

DUNA HOUSE BAROMETER

The latest property market info
from Duna House network

ISSUE 105
Q1 2020 AND
MARCH 2020



DHS
BÉT

**PRIME
MARKET**

Listed on the Prime Market of
the Budapest Stock Exchange

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 completeness 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 private purposes and at the responsibility of any person under 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 shall only be published with exact source indication, i.e. the words “Source: Duna House Barometer” must be indicated immediately before or following the text. If quoted in context, there must be a direct reference to the Duna House Barometer as the source.

Any use other than the above shall have legal consequences. Duna House is entitled to demand the termination of illegitimate use and compensation for the entire damage caused. In case of any breach of regulations pertaining to the posting of hyperlinks Duna House shall be entitled to instantly remove the link pointing to the webpage and claim compensation for any damage incurred.

FORTHCOMING ISSUES

Date of issue	Content
12.05.2020	April 2020 data
12.06.2020	May 2020 data
13.07.2020	June 2020 data

Duna House Barometer is available from the 12th day of each month (or on the next weekday if the 12th falls on a weekend) at the following link: www.dh.hu/en/barometer

If you wish to receive the Duna House Real Estate Barometer or download previous issues please visit our webpage: www.dh.hu

GENERAL INFORMATION CONCERNING THE CONTENTS OF THE PRESENT PUBLICATION

Attention - The present publication must not serve as the basis of estimations or conclusions regarding the business profitability of Duna House.

All data, information, estimates and professional statements presented in this publication are developed based on data gained from the activities of the members of Duna House Holding, or, in some cases, are based on subjective experience. Application of those to the entire Hungarian property market may require additional corrections.

Data sources – unless stated otherwise at the specific section – are derived from the database operated by Duna House Holding, the content of which is compiled by members of the network based on their individual judgement and information gained from clients. The publisher does not take responsibility for the comprehensiveness of the data. Data presented in this publication is mainly based on parameters of property transactions in major Hungarian cities supplied by Duna House branch offices and agents.

For newly built apartment market data our cooperating partners are ELTINGA Property Market Research Centre and ECRS Hungary Kft, the compilers of the Budapest Property Market Report.



CONTENT:

- 2.** Privacy Policy, Forthcoming Issues
- 4.** Executive Summary
- 5.** Duna House Transaction Estimate
- 6.** Transaction parameters in Budapest
- 7.** Transaction parameters regionally
- 8.** Residential property Indices - National
- 9.** Residential property Indices - Regional
- 10.** Residential property data
- 12.** Mortgage Data
- 14.** Data on new constructions
- 16.** Demand for individual districts
- 17.** Quality preference and Transaction time
- 18.** Client profile: buyers
- 19.** Client profile: sellers

EXECUTIVE SUMMARY

After the strong start into the new year the effects of the COVID-19 pandemic are now starting to make themselves felt on the residential market, too. Accompanied by declining transaction numbers demand fell back to levels last seen in December – it has never been so low in March. According to experts we still cannot grasp the full consequences of the pandemic on the property market because the drastic changes started appearing at the end of the first quarter. At the end of March and in the first weeks of April Duna House weekly transaction estimates showed a significant decline of 38 and 67 per cent, respectively, and the decline may even continue because transactions already in the pipeline are being finalized and there are hardly any new ones in sight.

According to March data investors have put their purchases on the back burner in Budapest – their proportion was a mere 27 per cent compared to 40-45 per cent in the previous months. This also meant that this March the market share of investors in the country (29 per cent) exceeded that of their Budapest counterparts for the first time. Among those buying a property for themselves in March the main motivations in Budapest and in the country were moving into a larger home and buying the first home, respectively.

Prices, too, show a varied picture on the Hungarian property market. National price indices have adjusted since the decrease seen in the previous quarter and entered their stagnating phase we had been expecting before the crisis. The adjustment was smaller for concrete block apartments and in some places prices even decreased further, while the majority of brick and mortar apartment prices have continued their hike. Price changes caused by the pandemic will become apparent in the next months and will be strongly influenced by how long the legislative restrictions that also inhibit property purchases will remain in force.

The loan market has been getting stronger and stronger throughout the quarter and is still not showing any signs of a change. In Budapest, one-third of clients applied for a mortgage in connection with transactions in excess of HUF 20 million which was accompanied by a 11 per cent increase of average mortgage value. According to the January and February factual figures of the National Bank of Hungary and the March estimates of Duna House in Q1 2020 property mortgages worth HUF 230 billion have been contracted for, which is a 35 per cent increase compared to the same period last year.

Further information

Károly Benedikt • Head of PR and analysis • +36 30 811 0690 • benedikt.karoly@dh.hu

Investors' share – remarks

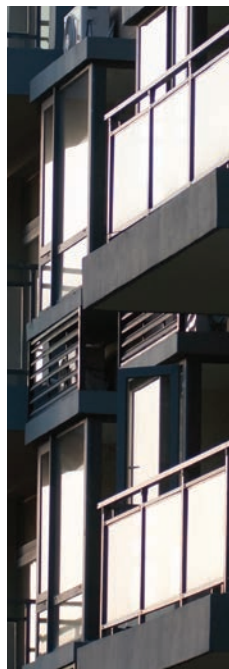
In the past few months Duna House experts have been seeing a significant decrease of investment-motivated property purchases which was partly caused by the issuance of the Hungarian Government Bond Plus (Magyar Állampapír Plusz). However, this decrease of investment-motivated sale and purchase transactions that was apparent in the market was not reflected in the share of investors within the buyer profile recorded by Duna House because, according to an internal investigation carried out by the Duna House Group, investors are over-represented in the clientele of the Duna House network. The rate of such over-representation can be significant (as high as 50-70 per cent), therefore we would like to stress here that the data pertaining to the share of investment-motivated buyers should primarily be used for reviewing long-term trends and not as a direct indicator of the absolute market share of investor buyers.

3 INTERESTING FACTS:

Demand index plummeted to 53 points

In Budapest, average mortgage values increased by 11 per cent

In downtown Budapest the average time to sell increased by more than a month compared to the same period last year.

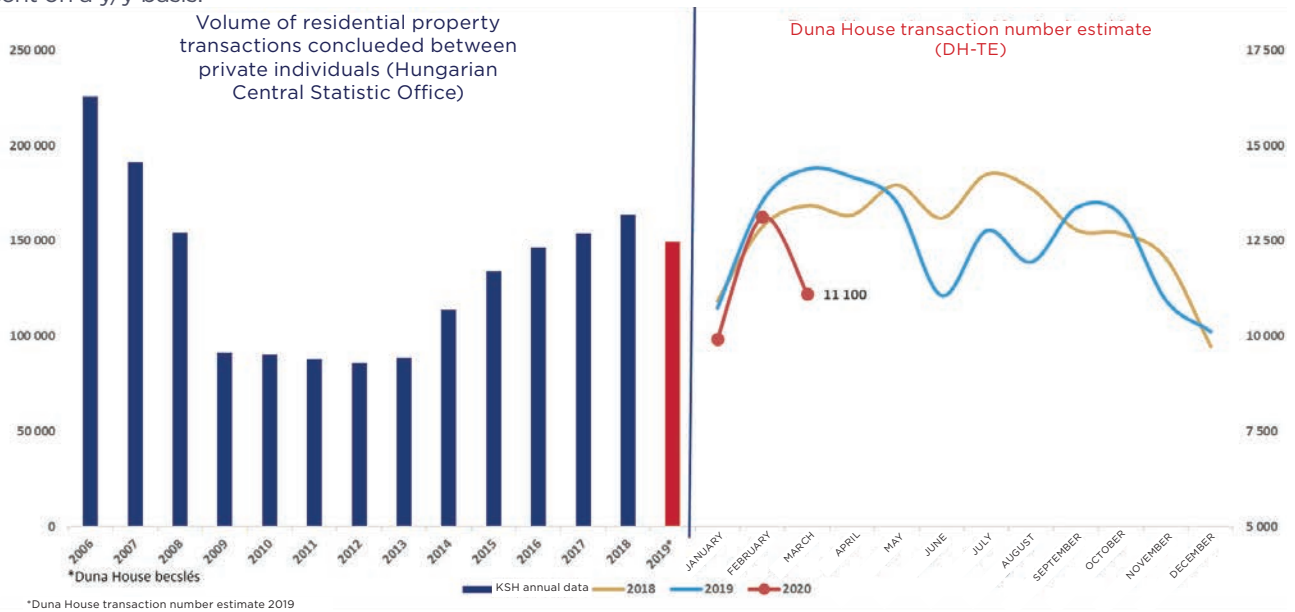


TRANSACTION DATA

Duna House Transaction Number Estimate (DH-TE)

Duna House presents its monthly Transaction Number Estimate and Mortgage Forecast below, showing that in March 2020 there were 11,100 property transactions concluded and HUF 79.5 billion residential mortgage contracts signed in the whole of Hungary. The social and economic changes caused by the COVID-19 virus that appeared in Hungary in the second half of March put their mark on property market transactions, too, as seen from the March estimates of Duna House. The change was -23 per cent and -15 per cent, compared to March 2019 and February 2020, respectively. The effects are even more spectacular when we take a look at the weekly data: in the last week of March the decline in the number of transactions was 67 per cent.

