

# DUNA HOUSE BAROMETER

74. issue

August 2017



THE LATEST PROPERTY MARKET INFO  
FROM DUNA HOUSE NETWORK

## PRIVACY POLICY

Statistical information and estimates published in the Duna House Barometer are the intellectual property of Duna House Franchise Ltd. Statistical information and estimates presented in the Duna House Barometer are for information purposes only, for the complexity and accuracy of which Duna House Holding does not take responsibility.

Statistical information and estimates published in the Duna House Barometer can be used for individual purposes and responsibility by any person with reference to the following conditions:

- Statistical information and estimates published in the Duna House Barometer must remain unchanged when presented.
- Statistical information and estimates presented in the Duna House Barometer must be published only with exact source indication: words "Source: Duna House Barometer" must be indicated right prior or following the text. If in context, it must directly refer to Duna House Barometer as source.

Any use other than the above will imply legal juridical measures. Duna House is entitled to claim the termination of misuse and refund of the entire damage caused. In case of breaching regulations of link posting Duna House is entitled to instantly remove the link pointing to the webpage and claim the refund of its damages.

## FORTHCOMING ISSUES

Date of issue	Content
October 9, 2017.	2017. Q3 data (including price indexes)
November 8, 2017.	2017. October data
December 8, 2017.	2017. November data
January 8, 2018.	2017. Q3-4 data (including price indexes)

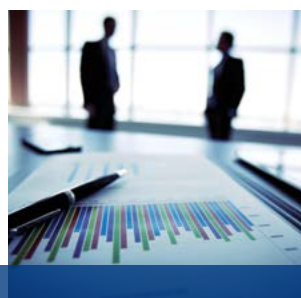
Duna House Barometer is available from the 8th day of each month (forthcoming weekday if weekend) on the webpage: [www.dh.hu/barometer](http://www.dh.hu/barometer)

If you wish to receive Duna House Real Estate Barometer or download previous issues visit our webpage: [www.dh.hu](http://www.dh.hu)

## GENERAL INFORMATION CONCERNING THE CONTENT OF THE PRESENT PUBLICATION

**Please note that the present publication is not appropriate for estimating the business profit of Duna House Holding, or the making of any related conclusions.**

**All data, information, estimates and professional statements presented in the publication are developed based on data gained from the activities of Duna House Holding members,** or in some cases are based on subjective experience. Application of those for the entire Hungarian property market may require additional corrections. Data sources - unless indicated differently at the given section - derive from the database operated by Duna House Holding, the content of which is compiled by members of the network upon their individual judgement and information gained from clients. The operator does not take responsibility for the comprehensiveness of the data. Data presented in the present publication is mainly based on parameters of property transactions in major Hungarian cities given by Duna House branch offices and agents.



## CONTENT:

- 2.** Privacy Policy, Forthcoming issues
- 4.** Executive Summary
- 5.** Transaction Number, Demand Index
- 6.** Residential Flat data
- 7.** Interest toward districts, Bargain August 2017
- 8.** Client profile: buyers
- 9.** Client profile: sellers
- 10.** Transaction parameters in Budapest
- 11.** Transaction parameters regionally

## EXECUTIVE SUMMARY



The month of **August has shown outstanding property market turnover** with the 2<sup>nd</sup> highest number of sale and purchase transactions (13 787 properties). May has been the only stronger month so far, next to which only March presented a level close to the current volume. In the same period last year, Duna House gave an estimate of 11 814, which is a 17% weaker volume. During the 6 years' history of the estimate, this has been the strongest August. The weakest August of the past 6 years was 2013 with only half as many properties sold or purchased as this year. Based on the estimate for 2017, 101 404 sale and purchase transactions have taken place so far countrywide. It is 1% behind the same period of the previous year. The first half of 2016 was outstanding, then a slight fallback was measured. This year, the volume is growing in accordance with seasonality, which – if the tendency continues – may present a stronger full year and has the potential to end up as the most outstanding year of the after-crisis era.

The **Demand Index in August has continued to increase following the fallback in June.** The 81 point value – although showing growth following the June bottom point – is still not the strongest of the year, since in February the index reached 89 points.

In August, **panel flats** were sold for HUF 211 thousand in the Eastern, and for HUF 208 thousand per square meter on average in the Western part of the country. In the capital, **Buda side** is the more expensive (**HUF 365 th.**). The price of the same type in **Pest** was **HUF 321 thousand**. Average price of brick-built flats was HUF 288 th. in the Eastern, and HUF 241 in the Western part of the country. In Budapest, on some locations, the double of it is detected. One square meter of **brick-built flats in August** was sold for HUF 445 th. in Pest, HUF 576 th. in Buda, and **HUF 597 in the Inner City.**

Flats for renovation were bought in greatest volume in Pest County (9%) in August. Flats with conditions referred to as 'habitable' accounted for 23% of transactions throughout the country. Flats in good condition were most popular in East-Hungary (47%), while the greatest part of flats in 'very good condition' was sold and bought in Budapest (35%). In August, bargain position in case of houses both in Pest County and regionally has somewhat been lower (5% and 4%) than in July (6% and 9%). In case of panel flats, it remained the same, i.e. 3% in Budapest, and 4% regionally. In case of brick-built flats, the bargain was only around 3% countrywide.

**Interest toward District 13 has increased even more since July – nearly one fifth of potential buyers** would be willing to move to the location. Similarly to July, the second most popular location is District 14 (17%). District 6 came in third in August (16.2%), which means a change when compared to the previous month, where District 7 took the place.

**In Budapest, the ratio of investment purpose buyers has continued to increase (42%),** while regionally their number has somewhat fallen back (29%). The ratio of entrepreneurs has grown, taking the place from employees. In Budapest, the majority of properties for investment reasons was sold for around HUF 26.5 Million (50-60 m<sup>2</sup>). Regionally, buyers spent less – including investors. They paid HUF 14 Million on average, and acquired bigger properties (71 m<sup>2</sup>) than investors in the capital. Buyers moving into a bigger property, together with those acquiring their first home accounted for half of all buyers in August.

