

# BUDAPEST

*Cushman & Wakefield*

*Global Cities Retail Guide*

***Budapest is the Capital city of Hungary and the country's principal political, cultural, commercial, industrial and transportation centre. With its 1.8 million inhabitants it is the biggest and most densely populated city in the country.***

One in every five Hungarian citizens lives in Budapest, and over half of the nation's GDP is generated here. The city itself lies on the banks of the Danube which divides it into 2 parts: Buda, dominated by hills and slopes, and the plain Pest. Budapest is a diverse city and is often referred to as the Paris of the East, due to its beautiful architecture and tourist destinations.

Budapest is at the top of the retail hierarchy and has attracted a huge number of quality retail developments, including modern shopping centres, retail parks, and unique high street projects. Hungary's capital is famous for its cultural and historical attractions, as well as for the excellent food and quality wines.

New retailers to Budapest in the past 12-24 months include: Karl Lagerfeld, TWIN-SET, Jo Malone, Philipp Plein, Liu Jo, Sushi Time, Kiehl's, NYX, Polo Ralph Lauren, Calvin Klein among others. Other major international brands that are still exploring the market include: Falconeri, Under Armour, Jimmy Choo, Sportisimo, etc.



## BUDAPEST OVERVIEW

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## KEY RETAIL STREETS & AREAS

### VÁCI STREET AND VÖRÖSMARTY SQUARE

Váci Street and Vörösmarty Square are the traditional shopping areas of Budapest, attracting mostly mass market retailers. The street is pedestrianised, and generates footfall of around 35,000-40,000 on a daily basis. Retailers present on this street include: H&M, Zara, Bershka, Pull & Bear, Adidas, Reserved, CCC, Douglas, Mango, Geox, Salamander, Foot Locker, Deichmann, Tiger, L'Occitane, Humanic, etc. It is highly accessible by public transport and is pedestrianised.

### ANDRÁSSY AVENUE

Andrássy Avenue is Budapest's oldest avenue and has become the main destination for luxury retailers since the opening of Louis Vuitton in 2006. The avenue is part of the National Heritage site and has excellent potential for retailers, despite being located outside of the pedestrianised shopping zone. Retailers, such as Louis Vuitton, Burberry, Gucci, Max Mara, Moncler, Nespresso, Boggi, Rolex, COS, Michael Kors, Max&Co, Emporio Armani, Ermenegildo Zegna and Hublot have opened their flagship stores at the avenue. Footfall at Andrássy Avenue is in the range of 10,000 – 12,000 people per day.

### FASHION STREET & RITZ-CARLTON

Fashion Street is a unique high street development, located next to Vörösmarty square and Váci utca. This premium high street redevelopment scheme is offered to middle to high-end retailers. The project was completed by a local developer, Immobilia Zrt. in 2008, and since then, the tenant mix of the project has been going through continuous improvement. Total lettable area of the retail component is extending to 9,000 sqm, including 22 retail units. The scheme accommodates Hugo Boss, Massimo Dutti, Furla, Tommy Hilfiger, Nike, Lacoste, Lloyd, Oysho, Zara Home, Office Shoes, Lush, Intimissimi, Starbucks and KFC.

While the Fashion Street project occupies one side of Deák Ferenc street, on the other side the prestigious, 100 year old heritage building has been turned into one of the World's leading hotel chains, Ritz Carlton Budapest. Retail units are located at the ground floor of the building, facing both Erzsébet square, as well as the prestigious Fashion Street. Well-known worldwide brands have opened their flagship stores, including Jo Malone, TWIN-SET, Philipp Plein and Bobbi Brown.



