

## QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

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### INTRODUCTION

The figures of this quarter still depict a picture of aggregate, though decelerating, expansion on a yearly basis of the mortgage market, with low interest rates and generally increasing house prices. However, some signs of change can be seen in the mortgage interest rate level, which in some countries on the continent started to invert its decreasing tendency, even before the Federal Reserve's December 2015 decision to increase the reference rates for the first time in nearly 10 years. Housing prices have not inverted their generally upwards trend in line with the well-known supply/demand imbalances, the stickiness of the housing supply and the massive demographic changes due to the migratory influx.

### MORTGAGE LENDING

In our EU 28<sup>1</sup> sample, overall outstanding mortgage lending continued to grow a healthy 2.9% with respect to the same quarter last year. However, this figure decelerated consistently from the 4.3% and 4.5% increases of the year on year (y-o-y) figures of, respectively, Q1 and Q2 2015. Moreover, for the first time since Q2 2013, the aggregate outstanding mortgage lending decreased, albeit slightly, by 0.51% quarter on quarter (q-o-q) to €6.66 trn. In addition, the new gross lending at an EU level decelerated both at a y-o-y

and a q-o-q level with respect to the previous quarter. Notwithstanding this slowdown at an aggregate level, there is still a great heterogeneity in the various EU Member States, which has to be analysed in more detail.

The overarching reasons for the increase in gross lending in various countries were an improvement of macroeconomic fundamentals, such as economic growth, low interest rates, increasing household income and, thus, consumption and the upswing of the housing market. More specifically, in **Hungary**, even if the lending volumes to households is still low with respect to pre-crisis levels, gross residential mortgage lending increased by 46% q-o-q and the housing market transactions for 2015 are estimated to touch 150,000, a level last reached in 2008. This upswing is expected to continue and the transactions are foreseen to grow. In **France**, the amount of new housing loans increased by 27% q-o-q and by 42.2% y-o-y in Q3 2015. This fast recovery is due to a significant comeback of first-time buyers of middle and lower-income households, with a low deposit. For **Spain** the mortgage market showed a positive development during the first nine months of 2015. Although the outstanding residential loans slightly decreased q-o-q it is expected that the next quarters will reach the level of the precedent quarter. On the other hand gross residential lending increased by 19.3% q-o-q. In **Sweden**, besides the above mentioned reasons, good access to credit accelerated the net mortgage lending figures in Q3 2015 to 7.5% from 7.0% in the previous quarter. In the **United Kingdom**, the positive fundamentals

<sup>1</sup> In Q3 2015 the sample of the proxy approaching the amount of total outstanding mortgage lending in the EU28 included BE, CZ, DE, DK, ES, FR, HU, IE, IT, NL, PL, PT, RO, SE and UK. (i.e. around 95% of the total outstanding

mortgage lending in the EU28 in 2014). Please, note that at the date of publishing, Q3 2015 data for BE, CZ, ES and RO was not yet available and the most recent observation has been used as a proxy for these countries.

helped to underpin a recovery in the housing and mortgage market which depicts an increasing trend in the lending figures of Q3 compared to the previous quarters. This follows a period of subdued activity, partly due to the implementation of affordability rules last spring and the announcement of macro-prudential interventions in early summer. The future provides limited potential for stronger activity and lending figures because of the elevated house prices with respect to earnings, uncertainty around buy-to-let, regulations in the home-owner space as well as the tight supply in the secondary housing market, which continues to cause supply/demand imbalances. Also in **Romania** both outstanding and gross lending increased y-o-y due to the continuing growth of mortgage loans in local currency, while Euro based loans contracted marginally. Regarding for **Belgium** the number and amount of new mortgages increased considerably in the last quarter, principally due to a high number of remortgaging in order to reap the benefits of low interest rates. A share of the number increase is also explained by more credits granted for house renovation in light of the imminent change of VAT on renovation work, which will be higher for houses younger than 10 years.

According to an Italian Banking Association survey, in Italy, in the first nine months of 2015 the new residential loans for housing purchase increased on an annual basis by more than 90%. Besides positive economic fundamentals and improved consumer confidence, in **Italy**<sup>2</sup>, the government, which counter-guarantees the Guarantee fund for the first home, launched at the end of 2014, helped contribute to the real estate market's recovery. This fund of around €600 m. offers guarantees on mortgage financing for an estimated total amount of €10-15 bn. and it covers up to 50% of mortgage loans under €250,000 if it involves a first house purchase, a renovation or an increase of the energy efficiency of the house. To date, more than 140 banks have joined this initiative and between February and October, new loans worth €304 m. have been guaranteed.

In **Ireland**, mortgage lending decelerated in Q3 2015 based on the data of Banking & Payments Federation Ireland. The number of mortgage approvals and drawdowns grew by 6% and 16% respectively, y-o-y in this period. A further dampening effect may be attributed to the introduction by the Central Bank of Ireland of its new limits on loan-to-value and loan-to-income ratios for new mortgage lending in February 2015. Equally, in **Finland**, the mortgage lending market decelerated in Q3 2015 after steady growth throughout the year, indicating an increase in economic uncertainty as well as a fear of unemployment.

However, in some countries lending figures contracted, but for different reasons. In this quarter **Denmark** saw the overall lending figures decreasing by 40.4% and gross residential lending by 14.5% y-o-y as fewer borrowers have re-mortgaged compared to the high re-mortgaging activity earlier this year. On the contrary, housing transactions have seen an increase of nearly 20% over the same period, while they decreased by 8.4% q-o-q, which is principally due to seasonal effects. The yearly figures from **Portugal** show a 3.2% decrease y-o-y in Q3 2015, which follows a descending path since Q4 2011, thus reflecting the still tight lending conditions by financial institutions. However, this negative trend has been decelerating since Q4 2014 when the gross lending figure started to increase, motivated by the positive perspective of the economy in general and of the real estate market in particular.

## HOUSE PRICES

The overall trend in house prices in Europe shows an upward path, which can be explained by rising population, rapid urbanisation, which leads to supply scarcity in the most economically active areas, as well as by the recovering economic fundamentals and persistent low interest rates. Another important

driver in several countries is the scarcity of construction due to the lack of a suitable workforce. Furthermore, it has to be noted that besides different dynamics due to different locations, apartments and individual houses also follow different trends.

Particularly in Scandinavia and the northern countries of the EU, house prices show the largest increases where it is not uncommon to see double-digit rises. In **Sweden**, prices of one-family homes increased by 11% y-o-y in Q3 2015 gaining pace with respect to last year when they increased by "only" 8.3%. Prices for apartments increased even more in this quarter, reaching nearly 20% y-o-y compared to 14% during last year. Figures for construction also follow this buoyant course increasing during 2015 and reaching a comparably high level in Q3. However, due to strict building permits and standards, few expect a housing construction boom in Sweden. Looking at things in more perspective, the recent construction activity will not curb the price increase in the light of low construction activity of the past. Looking also at the actual and expected influx of refugees in Sweden, the housing shortage will be even more severe. Statistics Sweden recently published a prognosis which shows a record population growth in Sweden for the upcoming years. Coupling this with few concrete measures taken to gauge the construction needs due to lack of construction land and of a suitable workforce, house prices in Sweden are not expected to decrease in the near future. Moving to **Denmark**, one-family houses have increased by 6.4% on a yearly basis, while owner-occupied flats saw an increase of 11.5%. The increases on a quarterly basis have been more modest at 0.1% and 2.2% respectively. In **Ireland**, house prices increased by 8.9% on a yearly basis, which is broken down to a 6.5% increase in Dublin and 11.4% in the rest of the country. Commentators have pointed out that the lack of available housing, especially of suitable family accommodation, are the principal drivers of the rise in house prices in Dublin and other urban areas. The recovery in property prices started later and was more modest in other parts of the country. Building figures increased for the eighth quarter in a row and housing starts rose in Dublin by 19% y-o-y, while the completions fell by nearly one third. In the **United Kingdom**, even if house prices are elevated relative to earnings, house price growth continues to be strong given the tight supply of houses. There is also evidence to suggest that would-be movers are being put off marketing their property as they cannot see properties they want to buy themselves, thus creating a vicious circle in the housing market. These factors will continue to put more pressure on house prices and affordability. In Scandinavia only in **Finland** the prices were in line with the figures of the previous quarter.

