



Economic growth and potentials of real estate developments in Debrecen

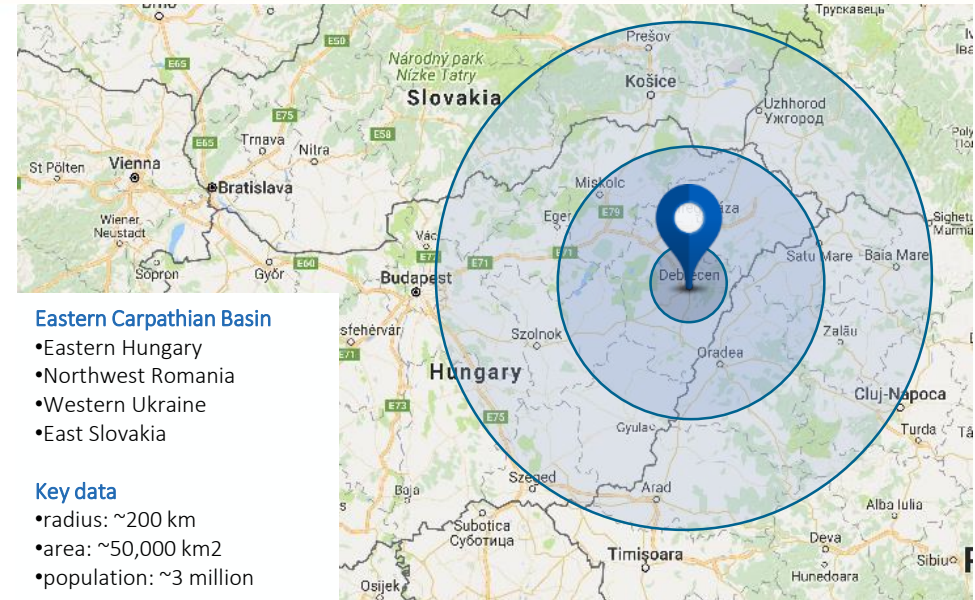


Population

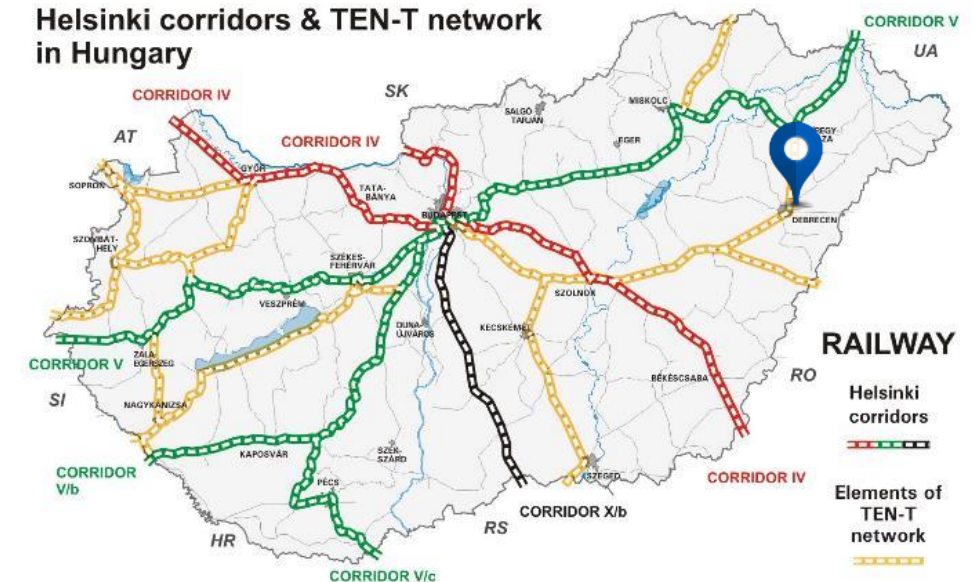
- Second largest city of Hungary, 220 km from Budapest
- **450,000 inhabitants** in metropolitan area
- **1 million inhabitants** in commuting range
- Economic-cultural-educational center of Eastern-Carpathian Basin of **3 million inhabitants**

