MARKETBEAT
BUDAPEST
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.2% Vacancy Rate	▼	▼
€26.00 Prime Rent, sq m/month	▲	–
6.25% Prime yield	–	–

Overall, All Property Classes, as of 30th June 2026, Source: Cushman & Wakefield, Budapest Research Forum

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
568.7 Ths Budapest Office Employment	▲	▲
3.0% Budapest Unemployment Rate	▼	▼
4.5% Hungary Unemployment Rate*	▲	▼

Source: Moody's, 10th July 2026

ECONOMY: IMPROVED SENTIMENT STRENGTHENS HUNGARY'S GROWTH OUTLOOK

Hungary's macroeconomic outlook strengthened in H1 2026, supported by improving investor confidence following the April elections and the new government's commitment to closer EU alignment and restoring access to EU funding. Real GDP expanded by 1.7% year-on-year in Q1 2026, driven primarily by the services sector. The appreciation of the Hungarian Forint contributed to easing inflation, with headline CPI falling to 2.1% in April, within the National Bank of Hungary's 2%–4% target range. This enabled the central bank to reduce its base rate to 5.75% in July. Labour market conditions remained resilient despite a modest softening, with unemployment stabilising at around 4.5%, while real wages continued to support household consumption. Importantly for the office market, Budapest is projected to record one of the strongest office employment growth rates in CEE over the coming years, providing a supportive backdrop for office occupier demand, particularly across business services, technology and professional services. According to Moody's Analytics, GDP growth is forecast to reach 2.1% in 2026 and 2.6% in 2027, underpinned by stronger domestic demand, improving investment activity and the expected resumption of EU-funded investments. Germany's economic performance and the pace of EU funding absorption remain the key risks to the outlook.

The improving macroeconomic backdrop is expected to support office occupier and investment activity over the remainder of 2026. Office investment volumes reached €162 million in H1 2026, accounting for 32% of total CRE investment activity. Key transactions included CA Immo's sale of Capital Square in Q2, as part of its ongoing portfolio divestment strategy, and the closing of the Corner6 transaction.

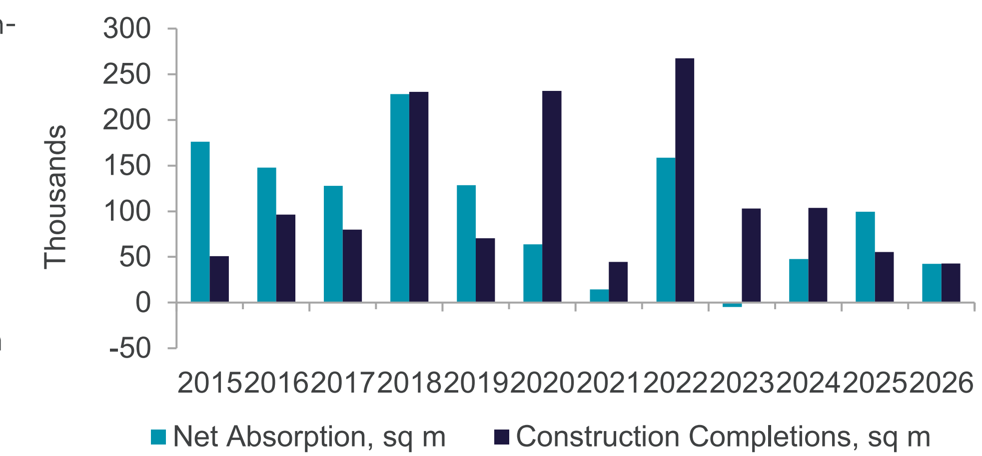
SUPPLY & DEMAND: RENEWALS REMAIN THE PRIMARY DRIVER OF LEASING ACTIVITY

Leasing activity remained stable in H1 2026, with gross take-up reaching 215,040 sq m. Renewals continued to account for the largest share of activity (53%), reflecting occupiers' ability to optimise lease terms within a well-supplied market, while owner-occupier acquisitions represented a further 20% of total demand. Net take-up accounted for 27% of leasing activity, and only one small pre-let transaction was recorded in Q2. Demand was led by occupiers from the IT, telecommunications and professional services sectors. Although the number of transactions declined year-on-year, the average deal size remained broadly unchanged. No new office buildings were completed in Q2 2026, while ongoing conversion projects reduced Budapest's modern office stock to 4,474,170 sq m. The vacancy rate stood at 12.2% at quarter-end. Development activity remained measured, with 414,105 sq m currently under construction. While the timing of several larger projects continues to evolve, the speculative pipeline has shown renewed momentum, with several new developments announced for completion in 2028 and 2029.

