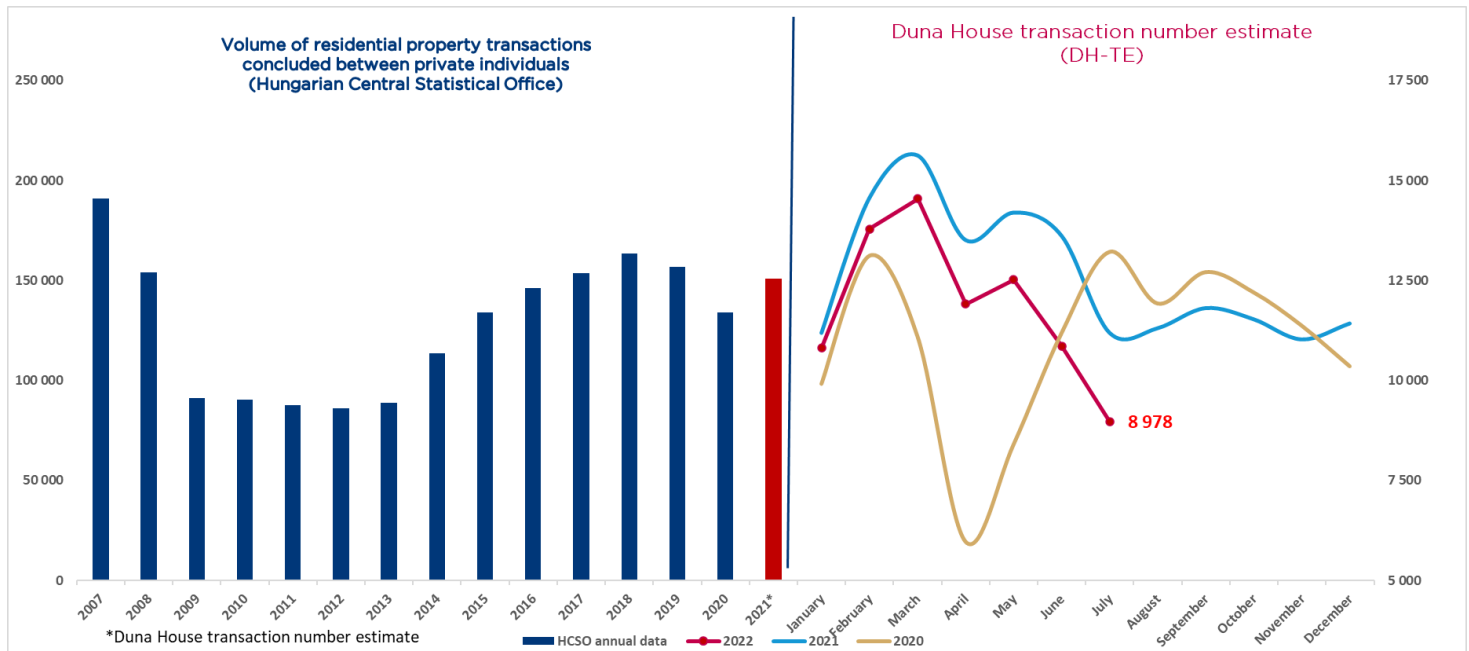


Residential property transaction volume estimate and mortgage forecast for July 2022

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in July 2022 8978 property transactions were concluded and residential mortgage contracts worth HUF 110 billion were signed in the whole of Hungary.



As the summer continued in the real estate market, the extreme holiday period and the changing economic and social environment resulted in a sharp decline in the number of sales. In July 2022 the 8978 sales transactions estimated by Duna House were down 17% compared to the previous month and 20% less than in the same period last year. A comparable low level of activity was last seen in May 2020, the year of the epidemic. While the announcement of changes to the Utility Cost Reduction Scheme (rezsicsökkentés) and expectations of a sustained rise in interest rates have slowed the market, experts say that the government decisions announced last week (the continuation of the 5% housing VAT rate, of the Family Home Allowance (CSOK) and of the Childbirth Incentive Loan (babaváró hitel)) could boost activity in the longer term.

The mortgage market has also started to decline. Duna House Finances estimates that housing mortgage loans worth HUF 110 billion were signed for in July 2022, down 17% from the HUF 132.6 billion seen in July last year, and also down 8% from the June estimate of this year. With the phasing out of Green Loans and the rising interest rate environment, experts expect the mortgage market to continue to see declining volumes in the coming months.

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
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	13,511	14,198	13,615	11,185	11,304	11,807	11,526	11,022	11,422
2022	10,815	13,793	14,548	11,911	12,519	10,859	8978					

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.