Central Europe makes no exception in house price increases. In **Germany**, the price of owner occupied dwellings increased by 4.3% y-o-y, which shows acceleration with respect to the same period last year. Family houses and condominiums increased by, respectively, 4.3% and 4.4%. This dynamic is expected to persist due to the continued extreme scarcity of existing housing stocks in Germany. In **Hungary**, the housing market continues to rise with house price increases of 14.6% in real terms between April 2014 and June 2015. According to the latest available data of Q2 2015, it can be concluded that there is a two-speed recovery according to the different locations. In favoured regions, especially in Budapest, the pre-crisis level has been reached and new constructions will mushroom soon, while in more peripheral areas the recovery is more gradual. The most dynamic regions depict a yearly growth in prices of 17%, while the smallest growth was of around 9% in Central Transdanubia. Though the overall picture is positive, there are regions of stagnation and even of contraction. The construction of new dwellings in Hungary is still lagging behind pre-crisis levels, notwithstanding the 24% yearly increase of housing permits. Among

<sup>2</sup> The latest figure is based on an estimation.

other factors, this subdued construction level is largely due to the 27% VAT still levied on new constructions, which the government has announced to reduce to 5% from 2016, which is expected to give a boost to the market of new dwellings in the coming period. Moving on to **Poland**, in Q3 2015 prices remained stable and increased due to a statistical effect on primary markets as more expensive apartments were sold in that period. In addition, transaction prices in secondary markets remained unchanged except for slight decreases recorded in Warsaw. On all markets the prices on primary markets were higher than on secondary markets. Also in **Spain** the House Price Index did not change with respect to the previous quarter. On the other hand in **Romania** house prices declined further in the latest period available.

Moving south to France and Italy, house prices decreased slightly on a quarterly and yearly basis. In **France**, after an increase in the spring, house prices decreased until September, in line with the seasonal nature of the residential market. The decline was more severe for individual houses than for apartments, which decreased by -1% and -0.3% q-o-q respectively. It has to be noted that the latest y-o-y decrease in Q3 2015 was 0.2%, which saw a deceleration with respect to the decrease of 2.9% the previous year. In **Italy**, house prices essentially remained stable with respect to the previous quarter but they decreased by 3% y-o-y. This trend can be broken down to a 2% contraction y-o-y for new dwellings and 3.5% decrease for the existing dwellings. On the other hand, in **Portugal**, house prices have been on the rise since the beginning of 2015. In spring the index registered an increase of 3.7% due to an increase in demand for house purchase, a reduction of interest rates and the increase of consumer confidence levels.

#### MORTGAGE INTEREST RATES

In this quarter, in some EU Member States mortgage interest rates started to increase timidly, both for variable and for fixed-rate mortgages. Overall, there still remains a very low interest rate scenario due to the low reference rate of the European Central Bank (ECB) and of the other Central Banks in the EU. However, the aggregate interest rate in the EU decreased by only 1 basis point q-o-q with respect to the 16 basis points decrease in the previous quarter, which may be a sign that we have reached the rock bottom of this downward trend.

In the majority of countries interest rates continue to decrease reaching record lows. In **Finland**, the leading mortgage rate reached 1.33%. In the **United Kingdom**, due to ongoing competition among lenders to attract new customers, and in **Poland**, due to the persistent deflation, borrowers found very favourable conditions for taking out a mortgage. In **Italy**, short-term loans decreased this quarter to 2.09% from 2.20% and 10 year fixed-rates

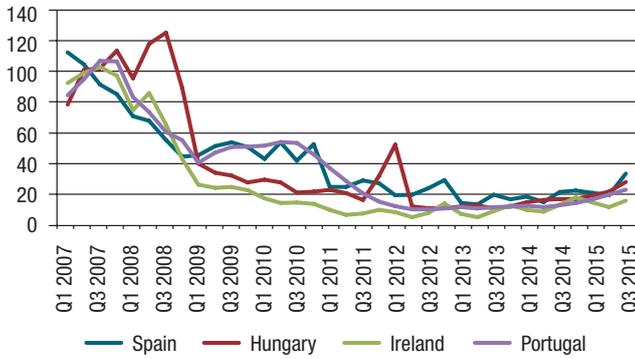
decreased to 3.03% from 3.16% the previous quarter. In **Hungary**, with the Central Bank's reference rate at a historic low of 1.35%, mortgage rates declined by 47 basis points to 4.57% and some mortgages were offered at a rate below 4%. In **France**, despite an increase during the summer, real estate lending rates remain low. In **Portugal**, the most representative interest rate on new residential loans is the variable-rate indexed to Euribor 3M or 6M. These have reached historically low levels of 2.19% in Q3 2015, which enabled both to increase new gross residential lending and to reduce household debt. Also in Spain the weighted average of interest rates decreased to 2.17%. Not surprisingly share of medium-term and long-term fixed rate loans increased 1.89 pp and 3.12 pp respectively. In **Romania** the representative mortgage interest rate remained at 3.94%, unchanged with respect to the previous quarter. Over the last quarter nearly a third of new loans have been issued with a fixed rate for up to the first five years, showing a shift from the near totality of variable mortgage rates of the previous quarters. At the other end of the spectrum is **Germany** where the interest rate for all types of mortgages increased by between 6 and 23 basis points with respect to the previous quarter. Also in **Belgium** the interest rates seemed to have bottomed out in the last quarter, except for the variable ones, which, however, represent a marginal 0.5% of the new credits provided, while the bulk is made of long term fixed rate contracts.

A more blurred picture comes from **Sweden** where the interest rates moved in different directions. The variable mortgage interest rate increased to 1.3% from 1.1% the previous quarter. Medium fixed rates (1-5 years) showed a slight decline while the fixed mortgage rates remained... fixed. Like in other countries, in Sweden the inflationary pressure is very low and the Riksbank lowered the repo rate to -0.35% in July. Housing finance is currently a hot topic in Sweden and in order to curb the increasing debt levels of households, the Riksbank and the Finansinspektionen have suggested the introduction of some kind of debt-to-income limit, which is already a *de facto* element for banks to define on which conditions to grant a loan. For the time being, without a supporting legislation, which is not present in Sweden, it is not possible to introduce such a limit.

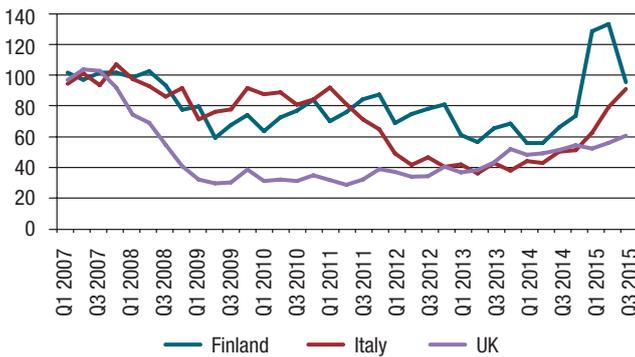
In **Ireland**, the shift from fixed to variable-rate mortgage loans ended in July 2015 with fixed rates (those with an initial fixation period of more than one year) reaching 53% of new loan agreements. However, by September this share had fallen back to 34%. The average variable mortgage fell to 3.24% at the end of October 2015, while fixed rates rose to 3.73%. With half of all mortgages outstanding on tracker rates, which are just above 1%, they are strongly influenced by the low ECB base rate. In fact, the average mortgage rate on outstanding loans fell 8 basis points in one year to 2.66% in September 2015.

