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HYPOSTAT **2025** | A REVIEW OF EUROPE'S MORTGAGE AND HOUSING MARKETS

European Mortgage Federation

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NOTE: The views and positions expressed in this publication are of the authors alone, and should not be interpreted as necessarily being those of the institutions to which they are affiliated.

Foreword

Housing lays the foundation for freedom, dignity and opportunity, paving a solid path towards lasting peace and shared prosperity. Housing policies for their part represent a major social lift, with the potential to support each and every citizen in realising their future expectations. In this context, and following on from months of financial turmoil and geopolitical crisis, housing and housing finance are issues which are taking central stage in a new way in global political debates. In such a dynamic landscape and in particular in the context of supporting the transition to a more sustainable economy, the financial sector can play a critical role in strengthening the capability of societies and political decisionmakers to respond efficiently and effectively to the real needs of citizens and businesses. Indeed, worldwide, an 'efficient, sustainable and sound housing ecosystem' is seen as one of the drivers of for long term sustainable economic growth and social integration.

Not only Europe but the entire world faces a severe housing shortage, with the root of this crisis lying in a simple economic principle: demand is exceeding supply. This imbalance has led to skyrocketing housing prices, making it increasingly difficult for many people to afford a place to live. As urban populations swell and economic pressures mount, the urgency to find viable solutions grows more pressing especially in the light of the transition to a greener economy where more than 40% of the pollution comes from the building sector. The housing crisis manifests itself in various ways across the globe. In major cities, the cost of living has outpaced wage growth, resulting in a significant portion of the population being unable to afford adequate housing. Addressing the global housing crisis requires innovative solutions and a collaborative global approach, and increasingly housing finance is being seen as a global private sector solution to address local, regional and national challenges.

The lack of affordable housing in Europe has been worsening since the Global Financial Crisis and even more since the Covid Pandemic, particularly affecting larger cities. Such a lack of affordable housing highlights an increasing concern for Europe's social equality, economic growth and productivity as, inter alia, it hampers workers mobility, the possibility for students to complete their education and the need of the most vulnerable to own or rent a house or a flat at affordable conditions.

In recent months, with a view to addressing the current challenges and to seize new opportunities, the EU has adopted a variety of initiatives. The Affordable Housing Initiative, announced in the European Commission's Renovation Wave Strategy for Europe, aims to ensure access to adequate and affordable housing for all Europeans, while also promoting energy efficiency and environmental sustainability. At the heart of this initiative is the recently announced European Affordable Housing Plan, which will provide a roadmap to tackle the root causes of the crisis.

In recent years and further to extensive research, analysis and outreach, the EMF-ECBC has designed a new, integrated, European and global housing finance ecosystem. This ecosystem is designed to act as a catalyst for families' renovation decisions and financial market opportunities. A housing finance ecosystem is the smart solution to implement new sustainable best practices which respond to social and sustainable policy targets. Indeed, the complexity and depth of those challenges are requiring a systemic response addressing fundamental economic, financial, environmental and social issues. This systemic response should focus on rapidly mobilising both public and private sector resources in coordinated and complementary ways.

It is against this background that we stand ready to assist the EU institutions by sharing knowledge, advice, best practices, cooperating, and supporting the housing agenda with an ecosystem approach, bringing affordability, energy efficiency, and renovation solutions over the coming years.

The EMF-ECBC is fully engaged in the creation and consolidation of such a global housing finance ecosystem focused on affordability and sustainability with the support of the International Secondary Mortgage Market Association (ISMMA) which gathers mortgage refinancing companies from around the globe. The ISMMA joined the EMF-ECBC community in 2022 having been established in 2018 under the sponsorship of the World Bank. The association provides a platform for member countries to exchange ideas on how to improve access to housing finance for their citizens and ultimately reach the goal of adequate, safe and affordable housing for all. As an extension of these global activities, the EMF-ECBC and the Housing Finance Information Network (HOFINET) have joined forces to consolidate the collection and dissemination of standardised housing finance data at global level. HOFINET is the quality-assured portal that consolidates regularly updated international housing finance knowledge in one central, easily accessible place. The provision of financial support to the real economy, particularly in areas such as housing, is essential for achieving Sustainable Development Goals and objectives related to climate. Investors engaged in the housing sector seek access to internationally comparable market data, insights into regulatory frameworks, and information regarding successful products and practices within both primary and capital markets for housing finance. This need is especially pronounced in emerging markets and developing economies, where the expansion of housing finance systems is imperative, but data is often insufficient.

With the creation and consolidation of a global housing ecosystem in mind, for several years the EMF-ECBC has furthermore been leading on a series of market initiatives, focused on retail and funding activities, intended to strengthen market governance, enhance data availability, promote common definitions, increase transparency, stimulate digitalisation and drive affordability and sustainability in the housing sector. These initiatives recognised at global level are significantly reshaping market practices, enlarging and diversifying the institutional investor base and facilitating issuer and investor due diligence and full compliance with the regulatory landscape.

The Covered Bond Label provides for enhanced quality in data disclosure and comparability of legal information on cover assets, reinforcing significantly the strategic relevance of the covered bond asset class for investors at global level. On a daily basis, capital market participants need complete and accurate information to support regulatory compliance with the Covered Bond Directive, LCR eligibility and ESG-related diligence matters, to name but a few priorities, and this need is growing all the time. This is where the ECBC comes into its own. The ECBC-led Covered Bond Label has become a qualitative benchmark as an informative gateway into the covered bond space. Most recently, the ECBC has completely refreshed its Comparative Database on global covered bond legislative frameworks, which is embedded in the Covered Bond Label website. Covered bonds are anti-cyclical, long-term financing instruments that help fund around two-thirds of all mortgage lending in Europe. Thus, the changes taking place on the mortgage retail side will surely have an impact on the covered bond side, and vice-versa.

The real estate sector plays a key role in decarbonising the economy and achieving the Paris Agreement goals established in 2015. In the EU, activities related to buildings (heating, cooling, lighting, and so on) are responsible for 40 percent of energy consumption and 36 percent of CO_2 emissions. Between 75 and 90 percent of the EU building stock is expected to still be standing in 2050, making energy efficiency refurbishment and financing a priority. Meeting the EU's energy efficiency targets, indeed, requires very high investments. Consequently, the role of private finance has become paramount in the shift towards a more sustainable economy and future. According to the European Commission, the EU's financial sector can significantly foster sustainable finance, positioning itself as a global leader in this domain. Such a transformation is expected to yield positive repercussions for economic growth and employment opportunities[1].

The Energy Efficient Mortgages Initiative (EEMI) and the Energy Efficient Mortgage Label (EEML) are at the heart of the EMF-ECBC's efforts to promote sustainable housing and lay the foundations from which to fund a socially desirable housing future. Through these initiatives, mortgage lending institutions are at the forefront of efforts to finance the transition towards a zero-carbon economy. Actions to curtail energy consumption and CO_2 emissions are becoming increasingly urgent, more so if we consider the dramatic increases in energy prices. Mortgage lenders can help drive the green transformation of the European housing stock by supporting the implementation of energy efficient financial products and stimulating new renovation initiatives, whether national or regional.

The Energy Efficient Mortgage Label, launched in February 2021 with the support of the European Commission, is a quality instrument that allows for the transparent identification of energy efficient mortgages in banks' mortgage portfolios by market stakeholders and its delivery is a key component of the broader EEMI. Moreover, the Label is a catalyst for consumer demand and a driver of the qualitative upgrade of the energy profile of lending institutions' portfolios, which translates into enhanced asset quality. Through the Harmonised Disclosure Template (HDT), the Label provides information on the portfolios of energy efficient loans as assets to be included in green (covered) bonds, allows for enhanced evaluation and tracking of their financial performance relative to alternatives, and provides greater transparency regarding climate risks and resilience.

As the market environment is changing rapidly, it is becoming ever more important to combine and enlarge the view to both sides of the market. Both reports, the ECBC Fact Book and the EMF Hypostat, are seeking to meet this challenge and are complemented by the publication four times per year of the EMF Quarterly Reviews, which provide a more regularly updated picture. By examining market data as broadly as possible and incorporating relevant influences, patterns are contextualised and linked to microeconomic trends, even at the country level. This approach is rooted in robust and expert contributions from our national experts, who speak on behalf of their communities and guide the readership through housing and mortgage market developments which are influencing social patterns in Europe and beyond.

The EMF-ECBC has always sought to be part of the solution and has activated the Industry's best resources to monitor, analyse, discuss and guard against potentially negative impacts for mortgage, housing and funding markets worldwide, amalgamating different cultures and market perspectives in a common way forward. Over the years, this approach has become the true fil rouge of our industry's modus operandi, and we are always ready to adapt to challenges whilst preserving asset quality and ensuring consumer and investor protection.

Specifically, Hypostat 2025 brings together the efforts of over 30 contributors, commenting on an annual data series of 30 indicators, covering the 27 Member States of the European Union plus an additional 12 jurisdictions beyond the EU's borders. Besides the country chapters of the EU27 Member States, which make up the bulk of the publication, Hypostat includes specific articles on the UK, Iceland, Norway and Switzerland. These chapters offer the most comprehensive and accurate source of data available on the markets covered and outline developments observed over the past year. To contextualise the single country developments, Hypostat 2025 also presents an analytical article covering the most recent macroeconomic patterns and key changes in mortgage and housing markets at a condensed level.

1 https://www.bancaditalia.it/pubblicazioni/qef/2024-0868/QEF_868_24.pdf

As the previous paragraphs show, the publication of this year's Hypostat comes at a critical geopolitical moment and at the dawn of a new political agenda for the European Institutions focused on ensuring access to affordable housing for all. At this important juncture, we have taken the opportunity of the 2025 edition to gather valuable insights from renowned housing market and housing finance experts from around the globe in four standalone articles focused on the housing affordability crisis.

- **Housing Policies:** The Affordability Challenge by Luiz de Mello.
- **Housing Affordability:** The Measurement Conundrum by Marja C Hoek-Smit.
- **Making Homes Affordable:** Global Lessons, Policy Innovations, and Market Approaches by Simon Walley.
- **Financing the Future:** How ISMMA Is Driving Affordable and Sustainable Housing in an Uncertain World by Oscar Mgaya.

On behalf of the EMF Research & Data Committee and its Chairman, Mr Gyula Nagy, who coordinate the preparation of each year's Report, we would like to sincerely thank all contributors for making the publication of Hypostat 2025 possible.

We look forward to engaging with our audience and continuing to work together in pursuit of the goal of adequate, affordable and sustainable housing for all.

Luca Bertalot, EMF-ECBC Secretary General

MACROECONOMIC SITUATION

- In 2024, the global economy held up, growing at a steady pace. However, uncertainty rose to high levels over the year, driven by mounting geopolitical tensions.
- Euro area real GDP grew by 0.9% in 2024, compared with 0.4% in 2023. Quarterly growth rates turned positive at the start of 2024 after five consecutive quarters of stagnation.
- According to an estimation of annual growth for 2024, based on quarterly data, employment increased by 0.9% in the euro area and by 0.8% in the EU. Employment trends in 2024 show mixed developments across Europe. Only a few countries have recorded an increase in employment rates in 2024.
- European Union annual inflation was 2.7% in December 2024. A year earlier, the rate was 3.4%. In December 2024, the highest contribution to the annual euro area inflation rate came from services (+1.78 percentage points, pp), followed by food, alcohol and tobacco (+0.51 pp), non-energy industrial goods (+0.13 pp), and energy (+0.01 pp).
- The unemployment rate declined from 6.5% in January to 6.2% in December – one of the lowest points recorded since the introduction of the euro and 1.3 percentage points below the pre-pandemic level observed in January 2020. The unemployment rate was also 6.2% on average in the last quarter of the year.
- Inflation stood at 2.4% in December, 0.5 pp lower than a year earlier (from 2.9% in December 2023).

HOUSING MARKET

- The housing market is still recovering from the consequences of the 2020 Pandemic, which led to reduced construction activity, supply constraints, and economic uncertainty. These factors lie at the heart of the affordability challenge in Europe, and the long-term increase in house prices across Europe is a central focus of the current policy debate. Affordability depends on a number of factors, including wage growth, which affects purchasing power, and inflation and fiscal policy, which affect the cost of borrowing.
- In the EU, residential construction is facing a significant downturn in 2024, with a projected 5.7% decline following a 2.6% decrease the previous year
- House prices in Europe are increasing at different rates, yet distinct trends in movements can be identified. Countries such as Bulgaria (217,5), Czechia (222,3), Estonia (209,8), Hungary (356,6), Lithuania (235), Poland (215), Portugal (231,4), and Slovakia (201,7) are recording the strongest increase in their house price index since 2015. Cyprus (118,3), Finland (99,6), France (126,4), Italy (110,7), and Spain (129,7) are posting the slowest price increases since 2015.
- Germany is the only country in the sample to record an owner-occupation rate of less than 50% (47,2%), representing the lowest rate in the EU. At the other end of the spectrum, four countries have an owner occupation rate above 90%: Romania (94,3%), Slovakia (93,1%), Hungary (91,6%), and Croatia (91%).
- On average, the total number of building permits issued continues to decrease by 21% in the downward trend in building completions has been observed since the 2007 crisis in the EMF sample. While housing completions increased from 2022 (54.918) to 2023 (58.631), the number declined to pre-2022 levels in 2024 (53.517).
- In Europe, demand for new construction has largely followed a downward trend due to high mortgage rates and high construction prices.

MORTGAGE MARKETS

- Outstanding residential loans have been steadily increasing over time, since 2017. This upward trend likely reflects a combination of rising housing demand, increasing house prices, and, in some countries, population growth.
- EU27 countries can be divided into three different groups based on their Residential Loans-to-Disposable Income Ratios. The countries with a low ratio (below 30%): Romania (12,4%), Hungary (12,4%), Greece (17,5%), Latvia (18,5%), Slovenia (21,8%) and Poland (23,4%) and the countries with a high ratio (over 100%); Luxembourg (134%), Norway (142,4%), Denmark (150%), Netherlands (159,9%) and Sweden (172,8%). The rest of the countries have a ratio between 30 and 100; Italy (32,3%), Czechia (40,5%), Austria (50,6%), Cyprus (56,2%), Lithuania (28%), Spain (62,4%), Slovakia (53,3%), Ireland (71,3%), Estonia (52,7%), Portugal (63,5%), Finland (72,7%), France (70,4%), Germany (71,3%), and Belgium (94,8%).
- The countries with the largest amount of outstanding residential loans per capita are Luxembourg (EUR 65.203,5), the Netherlands (EUR 49.609), Denmark (EUR 46.749,8), Sweden (EUR 44.230) and Belgium (EUR 27.417,6).
- Most EU27 countries experienced an increase in their average interest rates for house purchase between 2022 and 2024. Only Malta, Slovenia, Bulgaria, Hungary, and Poland experienced a decrease in interest rates between 2022 and 2024.
- In the recent volatile environment, consumers are increasingly shifting from variable to fixed rate mortgages in Italy, Germany, Spain, the Netherlands, Poland, Portugal, Austria, Greece, Ireland, Romania, Luxembourg, and Cyprus.
- Compared to previous years, there has been no change in the ranking of the largest mortgage markets. Germany, France, the Netherlands, Spain, Sweden, and the UK combined represent 76% of outstanding mortgages in the EU27 plus the UK aggregate.

NOTE

Hypostat, published by the European Mortgage Federation – European Covered Bond Council (EMF-ECBC), presents annual statistics on EU mortgage and housing markets, as well as data and information on a number of non-EU countries. The present edition, "Hypostat 2025", focuses on developments that took place in 2024, following on from months of financial turmoil and geopolitical crisis. Housing and housing finance are issues that are taking central stage in a new way in global and European political debates.

In the Statistical Tables, data is presented in EUR. This may, however, introduce exchange rate distortions for countries outside the euro area. Please see the exchange rates used in this edition in Table 30 of the Statistical Tables section.

Finally, although Hypostat aims to publish consistent data across countries and over time, not all data can be fully compared between countries, owing to some methodological differences present at the source. The EMF-ECBC strives, through Hypostat, to provide a comprehensive and comparable source of data and information on the mortgage and housing markets of the EU (and beyond). For further information on the definitions and sources used, please refer to the Annex: "Explanatory Note on Data".

Below, please find a list of the abbreviations and stylistic conventions used throughout the publication:

bn	billion
bps	basis points
mn	million
pps	percentage points
q-o-q	quarter on quarter
td	thousand
tn	trillion
y-o-y	year on year
BGN	Bulgarian Lev
BTL	Buy to let
CHF	Swiss Franc
CZK	Czech Koruna
DKK	Danish Krone
DTI	Debt to Income
EC	European Commission
ECB	European Central Bank
EU	European Union
EUR	Euro
FTB	First time buyer
GBP	British Pound
GDP	Gross domestic product
HICP	Harmonised Consumer Price Index
HRK	Croatian Kuna
HUF	Hungarian Forint
LGD	Loss Given Default
LTI	Loan to income
LTD	Loan to deposit
LTV	Loan to Value
MFI	Monetary and Financial Institution
NPL	Non-Performing Loan
PD	Probability of Default
PLN	Polish Zloty
RMBS	Residential Mortgage-Backed Security
RON	Romanian Leu
SEK	Swedish Krone
USD	United States Dollar
VAT	Value-added Tax

Housing Policies: the Affordability Challenge

By Luiz de Mello[1], Director at the Economics Department of the OECD

INTRODUCTION

Housing remains a key policy challenge around the world. To illustrate, in a recent opinion survey carried out by the OECD about a quarter of respondents place housing among the three top concerns facing economies and societies.[2] This prominence is in part due to rising house prices and rents over the last few decades, which has resulted in a scarcity of affordable housing in many countries, especially in large urban areas, where jobs are more abundant and amenities more plentiful.

Policymakers are aware of the challenges they face in the housing space. Indeed, a recent survey conducted by the OECD and UN-Habitat in about 70 countries identifies a lack of social housing, high property prices, low energy efficiency in buildings and inadequate housing for social groups with special needs among the top housing policy issues singled out in national urban policies.[3]

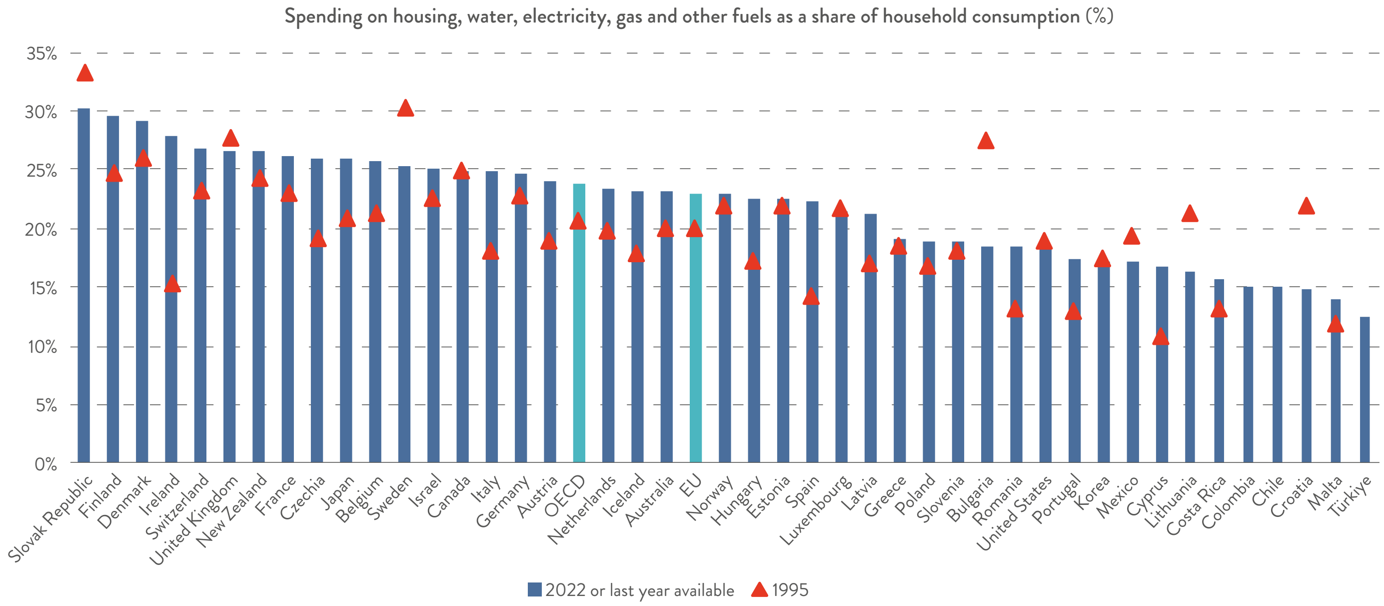
Policy options to make housing more affordable include initiatives in several, interconnected policy domains, such as land-use and financial sector regulations, spatial planning, building and environmental standards, taxation, public investment and social protection, just to cite a few. Policy choices often involve trade-offs and unintended consequences that need to be addressed, as well as potential synergies that can be exploited to meet people's aspirations and respond to societal needs. This note will discuss several of these policy options.

SETTING THE SCENE: THE AFFORDABILITY CHALLENGE

House prices and rents have risen sharply among OECD countries since the turn of the century. As a result, households are spending a growing share of their budget on housing and related items, such as electricity (Graph 1). Lower-income groups are affected most adversely by rising housing costs. Indeed, information from the OECD Affordable Housing database shows that households in the lowest income quintile (the poorest 20% of the population) spend close to one-third of their disposable income on housing, as opposed to less than 20% for the middle class, defined as those households in the middle quintile of the income distribution. Deteriorating housing affordability has contributed to a rise in homelessness in many OECD countries over the past decade.[4]

In most countries, house prices have risen because supply has failed to keep up with strong demand. Regulatory restrictions to new developments, especially due to cumbersome land-use regulations, along with slow administrative procedures regarding licensing and permitting, are important culprits for the failure of supply to respond to price signals. At the same time, demand has been boosted by favourable demographics in a few countries, including Israel, for example, as well as immigration, as in Canada and Ireland. In Iceland, demand for real estate has been boosted by both strong immigration and a boom in tourism.

GRAPH 1 | HOUSING AFFORDABILITY



Source: OECD Affordable Housing dataset

[1] The author is indebted to Boris Cournède and Volker Ziemann for comments and suggestions but remains solely responsible for any errors and omissions. The analysis and opinions expressed in this paper are the author's own and do not necessarily reflect those of the OECD, as well as the Organisation's member or partner countries.

[2] See OECD (2024), *OECD Survey on Drivers of Trust in Public Institutions – 2024 Results: Building Trust in a Complex Policy Environment* (OECD, Paris), for more information.

