Rating the National Market -

Results as of November 15th, 2003

Country: Hungary
# Hungary

## The overall national rating

### Property and Market Rating for Completed Properties (PaM)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>Hungary</td>
</tr>
</tbody>
</table>

### Criteria Class 1

<table>
<thead>
<tr>
<th>Market</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acts of God</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Socio-demographic development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Overall economic development and international attractiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Political, legal, taxation and monetary conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Property market: office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>Overall rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Hungary

## Acts of God

<table>
<thead>
<tr>
<th>Criterium</th>
<th>Indicator / Comments</th>
<th>Sources</th>
<th>Hungary</th>
<th>OECD-Average&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Rating&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural disasters</strong></td>
<td>Index of natural disasters</td>
<td>Munich Re</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Emissions</strong></td>
<td>CO2 Emissions per capita</td>
<td>OECD</td>
<td>5,5</td>
<td>9,7</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Man-made disasters</strong></td>
<td>Number of man-made disasters per 10 mio inhabitants</td>
<td>Swiss Re, Centre for Research on the Epidemiology of Disasters (Université Catholique de Louvain)</td>
<td>9815</td>
<td>15564</td>
<td>3</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Overall Score</strong></td>
<td></td>
<td></td>
<td>6</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1: Arithmetic average of the 19 OECD countries under consideration
2: on a scale from 1 (excellent) to 10 (disastrous)
# Hungary

## Socio-economic development

<table>
<thead>
<tr>
<th>Criterium</th>
<th>Comments</th>
<th>Sources</th>
<th>Hungary</th>
<th>OECD-Average&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Rating&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Growth</td>
<td>forecasted av. growth rate, 2004-07</td>
<td>OECD, United Nations</td>
<td>-0,20%</td>
<td>0,26%</td>
<td>10</td>
<td>1/3</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>forecast f. 2004, in purchasing power parities</td>
<td>OECD</td>
<td>13.482</td>
<td>25.256</td>
<td>10</td>
<td>1/3</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>forecast, av. 2003-04</td>
<td>OECD</td>
<td>6,2%</td>
<td>7,6%</td>
<td>3</td>
<td>1/3</td>
</tr>
</tbody>
</table>

**Overall Score** 8

1: Arithmetic average of the 19 OECD countries under consideration  
2: on a scale from 1 (excellent) to 10 (disastrous)
## Hungary

### Overall economic development

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Indicator/ Comments</th>
<th>Sources</th>
<th>Hungary</th>
<th>OECD-Average&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Rating&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth</td>
<td>forecasted av. ann. growth rate, 2003-04</td>
<td>OECD</td>
<td>3.41%</td>
<td>2.32%</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>Inflation</td>
<td>forecast f. 2004</td>
<td>OECD</td>
<td>4.81%</td>
<td>2.06%</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Exchange rate volatility</td>
<td>forecast, based on historic volatility or Euro-zone membership</td>
<td>OECD</td>
<td>25.9</td>
<td>4.2</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Economic structure</td>
<td>Share of services in GDP</td>
<td>OECD</td>
<td>62.4%</td>
<td>67.7%</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Index, ranging from 0 (worst) to 100.000 (best infrastructure)</td>
<td>IMD Business School</td>
<td>28.050</td>
<td>60.182</td>
<td>9</td>
<td>20%</td>
</tr>
<tr>
<td>International competitiveness</td>
<td>Ranking on scale from 1 (best) to 51 (worst)</td>
<td>World Economic Forum</td>
<td>29</td>
<td>21</td>
<td>7</td>
<td>20%</td>
</tr>
<tr>
<td>Overall Score</td>
<td></td>
<td></td>
<td>7</td>
<td></td>
<td>100%</td>
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</tbody>
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