

Housing cycles of non-metropolitan cities in post-socialist context - the case of Hungary

Dr. Gabor Nagy¹

¹*Rcers Regional Science Institute, Budapest, Hungary*

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After the collapse of centrally planned economic structure a rapid, but fundamental change began in housing sector of post-socialist countries. This process marked with: i) closing the state-financed large-scale investments (particularly housing estates); ii) emerging the market in housing sector; iii) rapid privatisation (or restitution) of formerly state-owned, local municipalities owned, or cooperative owned flats, and as a result iv) increasing dominance of personal ownership (instead of rental forms) in housing markets. Following the results of East-European researches there are well defined 'turning points' in the development of housing sector, not independently with the changing geopolitical status of the macro-region (e.g. EU-accession process), changes in national level legislation related to housing markets, the increasing embeddedness into global economy (especially global financialisation processes). As a consequence of them, between 1990 and 2020 we identified two cycles in housing markets in national level, with some inner turning points inside.

In our research project "Transforming local housing markets in regional centres in Hungary" (financed by NKFIH, identity No.: K 131534) we make an investigation in local and sublocal levels to identify the common features and unique characteristics of changes in the non-metropolitan, regional centres. In this geographical scale, the available data sources are very rare, so we had to limit our investigation to the 1997/2000-2019 period. What we miss on the one side the transformation period (between 1990-1996) is suffering, but all the other milestones of the transformation of housing market could be analyse: i) the setting up mortgage lending institution after 1997; ii) the first period of state-subsidies in 2000-2003; iii) the overshooting years of forex-based lending in 2004-2008; iv) the long-lasting period of global financial crisis between 2009 and 2013; and v) the recovery of housing markets in the period of 2014-2019. Using a database developed by CSO Hungary, we are able to analyse not just the city-level trends, but identifying the quartier level characteristics, such as activity level, structure of demand, price level inequalities. At the end, we will able to add a sketch about the possible effect of COVID-pandemic on local housing markets in the 2020-2021 years, using the information of interviews with local decision makers, local planners, national and local experts of real estate markets.