

DUNA HOUSE BAROMETER

70. issue

2017. April month



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FORTHCOMING ISSUES

Date of issue	Content
June 8, 2017.	2017. May data
July 10, 2017.	2017. QI-II. data (including price indexes)
August 8, 2017.	2017. July data
September 8, 2017.	2017. August data
October 9, 2017.	2017. Q3 data (including price indexes)

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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.



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EXECUTIVE SUMMARY



The unusually cold weather in April, with Easter Holidays and low number of business days didn't support real estate market, resulting in a less successful turnover, especially following the exceptional results of March. The 10volume transaction is still outstanding being one of the strongest months since last summer – still 16% behind the same period of the previous year. According to Duna House estimate, 40properties have been sold/purchased in the first four months of the year. Turnover during the same period in 2016 nearly reached 46 thousand, accounting for a 13% higher result than of this year's.

Still, demand remains high within the year. Demand Index, with a 1% improvement, rose to 85. At the same time last year, the index was on 91 points, but presented an average 74 points later on during the year – which has been exceeded nearly each month this year.

In April, panel flats in East-Hungary were sold for HUF 193 thousand, while in the Western part for HUF 184 thousand per m². The same type of property valued HUF 303 thousand on the Pest, and HUF 362 thousand on the Buda side of the capital. The square meter price of brick-built flats was HUF 254 thousand in the Eastern, and HUF 223 thousand in the Western part of the country, while in Budapest, Pest side reached HUF 438, Buda side HUF 525, and the Inner city as high as HUF 663 thousand on average. **Despite the high prices, panel flats on the Buda side were sold within a short time,** 80 days on average, with the other side of the Danube presenting 107 days of average selling time.

Bargain volumes for family houses were low countrywide, with buyers being able to reach only 5% price reduction. Regionally buyers could reduce the prices of brick flats by the same amount, while in Budapest only 4%. In case of panel flats, buyers achieved 4% regionally, and 3% in Budapest on average.

In Budapest, the ratio of flats in worse condition or for renovation exceeded 30%. The same volumes were seen throughout Pest county. East-Hungary was the only area where the ratio of these flats was 19% only. Very good quality, as a condition group, accounted for the greatest transaction volume, nearly one third countrywide.

Among buyers in Budapest, District 13 is outstandingly high. 18% of all buyers in Budapest indicate it as a potential location. District 14 is just slightly behind with its 15%, followed by Districts 6 and 7 showing nearly the same buyer's interest. On the Buda side, 14% of buyers indicated District 11, making it the most popular district on this side of the Danube.

Ratio of investors remains high in Budapest. 41% of buyers indicated investment purposes, spending HUF 31.3 Million on 68m² big properties on average. Nearly every one in four buyers were acquiring their first home, with averages of HUF 19.3 Million and size of 50m². Regionally the ratio of buyers moving into bigger property and those acquiring their first home was 27-27%. Investors here accounted for lower volumes, 24% of all turnover, pending HUF 12.8 on average. Naturally, those moving into bigger property spent most, buying 112m² properties for HUF 19.2 Million on average.

One third of sellers in Budapest indicated the will to move into bigger property. Nearly the same amount is planning to move into smaller. One in every five sellers in Budapest sold inherited property on average price of HUF 24.8 Million. **Regionally, one in every three sellers is planning to move into a bigger flat,** but while sellers in the capital sold their properties for HUF 24 Million on average, sellers regionally received an average HUF 15.6 for their properties. One fourth of sellers sold inherited property for HUF 10.2 Million on average.

In Budapest, this April, the ratio of flats of sizes 60-80 m² significantly exceeded last year's volumes. In addition to it, ratio of flats of 80-100 m² in Buda, as well as of those above 160 m² has also grown. **On the Pest side of the capital, nearly all categories per square meter presented higher ratios this year than during the previous year,** while in Buda the ratio of higher categories (above HUF 550 thousand per m²) rose. When looking at it regionally, a less significant growth is visible.

