



REAL ESTATE MARKET FUNDAMENTALS IN THE REPUBLIC OF MOLDOVA

(NON-RESIDENTIAL SECTOR),
2012-2018



MOLDOVA

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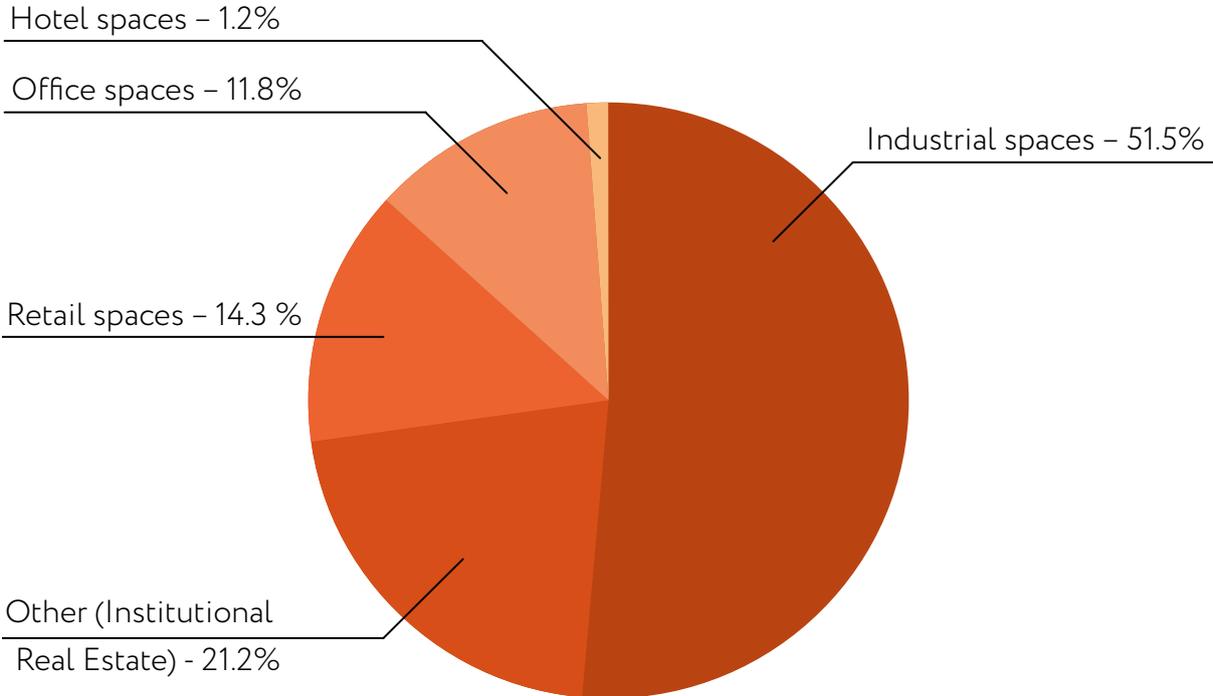
The real estate market in the Republic of Moldova has been formed since the 1990s along with the transition to the market economy as a result of the privatization of a large state-owned area of land and constructions and later following the privatization of companies from different branches of the national economy.

Currently the real estate market in the Republic of Moldova is slightly increasing in terms of the available stock (annual real estate stock) and demand (the annual number of market transactions). This is reflected in the slow 2% average annual growth of the housing stock (from 80.2 in 2012 to 86.8 million m² in 2017*), in the increase of the number of sale and purchase transactions in the residential sector (4.5% on average in 6 years), in a faster 4% average annual growth of the non-residential stock (from 17.2 in 2012 to 20.4 in 2017 million m²) and in an 8% average annual growth of the non-residential real estate transactions

Most of the real estate market in Moldova consists of the **housing** or residential **real estate sector**, which includes private houses, apartment buildings and those intended for the permanent living of families or individuals separately. This sector has a share of about 80% (2017) in the total real estate market.

The second important sector after the housing one in the real estate market is the **non-residential real estate sector**. Although the non-residential market holds 20% (20.4 million m²), it has a higher annual growth of 4%.the biggest municipalities in the regions like Băți, Cahul and Comrat.

Components of Non-residential sector split:



*Throughout the report, 2017 figures are used in cases 2018 statistics have not yet been available

NON-RESIDENTIAL SECTOR



Stock

thous. sq.m., 2017
Chisinau, Balti,
Cahul, Comrat
20426



Delivery

thous. sq.m., 2017
Chisinau, Balti,
Cahul, Comrat
613



Selling price

EUR/sq.m., 2018
Chisinau
696



Rental price

EUR/sq.m., 2018
Chisinau
5.9



Turnkey cost

EUR/sq.m., 2018
Chisinau
577



Sale-purchase transactions

thous. units, 2017,
Chisinau, Balti,
Cahul, Comrat
1.2



Rental transactions

thous. units, 2017,
Chisinau, Balti,
Cahul, Comrat
0.3



Non-residential constructions

mil. EUR, 2017,
Moldova
116

INDICATORS, 2017/2018

FIGURES

Stock & Delivery:

- stock: 20426 sq.m. (2017, Chisinau, Balti, Cahul, Comrat);
- distribution by subsectors: industrial spaces 51%, retail spaces 15%, offices -12%, hotel - 1% (2017, 2018);
- delivery: 613 sq.m. (2017), +1% average annual rate (2012-2017, Chisinau, Balti, Cahul, Comrat);

Average selling prices:

- Chisinau average annual rate -3% (2012-2018, from 815 (2012) to 684 EUR/sq.m. (2018), Balti 415 EUR/sq.m., Cahul 407 EUR/sq.m., Comrat 388 EUR/sq.m. (2018));

Average rental prices:

- Chisinau average annual rate -2% (2012-2018, from 6,9 (2012) to 5,9 EUR/sq.m. (2018), Balti has 4,2 EUR/sq.m., Cahul 4,7 EUR/sq.m., Comrat 4,3 EUR/sq.m. (2018).

MACROECONOMIC FACTORS, 2017

Area, sq. km.	33847
Population, thous. pers	3549
GDP per capita, thous. EUR	2
Trade Balance, bn. EUR	-0.24
Foreign direct investment, bn. EUR	0.18
Consumer price index, %	106.6%
Average monthly income, EUR/pers.	108
Unemployment rate, %	4.1
Ease of doing business	44
Corruption index	31
Investments in fixed assets, bn. EUR	1
Income from sales of construction companies, bn. EUR	0.8
Income from sales of real estate companies, bn. EUR	0.2
Average salary in real estate, EUR	172
Average salary in construction, EUR	382
No of construction companies, units	3112
No of real estate companies, units	3416

STOCK & DELIVERY

Non-residential real estate

Chisinau, Balti, Comrat, Cahul, thous. sq.m.

