

# ManageRent Review



ISSUE NUMBER 3 - SEPTEMBER 2011

## Welcome to our newsletter in September

Like most people that have investments in Foreign properties I like to try to keep abreast of the property markets and see what the market is like in comparison to home. In Hungary the market is like Ireland and England a buyers market. Gone are the days of the foreign investor and the quick roll over for vast profits and no loss either. We now have to be property, currency and interest rate specialists to really look at our investments and how they are doing and the cost of either selling or buying. The market in Hungary has got a lot more aggressive over the years with lots of proper estate agents opening and a wider choice of properties and prices. Back in 80's and 90's it was very difficult to get a read on what was going on and how prices were faring. I am going to look at the Hungarian market and at the wider European market and then specifically at some projects we are selling and managing to give our readers a flare for what is happening. As ever this is only our view of the market place.

On the wider European picture I have taken some very interesting facts from a property report recently published by the FHB Bank. The former Soviet bloc countries continue to suffer as the world recession tends to get worse and the European issues come to the fore in most countries and affect the property markets.

- In Hungary the typical house price fell by nearly 7% in 2010 after falling almost 16% in 2009. You can see below how this compares with other countries.
- In Bulgaria House prices have fallen by almost 10% in 2010 after a massive fall of nearly 27% in 2009
- In the Slovak republic prices fell by nearly 3.5% in 2010 after falling almost 13% in 2009
- In Poland price recorded in the capital of Warsaw were down by almost 2.5% after falling 8% the year before.

- In Slovenia house prices were down by almost 3% in 2010 after falling 5% in 2009.
- In Ukraine house prices were down by nearly 10% in 2010 after falling almost 30% in 2009
- The two exceptions that stand out are Estonia where house prices increased by almost 20% and Latvia where the increase was not as much but 8%

In the Scandinavian countries the boom seems to have also ended with house prices in Norway rising by about 4% in 2010 compared to about 10% in 2009. Sweden and Finland also had smaller increases recorded of approx 3% in 2010 compared to 8% in 2009. Germany's house prices surprised the market by rising approx 1.5% in 2010 while in Switzerland and France a very modest increase was reported compared to approx 3% in 2009. Spanish house prices fell by a more modest figure in 2010 of approx 6% compared to about 22% in 2009. Other European countries did not fare that well either, Greece down approx 10% in 2010 and Turkey down approx 5% in 2010.

*Continued overleaf*

## INSIDE THIS ISSUE

### Property Market in Hungary

1. Hungarian Property Market Verses European Property Market.
2. Overview of Property Market in Hungary.
3. Overview of Specific Developments in Hungary.

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This below report is the official Hungarian property sales figures since 2005 quarter by quarter.

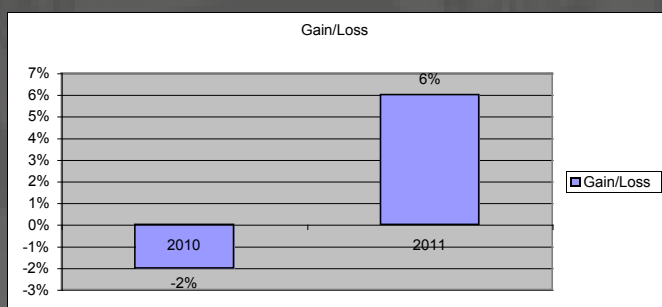
	Q1	Q2	Q3	Q4
2010	1.84	0.03	-2.64	-1.89
2009	-2.77	2.08	-8.20	-2.66
2008	0.33	-2.16	-0.49	0.59
2007	1.98	1.23	-1.21	3.73
2006	2.93	0.97	0.46	1.33
2005	-2.37	0.81	0.18	0.76
% change over a quarter				

You can see the market is on a down word trend since 2007 but not near as bad as Ireland. One of the biggest fears for Investors who have Swiss Franc related Mortgages is the constant rise in the currency now nearly 240 compared to about 120 in 2007. This has put pressure on the Hungarian Government and the Prime Minister Mr. Orban recently ordered Hungarian banks to settle any mortgages that clients can pay off in full at 180. That has put immense pressure on the Hungarian forint and has pushed to price to nearly 300 to the Euro. Most analyst believe this is only temporary but is very difficult to know as there as so many factors at play here that the ordinary investor will never know about.

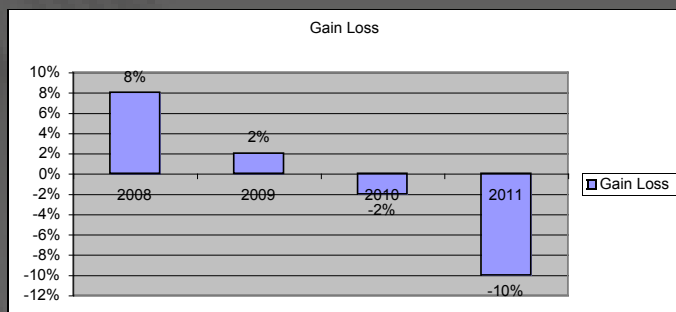
### Charts:

I have put together these charts on all the investment building we manage just to give you a feel for what is going on. They may not be as accurate as the national figures. You have to be mindful the charts are based on the purchase price and the purchase year to the different years. I am basing these figures on sales recorded by our office only and averaging them out so some clients may of experienced better or worse results than appear here.

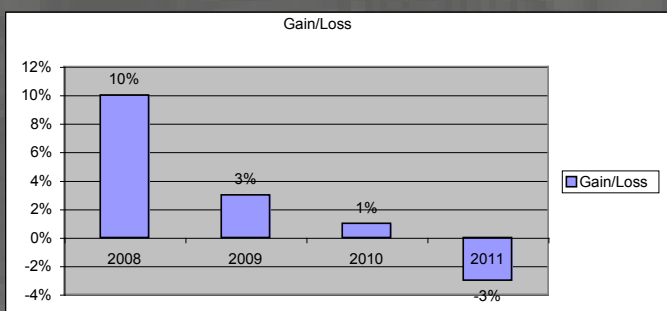
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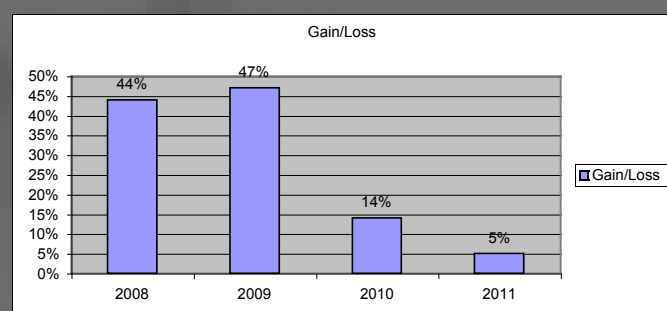
#### Leda Haz



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