Mortgage market figures lag behind property market changes, and in the present situation many clients have accelerated or even brought forward their mortgage applications, so the current March estimate still indicates an upswing compared to March 2019, according to the forecast published by Duna House Credit Center. Based on the figures of this independent loan agency the third month of the year saw mortgage contracts worth HUF 79.5 billion on the entire Hungarian property market. Compared to the factual figures of the National Bank of Hungary for March 2019 (HUF 76.89 billion) this is an increase of 3 per cent on a y/y basis.

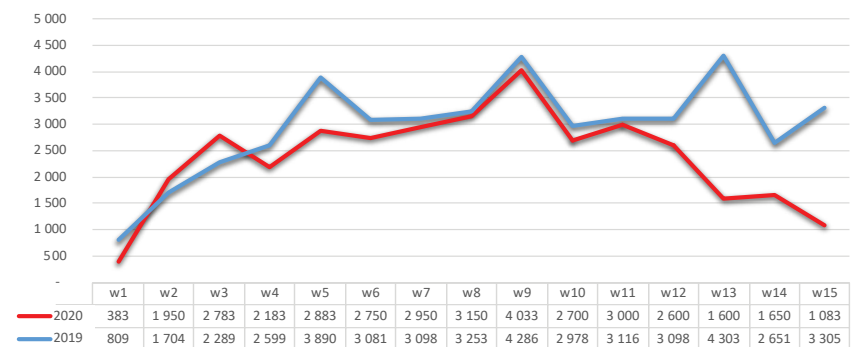


The table below shows monthly transaction volume estimates by Duna House in a monthly breakdown.

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
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	10 741	13 532	14 373	14 166	13 512	11 069	12 764	11 945	13 364	13 182	10 945	10 127
2020	9 917	13 117	11 100									



Duna House weekly transaction number estimate 2019 vs 2020



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 the monthly number of property transactions 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 one-month delay, the correction of market ratio can be carried out retroactively, together with an adjustment of the estimate. Attention: After 2016 and as a consequence of the boom in newly built flats, pre-contracted purchase transactions appear in the statistics of the Statistical Office with a delay of several months or even one or two years, following the levying of the capital transfer tax, which results in anomalies in the statistics. 2. Number of Energy certificates issued. 3. Subjective assessment based on other management information from Duna House Holding.

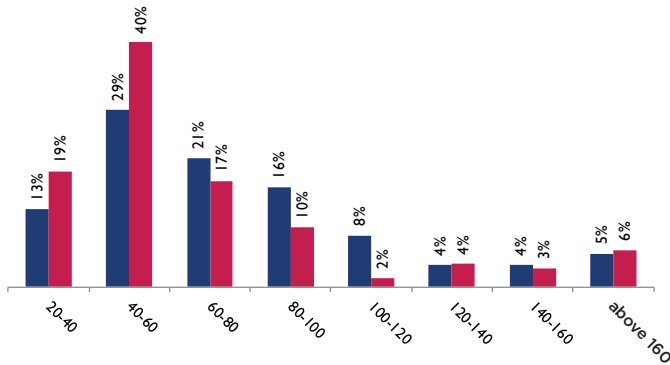
Please note that DH-TE data is not suitable for determining the number of transactions brokered by Duna House

TRANSACTION PARAMETERS IN BUDAPEST

In Q1 2020, homes between 40-60 sq. m. were the most popular in both Buda and Pest. Square metre prices have increased slightly compared to the same period last year – in Buda already 39 per cent of transactions were concluded at sq. m. prices exceeding HUF 800 thousand (as opposed to 31 per cent in the previous quarter). In March 2019 in Buda, homes worth more than HUF 70 million were the most popular with a share of 22 per cent, while this year it is the HUF 40-50 million category.

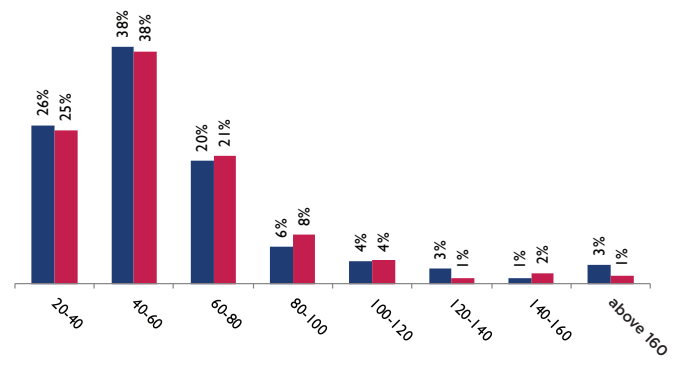
BUDA

Apartment size (in m²)

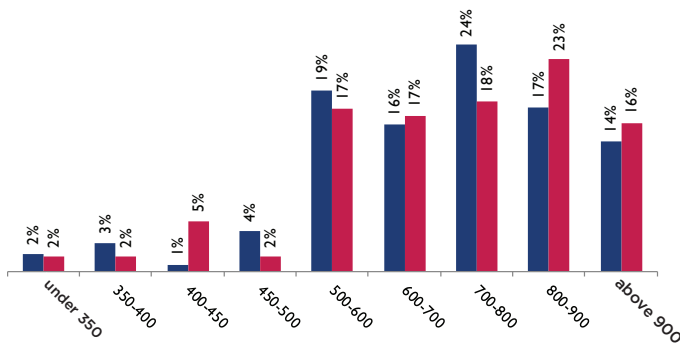


PEST

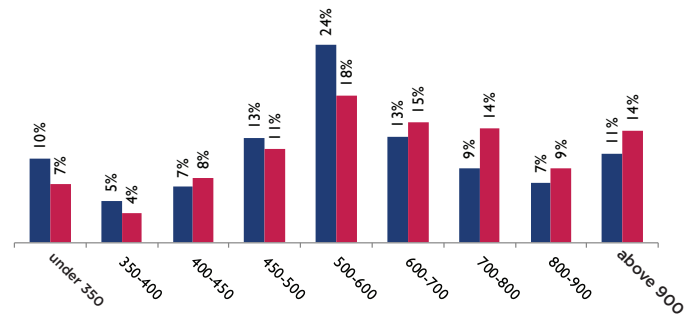
Apartment size (in m²)



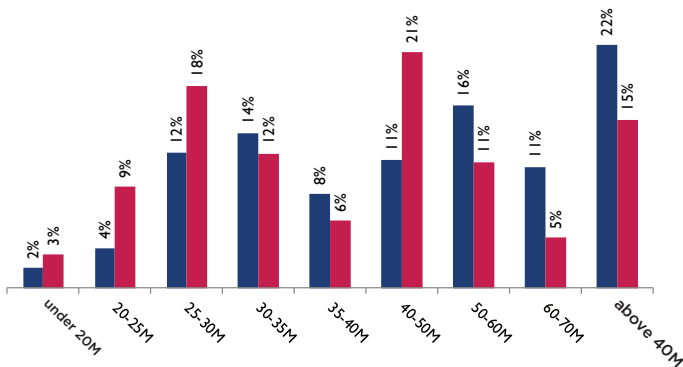
Price per m² (in thousand HUF)



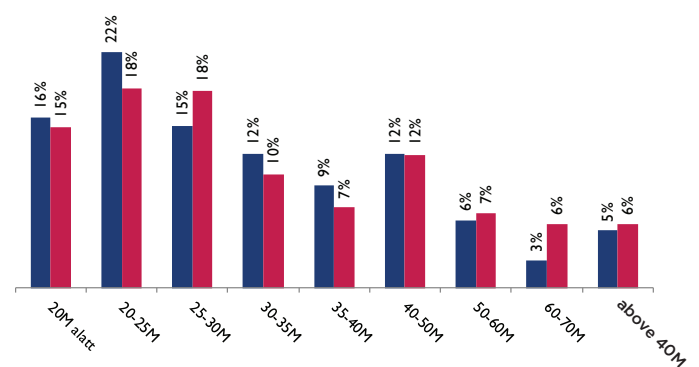
Price per m² (in thousand HUF)



Apartment price (in million HUF)



Apartment price (in million HUF)



■ Q1 2019
■ Q1 2020

Based on residential properties sold by members of the Duna House franchise network.

