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QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

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GENERAL COMMENT

The third quarter of 2022 has been, perhaps, one of the most complex periods for European mortgage and housing markets in recent times. Considered altogether, the European mortgage stock expanded once again during this period on a yearly basis, further maintaining the trend commented on in previous editions of this Review. However, the pace of growth has been the slowest since the fourth quarter of 2020. Moreover, new lending, in the shape of gross residential mortgages, decreased for the fourth consecutive quarter.

This mixed scenario for residential mortgage lenders and borrowers is, in part, the result of a not less complex macroeconomic scenario. Indeed, as reported previously, the broader economic situation in Europe was marked by a relative deceleration of economic growth and increasing consumer prices. According to Eurostat ([November 2022 Euroindicator](#)), Q3 2022's seasonally adjusted GDP increased by 2.1% in the euro area and by 2.4% in the broader EU against Q3 2021, after a yearly 4.3% growth rate in both the euro area and in the EU one quarter prior. Regarding inflation, Eurostat's latest data suggest that the euro area's inflation rate (as a measurement of all HICP items) closed the month of September 2022 with a rate of 9.9%, after an 8.9% reading in July (beginning of Q3 2022). The most inflationary items, considering the item breakdown, were fundamentally energy, which recorded a rate of 40%, followed by unprocessed food products (12%). As indicated in other editions, one of the main factors driving inflation and further hampering the EU's economic outlook are the ongoing conflict in the Ukraine and the world trade-related bottlenecks, which are impacting businesses and consumers alike. This is further underpinned by the European Commission's [economic sentiment indicator](#), which considers the

business confidence of five sectors (industrial, construction, services, consumer and retail), which decreased slightly in Q3 2022: by end September 2022, the reading was 92.9, below the 100-point long-term average, after a score of 96.3 in August 2022.

As regards the housing market, developments remain mixed in Q3 2022, with no predominant trend visible in the greater EMF country sample. However, the indications provided by the relevant jurisdictions suggest that new permit issuance, new construction and transactions could be undergoing a relative deceleration or contraction in certain countries. Houses prices, conversely, increased once more on average in Q3 2022, although the pace of growth differed across jurisdictions. Nevertheless, the overarching house price trend in the EMF sample suggests that the intensity of HPI growth has softened, as the yearly growth rate (that is, relative to Q3 2021) experienced its slowest pace in four quarters (Q2 2021), albeit remaining consistent with the comparatively high growth rates seen during the 2021-2022 period. In terms of mortgage interest rates, third quarter data shows another record increase, building on the previous quarter's historic increase and the general upward trend that has been observed over the last four quarters. The abovementioned inflationary backdrop and its near-term effects can help explain this further interest rate increase. However, one key component spurring this significant increase is the ECB's decision to raise the basic, euro area interest rate by 50 bps, the first increase since 2012, in view of the deviation from the 2% inflation goal and the fundamental economic uncertainties affecting the EU during the period.

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



FURTHER READING

- Economic Bulletin Issue 6, September 2022 – European Central Bank ([link](#))
- Autumn 2022 Economic Forecast – European Commission ([link](#))
- Confronting the Crisis - Economic Outlook, November 2022 – OECD ([link](#))
- Flash estimate - Euro area annual inflation down to 9.2% December 2022 – Eurostat ([link](#))

MORTGAGE MARKETS

At the end of the third quarter of 2022, the overall mortgage stock of the EMF country sample¹ amounted to approximately EUR 8.2 tn, marking yet another historical high in the EMF mortgage stock series, in the midst of a steady growth path of outstanding mortgages that first began in 2017. However, as noted in previous editions of the Quarterly Review, the pace of growth of outstanding mortgage volumes decelerated once again in Q3 2022, a trend that enters its fourth consecutive quarter. More in detail, outstanding residential mortgage volumes grew by roughly 3.4% on a yearly basis (i.e., compared to Q3 2021), after a 4.1% yearly increase one quarter prior. EMF aggregated gross residential lending, in the meantime, fell by -4% year-on-year, a further slowdown from Q2 2022's -1% decrease. Gross lending levels stood at around EUR 357 bn overall, the lowest aggregated volume in two years.

Mortgage lending developments have been mixed as well from a country standpoint. Indeed, most jurisdictions report further increases in terms of their respective stock of residential mortgages, yet gross lending developments have been overall more subdued. There are, however, particular trends that are worth highlighting, as will be shown here.

Starting off in Northern Europe, the residential mortgage stock in **Sweden** slowed down its pace of growth in the third quarter 2022 to 6.2% on an annual basis (SEK values), compared to 7.0% in Q2 2022. Mortgage lending secured on single-family homes increased by 6.1% on an annual basis (versus 6.8% Q2). The increase in lending secured on tenant-owned apartments slowed down to 6.0% (7.2% Q2). Furthermore, net mortgage lending to multi-family homes increased by 6.6% in Q3 compared to 6.9% on an annual basis in the second quarter. Increasing consumer prices and, in particular, higher mortgage interest rates during 2022 contributed to “cooling down” the mortgage market and to house price falls during Q2 2022. Mortgage lending in Sweden has been affected by decreasing house prices and slower construction activity. Gross mortgage lending fell by -5.3% on a yearly basis. In **Denmark**, the volume of total outstanding residential loans increased to DKK 1.91 bn in the third quarter of 2022, an increase of 2.7% compared to the second quarter of 2022 (q-o-q, in local currency volumes). The volume of total outstanding residential loans has decreased by 3.2% since the third quarter of 2021. Lastly, in **Finland**, the mortgage stock increased by 1.6% in y-o-y in Q3 2022, after a 2.8% yearly growth rate one quarter previously. Gross residential lending fell by -15.3%. According to the latest information, household and investor demand for new mortgages was lower than a year before. And for the first time, the total outstanding residential loans figure was lower than the previous quarter. The conflict in Ukraine has had a significant impact on consumer confidence, which has been at its lowest score on record (-18.3% on the Finnish consumer confidence indication in September 2022). Increasing consumer prices has also hampered consumer expectations, particularly in terms of taking out a loan.

Considering the Central and Eastern European region, the following market changes can be highlighted, which vary across the relevant jurisdictions. In the third quarter of 2022, **Hungary** saw a significant slowdown in new residential mortgage issuance. Gross lending decreased by -34% in Q3 2022 compared to the previous quarter (i.e., q-o-q) and by about -29% compared to the same period of the previous year. In the meantime, the outstanding mortgage loans portfolio expanded by 1.9% in Q3 2022 compared to Q2 2022 and by 7.4% compared to Q3 2021. The correction experienced from the third quarter was, in part, the result of increasing mortgage interest rates and, additionally, the depletion of funds allocated to the Funding for Growth Scheme (FGS) Green Home Programme (GHP). Regarding **Poland**, demand for home loans continued to decrease at a noticeable pace in Q3 2022, building on the trend from previous quarters. Factors that can help explain this are, among other things, increasing interest rates, in view of the inflation outlook and the tightening of creditworthiness requirements, effective from April 2022. Against this backdrop, the number of outstanding residential mortgage loans decreased this quarter by nearly 45%. At the end of the quarter, 2.4 mn mortgage contracts were active. At the end of the quarter, 2.4 mn mortgage contracts were active, amounting to approximately 45,000 fewer contracts than at the end of the second quarter. The average value of a mortgage was nearly PLN 330,000. Mortgage stock volumes nevertheless increased by 2% y-o-y in Q3 2022 (following a 4.7% yearly growth rate in Q2 2022). In **Czechia**, the residential mortgage stock increased by 7% in Q3 2022 compared to Q3 2021, after a 9.2% increase in Q2 2022, considering the latest figures (in local currency, CZK). Gross residential lending decreased by more than 70% on a yearly basis. Total mortgage sales decreased significantly in Q3 2022, both on a quarterly and yearly basis. A combination of factors is behind this recent contraction, which include a worsening macroeconomic environment and consumer confidence, high interest rates and seemingly higher consumer prices (which have a clear impact on household expenses). In **Romania**, the stock of mortgage credit continued to grow in the third quarter of 2022, but at a slower pace (0.6% growth q-o-q and 8.3% y-o-y). The NPL ratio for mortgage loans reached 1.4% in September 2022, increasing marginally compared to the previous quarter, by 0.05 pps, while in annual terms it was 0.13 pps. In September 2022, gross new residential lending decreased by 9.2% compared to the previous quarter and by 15% on an annual basis. The value of remortgaging continued to grow substantially. Domestic credit institutions tightened the credit standards in Q3 2022, according to expectations in Q2 2022. The outlook for the next three months shows a continuation of this tightening trend for loans contracted for house and land purchase.

In the Continental Europe subgroup, mortgage lending indicators tended to perform in similar fashion across all countries comprised in this area. In **Belgium**, the residential mortgage stock increased by 6% y-o-y in Q3 2022 (6.3% in Q2 2022), while gross lending volumes contracted by -9.9% on the same basis (following a flat 0.9% growth rate in Q2 2022). In October 2022, mortgage lending showed a decrease in number of contracts (-12%) and also in corresponding amount (-7%), compared to the same month in 2021. In the past months, credit demand is still showing a decrease compared to the year before. In the neighbouring **Netherlands**, gross lending fell by more than 7% in Q3 2022. Concerning **Germany**, real estate financing (i.e., gross residential lending) declined in the third quarter of 2022. Compared to the previous year, a decrease by 11.5% was observed in Q3. The mortgage stock, meanwhile, grew by 6.5% compared to Q3 2021. Lastly, in **France**, the volume of residential home loans grew by 6.0% over one year in Q3 2022. The annual growth rate of residential lending continued to decelerate, after peaking in Q1 2022, but

¹ The sample for the Q3 2022 Quarterly Review includes BE, CZ, DE, DK, EL, 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 EU27 and UK in 2021). For this analysis, the EMF Secretariat used Q3 2022 figures and country-specific comments submitted by BE, CZ, DE, DK, EL, ES, FI, FR, HU, IE, IT, NL, PL, PT, RO, SE and UK. In order to have a complete -albeit provisional- statistical table, the Secretariat used the latest available data to complete the series where Q3 2022 figures are unavailable.

has remained at a high level because of the dynamic activity related to new home loans. New loans for residential real estate (excluding renegotiated loans) amounted to EUR 54 bn in the third quarter of 2022. But the quarterly production of Q3 2022 was down by 13% compared to the previous quarter and by -8.5% compared to Q3 2021. These significant new volumes are linked to the rise of house prices and to the amount of money borrowed for each loan, which has offset the decreasing number of loans. According to Bank de France-ACPR, the number of transactions linked to home loans (326,800 units) decreased by 8% in Q3 2022 compared to the previous quarter and by 21% vs Q3 2021. First-time buyers represented 47% of loans for the purchase of a main residence in Q3 2022 (in line with the average since 2014) and the share of modest first-time buyers (with an annual income of less than or equal to EUR 30,000) fell to 20% in Q3 2022 (compared to a 24% average since January 2020).

In **Portugal**, the first of our jurisdictions in Southern Europe, total outstanding residential loans increased by 4.3% y-o-y and 0.8% q-o-q, amounting to EUR 101,328 mn by the end of Q3 2022. New residential mortgage loan production totaled EUR 3,906 mn in Q3 2022, recording a -4.5% yearly decrease (-7.4% q-o-q). In neighboring **Spain**, new mortgage lending recorded its ninth consecutive quarter of annual growth after posting a 12% rebound in Q3 2022. The input of loan origination to the outstanding mortgage portfolio has reversed the downward trend which marked the last cycle, showing positive rates since Q2 2021. In Q2 2022 (last data available) the outstanding portfolio, amounting to EUR 490,671 mn, was 1.1% above the Q2 2021 figure. In **Italy**, outstanding mortgage lending continued to grow to approximately EUR 424 bn in Q3 2022, with an increase of approximately 5% with respect to the same quarter of the previous year. Gross residential lending decreased by -13% with respect to the same quarter of the previous year. Finally, in **Greece**, the total stock of outstanding housing loans continued to decline (-3.1%) in October 2022, at a rate that has remained almost unchanged since 2021. According to the latest available data of the Bank Lending Survey for Greece (Q3 2022), credit standards for housing loans to households remained stable compared to Q2 2022. Terms and conditions for mortgages to households also remained overall unchanged. Banks reported a relative increase in the proportion of rejected loan applications to housing loans in Q3 2022 compared to Q2 2022. The demand for housing loans contracted for the second consecutive quarter after repeatedly reported expansions in demand since Q3 2020. Regarding housing loans, while housing market prospects continued to exert a rather positive impact on demand, consumer sentiment and the general level of interest rates weighed negatively on it. Banks expect that the contraction in housing loan demand will also extend into the next quarter, i.e. Q4 2022. Finally, during the period January-October 2022, a significant increase in the number of new housing loan agreements was recorded, although in absolute terms they remained at low levels. Inflationary pressures (8.8%, y-o-y, in November 2022 and 9.4%, on average, y-o-y, in the 11-month period of 2022) and an increase in borrowing costs are likely to have an impact on demand.

In **Ireland**, mortgage approval volumes rose by 12.3% year on year in Q3 2022 to more than 16,100. This was the highest quarterly volume since the data series began in 2011. Most of the growth was driven by switching activity with non-purchase mortgage volumes up 106.6% year on year to more than 5,300. First-time buyer (FTB) approval volumes fell by 7% year on year to about 7,300. Mortgage drawdown volumes rose by 29.4% year on year to almost 15,000 in Q3 2022. This was the highest Q3 level since 2008. The growth in drawdowns was also fuelled by switching activity with the number non-purchase drawdowns up 115.8% year on year to almost 5,100. FTBs drew almost 6,600 mortgages, up 8.9% year on year and the highest Q3 volume since 2007 (7,817).

