OTP VALUE MAP

Dear Reader,

Ever since its establishment, OTP Mortgage Bank as the leading mortgage institute of the Hungarian market has laid distinguished emphasis on providing high-level answers to professional real estate issues closely linked to its field of activity. In our view in the present economic environment having a profound overview over a wide array of information is of special importance both from the point of view of households—i.e. the population—and that of the commercial role players and investors. On this occasion we feel that for the community it is now most useful to get acquainted with the research results and to make best use of these at the moment of decision making.

In the course of our work over the past decade we have built up the country's largest property value database: relying on our vast territorial network and partner relations we have collected highly valuable local and time series experiences from the whole territory of the country.

With the help of these data lines we have prepared our new market analysis product, namely the OTP Value Map, which I would like to cordially recommend to you. The OTP Value Map shall offer you information that earlier due to the nature of the respective data was available only to insiders of the field primarily in the form of different analyses.

Taking into consideration the specialities of the domestic market environment, the **OTP Value Map** bases **on an international methodology** largely used for real estate analyses. Our goal was **to create a product** which—relying on **large scale databases**—presents **reliable** information in a more easily **understandable, visual** format. During the construction of our product we made use of the detailed database of the NAV (National Tax and Customs Office) encompassing several million records, the transaction databases and other data compilations containing hundreds of thousands of records accumulated in the course of the years by all property business areas of the OTP Group, as well as the territorial data lists collected and categorised by our network of experts from year to year, together with their interconnections with different trends and tendencies.

Of course in property market the value map as a concept can be interpreted on a rather wide spectrum. We conducted our research with the aspiration to completeness, thus the available information material includes all sectors of the real estate market, it can be expanded to all locations and sizes, and it can be aggregated according to the needs. Consequently the OTP Value Map is not only a product, but rather the brand name of a product family characterised by quality and reliability.

Due to the topicality of the question, for our present introductory material we chose the market situation of residential properties and its changes, approaching the topic from a so-far unfamiliar aspect.

We aim to create an easily understandable and reliable information basis, which can be accessed and used for reference by all, and which will open up new perspectives in property-conscious management, and thanks to its regular publishing it will create a reliable basis for economic decisions.

The OTP Value Map contains a comprehensive analysis updated twice a year. The continuously updated periodical and time series analyses are available at the home page of OTP Mortgage Bank.

Thank you for your attention.

Yours sincerely,

Dániel Gyuris

CEO

OTP Mortgage Bank

Regional impacts of the crisis on the property market

In the past two and a half years the central issue in the news regarding the real estate market has been the description and analysis of the impact the crisis exerts on the sector, mostly through the presentation of sub-markets. The real estate analysis of OTP Mortgage Bank is meant to present a value map that displays the regional variance of prices and turnover with respect to the whole territory of the country, as well as the different impacts of the crisis varying from region to region.

The fact that since 2008 property prices have decreased in total, and the turnover has shrunk drastically is not unfamiliar. Yet does the influence of the crisis show any territorial variance? Are there any regions where the market has not stopped to flourish? Which are the areas with the highest property prices, and where has the real estate market slowed down the most substantially? The OTP Value Map provides answers to these questions.

In our present analysis we examine the regionally varying impacts of the crisis on the real estate market, as displayed through maps. Our analyses focus on two well-graspable indexes almost totally covering the functioning of the market: i.e. the prices and the changes in the number of transactions. With respect to Budapest, in some cases it seemed reasonable to examine multi-family residential properties that amount to 93% of the turnover and are registered in the database of the NAV with more clear parameters, while on the national level in some cases we directed special attention to the localities with town status, which represent 81% of the total turnover.

…about the methods of the research in a nutshell…

Our data are based exclusively on accomplished residential property market transactions. Our source is the database purchased from the National Tax and Customs Office (NAV, former APEH). In our present study we examine the impact of the crisis. The area of Budapest was broken down to 161 postal code zones, whereas in the rest of the country—including the capital—174 statistical micro-regions formed the territorial basis of our analysis.

In order to make the NAV-database suitable for processing, firstly, in several steps we created territorial limits, furthermore we filtered out the erroneously or incompletely registered transactions. In order to reach the number of cases necessary to form regional average prices in the case of the regions with incomplete data we applied polynomial interpolation, and we substituted the pieces information by filtering out the compound effect.

For the sake of the representativeness of our study we took the database from 2008 as the basis of the analysis, since this was the year when prices clearly started to show a negative tendency. At the moment due to the NAV-processing of the database with respect to 2010, the database cannot be considered comprehensive, therefore the respective year should not be used for reference. With respect to the changing of the market turnover we extended the period to include the years 2007 and 2009. At the same time in the case of the presentation of price changes we did take also the year 2010 into consideration as in this respect the amount of the data was sufficient. At the level of the micro-regions and of the postal code zones of the capital, we divided the percentual values of the changes in the prices and transaction numbers into five equal parts by forming quintiles, after which by uniting these we formed so-called ‘categories of crisis impactedness’ to show to what extent the real estate market of the particular territorial level was affected by the crisis.

Significant price decrease – Palpable appreciation

The price changes display substantial territorial differences both at country level and with regard to Budapest. Treating equally all residential properties and calculating with the mean territorial averages, between 2008 and 2010 in the capital we experienced a nominal price decrease of ca. 8%. The index reflecting nation-wide tendencies is somewhat more favourable with a result of -6.9%. (In several instances our survey reinforced the basic theses according to which in the areas that had been characterised by higher prices, the crisis induces a larger decrease, and that larger supply results in stronger price competition.)

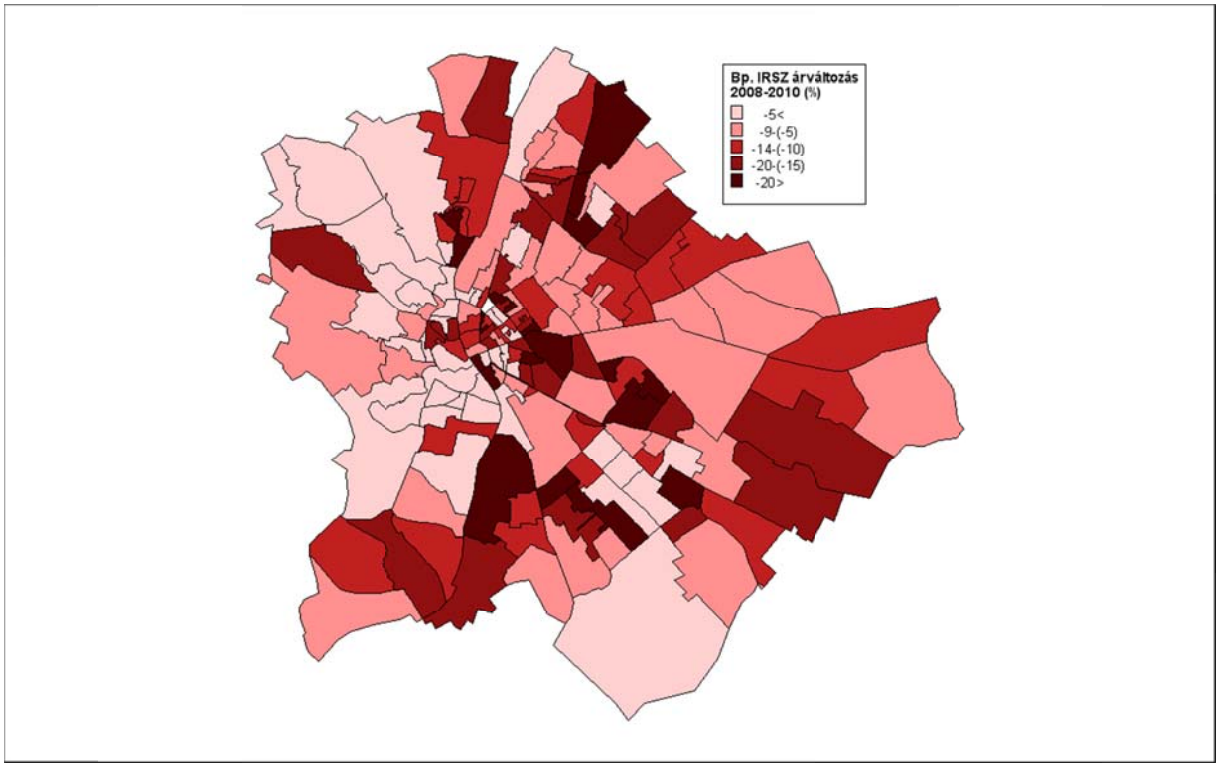
It is noteworthy that the speed of turnover—i.e. the proportion of the turnover projected onto the stock of residential properties—is higher in the capital than in the rest of country, that is due to the greater absorbing capacity of the market the price shock brought about by the crisis appeared earlier and with greater intensity than in smaller localities.