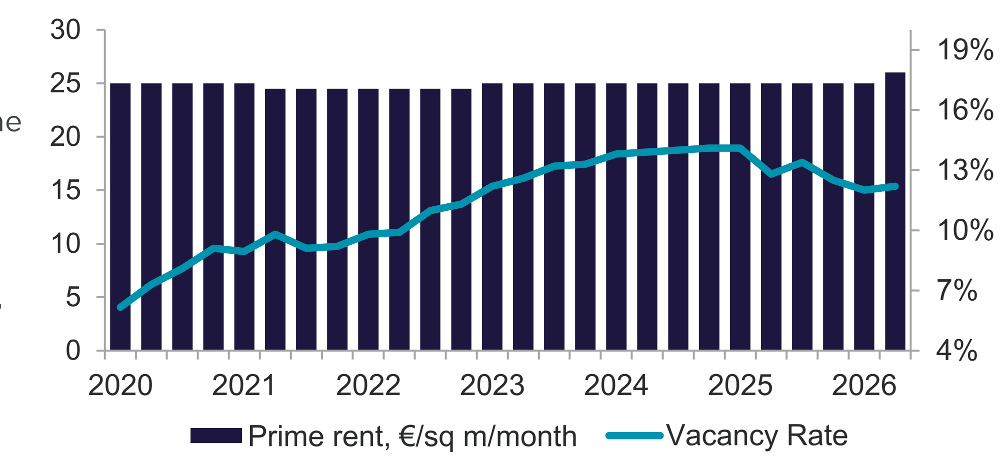
PRICING: PRIME RENTS CONTINUE TO GROW

CBD prime rents increased by 4% quarter-on-quarter to €26/sq m/month, while prime yields have remained stable at 6.25% since Q4 2024. Prime rents along the Váci Corridor also increased, narrowing the gap with the CBD. Selective rental growth is expected to continue, driven by demand for new and refurbished ESG-compliant office space.

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	346,870	38,500	11.1%	6,435	14,815	-	3,000	-	26.00
Central Pest (CP)	729,975	126,105	17.3%	21,125	31,175	-	7,700	-	18.50
Central Buda (CB)	452,260	28,880	6.4%	6,555	7,945	-	1,300	-	23.00
Non-Central Pest (NCP)	642,320	99,020	15.4%	2,375	23,430	-	-	135,800	16.00
North Buda (NB)	342,430	30,575	8.9%	3,085	8,910	-	1,000	-	18.00
South Buda (SB)	709,375	75,565	10.7%	23,620	75,855	42,810	-	102,270	19.50
Váci Corridor (VC)	1,139,875	123,740	10.9%	16,850	45,625	-	87,035	76,000	21.00
Periphery (P)	111,065	22,370	20.1%	4,745	7,285	-	-	-	11.50
BUDAPEST TOTALS	**4,474,170**	**544,755**	**12.2%**	**84,790**	**215,040**	**42,810**	**100,035**	**314,070**	**25.00**

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

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
Capital Square	Váci Corridor	CA Immo/WING	34,000
Corner6	Central Pest	CBRE IM/Forestay Group	6,000

KEY LEASE TRANSACTIONS Q2 2026 *

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
Office Garden II	South Buda	Confidential	5,460	Renewal
Promenade Gardens	Váci Corridor	Celanese	5,420	Renewal
Infopark D+I+C	South Buda	Confidential	5,395	Renewal
Infopark E	South Buda	Lufthansa Systems Hungária	5,380	Renewal
Terrapark C	Periphery	Kontron	4,320	Renewal
Eiffel Square	Central Pest	Financial Services	3,300	New

