



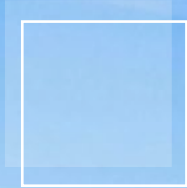
Issued November 2025

REZIDENTIAL MARKET **20/25** DRIVE

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20/25 DRIVE MARKET





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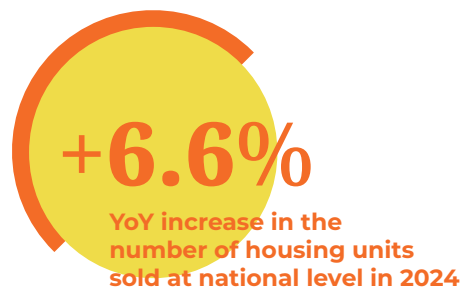
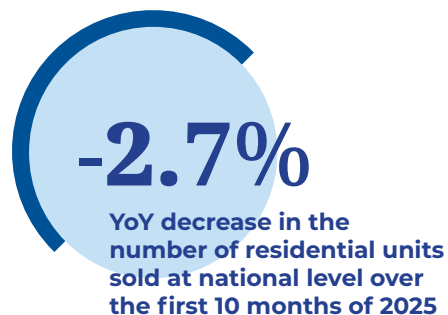
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2025 has proven to be a good year for Romania's residential market, despite a challenging context marked, during its first half, by political and social tensions, various negative forecasts, and the deterioration in the affordability of buying a new home, due to the rising prices and the cancelation of the reduced VAT incentive for new home purchases.

As the year draws to an end we can say that it has brought satisfactory results in terms of the number of transactions, the number of sold houses and apartments being similar to that of 2024 – a year with excellent sales results, close to the record set in 2022.

Moreover, 2025 will end with a record volume of granted mortgage loans - both in terms of total number (including all forms of refinanced and converted loans) and in terms of new loans, which have been more numerous, largely thanks to a more balanced ratio between the purchases made entirely from personal funds and those financed through mortgage loans.

The latest published statistical data show that the sales of individual residential units recorded at national level over the first ten months of this year recorded a YoY drop of only 2,7%, according to the National Agency for Cadastre and Land Registration (ANCPI).



Source: SVN Romania based on ANCPI

Moreover, this result is 7% higher than the one recorded over the first ten months of 2023, but it is also 7.5% lower than that recorded over the first ten months of 2022, when the record number of annual home sales of the modern times of the local residential market was set.

2025 was a year of contradictory developments. The first months were marked by a strong sense of uncertainty, reflected in YoY declines in the number of home sales over the first four months of the year, ranging from nearly 3% to almost 18% in April. May brought about a trend reversal, YoY increases being recorded during the following four months, the highest increase being in July.

Indeed, the announcement that the reduced VAT incentive for new home purchases would be eliminated starting August 1st resulted in a transaction boom in July, the effects of which will also be reflected in the number of transactions of the coming months, as the purchased homes are completed. August, which traditionally is the summer holidays month, also brought a YoY increase of almost 5% in home sales nationwide.

However, the last two months have brought about declines in the number of home sales, of 6.7% in September and 19% in October, respectively, which could indicate a new trend reversal. Considering that a higher number of transactions was recorded during the last two months of 2024 compared to those recorded in September - October, 2025 could end with a sharper decline.

Mirror year

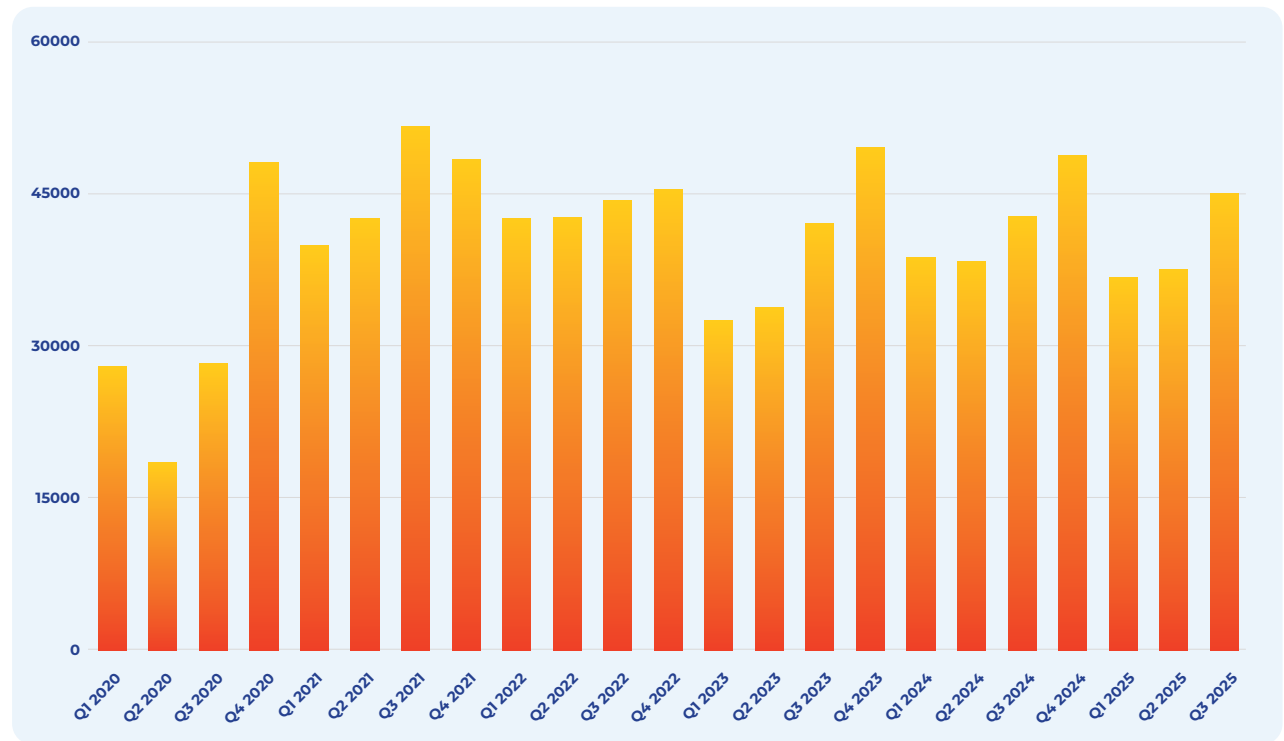
NUMBER OF RESIDENTIAL UNITS TRADED AT NATIONAL LEVEL

The largest number of sold homes was recorded in the Bucharest - Ilfov region, which accounted for 34% of the total number of units sold over the first ten months of this year in Romania. In total, over 46,300 houses and apartments were sold in the region during the aforementioned period, the result being, however, 5.7% lower than the one recorded over the first ten months of 2024.

If we were to exclude the Bucharest region, the highest number of sales were recorded in Constanța, which thus became in 2025, in terms of the number of sold residential units, the most important regional residential market, with an increase in sales of 11.1% over the first ten months of the year, compared to the similar period of 2024. The seaside city thus managed to surpass other regional markets such as Cluj-Napoca or Timisoara.

Cluj followed closely, being the city where over 8,100 residential units were sold over the first ten months of this year, i.e. a 6% YoY increase. Cluj and Constanța are actually the only major regional residential markets in the country that recorded home sales increases this year.

