



# OFFICE MARKET REPORT

H2 2024 Budapest

## Foreword

In the second half of 2024, the Budapest office market presented a mixed picture. By year-end, total leasing activity reached 502,150 m<sup>2</sup>, representing an 8% increase compared to 2023. At the same time, net demand declined to 190,730 m<sup>2</sup> for the full year, marking a 20% decrease year-on-year.

Within leasing activity, renewals dominated during the second half of the year: they accounted for 51% in Q3 and rose to 76% in Q4. New leases and expansions took a back seat, while pre-leases remained scarce.

The market was shaped by economic uncertainty and tenant hesitation. In the final months of the year, several high-volume lease renewals took place, yet attracting new tenants often required significant concessions from landlords.

The vacancy rate continued to rise, reaching 14.1% by year-end. Net absorption turned negative in Q4, with -2,880 m<sup>2</sup> recorded, although the annual figure remained positive at 47,665 m<sup>2</sup>.



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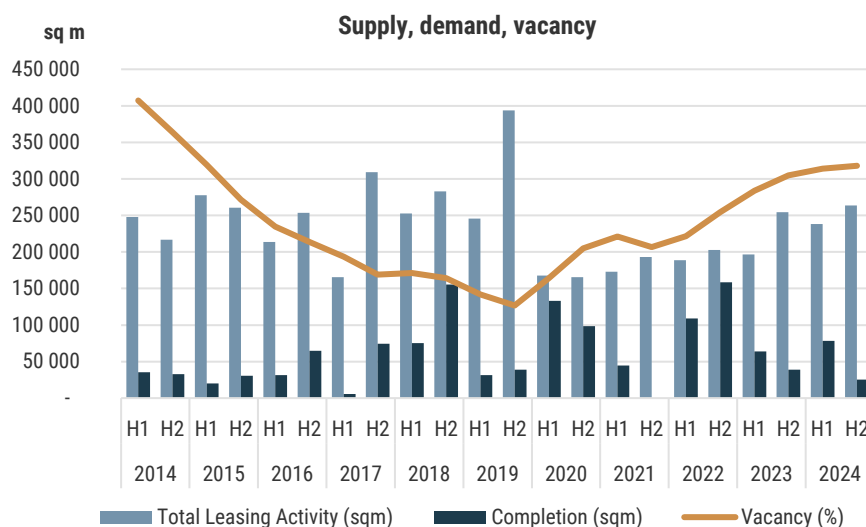


## Main market indicators

Key figures (2024 H2)	
Completion (sq m)	25,355
Stock (sq m)	4,455,615
Speculative	3,604,010
Owner Occupied	851,605
Total leasing activity (sq m)	263,780
Net absorption (sq m)	+13,425
Vacancy rate	14.13%
Average rent, AA category (/sq m/month) *	EUR 15.50
Prime rent (sq m/month) *	EUR 28.00

