

Sharp rise in the prices of luxury homes, attractive returns and tax benefits

BARNES opens its doors in Budapest, the gem of high-end real estate

The second capital of the Austro-Hungarian Empire founded in 1873, Budapest is home to an exceptional property portfolio. Built along the Danube River, the city is riding the crest of a period of strong growth, owing to its geographic position at the centre of Europe and a thriving economy (3.4% growth), with unemployment rates below 6.3% and one of Europe's most advantageous tax regimes. In its latest report on high-end real estate worldwide, the *Global Property Handbook*, Budapest came top in the BARNES rankings of up-and-coming cities for wealthy clients. It was thus an obvious choice to open an office here.

Price boom

Property prices have doubled in Budapest since 2014, from an average of €1,321/m² to €2,500/m². Apartments to renovate in popular neighbourhoods, like the area around the Opera house, are negotiated at €3,500/m². Properties in perfect condition can go for up to €6,000/m². In the areas around the Danube, particularly the 5th district, prices are rising sharply (+35% in two years).

Attractive returns

Upmarket clients are mainly on the hunt for large properties between 100 and 200m² that have undergone full renovation. With 2 million square metres currently under construction or renovation in the city, buyers are focusing on older properties, due to the low cost of renovations (around €2,000/m²), for investments with returns of around 7%, significantly above those in Western Europe. Add to that the option of seasonal rental during the summer, and returns can reach 10%, even 20% in some cases.



234m² duplex apartment at the heart of Budapest overlooking Vörösmarty Square, the city's most well-known pedestrian square. Situated on the fifth and top floor, it features 2 bedrooms and a 57.72m² terrace. Elegant decor. Spectacular views across the city skyline. Underground parking.
Price: €2,020,000

A property to match each demand

Budapest is divided into 23 districts: 16 in Pest, 6 in Buda and 1 on Csepel Island, the largest island on the Danube. 3 types of accommodation are available, with something to suit every buyer.

The city centre, in Pest, built over 100 years ago, is composed of buildings in a unique architectural style with inner courtyards and balconies. Home to the aristocracy in the 19th century, they have since been renovated and divided into smaller surface areas. These properties are in great demand from investors looking to get their hands on

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seasonal rentals to capitalise on the city's boom in tourism. Andrassy Avenue, with its luxury brands, is also very popular.

In the residential areas of Buda, the constructions date from the late 20th century. Here you'll find large apartments in small 2 or 3-storey buildings surrounded by green spaces, for the most part located in the 11th and 12th districts.

Construction is also on rise in Budapest since 2017, with between 14,000 and 16,000 housing units scheduled for delivery by the end of the year. These modern constructions are attracting investors looking for a pied-à-terre or to let.

Increasing numbers of foreign clients

The proportion of upmarket foreign clients is increasing in Budapest, up 50% compared to last year for non-EU residents. This clientele is mainly formed of Chinese, Russians, Ukrainians, Israelis and Americans looking for investment opportunities. In 2016, no fewer than 3,163 properties were bought by foreigners, of which 1,213 by Chinese nationals and 446 by Russians.

Newly wealthy Hungarians are also increasingly present on the market. Less familiar with practices and customs in Western Europe, they need a comprehensive level of services when it comes to investing outside of their country.



Fully renovated 1,200m² manor house set on 6,877m² of grounds in Buda's most prestigious district. Three suites, large veranda, frescoes painted by world-renowned Italian artists, home cinema, gym, pool and tennis court.
Price: €11,400,000

A favourable tax regime

One of the main aspects that draws an international clientele to Hungary is its tax system - one of the most advantageous in Europe. With income tax at 16%, dividend taxes at 10% to 19%, and tax treaties with most Western European countries, thus avoiding double taxation, Budapest ticks all the boxes!

BARNES Hungary

17 Andrassy Avenue
1061 Budapest

About BARNES

Founded by Heidi Barnes and directed by its President Thibault de Saint Vincent for almost 15 years, BARNES is now the leading fully integrated international firm in high-end residential real estate that offers its French and international clients comprehensive and fully personalised services through its various business lines: sales of apartments, houses and mansions, buildings (in units, on a lot by lot basis or as they become available), estates and châteaux (as well as hunting lodges, horse farms and vineyards), new developments and exclusive properties; as well as the rental of luxury and exclusive properties and property management. With agencies in ten major international cities - Paris, Brussels, Geneva, London, New York, Madrid, Barcelona, Lisbon, Los Angeles and Miami, as well as in numerous other cities and the world's top holiday destinations (Deauville, Biarritz, Saint-Jean-de-Luz, Bordeaux, Ile de Ré, Bassin d'Arcachon, the Périgord region, Lyon, Evian, Cannes, Saint-Tropez, Aix-en-Provence, Sanary, Corsica, Courchevel, Megève, Monaco, Marrakesh, Tel Aviv, Mauritius, St Barts) - BARNES is continuing to expand both at home and internationally with new offices in Gstaad, Verbier, Lugano, Athens, Berlin, Budapest, Marbella, Asia and the Middle East. In 2017, the BARNES network and its partners generated sales volumes of around €4.2bn.

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