

# DUNA HOUSE BAROMETER

The latest property market info  
from Duna House network

95. issue

2019. MAY



**DHS**  
**BÉT**

**PRIME  
MARKET**

Listed on the Prime Market of  
the Budapest Stock Exchange

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## FORTHCOMING ISSUES

Date of issue	Content
July 12, 2019.	2019. Q2 data (including price indexes and housing loan data)
August 12, 2019.	2019 July data
September 12, 2019.	2019 August 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

Following a very intensive year start, in line with seasonality we see a lower activity on the property market in May - with no signs of slowdown in rising prices. Average m2 price of panel flats outside the capital has increased by 45-52%, with brick properties also presenting over 20% price increase in comparison with the previous year. In Budapest, average price increase was 21-28%, depending on the type of property and location. Duna House measured a price increase under 10% only in the Inner City.

We see two major groups of property buyers in Budapest, as the proportion of both top quality and lowest quality category buyers is the highest here in the country. The former group spend more on the acquisition of the property, but spare the time and energy of renovation. Those belonging in the latter group either have less to spend on a home, or are investors with efficient resources for renovation who return a nicely prepared property on the market expecting a significantly higher price in return.

As far as popular locations are concerned, outer districts are still off the map, despite more favorable prices. District 13. remains the most popular, with Zugló and district 2. also attracting many.

Expansion of the property market is even more impressive outside the capital. In eastern counties, the average m2 price of panel flats has increased by 46% in one year, while in the western parts the increase was higher, presenting 52%. Price of brick properties also shows an impressive growth exceeding 20%, namely 26% in the east and 25% in the west.

### *Further information*

**Károly Benedikt** • Head of PR and analysis

+36 30 811 0690

benedikt.karoly@dh.hu

Duna House Holding Nyrt.

H-1016 Budapest Gellérthegy str. 17.

+36 1 555 2222

**www.dh.hu**

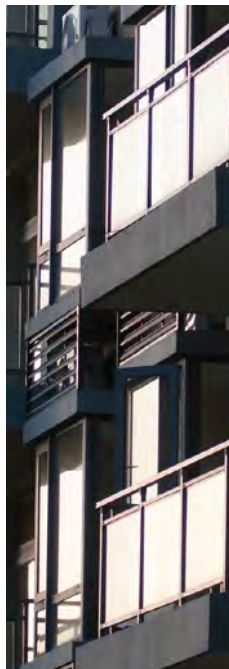


### 3 INTERESTING FACTS:

In Budapest, first-home-buyers spend 32 Million HUF on average.

On countrywide level, panel flats need the longest time to find their new owner in Pest, 71 days on average.

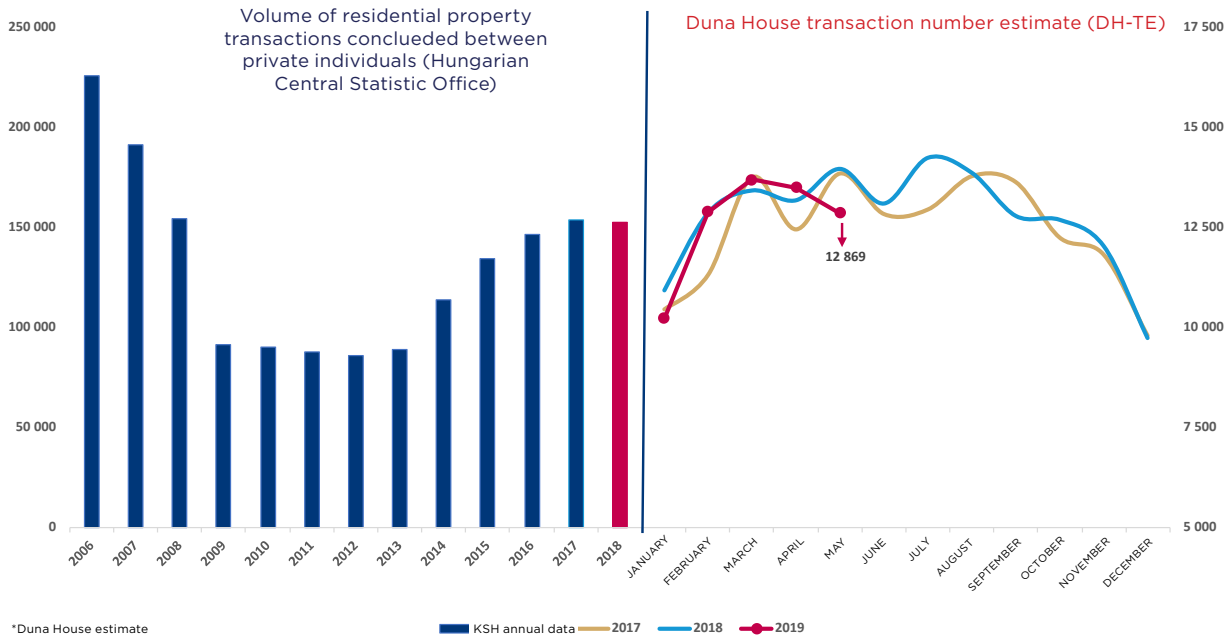
Lowest price increase during last year was measured in case of Budapest Inner City brick flats.



