



EMF|ECBC
FUNDING THE REAL ECONOMY

Housing the NextGeneration:

Hypostat 2023

11 December 2023, Eric Huellen

Virtual Event

Key Challenges in 2023 and ahead



European residential dwellings must adapt to rapidly changing climate conditions and comply with new building energy performance requirements, to contribute towards meeting the EU's climate goals



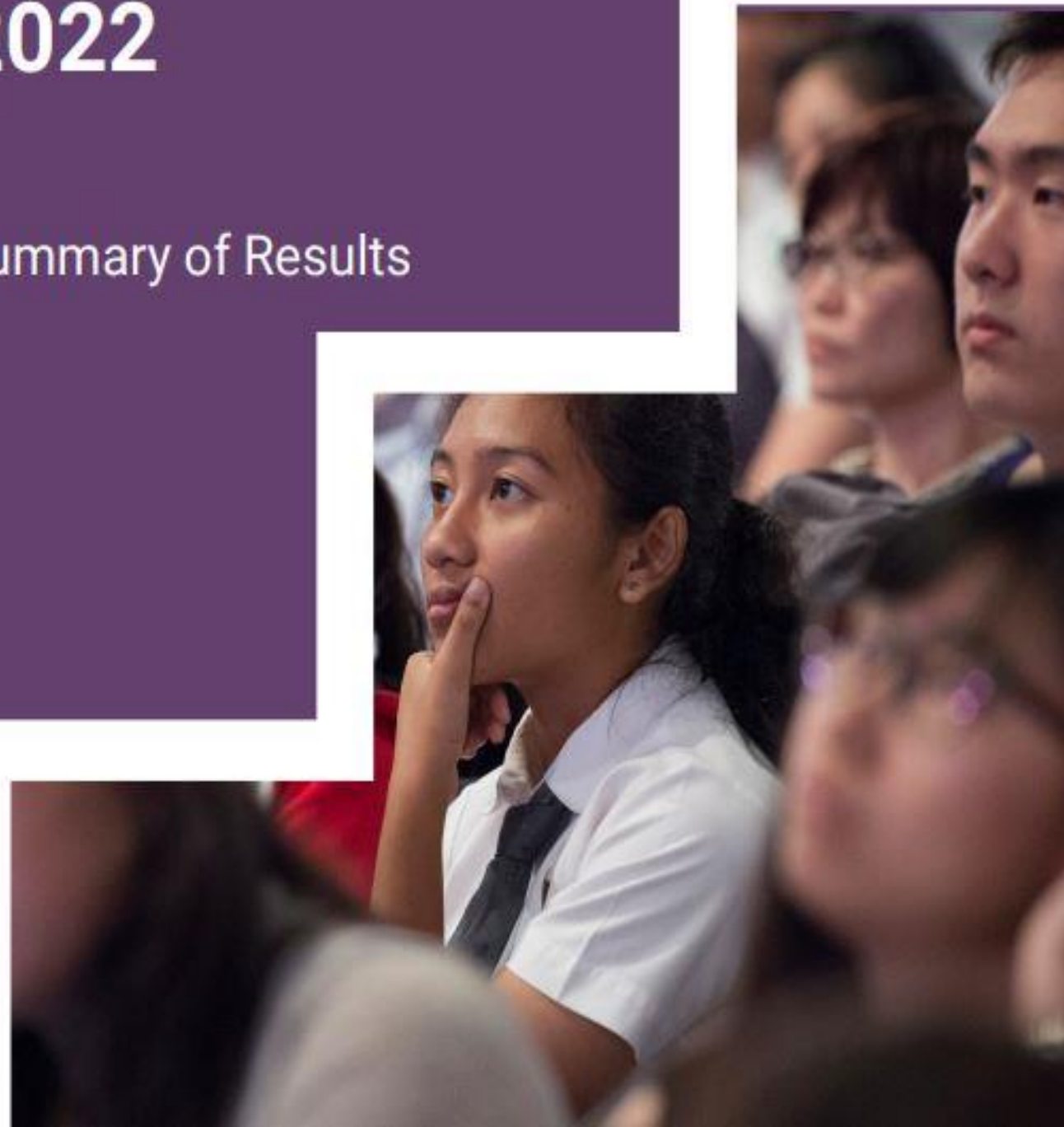
The demographic changes in Europe, which depict different dynamics in different regions and cities



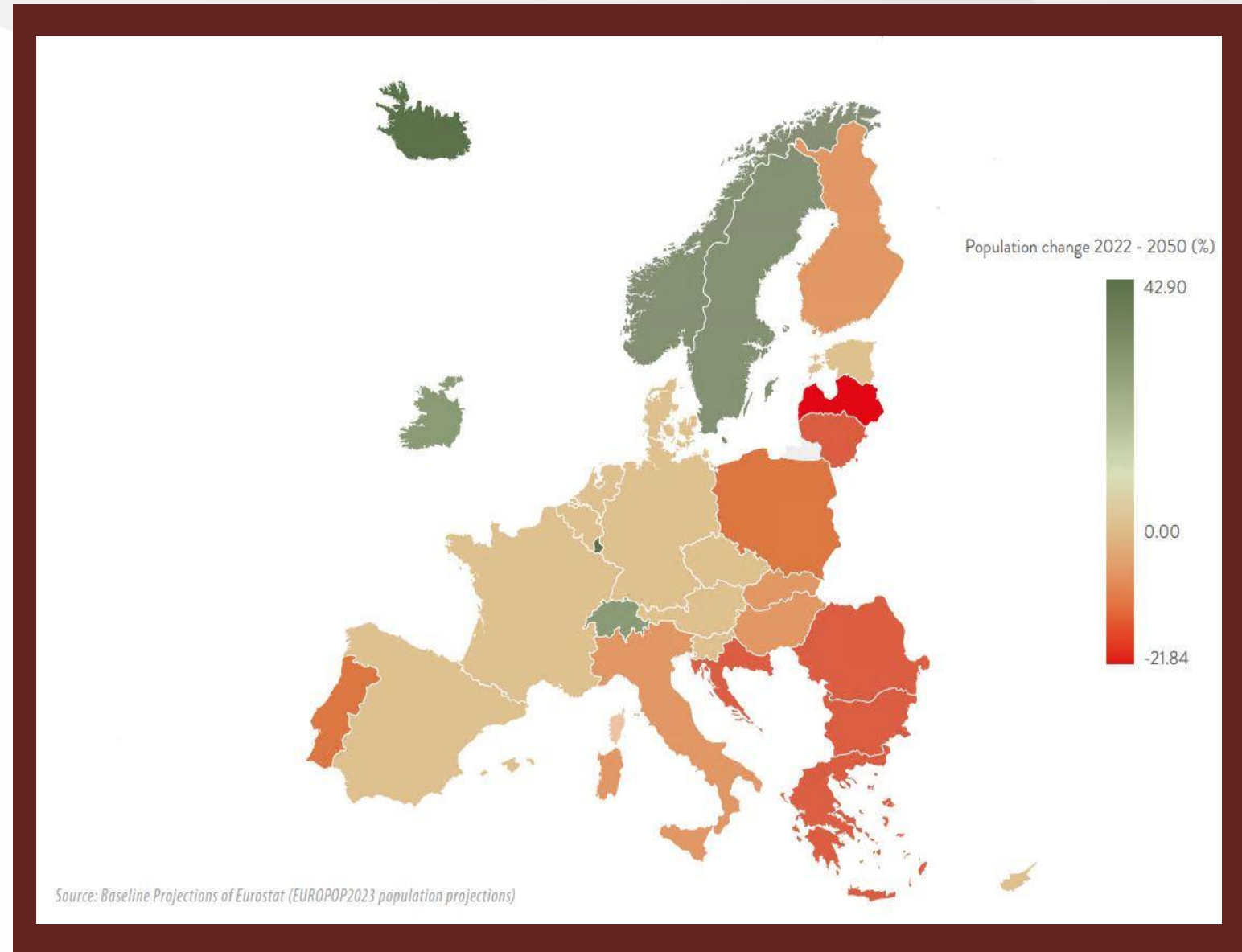
Rising financing costs, driven by central banks' efforts to counter rising inflationary pressure, puts pressure on the construction sector and the affordability of housing

