

QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

Daniele Westig | Economic Adviser | dwestig@hypo.org | Tel: +32 2 285 40 40



INTRODUCTION

The last quarter of 2015 depicts a similar aggregate situation those of the previous quarters: overall recovery of gross lending figures due to improving economic environment; generally increasing or stable house prices; and historically low interest rates as a reflection of the expansionary monetary policies of the European Central Bank (ECB) et al.

MORTGAGE LENDING

In our EU28¹ sample, overall outstanding mortgage lending continued to grow by a healthy 3.6%² with respect to the same quarter last year (year-on-year (y-o-y)), slightly accelerating with respect to the 3% of the previous quarter. In addition, the quarter-on-quarter (q-o-q) increase of 0.79% was the largest increase at the end of the year since 2011. As far as overall gross lending is concerned, the aggregate figures show a contraction of 2.2% q-o-q, the first since the beginning of the year and a deceleration to 17.8% y-o-y with respect to increases of nearly 30% in the previous three quarters. Below we examine in more detail the quite different dynamics that exist in the analysed European countries.

Again as in the previous quarters, the expansion in outstanding mortgage lending figures can be explained by the continuous improvement of the

macroeconomic fundamentals, which, coupled with public support, have provided a fertile ground for increased mortgage lending. In the **Czech Republic**, thanks to a positive economic outlook the still relatively young mortgage market has reached levels never seen before. Remaining in Central Europe, **Hungary** saw an increase in its gross lending figure with the last two quarters depicting the highest values since the beginning of 2012. According to data gathered by real estate networks, the number of dwellings sold increased in 2015 as did the number of building permits granted, although the figures are still a fraction of pre-crisis levels. Country-wide this dynamic is quite heterogeneous as Budapest and the surrounding region depicts significant growth, while the other regions showed some form of activity, but on a more modest scale. The announced housing subsidies and VAT rate cuts from 27% to 5% on new dwellings kick-in in January 2016 and are expected to boost Hungarian mortgage lending activity and housing market developments. **Italy** too saw both its outstanding and gross residential lending figures expanding at the end of 2015, reflecting the increase in demand for mortgages and the positive dynamics of housing sales. Therefore, after several years of contraction the Italian residential market confirmed the positive performance witnessed earlier in 2015 with an increase in transactions of more than 9% y-o-y. Likewise, **Spain** has had a strong last quarter in 2015 in terms of gross lending, surpassing the Euro10 bn. barrier

¹ In Q4 2015 the sample of the proxy for the amount of total outstanding mortgage lending in the EU28 included BE, CZ, DE, DK, ES, FI, FR, HU, IE, IT, NL, PL, PT, RO, SE and UK. (i.e. around 95% of the total outstanding mortgage lending in the EU28 in 2015). Please, note that at the date of publishing, Q4 2015 data for NL was not yet available and the most recent observation has been used.

² If not otherwise expressed the changes of outstanding and gross lending figures are expressed based on the values in Euro.

for the first time in three years and increasing by 25% y-o-y. From a yearly perspective, 2015 was the best gross residential lending performance since 2011. An improved economic and financial environment is also reflected by the outstanding lending figures, whose decrease decelerated with respect to the previous quarters.

In **France** 2015 was also a strong year in terms of gross lending reaching Euro 151.6 bn., or 26.4% more with respect to 2014. This was also supported by the public debate which, since the summer of 2014, has become favourable to a more supportive approach for residential markets. Public incentives for new housing were progressively put in place. Households' morale as measured by the INSEE, the French national statistics institute, reached its pre-crisis peak and even a slight increase in interest rates did not alter this positive trend. The French market saw a significant recovery in 2015, including the sales' growth of real estate developments, those from builders of individual homes to first-time buyers, not to mention the household purchases of existing dwellings. Particularly welcome was the return of first-time buyers supported by government measures. In **Belgium** gross lending figures show a steady progression during the whole of 2015, though on a y-o-y basis a near 25% reduction seems quite severe. This can principally be explained by the exceptionally high figure registered at the end of 2014 due to the increase of credits granted for house renovations, transfer of the home tax system from the federal to the regional level and the decision of the Flemish regional government to gradually dismantle the home bonus system as of January 2015. If re-mortgaging is not considered, the last quarter of 2015, with exception to the spike at the end of 2014, depicts the highest ever value in gross lending. Regarding overdue contract, this figure has been growing since the end of 2008, but the ratio to overall granted loans remains stable at around 1.1% and 1.2%. The gross lending figures in **Portugal** also rose considerably by 81.2% y-o-y thanks to the gradual increase in economic activity, contrasting the downtrend in total outstanding residential, which decreased by nearly 4% y-o-y.

Poland also witnessed a rise in demand for housing loans in during the last three months of last year. This rise was due to the amendment in the government aid scheme "Housing for the Young". Banks also tightened their standards for granting residential loans in order to prevent over-indebtedness by decreasing the maximum permissible age of the borrower at the moment of loan repayment, and by expanding the catalogue of indicators showing an excessive use of credit of potential borrowers. Also the introduction in 2016 of new provisions regarding the increase in the minimum of the borrower's contribution tightened the standards for granting a housing loan. Moving further east to **Romania**, the volume of outstanding mortgage loans for the last quarter of 2015 increased by nearly 14% with respect to the previous year. Both local and foreign currency mortgage loans exhibited growth, but the former remains the driving force behind the overall evolution. The non-performing loan (NPL) ratio for mortgage loans is low and decreasing.

Moving north, **Denmark's** gross mortgage lending figures increased for the first time since the beginning of the year, but with respect to the same period in the previous year the figure was nearly 40% lower. In **Sweden**, thanks to strong macroeconomic performance coupled with increases in household salaries, good access to credit and rapid growth of urbanisation and populations, the year for gross mortgage lending finished quite strongly overcoming the temporary dip experienced in the autumn of 2015. Also outstanding mortgage lending accelerated at the end of 2015 to 8.1% from 7.5% y-o-y in the previous quarter. A further factor which Sweden and **Germany** share to explain a persistent and strong demand for housing is the migratory influx.

In the **United Kingdom** strong economic performance helped to underpin the recovery in the housing and mortgage market. Mortgage lending increased in the last quarter of 2015 both q-o-q and y-o-y. This follows a period of subdued activity in the first half of 2015 and part of 2014. The slowdown was

partly attributed to the implementation of affordability rules in April 2014, followed by the announcement of macro-prudential interventions two months later. Looking ahead, there may be limited potential for stronger activity and lending figures, the main factors restricting activity being the already elevated levels of house prices to relative to earnings, uncertainty around buy-to-let as the government has introduced tax changes which come into effect in April 2016, regulation in the home-owner space as well as the tight supply in the secondary housing market which continues to cause supply/demand imbalances. Moving to **Ireland**, the number of mortgage drawdowns grew by 7%, while the number of approvals dropped by 8%, year-on-year in the fourth quarter. There were 7,450 approvals, based on the three-month moving average, and 8,103 drawdowns. This may be partly explained by the introduction by the Irish Central Bank of new limits on loan to value (LTV) and loan to income (LTI) ratios for new mortgages in February 2015.

HOUSE PRICES

In line with the overall favourable mortgage lending landscape, improving economic activity and the well know demand/supply imbalance in the housing market, house prices also show a general increase throughout the continent and especially in the major cities, but with slightly different nuances in the different countries.

