

# DUNA HOUSE BAROMETER

The latest property market info  
from Duna House network

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**DHS**  
**BÉT**  
**PRIME  
MARKET**

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## FORTHCOMING ISSUES

Date of issue	Content
14.04.2020	Q1 2020 data (including price indices and housing loan data)
2020.05.12.	April 2020 data
2020.06.12.	May 2020 data

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## 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.



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## EXECUTIVE SUMMARY

Looking at transaction data for the second month of the year we can see that the property market has returned to last year's levels and is characterised by a brisk demand, varied prices and a steadily expanding mortgage market. The 13,000 transactions estimated for February represent an almost 2 per cent increase over 2018 and a marginal, 3 per cent decrease compared to 2019. For the usually stronger spring property market Duna House experts continue to expect a slightly increasing transaction volume compared to the previous month, which should result in a stable and balanced property market – unless economic factors or the Coronavirus pandemic cause significant changes in fundamentals.

As for prices, brick and mortar properties are still becoming more expensive in all regions and parts of the country compared to the same period last year, while the prices of concrete block apartments are decreasing in Eastern Hungary and in the capital, too. Both asking prices and bargaining margins were increasing more steeply in February, with the latter being 8-10 per cent on average for all types of apartments. As before, the time needed to sell is still longer than a year ago: sellers must be prepared to wait three months on average for a buyer to turn up.

The largest segment of buyers looking to find a new home are first-time buyers – their share has increased both in Budapest and in the country and currently stands at 24 per cent and 28 per cent, respectively.

### *Further information*

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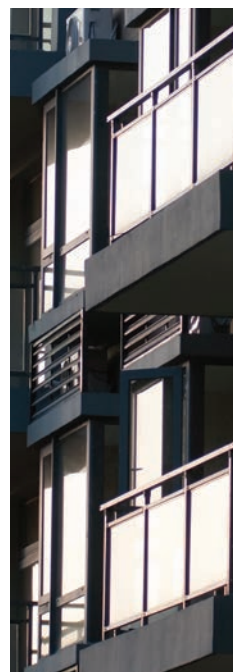


### 3 INTERESTING FACTS:

Sales volume has increased in most of Hungary compared to the same period last year.

In County Pest 35 per cent of properties changed hands at prices above HUF 40 million.

In downtown Budapest average sq. m. prices have increased compared to last year and now stand at HUF 884 thousand.



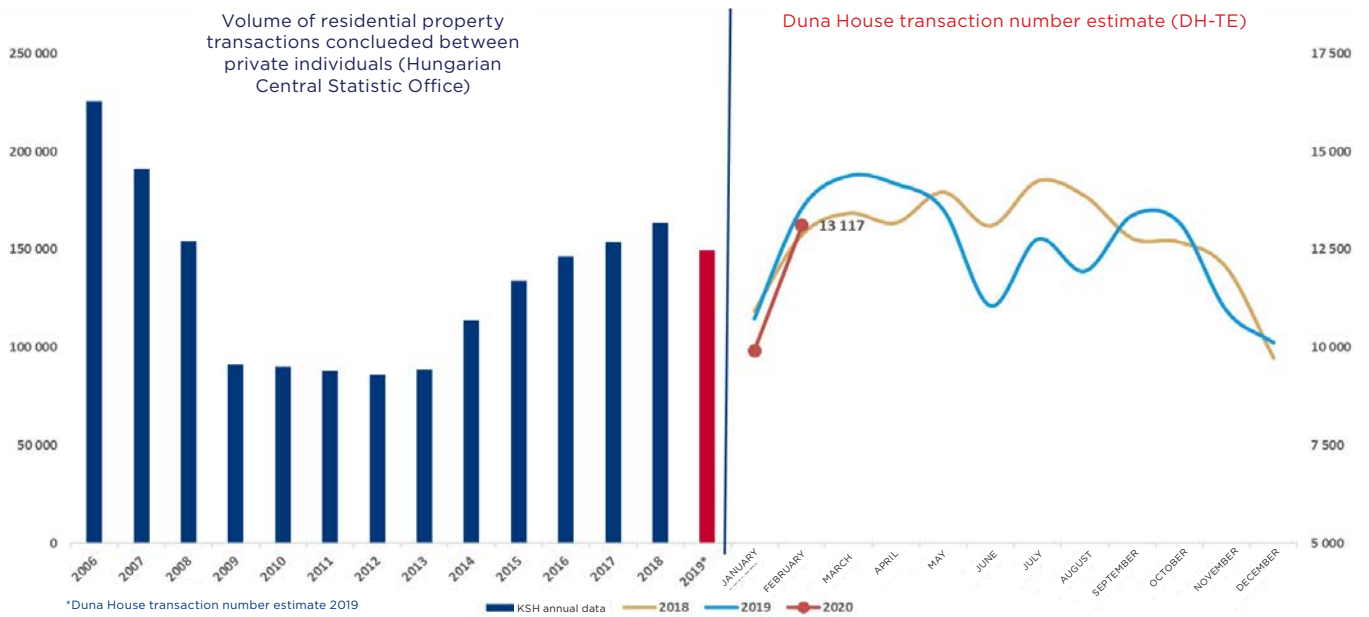


## TRANSACTION DATA

### Duna House Transaction Number Estimate (DH-TE)

Following the expectably weaker January transaction data the property market returned to the stronger figures seen in previous years, indicating a continued presence of solvent demand. The estimated 13+ thousand transactions in February are an almost 2 per cent increase over the same month in 2018 and a slight, 3 per cent decrease over February 2019. For the usually brisk spring season Duna House analysts still expect slightly increasing transaction numbers compared to the previous months, which will result in a stable, balanced residential property market.

