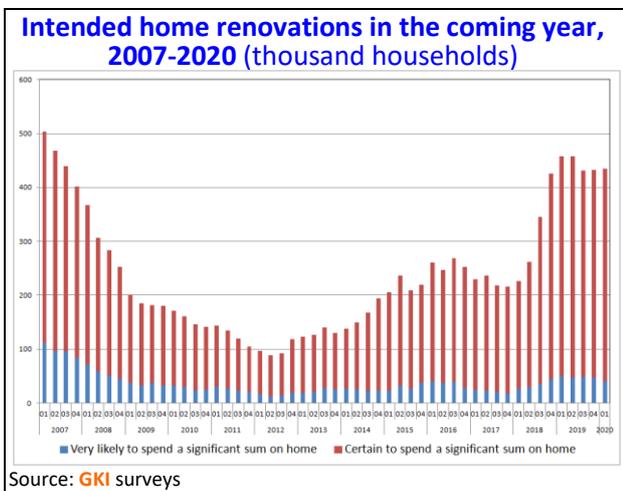


Renovation remains in focus

(Results of survey about home renovation intentions in February 2020)

Households' short-term home renovation and modernization plans (refer to the coming year) did not change much compared to the previous quarter, slightly decreased on an annual basis, but they are positive. According to the intentions of the inhabitants, about 11% of the Hungarian housing stock will be renovated in the next year, and about 20% in the coming three years. Most of the respondents are preparing for painting, daub or paper-hanging (every seventh apartment may be painted in the next three years), but renovations improving energy efficiency are also popular (almost every tenth apartment can be renovated this way).



GKI has been conducting quarterly surveys to assess plans, intentions and prospects of households concerning the home renovation. This survey is carried out with the support of Masterplast Nyrt. The household sample of 1,000 persons was representative with respect to sex, age, residence and education level.

According to the latest data of the Hungarian Statistical Offices, about two-thirds of the Hungarian housing stock needs renovation. Climate change-related activities are becoming more and more conscious of a significant part of the population and the tightening of regulations is also generating construction and renovation tasks. There is a growing demand for sustainable, energy efficient homes. All this is facilitated by the availability of state subsidies and the availability of loans - although in the latter area the near future may bring about changes.

In the first quarter of 2020, the households' short-term (referring to the next year) expectations for home renovations are in line with those of the previous quarter - the share of sure renovators has slightly decreased, while those likely to do so

have slightly increased. On a yearly basis, there is some downturn, but looking back over the past decade, current expectations are positive. And they do not differ significantly from expectations of the pre-crisis period.

Intended home renovation actions in the coming three years (percent)

Painting, daub, paper-hanging	14.3
Replacement of doors and windows	4.6
Bathroom renovation	4.2
Insulation works	2.8
Modernization of the heating system	2.1
Floor restoration	1.9
Other renovations	1.2
Facade renovation	1.1
Installation or replacement of ventilation system and air conditioning	1.0
Solar collector, solar panel installation	0.9

Source: GKI surveys

While around 11% of Hungarian households plan to spend more on their homes in the next year, the same proportion will be almost 20% for the next three years. If these plans are realized, by the end of 2022, about 750,000 to 800,000 homes will be renovated. Renovation plans in Central Hungary are slightly below average (affecting 15% of households), while slightly above average in rural areas (20% in the Western Hungary and 23% in the Eastern-Hungary). 56% of those planning renovation would only do one task, 28% would do two, and only 16% would do three or more. This can show funding problems. There is a correlation between the frequency of renovation intentions and the income situation. 12% of households in the lower three deciles and nearly 30% of those in the upper three deciles plan to renovate.

The most popular is painting and daub, which is expected to be done in every seventh apartment in the next three years. In addition, many people (over one tenth of those surveyed) are planning to invest in energy efficiency (replacement of doors and windows, heat insulation and modernization of the heating system). Plans for installation of a solar collector or solar panel are very poor - despite the state support, this activity has not been very popular so far, and a possible new subsidy system could improve a lot.