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QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

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DISCLAIMER

This review looks at developments in the mortgage and housing markets in Q2 2024 and is based on a country sample including Belgium, Czechia, Germany, Denmark, Greece, Spain, Finland, France, Hungary, Ireland, Italy, The Netherlands, Poland, Portugal, Romania, Sweden, and the United Kingdom. This sample covers around 95% of total mortgage lending in the EU27 and UK. Where data for Q2 2024 is not yet available, the review reports figures from the most recently available quarter. The report ends with a look at the European Central Bank (ECB) Bank Lending Survey on the supply and demand for housing loans in the second quarter of 2024.

GENERAL COMMENTARY

In the EU, the recovery in gross mortgage lending in Q2 2024 followed the same upward trend as Q1 2024. After increasing by 4.22% q-o-q in the last quarter of last year, it decreased by 10.6% in the first quarter of 2024. This was the largest quarterly decrease from Q1 2023. Overall, volumes declined significantly from Q3 2022 but steadily recovered since Q2 2023. Gross lending fell in Q4 2022 and Q1 2023 by 18.8% and 17.9%, respectively. Q4 2023 was the first quarter with an increase in gross lending. The new downturn in Q1 2024 continues to be influenced by ongoing high inflation, relatively high mortgage rates, and significant economic uncertainty.

GDP

In the second quarter of 2024, seasonally adjusted GDP increased by 0.3% in both the euro area and the EU, compared with the previous quarter, according to Eurostat. In the first quarter of 2024, GDP had also grown by 0.3% in both zones.

Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 0.6% in the euro area and by 0.7% in the EU in the second quarter of 2024, after +0.5% in the euro area and +0.6% in the EU in the previous quarter.

Among the Member States for which data are available for the second quarter of 2024, Ireland (+1.2%) recorded the highest increase in GDP compared to the previous quarter, followed by Lithuania (+0.9%) and Spain (+0.8%). The highest declines were recorded in Latvia (-1.1%), Sweden (-0.8%) and Hungary (-0.2%). The y-o-y growth rates were positive for eight countries and negative for three.

- Household final consumption expenditure decreased by 0.1% in the euro area and increased by 0.1% in the EU (after +0.3% in the euro area and +0.4% in the EU in the previous quarter),
- Government final consumption expenditure increased by 0.6% in the euro area and by 0.7% in the EU (after +0.1% in both zones in the previous quarter),
- Gross fixed capital formation decreased by 2.2% in the euro area and by 1.8% in the EU (after -1.8% and -1.7% respectively),
- Exports increased by 1.4% both in the euro area and in the EU (after +1.1% in the euro area and +0.7% in the EU), and
- Imports increased by 0.5% in the euro area and by 0.6% in the EU (after -0.6% and -0.5% respectively).

Looking at the impact of these on GDP growth: household consumption added to growth in both the Euro area and the EU (+0.1 pps), government final expenditure



was negligible for both zones, gross fixed capital formation contributed negatively for both areas (-0.3 pp for both), changes in inventories were negative for both Euro area (-0.3 pp) and the EU (-0.1 pp), and exports minus imports was positive for both the Euro area (+0.9 pp) and the EU (+0.6 pp).

OTHER ECONOMIC INDICATORS

The number of employed persons increased by 0.2% in both the euro area and the EU in the second quarter of 2024, compared with the previous quarter. In the first quarter of 2024, employment had grown by 0.3% in both the euro area and in the EU. The euro area annual inflation rate was 2.6% in July 2024, up from 2.5% in June whereas in 2023, the rate was 5.3%.

EU annual inflation was 2.8% in July 2024, up from 2.6% in June but a year ago, in 2023, the rate was 6.1%. In July, the lowest annual rates were registered in Finland (0.5%), Latvia (0.8%) and Denmark (1.0%). The highest annual rates were recorded in Romania (5.8%), Belgium (5.4%) and Hungary (4.1%). Moreover in July 2024, the highest contribution to the annual euro area inflation rate came from services (+1.82 percentage points, pp), followed by food, alcohol & tobacco (+0.45 pp), non-energy industrial goods (+0.19 pp) and energy (+0.12 pp).

Financial stability in the euro area has benefited from an improving economic outlook, but rising geopolitical risks could pose considerable downside risks. Euro area households continued to benefit from high employment levels as well as rising real wages and incomes. After several difficult years, growth in compensation per employee is expected to outpace inflation in 2024 and beyond amid rapid disinflation, which will considerably bolster the financial situation of households.

Overall, the downward trend in the EU in housing investment reflects the significant rise in mortgage interest rates and the moderation in house price growth resulting from the past monetary policy tightening, which had a negative impact on the affordability and profitability of housing.

These and other topics will be covered in more detail in this edition of the Quarterly Review.

FURTHER READING

- Fisher, J., Gavazza, A., Liu, L., Ramadorai, T., & Tripathy, J. (2024). Refinancing cross-subsidies in the mortgage market. *Journal of Financial Economics*, 158, 103876. ([link](#))
- Gunin, A. (2024). The Future of Mortgage Financing in the Era of Fintech: A Systematic Review. *Futurity Economics&Law*, 4(2), 31-47. ([link](#))
- Rim, J. (2024). Comparative dynamics of housing finance: A cross-country analysis. *Journal of International Financial Markets, Institutions and Money*, 102010. ([link](#))

MORTGAGE MARKETS

The total residential mortgage stock of the EMF country sample increased slightly to EUR 8.23 tn by the end of the second quarter. This is a decrease of 0.74% y-o-y. Gross lending increased by 1.6% y-o-y in Q2 2024. Total quarterly non-seasonally adjusted gross lending was approximately EUR 269 bn in Q2, compared to EUR 256 bn in Q2 of the previous year.

Gross lending increased significantly in Q2 2024 on a y-o-y basis in Hungary (112%) and Czechia (83%) while it decreased the most in France (-26%), Finland (-24%) and Italy (-21%), all values considering EUR figures.

In **Sweden**, the net mortgage lending growth rate started to level out and grew by 1.0 % on an annual basis in the second quarter 2024 compared to 0.9 % the previous quarter. Mortgage lending secured on single-family homes increased by 0.6 % on an annual basis (0.5 % Q1). The increase in lending secured on tenant-owned apartments increased by 0.2 % (0.2 % Q1). The net mortgage lending to multi-family homes increased by 2.8 % in Q2 compared to 3.0 % on an annual basis in the previous quarter.

In **Denmark**, in the past year, house prices increased by 4.7 %. Meanwhile, prices on owner-occupied apartments grew by 6.4 %. Compared to the previous quarter, prices grew for houses by 2.9 % and prices for apartments increased by 4.5 %. Total outstanding residential loans amounted to DKK 1,895 billion in the second quarter of 2024. This represents an increase of 0.3% compared to the first quarter of 2024. Total outstanding residential loans has increased by 2.98% since the second quarter of 2023.

In **Finland**, household and investor demand for new mortgages was lower than a year before, because of the high interest rates. The market is challenging.

In **Hungary**, after the historic low in 2023 of the sale and purchase transactions figures the housing market returned to the long term average trends in H1 of 2024. For the whole year analysts forecast about 120,000 transactions. The mortgage market has improved significantly compared to 2023. The volume of newly issued mortgage loans (gross residential loans) grew by 125 % in Q2 of 2024 compared to the same quarter in the previous year. Compared to the previous quarter there was a 49 % growth in Q2.

The total outstanding residential loan portfolio grew by 3,2 % in Q2 compared to the previous quarter and grew by 5,7 % on y-o-y basis. The average housing loan amount rose significantly in early 2024. After hitting a record low in early 2023, average loan amounts returned to a growth trajectory and increased dramatically in Q1 and Q2 in 2024 due to stronger demand for housing loans.

In **Romania**, the stock of mortgage loans increased by approximately 2% in Q2 2024 compared to the same period of the last year, when a local minimum was registered in the volume of residential portfolios. The increase is based mainly on new local currency loans, in the context of a decreasing interest rates environment. The NPL ratio for mortgage loans registered a small improvement compared to the previous quarter (1,65%, -0,01 pp). The volume of gross new residential lending further increased this quarter, reaching 87% annual growth, while remortgaging returned to a growing pace (8,6% annual increase in Q2 2024) after a downturn in Q4 2023 and Q1 2024. In Q2 2024, credit institutions somewhat tightened credit standards for mortgage loans. The respondent banks estimate an easing in the upcoming quarter, as per the latest NBR Bank Lending Survey (August 2024). Moreover, the Romanian residential real estate market is currently characterised by an imbalance between supply and demand. On the demand side, households' interest for real estate purchases stays on an upward trend on the back of the economic recovery, the easing of inflationary pressures and the increase in wages. On the supply side, there was a slight decrease in the number of building permits issued for residential buildings (-1.3% in the first half of the year 2024 compared to the same period of the preceding year).

In the second quarter of 2024, **Poland** saw a marked decline in housing loan market activity. Banks granted 45,400 housing loans, 29.6% less than in the first quarter. At the end of the 2Q 2024 nearly 2,280 housing loans were outstanding. The average value of a home loan in 2Q 2024 rose to PLN 423,336, up nearly 1.5% from the previous quarter.

Total residential loan debt at the end of Q2 2024 amounted to PLN 489.307 billion, compared to PLN 484.874 billion at the end of the previous quarter.

Although the creditworthiness of Polish households also increased (due to rising salaries, and falling inflation), banks are tightening their lending criteria and expect a fall in demand for residential loans in the upcoming quarter. Due to the lack of clear statements regarding the new mortgage subsidy program, the mortgage market to some extent remains at a standstill.

The **Czech** mortgage market continued to grow in Q2 2024. On an annual basis production almost doubled (increase by 94%), which was driven mainly by new sales. When remortgaging grew by 87%; on a quarterly basis, sales were also up by 54%, driven by new sales too, while remortgaging increased by 36% only. Last quarter confirmed the recovery of the mortgage market, driven mainly by improved macroeconomic situation, expectations in housing market development and decreasing interest rates.

As property prices started to rise again and lending rates improved the availability of finance, mortgages have been experiencing their best period in the last 2 years.

In **Belgium**, the number of new loans fell by 10% y-o-y (12% by value). The second quarter of 2024 shows a first increase, in the new mortgage production, since the 3rd quarter 2022. The number of new mortgage loans increased in the second quarter of 2024, by around 5.8% as compared to the second quarter of 2023. The corresponding amount also increased by more than 5 %.

In **Germany**, in Q2 2024, demand for residential mortgage loans has increased slightly. The steadiness of interest rates, rising real household incomes and the adjustment of residential real estate prices give potential borrowers for residential real estate a stable planning environment. A total of EUR 52.4 billion was disbursed in Q2 2024, which means an increase of 9.62% compared to the same quarter of the previous year. However, the weighted average of interest rates on new loans for house purchases has stabilised and increased slightly from 3.85% in Q1 2023 to 3.90% in Q2 2024.

In **France**, the total amount of outstanding home loans decreased over one year by 0.7% at the end of June 2024 at EUR 1,284 bn, following a downward trend since the Q1 2022 peak. New loans for residential real estate (excluding renegotiations and loan transfers) amounted to EUR 25.6 bn in Q2 2024, the lowest amount for a second quarter since 2014, declining by 28 compared to Q2 2023. But for the first time in 2 years, new quarterly home loans increased by 18% Q-o-Q in Q2 2024, generating the first monthly (slight) increase of the total outstanding home loans since October 2023. According to Banque de France-ACPR, first-time buyers represented 49% (in amount) of new home loans dedicated for the purchase of a main residence in Q2 2024 (above the 47% average since 2014). The share of modest first-time buyers (with an annual income of less than or equal to EUR 30,000) has remained at 18% in Q2 2024 (equal to its 2023 average, but at a low level compared to 2020-2022 characterised by an annual average between 21% and 25%). The average initial maturity for new home loans continued to decline modestly to

22 years in Q2 2024 (compared to the peak at 22.4 years in Q3 2023). Specifically for the purchase of a main residence, the average maturity at origination was 22.8 years, breaking down into 23.4 years for first-time buyers and 22.2 years for repeat homebuyers. New home loans with an initial maturity of more than 20 years accounted for 78% of the total quarterly production. Renegotiated home loans (including renegotiations and loan transfers) fell to EUR 5.1 bn in Q2 2024, its lowest level over the last 10 years. The largest part of the current renegotiated amount was linked to the change in the insurance attached to the home loan (a change sometimes occurring for the loan in the same month of its origination), and could be supported in the coming months by a renegotiation of the interest rate if home loans interest rates keep declining.

In **Portugal**, the total outstanding residential loans are rising y-o-y (+0.6%) and q-o-q (+0.9%), amounting to EUR 101,454mn by the end of Q2 2024. The new loans production totaled EUR 5,231mn in Q2 2024, +4.9% y-o-y and -7.7% q-o-q. Regarding the new credit production, in Q2 2024 mortgage loans registered production highs of the last 7 years in Portugal reaching an accumulated y-o-y growth in Q2 2024 of 8%. However, mortgage production includes renegotiated contracts, which have grown since mid-2022 before increasing reference interest rates. In Q2 2024, renegotiated contracts accounted for 30% of all mortgage production, while new contracts accounted for 70%. Excluding renegotiated contracts, new mortgage production (i.e. entirely new contracts) increased by 30% y-o-y in Q2 2024.

In **Spain**, gross mortgage lending is showing signs of recovery after the slowdown observed in 2023. In Q2 2024 new mortgage arrangements increased by 16% y-o-y, marking an acceleration compared to the 7% growth recorded in Q1 2024. At the same time, the decrease in outstanding residential loans is moderating. This could be the result of both increased gross lending activity and a slower rate of loan repayments.

In **Italy**, the volume of outstanding mortgage loans in Q2 2024 amounted to about EUR 421.6 bn, registering a decrease of 0.4% with respect to the previous quarter and of 0.8% y-o-y. Gross residential lending increased with respect to the previous quarter (+23.8%) while decreased in relation to the same quarter of the previous year (-21.5%).

In **Greece**, the total stock of outstanding housing loans continued to decline (-2.7%, y-o-y) in July 2024, at a decelerated rate since 2023 (-3.5%). Albeit the amount of new housing loan agreements remained at low levels in absolute terms, in H1 2024, it increased by 23.9%, y-o-y, against a decrease in the corresponding period in 2023 (-5.9%, y-o-y). According to the latest available data of the Bank Lending Survey for Greece (Q2 2024), credit standards for housing loans to households remained stable compared to Q1 2024. Terms and conditions for mortgages to households remained also stable. Banks reported that the proportion of rejected loan applications to housing loans in Q2 2024 compared to Q1 2024 remained unchanged. The demand for housing loans remained unchanged and banks expect the demand in housing loans to remain also unchanged in the next quarter, i.e. Q3 2024. HICP headline inflation steadily declined in H1 2023 and fluctuated in the H2 2023, whilst in the first seven months of 2024, average inflation declined further to 3.0%.

In **Ireland**, a total of 10,110 new mortgages with a value of EUR 2,854 million were drawn down by borrowers during the second quarter of 2024. This represents an increase of 2.2% in volume and 3.3% in value on the corresponding



second quarter of 2023. First-time buyers (FTBs) remained the single largest segment by volume (62.3%) and by value (63.9%). Re-mortgage/switching volumes and values fell by 6.9% and 14.9% y-o-y respectively. Mortgage approval volumes decreased by 0.8% y-o-y in Q1 2024 to 10,623. FTB approval volumes fell by 2.2% y-o-y to 8,412 while mover purchase volumes fell by 4.9% to 2,858. Re-mortgage or switching activity increased by 17.6% y-o-y to 1,093.

In the **UK**, the mortgage market activity picked up a little in the second quarter of 2024. Gross lending was £60.3 billion, up 17% on the £51.4 billion in the second quarter of 2023. Net lending was £6.5 billion, compared to minus £1.6 billion in second quarter of 2023. Mortgage approvals for new house purchases were up, with 203,000 loans approved in the quarter, up 20% on Q2 2023. Approvals for remortgaging were however 17% lower in Q2 2024, with 84,300 loans advanced, compared to 101,500 in Q2 2023. This pickup in activity has largely been driven by continued growth in real wages and improved consumer confidence. Fixed rate mortgage deals have also been reducing, which may have boosted demand somewhat. The Bank of England cut the Bank Rate on 1 August to 5.00% from 5.25% which is likely to boost housing market activity again in coming months. Markets are currently pricing in one further 25 basis point cut in Bank Rate this year.

