



MARKET FUNDAMENTALS

|                                | YOY<br>Chg | 12-Month<br>Forecast |
|--------------------------------|------------|----------------------|
| 9.9%<br>Vacancy Rate           | ▲          | ▲                    |
| €5.7<br>Prime Rent, Sq m/month | ▼          | ▬                    |
| 7.00%<br>Prime Yield           | ▬          | ▬                    |

(Overall, All Property Classes, as of 31 March  
Source: Cushman & Wakefield, Budapest  
Research Forum)

ECONOMIC INDICATORS

|   | YOY<br>Chg | 12-Month<br>Forecast |
|---|------------|----------------------|
| 1.8%<br>GDP real (F)                    | ▲          | ▲                    |
| 4.6%<br>Unemployment rate               | ▲          | ▬                    |
| 3.0%<br>Industrial Production<br>Index* | ▲          | ▲                    |

Annual growth forecast unless otherwise indicated;  
Source: Moody's Analytics, 6th May 2025

ECONOMY: GROWTH EXPECTED FROM H2 2025

Hungary's GDP contracted by 0.4% year-on-year in Q1 2025, according to the CSO. However, Moody's projects 1.8% full-year growth, with momentum expected to pick up in H2, driven by global automotive projects. Unemployment may peak at 4.9% in Q3, but the labour market remains resilient, supporting real wage growth. Consumption will drive growth in 2025. Inflation is expected to exceed the central bank's 4% target due to temporary food and energy price hikes. The National Bank of Hungary maintained its base rate at 6.5% in February and is likely to continue tight monetary policy. The forint should remain stable, with moderate depreciation against the euro supporting exports. Investor sentiment strengthened in Q1 2025 compared to the same period in 2024. A notable boost to investment volume came from a major transaction: Erste Property Fund's acquisition of two industrial halls in HelloParks Páty.

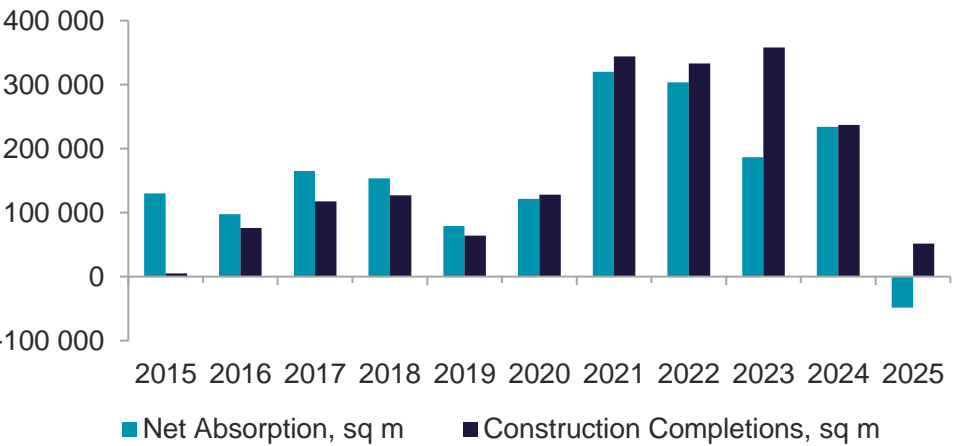
SUPPLY & DEMAND: STRONG DEVELOPMENT PIPELINE

