



# COMMERCIAL REAL ESTATE MARKET REPORT



2026  
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The commercial real estate (CRE) market is of key importance, as it influences all economic sectors and also plays a role in people's everyday lives. In light of this, the Magyar Nemzeti Bank analyses developments on the CRE market in this biannual report.

The following two aspects are crucial to the analysis of commercial real estate:

- I. On the one hand, commercial real estate is a fixed asset used by economic agents as a production factor; therefore, its value is influenced by the interplay of supply and demand for this asset.
- II. On the other hand, commercial real estate is an investment asset: investors purchase such assets to realise a yield premium – over and above the available risk-free rate of return – on the cash flow from utilising the real estate and/or the increase in value, while taking extra risk in the process.

Consequently, in addition to supply and demand trends, investor expectations are a key determinant in the value of commercial real estate, similarly to financial markets. Furthermore, developments on the CRE market also affect the functioning of the financial system. This is primarily due to the fact that a large share of credit institutions' corporate loan portfolios is comprised of CRE-collateralised loans, accounting for almost 40 percent of these portfolios in Hungary.<sup>1</sup>

As such a large amount of bank assets are CRE-collateralised, there is a strong relationship between CRE values and the credit cycle. During an economic upturn, a positive feedback loop may develop between rapid growth in real estate values and lending, which can lead to excessive lending and fuel borrowing for real estate speculation. In an economic crisis, banks' non-performing loans burden the institutions' capital adequacy, resulting in a reduction in credit supply. As seen in the 2008 crisis, the commercial real estate market plays a major role in banks' pro-cyclical behaviour. Moreover, corrections in CRE prices affect future investments and thus the real economy, which influences the operating environment of banks. A decrease in commercial real estate values generates losses for banks and institutional investors with large CRE stocks and contributes to financial instability.

Consequently, the CRE market can negatively affect the stability of the financial system via multiple channels, and thus it is of the utmost importance for the Magyar Nemzeti Bank as a macroprudential authority to monitor and thoroughly analyse the commercial real estate market.

The Commercial Real Estate Market Report aims to provide an overview of the underlying economic developments and the system of interactions between economic agents. Consequently, this Report represents a unique central bank publication at the international level, due to its integrated presentation of the macroeconomic and financial stability aspects of the CRE market. The set of information used by the publication includes the following:

- The presentation of the macroeconomic environment influencing the CRE market is based on the information in the MNB's Inflation Report.<sup>2</sup> Key statistical variables relevant to the CRE market include changes in the volume of gross value added, employment trends, changes in retail sales and changes in the yield environment.
- The analysis of current commercial real estate market developments relies primarily on data provided by real estate consulting firms and information from meetings of the Housing and Real Estate Market Advisory Board. Developments in the commercial real estate market are analysed by market segment (office market, retail market, industrial-logistics market, hotel market), but due to the capital city-focused market structure the bulk of the data is limited to Budapest. A micro-database is available to monitor construction projects.
- The analysis of the CRE financing market relies mainly on balance sheet data from credit institutions, interest statistics and granular, loan contract level loan data collected by the MNB; information on the qualitative features of lending developments collected in the Lending Survey<sup>3</sup> is also used.

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<sup>1</sup> In addition to project loans backed by commercial real estate, this also includes classic corporate loans to which mortgage on commercial real estate was provided as collateral.

<sup>2</sup> Magyar Nemzeti Bank, Inflation Report: <https://www.mnb.hu/en/publications/reports/inflation-report>

<sup>3</sup> Magyar Nemzeti Bank, Lending Survey: <https://www.mnb.hu/en/financial-stability/publications/lending-survey>



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# 1 Executive summary

*The subdued economic activity in 2025 did not provide meaningful support to the commercial real estate market, but favourable developments were observed in certain market segments. Thanks to the expansion of tourism, performance indicators in the hotel sector improved, and retail sales also continued to grow as the consumer confidence index advanced to a two-year high. Overall, the cyclical position of the commercial real estate market was assessed more favourably in 2025, but market sentiment continued to reflect uncertainty about the outlook.*

*In the Budapest office market, the vacancy rate dropped by 1.6 percentage points to 12.5 percent in 2025, once again falling below its long-term average of 13.3 percent, while it rose significantly in the industrial-logistics market, increasing by 4.9 percentage points to 12.8 percent. Due to this increase, the industrial-logistics vacancy rate in Budapest exceeded the long-term average of 10.4 percent, which is also considered high in comparison to other regional capitals. The rise in this indicator was driven by the high volume of new completions in the industrial-logistics market in Budapest and its environs, as well as by the low level of net take-up in recent years. Overall, together with the planned volume of new completions and expected relocations, the demand levels observed in recent quarters point to a further increase in vacancy rates in both the office and the industrial-logistics markets, as a result of which the office market indicator may rise above its long-term average again in 2026.*

*Investment volume in the domestic commercial real estate market amounted to approximately EUR 900 million in 2025, exceeding the low base of the previous year by 123 percent. High-value transactions (exceeding EUR 50 million) accounted for a significant portion of the annual volume, with four such deals representing 43 percent of the total volume. The share of transaction volume attributable to domestic investors declined in 2025, dropping to 61 percent from 73 percent in 2024, which leaves the market more balanced. In more mature Western European office markets as well as in the countries of the CEE region, prime office investment yields generally stagnated, further supporting the stabilisation of property values. In 2025, capital values calculated on the basis of prime office yields and rents rose at a rate of 5.5 percent on average in the CEE region and 2 percent in Budapest. Mounting geopolitical tensions pose risks to project implementation, due to unexpected increases in construction costs, while also raise expected real estate investment yields.*

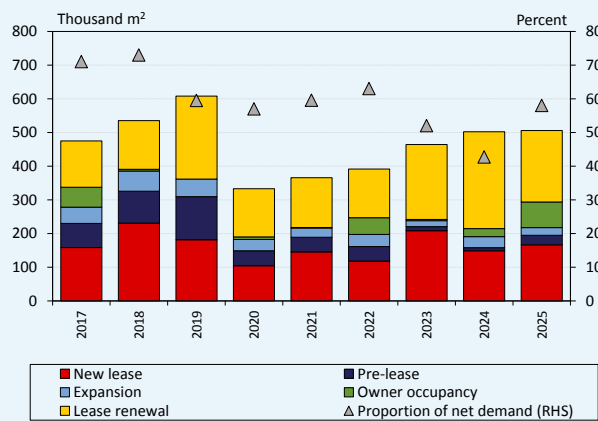
*Compared to the same prior-year period, banks disbursed 54 percent more CRE-backed project loans in 2025, with nearly two-thirds of this related to construction loans. The volume of project loans originated increased year on year in all commercial real estate segments, aside from industrial-logistics and other real estate. In the retail, office and hotel segments, which saw substantial increases in annual disbursements, the refinancing of a few large outstanding loan exposures played a significant role; consequently, despite a disbursement ratio of 34 percent relative to the stock, the exchange rate-adjusted outstanding volume only rose by 7 percent. Overall, it can be stated that credit institutions' CRE-backed project loans predominantly serve to finance properties in Budapest and its environs, and no significant shift towards rural regions has been observed in recent years. According to the MNB's Lending Survey, banks left lending conditions unchanged overall in the commercial real estate segment in 2025 Q4, but in the case of office buildings a net 11 percent of banks reported tightening. Looking ahead to 2026 H1, 26 percent of banks indicated that they may continue to tighten project loan standards in the case of office buildings, citing a change in risk tolerance.*

*In view of the continuing risks in the commercial real estate market and in line with an earlier decision, the MNB has applied a 1-percent sectoral systemic risk buffer (sSyRB) since 1 January 2026. This helps to promote domestic credit institutions' resilience in relation to their exposures in the commercial real estate market. Risks are also mitigated by the portfolio's conservative average LTV ratio, the favourable geographical distribution of exposures in terms of market demand, and the low NPL ratio.*

# 2 Office Market

In 2025, net take-up in the Budapest office rental market exceeded the volume of new completions. As a result of this, the vacancy rate reached 12.5 percent at the end of 2025, falling by 1.6 percentage points versus end-2024. Within the total volume of office space being built in Budapest, 80 percent is accounted for by office buildings constructed for owner occupancy, primarily by government institutions. As a result, the occupancy rate of the total pipeline remains favourable (87 percent), but relocations will lead to areas becoming vacant, and an increase in the vacancy rate can thus be expected.