TRANSACTION PARAMETERS REGIONALLY

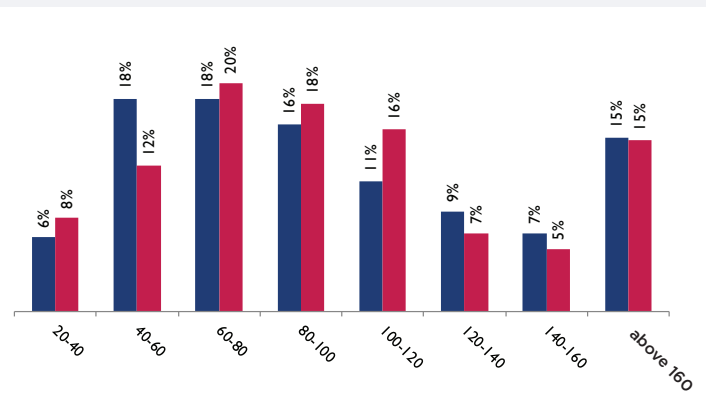
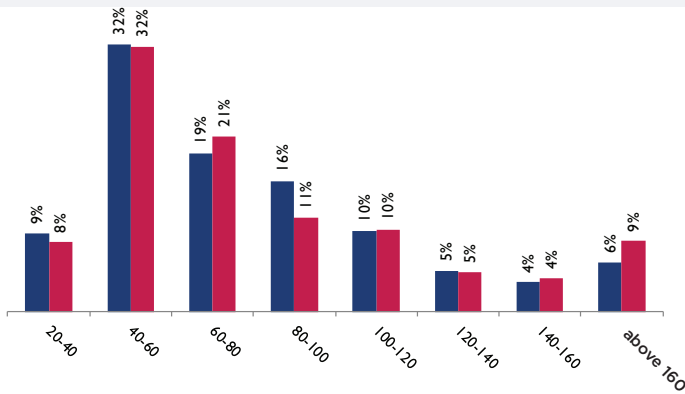
The size of properties in demand are the most mixed in County Pest: the market comprised all categories from the smallest apartments to spacious homes. In County Pest, the share of apartments sold at prices above HUF 400 per sq. m. increased by 9 percentage points, but Duna House recorded a 3 percentage point increase in other counties, too. In the country, most properties changed owners at prices between HUF 10-20 million, while in County Pest the share of homes sold for HUF 40 million or more was 30 per cent.

COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

COUNTY PEST

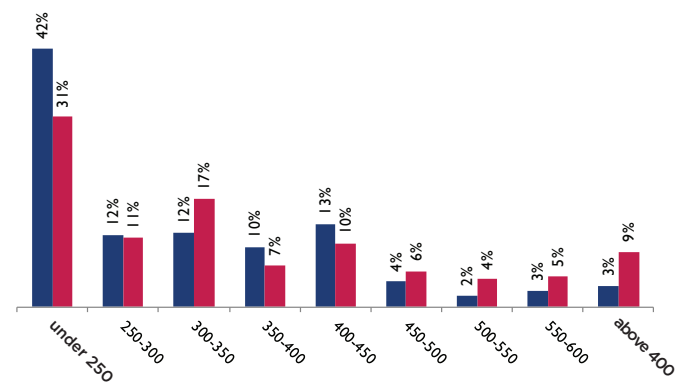
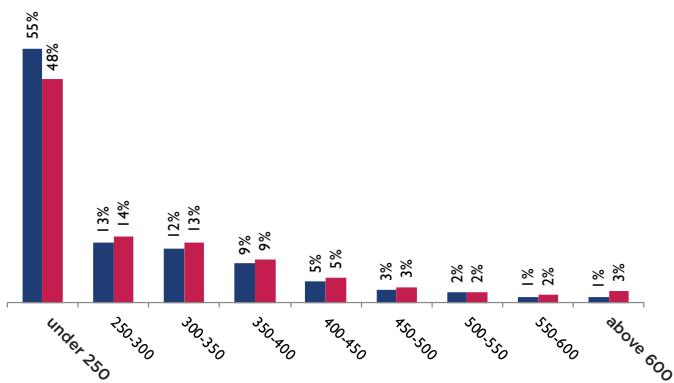
Apartment size (in m²)

Apartment size (in m²)



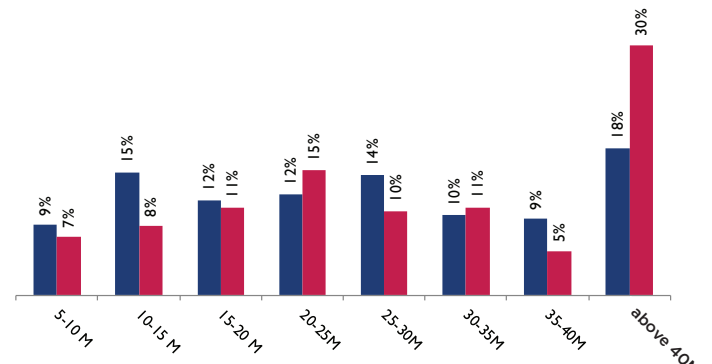
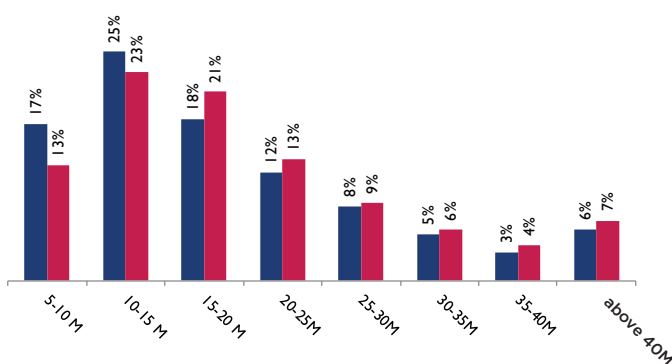
Price per m² (in thousand HUF)

Price per m² (in thousand HUF)



price (HUF Million)

price (HUF Million)



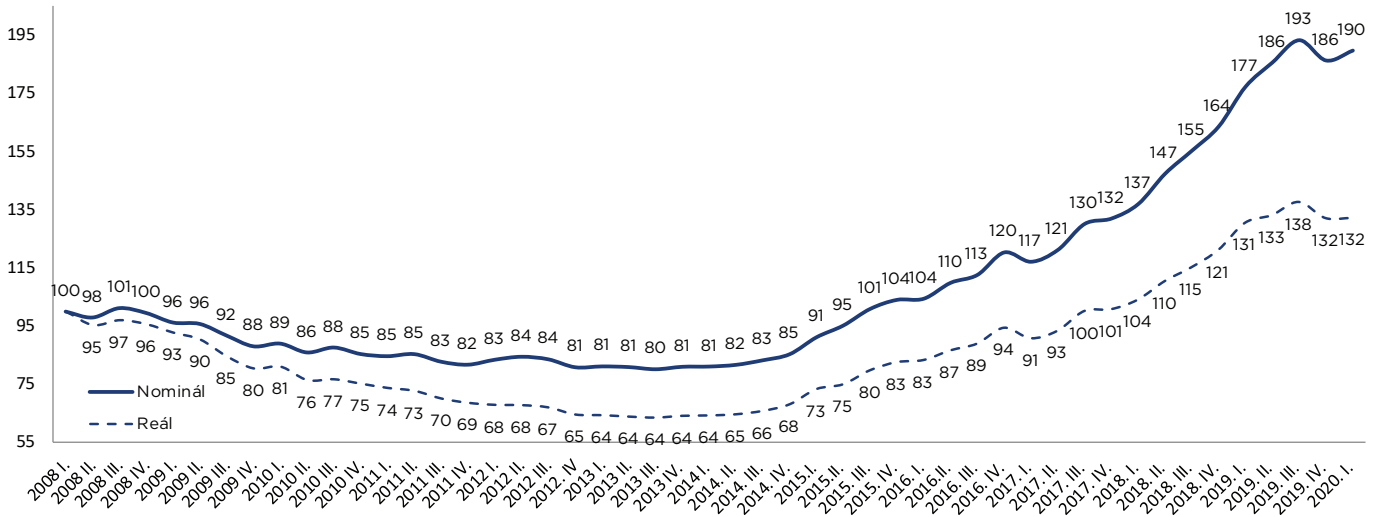
■ Q1 2019
■ Q1 2020

Based on residential properties sold by members of the Duna House franchise network.

PRICES - PROPERTY PRICE INDICES

Duna House National Residential Property Price Index

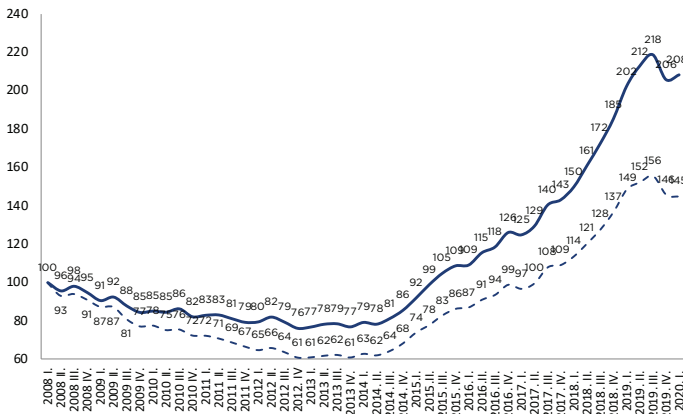
Following the decrease seen in Q4 2019 the National Residential Property Price Index recovered somewhat and after a 4-point increase it is at 190 at the moment, which is 132 points (and unchanged) in real terms.