In Budapest, the leading reason behind the sale was moving into a bigger property, accounting for over 50% of all sales. Owners sold their properties of 54 m<sup>2</sup> for HUF 24 Million on average. The ratio of entrepreneurs increased (from 29% to 34%), in line with which the ratio of pensioner sellers has decreased since last month (from 28% to 20%). Outside Budapest, the greatest volume of sold properties was inherited property (32%), for HUF 11 Million on average. Here, the ratio of pensioners among sellers increased, while the number of entrepreneurs fall back – presenting a tendency opposite to the capital. Reason behind the sale, regionally, was much diverse than in Budapest.

In Buda, the size of purchased flats moved towards the end points of the scale. **The ratio of 20-40 m<sup>2</sup> size flats grew by 10%** in comparison with 2016, in addition to which the ratio of properties above 140 m<sup>2</sup> also grew. **Ratio of flats with price levels above HUF 600 thousand/m<sup>2</sup> has risen 15% during one year.** The ratio of 20-40 m<sup>2</sup> size flats grew from 25% to 29%. Similarly to Buda, the ratio of flats sold for higher m<sup>2</sup> price has also grown in Pest.

In Pest County, the ratio of medium and bigger size flats has somewhat increased. The most outstanding growth fell in the price level of 300-350 th./m<sup>2</sup>.

Regionally the same price level (300-350 th./m<sup>2</sup>) showed the biggest growth volume during the one-year period. The greatest number of sold flats still fell among lower price levels – nearly one quarter (23%) of properties sold outside Budapest was in the 150-200 th./m<sup>2</sup> price level.

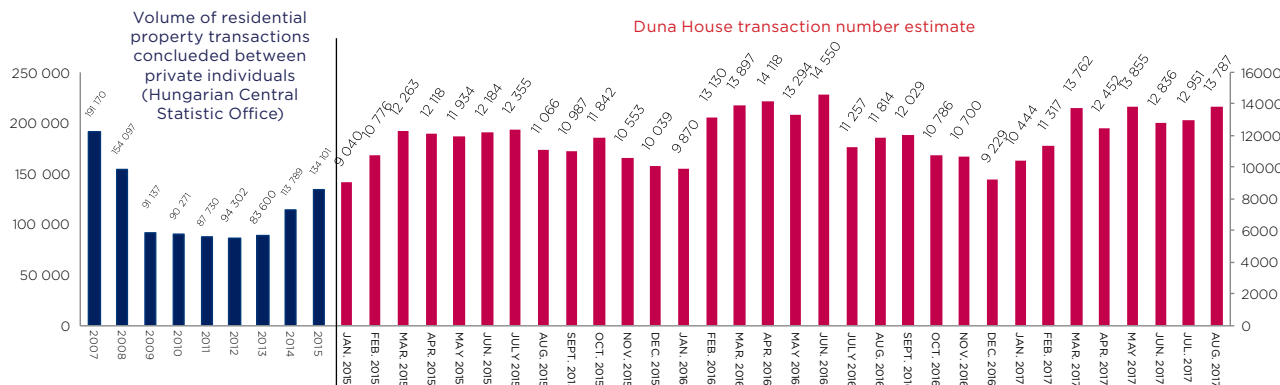
### *Further information*

Gábor Rutai  
Head of PR and analysis  
rutai.gabor@dh.hu  
Mob.: +36 30 811 0690

## TRANSACTION NUMBER AND DEMANDS INDEX

### DH-TE (Duna House Transaction Number Estimate)

The month of August has shown outstanding property market turnover with the 2<sup>nd</sup> highest number of sale and purchase transactions (13 787 properties). May has been the only stronger month so far, next to which only March presented a level close to the current volume. In the same period last year, Duna House gave an estimate of 11 814, which is a 17% weaker volume. During the 6 years' history of the estimate, this has been the strongest August. The weakest August of the past 6 years was 2013 with only half as many properties sold or purchased as this year. Based on the estimate for 2017, 101 404 sale and purchase transactions have taken place so far countrywide. It is 1% behind the same period of the previous year. The first half of 2016 was outstanding, then a slight fallback was measured. This year, the volume is growing in accordance with seasonality, which -if the tendency continues- may present a stronger full year and has the potential to end up as the most outstanding year of the after-crisis era.

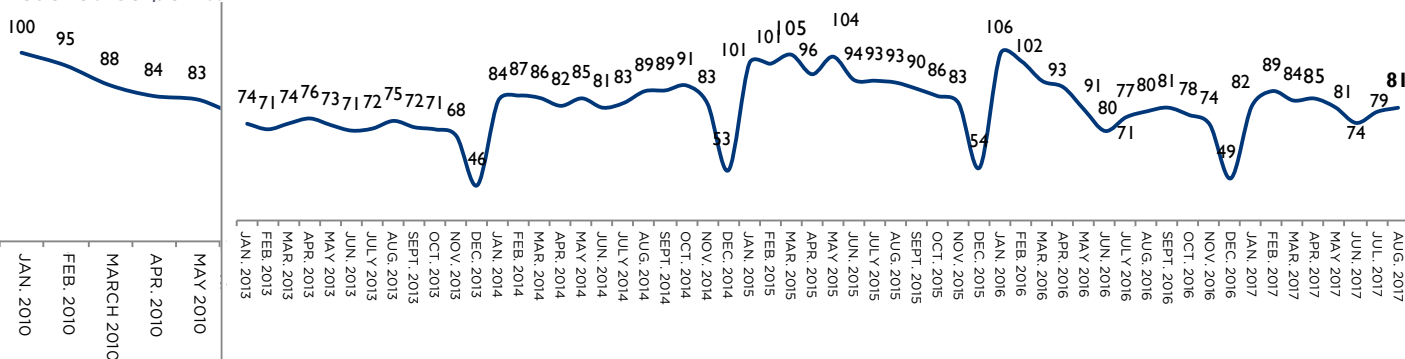


### METHODOLOGY BEHIND DH-TE

Regardless of the time, the most important indicator of the real estate market is the yearly sale-purchase transaction number. DH-TE is an estimate published by Duna House showing interim approximate data. The estimate is based on monthly transaction number of property brokered by Duna House and the estimated market ratio of Duna House. The estimate of the actual monthly market ratio of Duna House is based on the following indicators:: 1. data published by the Hungarian Central Statistical Office on transactions among private individuals Since the Statistical Office publishes data with a months' delay, the correction of market ratio can be carried out retroactively with refining of the estimate as well. Attention! After 2016 and by the newly built flat boom, pre-contracted transactions are visible in the statistics of the Statistical Office with a delay of several months, even 1-2 years, only following the tariff of the capital transfer tax, resulting in anomalies in the statistics. 2. Amount of issued Energy certificates. 3. Subjective assessment based on other management information from the Duna House Holding. Please note that DH-TE data is not appropriate for defining the volume of transactions brokered by Duna House!

