

OFFICE MARKET

Q1 2022

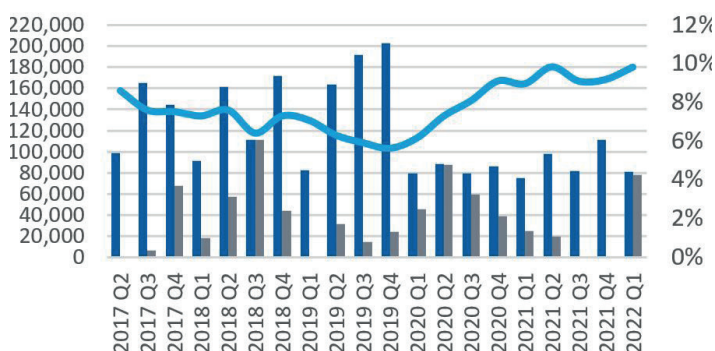


The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q1 2022 office market summary.

The total modern office **stock** currently adds up to 4,053,940 sqm, consisting of 3,387,460 sqm of 'A' and 'B' category speculative office space as well as 666,480 sqm of owner-occupied space.

In the first quarter of 2022, three new office buildings and one owner-occupied refurbishment was delivered to the Budapest office market with the total of 78,350 sq m. In the first quarter, one office building was transferred from the speculative office stock to the owner-occupied stock, representing the reallocation of 2,800 sq m. Two buildings were removed from the modern speculative stock, totaling 4,810 sq m. The size of several buildings was also reviewed and modified in the first quarter.

Supply, Demand and Vacancy

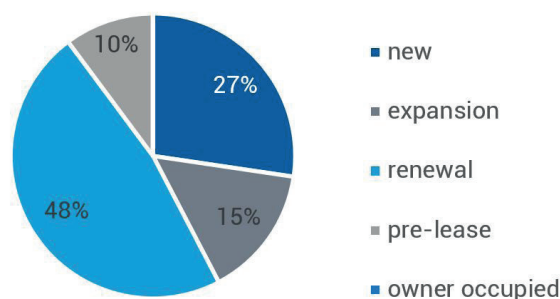


The office **vacancy rate** increased to 9.8%, representing a 0.6 pps increase quarter-on-quarter and an increase of 0.8 pps year-on-year. The lowest vacancy was registered in North Buda with a 5.6% vacancy rate, whereas the highest vacancy rate remained in the Periphery submarket (31.0%).

Net absorption has recovered to positive territory by the end of the first quarter, amounting to 44,100 sq m.

Total demand reached 80,750 sq m in Q1 2022, representing a 7% increase year-on-year. Lease renewals stood for the largest share of total leasing activity with 47%, followed by new leases in the existing stock with 27%, expansions of existing premises reached 15%, while pre-leases in new developments reached 10% of the total demand.

Split of office demand in Q1 2022



The **strongest occupational activity** was recorded in South Buda, attracting 21% of the total demand. Váci Corridor submarket reached second place with 17%, followed by the Central Pest (16%) and Non-Central Pest (16%) submarkets. North Buda also registered a double-digit share with 11% of the total demand.

According to the BRF, 122 lease agreements were concluded in Q1 2022 and the average deal size amounted to 662 sq m. The BRF registered eight transactions concluded on more than 2,000 sq m office space, including four renewals, one new lease, two pre-lease and one expansion.

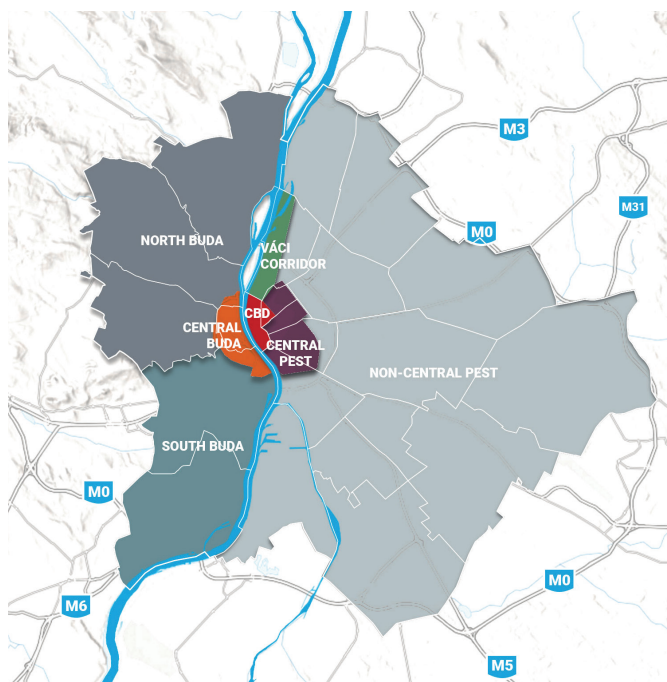
The largest transaction during the first quarter was a lease renewal for the total of 8,410 sq m in Infopark, while the one new lease agreement was signed for a total of 3,760 sq m in Dorottya Udvar.

The Q1 2022 office market statistics continued to reflect the lingering uncertainties affecting the office market, yet it is reassuring that since the beginning of the pandemic, the first quarter of 2022 has the strongest first quarter leasing activity. The share of net take-up is higher than the share of renewals and with the arrival of a significant

I. MAIN OFFICE INDICATORS

Q1 2022	Budapest
Completions (sq m)	78 350
Speculative Stock (sq m)	3 387 460
OO Stock (sq m)	666 480
Total Stock (sq m)	4 053 940
Vacancy (sq m)	397 755
Vacancy Rate (%)	9,8%
Pre-lease (sq m)	8 220
New Lease (sq m)	22 070
Lease expansion (sq m)	12 120
Lease Renewal (sq m)	38 330
Owner Occupation (sq m)	0
Total demand (sq m)	80 750
Net absorption (sq m)	44 100

II. MAP OF SUBMARKETS



MORE INFORMATION

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