.

Improving Prospects in an Increasingly Optimistic Budapest Office Market

The Skanska Office Index is an annual survey of office market demands, performed its fourth survey in October 2010.

Budapest, 17 February, 2011 – **The Skanska Office Index indicates gradually improving prospects and a more optimistic market. This year's survey shows that companies are taking a somewhat more positive view of developments in their sectors compared to last year, a higher proportion of the companies expect increases in their headcount and even more are placing a high priority on environmental aspects when choosing their office premises.**

Well-known for its environment conscious office developments, Skanska has conducted annual surveys regarding demands, expectations and current conditions in the office market for the past four years.

The survey was carried out by GfK in three countries in the Central European Region simultaneously and covered the Czech Republic, Poland and Hungary. In Hungary opinions were asked from 200 companies with over 20 employees or with office space larger than 200 square metres.

"It´s a positive sign that companies seem to be more optimistic and that there are prospect improvements for the office market, which previously has turned seriously negative in consequence of the crisis," says Andreas Lindelöf, Managing Director of Skanska Property Hungary, summarising the main conclusions of the Skanska Office Index 2010. "The fact that an increasing number of companies state that they place a high priority on environmental aspects when choosing office premises is very important to Skanska Property Hungary, as sustainability and environmental protection are always foremost in our own projects."

There is reason for cautious optimism in the fact that 34% of the companies asked (compared to only 29% last year) judged their own sector to be growing, and 49% of respondents said the situation was stabilising. In the years before the outbreak of the crisis, the proportion of those who viewed their sector as growing was over 50%, which for the time being should indicate a gradual upturn. When asked about the situation of their own company within the given sector as a whole, 62% considered their company to be growing at an average rate and 28% reported an above-average growth.

As far as headcount goes, about one third of the companies - up from just 25% last year - expected to see an increase in the numbers they employ. There was also a fall in the proportion of companies predicting a reduction in staff numbers over the coming year - from 14% of respondents last year to only 6% this year. At the same time, there are no significant expectations for companies to increase the size of their office space; according to 71% of them there will be no change, and only 16% forecast any expansion.

In the majority of offices there are 8-11 square metres per employee – a rate that has remained more or less constant for years. There was a slight rise in the proportion of companies who showed a preference for offices with more open-plan space than closed units with 36% (as opposed to 31% previously) saying their office was of this type.

39% of companies surveyed are using a reduction in energy consumption as a cost-cutting strategy while 41% of companies are not concerned with this issue at all. Among the main criteria for a green building, the participating companies mentioned the following: reduced energy consumption, selective waste management and efficiency in the use of water and energy. The most widely mentioned system of classifying environment conscious buildings was the LEED system this year (16% were aware of it), whereas the best known last year was the Green Building certification.

For further information:

Andreas Lindelöf

Managing Director

Skanska Property Hungary Kft,

Tel.: +36-1-382 9100

E-mail: andreas.lindelof@skanska.hu

www.skanska.hu