### DH - DEMAND INDEX

The Demand Index in August has continued to increase following the fallback in June. The 81 point value - although showing growth following the June bottom point - is still not the strongest of the year, since in February the index reached 89 points.



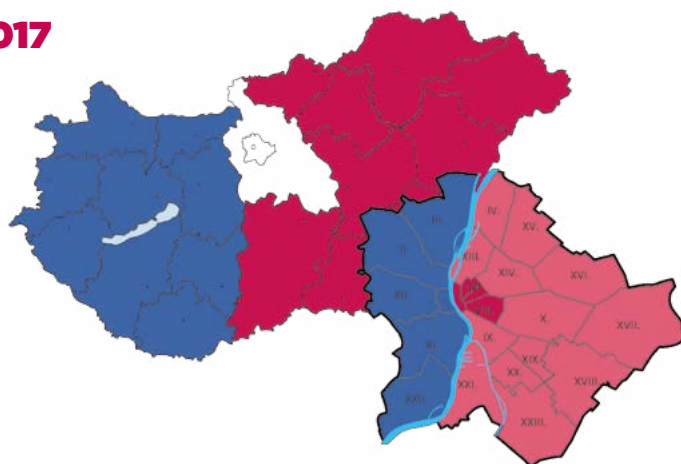
### METHODOLOGY BEHIND DEMAND INDEX

The basis of the estimate is the activity registered by our agents in various, mainly major cities and Duna House offices. Corrections are made depending on the number of active agents and working days. The Demand Index is an important indication of buyer side's reactions to political decision or solutions offered by the financial sector. Demand Index is a quantitative indicator which has no direct connection with the realized transaction numbers. The latter is a qualitative issue highly effected by market environment and available financial product.

## RESIDENTIAL FLAT DATA - AUGUST 2017

In August, panel flats were sold for HUF 211 thousand in the Eastern, and for HUF 208 thousand per square meter on average in the Western part of the country. In the capital, Buda side is the more expensive (HUF 365 th.). The price of the same type in Pest was HUF 321 thousand.

Average price of brick-built flats was HUF 288 th. in the Eastern, and HUF 241 in the Western part of the country. In Budapest, on some locations, the double of it is detected. One square meter of brick-built flats in August was sold for HUF 445 th. in Pest, HUF 576 th. in Buda, and HUF 597 in the Inner City.



PANEL COUNTRYWIDE			
	Price	m <sup>2</sup> price	Time need of sale/day

<b>East</b>	11 212 000	211 000	87
<b>West</b>	10 545 000	208 000	76

PANEL BUDAPEST			
	Price	m <sup>2</sup> price	Time need of sale/day

<b>Buda</b>	19 122 000	365 000	114
<b>Pest</b>	16 944 000	321 000	76

BRICK COUNTRYWIDE			
	Price	m <sup>2</sup> price	Time need of sale/day

<b>East</b>	15 910 000	288 000	122
<b>West</b>	14 109 000	241 000	131

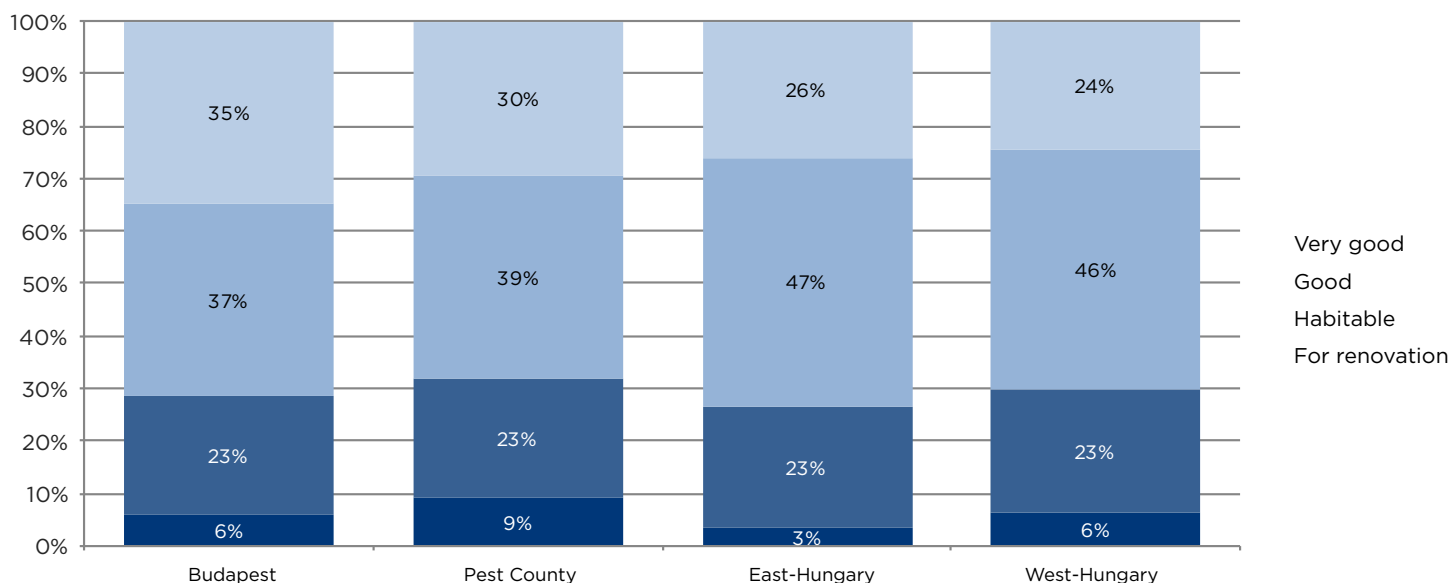
BRICK BUDAPEST			
	Price	m <sup>2</sup> price	Time need of sale/day

<b>Buda</b>	34 809 000	576 000	98
<b>Pest</b>	21 733 000	445 000	129
<b>Inner City</b>	31 596 000	597 000	107

Based on purchase prices of the given period and location of properties brokered by Duna House.

