

# Top Tips for Choosing the Perfect Real Estate in Hungary for Immigration

Hungary's real estate market offers compelling reasons for investment – with competitive property prices, strong rental yields, and Golden Visa eligibility. Use our tips on buying real estate in this beautiful European country and becoming its resident.



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## 1. Learn the reasons to invest in Hungarian real estate

1. One of the most competitive price thresholds in Europe. While Hungary's real estate market has seen significant price

growth, it still offers competitive rates. In Budapest, real estate prices are 25% lower than in Prague, 26% lower than in Berlin, and 37% lower than in Milan.

**2. Faster house price growth when compared to the EU average.**

Between 2013 and 2023, Hungary's house prices increased by 165% on average, while the EU's increased by 50% over the same period.

**3. Strong rental price growth.** Between 2022 and 2023, rental prices in Hungary grew by approximately 13.5%, particularly in major cities like Budapest.

**4. High rental yields compared to the EU average.** In 2023, the average gross rental yield in Hungary was 5.09%, which increased to 5.75% in the first quarter of 2024. Meanwhile, the average rental yield in some European cities during the same period includes 4.6% in Milan, 5.15% in Lisbon, and 5.49% in Madrid.

**5. Chance to relocate to Hungary by real estate investment.** When investing €500,000+ in Hungarian real estate, foreigners can join the Hungary Golden Visa program, or [Hungary Residence Permit](#) program. The program grants a residence permit. The permit is valid for 10 years, with the option to extend once for an additional 10 years, and can lead to citizenship in the EU.

## **2. Know the relevant prices of residential real estate in Hungary**

The average residential property price in Hungary is around HUF 900,000 per square meter, equivalent to about €2,360. In Budapest, new housing developments are priced higher, with an average cost of €2,900 per square meter. However, in prestigious areas such as districts I, II, V, and XII, prices can reach as high as €5,500 per square meter.

### **Average prices** in other major cities:

- Debrecen – €2,310 per square meter;
- Siófok – €2,300 per square meter;
- Székesfehérvár – €1,760 per square meter;
- Pécs – €1,000 per square meter;
- Győr – €1,800 per square meter;
- Hévíz – €2,500 per square meter.

The average price for resale properties in Hungary is around €1,100 per square meter. In Budapest, prices are nearly twice as high, averaging around €2,200 per square meter.

There is growing demand for smaller apartments (up to 60 m<sup>2</sup>) in modern residential complexes. These properties are popular due to their high energy efficiency, which lowers maintenance costs. In 2022, property prices for such apartments in Budapest increased by 21%.

## **3. Estimate your property purchase expenses correctly**

The total cost of purchasing real estate in Hungary is around 10% of the property price, including taxes, fees, and professional services.

**Stamp duty** is 4% of the purchase price for properties valued below HUF 1 billion, which is around €2.6 million. For amounts exceeding this value, the buyer pays 2% on the excess. This must be paid within 90 days after the purchase.

**VAT** for new residential properties has been reduced to 5% instead of 27% until December 31, 2026. This applies to new apartments and family houses with sizes up to 150 square meters for apartments and 300 square meters for houses.

**Administrative fees** include:

- €170–200 for foreign buyer permission;
- €60 for placing a veto on property activities;
- €30 for a land registry extract;
- €22 for a property ownership certificate.

**Legal, realtor, and notary fees** typically range between 1–5% of the property price.

## **4. Take advantage of property tax exemptions**

**General transfer tax.** Buyers pay a 4% transfer tax on properties valued below HUF 1 billion. For amounts above HUF 1 billion, the rate is 2% on the excess.

**Reduced tax for buying a new property.** If a buyer purchases a new property within 3 years of selling their previous one, the tax applies only to the difference in value between the old and new property, if the new one is more expensive.

**First-time buyers under 35.** Such buyers can qualify for a reduced tax rate of 2%, provided the property price is less than HUF 15 million.

Tax exemption for properties below HUF 15 million. Newly built properties valued under HUF 15 million are exempt from property tax. For properties exceeding this amount, the tax applies only to the portion over HUF 15 million.

## **5. Make sure that you are permitted buy residential properties in Hungary**

**Foreigners can buy most types of properties in Hungary**, except for agricultural lands and heritage assets. Non-EU/EEA citizens must obtain permission from the Land Registry in the

district where the property is located. This process is managed by a lawyer and typically takes up to 4 weeks.

**Who does not need permission** to purchase property in Hungary:

- citizens of Hungary;
- citizens of EU countries, Norway, Liechtenstein, Iceland, and Switzerland;
- foreign citizens inheriting property.

**Foreign buyers must cover** all purchase, ownership, and maintenance expenses, including the 4% title transfer stamp duty, utility charges, and any applicable annual real estate tax.

Sellers are responsible for paying 15% capital gains tax on the profit from the sale.

**Historical heritage buildings** are protected in Hungary, which may restrict property ownership and renovations. Buyers may need special permits to renovate and must follow preservation guidelines.

**Buyers** must make sure the seller provides an up-to-date energy performance certificate of the property. An outdated or missing certificate can lead to legal challenges or invalidate the deal. This document impacts the property's value and running costs for the new owner.

## **6. Follow the right procedure of purchasing real estate in Hungary**

Applicants for a Hungary residence permit are supported by legal companies who assist with every step of the process. This includes:

1. Providing different suitable property options.

2. Helping select a title.
3. Signing a preliminary agreement and making a down payment.
4. Obtaining permission to purchase.
5. Transferring the funds.
6. Receiving a property ownership certificate and registering the property.
7. Paying taxes.
8. Applying for the Hungary Golden Visa.

## **7. Find out who else can apply for the Hungary Golden Visa**

Not just investors, but their families can get a residence permit in Hungary by property investment. This includes spouses, children under 18, and, later, dependent parents.

Other [Hungary RP investment options](#) include purchasing real estate funds for €250,000+, or donating €1 million to an approved institution of higher learning in Hungary.

## **In conclusion**

Investing in Hungarian real estate offers attractive prices, high rental yields, and long-term growth potential. It also provides an opportunity for residency through the Golden Visa program, allowing relocation and potential EU citizenship. Investors can extend benefits to family members.