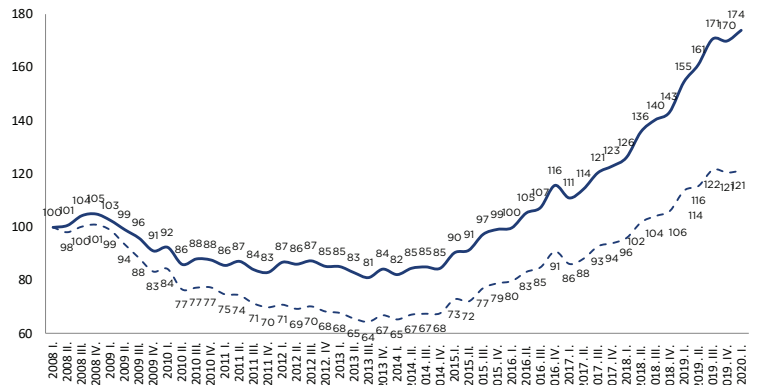
About our residential property indices: We apply a system that attempts to eliminate all kinds of type-related differences. Similar indicators generally use normal averaging which does not take into consideration the variable elements of transactions. When developing DH residential property indices we use the so-called Hedonic method, taking into account the structure, state (on a scale of 1-5), size, year of construction as well as parameters such as floor and location. Customer baskets created this way are weighted unchanged on the time scale. For the weighing of national indices we use the regional number of transactions published by the Central Statistical Office.

Similarly to the main index the Concrete Block Price Index has also adjusted a little compared to the previous quarter, while the Brick and Mortar Index is still rising. In Q1 2020 the Concrete Block and Brick and Mortar Indices closed at 208 and 174 points, respectively.

NATIONAL CONCRETE BLOCK INDEX



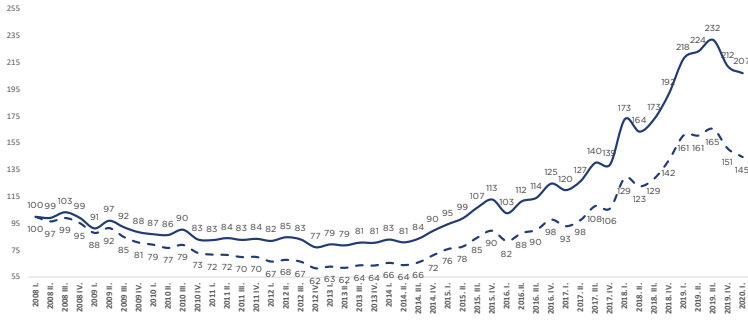
NATIONAL BRICK INDEX



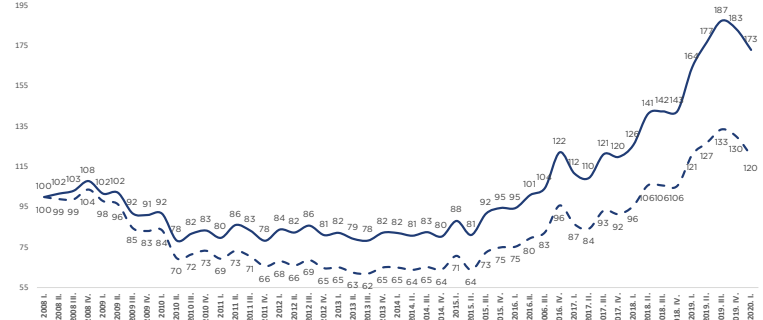
Duna House Regional Residential Property Price Indices

As far as the country is concerned, the Eastern Hungary Price Index decreased further while in the West there was some recovery and even a modest increase. In the East, the Concrete Block and the Brick and Mortar Indices fell to 207 and 173 points, respectively. The Concrete Block and the Brick and Mortar Indices in the West closed at 188 and 179 points, respectively.

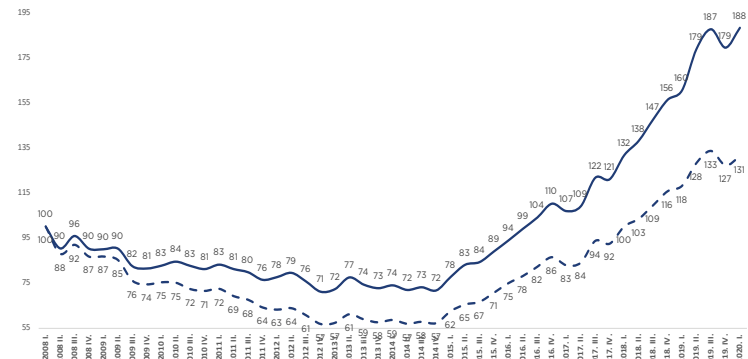
CONCRETE BLOCK PRICE INDEX, EASTERN HUNGARY



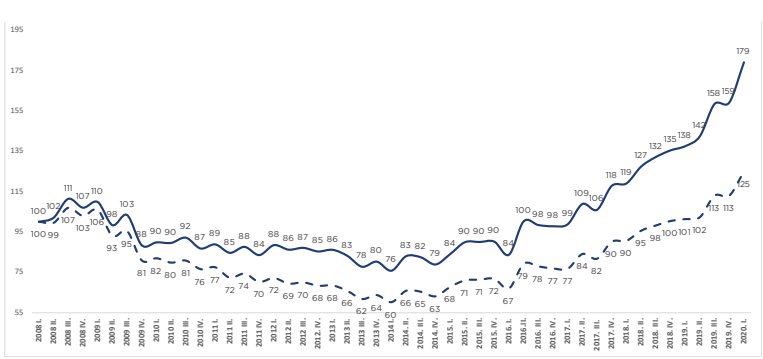
BRICK AND MORTAR PRICE INDEX, EASTERN HUNGARY



CONCRETE BLOCK PRICE INDEX, WESTERN HUNGARY



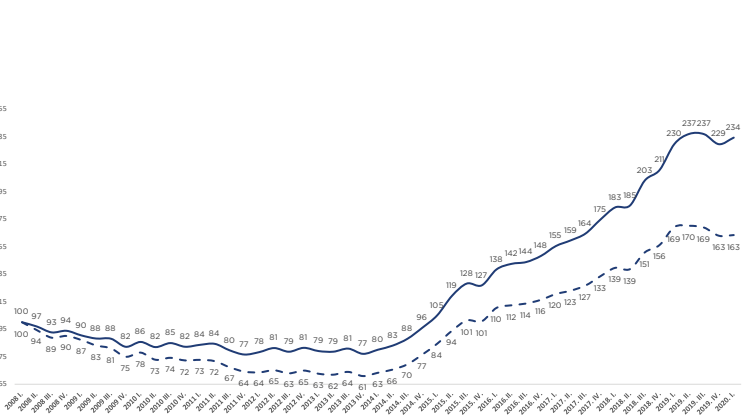
BRICK AND MORTAR PRICE INDEX, WESTERN HUNGARY



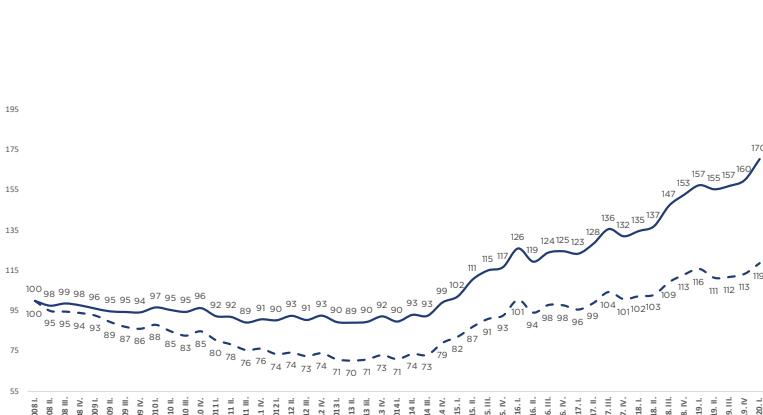
Duna House Budapest Residential Property Indices

The Budapest Brick and Mortar Price Index increased by 5 points compared to the previous quarter and is at 234 points at the moment. The Budapest Brick and Mortar Price Index closed the first quarter of 2020 at 170 points.

BUDAPEST CONCRETE BLOCK PRICE INDEX



BUDAPEST BRICK AND MORTAR PRICE INDEX



APARTMENT PRICE DATA

In the country, average sq. m. prices were on the increase in both Eastern and Western Hungary compared to the same period last year. In the West, concrete block prices have increased by 10 percent and are at HUF 299 per sq. m. on average. Average sq. m. prices of brick and mortar homes increased by 15 and 19 per cent in the East and in the West, respectively.

CONCRETE BLOCK COUNTRYWIDE								
	EAST				WEST			
	price (HUF)	m ² price (HUF)	Change in listing price	Bargain	price (HUF)	m ² price (HUF)	Change in listing price	Bargain
2019. Q1.	16 226 000	309 000	3%	3%	14 130 000	272 000	1%	3%
2020. Q1.	17 067 000	313 000	4%	5%	16 485 000	299 000	3%	4%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price (HUF)	m ² price (HUF)	Change in listing price	Bargain	price (HUF)	m ² price (HUF)	Change in listing price	Bargain
2019. Q1.	19 143 000	320 000	2%	5%	16 982 000	281 000	1%	4%
2020. Q1.	21 110 000	369 000	3%	5%	19 092 000	333 000	3%	5%

Duna House analysts registered a price hike of 4-16 per cent for brick and mortar apartments in Budapest compared to Q1 2019. The increase was smallest in Buda and largest in downtown Budapest. Buyers of brick and mortar homes will need to expect prices ranging from HUF 645-852 thousand while prices of concrete block apartments are between HUF 497-588 thousand per sq. m.

CONCRETE BLOCK BUDAPEST								
	BUDA				PEST			
	price (HUF)	m ² price (HUF)	Change in listing price	Bargain	price (HUF)	m ² price (HUF)	Change in listing price	Bargain
2019. Q1.	30 177 000	565 000	1%	2%	26 305 000	503 000	2%	4%
2020. Q1.	32 022 000	588 000	3%	4%	26 164 000	497 000	5%	4%

BRICK BUDAPEST												
	BUDA				PEST				DOWNTOWN			
	price (HUF)	m ² price (HUF)	Change in listing price	Bargain	price (HUF)	m ² price (HUF)	Change in listing price	Bargain	price (HUF)	m ² price (HUF)	Change in listing price	Bargain
2019. Q1.	53 156 000	742 000	2%	4%	31 159 000	580 000	1%	4%	43 376 000	734 000	4%	4%
2020. Q1.	51 321 000	795 000	6%	6%	32 567 000	645 000	6%	5%	48 523 000	852 000	5%	5%

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. The bargain % represents the additional reduction of the price agreed upon by the seller and the buyer. The two indicators together give a fairly accurate picture of the difference between the original idea of the seller and the actual final price.



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:

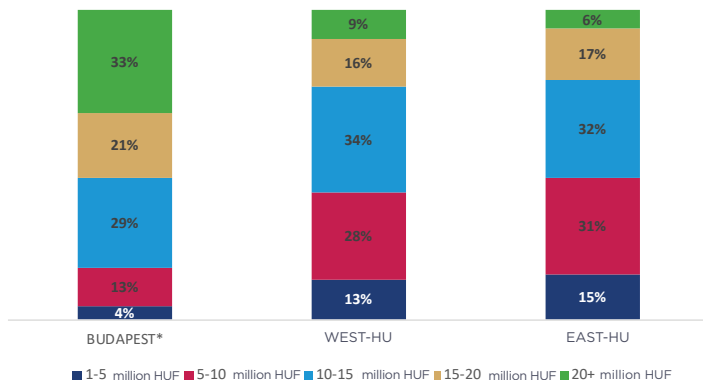
- ✓ Constructors and developers
- ✓ Project owners and investors
- ✓ Community managers
- ✓ Municipalities

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

elemzes@dh.hu

MORTGAGE DATA Q3 2019

MORTGAGES BY TRANSACTION VALUE

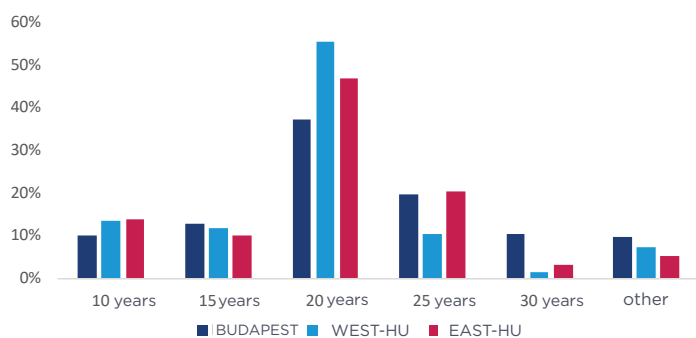


Mortgage transaction values above HUF 20 million mostly prevailed in the capital (33 per cent). In the country, mortgages of this magnitude were taken out by a mere 9 and 6 per cent of clients in the East and in the West, respectively. In Eastern and Western Hungary most clients applied for a mortgage between HUF 10-15 million, while in Budapest mortgages in excess of HUF 20 million dominated the market.

In Budapest, average mortgage values have increased compared to the previous quarter. In Q1 2020 the average was HUF 18.5 million and HUF 10.1 – 11.1 million in Budapest and in the country, respectively.

AVERAGE LOAN VOLUME				
	2019. Q2	2019. Q3	2019. Q4	2020. Q1
BUDAPEST*	16 589 000	16 242 451	16 749 984	18 541 109
WEST-HU	11 231 000	11 230 744	11 141 891	11 062 361
EAST-HU	10 912 000	10 126 092	10 295 461	10 170 464

MORTGAGES BY DURATION



The most frequent mortgage term was 20 years, similarly to previous quarters, with a share of 37, 55 and 47 per cent in Budapest, in Western and Eastern Hungary, respectively.

	BUDAPEST*				WESTERN HUNGARY				EASTERN HUNGARY			
	2019. Q2	2019. Q3	2019. Q4	2020. Q1	2019. Q2	2019. Q3	2019. Q4	2020. Q1	2019. Q2	2019. Q3	2019. Q4	2020. Q1
10-YEAR	13%	11%	11%	10%	15%	15%	14%	14%	21%	15%	16%	14%
15-YEAR	13%	11%	9%	13%	14%	11%	11%	12%	18%	13%	13%	10%
20-YEAR	38%	40%	39%	37%	50%	52%	52%	55%	42%	49%	50%	47%
25-YEAR	17%	20%	23%	20%	7%	15%	13%	10%	9%	13%	13%	21%
30-YEAR	10%	9%	10%	10%	3%	1%	5%	2%	5%	4%	3%	3%
OTHER	9%	9%	8%	10%	11%	7%	4%	7%	5%	7%	6%	5%

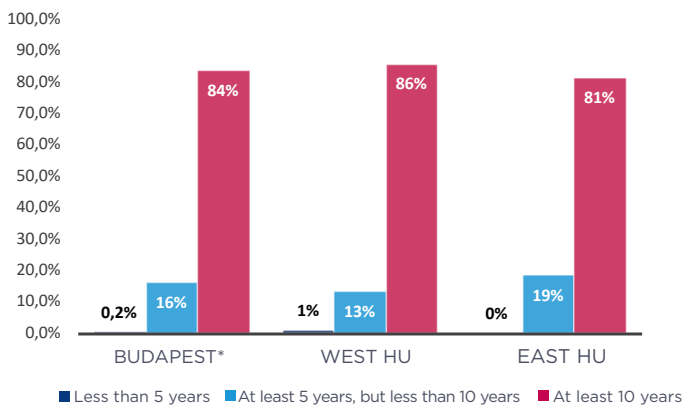
Mortgage data methodology: When analysing data we used applications mediated by Duna House Loan Center and submitted during the given quarter, based on loan volume, interest period and the term of the loan, in regional breakdown. The analysis of the family home allowance scheme "CSOK" only considered the ratio of CSOK applications submitted in combination with a loan application, so the figure does not indicate the overall penetration ratio of the allowance on the entire property market.



In Q1 2020 loan to value (LTV) was on the increase in Budapest and in the Eastern part of the country, while it was still stagnating in the West. In Eastern Hungary and in the rest of the country, LTV was 45 and 46 per cent, respectively.

AVERAGE LTV				
	2019. Q2.	2019. Q3	2019. Q4	2020. Q1
BUDAPEST*	51%	41%	40%	46%
WEST HU	55%	46%	46%	46%
EAST HU	54%	43%	40%	45%
TOTAL	48%	43%	41%	46%

MORTGAGES BY INTEREST PERIOD



Mortgages with a term shorter than 5 years have almost disappeared from the market; their share in Q1 2020 was a mere 0.2 per cent in Budapest. The share of mortgages with a term of 10 years or more is still the highest with 85 and 81 per cent in the country and in Budapest, respectively, while in Western Hungary it is 78 per cent. In Q1 2020 the most popular mortgages had a fixed interest for at least 10 years: their share exceeded 80 per cent all over the country.

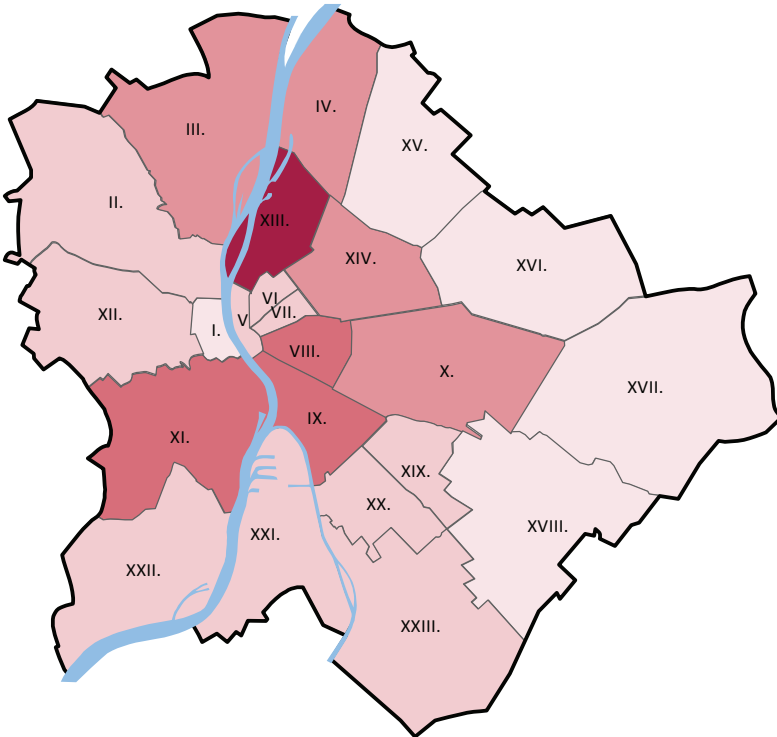
	BUDAPEST*				WESTERN HUNGARY				EASTERN HUNGARY			
	2019. Q2	2019. Q3	2019. Q4	2020. Q1	2019. Q2	2019. Q3	2019. Q4	2020. Q1	2019. Q2	2019. Q3	2019. Q4	2020. Q1
LESS THAN 5 YEARS	1%	1%	0,3%	0,2%	1%	1%	0%	1%	1%	1%	0%	0%
5 YEARS OR MORE, BUT LESS THAN 10 YEARS	15%	17%	19%	16%	10%	22%	22%	13%	13%	15%	15%	19%
AT LEAST 10 YEARS	84%	82%	81%	84%	89%	77%	78%	86%	86%	84%	85%	81%

In the Western part of the country more than 25 per cent of mortgage applications were accompanied by a CSOK (family home allowance) application, while in Budapest and in the East the same figure was 18.1 and 23.2 per cent, respectively. The national average (21.8 per cent) was lower than in the previous quarter.

SUBMITTED CSOK APPLICATIONS IN THE RATIO OF ALL QUARTERLY LOAN TRANSACTIONS

BUDAPEST*	18,1%
WEST-HU	27,4%
EAST-HU	23,2%
TOTAL	21,8%

NEWLY BUILT DATA



Number of new build apartments in development projects currently on sale

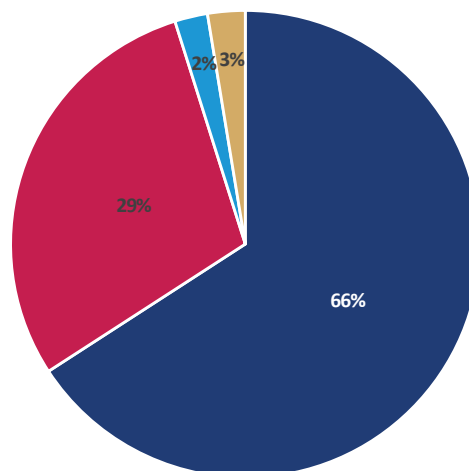

 Higher number of units

QUANTITY	DISTRICTS
above 7000	XIII.
2000-6999	VIII., IX., XI.
900-1999	III., IV., X., XIV.
200-899	II., V., VI., VII., XII., XIX., XX., XXII.
100-199	I., XV., XVII., XVIII.
under 100	XVI., XXI., XXIII.

There were a great number of new build apartments in Districts 8, 9 and 11; their number ranged between 2000 and 7000. District 13 is still the leader of the newly built market with more than 7000 units on offer. Residential developments are still not very popular in the outer districts, even though district 18 was able to move from the “less than 100 units” category up to the “100-200 units” category.

Based on their sales phase, new build apartments show a similar picture as in the previous quarter. More than two-thirds of all new build apartments offered in Budapest in Q1 2020 sold almost immediately. Three per cent of the apartments are reserved and another 2 per cent are marked as “planned”, while 29 per cent are still available.

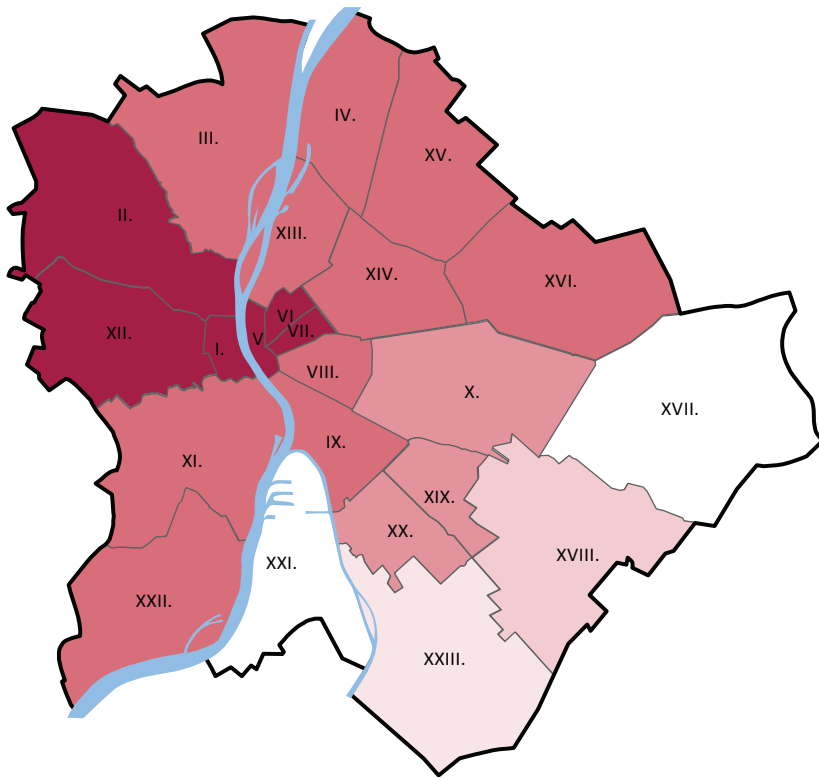
DISTRIBUTION OF NEWLY BUILT APARTMENTS BASED ON SALES PHASE IN Q4 2019



Figures are based on the number of apartments offered in projects listed in the ELTINGA Budapest Residential Property Report database.

- Available: Units free for purchase at the time of data collection
- Reserved: Negotiations pending or a deposit has been paid
- Sold: Apartments marked as “sold” or removed from the database of available units
- Planned: Apartments where the sales process has not yet started or has been suspended





Average square metre prices of new build residential properties

□ → ■
Higher price per sq. m.

AVERAGE M2 PRICE	DISTRICTS
above 1 million	I., II., V., VI., VII., XII.
between 700 thousand - 1 million	III., IV., VIII., IX., XI., XIII., XIV., XV., XVI., XXII.
between 600-700 thousand	X., XIX., XX.
between 500-600 thousand	XVIII.
under 500 thousand	XXIII.
under 100	XVII., XVIII., XXI., XXIII.

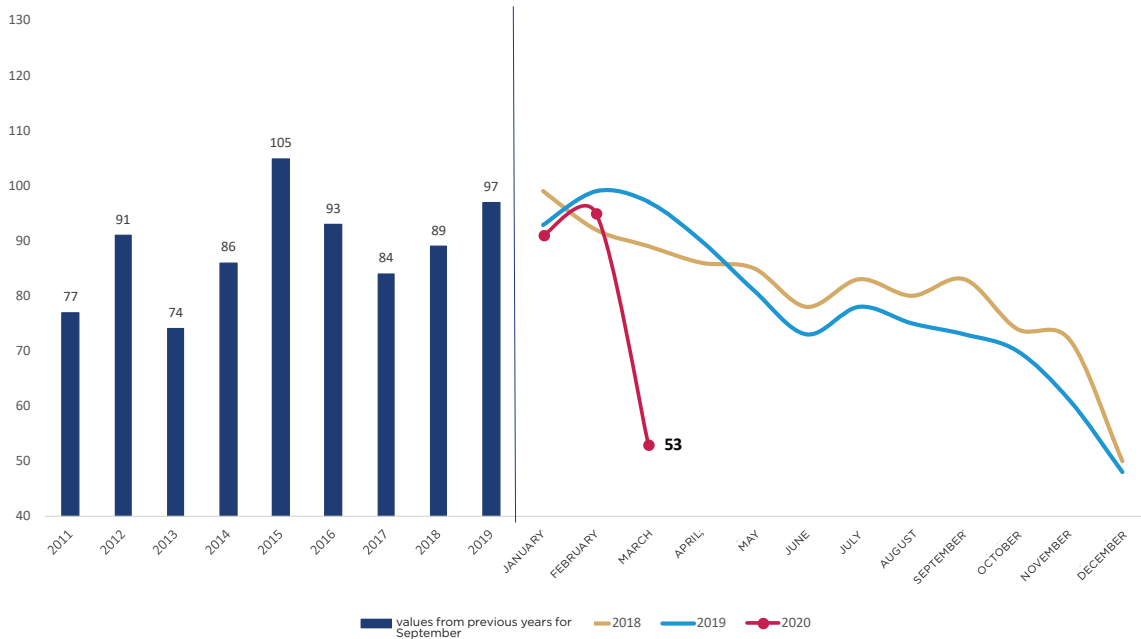
Apart from the downtown districts new build prices in Districts 1, 2 and 12 also exceeded HUF 1 million per sq. m. Only District 23 fell in the “below HUF 500” category. In Budapest, the average price of new build residential properties was HUF 852 thousand.

