

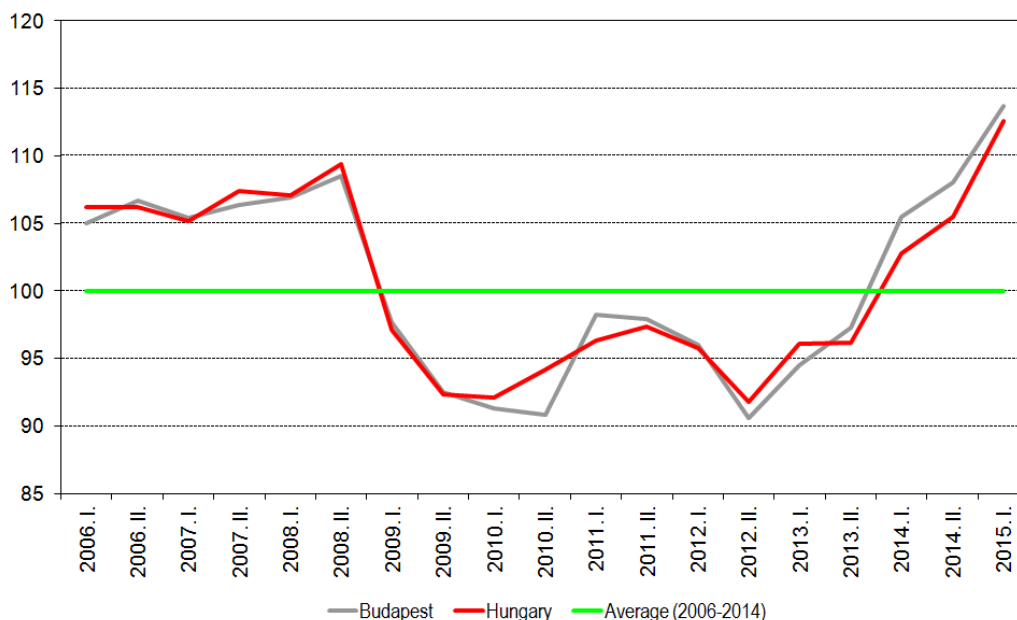


SOARING INDEXES ON THE RESIDENTIAL AND OFFICE SPACE MARKETS

(RESULTS OF THE SURVEY ABOUT THE HUNGARIAN REAL ESTATE MARKET CONDUCTED IN APRIL OF 2015)

GKI conducts real estate surveys twice a year in order to assess plans, intentions and prospects of market players (realtors, developers, operators, households and companies) for the next one year. The real estate market indexes of GKI (referring to the capital and Hungary) synthesize the expected outlooks for the individual market segments (including the residential, office space, retail space and warehouse markets), and provides **an overall view of the entire real estate sector**. In particular, the indexes reflect the relationship between supply and demand as well as the future plans and expectations of market actors.

Real estate market indexes of GKI*, 2006-2015



*/Value 100 represents the long term average of two indexes.

Indexes of GKI have permanently increased in the last two years – the market expectations have almost continuously improved. However, the statistics about occupancy rates and number of transactions did not show significant improvement in this period. Results of the current survey reflect carrying-on of the positive trends. The value of real estate market index referring to Budapest is 114 in April of 2015, which is higher by almost 6 points than the same value measured in October of 2014. The value of real estate market index referring to Hungary now is 113, which is higher by almost 7 points than six month ago. According to survey results expectations on the residential and office space market improved significantly, while only stagnation can be experienced on the retail and warehouse markets.

OFFICE SPACE MARKET

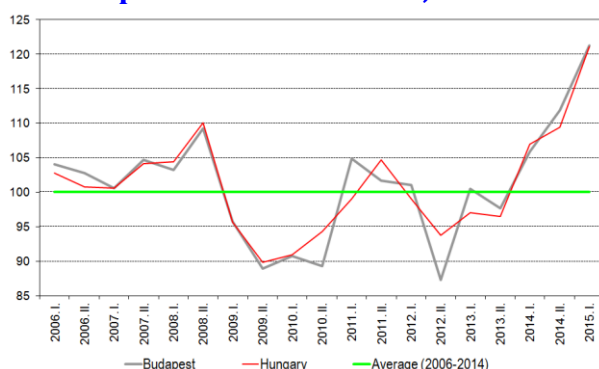
Results of the current survey show increasing occupancy rates on all segments of Budapest market. In Eastern-Hungary occupancy rate is 70% (a half year ago 67%), in Western-Hungary the same rate is 69% (it was 67% a half year ago).

