

INDUSTRIAL PROPERTY MARKET

Q2 2023



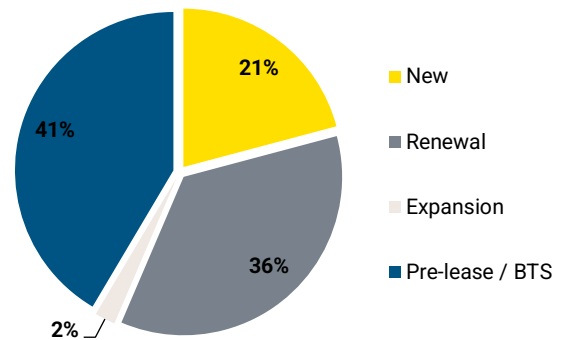
The Budapest Research Forum (BRF, which comprises: CBRE, Colliers, Cushman & Wakefield, ESTON International, iO Partners and Robertson Hungary) sets out below its Q2 2023 industrial market snapshot.

The total **modern industrial stock** in Hungary was 4,814,000 sq m at the end of Q2. The stock in Greater Budapest reached 3,306,740 sq m, while a further 1,507,260 sq m of industrial space was located in Regional Hungary.

In Q2 2023, the Greater Budapest speculative stock increased by 65,580 sq m, adding six buildings to the stock, while in Regional Hungary, one new building was handed over. In the former, the largest new delivery was CTPark Ecser 1 with 42,460 sq m of space, while the only new delivery in Regional Hungary was in Miskolc by IGPark, adding 18,480 sq m to the regional stock.

reached 80,390 sq m, showing a 22% increase compared to the same period of last year. The largest transaction outside Budapest was a pre-lease agreement of 32,000 sq m at VGP Park Kecskemét, while in Greater Budapest the largest lease agreement was also a pre-lease agreement for 22,770 sq m at HelloParks Páty. Pre-leases accounted for 41% of gross take-up, which was followed by renewals with a share of 36%. New leases recorded 21% of gross take-up, while expansions noted 2% from the whole.

Split of total leasing activity in Greater Budapest, Q2 2023 (sqm)

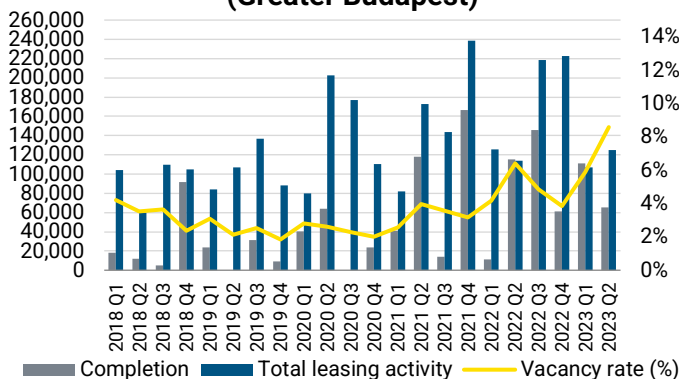


Source: BRF

In the second quarter of 2023, 21 leasing transactions were registered in Greater Budapest, with an average transaction size of 5,940 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 seven agreements has been registered with an average size of 2,320 sq m.

In Q2, the **net absorption** of Greater Budapest has become negative and amounted to -27,470 sq m.

Industrial market indicators (Greater Budapest)



