

# DUNA HOUSE BAROMETER

The latest property market info  
from Duna House network

89. issue

2018. NOVEMBER



**DHS**  
**BÉT**  
**PRIME  
MARKET**  
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the Budapest Stock Exchange

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## FORTHCOMING ISSUES

| Date of issue      | Content                                 |
|--------------------|-----------------------------------------|
| January 12, 2019.  | 2018. Q4 data (including price indexes) |
| February 12, 2019. | January data                            |
| March 12, 2019.    | February 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.



## CONTENT:

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## EXECUTIVE SUMMARY

Property market tendencies have not changed much as the end of the year is getting closer. In November, active market activity, increasing prices and a shortening time need for sale were the main characteristics of the market again.

Duna House keeps up its estimate of higher transaction numbers, thus this year's data -in line with the expectations- will outgrow the numbers from last year.

In addition to transaction numbers, square meter prices are also in continuous growth. The average m2 price of panel flats is HUF 550 thousand in Buda and HUF 450 in Pest. The average price of brick flats is even higher, reaching HUF 750 thousand in a major part of Budapest, with the less expensive district presenting HUF 560 thousand / m2 as well.

Shortening time need for sale is also visible, as panel flats are sold within two months, while the sale of brick flats takes 3-4 months.

No major changes were seen in client profiles, it is still the age group of 30-50 representing the largest group among buyers, mainly with investment as the motivation. Sellers come from all age groups in nearly the same volume, with only the youngest age group being much lower. In November, the leading reason behind the sale was moving into a bigger property.

### *Further information*

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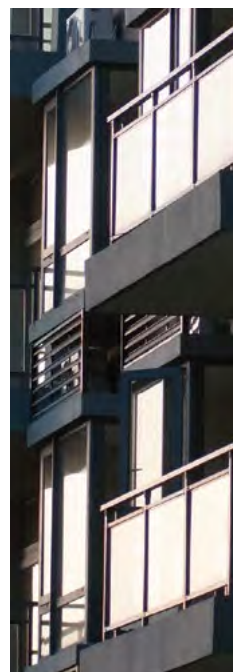


### 3 INTERESTING FACTS:

66% of properties in Buda was sold on a price over HUF 600 thousand/m2.

The average m2 price of panel flats in Budapest is nearly the double of values on countrywide level.

Panel flats are sold within about two months.

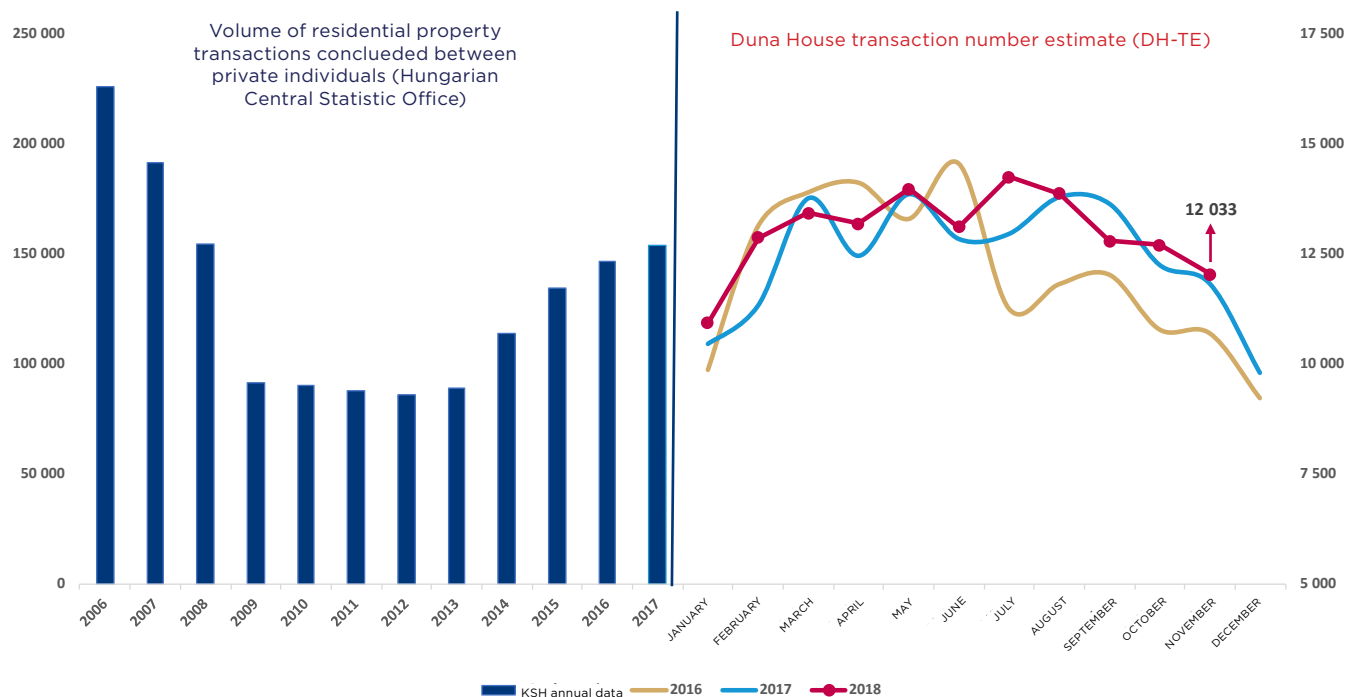




## TRANSACTION DATA

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

The property market was stronger in November again when compared to the previous years. This year's value is 12% higher than data from 2016, and also presents a 2% increase since last year. Duna House expects stronger sale indicators for December as well, with the total annual volume of transactions exceeding the turnover in 2017.



