

DUNA HOUSE BAROMETER

The latest property market info
from Duna House network

82. issue

April 2018.



DHS
BÉT
**PRIME
MARKET**

Listed on the Prime Market of
the Budapest Stock Exchange

PRIVACY POLICY

Statistical information and estimates published in the Duna House Barometer are the intellectual property of Duna House Franchise Ltd. Statistical information and estimates presented in the Duna House Barometer are for information purposes only, for the complexity and accuracy of which Duna House Holding does not take responsibility.

Statistical information and estimates published in the Duna House Barometer can be used for individual purposes and responsibility by any person with reference to the following conditions:

- Statistical information and estimates published in the Duna House Barometer must remain unchanged when presented.
- Statistical information and estimates presented in the Duna House Barometer must be published only with exact source indication: words "Source: Duna House Barometer" must be indicated right prior or following the text. If in context, it must directly refer to Duna House Barometer as source.

Any use other than the above will imply legal juridical measures. Duna House is entitled to claim the termination of misuse and refund of the entire damage caused. In case of breaching regulations of link posting Duna House is entitled to instantly remove the link pointing to the webpage and claim the refund of its damages.

FORTHCOMING ISSUES

Date of issue	Content
12.06.2018.	May data
12.07.2018.	2018. Q1-2 data (including price indexes)
13.08.2018.	July data

Duna House Barometer is available from the 12th day of each month (forthcoming weekday if weekend) on the webpage: www.dh.hu/barometer

If you wish to receive Duna House Real Estate Barometer or download previous issues visit our webpage: www.dh.hu

GENERAL INFORMATION CONCERNING THE CONTENT OF THE PRESENT PUBLICATION

Attention! The present publication must not serve as grounds for estimating, or making conclusions in relation of Duna House business profitability.

All data, information, estimates and professional statements presented in the publication are developed based on data gained from the activities of Duna House Holding members, or in some cases are based on subjective experience. Application of those for the entire Hungarian property market may require additional corrections. Data sources – unless indicated differently at the given section – derive from the database operated by Duna House Holding, the content of which is compiled by members of the network upon their individual judgement and information gained from clients. The operator does not take responsibility for the comprehensiveness of the data. Data presented in the present publication is mainly based on parameters of property transactions in major Hungarian cities given by Duna House branch offices and agents.



CONTENT:

- 2.** Privacy Policy, Forthcoming issues
- 4.** Executive Summary
- 5.** Duna House Transaction Estimate
- 6.** Transaction parameters in Budapest
- 7.** Transaction parameters regionally
- 8.** Residential Flat data
- 9.** Demand Index and Interest toward the districts
- 10.** Quality preference and Transaction time
- 11.** Client profile: buyers
- 12.** Client profile: sellers

EXECUTIVE SUMMARY

During the first four months of 2018 the number of property transactions on the Hungarian market has crossed 50 thousand, still presenting a growing tendency. The number of those paying close attention to the property market trends is expanding. The growing housing loan volume, in line with the increase of home savings benefits suggests that the majority has understood and accepted the current market environment, and is not postponing property acquisition or investment plans. Changes in the square meter and average price levels seem to justify this approach.

Next to the transaction parameters, it is worth taking a look at sellers' and buyer's profiles as these are fair indicators of certain social and economic changes. As far as age groups are concerned, the environment has been steady for a while now, with the leading age group of 30-50 being on top. It is regarded a positive tendency that the ratio of the age group of 20-30, mostly buying their first home, has increased since last year. When taking a closer look at buyer side status a stronger Budapest entrepreneur group is detected, which can also be the result of better loan potential and the growing investment will. In addition to entrepreneurs, the most expensive properties are generally found by the top manager group, buying and selling HUF 50 Million and above value properties in the previous month.

Further information

Károly Benedikt • Head of PR and analysis

+36 30 811 0690

benedikt.karoly@dh.hu

Duna House Holding Nyrt.

H-1016 Budapest Gellérthegy str. 17.