As far as the mortgage market is concerned, it is still in an upswing compared to last year's figures according to the forecast compiled by Duna House Loan Center. Data published by this independent loan agency indicates that the entire market saw mortgage contracts worth HUF 73 billion concluded in the second month of 2020. Compared to the factual figures of the National Bank of Hungary for February 2019 (HUF 62.6 billion) this means an increase of 16 per cent on a y/y basis.



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
<b>2018</b>	10 918	12 869	13 426	13 180	13 967	13 098	14 246	13 869	12 787	12 689	12 033	9 721
<b>2019</b>	10 741	13 532	14 373	14 166	13 512	11 069	12 764	11 945	13 364	13 182	10 945	10 127
<b>2020</b>	9 917	13117										



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

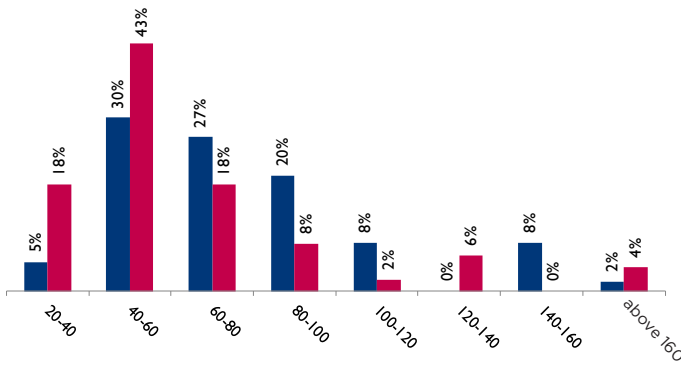
In Buda and Pest, the share of 40-60 sq. m. residential properties has increased by 13 and 7 percentage points, respectively, compared to last February. The demand for apartments of 100 sq. m. and above is negligible.

In Buda, sq. m. prices have shifted markedly higher: the share of properties with prices of HUF 500-600 thousand/sq. m. has increased by 9 percentage points, while in Pest there was a 10 percentage point decrease compared to the same period last year. In Pest, properties with prices above HUF 900 thousand/sq. m. were significantly more popular than in February 2019: their share increased by 10 percentage points.

As far as apartment prices are concerned, the market was dominated by properties in the HUF 25-30 million and 40-50 million price brackets: their share increased in Buda by 17 and 18 percentage points, respectively. In Pest, the distribution was similar to that of the same period last year, but the most popular were apartments in the HUF 20-30 million category where we saw an increase of 7 percentage points.

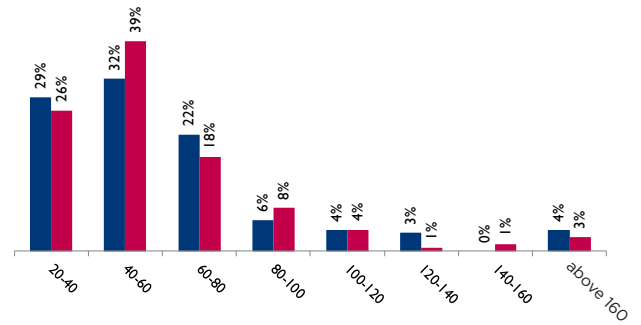
### BUDA

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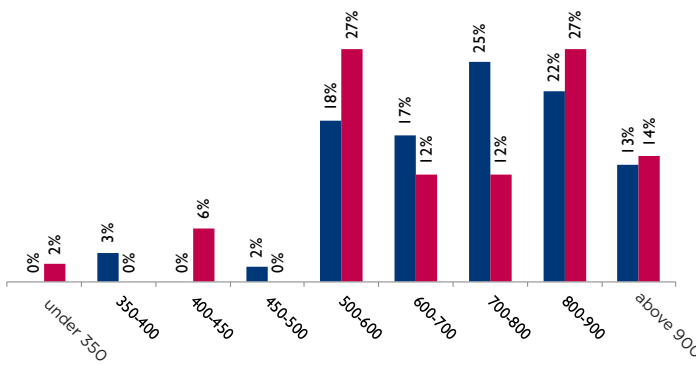


### PEST

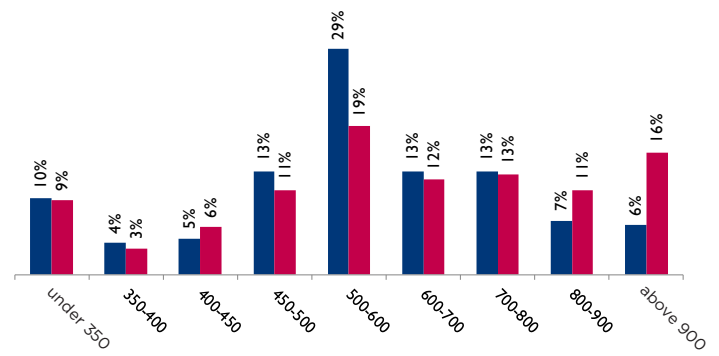
Size (m<sup>2</sup>)



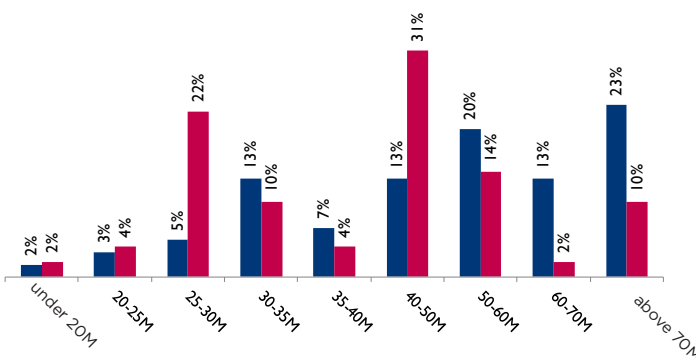
m<sup>2</sup> price (HUF thousand)



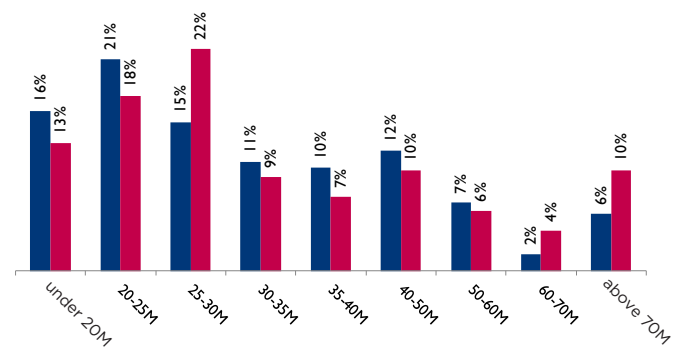
m<sup>2</sup> price (HUF thousand)



Price (HUF Million)



Price (HUF Million)



■ February 2019  
■ February 2020

Based on properties sold by Duna House Franchise Network.

## TRANSACTION PARAMETERS REGIONALLY

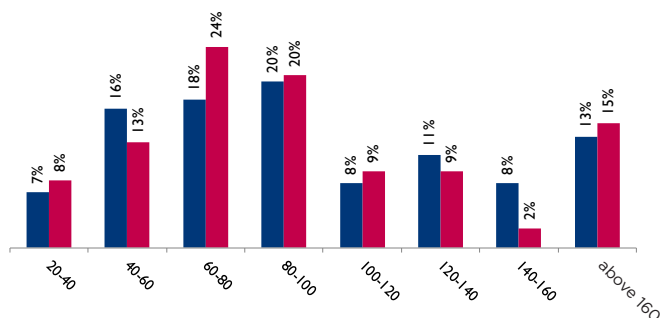
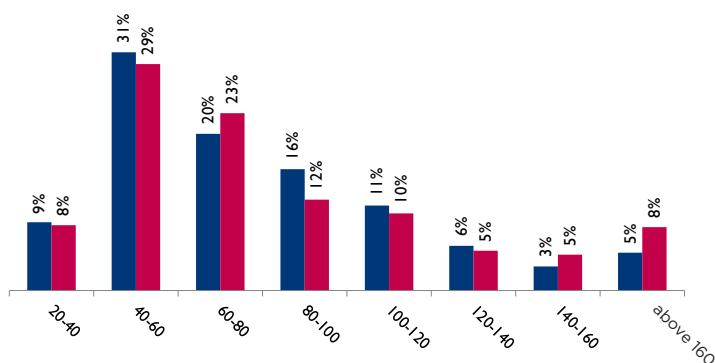
As far as Central Hungary is concerned, there were no significant changes compared to the same period of 2019, unlike in County Pest, where 25 per cent of all sales transactions were concluded at HUF 450,000/sq. m., and the HUF 250,000/sq. m. category lost 12 percentage points. Consequently, there is a huge step upwards in the share of apartments worth HUF 40 million: compared to the same period last year they have seen an increase of 21 percentage points.

### COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

### PEST COUNTY

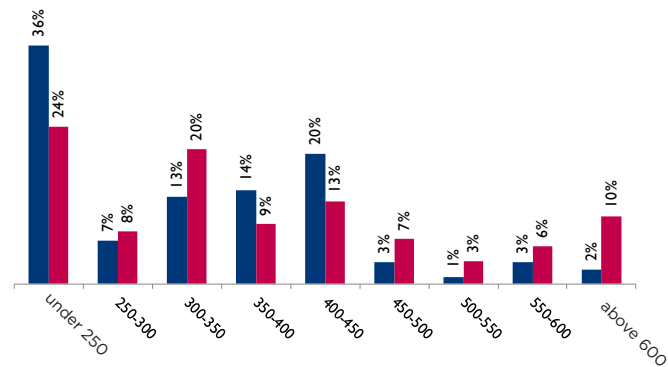
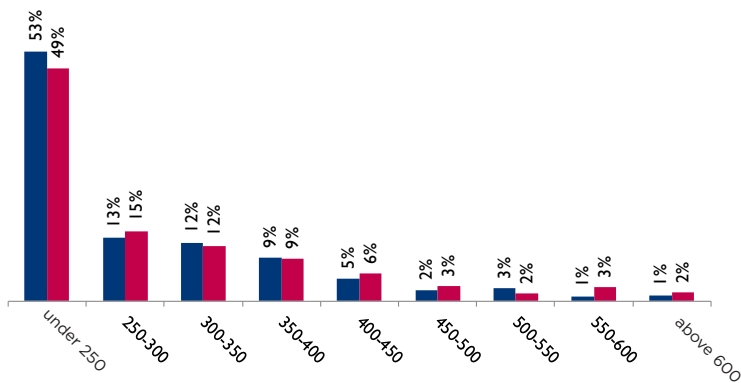
Size (m<sup>2</sup>)