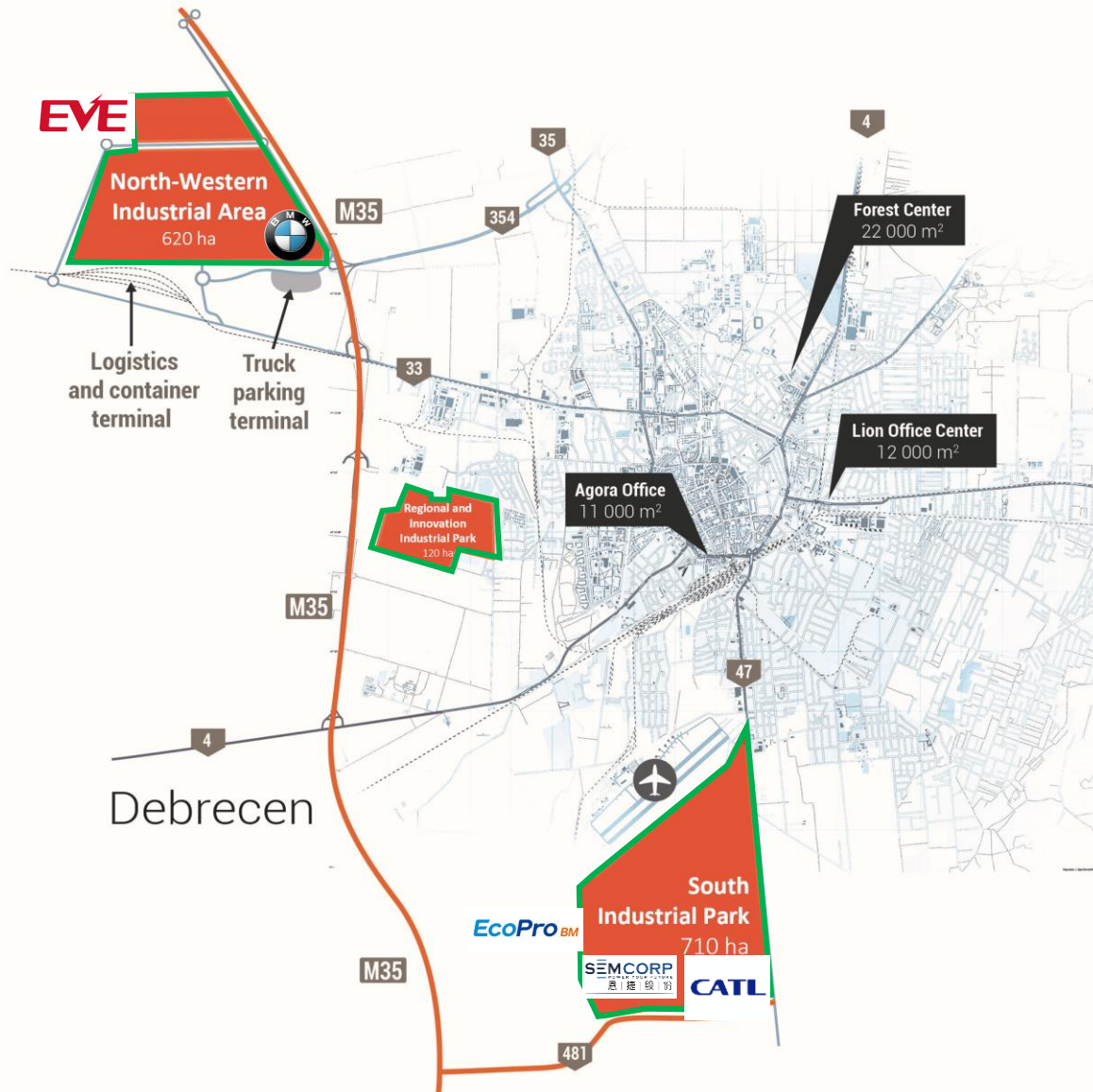
Great accessibility

- By road: on the European motorway network;
- By rail: European TEN-T network
- By air: Debrecen International Airport, complying with Schengen criteria



Helsinki corridors & TEN-T network in Hungary





Industrial Park development

- Total area: Over 1,600 ha
- Currently <50 ha available + industrial halls to rent
- Business model: greenfield, „built-to-suit”, to rent
- Owners: Municipality of Debrecen, private companies

Office development

- Total area: 125,500 m²
- New A and A+ office facilities on 35,000 m²

Name	Total area	Available area
South Industrial Park	710 ha	< 20 ha
North-Western Industrial Area	620 ha	11 ha (built-to-suit)
Regional and Innovation Industrial Park	120 ha	20 ha (built-to-suit)