Timis ranks third in the top of the largest regional residential markets - excluding the Bucharest region - with a volume of about 8,000 sold residential units, down by almost 5% compared to the result recorded over the first ten months of 2024.



Source: SVN Romania based on ANCPPI

Decreases in the number of home transactions were also recorded in Brasov and Iasi, which in recent years have each ranked first among the regions in the country with the highest volume of home sales. However, less than 6,000 residential units were sold in each of these two regions over the first ten months of this year, i.e. a YoY decrease of 10.3% for Brasov and 26.3% for Iasi.

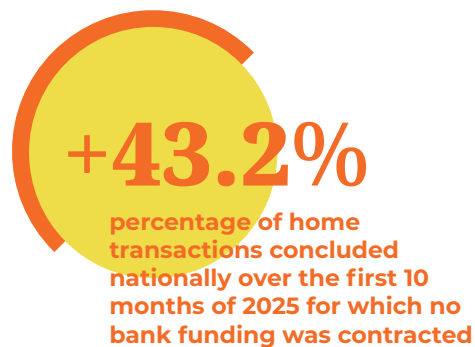
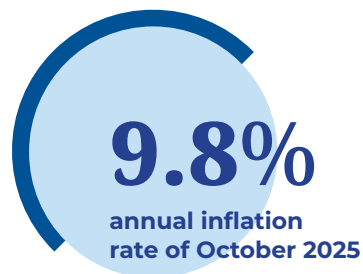
The decrease in the number of homes sold in 2025 in most regions of the country must also be analyzed on the background of a further decrease in the number of completed homes this year. Thus, 5.1% fewer homes were completed nationwide over the first six months compared to the similar period of 2024, according to the latest data published by the National Institute of Statistics (NIS).

Moreover, it should also be noted that the first semester of the previous year also brought an annual decrease of 19.1% in the number of homes completed in Romania. On the other hand, the number of new homes completed over the first half of 2025 account for only 33% of the total number of transactions completed during the same period.

Given the dynamics of the first part of the year, 2025 is expected to bring a new decrease in the number of completed homes nationwide - and implicitly on most of the major residential markets in the country - after 2024 ended with 13.5% fewer delivered residential units compared to the previous year, a situation that also adversely affects the number of home sales.

Only two regions of Romania recorded YoY increases in their deliveries over the first half of this year: North-East (Bacau, Botosani, Iasi, Neamt, Suceava and Vaslui), by almost 15%, and North-West (Bihor, Bistrita-Nasaud, Cluj, Maramures, Satu – Mare and Salaj), by only 0.7% compared to the first six months of 2024.

In all other regions of the country, new decreases in the number of completed homes were recorded, the largest being the one of the central region (Alba, Brasov, Covasna, Harghita, Mures and Sibiu), of 18% compared to the first half of 2024, and the one of the Western region (Arad, Caras – Severin, Hunedoara, Timis), of 16.6% compared to the first half of last year. In Bucharest - Ilfov region home deliveries registered a YoY decrease of 3.2%.



Source: NIS, ANCP, SVN Romania

The lower number of completed new homes, on the background of a good level of absorption of the delivered new projects and of a new increase in the inflationary pressure, has resulted in a much sharper increase in housing prices throughout 2025.

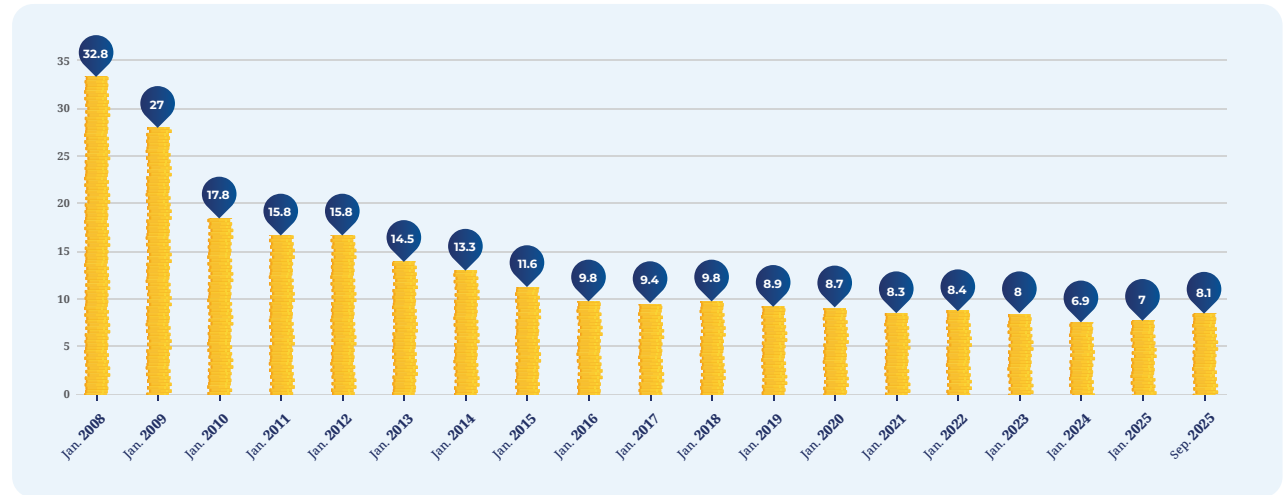
The latest data of Eurostat, the European statistics office, shows that home prices in Romania increased at an annual rate of 4.7% during the second quarter of this year. Depending on the city and the analyzed market segment, the price increases recorded this year went up to and even above 25%, a significantly higher pace compared to the increase in the national average net monthly salary, which was 4.1% in September.

The disconnection between the wage increases and the residential prices increase has resulted in a decline in the affordability of a new home purchase, the first recorded after several consecutive years of successive improvements. Thus, the profile index calculated by SVN Romania for a time interval of 18 years shows that this August one needed almost 96 national average monthly wages (the equivalent of eight years) to buy a new one-bedroom apartment (with a net area of 50 sq. m.) in Bucharest.

The current level indicates a poorer affordability compared to the one registered earlier this year, when one needed 84 national average monthly salaries (the equivalent of 7 years) to purchase the same type of home in Bucharest. Also, one year ago SVN's index showed a level equivalent to seven years.

A less accessible market

NUMBER OF YEARS NEEDED TO PURCHASE A NEW ONE-BEDROOM APARTMENT (50 SQ.M.) IN BUCHAREST



SVN Romania based on ANCP

It is worth noting that 2023, a year marked by a significant increase in mortgage interest rates, and 2022, the year when the current record for home transactions at national level was set, were the latest years when a similar level of affordability was recorded. The sales volume recorded over the first ten months of 2022 was 7.5% higher than the one of the same period of this year.

On the other hand, the current level of affordability is more than four times better than the one of 2008, at the peak of the development cycle recorded before the onset of the economic crisis that began almost two decades ago.

At that time, one needed no less than 393 average national wages (the equivalent of 33 years) in order to purchase the same one bedroom apartment in Bucharest, statistical data that highlights the fundamentals of the current residential market. Of course, the affordability of buying a new home varies across the country, with some regional centers, such as Brasov or Cluj-Napoca, having lower affordability levels compared to Bucharest.

