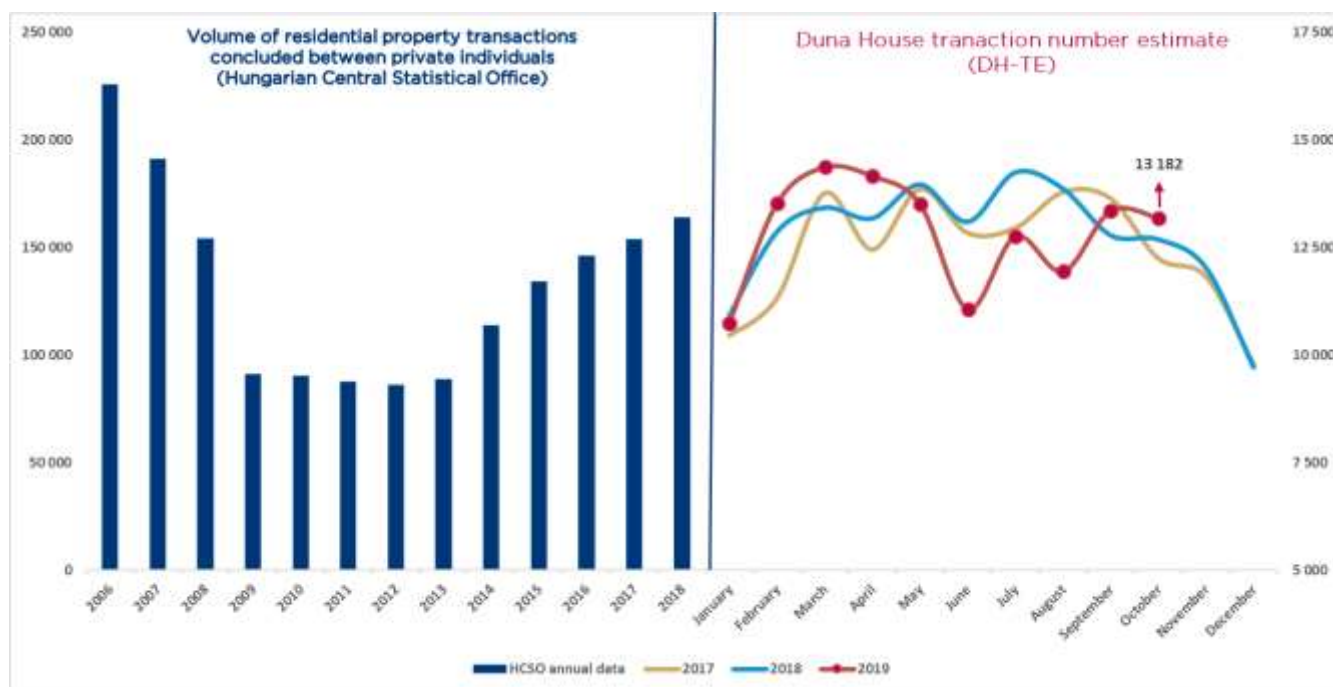


Residential property transaction volume estimate and mortgage forecast for October 2019

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in October 2019 there were 13,182 property sales transactions concluded and HUF 79 billion residential mortgages contracted for in the whole of Hungary.



A weak summer is still followed by a strong property market. After a strong September, October brought transaction numbers in excess of 13 thousand again – a figure 4 per cent higher than in 2018. The first ten months had almost identical transaction volumes on a year-on-year basis: we recorded a mere 1.8 per cent slowdown compared to last year, i.e. assuming that the year-end trend persists, the market will close the year with almost identical property market figures as a year earlier.

Duna House analysis shows that the slowdown in Budapest is also moderate compared to some headlines last week. Based on the transaction number data gathered by Duna House, the year to date property market turnover has slowed by only 13 per cent, which is significantly less than the 46 per cent reported in the media. Interim (and non-final) data published by the Central Statistical Office can be way off of actual figures, so they cannot be used to determine the actual rate of decline.

Apart from preliminary property market estimates Duna House will from now on publish forecasts related to residential mortgages granted. **In October consumer loans performed similarly to rising property market figures: according to estimates residential mortgages totalling HUF 79 billion were granted in Hungary.** According to figures published by the National Bank of Hungary, the total of residential housing loans was HUF 68.97 billion and HUF 76.29 billion in August and September, respectively.

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.

Background info

The table below shows monthly transaction volume estimates of Duna House.

	January	February	March	April	May	Jun	July	August	September	October	November	December
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	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		

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.