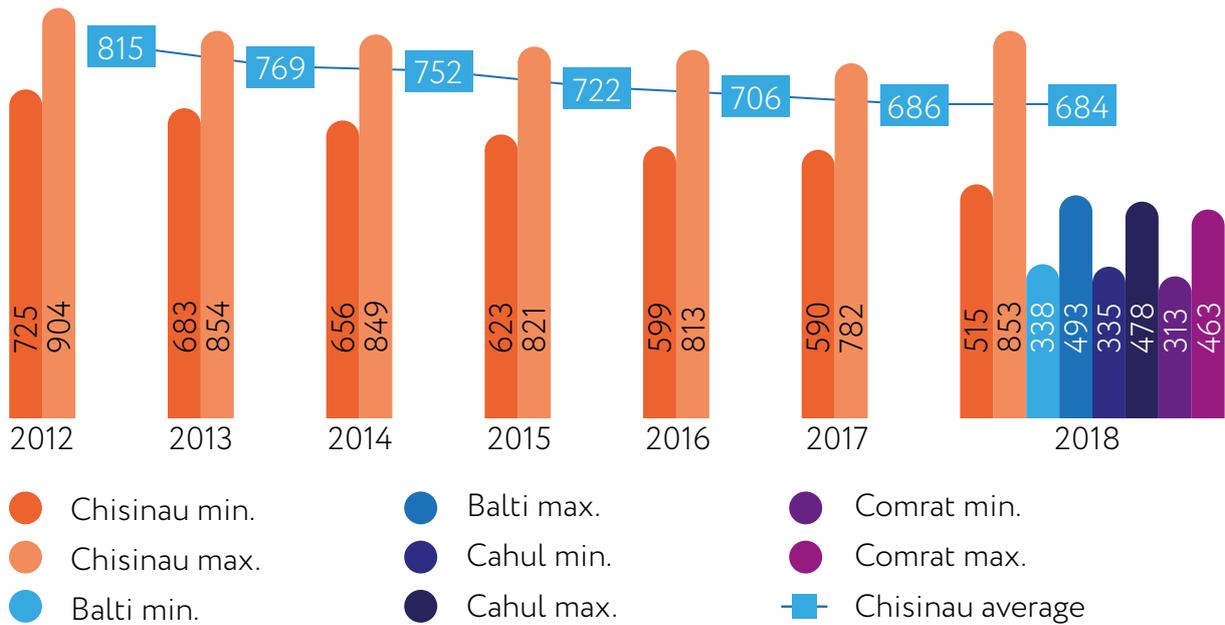


SUBSECTORS' PRICES COMPARED TO AVERAGE IN THE SECTOR

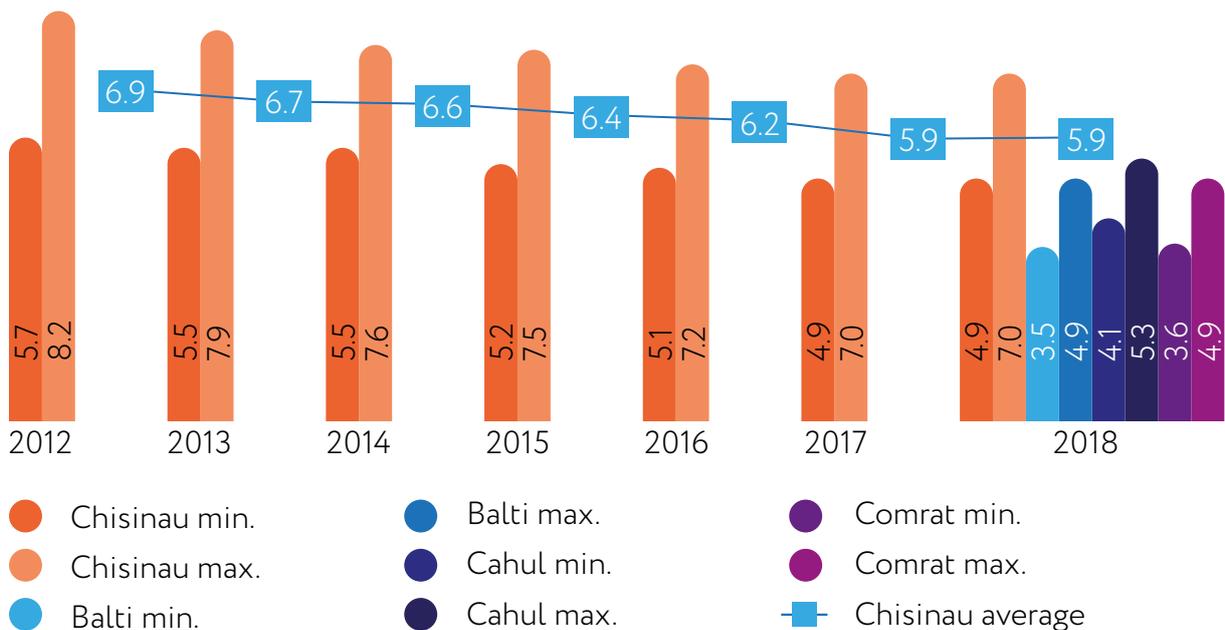
- selling: offices +30%, retail premises +80%, hotel -7 %, industrial premises - 2 times lower.
- renting: offices +50%, retail premises +20%, industrial - 2 times lower.

AVERAGE PRICES

Average selling price, non-residential real estate, Eur/m²



Average rental price, non-residential real estate, Eur/m²





OFFICE MARKET

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 m² and "Le Roi" with 8,000 m², 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,

It is worth mentioning that the offer on the Moldovan market for class A office spaces is rather limited and is mainly available in Chisinau. 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.

