

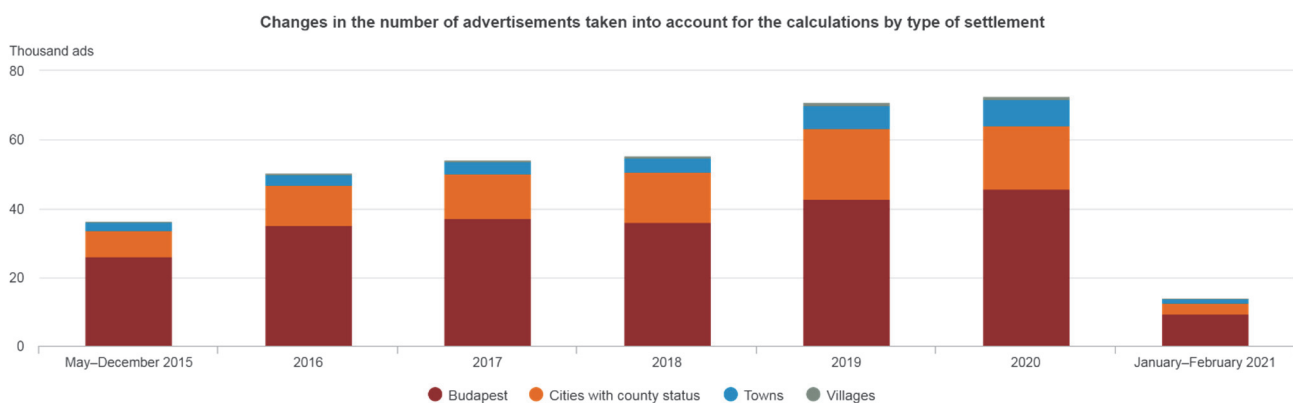
HCSO–ingatlan.com-rent index, February 2021

In February, rents rose slightly month-on-month: by 1.1% nationwide and by 0.8% in Budapest, the first increase after half a year. Compared to January, rents stagnated in the inner and transitional districts of Pest and increased slightly in the other district groups. Rents peaked in January 2020 and have since fallen by 16% in Budapest and by less than 4% in other regions of the country.

Most apartments are still rented out in Budapest

The territorial distribution of the data used is still characterized by metropolitan concentration, within which there is a strong predominance of the capital. There has been no significant shift in proportions since January: two-thirds of the advertisements taken into account in January–February 2021 were for apartments in Budapest, and more than one-fifth for cities with county status.

Figure 1



Average size of dwellings advertised for rent was 53 m² in Budapest and 57 m² in the county towns in the first two months of the year. Dwellings for rent in smaller settlements are usually larger; their average floor area was 63 m² in January–February 2021. The largest dwellings for rent are still situated in the Pest region, with an average floor area of 69 m².

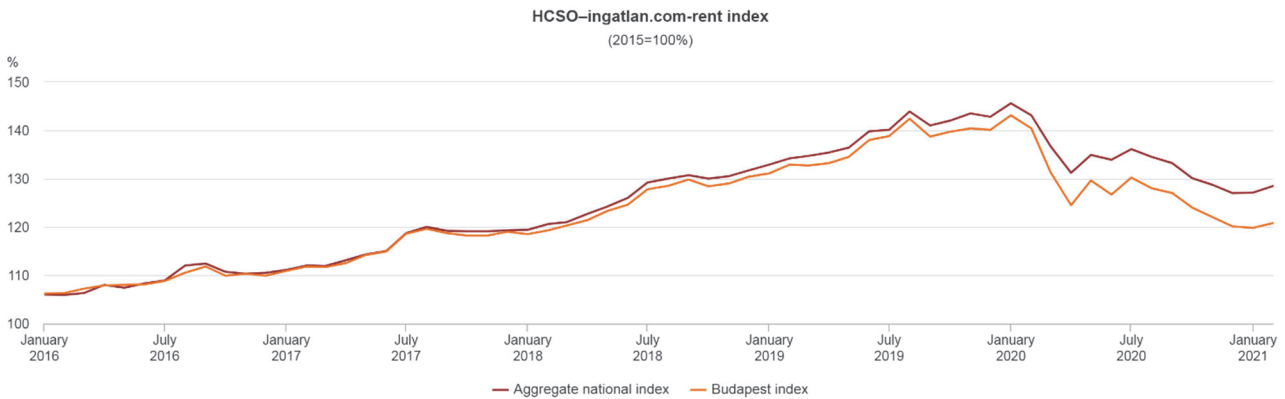
Owing to the predominance of Budapest, dwellings in multi-apartment buildings accounted for the vast majority of observed advertisements (94%) and the remaining 5.4% for detached houses. In Budapest only 2.7% of the dwellings for rent belonged to the latter group.