**Chart 1** ► **Gross Residential Lending (2007=100; in euro; seasonally adjusted data)**

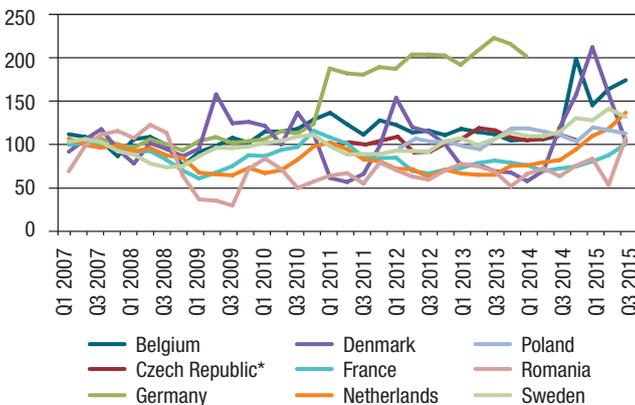
a) Countries where gross residential lending has remained below 20% of 2007 levels



b) Countries where gross residential lending has remained below, but above 50% of, 2007 levels



c) Countries where gross residential lending has risen above 2007 levels

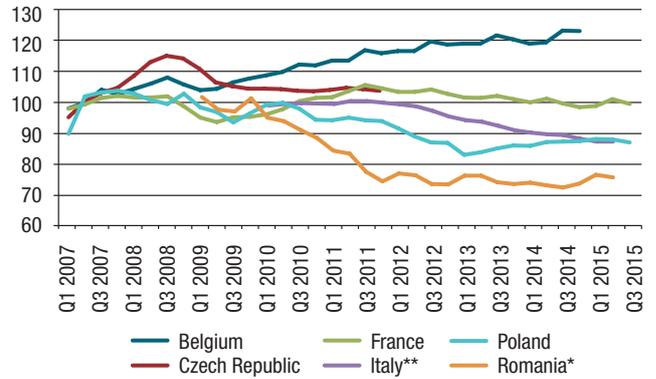


Source: EMF-ECBC

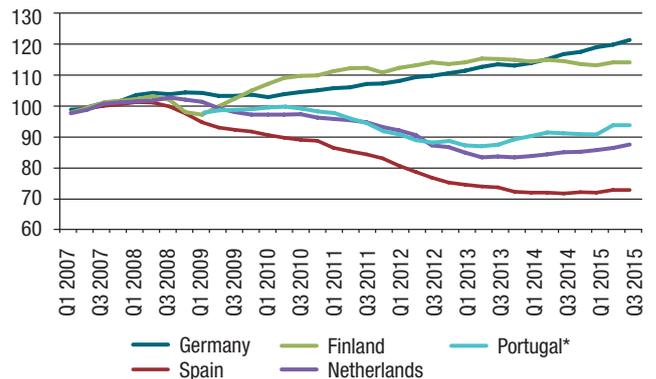
Note:  
\*2011 = 100  
The time series have been seasonally adjusted by regressing the gross domestic lending of each country on quarter dummies and a constant, and adding the residuals to the sample means. STATA econometric software has been used.

**Chart 2** ► **Nominal House Price Indices, 2007=100**

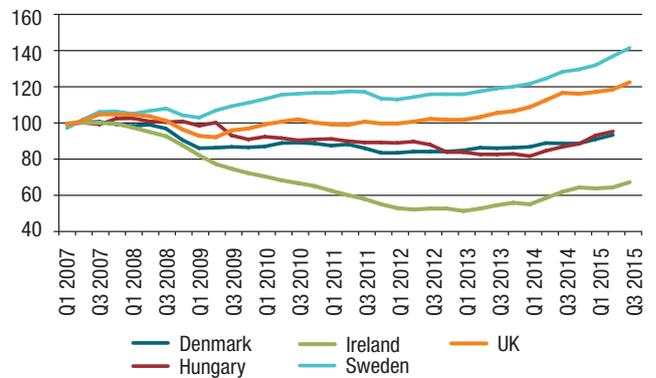
a) Countries where house prices have fallen in the available latest quarter



b) Countries where house prices have risen slightly over the latest quarter



c) Countries where house prices have risen by at least 1.5% over the latest quarter



Source: EMF-ECBC

Note:  
\*2009 = 100  
\*\*2010 = 100

**Table 1** ▶ Total Outstanding Residential Mortgage Lending (Million EUR)

	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	latest y-o-y change (%) (Q3 15), EUR values	previous y-o-y change (%) (Q2 15), EUR values	latest y-o-y change (%) (Q3 15), local currency	previous y-o-y change (%) (Q2 15), local currency
<b>BE</b>	189,484	190,183	191,506	192,966	197,327	199,255	201,814	204,810	6.1	5.4	6.1	5.4
<b>CZ</b>	21,694	21,886	22,332	22,798	23,161	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>DE</b>	1,208,822	1,209,931	1,216,024	1,226,333	1,237,410	1,241,891	1,253,938	1,267,608	3.4	3.1	3.4	3.1
<b>DK</b>	234,750	235,732	237,425	238,084	238,134	237,399	234,828	235,261	-1.19	-1.1	-1.0	-1.0
<b>ES</b>	612,817	607,259	603,760	593,209	586,609	580,564	575,693	569,005	-4.1	-4.6	-4.1	-4.6
<b>FI</b>	88,313	88,403	88,991	89,389	89,762	89,919	90,717	91,363	2.2	1.9	2.2	1.9
<b>FR</b>	814,627	821,995	821,995	828,000	833,120	841,940	845,778	857,481	3.6	2.9	3.6	2.9
<b>HU</b>	18,499	18,033	17,774	17,393	17,146	16,557	15,511	15,319	-11.9	-12.7	-11.1	-11.1
<b>IE</b>	122,585	121,417	118,923	116,960	115,730	114,139	113,063	111,756	-4.4	-4.9	-4.4	-4.9
<b>IT</b>	361,390	360,045	359,404	359,269	359,137	358,649	358,882	359,139	0.0	-0.1	0.0	-0.1
<b>NL</b>	632,092	630,736	631,032	628,470	631,101	635,486	635,103	n/a	n/a	0.6	n/a	0.6
<b>PL</b>	80,812	81,451	82,713	83,538	82,555	89,797	89,451	87,635	4.9	8.1	6.6	9.0
<b>PT</b>	106,585	105,562	104,636	103,671	102,469	101,544	100,786	100,387	-3.2	-3.7	-3.2	-3.7
<b>RO</b>	9,243	9,352	9,695	9,793	10,095	10,436	10,748	11,086	13.2	10.9	13.4	13.1
<b>SE</b>	340,379	340,001	337,040	342,542	339,152	348,597	358,951	357,899	4.5	6.5	7.5	7.0
<b>UK</b>	1,483,422	1,498,457	1,556,215	1,612,880	1,612,823	1,733,241	1,780,931	1,728,011	7.1	14.4	1.8	1.6

Note: Non seasonally-adjusted data.

Source: European Mortgage Federation

Please note that the conversion to euros is based on the bilateral exchange rate at the end of the period (provided by the ECB).

The series has been revised for at least two figures in:

- Germany
- Denmark
- Finland (new)
- Portugal
- United Kingdom

**Table 2 ► Gross Residential Mortgage Lending (Million EUR)**

	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	latest y-o-y change (%) (Q3 15), EUR values	previous y-o-y change (%) (Q2 15), EUR values	latest y-o-y change (%) (Q3 15), local currency	previous y-o-y change (%) (Q2 15), local currency
BE	6,534	4,977	5,924	6,325	12,215	7,342	9,390	10,152	60.5	58.5	60.5	58.5
CZ	1,389	1,005	1,423	1,310	1,346	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DE	46,200	39,300	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DK	6,716	4,581	5,499	10,238	15,016	18,983	13,766	8,754	-14.5	150.3	-14.3	150.5
ES	5,962	6,450	6,774	5,552	8,024	7,339	8,372	9,986	79.9	23.6	79.9	23.6
FI	4,018	3,842	4,848	4,452	4,398	9,352	10,705	6,684	50.1	120.8	50.1	120.8
FR	33,737	27,764	27,619	32,589	31,631	29,789	36,331	46,350	42.2	31.5	42.2	31.5
HU	170	148	218	269	243	212	297	436	62.2	36.3	63.7	38.7
IE	896	568	820	1,126	1,341	983	1,084	1,345	19.5	32.2	19.5	32.2
IT*	7,902	7,337	8,804	8,116	10,566	11,032	16,129	16,337	101.3	83.2	101.3	83.2
NL	14,492	14,007	16,692	17,360	18,768	21,676	25,510	29,790	71.6	52.8	71.6	52.8
PL	2,141	1,790	2,118	2,127	1,797	1823.8	2152.7	2174.9	2.2	1.6	3.8	1.4
PT	580	500	550	573	690	715	950	1,098	91.6	72.7	91.6	72.7
RO	316	276	386	425	459	382	377	689	62.1	-2.4	62.4	-0.4
SE	13,093	10,791	12,899	11,996	15,001	12,955	16,737	14,070	17.3	29.8	20.6	30.3
UK	61,760	55,862	64,019	70,758	65,105	61,232	73,145	83,166	17.5	14.3	11.7	1.4

