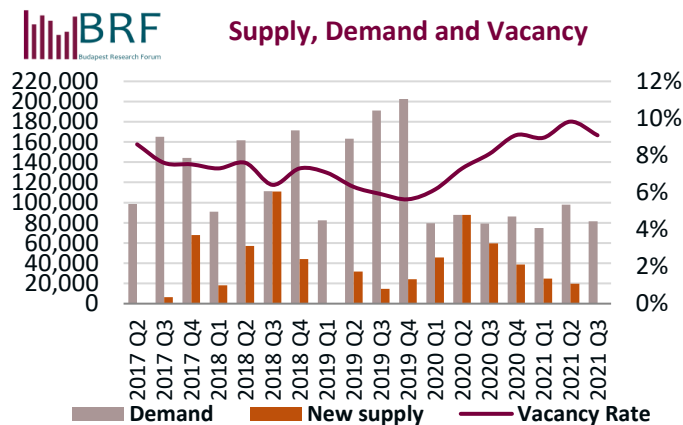


The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q3 2021 office market summary.

The total modern office **stock** currently adds up to 3,955,600 sq m, consisting of 3,309,000 sq m of 'A' and 'B' category speculative office space as well as 646,600 sq m of owner-occupied space.

In the third quarter of 2021, there was no new supply delivered on the Budapest office market. During this quarter 7,100 sq m were moved from the speculative to the owner-occupied space, consisting of two office buildings.



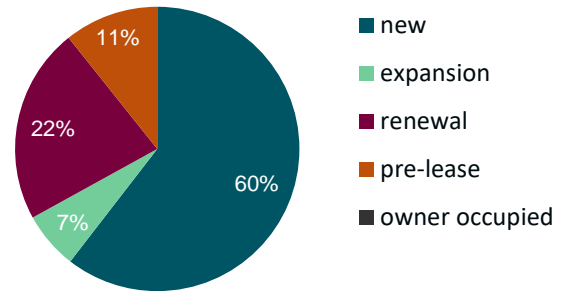
The office **vacancy rate** decreased to 9.1%, representing a 0.7 pps decrease quarter-on-quarter and a 1.0 pps increase year-on-year. In line with the preceding quarters, the most occupied submarket was North Buda with a 4.6% vacancy rate whereas the highest vacancy rate remained in the Periphery (31.8%).

Net absorption rebounded to positive territory during the quarter, as the total occupied stock increased by 29,300 sq m.

Total demand reached 81,500 sq m in Q3 2021, representing a 17% decrease quarter-on-quarter, but a 3% increase year-on-year. New leases overpowered regarding the share of total leasing activity with 60%, followed by renewals in the existing stock with 22%, pre-leases in new developments amounted to 11%, while expansions of existing premises reached 7% of the total demand.



Split of office demand in Q3 2021



The strongest occupational activity was recorded in the Non-Central Pest and Váci Corridor submarket, attracting 22% and 21% of the total demand. The Central Pest and South Buda submarkets attracted 18% and 14% of the transactions, and 10% of the total demand was realised in the CBD submarket.

According to the BRF, 146 lease agreements were concluded in Q3 2021; the average deal size amounted to 560 sq m. The BRF registered seven transactions concluded on more than 2,000 sq m office space, including five new leases, one renewal and one pre-lease.

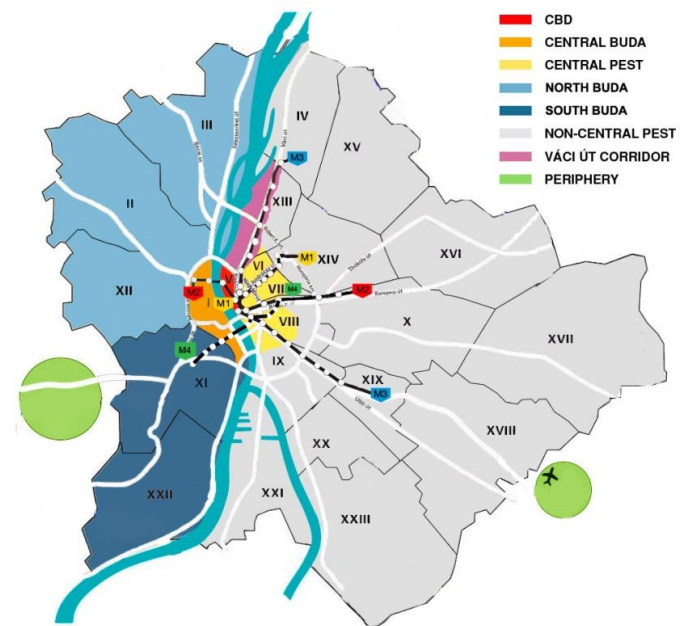
The largest new agreement was signed for a total of 4,300 sq m in BudaPart City office buildings, while the largest renewal was a 3,800 sq m deal in Terra Park C.

The Q3 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 and vacancy rate slowly begins to decrease.

Main office indicators

Q3 2021	Budapest
Completions (sq m)	0
Speculative Stock (sq m)	3,309,000
OO Stock (sq m)	646,600
Total Stock (sq m)	3,955,600
Vacancy (sq m)	359,500
Vacancy Rate (%)	9.1%
Pre-lease (sq m)	8,700
New Lease (sq m)	49,300
Lease expansion (sq m)	5,300
Lease Renewal (sq m)	18,200
Owner Occupation (sq m)	0
Total demand (sq m)	81,500
Net absorption (sq m)	29,300

Map of submarkets



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