Mortgage arrears picked in in the second quarter of 2024 to 1.32% of all loans in arrears as a proportion of total loan balances. This is an increase from 1.29% in Q1 and 1.00% a year earlier in Q2 2023. This pickup in arrears corresponds with the increase in mortgage rates following the path of Bank Rate which began to increase at the end of 2021.

In the **Netherlands**, the housing market is moving in an upward direction. Prices go up and the interest rates are slightly lower. After a short period of declining prices and higher interest rates, the prices in the housing market are moving in the upward direction which characterised the last few years.

REGULATION & GOVERNMENT INTERVENTION

Inflation and a resulting depletion of household savings was a significant concern for governments and authorities within the EMF country sample. Consequently, government efforts were mainly to address housing and mortgage affordability. Additional measures were implemented to support supply, which was under strain from increased input prices. But some jurisdictions have expressed concerns about actions that could jeopardise monetary policy measures.

FINLAND

The systemic risk buffer requirement came into effect in Finland on April 1st. The decision was made a year earlier, on March 29, 2023 stating that “the Board of the Financial Supervisory Authority has also decided to set an additional capital requirement (systemic risk buffer requirement) of 1%, covered by core capital, based on structural characteristics in accordance with Sections 4a and 4b of Chapter 10 of the Act on Credit Institutions (Aktia Bank Plc, Danske Mortgage Bank Plc, Fellow Bank Plc, Municipality Finance Plc, Nordea Bank Plc, Oma Savings Bank Plc, OP Cooperative, POP Bank Centre coop, S-Bank Plc, The Mortgage Society of Finland, Savings Banks’ Union coop, and Ålandsbanken Plc). The requirement applies at the highest consolidation level of Finnish banks. The decision on the systemic risk buffer requirement will come into effect on April 1, 2024.”

Additionally, the Financial Supervisory Authority has recognised (reciprocated) the macroprudential decisions of Sweden and Norway, which affect the capital

requirements of Finnish banks operating in those countries. These decisions will likely be presented in the respective countries’ own measures.

HUNGARY

Demand for loans in 2024 was driven by improving economic prospects in the wake of disinflationary developments, lower lending rates and renewed housing subsidy. In 2024. Although the conditions for the Prenatal Baby Support loan were restricted from January 2024, the new, interest subsidised housing loan – called Home Purchase Subsidy Plus (CSOK+) – provides a higher loan amount than the previously existing one.

The “interest rate cap”, that was introduced in 2022 by the government for mortgage debtors with variable rate loans was also prolonged in 2024. The same prolongation applies to customers having loans with maximum 5 years interest rate fixation.

Moreover, a new home renovation programme was introduced in the summer of 2024, exclusively for energy efficiency modernisation projects. The programme can be used for upgrading single family houses constructed up until the end of 1990. The renovation programme may include the insulation of buildings, replacement of doors and windows and modernisation of domestic hot water and gas heating systems with a total budget of HUF 108 billion. Primary energy savings of at least 30% must be achieved with the renovations, the improvement must be certified by energy efficiency certificates both before and after the completion of the renovation work. Besides contributing HUF 1 million from their own funds, a customer may apply – via the residential MFB Point network – for an interest-free loan of up to HUF 6 million. A non-repayable grant may reduce the repayable amount, varying from HUF 2.5 million to max 3.5 million, depending on the average earnings of given district’s residents.

From the presently allocated budget of the home renovation programme approximately 20,000 detached houses may be renovated to improve their energy efficiency.

POLAND

An amendment to the Law on Supporting Borrowers Who Have Taken a Home Loan was passed by the Parliament on April 12. It stipulates the extension of the credit vacation to 2024 as well. The borrower will be able to suspended home loan instalments twice between June 1 and August 31, and twice between September 1 and December 31. This option will be available to those borrowers whose instalment payment exceeds 30% of their household income, calculated as an average for the previous three months, or those who have at least three dependent children on the date of application. Suspension of loan repayments during these periods will be eligible if the value of the loan granted does not exceed PLN 1.2 million.

CZECHIA

In Q2 2024 no new regulations were introduced or current regulation was not or cancelled. Nonetheless, this quarter was influenced in a positive way by the delayed effect of cancellation of DTI regulation that had been effective since the beginning of 2024.

ROMANIA

As announced in previous quarters, the reduced VAT rate for dwellings up to 600,000 lei (approximately EUR 120,000) and 120 m² in surface area increased

from 5% to 9% (approved by Law No. 296/2023). In addition, there were no new interventions announced during the first half of 2024.

BELGIUM

The government has previously changed the law to make it, in most cases, impossible for credit providers to modify credit agreements through an internal refinancing procedure and to ask for a penalty of three months' interest in such cases. Nonetheless, there were no new interventions announced during the second quarter of 2024.

FRANCE

The reform of the PTZ (zero-rate loan for first-time buyers, means-tested) came into force on 1 April 2024. It refocuses this state-subsidised loan solely on the purchase of new flats in densely populated areas and existing flats in less densely populated areas (subject to at least 25% of renovation works being carried out and obtaining an EPC "D" or higher). This structural change (by excluding support for single-family houses) should limit the number of PTZ granted (already recording a 40% fell in Q2 2024 compared with Q2 2023).

Following the sharp fall in the number of "MaPrimRénov" home energy renovation grants registered in Q1 2024 (linked to the refocusing of this financial aid on home full renovation with more conditions than before), the easing of criteria for renovation works eligible for subsidies came into force on 15 May until 31 December 2024. By returning to the general framework for granting "MaPrimRénov" financial aids prior to the 1 January reform, the government hopes to boost the number of home renovations in 2024. In addition, since 1 April, the maximum amount of the Eco-PTZ (an interest-free loan dedicated to energy-efficiency renovation works, non means-tested for all homeowners and subsidised by the State) has risen to EUR 50,000 (from EUR 30,000 previously) and the maximum maturity has been extended to 20 years.

SPAIN

To strength banks' solvency against potential financial shocks, the Bank of Spain activated in Q2 2024 the countercyclical capital buffer, setting it at 1%. The enforcement of this measure will be implemented gradually until 2026. The activation of this buffer reflects the competitive authorities' focus on long-term financial stability.

IRELAND

In Q2 2024, the government approved a Local Authority Purchase and Renovation Loan (LAPR). The loan, which is an expansion of an existing Local Authority Home Loan, will support both the purchase and renovation of homes which are eligible under the existing Vacant Property Refurbishment Grant.

HOUSING MARKETS

Across Europe, construction activity and house prices are responding differently to macroeconomic conditions.

■ CONSTRUCTION SUPPLY

In **Sweden**, the construction supply dropped sharply in 2023 to figures as low as 28,200 dwellings, which is 50% lower than in 2022. However, in the first two quarters of 2024 the construction seemed to recover slightly and, compared with the same period in 2023, the number of housing starts have increased by 12%.

In **Denmark**, the housing market activity increased throughout the second quarter of 2024 with a total of 11,741 houses being sold. That is 13% more transactions than in the second quarter of 2023. In the same period 3,681 owner-occupied apartments were sold, an increase of 7 % compared to the same quarter in 2023. Moreover, a total of 33,954 and 7,039 houses and apartments, respectively, were on the market at the end of the second quarter. The supply of houses increased by 7.7% compared to the previous quarter. The supply of apartments has increased by 3.2%.

In **Finland**, new housing permits and the number of new starts are decreasing. Despite hopes for improvement, the market conditions remained challenging.

In **Hungary**, the number of the newly issued building permits for the entire country was 4 448 in Q2 2024. This shows a 24,5 % decrease compared to Q2 of 2023 and a 0.12% decrease compared to Q1 in 2024. Only 649 new building permits were issued in Budapest in Q2 2024, this volume represents only 26 % of the volume of permits issued a year before, so this is a significant reduction in the number of newly issued permits in the capital city. The number of housing completions for the whole country in Q2 was 3248, 13% less than in the same quarter in 2023. Housing completions in Budapest were 1214 in Q2. This figure represents a 33% growth compared to the number of completions in the same quarter a year before.

The volume of construction works in **Romania** decreased in Q2 2024, showing significantly weaker construction activity in first half of 2024 compared to a year before.

In **Poland**, during the second quarter of 2024, the residential construction sector showed some signs of recovery in comparison to the quarter before. Construction of around 62,300 housing units began, up 3.7% from the previous quarter. The number of building permits issued also rose, reaching 23,773 – i.e. 21.4% higher than in Q1 2024. On the other hand, the number of housing units completed fell by 2% q/q, to 47,329 units.

In the **Netherlands**, housing supply is really low, compared to demand. Although there is a new formed government, not a lot of new plans are made. The government hopes to build 100,000 new homes per year, but these numbers are very hard to meet.

In **Germany**, during the first half of 2024, permits for residential buildings fell by around -21% compared to the first half of 2023. Even though construction prices have stabilised, building is still relatively costly. The overdemand for housing remains, which is leading to a further increase in new contract rents.

The demand for modernisation measures is increasing and with it the barrier to possible construction measures.

However, real household incomes are rising, interest rates have stabilised, new contract rents are rising making homeownership more attractive again.

In **France**, the whole volume of housing permits represented 82,600 units in Q2 2024 (-5% vs Q4 2023 and -13% vs Q2 2023), the lowest level in the last 25 years. Concerning the housing starts, volumes remained very low with 68,900 units in Q2 2024, increasing by 6% compared to Q1 2024 (which was the historical lowest level), but still 9% under Q2 2023. The weakest number of new housing starts for single-family detached houses has been recorded since



2000 (17,000 units in Q2-24), a level -35% below the previous lowest point of Q2 2020 (marked by the stop of the global activity due to the Covid-19 crisis). The segment of new single-family houses weighted for less than 7% of the total quarterly housing transactions in France (reaching an all-time low). With 19,000 housing permits (-44% compared to the Q2-19, before the Covid-19 crisis), there is no sign for a quick recovery in the construction of single-family homes to levels comparable to those seen before 2022.

The building activity of French real estate developers represented around 8% of the total transactions in France (remaining at a very low share since 2021), breaking down into 95% of flats and 5% of houses in Q2 2024. With 14,400 units in Q2 2024, the number of new dwellings put up for sale slightly decreased by 4% compared to the previous quarter (similar to the low point of Q4 2008 and still 25% under the Q2 2020 level when all activities were stopped due to the first lockdown). The quarterly sales increased by 3.3% compared to Q1 2024 with 16,200 new home sold in Q2 2024 (still in line with historical low point over the last 30 years). Compared with previous quarters, the fall in purchases of homes built by real estate developers was more marked among investor households than among households buying a home to live in.

Builders of single-family houses and real estate developers were strongly impacted by the recent sharp rise in interest rate, both on the offer-side (in terms of financial equilibrium for new buildings) and the demand-side from households (less financial capacity/willingness to buy in the current context). With 124,200 units in Q2 2024, the available housing stock of real estate developers diminished by 3% compared to the previous quarter but remained at a very high level in historical terms. Due to the low level of sales, the management of the housing stock available for sale will result in a reduction in the number of new homes offered for sale. In a context of evolutions of real estate developers' business models, volumes of new housings corresponding to a construction linked to an already existing home accounted for more than 5% of the total new homes sold and put up for sale.

The segment of existing dwellings totaled 198,400 transactions in Q2 2024 and represented around 85% of the total quarterly housing transactions in France, its highest historical share. Because of the very difficult environment for new housing, some of the demand from households has shifted over the last three years to this segment (benefiting notably from prices that are generally lower than for new-built properties). In Q2 2024, quarterly transactions of existing homes increased over a quarter for the first time in 2 years (by 4% vs Q1 2024). If this downward trend stopped this quarter, volumes of transactions remained low compared to the ones in the 8 last years (especially for Ile-de-France region and Paris city).

Housing building permits have been on an upward trend since the beginning of this year in **Spain**, although they continue to lag behind the population's housing needs. Between January and May 2024 around 53,000 dwellings were granted building permits compared to 46,000 in the same period last year. This shows a 13,2% increase in building permits y-o-y.

In **Greece**, the increased investment interest from abroad, which fuelled the recovery of the high quality real estate market and income-related properties, increased significantly in 2022 (68.0%) continued its growth in 2023 (8.0%), whilst in H1 2024 an increase was recorded by 3.6%, y-o-y, at a significantly decelerated pace compared to the same period in 2023 (39.9%). More specifically,

in H1 2024, net foreign direct investment in Greece for the real estate market purchasing amounted to EUR 1,142.1 mn compared to EUR 1,102.8 mn for H1 2023. The business expectations for housing construction, as reflected in the relevant indicator of IOBE survey, improved further in 2023 (18.1%) and continued to be positive in the eight-month period of 2024 (18.4%). On the contrary, residential investment (seasonally adjusted ELSTAT data at constant prices) decreased, on an annual basis, by 7.1% in 2024:Q2 and still remains at a low level as a percentage of GDP (1.8%). The total cost of construction of new residential buildings increased in Q2 2024 by 3.7%, y-o-y, while for the whole of 2023 the average annual increase was 6.2%.

The results from the June **Portuguese** Housing Market Survey present a more subdued housing sales market, with demand falling compared to the previous month and promised sales remaining flat. Regarding new buyer demand, a headline net balance of -12% of respondents noted a decline in enquiries during June, which marks a noteworthy dip into negative territory from last month's figure of zero. Similarly, there was a notable decline in the net balance for new instructions, which stood at -23%, 18 percentage points (p.p.) lower than in May. For agreed sales, the headline net balance was recorded at -3% in June, a less negative reading comparing with last month's net balance of -7%. That said, whilst this measure remains indicative of flat momentum at best, the latest trend is at least less negative than readings recorded over the past few months, which may hint at a turnaround on the horizon. In keeping with this notion, sales expectations also point to a slight improvement in activity over the next 3 months, with a net balance of +8% being recorded (only slightly lower than May's +12%).

In **Ireland**, almost 22,000 housing units were started in Q2 2024, 166% more than in Q2 2023 and the highest quarterly level since Q2 2006. There were 18,000 housing starts in April 2024 alone. Dublin and Dublin Commuter accounted for 34.6% and 21.4%, respectively, of housing starts in Q2 2024. Almost 7,600 dwellings were commenced in Dublin and the highest level of any regions since the series began in 2004. All regions recorded more than 2,000 housing starts for the first time since Q1 2007. Almost 6,900 new dwellings were completed in Q2 2024, according to the Central Statistics Office (CSO), 5.4% less than in Q2 2023. Dublin accounted for about 30.5% of all completions in Q2 2024 and 69.5% of apartment completions. Munster and the Dublin Commuter region (Louth, Meath, Kildare and Wicklow) accounted for about 24.1% and 20% of completions, respectively. Household market purchases of residential property fell by 5% y-o-y to 11,132 in Q2 2024. On an annualised basis, there were 48,748 purchases in the twelve months ending June 2024. Activity had peaked at 50,687 in the twelve months ending August 2023. Dublin was the largest housing market in Q2 2024 with 3,361 household market purchases, 6.5% less than in Q2 2023 and giving it a 30.2% share of the national market. Dublin accounted for more than half (55.6%) of apartment sales.

In the **UK**, there were 23,300 housing starts in the first quarter of 2024, down 39% on the 38,610 in the same quarter in 2023. Meanwhile there were 31,680 housing completions in the first quarter, down 15% on the 37,160 in Q1 2023. On 15 June 2023 the transition period into new building regulatory standards in England relating to energy performance and electric vehicle charging points ended. In order to avoid the additional costs complying with these Mortgage interest rates new standards, many house builders have brought forward the start of project causing a high peak in housing starts in 2023 Q2, and corresponding low levels in from Q3 2023 onwards.

Average mortgage interest rates fell to 4.80% in Q1 2024, down from 4.96% in Q4 2023, but up from 4.56% a year earlier. Rates on all fixed rate deals fell over the quarter, whereas variable rates increased.

In **Belgium**, the construction supply can be analysed by looking at loans for construction purposes. The demand for these loans has been experiencing a decrease of around -15 %. Loans for other immovable purposes (garage, swimming pool, ...) also recorded an increase of + 3,9 %. The number of refinancing loans went up by + around 5 % as compared to the second quarter of the year before. When it comes to production without the refinancing operations, about 47.200 mortgage credit contracts were granted for a total amount of more than EUR 7.7 billion.

■ HOUSE PRICES

There are no clear trends or patterns in house prices across the countries considered. Additionally, similar patterns for northern Europe, evident in previous quarters, have begun to erode.

The simple average of house price index values for the EMF country sample increased slightly in Q1 to 166.5 (from 165.4 in Q4, base year 2015). After a gradual increase in the average value since the global financial crisis, it decreased slightly in Q4 2022 and Q1 2023, but started to increase again in Q2.

