

EMF

FUNDING THE REAL ECONOMY

Q4 | 2022

QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

José Díaz | Policy Adviser | jdiaz@hypo.org | Tel: +32 2 285 40 30

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

GENERAL COMMENTARY

Mortgage and housing developments in Europe have been quite diverse in the final quarter of 2022, amid the ongoing macroeconomic and inflationary changes that have given way to an otherwise uncertain economic environment. Furthermore, the mortgage lending and housing supply landscape across the different EMF jurisdictions has become increasingly complex and heterogeneous.

In terms of overall economic activity, according to Eurostat ([link](#)) seasonally adjusted GDP values show a relative deceleration: this indicator increased by 1.8% in Q4 2022 compared with Q4 2021 in the euro area (after an increase 2.4% in Q3 2022), while GDP expanded by 1.7% in the broader EU on the same basis, down from a yearly rate of 2.6% one quarter prior. For the whole year 2022, euro area GDP increased by 3.5% compared to 2021 values (5.3% in 2021), as did the EU27 aggregated GDP (5.4% in 2021). Inflation has been a persistent element in Europe and comparatively high, yet the expansion of consumer prices seems to have slowed during the fourth quarter. By the end of December 2022, the annual inflation rate in the euro area was 9.2%, after a 10.1% inflation rate one month prior. By comparison, Euro area inflation in December 2021 was 5%. Regarding the greater EU27 area, end of year inflation was 10.4%, down from 11% in November 2022. In December 2021, the EU27 inflation rate stood at 5.3% ([link](#)). Prices linked to food products, services and energy contributed significantly to this further round of increasing consumer prices in Europe.

The current inflationary cycle, in concert with a more subdued market and consumer and business expectations, has had an impact on the interest rate environment, residential mortgage lending sector, house building trends and house prices. Interest rates increased further in the fourth quarter of 2022, in line with the consumer price index developments, as well as ECB adjustments of the euro area basic rate. In this context, mortgage lending developments have been mixed. The aggregated European residential mortgage stock continued to expand in Q4 2022, yet at the slowest pace of growth since the onset of the pandemic in Q1 2020. Gross residential lending, meanwhile, contracted at an aggregated level for the third consecutive quarter, as demand and supply of new mortgages become less dynamic across the EMF country sample. Housing markets were also quite diverse, although a majority of participating jurisdictions reported either a deceleration of permit issuance and/or building starts and completions, or a clear contraction of these indicators. In turn, the average EMF house price data expanded once more in Q4 2022, although the yearly pace of growth (i.e., compared to Q4 2021) decelerated significantly, clearly reflecting the heterogeneity of price trends across different European regions. Regulatory developments at national level have also been varied, although specific national measures seem to be focusing increasingly on the impact of inflation, financing conditions and the income of borrowers or households.

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



FURTHER READING

- European Economic Forecast, Winter 2023 (European Commission Institutional Paper 194, February 2023) ([link](#))
- *A Fragile Recovery* – OECD Economic Outlook, Interim Report March 2023 ([link](#))
- *Economic Sentiment recovering in the EU and the euro area, and Employment Expectations remain robust* – Business and consumer survey results (European Commission, December 2022) ([link](#))
- *Housing in Europe – 2022 interactive edition* (Eurostat, December 2022) ([link](#))

MORTGAGE MARKETS

The aggregated mortgage stock of the EMF country sample¹ was approximately EUR 8.24 tn by the end of the fourth quarter of 2022. Despite the additional gains recorded during this period, continuing the upward trend that first began in 2017, the pace of growth decelerated noticeably. Indeed, the European mortgage stock rose by 1.9% in Q4 2022 compared to the same quarter of the previous year, after a 3.1% yearly increase in the previous quarter. Against this backdrop, overall gross lending in Europe decreased by -12% y-o-y in Q4 2022, after a -6% yearly contraction one quarter prior. It is the third consecutive quarter with a negative growth rate. Total gross lending amounted to EUR 331 bn, the lowest since pandemic-marked Q3 2020.

From a country standpoint, mortgage lending development have been quite diverse, yet several countries report a deceleration in the evolution of outstanding mortgages, as the latest information and statistics suggest.

In **Sweden**, net mortgage lending growth further decelerated in Q4 2022, recording a 5.0% yearly increase after a 6.2% in the previous quarter (considering values in local currency). More in detail, mortgage lending secured on one-family homes increased by 4.5% y-o-y (6.1% Q3 2022), while the increase in lending secured on tenant-owned apartments moderated to 4.4% (6.0% in Q2 in 2022). Net mortgage lending to multi-family homes increased by 7.2% in Q4 (compared to a yearly 6.6% in Q3 2022). The increase in mortgage interest rates during 2022, in combination with the current price cycle, particularly energy, have had a significant impact on the mortgage market, as well as on house prices. Mortgage lending was historically low in the latter part of the year: for instance, the growth rate of lending to households secured on tenant-owned apartments has not been lower in the current statistical time series, which spans over 20 years. As regards **Denmark**, total outstanding residential loans increased to DKK 1.84 bn in the fourth quarter of 2022, down by 8.8% compared to Q4 2021. Lastly, in **Finland**, the mortgage stock expanded by 1.4% y-o-y in Q4 2022, after a 1.6% in Q3 2022. Household and investor demand for new mortgages is lower than one year before.

In **Hungary**, the total outstanding residential loan portfolio grew by only 0.3% in Q4 compared to the previous quarter and by 5.2% compared to Q3 in the previous year. Following record-setting growth in housing loans in the second quarter of 2022, new loan disbursement started to decline as of Q3 2022. The pace of decline accelerated during the fourth quarter of the year. The volume of newly issued mortgage loans (i.e., gross residential loans) decreased by -38% in the 4th quarter of 2022 compared to the previous quarter and decreased by about -50% compared to the same period of 2021. The decline in the 4th quarter was around 60% compared to the peak 2nd quarter of 2022. This takes place in the midst of changing macroeconomic scenario for Hungary, in which economic growth is decelerating,

households are reporting a decline in disposable income and interest rates are steadily rising. This trend is expected to continue in 2023. In **Romania**, the stock of mortgage credit remained relatively constant in the final quarter of 2022, with a yearly growth rate of 3.4% (0.3% q-o-q). The NPL ratio for mortgage loans reached 1.46% in December 2022, increasing marginally compared to the previous quarter (by 0.04 pps) as well over a one-year period (by 0.02 pps). In December 2022, new residential lending decreased by an annual rate of -24% (-14% compared to the previous quarter). Local banks eased slightly their credit standards on loans for house and land purchase granted to households in Q4 2022, contrary to expectations in the previous quarter. Looking forward to Q1 2023, credit standards are expected to remain unchanged. By end Q4 2022, the latest data from **Poland** highlights a decline in the number and value of housing loans, but the pace of the contraction was significantly lower than in previous periods. In this vein, the number of new mortgage contracts fell by about -70% in Q4 2022 compared to Q4 2021. The total housing loan portfolio volume fell as well, meaning that the value of loans granted in Q4 was lower than that of loans repaid during that period. As a result, only around 19,000 new mortgages were issued in Q4, a q-o-q decline of nearly 11%. At the end of the quarter, 2.3 mn mortgage contracts were active, amounting to approximately 72,000 fewer contracts than at the end of the second quarter. The average value of a mortgage was PLN 325,000. Overall, considering 2022 more broadly, the decline in the number of new home loans was -51.4%, while the value of new loans fell by -49.1% y-o-y. As regards **Czechia**, the residential mortgage stock values, considered in local currency, increased by 4.8% against Q4 2021. The latest data also suggests a significant drop of mortgages sales in 2022. The peak of this drop was recorded in Q4 2022, with a decrease of -83% y-o-y. The cumulative yearly decrease of mortgages sales compared to 2021 year was 63%. The reasons behind this trend were similar to those outlined in the previous edition of this report, particularly the current macroeconomic environment, marked by high inflation (exceeding 15%) and increasing housing and non-housing expenditures, as well as higher interest rates. These factors, considered altogether, have had a negative impact on housing activity, demand for financing and overall consumer confidence.

In **Belgium**, the first stop in the Continental Europe subgroup of our sample, outstanding mortgage volumes rose by 5.7% in Q4 2022 compared to the same quarter of the previous year, down from a 6.7% yearly increase in Q3 2022. A similar trend can be seen in **Germany**, where the mortgage stock increased by 5.6% y-o-y in Q4 2022, after recording a 6.5% increase in Q3 2022. Residential mortgage lending declined significantly toward the end of the year. Following a decline in Q3, the very subdued development continued in Q4 (-28% y-o-y). In terms of the entire year, loan disbursements were EUR 273.5 bn, 9% lower than 2021. In **France**, the total amount of outstanding residential home loans grew by 5.5% over one year in Q4 2022, reaching EUR 1.28 tn. The annual growth rate of the loans continued to decelerate, after peaking in Q1 2022, but remained at a high level because of the dynamic activity of new home loans during the year. New loans for residential real estate (excluding renegotiations and loan transfers) amounted to EUR 46 bn in the fourth quarter of 2022, falling at their previous level observed in Q4 2018. The quarterly production of Q4 2022 was down by 14.7% compared to the previous quarter and by -17.6% compared to Q4 2021.

In **Portugal**, total outstanding residential loans increased by 3.4% y-o-y (0.1% q-o-q), amounting to EUR 101.4 bn by the end of Q4 2022. New residential loans production totalled EUR 3.8 bn in Q4 2022, signalling a yearly decrease of -3.0%. In neighbouring **Spain**, Q4 2022 gross lending remained virtually unchanged compared to volumes issued in the same period of the previous year, which

¹ The Quarterly Review country sample typically 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 2022).

might suggest a turning point after recording double-digit positive rates since the pandemic. For 2022 as a whole, new lending volumes exceed EUR 65 bn, a level not seen since 2011, after posting an annual increase of 10%. In terms of remortgaging, Q4 2022 saw some positive evolution under the pressure of a rising Euribor, representing 5.4% of new loans compared to 2% in the previous quarters. In **Italy**, outstanding mortgage lending stood at around EUR 427 bn at the end of the quarter, with an increase of more than 4% with respect to the same quarter of the previous year. Gross residential lending increased by 17% with respect to the previous quarter. If compared to the previous year, data shows a decrease of -6%. Lastly, in **Greece** the overall 2022 total stock of outstanding housing loans continued to decline on average by -3.6% compared to 2021 (-3.0%). According to the latest data of the Bank Lending Survey for Greece (Q4 2022), credit standards for housing loans to households remained stable compared to Q3 2022. Moreover, the demand for housing loans contracted for the third consecutive quarter after repeated 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. Q1 2023. Lastly, in 2022, a significant increase in the amount of new housing loan agreements was recorded, although in absolute terms they remained at low levels. Furthermore, persistently high inflation rates (9.3% on average, in 2022 and 6.9%, y-o-y, in the 2-month period of 2023) and an increase in borrowing costs are likely to have an impact on demand.

In **Ireland**, mortgage drawdown volumes rose by 19.5% year on year to almost 15,900 in Q4 2022. This was the highest quarterly level since Q4 2008. The growth in drawdowns was also fuelled by switching activity with the number of non-purchase drawdowns up 91.4% year on year to almost 5,200. First-time buyers (FTBs) drew down more than 7,400 mortgages, up 2.7% year on year and the highest quarterly volume since Q3 2007. On an annual basis, total drawdown volumes rose by 21% year on year to 52,634, the most since 2008. There were 25,196 FTB drawdowns in 2022, the most since 2007. Mortgage approval volumes rose by 7.7% year on year in Q4 2022 to more than 14,400. This was the highest Q4 volume since the data series began in 2011. Most of the growth was driven by switching activity with nonpurchase mortgage volumes up 73.3% year on year to more than 4,500. FTB approval volumes fell by -8.3% year on year to almost 6,700, while mover purchase volumes fell by -6.1% to 2,947, the second lowest Q4 volume since 2015.

In the **UK**, outstanding residential mortgage volumes increased by 4.1% y-o-y in Q4 2022, amounting to GBP 1.6 tn. Gross residential lending, in the meantime, totalled GBP 83.5 bn, up 23% on the same period in 2021.

REGULATION & GOVERNMENT INTERVENTION

Inflation, as indicated earlier, has been a driving factor behind recent policies or targeted measures implemented by national lawmakers and authorities. Other measures, focused on supporting borrowers or improving the energy performance of residential buildings, to name but a few options, were put forward during the final quarter of 2022. The following were reported:

SWEDEN

The Swedish government's electricity price compensation was paid out in February 2023. In general, the Swedish government is cautious with other public spending programmes, as it aims to avoid increasing inflation further, especially after the inflation rate reached a record high of 12% in the abovementioned month.

HUNGARY

Rising interest rates, together with high house prices, are expected to slow down significantly the housing and mortgage credit market in the coming months. In the present economic environment, the role of subsidies and special government programmes is ever more important to support borrowers.

The Home Purchase Subsidy for Families will also be available in 2023, this is also a popular form of subsidy for young couples and the so called "Rural Home Purchase Subsidy" will also be available in 2023. The latter is of particular importance, as properties in the countryside are more affordable for families eligible for state subsidies. According to a recent survey, a family with two children living in the capital must have twice as much income -including the drawdown of the available subsidies- to buy a new home on credit compared to a family living in the countryside.

