

# OFFICE MARKET

Q2 2023



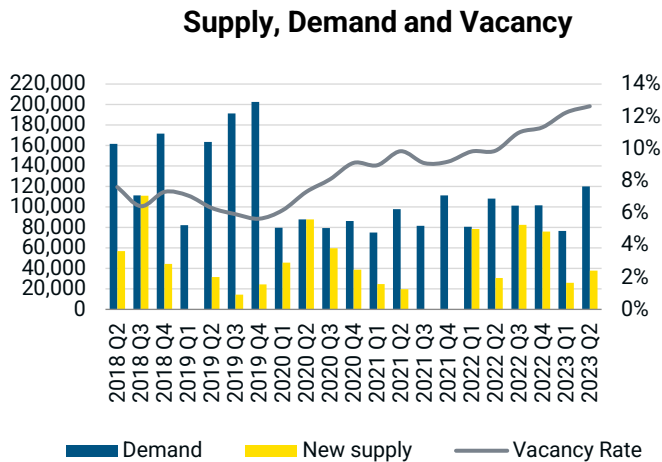
The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers, Cushman & Wakefield, ESTON International, iO Partners and Robertson Hungary) hereby reports its Q2 2023 office market summary.

by lease renewals with a share of 42%, expansions of existing premises took out 6% while pre-leases amounted to 3% of the total demand. We also registered an owner-occupied transaction in the second quarter, which accounted for 3% of the total leasing activity.

The total modern office **stock** currently adds up to 4,334,880 sqm, consisting of 3,536,690 sqm of 'A' and 'B' category speculative office space as well as 798,190 sqm of owner-occupied space.

In the second quarter of 2023, three new office buildings were delivered to the Budapest office market with the total of 38,000 sqm. F99 (14,040 sqm), Roseville (15,540 sqm) and BudaPart Downtown (8,420 sqm) were handed over.

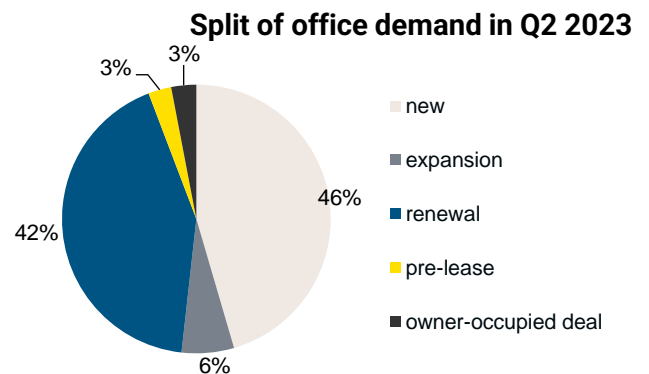
N97 (3,610 sqm) has been moved to the owner-occupied stock.



The office **vacancy rate** increased to 12.6%, representing a 0.4 pps increase quarter-on-quarter and 2.8 pps increase year-on-year. The lowest vacancy was registered in Central Buda with a vacancy rate of 5%, whereas the highest vacancy rate remained in the Periphery submarket (34.8%).

**Net absorption** turned to positive range in the second quarter of 2023, meaning that the size of occupied areas increased by 12,290 sqm.

**Total demand** reached 119,890 sqm in Q2 2023, which is 56% higher than the value registered in the previous quarter. Compared to the same period of 2022, it represents a 11% growth. New leases accounted for the largest share of total leasing activity with 46%, followed



The **strongest occupational activity** was recorded in the Váci Corridor, attracting 33% of the total demand. It was followed by Central Pest submarket reaching 20% of the total demand. Central Buda took out 12% of the quarterly leasing activity, meanwhile Non-Central Pest was able to reach a 11% share in the second quarter.

