

#FIS2019 | Florian Nitu (PNSA): "Romania's investment market has reached a young adult stage"

[Anca Alexe](#) 29/10/2019 | 14:29



Romania's investment market is of a much better quality today than it was 10 years ago, said Florian Nitu, Managing Partner at PNSA, during the "Investments in the real estate sector" panel of the Foreign Investors Summit, adding that Romania went through a "teenage" phase in the 2000s and developed much strongly after the 2009 crisis.

"We are more mature, without question, in terms of the M&A industry. Today, we have developed risk management tools and risk hedging tools. In terms of investment product, the market is of a better quality, with better products to invest in. The scale and size of transactions is much higher than 10 years ago. I can say we've reached a young adult age in our investment market."

He argued that while illiquidity is still a major obstacle at this stage, at the same time Romania doesn't have enough state-of-the-art products on the market, which generates a vicious cycle.

"There are some high-quality products available at a certain scale, but still, statistically last year we had only 3 investment tickets above 100 million in the office sector. That's really very little compared to macroeconomic elements.

The good news though is that while you have a lot of developer-owners now, they will probably decide to divest eventually if they are truly developers. In a few years we'll start to see developers who develop to exit as a matter of principle. Within a couple of years, we will see 10 investment tickets above 100 million per year. According to the data we have now, 5-6 projects above 100 million are now close to completion – already double the number we had last year. 2021 will probably bring many more offices developed by developers who develop and immediately exit."

Nitu also noted that the FTSE Russell classification as an emergent market will also generate new investors and new capital for Romania.

"Investors don't just buy for income. They really invest in a business community, of a certain scale and size. They look for customer satisfaction; all these are major changes compared to the past. Investment in real estate is significantly more difficult for all these reasons if you compare it to other sectors."