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QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

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INTRODUCTION

The European economy continued to show resilience in the second half of 2019 thanks to its domestic drivers. GDP growth saw a virtual halt in Q4 2019 with an increase q-o-q of only 0.1%, the lowest since early 2013 in contrast with the relatively robust performance of the previous three quarters. Economic activity remains dampened by the high level of uncertainty linked to trade policy at global level. At domestic level, domestic demand, in particular private consumption, was the driving force of growth, whereas investment in the Euro area lost momentum, although its rate remained above GDP growth in the first three quarters. In 2019 the labour market in the Euro area was quite resilient considering the relatively slow economic growth with unemployment figures remaining around 7.4%, the lowest rate registered since May 2008. In December 2019 the unemployment rate was therefore 0.5 percentage points lower than December 2018 and 5 percentage points lower than its peak in Q2 2013. Headline inflation was in the Euro area around 1% in Q4 2019 with a slight increase in December and January due to an uptick in the price of unprocessed food as well as upwards price expectations of oil.

At the end of 2019, mortgage and housing markets demonstrated a resilient performance with most countries registering growth of both new and outstanding mortgage figures. The evolution of housing supply and house prices, though still positive, appeared to decelerate. Mortgage interest rates are mostly on a

stable low or decreasing trajectory providing incentives for more new fixed-rate mortgage contracts.

As a general reminder, since the Quarterly Review provides a retrospective overview of the mortgage and housing market in Q4 2019, the analysis presented here does not take account of the profound structural effects which are resulting from the Covid-19 outbreak. The interested reader can refer to the EMF-ECBC Covid-19 Dynamic Monitoring Report ([here](#)) for current actions taken by the various countries. This document is being reviewed and updated on a weekly basis.

MORTGAGE MARKETS

MARKET DEVELOPMENTS

Last year the EU sample¹ analysed here closed with a remarkable growth rate of 4.7% of outstanding mortgage loans y-o-y, reaching EUR 7.25 tn. Gross lending figures as well grew over the same period of time by over 18% reaching EUR 350 bn marking the highest increases since 2015. The principle factors for this evolution are the general solid economic indicators coupled with the low interest rate environment.

In the North-West of Continental Europe, general ongoing growth of both outstanding and gross lending was registered in the reference quarter. **Belgium**

¹ In Q4 2019 the sample for the Quarterly Review included BE, CZ, DE, DK, ES, FI, FR, HU, IE, IT, NL, PL, PT, RO, SE and UK (i.e. over 95% of the total outstanding mortgage lending in the EU28 in 2018). For CZ, FR and UK the last available data provided in Q3 2019 has been used.



displayed the highest gross lending increase at a rate of over 60% y-o-y which was also confirmed in the previous quarter and was seen broadly for all types mortgage loans, be it for the purchase of a house, a construction or a renovation. New mortgages as well as the refinancing of existing ones also showed an all-time high. These numbers however need to be ascribed to a change in government policies which will be explained in more detail in the next section. Overdue contracts showed a small increase for the first time since 2015, reaching 0.93% at the end of 2019. In Germany as well both gross and outstanding residential grew by respectively 7.6% and 5.8% y-o-y, pointing to the robustness of the property market despite the sluggish GDP growth in 2019 due to political uncertainties and faltering exports. Here domestic labour market outlooks, rising incomes and sustained household consumption improved the economic situation.

Moving North to Scandinavia the countries in the region continued to show increasing gross and outstanding figures with only **Sweden** recording a slight reduction in new lending of 2.2% with respect to the same quarter last year, but still showing a 5.3% increase with respect to the previous quarter, which can be in part explained by the stricter amortisation requirements. As a noteworthy addition, Statistics Sweden has started to include data for one family homes and tenant-owned apartments in the outstanding housing stocks, as well as loans from Mortgage Credit Companies and from Alternative Investment Funds which have a main focus on loans to households. These still only make up a marginal 0.1% of the total outstanding of the market, but with an upwards trend. In Finland the outstanding mortgage market slightly expanded by around 2%, a slight deceleration from Q4 2018 due to lower household and investor demand. In **Denmark** outstanding mortgage loans increased by 3.1% and gross residential figures, though in decline with respect to the previous quarter, closed 2019 with a figure more than double with respect to end 2018, mainly due to the sustained, though declining, remortgaging activity which picked-up in Q2 2019 in the ongoing low interest rate environment.

Moving to Central and Eastern Europe the mortgage markets continued their above average expansion as a result of ongoing solid economic fundamentals. In **Hungary** both gross and outstanding mortgage lending grew by respectively 13% and 3.8% (calculated in HUF). In **Poland** fewer new loans were issued than with respect to the previous quarter, but the average mortgage loan granted remained constant at PLN 283,150 (ca EUR 66,500) with around 42% having an LTV of 80% or above. In **Romania** the stock of mortgages continued to grow by 10% y-o-y and by 24% y-o-y as far as new loans are concerned (calculated in RON). Poland and Romania recorded also relatively low and stable NPL figures of a little more than 2%.

Moving South new lending was characterised by diffuse strong growth whereas the stock figures did not change substantially, mostly due to relatively favourable economic conditions and low interest rates. In **Italy** gross lending expanded by 44% y-o-y due also to ongoing low house prices. In **Portugal** new loans also grew by nearly 20% y-o-y continuing to close the gap with the peak reached before the GFC. This recovery can be also explained by the fierce competition between banks to win over prospective mortgage clients, resulting in less restrictive credit standards. In **Spain** gross residential figures showed a 10% increase on a yearly basis following the implementation of the new legal provisions on mortgages in IT systems. Even so, Spain's financial system continued to make progress through the deleveraging of households' and non-financial corporations' assets, especially those related with non-performing exposures, whose ratio stood below 5%.

Finally in Ireland mortgage approval volumes rose by 3.4% y-o-y and the first-time buyers segment was the only one to show y-o-y growth, with volumes up by 12.2% to almost 6,000 in Q4 2019.

REGULATION & GOVERNMENT INTERVENTION

During the reference quarter several countries introduced, updated or phased-out different measures aimed either at supporting targeted population segments on the retail side or at strengthening the financial system on the funding side.

Among the retail side policies in **Belgium** the Flemish government announced in October 2019 that starting from January 2020 the fiscal incentives linked to mortgage credit would come to an end and would be replaced by a much less beneficial regime for new loans. Consequently, several consumers brought forward their borrowing plans to before year-end, thus resulting in a spike in gross lending figures. In **Hungary** during the summer a subsidy scheme for young couples was introduced which provides generous financial support, differentiated according to the number of children in the relevant household, where a mortgage is used as an additional financial tool to realise a home purchase.

In October 2019 in **Ireland** the government announced an extension of the Help to Buy Tax incentive until end of 2021. This incentive provides an income and deposit interest tax refund to first-time buyers purchasing or building new houses or apartments for owner occupation. Almost 13,000 applications were made in 2019 and more than 6,700 claims. In the last four months of 2019, the government also designated an additional six areas as rent pressure zones where rent increases would be capped at 4% per annum.

In **Poland** on the retail side there are extensive discussions around the so-called "key-for-debt" solution, which enables the borrower to repay the loan by transferring the property ownership right to the banks and which still remains optional for banks. In an amendment to Recommendation 5 published on 3 December 2019 loans with the "key-for-debt" option will be considered as a separate market segment, functioning alongside "traditional" mortgage loans, where the borrower is liable to the creditor up to the value of the debt, and not of the collateral.

In **Finland** the ongoing discussion about household indebtedness produced a report of proposals published on 1 October 2019 which included among other maximum debt-to-income ratio (DTI), maximum maturity for housing loans and restrictions on housing company loans for new construction. The timetable for implementation of these proposals will be delayed due to the ongoing corona pandemic, but it is believed the new regulations will come into force sometime between end 2021 and 2022.

On the funding side in Poland, in the context of the above-mentioned Recommendation 5, the supervisory authority expects banks to introduce loans with a fixed rate or periodically fixed rate, with an initial period of at least 5 year. However, neither a specific share of new mortgages with a fixed-mortgage rate has been agreed upon, nor has it been clarified if borrowers can switch from their current variable to fixed interest rates.

In **Hungary**, starting from October 2019, the Mortgage Adequacy Ratio, which fixes the minimum proportion of mortgage loans financed by mortgage bonds increased from 20% to 25%.

With the Corona crisis currently unfolding it is clear that there will be extensive government intervention in Q1 2020, which will be the subject of the next Quarterly Review.

HOUSING MARKET

HOUSING SUPPLY

As an aggregate general trend a plateauing of housing supply seems to be taking place in several countries of the sample, with decreasing housing permits issued, but rising housing completions with respect to end 2018.

Starting from Scandinavia, in **Denmark** trading activity on housing remained high, with a y-o-y increase in sales figures of respectively 2.5% for single family houses and 10.6% for owner-occupied apartments. On the other hand, the number of houses and apartments listed for sale decreased y-o-y by respectively 4.9% and 12.8%. Similarly in **Finland**, housing permits decreased marking a cooling down of the construction market while housing completions continued to remain high as past high issuances of permits issues were still being absorbed. In **Sweden**, construction figures remained on a downward trajectory which lasted throughout 2019 and will probably continue into 2020 from the relative high figures registered in 2017 and 2018. Notwithstanding this decrease, the lack of housing remains severe especially in certain areas, exacerbated by the fact that most new buildings are not affordable for a large share of the population and construction companies have scaled down new projects.

A decrease in new building permits and an increase in finished constructions was also registered in Central and Eastern Europe. In **Hungary** permits contracted y-o-y by 23%, while completions increased by 45% over the same period. Nearly half of the dwellings were completed in Budapest and in the Pest county, with the number of new dwellings nearly doubling in the Capital with respect to the same period in 2018. This dynamic can be explained by the restoration of VAT on new dwellings from 5% to 27% starting from January 2020, with some special exceptions. **Poland** also registered an increase in new dwelling completion of nearly 15% with respect to the previous quarter, while nearly 7% fewer new dwellings were started with respect to the same period. In **Romania** in 2019 building permits contracted by a marginal 0.4% with respect to 2018 while the number of completed residential buildings grew by 11.6%. Moreover, the volume of construction works for residential buildings increased by 10% in December 2019 with respect to December 2018.

On the Iberic peninsula supply and demand side dynamics showed signs of cooling. In **Spain** a general tapering trend was marked with housing permits decreasing by 4% y-o-y in Q4 2019 meeting the subdued demand of new housing which, notwithstanding the 1.5% y-o-y increase end 2019, is still far from the levels reached during the previous years. Second-hand dwellings continued to play a crucial role in relation to the total number of housing transactions, accounting for around 90% of the portfolio. In **Portugal** the end of 2019 marked a reduction in new buyer enquiries, sales and new instructions, with new buyer demand decreasing in all areas of the country. On the brighter side, market participants expect a rise in sales in the first months of 2020 (pre-Covid information). The rental market points to a rise in tenant demand.

