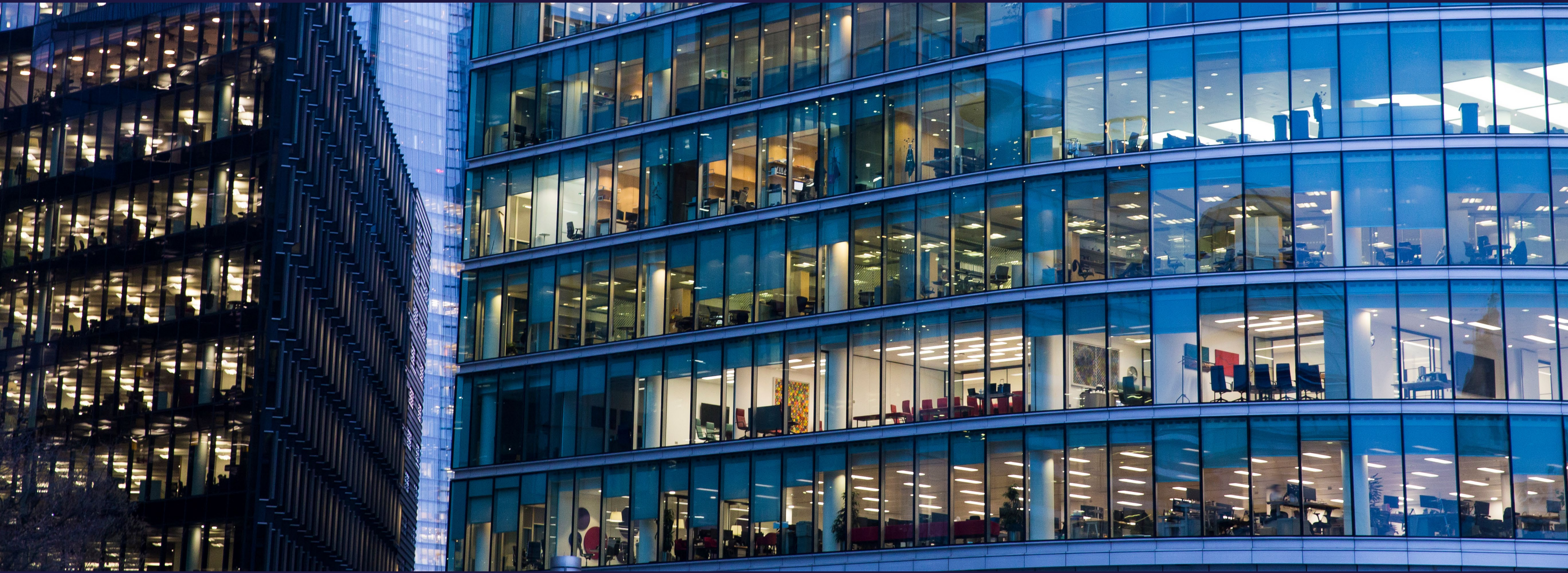


MARKETBEAT

CENTRAL & EASTERN EUROPE

OFFICE Q2 2026

Better never settles

MARKETBEAT

CENTRAL & EASTERN EUROPE

OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.0% Vacancy Rate	▼	▼
245K YTD Net Absorption	▲	▲
131K YTD Completions	▲	▲

(Sqm, end of period)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% CEE-6 Real GDP	▲	▲
4.1% CEE-6 Unemployment Rate	▲	▲
4.4% CEE-6 Inflation Rate	▲	▼

(Quarterly data, weighted average YoY changes, seasonally adjusted)
Source: Moody's Economics

