



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.4% Vacancy Rate	▲	▼
€5.7 Prime Rent, Sq m/month	▬	▲
6.75% Prime Yield	▼	▬

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

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.3% GDP real*	▼	▲
4.4% Unemployment rate*	▼	▲
0.6% Industrial Production Index	▲	▲

Annual growth forecast unless otherwise indicated;
Source: HCSO (*) and Moody's Analytics, 12th January 2026

ECONOMY: GRADUAL RECOVERY EXPECTED FROM 2026

Hungary's economy showed early signs of stabilisation in 2025, although overall growth remained subdued and largely driven by domestic demand and improving household fundamentals. Real GDP increased by only 0.3% during the year. Moody's expects a stronger recovery in 2026, with GDP growth potentially reaching 2.5%, supported by rising real wages, easing inflationary pressures, and the gradual onset of monetary easing. Inflation has moderated to around 4-4.5% but remains elevated, constraining policy flexibility; the policy rate remains at 6.5%, with initial rate cuts expected in early 2026. Labour market conditions remain structurally tight, with unemployment projected to peak at around 4.7% in early 2026. A recovery in external demand, combined with Hungary's strategic position within regional automotive and electric vehicle supply chains, is expected to support stronger economic momentum in 2026. Investor sentiment has improved modestly; however, industrial investment activity remains subdued, accounting for roughly 17% of total annual investment volume. The most significant transaction in 2025 was the Erste Property Fund's acquisition of two industrial halls at HelloParks Páty, underscoring continued, albeit selective, demand for prime logistics assets.

SUPPLY & DEMAND: STRONG MARKET ACTIVITY SETS NEW RECORDS

A total of 208,405 sq m of new logistics space was delivered in Hungary in Q4 2025, pushing modern industrial stock above 4 million sq m in Greater Budapest and over 6 million sq m nationwide. Supported by strong quarterly net absorption, vacancy rates declined to 12.8% in Greater Budapest and 8.6% in regional markets. In 2025, gross take-up reached 1,124,260 sq m, surpassing the 1 million sq m threshold for the first time and marking a robust 36% year-on-year increase. Gross take-up in Greater Budapest rose by 9% and accounted for 59% of total demand. The renewal ratio fell to 33% nationwide, the lowest level since 2022, while pre-lease transactions ranked second with a 29% share. New leases represented 25% of total demand, and expansions accounted for the remaining 13%. Demand structure in Greater Budapest broadly mirrored national trends, with a decline in renewals and a higher share of pre-leasing activity. Development activity remained solid, with construction commencing on 223,655 sq m of new industrial space in Q4, bringing total space under construction to 539,325 sq m. Of the development pipeline, 47% is in regional markets; the overall pre-let rate stands at 53%.

PRICING: STABILISING RENTS WITH SELECTIVE UPSIDE

In Q4 2025, prime rents in Greater Budapest remained stable quarter-on-quarter at €5.50 per sq m, while declining by 3.2% year-on-year. The industrial market continues to face rental pressure, prompting landlords to offer increased incentives, particularly for older stock. However, rental growth is expected to emerge selectively for high-quality assets in low-vacancy submarkets, where demand remains resilient.

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	490,375	61,620	12.6%	28,355	100,075	41,090	19,500	5.50
Budapest South	1,394,810	176,355	12.6%	53,605	196,105	59,290	0	5.50
Budapest East	983,370	97,040	9.9%	49,245	129,020	79,940	110,930	5.50
Budapest West	1,213,890	186,465	15.4%	130,390	242,290	147,105	158,250	5.50
GREATER BUDAPEST TOTAL	4,082,445	521,480	12.8%	261,595	667,490	327,425	288,680	5.50
Central Hungary	22,540	8,480	37.6%	0	8,495	0	0	5.50
Central Transdanubia	506,550	46,050	9.1%	27,215	95,320	15,750	4,550	5.40
Northern Great Plain	393,765	35,060	8.9%	39,740	93,570	82,145	86,175	5.70
Northern Hungary	349,320	51,505	14.7%	48,490	118,640	10,210	42,765	5.60
Southern Great Plain	304,785	9,375	3.1%	33,470	49,710	41,250	54,985	5.35
Southern Transdanubia	56,010	2,010	3.6%	0	0	0	0	5.00
Western Transdanubia	416,770	24,570	5.9%	38,205	91,035	0	62,170	5.40
COUNTRYSIDE TOTAL	2,049,740	177,055	8.6%	187,120	456,770	149,355	250,640	5.70
HUNGARY TOTAL	6,132,185	698,535	11.4%	448,715	1,124,260	476,780	539,325	5.70

