













MARKET FUNDAMENTALS

|                                  | YOY Chg   | 12-Month Forecast   |
|----------------------------------|---|---|
| 14.1%<br>Vacancy Rate            |  |  |
| €25.00<br>Prime Rent, sq m/month |  |  |
| 6.25%<br>Prime yield             |  |  |

Overall, All Property Classes, as of 31 March 2025 and 6th May 2025 respectively), Source: Cushman & Wakefield, Budapest Research Forum

ECONOMIC INDICATORS

|   | YOY Chg   | 12-Month Forecast   |
|---|---|---|
| 562.3 Ths<br>Budapest Office Employment |  |  |
| 2.4%<br>Budapest Unemployment Rate      |  |  |
| 4.6%<br>Hungary Unemployment Rate       |  |  |

Source: Moody's, 6<sup>th</sup> 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 is likely to remain broadly stable, with moderate depreciation against the euro supporting exports.

Budapest continues to outperform some of its CEE peers in office employment and maintains growth potential. Investor interest in office assets picked up modestly at the end of 2024 and continued into early 2025, with three mid-sized transactions completed in the first quarter.

SUPPLY & DEMAND: LIMITED SPECULATIVE SUPPLY

In Q1 2025, 28,300 sq m of office space was removed from Budapest's total stock due to planned repurposing, while two smaller projects were delivered, bringing the total stock to 4,426,050 sq m. Amid a rising number of repurposing projects, the market is undergoing structural transformation, with a large volume of build-to-suit (BTS) developments for governmental institutions expected in 2025-2026. Currently, 471,975 sq m is under construction, 83% of which is BTS, leaving limited availability of speculative space. With major relocations ahead, vacancy is expected to rise, though the rate held steady at 14.1% in Q1.

Gross take-up reached 92,965 sq m, in line with Q1 2024, while net take-up improved to 55% of the total. Despite a 10% drop in deal count, average transaction size rose by 8%. Demand was primarily driven by companies in the IT and telecommunications, professional services, and financial sectors.

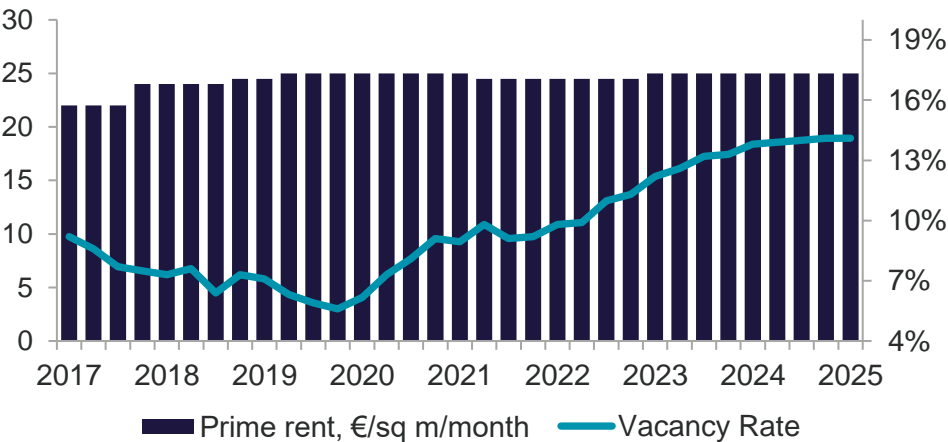
PRICING: STABLE PRIME YIELDS AND PRIME RENTS