The decline in the new home purchase affordability was offset, at least over the first part of the year, by the improvement in the affordability of contracting a mortgage loan, driven by the decrease in mortgage interest rates recorded over the first half of the year.

This is also one of the explanations for the increase in the percentage of purchases made through a

mortgage loan, with SVN estimating that today over 60% of all transactions concluded in 2025 were financed this way, compared with under 40% two years ago.

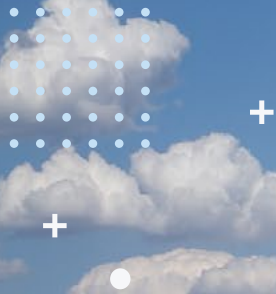
However, the affordability of buying a home through a mortgage loan has worsened in recent months, as a result of the increase of the IRCC index, which stands at the basis for the calculation of the interest rates on this segment. Moreover, 2026 could bring about a further deterioration in the affordability of a mortgage loan if the inflation remains high, which would prevent interest rate reductions.

Another year with a low number of completed homes will maintain a high pressure on transaction

prices, which in 2025 recorded the highest growth rate in recent years – and at a pace approximately five times higher than that of salary increases.

Thus, 2026 could bring a further decline in the volume of residential unit transactions, also depending on the impact of the fiscal measures implemented to reduce the budget deficit, as well as on the number of final sale-purchase agreements corresponding to the pre-sale agreements closed in July of this year.

We hope you will enjoy reading our report regarding the developments of the residential market of Bucharest and its surrounding areas of 2025 and we remain at your disposal for tailored studies.



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An aerial view of Bucharest, Romania, showing a dense urban landscape with various buildings, including modern high-rises and older structures with domes. The sky is blue with scattered white clouds. In the top right corner, there are several vertical white lines of varying lengths. In the bottom right corner, there are small white icons: a circle, a plus sign, and a horizontal line.

Bucharest

Shrinking housing supply

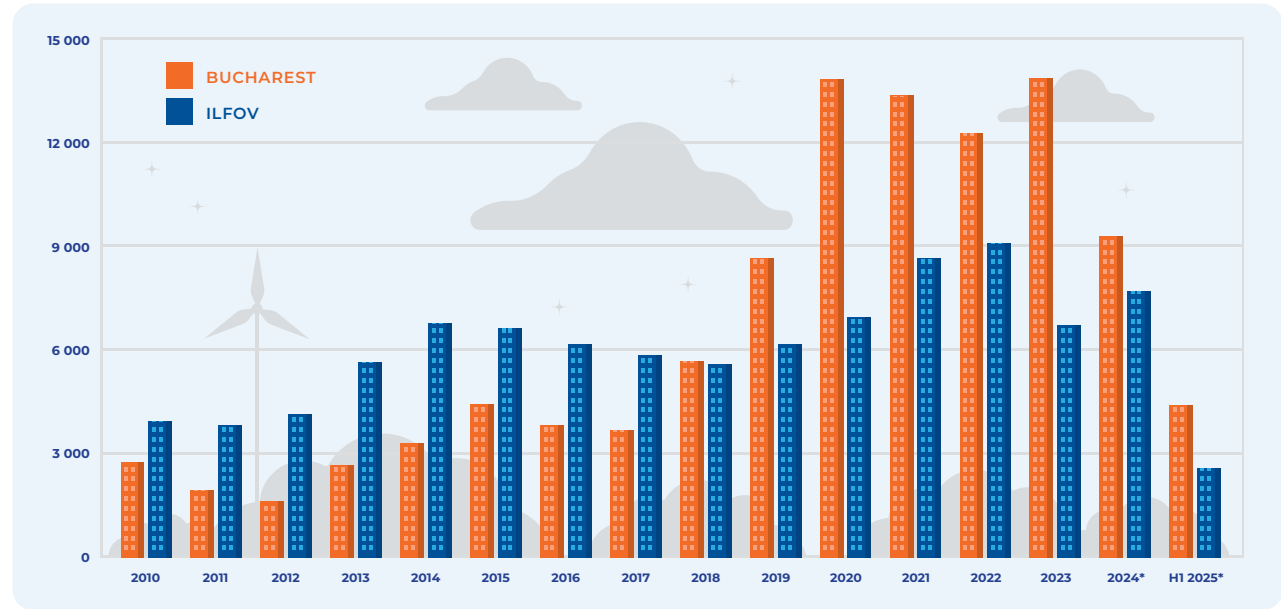
NUMBER OF RESIDENTIAL UNITS COMPLETED IN BUCHAREST AND ILFOV

The largest residential market in Romania has recorded declines at all levels this year, but despite that it cannot be considered a weak year overall. While in 2024 we saw an increase in transactions and a decrease in deliveries, resulting in an accelerated rise in prices over the past 12 months, 2025 will most likely end with a further decrease in the number of completed homes and fewer home sales, which could result in a rebalancing in 2026.

The drop in the number of residential transactions completed this year in Bucharest and its surrounding areas occurred on the background of the decrease in the affordability of home purchases during this year, regardless of the method of purchase, and also the continued decrease in the number of completed new homes, after the lowest number of deliveries in the past five years was recorded in 2024.

Thus, 7,011 homes were completed in Bucharest and Ilfov over the first six months of 2025. But we must bear in mind that the largest share of the homes completed in Ilfov county is part of residential projects developed in areas bordering the city. The result marked a slight decrease of approximately 3.1% compared to the first half of last year, setting a new negative record for the half-year deliveries of the last six years.

Furthermore, in its spring report SVN Romania estimated that 2025 could be another year of low home deliveries for the Bucharest region, as the company data showed approximately 18,000 res-



Source: National Institute of Statistics

*SVN calculations based on provisional data

idential units that could be delivered by the end of 2025, a slight increase compared to the nearly 17,000 deliveries recorded in 2024.

The provisional data of NIS shows that the number of completed homes of Bucharest recorded a 19% YoY increase over the first six months of this year, the lower half-year result being determined by the decrease recorded at the level of Ilfov county.

