

DUNA HOUSE BAROMETER

The latest property market info
from Duna House network

ISSUE 108
Q2 2020 AND
JUNE 2020



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BÉT

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MARKET**

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the Budapest Stock Exchange

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FORTHCOMING ISSUES

Date of issue

Content

12.08.2020

July 2020 data

14.09.2020

August 2020 data

12.10.2020

Q3 2020 data (including price indices and housing loan 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

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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.





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EXECUTIVE SUMMARY

Stagnating price indices, fewer transactions and record-high demand in the past few months – these were some of the features of the Hungarian property market in Q2 2020. This period was highly influenced by the socio-economic changes brought about by the COVID-19 pandemic.

Of all the property market indices the one published by the national network of Duna House has always been the first to give a quick overview of past quarters. This time it was eagerly awaited on account of the changes caused by the Corona virus crisis. The expectations of property agents and of the market that we had referred to earlier were corroborated by the DH Price Index: the property market closed the second quarter of 2020 with stagnating indices on a national level, with slight variations as far as various locations and property types were concerned.

The domestic residential property price index of Duna House has been stagnating at 190 points (nominal) and 132 points (real). Prices of concrete block apartments have been falling all over the country, with the Budapest concrete block index exhibiting the largest decrease of 3 percentage points (7 index points). The hike seen for brick and mortar homes continued, except in Budapest where we saw a slight change in the trend. The frequency and the extent of bargaining was a constant feature of Q2 2020 and exceeded the levels seen previously.

Investor demand is starting to reappear in the capital: in June, 33% of all sales transactions were investment-motivated. This burgeoning tendency can be broken in Q3 by the restrictions introduced on short-term apartment leases. The share of buyers acquiring their first apartment was increasing all over the country; in Budapest it grew by 7 percentage points to 27%.

In Q2 2020 the effects of the COVID-19 pandemic could already be felt on the property loan market, too. According to Duna House estimates approximately HUF 200 billion residential mortgage contracts were concluded in the second quarter of the year, a decrease of 21% compared to the same period of 2019. Loan market figures were somewhat similar to those of the previous quarter.

Further information

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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:

There were 11,186 property transactions effected in Hungary, i.e. the property market is back at the levels seen last year

The Duna House index for Budapest concrete block and brick and mortar homes decreased

Demand in June reached record heights



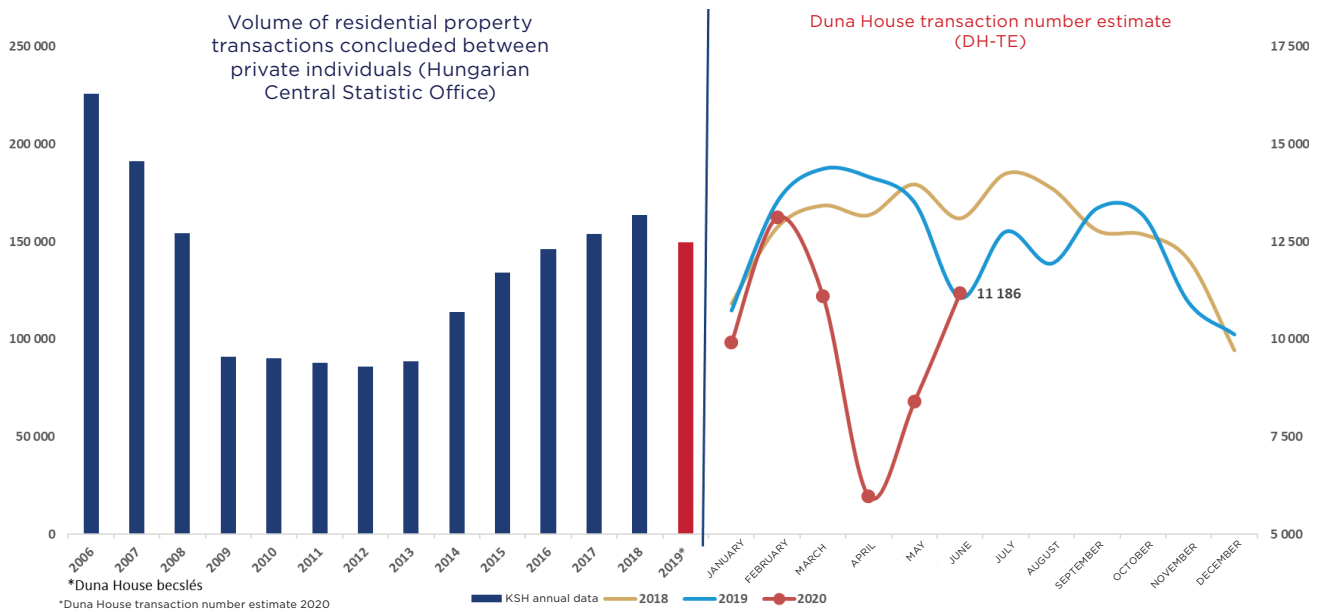
TRANSACTION DATA

Duna House Transaction Number Estimate (DH-TE)

Residential property transaction volume estimate and mortgage forecast for June 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in June 2020 11,186 property transactions were concluded and residential mortgage contracts between HUF 60-65 billion were signed in the whole of Hungary.

Following a spectacular rebound, Hungarian property market has now recovered to the levels attained last year. This June 11,186 sales transactions were concluded, practically the same number as in June 2019, amounting to an increase of 33% over May 2020. After the record-high demand figures of May and in line with market trends the number of transactions grew in June. This volume was, in part, probably the result of purchases postponed during the pandemic. On a year-to-date basis Duna House estimates a total of approximately 60 thousand property transactions, which is 23% less than in the same period last year.



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	5 971	8 400	11 186						

As far as the mortgage market is concerned, and with a delay of a few months, following similar tendencies in May the decrease caused by the COVID-19 virus outbreak is still making itself felt on the June data. According to the factual figures published by the National Bank of Hungary there were property mortgage contracts worth HUF 82.06 billion concluded last June – the forecast of Duna House Finances is between HUF 60-65 billion for June 2020, which is 21%-27% less than a year ago and a further 5%-10% decrease compared to the previous month. In the view of the mortgage experts of Duna House this should mean that the mortgage market has also hit rock bottom and we can expect some recovery next month.

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.

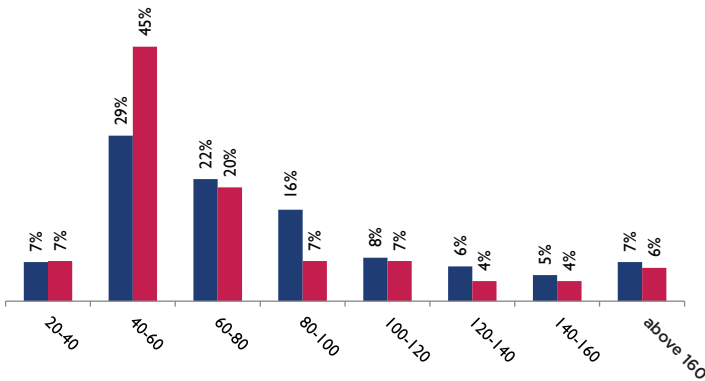
Please note that DH-TE data is not suitable for determining the number of transactions brokered by Duna House

TRANSACTION PARAMETERS IN BUDAPEST

In Q2 2020 properties between 40-60 sq. m. were the most popular again both in Buda and Pest. Square metre prices have changed a little compared to the same period last year: in Buda only 13% of transactions were concluded at prices exceeding HUF 900,000 per sq. m., but 55% of homes still changed hands at prices above HUF 700,000 per sq. m. In the same period last year homes worth more than HUF 70 million dominated, this year the category between HUF 40-60 million was the most popular with 42% of transactions concluded in this price range.

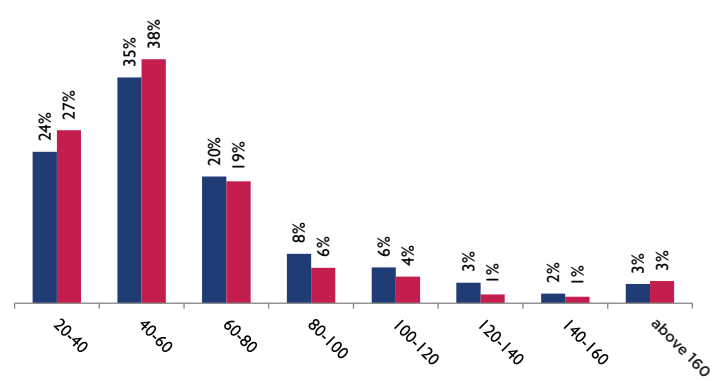
BUDA

Apartment size (in m²)

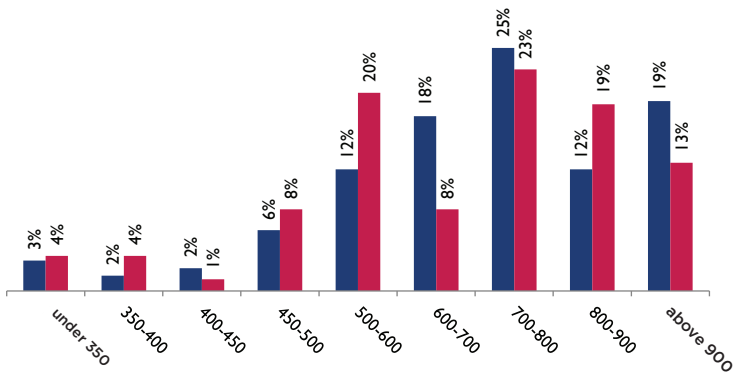


PEST

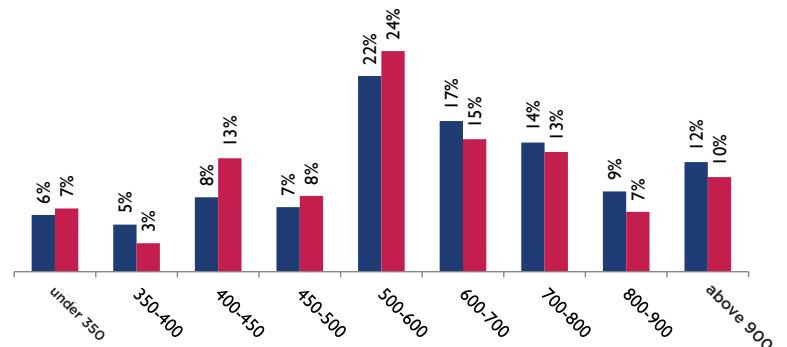
Apartment size (in m²)



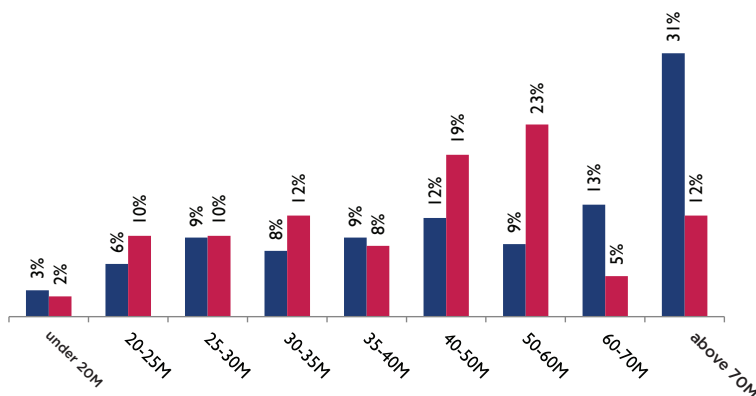
Price per m² (in thousand HUF)



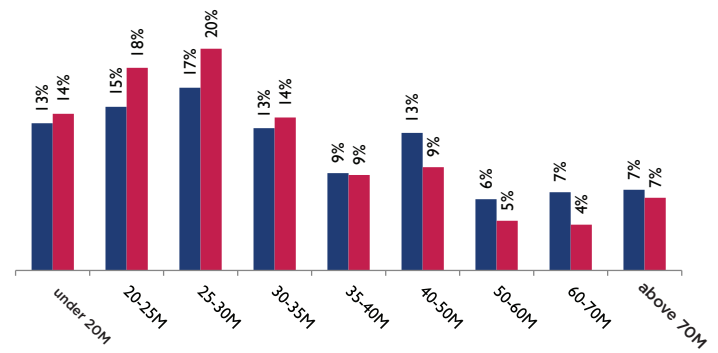
Price per m² (in thousand HUF)



Apartment price (in million HUF)



Apartment price (in million HUF)



■ Q2 2019
■ Q2 2020

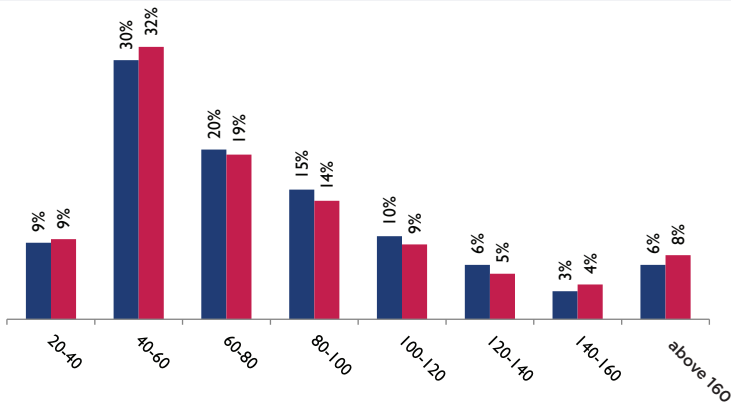
Based on residential properties sold by members of the Duna House franchise network.

TRANSACTION PARAMETERS REGIONALLY

In County Pest the market featured all categories from the smallest of apartments to homes with a substantial floor space. The share of apartments smaller than 60 sq. m. decreased by 7 percentage points while the share of those larger than 120 sq. m. grew by 7 percentage points compared to the same period last year. In County Pest the share of properties sold at prices exceeding HUF 400,000 grew by 23 percentage points. In the country most properties changed hands at prices between HUF 10-20 million, while in County Pest the share of residential properties sold for more than HUF 40 million was 33%.

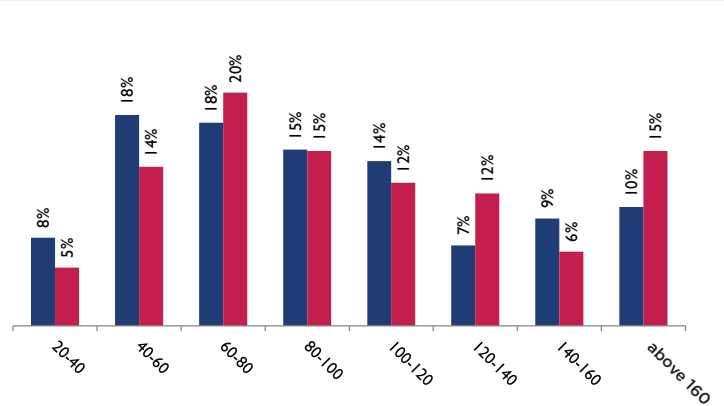
COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

Apartment size (in m²)

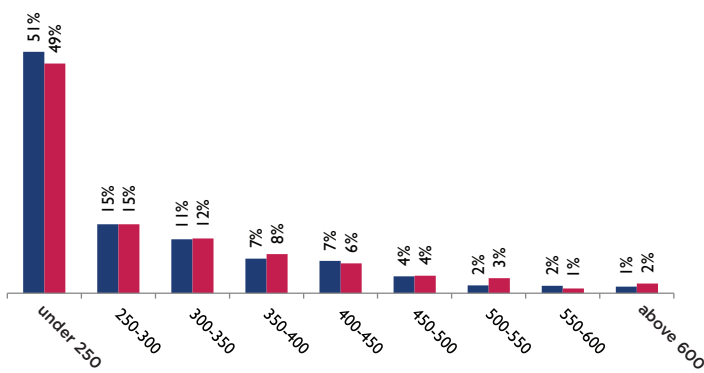


COUNTY PEST

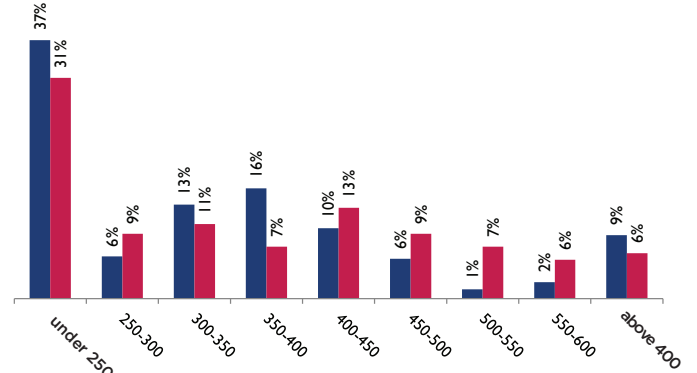
Apartment size (in m²)



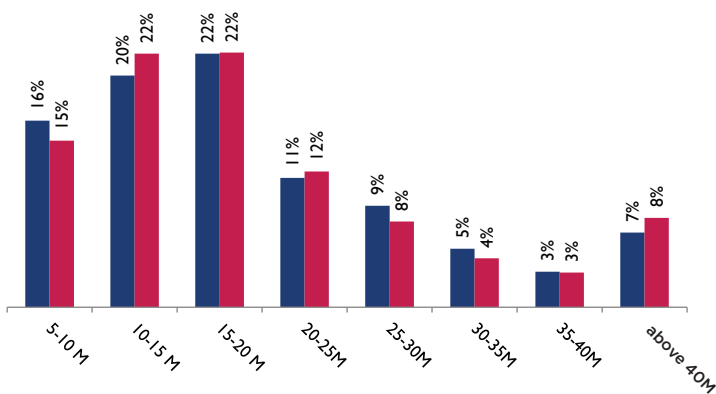
Price per m² (in thousand HUF)



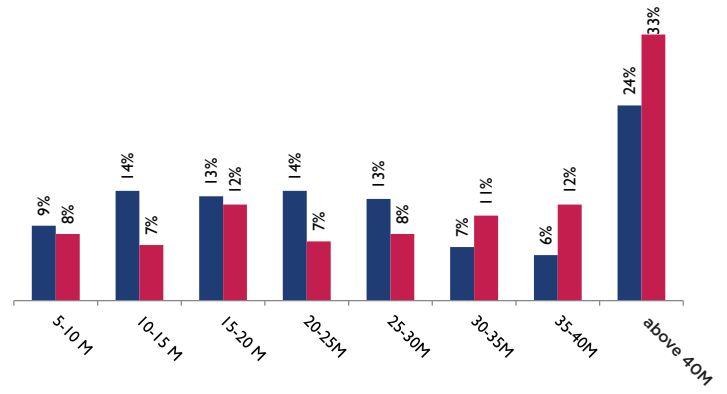
Price per m² (in thousand HUF)



price (HUF Million)



price (HUF Million)



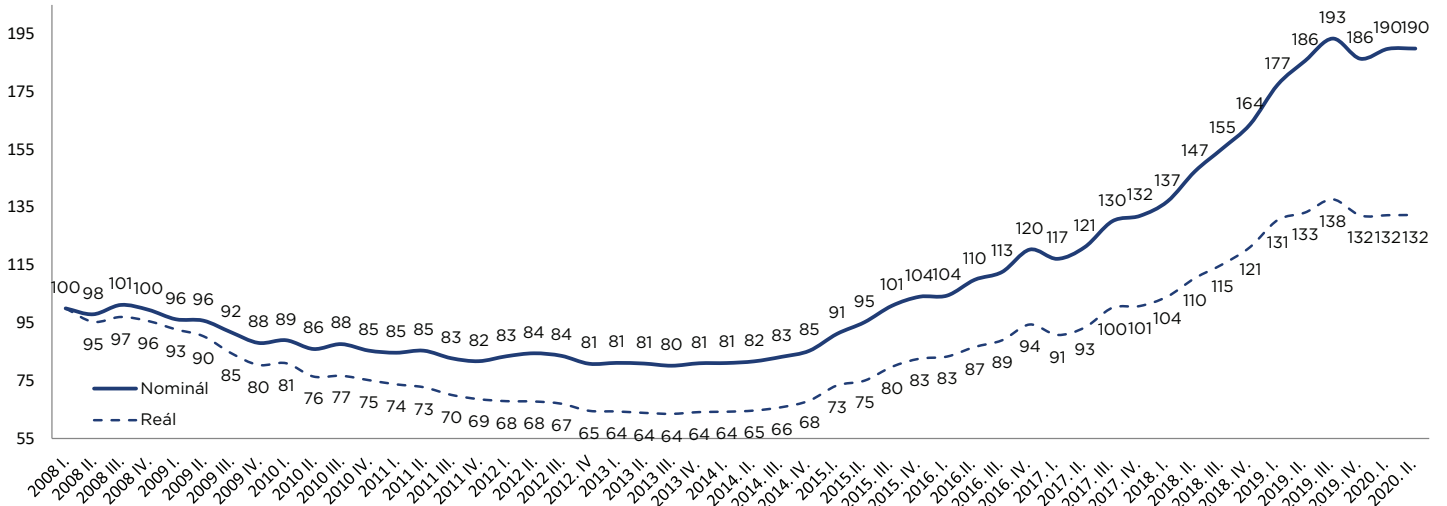
■ Q2 2019
■ Q2 2020

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

PRICES – PROPERTY PRICE INDICES

Duna House National Residential Property Price Index

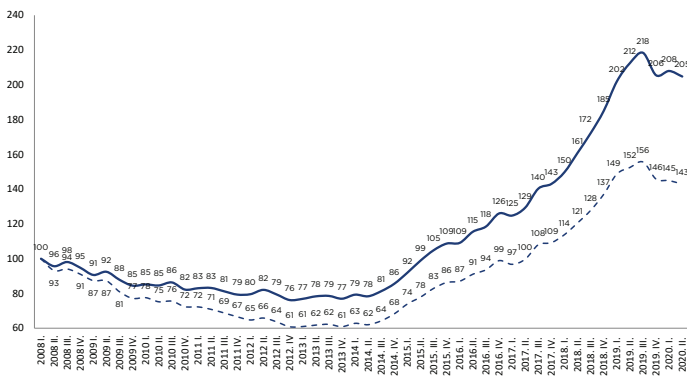
Following its rebound in the previous quarter the National Price Index started to stagnate and is hovering at 190 (nominal) and 132 (real) points at present.



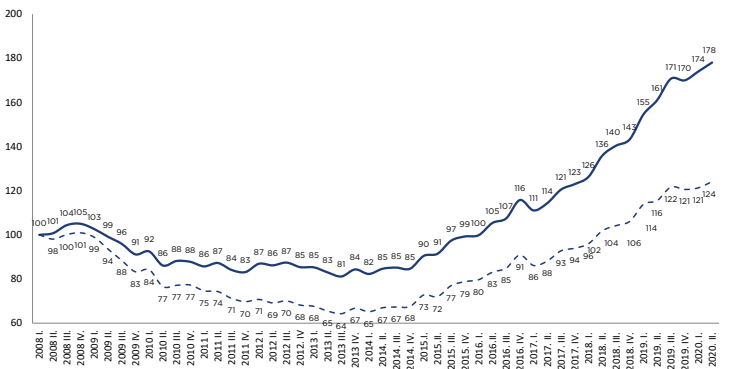
About our residential property indices: We apply a system that attempts to eliminate all kinds of type-related differences. Similar indicators generally use normal averaging which does not take into consideration the variable elements of transactions. When developing DH residential property indices we 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.

The National Concrete Block Price Index sunk below its value held in the last quarter of 2019 while the Brick and Mortar Index is still increasing. The two indices closed Q2 2020 at 205 and 178 points, respectively.

NATIONAL CONCRETE BLOCK INDEX



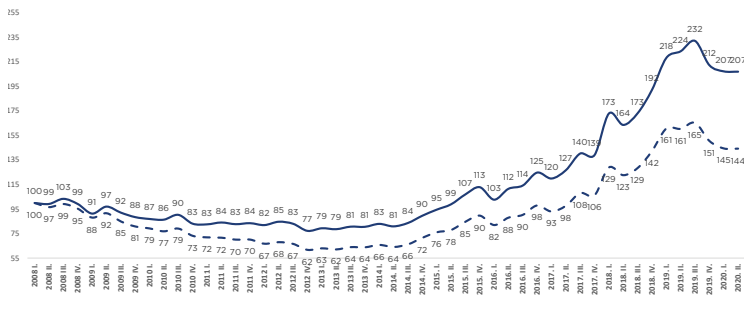
NATIONAL BRICK INDEX



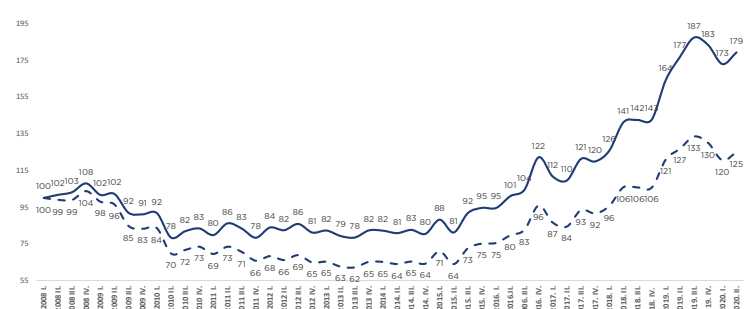
Duna House Regional Residential Property Price Indices

In Eastern Hungary, the Brick and Mortar Price Index and the Concrete Block Price Index have been rising and stagnating, respectively. In Western Hungary the Brick and Mortar Price Index is still on the increase, rising to 188 points in Q2 2020, while the Concrete Block Price Index fell to 184 points. In Eastern Hungary the Concrete Block Price Index and the Brick and Mortar Price Index closed the quarter at 207 and 179 points, respectively.

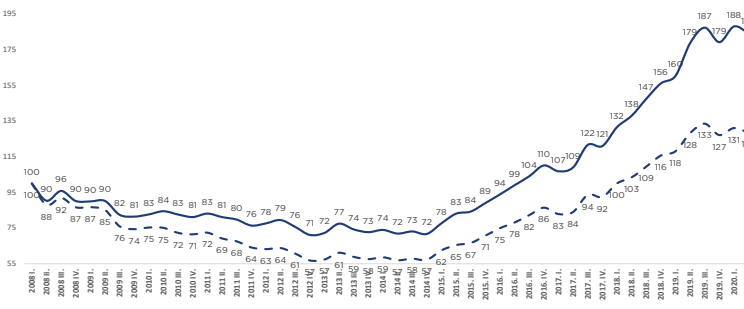
CONCRETE BLOCK PRICE INDEX, EASTERN HUNGARY



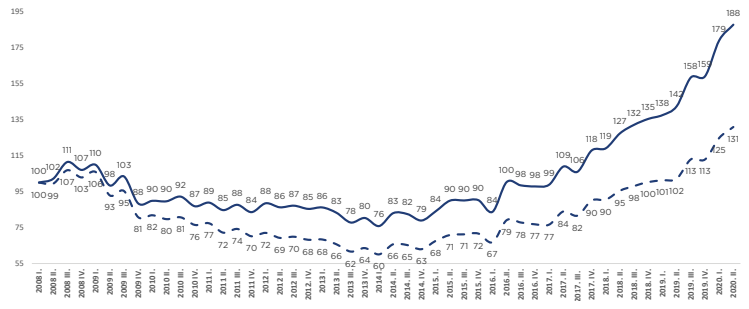
BRICK AND MORTAR PRICE INDEX, EASTERN HUNGARY



CONCRETE BLOCK PRICE INDEX, WESTERN HUNGARY



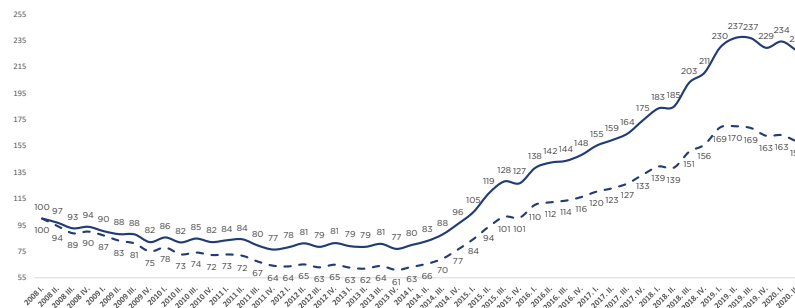
BRICK AND MORTAR PRICE INDEX, WESTERN HUNGARY



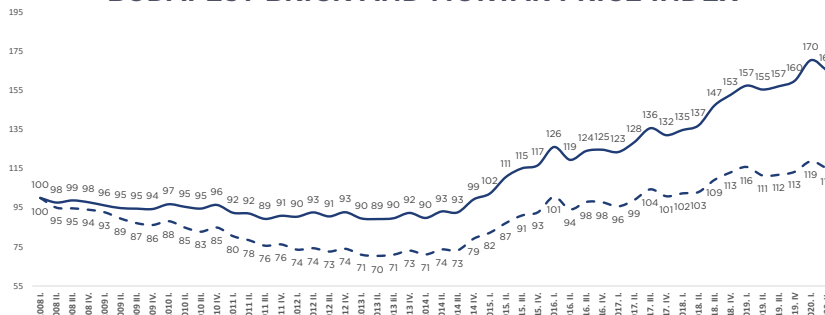
Duna House Budapest Residential Property Indices

In Budapest, both the Concrete Block and the Brick and Mortar Indices decreased compared to the previous quarter. The Brick and Mortar Index fell by 5 points to come to 160 points, while its concrete block counterpart exhibited a decrease of 7 points and is now at 227 points.

BUDAPEST CONCRETE BLOCK PRICE INDEX



BUDAPEST BRICK AND MORTAR PRICE INDEX



APARTMENT PRICE DATA

Based on the prices of properties sold in Q2 2020 the average selling price of concrete block apartments in both the Western and the Eastern part of the country decreased while that of brick and mortar apartments grew compared to the same period of 2019. For brick and mortar apartments the average sq. m. prices grew by 14% and 8% in the Eastern and in the Western part of the country, 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. Q2.	18 285 000	328 000	1%	2%	15 589 000	304 000	1%	4%
2020. Q2.	16 220 000	325 000	3%	5%	15 751 000	294 000	6%	5%

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. Q2.	18 057 000	312 000	1%	5%	17 601 000	305 000	1%	5%
2020. Q2.	19 060 000	356 000	4%	7%	18 143 000	328 000	4%	5%

As far as Budapest is concerned, concrete block apartments got 2% and 5% less expensive in Buda and Pest, respectively, compared to Q2 2019. Buyers of brick and mortar and concrete block apartments need to expect average sq. m. prices of HUF 629,000–829,000 and HUF 490,000–573,000, respectively.

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	price (HUF)	m ² price (HUF)	Change in listing price	Bargain
2019. Q2.	30 321 000	582 000	1%	2%	26 900 000	517 000	1%	4%				
2020. Q2.	30 986 000	573 000	4%	3%	25 753 000	490 000	5%	5%				

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. Q2.	58 149 000	779 000	2%	3%	32 914 000	631 000	1%	4%	50 848 000	773 000	3%	4%
2020. Q2.	54 053 000	786 000	4%	5%	31 621 000	629 000	4%	6%	47 988 000	829 000	8%	9%

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:

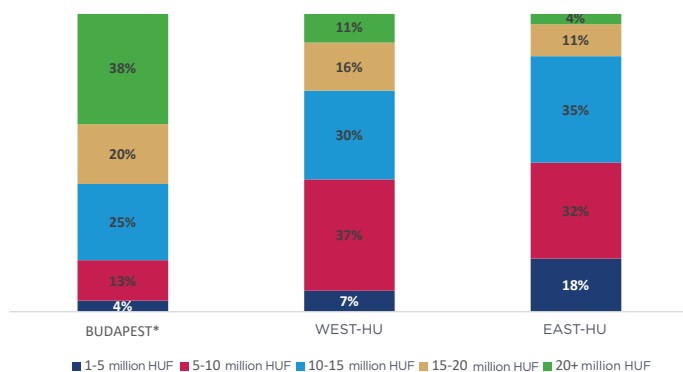
- ✓ Constructors and developers
- ✓ Project owners and investors
- ✓ Community managers
- ✓ Municipalities

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elemzes@dh.hu

MORTGAGE DATA Q2 2020

MORTGAGES BY TRANSACTION VALUE

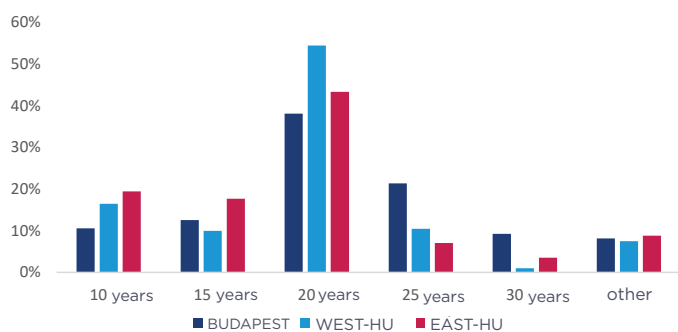


Transaction values exceeding HUF 20 million were most prevalent in the capital (38%), while mortgages of this magnitude were taken out by a mere 18% and 7% of clients in the Eastern and in the Western part of the country, respectively. In Eastern Hungary, most clients applied for a mortgage between HUF 10-15 million, while in the West transactions worth HUF 5-10 million dominated. In Budapest, mortgages exceeding HUF 20 million were still the most prevalent.

Compared to the previous quarter, average mortgage values grew in the West and decreased minimally in the East and in Budapest. In Q2 2020 the average mortgage application in Budapest was for HUF 18.4 million while in the country it ranged between HUF 9.5-11.8 million.

	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 majority of mortgage applicants opt for a term of 20 years, similarly to previous years. The share of this term in Budapest, in the West and in the East is 38%, 55% and 43%, respectively.

	BUDAPEST*				WESTERN HUNGARY				EASTERN HUNGARY			
	2019. Q3	2019. Q4	2020. Q1	2020. Q2	2019. Q3	2019. Q4	2020. Q1	2020. Q2	2019. Q3	2019. Q4	2020. Q1	2020. Q2
10-YEAR	11%	11%	10%	11%	15%	14%	14%	17%	15%	16%	14%	19%
15-YEAR	11%	9%	13%	13%	11%	11%	12%	10%	13%	13%	10%	18%
20-YEAR	40%	39%	37%	38%	52%	52%	55%	55%	49%	50%	47%	43%
25-YEAR	20%	23%	20%	21%	15%	13%	10%	11%	13%	13%	21%	7%
30-YEAR	9%	10%	10%	9%	1%	5%	2%	1%	4%	3%	3%	4%
OTHER	9%	8%	10%	8%	7%	4%	7%	8%	7%	6%	5%	9%

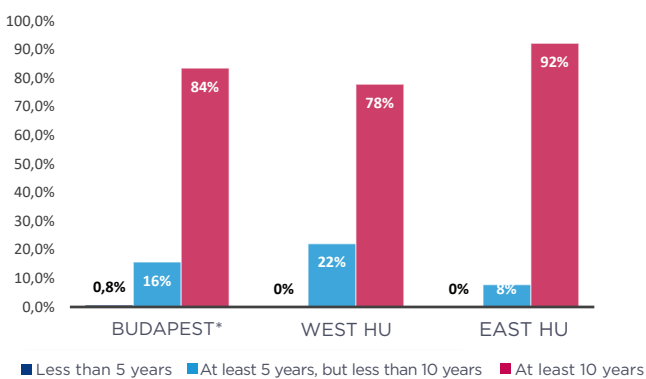
Mortgage data methodology: When analysing data we used applications mediated by Duna House Loan Center and submitted during the given quarter, based on loan volume, interest period and the term of the loan, in regional breakdown. The analysis of the family home allowance scheme "CSOK" only considered 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 Q2 2020 Loan to Value (LTV) appears to be stagnating. In Budapest it was 45% while in the rest of the country it was 46%.

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

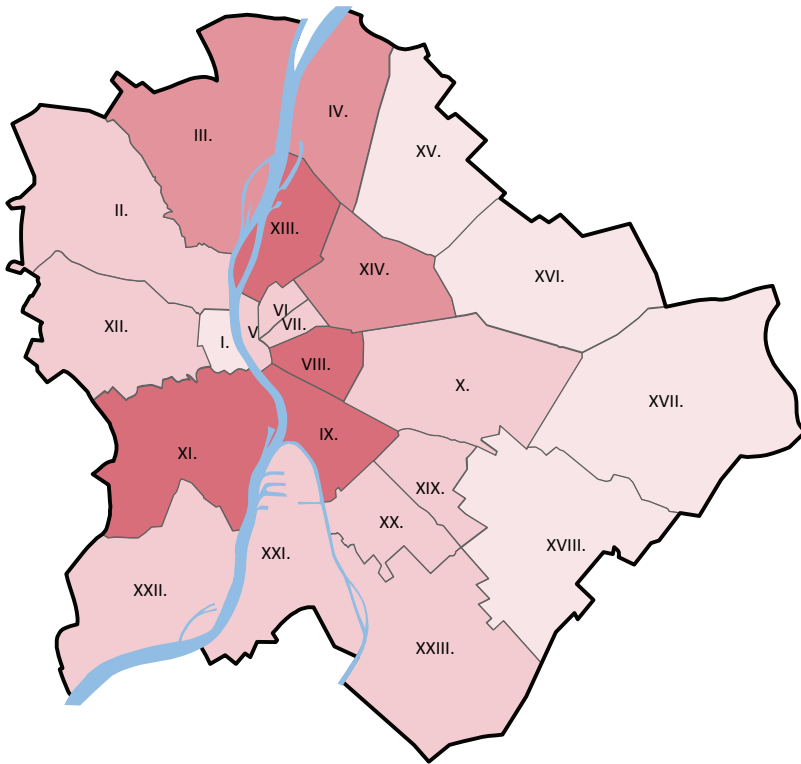
	BUDAPEST*				WESTERN HUNGARY				EASTERN HUNGARY			
	2019. Q3	2019. Q4	2020. Q1	2020. Q2	2019. Q3	2019. Q4	2020. Q1	2020. Q2	2019. Q3	2019. Q4	2020. Q1	2020. Q2
LESS THAN 5 YEARS	1%	0%	0,2%	0,8%	1%	0%	1%	0%	1%	0%	0%	0%
5 YEARS OR MORE, BUT LESS THAN 10 YEARS	17%	19%	16%	16%	22%	22%	13%	22%	15%	15%	19%	8%
AT LEAST 10 YEARS	82%	81%	84%	84%	77%	78%	86%	78%	84%	85%	81%	92%

In Western Hungary more than one-third of all loan applications were accompanied by an application for CSOK, the family home allowance, while in Budapest and in the East this figure was 15.1% and 29.2%, respectively. The national average (22.4%) was lower than in the previous quarter.