In Ireland new dwelling completions marked an 18.4% rise in Q4 2019 with respect to Q4 2018, while building starts remained mostly constant in the two

time periods. The sale of new properties increased by 9.6% while the number of second-hand property transactions decreased by 1.5%.

HOUSE PRICES

Not surprisingly house price dynamics resemble the underlying trends seen for house supply. In the sample house prices continued to grow at a decreasing pace with respect to the previous quarters. In Q4 2019 the y-o-y growth was around 4.4% compared to the 5.1% in Q4 2018, while the q-o-q growth amounted to less than 0.5% with respect to the 1.4% recorded in Q3 2019.

In Ireland residential property prices increased by 0.9% y-o-y in December 2019, leaving a 17.5% gap to the all-high peak in 2007. In Dublin the prices fell by 0.9% y-o-y in December 2019, marking the eighth consecutive month in which Dublin residential property prices had fallen or increased by no more than 0.1% year-on-year and the fifth of year-on-year deflation. Residential property price inflation outside Dublin continued to decelerate, dropping to a 2.8% year-on-year increase. As regards the dynamics of house prices, in the Q4 of 2019 (last available data) the Housing Price Index decreased by 0.2% compared to the previous quarter and increased by 0.3% compared to the same quarter of the previous year. This quarterly performance of HPI was due to the prices of existing dwellings that showed a negative rate of change equal to -0.3% whereas prices of new dwellings increased on by 0.6 in the same period.

On the other side of the Channel in **Belgium**, the **Netherlands** and **Germany**, house prices continued their upward progression. In Belgium, average house and apartment prices increased in Q4 2019 y-o-y by respectively 4.2% and 4%. There are some regional differences with houses and apartments in Brussels registering the highest price increases in 2019 followed by Flanders and Wallonia. In the Netherlands over the same period on average house prices increased by 6.2%. In Germany, residential property prices increased but at the slower pace of 6.5% y-o-y. This ongoing increase proves that demand for residential property remains stable thanks also to low borrowing rates.

Moving to Scandinavia, in **Finland** house price evolution followed a different path when looking at large cities with upwards price pressure or at the rest of the country where declining prices were registered. In aggregate terms the price evolution is under control due to increased housing supply. In **Sweden** house prices increased by 3.9% on annual basis continuing the recovery of the contraction suffered in 2017 and 2018. In Stockholm the recovery has been slower than in the rest of the country starting however from a higher price level. In **Denmark** house prices have increased by 3.8% during the past year and prices on owner-occupied apartments have increased by 3.3%. In the fourth quarter of 2019 the prices on single family houses have increased by 0.2% and owner-occupied apartments by 0.5%.

In Central and Eastern Europe, the picture showed two different types of situations. On the one hand in **Hungary** in Q3 2019, the latest available figures, showed a 4.4% contraction with respect to the previous quarter, marking the first inversion of the tendency since 2014. In **Romania** in real terms residential property prices also continued to decrease by 1.2%. On the other hand, in **Poland** house prices are growing both in the primary and secondary market. In Warsaw the dynamic is less pronounced than in the cities such as Krakow for the primary market or Gdansk for the secondary one.

Moving South, at the end of 2019, in **Italy** house prices decreased by 0.3% y-o-y, which can be explained by a contraction of prices of existing dwellings



by 0.6%, while the price of new dwellings increased by 0.6%. In **Spain** house prices increased by 1% q-o-q, with cities which had a steeper price increase in the past, such as Barcelona, experiencing a quarterly decline, whereas other cities experienced a deceleration in their house price increases. In **Portugal** house prices continued to increase due to a lack of new house listings.

MORTGAGE INTEREST RATES

Most jurisdictions of the analysed sample recorded very low interest rate levels over the last several quarters, thus leaving little space for a further reduction. With the ongoing accommodative monetary policy in mind, the trend seen in Q4 2019 roughly confirms the trend of the recent past. The sample registered an unweighted average of 2.18% marking a 6 bps decrease with respect to the previous quarter and also a new all-time low. Moreover, the distribution of fixed and variable interest rates shows that in general more fixed rate solutions are gaining in appeal as borrowers are interested in locking-in the favourable market conditions seen at the end of 2019. Of course, regional differences still apply.

In **Belgium** nearly 85% of new mortgages had an initial fixed period of more than 10 years with an average interest rate of 1.56%. In **Germany** and the **Netherlands** average representative interest rates also decreased to respectively 1.28% and 2.09%. While in Germany the distribution of mortgage types did not face major shifts in Q4 compared to Q3 in the Netherlands we see a tendency towards more fixed rate contracts. A similar situation can be identified in Ireland, where fixed rate mortgages accounted for 75% of the new lending in Q4. Some 40% of the value of outstanding mortgages, excluding securitised loans, was on ECB base rate-linked tracker mortgage rates in Q3 2019, while the share of mortgages outstanding which had interest rates fixed for more than one year increased to 28.1%.

Moving South, in **Spain** the market recorded the lowest average interest rate at 1.76%, about 13 bps less than in Q3. Long-term fixed rate arrangements

accounting for 41% of the new lending has overtaken the variable interest rate market for the first time. In **Portugal** fixed interest rate loans increased to 44% of the total new lending in Q4. Variable interest rates reached 1.09% from 1.02% in Q3. The external index of the variable interest based on Euribor reached an historical low level which allowed for an increase in gross residential lending and also for a reduction in household debt. In **Italy** both the variable and the fixed mortgage interest rates remained essentially stable at around 1.37% and 1.46% respectively.

In Central and Eastern Europe where on average interest rates are at the higher end of the analysed sample, interest rates slightly declined or remained stable. In **Hungary** only a marginal 1.7% of new mortgages had a variable rate, while 55% of new lending was granted with a medium term fixed rate of 5-10 year, the representative rate for which was 4.39% in Q4, marking a nearly 50bps decrease with respect to Q3. In **Poland** for the time being all new mortgages continued to be issued with a variable interest rate, which for Q4 was at 4.30%. In **Romania** the interest rate increased minimally with respect to Q3 reaching 5.41%, which is still 44 bps less than at the end of 2018. Romanians still prefer variable interest rates, which only marginally decreased to 78.2% of the total new lending in Q4.

Moving North to Scandinavia, in **Denmark** the average interest rate, with the exception of the most variable denomination which remained constant at 0.56%, saw a slight increase in the average interest rate. Long-term mortgage loans with a fixed period of more than 10 years experienced a drop in the average interest rate to 1.67%. Borrowers continued to take advantage of the low interest rates for long-term mortgages, as 80.3 percent of all new mortgages issued in the fourth quarter of 2019 had fixed interest rate periods of more than 10 years. In **Finland** the interest rate on new housing was around 0.73%. In **Sweden**, shorter and variable interest rates are decreasing slightly, and the longer interest rates are falling to parity with the shorter interest rates.

CHART 1A | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BELOW 80% OF 2007 LEVELS

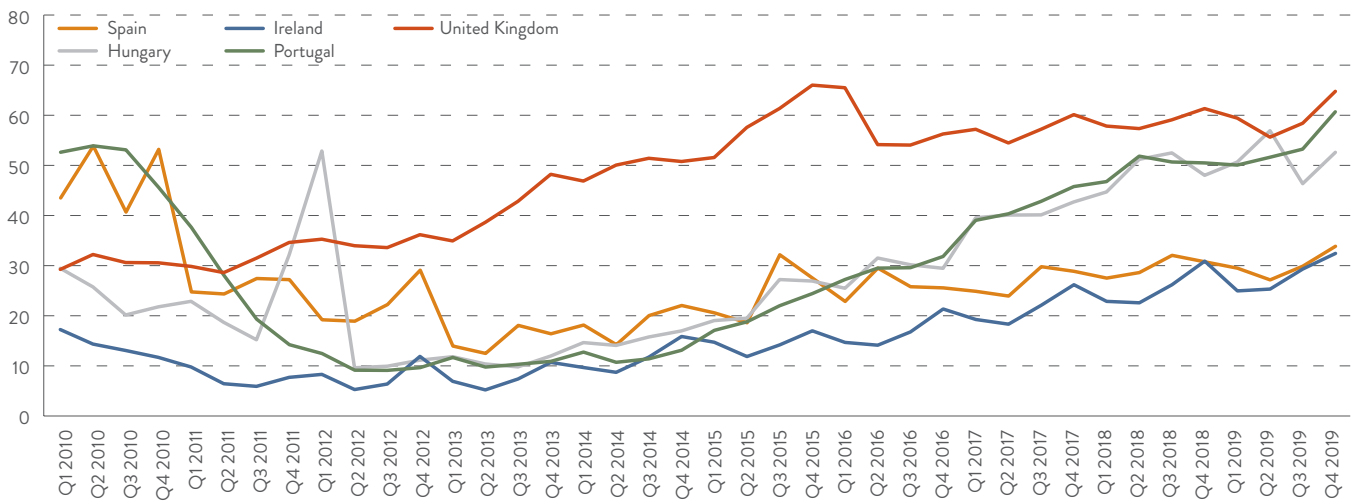


CHART 1B | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BETWEEN 80% AND 120% OF 2007 LEVELS

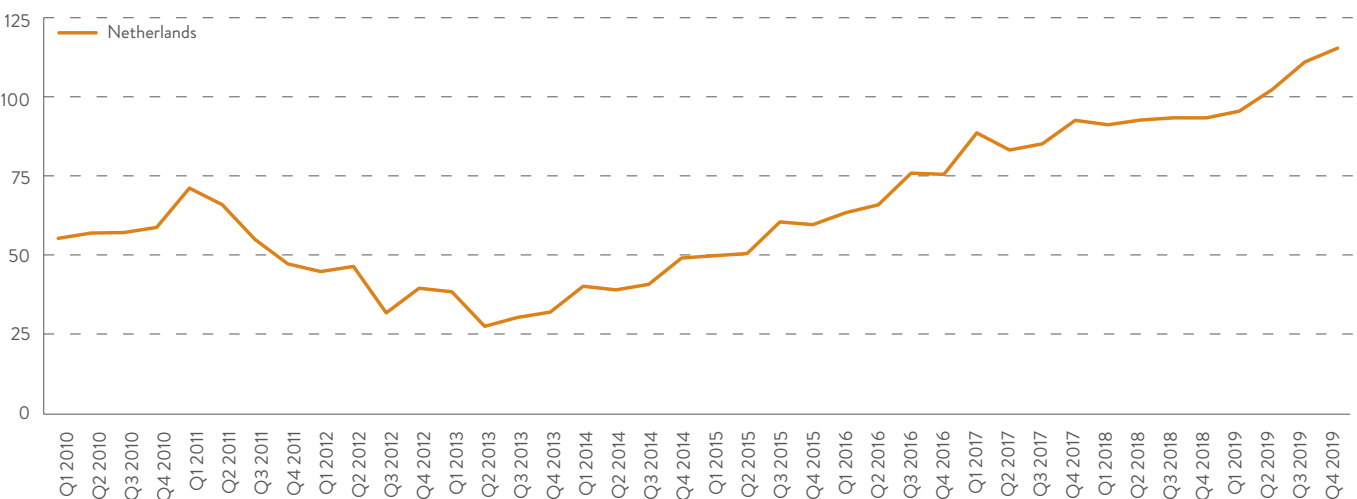


CHART 1C | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS RISEN ABOVE 120% OF 2007 LEVELS