[3] See OECD/UN-Habitat (2024), *Global State of National Urban Policy 2024: Building Resilience and Promoting Adequate, Inclusive and Sustainable Housing* (OECD, Paris), for more information.

[4] See OECD (2024), *OECD Toolkit to Combat Homelessness* (OECD, Paris), for more information.

Government support for the needy in the form of subsidised rent is limited in most countries. To put this in perspective, New Zealand is among the most generous countries in this area among OECD peers, but it spends only about a third of a percent of GDP on rent subsidies for social groups in need. Direct government spending on other housing programs, including construction, is low on average in OECD countries and has declining over time.[5] Higher government investment to build social and affordable housing would not only protect low-income or vulnerable households but it would also contribute to expanding the housing supply, putting downward pressure on house prices. Another benefit of improving housing affordability is that it allows workers to move to areas where jobs may be more abundant and better suited to their skills, which contributes to the country's economic performance and resilience to shocks.

The affordability challenge is not only about income but also the quality of housing. Although quality has several dimensions, such as the size of and the range of amenities available in dwellings, an important one is related to the ability of residents to keep their home warm when it is cold outside (Graph 2). Indeed, energy poverty is particularly high in many OECD countries, especially among low-income households, reflecting deficiencies in the use of energy in poorly insulated buildings. In warmer climates, energy poverty may be associated instead with a lack of access to energy-efficient air conditioning and cooling devices, which are needed to keep the temperature of living spaces pleasant and healthy when it is hot outside. At the core of the energy poverty problem is a lack of access to energy-efficient appliances and poor insulation, which reflects the physical characteristics of buildings and dwellings.[6]

Dealing with energy poverty can have win-win benefits in terms of affordability and environmental sustainability. This is because energy used in buildings, including residences, accounts for nearly one-quarter of CO_2 emissions in the OECD area. This makes the decarbonisation of buildings an important element of strategies to meet agreed climate change targets. Policy options include, for example, subsidies for energy-efficiency upgrading, which could be financed at least in part by raising recurring property taxes along with measures to ensure that the rental sector is properly covered. In addition, financial regulation can contribute to easing the funding of the energy transition by allowing mortgage issuers to take into account in their pricing and creditworthiness assessments that more energy-efficient homes will have better long-term value, including when they finance renovation.

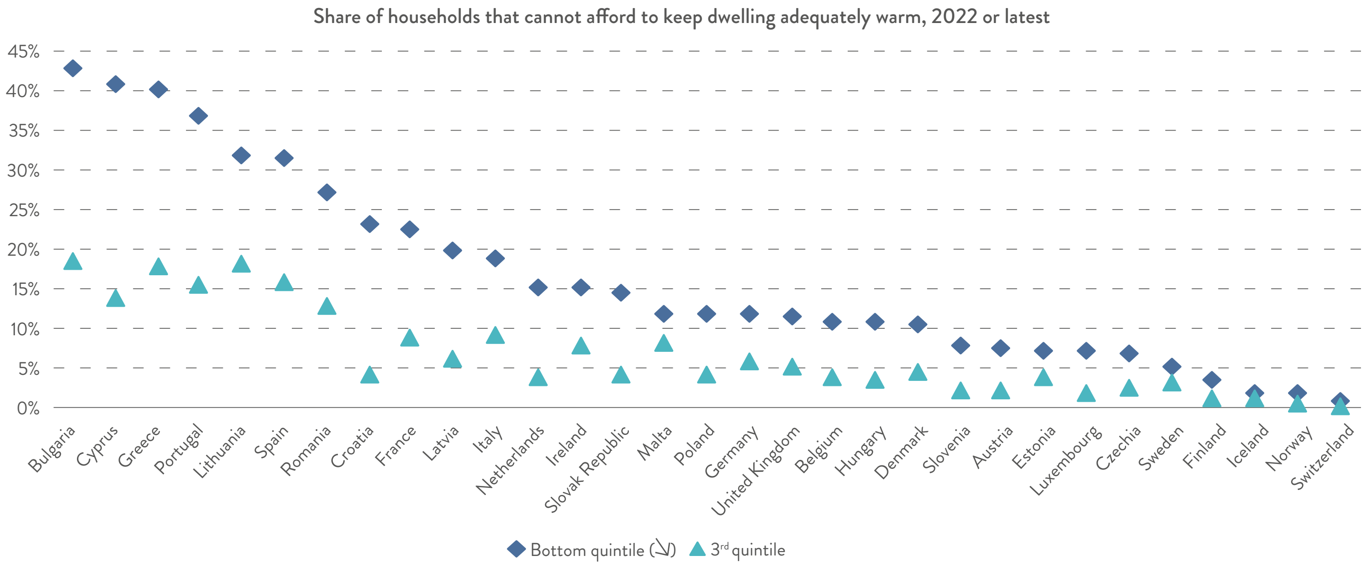
WHAT CAN POLICY DO TO MAKE HOUSING MORE AFFORDABLE?

Because housing policies are complex and interconnected, often aimed at different objectives – affordability, sustainability, financial stability, etc. – they require concerted action among different branches of government, line ministries and stakeholders beyond the public administration, including financial institutions and real estate developers. Fostering effective collaboration among these different stakeholders is essential for ensuring that objectives are aligned and incentives are created for effective action.

A few key policy considerations can be highlighted. They include spatial planning and land-use regulations, building codes, rental market regulations, taxation of property and income, environmental policy and standards, social and affordable housing policies, public governance arrangements and financial regulation.

For example, land-use and spatial planning policies need to be flexible enough to facilitate the expansion of housing supply. This can be done by removing obstacles to densification, repurposing non-residential areas for residential use and making vacant land available for development while taking into account objectives relating to the preservation of natural and farmland. Overly tight building height restrictions or minimum lot size requirements can also be phased out to allow for an expansion of housing supply in sought-after areas. Mergers of municipalities or intermunicipal cooperation can help overcome fragmentation in land use planning. Exemaples of intermunicipal cooperation in spatial planning include Belgium (Veneco project around Ghent), Czechia (Desnà Valley) and Poland (Zielawa Valley).

GRAPH 2 | ENERGY POVERTY



Source: OECD Affordable Housing dataset

[5] See OECD (2021), *Brick by Brick: Better Housing Policies in the Post-COVID-19 Era* (OECD, Paris), for more information.

[6] See de Mello and Kyriakopoulou (2022), Accelerating the just energy transition in the real estate sector: Energy efficiency amid an energy crisis (Hypostat 2022), for more information.

Another area for reform of regulatory frameworks is related to the protection of landlord and tenant rights. Where regulations are exceedingly protective of tenants, for example, through restrictive provisions for rent adjustments within leases, rental markets tend to be less developed, undermining affordability. Of course, an appropriate balance needs to be achieved in protecting the rights of landlords and tenants in ways that reward investment and ensure tenure security for renters.

Also, there is much potential in several countries for making housing taxation more efficient. In many cases, tax codes include incentives for owner-occupiers, such as mortgage interest relief, which distort tenure choices to the detriment of rental and other modalities. In other cases, governments rely on levies on transactions, such as stamp duties, rather recurrent taxes on immovable property, which add to prices and undermine the liquidity of housing markets. Reform of housing taxation tends to be politically difficult but can be facilitated by combining initiatives that are consistent across instruments and maintained over time. An example is the Dutch reform since 2011 to reduce transaction taxes while gradually reducing mortgage interest relief.

Where recurrent taxes are the instrument of choice, cadastral values underlying property taxes need to be updated regularly. Payment deferrals for low-income owners can be considered to deal with "house-rich income-poor" problems; higher rates can be applied to vacant and secondary homes to encourage the development of rental markets; and split-rate housing taxes with higher rates for developable or developed land than structures can be considered in the design of property taxes. Reform options include capping the capital gains tax exemption for the sale of residential property to ensure that the highest-value gains are taxed to strengthen progressivity of the tax system while reducing some of the upward pressure on house prices.

Moreover, housing finance can be improved in many ways while ensuring financial stability. Most OECD countries already rely on instruments, such as macro- and micro-prudential requirements on lenders and borrowers, including caps on loan levels relative to property values, debt service payments relative to income, and/or outstanding debt relative to income. These instruments aim to avoid excessive risk taking and undue exposure of lenders and borrowers alike to fluctuations in property prices. They need to be accompanied by appropriate oversight to avoid systemic financial stability risks and vulnerabilities to shocks.

Housing finance regulations also do well to ensure consistent treatment of lenders, irrespective of their bank or non-bank status. This allows for the development of new housing finance markets and instruments while avoiding undesirable risk shifting across segments of the financial system. In this regard, it is important to foster an environment where lenders and other housing-finance market participants have access to high-quality information on the environmental performance of the buildings associated with real estate-related financial products.

Because these policy areas are interconnected, clear objectives need to be defined for the design, implementation and evaluation of housing policies. In some cases, policy instruments may reinforce each other, leading to win-win outcomes, such as the ones mentioned above in terms of affordability and sustainability. In other cases, there may be trade-offs that need to be taken into account. For example, reducing tax incentives for mortgage holders helps to curb demand for housing, which alleviates pressure on prices, but it could also make it more difficult for new buyers, often young families, to become homeowners. Relaxing land-use regulations simultaneously eases this trade-off.

Another example of a trade-off is related to environmental standards and affordability. While stricter norms are necessary to achieve agreed emissions goals, they can also raise the costs of construction and maintenance of buildings, which are ultimately reflected in house prices. Energy-performance mandates combined with rent controls can be considered to reconcile sustainability and affordability objectives, including for example subsidies for energy-efficiency upgrading that could be financed, at least in part, through higher property taxes along with measures to develop rental markets.

WHAT CAN BE DONE TO PROMOTE SOCIAL AND AFFORDABLE HOUSING?

Where there is an explicit policy objective to develop the social and affordable housing segment, three main policy considerations need to be borne in mind.

First, choices need to be made regarding the delivery mode, including direct public investment, capital transfers or carefully designed tax incentives to encourage private (for-profit or not) providers. Attracting private investment to social and affordable housing can ease pressure on the public finances. Tax incentives can encourage the development of housing associations and not-for-profit developers. For example, Austria and Denmark offer corporate tax exemptions to such associations, and Denmark also grants VAT exemptions. For non-governmental provision of social and affordable housing to be viable, social rents must be well calibrated: they need to be low enough to ensure affordability but high enough to fully cover lifecycle costs, including construction, financing and maintenance, without relying on ongoing public subsidies.

Second, regardless of the delivery mode, the design of eligibility and portability conditions associated with social and affordable housing is crucial. Making sure that the truly needy are well targeted, for example through appropriate means-testing of benefits, is a pre-condition for good value-for-money of government support. Portability of rights – where eligibility for support is not tied to a specific local government – is crucial to avoid lock-in effects that discourage residential, and ultimately labour, mobility and trap workers in areas with limited job prospects.

Third, strong quality and environmental standards need to be applied in both construction and maintenance of social and affordable housing estates. Recurrent investment is needed for the upkeep of buildings and through renovations that ensure high energy efficiency during the lifetime of social and affordable housing estates. Without such investment, there is a risk of stigmatisation of the housing stock, as well as spatial and socio-economic segregation, which are at odds with broader objectives of improving social mobility through housing policies. The public expenditure needs that can arise from policies to promote access to social and affordable housing need to be recognised, appropriately estimated and duly reflected in government budgets.

CONCLUSION

All these policy considerations and the instruments that can be deployed to meet policy objectives need to be considered against a background of evolving technologies and changing preferences. Demand for commercial property is being re-shaped by the advent of online shopping, at the same time as more widespread work from home since the Covid-19 pandemic is influencing demand for office space. This is restructuring the "high street" in most modern cities and could create potential for converting urban office and commercial real estate into residential units, alleviating affordability constraints.

Shifting demographics, not least through rapid population ageing in many parts of the world, is also influencing the demand for housing and posing affordability challenges. Household sizes are shrinking due to population ageing, which requires the retrofitting of buildings and urban spaces to respond to the needs and preferences of older populations. These are costly investments that add to house price pressures. For all these reasons, the "geography of housing" is in a constant flux, calling for a re-think of mass urban transport networks and the provision of urban amenities in urban and peri-urban areas. Supply-demand mismatches are, therefore, far from static and call for creative policy solutions.

Moreover, digitalisation is playing an important role in the housing policy landscape. The expansion of fintech has the potential to offer a broader range of finance for investment in real estate but needs to be regulated appropriately to safeguard financial stability. Competition can be enhanced by the entry of new market participants in housing finance, reducing borrowing costs and facilitating access to finance for the currently underserved population.

Cognizant of these challenges, the OECD identified in 2024 a set of principles and good practices – an Agenda for Housing Policy Reform – that decision-makers can follow and adapt according to country circumstances and preferences in pursuit of their housing policy objectives.[7] The Agenda calls for enhancing policies and regulations to allow housing supply to respond efficiently and effectively to demand signals, promote access to affordable quality housing and enhancing the environmental sustainability of buildings.

[7] See OECD (20024), An Agenda for Housing Policy Reform, Policy Brief (OECD, Paris), for more information.

Housing Affordability: The Measurement Conundrum

By Marja C Hoek-Smit, Director, International Housing Finance Program, Wharton School, University of Pennsylvania

INTRODUCTION

Housing affordability is one of the major policy challenges of our time, in both advanced economies (AE) and emerging market- and developing economies (EMDE), as housing costs have increased more rapidly than household incomes since at least 2000. Compounding this trend is the fact that the distribution of income and wealth has shifted in most countries against the poorest deciles. The affordability problem that has built up over time shows up in increasingly problematic housing outcomes, such as rising homelessness, high payment burdens in rental housing, overcrowding and increasing multigenerational occupancy, difficulties in accessing homeownership, the persistence of informal housing. Addressing housing affordability requires fundamental housing system changes in most countries. However, the concept of housing affordability is imprecise, has many different components and means different things for consumers, producers, government and the private industry.

Quigley and Rafael (2004) put it well: "…the term 'housing affordability' jumbles together in a single term a number of disparate issues: *the distribution of housing prices, the distribution of housing quality, the distribution of income, the ability of households to borrow, public policies affecting housing markets, conditions affecting the supply of new or refurbished housing, and the choices that people make about how much housing to consume relative to other goods. This mixture of issues raises difficulties in interpreting even basic facts about housing affordability."*

Lack of clarity hampers effective policy-making to improve affordability and makes international comparisons problematic. Various definitions and methods to measure affordability have been introduced to capture its core features. *Definitions are not trivial.* They direct fact finding and measurement of affordability, which in turn frame policy choices, and establish the parameters of policy solutions and investment. *Definitions are also not static.* They develop with the dimensions of the problem, the innovations in measurement methods and the need for global comparison.

This brief note describes the different definitions of housing affordability, their data requirements and measurements and how improved data and research influence both policy-making and investment. We discuss the current emphasis on the strategic role of finance in addressing housing affordability and the related requirement to improve data on housing finance at the national level. Equally important are regional and global institutions to lead the standardization of global housing finance data and their dissemination in the public domain. In that context, we discuss the recent effort by EMF/ECBC, ISMMA and HOFINET to integrate and expand EMF's and HOFINET's housing/finance data systems, in collaboration with national and regional housing finance institutions, and launch an improved global housing finance data platform.

DEFINING HOUSING AFFORDABILITY

HOUSING EXPENDITURES

One of the oldest measures of housing affordability and the most frequently used, is the ratio of housing-expenditures-to-household income.[1] This ratio is similar to the OECD's "housing cost overburden rate", which shows the proportion of households spending more than a certain percentage of their income on housing. The data may include utilities, transport or taxes, it can be expressed for different income- and employment groups and can be applied to both owners and tenants and specific housing markets.

Most housing expenditures data can be sourced from household income and expenditure surveys. The ratio has been used as a proxy not just for affordability but also as a proxy for housing demand – the willingness to pay for specific housing services. It is, however, applied carelessly in many housing affordability studies. Standard normative expenditure ratios used in advanced economies to underwrite loans – typically a maximum of 25% to 30% of income- are often applied across countries with highly diverse incomes. Comparative international research has shown, however, that across countries this ratio decreases with decreasing per capita income, and that the percentage of income spent on housing increases with decreasing income levels within housing markets, i.e., the poor pay a larger proportion of income for housing (and utilities) than higher income groups within a given housing market. Income elasticities are also different for owners and renters (Malpezzi and Mayo, 1987). Nevertheless, when applied appropriately, this is a useful proxy measure of affordability and is frequently used for policy and program design.

HOUSE PRICES

With the rise of house-prices over the past decades, the proxy definitions for affordability shifted to house-price-to-income, rent-to-income, and rent-to-house-price ratios in different variants.[2] Adoption of standardized measurement methods of house prices, e.g., through hedonic analysis, and the development of house-price indices made collection of such data feasible. Nevertheless, broad national measures of house prices, even by types of housing (new or existing, single-family or multifamily, types of sub-markets) are of questionable value when markets are too heterogeneous. The value lies mostly in the change in prices over time. Recently, innovative methods to assess house-prices for different market segments such as scraping residential real estate websites and the like, have been added to the arsenal of house-price data tools.

After the Global Financial Crisis, house-price trends became an increasingly important input for macro-prudential policy in relation

[1] The difficulty of measuring household incomes in EMDEs is a frequent concern. Many countries were advised in the 1990s to disaggregate Household Income and Expenditure Survey data into per capita values to facilitate the measurement of poverty. However, housing affordability has to be measured with the household as the unit of analysis, since the household is the occupant and paying entity. A related issue is how to account for different household sizes. Most studies normalize for household size and calculate an "equivalency" income.

[2] Median-house-price to median household-income ratios for select markets are widely used. The Housing Indicator Program of the 1990s by the World Bank and UN-Habitat (discontinued), used the median-price-to-income.

to the detection of housing boom/bust cycles and related propensity for banking crises (Cerruti, 2017). Interestingly, the impetus to improve house price data and trends came from the International Monetary Fund (IMF)[3] and the Bank of International Settlements (BIS)[4], which focus on macro-economic issues.

The focus on house-prices directed the affordability research towards housing supply issues such as trends in new supply, supply elasticities for different markets and sub-markets, reduction of construction and retrofitting costs, regulations, and housing boom and bust cycles.

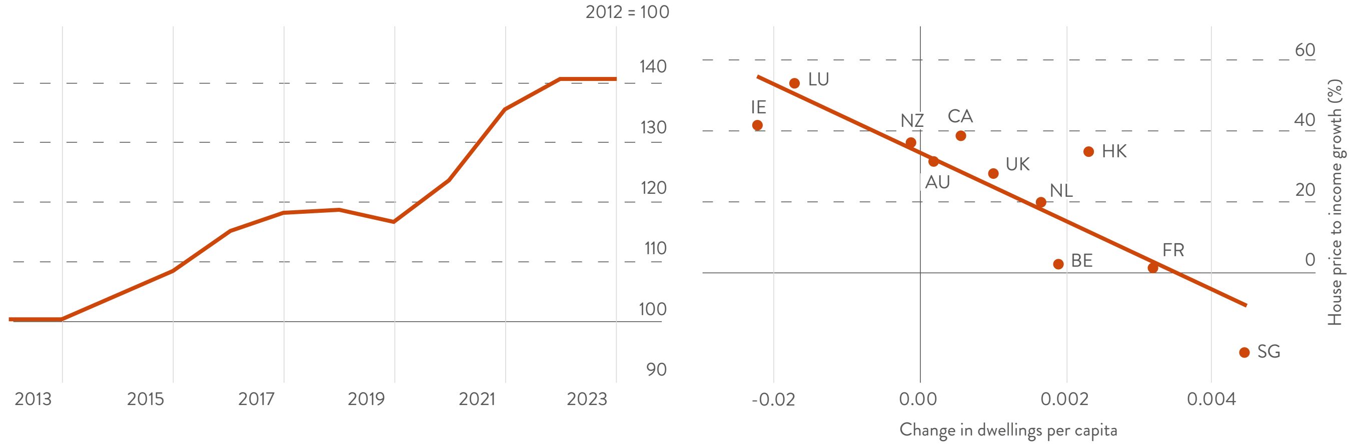
Research often centered on the US and other advanced economies because of availability of data. House-price data and supply factors are local. The US collected supply-side data at the municipal level (Gyourko and Saiz, 2006; Gyourko, Saiz, Summers, 2008).[5] Some relevant conclusions of these studies are that, in general, markets with an elastic supply, related to accommodating land use regulations, show lower price to income increases and less pronounced boom-bust cycles, while other aspects of supply, such as construction costs, proved to be less important as a determinant of affordability (Glaeser and Gyourko, 2018; Duranton, 2025; Potter and Syverson, 2025).

Likewise, in supply-constraint markets, policy measures to increase affordability are less effective than in supply-elastic markets (Hilber, 2013). Policy-makers should be encouraged to reduce binding land use regulations since that may have a particular positive effect on affordability. The challenge is to collect such data in more countries, particularly EMDEs[6] to set policy priorities for the improvement of affordability.

GRAPH 1 | HOUSE PRICE TO INCOME RATIO INCREASED IN LAST DECADE – INFLUENCED BY SUPPLY

A. Strong rise in house prices to incomes over the past decade[1]

B. House prices to income have risen the most where supply has increased the least[2]



[1] Median of AU, BE, CA, FR, HK, IE, LU, NL, NZ, SG and UK. [2] 2012 to latest. For SG, data refer to build-to-order public housing units in non-mature estates. SG housing market largely comprises public housing, with a significantly smaller share of private housing.

Source: CGFS study group.

From BIS 11-2023: Macro-prudential Policies to Mitigate Housing Market Risk

ABILITY TO PAY

Increasingly, definitions of housing affordability focus on the payment capacity of households - "the ability to pay for housing in relation household incomes". This definition of affordability includes some components of the expenditure ratio but uses an assessment of the ability to pay including the typical terms of finance. It requires:

- An estimated distribution of buyer households by income segment and housing option.
- A definition of household disposable income
- Conditions of a typical mortgage
- Assumptions on % of income that can be spent on mortgage payments or rental payments
- Housing subsidies
- Rent levels in local currency by market segment

This definition recognizes that access to finance and the conditions of the loan may be more important than income and house-prices in determining housing affordability, particularly for homeownership. Policy actions such as lowering costs of finance may, however, inflate house prices when supply is not elastic (see above), and may, therefore, not translate into improved affordability.

There are reasons why housing finance did not feature prominently in housing affordability measurements before either in AEs or EMDEs:

In AEs, housing finance was widely available at low interest rates since the 1990s and was not perceived as a core feature of the affordability problem, other than as a vehicle for housing subsidies. The Global Financial

[3] "The IMF is a global organization that works to foster monetary cooperation, secure financial stability, and promote sustainable economic growth and poverty reduction worldwide. It was established in 1944 and currently has 191 member countries. The IMF's main functions include surveillance of the international monetary system, providing financial assistance to member countries, and offering technical assistance and training." Source: IMF

[4] The BIS acts as a forum for central banks to discuss and coordinate policies related to international finance and monetary issues.