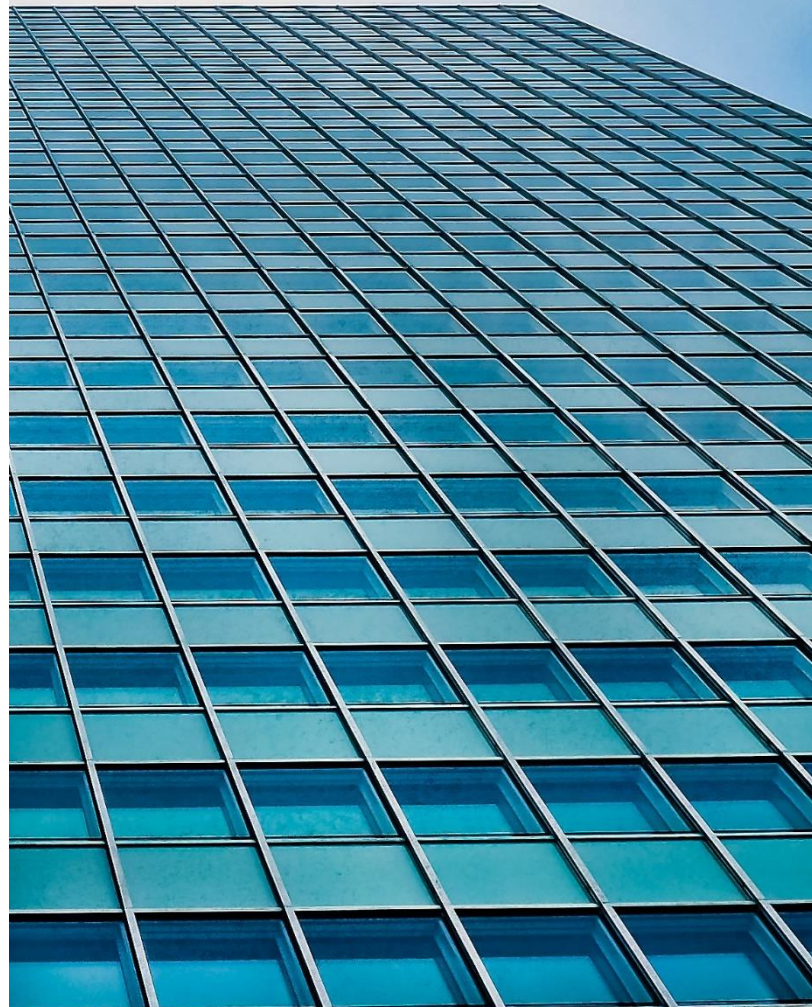
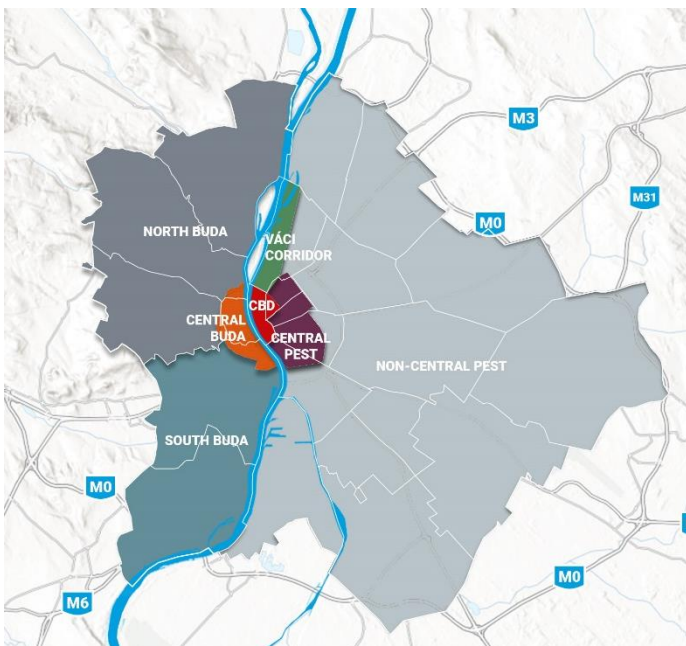
According to the BRF, 162 lease agreements were concluded in Q2 2023 and the average deal size amounted to 740 sqm (+16% q/q). The BRF registered ten transactions concluded on more than 3,000 sqm office space, including five renewals, three new leases, one pre-lease and one owner-occupied deal.

The largest transactions of the quarter were two new leases – one of them was signed in Millennium Tower I for a total of 8,110 sqm, while the other one was the new lease agreement of Lightware for 7,020 sqm in Hungária Office Park VII. The largest lease renewal of the quarter was concluded in Promenade Gardens for 5,420 sqm.

# I. Summary table

Main indicators (Q2 2023)	
Completions (sqm)	38,000
Speculative Stock (sqm)	3,536,690
OO Stock (sqm)	798,190
Total Stock (sqm)	4,334,880
Vacancy (sqm)	546,850
Vacancy Rate (%)	12.6%
Pre-lease (sqm)	3,320
New Lease (sqm)	54,520
Expansion (sqm)	7,550
Lease Renewal (sqm)	50,890
Owner Occupation (sqm)	3,610
Total Leasing Activity (sqm)	119,890
Net absorption (sqm)	12,290

# II. Market map



## MORE INFORMATION

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