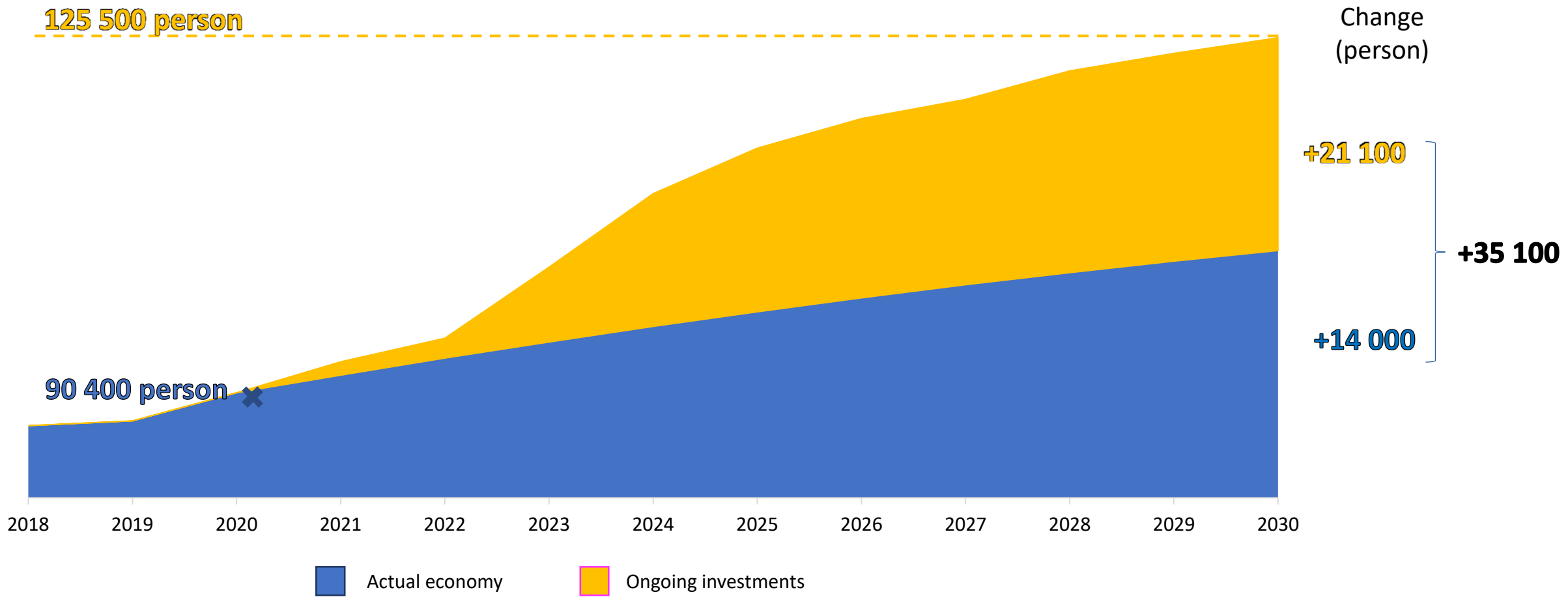
ANNOUNCED INVESTMENTS (NEW AND RE-INVESTMENTS)

Investment (million EUR)	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total (million EUR)	Total (billion HUF)
Large companies	23	222	155	1,102	123	221	890	8,360	1,039	12,135	4,597
SME	6	115	82	42	9	22	15	32	N/A	323	124
Total	29	337	237	1,144	132	243	905	8,382	1,039	12,458	4,721
New jobs	131	2,115	1,791	1,594	281	590	1,293	9,995	1,281		



REORGANIZATION OF THE EMPLOYMENT STRUCTURE 2018-2030* [PERSON]

