

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Economic Revival and Logistics Endurance

Hungary

Q3 2024

Market Outlook

Hungary's economy embarked on a recovery path, with GDP growth accelerating to 1.7% y-o-y (seasonally adjusted) in Q1 2024, driven by strong household consumption and a positive net export balance. Household consumption increased significantly by 3.4% y-o-y in Q1 2024, supported by strong real wage growth and a tight labor market. Headline inflation dropped to 3.7%, with the core rate declining to 4.1% in April 2024. Though industrial production remains sluggish due to weak external demand, the service and construction sectors showed growth. Looking forward, household consumption is expected to be the main driver of economic growth in 2024, with GDP projected to grow between 2.0% and 3.0%. Further acceleration is anticipated in 2025, supported by substantial FDI projects and EU funds.

In Q1 2024, the Hungarian logistics market showed resilience, maintaining a total stock of 5.1 million sqm and adding only 5,700 sqm in new supply. While the national vacancy rate rose slightly to 8.2%, prime rents remained stable at €5.7/sqm/month. Total take-up reached 110,000 sqm, led by demand from 3PL. Despite a broader investment slowdown in the CEE region, the Hungarian market saw an 18% y-o-y increase, reaching €85 million, with the logistics sector representing 20% of this total, reflecting strong investor confidence. Looking forward, the market is poised for recovery in H2 2024, bolstered by expected monetary policy rate cuts, economic recovery, and robust FDI inflows, especially in the manufacturing and distribution sectors...

Subscribe to get the full report by emailing us

your name, company and job title at:

cglimresearch@cglim.com