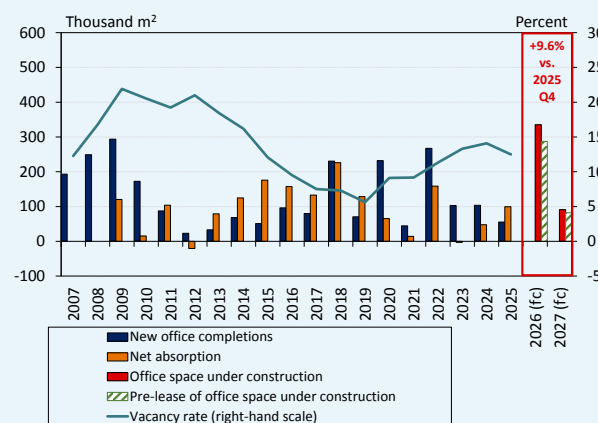
**Chart 1**  
Volume of lease transactions in the Budapest office market



Source: Budapest Research Forum

**Within office demand in 2025, the volume of owner-occupancy transactions and pre-lease agreements increased the most.** In 2025, total demand for modern office space in Budapest was broadly in line with the level from one year earlier (+0.7 percent) (Chart 1). Within demand, increases were registered in the volume of owner-occupancy transactions (+216 percent; primarily linked to government institutions), pre-lease agreements (+205 percent) and new lease transactions (+12 percent), while expansions (-30 percent) and renewals (-26 percent) saw declines.<sup>4</sup> Net demand (excluding renewals) for the year was up 31 percent compared to the previous year. The volume of lease agreements concluded in 2025 amounted to 506,000 square metres, of which 42 percent was renewals. In terms of total demand, new leases accounted for 33 percent, owner-occupancy transactions for 15 percent, pre-lease transactions for 6 percent and expansions for 4 percent. Within total demand, the share of net demand excluding renewals was 58 percent in 2025, which is in line with the average for the past eight years (2018–2025).

**Chart 2**  
Leasing and development activity in the Budapest office market



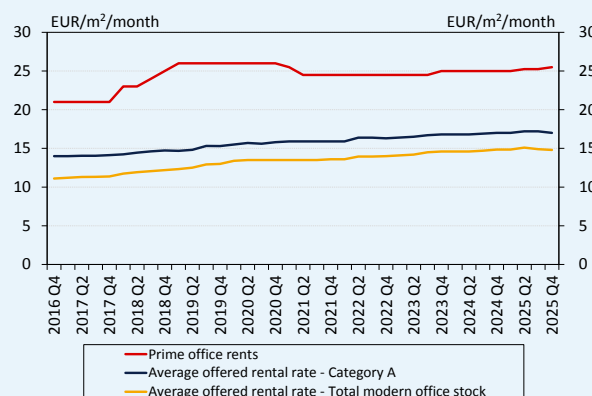
Note: Office space under construction based on data from end-2025.

Source: Budapest Research Forum, Cushman & Wakefield

**The vacancy rate in the Budapest office market declined in 2025, but looking ahead the risk of oversupply is increasing.** The stock of modern office space in Budapest amounted to 4.46 million square metres at end-2025, with the vacancy rate at 12.5 percent, which is lower than its long-term average of 13.3 percent and reflects a drop of 1.6 percentage points versus end-2024 (Chart 2). The decline in this indicator was supported by the fact that the volume of new office completions in 2025, which amounted to 1 percent of the total stock, was roughly one-half the level of completions recorded in the preceding two years, and the newly completed office space featured a high occupancy rate (95 percent). The annual volume of net take-up amounted to 99,000 square metres, which is high compared to recent years. The volume of office completions planned for 2026 may reach as much as 335,000 square metres, equivalent to 7.5 percent of the existing stock, which

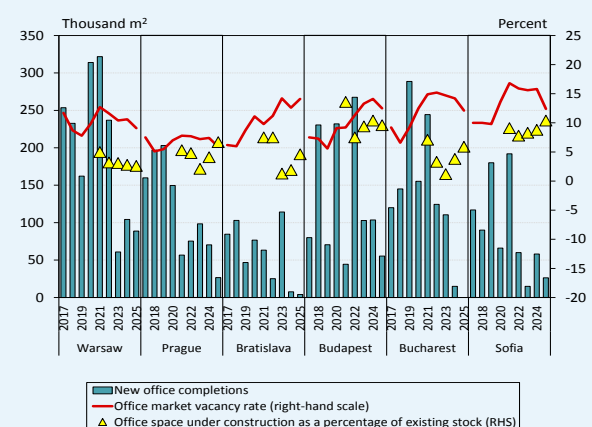
<sup>4</sup> For definitions related to CRE demand, see Annex 2.

**Chart 3**  
Offered rental rates on the Budapest office market



Source: CBRE

**Chart 4**  
Development activity and vacancy rates in regional capital office markets



Source: MNB compilation based on CBRE, Colliers, Cushman & Wakefield and JLL data

would represent a historical record high. The vast majority of completions expected in 2026 (84 percent) are being developed for owner-occupation, primarily for use by the public sector. With the completion of owner-occupied office buildings and the subsequent relocations, an increase in the vacancy rate is expected. Overall, the increase may exceed 1 percentage point. However, depending on the timing of relocations, this effect is unlikely to be concentrated at a single point in time. At the end of 2025, a total of 426,000 square metres of office space was under construction in Budapest, corresponding to 9.6 percent of the existing modern office stock.

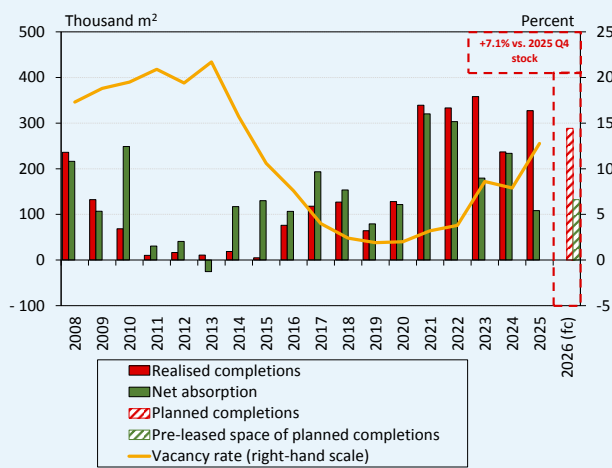
**Offered rental rates in the office market remained broadly unchanged in 2025.** For the total modern office stock regularly monitored by the Budapest Research Forum, the average monthly offered rent stood at EUR 14.8 per square metre at end-2025, in line with the level observed one year earlier (Chart 3). In the case of higher-quality (“Class A”) office space, the average offered rent also remained unchanged at EUR 17 per square metre per month. In 2025, the prime rent for office buildings with the best location and quality increased by 2 percent to EUR 25.5 per square metre per month.

**Vacancy rates declined in the office markets of several regional capitals in 2025.** While the vacancy rate in Bratislava’s office market rose in 2025, declines were registered in the other CEE capitals (Chart 4). In Bratislava, the vacancy rate increased by 1.5 percentage points, while declines of 1.5–3.4 percentage points occurred in Budapest, Bucharest, Prague, Sofia and Warsaw. The lowest vacancy rate was observed in Prague (5.9 percent), while the highest rate was recorded in Bratislava (14.1 percent). Relative to existing stock, the ratio of office space under construction declined in Budapest and Sofia among the six capitals examined. At end-December 2025, this ratio ranged from 2.6 to 6.7 percent in Bucharest, Bratislava, Prague and Warsaw, while it was higher in Budapest and Sofia, at 9.6 percent and 10.4 percent, respectively. Compared to 2024, the volume of new office completions was lower in all capital cities in 2025.

# 3 Industrial-logistics Market

The vacancy rate of industrial-logistics space in Budapest and its environs increased by 4.9 percentage points year on year, reaching a level of 12.8 percent at end-2025, which is above its long-term average and high in a regional comparison. In 2025, net take-up was relatively low compared to the high volume of new completions. In 2026, a large volume of new industrial-logistics space is slated for completion in the market of Budapest and its environs, and, based on the available free space in developments and the current level of demand, the vacancy rate is expected to rise.

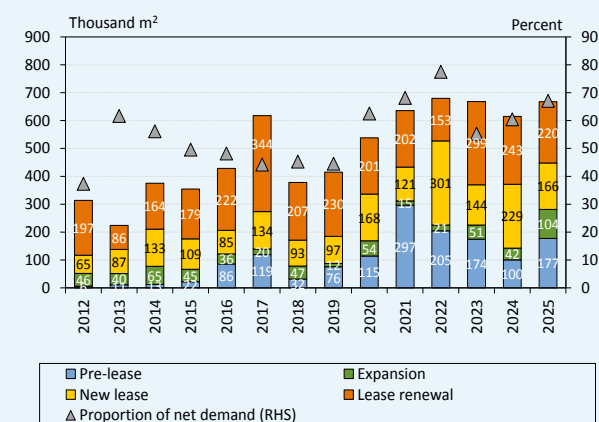
**Chart 5**  
New completions, net take-up and vacancy rate in the industrial-logistics market of Budapest and its environs



Note: Planned completions are based on data from end-2025.  
Source: Budapest Research Forum, Cushman & Wakefield

The vacancy rate in the industrial-logistics market in Budapest and its environs has risen and is expected to keep rising in the future. In 2025, 327,000 square metres of industrial-logistics space was completed in Budapest and its environs, representing a high annual volume and corresponding to 8.7 percent of the end-2024 stock (Chart 5). Around 60 percent of the space coming to market in 2025 had tenants at the time of completion. In 2026, another 289,000 square metres of industrial-logistics space is slated for completion (7.1 percent of the existing stock), of which 46 percent had pre-lease agreements in place at the end of 2025. In terms of leasing demand, annual net take-up (108,000 square metres) remained relatively low, with only two years in the past decade featuring lower figures than 2025. As a result, over the course of the year, the vacancy rate in the Budapest industrial-logistics market rose sharply, increasing by 4.9 percentage points to 12.8 percent at end-2025. The indicator has been above its long-term average of 10.4 percent since 2025 Q1 and based on the volume of vacant space in new completions expected for 2026, the vacancy rate in the segment may continue to rise. Comparing vacancy rates across the industrial-logistics markets of CEE capital cities, the level in Budapest is exceptionally high: the second highest rate is found in Bratislava (5.6 percent), which is less than half of the rate in Budapest.