World Population Prospects 2022

Summary of Results

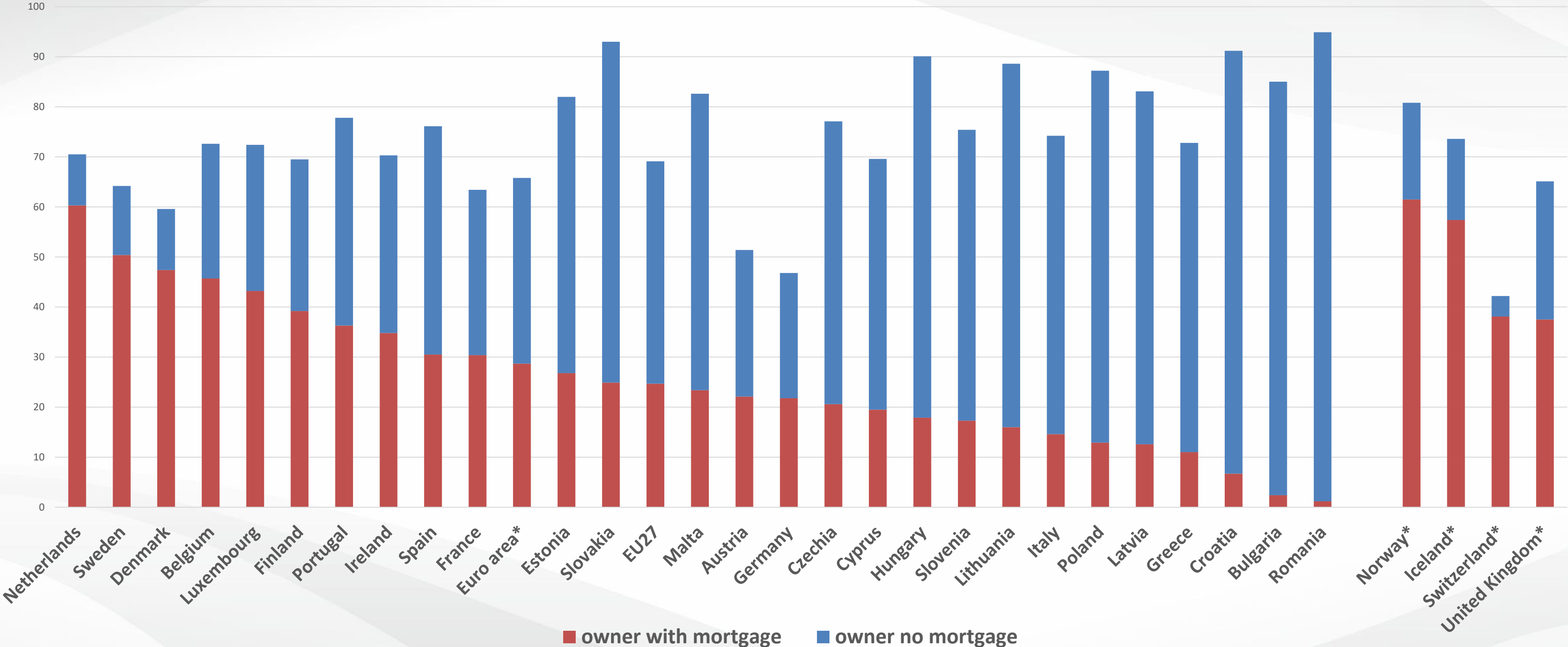


Demographic Challenges



EMF
EUROPEAN MORTGAGE
FEDERATION

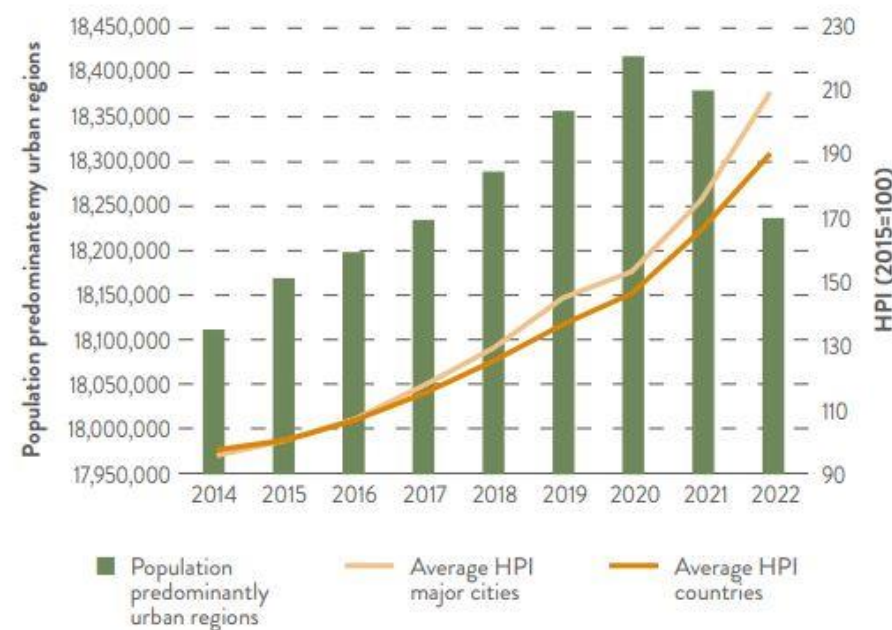
Homeowner Share & Mortgage Holders in 2022, in Percent



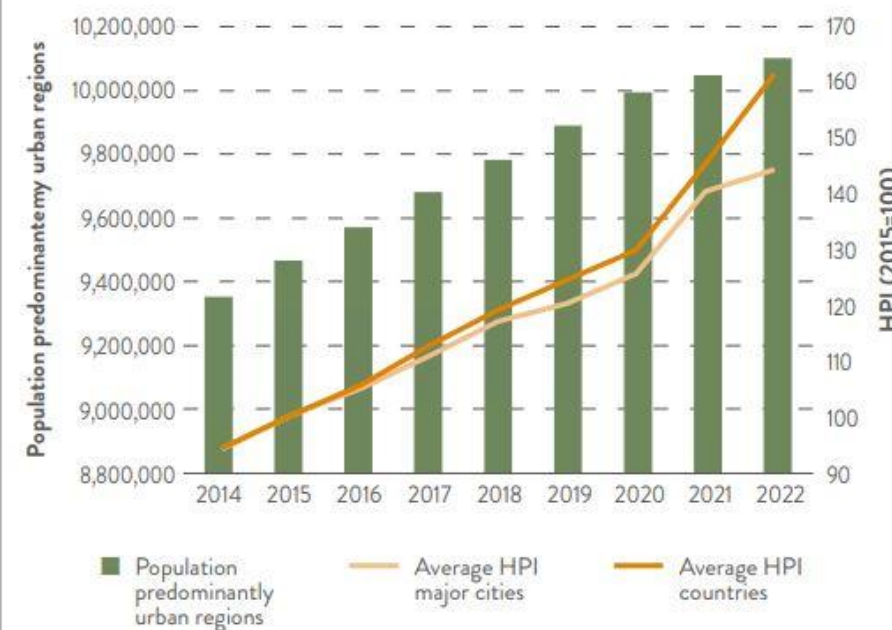
NOTE: countries with an asterisk * Refer to Latest Available Data, as There is no 2022 Data Available.
Source: Eurostat