However, the aggregated mean values related to larger localities, the capital and at national level show significant differences in smaller territorial projection. For example despite the crisis in the examined period the average transactional property prices increased in 16 districts from the 161 postal code zones of Budapest (in the case of another 25 the price decrease remained under 5%). On *Map 1* these districts are the parts of the city marked in lighter colour, appearing in roughly the same proportion both on the Buda and the Pest side. On the level of the districts, no. XI proved to be the most stable in value, since the most favourable category includes 8 (all except one of the) postal code zones of this area. For example last year under the postal code H-1112 the square meter price of sold properties was more than one third higher than in 2008. In this connection, on the one hand, it is important to emphasise the aspect of the statistical compound theory according to which, in periods of crisis the bulk of the transactions involves properties that are anyway higher and more stable value, and well-marketable, in which cases the clients often are not in a realisitic bargain situation. On the other hand, the sold flats of any new property development with a significant number of flats of higher price than the average may substantially influence even from one year to the other the average prices of otherwise high-turnover areas. In this respect district no. XI with its on-going investments may be the best example even on the national level.

Another special market situation close to the other extreme may be behind the drastic, one-third price decrease of the postal code zones H-1065 and H-1062. Prior to the crisis downtown Pest had attracted a large number of foreign investors, which boosted the prices artificially due to the market expectations. However, by the end of 2008 this type of clients had disappeared almost totally and as a consequence prices started to be adjusted downwards. It should be noted that the volume of up-building projects that have come to be regarded as important new forms of property development in downtown constructions has also gone down significantly due to the crisis, similarly to all other transactions.

Map 1

[Price changes in the postal code zones of Budapest]



As it is clearly shown on the map, the prefab housing estates affected most negatively by the crisis stand out most prominently from their environment (in district no. XI Kelenföld housing estate with the postal code H-1119 is a good example, similarly to Pesterzsébet, Csepel, Kőbánya-Újhegy, or Havanna prefab housing estate in district no. XVIII). On the level of the districts, the price loss exceeds 15% in districts no. VI, X, XV, XX and XXI. Compared to the -8% average of the capital this almost twice as large price decrease took place in 43 districts, from which only 8 are located on the Buda side. On the district level prices increased slightly in two areas, namely due to its suburban areas in district no. XI and in no. XIX.

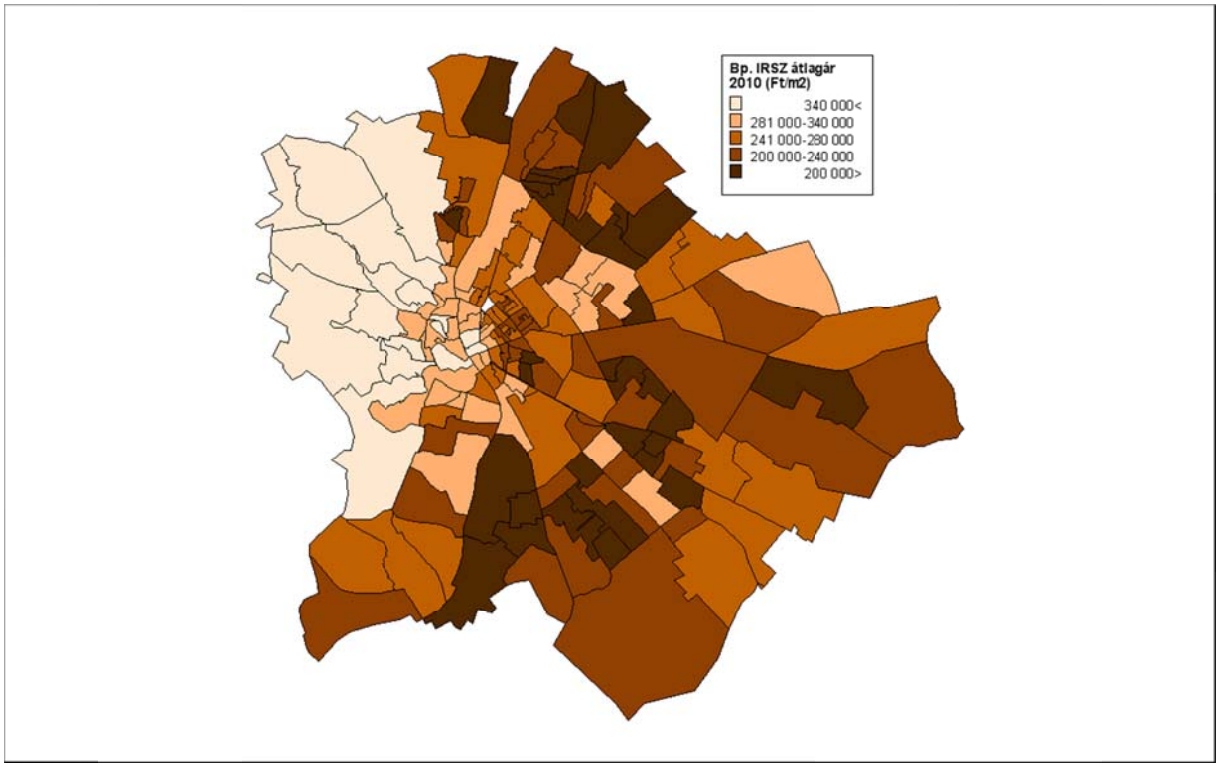
Focusing exclusively on flats, over the past two years in the capital the price decrease was 9.5%. Although the turnover of single-family houses is rather scant, in their case prices more or less stagnated between 2008 and 2010, thus the price changes of these two different types of housing result in an 8% average in the capital. The stable price of houses can be explained with the compound effect, i.e. assumably on a moderate market affected by the crisis higher quality houses located in better areas are sold in greater proportion.

Map 2 presents information on average sales prices measured for last year in particular districts. From this aspect the difference between the cheapest (H-1156) and the most expensive (H-1014) postal code districts is higher than 425,000 HUF/m^2 HUF. For the 584,000 HUF/m^2 price of flats sold in the area of Buda Castle one can purchase 4 m² in a flat in Újpalota. Of course the division between Buda and Pest is not surprising. The highest-ranking most expensive postal code zones of Pest on the list are H-1052 at the 11th place (397,000 HUF/m^2) and H-1051 at the 12th place (394,000 HUF/m^2). On the Buda side the cheapest area is postal code zone no. H-1039 at the 18th place (Békásmegyer) with its average

of 182,000 HUF/m^2. Based on the prices, zone no. H-1115 is closest to the capital's 262,000 HUF/m2 average.

Map 2

[Average prices in the postal code zones of Budapest (HUF/m²)]



The above listed figures are aggregated averages that vary according to the condition, location and characteristics of the property, yet at the level of the transactions we do not hold any information on these quality factors which would enable us to prepare territorial analyses.

Where did the turnover grow during the crisis?

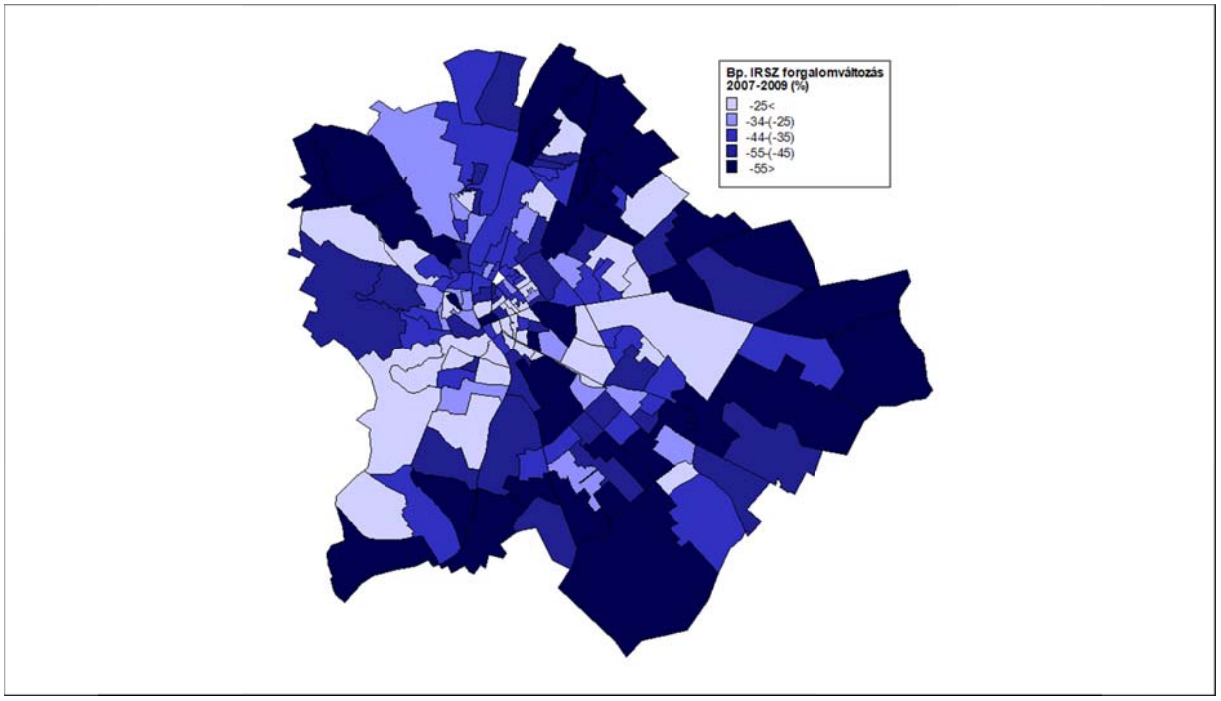
Map 3 gives information on how the number of transactions varied among the particular postal code zones between 2007 and 2009. In the postal code zones marked with the lightest colour the turnover decreased by a maximum of 25%, what is more, in 8 areas (from which 5 are on the Pest side) the numbers show some growth. For example the growth of the postal code zones H-1082 exceeding 50%, can be traced back to the flats sold within the Corvin Promenade-project, and to the investors' significant and non-ceasing interest. Another traditionally highly appreciated and sought area is the Palace District (H-1085), which at the moment is gradually undergoing renovation: here the turnover grew by almost 20%. Further districts showing a positive balance are H-1118 (Gellérthegy, Sasad, Gazdagrét with a large number of newly built flats), H-1081 (central Józsefváros), H-1107 (part of Kőbánya also

with many new projects), H-1071 (parts of Erzsébetváros close to the City Park), H-1224 (the suburban area of Budatétény) and H-1021 (District no. II, the Mountain Region).

We marked the areas with the most significant decrease in turnover in the deepest colour. This covers mostly the periferic districts of the Pest side (districts no. XV, XVI, XVII, XVIII, XX, XXI and XXIII), yet at the same time we can see a continuous area also in district no. II, in the case of some parts that are further from the centre. During the crisis the demand decreased mostly strikingly in suburban areas with single-family houses.

Map 3

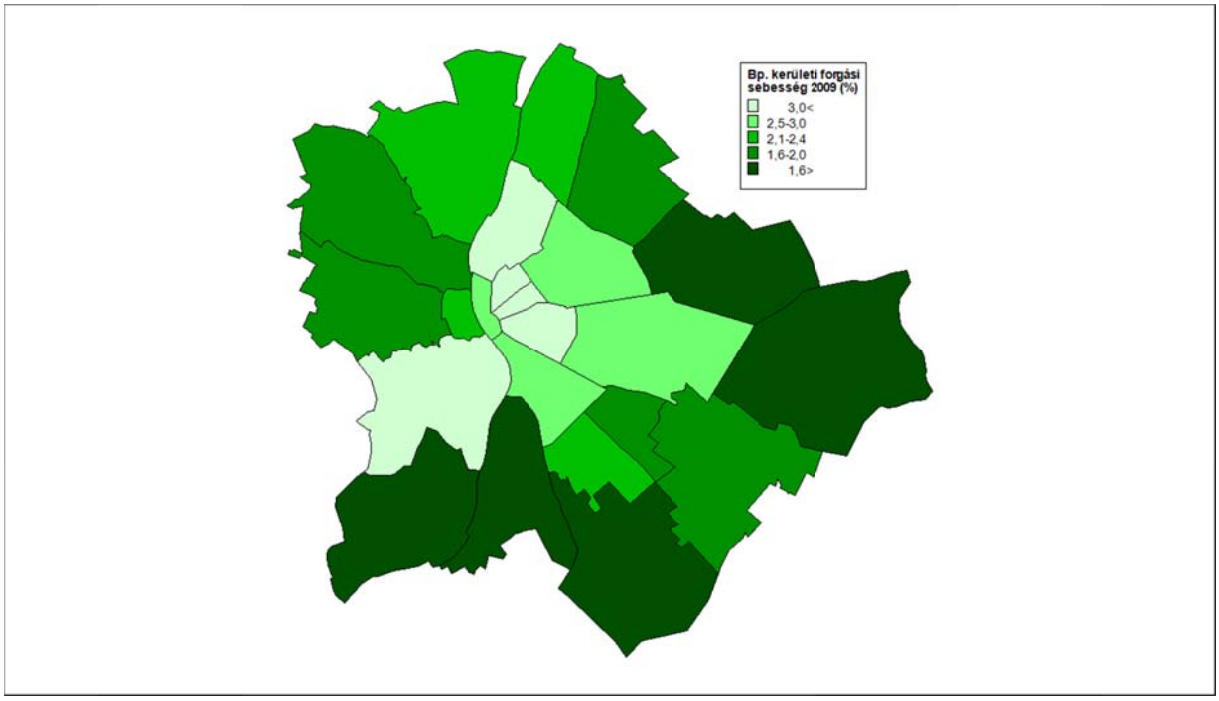
[Changes in the turnover of the postal code zones of Budapest]



2009 being the last year that can be regarded complete on the basis of the provided data may be worth examining also from the point of view of another index. Although at the level of the postal code zones we do not have information regarding the stock of flats, *Map 4* shows us how the yearly turnover of 2009 related to the stock of flats (as of 1st January 2010). Thus the speed of the turnover indicates what percentage of a district's flats was sold within a year. It is mostly the property market of districts no. VI, VII, VIII, XI and XIII (where each year more than 3% of the stock finds new owners) that flourishes. The other extreme is represented by districts no. XVI, XVII, XXI, XXII and XXIII (with a turnover below 1.6%), that is the peripheral areas as also mentioned earlier.

Map 4

[Speed of turnover in the districts of Budapest]



Crisis-resistent and crisis-impacted areas

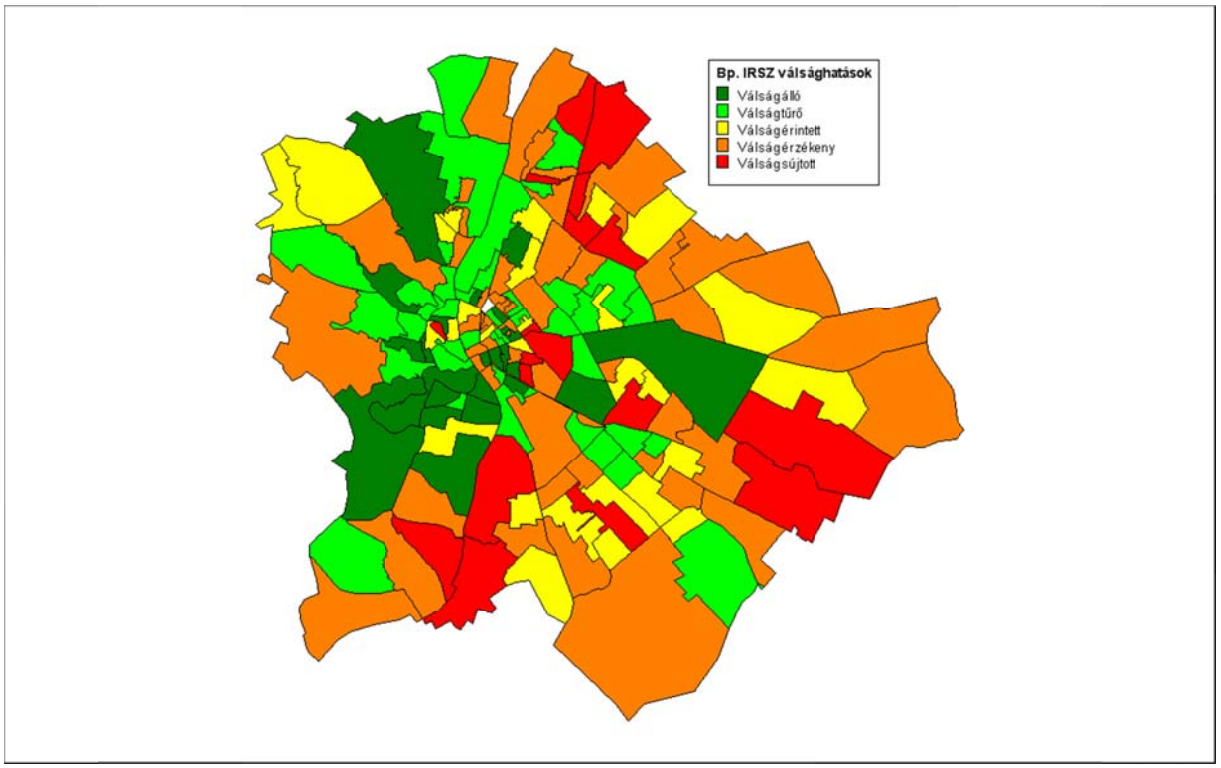
Although under usual market conditions the turnover and the variation of the prices are interconnected factors, obviously, in times of crisis they do not necessarily show a direct proportionateness. The categories we created to comprehensively describe the market processes exerting significant influence reflect the joint variation of these two factors. Based on the indexes of the variation of prices and turnover, with the help of quintiles we divided the postal code zones into five equal groups, and by mixing these two values we set up five *'categories of crisis-impactedness'* (See *Map 5*).

At the district level the areas that proved to be the most 'crisis-resistent' were no. XI and possibly no. VIII, from which 7 and respectively 3 postal code zones were included into the highest, best category. In this group the areas belong to the two highest possible categories regarding both the variation of the prices and of the transactions. At the same time this group is represented in altogether 12 districts.

Districts no. II, IX, XIV and XIX can be characterised as 'crisis-tolerant', this group containing 4-5 postal code zones. Nevertheless, in this category we can discover a few surprising elements too, such as the area with the postal code H-1021, which based on the changes in prices landed in the second lowest value category with a decline amounting to -17%, nevertheless based on the turnover it is categorised in the highest group with a 3% expansion. The opposite is the case with the postal code zone H-1016, where despite a halved number of transactions we witnessed a 9% increase in prices.

Map 5

[Impacts of the crisis on the postal code zones of Budapest]



The group of the crisis-influenced areas, which is the most representative of all categories, has no explicit representative, as it includes one or two areas from 19 different districts. However, the cases gathered together into this category are even more fascinating than the earlier mentioned ones (e.g. zone H-1131, which experienced the lowest price changes and still falls within the group of the highest turnover; the opposite is the case with zones H-1154 or H-1194.) These are the areas where flat-owners intending to sell their property are faced most drastically with the fundamental truth that the basis for a prompt selling process is advertising at a realistic market price (i.e. price reduction). Or quite on the contrary, there are zones where the declining turnover shifts the demand mostly towards more the expensive and higher quality properties.

The districts that proved to be the most sensitive towards the crisis were no. IV, VI and XVI: 4 zones were categorised into this group. We found district no. XV to be the most 'crisis-impacted', since 4 of its 8 postal code zones were listed in the group with the most negatively affected areas. The situation of district no. VIII is rather special, as 3 of its zones were listed among the highest and 3 in the lowest categories, showing the truly ambivalent property market situation of Józsefváros. On the Buda side only zone H-1014, the area of the Buda Castle mentioned in connection with the record prices, and zone H-1222 represent this category.

