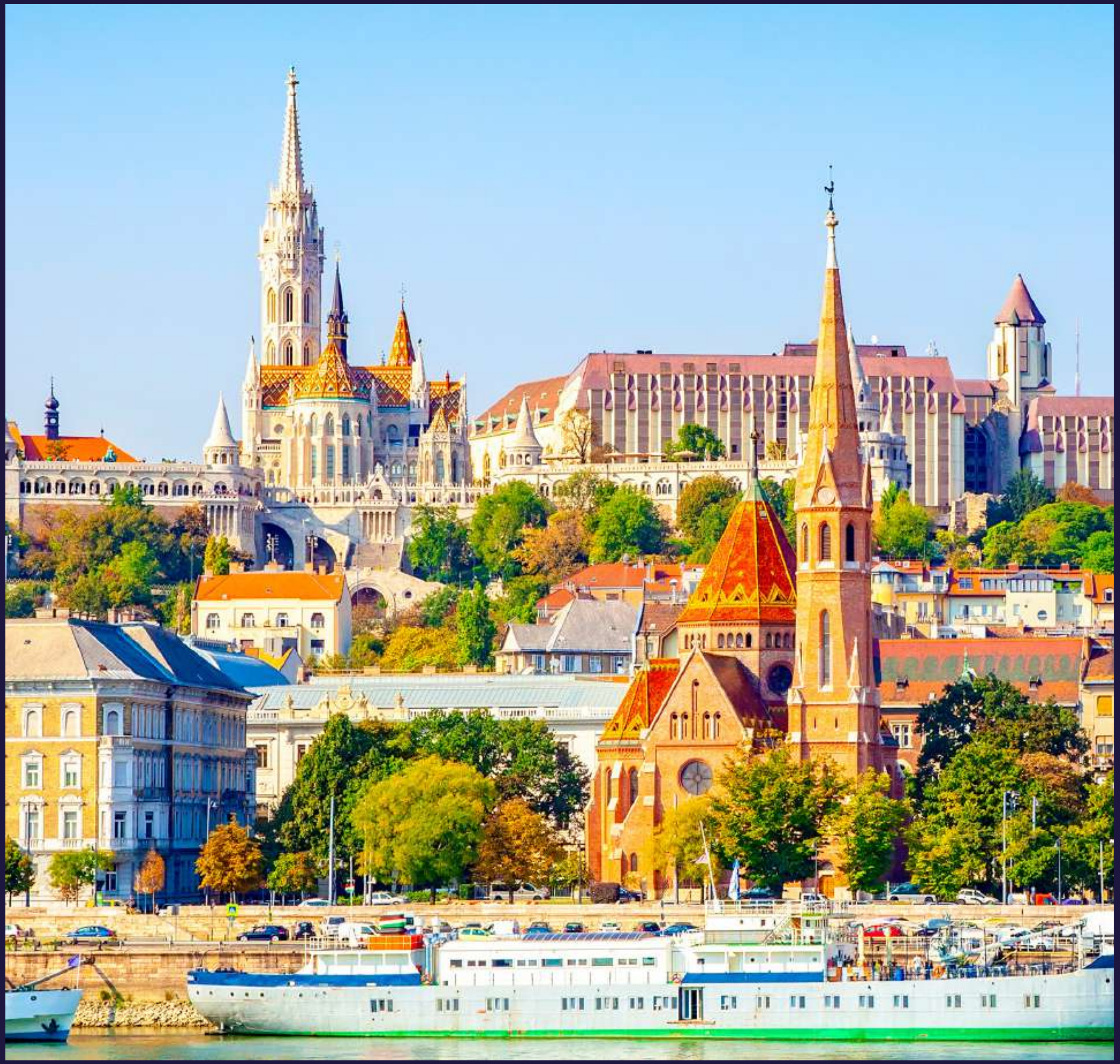
MIDPOINT 2025

COMMERCIAL REAL ESTATE OUTLOOK

HUNGARY



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KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

