

Construction Market

Romania

2009 – 2020

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InterBiz | research & consulting updated and improved the analysis “Construction Market, Romania, 2009 – 2020”. The analysis is divided into 3 main sub-sectors:

- residential
- non-residential
- civil engineering

This sector analysis, now into its tenth edition, reflects the impact of recent economic and social events, how the recession has affected the Construction Market in Romania and future prospects to growth.

The report provides a clear and comprehensive picture of the market, influence factors analysis, trends by sub-sector, prices, competitive environment.



The report offers clear answers to essential questions:

How

- evolved the construction market, by sector and influence factors of this
- evolved main range of building materials and the prices of these
- it will increase the market by sector until 2020 and why
- is positioning the construction market in EU 28

Which

- are the influence factors and the analysis of them
- are the main players and competitive environment analysis

What

- potential to growth has construction market in Romania by sector
- projects will sustain construction market during 2014 – 2020

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Short Summary

Importance of construction in Romania's economy

In 2013 the construction market fell 3% comparing to 2012, to €16.1 bln, of which Gross Value Added (GVA) amounted to €11.3 bln. The share of construction in GDP formation was 7.9% in 2013, but in 2014 will rise to 8.1%. InterBiz analysis reveals a very high growth potential of the construction sector. To reach the average EU Romania needs investment in construction of buildings and civil engineering worth ~ €150 bln.

Residential buildings

The housing stock in Romania is very old, about 60% of total dwellings being built before 1977. While the house prices are still inaccessible to most people, the sector will record higher growth rates for renovation of old houses or building a single family homes, usually on own account.

Non-residential buildings

Romania is far behind other countries in the region in term of non-residential buildings stock (retail, logistics, industrial, hotels), so there is a high potential for development. To date, buildings were built in areas without development perspective, without studying the market needs and sustainable purchasing power, which is why the investors re-think several projects. Logistic stock related to the number of inhabitants in Romania is less than half that other countries in the region such as Hungary, Czech Republic, Poland. Chain stores are still opening new locations, but at a slower pace.

Civil engineering

To reach the EU average, Romania should have ~3,900 km of highways, by 3,250 km more than now. On the other hand, to be at the average EU level in Romania would have to electrify and modernize ~ 1,600 km of railways, but the density of railways is optimal. Regarding utilities, until 2018 in Romania it must build water and sewerage infrastructure in compliance with European directives on water sector, the investment needs amounting to € 15 bln.

Methods used in making analysis

- data collection / desk research: public institutions (national statistics, agencies, ministries, authorities), companies involved in the sector, mass media
- data processing / biz intelligence: the inputs are placed in a matrix and connections have been made. The forecast on three scenarios are based on isoquantic theories.

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For questions and details, do not hesitate to contact us!

Respectfully,

Adrian IORDACHE
Business Manager

Interbiz
research ♦ consulting

“Electromagnetica Business Park”, 266-268 Calea Rahovei
District 5, 050912,
Bucharest, Romania

M: +40 721 268 653

F: +40 21 423 11 30

eMail: Adrian.lordache@interbizgroup.ro

www.interbizgroup.ro