

RE/MAX RE/MAX HOUSING MARKET REPORT – 2024 Q3

Magyarország

MACRO ECONOMIC ENVIRONMENT



INFLATION 3,0 %

Overall, inflation was down in the third quarter of 2024. It rose to 4.1% in July, but fell to 3% in September. GDP stood at -0.8% in Q3 2024, a decrease of 2.3% compared to the previous quarter.

The employment rate remained significantly unchanged during Q3, moving from 75.3% at the beginning of July to 75.2% at the end of September. The unemployment rate increased slightly from 4.3% at the beginning of July to 4.5% at the end of September.

Economic and political developments continue to have a significant impact on the Forint. While the exchange rate was around 393 HUF/Eur at the beginning of July, it had risen to 397 HUF/Eur by the end of September.

HOUSING MARKET

In Q3 2024, the number of transactions was almost the same as in the previous quarter, with only 0.3% more sales compared to Q2. However, it is still 30% higher than in the same quarter a year ago.

DEMAND / SUPPLY / VOLUME

The number of transactions in Q3 was almost the same as in the previous quarter, with around 30,000 properties sold. The average price per square metre of the properties sold in Pest was between HUF 600-800 thousand, with most sales in this area averaging between HUF 40-50 million. The average price per square metre sold in Buda was HUF 1.2-1.4 million, with the majority of properties sold in the over HUF 70 million category.

■ Average size



AVERAGE SIZE 40 - 80 sq.m.

The most sought-after average apartment size in Budapest in Q3 2024 remained between 40-60 sq.m.. On the Buda side, larger properties of between 60-80 sq.m. were also in demand.



AVERAGE TIME OF SALE 4 MONTHS

■ Average time of sale

In RE/MAX transactions, the average time to sale for residential properties was 4 months. Typically, sales of prefabricated apartments are faster, around 2-3 months, while brick apartments take 4-5 months.

■ Average price

The average price per square metre of used brick apartments in Budapest is around HUF 1 million. The average price per square metre is 1.2 million HUF in Buda, 1-1.1 million HUF in the inner districts of Pest and 800-900 thousand HUF in the outer districts.

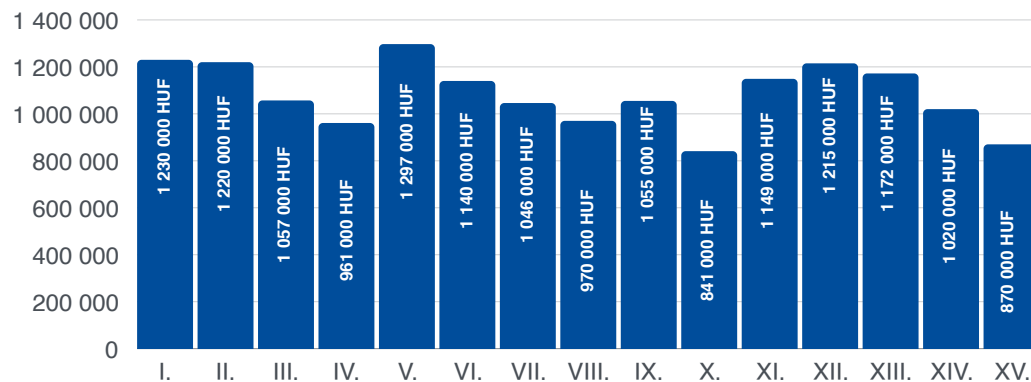
The average price per square metre of detached houses increased by 1.5 per cent on a quarterly basis, with an average price of HUF 843,000 per square metre in Budapest.

The average price per square metre of a panel flat in Budapest was HUF 822,000 in the third quarter, and HUF 940,000 in Buda.

In districts XII, VI, II and I, the average price per square metre of newly built apartments reached HUF 2 million. The average price per square metre of new homes in districts XI and III in Buda and IX in Pest is between HUF 1.5 and 2 million. In the northern and eastern districts of Pest, new housing projects are under construction with an average price of HUF 1 to 1.5 million per square metre.



The following chart shows the average price per square metre of properties sold in Budapest in Q3 2024.



The size of bargaining



The average bargain rate in the third quarter of 2024 was around 4 per cent for both panels and bricks.

RENTAL MARKET



The usual end-of-summer rental market recovery has been absent this year, or slower than in previous years. This was due to freshly admitted students holding off on renting their flats, which was due to the recent increase in rents. The average rent has not changed in magnitude compared to previous quarters, and remains at around 250,000 HUF per month.

The largest offers are in districts XIII, XI and VII, with average monthly rents of HUF 250, 270 and 240 thousand respectively. In the inner Pest and Buda districts, the average price is above HUF 250,000 per month. Typically, in the outer districts of Pest, apartments are cheaper, with the XXI, XIV, XVII, XIX and XV districts offering an average of HUF 180-200 thousand per month.

INVESTMENT



In the third quarter of 2024, just over a third of transactions were investment purchases. This represents an annualised reduction of around 10% in this type of transaction. Most often, investors chose properties of around HUF 44 million and 50 square metres for this purpose.

EXPECTATIONS

So far this year, 85-90 thousand transactions have taken place, according to experts. The forecast of 110-130 thousand transactions for the whole of 2024 could prove to be correct. Along this line, compared to previous quarters, analysts do not expect a marked deviation in transactions in Q4.

Thanks to the moderating inflation, housing loan schemes are improving month by month, which is also having a positive impact on the real estate market. This is further influenced by the steady reduction in the base rate throughout the year and the New Economic Policy Action Plan announced by the NGM, which includes a number of elements for housing-related opportunities.

Among these, market expectations are most intense for parts such as the tightening of Airbnb, the Rural Home Renovation Programme, the possibility to use voluntary pension savings for housing, the partial use of the Széchenyi Card benefits for housing renovation, the introduction of the 5% housing loan ceiling and the maintenance of the 5% reduced VAT on new home sales until the end of 2026.

A restructuring of the rental market is also expected, in addition to the state measures, with District VI already having voted to stop short-term rentals of apartments in the district from the beginning of 2026.



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