



CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Logistics Gains Ground Despite External Uncertainties

Hungary

Q3 2025

Market Outlook

Hungary's economy stalled in Q1 2025, with GDP flat y-o-y and down 0.2% q-o-q, as robust household and public consumption countered sluggish investment and a negative net export contribution. Private consumption surged 4.1% y-o-y, buoyed by persistent wage growth and fiscal stimulus. Net exports weighed on growth and expected to remain a drag through 2025, with imports outpacing exports amid trade uncertainty. Inflation, which peaked at 5.1% in Q1, declined to 4.4% in May due to price cap measures, and is expected to stay above target throughout 2025. The services sector sustained momentum, offsetting weakness in industrial production and construction. Looking ahead, GDP is forecast to grow modestly by 0.8%–1.0% in 2025, weighed down by geopolitical uncertainty, before climbing to 2.5%–3.0% in 2026, driven by robust private consumption, improved financial condition, new production capacity from FDI projects, and a recovering EU and German economy.

Hungary's logistics market displayed resilient growth in Q1 2025, expanding its modern stock to 5.7 million sqm with 100,300 sqm of new completions. While leasing activity grew 9% y-o-y to 119,880 sqm, led by regional market recovery, the national vacancy rate rose to 9.9% as new supply temporarily outpaced demand catch-up. Prime rents remained stable around €5.7/sqm/month for big-box facilities thanks to consistent performance in regional markets, though temporary supply-demand imbalances in Greater Budapest create short-term rental pressures. Investment into Hungary doubled to € 200 million, with logistics re-emerging as the leading asset class at €90 million in Q1, representing 45% of national volume. Despite ongoing geopolitical uncertainties and tariff impacts, Hungary's logistics market is well positioned for sustained growth in the coming years given its robust market foundation, strategic advantages in nearshoring trends, anticipated FDI projects, government stimulus measures, and broader economic recovery across the EU...

Subscribe to get the full report by emailing us

your name, company and job title at:

cglimresearch@cglim.com