INDICATORS, 2017/2018



Stock

thous. sq.m., 2017
Chisinau, Balti,
Cahul, Comrat
2407



Delivery

thous. sq.m., 2017
Chisinau, Balti,
Cahul, Comrat
126



Share in non-residential stock

thous. sq.m., 2017
Chisinau, Balti,
Cahul, Comrat
11.8%



Selling price

EUR/sq.m., 2018
Chisinau
921



Rental price

EUR/sq.m., 2018
Chisinau
9.3



Turnkey cost

EUR/sq.m., 2018
Chisinau
660

FIGURES

Stock & Delivery:

- stock: 2407 sq.m. (2017, Chisinau, Balti, Cahul, Comrat);
- delivery: 126 sq.m. (2017, -2% compared to 2016), 129 sq.m. (2012), (Chisinau, Balti, Cahul, Comrat);
- concentration of office premises in urban areas;
- prevalence of B class, A class is available mainly in Chisinau.

Average turnkey costs:

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

Average prices:

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

Renting/Selling, %:

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

TOP PREMISES

Top delivered in Chisinau

- 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 Chisinau

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

Top delivered in Balti, Cahul, Comrat

- 20 units Balti 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 Chisinau

- 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 Balti, Cahul, Comrat

- 3 units in Balti, 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.

STOCK & DELIVERY

Office real estate

Chisinau, Balti, Comrat, Cahul, thous. sq.m.

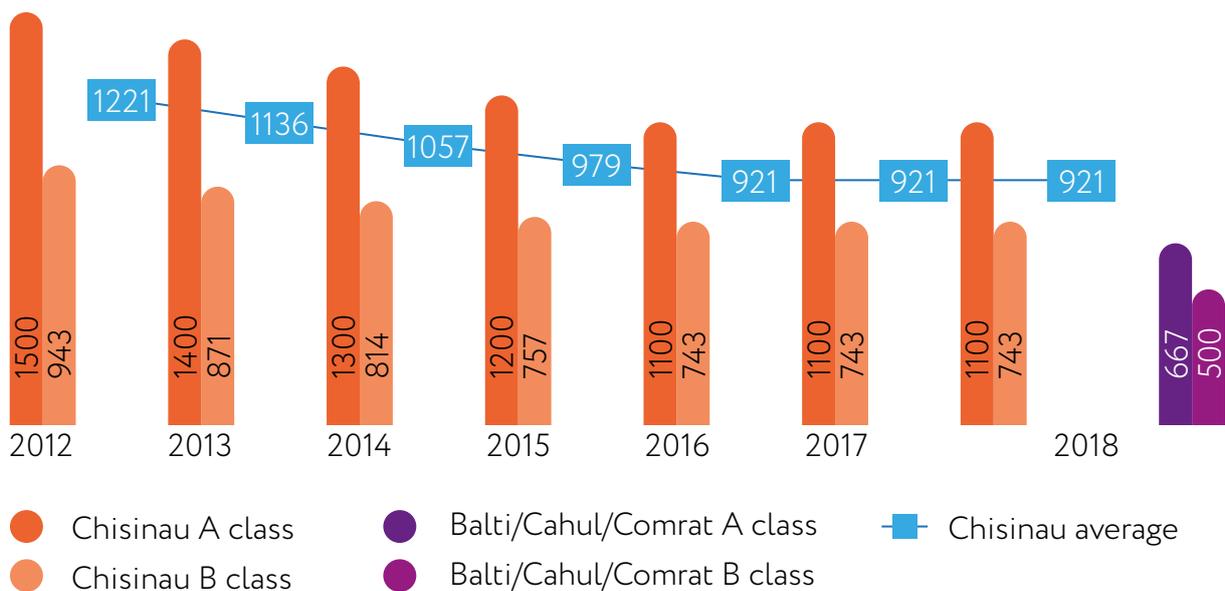


TRENDS

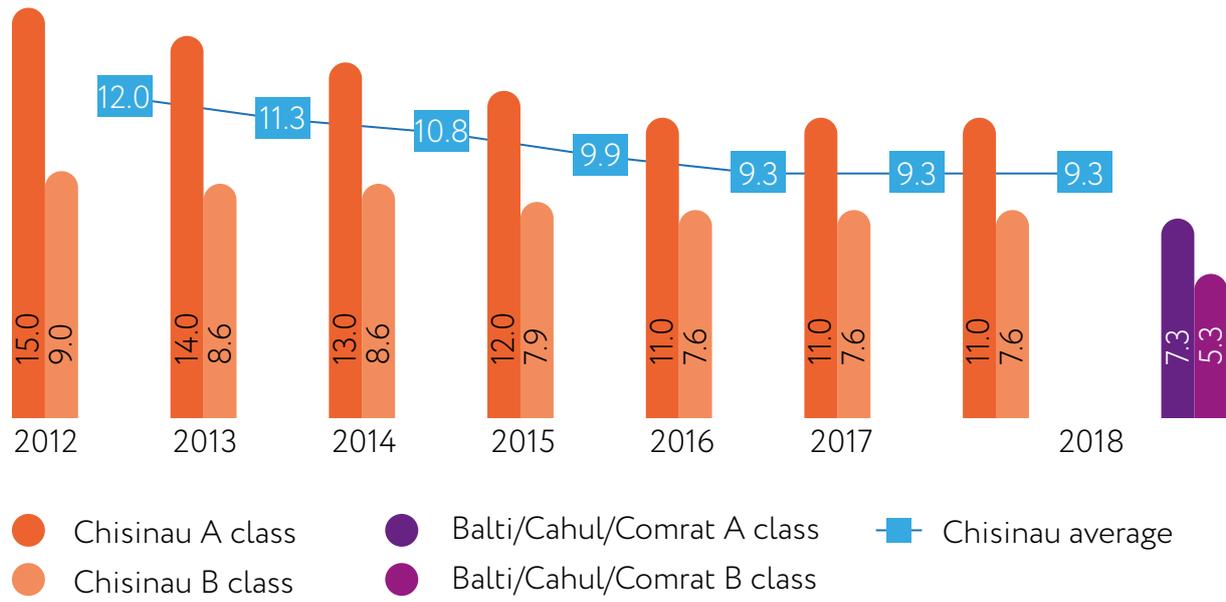
- demand ranges from 50 to 150 sq.m., mainly for class B and C;
- key clients: service companies concentrated in the capital and large cities (i.e. financial, IT, TIC), projects' organizations, .
- trend for renting large spaces (>500 sq.m.), with separate entry and modern facilities, co-working spaces,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

AVERAGE PRICES

Average selling price, offices, Eur/m²



Average rental price, offices, Eur/m²



INDUSTRIAL SPACES

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.

