

DUNA HOUSE BAROMETER

The latest property market info
from Duna House network

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DHS
BÉT
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MARKET**

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FORTHCOMING ISSUES

Date of issue

Content

12.03.2021

February 2021 data

12.04.2021

Q1 2021 data (including price indices and housing loan data)

12.05.2021

April 2021 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

FIRST-TIME HOME BUYERS ON THE RISE IN BUDAPEST

The Hungarian residential property market started the new year with active demand, a brisk turnover and tendencies that lived up to our expectations. Transaction figures and the number of potential buyers are both at a five-year high according to Duna House figures. In January 2021, the demand index closed at a record 102 points and more than 11,000 residential properties found a new owner.

First-time home buyers have always been a resilient, visible segment of the property market and, owing to the state subsidies currently available they are present at constantly increasing numbers. This is supported by our monthly figures that show that their share among buyer has increased by 10 percentage points to 31% compared to January 2020.

This January in Budapest first-time home buyers opted for properties with an average floor space and price of 60 sq. m. and HUF 37.5 million, respectively. In the country, the properties acquired were larger and more affordable at 74 sq. m. and HUF 22.5 million. Employees were the biggest segment of sellers and buyers both in Budapest and in the country.

It is interesting to note that in Western Hungary there was a high demand for properties in need of renovation or in a “habitable” condition with a combined share of 40%.

Further information

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3 INTERESTING FACTS:

In Buda, 29% of all sales transactions were concluded at sq. m. prices exceeding HUF 900,000.

The Duna House Demand Index is at 102 points, indicating a strong demand and an active market.

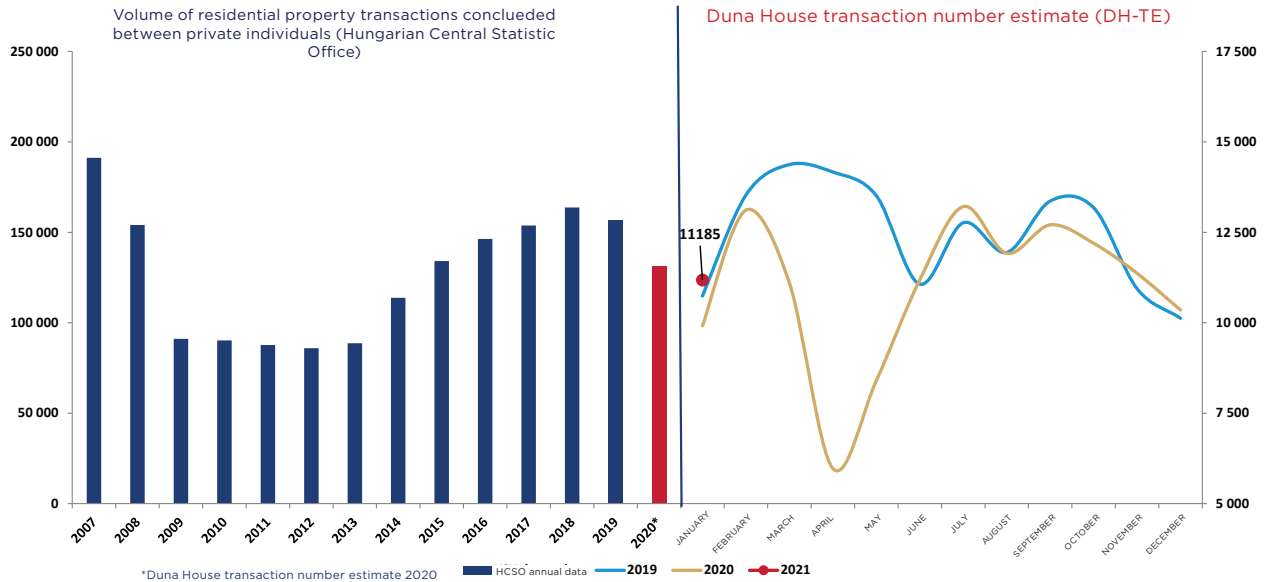
In the capital, average time needed to sell exceeded six months.



TRANSACTION DATA

Duna House Transaction Number Estimate (DH-TE)

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in January 2021 11,185 property transactions were concluded and residential mortgage contracts worth HUF 73-75 billion were signed in the whole of Hungary.



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
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	13 215	11 923	12 708	12 200	11 369	10 354
2021	11 185											

The Hungarian residential property market started the new year with the strongest January figures of the past five years. The 11,185 transactions estimated by Duna House tells the story of a 13% stronger turnover than in January 2020. The increase in demand had made itself felt in the data recorded by the property agency right in the first weeks of the new year, and part of it resulted in actual sales transactions comparatively quickly, already in January – probably on account of the expectations that had built up at the end of 2020. In view of the government home subsidies introduced recently, Duna House experts continue to expect a brisk residential property market that is well positioned to close the year with 130-150, 000 transactions, slightly more than in the previous year.

As far as the property mortgage market is concerned, Duna House Finances estimates a volume of HUF 73-75 billion, which may be HUF 5 billion less than the figure recorded in January 2020 (HUF 80 billion), but is still a significant increase of 17% compared to the same period of 2019 (HUF 63 billion). The number of inquiries addressed to financial agencies in respect of available government home subsidies also reflects a very active January market. Finances this year’s mortgage volume reached HUF 836.2 billion.

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!

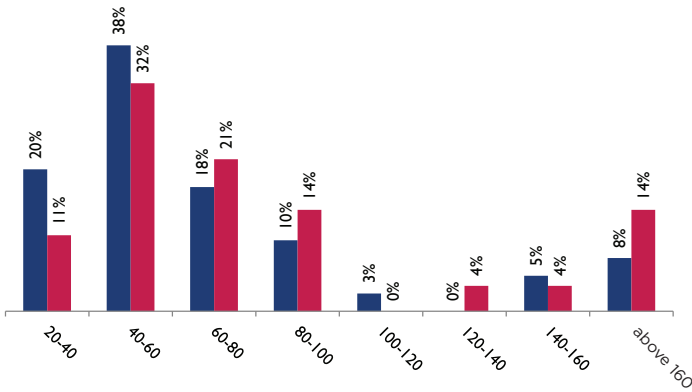
TRANSACTION PARAMETERS IN BUDAPEST

In the past year the popularity of apartments with a floor space of less than 60 sq. m. decreased, the share of transactions in this size category fell from 58% to 43%. At the same time, the share of homes larger than 160 sq. m. grew by 6 percentage points and were responsible for 14% of all transactions in Buda. In Pest, buyers were after smaller properties than at the same time last year: 68% of all transactions involved homes smaller than 60 sq. m.

In Buda, 29% of transactions were concluded at sq. m. prices exceeding HUF 900,000 and the share of this category grew by 14 percentage points compared to the same period last year. There was a similar increase for properties in the HUF 500,000-600,000 per sq. m. price range. In Pest, the market was markedly more balanced, still properties between HUF 25-30 million overshadowed all other categories as their share grew from 17% to 32%. There was a similar increase on the Buda bank of the Danube: demand for properties worth more than HUF 70 million grew by 14 percentage points compared to January 2020. At the same time the share of properties in the sub-25 million HUF category shrank from 18% in 2020 to 8% this year.

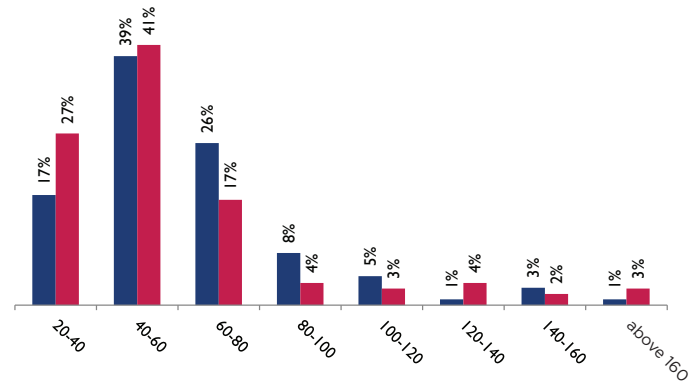
BUDA

Size (m²)

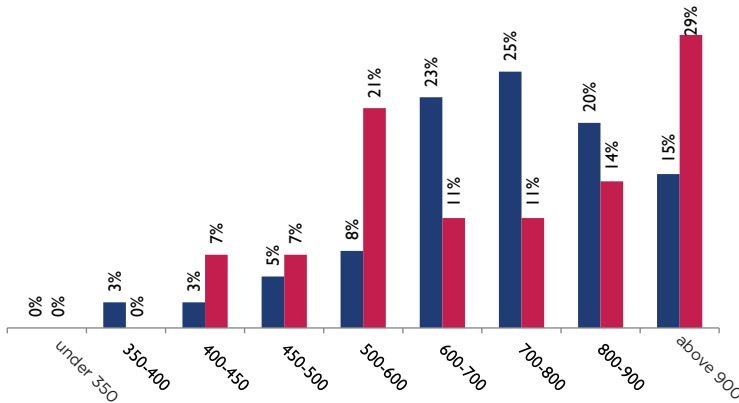


PEST

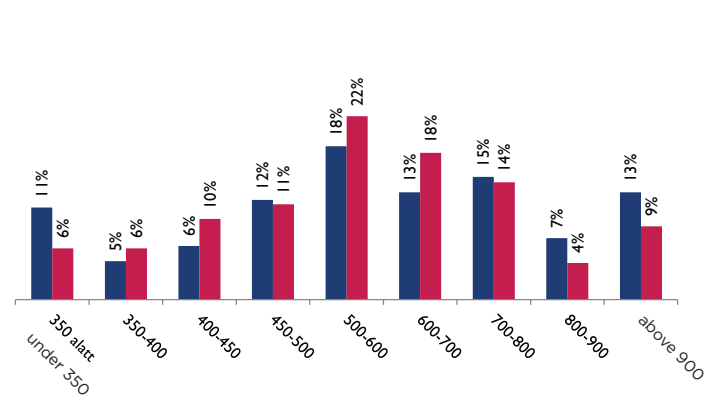
Size (m²)



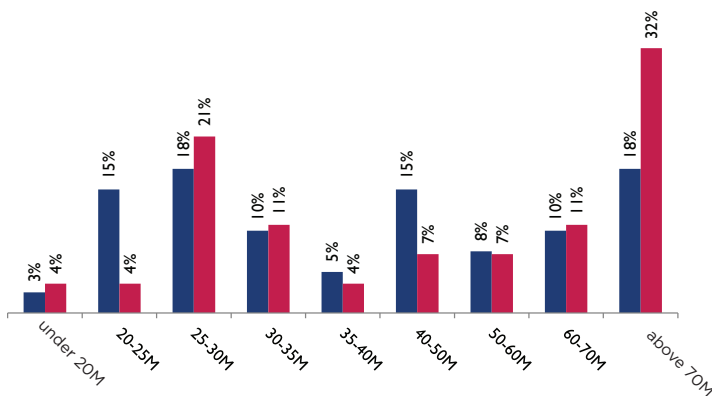
m² price (HUF thousand)



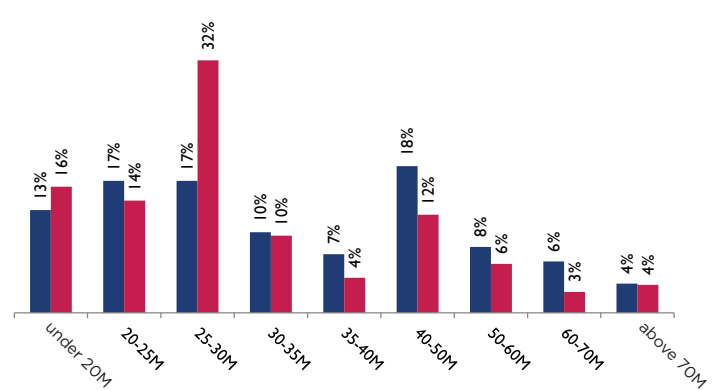
m² price (HUF thousand)



Price (HUF Million)



Price (HUF Million)



■ January 2020
■ January 2021

Based on properties sold by Duna House Franchise Network.

TRANSACTION PARAMETERS REGIONALLY

In the country, this January 70% of buyers opted for properties between 40-100 sq. m. 41% of homes in the country changed their owners at prices below HUF 250,000 per sq. m. Demand for the HUF 10-15 million category decreased by 6 percentage points compared to the same period of 2020.

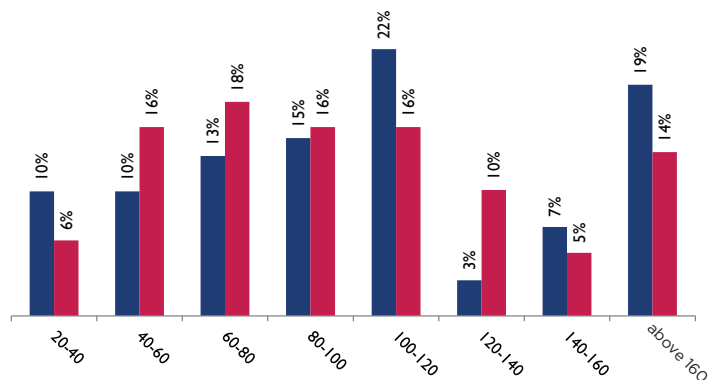
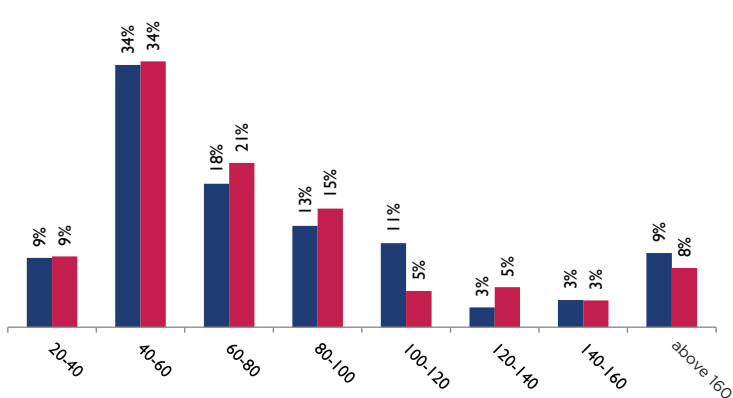
In County Pest, the popularity of properties sold in the HUF 250,000 or less category saw a sharp decrease: their share was a mere 16% compared to 35% last year. The popularity of homes in the HUF 350,000-600,000 category grew, these made up 59% of all sales transactions. As far as prices are concerned, homes worth more than HUF 40 million are still the most popular: their share grew by a further 12 percentage points compared to January 2020.

COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

PEST COUNTY

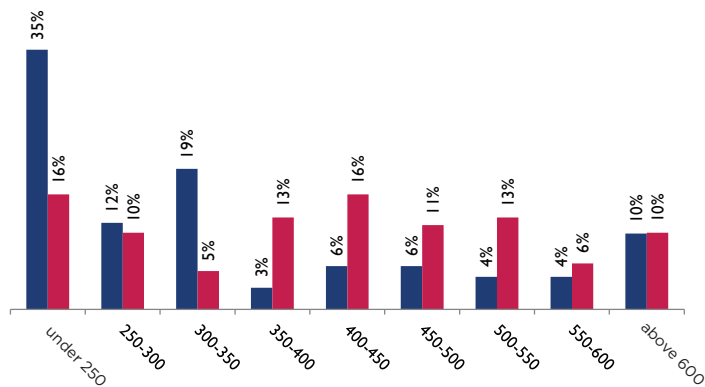
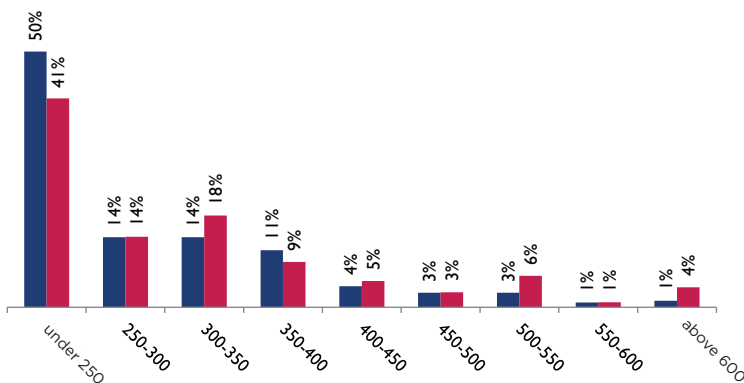
Size (m²)

Size (m²)



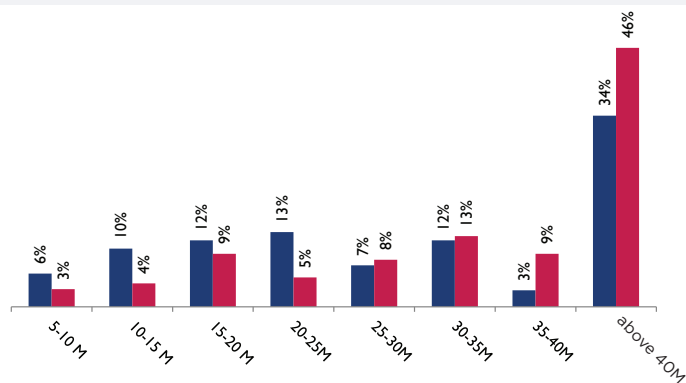
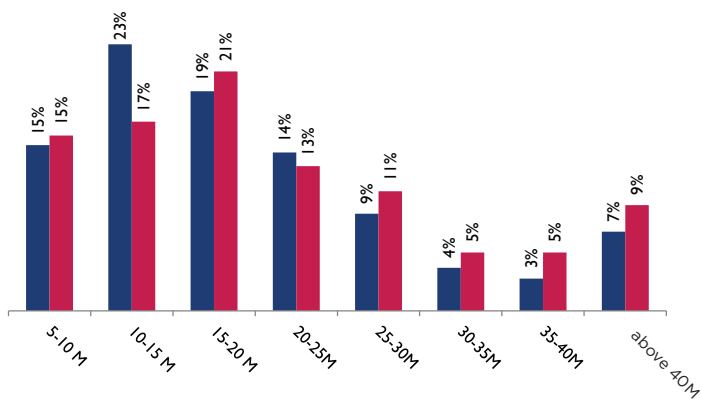
m² price (HUF thousand)

m² price (HUF thousand)



Price (HUF Million)

Price (HUF Million)



■ January 2020
■ January 2021

Based on properties sold by Duna House Franchise Network.

PRICES - RESIDENTIAL FLAT DATA

The average sq. m. price of concrete block apartments sold in January grew by 4% and 11% in the Eastern and Western parts of the country, respectively. As far as brick and mortar apartments are concerned, the sq. m. prices stagnated in the East and grew by 19% in the West.

PANEL COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
January 2020.	17 198 000	318 000	5%	4%	15 698 000	287 000	4%	4%
January 2021.	17 463 000	332 000	3%	5%	17 152 000	320 000	2%	4%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
January 2020.	19 107 000	348 000	5%	5%	17 639 000	334 000	2%	4%
January 2021.	23 334 000	413 000	3%	3%	17 705 000	334 000	2%	5%

The average sq. m. price of concrete block homes sold in January decreased by 10% in Buda and grew by 8% in Pest compared to the same period of last year. The sales price of pre-owned brick and mortar apartments stagnated in Pest and in Downtown Budapest and grew by 8% in Buda compared to January 2020. The strength of buyers' position in the whole of Budapest is reflected in the fact that properties sold at prices 10%-13% lower than the initial asking price.

PANEL BUDAPEST								
	BUDA				PEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
January 2020.	32 479 000	625 000	2%	4%	26 181 000	475 000	4%	4%
January 2021.	29 834 000	562 000	6%	1%	26 730 000	512 000	6%	4%

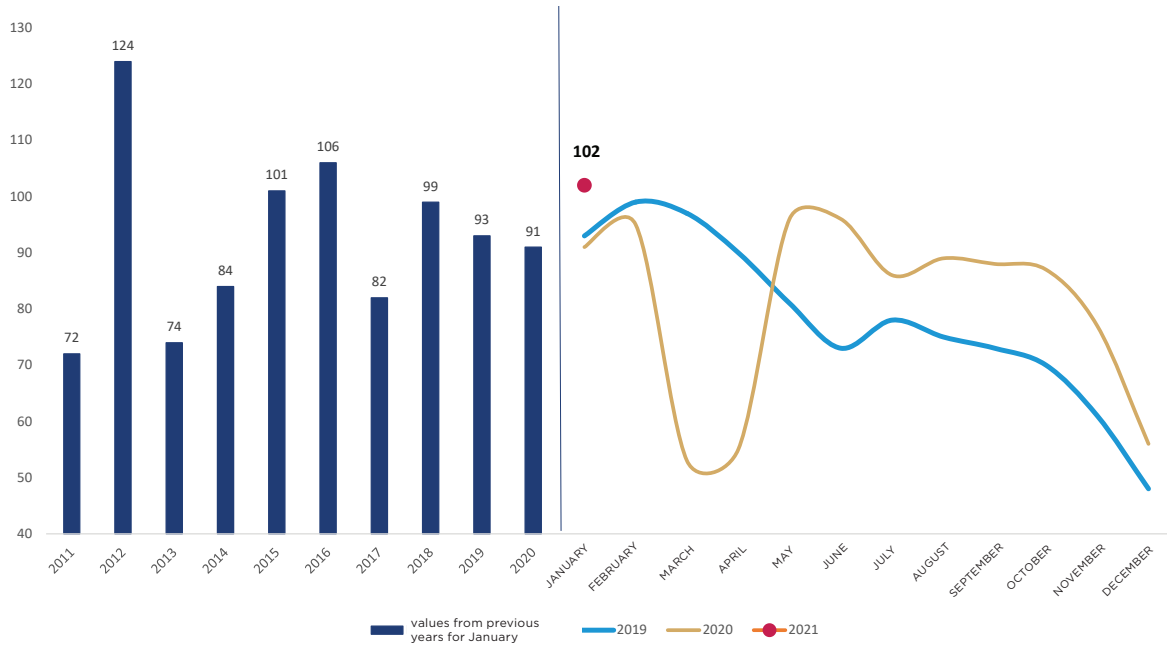
BRICK BUDAPEST												
	BUDA				PEST				INNER CITY			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
January 2020.	62 654 000	827 000	6%	4%	32 600 000	620 000	6%	4%	50 771 000	819 000	7%	3%
January 2021.	69 327 000	895 000	7%	4%	30 411 000	623 000	5%	5%	36 208 000	812 000	7%	6%

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

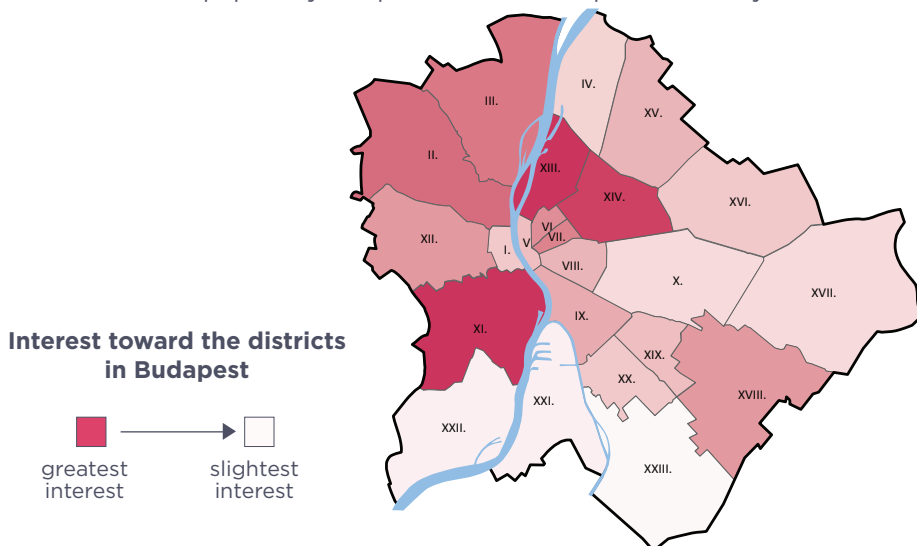
The Duna House Demand Index is currently at 102 points, significantly higher than in the previous month. This indicates a continued strong demand and a keen property market activity in the entire country.



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

The winner of the popularity contest in Budapest districts was District 13, followed by Districts 11 and 14. The districts of Downtown Budapest all lost some of their popularity compared to the same period of last year.



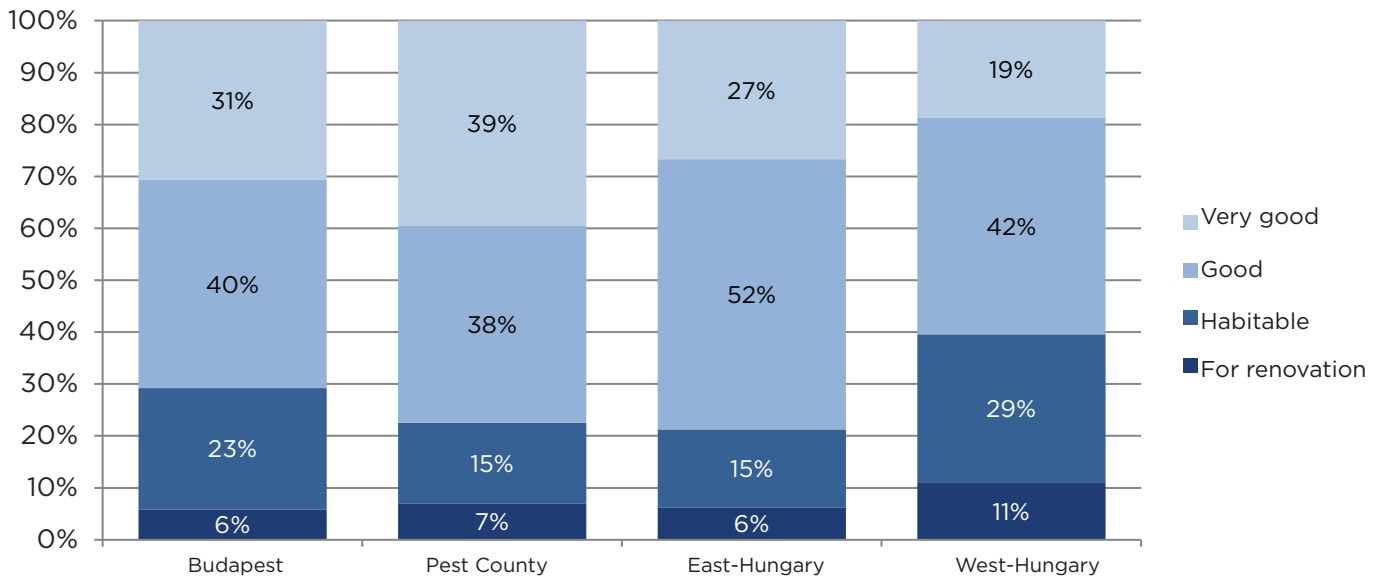
DISTRICT	JANUARY 2020.	JANUARY 2021.
Budapest 01.	9,6%	6,8%
Budapest 02.	15,2%	13,4%
Budapest 03.	11,4%	12,1%
Budapest 04.	6,9%	6,2%
Budapest 05.	9,3%	7,3%
Budapest 06.	12,8%	10,6%
Budapest 07.	14,1%	11,7%
Budapest 08.	10,8%	8,2%
Budapest 09.	12,3%	8,8%
Budapest 10.	4,8%	5,2%
Budapest 11.	15,9%	16,3%
Budapest 12.	15,4%	9,9%
Budapest 13.	18,7%	16,9%
Budapest 14.	15,7%	16,0%
Budapest 15.	6,8%	7,9%
Budapest 16.	8,0%	6,9%
Budapest 17.	6,0%	5,3%
Budapest 18.	7,1%	10,3%
Budapest 19.	5,6%	7,2%
Budapest 20.	6,1%	6,7%
Budapest 21.	4,5%	4,0%
Budapest 22.	3,6%	4,1%
Budapest 23.	1,9%	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

The majority of buyers still prefer properties in a “good” or “very good” condition with a share between 60%-79% in January. Demand for properties in need of renovation or just “habitable” was high in Western Hungary, the combined share of these segments reached 40%.



TIME NEED OF SALE

Turnover tendency still tells a tale of a slowing market which means the average time needed to sell a property got longer in all regions of the country. In January sellers needed to wait at least 106 days for a successful sales transaction while in the same period last year properties sold in 2-2.5 months maximum. Concrete block apartments sold a little faster, within 3.5-5 months, while selling their brick and mortar counterparts took 4–6.5 months on average.

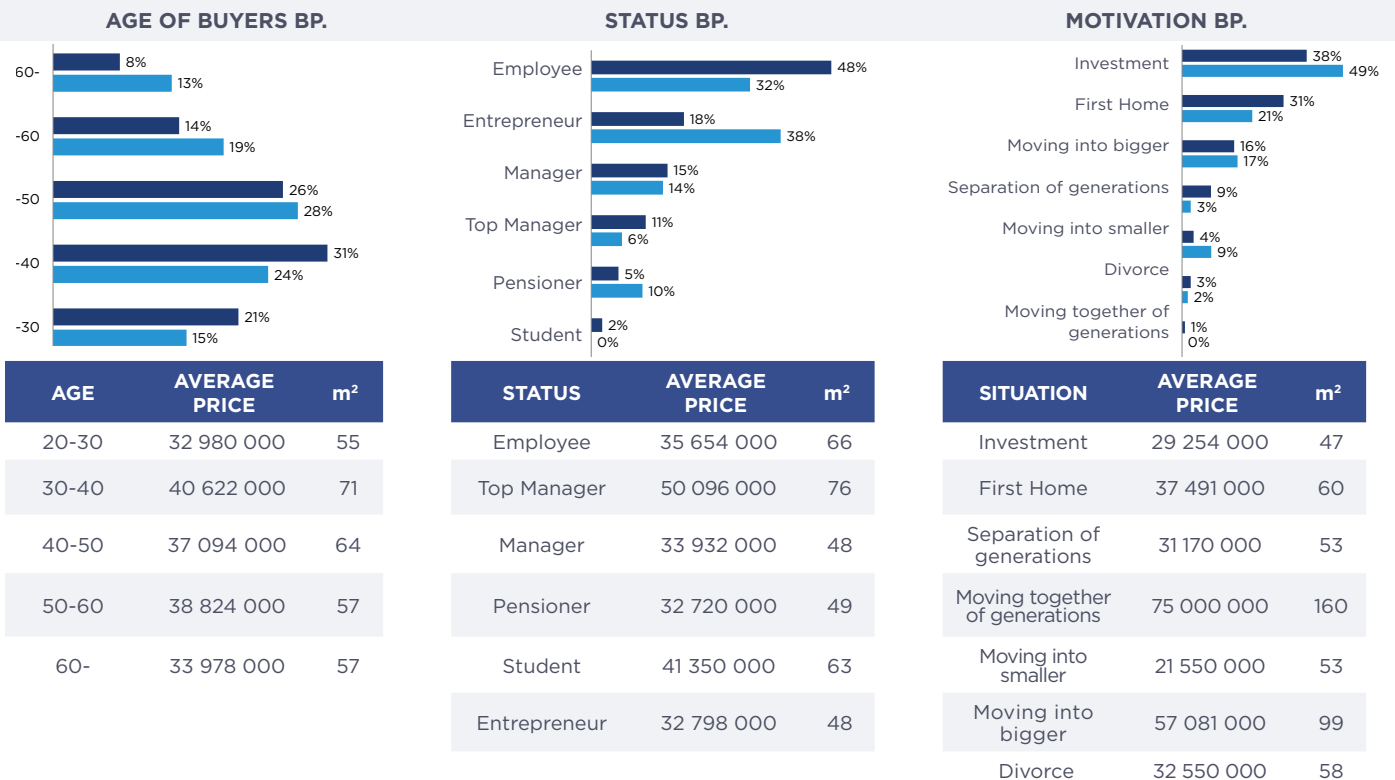
PANEL				
Time need of sale/day				
	East	West	Buda	Pest
January 2020.	68	74	107	79
January 2021.	117	115	106	143

BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
January 2020.	91	111	114	136	123
January 2021.	124	150	128	139	196

