

The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q4 2022 office market summary.

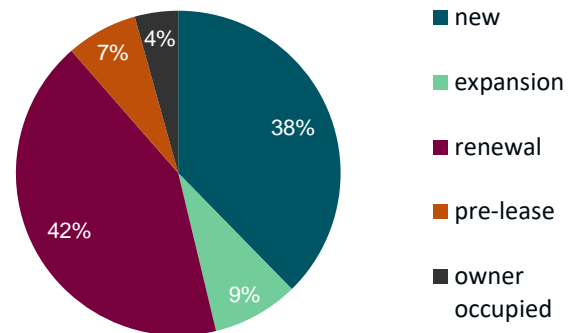
The total modern office **stock** currently adds up to 4,251,570 sqm, consisting of 3,473,820 sqm of 'A' and 'B' category speculative office space as well as 777,750 sqm of owner-occupied space.

In the fourth quarter of 2022, two new office buildings were delivered to the Budapest office market with the total of 75,910 sqm, the new owner-occupied MOL Campus building with a size of 50,000 sqm and H2O Phase 1 with a size of 25,910 sqm. One building with a size of 4,380 sqm has been moved to the owner-occupied stock.

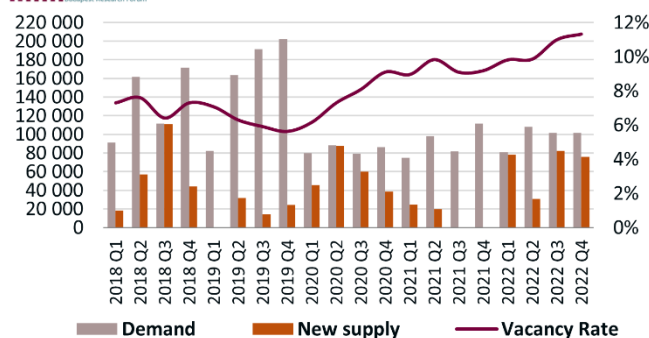
premises reached 9%, pre-leases in new developments reached 7%, while the share of owner-occupied buildings was 4% of the total demand.



Split of office demand in Q4 2022



Supply, Demand and Vacancy



The office **vacancy rate** increased to 11.3%, representing a 0.3 pps increase quarter-on-quarter and 2.1 pps increase year-on-year. The lowest vacancy was registered in North Buda with a 4.1% vacancy rate, whereas the highest vacancy rate remained in the Periphery submarket (31.8%).

Net absorption has remained positive by the end of the fourth quarter, amounting to 53,480 sqm and reached 158,510 sqm year-to-date.

Total demand reached 101,480 sqm in Q4 2022, which almost equals with the value registered in the previous quarter. However, compared to same period of last year, it represents a 9% decrease. The total demand of 2022 added up to 391,670 sqm, which shows a 7% increase from 2021. Lease renewals stood for the largest share of total leasing activity with 42%, followed by new leases in the existing stock with 38%, expansions of existing

The **strongest occupational activity** was recorded in Váci Corridor submarket, attracting 37% of the total demand. Central Pest submarket reached second place with 21%, followed by the North Buda with 14%.

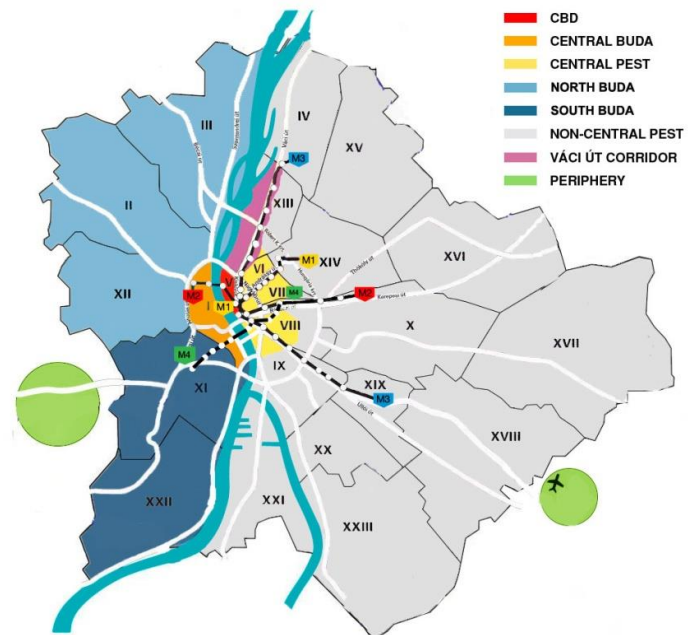
According to the BRF, 140 lease agreements were concluded in Q4 2022 and the average deal size amounted to 725 sqm (-31% q/q). The BRF registered five transactions concluded on more than 3,000 sqm office space, including three renewals, one new lease and one owner occupation.

The largest transaction during the fourth quarter was a new lease for 6,500 sqm in Váci Greens B, while the biggest lease renewal was signed for a total of 8,170 sqm in Promenade Gardens.

Main office indicators

Q4 2022	Budapest
Completions (sqm)	75,910
Speculative Stock (sqm)	3,473,820
OO Stock (sqm)	777,750
Total Stock (sqm)	4,251,570
Vacancy (sqm)	480,980
Vacancy Rate (%)	11.3%
Pre-lease (sqm)	7,220
New Lease (sqm)	38,230
Expansion (sqm)	8,710
Lease Renewal (sqm)	42,940
Owner Occupation (sqm)	4,380
Total Leasing Activity (sqm)	101,480
Net absorption (sqm)	53,480

Map of submarkets



More information

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