Lastly, in the **UK**, mortgage market activity remained robust in the third quarter of 2022. Gross lending totalled GBP 85 bn in the period, up by 18% compared to the same period in 2021. Remortgaging made up 32% of total lending, compared to 28% in the same period last year. The remortgage market has seen increased activity as homeowners seek to lock in deals as interest rates rise. Only 64% of loans were for new house purchases in Q3 2022 compared to 67% in Q3 2021.

REGULATION & GOVERNMENT INTERVENTION

The following measures and/or regulatory developments were reported at jurisdictional level:

SWEDEN

Due to rising energy costs, especially in the south of the country, the government implemented an electricity price compensation based on the previous year's consumption, which is planned to be paid out in February 2023. The compensation will be paid out mainly in the south of Sweden, where the electricity prices have been the highest.

FINLAND

The discussion as regards household indebtedness continued in Finland, as reported in the previous edition of the Quarterly Review. The Ministry of Finance tabled its legislative proposals on the matter in spring 2022. The latter body also decided that a maximum Debt-to-Income (DTI) will not be included in the proposal. It was however decided that the maximum maturity for housing loans will be 30 years, with restrictions applying to housing company loans for new construction.

HUNGARY

The FGS Green Home Programme (GHP), launched in October 2021, was initiated by the Central Bank to promote the creation of the green housing loan market. The Green Home Loan in the Programme was available for natural persons for the purchase or construction of new energy-efficient flats and family houses (that is, with an energy-efficiency rating of at least BB and a maximum primary energy consumption of 90 kWh/m²/year, later the max. primary energy consumption was restricted to 80 kWh/m²).

The funds allocated for the FGS Green Home programme were fully allocated at the beginning of 2022, with demand exceeding the available funds. By the end of the second quarter, banks had to stop accepting new applications. Nevertheless, in Q3 2022, loan disbursements fell as well in respect of other types of housing loans, including the so called "prenatal baby support loans", that were often used to encourage house purchases among young couples. The volume of housing loans for home improvement and modernisation also decreased during the quarter compared to the period a year before. A further reason mentioned in Hungary's Bank Lending Survey was the tightening of lending standards due to worsening economic conditions and the deterioration of customers' creditworthiness.

POLAND

In August 2022, the possibility to suspend repayments on a single mortgage loans (PLN denominated) for the purchase of residential property intended to meet one's own housing needs was introduced. The borrower may suspend 8 mortgage instalments: 4 in 2022 and 4 in 2023. During the suspension period, the borrower will pay neither the principal nor the interest portion of the home loan instalment. However, he or she must pay the cost of insurance linked to the contract.



FRANCE

As legally enforced by the *Haut Comité à la Stabilité Financière* since the 1 January 2022, new home loans originated by French banks must respect a maximum debt-service-to income ratio of 35% and a maximum duration of 25 years (+2 years of delay for new build-properties). The share of non-compliant loans in Q2 2022 was equal to 13.7% of the total production and represented a share covered by the acceptance margin (banks are quarterly authorised to grant up to 20% of new home loans which do not respect those criteria).

Concerning the application of the French "Climate & Resilience Law", since 24 August 2022, it is no longer possible for the lessor of housing with an EPC (Energy Performance Certificate) "F" and "G" to carry out a rent review, to increase the rent when renewing the lease or when starting a new lease. With the new adjusted *Diagnostic de performance énergétique* or DPE (Energy Performance Diagnostic, in English) calculation method, the Government estimated on 1 January 2022 that there are 5.2 mn main residences with an EPC "F" or "G", corresponding to 17% of the French stock of main residences.

Finally, the Law of 2022/08/16 concerning "Emergency Measures for the Protection of Purchasing Power" caps the rent review index (IRL) at +3.5% from 2022/07/01 to 2023/06/30 (maximum possible annual revaluation of a rent).

SPAIN

In response to the impact on household of interest rate hikes and increasing consumers prices, an agreement between the government and financial entities was approved on 22 November 2022, under the Royal Decree-law 19/2022. This agreement established, on a temporary basis, a new Code of Best Practices (CBP from now on) for middle-class borrowers at risk of vulnerability due to the growing mortgage servicing burden. The agreement furthermore reinforces the existing CBP under the Royal Decree-law 6/2012, on urgent measures for mortgage debtors with limited resources and includes other measures that aim at supporting the mortgage market.

The new CBP includes the extension of the mortgage term up to 7 years with the limit of a total life term of 40 years. It also includes the possibility to freeze the instalment paid in June 2022 for 1 year with a reduced interest rate, as long as all applicable interest is paid.

The modification of the previous CBP (in force since 2012), the eligibility requirements of which are more stringent, treats each case according to the increase of the instalment: thus, in cases in which instalments increased by more than 50%, a payment holiday with capital deferred may be granted for 5 years, while if instalments increased by less than 50%, the holiday payment can be extended up to 2 years. During the grace period the interest rate is reduced.

Other measures targeted at all debtors subject to Law 5/2019 came into effect on 1 January 2023. These facilitate creditor subrogation or enable a reduction in the upper limit of the early repayment fee (from 0.15% to 0.05%) during the first 3 years of the loan term for conversions from floating to fixed rate loans (after this period no fee can be applied as was already established by law). Furthermore, and planned on a temporary basis until end 2023, no early repayment fees can be accrued on floating-rate loans, nor in the event of conversion from a variable to a fixed rate.

GREECE

The government announced a EUR 500 mn project to provide low-interest rate housing loans to young couples aged 25-39 years old with an annual income

not exceeding EUR 10,000. The beneficiaries should not own a residence that can meet their housing needs. The project will allow young couples to acquire a residence not exceeding 150 square meters and worth up to EUR 200,000. The house purchase will be financed with a low-interest rate loan that covers up to 90% of the purchase price and not exceeding EUR 150,000. The loan will have a maturity of 30 years and an interest rate equal to 3-month Euribor plus 1 pp.

IRELAND

The First Home Scheme, a government-backed shared equity scheme, was launched in July 2022 to provide part of the purchase price to buyers to add to their mortgage and deposit. The scheme is open to FTBs and some applicants who previously owned properties who are buying newly built houses and apartments in private developments.

UNITED KINGDOM

On 23 September 2022, the government announced a number of tax cuts and support for households facing higher energy bills. However, following a rapid change in the government's leadership, many of these tax cuts were scaled back or cancelled completely. A price cap on household energy rates for two years will now be raised in April, meaning the average household will pay around GBP 3,000 a year for energy compared to GBP 2,500 under the previous cap. However, this is still lower than the expected GBP 6,000 without a cap in place. A cut to the basic rate of income tax to 19% from 20% in 2023 will no longer take place nor will the scrapping of the 45% tax rate for earnings over GBP 150,000.

A reduction to the Stamp Duty Land tax will remain in place, however only until March 2025, at which point it will revert to previous levels. Under the new rules, no stamp duty needs to be paid on the first GBP 250,000 of a property (previously GBP 125,000). First-time buyers do not have to pay any stamp duty on property up to GBP 425,000 (previously GBP 300,000) and the value of a property on which first-time buyers can claim additional relief is GBP 625,000 (previously GBP 500,000)

HOUSING MARKETS

HOUSING SUPPLY

Overall, housing supply developments point to either a relative slowdown of construction activity or to a decrease in new construction or transactions across different EMF jurisdictions. However, in view of the otherwise varied behaviours of supply-side housing indications in different countries, a more detailed look is warranted, which would help us outline and dissect the relevant changes in each country.

Starting off in Northern Europe, housing starts in **Sweden** increased by around 22% in 2021. During 2022, however, construction began to slow down and, according to the forecast by the National Board of Housing, construction is expected to diminish in 2022, amounting to 57,000 new dwellings, a decrease of around -16% compared to 2021. However, due to the strong increase in housing prices for single-family homes last year, housing starts for single-family homes is expected to increase slightly or be unchanged in 2022. In **Denmark**, housing market activity decreased throughout the third quarter of 2022 with a total of 8,826 houses being sold. That is 24% fewer transactions than in the third quarter of 2021. In the same period 2,556 owner-occupied apartments were sold, a decrease of 35% compared to the same quarter in 2021. Activity in the third quarter of 2022 reached a level lower than that before the pandemic. The decrease in sold houses and owner-occupied apartments must be seen in relation to very strong activity during the third quarter of 2021. Supply of both houses and apartments increased in the third quarter of

2022. A total of 28,708 and 7,760 houses and apartments, respectively, were on the market at the end of the third quarter. The supply of houses increased by 12.4% compared to the previous quarter, while the supply of apartments grew by 17.2% on the same basis.

In Central and Eastern Europe, housing supply was no less complex. In **Hungary**, the number of the newly issued building permits (a total 3,293) more than doubled in Q3 2022 compared to the same quarter in 2021. The number of housing completions for the whole country in Q3 was 4,484, which represents a significant growth of 57% compared to Q3 in 2021. While the number of housing completions increased in almost all major cities as well as smaller towns and villages, the number of housing completions in Budapest in Q3 (912) has fallen both compared to the previous quarter (by 22%) and also compared to Q3 of 2021 (by 54%). Regarding **Poland**, housing construction is adjusting to falling demand for housing credit. Although the number of housing units completed in Q3 2022 increased by 5.6% compared to Q2 2022, a deep decline is evident in newly started construction works. The number of housing units started in Q3 fell by 32%, while the number of building permits issued fell by 18%. Lastly, in **Romania**, the number of new dwellings increased by 10.7% in Q3 2022 compared to the same period of 2021, while the volume of construction works increased by 4% in annual terms, in the first 9 months of 2022. The number of building permits sharply decreased in the same period (January–September 2022), by 2% y-o-y. It is worth noting that the average construction costs increased by 20% in the first nine months of 2022, compared to the same period of 2021.

In the **Netherlands**, although new permit issuance has recovered from the country's nitrogen crisis, the 12-month average appears to have stalled at the levels of 2017 and 2018. The number of new house completions (around 70,000 dwellings a year) has not shown any increase for several years now. In **Germany**, the level of supply in the property market is not expected to rise significantly in the short to medium term as new construction remains low. In **France**, new house permit issuance was significant in Q3 2022 (124,800 units, seasonally adjusted and working day adjusted, SA-WDA), but this indicator continued to fall since the results of the Q1 2022. This evolution at the beginning of 2022 was linked to the numerous requests registered at the end of 2021 and was caused by the Environmental Regulation "RE2020", which came into effect on 1 January 2022. As in the previous quarter, the decline of housing permits (-3% vs Q2 2022) was due to individual houses (-15%) whereas permits for apartments increased by 6% over the same period. As regards new housing construction, the quarterly volume amounted to 92,600 units (SA-WDA) in Q3 2022, the same level compared to Q2 2022. This stability is reached through the balance between apartments (+5% vs. Q2 2022) and houses (-5% vs. Q2 2022). The number of new housing construction sites in Ile-de-France remained at a low level, mainly for apartments (-15% over a year compared to the 12 cumulative months before the pandemic). In Provincial France (that is, areas outside Ile-de-France), individual housing starts were higher by 7% than before the pandemic, while those for apartments were slightly lower, by -2% than before the crisis. The quarterly number of new dwellings put up for sale kept decreasing to a new level of 21,432 units in Q3 2022, down by 9% versus Q3 2021 and was 15% below Q3 2019 (before the pandemic). During the same period, sales slowed down more considerably than offers with 20,378 new dwellings sold, decreasing by 17% versus the Q3 2021 and were 30% below volumes of Q3 2019.

In Southern Europe, developments varied in each jurisdiction. In **Spain**, building permits, which were granted for 25,750 dwellings in Q3 2022, decelerated for the second quarter in a row, after showing a y-o-y decline of -8%. Approximately 21%

of the total number of issued permits were for single-family houses, suggesting a certain slowdown with regards to previous quarters, when market shares were above 25%. This slowdown was more subdued in the housing sales market, as the more than 168,000 transactions recorded in Q3 2022 represented a y-o-y increase of 9%. A rate below the double-digit records seen in the previous quarters, despite its volume reached its highest level since 2007. In **Italy**, transaction volumes amounted to approximately 175,000 in Q3 2022, with an increase of 1.7% compared to the same quarter of the previous year. Concerning **Greece**, during the first 8 months of 2022, construction activity in dwellings for the entire country decreased marginally in the number of building permits by -0.6% y-o-y, whereas in terms of volume (in cubic meters) of new building permits the decrease was higher (-3.1%, y-o-y). In the region of Athens, the number of building permits increased by 3.0%, y-o-y, although in terms of volume (in cubic meters) a decrease of 2.8%, y-o-y, was recorded. The investment interest from abroad, which drove the recovery of the high-quality real estate market and income-related properties, especially during the 2018–2019 period, recovered in 2021 (34.4%) and continued its growth in the 9-month period of 2022, recording a significant increase by 60.2%, y-o-y. Moreover, business expectations for housing construction, as reflected in the relevant indicator of IOBE survey, improved further in 2021 (54.4%) and continued to be positive in the 11-month period of 2022 (6.5%). However, the total cost of construction of new residential buildings increased in Q3 2022 by 9.6%, y-o-y, while for the whole of 2021, the average annual increase was 3.2%.

In **Ireland**, almost 6,800 housing units were started in Q3 2022, 22% fewer than in Q3 2021. On an annualised basis, some 27,400 units were started in the twelve months ending September 2022, the lowest annualised level since the twelve months ending June 2021.

Dublin and Dublin Commuter accounted for 39.2% and 22.9%, respectively, of housing starts in Q3 2022. More than 7,500 new dwellings were completed in Q3 2022, according to the Central Statistics Office (CSO), 62.5% more than in Q3 2021 and the second highest quarterly volumes (after Q2 2022) since the CSO started reporting quarterly completions in 2011. Almost one third of completions (32.4%) were apartments, the highest proportion since the data series began. Dublin accounted for about 34.9% of all completions in Q3 2022 and 68.4% of apartment completions. Munster and the Dublin Commuter region (Louth, Meath, Kildare and Wicklow) accounted for about 21.9% and 20.2% of completions, respectively. Household market purchases of residential property rose by 12% year on year to 13,321 in Q3 2022. On an annualised basis, there were 49,674 purchases in the twelve months ending September 2022, the highest level since the data series began in 2010.

