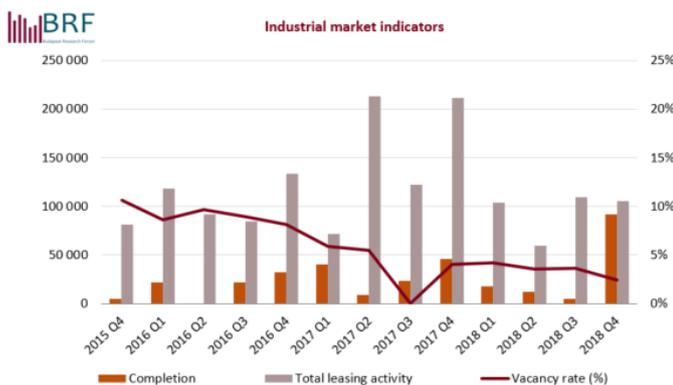


The Budapest Research Forum (BRF, which comprises: CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q4 2018 industrial market snapshot.

In the fourth quarter of 2018, two new phases of Üllő Airport Logistics Center were handed over on a total size of 91,760 sq m.

The total modern industrial stock in Budapest and its surroundings stood at 2,177,880 sq m at the end of Q4 2018.



Source: BRF

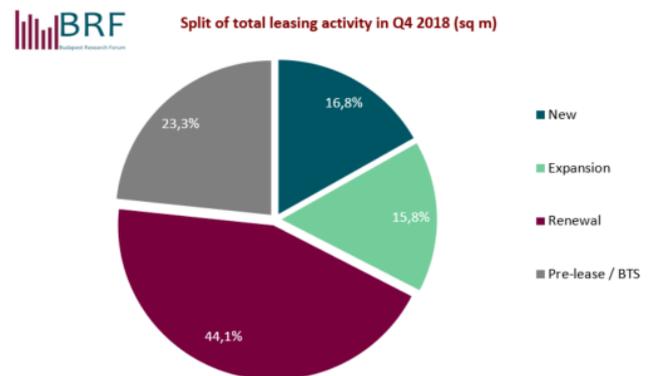
Total demand amounted to 105,070 sq m in Q4 2018, marking a 51% decrease from the figure noted in the same period last year, which had generated the 2nd highest total demand in the history of Budapest. Lease renewals accounted for 44.1% of the quarterly volume, while the share of new leases was 16.8%. Expansions stood for 15.8% of the quarterly volume. Two pre-lease agreements were signed in the fourth quarter, representing 23.3% of the total demand.

32 leasing transactions were recorded in the fourth quarter, out of which three agreements were signed for more than 10,000 sq m. The average transaction size was 3,280 sq m during the quarter. 91% of the total leasing activity was recorded in logistics parks, and three transactions were registered in city logistics accounting for 9% of the total demand in Q4 2018.

The three largest transactions of the quarter were a pre-lease agreement in BILK's recently announced new building on 18,800 sq m, a new deal in East Gate Business Park on 10,420 sq m and a renewal in Prologis Park Budapest – M1 on 10,070 sq m. The largest expansion deal was registered in Tulipán Park on 6,900 sq m. Another pre-lease agreement was signed in the EF building of Airport City Logistics Park on 5,700 sq m.

The **vacancy rate** decreased by a significant margin of 1.3 pps q-o-q, to the current record low level of 2.4% due to the 95% occupancy level of the new Üllő Airport Logistics Center. At the end of the fourth quarter a total of 51,840 sq m stood vacant, and only one existing scheme had more than 5,000 sq m of available warehouse space.

Net absorption totalled 116,170 sq m in the fourth quarter of 2018.