The new industrial spaces in regions of Moldova are being built, more for own development purposes and due to growing automotive industry sector. A number of international automotive suppliers are currently located in different Free Economic Zones (FEZ) throughout Moldova and are looking for expansion. 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 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 500 hectares of free buildable area within FEZ are available for industrial and logistic real estate development projects.

INDICATORS, 2017/2018



Stock

thous. sq.m., 2017 Chisinau, Balti, Cahul, Comrat

10523



Delivery

thous. sq.m., 2017 Chisinau, Balti, Cahul, Comrat

216



Share in non-residential stock

2017, Chisinau, Balti, Cahul, Comrat

51.5%



Selling price

EUR/sq.m., 2018 Chisinau

276



Rental price

EUR/sq.m., 2018 Chisinau

3.5



Turnkey cost

EUR/sq.m., 2018 Chisinau

420

FIGURES

Stock & Delivery:

- stock: 10523 sq.m. (2017, Chisinau, Balti, Cahul, Comrat);
- delivery: 216 sq.m. (2017), -2% 2017/2016 (Chisinau, Balti, 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, Chisinau);
- +2% average annual rate (2012-2018, Chisinau).

Average prices production buildings:

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

Prices cold stores:

- selling 250-450 EUR/sq.m.; rental 3-6,5 EUR/sq.m. (2018, Chisinau, Comrat, Balti, Cahul).

Renting/Selling, %:

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

TOP PREMISES

Top delivered in Chisinau

- 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 Balti, Cahul, Comrat

- 28 units Balti 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. (Balti).

Top under construction in Chisinau

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

Top under construction in Balti, Cahul, Comrat

- 15 units in Balti 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.

STOCK & DELIVERY

Industrial real estate

Chisinau, Balti, Comrat, Cahul, thous. sq.m.

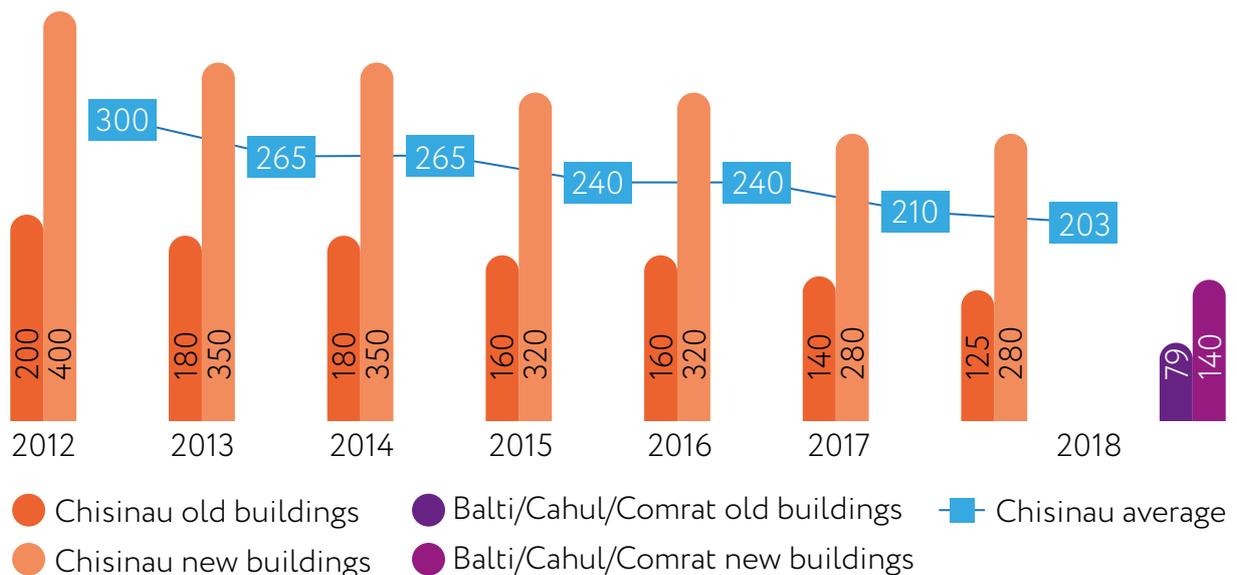


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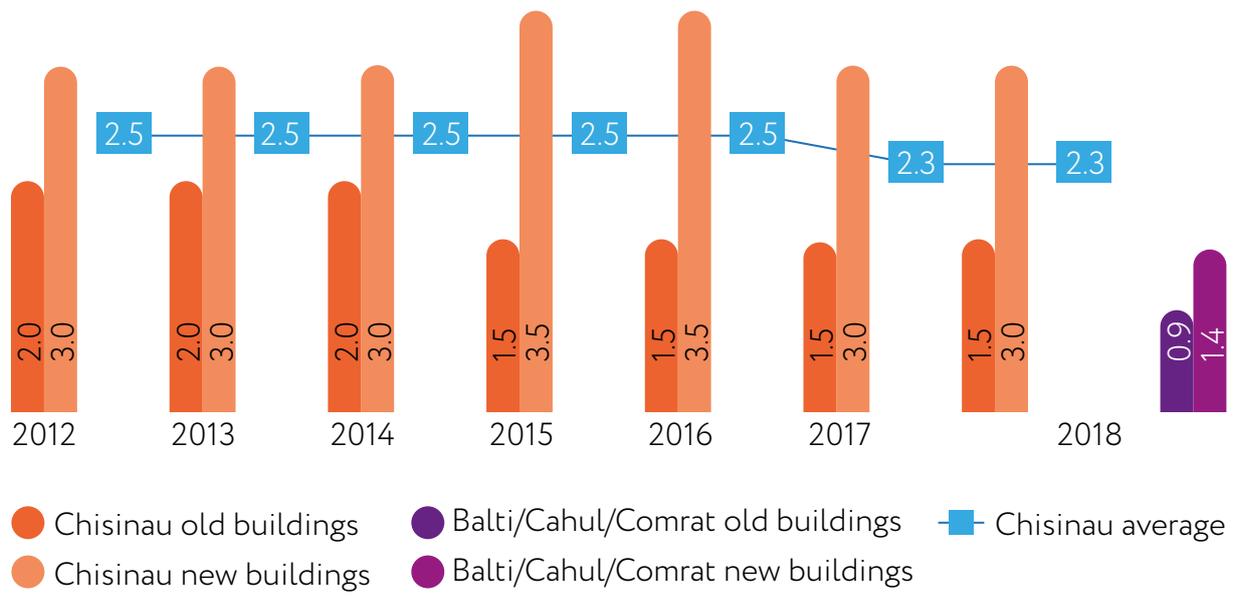
- key clients: agricultural and industrial companies, SMEs;
- incentives and available spaces in industrial parks and FEZ;
- grants and subsidies for the development of industrial spaces and for the installation of high-performance production equipment;
- increase in demand for “turnkey” production premises and for specific warehouses/buildings that can be adjusted to the tenant’s project requirements (Build-to-suit premises).