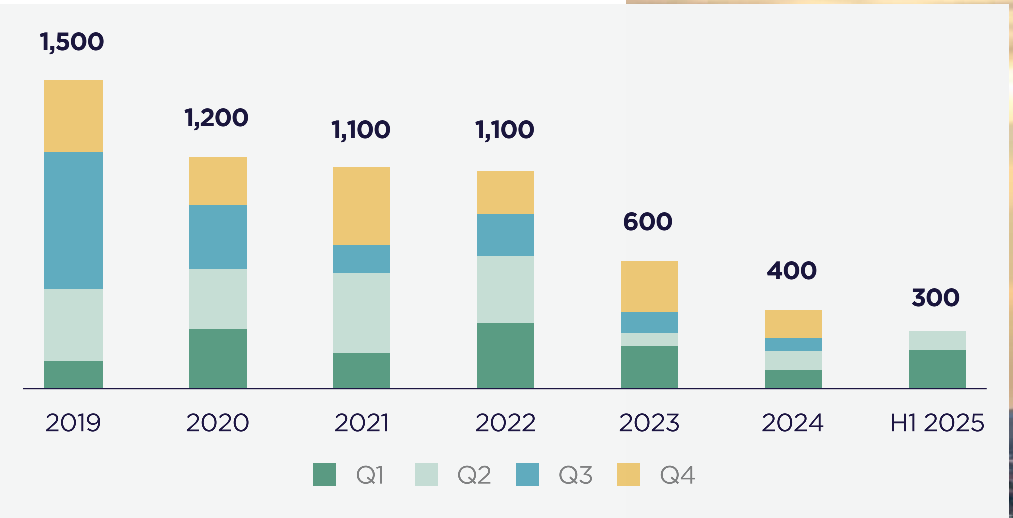
HUNGARY INVESTMENT MARKET

HUNGARY INVESTMENT MARKET

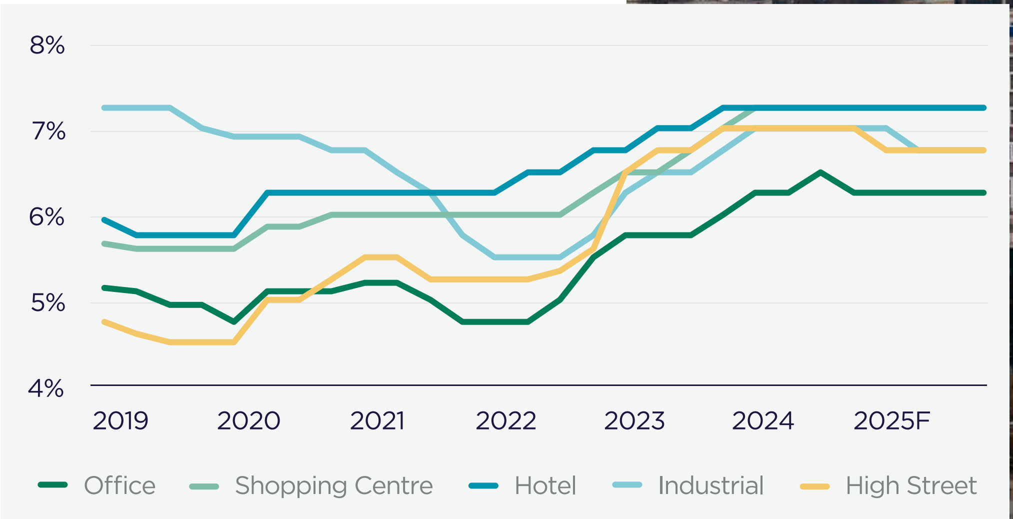
		H1 2025	OUTLOOK H2 25
	OFFICE PRIME YIELD	6.25%	→
	INDUSTRIAL PRIME YIELD	6.75%	→
	HIGH STREET PRIME YIELD	6.75%	→
	HOTEL PRIME YIELD (MA)	7.25%	→

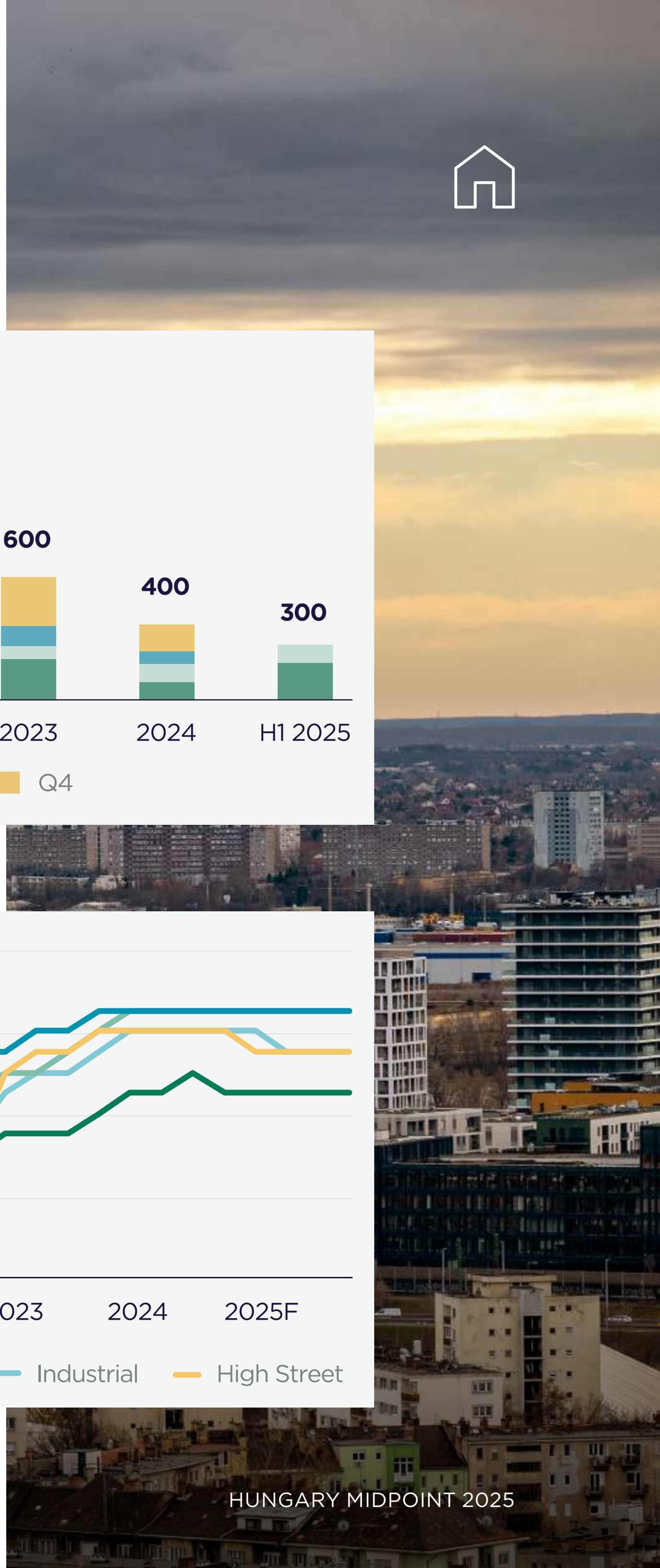
- Hungary's investment market showed signs of recovery in H1 2025, with volumes surpassing €280 million, a 55% YoY increase. The growth was driven by three large deals, though most transactions remained below €25 million.
- Offices led (49%), with two major deals; industrial stayed strong with HelloParks' sale, while retail softened.
- Yield stabilisation is underway, led by a 25 bps drop in industrial yields; sentiment is cautiously optimistic for H2, with more deals in the pipeline and the €100M+ Marriott sale expected to push volumes beyond 2024.