Demographic Challenges

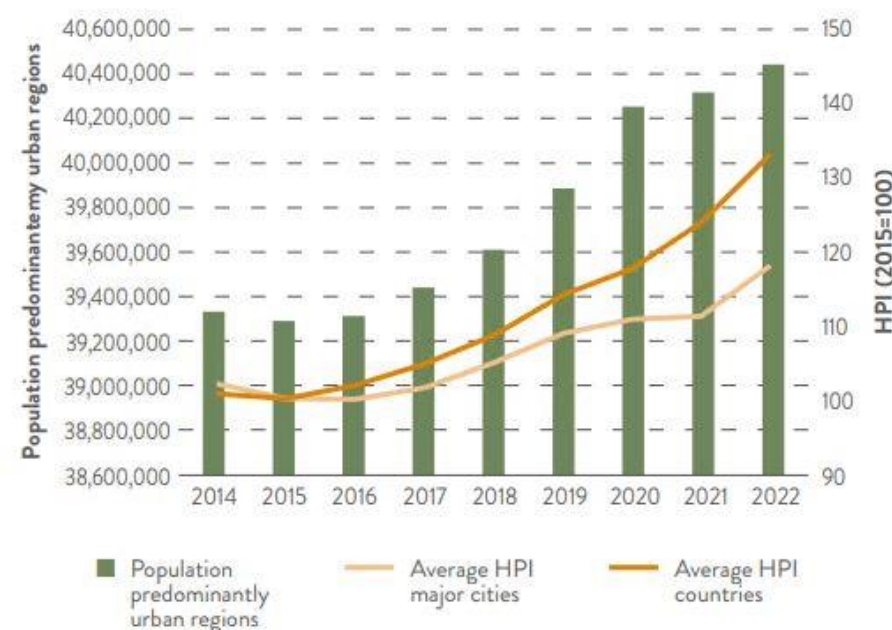
CENTRAL AND EASTERN EUROPE



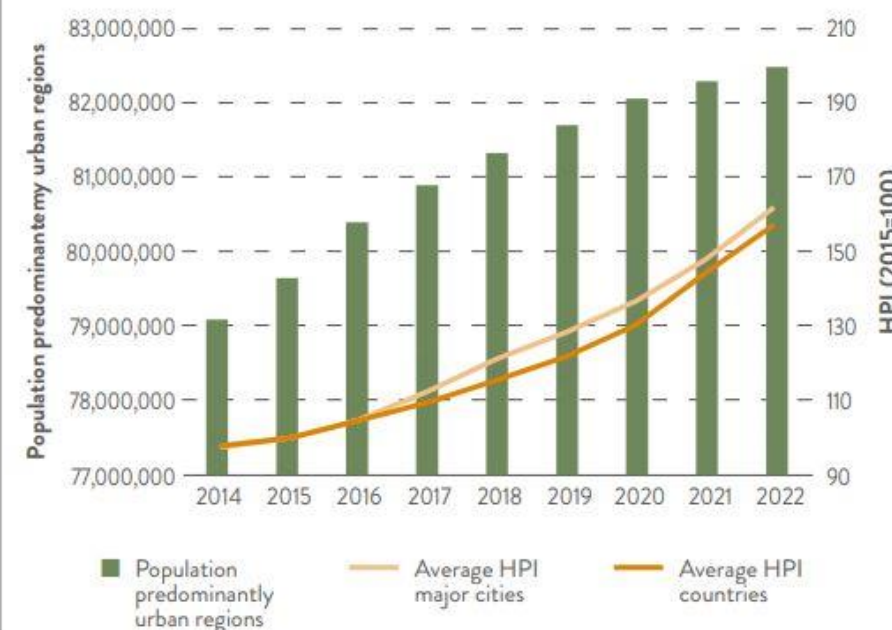
NORTHERN EUROPE



SOUTHERN EUROPE



CONTINENTAL EUROPE

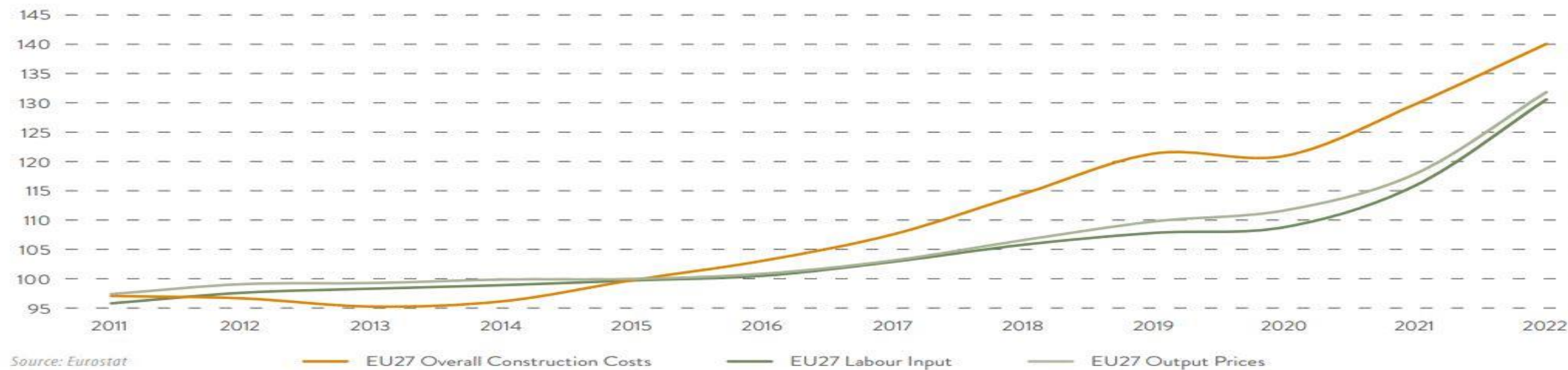


Power to build the long-term fundament to roof over the European society

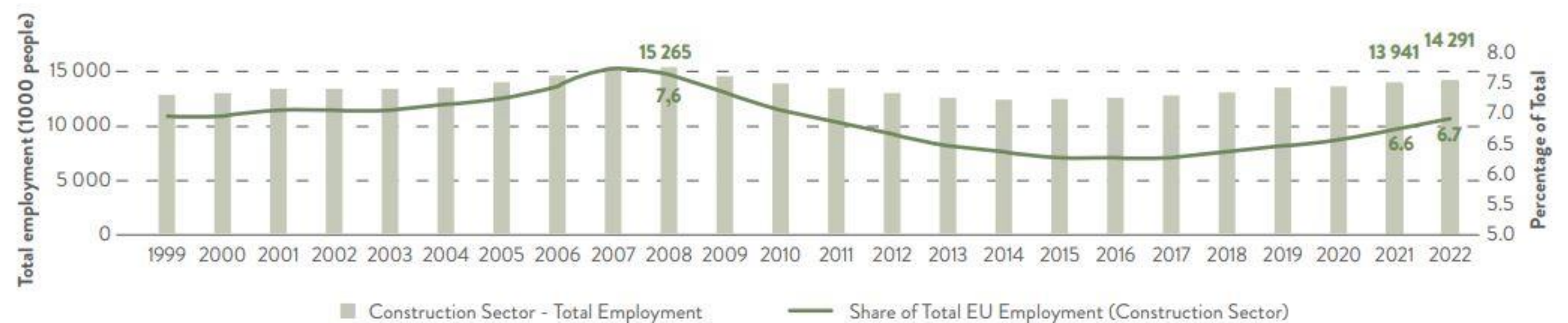
- As demographics reshape the requirements from the building stock in very different ways across Europe, actual housing markets have the power to build the long-term fundament to roof over the European society and create stable assets for a united wealth and value house suited to regional needs
- But aggregated house prices and population development showed a complex and diverse picture
- Therefore, accurate and regional analysis is crucial for the industry