Occupancy rates on the Budapest office space market

	Type A (%)	Type B (%)
Pest	77.5 (72)	78 (73)
Buda	78.5 (68.5)	74.5 (71.5)

The results of the previous, October 2014 survey are shown in parentheses.

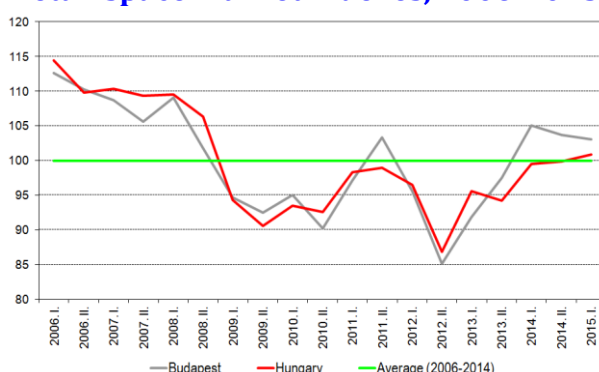
Office space market indexes, 2006-2015



Office space market index (which reflect expectations of real estate developers, realtors and companies) increased by 12 points in Budapest and by 12 points in Hungary. Expectations of real estate developers and realtors became more positive, and it is true for the companies as well. This serious optimism may refer to a solid market prosperity.

RETAIL SPACE MARKET

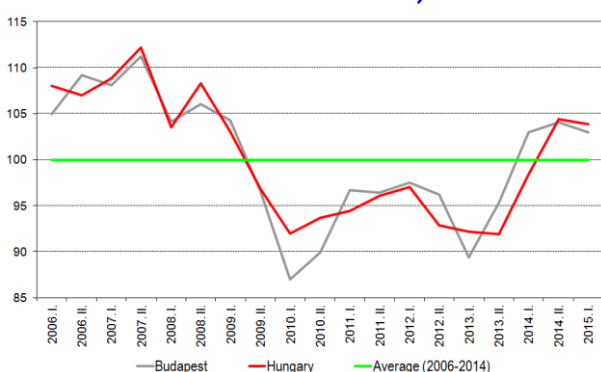
Retail space market indexes, 2006-2015



Retail sales increased in 2014 by 4% and probably the same growth can be forecasted for 2015. Governmental interventions made the business climate uncertain in this sector in the last five years. These measures did not affect positively and the outlooks remain poor. Retail space market index (which reflect expectations of real estate developers, realtors and companies) referring to Budapest and Hungary remained practically unchanged.

MARKET OF WAREHOUSES

Warehouse market indexes, 2006-2015

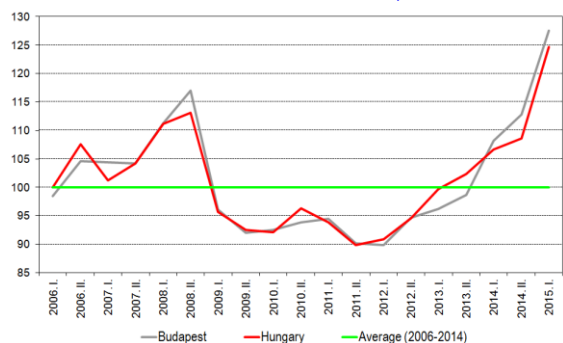


Warehouse market index (which reflect expectations of real estate developers, realtors and companies) did not change significantly in the rural areas and the same situation can be experienced in Budapest as well.

RESIDENTIAL MARKET

In April of 2015 assessment of residential market improved in Budapest and in Western. In Eastern-Hungary the situations are practically unchanged.

Residential market indexes, 2006-2015



Residential market index (which reflect expectations of real estate developers, realtors and households) increased significantly in Budapest and in the rural areas (by 15-15 points).

For the next 12 months, responding developers and realtors expect an improving market in almost every segment.

Expectations of housing market segments for the forthcoming 12-month period*

	October 2014	April 2015	Probable change
Budapest			
Non-prefab condominium homes			
Buda, green belt	-8	12	↗↗
Buda, other areas	-14	6	↗↗
Downtown Pest	-14	18	↗↗
Pest, green belt	-12	-9	→
Pest, other areas	-20	-18	→
Prefab housing estates			
Northern Pest	-14	0	↗
Southern Pest	-14	-12	→
Buda	-14	0	↗
Single family homes			
Pest	-24	-3	↗
Buda	-19	3	↗
Eastern Hungary			
Non-prefab condominium homes	-21	-23	→
Prefab housing estates	-20	-30	↘
Single family homes	-27	-17	↗
Western Hungary			
Non-prefab condominium homes	-14	12	↗↗
Prefab housing estates	-13	19	↗↗
Single family homes	-25	-12	→

*/ balance indicators: weighted difference between the indices indicating the rates of oversupply and excess demand, with 0 reflecting balanced market conditions, negative values indicating oversupply and positive values signalling excess demand.

According to the results of consumer surveys the household expectations for home building and purchase show a little upturn.

Households' plans to build, purchase or remodel homes, 2008-2015

(4-quarter moving averages, thousand households)

	Home construction or purchase		Home remodelling	
	Certain	Likely	Certain	Likely
2008. 01.	27	96	71	296
2008. 02.	26	78	59	247
2008. 03.	30	83	51	233
2008. 04.	26	74	45	207
2009. 01.	27	60	37	164
2009. 02.	25	46	32	153
2009. 03.	22	32	37	144
2009. 04.	22	32	33	147
2010. 01.	17	34	32	139
2010. 02.	11	47	30	131
2010. 03.	5	54	23	123
2010. 04.	3	53	25	116
2011. 01.	4	56	30	114
2011. 02.	8	49	27	107
2011. 03.	7	38	23	97
2011. 04.	8	38	21	84
2012. 01.	7	35	16	81
2012. 02.	4	31	12	77
2012. 03.	10	38	19	99
2012. 04.	10	38	19	99
2013. 01.	9	37	19	104
2013. 02.	11	37	21	106
2013. 03.	20	43	28	112
2013. 04.	21	40	26	104
2014. 01.	23	47	27	111
2014. 02.	20	49	26	123
2014. 03.	9	50	22	146
2014. 04.	6	61	23	171
2015. 01.	7	59	23	183
2015. 02.	12	61	33	203

Source: GKI household surveys

PRICES, RENTS

Expectations regarding prices of real estate in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Western-Hungary	Eastern-Hungary	Hungary average
Existing residential unit	1.5 (0.7)	2.3 (2.2)	1.3 (0.3)	1.7 (1.1)
Newly built residential unit	1.3 (1)	3 (1.5)	1.3 (0.5)	1.9 (1)
Office space	1.4 (0)	1 (-1)	0 (0)	0.8 (-0.3)
Retail space	-1.2 (1.4)	0.7 (0)	0.5 (1.4)	0 (1)
Warehouse	0 (0)	1 (1)	-1 (1.5)	0 (0.8)
Construction lots	1.3 (0)	-1.5 (-2)	0 (-5)	0 (-2.3)

The results of the previous, October 2014 survey are shown in parentheses.

Expectations regarding rents in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Western-Hungary	Eastern-Hungary	Hungary average
Office space	0.4 (0)	0 (-1)	0 (0)	0.1 (-0.3)
Retail space	-1.2 (0.7)	0.7 (0)	0.5 (-1)	0 (0)
Warehouse	0 (2)	-1 (0)	-1 (0.5)	-0.7 (0.8)

The results of the previous, October 2014 survey are shown in parentheses.