## TRANSACTION DATA

### Duna House Transaction Number Estimate (DH-TE)

Duna House gives a lower property market transaction volume estimate this May than usual. Monthly value is nearly the same as seen in February, showing a light decrease in the property market's spring seasonality. Market data and trends indicate that potential buyers are in a waiting position, as new family support measures are due in July. As a result, Duna House expects a much stronger third quarter on the property market than usual. In the first five months of the year so far, 63 168 property sale and purchase transactions were completed.



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
<b>2017</b>	10 444	11 317	13 762	12 452	13 855	12 836	12 951	13 787	13 639	12 246	11 820	9 787
<b>2018</b>	10 918	12 869	13 426	13 180	13 967	13 098	14 246	13 869	12 787	12 689	12 033	9 721
<b>2019</b>	10 230	12 888	13 689	13 492	12 869							



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.

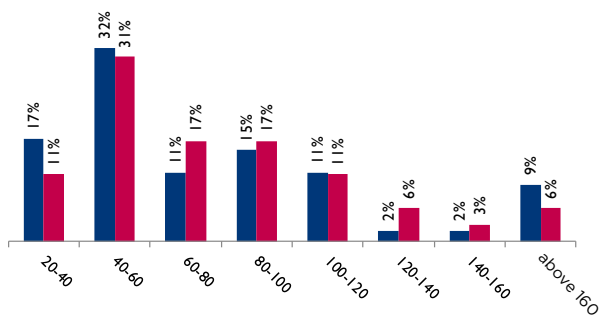
Please note that DH-TE data is not appropriate for defining the volume of transactions brokered by Duna House!

## TRANSACTION PARAMETERS IN BUDAPEST

In Budapest, 40-60 m2 size properties were the most popular. 25% of properties in Buda, and 21% in Pest were sold on a price above HUF 800.000 / m2, presenting a significant increase even when compared with the previous year only. While the ratio of properties sold under 450.000 HUF/m2 was 46% last year, the same price level accounted for only 19% this year. Selling prices are rising in line with square meter prices.

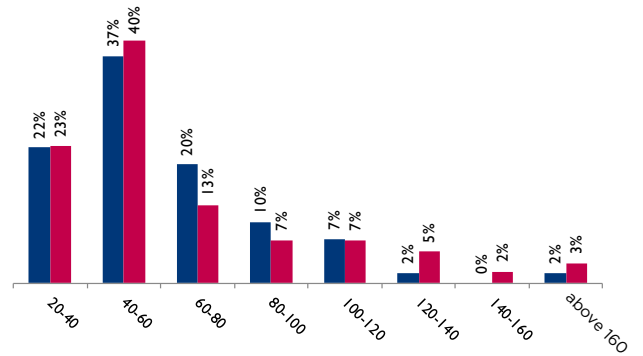
### BUDA

Size (m<sup>2</sup>)

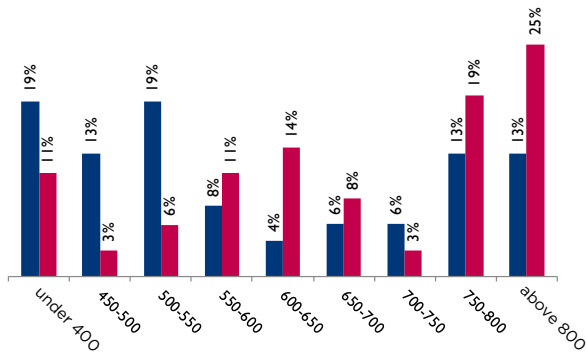


### PEST

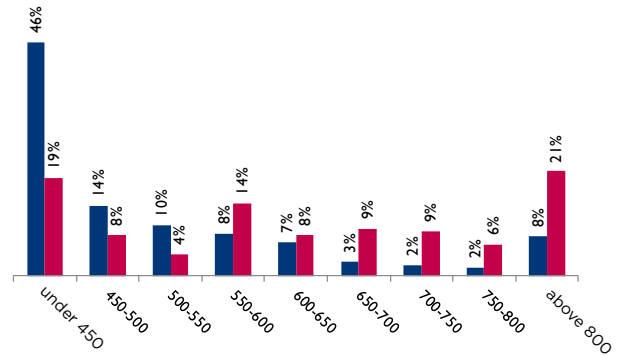
Size (m<sup>2</sup>)



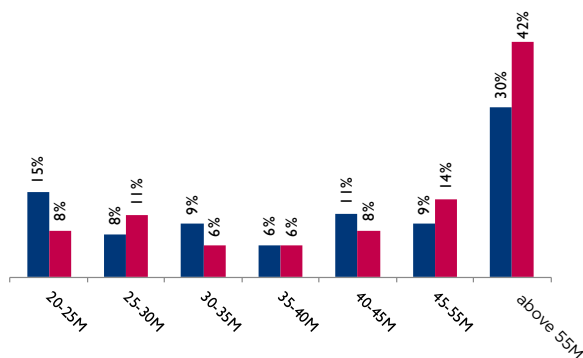
m<sup>2</sup> price (HUF thousand)



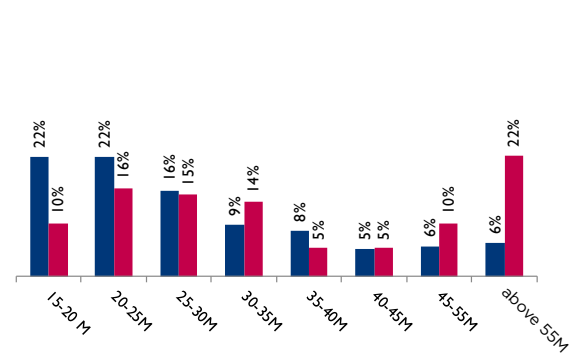
m<sup>2</sup> price (HUF thousand)



Price (HUF Million)



Price (HUF Million)



■ May 2018.  
■ May 2019.