Average sq. m. prices are based on projects listed in the ELTINGA Budapest Residential Property Report database. Prices are based on properties listed as sold in the Q3 database. Floor space includes half the surface area of balconies and walk-out terraces with a maximum area of 20 sq. m. and one third of the area above 20 sq. m.



BUYERS - DEMAND INDEX

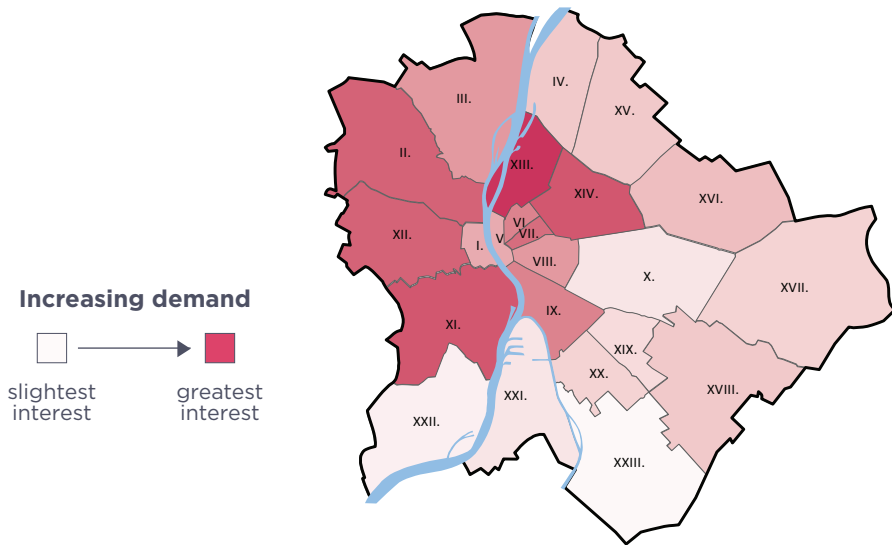
The changes brought forward by the virus crisis pushed demand to a historic low. In March 2020 the Duna House Demand Index was at 53 points – an unprecedented value for this time of the year in the past ten years.



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 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 products.

DEMAND FOR INDIVIDUAL DISTRICTS

We witnessed a fierce competition between Districts 13 and 11, but Angyal-föld (District 13) came out on top with a popularity index of 17.3 per cent. Zugló (District 14) slid back to fourth place: its popularity decreased by 1.5 percentage points compared to the same time last year.



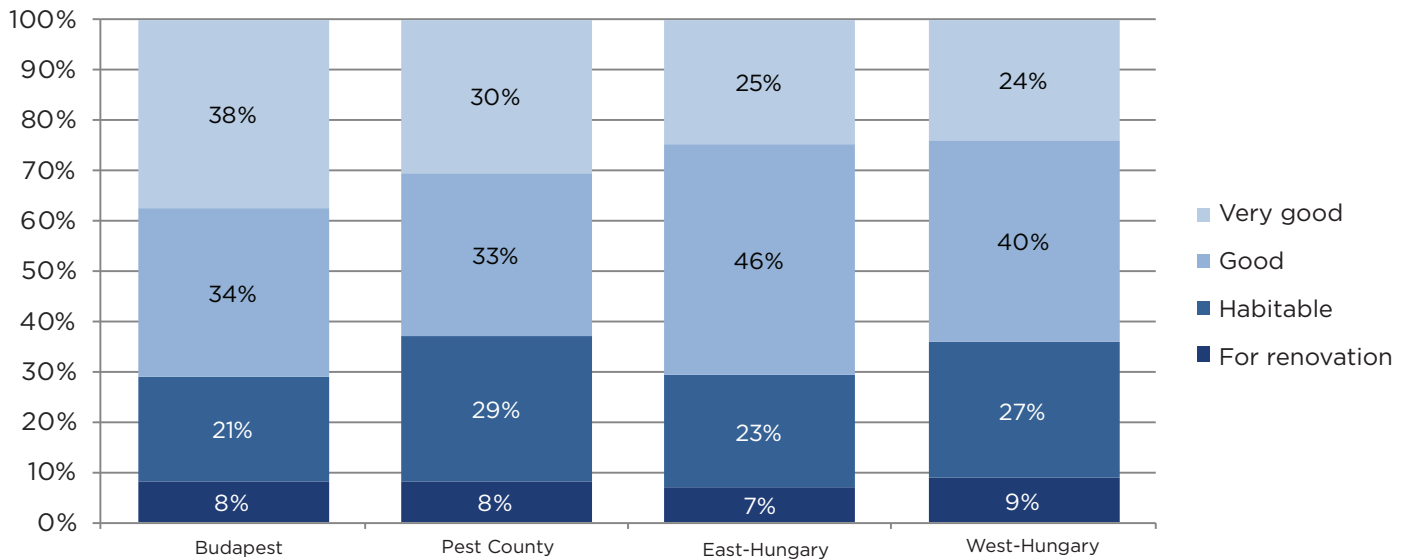
DISTRICT	2019. MARCH	2020. MARCH
Budapest I.	10,2%	9,6%
Budapest II.	16,2%	15,6%
Budapest III.	11,9%	12,6%
Budapest IV.	6,4%	6,8%
Budapest V.	11,4%	8,2%
Budapest VI.	16,0%	11,3%
Budapest VII.	15,6%	11,6%
Budapest VIII.	13,0%	9,5%
Budapest IX.	14,1%	10,6%
Budapest X.	5,7%	5,0%
Budapest XI.	15,0%	17,1%
Budapest XII.	14,1%	14,2%
Budapest XIII.	20,7%	17,3%
Budapest XIV.	16,9%	15,4%
Budapest XV.	8,1%	6,9%
Budapest XVI.	6,8%	6,8%
Budapest XVII.	5,5%	4,6%
Budapest XVIII.	9,2%	9,0%
Budapest XIX.	6,5%	7,3%
Budapest XX.	5,5%	6,1%
Budapest XXI.	4,1%	5,1%
Budapest XXII.	4,1%	3,8%
Budapest XXIII.	2,2%	3,0%

Methodology: Our clients with a purchase intention indicate their preferred districts (more at the same time) when meeting 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 as a whole. Duna House Holding pursues its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in view of the territorial distribution of its own and market transactions in general.

QUALITY PREFERENCE

In Budapest, demand for properties in “very good” condition was highest, while in other parts of the country those in “good” condition were most sought after. The share of properties in need of renovation was between 7-9 per cent.



TURNOVER SPEED (TIME NEEDED TO SELL)

As far as concrete block apartments are concerned, time needed to sell increased compared to last March, irrespective of location – especially in Buda, where transactions needed 111 days on average to conclude.

Time needed to sell pre-owned brick and mortar apartments in Budapest has also increased, the average is more than 110 days both in Buda and Pest. Downtown brick and mortar apartments saw the highest increase: sellers now need to wait for a successful sale more than 30 days longer than a year ago.

CONCRETE BLOCK				
Time need of sale/day				
	East	West	Buda	Pest
March 2019	72	72	63	79
March 2020	80	85	111	86

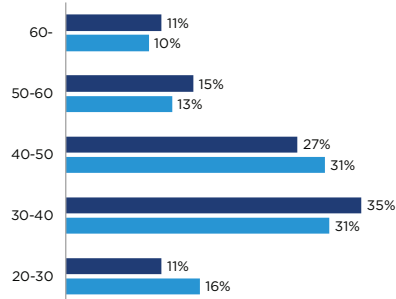
BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
March 2019	114	108	98	89	127
March 2020	90	114	114	95	117

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 as a whole. Duna House Holding pursues its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in view of the territorial distribution of its own and market transactions in general.

BUYER PROFILE IN BUDAPEST

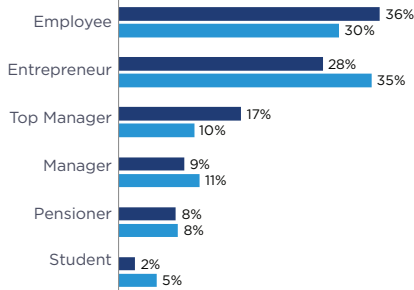
In Budapest, the share of investors decreased by 11 percentage points compared to last year and is at a rarely seen low of 27 per cent at present. The average price of apartments bought as an investment exceeded HUF 44 million. The age distribution of buyers is varied, but those between 30-40 and 40-50 years of age had the biggest share. More than two-thirds of buyers were either employees or self-employed.

BUYERS' AGE IN BUDAPEST



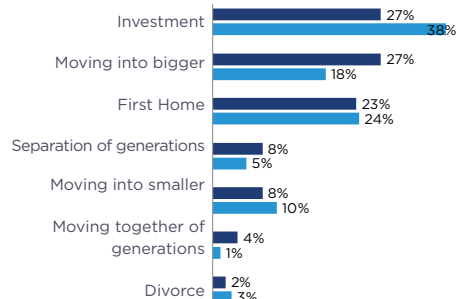
AGE	AVERAGE PRICE	m ²
20-30	32 013 000	73
30-40	49 368 000	116
40-50	59 250 000	122
50-60	42 085 000	82
60-	46 710 000	120

BUYERS' STATUS IN BUDAPEST



STATUS	AVERAGE PRICE	m ²
Employee	33 391 000	94
Top Manager	69 948 000	128
Manager	42 632 000	93
Pensioner	53 309 000	111
Student	24 450 000	53
Entrepreneur	62 400 000	120

MOTIVATION IN BUDAPEST

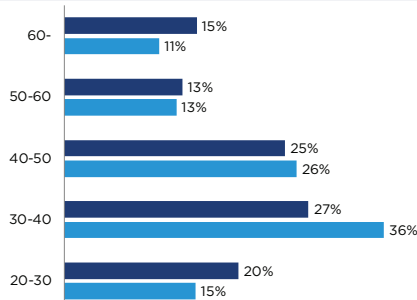


SITUATION	AVERAGE PRICE	m ²
Investment	44 420 000	100
First Home	40 230 000	88
Separation of generations	50 707 000	74
Moving together of generations	39 800 000	121
Moving into smaller	38 245 000	84
Moving into bigger	63 012 000	152
Divorce	75 006 000	67

BUYER PROFILE IN THE COUNTRY

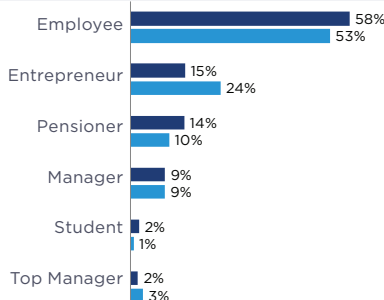
In the country, the age distribution of buyers was almost the same as in the capital. In March, more than 50 per cent of buyers were employees. The main motivations were investing and buying a first home with the those moving into a larger property a close second.

BUYERS' AGE IN THE COUNTRY



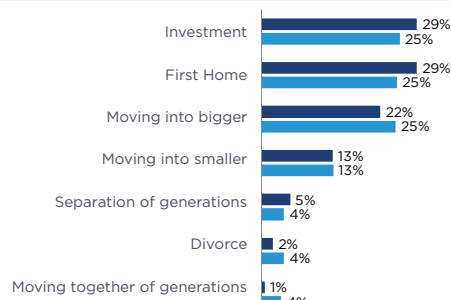
AGE	AVERAGE PRICE	m ²
20-30	18 964 000	72
30-40	22 094 000	81
40-50	24 716 000	68
50-60	23 786 000	67
60-	17 461 000	55

BUYERS' STATUS IN THE COUNTRY



STATUS	AVERAGE PRICE	m ²
Employee	19 435 000	73
Top Manager	28 109 000	66
Manager	27 293 000	76
Pensioner	17 463 000	55
Student	23 985 000	50
Entrepreneur	27 981 000	79

MOTIVATION IN THE COUNTRY



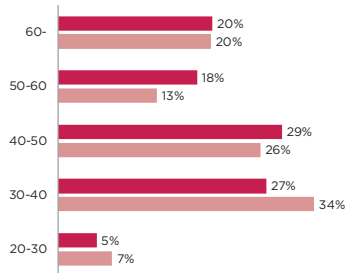
SITUATION	AVERAGE PRICE	m ²
Investment	23 499 000	58
First Home	19 253 000	72
Separation of generations	24 045 000	54
Moving together of generations	34 750 000	162
Moving into smaller	18 866 000	60
Moving into bigger	24 118 000	89
Divorce	22 807 000	75

Data presented above relating age, status and reason of purchase have been acquired through the voluntary declaration of our clients. They qualify as a sample and are regarded as estimated values. When referring to investment as the reason behind the purchase, it includes all business and private deals, listed under the category based on the client's declaration. In certain cases a property purchased for a child who will use it sometime in the future, will fall under investment, based on the present transaction questionnaire, although eventually it will serve the separation of generations. When doing the calculations, we also have to keep in mind that the Duna House network is primarily present in Budapest and major cities, therefore investment as a motivation may be over-represented compared to the rest of the country.

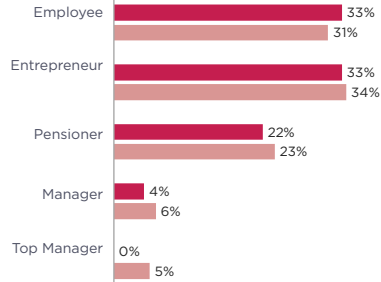
SELLER PROFILE BUDAPEST

The largest age group of sellers was those between 40-50 years of age with a negligible share of sellers under 30. The main reason to sell was moving into a smaller apartment but the share of properties originally bought for investment purposes now being sold has also increased. Those moving into a larger home sold their old property for HUF 51.7 million on average.

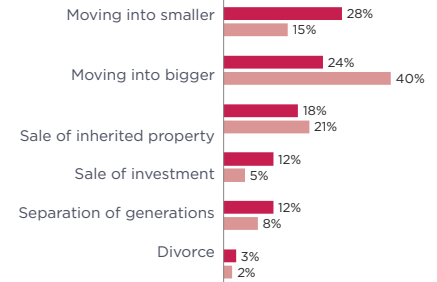
SELLERS' AGE BUDAPEST



SELLERS' STATUS BUDAPEST



MOTIVATION BUDAPEST



AGE	AVERAGE PRICE	m ²
20-30	49 280 000	80
30-40	38 825 000	91
40-50	47 923 000	106
50-60	65 654 000	156
60-	43 523 000	114

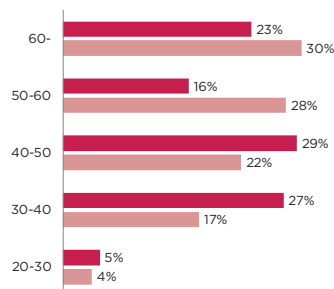
STATUS	AVERAGE PRICE	m ²
Employee	40 037 000	107
Top Manager	51 200 000	181
Manager	29 100 000	116
Pensioner	45 518 000	128
Entrepreneur	77 084 000	114

SITUATION	AVERAGE PRICE	m ²
Sale of investment	34 916 700	98
Separation of generations	41 019 000	144
Moving together of generations	37 250 000	68
Moving into smaller	50 709 000	129
Moving into bigger	51 769 000	96
Sale of inherited property	36 442 000	129
Divorce	32 159 000	230

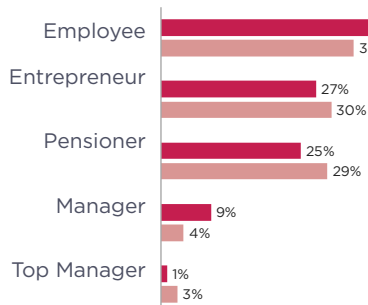
SELLER PROFILE IN THE COUNTRY

The age distribution of sellers in the country was similar to that in Budapest but as far as status is concerned, employees had the biggest share here. The main motivation to sell was moving into a larger home (38 per cent), followed by selling an inherited property (24 per cent).

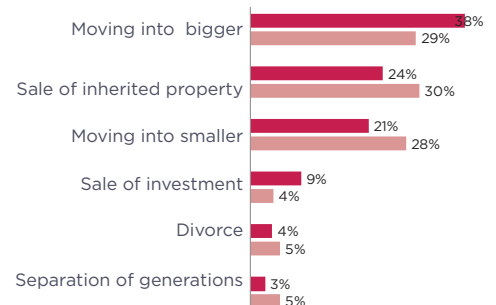
SELLERS' AGE IN THE COUNTRY



SELLERS' STATUS IN THE COUNTRY



MOTIVATION IN THE COUNTRY



AGE	AVERAGE PRICE	m ²
20-30	27 603 000	69
30-40	20 253 000	68
40-50	23 803 000	72
50-60	18 013 000	70
60-	18 018 000	70

STATUS	AVERAGE PRICE	m ²
Employee	19 445 000	73
Top Manager	18 567 000	77
Manager	21 704 000	59
Pensioner	16 902 000	71
Entrepreneur	24 852 000	80
Student	13 125 000	58

SITUATION	AVERAGE PRICE	m ²
Sale of investment	13 589 000	63
Separation of generations	25 417 000	80
Moving together of generations	17 870 000	53
Moving into smaller	22 828 000	96
Moving into bigger	20 111 000	58
Sale of inherited property	14 290 000	75
Divorce	19 276 000	66



DUNA HOUSE®

H-1016 Budapest,
Gellerthegy u. 17.

Phone: +36-1/555-2222

Fax: +36-1/555-2220

www.dh.hu