Real Estate Market Indicators – 2017.IV quarter

The House Price Index is estimated by the Hedonics regression method, as of December 2017, it reached 1.010 units that is 0.2 percent lower than previous year. New house price index rose 0.4 percent to 1.160 while the old house price index dropped 0.9 percent to 0.914.

The average price of the new apartment per square meter is 2.20 million MNT, its square meter price depends upon class is from 1.6 to 7.1 million MNT. The average price of 2 bedroom apartment per square meter is 1.76 million MNT.

The average price per square meter is 3.52 million MNT, per square meter of single family house and multi-family town house is 2.00 million MNT and detached house price is 38.1 million MNT.

In the first half of this year, a total of 16,765 apartments were sold, of which 72.1% were new apartments and 27.9% were old apartments. Sales activity of the apartment has increased by 22.3% compared to the previous year.

In the market, construction projects of the 82,000 household apartments carried out, thus the project of 34,000 household apartments is receiving orders, the project of 22,000 household apartments is commissioned and remaining project of 12,000 household apartments has not yet been commissioned. 83.3% of these apartments are standard and middle class and 16.7% are business and high class.

The number of receiving order decreased by 5.3% from the previous year and 75.6% out of 958 receiving order apartment is multi-family and 90.9% is single family house. 97.9% or 938 of receiving order apartments has been in use.

The most demanded rental apartment in the real estate market is a two-bedroom apartment and average rental rate increased by 2.9 percent from last year to MNT 571,000.

Office rental price per square meter is between 15,000 and 29,000 MNT depending on the district and the highest average price of rental office is in the Sukhbaatar district.
Mortgage loan performance – 2017.IV quarter

Total mortgage loan accounts reached 93,147 and loan outstanding reached MNT 4.3 trillion, which indicates an increase of 5.8 percent from the previous year. 77.4% of the mortgage loan outstanding is issued under "Program on Stabilizing Mortgage Financing System" and 76.5% of which was purchased by MIK.

As of December, loan with violation more than 0 day was 3.58% of total mortgage loan and this figure was 3.88% in the previous year. The overdue loan rate reached 1.83% and decreased by 27.6% from the same period of last year, while nonperforming loans reached 1.75% and increased by 29.7%.

Mortgage grant has increased by 23.5% from the beginning of the year and of which loan grant of "Program on Stabilizing Mortgage Financing System" decreased by 43.8% to MNT 404 billion, and loan grant by banks and other sources increased by 68.7% to MNT 266.1 billion.

Weighted average term of granted mortgage loan in that month is 17.9 years and 10.7% interest rate. As of the end of December, the average mortgage loan outstanding is MNT 45.7 million.

The general characteristics of the MIK's purchased loan portfolio are shown in the "Indicators of Aggregate loan portfolio".