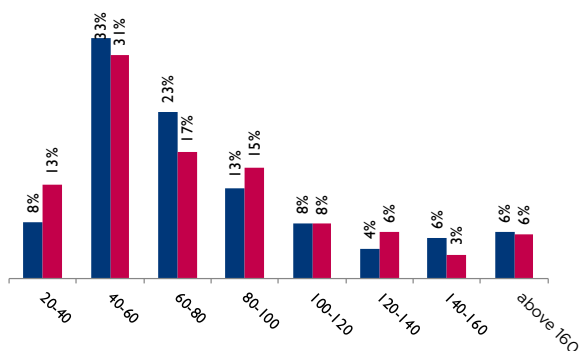
Based on properties sold by Duna House Franchise Network.

## TRANSACTION PARAMETERS REGIONALLY

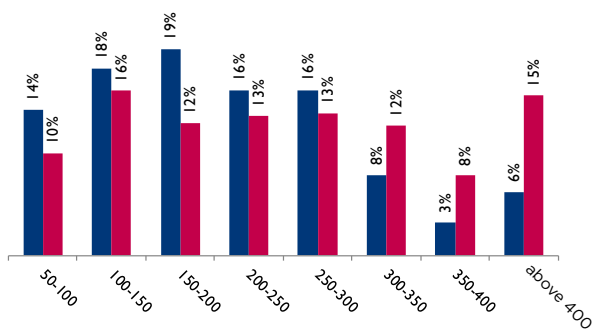
Outside Budapest, smaller property sizes were most demanded too, while homes above 80 m<sup>2</sup> size were also more popular than a year before. Square meter prices are far behind Budapest values, as even in Pest county, only 30% of transactions were above 400.000 HUF m<sup>2</sup> price. In Pest County, the proportion of properties sold for over 40 Million HUF has increased by 17%.

### COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

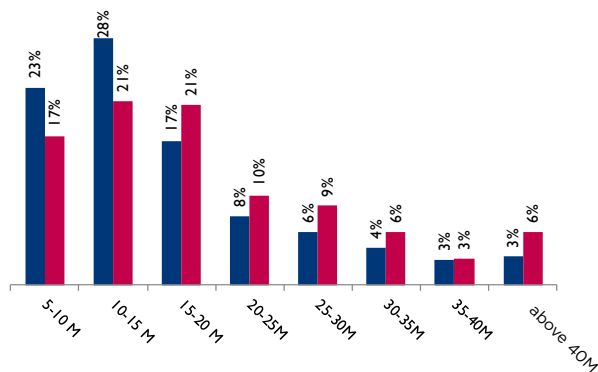
Size (m<sup>2</sup>)



m<sup>2</sup> price (HUF thousand)

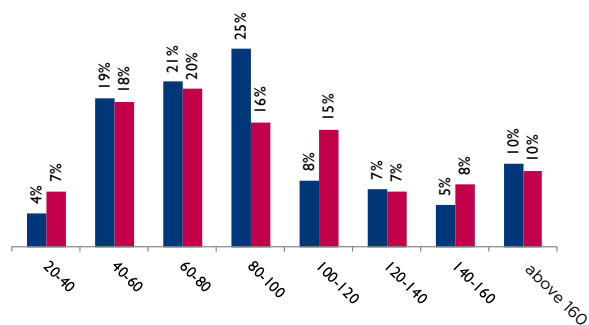


Price (HUF Million)

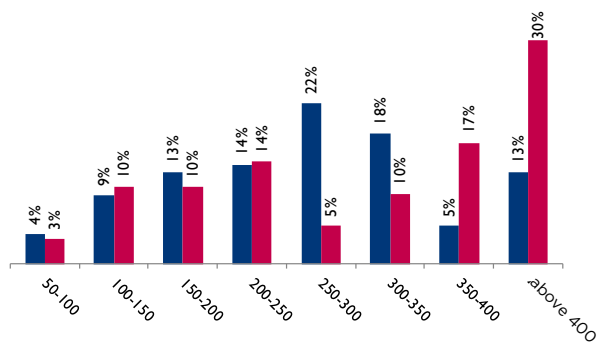


### PEST COUNTY

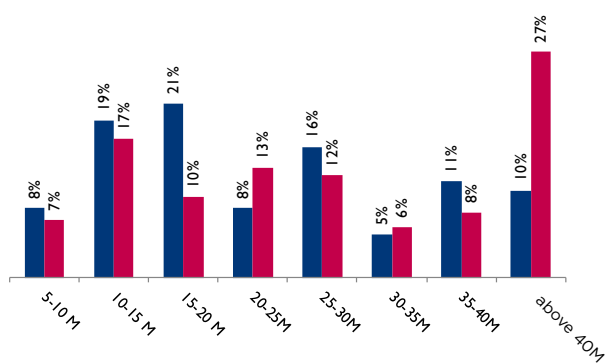
Size (m<sup>2</sup>)



m<sup>2</sup> price (HUF thousand)



Price (HUF Million)



■ May 2018.  
■ May 2019.