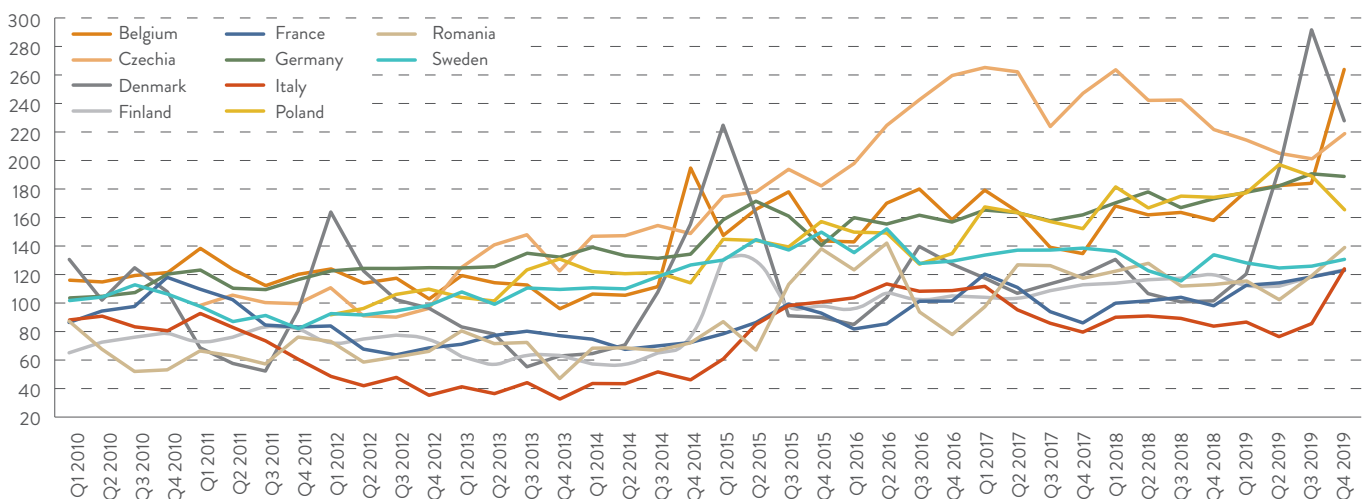
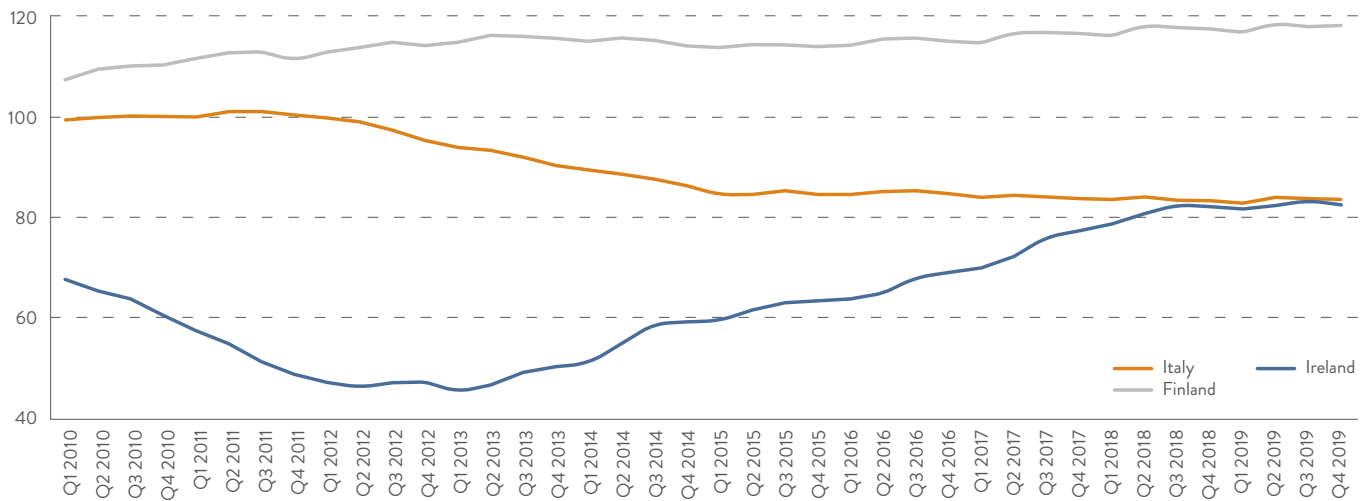
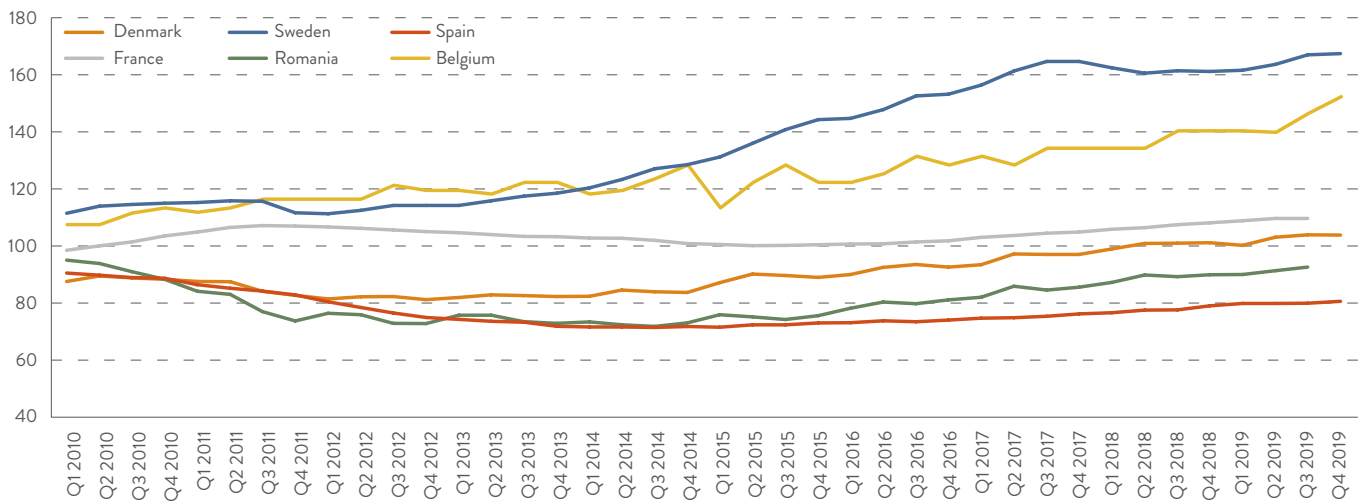