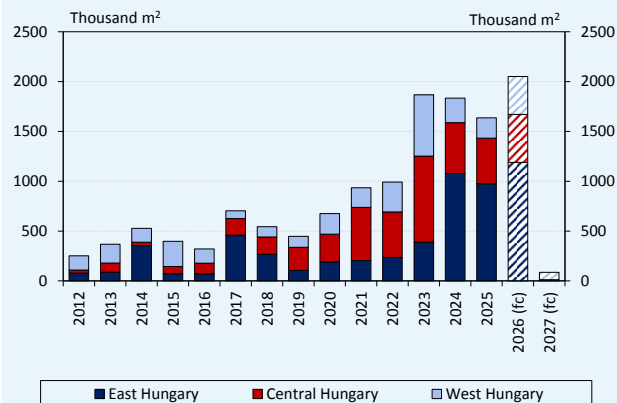
**Chart 6**  
Rental demand by contract type in the industrial-logistics rental market of Budapest and environs



Source: Budapest Research Forum, Cushman & Wakefield

Year-on-year increases were recorded for both gross and net demand in the industrial-logistics market in 2025. During this period, lease agreements were concluded for 667,000 square metres of industrial-logistics space in the Budapest and agglomeration market, up 9 percent on the 2024 figure (Chart 6). In a year-on-year comparison, the level of net demand excluding renewals advanced 20 percent, while the volume of renewals fell 10 percent. As a result, within gross demand, the share of renewals was lower at 33 percent compared to the annual ratio of 40 percent in 2024. At end-December 2025, typical offered rental rates ranged between EUR 4.95 and EUR 5.95 per square metre per month (Annex Chart 6). Compared to the end of 2024, the lower range of the typical rent range

**Chart 7**  
Industrial-logistics completions and planned completions in Hungary



Note: Central Hungary includes property developments in Budapest and its environs. Planned completions are based on data as of end-2025.

Source: CBRE

decreased by EUR 0.35, while the upper range increased by EUR 0.05; overall, the midpoint of the range declined by 2.7 percent.

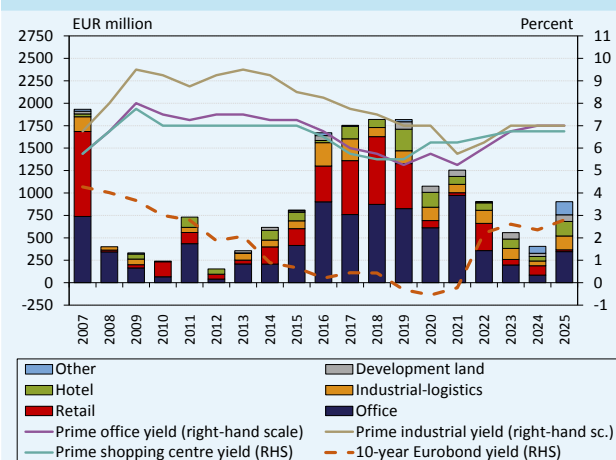
**Most industrial-logistics projects continue to be built in the eastern part of the country.** At the end of December 2025, the total stock of modern industrial-logistics real estate in Hungary amounted to approximately 18.2 million square metres, including both leasable and owner-occupied properties (Annex Chart 7). In 2025, 1.6 million square metres of new space was completed, corresponding to 10 percent of the end-2024 stock. At the end of 2025, the stock of modern industrial-logistics space for lease in Hungary amounted to 6.1 million square metres, with a vacancy rate of 11.4 percent, which is 3.5 percentage points higher than one year earlier. Looking ahead, industrial production may remain subdued over the short term,<sup>5</sup> and therefore no significant increase in leasing demand for industrial-logistics real estate is anticipated. In 2026, 2 million square metres of industrial-logistics real estate is expected to be completed nationwide, representing an expansion of 11 percent compared to the end-2025 stock. Of the new completions planned for 2026, 60 percent are expected in Eastern Hungary, 28 percent in Central Hungary (including Budapest), and 12 percent in Western Hungary (Chart 7). The high proportion in eastern Hungary is mainly explained by industrial investment projects underway in Debrecen, Kecskemét, Nyíregyháza and Szeged.

<sup>5</sup> Magyar Nemzeti Bank, Inflation Report, March 2026: <https://www.mnb.hu/en/publications/reports/inflation-report/26-03-2026-inflation-report-march-2026>

# 4 Commercial Real Estate Investments

Compared to the previous year, the transaction volume on the domestic commercial real estate investment market more than doubled in 2025, but in a longer-term comparison investment activity can still be considered moderate. During the year, prime real estate investment yields remained unchanged in all market segments. According to the quarterly survey by the Royal Institution of Chartered Surveyors, in 2025 Q4 the majority of real estate professionals (64 percent) assessed the position of the commercial real estate market cycle as being at its trough.<sup>6</sup>

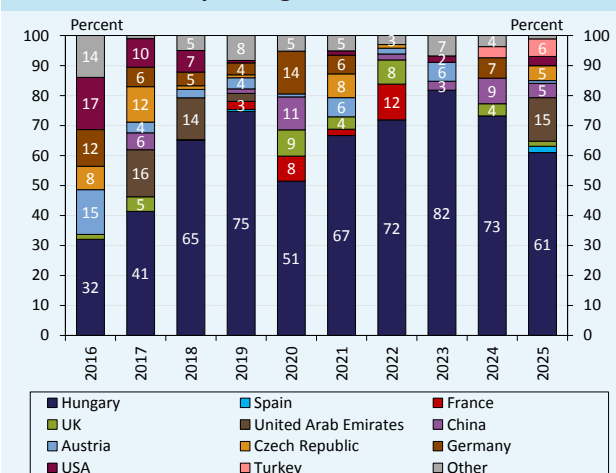
**Chart 8**  
Investment volume and prime yields on the Hungarian CRE market



Source: CBRE, Cushman & Wakefield, ECB, MNB

**After three years of declines, investment volume in Hungary increased again in 2025.** In 2025, investment volume in the domestic commercial real estate market reached EUR 903 million, of which approximately two-thirds consisted of transactions involving income-generating properties with an actual yield, while one-third related to non-income-generating project properties requiring refurbishment and/or a change of function, as well as properties purchased for owner-occupation. Compared to 2024, total investment volume more than doubled, increasing by 123 percent, while the transaction volume of income-generating properties rose by 96 percent. Despite the significant increase, investment activity can still be considered moderate in light of the years 2016–2021 (Chart 8). Of the total volume, 38 percent was attributable to office buildings, 17 percent to industrial-logistics properties, 18 percent to hotels, 2 percent to retail properties and a further 24 percent to transactions involving other properties requiring additional development. High-value transactions played a significant role in annual investment volume, with 43 percent of the total volume attributable to four large transactions. In 2025, prime yields<sup>7</sup> remained unchanged in all segments. At the end of 2025, prime yields stood at 7 percent for office and industrial-logistics properties and at 6.75 percent for shopping centres. In 2025, as a result of rising 10-year EUR-denominated government bond yields,<sup>8</sup> the yield premium on domestic real estate investments fell 45 basis points (Annex Chart 14).

**Chart 9**  
Investment volumes on the Hungarian CRE market by investors' country of origin



Source: CBRE, Cushman & Wakefield, MNB

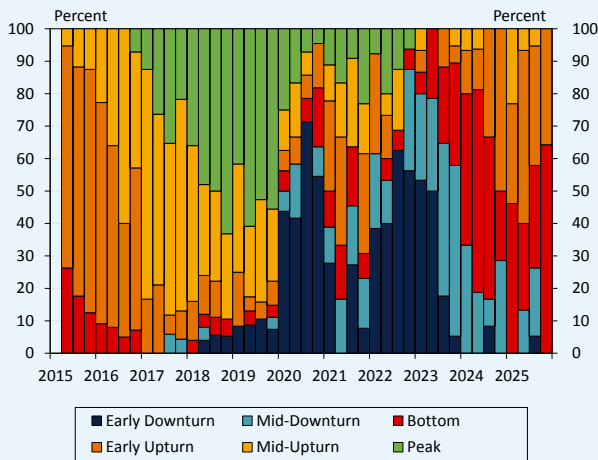
**In 2025, foreign investors' share in investment volume increased, supported in part by high-value transactions.** Purchases by Hungarian investors accounted for 61 percent of the investment volume in 2025, which is significantly lower than the levels observed in the preceding four years (Chart 9). In addition to transactions by domestic investors, a substantial share of investments was accounted for by

<sup>6</sup> Royal Institution of Chartered Surveyors, Global Commercial Property Monitor. Available at: <https://www.rics.org/news-insights/market-surveys/global-commercial-property-monitors>

<sup>7</sup> The yield data refer to the (initial) gross yields of commercial real estate transactions, defined as the ratio of the property's annual net rental revenue to the transaction price, and reflect the yield level requirement of investors.

