

**The Budapest Research Forum (BRF, which comprises: CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) sets out below its Q1 2018 industrial market snapshot.**

In the first quarter of 2018, two new buildings were handed over with the size of 18,020 sq m: a 11,020 sq m warehouse in East Gate Business Park, and a 7,000 sq m hall in the next phase of Budapest Dock Szabadkikötő building C.

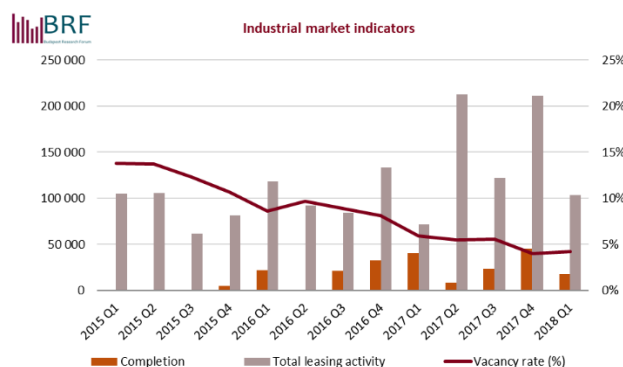
Furthermore, one existing building was included in the stock due to adequate quality and occupational status; the second building of Logisor's Fehérakác property raised the industrial stock with 4,400 sq m.

The total modern industrial stock in Budapest and its surroundings stood at 2,068,900 sq m at the end of Q1 2018.

The two largest transactions of the quarter were lease renewals. HOPI at Goodman Gyál Logistics Centre renewed its contract on 21,700 sq m, while in Prologis Park Budapest – Sziget Schneider Electric signed a lease renewal for 19,960 sq m. The largest new lease agreement amounted to 7,000 sq m and was signed in Budapest Dock Szabadkikötő. The largest lease expansion was recorded in Prologis Park Budapest – Batta on 4,180 sq m.

The **vacancy rate** slightly increased by 0.2 pps q-o-q, to the current 4.2%. At the end of the first quarter a total of 87,070 sq m area was vacant, and there are only four existing schemes with more than 5,000 sq m of available warehouse space.

**Net absorption** totalled 24,360 sq m in first quarter of 2018.

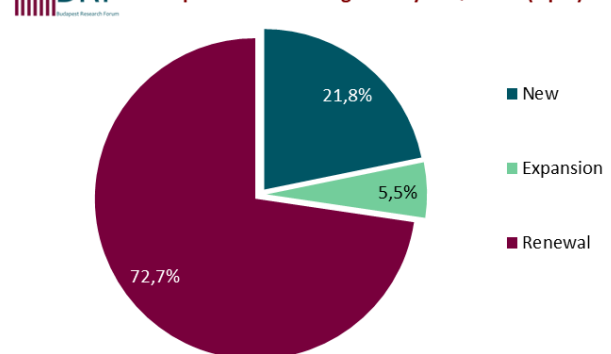


Source: BRF

Total demand amounted to 103,790 sq m in Q1 2018, marking a 45% increase over the figure noted in the same period last year. Lease renewals accounted for 72.7% of the quarterly volume, while the share of new leases was 21.8%. Expansions stood for 5.5% of the quarterly volume. No pre-lease agreement was signed in the first quarter of 2018.

24 leasing transactions were recorded in the first quarter, out of which two agreements were signed for more than 10,000 sq m. The average transaction size was 4,320 sq m during the quarter, which is one and a half times the average level of the previous five years' first quarters. 98% of all leasing activity was recorded in logistics parks, where the average transaction size was 4,620 sq m, while the average deal size in city logistics schemes equalled 1,075 sq m.

BRF Split of total leasing activity in Q1 2018 (sq m)