\*\*Based on asking rents for available areas

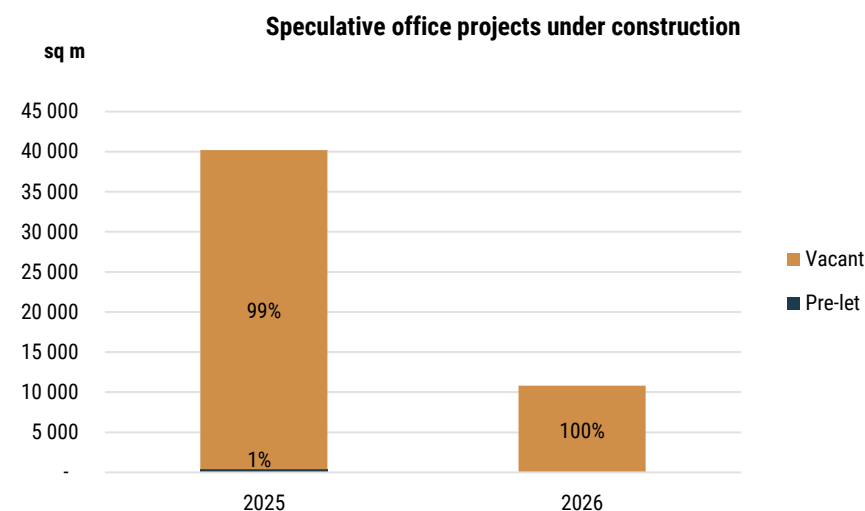
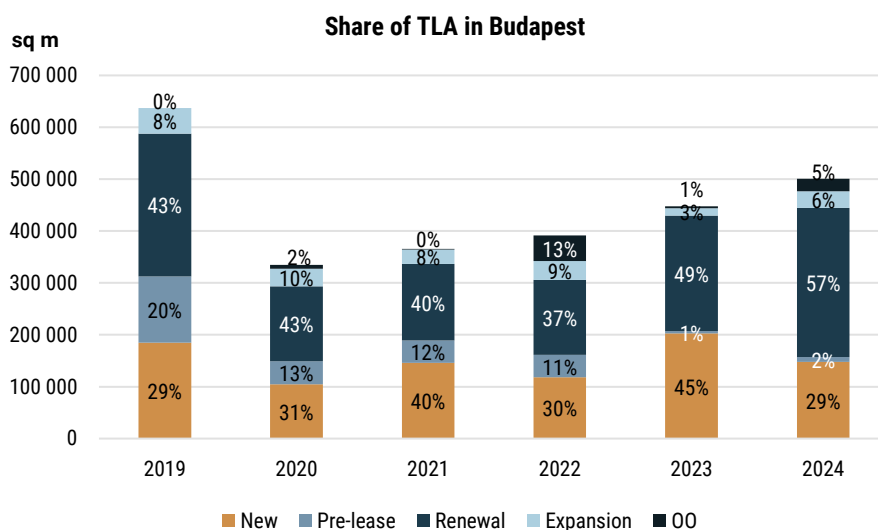
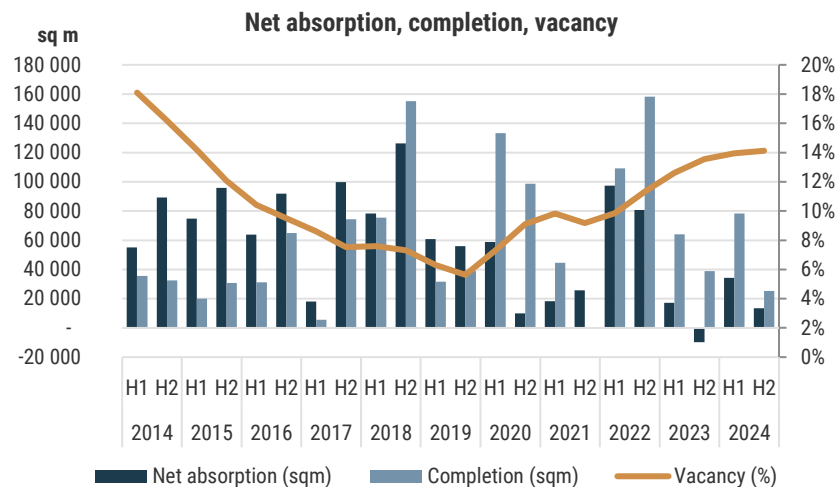
- In the second half of 2024, a total of 25,355 m<sup>2</sup> of new office space was delivered. The largest project was the Liberty North Wing with 19,779 m<sup>2</sup>, followed by the Liget Center Vitrum (2,150 m<sup>2</sup>), the first phase of Enter City Office Park (1,926 m<sup>2</sup>), and Bohn's owner-occupied headquarters (1,500 m<sup>2</sup>).
- A 10,230 m<sup>2</sup> building was removed from the stock, while a 5,795 m<sup>2</sup> speculative office space was converted to owner-occupier use.
- By the end of the year, Budapest's modern office stock grew to 4,455,615 m<sup>2</sup>, reflecting a modest 0.3% increase compared to H1.
- Speculative offices continued to dominate the total stock (3,604,010 m<sup>2</sup>), while owner-occupied space accounted for 851,605 m<sup>2</sup>.
- The volume of new completions slightly lagged behind the average of recent years, yet the overall supply continued to grow steadily.



Completions (2024 H2)			
Submarket	Project	Size (sq m)	Quarter
Non-Central Pest	Liberty North Wing	19,779	Q3
Central Pest	Liget Center Vitrum	2,150	Q4
Central Buda	Enter City Office Park I	1,926	Q3
Central Buda	Bohn HQ	1,500	Q3

## Demand vs. supply

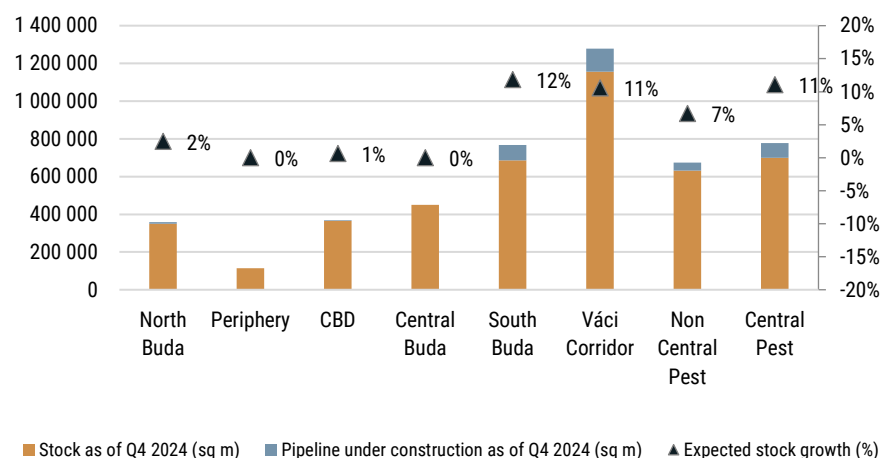
- Gross demand in the second half of the year reached 263,780 m<sup>2</sup>, with renewals accounting for 65% of the total. The share of new leases stood at 40% in Q3 and dropped to 18% in Q4.
- Pre-leasing activity remained negligible, totaling just 2,655 m<sup>2</sup>. Combined with persistently high vacancy rates, this continues to reflect a tenant-driven market.
- For the full year 2024, net absorption was positive at 47,665 m<sup>2</sup>, although this was primarily driven by the strong performance in the first half; Q4 recorded a negative figure.