Based on properties sold by Duna House Franchise Network.

## PRICES - RESIDENTIAL FLAT DATA

In eastern counties, average m2 price of panel flats has risen by 46% in one year, while the growth in western counties was even more impressive, presenting 52% when compared with the previous year. Price of brick properties also shows an increase above 20%, with the average value rising 26% in the east, and 25% in the west.

Bargain potential has not changed much; buyers are able to lower the last offered price by 3-5%. Sellers decrease their original price by themselves by only 1-2%.

PANEL COUNTRYWIDE								
	EAST				WEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
May 2018.	13 640 000	243 000	2%	5%	11 910 000	215 000	1%	3%
May 2019.	19 773 000	354 000	1%	3%	17 172 000	327 000	1%	3%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
May 2018.	14 425 000	266 000	2%	4%	13 399 000	245 000	1%	4%
May 2019.	18 563 000	334 000	2%	5%	18 046 000	307 000	1%	5%

In Budapest we see less impressive expansion now, still, when compared to May 2018, a 21-28% m2 price increase was measured. Only Budapest Inner City brick flats stand out with only 6% increase.

When looking at panel flats, average m2 price in May was 516.000 HUF in pest and 582.000 HUF in Buda. Price of brick properties shows a 638.000 HUF average with Buda and the Inner City exceeding 720.000 HUF.

PANEL BUDAPEST								
	BUDA				PEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
May 2018.	23 817 000	481 000	3%	4%	21 380 000	404 000	1%	3%
May 2019.	26 567 000	582 000	2%	1%	27 313 000	516 000	1%	1%

BRICK BUDAPEST												
	BUDA				PEST				INNER CITY			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
May 2018.	39 620 000	601 000	1%	4%	27 503 000	499 000	1%	3%	43 189 000	683 000	2%	4%
May 2019.	54 723 000	751 000	1%	4%	35 064 000	638 000	1%	3%	50 413 000	721 000	1%	4%

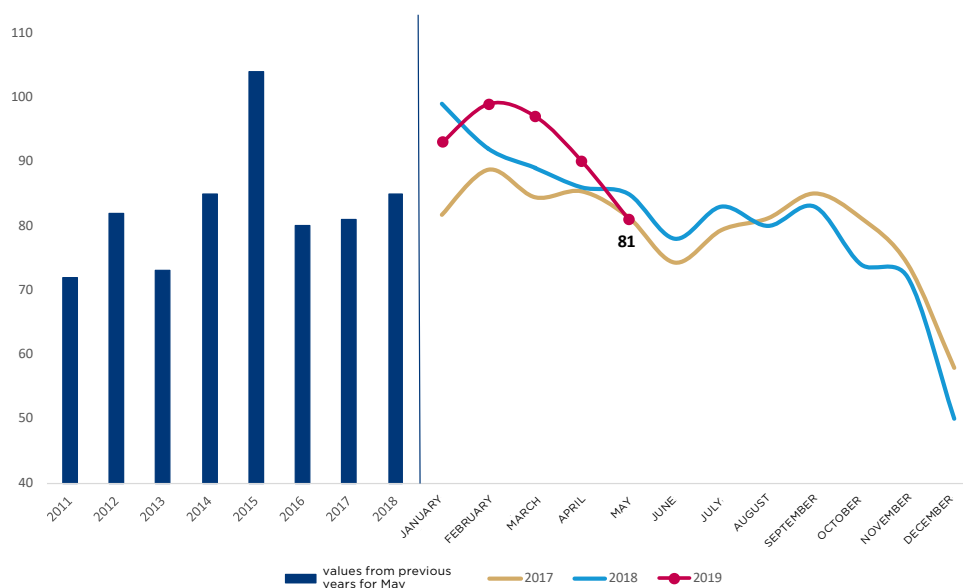
Based on purchase prices of the given period of properties brokered by Duna House.

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



## BUYERS - DEMAND INDEX

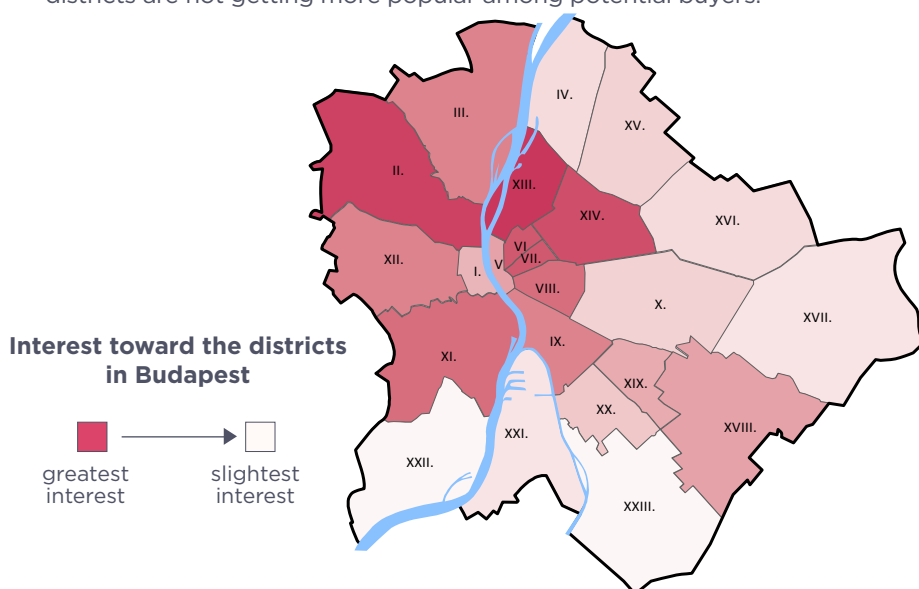
Decrease in demand seen since February is not regarded special, as a bottom point is accepted usually in mid-year, due to holidays and summer vacations. The 81-point value is not low, even when compared to the same periods of previous years.