[5] The Wharton Residential Land Use Regulatory Index.

[6] The Centre for Affordable Housing Finance in Africa (CAHF) measured "the cost of a generic formal 46M2 house" in main cities across some sub-Saharan African countries. Data were difficult to interpret and compare, however. (Benchmarking Housing Construction Costs in Africa, CAHF).

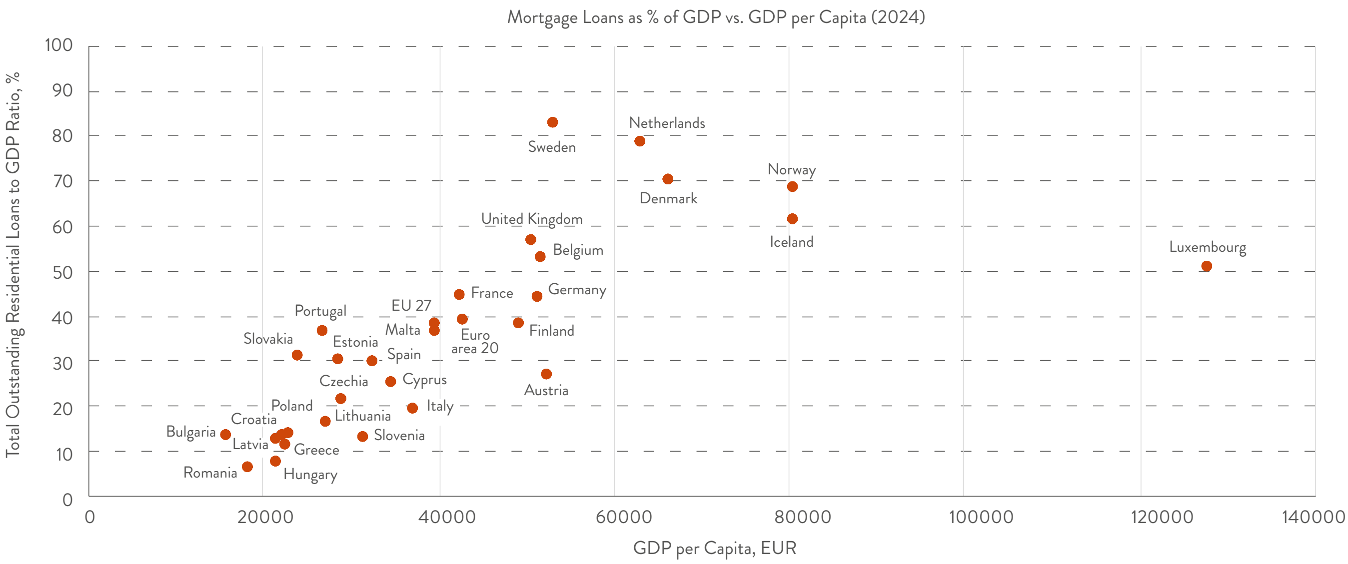
crisis of 2008 and the subsequent constraints on access to credit, financialization concerns and more recent increases in mortgage interest rates changed that. Housing finance has, therefore, returned as an important measure of housing affordability in AEs, even though supply constraints such as land use regulations are considered a more important determinant of affordability.

In most EMDEs inflation in the 1970s caused market mortgage interest rates to be high - seldom lower than mid-to-upper-teens - and housing finance systems remained small and only accessible by higher income households. In many countries, governments established public housing banks or provident funds during this period to provide deeply subsidized credit at a fixed rate, mostly to public servants. These non-market systems became the norm for mortgage finance for the "affordable" segment and prevented market-based mortgage systems from expanding. The overall mortgage system remained small.

Under these conditions, most owner-households pay for the purchase or building of a house from savings, remittances or informal family loans. Rental is often the dominant form of tenure - around 80% to 90% in urban sub-Saharan Africa.

With increasing income levels and more stable interest rates, the ability of middle- and lower middle-income households to pay for a market-rate mortgage has improved in many countries. Generally, the amount of mortgage loans outstanding as a percentage of GDP increases with GDP per capita.

GRAPH 2 | MORTGAGE LOANS OUTSTANDING AS A PERCENTAGE OF GDP



Note: For statistical purposes, only data from the EU27 was used to construct the graph.

Gradually, countries are reforming their subsidized housing finance systems[7], strengthening their mortgage markets and macro-prudential regulations for the sector, and increasing capital market funding to grow the sector.

While these developments take place at an uneven pace in different regions and countries, access to and cost of housing finance has become a critical component of housing affordability in EMDEs in relation to homeownership.

CLARITY DRIVES ACTION: FILLING THE DATA GAPS

The complexity of housing markets, the low income levels relative to house-prices, and the constraints on the supply of housing can make the housing affordability problems seem nearly intractable, particularly in EMDEs.[8] The bright spot for EMDEs is the growing access to housing finance and the many innovations in lending products and procedures, the funding of mortgages, and innovations in the financing of rental housing. These trends are making a real difference in housing affordability, which in turn encourages supply.

What data is needed to conduct the necessary analysis for the formulation of policies and regulatory changes to address the affordability problem? And what data do developers and investors in affordable housing require? Both stakeholder groups need detailed national-level and sub-national data on potential demand, existing supply, prices and access and cost of developer finance and end-user finance. Policymakers would also benefit from comparative data on similar countries' housing markets and policies.

NATIONAL LEVEL DATA

Many countries, even AEs, lack comprehensive data on the different aspects of housing affordability. Data may be available but are spread across different institutions or local governments or are compiled in a format that hinders analysis. Below are some core data constraints:

Detailed supply side data on land titles, numbers of permits, completions, occupancy, prices and transfers are often available at the local government level but in different registries and are not aggregated at the sub-national or national level.

[7] The Asian Financial Crisis of 1997 was a catalyst for reforms in the subsidized housing finance systems of several Asian countries including Korea and Indonesia. Thailand had started its reforms already in 1986 and so did India. In the past two decades reforms have been initiated in many EMDEs, although low incomes are still a major constraint in many developing economies.

[8] MSCI labelled bond market data show that social labelled funds, which are mostly made up of investments in affordable housing, lag green labelled funds and sustainable funds.

Data on household income and income distributions, which are crucial to any affordability analysis, are often unavailable in EMDEs where the Household Income and Expenditure Survey data are only provided on a per capita basis (see above).

Data on loan amounts, housing finance instruments, the LTVs and DTIs used by lenders for different income and employment groups, and NPL data are available at lending institutions but are not assembled in a standard format by the banking associations or secondary housing finance institutions, nor are they readied for and published in the public domain.

Importantly, data on the size and characteristics of the mortgage market are often compiled by Central Banks, but only for a few data points and only for the institutions it supervises, i.e., mostly banks. Housing finance cooperatives, which are important providers of credit for the affordable sector, are often supervised by a separate regulator, and so are provident funds and government housing finance institutions or other non-bank financial institutions. Taking only Central Bank data into account underestimates the size of mortgage markets and the variety of lending products and conditions, which may deter potential investors who look for availability of off-take finance.

National housing institutions such as the Ministry of Housing and the National Housing Corporation, the Ministry of Finance and the Office of Statistics, Central Banks and secondary market institutions, the private sector trade associations of realtors, developers and financial institutions should all play an important role in the assembly of core data in appropriate formats and make a plan for their dissemination. Private developers, builders and lenders benefit the most from having access to data, and data availability would help super-charge the affordable segment of the market.[9] **Money spent on data is negligeable compared to the cost of poor project design, particularly in the affordable sector**.

INTERNATIONAL COMPARATIVE DATA

Why are comparable international data on housing finance and housing affordability important? Such data provide countries with an understanding on how they compare with others on core housing affordability and other metrics, learn from other countries' experiences and understand international trends and crises that may affect them. International comparison is particularly relevant in housing finance since financial systems are highly interconnected globally. Also, financial mechanisms that improve access to housing finance may be more readily transferable to other countries than real supply-side actions, e.g., guarantees, ways to reduce transaction- and regulatory costs, credit risk tools, blended finance mechanisms, effective subsidies and ways to access capital market funding for housing finance.

Several international comparative data efforts on housing affordability exist or are under development. There are, however, major gaps, particularly in housing finance.[10]

OECD AND EMF

For AEs, OECD compiles data on the housing sector in collaboration with the national governments of their member countries.[11] OECD does not collect data on the housing finance systems. Such data is not broadly available at the national level. EMF fills this gap to a large degree with its Hypostat data for some 28 countries. This data is, however, not yet fully standardized and is not yet available in database format in the public domain.

IMF/BIS

The Global Financial Crisis triggered "global" house-price and housing affordability data collection efforts. The most prominent was the "Data Gaps Initiative" by the Group of Twenty (G20), which in 2009 endorsed a recommendation to task member countries to "compile and publish **residential property price indices** broadly representative of the residential property market and make them available to relevant international organizations (BIS, OECD, Eurostat)". House price data are available for approximately 60 countries. However, the data is not highly standardized and covers mostly AEs and some higher income EMs.

Recently BIS/IMF constructed a global housing affordability index based on US and Australian models (Biljanovska, Fu, Igan, 2023).[12] The BIS-team applied the method to an uneven cross section of 40 AE and EM – 33 AEs and 7 EMs (no developing economies were included). The model includes house-price data (price per m^2), median income, mortgage rate, typical LTV, average term to maturity of mortgage loans, average property size and average household size. Data were collected on a one-time basis from various sources, including Hypostat for housing finance variables. Its application is limited by data availability, particularly on housing finance, but showed promising results.[13]

HOFINET

During a 2007 international housing finance conference concerns were raised by representatives of multilateral organizations, private funds and other stakeholders about the lack of meaningful global standardized housing market and housing finance data and the related lack of comparative research on global housing finance systems, their risks and the growing affordability issues. It was decided to create a Housing Finance Information Network (HOFINET), a global standardized housing finance data system that would compile international data and make them available on a public platform.[14]

HOFINET created a Unified Global Data Base for Housing and Housing Finance Data – a standardized globally piloted questionnaire administered by national housing finance institutions and experts, and a central database that is available in the public domain.[15] More than 120 countries were included, both advanced and EMDEs. It had 35,000 individual yearly users in 190 countries, showing the need for such data.

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9 CAHF and FSD Kenya initiated a data sharing program in Kenya. The first step was to post all the laws and regulations related to land and housing on one public web platform.

10 Earlier attempts, such as the Housing Indicator Program of the 1990s by the World Bank and UNHabitat, were discontinued because of lack of resources and management. UNHabitat intends to revamp its global housing data platform with a focus on housing affordability, and the World Bank will open a housing section on their "Data 360" platform. These efforts are all based on existing national data.

11 OECD includes 35 countries (22 EU countries and 13 non-European countries); EU includes 28 countries (22 OECD countries and 6 non-OECD.

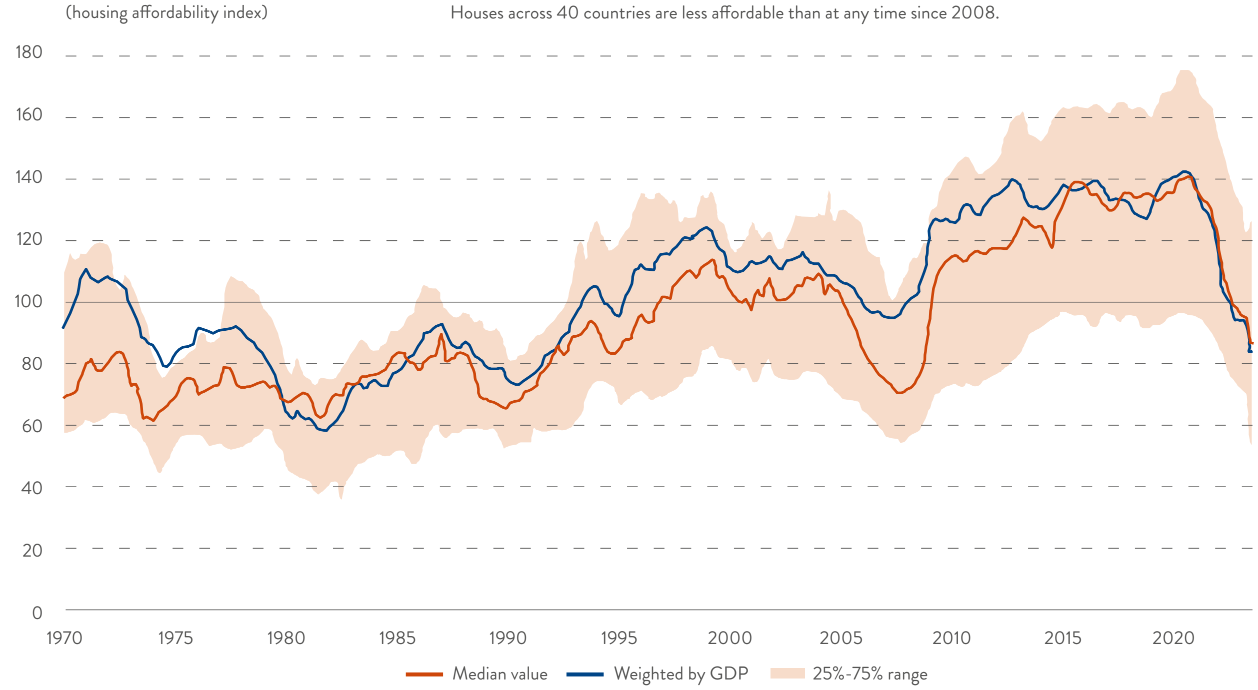
12 The US National Association of Realtors (NAR) and the Housing Industry Association/ Commonwealth Bank of Australia (CBA) used these housing affordability models for many years.

13 The International Finance Corporation (IFC) has been working on a methodology to measure housing affordability to assist investment in affordable housing projects in EMDEs (see discussion in the paper by Simon Walley in this volume).

14 HOFINET is an NGO, affiliated with the International Housing Finance Program of the Wharton School. As fate would have it, HOFINET was incorporated in 2008 on the very day Lehman Brothers folded, and the global housing finance system went into its most serious crisis.

15 https://hofinet.org

GRAPH 3 | HOUSING AFFORDABILITY INDEX –RATIO OF HOUSEHOLD INCOME TO HOUSEHOLD INCOME NEEDED TO QUALIFY FOR A TYPICAL MORTGAGE FOR A TYPICAL HOUSE



Source: Biljanovska, Fu, and Igan 2023.

Note: The housing affordability index is the ratio of household income to household income needed to qualify for a typical mortage for a typical house. A reading above 100 indicates that a household hasmore income than necessary for approval; readings below 100 signal less income than needed.

Source: Igan, Deniz. 2024. The Housing Affordability Crunch. Finance and Development, December. IMF

REGIONAL HOUSING DATA – CAHF AND CAF

The Centre of Affordable Housing Finance in Africa (CAHF) and The Corporación Andina de Fomento (CAF), the Development Bank of Latin America and the Caribbean, each publish a yearbook with information on the housing sector in their respective regions. CAHF covers approximately 55 countries and CAF initially collected data on12 LAC countries to be expanded to 20 this year. Data availability is particularly problematic in SSA. Both organizations work with HOFINET and use standardized definitions so that core data points are comparable.

Summarizing, there are major gaps in national and international data systems on housing affordability, particularly related to housing finance. These data gaps hamper investments, innovations and research on the sector. Several exciting national, international and regional efforts are underway to fill the data gaps. A network of likeminded international institutions is collaborating to create standardized national and international data to better understand the global affordability problem.

EMF/ECBC, ISMMA AND HOFINET JOIN FORCES

The recognition that housing affordability and homeownership are driven to a great extent by access to and conditions of housing finance, separate from household incomes and house prices, makes it imperative that data on housing finance become widely available. Without data housing finance institutions will lack the tools to expand and open new access frontiers to underserved groups.

In that context, HOFINET sought a partner with strong institutional connections in the public and private housing finance sectors, internationally. EMF/ECBC built an extensive international network of partners through its Covered Bond program and its affiliation with ISMMA. It also sought to strengthen and expand its Hypostat data system. Joining forces between the two organizations appeared extremely impactful, with a focus on strengthening national and global housing finance data systems.

The objective is to work with national housing finance institutions which may, ultimately, establish a local data system, using the tested definitions of HOFINET/EMF. National public institutions may connect with private sector trade groups that have the means and incentives to compile data from their members and share those with a national agency that can disseminate the data. Strong national data systems are not just public goods, they are good for the development of affordable frontier housing markets, whether for rental or ownership.

What progress has been made? An adapted joint HOFINET/EMF questionnaire was prepared by a group of international experts.[16] It includes data on the macro-economy, household incomes, employment, house

[16] Dr. Kyung-Hwan (Korea), Mr. Claude Taffin (France), Mr. Gyula Nagy Laszlo (Hungary/EMF), Dr. Maisy Wong (Malaysia/USA), Ms. Claudia Magalhaes Eloy (Brazil/CAF), Ms. Kecia Rust (South Africa/CAHF), Drs. Marja Hoek-Smit (USA/HOFINET).

prices, housing supply, the housing finance system, mortgage products, credit risk factors, funding systems, micro-finance for housing and housing finance regulation and subsidies. In addition, data on energy efficiency is collected, an area that will gradually be expanded when data becomes more widely available.

The first round of questionnaires has been processed by ISMMA members and EMF country representatives, and a data collaboration has been established with CAF to include some of the Latin American data. A new data platform will be finalized this fall with improved functionality to retrieve data from the system on select data points, countries and years and to produce graphs or tables.

We look forward to extend our network of participating countries and will assist EMDEs that intend to build up their housing market- and housing finance data systems. Housing is too important a sector of the economy to be data-poor.

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Making Homes Affordable: Global Lessons, Policy Innovations, and Market Approaches[1]

By Simon Christopher Walley, World Bank

INTRODUCTION

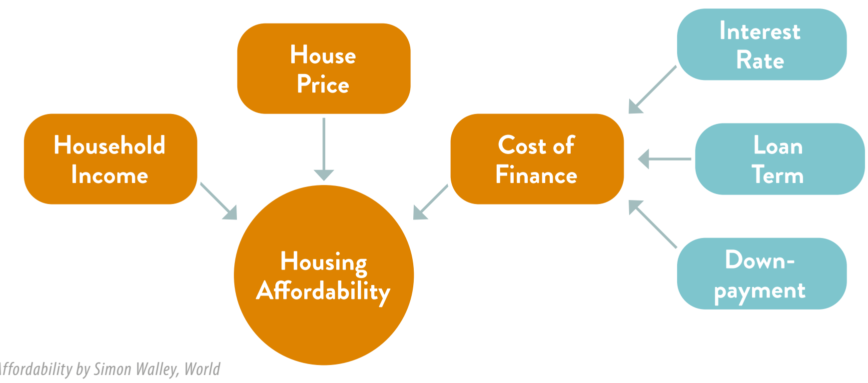
A key concern for all stakeholders involved in the housing sector is understanding affordability of shelter relative to the incomes and financing available to households. For governments, it is their social responsibility and duty to ensure their citizens have access to decent and adequate housing. This is enshrined in the constitutions of numerous countries like Kenya[2], "Every person has the right— … (b) to accessible and adequate housing, and to reasonable standards of sanitation."; or Spain[3], "All Spaniards have the right to enjoy decent and adequate housing. Public authorities shall promote the necessary conditions and establish relevant norms to make this right effective, regulating the use of land in accordance with the general interest to prevent speculation."; or Finland[4] where it is not so much a citizen's right but more a State duty to provide housing – "The public authorities shall promote the right of everyone to housing and the opportunity to arrange their own housing." However, how do countries measure success in achieving this and on what basis are they able to allocate fiscal resources or create a financing system that fully serves the needs of households?

This short article will seek to draw out experiences in mapping housing needs using affordability analysis. It will start with different approaches taken to measuring housing affordability across developed and developing economies. It will look at some of the difficulties in applying standard definition to country specific situations. Lastly it will look at some of the policy tools available to governments to address affordability challenges.

GOING BEYOND THE HEADLINES

Everyday, newspapers, social media, news outlets carry headlines such as this one from Australia *"Housing in four major Aussie cities rated impossibly unaffordable by new study"*[5]. Housing can be a very emotive issue at the core of people's lives across the planet. It is therefore important to fully understand what is truly meant by affordable housing. The approach below looks at the key variables that make up the ratio used in assessing affordability.

GRAPH 1 | VARIABLES DETERMINING HOUSING AFFORDABILITY



Source: AMF Presentation on Housing Affordability by Simon Walley, World Bank, January 2025

CHALLENGES IN DEFINING HOUSING AFFORDABILITY

Using all of these variables, a calculation can be made of how much of a household's income is dedicated to covering housing costs. It is deemed unaffordable if the remaining income is not sufficient for supporting basic living costs. Specifically, the UN's Committee on Economic, Social and Cultural Rights[6] considers adequate and affordable housing as: *"if its cost threatens or compromises the occupants' enjoyment of other human rights"*.

At a high level Graph 1 seems logical but it can often be difficult to define and measure each of those variables. For example, should income include just salary income, or informal income earned elsewhere. This is a major question, in many emerging economies where a large part of the economy is not formalized. Banks will typically only look at formal salary, meaning that their affordability calculation effectively sidelines as much as 70 percent of the population in many economies.

[1] This short article draws on a number of sources but brings together thoughts presented by the author at the Arab Monetary Fund conference in Rabat, Morocco, January 2025, "Housing Affordability and policy implications". It also summarizes some of the ideas discussed in a podcast with Flywheel Economies on December 5, 2024 – https://flywheeleconomics.com/2024/12/05/the-affordable-housing-puzzle-pieces-players-and-solutions-part-three/

[2] Article 43(1)(b) – Economic and Social Rights (*Constitution of Kenya, 2010*)

[3] Article 47 – Right to Housing (*Constitution of Spain, 1978*)

[4] Section 19(4) – Right to Housing and Support (*Constitution of Finland, 1999*)

[5] See Article from news.com.au – May 16, 2025

[6] From UN Committee on Economic, Social and Cultural Rights' General Comment No. 4 (1991) on the right to adequate housing

A more pertinent question for policy makers is often simply understanding what overall income is for their populations. Good information can be obtained from Household Income and Expenditure Surveys (HIES), but often these are only done once a decade. The numbers can be uprated using CPI indexing for example, but there can rapidly be a disconnect between what households are actually experiencing and what a spreadsheet looking at data that are 10 years old is saying.