Dublin was the largest housing market in Q3 2022 with more than 4,100 household market purchases, 16.1% more than in Q3 2021, giving it a 31% share of the national market. In terms of property type and dwelling status, apartments accounted for 15.3% of sales in Q3 2022, while new properties, mainly houses, accounted for 18.8% of sales. Sales of new properties rose by 38.2% year on year in Q3 2022 to more than 2,500.

Finally, in the **UK**, there were 45,900 house building starts and 40,650 completions in the third quarter of 2022. This is down by -3% and -1% respectively on the same period in 2021.

HOUSE PRICES

On average, house prices in the EMF country sample increased by 10.6% in Q3 2022 relative to Q3 2021, after a 12% yearly increase in Q2 2022 and 13.3% in Q1



2022, the largest yearly increase in EMF series. Despite the apparent slowdown, the pace of increase remains significant and relatively in line with the 2021-2022 growth trend. A majority of jurisdictions report further increases in their House Price Indexes (HPI) although some heterogenous developments have taken place in individual countries, as will be explained here.

In northern Europe, HPI developments were heterogenous. In **Sweden**, single-family house prices increased by 3.0% on a yearly basis in Q3 2022 (compared to 9.1% in Q2 2022), according to Statistics Sweden. However, the price statistic is partly based on transactions where the prices are negotiated in earlier quarters and the decrease is to some extent delayed. Other statistics, based on real estate agents, show falling single-family house prices in Q3. The prices for apartments decreased by -4.0% Q3 2022 compared to an increase of 3.3 percent in Q2 2022.

Several negative events in 2022, such as the conflict in Ukraine, sharply increasing inflation, increasing energy costs, and increasing mortgage interest rates, have created uncertainty on the housing market, leading to a slowdown in market prices in the second and third quarters. In this regard, house prices, which increased significantly during the pandemic, started to mitigate at a significant growth rate in the spring and summer periods of 2022. From the end of March 2022 to the end of September 2022, prices of tenant-owned apartments and single-family homes dropped by -9.0% and -8.5%.

The prices on single-family homes in the Stockholm area increased by 1.5% on a yearly basis in the third quarter 2022 (8.5% Q2 2022). In the Malmö-area the prices increased by 0.7% on an annual basis (9.3% Q2 2022) and in Gothenburg by 3.5% (12.5% Q2 2022). The prices for apartments in Stockholm decreased by -3.6% in the third quarter 2022 (3.8% Q2 2022). The prices for apartments in Gothenburg decreased by -6.1% (0.9% Q2 2022) and in Malmö by -2.2% (3.6% Q2 2022). Moreover, it is worth indicating that prices continued to slow down in October 2022. Single-family house prices decreased by -11.1% in October on an annual basis and for tenant-owned apartments by -7.9%.

In **Denmark**, over the past year, house prices decreased by -0.3%. Meanwhile, prices for owner-occupied apartments have fallen by -1.2%. Compared to the previous quarter, prices decreased by -2.1% and -4.5% for houses and apartments, respectively.

As regards **Finland**, according to the latest available data, prices went down by -1.9% from last year and by -0.6% as of September. Prices decreased more noticeably in large towns as opposed to other areas outside them, where the decreases were more moderate. Moreover, prices decreased by -2.5% in the six largest towns and by -3.3% in the Greater Helsinki area.

In Central and Eastern Europe, prices continued to expand in the third quarter of 2022. In **Hungary**, house prices grew at a significant pace. The annual growth in Q2 2022, the latest period for which there is data available, was over 26% compared to Q2 2021, according to the Takarek House Price Index. Considering the National Bank's House Price Index, this indicator grew around 25% on an annual basis. This would be the highest growth rate recorded since 2014. However, it is worth pointing out that, toward the end of the measured period, the pace of growth decelerated. Compared to the previous quarter (Q1 2022), HPI growth was only around 3%. House prices increased significantly in provincial towns across the country, with above average increases (on an annual basis) recorded in the towns of the Southern Transdanubia and the Central Transdanubia regions (in Western Hungary). In **Poland**, the largest cities saw a still significant increase in the average transaction price per

square meter of the usable floor area of the residential unit. However, the dynamics of those changes slowed down. In the primary market, the largest transactional price growth was observed in Opole (+23% q/q), Kielce (+13% q/q), and Szczecin (+9% q/q). In the secondary market, the largest transactional price changes were recorded in Kraków, Opole, and Wrocław (+5% q/q). The transactional prices in the capital city of Warsaw grew by 3% and 1%, respectively. Regarding **Czechia**, in view of the macroeconomic scenario and the latest house financing developments, real estate price growth slowed down. House prices grew by 17% y-o-y, which would indicate a visible deceleration compared to Q2 2022's 23% yearly increase. In terms of quarterly growth (q-o-q), it was only 1.3%, whereas Q2 saw a 3.9% relative to Q1 2022. Demand for housing is quite limited and the offer of real estate, both new and second hand, increased. Lastly, regarding **Romania**, residential property prices increased in the second quarter of 2022 by 8.5% in nominal terms, 5.5 pps higher compared to the same period of the preceding year, although this evolution remains the lowest in the region. The majority of reporting banks in the NBR's Bank Lending Survey November 2022 stated a relatively constant average house price per square meter in 2022 Q3, with Q4's average prices set to stay the same.

In Continental Europe, price developments generally point to a continuation of an upwards trend, which has been commented on in previous iterations of this report, although some national changes are worth highlighting. In the **Netherlands**, houses sold in Q3 2022 were 11.9% more expensive on average than in the same quarter of the previous year. However, year-on-year house price growth has been slowing down for three quarters in a row now. As regards Amsterdam, existing owner-occupied houses were 8.5% more expensive than one year before. In neighbouring **Belgium**, based on the figures of the notary barometer, the average price of a house (for the whole country) went up to 317,426 EUR at the end of the third quarter of 2022. This would mean an increase of 7.6% compared to the average price at the end of the third quarter of 2021.

Regional differences in house price evolutions can be seen in Belgium's three regions (Flanders, Wallonia and Brussels). During Q3 2022, house and apartment prices increased in all three regions compared to 2021. In Wallonia, the average house price (EUR 233,571) increased by 4.5% compared to the third quarter of 2021, while that of an apartment (EUR 196,975) increased by 5.1% compared to the third quarter of 2021. Regarding the region of Brussels, the average house price (EUR 573,646) also increased, by 6.2% compared to the average price in the third quarter of 2021. Apartments in this area of the country, in the meantime, reported an average price of EUR 281,570, signalling an increase of 4.0% compared to the third quarter of 2021. Lastly, in Flanders, house prices averaged EUR 346,169, 7.6% higher than Q3 2021, whereas apartments (with an average price of EUR 266,695), increased by 3.1% on a yearly basis.

Further east, in **Germany**, prices of single-family and two-family houses increased by 8.4% year on year but went up by just 0.5% compared to the previous quarter. A similar trend emerged for apartment prices, which rose 7.8% y-o-y – largely due to three strong quarters from October 2021 to June 2022 – but went up by only 0.7% relative to the previous quarter. Finally, in **France**, the average house prices for existing dwellings kept increasing in Q3 2022, but slowed down slightly on an annual basis. This indicator increased by 1.5% compared to Q2 2022 and by 6.4% compared to Q3 2021. The gap between the prices of houses and apartments remained comparatively large in Q3 2022, with an annual increase of 8.2% for houses and 4% for apartments.

In the Paris region (Ile-de-France), house prices expanded at a slower pace than on

the national average in Q3 2022, with +0.6% compared to the previous quarter and +2% compared to Q3 2021. This annual evolution was mostly linked to the annual growth of apartment prices of 0.2%, largely impacted by the weight of Paris in the price index. Specifically in Paris, the prices of apartments were down over one year by 1.2% (-0.3% y-o-y in Q3 2021). The prices of houses in Ile-de-France, in the meantime, increased by 5.7% over one year, illustrating the significant demand for houses, both for the immediate suburbs (+5.5%) and for the outer suburban areas (+5.7%). In Provincial France, the dynamic of house prices for existing dwellings decelerated slightly, with an 8.1% growth rate over one year in Q3 2022 (that is, +8.6% for houses and +7.1% for apartments). These growth rates at province level were well above their annual average for the last fifteen years. In Q3 2022, the annual growth rate of new dwellings prices was more moderate than for existing dwelling, increasing y-o-y by 6.4% for apartments and by 1.7% for houses. The rise in new-build house prices could potentially continue over the next quarters, given the shortage of materials, the rise in the price of raw materials/energy and by the implementation of new building methods (with the "RE2020").

Southern Europe, meanwhile, reported heterogenous developments, all indicative of the complex nature of the price cycle of each jurisdiction. In **Portugal**, house prices rose 3.7% in Q3 2022, marking a slowdown from the +5% figures reported in the first two quarters and registered the first monthly decline in the last 2 years (-0.5% in September). In **Spain**, house price dynamics maintained their upward trend during Q3 2022, after recording an annual increase of 4.7%. In quarterly terms, by contrast, there was no change, which could point to a potential slowdown in the figures for the upcoming quarters. In light of the shortage of new housing developments and the rising cost of construction materials, the increase in the new housing segment was particularly marked since prices rose by 5.8% in yearly terms and by 1.0% in quarterly terms. During the year, the autonomous regions where prices increased the most were Balearic Islands (7.3%) and Madrid (+7.0%), although from a quarterly approach they seem to have stabilised, with the latter even showing a negative growth rate. In **Italy**, the HPI for the whole country decreased by -1% with respect to the previous quarter (i.e., Q2 2022), yet it increased by 3% compared with the same quarter of the previous year. More in detail, the increase on annual basis of HPI was due both to the prices of new dwellings, which recorded a growth equal to +2.8%, and the prices of the existing dwellings (which account for more than 80% of the aggregate index), which rose by 3%. In **Greece**, according to Bank of Greece indices of residential property prices, in Q3 2022, nominal apartment prices increased, on average, by 11.2%, y-o-y, for the entire country (13.0%, y-o-y, in Athens, 11.1% in Thessaloniki, 9.4% in other cities and 8.9% in other areas of Greece). According to revised data, in 2021 apartment prices increased by an average annual rate of 7.6%, compared with an average increase of 4.5% in 2020. Broken down by age of property, in Q3 2022 the rate of increase in prices was 12.2%, y-o-y, for new apartments (up to 5 years old) and 10.5%, y-o-y, for old apartments (over 5 years old). According to revised data, in 2021, the average annual rates of increase were 8.1% and 7.2% for new and old apartments, respectively.

In Ireland, residential property price inflation decelerated further in Q3 2022, with prices up by 10.8% in the twelve months to September 2022, compared with an increase of 14% in the year to June 2022. The CSO's national index rose to 167.8, which is the highest level since the historical data series began in 2005. In the meantime, prices in Dublin rose by 9.4% in the year to September 2022, with house prices in Dublin increasing by 9.8% year on year and apartment prices in the county by 7.5%. Residential property price inflation outside Dublin rose by 11.9% year on year, with house prices up by 12.1%.

Finally, in the **United Kingdom**, house prices continued to grow in the third quarter of the year and were up 13% compared to the same quarter in 2021. This was driven by relatively low levels of housing stock for sale compared to higher levels of demand. However, house price growth has begun to soften in the fourth quarter of the year as higher mortgage interest rates and living costs is beginning to weigh on mortgage affordability, and push down on demand.

MORTGAGES INTEREST RATES

At the end of Q3 2022, the average, unweighted residential mortgage interest rate of the EMF country sample was 3.48%, 69 bps higher than in the previous quarter (then 2.79%). This latest rate adjustment takes place in the midst of the ECB's decision to increase baseline interest rates for the euro area in July 2022. This would mark the fourth consecutive quarter in which the average rate of the EMF sample increased and Q3 2022's rate alone would represent a new single-quarter record increase, above Q2 2022's rise of 62 bps. From a jurisdictional point of view, a wide majority of EMF countries report additional mortgage rate increases, clearly in line with the trend, as Europe faces a complex inflationary scenario and geopolitical uncertainties stemming from the ongoing conflict in Ukraine. There are, however, specific trends that are worth commenting individually.

In **Sweden**, variable interest rates increased significantly during the third quarter 2022 to 3.4% from 2.4% last quarter. Longer interest rates have seen mixed changes during the third quarter: 1-5 years increased to 3.8% (3.3% in Q2 2022) and interest rates over 5 years decreased to 3.3% (3.5% in Q2 2022). In **Denmark**, the average interest rate on loans with a fixation period up to one year increased by 21 bps in the third quarter of 2022. For loans with between one to five years of interest rate fixation and loans with between five and ten years of interest rate fixation, the average interest rate rose by 29 bps, in both cases. The average interest rate on loans with a fixation period longer than 10 years increased by 40 bps in the third quarter of 2022. Lastly, in **Finland**, the rate on new housing loans stood above 2.75%. Many borrowers have an interest rate cap. The interest rate cap helps predict loan servicing costs, even if interest rates change.

Central and Eastern European jurisdictions also witnessed noticeable increases in the mortgage interest environment. In **Hungary**, both the short and the long-term yields increased as a result of the inflation developments and central bank interest rate increases. Particularly, the Central Bank started to increase its base rate from June 2021. By end December 2021, the rate stood at 2.4%. Since then, there were monthly increases of between 0.5% to 1% in 2022, and as a result of the accelerated base rate increase at the end of September 2022, the new base rate stood already at 13%. Growing consumer prices and increasing yields have been some of the main drivers of residential mortgage rate increases, which further accelerated in Q3 2022. Similarly to the earlier trend, the most common mortgage interest type was medium term fixed mortgages (initial interest rate fixed 5 to 10 years), representing 41% share of the newly issued mortgages. As funds linked to the GHP depleted, the previously cited programme, the proportion of long term fixed (i.e., over 10 years) mortgage loans decreased compared to the previous quarter. For the mortgages in the GHP, the preferential interest rate was fixed for the total lifetime of the loan. Out of the newly issued mortgage loans with variable rate (up to 1-year initial rate fixation), this type represented less than 1% in the third quarter of 2022. In **Poland**, at the end of Q3 2022, consumer price inflation stood at 17.2% y-o-y. In this context, the Monetary Policy Council raised the NBP's reference rate twice, up to 6.75%, at the end of September. The WIBOR rate predates these increases, and at the end of the quarter it already stood at 7.20%.



