Shifting prestige of neighbourhoods as reflected by the housing price

THE CASE OF BUDAPEST

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Housing Price Determinants

- House prices vary according to the size, quality, and character of a unit’s structure.
- Units with similar physical characteristics will vary enormously in price by location.
- Location characteristics can account for more than half of the overall value of a house. These include:
  - commuting time or access to jobs, public services
  - neighborhood quality,
  - natural or environmental features
Housing Price Determinants

• The premium for property at one location should reflect the present discounted value of the consumer’s utility, or cost savings, from that location relative to others.

• The relative prices of different properties should change if consumer valuations of particular physical or locational attributes change.

  change in the attributes of a property
Development History
Development History
Development History

Housing Estates in Budapest
Development History

Residential Density. 1990
1 dot = 50 inhabitants
White collar (%), 1990

Blue collar (%), 1990

Neighbourhood Status
Share of 60+ age group, 2001

Neighbourhood Status

Urban blocks, where the share of 60+ age group > 25%, 2001
A magas státuszúak arányának változása 1990-2001

Neighbourhood Status
Change of share of people with a higher education degree 1990-2001
Neighbourhood Status

K-means clustering results for 11 status groups in statistical neighbourhoods - 1990
Neighbourhood Status

K-means clustering results for 11 status groups in urban blocs - 2001
Neighbourhood Status

Population change in the GMA of Budapest 1990-2001
Neighbourhood Status

Housing offer prices in 1997
Change of average housing prices 1997-2004
Neighbourhood Status

Change of average dwelling price in multiple family housing 1997-2006

2006 - %
- 594 to 637 (2)
- 421 to 594 (5)
- 339 to 421 (8)
- 203 to 339 (9)
## Change of housing ownership by neighbourhood types

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1 – CBD</td>
<td>80,45</td>
<td>19,55</td>
<td>28,5</td>
<td>71,5</td>
<td>18,0</td>
<td>82,0</td>
</tr>
<tr>
<td>2 – Industrial</td>
<td>69,99</td>
<td>30,01</td>
<td>53,5</td>
<td>46,5</td>
<td>48,8</td>
<td>51,2</td>
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<td>3 – Housing estate</td>
<td>50,41</td>
<td>49,59</td>
<td>11,9</td>
<td>88,1</td>
<td>6,2</td>
<td>93,8</td>
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<td>4 – Multifamily</td>
<td>27,03</td>
<td>72,97</td>
<td>8,4</td>
<td>91,6</td>
<td>3,5</td>
<td>96,5</td>
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<tr>
<td>5 – Single family</td>
<td>15,07</td>
<td>84,93</td>
<td>6,8</td>
<td>93,2</td>
<td>3,5</td>
<td>96,5</td>
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<tr>
<td>Budapest total</td>
<td>53,42</td>
<td>46,58</td>
<td>17,3</td>
<td>82,7</td>
<td>6,1</td>
<td>93,9</td>
</tr>
<tr>
<td>(N=)</td>
<td>793 764</td>
<td>793 764</td>
<td>777 253</td>
<td>777 253</td>
<td>748 070</td>
<td>748 070</td>
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Housing construction in Budapest, 1990-2006
Neighbourhood Status

Newly built dwellings per 10 thousand inhabitants

2000-2006
- 76 to 111
- 40 to 76
- 27 to 40
- 10 to 27