

LIGET CITY

THE CONCEPT

AN OUTSTANDING
MULTIFUNCTIONAL CONCEPT
AT THE HEART OF CENTRAL
BUDAPEST'S MOST DYNAMICALLY
EVOLVING DISTRICT

”

STUDENT HOUSING

LIGET OFFICE

RESIDENTIAL

HOTEL / RESIDENTIAL

RESIDENTIAL

RETAIL

GROUND FLOOR LEISURE AND
GASTRO UNITS SURROUNDING
INNER GREEN ZONES

FUNCTION	QUANTITY
STUDENT HOUSING	77 rooms
OFFICES	5,129 sq m
RESIDENTIAL	287-371 units
HOTEL	163 rooms
RETAIL	12 Leisure & Gastro units

THE PROJECT

Liget City represents an opportunity to create District VII's defining scheme, implementing a synergy of live, work and play functions, cementing the area's reputation as one of the city's most desirable property hotspots.



THE EXISTING PLOT

Currently, the north-eastern and eastern section of the site are used for retail and parking whilst the remainder of the site is used for offices, light industrial and parking.

- The plot extends to 23,000 sq m
- Includes 6 buildings with heritage protection
- In place income of EUR 610,000 per annum, anchored by Spar supermarket



THE PROPOSED SCHEME

The concept, developed in partnership with IDPM consultants, envisages a multi-functional development of 55,200 sq m (Gross Buildable Area) over six phases. The site is in the planning phase and building permit discussions with the Heritage Protection Agency are ongoing.

The proposed scheme is anchored by a residential core, whilst integrating Offices, Hotel, Retail and Leisure functions, whilst student housing will also be developed to serve the neighbouring Veterinary university. The scheme retains the existing Spar supermarket, providing on-site convenience and cash flow during the development phase.

Local zoning regulations allow for a range of uses including the primary functions of offices, residential, retail, hospitality and accommodation.

BUILDING (FUNCTION)	OFFICE GFA	LEISURE GFA	RETAIL GFA	RESIDENTIAL GFA	COMMON AREAS GFA	TOTAL GFA	PARKING SPACES
PLOT 1 (OFFICE, LEISURE & RETAIL)	6,721	360	3,772		1,047	10,853	67
PLOT 2 (RAMP ACCESS)							
PLOT 3 (OFFICE, LEISURE & RESIDENTIAL/ STUDENT HOUSING)	878	147	188	4,295*	2,052	7,470	45
PLOT 4 (RESIDENTIAL & LEISURE)		488		15,539	2,711	18,738	239
PLOT 5 (OFFICE, LEISURE & RESIDENTIAL)	158	560		6,020	1,439	8,177	112
PLOT 6 (RESIDENTIAL/ HOTEL)				7,071	2,597	9,668	94
TOTAL	7,757	1,555	3,960	32,835	9,846	54,906	557

*Possibility to be designated for alternate use such as student accommodation / hotel

FURTHER CONSIDERATIONS

The project will be well served by a strong gastro and leisure element which will enhance the trendiness of the scheme and its appeal to young professionals.



INCOME HIGHLIGHTS

The property currently receives income from several short-term tenants, which will enable an owner to achieve revenue whilst holding the asset until construction commences.

The top six tenants account for 74% of income.

With the exception of Spar, DM & Fallen Hero, all other leases are indefinite or expire in 2022 meaning that construction can commence quickly.

Spar is the largest tenant which accounts for 33% of the NOI.

The property is anchored by international tenants such as SPAR, DM, TRIUMPH MOTOR & DELIVERY HERO.