Size (m<sup>2</sup>)



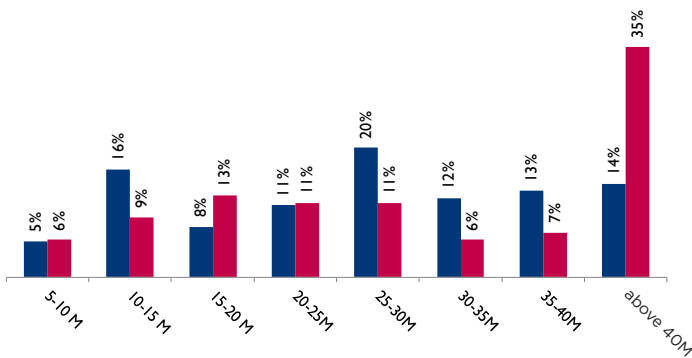
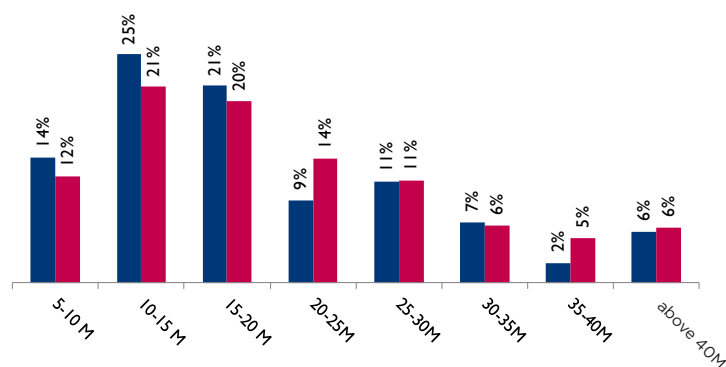
m<sup>2</sup> price (HUF thousand)

m<sup>2</sup> price (HUF thousand)



Price (HUF Million)

Price (HUF Million)



■ February 2019  
 ■ February 2020

Based on properties sold by Duna House Franchise Network.

## PRICES - RESIDENTIAL FLAT DATA

In the country, average sq. m. prices increased by 11-23 per cent to HUF 402,000, with the highest increase seen for pre-owned brick and mortar properties (11 per cent and 23 per cent in the West and in the East, respectively) compared to the same period last year. For concrete block apartments in Western Hungary, there was a jump of 17 per cent compared to February 2019, while the same category in the East there saw an almost 4 per cent decrease. In February this year bargaining played an even stronger role than a year ago.

PANEL COUNTRYWIDE								
	EAST				WEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
February 2019.	16 822 000	306 000	3%	4%	14 520 000	261 000	2%	3%
February 2020.	15 970 000	295 000	5%	6%	16 565 000	305 000	4%	4%

BRICK COUNTRYWIDE								
	EAST				WEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
February 2019.	19 145 000	328 000	2%	3%	17 234 000	272 000	1%	4%
February 2020.	22 860 000	402 000	2%	4%	19 725 000	301 000	4%	6%

Prices in the capital are still higher than in the country. Even though the decrease of sq. m. prices has been less significant than in the same period last year, in Buda and Pest there was still a 1 per cent and 5 per cent decrease, respectively.

For brick and mortar properties, however, there has been an increase in all parts of the capital compared to February 2019. The hike in Buda and Pest was 6 per cent and 15 per cent, respectively. The average sq. m. price in downtown Budapest increased by 28 per cent compared to February 2019, reaching HUF 884,000. This is the highest average sq. m. price we have recorded over the past 12 months for downtown Budapest. More than half of all transactions in this part of the city were concluded at prices ranging from HUF 850,000/sq. m. upwards and 25 per cent even exceeded HUF 1 million.

PANEL BUDAPEST								
	BUDA				PEST			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
February 2019.	29 750 000	558 000	2%	6%	26 513 000	519 000	1%	1%
February 2020.	31 582 000	555 000	5%	6%	25 460 000	495 000	5%	5%

BRICK BUDAPEST												
	BUDA				PEST				INNER CITY			
	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain	price	m <sup>2</sup> price	Change in listing price	Bargain
February 2019.	54 927 000	736 000	1%	4%	32 947 000	587 000	3%	2%	40 751 000	690 000	2%	4%
February 2020.	48 349 000	783 000	4%	6%	33 929 000	674 000	3%	5%	48 622 000	884 000	4%	4%