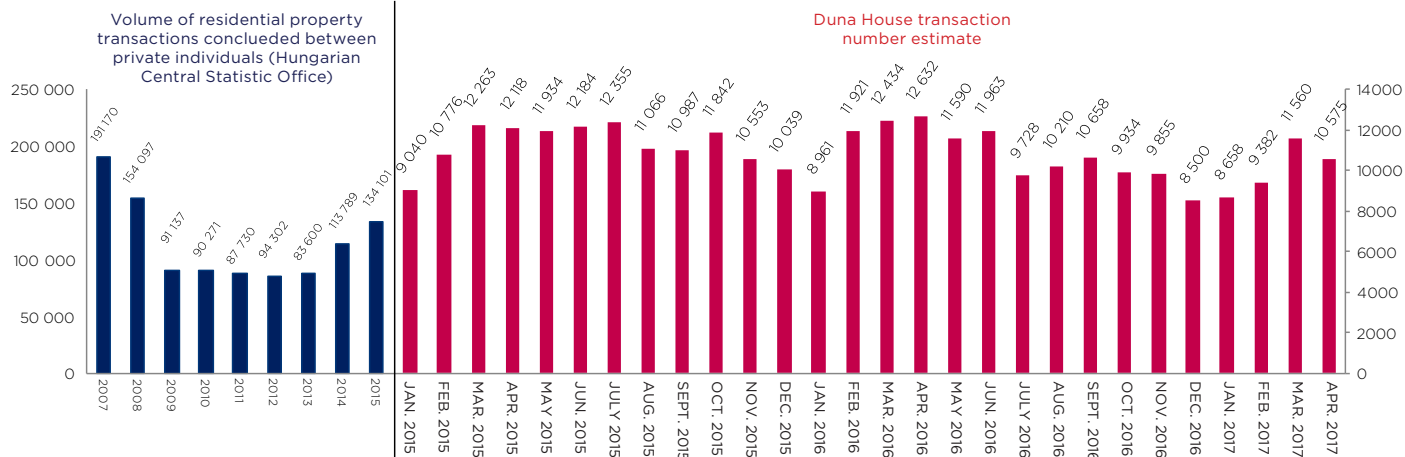
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TRANSACTION NUMBER AND DEMANDS INDEX

DH-TE (Duna House Transaction Number Estimate)

The unusually cold weather in April, with Easter Holidays and low number of business days didn't support real estate market, resulting in a less successful turnover, especially following the exceptional results of March. The 10-volume transaction is still outstanding being one of the strongest months since last summer – still 16% behind the same period of the previous year. According to Duna House estimate, 40 properties have been sold/purchased in the first four months of the year. Turnover during the same period in 2016 nearly reached 46 thousand, accounting for a 13% higher result than of this year's.

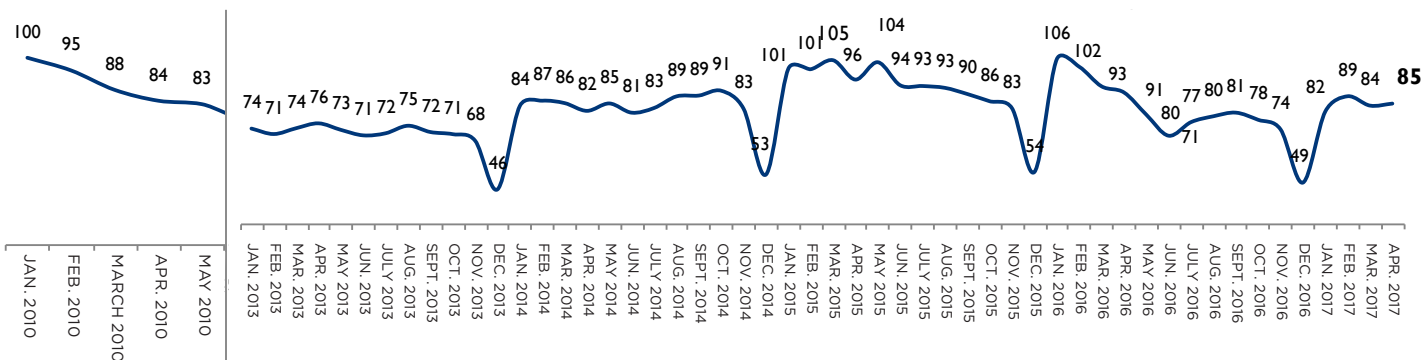


METHODOLOGY BEHIND DH-TE

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

Still, demand remains high within the year. Demand Index, with a 1% improvement, rose to 85. At the same time last year, the index was on 91 points, but presented an average 74 points later on during the year – which has been exceeded nearly each month this year.



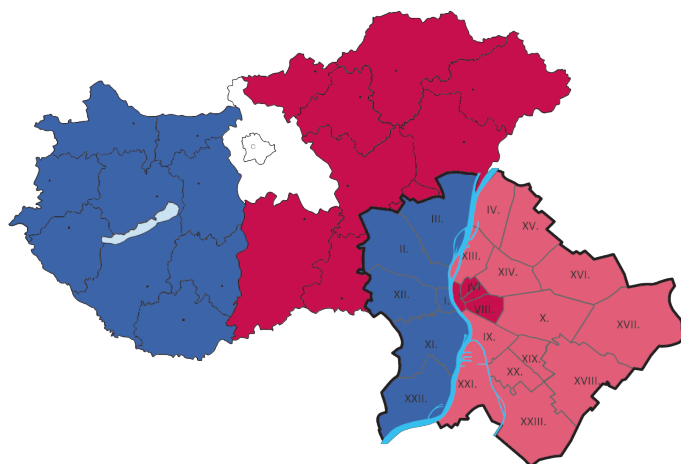
METHODOLOGY BEHIND DEMAND INDEX

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.