Consequently, the average interest rates on new mortgages reached 9% (up by 80 bps relative to the previous quarter's rate). In **Czechia**, the National Bank confirmed the current basic interest rate, which remained at the level of 7.0%, despite inflation exceeding the 15% threshold. The average rate on new loans was 5.71%, 2.5 times higher than Q3 2021's average rate (2.31%). There is a growing gap between interest rates on new sales and interest rates on refinancing and remortgaging of existing loans. Finally, as regards **Romania**, the representative interest rate on new loans for house purchases stood at 5.7% in 2022 Q3, almost one full percentage point above last quarter's value, and 1.9 pps higher than 2021 Q3's interest rate. Despite the high inflation and the tightening monetary policy framework, the share of new loans with variable interest rate in total mortgage loans registered a quarterly increase, ultimately reaching 65.5%, following a downward trend that first began in 2021 Q2. Nevertheless, this share is 8 pps below the Q3 2021 level. Regarding new loans with fixed interest rates, those over the short-term accounted for 9.2% of total new loans, an increase of 2.5 pps q-o-q. Furthermore, Q3 2022 saw the preference for both medium and long-term fixed rate loans decline compared to 2022 Q2 by 5.9 pps to a share of 7.8% for the former, and by 6.3 pps to a share of 17.5% of total new loans for the latter, respectively.

Residential mortgage interest also increased, on average, in the major Western European jurisdictions. In the **Netherlands**, the mortgage interest rate for new mortgages rose from 2.0% to 2.7% in Q3 2022, while the average mortgage rate in the stock rose from 2.25% to 2.26%. In the meantime, **Belgium** saw its average interest rate on residential mortgages increase by 62 bps, ending the quarter at 2.48%. In **Germany**, the average rate on residential mortgages increased by 64 bps, as the average reading for the quarter was 2.88%. In **France**, the quarterly interest rate for home loans reported by the Banque de France has progressed each month since the previous quarter, reaching on average 1.57% for Q3 2022 (corresponding to the interest component of the Annual Percentage Rate of Charge (APRC)). For new home loans with a duration in excess of 20 years, the APRC was equal to 2.29% in Q3 2022 versus 1.93% in Q2 2022. The potentially fast increase in interest rates over the next few quarters is limited by the French quarterly usury rate, which depends on a combination of factors. The maximum borrowing rate of Q3 2022 was 2.57% for home loans with a duration of more than 20 years. However, as the uptrend becomes more significant, the usury rate increases at a comparatively faster rate. The quarterly usury rates increased by 48 bps for loans granted in Q4 2022. As a final note, as the production of new home loans to individuals remained high until the Q3 2022, public authorities have not yet agreed to modify the calculation of the usury rate, especially in the event of an exceptional increase of interest rates.

Developments in Southern Europe were also aligned with the overarching trend. In **Portugal**, in Q3 2022, the variable rate for new loans (up to 1-year initial rate fixation) was 1.93% comparing with 1.20% in Q2 2022. In **Spain**, with the tightening of ECB'S monetary policy, the Euribor (the main benchmark index in the national mortgage market) has followed an upwards trend. Thus, the interest rate on variable-rate loans (2.08% in Q3 2022) stood 63 basis points above the rate reported in Q2 2022, when it barely experienced an increase of 10 points. Interest rates for the other fixed-rate periods have also increased, albeit at a slower pace. In **Italy** and with regard to mortgage interest rates on new business, in Q3 2022, both the interest rate on short term loans, with maturity <1 year, and those with maturity over 1 continued to increase, respectively to 1.88% (1.36% in Q3 2021) and to 2.84% (1.39% in Q3 2021). The average rate on new business for house purchasing increased to 2.26% (1.39% in Q3 2021). As regards **Greece**, bank interest rates on new and outstanding housing loans increased up to October 2022 compared with the average rate for 2021. In particular, the

rate on new housing loans (including charges, such as processing fees, mortgage registration fees, etc.) in October 2022 was 4.1%, against the average rate (3.1%) in 2021, whereas the corresponding rate on outstanding housing loans with an initial maturity of over 5 years was 3.0% (2.0% in 2021). According to the bank interest rate of euro-denominated new loans regarding euro area residents from domestic credit institutions, the amount of new housing loan agreements increased during 2021, on average, by 46.2% and continued its upward trend during the period January-October of 2022.

In **Ireland**, fixed-rate (loans fixed for over one year) mortgages accounted for 91% of new mortgages issued in Q3 2022, the highest ratio since the data series began in 2003. Mortgages with interest rates fixed for over one year accounted for more than half of mortgage outstanding accounted for the first time in Q2 2022, at 50.2%, jumped from 33.5% two years earlier. Some 29.4% of the value of outstanding mortgages was on ECB base rate-linked tracker mortgage rates in Q2 2022.

Lastly, in the **UK**, average mortgage interest rates increased across all product types – both fixed and variable, and across all fixed term maturities in the third quarter of the year. This reflected the increase in the Bank Base Rate which was 2.25% by the end of September, up from 1.75% at the end of June. The average mortgage rate for new products was 2.59% in Q3 2022, up from 1.98% in Q2. The Bank Rate was recently increased to 3.50% in December, and so mortgage interest rates are likely to increase further in coming months.

Mortgage interest rates have risen significantly this year following the rise in the Bank Base rate, which increased from 0.10% in December 2021 to 3.50% in December 2022. Following the government's announcement on the 23 September and subsequent political turmoil, market interest rates increased significantly. This resulted in the rate on some fixed mortgage products increasing, and some lenders removing products from the market. The average mortgage rate was 2.59% in the third quarter of the year, up from 1.82% in the same period last year. Moreover, the rising cost of living and increase in mortgage interest rates are likely to see demand slow in the mortgage market over coming months as household finances come under growing pressure, and mortgage affordability falls.

CHART 2A | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED AT MOST 5% Y-O-Y

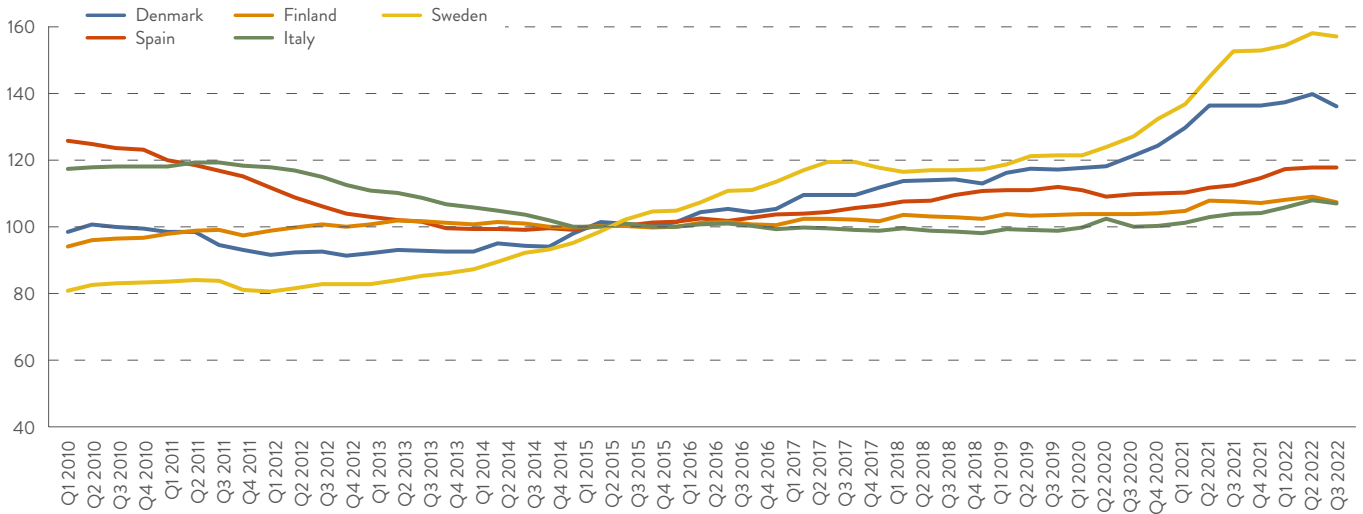


CHART 2B | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BETWEEN 5% AND 10% Y-O-Y

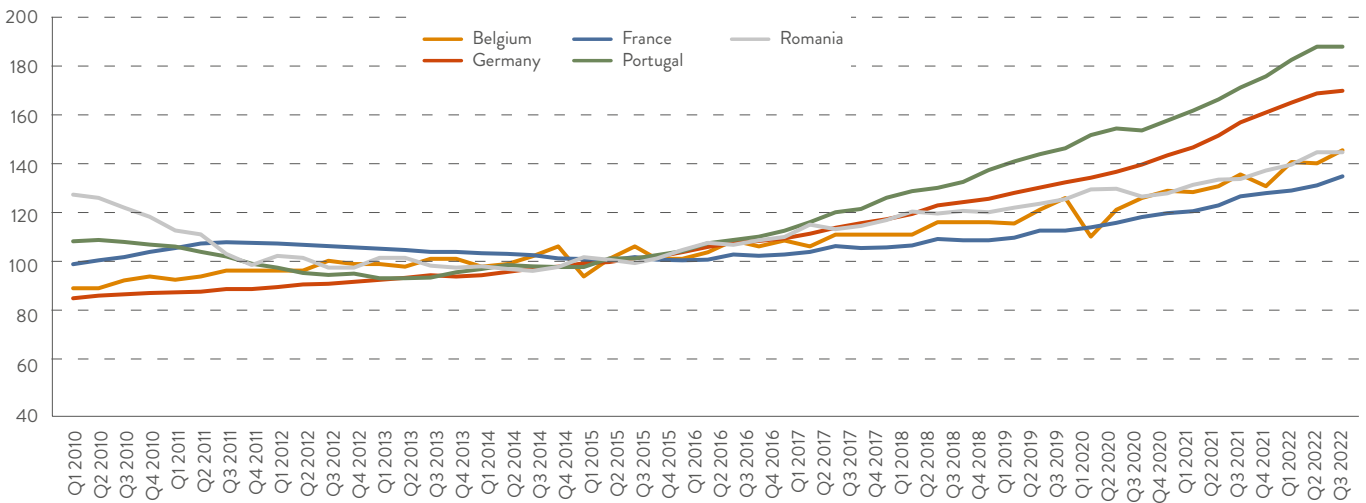


CHART 2C | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BY AT LEAST 10% Y-O-Y

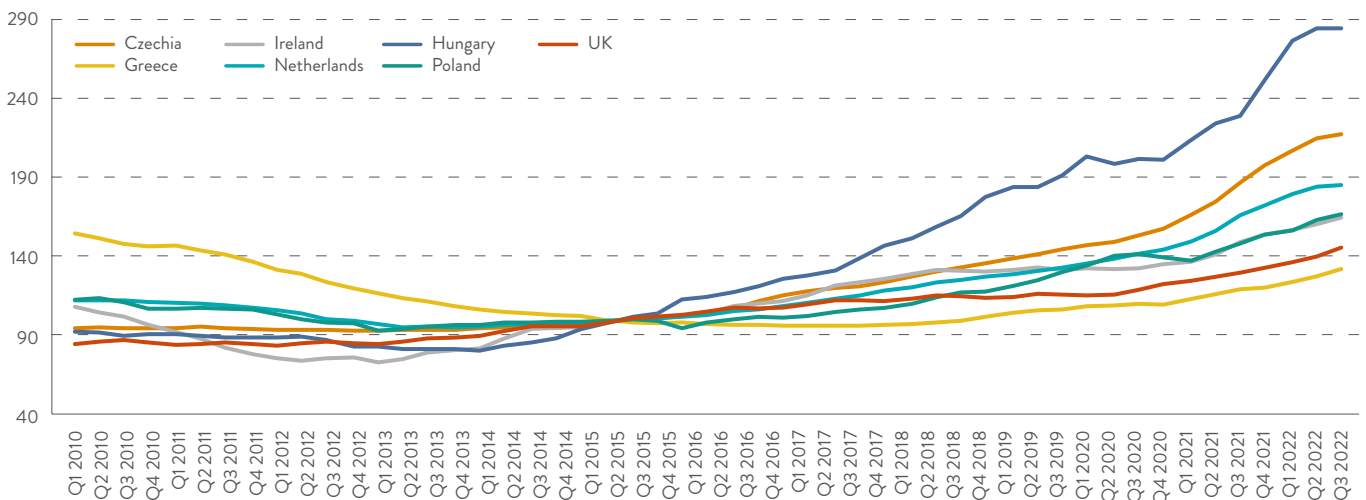
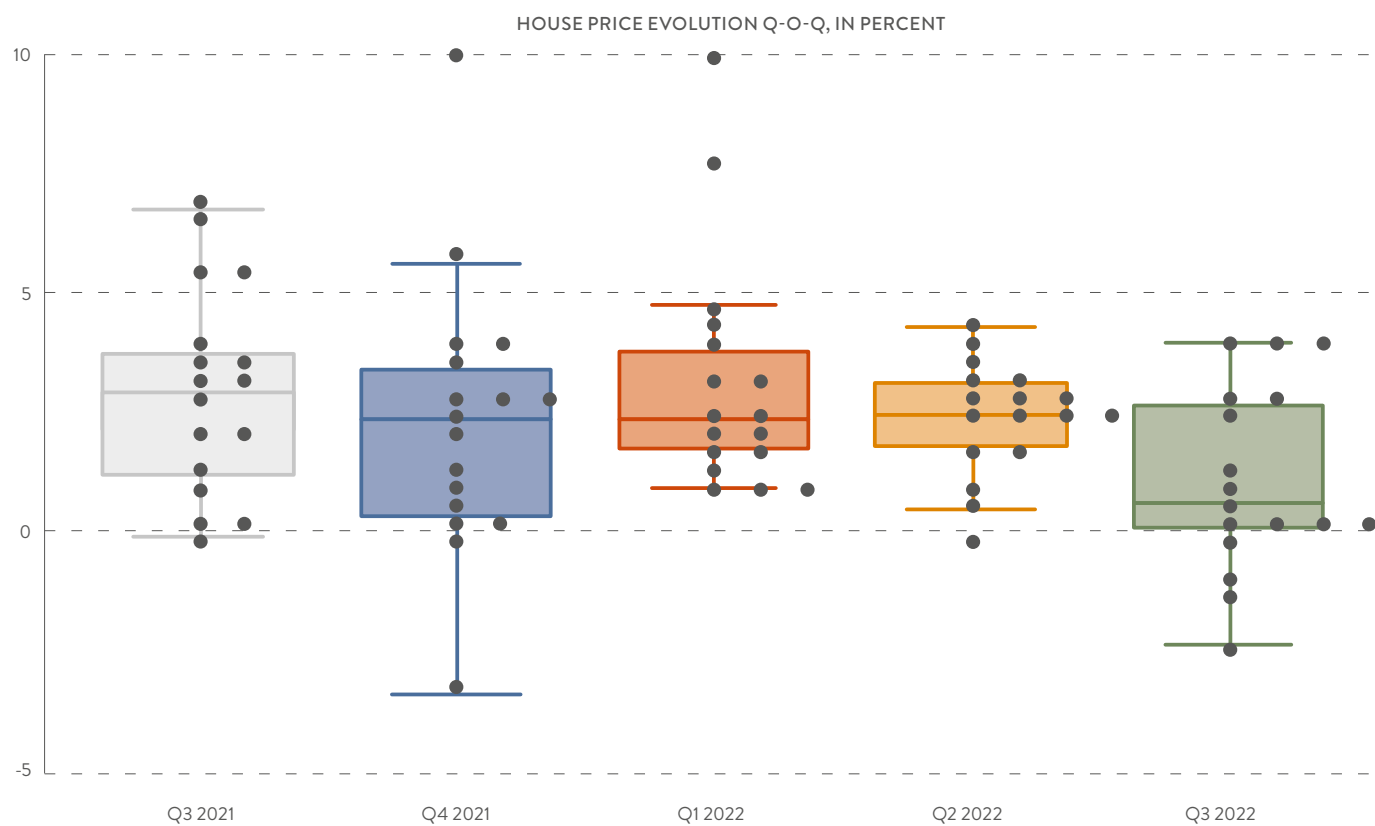