TOP SIX TENANTS

TENANT	PRIMARY SPACE FUNCTION	GLA (SQ M)	LEASE EXPIRY	BLENDED MONTHLY RENT (EUR/SQ M/MO)	MONTHLY RENT (EUR)	ANNUAL RENT (EUR)
SPAR	Retail & Offices	2272	02-Sep-24	7.47	16,975	203,700
DM	Retail	340	31-Dec-23	10.56	3,589	43,068
DELIVER HERO	Office	383	31-Dec-22	9.15	3,506	42,072
TRIUMPH MOTOR HUNGARY	Retail & Storage	423	Indefinite	9.80	4,147	49,764
LEITZ HUNGARIA	Retail & Offices	254	31-Dec-22	11.82	3,003	36,036
FALLEN HERO	Retail	533	03-Jan-23	12.32	6,564	78,768
TOTAL NOI					50,807	609,684



**GLOBALLY RENOWNED
TOURISM DESTINATION**

Famed for landmarks such as the Danube embankment, the parliament, castle district and the historic city centre.

**A WORLD CLASS LEISURE AND
GASTRO SCENE**

Featuring seven Michelin starred restaurants and an extensive offering of affordable fine and casual dining options in addition to featuring some of Europe's most vibrant bars.

A BUSINESS HUB

Featuring globally recognized brands such as Blackrock, CitiBank, Vodafone, BP, Exxonmobil, Jaguar Land Rover and many more.

**AN ECONOMY ON
THE RISE**

34% of Hungary's GDP is accounted for by Budapest, powered by a diverse range of industries including tourism, technology and an increasingly service-based work force.



THE LOCATION



Adjacent to the ultra-prestigious villa district



Within a 650m walk of Budapest's world renowned gastro & nightlife district featuring many of the city's best bars and restaurants



600m from Városliget, one of Europe's most stunning central parks



Close to Andrassy út, one of Europe's most famous grand boulevards and a luxury shopping destination featuring brands such as Luis Vitton, Gucci, Armani and Moncler

WALK DISTANCE

ANDRÁSSY ÚT - BUDAPEST'S "CHAMPS ELISE"
6 minute walk

VÁROSLIGET - THE CITY'S MAIN PARK
8 minutes walk

LEISURE AND GASTRO DISTRICT
7 minutes walk

MUSEUM OF ETHNOGRAPHY
8 minutes walk

DANUBE EMBANKMENT FEATURING THE CHAIN BRIDGE AND CASTLE DISTRICT
18 minutes by metro

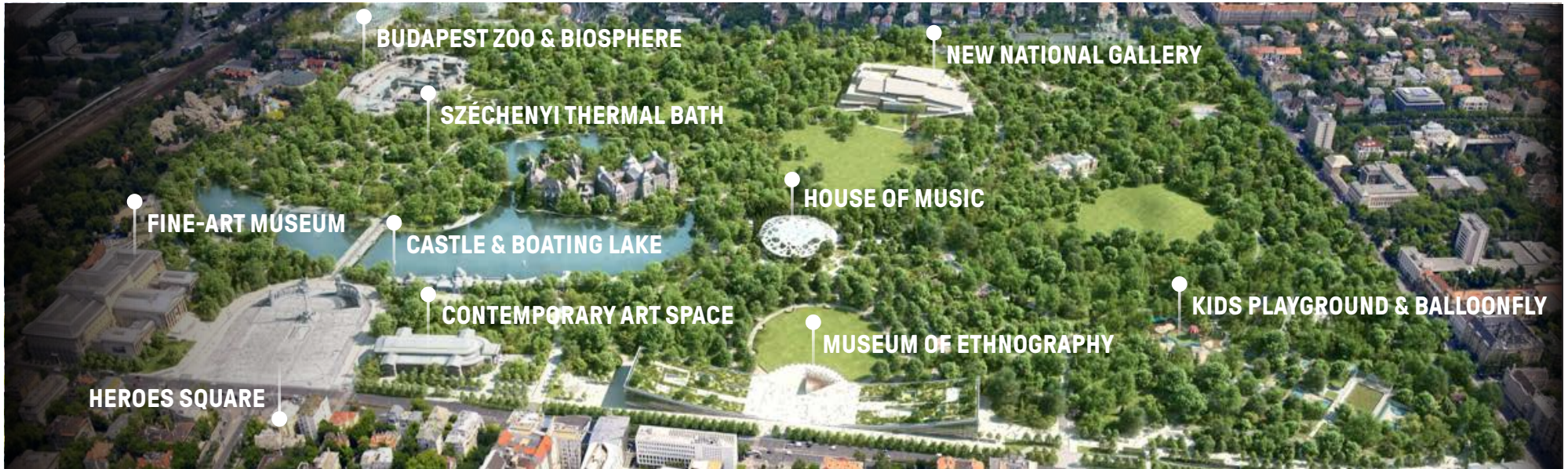
SZÉCHENYI THERMAL BATHS
14 minutes by metro