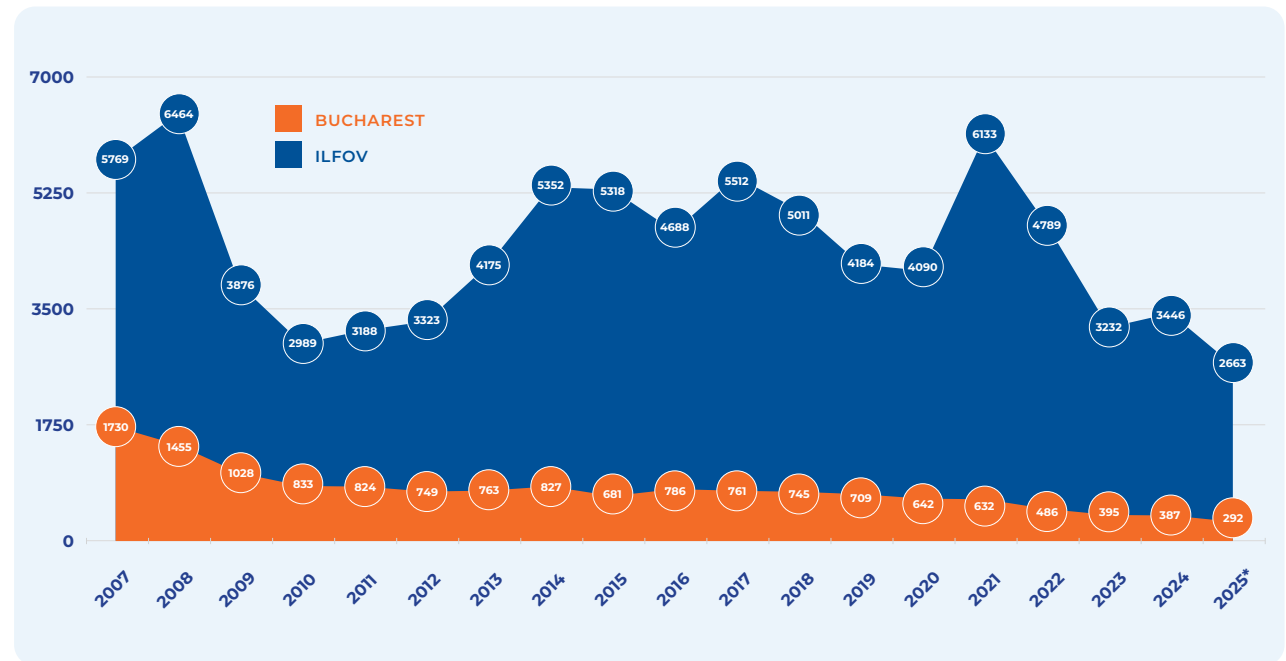
As has been the case every year, the achieving of the volume of deliveries estimated by SVN in

the annual report published at the beginning of every spring is influenced by the residential units acceptance procedures and by the compliance with the construction schedules and other aspects specific to every individual project.

The continuous decrease in the number of completed homes in Bucharest - Ilfov occurs as a result of the dramatic decrease in the number of building permits and the total area authorized for construction in residential projects in Bucharest over the last almost four years.

Fewer and fewer projects are being authorized

NUMBER OF BUILDING PERMITS GRANTED FOR RESIDENTIAL PROJECTS



Source: National Institute of Statistics

* between January and September

The latest NIS data show that 292 building permits were issued over the first nine months of this year for residential buildings located in the Capital city, marking a first YoY increase of about 7% compared to the volume recorded over the first three quarters of last year.

On the other hand, the total net area of residential buildings with building permits issued over the first nine months of 2025 is 49% higher than the one of the first nine months of 2024, which may indicate the reauthorization of some large-scale projects as well as new projects.

However, despite these increases, the overall environment for authorizing new projects in Bucharest remains challenging: both the number of issued building permits and the total net area with issued building permits are more than 40% lower than the volumes recorded in 2021, for example.

An increase in the number of issued permits and the total net area with issued building permits has also been recorded in Ilfov county in 2025, thus confirming the negative trend of reversal of the residential development poles of region: from 2023 to the present date the residential area for which building permits were issued in Ilfov surpassed the one of Bucharest, a change that will have much deeper implications for the overall structure of the residential market. For now, Bucharest maintains its supremacy in terms of the number of completed homes, according to the provisional NIS data.

In addition to the number of new homes that could be completed in Bucharest and its surrounding areas by the end of this year, SVN Romania has identified another approximately 6,700 homes in various stages of development expected to be completed mainly in 2026, but also in 2027.

This is one of the lowest levels recorded in recent years and significantly lower compared to 2023 and 2024 – for comparison purposes, at the beginning of 2024 there were already over 11,000 units under

construction with delivery dates set for this year and 2026.

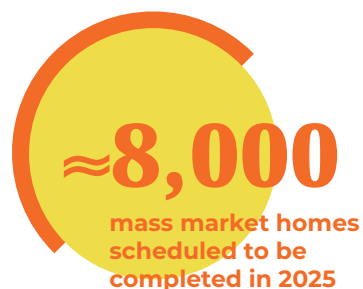
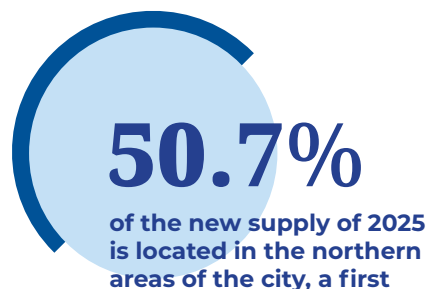
The sharp decline in the number of building permits and total net area with issued building permits is expected to continue to negatively impact the future delivery volumes of Bucharest. The increase recorded over the first half of this year can also be explained by the completion of a significant number of large-scale projects, each with at least 500 apartments.

The total number of projects with more than 500 units under construction at the beginning of this year was more than double than the one identified at the beginning of 2024 that was to be delivered last year.

The decrease in the number of permits and projects under development in Bucharest did not have a major influence on the structure of the new homes supply in the region, according to the market segmentation performed by SVN Romania. Even though, similar to previous years, the number of mass-market housing units remained the highest this year, it no longer accounts for more than 50% of the total number of units under construction.

Thus, approximately 48.6% of this year's new supply was classified as part of the mass-market segment, down from 59% a year earlier. The mass-market segment generally consists of projects located in the city's large residential neighborhoods, its peripheral and neighboring areas, areas that typically benefit from the social infrastructure developed during the communist period, but also near modern shopping centers.

The mass-market segment also includes the low-market sub-segment, characterized by residential projects located in areas with poor infrastructure, usually on the administrative outskirts



of the city. Both types of projects include homes that have areas similar to or smaller than those of the homes completed before 1989. On average, mass market homes prices can go up to EUR 1,800 per net square meter.

This year, the middle-market segment accounted for an estimated 45% of the new supply scheduled for completion, totaling more than 8,000 residential units, a major increase from the roughly 36.4% share of the new supply of 2024.

This development was mainly driven by the completion of several large-scale projects located in the northern part of the city, which has, in fact, become Bucharest's main residential development hub, according to SVN Romania's data.

Middle-market homes benefit from good locations, typically in the most sought-after areas of large neighborhoods, in semicentral zones, or in the city's northern area, where the general infrastructure is very good, whether we are speaking about roads and public transport networks or social and recreational facilities. Furthermore, the areas of these homes are also similar to or larger than those of the units completed before 1990.

Source: SVN Romania

Middle-market homes offer higher-quality finishes and are typically part of residential projects that include a wide range of facilities. This segment also includes homes that cannot be classified as luxury, but which have significantly larger areas, higher quality finishes, and excellent locations, close to the city's most sought-after points of interest.

In general, prices for middle-market homes start at around €1,900 per net square meter and can reach approximately €3,500 per square meter, if we are speaking about units that are very close to their final reception term and are part of the most sought-after projects. 2025 has also been a remarkable year for the premium and luxury segments, with record delivery volumes driven by the completion of several medium-sized projects comprising with dozens or even hundreds of units of this category. In general, prices on this segment start from EUR 3,500– 4,000 per net square meter.

The increase in the shares held by the middle market and premium segments was recorded in a context in which the areas in the northern part of the city accounted for the highest concentration of residential projects completed this year. Thus, the northern area accounted, for the first time, for more than 50% of the deliveries scheduled for this year, up from 39% in 2024, mainly due to the completion of several large-scale projects.