CHART 2A | COUNTRIES WHERE HOUSE PRICES* HAVE INCREASED AT MOST 2% Y-O-Y



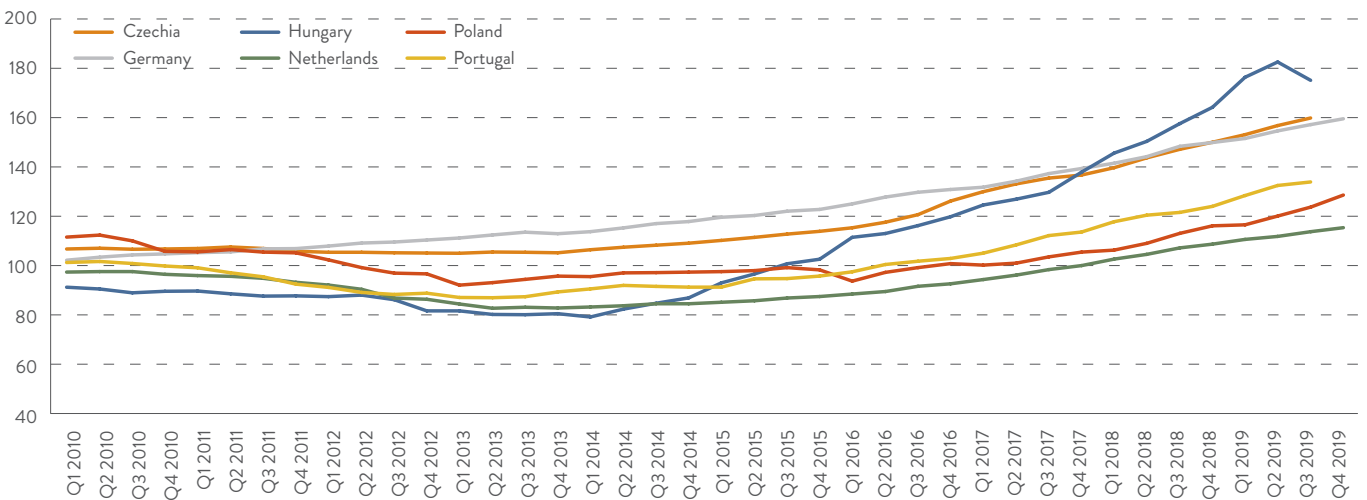
* Average Q1-Q4 2007=100

CHART 2B | COUNTRIES WHERE HOUSE PRICES* HAVE INCREASED BETWEEN 2% AND 5% Y-O-Y

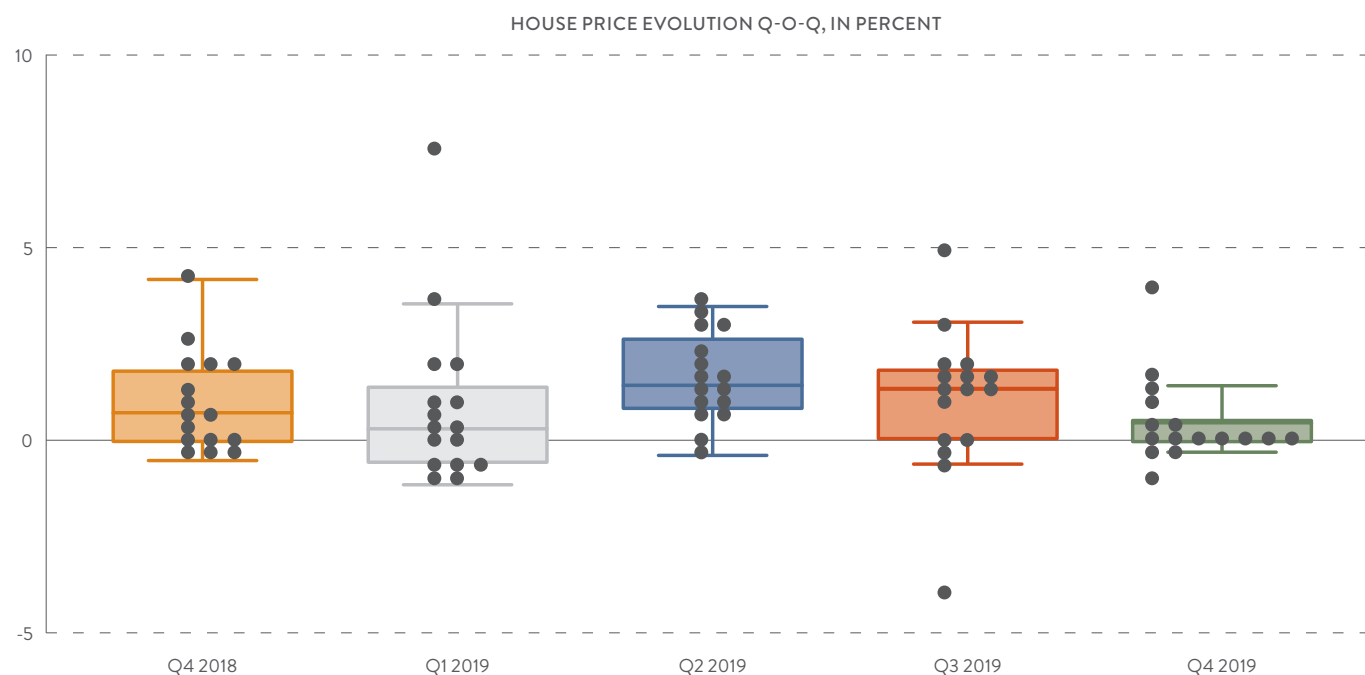


* Average Q1-Q4 2007=100

CHART 2C | COUNTRIES WHERE HOUSE PRICES* HAVE RISEN BY AT LEAST 5% Y-O-Y



* Average Q1-Q4 2007=100

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

NOTES:

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. This is the case for Q1 2019.

The dataset shows q-o-q growth figures of the country sample until Q4 2019 for which there are 10 datapoints instead of 16, as in 6 countries the latest House Price Index available was that of Q3 2019.



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

	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019	LATEST Y-O-Y CHANGE (%), Q4 19, EUR VALUES	PREVIOUS Y-O-Y CHANGE (%), Q3 19, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 19, LOCAL CURRENCY	PREVIOUS Y-O-Y CHANGE (%), Q3 19, LOCAL CURRENCY
BE	239,470	242,665	246,528	249,002	252,718	256,433	263,419	6.9	5.7	6.9	5.7
CZ	44,133	44,962	45,846	47,765	49,074	49,321	51,132	11.5	9.7	11.9	9.6
DE	1,410,391	1,431,091	1,445,987	1,461,007	1,485,203	1,509,140	1,530,435	5.8	5.5	5.8	5.5
DK	248,643	248,956	249,458	252,608	254,924	256,900	256,935	3.0	3.2	3.1	3.3
ES	495,141	493,176	490,806	489,859	489,192	485,646	487,561	-0.7	-1.5	-0.7	-1.5
FI	96,970	97,444	97,781	98,067	98,921	99,631	100,354	2.6	2.2	2.6	2.2
FR	977,524	994,000	1,010,000	1,022,000	1,040,000	1,060,000	n/a	n/a	6.6	n/a	6.6
HU	12,881	13,387	13,605	13,647	13,758	13,387	13,715	0.8	0.0	3.8	3.2
IE	100,940	100,713	97,684	94,919	93,274	93,117	92,791	-5.0	-7.5	-5.0	-7.5
IT	376,688	378,126	379,054	380,006	382,222	383,732	382,583	0.9	1.5	0.9	1.5
NL	710,343	712,224	714,367	715,191	719,707	722,594	n/a	n/a	1.5	n/a	1.5
PL	92,527	95,627	96,728	97,918	100,520	100,604	104,196	7.7	5.2	6.6	7.7
PT	93,740	93,794	93,952	93,768	93,878	93,906	93,846	-0.1	0.1	-0.1	0.1
RO	15,015	15,402	15,785	15,835	16,185	16,568	16,999	7.7	7.6	10.5	9.6
SE	390,979	401,638	409,173	408,320	408,027	407,357	422,742	3.3	1.4	5.3	5.2
UK	1,560,205	1,571,226	1,574,886	1,647,310	1,588,311	1,622,467	1,707,200	8.4	3.3	3.1	3.1

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:

- Czechia
- Germany
- Portugal
- Sweden
- UK

TABLE 2 | GROSS RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019	LATEST Y-O-Y CHANGE (%), Q4 19, EUR VALUES	PREVIOUS Y-O-Y CHANGE (%), Q3 19, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 19, LOCAL CURRENCY	PREVIOUS Y-O-Y CHANGE (%), Q3 19, LOCAL CURRENCY
BE	8,761	8,532	9,171	9,320	10,099	9,129	10,350	10,497	16,194	60.4	12.6	60.4	12.6
CZ	3,112	2,909	3,005	2,842	2,806	2,315	2,559	2,346	2,772	-1.2	-17.5	-3.0	-17.1
DE	55,800	52,300	58,400	57,500	59,600	54,800	59,800	65,500	64,900	8.9	13.9	8.9	13.9
DK	11,834	10,519	8,735	9,629	10,191	9,591	16,547	26,787	21,549	111.4	178.2	111.6	178.6
ES	10,516	9,872	12,032	9,943	11,210	10,596	11,498	9,155	12,341	10.1	-7.9	10.1	-7.9
FI	7,687	8,038	9,333	8,334	8,265	7,831	8,995	8,411	8,468	2.5	0.9	2.5	0.9
FR	37,678	38,859	42,577	47,574	42,960	44,379	48,111	53,860	n/a	n/a	13.2	n/a	13.0
HU	618	586	759	804	695	673	842	715	762	9.6	-11.1	12.9	-8.3
IE	2,230	1,704	2,014	2,369	2,635	1,884	2,250	2,639	2,768	5.0	11.4	5.0	11.4
IT	17,065	16,414	18,099	15,464	17,882	15,752	15,272	14,754	25,729	43.9	-4.6	43.9	-4.6
NL	29,005	23,958	26,447	27,444	29,230	25,205	29,227	32,567	35,628	21.9	18.7	21.9	18.7
PL	2,550	2,830	2,929	3,045	2,926	2,759	3,448	3,283	2,776	-5.1	7.8	-6.1	10.4
PT	2,308	2,186	2,588	2,519	2,542	2,349	2,577	2,646	3,047	19.9	5.0	19.9	5.0
RO	717	584	724	682	692	545	579	725	840	21.4	6.2	24.5	8.2
SE	16,312	13,636	14,311	11,656	15,794	12,732	14,526	12,812	15,439	-2.2	9.9	-0.4	14.0
UK	77,237	70,054	73,717	80,717	78,803	72,117	71,499	79,822	83,277	5.7	-1.1	0.5	-1.3

CZ – Data break on Q1 2013 due to change in sources
 IT – Latest data is an estimation

Source: European Mortgage Federation

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

- Germany
- Netherlands
- Poland
- Sweden
- UK



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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	2,936	3,921	2,905	3,348	2,747	3,499	3,195	3,863	2,474	3,716	3,715	6,986
CZ	2,588	2,167	1,320	1,603	857	658	830	884	1,919	1,309	246	1,812
DE	6,661	14,526	17,887	12,835	11,652	19,929	20,700	14,896	15,020	24,196	23,937	21,295
DK*	277	1,200	2,199	1,019	399	3,345	313	502	3,150	2,316	1,977	35
ES	-3,854	-2,910	-2,720	-4,057	-3,129	2,137	-1,965	-2,370	-947	-667	-3,545	1,915
FI	223	706	687	457	109	843	474	337	286	854	710	722
FR	13,774	14,349	12,111	14,634	9,140	14,158	16,476	16,000	12,000	18,000	20,000	—
HU	-99	-237	-54	-42	-254	214	506	218	43	111	-371	328
IE	-898	-934	-228	-2,665	-508	-637	-227	-3,029	-2,765	-1,645	-157	-326
IT	2,921	1,291	1,010	2,007	1,263	33	1,438	928	952	2,216	1,510	-1,149
NL	2,132	3,677	2,415	1,128	25,890	2,955	1,881	4,024	2,967	5,340	7,403	—
PL	2,945	307	-1,505	1,773	309	1,418	3,100	1,101	1,191	2,601	84	3,592
PT	-433	-381	-210	-260	-270	-83	54	158	-184	110	28	-60
RO	200	429	426	314	324	461	386	383	50	350	384	431
SE	6,861	3,610	5,886	-1,615	-10,774	4,458	10,660	7,535	-853	-293	-670	15,384
UK	12,886	-28,578	10,710	2,095	31,179	2,493	11,021	3,660	72,424	-58,999	34,157	84,733

* 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 2016	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	131.2	128.1	131.2	128.1	134.0	134.0	134.0	134.0	140.3	140.3	140.3	139.7	146.5	152.4
CZ	120.4	126.1	129.9	133.1	135.4	136.7	139.7	143.7	147.2	150.1	153.3	157.0	160.1	n/a
DE	129.6	130.7	131.7	134.1	137.3	139.3	141.5	144.2	148.5	150.0	151.7	154.8	157.4	159.8
DK	93.4	92.3	93.3	97.1	97.0	97.0	99.0	101.0	101.0	101.2	100.3	103.2	104.1	104.0
ES	72.9	73.5	74.2	74.4	74.9	75.8	76.2	77.2	77.3	78.7	79.6	79.6	79.7	80.4
FI	115.6	115.0	114.6	116.8	116.8	116.6	116.1	118.3	117.8	117.5	116.8	118.7	118.0	118.3
FR	101.0	101.4	102.7	103.4	104.3	104.7	105.8	106.4	107.5	108.2	109.0	109.8	n/a	n/a
HU	116.1	119.7	124.5	126.8	129.6	137.8	145.6	150.3	157.6	164.3	176.5	182.6	175.2	n/a
IE	68.1	69.1	70.0	72.3	76.2	77.5	78.9	80.9	82.7	82.3	81.9	82.6	83.6	82.7
IT*	85.1	84.5	83.7	84.1	83.8	83.5	83.3	83.8	83.1	83.0	82.5	83.7	83.5	83.3
NL	91.5	92.5	94.3	96.1	98.5	100.1	102.8	104.7	107.5	109.0	111.0	112.2	114.2	115.8
PL	99.0	100.6	100.0	100.8	103.4	105.4	106.2	109.0	113.2	116.3	116.7	120.3	124.0	129.0
PT	101.7	102.8	105.0	108.4	112.3	113.6	117.9	120.6	121.8	124.2	128.7	132.8	134.3	n/a
RO**	79.5	80.9	81.8	85.8	84.4	85.4	87.2	89.8	89.2	90.0	90.0	91.4	92.8	n/a
SE	152.5	153.1	156.3	161.3	164.7	164.7	162.5	160.6	161.4	161.2	161.6	163.7	167.1	167.5
UK	116.1	116.0	116.3	118.9	126.8	126.7	126.4	127.9	130.4	129.8	128.3	129.3	131.4	131.1