INVESTMENT VOLUME, (MIL. EUR)



PRIME YIELDS

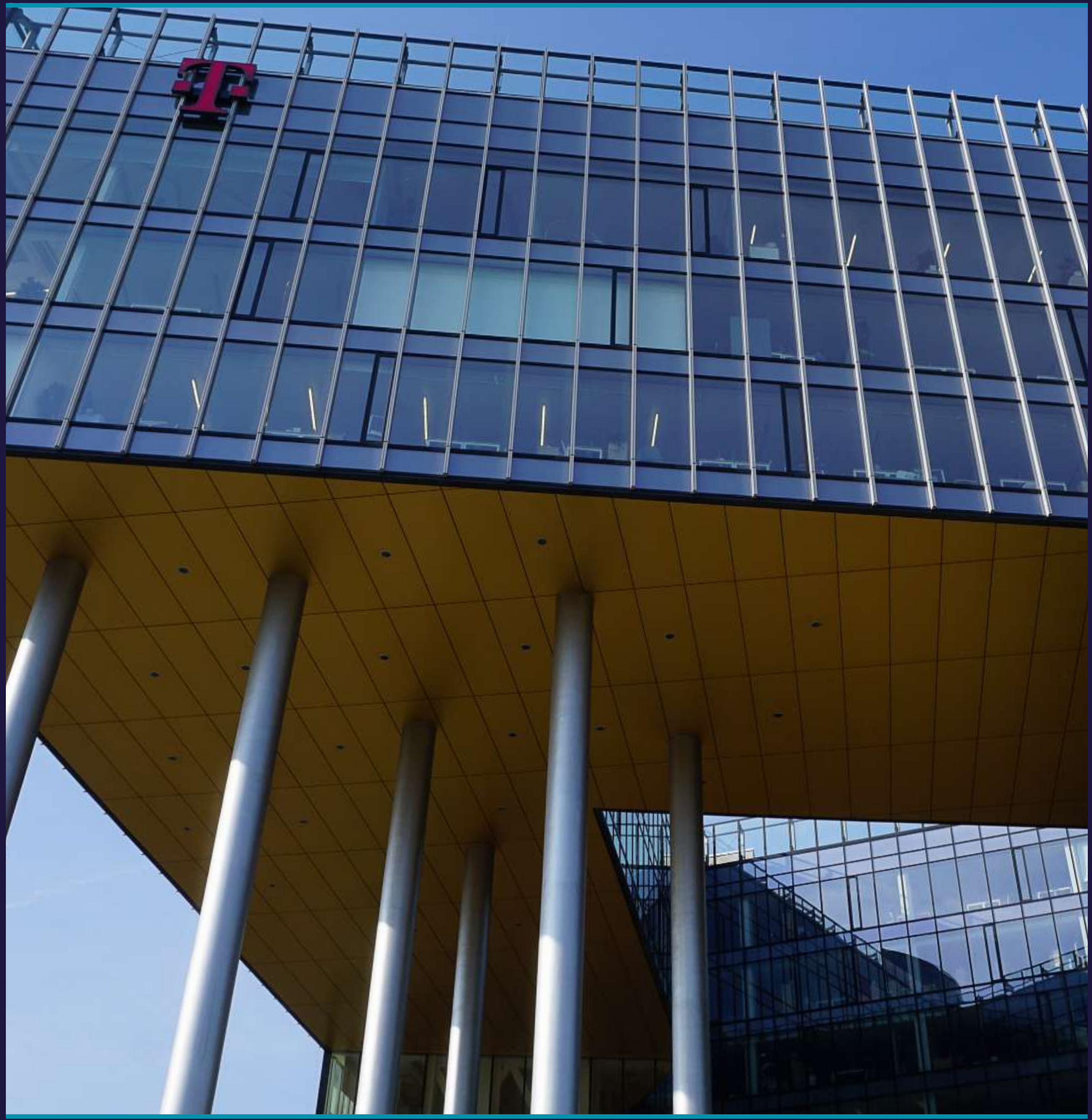




02

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

BUDAPEST OFFICE MARKET

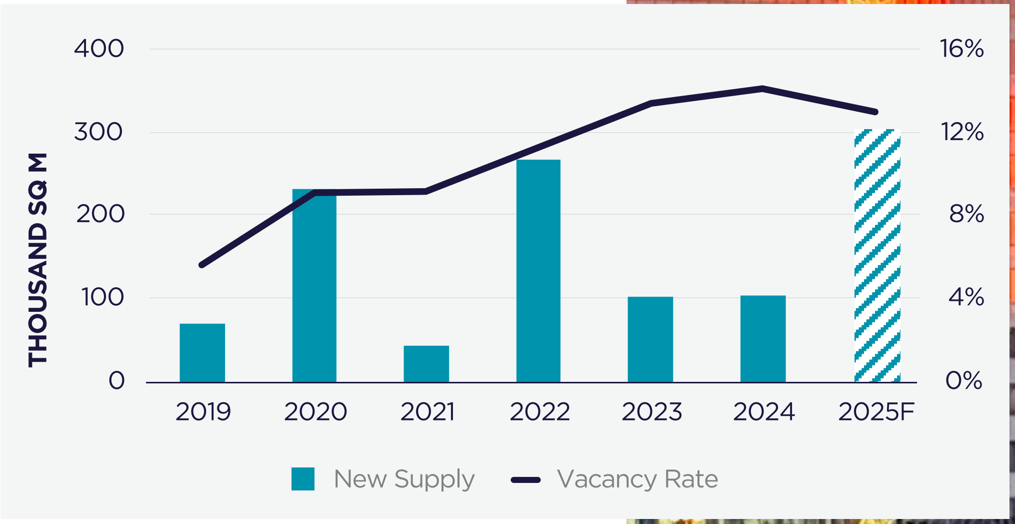


BUDAPEST OFFICE MARKET

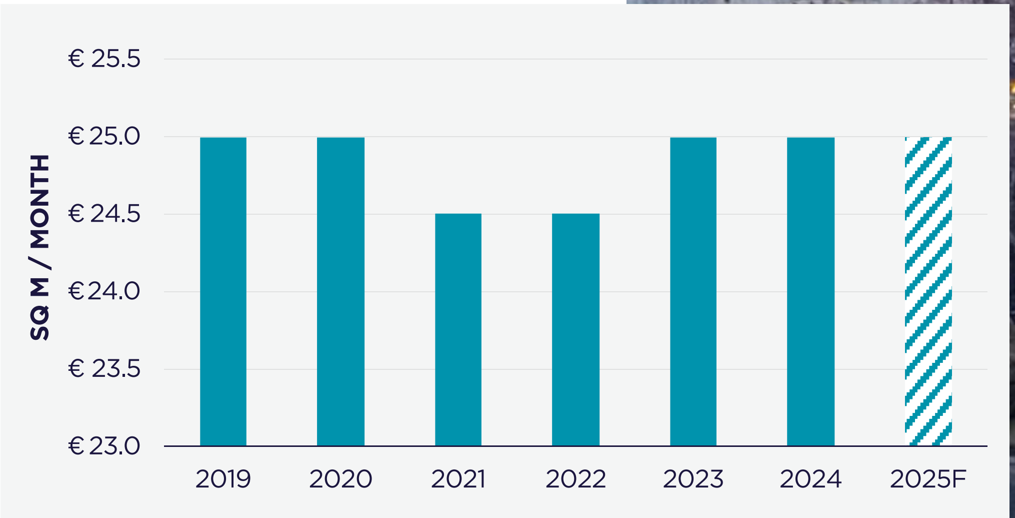
	H1 2025	OUTLOOK H2 25
NEW SUPPLY (SQ M, YTD)	**5,060** (-94% Y/Y)	↑
VACANCY RATE	**12.8%** (-120 BPS Y/Y)	→
PRIME RENT (SQ M/MONTH)	**€25** (0% Y/Y)	→

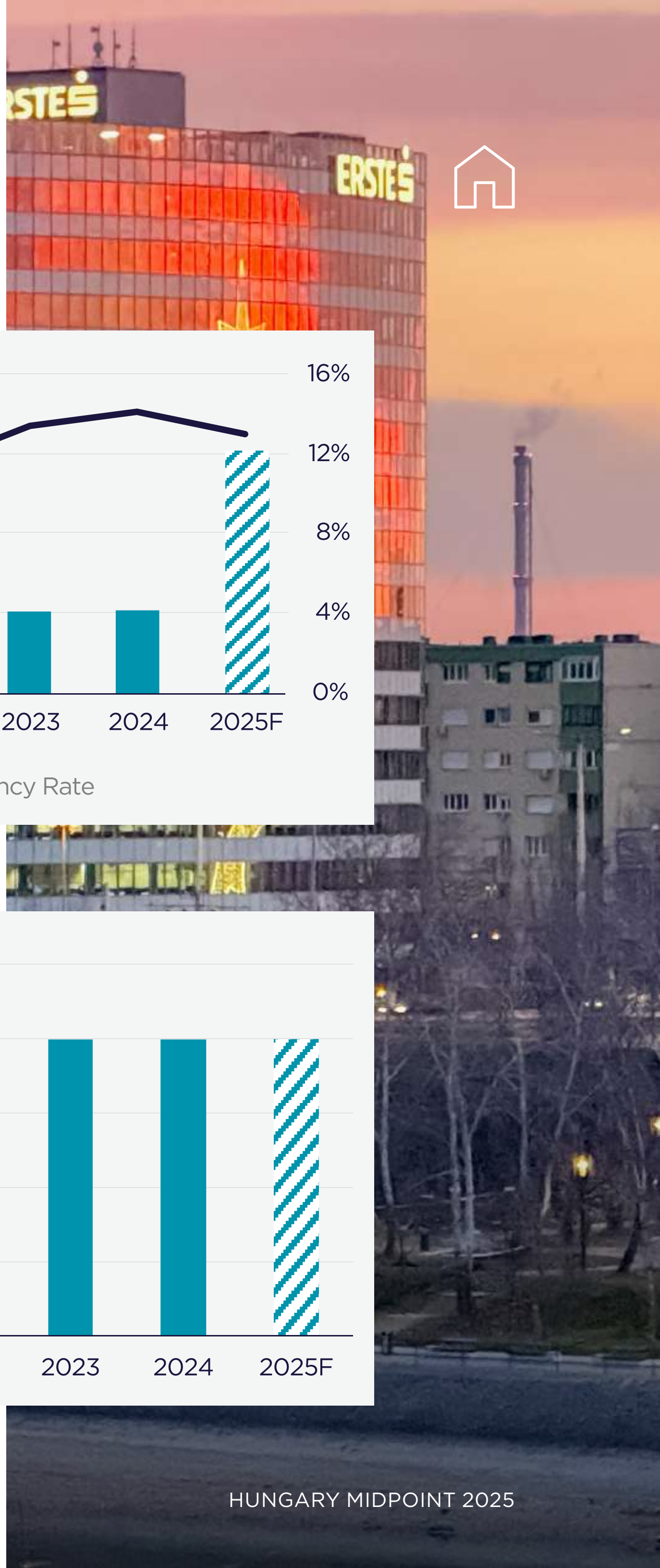
- Budapest's office stock remained flat in H1 2025, with limited completions and 88% of the 306,000 sq m under construction being BTS. Vacancy declined on strong end-user demand, while speculative development slowed, shifting focus to central repositioning and repurposing projects.
- Net take-up remained stable at 47%, with owner-occupier demand rising to 11%. No pre-leases were recorded, a trend expected to persist in the near term.
- Prime CBD rents held firm, while rental growth was recorded in South Buda, Central Buda, and the Váci Corridor, with further increases anticipated for ESG-compliant space.