Moreover, subsidies for smaller home renovations (home improvement subsidy and/or "prenatal baby support loans", often used by young couples for house purchase) were on high demand in the 4th quarter due to fears, that they would be no longer available in 2023.

Lastly, as will be explained in the "Mortgages Interest Rate" section, to mitigate the effects of growing mortgage rates on the existing portfolio, the government introduced "interest rate caps" on certain types of existing mortgage contracts (variable and max 5 years repricing mortgages), where the rates were frozen at their earlier rate (2021 November) in spite of the growing interest rates. Financing of the difference is borne by the lending banks.

FRANCE

As legally enforced by the "Haut Comité à la Stabilité Financière" (HCSF) since January 1st 2022, new home loans originated by banks in France respect a maximum level of Debt-Service-to Income ratio of 35% and a maximum duration of 25 years (+2 years of delay for newly built properties). In Q4 2022, the share of non-compliant loans was 14.5% of the total production and represented a share covered by the acceptance margin (banks are authorised each quarter by HCSF to grant up to 20% of new home loans which do not respect those criteria). Specifically in Q4 2022, 14.1% of the quarterly new home loans were characterized by a Debt-To-Income ratio above 35% and only 0.9% was not in compliance with the duration criterion.

The mechanism of "usury rate" played an active part in the slowdown of new home loans in Q4 2022. For almost 80% of new home loans (characterised by a duration of 20 years or more), the increase of the usury rate from 2.57% to 3.05% between the 3rd and the 4th quarter of 2022 was not sufficient to ensure the fluidity of the home loan market. Its gradual rise from quarter to quarter was still too slow compared to the rapid increase in the cost of bank resources. Despite this fact, its quarterly update was not changed for last quarter of 2022.

Regarding to the energy renovations for the housing stock, a certain number of actions have been adopted, most often with effect from 2023. "Ma Prime Rénov" bonus related only to complete renovation works for housing has been extended until December 31st 2023 for anyone without an income criterion. The mechanism of deducting charges from property income has been strengthened for landlords carrying out energy renovation works allowing the EPC rating of their home to be raised from E/F/G to A/B/C/D.



As a final development, November 28th 2022, the French government launched the “National Housing Refoundation Council”, intended to propose new ways to respond to social, economic and environmental housing issues.

SPAIN

As stated in the previous edition, in response to the rapid rise in interest rates, a protocol of measures aimed at easing the mortgage burden of the most vulnerable families was approved on 22 November 2022, by way of *Royal Decree-law 19/2022*. This protocol was implemented mainly through three courses of action, depending on the degree of vulnerability and the increase in the mortgage instalment. Under this scheme, it is noteworthy that eligible borrowers may request an extension in the term of the mortgage loan with the option of a grace period, during which debtors can benefit from an interest rate reduction.

In addition, for all debtors subject to *Law 5/2019, regulating real estate credit agreements* (LCCI), the compensation to be paid in the event of early repayment of a variable interest loan as well as in the cases of conversion from variable to fixed interest loan has been temporarily suspended (for the whole year of 2023), and has been amended article 23 of the LCCI by further reducing the fees accrued in the case of conversion from variable to fixed interest rate.

ITALY

The 2023 Budget Law extended to 2023 the special measures to facilitate the first home purchase, under the Mortgage Solidarity Fund for first-time buyer and the First Home Loan Guarantee Fund, together with special tax benefits.

Notably, in relation to the First Home Loan Guarantee Fund, the new provision extended from 31 December 2022 until 31 March 2023, the increase of the amount guaranteed by the Fund went from 50% to 80% in favour of specific categories of beneficiaries – including, for instance, people under the age of 36 –, provided specific conditions are met. Recently, this measure has been extended again until 30 June 2023.

The same law introduced a measure relating to the mortgages renegotiation, allowing borrowers to switch from a variable to a specific fixed rate if certain conditions are met.

IRELAND

The Central Bank of Ireland (CBI) announced an increase to its loan-to-income limit for first-time buyers from 3.5 to four, with effective from 1 January 2023. The CBI also announced changes to the criteria for borrowers to be considered FTBs. As a result, FTBs may include borrowers who are divorced or separated or have undergone bankruptcy or insolvency as well as FTBs getting a top-up loan or re-mortgage with an increase in the principal, where the property is the primary home.

HOUSING MARKETS

HOUSING SUPPLY

Developments as to housing supply were heterogeneous in Northern Europe, as the following information suggests. In **Sweden**, housing starts decreased by around -24% in 2022. Looking ahead, the forecast by the National Board of Housing is that the construction will continue to drop in 2023 to figures as low as 31,500 dwellings, which is almost 40% lower than in 2022. In **Denmark**, housing market activity decreased throughout the fourth quarter of 2022 with

a total of 6,753 houses being sold. That is 36% fewer transactions than in the fourth quarter of 2021. In the same period, 2,284 owner-occupied apartments were sold, a decrease of -41% compared to the same quarter in 2021. The activity in the fourth quarter of 2022 reached a level below the activity recorded prior to the pandemic. The decrease in sold houses and owner-occupied apartments must be seen in relation to a high activity during the fourth quarter of 2021. Additionally, a total of 28,802 and 7,212 houses and apartments, respectively, were on the market at the end of the fourth quarter. The supply of houses rose by 0.5% compared to the previous quarter, while the supply of apartments fell by -6.8%. Lastly, in **Finland**, new permit issuance and total housing starts were reported to be decreasing, which suggests the market is cooling down.

In **Hungary**, the number of the newly issued building permits (9,018) was 20% higher in Q4 2022 compared to the same quarter of the previous year. Moreover, the number of housing completions for the whole country by end Q4 2022 was 6,923, signalling a -4.5% decrease compared to Q4 2021. As regards new building permit issuance, the total for the whole year 2022 (35,002) was 17% higher than that of 2021, whereas housing completions (20,540 for 2022) remained almost at the same level of the previous year. Regarding the capital city, building permits issued in Budapest in Q4 2022 (a total of 4,999) were similar to the figures reported in Q4 2021. The number of completions in this area, furthermore, stood at 2,077, representing a 120% increase compared to the previous quarter (Q3 2022) and a 4% increase relative to fourth quarter of 2021. Regarding **Romania**, the neighbouring jurisdiction, the volume of construction works in 2022 increased by 13% in annual terms, while the number of building permits decreased over the same period by -15%. It is worth mentioning that construction costs kept increasing, as the average construction cost index climbed by a yearly rate of 18% in 2022. Trading activity also moderated in 2022, as the number of individual units transacted marginally increasing by 4%. In **Poland**, another key jurisdiction in the Central and Eastern European area, development activity and individual investors remained at a stable, but comparatively subdued level. The number of building permits and construction started in Q4 2022 was similar to levels reported during 2020, a year marked by the pandemic. The number of housing units completed in Q4 2022 increased by 23% compared to Q3, but a further round of noticeable declines in new construction is evident. The number of housing units started in Q4 fell by -21% on a quarterly basis (i.e., compared to Q3 2022).

In the **Netherlands**, despite the recovery of building permit issuance in the aftermath of the Dutch nitrogen crisis, the 12-month average appears to have stalled at the levels of 2017 and 2018. The number of new homes completed (around 70,000 dwellings a year) has not shown any increase for several years now.

In **Spain**, building permits grew by 3.8% between Q4 2021 and Q4 2022, after posting negative rates during the previous two quarters. During the past year, the volume remains virtually constant at more than 108,000 housing approvals. Thus supply continue to be insufficient to meet net household creation, set up at about 200,000. From the demand side, Q4 2022 showed a positive evolution on a quarterly basis (+3%) although on an annual basis this trend showed initial signs of tapering off as the number of housing sales experienced a y-o-y decline of -10% after several years of expansion. Despite the trend slowdowns by the end of the year, dynamics remain relatively strong over the year with more than 717,500 housing transactions (+6%), according to data from the Spanish Ministry of Transport, Mobility and Urban Agenda. In **Italy**, in Q4 2022, the transactions volumes amounted approximately to 208,000, with an decrease of 2.1% on the same quarter of the last year. In **Greece**, in 2022, construction activity in

dwellings for the entire country remained unchanged in terms of the number of building permits, while a decrease in the volume (shown in cubic meters) of new building permits was recorded on average by -3.2%. In the region of Athens, the number of building permits decreased on average by -3.2% and in terms of volume (in cubic meters) an average higher decrease of -10.0% was recorded. 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 2022 (4.0%), despite contracting from the second quarter of 2022 onwards. However, the total cost of construction of new residential buildings increased in 2022 on average by 8.8%, while in 2021, the average annual increase was 3.2%.

In **Ireland**, about 6,000 housing units were started in Q4 2022, 7.1% fewer than in Q4 2021. On an annual basis, almost 27,000 units were started in 2022, down by 12.3% compared with 2021. Dublin and Dublin Commuter accounted for 37.4% and 21.8%, respectively, of housing starts in 2022. More than 9,100 new dwellings were completed in Q4 2022, according to the Central Statistics Office (CSO), 31.4% more than in Q4 2021 and the highest quarterly volumes since the CSO started reporting quarterly completions in 2011. Almost 30,000 (29,851) new dwellings were completed in 2022, 45.2% up from 20,553 in 2021. The number of apartments completed grew by 78.7% year on year to 9,166. Some 31% of completions (30.7%) in 2022 were apartments, the highest proportion since the data series began. Dublin accounted for about 34.7% of completions in 2022 and 75.4% of apartment completions. Household market purchases of residential property rose by 2.4% year on year to 14,410 in Q4 2022. On an annual basis, there were 50,025 purchases in 2022, the highest level since the data series began in 2010. Dublin was the largest housing market in 2022 with more than 14,600 household market purchases, 10.2% more than in 2021 and giving it a 29% share of the national market. Dublin accounted for more than half (52.9%) of apartment sales. The fastest growing housing market in 2022 was the Dublin Commuter region (the four counties bordering Dublin), with household market purchases up by 13.6% year on year to 9,002. Within that, the number of apartment purchases exceeded 1,000 for the first time. The region also accounted for 37% of household purchases of new houses.

In the **UK**, finally, the last quarter of 2022 saw a total of 42,700 house building starts, down 9% on the same period in 2021. There were 50,160 housing completions, up 10% on the same period in 2021 and the second highest quarterly number after Q4 2020 (which was boosted by delayed work over the coronavirus pandemic).

HOUSE PRICES

As regards house prices, preliminary figures suggest that the average HPI values for the EMF country sample expanded once again in Q4 2022, with a yearly rate of 6.2% (against Q4 2021). Despite maintaining its upward momentum, this latest rate would be the slowest since Q1 2021, in the midst of a gradual deceleration that enters its third consecutive quarters, following the Q1 2022 peak growth of 13.3% y-o-y. From a country standpoint, developments have been heterogeneous, as the following sections.

In the Nordic jurisdiction, average HPI values decreased on a yearly basis, although the house price scenario varies between countries. In **Sweden**, one-family homes prices decreased by -3.3% on a yearly basis in Q4 2022, after registering an increase of 2.7% Q3 2022, according to Statistics Sweden. However, it is worth noting that the price statistic is partly based on transactions where the prices were negotiated in earlier quarters, thus the decrease is to some extent

delayed. Other statistics, based on real estate agents, shows further decrease in one-family house prices in Q4. In the meantime, apartments decreased by a yearly rate of -9% in Q4 2022, further to a decline of -6% in Q3 2022 according to "Svensk Mäklarstatistik". Prices on one-family homes in the Stockholm area decreased by -5.0% on a yearly basis in the fourth quarter 2022 (+1.2% in Q3 2022). In the Malmö-area, prices decreased by -5.3% in annual terms (+0.1% in Q3 2022) and in Gothenburg by -4.5% (+3.4% Q3 2022). Apartment prices in Stockholm decreased by -8% in the fourth quarter 2022 (-6% in Q3 2022). Apartments in Gothenburg decreased by -11% (-6% in Q3 2022) and in Malmö by -7% (-3% Q3 2022). More recently, prices continued to slowdown in February 2023: one-family homes decreased by -13% in February on a yearly basis and tenant-owned apartments by -11%. As regards **Denmark**, house prices have decreased by -6.3% over the past year. Meanwhile, prices on owner-occupied apartments fell by -7.2%. Compared to the previous quarter, prices decreased by 5.6% and 6.5% for houses and apartments, respectively. Finally, in **Finland**, the average HPI reading decreased by -3% y-o-y. More in detail, prices of old dwellings fell in all large towns except for Oulu. Between October and December 2022, prices fell by -3.6% in large towns and by -1.7% in the rest of the country, compared to data from the previous year. Considering the larger urban areas, prices fell most in Helsinki and Vantaa. Prices of dwellings rose by 3.7% in Oulu.

