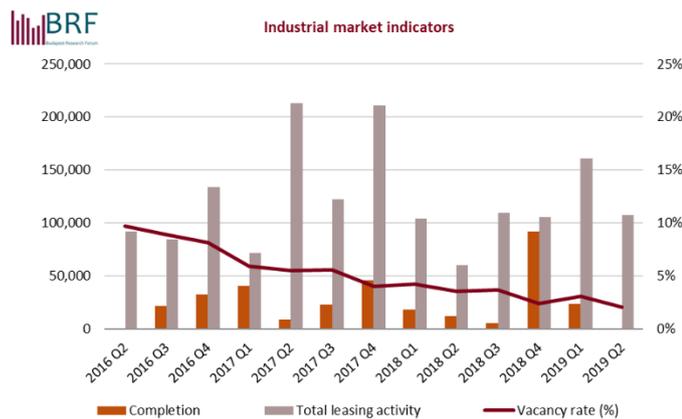


The Budapest Research Forum (BRF, which comprises: CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q2 2019 industrial market snapshot.

The second quarter of 2019 saw no new completions on the industrial market in Greater Budapest, hence the total modern industrial stock remained unchanged at 2,200,250 sq m at the end of Q2 2019.



Source: BRF

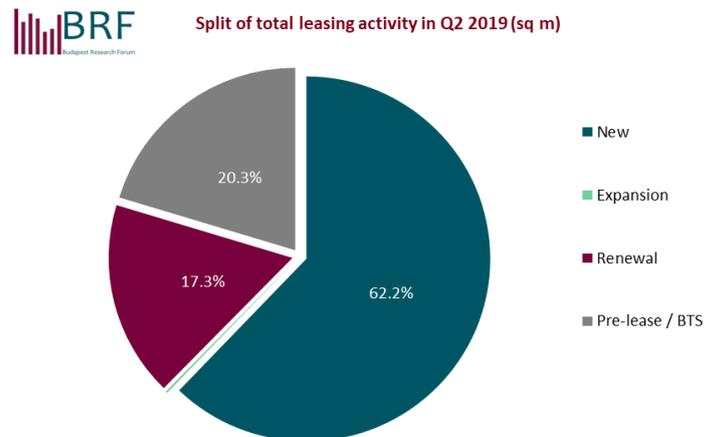
Total demand amounted to 107,070 sq m in Q2 2019, marking a 79% increase from the figure noted in the same period last year. New leases for relocation within the existing stock accounted for an unusually high 62% of the quarterly volume, followed by pre-leases in ongoing developments with 20%. Lease renewals accounted for just 17% despite the tight availability of space, while there was only one minor registered expansion.

23 leasing transactions were recorded in the second quarter, with three agreements signed for more than 10,000 sq m. The average deal size was 4,655 sq m in Q2, which is 39% larger than during the preceding quarter. Again, 96% of the total leasing activity was recorded in logistics parks, while only four transactions were registered in city logistics schemes.

The largest transaction of the quarter was a new lease in Prologis Park Budapest - Sziget for 13,380 sq m, which came coupled with a simultaneous lease by the same tenant in another building within the park, for 4,970 sq m. The second largest deal was a pre-lease agreement for 10,820 sq m in an ongoing construction in CTPark Budapest West. The largest lease renewal was signed for 8,620 sq m in Prologis Park Budapest - Harbor – this was just large enough to land in the top 5 deals by size.

The **vacancy rate** decreased by 1.0 pps q-o-q, to its lowest level on record at just 2.1%. At the end of the second quarter, a total of 47,000 sq m stood vacant, and no existing scheme had more than 5,000 sq m of available warehouse space – the largest availability within a building was 4,300 sq m.

Net absorption totalled 20,600 sq m during the second quarter of 2019, largely due to the lease up of certain sizeable premises that were completed not long ago but still stood vacant as of Q1.