Sweden depicts the largest y-o-y growth in our sample with a staggering 12.3% increase. Tenant owned apartments rose by around 18%. The construction figures continued to increase during 2015; however building permits and building standards are quite strict and few expect a housing construction boom in Sweden. Also, after several years of low construction it doesn't seem to be enough to curb price increases. In the light of the refugee crisis and the high number of refugees which have arrived in Sweden, the shortage of housing is becoming even more severe. Experts, authorities and politicians are discussing ways to increase construction further. However, few concrete measures have been taken yet. Some experts claim that not only lack of projected land for construction is hampering construction but also lack of workforce. In **Denmark** after a peak during spring 2015, notwithstanding a gradual decline during the rest of the year on a yearly basis, the prices increased by 6.4% with owner-occupied flats growing by a staggering 10.8%. The yearly rise in prices is driven by Copenhagen, but the rest of the country is catching up. **Germany** also shows a robust growth of 4.4% y-o-y, a slightly higher figure with respect to the same period of the previous year. Breaking down this figure, prices for single family houses advanced by 4% while prices for condominiums increased by 5.2%. Remaining in Central Europe the house price increase in **Hungary** has been continuous since Q2 2014 and the average house price stays only 3.5% short from its 2008 peak. This development shows heterogeneity across the country with Central Hungary seeing an increase of more than 20% in the first 9 months of 2015 compared to 2014 while in Central Transdanubia prices grew by around 10% in 2015 with respect to the year before. In the **United Kingdom**, even with elevated house prices relative to earnings, house prices continued to rise given the tight supply of houses on the market. This was exacerbated by would-be movers not putting their property on the market as there are not suitable properties for themselves. There are some signs of improvement, though the scale remains quite small. In **Finland**, Helsinki and its suburbs increased by 1.4%, while the rest of the country saw a contraction of nearly 1%. Since the 2000s house prices have increased more than salaries, thereby undermining the purchasing power on the housing market. On the Iberian Peninsula prices are also rising. In **Portugal** this trend started at the beginning of 2015 with a 5% increase due to a higher demand of households for new loans, promoted by a slight easing of credit conditions caused by greater competitiveness amongst banks. **Spain** has registered the first positive y-o-y growth since 2008 of 1.8%, which, hand in hand with the best figures on real estate transactions since 2010 and the subsequent recovery of housing demand, consolidates the favourable expectations on

the housing market. Increasing figures are seen also in the **Czech Republic**, especially in Prague and Brno, but it is also slowly starting in other regions of the country. It is estimated that house prices at the end of 2015 reached the highest value in the last six years in Prague.

A more stable picture is seen in **Poland**, where prices both on the primary and the secondary market remained unchanged. There were slight increases in the secondary market in Gdansk, due to the sale of more expensive and better located properties. The average availability of credit for housing in large cities slightly improved, driven by stable property prices, growing household income and stable interest rates on new mortgage loans. Likewise in **France**, after three years of decreasing prices in the existing housing market, 2015 recorded a sort of soft landing with a slight decrease of 0.8% in the region of and around Paris, and a timid increase of 0.5% in the rest of the country, resulting in an aggregate stable figure. Hence, with the current abundance of liquidity, existing house prices are expected to increase moderately in the near future.

In **Italy**, notwithstanding a small q-o-q increase of 0.2%, the y-o-y figures show a 2.3% decrease in Q3 2015, the latest available data. New dwellings had a 0.5% decrease y-o-y, while existing dwellings plummeted by 2.9% in the same period. In **Romania**, house prices continue to decline during 2015, though the figure is still slightly higher with respect to the same period last year.

INTEREST RATES

Everywhere in the EU, be it in or out of the Euro Area, the Member States face record low and declining interest rate levels. The unbiased average of the representative interest rates of our sample declined by nearly 14 bps to 2.53%. In a few countries, some interest rates reached rock bottom and began to timidly increase. Regarding the choice of a fixed or variable interest rate mortgage in Europe, the picture remains very heterogeneous reflecting both economic and more cultural choices.

Though **Sweden** has the only central bank in our sample which has a negative reference rate of -0.5%, other countries like the **Czech Republic's** central bank began thinking of moving into negative territory, thus further decreasing interest rates. In **Sweden** mortgage interest rates were stable during the last quarter, while only the fixed rate for five or more years increased slightly to 2.7%. Important factors regarding the low mortgage interest rates are that the inflationary pressure is very low in Sweden and the funding costs are relatively low for the Swedish banks. Increasing household debts and house prices are heavily debated topics in Sweden at the moment. The government has decided to implement amortisation rules in 2016 and these will come into force in the summer. In **Denmark** the long period of low interest rates continued in the fourth quarter of 2015, especially for loans with interest

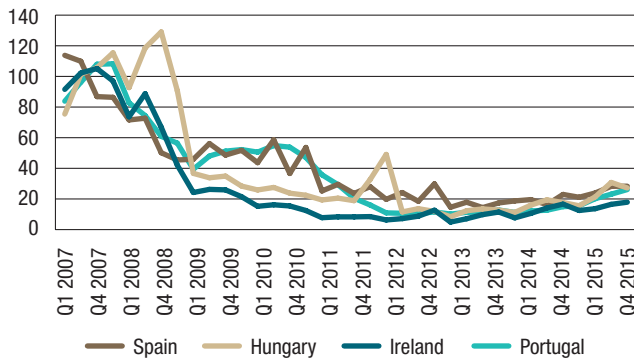
rates fixed to maturity – mainly representing loans with a 30 year interest rate fix; these declined to 3.78%, whereas the interest rate for loans with a floating rate increased to 1.12%. Taken in an historical view, the interest rates are still very low. Moving on to the **United Kingdom**, mortgage interest rates continued to fall in Q4 2015 due to a number of measures, especially as lenders competed on mortgage rates to attract new customers. Funding conditions were favourable for lenders, which has also helped push down mortgage rates, thus leaving interest rates at or close to record lows in Q4 2015. In **Romania** mortgage interest levels remained close to the level registered in the previous quarter and in **Poland** persisting deflation and the cut of the Central Bank's reference rate to 1.5% in March 2015 led to historically low interest rates. Similarly, in Hungary the Central Bank also cut the reference rate to a record low of 1.35%. Variable rate mortgage loans are the most typical choice and they reversed their decline in the last quarter of 2015, even registering a slight increase, the only one in our non-Euro area sample.

Moving to the Euro Area, nearly all countries with exception of Belgium and Ireland, the most representative mortgage loan decreased with respect to the previous quarter. In **Belgium** there has been a slight increase of 2 bp to 2.48%, while in **Ireland** it increased by 1 bp to 3.42%. Here, about 30% of the value of new mortgage loan agreements was on fixed rates with an initial fixation period of more than one year, which is in line with the same period of the previous year, but it decreased from the 44% of the previous quarter. Mortgage rates on outstanding loans are also heavily influenced by the ECB base rate, because about half of mortgages outstanding are on tracker rates, which are just over 1%.

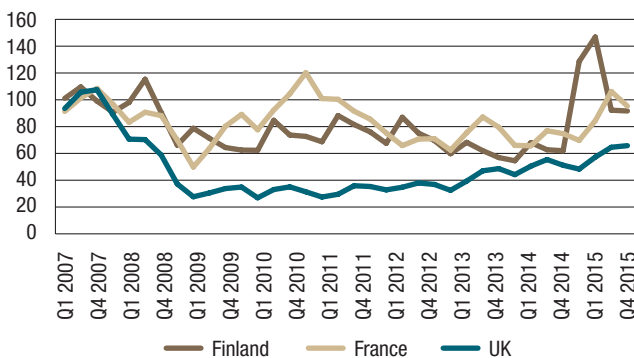
In **France** the year ended with open market average credit rates set at 2.2%. During the autumn, interest rates increased by 4 bps, probably linked to the return of first-buyers with extended duration. During the last quarter of 2015, the rates plateaued with some discrepancies between new and existing housing purposes. Variable rate loan production remains marginal, i.e. only 0.5% due to an insufficient benefit for borrowers. In **Spain**, the weighted average on new loans was 2.07% in December and all rates decreased except for long-term fixed ones, which saw a slight increase of 0.26 bps to 2.7%. The product market breakdown was practically unchanged with respect to the previous quarter, with variable and short fixed-term loans accounting for more than 90% of the total. **Portugal** also depicts the vast majority of its mortgage loans with a variable interest rate. This rate is based on a spread assigned by the credit institution in consideration of the client's risk assessment and on the Euribor. With the latter currently being in negative territory, the interest rates stood at 2.13% at the end of 2015. Both **Germany** and **Italy** depict record low interest rates, with the latter breaking the 2% barrier for short-term loans, which stood at 1.97%.