Demographic Challenges

EU 27 CONSTRUCTION COSTS INDICES 2015 = 100

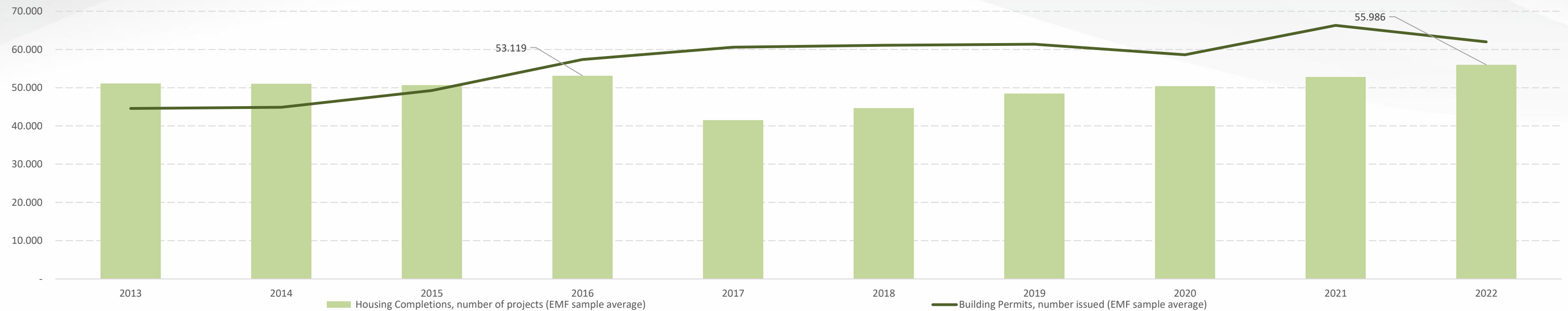


TOTAL AND SHARE OF CONSTRUCTION EMPLOYEES IN EU27

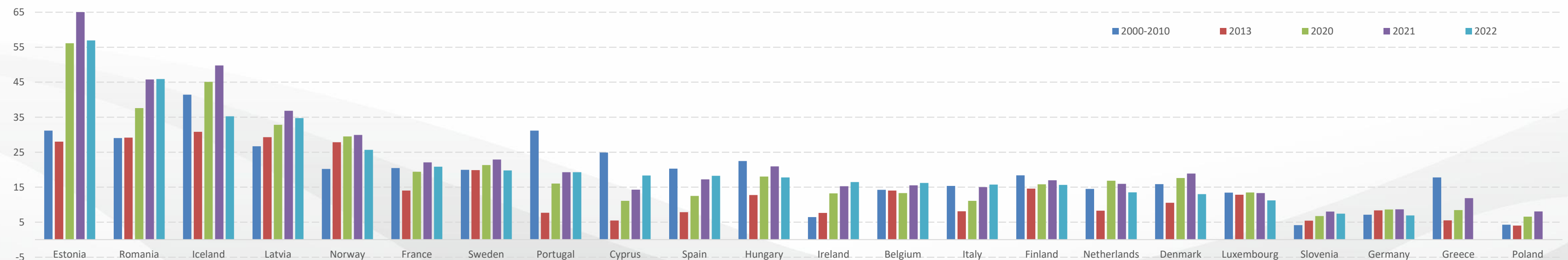


Demographic Challenges

BUILDING PERMITS AND HOUSING COMPLETIONS EVOLUTION



RESIDENTIAL TRANSACTIONS PER 1,000 ADULTS



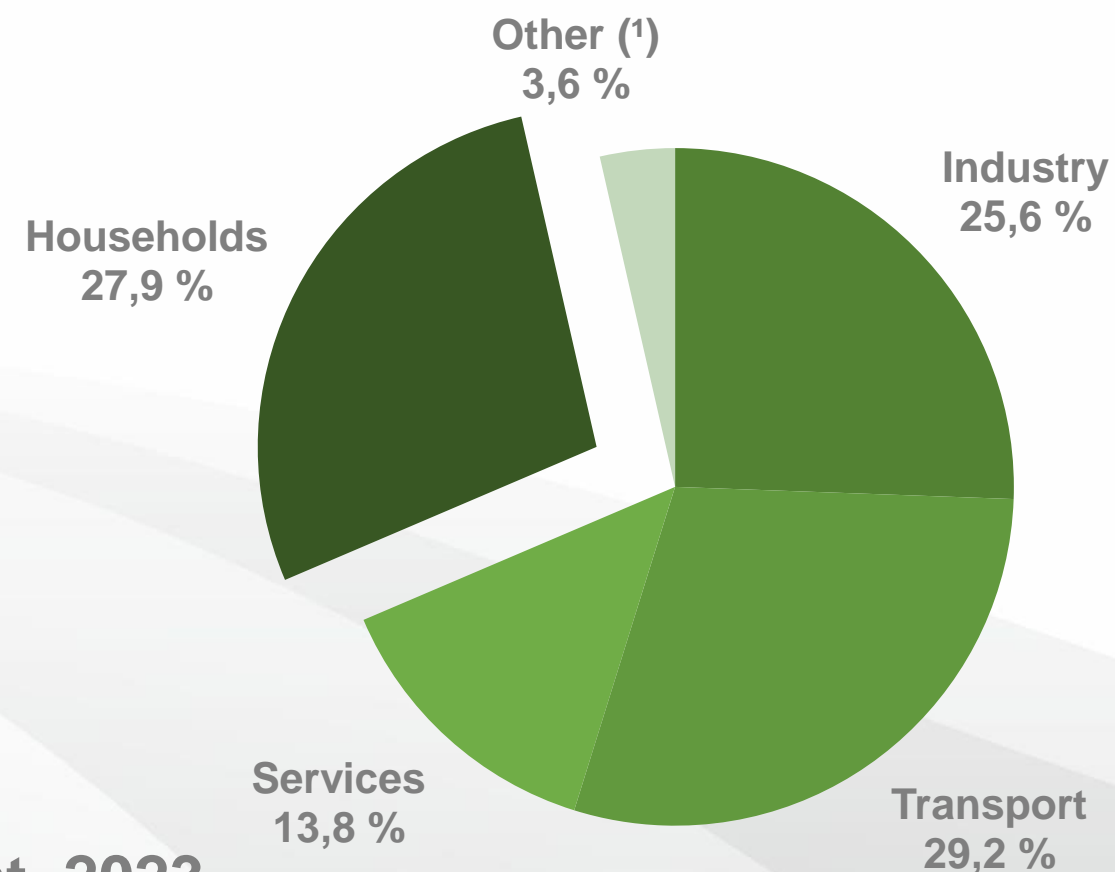
Building Energy Performance

Energy use in buildings is a significant source of green-house gas emissions



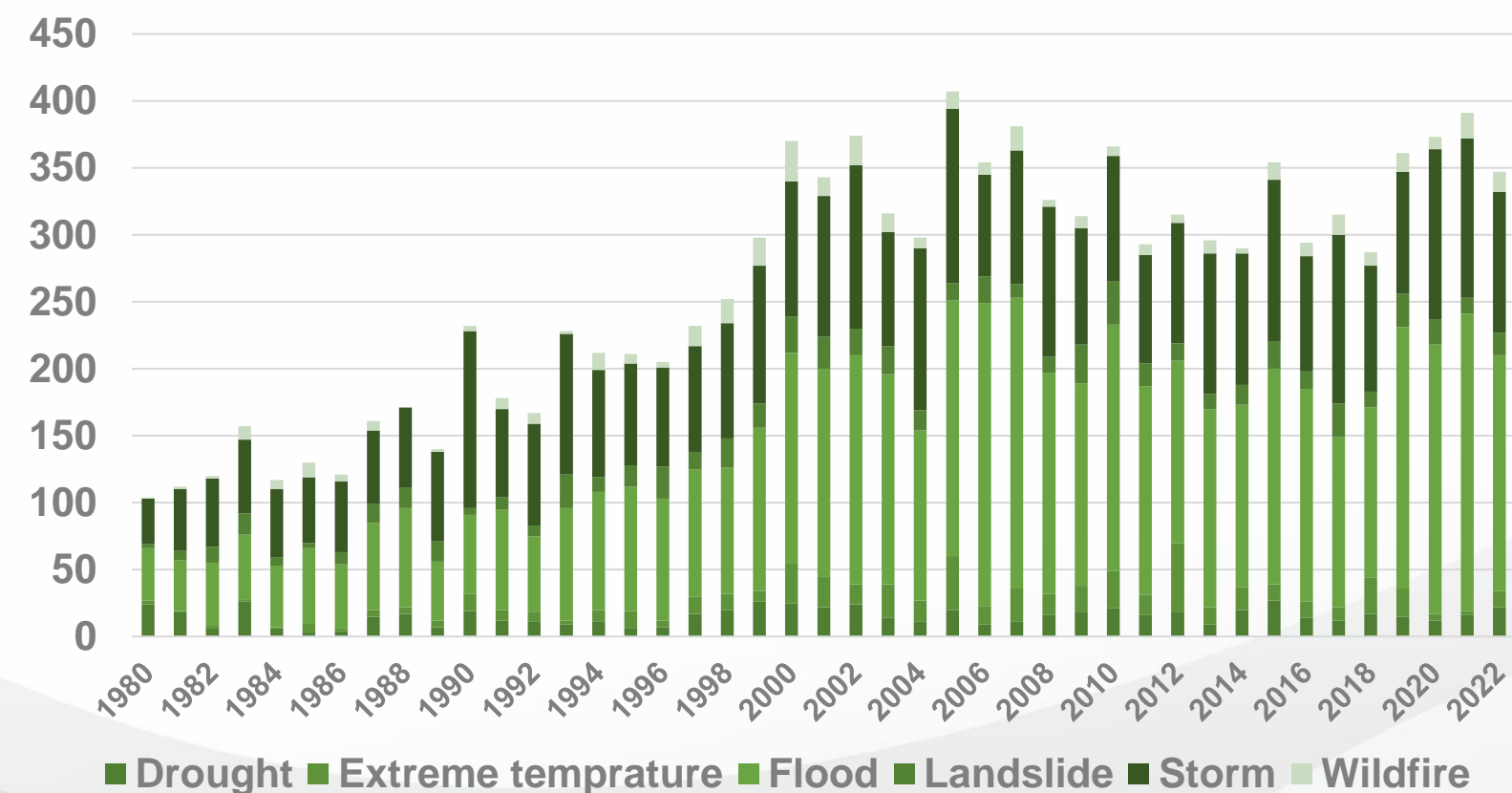
Global warming and associated changes in climate will directly impact buildings

**Final energy consumption by sector, EU
(% of total, based on terajoules)**



Eurostat, 2023

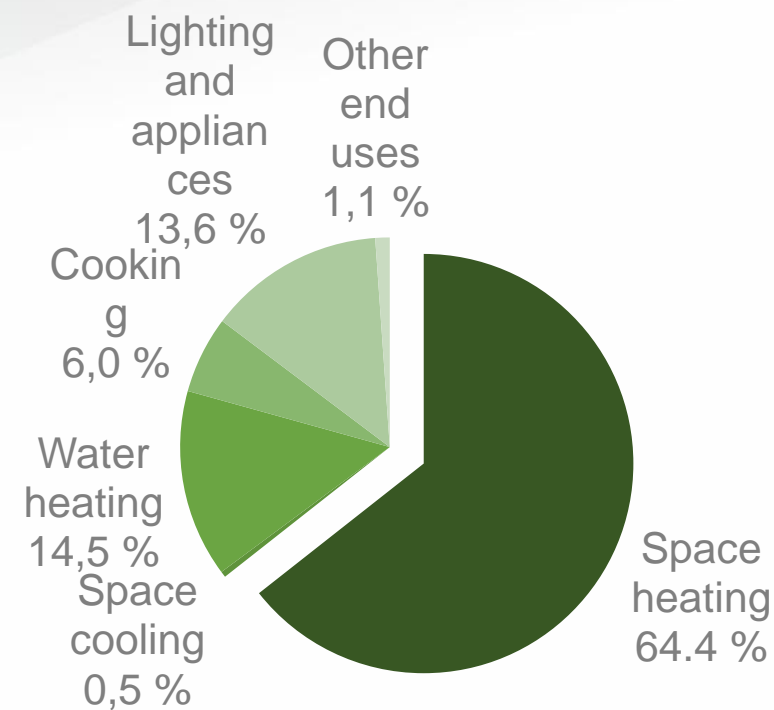
**Frequency of Natural Disasters, World
(total amount)**



WMO, 2023

Building Energy Performance

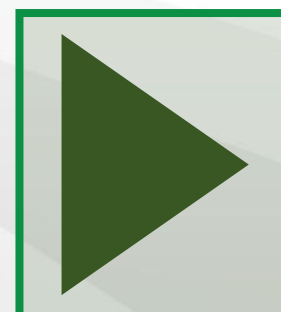
Residential energy use, EU (% of total)



Eurostat, 2023

Reduce heating loads:

High-performance envelope (insulation, windows, air tightness) combined with heat-recovery ventilation



Catalyzing private funding for the qualitative upgrade of the energy profile of the building stock by a transparent quality label for consumers, lenders and investors

Policy instrument	Overall effectiveness ^a	Cost-effectiveness
Control and regulatory mechanisms		
Appliance standards	High	High
Building codes	High	Medium/high
Procurement regulations	High	Medium
Energy-efficiency obligations and quotas	High	High
Demand-side management programmes	High	High
Economic and market-based instruments		
Energy performance contracting/ESCO support	High	Medium
Cooperative procurement	High	High
Energy-efficiency certificate schemes	High	High
Kyoto Protocol flexible mechanisms	Medium	Medium
Fiscal instruments and incentives		
Taxation (on CO ₂ or fuels)	Generally low	Medium
Tax exemptions/reductions	High	High
Public benefit charges	Medium/high	High
Capital subsidies, grants	Medium/high	High/Medium
Support and information programmes and voluntary action		
Mandatory labelling and certification	High	High
Voluntary labelling and certification	Medium/high	Medium
Voluntary and negotiated agreements	Medium	Medium
Public leadership programmes	High	High
Education and information programmes	Medium/high	High
Mandatory audit and energy management	High, but variable	Medium
Detailed billing and disclosure programmes	Medium	Medium

Note: ^aIncludes ease of implementation; feasibility and simplicity of enforcement; applicability in many locations; and other factors contributing to the overall magnitude of realized savings.

