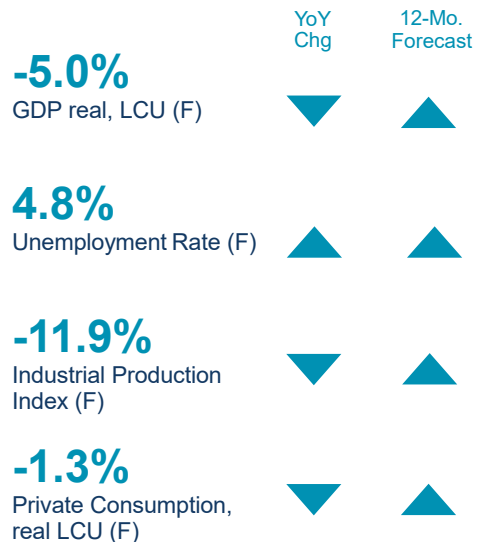


(Overall, All Property Classes, as at 30 June 2020)  
Source: Cushman & Wakefield, Budapest Research Forum

### ECONOMIC INDICATORS Q2 2020



Annual growth unless otherwise indicated  
Source: Oxford Economics as at 22 July 2020

### ECONOMY: Coronavirus now expected to lead to 9.6% drop in GDP in Q2 and 5.0% in 2020 overall

Hungary has been hit by the temporary closure of large parts of the manufacturing sector and an abrupt decline in international trade. As a result, industrial production in May was down by 28% since the start of the year, with goods exports recording a similar decline. All manufacturing have restarted production from late April, although automotive production still works under limited capacity due to global supply chain disruptions, which will need more time to fully recover. Still, Hungary has come out of the COVID crisis comparatively well and the economy is ranked one of the most resilient to the impacts of Coronavirus epidemic, according to Oxford Economics. Hungary entered the current crisis from a position of relatively solid macro fundamentals with growth started from a high base, and having averaged roughly 5% for the last two years. Therefore, a strong recovery is expected with a projected GDP growth of 4.5% in 2021 and 5.2% in 2022.

### SUPPLY AND DEMAND: Record high demand and positive market sentiment

In Budapest 202,000 sq. m of industrial space was let in Q2 2020 – marking a strong, nearly 90 % y-o-y increase in occupier demand. The logistics sector along with occupiers from the FMCG segment were the main drivers of demand with the net take-up reaching an all-time record at 143,300 sq. m. The two largest transactions include a renewal in Batta Park and a pre-lease agreement in CTPark Budapest South. A total of 64,000 sq. m of new space in 4 schemes were handed over and net absorption totalled at 67,030 sq. m. As a result, vacancy rate slightly decreased to 2.6% by the quarter-end. Continued low vacancy and reasonably stable demand levels are expected going forward with focus on BTS and semi-speculative opportunities. Projects already started pre-COVID are expected to be handed over with a quarter's delay, and some 47,600 sq. m of new space is expected to be delivered in H2 2020.

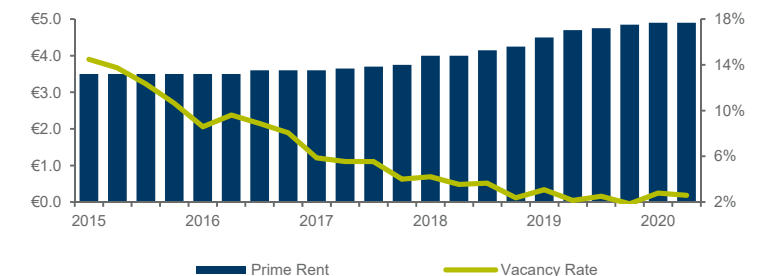
### PRICING: Landlord favourable market

The lack of available warehouse space continued to maintain landlords' negotiating positions. Rents and lease terms remained stable with headline BTS rents currently stand at Euro 4.90. We are seeing a number of lease re-gears and renewals where tenants are looking to secure stable tenancy amidst the fierce competition for existing space.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & PRIME RENT



## MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT (€/SQ M/MONTH)
North	118 558	3 750	3,2%	1 481	3 239	0	0	€4.90
South	1 272 087	24 124	1.9%	140 300	177 820	46 359	49 292	€4.90
East	442 981	8 180	1,8%	8 148	17 780	25 928	37 000	€4.90
West	517 481	24 880	4,9%	14 468	46 695	31 315	40 630	€4.90
<b>TOTAL BUDAPEST</b>	<b>2 351 107</b>	<b>60 934</b>	<b>2,59%</b>	<b>202 614</b>	<b>282 267</b>	<b>104 152</b>	<b>126 922</b>	<b>€4.90</b>

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	TYPE	TENANT	SIZE (SQ M)	TYPE
Batta Park	LP	Ceva	28 590	Renewal
CTPark Budapest South	LP	Confidential	28 470	Pre-lease
Viktória Business Park Üllő	LP	Confidential	19 070	New
Viktória Business Park Üllő	LP	Confidential	18 440	New
East Gate Business Park	LP	Confidential	17 780	New
Prologis Park Budapest - Harbor	LP	Fiege	13 520	New

## KEY CONSTRUCTION COMPLETIONS Q2 2020

PROPERTY	TYPE	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
CTPark South	LP	Confidential	22 840	CTP
East Gate Business Park	LP	Confidential	17 780	WING
Prologis Park Budapest - Harbor	LP	Fiege	13 520	Prologis
Budapest Dock Szabadkikötő	LP	Confidential	10 000	Budapest Dock

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