MARKETBEAT
BUDAPEST
OFFICE Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.0% Vacancy Rate	▼	▼
€25.00 Prime Rent, sq m/month	–	▲
6.25% Prime yield	–	–

Overall, All Property Classes, as of 31 March 2026, Source: Cushman & Wakefield, Budapest Research Forum

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
572.1 Ths Budapest Office Employment	▲	▲
2.7% Budapest Unemployment Rate	▼	▼
4.6% Hungary Unemployment Rate*	▲	▼

Source: Moody's, 14th April 2026

ECONOMY: HUNGARY REACHES A TURNING POINT IN APRIL

Hungary's economy began to stabilise toward the end of 2025, with modest GDP growth driven primarily by domestic consumption, while industrial activity remained subdued. Moody's Analytics expects growth to strengthen in 2026, forecasting GDP expansion of around 2.0%, supported by easing inflation, continued real wage growth, and gradually improving external demand. Inflation fell sharply in early 2026, enabling the central bank to begin easing monetary policy, although financing conditions remain relatively tight. Labour market conditions continue to be structurally constrained by demographic factors; unemployment is estimated to have peaked in early 2026 and is expected to decline gradually. The April 2026 parliamentary elections marked a political turning point, bringing Hungary back onto investors' radar. The new government has signalled a clear intention to align more closely with EU regulations and restore access to EU funding, which is expected to bolster investor confidence and improve medium-term growth prospects. In the immediate aftermath, the forint strengthened markedly against major currencies. Transaction activity picked up in the first quarter; however, investor appetite for office assets remained subdued. Only a limited number of deals were completed, accounting for 26% of quarterly investment volume, with the sale of Millennium Tower I standing out as the most notable transaction.

SUPPLY & DEMAND: RENEWALS DOMINATE AS NET TAKE-UP SLOWS

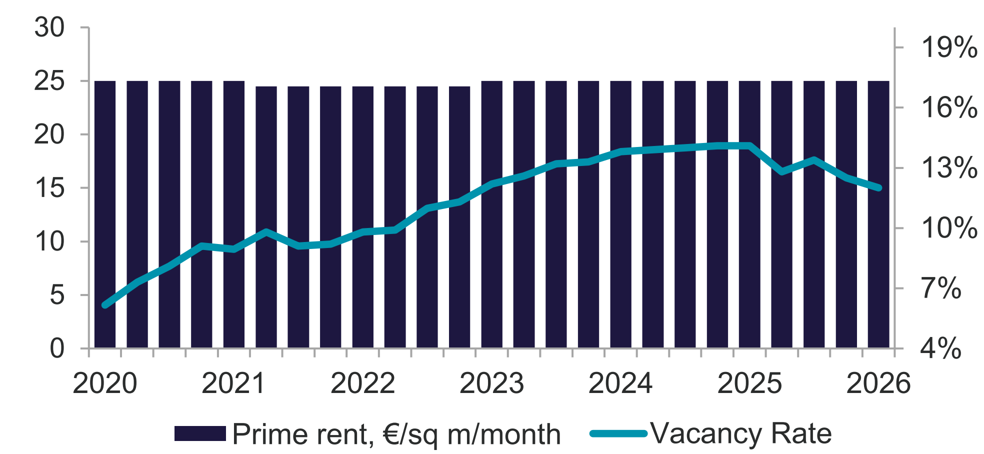
In Q1 2026, the first two phases of BudaPart, totalling 42,810 sq m, were completed, increasing Budapest's total office stock to 4,483,125 sq m. As these new completions were fully pre-let to government entities, the vacancy rate declined by 0.5 percentage points quarter on quarter to 12.0%. On the supply side, the speculative development pipeline continued to shrink and remains characterised by high pre-letting levels. Gross office take-up reached 130,250 sq m in Q1 2026; however, net take-up fell to its lowest level in the past 15 years. Leasing activity was driven primarily by renewals and owner-occupier transactions, which accounted for 47% and 33% of total demand, respectively. No pre-let transactions were recorded during the quarter, while net take-up represented only 20% of total activity, highlighting continued delays in corporate decision-making. Although the number of transactions declined significantly, the average deal size increased year on year. Demand was led by occupiers from the IT, telecommunications, and finance sectors.

PRICING: STABLE PRIME YIELDS AND RENTS, WITH FURTHER STRENGTHENING AHEAD

CBD prime office rents have remained stable at €25/sq m/month since Q1 2023, while prime yields have held firm at 6.25% since Q4 2024. From 2026 onwards, selective rental growth is expected, driven primarily by demand for new or refurbished, ESG-compliant assets. At the same time, well-performing submarkets such as the Váci Corridor continue to strengthen their position, gradually narrowing the gap with the CBD.