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## MARKET OVERVIEW

KEY AREAS/ STREETS/SHOPPING CENTRES	CONSUMER PROFILE	MAJOR RETAILERS PRESENT	NEW ENTRANTS	TYPICAL RENT FOR 200 SQM UNIT	RANGE OF UNIT SIZES
Váci Street & Vörösmarty Square (Budapest downtown)	Tourists, local business density	Zara, H&M, CCC, Bershka, C&A, Salamander, Humanic, Tezenis, Douglas, Mango, Reserved	Vapiano	80 €/sqm/month	50-2,500 sqm
Fashion Street & Ritz-Carlton (downtown)	Tourist, local business density	Hugo Boss, Tommy Hilfiger, Massimo Dutti, Oysho, Lacoste, NIKE, Zara Home, Starbucks, KFC	Philipp Plein, Bobbi Brown, TWIN-SET	70 €/sqm/month	100-900 sqm
Andrássy út (Budapest downtown)	Tourists, local business density	Louis Voutton, Burberry, Gucci, Zegna, Emporio Armani, Max Mara, Nespresso	POLO Ralph Lauren, Marina Rinaldi, COS	50 €/sqm/month	50-1,000 sqm
WestEnd SC	Tourists, local business density, local shoppers	iStyle, Pandora, Zara, Mango, Massimo Dutti, H&M, Springfield, C&A, Douglas, Salamander, New Yorker, Media Markt	Kiehl's, Hugo Boss, Calvin Klein, Tommy Hilfiger, Sushi Time, Fruitissimo	70 €/sqm/month	50-2,500 sqm
Allee SC	Tourists, local business density, local shoppers	Van Graaf, Zara, H&M, Douglas, Intimissimi, Deichmann, Pandora, Cinema City	Sushi Time, Kiehl's, NYX, Jysk City, Mohito	65 €/sqm/month	50-2,500 sqm
Mammut SC	Local centre, with middle market brands	H&M, Benetton, Deichmann, CCC, MAC, Hervis, Women'secret, Douglas, GANT, Salamander, Libri	Reserved, New Yorker, Nespresso, Tiger	60 €/sqm/month	50-2,500 sqm
Budapest Árkád SC	Tourists, local business density, local shoppers	iStyle, Zara, H&M, Mango, Douglas, Media Markt, adidas, Van Graaf, Spar, Samsung	Costa Coffee, Ecco, Jysk City, Wrangler Lee, Laag&Hill, Nespresso	35 €/sqm/month	50-2,500 sqm
Arena Mall SC	Tourists, local business density, local shoppers	Peek & Cloppenburg, Media Markt, Zara, H&M, New Yorker, Michael Kors, Cinema City, Tesco	CCC, Calvin Klein Jeans, Kiehl's, Fossil, Mohito, Adidas, Musette	65 €/sqm/month	50-2,500 sqm
MOM Park SC	High end shopping centre at the most affluent area	GANT, H&M, Douglas, Intimissimi, Benetton, C&A, Deichmann, Furla, Michael Kors, Salamander, Vapiano Restaurant, Wasabi Restaurant	Adrienne Feller, Laag & Hill, MAX&Co., Liu Jo, Pandora, FREDDY, Bobbi Brown	35 €/sqm/month	50-1,500 sqm

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## SHOPPING CENTRES

### WEST END SC

West End City Centre is the shopping centre with the highest footfall in Hungary which allows retailers to operate profitable shops, even against the highest rental costs. Due to its unbeatable location it will keep this position in the market long term. Although the centre was built at the end of the 90's, the professional leasing and management activity has been able to keep its market leading position to date and enable continuous refresh of its tenant mix.

### ALLEE SC

Allee was developed on the plot of the former Buda Skála (local department store) on Buda side, in the heart of District 11. Due to its well-known prime location and convenient accessibility both by car and public transport, the demand from retailers has exceeded the supply. Since its opening in November 2009, Allee became one of the most visited shopping centres on the Buda side of the Capital. This mixed-use development comprises 46,600 sqm retail and leisure area, 7,000 sqm office space and 88 residential units.