SUBMITTED CSOK APPLICATIONS IN THE RATIO OF ALL QUARTERLY LOAN TRANSACTIONS

BUDAPEST*	15,2%
WEST-HU	35,0%
EAST-HU	29,2%
TOTAL	22,4%

NEWLY BUILT DATA



Number of new build apartments in development projects currently on sale

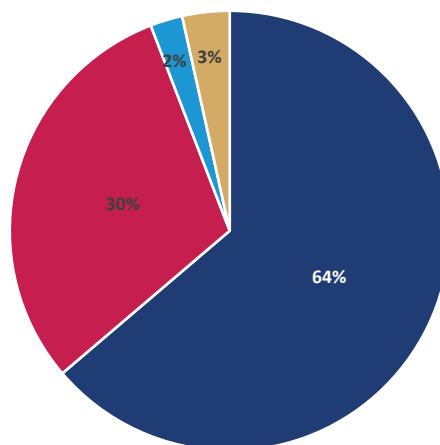


QUANTITY	DISTRICTS
above 7000	
2000-6999	VIII., IX., XI., XIII.
900-1999	III., IV., XIV.
200-899	II., V., VI., VII., X., XII., XIX., XX., XXII.
100-199	I., XV., XVI., XVII., XVIII.
under 100	XXI., XXIII.

In Q2 2020 there were no districts in Budapest where the number of newly built apartments exceeded 7000. The highest numbers (between 2000-7000) were recorded in Districts 8, 9, 11, and 13. The outer districts are still not favoured by developers, especially Districts 21 and 23 where there were less than 100 new units under construction.

Distribution of newly built apartments based on their sales phase is similar to that seen in the previous quarter. More than two-thirds of all new build apartments offered in Budapest in Q1 2020 were sold almost immediately. 2% of the apartments have been reserved and 3% are marked as "planned". 30% of newly built apartments are still available.

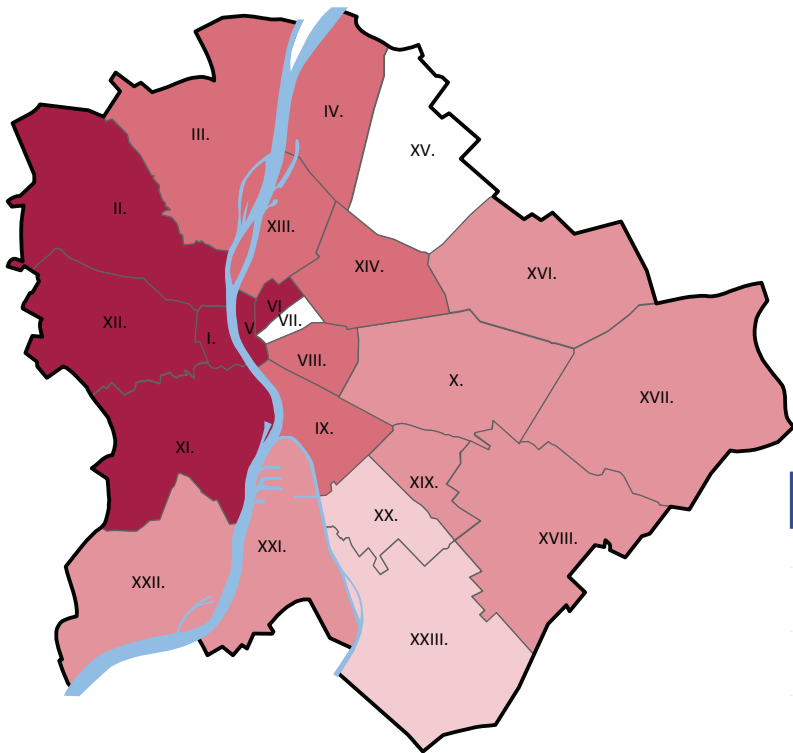
DISTRIBUTION OF NEWLY BUILT APARTMENTS BASED ON SALES PHASE IN Q1 2020



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., XI., XII.
between 700 thousand - 1 million	III., IV., VIII., IX., XIII., XIV.
between 600-700 thousand	X., XVI., XVII., XVIII., XIX., XXI., XXII.
between 500-600 thousand	XX., XXIII.
under 500 thousand	XXIV.

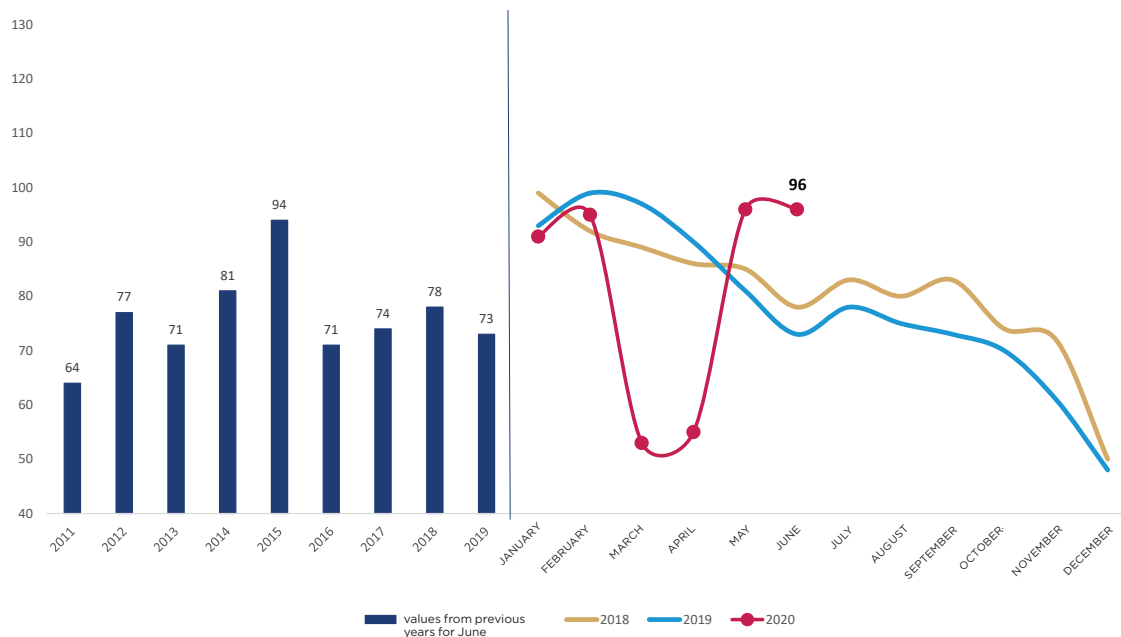
Apart from the downtown districts of Budapest the average price per sq. m. of newly built apartments exceeded HUF 1 million in Districts 1, 2 and 13. There were no districts with an average sq. m. price below HUF 500,000. The average sq. m. price of new build apartments in Budapest was HUF 951,000.