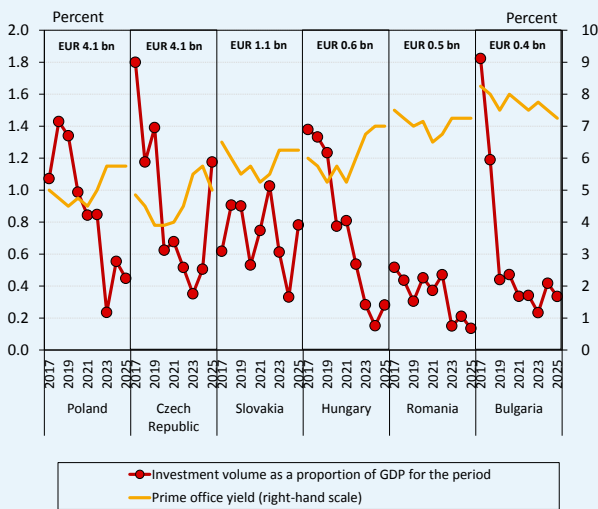
<sup>8</sup> The 10-year EUR-denominated government bond yield is the average yield of 10-year government bonds issued by euro area countries with an AAA rating.

**Chart 10**  
Perceptions of the current phase of the domestic CRE market cycle



Note: Based on responses from January 2026.  
Source: RICS

**Chart 11**  
Investment volume as a percentage of GDP and prime office market yields in the CEE region



Note: Investment volume as a percentage of GDP, based on period GDP at current prices. The upper part of the chart shows commercial real estate investment volume in the countries in 2025.

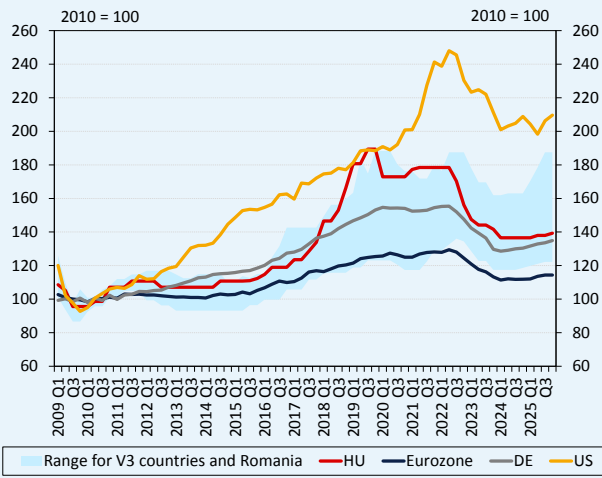
Source: CBRE, Colliers, Cushman & Wakefield, JLL, Eurostat

purchases by investors from the United Arab Emirates, Turkey, the Czech Republic, China and the United States. Hungarian public open-ended real estate funds accounted for 10 percent of investment volume. Foreign real estate investment companies accounted for 33 percent of the 2025 investment volume, Hungarian real estate investment companies for 32 percent and private investors for 2 percent, while domestic closed-end and foreign real estate funds together accounted for 6 percent (Annex Chart 13).

**At end-2025, the majority of real estate professionals saw the commercial real estate market at the low point of the cycle, but no longer perceived a decline.** According to the survey by the Royal Institution of Chartered Surveyors (RICS), while more than half of the respondents considered the commercial real estate market to be in an upswing phase in 2025 H1, this share had declined to 36 percent by the end of the year, reflecting elevated market uncertainty. At end-2025, 64 percent of the respondents placed the commercial real estate market at the low point of the cycle; at the same time, one positive development is that no respondents reported a market downturn (Chart 10). In the office market, in 2025 Q4 a net 21 percent of the respondents expected a decline in capital values over the next three months, while in the industrial-logistics and retail segments – in line with expectations of increasing leasing demand – a net 14 percent anticipated rising capital values in both segments (Annex Chart 19). With the escalation of geopolitical tensions, members of the Housing and Real Estate Market Advisory Board observed a significantly higher degree of uncertainty regarding real estate market prospects in March 2026 compared to the situation one month earlier (Box 1).

**Investment activity in the CEE region strengthened in 2025, with transaction volumes increasing by approximately one-third on a year-on-year basis.** At the regional level, investment volume in 2025 exceeded the previous year's volume by 32 percent: transaction volume increased most significantly in the Czech Republic (151 percent), with substantial growth also observed in Slovakia (146 percent) and Hungary (96 percent). In Bulgaria, volume stagnated (+1 percent), while it declined in Romania (-31 percent) and Poland (-12 percent). The increase in domestic investment volume in 2025 is more in line with the turnaround in commercial real estate investment activity, which was already observed at the European and regional levels in 2024. Examining investment volume as a percentage of GDP, commercial real estate investment activity was highest in the Czech Republic in 2025 (1.2 percent). In 2025, among the countries in the CEE region, prime office investment yields remained unchanged in Poland, Hungary, Romania and Slovakia, while they decreased by 75 and 25 basis

**Chart 12**  
**Valuation of commercial properties**



Note: In the case of CEE countries, estimated office market capital value indices. For United States and Eurozone, indices based in completed transactions of all types of commercial real estate. In the case of Germany, an index estimated based on completed transactions including office and retail real estate.

Source: BIS, CBRE, Cushman & Wakefield

points in the Czech Republic and Bulgaria, respectively (Chart 11). Among the capital city office markets examined, Prague has the lowest prime office yield at 5 percent, while Bucharest and Sofia have the highest at 7.25 percent.

**The valuation of commercial real estate improved both in the region and in Western European countries in 2025.**

In this period, commercial real estate investment volume increased by 18 percent at the European level (Annex Chart 15). In more mature Western European office markets and in most countries of the CEE region, prime office investment yields generally remained unchanged, further supporting the stabilisation of property values. In Germany, the price index for office and retail properties rose steadily in 2025 and was 3.5 percent higher at year-end than one year earlier (Chart 12). Based on developments in prime office yields and prime rents, the estimated capital value<sup>9</sup> of prime office properties in Western Europe increased on average by 5.5 percent in the year preceding the end of 2025.<sup>10</sup> In Central and Eastern Europe, the improvement in valuations also continued, with capital values advancing by 5.5 percent on average during the period under review, with country-level changes ranging between 0 and 15 percent. Based on prime office yields and rents, the capital value of prime office investments in Budapest rose by 2 percent compared to the end of 2024. Examining the changes in value relative to the beginning of the yield increase trend, i.e. end of 2022 Q2, one finds average depreciation of 21 percent in Western Europe, 8 percent in the CEE region and 22 percent in Budapest by the end of 2025, based on changes in prime office yields and rents. Mounting geopolitical tensions also pose risks to project implementation, due to unexpected increases in construction costs, and raise expected real estate investment yields.

<sup>9</sup> The capital value of prime offices is a calculated, theoretical value, being the amount of the annual net rental revenue resulting from the level of prime rental rates capitalised by the prime yield as a perpetual annuity (annual prime revenue from rents/prime yield).

<sup>10</sup> As regards the changes in the capital value estimated based on the change in prime yields and rental rates it should be noted that the prime yield and rental rate represent the expected yield and rental rate in the case of top-quality properties at prime locations. The degree of the changes measured in the prime property category does not necessarily reflect the average trend in the entire office market, but it may serve as a good indicator of the direction of changes.

**Box 1****Meeting of the Housing and Real Estate Market Advisory Board, march 2026**

At its March 2026 meeting on the commercial property market, the Housing and Real Estate Market Advisory Board (LITT), which consists of experts from the construction industry and real estate development, investment and consulting, as well as the relevant ministries and key players in financing, reviewed the outlook for the construction sector, as well as developments in the rental market and the situation of commercial real estate investments in the office and industrial-logistics segments.

**CONSTRUCTION AND REAL ESTATE DEVELOPMENT**

Experts with insight into the construction sector reported that in January 2026 the volume of newly concluded contracts in the construction industry had decreased by 9 percent in year-on-year terms. The number of permanently employed persons in the sector had also declined, falling by 40,000 over one year, with this decrease occurring primarily among low-skilled labourers, in particular semi-skilled workers. Following this downsizing, construction sector capacities were currently running at around 70–80 percent capacity. This also intensified price competition, with many companies operating at profit margins of 0–5 percent of revenue. Some experts indicated that “unrealistically” low pricing – aimed at preserving capacities and resulting in loss-making operations – may emerge, which, after reserves were depleted, could jeopardise project implementation. Of the HUF 8,500 billion construction contract book volume currently underway, HUF 2,500–3,000 billion was already affected by chain debt, and according to some opinions, the enforcement of claims in relation to about one-half of this amount may even be taken to legal proceedings. Contractors had originally planned average price increases of 5–6 percent for 2026, but this had been overridden by the sharp increase and volatility in oil and natural gas prices caused by the conflict involving Iran. By mid-March, building materials producers had already indicated that, in the short term, products manufactured using petroleum derivatives could see price increases of 20–50 percent. To manage these risks, experts suggest that general contractors enter into contracts that allow for force majeure situations and include clauses specifying how the parties will jointly handle cost increases in the event of unforeseen price rises. It was noted that the Public Procurement Authority had issued guidance on the treatment of unforeseen costs.

