2014	Central Authority for Natural Resources and the Environment	30	Free of charge
5.10. Location authorization, in the case of objects in the area of the public road and / or in its protection areas.	That road administrator <sup>105</sup>	20	
5.11. Opinion of the Inspectorate for Environmental Protection	Inspectorate for Environmental Protection	30	250
5.12. Expert opinion of the Territorial Center of Public Health.	Territorial Center of Public Health	21	Free of charge
5.13. Expert opinion of the Fire Safety Regulation Directorate of the General Inspectorate for Emergency Situations.	General Inspectorate for Emergency Situations	8	Free of charge
<b>6. The final acceptance report</b> - certifies that the executor has fulfilled his obligations in accordance with the provisions of the contract and the execution documentation, assuming, at the same time, for the executed works the responsibility provided by law. Note: upon receipt of blocks of flats exceeding 5 levels, investors are required to include in the reception committees a representative of the Technical Surveillance Agency requested in writing at least 20 days before the date set for the reception.  <i>In order to obtain the final acceptance report, the following are required:</i>	Agency for Technical Supervision	3	
6.1. Certificate issued by the Territorial Cadastral Service Department of the Public Services Agency with annexes.	Public Services Agency	7	54
6.2. Certificate of Urbanism	City Hall	20-30	50 (annually)
6.3. Building Permit or Decision of the administrative commission (for constructions executed without authorization).	City Hall	10	100 + 0,15 MDL/sq.m. <sup>o</sup>
6.4. Technical Book, chapters: "A" design documentation, "B" execution documentation, "C" reception documentation.	Public Services Agency	As the case <sup>106</sup>	Contractual
6.5. Topographic Control Survey, Scale - 1: 500.	Public Services Agency		
6.6. The title of authentication of the land / real estate owner's right (Sale-purchase contract, lease / lease agreement), etc.		As the case	
6.7. Reception report at the end of the works (Reception commission appointed by the investor).	Reception commission	3	Free of charge
6.8. Technical expertise (where applicable).	Agency for Technical Supervision		
6.9. Notarized agreement of the manager, neighbors or co-owners.	Notary	As the case	As the case
6.10. Project author's opinion.	Licensed architecture and design firm	As the case	Contractual
6.11. Opinion of the Territorial Center of Public Health.	Territorial Center of Public Health.	18	Free of charge
6.12. Opinion of the Fire Safety Regulation Directorate of the General Inspectorate for Emergency Situations.	General Inspectorate for Emergency Situations	10	Free of charge
6.13. Opinion (for apartment buildings) of the Directorate-General for Public Transport and Communications (DGTPCC).	City Hall		

<sup>105</sup> SE "State Road Administration" or the competent Directorate of Local Public Authorities (City Hall)

<sup>106</sup> The Technical Book is permanently completed starting from the design stage, to the construction stage, to the stage of reception of the works, to all the subsequent interventions regarding the object. Respectively, the obtaining time is equivalent to the duration of the planning, construction and final acceptance process.



6.14. Opinion (for apartment buildings) Directorate-General for Housing and Communal Planning and Development (DGLCA).	City Hall		
6.15. Assign the postal number (as appropriate).	City Hall		
6.16. Contract with the local sanitation service	LSS	Contractual	Contractual
6.17. Certificate confirming with the number of employees (for social and cultural objects).	Ministry of Culture	30	n/a
6.18. Confirmation of the estimated cost of the objective issued by Territorial Cadastral Service or Companies with licensed evaluation activity.	Public Services Agency	Contractual	DCO
6.19. Final acceptance report signed.	Members of the Commission		
6.20. Conclusion of the Technical Inspection	Agency for Technical Supervision	3	Free of charge
<b>7. Technical file on the performance of cadastral works at the level of buildings and isolated rooms (cadastral file)</b> - systematized collection of documents, schemes, plans, sketches and other documents related to each property. Note: cadastral works are performed for the purpose of issuing documents for: final reception of buildings and isolated rooms built, rebuilt, repaired, restored, etc. The list of documents varies depending on the purpose of the works.  <i>In order to obtain the cadastral file, it is necessary:</i>	Public Services Agency	4	
7.1. Request (contract) for the execution of the cadastral works	The applicant		
7.2. Identity card (Individual) or certificate of registration (Legal Person).	As the case		
7.3. Documents regarding the acquisition, modification, extinguishment of the right over the real estate.	As the case		
7.4. The execution project prepared according to the Normative Document in constructions, the urbanism certificate and the construction authorization (in case of execution of the construction works).	City Hall	30	n/a
7.5. Revocation authorization (in case of decommissioning).	City Hall	10	n/a
7.6. Contract for determining the mode of use (in the case of joint ownership of shares).	As the case	Contractual	As the case
7.7. Other documents that identify the property and the holder of the right over it.	As the case		
7.8. Extract from the nominal table and extract from the personal account (including for the cases of non-privatized isolated rooms).	Housing Fund Management Organisation		
7.9. The document empowering the management of the real estate (as the case may be).	Authorized Public Authorities	As the case	As the case
7.10. The act of disposition or act issued by the bailiff ordering the execution of the cadastral works.	The Court, Executor	As the case	As the case
7.11. Other acts required by applicable law	As the case		

