



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.5% Vacancy Rate	▲	▬
€5.7 Prime Rent, Sq m/month	▼	▬
6.75% Prime Yield	▼	▬

(Overall, All Property Classes, as of 30 June
Source: Cushman & Wakefield, Budapest Research Forum)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.9% GDP real (F)	▲	▲
4.5% Unemployment rate	▬	▲
1.6% Industrial Production Index*	▲	▲

Annual growth forecast unless otherwise indicated;
Source: Moody's Analytics, 30th June 2025

ECONOMY: GRADUAL RECOVERY EXPECTED FROM 2026

Hungary's economy contracted by 0.4% year-on-year in Q1 2025. In response, Moody's revised its annual GDP growth forecast downward to 0.9%, citing weaker domestic consumption and persistently high inflation. Although inflation eased to 4.4% in May, it remains above the central bank's 4% target, extending the period of tight monetary conditions. As a result, the National Bank of Hungary is expected to maintain its base rate at 6.5% through late 2025. Unemployment is projected to peak in Q4, rising only slightly above current levels, as real wage growth remains flat. Industrial production delivered mixed results in the first half of the year but is expected to expand in the second half of 2025. Despite ongoing trade tensions and tariffs, Hungary continues to benefit from its strong position within the electric vehicle (EV) sector. Investor sentiment improved in H1 2025 compared to the same period in 2024. A major contributor to investment activity was Erste Property Fund's acquisition of two industrial halls in HelloParks Páty, helping the industrial sector account for 35% of total investment volume in the first half of the year.

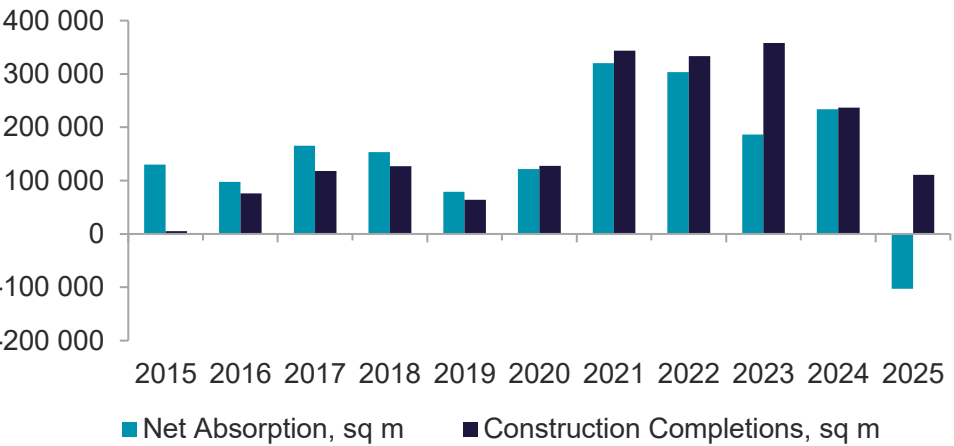
SUPPLY & DEMAND: VACANCY PEAKS IN GREATER BUDAPEST

Hungary's industrial stock expanded by 91,325 sq m in Q2 2025, bringing the total stock to 5.8 million sq m by the end of June. Trends observed in the previous quarter continued, with a high volume of second-hand space returned in Greater Budapest and low occupancy rates in newly completed buildings. As a result, vacancy rose sharply and net absorption remained negative. The vacancy rate increased to 13.4% in Greater Budapest and 10.8% in regional markets, pushing the national average to 12.5%. This rise is expected to peak in Q2, with no substantial further increase anticipated. Gross take-up reached 439,800 sq m in H1 2025, reflecting a 35% year-on-year increase, primarily driven by growing activity in regional markets. While Greater Budapest accounted for 65% of total demand, its volume remained flat compared to the same period last year. Nationally, the renewal ratio dropped to 36%, signalling stronger net take-up. Several pre-lease agreements were concluded in Q2, bringing pre-leases to 20% of total demand in H1, a shift from previous quarters when new leases were dominant. Industrial development activity remains robust, with 505,765 sq m of space currently under construction and scheduled for delivery in 2025 and 2026. The pre-let rate has increased to 47%, indicating sustained demand for newly built, modern industrial facilities.