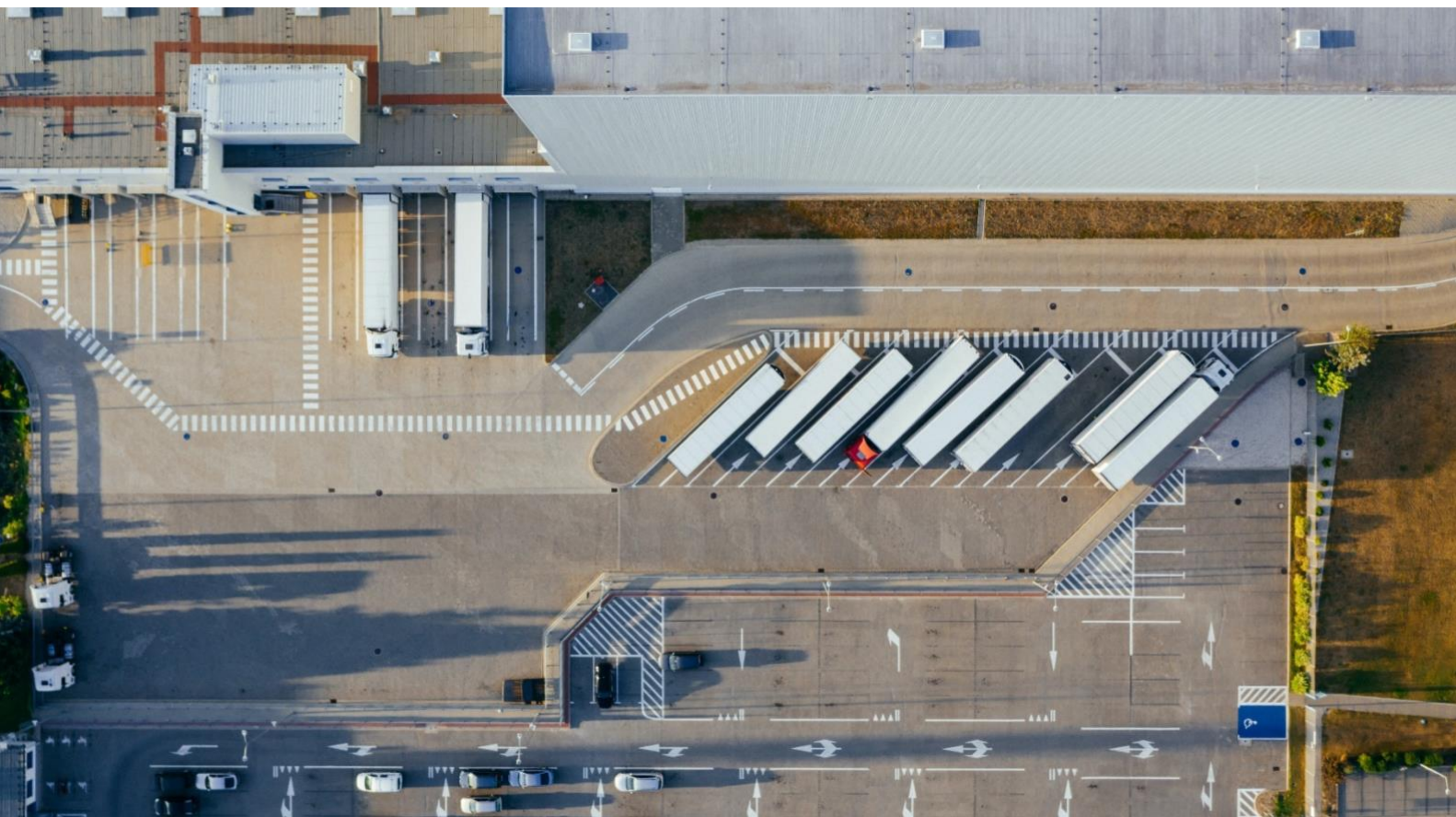
Source: BRF

The **vacancy rate** at the end of Q2 2023 was 8.6% in Greater Budapest, an increase of 270 basis points quarter-on-quarter and an increase of 220 basis points year-on-year. At the end of the quarter, a total of 283,740 sq m of logistics space was vacant in Greater Budapest, while vacant areas outside Budapest reached 104,140 sq m, corresponding to a vacancy rate of 6.9%. The national countrywide vacancy rate stands at 8.1%.

Total demand in Greater Budapest amounted to 124,770 sq m in Q2 2023, indicating an increase of 10% year-on-year. In Q2, take-up excluding renewals

I. Summary

Q2 2023	Logistics Park	City Logistics	Total
Completions (sq m)	42,460	23,120	65,580
Modern stock (sq m)	2,902,160	404,580	3,306,740
Vacant space (sq m)	223,340	60,390	283,730
Vacancy rate (%)	7.7%	14.9%	8.6%
New lease (sq m)	20,790	5,230	26,020
Renewal (sq m)	36,180	8,210	44,390
Expansion (sq m)	2,610	0	2,610
Pre-lease/BTS (sq m)	48,930	2,820	51,750
Total leasing activity (sq m)	108,510	16,260	124,770



MORE INFORMATION

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