## Annex 7. Real estate incentives' comparison (in the Republic of Moldova)

Type of incentives	General Fiscal Regime	Free Economic Zone	Industrial Park	Moldova IT Park
Allowed Economic activities	All	<ol style="list-style-type: none"> <li>1. Industrial manufacturing of goods for exportation, except for ethylic alcohol and alcohol products.</li> <li>2. Sorting, packaging, marking and other similar operations with goods transported in transit via the territory of the Republic of Moldova.</li> <li>3. Auxiliary types of activities, such as utility services, storage, construction, public catering, etc. necessary for practicing the above types of activities.</li> <li>4. External commercial activity – wholesale of goods imported into the FEZ beyond the customs territory of the Republic of Moldova, intended for exportation.</li> <li>5. Transportation activity – transportation of goods imported or exported via the free economic zone by air or sea.</li> </ol>	<ol style="list-style-type: none"> <li>1. Industrial production;</li> <li>2. Provision of services;</li> <li>3. Capitalization of scientific research and / or technological development within the industrial park.</li> </ol> <p>Generally, all type of economic activities only limited by the agreement between the industrial park resident and the industrial park administration.</p>	<ol style="list-style-type: none"> <li>1. Software editing activities;</li> <li>2. Information technology service activities;</li> <li>3. Information service activities;</li> <li>4. Hardware manufacturing.</li> </ol>
Corporate Income Tax	12%	<ol style="list-style-type: none"> <li>1. 50% smaller income tax rate (12%) for exports of goods and services originating from the FEZ outside the customs territory of the Republic of Moldova;</li> <li>2. 75% smaller income tax rate (12%) for activities of residents in the free economic zone;</li> <li>3. 0% for 3 years if investments &gt; \$1 million;</li> <li>4. 0% for 5 years if investments &gt; \$3 millions.</li> </ol>	12%	Single tax of 7% on the sales revenue, but not less than a minimum monthly amount per employee.
VAT	20%	The zero rate of VAT and exemption from customs duties for imported goods and services and also delivered to FEZ from the rest of the customs territory of the Republic of Moldova, and also delivered to residents of different FEZs of the Republic of Moldova to each other.	20%	20%
Land lease	Commercial price	The application by the managing company of the reduction coefficient up to 0.3 of the annual payment fee for the lease of public property land, established according to the Law on the normative price and the way of sale-purchase of land, or of the basic tariff for the annual rent of goods public property, established by the state budget law for that year	Special tariffs approved by the FEZs administration.	Commercial price. Moldova IT Park is virtual location and residents can lease land anywhere in Moldova.

**Annex 8. Relevant construction companies dealing with non-residential projects in the Republic of Moldova**  
(top based on turnover, 2020)

