

OFFICE SUMMARY MATRIX

Q3 2020 | UPDATE

TAKE Up

Total demand in Q3 2020 equaled to **79,350 sq m**, which shows a 59% decrease y-o-y.

Vacancy RATE

Increased by 0.8 percentage points q-o-q in Budapest.

8.1%

TOTAL Stock

4 new schemes were delivered and another was transferred from the speculative stock to the owner-occupied stock

3.86 million sq m

89%

of the Q3 2020 new supply is already pre-let.

NEW SUPPLY

+ **59,785 sq m** of new supply was delivered in Q3.

PIPELINE

48,700 sq m of new supply is planned to be delivered for the remainder of 2020.

DEMAND

Net take-up amounted to **48,300 sq m** and was dominated by new lease transactions. Renewals amounted to **28,700 sq m** in Q3 2020.

HEADLINE RENTS

Prime rents remained firm in all focal submarkets in Q3 2020.

CBD **25,00** EUR/sq m/month
VÁCI **17,50** EUR/sq m/month
CORRIDOR

NET absorption is **6,480 sq m** in Q3 of 2020.

The GKI business sentiment index improved strongly from its April low by September albeit plans for downsizing appeared in the business sector with decision making processes remaining slow. In line with the global trend, Q3 demand levels in the Budapest office market were restrained compared to the same period of previous years, dominated by renewals. As new supply is continuously delivered to the market, vacancy rate has further increased from its record low level measured as at year-end 2019.

Ongoing development schemes continue, and no major delays are reported. Whilst the pipeline for the 2020-2022 period shows an increased level compared to the amount seen in the last ten years, the impact of WFH in Budapest remains to be seen on future demand and design. Large-scale transactions, however, have proceeded and we have seen large occupiers are committing for long term leases as the Budapest market remains attractive for large SSC / BPO businesses.