

### MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>6.25%</b> Prime Yield (OFF)	▲	▲
<b>6.75%</b> Prime Yield (IND)	▼	▲
<b>€910 M</b> Total Volume	▲	▲

All Property Classes, prime yield as of 31st Dec 2025  
Source: Cushman & Wakefield Research

### ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>0.3%</b> GDP*	▲	▲
<b>4.4%</b> Unemployment Rate*	▲	▲
<b>2.5%</b> 5-Yr EUR SWAP **	▼	▲
<b>6.9%</b> 10-Yr Government Bond	▲	▼

Source: \* HCSO, 4th February 2026, \*\*y/y growth forecast, Moody's Analytics

### ECONOMY: GRADUAL RECOVERY EXPECTED FROM 2026

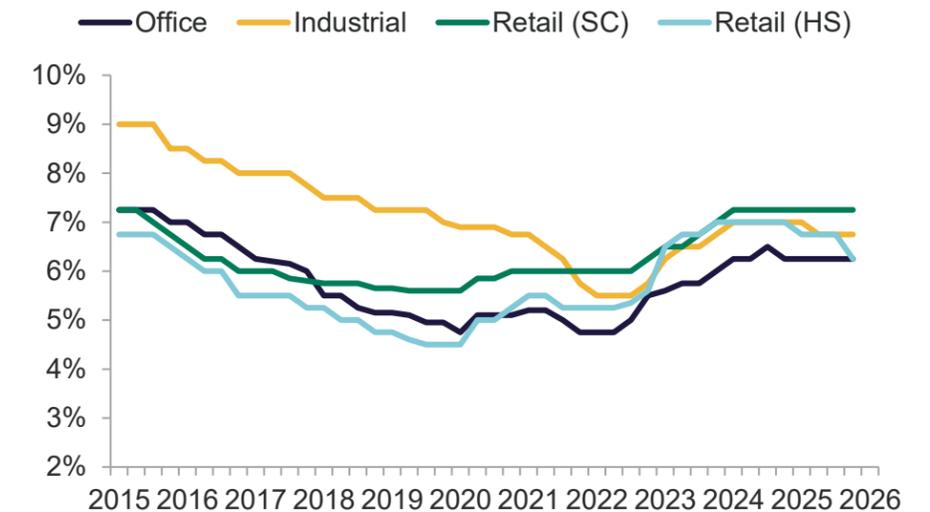
Hungary's economy remained weak in 2025, expanding by just 0.3% according to HCSO data, reflecting subdued external demand, weak investment, and only a gradual recovery in household consumption. Moody's expects GDP growth to accelerate to 2.5% in 2026, supported by rising real wages, easing inflation, and the onset of gradual monetary easing. Although inflation moderated in 2025, it remained elevated at around 4-4.5%, keeping monetary policy tight, with the policy rate at 6.5% and initial rate cuts expected from early 2026. The labour market remains structurally tight, with unemployment projected to peak near 4.7% in early 2026. Industrial production has been volatile amid weak global trade, but a gradual improvement is expected from 2026. Hungary's recovery will remain partly dependent on external demand, particularly from Germany, while continued foreign investment supports its strong position in regional automotive and electric-vehicle supply chains.

### INVESTMENT OVERVIEW: REVIVAL OF INVESTMENT ACTIVITY

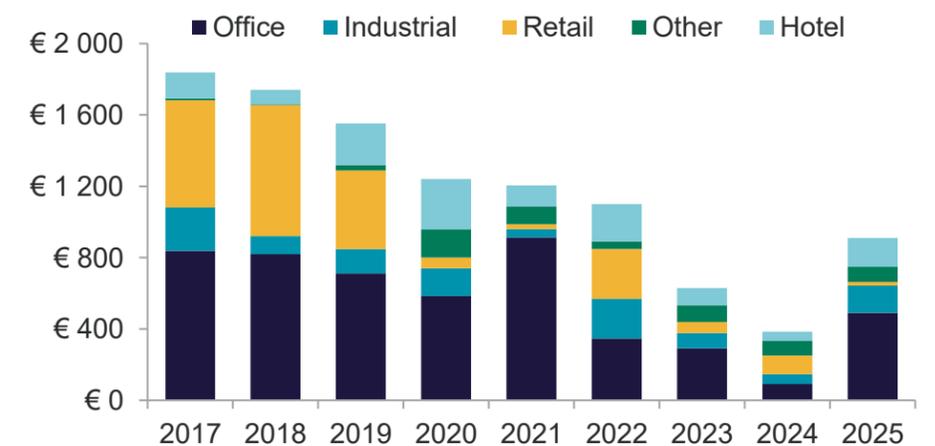
Hungary's real estate investment market recorded a strong rebound in 2025, with transaction volumes rising by 135% year on year. While activity remains below pre-pandemic levels, the market has moved significantly closer to 2022 volumes, signalling a clear recovery phase. Investment activity was dominated by transactions below €25 million, resulting in an average deal size of €16.5 million. Nevertheless, the return of large-scale landmark deals marked an important shift in market sentiment. The sale of the Marriott Hotel represented the first transaction exceeding €100 million since 2022, while the disposal of two HelloParks assets in Páty established a key pricing benchmark for the industrial and logistics (I&L) sector. The office sector led the market, accounting for 54% of total investment volume. Activity was largely driven by mid-sized transactions and investor interest increasingly focused on secondary office assets, which are perceived as offering value-add and repositioning potential. Owner-occupier demand was also prominent, most notably through BYD's acquisition of IP West from CA Immo. Industrial transactions represented 17% of annual investment volume, while hotel investments gained momentum, reaching an 18% share. In contrast, the retail sector, market leader in 2024, experienced a sharp decline in activity. Domestic investors represented 52% of total volume, their lowest share since 2021, reflecting the impact of a major foreign-led transaction. Nevertheless, foreign investor interest has become increasingly visible. A healthy pipeline for 2026, led by industrial and retail assets, points to a continued revival of the investment market.