	Name	Address	Website	Offices / Similar	Industrial / Mixed use	Pipeline Projects
1	FIRMA DE PRODUCTIE SI COMERT "EXFACTORGRUP" S.R.L.	mun. Chişinău, sec. Centru, str. Tolstoi Lev, 74	<a href="https://www.exfactor.md">https://www.exfactor.md</a>		Chişinău Airport Terminal (parking)	More residential projects
2	ICS "SUMMA" SRL	mun. Chişinău, sec. Centru, str. Mitropolit Varlaam, 77	<a href="https://www.summa.com.tr">https://www.summa.com.tr</a>	Leogrand Hotel & Convention Center; Medpark International Hospital; Shopping MallDova; Crown Plaza Residential Complex; Crown Plaza Park		
3	SC „INAMSTRO” S.R.L.	Rezina, Gordinesti	<a href="https://inamstro.md/en/home_en/">https://inamstro.md/en/home_en/</a>	INFINITY TOWER (under construction)	Moscow, terminal no. 2, Vnukova airport, construction of the glass facade	Business Centre INFINITY TOWER (Chişinău) <sup>107</sup> – more 2,000 sqm. More residential projects
4	SRL „URBANCONSTRUCTTT”	mun. Chişinău, sec. Botanica, str. Muncesti sos., 280/2	<a href="http://www.urbanconstructtt.md">http://www.urbanconstructtt.md</a>		300 stations peco Lukoil (fuel retail)	Business Center URBAN T&T, A+ class, 15 000 sq.m.
5	SRL "HORUS"	mun. Chişinău, sec. Ciocana, str. Sadoveanu M., 4/10	<a href="https://www.horus.md/ro/stroi_pl/">https://www.horus.md/ro/stroi_pl/</a>	Predominantly residential, but inside the residential complexes it offers for sale and rent commercial spaces, parking lots and offices		
6	FIRMA DE PRODUCTIE SI COMERT "STAYER" S.R.L.	mun. Chişinău, sec. Botanica, str. Zelinski N., 15/2	<a href="https://stayerconstruction.md">https://stayerconstruction.md</a>	NBC Business Center; Administrative block and hotel in Armenească street; Hotel Codru	Reconstruction of the cafe and conference room of Chişinău International Airport	
7	SRL "GONVAROCON"	mun. Chişinău, sec. Buiucani, str. Alba-Iulia, 79/2	<a href="https://gonvaro-con.md/sdanyieobektyi/">https://gonvaro-con.md/sdanyieobektyi/</a>	Office building on Alba Iulia Street, Chişinău		Residential projects
8	SRL "PROMILTON" (sky house)	mun. Chişinău, sec. Riscani, str. Rus-so Alecu, 1, ap.(of) 81	<a href="https://skyhouse.md/ro/pages/about/">https://skyhouse.md/ro/pages/about/</a>	SKY HOUSE: housing, offices, commercial spaces		
9	SRL "ESTATE INVEST COMPANY"	mun. Chişinău, sec. Riscani, str. Russo Alecu, 15, ap.(of) 52	<a href="https://estateinvest.md">https://estateinvest.md</a>	ESTATE TOWER, office building on Ismail Street, Chişinău		
10	SOCIETATEA COMERCIALA COMSALES GRUP S.R.L.	mun. Chişinău, sec. Ciocana, str. Mesterul Manole, 5A, ap.(of) 105	<a href="https://www.comsales.md/ro/">https://www.comsales.md/ro/</a>		Industrial buildings Logistics centers and warehouses Production halls Logistics center Cold storage Commercial constructions	
11	SRL "EUROSTIL CONSTRUCT"	mun. Chişinău, sec. Centru, str. Mt. Gurie Grosu, 1, ap.(of) 28	<a href="https://eurostilconstruct.md">https://eurostilconstruct.md</a>	Kentford Business Center (Chişinău), office buildings, multifunctional centers		
12	SRL "FORUM PRIM"	mun. Chişinău, sec. Buiucani, str. Costin Nicolae, 44/1	<a href="https://forumprim.md">https://forumprim.md</a>	Office building	Commercial centers	
13	SRL "RECONSCIVIL"	mun. Chişinău, sec. Buiucani, str. Ghibu Onisifor, 7/3	<a href="https://reconscivil.md/en/">https://reconscivil.md/en/</a>	Linella (retail), administrative buildings, Starnet building (IT & Telecom provider)	Car washes, food stores	LINELLA (mun. Comrat) Residential projects
14	SRL "LAGMAR-IMPEX"	mun. Chişinău, sec. Riscani, str. Socoleni, 17/1	<a href="https://lagmar.md/en/home_en/">https://lagmar.md/en/home_en/</a>	Commercial building "Bucur-esti" (Chişinău), State University study unit, Lagmar's administrative office		Hybrid Complex TORO CENTER <a href="https://www.toro.md/en/start">https://www.toro.md/en/start</a> Cartier CLUJ (Chişinău) & other residential
15	SC "VASTAVIT" S.R.L.	mun. Chişinău, sec. Riscani, str. Moscova bd., 1/1, ap.(of) 31	<a href="https://vastavit.md/constructii_industriale.html">https://vastavit.md/constructii_industriale.html</a>		civil, industrial, engineering constructions	
16	SA "PROMSTROI-GRUP"	mun. Chişinău, sec. Ciocana, str. Uzinelor, 90	<a href="http://promstroi.md/ro/Proekty.html">http://promstroi.md/ro/Proekty.html</a>		warehouses, industrial objects	
17	SRL "SERALCON"		<a href="https://www.facebook.com/Seralcon.SRL/">https://www.facebook.com/Seralcon.SRL/</a>		car service, factories, cold stores	
18	SRL "SARCO ENGINEERING"	mun. Chişinău, sec. Riscani, str. Buna Vestire, 15/2, ap.(of) 3P	<a href="http://sarco.md/servicii/">http://sarco.md/servicii/</a>		industrial constructions: production halls, cold stores	
19	SA "COLASS"		<a href="http://www.colass.md/ro/projects">http://www.colass.md/ro/projects</a>		commercial and industrial constructions	
20	IM "PRO EX 2005" SRL,	mun. Chişinău, sec. Botanica, str. Cuza-Voda bd., 21/1, ap.(of) 12	<a href="http://www.proexconstruct.com/portofoliu-moldova/">http://www.proexconstruct.com/portofoliu-moldova/</a>		petrol stations, Manuc Bei mansion (tourist object), Ungheni Court administrative block	
21	SRL "PAINT SERVICE"	mun. Chişinău, sec. Centru, str. Cantemir Dimitrie bd., 3, ap.(of) 28	<a href="https://www.facebook.com/PaintServiceMoldova/">https://www.facebook.com/PaintServiceMoldova/</a>		industrial and commercial constructions	
22	SRL "SAQ INVEST"	mun. Chişinău, sec. Botani-ca, str. Dacia bd., 40/2	<a href="https://www.facebook.com/Saqinvest/">https://www.facebook.com/Saqinvest/</a>		hospital buildings	
23	SRL "GOLBAN-TRADE"	Hincesti, Loganesti	<a href="https://golbantrade.md">https://golbantrade.md</a>	civil and residential constructions, in partner-ship with other companies: FLORMINCOM SRL, NOVAMAR, PROELITE INVEST, INTERVEST IMO-BILIAR		