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'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

Highest interest in May was seen in relation of districts 13., 2., and 14, but districts 6., 7., 8., and 9. were also popular. Despite increasing prices, outer districts are not getting more popular among potential buyers.



DISTRICT	2018. MAY	2019. MAY
Budapest 01. ker.	7,8%	8,8%
Budapest 02. ker.	14,7%	16,5%
Budapest 03. ker.	12,9%	11,8%
Budapest 04. ker.	7,3%	5,9%
Budapest 05. ker.	10,0%	10,0%
Budapest 06. ker.	13,8%	14,6%
Budapest 07. ker.	15,2%	14,6%
Budapest 08. ker.	11,6%	13,5%
Budapest 09. ker.	11,9%	12,2%
Budapest 10. ker.	5,8%	6,3%
Budapest 11. ker.	15,5%	13,7%
Budapest 12. ker.	10,6%	12,2%
Budapest 13. ker.	19,6%	17,4%
Budapest 14. ker.	17,8%	15,3%
Budapest 15. ker.	7,3%	6,6%
Budapest 16. ker.	6,2%	5,6%
Budapest 17. ker.	6,7%	5,2%
Budapest 18. ker.	10,7%	10,2%
Budapest 19. ker.	8,8%	8,9%
Budapest 20. ker.	6,5%	7,1%
Budapest 21. ker.	4,4%	4,9%
Budapest 22. ker.	4,0%	3,8%
Budapest 23. ker.	2,9%	2,4%

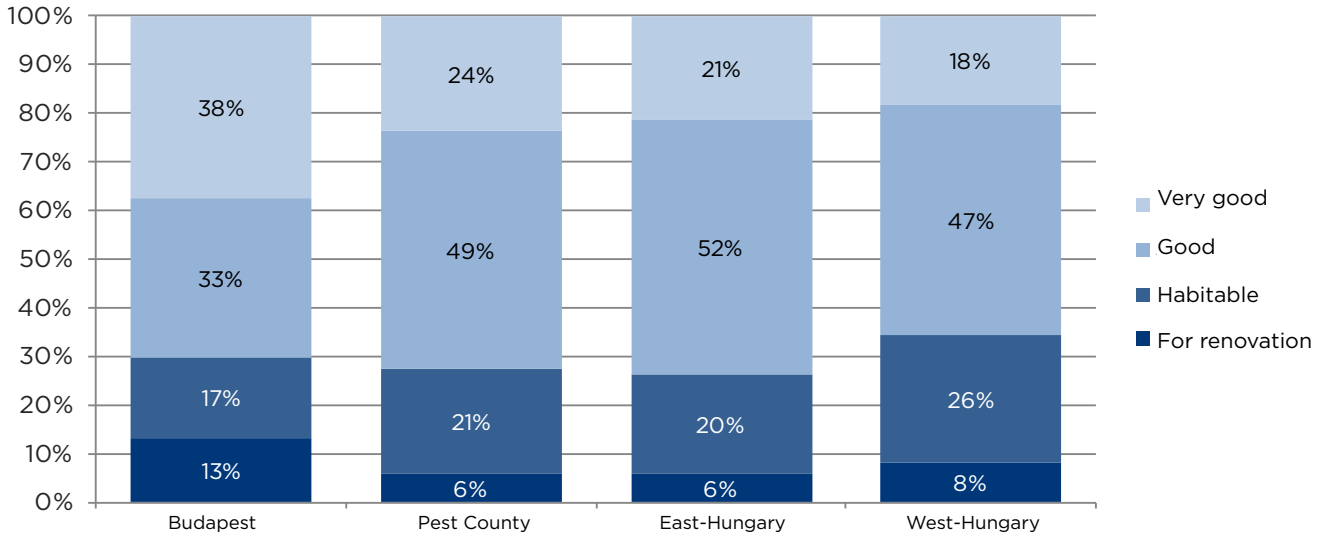
Methodology: Our clients with purchasing aims indicate their preferences of districts (more at the same time) when meeting with our agents. The above preference map is put together based on this information.

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

Majority of buyers in Budapest is trying to avoid renovation, as 38% voted for very good quality. Larger renovations are not popular outside the capital either, with nearly 50% of buyers moving into good quality.

The group of buyers with less financial resources having to carry out major renovation is also high in Budapest, which means the proportion of both top quality and lowest quality category buyers is the highest here in the country.



## TIME NEED OF SALE

Time need of sale of brick properties has decreased all over the country, while panel flats need more time now in Pest and West-Hungary than a year before. Panel flats still require about 2-months-time, while brick properties need 3 months on average.