The other variable in the calculation which merits closer examination is the house price metric. The difficult here is soon apparent when looking at methodologies for calculating house price indices across countries. Some use sales information, some use land registry records, some are done on a hedonic basis, others are moving averages. The baseline for the type of house varies widely across countries also. Materials, size, quality of finish will all vary across houses, so is it fair to compare what might be seen as a'typical' house in one country versus that of another.

The above analysis framework is focused on the acquisition of housing, but it can also apply to rental housing which can be a major form of tenure, in urban environments and among lower income households. There are caveats to this though, depending on demand and supply, there can be disconnects between ownership and rental markets, but in theory the interest cost of servicing a mortgage loan should approximate the cost of rental. The other big caveat to this is the tax regime which may differ across forms of tenure.

FOUR CONTRASTING APPROACHES TO ANALYZING AFFORDABILITY

Below are four different approaches to measuring affordability from IMF, IFC, OECD and McKinsey's. In doing this analysis all four recognize the limitations of trying to benchmark affordability across countries, when there are unique specificities to each housing market. The other common observation is that affordability is worsening.

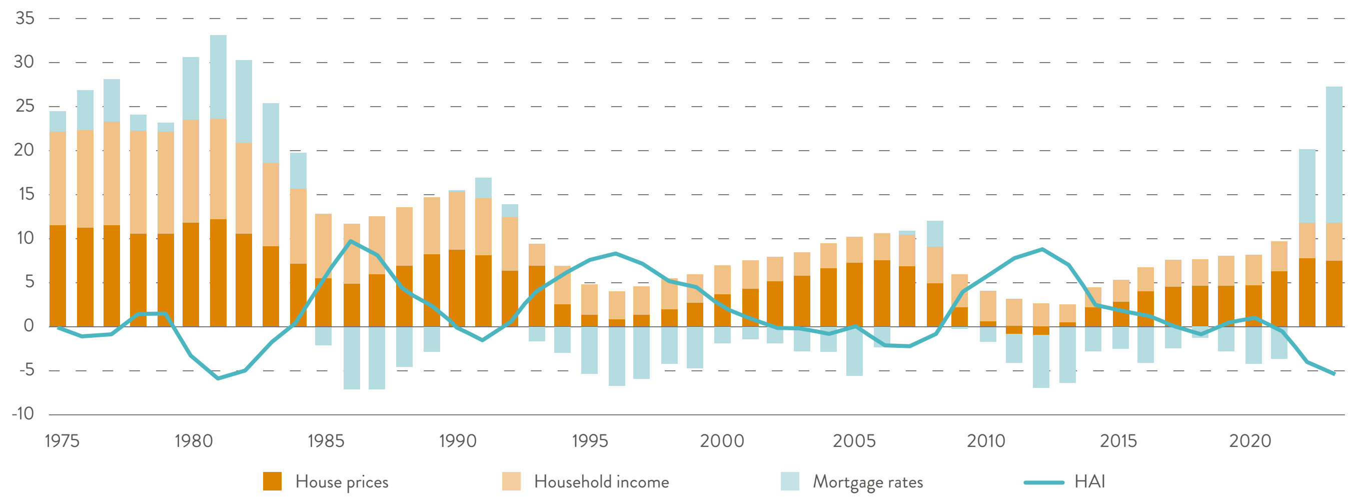
An upcoming paper by colleagues at the IFC's *(Behr et al., 2025)* finds that housing affordability in emerging markets and developing economies (EMDEs) cannot be defined using uniform global benchmarks, as differences in income distribution, housing prices, and mortgage conditions create highly country-specific realities. Using a new data-driven framework, the paper segments households into served, underserved, and unserved groups—highlighting that in many EMDEs, formal housing markets serve only the wealthiest few and calling for tailored policies, expanded housing finance, and supply-side reforms to address the "missing middle."

Another approach is taken by OECD on measuring affordability[7]. OECD, interestingly is currently the only source of regular comparable data at a global level (albeit limited to OECD member countries). For OECD, housing affordability is understood as the capacity of households to obtain adequate housing—whether renting or purchasing—without compromising their ability to meet basic living needs. This is assessed using a combination of indicators such as housing-cost burden (e.g., > 40% of disposable income), total housing-related expenditures relative to household consumption, and price-to-income ratios, recognizing that different measures are needed to reflect the diversity of tenure types and income groups.

As with IFC though, they highlight the fact that no single measure fully captures housing affordability, as it varies significantly across income groups, tenure types, and household characteristics. Hence, their suite of indicators reflects affordability from multiple perspectives—including tenants vs. owners, rent vs. purchase, and spending vs. income—and supports both median household analysis and targeted insight for specific vulnerable groups.

A third approach to affordability is from a recent IMF paper looking at housing affordability across countries. The COVID-19 pandemic, followed by a surge in inflation, triggered the most severe global housing affordability crisis in more than a decade, affecting major advanced economies such as the United States, United Kingdom, Australia, Canada, and Germany. New mortgage-based affordability data show that, on average, housing is now less affordable than

GRAPH 2 | HOUSING AFFORDABILITY CHANGE - 5 YEAR MOVING AVERAGE



Note: Average year-over-year growth rates, weighted by US dollar GDP. HAI = housing affordability index.

Source: Biljanovska, Fu, and Igan 2023.

[7] See OECD (2024), Society at a Glance 2024: OECD Social Indicators, OECD Publishing, Paris, https://doi.org/10.1787/918d8db3-en.

during the pre-2007–08 housing bubble. Affordability has been squeezed by rapidly rising borrowing costs and persistent supply shortages, even as demand stayed robust. This reversal has exposed deep, long-standing structural issues in housing markets, from restrictive land-use regulations to limited competition in construction. Addressing the crisis will require not only macroeconomic stability but also targeted reforms to boost housing supply, ease regulatory barriers, and support vulnerable households, ensuring that any gains in affordability are sustainable.

The key chart from the study (Graph 2) which shows that housing affordability is declining at the fastest rate since the early 1980s.

A final approach is that taken by McKinsey whose affordability calculation measures the gap between the income available for housing and the annualized market price of a locally relevant "standard unit". The standard unit is defined by minimum socially and politically acceptable floor space, basic amenities, and access to employment, with size adjusted for a country's income level. The analysis covers over 2,400 cities using MGI's Cityscope database. The affordability gap figure includes (1) the financial overstretch faced by households paying more than 30% of income on housing, (2) the annualized cost of upgrading substandard units, (3) the value of existing affordability programs, and (4) capital gains/losses from past purchases at different price or interest rate levels. This approach reflects the challenge for new households entering the market, though it may overstate or understate the gap for existing owners depending on past purchase conditions.

The report's main points emphasize that the global affordability gap cannot be solved through subsidies alone. McKinsey proposes four key levers: unlocking well-located land (the most critical step), reducing construction costs via industrial and value-engineering approaches, lowering operations and maintenance expenses, and improving access to finance for both buyers and developers. They stress the importance of a "housing ladder" approach to meet needs across income groups, integrated local delivery platforms, and market-based measures complemented by targeted subsidies for the lowest-income households. These strategies, if applied systematically, could reduce delivery costs by 20–50% and close the gap for households earning 50–80% of area median income.

SO WHAT CAN GOVERNMENTS AND LENDERS DO TO BRIDGE THE AFFORDABILITY GAP?

One of the messages that often resounds with policy makers trying to come up with solution for housing affordability, is McKinsey's guidance that there is unlikely to be a single 'silver bullet' solution that can fix housing affordability. It will be a combination and an accumulation of many small improvements which together can create a step change.

The other key message from all four approaches on affordability is to look at all of the parameters in the calculation. This means looking at what can be done to improve financing terms from the interest rate to the length of the loan, but also what is needed to lower the cost of housing. This in itself can then be broken down into all the component parts of housing supply, so land, infrastructure, building materials, maintenance costs, developer financing.

The one variable which is maybe exogenous to the calculation is the household income. It is clearly an integral part of the calculation, but policies to boost income would generally be non-housing specific and fall under broader economic development and growth agenda. So in Graph 1, the focus is on housing cost and the financing cost.

8 WAYS TO IMPROVE HOUSING AFFORDABILITY IN DEVELOPED AND DEVELOPING ECONOMIES

Below are a series of possible actions that could be used as stand-alone programs or in combination. This list is far from exhaustive and focuses on housing finance aspects more so than engineering solutions to bringing down overall cost of construction.

1. *Help households raise a down payment (contractual savings & provident funds).*

Down-payment constraints can be binding even when monthly mortgage payments are affordable. Contractual savings schemes and provident funds let households accumulate earmarked savings (often with employer/government contributions or preferential loan terms), reducing the loan-to-value (LTV) ratio and monthly payments. This expands access while lowering credit risk. Examples include Mexico's INFONAVIT (funded by a mandatory 5% payroll contribution) and contractual savings models used in France and Germany; these structures both build the deposit and can offer below-market mortgage rates for members.

2. *Reduce credit risk and lower rates (data, bureaus, appraisals, guarantees).*

Strengthening borrower and collateral information lowers origination costs and risk premia, translating into lower interest rates and broader eligibility. Priority steps: deepen credit-bureau coverage, standardize property appraisals, and deploy mortgage-guarantee schemes (public or public–private) that de-risk higher-LTV lending.

3. *Lengthen loan maturities by tapping capital markets.*

Affordable monthly payments depend on tenor as much as the rate. Liquidity facilities and capital-market funding "crowd in" long-term money so lenders can offer 20–30-year mortgages. McKinsey points to national liquidity facilities (e.g., Cagamas in Malaysia; facilities in Colombia and Jordan) and covered bonds/MBS (e.g., Denmark, Germany, Spain) as proven channels to lower funding costs and extend maturities at scale.

4. *Pull supply-side cost levers to cut the unit price.*

Affordability isn't only finance; it's fundamentally price × financing. Attack unit costs by unlocking well-located land (public land release, inclusionary zoning with density bonuses, transit-oriented development), industrialized construction (prefab, standardized components), and lean procurement. These measures can cut delivery costs 20–50%, with the largest gains from land and build efficiency—directly lowering price-to-income and rent-to-income ratios.

5. *Use mortgage product design (e.g., Graduated Payment Mortgages – GPMs).*

Where borrowers have steep expected income growth (early-career, formal sector), GPMs start with lower payments that rise on a preset schedule, easing initial burdens while preserving fixed rates. They can expand access for constrained but upward-mobile households, with risks (payment shocks, potential negative amortization if growth disappoints) mitigated by underwriting and counseling. The FHA Section 245 program is the canonical template.

6. *"Help to Buy"-type schemes that reduce required deposits.*

Shared-equity or equity-loan programs reduce upfront deposits (and effective LTVs), bringing ownership within reach for creditworthy renters. The UK Help to Buy: Equity Loan (2013–2023 in England) let first-time buyers purchase new builds with a 5% cash deposit while a government equity loan covered up to 20% (40% in London), lowering the first-mortgage size and monthly payment. Even though England's scheme is now closed, its design illustrates how deposit hurdles can be lowered while sharing price risk.

7. *Don't ignore rental and rent-to-buy pathways.*

For many households, secure rental or rent-to-buy is the more affordable, flexible rung on the housing ladder—especially where savings constraints are binding. Instruments include housing vouchers (e.g., US Section 8) and direct rental subsidies; shared-ownership and rent-to-buy hybrids can bridge into ownership over time. Turkey's housing agency TOKİ integrates rent-to-buy within its delivery model, showing how tenure options can be tailored alongside new supply.

8. *Use smart, well-targeted subsidies where the constraint bites.*

Subsidies must be targeted, time-bound, and catalytic (filling a viability gap rather than replacing market finance). Effective tools include: land-value capture/betterment levies to fund infrastructure and affordable units (e.g., Bogotá), tax-credit equity to crowd in private capital (US LIHTC, the largest US affordable-rental finance source), and voucher programs for renters where that's the binding constraint. Many countries also look to reduce the cost of installment through 'buy down' programs such as in Egypt, Dominican Republic among many others. One of the challenges with subsidies is the potential impact on market-based mechanisms which should not be crowded out.

BETTER QUALITY DATA IS KEY TO MAKING INFORMED, TARGETED POLICY CHOICES

Despite the fact that the Global Financial Crisis (GFC) was triggered in large part by housing market excesses, there remains a striking lack of consistent, comparable country-level data on housing markets, affordability, and outcomes. In many countries, even basic indicators such as transaction-level price data, construction cost series, vacancy rates, or detailed mortgage performance metrics are incomplete, inaccessible, or compiled in ways that make cross-country comparison impossible. This data gap severely limits policymakers' ability to identify emerging risks, calibrate interventions, and evaluate the impact of housing policies over time. Robust, transparent, and standardized datasets—covering both ownership and rental segments—are essential to design effective measures, target support where it is most needed, and avoid repeating the policy blind spots that contributed to the last major crisis.

The urgency of better measurement is underscored by global commitments such as Sustainable Development Goal 11—to make cities inclusive, safe, resilient, and sustainable, including achieving "housing for all" by 2030. While laudable in its ambition, SDG 11 suffers from a lack of accountability because of the very limited data available to assess progress against its housing target. Without a transparent, comparable evidence base, it is difficult to hold governments and stakeholders to account, to distinguish between rhetoric and reality, or to learn from successes and failures. If housing for all by 2030 is to be more than an aspirational slogan, the global community must invest in building and maintaining rigorous housing datasets, reported regularly, and disaggregated to capture affordability and adequacy for all income groups. Data is not just a technical input—it is the foundation for credible policy, effective investment, and real-world change.

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Financing the Future: How ISMMA is Driving Affordable and Sustainable Housing in an Uncertain World

By Oscar Mgaya, CEO of Tanzania Mortgage Refinance Company and Chair ISMMA

In a world defined by rapid urbanisation, geopolitical volatility, and accelerating climate imperatives, the question of how to secure adequate, affordable, and sustainable housing has never been more urgent. At the heart of this global effort stands the **International Secondary Mortgage Market Association (ISMMA)**, a unique alliance of secondary mortgage market institutions dedicated to shaping resilient, inclusive, and future-proof housing finance systems.

A VISION BORN FROM SHARED CHALLENGES

ISMMA was formally established in **May 2018** in Washington DC, during the World Bank Group's 8th Global Housing Finance Conference. What began as an idea discussed during earlier roundtables and nurtured by the vision of institutions such as **Cagamas Berhad** became the first-ever **global association uniting secondary mortgage market institutions**. Its mission: to create a platform for sharing knowledge, advocating on regulatory issues, and supporting the establishment of new institutions critical to expanding housing finance.

From its inception under the World Bank's sponsorship, ISMMA aimed to address a shared reality: a rapidly growing global population, expected to reach **8.5 billion by 2030**, with nearly **60% living in urban centres**. An estimated **three billion people** will need new housing and essential urban infrastructure in just a few years. In this context, access to housing finance isn't merely a market question – it's central to social stability, economic growth, and climate resilience.

A DYNAMIC PLATFORM IN A CHANGING WORLD

In the years following its creation, ISMMA quickly evolved beyond a conventional knowledge-sharing network. While early discussions centred on technical themes – credit policies, capital market strategies, and IT infrastructure – unprecedented challenges soon reshaped the agenda.

In 2020, ISMMA became a vital hub for its members to exchange real-time strategies for navigating the economic shocks of COVID-19. Quarterly virtual meetings, rich in insight and global perspective, helped member institutions adapt to mortgage payment moratoriums, shifting house prices, and regulatory responses.

By **2022**, as the Secretariat moved to the **European Mortgage Federation – European Covered Bond Council (EMF-ECBC)**, ISMMA's work gained even greater depth. It broadened its focus to include the impact of **geopolitical instability**, rising inflation, and climate imperatives on housing finance markets.

HOUSING AFFORDABILITY MEETS SUSTAINABILITY

In 2024 and now into **2025**, the scale of the housing challenge has expanded. Global cities are expected to house nearly **70% of the world's population by 2050**, creating enormous demand for urban infrastructure and affordable housing.

Simultaneously, governments and institutions face the urgent need to **decarbonise the built environment**, which accounts for a significant share of global emissions. Urban regeneration, energy-efficient retrofitting, and sustainable new construction require levels of investment that public funds alone cannot meet.

This is where ISMMA's unique model becomes transformative. By strengthening the capacity of secondary mortgage market institutions worldwide, ISMMA enables these institutions to mobilise **private capital** at scale. Efficient capital markets make it possible to finance affordable housing, fund green building initiatives, and support low-carbon urban renewal, aligning financial incentives with sustainability goals.

SCALING IMPACT THROUGH COLLABORATION

ISMMA now includes **17 member countries** spanning diverse markets, from newly established entities like KMRC in Kenya and PMRC in Pakistan to more mature institutions in Europe, Asia, and the Americas. Through this global network, members exchange best practices, innovate products tailored to local contexts, and collectively advocate for policy reforms that facilitate affordable, climate-aligned housing finance.

The association's activities reflect a growing understanding that housing finance must be part of a **resilient financial ecosystem** – one able to withstand economic cycles, geopolitical shocks, and environmental risks. Recent discussions within ISMMA have explored forward-looking topics such as:

- Integrating **climate risk** into mortgage underwriting and securitisation
- Developing **green covered bonds** and sustainable mortgage-backed securities
- Adapting capital markets to high inflation and interest rate volatility
- Using data and digital tools to expand access to housing finance in underserved communities

ANTICIPATING THE FUTURE: NEW RISKS, NEW OPPORTUNITIES

Just as the pandemic transformed ISMMA's early agenda, new global uncertainties – from geopolitical tensions to migration pressures – will continue to test housing markets and finance systems. Yet, one constant remains: the power of shared knowledge and collective innovation.

ISMMA is committed to building on this foundation, working alongside policymakers, investors, and civil society to ensure that housing finance systems are **inclusive, sustainable, and resilient**. The move to the EMF-ECBC Secretariat has opened new pathways for aligning housing finance more closely with the **European Green Deal**, the **UN Sustainable Development Goals**, and national decarbonization strategies.

A SHARED MISSION FOR 2025 AND BEYOND

As we look ahead, the work of ISMMA is more relevant than ever. It isn't just about mortgages or capital markets; it's about enabling people everywhere to live in **safe, affordable, and sustainable homes** – homes that anchor communities, support economic opportunity, and contribute to climate solutions.

In the words of the ISMMA Secretary General, Luca Bertalot:

> *"The challenges ahead are complex, but through collaboration, innovation, and shared vision, we see a tremendous opportunity to accelerate progress toward inclusive and resilient housing finance systems – foundations upon which stronger communities and economies are built."*

For policymakers, industry leaders, and citizens alike, ISMMA represents not only a technical platform but a shared commitment: to ensure that in an uncertain world, **housing remains a right – not a privilege – and that our financial systems are part of the solution, not the barrier**.

A review of European Mortgage and Housing market

By Eva Dervaux, Luca Bertalot, Jennifer Johnson, European Mortgage Federation – European Covered Bond Council, Richard Kemmish, External Consultant

Housing and mortgage markets across Europe present a complex and varied landscape, shaped by the continent's diverse economic structures, cultural contexts, and social dynamics. In 2024, these markets were significantly influenced by continued monetary policy tightening. This, coupled with regulatory adjustments, contributed to tighter credit conditions and a cooling of mortgage activity in many regions. In 2024, the European Central Bank started some monetary easing, reducing the benchmark rate. The European landscape observed very different mortgage products and with non-eurozone central banks cutting at different speeds, the overall picture is quite mixed.

Despite national differences, the broader trend towards financial integration and a Savings and Investments Union (SIU) continued, with countries working toward a stronger Single Market and a common financial model that allows for more efficient allocation of capital across borders. However, the market also operated under the shadow of increased geopolitical uncertainty, which added to global market volatility and investor caution, putting additional pressure on the housing sector through reduced consumer confidence and easing of lending conditions.

The same issues arise in the housing market year after year; a lack of affordable student housing, short-term rentals increasing rents to unrealistic levels, difficulties for first-time buyers to access the market, all of this leading to disruption and complexities in the European housing market.

The housing and mortgage sectors in Europe are not just significant in terms of economic impact, but they also play a vital strategic role in the broader goals of market integration, transition towards a greener future, and financial inclusion. In Europe, housing is often seen as the largest component of wealth and residential investment is a large component of overall investment. The strategic importance of housing and mortgage markets in Europe can never be overstated, as they are essential to developing a sustainable and inclusive future for all Europeans.

Editorial note

This review looks at the European housing and mortgage markets to the end of 2024. The data in this report covers the impact of recent macroeconomic disruptions, increasing prices, trade and energy supply uncertainty, and the ongoing political crisis that have shaped countries around the world.

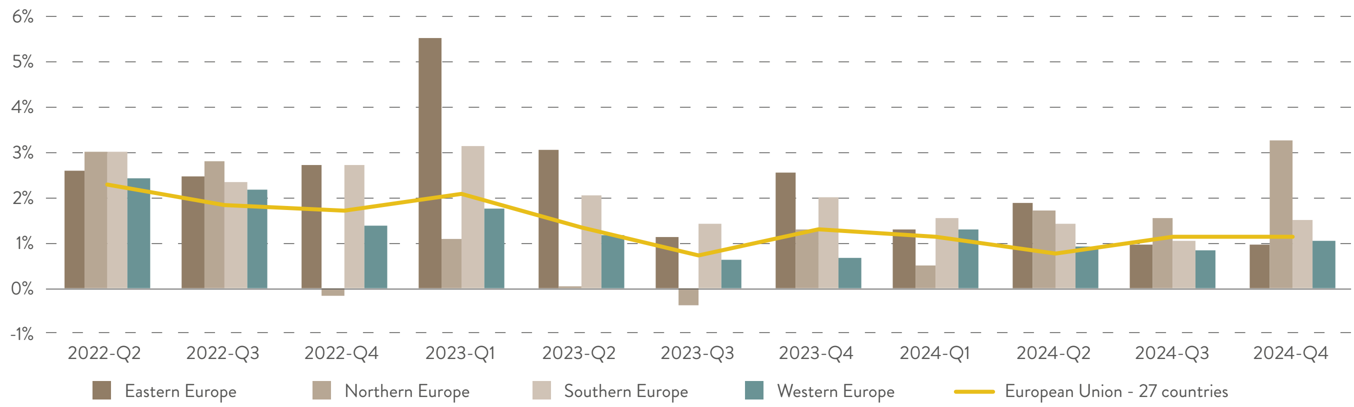
Readers will find further information on the current state of the housing and mortgage markets, as well as forward-looking highlights, in the individual country chapters.

For more up-to-date information, please see the EMF Quarterly Review.