<sup>107</sup> <http://inamstro.md/inamstro-infinity-tower/>

	Name	Address	Website	Offices / Similar	Industrial / Mixed use	Pipeline Projects
24	SRL "CONSMODERN"	mun. Chişinău, sec. Botani-ca, str. Munceşti sos., 62	<a href="https://consmoern.md/ro/despre-noi">https://consmoern.md/ro/despre-noi</a>		Business Support Center (Ialoveni district), Rescue and Fire Unit (Floresti district)	
25	SC „VICONS-SERVICE” SRL	Business Support Center (Ialoveni district),	<a href="https://vicons-service.md/services/">https://vicons-service.md/services/</a>	administrative building with offices FEE NORD <a href="https://fee-nord.md/contacte/">https://fee-nord.md/contacte/</a>	Sports Complex, Manufacturing facility. Reinforced concrete and metal structures production hall	
26	SC „MAVITEX-CONS” S.R.L.	mun. Chişinău, Bacioi, str. Testemiteanu N., 30	<a href="https://mavitecons.md/project/cladire-industrialaj/">https://mavitecons.md/project/cladire-industrialaj/</a>		industrial buildings	
27	SRL „SOLAR - CONSTRUCT”	mun. Chişinău, sec. Botani-ca, str. Munceşti, 801B	<a href="https://solar-construct.md/projects">https://solar-construct.md/projects</a>	Office building in the center of Chişinău (str. Mateevici)	slaughterhouse ArtMeat, Biogas plant, industrial tank all in Criuleni district	
28	SRL "ZIDARUL-PRIM"	mun. Chişinău, sec. Riscani, str. Al-ecsandri Vasile, 143	<a href="http://www.iunas.md">http://www.iunas.md</a>	Business Centre IUNAS <a href="http://iunas.md">http://iunas.md</a>		
29	ALBECAR PRIM	mun. Chişinău, Durlşti, str. Alexandru cel Bun, 44, ap.(of) 2	<a href="http://albecar.md/project/frigidere/">http://albecar.md/project/frigidere/</a>		Industrial constructions: halls, refrigerated warehouses	
30	BRAUS IMOBILIARE	mun. Chişinău, sec. Riscani, str. Carierei, 18/A, ap.(of) 4	<a href="https://braus.md">https://braus.md</a>	Business Centre ROYAL TOW-ER <a href="https://royal-tower.org">https://royal-tower.org</a>		Residential projects

