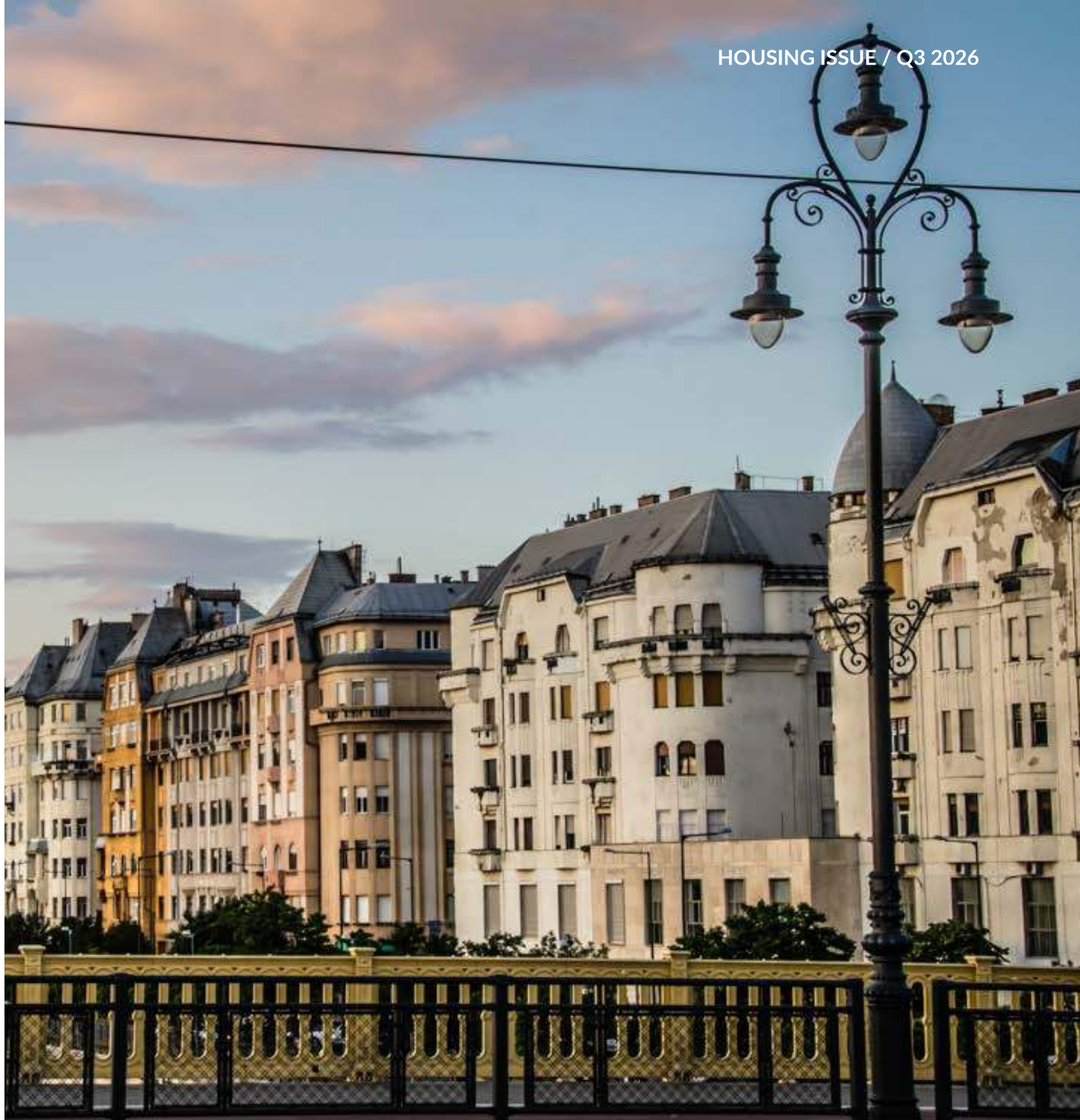
BUDAPEST

Rental Housing Market Update
Q3 2026

Inter Relocation GROUP



The rental market, at a glance

01 Moderating Rent Inflation and Shifting Medians

ANNUAL RENT GROWTH

Rent growth has slowed to a more moderate **5% to 8%** year-over-year trajectory.

MEDIAN ASKING RENT

By late summer, the median asking rent in Budapest rose to **HUF 260,000 per month**.

PRICE & VALUE

Luxury or overpriced premium rentals are **sitting vacant longer**, while properties with a good price-to-value ratio are **rented out quickly**.

RENT NEGOTIATION

For now, this is **not leading to landlords reducing rents**.

02 The Airbnb Crackdown and Supply Influx

DISTRICT VI

The **District VI (Terézváros)** ban triggered a wave of conversions, causing long-term rental listings in the district to surge by **34%**.

CENTRAL NEIGHBOURHOODS

Other central neighbourhoods have **restricted new STR licenses** and introduced strict caps, giving long-term expats and local professionals **more central housing options**.