The eastern area of the city has also become, for the first time, the second target for residential project developers, with an estimated share of almost 17%



Photo: Frames For Your Heart / Unsplash

of this year's total new supply. The western area of Bucharest, which has represented, for years, the largest pool for new residential projects, has accounted for only almost 16% of the completed new supply this year. At the same time, the southern area of the city accounted for approximately 12.7% of this year's new supply, while the semi-central areas accounted for approximately 4% of the new residential supply of 2025.

Several projects are expected to start over the next few years in areas such as Bucur Obor, Politehnica, Petrom City or Progresului, where tens of thousands of housing units can be developed. The northern

area of the city could keep its supremacy in 2026, given the numerous residential projects of the Pipera area, while the western area will register an equally low share.

The future approval of the new urban planning regime will decisively influence the development of the city's new residential hubs, but the greatest impact at the moment is the drastic reduction in the number of building permits, which has resulted in a decrease in home deliveries and the existing stock, including an acceleration in the increase in home prices and a deterioration of the housing affordability.

Quartely home transactions

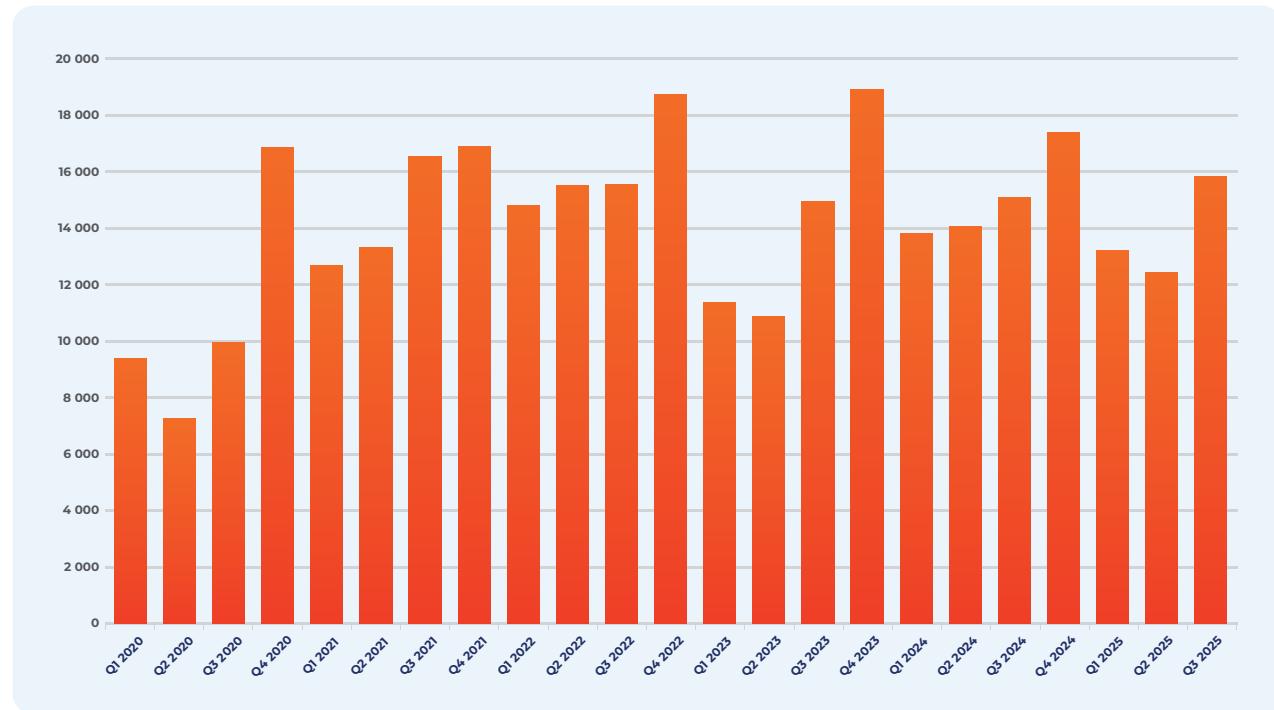
CLOSED IN BUCHAREST AND ILFOV

DEMAND AND LOANS

After 2020 – 2021 brought annual increases in the number of home sales, despite the Covid-19 pandemic, 2022 brought about a new record number of sold houses and apartments, 2023 ended with a decline in the number of residential sales, driven by record inflation rates and an increase in mortgage interest rates, and 2024 brought a rebound, 2025 will most likely end with a new decline in the number of transactions. More than 46,300 residential units were sold in the Bucharest - Ilfov region over the first ten months of this year, down by 5.7% compared to the result recorded in the same period last year, according to the latest ANCPPI data centralized by SVN Romania.

The downturn registered by the country's largest economic pole falls at the middle of the annual home sales variations recorded over the first ten months of 2025 at regional level, between the increases of Constanta (+11%) and Cluj (+6%) and the decreases of Brasov (-10%) and Iasi (-26%). Moreover, a weaker result was recorded in the Bucharest-Ilfov region compared to the national one, where home sales decreased by only 2.76%.

YoY drops in the residential sales volumes were recorded during six of the first ten months of this year, the largest decreases being in January (-16%), on the background of a general sense of uncertainty, in April (-25%), the month with the Easter Holidays, and in October (-22%), when the reporting base was represented by the best sales month of 2024.



Source: SVN Romania based on ANCPPI

At the same time, the best evolutions were recorded in July (+12.6%) and August (+10%), due to the wave of transactions determined by the announced elimination of the reduced VAT rate for the new home purchases.

A better result was recorded in Ilfov, where the number of residential units sold over the first ten months of this year were 3.8% lower than the one of the same period of the previous year. On the other

hand, the number of residential sales recorded during the same period of time in Bucharest were 6.1% lower than the one of the first ten months of last year.

Given the current sales dynamics, 2025 will most likely end with an annual decline in home sales ranging between five and ten percent, the result recorded in December – usually one of the best sales months of the year – being decisive.