### Annex 9. Relevant real estate developers dealing with non-residential projects in the Republic of Moldova (top based on turnover, 2020)

	Name	Address	Website	Company's Profile	Current projects
1	SRL „VARINCOM”	mun. Chişinău, sec. Botanica, str. Cuza-Voda bd., 17/8, ap.(of) 28	<a href="https://varincom.md">https://varincom.md</a>	Founded in 2001, the company „VARINCOM” is a developer and construction company from the Republic of Moldova, which applies in practice various projects in the construction of residential complexes and commercial buildings.	Business Center - 155 sq.m. Dionis Housing Complex Hermes Housing Complex There are project pipelines: Botanica Housing Complex and Ghefest Housing Complex
2	SA „DAAC HERMES”	mun. Chişinău, sec. Buiucani, str. Calea Iesilor, 10	<a href="http://www.daac.md">http://www.daac.md</a>	Group of companies DAAC includes enterprises active in various branches, such as:  Sales of automobiles; Parts; Service Center; Leasing; Manufacture of cosmetics and perfumery; Technical maintenance and repair of agricultural machinery; System integration in information technologies; Agricultural production; <b>Real Estate</b> ; Stock market	SOLARIS real estate complex - 12,000 sq.m. NUFARUL real estate complex - 2,874 sq.m.
3	ICS „LEMI INVEST” S.A.	mun. Chişinău, sec. Centru, str. Arborilor, 21	<a href="http://www.shoppingmalldova.md">http://www.shoppingmalldova.md</a>	ICS Lemi Invest SA is a company based in Moldova, with its head office in Chişinău. The enterprise currently operates in the Real Estate sector. It was incorporated on 1997.	SHOPPING MALLDOVA
4	SC „STARNET” S.R.L.	mun. Chişinău, sec. Buiucani, str. Columna, 170	<a href="https://digitalpark.md/en/">https://digitalpark.md/en/</a>	StarNet is a private company, 100% local capital, founded in 2003, being one of the leaders in the market of information technologies and electronic communications in the Republic of Moldova.  Digital Park is a unique IT ecosystem, which brings together foreign companies and investors under the same roof, offering its citizens competitive salaries and excellent working conditions. The project was launched in 2019 in order to create a favourable environment for the growth and development of companies in the field of IT and creative industry.  Digital Park IT Park was developed by Moldova's internet and telecommunications company StarNet.	DIGITAL PARK
5	SA "Zorile" (conform IFRS)/ New Century Holdings	mun. Chişinău, sec. Buiucani, str. Calea Iesilor, 8	<a href="https://zitymall.md">https://zitymall.md</a>	Zorile SA was incorporated in 1945, being the first footwear manufacturer in Moldova. In 1995 the company goes through a restructuring process and a network of store were opened. Ever since 2008 Zorile SA has become part of the American investment group New Century Holdings Capital (NCH Capital), based in New York. In the Republic of Moldova, Zorile SA is recognized as a brand that produces and sells footwear for the whole family.  Currently, the company manages several projects on the local market - Zorile National Footwear Center, the largest platform (7200 sq.m.) for footwear trade; ZTOWER High-Tech Park & Business Center which is the first High-Tech complex for companies, professional groups and business entities in the IT field; And the newest project that was launched in 2017 is Zity Mall.	Zity Business Campus - 17 000 sq.m. (ZTower High Tech & Business Center and ZityOffice)
6	IM "LEUTIS" S.R.L.	mun. Chişinău, sec. Riscani, str. Puskin A., 32	N/A	Company founded in 2001, developer of the Bristol Hotel and the JUMBO Mall	HOTEL BRISTOL JUMBO Shopping Center