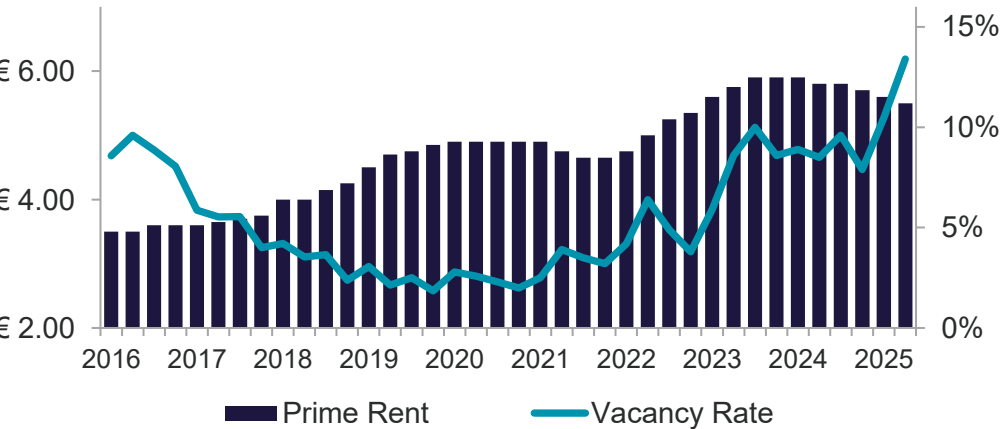
PRICING: RENTAL PRESSURE INTENSIFIES AS MARKET DIVERSIFIES

In Q2 2025, prime rents in Greater Budapest declined by 10 cents quarter-on-quarter to €5.50 per sq m, marking a 5.2% year-on-year drop. Meanwhile, regional prime rents remained stable. Rental pressure continues across the industrial market, prompting landlords to offer more incentives. A widening gap is also evident between newly built facilities and first-generation properties in both quality and achievable rents.

GREATER BUDAPEST SPACE DEMAND / DELIVERIES



GREATER BUDAPEST OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	OVERALL VACANCY RATE	CURRENT QUARTER TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT (€/SQ M/MONTH)*
Budapest North	458,550	77,660	16.9%	14,560	28,130	9,265	51,020	5.50
Budapest South	1,394,810	163,290	11.7%	80,815	118,670	59,290	0	5.50
Budapest East	903,430	104,845	11.6%	43,680	65,175	0	97,375	5.50
Budapest West	1,109,295	170,545	15.4%	62,625	72,070	42,510	154,015	5.50
GREATER BUDAPEST TOTAL	3,866,085	516,340	13.4%	201,680	284,045	111,065	302,410	5.50
Central Hungary	22,540	8,800	39.0%	0	8,495	0	0	5.50
Central Transdanubia	501,000	65,065	13.0%	41,055	46,345	10,205	10,780	5.40
Northern Great Plain	353,795	28,860	13.4%	15,830	21,820	60,145	72,310	5.70
Northern Hungary	365,035	66,700	18.3%	50,490	62,030	10,210	41,765	5.60
Southern Great Plain	263,535	1 050	0.4%	10,200	16,240	0	78,500	5.35
Southern Transdanubia	56,005	2,010	3.6%	0	0	0	0	5.00
Western Transdanubia	416,770	41,125	9.9%	665	815	0	0	5.40
COUNTRYSIDE TOTAL	1,978,685	213,610	10.8%	118,240	155,755	80,560	203,355	5.70
HUNGARY TOTAL	5,844,765	729,950	12.5%	319,920	439,800	191,625	505,765	5.70

* Prime rents reflect prime asking rents €/sq m/month.

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Prologis Park Budapest - Sziget	Budapest South	Ennoconn Hungary Kft.	39,245	Renewal*
CTPark Tatabánya	Central Transdanubia	Confidential	33,650	Renewal* +Expansion
InPark Miskolc	Northern Hungary	Automotive	22,000	Prelease
Prologis Park Budapest - Sziget II	Budapest South	Consumer Products	18,800	Expansion
HelloParks Maglód	Budapest East	Confidential	14,700	Renewal*
VGP Park Budapest - Aerozone II	Budapest East	Confidential	13,900	Prelease
CTPark Budapest West	Budapest West	Confidential	13,750	New
HelloParks Fót	Budapest North	Confidential	13,700	Prelease