Ürge-Vorsatz et al., 2007

Building Energy Performance

Direct externalities

The average
retrofitting
project saves
1,091
kWh/year

Each
retrofitting
project saves
360
kgCO₂eq/
year

Indirect externalities

Each million
invested in
retrofitting
creates
3.4 jobs

Greater
consumer
interest as
main market
driver

Global green housing market expectations:



Expected growth rate
through 2027

14,7%



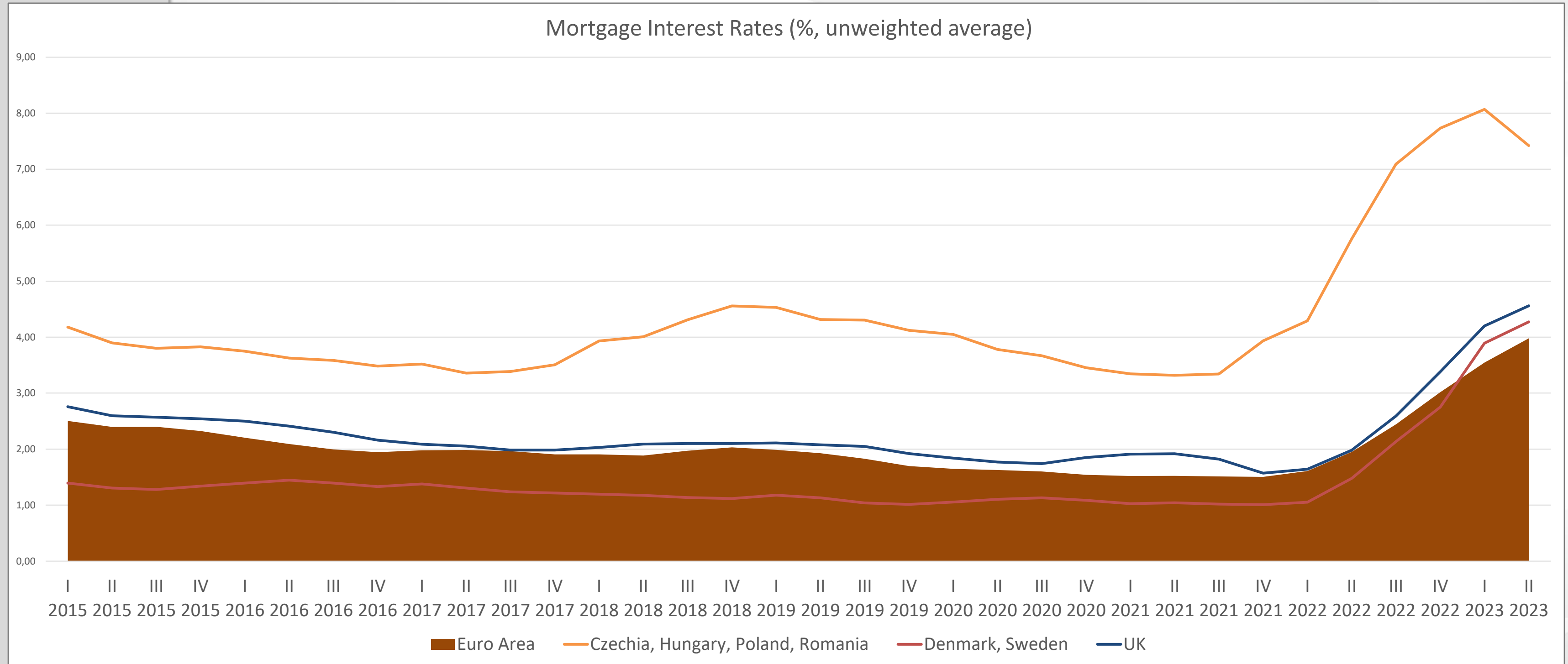
Expected market size
by 2027

USD 240,19 Bn



Asia-Pacific
will grow to largest
market

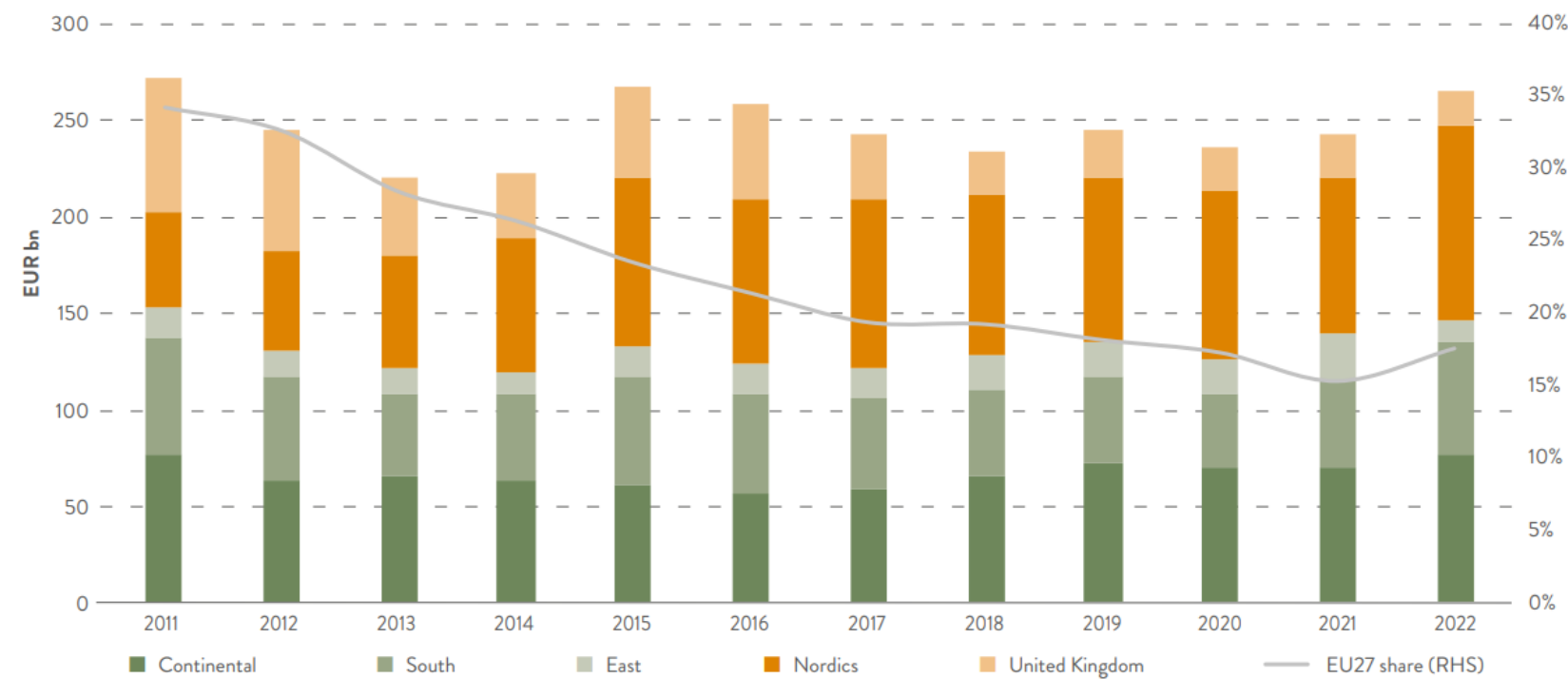
The drop in gross residential lending was most significant in Continental and Eastern Europe