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>2016</b> | 9 870   | 13 130   | 13 897 | 14 118 | 13 294 | 14 550 | 11 257 | 11 814 | 12 029    | 10 786  | 10 700   | 9 229    |
| <b>2017</b> | 10 444  | 11 317   | 13 762 | 12 452 | 13 855 | 12 836 | 12 951 | 13 787 | 13 639    | 12 246  | 11 820   | 9 787    |
| <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   |          |



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!

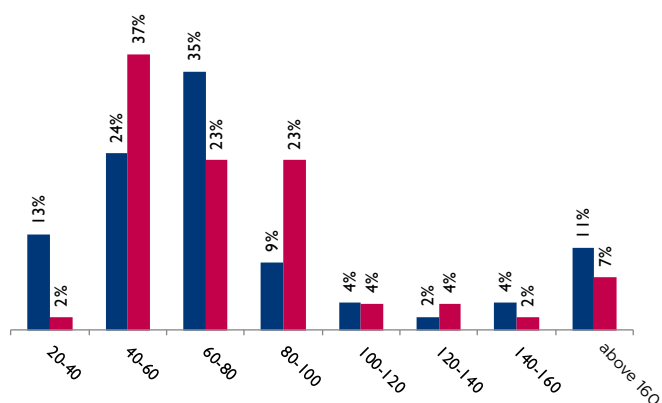
## TRANSACTION PARAMETERS IN BUDAPEST

In Budapest the most demanded size was the 40-60 m<sup>2</sup> in November. In Pest districts, properties under 40 m<sup>2</sup> were also popular, whereas in Buda the ratio of smaller ones was irrelevant last month.

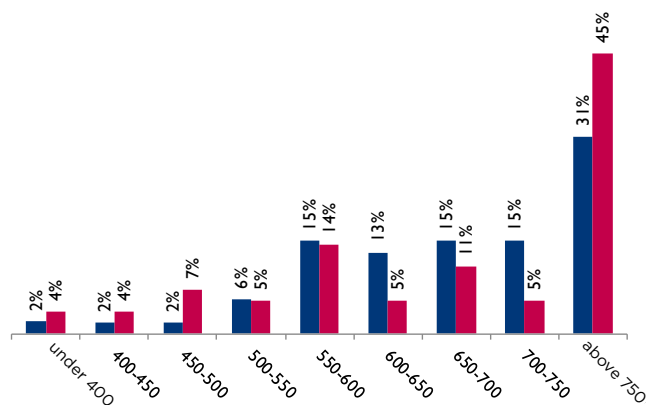
Square meter prices have clearly gone up when compared to last year's values, as 66% of properties in Buda was sold on a price over HUF 600 thousand/m<sup>2</sup> – 44% in Pest. As a result, the price of a growing number of properties is above HUF 40 Million.

### BUDA

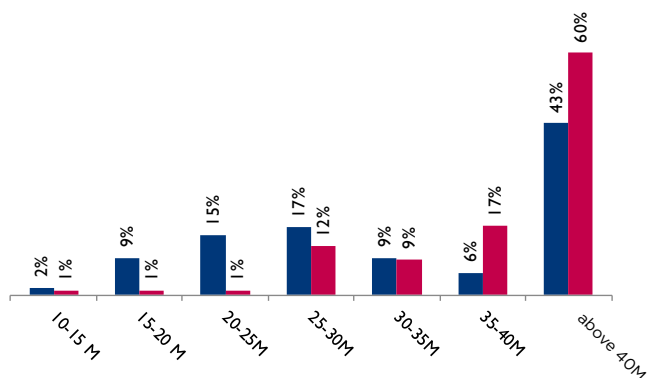
Size (m<sup>2</sup>)



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

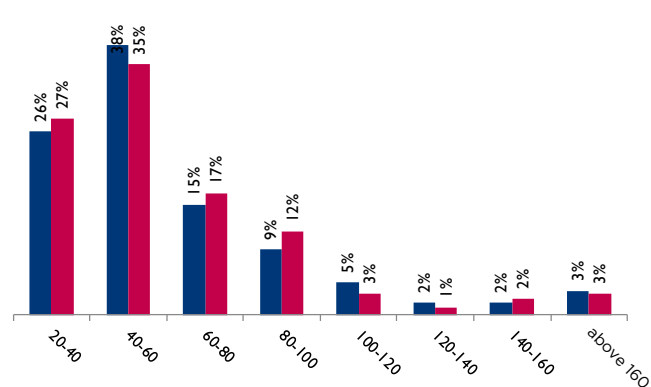


Price (HUF Million)

