

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€1,637 Average monthly wage (EUR)*	▲	▲
€140.00 Prime HS rent, Sq m/month	▲	—
6.75% Prime HS Yields	—	—

* As of February 2025, HCSO calculated at an exchange rate of 7th May 2025. Average regular gross salary. Prime rent and yield for High Street units as of 31 March 2025
Source: Cushman & Wakefield, Moody's

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.8% GDP Growth	▲	▲
4.6% Consumer Price Index	▲	▲
2.3% Retail Sales Volume Index	▼	▲

Annual Growth Data
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 forecasts a full-year growth of 1.8%, with momentum expected to pick up in the second half, driven by global automotive projects. Consumption, supported by sustained real wage growth (10% year-on-year for most of 2024), will be a key driver of GDP growth. While wage growth will slow in 2025, it will still support higher consumption levels. The unemployment rate is expected to peak in Q3, averaging around 4.9% for the year. Inflation remains a challenge, particularly due to rising food and energy prices. In response, the government introduced profit margin caps on certain products. However, inflation will average slightly above the central bank's 4% target in 2025. The National Bank of Hungary maintained its base rate at 6.5% in February and is expected to continue tight monetary policy, with the forint remaining stable but slightly depreciating against the euro.

In 2024, the retail sector was a major focus of investment, accounting for 27% of the total investment volume—the largest share among all sectors. Despite this, interest in retail properties was subdued in the first quarter of 2025, with only a small transaction recorded. However, several transactions are currently under negotiation and are likely to be closed in the coming quarters.

SUPPLY AND DEMAND: REGIONAL RETAIL EXPANSION IN HUNGARY

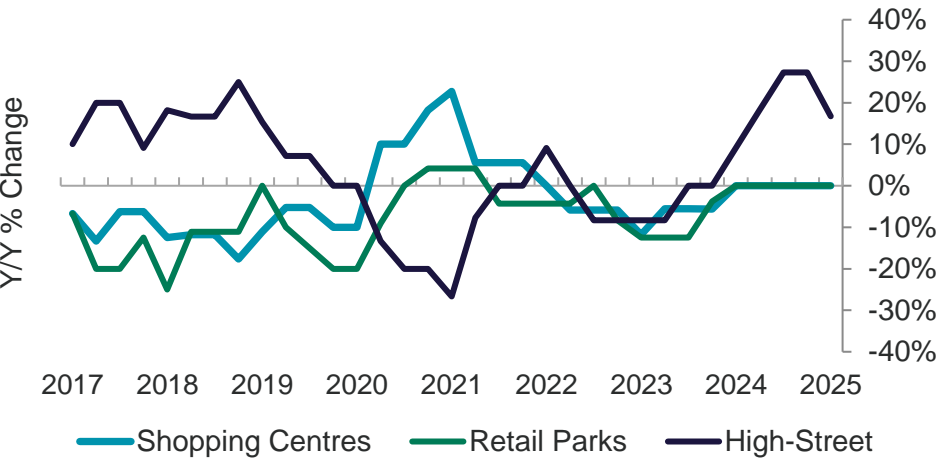
Retail sales in Hungary grew by 2.7% year-on-year in the January-March period, although at a slower pace than initially anticipated. Moody's Analytics forecasts retail sales to increase by 2.3% in 2025, with growth expected to accelerate to 3.7% in 2026.

Hungary's retail property market experienced moderate growth in 2024, with regional retail stock expanding by 40,250 square meters nationwide, driven by the completion of nine smaller retail schemes. This trend is set to continue in 2025, with more small-scale retail park developments opening in secondary and tertiary cities, anchoring well-known mass-market brands. In Q1, Dera Park opened with 7,230 square meters retail space in Szentendre. In addition, Zenit Corso is expected to be completed by September, adding 11,000 sq m to the relatively static stock of shopping centres. While landlords remain focused on refurbishments, recent projects indicate a noticeable shift towards expansion. Noteworthy examples include the extension of Alba Plaza, with further plans for the expansion of Duna Plaza and Forum Debrecen.