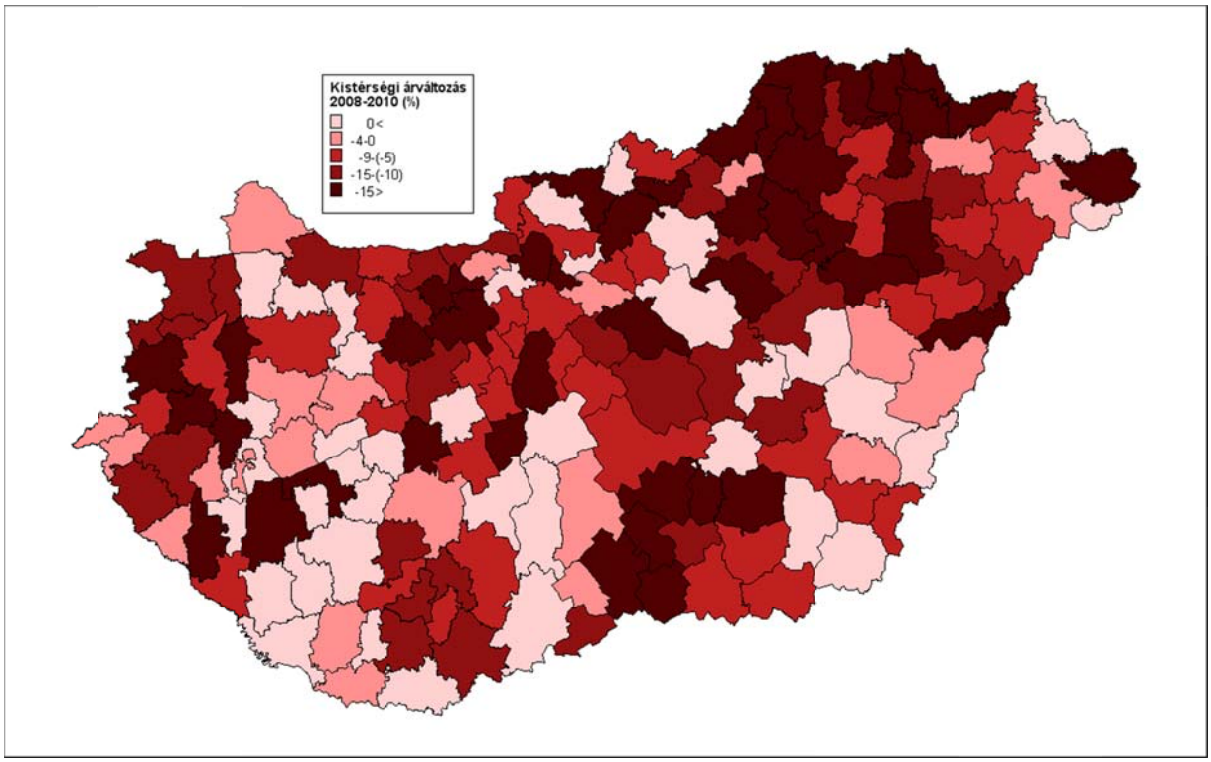
Price changes on the national scale

Examining the variation of the prices on the level of the 174 statistical micro-regions (including Budapest) we do not necessarily witness the expected East-West division (or at least definitely not clearly). Local characteristics (such as the composition of the stock of flats, employment rates and changes in the unemployment, or touristic attractions) play an important role in the crisis of the real estate market. As mentioned in the section on the methods of the survey, in the case of national-scale analyses the NAV-database hides more obvious problems—typically with regard to single-family houses—yet similarly to the analyses carried out for Budapest, after having supplemented the missing statistical data, it can nevertheless be used in the same way.

When looking at the micro-regions, in the case of 38 we can discover minor, yet measurable price rises since the beginning of the crisis (see the areas marked in the lightest colour on *Map 6*)—from these 21 units are located in the Trans-Danubian region and in the county of Pest. The micro-region of Balatonföldvár in Somogy county underwent the most remarkable growth. Furthermore, the prices increased by more than 20% between 2008 and 2010 also in the micro-regions of Veresegyház, Sarkad and Barcs. Nevertheless, in the case of the latter two average prices are still below 100,000 HUF/m^2, which means that the base of 2008 was rather low.

Map 6

[Price changes in the micro-regions]



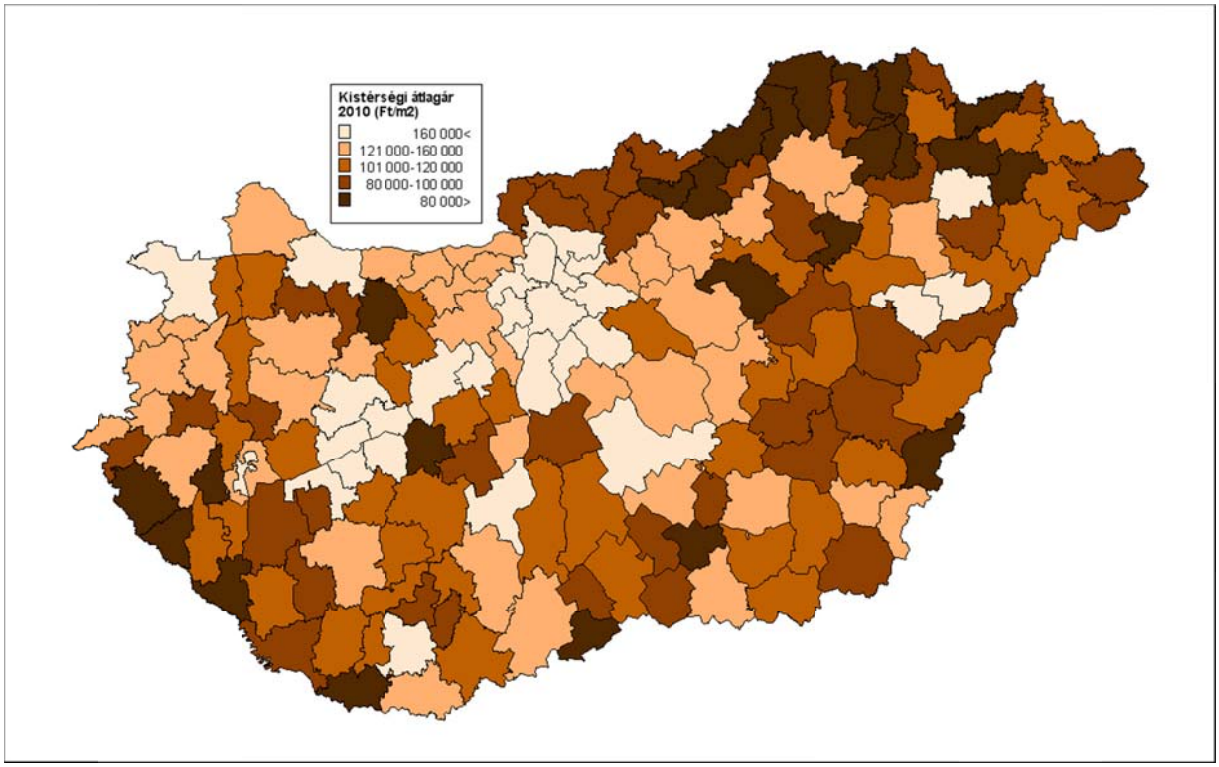
94 micro-regions witnessed a price decrease exceeding the measure of the national average, and in the case of 10 regions this was three times higher than the average. We can see the majority of the dark spots on the map in Borsod-Abaúj-Zemplén county (from the 15 micro-regions of Borsod prices decreased by more than 15% in 12 cases), but some occur in a scattered form all over the country.

Should we analyse only the data of localities with town status, we can see that there exist micro-regions where examining all settlements together we can observe decreasing prices, while in the towns (which alone can be the centres of the respective micro-region) we can see rising prices (e.g. the micro-region of Hévíz, or Kistelek in Csongrád county). The opposite is the case for example in the micro-region of Pilisvörösvár. Within this micro-region the larger, higher-prestige localities (e.g. Solymár, Nagykovácsi and Üröm) maintained, what is more, in some cases could even increase their value despite the crisis, whereas in the centre of the micro-region with town status and in Zsámbék prices went down. In addition, the turnover of the municipalities was even more significant than that of the towns.