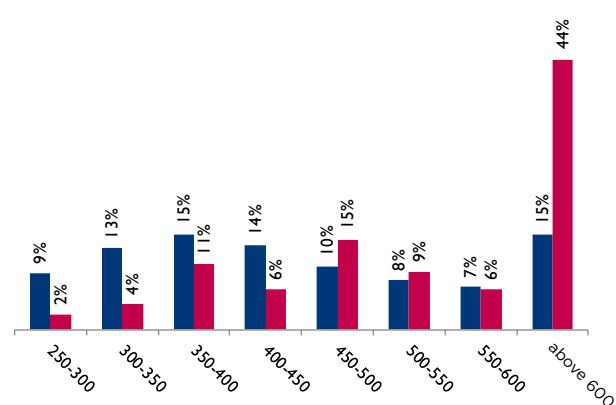


### PEST

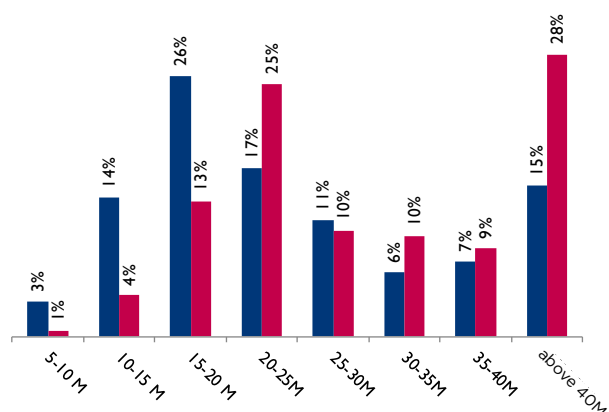
Size (m<sup>2</sup>)



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



Price (HUF Million)



■ November 2017.  
■ November 2018.

Based on properties sold by Duna House Franchise Network.

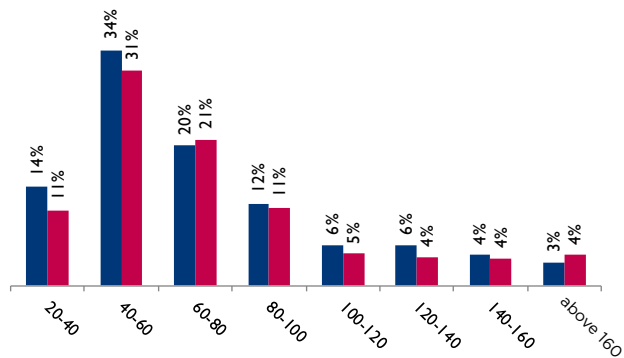
## TRANSACTION PARAMETERS REGIONALLY

When compared to the previous year, the demand for larger properties was somewhat lower this November.

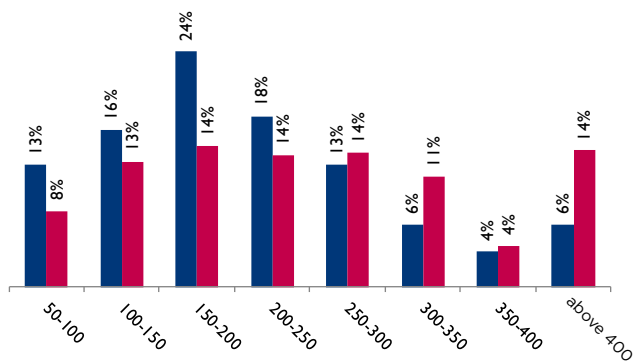
The ratio of properties sold for over HUF 400 thousand/m<sup>2</sup> has increased by 8-10% since last year, but the volume of properties sold for over HUF 40 Million has not increased on countrywide level in comparison with 2017.

### COUNTRYWIDE (WITHOUT CENTRAL-HUNGARY)

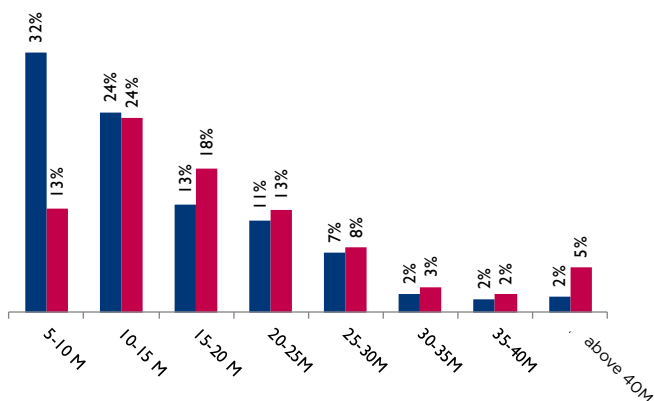
Size (m<sup>2</sup>)