NEW SUPPLY AND VACANCY RATE



PRIME RENT





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KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

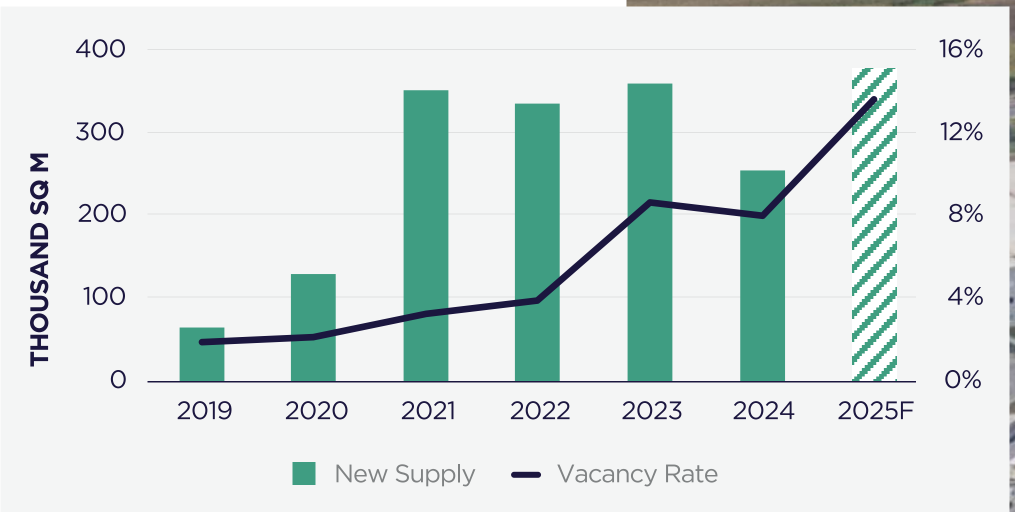
HUNGARY INDUSTRIAL MARKET

HUNGARY INDUSTRIAL MARKET

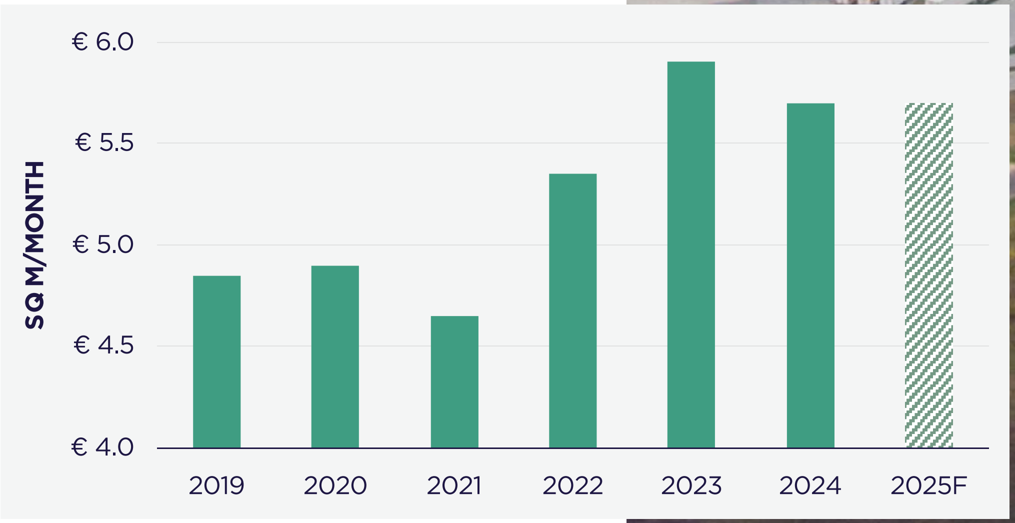
	H1 2025	OUTLOOK H2 25
NEW SUPPLY (SQ M, YTD)	**191,600** (+172% Y/Y)	↑
VACANCY RATE	**12.5%** (+399 BPS Y/Y)	→
PRIME RENT (SQ M/MONTH)	**€5.70** (-1.7% Y/Y)	→

- Hungary continues to solidify its position as a key hub for EV and battery manufacturing. L&I stock expanded by 192,000 sq m in H1 2025, reaching 5.8 million sq m. Vacancy increased to 13.4% in Greater Budapest and 10.8% in regional markets, due to excess second-hand space. This uptick peaked in Q2, with no significant further rise expected.
- Take-up hit 439,800 sq m (+35% YoY), led by regional demand. Pre-leases made up 20%, with renewals at 36%. Development remains active in H2, with 506,000 sq m under construction and 47% pre-let. Prime rents in Greater Budapest fell to €5.50 (–5.2% YoY), while regional remained stable, a trend expected to continue. Rising incentive levels are further widening the gap between new and older stock.