+36 1 555 2222

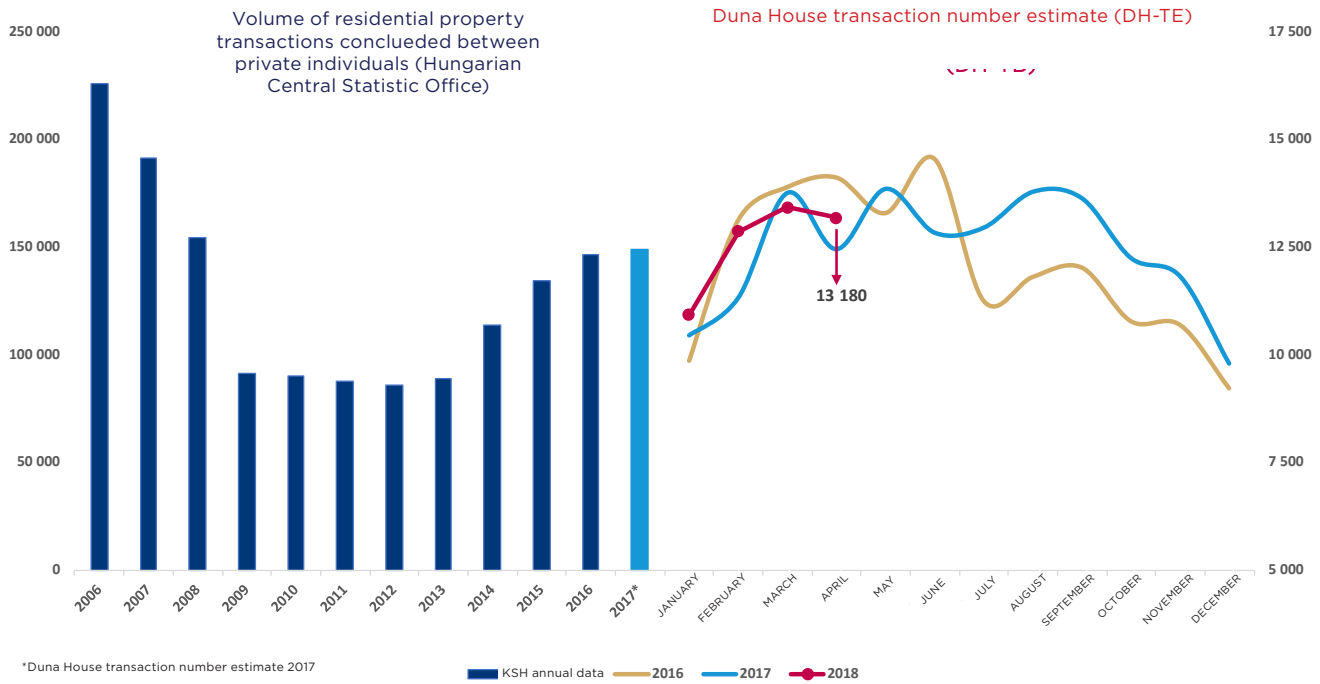
www.dh.hu



TRANSACTION DATA

Duna House Transaction Number Estimate (DH-TE)

The spring vitality can still be felt on the property market. Following a strong March, the month of April presented a transaction volume above 13 thousand, thus the number of sale and purchase transactions during the first 4 months of the year exceeded 50 thousand. The turnover volume of April is close to being the average of the past two years, as it is 7% behind 2016 and 6% higher than the previous year.



The below table shows monthly transaction volume estimates by Duna House, prepared in the current month.

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2016	9 870	13 130	13 897	14 118	13 294	14 550	11 257	11 814	12 029	10 786	10 700	9 229
2017	10 444	11 317	13 762	12 452	13 855	12 836	12 951	13 787	13 639	12 246	11 820	9 787
2018	10 918	12 869	13 426	13 180								