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

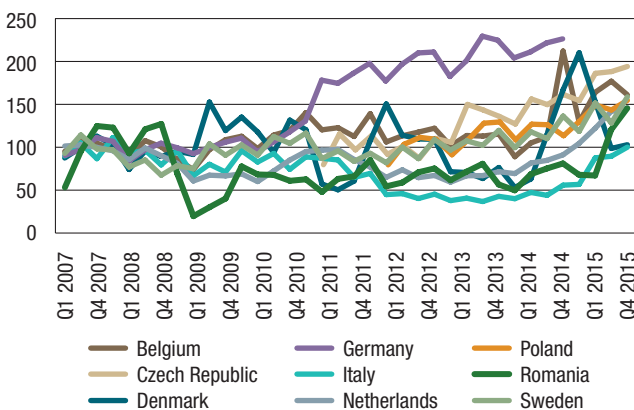
a) Countries where gross residential lending has remained below 20% of 2007 levels



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



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



Source: EMF-ECBC

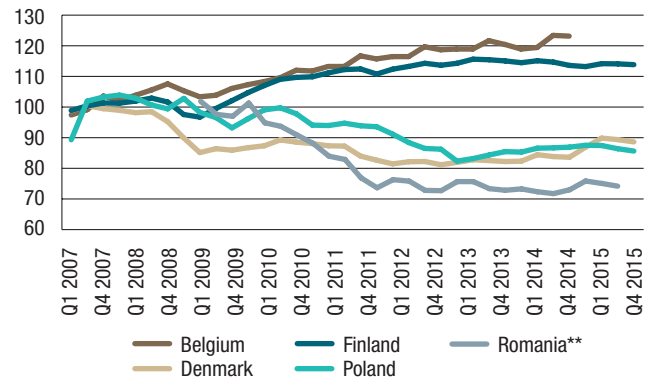
Note:

*2011 = 100

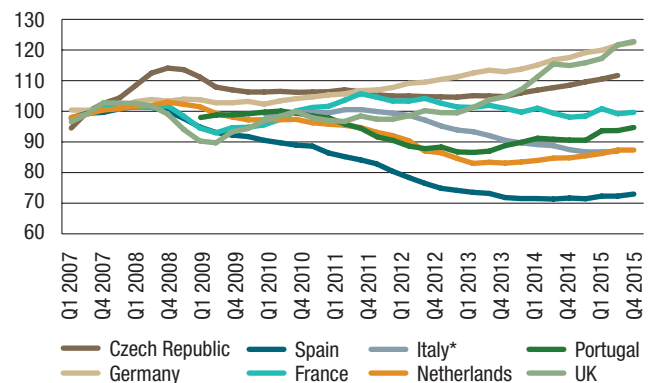
The time series have been seasonally adjusted by regressing the gross domestic lending of each country on quarter dummies and a constant, and adding the residuals to the sample means. STATA econometric software has been used.

Chart 2 ► Nominal House Price Indices, 2007=100

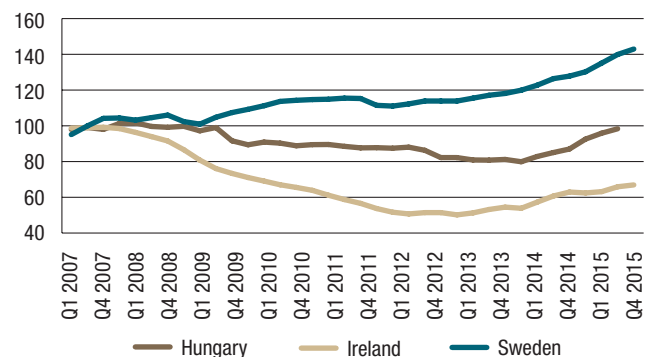
a) Countries where house prices have fallen in the available latest quarter



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



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



Source: EMF-ECBC

Note:

*2009 = 100

**2010 = 100

Table 1 ► Total Outstanding Residential Mortgage Lending (Million EUR)

	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	latest y-o-y change (%) (Q4 15), EUR values	previous y-o-y change (%) (Q3 15), EUR values	latest y-o-y change (%) (Q4 15), local currency	previous y-o-y change (%) (Q3 15), local currency
BE	190,183	191,506	192,966	197,327	199,255	201,814	204,810	207,872	5.3	6.1	5.3	6.1
CZ	27,488	27,988	28,457	28,732	29,296	30,313	31,120	32,085	11.7	9.4	8.8	8.1
DE	1,209,931	1,216,024	1,226,333	1,237,410	1,241,891	1,253,938	1,267,608	1,278,909	3.4	3.4	3.4	3.4
DK*	235,732	237,425	238,084	238,134	237,399	234,828	235,261	235,310	-1.2	-1.2	-1.0	-1.0
ES	607,259	603,760	593,209	586,609	580,564	575,693	569,005	562,828	-4.1	-4.1	-4.1	-4.1
FI	88,403	88,991	89,389	89,762	89,919	90,717	91,363	91,955	2.4	2.2	2.4	2.2
FR	821,995	821,995	828,000	833,120	841,940	845,778	857,481	866,401	4.0	3.6	4.0	3.6
HU	18,033	17,774	17,393	17,146	16,557	15,511	15,319	14,843	-13.4	-11.9	-13.3	-11.1
IE	121858	118902	116937	115696	114305	113030	111725	110,629	-4.4	-4.5	-4.4	-4.5
IT	360,045	359,404	359,269	359,137	358,649	358,882	359,139	361,835	0.8	0.0	0.8	0.0
NL	630,736	631,032	628,470	631,101	635,515	635,116	637,625	n/a	n/a	1.5	n/a	1.5
PL**	81,451	82,713	83,538	82,555	89,797	89,451	87,635	88,121	6.7	4.9	6.7	6.6
PT	105,562	104,636	103,671	102,469	101,544	100,786	100,387	98,516	-3.9	-3.2	-3.9	-3.2
RO	9,352	9,695	9,793	10,095	10,436	10,748	11,086	11,501	13.9	13.2	15.0	13.4
SE	340,001	337,040	342,542	339,152	348,597	358,951	357,899	374,754	10.5	4.5	8.1	7.5
UK	1,498,317	1,556,104	1,612,637	1,612,453	1,732,909	1,780,589	1,727,527	1,741,658	8.0	7.1	1.8	1.8

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).

* Only owner occupation, only mortgage banks – gross lending for house purposes not available for commercial banks starting Q3 2013.

** Adjusted for loan amortization and flows between the foreign currency loan portfolio and the zloty loan portfolio; the entire banking system was taken into account, including credit unions.