ECONOMY: GROWTH ACCELERATES, INFLATION STAYS STICKY

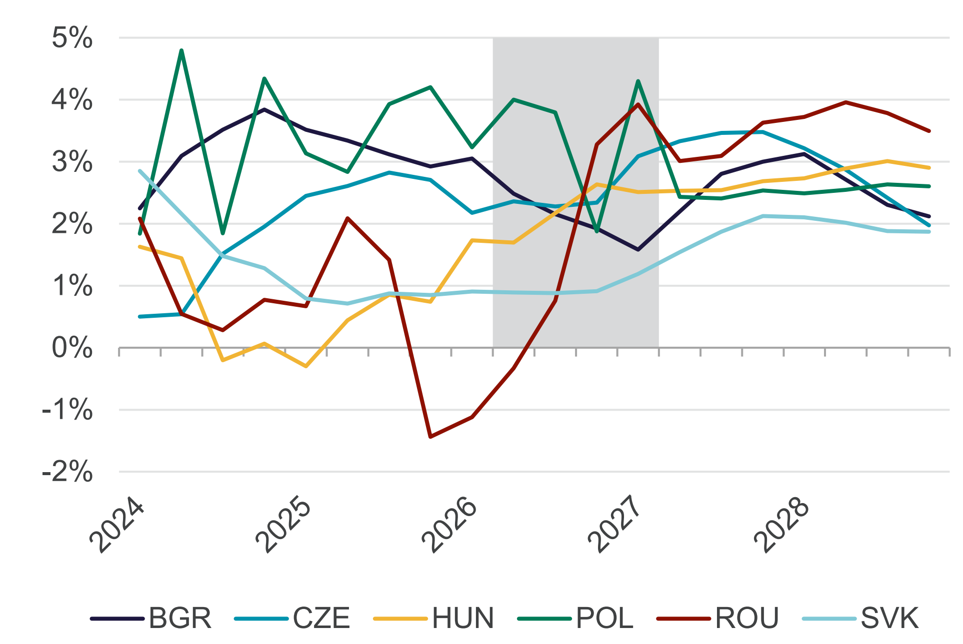
The economic outlook for the CEE-6 region improved further in Q2 2026, with GDP growth projected to accelerate from 2.0% in Q1 to 2.5% and forecast to reach 2.6% in the second half of the year, supported by resilient domestic demand and strengthening industrial activity. Industrial production accelerated from 1.6% to 2.4% year-on-year, pointing to a gradual recovery in external demand. Retail sales continued to expand, though growth moderated from 2.5% to 2.2%. Labour market conditions remained favorable, with unemployment unchanged at 4.1%. Inflation, however, remained elevated at 4.4%, above central bank targets across most CEE markets, which may continue to constrain the pace of monetary policy easing.

MARKET TRENDS & INVESTMENT: LANDLORD-FAVOURABLE CONDITIONS PERSIST, CAPITAL RETURNS

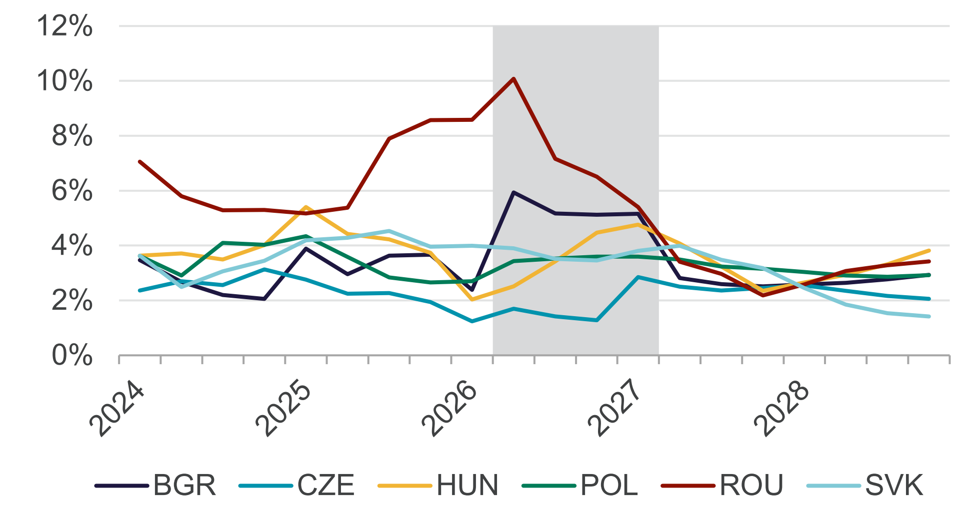
Within a broader European context, occupier conditions across CEE-6 capitals remain predominantly landlord-favourable, with Prague, Warsaw, Bratislava, and Sofia all characterized by demand outstripping supply for prime best-in-class space and stable-to-strengthening rental conditions. Bucharest sits in more neutral territory, with prime supply and demand broadly in balance, while Budapest stands out as the region's sole tenant-favourable market, reflecting comparatively greater availability of prime stock relative to occupier demand. This is broadly consistent with the wider European trend, where landlord-favourable conditions remain the norm across most tracked markets, even as a growing share shift toward neutral.

