

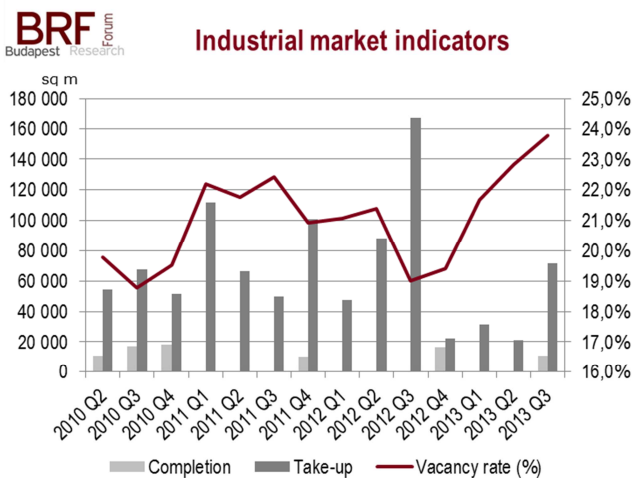
The Budapest Research Forum (BRF) which comprises: CBRE, Colliers International, Cushman & Wakefield, DTZ, Eston International, Robertson Hungary and Jones Lang LaSalle now reports its Q3 2013 industrial market data.

For the first time this year, a new building was completed in Q3. The first phase in Budapest Airport Business Park (10,800 sq m) had been already pre-leased to DHL earlier this year. The modern industrial stock in Budapest and its surroundings totalled 1,833,640 sq m at the end of Q3 2013.

36,930 sq m, marking a 72% decrease on the same period last year.

In Q3 BRF registered 22 transactions, out of which five surpassed 5,000 sq m. Average deal size increased to 3,245 sq m. 78% of all deals were closed in logistics parks with an average size of 4,642 sq m. Average size was smaller in city logistics schemes with 1,567 sq m.

Vacancy continued to increase further to 23.8% – an upward trend seen for the fourth consecutive quarter now. The rate moved out by another 0.9 percentage point on previous quarter and stands now by 4.7 pps higher than a year ago. Increasing vacancy in logistics schemes reflects that despite the higher level of take-up, consolidation and downsizing still dominate the logistics market. On the other hand, city logistics schemes are marking a lower vacancy on q-o-q and y-o-y basis as well on the back of continuing interest for available space in such schemes.



Source: BRF

The total volume of lease transactions reached 71,380 sq m in the third quarter of 2013. This is a remarkable increase of 35% compared to the total of Q1 and Q2. Renewals still account for a majority of the leased space with 52% share in Q3.

Q3 2013	Logistics Park	City logistics	Total
Completions (sq m)	10,800	0	10,800
Stock (sq m)	1,648,390	185,250	1,833,640
Vacant space (sq m)	403,910	31,830	435,750
Vacancy rate (%)	24.5%	17.2%	23.8%
Lease transactions (sq m)	55,710	15,670	71,380
New (sq m)	11,270	6,270	17,540
Renewal (sq m)	30,500	6,430	36,930
Expansion (sq m)	13,940	2,970	16,910
Net absorption (sq m)	-16,110	7,310	-8,800

Source: BRF

Q3 2013 Key Transactions			
Building	Tenant	Size (sq m)	Deal Type
ProLogis Park Budapest-Gyál	Iron Mountain	20,470	Renewal and expansion
BILK	More tenants	20,200	Renewal and new lease

Source: BRF

Largest transactions this quarter were closed in ProLogis Park Budapest-Gyál and in BILK, over 20,000 sq m each.

However, demand Q3 2013 failed to come close to the level measured a year ago. Take-up reached 34,450 sq m – a 46% decline on Q3 2012. Renewals reached

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.

FURTHER INFORMATION:

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Industrial & logistics property market map:

