

DUNA HOUSE BAROMETER

The latest property market info
from Duna House network

92. issue

2019. FEBRUARY



DHS
BÉT
**PRIME
MARKET**

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the Budapest Stock Exchange

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FORTHCOMING ISSUES

Date of issue	Content
April 12, 2019.	2019. Q1 data (including price indexes and housing loan data)
May 13, 2019	2019 April data
June 12, 2019.	2019 May data

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GENERAL INFORMATION CONCERNING THE CONTENT OF THE PRESENT PUBLICATION

Attention! The present publication must not serve as grounds for estimating, or making conclusions in relation of Duna House business profitability.

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

This February seems to be the season of records. Duna House estimated historic demand level and the highest transaction volume of the last years. Such market activity can be detected in the prices as well; nearly 50% of sale and purchase transactions in Buda was concluded in the HUF 750.000+ m2 price category.

In line with the price level, Buda has also stepped forward in popularity. District 2 has pushed Zugló District, the second in long months, back. No change on the top of the list with District 13 being the most popular location in the capital.

The time need for the sale of properties is still among 2-4 months, which is actually a decrease in comparison with last February in most part of the country. The sale process of inner city brick properties has increased somewhat, as buyers need more time for the decision with the outstandingly high prices.

Further information

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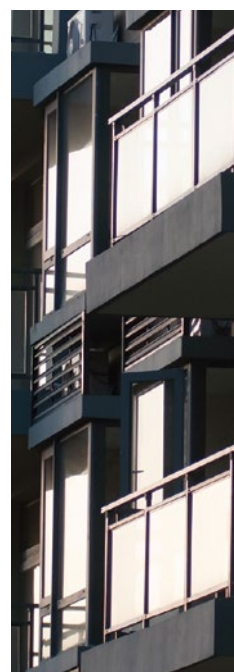


3 INTERESTING FACTS:

In February, shorter by 3 days than other months, 2500 more properties were sold than in January.

Bargain potential is relatively high in case of panel flats in Buda, namely 6%.

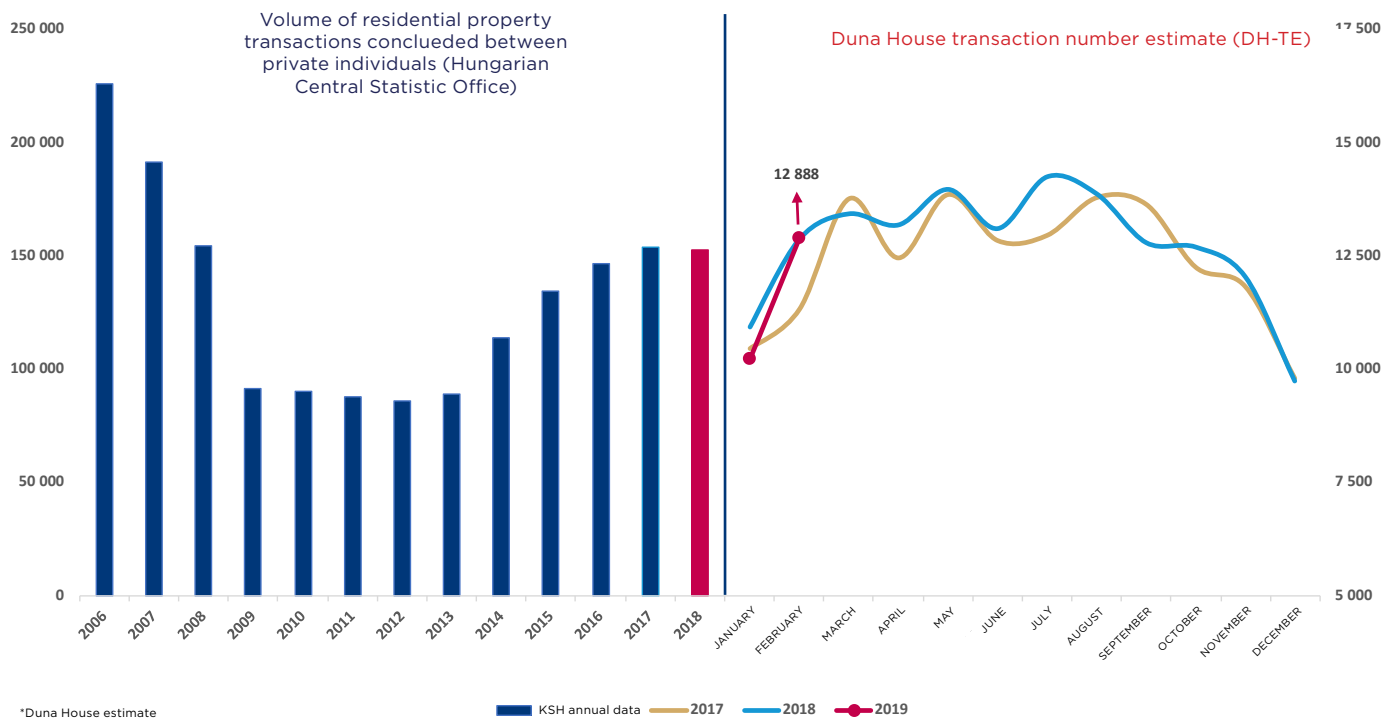
Change in the second most popular location in Budapest: District 2 came in before Zugló.



TRANSACTION DATA

Duna House Transaction Number Estimate (DH-TE)

Following a weaker demand in January, the property market has revived in February. In the month three days shorter than other months, the volume of sale transactions was higher by 2500 than in the first month of the year. Although the measured volume is similar to February 2018, it shows a visible expansion when compared to 2017.



The below table shows monthly transaction volume estimates by Duna House, prepared in the current month.

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2017	10 444	11 317	13 762	12 452	13 855	12 836	12 951	13 787	13 639	12 246	11 820	9 787
2018	10 918	12 869	13 426	13 180	13 967	13 098	14 246	13 869	12 787	12 689	12 033	9 721
2019	10 230	12 888										



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.

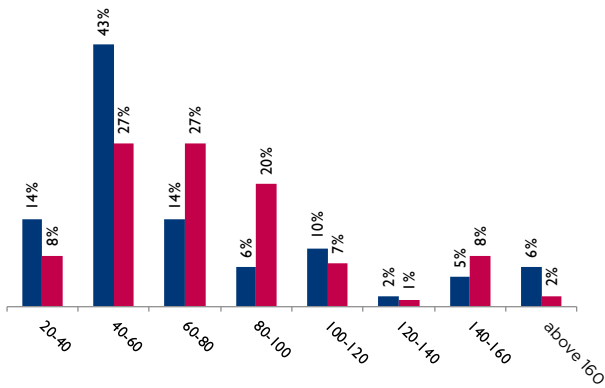
Please note that DH-TE data is not appropriate for defining the volume of transactions brokered by Duna House!

TRANSACTION PARAMETERS IN BUDAPEST

In Buda, the ratio of those buying a bigger property has increased, while in Pest smaller size flats were more demanded. Square meter prices have continued to grow since last year; in Pest 40% of the sale and purchase transactions fell in the HUF 600.000+ range on average, and in Buda 75% of property transactions was in the HUF 600.000+/m² category, therefore rising the sale prices.

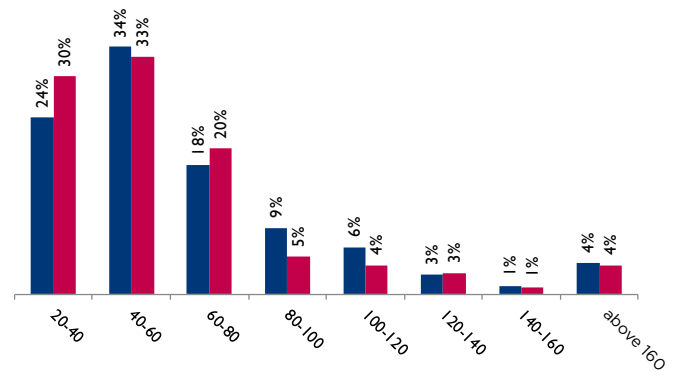
BUDA

Size (m²)

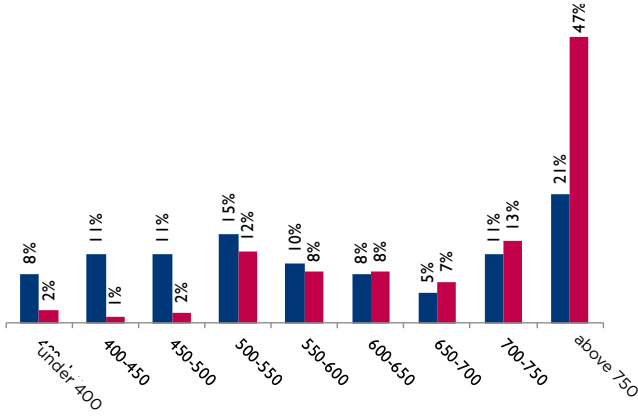


PEST

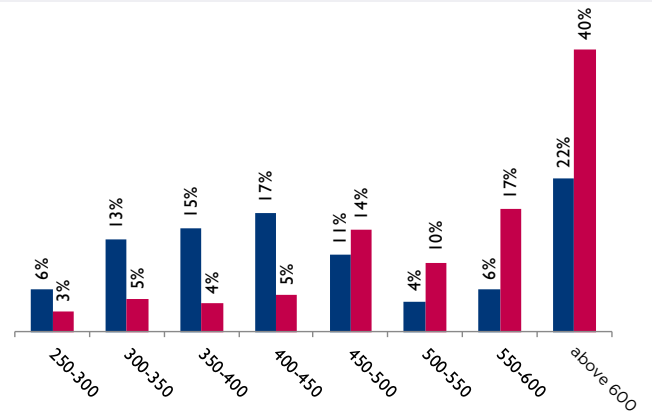
Size (m²)



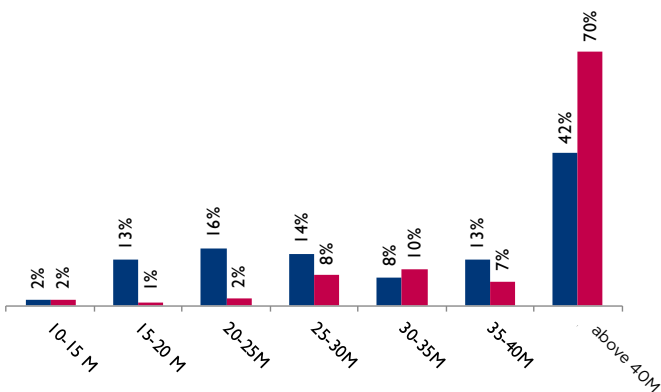
m² price (HUF thousand)



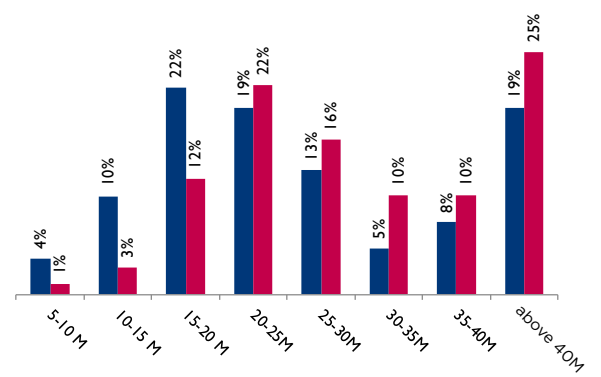
m² price (HUF thousand)



Price (HUF Million)



Price (HUF Million)



■ February 2018.
■ February 2019.

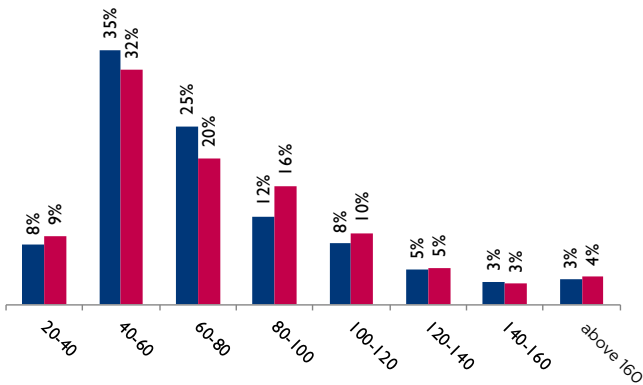
Based on properties sold by Duna House Franchise Network.

TRANSACTION PARAMETERS REGIONALLY

On regional level, the picture of both size and price shows a more difference among acquired properties. As far as size is concerned, the 80-10 m2 category has grown most since last year, while in case of m2 prices the HUF 400.000+ category has increased most, which is detected in the average sale prices again.

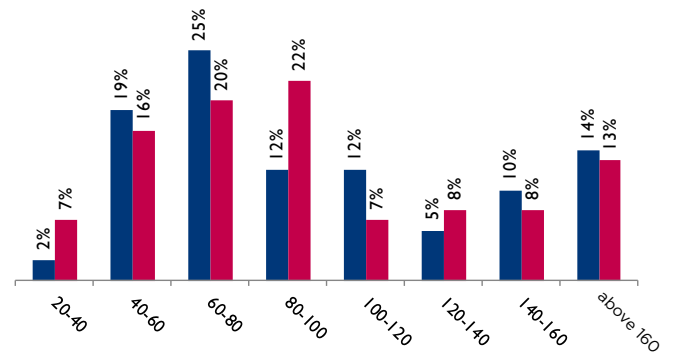
COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

Size (m²)

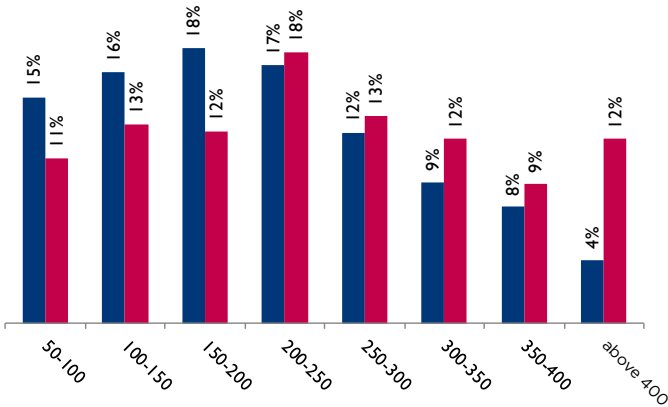


PEST COUNTY

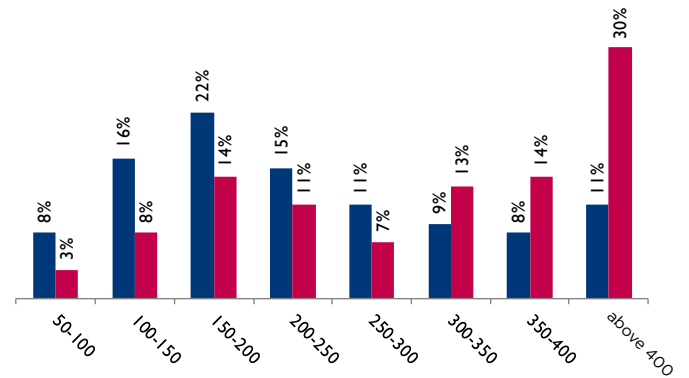
Size (m²)



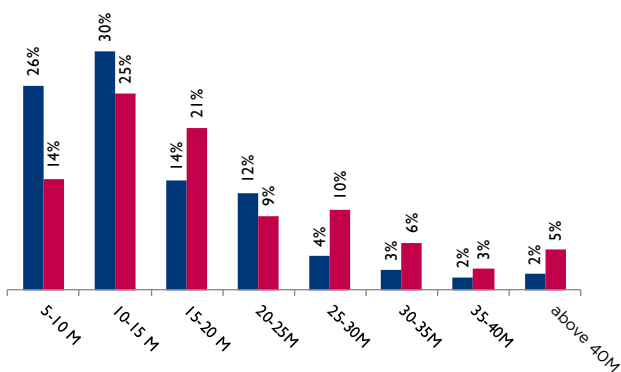
m² price (HUF thousand)



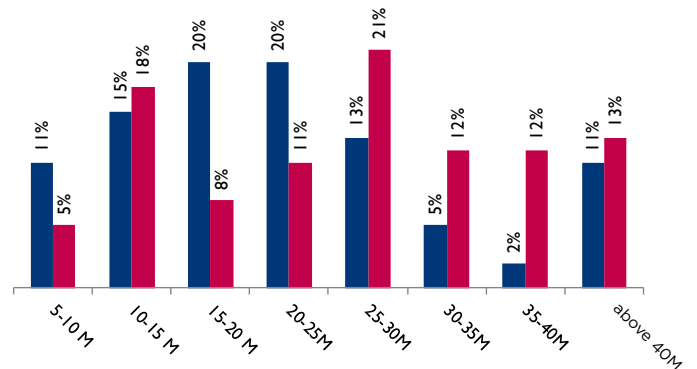
m² price (HUF thousand)



Price (HUF Million)



Price (HUF Million)



■ February 2018.
■ February 2019.

Based on properties sold by Duna House Franchise Network.

PRICES - RESIDENTIAL FLAT DATA

Average m2 price of panel flats has increased by 36% in East-Hungary and by 18% in the West part of the country. Price increase of brick flats was similar in West-Hungary, while the price of brick flats in the East part of the country was smaller. In the East, the average m2 price of panel flats is around HUF 300.000, and HUF 250-300.000 in the West. Change in the listing price or bargain is low, as the decrease in the listing price at the end shows only a few percent on regional level.

PANEL COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
February 2018.	12 700 000	225 000	1%	2%	11 800 000	221 000	1%	4%
February 2019.	16 822 000	306 000	3%	4%	14 520 000	261 000	2%	3%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
February 2018.	15 358 000	256 000	1%	3%	12 296 000	228 000	1%	5%
February 2019.	19 145 000	328 000	2%	3%	17 234 000	272 000	1%	4%

Price increase of panel flats in Budapest seems unstoppable, as the average m2 price in February was above HUF half a million in both Buda and Pest, with the former location having a relatively high bargain potential. Square meter price of used brick flats is also in a constant rise; mainly Pest districts have begun to come closer to other capital locations. In February, the average m2 price of panel flats was HUF 558.000 and HUF 736.000 in case of used brick flats in Buda. Buyers paid HUF 519.000/m2 for panel flats in Pest and HUF 587.000/m2 for brick flats in Pest.

PANEL BUDAPEST								
	BUDA				PEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
February 2018.	23 492 000	436 000	1%	3%	19 267 000	371 000	1%	3%
February 2019.	29 750 000	558 000	2%	6%	26 513 000	519 000	1%	1%

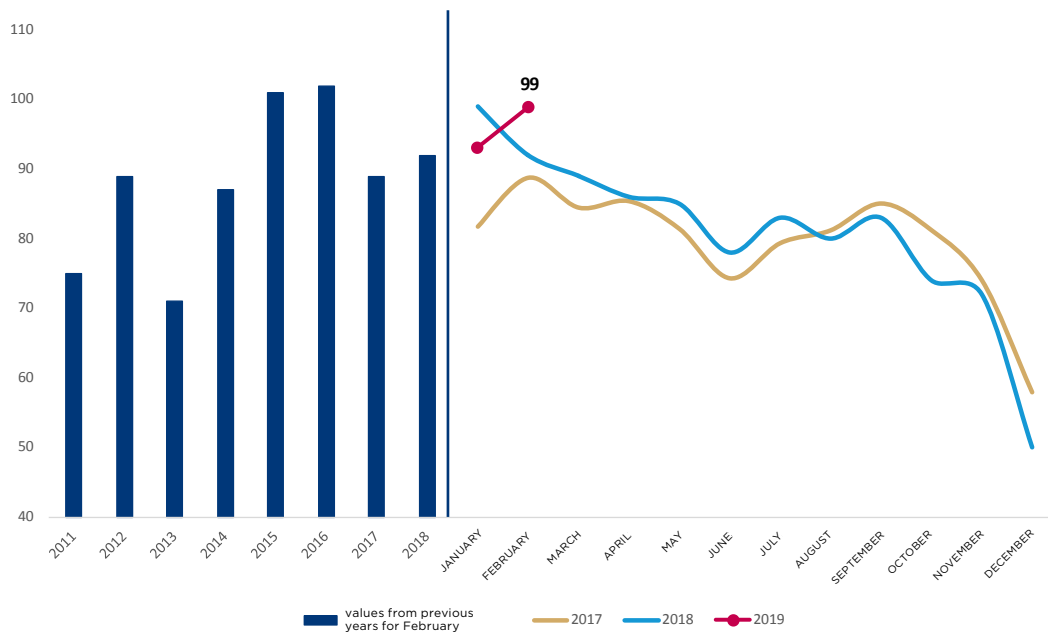
BRICK BUDAPEST												
	BUDA				PEST				INNER CITY			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
February 2018.	42 304 000	666 000	2%	4%	25 056 000	440 000	3%	3%	47 058 000	687 000	2%	4%
February 2019.	54 927 000	736 000	1%	4%	32 947 000	587 000	3%	2%	40 751 000	690 000	2%	4%

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

Methodology: Change in the listing price is the difference between the first price indicated by the seller in the Duna House assignment 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

BUYERS - DEMAND INDEX

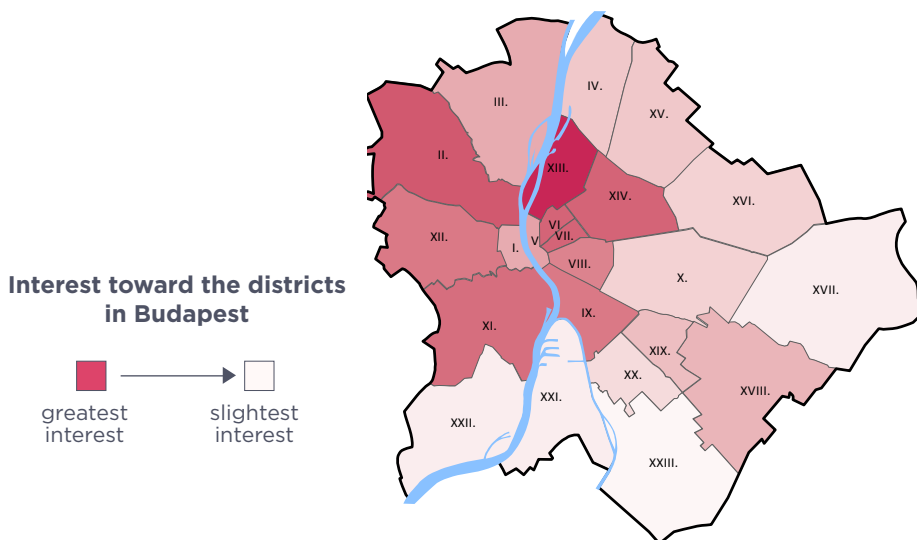
In February, the demand index was much higher than usual for the season. The value reaching nearly 100 points is regarded outstandingly high in the average of long years, so the phrase “spring bloom” has never been more true.



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 or future transaction numbers. The latter is a qualitative issue highly affected by market environment and available financial product.

INTEREST TOWARD THE DISTRICTS

As far as popularity is concerned, District 13 remains on the throne. Nearly 20% of all potential buyers is identifying it as a target location. There was a change in the second place, as District 2 has come in before the long 2nd place taker Zugló.



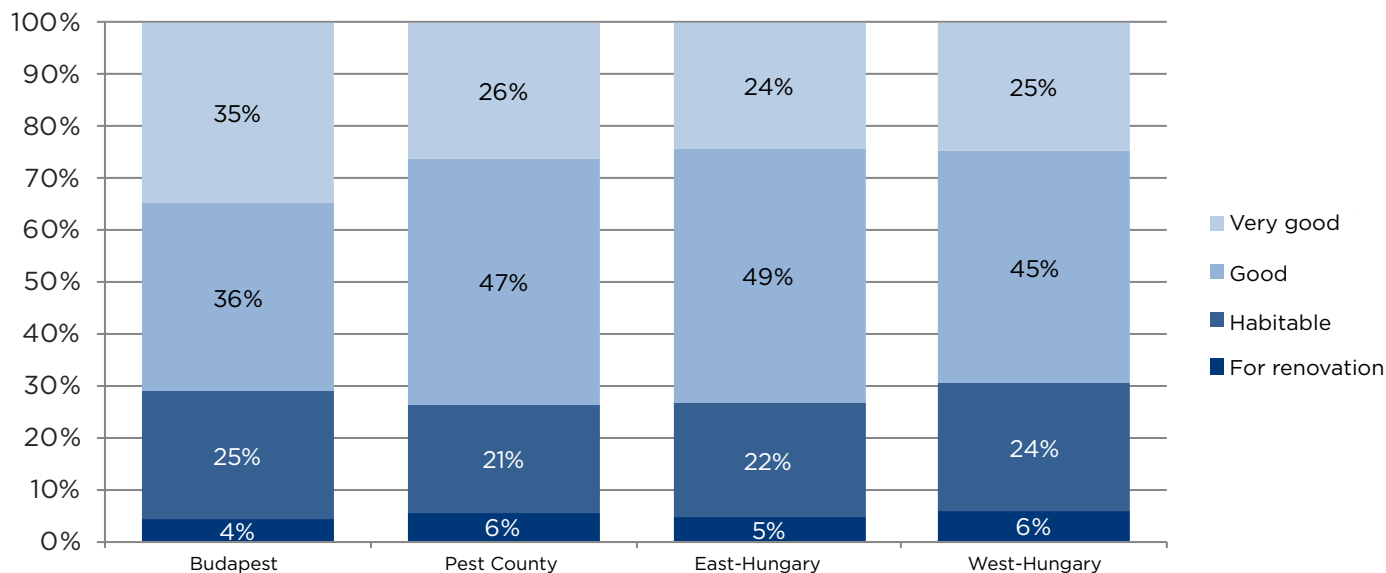
DISTRICT	2019. JANUARY	2019. JANUARY
Budapest 01. ker.	8,7%	10,0%
Budapest 02. ker.	14,6%	17,0%
Budapest 03. ker.	12,1%	10,0%
Budapest 04. ker.	7,2%	7,7%
Budapest 05. ker.	10,8%	10,6%
Budapest 06. ker.	16,4%	15,9%
Budapest 07. ker.	16,5%	15,9%
Budapest 08. ker.	13,1%	12,9%
Budapest 09. ker.	12,9%	13,8%
Budapest 10. ker.	6,6%	6,6%
Budapest 11. ker.	15,2%	15,0%
Budapest 12. ker.	11,6%	14,3%
Budapest 13. ker.	20,1%	19,6%
Budapest 14. ker.	18,0%	16,2%
Budapest 15. ker.	7,8%	7,7%
Budapest 16. ker.	6,0%	6,6%
Budapest 17. ker.	6,0%	4,4%
Budapest 18. ker.	10,5%	9,0%
Budapest 19. ker.	8,4%	8,1%
Budapest 20. ker.	7,2%	6,1%
Budapest 21. ker.	5,4%	3,7%
Budapest 22. ker.	3,4%	4,0%
Budapest 23. ker.	3,0%	2,0%

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.

QUALITY PREFERENCE

No major changes seen in the quality preference in the last months. Good quality properties with minimal need for renovation are still the most demanded. Depending on the region, only 27-30% of all buyers decides for a major renovation.



TIME NEED OF SALE

No drastic changes measured in case of panel flats. In the East, the time need for sale has increased by a few days' time, while all other parts of the country show a couple days shorter time need when compared to the previous year. The average time is 2-3 months at present.

When looking at brick flats, the time need for sale has shortened by a whole month since February 2018, in line with Budapest, where there is also a decreasing tendency, with only the inner city showing some increase.

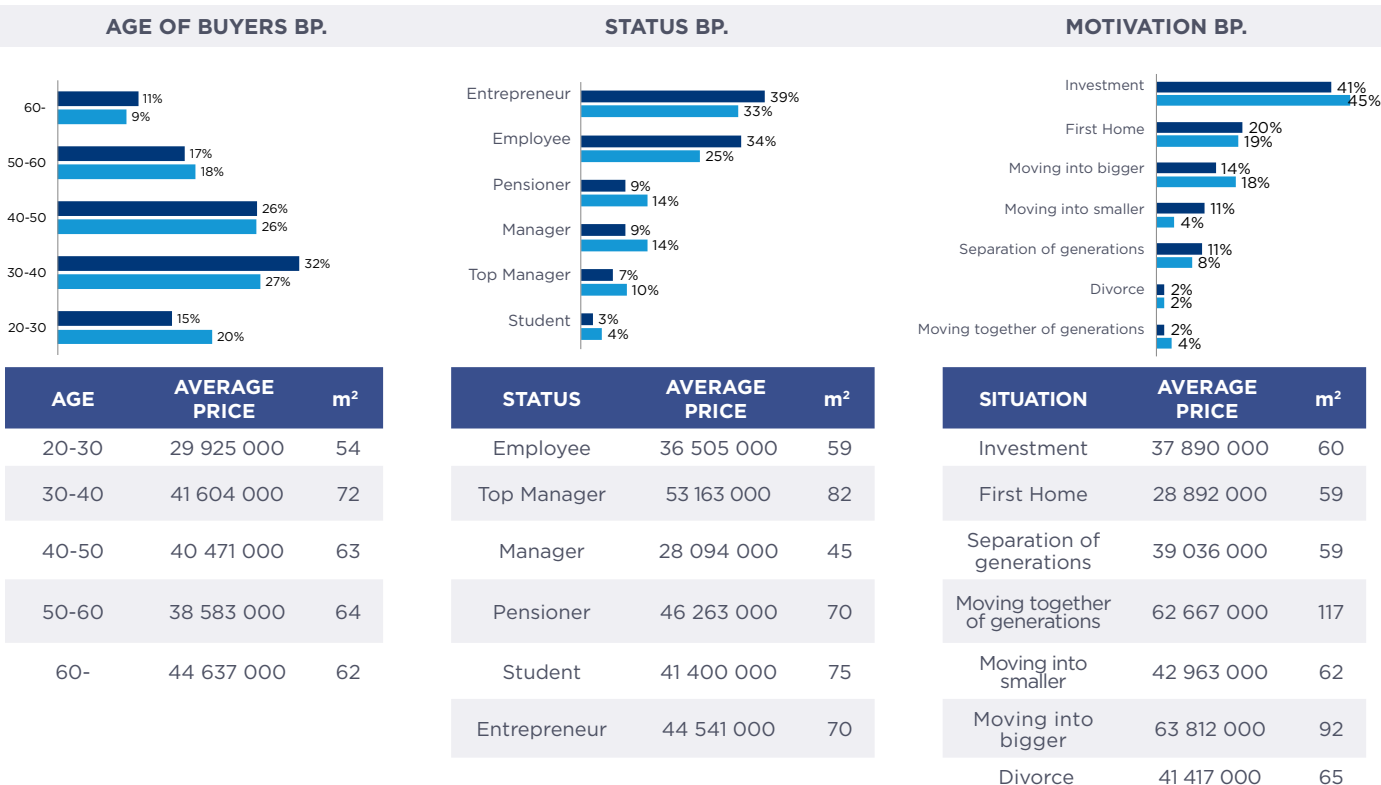
PANEL				
Time need of sale/day				
	East	West	Buda	Pest
February 2018.	70	73	61	89
February 2019.	75	70	54	75

BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
February 2018.	120	138	113	176	103
February 2019.	97	97	86	116	123

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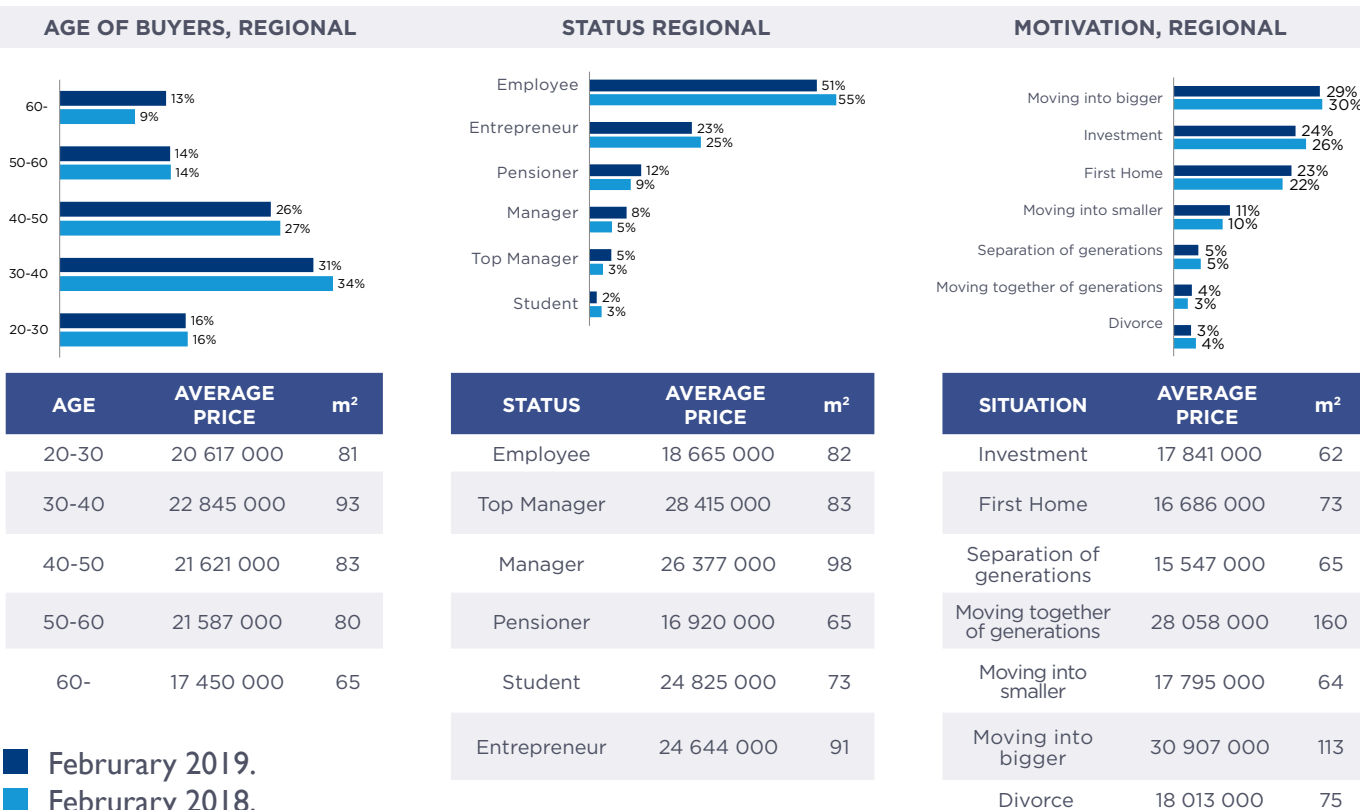
BUYER'S PROFILE BUDAPEST

Greatest part of buyers in Budapest fell in the 30-40 age group in February, with outstanding representation by entrepreneurs. The ratio of investment as a motivation has decreased both in comparison with the previous year and months.



BUYER'S PROFILE ON REGIONAL LEVEL

Division of age groups on regional level is similar to Budapest. Entrepreneurs on the other hand, are second, as in over half of the cases buyers are employees. Therefore, the leading motivation is moving into a bigger property instead of investment.



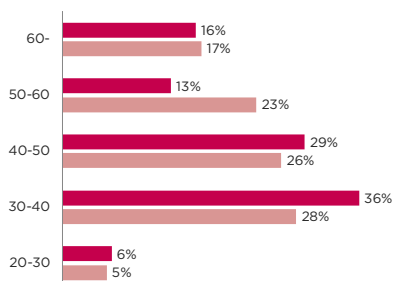
■ February 2019.
■ February 2018.

Based on the methodology, investment purpose acquisitions include every property transaction, which is regarded as investment by the buyer, i.e. it is not a strictly business approach qualification. Thus, the category includes family investments, or short time investments targeting properties for renovation, sold following the renovation. The latter case has a positive effect on the preservation of property, being a rather useful activity in the present building industry and property market environment. Data presented above relating age, status and reason of purchase have been acquired through the voluntary declaration of our clients. They qualify as sampling and are regarded as estimated values.

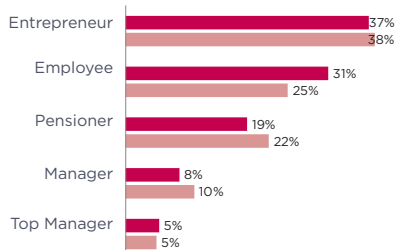
SELLER'S PROFILE BUDAPEST

Majority of buyers in Budapest also belongs to the 30-40 age group, many of whom are planning to move into a bigger property. They get HUF 32 Million for their 55 m² property on average.

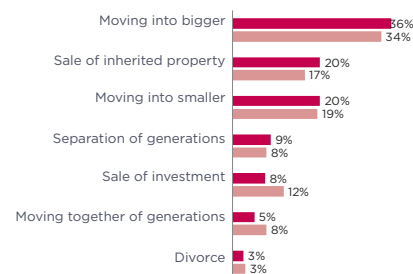
AGE OF SELLERS BP.



STATUS BP.



MOTIVATION BP.



AGE	AVERAGE PRICE	m ²
20-30	26 900 000	40
30-40	37 189 000	56
40-50	40 337 000	76
50-60	49 657 000	82
60-	36 922 000	67

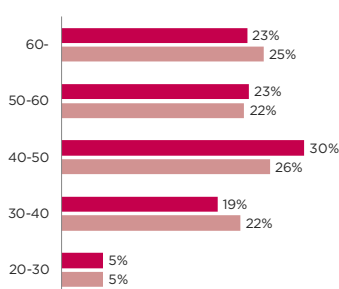
STATUS	AVERAGE PRICE	m ²
Employee	30 417 000	49
Top Manager	58 300 000	99
Manager	33 468 000	48
Pensioner	41 114 000	76
Entrepreneur	48 996 000	83

SITUATION	AVERAGE PRICE	m ²
Sale of investment	34 933 000	64
Separation of generations	54 029 000	88
Moving together of generations	30 150 000	47
Moving into smaller	44 672 000	89
Moving into bigger	32 392 000	55
Sale of inherited property	40 625 000	68
Divorce	44 534 000	75

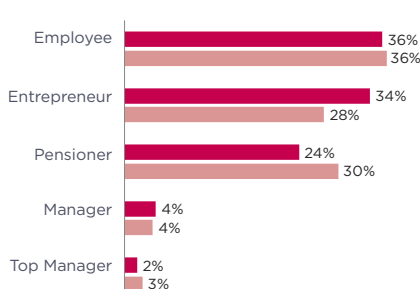
SELLER'S PROFILE ON REGIONAL LEVEL

On regional level, it is a one older age group dominating the market and not the 30-40, accounting for 30% of all sale transactions. Outside the capital, primarily inherited properties were sold in February, while in the same period of last year moving into a bigger property was the leading motivation.

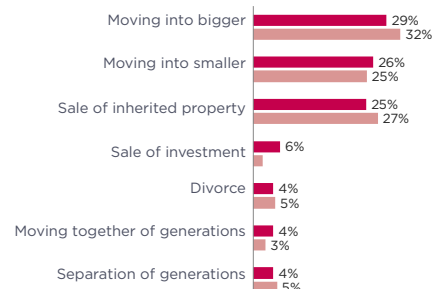
AGE OF SELLERS, REGIONAL



STATUS REGIONAL



MOTIVATION, REGIONAL



AGE	AVERAGE PRICE	m ²
20-30	14 903 000	65
30-40	20 582 000	76
40-50	24 546 000	92
50-60	19 943 000	86
60-	19 867 000	83

STATUS	AVERAGE PRICE	m ²
Employee	18 300 000	84
Top Manager	26 272 000	74
Manager	22 080 000	88
Pensioner	18 390 000	82
Entrepreneur	27 039 000	89

SITUATION	AVERAGE PRICE	m ²
Sale of investment	22 537 000	88
Separation of generations	21 714 000	113
Moving together of generations	17 200 000	72
Moving into smaller	28 046 000	113
Moving into bigger	20 929 000	73
Sale of inherited property	12 347 000	73
Divorce	20 657 000	125

■ February 2019.
■ February 2018.



PERSONALIZED AND CUSTOMIZED REAL ESTATE MARKET STUDIES FROM DUNA HOUSE'S RESEARCH DEPARTMENT

DECISION SUPPORTIVE BUSINESS ANALYSIS FOR ALL.

Duna House research department's experienced team offers the preparation of personalized and customized market studies, reports, as well as answers to project specific needs.

The greatest advantage of Duna House studies is the provision of the most up-to-date information to our clients, based on our own database of a wide scale and inputs both on the demand and supply side of the market.

Duna House's database is the largest collection of up-to-date real sale and purchase data in the country, containing information in addition to prices about demand, bargain potential, quality preferences and client profiles. Our analytical portfolio also includes the latest mortgage data for the support of a comprehensive research.

WHO IS IT INTENDED FOR?

Our analytical studies can support all those who believe in the power of data and facts, and who wish to make their business decisions based on them.

We recommend our studies to:

- ✓ Constructors and developers
- ✓ Project owners and investors
- ✓ Community managers
- ✓ Municipalities

**REQUEST AN OFFER AND GET THE MOST OUT
OF DUNA HOUSE MARKET DATA!**

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