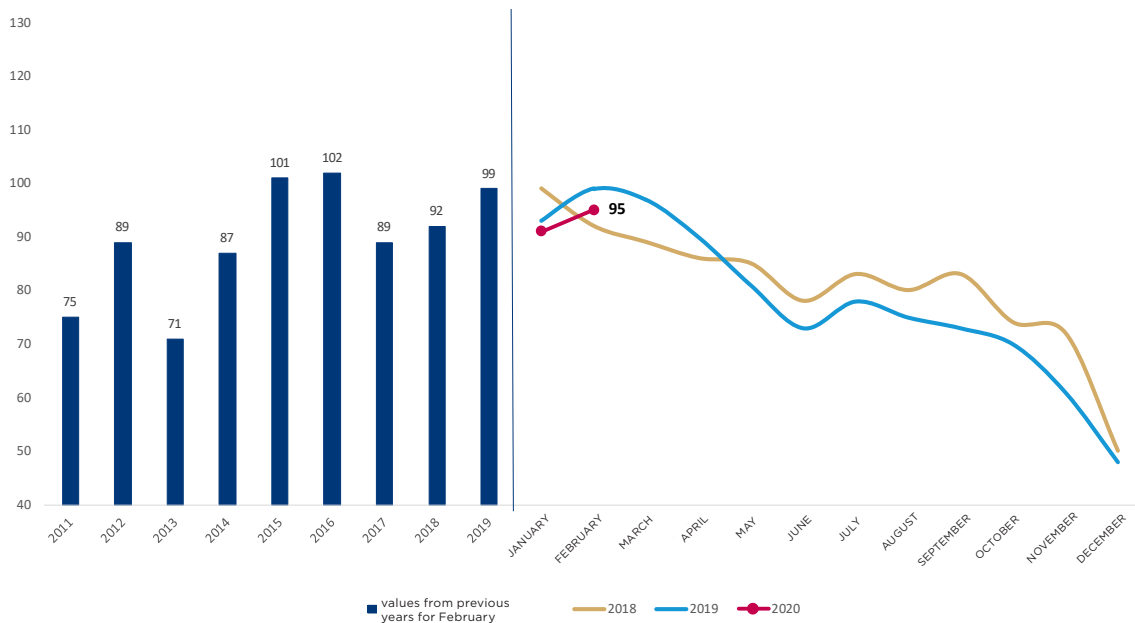
Based on purchase prices of the given period of properties brokered by Duna House.

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

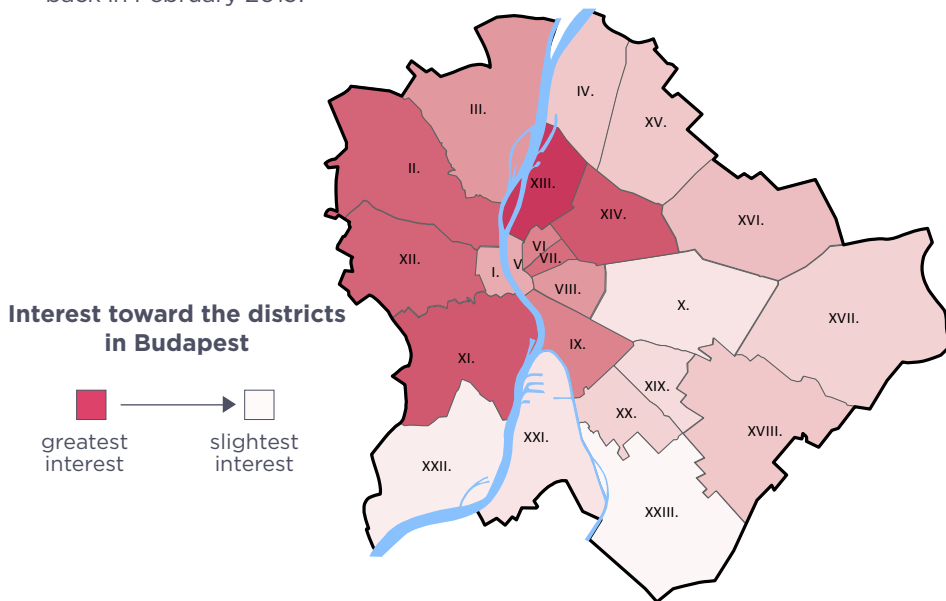
As far as demand is concerned, this year kicked off at a brisk pace, too. Our Demand Index soared to 95 percentage points in February, which may be lower than last year's figure, but it is still noticeably higher than it was in 2018 and 2017.



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

There was no significant change for the various districts of Budapest. District 13 is still the most popular among buyers, closely followed by Districts 2 and 14. All in all, demand in 2020 strongly resembles the scenario we encountered back in February 2019.