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	355,825	41,235	11.6%	8,385	8,385	-	3,000	-	25.00
Central Pest (CP)	729,975	126,295	17.3%	10,050	10,050	-	7,700	-	18.50
Central Buda (CB)	452,260	28,980	6.4%	1,390	1,390	-	1,300	-	23.00
Non-Central Pest (NCP)	642,320	99,370	15.5%	21,055	21,055	-	-	135,800	16.00
North Buda (NB)	342,430	29,745	8.7%	5,825	5,825	-	1,900	-	18.00
South Buda (SB)	709,375	66,655	9.4%	52,235	52,235	42,810	-	102,270	19.50
Váci Corridor (VC)	1,139,875	125,050	11.0%	28,770	28,770	-	63,535	76,000	20.00
Periphery (P)	111,065	22,225	20.0%	2,540	2,540	-	-	-	11.50
BUDAPEST TOTALS	**4,483,125****	**539,555**	**12.0%**	**130,250**	**130,250**	**42,810**	**77,435**	**314,070**	**25.00**

** Prime rents reflect prime asking rents €/sq m/month. ** Following the annual stock revision conducted in Q1, 21,365 sq m of office space was removed from the modern office stock.*

KEY SALES TRANSACTIONS 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SIZE (SQ M)
Millennium Tower I	Central Pest	CA Immo / WizzAir	18,100
Óbuda Gate	North Buda	Dorkan Property / Magyar Posta Takarék Ingatlanbefektetési Alap	14,000

KEY LEASE TRANSACTIONS Q1 2026 *

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
BudaPart Central	South Buda	Governmental	25,100	Owner-occupation
BudaPart Corner	South Buda	Governmental	17,710	Owner-occupation
Arena Corner	Non-Central Pest	Confidential	13,950	Renewal
myhive Thirteen Globe	Váci Corridor	Governmental	11,515	Renewal
West End Business Center I-III	Váci Corridor	Finance	10,300	Renewal
City Gate	Central Pest	Confidential	5,170	New
Szervita Square	CBD	IT	4,600	Renewal

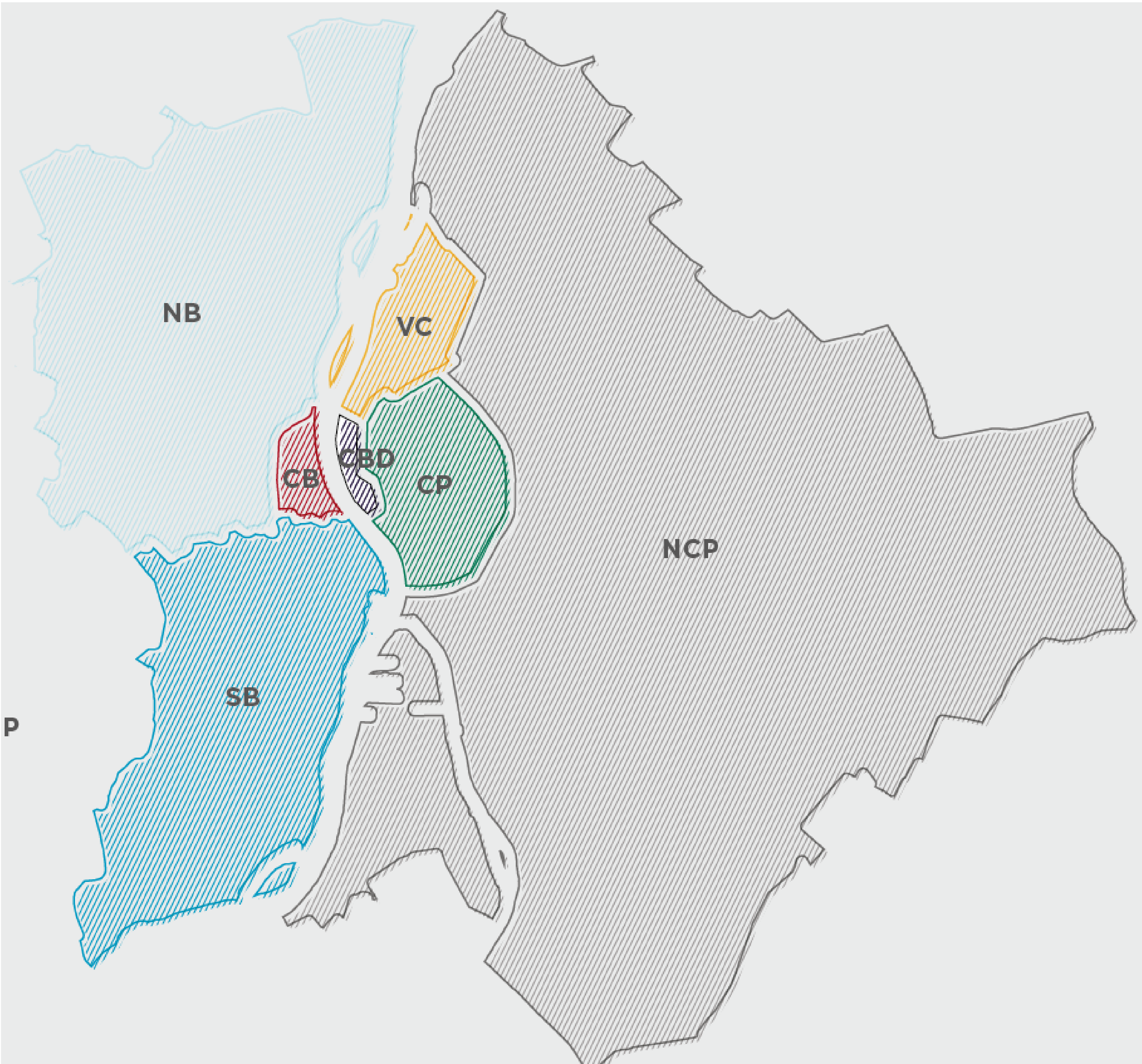
** Lease renewals are included in the leasing statistics.*

CONSTRUCTION COMPLETIONS 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
BudaPart Central	South Buda	Confidential	25,100	Property Market Zrt.
BudaPart Corner	South Buda	Confidential	17,710	Property Market Zrt.

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.