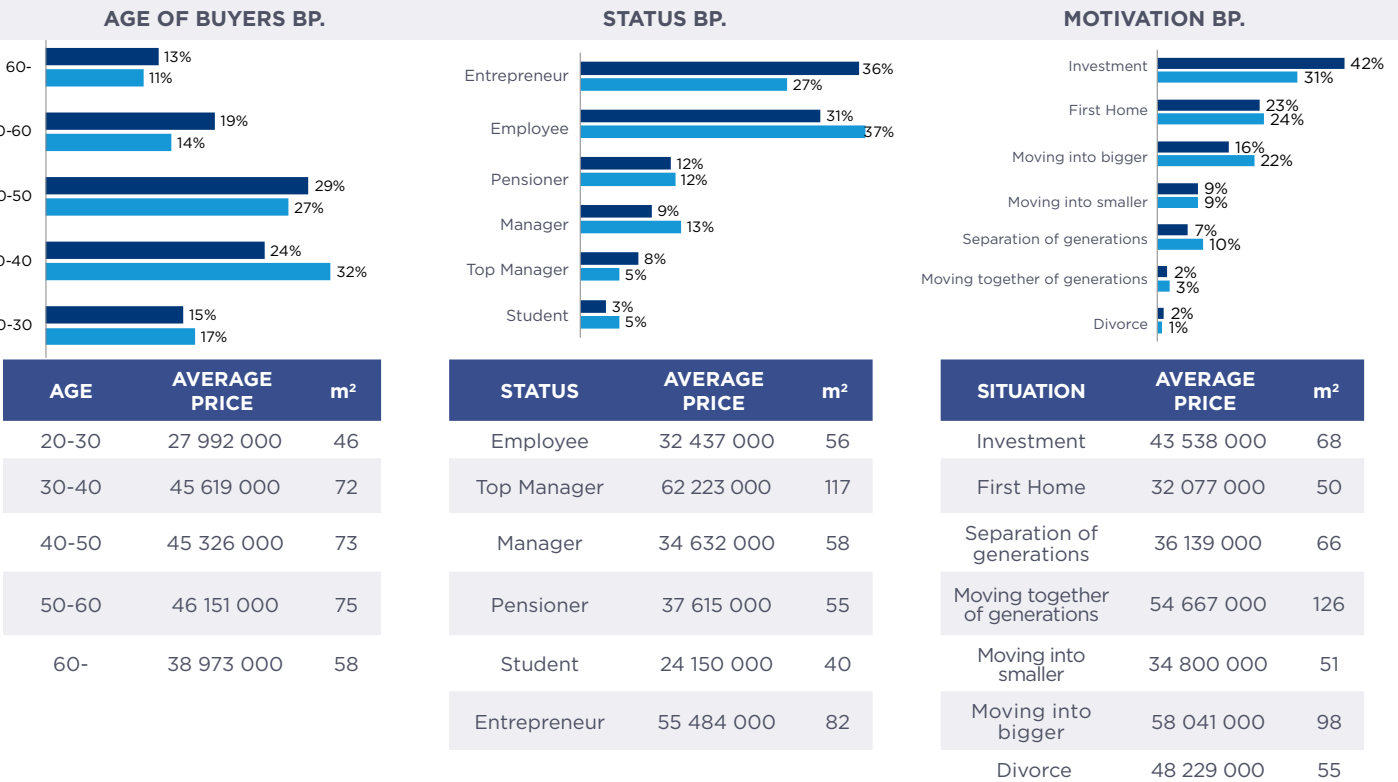
PANEL				
Time need of sale/day				
	East	West	Buda	Pest
May 2018.	71	60	56	56
May 2019.	67	66	49	71

BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
May 2018.	103	115	114	121	114
May 2019.	80	95	102	94	111