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

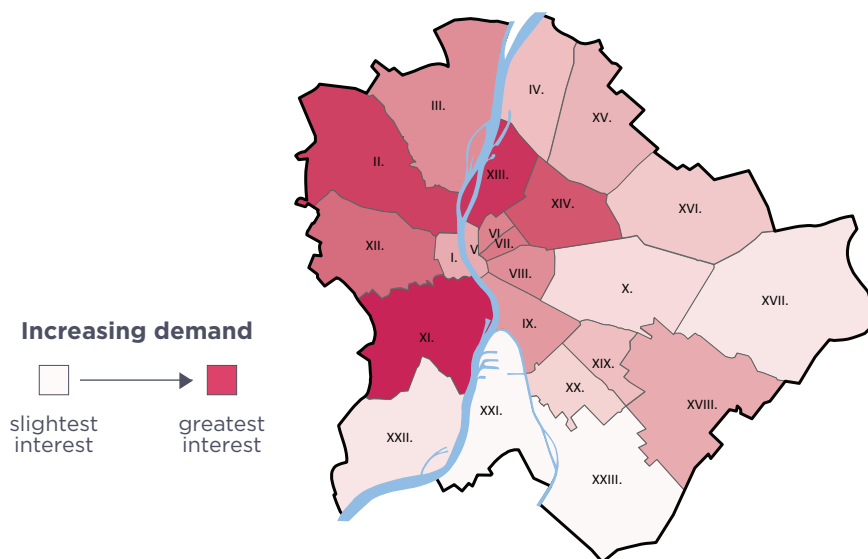
In June the Duna House Demand Index was still at a record-high 96 points, similarly to the previous month.



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

Surprisingly, this June the most popular district was District 11 which finished at fifth place last year. District 13 (Angyalföld) was second and District 2 came in third. District 14 (Angyalföld), the favourite of June 2019 slid back to the fourth place.



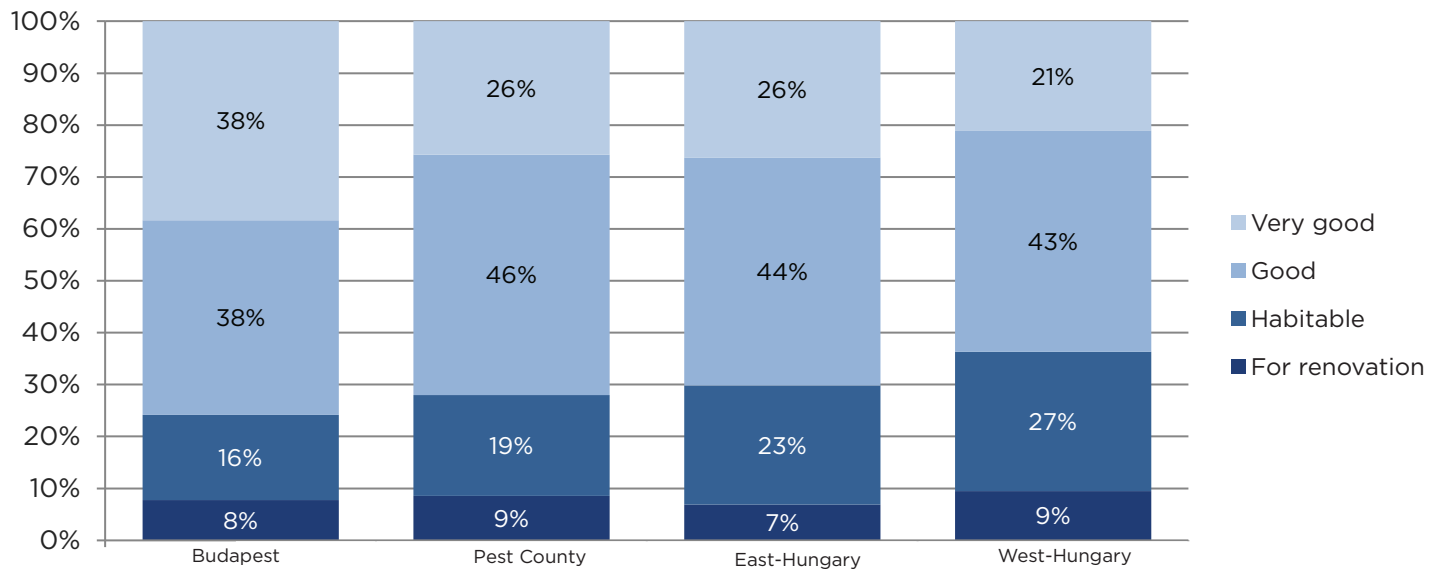
DISTRICT	2019. JUNE	2020. JUNE
Budapest I.	7,0%	8,5%
Budapest II.	12,0%	15,9%
Budapest III.	10,5%	10,8%
Budapest IV.	5,9%	7,5%
Budapest V.	8,8%	8,4%
Budapest VI.	13,4%	11,8%
Budapest VII.	13,6%	12,4%
Budapest VIII.	12,4%	10,6%
Budapest IX.	11,0%	10,4%
Budapest X.	6,3%	4,8%
Budapest XI.	13,3%	17,0%
Budapest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

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 both “good” and in “very good” condition was 38%. In the rest of Hungary, homes in “good” condition were the clear favourites with almost 50% of buyers opting for this category. The share of properties in need of renovation varied between 7% and 9%.



TURNOVER SPEED (TIME NEEDED TO SELL)

Turnover speed has increased in the entire country compared to the same period last year. Selling a concrete block apartment takes about 3 months, while a brick and mortar unit sells in 4 months on average – with the exception of downtown Budapest, where average time needed to sell grew to 160 days.

CONCRETE BLOCK				
Time need of sale/day				
	East	West	Buda	Pest
June 2019	61	74	62	65
June 2020	89	104	107	90

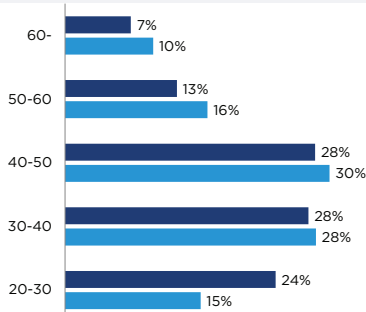
BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
June 2019	77	89	94	91	117
June 2020	110	129	118	118	160

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

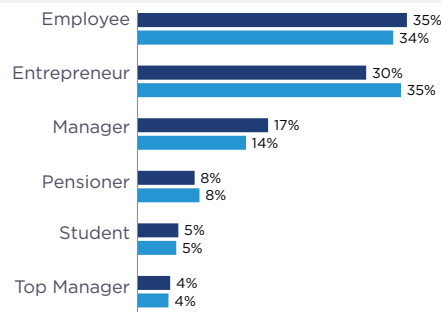
In Budapest, the share of buyers with an investment motivation decreased by 7 percentage points compared to the same period last year, but they were still the biggest group with a share of 33%. The average value of apartments bought as an investment exceeded HUF 34 million. The share of first-time buyers increased compared to Q2 2019 and reached 27%. Buyers' age distribution was varied, but the biggest group were those between 30-40 and 40-50 years of age.

BUYERS' AGE IN BUDAPEST



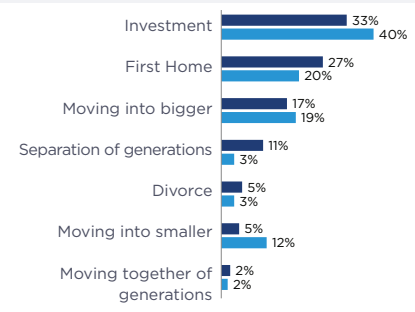
AGE	AVERAGE PRICE	m ²
20-30	30 506 000	52
30-40	37 998 000	69
40-50	36 346 000	58
50-60	37 992 000	55
60-	53 560 000	67

BUYERS' STATUS IN BUDAPEST



STATUS	AVERAGE PRICE	m ²
Employee	29 761 000	55
Top Manager	35 323 000	81
Manager	41 157 000	55
Pensioner	54 229 000	75
Student	25 800 000	36
Entrepreneur	47 308 000	76

