Recovery Steadies as Logistics Stay Resilient

Hungary **Q4 2025**

Market Outlook

Hungary's economy returned to modest growth in Q2 2025, with GDP rising 0.4% q-o-q and 0.1% y-o-y, primarily underpinned by robust domestic demand, despite subdued investment and negative net exports. Household consumption surged 4.5% y-o-y, propelled by sustained real wage growth, while government spending soared 9.8% y-o-y. Inflation moderated to 4.3% in August, aided by food and service price caps, and is projected to reach the 3% target by 2027. Net exports remained a drag in 2025 but are forecast to turn positive by late 2026 as Germany rebounds and new facilities commence operations. Services and construction, meanwhile, offered stability. GDP is forecast to grow 0.6% in 2025, accelerating to 2.8% in 2026 and 3.2% in 2027, propelled by robust consumption, EU-funded investment, and recovering external demand.

Hungary's logistics market proved resilient in Q2 2025, with investment and leasing strengthening despite a temporary rise in vacancy. Total stock reached 5.84 million sqm after 91,325 sqm of completions. Leasing rose 47% y-o-y in Q2, driven by manufacturing-led demand in regional markets and the handover of pre-let projects. National vacancy increased to 12.5% on a short burst of speculative deliveries, yet big-box prime rent held broadly stable at €5.7/sqm/month. Manufacturing re-emerged as the largest occupier group at about 31% of H1 demand, led by automotive and renewable-energy tenants. Logistics investment totaled €110 million in H1, representing 39% of national real estate investment and underscoring investor confidence. Looking ahead, higher pre-let coverage, ongoing e-commerce and nearshoring tailwinds, FDI-backed projects, and a broader economic recovery should underpin stable headline rents, firmer leasing activity, and sustained investment momentum in the coming years…

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