MACROECONOMIC OVERVIEW

Gross domestic product (GDP) in the EU27 countries has been increasing at a constant rate (between 1% and 2%) since Q2 2022, as can be observed in graph 1. The countries in North and Eastern Europe[1] have experienced a more volatile change through the quarters than Western and Southern Europeans. Northern Europe experienced negative changes between Q4 2022 to Q3 2023 with only a positive change in Q2 2023 of 0.07%. The q-o-q change picked up again as of Q4 2023 and Q1 2024 but experienced a very low q-o-q change again in Q2 2024. Eastern Europe experienced a peak in Q1 2023, with a q-o-q GDP change of 4.91%, later returning to a more steady q-o-q change. Nonetheless, the EU27 average remains around 1% to 2% over the quarters.

GRAPH 1 | QUARTERLY GROSS DOMESTIC PRODUCT (AT MARKET PRICES) CHANGE BY REGION, %



Sources: Eurostat

[1] For our purposes, we use the regions defined by the *United Nations Standard country codes for statistical use*. Eastern Europe consists of Bulgaria, Czechia, Hungary, Poland, Romania, Slovakia. Northern Europe consists of Denmark, Estonia, Finland, Iceland, Ireland, Latvia, Lithuania, Norway, Sweden, United Kingdom, Ireland. Southern Europe consists of Croatia, Greece, Italy, Malta, Portugal, Slovenia, Spain. Finally, Western Europe consists of Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland.

Harmonised Index of Consumer Prices and Construction Producer Price Index

The harmonised index of consumer prices (HICP) and the construction producer price (CPP) index are both measures of price evolution, but they capture different aspects of the economy. The HICP is an economic indicator used to give comparable measures of inflation for countries and regions. It reflects the change over time in the prices of consumer goods and services purchased by households. The HICP provides the official measure of consumer price inflation in the euro area for the purposes of monetary policy. The CPP index is a business cycle indicator compiled from construction prices, which reflects trends in the costs incurred by contractors during the building construction process. Whilst central banks primarily monitor inflation through the HICP, the housing sector tends to focus more on the CPP, which is typically higher than the overall price index.

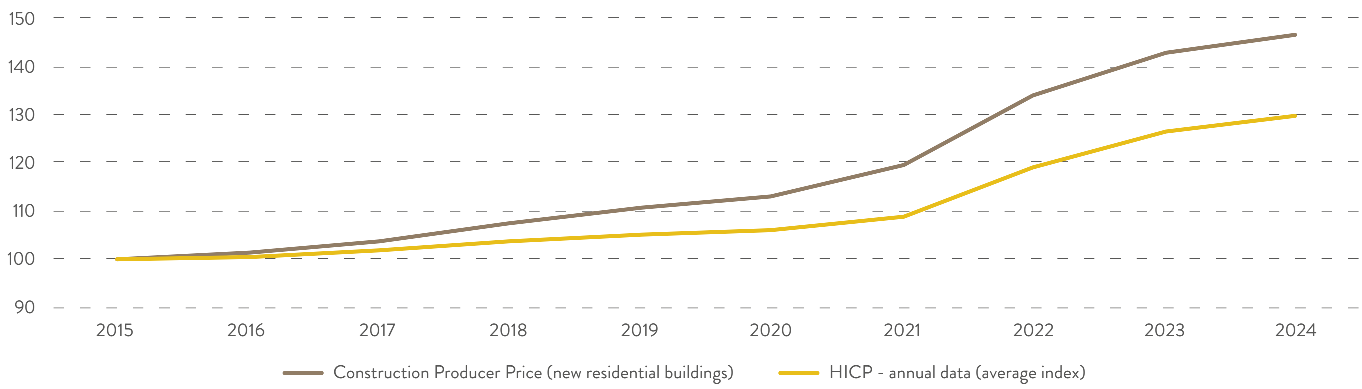
As graph 2 illustrates, construction producer prices are increasing at a faster rate than the HICP. This implies that the construction price gets more expensive through the years, as it increases faster than any other asset price across the EU27 countries. However, the graph shows that there is an overall increase in prices throughout the economy, and not only in the construction sector.

Population

Population changes strongly influence the demand for housing, while housing affordability and quality can shape population patterns through migration and household formation.

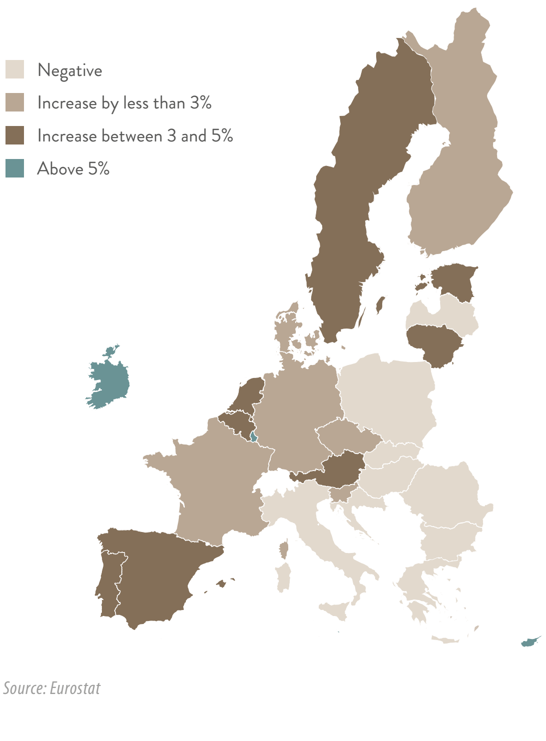
Population trends varied across Europe between 2019 and 2024. While most countries experienced population growth between 0 and 5%, many countries experienced a decline: Bulgaria (-8.60%), Croatia (-5.55%), Greece (-3.02%), Hungary (-1.96%), Italy (-1.43%), Latvia (-2.57%), Poland (-3.69%), Romania (-1.82%) and Slovakia (-0.47%). Conversely, a small number of countries experienced notable population growth exceeding 5%, largely driven by net migration and favourable economic factors: Cyprus (+9.36%), Ireland (+8.36%), Luxembourg (+8.65%), Malta (+12.40%).

GRAPH 2 | CONSTRUCTION PRODUCER PRICES AND HICP, EU27 (INDEX: 2015 = 100)



Source: Eurostat

GRAPH 3 | POPULATION EVOLUTION BETWEEN, 2019 AND 2024



Source: Eurostat

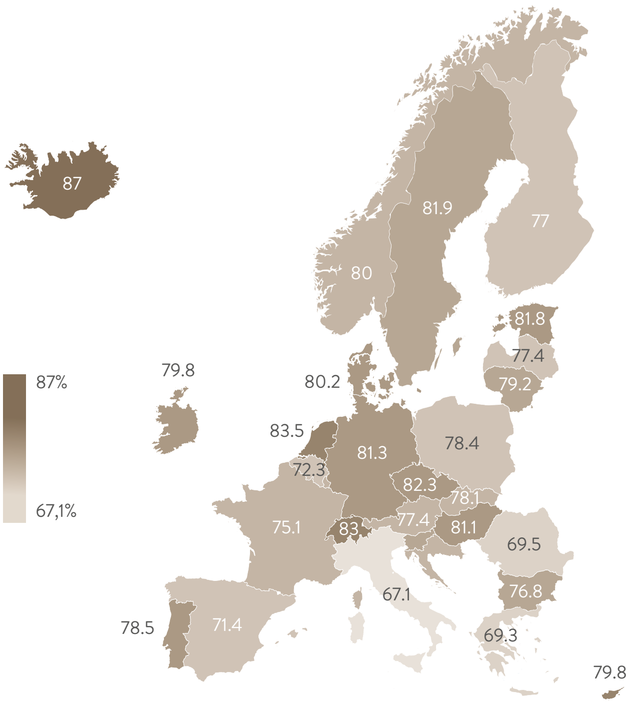
The share of the population aged 80 and over increased from 3.7% to 6.1% between 2003 and 2024. Several countries now have a high proportion of elderly residents, with the 80+ age group accounting for more than 7% of the population: Germany (7.2%), Greece (7%), Italy (7.7%) and Portugal (7%). This trend of a growing and aging population is placing increased pressure on housing markets and contributing to housing undersupply and affordability challenges.

Employment

Another key driver of housing demand is employment. When employment levels are high, more individuals can afford to buy homes, which increases demand.

Employment trends in 2024 (graph 4) show mixed developments across Europe. Some countries have recorded an decrease in employment rates in 2024: Finland (-1.2%), Sweden (-0.7%), Luxembourg (-0.6%), Norway (-0.4%), Estonia (-0.3%), Latvia (-0.1%), and Switzerland (-0.1%). Some other countries experienced a high rise in their employment rates between 2023 and 2024; Malta (1.7%), Iceland (1.7%), Greece (1.9%), Croatia (2.8%). This gains may reflect a recovery in employment following pandemic-era government-led employment schemes as well as resilient job markets.

GRAPH 4 | EMPLOYMENT LEVEL IN 2024



Source: Eurostat

The overall average employment rate in the EU27 has risen steadily from 70.9% in 2017 to 75.8% in 2024. Employment rates in 7 EU countries were above 81%: The Netherlands led with 83.5%, followed by Malta (83.0%), Czechia (82.3%), Sweden (81.9%), Estonia (81.8%), Germany (81.3%) and Hungary (81.1%). At the other end of the spectrum, Romania (69.5%), Greece (69.3%), and Italy (6.1%) reported employment rates below 70%.

Government Debt to GDP Ratio

When considering the government debt-to-GDP ratio - which reflects a country's ability to repay its debt through the income generated by the economy - some countries stand out in their progress. Overall, the debt-to-GDP ratio is improving across much of the EU, particularly in southern European countries, which is contributing to a narrowing of borrowing costs both for governments and indirectly reduce mortgage rates.

While the EU27 average debt-to-GDP ratio remains stable at of 81%, with only a modest y-o-y change of 0.25%, individual country trajectories vary significantly. Estonia recorded significant increases in its debt-to-GDP ratios y-o-y (+16.83%), despite maintaining relatively low absolute debt (23.6%). Greece, which continues to have the highest debt level (153.6), recorded a sharp y-o-y decrease in its ratio (-6.28%). Beyond the EU27, Norway, just like Estonia, experienced a sharp increase in its debt-to-GDP ratios y-o-y (+23.82%), while keeping a rather low absolute debt level (55.1%).

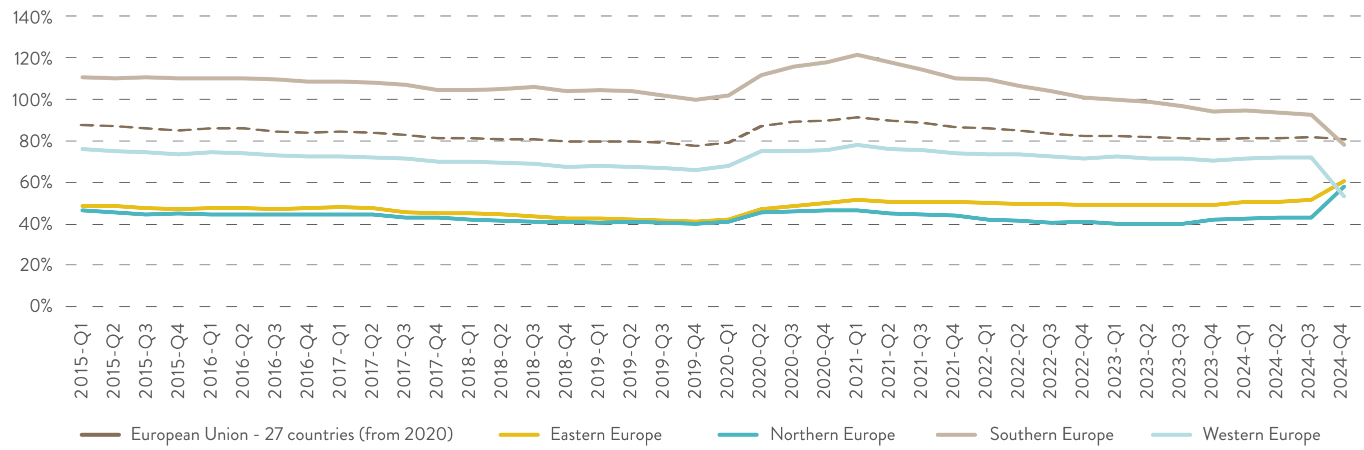
Outstanding Residential Loans

As illustrated in graph 6, outstanding residential loans have been steadily increasing over time, since 2017. This upward trend likely reflects a combination of rising housing demand, increasing house prices and - in some countries - population growth.

The scatter plot below (graph 7) which shows government debt-to-GDP against residential loans-to-GDP, allows for a comparative analysis of how countries balance public and private leverage. The plot highlights which countries exhibit high debt-to-GDP ratios, which have large housing finance sectors, or those which are exposed to both. The high ratio is usually linked to high public spending, weak GDP growth or demographic pressure. On the contrary, countries such as Bulgaria, Denmark, Estonia and Luxembourg and show low debt-to-GDP levels which is usually linked to growing GDP, strict fiscal rules limiting budget deficits (for Estonia and Bulgaria), strong institutions and strong economy (Luxembourg and Denmark). Moreover, it should be noted that Greece has very low gross financing needs (despite the high debt-to-GDP ratio) due to the exceptional terms of official sector loans (ultra-long maturities).

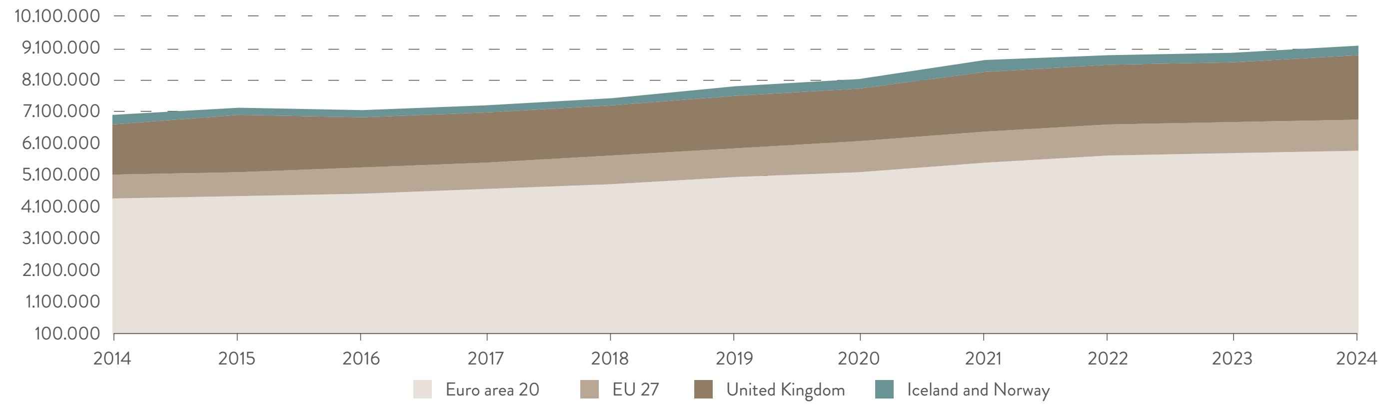
When examining the other axis of the scatter plot, a high residential loans-to-GDP ratio indicates that households have borrowed a substantial amount of money to finance housing relative to the size of the entire economy. Countries with high ratios (Sweden, the Netherlands, Denmark, Norway, Belgium and Luxembourg) typically have well-developed mortgage systems, where many households buy homes using mortgages rather than cash. While this reflects mature mortgage markets, it also suggests that households in these countries carry more significant debt burdens. Greece, Hungary and Romania have very low residential loans-to-GDP ratios. These countries face higher financial instability and have less developed mortgage markets compared to other European countries. Additionally, there is a strong cultural preference to avoid borrowing and homeownership is more often achieved through savings or family support than through mortgage finance.

GRAPH 5 | GOVERNMENT DEBT TO GDP RATIO PER REGIONS



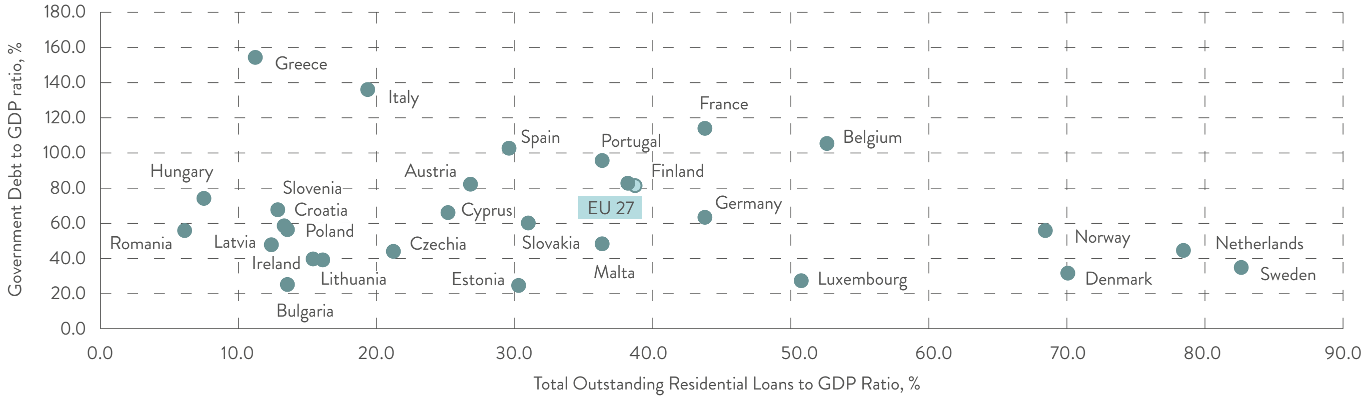
Source: Eurostat

GRAPH 6 | OUTSTANDING RESIDENTIAL LOANS, TOTAL AMOUNT, END OF THE YEAR, EUR MILLION



Sources: Eurostat

GRAPH 7 | GOVERNMENT DEBT TO GDP ON RESIDENTIAL LOANS TO GDP IN 2024



Sources: Eurostat

The link between debt-to-GDP and residential loans-to-GDP is too ambiguous but interesting to develop. A high public debt ratio with low residential-loans-to-GDP does not always mean that debt is held by the state rather than households but it reflects structural mortgage-market features and credit demand and supply conditions. Vulnerability stems from the sovereign – bank nexus and gross financing needs, not from the simple sectoral split of debt. High public debt raises sovereign spreads and rollover risk; sovereign spreads pass through to bank funding costs and lending rates, dampening mortgage demand and constraining supply.

Banks' sizable sovereign bond holdings ("home bias") transmit sovereign repricing to bank balance sheets; legacy NPLs and conservative underwriting further restrain new lending. In economies such as Greece and Italy, elevated public-debt ratios tend to raise sovereign risk premia. This pressure passes through to bank funding and mortgage rates and, together with banks' sovereign bond exposures and past NPL legacies, restrains residential credit. The opposite (low government-to-GDP ratio and high residential loans-to-GDP) indicates a market-driven economy with strong private sector participation, as is the case in Sweden, the Netherlands, Denmark and Norway.

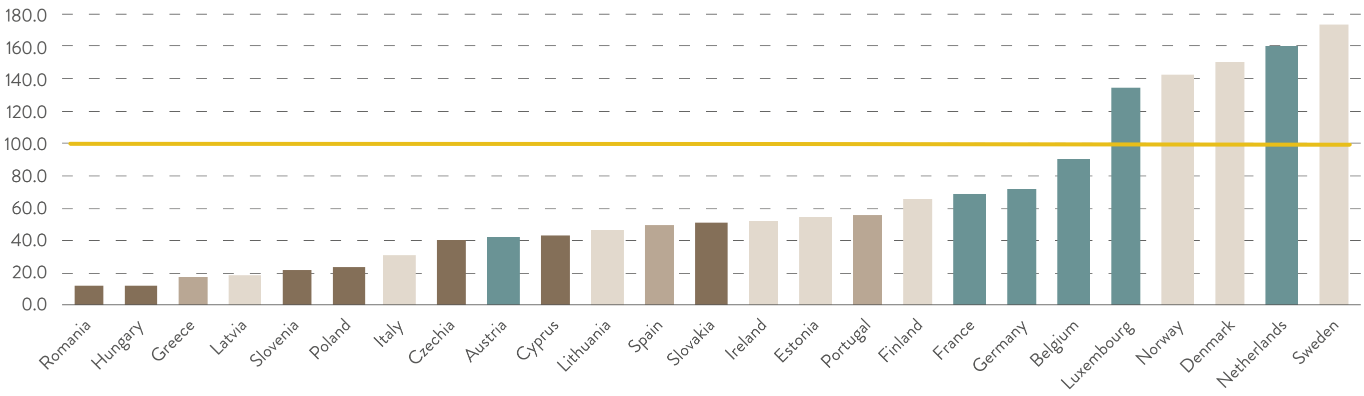
MORTGAGE MARKET

The availability of and access to housing finance plays a crucial role in shaping the housing market and, by extension, the broader economy. Access to housing finance influences wealth distribution in society; easier access allows more consumers, especially those with lower incomes, to build equity through homeownership, contributing to a more equitable distribution of wealth.

The Total Outstanding Residential Loans-to-Disposable Income of Households Ratio serves as an important measure of households' financial health, as well as macroprudential risk. However, a high or rising Residential Loans-to-Disposable Income of Households Ratio does not necessarily indicate financial distress and a low ratio does not always indicate financial stability. The true significance of this ratio depends on several specific factors, such as income growth, interest rates, housing market conditions, and how debt is spread across households. In some countries, a high ratio may reflect a stable and confident economy, while in others, it could signal growing financial pressure.

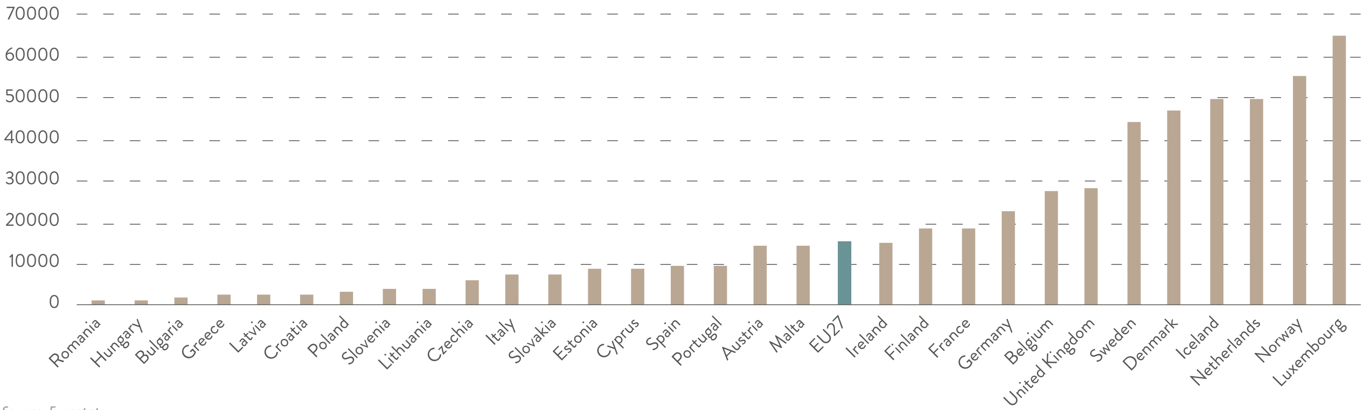
When looking at graph 8, the EU27 countries can be divided into three different groups based on their Residential Loans-to-Disposable Income Ratios; the countries with a low ratio (below 30%): Romania (12.4%), Hungary (12.4%), Greece (17.5%), Latvia (18.5%), Slovenia (21.8%) and Poland (23.4%); the countries with a high ratio (over 100%): Luxembourg (134%), Norway (142.4%), Denmark (150%), Netherlands (159.9%) and Sweden (172.8%); and the rest of the countries have a ratio between 30 and 100: Italy (32.3%), Czechia (40.5%), Austria (50.6%), Cyprus (56.2%), Lithuania (28%), Spain (62.4%), Slovakia (53.3%), Ireland (71.3%), Estonia (52.7%), Portugal (63.5%), Finland (72.7%), France (70.4%), Germany (71.3%), and Belgium (94.8%).