* 2010=100

** 2009=100

Source: European Mortgage Federation

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

Further information below:

- Belgium: Stadim average price of existing dwellings
- 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: 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: 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)

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



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

	III 2016	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	2.00	2.00	2.11	2.16	2.13	2.03	2.01	2.01	1.95	1.95	1.91	1.79	1.68	1.56
CZ*	2.17	2.01	2.17	2.22	2.17	2.25	2.41	2.49	2.58	2.81	2.89	2.91	2.71	n/a
DE	1.68	1.63	1.80	1.83	1.85	1.83	1.85	1.90	1.87	1.86	1.79	1.63	1.39	1.28
DK**	1.20	1.09	1.11	1.09	0.94	0.87	0.87	0.84	0.79	0.76	0.78	0.73	0.56	0.56
ES	2.02	1.97	1.97	1.92	1.99	1.91	1.96	1.94	1.96	2.01	2.11	2.12	1.95	1.76
FI	1.16	1.16	1.13	1.07	1.02	0.95	0.92	0.87	0.88	0.86	0.81	0.76	0.72	0.73
FR***	1.46	1.32	1.45	1.54	1.55	1.52	1.48	1.45	1.43	1.41	1.42	1.29	1.19	n/a
HU	4.34	4.06	3.91	3.59	3.43	3.01	4.31	4.31	4.87	5.45	5.17	5.04	4.86	4.39
IE	3.26	3.22	3.16	3.22	3.20	3.07	3.02	3.06	2.97	2.95	2.96	2.95	2.93	2.87
IT	2.02	2.02	2.11	2.10	2.02	1.90	1.88	1.80	1.80	1.89	1.85	1.77	1.44	1.44
NL**	2.60	2.41	2.39	2.42	2.42	2.41	2.39	2.41	2.40	2.40	2.41	2.31	2.16	2.09
PL	4.40	4.40	4.40	4.40	4.40	4.40	4.30	4.30	4.40	4.40	4.30	4.30	4.40	4.30
PT	1.76	1.77	1.70	1.61	1.48	1.52	1.51	1.41	1.33	1.63	1.31	1.32	1.02	1.09
RO****	3.56	3.52	3.72	3.34	3.61	4.42	4.77	4.99	5.48	5.70	5.85	5.17	5.38	5.41
SE	1.59	1.57	1.65	1.52	1.53	1.56	1.52	1.51	1.48	1.47	1.57	1.53	1.52	1.46
UK	2.30	2.16	2.09	2.05	1.98	1.98	2.03	2.09	2.10	2.10	2.11	2.08	2.05	n/a

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

** This data series has been revised and it depicts the variable interest rate, which is the most common one.

*** 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)

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

- Romania

TABLE 5B | MORTGAGE INTEREST RATES

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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	2.46	2.25	2.06	1.95	1.58	1.51	1.57	1.56	1.82	1.87	1.84	1.94
CZ	2.40	2.51	2.25	2.28	2.57	2.53	2.88	3.12	2.97	3.15	2.8	n/a
DE	2.10	2.10	2.04	2.05	2.05	2.08	2.14	2.04	2.06	2.01	1.91	1.85
DK*	1.11	1.09	0.94	0.87	0.87	0.84	0.79	0.76	0.78	0.73	0.56	0.56
ES	1.57	1.51	1.68	1.57	1.60	1.56	1.57	1.64	1.70	1.75	1.60	1.56
FI	1.06	1.02	1.00	0.94	0.90	0.84	0.85	0.86	0.82	0.77	0.73	0.76
FR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	3.91	3.59	3.43	3.01	3.18	3.18	3.41	2.78	3.53	3.23	3.62	3.02
IE	3.03	3.18	3.17	3.03	2.96	3.11	3.04	3.03	3.11	3.08	3.14	3.03
IT	1.72	1.66	1.63	1.53	1.54	1.47	1.51	1.52	1.47	1.48	1.37	1.37
NL	1.95	1.97	1.98	1.96	1.95	1.91	1.89	1.87	1.88	1.87	1.85	1.74
PT	1.70	1.61	1.48	1.52	1.51	1.41	1.33	1.36	1.31	1.32	1.02	1.10
RO**	3.62	3.29	3.56	4.46	4.78	4.48	5.41	5.55	5.75	5.01	5.27	5.28
SE	1.65	1.52	1.53	1.56	1.52	1.45	1.46	1.42	1.47	1.45	1.41	1.39
UK***	1.92	1.90	1.78	1.84	—	—	—	—	—	—	—	n/a

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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	2.12	2.09	1.96	1.86	1.94	1.82	1.54	1.80	1.94	1.87	1.95	2.17
CZ	2.16	2.12	2.14	2.24	2.38	2.50	2.53	2.71	2.86	2.83	2.72	n/a
DE	1.67	1.73	1.77	1.70	1.72	1.74	1.72	1.71	1.66	1.48	1.4	1.33
DK*	1.24	1.22	1.16	1.12	1.12	1.17	1.24	1.17	1.01	0.80	0.50	0.65
ES	1.85	1.71	1.74	1.67	1.69	1.67	1.74	1.76	1.85	2.00	1.80	1.56
FI	1.16	1.12	1.13	1.15	1.18	1.02	1.06	1.04	1.05	1.07	1.16	1.09
HU	5.79	5.40	5.14	4.63	4.31	4.31	4.87	4.80	4.51	4.87	4.87	4.87
IE	3.32	3.27	3.22	3.10	3.07	3.03	2.94	2.92	2.90	2.90	2.85	2.82
NL	2.15	2.20	2.23	2.21	2.15	2.15	2.10	2.11	2.12	2.11	2.03	1.89
RO**	4.96	5.01	4.84	4.37	4.49	5.11	5.49	5.96	6.04	5.93	5.94	5.91
SE	1.61	1.65	1.65	1.65	1.67	1.61	1.60	1.57	1.57	1.49	1.46	1.41
UK	2.09	2.05	1.99	1.97	2.03	2.09	2.11	2.13	2.09	2.06	2.03	n/a

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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	1.93	2.10	2.19	2.16	2.13	1.94	1.84	1.83	1.70	1.69	1.56	1.66
CZ	1.98	2.19	2.13	2.21	2.36	2.43	2.51	2.69	2.83	2.78	2.55	n/a
DE	1.63	1.68	1.68	1.67	1.69	1.76	1.71	1.71	1.64	1.47	1.24	1.12
DK*	1.64	1.56	1.53	1.58	1.61	1.72	1.67	1.57	1.25	1.00	0.73	0.77
ES	4.15	4.13	4.26	4.07	4.48	4.45	4.21	3.98	3.97	4.18	4.49	4.17
FI	1.94	1.89	1.92	1.80	1.90	1.70	1.90	2.00	1.84	1.46	1.33	1.52
HU	7.04	6.51	6.27	5.76	5.39	5.27	5.39	5.45	5.17	5.03	4.86	4.39
NL	2.30	2.36	2.34	2.34	2.34	2.39	2.39	2.38	2.39	2.27	2.11	2.09
RO**	5.62	5.57	4.75	5.09	5.40	5.51	6.12	6.40	6.63	6.47	6.44	6.31
SE	2.58	1.94	1.91	2.17	2.20	2.03	2.04	1.86	1.79	1.81	1.54	1.39
UK	2.59	2.69	2.71	2.66	2.63	2.63	2.67	2.67	2.64	2.50	2.33	n/a



TABLE 5B | MORTGAGE INTEREST RATES (CONTINUED)

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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BE	2.11	2.16	2.13	2.03	2.01	2.01	1.95	1.95	1.91	1.79	1.68	1.56
CZ	2.44	2.67	2.44	2.57	2.48	2.54	2.48	2.94	2.97	2.80	2.87	n/a
DE	1.88	1.90	1.95	1.92	1.94	1.98	1.95	1.96	1.86	1.67	1.37	1.25
DK*	3.04	2.89	2.82	2.78	2.87	2.85	2.79	2.79	2.53	2.16	1.72	1.67
ES	2.32	2.42	2.44	2.39	2.33	2.29	2.26	2.31	2.44	2.41	2.21	1.86
HU	5.71	5.93	5.67	5.52	5.51	5.76	5.74	5.79	5.61	5.72	5.49	4.72
IT****	2.26	2.30	2.22	2.12	2.07	1.96	1.93	2.06	2.00	1.92	1.46	1.46
NL	2.85	2.90	3.00	3.00	2.90	2.86	2.80	2.82	2.84	2.78	2.63	2.57
RO**	5.86	5.76	3.34	3.69	4.85	4.56	5.56	5.91	6.12	5.26	5.46	5.48
UK	n	n	n	n	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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

*** 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

Source: European Mortgage Federation

NOTE:

n – no lending made in this maturity bracket

Data refers to quarter averages

UK – from Q1 2018 onwards Bank of England discontinued these data series

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

- Belgium
- Finland

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

	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
CZECHIA											
Variable rate (up to 1Y initial rate fixation)	20.1	20.0	19.1	18.6	18.7	18.6	18.4	24.1	23.1	23.6	n/a
Short-term fixed (1Y-5Y initial rate fixation)	57.5	56.7	56.3	54.6	53.2	52.4	51.7	46.9	46.4	45.0	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	17.9	18.9	20.3	22.5	23.7	24.5	25.5	24.3	25.8	26.6	n/a
Long-Term fixed (over 10Y initial rate fixation)	4.5	4.4	4.3	4.4	4.4	4.4	4.5	4.6	4.6	4.8	n/a
DENMARK											
Variable rate (up to 1Y initial rate fixation)	38.8	37.9	36.7	36.3	36.4	35.4	33.4	32.7	32.5	31.5	31.2
Short-term fixed (1Y-5Y initial rate fixation)	24.6	24.9	25.6	25.9	25.9	25.5	26.3	25.9	24.8	24.8	24.0
Medium-Term fixed (5Y-10Y initial rate fixation)	36.6	37.2	37.7	37.8	37.5	39.2	40.2	41.4	42.6	43.7	44.8
Long-Term fixed (over 10Y initial rate fixation)											
FINLAND											
Variable rate (up to 1Y initial rate fixation)	91.1	91.6	92.2	92.7	92.8	93.1	93.3	93.6	93.9	94.1	94.3
Short-term fixed (1Y-5Y initial rate fixation)	5.7	5.3	5.0	4.7	4.4	4.5	4.2	4.1	3.7	3.6	3.3
Medium-Term fixed (5Y-10Y initial rate fixation)	3.2	3.0	2.8	2.6	2.8	2.3	2.5	2.4	2.4	2.3	2.3
Long-Term fixed (over 10Y initial rate fixation)											
IRELAND											
Variable rate (up to 1Y initial rate fixation)	88.0	86.9	85.8	84.3	82.5	80.9	78.6	76.1	73.9	71.9	n/a
Short-term fixed (1Y-5Y initial rate fixation)	10.1	11.2	12.6	13.9	15.6	17.2	19.4	21.6	23.6	25.3	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	1.9	1.9	1.6	1.7	2.0	1.9	2.0	2.4	2.5	2.8	n/a
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n