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

- Czech Republic
- Ireland
- United Kingdom

Table 2 ► Gross Residential Mortgage Lending (Million EUR)

	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	latest y-o-y change (%) (Q4 15), EUR values	previous y-o-y change (%) (Q3 15), EUR values	latest y-o-y change (%) (Q4 15), local currency	previous y-o-y change (%) (Q3 15), local currency
BE	4,977	5,924	6,325	12,215	7,342	9,390	10,152	9,219	-24.5	60.5	-24.5	60.5
CZ*	1,504	1,864	1,783	1,929	1,840	2,232	2,257	2,331	20.8	26.6	17.7	25.2
DE	41,800	43,300	45,500	46,500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DK	4,581	5,499	10,238	15,016	18,983	13,766	8,754	9,152	-39.1	-14.5	-38.9	-14.3
ES	6,450	6,774	5,552	8,024	7,339	8,372	9,986	10,024	24.9	79.9	24.9	79.9
FI	3,842	4,848	4,452	4,398	9,352	10,705	6,646	6,604	50.2	49.3	50.2	49.3
FR	27,764	27,619	32,589	31,631	29,409	35,875	45,530	40,701	28.7	39.7	28.7	39.7
HU	148	218	269	243	212	297	436	383	57.4	62.2	57.6	63.7
IE	568	820	1,126	1,341	983	1,084	1,330	1,451	8.2	18.1	8.2	18.1
IT**	7,347	8,831	8,146	10,556	10,739	17,029	17,407	19,569	85.4	113.7	85.4	113.7
NL	14,007	16,692	17,360	18,768	21,676	25,510	29,790	30,623	63.2	71.6	63.2	71.6
PL	1,815	2,141	2,129	1,901	2202.0	2538.7	2436.2	2635.4	38.7	14.4	38.4	16.3
PT	500	550	573	690	715	950	1,098	1,250	81.2	91.6	81.2	91.6
RO	276	386	425	459	382	377	689	835	82.0	62.1	82.0	62.1
SE	10,791	12,899	11,996	15,001	12,955	16,737	14,070	17,560	17.1	17.3	14.5	20.6
UK	55,797	64,251	70,733	65,085	61,298	73,145	82,894	84,474	29.8	17.2	11.7	1.4

* Data break on Q1 2013 due to change in sources

** Latest data is an estimation

Source: European Mortgage Federation

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

- France
- Germany
- Poland
- Portugal
- United Kingdom

Table 3 ► Change in Outstanding Residential Loans (Million EUR)

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	1,058	1,251	1,671	1,889	699	1,323	1,461	4,361	1,928	2,559	2,996	3,062
CZ	-374	185	748	-1,188	266	500	469	275	564	1,017	807	965
DE	1,761	6,548	9,304	6,356	1,109	6,093	10,309	11,077	4,481	12,047	13,670	11,301
DK*	1,210	495	-10,303	492	982	1,694	659	50	-735	-2,571	433	50
ES	-7,938	-5,774	-8,629	-6,351	-5,558	-3,499	-10,551	-6,600	-6,045	-4,871	-6,688	n/a
FI	363	735	498	372	90	588	398	373	157	798	645	592
FR	6,312	6,943	8,634	8,629	7,368	0	6,005	5,120	8,820	3,838	11,703	8,920
HU	-639	-204	-286	-357	-466	-259	-382	-247	-589	-1,046	-192	-475
IE	-1,057	-1,134	-845	-1,123	-714	-2,956	-1,965	-1,241	-1,391	-1,275	-1,305	-1,096
IT	-964	-716	-1,545	-973	-1,345	-642	-135	-132	-488	233	257	2,697
NL	-2,088	-2,816	-1,868	-11,904	-1,356	296	-2,562	2,631	4,414	-399	2,509	n/a
PL	-1,094	-1,251	2,141	1,583	639	1,262	825	-983	7,242	-346	-1,816	486
PT	-905	-1,042	-1,029	-959	-1,023	-926	-965	-1,202	-925	-758	-399	-1,871
RO	196	225	-130	186	108	343	98	302	342	311	338	415
SE	13,809	-12,382	8,432	-4,403	-378	-2,961	5,502	-3,389	9,444	10,354	-1,052	16,855
UK	-52,956	-16,978	41,167	10,924	14,895	57,787	56,534	-184	120,456	47,680	-53,062	14,131

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

Source: European Mortgage Federation

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

Refer to Table 1 for eventual revisions.

Table 4 ► House Price Indices, 2007 = 100

	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	120.0	119.0	119.2	119.2	122.1	120.8	119.2	119.8	123.9	123.7	n/a	n/a	n/a	n/a
CZ	104.8	104.7	104.6	105.1	105.0	104.8	106.1	107.0	107.9	108.7	109.9	110.8	112.1	n/a
DE	109.3	110.2	111.1	112.4	113.4	112.9	113.8	115.2	117.0	117.8	119.5	120.3	122.1	123.0
DK	81.7	80.6	81.4	82.3	82.0	81.7	81.8	84.1	83.4	83.2	86.7	89.8	89.3	88.5
ES	76.1	74.5	73.7	73.1	72.7	71.3	71.0	71.0	70.8	71.2	70.9	71.8	71.8	72.5
FI	114.8	114.1	114.8	116.2	116.0	115.6	115.0	115.6	115.2	114.0	113.6	114.6	114.6	114.3
FR	104.7	102.9	101.6	101.4	102.2	101.0	99.7	101.1	99.3	97.9	98.3	101.0	99.1	99.7
HU	85.9	81.4	81.4	79.9	79.8	80.3	78.9	82.1	84.5	86.7	92.8	96.4	99.2	n/a
IE	50.6	50.6	49.3	50.5	52.5	53.8	53.1	56.8	60.3	62.6	62.1	62.8	65.7	66.8
IT*	97.4	95.3	93.9	93.3	91.9	90.2	89.3	88.7	88.3	86.9	86.1	86.1	86.3	n/a
NL	86.7	86.1	84.1	82.4	82.8	82.5	82.9	83.4	84.2	84.3	85.0	85.8	87.0	87.0
PL	86.1	85.9	81.7	82.6	83.9	85.0	84.9	86.2	86.3	86.6	87.2	87.1	86.0	85.2
PT	87.3	87.9	86.1	85.9	86.4	88.4	89.6	91.0	90.6	90.3	90.3	93.7	93.8	94.9
RO**	72.3	72.2	75.3	75.3	72.9	72.3	72.8	71.8	71.2	72.5	75.5	74.7	73.7	n/a
SE	113.5	113.5	113.5	115.2	116.9	118.0	119.9	122.8	126.6	128.1	130.6	135.7	140.7	143.9
UK	99.9	99.3	99.2	101.0	103.5	104.7	107.1	111.3	115.7	115.2	116.1	117.6	122.2	123.3

*: 2010=100

Source: European Mortgage Federation

**: 2009=100

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” (includes existing and new dwellings).

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

Hungary: FHB house price index (residential properties).

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

Netherlands: Source: ECB. Data on existing dwellings.

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

Portugal: *Confidencial Imobiliário* house price index.

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

Sweden: index of prices of one-family homes.

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

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

- Denmark
- Hungary
- Italy

Table 5A ► Mortgage Interest Rates (% , weighted average)													
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	3.45	3.41	3.37	3.41	3.56	3.50	3.32	3.04	2.79	2.54	2.43	2.46	2.48
CZ*	n/a	3.06	3.24	3.24	3.26	3.33	3.12	2.99	2.56	2.68	2.48	2.48	2.42
DE	2.81	2.77	2.70	2.74	2.84	2.79	2.63	2.39	2.18	1.93	1.83	2.03	2.00
DK**	2.60	2.97	2.92	3.01	1.52	1.53	1.51	1.42	1.37	1.22	1.29	1.29	1.27
ES	2.95	3.09	3.08	3.00	3.01	3.13	3.05	2.94	2.72	2.47	2.25	2.17	2.08
FI	1.81	1.98	1.99	1.99	1.97	1.94	1.83	1.66	1.63	1.38	1.36	1.34	1.27
FR***	3.42	3.28	3.13	3.11	3.18	3.00	2.80	2.59	2.38	2.12	2.02	2.21	2.20
HU	11.95	11.15	9.82	8.91	8.69	7.50	7.06	6.80	6.32	5.84	5.04	4.57	4.85
IE	3.59	3.37	3.40	3.52	3.41	3.36	3.27	3.58	3.83	3.62	3.47	3.41	3.42
IT	3.69	3.68	3.64	3.68	3.50	3.44	3.26	2.99	2.84	2.68	2.77	2.67	2.50
NL	4.07	4.04	3.80	3.65	3.62	3.55	3.44	3.31	3.18	3.09	2.88	2.89	2.83
PL	6.60	6.00	5.20	5.20	5.30	5.30	5.30	5.20	4.70	4.40	4.30	4.40	4.40
PT	3.41	3.30	3.19	3.19	3.27	3.37	3.28	3.15	3.01	2.74	2.28	2.19	2.13
RO****	4.50	4.50	4.50	4.85	5.36	5.19	5.19	5.04	4.66	3.99	3.95	3.94	3.79
SE	3.00	2.83	2.70	2.73	2.58	2.39	2.32	2.11	1.85	1.68	1.54	1.53	1.48
UK	3.71	3.49	3.27	3.14	3.05	3.04	3.12	3.21	3.09	2.76	2.60	2.57	2.54