In Budapest, 36% and nationally 38% of the advertisements came from private individuals in January–February 2021. The proportion of private advertisers has increased compared to the previous month, but is still below the 2020 average.

Rents rose slightly in February, the first increase since the summer of 2020

Following the spring-summer fluctuations, rents steadily declined from August 2020 to the end of the year, and then stagnated in January 2021. February 2021 saw a trend reversal: month-on-month rental prices increased by 1.1% nationwide and by 0.8% in Budapest, the first increase after six months. Supply prices were still lower than last April's low: by 2.1% nationwide and by 3.0% in Budapest. In February 2021, prices indexed for 2015 stood at 128% in Hungary and 121% in Budapest, down 10% and 14% respectively from a year earlier.

Figure 2

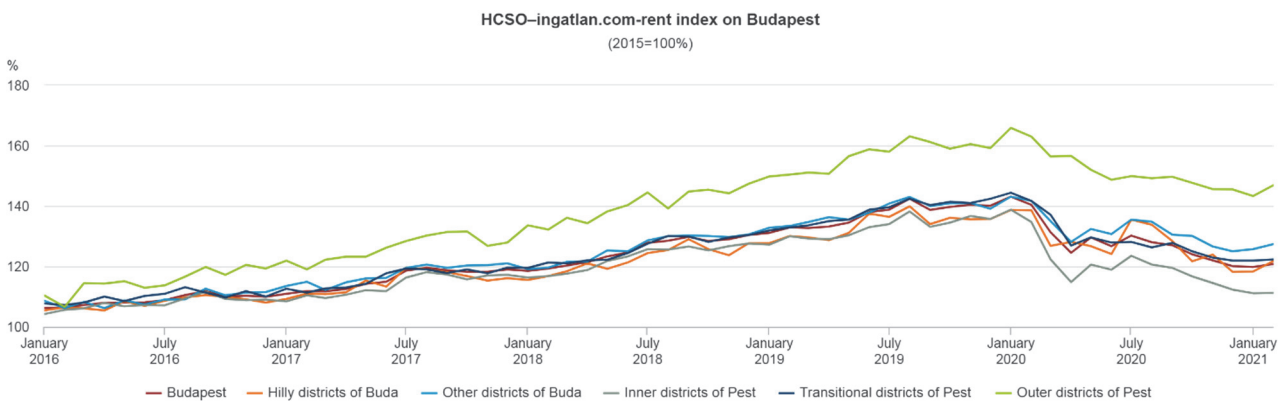


In February, rental prices increased in almost all district groups of Budapest. Rents increased by 3.0% in the hilly districts of Buda and by 1.3% in the other districts of Buda compared to the previous month. On the Pest side of the capital, rental prices in the inner and transitional districts were basically stagnant (0.1 and 0.3%, respectively). In the outer districts of Pest, the larger decrease of the previous month was followed by a 2.5% increase.

Compared to April 2020, the strongest price decrease occurred in the outer districts of Pest (6.1%), and compared to the level a year earlier, in the inner districts of Pest (17%).

Prices also developed differently for each group of advertisers in February: compared to the previous month, they stagnated for private advertisers and increased by 1.5% for real estate agents.

Figure 3



Methodological notes

Budapest district groups to classify districts:

Buda, hilly districts: I, II, XII

Buda, other districts: III, XI, XXII

Pest, inner districts: V, VI, VII, VIII, IX

Pest, transitional districts: X, XIII, XIV, XIX, XX

Pest, outer districts: IV, XV, XVI, XVII, XVIII, XXI, XXIII

The ingatlan.com database makes it possible to identify multiple-advertisements, and this solves the most difficult problem for advertising databases, the bias caused by repeated advertisements.

Rent indices showing changes in home rental prices are determined by hedonic regression analysis performed on different subdivisions. A similar modelling technique was used for each sub-index, and the range of variables involved was the same. All models cover the entire period. Data are available from May 2015. The 2015 data were considered as a control during the modelling; accordingly, the calculated indices are included as the 2015 base index. Changes in rent over time – so the rent index itself – are derived from the coefficients of time-dummies formed per month. To monitor the composition effect, we used duly completed housing quality characteristics available in the advertising database, as well as the indicators included in the HCSO databases. The target variable, the floor area and the housing market price level characteristic of the settlement (part) were included in the models by logarithmisation, and the categorial variables by transforming them into a dummy form.

By aggregating different sub-indices, covering all ads examined, we can calculate multiple indices. The present compilation uses an indicator calculated from regional sub-indices. Additionally, the attached tables include both indicators calculated by advertiser stratification and indicators calculated on the basis of one single model.

The detailed methodological description is available in the publication entitled [Rent index was developed by HCSO and ingatlan.com](#).

More data, information

[Table attachment](#)

[Related data \(Weekly monitor\)](#)

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