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

	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
SWEDEN											
Variable rate (up to 1Y initial rate fixation)	67.9	68.3	68.3	68.4	68.9	69.01	67.0	64.9	63.8	63.0	61.1
Short-term fixed (1Y-5Y initial rate fixation)	30.3	30.1	30.1	30.2	29.7	20.9	31.6	33.8	34.9	36.0	37.6
Medium-Term fixed (5Y-10Y initial rate fixation)	1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.0	1.3
Long-Term fixed (over 10Y initial rate fixation)											
UNITED KINGDOM											
Variable rate (up to 1Y initial rate fixation)*	42.4	40.6	38.6	36.6	35.0	33.4	31.6	29.9	28.7	27.5	n/a
Short-term fixed (1Y-5Y initial rate fixation)	56.2	58.0	60.0	61.9	63.4	65.0	66.7	68.4	69.5	70.6	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.8	1.8	1.9	n/a
Long-Term fixed (over 10Y initial rate fixation)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	n/a
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	46.7	47.3	46.6	46.9	47.6	47.5	98.4	99.2	99.3	99.3	Since Q4 2015 FX lending is not allowed any more
EUR denominated	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3	0.3	
CHF denominated	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4	0.4	
Other FX denominated	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0	0.0	
BREAKDOWN BY LOAN ORIGINAL MATURITY											
	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
ITALY											
Maturity less than 5 years	0.7	0.7	0.7	0.7	0.5	0.6	0.5	0.5	0.5	0.5	0.5
Maturity over 5 years	99.3	99.3	99.3	99.3	99.5	99.5	99.5	99.5	99.5	99.5	99.5

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

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

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

	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
BELGIUM													
Variable rate (up to 1Y initial rate fixation)	0.3	0.5	1.2	1.6	2.5	4.9	7.4	7.9	6.6	6.0	2.6	1.1	2.3
Short-term fixed (1Y-5Y initial rate fixation)	1.8	2.2	2.5	3.1	4.8	4.2	3.9	5.8	5.9	3.4	2.9	2.0	1.4
Medium-Term fixed (5Y-10Y initial rate fixation)	15.6	16.3	17.2	17.2	18.2	18.1	17.1	20.8	24.6	24.4	25.5	20.4	12.2
Long-Term fixed (over 10Y initial rate fixation)	82.3	81.1	79.1	78.1	74.6	72.9	71.6	65.5	62.9	66.1	69.1	76.6	84.0
CZECHIA													
Variable rate (up to 1Y initial rate fixation)	33.4	19.1	16.7	21.1	24.9	16.9	18.5	17.3	23.2	28.7	31.2	32.2	n/a
Short-term fixed (1Y-5Y initial rate fixation)	37.2	50.9	56.6	53.4	45.6	47.8	47.9	47.7	42.4	39.9	35.8	34.3	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	26.2	26.9	23.7	22.4	26.6	30.9	28.6	29.0	30.0	25.1	27.7	27.3	n/a
Long-Term fixed (over 10Y initial rate fixation)	3.2	3.1	3.0	3.0	3.0	4.3	5.0	6.1	4.3	6.3	5.4	6.2	n/a
DENMARK													
Variable rate (up to 1Y initial rate fixation)	18.4	17.8	17.4	18.6	22.9	13.7	15.5	14.8	18.2	16.6	10.7	5.2	7.3
Short-term fixed (1Y-5Y initial rate fixation)	28.8	35.2	33.0	28.3	39.4	36.7	29.6	25.4	31.2	26.8	14.5	8.6	10.8
Medium-Term fixed (5Y-10Y initial rate fixation)	1.3	1.5	1.0	2.3	0.9	2.1	0.6	1.5	0.9	1.6	0.8	0.7	1.6
Long-Term fixed (over 10Y initial rate fixation)	51.5	45.4	48.7	50.8	36.8	47.6	54.3	58.3	49.8	55.1	74.0	85.4	80.3
FINLAND													
Variable rate (up to 1Y initial rate fixation)	93.3	93.2	94.3	95.6	96.0	96.2	96.4	96.6	96.3	96.1	96.4	96.5	96.6
Short-term fixed (1Y-5Y initial rate fixation)	3.4	3.1	2.8	2.2	1.9	1.8	1.8	1.4	1.7	1.8	1.5	1.3	1.3
Medium-Term fixed (5Y-10Y initial rate fixation)	3.3	3.6	2.9	2.2	2.1	2.0	1.8	2.0	2.0	2.1	2.1	2.2	2.2
Long-Term fixed (over 10Y initial rate fixation)													
GERMANY													
Variable rate (up to 1Y initial rate fixation)	11.8	10.9	11.3	11.6	11.9	11.3	12.5	11.5	11.6	11.4	11.2	10.6	10.8
Short-term fixed (1Y-5Y initial rate fixation)	8.4	8.8	8.5	8.9	8.9	8.8	8.8	8.7	8.7	8.9	8.8	7.7	7.6
Medium-Term fixed (5Y-10Y initial rate fixation)	35.9	36.1	35.2	35.5	35.4	34.4	33.8	34.0	34.6	33.0	32.6	31.5	31.7
Long-Term fixed (over 10Y initial rate fixation)	43.9	44.2	45.0	43.9	43.9	45.5	44.9	45.8	45.1	46.7	47.3	50.1	49.9



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

	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
HUNGARY													
Variable rate (up to 1Y initial rate fixation)	40.6	43.5	45.9	41.4	38.7	28.1	18.3	11.5	6.5	4.9	3.2	2.6	1.7
Short-term fixed (1Y-5Y initial rate fixation)	31.2	27.2	27.0	32.6	34.2	42.7	46.6	42.4	31.3	26.5	24.7	28.3	30.6
Medium-Term fixed (5Y-10Y initial rate fixation)	21.9	22.5	20.6	19.5	21.2	23.8	29.2	38.4	51.3	57.6	61.4	59.2	55.2
Long-Term fixed (over 10Y initial rate fixation)	6.3	6.8	6.4	6.5	5.9	5.4	5.9	7.8	11.0	11.0	10.7	9.8	12.5
IRELAND													
Variable rate (up to 1Y initial rate fixation)	62.5	59.8	53.4	47.2	43.8	45.6	41.5	36.1	30.9	28.7	27.9	26.3	25.0
Short-term fixed (1Y-5Y initial rate fixation)	37.5	40.2	46.6	52.8	56.2	54.4	58.5	63.9	69.1	71.3	72.1	73.7	75.0
Medium-Term fixed (5Y-10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
ITALY													
Variable rate (up to 1Y initial rate fixation)	31.2	29.0	31.3	35.5	37.5	36.3	33.4	32.8	30.5	30.8	34.2	31.5	19.7
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	68.8	71.0	68.7	64.5	62.5	63.7	66.6	67.2	69.5	69.2	65.8	68.5	80.3
Long-Term fixed (over 10Y initial rate fixation)													
NETHERLANDS													
Variable rate (up to 1Y initial rate fixation)	11.8	10.7	13.8	14.7	15.3	15.4	16.2	16.3	16.9	18.2	19.7	19.4	17.1
Short-term fixed (1Y-5Y initial rate fixation)	9.9	8.3	10.0	8.7	8.9	9.3	10.2	10.0	9.2	9.3	10.0	8.7	7.9
Medium-Term fixed (5Y-10Y initial rate fixation)	56.5	57.9	54.3	55.5	55.3	53.4	48.2	43.8	43.1	42.5	42.7	44.1	43.4
Long-Term fixed (over 10Y initial rate fixation)	21.8	23.0	21.9	21.2	20.5	21.8	25.4	29.9	30.8	30.0	27.5	27.8	31.6

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

	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
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)	n	n	n	n	n	n	n	n	n	n	n	n	n
Medium-Term fixed (5Y-10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
PORTUGAL													
Variable rate (up to 1Y initial rate fixation)	61.0	63.3	58.9	60.1	59.1	61.3	68.2	64.0	66.3	82.9	76.9	70.8	55.7
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	39.0	36.7	41.1	39.9	40.9	38.7	31.8	36.0	33.7	17.1	23.1	29.2	44.3
Long-Term fixed (over 10Y initial rate fixation)													
ROMANIA													
Variable rate (up to 1Y initial rate fixation)	93.9	93.6	97.5	88.8	78.5	73.2	77.7	75.0	69.9	74.3	76.2	79.4	78.2
Short-term fixed (1Y-5Y initial rate fixation)	5.0	4.8	1.7	2.5	10.3	15.5	8.5	11.3	13.6	13.2	10.8	10.0	10.5
Medium-Term fixed (5Y-10Y initial rate fixation)	0.9	1.1	0.5	1.9	3.5	5.6	6.0	6.7	8.5	3.8	2.6	2.5	4.2
Long-Term fixed (over 10Y initial rate fixation)	0.2	0.5	0.3	6.7	7.8	5.7	7.9	7.0	8.0	8.7	10.5	8.1	7.1
SPAIN													
Variable rate (up to 1Y initial rate fixation)	42.2	41.7	42.0	43.9	42.3	36.3	36.8	36.2	35.7	34.4	38.1	36.3	33.6
Short-term fixed (1Y-5Y initial rate fixation)	23.4	24.8	26.2	27.2	28.5	29.7	28.4	28.2	26.6	26.8	27.0	28.8	22.3
Medium-Term fixed (5Y-10Y initial rate fixation)	4.0	4.7	4.4	3.9	3.9	4.1	4.2	4.7	4.8	5.6	4.5	3.5	3.0
Long-Term fixed (over 10Y initial rate fixation)	30.5	28.9	27.4	25.0	25.3	29.9	30.6	30.8	32.8	33.3	30.4	31.4	41.1

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

	IV 2016	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
SWEDEN													
Variable rate (up to 1Y initial rate fixation)	77.1	72.7	72.9	72.5	69.0	70.3	72.9	72.2	62.1	54.9	60.8	63.0	58.7
Short-term fixed (1Y-5Y initial rate fixation)	15.8	19.6	19.8	18.9	20.4	20.8	20.2	20.9	29.8	36.2	31.6	27.0	28.5
Medium-Term fixed (5Y-10Y initial rate fixation)	7.2	7.7	7.3	8.6	10.7	8.9	6.9	6.8	8.1	8.9	7.6	10.0	12.8
Long-Term fixed (over 10Y initial rate fixation)													
UNITED KINGDOM													
Variable rate (up to 1Y initial rate fixation)*	16.6	15.8	11.6	11.0	7.4	6.7	6.7	8.3	6.8	7.9	6.6	7.4	n/a
Short-term fixed (1Y-5Y initial rate fixation)	81.6	82.0	86.7	87.6	90.9	91.6	91.7	90.0	91.7	90.5	91.8	90.7	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	1.8	2.2	1.7	1.4	1.7	1.7	1.6	1.7	1.5	1.6	1.6	1.9	n/a
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n/a	n/a	n/a	0	0	0	0.1	n/a

NOTE:

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

n – no lending made in this maturity bracket

Source: European Mortgage Federation

The series has been revised for at least two figures in:
none

THE BANK LENDING SURVEYS

NOTES ON THE BANK LENDING SURVEY

The Bank Lending Survey (BLS) is 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 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 are taken from the quarterly results of the “The Euro area bank lending survey – Second quarter of 2019” of the ECB.

