

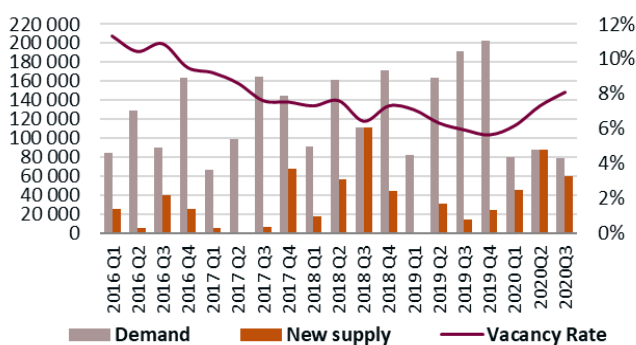
The Budapest Research Forum (hereinafter the 'BRF', which comprises CBRE, Colliers International, Cushman & Wakefield, ESTON International, JLL and Robertson Hungary) hereby reports its Q3 2020 office market summary.

In the third quarter of 2020, 59,785 sq m of new office space was delivered to the Budapest office market in 4 schemes. Agora Hub (34,500 sq m) and Nordic Light Trio (13,285 sq m) were handed over in the Váci Corridor submarket. The refurbishment of Gizella Loft (8,500 sq m) in Non-Central Pest and Irányi Palace (3,500 sq m) in the CBD was also completed in the third quarter. An office building (2,360 sq m) purchased by an end-user was moved to the owner-occupied category. In addition, an office scheme in Central Buda (1,850 sq m) was deleted from the modern speculative stock, and another in Central Pest (8,780 sq m) was temporarily moved to the pipeline schemes.

The total modern office **stock** currently adds up to 3,856,750 sq m, consisting of 3,242,000 sq m category 'A' and 'B' speculative office space as well as 614,750 sq m owner occupied office space.



Supply, Demand and Vacancy



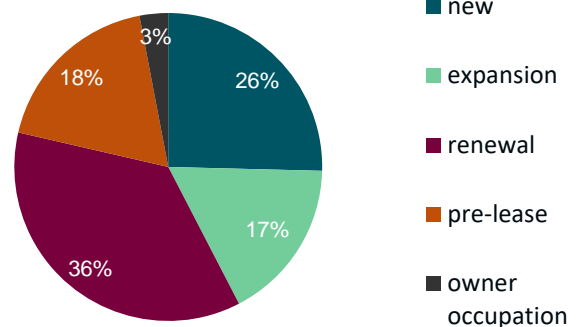
The office **vacancy rate** has increased to 8.1%, representing an increase of 0.8 p.p. quarter-on-quarter, and a growth of 2.2 p.p. year-on-year. The lowest vacancy rate of 3.5% was measured in the North Buda submarket whereas the Periphery still has the highest vacancy rate of 33.0%.

The **net absorption** in the third quarter amounted to 6,480 sq m.

**Total demand** in the third quarter of 2020 reached 79,350 sq m, representing a 59 % decrease year-on-year. Out of the total leasing activity, renewals still represented the largest share. In the third quarter of 2020, 36% of the total demand was made up of lease renewals. New leases accounted for 26%, expansions for 17%, while pre-leases made up 18% of the total demand. Owner occupations took up 3% of the total demand.



Split of office demand in Q3 2020



The strongest occupational activity was recorded in the South Buda submarket, attracting 27% of the total demand. Váci corridor submarket ranked second in this respect attracting 25% of the total demand and was followed by Non-central Pest submarket with 16% of the total demand.

According to the BRF, 106 lease agreements were concluded in the third quarter of 2020 and the number of signed transactions dropped by 25% compared to the same quarter of 2019. The average deal size amounted to 749 sq m. BRF registered 9 transactions concluded on more than 2,000 sq m office space split into 1 pre-lease, 4 expansions, 3 renewals, 1 new lease and one owner occupation deals.

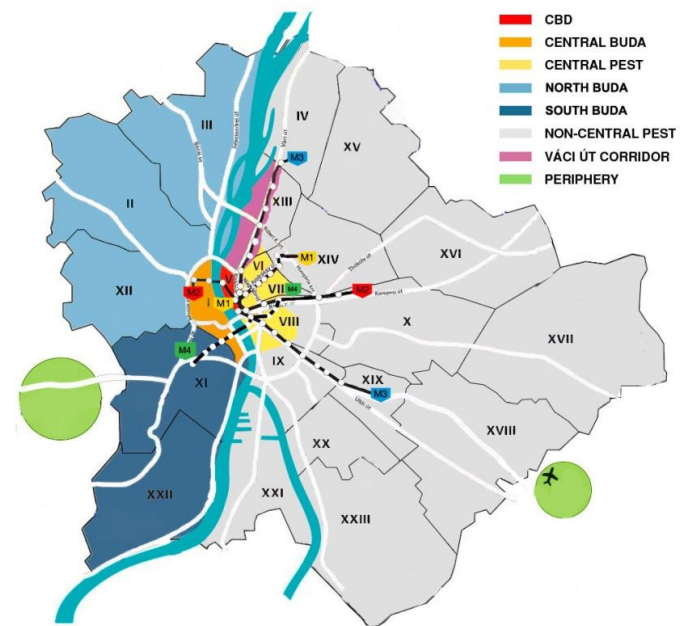
The largest transaction was a pre-lease agreement concluded for 14,140 sq m signed by Vodafone in Budapest One P2 in the South Buda submarket. The largest renewal was a nearly 4,800 sq m deal in Non-Central Pest, and the largest expansion was concluded in the Infopark B on 2,600 sq m of office space.

The Q3 2020 office market statistics further reflected the economic changes triggered by the COVID-19 pandemic. Demand lags the trend of previous years and the number of transactions showed reduction.

### Main office indicators

Q3 2020	Budapest
Completions (sq m)	59,785
Speculative Stock (sq m)	3,242,000
OO Stock (sq m)	614,750
Total Stock (sq m)	3,856,750
Vacancy (sq m)	312,250
Vacancy Rate (%)	8.1%
Pre-lease (sq m)	14,640
New Lease (sq m)	20,160
Lease expansion (sq m)	13,490
Lease Renewal (sq m)	28,700
Owner Occupation (sq m)	2,360
Total demand (sq m)	79,350
Net absorption (sq m)	6,480

### Map of submarkets



### More information