

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.5% Vacancy Rate	▼	▼
€25.00 Prime Rent, sq m/month	—	—
6.25% Prime yield	—	—

Overall, All Property Classes, as of 30 December 2025.
Source: Cushman & Wakefield, Budapest Research Forum

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
576.5 Ths Budapest Office Employment	▲	▲
3.0% Budapest Unemployment Rate	▲	▼
4.4% Hungary Unemployment Rate*	▼	▲

Source: HCSO (*), Moody's, 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. Office employment in Budapest continued to perform steadily relative to CEE peers, maintaining potential for further growth. Investor interest in office assets improved in 2025, with the sector accounting for around half of total annual investment volume. Transaction activity was primarily driven by smaller and mid-sized transactions, indicating a cautious but gradually improving investment sentiment. A limited number of larger transactions were also completed, while owner-occupier deals continued to play a meaningful role in overall market activity. Key transactions included CA Immo's divestments of IP West and Bartók Ház, with Bakerstreet 1 and Science Park ranking among the year's largest deals.

SUPPLY & DEMAND: TIGHTENING EFFECTIVE SUPPLY

In Q4 2025, the first office buildings developed for governmental use, totalling 50,375 sq m, were completed, increasing Budapest's total office stock to 4,461,675 sq m. Supported by strong absorption, the vacancy rate declined by 0.9 percentage points quarter on quarter to 12.5% by year-end. At the same time, 14,750 sq m of office space was removed from the market in Q4 due to planned *Repurposing* projects, continuing a multi-year trend. On the supply side, 426,355 sq m of office space is currently under construction, around 80% of which comprises BTS developments for governmental occupiers scheduled for completion in 2026. Meanwhile, the speculative development pipeline continued to contract and remains characterised by high pre-letting levels. In 2025, gross take-up reached 505,850 sq m, broadly in line with 2024. Net take-up increased by 14% year on year to 217,655 sq m, indicating stronger effective demand. The share of renewals declined to 42% from 57%, while new leases accounted for 33% of demand. Pre-leases represented 6%, expansions 4%, and owner-occupied transactions reached a relatively high 15%. Although transaction numbers declined slightly, the average deal size increased by 9% year on year. Demand was led by IT, telecommunications, and professional services occupiers.

PRICING: STABLE PRIME YIELDS AND RENTS

CBD prime office rents have remained stable at €25/sq m/month since Q1 2023, while prime yields have held at 6.25% since Q4 2024. Selective rental growth is expected from 2026, particularly for new or refurbished, ESG-compliant assets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR SPEC (SQ M)	UNDER CNSTR BTS (SQ M)	PRIME RENT* (€/SQ M / MTH)
CBD	359,060	41,925	11.7%	10,645	33,810	2,255	3,000	-	25.00
Central Pest (CP)	736,930	129,370	17.6%	60,195	106,680	50,375	7,700	-	18.50
Central Buda (CB)	451,855	29,110	6.4%	12,305	47,135	-	1,300	-	23.00
Non-Central Pest (NCP)	633,375	97,305	15.4%	14,565	34,330	-	-	135,800	16.00
North Buda (NB)	341,850	27,130	7.9%	3,980	26,185	-	10,800	-	18.00
South Buda (SB)	673,060	68,805	10.2%	26,525	76,540	-	-	144,970	19.50
Váci Corridor (VC)	1,154,490	141,195	12.2%	60,780	167,320	2,805	62,785	60,000	19.50
Periphery (P)	111,060	22,940	20.7%	1,965	13,850	-	-	-	11.50
BUDAPEST TOTALS	4,461,680	557,780	12.5%	190,960	505,850	55,435	85,585	340,770	25.00

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

KEY SALES TRANSACTIONS 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SIZE (SQ M)
IP West	South Buda	CA Immo /BYD	32,130
Science Park	South Buda	Goldman/Chapel Hill & Recorde	29,550
Bartók Ház	Central Buda	CA Immo/DRFG (Trigránit)	17,700
Bakerstreet 1	South Buda	Atenor/Confidential	16,650
City Center	CBD	CPI/Realis Group	9,000
Andrássy 100	Central Pest	European Pension Fund/Domestic company	5,700

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
Budapest One	South Buda	BT	9,000	Renewal*
Váci Greens E	Váci Corridor	Confidential	8,900	Renewal*
Centerpoint III	Váci Corridor	UNIQA	6,050	Pre-lease
Agora Tower	Váci Corridor	Confidential	5,670	Renewal*