In Eastern and Central Europe, the house price development have also been diverse, with no clear pattern to outline for the broader region. Following the extraordinary house price growth in the first and second quarters of 2022, **Hungary** reports a slowdown in the evolution of house prices. In Q3 2022, house prices remained stagnant compared to the previous quarter. This takes place after a significant 26% increase in house prices. In Budapest particularly, house prices were behind the country average (17%), yet in other big cities, namely Szeged and Debrecen, HPI values grew in line with the country average (e.i., 26% and 25% growth respectively). In **Romania**, residential property prices increased in the 3rd quarter of 2022 by 7% in nominal terms, marginally higher (by 1.2 pps) compared to the same period of the preceding year. Banks' opinions regarding the average house price per square meter in 2022 Q4 were mixed, according to the latest NBR Bank Lending Survey (February 2023). Specifically, half of the banks deemed that the prices remained flat, while a third believed that it somewhat increased. The rest of the credit institutions that took part in the surveyed stated that prices had declined. For the following quarter (Q1 2023), most credit institutions expect the price to stay relatively unchanged, with only a small percentage envisaging a decrease. In **Poland**, in light of the decline in the number of transactions and the substantial reduction in the number of mortgages, the fourth quarter of 2022 brought about a slowdown in the growth rate of transaction prices, amid a further increase in the price of building materials (which grew by 20% on average compared to the same period last year). In the primary market, the biggest transactional price growth were recorded in Gdynia (+14% q-o-q), Rzeszów (+7% q-o-q), and Katowice (+4.7% q-o-q). In the secondary market, the biggest transactional price changes were recorded in Szczecin (+5.7% q-o-q), Lublin (3.9% q-o-q), and Opole (+2.7% q-o-q). The transactional prices in the capital city of Warsaw grew by 0.8% and 1%, respectively. Lastly, in **Czechia**, real estate prices have decreased amid the latest macroeconomic developments and the subdued activity in the housing market. For the first time in 10 year, the Czech house price index decreased on a quarterly basis, registering a -2.2% contraction in Q4 2022 vs Q3 2022. However, on a yearly basis, house prices increased once more in Q4 2022, up by 7%.

As to the Continental Europe area, the following developments were reported. The average price of a house in **Belgium**, considering the results of the latest the



notary barometer, increase by 8.2% compared to the average price at the end of the year 2021. From a regional standpoint, in the course of the fourth quarter of 2022, housing prices increased overall in all of the three Belgian regions compared to 2021. In Brussels, house prices increased by 6.9% compared to Q4 2021 values, while in Wallonia, average house prices increased by 5.7% on the same basis. In Flanders, the average house prices increased by 8.2% compared to the same period of the previous year. In terms of apartments, the average price for the whole country increased by 3.6% compared to Q4 2021. As regards the regions, all three reported further increases in Q4 2022: a 3.5% yearly increase in Flanders, 3.9% in the Brussels Region and 5.9% in Wallonia. In the **Netherlands**, prices of existing owner-occupied houses rose 5.1% in Q4 2022 from a year earlier. This is slower than in Q3 2022, when the increase was 11.9%. The current house price scenario suggests that the yearly evolution of this indicator has been decelerating for three consecutive quarters. Lastly, house prices for single and two-family houses in **Germany** increased by 4% year on year, slightly stronger than that recorded by condominiums (3.5%). However, the respective quarterly comparisons were negative for the first time since 2010, at -1.4% for single- and two-family houses and -1.8% for condominiums. The main causes of the drop in demand for housing are believed to be rising interest on loans, combined with the fact that property prices remain high while construction costs have increased, leaving private households reluctant to make purchases. Even on the market for existing properties, higher financing costs, particularly in markets where prices have risen sharply in recent years, have led to a reduction in demand for owner-occupied housing. While there has been a drop in new construction activity due to the rise in building costs, excess demand for housing continues. Finally, in **France**, the rise of the housing prices for existing dwellings in metropolitan France slowed down markedly in Q4 2022. They increased only by 0.2% (seasonally adjusted results) compared to Q3 2022 and by 4.8% over one year. The gap between the prices of houses and flats began to dwindle in Q4 2022, with a similar increase of 0.2% for houses and flats over the quarter (versus +1.8% and +1% respectively for the quarterly variation in Q3 2022).

As to Southern Europe, HPI values increased across all the participating jurisdictions on a yearly basis, although it is worth pointing out specific developments in each. In **Spain**, house prices remain on an upward trend, yet recent data suggests signs of moderation since the middle of 2022. Nominal prices were 3.3% higher in Q4 2022 at national level compared to the preceding year, when prices expanded by 4.4%. Likewise, in large cities, house prices have continued to increase in both annual and quarterly terms, albeit more slowly by the end of the year. More particularly, in Madrid, the year closed with an annual increase of 4.4%, while in Barcelona prices rose by 2.0%. In both cities, buying a home costs more than the double the national average. Regarding **Italy**, Q4 2022's Housing Price Index (HPI), remained stable compared to the previous quarter and increased by 2.8% compared with the same quarter of the previous year. More in detail, the increase on an annual basis of HPI was due both to the prices of new dwellings that recorded a growth equal to 4.6% and the prices of the existing dwellings, which rose by 2.4%. Regarding **Greece**, the Bank of Greece indices of residential property prices, show that, in Q4 2022, nominal apartment prices increased, on average, by 12.2%, y-o-y, for the entire country (15.2%, y-o-y, in Athens, 14.5% in Thessaloniki, 10.3% in other cities and 6.3% in other areas of Greece). Moreover, according to the revised data, in 2022, apartment prices increased by an average annual rate of 11.1%, compared with an average increase of 7.6% in 2021. Broken down by age of property, in Q4 2022, the y-o-y rate of increase in prices was 12.1% for new apartments (up to 5 years old) and 12.2% for old apartments (over 5 years old). For 2022, prices of new apartments increased on average by 11.8%,

against an increase of 8.2% in 2021, whereas prices of old apartments increased by 10.5% in 2022, against an increase of 7.2% in 2021. In **Portugal**, the headline net balance of house prices, as reported by December 2022 Portuguese Housing Market Survey, came in at +10% in December, up from 0% in November. Price expectations for the next twelve months are also more positive, with the reading increasing from -5% in November to +20% in December.

Lastly, concerning **Ireland**, residential property price inflation decelerated further in Q4 2022, with prices up by 7.8% in the twelve months to December 2022, compared with an increase of 14.2% in the year to December 2021. The CSO's national index rose to 169, which is the highest level since the historical data series began in 2005. Prices for new dwellings were 10% up year on year, while prices of existing dwellings were 8.3% higher. Prices in Dublin rose by 6% in the year to December 2022, with house prices in Dublin increasing by 6.1% year on year and apartment prices in the county by 5.4%. Residential property price inflation outside Dublin rose by 9.3% year on year, with house prices up by 9.6%.

As to the **UK**, the average HPI values for the whole country increased by 10% on an annual basis. However, house price growth is weaker than in previous periods as mortgage interest rates the increased cost of living begins to stretch mortgage affordability and push down on demand.

MORTGAGES INTEREST RATES

The average, unweighted EMF mortgage interest for Q4 2022 (calculated using the latest data submitted by participating EMF jurisdictions) was 4.09%, 58 bps higher than Q3 2022's average rate (3.51%). It is highest average rate since Q4 2012. Moreover, Q4 2022's marks the third consecutive increase for the EMF average, yet it is comparatively lower than Q3 2022's record-setting quarterly hike of 72 bps.

In line with the overall scenario, mortgage interest rate developments in EMF jurisdictions all indicate a general increase of rates.

In **Sweden**, variable interest rates have increased sharply during the second half of 2022. In December 2022 variable interest continued increasing to 3.6% from 3.4% last quarter (Q3 2022). Longer interest rates have seen mixed changes during the third quarter: 1-5 years was unchanged at 3.8% (3.8% in Q3 2022) and interest rates over 5 years decreased to 3.1% (3.3% in Q3 2022). In **Finland**, the rate on new housing loans stood above 3.30%. Around 30% of all mortgage debtors have an interest rate cap. Credit institution Nordea announced that 70% of their mortgage debtors have an interest rate cap or have savings or other assets for the more difficult months. In **Denmark**, the average interest rate on loans with fixation period up to one year increased by 16 bps in the 4th quarter of 2022. For the loans with between one to five years of interest rate fixation the average interest rate rose by 90 bps. The loans with between five and ten years of interest rate fixation, the average interest rate rose by 81 bps. The average interest rate on loans with more than ten years of fixation increased by 108 bps in the fourth quarter of 2022. The increased interest rate on fixed rated mortgage loans during 2021 and 2022 has given the opportunity for owners of these types of loans to convert their fixed rated loan with a low interest rate to a fixed rated loan with a higher interest rate, and hence reduce some of their outstanding debt.

In **Belgium**, in the fourth quarter of 2022, the latest available data, the average interest rate was 2.91%. The market share of new fixed-interest rate loans and loans with an initial fixed rate for more than 10 years went up again to reach

about 92% of newly provided loans. The share taken up by new loans granted with an initial fixed rate for 1 year, amounted to about 2% of the loans provided. The number of credits with an initial period of variable interest rate ranging from 3 to 10 years represented about 6% of the newly granted credits. In the **Netherlands**, the mortgage interest rate for new mortgages rise from 2.7% to 3.41% in Q4. The average mortgage rate in the stock rose from 2.26% to 2.32%. Regarding **Germany**, the average interest rate was 3.45% in Q4 2022 (2.88% in Q3 2022). Lastly, in **France**, the quarterly interest rate of home loans reported by the Banque de France has progressed each month since the previous quarter, reaching an average of 1.91% for the Q4 2022 (corresponding to the interest component of the Annual Percentage Rate). For new home loans with a duration higher than 20 years, the Annual Percentage Rate (APR) was equal to 2.68% in Q4 2022 versus 1.81% in Q4 2021 (its lowest historical level).

Interest developments in Central and Eastern European jurisdictions are also diverse, clearly reflecting the economic picture outlined in this report. In **Hungary**, the Central Bank increased rates, between 0.5% and 1%, on a monthly basis in 2022. The base rate peaked at the end of September 2022, with a rate of 13%. Given the rising inflation levels and the increasing yields, residential mortgage interest rates on new mortgages further accelerated in Q4 2022. Similar to previous periods, as reported in the EMF Quarterly Review, the most popular mortgage interest type were medium and long-term fixed mortgages. Initial interest rate fixed 5 to 10 years for new mortgages was 34.29%, while fixation above 10 years (long-term) represented 32.71% of the newly issued loans. The share of variable rate mortgages (up to 1 year) slightly increased from 0.78% to 1.23% but this loan type still represented a negligible market share of newly issued mortgages. It is worth noting, further to the point made previously, that the changing interest rate environment would have led to growing risks, due to the repricing in the variable rate mortgage loan portfolio. However, the proportion of variable rate mortgages outstanding was around 22% in 2022. Moreover, the ticket size of mortgage debt outstanding of variable rate mortgages was typically low. In this context, to further protect debtors with variable rate mortgages, an interest rate cap was introduced in 2022 by the government, whereby interest rates were frozen at their November 2021 level. Said "cap" is fixed at this level until June 2023. Following the interest rate cap on variable rate loans, the programme was extended also to loans with an interest rate fixation period of maximum 5 years, where repricing was scheduled between November 2021 and June 2023. In **Romania**, the representative interest rate on new loans for house purchase stood at 7.1% in 2022 Q4, 1.4 pps above last quarter's value, and 3.4 pps higher than 2021 Q4's interest rate. In light of the high inflation levels and the tightening of monetary policy, the share of new loans with variable interest rate over total mortgage loans sharply decreased by 13 pps, reaching its lowest level on record (53%). As regards new loans with fixed interest rates, short-term loans accounted for 21% of total new loans, a significant increase of 12 pps q-o-q. Moreover, Q4 2022 saw an increase in the preference for long-term fixed rate loans compared to 2022 Q3, as this segment rose by 5.5 pps, representing 23% of total new loans. Lastly, in **Poland**, in spite of persistently high levels of inflation (the CPI was 16.6% in December 2022), the Monetary Policy Council kept interest rates at 6.75% in the

fourth quarter, unchanged from September 2022. Consequently, the average interest rates on new mortgages slightly exceeded 9%. Finally, regarding **Czechia**, the Czech National Bank confirmed the basic interest rates level, currently 7%. It remains unchanged from Q2 2022. In the current context, the pace of growth of the average interest rate in this jurisdiction slowed down, yet interest rates increased by 34 bps, from 5.71% to 6.05%. The most common interest rate offered by banks, for a fixed 5-year period, was slightly under 6%.

Interest rates in **Spain** continued to rise across the board in all categories following the ECB's tightening of its monetary policy. The weighted average rate stood at 2.7% in Q4 2022m following an increase of almost 70 bps q-o-q and about 130 bps on an annual basis. Both increases marked an all-time high. This rate hike cycle is affecting consumer preferences. Thus, although long-term fixed-rate loans remain as the most popular option, accounting for more than 5 of every 10 new originations, they have lost steam since mid-2022. In **Italy**, as regards mortgage interest rates on new business, in Q4 2022, both the interest rate on short term loans, with maturity <1 year, and those with maturity over 1 continued to increase, respectively to 2.77% (1.32% in Q4 2021) and to 3.56% (1.41% in Q4 2021). The average rate on new business for house purchasing increased to 3.01% (1.40% in Q4 2021). In **Greece**, bank interest rates on new and outstanding housing loans increased up to December 2022, compared with the average rate for 2021. In particular, rate on new housing loans (including charges, such as processing fees, mortgage registration fees, etc.) in December 2022 stood at 4.1%. For the whole 2022, the reading was 3.5% against the average rate of 3.1% in 2021. The corresponding rate on outstanding housing loans with an initial maturity of over 5 years in December 2022 stood at 3.7% (2.4% in 2022 against 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 2022. More specifically, in 2022, new housing loans amounted to EUR 1,212.8 mn compared to EUR 1,005.0 mn in 2021, posting an increase on average by 20.7%. In **Portugal**, in Q4 2022, the variable rate for new loans (up to 1 year initial rate fixation) was 3.08% comparing with 1.93% in Q3 2022.