GRAPH 8 | TOTAL OUTSTANDING RESIDENTIAL LOANS TO DISPOSABLE INCOME OF HOUSEHOLDS RATIO (%) IN 2024



Source: Eurostat

GRAPH 9 | TOTAL OUTSTANDING RESIDENTIAL LOANS PER CAPITA (TOTAL POPULATION), EUR



Source: Eurostat

As expected, the countries are mostly grouped by region: Northern Europe typically has higher ratios, countries in Western Europe are somewhere in the middle and Southern and Eastern European countries have lower ratios, reflecting differences in mortgage market development, cultural borrowing preferences and economic conditions.

Outstanding residential loans per capita (graph 9) is a measure of household debt levels relative to population size. It helps highlight housing market trends, borrowing behaviour and financial vulnerability within the economy. The countries with the largest amount of Outstanding Residential Loans per Capita are Luxembourg (EUR 65,203.5), the Netherlands (EUR 49,609), Denmark (EUR 46,749.8), Sweden (EUR 44,230) and Belgium (EUR 27,417.6). These amounts are largely influenced by political and economic factors, such as more developed mortgage markets, political stability, strong institutions and high urban populations where house prices tend to be higher. They also suggest that in these countries houses are more expensive, more people are borrowing to buy homes, or homeowners are carrying larger or longer-term mortgages. Together, these factors reflect a strong housing market in these countries.

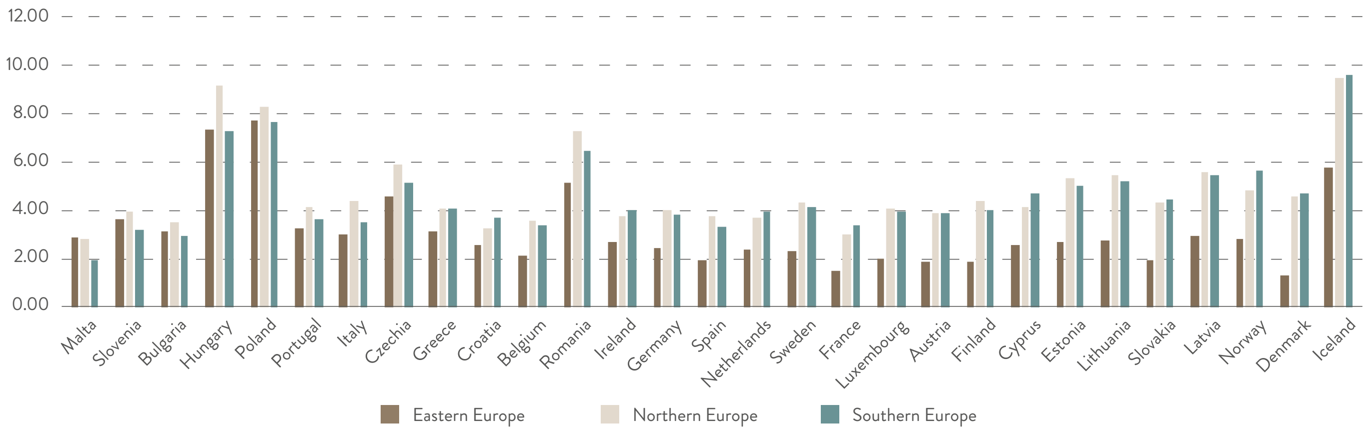
Nevertheless, as many Central and Eastern European (CEE) countries are experiencing faster economic growth than Western European. This indicates the significant growth potential of the mortgage market in these countries whilst pointing to the extent to which the current relatively small size of these markets often stems from non-economic factors (culture, homeownership and other factors). Countries with the lowest outstanding residential loans per capita are Bulgaria (EUR 2187.6), Croatia (EUR 2950.6), Greece (EUR 2594.7), Hungary (EUR 1611.9), Latvia (EUR 2699.4), and Romania (EUR 1160.5). These lower figures reflect a combination of lower average income, lower house prices, higher homeownership rates as well as other political and economic factors.

INTEREST RATES

The average interest rates for mortgages in Europe are influenced by a combination of monetary policy, economic conditions, banking sector dynamics and country-specific risks. When looking at the interest rate average, it is important to understand that it is heavily influenced by the share of fixed or floating rates within the countries. The share of fixed or floating rates is a strong determinant of countries' actual rates and the rate at which they responded to rate hikes.

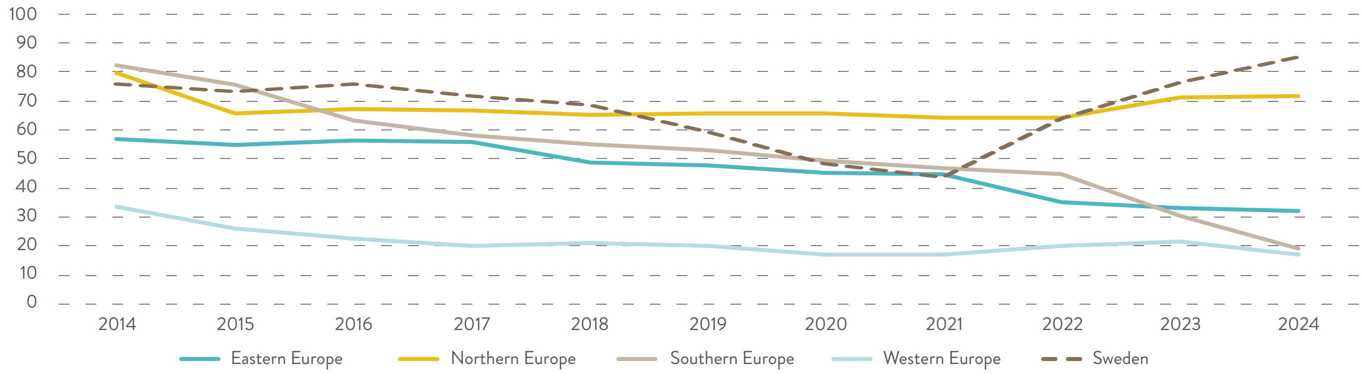
Most countries in the sample experienced an increase in their average interest rates for house purchase between 2022 and 2024, as illustrated in graph 10. Only Malta, Slovenia, Bulgaria, Hungary and Poland experienced a decrease in interest rates between 2022 and 2024. The reason for this decrease comes from the willingness of the government to encourage greater activity in the real estate market (Poland and Malta). Denmark and Iceland both have experienced the largest increase from 2022 to 2024, with an increase of more than 3%.

GRAPH 10 | REPRESENTATIVE INTEREST RATES ON NEW RESIDENTIAL LOANS, ANNUAL AVERAGE BASED ON MONTHLY FIGURES, %



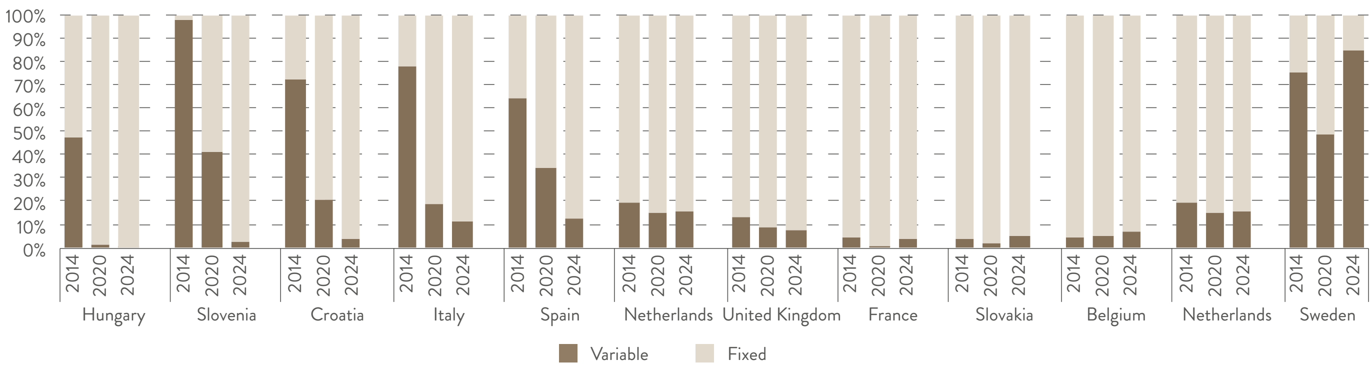
Source: Eurostat

GRAPH 11 | SHARE OF GROSS LENDING WITH A VARIABLE INTEREST RATE PER REGIONS, 2024



Source: Eurostat

GRAPH 12 | THE EVOLUTION OF VARIABLE INTEREST RATE MORTGAGES OVER TIME (2014-2020-2024)



Source: Eurostat

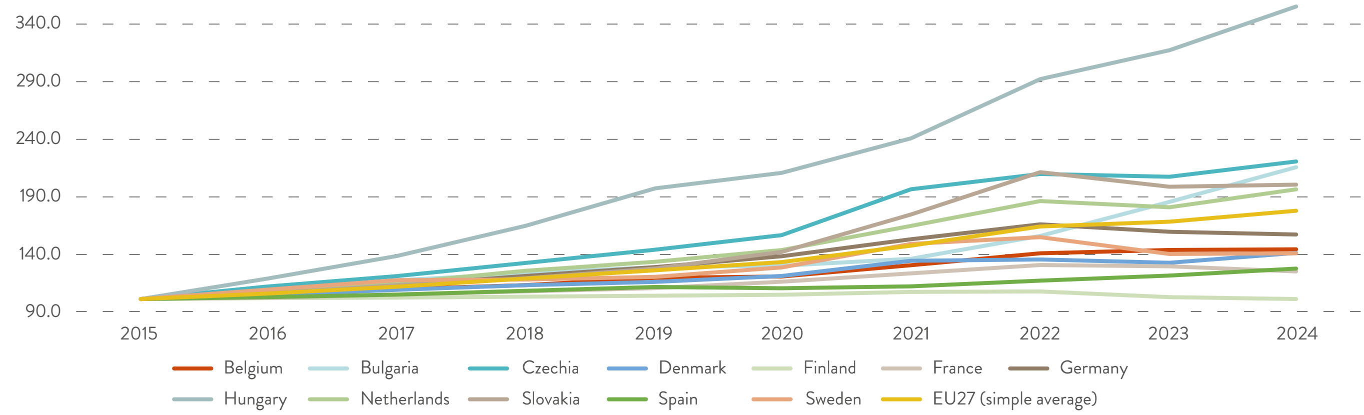
Fixed and Variable Interest Rates

The choice between fixed and variable rates typically reflects wide and shifting national differences shaped by cultural preferences, historical experience of inflation and regulatory policies. Consumers' decisions depend heavily on national politics, regulatory environments and housing policies.

In the recent volatile environment, consumers are increasingly shifting from variable to fixed rate (graph 11) mortgages in Italy, Germany, Spain, Netherlands, Poland, Portugal, Austria, Greece, Ireland, Romania, Luxembourg and Cyprus. Sweden is a clear outlier in Europe, but will be discussed in more detail below. This shift in mortgage fixation periods demonstrates the market's capacity to evolve beyond traditional national practices and adopt solutions that better serve consumers across Europe.

A declining trend in variable rate mortgages can be seen in the sample for three regions (Eastern, Southern and Western Europe). Nonetheless, some countries

GRAPH 13 | HOUSE PRICE INDEX OVER TIME (INDEX: 2015 = 100)



Source: Eurostat

continue to predominantly offer variable rate mortgages (Bulgaria, Norway, Estonia and Latvia). On the contrary, some countries have a strong tradition of fixed rate lending: Hungary, Croatia, France, Slovakia, Belgium and the United Kingdom. Nonetheless, it is important to note that not all fixed rates are the same. Significant differences exist between countries offering very long term fixed rates (e.g. Belgium) and those where fixed rates tend to be short term (e.g. the UK where most are fixed for 2, 3 or occasionally 5 years).

Within the general declining trend variable-rate mortgages, two distinct groups of countries emerge. On the one hand, the share of variable rate mortgages in Spain, Ireland, Luxembourg, Italy and Austria has been declining at a constant rate. On the other hand, Greece, Poland, Romania, Portugal and Cyprus have seen a much faster decline since 2020, as illustrated in graph 12. An outlier in the general trend is Sweden, which experienced a decline in variable rate mortgages from 2018 to 2021, reaching a low of 43.5% in 2021. Since then, the share of variable rate mortgages in Sweden has increased substantially, reaching 85% in 2024. Swedish mortgage borrowers anticipated a decrease in mortgage interest rates, which led to comparatively high demand for variable interest rate mortgages. Consequently, the share of variable interest rate mortgages among new mortgage loans in Sweden remains higher than in most other European countries.

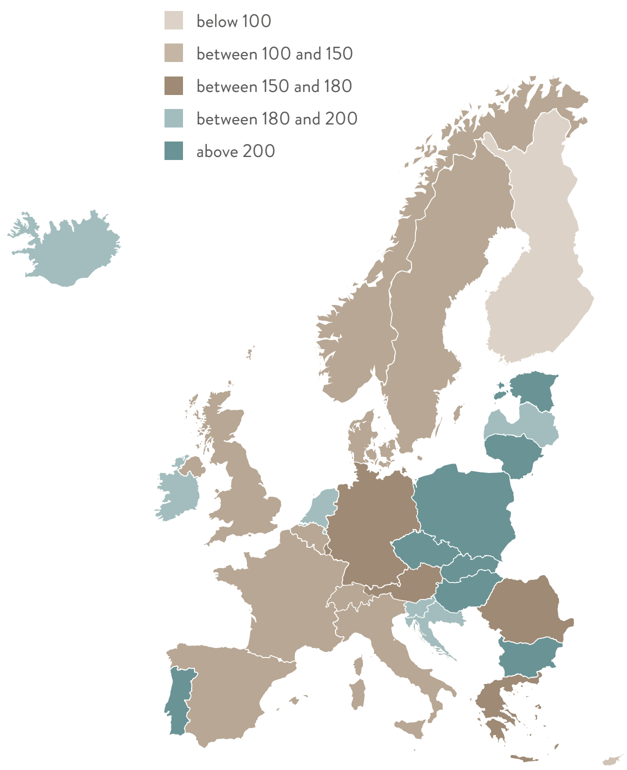
HOUSE PRICES

After examining housing supply, it is clear that the availability of housing finance plays a crucial role in maintaining long-term housing affordability. The housing market is still recovering from the consequence of the 2020 Pandemic which led to reduced construction activity, supply constraints and economic uncertainty. These factors lie at the heart of the affordability challenge in Europe and the long-term increase in house prices across Europe is a central focus of the current policy debate. Affordability depends on a number of factors, including wage growth, which affects purchasing power, and inflation and fiscal policy, which affects the cost of borrowing. While average house prices continue to rise, relatively low interest rates have helped keep the mortgage market somewhat affordable. Nonetheless, a deceleration in the HPI can be observed between 2023 and 2024, indicating that the rate of prices increases is slower than before.

The House Price Index (HPI) shows how residential property prices change over time, providing valuable insights into housing market dynamics. Europe is being shaped by ongoing demographic and cultural changes, sustainable building requirements, increased consumer mobility, volatility and uncertainty. The housing market not only provides shelter for all, but also builds communities and supports the broader goals of European integration.

House prices in Europe are increasing at different rates, yet distinct trends in movements can be identified, as illustrated in graphs 13 and 14. Countries such as Bulgaria (217.5), Czechia (222.3), Estonia (209.8), Hungary (356.6), Lithuania (235), Poland (215), Portugal (231.4) and Slovakia (201.7) are recording the strongest increase in their house price index since 2015, which could be explained economic growth but also a lack of housing supply. Cyprus (118.3), Finland (99.6), France (126.4), Italy (110.7) and Spain (129.7) are posting the slowest price increases since 2015.

GRAPH 14 | HPI IN EUROPE IN 2024 (INDEX: 2015 = 100)



Source: Eurostat

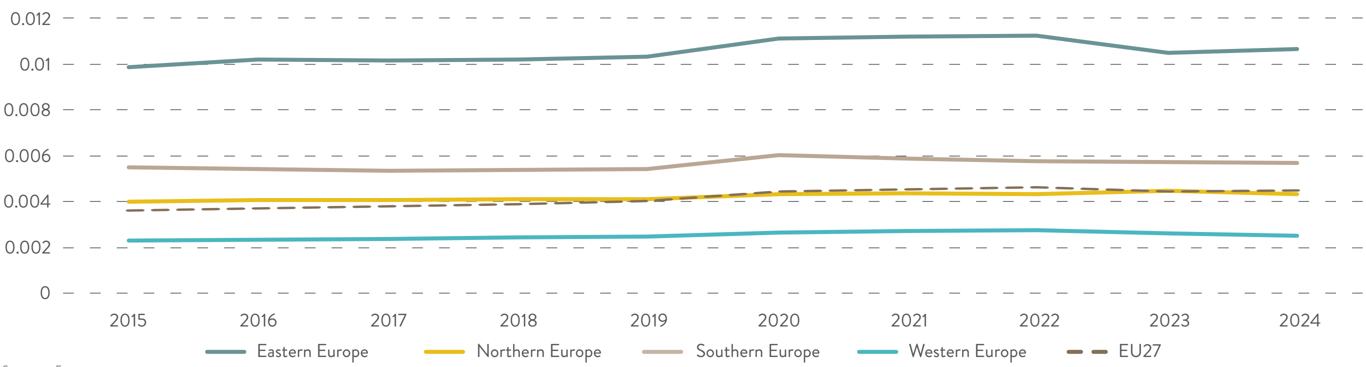
Between 2023 and 2024, the countries which experienced the largest y-o-y increase are: Bulgaria (+16.5%), Hungary (+12.1%), Poland (+14.2%), Portugal (+11.6%). Some countries saw a decrease y-o-y in their HPI, namely Austria (-4.1%), Finland (-2.7%), France (-3.8%), Germany (-1.6%), and Luxembourg (-5.2%).

HPI and GDP per capita

HPI and GDP per capita is not a standard indicator but has been created here to investigate whether house prices are rising relative to income growth and housing affordability in Europe.

As illustrated in graph 15 below, Western Europe has maintained the lowest ratio, slightly above 0.002% over the years. This suggests a stable relationship between house prices and income levels, likely due to slower house price inflation and faster GDP per capita growth. Similarly, in Northern Europe the HPI/GDP per capital ratio shows a rather moderate and stable increase which suggests a balanced economy and housing market. Southern Europe has a slightly higher ratio, around 0.006% with a sharp increase recorded between 2019 and 2020, likely driven by the 2020 Pandemic (and the resulting income shock), but the ratio returned to pre-crisis levels after 2020. Finally, Eastern Europe has a much higher ratio than other regions, at around 0.01%. The region experienced the same peak as the other regions in 2019. This indicates that house prices have increased much faster than incomes, pointing to potential affordability challenges; strong housing demand, limited supply and convergence[2].

GRAPH 15 | HPI OVER GDP PER CAPITA, OVER TIME PER REGIONS



Sources: Eurostat

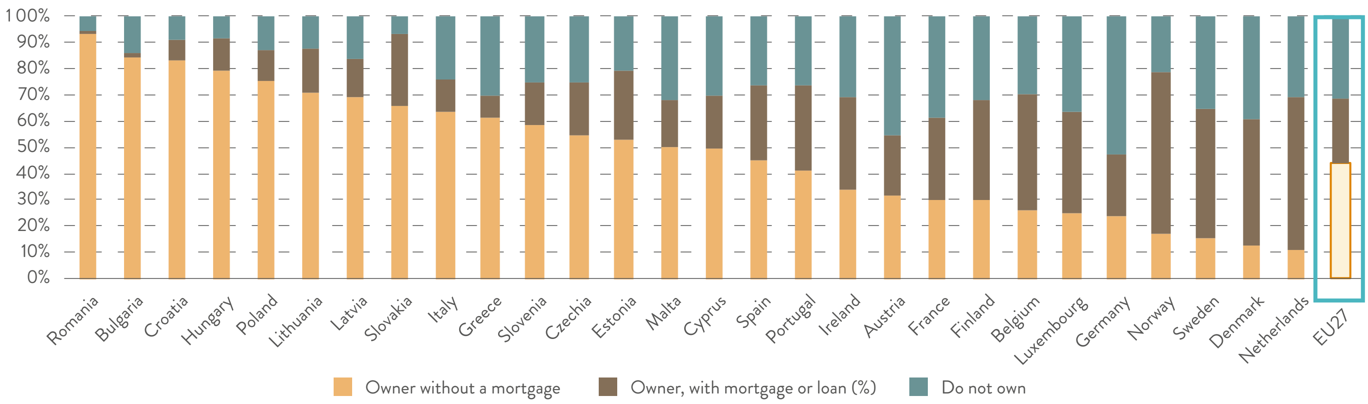
HOUSING CONDITIONS

The rate of owner occupancy indicates the proportion of people living in homes they own compared to those who rent where they live. This indicator is shaped by a range of historical, economic, demographic and social factors and is also influenced by a country's housing affordability measures. These factors play a significant role in consumers' decisions to rent or own their houses.

As shown in graph 16, Germany is the only country in the sample to record an owner-occupation rate of less than 50% (47.2%), representing the lowest rate in the EU. This can be explained by structural, historical and cultural factors which make long-term renting more attractive and practical in Germany.

At the other end of the spectrum, four countries have owner occupation rate above 90%: Romania (94.3%), Slovakia (93.1%), Hungary (91.6%) and Croatia (91%). These high rates are largely the result of historical policy choices and cultural-economic factors after 1990.