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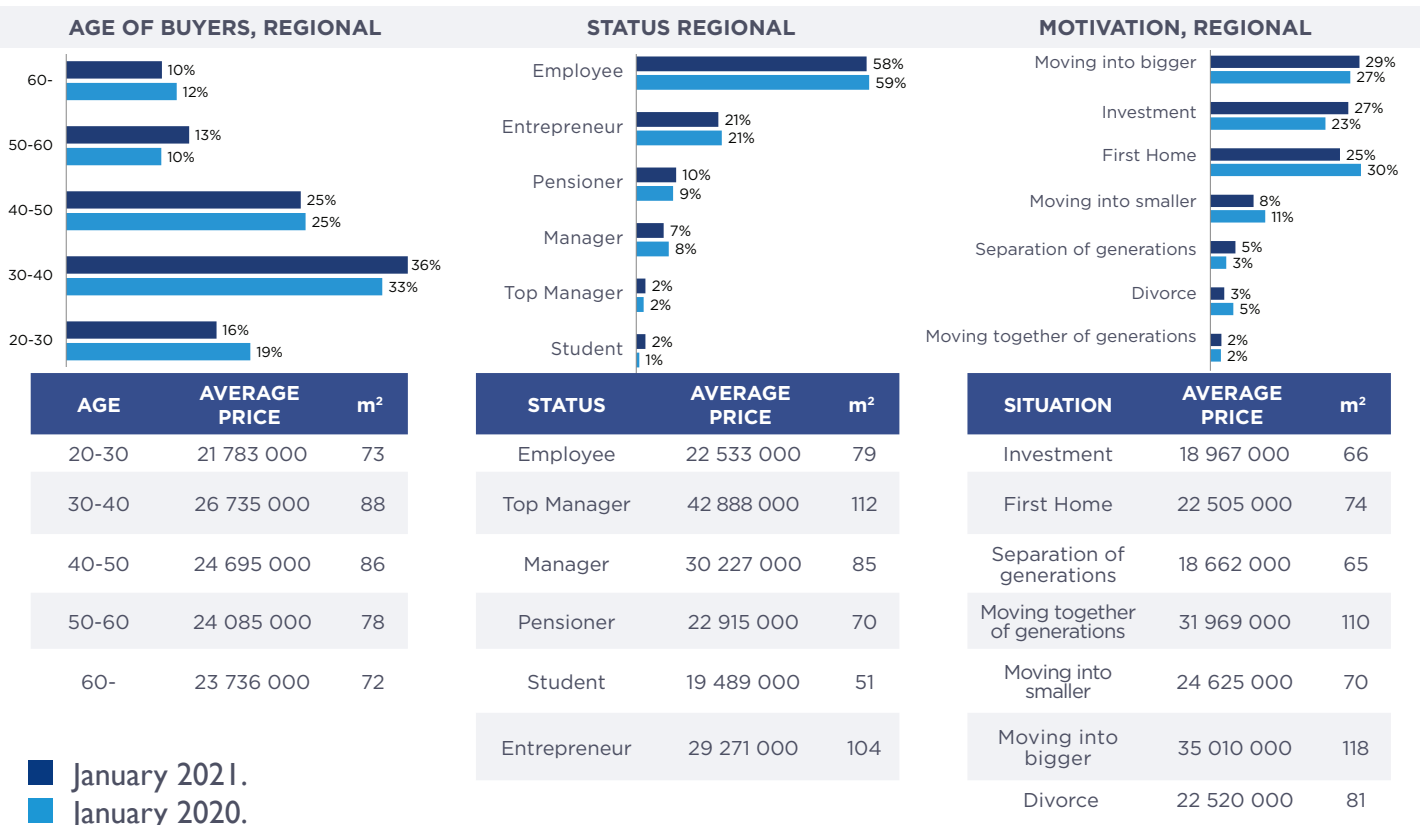
BUYER'S PROFILE BUDAPEST

This January the percentage of buyers between 20-30 and 30-40 years of age grew with a combined share of 52% of all buyers. 48% and 18% of buyers in Budapest were employees and self-employed, respectively. The percentages a year ago were just the opposite. The share of purchase transactions motivated by investment goals fell to 38% from 49% in January 2020. This category was followed by first-time home buyers with a share of 31%.



BUYER'S PROFILE ON REGIONAL LEVEL

In the country, the age distribution of buyers was similar to that recorded in January 2020. Similarly to the capital, the majority of buyers were employees in the country, too, with a share of 58%. The main motivation to buy was moving into a larger home (29%), closely followed by those buying as an investment and those acquiring their first home.