In Q4 2022, fixed-rate (loans fixed for over one year) mortgages in **Ireland** accounted for 94% of new mortgages issued, 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, at 58.6%, jumped from 36.7% two years earlier. Some 25.9% of the value of outstanding mortgages was on ECB base rate-linked tracker mortgage rates in Q4 2022.

Lastly, in the **UK**, the representative interest rate on new loans for house purchase was, by end Q4 2022, 3.38%, up from 2.59% in Q3 2022. Average mortgage interest rates increased across all product types - both fixed and variable, and across all fixed term maturities in the fourth quarter of the year, reflecting the increase in the Bank Base Rate which was 3.50% by the end of December 2022. The Bank Rate has since increased further to 4.25% in March 2023 which will put further upward pressure on mortgage rates.

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

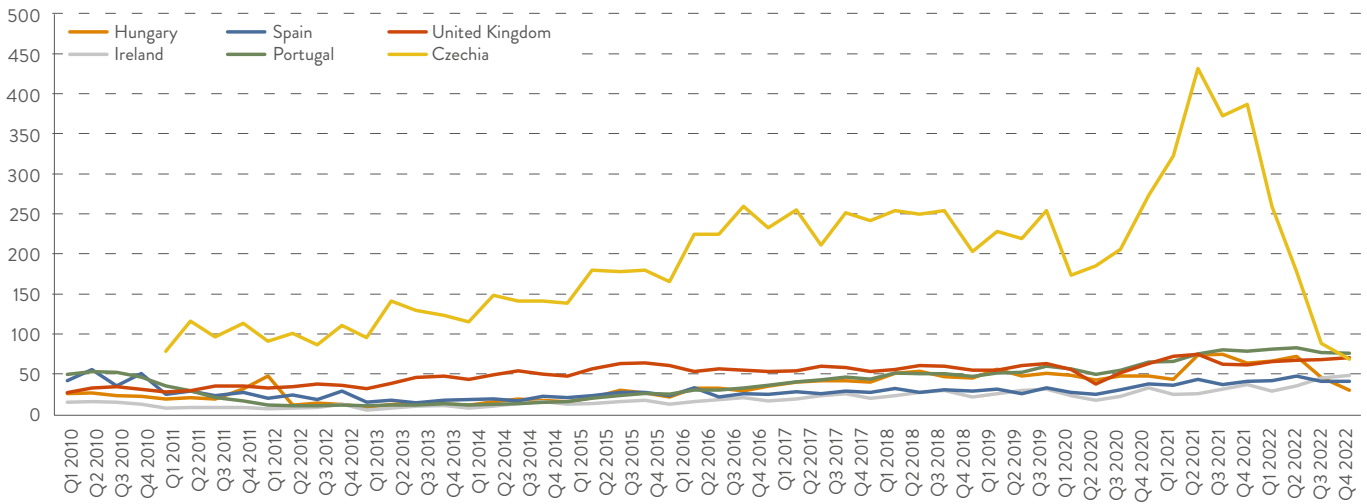


CHART 1B | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BETWEEN 80% AND 120% OF 2007 LEVELS

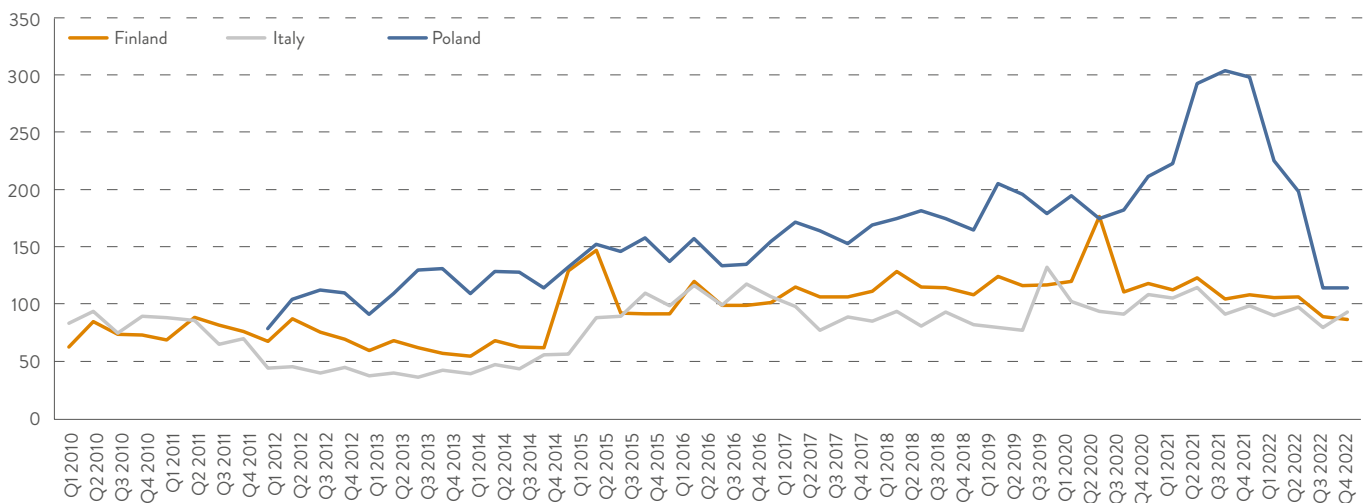


CHART 1C | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS RISEN ABOVE 120% OF 2007 LEVELS

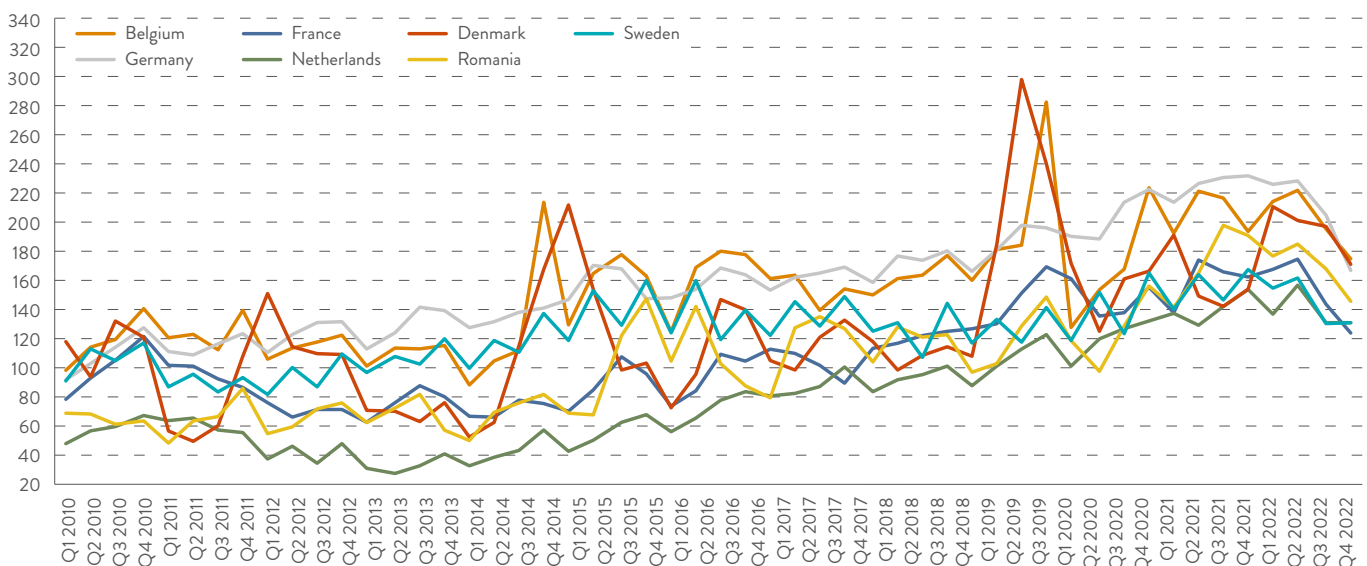


CHART 2A | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED AT MOST 5% Y-O-Y

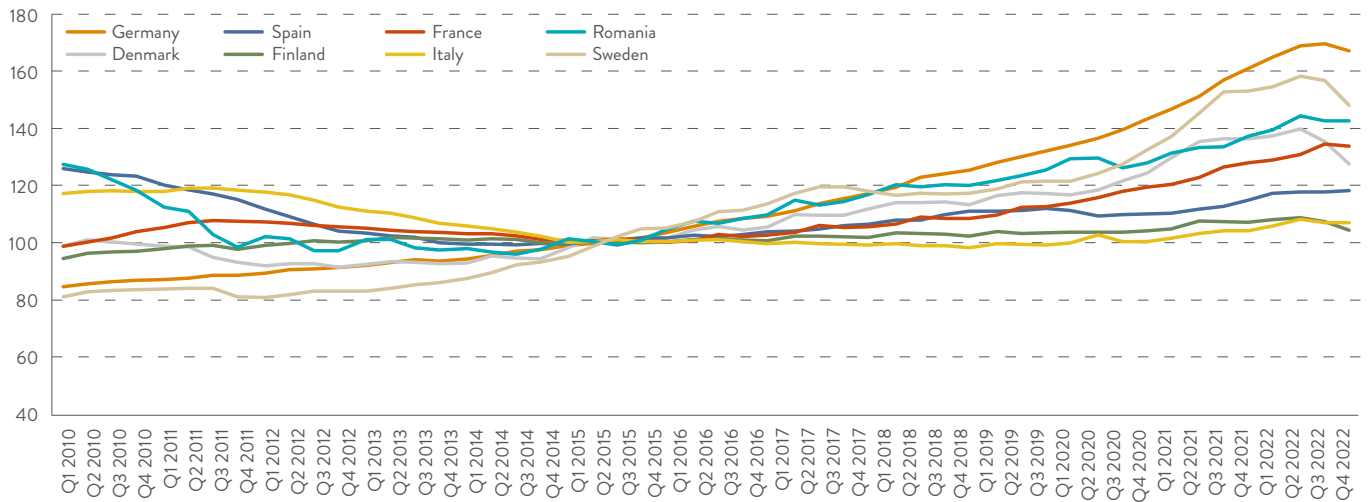


CHART 2B | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BETWEEN 5% AND 10% Y-O-Y

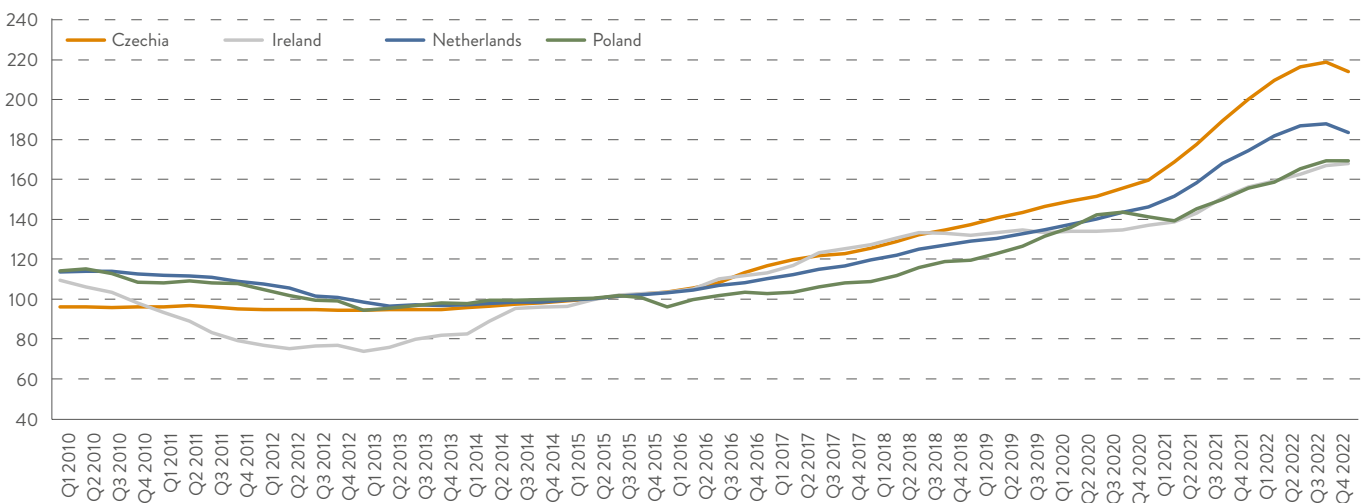


CHART 2C | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BY AT LEAST 10% Y-O-Y