The end of the year brings more expensive loans

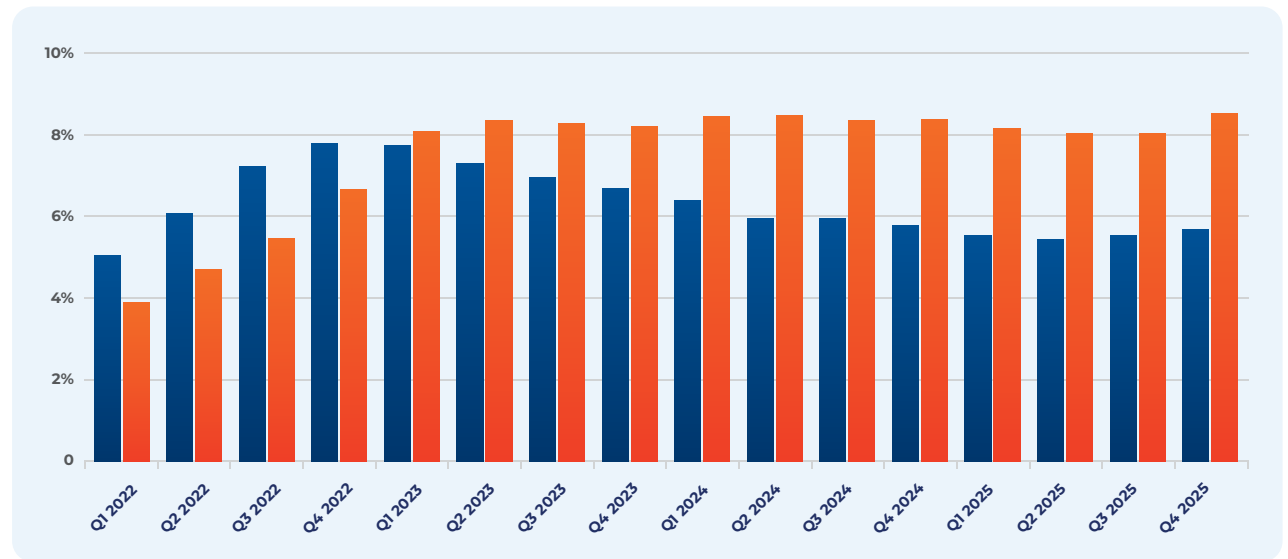
INTEREST RATE EVOLUTION FOR MORTGAGE LOANS GRANTED IN BUCHAREST

This decline in the number of sales was recorded as a result of the deterioration of the affordability of buying a home, expressed as a price-to-income ratio, over the course of this year, while the affordability of contracting a mortgage loans improved over the first nine months of the year, mainly as a result of the reduction in fixed interest rates.

The latest data published by the National Bank of Romania and centralized by SVN Romania | Credit & Financial Solutions shows that mortgage loans worth EUR 8,2 billion were granted at national level over the first nine months of 2025, i.e. a YoY increase of 28%. However, it should be borne in mind that this volume also includes the loans that have been refinanced, converted, transferred and restructured.

The increase in the volume of mortgage loans occurred as a result of the fact that the number of fixed-interest rate loans account for almost all new loans that are currently granted, but also as a result of the fact that Romania is the only European country where the average interest rate of granted mortgage loans is lower than the Central Bank's reference interest rate.

SVN Credit Romania's calculations based on market data from the local banking segment show that the fourth quarter of this year will end with an average interest rate of 5.70% for the mortgage loans granted in Bucharest, a level that is lower compared to the monetary policy interest rate, currently set at 6.50%.



Source: SVN Romania | Credit & Financial Solutions

■ Fixed rates ■ Variable rates

This average interest rate recorded on the mortgage loans market of Bucharest is the lowest in the region, except for Sofia, where the average interest rate for a new mortgage loan granted in October was 3.88%. On the other hand, the average interest rate for a mortgage loan granted in the same month was 7.10% in Budapest, 7.06% in Warsaw and 8.10% in Chisinau.

The current level recorded in Bucharest is the highest of this year, as 2025 started with an average interest rate of 5.55% for newly granted mortgage loans in the Capital city. While the second quarter brought about a slight decrease, to 5.45% on aver-

age, the figures for the third quarter returned to early-year levels. The average interest level went up during the last few months of this year, as the consumer credit index (IRCC) rose to its highest value in history.

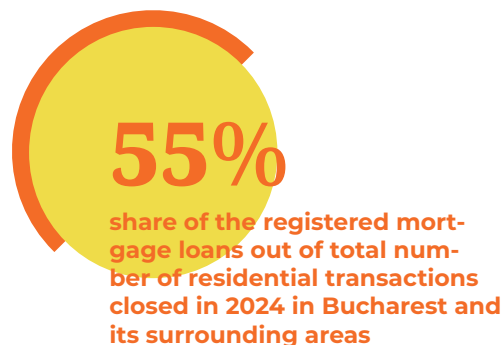
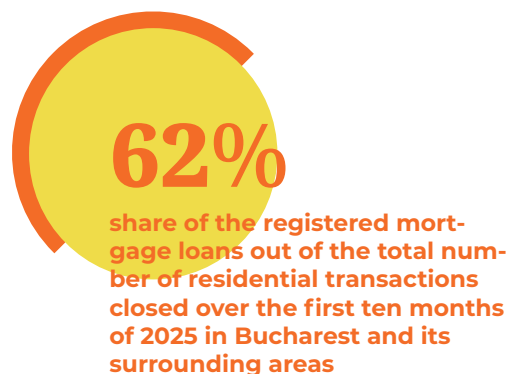
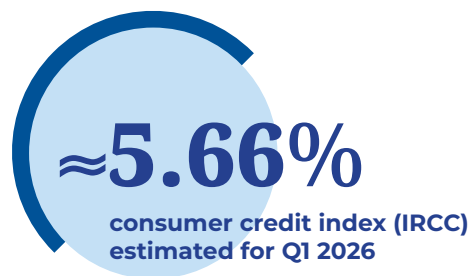
At the same time, variable interest rates have also reached the highest level of this year and of the recent history, the current average level being 8.55% according to SVN Credit's estimates. 2025 started with an average variable interest rate of 8.15%, while the average variable interest rate for a mortgage loan granted in Bucharest dropped to 8.05% the following two quarters.

However, variable interest rates almost disappeared nearly three years after fixed average interest rates became more attractive than the former: the two rates reversed at the beginning of 2023, the fixed interest rate for mortgage loans in Bucharest being 7.75% at that time, while the average variable interest rate had risen to 8.10%.

The constant decrease of the fixed interest rates of the mortgage loans segment, combined with the significant prices increase of recent years and the increased attractiveness of certain financial instruments and investment methods, has also led to a premiere for the recent period: the share of the home transactions paid by loans has increased, now accounting for more than half of the total number of transactions, according to SVN's calculations.

Thus, the mortgage loans registered in 2023 in the Bucharest-Ilfov region accounted for approximately 50% of the total number of transactions with residential units concluded the same year, while at the national level they accounted for 43%, according to the statistics of the National Agency for Cadastre and Land Registration (ANCPI).

It should also be noted that the total number of registered mortgages also includes refinanced, converted, and restructured loans, as well as personal loans secured by mortgages, which means that the mortgage loan funded transactions actually account for a smaller share.



Source: SVN Romania

On the other hand, the number of mortgage loans registered in Bucharest and its surrounding areas over the first ten months of 2025 account for 62% of the total number of transactions with residential units closed in the region this year, respectively 56% at national level, an evolution that indicates an increase in the number of loan funded transactions.

The number of registered mortgages in Bucharest over the first ten months of this year is similar to that registered over the first ten months of 2024, but it is 23.8% higher than the number of mortgages registered over the first ten months of 2023.

The increase in the number of loan funded transactions is even more pronounced in Ilfov, where the YoY increase in the number of mortgages registered over the first 10 months of this year was 34%, compared to the similar period of 2023, when the YoY increase was 90%, according to SVN's calculations. Furthermore, the number of mortgages registered at national level increased by 9.1% over the first ten months of this year, compared to the same period of 2024, and by almost 43% compared to the same period of 2023.

While Constanta was the leader in terms of number of residential transactions closed over the first ten months of this year at regional level, the highest number of mortgage loans was registered in Timis county, with a YoY increase of 21.4%.

Cluj ranks second, with a YoY increase of 19.3%, while Constanta ranks only third, with a YoY decrease of 1.1% in the number of mortgages registered between January and October 2025. Brasov, Iasi and Sibiu follow in the ranking in terms of the number of registered mortgages.