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

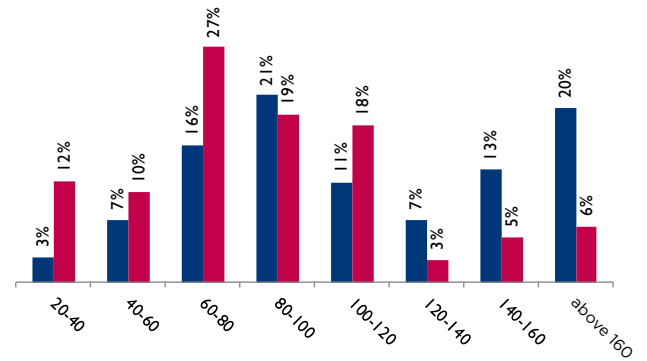


Price (HUF Million)

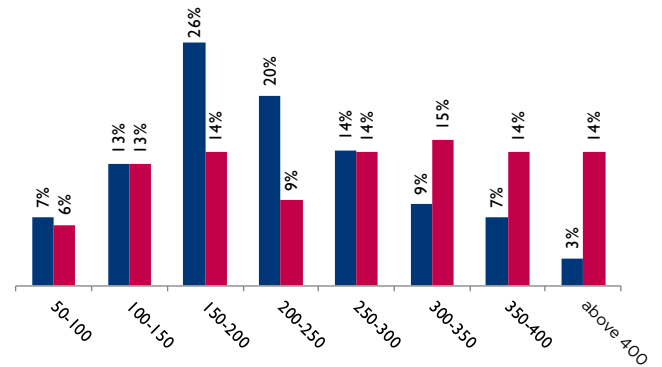


### PEST COUNTY

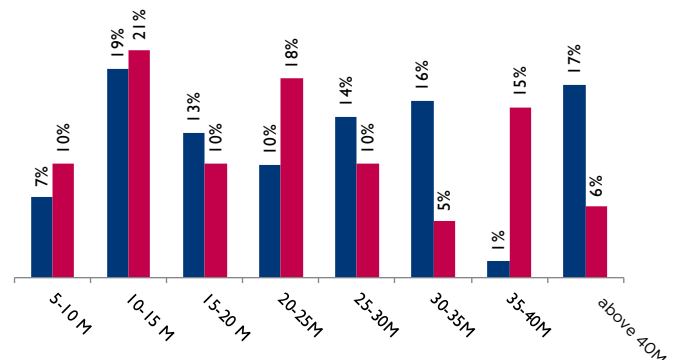
Size (m<sup>2</sup>)



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



Price (HUF Million)



■ November 2017.  
■ November 2018.

Based on properties sold by Duna House Franchise Network.

## PRICES - RESIDENTIAL FLAT DATA

When compared to last November, the m2 price of panel flats in East-Hungary has increased most, with the average m2 price of brick flats also being high in the region. This means, the average m2 price of panel flats in the eastern part of the country was close to HUF 300 thousand, while the price of brick flats exceeded the same level.

In West-Hungary, the average m2 price of panel flats has increased by over 25% during the past year, reaching HUF 245 thousand. Brick flats are a little more expensive, around HUF 285 thousand/m2.

| 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 |
| November 2017.    | 11 668 000 | 208 000              | 3%                      | 4%      | 9 603 000  | 195 000              | 1%                      | 4%      |
| November 2018.    | 15 516 000 | 297 000              | 2%                      | 4%      | 13 173 000 | 245 000              | 1%                      | 3%      |

| 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 |
| November 2017.    | 12 595 000 | 241 000              | 1%                      | 2%      | 13 146 000 | 231 000              | 2%                      | 3%      |
| November 2018.    | 19 375 000 | 315 000              | 2%                      | 4%      | 15 941 000 | 285 000              | 2%                      | 5%      |

The average m2 price of panel flats in Buda is nearly double of countrywide level prices, while values in Pest are also significantly higher than in other areas of the country. In November 2018, the average m2 price of panel flats in Buda exceeded HUF 550 thousand, while in Pest it was above HUF 450 thousand.

The square meter price of brick flats in Budapest is much higher, reaching HUF 747 thousand in the Inner City, HUF 744 thousand in Buda, and an average of HUF 559 thousand for the districts in Pest.

| 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 |
| November 2017. | 22 894 000 | 458 000              | 2%                      | 1%      | 18 351 000 | 341 000              | 1%                      | 4%      |
| November 2018. | 29 925 000 | 551 000              | 1%                      | 3%      | 24 735 000 | 457 000              | 1%                      | 3%      |

| 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 |
| November 2017. | 37 486 000 | 583 000              | 3%                      | 4%      | 25 153 000 | 444 000              | 2%                      | 4%      | 36 204 000 | 575 000              | 3%                      | 4%      |
| November 2018. | 57 855 000 | 744 000              | 2%                      | 4%      | 29 339 000 | 559 000              | 3%                      | 3%      | 40 709 000 | 747 000              | 3%                      | 3%      |