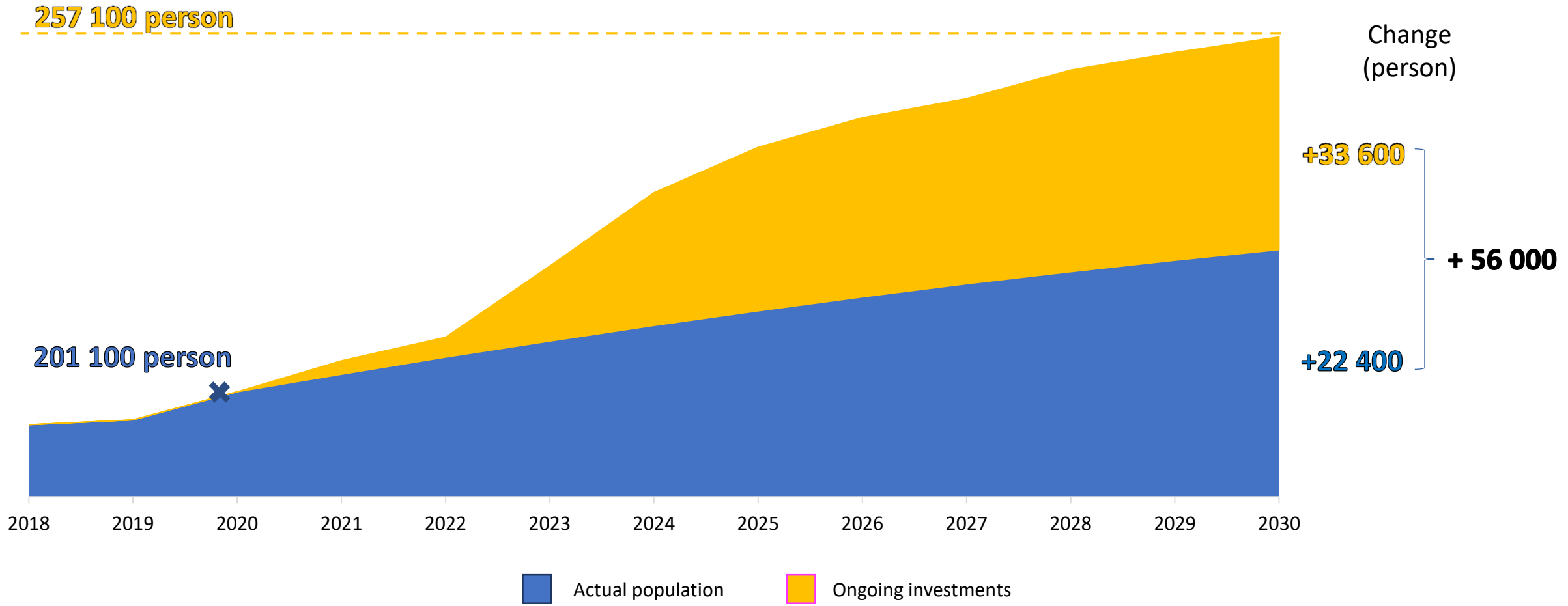
Due to the new investment and economic growth number of people employed will certainly increase by around 35,000.



*After 2020, data is forecasted.

POPULATION OF DEBRECEN 2020-2030* [PERSON] (WITH 1.59 MULTIPLIER)

Due to the ongoing investments about 56,000 people could settle. This progress increases the city's population to 257,000.

