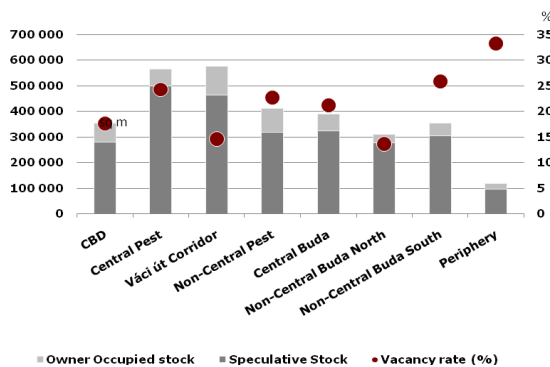


**Members of the Budapest Research Forum (BRF) include CB Richard Ellis, Cushman & Wakefield, DTZ, GVA Robertson, Jones Lang LaSalle and King Sturge. The Forum has collated all information and now reports the office market data for Q4 2010.**

In 2010 the total take-up was 306,650 sq m. The demand in the last quarter was outstandingly high 120,825 sq m; new transactions in Q4 exceeded the volume of new transactions registered in the previous quarters this year. The total stock of Budapest office market, including owner occupied and speculative buildings, reached 3,079,914 sq m in Q4 2010. The stock includes 2,561,008 sq m A and B grade modern speculative office accommodation, and 518,906 sq m owner occupied space.



The completion level decreased drastically, by 81 % compared to Q3. One of the two new completions is the refurbishment of Duna Bellview in Central Buda submarket, the other is the 2,132 sq m office space in Alfa Budaörs Center in the western periphery.

Building	Size (sq m)	Type
Alfa Budaörs Center	2 132	speculative
Duna Bellview	2 200	speculative
<b>Total</b>	<b>4 332</b>	

New office supply increased by 172,564 sq m in 2010, which is the lowest level since 2006.

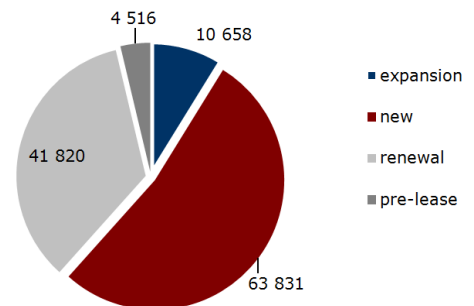
The vacancy rate of Budapest office market decreased by 110 basis points compared to Q3 standing at 20.53 % at the end of December, which was the lowest in 2010. North Buda

submarket reached the lowest vacancy rate (13.66 %), while the highest vacancy level (33.18 %) was registered in the Periphery. The vacancy rate of the speculative stock stood at 24.69 %.

The take-up volume amounted to 120,825 sq m in Q4 2010. New transactions represented the highest share of the take-up (52.8 %), whilst renewals add a 34.6 % share. The largest transactions of the quarter were Ericsson's 12,829 sq m renewal in Science Park, Sanoma's renewal in Szépvölgyi Office park for 8,500 sq m and DIAGEO's renewal in West End Business Center for 8,300 sqm. The largest new transaction was registered in Váci corridor: a bank signed a lease agreement for 5,502 sq m in BSR Center. Further major new transactions were: TATA Consultancy's 4,400 sq m new lease agreement in Office Garden II, and a bank's 3,555 sq m lease in Eiffel Square. The only prelease in Q4 2010 was HBO's transaction for 4,516 sq m in Officium.



**Demand types in Q4 2010**



During Q4 2010, 161 lease agreements were registered with an average transaction size of 750 sq m, which is 54 % higher than the average in Q3. 32 transactions were signed for office space larger than 1,000 sq m; out of them nine were renewals and one was a prelease.

BRF revised the speculative office stock and excluded one building based on its general condition. Besides this two office buildings were moved to the owner-occupied (OO) stock.

Q4 2010	CBD	Central Pest	Central Buda	Non-Central Pest	Non-Central Buda North	Non-Central Buda South	Váci út Corridor	Periphery	Total
Completions	0	0	2 200	0	0	0	0	2 132	<b>4 332</b>
Spec Stock	279 483	498 782	323 426	319 483	278 075	303 569	463 214	94 976	2 561 008
OO Stock	73 705	65 577	66 215	92 531	33 125	50 357	113 796	23 600	518 906
<b>Total Stock</b>	<b>353 188</b>	<b>564 359</b>	<b>389 641</b>	<b>412 014</b>	<b>311 200</b>	<b>353 926</b>	<b>577 010</b>	<b>118 576</b>	<b>3 079 914</b>
Vacancy	62 229	136 795	82 369	93 544	42 497	91 259	84 164	39 349	632 206
Spec Vacancy Rate	22,27%	27,43%	25,47%	29,28%	15,28%	30,06%	18,17%	41,43%	24,69%
Total Market Vacancy Rate	17,62%	24,24%	21,14%	22,70%	13,66%	25,78%	14,59%	33,18%	20,53%
Total take-up	5 803	24 322	27 943	8 782	19 714	10 279	22 291	1 691	120 825

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**Submarket Map**