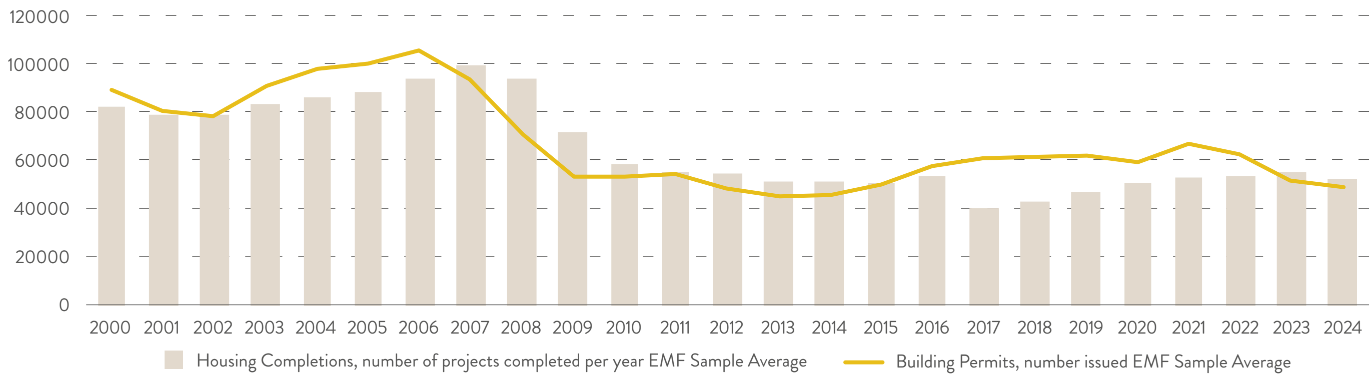
GRAPH 16 | DWELLING OWNERSHIP AND HOME FINANCING IN EU27 IN 2024



Source: Eurostat

[2] Convergence theory is defined as the assumption that household size and complexity decrease as societies industrialize, with current variations in household structures reflecting different rates of this demographic transition.

GRAPH 17 | BUILDING PERMITS AND HOUSING COMPLETION OVER TIME IN THE EMF SAMPLE



Source: Eurostat

In Europe, demand for new construction has largely followed a downward trend due to high mortgage rates and high construction prices. Nonetheless, during the last few years, ongoing initiatives and an increased emphasis on building sustainability, such as the Energy Performance of Buildings Directive and the Renovation Wave initiative, may have helped to prevent a more significant decline in construction volumes.

Housing permits serve as a key indicator of future housing supply. The decline shown in graph x indicates that increased housing supply is unlikely in the near future. Nonetheless, it is important to note that permits do not guarantee completion and the number of permits issued can sometimes lead to an overestimation of future completions. This underscores the expectation that imminent upwards housing supply trends are unlikely in the EU sample.

Similarly, a downward trend in building completions has been observed since the 2007 crisis in the EMF sample. While housing completions increased from 2022 (54.918) to 2023 (58.631), the number declined to pre-2022 levels in 2024 (53.517).

As the analysis above shows, housing permits and housing completions have followed a similar declining trend, separated by a few years. This declining trend can be explained by rising construction costs, labour shortages and market uncertainty.

To conclude this article; while the housing and mortgage markets were stabilising in 2024, the EU is still facing long-term challenges related to affordability, housing supply, and market equity. House prices and mortgage interest rates are increasing across most countries, whereas housing supply remains limited and the industry is still facing high construction costs.

Austria

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DISCLAMER: The views expressed in this contribution are those of the authors and not necessarily those of the OeNB or the Eurosystem.

IN A NUTSHELL

→ Austria's economy is in a downturn, with exports falling in 2024 (weak global demand, structural shifts in the automotive sector, and high energy and wage costs) while investment and residential construction have been hit by high financing costs and low sales expectations.

→ Consumer uncertainty remains high despite rising real wages, pushing up savings and leading to GDP declines of –0.8% in 2023 and –0.9% in 2024.

→ After a long boom, housing prices stabilised in late 2022 and fell through 2024 before a slight 0.4% rebound in early 2025.

→ Construction output has dropped sharply, especially in residential building, due to stricter lending rules, high interest rates, and rising construction costs, though civil engineering remained stable and recovery is not expected before 2026.

→ Improving conditions (falling interest rates, planned easing of lending rules in mid-2025, and government housing subsidies) are helping stabilise activity, though challenges like "Basel IV" regulations and tight public budgets remain.

MACROECONOMIC OVERVIEW

The OeNB's June forecast for the Austrian economy expects only a very moderate recovery following the longest period of weakness in the Second Republic. For 2025 the Oesterreichische Nationalbank expects a mild recovery (+0.2%), after two consecutive years of economic decline. While industrial production was surprisingly strong around the turn of the year, this stands in contrast to the introduction of US tariffs on European and many other countries' goods in early April and their suspension a few days later. The true impact of these two opposing effects remains highly uncertain. For 2026 and 2027, however, the OeNB has factored in more persistent negative effects from ongoing tariff uncertainty and the introduction of higher tariffs on the one hand, and some negative income and growth effects from budget consolidation on the other. The Austrian economy is projected to grow by only 0.9% in 2026 and 1.1% in 2027. Overall, the Austrian economy is not expected to reach its pre-crisis GDP-level by the end of the forecast horizon.

HICP-inflation will rise slightly in 2025 despite falling energy prices. The subdued GDP-outlook is accompanied by only a slow decline in inflation. In 2025, HICP-inflation is even expected to increase by 0.1 percentage points (pp) compared to 2024, reaching 3.0%, despite a sharp drop in energy prices after the comprehensive tariff announcement in early April. Overall HICP-inflation is expected to remain well above the euro area average, at 3.0% (2025), 1.8% (2026) and 2.1% (2027). The economic downturn has so far had only minor effects on the Austrian labor market. The number of employees is expected to rise again from 2025 after stagnating in 2024. Registered unemployment will increase slightly in 2025, nearly stagnate in 2026, and decline in 2027.

HOUSING MARKETS

After 8 quarters of growth in residential property prices of more than 10% (compared to the previous year), at end of 2022, it looks like the peak has been passed on the Austrian real estate market. From then, we saw four quarters of sharply falling prices, At the end of 2023 we see a turning point probably resulting in a sideways movement. Data for residential real estate sold in the first quarter of 2025 show a slight price increase of 0.4% year-on-year for Austria as a whole, after a decrease of -1.1% in the fourth quarter. In Vienna, after decreases while the year 2024 (-4.9% in 1Q2024) now we see an increase of 1.2% in the beginning of 2025. In the rest of Austria, price decrease was -0.2% (after -0.3% in the fourth quarter). In terms of short-term dynamics – measured by the growth compared to the previous quarter – the slight increase in Austria as a whole came to 0.8% (after -0.2% in Q4 2024).

MORTGAGE MARKET

Unlike in the euro area, the outstanding amount of mortgage loans has been growing resp. decreasing faster than the outstanding amount of total household loans (including consumer loans) in Austria. Regarding new loan business, a sharp decline in August 2022 is closely related to rising interest rates, with at this time rising property prices (most recently, a stabilization phase in residential property prices seems to stand out) and persistently high inflation further restricting the affordability of real estate in general. Since the beginning of 2024 we saw an increase to -0.1% in March 2025 (after decreases in 2024 in the number and volume of new loans – both housing loans and total loans.

In Austria, we find larger shifts over time than in the euro area: the share of variable interest loans, which was 86% in 2014, has fallen to 32% in the first quarter of 2022 and went down to 19.9% in 3Q2024; the proportion of loans with an interest lock-in period of more than 10 years, which was as low as 2% in 2014, has now risen to 53% in Q2 2022 and decreased again to 48.5% at Q3 2024.

The Austrian results of the euro area bank lending survey show that bank lending has been adversely affected by the recession observed since mid-2022 and the subdued growth outlook for 2025. Enterprises' demand for bank loans once more declined in Q4 2024. This continued a trend that has been ongoing for more than two years. Moreover, in contrast to previous survey rounds, the participating banks are more pessimistic about the future, expecting another small decline in demand in Q1 2025, mostly because of a drop in the financing need for fixed investment. Financing needs for inventories and working capital have also been decreasing somewhat since Q2 2024.

HOUSING POLICY

The key characteristics of Austria's housing policy are still its focus on regulated rental housing and its financing tools. The Limited-Profit Housing sector continues to flourish, with 15,400 completed apartments in 2023 (1.7 units per 1,000 inhabitants), which is slightly below the 10-years average. A new trend is seen in municipal housing, with Vienna reviving its own construction activities after 25 years of no new construction of social housing. Social housing supply follows a generalist eligibility approach with high income limits. Hence Austrian housing policy still promotes integrated rental markets.

Financing of affordable housing mainly relies on the housing subsidy schemes of Austrian Länder ("Wohnbauförderung"), which have spent approx. 2.2 bln EUR in new construction, refurbishment, and housing allowances in 2023. In addition, the Federal State has continued its activities for decarbonization of the housing stock, with expenditures of 370 mill. EUR in 2023. Other tools, such as tax subsidies or subsidies on financing products, play a subsidiary role.

The framework conditions have currently changed considerably. In addition to the existing problems of the downturn in the construction industry, the new federal government is confronted with massive budget savings requirements. This has led to a sharp cut in federal subsidies for housing decarbonisation measures. It is not yet foreseeable whether the 'Länder' will in turn reduce their subsidies. One aim of the new federal government is to compensate for cuts in subsidies through reforms in housing legislation. This plan has yet to be realised.

	AUSTRIA 2023	AUSTRIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	-1.0	-1.0	1.0
Unemployment Rate (LSF), annual average (%) (1)	5.1	5.2	5.9
HICP inflation (%) (1)	7.7	2.9	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	54.3	54.5	68.4
Gross Fixed Investment in Housing (annual change) (1)	-8.7	-6.9	-4.3
Building Permits (2015=100) (2)	66.7	61.4	136.9
House Price Index - country (2015=100) (2)	163.7	157.0	179.8
House Price Index - capital (2015=100) (2)	148.1	142.3	171.5
Nominal house price growth (%) (2)*	-2.8	-4.1	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	138,662	130,000	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	15,229.6	14,194.1	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	48.2	42.5	71.3
Gross residential lending, annual growth (%) (2)	-38.0	-17.0	3.9
Typical mortgage rate, annual average (%) (2)	3.87	3.89	4.34

(1) Eurostat Data
(2) European Mortgage Federation - Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

The financing system of the "Wohnbauförderung" gains its efficiency through the close interaction with the system of limited profit housing construction and tailor-made capital market financing instruments. Altogether, public expenditure on housing is at around 0.6% of GDP, which is one of the lowest shares in EU comparison. Nevertheless, outputs are quite remarkable, taking quantity and quality of housing, affordability, aspects of social integration and progress in housing decarbonization.

Housing is well positioned in the political agenda. The main pillars of housing policy are supported by basically all political parties.

AUSTRIA FACT TABLE

Which entities can issue mortgage loans in your country?	Mortgage lending is mainly financed via banks and Bausparkassen.
What is the market share of new mortgage issuances between these entities?	Not available
Which entities hold what proportion of outstanding mortgage loans in your country?	Bausparkassen hold the biggest proportion of residential mortgages in Austria. In combination with the Saving Banks Group, Bausparkassen represent the largest market share of the mortgage market.
What is the typical LTV ratio on residential mortgage loans in your country?	According to the OeNB Financial Stability Report 44 (November 2022), most LTV ratios amounted to around 50% since very rarely are loans granted with LTV ratios higher than 75% and the industry standard requires certain guarantees or an insurance against defaults in the higher LTV brackets.
How is the distinction made between loans for residential and non-residential purposes in your country?	Not available
What is/are the most common mortgage product(s) in your country?	Both variable rate loans and foreign currency loans are common mortgage products in Austria, but variable rate loans remain the most popular choose. However, there is a falling trend in their share in total loans over many years (in Q1 2019 around 11% of mortgage loans were foreign currency loans and around 45% of new issued mortgage loans were variable rated loans).
What is the typical/average maturity for a mortgage in your country?	Mortgages typically have a maturity rate of 25–30 years.
What is/are the most common ways to fund mortgage lending in your country?	According to the EMF-ECBC, in 2022 outstanding mortgage backed-up covered bonds amounted to EUR 70 mn, while outstanding mortgages amounted to EUR 142 mn. Beside covered bonds, deposits are the main way of funding. Meanwhile securitisation as a way of funding is even less popular.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	In addition to the cost of borrowing, one should add a mortgage fee, VAT, notary fees and taxes. In total, around 10% of the purchase price are to be added as costs at the house purchase.
What is the level (if any) of government subsidies for house purchases in your country?	Not available

Belgium

By Daniel Kryszkiewiez and Adrien Simonet, Union Professionelle du Crédit (Febelfin)

IN A NUTSHELL

→ The economy grew by 1% and inflation fell to +0.40%.

→ New mortgages increased by 14.3% by value.

→ to EUR 31 billion New federal and regional governments.

MACROECONOMIC OVERVIEW

Interest rates fell after 2 consecutive years of increases stimulating the property market. The number of employed increased slightly by 0.2% and unemployment remained stable at 5.8%. GDP grew by 1%.

Consumer confidence has turned negative as a consequence of international geopolitical tensions The constitution of governments at federal and regional level weighs on consumer confidence. Belgium had elections in 2024, and it took time to form the governments at federal and regional level which impacted consumer confidence.

Belgium's inflation is still contained, by a principle that is unique in Europe, through an automatic indexation of salaries if the rate of inflation exceeds the pivot index (fixed at 2%). This has a significant impact on companies' wage costs.

HOUSING MARKET

House sales fell by 0.7% according to the Real Estate Barometer of the Federation of Notaries (Fednot). The average price of a house and an apartment increased by +2.2% and +2.5%, in real nominal terms.

The average house price was EUR 329,743 an increase of 2.2%. for an apartment it was EUR 271,300 (+2.5%). **In Flanders the average house was** EUR 367,595 (+2.5%) and apartment cost EUR 282,574 (+2.2%). **In Brussels**, the average cost EUR 570,100 (+1.4%) and apartment, EUR 290.763€ (+3.7%) compared to the previous year and in **Wallonia**, the average house price decreased to EUR 238,691 (-0.8%) and for an apartment it fell to EUR 198,531 (-0.3%).

The number of transactions fell by 0.7% for Flanders and 1% in Wallonia but increased by 0.3% in Brussels.

The importance of Energy Performance (EPB) labels impacts prices, increasingly. This is particularly the case in the Flemish region where a property with an EPB worse than D (consumption of more than 400 KwH/M^2/year), must reach at least D within 5 years of purchase.

In Wallonia, the recently formed government at the end of 2024 announced favourable measures on the reduction of registration fees for first-time buyers from 12.5% to 3%. This has had an impact on the projects in the last quarter of 2024. Prospective buyers postponed purchases to January 2025 to benefit from this fee reduction.

MORTGAGE MARKET

With lower interest rates, 2024 had 3 consecutive quarters of new loan growth. New loan applications, excluding refinancing, increased to 186,000 loan applications for €31 billion, an increase of around 10% (by number) and15% (by value). Applications for construction fell by 2% in number but rose by more than 9% by amount but those for Purchase and Renovation increased by 0.6% (number(and +16.5% (amount).

In 2024, the number of external refinancings increased to just under 9.400 (+8.1%) for a total amount of just over EUR 1 billion.

The average amount of a loan for construction was EUR 226.000 (210.000 EUR in 2023), for a purchase was EUR 198.000 (192.500 EUR in 2023) for renovation loans was just over EUR 64.000 (65.000 EUR in 2023) and for purchase and renovation was EUR 204.500 (190.000 EUR in 2023).

In 2024, around 89% of the borrowers opted for a fixed interest rate for the life of the loan and nearly 6% for an initial 10-year fixed rate (categorised as semi-fixed rate). This means that around 95% of borrowers have opted for a fixed or semi-fixed interest rate for the entire term of their loan.

The importance of the energy performance of the assets as guarantees for the credit portfolios of banks is more than ever in the focus of their attention and becomes more and more an important element in the decision to grant mortgage loans.

Indeed, lenders are paying more and more attention to EPB certificates when analysing loan applications, in order to open a dialogue with applicants about the financial resources they have and will be able to mobilise to reach the obligations of the EPB directive and label A. In addition, the lenders' supervisor is asking them to report loans with their EPB "label" to the prudential authorities. Loan applications with a good to very good EPB label are less risky for lenders.

	BELGIUM 2023	BELGIUM 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	1.2	1.0	1.0
Unemployment Rate (LSF), annual average (%) (1)	5.5	5.7	5.9
HICP inflation (%) (1)	2.3	4.3	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	71.9	70.2	68.4
Gross Fixed Investment in Housing (annual change) (1)	-3.4	-4.3	-4.3
Building Permits (2015=100) (2)	114.9	95.6	136.9
House Price Index - country (2015=100) (2)	145.8	145.9	179.8
House Price Index - capital (2015=100) (2)	124.7	129.2	171.5
Nominal house price growth (%) (2)	2.2	0.1	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	138,662	130,000	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	26,877	27,418	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	90.3	89.7	71.3
Gross residential lending, annual growth (%) (2)	-30.3	8.2	3.9
Typical mortgage rate, annual average (%) (2)	3.6	3.4	4.34

(1) Eurostat Data
(2) European Mortgage Federation - Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

BELGIUM FACT TABLE

Which entities can issue mortgage loans in your country?	Banks, insurance companies and other types of lenders that have been authorised (licence) or registered by the supervising authority FSMA to grant mortgage credit according to the Belgian law on mortgage credit.
What is the market share of new mortgage issuances between these entities?	Based on the membership of our Association (UPC), representing ca 90% of the total Belgian market, the following market shares can be approximatively given in amount: • Banks: ca 96,1% • Insurance companies: 0.7% • Other types of lenders: 3.2% N.B.: These figures do not take into account the social credit lenders. However, their market share is rather low.
Which entities hold what proportion of outstanding mortgage loans in your country?	The list of mortgage credit lenders and the end-of-year outstanding amount of mortgage loans was published until 2013 on an annual basis by the supervising authority FSMA. This publication has been stopped since then. On the basis of UPC membership, the following market shares can be approximatively given in amount: • Banks: ca 95.9% • Insurance companies: 1.2% • Other types of lenders: 2.9%
What is the typical LTV ratio on residential mortgage loans in your country?	According to the Financial Stability Review issued by the National Bank of Belgium (NBB), the average loan-to-value ratio was about 80% in the period 1996-2006. It dropped to about 65% (and even below that) in the years 2007-2014. However, this average loan-to-value ratio has to be interpreted with caution, as the data are the result of a very wide distribution of loan-to-value ratios at origination. For the first half of 2020 vintage, about 53% of the volume of new mortgage loans was made up of loans with an LTV ratio above 80%. As a consequence of recommendations imposed by the NBB, the share of new mortgage loans with an LTV ratio above 80% decreased to about 40% in 2022. In 2023, the average LTV was 71%. In the first semester 2024, the share of new mortgage loans with an LTV higher than 80% again increased. Average LTV remains at 71%, at the same level as last year.
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential purposes means that it is for private housing (consumers). The Belgian mortgage credit law applies to mortgage credit as funding for acquiring or safeguarding immovable real rights granted to a natural person chiefly acting for a purpose deemed to lie mainly outside the scope of his commercial, professional or crafting activities and having his normal place of residence in Belgium, at the moment when the agreement is being signed: a) either by a lender having his principal place of business or chief residence in Belgium b) or by a lender having his principal place of business or chief residence outside Belgium, provided a special offer or publicity had been made in Belgium before the agreement was signed and the actions needed for signing the agreement have been undertaken by the borrower in Belgium.
What is/are the most common mortgage product(s) in your country?	The most common mortgage credit product is a loan with a term of 20 - 25 years, a fixed interest rate throughout the full loan term and a fixed amount of monthly instalments.

What is the typical/ average maturity for a mortgage in your country?	The median maturity of a mortgage loan at origination is about 20 years. Since 2007, lenders have continued to tighten customers' access to mortgage loans with long maturities. The percentage of loans granted with a maturity of more than 25 years plummeted from 23% in 2007 production volumes to only 2% in 2015 and 2016. At the same time, the share of loans with a maturity between 20 and 25 years remained relatively stable until 2016 while the share of loans with a maturity between 15 and 20 years clearly increased. These trends seem to have influenced the average maturity level of total outstanding stock as from 2013; by the end of 2015, 11% was associated with initial maturities above 25 years, down from 20% in 2012. Whereas in 2016 only 29.0% of mortgage loans was granted with a maturity of over 20 years, this number rose to almost 40% in 2019. Since then, the market share of new mortgage loans with a maturity of over 20 years remained almost stable at about 40%. For last year, the proportion of new loans with a maturity of more than 20 years rose to 49% in 2022 and to 54% in 2023, from around 40% in the period 2018-2021. The part of loans with a maturity of >25 years, however, remained stable. In 2023, the market share of loans with a maturity of 20 to 25 years further increased to more than 55%.
What is/are the most common ways to fund mortgage lending in your country?	Most funding still comes from deposits like savings accounts. A few major lenders issue covered bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	The registration duty in **Flanders**, from January 2025, is 12% of the purchase price of a dwelling that is not the own and only home as the main residence. For the own and only home as the main residence, this duty is lowered to 2% (coming from 3%) of the purchase price. It only amounts to 1% in case of a deep energy efficient renovation in the first 5 years after the purchase. Application of an additional reduction of EUR 2,800 in case the purchase price does not exceed EUR 220,000 (EUR 240,000 in the main cities and some cities around Brussels)[1]. In **Wallonia**, from January 2025, the registration duty amounts to 12.5% of the purchase price. However, in case of an own and only residence, this duty is only 3% of the purchase price. In the **Brussels region**, the normal registration duty is 12.5% of the purchase price. However, buyers can benefit from an "abattement" (= exemption on which the buyer is not required to pay registration duties) on the first slice of **EUR 200,000**. This exemption is only applicable to properties of under **EUR 600,000** and provided that it concerns the buyer's own and only home as his main residence. An additional "abattement" of EUR 25.000 per energy label category is possible if the energy class of the purchased home improves by at least 2 energy label categories in the first 5 years after the purchase[2]. There is also a registration duty on the amount of the mortgage loan covered by a mortgage registration.
What is the level (if any) of government subsidies for house purchases in your country?	Across the regions (Flanders, Wallonia and Brussels) the schemes differ, with each region pursuing its own policy: **Flanders** no longer provides a tax reduction. The "housing bonus" system, which allowed the owner of a single house to obtain deductions (40% tax relief) for construction/ purchase/ renovation up to the total amount of EUR 1,520 (and even EUR 2,280 during the first 10 years of the mortgage) has been replaced since January 2020 by a reduction of the registration duty. In **Wallonia**, the so-called "Chèque habitat", applies from 2016 on is also no longer provided for new credits (from January 2025) but remains for the existing credits before January 2025[3]. The **Brussels region** also no longer provides a tax reduction. It was replaced by a higher tax relief on registration duties (first slice of EUR 200,000) to buyers purchasing their own and only home as their main residence. The **federal state** provided until end 2023 a tax reduction if one buys a second house: a deduction of up to EUR 1,520 (tax relief of 40%) for capital repayments and debt balance insurance premium in case of a loan for the purchase/ construction/renovation of a second house in 2023. As of January this measure has ended.

