

RE/MAX RE/MAX HOUSING MARKET REPORT – 2024 Q2

Magyarország

MACRO ECONOMIC ENVIRONMENT



INFLATION 3,7 %

In Q2 2024, inflation rose compared to March. While inflation fell to 3.6% in March, it rose to 3.7% in April and 4% in May, before falling again to 3.7% in June.

GDP closed Q2 2024 at 1.5 percent, up 0.4 percent on a quarterly basis. In contrast to last year, analysts expect economic growth of 3 percent in 2024.

The employment rate stood at 74.3 percent at the start of 2024, rising further to 75.4 percent by June. The labour market situation is stable and the unemployment rate has not changed much, falling from 4.5 percent in April 2024 to 4.2 percent in June.

Economic and political developments continue to have a significant impact on the Forint. While the exchange rate was around 382 Ft/Eur at the beginning of January, it had risen to 395 Ft/Eur by the end of June.

HOUSING MARKET

By Q2 2024, the number of transactions increased by 40% year-on-year. With the onset of the summer, transactions declined by 15 percent on a monthly basis, but the month of June this year still saw 13 percent more transactions than a year earlier.

DEMAND / SUPPLY / VOLUME

The second quarter saw almost the same number of transactions as the previous quarter, with around 60,000 property sales in the first half of 2024. On the Pest side, property transactions were concluded at an average price of 600-800 thousand HUF per square metre.

In terms of volume, apartments with a price of HUF 40-60 million were the most sought after. In Buda, most properties were sold at an average price of between HUF 900,000 and HUF 1 million per square metre, with the average sale price hovering around HUF 70 million per home.

■ Average size



AVERAGE SIZE 40 - 80 sq.m.

The most sought-after average apartment size in Budapest in Q2 2024 was between 40-60 m2. On the Buda side, larger properties between 60-80 m2 were also in demand.

■ Average time of sale



AVERAGE TIME OF SALE 4-5 MONTHS

In RE/MAX transactions, the average time to sale for residential properties was 4 months. Typically, panel flats sell faster, around 3 months, while brick flats take 4 months.

■ Average price

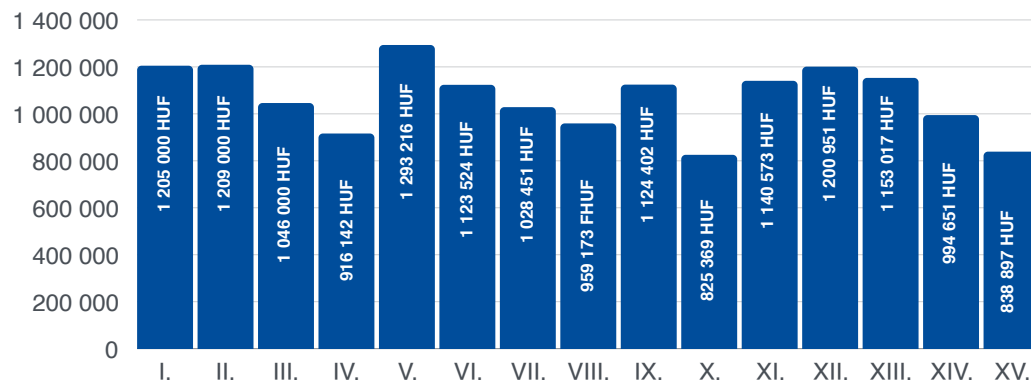
The average price per square metre of brick apartments in the city centre was around HUF 1 million in Q2 as well. In Pest, brick apartments were on average 800 thousand HUF per square metre cheaper. In Buda, new homes were more expensive, at an average of HUF 1.1 million per square metre.

There was no significant change in the average price per square metre of family houses over the quarter, with an average price of HUF 830 thousand per square metre in Budapest in Q2.

This year, flats with a panel are the most sought-after property type so far. This may also be due to the fact that they are selling on average 20-30 percent lower than brick apartments. At the end of Q2, the average price per square metre of a flat in a panel apartment was around HUF 847 000.

Compared to the previous quarters, most new construction projects are located in the XIII district with nearly 8,000 homes. Újbuda is the second most new-build project, with more than 4,000 properties. By the second quarter, the average price per square metre of newly-built dwellings in Budapest exceeded HUF 1,500,000.

The following chart shows the average price per square metre of properties sold by RE/MAX in Budapest in Q2 2024.



■ The size of bargaining



The average bargain rate in the second quarter of 2024 was around 3 per cent for both panels and bricks.

RENTAL MARKET



The average rent in Budapest is still around 250 thousand forints. In the second quarter, rents increased by 0.7 percent nationally and by 1.4 percent in Budapest.

In May, rents rose in all districts of Budapest. In Buda, rents rose slightly by 0.5 percent in the mountainous areas and by 3.3 percent in other areas of Buda. The inner districts of Pest saw a 1.8 percent increase.

On an annual basis, rents in the capital increased by 10-13 percent. The most expensive apartments for rent are in districts XI and XIII, where the average monthly rent is 260 thousand forints.

INVESTMENT



In Q2 2024, a third of transactions were investment purchases, almost the same as a year ago. Investors spent an average of HUF 65.6 million per property, with an average floor area of 65 square metres.

EXPECTATIONS

Thanks to the easing inflation, housing loan schemes are improving month by month, which is also having a positive impact on the housing market. This is further supported by the steady reduction in the base rate throughout the year.

The Home Renovation Programme, launched in June 2024, will boost demand for single-family houses to be renovated, with a subsidy of HUF 6 million per property, subject to specific conditions.

The rental market could be affected in the coming period by the ban on AirBnB apartments in Terézváros. This will be decided by district residents in a referendum starting in early September.



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