PARLIAMENT
16 minutes by trolley bus

SZENT ISTVÁN'S BASILICA
15 minutes by metro



SET AMONGST PRESTIGIOUS SURROUNDINGS



Budapest is served by world class, multi-modal transport infrastructure, providing fast and affordable connectivity to London, Europe and the rest of the world.



AIR

Budapest Liszt Ferenc Airport is 15 km south-east of the city centre and has established itself as one of Europe's fastest-growing airports - with over 16 million passengers in 2019, and flights to approximately 153 destinations in 49 countries. As of June, the airport had recovered 82% of pre-pandemic passenger numbers, seeing over 1.2m passengers over the month.



ROAD

Hungary has one of the highest motorway densities in Europe and the third highest road density, after Belgium and the Netherlands. Six European capitals can be reached from Budapest within only a few hours' drive on motorway.



TRAIN

The national rail network connects Budapest to towns and cities across the country in addition to capital cities such as Vienna, Bratislava and Berlin.

AIR TRAVEL DESTINATIONS

FRANKFURT	1 hr 30 mins
BERLIN	1 hr 40 mins
LONDON	2 hr 20 mins
MANCHESTER	2 hr 45 mins
PARIS	2 hr 10 mins
MADRID	3 hr 15 mins
LISBON	3 hr 45 mins
WARSAW	1 hr 20 mins
COPENHAGEN	1 hr 50 mins
SEOUL	12 hr 55 mins
BEIJING	11 hr 35 mins
NEW YORK	9 hr 15 mins

ROAD DESTINATIONS

VIENNA	2 hr 20 mins
BRATISLAVA	1 hr 50 mins
PRAGUE	4 hr 20 mins
BERLIN	7 hr 30 mins
ZAGREB	3 hr 00 mins
LLUBLJANA	4 hr 00 mins
GYOR	1 hr 10 mins
DEBRECEN	2 hr 10 mins
MISKOLC	1 hr 40 mins
SIOFOK	1 hr 05 mins
BALATONFURED	1 hr 25 mins

RAIL DESTINATIONS

VIENNA	2 hr 37 mins
BRATISLAVA	2 hr 23 mins
PRAGUE	7 hr 29 mins
GYOR	1 hr 13 mins
DEBRECEN	2 hr 13 mins
MISKOLC	2 hr 33 mins
SIOFOK	1 hr 14 mins
BALATONFURED	1 hr 38 mins

OUTSTANDING ACCESSIBILITY

Budapest has a modern and highly developed public transport infrastructure which integrates national rail networks, 4 metro lines, suburban railways, buses and trolley bus services.

The subject site enjoys excellent connectivity and features quick access to a wide range of public transport. The city's most important metro hub, Deak Ferenc Ter is accessible within 11 minutes by metro.



The nearest metro stop, Kodály Körönd, is 550m from the property



Trolleybus service #78 stops at the site, whilst service #74 stops within 150m.



Numerous trolley bus and bus stops are located on the streets surrounding the property and connect the site throughout Budapest



All four of Budapest's major railway stations are located within 7-28 minutes travel time



Budapest Liszt Ferenc Airport can be accessed in 22 minutes by car or 50 minutes by public transport



The proposed new metro line 5 will feature a stop within a 12 minute walk at Klauzál tér