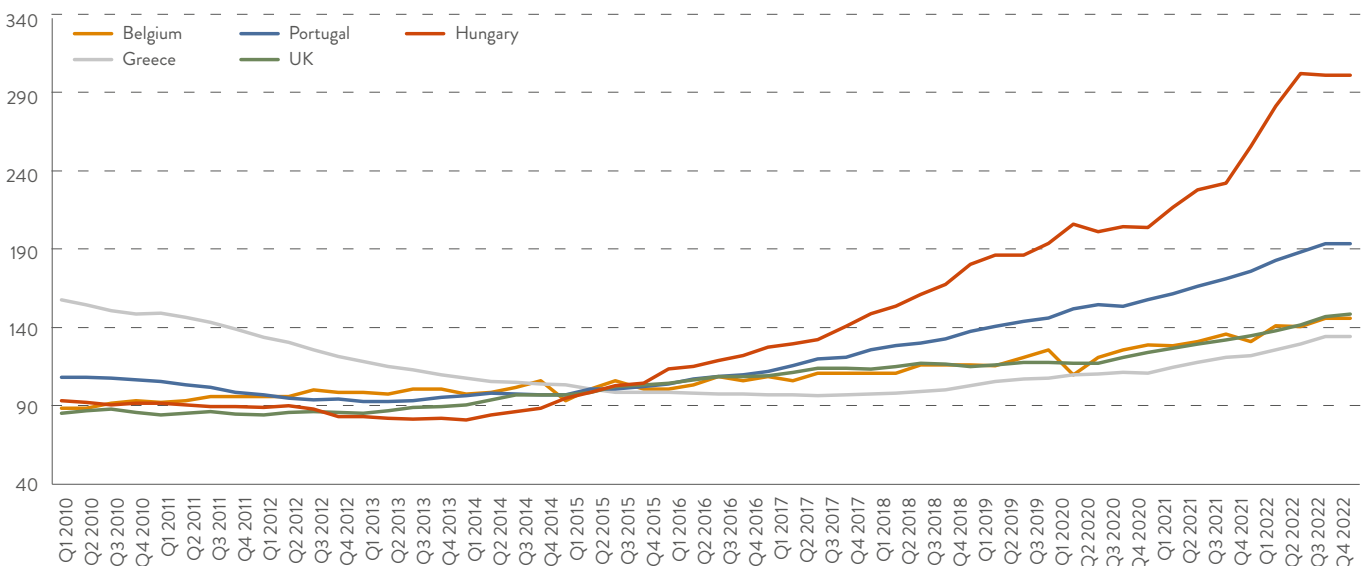
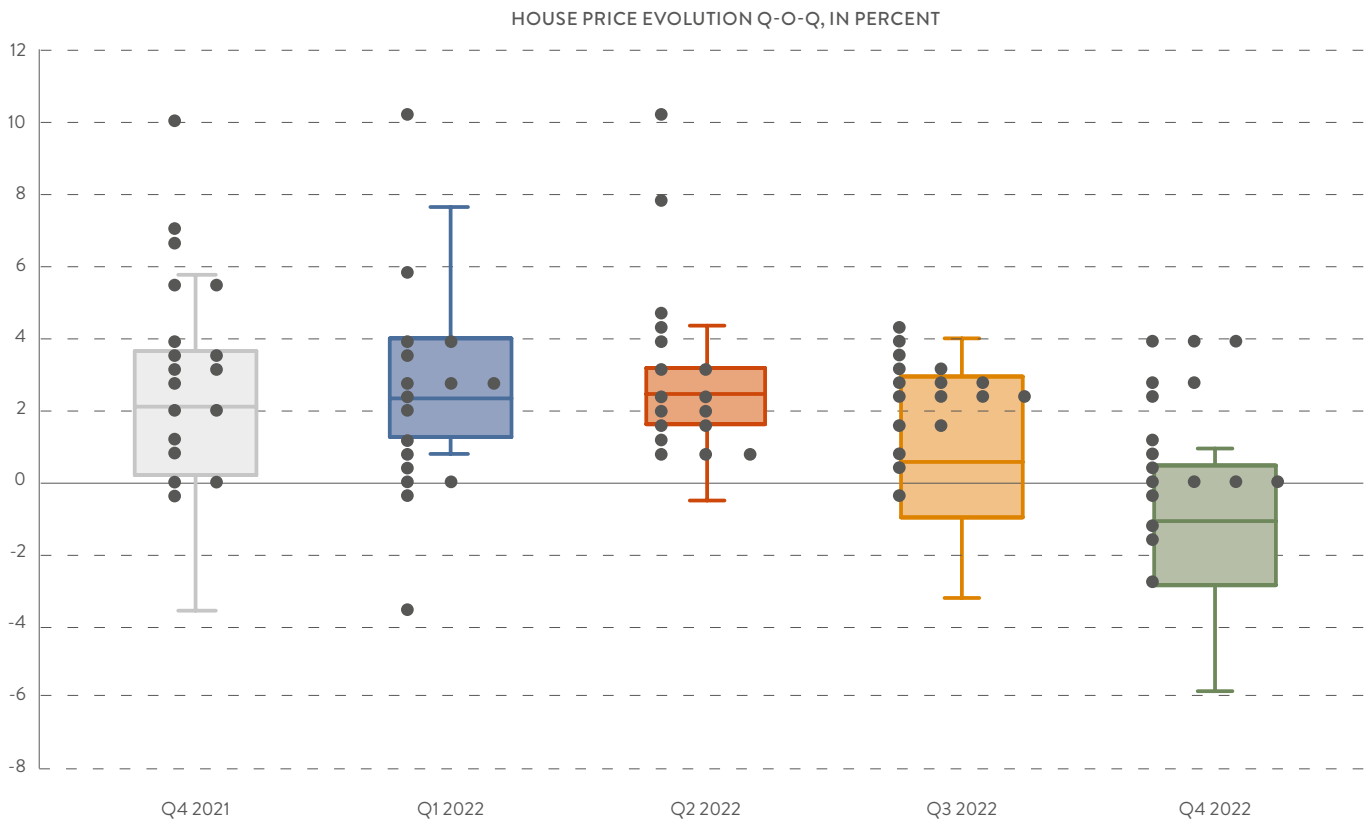


CHART 3 | BOX PLOT OF THE HOUSE PRICE EVOLUTION IN THE EU WITH RESPECT TO THE PREVIOUS QUARTER



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 2020.

The dataset shows q-o-q growth figures of the country sample until Q2 2020 for which there are 10 datapoints instead of 16, as in 6 countries the latest House Price Index available was that of Q1 2020.

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

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	LATEST Y-O-Y CHANGE (%), Q4 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 2022, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q3 2022, LOCAL CURRENCY
BE	283,106	287,653	291,948	296,028	300,929	304,879	308,579	5.7	6.0	5.7	6.0
CZ	55,587	57,377	60,632	63,121	62,566	63,756	65,497	8.0	11.1	4.8	7.0
DE	1,683,634	1,713,273	1,744,433	1,765,863	1,796,920	1,824,500	1,842,800	5.6	6.5	5.6	6.5
DK	267,713	267,732	271,527	263,043	252,550	242,484	247,593	-8.8	-9.4	-8.8	-9.4
EL	41,399	37,148	30,891	30,516	30,314	30,117	29,753	-3.7	-18.9	-3.7	-18.9
ES	485,339	485,593	487,146	488,767	490,671	490,356	n/a	n/a	1.0	n/a	1.0
FI	105,711	106,735	107,759	108,052	108,703	108,467	109,315	1.4	1.6	1.4	1.6
FR	1,171,959	1,194,662	1,214,582	1,228,009	1,249,231	1,269,970	1,280,950	5.5	6.3	5.5	6.3
HU	14,477	14,672	14,660	14,996	14,022	13,443	14,204	-3.1	-8.4	5.2	7.4
IE	87,404	87,239	86,923	84,218	83,445	83,048	83,391	-4.1	-4.8	-4.1	-4.8
IT	401,152	405,305	409,868	414,455	419,845	424,169	426,959	4.2	4.7	4.2	4.7
NL	767,024	777,664	785,288	793,781	804,334	n/a	n/a	n/a	n/a	n/a	n/a
PL	107,798	108,517	111,346	110,137	108,749	105,472	106,167	-4.7	-2.8	-2.9	2.0
PT	95,946	97,186	98,149	99,235	100,481	101,328	101,468	3.4	4.3	3.4	4.3
RO	19,103	19,751	20,347	20,824	21,259	21,376	21,432	5.3	8.2	5.3	8.3
SE	480,205	485,044	490,376	493,499	483,960	480,518	474,525	-3.2	-0.9	5.0	6.2
UK	1,800,182	1,805,859	1,861,750	1,868,777	1,860,931	1,831,197	1,836,151	-1.4	1.4	4.1	4.1

NOTE: Non seasonally-adjusted data.

Source: European Mortgage Federation

Please note that the conversion to euros is based on the bilateral exchange rate at the end of the period (provided by the ECB).

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

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

CZ – The series has been distorted at 2018A4 due to the change of definition of the statistics and the splitting according to fixation

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

- Denmark
- Ireland
- United Kingdom



TABLE 2 | GROSS RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	LATEST Y-O-Y CHANGE (%), Q4 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2022, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 2022, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q3 2022, LOCAL CURRENCY
BE	12,775	10,972	12,664	12,369	11,054	12,236	12,697	11,145	9,961	-9.9	-9.9	-9.9	-9.9
CZ	3,244	3,840	5,146	4,440	4,610	3,082	2,102	1,038	798	-82.7	-76.6	-83.2	-77.5
DE	73,700	70,900	75,200	76,600	76,900	74,900	75,700	67,800	55,100	-28.3	-11.5	-28.3	-11.5
DK	14,891	17,116	13,340	12,722	13,757	18,903	18,040	17,643	15,316	11.3	38.7	11.3	38.7
ES	14,042	13,565	16,351	13,883	15,626	15,811	18,209	15,551	15,655	0.2	12.0	0.2	12.0
FI	8,559	8,135	8,929	7,561	7,836	7,634	7,689	6,403	6,207	-20.8	-15.3	-20.8	-15.3
FR	66,500	58,900	74,500	71,000	69,400	71,700	74,900	61,300	52,700	-24.1	-13.7	-24.1	-13.7
HU	703	648	1,112	1,123	957	998	1,091	677	439	-54.2	-39.7	-50.2	-29.4
IE	2,950	2,142	2,230	2,784	3,312	2,513	3,134	4,057	4,353	31.4	45.7	31.4	45.7
IT	20,988	20,313	22,161	17,588	18,986	17,385	18,800	15,289	17,911	-5.7	-13.1	-5.7	-13.1
NL	38,353	39,791	37,491	41,254	44,646	39,660	45,596	38,050	n/a	n/a	-7.8	n/a	-7.8
PL	3,550	3,740	4,921	5,110	5,019	3,780	3,326	1,897	n/a	n/a	-63	n/a	-61.0
PT	3,292	3,349	3,831	4,089	4,001	4,155	4,218	3,906	3,879	-3.0	-4.5	-3.0	-4.5
RO	883	801	934	1,122	1,083	1,002	1,049	953	823	-24.0	-15.1	-24.0	-15.1
SE	18,155	15,307	18,005	16,082	18,367	16,985	17,756	14,208	14,273	-22.3	-11.7	-15.7	-5.3
UK	84,241	96,760	100,347	82,945	81,080	87,480	89,233	90,357	94,152	16.1	8.9	13.4	32.6

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:

- France
- United Kingdom

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BE	1,197	2,221	3,191	5,349	3,381	4,348	4,547	4,295	4,080	4,901	3,950	3,700
CZ	-2,660	1,933	192	3,050	1,417	2,996	1,790	3,255	2,489	-555	1,190	1,741
DE	19,258	22,183	27,768	29,779	22,073	32,138	29,639	31,160	21,430	31,057	27,580	18,300
DK*	-608	4,318	3,494	3,211	-543	840	19	3,795	-8,484	-10,493	-10,066	5,109
EL	-2,205	-437	-642	-3,289	-601	-4,133	-4,251	-6,257	-376	-201	-197	-364
ES	-2,644	-2,213	-952	162	614	2,811	254	1,553	1,621	1,905	-315	n/a
FI	340	794	974	1,152	800	1,297	1,024	1,024	293	651	-236	848
FR	10,940	11,199	15,802	20,404	13,091	21,878	22,703	19,920	13,427	21,222	20,739	10,980
HU	-935	335	-18	262	156	962	195	-13	336	-974	-579	761
IE	-1,179	-517	-491	-97	-2,365	-550	-165	-316	-2,705	-773	-397	343
IT	895	1,721	2,030	3,354	3,946	5,691	4,153	4,563	4,586	5,390	4,324	2,790
NL	2,933	4,331	4,455	3,951	6,389	8,686	10,640	7,624	8,493	10,553	n/a	n/a
PL	-3,004	2,762	-868	1,521	-1,164	4,356	719	2,829	-1,210	-1,388	-3,277	695
PT	241	435	586	1,068	939	-1,169	1,240	963	1,086	1,246	847	140
RO	215	294	296	550	209	540	648	596	477	435	118	55
SE	-18,001	30,608	2,480	31,137	-3,135	14,374	4,839	5,332	3,122	-9,539	-3,442	-5,993
UK	-55,814	-44,350	14,260	46,620	113,470	16,972	5,677	55,890	7,027	-7,846	-29,734	4,953

* 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)

	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	IV 2022
BE	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	n/a
CZ	143.3	146.3	149.0	151.4	155.4	159.4	168.9	177.5	189.7	200.6	210.3	217.1	219.3	214.5
DE	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	167.5
DK	117.5	117.3	116.7	118.5	121.6	124.5	130.1	135.7	136.8	136.8	138.0	140.3	135.7	127.9
EL	106.8	107.3	109.4	109.9	110.9	110.7	114.3	117.5	120.7	121.9	125.6	129.7	134.8	136.7
ES	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	118.6
FI	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	104.6
FR	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	134.3
HU	186.3	193.7	205.8	201.0	204.4	203.9	216.7	227.7	232.2	255.4	281.0	302.3	301.3	n/a
IE	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	168.7
IT	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	n/a
NL	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	184.1
PL	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	170.0
PT	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	n/a
RO	123.6	125.5	129.6	129.8	126.4	128.0	131.5	133.6	133.8	137.5	139.8	144.9	143.2	n/a
SE	121.3	121.6	121.6	124.2	127.5	132.6	137.2	145.5	153.2	153.5	155.0	158.6	157.3	148.4
UK	117.8	117.4	117.1	117.3	120.8	124.2	126.8	129.2	131.8	134.6	138.1	141.9	147.1	148.5

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

Further information below:

Belgium: Stadim average price of existing dwellings

Czech Republic: Data break in Q1 2008

Germany: all owner-occupied dwellings, weighted average, VdP index

Denmark: one-family houses - total index unavailable from source

France: INSEE "Indice des prix du logement" (Second-hand dwellings - metropolitan France - all items).