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

Source: European Mortgage Federation

** There has been a change in calculation method of the representative interest rate from Q4 2013 and forward. The method is based on a weighted average of the interest rates up to and including 10Y of fixation. Q4 2013 the representative interest rate is missing before this because of lag of product market shares before point in time. The method is chosen because of a better comparison with the rest of the EU.

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

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

Note:

Data refers to quarter averages.

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.
Data for Finland has been newly added.

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

- Belgium
- Czech Republic

Table 5B ► Mortgage Interest Rates**Variable rate and initial fixed period rate up to 1 year (%)**

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	3.05	3.10	3.14	3.06	3.06	3.11	3.01	2.63	2.74	2.73	2.67	2.48
CZ	2.99	3.10	3.16	3.15	3.40	3.09	3.02	2.37	2.81	2.65	2.76	2.59
DE	2.69	2.76	2.71	2.64	2.73	2.55	2.45	2.29	2.23	2.14	2.20	2.17
DK*	1.22	1.16	1.23	1.22	1.27	1.27	1.27	1.34	1.15	1.06	1.03	1.12
ES	2.93	2.91	2.81	2.80	2.97	2.88	2.71	2.51	2.24	2.01	2.04	1.85
FR	2.95	2.73	2.68	2.74	2.38	2.11	1.89	1.63	1.44	1.42	1.68	1.76
HU	11.15	9.82	8.91	8.69	7.50	7.06	6.36	6.32	5.84	5.04	4.57	4.85
IE	3.16	3.21	3.31	3.25	3.23	3.16	3.43	3.64	3.42	3.38	3.24	3.30
IT	3.47	3.44	3.37	3.19	3.18	3.00	2.70	2.56	2.35	2.20	2.09	1.97
NL	3.20	3.10	2.90	2.90	2.90	2.80	2.80	2.68	2.66	2.53	2.45	2.38
PT	4.42	4.41	4.66	5.21	5.12	5.15	4.98	4.54	3.92	3.91	3.83	3.71
RO	3.31	3.18	3.15	3.28	3.42	3.28	3.15	3.01	2.74	2.28	2.19	2.13
SE	2.70	2.59	2.65	2.38	2.22	2.16	1.93	1.64	1.42	1.12	1.27	1.27
UK**	4.11	4.45	4.23	4.22	4.21	4.24	4.02	3.68	3.55	3.31	3.25	3.19

Short-term initial fixed period rate, from 1 to 5 years maturity (%)

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	3.16	2.94	3.04	3.11	3.10	2.90	2.52	2.21	2.38	2.33	2.40	2.21
CZ	2.99	3.22	3.22	3.25	3.21	3.06	2.95	2.75	2.57	2.37	2.35	2.32
DE	2.48	2.39	2.42	2.49	2.43	2.31	2.12	1.94	1.90	1.83	1.94	1.94
DK*	1.85	2.06	2.06	1.83	1.65	1.64	1.50	1.36	1.21	1.33	1.39	1.33
ES	3.15	3.06	3.13	3.20	3.29	3.16	3.09	2.84	2.68	2.44	2.23	2.17
FR	3.26	3.03	2.94	2.95	2.96	2.95	2.59	2.37	n/a	n/a	n/a	n/a
HU	10.72	10.06	9.78	9.47	8.36	8.14	7.25	7.18	6.97	6.91	6.79	6.60
IE	4.45	4.39	4.60	4.53	4.44	4.37	4.41	4.11	3.88	3.58	3.73	3.66
IT	4.05	3.67	3.89	3.45	3.49	3.35	3.13	2.94	2.78	2.73	2.65	2.22
NL	3.80	3.60	3.50	3.40	3.30	3.10	3.10	2.98	2.91	2.74	2.69	2.64
RO**	5.64	7.12	10.42	5.03	5.95	5.54	5.56	5.59	5.53	5.34	4.24	4.03
SE	3.01	2.90	3.09	2.86	2.68	2.52	2.24	1.95	1.70	1.69	1.56	1.63
UK***	3.57	3.35	3.21	3.10	3.11	3.19	3.31	3.21	2.89	2.71	2.64	2.59

Medium-term initial fixed period rate, from 5 to 10 years maturity (%)

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	3.38	3.39	3.48	3.74	3.62	3.39	2.82	2.70	2.54	2.36	2.40	2.35
CZ	3.85	3.72	3.48	3.51	3.75	3.34	2.96	2.69	2.55	2.36	2.36	2.29
DE	2.74	2.64	2.73	2.88	2.79	2.61	2.37	2.13	1.88	1.68	1.90	1.89
DK*	2.73	2.84	3.14	3.13	2.67	2.53	2.12	1.82	1.47	1.83	2.30	2.30
ES	6.49	6.33	6.45	6.06	6.22	6.48	7.01	7.11	6.04	5.36	3.43	5.01
FR	2.94	2.83	2.75	2.83	2.86	2.73	2.39	2.18	n/a	n/a	n/a	n/a
HU	8.35	8.21	7.76	7.79	7.51	7.13	6.69	6.61	6.49	6.47	6.37	6.22
IT	4.46	4.38	4.56	4.31	4.36	4.09	3.70	3.11	2.95	2.99	2.89	2.72
NL	4.60	4.40	4.20	4.10	3.90	3.80	3.60	3.39	3.22	2.94	2.90	2.83
RO**	3.92	n/a	6.06	6.52	6.22	5.64	5.65	5.80	5.94	5.70	5.61	5.40
SE	3.75	3.75	4.46	3.99	3.72	3.60	3.19	2.67	2.24	2.62	2.64	2.72
UK***	4.13	4.18	3.89	3.92	4.02	3.92	3.92	3.88	3.50	3.12	3.10	3.15

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

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
BE	3.64	3.50	3.62	3.84	3.66	3.35	3.04	2.80	2.54	2.43	2.46	2.48
CZ	3.60	3.72	3.88	4.28	4.10	4.28	3.93	3.62	3.53	3.73	3.30	3.21
DE	2.95	2.85	2.92	3.06	2.97	2.83	2.50	2.27	1.89	1.89	2.12	2.08
DK*	3.93	3.73	4.20	4.27	4.07	3.71	3.56	3.30	2.93	3.14	3.86	3.78
FR	5.18	5.40	5.72	4.92	4.79	4.79	4.85	4.41	3.29	2.80	2.41	2.68
HU	3.41	3.30	3.20	3.25	3.29	3.17	2.78	2.54	n/a	n/a	n/a	n/a
IT	8.21	7.18	n/a	7.96	6.68	6.60	6.53	6.75	6.75	6.70	6.30	6.66
NL	4.55	4.47	4.83	4.73	4.62	4.44	4.09	3.68	3.35	3.16	3.03	2.84
RO**	5.00	4.90	4.80	4.70	4.60	4.50	4.00	3.89	3.78	3.35	3.25	3.28
SE	6.52	6.39	6.08	6.04	6.99	6.31	6.91	8.21	7.54	5.93	5.86	5.65
UK***	5.29	4.52	3.88	4.14	4.04	4.14	4.14	4.15	4.10	4.11	4.25	4.06