In **Czechia**, housing prices continued on a growing trend. The growth was 2.7% quarter-to-quarter and 4.1% year-to-year. The reason of this trend is stabilisation of macroeconomic situation and more favourable conditions of financing.

In **Sweden**, single-family house prices decreased only slightly by -0.1% on a yearly basis in Q2 2024 compared to a decrease by -2.7% in Q1 2024 according to Statistics Sweden. The price statistic is partly based on transactions where the prices are negotiated in earlier quarters and the figure is to some extent delayed. Other statistics, based on real estate agents, shows single-family house prices even started to increase slightly during 2024. Moreover, apartment prices increased by 1.3% on an annual basis in Q2 2024, compared to an increase by 0.5% in Q1 2024 according to Valueguard HOX index. In July single-family homes increased by 1.1% on an annual basis and tenant-owned apartments increased by 1.0%.

In **Finland**, between April and June 2024, prices of dwellings in housing companies declined by 4.6% in large towns and by 2.0% in the rest of the country from one year back. Of large towns, prices fell most in Vantaa (-7.6%) and Helsinki (-5.1%).

In **Hungary**, following the contraction in 2023 house prices increased again in all dwelling types on y-o-y terms. According to the National Statistical Office the National House Price Index prices in the 1st quarter increased by 5.3% for second hand dwellings whereas new housing prices picked up by 4.6% compared to the previous quarter in nominal terms. In the capital city, Budapest in Q1 for the second hand dwellings the nominal price of a square meter in family houses grew by 4.9% whereas the nominal price for a square meter in a multi-dwelling "prefabricated type" condominium building rose by 5.8%. In Q1 2024 according to the MNB House price Index that is calculated as a national average based on the available real housing transaction data on y-o-y basis there was a 7.2% growth nationwide and 6.1% in Budapest.

In **Romania**, the consistent increase in construction costs has contributed to the upward trend of housing prices, marking a 5,5% annual rise in Q1 2024. The price

of newly built residential properties advanced by 12% in annual terms in 2024 Q1, while the prices of existing homes registered a much more modest evolution (+2%). Disparities at the regional level remain important in the case of Romania, both in terms of housing prices, access to housing calculated as price per income, but also trading activity. House prices for existing homes decreased by 3% in the capital city of Bucharest, while for the rest of the country, a 7% increase was registered in Q1 2024 compared to Q1 2023. Moreover, according to the NBR Bank Lending Survey (August 2024), the average house price per square meter stayed approximately flat in 2024 Q2 and banks further expect the average price to stay unchanged in the upcoming quarter.

In **Poland**, transaction prices of apartments in the largest cities continued to rise in Q2 2024. In the primary market, the biggest transactional price growth was observed in Kielce (10.1%), Gdynia (9.6%) and Zielona Góra (7.4% q/q). In the secondary market, the biggest transactional price changes were recorded in Kielce (9.5% q/q), Gdynia (8% q/q), and Wrocław (7.1% q/q). The transactional prices in the capital city of Warsaw grew by 0.8% on the primary and by 2.4% q-o-q on the secondary market.

Based on the figures from the notary barometer in **Belgium**, the average price of a house in Belgium went up to reach 325.204 EUR in the second quarter of 2024. This means an increase by 0.8% compared to the price of the second quarter of 2023.

Regional differences in housing price evolution can occur in Belgium's three regions (Flanders, Wallonia and Brussels). For the second quarter of 2024, housing prices decreased in two of the three regions compared to same period of the last year. Compared to the second quarter of 2023, average prices of apartments in Belgium went up by 0,8%, which is also subject to differentiation between the different regions (Flanders, Brussels and Wallonia). For the second quarter of 2024, apartment prices decreased in only one (Wallonia) of the three regions compared to the second quarter of 2023 and decreased in Flanders and the Brussels area.

In the **Netherlands**, house prices continued to increase in Q2, after a drop in Q2 2023. The HPI increased to 194.8 (base year 2015). The tight market makes it especially hard for young people to buy a home. At the same time, rental properties are also very expensive and hard to find. There are no big changes expected in the mortgage lending standards for 2025. All these factors, together with the slightly lower interest rate, drive the rising prices in the Dutch housing market.

In **Germany**, prices for owner-occupied properties decreased moderately with -3,0% compared to the same period of the previous year (Q2 2023 to Q2 2024). With an increase of 0.5% from Q1 2024 to Q2 2024, prices have risen slightly after a sideways shift.

In **France**, the possible stabilisation of the market for existing homes also seemed to be reflected in property price data in Q2 2024. With -5.0% compared to Q2 2023, housing prices of existing homes continued to record their strongest downfall period since Q3 2009. This annual negative trend was mostly driven by the Paris' region (-7.4% y-o-y) and big cities like Lyon (-9.1% for apartments) and Paris (-6.7% for apartments). But over a quarter, the pace of housing prices decline slowed down, with -0.5% on a national scale (after quarterly variations of -0.7%, -1.2%, -1.6% and -1.8% for the last 4 quarters).



According to data from the French Ministry of ecological transition and territorial cohesion, prices of new homes built by real estate developers in Q2 2024 were stable over a year for apartments and slightly decreased by 0.6% for single-family houses. Over a quarter, the average price per square meter of a apartments fell by 0.4% whereas the average price for a house diminished by 0.6% compared to Q1 2024. Sales of new homes are more impacting in terms of volumes than existing homes by the reduction of household's housing purchasing power and by less attraction for the purchase of buy-to-let homes against a backdrop of a large stock of properties available for sale, which brought about small cuts in housing prices despite upward pressures linked in particular to the continuous increasing prices of raw material/energy/labour costs.

In **Spain**, during Q2 2024 housing prices continued their upward trajectory, increasing by 4% y-o-y. This sustained growth reflects solid demand and limited supply in the housing market. In some regions such as Madrid or the Balearic Islands, prices have reached an all-time high, exceeding EUR 3,000 per square meter, driven by the attractiveness of these areas for both domestic and international buyers.

The **Italian** Housing Price Index of Q2 2024 increased compared with the previous quarter (+3.2%) and by 2.9% y-o-y. More in detail, the prices of new dwellings increased by 4.8% q-o-q, while the prices of the existing dwellings increased by 2.9% q-o-q.

According to Bank of **Greece** indices of residential property prices, in Q2 2024, nominal apartment prices increased, on average, by 9.2%, y-o-y, for the entire country (9.1% in Athens, 12.1% in Thessaloniki, 7.3% in other cities and 10.4% in other areas of Greece). According to revised data, the respective increase in Q1 2024 was 10.6%, while in 2023 apartment prices increased by an average annual rate of 13.8%, compared with an average increase of 11.9% in 2022. Broken down by age of property, in Q2 2024 the rate of increase in prices was 10.7%, y-o-y, for new apartments (up to 5 years old) and 8.3%, y-o-y, for old apartments (over 5 years old). In 2023, the average annual rates of increase were 12.8% and 14.5% for new and old apartments, respectively (revised data).

In **Portugal**, in terms of house prices, the headline net balance moved into positive territory at +15%, representing the second consecutive month in which a small increase has been recorded. Price expectations over the coming 3 months have moved into positive territory from -1% last month to +9% this month. In the lettings market, demand seems to have cooled, with a 13p.p. drop in the net balance to +20% for June. However, new instructions from landlords appear to have become more stable, in contrast to the deeply negative readings seen in recent months, with a recorded net balance of -6%.

Residential property price inflation in **Ireland** increased in Q2 2024, with prices up by 8.6% in the twelve months to June 2024, compared with an increase of 2.1% in the year to June 2023. Prices for new dwellings were up 7.4% y-o-y, while prices of existing dwellings were 8.6% higher. Prices vary significantly by location, type and status. At EUR 414,275, the median new dwelling price was almost EUR 100,000 higher than the median existing dwelling price in June 2024 (based on filings of household purchases at market prices).

The **UK's** house prices grew modestly by 2.2% in Q2 compared to Q1 2024, and by 2.3% over the year. Prices in London were more or less unchanged, growing by just 0.9% in the quarter and falling by 1.3% over the year.

MORTGAGES INTEREST RATES

The average unweighted EMF mortgage interest for Q1 2024 was 4.73%, 22 bps lower than Q4 2023 (4.95%). The average rate for Euro area countries was 3.95% and 5.84% for non-Euro area countries. Excluding Denmark, Sweden, and the UK from the sample of non-Euro area countries, in the Eastern European countries (CZ, HU, PL, RO) the average interest rate was 6.59%, down from a high of 8.07% in Q1 2023.

In **Sweden**, the share of variable interest rates is 69% of outstanding household mortgage loans and 92% of new loans. That implies that the market interest rate is affecting the Swedish borrowers and the demand for housing loans to a larger extent than in countries where fixed rates are more common. Even if the variable interest rate is higher than initial fixed rates, the share of variable interest rate in new lending has increased in 2023 and 2024. This might be explained by the fact that mortgage borrowers are expecting interest rates to decrease further. Moreover, the variable interest rate on new loans for house purchase has decreased from 4,4 in Q1 2024 to 4,0 in Q2 2024, which is higher than the fixed rates (short-term and medium-term initial rate fixation) which are mostly stable.

In **Denmark**, the average interest rate on loans with fixation period up to one year decreased by 7 basis points in the second quarter of 2024. For the loans with between one to five years of interest rate fixation the average interest rate increased by 14 basis points. For loans with between five and ten years of interest rate fixation, the average interest rate rose by 9 basis points. The average interest rate on loans with more than ten years of fixation decreased by 11 basis point in the second quarter of 2024. The high level of interest rate on fixed rated mortgage loans during 2022, throughout 2023 and at the beginning of 2024 has given owners of these types of loans the opportunity to convert their fixed rated loan with a low interest rate to a fixed rated loan with a higher interest rate, and hence reduce some of their outstanding debt.

In **Finland**, the rate on new housing loans was 4,31 %, a small decrease of 7 bps from last quarter.

In the **Netherlands**, the average interest rate for new mortgages remained quite stable, from 3.72% to 3.62% from Q1 2024 to Q2 2024. Variable interest rates (fixed for up to 1 year) averaged 5.12%, while long-term fixed rates (10 years or more) are around 3.62%.

In **Germany**, the weighted average interest rate on new loans for house purchases fell from 4.15% in Q4 2023 to 3.85% in Q1 2024.

In **France**, the quarterly interest rate of new home loans (excluding renegotiations and loan transfers) reported by Banque de France has decreased each month since the peak of January 2024, from 4.17% to 3.70% in June 2024 (for the Narrowly Defined Effective Rate, corresponding to the interest component of the Annual Percentage Rate of Charge). But the quarterly average for new home loans remained high at 3.81% in Q2 2024. This decreasing trend observed in the first half of 2024 was generated by banks' expectations of some reductions in interest rates by the ECB during the year (the first -25pb occurred in June). Moreover, the drop in interest rates for home loans was partially linked to the structure of the production in H1 2024, which was affected by the highest historical share of loans for the purchase of a main residence by first-time buyers.

In **Hungary**, the Central Bank base rate remained at 13% until the 25th October 2023. Then the Central Bank started to cut the base rate on monthly intervals. The rate stood at 10 % at the end of January 2024, than was reduced with monthly intervals to 7 % at the end of Q2.

Despite the double digit inflation during 2023, the mortgage rates offered by most of the banks were under control due to the so called “voluntary interest rate ceiling” for mortgage loans.

In 2024 the mortgage interest rates decreased further, the most popular mortgage loans in Q2 with interest rate fixed 5 to 10 years had an average rate of 6.47 % (down from 6.54 % in Q1). The proportion of initial interest rate fixed loans for 5 to 10 years was 41.26 % among the new mortgages, over 10 years fixed (long term) new mortgages represented 28.92 % of the newly issued loans. The share of variable rate mortgages (up to 1 year) increased to 27.29 % in Q2 among the newly issued mortgages, but this growth occurred due to the new subsidised loan type introduced at the beginning of the year.

In **Romania**, the representative interest rate on new loans for house purchase stood at 6.4% in Q2 2024, still on a decreasing trend ever since 2023 Q1, when it reached a peak value of 7.9%. Loans with medium-term fixed interest rate hold the lowest cost (5%), while variable rate loans hold the highest rate, with an average of 7.6%. Concerning the type of interest, there have been substantial changes to the product market shares as percentage of new loans in the last three months. The share of loans with variable interest rate decreased by 9.4 pp quarterly to 31.2%, whereas short-term fixed rate loans now account for half of new loans (52.4%, +12.2 pp quarterly). Medium-term and long-term fixed rates recorded similar shares, 8.8% (-5 pp) and 8.6 % (+2.1%) in Q2 2024 compared with the preceding quarter.

In **Poland**, since October 2023 the NBP reference rate remains unchanged at 5.75%. With inflation still elevated, it seems unlikely that the NBP will cut the reference rate this year. The WIBOR rate, which is the basis for the interest rate on mortgage loans, was in the range of 5.86% - 5.88% in the 2Q 2024

The **Czech** National Bank started its easing cycle in the last quarter of 2023, with the first step declining the main rate by 25 bps. (from 7.00%). This trend continued in Q2 2024 when the main interest rate was reduced in two steps from 5.75% to 4.75% at the end of June (further easing is supposed to continue in the second half too, albeit at a slower pace).

This change was reflected in mortgage loan interest rates – average rate decreased to 5.19% (from 5.51% in previous quarter), the lowest interest rates were achieved on 1-5 year fixings (5.13%). However the positive effect of the last reduction on the mortgage loan interest rates will be felt in Q3. Expectation of continuing interest rates decrease has become also driver for growing share of short-term interest rate fixations up to 1 year – their share exceeded 12% in the last quarter, while share of fixations exceeding 5 years dropped to 8.6% on the other hand, which is the lowest value in the last 10 years.

In **Spain**, the growing trend in the mortgage market highlights the dominance of loans with an initial fixed term of over 10 years, which currently represent

more than 55% of new loans. These long-term loans provide borrowers with stability, making them an attractive option. Meanwhile, loans with an initial fixed term between 1 and 10 years, accounting for 33% of new loans, have seen notable growth during the last two years, despite a recent slight correction. Looking ahead, the likelihood of lower interest rates could further boost the popularity of loans with an initial fixed rate over 1 year in a competitive pricing environment.

In **Italy**, with reference to the mortgage interest rates on new business, in Q2 2024, the interest rate on short term loans, with maturity less smaller than 1 year, registered a decrease to 4.54% from 4.88% of Q1 2024. The interest rate with maturity over 1 year decrease to 3.44% with respect to 3.62% of the previous quarter. The average rate on new business for house purchasing decreased to 3.55% from 3.79% of the previous quarter.

In **Greece**, during Q2 2024, the average interest rate on new housing loans decreased compared to Q1 2024 by 25 bps to 4.20%, whilst compared to Q2 2023 it increased by 24 bps. The average interest rate on outstanding housing loans with an initial maturity of over 5 years compared to Q1 2024 decreased by 15 bps to 5.45%, although compared to Q2 2023 rose by 74 bps. According to the Survey on bank interest rates of euro-denominated new loans vis-à-vis euro area residents from domestic credit institutions, the amount of new housing loan agreements during the period January-June of 2024 increased against a decrease in the corresponding period in 2023 (-5.9%, y-o-y). More specifically, in the 6-months period of 2024, new housing loans amounted to EUR 669 mn compared to EUR 540 mn in the corresponding period of 2023, posting an increase of 23.9%, y-o-y.

In **Portugal**, in Q2 2024, the variable rate for new loans (up to 1 year initial rate fixation) was 4.48% comparing with 4.66% in Q1 2024.

In **Ireland**, during Q2 2024, fixed-rate (loans fixed for over one year) mortgages accounted for 70.3% of new mortgages issued. The share of outstanding mortgages on rates fixed for over one year increased from 58.6% at the end of 2023 to 64% in Q1 2024.

Some 19.2% of the value of outstanding mortgages was on ECB base rate-linked tracker mortgage rates in Q1 2024.

Lastly in the **UK**, the Q1 data is the latest available. It can be observed that the average mortgage interest rates fell to 4.96% in Q1 2024, from 5.31% in Q4 2023. Rates on short- and medium-term fixed rate loans fell over the quarter, as markets had been pricing in a cut in the bank rate at some point in 2024.