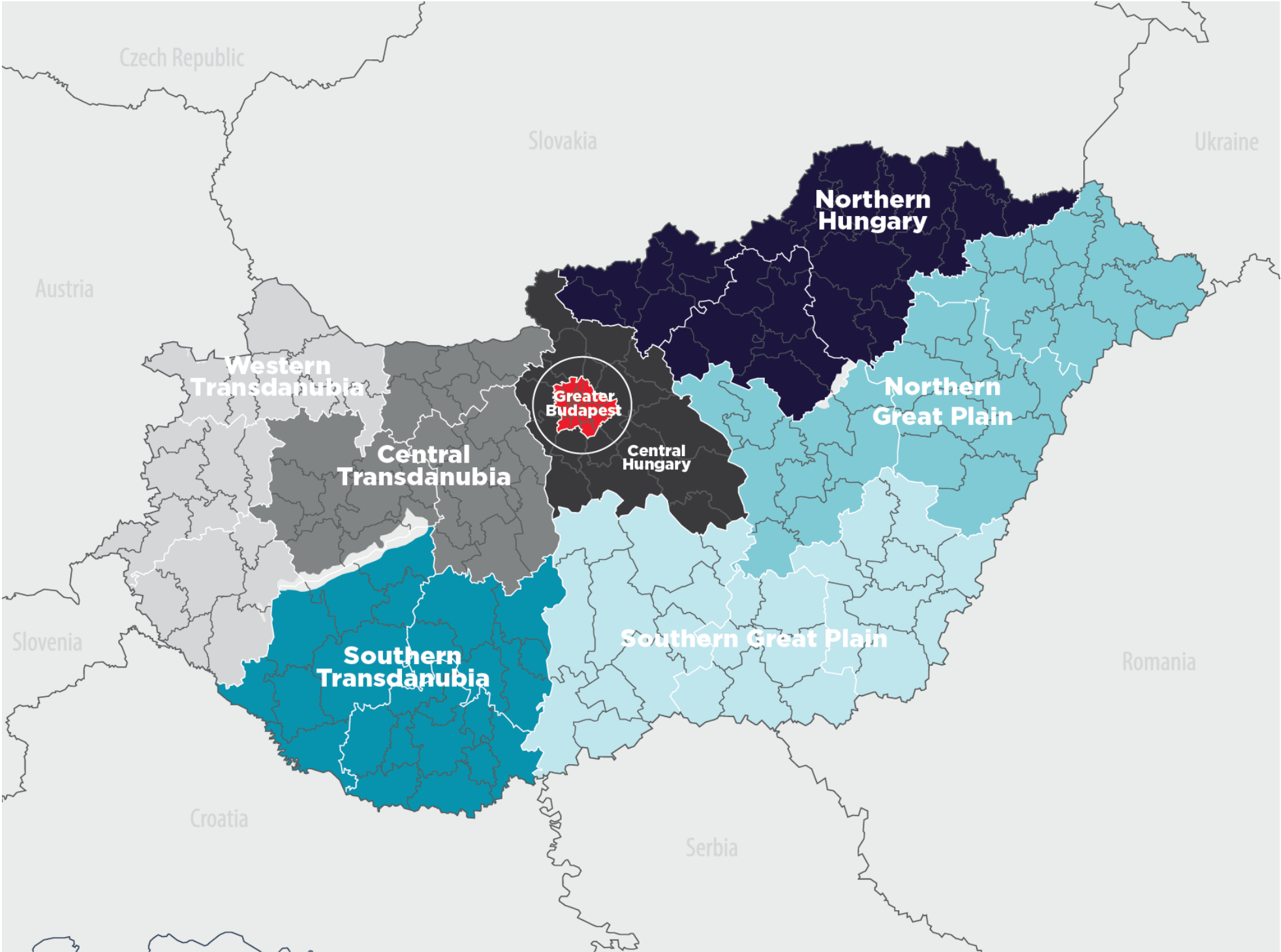
*Renewals included in leasing statistics

CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	OWNER/DEVELOPER
HelloParks Alsónémedi – AN1	Budapest South	Retro Jeans	59,290	HelloParks
IG Park Debrecen	Northern Great Plain	Duvenbeck Logistics	21,830	Innovinia
Alba Ipari Zóna R, S	Central Transdanubia	None	10,200	M59

Source: Cushman & Wakefield & Budapest Research Forum

INDUSTRIAL SUBMARKETS



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