## QUALITY PREFERENCE (USED FLATS)

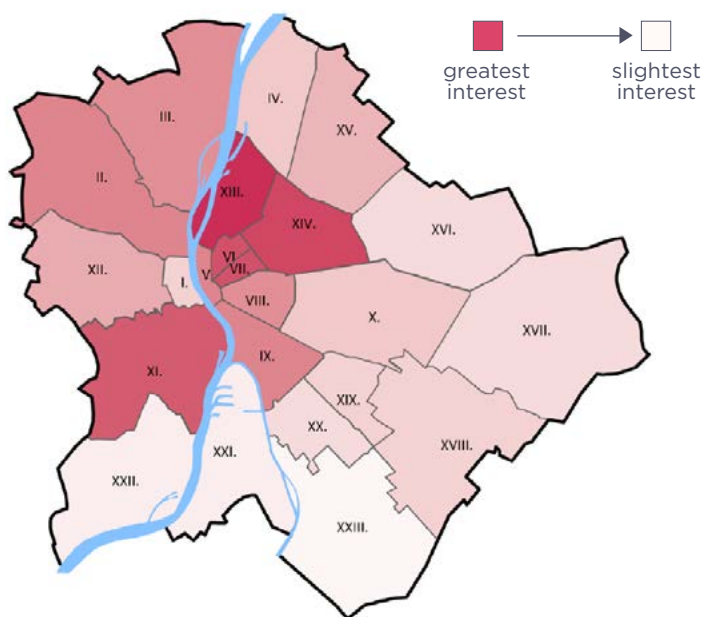
Flats for renovation were bought in greatest volume in Pest County (9%) in August. Flats with conditions referred to as 'habitable' accounted for 23% of transactions throughout the country. Flats in good condition were most popular in East-Hungary (47%), while the greatest part of flats in 'very good condition' was sold and bought in Budapest (35%).



Data is assessed based on real estate sold by Duna House. Territorial distribution of transactions brokered by Duna House may differ from the territorial distribution of the market in whole. Duna House Holding carries out its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in relation of the territorial distribution of own and market transactions.

## INTEREST TOWARD DISTRICTS

DISTRICT	2017. JULY	2017. AUG.
Budapest 01.	8,2%	8,3%
Budapest 02.	13,5%	13,4%
Budapest 03.	11,4%	11,4%
Budapest 04.	7,9%	7,7%
Budapest 05.	10,1%	12,2%
Budapest 06.	14,5%	16,2%
Budapest 07.	15,9%	15,5%
Budapest 08.	12,3%	13,0%
Budapest 09.	13,3%	13,7%
Budapest 10.	6,9%	6,1%
Budapest 11.	14,3%	15,7%
Budapest 12.	10,7%	13,2%
Budapest 13.	19,1%	19,7%
Budapest 14.	16,2%	17,0%
Budapest 15.	6,9%	7,1%
Budapest 16.	5,4%	6,4%
Budapest 17.	4,5%	5,2%
Budapest 18.	9,1%	8,6%
Budapest 19.	8,3%	8,0%
Budapest 20.	6,3%	6,9%
Budapest 21.	4,0%	4,1%
Budapest 22.	3,8%	3,4%
Budapest 23.	2,9%	2,8%



**Methodology:** Our clients with purchasing aims indicate their preferences of districts (more at the same time) when meeting with our agents. The above preference map is put together based on this information.

Data is assessed based on real estate sold by Duna House. Territorial distribution of transactions brokered by Duna House may differ from the territorial distribution of the market in whole. Duna House Holding carries out its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in relation of the territorial distribution of own and market transactions.

Interest toward District 13 has increased even more since July - nearly one fifth of potential buyers would be willing to move to the location. Similarly to July, the second most popular location is District 14 (17%). District 6 came in third in August (16.2%), which means a change when compared to the previous month, where District 7 took the place (15,9%).

## BARGAIN - AUGUST 2017

In August, bargain position in case of houses both in Pest County and regionally has somewhat been lower (5% and 4%) than in July (6% and 9%). In case of panel flats, it remained the same, i.e. 3% in Budapest, and 4% regionally. In case of brick-built flats, the bargain was only around 3% countrywide.