### MOM PARK SC

MOM Park is an upmarket shopping centre, with 30,000 sqm retail space, around 100 retail units and 1,230 parking spaces. It is arranged on 3 trading levels offering restaurants, sport facilities, hotels, conference centres and other services on-site or in the immediate vicinity of the centre. MOM Park is located at the feet of the most expensive residential area, so it has become the meeting point for inhabitants with the highest spending power in Hungary. It is a very friendly shopping centre with good ambience and quality shops. The nearby offices mean the centre is busy with workers during lunchtimes. MOM Park is a unique shopping centre with specialized services for its customers.

### BUDAPEST ÁRKÁD SC

Árkád continuously increased its popularity among retailers since its opening in March 2002. The opening of Arena Mall – located 3.5 km from Árkád - has slightly affected the centre's footfall, however it is still one of the most popular schemes in Budapest. The extension of Árkád with 20,000 sqm was completed in March 2013. With the connection of the two schemes, Árkád Budapest became one of the largest shopping centres in Hungary with its 67,000 sqm GLA and over 1,350 car parking spaces.

### ARENA MALL SC

With its 68,000 sqm GLA Arena Mall is one of the largest shopping centres in Hungary, which opened fully leased in November 2007. Aréna Mall has managed to bring numerous newcomers to the Hungarian retail market. Due to its size, unique tenant-mix and high visitor numbers, Arena Mall is one of the highest performing shopping centres in the country, as it is able to attract customers from a wider catchment area, especially during the weekends.

### MAMMUT SC

Mammut Shopping Centre has for many years been dominating the north Buda side of the city, especially until the opening of Allee Shopping Centre. Due to its excellent location and accessibility, high footfall and long term operation, the centre is on the radar of most newly expanding international retailers. It has a wide ranging entertainment offer; services including a cinema, fitness centre, a wide variety of restaurants and high class medical centres, well servicing the more affluent area of the city.

## DEVELOPMENT TO WATCH OUT FOR

### ETELE PLAZA

Total Scheme Size	52,800 sqm
Planned Opening Date	2020 Q3
Consumer Profile	Wealthy, local catchment of District 11

### ABOUT THE DEVELOPMENT

The Etele Plaza development, including an intermodal junction, a shopping centre and a park, will be located at Kelenföld railway station establishing a new city centre between Kelenföld and Órmező. According to the developer, Futureal Development Zrt., the project will be delivered in two phases. The first phase will include a shopping centre of 52,800 sqm GLA, an intermodal junction (aiming to provide a public transportation hub by connecting the BKK and Volán buses, with the tram, the railway and the Metro 4 lines, all under a single roof). There will also be a new motorway-junction, a BKK and Volán bus terminal, a P+R parking lot and a public park. The aim of the developer is to establish a 21st century modern city centre by connecting Sasad, Órmező and Kelenföld districts, with commercial activities, gastronomy, production and parking, based on a transportation hub. The shopping centre will include all major active fashion retailers with their latest format, as well as a multiplex cinema, a large food court and a kids play area.



# BUDAPEST NEW DEVELOPMENT WATCH

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## FOOD & BEVERAGE

***Budapest offers a wide variety in the food & beverage sector, covering cafes/bars, fast food, as well as fine dining or full-service restaurants.***

Burger fast food is still popular in Hungary and thus, local burger chains – such as Zing Burger and Bamba Marha - developed and became competitors to McDonald's and Burger King. Beyond the well-known fast food operators, such as KFC, McDonald's, Burger King, Subway, Nordsee, Starbucks, etc., a large number of healthier, street food operators have opened, providing strong competition to the classic fast food operators. Typical examples of these are: Fruccola, Pad Thai, Freshland, Fruitissimo, Sushi Time, etc. Many fast food restaurants also function as a meeting point for young consumers and business people.

During the past few years, more and more F&B concepts appeared on the Hungarian market strongly increasing the quality supply of not only elegant high-end restaurants, but also the fast casual and street food line. As a result of this tendency, whilst some of the classic popular spots have lost their old fame but in contrary a number of new spots developed, which naturally further extended the classical downtown shopping area of the Budapest.