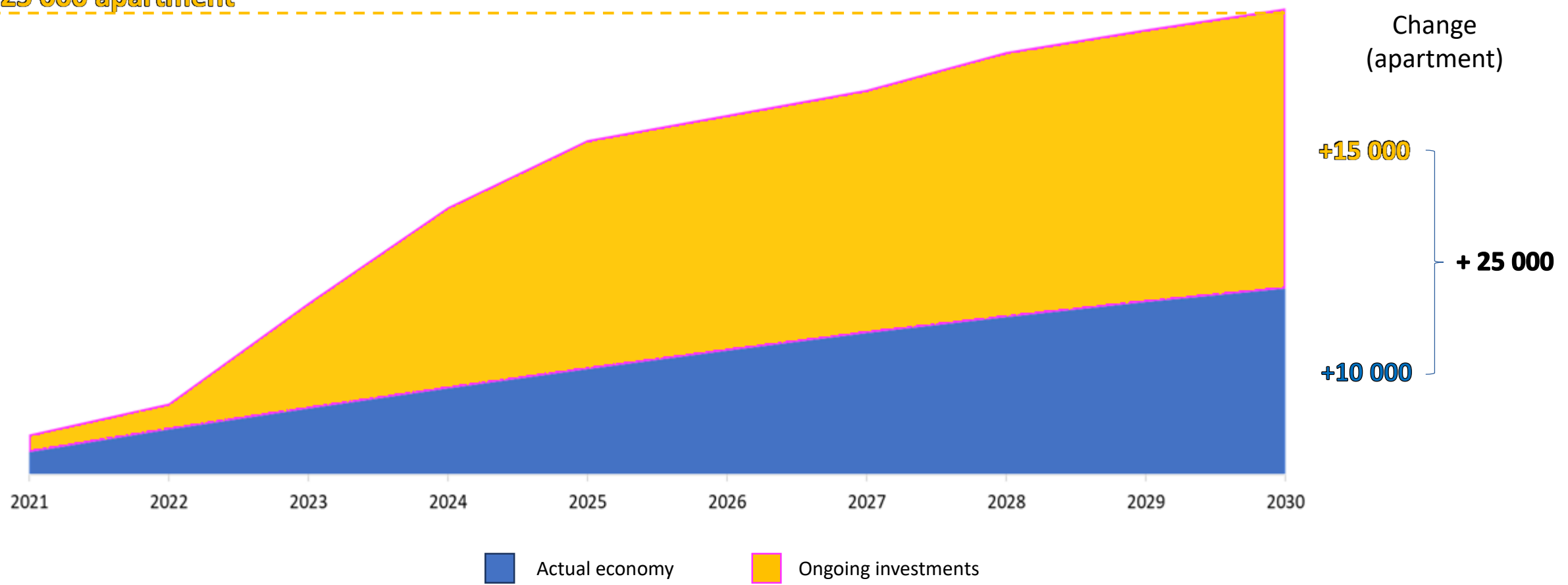


*After 2020, data is forecasted.

NUMBER OF HOUSING CONSTRUCTION IN 2021-2030* (WITH 2.24 RATE)

Following the expansion of the economy, an additional ~ 25,000 apartment would be needed to “keep” the real estate market situation so that the current problems do not worsen.