Map 7 showing the average prices for the year 2010 reflects our expectations: the capital with its surroundings and the region of Balaton stand out regarding the price level. Besides these, the category with the highest prices (over 160,000 HUF/m^2) includes also the regions of a few larger towns (Nyíregyháza, Debrecen, Pécs, Győr, Veszprém, Székesfehérvár, Kecskemét and Sopron), as well as holiday resort areas (like the micro-regions of Gárdony, Hévíz and Hajdúszoboszló) and the micro-region of Paks.

Map 7

[Price changes in the micro-regions 2010 (HUF/m²)]



From the micro-regions, which can be analysed reliably also without data correction, residential properties are the most expensive in Balatonföldvár; this is the only area where the average price exceeds 300,000 HUF/m^2, although the imrovement basically results from the new lakeside developments. Besides this, the micro-regions that rank higher than the capital are Siófok (270,000 HUF/m^2) and Budaörs (266,000 HUF/m^2)—the former profiting from the holiday resort construction projects, and the latter being distinguished from its environment by its nationally acknowledged high prestige. The other extreme is represented by the 9 micro-regions whose average price is below 70,000 HUF (from these 5 are located in Borsod; e.g. the average price in the micro-region of Bodrogköz is 42,000 HUF/m^2). The micro-region being closest to the national average is Tatabánya with an average value of 122,000 HUF/m^2.

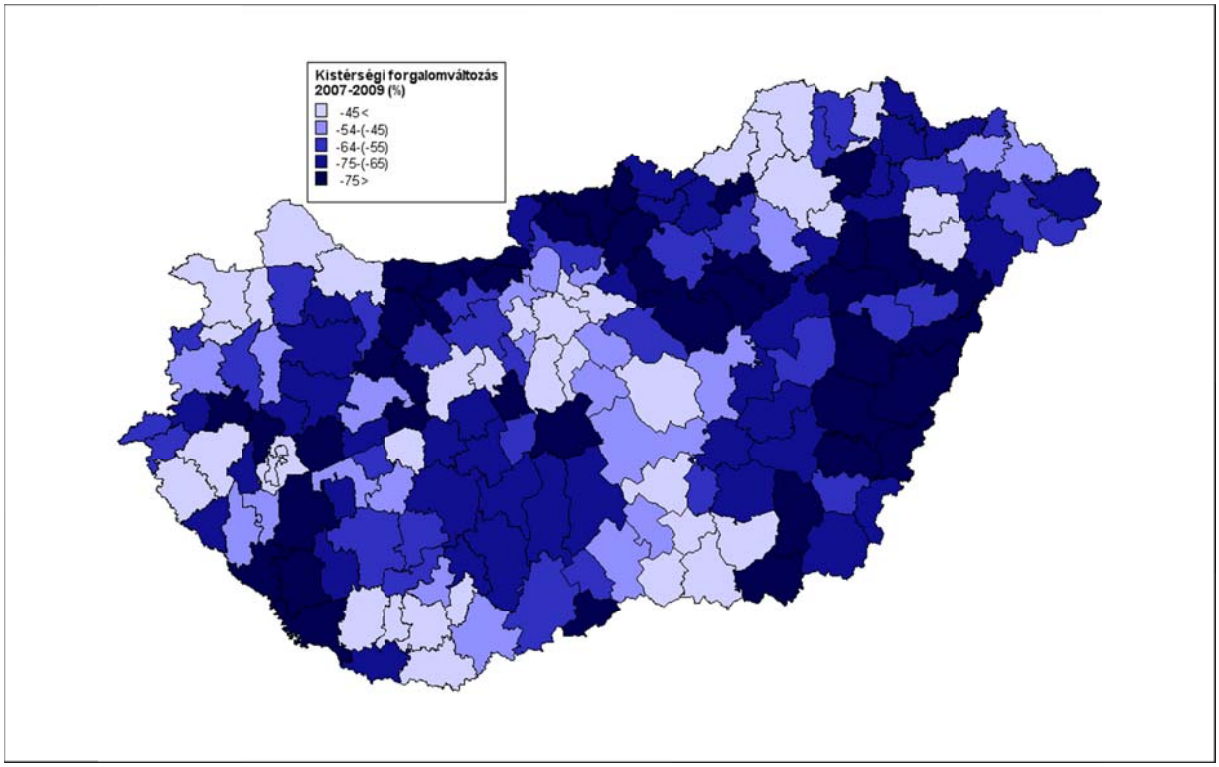
Turnover decreasing in varying degrees

Map 8 shows the percentage of the variation between the amount of the sale of properties between 2007 and 2009. At the level of micro-regions this shows a declining tendency all over the country, except for Ráckeve in the county of Pest. Of course, there exist numerous localities where the turnover actually grew—as we could see in the case of several postal code zones of Budapest—yet at the level of the micro-regions the differences between the particular localities are not visible.

The category showing the least decrease (below 45%) includes 37 micro-regions, from which 24 are located in the Trans-Danubian region and Pest county. Besides the previously mentioned Ráckeve, Dunakeszi and Gödöllő (Pest county), as well as Pécsvárad (Baranya county) and the micro-region of Abaúj-Hegyköz are listed among the first five. However, in the case of the latter two only a few dozens of purchases are accomplished per year. The occurrence of the micro-regions showing the most significant decrease does not point at any identifiable regional interconnections. Nevertheless, we should note that the density of these micro-regions is higher on the Eastern side of the country. Furthermore, we found that in the micro-regions of Bélapátfalva, Dorog and Füzesabony the turnover dropped to a shockingly low level.

Map 8

[Changes of the turnover in the micro-regions]



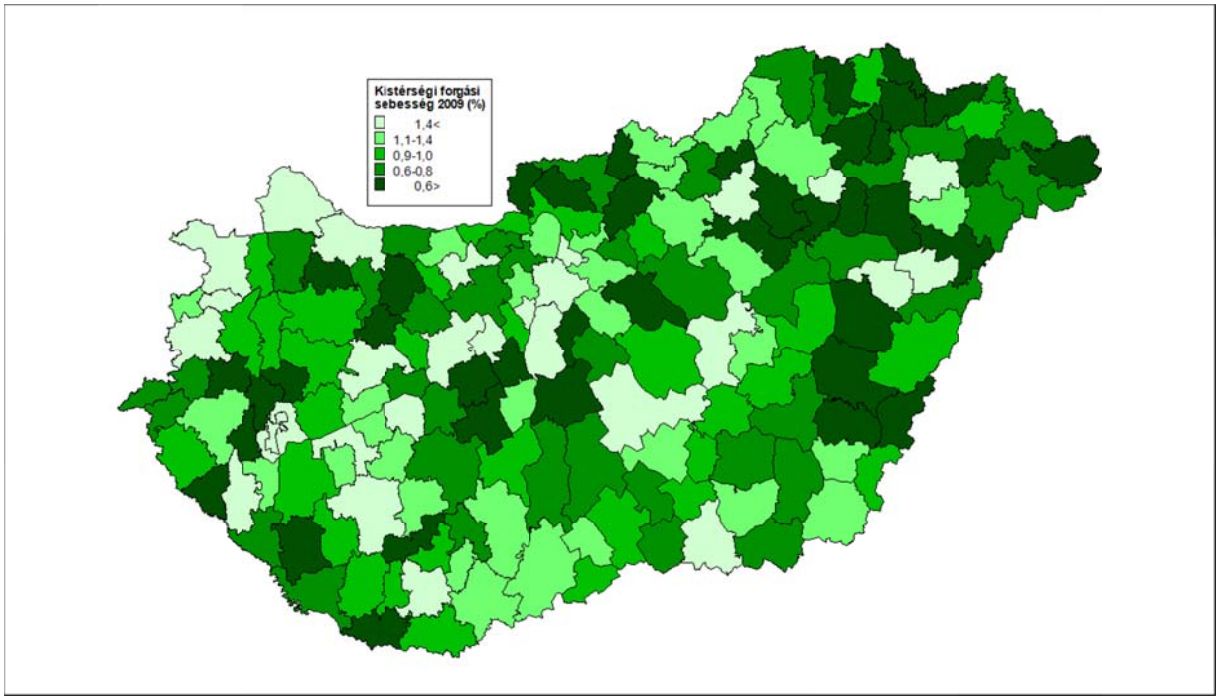
If we limit our survey exclusively to localities with town status, more than 44 micro-regions fall into the category with a decrease below 45%. In addition to Ráckeve, also the micro-regions of Csepreg, Hévíz, Mórahalom, Tiszaújváros and Pécsvárad witness an increasing turnover.