GROSS RESIDENTIAL LENDING (2015 = 100; IN EURO; SEASONALLY ADJUSTED DATA)

CHART 1A | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BELOW 95% OF 2015 LEVELS

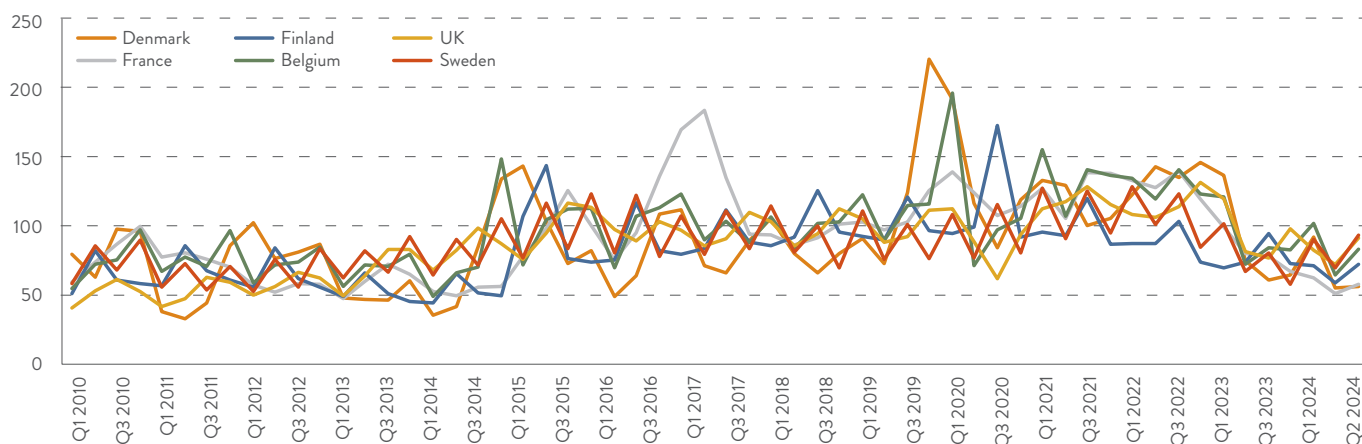


CHART 1B | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BETWEEN 95% AND 200% OF 2015 LEVELS

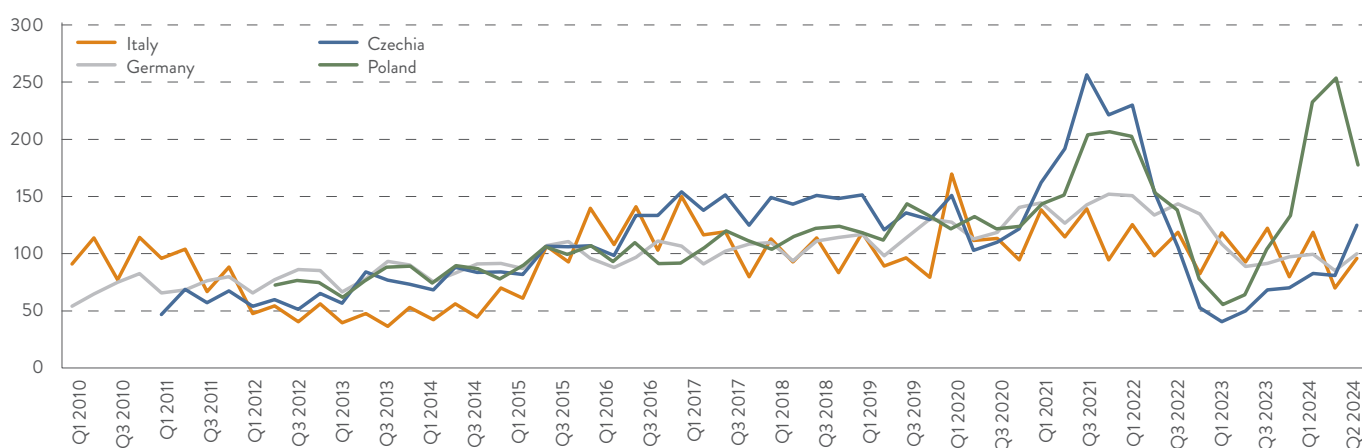
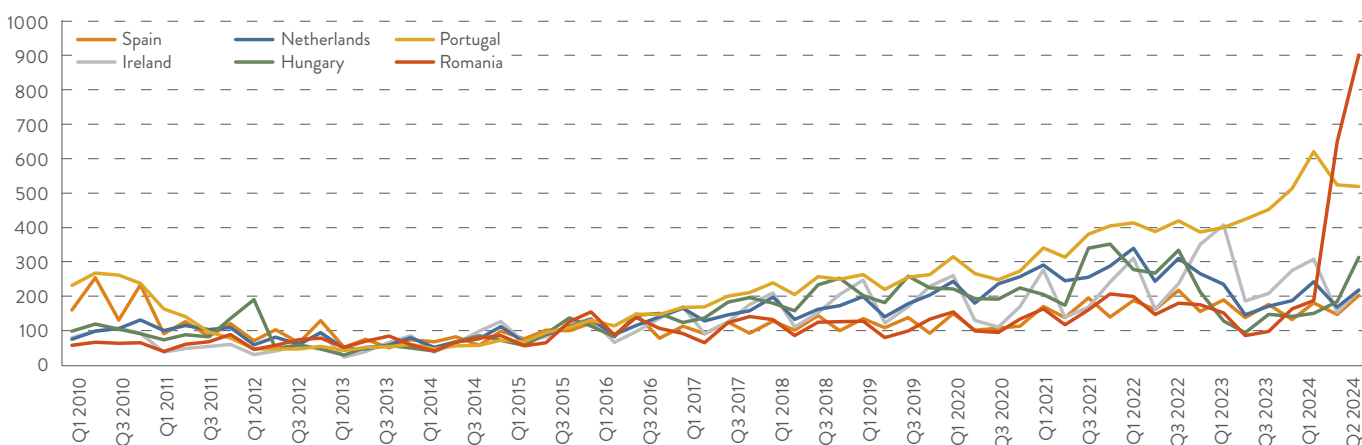


CHART 1C | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS RISEN ABOVE 200% OF 2015 LEVELS



NOTE:
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.
The fpp-package in R-Studio was employed.

NOMINAL HOUSE PRICE INDICES (2015 = 100)

CHART 2A | COUNTRIES WHERE HOUSE PRICES HAVE DECREASED Y-O-Y

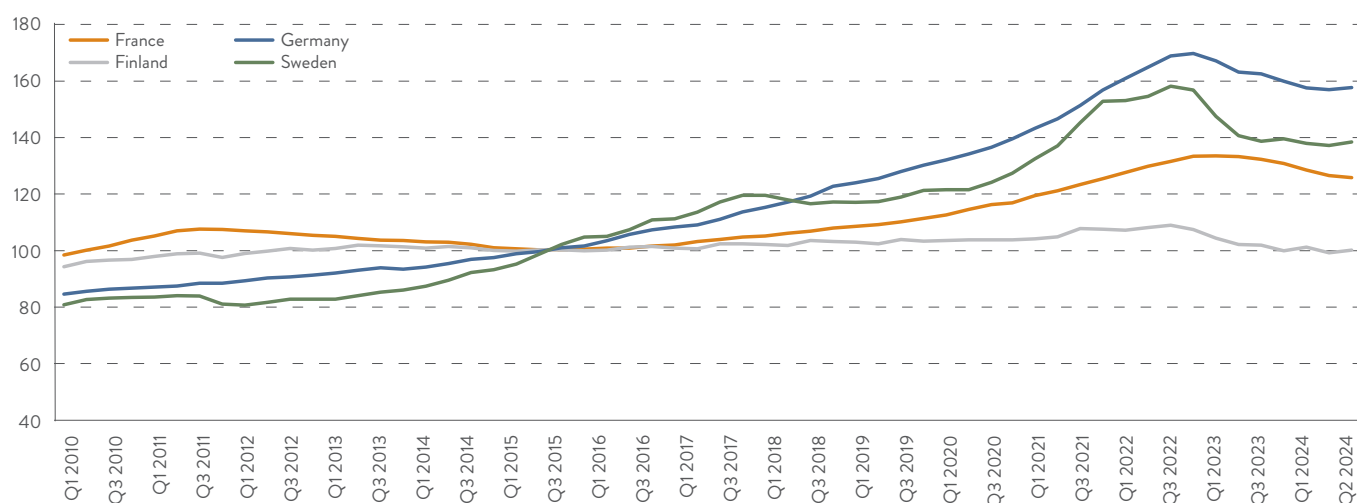


CHART 2B | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BELOW 7% Y-O-Y

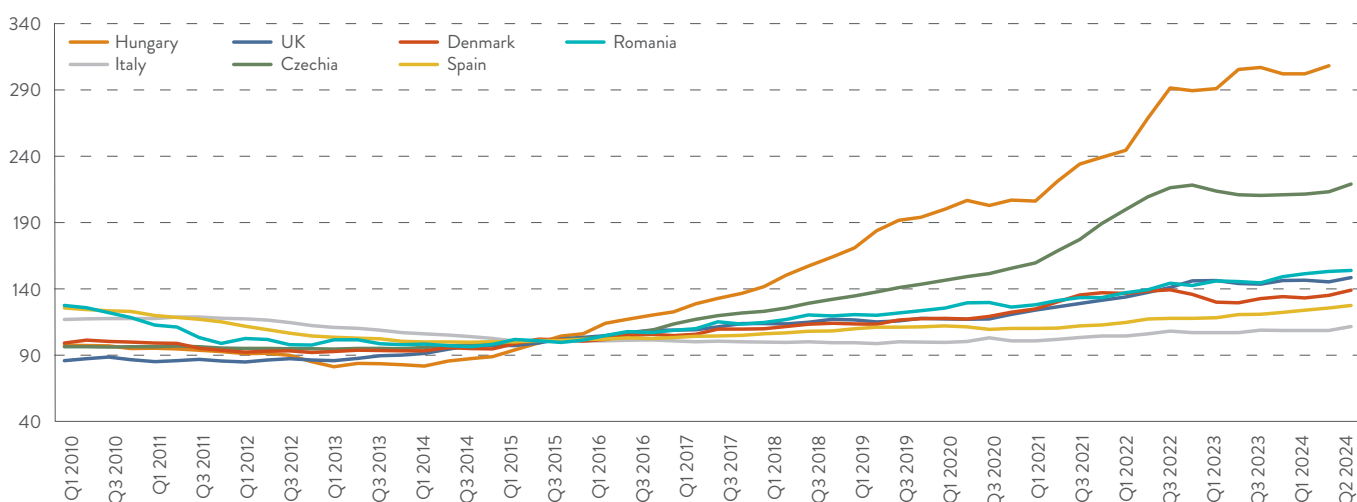


CHART 2C | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED ABOVE 7% Y-O-Y

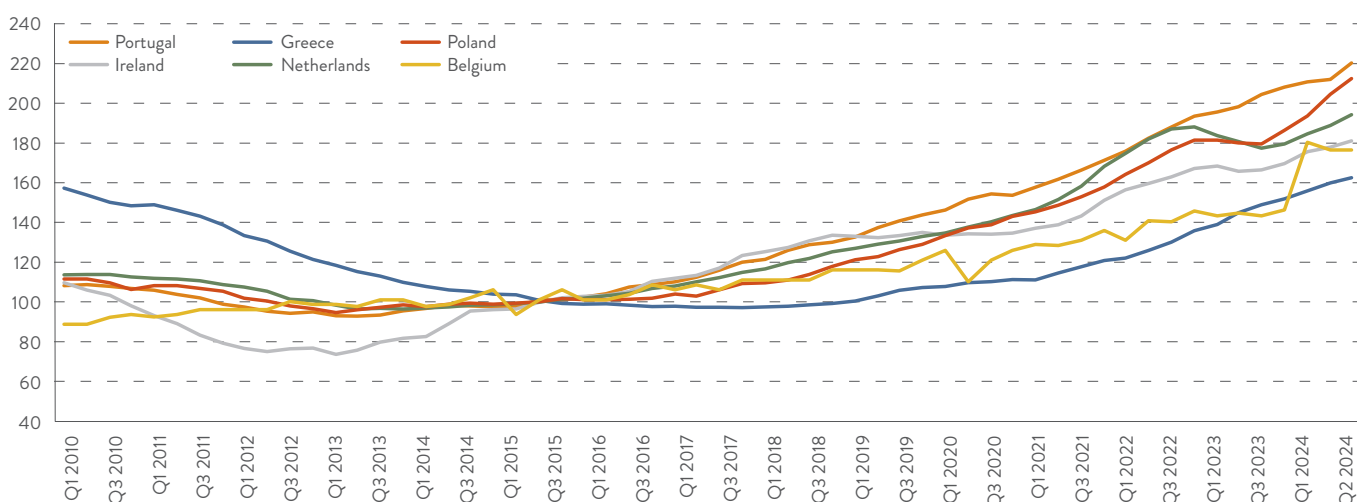
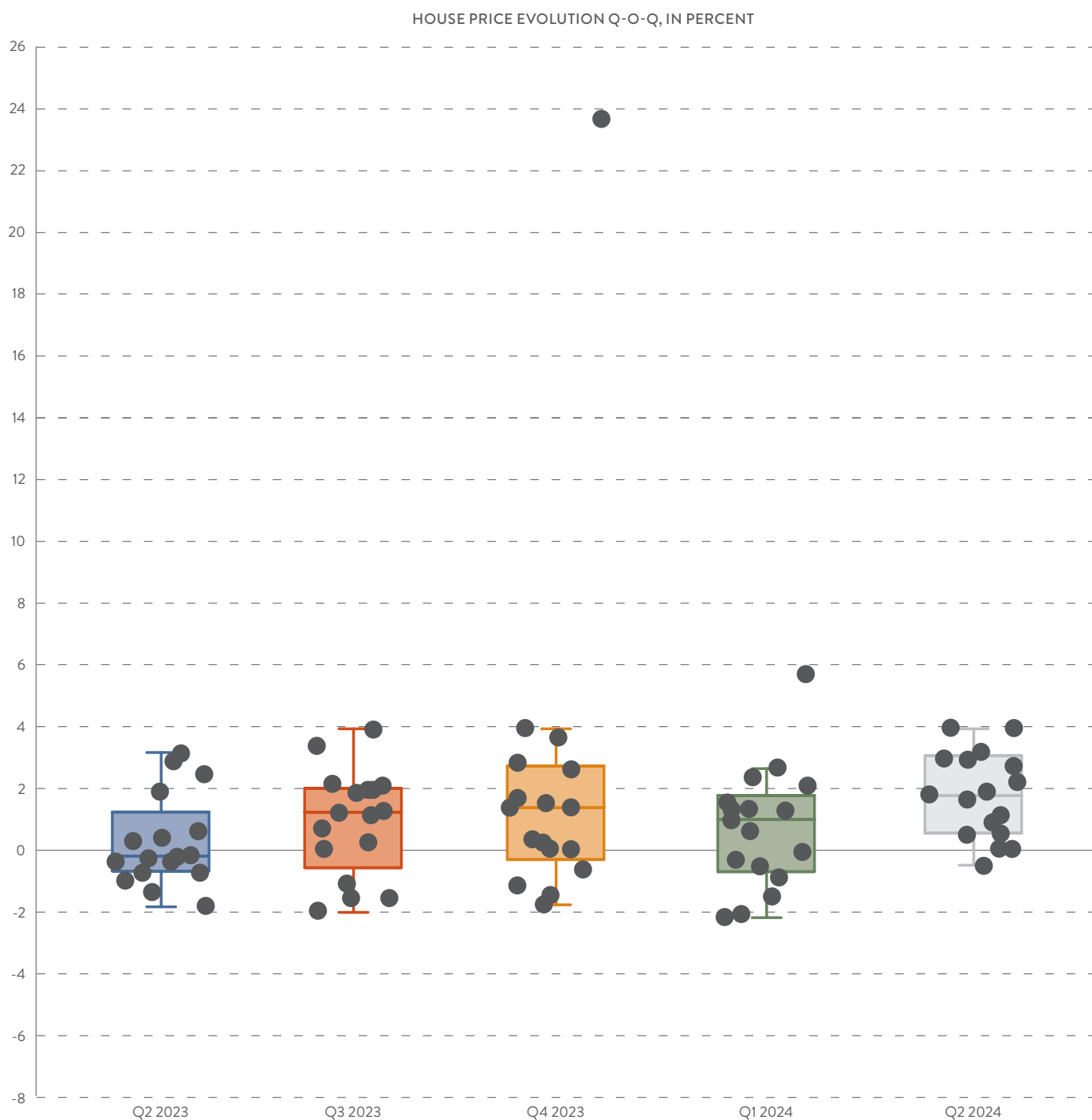
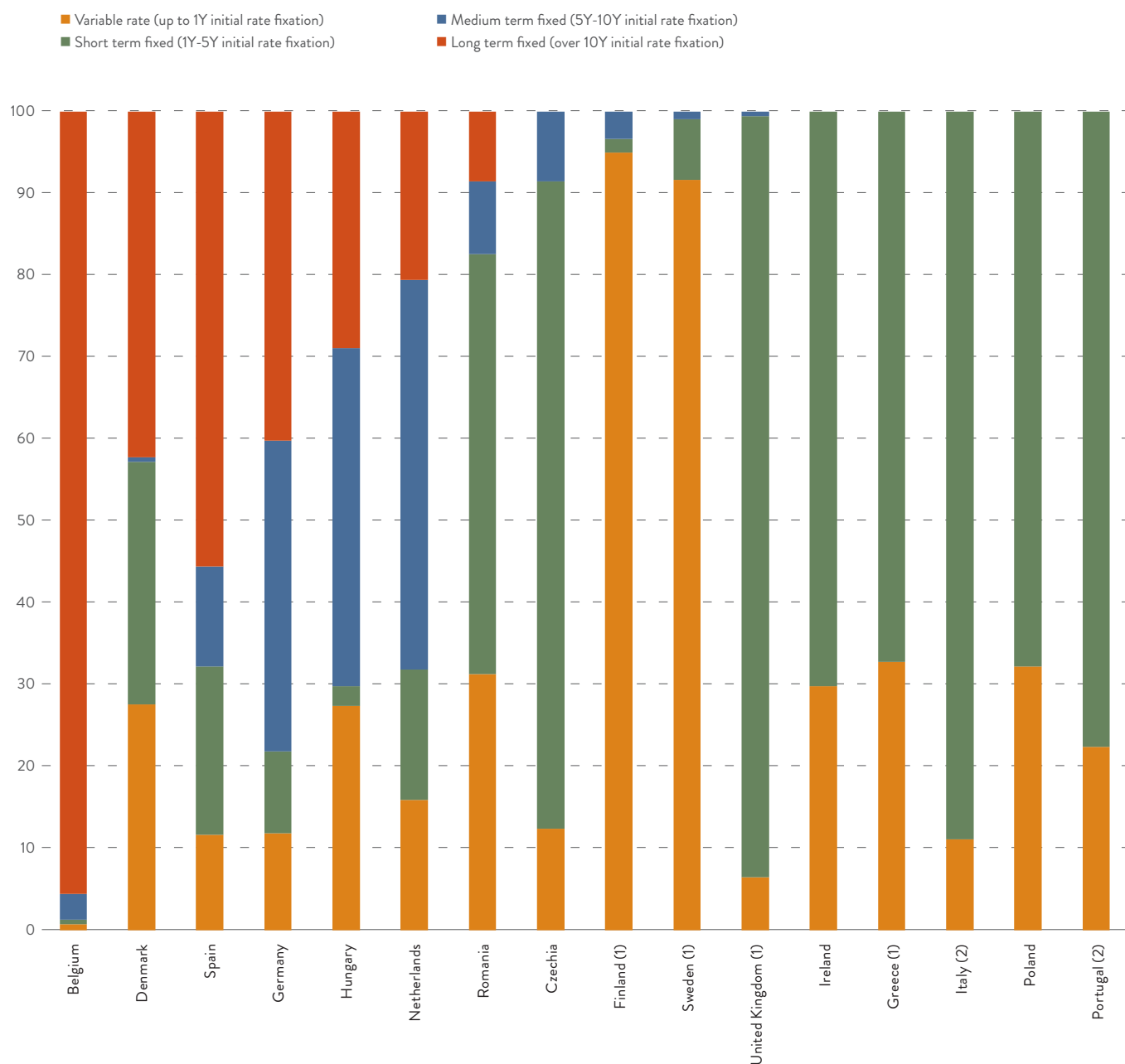



