

Hungarian Retail Figures

KEY PERFORMANCE INDICATORS (Q2 2024)



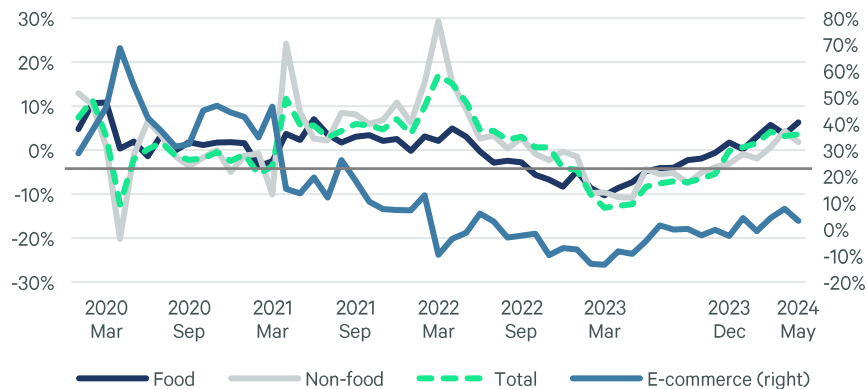
* Rent levels quoted for 100-150 sq m units.

The retail sector in the second quarter of 2024 presents a positive picture. The year-to-date retail sales volume (Jan-May 2024) grew by 2.7% y/y. Cosmetics articles saw the largest increase of 10.0%, followed by food and beverages at 4.3%, while fuel stations experienced a retail sales volume increase of 2.5%. However, significant downturns were observed in books and newspapers (-10.4%), furniture and electrical goods (-4.5%), and second-hand goods (-2.7%). The overall positive retail fundamentals, which can be attributed to 13.5% y/y average gross earnings growth and a 9.5% y/y increase in real income, triggered action from the retailers' side as well.

Although the second quarter welcomed Primark as the only newcomer, this period also saw the return of Orsay, after the closure of all its 33 stores due to the economic impact of the coronavirus pandemic.

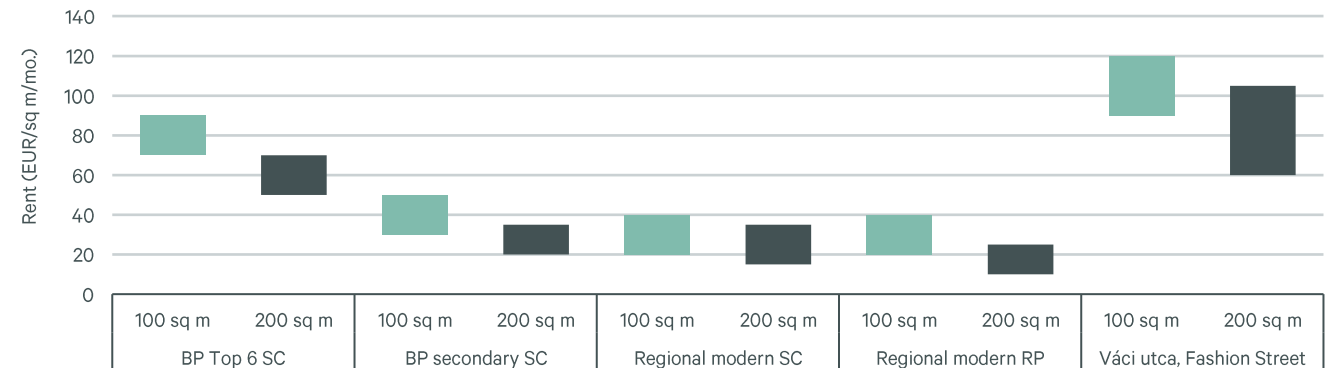
The retail supply pipeline remains weak, but significantly stronger than last quarter. 38,700 sq m of new retail space is expected to be delivered in H2 2024, out of this ca. 43% in Budapest. The capital city will mostly see mixed-use buildings, such as Budapart and Waterfront City, while other developments are mainly retail parks and retail warehouses. 2025 is expected to see 25,200 sq m of retail space, characterized by the 11,000 sq m Zenit Corso shopping center as part of the Zugló Városközpont project, and two retail parks in Pécs and Szentendre. Regarding 2026, the retail segment will be marked by the 15,000 sq m expansion of Fórum prime shopping center in Debrecen, and the Centrale project at the Puskás Ferenc metro station, with a 6,000 sq m shopping center in addition to an office and a hotel component. Beyond these, three strip malls are expected to be completed in Eger, Nyíregyháza, and Pécs, all of them approximately 5,000 sq m.

RETAIL SALES EVOLUTION (Y/Y Change)



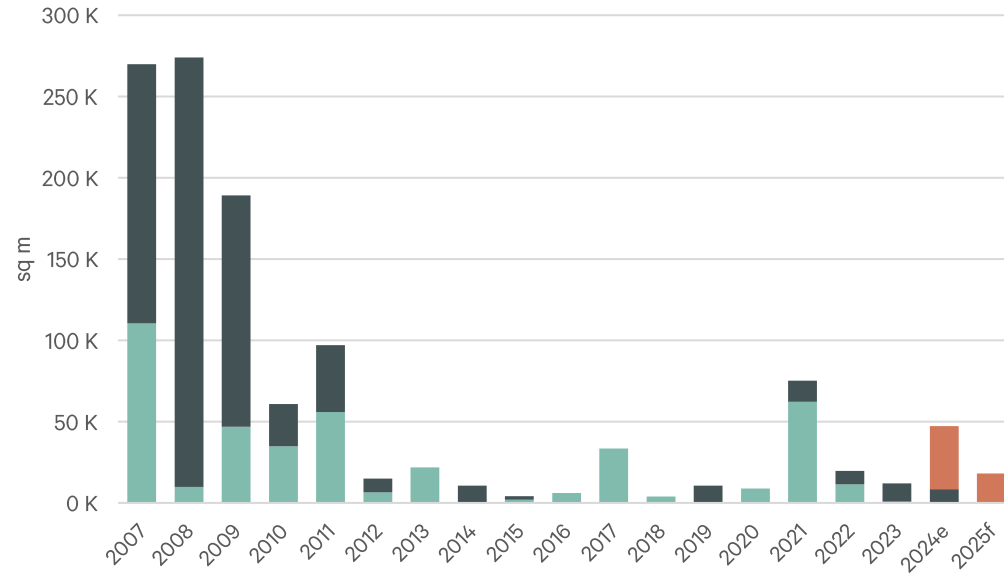
Source: KSH

ASKING RENTAL RANGES BY RETAIL FORMATS



Source: CBRE Research

STOCK DEVELOPMENT (Budapest | Other Cities | Pipeline U/C)



Source: ibuild, CBRE Research

Definitions

SC SIZE: Small Traditional SC (5,000-19,999 sq m of GLA), Medium Traditional SC (20,000-39,999 sq m of GLA), Large Traditional SC (40,000-79,999 sq m of GLA), Very Large Traditional SC (GLA of 80,000 sq m and above), based on ICSC definitions

Prime Rent: typical 'achievable' open market headline rent (can be hypothetical) for a unit of a size commensurate with demand in each location, of highest quality and specification and in the best location in a market at the survey date. It does not need to be identical to any of the transactions, particularly if the deal flow is very limited or made up of unusual one-off deals. For traditional SCs and high street, prime rents are for units of 100-150 sq m; for retail parks, prime rents are for units of 300-500 sq m.

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