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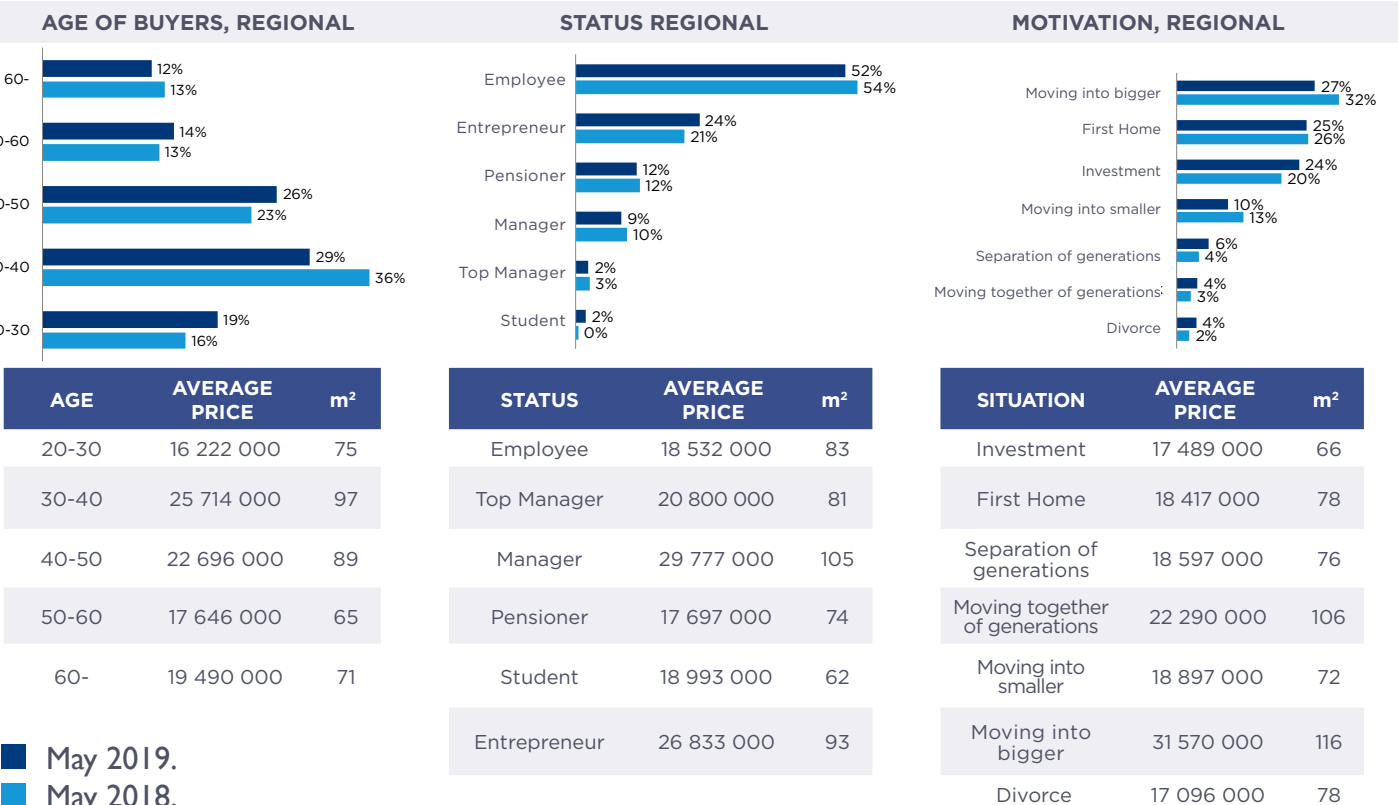
## BUYER'S PROFILE BUDAPEST

Proportion of elder buyers has increased in Budapest when compared to May 2018. Most buyers still have investment reasons, spending 40 Million HUF on average. Ratio of those buying their first home was also high, but they spent less on their new home. Those moving into a bigger property spent the most, nearly 60 Million HUF for properties of 98 m2 size on average.



## BUYER'S PROFILE ON REGIONAL LEVEL

A younger age group, 30-40, dominated outside Budapest, spending only about half of the price people in their 30ies spend in Budapest. Investment was only the third reason, as those moving into bigger home, and first-home-buyers were also significantly present.