AVERAGE PRICES

Average selling price, production spaces, Eur/m²



Average rental price, production spaces, Eur/m²





RETAIL SPACES

The offer of commercial spaces (retail facilities) in capital city of Chisinau is generous, because at the end of 2008, two large shopping centres (Shopping MallDova and Megapolis Mall) were built on the market, thus increasing the total stock by more than 100 thousand m² and the employment rate in existing shopping centres.

Most of the shopping centres and supermarkets in Chisinau Municipality are 85-90% occupied, some even have line at the rent (e.g. Gemeni, Sun City, MallDova) which indicates that there is a demand in developing of new shopping centres with entertainment facilities.

There are currently several categories of commercial spaces in the Republic of Moldova:

1. **Shopping and entertainment centres** (providing complex services such as trade in food and household appliances, non-food products (clothing, footwear, etc.), entertainment services (cinema, billiard, etc.), catering services (restaurants, cafes, etc.) that, in turn, are divided into:
 - large shopping centres with over 10,000 m²;
 - centres focused on clients at district and/or zone level with an area of 2,000 m².
2. **Department stores** (selling food and household appliances):
 - large chain stores with large areas and/or many branches;
 - neighbourhood stores and/or chains. The offer at such stores is relatively stable, because the demand for food products is constant and the minimum consumption basket increases. In the last period, there is a tendency to create specialised neighbourhood stores.

INDICATORS, 2017/2018



Stock

thous. sq.m., 2017 Chisinau, Balti, Cahul, Comrat
2921



Delivery

thous. sq.m., 2017 Chisinau, Balti, Cahul, Comrat
111



Share in non-residential stock

thous. sq.m., 2017 Chisinau, Balti, Cahul, Comrat
14.3%



Selling price

EUR/sq.m., 2018 Chisinau
1293



Rental price

EUR/sq.m., 2018 Chisinau
7.5



Turnkey cost

EUR/sq.m., 2018 Chisinau
620

FIGURES

Stock & Delivery:

- stock: 2921 sq.m. (2017, Chisinau, Balti, Cahul, Comrat);
- delivery: 111 sq.m. (2017), +8% average annual rate (2012-2017, Chisinau, Balti, Cahul, Comrat);
- concentration of shopping centres in the capital;
- in Moldova are > 9 thousands commercial units (2017).

Average turnkey costs:

- 620 EUR/sq.m. (2018, Chisinau);
- +1% average annual rate (2012-2018).

Average prices:

- selling: -1% average annual rate (2012-2018, Chisinau); for small buildings (>400 sq.m.) - 840 EUR/sq.m. (2018, Chisinau), in Balti it is lower by 30%, and in Comrat and Cahul - 2 times lower; for big buildings - 1745 EUR/sq.m. (2018, Chisinau); Balti 2 times lower, and Cahul and Comrat - 3 times lower;
- rental: -0,4% average annual rate (2012-2018, Chisinau); 7,5 EUR/sq.m. (2018, Chisinau), Balti, Comrat, Cahul - 5-7 EUR/sq.m.;
- expensive districts: Centre, Botanica, Rascani.

TOP PREMISES

Top delivered in Chisinau

- 26 shopping centres with 324 thous. sq.m. and average age of 14 years;
- 12 supermarket chains with 117 thous. sq.m. and average age 15 years (130 branches);
- the largest chains: Linella (52 branches, 28 thous. sq.m., Nr. 1 chain 27 thous. sq.m., Metro Cash&Carry with 23 thous. sq.m.);
- largest shopping centres (> 15 thous. sq.m.): Shopping Malldova 82 thous. sq.m., Jumbo 45 thous. sq.m., Unic Central Department Store 37 thous. sq.m., Megapolis Mall 34 thous. sq.m., Grand Hall&Baby Hall together 26 thous. sq.m.).

Top delivered in Balti, Cahul, Comrat (supermarkets)

- 5 chains in Balti with 27 thous. sq.m.;
- 3 chains in Comrat with 5,5 thous.

sq.m.;

- 3 chains in Cahul with 5,3 thous. sq.m.;
- average age: 15 years;
- the largest - 9,5 thous. sq.m. (Balti, Metro Cash & Carry chain).

Top under construction in Chisinau

- shopping centres and retail objects (9 units), the largest object is KAUF LAND hypermarket chain.

Top under construction in Balti, Cahul, Comrat

- 27 units in Balti (2-4 floors), and Cahul 10 objects under construction/design (2-3 floors);
- Comrat - 10 objects, 2-4 floors.

Occupancy:

- 85-90%.

Payback period:

- 8-10 years.

STOCK & DELIVERY

Retail real estate

Chisinau, Balti, Comrat, Cahul, thous. sq.m.