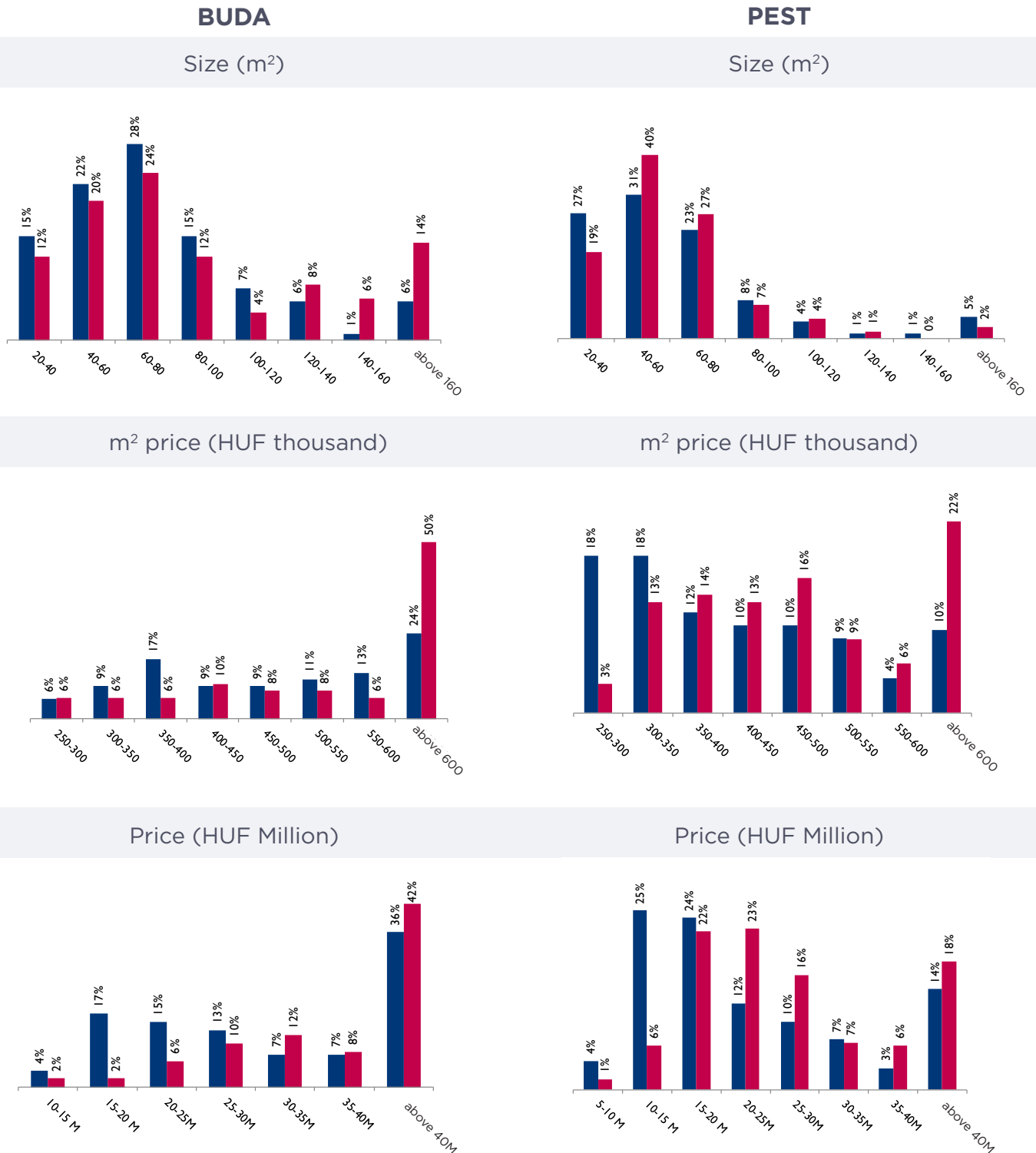


Methodology behind DH-TE: Regardless of the time, the most important indicator of the real estate market is the yearly sale-purchase transaction number. DH-TE is an estimate published by Duna House showing interim approximate data. The estimate is based on monthly transaction number of property brokered by Duna House and the estimated market ratio of Duna House. The estimate of the actual monthly market ratio 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 a months' delay, the correction of market ratio can be carried out retroactively with refining of the estimate as well. Attention! After 2016 and by the newly built flat boom, pre-contracted transactions are visible in the statistics of the Statistical Office with a delay of several months, even 1-2 years, only following the tariff of the capital transfer tax, resulting in anomalies in the statistics. 2. Amount of issued Energy certificates. 3. Subjective assessment based on other management information from the Duna House Holding.

Please note that DH-TE data is not appropriate for defining the volume of transactions brokered by Duna House!

TRANSACTION PARAMETERS IN BUDAPEST

In Buda in April 2018, properties sold for above HUF 600 thousand per m² accounted for half of all transactions. The ratio of the same price category was 22% in Pest, where there are locations with lower price levels than on the other side of the Danube. In addition to the prices, the demand for larger properties has also increased in the Buda districts, while in Pest, properties in the 40-80 m² size range have become more popular.



■ April 2017
■ April 2018

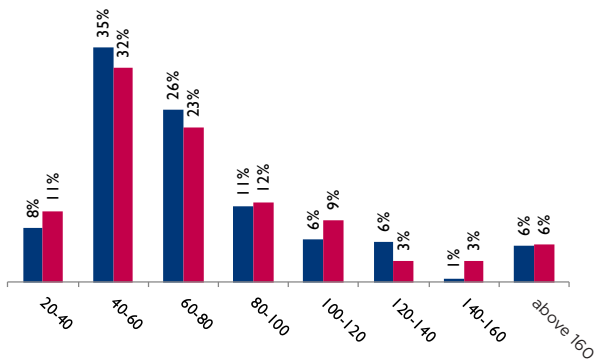
Based on properties sold by Duna House Franchise Network.

TRANSACTION PARAMETERS REGIONALLY

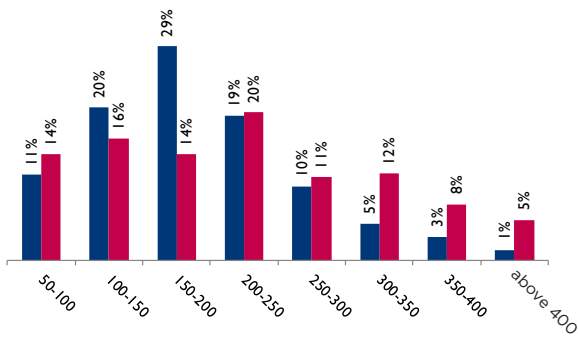
In Pest County the demand for the 60-120 m² size category has increased, while on regional level, categories above 80 m² present a minor growth. Prices have increased on regional level as well, but in contrary to Budapest prices, the ratio of properties sold for more than HUF 400 thousand per m² was 5% and 9% only.

COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

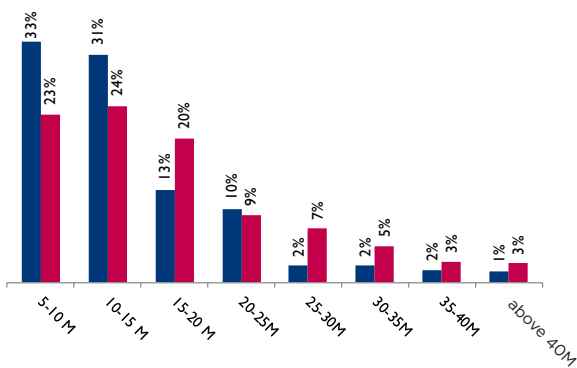
Size (m²)



m² price (HUF thousand)

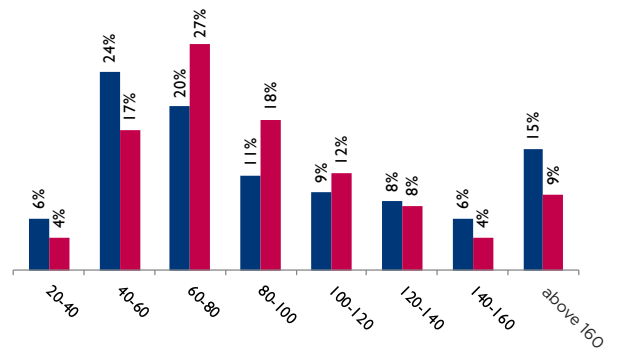


Price (HUF Million)

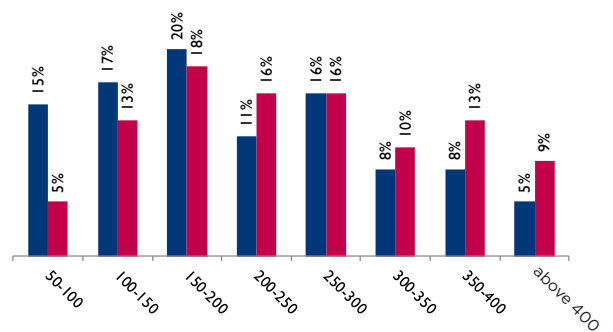


PEST COUNTY

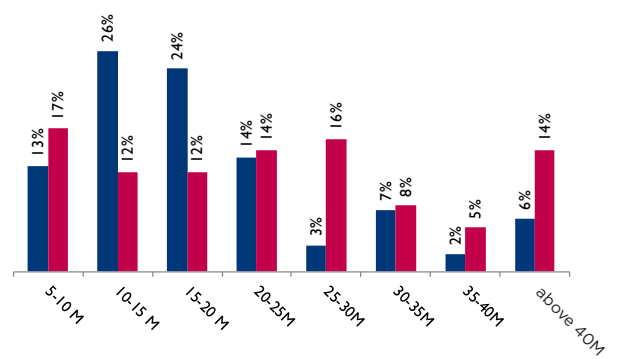
Size (m²)



m² price (HUF thousand)



Price (HUF Million)



■ April 2017
■ April 2018

Based on properties sold by Duna House Franchise Network.

PRICES - RESIDENTIAL FLAT DATA

Apart from brick-built flats in West-Hungary, the selling and m2 price of properties has increased in comparison with the previous year. Panel flats were sold for HUF 221 thousand in the eastern part, and for HUF 227 thousand in the western part of the country on average. The average m2 price of brick-built flats was higher in the eastern side, presenting HUF 278 thousand.

PANEL COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
April 2017.	10 805 000	193 000	2%	4%	9 829 000	184 000	1%	3%
April 2018.	13 935 000	221 000	1%	4%	11 843 000	227 000	1%	4%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
April 2017.	14 205 000	223 000	1%	3%	12 635 000	223 000	1%	5%
April 2018.	17 566 000	278 000	1%	3%	12 088 000	217 000	3%	4%

In Budapest, property sale transactions fall into a completely different dimension than on regional level. The lowest property prices are found in case of panel flats in Pest (HUF 380 th./m2), while brick-built flats in Buda are sold for nearly HUF 700 thousand per m2. Average m2 prices have somewhat decreased in the Inner City, while other categories present a 15-32% growth when compared to April 2017.

PANEL BUDAPEST								
	BUDA				PEST			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
April 2017.	20 719 000	362 000	4%	3%	16 609 000	303 000	1%	3%
April 2018.	27 550 000	466 000	1%	3%	20 740 000	380 000	1%	3%