FLAT PRICE DATA - 2017. APRIL

In April, panel flats in East-Hungary were sold for HUF 193 thousand, while in the Western part for HUF 184 thousand per m². The same type of property valued HUF 303 thousand on the Pest, and HUF 362 thousand on the Buda side of the capital. The square meter price of brick-built flats was HUF 254 thousand in the Eastern, and HUF 223 thousand in the Western part of the country, while in Budapest, Pest side reached HUF 438, Buda side HUF 525, and the Inner city as high as HUF 663 thousand on average.

Despite the high prices, panel flats on the Buda side were sold within a short time, 80 days on average, with the other side of the Danube presenting 107 days of average selling time.



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

East	10 805 000	193 000	93
West	9 829 000	184 000	128

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

East	14 205 000	254 000	163
West	12 635 000	223 000	118

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

Buda	20 719 000	362 000	79
Pest	16 609 000	303 000	107

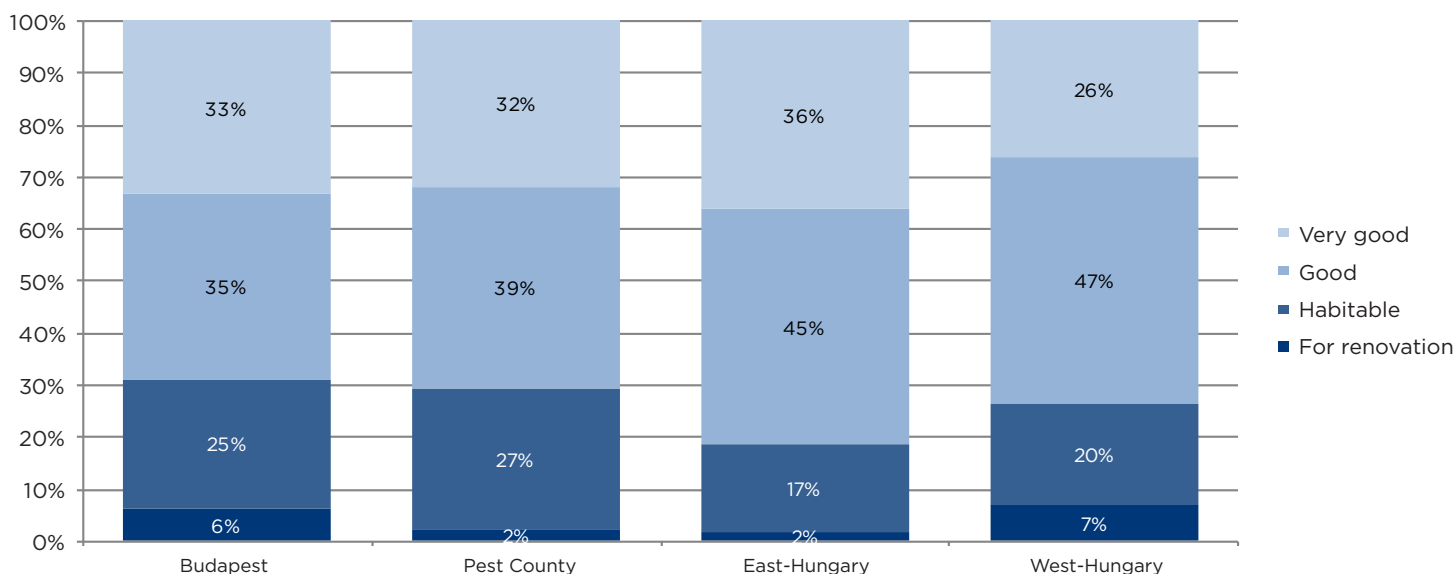
BRICK BUDAPEST			
	Price	m ² price	Time need of sale/day

Buda	38 932 000	525 000	194
Pest	23 965 000	438 000	172
Inner City	41 288 000	663 000	132

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

QUALITY PREFERENCE (USED FLATS)