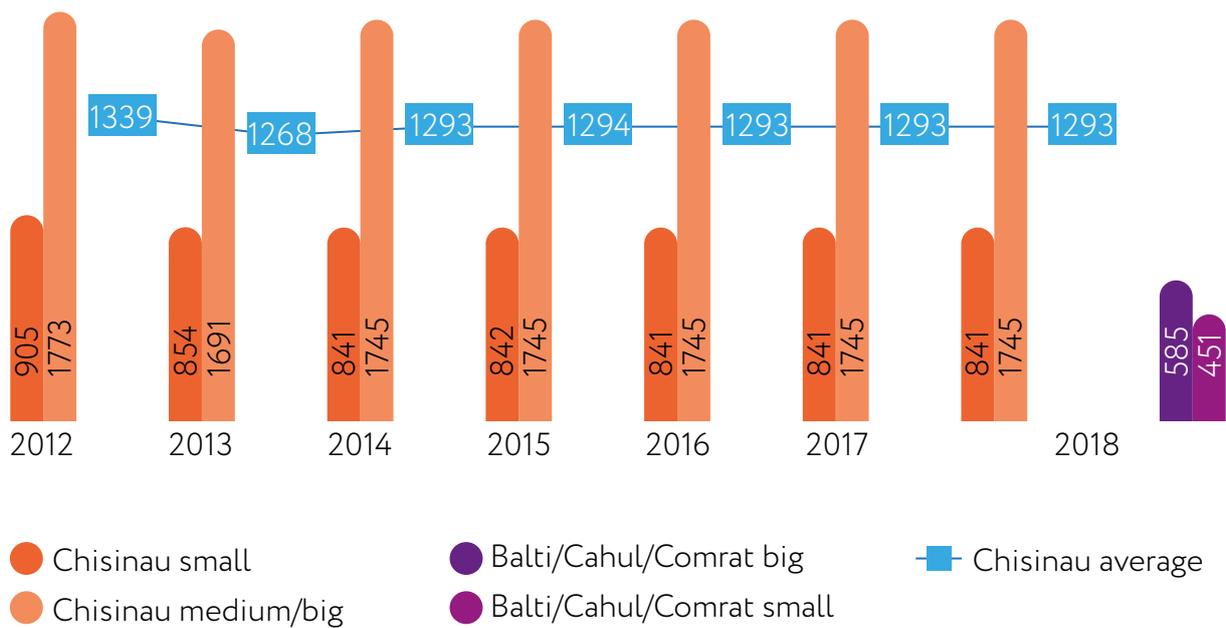


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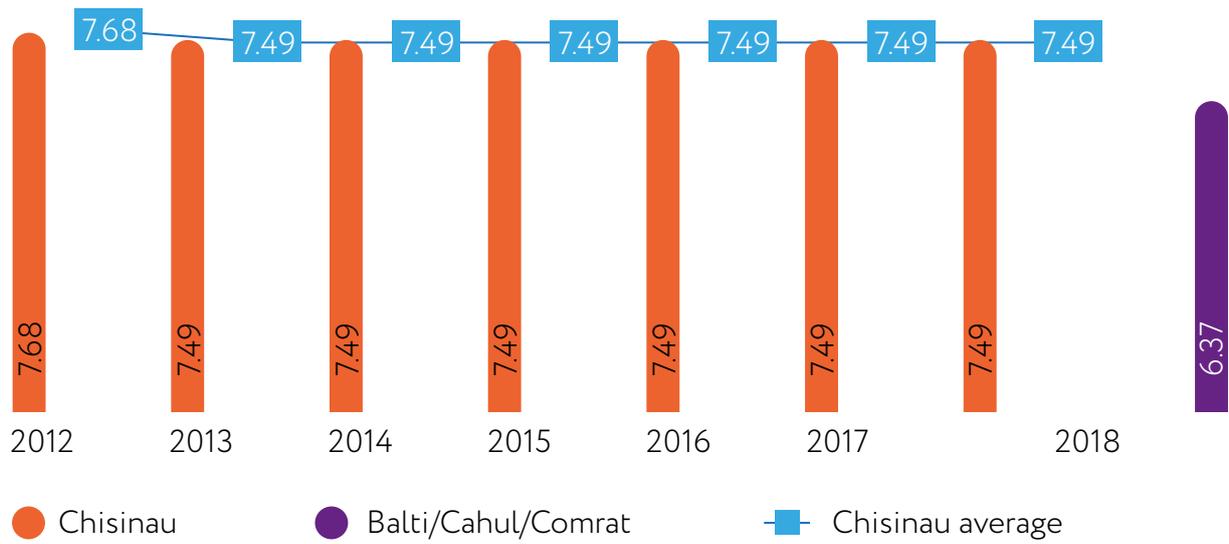
- tendency to create specialised neighbourhood stores;
- trend in increasing entertainment facilities (i.e. Roller Drome, and other entertainment spaces for children).

AVERAGE PRICES

Average selling price, commercial centers, supermarkets, Eur/m²



Average rental price, commercial centers, supermarkets, Eur/m²





HOTEL SPACES

The Republic of Moldova has a valuable tourist potential supported by its geographical location, scenic landscapes, monuments of archaeological and historical value. However, small number of high-quality accommodation facilities and the lack of adequate infrastructure hamper efficient exploitation of this potential. Against this background, hotel spaces that have developed and upgraded in the recent years are mainly located in the capital, while the other cities lag behind.

In terms of star rating, there are 30 hotels in the Republic of Moldova of 4-5 stars, 36 of 3 stars, 19 of 2 stars. Most of the hotels in the country are located in capital city of Chisinau.

Sources from the National Bureau of Statistics (NBS) reported that the number of foreigners who visited Moldova increased by almost 16% in a year, making up 15,058 people (2018, 9 months). Most of foreign tourists (83.2%) chose Moldova as a destination for rest and recreation. 12,532 tourists arrived in the country (22.6%) for these purposes suggesting that Moldova has become more attractive for tourists.

According to the NBS data, most foreign tourists who visited the Republic of Moldova, according to the latest statistics, come from Romania, i.e. 1.6 thousand tourists, and from the Russian Federation, 1.4 thousand tourists.

The indicators of use of accommodation capacities are higher in Chisinau municipality (approx. 60-70%), because most of the hotels are located in Chisinau and this also takes into account the concentration of the business environment in the capital. On the country, this figure is much lower – 25%.

In 2012-2017 the number of hotel rooms almost remained the same, increasing on average by 2%, due to the emergence of several new hotels on the market.

Due to tax reform implemented by the Government, the VAT for HORECA has been reduced to 10%.



Stock

thous. sq.m., 2017 Chisinau,
Balti, Cahul, Comrat

254



Delivery

thous. sq.m., 2017 Chisinau,
Balti, Cahul, Comrat

8



Share in non-residential stock

thous. sq.m., 2017 Chisinau,
Balti, Cahul, Comrat

1.2%



Selling price

EUR/sq.m., 2018 Chisinau

654



Average daily rate

EUR, 2018 Chisinau, 4* & 5*

154



Turnkey cost

EUR/sq.m., 2018 Chisinau

680

FIGURES

Stock & Delivery:

- stock: 254 sq.m. (2017, Chisinau, Balti, Cahul, Comrat);
- delivery: 8 sq.m. (2017), -2% average annual rate (2012-2017, Chisinau, Balti, Cahul, Comrat);
- there are 30 hotels in Moldova of 4-5 stars, 36 of 3 stars, 19 of 2 stars, concentrated in the capital;
- prevalence of 3-4 star hotels, 5 star is available mainly in Chisinau.

Average turnkey costs:

- 680 EUR/sq.m. (2018, Chisinau);
- +1% average annual rate (2012-2018).