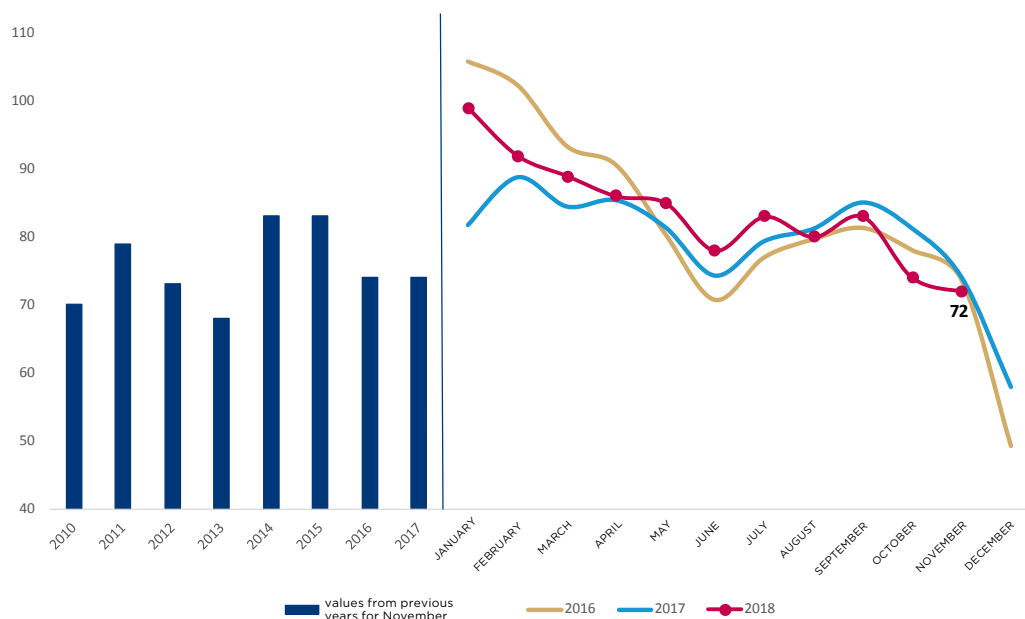
Based on purchase prices of the given period of properties brokered by Duna House.

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

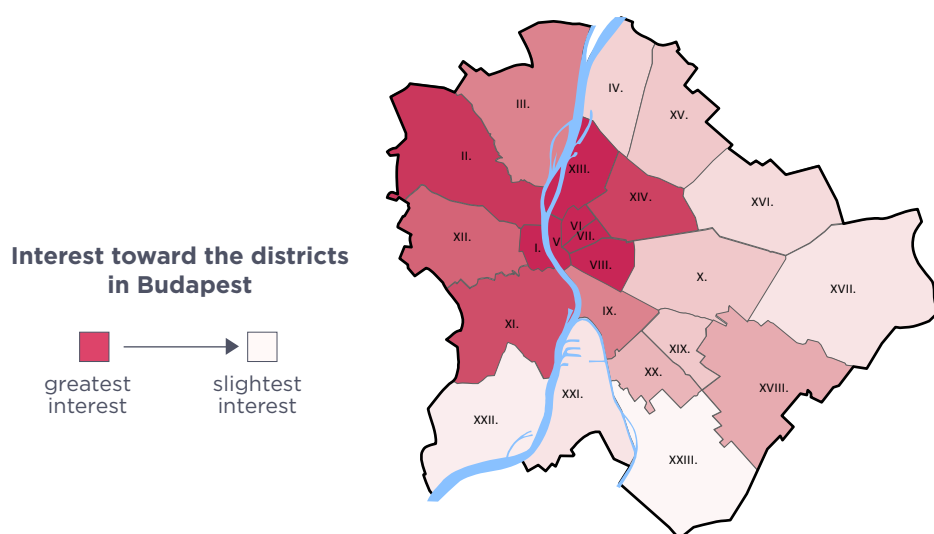
The Demand Index measured in November shows a similar value to previous years, and has not decreased much since October either. As the end of the year and the holidays are coming, property acquisition is less popular, a tendency which will turn around in January when the market is usually also very active again.



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

District 13 was the most popular destination in November again, with district 2 coming in second, and districts 6, 11 and 14 also presenting values above 15%. Interest towards districts 2 and 12 has increased most since last year, whereas the highest fallback was seen in relation of district 9.



