

## Europa Design Headquarters set to Achieve WELL Accreditation

The 400 sqm Europa Design headquarters, a refurbished building in Buda, originally built in the 1930s in a Bauhaus style, could become the first building in Hungary to receive WELL accreditation. The refurbishment and interior design is based on a living office concept by the furniture maker Herman Miller.



Europa Design HQ in Buda.

strengthening the employer branding of the company at the same time. Out of 25 employees [at Europa Design], 80% are under

40,

thus making it a challenge to keep up with the different expectations of the young, highly qualified staff, and create an environment where they can all work effectively. The quality and architectural value of the new HQ building is a significant upgrade from Europa Design's previous office, that better reflects the brand and its core corporate values," Kovács explains.

"Companies, as tenants, often think they have few possibilities to break out of the standard fit-out zone, but they have the possibility to invest in their employees, and create a really inspiring office space, with a fresh and clean air supply, acoustic and thermal comfort, healthy nourishment, natural light and inspiring spaces that

can be varied according to the changing requirements/preferences of staff. Buildings and offices can be used to ensure a positive experience for both employees and partners," she adds.

The Washington-based International Well Building Institute's third party accreditation system examines the impact of buildings on the human body in terms of health and wellbeing and rates buildings based on air, water, healthy nourishment, natural light, fitness, comfort and mental freshness.



### Healthy Environment

Zsombor Barta, vice-president of the Hungarian Green Building Council (HuGBC), comments that WELL is about a healthy internal environment and the wellbeing of end-users.

"This new certification provides a very good framework of how to create a livable and healthy internal environment, which is also managed in the long-term. This is a clear benefit for end-users. The building itself should benefit from green building certifications, like BREEAM and LEED, and the interior design and management should benefit from the WELL framework. WELL is currently a very new system, which is becoming popular in Hungary," Barta says.

The Europa Design HQ is expected to fulfill the WELL requirements and complete the certification process by next March. The cost of getting WELL accreditation for a 500-1,000 sqm (for example

50-100  
working

places) is estimated at USD 11,000-12,000 for the certificate itself, with the advisory fee on top putting the cost in the region of USD 15,000-20,000.

"As long as the building itself provides the technical background required for the certification, or is already pre-certified in the core-and-shell phase, only the accreditation fees come as additional. High quality furnishings and ergonomic office furniture, healthy nourishment or water dispensers are already part of the budget. This can be measured against staff retention and the associated costs of head hunting and training required and energy and resources needed to replace staff," says Kovács.

"Eight new office building projects are registered in the core-and-shell category. MN6 Energy Agency is supporting companies and also tenants to go WELL by creating new interiors both in WELL pre-certified and refurbished buildings in Hungary, mainly in Budapest. We expect five or six certifications, most of them in WELL core-and-shell certified buildings as new tenant space. WELL encourages a more collaborative approach between tenant and landlord; however, it always results in a win-win situation," she concludes.

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"By achieving WELL certification, Europa Design wants to strengthen the commitment of the company to the work-life balance idea in office spaces," comments Emese Kovács, energy consultant and partner at MN6 Energy Agency, which is working on the accreditation.

"WELL accreditation aims to support the wellbeing of employees in the building, inspiring creativity and

## Lowest Budapest Office Vacancy yet Recorded

The overall Budapest office vacancy rate has fallen to 6.4%, the lowest yet recorded in a market where vacancy was once in the 20s. This compares to, for example, 10% in the Warsaw market but 6% in Prague.

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The lowest vacancy has been recorded in the Non-central Pest sub-market at 4%, whereas the periphery still records vacancy rate of more than 30%. This reflects the current trend for office development in central or suburban locations at recognized transport intersections with easy access to urban amenities and population centers as demanded by tenants and office staff.

Some developers previously attempted to develop on an American model for office development in out-of-city locations where employees were expected to commute by car, but that is proving increasingly unpopular now,

Four new office buildings were delivered on the Budapest market in the third quarter of the year, totaling 111,000 sqm according to the Budapest Research Forum (BRF), made up from CBRE, Colliers International, Cushman & Wakefield, Estin International, JLL and Robertson Hungary.

Total modern office stock now stands at around 3.58 million sqm, with 2.94 million sqm of this consisting of class "A" and "B" speculative space, according to the consultancy group. From this,

644,000 sqm  
is owner-occupied.

This compares to total office stock of 5.42 million sqm in Warsaw

and 3.44 sqm in Prague, according to Cushman & Wakefield.

### Stock Advances

The largest Budapest completion was the 58,000 sqm Magyar Telekom HQ by Wing in District IX, now regarded as a developing out-of-center business area. In another large delivery, Skanska completed the 35,000 sqm Mill Park. The 11,000 sqm Advance Tower 1 in Váci út was completed by Futureal. A further completion was the 4,800 sqm EcoDome office center by Redwood Real Estate in central Buda.

As the Budapest office market was one of the first to be established in Central Europe and the quality and specification of office stock has dramatically advanced in reaction to demand in the last

20  
years

or so, consultants have argued that there is a significant amount of earlier generation stock that should be removed from the stock figures. Thus, the officially recorded owner-occupied stock has been reduced

by 27,000 sqm in three buildings. Total demand in the third quarter reached 111,000 sqm, representing a 32% year-on-year increase. Significantly for market demand, new leases accounted for 48% of this figure.

The strongest occupational activity was recorded in the Váci Corridor, which attracted 33% of total demand. This was followed by the Central Business District with 17% and South Buda with 16%. The largest new deal was for 15,000 sqm in the Váci Corridor.



Mill Park in Budapest by Skanska.