Average daily rate ADR (top 65 Chisinau):

- ADR is 62-136 EUR per room;
- highest ADR ranges 300-600 EUR/room (i.e. Nobil Luxury Boutique Hotel, Savoy Hotel, Radisson Blu Leograd Hotel);
- lower ADR ranges 20-45 EUR/room (i.e. hotel Chisinau, Sunrise, Bachus).

Average selling price:

- 600-700 EUR/sq.m. (2018, Chisinau);
- -3% average annual rate (2012-2018);
- most expensive districts: Centre, Botanica.

TOP PREMISES

Top delivered in Chisinau

- 61 units with total area of 127 thous. sq.m.;
- 30 units are 3-star hotels, 52 thous. sq.m, with average age of 29 years; 21 units are 4-star hotels, average age 15 years and 47 thous. sq.m.; 8 units are 5-star hotels, 20 thous. sq.m., average age 9 years;
- the largest hotels (> 10 thous. sq.m.): Cosmos Hotel 18 thous.sq.m., Radisson Blu Leograd Hotel 13,7 thous. sq.m. and Jolly Alon Hotel&Business Centre 10 thous. sq.m.

Top delivered in Balti, Cahul, Comrat

- 6 units Balti with 22 thous. sq.m.;
- 5 units Comrat with 2,5 thous. sq.m.;

- 1 units Cahul with 4 thous. sq.m.;
- average age: 20 years;
- the largest – 6,3 thous. sq.m. (Balti).

Top under construction in Chisinau

- 4 objects, the largest hotels: Radisson Blu near shopping centre MallDova (Centre district) and the hotel of Marriott chain (32 floors, Centre district).

Top under construction in Balti, Cahul, Comrat

- Balti – 1 object; Comrat – 1 object, design stage.

Occupancy:

- 60-70% (Chisinau).

Payback period:

- 20 years.

STOCK & DELIVERY

Hotel real estate

Chisinau, Balti, Comrat, Cahul, thous. sq.m.



TRENDS

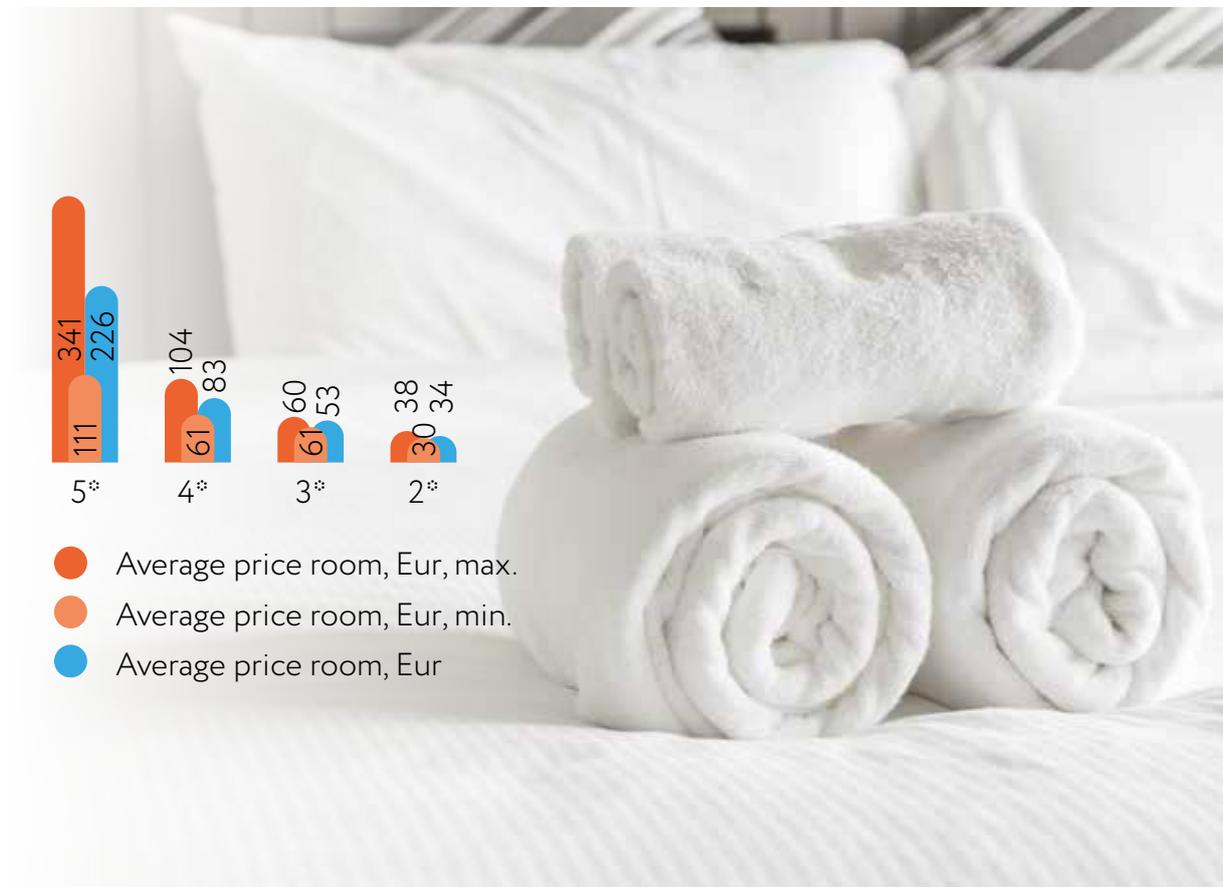
- key clients: tourists, as well as those who rent conference rooms in hotels for different events;
- trend to build boutique hotels, as well as guesthouses in picturesque, historical places, in rural areas. There are 28 tourist and agri-tourist guest houses in the country;
- grants and support for the development of agri-touristic infrastructure.