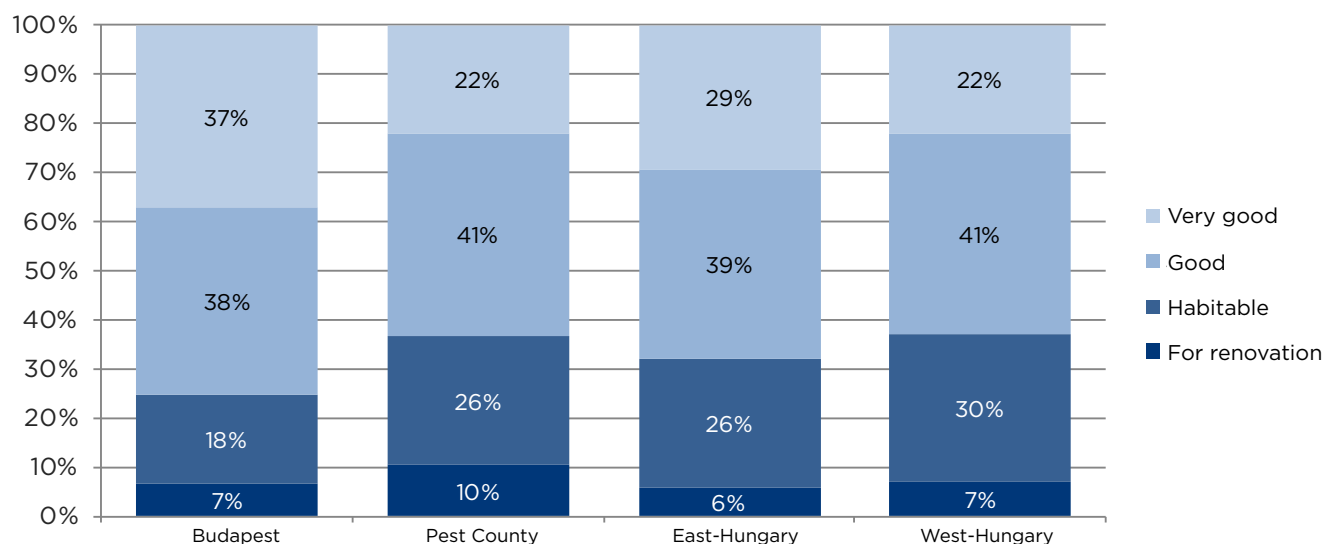
| DISTRICT          | 2017. NOVEMBER | 2018. NOVEMBER |
|-------------------|----------------|----------------|
| Budapest 01. ker. | 8,0%           | 8,8%           |
| Budapest 02. ker. | 12,9%          | 16,8%          |
| Budapest 03. ker. | 12,1%          | 11,7%          |
| Budapest 04. ker. |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

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 ratio of properties sold as good or very good quality was 60% on countrywide level. The ratio of buyers choosing for renovation and habitable category properties was the highest (37%) in West-Hungary, and the lowest (25%) in Budapest.



## TIME NEED OF SALE

The time necessary for the sale of properties has decreased countrywide in case of both panel and brick flats. Panel flats are sold within about two months, while brick properties need more time, between 85-118 das on average.

| PANEL                 |      |      |      |      |
|-----------------------|------|------|------|------|
| Time need of sale/day |      |      |      |      |
|                       | East | West | Buda | Pest |
| November 2017.        | 70   | 78   | 86   | 70   |
| November 2018.        | 62   | 66   | 65   | 59   |

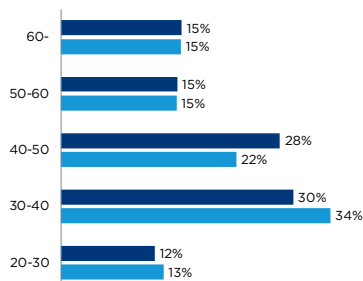
| BRICK                 |      |      |      |      |            |
|-----------------------|------|------|------|------|------------|
| Time need of sale/day |      |      |      |      |            |
|                       | East | West | Buda | Pest | Inner city |
| November 2017.        | 111  | 125  | 100  | 104  | 129        |
| November 2018.        | 111  | 100  | 99   | 85   | 118        |

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## BUYER'S PROFILE BUDAPEST

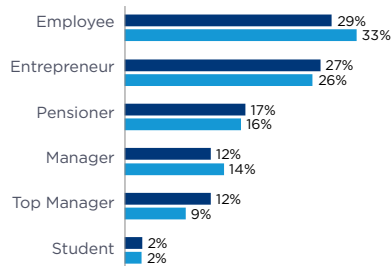
In November, in Budapest the 30-50 age group presented the highest number of buyers, who were mostly employees and entrepreneurs. The leading reason behind the acquisition is still investment, targeting HUF 37-38 Million average price properties. The ratio of those buying their first home is also high, spending HUF 32.5 Million on average.

AGE OF BUYERS BP.