For the 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 the 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 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.

In addition to Denmark and the UK, and following the new structure introduced during the third quarter of 2018, we compile the bank lending surveys from Czech Republic, Hungary, Romania and Poland. For these countries similar criteria as the one used in the BLS carried out by the ECB applies, as is the case for the Eurozone countries positive values stand for net tightening and negative values stand for 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.

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 term “Net Percentage” is used (see ECB website or contact authors for more information) in this publication. For the data for 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. For Estonia and Ireland Diffusion Index Data is used as they lack net percentage data.

RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. CREDIT STANDARD:

TABLE 6A | SUPPLY HISTORIC EVOLUTION (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
AT	0	14	-14	14	0	29	14	0	29	29	14	14
BE	0	25	0	0	25	0	0	25	0	50	25	75
CY	0	0	0	0	0	0	0	0	0	0	0	0
DE	-14	0	-7	-7	-7	-7	-3	0	7	-3	0	0
EE	0	0	0	13	30	10	0	0	0	0	0	0
EL	0	25	0	0	0	-25	0	0	0	0	0	0
ES	0	0	-11	-11	-11	-11	0	0	11	11	0	11
FR	0	0	-2	-2	-14	-2	-2	-2	-2	-2	0	2
IE	0	0	0	0	0	0	0	0	0	0	0	0
IT	-14	-20	-20	0	-10	0	0	10	10	0	-10	-10
LT	0	25	75	0	0	0	25	25	0	0	0	0
LU	0	-33	-17	0	-33	-17	0	0	0	-17	-33	0
LV	-25	0	0	0	-25	0	50	25	50	0	0	0
MT	0	0	-45	0	40	0	0	0	0	21	60	0
NL	-2	-30	-48	-36	-51	-50	-34	-35	-32	-34	-30	-34
PT	0	0	0	0	0	0	60	20	0	0	0	20
SI	40	0	0	0	0	0	20	20	0	0	0	100
SK	93	65	51	32	59	32	78	50	66	15	78	-9
EA	-5	-4	-11	-6	-11	-8	-2	-1	3	1	-2	1
CZ	87	57	40	42	41	29	40	92	-6	-15	18	26
DK	14	-32	22	14	40	13	-6	19	0	8	0	19
HU	-6	-4	-5	-5	-5	-15	0	-5	-5	-5	0	0
PL	1	13	11	21	-4	7	58	61	1	1	32	8
RO	12	47	-16	3	7	0	18	16	50	0	0	0
UK	-4	-10	-7	-2	-4	-4	11	12	-7	6	1	-15

In the last quarter of the year, credit conditions to households for house purchase have remained practically unchanged with respect to Q3 2019. Credit standards for housing purchase tightened on average for the EU by 1%, reverting the slight easing of the previous quarter. A change that was expected during the previous quarter. In this context, the net percentage still remains below the historical average for 16 years now.

For another quarter, the main factors contributing to the easing of the credit standards were the pressure from competition and lower risk perceptions. On the other hand, bank's risk tolerance, funding costs and balance sheet constraints had a neutral impact on credit standards.

Among the largest euro area countries, credit standards tightened specially in Spain and France while they remained stable in Germany and they eased in Italy. For Spain the main reason for the tightening of the credit conditions has been the impact of risk perception given the economic and political situation.

Similarly, for France risk perception contribute as well to the tightening of the conditions. Meanwhile in Italy the main factor for the easing of the conditions was the pressure from bank competition. In Germany the only factor impacting credit conditions was bank's risk tolerance.

Looking at the rest of the EU countries of our sample we observe that for the big majority of the countries conditions remained unchanged. In the sample Slovenia points out with a tightening of the credit conditions of 100%, closely followed by Belgium were credit conditions tightened by 75%. At the other end of the spectrum we find the Netherlands, country that experienced the biggest easing of over 34%.

In this context, banks expect that in the first quarter of 2020 credit standards will further tighten.

Looking at the rejection rate, it increased during the fourth quarter of 2019, the number of housing loans rejected increased by 3%. However, the trends were

different among jurisdictions. In Italy and Spain the rejection rate decreased, in Germany it remained unchanged and, finally, in France it slightly increased. Outside the Euro area, in the UK in the last quarter of the year credit conditions eased by a significant 15%. However, in Denmark credit conditions for households tightened by almost 19%. Moving to the Centre-East, in Poland credit standards tightened by almost 8%, a figure significantly lower than the one registered

the previous quarter. In the Czechia some banks tightened standards for loans for house purchase provided to households during the last quarter of the year. The net tightened was of 26%. Moreover, in Romania credit conditions for house purchase remained unchanged during the fourth quarter of the year. Finally, in Hungary credit standards for house purchase loans remained unchanged with respect to the previous quarter.

TABLE 6B | FACTORS THAT HAVE AFFECTED SUPPLY IN 2019-Q4 (BACKWARD-LOOKING 3 MONTHS) (AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

IV 2019	AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ	DK	HU	PL	RO	UK	
Change in Credit Standards Overall	14	75	0	0	0	0	11	2	0	-10	0	0	0	0	-34	20	100	-9	1	18	19	0	8	0	-15	
FACTORS AFFECTING CREDIT STANDARDS:																										
Impact of funds and balance sheet constraints	0	0	0	0	0	0	0	0	0	0	0	-17	0	0	0	0	-20	0	0	-32		5	0	0	0	-1
Perception of risk	14	75	0	3	0	0	0	0	0	0	0	0	0	0	-34	0	0	0	1	—	0	0	—	—	—	—
Pressure from competition	0	0	0	0	0	0	0	0	0	-5	0	-17	0	-8	-33	0	-10	-14	-4	-3	0	-40	0	0	0	-24
Risk Tolerance	0	0	0	0	0	0	4	1	0	0	0	0	0	0	-32	0	20	-9	-2	0	19	2	0	0	9	

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

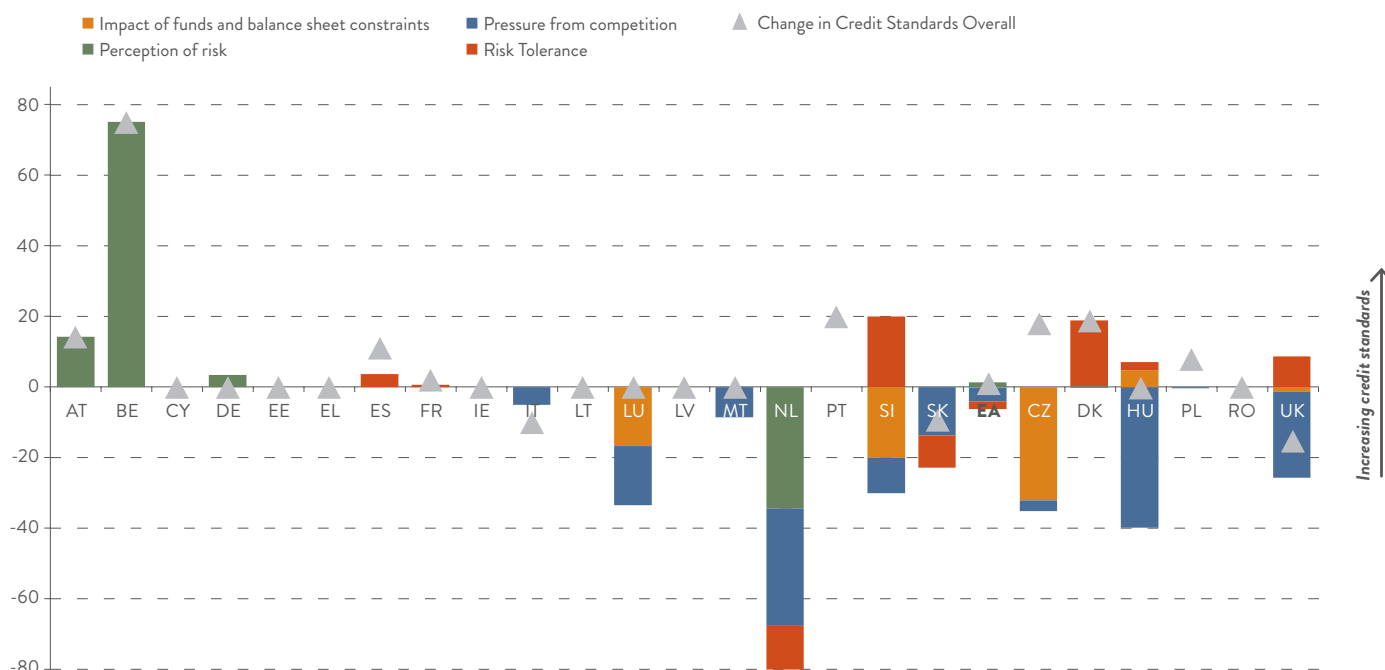
For CZ there are different factors and following assumptions were made: cost of funds and balance sheet constraints > impact of funds and balance sheet constraints; pressure from other banks and non-banks > pressure from competition.

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 you 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



2. CREDIT DEMAND:

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

	I 2017	II 2017	III 2017	IV 2017	I 2018	II 2018	III 2018	IV 2018	I 2019	II 2019	III 2019	IV 2019
AT	29	29	43	14	14	0	-14	-14	14	14	29	29
BE	-50	0	-25	0	0	0	0	25	0	0	0	100
CY	25	25	75	100	80	100	50	25	25	50	0	25
DE	4	-7	0	0	14	21	3	10	14	38	28	17
EE	0	38	25	13	20	30	0	0	13	13	0	25
EL	-25	0	25	0	25	25	25	100	50	0	75	75
ES	11	11	11	11	22	22	22	-11	11	0	-33	-33
FR	68	29	-21	-21	-40	17	-22	-20	20	28	28	41
IE	30	20	20	20	10	30	-10	10	50	20	0	0
IT	29	10	30	10	10	20	10	10	0	20	10	30
LT	25	0	-25	0	0	25	0	25	0	0	0	0
LU	-17	33	67	17	17	17	-17	17	17	0	-17	17
LV	0	25	33	50	75	50	25	25	25	25	25	50
MT	-45	14	14	13	55	55	56	-25	43	0	-82	-99
NL	-10	72	53	47	33	51	49	52	49	50	14	50
PT	80	60	40	80	40	40	60	20	-20	40	40	20
SI	20	40	20	40	0	20	-20	0	-20	-20	-20	-80
SK	50	12	10	34	-26	93	-2	-15	-20	-25	-1	7
EA	24	19	12	8	5	23	5	12	14	26	15	25
CZ	3	1	-32	39	-25	-2	45	-28	-72	29	18	31
DK*	2	-11	14	2	-11	0	11	28	11	-14	-30	-7
HU	77	96	42	51	72	85	51	65	75	60	-44	34
PL	22	29	-14	-13	76	40	11	13	26	54	38	-18
RO	45	9	19	-31	50	-15	-39	-33	8	-17	2	31
UK**	-15	2	-6	8	-29	5	3	24	-2	-29	-13	13

NOTE:

* 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"

For another consecutive quarter, credit demand for housing loans continued to increase in the European Union. Net demand continued strengthening, and in the last quarter it grew by 25% overall. This figure is above the historical average and it was higher than expected by banks.