The increase in the share of bank loan funded residential units transactions occurred as a result of the steady drop in fixed mortgage interest rates, which has improved the affordability of buying a home through a bank loan in recent years - as indicated by the profile index calculated by SVN Romania | Credit & Financial Solutions.

In September this year, the most recent month for which statistical data is available regarding the average wage nationwide, the average mortgage payment for a 25-year mortgage loan funded new one-bedroom apartment (with a net area of 50 sq.m.) in Bucharest accounted for 51% of the average national net salary.

For the purposes of the SVN index, the calculation was based on a one-bedroom apartment priced at EUR 105,000, funded with a 5.55% fixed interest rate mortgage, the average wage being EUR 1,071 according to the National Institute of Statistics.

2025 brought about a deterioration of SVN's index: at the beginning of the year, the average install-



ment accounted for just 45% of the national average net wage. The deterioration over the past ten months has been driven mainly by the rapid rise in property prices, while wages have grown at a much slower pace.

The current value of 51% of the SVN index was last recorded at the beginning of 2024, during the inflationary surge of 2023, when the average installment for a one-bedroom apartment in Bucharest accounted for 64% of the average national wage. Similar levels were also recorded during the second half of 2020 and at the beginning of 2021.

In 2022, when the current residential sales record was set - 11% higher over the first ten months of the year than the current sales volume recorded over the first ten months of 2025 in Bucharest and its surrounding areas - the SVN index measuring mortgage loans affordability had a value of 56%, with the values recorded over the first half of both years being comparable - which could indicate a potential perception issue regarding housing affordability.

Bigger installments

INSTALLMENT / NATIONAL NET WAGE RATIO

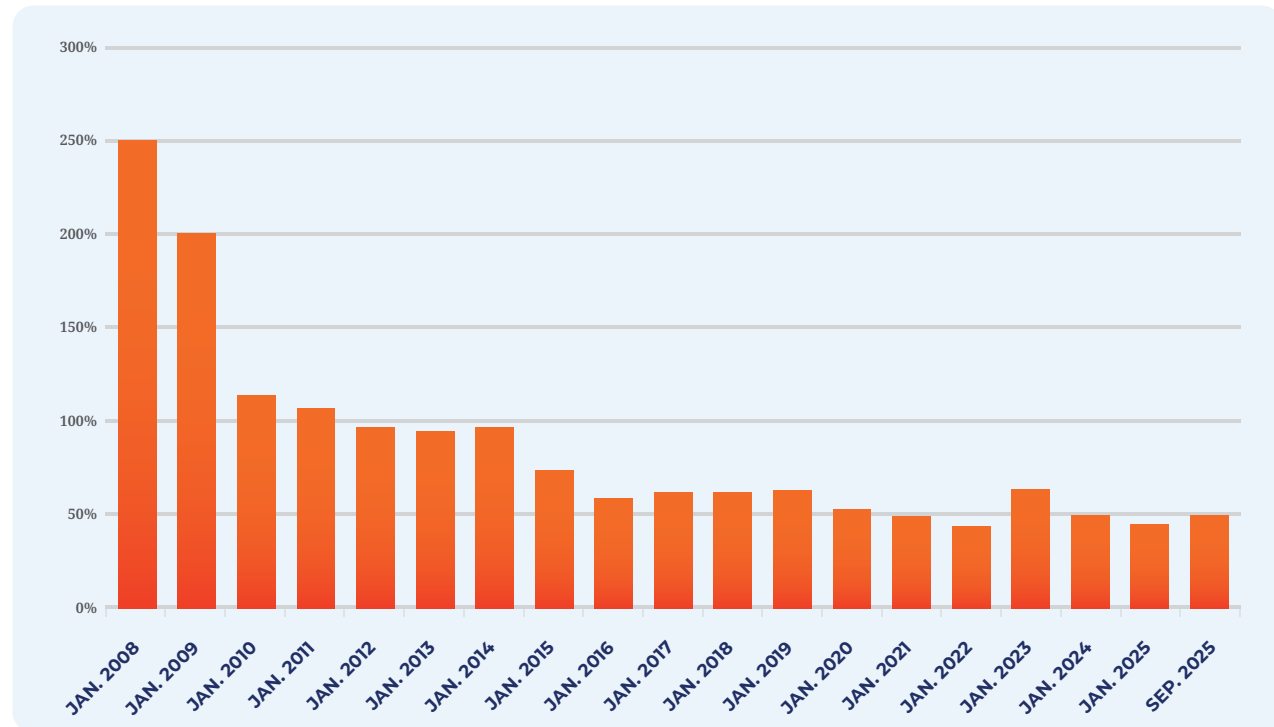
At the same time, the current level of housing affordability through mortgage funding is five times better than it was at the beginning of 2008, before the global financial crisis that shook the world economy nearly two decades ago. Back then, the installment required to buy a 50 sq.m. one-bedroom apartment in Bucharest accounted for 251% of the national average net wage.

Given the current market trends, the projected low number of completed residential units in 2026, and the likelihood that interest rates will remain at least as high as today, the affordability of bank funded new home purchases could decline further, at least over the first half of next year - the results of the second half of the year depending on the macroeconomic developments.

On the other hand, Romania's mortgage market is expected to record another good year, given the increase of the share of bank funded transactions and the relatively underdeveloped state of the local real estate sector, the total balance of the outstanding mortgage loans accounting for a share of the GDP that is five times lower than the European average.

The total balance of the outstanding mortgage loans increased over 2025, reaching EUR 23.1 billion at the end of September, i.e. A YoY increase of 5.5%.

This growth is due to price increases, but also due to the increase in the average value of the



Source: SVN Romania

mortgage loans granted at national level, which reached around €65,000 by the end of the third quarter, up from €62,000 a year earlier.

The residential market is expected to remain under pressure in the short term, given the ongoing annual price increase rate and a further decline in the new home purchase affordability, regardless of the purchase method.

Looking ahead to 2026, the key factors that will influence next year's results are the macroeconomic developments and the society's overall state of mind, with the current data indicating that it could go either way - the 2026 number of home sales could be either similar to or lower than that of 2025. In this context, the soundness of the investors' business plans will be more critical than ever.