MOTIVATION IN BUDAPEST

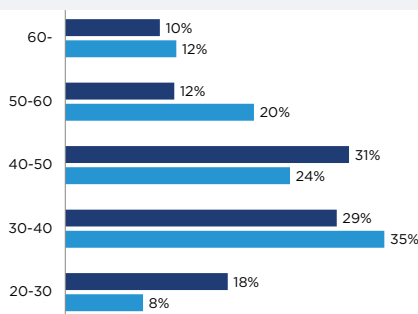


SITUATION	AVERAGE PRICE	m ²
Investment	34 536 000	52
First Home	33 121 000	58
Separation of generations	35 872 000	51
Moving together of generations	34 334 000	65
Moving into smaller	36 900 000	51
Moving into bigger	56 778 000	93
Divorce	26 000 000	44

BUYER PROFILE IN THE COUNTRY

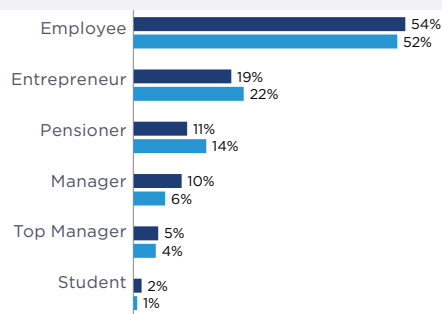
The age distribution of buyers in the country is similar to that in the capital. In June more than half of all buyers were employees. The main motivation was moving into a larger home (28%), but the share of those buying their first home and making an investment exceeded 20%, too.

BUYERS' AGE IN THE COUNTRY



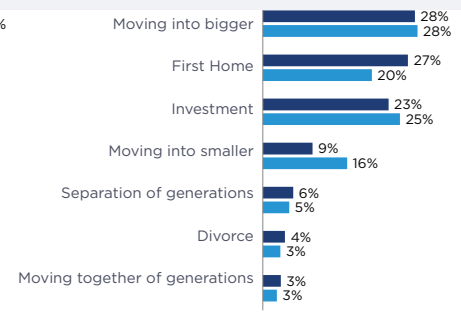
AGE	AVERAGE PRICE	m ²
20-30	21 257 000	83
30-40	23 766 000	96
40-50	24 253 000	90
50-60	20 246 000	91
60-	22 239 000	69

BUYERS' STATUS IN THE COUNTRY



STATUS	AVERAGE PRICE	m ²
Employee	19 446 000	83
Top Manager	40 304 000	108
Manager	29 957 000	101
Pensioner	22 463 000	80
Student	18 425 000	58
Entrepreneur	25 783 000	100

MOTIVATION IN THE COUNTRY

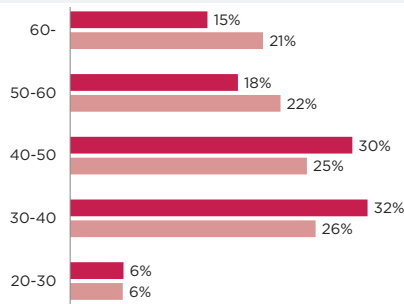


SITUATION	AVERAGE PRICE	m ²
Investment	18 011 000	63
First Home	20 107 000	84
Separation of generations	18 646 000	62
Moving together of generations	25 839 000	109
Moving into smaller	19 103 000	66
Moving into bigger	32 648 000	122
Divorce	13 679 000	62

SELLER PROFILE BUDAPEST

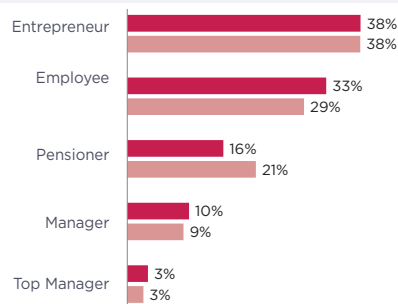
The share of older buyers decreased compared to the same period of 2019: almost 70% of all sellers in Budapest were younger than 50 years. Sellers were predominantly self-employed or employees. The share of those moving into a larger apartment decreased compared to last June, but they still gave almost 50% of sellers. Those moving into a larger home earned HUF 37.2 million on average by selling their property.

SELLERS' AGE BUDAPEST



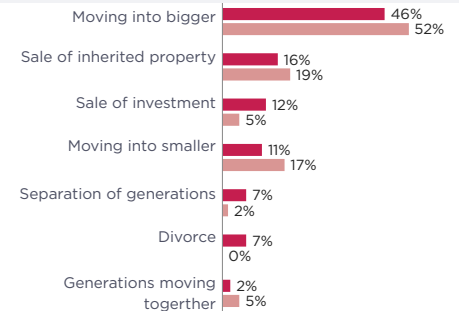
AGE	AVERAGE PRICE	m ²
20-30	36 143 000	56
30-40	33 848 000	56
40-50	36 678 000	62
50-60	41 935 000	71
60-	32 675 000	65

SELLERS' STATUS BUDAPEST



STATUS	AVERAGE PRICE	m ²
Employee	34 285 000	61
Top Manager	45 567 000	67
Manager	36 112 000	58
Pensioner	33 314 000	60
Entrepreneur	39 530 000	59

MOTIVATION BUDAPEST

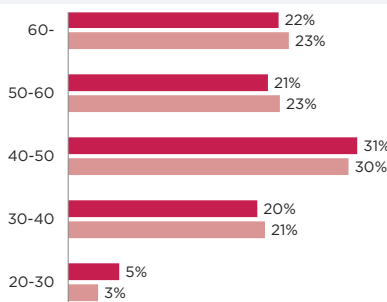


SITUATION	AVERAGE PRICE	m ²
Sale of investment	29 104 000	41
Separation of generations	27 884 000	58
Moving together of generations	29 250 000	44
Moving into smaller	64 960 000	124
Moving into bigger	37 214 000	57
Sale of inherited property	29 122 000	53
Divorce	32 159 000	71

SELLER PROFILE IN THE COUNTRY

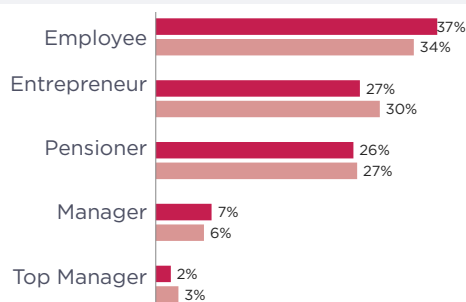
The age distribution of sellers in the country was rather varied. Sellers between 40-50 years of age dominated this segment with a share of 31%. The most frequent motivations were selling an inherited property and moving into a larger or smaller home. Those moving into a larger home earned HUF 18 million on average by selling their property.

SELLERS' AGE IN THE COUNTRY



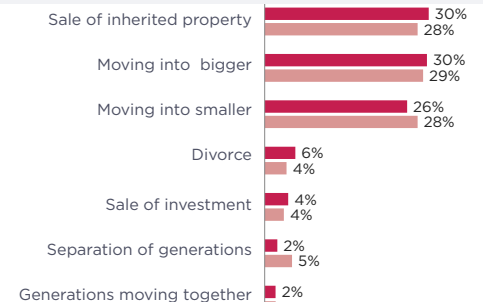
AGE	AVERAGE PRICE	m ²
20-30	17 942 000	86
30-40	22 830 000	87
40-50	23 697 000	85
50-60	25 151 000	95
60-	18 993 000	91

SELLERS' STATUS IN THE COUNTRY



STATUS	AVERAGE PRICE	m ²
Employee	18 691 000	85
Top Manager	44 636 000	122
Manager	26 313 000	97
Pensioner	17 821 000	88
Entrepreneur	29 687 000	96

MOTIVATION IN THE COUNTRY



SITUATION	AVERAGE PRICE	m ²
Sale of investment	24 196 000	62
Separation of generations	28 422 000	139
Moving together of generations	27 915 000	74
Moving into smaller	27 735 000	119
Moving into bigger	18 014 000	64
Sale of inherited property	17 268 000	86
Divorce	21 986 000	125



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