

## Residential mortgages, 2022

The growth rate of 7.5% for the housing loan portfolio in 2022 has slowed compared to the previous four years. Loans approved and disbursed were also lower in number and value compared to the previous year. The weight of second-hand housing purchases has declined, while lending for new housing, especially in value terms, has expanded. In the second half of 2022, housing lending conditions worsened, in addition to the increase in lending for new housing, the amount disbursed for the purchase of second-hand housing barely exceeded half of the value for the same period of the previous year.

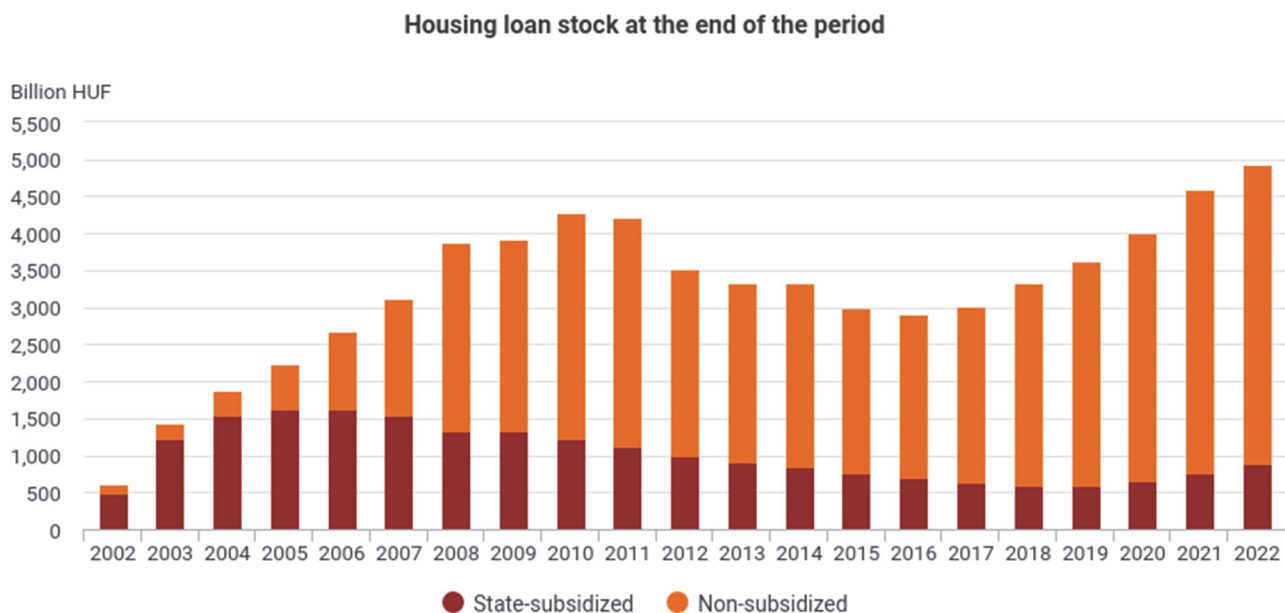
### Increase in the stock of housing loans

The stock of housing loans in Hungary stood at HUF 4928 billion at the end of 2022, 7.5% higher than in 2021. The growth rate slowed down significantly compared to 15% in 2021. The ratio of housing loans to GDP decreased from 8.3% at the end of the previous year to 7.4%.

Newly disbursed loans played an increasingly important role in the growth of the housing loan stock, and the repayment moratorium no longer had a significant impact on the stock in 2022.

In 2022, the **stock of state-subsidised housing loans increased by 16% and that of unsubsidised loans by 5.8%** compared to the end of the previous year, while their share in the total stock of housing loans remained broadly unchanged (18% and 82% respectively).

Figure 1



At the end of 2022, the share of banks in the total housing loan stock reached 59%. The shares of mortgage banks and home savings banks were 30% and 11% respectively, with no significant shift.