Hungary's industrial stock continued its expansion in Q1 2025, with the delivery of 100,300 sq m of new industrial space. As a result, the total modern industrial stock reached 5.7 million sq m by the end of the quarter. Net absorption turned negative in both the Greater Budapest area and regional markets, primarily due to the return of a significant volume of second-hand space and low initial occupancy of newly delivered projects—only 49% of the new completions were leased at handover. Consequently, the vacancy rate in Greater Budapest rose sharply by 253 basis points quarter-on-quarter, reaching 10.5%. In contrast, the increase in regional markets was more moderate, with vacancy rising to 8.6% by the end of Q1. The national average vacancy rate stood at 9.9%. Gross take-up in Q1 2025 totalled 119,880 sq m, marking a 9% year-on-year increase. Of this, 69% was concentrated in the Greater Budapest area, indicating continued demand concentration in the capital region. The shift in tenant preferences observed in 2024 towards new leases persisted into Q1 2025. New lease agreements accounted for 37% of quarterly gross take-up, followed by renewals at 35%, pre-leases at 18%, and expansions at 10%. Looking ahead, industrial development activity remains strong. A total of 495,550 sq m of space is currently under construction, scheduled for delivery in 2025 and 2026, with a pre-let rate of 38%, suggesting continued market confidence despite rising vacancy levels.

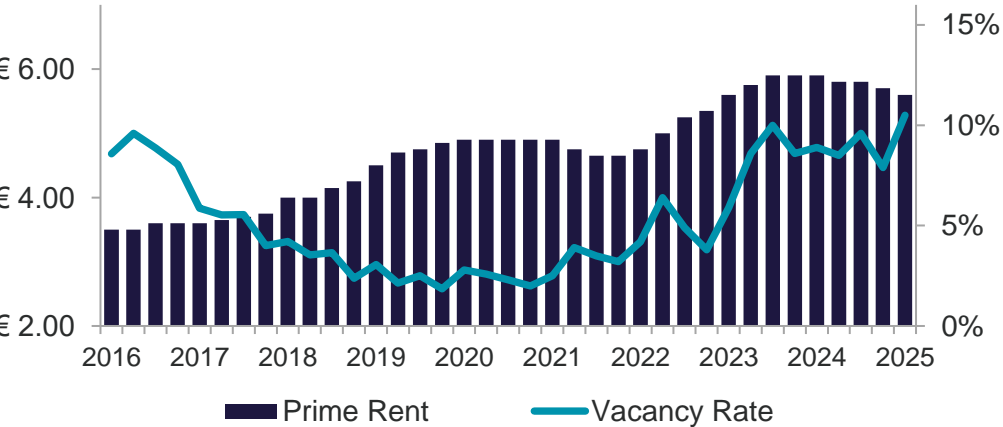
PRICING: PRESSURE ON RENTS

In Q1, prime rents in Greater Budapest continued to decrease, dropping by 10 basis points quarter-on-quarter to €5.60 per sq m, representing a 5.1% year-on-year decline. In contrast, prime rents in regional markets remained stable. Overall, rental rates across the market are under downward pressure, prompting landlords to offer more incentives to attract and retain tenants.