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

Hungary: FHB house price index (residential properties)

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

Netherlands: Source: ECB. Data on existing dwellings.

Poland: Weighted average 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)

Source: European Mortgage Federation

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

- Czechia
- Denmark
- Greece
- Hungary
- Sweden
- United Kingdom

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

	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	IV 2022
BE	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	2.91
CZ*	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	6.05
DE	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	3.45
DK**	0.56	0.56	0.57	0.67	0.76	0.78	0.69	0.72	0.70	0.67	0.62	0.90	1.52	1.69
EL	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	3.60
ES	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	2.71
FI	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	3.30
FR***	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	1.91
HU	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	8.62
IE	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	2.77
IT	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	3.01
NL**	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	3.41
PL	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	9.20
PT	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	3.08
RO****	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	7.05
SE	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	3.38
UK	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	3.38

* 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:

- Denmark



TABLE 5B | MORTGAGE INTEREST RATES

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BE	1.87	1.79	1.92	2.03	1.84	1.89	1.85	1.92	1.97	1.90	2.46	3.67
CZ	2.75	2.54	2.21	2.1	2.17	2.31	2.44	3.18	4.12	5.09	6.23	6.68
DE	1.83	1.88	1.79	1.74	1.76	1.78	1.78	1.81	1.88	2.10	2.52	3.29
DK*	0.57	0.67	0.76	0.78	0.69	0.72	0.70	0.67	0.62	0.90	1.52	1.69
EL	2.72	2.52	2.48	2.42	2.31	2.44	2.37	2.30	2.39	2.66	3.12	3.81
ES	1.60	1.64	1.62	1.50	1.40	1.43	1.42	1.35	1.35	1.45	2.08	2.77
FI	0.79	0.77	0.73	0.72	0.72	0.70	0.72	0.77	0.88	1.56	2.54	2.90
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	3.01	3.26	3.07	3.41	2.98	2.97	3.87	4.53	5.59	6.49	8.91	9.57
IE	2.88	2.96	3.19	3.11	3.23	3.19	3.11	3.06	3.34	3.47	3.55	3.67
IT	1.35	1.37	1.34	1.29	1.36	1.39	1.36	1.32	1.33	1.39	1.88	2.77
NL	1.70	1.69	1.71	1.70	1.62	1.62	1.62	1.60	1.64	1.95	2.51	3.47
PL	4.30	3.03	3.00	2.90	2.90	2.90	2.90	4.50	6.20	8.10	9.30	9.40
PT	1.02	1.16	0.92	0.80	0.84	0.83	0.80	0.83	1.03	1.47	2.23	3.24
RO**	5.15	5.11	5.15	4.71	4.60	4.17	3.70	3.55	3.70	4.36	5.50	7.17
SE	1.39	1.42	1.36	1.29	1.24	1.25	1.23	1.22	1.29	2.45	3.42	3.63
UK***	1.93	1.50	1.58	1.77	1.88	1.91	1.90	1.64	1.64	2.14	2.72	3.72

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BE	2.09	2.03	1.91	2.00	2.04	2.11	2.13	2.12	2.21	2.53	3.08	3.79
CZ	2.49	2.41	2.22	2.06	2.03	2.14	2.35	2.81	3.89	4.70	5.56	5.84
DE	1.32	1.46	1.39	1.30	1.29	1.30	1.34	1.38	1.49	2.14	2.78	3.56
DK*	0.80	0.94	0.71	0.65	0.73	0.87	0.82	0.94	1.47	2.56	3.17	4.07
ES	1.70	1.58	1.60	1.42	1.37	1.38	1.35	1.35	1.56	1.76	2.29	3.42
FI	1.01	1.02	1.38	1.15	1.50	1.66	1.69	1.99	1.62	1.08	1.52	2.06
HU	4.21	4.35	4.56	4.44	4.52	4.53	4.89	5.33	6.02	7.88	10.63	13.30
IE	2.74	2.72	2.70	2.69	2.68	2.64	2.64	2.63	2.67	2.65	2.62	2.70
NL	1.76	1.74	1.80	1.75	1.63	1.59	1.60	1.64	1.68	1.99	2.77	3.31
PL	4.20	3.30	3.20	3.20	3.40	3.80	3.70	4.60	5.60	8.20	8.60	9.00
RO**	5.78	5.79	5.65	5.36	5.29	4.60	4.21	4.12	4.16	4.87	6.20	7.04
SE	1.41	1.46	1.42	1.29	1.29	1.31	1.26	1.39	1.84	3.26	3.75	3.79
UK	1.82	1.77	1.74	1.84	1.90	1.91	1.81	1.55	1.62	1.96	2.57	3.36

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BE	1.57	1.61	1.46	1.37	1.35	1.34	1.37	1.33	1.46	1.90	2.46	3.07
CZ	2.37	2.31	2.13	2.02	1.92	2.02	2.28	2.69	3.65	4.58	5.53	5.97
DE	1.12	1.13	1.09	1.03	1.03	1.09	1.11	1.14	1.34	2.11	2.80	3.36
DK*	0.92	1.07	0.84	0.70	0.89	1.14	1.06	1.13	1.77	2.68	3.40	4.21
EL	n/a	3.41	3.55	3.36	3.15	3.12	3.25	3.19	2.99	3.02	2.99	3.18
ES	4.29	3.50	3.82	3.59	3.82	3.64	3.49	3.52	4.08	4.01	4.45	4.47
FI	1.62	1.58	1.58	1.57	1.31	1.32	1.31	1.38	1.84	2.87	3.22	3.21
HU	4.17	4.24	4.15	4.06	3.97	4.11	4.33	4.69	5.60	6.82	7.95	8.62
NL	1.88	1.77	1.77	1.75	1.68	1.62	1.56	1.54	1.59	1.97	2.70	3.41
RO**	6.10	5.48	5.77	5.60	5.22	4.65	4.40	4.29	4.32	5.10	6.10	6.75
SE	1.35	1.57	1.41	1.47	1.48	1.59	1.50	1.61	2.29	3.48	3.34	3.11
UK	2.31	2.29	2.13	2.13	2.11	1.91	1.86	1.85	1.96	2.14	2.54	3.15

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

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BE	1.66	1.48	1.40	1.37	1.34	1.35	1.38	1.38	1.47	1.86	2.48	2.91
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	1.26	1.25	1.20	1.14	1.15	1.28	1.30	1.32	1.54	2.39	3.08	3.58
DK*	1.74	2.03	1.79	1.75	1.63	2.13	2.27	2.46	2.90	3.96	4.86	5.94
ES	1.81	1.80	1.77	1.67	1.55	1.44	1.42	1.37	1.36	1.52	1.79	2.36
HU	4.52	4.73	4.65	4.43	4.73	4.80	5.14	3.71	3.47	5.48	6.79	9.13
IT****	1.39	1.25	1.25	1.24	1.37	1.43	1.39	1.41	1.72	2.34	2.84	3.56
NL	2.16	2.07	2.04	2.00	1.90	1.79	1.75	1.74	1.80	2.11	2.62	3.10
RO**	5.42	5.28	5.20	4.84	4.51	4.16	3.78	3.70	4.04	4.76	5.60	6.08
UK	2.66	2.89	2.33	2.42	2.42	2.23	2.08	1.99	1.88	2.19	2.78	3.25

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

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

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

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

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:

- Denmark

Source: European Mortgage Federation



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

	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 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)	31.3	30.4	29.7	29.1	29.8	28.7	28.8	29.0	31.3	33.7	35.8
Short-term fixed (1Y-5Y initial rate fixation)	22.3	22.1	21.7	21.7	20.4	20.6	20.8	21.6	22.3	22.7	22.8
Medium-Term fixed (5Y-10Y initial rate fixation)	46.4	47.5	48.6	49.2	49.8	50.7	50.4	49.3	46.4	43.6	41.5
Long-Term fixed (over 10Y initial rate fixation)											
FINLAND											
Variable rate (up to 1Y initial rate fixation)	94.5	94.7	95.0	95.1	95.2	95.3	95.4	95.5	95.5	95.5	95.5
Short-term fixed (1Y-5Y initial rate fixation)	2.9	2.8	2.6	2.5	2.4	2.2	2.1	2.0	1.9	1.9	2.0
Medium-Term fixed (5Y-10Y initial rate fixation)	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.6
Long-Term fixed (over 10Y initial rate fixation)											
IRELAND											
Variable rate (up to 1Y initial rate fixation)	66.5	65.2	63.3	60.6	59.2	57.7	55.9	52.9	49.8	46.0	41.4
Short-term fixed (1Y-5Y initial rate fixation)	30.2	31.5	33.4	36.0	37.4	38.9	40.7	43.6	46.3	49.3	51.0
Medium-Term fixed (5Y-10Y initial rate fixation)	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.6	4.0	4.7	7.7
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n

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

	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
SWEDEN											
Variable rate (up to 1Y initial rate fixation)	58.0	56.6	54.3	52.1	50.4	48.9	48.3	47.0	47.2	48.8	51.0
Short-term fixed (1Y-5Y initial rate fixation)	40.8	42.2	44.5	46.7	48.4	49.9	50.5	51.7	51.4	49.9	47.7
Medium-Term fixed (5Y-10Y initial rate fixation)	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.4	1.4
Long-Term fixed (over 10Y initial rate fixation)											
UNITED KINGDOM											
Variable rate (up to 1Y initial rate fixation)*	24.4	23.8	23.0	21.8	20.6	19.6	18.6	17.4	16.0	14.6	13.1
Short-term fixed (1Y-5Y initial rate fixation)	73.6	74.1	74.9	76.1	77.3	78.2	79.2	80.2	81.4	82.5	83.6
Medium-Term fixed (5Y-10Y initial rate fixation)	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.4	2.6	2.9	3.3
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											
	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
ITALY											
Maturity less than 5 years	0.5	0.5	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3	0.2
Maturity over 5 years	99.6	99.5	99.7	99.7	99.7	99.7	99.8	99.7	99.7	99.7	99.8

NOTES:

* From Q4 2015 in Hungary lending in foreign currency is not allowed any more.
n – no lending outstanding in this maturity bracket

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

- Denmark

Source: European Mortgage Federation



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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
BELGIUM													
Variable rate (up to 1Y initial rate fixation)	2.3	2.7	2.7	0.7	0.6	0.6	0.4	0.4	0.5	0.6	1.9	4.3	2.0
Short-term fixed (1Y-5Y initial rate fixation)	1.4	1.1	1.3	1.0	1.1	1.2	1.1	1.2	1.1	1.2	1.2	1.2	1.0
Medium-Term fixed (5Y-10Y initial rate fixation)	12.2	14.0	14.5	14.1	14.6	13.8	13.5	14.6	13.6	13.6	11.6	9.6	4.9
Long-Term fixed (over 10Y initial rate fixation)	84.0	82.2	81.5	84.2	83.6	84.4	85.0	83.8	84.8	84.7	85.3	84.9	92.1
CZECHIA													
Variable rate (up to 1Y initial rate fixation)	2.2	2.0	2.1	3.1	3.2	2.6	1.3	1.1	1.1	1.2	1.7	1.8	2.8
Short-term fixed (1Y-5Y initial rate fixation)	38.5	34.3	46.7	46.6	50.7	50.3	50.9	51.2	46.0	47.2	55.0	63.1	64.1
Medium-Term fixed (5Y-10Y initial rate fixation)	59.3	63.7	51.2	50.3	46.2	47.1	47.8	47.7	53.0	51.5	43.4	35.2	33.1
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK													
Variable rate (up to 1Y initial rate fixation)	7.3	11.2	16.1	9.8	9.1	8.0	12.3	12.7	15.4	21.1	31.2	35.1	26.4
Short-term fixed (1Y-5Y initial rate fixation)	10.8	15.6	17.0	14.7	16.7	16.8	20.4	25.7	26.8	26.6	22.0	18.0	21.3
Medium-Term fixed (5Y-10Y initial rate fixation)	1.6	0.5	0.3	0.3	0.5	0.6	0.4	0.4	0.9	0.6	0.3	0.2	0.3
Long-Term fixed (over 10Y initial rate fixation)	80.3	72.6	66.6	75.1	73.7	74.7	66.9	61.2	57.0	51.7	46.5	46.7	52.0
FINLAND													
Variable rate (up to 1Y initial rate fixation)	96.6	95.9	96.9	97.1	96.9	96.7	95.9	96.6	95.6	95.8	96.9	95.1	96.0
Short-term fixed (1Y-5Y initial rate fixation)	1.3	1.6	1.1	1.0	1.2	0.8	0.7	0.6	0.8	0.6	0.9	2.0	2.1
Medium-Term fixed (5Y-10Y initial rate fixation)	2.2	2.5	2	1.9	1.8	2.5	3.4	2.8	3.6	3.6	2.2	2.9	1.9
Long-Term fixed (over 10Y initial rate fixation)													
GERMANY													
Variable rate (up to 1Y initial rate fixation)	10.8	10.4	11.1	10.3	10.1	9.5	9.4	10.3	9.8	9.0	9.6	13.5	17.8
Short-term fixed (1Y-5Y initial rate fixation)	7.6	7.6	7.8	7.3	7.2	7.1	7.0	6.6	7.0	6.3	6.8	8.0	9.1
Medium-Term fixed (5Y-10Y initial rate fixation)	31.7	32.0	32.5	32.7	33.2	34.3	36.4	35.4	35.9	35.6	38.9	37.5	36.0
Long-Term fixed (over 10Y initial rate fixation)	49.9	49.9	48.6	49.8	49.5	49.1	47.3	47.7	47.3	49.1	44.7	41.0	37.1

