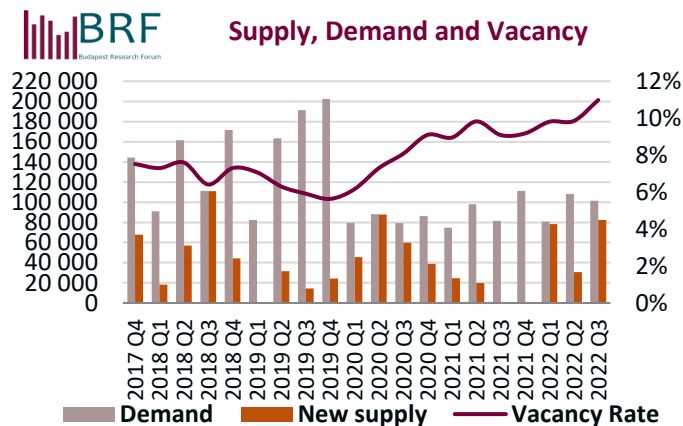


The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q3 2022 office market summary.

The total modern office **stock** currently adds up to 4,175,670 sqm, consisting of 3,452,300 sqm of 'A' and 'B' category speculative office space as well as 723,370 sqm of owner-occupied space.

In the third quarter of 2022, four new office buildings were delivered to the Budapest office market with the total of 82,420 sqm, the new owner-occupied Bosch Campus II building with a size of 17,130 sqm, Millennium Gardens with the size of 20,060 sqm, Budapest One II. & III. phase (37,950 sqm) and Major Udvar with a size of 7,270 sqm. Three buildings (total size: 11.760 sqm) have been moved to the owner-occupied stock. In Q3 the volume of new supply increased significantly compared to the previous quarter, we registered the highest volume since Q2 2020.



The office **vacancy rate** increased to 11.0%, representing a 1.1 pps increase quarter-on-quarter and 1.9 pps increase year-on-year. The lowest vacancy was registered in North Buda with a 4.6% vacancy rate, whereas the highest vacancy rate remained in the Periphery submarket (36.3%).

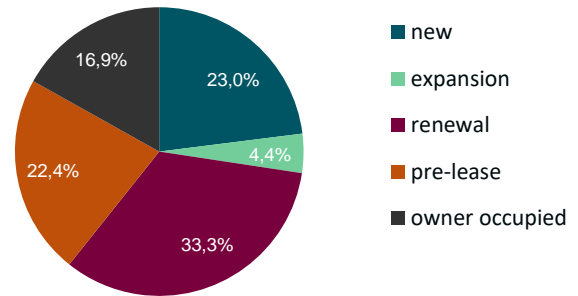
Net absorption has remained positive by the end of the third quarter, amounting to 27,210 sqm and reached 105,030 sqm year-to-date.

Total demand reached 101,430 sqm in Q3 2022, representing a 24% increase year-on-year. Lease renewals stood for the largest share of total leasing

activity with 33%, followed by new leases in the existing stock with 23%, pre-leases in new developments reached 22%, expansions of existing premises reached 4%, while the share of owner-occupied buildings was 17% of the total demand.



Split of office demand in Q3 2022



The **strongest occupational activity** was recorded in Non-Central Pest submarket, attracting 36% of the total demand. South Buda submarket reached second place with 29%, followed by the Váci Corridor (14%) and Central Pest (10%) submarkets.

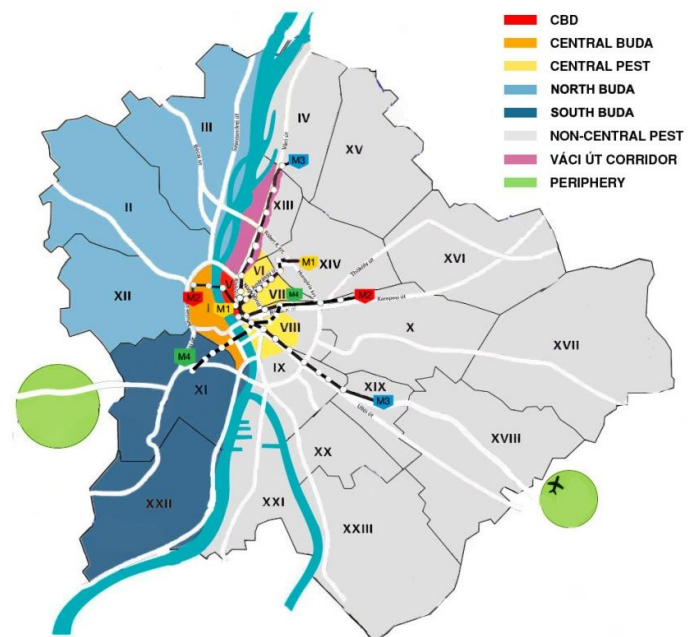
According to the BRF, 97 lease agreements were concluded in Q3 2022 and the average deal size amounted to 1,046 sqm (+39% q/q). The BRF registered eight transactions concluded on more than 2,000 sqm office space, including three renewals, two new leases, one owner occupation and two pre-leases.

The largest speculative transaction during the third quarter was a pre-lease for the total of 16,200 sqm in BakerStreet, while the biggest lease renewal was signed for a total of 14,000 sqm in Arena Corner. The biggest new deal was concluded in BudaPart City with a size of 4.220 sqm. It's important to mention that there was a handover of an owner-occupied building with a size of 17,130 sqm.

Main office indicators

Q3 2022	Budapest
Completions (sqm)	82,420
Speculative Stock (sqm)	3,452,300
OO Stock (sqm)	723,370
Total Stock (sqm)	4,175,670
Vacancy (sqm)	458,560
Vacancy Rate (%)	11%
Pre-lease (sqm)	22,720
New Lease (sqm)	23,340
Expansion (sqm)	4,445
Lease Renewal (sqm)	33,795
Owner Occupation (sqm)	17,130
Total Leasing Activity (sqm)	101,430
Net absorption (sqm)	27,210

Map of submarkets



More information

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