CHART 3 | BOX PLOT OF THE HOUSE PRICE EVOLUTION IN THE EU WITH RESPECT TO THE PREVIOUS QUARTER



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 2022.

The dataset shows q-o-q growth figures of the country sample until Q3 2022 for which there are 14 datapoints instead of 17, as in 3 countries the latest House Price Index available was that of Q2 2022.


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

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	LATEST Y-O-Y CHANGE (%), Q3 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q2 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2022, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q2 2022, LOCAL CURRENCY
BE	278,759	283,106	287,653	291,948	296,028	300,929	304,879	6.0	6.3	6.0	6.3
CZ	52,591	55,587	57,377	60,632	63,121	62,566	63,756	11.1	12.6	7.0	9.2
DE	1,651,496	1,683,634	1,713,273	1,744,433	1,765,863	1,796,920	1,824,500	6.5	6.7	6.5	6.7
DK	266,873	267,713	267,732	271,527	262,941	252,452	259,241	-3.2	-5.7	-3.2	-5.7
EL	45,532	41,399	37,148	30,891	30,516	30,314	30,117	-18.9	-26.8	-18.9	-26.8
ES	482,528	485,339	485,593	487,146	488,767	490,671	n/a	n/a	1.1	n/a	1.1
FI	104,414	105,711	106,735	107,759	108,052	108,703	108,467	1.6	2.8	1.6	2.8
FR	1,150,081	1,171,959	1,194,662	1,214,582	1,228,009	1,249,231	1,269,970	6.3	6.6	6.3	6.6
HU	13,516	14,477	14,672	14,660	14,996	14,022	13,443	-8.4	-3.1	7.4	9.4
IE	87,954	87,404	87,239	86,923	84,218	83,445	n/a	n/a	-4.5	n/a	-4.5
IT	395,461	401,152	405,305	409,868	414,455	419,845	424,169	4.7	4.7	4.7	4.7
NL	758,338	767,024	777,664	785,288	793,781	804,334	n/a	n/a	4.9	n/a	4.9
PL	103,442	107,798	108,517	111,346	110,137	108,749	105,472	-2.8	0.9	2.0	4.7
PT	97,115	95,946	97,186	98,149	99,235	100,481	101,328	4.3	4.7	4.3	4.7
RO	18,563	19,103	19,751	20,347	20,824	21,259	21,376	8.2	11.3	8.3	11.7
SE	465,831	480,205	485,044	490,376	493,499	483,960	480,518	-0.9	0.8	6.2	7.0
UK	1,783,210	1,800,182	1,807,058	1,863,388	1,870,842	1,863,387	1,833,760	1.5	3.5	4.1	3.5

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:

- United Kingdom

TABLE 2 | GROSS RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	LATEST Y-O-Y CHANGE (%), Q3 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q2 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2022, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q2 2022, LOCAL CURRENCY
BE	9,547	12,775	10,972	12,664	12,369	11,054	12,236	12,697	11,145	-9.9	0.3	-9.9	0.3
CZ	2,436	3,244	3,840	5,146	4,440	4,610	3,082	2,102	1,038	-76.6	-59.2	-77.5	-60.4
DE	70,800	73,700	70,900	75,200	76,600	76,900	74,900	75,700	67,800	-11.5	0.7	-11.5	0.7
DK	14,410	14,891	17,116	13,340	12,722	13,757	18,903	18,040	17,643	38.7	35.2	38.7	35.3
ES	11,234	14,042	13,565	16,351	13,883	15,626	15,811	18,209	15,551	12.0	11.4	12.0	11.4
FI	8,003	8,559	8,135	8,929	7,561	7,836	7,634	7,689	6,403	-15.3	-13.9	-15.3	-13.9
FR	59,000	66,200	58,700	74,600	71,400	69,300	71,300	75,100	61,400	-14.0	0.7	-14.0	0.7
HU	714	703	648	1,112	1,123	957	998	1,091	677	-39.7	-1.9	-29.4	10.8
IE	1,957	2,950	2,142	2,230	2,784	3,312	2,513	3,134	4,057	45.7	40.5	45.7	40.5
IT	17,599	20,988	20,313	22,161	17,588	18,986	17,385	18,800	15,289	-13.1	-15.2	-13.1	-15.2
NL	36,770	38,353	39,791	37,491	41,254	44,646	39,660	45,596	38,050	-7.8	21.6	-7.8	21.6
PL	3,048	3,550	3,740	4,921	5,110	5,019	3,780	3,326	n/a	n/a	-32.4	n/a	-29.9
PT	2,755	3,292	3,349	3,831	4,089	4,001	4,155	4,218	3,906	-4.5	10.1	-4.5	10.1
RO	725	883	801	934	1,122	1,083	1,002	1,049	953	-15.1	12.4	-15.1	12.8
SE	13,466	18,155	15,307	18,005	16,082	18,367	16,985	17,756	14,208	-11.7	-1.4	-5.3	4.7
UK	67,403	84,241	96,760	100,347	83,210	81,301	87,725	89,656	96,042	15.4	-10.7	18.4	-10.6

CZ - Data break on Q1 2020 due to methodological adjustments

Source: European Mortgage Federation

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

- Czechia
- United Kingdom


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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	6,986	1,197	2,221	3,191	5,349	3,381	4,348	4,547	4,295	4,080	4,901	3,950
CZ	1,705	-2,660	1,933	192	3,050	1,417	2,996	1,790	3,255	2,489	-555	1,190
DE	21,295	19,258	22,183	27,768	29,779	22,073	32,138	29,639	31,160	21,430	31,057	27,580
DK*	100	-608	4,318	3,494	3,211	-543	840	19	3,795	-8,586	-10,489	6,789
EL	-798	-2,205	-437	-642	-3,289	-601	-4,133	-4,251	-6,257	-376	-201	-197
ES	-2,038	-2,644	-2,213	-952	162	614	2,811	254	1,553	1,621	1,905	n/a
FI	722	340	794	974	1,152	800	1,297	1,024	1,024	293	651	-236
FR	18,767	10,940	11,199	15,802	20,404	13,091	21,878	22,703	19,920	13,427	21,222	20,739
HU	328	-935	335	-18	262	156	962	195	-13	336	-974	-579
IE	-331	-1,179	-517	-491	-97	-2,365	-550	-165	-316	-2,705	-773	n/a
IT	-396	895	1,721	2,030	3,354	3,946	5,691	4,153	4,563	4,586	5,390	4,324
NL	1,649	2,933	4,331	4,455	3,951	6,389	8,686	10,640	7,624	8,493	10,553	n/a
PL	3,592	-3,004	2,762	-868	1,521	-1,164	4,356	719	2,829	-1,210	-1,388	-3,277
PT	-60	241	435	586	1,068	939	-1,169	1,240	963	1,086	1,246	847
RO	431	215	294	296	550	209	540	648	596	477	435	118
SE	15,384	-18,001	30,608	2,480	31,137	-3,135	14,374	4,839	5,332	3,122	-9,539	-3,442
UK	85,315	-55,814	-44,350	14,260	46,620	113,470	16,972	6,877	56,330	7,454	-7,455	-29,627

* 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, 2015 = 100

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
BE	115.4	120.9	125.8	109.8	120.9	125.8	128.8	128.4	131.0	135.9	131.0	141.0	140.3	146.0
CZ	140.5	143.3	146.3	149.0	151.4	155.4	159.4	168.9	177.5	189.7	200.6	210.3	218.6	221.3
DE	128.0	130.2	132.1	134.2	136.7	139.6	143.3	146.8	151.5	157.1	161.2	165.2	169.2	170.1
DK	116.5	117.5	117.3	117.8	118.5	121.6	124.5	130.1	136.8	136.8	136.8	138.0	140.3	136.8
EL	105.4	106.8	107.3	109.4	109.9	110.9	110.7	114.3	117.5	120.7	121.7	125.5	129.4	134.2
ES	111.0	111.1	112.1	111.2	109.1	109.8	110.0	110.2	111.8	112.7	114.9	117.6	118.0	118.0
FI	104.1	103.5	103.7	104.0	104.0	104.0	104.4	105.1	108.2	108.0	107.6	108.6	109.4	107.8
FR	109.4	112.2	112.4	113.7	115.7	118.1	119.6	120.5	122.9	126.9	128.2	129.3	131.3	135.1
HU	186.3	186.3	193.7	205.8	201.0	204.4	203.9	216.7	227.7	232.2	255.4	281.0	288.7	n/a
IE	133.5	135.1	133.7	134.3	134.2	134.8	137.2	139.0	143.4	151.5	156.7	159.9	163.4	167.7
IT	99.1	98.8	98.6	99.5	102.4	99.8	100.0	101.1	102.8	103.9	104.0	105.7	108.1	107
NL	130.3	132.7	134.6	137.5	140.2	143.5	146.4	151.7	158.4	168.6	175.1	182.4	187.5	188.6
PL	122.8	126.5	131.6	136.1	142.4	143.9	141.5	139.6	145.5	150.4	156.3	159.2	166.1	170.0
PT	140.7	143.7	146.1	151.7	154.3	153.6	157.7	161.7	166.4	171.3	176.0	182.6	188.3	193.82
RO	121.8	123.6	125.5	129.6	129.8	126.4	128.0	131.5	133.6	133.8	137.5	139.8	144.9	n/a
SE	118.9	121.3	121.6	121.6	124.2	127.5	132.6	137.2	145.5	153.2	153.5	155.0	158.8	157.9
UK	115.9	117.8	117.4	117.1	117.3	120.8	124.2	126.8	129.2	131.8	134.9	138.8	142.7	148.3

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

Source: European Mortgage Federation

Further information below:

- Belgium: Stadim average price of existing dwellings
- Czech Republic: Data break in Q1 2008
- Germany: all owner-occupied dwellings, weighted average, VdP index
- Denmark: one-family houses - total index unavailable from source
- France: INSEE "Indice des prix du logement" (Second-hand dwellings - metropolitan France - all items).
- Greece: valuation based index of new and existing apartments for the whole country, compiled by the Bank of Greece.
- Hungary: FHB house price index (residential properties)
- Ireland: new series of House Price Index of the Central Statistics Office
- Netherlands: Source: ECB. Data on existing dwellings.
- Poland: Weighted average 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:

- Greece
- France
- Hungary
- Ireland
- Sweden
- United Kingdom



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

	II 2019	III 2019	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	1.79	1.68	1.56	1.66	1.48	1.40	1.37	1.34	1.35	1.38	1.38	1.47	1.86	2.48
CZ*	2.74	2.58	2.38	2.41	2.36	2.17	2.04	1.94	2.06	2.31	2.76	3.80	4.72	5.71
DE	1.63	1.39	1.28	1.28	1.30	1.24	1.18	1.18	1.26	1.28	1.31	1.50	2.24	2.88
DK**	0.73	0.56	0.56	0.57	0.67	0.76	0.78	0.69	0.72	0.70	0.67	0.62	0.90	1.11
EL	3.16	3.17	2.93	2.84	2.83	2.95	2.80	2.67	2.81	2.85	2.77	2.83	2.95	3.17
ES	2.12	1.95	1.76	1.81	1.75	1.75	1.62	1.54	1.49	1.47	1.43	1.50	1.63	2.02
FI	0.76	0.72	0.73	0.71	0.73	0.72	0.69	0.71	0.72	0.72	0.77	0.87	1.60	2.75
FR***	1.44	n/a	1.20	1.19	1.27	1.30	1.27	1.21	1.14	1.12	1.12	1.13	1.27	1.57
HU	5.04	4.86	4.39	4.17	4.24	4.15	4.06	3.97	4.11	4.33	4.69	3.47	5.48	7.95
IE	2.95	2.93	2.87	2.78	2.78	2.80	2.77	2.80	2.74	2.73	2.71	2.80	2.75	2.69
IT	1.77	1.44	1.44	1.38	1.27	1.27	1.25	1.37	1.42	1.39	1.40	1.66	2.04	2.26
NL**	2.31	2.16	2.09	1.88	1.77	1.77	1.75	1.68	1.62	1.56	1.54	1.59	1.97	2.70
PL	4.30	4.40	4.30	4.30	3.30	3.10	2.90	2.80	2.90	2.90	4.60	6.00	8.20	9.00
PT	1.32	1.02	1.09	0.95	1.08	0.82	0.71	0.69	0.67	0.62	0.61	0.74	1.20	1.93
RO****	5.17	5.38	5.41	5.31	5.22	5.25	4.81	4.67	4.21	3.82	3.68	3.89	4.62	5.70
SE	1.53	1.52	1.46	1.53	1.54	1.49	1.39	1.36	1.36	1.33	1.35	1.48	2.05	2.74
UK	2.08	2.05	1.92	1.84	1.77	1.74	1.85	1.91	1.92	1.82	1.57	1.64	1.98	2.59

* For Czechia 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:

- Czechia

TABLE 5B | MORTGAGE INTEREST RATES

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	1.94	1.87	1.79	1.92	2.03	1.84	1.89	1.85	1.92	1.97	1.90	2.46
CZ	3	2.75	2.54	2.21	2.1	2.17	2.31	2.44	3.18	4.12	5.09	6.23
DE	1.85	1.83	1.88	1.79	1.74	1.76	1.78	1.78	1.81	1.88	2.10	2.52
DK*	0.56	0.57	0.67	0.76	0.78	0.69	0.72	0.70	0.67	0.62	0.90	1.11
EL	2.84	2.72	2.52	2.48	2.42	2.31	2.44	2.37	2.30	2.39	2.66	3.12
ES	1.56	1.60	1.64	1.62	1.50	1.40	1.43	1.42	1.35	1.35	1.45	2.08
FI	0.76	0.79	0.77	0.73	0.72	0.72	0.70	0.72	0.77	0.88	1.56	2.54
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	3.03	3.01	3.26	3.07	3.41	2.98	2.97	3.87	4.53	5.59	6.49	8.91
IE	3.03	2.88	2.96	3.19	3.11	3.23	3.19	3.11	3.06	3.34	3.47	3.55
IT	1.37	1.35	1.37	1.34	1.29	1.36	1.39	1.36	1.32	1.33	1.39	1.88
NL	1.74	1.7	1.69	1.71	1.70	1.62	1.62	1.62	1.60	1.64	1.95	2.51
PL		4.3	3.3	3	2.90	2.90	2.90	2.90	4.50	6.20	8.10	9.30
PT	1.10	1.02	1.16	0.92	0.80	0.84	0.83	0.80	0.83	1.03	1.47	2.23
RO**	5.28	5.15	5.11	5.15	4.71	4.60	4.17	3.70	3.55	3.70	4.36	5.50
SE	1.39	1.39	1.42	1.36	1.29	1.24	1.25	1.23	1.22	1.29	2.45	3.42
UK***	1.94	1.93	1.50	1.58	1.77	1.88	1.91	1.90	1.64	1.64	2.14	2.72

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	2.17	2.09	2.03	1.91	2.00	2.04	2.11	2.13	2.12	2.21	2.53	3.08
CZ	2.47	2.49	2.41	2.22	2.06	2.03	2.14	2.35	2.81	3.89	4.70	5.56
DE	1.33	1.32	1.46	1.39	1.30	1.29	1.30	1.34	1.38	1.49	2.14	2.78
DK*	0.65	0.80	0.94	0.71	0.65	0.73	0.87	0.82	0.94	1.47	2.56	2.84
ES	1.56	1.70	1.58	1.60	1.42	1.37	1.38	1.35	1.35	1.56	1.76	2.29
FI	1.09	1.01	1.02	1.38	1.15	1.50	1.66	1.69	1.99	1.62	1.08	1.52
HU	4.87	4.21	4.35	4.56	4.44	4.52	4.53	4.89	5.33	6.02	7.88	10.63
IE	2.82	2.74	2.72	2.70	2.69	2.68	2.64	2.64	2.63	2.67	2.65	2.62
NL	1.89	1.76	1.74	1.80	1.75	1.63	1.59	1.60	1.64	1.68	1.99	2.77
PL	n/a	4.2	3.3	3.20	3.20	3.40	3.80	3.70	4.60	5.60	8.20	8.60
RO**	5.91	5.78	5.79	5.65	5.36	5.29	4.60	4.21	4.12	4.16	4.87	6.20
SE	1.41	1.41	1.46	1.42	1.29	1.29	1.31	1.26	1.39	1.84	3.26	3.75
UK	1.89	1.82	1.77	1.74	1.84	1.90	1.91	1.81	1.55	1.62	1.96	2.57

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	1.66	1.57	1.61	1.46	1.37	1.35	1.34	1.37	1.33	1.46	1.90	2.46
CZ	2.31	2.37	2.31	2.13	2.02	1.92	2.02	2.28	2.69	3.65	4.58	5.53
DE	1.12	1.12	1.13	1.09	1.03	1.03	1.09	1.11	1.14	1.34	2.11	2.80
DK*	0.77	0.92	1.07	0.84	0.70	0.89	1.14	1.06	1.13	1.77	2.68	2.97
EL	n/a	n/a	3.41	3.55	3.36	3.15	3.12	3.25	3.19	2.99	3.02	2.99
ES	4.17	4.29	3.50	3.82	3.59	3.82	3.64	3.49	3.52	4.08	4.01	4.45
FI	1.52	1.62	1.58	1.58	1.57	1.31	1.32	1.31	1.38	1.84	2.87	3.22
HU	4.39	4.17	4.24	4.15	4.06	3.97	4.11	4.33	4.69	5.60	6.82	7.95
NL	2.09	1.88	1.77	1.77	1.75	1.68	1.62	1.56	1.54	1.59	1.97	2.70
RO**	6.31	6.1	5.48	5.77	5.60	5.22	4.65	4.40	4.29	4.32	5.10	6.10
SE	1.39	1.35	1.57	1.41	1.47	1.48	1.59	1.50	1.61	2.29	3.48	3.34
UK	2.25	2.31	2.29	2.13	2.13	2.11	1.91	1.86	1.85	1.96	2.14	2.54



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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BE	1.56	1.66	1.48	1.40	1.37	1.34	1.35	1.38	1.38	1.47	1.86	2.48
CZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DE	1.25	1.26	1.25	1.20	1.14	1.15	1.28	1.30	1.32	1.54	2.39	3.08
DK*	1.67	1.74	2.03	1.79	1.75	1.63	2.13	2.27	2.46	2.90	3.96	4.36
ES	1.86	1.81	1.80	1.77	1.67	1.55	1.44	1.42	1.37	1.36	1.52	1.79
HU	4.71	4.52	4.73	4.65	4.43	4.73	4.80	5.14	3.71	3.47	5.48	6.79
IT****	1.46	1.39	1.25	1.25	1.24	1.37	1.43	1.39	1.41	1.72	2.34	2.84
NL	2.57	2.16	2.07	2.04	2.00	1.90	1.79	1.75	1.74	1.80	2.11	2.62
RO**	5.48	5.42	5.28	5.2	4.84	4.51	4.16	3.78	3.70	4.04	4.76	5.60
UK	2.18	2.66	2.89	2.33	2.42	2.42	2.23	2.08	1.99	1.88	2.19	2.78

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

Source: European Mortgage Federation

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

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

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

Note:

n - no lending made in this maturity bracket

Data refers to quarter averages

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

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

- Czechia
- Netherlands

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
CZECHIA											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK											
Variable rate (up to 1Y initial rate fixation)	31.0	31.3	30.4	29.7	29.1	29.8	28.7	28.8	29.0	31.3	32.0
Short-term fixed (1Y-5Y initial rate fixation)	23.2	22.3	22.1	21.7	21.7	20.4	20.6	20.8	21.6	22.3	22.3
Medium-Term fixed (5Y-10Y initial rate fixation)	45.9	46.4	47.5	48.6	49.2	49.8	50.7	50.4	49.3	46.4	45.7
Long-Term fixed (over 10Y initial rate fixation)											
FINLAND											
Variable rate (up to 1Y initial rate fixation)	94.4	94.5	94.7	95.0	95.1	95.2	95.3	95.4	95.5	95.5	95.5
Short-term fixed (1Y-5Y initial rate fixation)	3.1	2.9	2.8	2.6	2.5	2.4	2.2	2.1	2.0	1.9	1.9
Medium-Term fixed (5Y-10Y initial rate fixation)	2.5	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6
Long-Term fixed (over 10Y initial rate fixation)											
IRELAND											
Variable rate (up to 1Y initial rate fixation)	67.5	66.5	65.2	63.3	60.6	59.2	57.7	55.9	52.9	49.8	n/a
Short-term fixed (1Y-5Y initial rate fixation)	29.2	30.2	31.5	33.4	36.0	37.4	38.9	40.7	43.6	46.3	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.6	4.0	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)

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
SWEDEN											
Variable rate (up to 1Y initial rate fixation)	59.3	58.0	56.6	54.3	52.1	50.4	48.9	48.3	47.0	47.2	48.8
Short-term fixed (1Y-5Y initial rate fixation)	39.4	40.8	42.2	44.5	46.7	48.4	49.9	50.5	51.7	51.4	49.9
Medium-Term fixed (5Y-10Y initial rate fixation)	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.4
Long-Term fixed (over 10Y initial rate fixation)											

UNITED KINGDOM											
Variable rate (up to 1Y initial rate fixation)*	25.1	24.4	23.8	23.0	21.8	20.6	19.6	18.6	17.4	16.0	14.6
Short-term fixed (1Y-5Y initial rate fixation)	72.9	73.6	74.1	74.9	76.1	77.3	78.2	79.2	80.2	81.4	82.5
Medium-Term fixed (5Y-10Y initial rate fixation)	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.4	2.6	2.9
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CURRENCY DENOMINATION	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
HUNGARY*											
HUF denominated	46.6	46.7	47.3	46.6	46.9	47.6	47.5	98.4	99.2	99.3	Since Q4 2015 FX lending is not allowed any more
EUR denominated	6.9	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3	
CHF denominated	44.6	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4	
Other FX denominated	1.9	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0	

BREAKDOWN BY LOAN ORIGINAL MATURITY	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
ITALY											
Maturity less than 5 years	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.2	0.3	0.25	0.26
Maturity over 5 years	99.5	99.6	99.5	99.7	99.7	99.7	99.7	99.8	99.7	99.75	99.74

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

	III 2019	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
BELGIUM													
Variable rate (up to 1Y initial rate fixation)	1.1	2.3	2.7	2.7	0.7	0.6	0.6	0.4	0.4	0.5	0.6	1.9	4.3
Short-term fixed (1Y-5Y initial rate fixation)	2.0	1.4	1.1	1.3	1.0	1.1	1.2	1.1	1.2	1.1	1.2	1.2	1.2
Medium-Term fixed (5Y-10Y initial rate fixation)	20.4	12.2	14.0	14.5	14.1	14.6	13.8	13.5	14.6	13.6	13.6	11.6	9.6
Long-Term fixed (over 10Y initial rate fixation)	76.6	84.0	82.2	81.5	84.2	83.6	84.4	85.0	83.8	84.8	84.7	85.3	84.9
CZECHIA													
Variable rate (up to 1Y initial rate fixation)	3.2	2.2	2.0	2.1	3.1	3.2	2.6	1.3	1.1	1.1	1.2	1.7	1.8
Short-term fixed (1Y-5Y initial rate fixation)	47.0	38.5	34.3	46.7	46.6	50.7	50.3	50.9	51.2	46.0	47.2	55.0	63.1
Medium-Term fixed (5Y-10Y initial rate fixation)	49.8	59.3	63.7	51.2	50.3	46.2	47.1	47.8	47.7	53.0	51.5	43.4	35.2
Long-Term fixed (over 10Y initial rate fixation)	6.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK													
Variable rate (up to 1Y initial rate fixation)	5.2	7.3	11.2	16.1	9.8	9.1	8.0	12.3	12.7	15.4	21.1	31.2	34.6
Short-term fixed (1Y-5Y initial rate fixation)	8.6	10.8	15.6	17.0	14.7	16.7	16.8	20.4	25.7	26.8	26.6	22.0	18.5
Medium-Term fixed (5Y-10Y initial rate fixation)	0.7	1.6	0.5	0.3	0.3	0.5	0.6	0.4	0.4	0.9	0.6	0.3	0.3
Long-Term fixed (over 10Y initial rate fixation)	85.4	80.3	72.6	66.6	75.1	73.7	74.7	66.9	61.2	57.0	51.7	46.5	46.6
FINLAND													
Variable rate (up to 1Y initial rate fixation)	96.5	96.6	95.9	96.9	97.1	96.9	96.7	95.9	96.6	95.6	95.8	96.9	95.1
Short-term fixed (1Y-5Y initial rate fixation)	1.3	1.3	1.6	1.1	1.0	1.2	0.8	0.7	0.6	0.8	0.6	0.9	2.0
Medium-Term fixed (5Y-10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)	2.2	2.2	2.5	2	1.9	1.8	2.5	3.4	2.8	3.6	3.6	2.2	2.9
GERMANY													
Variable rate (up to 1Y initial rate fixation)	10.6	10.8	10.4	11.1	10.3	10.1	9.5	9.4	10.3	9.8	9.0	9.6	13.5
Short-term fixed (1Y-5Y initial rate fixation)	7.7	7.6	7.6	7.8	7.3	7.2	7.1	7.0	6.6	7.0	6.3	6.8	8.0
Medium-Term fixed (5Y-10Y initial rate fixation)	31.5	31.7	32.0	32.5	32.7	33.2	34.3	36.4	35.4	35.9	35.6	38.9	37.5
Long-Term fixed (over 10Y initial rate fixation)	50.1	49.9	49.9	48.6	49.8	49.5	49.1	47.3	47.7	47.3	49.1	44.7	41.0