NEW SUPPLY AND VACANCY RATE
(GREATER BUDAPEST)



PRIME RENT



04

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

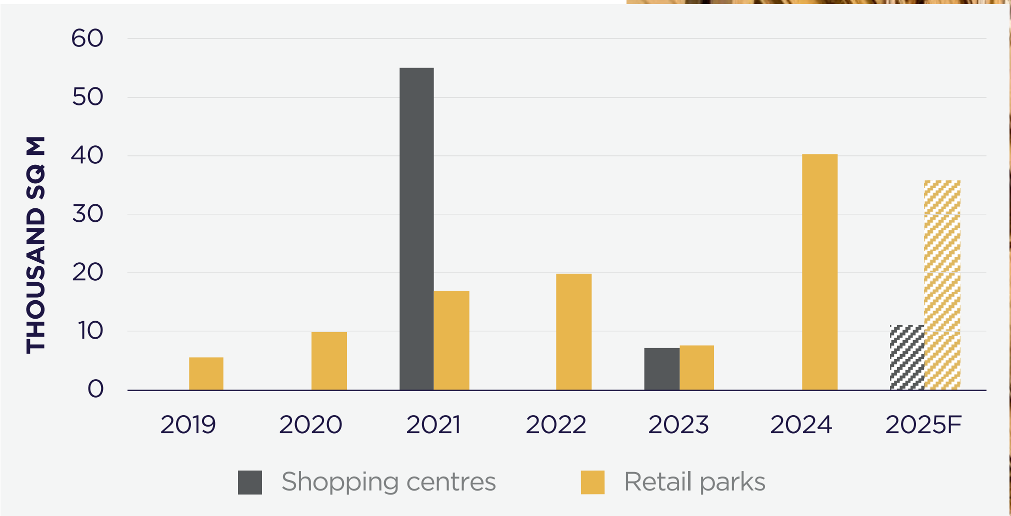
HUNGARY RETAIL MARKET

HUNGARY RETAIL MARKET

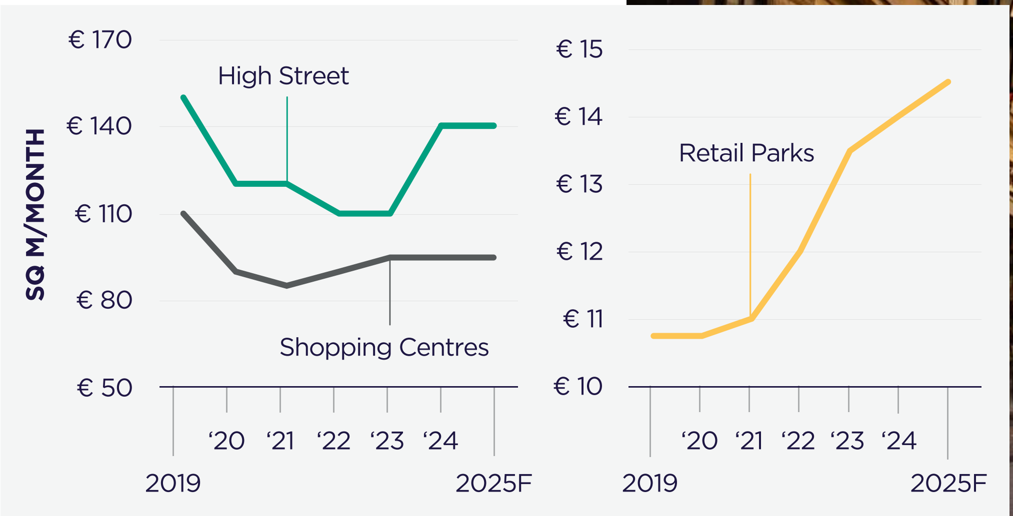
		H1 2025	OUTLOOK H2 25
	TOTAL RETAIL STOCK (SQ M)	**3.1 M** (+4% Y/Y)	↑
	RETAIL SALES (Y/Y CHANGE)	**3.0%**	→
	HS PRIME RENT (SQ M/MONTH)	**€140** (+7.7% Y/Y)	→