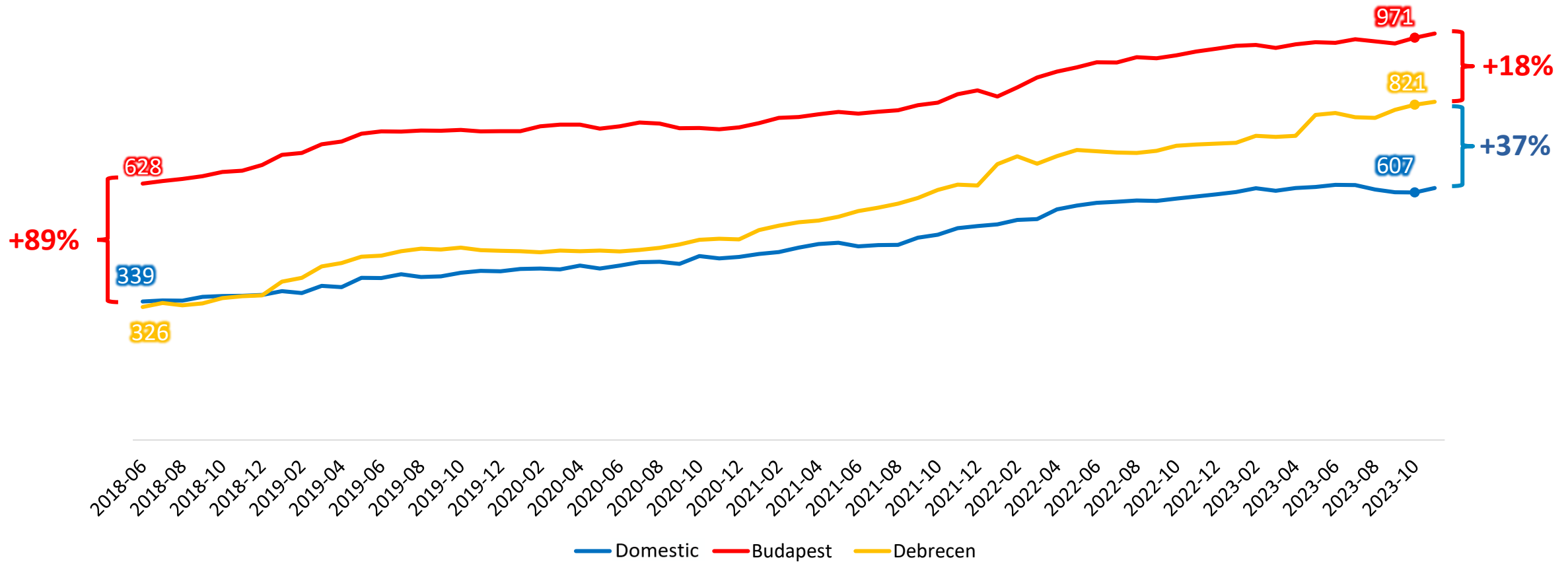
+25 000 apartment



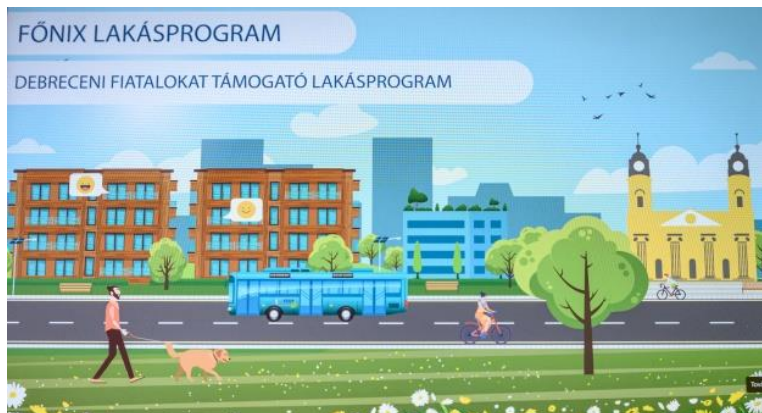
*After 2020, data is forecasted.

APARTMENT AVERAGE PRICE COMPARISON [k HUF/m²]* – I.

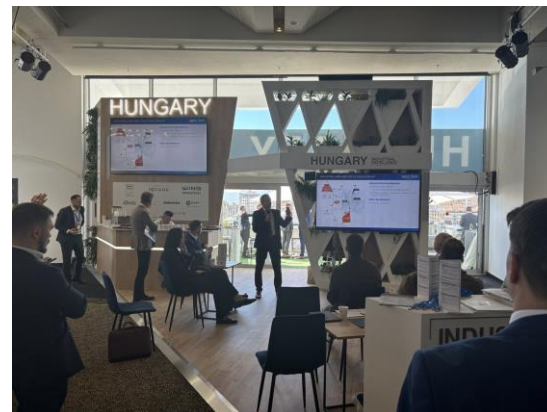
In the summer of 2018 average price was almost twice as much in Budapest compared to Debrecen (634k vs. 336k HUF), but nowadays it is only 18% higher (985k vs. 829k HUF).



- Identifying sites for housing development in the city and proactively communicating these sites to national and international real-estate developers.
- Prepared plans for specific development areas at concept level (e.g. picture 3 - Tócsóvölgy).
- Preparations and efforts to ensure proper infrastructure, modifications in zoning plan, coverage of areas for potential development.
- Rental housing program by the municipality: the municipality currently offers 2,900 flats for residents to apply for.
- Főnix Housing Program: in the first round, 200 modern and affordable apartments will be provided to Hungarian young people starting their careers, in cooperation with local employers, to attract property developers and support their secure market entry in Debrecen.



