

# GLOBAL SPOTLIGHT

## Budapest, Hungary



### Budapest is Hungary's political, cultural, commercial, industrial and transportation center.

- Hungary serves as a bridge for East-West traffic, making it an ideal place for foreign companies to use as a base for expanding business operations in the region.
- The office market in Hungary has entered into a new development phase, with a large number of Class A projects under way. High quality office space for rent in the capital city reached 2 million SM. Approximately 300,000 SM of new office space is in the pipeline.
- Hungary has served as a logistics center, providing a gateway between Western Europe, the Balkans and Eastern Europe. The industrial real estate market in Budapest and the surrounding motorway hubs has shown steady development activity. During 2007, 130,000 SM of new logistics space was developed, totaling over 1.04 million SM in and around Budapest.
- The retail sector continues to experience growth with the addition of several new shopping centers and strip malls in Budapest and regional cities across the country. Downtown district rehabilitation in Budapest will convert run-down areas and old landmark buildings into mixed-use office, hotel and residential schemes with a total of approximately 120,000 SM of modern retail space.
- The financial crisis in 2007 had an unfavorable impact on most of the property markets in Central and Eastern Europe, except Hungary, where the investment market grew by 150%. Demand for real estate exceeds supply in Hungary. Most of the transaction value was shown in the office market. However, there have also been significant deals in the retail and logistics sectors.

## Budapest At A Glance

Population	2,451,418 Metro
Location	Central Europe
GDP	US\$ 132 Billion
Inflation	8.0 %
Interest	8.0%
Unemployment	7.7%
Conversion	1 USD = 0.6382€

Property	Rent/SF/Year Low	High	Vacancy Rate
Downtown Office Class A	\$38	\$70	9%
Suburban Office Class A	\$28	\$34	17%
Industrial Bulk Warehouse	\$7	\$11	9%
Retail City Center	\$67	\$200	5%

NAI Otto Hungary provides commercial real estate services in the territory of Hungary, with focus on Budapest.

## About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

### At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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