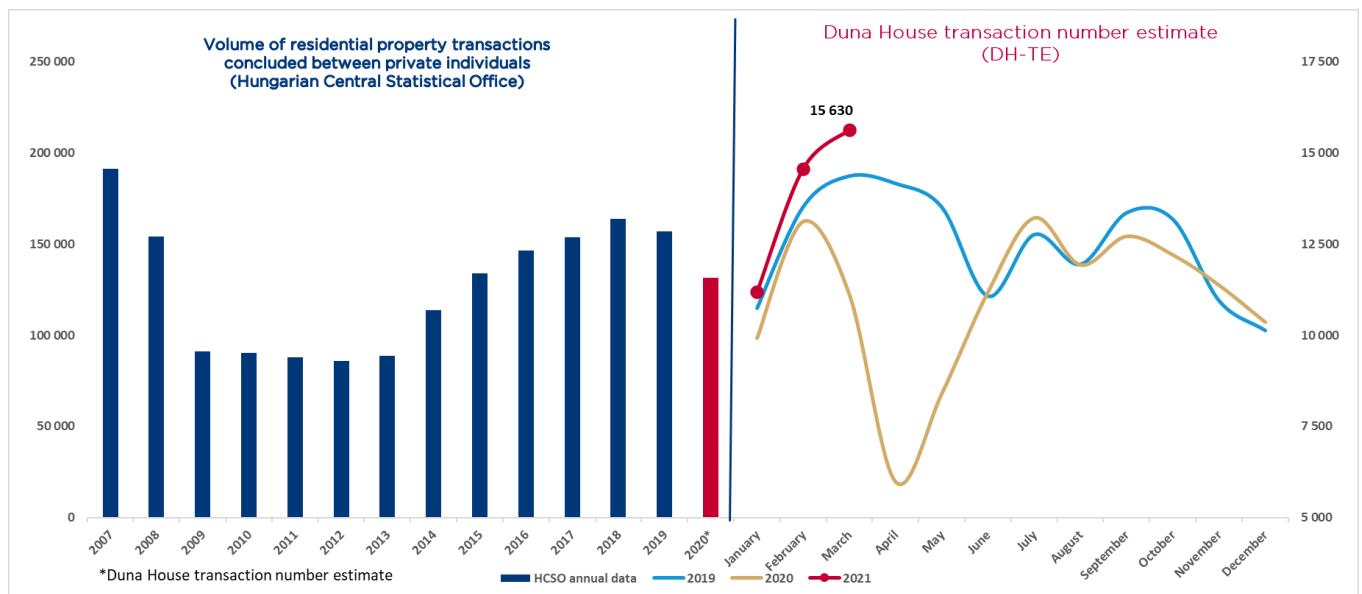


Residential property transaction volume estimate and mortgage forecast for March 2021

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in March 2021 15,630 property transactions were concluded and residential mortgage contracts worth HUF 93 billion were signed in the whole of Hungary.



The Hungarian residential property market keeps soaring on the wings of another record-breaking month: in March 2021 the number of transactions exceeded 15 thousand for the first time in the past 10 years. The transaction volume of 15,630 estimated by Duna House is 41% more than March 2020, a month which closed with the recoil caused by the first wave of the Coronavirus pandemic, and even exceeds the record achieved this February by more than 7%. Consequently, Q1 2021 ended with a total transaction volume exceeding 41 thousand which is the strongest first quarter of the past ten years. According to Duna House analysts the market activity and the sustained robust demand can be attributed to the increase of the number of transactions caused by the changes in housing demand called about by the COVID situation internationally, and, on the domestic level, to the backwind of state home subsidies offered in Hungary. Our experts say this trend may cause a two-digit price increase on the residential property market for the whole of 2021.

Apart from residential properties, mortgages are in high demand, too. Duna House Finances forecast a HUF 93 billion market volume, another all-time high in Hungary. The surge was caused by the high number of mortgage transactions initiated since the start of the year now turning into reality, as expected by our mortgage consultants already in the previous months. According to the factual figures published by the National Bank of Hungary we saw mortgage transaction volumes exceeding HUF 90 billion in September 2020 (back then, residential mortgage contracts worth HUF 92.46 billion were concluded by Hungarian households and banks – now we expect that this record will be broken when the final March figures become public). Duna House Finances are expecting an exceptionally strong second quarter of the year for mortgages and state home subsidies alike.

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
2021	11,185	14,569	15,630									

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.