

**The Budapest Research Forum (BRF, which comprises: CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q1 2020 industrial market snapshot.**

In Q1 2020, 40,010 sq m of new space was added to the total **modern industrial stock** in Budapest and its surroundings, as the BUD Cargo City (8,700 sq m) and the new building of CTPark West (31,320 sq m) were handed over. The total modern industrial stock in Budapest and its surroundings stood at 2,286,970 sq m at the end of Q1 2020.



Source: BRF

Total demand amounted to 79,660 sq m in Q1 2020, indicating a 5% decrease from the figure noted in the same period last year and a 10% decrease compared to the previous quarter. Lease renewals accounted for an outstandingly high ratio, reaching 85% of the quarterly volume, followed by new leases with a share of 10%. Pre-lease stood for 5% and expansions stood for 0.2% of the quarterly figure. Take up excluding renewals added up to 11,840 sq m which was 13% lower than in Q1 2019.

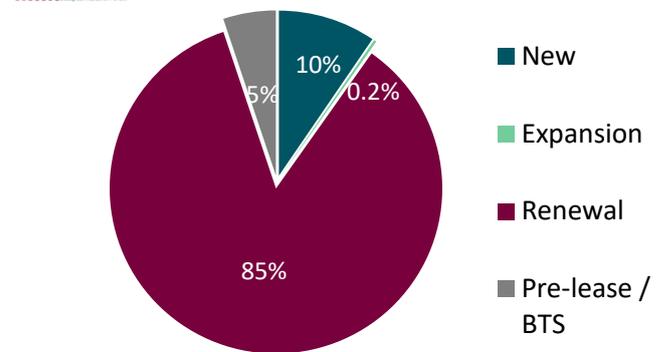
19 leasing transactions were recorded in the first quarter of 2020, out of which three agreements were signed for more than 10,000 sq m. The average transaction size was 4,190 sq m during the quarter. 96% of the transaction volumes was recorded in logistics parks, with an average transaction size of 5,470 sq m. The remaining 4% of the transactional volume was registered in city logistics parks, reaching an average transaction size of 630 sq m which consists of an average transaction size of 1,000 sq m in case of warehouse space and an average transaction size of 235 sq m in case of office space.

The two largest transactions in Q1 were renewals in the building of Batta Park on 28,590 sq m and the other was in Prologis Park Budapest M1 on 15,880 sq m.

The **vacancy rate** at the end of Q1 2020 stood at 2.8% resulting in a 0.97%-point decline q-o-q, and a 0.28%-point decrease y-o-y. At the end of the first quarter a total of 63,830 sq m logistics area stood vacant, and there is only one existing warehouse with available space of more than 5,000 sq m.

**Net absorption** totalled 17,830 sq m in the first quarter of 2020.

Split of total leasing activity in Q1 2020 (sq m)



Source: BRF

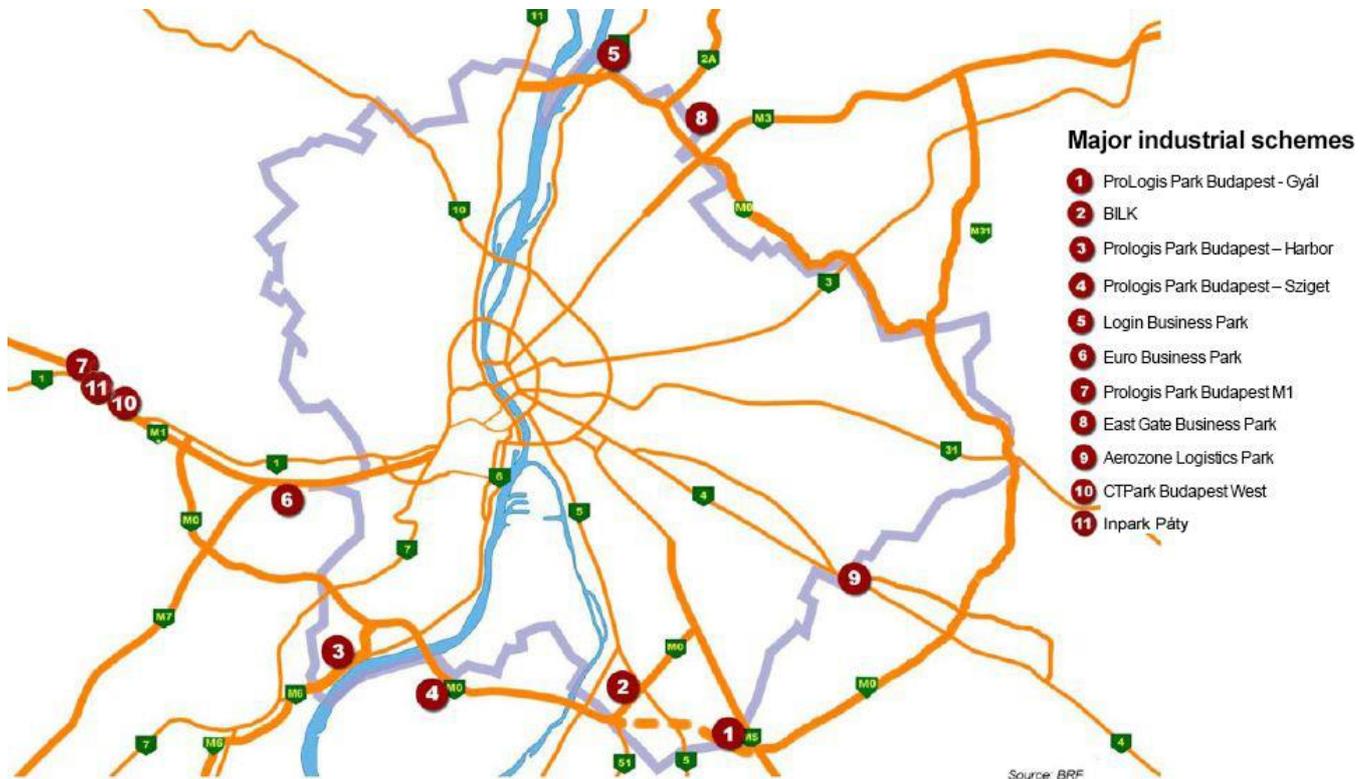
### Main industrial indicators

Q1 2020	Logistics Park	City Logistics	Total
<b>Completions (sq m)</b>	<b>40,010</b>	<b>0</b>	<b>40,010</b>
<b>Modern stock (sq m)</b>	<b>2,072,840</b>	<b>214,130</b>	<b>2,286,970</b>
<b>Vacant space (sq m)</b>	<b>53,730</b>	<b>10,100</b>	<b>63,830</b>
<b>Vacancy rate (%)</b>	<b>2.6%</b>	<b>4.7%</b>	<b>2.8%</b>
<b>New lease (sq m)</b>	7,130	440	7,570
<b>Renewal (sq m)</b>	65,290	2,520	67,810
<b>Expansion (sq m)</b>	30	170	200
<b>Pre-lease/BTS (sq m)</b>	4,080	0	4,080
<b>Total leasing activity (sq m)</b>	<b>76,530</b>	<b>3,130</b>	<b>79,660</b>

Note on the methodology:

BRF analyses modern industrial properties located in Budapest and Pest County, completed after 1995 for letting purposes, comprising a minimum of 2,000 sq m space in terms of city-logistics or minimum of 5,000 sq m space in terms of logistics park warehouses. The industrial stock excludes owner occupied buildings.

## Industrial map of Budapest and its surroundings



## More information

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