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

Source: European Mortgage Federation

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

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

Note:

Data refers to quarter averages

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

- Belgium

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

	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Czech Republic											
Variable rate (up to 1Y initial rate fixation)	25.3	25.2	25.4	26.6	26.6	26.0	26.2	25.7	25.9	24.3	24.1
Short-Term fixed (1Y-5Y initial rate fixation)	48.9	50.0	50.6	49.6	50.3	51.2	51.4	52.0	53.6	57.3	57.0
Medium-Term fixed (5Y-10Y initial rate fixation)	11.5	11.2	10.8	10.5	10.3	10.3	10.5	10.6	10.0	8.8	9.4
Long-Term fixed (over 10Y initial rate fixation)	14.3	13.6	13.2	13.3	12.9	12.6	11.9	11.7	10.5	9.6	9.5
Denmark											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	47.1	46.6	47.2	46.5	45.2	42.8	41.0	39.9	39.0
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	23.2	23.4	22.7	23.0	24.0	25.3	26.2	26.8	27.2
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	29.6	30.0	30.1	30.4	30.9	31.9	32.8	33.3	33.8
Long-Term fixed (over 10Y initial rate fixation)											
Ireland											
Variable rate (up to 1Y initial rate fixation)	93.7	94.2	94.4	94.7	94.4	94.5	94.5	93.9	93.6	92.6	92.0
Short-Term fixed (1Y-5Y initial rate fixation)	5.1	4.4	4.2	3.9	4.1	4.0	4.0	4.5	4.6	5.6	6.1
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.8	1.9	1.9
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a	n/a	n/a
Sweden											
Variable rate (up to 1Y initial rate fixation)	47.6	49.2	51.5	53.6	56.3	57.7	58.2	59.8	61.2	62.2	62.4
Short-Term fixed (1Y-5Y initial rate fixation)	47.1	45.7	43.7	41.7	39.3	38.1	37.7	36.2	34.9	34.1	33.9
Medium-Term fixed (5Y-10Y initial rate fixation)	5.3	5.1	4.8	4.6	4.3	4.2	4.0	4.0	3.9	3.8	3.7
Long-Term fixed (over 10Y initial rate fixation)											

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

	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
UK											
Variable rate (up to 1Y initial rate fixation)*	69.7	68.6	66.6	64.3	61.8	60.0	57.9	56.2	54.5	52.4	50.8
Short-Term fixed (1Y-5Y initial rate fixation)	30.3	31.4	33.4	35.7	38.2	40.0	42.1	43.8	45.5	47.6	49.2
Medium-Term fixed (5Y-10Y initial rate fixation)											
Long-Term fixed (over 10Y initial rate fixation)											

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	100
EUR denominated	6.9	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3	0
CHF denominated	44.6	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4	0
Other FX denominated	1.9	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0	0

Breakdown by loan original maturity	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Italy											
maturity less than 1 year	n/a	n/a	n/a	0.0	0.0	0.0	0.0	0.0	0.01	0.01	0.0
maturity between 1 and 5 years	n/a	n/a	n/a	0.2	0.2	0.3	0.4	0.5	0.48	0.5	0.6
maturity more than 5 years	n/a	n/a	n/a	99.8	99.8	99.7	99.6	99.5	99.51	99.49	99.4

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

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

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

- Czech Republic
- Sweden

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

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Belgium													
Variable rate (up to 1Y initial rate fixation)	3.5	7.3	4.8	4.2	6.8	7.5	5.1	2.6	1.6	0.9	0.5	0.4	0.7
Short-Term fixed (1Y-5Y initial rate fixation)	6.7	12.6	12.6	12.3	12.7	13.9	10.4	7.6	6.8	5.6	2.7	2.8	3.9
Medium-Term fixed (5Y-10Y initial rate fixation)	17.8	22.9	19.1	13.2	14.6	13.4	16.5	16.4	15.7	13.9	11.7	12.0	18.3
Long-Term fixed (over 10Y initial rate fixation)	72.0	57.1	63.4	70.3	65.9	65.2	68.1	73.4	75.9	79.6	85.1	84.8	77.2
Czech Republic													
Variable rate (up to 1Y initial rate fixation)	n/a	35.4	29.9	33.6	37.9	34.7	28.0	34.3	52.4	25.7	25.9	24.3	24.1
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	54.2	59.0	57.3	54.9	57.1	61.3	55.0	37.6	52.0	53.6	57.3	57.0
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	4.5	3.8	5.3	4.1	6.0	8.6	9.1	8.3	10.6	10.0	8.8	9.4
Long-Term fixed (over 10Y initial rate fixation)	n/a	5.9	7.3	3.8	3.1	2.1	2.1	1.7	1.8	11.7	10.5	9.6	9.5
Denmark													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	40.0	34.5	20.6	17.3	19.5	8.0	6.8	16.6	25.1
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	26.1	33.4	25.3	18.5	27.3	20.1	19.9	33.4	42.6
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	2.6	4.3	1.8	1.5	1.8	2.8	1.6	1.2	1.0
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	31.3	27.8	52.3	62.8	51.5	69.1	71.8	48.9	31.3
Germany													
Variable rate (up to 1Y initial rate fixation)	15.0	16.7	15.6	15.6	17.3	18.1	15.8	14.9	14.6	13.1	12.1	11.8	12.9
Short-Term fixed (1Y-5Y initial rate fixation)	12.9	12.6	12.4	12.5	13.4	13.8	13.4	12.3	11.6	10.1	9.2	9.8	10.5
Medium-Term fixed (5Y-10Y initial rate fixation)	39.2	40.5	40.2	41.7	40.0	38.4	39.8	40.0	39.7	36.4	37.1	38.8	37.9
Long-Term fixed (over 10Y initial rate fixation)	32.9	30.2	31.8	30.2	29.2	29.6	30.9	32.7	34.1	40.4	41.6	39.6	38.7

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

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Hungary													
Variable rate (up to 1Y initial rate fixation)	58.6	50.9	45.2	40.2	40.1	45.6	48.5	48.7	45.8	41.6	45.3	48.8	44.0
Short-Term fixed (1Y-5Y initial rate fixation)	19.8	27.4	36.9	43.3	40.7	34.4	34.8	34.5	33.6	32.4	32.7	29.6	32.6
Medium-Term fixed (5Y-10Y initial rate fixation)	18.4	19.8	15.8	15.3	17.6	17.1	15.3	15.1	15.1	18.7	16.8	16.3	16.2
Long-Term fixed (over 10Y initial rate fixation)	1.8	1.7	2.1	1.3	1.6	2.9	1.4	1.8	5.5	7.3	5.1	5.3	7.2
Ireland													
Variable rate (up to 1Y initial rate fixation)	81.0	85.3	79.5	82.6	87.3	90.5	90.8	87.4	71.6	56.1	55.2	56.4	70.3
Short-Term fixed (1Y-5Y initial rate fixation)	19.0	14.7	20.5	17.4	12.7	9.5	9.2	12.6	28.4	43.9	44.8	43.6	29.7
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	79.8	79.6	78.2	73.4	68.3	46.5	38.5	38.5
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	3.2	3.1	2.6	2.3	1.8	1.2	1.1	0.9
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	1.6	1.6	1.9	2.2	2.8	3.2	3.2	3.2
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	15.5	15.7	17.2	22.1	27.1	49.2	57.2	57.4
Netherlands													
Variable rate (up to 1Y initial rate fixation)	24.1	22.8	25.0	26.1	23.2	21.3	19.1	19.3	n/a	n/a	n/a	n/a	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	36.6	39.9	41.9	40.6	37.3	35.5	36.9	35.7	n/a	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	31.7	29.9	28.0	29.9	35.1	39.3	39.0	38.5	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	7.7	7.4	5.1	3.5	4.4	3.9	5.0	6.6	n/a	n/a	n/a	n/a	n/a