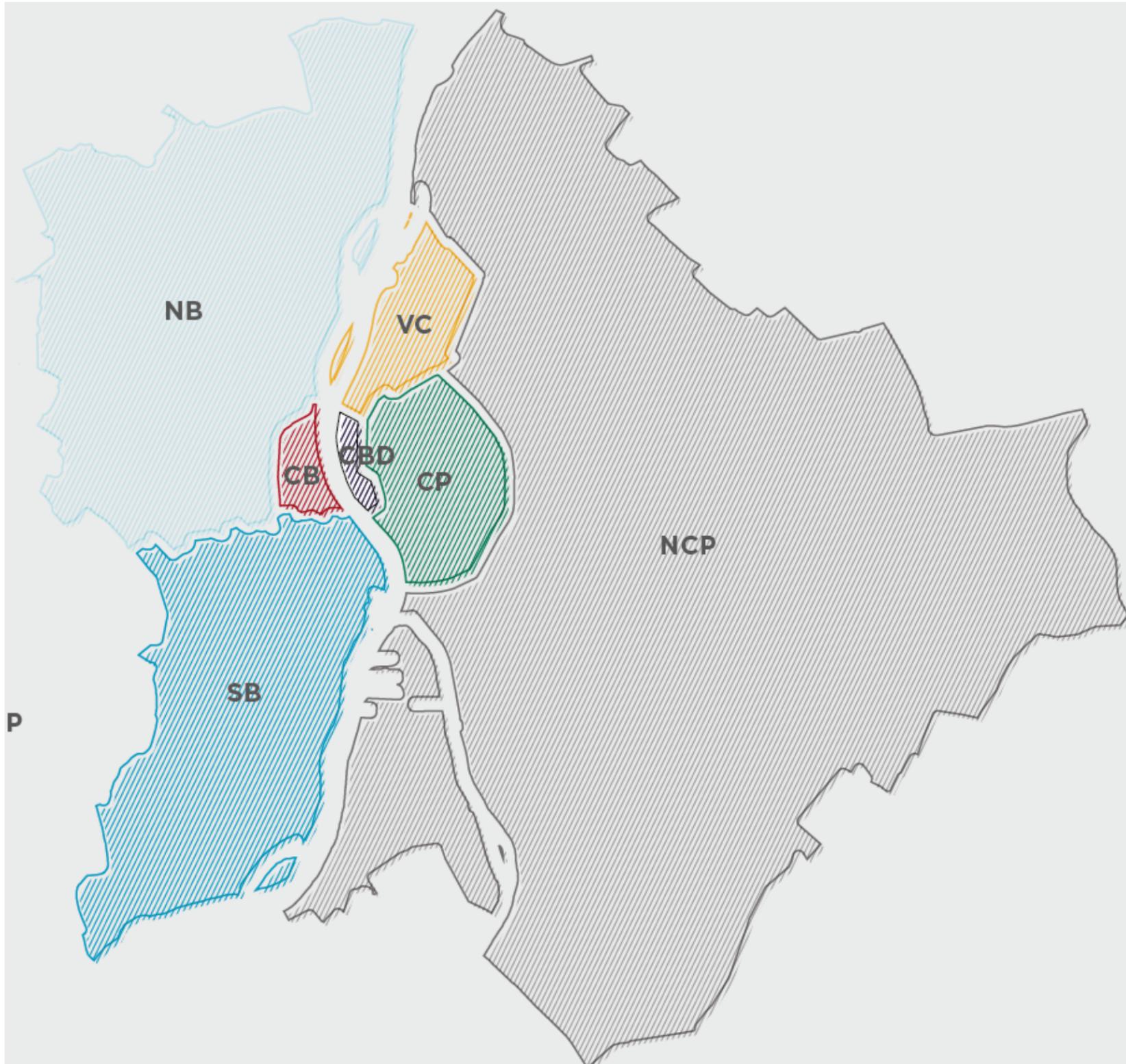
*Renewals included in leasing statistics.

CONSTRUCTION COMPLETIONS 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
Dürer Park I-II	Central Pest	Nemzetgazdasági Minisztérium, Magyar Nemzeti Vagyonkezelő	50,377	Property Market

Source: Cushman & Wakefield Research, Budapest Research Forum

OFFICE SUBMARKETS



ORSOLYA HEGEDŰS, MRICS

Partner, Head of Business Development Services Budapest

Mobile: +36 30 399 5106

orsolya.hegedus@cushwake.com

EDIT JAKAB

Senior Research Analyst Budapest

Mobile: +36 70 373 7482

edit.jakab@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.