Owing in part to geopolitical shocks, uncertainty among economic operators remained significant overall, and as a result, rescheduling and postponements had become common in many industrial investment projects. New office projects could only be launched if they had secured pre-lease agreements or a forward sale arrangement. At the same time, participants assessed the investments related to agriculture, the food industry and logistics, as well as the expansion in residential construction, as being favourable developments from the perspective of the construction sector. At the same time, with regard to the latter, some noted as a risk that, in the event of an adverse change in demand conditions, construction may slow down or even come to a halt at a later stage in some of the residential projects currently being launched.

**OFFICE MARKET**

The high vacancy rate in the office rental market may rise further in 2026, with some developers suggesting that it could advance to as much as 20 percent by year-end. Due to the high vacancy rate, owners of office rental properties had to compete for tenants and were therefore unable to raise rents. Industry experts would continue to support the relocation of shared service centres (SSCs) to Budapest and university cities, as this would stimulate demand for office space. According to government indications, foreign direct investment in 2025 had already partly shifted towards SSCs and R&D activities, and several university-related investments had also been launched. From the investor side, it was also noted that the spread of artificial intelligence may have a negative impact on office demand generated by SSCs. In the CEE region, office investment volumes had increased significantly in 2025, but from the perspective of resale potential, investors considered it less risky to acquire office buildings in regional capital cities with lower vacancy rates and smaller development pipelines than Budapest.

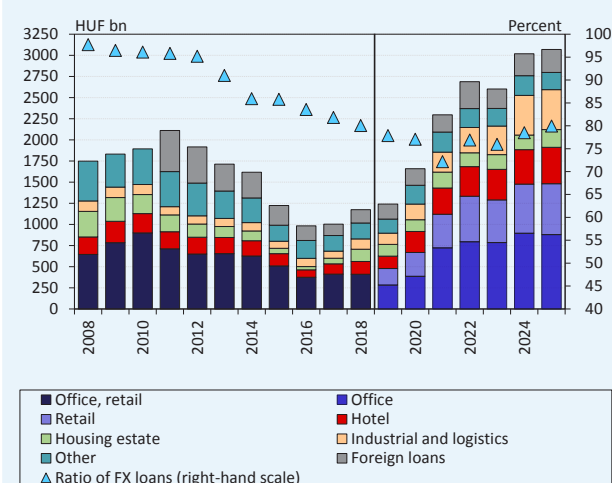
## INDUSTRIAL-LOGISTICS

According to industry experts, in the recent period, the expansion of stock in the industrial-logistics segment had been accompanied by fading leasing demand at the international level, resulting in vacancy rates in the region rising to around 5–10 percent. In Hungary, the market was currently expecting annual net take-up of at most 100,000 square metres, while the planned volume of completions was several times higher, and thus the vacancy rate in this segment may also continue to rise. The role of markets outside the Budapest agglomeration was increasing, with half of the premises built for lease expected to be completed in areas outside of Budapest in 2026. However, this was not necessarily related to foreign direct investment, as Asian investors typically established elements of their supply chains as part of their projects and thus did not generate additional leasing demand. In some major rural cities, developers were attempting to align with large-scale investments by delivering substantial volumes of new space, but leasing demand was not keeping pace with this. As a positive outlook, experts mentioned “nearshoring”, i.e. the geographically driven shortening of value chains: the EU represented a strong consumption base, and global trade tensions may encourage companies to relocate production to the region, with Hungary potentially benefiting from such developments.

# 5 Commercial Real Estate Financing

At the end of 2025, the CRE-backed project loan stock at credit institutions was up 7 percent in year-on-year terms, adjusted for exchange rate effects. The volume disbursed in 2025 exceeded the prior-year level by 54 percent, but a substantial share of disbursements – mainly in the retail, office and hotel segments – was related to the refinancing of previously existing loans. With regards to domestic credit institutions' exposures to the commercial real estate market, shock resilience was promoted by the MNB's decision on the 1-percent sectoral systemic risk buffer (sSyRB), applicable from 1 January 2026. Risks are also mitigated by the portfolio's conservative, 50-percent average LTV ratio, the favourable geographical distribution of exposures in terms of market demand and the low, 3.1-percent NPL ratio.

**Chart 13**  
Composition of the credit institution sector's project loan portfolio for CRE purchase or development, by real estate type



Note: No data breakdown by real estate type is available for loans provided to foreign companies before 2011. From 2019, the data include loans from financial intermediary institutions (including investment funds), in addition to non-financial companies.

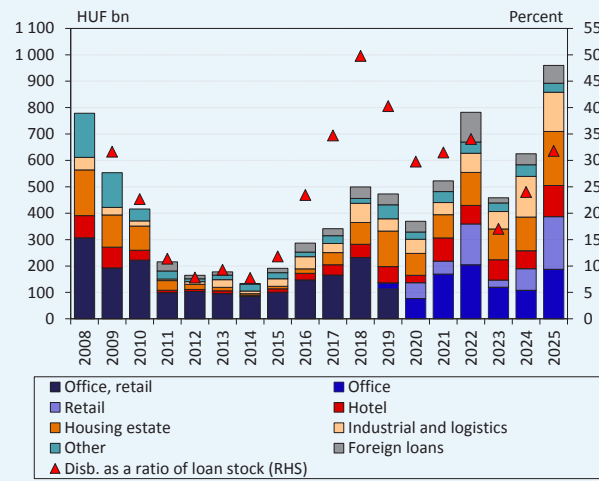
Source: MNB

In a year-on-year comparison, the largest increase in stock was registered for project loans financing housing estates. At end-December 2025, the stock of commercial real estate financing project loans<sup>11</sup> on credit institutions' balance sheets amounted to HUF 3,070 billion, reflecting a 7-percent increase versus end-2024, excluding exchange rate effects (Chart 13). The stock of project loans increased in all segments, except for other property types, with the largest rise of approximately 23 percent seen in the housing estate segment. The share of foreign currency loans within the portfolio stood at 80 percent at end-2025, representing an increase of 2 percentage points compared to one year earlier (Annex Chart 16).

With the exception of industrial-logistics properties, the volume of project loan disbursements rose sharply in all commercial real estate segments, in conjunction with brisk refinancing activity. In 2025, credit institutions disbursed HUF 960 billion in project loans for the development or purchase of commercial real estate, representing a 54-percent increase versus the same period last year (Chart 14). The increase was driven primarily by disbursements for retail properties, which rose by

<sup>11</sup> In monitoring the stock and disbursements of CRE-backed project loans, the MNB has switched to using loan contract level data from the credit registry data reporting system, which are available from December 2019 onwards. Compared to the previously used data tables based on the CRR definition of project loans, the credit registry provides a broader coverage of project loans; therefore, the comparability of stock data prior to 2019 Q4 with data for 2019 Q4 and subsequent periods is limited in Charts 13 and 14.

**Chart 14**  
Project loan disbursements of the credit institution sector for the development or purchase of commercial real estate, by real estate type



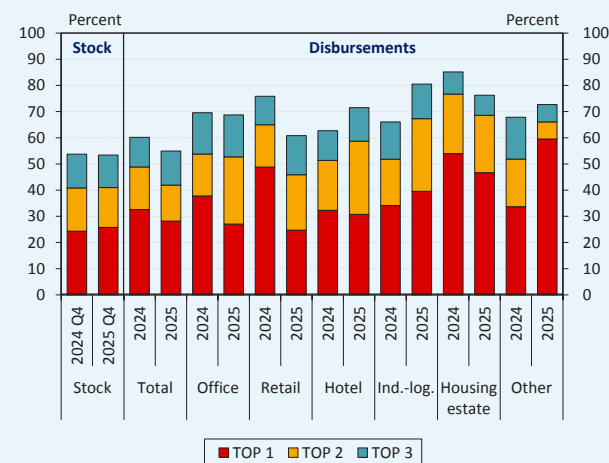
Note: No data breakdown by real estate type is available for loans provided to foreign companies before 2011. From 2020, the data include loans from financial intermediary institutions (including investment funds), in addition to non-financial companies.

Source: MNB

143 percent on a year-on-year basis. New disbursements also increased substantially in the office and hotel segments, expanding by 74 percent and 73 percent, respectively. It should be noted, however, that refinancing played a large role in the increase in disbursements related to these three property types; accordingly, in addition to a disbursement-to-stock ratio of 32 percent, the exchange rate-adjusted stock grew by 7 percent. In the housing estate segment, banks disbursed 60 percent more in project loans in 2025 than one year earlier. The volume of loans disbursed for foreign real estate also increased strongly, rising by 64 percent; however, this accounted for only 7 percent of total annual disbursements.

**The highest degree of institutional concentration was observed in the financing of industrial-logistics and residential projects.** Within the outstanding project loan stock of the credit institution sector, the three largest banks accounted for a combined share of 53 percent at end-December 2025, broadly unchanged compared to their market share one year earlier (Chart 15). In terms of 2025 disbursements, the three most active lending banks accounted for 55 percent of total sectoral volume, representing a decrease of 5 percentage points versus the previous year. Breaking down disbursements by property type, the share of the three institutions with the highest volumes remained unchanged at 69 percent in the office segment, while in the retail segment their share declined by 15 percentage points year on year to 61 percent. In both the hotel and industrial-logistics segments, concentration increased in 2025, with the three banks with the highest disbursement volumes reaching shares of 71 percent and 81 percent, respectively. In the financing of housing estates, the market share of the top three lending banks declined from 85 percent to 76 percent over one year, indicating increasing banking sector competition.

