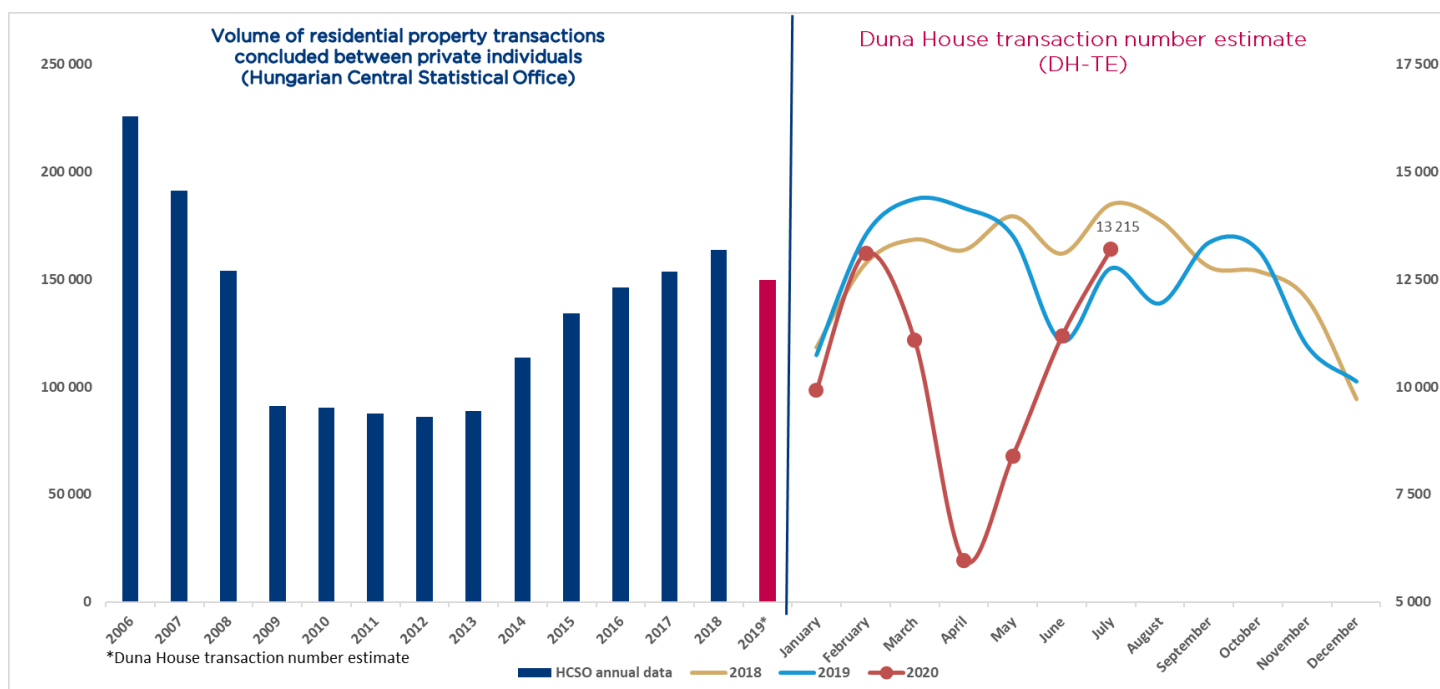


Residential property transaction volume estimate and mortgage forecast for July 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in July 2020 13,215 property transactions were concluded and residential mortgage contracts between HUF 60-65 billion were signed in the whole of Hungary.



July has been the strongest month of the Hungarian property market in 2020 so far. The number of sales transactions (13,215) reflects an increase of 4% and 18% compared to the same period last year and to the previous month, respectively. In the opinion of Duna House experts it is not only the transactions induced by postponed demand that are causing this quick recovery and constant increase but also changing demands and the resulting additional purchases. In the months of lockdown during the Covid pandemic many people reconsidered their housing needs and their ideas of the perfect home. The resulting extra transactions that were made possible or brought forward by the pandemic may now be among the factors boosting market expansion.

As a result of the improving figures of the past two months the backlog has decreased on a y/y basis, too. Duna House estimates about 73,000 property market transactions for 2020 so far which is only 19% less than in the same period of 2019.

According to the factual figures published by the National Bank of Hungary, in June 2019 there were property mortgage contracts worth HUF 77.86 billion – Duna House Finances forecasts a volume of HUF 60-65 billion for residential property loan for June 2020, which is 30-40% less than a year ago. In the opinion of the loan centre of the Duna House network a rebound may become apparent on the mortgage market, too.

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					

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