BUDAPEST

A VIBRANT CITY SYNERGISING LIFESTYLE, BUSINESS AND TOURISM

A TOURISM HOTSPOT

#1 European Destination
European Best Destination 2019



Top Hotel Market in CEE
Recovery performance in 2021

The Spa Capital of the World
123 natural hot springs

A RESILIENT ECONOMY

71% GDP Growth during 2021



5.2% GDP growth Forecast for 2022

9% industrial output growth
Expected between End 2021 and 2023

A FAVOURABLE TAX ENVIRONMENT

Extension of the 5% VAT rate
on residential development



Lowest corporate tax rate in EU
At 9.0%

A favourable VAT rate of 5%
For short term accommodation

A DEVELOPING HUB FOR BUSINESS

34% Increase in Business Service Centres Since 2017

The 2nd Largest Office Market in CEE
a 4 million sq m market

3.70% Unemployment



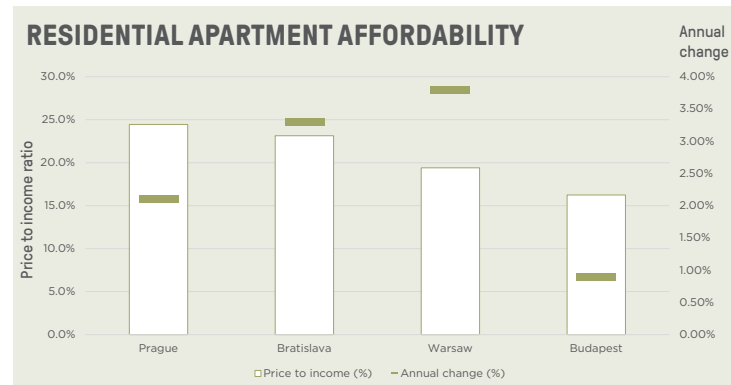
- Rental prices in Budapest continue to drive residential investment
- Apartment prices are rising
- Continuation of the 5% VAT rate on residential development should further stimulate the market

Development sites are in limited supply, especially in this in-demand micro location. Only two new residential projects are under construction in Budapest's popular District VII, with expected delivery dates of Q3-Q4 2022.

Longer term competition is only likely to come from small scale refurbishments by independent developers, rather than similar scale projects by the leading market players.

GROWTH POTENTIAL

With the lowest price to income ratio amongst its immediate peer markets – Prague, Warsaw and Bratislava, Budapest enjoys excellent pricing growth prospects.



A MARKET WHICH CONTINUES TO SEE RISING PRICE LEVELS

This sought-after micro location is within the downtown area of District VII, where new build apartments attract a premium. At the end of 2021, housing prices rose 11.3% in Budapest compared to the previous year.

As at Q1 2022 the average price was ca. EUR 3,375 per sq.m in Budapest* an 8.43% increase q-o-q.

AN ATTRACTIVE FISCAL ENVIRONMENT FOR RESIDENTIAL DEVELOPMENT

Government incentives such as the Green Home Programme, interest free loans & subsidies for new parents and the recently announced extension of the reduced 5% VAT rate.



THE OFFICE MARKET

With 109,000 sq m delivered in H1 2022, the Budapest office market's total stock exceeds 4,000,000 sq m and remains the second largest office market in CEE after Warsaw.

196,000 sq m of offices are due for delivery in 2022, although strong preleasing means that only 68,000 sq m remains available. For 2023 and 2024, pipeline is expected to reduce significantly with only 190,000 sq m under construction - of which only 127,000 sq m is available.

Since Q3 2020, vacancy rates have stabilized at between 9.0-9.9%, ensuring the market remains Landlord favourable.

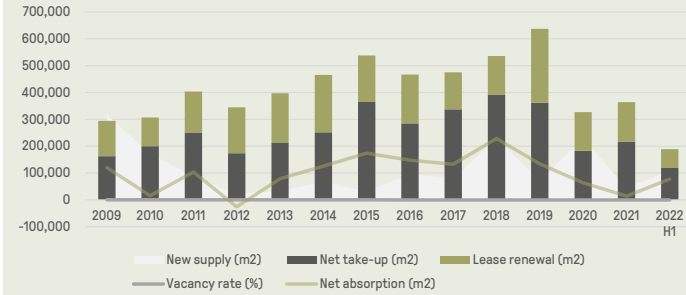


Take-up grew 60% between 2013-2019 and has returned to growth following the pandemic - with H1 seeing year on year growth of over 9%, whilst the past 12 months has seen a 13% increase over the previous 12 months.