Table 1

**Stock of housing loans by lender, 31 December 2022**

Credit institution	Number of housing loans	Amount of housing loans, HUF billion
Banks	334 070	2 893
Mortgage banks	218 618	1 492
Home savings banks	122 452	544
<b>Total</b>	<b>675 140</b>	<b>4 928</b>

The **ratio of problem-free loans** rose from 86% to 97% between 2015 and 2021, and then this ratio did not change significantly in 2022. Non-performing exposure was 3.7% in H2 2021, declining to 3.2% in 2022. The number of non-performing loans fell from 25 thousand at the end of the previous year to 21 thousand.

Restructured housing loans accounted for 2.7% of performing loans in H2 2022, a significant decrease compared to 7.7% a year earlier and linked to the partial lifting of the repayment moratorium. 59% of non-performing loans were restructured, an increase of 12 percentage points compared to the end of the previous year.

As a result of the November 2021 measures limiting the availability of the repayment moratorium, the number of housing loans affected by the moratorium decreased to 39

thousand and their value to HUF 267 billion by the end of June 2022. This trend continued until the end of 2022, when the number of housing loans affected by the moratorium was 27 thousand and their value HUF 165 billion, so that at the end of the year the moratorium affected only 4.0% of all housing loans and 3.3% of the housing loan portfolio.

At the end of 2022, the share of loans affected by the moratorium was 3.2% for banks, 3.8% for mortgage banks and 2.7% for home savings banks. The number of loans affected was 5.0% for banks, 3.4% for mortgage banks and 2.0% for home savings banks.

Table 2

**Stock of housing loans affected by the moratorium**

Credit institution	Number of housing loans	Amount of housing loans, HUF billion	Number of housing loans	Amount of housing loans, HUF billion
	31.12.2021		31.12.2022	
Bank	25 515	171.0	16 785	93.4
Mortgage banks	16 782	115.5	7 528	56.7
Home savings banks	4 023	22.6	2 390	14.4
<b>Total</b>	<b>46 320</b>	<b>309.1</b>	<b>26 703</b>	<b>164.5</b>

**Significant decrease in the amount of loans granted**

In 2022, 93.6 thousand housing loans worth HUF 1 187 billion were approved. Compared to the previous year, the number of loans authorised fell by 15% and the amount by 9.3%. In the first half of the year, both indicators were still on the rise. The turnaround occurred in the second half of the year, when the number of loans granted was 33% down on the same period of the previous year, while the amount was 39% lower.

In addition to home purchase subsidies, the Green Home Programme, launched in October 2021, contributed to the increase in housing lending in the first half of the year, but the programme ended in the second half of 2022 and demand for housing loans also declined due to rising interest rates. The average amount of loans per approval fell to HUF 11.2 million at the end of 2022, HUF 2.5 million less than in the first half of 2022 and HUF 1.1 million less than at the end of 2021.

Among the housing loans granted, the number of state-subsidised loans fell by 3.2% year-on-year, while their amount increased by 16%. Unsubsidised loans, which accounted for more than three quarters of the total number of loans, declined in both number and value (by 19% and 15% respectively), with the slowing trend accelerating in the second half of the year.

As unsubsidised loans fell more sharply, subsidised lending for housing continued to grow within the approvals, with the share of subsidised loans increasing from 29% to 32% and their value reaching 24%, compared to 19% in the previous year.

