EMF-ECBC: CELEBRATING 50 YEARS OF FUNDING THE REAL ECONOMY

BENEFITS OF MORTGAGE & HOUSING MARKETS

HOUSEHOLDS
Most people cannot afford to buy their home outright for cash, so mortgages are a very important financial product providing EU citizens with affordable and sustainable access to home ownership.

COMMUNITY
By providing access to home-ownership, mortgage markets can help to deliver important community gains.

SUSTAINABILITY
Mortgage markets can help to deliver investment needed to meet EU energy savings targets.

GROWTH & REAL ECONOMY
Mortgage and housing markets are main drivers of the EU economy and contribute to job creation.
HOUSEHOLDS

- Mortgage & housing markets can improve households’ social conditions and bring stability for them.
- Mortgage loans can also help households to accumulate wealth over the lifetime of the loan because they give households a default mechanism for saving.
- By improving their properties’ energy efficiency by way of an energy efficient mortgage, households can lower energy bills, increase the value of their properties, and protect them against a ‘brown discount’.

On average, around 1 in 4 European households currently has a mortgage loan – however, in some countries, such as Denmark, the Netherlands or Sweden, more than half of the population (not only home-owners) are mortgage holders.

GROWTH & REAL ECONOMY

- The value of lending for house purchase in the EU is equal to about 50% of the EU’s GDP.
- Mortgage market activity fosters job creation in multiple sectors - according to the World Bank, for every home built, 5 jobs are created.
- Energy Efficient Mortgages can in turn stimulate additional activity for those SMEs specialised in energy efficiency retrofit, resulting in further job creation.

SUSTAINABILITY

- In the EU, buildings are responsible for 40% of total energy consumption and 36% of CO₂ emissions.
- By improving the energy efficiency of buildings, energy consumption could be reduced by 5 - 6% and CO₂ emissions by 5%.
- €100 billion/year of investment is required to meet the EU’s energy savings targets.
- Mortgage lenders can play a game-changing role by incentivising homeowners to improve the energy efficiency of their properties by way of an Energy Efficient Mortgage.

COMMUNITY

Mortgage markets can:
- Provide access to better quality homes and neighbourhoods.
- Help to improve communities as a result of a stronger sense of belonging and therefore investment by households.
- Deliver better outcomes for children in education as a result of the greater household stability.
- Stimulate more civic engagement e.g., joining local clubs & voting in elections.