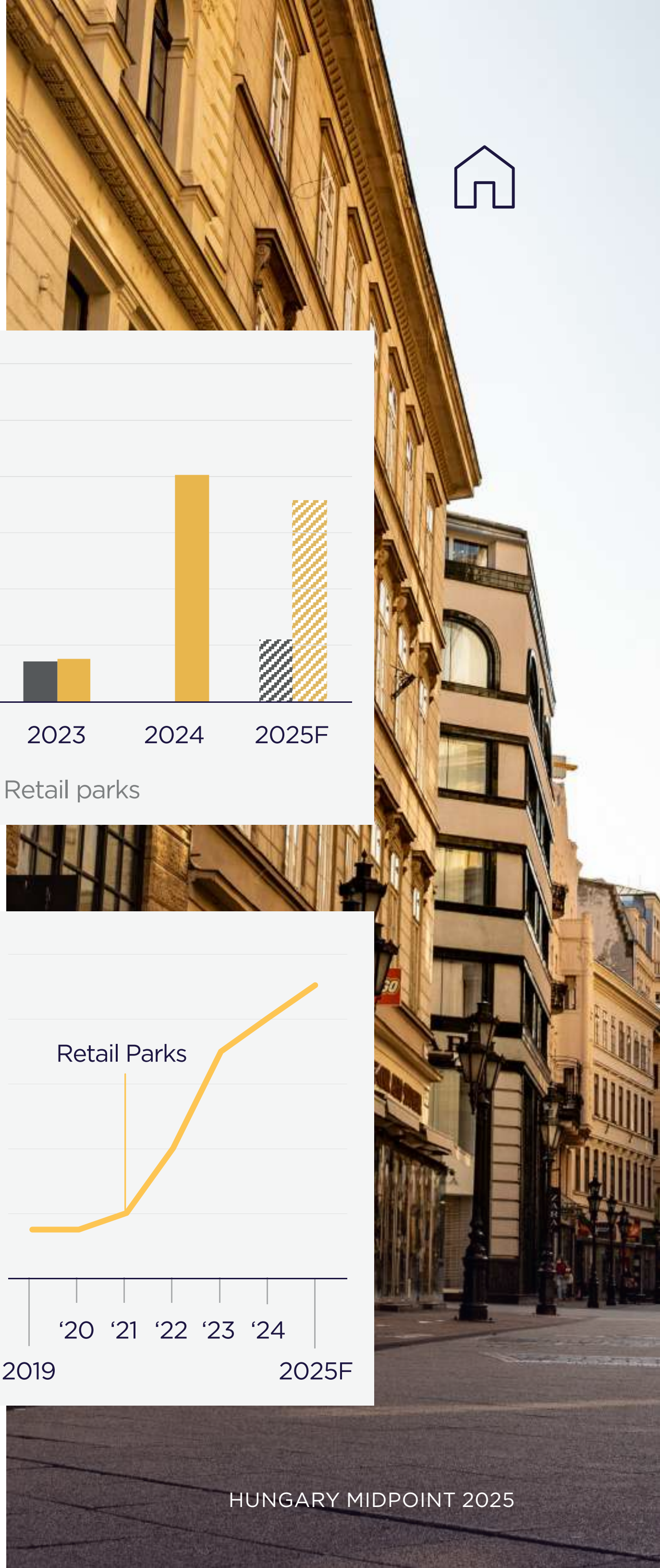
- Retail development has been slow, but 55,000 sq m is planned for H2 2025, including Zenit Corso and 12 retail parks. Refurbishments and extensions show cautious growth, with Time Out Market boosting Budapest's appeal.
- Inflation eased to 4.4% but remains above target, keeping spending subdued. Retail sales rose 3.1% YoY (Jan–May) and are expected to hold steady, with e-commerce at 8.1%.
- Prime high-street rents rose 7.7% YoY, reflecting recovery and demand in key locations, while other retail segments remained stable and are expected to stay steady.