Figure 2

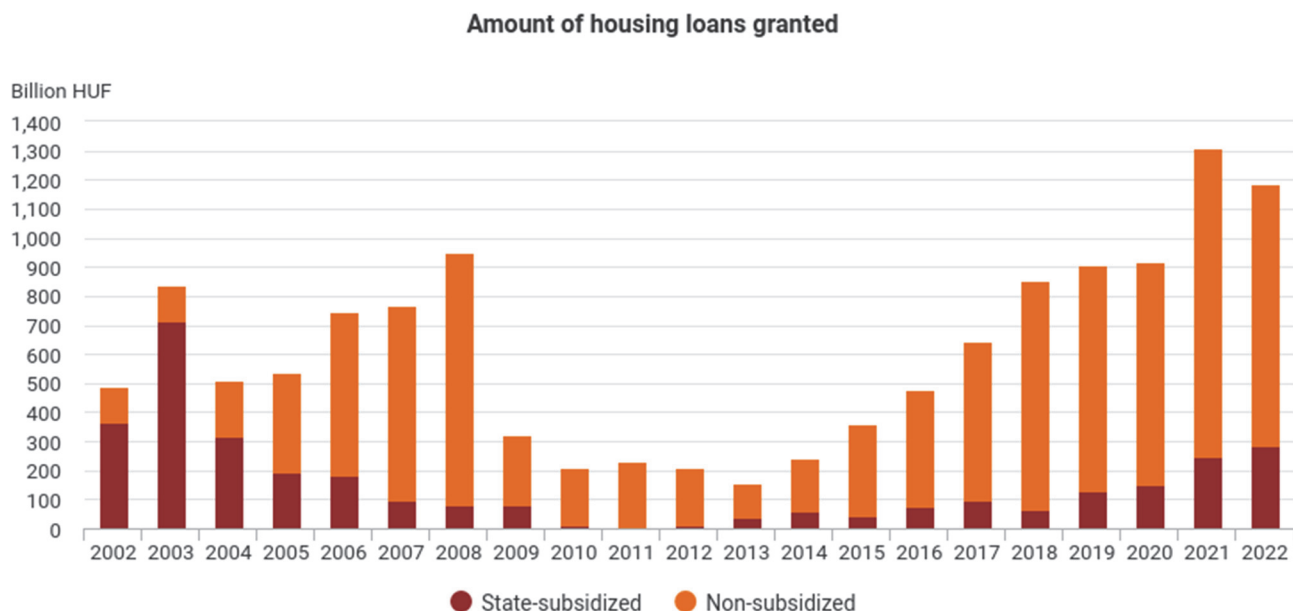


Table 3

**Housing loans approved, 2022**

Type of housing loan	Number of housing loans	Amount of housing loans billion HUF
State-subsidized	30 385	286
Non-subsidized	63 215	901
<b>Total</b>	<b>93 600</b>	<b>1 187</b>

### Most loans were granted for the purchase of second-hand housing

In 2022, 93 thousand housing loans were disbursed, 23% less than a year earlier. The HUF 1 069 billion disbursed during the year was 14% below the previous year. At the same time, the 43 thousand housing loans disbursed in the second half of the year already represent a 31% drop compared to the same period last year.

- Housing loans continued to be dominated by loans for the purchase of second-hand dwellings, with one in two loans disbursed for this purpose. They amounted to 45 thousand loans and 632 billion forints over the year, both down significantly (by 38% and 26% respectively). The decline was more pronounced in the second half of the year, when the number of loans disbursed for the purchase of second-hand housing fell by

49% and the amount by 44%. The average loan amount increased from HUF 11.9 million in 2021 to HUF 14.0 million in 2022, this amount was the same in the first and second half years.

- The annual number of loans granted for housing construction increased by 37% and their value by 61%. This type of loan also expanded in the second half of the year, when the number of loans increased by 27% and their amount by 30%. The average loan amount, however, peaked in the first half of the year (HUF 7.2 million) and then fell in the second half (to HUF 6.7 million).
- Lending for the purchase of new homes increased only slightly (3.1%) during the year, but the amount disbursed increased by 26% in line with the rise in new home prices. The average loan was the highest in this category: HUF 18 million in H1 2022, rising to HUF 21 million in the second half of the year.
- The number of loans for modernisation and extension increased sharply in 2021, driven by housing renovation grants and related pre-financing loans. In 2022, the number of loans disbursed for this purpose was still significant, but decreasing. The average renovation loan decreased from HUF 5.9 million in the first half of the year to HUF 5.5 million in the second half.

