

The Budapest Research Forum (BRF, which comprises: CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q1 2021 industrial market snapshot.

In Q1 2021, 40,750 sq m of new space was added to the Greater Budapest modern industrial stock, with the delivery of one new building in CTPark Budapest East scheme located in Üllő. The total **modern industrial stock** stood at 2,415,550 sq m at the quarter end.



Source: BRF

Total demand amounted to 81,820 sq m in Q1 2021, indicating some 3% increase on the volume measured in the corresponding period of the previous year. Take up excluding renewals added up to 44,590 sq m which marks a significant threefold increase over Q1 2020 volumes. Pre-leases dominated the demand with a share of 45%. New relocation leases in the existing stock stood for 10% of total leasing activity, whilst the quarter saw no expansion transactions. Lease renewals accounted for a share of 45% from the quarterly demand.

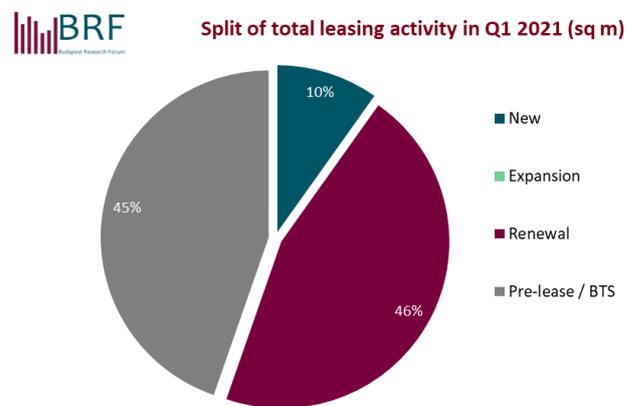
16 leasing transactions were recorded in Q1 2021 with an average transaction size of 5,450 sq m. Three of them were signed for more than 10,000 sq m. 87% of the transaction volumes was recorded in logistics parks, with an average transaction size of 6,450 sq m. The remaining 13% was registered in city logistics parks, where the average transaction size was 2,710 sq m. 54% of the city logistics take-up were renewals, and the remaining 46% included pre-lease agreements.

The three largest deals during the quarter included a 22,000 sq m renewal in M5 Business Park in Gyál, a 15,970 sq m pre-lease agreement in CTPark Vecsés and another

pre-lease agreement for 10,650 sq m in CTPark Budapest West in Biatorbágy.

The **vacancy rate** at the end of Q1 2021 stood at 2.6% showing a 0.5%-point increase q-o-q, and a 0.2%-point decrease y-o-y. At the end of the first quarter, a total of 61,620 sq m logistics area stood vacant, and there are only two existing schemes which have availability of more than 5,000 sq m.

Net absorption amounted to 27,020 sq m at the end of Q1 2021.



Source: BRF

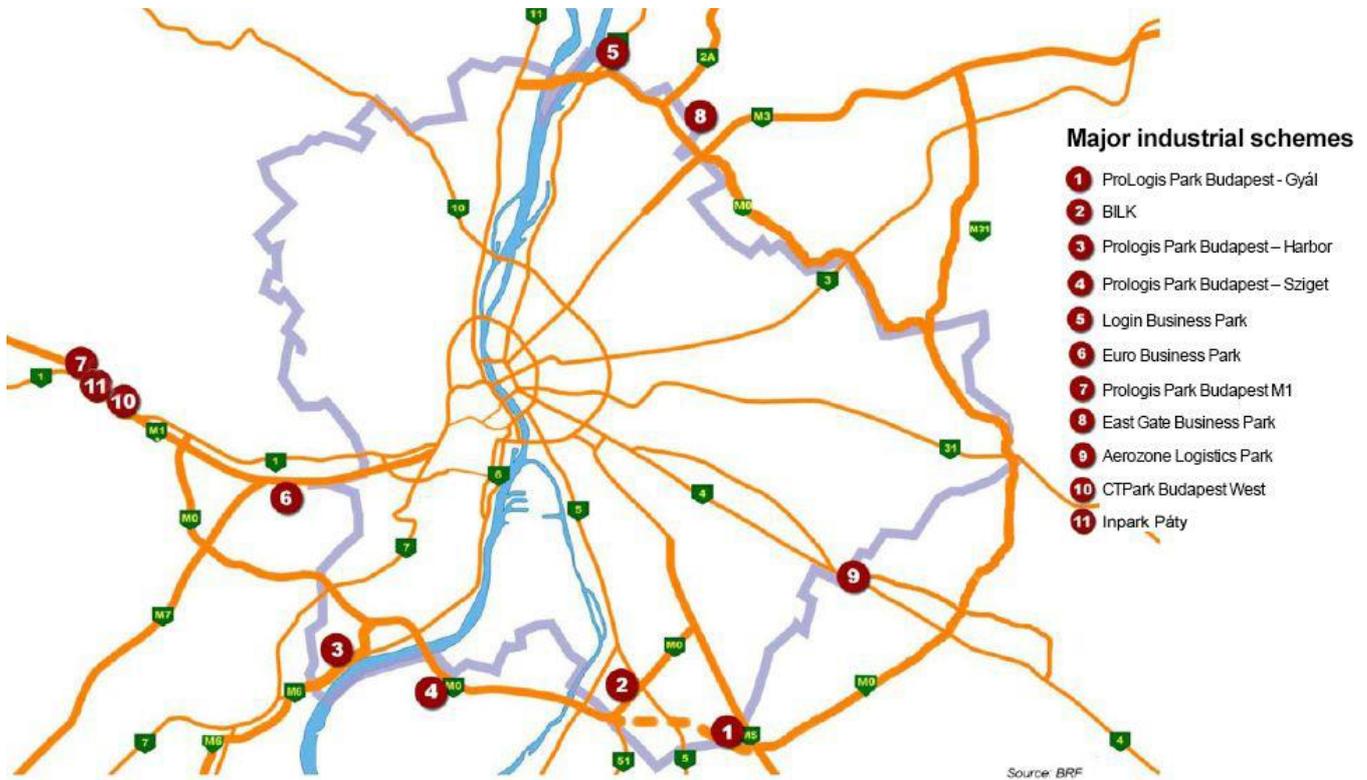
Main industrial indicators

Q1 2021	Logistics Park	City Logistics	Total
Completions (sq m)	40,750	0	40,750
Modern stock (sq m)	2,201,420	214,130	2,415,550
Vacant space (sq m)	50,090	11,530	61,620
Vacancy rate (%)	2.3%	5.4%	2.6%
New lease (sq m)	8,020	0	8,020
Renewal (sq m)	31,430	5,800	37,230
Expansion (sq m)	0	0	0
Pre-lease/BTS (sq m)	31,530	5,040	36,570
Total leasing activity (sq m)	70,980	10,840	81,820

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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