Best performing locations are located only for a few minutes walk from Budapest's traditional shopping zone: Vörösmarty square and Váci utca. The most popular F&B locations are the Basicila area – including Zrínyi street, Október 6. street, Sas utca, Király street, the Gozsdu Gourt and Madách square.

As of 2019, Budapest has 5 Michelin Star restaurants, namely Onyx, Costes, Costes Downtown, Borkonyha, Babel and Stand.



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## FOOD & BEVERAGE MARKET OVERVIEW

KEY AREAS	CONSUMER PROFILE	FOOD & BEVERAGE OPERATORS	RENT FOR 350 SQM UNIT
Gozsdu Court and Király utca	Tourists, local business density, local residential population	Spíler, Spíler Shanghai, DiVino, Blue Bird Café, Café Vian, Pad Thai, Pointer Pub, Vicky Barcelona, Jamie's Pizzeria	30 €/sqm/month
Ráday utca	Tourists, local business density, local residential population	Costes, Vörös Postakocsi, Pink Cadillac, Sir William, Pata Negra	22 €/sqm/month
Castle district	Tourists, local residential population	21, Pierrot, Alabárdos, Jamie's Italian, Meat Boutique, Zona, Leo Budapest, Beefbar	25 €/sqm/month
Váci utca, Vörösmarty square and Fashion Street	Tourists, local business density	Hard Rock Cafe, St. Andrea wine&sky bar, Cyrano, Onyx, Szamos Gourmet Ház, És Bisztró, Gerbaud, Nobu, Vapiano, Il Pastaio	50 €/sqm/month
Basilica area, Zrínyi utca and Sas utca	Tourists, local business density	Akademia Italia, Bestia, DiVio, High Note Sky Bar, Prime Steak, La Fabbrica, Borkonyha, Cafe Kör, Tom George, Tokio Budapest, Traktor	30 €/sqm/month
Október 6. utca	Tourists, local business density	Pad Thai, Hummusbar, KNRDY American Steakhouse & Bar, Urban Betyár, Buddha Original Thai Wokbar, Perfetto Italian Kitchen, Bamba Marha	30 €/sqm/month
Andrássy út	Tourists, local business density	La Perle Noire, Ristorante Millenium da Pippo, The bigfish, Kantin, Klassz Bisztró, Callas, Tom Yum, Costa Cafe	38 €/sqm/month
Liszt Ferenc tér	Tourists, local business density	Menza, Café Vian, California Coffee, Infognito, Beckett's, Beef Heaven	22 €/sqm/month



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## RETAIL WAREHOUSING/ BIG-BOX RETAIL

The Hungarian retail warehousing market started to develop in the second half of the 1990's and was rapidly expanding until 2008. After seeing the significant drawback of new developments on the retail warehousing market since 2008, the sector is now in an improving phase again. The appetite of tenants in this sector has been revived, and since 2015 market players are active again, including both current market players, as well as newly expanding retailers.

### MARKET CENTRAL FERIHEGY

Market Central Ferihegy, the first traditional retail park concept in Hungary opened to the public with full occupancy in October 2007. The scheme is located near the International Airport and is of circa 30 units on 44,000 sqm GLA. The project is anchored by Tesco and Praktiker and has all of the traditional features of an out-of-town retail park.

### BUDAÖRS RETAIL WAREHOUSE

Budaörs is the largest Out of Town retail warehouse hub in Hungary that includes all forms of retail warehousing, comprising retail parks, hypermarket malls and separate boxes.

The total area of the concentrated cluster sums over 235,000 sqm, located on both sides of the M1 motorway, which leads towards Vienna.