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

	II 2019	III 2019	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022
GREECE													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	54.5	48.6	46.4	42.5
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n	n	n	n
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.9	11.2	13.2	15.6
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n	n	n	n
HUNGARY													
Variable rate (up to 1Y initial rate fixation)	2.6	1.7	1.6	1.1	1.1	1.0	0.9	0.9	0.7	0.5	0.5	0.6	0.8
Short-term fixed (1Y-5Y initial rate fixation)	28.3	30.6	29.3	27.9	26.7	25.4	27.1	31.7	29.0	24.2	16.8	15.9	28.2
Medium-Term fixed (5Y-10Y initial rate fixation)	59.2	55.2	53.9	57.8	59.3	59.8	60.6	56.6	57.5	52.4	39.5	31.9	40.9
Long-Term fixed (over 10Y initial rate fixation)	9.8	12.5	15.2	13.2	12.9	13.7	11.4	10.8	12.8	22.9	43.2	51.7	30.2
IRELAND													
Variable rate (up to 1Y initial rate fixation)	26.3	25.0	25.6	24.9	21.4	20.3	22.8	19.3	18.9	18.9	19.4	14.4	9.0
Short-term fixed (1Y-5Y initial rate fixation)	73.7	75.0	74.4	75.1	78.6	79.7	77.2	80.7	81.1	81.1	80.6	85.6	91.0
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)	31.5	19.7	19.8	19.2	17.4	16.2	16.9	16.8	16.5	17.2	16.7	25.2	52.0
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	68.5	80.3	80.2	80.8	82.6	83.8	83.1	83.2	83.5	82.8	83.3	74.8	48.0
Long-Term fixed (over 10Y initial rate fixation)													
NETHERLANDS													
Variable rate (up to 1Y initial rate fixation)	19.4	17.1	17.3	12.5	14.3	15.2	12.8	11.3	11.9	11.0	9.6	9.8	16.3
Short-term fixed (1Y-5Y initial rate fixation)	8.7	7.9	7.4	6.6	7.4	7.4	6.4	6.6	6.7	6.7	6.4	6.3	6.9
Medium-Term fixed (5Y-10Y initial rate fixation)	44.1	43.4	41.1	39.7	34.0	32.9	34.8	33.7	32.2	34.1	33.9	31.1	33.0
Long-Term fixed (over 10Y initial rate fixation)	27.8	31.6	34.3	41.2	44.3	44.4	46.0	48.4	49.1	48.2	50.0	52.9	43.8

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

	II 2019	III 2019	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022
POLAND													
Variable rate (up to 1Y initial rate fixation)	100	100	100	100	100	97**	n/a	n/a	87.3	75.7	74.4	33.02	43.05
Short-term fixed (1Y-5Y initial rate fixation)	n	n	n	n	n	3**	n	n	12.8	24.3	25.6	66.98	56.95
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)	70.81	55.7	59.7	71.0	70.7	70.0	68.5	71.5	68.7	67.0	64.8	67.2	68.6
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	29.2	44.3	40.3	29.0	29.3	30.0	31.5	28.5	31.3	33.0	35.2	32.8	31.4
Long-Term fixed (over 10Y initial rate fixation)													
ROMANIA													
Variable rate (up to 1Y initial rate fixation)	79.4	78.2	70.0	72.0	66.5	75.2	74.1	74.8	73.5	71.2	59.2	55.7	65.5
Short-term fixed (1Y-5Y initial rate fixation)	10.0	10.5	11.2	10.5	11.0	7.4	5.4	4.6	6.4	8.1	9.7	6.7	9.2
Medium-Term fixed (5Y-10Y initial rate fixation)	2.5	4.2	5.4	4.6	5.5	3.1	4.6	5.7	7.9	9.5	13.6	13.7	7.8
Long-Term fixed (over 10Y initial rate fixation)	8.1	7.1	13.4	13.0	17.1	14.3	15.9	15.0	12.2	11.2	17.4	23.8	17.5
SPAIN													
Variable rate (up to 1Y initial rate fixation)	36.3	33.6	32.3	38.6	35.4	31.2	28.2	25.5	24.4	22.7	22.5	20.0	25.1
Short-term fixed (1Y-5Y initial rate fixation)	28.8	22.3	19.3	17.0	18.9	19.1	19.3	16.6	15.2	13.0	11.1	10.8	10.0
Medium-Term fixed (5Y-10Y initial rate fixation)	3.5	3.0	3.6	3.0	3.1	2.7	3.1	3.1	3.3	3.3	4.4	3.9	3.8
Long-Term fixed (over 10Y initial rate fixation)	31.4	41.1	44.8	41.4	42.6	47.0	49.4	54.9	57.2	61.0	62.0	65.3	61.1

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

	II 2019	III 2019	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022
SWEDEN													
Variable rate (up to 1Y initial rate fixation)	63.0	58.7	49.5	52.7	46.4	45.2	43.7	43.4	42.8	44.1	47.6	61.3	75.6
Short-term fixed (1Y-5Y initial rate fixation)	28.5	28.5	35.4	34.1	37.7	39.8	42.6	44.4	45.2	44.7	41.6	28.7	18.5
Medium-Term fixed (5Y-10Y initial rate fixation)	10.0	12.8	12.8	13.2	15.8	15.0	13.7	12.3	12.0	11.2	10.8	10.0	5.9
Long-Term fixed (over 10Y initial rate fixation)													
UNITED KINGDOM													
Variable rate (up to 1Y initial rate fixation)*	7.4	6.7	7.3	10.3	9.1	7.9	6.7	5.5	5.3	5.1	5.2	4.2	3.8
Short-term fixed (1Y-5Y initial rate fixation)	90.7	91.8	91.5	88.6	89.4	90.4	91.8	92.5	92.7	93.0	92.1	91.2	90.5
Medium-Term fixed (5Y-10Y initial rate fixation)	1.9	1.5	1.2	1.1	1.5	1.7	1.5	2.0	2.0	1.9	2.7	4.6	5.7
Long-Term fixed (over 10Y initial rate fixation)	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

**Cumulative data for the whole year (PL)

n – no lending made in this maturity bracket

Source: European Mortgage Federation

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

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 latest quarterly results, published in October 2022.

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)

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
AT	14	0	29	14	14	0	-14	14	14	14	29	57
BE	75	50	50	0	0	-25	0	0	0	25	50	25
CY	0	0	25	50	50	25	0	25	0	0	25	25
DE	0	3	21	7	0	0	-7	4	4	7	32	39
EE	0	100	50	0	-25	-50	0	-25	0	25	0	50
EL	25	0	0	0	0	0	0	0	0	0	0	0
ES	11	0	33	11	0	11	0	11	11	0	30	40
FR	8	50	25	50	33	-8	0	8	0	0	17	42
IE	0	0	60	0	-20	0	20	20	0	0	20	20
IT	-10	0	0	10	0	0	0	0	-9	-9	9	9
LT	0	25	50	-25	0	0	25	0	0	25	0	50
LU	0	17	50	33	50	83	33	0	17	17	83	83
LV	0	50	25	-25	-25	0	0	-50	-25	0	25	50
MT	0	0	38	0	38	0	0	37	37	-34	0	-34
NL	-33	-33	50	0	0	-17	0	-17	-17	0	33	0
PT	20	20	60	20	20	0	0	0	0	0	0	20
SI	100	40	20	0	25	0	0	0	0	0	10	20
SK	-9	60	100	-2	-33	-32	-78	-32	-27	-44	-26	0
EA	3	13	27	18	9	-2	-2	2	0	2	24	32
CZ	26	5	72	26	-21	-31	-2	-21	-23	2	93	25
DK	19	-7	15	-12	-13	-6	-5	2	2	-1	7	19
HU	0	55	37	-15	-6	-20	-5	-6	-6	-6	35	31
PL	8	29	91	-38	-6	-66	-18	28	15	42	77	4
RO	0	12	65	2	34	0	-47	-20	0	7	75	18
UK	-15	4	72	-10	-2	-14	-39	-15	-23	3	22	13

CREDIT STANDARDS FOR RESIDENTIAL LOANS

The latest ECB BLS results, looking backwards to the third quarter of 2022, show that credit standards for mortgages tightened once more, and to a significant degree, in the euro area. The net percentage for this period was 32%, after 24% in the second quarter of 2022. Q3 2022's reading is higher than originally estimated (24%) and it is the largest recorded net tightening since Q4 2008 (GFC period).

According to the ECB, the factors that drove the tightening of credit standards were bank's increased risk perceptions, lower risk tolerance and higher cost of funds and balance sheet constraints, which is consistent with uncertainties linked to the macroeconomic and consumer price environment. Furthermore, banks reported a more pronounced tightening impact from increased risk perceptions

than in the previous quarter, stemming from concerns regarding the general economic outlook, borrower creditworthiness and housing market prospects. It would be the third consecutive quarter of risk perceptions having a tightening impact, which excluding the pandemic period, had not been recorded since 2013.

From a country standpoint, credit standards tightened as well in net terms across the four largest euro area jurisdictions (Germany, France, Italy and Spain). Increased risk perceptions and banks' cost of funds and balance sheet constraints had a tightening impact, while competition had a neutral impact. Decreased risk tolerance had a tightening impact in Germany, Spain and Italy, but a neutral effect in France.

Looking ahead at fourth and final quarter of 2022, euro area banks expect a continued and noticeable net tightening of credit standards on residential mortgage loans.

In Germany, Spain and Italy, in net terms, overall terms and conditions for housing loans tightened while terms and conditions were unchanged in France.

NON-EURO AREA CREDIT STANDARDS

Regarding non-euro area jurisdictions, all relevant countries reported an additional round of tightening in credit standards. Poland (4%), the UK (13%), Romania (18%), and Denmark (19%), saw a further tightening, although, in some cases, the Q3 2022 rate was lower than that reported in the previous quarter (see the relevant table). Czechia and Hungary saw a tightening of above 20% each, 25% and 31% respectively.

TERMS AND CONDITIONS FOR HOUSING LOANS

In Q3 2022, overall euro area terms and conditions for housing loans tightened once again. The net percentage was 24% of banks (21% in Q2 2022). This is the third consecutive net tightening, which relates to the increase in interest rate levels, in line with the substantial increase in euro area mortgage interest rates since the beginning of 2022. At the same time, there was a net narrowing of banks' margins on both average and riskier loans due to relevant market reference rates rising faster than interest rates charged on housing loans.

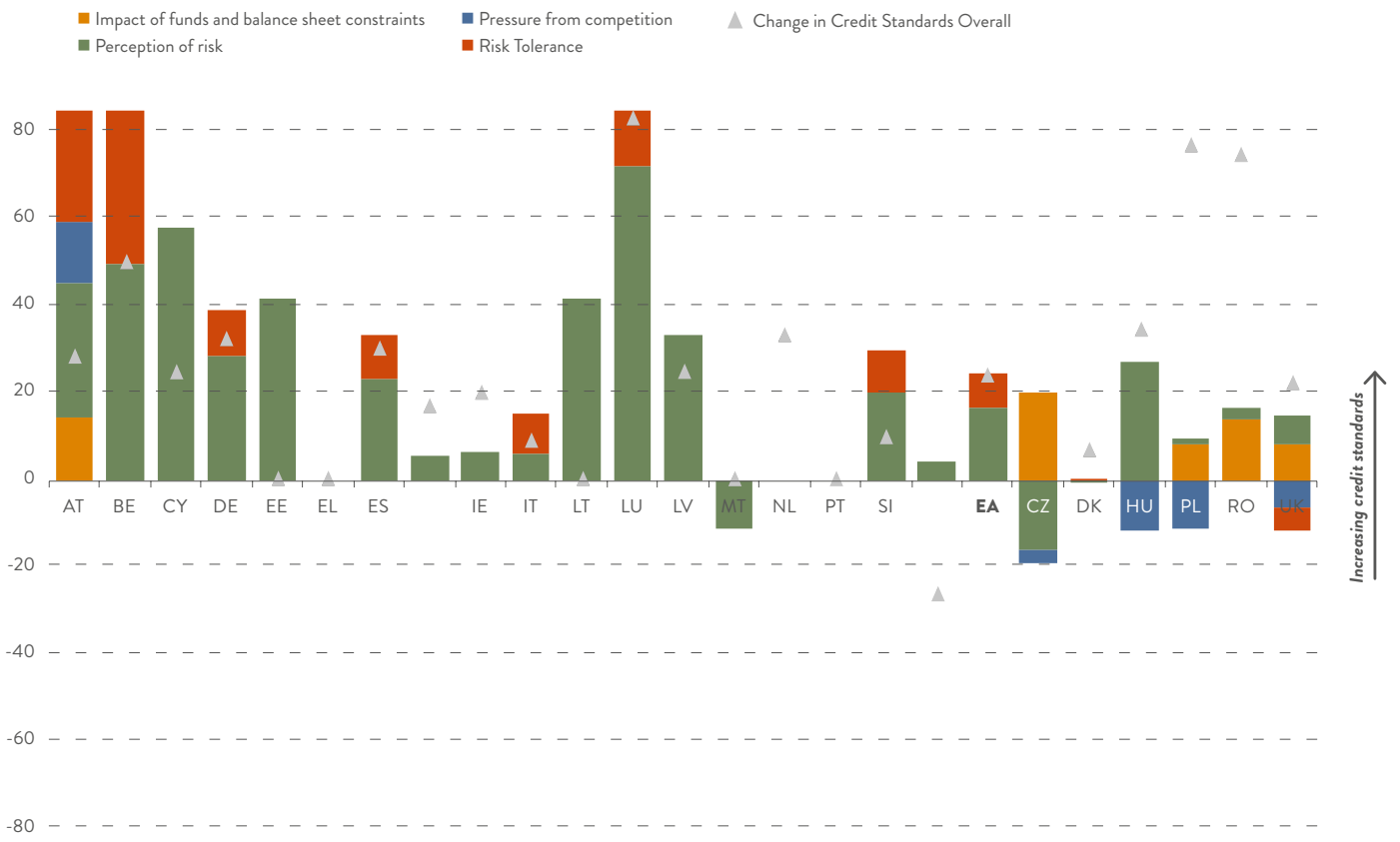
TABLE 6B | FACTORS THAT HAVE AFFECTED SUPPLY IN 2022-Q2 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