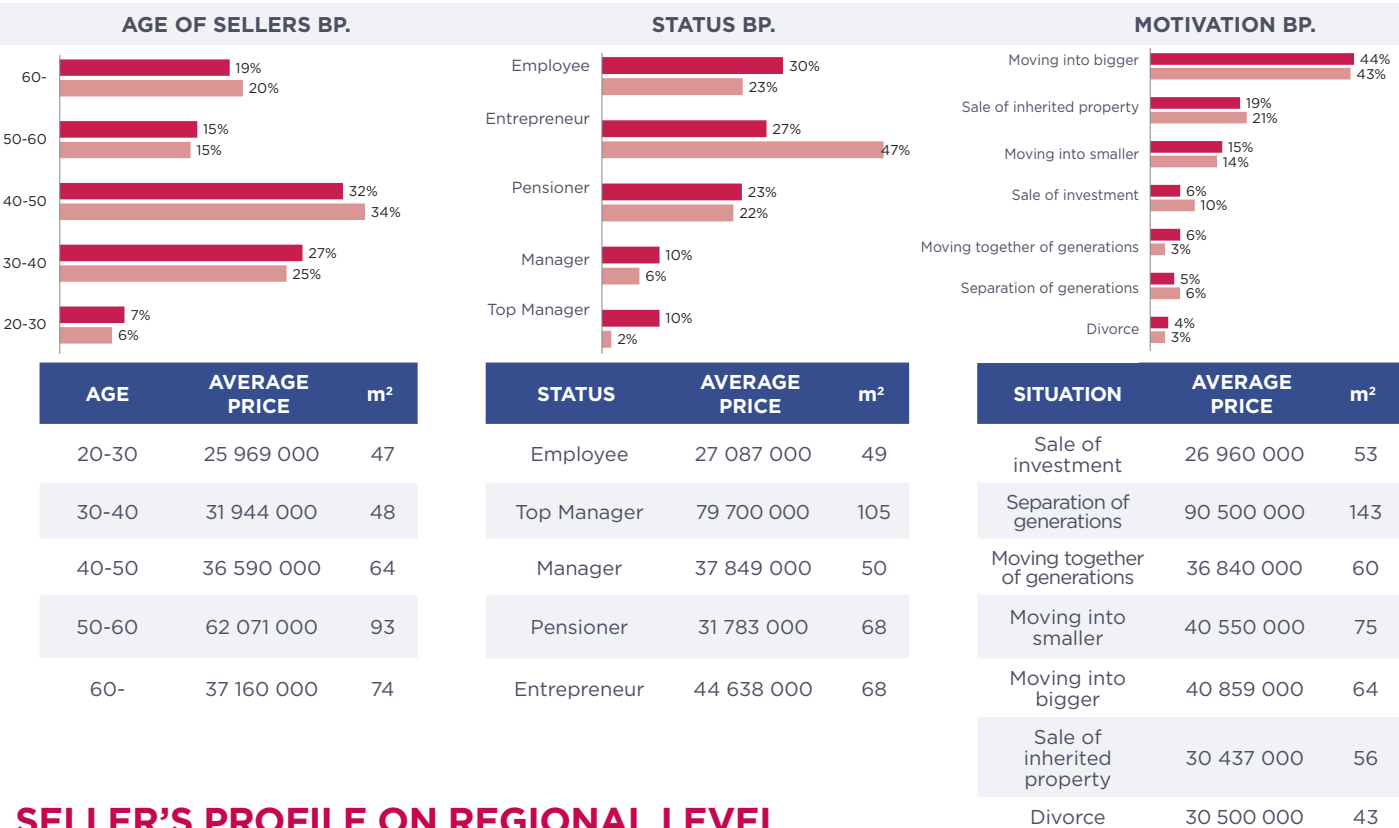


■ January 2021.
■ January 2020.

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.

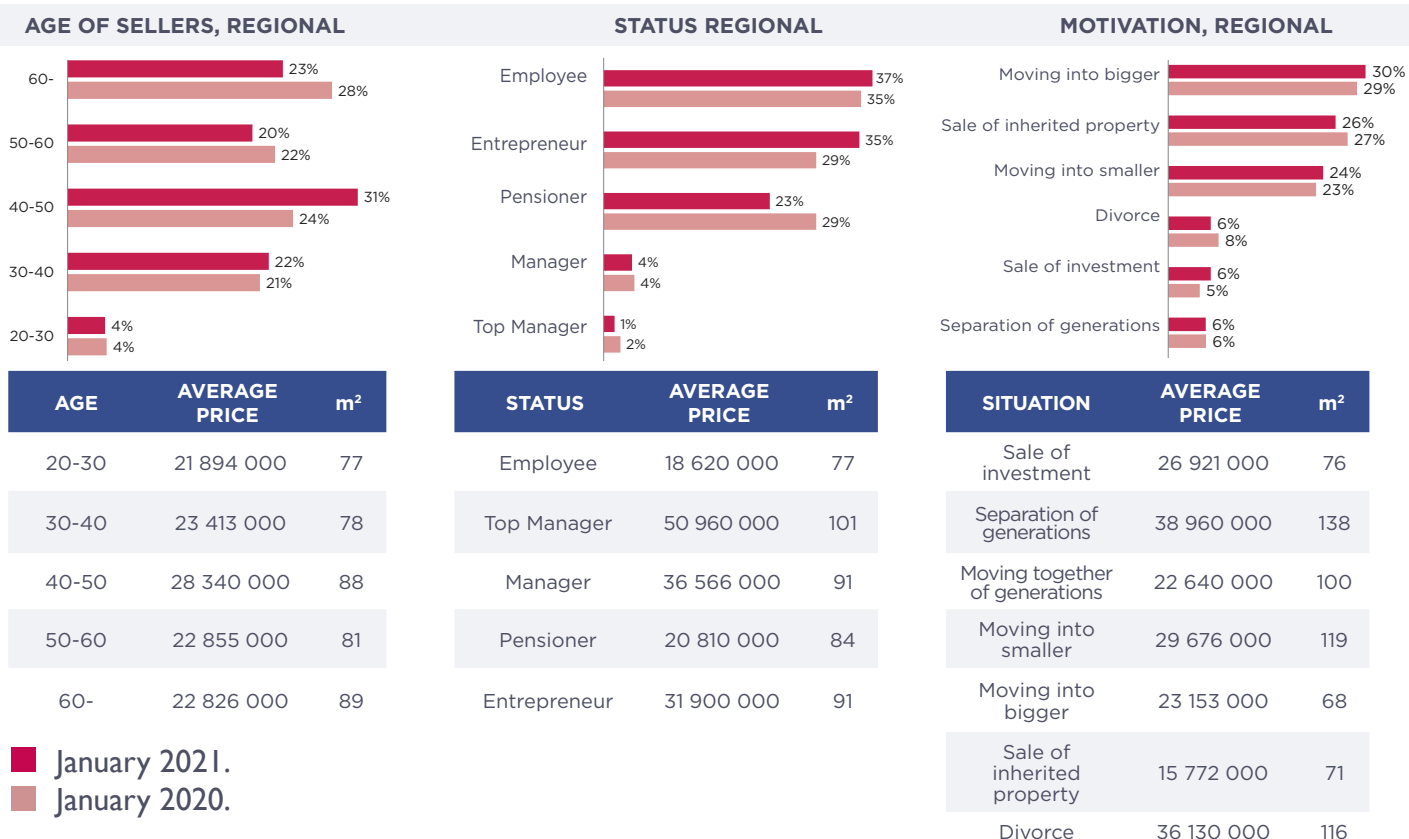
SELLER'S PROFILE BUDAPEST

As usual, the age distribution of sellers is a mixed bag. This January 59% of sellers in Budapest were between 30-50 years of age. In contrast to January 2020 the biggest seller group were not self-employed but employees. The share of top managers also grew significantly from 2% to 10%. They were selling their homes with an average size of 105 sq. m. and cashed HUF 79.7 million on average. The main motivation to sell was still moving into a larger property with a share of 44% of all sales transactions.



SELLER'S PROFILE ON REGIONAL LEVEL

Seller profile in the country was similar to that seen a year ago. The majority of sellers were employees here, too. The main motivation to sell with a share of 30% was moving into a larger home followed by selling an inherited property and moving into a smaller home.



■ January 2021.
■ January 2020.



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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