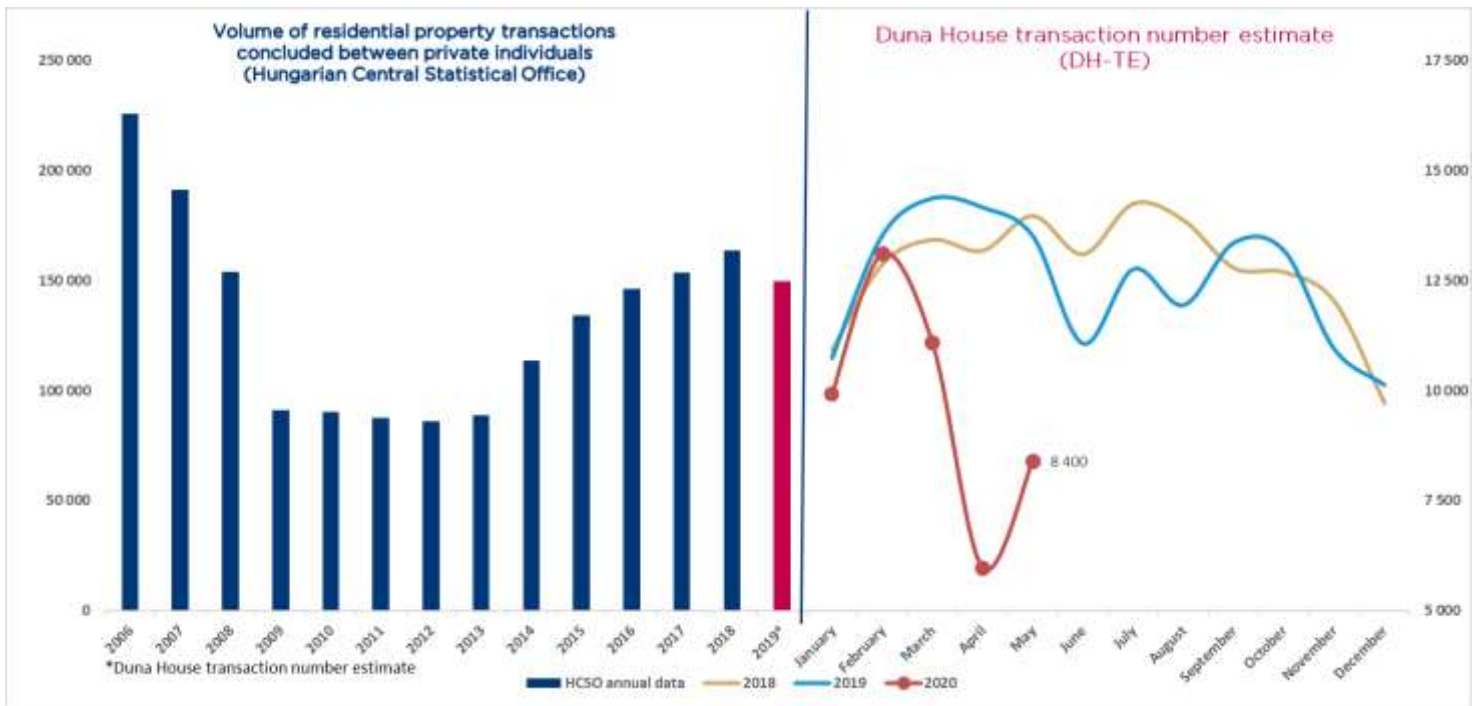
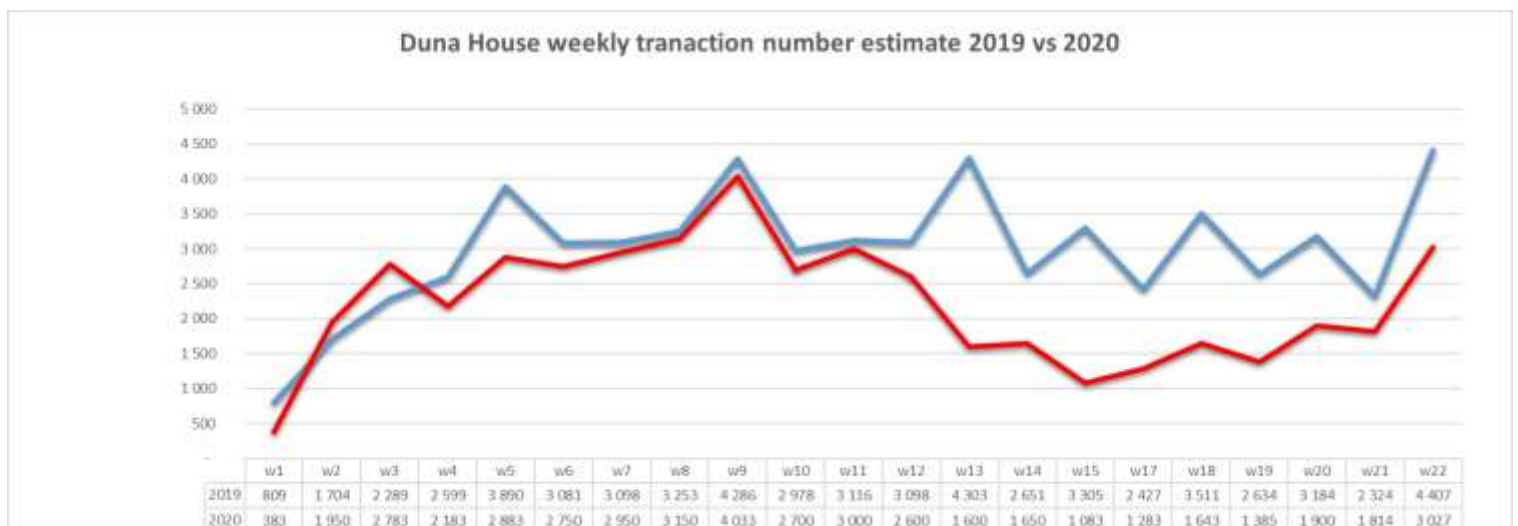


Residential property transaction volume estimate and mortgage forecast for May 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in May 2020 8400 property transactions were concluded and residential mortgage contracts between HUF 63-73 billion were signed in the whole of Hungary.



After it had hit rock bottom in April, Hungarian residential property market was showing signs of a rebound in May. Thanks to the removal of social distancing restrictions the number of buyers appearing on the market is increasing week by week, as reflected by the increasing transaction numbers. For the month of May Duna House estimates an increase of 35 per cent compared to April figures. However, this is still indicative of a 38 per cent weaker property market than in the same period of the previous years.



Looking at the weekly figures we can see that the market is catching up with its normal levels: in the last weeks of May our transaction figures showed a mere 22-31 per cent minus compared to the same period of 2019.

As far as the mortgage market is concerned, and albeit with a delay of a couple of months, the decrease caused by the COVID-19 virus outbreak is becoming evident here, too. According to the factual figures published by the National Bank of Hungary property mortgage contracts worth HUF 86.1 billion were signed in May 2019. The estimates of Duna House Finances show that this figure will be significantly smaller for May 2020. On account of the volatile market situation this independent loan broker estimated that the combined value of transactions was between HUF 63-73 billion, 15-27 per cent less than in 2019.

Budapest, 2 June 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							

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