

Attorney-at-law and senior lawyer, **Beáta Szegi** has more than 15 years' experience in the property market in Hungary and has recently handled a number of successful investment projects in real estate and construction, mergers and acquisitions (M&A) and project finance. She became a legal expert in European Business Law, in the framework of the ELTE Institute of Post-graduate programme in 2013.



Recovering property market in Hungary

Property prices have risen over the past year, the 2014 increase was the first significant rise since 2008. The national house price index rose by 6.68% (7.42% inflation-adjusted) during 2014, according to the Hungarian Central Statistical Office (KSH). House prices in Budapest superseded the national index, increasing by 6.88% (7.63% inflation-adjusted), however the prices remain well below their pre-crisis peak.

Housing Index in Hungary increased to 100.80 Index points in the first quarter of 2015 from 97.22 Index points in the fourth quarter of 2014. Housing Index in Hungary is reported by the Eurostat which was last updated on July 13, 2015.

Housing transactions were up 17% in 2014, more building permits were issued, and there was increased demand for credit especially for second-hand sales.

The recovery is expected to continue during 2015, with a 2.7%, growth of the GDP, coupled with a **new state funding programme** that was announced by the Hungarian Government with effect from July 1, 2015.

The aim of the programme is to disburse **non-refundable** state funding for home-buying for families with children. The main development of the new state funding programme is that no distinction is made between new and used properties, and the allowance may also be used for the renovation or expansion of the applicant's home or house.

The requirements of energy certification rating (A, A+) may positively stimulate the demand side on the new property investment market too.