

INDUSTRIAL PROPERTY MARKET

Q2 2022



The Budapest Research Forum (BRF, which comprises: CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q2 2022 industrial market snapshot.

The total **modern industrial stock** stood at 4,307,950 sq m at the end of the first quarter. The stock in Greater Budapest reached 2,927,900 sq m, while further 1,380,050 sq m of space is located in Regional Hungary. The level of new completion in Q2 was 115,390 sq m in Greater Budapest and 47,260 sq m in Regional Hungary. HelloParks in Fót marked the largest new completion with 45,350 sq m and VGP Park Győr Beta has expanded by 10,000 sq m.

17 leasing transactions in Greater Budapest were recorded in Q2 2022 with an average transaction size of 6,680 sq m – four of them were signed for more than 10,000 sq m. The majority of the leases were still signed in big-box logistics parks, as the city-logistics stock registered only three agreements.

The largest transaction in the quarter was a lease renewal (22,180 sq m in Prologis Park Budapest-Gyál), while the largest transaction in the take-up was a pre-lease (21,500 sq m in GLP Sziget Logistics Center).

Quarterly net absorption in Greater Budapest was a 44,730 sq m.

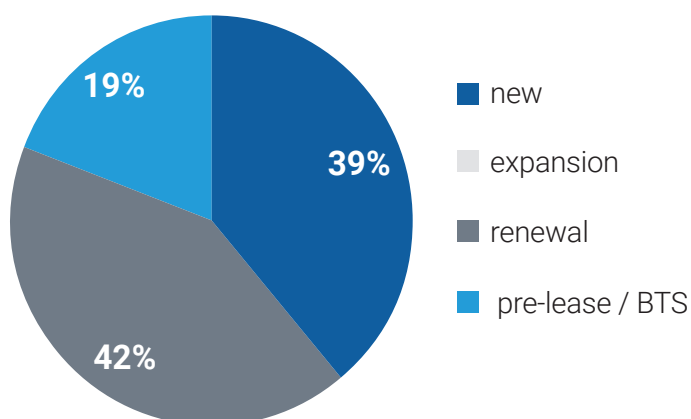
Industrial Market Indicators (Greater Budapest)



The **vacancy rate** at the end of Q2 2022 stood at 6.4% in Greater Budapest (2.3 pps increase q-o-q and a 2.5 pps increase y-o-y). At the end of the second quarter, a total of 187,850 sq m logistics area stood vacant, and there are 13 existing schemes which have availability of more than 5,000 sq m. In Regional Hungary there was 75,310 sq m vacant space, which equals to a 5.5% vacancy rate.

Total demand in Greater Budapest amounted to 113,520 sq m in Q2 2022, indicating a 34.3% decrease on the volume measured in the corresponding period of the previous year. Take-up excluding renewals added up to 65,760 sq m, which marks a decrease of 55.9% compared to the same period last year. Renewals dominated the demand with a share of 42%. New leases in the existing stock accounted for 39%, while pre-leases reached 19% share.

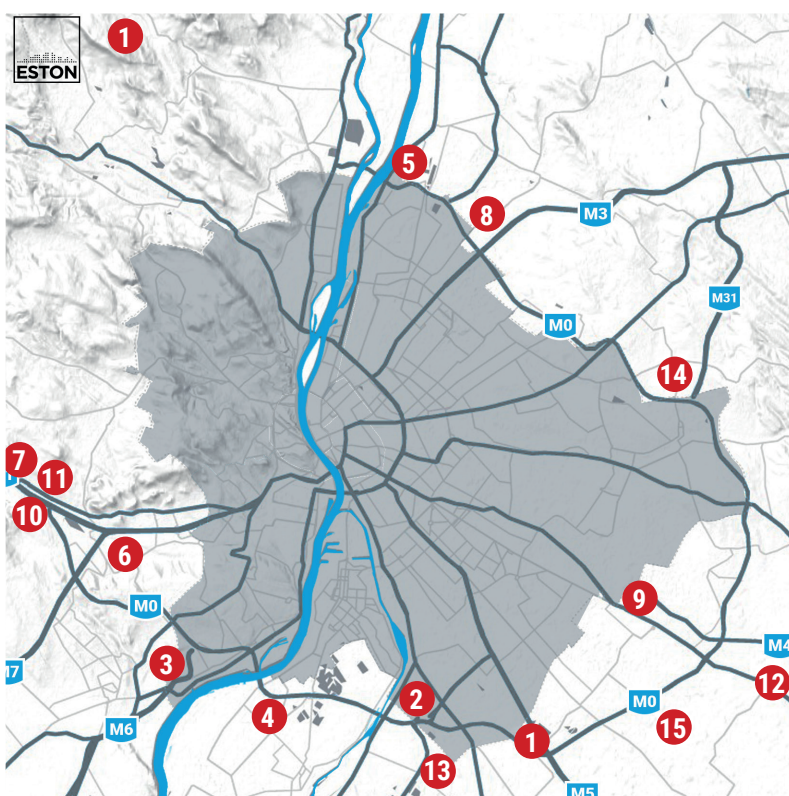
Split of Total Leasing Activity in Q2 2022 (Greater Budapest)



KEY MARKET INDICATORS (GREATER BUDAPEST)

Q2 2022	Logistics Park	City Logistics	Total
Completions (sqm)	110,490	4,900	115,390
Modern stock (sqm)	2,564,640	363,260	2,927,900
Vacant space (sqm)	171,240	16,610	187,850
Vacancy rate (%)	6.7%	4.6%	6.4%
New lease (sqm)	44,260	0	44,260
Renewal (sqm)	37,750	10,020	47,770
Expansion (sqm)	0	0	0
Pre-lease/BTS (sqm)	21,500	0	21,500
Total leasing activity (sqm)	103,510	10,020	113,530

INDUSTRIAL MAP OF BUDAPEST AND ITS SURROUNDINGS



Jelentősebb ipari ingatlan fejlesztések

1. ProLogis Park Budapest - Gyál
2. BILK
3. ProLogis Park Budapest - Harbor
4. ProLogis Park Budapest - Sziget
5. Login Business Park
6. Euro Business Park
7. ProLogis Park Budapest M1
8. East Gate Business Park
9. Aerozone Logistics Park
10. CTPark Budapest West
11. Inpark Páty
12. CTPark Budapest East
13. CTPark Budapest South
14. CTPark Budapest North
15. CTPark Budapest Vecsés

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.

MORE INFORMATION

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