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

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
CTPark Budapest Érd	Budapest West	Global Logistics Provider	80,230	Prelease
Panattoni Park Moson	Western Transdanubia	Fiege	33,000	Prelease
Cordys Capital – Miskolc	Northern Hungary	Confidential	24,990	Renewal
Prologis Park Budapest - Sziget	Budapest South	Manufacturing	23,480	Renewal
CTP Tatabánya	Central Transdanubia	Confidential	23,800	Renewal
Prologis Park Budapest - M1	Budapest West	Electronics and Appliances	15,600	Renewal

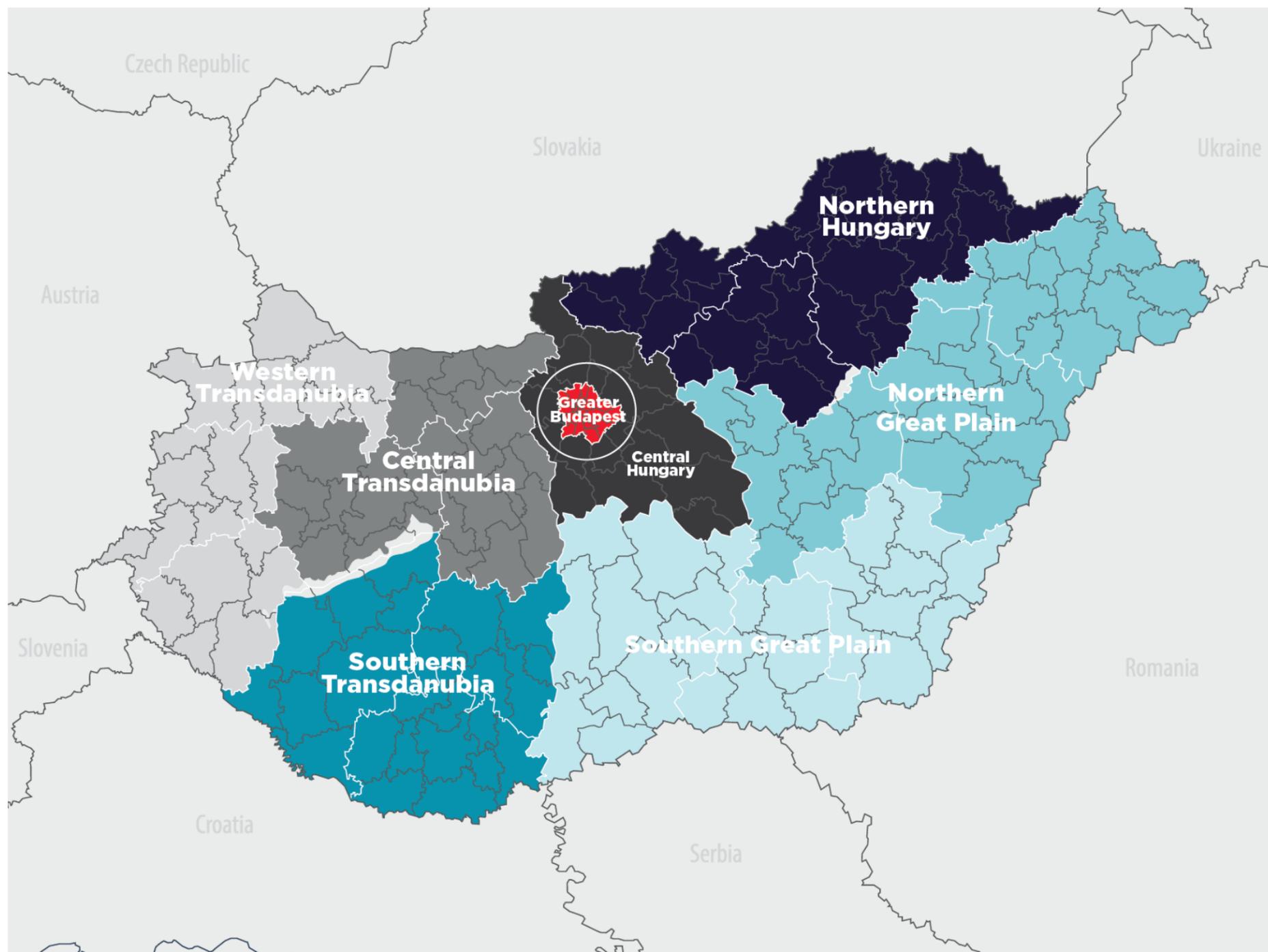
*Renewals included in leasing statistics

TOP CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	OWNER/DEVELOPER
CTPark Budapest Érd - BERD01	Budapest West	Confidential	53,000	CTP
CTPark Budapest West - BDPW10	Budapest West	Gorenje	27,365	CTP
HelloParks Fót – FT3 first phase	Budapest North	Confidential	26,100	HelloParks
CTPark Vecsés -BVCS04A	Budapest East	None	25,100	CTP
VGP Park Kecskemét G	Southern Great Plain	Confidential	18,500	VGP

Source: Cushman & Wakefield & Budapest Research Forum

INDUSTRIAL SUBMARKETS



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