## Pipeline

- By the end of 2026, nearly 212,500 m<sup>2</sup> of office space is expected to be delivered in Budapest, including 54,000 m<sup>2</sup> of speculative projects and approximately 158,500 m<sup>2</sup> of owner-occupied developments.
- In 2025 alone, at least 114,500 m<sup>2</sup> of new office space is anticipated.
- The largest project remains Centerpoint III (37,208 m<sup>2</sup>) in the Váci Corridor, followed by the Dürer Park I–II buildings (34,377 m<sup>2</sup> and 16,000 m<sup>2</sup> respectively, totaling 50,377 m<sup>2</sup>) in the Central Pest submarket.
- The highest volume of new deliveries is expected in Central Pest, where the current stock is projected to expand by nearly 60,000 m<sup>2</sup> over the next two years.

**Expected stock growth by submarkets  
until the end of 2025**

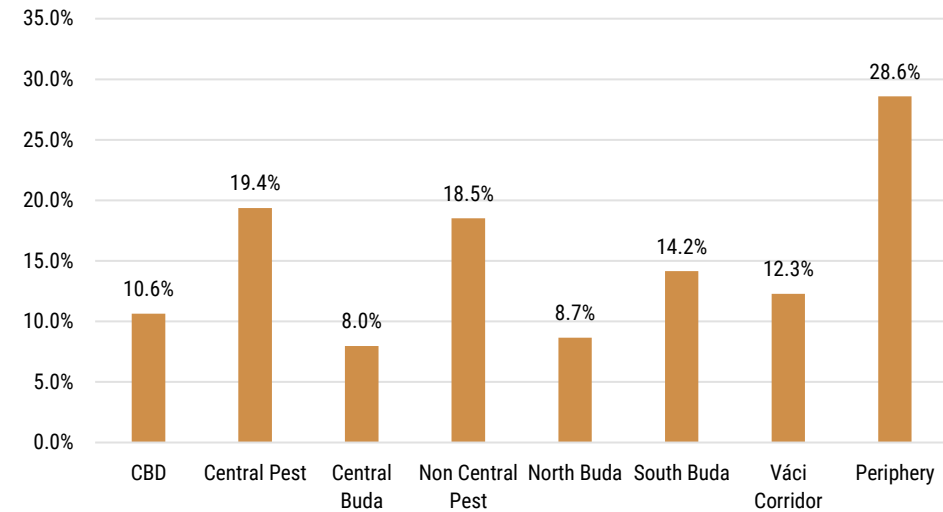


Projects under construction (expected handover 2025-2026)				
Submarket	Project	Project type	Size (sq m)	Expected handover
Central Pest	Dürer Park I	owner-occupied	34,377	2025 Q1
Váci Corridor	Rhodium Irodaház	speculative	2,845	2025 Q1
CBD	Wagner Palota	speculative	2,253	2025 Q1
Váci Corridor	Centerpoint III	speculative	37,208	2025 Q2
Central Pest	Dürer Park II	owner-occupied	16,000	2025 Q2
South Buda	BudaPart Harbor	owner-occupied	22,000	2025 Q4
Central Pest	M76	speculative	9,500	2026 Q3
South Buda	Budapart Corso	owner-occupied	34,000	2026 Q4
South Buda	BudaPart Central	owner-occupied	25,100	2026 Q4
North Buda	P59 - Building 3	speculative	2,200	2026 Q4
Non Central Pest	Zugló Városház Központ Offices	owner-occupied	27,000	2025 Q1 - 2026 Q4
Total			212,483	

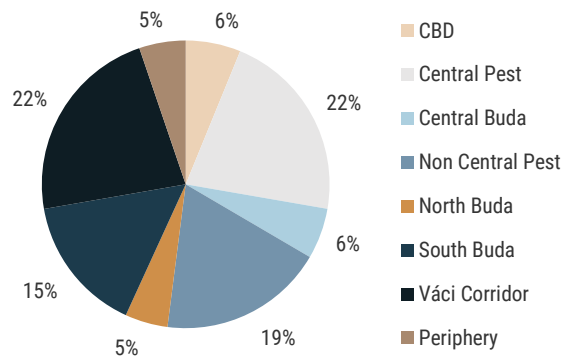
## Submarkets' performance

- Among the submarkets, the Váci Corridor was the most active in H2 2024, accounting for 37% of total leasing activity. It was followed by South Buda (22%) and Central Pest, which reached 31% in Q3.
- The lowest vacancy rate was recorded in Central Buda (8%), while the highest remained in the Agglomeration, at 28.6%.