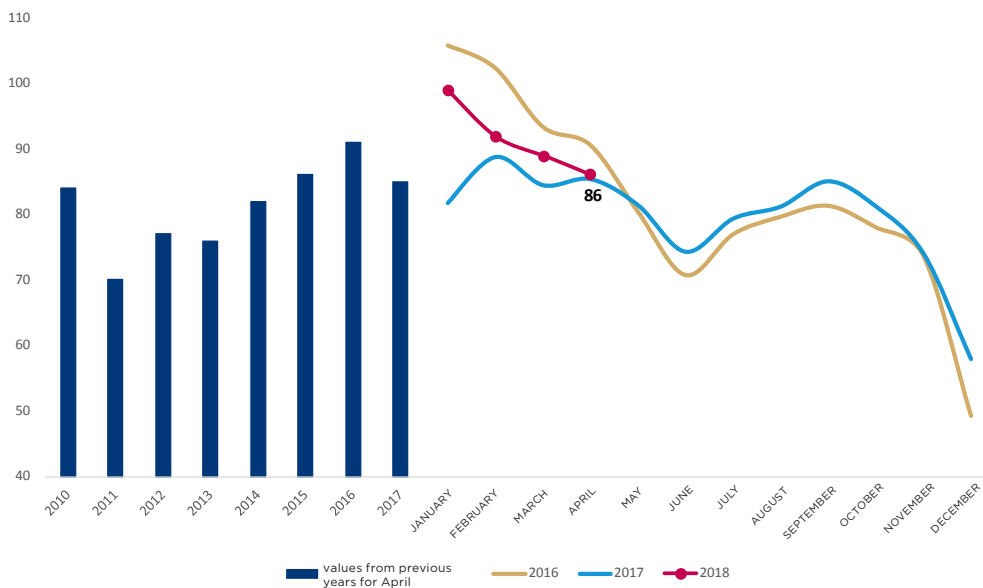
BRICK BUDAPEST												
	BUDA				PEST				INNER CITY			
	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain	price	m ² price	Change in listing price	Bargain
April 2017.	38 932 000	525 000	1%	4%	23 965 000	438 000	2%	3%	41 288 000	663 000	4%	4%
April 2018.	51 575 000	695 000	3%	3%	28 556 000	503 000	1%	3%	41 606 000	612 000	3%	6%

Based on purchase prices of the given period of properties brokered by Duna House.

Methodology: Change in the listing price is the difference between the first price indicated by the seller in the Duna House assignment and the last registered price at the time of the appearance of the buyer. Bargain shows additional changes in the price agreed upon by the seller and buyer. The two indicators together give a good picture of the difference in price between the original idea of the seller and the actual final price

BUYERS - DEMAND INDEX

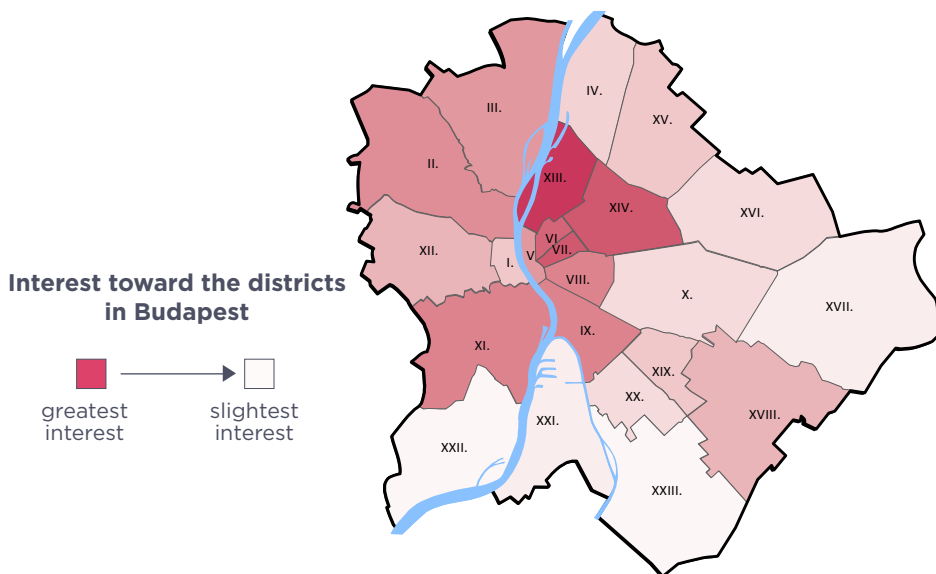
The Demand Index seems to follow the usual trend, presenting a decreasing value. In the past years, there were stronger and weaker April months as well, so the current 86-point value shall not be regarded bad at all.



Methodology behind Demand Index: The basis of the estimate is the activity registered by our agents in various, mainly major cities and Duna House offices. Corrections are made depending on the number of active agents and working days. The Demand Index is an important indication of buyer side's reactions to political decision or solutions offered by the financial sector. Demand Index is a quantitative indicator which has no direct connection with the realized or future transaction numbers. The latter is a qualitative issue highly affected by market environment and available financial product.

INTEREST TOWARD THE DISTRICTS

The demand in general has grown, with the most popular location still being District 13. The popularity of Districts 7-9 has also increased, while the interest toward Districts 10 and 20 has fallen back by nearly 1.5%.