Yield stabilisation appears to be approaching, as repriced levels show signs of consolidation. Prime industrial and hotel yields have already compressed by 25 basis points year on year, while prime high-street retail yields declined by 75 basis points over the same period.

### PRIME YIELD TRENDS



### INVESTMENT SALES VOLUME BY SECTOR



Source: Cushman & Wakefield Research

INVESTMENT ACTIVITY

PROPERTY TYPE	YTD NO. OF TRANSACTIONS	YTD SALES VOLUME (€ MILLION)	AVERAGE VOLUME PER PROPERTY (€ MILLION)	PRIME YIELD (%)
Office	25	491	20	6.25
Industrial	8	151	19	6.75
Retail	2	21	High Street	6.25
			Shopping Centre	7.25
			Retail Park	7.50
Hotel	5	161	31	7.00

ECONOMIC INDICATORS*	2019	2020	2021	2022	2023	2024	2025	2026 (F)
GDP growth (%)	5.1	-4.5	7.2	4.2	-0.7	0.6	0.3	2.5
Private consumption expenditure (%)	5.0	-1.4	4.2	5.1	-6.4	5.1	5.4	4.1
Unemployment rate (%)	3.3	4.1	4.1	3.6	4.1	4.5	4.4	4.7
Inflation (%)	3.4	3.4	5.2	15.2	17.1	3.7	4.4	4.4
HUF/USD (average)	290.7	308.0	303.1	372.6	352.9	365.6	352.8	320.0
Interest Rates: 10-year bond yield (%)	2.5	2.2	3.1	7.6	7.5	6.5	6.9	6.5

Source: Moody's Analytics and HCSO

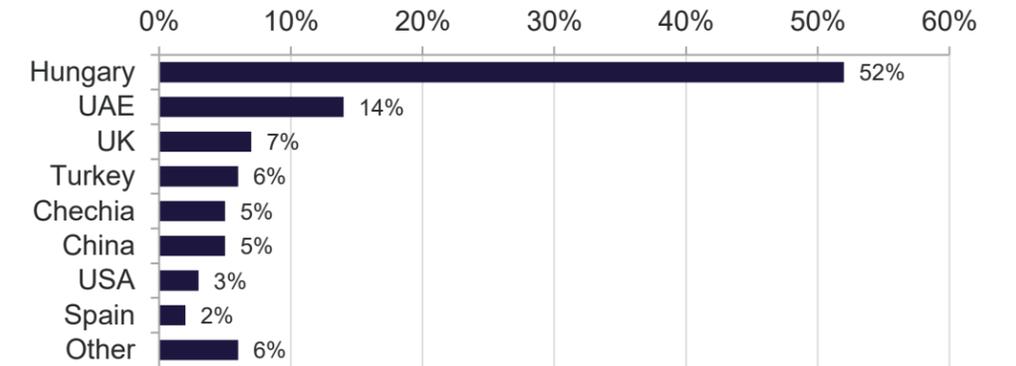
\* Annual % growth unless otherwise indicated

SIGNIFICANT SALES - 2025

PROPERTY NAME	TYPE	BUYER	SELLER	SIZE (SQ M/ ROOMS)	MARKET
HelloParks Páty (2 assets)	Industrial	Erste RE Fund	HelloParks	84,300	Greater Budapest
IP West	Office	BYD	CA Immo	32,130	Budapest – South Buda
Bakerstreet 1	Office	Confidential	Atenor	16,650	Budapest – South Buda
Ministry of Home Affairs	Other	Eagle Hills	Magyar Nemzeti Vagyonkezelő	41,000	Budapest, CBD
Szerémi Business Park	Industrial	Confidential	Gestor Zrt.	20,000	Budapest – South Buda
Budapest Marriott Hotel	Hotel	BDPST Zrt	CPI	371	Budapest - CBD
Science Park	Office	Record&Chapel Hill Capital	Goldman	29,550	Budapest- South Buda
Bartók Ház	Office	DRFG&Trigránit	CA Immo	17,670	Budapest – South Buda

Closed transactions. Sources: Real Capital Analytics, Cushman & Wakefield Research

2025 ACQUISITIONS BY CAPITAL SOURCE COUNTRY



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