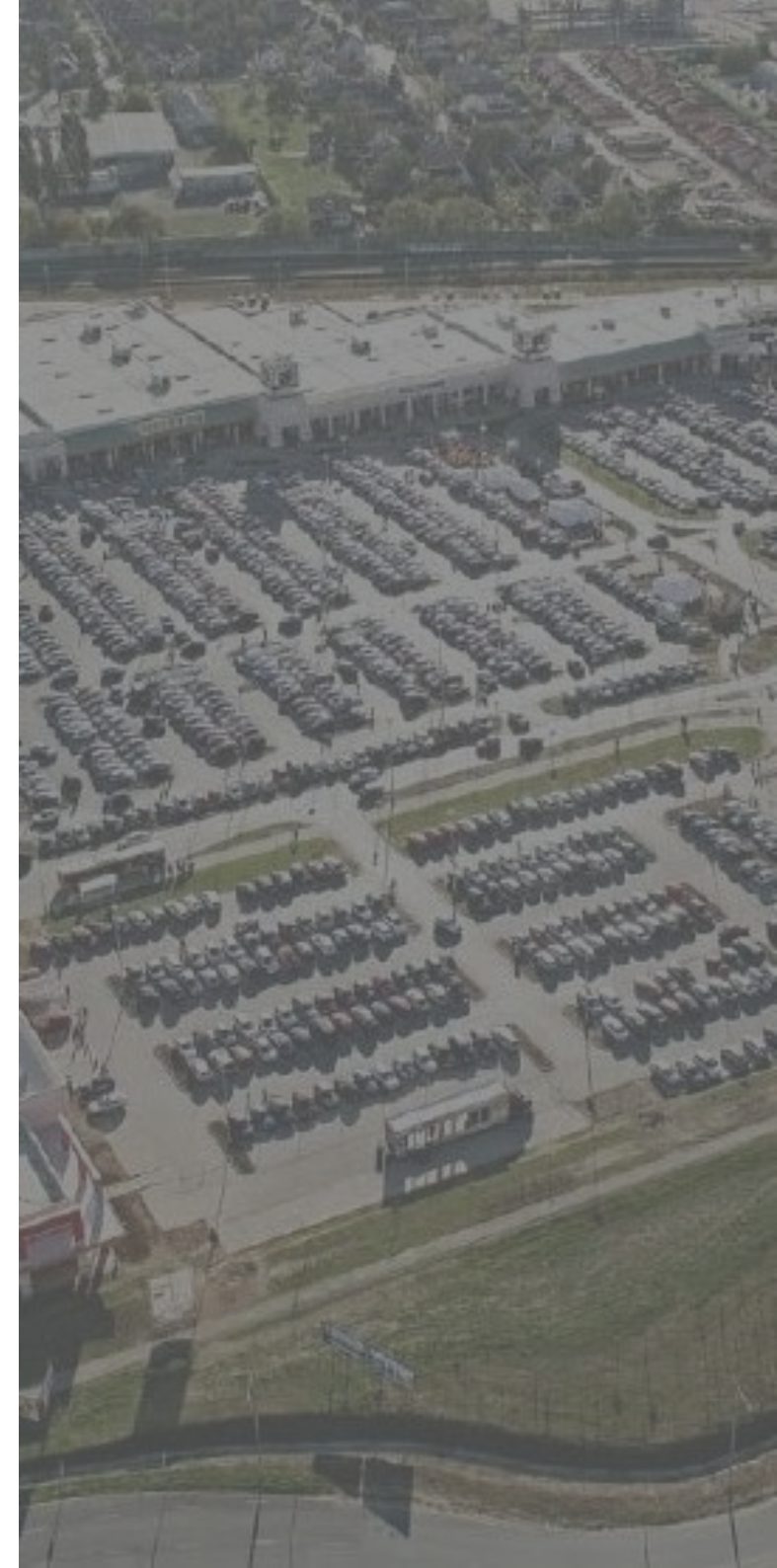
Occupiers include Auchan, Tesco, IKEA, Mömax, Decathlon, KIKa, Jysk and Media Markt. Fashion brands include H&M, Sports Direct, Humanic, CCC, Deichmann, etc. Discounters such as Pepco, Kik, Hada. Leisure and food operators are also present in the area.