This increase was mainly fuelled by the general low level of interest rates. In this context, consumer confidence and housing market prospect contributed positively as well and had a bigger impact than in previous quarters. Finally, other financing needs had a positive effect on demand too. On the other hand, the element was a small negative effect on demand was from alternative sources of finance.

Looking at the 4 biggest countries of the EU, Spain was the only country in which demand for housing loans decrease, accumulating another quarter of negative evolution. The main factors for this negative development were the housing market prospects together with consumer confidence and the use of alternative finance. Meanwhile in France, Germany and Italy demand grew significantly. This increase was boosted by favourable housing market prospects and stronger consumer confidence.

Outside the Eurozone, in the UK, demand followed the opposite trend compared to the previous quarter. In Q4 2019 demand on loans for housing purchase increased by 13%, after several quarters of decreasing trends demand reverted

in the last months of the year. On the other hand, in Denmark demand for housing loans has diminished by almost 7% during this past quarter. This decrease is a direct consequence of the increase of their mortgage loans by many borrowers in connection with the conversion at the expense of the bank.

Furthermore, in Poland household's demand fell by almost 18%. Meanwhile, in Czechia and Romania demand raised by 31%. Similarly, in Hungary demand raised by almost 34%.

TABLE 7B | FACTORS THAT HAVE AFFECTED DEMAND IN 2019-Q4 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

IV 2019	AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ	DK	HU	PL	RO	UK	
Change in Demand Overall	29	100	25	17	25	75	-33	41	0	30	0	17	50	-99	50	20	-80	7	25	31	-7	34	38	31	13	
FACTORS AFFECTING CREDIT STANDARDS:																										
Impact of housing market prospects	-14	25	25	17	0	-22	29	50	0	20	0	33	0	-38	32	-20	-40	27	16	15	—	—	53	—	—	
Other financing needs	43	0	25	17	-13	0	52	50	0	20	0	17	0	0	84	40	20	34	31	27	—	—	0	—	—	
Consumer confidence	0	0	25	3	0	-22	27	50	0	10	0	0	50	-17	32	20	0	21	10	3	—	—	0	—	—	
Use of alternative finance	0	0	25	0	0	0	6	-6	0	0	0	0	0	0	32	-10	-10	-17	2	—	—	—	—	—	—	
General level of interest	-5	0	25	-5	4	0	-11	4	0	0	0	0	0	9	0	-13	-30	-2	-2	9	—	—	0	—	—	

NOTE:

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

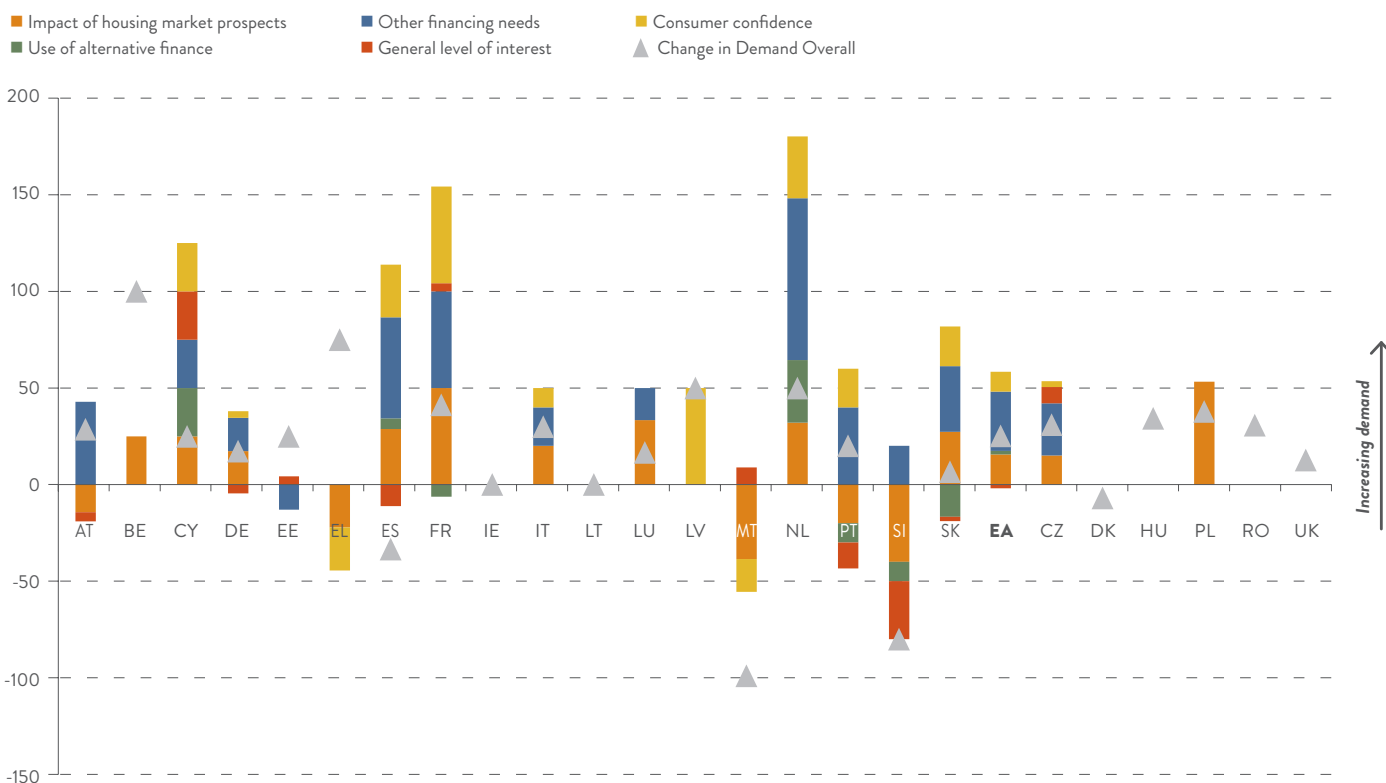
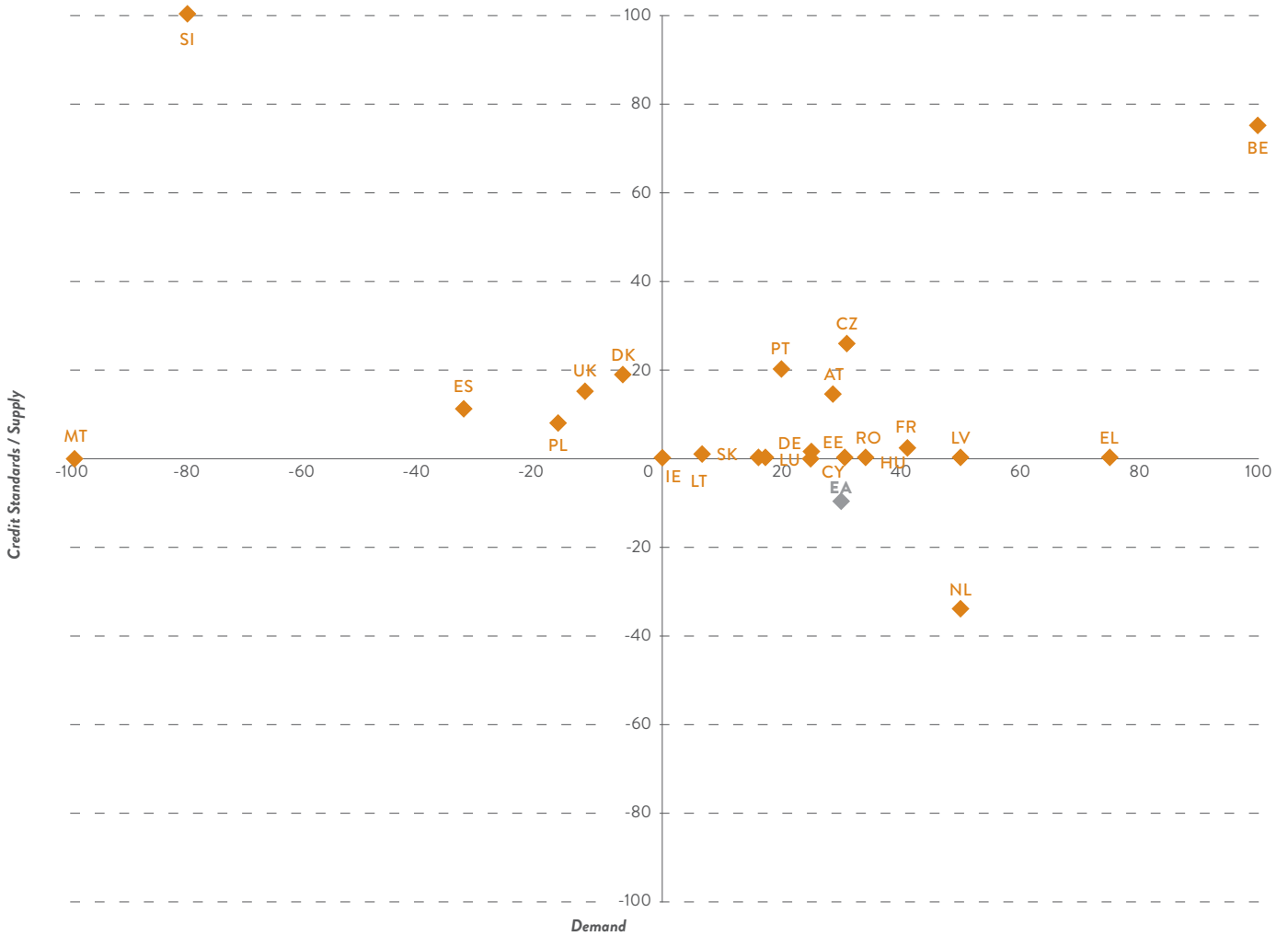


CHART 6 | DEMAND AND SUPPLY OVERVIEW



3. SCATTER PLOT:

The graph depicting the changes in supply and demand shows a clear tendency of countries to be on the right side. Therefore, the majority of countries have experienced an increase in demand during the last quarter of the year.

Furthermore, regarding credit standards these have remained unchanged for the biggest part of countries of our sample. Finally, we can still observe some outliers such as Belgium or Slovakia.



Q4 | 2019

QUARTERLY REVIEW
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