

# Low real estate development level protects Romania from global crisis, C&W EMEA head says

The still under-supplied Romanian market, which is in need of office and retail developments, is one of the country's strong points in the face of the worldwide real estate crisis. "We won't go back to the level of activity in 2006 and 2007, but we will reach a normal investment environment," said Paul Bacon, CEO of Cushman & Wakefield EMEA.

The Romanian real estate market is still in its infancy, and the effects of the crisis are not combined with other problems, as they are in other countries. "There is no oversupply in Romania, and there is strong demand from occupiers. Romania is still a fantastic opportunity for investment funds, it is the missing piece in investment funds' CEE portfolios," said Bacon. Investors still have money and those who have access



**Paul Bacon, CEO of Cushman & Wakefield EMEA**

to financing now are making great deals, the Cushman & Wakefield CEO went on.

In this difficult time, developers are going back to the fundamentals of real

estate: location and quality of tenants, Bacon said. "The occupier market is healthy in Romania. The residential and investment sectors are facing difficulties," he says. The Romanian market itself will be less hit by the financial crisis, Bacon believes, because banks on the Romanian market have used 1:1 leverages, while the leverage at international level was at 20:1.

Cushman & Wakefield will focus on the departments which are not related to transactions: property management, project management and valuation, according to Bacon. "When investors are not making deals, we at Cushman & Wakefield are offering them other services, such as research, valuation, asset and property management," he said.

*Corina Saceanu*

COURTESY OF C&W