CHART 3 | BOX PLOT OF THE HOUSE PRICE EVOLUTION IN THE EU WITH RESPECT TO THE PREVIOUS QUARTER

NOTES:

The dataset shows q-o-q growth figures of the country sample for most recent five quarters based on a Boxplot representation. Boxplots depict intuitively the distributional characteristics of a dataset, in this case the q-o-q House Price Index evolution of the country sample. The rectangle represents the second and third quartile of the data and the central horizontal line indicates the median value, i.e. the value that splits the sample in two equal halves. The horizontal lines below and above the box indicate respectively the lower and the upper quartiles. Eventual 'outliers' are depicted as points if they are more than 1.5 times the interquartile distance – the height of the box – away from respectively Q1 or Q3.

CHART 4 | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS (Q2 2024)



NOTES:

(1) Medium- and Long-term fixations are grouped together

(2) Short-, Medium- and Long-term fixations are grouped together

The preference for fixed or floating mortgages varies across Europe, in the absence of a common tradition and as a result of differences in national credit frameworks, as presented in Chart 4.



TABLE 1 | TOTAL OUTSTANDING RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024	LATEST Y-O-Y CHANGE (%), Q2 2024, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q1 2024, EUR VALUES
BE	300,929	304,879	308,579	309,852	312,122	313,244	315,607	315,712	319,117	2.24	2.35
CZ	62,566	63,756	65,497	67,650	68,244	66,974	66,410	65,322	66,807	-2.11	-3.44
DE	1,796,920	1,824,500	1,842,800	1,848,100	1,856,900	1,866,600	1,871,300	1,871,800	1,877,500	1.11	1.28
DK	252,550	242,560	247,730	248,588	247,133	246,847	253,936	252,911	254,073	2.81	1.74
EL	30,314	30,117	29,753	29,311	28,899	28,623	28,456	27,597	27,429	-5.08	-5.85
ES	490,671	490,356	486,890	481,496	478,120	475,055	471,915	n/a	471,396	-1.41	-2.36
FI	108,703	108,467	109,315	108,348	107,887	107,514	107,490	106,651	106,520	1.28	-1.57
FR	1,249,231	1,269,970	1,280,950	1,285,452	1,291,641	1,292,950	1,292,144	1,286,634	1,283,558	-0.63	0.09
HU	14,022	13,443	14,204	14,905	15,265	14,664	14,993	14,707	15,224	-0.26	-1.33
IE	83,445	83,048	83,391	82,832	83,144	83,815	84,165	84,124	n/a	n/a	1.56
IT	419,845	424,169	426,959	425,908	425,252	424,712	424,650	423,344	421,655	-0.85	-0.60
NL	804,429	810,999	813,300	816,639	819,943	823,353	826,157	861,504	870,689	6.19	5.49
PL	108,749	105,472	106,167	104,113	107,964	104,439	110,595	112,440	113,555	5.18	8.00
PT	100,481	101,328	101,700	101,178	100,892	100,675	100,370	100,519	101,454	0.56	-0.65
RO	21,259	21,376	21,432	21,251	21,072	21,076	21,218	21,258	21,424	1.67	0.03
SE	478,024	474,676	470,048	464,773	445,535	457,070	476,323	469,016	467,806	5.00	0.91
UK	1,859,873	1,824,621	1,827,277	1,841,853	1,885,382	1,874,289	1,862,971	1,894,062	1,921,917	1.94	2.83

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).

DK – Only owner occupation, only mortgage banks - gross lending for house purposes not available for commercial banks starting Q3 2013.**PL** – Adjusted for loan amortisation and flows between the foreign currency loan portfolio and the zloty loan portfolio; the entire banking system was taken into account, including credit unions.**CZ** – The series has been distorted at 2018A4 due to the change of definition of the statistics and the splitting according to fixation

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

- Germany
- United Kingdom

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:



TABLE 2 | GROSS RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

														LATEST Y-O-Y CHANGE (%), Q2 2024, EUR VALUES
	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024	
BE	12,664	12,369	11,054	12,236	12,697	11,145	9,961	7,392	7,574	7,439	8,382	6,544	7,450	-2
CZ	5,146	4,440	4,610	3,082	2,102	1,038	798	988	1,357	1,396	1,643	1,605	2,494	84
DE	75,200	76,600	76,900	74,900	75,700	67,800	55,100	49,300	47,800	48,700	50,500	47,500	46,700	10
DK	13,340	12,722	13,757	18,903	18,040	17,643	15,316	9,881	8,043	7,764	10,278	7,214	7,400	-8
ES	16,351	13,883	15,626	15,811	18,209	15,551	15,655	13,466	14,660	13,172	14,942	14,358	16,973	16
FI	8,929	7,561	7,836	7,634	7,689	6,403	6,207	6,431	7,027	6,316	6,351	5,091	5,336	-24
FR	74,300	71,300	69,300	71,500	74,800	61,600	51,700	44,600	41,600	34,500	32,200	28,300	30,700	-26
HU	1,112	1,123	957	998	1,091	677	439	350	481	452	517	683	1,021	112
IE	2,230	2,784	3,312	2,513	3,134	4,057	4,353	2,866	2,762	3,172	3,289	2,358	2,854	3
IT	22,161	17,588	18,986	17,385	18,865	15,289	17,911	16,384	19,418	14,790	17,952	12,310	15,247	-21
NL	37,491	41,254	44,646	39,660	45,596	38,050	30,809	23,634	24,955	26,897	31,753	27,361	32,012	28
PL	4,921	5,110	5,019	3,780	3,326	1,897	1,350	1,556	2,490	3,288	5,766	6,291	4,277	72
PT	3,831	4,089	4,001	4,155	4,218	3,906	3,879	4,530	4,551	5,185	6,005	5,604	5,231	15
RO	934	1,122	1,083	1,002	1,049	953	823	581	569	893	1,014	891	1,063	87
SE	18,030	15,994	18,282	17,053	17,712	14,165	14,449	11,289	11,472	9,649	12,826	11,671	13,351	16
UK	100,347	82,945	81,080	87,480	89,230	94,578	89,709	66,785	59,885	70,458	61,376	59,012	71,253	19

CZ – Data break on Q1 2020 due to methodological adjustments

SE – Approx. 75% of total market

Source: European Mortgage Federation

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

- Germany

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:





TABLE 3 | CHANGE IN OUTSTANDING RESIDENTIAL LOANS (MILLION EUR)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	4,547	4,295	4,080	4,901	3,950	3,700	1,273	2,270	1,122	2,363	105	1,972
CZ	1,790	3,255	2,489	-555	1,190	1,741	2,153	594	-1,270	-564	-1,088	1,485
DE	29,639	31,160	21,430	31,057	27,580	18,300	5,300	8,800	9,700	4,700	500	5,700
DK*	19	3,795	-8,484	-10,493	-9,990	5,171	858	-1,455	-286	7,089	-1,025	1,162
EL	-4,251	-6,257	-376	-201	-197	-364	-443	-412	-276	-167	-859	-168
ES	254	1,553	1,621	1,905	-315	-3,466	-5,394	-3,377	-3,064	-3,140	n/a	n/a
FI	1,024	1,024	293	651	-236	848	-967	-461	-373	-24	-839	-131
FR	22,703	19,920	13,427	21,222	20,739	10,980	4,502	6,189	1,309	-806	-5,510	-3,076
HU	195	-13	337	-974	-579	761	701	360	-600	329	-286	517
IE	-165	-316	-2,705	-773	-397	343	-559	312	671	350	-41	n/a
IT	4,153	4,563	4,586	5,390	4,324	2,790	-1,052	-655	-540	-62	-1,306	-1,689
NL	10,623	7,726	8,488	10,464	6,570	2,301	3,339	3,304	3,410	2,804	n/a	n/a
PL	719	2,829	-1,210	-1,388	-3,277	695	-2,054	3,852	-3,525	6,155	1,845	1,115
PT	1,240	963	1,086	1,246	847	372	-522	-287	-216	-305	149	935
RO	648	596	477	435	118	55	-181	-179	4	142	40	166
SE	4,677	-1,400	3,091	-10,702	-3,347	-4,629	-5,274	-19,239	11,535	19,254	-7,307	-1,210
UK	5,677	55,890	7,027	-8,904	-35,252	2,657	14,576	43,530	-11,093	-11,318	31,090	27,855

*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.

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:



TABLE 4 | HOUSE PRICE INDICES (2015 = 100)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	128.4	131.0	135.9	131.0	141.0	140.3	146.0	143.4	144.9	143.4	146.4	181.0	n/a	177.0
CZ	168.9	177.5	189.7	200.6	210.3	217.1	219.3	214.5	211.7	211.2	211.7	212.2	214.2	219.9
DE	146.8	151.5	157.1	161.2	165.2	169.2	170.1	167.5	163.5	162.8	160.2	157.8	157.2	157.9
DK	130.8	136.2	138.0	137.4	139.3	140.4	136.7	130.6	130.2	133.2	134.5	134.4	135.6	139.5
EL	114.3	117.5	120.7	121.9	125.8	130.2	136.0	139.2	145.4	149.5	153.2	156.4	160.8	163.3
ES	110.2	111.8	112.7	114.9	117.6	118.0	118.0	118.6	121.2	121.5	122.8	124.9	126.5	128.5
FI	107.3	110.5	110.3	109.9	110.9	111.8	110.1	106.8	104.3	104.1	102.0	101.2	99.0	100.1
FR	121.3	123.5	125.7	128.0	130.2	132	133.8	134.0	133.7	132.7	131.2	128.8	126.8	126.1
HU	221.2	234.2	239.3	244.8	269.5	292.2	290.0	291.7	306.1	307.8	309.2	302.9	n/a	n/a
IE	139.0	143.4	151.5	156.7	159.9	163.4	167.7	168.8	166.3	166.9	170.1	176.2	178.4	181.7
IT	101.1	102.8	103.9	104.0	105.7	108.1	106.9	106.8	106.8	108.8	108.7	108.7	108.6	112.0
NL	153.7	160.6	170.8	177.3	184.5	189.6	190.5	185.6	182.4	179.4	181.9	185.0	189.4	194.8
PL	148.6	152.9	157.9	164.3	170.2	176.7	181.6	181.7	180.3	179.7	188.0	194.0	205.0	213.0
PT	161.7	166.4	171.3	176.0	182.6	188.31	193.82	195.9	198.6	204.7	208.5	211.3	212,5	220.7
RO	131.5	133.6	133.8	137.5	139.8	144.9	143.2	146.8	146.3	145.1	150.0	152.3	n/a	155.1
SE	137.2	145.5	153.2	153.5	155.0	158.6	157.3	147.8	140.9	138.9	139.8	138.1	137.4	138.6
UK	131.4	133.9	136.5	139.4	141.3	145.0	150.5	150.7	147.0	146.3	148.9	147.6	147.3	149.5

For Hungary Q2 2024, the source used is:

https://ec.europa.eu/eurostat/databrowser/view/teicp270/default/table?lang=en&category=t_prc.t_prc_hps

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

Czech Republic: Data break in Q1 2008

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» (Second-hand dwellings - metropolitan France - all items).

Greece: valuation based index, of new and existing apartments for the whole country, compiled by the Bank of Greece.

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 transaction price of real estate (both primary and secondary market) in the 7 largest cities.