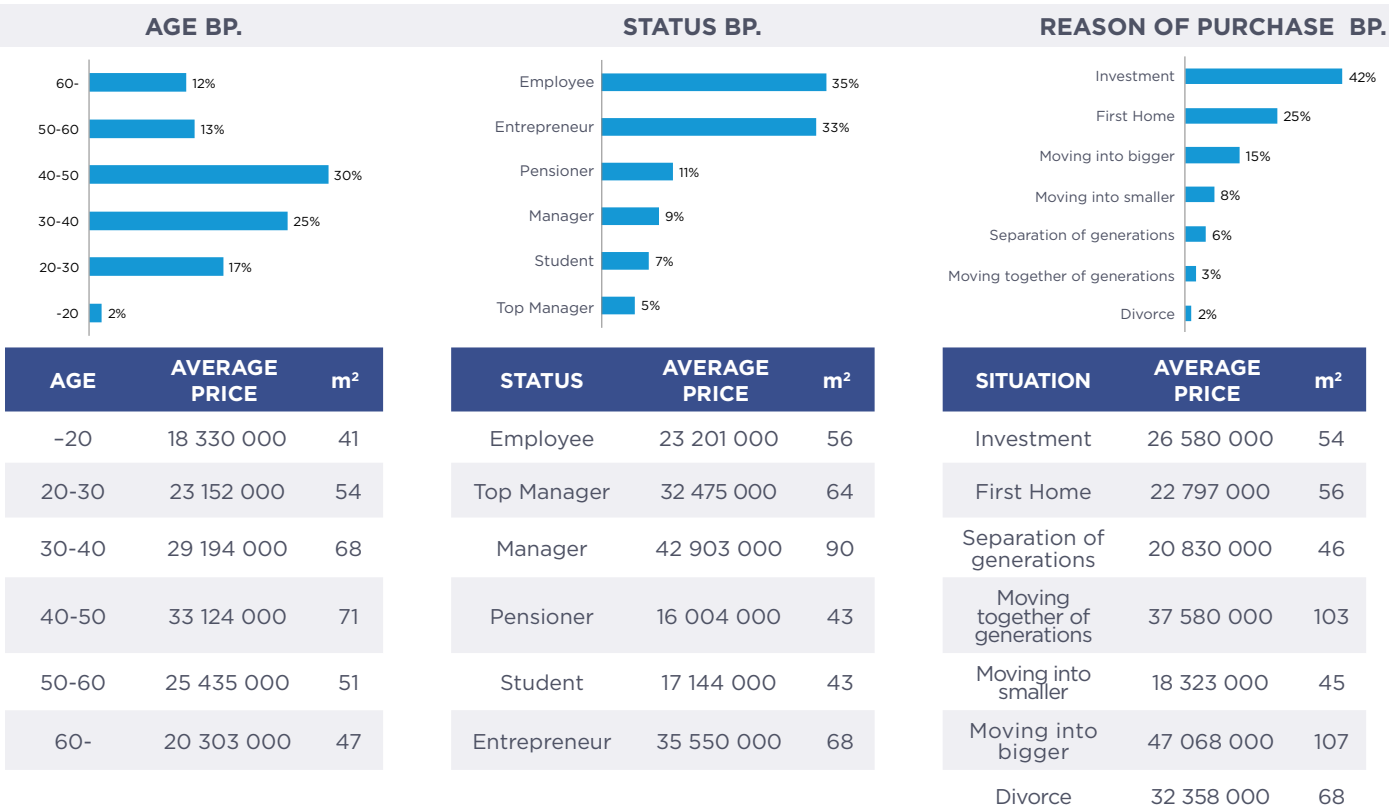
	CHANGE IN LISTING PRICE	BARGAIN
<b>HOUSE</b>		
Budapest	-2%	-5%
Pest county	-3%	-5%
Regional	-2%	-4%
<b>PANEL</b>		
Budapest	-2%	-3%
Regional	-1%	-4%
<b>BRICK</b>		
Budapest	-3%	-3%
Regional	-1%	-3%
<b>TOTAL</b>		
Budapest	-3%	-3%
Regional	-3%	-6%

**Methodology:** Change in the listing price is the difference between the first price indicated by the seller and the last registered price at the time of the appearance of the buyer. Bargain shows additional changes in the price agreed upon by the seller and buyer. The two indicators together give a good picture of the difference in price between the original idea of the seller and the actual final price.

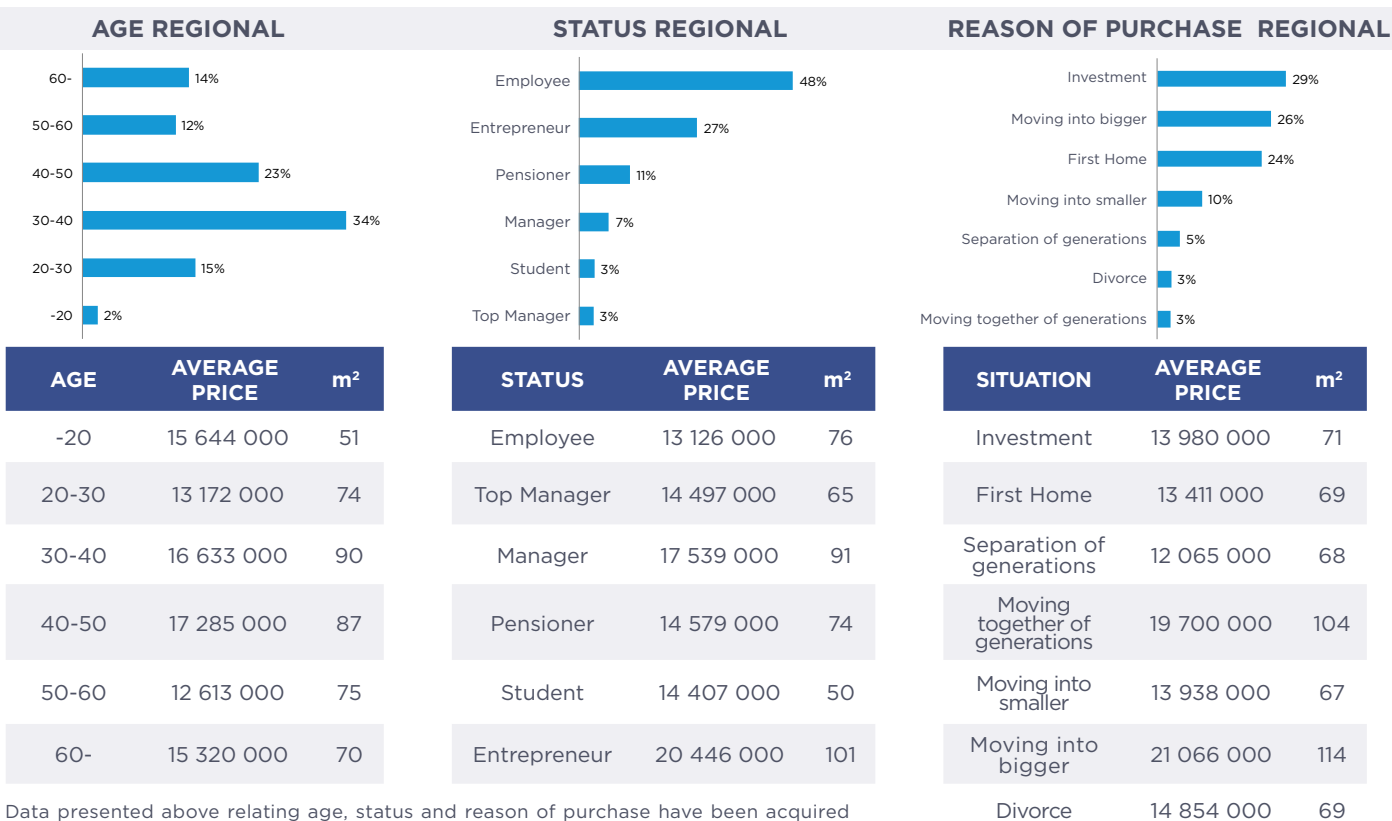
Based on purchase prices of the given period of properties brokered by Duna House.