Figure 3

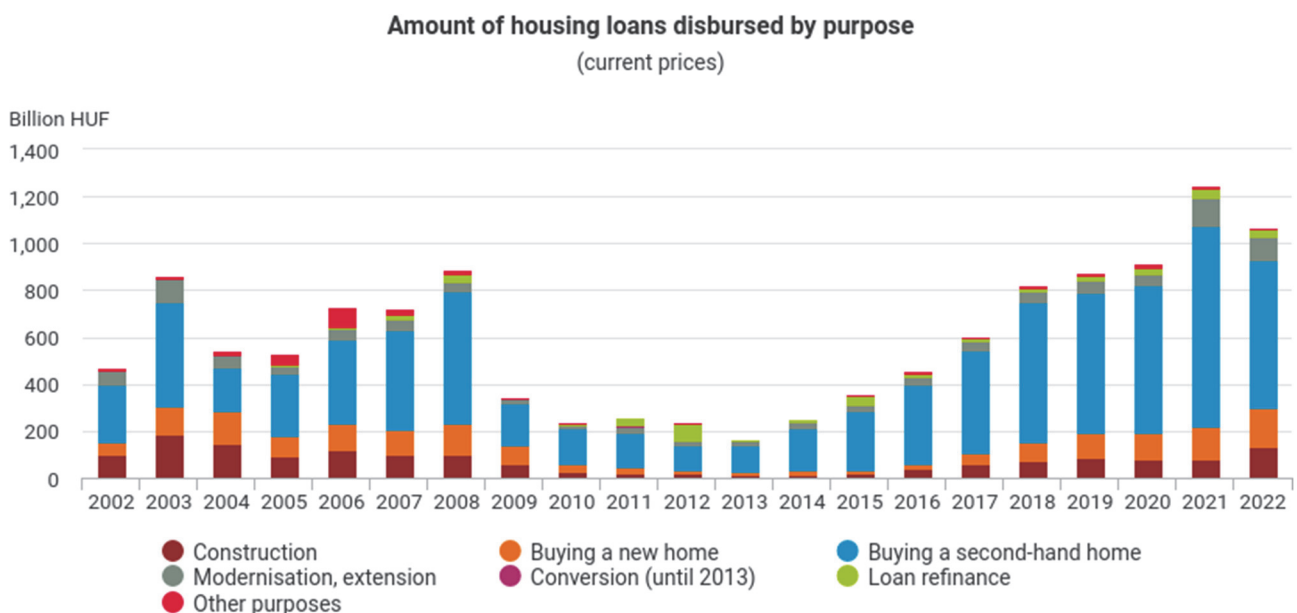


Table 4

## Loans disbursed for housing purposes by purpose and by lending institution, 2022

Denomination	Banks	Mortgage banks	Home savings banks	Total
<b>Number of loans</b>				
Construction	5 789	12 437	454	18 680
Buying a new home	4 765	3 385	535	8 685
Buying a second-hand home	26 939	12 370	5 724	45 033
Modernisation	4 277	5 672	6 119	16 068
Extension	782	436	52	1 270
Loan refinance	1 604	–	903	2 507
Other purposes	433	130	251	814
<b>Total</b>	<b>44 589</b>	<b>34 430</b>	<b>14 038</b>	<b>93 057</b>
<b>Volume of loans, HUF million</b>				
Construction	53 656	72 284	3 676	129 616
Buying a new home	89 553	77 389	3 332	170 274
Buying a second-hand home	430 173	156 475	45 806	632 454
Modernisation	36 607	26 160	30 668	93 435
Extension	3 068	1 703	336	5 107
Loan refinance	22 528	–	5 532	28 060
Other purposes	7 388	2 110	581	10 079
<b>Total</b>	<b>642 973</b>	<b>336 121</b>	<b>89 931</b>	<b>1 069 025</b>

**Reduced disbursement of CSOK subsidies**

Between 2016 and 2022, the number of family home creation grants paid out by credit institutions was nearly 230 thousand, amounting to HUF 560 billion. The average amount per disbursement was HUF 2.4 million. A total of 73 thousand CSOK grants were disbursed for the construction and purchase of new housing, accounting for 32% of cases, while 49% of the total amount of grants disbursed was used for the purchase of new housing.