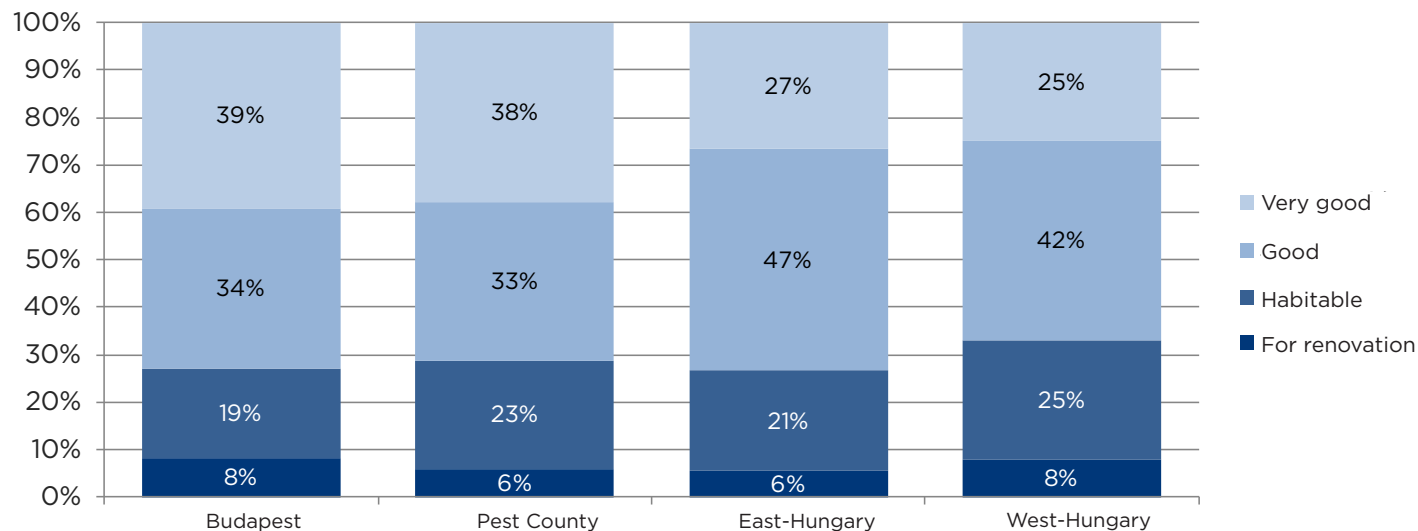
DISTRICT	FEBRUARY 2019.	FEBRUARY 2020.
Budapest 01.	10,0%	8,2%
Budapest 02.	17,0%	14,9%
Budapest 03.	10,0%	11,2%
Budapest 04.	7,7%	6,1%
Budapest 05.	10,6%	9,6%
Budapest 06.	15,9%	12,4%
Budapest 07.	15,9%	13,4%
Budapest 08.	12,9%	10,8%
Budapest 09.	13,8%	10,9%
Budapest 10.	6,6%	4,9%
Budapest 11.	15,0%	13,4%
Budapest 12.	14,3%	12,6%
Budapest 13.	19,6%	16,9%
Budapest 14.	16,2%	14,5%
Budapest 15.	7,7%	5,2%
Budapest 16.	6,6%	7,7%
Budapest 17.	4,4%	4,7%
Budapest 18.	9,0%	7,4%
Budapest 19.	8,1%	5,9%
Budapest 20.	6,1%	5,7%
Budapest 21.	3,7%	4,5%
Budapest 22.	4,0%	4,5%
Budapest 23.	2,0%	2,3%

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 majority of buyers prefer properties in a good or very good condition. The share of the latter segment was 39 per cent and 38 per cent in Budapest and County Pest, respectively, but it is becoming increasingly popular in both Eastern and Western Hungary, too.



## TIME NEED OF SALE

The time needed to sell grew in almost all parts of the country compared to the same period last year, with the exception of pre-owned brick and mortar apartments in the Eastern counties and in County Pest. In downtown Budapest the average turnover speed grew to 165 days.

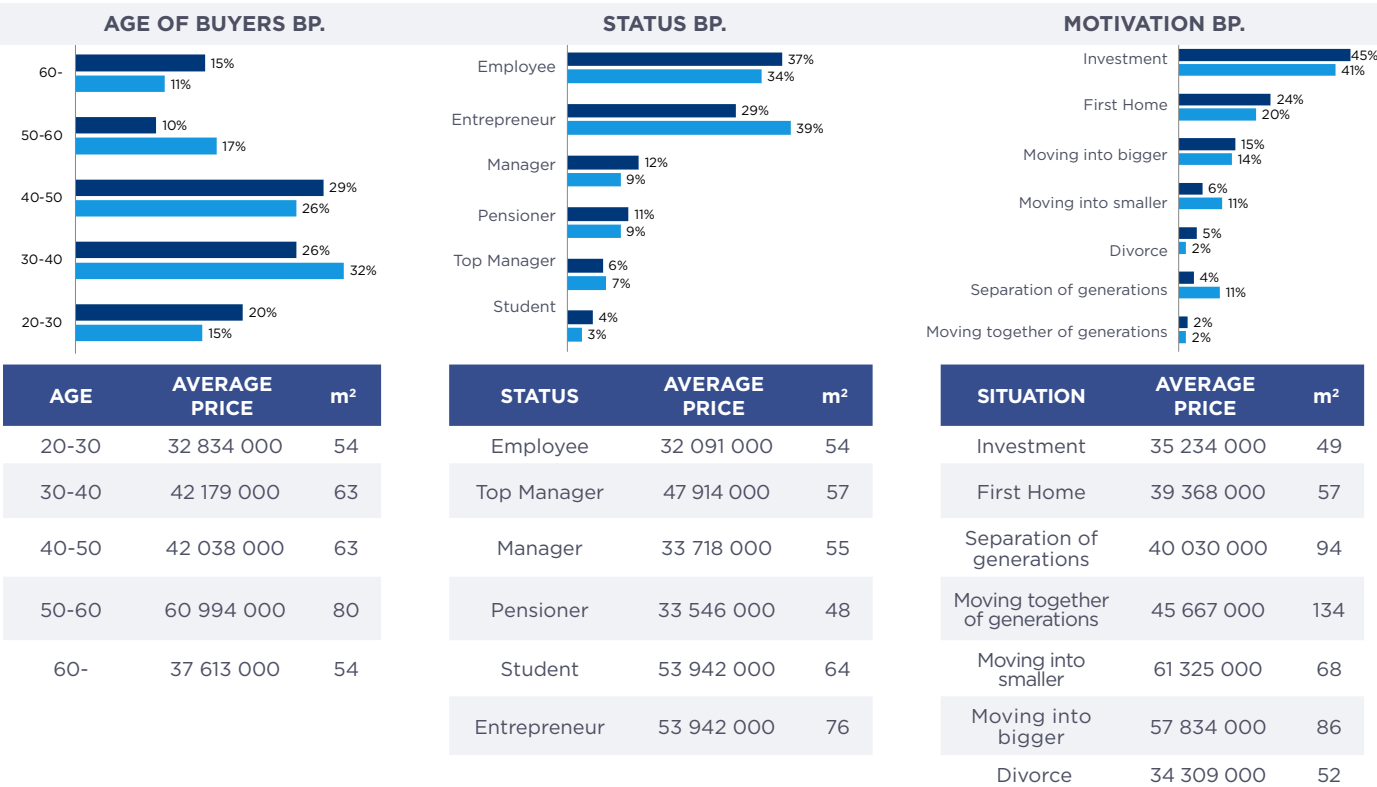
PANEL				
Time need of sale/day				
	East	West	Buda	Pest
February 2019.	75	70	64	75
February 2020.	79	81	107	84