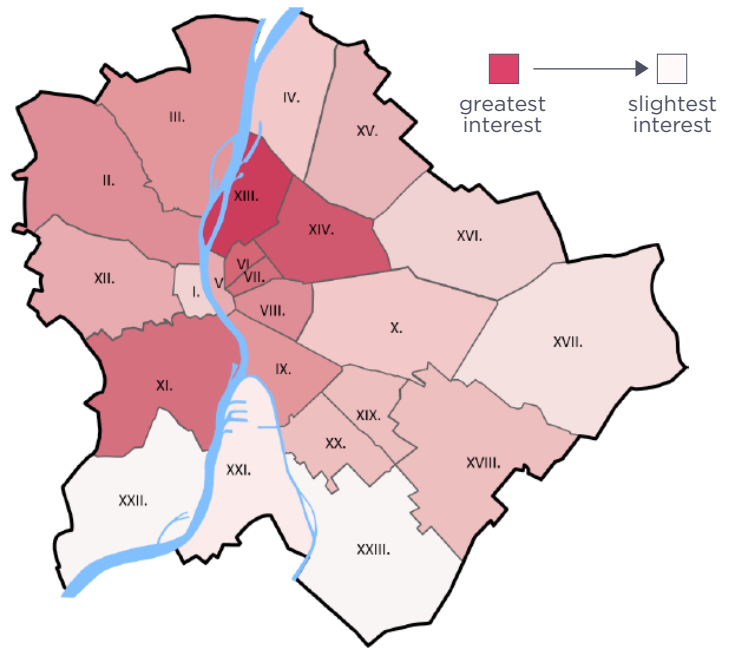
In Budapest, the ratio of flats in worse condition or for renovation exceeded 30%. The same volumes were seen throughout Pest county. East-Hungary was the only area where the ratio of these flats was 19% only. Very good quality, as a condition group, accounted for the greatest transaction volume, nearly one third countrywide.



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

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Among buyers in Budapest, District 13 is outstandingly high. 18% of all buyers in Budapest indicate it as a potential location. District 14 is just slightly behind with its 15%, followed by Districts 6 and 7 showing nearly the same buyer's interest. On the Buda side, 14% of buyers indicated District 11, making it the most popular district on this side of the Danube.

BARGAIN - 2017. APRIL

Bargain volumes for family houses were low countrywide, with buyers being able to reach only 5% price reduction. Regionally buyers could reduce the prices of brick flats by the same amount, while in Budapest only 4%. In case of panel flats, buyers achieved 4% regionally, and 3% in Budapest on average.

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

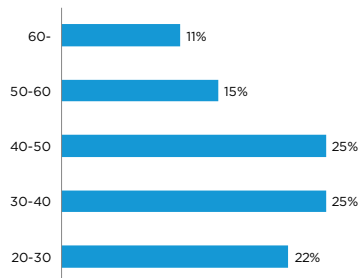
Methodology: Change in the listing price is the difference between the first price indicated by the seller and the last registered price at the time of the appearance of the buyer. Bargain shows additional changes in the price agreed upon by the seller and buyer. The two indicators together give a good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

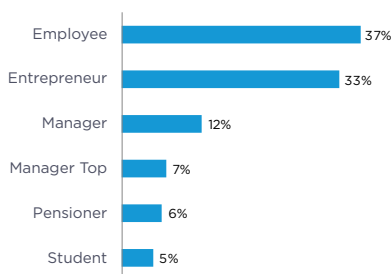
CLIENT PROFILE: BUYERS

Ratio of investors remains high in Budapest. 41% of buyers indicated investment purposes, spending HUF 31.3 Million on 68m² big properties on average. Nearly every one in four buyers were acquiring their first home, with averages of HUF 19.3 Million and size of 50m².

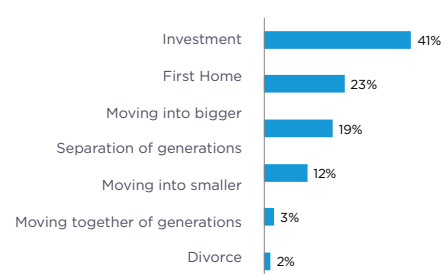
AGE BP.



STATUS BP.



REASON OF PURCHASE BP.



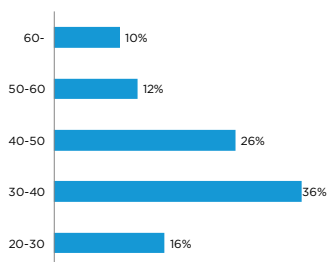
AGE	AVERAGE PRICE	m ²
20-30	22 319 000	52
30-40	27 789 000	78
40-50	37 489 000	71
50-60	34 425 000	76
60-	25 531 000	63

STATUS	AVERAGE PRICE	m ²
Student	22 608 000	50
Pensioner	32 981 000	82
Top Manager	62 975 000	106
Manager	22 404 000	55
Entrepreneur	36 773 000	77
Employee	23 168 000	61