\* Latest data is an estimation

Source: European Mortgage Federation

The series has been revised for at least two figures in:

- Finland (new)
- France
- Portugal
- United Kingdom

<b>Table 3 ► Change in Outstanding Residential Loans (Million EUR)</b>												
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>BE</b>	2,166	1,058	1,251	1,671	1,889	699	1,323	1,461	4,361	1,928	2,559	2,996
<b>CZ</b>	460	-255	243	755	-798	192	445	466	363	n/a	n/a	n/a
<b>DE</b>	8,504	1,761	6,548	9,304	6,356	1,109	6,093	10,309	11,077	4,481	12,047	13,670
<b>DK*</b>	1,095	1,210	495	-10,303	492	982	1,694	659	50	-735	-2,571	433
<b>ES</b>	-6,483	-7,938	-5,774	-8,629	-6,351	-5,558	-3,499	-10,551	-6,600	-6,045	-4,871	-6,688
<b>FR</b>	7,921	6,312	6,943	8,634	8,629	7,368	0	6,005	5,120	8,820	3,838	11,703
<b>HU</b>	-523	-639	-204	-286	-357	-466	-259	-382	-247	-589	-1,046	-192
<b>IE</b>	-794	-1,056	-1,135	-845	-1,123	-1,168	-2,494	-1,963	-1,230	-1,591	-1,076	-1,307
<b>IT</b>	-647	-964	-716	-1,545	-973	-1,345	-642	-135	-132	-488	233	257
<b>NL</b>	-492	-2,088	-2,816	-1,868	-11,904	-1,356	296	-2,562	2,631	4,385	-383	n/a
<b>PL</b>	1,157	-1,094	-1,251	2,141	1,583	639	1,262	825	-983	7,242	-346	-1,816
<b>PT</b>	-1,086	-905	-1,042	-1,029	-959	-1,023	-926	-965	-1,202	-925	-758	-399
<b>RO</b>	256	196	225	-130	186	108	343	98	302	342	311	338
<b>SE</b>	-1,220	13,809	-12,382	8,432	-4,403	-378	-2,961	5,502	-3,389	9,444	10,354	-1,052
<b>UK</b>	-31,756	-52,956	-16,978	41,167	10,924	15,035	57,758	56,666	-57	120,418	47,690	-52,920

\* Due to the review of the official registers in Denmark, there is a slight change in the exact composition of the household sector. As such, there is a data break starting Q3 2013.

Source: European Mortgage Federation

Please note this variable is the result of the variation between the two consecutive amounts of outstanding residential mortgage lending (Table 1).

Refer to Table 1 for eventual revisions.

**Table 4 ► House Price Indices, 2007 = 100**

	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>BE</b>	116.7	120.0	119.0	119.2	119.2	122.1	120.8	119.2	119.8	123.9	123.7	n/a	n/a	n/a
<b>CZ</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>DE</b>	108.9	109.3	110.2	111.1	112.4	113.4	112.9	113.8	115.2	117.0	117.8	119.5	120.3	122.1
<b>DK</b>	81.4	81.4	81.4	82.1	83.9	83.6	83.8	84.4	86.9	86.7	86.7	89.5	92.2	n/a
<b>ES</b>	78.1	76.1	74.5	73.7	73.1	72.7	71.3	71.0	71.0	70.8	71.2	70.9	71.8	71.8
<b>FI</b>	113.7	114.7	114.1	114.7	116.1	116.0	115.6	115.0	115.6	115.2	114.0	113.7	114.6	114.6
<b>FR</b>	103.7	104.7	102.9	101.6	101.4	102.2	101.0	99.7	101.1	99.3	97.9	98.3	101.0	99.1
<b>HU</b>	87.8	85.9	81.4	81.4	79.9	79.8	80.3	78.9	82.1	84.5	86.7	91.9	94.4	n/a
<b>IE</b>	49.8	50.6	50.6	49.3	50.5	52.5	53.8	53.1	56.8	60.3	62.6	62.1	62.8	65.7
<b>IT*</b>	99.1	97.4	95.3	93.9	93.3	91.9	90.2	89.3	88.7	88.3	86.9	86.1	86.0	n/a
<b>NL</b>	90.3	86.7	86.1	84.1	82.4	82.8	82.5	82.9	83.4	84.2	84.3	85.0	85.8	87.0
<b>PL</b>	88.1	86.1	85.9	81.7	82.6	83.9	85.0	84.9	86.2	86.3	86.6	87.2	87.1	86.0
<b>PT</b>	88.16	87.28	87.85	86.11	85.93	86.39	88.39	89.57	91.01	90.64	90.34	90.30	93.68	93.75
<b>RO**</b>	75.4	72.3	72.2	75.3	75.3	72.9	72.3	72.8	71.8	71.2	72.5	75.5	74.7	n/a
<b>SE</b>	111.8	113.5	113.5	113.5	115.2	116.9	118.0	119.9	122.8	126.6	128.1	130.6	135.7	140.7
<b>UK</b>	98.2	99.9	99.3	99.2	101.0	103.5	104.7	107.1	111.3	115.7	115.2	116.1	117.6	122.2

\*: 2010=100

\*\*: 2009=100

Source: European Mortgage Federation

It is worth mentioning that house prices are calculated according to different methodologies at the national level.

Further information below:

Belgium: Stadim average price of existing dwellings.

Germany: all owner-occupied dwellings, weighted average, VdP index.

Denmark: one-family houses – total index unavailable from source.

France: INSEE "Indice des prix du logement" (includes existing and new dwellings).

Greece: urban areas house price index (other than Athens); the time series has been updated.

Hungary: FHB house price index (residential properties).

Ireland: new series of House Price Index of the Central Statistics Office.

Netherlands: Source: ECB. Data on existing dwellings.

Poland: Weighted average price for the seven largest Polish cities.

Portugal: *Confidencial Imobiliário* house price index.

Spain: new house price index, first released by the Ministry of Housing on Q1 2005.

Sweden: index of prices of one-family homes.

UK: Department of Communities and Local Government Index (all dwellings).

The series has been revised for at least two figures in:

- Poland

Table 5A ► Mortgage Interest Rates (% , weighted average)													
	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
BE	3.51	3.45	3.41	3.37	3.41	3.56	3.50	3.32	3.04	2.79	2.56	2.43	2.48
CZ*	n/a	n/a	3.06	3.24	3.24	3.26	3.33	3.12	2.99	2.56	2.51	2.31	
DE	2.93	2.81	2.77	2.70	2.74	2.84	2.79	2.63	2.39	2.18	1.93	1.83	2.03
DK**	3.13	2.60	2.97	2.92	3.01	2.49	2.27	2.62	2.79	2.47	2.40	2.64	2.54
ES	3.19	2.95	3.09	3.08	3.00	3.01	3.13	3.05	2.94	2.72	2.47	2.25	2.17
FR	3.64	3.42	3.28	3.13	3.11	3.18	3.00	2.80	2.59	2.38	2.12	2.02	2.21
HU	12.80	11.95	11.15	9.82	8.91	8.69	7.50	7.06	6.80	6.32	5.84	5.04	4.57
IE	3.22	3.59	3.37	3.40	3.52	3.41	3.36	3.27	3.58	3.83	3.62	3.47	3.41
IT	3.86	3.69	3.68	3.64	3.68	3.50	3.44	3.26	2.99	2.84	2.68	2.77	2.67
NL	4.19	4.07	4.04	3.80	3.65	3.62	3.55	3.44	3.31	3.18	3.09	2.88	2.89
PL	7.10	6.60	6.00	5.20	5.20	5.30	5.30	5.30	5.20	4.70	4.40	4.30	4.40
PT	3.69	3.45	3.31	3.18	3.15	3.28	3.42	3.28	3.15	3.01	2.74	2.28	2.19
RO***	4.81	4.50	4.50	4.50	4.85	5.36	5.19	5.19	5.04	4.66	3.99	3.95	3.94
SE	3.47	3.00	2.83	2.70	2.73	2.58	2.39	2.32	2.11	1.85	1.68	1.54	1.53
UK	3.81	3.71	3.49	3.27	3.14	3.05	3.04	3.12	3.21	3.09	2.76	2.60	2.57

\* Please note that the weighted average for the whole market is likely biased towards the short-term loans. This is due to the available weighting scheme: the loan volumes include prolongations, but prolongations tend to have shorter interest rate periods.