III 2022	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	29	50	25	32	0	0	30	17	20	9	0	83	25	0	33	0	10	-26	24	93	7	35	77	75	22
FACTORS AFFECTING CREDIT STANDARDS:																									
Impact of funds and balance sheet constraints	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	0	0	8	14	8
Perception of risk	31	50	58	29	42	0	23	6	7	6	42	72	33	-11	0	0	20	4	17	-16	0	27	1	3	6
Pressure from competition	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-3	0	-12	-11	0	-6
Risk Tolerance	29	50	0	11	0	0	10	0	0	9	0	33	0	0	0	0	10	0	8	0	0	0	0	0	-5

NOTES:

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

CHART 4 | CREDIT STANDARDS OVERVIEW AND FACTORS



CREDIT DEMAND:

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022
AT	29	43	-14	29	0	14	14	14	0	0	14	-71
BE	100	-50	-100	25	25	25	50	-50	25	0	-50	-75
CY	25	0	-75	100	100	-25	25	0	100	-50	-75	-75
DE	17	24	-29	36	11	0	11	18	11	32	-4	-71
EE	25	0	-50	25	100	100	25	25	0	-75	50	-50
EL	75	75	0	100	50	75	50	25	75	25	-25	-50
ES	-33	-44	-100	22	-11	-22	44	33	33	22	10	-30
FR	42	17	-75	17	0	-25	33	8	0	0	-25	-17
IE	0	40	-100	100	40	0	20	-20	-40	-20	20	40
IT	30	-30	-70	30	0	-10	22	9	18	-18	-9	-18
LT	0	-25	-50	25	0	75	25	50	75	-25	0	0
LU	17	33	-100	33	67	-50	-17	-17	-17	-50	-83	-83
LV	50	0	-50	50	50	75	75	25	0	0	-25	-50
MT	-99	-82	-58	56	62	0	2	-37	-20	34	0	0
NL	33	33	33	0	17	50	50	-17	-33	33	17	-33
PT	20	0	-80	20	20	40	40	60	60	20	20	-40
SI	-80	-60	-100	50	0	-25	75	50	20	10	40	-60
SK	7	0	-100	-3	-27	-21	46	32	21	22	36	-74
EA	24	5	-54	27	8	-2	29	11	8	10	-10	-42
CZ	31	20	-50	64	75	86	96	-11	-18	-81	-83	-81
DK*	-7	6	1	8	-19	-33	-6	8	-23	0	21	20
HU	34	6	-81	84	10	89	100	63	47	60	20	-92
PL	-18	23	-66	19	8	-58	-59	-15	47	87	87	93
RO	31	12	-65	3	-11	43	75	-53	-34	43	-49	-56
UK**	13	-28	79	-96	-32	22	-81	35	35	-6	-30	37

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"

In terms of net demand for residential mortgage loans, -42% of euro area banks reported a net decrease in Q3 2022, following a -10% net rate in Q2 2022. These latest results would point to the largest recorded decrease since Q1 2012 (excluding the pandemic period).

The current interest rate environment, lower consumer confidence and housing market prospects all contributed to this substantial fall in demand. Considered altogether, these factors echo the economic slowdown alongside increases in mortgage interest rates.

Banks in all four largest euro area countries reported a net decrease in demand for housing loans in the third quarter of 2022.

In the fourth quarter of 2022, banks expect a further strong net decline in the demand for housing loans (net percentage of banks of -64%), a magnitude that, should it be confirmed by the next survey results, would be similar to the pandemic or the critical 2008 period..

CREDIT DEMAND IN NON-EURO AREA COUNTRIES

Demand for mortgage loans in non-euro area countries varied significantly in across jurisdictions in Q3 2022.

Denmark (20%), the United Kingdom (37%) and particularly Poland (93%) all saw surveyed banks report increased mortgage loan demand. In the meantime, Romania reported a net decrease (-56% of banks). Czechia reported very significant decreases as well, -81% and -92% respectively.

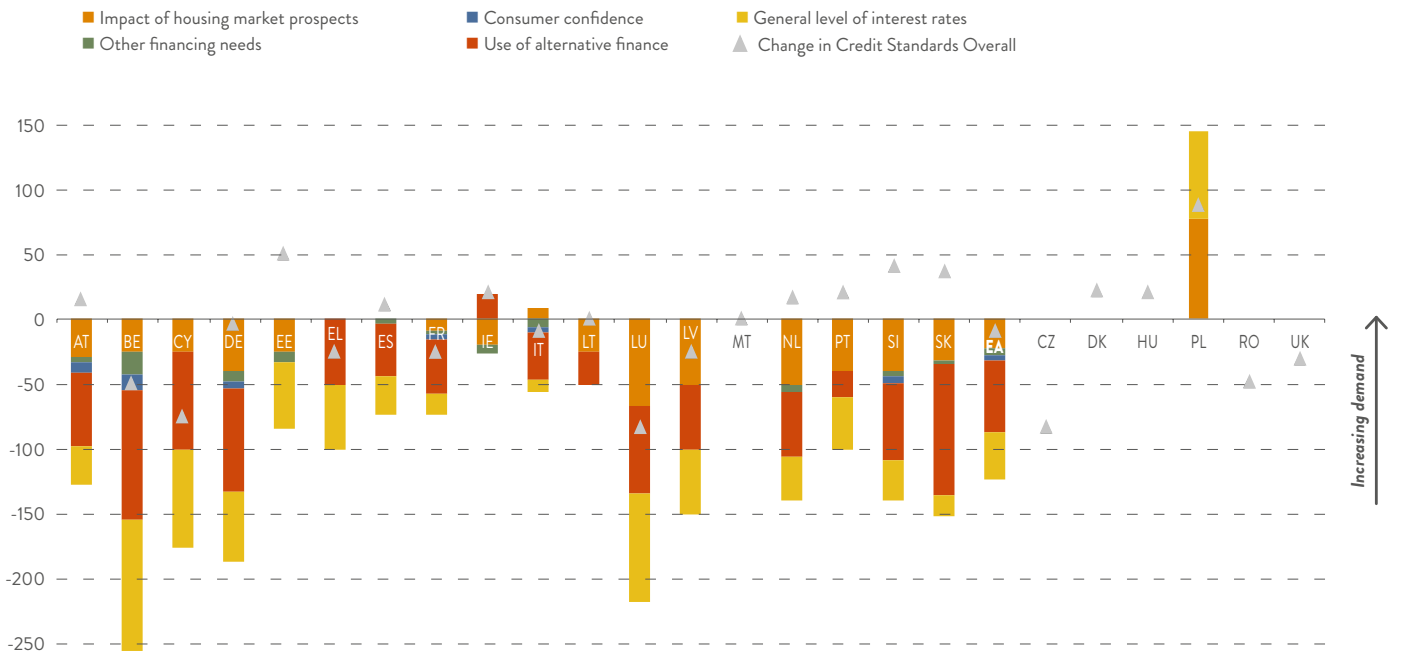
TABLE 7B | FACTORS THAT HAVE AFFECTED DEMAND IN 2022-Q3 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

III 2022	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	14	-50	-75	-4	50	-25	10	-25	20	-9	0	-83	-25	0	17	20	40	36	-10	-83	21	20	87	-49	-30
FACTORS AFFECTING DEMAND:																									
Impact of housing market prospects	-29	-25	-25	-39	-25	0	0	-8	-20	9	-25	-67	-50	0	-50	-40	-40	-32	-22	—	—	—	76	—	—
Other financing needs	-7	-13	0	-5	0	0	0	-4	0	-5	0	0	0	0	0	0	-5	0	-4	—	—	—	—	—	—
Consumer confidence	-29	-100	-75	-54	-50	-50	-30	-17	0	-9	0	-83	-50	0	-33	-40	-30	-17	-36	—	—	—	68	—	—
Use of alternative finance	-5	-17	0	-8	-8	0	-3	-3	-7	-6	0	0	0	0	-6	0	-3	-2	-6	—	—	—	—	—	—
General level of interest rates	-57	-100	-75	-79	0	-50	-40	-42	20	-36	-25	-67	-50	0	-50	-20	-60	-100	-55	—	—	—	0	—	—

NOTES:

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

CHART 5 | DEMAND OVERVIEW AND FACTORS

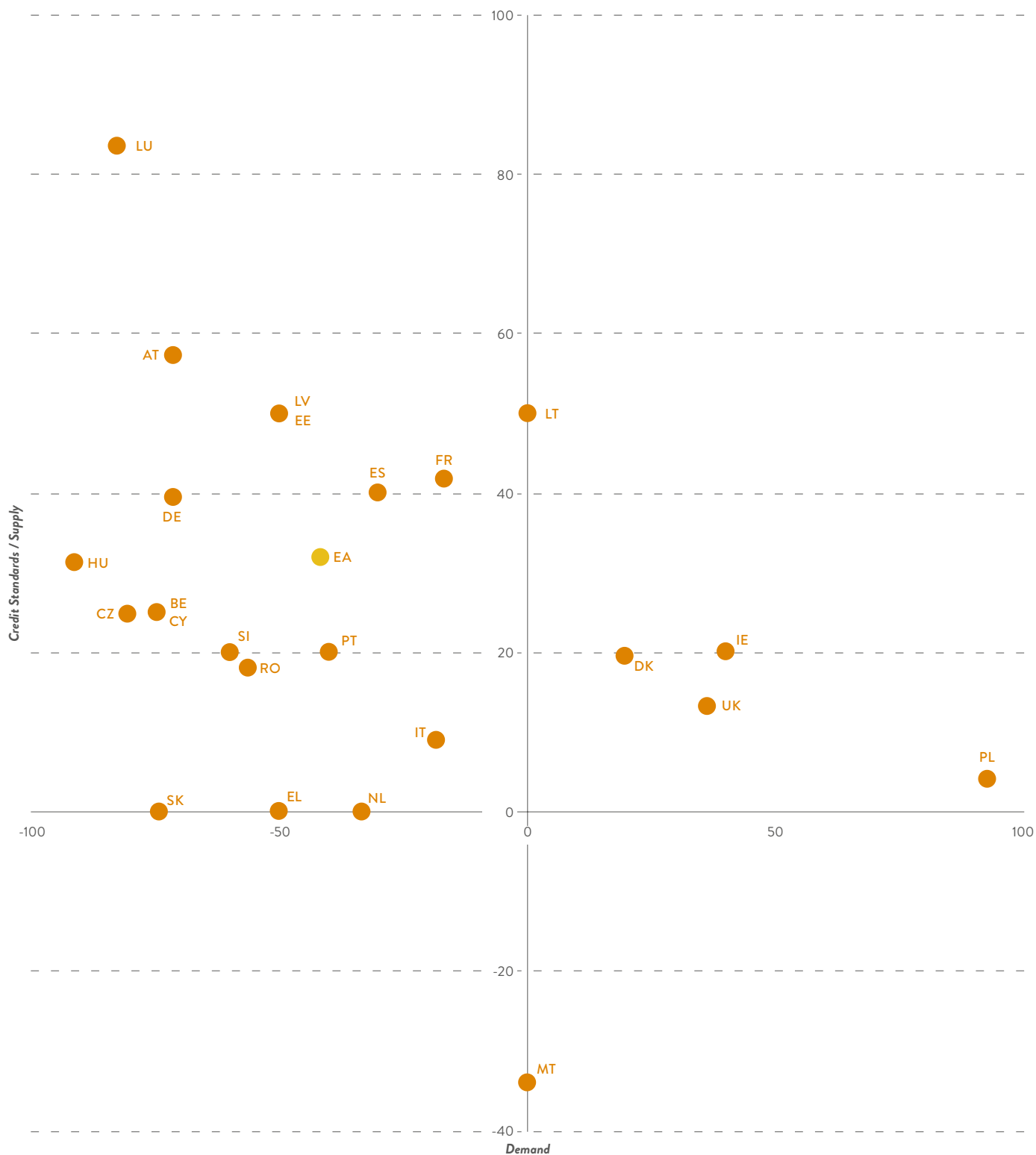


SCATTER PLOT ANALYSIS

In terms of credit standards, a majority of jurisdictions (21 out of 25 countries considered in this report) saw credit standards tightened further in Q3 2022, as the economic outlook in Europe becomes increasingly uncertain and inflationary tensions prompts a change in monetary policy. Only three jurisdictions report an “unchanged” credit standard scenario, while only one country, Malta, reports bank credit standards easing. Demand for residential mortgages appears to

have decreased broadly in the EMF sample, as a total of 19 jurisdictions see their banks report overall demand for mortgages contract. Demand seems to have increased in Ireland, Denmark, Poland and the UK.

CHART 6 | DEMAND AND SUPPLY OVERVIEW





Q3|2022

QUARTERLY REVIEW
OF EUROPEAN
MORTGAGE MARKETS



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