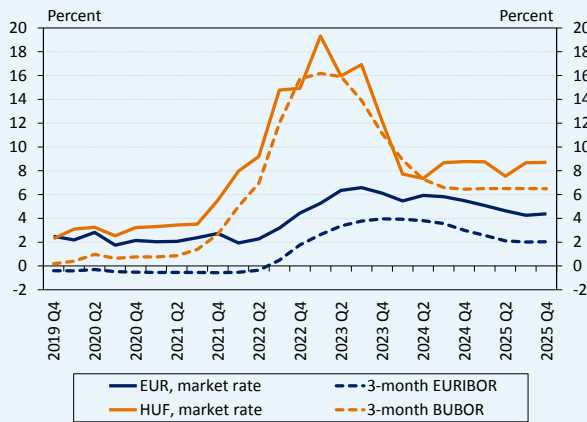
**Chart 15**  
Concentration of CRE lending activity by the credit institution sector



Note: Stock: the cumulative ratio of the stock of institutions with the three largest project loan portfolios backed by commercial real estate compared to the total portfolio of the credit institution sector. Disbursements: the cumulative ratio of the disbursements of institutions with the three largest commercial real estate-backed project loan disbursements within the total disbursements of the credit institution sector.

Source: MNB

**Chart 16**  
Average interest rate of new project loan contracts backed by commercial real estate and 3-month interbank offered rates

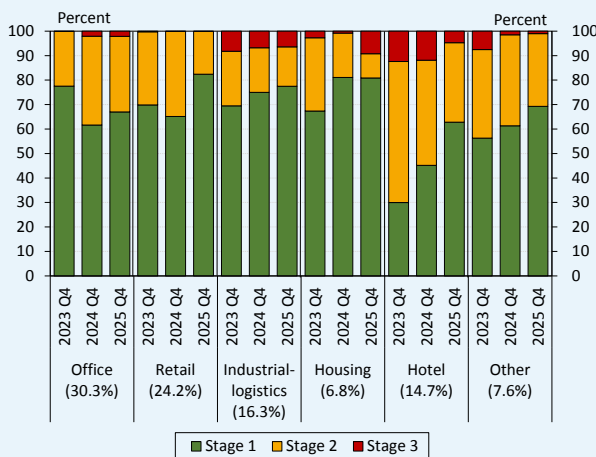


Note: Average interest rate weighted by the contractual amount of project loans backed by commercial real estate concluded in the given quarter. Interbank offered rates are quarterly averages.  
Source: ECB, MNB

In 2025, the average interest rate on new market-based EUR-denominated project loan contracts declined, while that on HUF-denominated loans stagnated. The three-month BUBOR stagnated at 6.5 percent in 2025, and the average interest rate on newly contracted market-based HUF-denominated project loans was also at the same level as at the start of the year, at 8.7 percent at end-2025 (Chart 16). In the case of EUR-denominated loans, the interbank offered rate declined to 2.0 percent by end-2025 from 3.0 percent one year earlier, which resulted in a year-on-year decrease of 1.1 percentage point in EUR-based lending rates, reducing the average interest rate on new project loan contracts to 4.4 percent by end-2025.

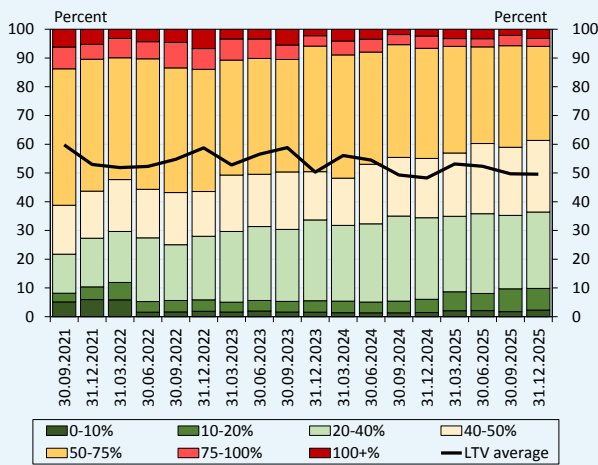
Portfolio quality improved most markedly in the hotel and retail segments in 2025. Overall, the portfolio quality of the credit institution sector’s project loan portfolio backed by commercial real estate improved in 2025, with the NPL ratio coming in at 3.1 percent at year-end, down 0.6 percentage point versus the previous year. The NPL ratio rose in the office segment (+0.1 percentage point to 2.2 percent) and in the housing estate segment (+8.4 percentage points to 9.2 percent). With regard to the housing estate loan portfolio, the increase in the ratio does not indicate a general deterioration in quality, as this change was driven by one individual exposure, and given the smaller portfolio size relative to other segments, the default of a single transaction can result in a significant increase in the NPL ratio. The largest decline was observed in hotel project loans, where the NPL ratio fell 7.2 percentage points year on year to 4.7 percent at end-2025. Analysed by impairment categories – in contrast to the developments observed in 2023–2024 – the share of exposures classified as having increased credit risk (Stage 2) declined in all segments in 2025 (Chart 17). The stock of impaired exposures (Stage 3) only increased in the housing estate segment.

**Chart 17**  
Composition of the project loan portfolio backed by commercial real estate properties by impairment categories



Note: Credit institution sector. The data include loans to financial intermediaries (including investment funds), in addition to non-financial corporations. The share of the segment’s exposure in the CRE-backed project loan stock is shown in parentheses.  
Source: MNB

**Chart 18**  
Composition of the project loan portfolio backed by commercial real estate by LTV categories

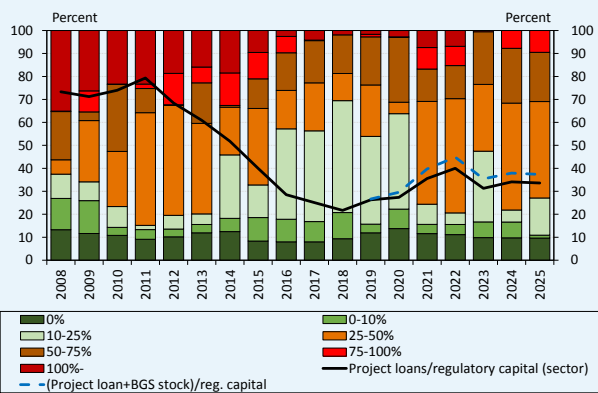


Note: In proportion to outstanding principal amount, without housing estate loans. Data necessary for LTV calculation are available for around 80 percent of the total portfolio, at end-December 2025 for 81 percent.

Source: MNB

For 61 percent of the credit institution sector’s CRE-backed project loan portfolio, the loan-to-value (LTV) ratio is conservative, with an LTV ratio of 50 percent or less. Based on outstanding principal, the LTV ratio exceeds 75 percent for 6 percent of the CRE-backed project loan portfolio and 100 percent for 3 percent of this portfolio (Chart 18). Exposures in the latter category are considered to be the riskiest, as the value of the collateral does not cover the amount of the loan. One-third of the portfolio falls into the 50–75 percent category, while 27 percent is in the 20–40 percent range; the former group typically comprises newer exposures disbursed within the past few years. The average LTV ratio of the CRE-backed project loan portfolio has remained at a conservative level in recent years, exhibiting an average of 53 percent since the time series became available in September 2021. At end-2025, the average LTV ratio of the credit institution sector’s CRE-backed project loan portfolio was 50 percent.

**Chart 19**  
Distribution of credit institutions by project loan stock/regulatory capital ratio



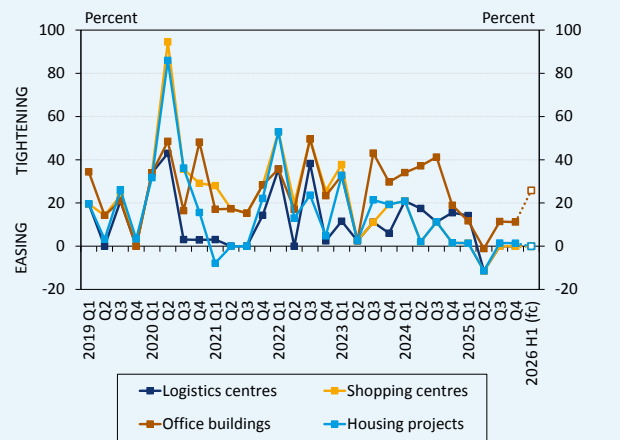
Note: Credit institution sector without affiliates, based on non-consolidated data, in proportion to balance sheet total. Until 2019, based on the project loan stock according to the CRR project loan definition, from 2020 on the basis of a broader project loan definition, the use of the broader definition results approximately one-quarter higher project loan stock compared to the CRR definition. From 2019, the data increased by the BGS stock also includes the BGS bond stock related to real estate sector in addition to project loans.