Portugal: Statistics Portugal 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); time series break in Q1 2015

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

- Denmark
- Finland
- Greece
- Hungary
- Netherlands
- Poland
- United Kingdom

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:





TABLE 5A | MORTGAGE INTEREST RATES (% , WEIGHTED AVERAGE)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	1.34	1.35	1.38	1.38	1.47	1.86	2.48	2.91	3.17	3.28	3.47	3.60	3.23	3.15
CZ*	1.94	2.06	2.31	2.76	3.80	4.72	5.71	6.05	6.00	5.97	5.86	5.75	5.51	5.19
DE	1.18	1.26	1.28	1.31	1.50	2.24	2.88	3.45	3.78	3.98	4.09	4.15	3.85	3.90
DK**	0.69	0.72	0.70	0.67	0.62	0.90	1.52	2.12	3.98	4.34	4.91	4.98	4.88	4.81
EL	2.67	2.81	2.85	2.77	2.83	2.95	3.17	3.60	3.76	3.96	4.24	4.43	4.45	4.20
ES	1.54	1.49	1.47	1.43	1.50	1.63	2.02	2.75	3.47	3.77	3.90	3.86	3.65	3.46
FI	0.71	0.72	0.72	0.77	0.87	1.60	2.75	3.30	3.93	4.39	4.65	4.42	4.38	4.31
FR***	1.21	1.14	1.12	1.12	1.13	1.27	1.57	1.91	2.37	2.89	3.29	3.54	3.56	3.49
HU	3.97	4.11	4.33	4.69	3.47	5.48	7.95	8.62	9.72	8.87	8.49	7.50	6.54	6.47
IE	2.80	2.74	2.73	2.71	2.80	2.75	2.69	2.77	3.42	3.97	4.21	4.19	4.28	4.08
IT	1.37	1.42	1.39	1.40	1.66	2.04	2.26	3.01	4.00	4.27	4.21	4.42	3.79	3.55
NL**	1.68	1.62	1.56	1.54	1.59	1.97	2.70	3.29	3.52	3.69	3.84	3.84	3.72	3.62
PL	2.80	2.90	2.90	4.60	6.00	8.20	9.00	9.20	8.70	8.60	8.00	7.70	7.60	7.90
PT	0.69	0.67	0.62	0.61	0.74	1.20	1.93	3.08	3.81	4.30	4.69	4.89	4.66	4.48
RO****	4.67	4.21	3.82	3.68	3.89	4.62	5.70	7.05	7.85	7.42	6.92	6.82	6.69	6.44
SE	1.36	1.36	1.33	1.35	1.48	2.05	2.74	3.38	3.81	4.21	4.57	4.77	4.68	4.53
UK	1.91	1.92	1.82	1.57	1.64	1.98	2.59	3.38	4.20	4.56	4.85	5.31	4.96	4.80

* For Czechia from Q1 2015 the data source is the Czech national Bank

** This data series has been revised and it depicts the weighted average for 5Y-10Y initial rate fixation, which is the most common

*** Data from Q2 2012 has been revised for France due to a new source. Further data break in Q1 2014

**** 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.

Source: European Mortgage Federation

NOTE:

Data refers to quarter averages.

For **Czech Republic** 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.

For **Hungary** the representative interest rate on new loans in Q1 2018 is not any more the variable rate, but the short-term fixed one (1y-5y)

For **Sweden** the the representative interest rate is based on approximately 75 % of the total market.

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:



TABLE 5B | MORTGAGE INTEREST RATES

VARIABLE RATE AND INITIAL FIXED PERIOD RATE UP TO 1 YEAR (%)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	1.85	1.92	1.97	1.90	2.46	3.67	4.40	4.87	5.25	5.66	5.23	5.24
CZ	2.44	3.18	4.12	5.09	6.23	6.68	7.06	6.95	6.68	6.76	5.94	5.45
DE	1.78	1.81	1.88	2.10	2.52	3.29	4.19	4.84	5.29	5.57	5.38	5.47
DK*	0.70	0.67	0.62	0.90	1.52	2.12	3.98	4.34	4.91	4.98	4.88	4.81
EL	2.37	2.30	2.39	2.66	3.12	3.81	3.90	3.98	4.21	5.09	5.32	4.92
ES	1.42	1.35	1.35	1.45	2.07	2.88	3.81	4.21	4.50	4.54	4.44	4.39
FI	0.72	0.77	0.88	1.56	2.54	2.90	3.43	3.97	4.41	4.30	4.22	4.17
HU	3.87	4.53	5.59	6.49	8.91	9.57	10.57	11.32	10.59	8.25	8.64	8.21
IE	3.11	3.06	3.34	3.47	3.55	3.67	4.19	4.13	4.41	4.37	4.51	4.38
IT	1.36	1.32	1.33	1.39	1.88	2.77	3.81	4.47	4.87	5.00	4.88	4.54
NL	1.62	1.60	1.64	1.95	2.51	3.36	4.06	4.44	4.77	5.07	5.12	5.12
PL	2.90	4.50	6.20	8.10	9.30	9.50	9.20	9.10	8.90	7.80	8.00	7.90
PT	0.62	0.61	0.74	1.20	1.93	3.08	3.81	4.30	4.69	4.89	4.66	4.48
RO**	3.70	3.55	3.70	4.36	5.50	7.17	8.33	8.02	7.57	7.56	7.65	7.61
SE	1.23	1.22	1.29	2.45	3.42	3.63	4.22	4.28	4.77	4.40	4.36	4.04
UK***	1.90	1.64	1.64	2.14	2.72	3.72	4.47	5.28	5.64	5.74	5.86	5.91

SHORT-TERM INITIAL FIXED PERIOD RATE. FROM 1 TO 5 YEARS MATURITY (%)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	2.13	2.12	2.21	2.53	3.08	3.79	4.46	4.63	4.77	5.02	4.70	4.53
CZ	2.35	2.81	3.89	4.70	5.56	5.84	5.87	5.91	5.88	5.76	5.44	5.13
DE	1.34	1.38	1.49	2.14	2.78	3.56	3.97	4.30	4.46	4.53	4.07	4.12
DK*	0.82	0.94	1.47	2.56	3.17	4.12	4.32	4.46	4.65	4.47	3.98	4.12
ES	1.35	1.35	1.56	1.76	2.32	3.47	4.01	4.37	4.62	4.55	4.16	4.07
FI	1.69	1.99	1.62	1.08	1.52	2.06	3.10	3.59	3.91	4.11	4.18	4.23
HU	4.89	5.33	6.02	7.88	10.63	13.30	16.41	14.04	14.87	13.87	13.17	9.42
IE	2.64	2.63	2.67	2.65	2.62	2.70	3.35	3.94	4.16	4.15	4.18	3.94
NL	1.60	1.64	1.68	1.99	2.77	3.55	4.17	4.42	4.55	4.58	4.28	4.11
PL	3.70	4.60	5.60	8.20	8.60	9.00	8.30	8.30	7.80	7.60	7.50	7.90
RO**	4.21	4.12	4.16	4.87	6.20	7.04	7.47	6.60	6.41	6.33	6.23	6.02
SE	1.26	1.39	1.84	3.26	3.75	3.79	4.08	3.92	4.44	4.18	3.74	3.64
UK	1.81	1.55	1.62	1.96	2.57	3.36	4.13	4.53	4.75	5.22	4.83	4.71

MEDIUM-TERM INITIAL FIXED PERIOD RATE. FROM 5 TO 10 YEARS MATURITY (%)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	1.37	1.33	1.46	1.90	2.46	3.07	3.48	3.72	3.92	3.91	3.40	3.23
CZ	2.28	2.69	3.65	4.58	5.53	5.97	5.92	5.95	5.76	5.72	5.56	5.39
DE	1.11	1.14	1.34	2.11	2.80	3.36	3.57	3.70	3.80	3.86	3.57	3.61
DK*	1.06	1.13	1.77	2.68	3.40	4.21	4.15	4.29	4.41	4.48	3.99	4.08
EL	3.25	3.19	2.99	3.02	2.99	3.18	3.51	3.94	4.42	4.43	4.20	4.12
ES	3.49	3.52	4.08	4.01	4.46	4.48	4.72	4.48	4.02	3.91	3.87	3.91
FI	1.31	1.38	1.84	2.87	3.22	3.21	3.68	3.85	3.67	3.55	3.54	2.34
HU	4.33	4.69	5.60	6.82	7.95	8.62	8.98	8.87	8.49	7.50	6.54	6.47
NL	1.56	1.54	1.59	1.97	2.70	3.29	3.52	3.69	3.84	3.84	3.72	3.62
RO**	4.40	4.29	4.32	5.10	6.10	6.75	7.35	6.68	4.98	5.01	5.29	4.99
SE	1.50	1.61	2.29	3.48	3.34	3.11	3.52	3.29	3.80	3.02	3.09	3.11
UK	1.86	1.85	1.96	2.14	2.54	3.15	3.69	4.06	4.33	4.65	4.18	4.10



LONG-TERM INITIAL FIXED PERIOD RATE, 10-YEAR OR MORE MATURITY (%)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BE	1.38	1.38	1.47	1.86	2.48	2.91	3.17	3.38	3.45	3.60	3.23	3.15
CZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DE	1.30	1.32	1.54	2.39	3.08	3.58	3.75	3.79	3.85	3.83	3.59	3.67
DK*	2.27	2.46	2.90	3.96	4.86	5.86	5.56	5.75	5.83	5.86	5.12	5.01
ES	1.42	1.37	1.36	1.52	1.79	2.36	2.95	3.18	3.22	3.23	3.09	2.93
HU	5.14	3.71	3.47	5.48	6.79	9.13	9.72	9.39	8.78	7.65	6.90	6.90
IT****	1.39	1.41	1.72	2.34	2.84	3.56	4.12	4.13	4.05	4.03	3.62	3.44
NL	1.75	1.74	1.80	2.11	2.62	3.00	3.04	3.25	3.31	3.20	3.07	3.02
RO**	3.78	3.70	4.04	4.76	5.60	6.08	6.48	6.28	6.95	6.95	6.51	6.24
UK	2.08	1.99	1.88	2.19	2.78	3.25	4.00	3.82	3.32	4.16	4.22	3.02

* 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.

*** Bank of England discontinued the series Variable rate (up to 1 year). In this chart it has been replaced by Variable Rate without initial fixed period.

**** IT: Data-series accounts for interest rates for all maturities beyond 1 year of initial fixed period

NOTE:

n - no lending made in this maturity bracket

Data refers to quarter averages

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:



TABLE 5C | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS

	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
CZECHIA											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK											
Variable rate (up to 1Y initial rate fixation)	28.8	29.0	31.3	33.7	35.8	37.0	38.2	38.2	38.1	38.8	38.9
Short-term fixed (1Y-5Y initial rate fixation)	20.8	21.6	22.3	22.7	22.8	22.6	22.0	22.0	22.7	22.0	22.2
Medium-Term fixed (5Y-10Y initial rate fixation)	50.4	49.3	46.4	43.6	41.5	40.4	39.8	39.7	39.2	39.3	38.9
Long-Term fixed (over 10Y initial rate fixation)											
FINLAND											
Variable rate (up to 1Y initial rate fixation)	95.4	95.5	95.5	95.5	95.5	95.2	94.8	94.5	94.1	94.2	94.0
Short-term fixed (1Y-5Y initial rate fixation)	2.1	2.0	1.9	1.9	2.0	2.2	2.6	2.8	3.2	4.2	3.0
Medium-Term fixed (5Y-10Y initial rate fixation)	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.7	2.7	2.1	3.1
Long-Term fixed (over 10Y initial rate fixation)											
IRELAND											
Variable rate (up to 1Y initial rate fixation)	55.9	52.9	49.8	46.0	41.4	38.3	37.1	36.2	36.0	36.6	n/a
Short-term fixed (1Y-5Y initial rate fixation)	40.7	43.6	46.3	49.3	51.0	53.2	53.6	54.1	54.0	53.4	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	3.4	3.6	4.0	4.8	7.7	8.5	9.3	9.8	10.0	10.0	n/a
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n/a	n/a
POLAND											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	93.1	91.7	89.1	88.5	86.7	85.2	81.0	77.4	75.4
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	6.9	8.3	10.9	11.5	13.3	14.8	19.0	22.6	24.6
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n	n	n	n	n	n	n	n	n
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n	n	n	n	n	n	n	n	n



TABLE 5C | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – OUTSTANDING LOANS (CONTINUED)

	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
SWEDEN											
Variable rate (up to 1Y initial rate fixation)	48.3	47.0	47.2	48.8	51.0	53.5	56.4	58.7	61.1	65.1	69.2
Short-term fixed (1Y-5Y initial rate fixation)	50.5	51.7	51.4	49.9	47.7	45.1	42.3	40.0	37.6	33.7	29.6
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.2
Long-Term fixed (over 10Y initial rate fixation)											
THE NETHERLANDS											
Variable rate (up to 1Y initial rate fixation)	0.22	0.23	0.23	0.24	0.24	0.23	0.20	0.17	0.17	0.16	0.17
Short-term fixed (1Y-5Y initial rate fixation)	1.00	1.05	0.93	1.18	1.18	1.14	1.09	1.03	0.98	0.97	1.03
Medium-Term fixed (5Y-10Y initial rate fixation)	98.78	98.71	98.84	98.58	98.58	98.63	98.71	98.80	98.85	98.87	98.80
UNITED KINGDOM											
Variable rate (up to 1Y initial rate fixation)*	18.50	17.30	16.00	14.60	13.10	12.80	12.80	12.40	12.40	12.40	11.90
Short-term fixed (1Y-5Y initial rate fixation)	79.22	80.22	81.40	82.50	83.60	83.71	83.62	84.01	84.01	84.10	84.58
Medium-Term fixed (5Y-10Y initial rate fixation)	2.20	2.40	2.60	2.90	3.30	3.49	3.49	3.50	3.50	3.50	3.44
Long-Term fixed (over 10Y initial rate fixation)	0.00	0.00	0.00	0.09	0.09	0.09	0.00	0.00	0.00	0.00	0.00
CURRENCY DENOMINATION											
	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
HUNGARY*											
HUF denominated	46.6	46.7	47.3	46.6	46.9	47.6	47.5	98.4	99.2	99.3	Since Q4 2015 FX lending is not allowed any more
EUR denominated	6.9	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3	
CHF denominated	44.6	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4	
Other FX denominated	1.9	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0	
BREAKDOWN BY LOAN ORIGINAL MATURITY											
	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
ITALY											
Maturity less than 5 years	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Maturity over 5 years	99.8	99.7	99.8	99.7	99.8	99.8	99.8	99.8	99.8	99.9	99.9

NOTES:

*From Q4 2015 in Hungary lending in foreign currency is not allowed any more.

n - no lending outstanding in this maturity bracket.

Source: European Mortgage Federation

TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
BELGIUM													
Variable rate (up to 1Y initial rate fixation)	0.4	0.4	0.5	0.6	1.9	4.3	2.1	1.5	0.3	0.2	0.3	0.4	0.66
Short-term fixed (1Y-5Y initial rate fixation)	1.1	1.2	1.1	1.2	1.2	1.2	1.0	0.6	0.5	0.4	0.5	0.6	0.51
Medium-Term fixed (5Y-10Y initial rate fixation)	13.5	14.6	13.6	13.6	11.6	9.6	4.9	4.9	3.2	7.1	1.9	2.9	3.20
Long-Term fixed (over 10Y initial rate fixation)	85.0	83.8	84.8	84.7	85.3	84.9	92.1	93.1	96.0	92.3	97.3	96.2	95.63
CZECHIA													
Variable rate (up to 1Y initial rate fixation)	1.3	1.1	1.1	1.2	1.7	1.8	2.8	2.5	2.9	3.1	4.1	9.0	12.4
Short-term fixed (1Y-5Y initial rate fixation)	50.9	51.2	46.0	47.2	55.0	63.1	64.1	70.1	75.8	78.5	79.1	77.3	79.0
Medium-Term fixed (5Y-10Y initial rate fixation)	47.8	47.7	53.0	51.5	43.4	35.2	33.1	27.4	21.3	18.4	16.8	13.7	8.6
Long-Term fixed (over 10Y initial rate fixation)	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
DENMARK													
Variable rate (up to 1Y initial rate fixation)	12.3	12.7	15.4	21.1	31.2	35.1	27.8	28.4	28.8	25.4	24.3	29.2	27.6
Short-term fixed (1Y-5Y initial rate fixation)	20.4	25.7	26.8	26.6	22.0	18.0	21.3	13.8	13.7	14.1	23.1	26.8	29.6
Medium-Term fixed (5Y-10Y initial rate fixation)	0.4	0.4	0.9	0.6	0.3	0.2	0.2	0.2	0.2	0.2	0.4	0.6	0.6
Long-Term fixed (over 10Y initial rate fixation)	66.9	61.2	57.0	51.7	46.5	46.7	51.0	57.5	57.3	60.3	52.2	43.4	42.3
FINLAND													
Variable rate (up to 1Y initial rate fixation)	95.9	96.6	95.6	95.8	96.9	95.1	96	95.2	94.8	94.5	93.3	93.5	94.98
Short-term fixed (1Y-5Y initial rate fixation)	0.7	0.6	0.8	0.6	0.9	2.0	2.1	2.9	3.4	4.0	4.0	2.3	1.7
Medium-Term fixed (5Y-10Y initial rate fixation)	3.4	2.8	3.6	3.6	2.2	2.9	1.9	1.9	1.8	1.5	2.7	4.2	3.36
Long-Term fixed (over 10Y initial rate fixation)													
FRANCE													
Variable rate (up to 1Y initial rate fixation)	2.5	2.6	2.8	2.8	3.0	3.5	4.0	3.8	3.7	3.4	2.8	3.6	4.2
Short-term fixed (1Y-5Y initial rate fixation)	3.6	3.8	3.7	3.6	4.0	4.3	4.1	4.4	4.9	4.7	4.2	3.8	3.8
Medium-Term fixed (5Y-10Y initial rate fixation)	4.6	4.3	4.3	4.4	4.2	4.1	4.1	3.8	4.0	4.0	4.5	4.9	4.8
Long-Term fixed (over 10Y initial rate fixation)	89.2	89.2	89.2	89.2	88.9	88.2	87.9	88.0	87.4	87.8	88.5	87.6	87.3