Prime rents and yields remained stable quarter-over-quarter, while prime yields decreased by 25 basis points year-on-year, reaching 6.25%. Submarkets such as Central Buda and South Buda experienced rental growth throughout 2024, reducing the gap with the CBD. Looking ahead, there is potential for further rental growth in 2025, particularly for newly developed or refurbished schemes with strong ESG credentials.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS

| SUBMARKET              | STOCK*<br>(SQ M) | AVAILABILITY<br>(SQ M) | OVERALL<br>VACANCY RATE | CURRENT QTR<br>TAKE-UP<br>(SQ M) | YTD TAKE-UP<br>(SQ M) | YTD COMPLETIONS<br>(SQ M) | UNDER CNSTR<br>SPEC (SQ M) | UNDER CNSTR<br>BTS (SQ M) | PRIME RENT**<br>(€/SQ M / MTH) |
|------------------------|------------------|------------------------|-------------------------|----------------------------------|-----------------------|---------------------------|----------------------------|---------------------------|--------------------------------|
| CBD                    | 359,060          | 37,630                 | 10.5%                   | 6,465                            | 6,465                 | 2,255                     | 4,380                      | -                         | 25.00                          |
| Central Pest (CP)      | 693,000          | 122,620                | 17.7%                   | 25,245                           | 25,245                | -                         | 7,700                      | 50,375                    | 18.50                          |
| Central Buda (CB)      | 451,855          | 35,260                 | 7.8%                    | 9,060                            | 9,060                 | -                         | 1,560                      | -                         | 23.00                          |
| Non-Central Pest (NCP) | 633,375          | 113,700                | 18.0%                   | 6,610                            | 6,610                 | -                         | -                          | 135,800                   | 16.50                          |
| North Buda (NB)        | 341,850          | 27,295                 | 8.0%                    | 10,775                           | 10,775                | -                         | 8,900                      | -                         | 18.50                          |
| South Buda (SB)        | 681,360          | 98,355                 | 14.4%                   | 12,325                           | 12,325                | -                         | -                          | 144,970                   | 19.00                          |
| Váci Corridor VC)      | 1,154,490        | 157,250                | 13.6%                   | 19,775                           | 19,775                | 2,805                     | 58,285                     | 60,000                    | 18.50                          |
| Periphery (P)          | 111,060          | 30,080                 | 27.1%                   | 2,710                            | 2,710                 | -                         | -                          | -                         | 11.50                          |
| BUDAPEST TOTALS        | 4,426,050        | 622,190                | 14.1%                   | 92,965                           | 92,965                | 5,060                     | 80,830                     | 391,145                   | 25.00                          |

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

KEY SALES TRANSACTIONS -2024 & 2025

| PROPERTY              | SUBMARKET     | SELLER/BUYER              | SIZE (SQ M) |
|-----------------------|---------------|---------------------------|-------------|
| Honvéd Center         | CBD           | WING / Greve Group        | 6,500       |
| Váci Utca Center      | CBD           | Generali / Forestay Group | 10,200      |
| Maros Business Center | Central Buda  | CPI/Confidential          | 7,000       |
| Kinnarps House        | Váci Corridor | Kinnarps/Confidential     | 9,300       |

KEY LEASE TRANSACTIONS Q1 2025

| PROPERTY                 | SUBMARKET    | TENANT        | SIZE (SQ M) | TYPE     |
|--------------------------|--------------|---------------|-------------|----------|
| Confidential             | Central Pest | Confidential  | 6,300       | Renewal* |
| Florian Udvar            | North Buda   | Confidential  | 4,000       | New      |
| Millennium Towers III    | Central Pest | IT-Technology | 3,500       | Renewal* |
| Millennium Gardens South | Central Pest | ARM           | 3,450       | New      |
| Graphisoft Park          | North Buda   | Silicon Labs  | 3,400       | Renewal* |