BRICK					
Time need of sale/day					
	East	West	Buda	Pest	Inner city
February 2019.	97	97	86	116	123
February 2020.	96	111	106	106	165

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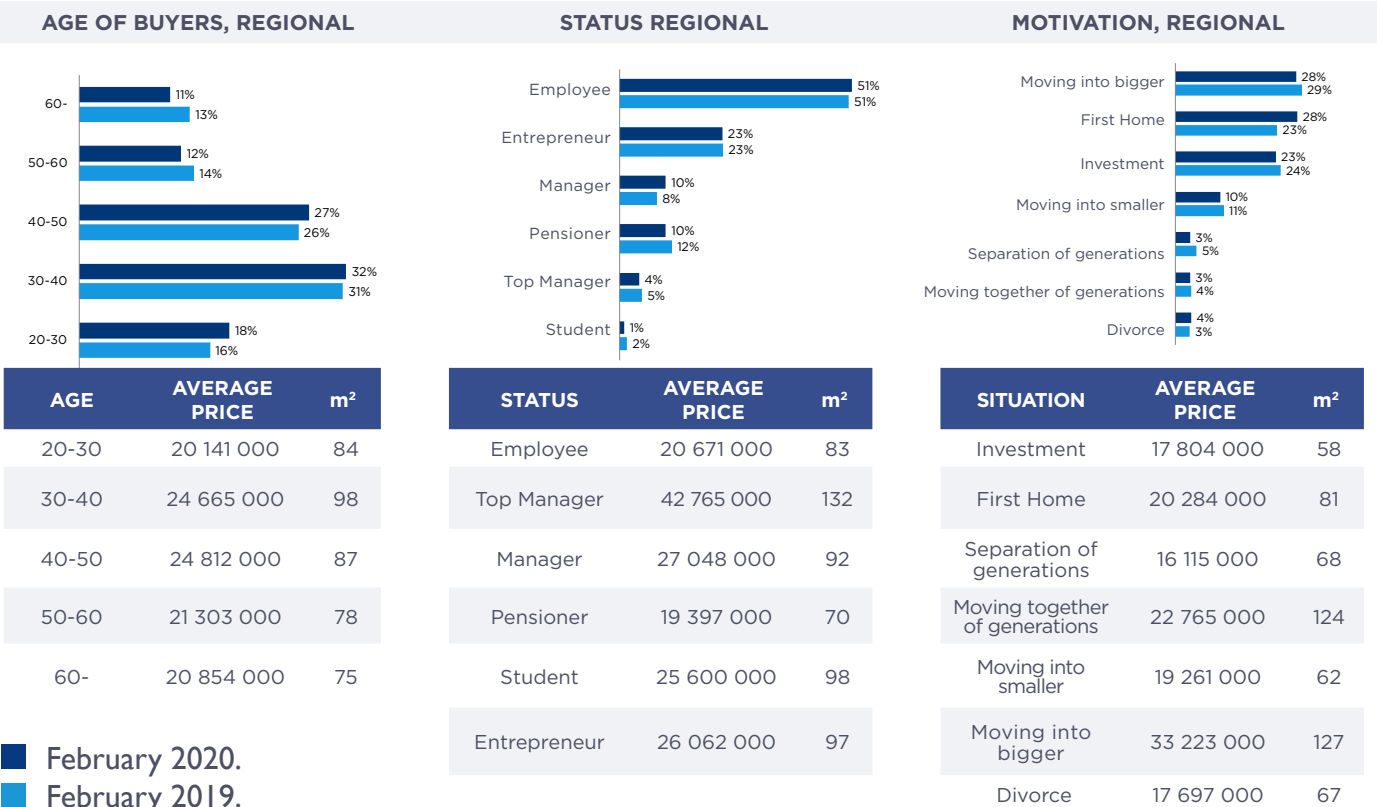
## BUYER'S PROFILE BUDAPEST

Buyers between 30-50 years of age still account for more than 50 per cent of buyers in the capital. 37 per cent of buyers in Budapest are employees and 29 per cent are self-employed – the latter figure reflects a 10 percentage point decrease compared to February 2019. The main motivation to buy is still investment, followed by buying the first home.



## BUYER'S PROFILE ON REGIONAL LEVEL

Those between 30-50 years of age represent the majority of buyers in the country, too, and similarly to Budapest they are mostly employees and self-employed. The main motivations in February 2020 were buying the first property and moving into a larger home (both with a share of 28 per cent), while investment had a share of 23 per cent only. A significant change compared to the same period last year was seen for first-time buyers whose share grew by 5 percentage points.