Investment activity picked up strongly, with CEE-6 office volumes reaching €1,057 million, up 81.9% quarter-on-quarter and 58.7% year-on-year. The Czech Republic (€449 million) and Poland (€346 million) led activity, while Slovakia posted the sharpest year-on-year increase. Prime yields held broadly stable, from 5.00% in Prague to 7.25% in Bucharest and Sofia.

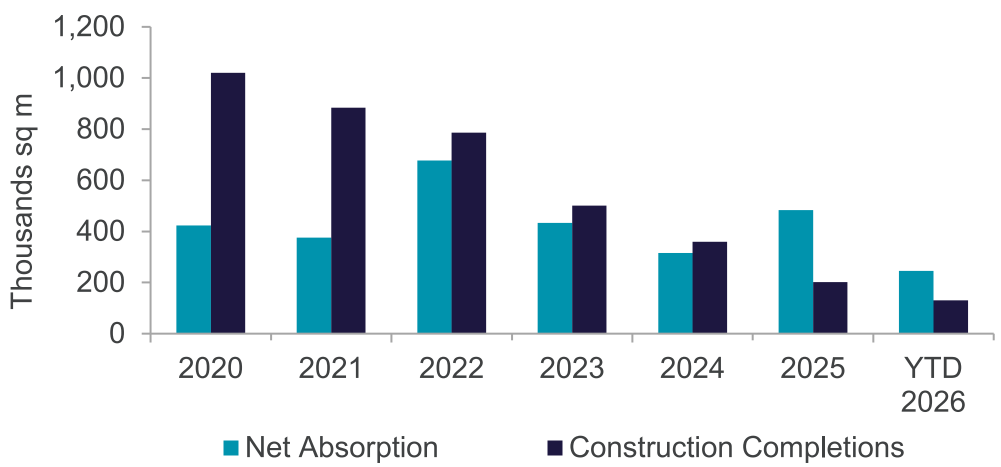
REAL GDP GROWTH (PPP)



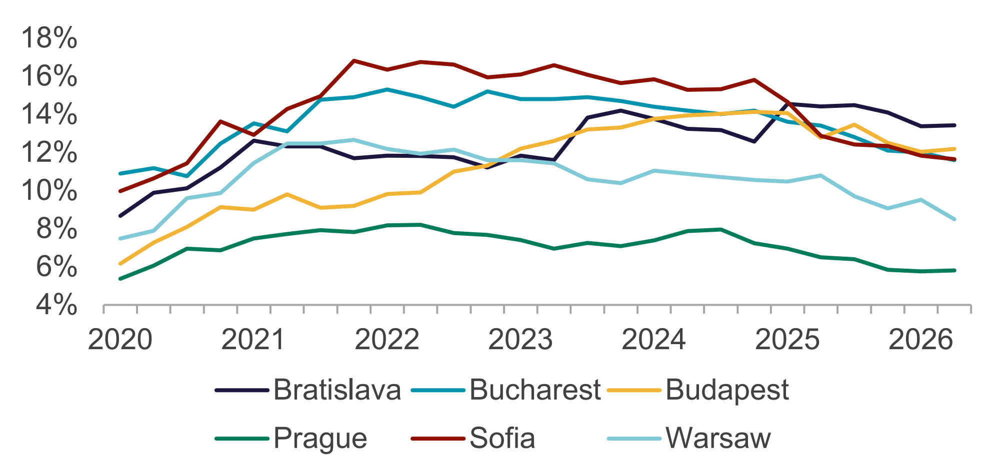
INFLATION RATE (HICP, YOY)