NEW SUPPLY



PRIME RENTS





05

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

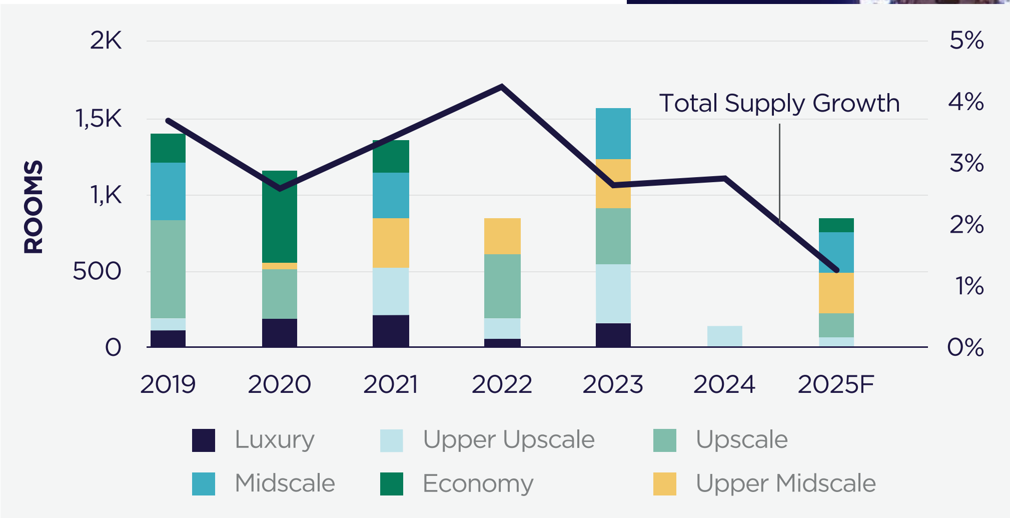
BUDAPEST HOTEL MARKET

BUDAPEST HOTEL MARKET

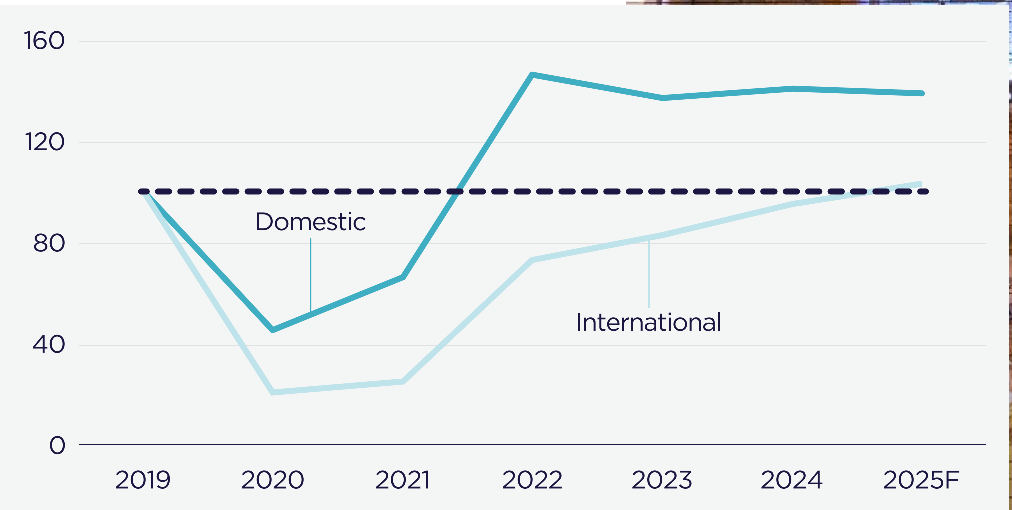
		H1 2025	OUTLOOK H2
	NEW SUPPLY (ROOMS, YTD)	**238** (+0.7% Y/Y)	↑
	AVERAGE DAILY RATE (YTD)	**€116** (+1.8% Y/Y)	↑
	OCCUPANCY (YTD)	**68%** (+6.2% Y/Y)	↑

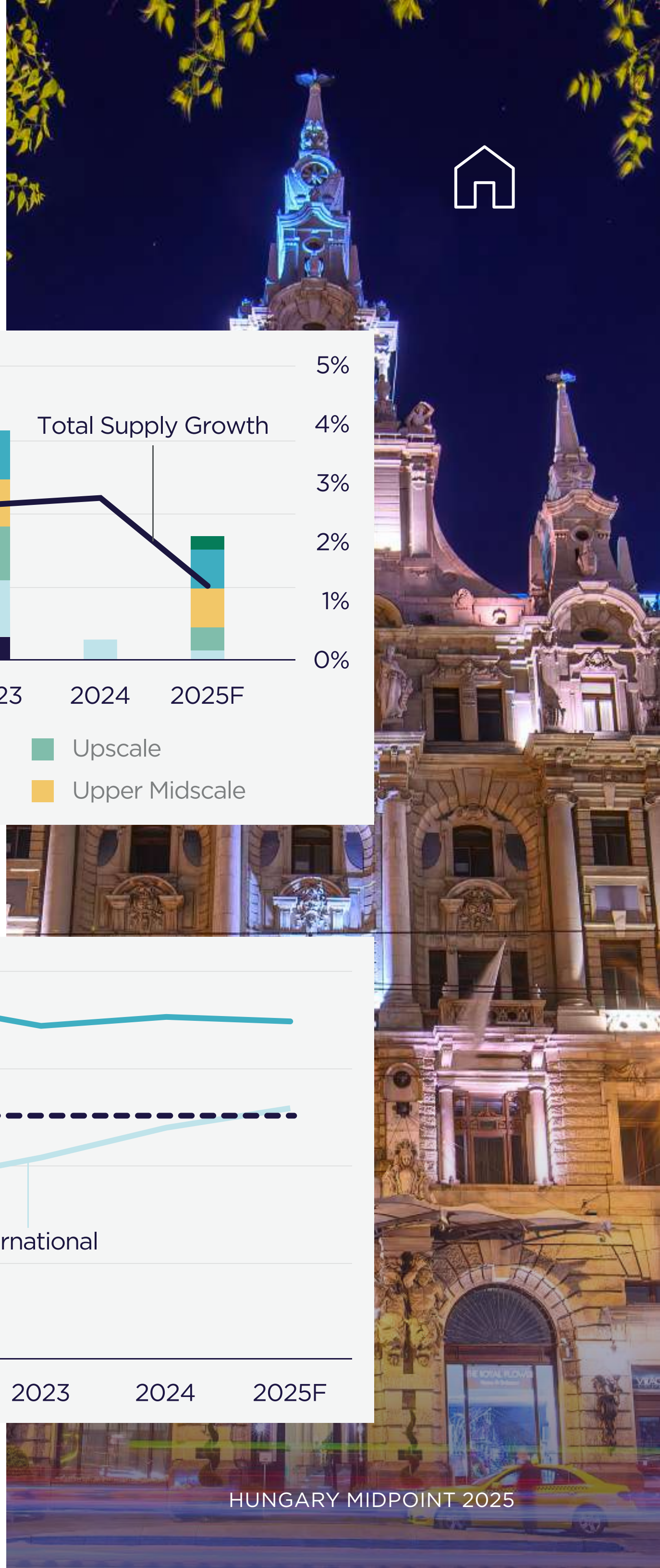
- Budapest's hotel market has shown growth in the first half of 2025, with a YTD RevPAR increase of 8.2% year-on-year, driven by recovering occupancy. Despite occupancy levels remaining shy of the 74% seen in 2019, RevPAR has risen by 23.3% since then.
- The Budapest hotel supply saw a limited increase, with three openings (Kimpton BEM, Radisson Collection Basilica, and Tribe Budapest Airport). The midscale segment represents over 38% of the total stock. Supply growth is expected to remain constrained, rising by 1.3% by year-end 2025.
- Total demand in paid accommodation in 2025 is expected to exceed 2024 by over 14.5%, driven by a 15.5% rise in international demand and stronger air connections.

NEW SUPPLY AND STOCK DEVELOPMENT



DEMAND INDEX
(NIGHTS IN PAID ACCOMMODATION)





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