

INDUSTRIAL PROPERTY MARKET

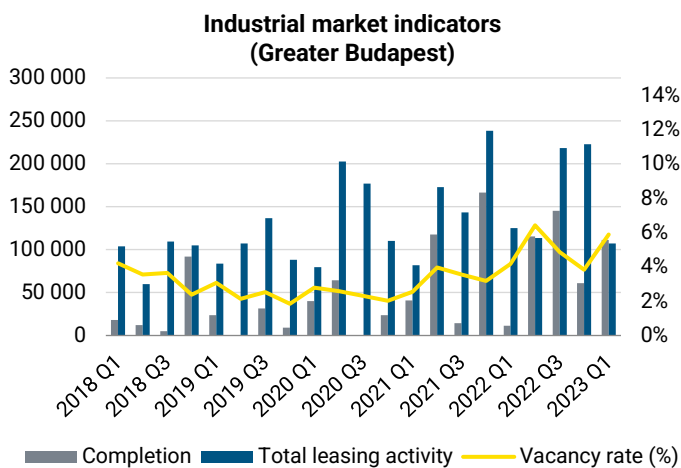
Q1 2023



The Budapest Research Forum (BRF, which comprises: CBRE, Colliers, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q1 2023 industrial market snapshot.

The **total modern industrial stock in Hungary** was 4,729,935 sq m at the end of Q1. The **stock in Greater Budapest** reached 3,241,150 sq m, while a further 1,488,785 sq m of industrial space is located in Regional Hungary. Due to the annual size revision, the stock grew by 5,815 sq m, additionally three previously not registered industrial schemes were included in the stock in Q1 2023.

In Q1 2023, the Greater Budapest speculative stock increased by five buildings, totalling 111,330 sq m, while in Regional Hungary, four new buildings were handed over, totalling 45,835 sq m. In the former, the largest new delivery was HelloParks Maglód with 46,275 sq m of space, while the largest new delivery in Regional Hungary was in Miskolc adding a new scheme of 20,000 sq m to the regional stock.

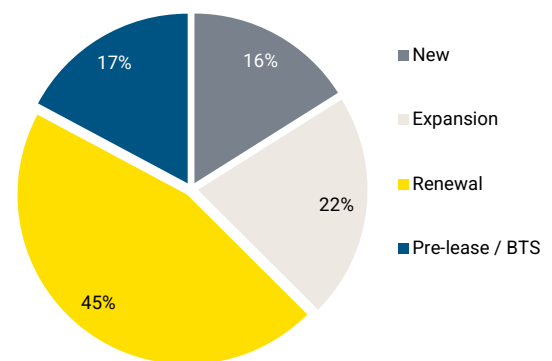


Source: BRF

The **vacancy rate** at the end of Q1 2023 was 5.9% in Greater Budapest, an increase of 210 basis points quarter-on-quarter and an increase of 170 basis points year-on-year. At the end of the quarter, a total of 190,680 sq m of logistics space was vacant in Greater Budapest, while vacant areas outside Budapest reached 94,825 sq m, corresponding to a vacancy rate of 6.4%. On national level the vacancy rate stands at 6%.

Total demand in Greater Budapest amounted to 107,025 sq m in Q1 2023, indicating a decrease of 15% year-on-year. In Q1, take-up excluding renewals reached 58,000 sq m, showing a decrease of 43% compared to the same period of last year. The largest transaction outside Budapest was a pre-lease agreement of 25,000 sq m at VGP Park Győr Beta, while in Greater Budapest the largest lease agreement was a lease renewal for 23,000 sq m at Prologis Park - Gyál. Renewals accounted for 45% of gross take-up, which was followed by expansions with a share of 22%. Pre-leases accounted for 17% of gross take-up, while new leases accounted for 16%.

Split of total leasing activity in Greater Budapest, Q1 2023 (sqm)