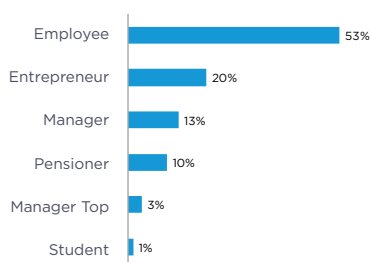
SITUATION	AVERAGE PRICE	m ²
Divorce	30 667 000	143
Moving together of generations	22 018 000	49
Moving into smaller	24 809 000	62
Separation of generations	44 023 000	95
Moving into bigger	19 305 000	50
First Home	31 300 000	68
Investment	29 948 000	69

Regionally the ratio of buyers moving into bigger property and those acquiring their first home was 27-27%. Investors here accounted for lower volumes, 24% of all turnover, pending HUF 12.8 on average. Naturally, those moving into bigger property spent most, buying 112m² properties for HUF 19.2 Million on average.

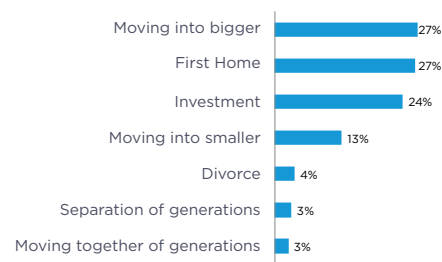
AGE REGIONAL



STATUS REGIONAL



REASON OF PURCHASE REGIONAL



AGE	AVERAGE PRICE	m ²
20-30	13 922 000	77
30-40	15 696 000	86
40-50	17 059 000	85
50-60	13 316 000	78
60-	16 410 000	87

STATUS	AVERAGE PRICE	m ²
Student	12 050 000	44
Top Manager	36 670 000	115
Pensioner	15 049 000	78
Manager	14 996 000	75
Entrepreneur	16 502 000	84
Employee	14 328 000	87

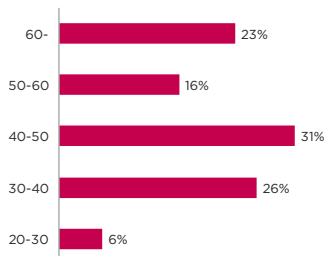
SITUATION	AVERAGE PRICE	m ²
Moving together of generations	41 189 000	198
Separation of generations	11 200 000	59
Divorce	14 950 000	77
Moving into smaller	13 863 000	68
Investment	12 804 000	62
First Home	13 910 000	75
Moving into bigger	19 178 000	112

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.

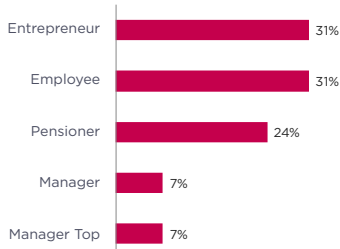
CLIENT PROFILE: SELLERS

One third of sellers in Budapest indicated the will to move into bigger property. Nearly the same amount is planning to move into smaller. One in every five sellers in Budapest sold inherited property on average price of HUF 24.8 Million.

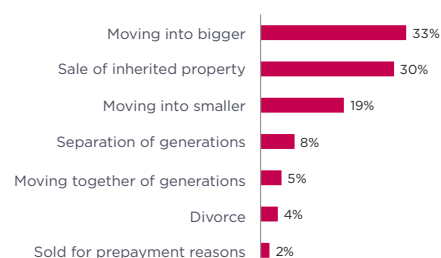
AGE BP.



STATUS BP.



REASON OF SALE BP.



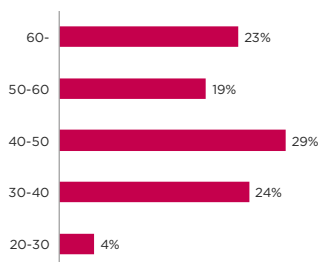
AGE	AVERAGE PRICE	m ²
20-30	15 205 000	44
30-40	24 271 000	51
40-50	37 444 000	95
50-60	39 843 000	92
60-	30 349 000	69

STATUS	AVERAGE PRICE	m ²
Top Manager	48 173 000	131
Manager	49 784 000	63
Pensioner	27 557 000	66
Employee	24 961 000	69
Entrepreneur	40 850 000	86
Beosztott	11 664 000	80

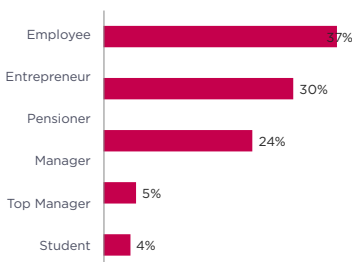
SITUATION	AVERAGE PRICE	m ²
Sold for prepayment reasons	16 350 000	44
Divorce	68 106 000	85
Moving together of generations	15 360 000	49
Separation of generations	28 938 000	86
Moving into smaller	24 835 000	62
Sale of inherited property	40 938 000	101
Moving into bigger	24 035 000	55

Regionally, one in every three sellers is planning to move into a bigger flat, but while sellers in the capital sold their properties for HUF 24 Million on average, sellers regionally received an average HUF 15.6 for their properties. One fourth of sellers sold inherited property for HUF 10.2 Million on average.