GREATER BUDAPEST SPACE DEMAND / DELIVERIES



GREATER BUDAPEST OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET              | STOCK*<br>(SQ M) | AVAILABILITY<br>(SQ M) | OVERALL<br>VACANCY RATE | CURRENT QUARTER TAKE-UP<br>(SQ M) | YTD TAKE-UP<br>(SQ M) | YTD COMPLETIONS<br>(SQ M) | UNDER CNSTR<br>(SQ M) | PRIME RENT<br>(€/SQ M/MONTH) |
|------------------------|------------------|------------------------|-------------------------|-----------------------------------|-----------------------|---------------------------|-----------------------|------------------------------|
| Budapest North         | 458,550          | 79,205                 | 17.3%                   | 13,565                            | 13,565                | 9,265                     | 51,020                | 5.60                         |
| Budapest South         | 1,335,520        | 86,690                 | 6.5%                    | 37,860                            | 37,860                | 0                         | 59,695                | 5.60                         |
| Budapest East          | 901,930          | 77,795                 | 8.6%                    | 21,495                            | 21,495                | 0                         | 83,475                | 5.60                         |
| Budapest West          | 1,109,295        | 154,675                | 13.9%                   | 9,445                             | 9,445                 | 42,510                    | 135,015               | 5.60                         |
| GREATER BUDAPEST TOTAL | 3,805,295        | 398,365                | 10.5%                   | 82,365                            | 82,365                | 51,775                    | 329,205               | 5.60                         |
| Central Hungary        | 22,540           | 8,800                  | 39.0%                   | 8,495                             | 8,495                 | 0                         | 0                     | 5.60                         |
| Central Transdanubia   | 499,740          | 36,215                 | 7.2%                    | 5,290                             | 5,290                 | 0                         | 10,205                | 5.40                         |
| Northern Great Plain   | 331,965          | 31,860                 | 9.6%                    | 6,000                             | 6,000                 | 38,315                    | 94,140                | 5.70                         |
| Northern Hungary       | 304,825          | 58,175                 | 19.1%                   | 11,540                            | 11,540                | 10,210                    | 0                     | 5.60                         |
| Southern Great Plain   | 263,535          | 1 050                  | 0.4%                    | 6,040                             | 6,040                 | 0                         | 62,000                | 5.50                         |
| Southern Transdanubia  | 56,005           | 2,010                  | 3.6%                    | 0                                 | 0                     | 0                         | 0                     | 5.00                         |
| Western Transdanubia   | 416,770          | 25,390                 | 6.1%                    | 150                               | 150                   | 0                         | 0                     | 5.40                         |
| COUNTRYSIDE TOTAL      | 1,895,380        | 163,500                | 8.6%                    | 37,515                            | 37,515                | 48,525                    | 166,345               | 5.70                         |
| HUNGARY TOTAL          | 5,700,675        | 561,865                | 9.9%                    | 119,880                           | 119,880               | 100,300                   | 495,550               | 5.70                         |

\* Annual stock revision was performed in Q1 2025. /Prime rents reflect prime asking rents €/sq m/month.

KEY LEASE TRANSACTIONS Q1 2025

| PROPERTY                        | SUBMARKET        | TENANT                       | SQ M   | TYPE     |
|---------------------------------|------------------|------------------------------|--------|----------|
| Prologis Park Budapest - Sziget | Budapest South   | Food / Beverage              | 11,600 | Renewal* |
| ATI Depo Miskolc                | Northern Hungary | Confidential                 | 11,550 | New      |
| Prologis Park Budapest - Gyál   | Budapest South   | Manufacturing - Auto & Parts | 10,200 | Renewal* |
| CTPark Budapest East            | Budapest East    | Confidential                 | 8,600  | Renewal* |