	Name	Address	Website	Company's Profile	Current projects
7	SA "IPTEH"	mun. Chişinău, sec. Centru, str. Stefan cel Mare si Sfant bd., 65	<a href="https://ipteh.md">https://ipteh.md</a>	Ipteh Institute of Technology Design is a state-owned joint-stock company, which was privatized in 1999.  Ipteh specializes in office and commercial space rentals. The joint stock company currently owns and manages one of the largest office buildings in central Chişinău. The building has approximately 8,400 square meters for rent.	IPTEH Business Center
8	ICS "TOWER GROUP" S.R.L./ TFG TRADE&FINANCE GROUP LIMITED	mun. Chişinău, sec. Botanica, str. Puskin A., 32	<a href="http://www.atrium.md">http://www.atrium.md</a>	Company founded in 2004, having as object of activity:  Construction of buildings and / or engineering constructions, installations and technical-urban networks, reconstructions, consolidations, restorations. Design activity for all categories of constructions, for urbanism, installations and technical-urban networks, reconstructions, restorations	ATRIUM Trade and Business Center
9	SRL "CAPITAL ESTATE"	mun. Chişinău, sec. Centru, str. Vlaicu Pircalab, 63	<a href="http://www.skytower.md">http://www.skytower.md</a>	Company founded in 2005, having as object of activity:  Construction of buildings and / or engineering constructions, installations and technical-municipal networks, reconstructions, consolidations, restorations. Design activity for all categories of constructions, for urbanism, installations and technical-urban networks, reconstructions, restorations	Business Centre SKY TOWER
10	IM "LIUPAS-IMOBIL" S.R.L.	mun. Chişinău, sec. Centru, str. Pietrarilor, 8/1, ap.(of) 53	<a href="http://www.leroi.md">http://www.leroi.md</a>	Company founded in 2004, having as object of activity:  Renting and operating of own or leased real estate	Business Centre LEROI
11	SRL „REGATA IMOBILIARE”	mun. Chişinău, sec. Buiucani, str. Cebotari Maria, 20	<a href="https://regata.md">https://regata.md</a>	The company was founded in April 1996. It implements four complex commercial-logistical projects. All these projects are underway on the capital's key arteries (Mircea cel Batrin Blvd., Decebal Blvd., Kyiv Street and N. Testemitanu Street).	KAUFLAND Chişinău (top retail)  <b>Logistics warehouses</b> (CTP PARK", „ILR ROMANIA", „STAR ASSEMBLY", „ALASKA TERMINAL FRIGORIFIC" etc.)  <b>Industrial Buildings</b> (STAR ASSEMBLY (subsidiary of the group DAIMLER AG)", „SUMITOMO SE BORDERNETZE SRL", „DRAXELMAIER", „SC METRO CASH & CARRY ROMANIA SRL", „AZOMURES" „PETROM" ş.a.)
12	SC "ART BUSINESS CLUB" S.R.L.	mun. Chişinău, sec. Centru, str. Stefan cel Mare si Sfant bd., 73/1	<a href="https://nbc.md">https://nbc.md</a>	Company founded in 2007, having as object of activity:  Renting and operating of own or leased real estate	Business Centre NBC
13	"CTI-CAPITAL" S.A.	mun. Chişinău, sec. Buiucani, str. Stefan cel Mare si Sfant bd., 202	<a href="http://www.cticapital.md">http://www.cticapital.md</a>	Company founded in 1999, having as object of activity:  Renting and operating of own or leased real estate	Business Centre KENTFORD
14	SRL „EUROMOL IMMO”	mun. Chişinău, sec. Botanica, str. Independentei, 26/3	<a href="http://www.eurotower.md">http://www.eurotower.md</a>	Since 1997, "Euromol Immo" provides office accommodation and services to companies starting business in Moldova.	Business Centre EURO TOWER
15	SC "CPDINDUSTRIAL GRUP" S.R.L.	mun. Chişinău, sec. Centru, str. Negruzzi Constantin bd., 2/4	<a href="https://grandhall.md">https://grandhall.md</a>	Company founded in 2006, having as object of activity:  Renting and operating of own or leased real estate	GRAND HALL Shopping Center
16	SRL "INDUSTRIAL PARK CENTRUM"	UTA Gagauzia, Comrat, str. Lenin, 30/7	N/A	Belgium originated company. Company founded in 2016, having as object of activity:	Developer of plant facility for Fujikura FEZ Valcanesti
17	Renting and operating of own or leased real estate	Developer of plant facility for Fujikura FEZ Valcanesti	<a href="http://venetos.md/offices-rent-in-Chișinău">http://venetos.md/offices-rent-in-Chișinău</a>	VENETOS IMOBIL Ltd is founded in 2002, it's a real estate management company that develops its activity in real estate sector in Republic of Moldova: real estate market research evaluations for the biggest Italian construction companies.  In 2004 has initiated a direct experience by building a 2,200 sq.m. offices and flats' building in the Chişinău's historical centre. Currently the building is placed in service and used in accordance with the objective.  Venetos Imobil has also actively contributed to the establishment of the company with foreign capital Building Group Ltd and both offer a wide range of commercial properties for rent in Chişinău  Companies host leading international companies such as: KPMG – audit and advisory company, Takeda Pharmaceuticals Ltd, Est Computer – IT company, Cedacri – Software and Business process outsourcing services and others.	The Finance Business Center of class „A+" (located on the main road of the city Stefan cel Mare si Sfant avenue)

