

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Recovery Gains Ground as Logistics Accelerates

Hungary

Q2 2026

Market Outlook

Hungary ended 2025 with a modest but clearer recovery, as GDP rose 0.8% y-o-y and 0.1% q-o-q in Q4, lifting full-year output by 0.5%. Domestic demand provided the main impulse, with household consumption up 2.9% y-o-y and public consumption surging 8.9%. Positive inventories also helped cushion weak investment and a drag from net exports. The labour market remained highly supportive, with unemployment at 4.5% in Q4, and real wage gains alongside higher tax allowances lifting real purchasing power. Inflation trended lower, with the 2025 average at 4.4% and easing further to 1.4% in February 2026. Looking ahead, GDP growth is projected to improve to 1.7% to 2.0% in 2026 and accelerate to 2.8% to 3.0% in 2027, underpinned by stronger consumption, fiscal stimulus, and EU fund absorption. Net exports are also expected to turn positive as manufacturing capacity ramps up and spillovers from Germany's fiscal stimulus feed through.

Hungary's logistics market delivered its strongest year on record in 2025, with gross take-up surpassing 1 million sqm and logistics investment doubling the 2024 volume. National gross take-up reached 1,124,260 sqm, up 35% y-o-y, driven by a record Q4 at 448,715 sqm. Full-year new supply moderated 8% y-o-y to 476,780 sqm, lifting total stock to 6.13 million sqm, while the national vacancy rate eased to 11.4% and is projected to decline further in 2026. Prime rents stabilised at €5.7/sqm/month nationally, with city logistics commanding a premium at €6.9/sqm/month. Total CRE investment surged 93% y-o-y to €610 million, with the logistics sector capturing €151 million, the second-highest annual total since 2018. Manufacturing led occupier demand at 31% of national take-up, fuelled by EV and battery industries. Structural tailwinds, including post-election policy clarity, nearshoring trends, spillover effect from Germany's fiscal stimulus, position the Hungarian logistics market for accelerating leasing and investment activity in the period ahead...

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