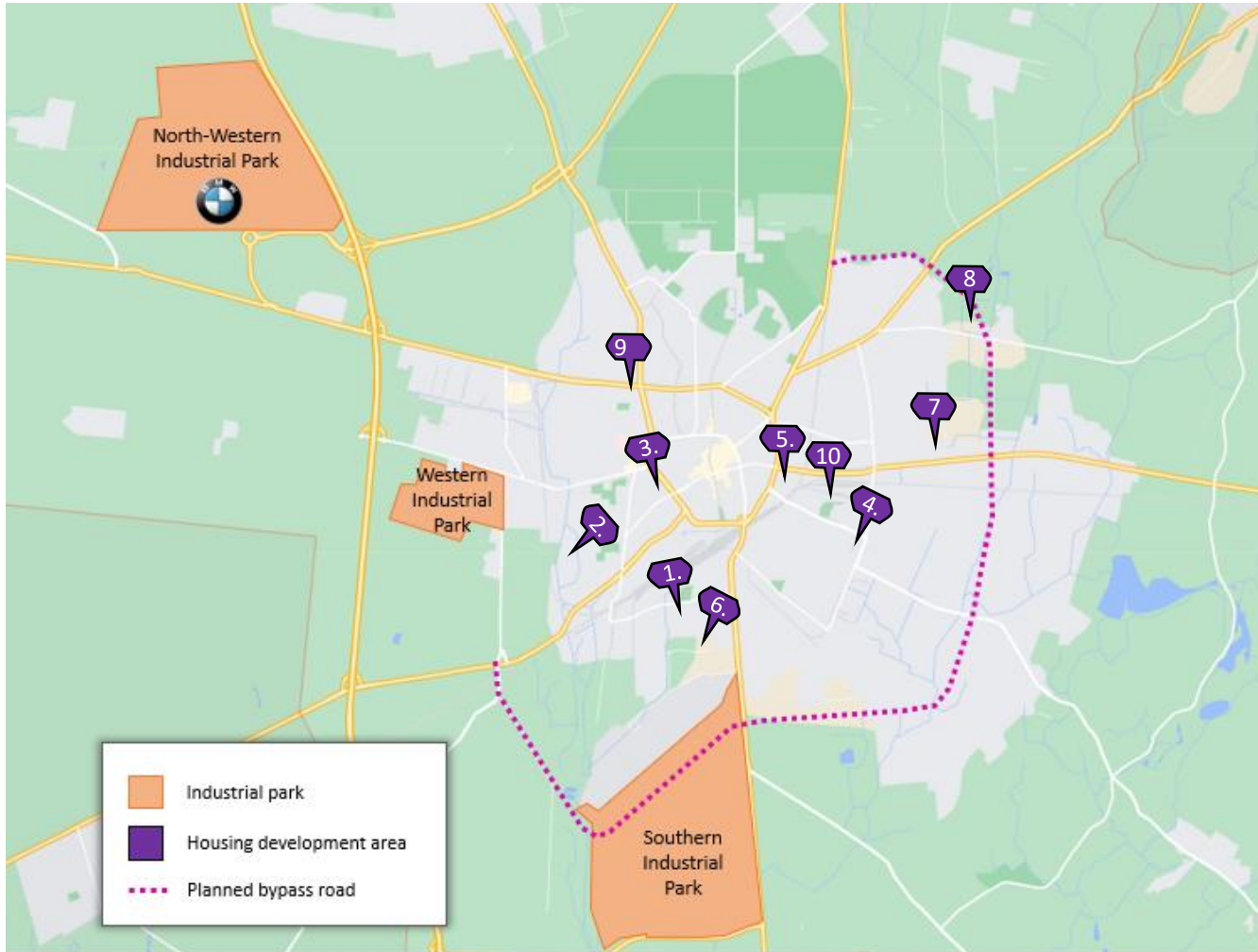
Picture 1



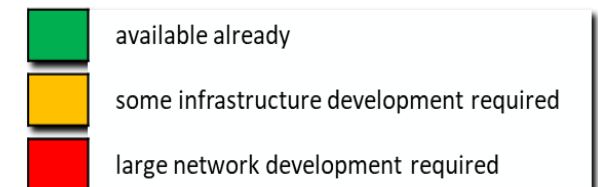
Picture 2

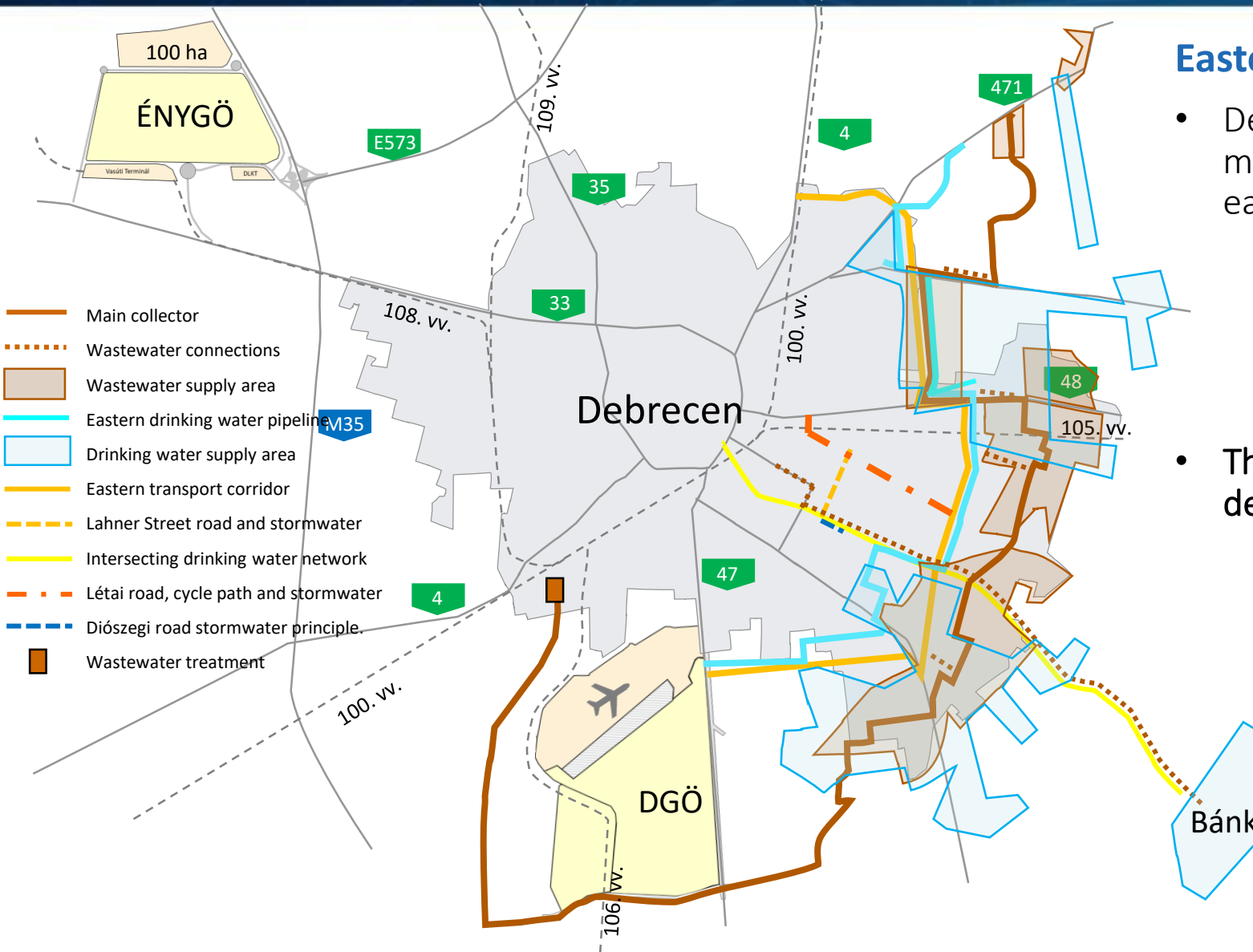


Picture 3



	Size (ha)	Potential number of apartments	Infrastructure availability
1. Gázvezeték str.	25.4	3,040	some infrastructure development required
2. Tócvölgy	10.7	1,180	some infrastructure development required
3. Nyugati str.	3.4	350	some infrastructure development required
4. Diószegi str.	7	1,000	available already
5. Hajnal str.	1.1	500	available already
6. Dobogó str.	4.0	480	available already
7. Vámospércsi road	5.4	179	available already
8. Acsádi road	13.9	2,500+	available already
9. Füredi str.	1.4	144	available already
10. Vágóhíd str.	4.2	650	some infrastructure development required
	77.7	10,123	





Eastern infrastructure developments

- Debrecen's urban development strategy includes major infrastructure developments projects on the eastern part of the city
 - Rainwater, potable water, wastewater network and capacity developments
 - Transport network developments (eastern bypass)
- The developments provide the possibility for housing developments in the area



Municipality offers a rental housing program for residents

- The Municipality of Debrecen successfully manages its rental housing program, under which residents can apply for rental housing owned by the Municipality, with or without social assistance.
 - Eligibility for social assistance is determined by the Health and Social Affairs Committee of the Municipality of Debrecen.
 - Application is open twice a year.
 - The apartments can be rented for a period of 2 years, which can be extended for a maximum of 3 years.
 - **The municipality currently provides 2 900 rental apartments.**
- The housing stock includes apartments that are specifically designed to keep and attract highly skilled workers, those working in shortage occupations or those serving the public administration.



Aim of the program:

- Launching a **subsidized rental housing program** in the city, with the participation of market actors, to help **young employees in Debrecen** to find housing possibilities.
- Development of a **newly-built** (category I. and II.) contingent of 200-300 apartments with pre-defined technical content

Participants in the program:



- 5-year VAT-free, market rent, settled in euro or forint
- The rent is payable continuously over the 5-year period of the subsidy
 - Inflation-indexed, divided over the duration of the subsidy:

**1/3 PART
MUNICIPALITY**

**(minimum) 1/3 PART
EMPLOYER**

**(maximum) 1/3 PART
SUPPORTED EMPLOYEE**



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Debrecen

EDC DIF
DEBRECEN