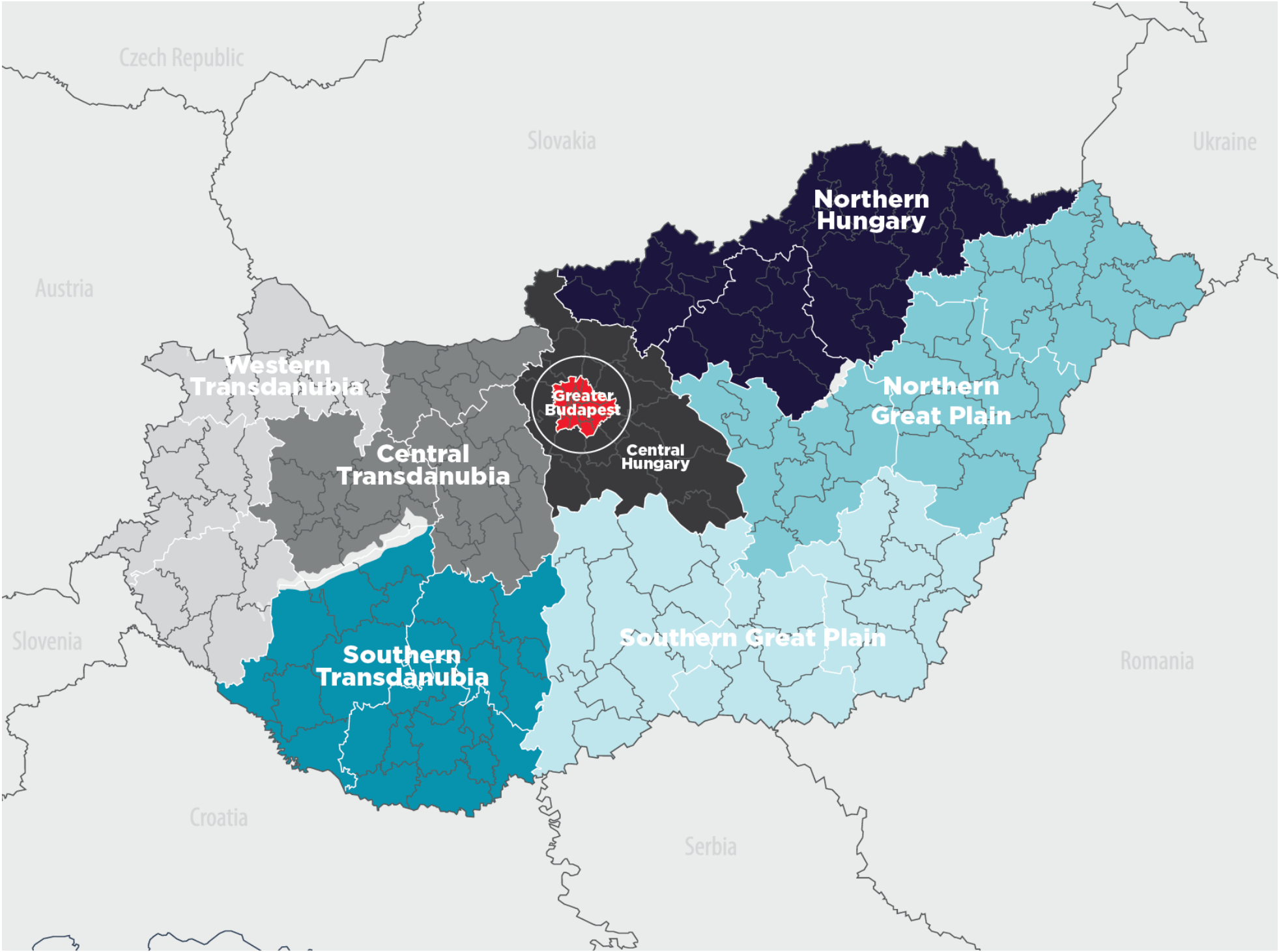
\*Renewals included in leasing statistics

CONSTRUCTION COMPLETIONS Q1 2025

| PROPERTY                 | SUBMARKET            | MAJOR TENANT | SQ M   | OWNER/DEVELOPER |
|--------------------------|----------------------|--------------|--------|-----------------|
| HelloParks Páty – PT3    | Budapest West        | Transdanubia | 42,510 | HelloParks      |
| WLP Debrecen West - Ebes | Northern Great Plain | None         | 22,900 | Weerts          |
| Panattoni Debrecen       | Northern Great Plain | ZF           | 15,400 | Panattoni       |
| Logicon Hatvan           | Northern Hungary     | None         | 10,210 | Logicon         |
| East Gate PRO – B2       | Budapest North       | Confidential | 9,265  | WING            |

Source: Cushman & Wakefield & Budapest Research Forum

INDUSTRIAL SUBMARKETS



**ORSOLYA HEGEDŰS, MRICS**  
*Partner, Head of Business Development Services Budapest*  
Mobile: +36 30 399 5106  
[orsolya.hegedus@cushwake.com](mailto:orsolya.hegedus@cushwake.com)

**EDIT JAKAB**  
*Senior Research Analyst Budapest*  
Mobile: +36 70 373 7482  
[edit.jakab@cushwake.com](mailto:edit.jakab@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**  
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.