ANNUAL MARKET ANALYSIS

Romania Residential Real Estate

A full-year review of prices, supply, yields and fiscal change across the Romanian residential market — written for foreign investors who value evidence over hype.

2025 Full-Year Review · Outlook 2026

22	950+	≥95%
YEARS OPERATING IN ROMANIA	UNITS UNDER MANAGEMENT	OCCUPANCY TARGET

Executive summary

Romanian residential real estate closed 2025 as one of the more resilient markets in the European Union. Prices continued to rise across almost every major city even as transaction activity softened and a mid-year tax reform reshaped the cost of buying. The story of the year is a structural one: demand stayed firm while new supply reached a multi-year low, and that imbalance — not speculation — did most of the work in pushing values higher.

+14%
National average apartment asking price growth, year-on-year (Imobiliare.ro Index)

~17%
Bucharest full-year price growth, new and second-hand combined

6–7.7%
Typical gross rental yields — roughly double the EU average

For a euro-based investor, three things matter more than the headline growth rate: how income is generated after costs, how supply is likely to behave, and how the new fiscal framework changes the arithmetic of entry and exit. This report addresses each in turn and closes with a conservative outlook for 2026.

Prices: broad-based growth, led by resale

At national level, the average apartment asking price reached roughly **€1,710 per square metre** in 2025, up about 14% on the prior year according to the Imobiliare.ro Index. Transaction-based measures are more conservative — Eurostat's House Price Index recorded around **+6.6% year-on-year in Q3 2025** — because asking prices and completed-sale indices use different baskets and methodologies. Both point the same direction; the gap is a reminder to underwrite deals on realistic transaction prices rather than headline listings.

Momentum was strongest in the resale segment. Existing homes rose roughly 8% over the year while new-build price growth was more moderate, reflecting buyers adapting to higher prices and a shortage of finished stock.

Selected city benchmarks (2025)

City	Avg. price €/sqm	Character of the market
Cluj-Napoca	2,000–2,363	Most expensive market nationally; premium complexes €3,500–4,000/sqm
Bucharest — new	~2,500	Surpassed €2,500/sqm of usable area by year-end; fastest-growing capital segment
Bucharest — resale	~2,159	Closing the gap to new-build as demand broadens
National average	~1,710	Romania remains among the most affordable CEE capitals relative to income

Reading the numbers. Bucharest ranked third nationally for price growth in 2025 (about +17% across new and second-hand). "Usable area" (suprafață utilă) is the Romanian convention and differs from built or gross area — always confirm which basis a price is quoted on before comparing.

Supply: the structural driver

The single most important fact behind 2025's price behaviour is that Romania is not building enough homes where demand is concentrated. In Bucharest and the surrounding Ilfov county, roughly **18,000 units** were completed during the year — broadly flat on 2024 and the weakest delivery in five years. The pipeline tightened structurally after a sharp drop in building permits during 2022–2023, and higher VAT and construction costs slowed pre-sales further.

There is a tentative turn in intentions: nationally, residential building authorisations rose for a second consecutive year to about **37,252 in 2025** (+4.4%). Industry commentators read this as a signal of intent rather than a near-term supply recovery — permits are not completions, and output still depends on financing, costs and execution pace. For an investor, the implication is straightforward: a constrained pipeline supports both occupancy and values in well-located stock over the medium term.

Rental income and yields

Romania's income case is what distinguishes it within the EU. Gross rental yields typically sit in the **6–7.7%** range — roughly twice the yields available in the core DACH markets. The comparison below uses conservative gross figures; the relevant number for decision-making is always the net yield after management, maintenance, vacancy and local tax.

Market	Typical gross yield	Notes
Romania	~6.3% (up to 7.7%)	Higher income yield; requires local operation to realise net
Austria	~3.7%	Lower yield, mature market
Germany	~3.5%	Lower yield, mature market

> Gross yield is a headline. Net yield is a business. The difference between the two is operations — tenant selection, response times, maintenance discipline and honest reporting.

ADEL Invest frames a working **net target yield of 4–6%** after management and local taxes for standard buy-to-let, with select case studies referenced higher. We publish these as ranges, not promises, and we report actuals against them.

The 2025 fiscal reset and its market impact

The defining policy event of the year was Law 141/2025, which raised the standard VAT rate from 19% to **21%** effective 1 August 2025 and consolidated the former 5% and 9% reduced rates into a single 11%

rate. For housing, the reduced VAT regime was tightened: a transitional 9% rate on qualifying homes (usable area up to 120 sqm and value up to RON 600,000, for individual buyers meeting deposit conditions) continues only until **1 August 2026**.

The immediate market reaction was orderly rather than disruptive. Buyers accelerated purchases ahead of the change, then activity normalised: transactions in August–September were only about 1% below the same period of 2024. Prices did not fall — supply scarcity kept them rising — but the reform raised the effective cost of new-build purchases and widened the appeal of the resale segment. A fuller treatment of the tax rules for owners is provided in our companion Tax & Regulations Guide.

Macro backdrop

The market performed well despite a soft macro year. GDP growth slowed to roughly **0.6%**, and inflation re-accelerated toward **10%** after the VAT increase and the removal of energy price caps. Mortgage rates hovered around 5.5%. Real estate's resilience against this backdrop reflects genuine housing demand meeting a constrained supply, rather than a credit-fuelled cycle — a healthier foundation for a medium-term hold.

Outlook 2026

Our base case is continued moderate growth with rising polarisation between well-located, well-managed stock and everything else. The forces that drove 2025 — tight supply, firm demand, affordability relative to income — remain in place, while the fiscal reset is now largely priced in.

- **Prices:** a broad consensus points to mid-single to low-double-digit growth, with the strongest neighbourhoods (Aviației/Pipera in Bucharest, Mărăști/Gheorgheni in Cluj) potentially in the 10–15% range.
- **Supply:** completions stay low into 2026; improved permitting is a stabilisation signal, not a near-term uplift.
- **Yields:** Romania retains a clear income advantage over DACH; net returns increasingly depend on operational quality.
- **Risk to watch:** further fiscal tightening and the end of the transitional 9% VAT window in August 2026, which may pull some new-build demand forward into H1.

> **How ADEL uses this.** We treat market-level growth as a tailwind, never the thesis. Underwriting is built bottom-up on realistic transaction prices, conservative net yields, and a defined exit — then managed to measurable KPIs. If you would like this analysis applied to a specific budget or sector, we can prepare a tailored acquisition shortlist.

Sources & methodology

Compiled by ADEL Invest from publicly available data as of early 2026, including the Imobiliare.ro Index, Eurostat, the Romanian National Institute of Statistics (INS), the National Bank of Romania (NBR), ANCPI, Colliers/SVN Romania commentary and Global Property Guide. Asking-price indices and transaction-based indices use different methodologies and may diverge; figures are indicative and rounded. This document is market commentary, not investment advice.

You own the asset.
We run the operation.

ADEL Invest

Romania-based residential real estate asset management for foreign investors

adelinvest.com · office@adelinvest.com · +40 731 223 344
11 Batistei Street, entrance A, 8th floor, apt. 23, District 1, Bucharest

This publication is provided for general information only and does not constitute investment, tax or legal advice, nor an offer or solicitation to buy or sell any property or security. Figures are drawn from third-party public sources believed to be reliable but are not independently verified and may change. Past performance and market trends are not a guarantee of future results. Prospective investors should obtain independent professional advice before making any decision.

ADEL INVEST