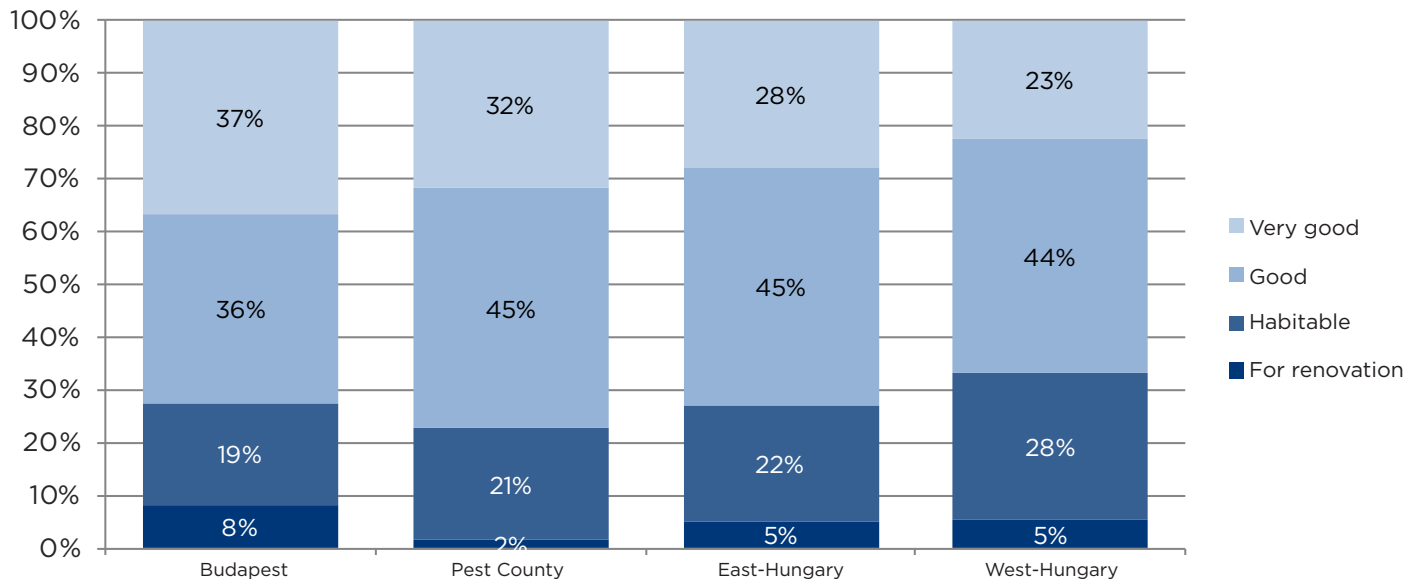
DISTRICT	APRIL 2017.	APRIL 2018.
Budapest 01.	6,8%	7,9%
Budapest 02.	12,1%	13,1%
Budapest 03.	11,3%	12,1%
Budapest 04.	7,6%	7,3%
Budapest 05.	9,7%	11,6%
Budapest 06.	14,7%	16,0%
Budapest 07.	14,2%	16,9%
Budapest 08.	11,4%	13,4%
Budapest 09.	11,4%	13,8%
Budapest 10.	7,7%	6,3%
Budapest 11.	14,1%	13,7%
Budapest 12.	9,9%	9,9%
Budapest 13.	17,8%	19,4%
Budapest 14.	15,3%	16,4%
Budapest 15.	8,6%	7,9%
Budapest 16.	6,9%	6,5%
Budapest 17.	5,4%	5,0%
Budapest 18.	8,4%	10,0%
Budapest 19.	8,4%	8,5%
Budapest 20.	8,0%	6,4%
Budapest 21.	4,9%	4,9%
Budapest 22.	3,8%	4,5%
Budapest 23.	2,8%	3,0%

Methodology: Our clients with purchasing aims indicate their preferences of districts (more at the same time) when meeting with our agents. The above preference map is put together based on this information.

Data is assessed based on real estate sold by Duna House. Territorial distribution of transactions brokered by Duna House may differ from the territorial distribution of the market in whole. Duna House Holding carries out its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in relation of the territorial distribution of own and market transactions.

QUALITY PREFERENCE

The highest ratio of very good quality properties among sold properties was the highest in Budapest, while good quality flats were the most popular in Pest County and East-Hungary. Properties for renovation were nearly not demanded at all in Pest County, while their ratio reached only 8% in Budapest as well.



TIME NEED OF SALE

When compared to the same period of the previous year, the time need of sale in case of panel flats has increased in Budapest, and decreased on regional level. Brick-built flats present a very similar tendency, with Pest districts also presenting decrease in the time need of sale, and Buda and the Inner City showing a few days increase. In most cases, the property for sale was successfully sold within a 3 months' period.