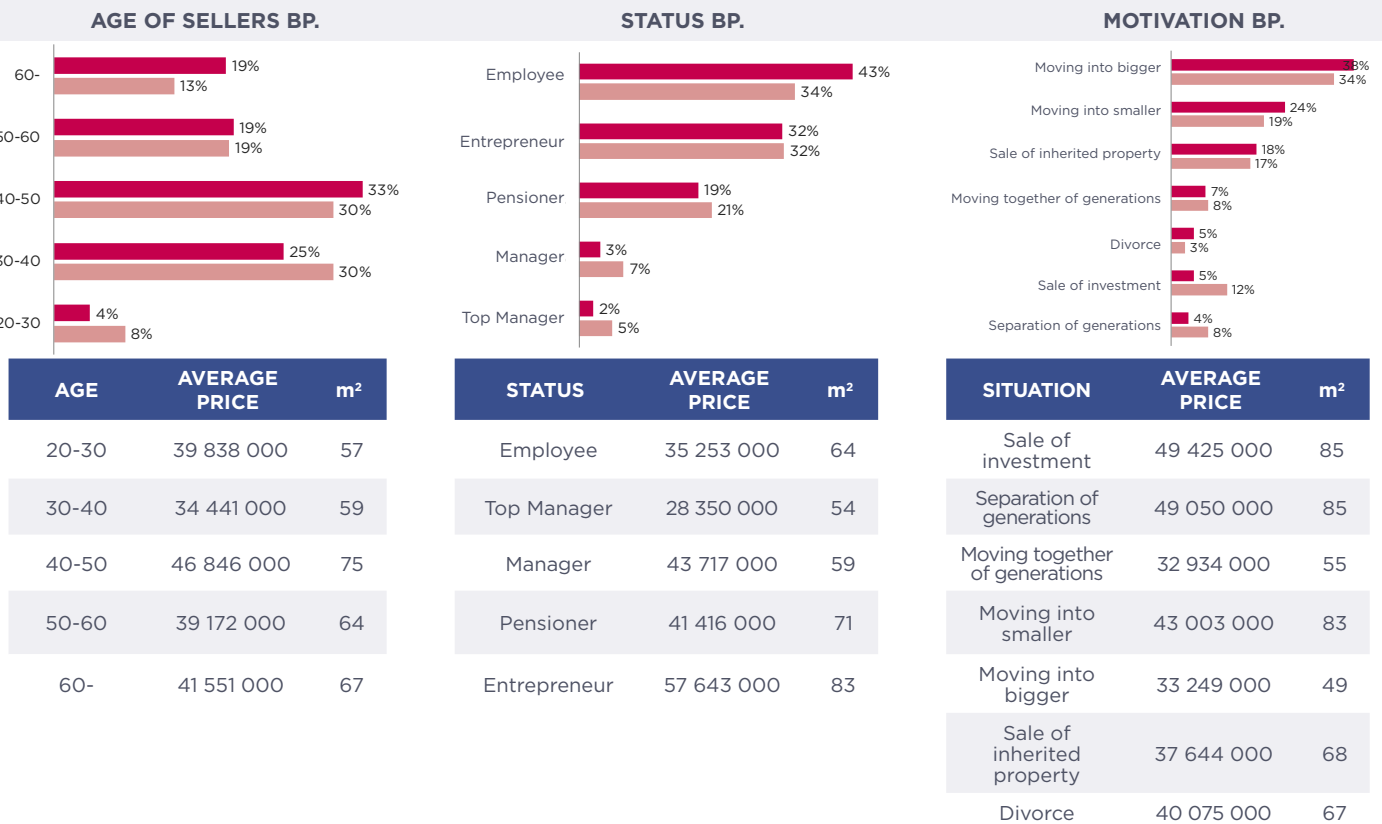


■ May 2019.  
■ May 2018.

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

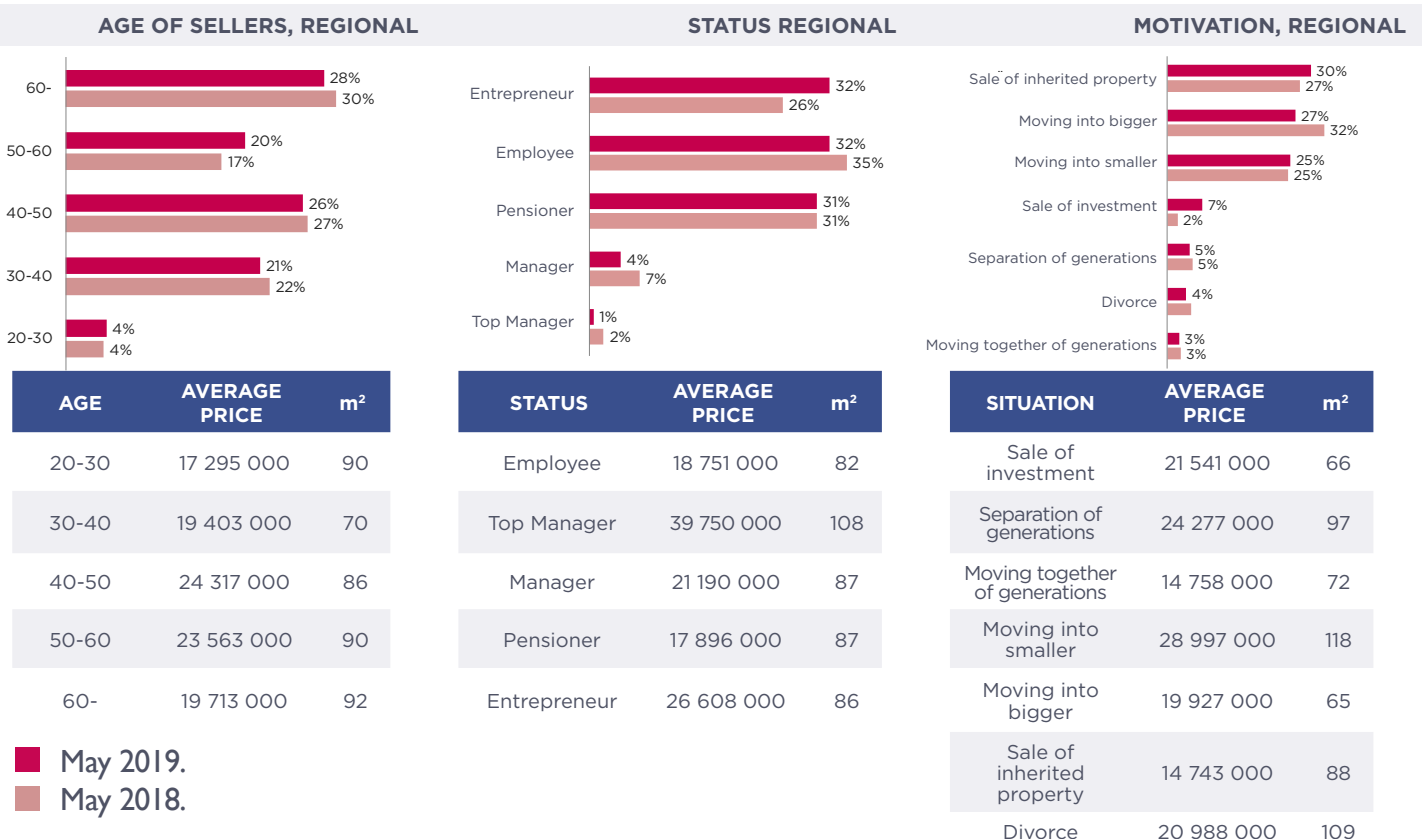
## SELLER'S PROFILE BUDAPEST

In comparison with last year, the proportion of the 40-50, and the 60+ age group has risen, and the ratio of younger sellers has fallen back. Majority of sellers moved into a bigger home while the second most popular reason for the sale was actually moving into smaller property.



## SELLER'S PROFILE ON REGIONAL LEVEL

Age of sellers shows a versatile picture outside the capital, with only the youngest age group being very lowly represented. Most sold inherited property, but many moved into a bigger or smaller home as well.



■ May 2019.  
■ May 2018.