Table 5

## Family home creation grants by purpose, 2016–2022

Purpose	Disbursement	
	number, grants	volume, HUF billion
Building a new home	46 362	138.4
Buying a new home	26 422	136.1
Buying a second-hand home	138 105	256.3
Home extension	19 106	29.0
<b>Total</b>	<b>229 995</b>	<b>559.8</b>

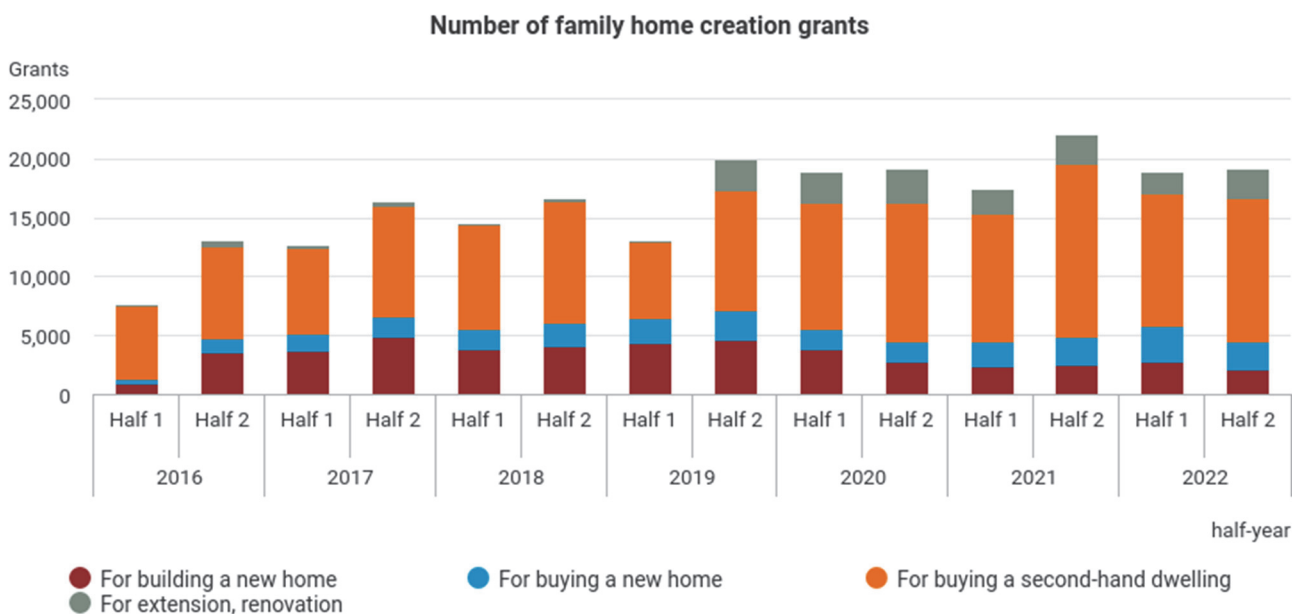
In 2022, 3.6% fewer CSOK grants were disbursed, with a 1.0% increase in value. In the second half of the year, the number of subsidies disbursed decreased by 13% and the amount by 5.8% compared to the same period of the previous year.

Table 6

Year	Family home creation grants	
	Number of disbursements	Amount of disbursements HUF billion
2016	20 755	47.4
2017	29 104	70.1
2018	31 202	71.3
2019	33 064	83.4
2020	38 172	103.8
2021	39 555	91.4
2022	38 143	92.4
<b>Total</b>	<b>229 995</b>	<b>559.8</b>

In 2022, the average amount of CSOK per disbursement was: \* HUF 3.4 million for the construction of a new dwelling, \* HUF 3.9 million for the purchase of a new dwelling, \* HUF 2.0 million for the purchase of a second-hand dwelling, \* HUF 1.7 million for the extension of a dwelling.

Figure 4



## **Further information, data (links)**

[Methodology](#)

[18.1.1.16 Housing loans](#)

[18.2.1.10 Housing loans](#)

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