## CLIENT PROFILE: BUYERS

In Budapest, the ratio of investment purpose buyers has continued to increase (42%), while regionally their number has somewhat fallen back (29%). The ratio of entrepreneurs has grown, taking the place from employees. In Budapest, the majority of properties for investment reasons was sold for around HUF 26.5 Million (50-60 m<sup>2</sup>).



Regionally, buyers spent less - including investors. They paid HUF 14 Million on average, and acquired bigger properties (71 m<sup>2</sup>) than investors in the capital. Buyers moving into a bigger property, together with those acquiring their first home accounted for half of all buyers in August.



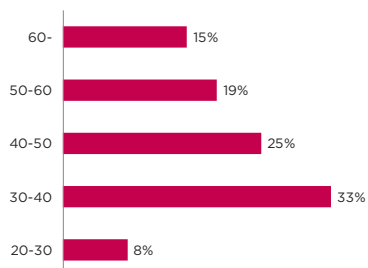
Data presented above relating age, status and reason of purchase have been acquired through the volunteer declaration of our clients. They qualify as sampling and are regarded as estimated values.



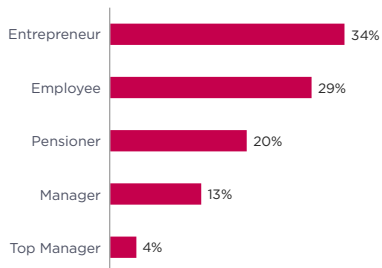
## CLIENT PROFILE: SELLERS

In Budapest, the leading reason behind the sale was moving into a bigger property, accounting for over 50% of all sales. Owners sold their properties of 54 m<sup>2</sup> for HUF 24 Million on average. The ratio of entrepreneurs increased (from 29% to 34%), in line with which the ratio of pensioner sellers has decreased since last month (from 28% to 20%).

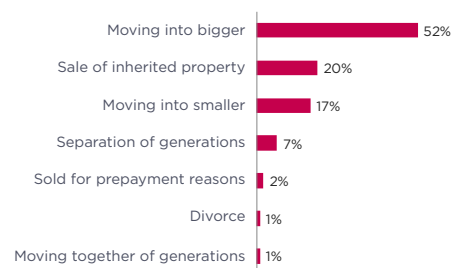
AGE BP.



STATUS BP.



REASON OF SALE BP.



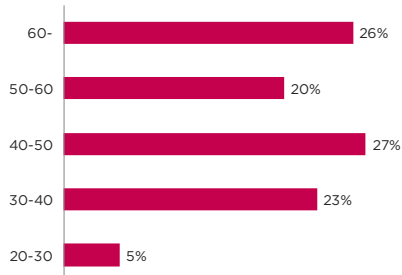
AGE	AVERAGE PRICE	m <sup>2</sup>
20-30	24 834 000	58
30-40	25 944 000	57
40-50	28 065 000	54
50-60	29 667 000	75
60-	34 454 000	86

STATUS	AVERAGE PRICE	m <sup>2</sup>
Employee	19 020 000	48
Top Manager	26 500 000	61
Manager	41 440 000	84
Pensioner	34 438 000	85
Entrepreneur	34 480 000	62

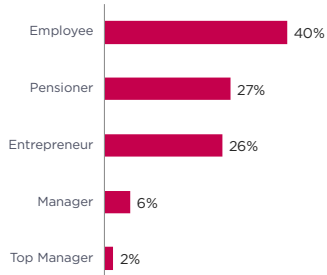
SITUATION	AVERAGE PRICE	m <sup>2</sup>
Sold for prepayment reasons	28 000 000	58
Separation of generations	70 360 000	130
Moving together of generations	12 100 000	23
Moving into smaller	45 632 000	113
Moving into bigger	23 880 000	54
Sale of inherited property	19 137 000	52
Divorce	33 000 000	160

Outside Budapest, the greatest volume of sold properties was inherited property (32%), for HUF 11 Million on average. Here, the ratio of pensioners among sellers increased, while the number of entrepreneurs fall back - presenting a tendency opposite to the capital. Reason behind the sale, regionally, was much diverse than in Budapest .

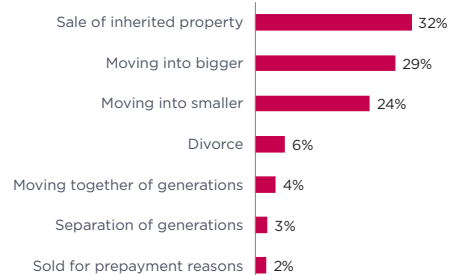
AGE REGIONAL



STATUS REGIONAL



REASON OF SALE REGIONAL



AGE	AVERAGE PRICE	m <sup>2</sup>
20-30	13 430 000	59
30-40	13 597 000	74
40-50	16 526 000	87
50-60	14 672 000	86
60-	15 483 000	85

STATUS	AVERAGE PRICE	m <sup>2</sup>
Employee	13 062 645	79
Top Manager	24 441 077	106
Manager	15 999 650	88
Pensioner	13 241 233	79
Entrepreneur	22 067 242	85

SITUATION	AVERAGE PRICE	m <sup>2</sup>
Sold for prepayment reasons	16 258 000	109
Separation of generations	14 863 000	94
Moving together of generations	13 300 000	70
Moving into smaller	18 904 000	116
Moving into bigger	14 588 000	65
Sale of inherited property	11 384 000	85
Divorce	18 768 000	100

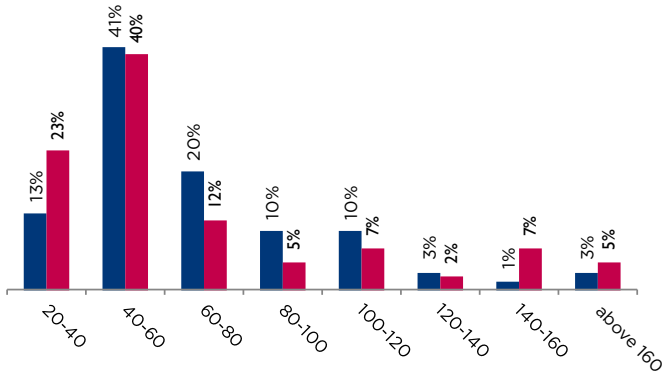
Data presented above relating age, status and reason of purchase have been acquired through the volunteer declaration of our clients. They qualify as sampling and are regarded as estimated value.