PANEL				
Time need of sale/day				
	East	West	Buda	Pest
April 2017.	106	97	46	48
April 2018.	88	63	64	58

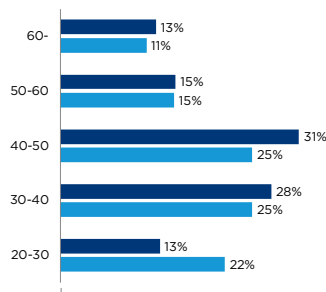
BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
April 2017.	132	149	118	95	87
April 2018.	101	110	123	89	101

Data is assessed based on real estate sold by Duna House. Territorial distribution of transactions brokered by Duna House may differ from the territorial distribution of the market in whole. Duna House Holding carries out its real estate agency activities mainly in Budapest and major cities. Duna House Holding does not make corrections in relation of the territorial distribution of own and market transactions.

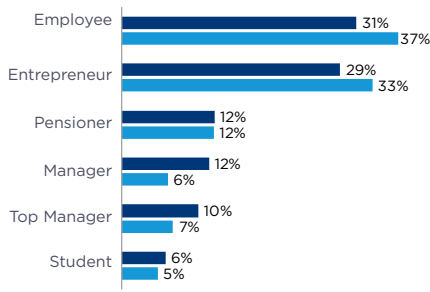
BUYER'S PROFILE BUDAPEST

In April 2018, the highest ratio among buyers belonged to the age group of 40-50, spending HUF 40 Million on average on the new property. The majority of buyers were employees, with their ratio still presenting decrease in comparison with the previous year. The main motive for the sale in Budapest is still investment, accounting for 38% of the transactions.

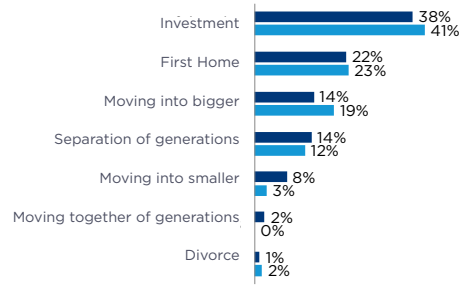
AGE OF BUYERS BP.



STATUS BP.



MOTIVATION BP.



AGE	AVERAGE PRICE	m ²
20-30	24 572 000	50
30-40	32 192 000	66
40-50	39 624 000	76
50-60	37 308 000	69
60-	40 301 000	73

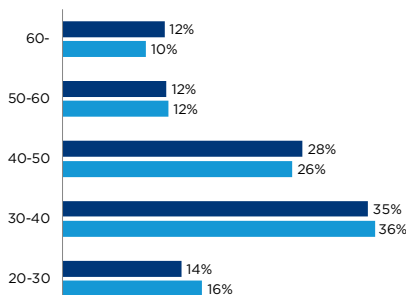
STATUS	AVERAGE PRICE	m ²
Employee	25 868 000	60
Top Manager	51 723 000	85
Manager	33 147 000	78
Pensioner	35 152 000	66
Student	32 925 000	54
Entrepreneur	46 002 000	81

SITUATION	AVERAGE PRICE	m ²
Investment	43 247 000	70
First Home	24 277 000	54
Separation of generations	29 879 000	64
Moving together of generations	18 950 000	60
Moving into smaller	30 475 000	61
Moving into bigger	39 794 000	95
Divorce	17 425 000	45

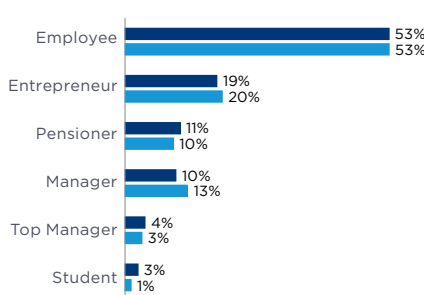
BUYER'S PROFILE ON REGIONAL LEVEL

On regional level, younger buyers dominated the market, as 35% of all buyers fell in the age group of 30-40. In 31% of the purchases the motive was moving into a bigger property, which presents a growth. The ratio of investments stagnated. Those moving into a bigger property spent an average HUF 24 Million on the selected property.

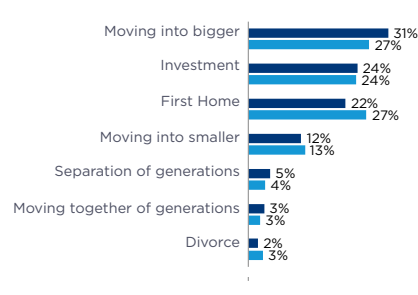
AGE OF BUYERS, REGIONAL



STATUS REGIONAL



MOTIVATION, REGIONAL



AGE	AVERAGE PRICE	m ²
20-30	14 905 000	81
30-40	18 551 000	83
40-50	19 296 000	88
50-60	18 412 000	82
60-	17 580 000	71

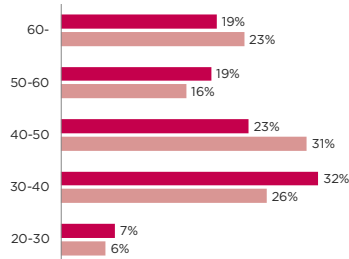
STATUS	AVERAGE PRICE	m ²
Employee	15 137 000	79
Top Manager	33 333 000	107
Manager	22 030 000	96
Pensioner	15 357 000	69
Student	14 626 000	55
Entrepreneur	21 680 000	81

