Q1 2017 OFFICE MARKET STATISTICS
Budapest, Hungary

The Budapest office market continues to enjoy a robust amount of occupier activity, with historically low vacancy rates. Although there will be more product delivered to the market in 2018, 2017 looks to be the year of the Landlord.

### NEW SUPPLY
Development activity accelerated further, we expect circa 100,000 sq m of new space to be delivered to the market in 2017, while next year’s supply is likely to surpass 250,000 sq m.

### VACANCY RATE
Vacancy continued to decrease and stood at 9.2% at the end of Q1. This represents a new record low vacancy rate for Budapest. NCB-S continued to enjoy the lowest vacancy rate with only 3.6% of the stock is available.

### DEMAND
66,900 sq m office space was transacted in Q1, which is in line with the last 5 years’ average Q1 take-up. This however represented a decrease compared to the particularly strong Q4 2016 figure.

### MARKET SIZE
One new office scheme was handed over in Q1 - SAP’s new scheme in Graphisoft Park, which extends to 5,500 sq m. The total modern office stock in Budapest is 3.35 mn sq m.

### PRIME RENT
Headline rents continue to harden and increase for Grade A product as availability continues to diminish.

### NET ABSORPTION
Remained positive with 7,600 sq m space absorbed over the quarter.

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<thead>
<tr>
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<th>CBD</th>
<th>CP</th>
<th>CB</th>
<th>NCP</th>
<th>NCB-N</th>
<th>NCB-S</th>
<th>VC</th>
<th>P</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Q1 Vacancy Rate %</td>
<td>9.9%</td>
<td>8.8%</td>
<td>4.9%</td>
<td>7.5%</td>
<td>10.2%</td>
<td>3.6%</td>
<td>10.6%</td>
<td>34.0%</td>
<td>9.2%</td>
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<tr>
<td>Total Take-up sq m</td>
<td>4,830</td>
<td>11,970</td>
<td>11,730</td>
<td>4,060</td>
<td>11,870</td>
<td>6,450</td>
<td>13,800</td>
<td>2,280</td>
<td>66,990</td>
</tr>
</tbody>
</table>

CBD: CBD; CP: Central Pest; CB: Central Buda; NC: Non-central Pest; NCB-N: Non-central Buda North; NCB-S: Non-Central Buda South; VC: Váci út corridor; P: Periphery