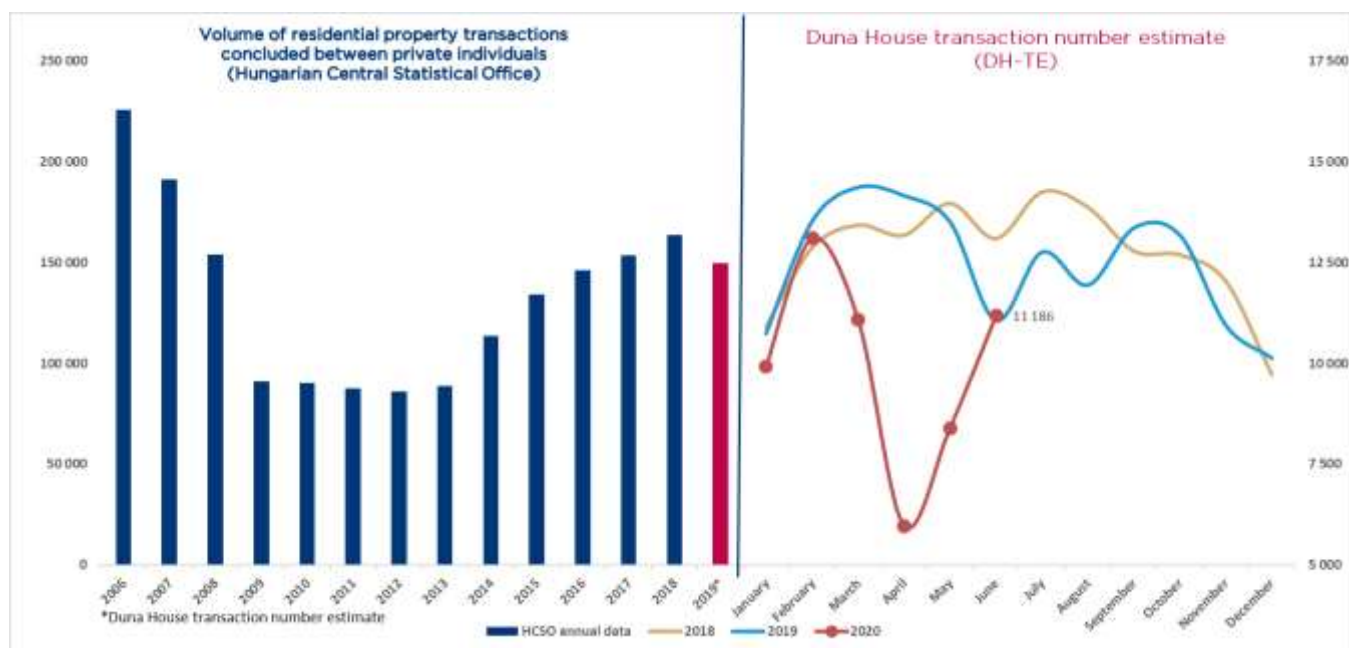


Residential property transaction volume estimate and mortgage forecast for June 2020

Duna House presents its monthly Transaction Number Estimate (DH-TE) and Mortgage Forecast below, showing that in June 2020 11 186 property transactions were concluded and residential mortgage contracts between HUF 60-65 billion were signed in the whole of Hungary.



Following a spectacular rebound Hungarian property market has now recovered to the levels attained last year. This June 11,186 sales transactions were concluded, practically the same number as in June 2019, amounting to an increase of 33% over May 2020. After the record-high demand figures of May and in line with market trends the number of transactions grew in June. This volume was, in part, probably the result of purchases postponed during the pandemic. On a year-to-date basis Duna House estimates a total of approximately 60 thousand property transactions, which is 23% less than in the same period last year.

As far as the mortgage market is concerned, and with a delay of a few months, following similar tendencies in May the decrease caused by the COVID-19 virus outbreak is still making itself felt on the June data. According to the factual figures published by the National Bank of Hungary there were property mortgage contracts worth HUF 82.06 billion concluded last June – the forecast of Duna House Finances is between HUF 60-65 billion for June 2020, which is 21%-27% percent less than a year ago and a further 5%-10% decrease compared to the previous month. In the view of the mortgage experts of Duna House this should mean that the mortgage market has also hit rock bottom and we can expect some recovery next month.

Budapest, 1 July 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	11,186						

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