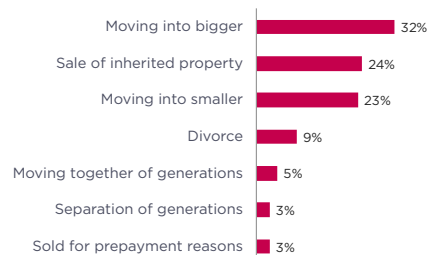
AGE REGIONAL



STATUS REGIONAL



REASON OF SALE REGIONAL



AGE	AVERAGE PRICE	m ²
20-30	12 514 000	62
30-40	14 205 000	72
40-50	17 846 000	89
50-60	13 881 000	86
60-	16 107 000	93

STATUS	AVERAGE PRICE	m ²
Student	21 985 000	92
Top Manager	20 534 000	105
Manager	15 022 000	91
Pensioner	20 078 000	93
Entrepreneur	12 406 000	74
Employee	16 157 000	86

SITUATION	AVERAGE PRICE	m ²
Sold for prepayment reasons	16 179 000	94
Separation of generations	13 029 000	78
Moving together of generations	25 587 000	129
Divorce	18 939 000	108
Moving into smaller	20 262 000	118
Sale of inherited property	10 210 000	72
Moving into bigger	15 591 000	71

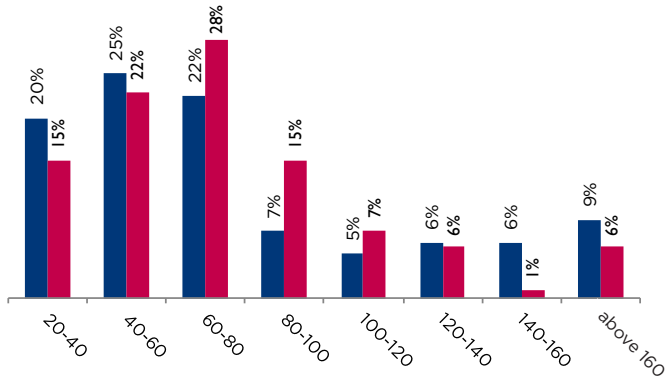
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TRANSACTION PARAMETERS – BUDAPEST

In Budapest, this April, the ratio of flats of sizes 60-80 m² significantly exceeded last year's volumes. In addition to it, ratio of flats of 80-100 m² in Buda, as well as of those above 160 m² has also grown. On the Pest side of the capital, nearly all categories per square meter presented higher ratios this year than during the previous year, while in Buda the ratio of higher categories (above HUF 550 thousand per m²) rose. When looking at it regionally, a less significant growth is visible. In Buda, an outstanding ratio of flats (36%) were sold for over HUF 40 Million.

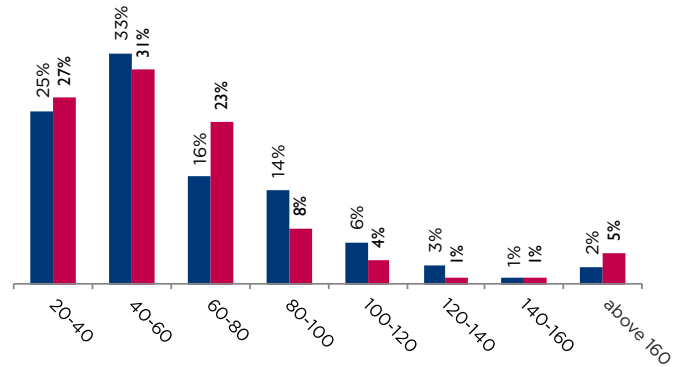
BUDA

Size (m²)

