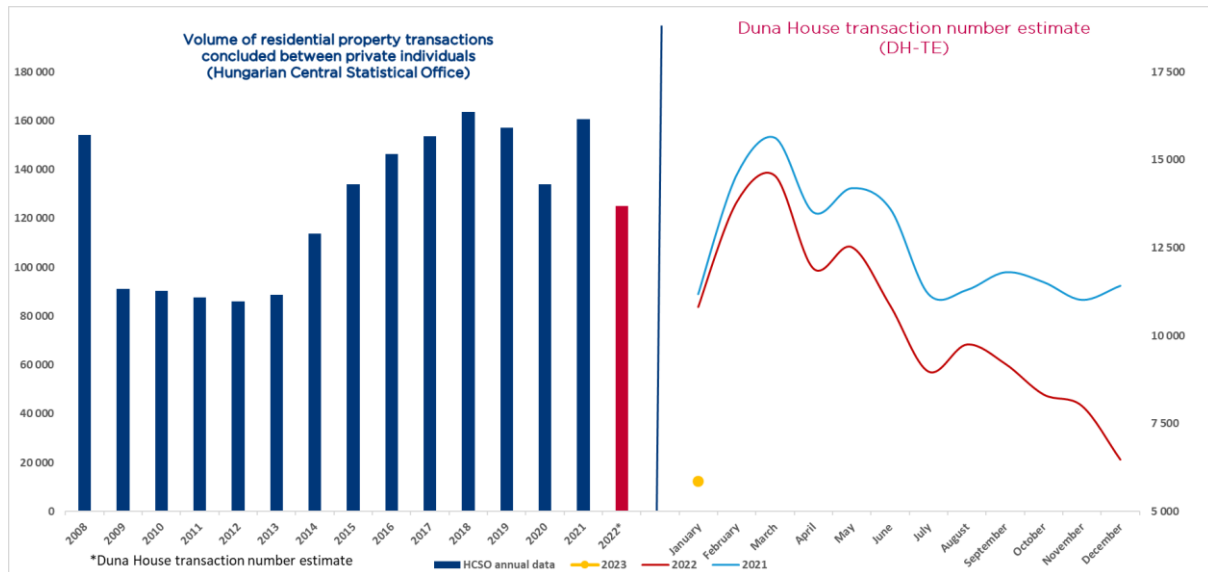


## Residential property transaction volume estimate and mortgage forecast for January 2023

**Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that 5853 residential property transactions were concluded in January 2023 and residential mortgage contracts worth HUF 37 billion were signed in the whole of Hungary.**



Based on estimates by Duna House, the real estate market plunged to a new low in January 2023, after stagnating in November and December. The 5853 sales estimated by the real estate network nationwide represent the weakest start to the year in 10 years: the last time there were fewer transactions in January was in 2013. The January figure translates a drop of 10% compared to December and 46% compared to January 2022. In a slowing, depressed market it is mainly sellers who need to adapt better by rethinking and lowering their selling prices, while buyers can get into a better bargaining position.

Duna House experts do not expect the market to strengthen this year either: our annual forecast indicates a sales volume range of 90,000-110,000 for 2023, which is confirmed by the first January estimate. It is worth recalling that in the period after the 2008 crisis, the number of housing transactions hovered around 90,000 per year between 2009 and 2013.

According to data compiled domestically by Credipass, the group's international financial brand, the volume of loans on the credit market also fell significantly in January 2023, in tandem with the housing market. Credipass estimates that in the first month of the year HUF 37 billion of residential mortgage loans were taken out, down 10% on the previous month and 66% on January last year. However, it is important to note that at the beginning of last year, Green Loans were still having a significant impact on the overall market.

### 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	9748	9200	8326	8000	6474
2023	5853											

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.