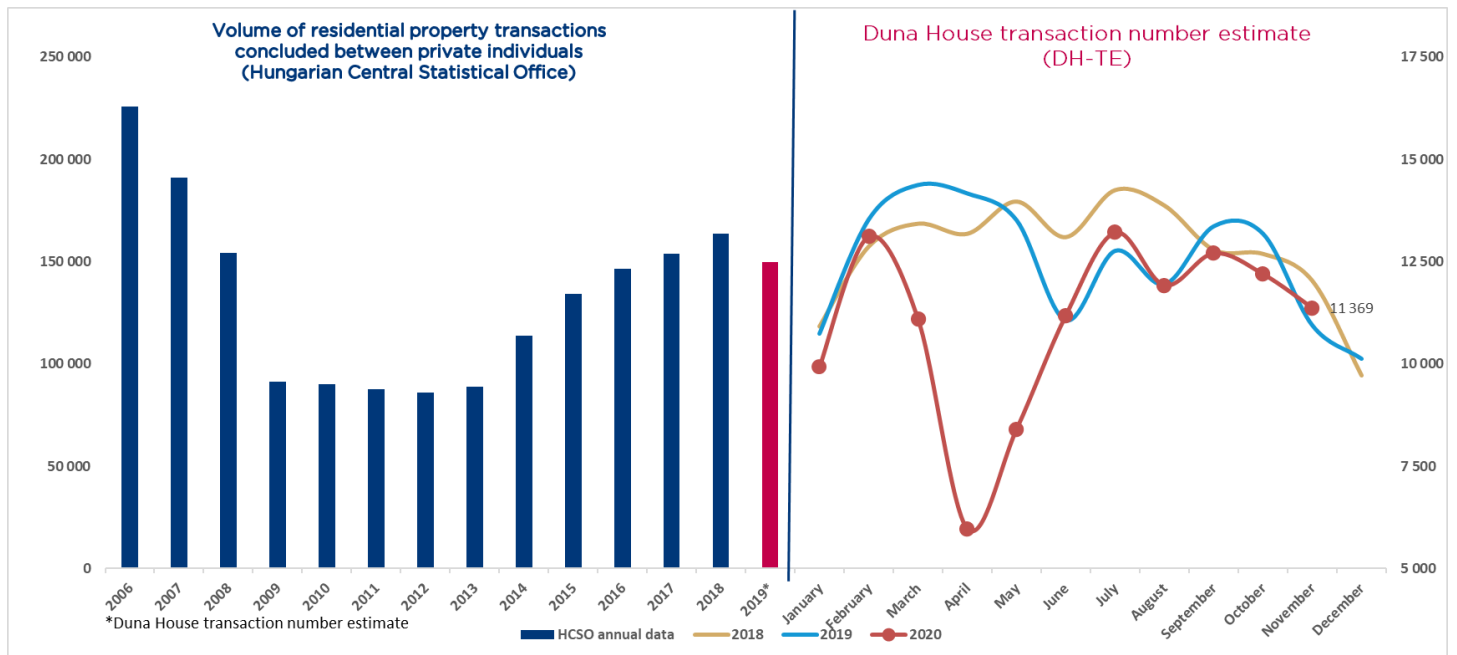


Residential property transaction volume estimate and mortgage forecast for November 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in November 2020 11,369 property transactions were concluded and residential mortgage contracts worth HUF 73 billion were signed in the whole of Hungary.



Based on the estimates of Duna House, the Hungarian residential property market concluded trading in November with 4% more transactions than in November 2019. Owing to the 11,000+ sales contracts the ytd volume already exceeds 121,000 so the full year figure will reach the 130,000 range Duna House had already forecast at the start of this year. Traditionally low December figures will be further weakened by the expectations surrounding the new home subsidies that will be available from 2021 and which, in turn, will give a further boost to the January figures which are normally high after the Christmas holiday season anyway.

As far as the mortgage market is concerned, based on market figures Duna House Finances estimates that the volume of residential mortgages will be HUF 73 billion which is 2% less than the factual figures published by the National Bank of Hungary (MNB) for November 2019. Comparing the ytd figures of 2019 and 2020 we can see that despite the effects of COVID-19 the volume of mortgages granted was the same in both years. According to MNB data, financial institutions granted mortgages worth HUF 833.8 billion to Hungarian households between January and November 2019, while based on the factual figures of MNB and on October-November estimates of Duna House Finances this year's mortgage volume reached HUF 836.2 billion.

Budapest, 1 December 2020

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	

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.