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

	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Poland													
Variable rate (up to 1Y initial rate fixation)	100	100	100	100	100	100	100	100	100	100	100	100	100
Short-Term fixed (1Y-5Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal													
Variable rate (up to 1Y initial rate fixation)	90.7	91.3	90.5	91.5	91.6	91.6	92.2	93.2	92.3	94.4	93.5	90.3	90.2
Short-Term fixed (1Y-5Y initial rate fixation)	9.3	8.7	9.5	8.5	8.4	8.4	7.8	6.8	7.7	5.6	6.5	9.7	9.8
Medium-Term fixed (5Y-10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)													
Romania													
Variable rate (up to 1Y initial rate fixation)	97.6	97.6	98.0	88.2	86.5	87.9	87.5	86.8	87.7	94.0	95.6	68.2	76.9
Short-Term fixed (1Y-5Y initial rate fixation)	2.1	1.5	1.8	10.8	12.4	10.9	11.6	12.9	11.9	5.0	3.2	30.5	21.4
Medium-Term fixed (5Y-10Y initial rate fixation)	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.4	0.9	0.7	0.7	0.8
Long-Term fixed (over 10Y initial rate fixation)	0.3	0.7	0.2	0.8	0.8	0.9	0.6	0.1	0.0	0.1	0.5	0.5	0.8
Spain													
Variable rate (up to 1Y initial rate fixation)	73.5	67.6	66.6	69.0	67.9	70.8	66.1	61.6	60.1	65.4	62.2	61.8	62.6
Short-Term fixed (1Y-5Y initial rate fixation)	24.1	29.0	29.6	27.8	28.9	26.3	31.2	35.7	37.6	30.4	30.8	26.3	28.0
Medium-Term fixed (5Y-10Y initial rate fixation)	1.1	2.1	2.6	2.2	2.1	2.0	1.8	1.9	1.5	2.0	2.2	4.1	2.5
Long-Term fixed (over 10Y initial rate fixation)	1.3	1.3	1.3	1.0	1.0	0.9	0.8	0.8	0.8	2.2	4.7	7.9	6.9

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)													
	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
Sweden													
Variable rate (up to 1Y initial rate fixation)	61.0	57.5	63.0	63.7	69.4	71.1	75.7	70.5	68.0	72.8	68.3	67.9	66.7
Short-Term fixed (1Y-5Y initial rate fixation)	28.1	29.2	26.7	28.6	26.0	24.2	19.9	23.1	23.5	18.5	21.6	23.6	25.2
Medium-Term fixed (5Y-10Y initial rate fixation)	10.9	13.3	10.3	7.8	4.6	4.7	4.4	6.4	8.5	8.7	10.1	8.5	8.1
Long-Term fixed (over 10Y initial rate fixation)													
United Kingdom													
Variable rate (up to 1Y initial rate fixation)*	30.6	22.4	20.1	18.0	15.4	14.0	12.5	13.0	13.3	17.6	17.8	15.5	12.3
Short-Term fixed (1Y-5Y initial rate fixation)	69.4	77.6	79.9	82.0	84.6	86.0	87.5	87.0	86.7	82.4	82.2	84.5	87.7
Medium-Term fixed (5Y-10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)													

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

Source: European Mortgage Federation

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

- United Kingdom

► Explanation of the market breakdown criteria for the case of Belgium	
Stated Category in Table 5D	Actual content
Variable rate (up to 1Y initial rate fixation)	Variable rates from 1Y to less than 3Y (mostly 1Y variable rate loans). N.B.: Belgian law forbids variable rates under 1Y variability.
Short-term fixed (1Y-5Y initial rate fixation)	Variable rates from 3Y to less than 5Y initial rate fixation
Medium-Term fixed (5Y-10Y initial rate fixation)	Total of the categories related to : ▪ variable rates from 5Y to less than 10Y initial rate fixation ▪ variable rates from 10Y and more (in practice, 10Y variability is generally the longest variability period offered, otherwise customer opt for fixed interest rate loans)
Long-Term fixed (over 10Y initial rate fixation)	Fixed interest rate loans (no variability)

THE BANK LENDING SURVEYS

NOTES ON THE BANK LENDING SURVEYS

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

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

For the UK and Denmark the BLS is carried out by the respective Central Banks. It is important to point out that some statistical techniques and the underlying factor are slightly different from the one used by the ECB. In order to provide a consistent comparison with the data of the ECB, the figures of the change in credit standards for Denmark and the United Kingdom have been inverted, as in these cases a positive value is equivalent to a standard easing, which is opposite to the interpretation of the figures of the BLS of the ECB.

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.

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

RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. Credit Standards (Supply)

Table 6A ► Credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 8a of BLS)												
<i>(as a netted and weighted percentage of all respondent banks)</i>												
	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
AT	10	0	-7	0	0	0	0	-7	0	0	-14	0
BE	25	-13	0	0	0	0	13	0	13	13	13	-25
CY	30	40	38	25	25	13	25	13	13	0	0	0
DE	3	2	5	0	-2	3	0	3	0	2	2	3
EE	0	0	0	0	0	25	-13	-13	13	25	50	13
EL	0	38	0	0	0	0	0	0	0	0	0	25
ES	6	11	0	0	0	0	0	0	0	0	0	-6
FR	9	4	9	5	7	0	0	-7	-7	4	-7	1
IE	-8	-10	-10	20	0	0	0	-10	0	30	-10	20
IT	13	6	0	-6	-13	-25	-13	0	-6	-13	-19	-6
LT										0	13	25
LU	8	0	8	-8	8	-8	8	-8	-17	-8	-8	-8
LV						-13	13	0	100	-75	-13	-13
MT	0	0	0	0	0	0	0	0	0	0	0	0
NL	25	33	8	0	8	8	0	0	0	8	0	8
PT	0	0	0	0	0	0	0	0	0	-10	-10	0
SI	10	10	0	0	0	0	-10	0	0	0	-10	-10
SK	-11	6	9	0	0	9	26	-13	13	39	18	0
Euro area	9	8	4	1	0	-2	-2	-1	-2	1	-4	2
DK	8	0	0	1	0	0	-1	1	1	0	-1	33
UK	-17	-17	-22	-14	-6	-8	29	-8	4	-9	-16	-5

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

Table 6B ► Factors affecting banks' credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 9 of BLS)																				
<i>(as a netted and weighted percentage of all respondent banks)</i>																				
IV 2015		AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro area
	Change in Credit Standards Overall	0	-25	0	3	13	25	-6	1	20	-6	25	-8	-13	0	8	0	-10	0	2
Factors affecting credit standards:	Impact of funds and balance sheet constraints	-6	-13	0	0	0	0	0	1	0	0	0	-7	0	0	7	-10	0	0	0
	Perception of risk	2	0	0	6	0	4	2	1	7	8	4	2	0	4	7	-3	0	2	5
	Pressure from competition	0	-7	0	0	7	0	0	-1	0	-7	0	-4	0	0	-7	0	-5	0	-2
	Risk Tolerance	6	0	0	1	0	0	-5	0	0	0	0	-7	0	0	0	0	0	0	8

Note:

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.