Source: European Mortgage Federation

\*\* Due to the review of the official registers in Denmark, there is a slight change in the exact composition of the household sector. As such, there is a data break starting Q3 2013.

\*\*\* Recalculation of the interest rate as a weighted average of interest rates in local currency and euro (previously weighted average only of euro denominated mortgages). Data break from Q1 2014.

Note:

Data refers to quarter averages.

Data from Q2 2012 has been revised for France due to a new source.

For Czech Republic Quarter 1 2015 the data source is the Czech national Bank.

The series has been revised for at least two figures in:

- Netherlands
- Romania
- Portugal
- United Kingdom

Table 5B ► Mortgage Interest Rates

Variable rate and initial fixed period rate up to 1 year (%)												
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
BE	2.99	3.05	3.10	3.14	3.06	3.06	3.11	3.01	2.63	2.72	2.71	2.64
CZ	n/a	2.99	3.10	3.16	3.15	3.40	3.09	3.02	2.37	n/a	n/a	n/a
DE	2.80	2.69	2.76	2.71	2.64	2.73	2.55	2.45	2.29	2.23	2.14	2.20
DK*	1.12	1.22	1.16	1.23	1.22	1.27	1.27	1.27	1.34	1.15	1.06	1.03
ES	2.79	2.93	2.91	2.81	2.80	2.97	2.88	2.71	2.51	2.24	2.01	2.04
FR	3.04	2.95	2.73	2.68	2.74	2.38	2.11	1.89	1.63	1.44	1.42	1.68
HU	11.95	11.15	9.82	8.91	8.69	7.50	7.06	6.36	6.32	5.84	5.04	4.57
IE	3.43	3.16	3.21	3.31	3.25	3.23	3.16	3.43	3.64	3.42	3.38	3.24
IT	3.43	3.47	3.44	3.37	3.19	3.18	3.00	2.70	2.56	2.35	2.20	2.09
NL	3.30	3.20	3.10	2.90	2.90	2.90	2.80	2.80	2.68	2.66	2.53	2.45
PT	3.45	3.31	3.18	3.15	3.28	3.42	3.28	3.15	3.01	2.74	2.28	2.19
RO	4.31	4.42	4.41	4.66	5.21	5.12	5.15	4.98	4.54	3.92	3.91	3.83
SE	2.90	2.70	2.59	2.65	2.38	2.22	2.16	1.93	1.64	1.42	1.12	1.27
UK**	3.81	4.11	4.45	4.23	4.22	4.21	4.24	4.02	3.68	3.55	3.31	3.25
Short-term initial fixed period rate, from 1 to 5 years maturity (%)												
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
BE	3.10	3.16	2.94	3.04	3.11	3.10	2.90	2.52	2.21	2.38	2.33	2.40
CZ	n/a	2.99	3.22	3.22	3.25	3.21	3.06	2.95	2.75	n/a	n/a	n/a
DE	2.51	2.48	2.39	2.42	2.49	2.43	2.31	2.12	1.94	1.90	1.83	1.94
DK*	1.67	1.85	2.06	2.06	1.83	1.65	1.64	1.50	1.36	1.21	1.33	1.39
ES	3.16	3.15	3.06	3.13	3.20	3.29	3.16	3.09	2.84	2.68	2.44	2.22
FR	3.43	3.26	3.03	2.94	2.95	2.96	2.95	2.59	2.37	n/a	n/a	n/a
HU	10.64	10.72	10.06	9.78	9.47	8.36	8.14	7.25	7.18	6.97	6.91	6.79
IE	4.35	4.45	4.39	4.60	4.53	4.44	4.37	4.41	4.11	3.88	3.58	3.73
IT	4.03	4.05	3.67	3.89	3.45	3.49	3.35	3.13	2.94	2.78	2.73	2.65
NL	3.80	3.80	3.60	3.50	3.40	3.30	3.10	3.10	2.98	2.91	2.74	2.69
RO**	8.25	5.64	7.12	10.42	5.03	5.95	5.54	5.56	5.59	5.53	5.34	4.24
SE	2.95	3.01	2.90	3.09	2.86	2.68	2.52	2.24	1.95	1.70	1.69	1.56
UK***	3.91	3.57	3.35	3.21	3.10	3.11	3.19	3.31	3.21	2.89	2.71	2.64
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)												
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
BE	3.49	3.38	3.39	3.48	3.74	3.62	3.39	2.82	2.70	2.54	2.35	2.40
CZ	n/a	3.85	3.72	3.48	3.51	3.75	3.34	2.96	2.69	n/a	n/a	n/a
DE	2.80	2.74	2.64	2.73	2.88	2.79	2.61	2.37	2.13	1.88	1.68	1.90
DK*	2.60	2.73	2.84	3.14	3.13	2.67	2.53	2.12	1.82	1.47	1.83	2.30
ES	6.37	6.49	6.33	6.45	6.06	6.22	6.48	7.01	7.11	6.04	5.36	3.03
FR	3.14	2.94	2.83	2.75	2.83	2.86	2.73	2.39	2.18	n/a	n/a	n/a
HU	n/a	8.35	8.21	7.76	7.79	7.51	7.13	6.69	6.61	6.49	6.47	6.37
IT	4.52	4.46	4.38	4.56	4.31	4.36	4.09	3.70	3.11	2.95	2.99	2.89
NL	4.60	4.60	4.40	4.20	4.10	3.90	3.80	3.60	3.39	3.22	2.94	2.90
RO**	n/a	3.92	n/a	6.06	6.52	6.22	5.64	5.65	5.80	5.94	5.70	5.61
SE	3.57	3.75	3.75	4.46	3.99	3.72	3.60	3.19	2.67	2.24	2.62	2.64
UK***	4.24	4.13	4.18	3.89	3.92	4.02	3.92	3.92	3.88	3.50	3.12	3.10

**Table 5B ► Mortgage Interest Rates (continued)****Long-term initial fixed period rate, 10-year or more maturity (%)**

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>BE</b>	3.69	3.64	3.50	3.62	3.84	3.66	3.35	3.04	2.80	2.56	2.43	2.48
<b>CZ</b>	n/a	3.60	3.72	3.88	4.28	4.10	4.28	3.93	3.62	n/a	n/a	n/a
<b>DE</b>	2.95	2.95	2.85	2.92	3.06	2.97	2.83	2.50	2.27	1.89	1.89	2.12
<b>DK*</b>	3.98	3.93	3.73	4.20	4.27	4.07	3.71	3.56	3.30	2.93	3.14	3.86
<b>FR</b>	5.16	5.18	5.40	5.72	4.92	4.79	4.79	4.85	4.41	3.29	2.80	2.37
<b>HU</b>	3.58	3.41	3.30	3.20	3.25	3.29	3.17	2.78	2.54	n/a	n/a	n/a
<b>IT</b>	n/a	8.21	7.18	n/a	7.96	6.68	6.60	6.53	6.75	6.75	6.70	6.30
<b>NL</b>	4.64	4.55	4.47	4.83	4.73	4.62	4.44	4.09	3.68	3.35	3.16	3.03
<b>RO**</b>	5.00	5.00	4.90	4.80	4.70	4.60	4.50	4.00	3.89	3.78	3.35	3.25
<b>SE</b>	4.95	6.52	6.39	6.08	6.04	6.99	6.31	6.91	8.21	7.54	5.93	5.86
<b>UK***</b>	5.43	5.29	4.52	3.88	4.14	4.04	4.14	4.14	4.15	4.10	4.11	4.25

\* Due to the review of the official registers in Denmark, there is a slight change in the exact composition of the household sector. As such, there is a data break starting Q3 2013.

Source: European Mortgage Federation

\*\* Recalculation of the interest rate as a weighted average of interest rates in local currency and euro (previously weighted average only of euro denominated mortgages). Data break from Q1 2014.

\*\*\* Please note that for the UK, the "Variable rate and initial fixed period rate up to 1 year (%)" actually refers only to Variable rate. Anything that is fixed for any duration is used in the calculation of a 'Fixed Rate', which is therefore the same for the other three fields.

