

Home budgeting

Not every property company suffered during the global downturn of recent years. Some even thrived. Ask Nanette Real Estate Group's team in Budapest, Hungary, and they will say it is crucial to know who your customers are – and how much they will pay.



“Even at the height of the crisis, we completed projects that almost doubled our portfolio, and bought land to construct a further 5,000 flats,” says Tamir Kishon, who oversees Hungarian operations as Nanette's Central-East Europe director. “Soon we will start two new projects.” In 2010 Nanette sold 170 flats in two projects, and in 2011 it sold 150 flats in two projects. Mr. Kishon says these successes were, to a great extent, thanks to realistic prices. “We mostly make compact, 40 m² apartments,” he says. “There is high demand for small apartments because they are affordable for many locals.” The company sells properties direct to buyers, without agents or lawyers. Nanette's customers are middle-class people rather than the very rich. Nanette can help them find financing packages thanks to agreements with banks like Raiffeisen, FHB, K&H, CIB and Erste Bank. Nanette's Hungarian business focuses on Budapest. Its developments include Mandarin Garden, an eye-catching building, and Nanette City Home, a whole neighbourhood which will boast 1,600 flats. “A city of Budapest's size would naturally require 5,000 to 7,000 new apartments a year,” Mr. Kishon estimates. “Only 1,500 to 2,000 are offered.” Nanette's Hungarian investments are conducted through local company Nanette Construction Hungary Kft. It has implemented 15 projects, building and selling 2,500 dwellings. Mr. Kishon arrived in Hungary in 1997 to build up the local business

from scratch. He also runs operations in Romania and Croatia. Subject to market developments, a listing for the Hungarian business is possible, Mr. Kishon says. The Polish business is a separate company,

listed in Warsaw. There are 30 Nanette employees in Hungary, where annual turnover comes to 5.785 million EUR. In Poland, Nanette has 100 staffers, and the turnover is 33.769 million EUR. A

team of managers meets every fortnight in Budapest or Warsaw to discuss strategy in the region. The parent company, founded seven years ago through the merger of two Israeli companies and one based in Cyprus, is listed in the Netherlands. Nanette uses various promotional methods, says Eszter Édelmann, the Budapest office manager. “Print and online media are important channels, as are industry fairs. But personal connections are at least as powerful,” she says. “Old clients often return to us for new homes. And some of our early clients have grown-up children who contact us seeking places of their own.” Mr. Kishon says Nanette is confident of its prospects and its solid finances. It funds its multimillion-euro investments from its own resources. “We will continue buying land and building on it,” he says. “We are here for good.”



Tamir Kishon is Nanette's regional director



The Mandarin Garden is one of Nanette's creations

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