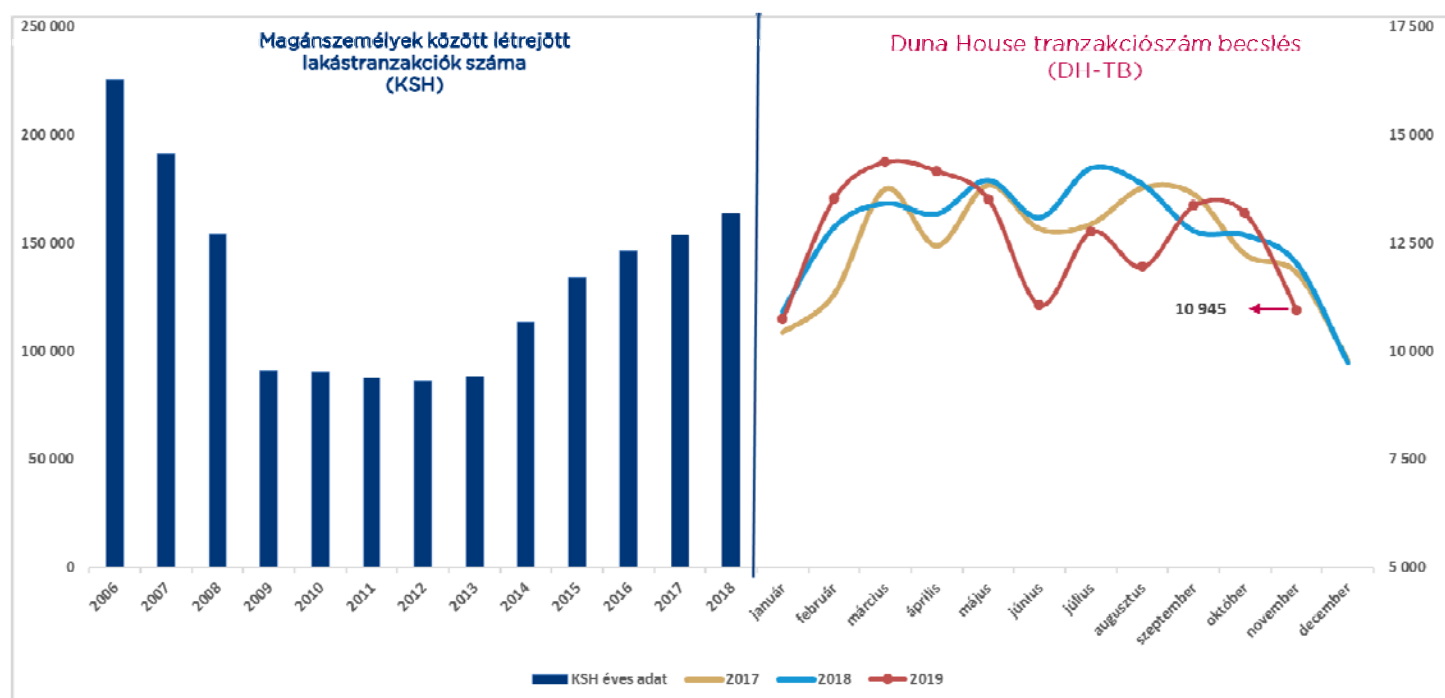


Residential property transaction volume estimate and mortgage forecast for

November 2019

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in November 2019 there were 10,945 property sales transactions concluded and HUF 71.5 billion residential mortgages contracted for in the whole of Hungary.



Following a strong start into the autumn the Hungarian property market fell back to its summer lows in November. The 17 per cent decrease compared to the previous month indicates that the boom of September and October is not here to stay and some serious transformations and changes may result in weaker property market turnover. The sub-11k November transaction volume is a strong decline compared to not only the previous month but the same period of the previous years, too: decline was 9 and 7 per cent compared to 2018 and 2017, respectively. In the past two years only the traditionally sluggish December and January activity was similarly low.

Apart from preliminary property market estimates Duna House will from now on publish forecasts related to residential mortgages granted. In November, simultaneously with the decrease of the property market index the consumer loan volume showed a decline, too. Based on forecasts residential mortgage contracts totalling HUF 71.5 billion were signed in Hungary. According to figures published by the National Bank of Hungary households signed up for even less mortgage contracts in January (HUF 62.1 billion), February (HUF 62.6 billion) and August (HUF 68.9 billion) only.

Figures published by Duna House Loan Center can primarily be used for quick trend forecasts; the National Bank of Hungary publishes the actual figures for the second last month at the beginning of each month.

Budapest, 2 December 2019

Background info

The table below shows monthly transaction volume estimates of Duna House.

	January	February	March	April	May	June	July	August	September	October	November	December
2017	10,444	11,317	13,762	12,452	13,855	12,836	12,951	13,787	13,639	12,246	11,820	9,787
2018	10,918	12,869	13,426	13,180	13,967	13,098	14,246	13,869	12,787	12,689	12,033	9,721
2019	10,741	13,532	14,373	14,166	13,512	11,069	12,764	11,945	13,364	13,182	10,945	

Methodology behind DH-TE: Regardless of the time of year, the most important indicator of the real estate market is the annual number of sale transactions. The DH-TE figure is an estimate published by Duna House and it reflects interim approximate data. The estimate is based on the number of monthly property transactions brokered by Duna House and the estimated market share of Duna House. The estimate of the current monthly market share 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 several months' delay, market share can be adjusted retroactively which also results in a more accurate estimate as well. Please note: After 2016 and as a consequence of the boom in newly-built apartments, pre-contracted purchase transactions appear in the statistics of the Statistical Office with a delay of several months or even one or two years, after the capital transfer tax has been levied, which results in anomalies in the statistics. 2. The number of Energy Certificates issued; 3. Subjective assessment based on other management information from Duna House Holding. Please also note that DH-TE data cannot be used for defining the volume of transactions brokered by Duna House, or for estimating the business profit of Duna House Holding or for the drawing of any related conclusions.