Note:

Data refers to quarter averages

The series has been revised for at least two figures in:

- Netherlands
- Portugal
- Romania

**Table 5C ► Mortgage Markets Breakdown by Interest rate Type (%) – Outstanding Loans**

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Czech Republic</b>											
Variable rate (up to 1Y initial rate fixation)	25.8	25.3	25.2	25.4	26.6	26.6	26.0	26.2	n/a	n/a	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	47.9	48.9	50.0	50.6	49.6	50.3	51.2	51.4	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	11.8	11.5	11.2	10.8	10.5	10.3	10.3	10.5	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	14.4	14.3	13.6	13.2	13.3	12.9	12.6	11.9	n/a	n/a	n/a
<b>Denmark</b>											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	47.1	46.6	47.2	46.5	45.2	42.8	41.0	39.9
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	23.2	23.4	22.7	23.0	24.0	25.3	26.2	26.8
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	29.6	30.0	30.1	30.4	30.9	31.9	32.8	33.3
Long-Term fixed (over 10Y initial rate fixation)											
<b>Ireland</b>											
Variable rate (up to 1Y initial rate fixation)	92.8	93.7	94.2	94.4	94.7	94.4	94.5	94.5	93.9	93.6	92.6
Short-Term fixed (1Y-5Y initial rate fixation)	6.0	5.1	4.4	4.2	3.9	4.1	4.0	4.0	4.5	4.6	5.6
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.2	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.8	1.9
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a	n/a
<b>Sweden</b>											
Variable rate (up to 1Y initial rate fixation)	45.3	45.7	47.0	49.1	51.1	53.7	55.0	55.6	57.3	58.8	59.9
Short-Term fixed (1Y-5Y initial rate fixation)	54.7	54.3	53.0	50.9	48.9	46.3	45.0	44.4	42.7	41.2	40.1
Medium-Term fixed (5Y-10Y initial rate fixation)											
Long-Term fixed (over 10Y initial rate fixation)											

<b>Table 5C ► Mortgage Markets Breakdown by Interest rate Type (%) – Outstanding Loans (continued)</b>											
	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>UK</b>											
Variable rate (up to 1Y initial rate fixation)*	70.3	69.7	68.6	66.6	64.3	61.8	60.0	57.9	56.2	54.5	52.4
Short-Term fixed (1Y-5Y initial rate fixation)	29.7	30.3	31.4	33.4	35.7	38.2	40.0	42.1	43.8	45.5	47.6
Medium-Term fixed (5Y-10Y initial rate fixation)											
Long-Term fixed (over 10Y initial rate fixation)											
<b>Currency denomination</b>											
	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Hungary</b>											
HUF denominated	45.2	46.6	46.7	47.3	46.6	46.9	47.6	47.5	98.4	99.2	99.3
EUR denominated	6.9	6.9	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3
CHF denominated	45.4	44.6	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4
Other FX denominated	2.5	1.9	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0
<b>Breakdown by loan original maturity</b>											
	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Italy</b>											
maturity less than 1 year	n/a	n/a	n/a	n/a	0.0	0.0	0.0	0.0	0.0	0.01	0.01
maturity between 1 and 5 years	n/a	n/a	n/a	n/a	0.2	0.2	0.3	0.4	0.5	0.48	0.5
maturity more than 5 years	n/a	n/a	n/a	n/a	99.8	99.8	99.7	99.6	99.5	99.51	99.49

\* Please note that for the UK, this refers only to Variable rate.

Source: European Mortgage Federation

The series has been revised for at least two figures in:

- United Kingdom

**Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans**

	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Belgium</b>													
Variable rate (up to 1Y initial rate fixation)	1.8	3.5	7.3	4.8	4.2	6.8	7.5	5.1	2.6	1.6	0.9	0.5	0.4
Short-Term fixed (1Y-5Y initial rate fixation)	4.1	6.7	12.6	12.6	12.3	12.7	13.9	10.4	7.6	6.8	5.6	2.7	2.8
Medium-Term fixed (5Y-10Y initial rate fixation)	8.9	17.8	22.9	19.1	13.2	14.6	13.4	16.5	16.4	15.7	13.9	11.7	11.9
Long-Term fixed (over 10Y initial rate fixation)	85.2	72.0	57.1	63.4	70.3	65.9	65.2	68.1	73.4	75.9	79.6	85.1	85.0
<b>Czech Republic</b>													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	35.4	29.9	33.6	37.9	34.7	28.0	34.3	52.4	n/a	n/a	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	54.2	59.0	57.3	54.9	57.1	61.3	55.0	37.6	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	4.5	3.8	5.3	4.1	6.0	8.6	9.1	8.3	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	5.9	7.3	3.8	3.1	2.1	2.1	1.7	1.8	n/a	n/a	n/a
<b>Denmark</b>													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	40.0	34.5	20.6	17.3	19.5	8.0	6.8	16.6
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	26.1	33.4	25.3	18.5	27.3	20.1	19.9	33.4
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	2.6	4.3	1.8	1.5	1.8	2.8	1.6	1.2
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	31.3	27.8	52.3	62.8	51.5	69.1	71.8	48.9
<b>Germany</b>													
Variable rate (up to 1Y initial rate fixation)	14.3	15.0	16.7	15.6	15.6	17.3	18.1	15.8	14.9	14.6	13.1	12.1	11.8
Short-Term fixed (1Y-5Y initial rate fixation)	12.4	12.9	12.6	12.4	12.5	13.4	13.8	13.4	12.3	11.6	10.1	9.2	9.8
Medium-Term fixed (5Y-10Y initial rate fixation)	39.4	39.2	40.5	40.2	41.7	40.0	38.4	39.8	40.0	39.7	36.4	37.1	38.8
Long-Term fixed (over 10Y initial rate fixation)	33.9	32.9	30.2	31.8	30.2	29.2	29.6	30.9	32.7	34.1	40.4	41.6	39.6

<b>Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)</b>													
	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Hungary</b>													
Variable rate (up to 1Y initial rate fixation)	59.5	58.6	50.9	45.2	40.2	40.1	45.6	48.5	48.7	45.8	41.6	45.3	48.8
Short-Term fixed (1Y-5Y initial rate fixation)	18.4	19.8	27.4	36.9	43.3	40.7	34.4	34.8	34.5	33.6	32.4	32.7	29.6
Medium-Term fixed (5Y-10Y initial rate fixation)	19.6	18.4	19.8	15.8	15.3	17.6	17.1	15.3	15.1	15.1	18.7	16.8	16.3
Long-Term fixed (over 10Y initial rate fixation)	1.9	1.8	1.7	2.1	1.3	1.6	2.9	1.4	1.8	5.5	7.3	5.1	5.3
<b>Ireland</b>													
Variable rate (up to 1Y initial rate fixation)	90.8	81.0	85.3	79.5	82.6	87.3	90.5	90.8	87.4	71.6	56.1	55.2	56.4
Short-Term fixed (1Y-5Y initial rate fixation)	9.2	19.0	14.7	20.5	17.4	12.7	9.5	9.2	12.6	28.4	43.9	44.8	43.6
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Italy</b>													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	79.8	79.6	78.2	73.4	68.3	46.5	38.5
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	3.2	3.1	2.6	2.3	1.8	1.2	1.1
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	1.6	1.6	1.9	2.2	2.8	3.2	3.2
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	15.5	15.7	17.2	22.1	27.1	49.2	57.2
<b>Netherlands</b>													
Variable rate (up to 1Y initial rate fixation)	23.2	24.1	22.8	25.0	26.1	23.2	21.3	19.1	19.3	n/a	n/a	n/a	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	38.4	36.6	39.9	41.9	40.6	37.3	35.5	36.9	35.7	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	31.2	31.7	29.9	28.0	29.9	35.1	39.3	39.0	38.5	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	7.2	7.7	7.4	5.1	3.5	4.4	3.9	5.0	6.6	n/a	n/a	n/a	n/a

**Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)**

	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Poland</b>													
Variable rate (up to 1Y initial rate fixation)	100	100	100	100	100	100	100	100	100	100	100	100	100
Short-Term fixed (1Y-5Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Portugal</b>													
Variable rate (up to 1Y initial rate fixation)	93.0	90.7	91.3	90.5	91.5	91.6	91.6	92.2	93.2	92.3	94.4	93.5	90.3
Short-Term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	7.0	9.3	8.7	9.5	8.5	8.4	8.4	7.8	6.8	7.7	5.6	6.5	9.7
Long-Term fixed (over 10Y initial rate fixation)													
<b>Romania</b>													
Variable rate (up to 1Y initial rate fixation)	95.8	97.6	97.6	98.0	88.2	86.5	87.9	87.5	86.8	87.7	94.0	95.6	68.2
Short-Term fixed (1Y-5Y initial rate fixation)	1.4	2.1	1.5	1.8	10.8	12.4	10.9	11.6	12.9	11.9	5.0	3.2	30.5
Medium-Term fixed (5Y-10Y initial rate fixation)	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.4	0.9	0.7	0.7
Long-Term fixed (over 10Y initial rate fixation)	2.5	0.3	0.7	0.2	0.8	0.8	0.9	0.6	0.1	0.0	0.1	0.5	0.5
<b>Spain</b>													
Variable rate (up to 1Y initial rate fixation)	77.1	73.5	67.6	66.6	69.0	67.9	70.8	66.1	61.6	60.1	65.4	62.2	61.8
Short-Term fixed (1Y-5Y initial rate fixation)	21.1	24.1	29.0	29.6	27.8	28.9	26.3	31.2	35.7	37.6	30.4	30.8	26.3
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.1	2.1	2.6	2.2	2.1	2.0	1.8	1.9	1.5	2.0	2.2	4.1
Long-Term fixed (over 10Y initial rate fixation)	0.6	1.3	1.3	1.3	1.0	1.0	0.9	0.8	0.8	0.8	2.2	4.7	7.9

<b>Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)</b>													
	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
<b>Sweden</b>													
Variable rate (up to 1Y initial rate fixation)	54.1	61.0	57.5	63.0	63.7	69.4	71.1	75.7	70.5	68.0	72.8	68.3	67.9
Short-Term fixed (1Y-5Y initial rate fixation)	35.7	28.1	29.2	26.7	28.6	26.0	24.2	19.9	23.1	23.5	18.5	21.6	23.6
Medium-Term fixed (5Y-10Y initial rate fixation)	10.2	10.9	13.3	10.3	7.8	4.6	4.7	4.4	6.4	8.5	8.7	10.1	8.5
Long-Term fixed (over 10Y initial rate fixation)													
<b>United Kingdom</b>													
Variable rate (up to 1Y initial rate fixation)*	38.1	30.6	22.4	20.1	18.0	15.4	14.0	12.5	13.0	13.3	17.6	17.8	15.5
Short-Term fixed (1Y-5Y initial rate fixation)	61.9	69.4	77.6	79.9	82.0	84.6	86.0	87.5	87.0	86.7	82.4	82.2	84.5
Medium-Term fixed (5Y-10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)													

\* Please note that for the UK, this refers only to Variable rate.

Source: European Mortgage Federation

The series has been revised for at least two figures in:

- United Kingdom

<b>► Explanation of the market breakdown criteria for the case of Belgium</b>	
<b>Stated Category in Table 5D</b>	<b>Actual content</b>
Variable rate (up to 1Y initial rate fixation)	Variable rates from 1Y to less than 3Y (mostly 1Y variable rate loans). N.B.: Belgian law forbids variable rates under 1Y variability.
Short-term fixed (1Y-5Y initial rate fixation)	Variable rates from 3Y to less than 5Y initial rate fixation
Medium-Term fixed (5Y-10Y initial rate fixation)	Total of the categories related to : <ul style="list-style-type: none"> <li>▪ variable rates from 5Y to less than 10Y initial rate fixation</li> <li>▪ variable rates from 10Y and more (in practice, 10Y variability is generally the longest variability period offered, otherwise customer opt for fixed interest rate loans)</li> </ul>
Long-Term fixed (over 10Y initial rate fixation)	Fixed interest rate loans (no variability)

## THE BANK LENDING SURVEYS

### NOTES ON THE BANK LENDING SURVEYS

The Bank Lending Survey (BLS) is carried out by the European Central Bank (ECB) and is addressed to senior loan officers of a representative sample of euro area banks and conducted four times a year. The sample group participating in the survey comprises around 130 banks from all euro area countries and takes into account the characteristics of their respective national banking structures<sup>1, 2</sup>.

The survey addresses issues such as credit standards for approving loans as well as credit terms and conditions applied to enterprises and households. It also asks for an assessment of the conditions affecting credit demand. The results and information displayed here is taken from the quarterly results of this exercise in the *“The euro area bank lending survey – Third quarter of 2015”* of the ECB.

For the UK and Denmark the BLS is carried out by the respective Central Banks. It is important to point out that some statistical techniques and the underlying factor are slightly different from the one used by the ECB.

<sup>1</sup> The Finnish BLS data is not published because of confidentiality reasons. As the Finnish BLS sample consists of only four banks, there is a risk that answers of individual banks could be extracted from the aggregate results.

<sup>2</sup> It should be noted that the Diffusion Index is used (see ECB website or contact authors for more information) in this publication. Figures for France, Malta, Slovakia and The Netherlands are weighted based on the amounts outstanding of loans of the individual banks in the respective national samples, while figures for the other countries are unweighted.

## RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

## 1. Credit Standards (Supply)

**Table 6A ► Credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 8a of BLS)**  
(as a netted and weighted percentage of all respondent banks)

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
AT	10	10	0	-7	0	0	0	0	-7	0	0	-14
BE	38	25	-13	0	0	0	0	13	0	13	13	13
CY	30	30	40	38	25	25	13	25	13	13	0	0
DE	9	3	2	5	0	-2	3	0	3	0	3	2
EE	0	0	0	0	0	0	25	-13	-13	13	25	50
EL	10	0	38	0	0	0	0	0	0	0	0	0
ES	0	6	11	0	0	0	0	0	0	0	0	0
FR	0	9	4	9	5	7	0	0	-7	-7	4	-7
IE	25	-8	-10	-10	20	0	0	0	-10	0	30	-10
IT	0	13	6	0	-6	-13	-25	-13	0	-6	-13	-19
LT											0	13
LU	8	8	0	8	-8	8	-8	8	-8	-17	-8	-8
LV							-13	13	0	100	-75	-13
MT	0	0	0	0	0	0	0	0	0	0	0	0
NL	17	25	33	8	0	8	8	0	0	0	-8	0
PT	0	0	0	0	0	0	0	0	0	0	-10	-10
SI	20	10	10	0	0	0	0	-10	0	0	0	-10
SK	11	-11	6	9	0	0	9	26	-13	13	39	18
Euro area	6	9	8	4	1	0	-2	-2	-1	-2	1	3
DK	-9	-8	0	0	-1	0	0	1	-1	-1	0	1
UK	26	17	17	22	14	6	8	-29	8	-4	9	16

Interpreting the data: A negative value reflects a perceived easing of credit standards, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information. For Denmark data a net percentage approach, rather than the diffusion index, is used.

**Table 6B ► Factors affecting banks' credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 9 of BLS)**  
(as a netted and weighted percentage of all respondent banks)

III 2015		AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro area	DK	UK
	Change in Credit Standards Overall	-14	13	0	0	50	0	0	-7	-10	-19	13	-8	-13	0	0	-10	-10	18	3	1	16
Factors affecting credit standards:	Impact of funds and balance sheet constraints	-6	13	0	1	0	0	0	1	0	-6	0	-7	0	0	0	-10	0	0	-1		2
	Perception of risk	4	0	0	7	4	4	-2	0	0	6	4	-2	-4	11	8	-7	-3	1	4	0	
	Pressure from competition	0	0	0	1	0	0	0	-6	0	-10	0	-4	-7	0	0	-5	-5	0	-3	4	7
	Risk Tolerance	-6	0	0	1	0	0	0	1	0	-6	13	0	0	0	0	-10	-10	18	-1	0	

“Perception of risk” is calculated as an unweighted average of “general economic situation and outlook”, “housing market prospects including expected house price developments” and “borrower’s creditworthiness” (the latter from Q1 2015 onwards).

“Pressure from competition” is calculated as the unweighted average of “competition from other banks” and “competition from “non-banks””.