Source: MNB

Relative to regulatory capital, credit institutions’ commercial real estate exposure is at approximately one-half the level observed after the 2008 crisis. In 2025, 17 percent of credit institutions reported a project loan stock not exceeding one-quarter of their regulatory capital, while the largest share, 42 percent of banks, had project loan exposures equivalent to 25–50 percent of their regulatory capital, marking a decrease of 5 percentage points year on year (Chart 19). From 2024 to 2025, the share of banks with project loan stocks equivalent to 50–75 percent of their regulatory capital declined from 24 percent to 21 percent, while 9 percent of institutions had even higher exposure levels at end-2025. Overall, the project loan stock of the credit institution sector remained broadly unchanged at 34 percent of regulatory capital in 2025,<sup>12</sup> while exposures including bond holdings related to real estate transactions under the Bond Funding for Growth Scheme stood at 37 percent. Overall, the sector’s exposure to the commercial real estate market remains moderate, at around one-half the levels observed in the 2008–2011 period, but there are significant differences in exposure levels across individual institutions.

<sup>12</sup> The regulatory capital data used for the calculation at end-2025 do not yet include the unaudited portion of the 2025 profit, of which the retained earnings will further increase regulatory capital.

**Chart 20**  
Changes in credit conditions of commercial real estate loans



Note: Net ratio is the difference between tightening and easing banks weighted by market share.

Source: MNB, based on banks' responses

In order to manage financial stability risks related to commercial real estate markets, the MNB has applied a sectoral systemic risk capital buffer since 1 January 2026.

The 1-percent capital buffer rate must be applied for credit institutions' risk exposures to counterparties in Hungary, which are covered by residential real estate or commercial real estate in Hungary. The aim of this instrument is to increase credit institutions' shock resilience to real estate market exposures and to indirectly mitigate real estate market risks. Due to banks' continued strong capital position and profitability, the measure will not have a significant impact on their lending capacity or on lending conditions.

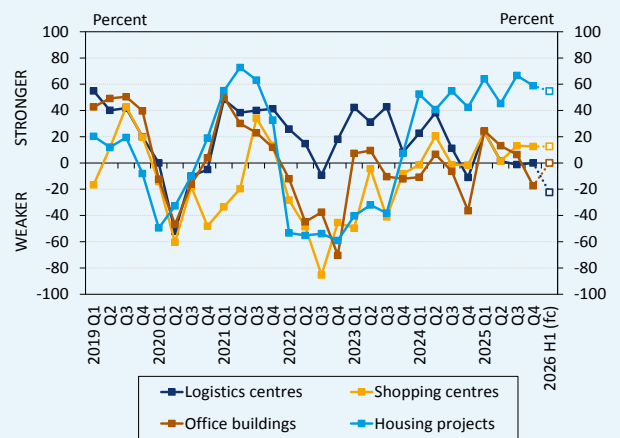
**Banks indicated a further tightening of lending conditions in response to the negative outlook for the office market.**

Based on the MNB's Lending Survey, which is conducted on a quarterly basis, banks did not change lending conditions overall in 2025 Q4, with the exception of the office segment, nor do they plan to modify such conditions in 2026 H1. In the office segment, a net 11 percent of respondent banks tightened lending conditions in 2025 Q4 due to challenges affecting the sector (Chart 20). Looking ahead to 2026 H1, 26 percent of banks indicated a further tightening of project loan standards for office properties, citing changes in risk tolerance (Annex Chart 18).

**Looking ahead, banks expect demand for residential project financing to strengthen further.**

Based on responses to the Lending Survey, 59 percent of banks reported stronger demand for such financing in 2025 Q4, while 13 percent indicated increased demand in the shopping centre segment. In the logistics centre segment, respondent institutions reported broadly unchanged credit demand, while a net 17 percent indicated a decline in demand for office buildings (Chart 21). Looking ahead to 2026 H1, a net 55 percent of banks expect demand for residential projects to strengthen further, in line with new housing developments linked to the Home Start programme. At the same time, a net 22 percent of banks expect demand for the financing of logistics centres to decline compared to 2025 Q4, reflecting weakening real estate investment sentiment, while looking ahead respondent banks anticipate broadly unchanged demand in the office segment.

**Chart 21**  
Changes in credit demand for commercial real estate loans



Note: Net ratio is the difference between banks indicating stronger and weaker demand, weighted by market share.

Source: MNB, based on banks' responses

**Box 2**

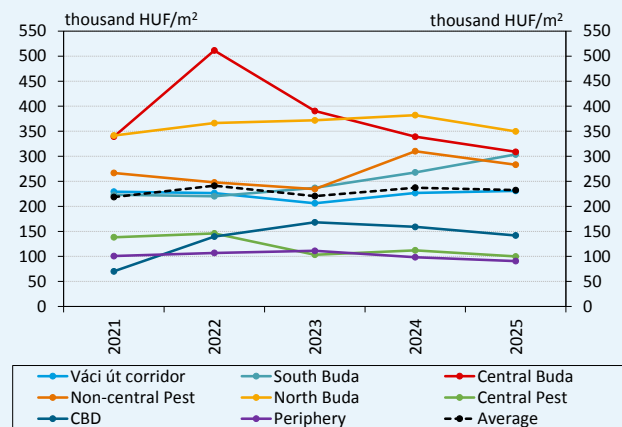
**Regional distribution of the credit institution sector’s commercial real estate project loan portfolio**

In the commercial real estate market, location plays a key role in determining the income-generating capacity and pricing of properties, as well as the risk profile of transactions from a financing perspective (via market liquidity). In this Box, we present a breakdown of the credit institution sector’s domestic commercial real estate project loan portfolio by regional sub-segments, along with developments in credit institutions’ financing activity in these sub-segments.<sup>13</sup> The regional breakdown of individual segments is defined based on market data (e.g. sub-markets of the Budapest office market), the geographically differentiated characteristics of the properties (e.g. differences between hotels in the Central Business District and outside Budapest) and their use (e.g. the differing market dynamics of logistics facilities for lease around Budapest compared to those serving manufacturing companies in rural areas). Overall, it can be stated that credit institutions’ CRE-backed project loans predominantly serve to finance properties in Budapest and its environs and that no significant shift towards rural regions has been observed in recent years.

**In the office segment, the largest share of project loans, by area<sup>14</sup>, is linked to sub-markets on the Buda side of the capital and to non-central areas of Pest.**

At end-2025, the domestic project loan portfolio in the office segment amounted to HUF 833 billion. Of this, only 2 percent (3 percent including the Budapest agglomeration) was backed by properties located outside the capital. Among the capital’s sub-markets, the largest share of collateral (28 percent of the portfolio) was linked to the Váci Road office corridor, followed by South Buda (21 percent), non-central Pest (15 percent), central Buda (11 percent), North Buda (10 percent), central Pest (7 percent) and the Central Business District (5 percent). On an area-weighted basis, total exposure has only increased by 6 percent since 2021, indicating that credit institutions’ risk-taking in the segment has remained moderate. Based on the total stock of leasable office space in all sub-markets of the Budapest office market, the area-weighted project loan exposure related to the Váci Road office corridor has moved broadly in line with the capital average (HUF 232,000 per square metre in 2025). At the same time, consistently lower lending intensity is observed in the Central Business District (HUF 142,000 in 2025), central Pest (HUF 100,000) and the agglomeration sub-markets (HUF 91,000) per leasable square metre. Above-average project loan exposure per square metre of leasable office space is observed in the North Buda (HUF 350,000), central Buda (HUF 309,000), South Buda (HUF 304,000) and non-central Pest (HUF 283,000) sub-markets. As the calculation of loan exposure per unit area is based on the total stock of leasable space in each sub-market, differences in the values reflect not only the size of the leasable stock, but also its financing composition and the degree of leverage across sub-markets.

**Project loan portfolio per square meter of the Budapest office rental market**



Note: At year-end, coverage by geographic location.

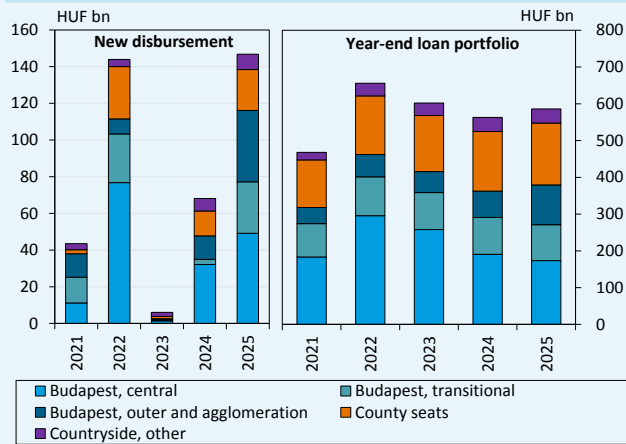
Source: MNB

<sup>13</sup> Section 5 of the Report presents data for the total project loan stock and disbursements; however, this Box is based only on project loans backed by domestic property collateral identifiable by location, and therefore aggregate figures may differ from those shown in Section 5.

<sup>14</sup> Calculated on the basis of the total stock of leasable office space across Budapest sub-markets, rather than only the actually financed properties.

**Within the retail segment, the share of project loans backed by properties located in the outer districts of Budapest and in areas outside Budapest has started to increase.** The total domestic project loan stock in the retail segment last increased significantly in 2022, when the portfolio backed by properties located in the central districts of Budapest (Districts I–II and V–VIII) expanded from HUF 183 billion to HUF 296 billion within one year. From 2023 onwards, however, exposure in the central districts declined gradually, falling back to HUF 174 billion (30 percent of the stock) by end-2025. In parallel, the outer districts of Budapest and the agglomeration gained importance: over two years, credit institutions’ retail project loan exposure in these areas nearly doubled, reaching HUF 108 billion (18 percent of the portfolio) by end-2025. The stock of retail project loans disbursed to county seats and other rural areas also increased over the past two years, albeit to a lesser extent; by end-2025, these accounted for 29 percent and 7 percent, respectively, of the domestic retail project loan stock.