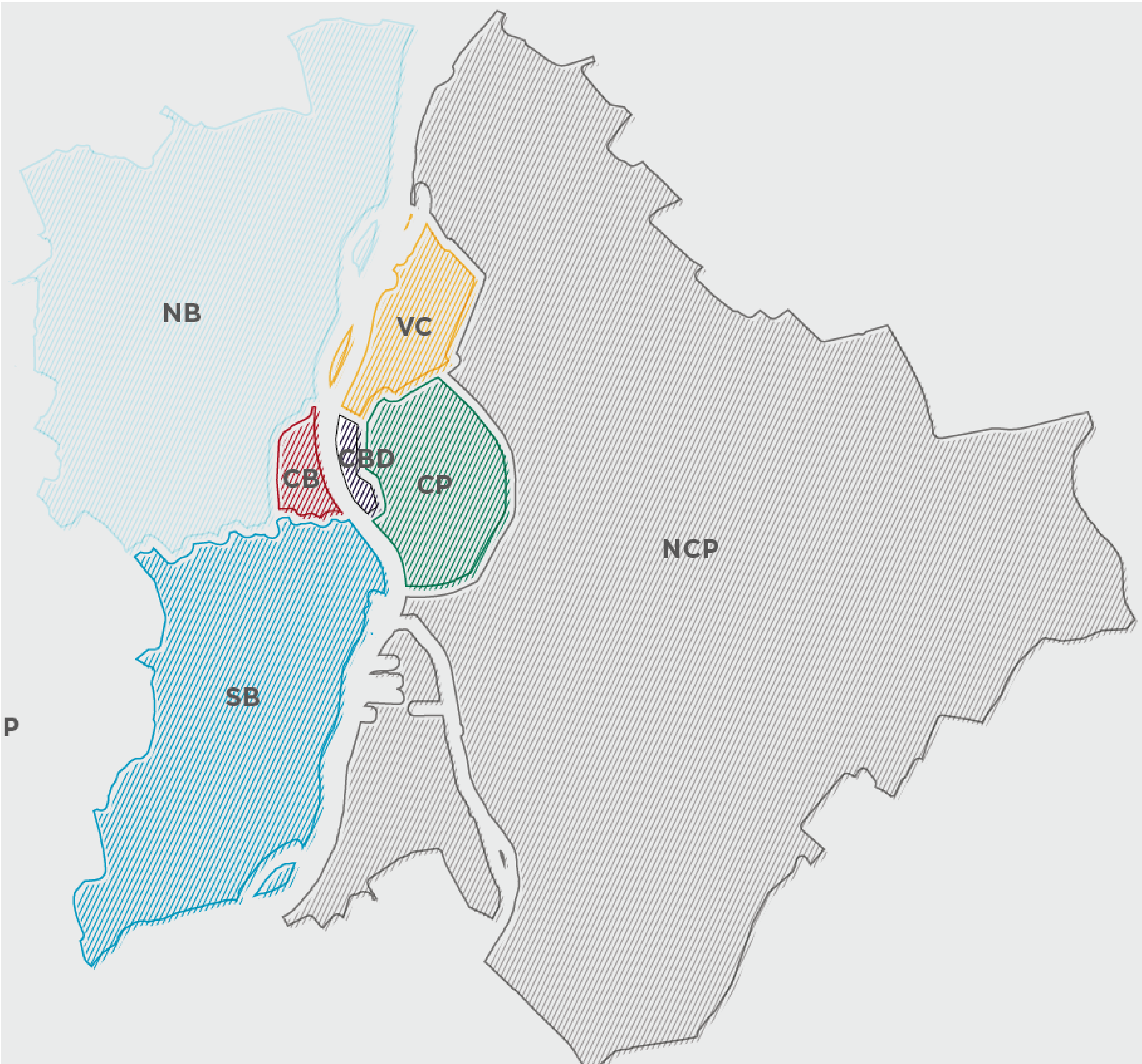
** Lease renewals are included in the leasing statistics.*

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



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