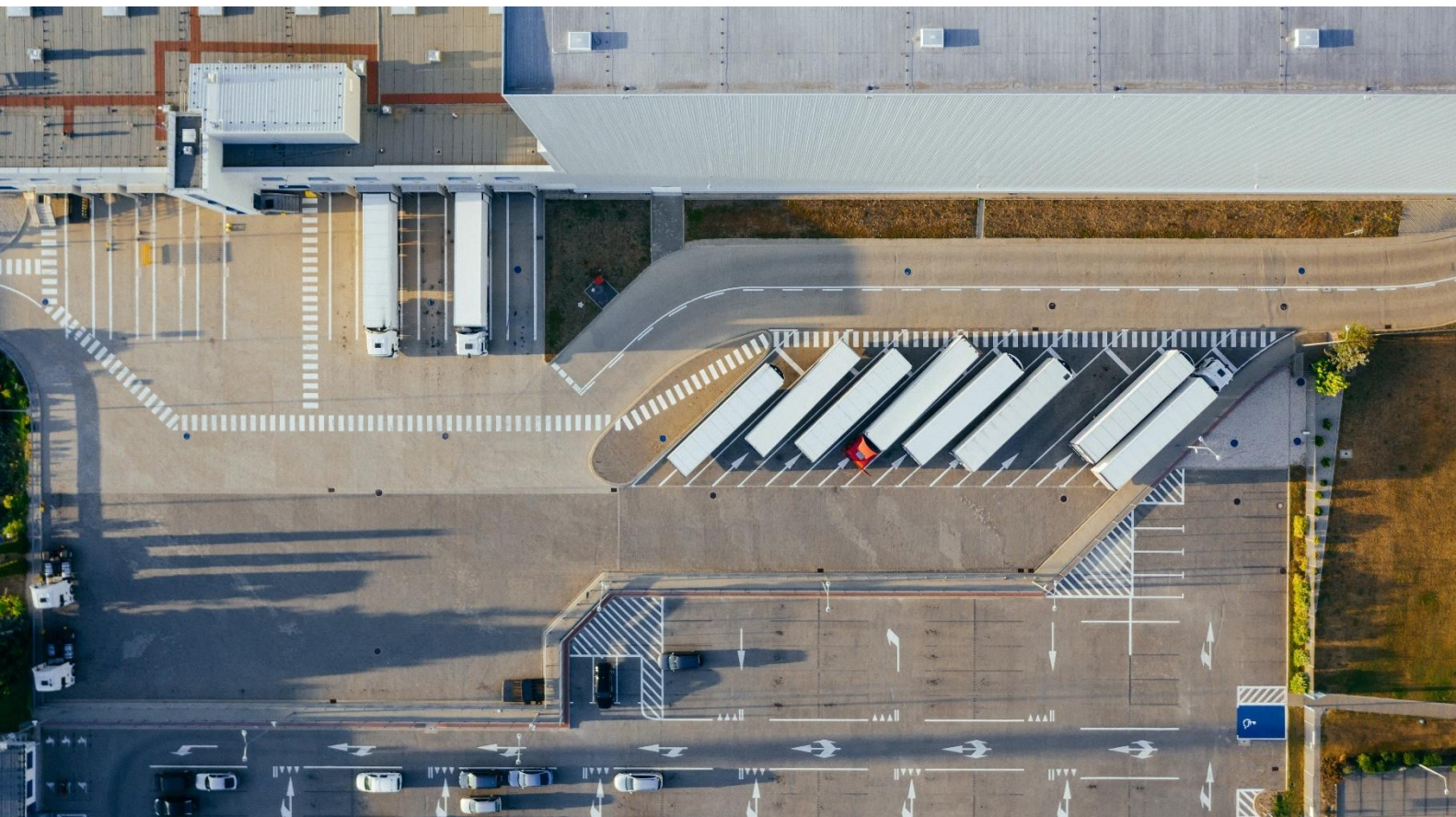
Source: BRF

In the first quarter of 2023, 25 leasing transactions were registered in Greater Budapest, with an average transaction size of 4,280 sq m – three of them for more than 10,000 sq m. The majority of leases continued to be concluded in big-box logistics parks, while in city-logistics parks eight agreements has been registered with an average size of 1,35 sq m.

In Q1, the **net absorption** of Greater Budapest with respect of size correction has remained positive and reached 40,790 sq m.

I. Summary

| Q1 2023 | Logistics Park | City Logistics | Total |
|-------------------------------|----------------|----------------|-----------|
| Completions (sq m) | 96,535 | 14,790 | 111,330 |
| Modern stock (sq m) | 2,859,695 | 381,460 | 3,241,150 |
| Vacant space (sq m) | 147,140 | 43,540 | 190,680 |
| Vacancy rate (%) | 5.2% | 11.4% | 5.9% |
| New lease (sq m) | 11,505 | 4,75 | 16,265 |
| Renewal (sq m) | 48,840 | 185 | 49,020 |
| Expansion (sq m) | 20,910 | 2,240 | 23,150 |
| Pre-lease/BTS (sq m) | 17,485 | 1,105 | 18,590 |
| Total leasing activity (sq m) | 98,740 | 8,285 | 107,025 |



MORE INFORMATION

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