Source: BRF

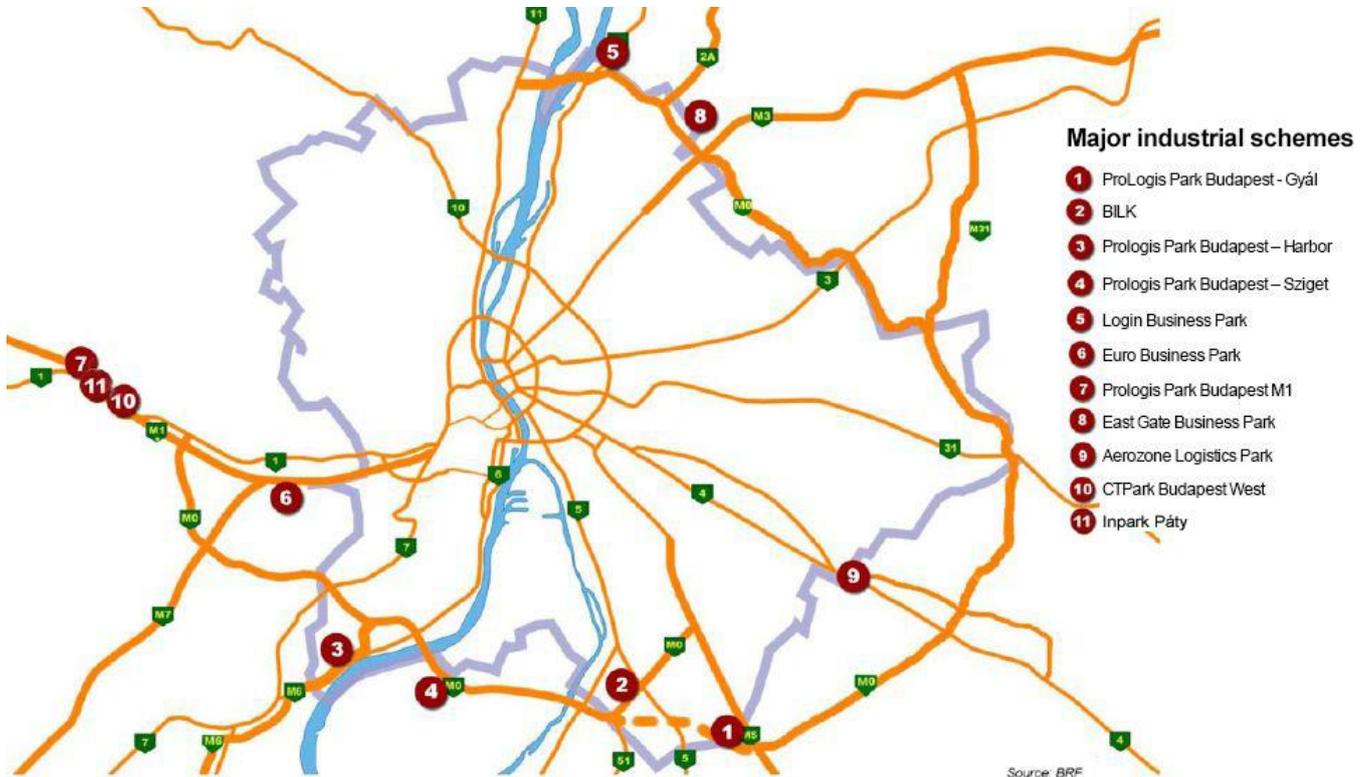
Main industrial indicators

Q2 2019	Logistics Park	City Logistics	Total
Completions (sq m)	-	-	-
Modern stock (sq m)	2,001,490	198,760	2,200,250
Vacant space (sq m)	36,390	10,630	47,020
Vacancy rate (%)	1.8%	5.4%	2.1%
New lease (sq m)	65,460	1,120	66,580
Renewal (sq m)	14,850	3,700	18,550
Expansion (sq m)	180	-	180
Pre-lease/BTS (sq m)	21,760	-	21,760
Total leasing activity (sq m)	102,250	4,820	107,070

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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