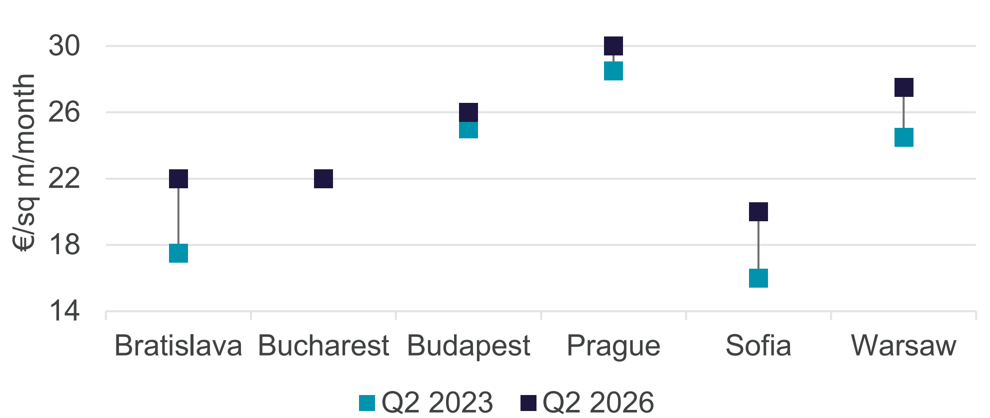
NET ABSORPTION/ NEW SUPPLY



VACANCY RATE



PRIME RENT



SUPPLY: COMPLETIONS NEAR RECORD LOWS, PIPELINE REBUILDING

New office completions across the CEE-6 capitals remained historically low, totaling just 32,700 sq m in Q2 2026, well below the average seen in previous years. By contrast, the volume of space under construction rose to 1,353,600 sq m, 13% higher year-on-year, indicating that development activity is beginning to rebuild even as deliveries lag.

About 54% of this pipeline is speculative, though the share varies widely by market, from 21% in Budapest to 90% in Sofia, reflecting differing developer risk appetites across the region. Total office stock across the CEE-6 capitals stood at 22,204,800 sq m at the end of Q2 2026, broadly unchanged from both the previous quarter and a year earlier.

DEMAND: STRONG QUARTERLY REBOUND, SLOWING ABSORPTION

Gross take-up across the CEE-6 capitals reached 656,400 sq m in Q2 2026, up 28% quarter-on-quarter. Warsaw was the standout performer, more than doubling its quarterly volume, while Prague, Bratislava, Bucharest, and Sofia also posted quarter-on-quarter gains. Budapest was the exception, with leasing activity down about 35% quarter-on-quarter following a stronger first quarter.

Net absorption, however, slowed sharply to about 98,000 sq m, 33% below the Q1 2026 level, with Budapest and Bratislava both recording negative net absorption in the quarter. Even so, total occupied office space across the CEE-6 capitals has grown by around 470,000 sq m over the past 12 months, pointing to positive, if decelerating, underlying demand momentum.

PRICING: PRIME RENTS RESILIENT, GROWTH SELECTIVE

Prime headline rents were broadly stable to rising across the CEE-6 capitals in Q2 2026. Prague and Sofia rents held unchanged for more than a year, at €30.00 and €20.00 per sq m per month, respectively. Elsewhere, growth continued: Budapest prime rents rose to €26.00 per sq m per month (up 4% year-on-year), Bratislava increased to €22.00 (up 7.3%), and Warsaw advanced to €27.50 (up about 9%). Bucharest prime rents also edged higher, to €22.00 per sq m per month. The pattern points to sustained rental resilience in the region's tightest markets, supported by constrained near-term availability of prime space.