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 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	54.5	48.6	46.4	42.5	41.1
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	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	9.9	11.2	13.2	15.6	17.8
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	n	n	n	n
HUNGARY													
Variable rate (up to 1Y initial rate fixation)	1.7	1.6	1.1	1.1	1.0	0.9	0.9	0.7	0.5	0.5	0.6	0.8	1.2
Short-term fixed (1Y-5Y initial rate fixation)	30.6	29.3	27.9	26.7	25.4	27.1	31.7	29.0	24.2	16.8	15.9	28.2	31.8
Medium-Term fixed (5Y-10Y initial rate fixation)	55.2	53.9	57.8	59.3	59.8	60.6	56.6	57.5	52.4	39.5	31.9	40.9	34.3
Long-Term fixed (over 10Y initial rate fixation)	12.5	15.2	13.2	12.9	13.7	11.4	10.8	12.8	22.9	43.2	51.7	30.2	32.7
IRELAND													
Variable rate (up to 1Y initial rate fixation)	25.0	25.6	24.9	21.4	20.3	22.8	19.3	18.9	18.9	19.4	14.4	9.0	6.0
Short-term fixed (1Y-5Y initial rate fixation)	75.0	74.4	75.1	78.6	79.7	77.2	80.7	81.1	81.1	80.6	85.6	91.0	94.0
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)	19.7	19.8	19.2	17.4	16.2	16.9	16.8	16.5	17.2	16.7	25.2	52.0	66.7
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	80.3	80.2	80.8	82.6	83.8	83.1	83.2	83.5	82.8	83.3	74.8	48.0	33.3
Long-Term fixed (over 10Y initial rate fixation)													
NETHERLANDS													
Variable rate (up to 1Y initial rate fixation)	17.1	17.3	12.5	14.3	15.2	12.8	11.3	11.9	11.0	9.6	9.8	16.3	19.9
Short-term fixed (1Y-5Y initial rate fixation)	7.9	7.4	6.6	7.4	7.4	6.4	6.6	6.7	6.7	6.4	6.3	6.9	4.3
Medium-Term fixed (5Y-10Y initial rate fixation)	43.4	41.1	39.7	34.0	32.9	34.8	33.7	32.2	34.1	33.9	31.1	33.0	39.9
Long-Term fixed (over 10Y initial rate fixation)	31.6	34.3	41.2	44.3	44.4	46.0	48.4	49.1	48.2	50.0	52.9	43.8	35.9



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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
POLAND													
Variable rate (up to 1Y initial rate fixation)	100	100	100	100	97**	n/a	n/a	87.3	75.7	74.4	33.0	43.0	47.3
Short-term fixed (1Y-5Y initial rate fixation)	n	n	n	n	3**	n	n	12.8	24.3	25.6	67.0	57.0	52.7
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)	55.7	59.7	71.0	70.7	70.0	68.5	71.5	68.7	67.0	64.8	67.2	68.6	74.6
Short-term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	44.3	40.3	29.0	29.3	30.0	31.5	28.5	31.3	33.0	35.2	32.8	31.4	25.4
Long-Term fixed (over 10Y initial rate fixation)													
ROMANIA													
Variable rate (up to 1Y initial rate fixation)	78.2	70.0	72.0	66.5	75.2	74.1	74.8	73.5	71.2	59.2	55.7	65.5	52.7
Short-term fixed (1Y-5Y initial rate fixation)	10.5	11.2	10.5	11.0	7.4	5.4	4.6	6.4	8.1	9.7	6.7	9.2	21.1
Medium-Term fixed (5Y-10Y initial rate fixation)	4.2	5.4	4.6	5.5	3.1	4.6	5.7	7.9	9.5	13.6	13.7	7.8	3.2
Long-Term fixed (over 10Y initial rate fixation)	7.1	13.4	13.0	17.1	14.3	15.9	15.0	12.2	11.2	17.4	23.8	17.5	23.0
SPAIN													
Variable rate (up to 1Y initial rate fixation)	33.6	32.3	38.6	35.4	31.2	28.2	25.5	24.4	22.7	22.5	20.0	25.7	27.8
Short-term fixed (1Y-5Y initial rate fixation)	22.3	19.3	17.0	18.9	19.1	19.3	16.6	15.2	13.0	11.1	10.8	10.0	12.0
Medium-Term fixed (5Y-10Y initial rate fixation)	3.0	3.6	3.0	3.1	2.7	3.1	3.1	3.3	3.3	4.4	3.9	3.8	5.3
Long-Term fixed (over 10Y initial rate fixation)	41.1	44.8	41.4	42.6	47.0	49.4	54.9	57.2	61.0	62.0	65.2	60.5	54.9

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

	IV 2019	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
SWEDEN													
Variable rate (up to 1Y initial rate fixation)	58.7	49.5	52.7	46.4	45.2	43.7	43.4	42.8	44.1	47.6	61.3	75.6	74.5
Short-term fixed (1Y-5Y initial rate fixation)	28.5	35.4	34.1	37.7	39.8	42.6	44.4	45.2	44.7	41.6	28.7	18.5	21.5
Medium-Term fixed (5Y-10Y initial rate fixation)	12.8	12.8	13.2	15.8	15.0	13.7	12.3	12.0	11.2	10.8	10.0	5.9	4.0
Long-Term fixed (over 10Y initial rate fixation)													
UNITED KINGDOM													
Variable rate (up to 1Y initial rate fixation)*	6.7	7.3	10.3	9.1	7.9	6.7	5.5	5.3	5.1	5.2	4.2	3.8	5.5
Short-term fixed (1Y-5Y initial rate fixation)	91.8	91.5	88.6	89.4	90.4	91.8	92.5	92.7	93.0	92.1	91.2	90.5	89.1
Medium-Term fixed (5Y-10Y initial rate fixation)	1.5	1.2	1.1	1.5	1.7	1.5	2.0	2.0	1.9	2.7	4.6	5.7	5.4
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NOTE:

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

** Cumulative data for the whole year (PL)

n – no lending made in this maturity bracket

Source: European Mortgage Federation

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

- Denmark
- Poland
- Spain

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 January 2023.

For the UK and Denmark, the BLS is carried out by their respective Central Banks. In this context, it is important to point out that some statistical techniques and

the underlying factors are slightly different from those used by the ECB. In order to provide a consistent comparison with the data of the ECB, the figures of the change in credit standards for Denmark and the United Kingdom have been inverted, as in these cases a positive value is equivalent to a standard easing, which is opposite to the interpretation of the figures of the BLS of the ECB.

In addition to Denmark and the UK, and following the new structure introduced during the third quarter of 2018, we compile the bank lending surveys from Czech Republic, Hungary, Romania and Poland. For these countries similar criteria as the one used in the BLS carried out by the ECB applies, as is the case for the Eurozone countries positive values stand for net tightening and negative values stand for net easing. In the case of Hungary and Poland the effect of the different factors on demand have been inverted to match the interpretation of the figures of the ECB's BLS.

¹ The Finnish BLS data is not published because of confidentiality reasons. As the Finnish BLS sample consists of only four banks, there is a risk that answers of individual banks could be extracted from the aggregate results.

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



RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. CREDIT STANDARD:

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

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

CREDIT STANDARDS FOR RESIDENTIAL LOANS

The latest ECB BLS results, looking backwards to the fourth quarter of 2022, indicates a significant net tightening of credit standards for mortgages (21% of surveyed banks, after 32% in 2022 Q2).

This new round of tightening standards was mainly driven by bank's increased risk perception, as well as a lower risk tolerance, higher costs of funds and balance sheet constraints, which all had a moderate tightening effect. Furthermore, the general economic outlook, together with concerns about creditworthiness and more subdued housing prospects all contributed to this overall result, as they affect euro area banks' risk perception. It is the fourth consecutive quarter in which both the perceptions and risk tolerance of banks have had a "tightening effect" on credit standards.

Considering the four largest euro area countries, credit standards for mortgage loans tightened in net terms across these jurisdictions. Moreover, as indicated above, increased perceptions of risk, increased cost of funds and balance sheet limitations all had a tightening impact.

In the first quarter of 2023, euro area banks again expect a net tightening of credit standards on loans to households for house purchase (net percentage of 16%).

TERMS AND CONDITIONS FOR RESIDENTIAL LOANS

As to the terms and conditions for mortgages, euro area banks also reported a strong net tightening of these items in Q4 2022, reflecting the significant increases in euro area mortgage interest rates, which have been commented on previously in this report. The net percentage for this quarter was 29%, after a 24% net reading in Q3 2022.

The net tightening of net and conditions was primarily steered by widening margins on both average and riskier loans. In addition, the EBC reports that there was a net tightening of loan-to-value (LTV) ratios and a moderate net tightening of other loan size limits. Increased collateral requirements and loan maturity limits also had a moderate impact, although not as pronounced.

NON-EURO AREA CREDIT STANDARDS

Regarding non-euro area jurisdictions, most jurisdictions reported an additional round of tightening in credit standards: Hungary (17%), Denmark (27%) and the UK (34%). In Poland, standard eased on net terms on the quarter (-1%), yet the central bank reports that the situation, overall, has remained relatively unchanged. Romania and Czechia, in the meantime, recorded comparatively noticeable net easing of standards (-8% and -18% respectively).

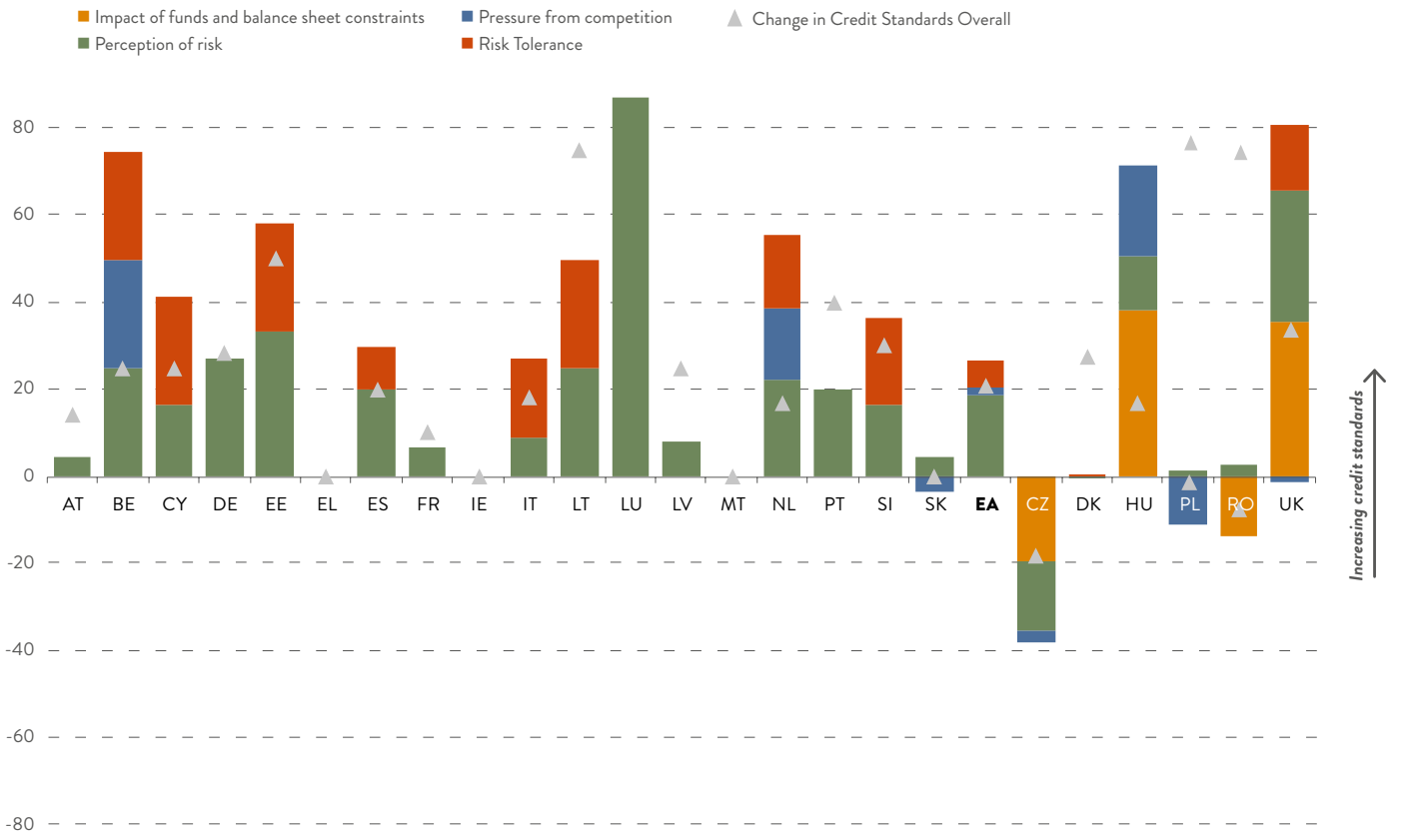
TABLE 6B | FACTORS THAT HAVE AFFECTED SUPPLY IN 2022-Q4 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