## TRANSACTION PARAMETERS – BUDAPEST

In Buda, the size of purchased flats moved towards the end points of the scale. The ratio of 20-40 m<sup>2</sup> size flats grew by 10% in comparison with 2016, in addition to which the ratio of properties above 140 m<sup>2</sup> also grew. Ratio of flats with price levels above HUF 600 thousand/m<sup>2</sup> has risen 15% during one year. The ratio of 20-40 m<sup>2</sup> size flats grew from 25% to 29%. Similarly to Buda, the ratio of flats sold for higher m<sup>2</sup> price has also grown in Pest.

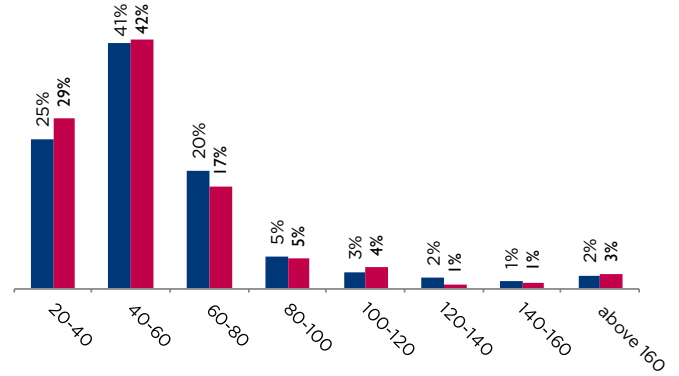
### BUDA

Size (m<sup>2</sup>)

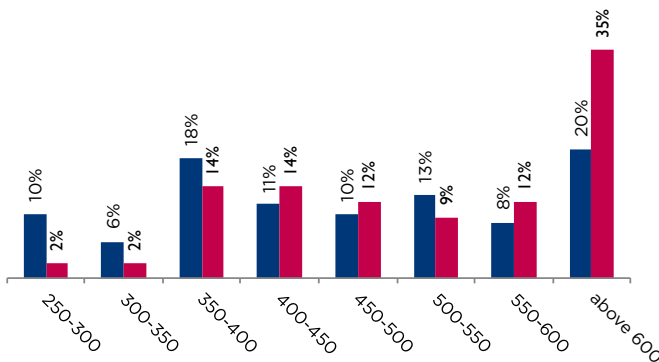


### PEST

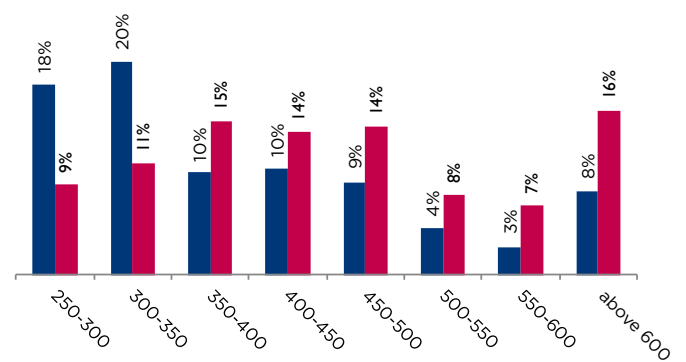
Size (m<sup>2</sup>)



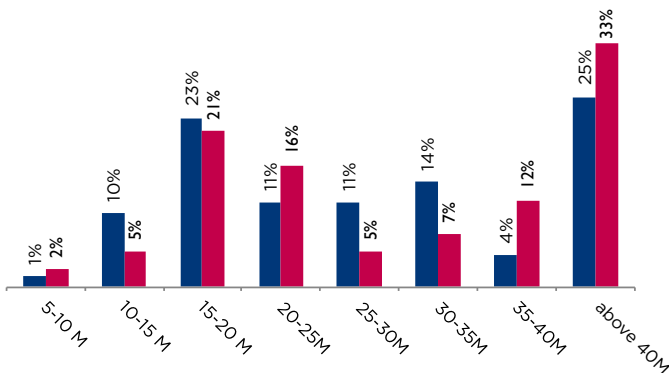
m<sup>2</sup> price (HUF thousand)



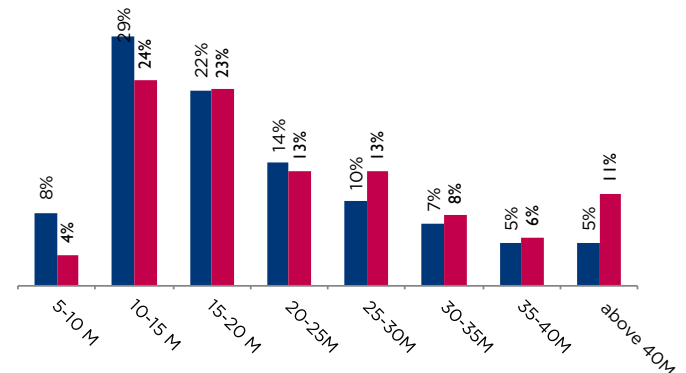
m<sup>2</sup> price (HUF thousand)



Price (HUF million)



Price (HUF million)



■ August 2016  
■ August 2017

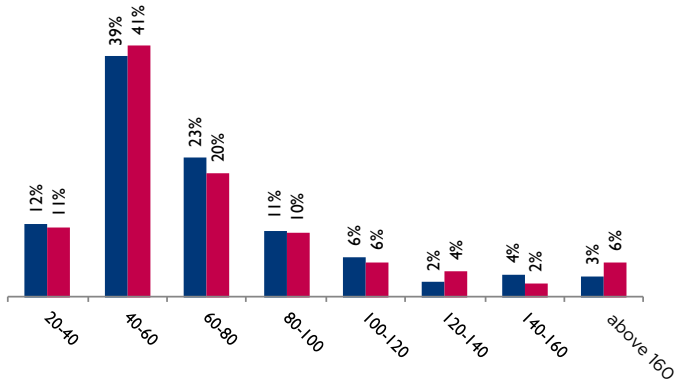
Based on property sold by Duna House Franchise network.