Source: BRF

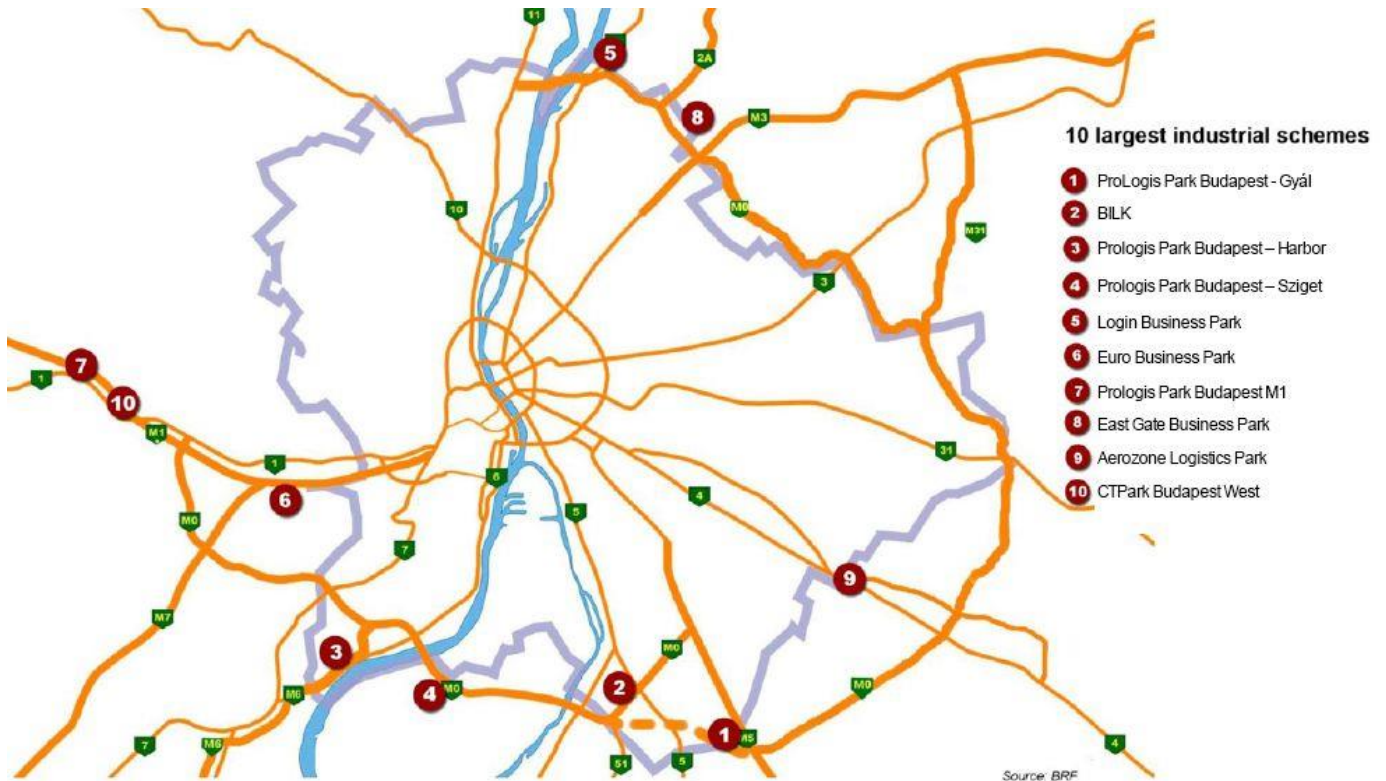
### Main industrial indicators

Q1 2018	Logistics Park	City Logistics	Total
<b>Completions (sq m)</b>	<b>18,020</b>	<b>-</b>	<b>18,020</b>
<b>Modern stock (sq m)</b>	<b>1,870,140</b>	<b>198,760</b>	<b>2,068,900</b>
<b>Vacant space (sq m)</b>	<b>72,840</b>	<b>14,230</b>	<b>87,070</b>
<b>Vacancy rate (%)</b>	<b>3.9%</b>	<b>7.2%</b>	<b>4.2%</b>
<b>New lease (sq m)</b>	20,470	2,150	22,620
<b>Renewal (sq m)</b>	75,410	0	75,410
<b>Expansion (sq m)</b>	5,760	0	5,760
<b>Pre-lease/BTS (sq m)</b>	0	0	0
<b>Total leasing activity (sq m)</b>	<b>101,640</b>	<b>2,150</b>	<b>103,790</b>

Note on the methodology:

BRF analyses modern industrial properties located in Budapest and Pest County, completed after 1995 for letting purposes, comprising a minimum of 2,000 sq m space in terms of city-logistics or minimum of 5,000 sq m space in terms of logistics park warehouses. The industrial stock excludes owner occupied buildings.

## Industrial map of Budapest and its surroundings



### More information

**ESTON International**

Tel: +36-1-877-1000

Managing Director: [adorjan.salamon@eston.hu](mailto:adorjan.salamon@eston.hu)

Research: [beata.kakosy@eston.hu](mailto:beata.kakosy@eston.hu)