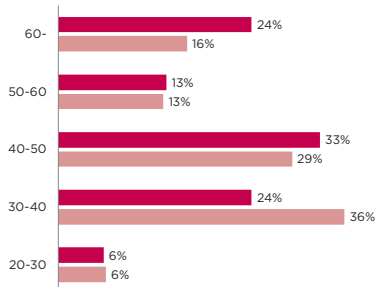
■ February 2020.  
■ February 2019.

Based on the methodology, investment purpose acquisitions include every property transaction, which is regarded as investment by the buyer, i.e. it is not a strictly business approach qualification. Thus, the category includes family investments, or short time investments targeting properties for renovation, sold following the renovation. The latter case has a positive effect on the preservation of property, being a rather useful activity in the present building industry and property market environment. Data presented above relating age, status and reason of purchase have been acquired through the voluntary declaration of our clients. They qualify as sampling and are regarded as estimated values.

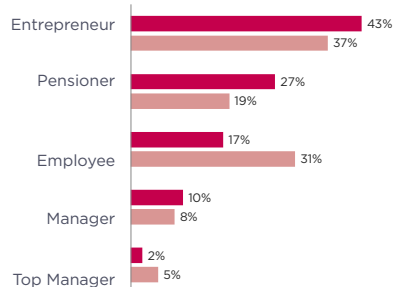
## SELLER'S PROFILE BUDAPEST

As usual, seller profile in Budapest is much more varied than in the country, and the only segment with a negligible share is that of young buyers. Similarly to buyers, sellers are predominantly self-employed and employees, but pensioners have a significant share, too. The main motivation to sell is moving into a bigger property, but the share of selling an inherited property is also high.

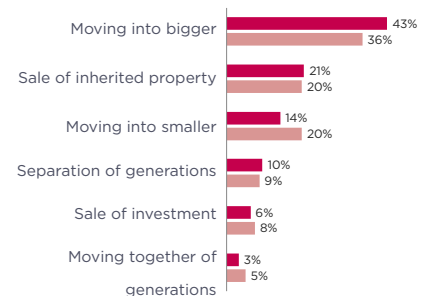
**AGE OF SELLERS BP.**



**STATUS BP.**



**MOTIVATION BP.**



AGE	AVERAGE PRICE	m <sup>2</sup>
20-30	36 088 000	57
30-40	29 578 000	49
40-50	49 058 000	70
50-60	38 085 000	63
60-	43 178 000	67

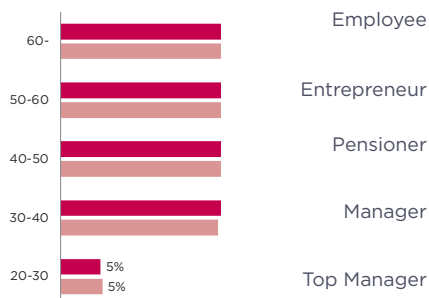
STATUS	AVERAGE PRICE	m <sup>2</sup>
Employee	27 127 000	57
Top Manager	54 250 000	64
Manager	44 195 000	61
Pensioner	37 540 000	68
Entrepreneur	43 706 000	67

SITUATION	AVERAGE PRICE	m <sup>2</sup>
Sale of investment	34 916 700	57
Separation of generations	49 500 000	162
Moving together of generations	31 500 000	58
Moving into smaller	55 450 000	76
Moving into bigger	39 347 000	55
Sale of inherited property	34 410 000	60
Divorce	32 159 000	70

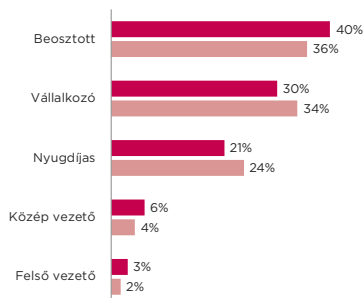
## SELLER'S PROFILE ON REGIONAL LEVEL

Sellers' profile in the country is very similar to that in Budapest, but pensioners have a bigger share and the value of properties is less than in the capital. The main motivation to sell is again moving into a larger property, followed by moving into a smaller one.

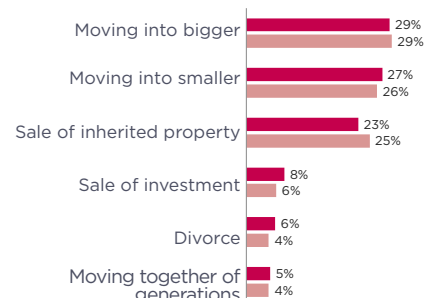
**AGE OF SELLERS, REGIONAL**



**STATUS REGIONAL**



**MOTIVATION, REGIONAL**



AGE	AVERAGE PRICE	m <sup>2</sup>
20-30	21 362 000	99
30-40	22 357 000	78
40-50	25 703 000	94
50-60	23 496 000	91
60-	18 663 000	82

STATUS	AVERAGE PRICE	m <sup>2</sup>
Employee	18 338 000	79
Top Manager	36 973 000	136
Manager	29 419 000	92
Pensioner	18 398 000	83
Entrepreneur	29 580 000	92

SITUATION	AVERAGE PRICE	m <sup>2</sup>
Sale of investment	13 589 000	67
Separation of generations	42 272 000	132
Moving together of generations	15 678 000	72
Moving into smaller	26 057 000	115
Moving into bigger	20 638 000	65
Sale of inherited property	16 117 000	78
Divorce	21 133 000	127

■ February 2020.  
■ February 2019.