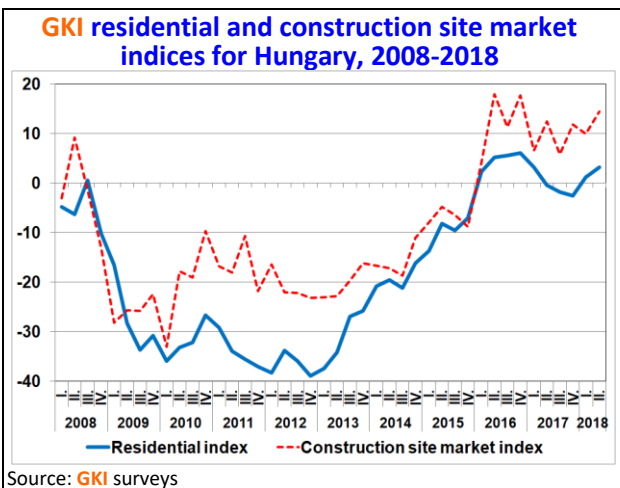


The capital's optimism strengthened, non-Budapest market has not changed

(GKI SURVEY RESULTS FOR APRIL 2018)

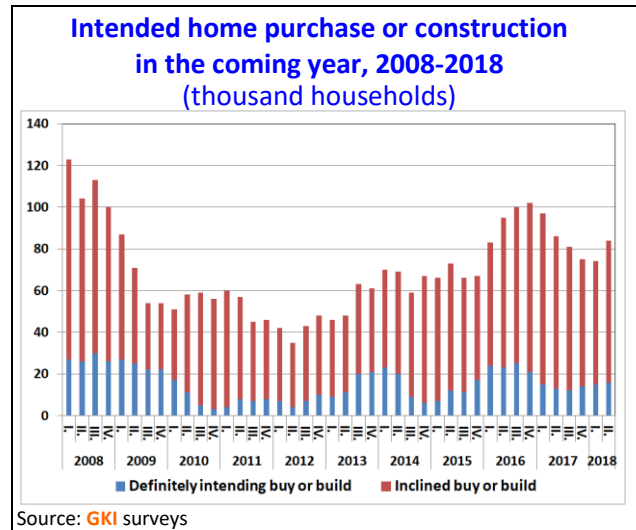
Outlooks on the residential and construction site markets became more favourable compared to the previous survey a quarter ago. The improvement was particularly significant in Budapest agglomeration. There was no meaningful change in non-Budapest market, these expectations still reflect some kind of optimism.



GKI has been conducting quarterly surveys to assess plans, intentions and prospects of real estate companies (developers, agents, consultants and operators) and households concerning the real estate market. Respondents of this survey included 110 real estate firms. The household sample of 1,000 persons was representative with respect to sex, age, residence and education level. This survey focuses on **expectations for the coming 12 months**.

The home market indices of Budapest of the present survey, which reflect expectations of households and property agencies, went up almost 4 points and the national index lift up 2 points. Responding companies saw an improving outlook for the coming 12 months in the Budapest agglomeration. In East Hungary the expectations were not changed and slightly worsening outlooks could be observed in West Hungary.

Expectations of household on their future home purchases and constructions have improved in April. Compared to the previous quarter, there was an uptrend both among those who were certain about their intended home purchase or construction (+7 points) and also among those who were uncertain about their plans (+15 points). **The outlook on home renewals and modernisation** has also increased, compared to a quarter earlier.



The expected price rise of used homes has not changed much in Budapest and the countryside compared to a quarter earlier (+3-4 per cent). The expected price rise practically remained about 4 per cent in the case of **newly built homes**.

The **GKI construction site index** on Hungary went up 5 points, while it increased 16 points in Budapest, compared to the previous survey. Construction site prices will likely to increase 2-6 per cent in the coming year, respondents said.

Expected movements in residential prices in Budapest for the next 12 months, January 2017 (Price rise over current prices in percentages)

Non fabricated apartments	
Buda green belt	3 (4)
Other Buda	5 (4)
Pest downtown	5 (5)
Pesti green belt	3 (3)
Other Pest	2 (2)
Block of flats - North-Pest	2 (1)
Block of flats - South-Pest	2 (1)
Block of flats - Buda	3 (2)
Family house - Pest	3 (1)
Family house - Buda	5 (4)
Budapest total	3.3 (2.7)

Results of the previous survey (October 2017) are shown in parentheses.

Source: GKI surveys

Expected movements in property prices for the next 12 months, April 2018 (Price rise over current prices in percentages)

	Budapest	East Hungary	West Hungary	National average
Used homes	3.3 (2.7)	3.3 (4.3)	4 (4)	3.5 (3.7)
New homes	6 (4)	3 (5)	3 (2)	4 (3.7)
Construction sites	6 (2)	4 (5)	2 (2)	4 (3)

Results of the previous survey (January 2018) are shown in parentheses.

Source: GKI surveys