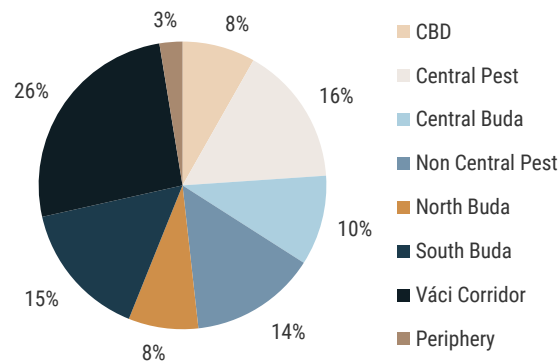
Vacancy by submarkets (%)



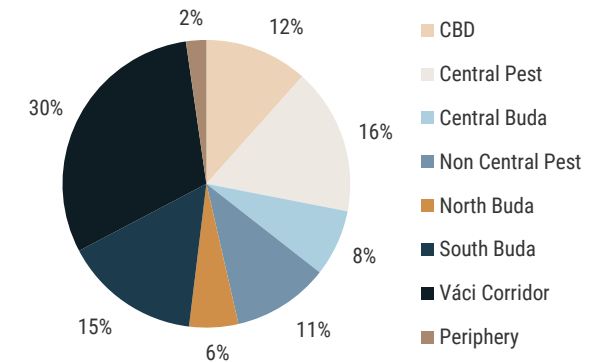
Share of vacancy by sub-markets (2024)



Share of office stock (2024)



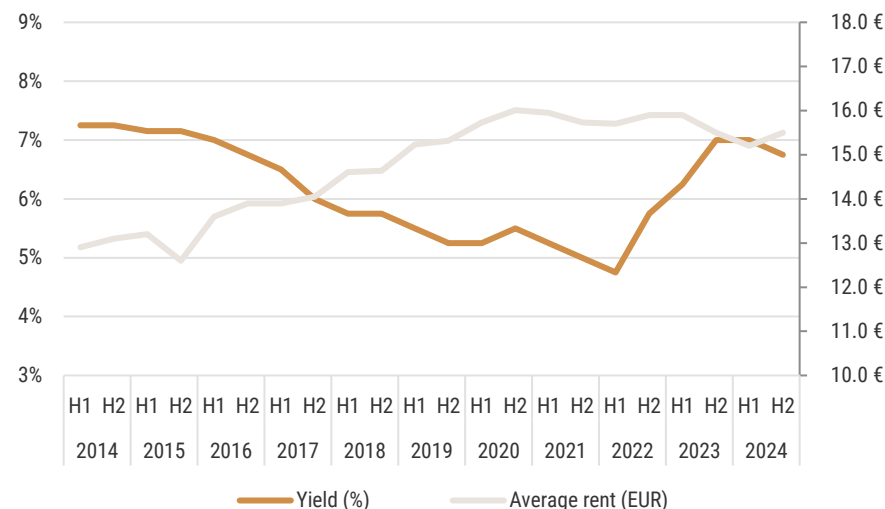
Split of office demand (2024)



## Prime office yield & rents

- Based on rental data currently available in the BRF database, the average rent slightly increased by the end of 2024, reaching EUR 15.50/m<sup>2</sup>/month for AA-category buildings.
- Prime rent remained unchanged at EUR 28.00/m<sup>2</sup>/month at the end of 2024, a level that has stayed consistent since 2019. None of the upcoming projects currently exceed this rent level.
- Recently, yields for prime office properties have risen rapidly due to high financing costs and market uncertainty. At the same time, the gap between seller and buyer pricing expectations has widened, resulting in very few transactions and making yield benchmarking difficult. Over the past six months, the yield for prime offices has adjusted to 6.75%.

Prime office yield and average monthly rent/sq m



## Forecast

- The market outlook for 2025 will largely be shaped by the volume of new deliveries and tenants' decisions regarding renewals and relocations.
- Given the active development pipeline, further increases in vacancy are anticipated if landlords are unable to secure leases in time. On the tenant side, price sensitivity and cost efficiency will remain key priorities.
- Yields for prime office properties are expected to continue rising, driven by persistently high construction costs and ongoing market uncertainty.

## MORE INFORMATION

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