SITUATION	AVERAGE PRICE	m ²
Investment	14 866 000	61
First Home	14 258 000	69
Separation of generations	16 321 000	65
Moving together of generations	16 454 000	101
Moving into smaller	16 059 000	72
Moving into bigger	24 042 000	112
Divorce	17 250 000	82

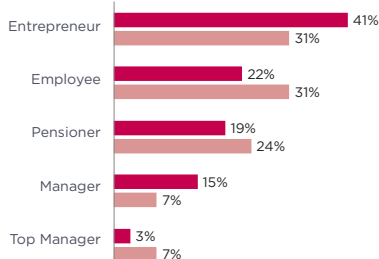
SELLER'S PROFILE BUDAPEST

When compared to the same period of the previous year, the ratio of the age group of 30-40 has significantly increased. The ratio of entrepreneurs has also grown. During the past month, the ratio of those selling their properties originally acquired with investment purpose was 4%. 37% of the sellers is willing to move into a bigger flat, who receive HUF 34 Million for their properties on average.

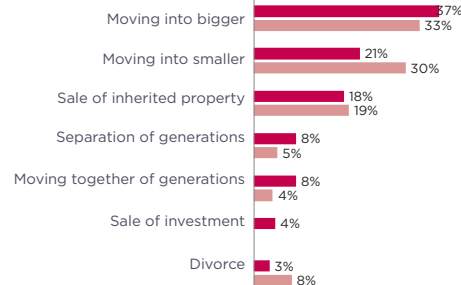
AGE OF SELLERS BP.



STATUS BP.



MOTIVATION BP.



AGE	AVERAGE PRICE	m ²
20-30	24 185 000	53
30-40	36 659 000	59
40-50	34 388 000	69
50-60	32 324 000	76
60-	38 756 000	76

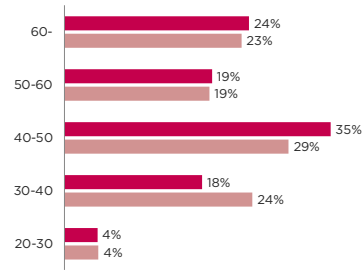
STATUS	AVERAGE PRICE	m ²
Employee	28 398 000	74
Top Manager	54 000 000	64
Manager	26 774 000	54
Pensioner	28 645 000	61
Entrepreneur	51 321 000	80

SITUATION	AVERAGE PRICE	m ²
Sale of investment	38 620 000	75
Separation of generations	52 850 000	100
Moving together of generations	45 113 000	95
Moving into smaller	33 770 000	83
Moving into bigger	34 367 000	64
Sale of inherited property	25 889 000	68
Divorce	22 467 000	58

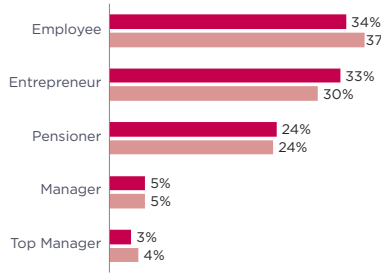
SELLER'S PROFILE ON REGIONAL LEVEL

On regional level, sellers were somewhat older, with the age group of 40-50 being the highest -35%, which shows a significant growth since the year before. The main motive is moving into a bigger property on regional level as well, with only HUF 16 Million average prices, which is less than half of the values measured in Budapest, but presenting higher average size levels.

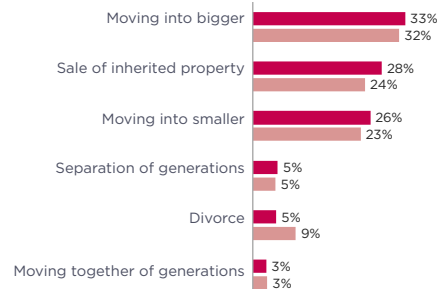
AGE OF SELLERS, REGIONAL



STATUS REGIONAL



MOTIVATION, REGIONAL



AGE	AVERAGE PRICE	m ²
20-30	16 841 000	64
30-40	15 122 000	70
40-50	21 242 000	89
50-60	18 177 000	86
60-	15 162 000	84

STATUS	AVERAGE PRICE	m ²
Employee	13 395 000	73
Top Manager	21 400 000	80
Manager	15 767 000	89
Pensioner	15 071 000	87
Entrepreneur	26 023 000	91

SITUATION	AVERAGE PRICE	m ²
Separation of generations	14 594 000	88
Moving together of generations	15 032 000	83
Moving into smaller	20 666 000	115
Moving into bigger	16 086 000	69
Sale of inherited property	10 902 000	80
Divorce	16 743 000	104



DUNA HOUSE®

H-1016 Budapest,
Gellerthegy str. 17.

Phone: +36-1/555-2222

Fax: +36-1/555-2220

www.dh.hu