### DUNAKESZI AND SOROKSÁR

Dunakeszi and Soroksár retail clusters are following Budaörs as the most popular and dominant retail warehouse cluster around Budapest, both being the busiest retail warehouse destinations in Hungary.

In Soroksár, occupiers include Auchan, Tesco, Buy Way, IKEA, Decathlon, KIKa, KFC, Jysk and Media Markt. Some retailers are placed on both sides of the M5 highway, including also fashion, leisure and other profiles. The cluster's total GLA is 133,600 sqm.

The Dunakeszi area has reached its complete tenant mix by the settlement of the first Bauhaus store. The area has been developed by Auchan with the main anchors being Auchan, Möbelix, Jysk, Decathlon and Bauhaus. In the Buy-Way scheme fashion brands such as C&A, Nike, Deichmann and Kangaboo are present. The total GLA of this retail warehouse cluster is 86,600 sqm.



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## RETAIL WAREHOUSING/ BIG-BOX RETAIL

NAME	LOCATION TYPE	RETAILERS PRESENT	F&B AND LEISURE TENANTS	TYPICAL RENT FOR UNIT OF 500 SQM	RANGE OF UNIT SIZES SQM
MARKET CENTRAL FERIHEGY	Retail Park	Tesco, Praktiker, Intersport, C&A, H&M, JYSK, Deichmann, CCC, Müller Drogerie, Fressnapf, Burger King, Eurofamily, Kik, Pepco, dm, Líra könyv	-	11-13 €/sqm/month	40 - 10000 sqm
BUY-WAY SOROKSÁR	Strip Mall	Media Markt, Brendon, Walterland, Mountex. Eurofamily, Líra, Office Depot, Gigamatrac	Gyerek Center	7.5-8.5 €/sqm/month	400 - 2800 sqm
BUY-WAY DUNAKESZI	Strip Mall	Möbelix, C&A, Reno, Deichmann, Galaxy Toys, dm, Office Depot, Líra könyv, Kangaboo, Dockyard, , Kik, Pepco, Háda, Nike, Sport Factory, Walterland, Gigamatrac, Eurofamily	Gyerek-centre, Color Fitness	9- 12 €/sqm/month	100 - 6200 sqm
PARK CENTER (portfolio)	Strip Mall	C&A, KIK Textilien, New Yorker, Takko, Deichmann, dm, Müller Drogerie, CCC, Eurofamily, Hervis, McDonald's, Pepco, Jysk, Spar, Intersport, Cardo, Libri, Sport Factory	-	5-12 €/sqm/month	50 - 2500 sqm
ZONE Bevásárlópark (portfolio)	Strip Mall	Tesco, Aldi, Penny Market, Media Markt, Euronics, Diego, Jysk, Brendon, CCC, New Yorker, Takko, C&A, Deichmann, H&M, dm, Müller, Fressnapf, Eurofamily	-	5-12 €/sqm/month	100 – 4500 sqm
STOP.SHOP (portfolio)	Strip Mall	Intersport, Hervis, H&M, C&A, Deichmann, dm, Fressnapf, KIK Textilien, Libri, McDonald's, Media Markt, Müller Drogerie, New Yorker, Spar, PlayersRoom, Takko, Euronics, Pepco, Háda, Eurofamily, CCC, Humanic, budmil	-	6-13 €/sqm/month	100 - 4500 sqm
FAMILY CENTRE (portfolio)	Strip Mall	Aldi, Spar, Tesco, C&A, Fressnapf, KIK Textilien, New Yorker, Takko, Euronics, Deichmann, dm, Líra könyv, Müller Drogerie, Jysk, Hervis, Pepco, CCC	-	5-12 €/sqm/month	40 - 9000 sqm

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# WHAT'S NEXT

REDEFINING THE LANGUAGE OF  
RETAIL & LEISURE