AVERAGE PRICES

Average selling price, hotels Chisinau, Eur/m²



Average daily rate, Chisinau, 61 top listed hotels





Opportunities

MICROENVIRONMENT

Risks



- Small number of developers-competitors
- Large non-residential real estate stock
- Industrial spaces for large-scale production
- Reduction of sales prices
- Affordable rental prices
- Increasing demand for offices and retail
- Low maintenance costs
- Cheap labour for construction, repair services
- Short term for obtaining authorisations
- Facilities and spaces in industrial parks, FEZ
- Potential customers for long-term contracts
- Low number of high paying customers
- Low payment capacity for small customers/SMEs
- A small offer of class A offices
- Low demand for industrial premises
- Limited construction spaces in central areas of the capital
- Outdated existing fund
- Insufficiency of parking spaces in central areas



Opportunities

MACROENVIRONMENT

Risks



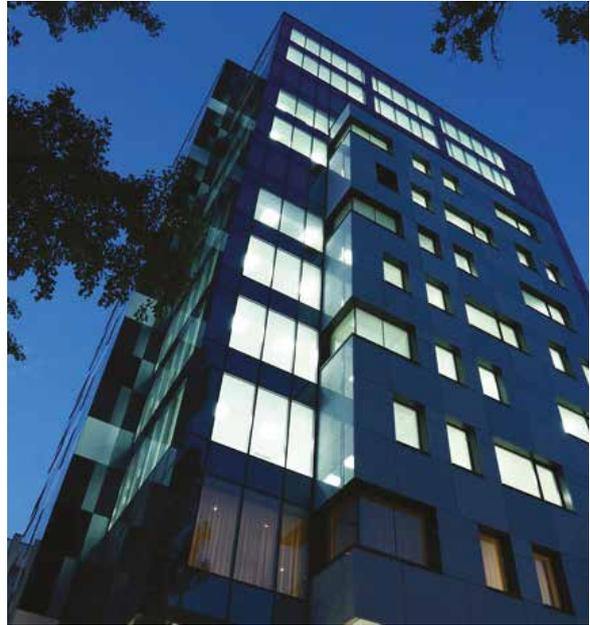
- Potential customers with high payment capacity (IT, TIC, financial sectors)
- Increased needs for modern, expensive premises
- Increase in entertainment services and retail
- Facilities and support from the Government and the donors in customer development in specific sectors
- The emergence of large developers on the market
- Tax reform
- Simplified procedures for obtaining authorisations
- Automation of record of transaction
- Slow growth rate of the sector
- Slow macroeconomic growth rate
- Migration of the population
- Political instability
- High level of corruption
- The speculative risk

INVESTING HIGHLIGHTS

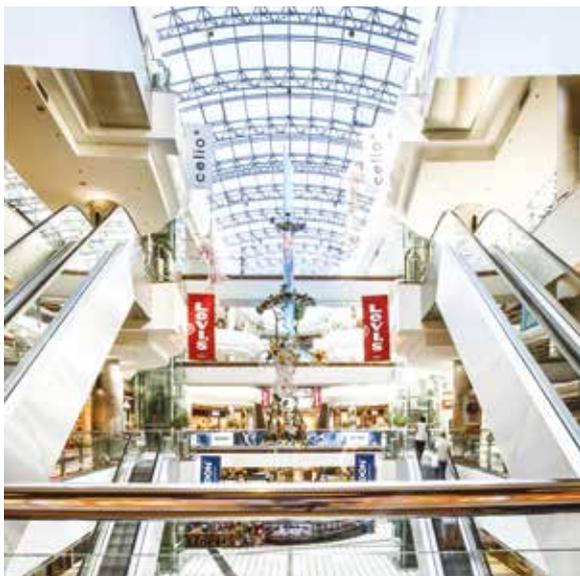


Office spaces

- prices for offices are higher than the average for non-residential;
- rising demand for modern and qualitative offices, mostly formed by the service sector;
- government and donor support to some of potential clients (i.e. IT sector, light industry sector);
- trend in preferences for modern infrastructure, unique design, sufficient parking, open-space offices, conference and meeting rooms, co-working spaces, etc.;
- trend in building premises considering the specific customer needs.



Retail spaces



- prices for retail premises are higher than the average for non-residential;
- increasing consumption needs of the population, and the high level of occupancy rate of retail premises;
- most profitable are shopping centres and supermarkets, with access to public transport and parking spaces;
- trend in building multifunctional objects (i.e. that combines offices, retail, entertainment areas);
- trend for small investors in building neighbourhood stores (including specialized, i.e. wine shops, craft shops).



Industrial spaces

- prices lower than the average for non-residential, long payback period, prevalence of old buildings;
- potential demand for “turnkey” production premises and build-to-suit premises;
- incentives and available big spaces within industrial parks and free economic zones;
- trend in investing in cold storage located near active agricultural areas.



Hotel spaces



- risks for investing in big objects due to the small number of tourists, limited spaces in the historical areas of the capital, high maintenance costs and long payback period;
- trend in building/renovating guest houses and hotels in the historical, rural areas with a larger flow of tourists, taking into consideration the grants offered for agri-tourism;
- trend for hotels with office infrastructure, event venues, with modern equipment that could generate additional income.

THE MOLDOVAN INVESTMENT AGENCY



THE ONE-STOP SHOP FOR ALL YOUR INVESTMENT QUESTIONS

ASSISTANCE & INFORMATION



Provide

- Information on the investment climate
- Sector-specific information
- Consulting on suitable locations – FEZ, IP (Invest Moldova database)
- Information on relevant tax, legal and administrative issues



Assist

- Scoping missions (agenda, logistics, follow up)
- Investment incentive application
- Information on business providers - HR, Legal, Consulting, etc.



Connect

With relevant partners:

- Embassies
- Government authorities
- Business associations
- Existing investors

INVESTMENT ATTRACTION & PROMOTION ACTIVITIES

G2B and B2B Missions abroad

International events-
promotion of the investment
climate of the Republic of
Moldova

Moldova Business Week

AFTERCARE

Platforms for Investors

Council for the promotion of projects of national importance, chaired by Prime Minister

Economic Council to the Prime Minister of the Republic of Moldova

- 41 associative structures of the business community
- 43 state institutions
- 16 representatives of the scientific and research community
- 6 Working groups:

Eliminating constraints in entrepreneurial activity: Coordinator - American Chamber of Commerce (AMCHAM)

Facilitation of trans-border trade: Coordinator - European Business Association (EBA)

Stimulation and retention of private investments : Coordinator - Foreign Investors Association (FIA)



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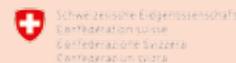
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The Moldovan Investment Agency is the prime source of information and assistance for potential investors.

We provide tailored services for potential investors throughout the investment decision process. We also support existing investors in extending their operations.

Our team consists of permanent investment attraction staff, sectorial consultants, as well as regional officers. Combining our experience, we are able to provide you with information relevant for your decision making, as well as links to businesses and government.

In close cooperation with, and supported by:



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Швейцарское управление по развитию и сотрудничеству