Evolution of gross lending

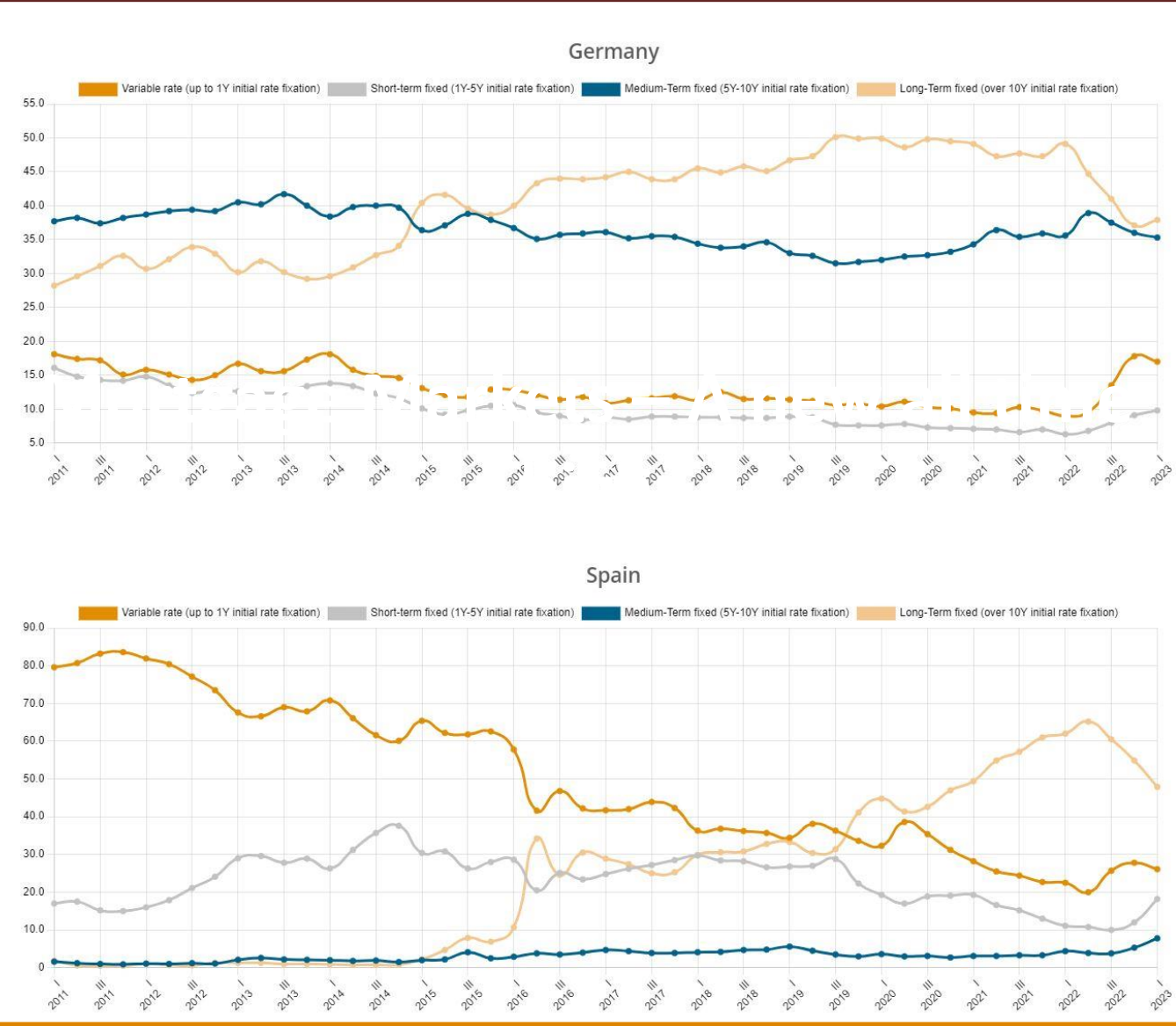
Fixation periods

EVOLUTION OF GROSS LENDING MORTGAGES WITH **VARIABLE** INTEREST RATES



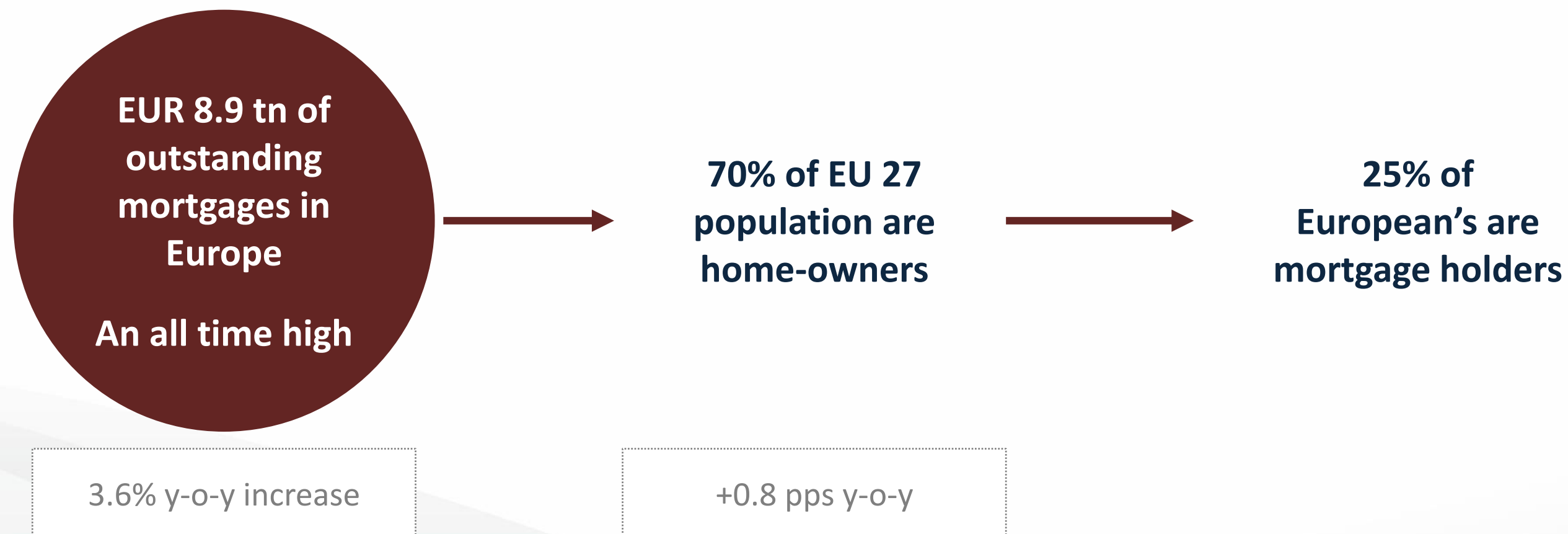
First increase in variable interest rates lending for ten years

MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS



Housing and Mortgage Markets Summary

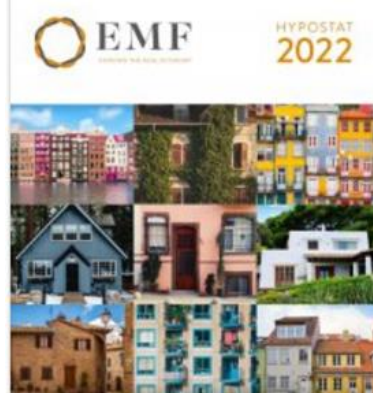
While the markets are diverse – as Europe's cultures, financial and social traditions and people are – our Industry is providing increasing funds to meet the needs of our societies around Europe:



The new EMF-ECBC Data Hub



In cooperation with Storied Data Inc., the EMF-ECBC developed three new Data Tools, representing the datasets of our key reports.