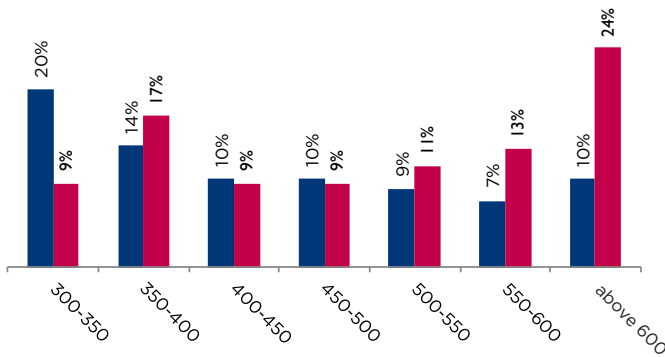


PEST

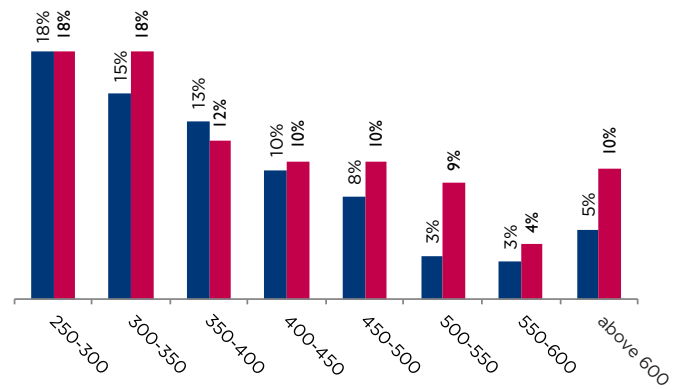
Size (m²)



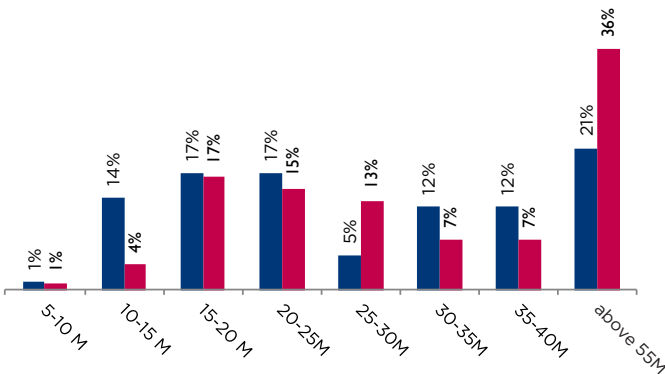
m² price (HUF thousand)



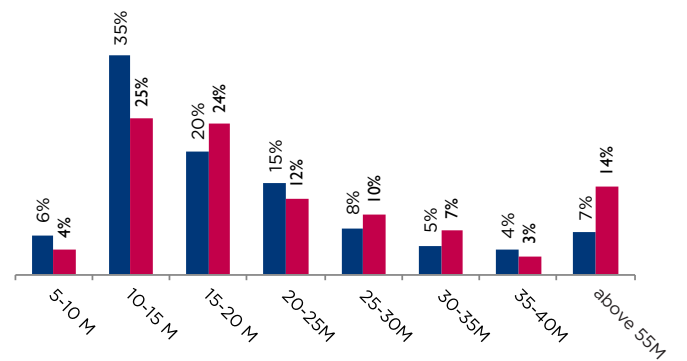
m² price (HUF thousand)



Price (HUF million)



Price (HUF million)



■ 2016. April
■ 2017. April

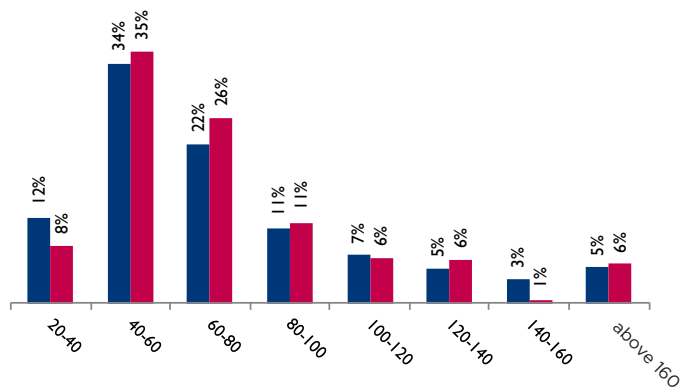
Based on property sold by Duna House Franchise network.

TRANSACTION PARAMETERS — REGIONAL

Sizes decreased and prices increased in Pest county. Here, the most popular flats were of the 40-60 m² size range, presenting a 9% higher ratio than last year's results. Ratio of flats under HUF 300 thousand/m² fall back significantly. Ratio of flats between HUF 10-15 Million showed a major decrease (from 38 to 26%), while the ratio of flats between HUF 20-25 Million grew by 7%. When looking at it regionally, a less significant growth is visible when compared to the previous year.