Regarding the speed of turnover, the picture is by and large similar to the changes in the number of transaction (see *Map 9*). The real estate market flourishes most intensively in the micro-regions of Siófok and Dunakeszi, in Budapest, as well as in the micro-region of Szeged and Sopron-Fertőd (index above 2.0%). The regions following suit are mostly the ones with larger towns and the areas on the shores of Lake Balaton.

The micro-regions of Polgári (Hajdú-Bihar), Bélapátfalva (Heves), Szerencs (Borsod-Abaúj-Zemplén) and Vasvári (Vas) represent the other extreme. In these areas less than 0.4% of the stock of flats is sold each year. As more than 4/5 of the turnover of sold properties comes from localities with town status, when examining these separately, only a few significant differences were discovered.

Map 9

[Speed of turnover in the micro-regions]



The impacts of the crisis on the micro-regions

On the national level we listed the micro-regions into the five 'categories of crisis-impactedness' mentioned also in the section on Budapest. The results are shown on *Maps 10-11*.

Due to the fact that the character of the real estate market is highly influenced by the type and size of the settlements (price level, stock of properties, turnover, number of population), our analysis was prepared in two versions. After having cleaned the databases used for our survey of the distortive effect of towns with county rights, we discovered that the micro-regions showing the highest resistance towards the crisis are located around the capital, along Lake Balaton and around some of the largest towns. In the county of Baranya we could label 4 micro-regions „crisis-resistent", similarly to 3 micro-regions in each of the counties of Pest and Zala, 2 regions in the county of Somogy, the micro-region of Mosonmagyaróvár in Győr-Moson-Sopron, and Vásárosnamény from the territory of the Eastern county of Szabolcs-Szatmár-Bereg with its minimal price increase and a moderate decrease in its turnover compared to the national average.

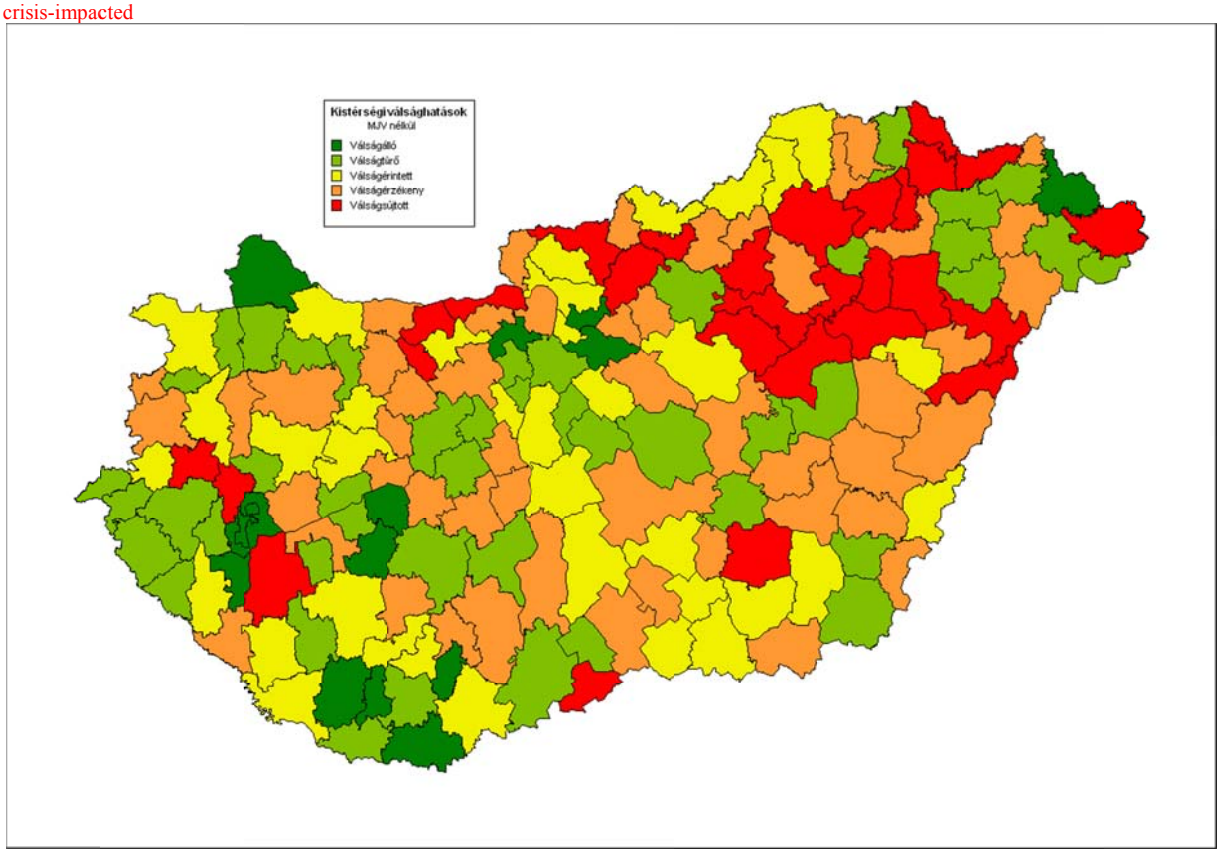
Prices mostly showing merely minor increase may turn up also in the 'crisis-resistent' and 'crisis-impacted' categories, however this is usually coupled with an average or below average decline of the turnover. In the 'crisis-resistent' category we listed 4 micro-regions from the territory of Győr-Moson-Sopron, 5 micro-regions from the county of Pest, and 6 from Szabolcs-Szatmár-Bereg. The micro-regions of the latter territory achieved a favourable ranking exclusively due to the relative stability of their average prices, even though these were between 80-100,000 HUF even back in the basis year of 2008, and have remained as

low as that ever since. The situation is remarkable for instance in the micro-regions of Balatonfüred and Sümeg, as well as in many larger towns (e.g. Békéscsaba, Zalaegerszeg, Paks, Gyöngyös) which thanks to their moderate price increase were ranked rather favourably, nevertheless the decline of their turnover exceeded the average. We can observe the opposite trend in the micro-regions of Nyíregyháza and Pécs, which were listed in the second best category based on their above average turnover, yet their 'high turnover' was achieved by a moderate price reduction. On the basis of the applied criteria, the counties that can be considered to be closest to the 'average' are Pest and Csongrád, which contributed to the 'crisis-impacted' category with 4 micro-regions each.

We could identify 'crisis-sensitive' and 'crisis-inflicted" areas all over the country except for Baranya and Győr-Moson-Sopron. Most of the micro-regions sensitive to crisis are located in Bács-Kiskun and Szabolcs-Szatmár-Bereg. The category with the least favourable market processes includes 7 micro-regions of Borsod-Abaúj-Zemplén and 5 micro-regions of Hajdú-Bihar.