EMF HYPOSTAT

Hypostat is the European Mortgage Federations' annual statistical report, encompassing data on recent developments in housing and mortgage markets in the EU27 and beyond.



QUARTERLY REVIEWS

In light of mounting political uncertainty both within and outside Europe, the third quarter of 2016 has provided an aggregate housing and mortgage market picture which is in line with the previous quarters. In the EU house prices continued their upwards trend, on an aggregate level,...



ECBC FACT BOOK & STATISTICS

The ECBC Covered Bond Fact Book is a comprehensive source of information on the covered bond asset class. The latest edition of the Fact Book includes detailed explanations on the legislation and markets for covered bonds in 37 countries as well as articles on key trends and market developments.

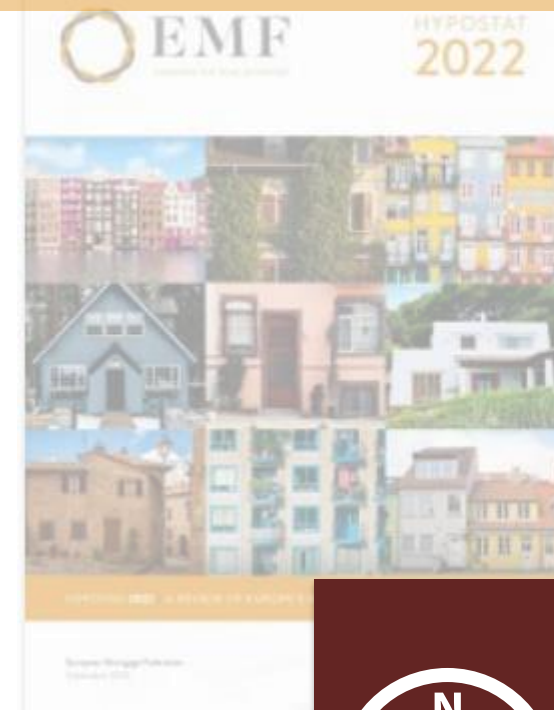
The new EMF-ECBC Data Hub



**Transform our data
into engagement**



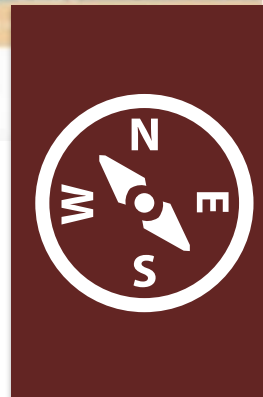
**Share data
convenient and
automated**



EMF HYPOSTAT

Hypostat is the European Mortgage Federations' annual statistical report, encompassing data on recent developments in housing and mortgage markets in the EU27 and beyond.

SEE MORE



**Influence by
enabling the
power of our data**

The new EMF-ECBC Data Hub

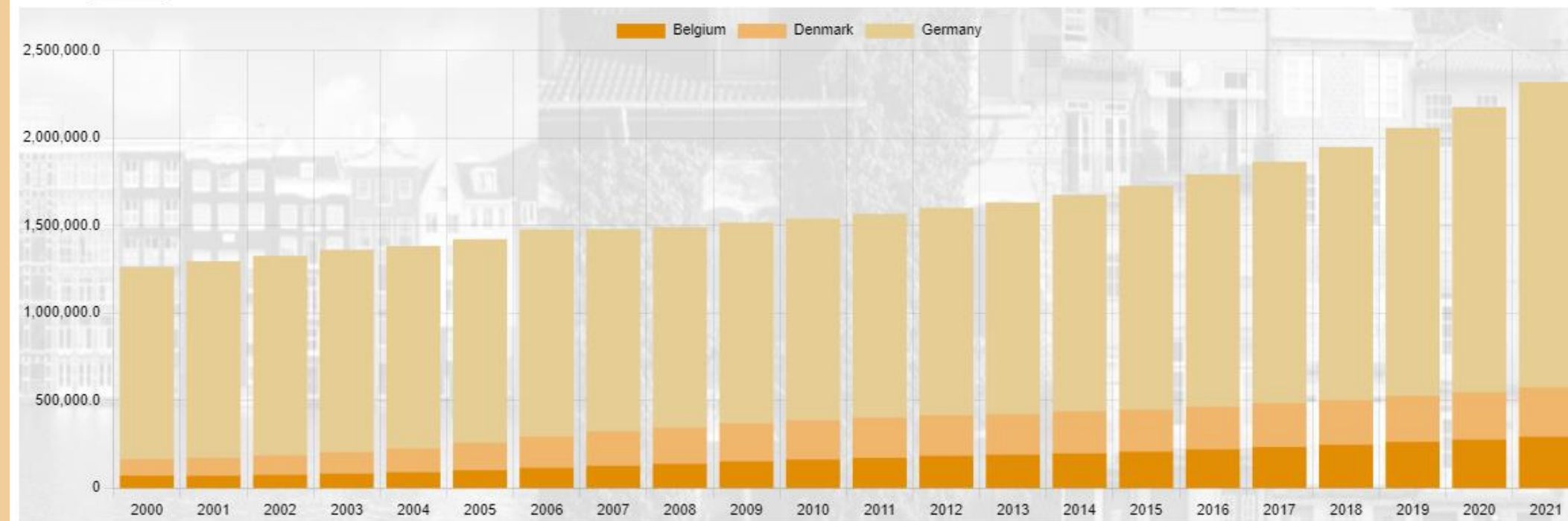


The tools including the data tables and an interactive interface to display the data in several figures.

Total Outstanding Residential Loans

Total Amount , End of the Year, EUR million

Line Column Area



The new EMF-ECBC Data Hub



The tool provides the possibility to comprehensively filter for indicators, areas, countries and timeframes.

MORTGAGE MARKETHOUSING MARKETHOUSING MARKET - CITIESMORTGAGE FUNDINGMACRO. INDICATORSMACRO. IND. - EXCHANGE

CountryArea

Mortgage Market

☒ Total Outstanding Residential Loans

☐ Change in Outstanding Residential Loans

☐ Gross Residential Loans

☐ Representative Interest Rates on New Residential Loans

☐ Amount of gross lending with a variable interest rate

☐ Average amount of a Mortgage granted

Country

☐ Finland

☐ France

☒ Germany

☐ Greece

☐ Hungary

☐ Ireland

Year

☒ [All]

☐ 2000

☐ 2001

☐ 2002

☐ 2003

☐ 2004

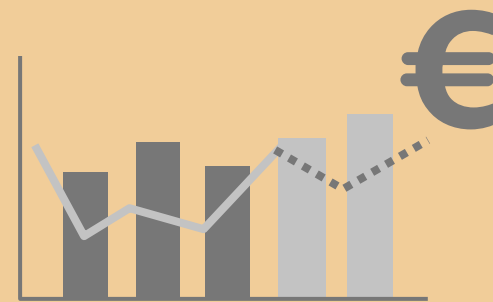
Reset Filters

The Data Hub:

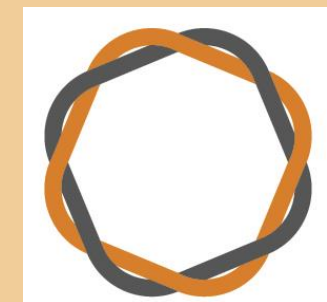
“For whom it may interest”



Researcher



Finance analysts



Members



Journalists



Policymakers



Ourself



Strategical goal: Convince stakeholders to share their data with us, which can be translated in providing more insight for your members



EMF|ECBC
FUNDING THE REAL ECONOMY



THANK YOU
**FOR YOUR
ATTENTION**