*\*Renewals included in leasing statistics.*

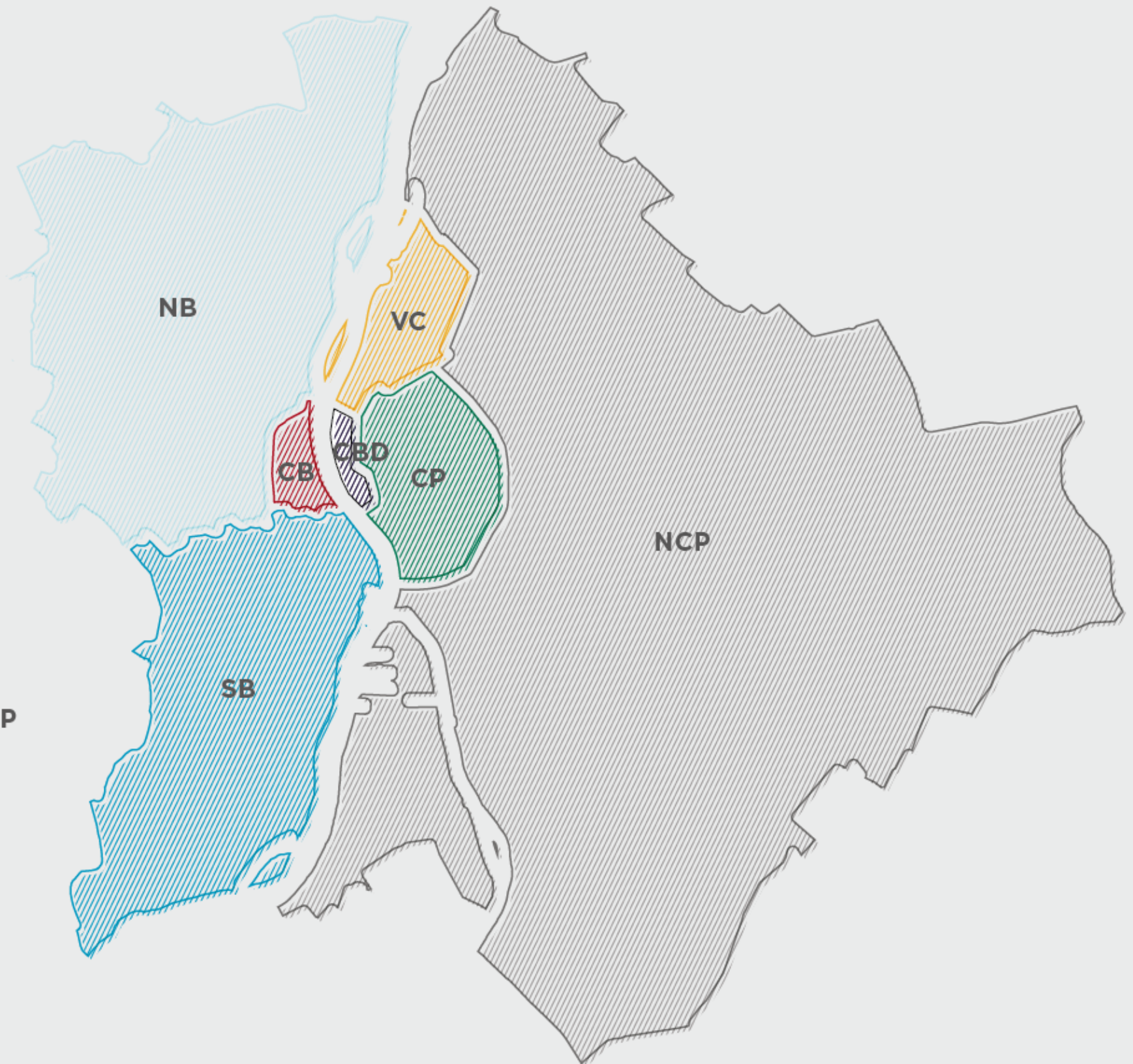
CONSTRUCTION COMPLETIONS Q1 2025

| PROPERTY         | SUBMARKET     | MAJOR TENANT | SIZE (SQ M) | OWNER/DEVELOPER |
|------------------|---------------|--------------|-------------|-----------------|
| Wagner Palota    | CBD           | Confidential | 2,255       | Optinvest       |
| Rhodium Irodaház | Váci Corridor | None         | 2,810       | FITOUT Zrt.     |

Source: Cushman&Wakefield & Budapest Research Forum



OFFICE SUBMARKETS



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