

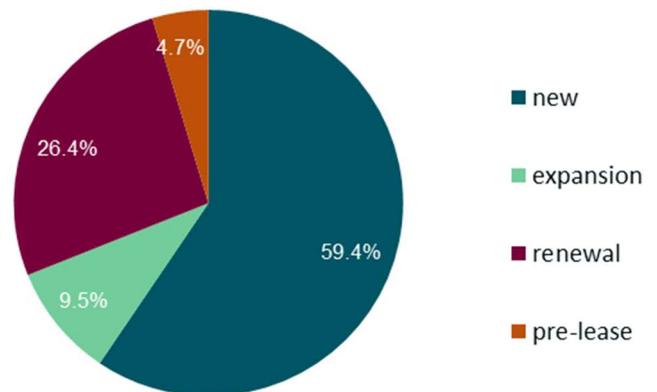
The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q1 2018 office market summary.

Two new office buildings were delivered to the Budapest office market in the first quarter of 2018, totalling 18,280 sq m. In the CBD Markó Offices 9 was handed over on 2,630 sq m, whilst the new D phase of Váci Greens was completed with 15,650 sq m in the Váci Corridor. Furthermore, one asset was added to the BRF stock as in the future it will operate as an office building again.

The total modern office **stock** currently adds up to 3,446,110 sq m, consisting of 2,781,660 sq m category 'A' and 'B' speculative office space as well as 664,450 sq m owner occupied space.



Split of office demand in Q1 2018

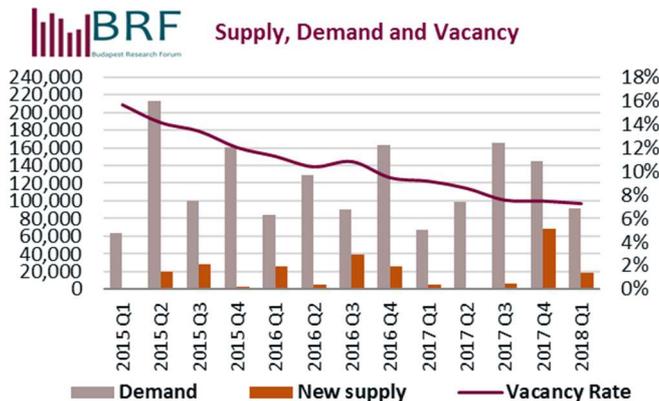


Similarly to the previous quarter, the strongest occupational activity was recorded in the Váci Corridor submarket, attracting almost 36% of the total demand. The Váci Corridor was followed by the CBD and Central Buda submarkets, both with a ca. 12% share in the total demand.

According to the BRF, 139 lease agreements were signed in Q1 2018, with an average deal size of 655 sq m. BRF registered 24 transactions occupying more than 1,000 sq m office area split into 13 new transactions, 7 renewals, 2 pre-leases and 2 expansions.

The quarter's three largest transactions were new contracts, all three of them were signed in the Váci Corridor submarket. From these transactions the biggest deal was signed in V188 office building on 6,950 sq m. The biggest renewal was signed in the Terrapark office complex with a total size of 4,770 sq m, whilst the biggest pre-lease was registered in EcoDome on 1,240 sq m. The quarter's largest expansion was signed in MOM Park Towers with a size of 1,100 sq m.

The **net absorption** in this quarter amounts to 37,425 sq m.



As the result of our annual stock revision, 1 building was excluded from the modern stock and further 46 buildings GLA's were amended due to re-measurements taken place over the beginning of 2018.

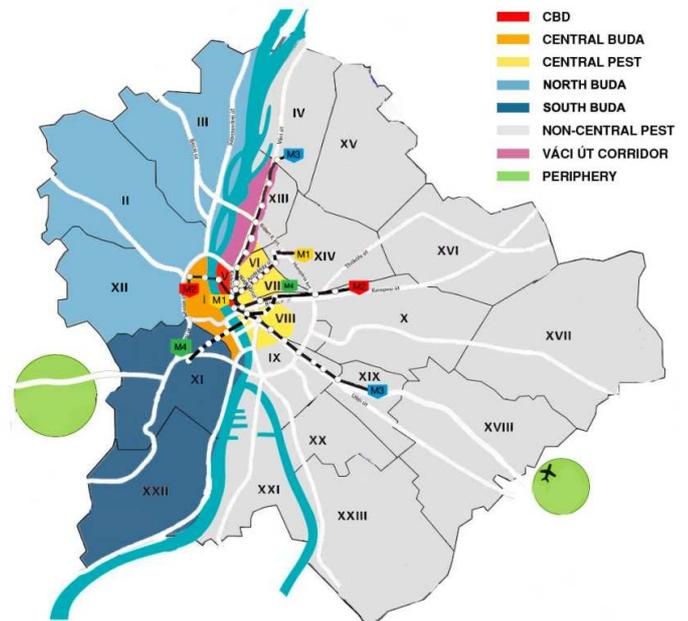
The office **vacancy rate** has decreased to 7.3%, representing a 0.2 pps reduction quarter-on-quarter - the lowest rate ever recorded on Budapest office market. In line with the preceding quarters, the lowest vacancy rate was measured in the South Buda (2.7%) submarket whereas the Periphery still suffers from an overwhelming 31.2% vacancy rate.

**Total demand** in the first quarter of 2018 reached 91,100 sq m, representing a 36% increase year-on-year. New leases accounted for 59.4% of the total leasing activity, while renewals were represented a 26.4% share. Expansions accounted for 9.5%, whereas pre-leases made up the remaining 4.7%.

### Main office indicators

Q1 2018	Budapest
Completions (sq m)	18 280
Speculative Stock (sq m)	2 781 660
OO Stock (sq m)	664 450
Total Stock (sq m)	3 446 110
Vacancy (sq m)	250 460
Vacancy Rate (%)	7.3%
Pre-lease (sq m)	4 240
New Lease (sq m)	54 150
Lease expansion (sq m)	8 640
Lease Renewal (sq m)	24 070
Owner Occupation (sq m)	0
Total demand (sq m)	91 100
Net absorption (sq m)	37 425

### Map of submarkets



### More information

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