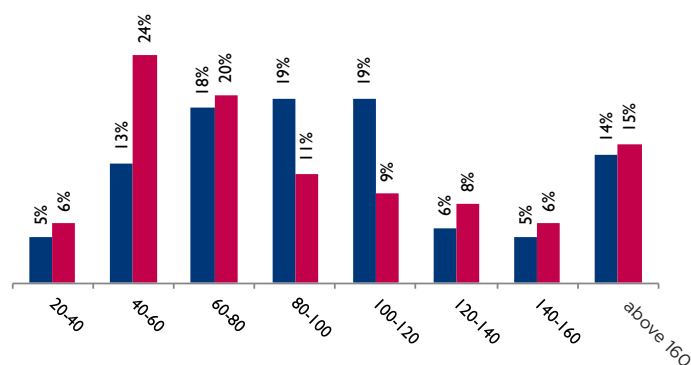
COUNTRYWIDE (EXCLUDING CENTRAL HUNGARY)

Size (m²)

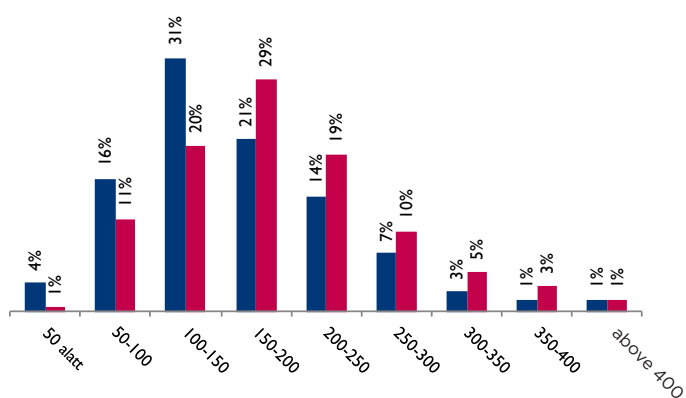


PEST COUNTY

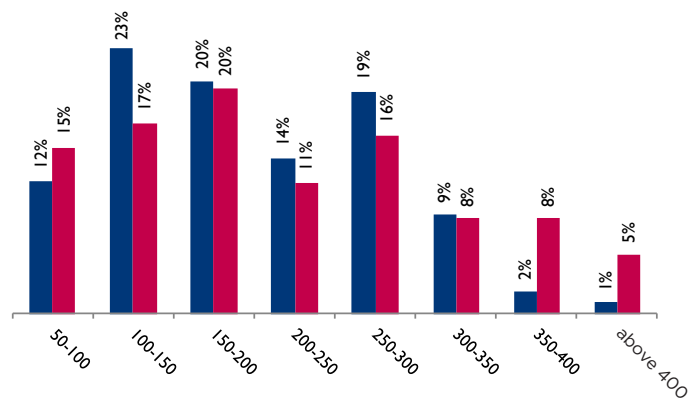
Size (m²)



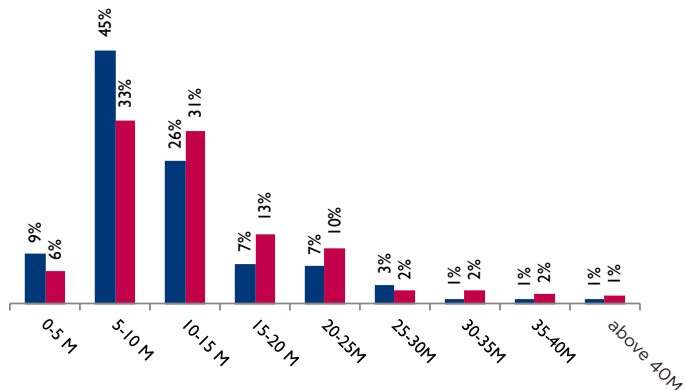
m² price (HUF thousand)



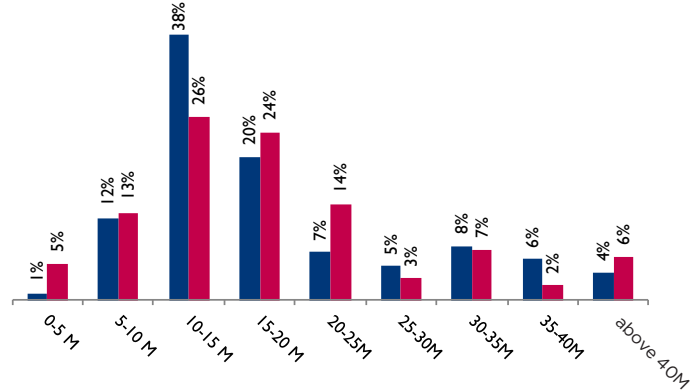
m² price (HUF thousand)



Price (HUF million)



Price (HUF million)



■ 2016. April
■ 2017. April

Based on property sold by Duna House Franchise network.



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