03 Shifting Tenant Profiles and Buying Incentives

HOME START PROGRAMME

Government subsidies, such as the **Home Start Programme**, have transitioned some tenants out of the rental pool.

FLEXIBLE RENTALS

The market has also seen a **small uptick** in properties for digital nomads and foreign corporate professionals, with fully furnished **3–6 month lets** and **utilities included** in the rent.

04 **Tenants** need to present themselves as good partners

05 Landlords are increasingly requesting **rental payments in Euros** to protect themselves against the possible devaluation of the Hungarian currency

06 **Increased Fraud Risk,** instances of fake agents and landlords trying to claim holding deposits is increasing

07 Increasing demand by the landlords to the tenants to sign an **Eviction Statement** at a notary public upon signing the lease agreement



A city in demand

In 2026 the Budapest housing rental market exhibited the following notable characteristics:

Strong Demand

Budapest is a popular destination for renters, driven by factors such as its extensive international university student population at the lower end of the market and the rise in interest rates that have made buying property far harder for young professionals.

The market has also been significantly impacted by arrivals from Ukraine and Russia since the start of the war in Ukraine.

The demand for rental properties, both for long-term and short-term stays, continues to be very strong.

Limited supply

Limited supply and less flexibility from the landlords in terms of price and additional requests.
Tenants need to be ready to make fast decisions and manage their expectations in terms of negotiating a deal.



Increased fraud risk

We are seeing in increase in attempts by fake agents and landlords to extract a holding deposit in cash from tenants.

Individuals claiming to be agents representing the landlord or indeed claiming to be the landlord themselves request a holding deposit to secure a rental property and then disappear.

Inter Relocation has developed a strategy to limit the risk of this happening.

We developed a short guide to help expats protect themselves against possible fraud.

A change in the rules

Short-Term Rental Market

Stricter legal and tax rules on the short-term rental market may push some properties onto the long-term market, increasing supply in certain districts.

Two-Year Moratorium on Short-Term Lets

Hungary has imposed a two-year moratorium on new short-term let registrations, including for platforms such as Airbnb.

This measure aims to address housing shortages and foster economic stability in Budapest.

Ban in Budapest's Sixth District

Residents of Budapest's sixth district voted to ban short-term lets entirely, starting in 2026.

This move reflects mounting concerns over housing affordability and the impact of short-term lets on the local quality of life.



A new equilibrium

Recent international experience offers useful context: following similar restrictions in cities such as Barcelona, Amsterdam, and Berlin, short-term rental listings declined sharply, while long-term rental availability increased temporarily before stabilising.

If Budapest follows this broader European trend, the new moratorium and the Sixth District ban may initially boost the long-term rental supply—particularly in central areas (Districts V–VII)—before investors recalibrate their strategies and the market reaches a new equilibrium.



The cost of renting

Landlords are increasingly requesting rental payments in Euros to protect themselves against the possible devaluation of the Hungarian currency.

Additionally, most lease agreements now include an inflation clause, allowing rent increases after the first year based on the Hungarian Central Statistical Office (KSH) declared inflation rate.

This is a double burden for tenants, who are not only asked to accept the currency exchange risk but also annual rent hikes.

However, given the current landlord-driven market, property owners have the upper hand and can dictate these terms with little room for negotiation.

Making a good impression

Landlords are increasingly insisting upon the personal attendance of the potential tenant while showing the property.

They then choose the tenant who can both pay the asking rent and who makes the best first impression.

Potential tenants have to compete at certain points within the housing market. Landlords have felt under no obligation to negotiate and in fact in addition to properties being rented to the highest bidder, tenants have to learn to "sell" themselves as good partners in the renting process.

Whereas many years ago landlords focused on expatriate tenants because of their tendency to either pay higher rents or to have corporate leases, which were perceived as more secure, now landlords can easily rent out to a Hungarian tenant, with similar security and without having to deal with any language or cultural challenges.

Finding your place

Urban and Suburban Markets

Budapest's urban core continued to be the most sought-after area for renters, with higher prices and demand concentrated there.

However, the suburban areas also witnessed growing interest, particularly among those looking for more affordable options and a quieter living environment.

Supply and New Developments

While there was an increasing focus on building new residential developments, the supply of long-term rental properties remained somewhat limited.

The shortage of long-term rental properties has certainly impacted the increase in rents.

This shortage is caused by several factors. Many landlords have sold their properties and invested the money in government bonds instead.

At the same time, Budapest’s strong tourism market encourages others to switch from long-term rentals to short-term listings on online platforms.



A place to call home

Never before has building a relationship with a landlord and presenting oneself as a trustworthy, clean cut and professional tenant been more important.

Negotiating a deal is extremely hard to achieve, as landlords often have multiple tenants to choose from and even at the higher end of the market, the better properties in the right locations experience demand exceeding supply.

interrelo.com

