

BENCE BORONKAY

FOUNDER AND OWNER, FAEDRA GROUP



in violence would clearly delay decisions. The prospect of new U.S. tariffs, especially on European cars and green-tech products, adds another layer: Hungary is a major hub for EV batteries and automotive exports, so any assessment that constrains those supply chains will affect the logistics demand. In short, geopolitics is not freezing the market, but it indicates a “pause” button status.

“If a structure has a sound frame and the grid can take the load, upgrading it to modern standards often beats demolishing and pouring fresh concrete. Repurposing also breathes life into neighborhoods more quickly because the urban fabric and utilities are already in place. New-build still wins where end-users need volumes or floor heights that yesterday’s stock cannot deliver, but the greenest square meter is the one you don’t rebuild.”

BACKGROUND INFO

Bence Boronkay founded Faedra Group, which is active in the residential, industrial, and commercial real estate submarkets, in 2015 and currently serves as its managing director. In addition, he is also the investment director of Faedra Alapkezelő Zrt., which supports the group’s developments from an investment perspective.

Boronkay holds a degree in Economics with a specialization in corporate finance from Corvinus University of Budapest and completed part of his studies at the University of Southern California, Los Angeles. He lives in Budapest with his family.

HOW DESTABILIZING IS THE GEOPOLITICAL BACKGROUND TO THE REAL ESTATE BUSINESS IN HUNGARY TODAY?

The war on our eastern border still colors every risk assessment, mainly through energy and insurance pricing. Most investors have now priced that in, but a fresh spike

Q2 WHICH SECTORS ARE ON THE RISE AND FALL IN 2025?

Industrial and logistics remains the outperformer, powered by battery and near-shoring projects. Hotels are enjoying a genuine tourism rebound. Offices are split: top-tier, ESG-ready space holds firm while non-core stock struggles. Retail remains stable but selective; local convenience formats thrive, while fashion-led malls face challenges. Residential is booming, although the transaction numbers are showing a periodic correction, and demand is becoming more selective.

IS BUILT-TO-SUIT THE ONLY DEVELOPMENT MODEL THAT MAKES SENSE IN HUNGARY TODAY, OR IS THERE STILL ROOM FOR SPECULATIVE DEVELOPMENTS?

Build-to-suit clearly dominates today because it de-risks financing and exit. That said, fully speculative development still makes sense in very specific niches, such as last-mile urban logistics, boutique retail

Business Name	Faedra Group Kft.
Top Executive	Bence Boronkay
In Charge of Position Since	2015
Description of Business or Services	Real estate development
Year Founded in Hungary	2015
Total net Revenue in 2024 (HUF mln)	650,405
HQ in Hungary	1132 Budapest, Váci út 22-24.

schemes, and compact residential blocks near hubs where demand and exit liquidity are proven. The lesson is to scale speculation to what you can comfortably lease or sell within one year, not three.

HOW AVAILABLE (AND HOW AFFORDABLE) IS BANK FINANCE NOW? IS THIS A CONSTRAINT ON DEVELOPMENT?

Senior debt is available, but banks cherry-pick. Core sponsors with a solid track record can still leverage up to 55-65% at an all-in cost in the mid-single digits. Anything riskier, such as brownfield land or heavy repositioning, requires more equity or a mezzanine. So yes, financing is a constraint, but a rational one: it pushes developers to pre-lease, phase their projects and keep contingencies realistic.

ESG CERTIFICATION HAS LONG BEEN THE NORM IN THE OFFICE SECTOR AND INCREASINGLY IS SO IN INDUSTRIAL/LOGISTICS. WILL IT INEVITABLY GAIN GROUND IN OTHER SECTORS?

Absolutely. What began as an office badge is now a condition of capital. Logistics lenders already price green premiums, hotel brands are baking ESG into franchise agreements, and even residential buyers compare energy ratings before they step into a viewing. Within the next cycle, I expect every mainstream asset class in Hungary to treat certification not as an extra but as the default setting.

GIVEN THE GROWING CONCERNS OVER CARBON FOOTPRINTS AND THE IMPACT ON COMMUNITIES AS WELL AS THE ENVIRONMENT, IS THE RENOVATION (AND PERHAPS REPURPOSING) OF EXISTING BUILDINGS A BETTER OPTION THAN DEVELOPING A PROJECT FROM SCRATCH?

There is no one-size-fits-all answer, but the carbon calculus is shifting the balance. If a structure has a sound frame and the grid can take the load, upgrading it to modern standards often beats demolishing and pouring fresh concrete. Repurposing also breathes life

into neighborhoods more quickly because the urban fabric and utilities are already in place. New-build still wins where end-users need volumes or floor heights that yesterday’s stock cannot deliver, but the greenest square meter is the one you don’t rebuild.

FROM AN URBAN CITYSCAPE PERSPECTIVE, WHAT IS MISSING FROM BUDAPEST?

What would definitely help is affordable, family-friendly rental housing in well-connected districts that generate options for both young professionals and families.

WHAT, IF ANYTHING, NEEDS TO BE DONE TO IMPROVE THE PUBLIC PERCEPTION OF THE REAL ESTATE BUSINESS?

Trust grows when projects are transparent, inclusive and visibly beneficial. That means engaging local communities before a shovel hits the ground, publishing precise impact data for fields such as carbon savings, local job creation, and public amenities, and sticking to promised timelines. As an industry, we also need to extend the conversation, not just focusing on headline yields but also thinking about the schools, parks and workplaces our buildings enable.