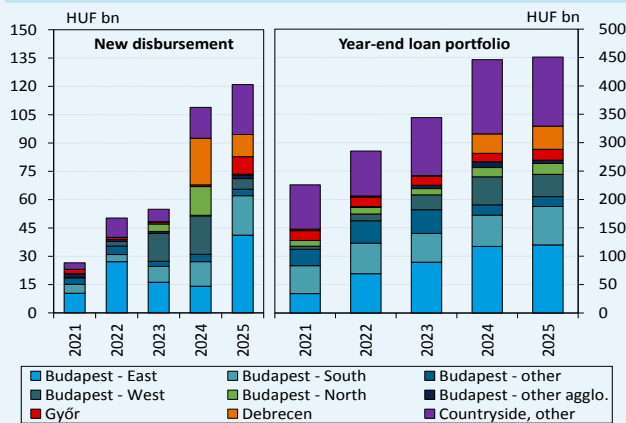
**Distribution of domestic project loans in the retail segment**



Note: Coverage by geographic location.  
Source: MNB

**Within the industrial-logistics segment, exposure related to project loans backed by properties located in the Debrecen catchment area increased significantly among rural stocks.** The stock of project loans backed by real estate in the industrial-logistics segment expanded dynamically in recent years, rising from HUF 226 billion to HUF 451 billion between 2021 and end-2025. A large part of the increase was linked to the eastern agglomeration of Budapest (primarily the settlements of Fót, Vecsés and Üllő), where the project loan stock in the segment rose from HUF 34 billion to HUF 120 billion over the period under review. The stock related to the western agglomeration of Budapest (primarily the settlements of Páty, Biatorbágy and Törökbálint) also increased significantly, from HUF 5 billion to HUF 39 billion. The stock linked to rural settlements outside the Budapest agglomeration increased from HUF 98 billion to HUF 182 billion over four years; within this, exposure related to Debrecen and its catchment area rose from HUF 3 billion to HUF 41 billion. However, it has generally not been the case that similarly large project loan exposures have built up in the catchment areas of other cities currently receiving the largest foreign direct investment within the domestic banking system, as observed in Debrecen. This can be partly explained by the fact that, in the case of the largest industrial investments, investors have typically provided not only the production capacities, but also the facilities required to support manufacturing.

**Distribution of domestic project loans in the industry-logistics segment**

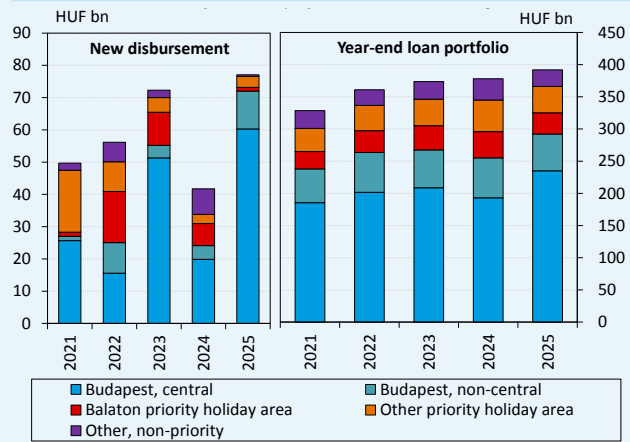


Note: Coverage by geographic location.  
Source: MNB

**In 2025, project loan disbursements in the hotel segment took place almost exclusively in Budapest.**

The domestic project loan stock in the hotel segment has increased steadily, albeit at a moderate pace, over the past four years, rising from HUF 328 billion to HUF 392 billion between 2021 and end-2025. No persistent or material changes were observed in the regional distribution of collateral. At end-2025, 60 percent of the examined collateral was located in the central districts of Budapest (Districts I–II and V–VIII), a further 15 percent in non-central districts, 8 percent in the Balaton priority resort area, 10 percent in other priority resort areas, and 7 percent in other, non-priority locations. The regional distribution of annual project loan disbursements in the segment shows a more volatile pattern: On average over 2021–2024, 40 percent of disbursements were linked to rural collateral; however, in 2025 this share fell to just 7 percent.

**Distribution of domestic project loans in the hotel segment**



Note: Coverage by geographic location.

Source: MNB

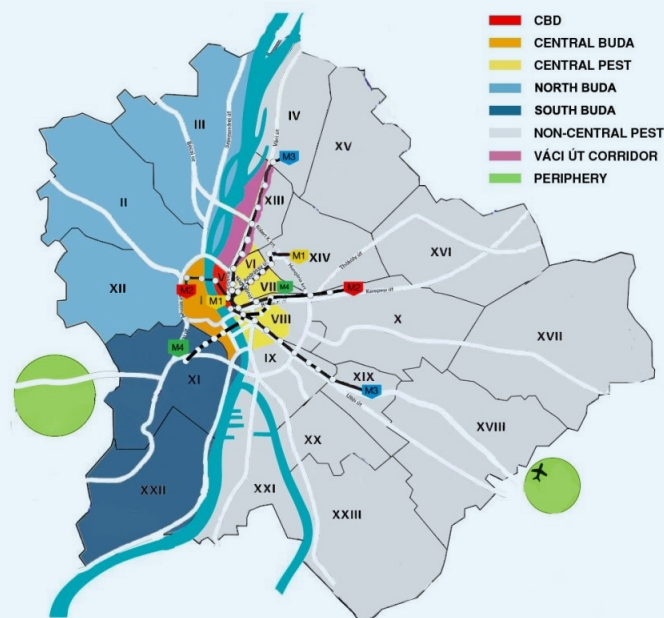
# Annexes

## ANNEX 1: OVERVIEW OF THE SUB-MARKETS OF THE BUDAPEST OFFICE MARKET<sup>15</sup>

According to data collected by the Budapest Research Forum, the Budapest office market is divided into the following eight sub-markets (Chart 22):

- **City Centre (Central Business District – CBD):** The inner districts of Budapest, primarily the office buildings in District V and on Andrásy út and the surrounding streets from Bajcsy-Zsilinszky út to the Oktogon. Most of the Central Business District is an architecturally protected area with a few category “A” office buildings and very limited development opportunities.
- **Central Buda:** Area bounded by the Margit körút–Krisztina körút–Böszörményi út–Jagelló út–Villányi út–Fehérvári út–Október huszonharmadika utca–Irinyi József utca. Similar to the Central Business District, development opportunities are limited.
- **Central Pest:** Area bounded by the Central Business District–the Váci út Corridor–Dózsa György út–Thököly út–Fiumei út–Orczy út–Haller utca. Concentrated developments have been performed in this sub-market.
- **North Buda:** Most of Districts II, III and XII; investments are limited to smaller areas.

**Chart 22**  
Sub-markets of the Budapest office market



Source: Budapest Research Forum

<sup>15</sup> Source: Cushman & Wakefield

- **South Buda:** District XI and XXII. In this sub-market, the available development areas are an alternative for the service centre office tenants of the Váci út Corridor, but these are less accessible than the Váci út Corridor.
- **Non-Central Pest:** Areas of Pest that are not part of the Central Business District, Central Pest or the Váci út Corridor.
- **Váci út corridor:** Area bounded by Szent István krt.–Váci út–Újpest Városkapu and the Danube. The Budapest office corridor is where the most significant office developments were realised due to the available development areas and good accessibility (public transport: metro line M3, car: via Váci út). This is the most popular sub-market among foreign companies for siting service centres.
- **Periphery:** Agglomeration areas, mainly Budaörs, Vecsés, Biatorbágy and Törökbálint.

## ANNEX 2: CONCEPTS RELATED TO LEASING DEMAND

Members of the Budapest Research Forum (CBRE, Colliers International, Cushman & Wakefield, Eston International, iO Partners, Robertson Hungary) collect CRE rental market contracts categorised into the following transaction types:

- **New lease:** a lease agreement of an immediately available area concluded with a tenant that was not previously present in the property.
- **Pre-lease:** a pre-lease agreement concluded for a building that has not been completed yet and is not present in the current supply. Consequently, the volume of pre-lease transactions made in the period considered does not immediately increase the leased stock, but only later when it is actually placed on the market.
- **Expansion:** a lease agreement concluded with a tenant that is already present in the property, but rents area additional to its existing tenement.
- **Owner occupancy:** the real estate owner utilises the property, basically removing it from the market, decreasing stocks offered for lease.
- **Lease renewal:** the extension of an existing agreement with no effect on the leased stock.

The comprehensive measures of rental market activity are:

- **Total demand (gross demand):** the total volume of the above five lease transaction types in the period considered.
- **Take-up:** measures the stock of actual new lease agreements; from the above, it includes the volume of new leases, pre-leases and expansions for the period considered.
- **Net take-up (net absorption):** Shows changes in the lease stock in the period reviewed. The difference between net absorption and gross demand is caused by lease renewals, pre-leases and tenants which exit the market.

**COMMERCIAL REAL ESTATE MARKET REPORT**

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