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

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

2. Demand

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

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
AT	20	14	14	0	-21	7	21	0	7	7	14	21
BE	-13	-25	25	-13	0	-13	25	50	75	50	25	0
CY	-40	-20	-63	-25	-25	-13	0	0	-13	0	25	0
DE	14	16	7	7	0	16	5	2	10	24	26	22
EE	13	38	25	0	13	13	0	25	13	0	25	0
EL	-40	-20	-13	-13	-25	-13	13	13	13	-13	0	-50
ES	11	-39	-11	-11	6	0	6	0	6	0	0	11
FR	-17	-2	24	15	-6	-1	-9	18	0	-3	26	-4
IE	17	20	20	30	30	40	50	80	50	40	-10	0
IT	-50	-38	-25	0	0	19	31	25	19	31	50	56
LT										-25	25	50
LU	-8	17	17	-8	-8	0	8	-25	42	-25	0	8
LV						0	0	0	-13	-50	38	25
MT	23	23	0	27	4	23	50	0	23	27	44	-23
NL	-42	-58	-50	-17	-17	0	8	17	33	25	50	33
PT	-60	-40	-30	0	0	10	10	0	0	30	40	70
SI	-40	-30	0	-10	0	-30	-10	-20	-20	0	20	10
SK	4	0	-22	0	17	-9	25	18	30	30	18	0
Euro area	-11	-15	-3	1	-3	7	9	12	13	15	26	20
DK*	6	23	7	-1	2	23	18	21	15	31	2	-9
UK**	6	44	30	62	11	27	-27	-46	-41	32	23	8

* 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”

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

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

IV 2015		AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro area	DK	UK
	Change in Credit Standards Overall	21	0	0	22	0	-50	11	-4	0	56	50	8	25	-23	33	70	10	0	20	-9	8
Factors affecting credit standards:	Impact of housing market prospects	6	0	0	19	0	0	15	1	20	25	13	7	0	5	36	30	0	7	16		
	Other financing needs	-3	13	0	-1	0	-26	0	0	-10	7	19	0	0	0	-7	0	0	4	-1		
	Use of alternative finance	-2	0	0	0	0	-4	-2	0	0	2	0	0	0	-2	5	0	0	0	0		
	General level of interest	31	13	0	16	0	0	5	5	10	50	13	14	0	0	36	30	10	13	20		

Note:

UK and DK do not provide factors affecting the Demand, but a breakdown of the different types of lending.

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

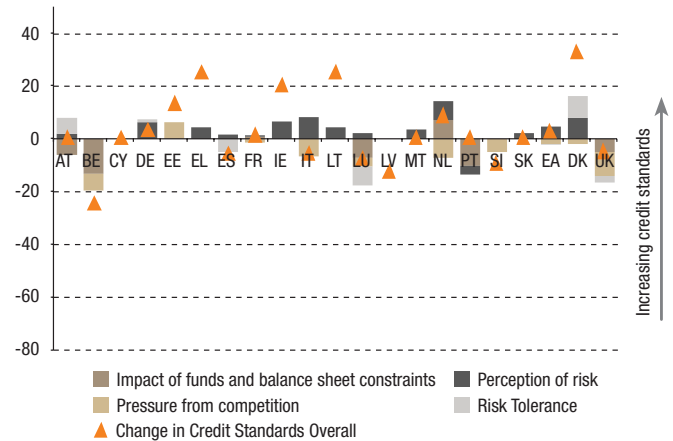
“Use of alternative finance” is calculated as an unweighted average of “internal financing out of savings/down payment” (from Q1 2015), “loans from other banks” and “other sources of external finance”.

COMMENTS ON THE LATEST BLS DATA

The overall credit standards in the last quarter of 2015 remained overall stable within the Euro Area. Some outliers such as Belgium, Italy and Spain showed easing credit standards, while especially Greece, Ireland, Lithuania and the Netherlands saw their credit standards increasing to a varying degree. One of the major factors of easing standards was the pressure for competition, except in the Netherlands and in Estonia, where this factor contributed to credit tightening, while the principal tightening factor was the perception of risk.

Outside the Euro Area Denmark experienced an important credit standard tightening pushed by a reduction in risk tolerance and perception of risk. In the UK the credit standard eased with respect to the previous quarter especially for the increased competition, impact of funds and balance sheet constraints and the increase in house prices.

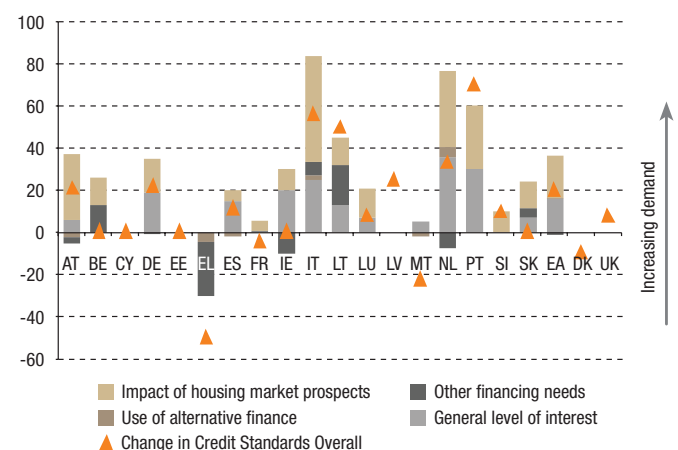
Chart 3 ► Credit Standards Overview and Factors



Also in this quarter the overall demand for credit increased nearly everywhere in the Euro area. Especially Italy, the Netherlands and Portugal increased the demand considerably, but also Germany and Spain saw more people asking for a loan for their house purchase. Notable exception in the Euro area is Greece, where other financial needs subdued the demand for new housing loans. The principal factors for this trend were the impact of housing finance and the general favourable level of interest.

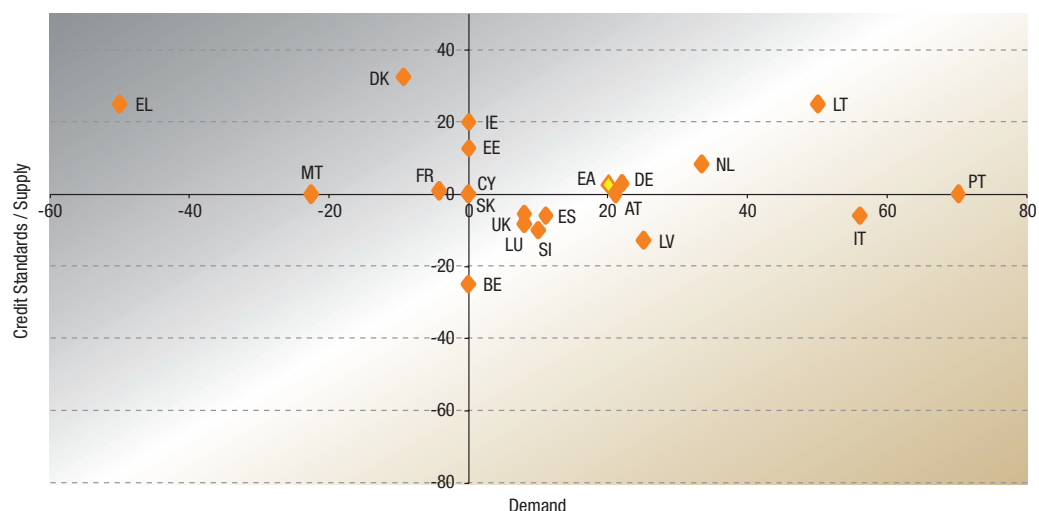
In Denmark the demand decreased while it increased in the UK principally due to remortgaging and buy-to-let lending, while the demand for prime lending fell slightly.

Chart 4 ► Demand Overview and Factors



As in the previous quarter also in Q4 2015 the diagram shows the majority of countries with constant credit standards and overall positive demand changes. It has to be noted though that the demand dynamics slightly lowered with respect to the previous quarter with a major concentration of countries around the origination point of the axes. Also the aggregate Euro area moved slightly westwards with respect to the previous quarter.

Chart 5 ► Demand and Supply Overview





2015 EMF
Quarterly Review



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