## 2. Demand

**Table 7A ► Demand for loans to households for house purchase, backward-looking 3 months (Question 13a of BLS)***(as a netted and weighted percentage of all respondent banks)*

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015
AT	20	20	14	14	0	-21	7	21	0	7	7	14
BE	-25	-13	-25	25	-13	0	-13	25	50	75	50	25
CY	-20	-40	-20	-63	-25	-25	-13	0	0	-13	0	25
DE	14	14	16	7	7	0	16	5	2	10	24	26
EE	-13	13	38	25	0	13	13	0	25	13	0	25
EL	-40	-40	-20	-13	-13	-25	-13	13	13	13	-13	0
ES	-11	11	-39	-11	-11	6	0	6	0	6	0	0
FR	-23	-17	-2	24	15	-6	-1	-9	18	0	-3	26
IE	25	17	20	20	30	30	40	50	80	50	40	-10
IT	-31	-50	-38	-25	0	0	19	31	25	19	31	50
LT											-25	25
LU	8	-8	17	17	-8	-8	0	8	-25	42	-25	0
LV							0	0	0	-13	-50	38
MT	0	23	23	0	27	4	23	50	0	23	27	44
NL	-58	-42	-58	-50	-17	-17	0	8	17	33	25	50
PT	-70	-60	-40	-30	0	0	10	10	0	0	30	40
SI	-30	-40	-30	0	-10	0	-30	-10	-20	-20	0	20
SK	-29	4	0	-22	0	17	-9	25	18	30	30	18
Euro area	-15	-11	-15	-3	1	-3	7	9	12	13	15	26
DK	37	6	23	7	-1	2	23	18	21	15	31	2
UK	20	6	44	30	62	11	27	-27	-46	-41	32	23

Interpreting the data: A *negative value reflects a perceived decline in demand*, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information.

**Table 7B ► Factors affecting demand for loans to households for house purchase, backward-looking 3 months (Question 14 of BLS)***(as a netted and weighted percentage of all respondent banks)*

III 2015		AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro area	DK	UK
	Change in Credit Standards Overall	14	25	25	26	25	0	0	26	-10	50	25	0	38	44	50	40	20	18	26	2	23
Factors affecting credit standards:	Impact of housing market prospects	13	0	0	18	13	13	0	1	20	19	13	0	0	27	25	20	0	4	13		
	Other financing needs	-3	19	7	2	0	0	0	1	-5	3	7	-4	7	11	3	0	0	2	2		
	Use of alternative finance	2	4	9	-2	0	0	-3	1	0	2	-9	0	9	-2	4	0	-3	12	0		
	General level of interest	19	50	25	22	13	0	10	16	0	44	25	14	0	22	31	30	10	30	24		

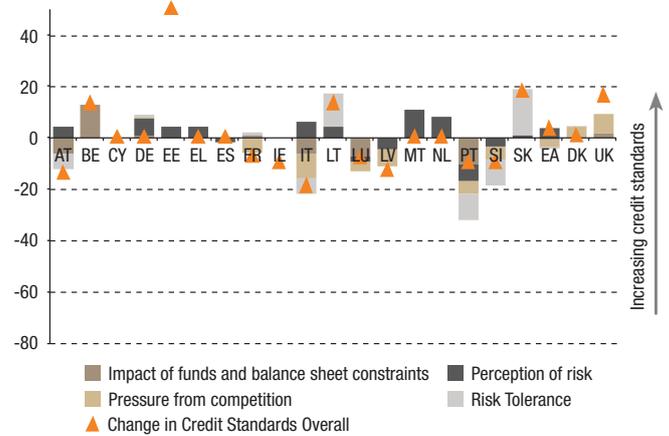
“Other financing needs” are calculated as an unweighted average of “debt refinancing/restructuring and renegotiation” and “regulatory and fiscal regime of housing markets” (both from Q1 2015).

“Use of alternative finance” is calculated as an unweighted average of “internal financing out of savings/down payment” (from Q1 2015), “loans from other banks” and “other sources of external finance”.

**COMMENTS ON THE LATEST BLS DATA**

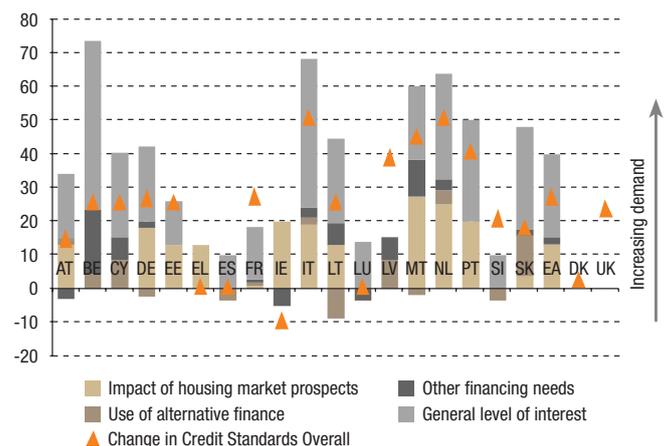
Overall the credit standard landscape in the EU has not experienced large changes in Q3 2015 except some outliers, as Estonia, whose credit standards tightened considerably. Among the large countries Germany and the UK saw their purses close a bit respectively due to a higher perception of risk and due to an increased pressure from competition. Also Belgium and the Netherlands saw some tightening pressure. On the other side Italy and France were the large countries who loosened credit standards principally for less pressure from competition but also, in the case of Italy, for more risk tolerance. Also Austria, Ireland, Luxembourg, Latvia, Portugal and Slovenia decreased in varying degrees their credit standards.

**Chart 3 ► Credit Standards Overview and Factors**



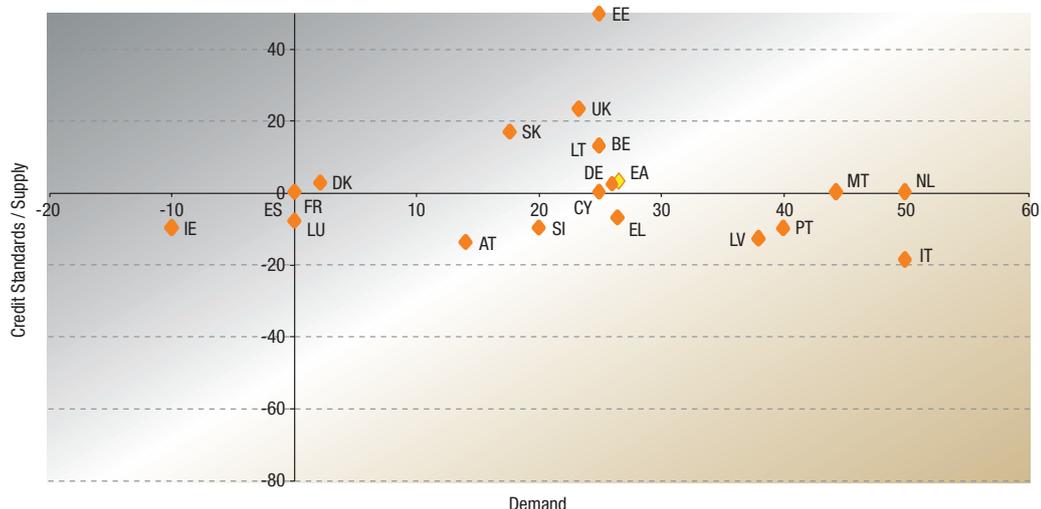
Also last summer as for the first half of 2015 nearly everywhere in Europe there has been an increasing demand in household funding pushed principally by the very low interest rates on mortgages, making it thus attractive now to purchase a house. In Belgium and also to a minor extent in other countries, such as Cyprus and Malta, a factor for increased credit demand was to restructure and renegotiate existing mortgages in order to reap the benefits of a decreased interest rate. Another constant in the European landscape was a favourable prospect of the housing market which pushed demand especially in Germany, Italy, Netherlands Austria, Greece and Portugal. Only in Ireland the overall demand showed a slight decrease.

**Chart 4 ► Demand Overview and Factors**



The diagram shows a concentration of countries depicting moderate positive demand changes while credit standards remain overall scattered around zero. Around this core some outliers depict similar credit standards, but have either a higher or lower demand for credit. In any case nearly all countries lie in the first and fourth quadrant.

**Chart 5 ► Demand and Supply Overview**





**2015 EMF**  
Quarterly Review



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