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
GERMANY													
Variable rate (up to 1Y initial rate fixation)	9.4	10.3	9.8	9.0	9.6	13.5	17.8	17.0	16.1	13.8	13.4	12.1	11.8
Short-term fixed (1Y-5Y initial rate fixation)	7.0	6.6	7.0	6.3	6.8	8.0	9.1	9.8	10.1	9.8	11.5	11.2	10.0
Medium-Term fixed (5Y-10Y initial rate fixation)	36.4	35.4	35.9	35.6	38.9	37.5	36.0	35.3	35.7	37.0	37.0	36.0	38.0
Long-Term fixed (over 10Y initial rate fixation)	47.3	47.7	47.3	49.1	44.7	41.0	37.1	37.9	38.1	39.4	38.1	40.7	40.2
GREECE													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	54.5	48.6	46.4	42.5	41.1	34.0	34.3	31.2	36.6	37.5	32.7
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n	n	n	n	n	n	n	n	n	n	n
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	9.9	11.2	13.2	15.6	17.8	18.4	21.6	23.5	16.6	15.2	16.6
Long-Term fixed (over 10Y initial rate fixation)	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
HUNGARY													
Variable rate (up to 1Y initial rate fixation)	0.9	0.7	0.5	0.5	0.6	0.8	1.2	1.0	1.2	1.2	0.7	15.2	27.3
Short-term fixed (1Y-5Y initial rate fixation)	31.7	29.0	24.2	16.8	15.9	28.2	31.8	29.7	24.1	24.0	24.1	13.4	2.5
Medium-Term fixed (5Y-10Y initial rate fixation)	56.6	57.5	52.4	39.5	31.9	40.9	34.3	34.3	42.8	44.3	42.7	40.1	41.3
Long-Term fixed (over 10Y initial rate fixation)	10.8	12.8	22.9	43.2	51.7	30.2	32.7	35.0	31.9	30.5	32.5	31.3	28.9
IRELAND													
Variable rate (up to 1Y initial rate fixation)	19.3	18.9	18.9	19.4	14.4	9.0	6.0	7.6	12.3	15.3	18.6	28.9	29.7
Short-term fixed (1Y-5Y initial rate fixation)	80.7	81.1	81.1	3.55	85.6	91.0	94.0	92.4	87.7	84.7	81.4	71.1	70.3
Medium-Term fixed (5Y-10Y initial rate fixation)	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
Long-Term fixed (over 10Y initial rate fixation)	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
ITALY													
Variable rate (up to 1Y initial rate fixation)	16.8	16.5	17.2	16.7	25.2	52.0	66.7	46.1	37.4	24.4	33.7	17.1	11.1
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	83.2	83.5	82.8	83.3	74.8	48.0	33.3	53.9	62.6	75.6	66.3	82.9	88.9
Long-Term fixed (over 10Y initial rate fixation)													

TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
NETHERLANDS													
Variable rate (up to 1Y initial rate fixation)	11.3	11.9	11.0	9.6	9.8	16.3	21.0	21.9	20.9	21.6	20.0	18.1	15.9
Short-term fixed (1Y-5Y initial rate fixation)	6.6	6.7	6.7	6.4	6.3	6.9	8.3	9.0	9.9	10.6	11.6	15.2	15.9
Medium-Term fixed (5Y-10Y initial rate fixation)	33.7	32.2	34.1	34.0	30.9	33.0	37.1	39.1	41.6	45.5	45.4	44.1	47.6
Long-Term fixed (over 10Y initial rate fixation)	48.4	49.1	48.2	50.0	53.0	43.8	33.6	30.0	27.6	22.3	23.0	22.6	20.6
POLAND													
Variable rate (up to 1Y initial rate fixation)	n/a	87.3	75.7	74.4	33.02	43.05	40.2	47.7	37.8	23.3	17.2	17.4	32.2
Short-term fixed (1Y-5Y initial rate fixation)	n/a	12.8	24.3	25.6	66.98	56.95	59.8	52.3	62.2	76.7	82.8	82.6	67.8
Medium-Term fixed (5Y-10Y initial rate fixation)	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
Long-Term fixed (over 10Y initial rate fixation)	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
PORTUGAL													
Variable rate (up to 1Y initial rate fixation)	71.5	68.7	67.0	64.8	67.2	68.6	74.6	72.7	71.7	47.4	30.5	29.4	22.4
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	28.5	31.3	33.0	35.2	32.8	31.4	25.4	27.3	28.3	52.6	69.5	70.6	77.6
Long-Term fixed (over 10Y initial rate fixation)													
ROMANIA													
Variable rate (up to 1Y initial rate fixation)	74.8	73.5	71.2	59.2	55.7	65.5	52.7	56.2	60.2	54.8	48.5	40.7	31.2
Short-term fixed (1Y-5Y initial rate fixation)	4.6	6.4	8.1	9.7	6.7	9.2	21.1	20.6	17.6	27.5	35.5	39.1	51.4
Medium-Term fixed (5Y-10Y initial rate fixation)	5.7	7.9	9.5	13.6	13.7	7.8	3.2	2.8	1.8	11.1	10.4	13.7	8.8
Long-Term fixed (over 10Y initial rate fixation)	15.0	12.2	11.2	17.4	23.8	17.5	23.0	20.5	20.4	6.6	5.6	6.5	8.6



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
SPAIN													
Variable rate (up to 1Y initial rate fixation)	25.5	24.4	22.7	22.5	20.0	25.0	27.7	22.1	19.1	16.9	15.2	13.4	11.5
Short-term fixed (1Y-5Y initial rate fixation)	16.6	15.2	13.0	11.1	10.8	10.2	12.0	17.8	22.2	24.1	24.8	23.5	20.6
Medium-Term fixed (5Y-10Y initial rate fixation)	3.1	3.3	3.3	4.4	3.9	3.8	5.3	7.8	10.0	15.2	16.0	15.5	12.3
Long-Term fixed (over 10Y initial rate fixation)	54.9	57.2	61.0	62.0	65.3	61.1	55.0	52.3	48.6	43.8	44.0	47.6	55.6
SWEDEN													
Variable rate (up to 1Y initial rate fixation)	43.4	42.8	44.1	47.6	61.3	75.6	74.5	79.4	80.1	77.5	69.2	86.0	91.6
Short-term fixed (1Y-5Y initial rate fixation)	44.4	45.2	44.7	41.6	28.7	18.5	21.5	18.1	17.6	19.7	29.0	12.7	7.4
Medium-Term fixed (5Y-10Y initial rate fixation)	12.3	12.0	11.2	10.8	10.0	5.9	4.0	2.5	2.3	2.8	1.9	1.3	1.0
Long-Term fixed (over 10Y initial rate fixation)													
UNITED KINGDOM													
Variable rate (up to 1Y initial rate fixation)*	5.5	5.3	5.1	5.1	4.2	3.8	5.5	18.0	15.3	9.5	14.3	11.9	6.4
Short-term fixed (1Y-5Y initial rate fixation)	92.5	92.7	93.0	92.1	91.2	90.5	89.1	79.1	83.7	89.5	84.7	87.5	93.0
Medium-Term fixed (5Y-10Y initial rate fixation)	2.0	2.0	1.9	2.7	4.6	5.7	5.4	2.9	1.0	1.0	1.0	0.6	0.6
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NOTE:

* Please note that for the UK, this refers to more than 99% to Variable rate without any fixed period.

** Cumulative data for the whole year (PL)

n – no lending made in this maturity bracket

Source: European Mortgage Federation

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

■ Spain

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website www.hypo.org or via the following QR code:



THE BANK LENDING SURVEYS

NOTES ON THE BANK LENDING SURVEY

The Bank Lending Survey (BLS), carried out by the European Central Bank (ECB), is addressed to senior loan officers of a representative sample of Euro area banks and is conducted four times a year. The survey was conducted between 10 and 25 June 2024. A total of 157 banks were surveyed in this round, with a response rate of 100%. In addition to results for the euro area as a whole, this report contains results for the four largest euro area countries in terms of GDP (i.e. Germany, Spain, France and Italy). The BLS takes into account the characteristics of their respective national banking structures¹.

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.

For the United Kingdom (UK) and Denmark, the BLS is carried out by their respective Central Banks. In this context, it is important to point out that some statistical techniques and underlying factors are slightly different from those used by the ECB. In order to provide a consistent comparison with the data of the ECB, the figures relating to the change in credit standards for Denmark and the UK have been inverted, as in these cases a positive value is equivalent to a standard easing, where positive values in the credit standard statistics of the ECB mean a standard increase, thus a restriction.

In addition to Denmark and the UK, we have compiled the bank lending surveys from Czechia, Hungary, Romania and Poland. For these countries, similar criteria as those used in the BLS carried out by the ECB apply, meaning that, as is the case for the Euro zone countries, positive values represent net tightening and negative values represent net easing. In the case of Hungary and Poland the effect of the different factors on demand have been inverted to match the interpretation of the figures of the ECB's BLS.

GENERAL COMMENTARY

In the July 2024 (Q2) ECB bank lending survey, the euro area banks reported a very small further tightening of their credit standards for loans or credit lines to enterprises (net percentage of banks of 3%). Banks' risk tolerance was the main driver behind the net tightening, while their risk perceptions had a broadly neutral impact. Net tightening in credit standards was reported in France and in Germany, while only Italian banks reported a net easing. The net percentage of banks reporting a tightening was broadly the same compared with the previous quarter (3%) and was lower than the historical average (9%). Banks expect a further, moderate, net tightening in the third quarter of 2024 (5%).

Competition was the main driver behind the easing of housing loan credit standards, while risk perceptions drove the further tightening in consumer credit. Banks expect credit standards to remain broadly unchanged in both loan categories in the third quarter of 2024.

¹ 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.



RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. CREDIT STANDARD:

TABLE 6A | SUPPLY HISTORIC EVOLUTION (BACKWARD-LOOKING 3 MONTHS)
NET PERCENTAGE (FREQUENCY OF TIGHTENED MINUS THAT OF EASED OR REVERSE)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2023	II 2023
AT	14	14	14	29	57	14	0	-14	14	14	14	14
BE	0	0	25	50	25	25	50	0	25	0	0	0
CY	25	0	0	25	25	25	0	0	25	25	25	0
DE	4	4	7	32	39	29	11	11	4	0	0	-4
EE	-25	0	25	0	50	50	0	25	0	25	25	-25
GR	0	0	0	0	0	0	0	0	0	0	0	25
ES	11	11	0	30	40	20	20	10	30	0	0	0
FR	8	0	0	17	42	10	20	20	10	0	0	-11
HR	n/a	n/a	n/a	n/a	n/a	n/a	33	33	33	17	17	-17
IE	20	0	0	20	20	0	67	0	67	0	67	0
IT	0	-9	-9	9	9	18	9	0	0	67	0	-27
LT	0	0	25	0	50	75	0	50	0	50	50	-25
LU	0	17	17	83	83	100	50	67	33	17	17	0
LV	-50	-25	0	25	50	25	0	25	0	25	25	-50
MT	37	37	-34	0	-34	0	31	-31	0	0	0	0
NL	-17	-17	0	33	0	17	50	-17	17	0	0	0
PT	0	0	0	0	20	40	0	0	0	0	0	0
SI	0	0	0	10	20	30	30	0	-44	11	-11	-11
SK	-32	-27	-44	-26	0	0	17	19	0	0	0	0
EA	2	0	2	24	32	21	19	8	11	2	2	-7
CZ	-21	-23	2	93	25	-18	4	27	-63	-38	-18	-18
DK	2	2	-1	7	19	27	43	1	13	1	4	4
HU	-6	-6	-6	35	31	17	0	0	0	0	0	0
PL	28	15	42	77	4	-1	-58	34	28	-5	6	6
RO	-20	0	7	75	18	-8	28	-4	-38	0	n/a	n/a
UK	-15	-23	3	22	13	34	-5	31	20	-10	-18	-18

CREDIT STANDARDS

Regarding consumer credit and other lending to households, banks reported a further net tightening of credit standards on consumer credit and other lending to households (net percentage of 6%). This was smaller than the net tightening in the preceding quarter (9%) but larger than banks' expectations (0%). Of the four largest economies, credit standards on consumer credit tightened in Germany, Spain and Italy. Increased risk perceptions were the main contributor to the net tightening. These are mostly related to banks' perceptions of the economic outlook and consumers' creditworthiness. Banks' risk tolerance and cost of funds, and balance sheet constraints had a small tightening impact, while the effect of competition was neutral.

Banks' overall terms and conditions applied when granting consumer credit and other lending to households tightened slightly further in net terms (net percentage of 3%). Terms and conditions tightened in Germany and Spain, but remained unchanged in France and Italy. German and Spanish banks reported a tightening impact from lending rates, while French banks saw their effect as being on the easing side. The net tightening of terms and conditions was smaller than the previous quarter (8%).

RISK PERCEPTION

Perceptions of risk contributed most to the net tightening of banks' overall terms and conditions. Banks' risk tolerance had a small additional tightening impact, while competitive pressure had a small easing impact. Risk perceptions made significant contributions in Germany, France and Italy, risk tolerance in Germany and Italy; cost of funds and balance sheet constraints had a small impact in Germany, Italy and Spain. Competitive pressures had an easing impact in Italy and Germany.

REJECTION RATES INCREASED

Moreover, Euro area banks reported a further net increase in the share of rejected applications for consumer credit (5%). The net increase was the lowest since the second quarter of 2022, although broadly the same as the previous quarter (6%). It was observed in three out of the four largest economies, with only France reporting unchanged rejection rates.

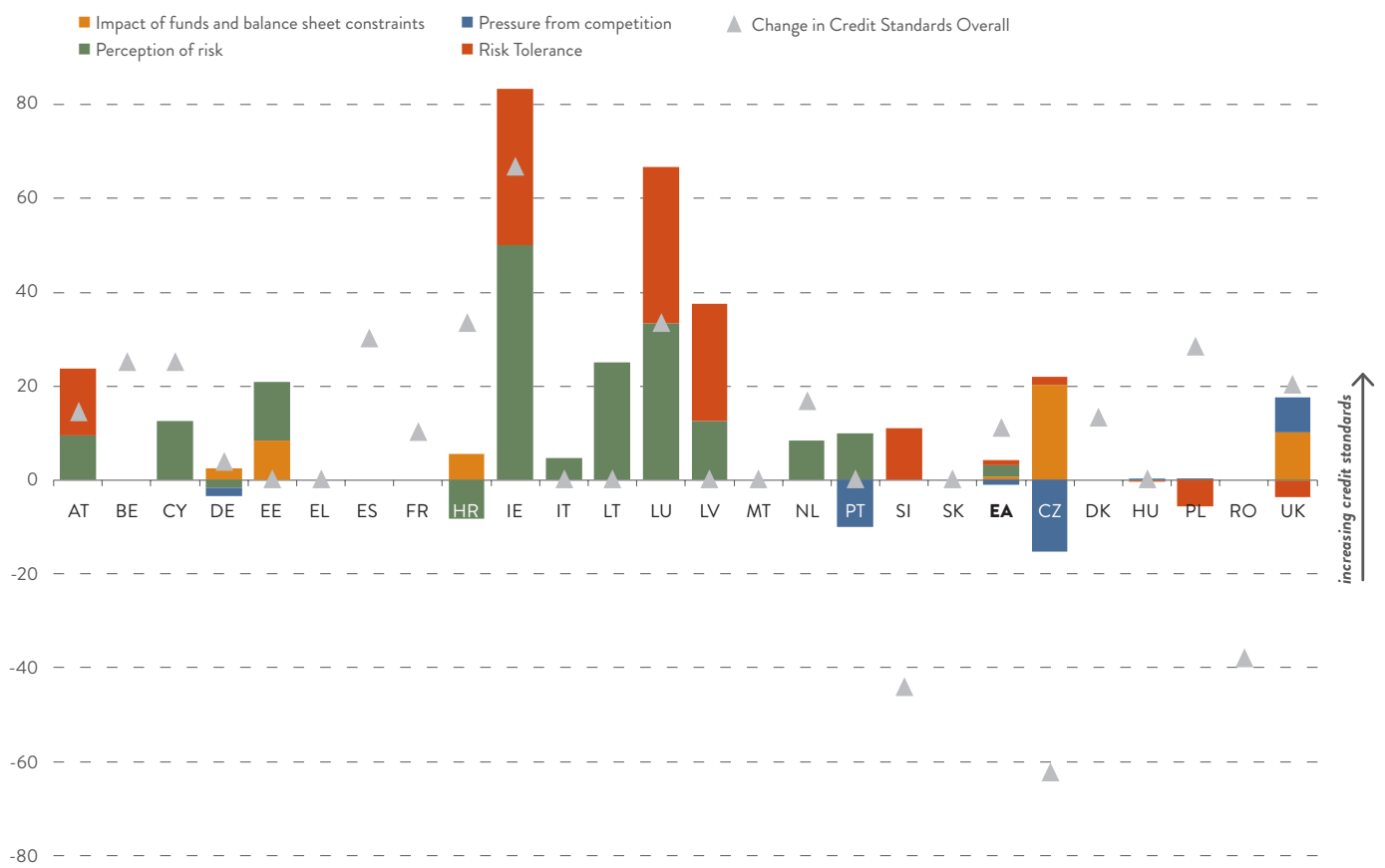
TABLE 6B | FACTORS THAT HAVE AFFECTED SUPPLY IN 2022-Q4 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