Source: BRF

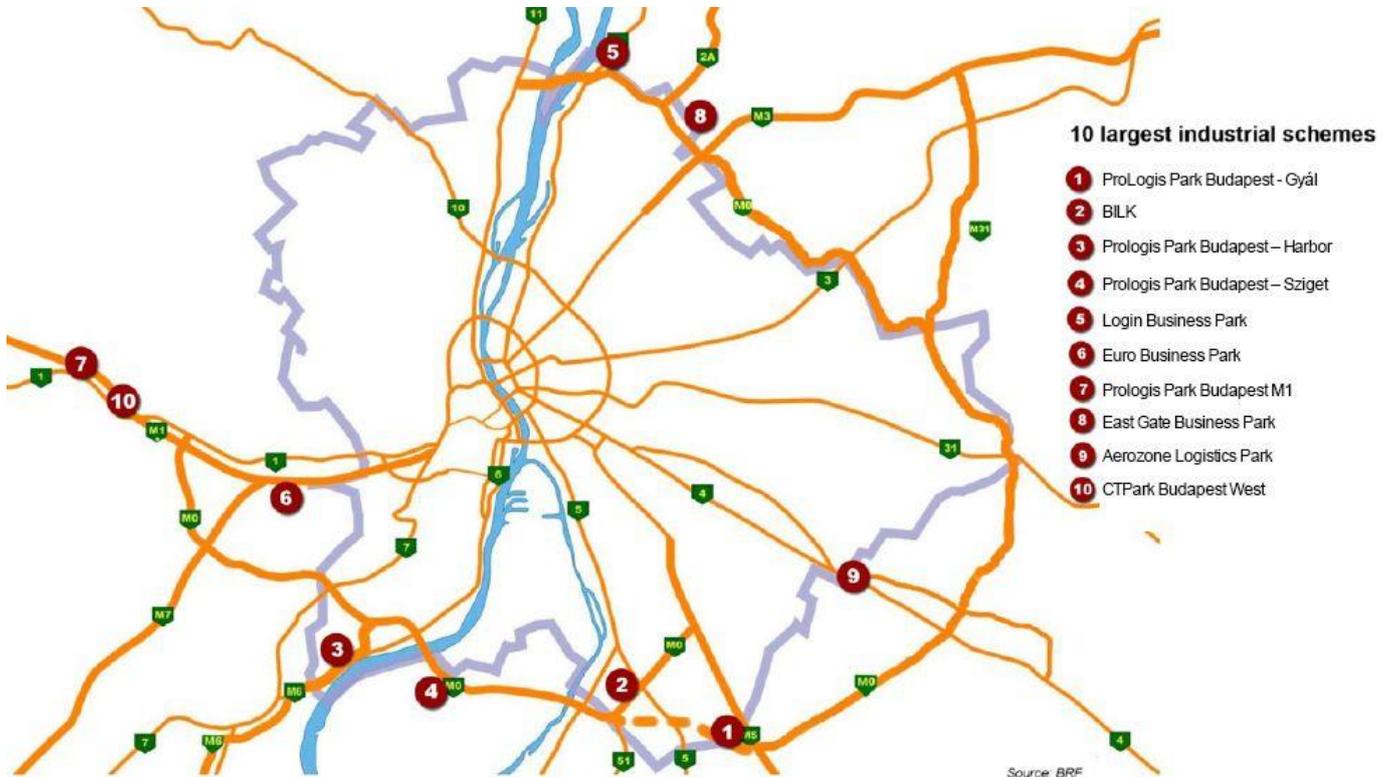
Main industrial indicators

| Q4 2018 | Logistics Park | City Logistics | Total |
|--------------------------------------|------------------|----------------|------------------|
| Completions (sq m) | 91,760 | - | 91,760 |
| Modern stock (sq m) | 1,979,120 | 198,760 | 2,177,880 |
| Vacant space (sq m) | 41,650 | 10,190 | 51,840 |
| Vacancy rate (%) | 2.1% | 5.1% | 2.4% |
| New lease (sq m) | 17,640 | - | 17,640 |
| Renewal (sq m) | 42,850 | 3,470 | 46,320 |
| Expansion (sq m) | 15,120 | 1,490 | 16,610 |
| Pre-lease/BTS (sq m) | 24,500 | - | 24,500 |
| Total leasing activity (sq m) | 105,070 | - | 105,070 |

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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