Prime rents enjoyed the fastest growth in CEE from 2016- 2020 and remained stable during the covid pandemic.

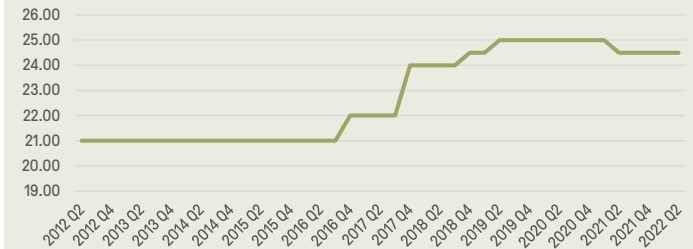
The office market has demonstrated resilience with net absorption returning to growth.

BUDAPEST OFFICE MARKET - SUMMARY



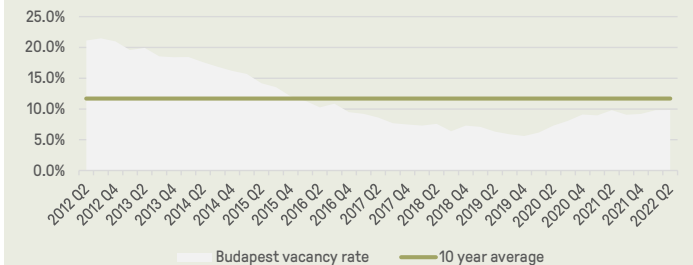
The latest transactions are indicating that prime rents may revert to record levels in the near future.

PRIME RENTS



Office market vacancy remain sbelow the 10 year average.

BUDAPEST VACANCY RATE



2021 saw investment volumes rebound from the Covid-19 pandemic.

H1 2022 saw a marginal increase in total volumes (€660m) compared to the previous year (€657m), whilst several transactions are at an advanced stage and set to close in the second half of the year. 2022's investment volumes are expected to reach a similar level to 2021.

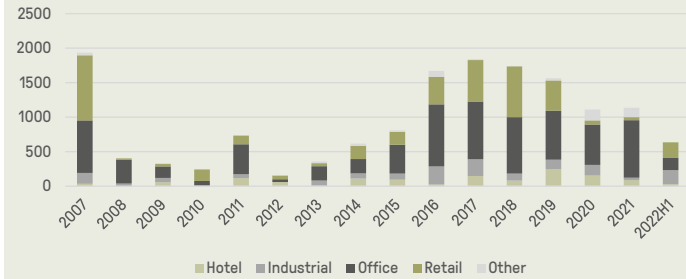


Both the retail and industrial sectors have performed strongly, with retail investment volume potentially reaching over €300m this year – an outstanding figure considering that no large shopping centres are expected to transact. By the end of Q2, industrial volumes had already achieved 80% of the record achieved for any full year, and there are further transactions in the pipeline.

Although some office transactions were put on hold or were cancelled at the outbreak of the war in Ukraine, many have now restarted. Whilst overall year-end office volumes are expected to be down on the previous year, volumes are expected to increase in the second half of the year.

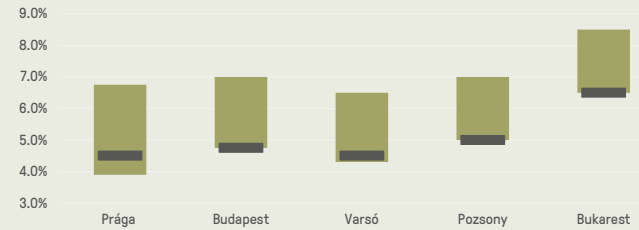
Investment volumes in H1 2022 remain on track to approach those seen in 2021.

INVESTMENT VOLUMES EUR MILLION



Prime yields across CEE have remained resilient

PRIME YIELDS IN CEE CAPITALS - Q2 2022



Prime yields have stabilized following an extended period of compression

BUDAPEST RETAIL AND OFFICE YIELDS