II 2024	AT	BE	CY	DE	EE	EL	ES	FR	HR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ	DK	HU	PL	RO	UK
Change in Credit Standards Overall	14	25	25	4	0	0	30	10	33	67	0	0	33	0	0	17	0	-44	0	11	-63	13	0	28	-38	20
FACTORS AFFECTING CREDIT STANDARDS:																										
Impact of funds and balance sheet constraints	0	0	0	2	8	0	0	0	6	0	0	0	0	0	0	0	0	0	0	1	20	0	0	0	n/a	10
Perception of risk	10	0	13	-2	13	0	0	0	-8	50	5	25	33	13	0	8	10	0	0	3	0	0	0	0	n/a	0
Pressure from competition	0	0	0	-2	0	0	0	0	0	0	0	0	0	0	0	0	-10	0	0	-1	-15	0	0	0	n/a	7
Risk Tolerance	14	0	0	0	0	0	0	0	0	33	0	0	33	25	0	0	0	11	0	1	2	0	0	-6	n/a	-4

NOTES:

- For UK there are different factors and following assumptions were made: tight wholesale funding conditions > impact of funds and balance sheet constraints; market share objectives > pressure from competition; changing appetite for risk > Risk Tolerance
- For DK following assumption: Credit standards - competition > Pressure from competition; credit standards - perception of risk > perception of risk; credit standards appetite for risk > Risk Tolerance
- For CZ there are different factors and following assumptions were made: cost of funds and balance sheet constraints > impact of funds and balance sheet constraints; pressure from other banks and non-banks > pressure from competition.
- For HU the factors have suffered a change in the sign (positive net change indicator = contributed to tightening); also there are different factors so the following assumptions were made: changes in bank's current or expected capital position + changes in bank's current or expected liquidity > impact of funds and balance sheet constraints; competition from other banks and non-banks > pressure from competition.
- For PL there are different factors and following assumptions were made: current or expected costs related to your bank's capital position > impact of funds and balance sheet constraints;
- For RO there are different factors and following assumptions were made: current or expected costs related to your bank's capital position > impact of funds and balance sheet; competition from other banks and non-banks > pressure from competition.

CHART 4 | CREDIT STANDARDS OVERVIEW AND FACTORS



CREDIT DEMAND:

TABLE 7A | DEMAND HISTORIC EVOLUTION (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024
AT	14	0	0	14	-71	-86	-43	14	-43	-43	-43	29
BE	-50	25	0	-50	-75	-100	-75	-75	-50	-50	-50	0
CY	0	100	-50	-75	-75	-50	-100	-25	0	0	0	-75
DE	18	11	32	-4	-71	-93	-75	-32	-7	-7	-7	46
EE	25	0	-75	50	-50	-100	-25	0	-50	-50	-50	-25
GR	25	75	25	-25	-50	-25	-50	75	-50	-50	-50	0
ES	33	33	22	10	-30	-20	-90	-60	-20	-20	-20	-20
FR	8	0	0	-25	-17	-90	-80	-70	-60	-60	-60	-33
HR	n/a	n/a	n/a	n/a	n/a	n/a	-33	33	-17	-17	-17	-33
IE	-20	-40	-20	20	40	50	67	0	-33	-33	-33	-33
IT	9	18	-18	-9	-18	-45	-45	-64	-36	-36	-36	-45
LT	50	75	-25	0	0	-50	-75	-50	-100	-100	-100	0
LU	-17	-17	-50	-83	-83	-100	-100	-100	0	0	0	17
LV	25	0	0	-25	-50	-75	25	-50	-75	-75	-75	0
MT	-37	-20	34	0	0	0	3	21	0	0	0	0
NL	-17	-33	33	17	-33	-67	-83	-17	0	0	0	-17
PT	60	60	20	20	-40	-80	-80	-60	-20	-20	-20	-20
SI	50	20	10	40	-60	-60	-70	-30	-22	-22	-22	11
SK	32	21	22	36	-74	-100	-100	-93	0	-32	0	0
EA	11	8	10	-10	-42	-74	-72	-47	-26	-26	-26	-3
CZ	-11	-18	-81	-83	-81	-69	-32	37	76	64	61	61
DK*	8	-23	0	21	20	49	41	23	-11	-11	21	21
HU	63	47	60	20	-92	-92	-76	-15	63	79	22	22
PL	-15	47	87	87	93	32	-74	-77	-40	-58	68	68
RO	-53	-34	43	-49	-56	-54	-72	-23	35	30	n/a	n/a
UK**	35	35	-6	-30	37	75	31	-53	55	32	36	36

* Data taken is "demand for loans - existing customer" as DK does not provide an aggregate figure for demand (we left aside the "demand for loans - new customers")

** Data taken is "change from secured lending for house purchase from households"

CREDIT DEMAND

Net demand for both housing loans and consumer credit increased for the first time since 2022 (net percentages of 16% and 13% respectively). Improving housing market prospects, which has been cited primarily by German banks, were the main driver of the increase in housing loan demand. The general level of interest rates and consumer confidence had a smaller positive impact. Consumer credit demand was positively affected by spending on durables and consumer confidence. The net demand for housing loans was weaker than banks had expected the previous quarter (net increase of 22%), but stronger for consumer credit (net increase of 6%). In the third quarter of 2024 banks expect demand to increase in both categories, more substantially so for housing loans than consumer credit.

As mentioned previously, Euro area banks surveyed have reported a further moderate net easing of credit standards on loans to households for house purchase (net percentage of banks at -6%). The net easing had not been anticipated the previous quarter, when banks had expected unchanged credit standards. It was largely driven by developments in France (-33%). Banks in Italy also reported net easing (-9%), while German and Spanish banks reported moderate net tightening of credit standards. Competition was the main factor driving the

net easing of credit standards on housing loans. Banks – especially those in France, and to a lesser extent in Italy – reported competition as the key driver, particularly competition from other banks (rather than from non-banks). Risk perceptions had a small tightening impact on credit standards, while the impact of cost of funds and balance sheet constraints as well as banks' risk tolerance were seen as broadly neutral.

Regarding the net demand for housing loans, amongst the four largest euro area economies, German, Spanish and Italian banks reported net increases, while French banks saw unchanged loan demand for housing loans. Improved housing market prospects were the main factor increasing demand for loans for house purchase. These were reported in Germany, consistent with improvements in housing affordability due to a relatively strong decline in residential real estate prices there in recent quarters, also in comparison with other large euro area economies. The level of interest rates and consumer confidence had small positive effects on loan demand. In the third quarter of 2024 banks expect a strong increase in housing loan demand (net percentage of banks of 26%). This is expected across banks in all four of the largest euro area economies.

TABLE 7B | FACTORS THAT HAVE AFFECTED DEMAND IN 2024-Q2 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

II 2024	AT	BE	CY	DE	EE	EL	ES	FR	HR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ
Change in Demand Overall	-43	-50	0	-7	-50	-50	-20	-60	-17	-33	-36	-100	0	-75	0	0	-20	-22	0	-26	76
FACTORS AFFECTING CREDIT DEMAND:																					
Impact of housing market prospects	-43	-25	0	-21	0	0	-10	-40	0	0	-9	-50	0	0	0	-17	-20	-11	-24	-24	49
Other financing needs	0	0	0	-2	0	13	0	-5	13	0	-9	0	0	-25	0	-8	0	0	12	-2	—
Consumer confidence	0	-50	-25	-14	-50	0	-20	-20	0	0	-36	-100	-17	-75	0	-17	-40	-11	0	-20	52
Use of alternative finance	-10	0	0	4	0	-25	-3	-7	-25	0	-6	0	0	0	0	0	0	-7	0	-2	-8
General level of interest rates	-57	-75	-25	-18	-50	-25	-30	-60	-25	-33	-55	-17	3	-75	-75	-33	-80	-11	-39	-39	61

NOTES:

- DK, HU, RO and UK do not provide factors affecting the Demand, but a breakdown of the different types of lending
- For CZ there are different factors and the following assumptions were made: non-housing related expenditure > other financial needs; household savings > internal financing out of savings/down payment; level of interest rates > general level of interest.
- For PL there are different factors and the following assumptions were made: changes in consumption expenditure > changes in consumer confidence; use of alternative financing sources > impact of other sources of finance; changes in terms on housing loans > impact from loans of other banks.

CHART 5 | DEMAND OVERVIEW AND FACTORS

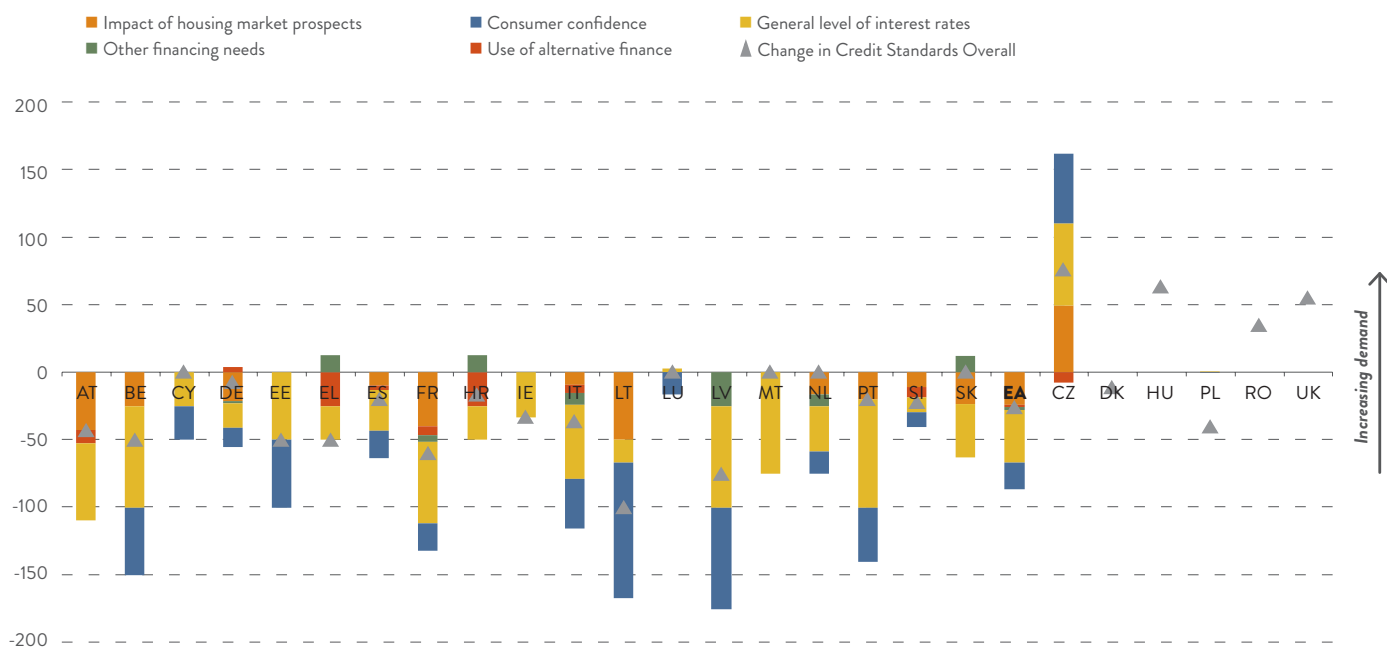
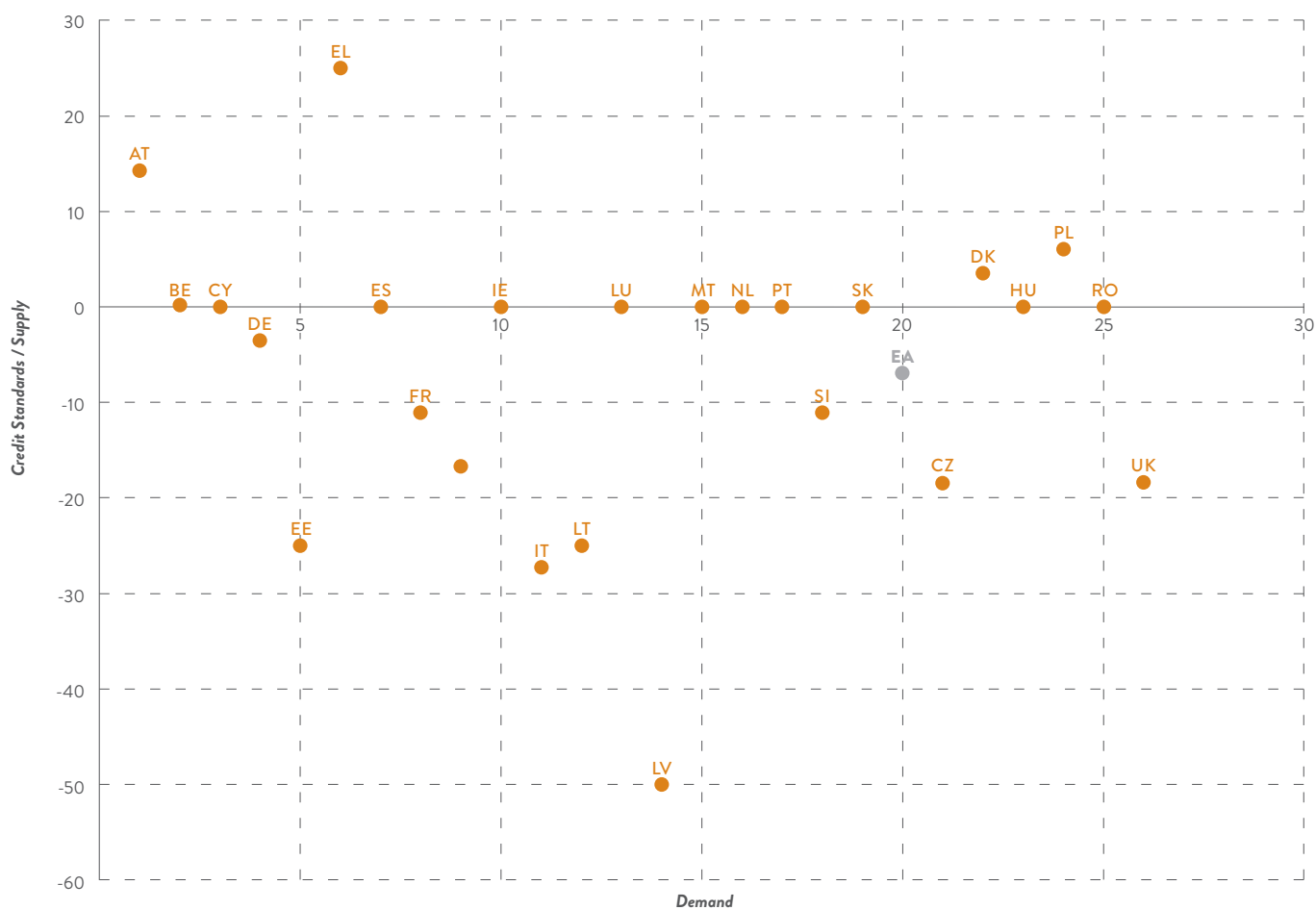


CHART 6 | DEMAND AND SUPPLY OVERVIEW





Q2|2024

QUARTERLY REVIEW
OF EUROPEAN
MORTGAGE MARKETS



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