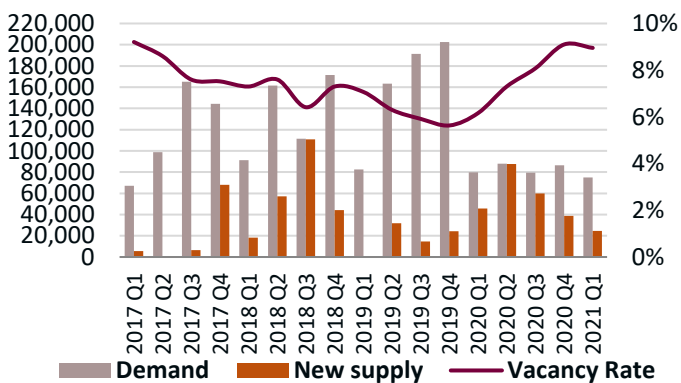


The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q1 2021 office market summary.

In the first quarter of 2021, 24,700 sq m of new office space was delivered to the Budapest office market. Univerzum Office Building (22,000 sq m) was handed over in the South Buda submarket and JA4 Loft Offices (2,700 sq m) was delivered in the Non-Central Pest submarket.

The total modern office **stock** currently adds up to 3.935.990 sq m, consisting of 3.296.520 sq m of 'A' and 'B' category speculative office space as well as 639.470 sq m of owner occupied space.

Supply, Demand and Vacancy



As a result of our annual stock revision, 32 buildings' GLA has been amended as of Q1 due to re-measurement or refurbishment over the past year, a total 24,920 sq m office space has been moved to owner occupied stock and 1 office building was excluded from the speculative office stock.

The office **vacancy rate** has slightly decreased to 9%, representing a 0.1 pps decrease quarter-on-quarter and a 2.8 pps increase year-on-year. In line with the preceding quarters, the most occupied submarket is the North Buda submarket with a 4.8% vacancy rate whereas the highest vacancy rate remained in the Periphery (27.5%).

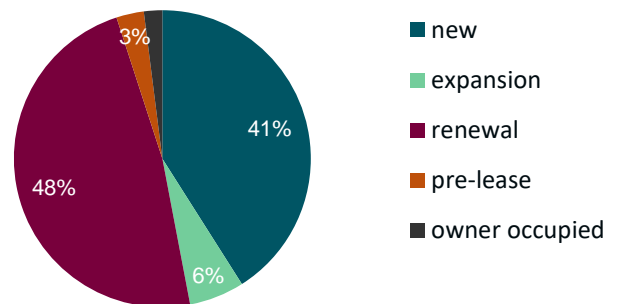
Net absorption rebound to positive territory during the quarter, as the total occupied stock increased by 5,240 sq m adjusted for size revisions.

Total demand reached 74,900 sq m in Q1 2021, representing a 13% decrease quarter-on-quarter and a

6% decrease year-on-year. Renewals still made up the largest share of total leasing activity with 48%, followed by new leases in the existing stock with 41%, expansions of existing premises reached 6%, while pre-leases in new developments amounted to 3% and owner occupation was 2% of the total demand.



Split of office demand in Q1 2021



The strongest occupational activity was recorded in the Váci Corridor submarket, attracting 51% of the total demand. The South Buda and Central Pest submarkets equally ranked second in this respect with 13% share each, and CBD attracted 8% of the total demand.

According to the BRF, 120 lease agreements were concluded in Q1 2021; the average deal size amounted to 624 sq m. The BRF registered five transactions concluded on more than 2,000 sq m office space, including three renewals and two new leases.

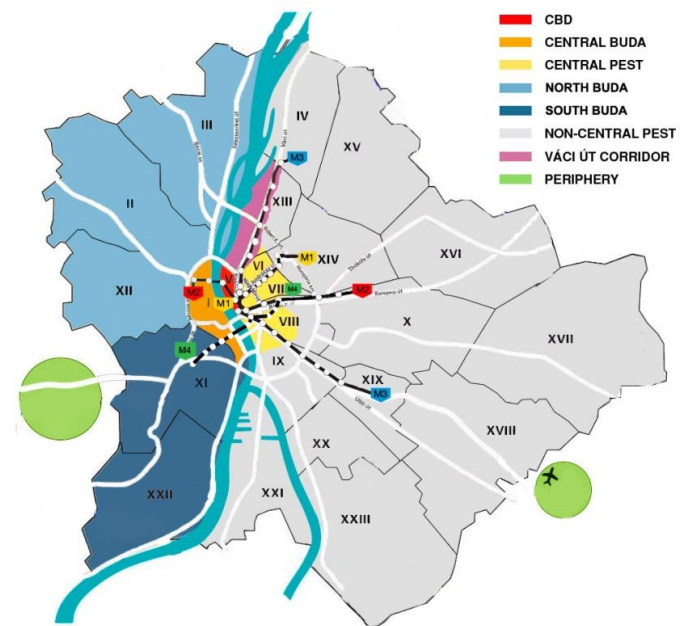
The largest new agreement was signed for a total of 7,180 sq m by Huawei in Agora Hub and Agora Tower office buildings, while the largest renewal was a 11,500 sq m deal in the Thirteen Globe office building. The largest pre-lease deal was concluded for 1,370 sq m office space by Randstad in Green Court Office.

The Q1 2021 office market statistics continued to reflect the uncertainties and economic slow-down triggered by the COVID-19 pandemic. While quarterly demand remained somewhat weaker than in previous years, the gap narrowed as the number of transactions showed recovery.

Main office indicators

Q1 2021	Budapest
Completions (sq m)	24,700
Speculative Stock (sq m)	3,296,520
OO Stock (sq m)	639,470
Total Stock (sq m)	3,935,990
Vacancy (sq m)	352,430
Vacancy Rate (%)	9%
Pre-lease (sq m)	2,510
New Lease (sq m)	30,240
Lease expansion (sq m)	4,550
Lease Renewal (sq m)	36,320
Owner Occupation (sq m)	1,280
Total demand (sq m)	74,900
Net absorption (sq m)	5,240

Map of submarkets



More information

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