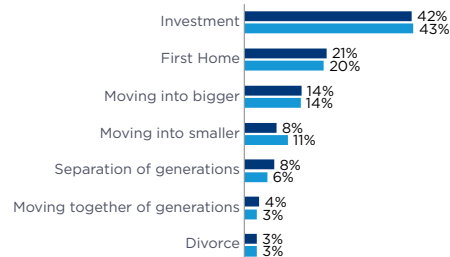
| AGE   | AVERAGE PRICE | m <sup>2</sup> |
|-------|---------------|----------------|
| KOR   | ÁR            | M2             |
| 20-30 | 34 175 000    | 57             |
| 30-40 | 36 101 000    | 72             |
| 40-50 | 39 263 000    | 63             |
| 50-60 | 39 610 000    | 75             |
| 60-   | 41 819 000    | 62             |

STATUS BP.



| STATUS       | AVERAGE PRICE | m <sup>2</sup> |
|--------------|---------------|----------------|
| Employee     | 30 300 000    | 58             |
| Top Manager  | 50 742 000    | 76             |
| Manager      | 33 974 000    | 63             |
| Pensioner    | 34 689 000    | 58             |
| Student      | 39 667 000    | 60             |
| Entrepreneur | 43 123 000    | 73             |

MOTIVATION BP.

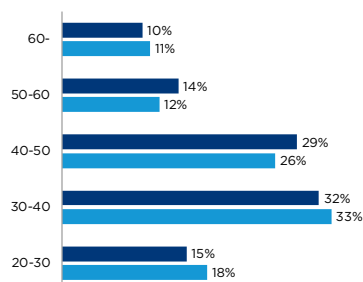


| SITUATION                      | AVERAGE PRICE | m <sup>2</sup> |
|--------------------------------|---------------|----------------|
| Investment                     | 37 747 000    | 58             |
| First Home                     | 32 506 000    | 65             |
| Separation of generations      | 35 739 000    | 61             |
| Moving together of generations | 59 100 000    | 145            |
| Moving into smaller            | 28 016 000    | 54             |
| Moving into bigger             | 50 823 000    | 83             |
| Divorce                        | 33 570 000    | 75             |

## BUYER'S PROFILE ON REGIONAL LEVEL

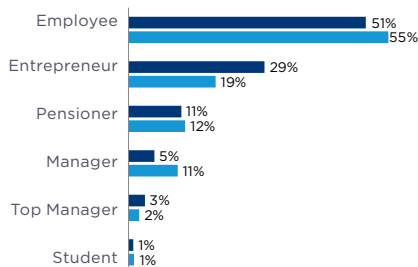
The most represented age group on regional level is also the 30-50. The leading reason behind the acquisition is also investment, with an average value of HUF 17.3 Million. There are also many moving into a bigger home, or buying their first home, the value of which is just little over half the values measured in the capital.

AGE OF BUYERS, REGIONAL



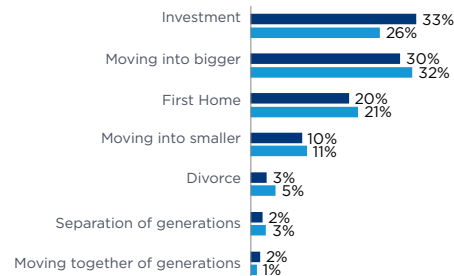
| AGE   | AVERAGE PRICE | m <sup>2</sup> |
|-------|---------------|----------------|
| 20-30 | 16 746 000    | 71             |
| 30-40 | 20 015 000    | 85             |
| 40-50 | 21 105 000    | 87             |
| 50-60 | 18 911 000    | 68             |
| 60-   | 16 757 000    | 57             |

STATUS REGIONAL



| STATUS       | AVERAGE PRICE | m <sup>2</sup> |
|--------------|---------------|----------------|
| Employee     | 17 490 000    | 80             |
| Top Manager  | 30 005 000    | 96             |
| Manager      | 21 605 000    | 95             |
| Pensioner    | 16 251 000    | 58             |
| Student      | 17 700 000    | 49             |
| Entrepreneur | 22 649 000    | 80             |

MOTIVATION, REGIONAL

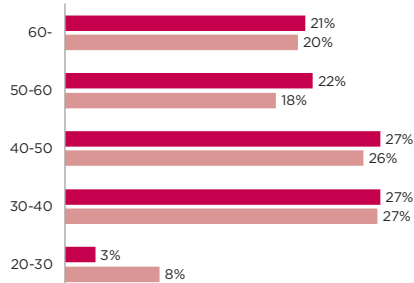


| SITUATION                      | AVERAGE PRICE | m <sup>2</sup> |
|--------------------------------|---------------|----------------|
| Investment                     | 17 309 000    | 63             |
| First Home                     | 17 179 000    | 79             |
| Separation of generations      | 19 659 000    | 69             |
| Moving together of generations | 24 029 000    | 148            |
| Moving into smaller            | 15 454 000    | 68             |
| Moving into bigger             | 25 104 000    | 100            |
| Divorce                        | 22 050 000    | 76             |

## SELLER'S PROFILE BUDAPEST

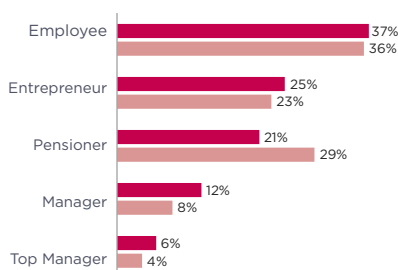
The age of sellers is much more even in the capital, with only the age group of under 30 being lower. The majority of sellers are entrepreneurs, but only 3% of the transactions happens with investment reason. Most are moving into a bigger property, selling their old homes for HUF 32.2 Million on average.