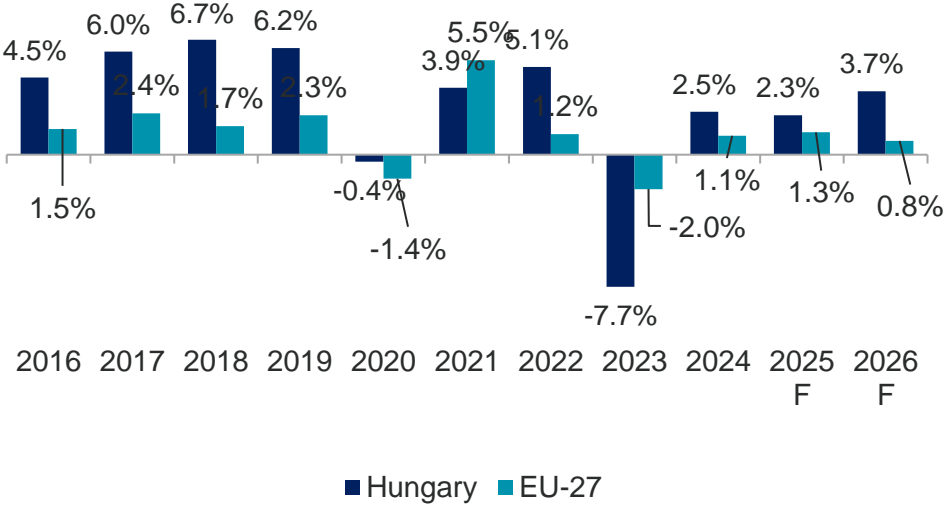
PRICING: STRONG RENTAL GROWTH SEEN IN HIGH-STREET

Prime high-street rents held steady quarter-on-quarter but posted solid year-on-year growth, indicating a strong recovery in the sector. In contrast, rental levels across other retail sectors remained broadly unchanged during the same period.

PRIME RENT Y/Y CHANGE



RETAIL SALES Y/Y GROWTH



MARKET STATISTICS*

SUBMARKET	SHOPPING CENTRE STOCK (SQ M)	RETAIL PARK & WAREHOUSE (SQ M)	RETAIL PIPELINE (SQ M)**
BUDAPEST	839,230	365,770	84,685
CENTRAL HUNGARY	0	449,960	80,555
CENTRAL TRANSDANUBIA	54,130	142,235	33,515
NORTHERN GREAT PLAIN	121,445	112,825	13,000
NORTHERN HUNGARY	65,200	92,750	11,440
SOUTHERN GREAT PLAIN	104,985	167,120	8,300
SOUTHERN TRANSDANUBIA	61,710	127,355	17,450
WESTERN TRANSDANUBIA	108,900	312,270	30,785
HUNGARY TOTAL	1,355,600	1,770,285	279,730

*In line with the practice in CEE countries, the retail stock comprises of retail schemes with a Gross Lettable Area (GLA) over 5,000 sq m.

** Includes refurbishment projects, additionally includes both planned and U/C.

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	TYPE	SELLER/BUYER	YEAR	SIZE (SQ M)
Vörösmarty 1	Budapest CBD	High Street	Confidential / Indotek	2024	6,350
Decathlon store	Zalaegerszeg	Retail Warehouse	Decathlon / Hungarian Private Investor	2024	3,100
Decathlon store	Kecskemét	Retail Warehouse	Decathlon / Hungarian Private Investor	2024	3,300
2 Interspar stores	Nyíregyháza, Zalaegerszeg	Hypermarket	Confidential / Unione Group	2024	17,800

KEY PIPELINE PROJECTS -2025

PROPERTY	SUBMARKET	DELIVERY DATE	TYPE	SIZE (SQ M)
Mömax	Székesfehérvár	Q2 2025	New	6,600
Kereskedelmi Központ	Pécs	Q2 2025	New	6,950
Alba Mall Bevásárlóudvar	Székesfehérvár	Q2 2025	New	7,900
Zenit Corso	Budapest	Q3 2025	New	11,000

KEY CONSTRUCTION COMPLETIONS 2024-2025

PROPERTY	SUBMARKET	DELIVERY DATE	TYPE	SIZE (SQ M)
Dera Park	Szentendre	Q1 2025	New	7,230
Sbox Bevásárlópark	Hajdúsámson	Q3 2024	New	6,500
Prestige Budapest	Budapest CBD	Q4 2024	New	2,800

Source: Cushman & Wakefield Research

	PRIME RENTS		PRIME YIELDS	
	EURO/MONTH /SQ M	Y-O-Y GROWTH	CURRENT QUARTER	LAST YEAR
BUDAPEST HIGH STREET	140.0	16.7%	6.75%	7.00%
BUDAPEST PRIME SHOPPING CENTRE	95.0	0%	7.25%	7.25%
RETAIL PARKS (OUT OF TOWN)	13.5	0%	7.50%	7.50%

High Street unit represents an actual or theoretical shop situation in the prime retail location in a market. The market could be a specific street or broader area. Data should reflect the standard unit prevalent in that market, thus the typical frontage and depth may vary market to market.

Shopping Centre is a centrally managed purpose-built retail facility, comprising units and communal areas, with a Gross Lettable Area (GLA) of or over 5,000 sq m. The centre can include a mix of shops, restaurants, service and leisure operators.

Retail park which is purpose-built typically by a single developer with a common design, comprises at least two warehouse-type units, has a minimum total GLA of 5,000 sq m, has car parking facilities shared by all units, has majority of units occupied by professional retailers. Given the nature of their location edge/out-of-town and type of retail offer, accessibility by car is important for the vast majority of retail park schemes.

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