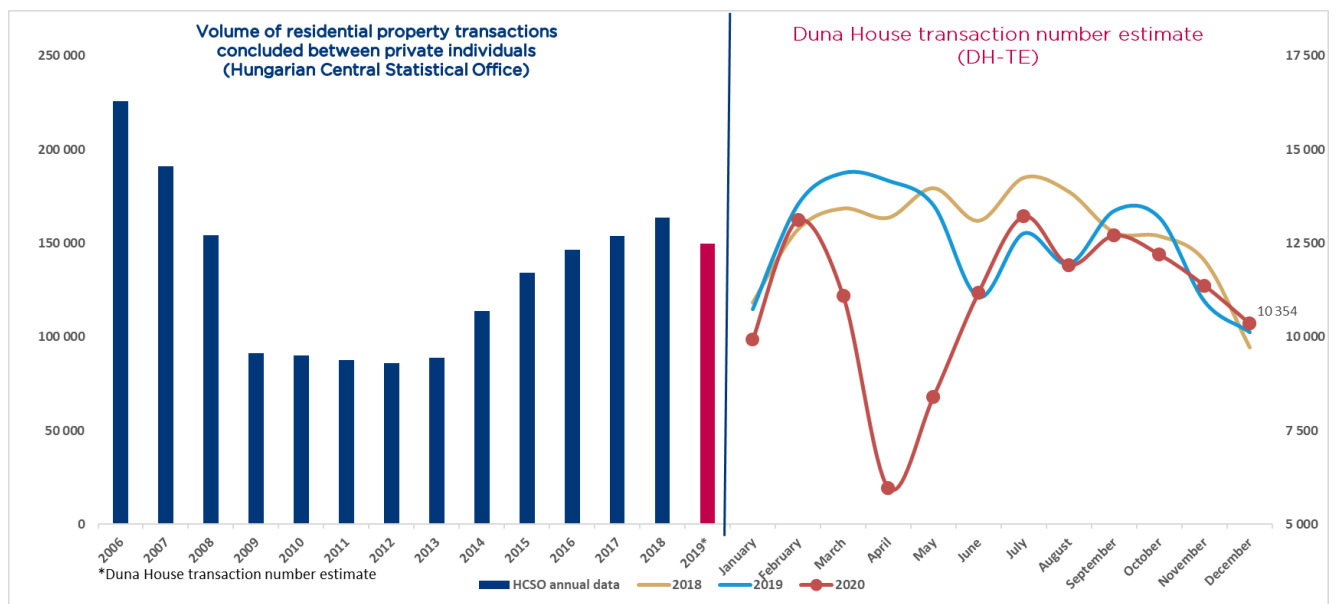


Residential property transaction volume estimate and mortgage forecast for December 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in December 2020 10,354 property transactions were concluded and residential mortgage contracts worth HUF 73 billion were signed in the whole of Hungary.



Based on Duna House estimates December brought a 2% stronger property market than the same period a year before. The transaction volume of 10,354 registered in December 2020 meant that in Hungary the last quarter of 2020 ended with almost the same sales figures as Q4 2019. The combined figures published by the property agency show that the market ended the year with a total of 131,460 transactions, which is a 12% decline compared to 2019. The decrease was caused by the social distancing measures introduced during the first wave of the Covid-19 pandemic: turnover in March, April and May was almost 40% below that of the previous year, bottoming out in May at almost -60%. From January 2021 onwards Duna House expects a brisk demand, partly on account of the government home subsidies that may result in an increase of transaction numbers. According to forecasts the transaction volume will be in the 130,000-150,000 range in 2021.

As far as the property mortgage market is concerned and similarly to November, Duna House estimates a total volume of HUF 73 billion for December, which is a 6% decline compared to the last month of 2019. That said, on an annual basis – going by the factual figures of the National Bank of Hungary for January to October and by the estimates of Duna House for November and December – the 2020 property mortgage market was HUF 4 billion stronger than in 2019, which represents an increase of almost 1%.

Budapest, 4 January 2021

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
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	9917	13,117	11,100	5971	8400	11,186	13,125	11,923	12,708	12,200	11 369	10,354

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.

Mortgage forecast: 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.