OUTLOOK

- Vacancy should continue to compress at the CEE-6 aggregate level through 2026, supported by historically low completions, though the pace will likely remain uneven across capitals.
- Rental growth is likely to stay concentrated in markets with the tightest prime availability, such as Warsaw, Budapest, and Prague, while Bratislava and Sofia rents should remain stable near current levels.
- Slowing net absorption, including negative readings in Budapest and Bratislava, bears monitoring as a potential signal of more cautious occupier space planning amid persistent inflation and a still-uncertain external environment.
- Continued industrial recovery and resilient labor market conditions should support underlying office demand, though elevated inflation may constrain the pace of monetary easing and keep occupier decision-making measured through the remainder of 2026.

MARKET STATISTICS

MARKET	STOCK (SQM)	AVAILABILITY (SQM)	VACANCY RATE	CURRENT QTR TAKE-UP (SQM)	YTD TAKE-UP (SQM)	YTD COMPLETIONS (SQM)	UNDER CONSTRUCTION (SQM)	PRIME RENT (SQM/MONTH)
Bratislava*	1,755,000	235,500	13.4%	52,900	103,100	0	79,200	€22.00
Bucharest	3,429,500	397,800	11.6%	60,400	109,500	0	215,600	€22.00
Budapest	4,474,200	544,800	12.2%	84,800	215,000	42,800	414,100	€26.00
Prague	3,950,200	229,100	5.8%	125,400	229,000	29,400	309,300	€30.00
Sofia	2,359,500	274,800	11.6%	50,100	96,100	13,400	202,700	€20.00
Warsaw	6,236,400	529,500	8.5%	282,800	416,600	45,200	132,700	€27.50
CEE-6 TOTALS	**22,204,800**	**2,211,400**	**10.0%**	**656,400**	**1,169,300**	**130,800**	**1,353,600**	

**Note: In Q1 2025, Bratislava stock has been adjusted to exclude owner-occupied buildings.*

KEY LEASE TRANSACTIONS, Q2 2026

MARKET	PROPERTY	SUBMARKET	TENANT (SECTOR)	SIZE (SQM)	TYPE
Warsaw	Warsaw Spire B	Centre (West)	Frontex	21,500	Renewal
Warsaw	The Bridge	Centre (West)	Visa Europe	17,300	New lease
Warsaw	Domaniewska Office Hub	Służewiec	Poczta Polska	17,000	Renewal
Prague	Palác Křižík	Prague 5	Seznam.cz	14,000	Renewal
Bucharest	IRIDE Business Park 19	Dimitrie Pompeiu	Rohde & Schwarz Topex	9,600	Renewal + Expansion
Prague	The Park (Building 3)	Prague 4	CA CZ	8,000	Renewal
Bucharest	Green Court D	Floreasca-Barbu Vacarescu	Veolia	6,000	Pre-lease
Budapest	Promenade Gardens	Váci Corridor	Celanese	5,420	Renewal
Budapest	Infopark E	South Buda	Lufthansa Systems Hungária	5,380	Renewal
Bratislava	Štúrova 4	City Centre	Manufacturing//3PL	5,300	Renewal

KEY COMPLETIONS, YTD 2026

MARKET	PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQM)	OWNER/DEVELOPER
Budapest	BudaPart Central	South Buda	Governmental	25,100	Property Market Zrt.
Warsaw	Studio A	City Centre West	Leyton, Takeda, EQT	24,000	Skanska
Prague	Danube House	Prague 8	Pure Storage Czech Republic	20,800	CA Immo
Budapest	BudaPart Corner	South Buda	Governmental	17,710	Property Market Zrt.
Warsaw	Vena	West	Confidential	15,400	PHN
Wroclaw	Swobodna Spot I		Benefit systems	14,700	Echo Investment
Sofia	AYA Office Building	Main Road	Owner-occupied	8,700	MFG / Park Lane
Prague	BBT Poděbradská	Prague 9	Confidential	5,900	BBT Asset Holdings
Sofia	Oxia Office Building	Main Road	Own use	3,800	Bernard Investments

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