Apartments are getting more expensive

PRICE EVOLUTION FOR APARTMENTS FROM BUCHAREST (%)*

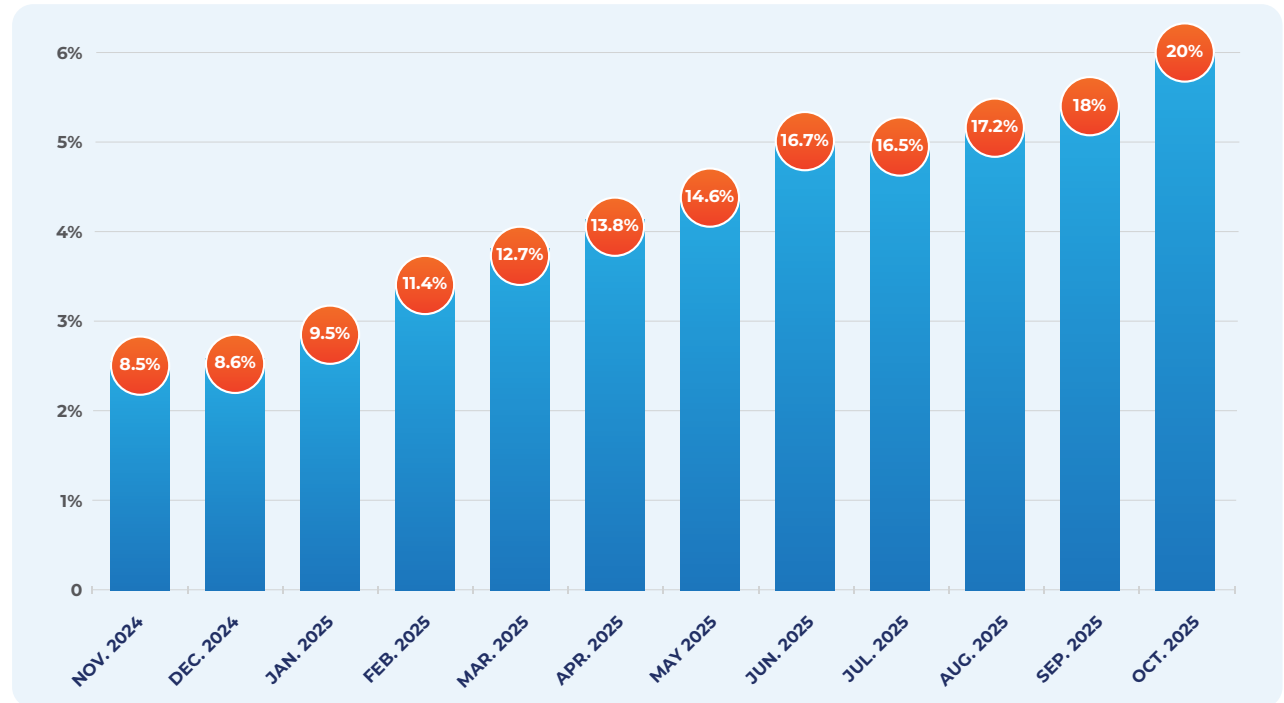
OLD RESIDENTIAL UNITS MARKET

The secondary residential market, which consists of homes which have gone through two or more ownership transfers, regardless of their year of delivery, recorded another year with very good results, continuing to account for the majority of home transactions, according to SVN's calculations, even amid a continuous decline in new housing supply.

In Bucharest, the residential units built before 1990 remain a viable option for homebuyers, mainly due to their lower prices and generally better locations - but also due to the low supply of new residential units in certain areas and on certain market segments.

The decrease in the supply of new homes and the implicit price growth pace acceleration on the new homes segment have intensified price increases on the secondary market as well. As a result, the YoY price growth of two-bedroom apartments built between 1980 and 1990 in Bucharest reached 20.1% in October, according to the real estate index calculated by Ziarul Financiar and SVN Romania.

This is the highest YoY growth rate recorded in the recent period – by comparison, it is almost ten times higher than the one recorded in the fall of 2023, when the YoY growth rate was 2.2% in November. Moreover, the YoY growth rate of the aforementioned real estate index was 8.5% a year ago.



Source: SVN Romania, Ziarul Financiar

*Note: two-bedroom apartments delivered in Bucharest between 1980 - 1990

The increase in prices began to accelerate as early as the second month of this year, when the ZF & SVN's index had risen to 11.4%. The following months brought about steady increases, a rate of 16.7% being recorded in June. July was the only month that brought about a slowdown in the growth of the asking prices on the analyzed market segment, but the growth rate picked up again over the last three months, reaching 20.1% last month.

Given the decrease in the number of sold residential units, the coming months will most likely bring a slowdown of the YoY price growth rate, even though the secondary market will remain an attractive option for homebuyers, considering the limited supply and current price levels on the new homes segment.

2026 TRENDS

Price Growth Slowdown

After the highest YoY increase in housing prices in recent times was recorded this year, 2026 is expected to bring a slowdown of the annual growth rate.

On the one hand, the reporting base will already be high, and on the other hand, we could witness a rebalancing of the supply–demand ratio, given the declining residential sales in the short term.

New Homes Supply Remains Low

2026 is shaping up to be another year with a low number of new homes completed in Bucharest and its surrounding areas. In 2024 the number of deliveries of residential units was the smallest of the past six years, and 2025 is expected to bring similar results, in line with SVN Romania's estimates published in the spring report.

Stable but Still Low Number of Issued Permits

2025 will end with an increase in the number of building permits and in the total net area authorized for construction in residential buildings in Bucharest, although the data indicates that many of these permits are actually reissued older permits.

The difference compared to the 2021–2022 period remains, however, substantial, with both the number of permits and the total area still roughly 40% lower, a trend that will continue to adversely affect the number of delivered new homes.



More mortgage loans

While the residential market has results that seem conflicting, the mortgage loans segment recorded a new record year in 2025, driven by the growing share of the loan funded transactions and a satisfactory level of affordability.

The first months of the following year will bring about a decrease in the consumer credit index (IRCC) and in the existing pressure on the fixed interest rate loans, where the level of competition between the main lenders is high. Thus, 2026 is expected to be another very strong year for Romania's mortgage market.

The Northern Area Continues to Reign Supreme

As the year draws to a close we can say that it has brought a first for the residential market of Bucharest and its surrounding areas: the northern areas of the city accounted for more than 50% of the new homes supply delivered by developers this year.

The northern area is expected to remain the most important hub of residential development in 2026, due to several large-scale projects currently under construction, and also due to the fact that Ilfov county has surpassed Bucharest a few years ago in terms of the total area for which building permits for residential units have been issued. Moreover, the Pipera area remains the most important suburban destination for residential project developers.

SVN® By The Numbers

1.1 B €

Total home sales
in Romania

+9,000

Apartments
sold directly
from developer
in Romania

+10

Residential
projects
in portfolio

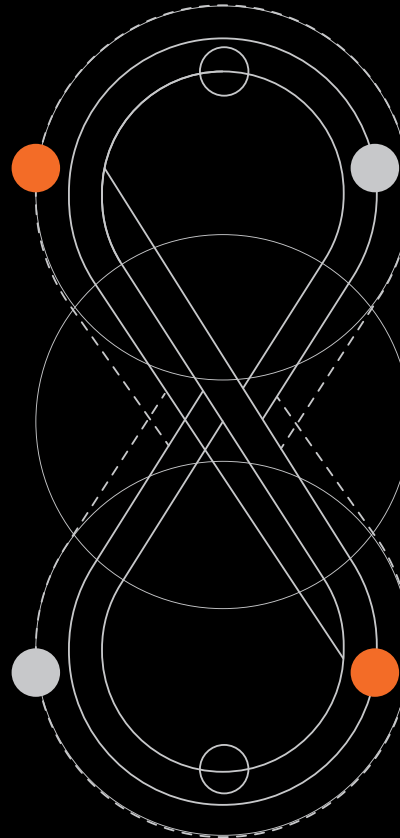
12

Speciality
practice areas

Regional presence in
Cluj - Napoca,
respectively in Arad, Bacau,
Brasov, Calarasi, Constanta,
Craiova, Iasi, Oradea, Ploiesti,
Ramnicu Valcea, Sibiu, Targoviste
and Timisoara for SVN
Credit Romania

+21 MLD. \$

Total value of sales & lease
transactions worldwide




MARKET **20** DRIVE
25



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