**AGE OF SELLERS BP.**



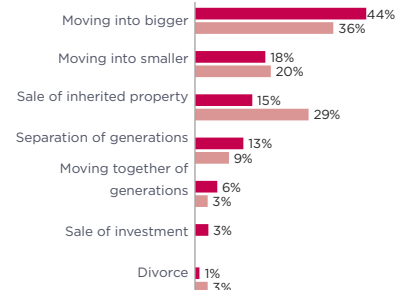
| AGE   | AVERAGE PRICE | m <sup>2</sup> |
|-------|---------------|----------------|
| 20-30 | 23 750 000    | 51             |
| 30-40 | 34 280 000    | 52             |
| 40-50 | 38 376 000    | 71             |
| 50-60 | 41 866 000    | 75             |
| 60-   | 39 283 000    | 80             |

**STATUS BP.**



| STATUS       | AVERAGE PRICE | m <sup>2</sup> |
|--------------|---------------|----------------|
| Employee     | 33 322 000    | 73             |
| Top Manager  | 53 750 000    | 85             |
| Manager      | 42 574 000    | 69             |
| Pensioner    | 33 600 000    | 71             |
| Entrepreneur | 37 134 000    | 65             |

**MOTIVATION BP.**

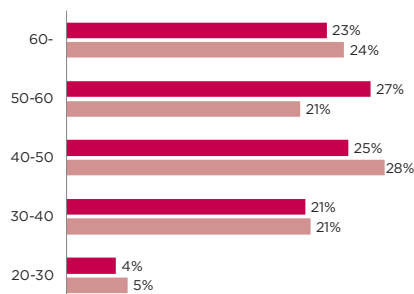


| SITUATION                      | AVERAGE PRICE | m <sup>2</sup> |
|--------------------------------|---------------|----------------|
| Sale of investment             | 28 436 000    | 58             |
| Separation of generations      | 44 210 000    | 71             |
| Moving together of generations | 36 238 000    | 119            |
| Moving into smaller            | 51 288 000    | 112            |
| Moving into bigger             | 32 227 000    | 53             |
| Sale of inherited property     | 37 682 000    | 58             |
| Divorce                        | 26 800 000    | 71             |

## SELLER'S PROFILE ON REGIONAL LEVEL

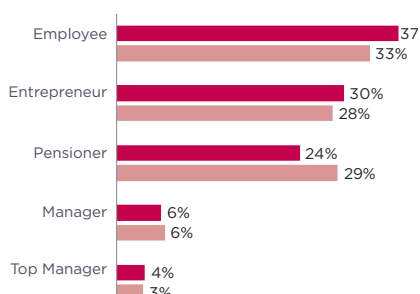
The ratio among age groups is very similar on countrywide level too. The leading reason is also moving into a bigger property, next to which the selling of inherited property, as well as moving into a smaller home is also high. For properties in the first group sellers received HUF 17.7 Million, for inherited property HUF 14.6 Million, and for flats regarded as "too big" HUF 24.7 Million was the final price on average.

**AGE OF SELLERS, REGIONAL**



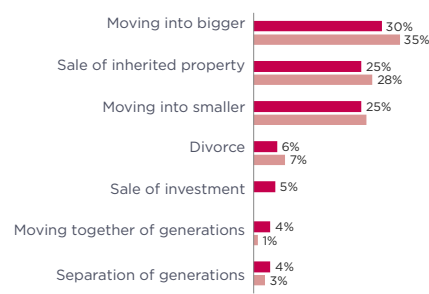
| AGE   | AVERAGE PRICE | m <sup>2</sup> |
|-------|---------------|----------------|
| 20-30 | 14 294 000    | 56             |
| 30-40 | 18 817 000    | 79             |
| 40-50 | 20 375 000    | 81             |
| 50-60 | 20 548 000    | 85             |
| 60-   | 16 820 000    | 82             |

**STATUS REGIONAL**



| STATUS       | AVERAGE PRICE | m <sup>2</sup> |
|--------------|---------------|----------------|
| Employee     | 16 461 000    | 80             |
| Top Manager  | 29 953 000    | 101            |
| Manager      | 19 796 000    | 90             |
| Pensioner    | 16 059 000    | 80             |
| Entrepreneur | 25 760 000    | 83             |

**MOTIVATION, REGIONAL**



| SITUATION                      | AVERAGE PRICE | m <sup>2</sup> |
|--------------------------------|---------------|----------------|
| Sale of investment             | 17 569 000    | 59             |
| Separation of generations      | 17 305 000    | 107            |
| Moving together of generations | 21 675 000    | 80             |
| Moving into smaller            | 24 714 000    | 115            |
| Moving into bigger             | 17 712 000    | 63             |
| Sale of inherited property     | 14 599 000    | 80             |
| Divorce                        | 18 983 000    | 101            |