Map 10

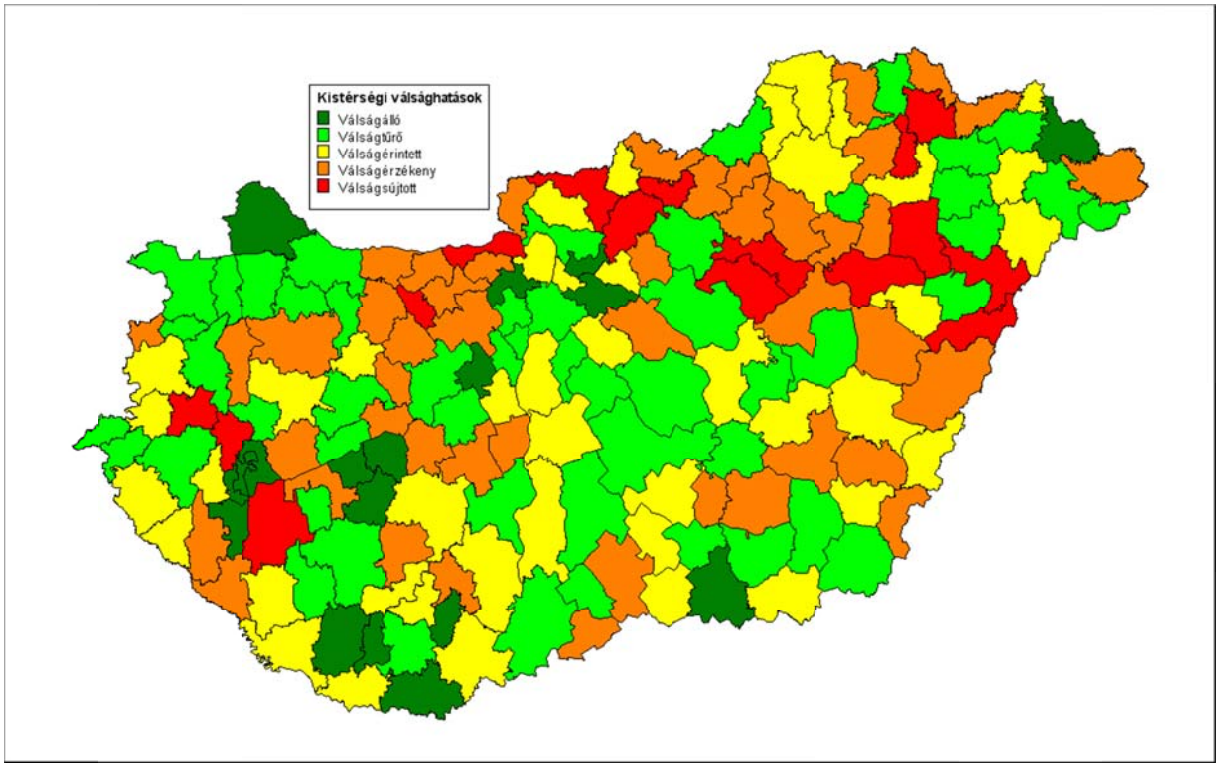
[Impact of the crisis on micro-regions]
Without towns with county rights
crisis-resistant
crisis-tolerant
crisis-influenced
crisis-sensitive
crisis-impacted



In the case of the micro-regions and zones our analysis shows different results from the above presented ones when taking into account also the data regarding the towns with county rights. The differences are most striking in the territory of the counties Borsod-Abaúj-Zemplén, Békés, Bács-Kiskun and Győr-Moson-Sopron—these are the areas where at the level of the micro-regions the county seat was able to influence its environment positively (sometimes

affecting more micro-regions) even despite the restrained economic environment and the scarce opportunities of the property market. It is important to note, however, that the bulk of the sale of all residential properties took place in the county seats and towns with county rights. Therefore, in our view by including these data into the analysis we cannot successfully draw general, national-scale conclusions at the level of micro-regions.

Map 11



Summary

We are convinced that the territorial aspects of the crisis of the property market can be visualised in the best way in the form of maps. Our analysis focuses primarily on the two most relevant quantitative parameters: i.e. the variation of the prices and the turnover. Under perfect market conditions we could find a clear correlation between the growing number of transactions and increasing prices. However, in the case of the property market, and especially with respect to the changes that occurred in the period between 2007 and 2010 we cannot talk about a perfect market. In a crisis, decisions are often made under strained circumstances: for example significant price reductions are often necessary in order to keep the turnover level, or in certain areas and situations even differences in the opposite direction may manifest, when a drastic drop of the turnover may be caused by rising prices. Therefore the maps displaying changes in the prices and the turnover do not necessarily overlap, and based on the two parameters the particular territorial units may fall into different categories.

Most of the analyses published on the market so far base on the preconception of a more or less explicitly held division between East and West (or between Pest and Buda, for that matter), on the basis of which a mostly homogeneous colouring of the map along a demarcation line or an axis could be expected. However, in our analysis local characteristics—such as the prestige of a particular area, the grade of development of the

infrastructure, changes in the level of unemployment, the quality of the stock of flats, construction processes or touristic attractions—may overwrite the idealised picture on the level of the territorial units (postal code zones and micro-regions).

Besides all these, as a final conclusion of our analysis we can distinguish between the territorial units that have been seriously affected by the processes of the crisis, and the ones that have proved to be more resistant towards these tendencies.

While on the national scale the territorial units are the micro-regions, in our view in the case of Budapest the postal code zones are the units that show the impacts of the crisis of the property market with the expected accuracy and thoroughness. At this level the differences appear well visibly, what is more, we can distinguish even areas characterised by specific market processes (e.g. prefab housing estates, or the downtown areas suffering from the setback of the foreign investors' decreasing purchases).

The traditional distinction of Buda versus Pest (and downtown versus outskirts) manifests more markedly than the East-West dividing line on the national level. Naturally also in the capital we can find such zones that display positive indices with respect to either price changes or the variation of the turnover, while underperforming in the other category.

At the national level we can clearly identify a crisis-sensitive territory stretching through the counties Hindu-Bihar, Heves and Nógrád. Further negatively affected areas are the county of Komárom-Esztergom, the Eastern parts of Borsod-Abaúj-Zemplén, the micro-regions of Vas and Zala, the southern part of Fejér county, as well as the central part of the Great Plain.

Looking merely at the price changes, we can observe a considerable decrease along the Szeged-Budapest axis, coupled with a turnover decrease below the average. The situation is similar in the areas along the borders of Vas and Zala, in most parts of the counties of Baranya and Csongrád, and also in West-Borsod. The opposite is the situation in the neighbouring areas of Békés and Hajdú-Bihar, and the Eastern edge of the border areas, where despite a significant drop of the turnover we did not discover any substantial price decrease.

On the basis of our analysis we can conclude that in general larger towns and cities survive the crisis better—even if in many cases the property market experiences serious price decrease, yet in most cases the decrease of the turnover remains under the average level. This applies also to both the Eastern and Western sectors of the agglomeration of Budapest, which proved to be crisis-resistant, similarly to the greatest part of Győr-Moson-Sopron county. The situation is versatile in the region of Balaton, where although the majority of the micro-regions tolerate the crisis rather well, yet the most favourable market situation is characteristic primarily of the touristic, recreational and holiday resort areas, such as the localities surrounding Velencei Lake, Hévíz and Zalakaros.