## TRANSACTION PARAMETERS – REGIONAL

In Pest County, the ratio of medium and bigger size flats has somewhat increased. The most outstanding growth fell in the price level of 300-350 th./m<sup>2</sup>. Regionally the same price level (300-350 th./m<sup>2</sup>) showed the biggest growth volume during the one-year period. The greatest number of sold flats still fell among lower price levels - nearly one quarter (23%) of properties sold outside Budapest was in the 150-200 th./m<sup>2</sup> price level.

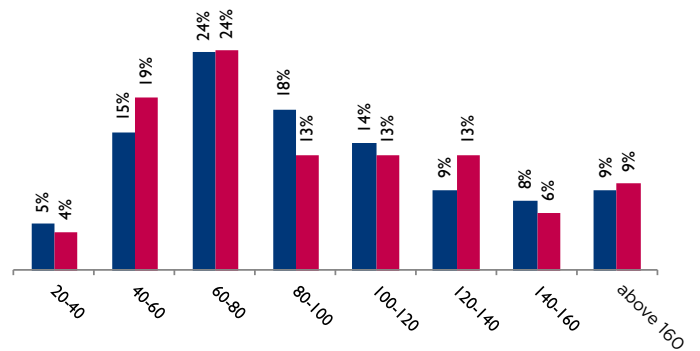
**COUNTRYWIDE  
(EXCLUDING CENTRAL HUNGARY)**

Size (m<sup>2</sup>)

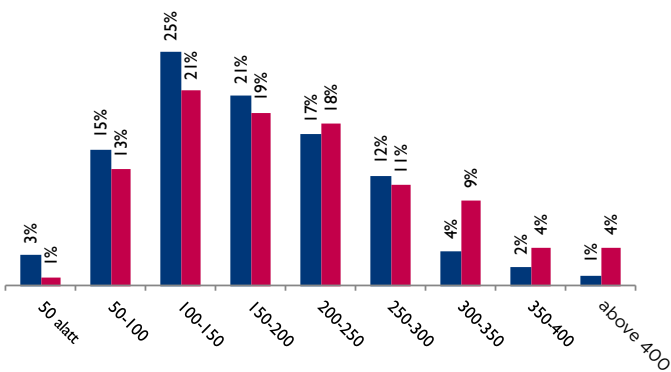


**PEST COUNTY**

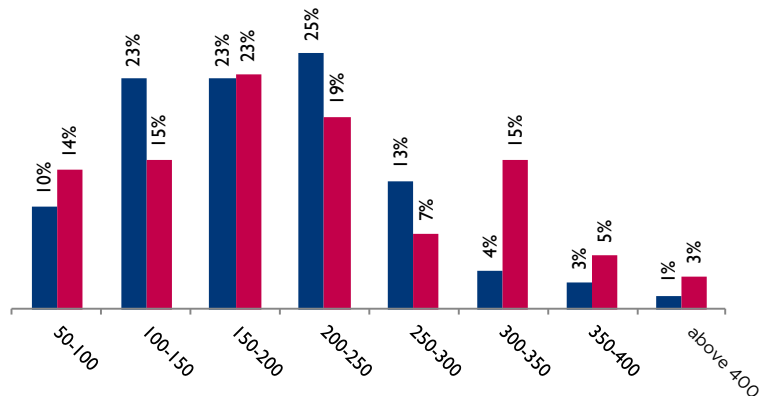
Size (m<sup>2</sup>)



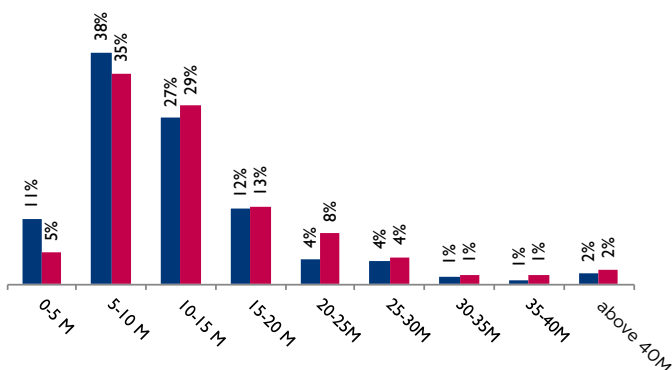
m<sup>2</sup> price (HUF thousand)



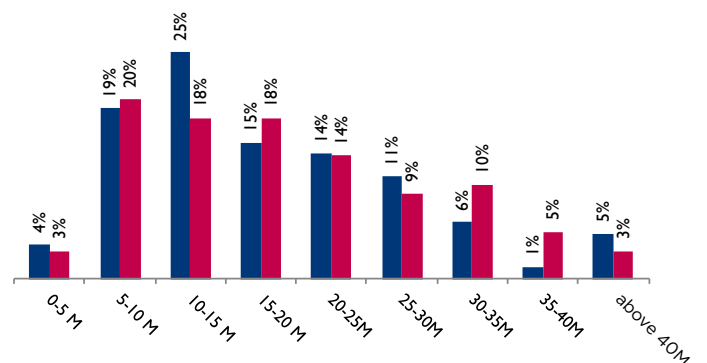
m<sup>2</sup> price (HUF thousand)



Price (HUF million)



Price (HUF million)



■ August 2016  
■ August 2017

Based on property sold by Duna House Franchise network.



**DUNA HOUSE®**

H-1016 Budapest,  
Gellerthegy str. 17.

Phone: +36-1/555-2222

Fax: +36-1/555-2220

**[www.dh.hu](http://www.dh.hu)**