IV 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	14	25	25	29	50	0	20	10	0	18	75	100	25	0	17	40	30	0	21	-18	27	17	-1	-8	34
FACTORS AFFECTING CREDIT STANDARDS:																									
Impact of funds and balance sheet constraints	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-19	0	38	0	-14	36
Perception of risk	5	25	17	27	33	0	20	7	0	9	25	93	8	0	22	20	17	4	19	-16	0	12	2	3	30
Pressure from competition	0	25	0	0	0	0	0	0	0	0	0	0	0	0	17	0	0	-3	2	-3	0	21	-11	0	-1
Risk Tolerance	0	25	25	0	25	0	10	0	0	18	25	20	0	0	17	0	20	0	6	0	0	0	0	0	15

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)

	I 2020	II 2020	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022
AT	43	-14	29	0	14	14	14	0	0	14	-71	-86
BE	-50	-100	25	25	25	50	-50	25	0	-50	-75	-100
CY	0	-75	100	100	-25	25	0	100	-50	-75	-75	-50
DE	24	-29	36	11	0	11	18	11	32	-4	-71	-93
EE	0	-50	25	100	100	25	25	0	-75	50	-50	-100
EL	75	0	100	50	75	50	25	75	25	-25	-50	-25
ES	-44	-100	22	-11	-22	44	33	33	22	10	-30	-20
FR	17	-75	17	0	-25	33	8	0	0	-25	-17	-90
IE	40	-100	100	40	0	20	-20	-40	-20	20	40	50
IT	-30	-70	30	0	-10	22	9	18	-18	-9	-18	-45
LT	-25	-50	25	0	75	25	50	75	-25	0	0	-50
LU	33	-100	33	67	-50	-17	-17	-17	-50	-83	-83	-100
LV	0	-50	50	50	75	75	25	0	0	-25	-50	-75
MT	-82	-58	56	62	0	2	-37	-20	34	0	0	0
NL	33	33	0	17	50	50	-17	-33	33	17	-33	-67
PT	0	-80	20	20	40	40	60	60	20	20	-40	-80
SI	-60	-100	50	0	-25	75	50	20	10	40	-60	-60
SK	0	-100	-3	-27	-21	46	32	21	22	36	-74	-100
EA	5	-54	27	8	-2	29	11	8	10	-10	-42	-74
CZ	20	-50	64	75	86	96	-11	-18	-81	-83	-81	-69
DK*	6	1	8	-19	-33	-6	8	-23	0	21	20	49
HU	6	-81	84	10	89	100	63	47	60	20	-92	-92
PL	23	-66	19	8	-58	-59	-15	47	87	87	93	32
RO	12	-65	3	-11	43	75	-53	-34	43	-49	-56	-54
UK**	-28	79	-96	-32	22	-81	35	35	-6	-30	37	75

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 Q4 2022, euro area banks reported a substantial decrease in net demand for housing loans, with a net percentage of banks of -74%, following a -42% net score in Q3 2022. The latest reading for the fourth quarter is the largest decrease on record since ECB BLS was first launched, according to the results published by said institution.

Three key factors have contributed to this decline, namely increasing mortgage interest rates, falling consumer confidence levels and lower housing market-level prospects, which, considered altogether, clearly represent the uncertainties of the current macroeconomic and consumer prices scenario. Moreover, it is worth noting that, for the first time since 2013, this is the second consecutive quarter in which housing market prospects have had a negative contribution to mortgage demand.

Banks in the four largest euro area countries also reported a net decrease in demand for residential mortgages by households. In these jurisdictions, consumer confidence concerns and the general level of interest rates had a negative impact on demand, as did housing markets prospects (although the effects varied across these jurisdictions).

Looking ahead at the first quarter of 2023, banks expect another strong net decline in the demand for housing loans (with a potential net percentage -49%).

CREDIT DEMAND IN NON-EURO AREA COUNTRIES

Demand for mortgage loans in non-euro area countries varied significantly in across jurisdictions in Q4 2022, similar to the scenario outlined in Q3 2022. Demand decreased in Romania (-54%), Czechia (-69%) and Hungary (-92%), while banks reported a net increase of consumer demand in Denmark (49%), Poland (32%) and the UK (75%).

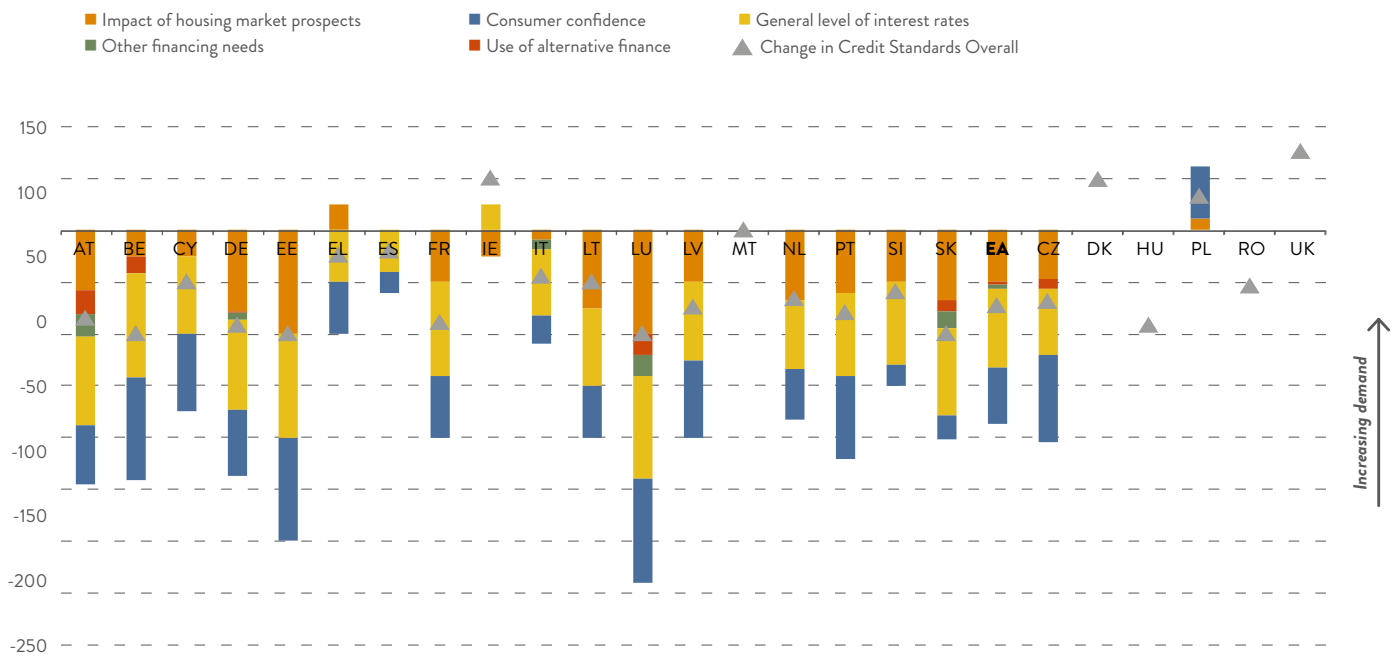
TABLE 7B | FACTORS THAT HAVE AFFECTED DEMAND IN 2022-Q4 (BACKWARD-LOOKING 3 MONTHS)
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

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	-86	-100	-50	-93	-100	-25	-20	-90	50	-45	-50	-100	-75	0	-67	-80	-60	-100	-74	-69	49	-92	32	-54	75
FACTORS AFFECTING DEMAND:																									
Impact of housing market prospects	-57	-25	-25	-79	-100	25	0	-50	-25	-9	-75	-100	-50	0	-67	-60	-50	-68	-50	-47	—	—	12	—	—
Other financing needs	-21	0	0	-7	0	0	0	0	0	-9	0	-20	0	0	0	0	0	-16	-4	—	—	—	—	—	—
Consumer confidence	-57	-100	-75	-64	-100	-50	-20	-60	0	-27	-50	-100	-75	0	-50	-80	-20	-23	-54	-84	—	—	50	—	—
Use of alternative finance	-24	-17	0	-1	0	0	0	0	0	0	0	-20	0	0	0	0	0	-11	-2	-10	—	—	—	—	—
General level of interest rates	-86	-100	-75	-86	-100	-50	-40	-90	25	-64	-75	-100	-75	0	-67	-80	-80	-83	-77	-64	—	—	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



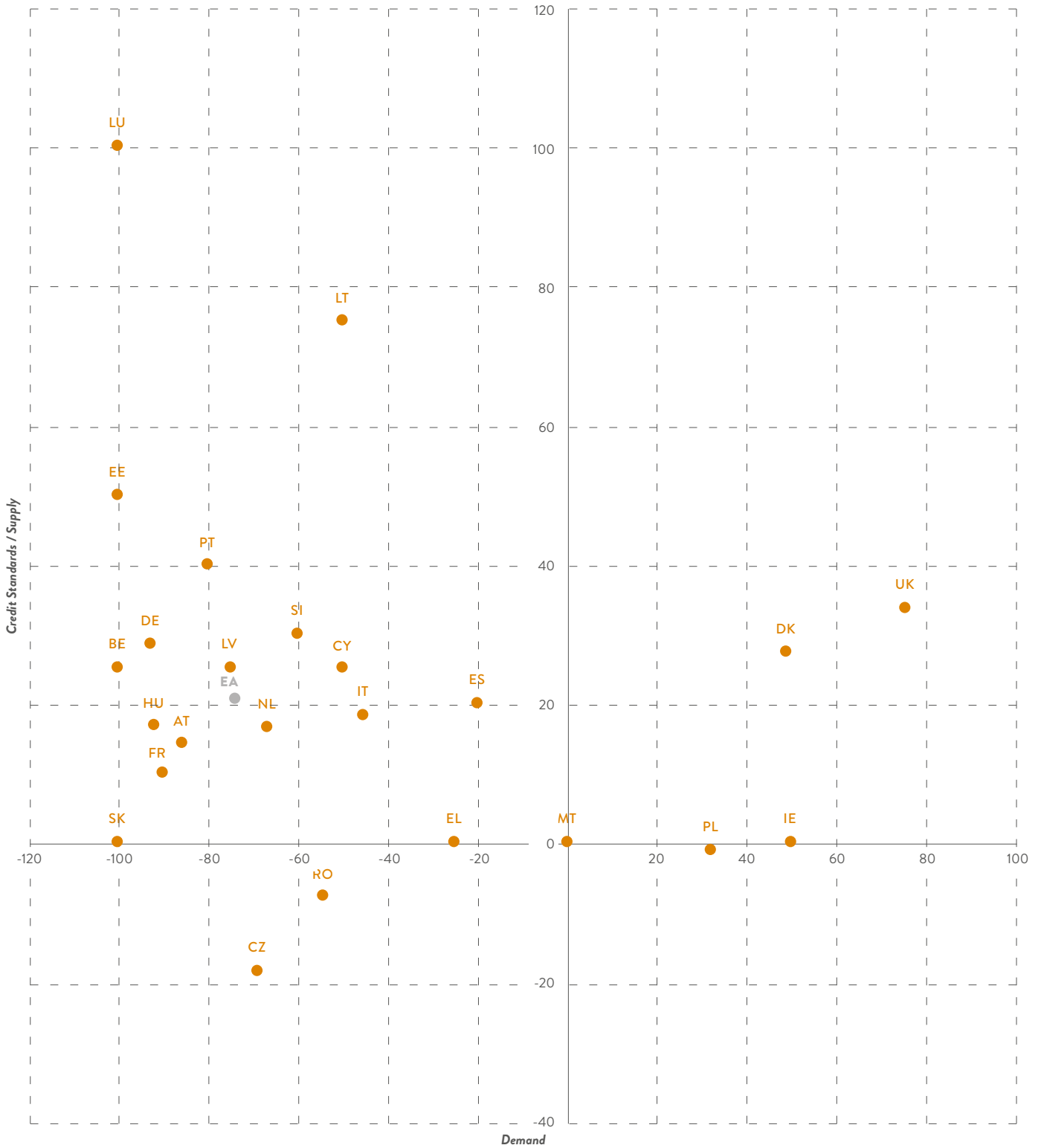
SCATTER PLOT ANALYSIS

In terms of credit standards, a majority of jurisdictions (18 out of 25 countries considered in this report) reported a net credit standards tightening in Q4 2022, further to the trend outlined in the previous report, and in line with the macroeconomic and consumer prices outlook. Demand for residential

mortgages, in turn, appears to have decreased broadly in the EMF sample, as a total of 20 jurisdictions saw banks report a decrease in overall demand for residential mortgages.



CHART 6 | DEMAND AND SUPPLY OVERVIEW





Q4|2022

QUARTERLY REVIEW
OF EUROPEAN
MORTGAGE MARKETS



The entire contents of this publication are protected by copyright.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any other form or by any means: electronic, mechanical, photocopying, recording or otherwise without the prior permission of the European Mortgage Federation.