**Annex 10. Other potential developers of non-residential real estate in the Republic of Moldova – the biggest retailers**  
(top based on turnover, 2020)

	Name	Address	Website	Company's Profile	Current projects	Pipeline Projects
1	SRL "MOLDRETAIL GROUP"	mun. Chişinău, sec. Botani-ca, str. Munceşti sos., 121	<a href="https://linella.md">https://linella.md</a>	SRL „MOLDRETAIL GROUP” – part of DRAGAN GROUP that operates in wine, meat and retail in-dustries	Retail LINELLA, FIDESCO	Potential for other projects besides retail and residential
2	SRL "47TH PARALLEL"	mun. Chişinău, sec. Centru, str. Stefan cel Mare si Sfint bd., 132	<a href="https://nr1.md">https://nr1.md</a>	SRL „47TH PARALLEL” operates in Retail industry	Retail Nr.1	

**Annex 11. The most representative real estate agencies in the Republic of Moldova**  
(based on number of ads on their websites and categories of real estate displayed for selling)

	Name	Address	Website	Main focus based on ads on websites
1	SRL "PROIMOBIL ESTATE"	mun. Chişinău, sec. Botanica, str. Grădina Botanica, 14/3, ap.(of) 307	<a href="https://proimobil.md">https://proimobil.md</a>	Residential, commercial, offices
2	SRL "O'KEY IMOBIL"	mun. Chişinău, sec. Riscani, str. Romana, 2/3A, ap.(of) 1A	<a href="https://okeyimobil.md">https://okeyimobil.md</a>	Residential, offices, greenfield
3	SRL "ACCES IMOBIL GRUP"	mun. Chişinău, sec. Buiucani, str. Doina si Ion Aldea-Teodorovici, 8, ap.(of) 81	<a href="https://accesimobil.md">https://accesimobil.md</a>	Residential
4	SRL "CVARTAL IMOBIL"	mun. Chişinău, sec. Buiucani, str. Cibotari Maria, 4	<a href="https://cvartalimobil.md">https://cvartalimobil.md</a>	Residential
5	SRL "ROMANESCU & CO"	mun. Chişinău, sec. Centru, str. Mateevici Alexei, 31	<a href="https://romanesco.md">https://romanesco.md</a>	Residential
6	SRL "ECOPAL IMOBIL"	Ialoveni, Danceni, str. Cosbuc G., 6	<a href="https://ecoimobil.md">https://ecoimobil.md</a>	Commercial, offices, industrial
7	SRL "REMARK IMOBIL"	mun. Chişinău, sec. Ciocana, str. Ginta Latina, 11/3, ap.(of) 3	<a href="https://www.remark.md">https://www.remark.md</a>	Residential, commercial, industrial
8	SRL "AXAIMOBIL"	mun. Chişinău, sec. Centru, str. Armeneasca, 44/2	<a href="https://www.axaimobil.md">https://www.axaimobil.md</a>	Residential, commercial, greenfield
9	REALIST ESTATE AGENCY	mun. Chişinău, sec. Centru, str. Porumbitei, 2/1	<a href="https://realist.md">https://realist.md</a>	Residential, commercial, industrial



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