1 More information is available on: Verlaagd tarief in het verkooprecht voor de aankoop van de enige eigen woning | Vlaanderen.be

2 More information is available on: Les droits d'enregistrement - Bruxelles Fiscalité

3 More information is available on: https://logement.wallonie.be/fr/aide/le-cheque-habitat

Bulgaria

By Petar Ivanov, Tsvetkova Bebov & Partners, member of Eversheds Sutherland

IN A NUTSHELL

- → The economy grew by 2.8% and inflation fell to 2.6%
- → Despite house price and general inflation, low interest rates and increasing income fuelled mortgage market growth.
- → Growth continued in 2025, as rates continued to decline.
- → Bulgaria to enter the Eurozone on 1 January 2026.
- → Landmark first issuance of covered bonds under the new Bulgarian Covered Bonds Act.

MACROECONOMIC OVERVIEW

The economy remained stable after a period of uncertainty due to factors such as to the war in Ukraine and a political impasse, which has left the country without a stable government since 2021. GDP growth is projected to be 2.8% (to EUR 94 bn) over the year compared to the EU average of 1% and Eurozone average of 0.9%.

Inflation continued to decrease with the HICP down to 2.6% y-o-y from 8.6% in 2023, which equals the EU average and is slightly above the Eurozone average of 2.4%. Unemployment remained historically low at 4.2% (EU average of 5.9%, 6.4% in the Eurozone). Inflation and a shortage of qualified labor contributed to further growth of average wages, which increased 13.9% y-o-y.

LOOKING AHEAD

The economy is expected to continue to grow with further decrease of inflation and unemployment rate.

According to its spring economic forecast, the European Commission expects real GDP growth in 2025 of 2% (1.1% in the EU and 0.9% in the Eurozone) and projects an increase in inflation to 3.6% from 2.6% in 2024 (2.3% in the EU and 2.1% in the Eurozone). Wage growth is expected to moderate, while the labor market will remain tight with a low rate of unemployment.

Following the introduction of measures by the Bulgarian National Bank to moderate residential mortgage lending, in the first quarter of 2025 the mortgage market grew at a slower rate of 9% y-o-y. This is a notable decrease compared to the annual growth of above 20% in each of the past several years. In the first months of the year rates continued to decrease compared to 2024.

HOUSING MARKETS

In 2024 the growth of the housing market shows signs of slowing down. The number of building permits issued decreased to 7,786 from 8,165 in 2023). Housing starts increased to 6,184 (5,860 in 2023), and completions decreased to 5,201 (5,419 in 2023). Despite this, new residential lending grew from BGN 5.7 bn (ca. EUR 2.9 bn) in 2023 to BGN 8.4 bn (ca. EUR 4.3 bn) in 2024.

The increased demand further accelerated house prices, which averaged 217.5% of the index's base value in 2015 compared to 186.7% in 2023.

The housing market varies regionally: prices in Sofia and the third largest city – Varna - outperform the average and reached 248% (210% in 2023), 218.2% (182.1% in 2023), respectively. At the opposite end is the fourth largest city – Burgas and its South-east region of Bulgaria with HPIs of 197.8% and 182.1%, respectively. There were higher average wages and more diverse job opportunities in the largest cities – for instance, the average wage in Sofia was 23% higher than the average contributing to the asymmetric price increases.

Similarly, in the rental market prices and demand in Sofia have steadily increased compared to the other regions, for the same reasons.

MORTGAGE MARKET

MARKET DYNAMICS

There has been growth in mortgage lending and lower interest rates for nearly 15 years, since 2010 with a slow recovery following the crash of 2008/2009 after the global financial crisis.

In 2024 the mortgage market grew by 25% to a total amount of outstanding residential loans of BGN 27.6 bn (ca. EUR 14.1 bn). Average interest rates decreased to an all-time low of 2.53% for BGN denominated loans (2.59% in 2023) and 2.95% for loans in EUR (3.53% in 2023). In the first quarter of 2025 interest rates continue to decrease (2.46% in March for loans in BGN).

Most new loans are floating rate (99%) and BGN denominated (96% of all outstanding and 97.6% of new loans) due to the more favourable interest rate terms on BGN loans and despite Bulgaria joining the Eurozone on 1 January 2026. The maximum maturity for new mortgages is 30 years with an average of 20 – 25 years. Due to the rise in inflation and house prices the average borrowed amount on new loans has increased in the past years to around BGN 195,000 (ca. EUR 100,000) with an LTV of 70-80%, with a 85% limit prescribed by the Bulgarian National Bank.

Housing NPLs continued to decrease to 1% (BGN 285 m) of all outstanding mortgage loans (1.5% in 2023).

On the supply side, credit standards for house purchases remained largely unchanged. As of October 2024, the Bulgarian National Bank introduced certain restrictions on mortgage lending activity, which consist of a maturity (30 years) and LTV (max. 85%) ceiling on new and renegotiated loans, as well as a Debt Service to Income Ratio at Origination (DSTI-O) of 50%. These restrictions appear to be slowing growth in lending in the first months of 2025.

In 2024 the main drivers of demand were fear of rising inflation and borrower's desire to convert savings into a housing investment, which is perceived as a "safe haven" in an environment of regional crises and regional and domestic political instability.

MORTGAGE FUNDING

Bank funding is dominated by deposits. As at the end of 2024, the banking sector had BGN 163 bn (ca. EUR 83 bn) of deposits (2023 – BGN 147 bn), equal to 80% of GDP and 85% of banking assets. Household deposits were BGN 92 bn (EUR 47 bn) or 57% of the total, followed by deposits of non-financial entities – BGN 49bn (EUR 25 bn) or 30%, and deposits of financial entities – BGN 18.3 bn (EUR 9.3 bn) or 11%. There is a well-established preference of households and non-financial entities to keep their free funds in bank deposits. The growth in deposits is also a result of the strengthening of consumer confidence in the banking system in recent years.

Typical wholesale funding tools such as securitisations and covered bonds are practically non-existent. The same applies to central bank funding, which may be provided only in strictly limited cases due to the pegging of the Bulgarian Lev to the Euro (so-called "currency board"). This is likely to change, when Bulgaria enters the Eurozone and the Bulgarian National Bank, as national central bank, takes up new responsibilities in the formulation and implementation of the Eurosystem's monetary policy. Bulgaria is set to join the Eurozone on 1 January 2026.

Whereas the lack of appropriate legal infrastructure has hindered securitisations, mortgage bonds – a type of covered bonds – did not manage to establish themselves as successful and marketable products despite the issuance of several mortgage bond programmes and stand-alone issues in the late 00s and early 10s. The last mortgage-backed bonds issued by a Bulgarian bank matured in September 2019.

In March 2022, the Bulgarian Parliament adopted the new Covered Bonds Act, which replaced the existing mortgage-backed bonds legislation and transposes the EU's Covered Bonds Directive (EU) 2019/2162. The Covered Bonds Act is the result of an EBRD (European Bank for Reconstruction and Development) funded project aimed at creating a modern covered bonds market in Bulgaria and encouraging cross-border investment into and from Bulgaria. In addition, in March 2021 a new law on special purpose and securitisation companies entered into force, which established a legal framework for securitisations in Bulgaria.

In July 2025, Eurobank Bulgaria AD, the Bulgarian bank part of Eurobank Group, issued Bulgaria's first covered bonds under the Covered Bonds Act. The inaugural issue of EUR 500,000,000 floating rate mortgage loan covered bonds due 2032 has been awarded a rating from Moody's of Aa2 and admitted to trading on Euro MTF organised by the Luxembourg Stock Exchange. The issue was retained by the issuer.

GREEN FUNDING

The National Recovery and Resilience Plan, part of Next Generation EU, establishes a National Program for Energy Renovation of Residential and Non-residential Buildings (the Program) under the auspices of the Ministry of Regional Development and Public Works. The total funds dedicated to the Program are BGN 2.47 bn (EUR 1.26 bn) for the renovation of multifamily residential buildings, public and commercial buildings in the period 2022 – 2026. The main goal of the Program is to achieve a 30% increase in energy efficiency in participating buildings through the funding of projects, such as the thermal insulation, renovation of common heating, cooling and ventilation systems, and the construction of renewable energy installations. The application period for a first stage of the Program started in December 2022.

The National Recovery and Resilience Plan also envisages the co-funding of individual investments to increase the energy efficiency of single family and multifamily buildings, such as the construction of solar energy installations, in a total amount of BGN 240 m (EUR 12 3m) in the period 2022 – 2025.

Due to the prolonged period of political instability and changing geopolitical conditions, the implementation of the National Recovery and Resilience Plan is behind schedule, and it is expected that certain projects will be amended or excluded from the plan in an ongoing revision. It is to be seen how the implementation of the National Recovery and Resilience Plan facilitates green projects in Bulgaria.

	BULGARIA 2023	BULGARIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	1.9	2.8	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.3	4.2	5.9
HICP inflation (%) (1)	8.6	2.6	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	86.1	86.0	68.4
Gross Fixed Investment in Housing (annual change) (1)	-0.2	-4.0	-4.3
Building Permits (2015=100) (2)	47.3	45.1	136.9
House Price Index - country (2015=100) (2)	186.7	217.5	179.8
House Price Index - capital (2015=100) (2)	210	248	171.5
Nominal house price growth (%) (2)*	19.6	16.5	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	11,263	14,100	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	1,746.8	2,187.6	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	13.2	39.2	3.9
Typical mortgage rate, annual average (%) (2)	3.53	2.95	4.34

(1) Eurostat Data
(2) European Mortgage Federation - Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

BULGARIA FACT TABLE

Which entities can issue mortgage loans in your country?	There are no specialised mortgage banks. Therefore, all licensed commercial banks (credit institutions) can provide mortgage loans. The largest and most active lenders of residential mortgage loans are 'tier 1' banks DSK Bank (DSK), United Bulgarian Bank (UBB), UniCredit Bulbank (UCB), Eurobank Bulgaria (Eurobank), First Investment Bank (FIB), as well as 'tier 2' banks Central Cooperative Bank (CCB) and Allianz Bank Bulgaria (Allianz).
What is the market share of new mortgage issuances between these entities?	In 2024 the total nominal (principal) value of residential mortgage loans issued has increased by ca. 25% or BGN* 5.5 bn from BGN 22 bn to BGN 27.6 bn. The 7 most active banks on the Bulgarian residential mortgage loan market account for around 96% of this increase – DSK (27.6%), UBB (24.7%), UCB (19%), Eurobank (16.3%), FIB (3.5%), CCB (2.3%), Allianz (2%). * EUR 1 = BGN 1.95583
Which entities hold what proportion of outstanding mortgage loans in your country?	As of 31.12.2024 the total nominal (principal) value of residential mortgage loans issued is BGN* 27.6 bn. The 7 banks mentioned above form BGN 26.4 bn (ca. 96%) of this amount, of which DSK holds BGN 6.9 bn (ca. 25.1%); UBB – BGN 6.2 bn (ca. 22.4%); UCB – BGN 5.1 bn (ca. 18.5%), Eurobank – BGN 4.6 bn (ca. 16.5%), FIB – BGN 1.5 bn (ca. 5.4%), CCB – BGN 1.2 bn (ca. 4.2%), Allianz – BGN 0.98 bn (ca. 3.5%). * EUR 1 = BGN 1.95583
What is the typical LTV ratio on residential mortgage loans in your country?	The average LTV ratio is 80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	The official statistics of the Bulgarian National Bank (BNB) provides information only on residential mortgage loans reported at nominal (principal) value before deduction of provisions, without fees and currently accrued interest. BNB defines "residential" or "housing" loans as loans granted to households for the purpose of investing in dwellings for their own use or for letting out, including for the construction and improvement of dwellings, which can be secured by various types of assets.
What is/are the most common mortgage product(s) in your country?	The most widely used mortgage products are BGN denominated housing loans with variable rates, which are generally defined in the banks own lending policies. The average size of loans is BGN 195,000. Interest rates have been on a downward trend over the last years. In 2024 the average interest rate on BGN denominated housing loans is 2.53%, which is slightly lower than 2023 (2.59%).
What is the typical/average maturity for a mortgage in your country?	The average maturity of newly issued mortgage loans is around 25 years with maximum term of any mortgage being 30 years.
What is/are the most common ways to fund mortgage lending in your country?	Funding of mortgage loans is based largely on deposits. Alternative funding sources are uncommon. There is practically no mortgage bond market, with last mortgage bond issuance dating back to 2014 and all issues being redeemed since, the latest in September 2019. In March 2022 a new Covered Bonds Act transposing the Covered Bonds Directive (EU) 2162/2019 was adopted by Parliament. There have been no covered bonds issued yet.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	A variety of taxes and fees are associated with purchasing properties, most of which vary according to the property's price, but which may also depend on whether the property has land attached, whether it is being bought through an agent (as opposed to directly from the vendor), or whether there are other consultants involved (e.g. lawyer, surveyor or translator). In particular, a purchaser should be aware of the following related costs: municipal tax (up to 3% of the purchase price depending on municipality involved, no cap); notary expenses for the purchase and for the establishment of a mortgage (each notarisation costs between BGN 500 and BGN 6,000 depending on the price of the property); state fee for registration of the purchase and the mortgage in the Bulgarian Property Register (each registration costs 0.1% of the property price, no cap); potential VAT implications of the purchase must also be considered.
What is the level (if any) of government subsidies for house purchases in your country?	Not available, other than limited tax benefits for young families (spouse not elder than 35 years), which can deduct from their taxable income interest payments on loans (or the part of loans) up to BGN 100,000.

Croatia

By Richard Kemmish, External Consultant

IN A NUTSHELL

→ The economy grew by 3.2%, continuing a long term trend of outperformance of eurozone peers.

→ House prices continue to rise significantly in real terms (+6.4%, or 10.4% in nominal terms).

→ As new building increased by 4.9%, the construction industry grew and is now 4.2% of GDP.

→ Similarly, the mortgage market continued to grow in its long term 8 – 10% range.

MACROECONOMIC OVERVIEW

The economy continued to grow rapidly with GDP increasing by 3.2% (from 3.1% in 2023), continuing a long term trend of growth in excess of 2.5% interrupted only by Covid. Particular divers of growth this year included consumer spending – as wage growth significantly exceeded inflation – fiscal stimulus, inflows of EU funding and the construction sector.

EU funding under the Recovery and Resilience Facility is expected to reach EUR 10bn, equivalent to 11.7% of GDP and, according to Fitch, will be 'an important growth driver for Croatia until 2030'[1].

Unemployment fell to 5% from 6.1% at the end of the previous year. Several sectors, including tourism and construction face significant labour shortages which are at least partially mitigated by an increase in the number of immigrant workers, mainly from other former component states of Yugoslavia and Ukraine. The strong labour market, combined with real wage growth of 5.9% (nominal of 10%), and falling interest rates there was a significant increase in private sector consumption, including of housing.

In line with other eurozone countries, inflation continued to fall rapidly from the 2022 peak. At year end it was 4%, down from 8.4% a year previously. Service costs and food, beverage and tobacco rose more rapidly than average whilst durable goods and energy prices increased more slowly.

The government fiscal deficit of 2.4% (a surplus of 0.8% in 2023) was below GDP growth resulting in the debt to GDP ratio falling to 57.6%, below the Growth and Stability Pacts targeted 60%.

LOOKING AHEAD

Growth is expected to continue, at 3.2% according to a forecast by the European Union, significantly above the average forecast growth for the eurozone, consequently unemployment is forecast to continue to fall, to 4.5% by year end. Despite this the EU forecasts that inflation will fall further to 3.4%.

Direct trade exposure to the US is low limiting the downside risk of trade wars to second order effects[2].

HOUSING MARKETS

House prices continued to rise, in nominal terms by 10.4% from 11.9% in the previous year but, with the slowdown in inflation this represented an increase in the rate in real terms. This continues a long term trend with house prices having nearly doubled (+98%) since 2015. The rate of growth in nominal terms is nearly double that in the EU as a whole (which rose by 4.9% over the year). Quarterly data indicates that the rate of growth peaked in Q2 and slowed slightly towards the end of the year.

To meet the demand, building permits granted during the year increased by 4.9% (from 4.3%, measured in terms of sq m of new building permitted).

There are significant regional disparities in property prices, demonstrating the importance of tourism driven buying. Properties in areas popular with tourists such as Dubrovnik and Split average in excess of EUR 3,000 per sq m, whilst those inland such as Osijek are only EUR 731 per sq m. Even in Zagreb property prices are only EUR 1,400 per sq m[3].

Drivers of house prices included falling eurozone interest rates making new loans more affordable, although the largely fixed rate nature of the market means that the benefit of lower rates has not yet reached all borrowers.

Unsurprisingly, given the growth in construction activity and labour shortages in the sector, the cost of housing production grew at a greater rate then general inflation, 8.5%, up from 4.7% a year previously. The construction sector is a more important component of the overall economy than ever before, representing 4.2% of GDP, up from 3.7% last year and the highest proportion on record.

Although falling slightly (to 91% from 91.2% at end of 2023), home ownership remains amongst the highest in the European Union (behind only Hungary, Romania and Slovakia).

MORTGAGE MARKETS

The mortgage market has continued its post-pandemic strong growth with outstandings up by 9%, in line with the 8 –10% range since 2021. It is possible that there is some front loading of loan growth due to the announcement of measures by the CNB to slow mortgage market expansion. These measures, which come into effect on 1 July 2025 include a limit on loan-to-value ratios of 90% and on debt service/income ratio for new consumer loans of 40% and for mortgage loans of 45%. Up to 20% of mortgage loans originated in any quarter can exceed this. The restrictions are designed to slow the rapid growth in general-purpose consumer loans, which accelerated to an annual rate of 15% in 2024 (2023: 11%), and mortgage loans.

[1] https://www.fitchratings.com/research/sovereigns/fitch-affirms-croatia-at-a-outlook-stable-14-03-2025

[2] ibid

[3] Source: Real Estate Croatia

Commercial banks continue to dominate new mortgage lending with Housing Savings Banks constributing a small (less than 10%) share of total lending.

Non-performing loans in general in the banking sector remained at series-long low of 2.4% but mortgage specific NPL data is not available.

MORTGAGE FUNDING

Mortgage lending continues to be overwhelmingly deposit funded. Croatia's entry into the eurozone entry has boosted domestic banks' lending capacity due to reductions in the minimum reserve requirement.

The CNB raised the countercyclical capital buffer that banks must hold to reflect the increased risks to 1.5% of risk-weighted assets at end-1H24, from 1% at end-2023, 0.5% at end-1Q23, and 0% before that.

The Croatian banking sector remains stable, with solid capitalisation (total capital ratio at 23.9% in 2024), improving asset quality (non-performing loan ratio at 2.4% in 2024 vs. 2.6% in 2023) and solid profitability (return on assets at 1.9% in 2024 vs. 1.8% in 2023).

The banking market continues to be dominated by foreign owned banks which account for 90% of total banking assets and is characterised by very low loan to deposit ratios, negligible use of wholesale funding and relatively small mortgage exposure (approximately 20% of total balance sheets).

	CROATIA 2023	CROATIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	3.3	3.9	1.0
Unemployment Rate (LSF), annual average (%) (1)	6.1	5.0	5.9
HICP inflation (%) (1)	8.4	4.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	91.2	91.0	68.4
Gross Fixed Investment in Housing (annual change) (1)	n/a	n/a	-4.3
Building Permits (2015=100) (2)	144.2	147.8	136.9
House Price Index - country (2015=100) (2)	186.2	198.5	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	9.5	6.6	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	10,840	11395	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	2,815	2,951	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	1.5	-9.5	3.9
Typical mortgage rate, annual average (%) (2)	3.26	3.73	4.34

(1) Eurostat Data
(2) European Mortgage Federation - Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

Although a covered bond law has been in place since 2022 it is as yet unused.

GREEN FUNDING

In 2024 a green bond was issued by a Croatian bank for the first time, by Erste Croatia, This was not however used to fund mortgages. Several banks offer loans to their customers to enhance the energy efficiency of their homes but these have not yet been used to back a green covered bond or securitisation.

CROATIA FACT TABLE

Which entities can issue mortgage loans in your country?	Commercial banks and housing saving banks.
What is the market share of new mortgage issuances between these entities?	Commercial banks dominate the market.
Which entities hold what proportion of outstanding mortgage loans in your country?	Commercial banks hold 94.5%, and housing saving banks hold the rest 5.5%.
What is the typical LTV ratio on residential mortgage loans in your country?	Between 70 and 80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	'Consumer Housing Loans Act defines "housing loan" as a loan: a) collateralised by a security on residential immovable property or a transfer of ownership of residential immovable property for the purpose of securing the loan; or b) the loan the purpose of which is for the consumer to acquire or retain the ownership of residential immovable property. Loans not falling within this description would not be residential.
What is/are the most common mortgage product(s) in your country?	Housing loans.
What is the typical/ average maturity for a mortgage in your country?	Between 20 and 30 years.
What is/are the most common ways to fund mortgage lending in your country?	Deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Real estate transfer tax (3% of market value, application from January 2019); transaction costs (fees and commissions): up to 2% of market value; and other costs (agency intermediation, public notary, etc.): 2-4% of market value.
What is the level (if any) of government subsidies for house purchases in your country?	Low (in the part of government supported "Publicly Subsidized Residential Construction Program", through the governmental incentives for housing savings and through the limited government financial support for first housing property purchase).

Cyprus

By Ioannis Tirkides, Bank of Cyprus

IN A NUTSHELL

- → GDP grew by 3.4%
- → House prices have continued to rise from the low post recession levels.
- → Housing demand and residential construction remained strong.
- → Bank liquidity remains good.

MACROECONOMIC OVERVIEW

In 2024, the economy achieved a growth rate of 3.4% driven by rising exports and strong economic activity in key sectors, primarily the information and communications sector, business and professional services, tourism and construction. The positive momentum is expected to continue in the medium term, barring unforeseen shocks, with economic growth forecast to average around 3.0% in 2025 and 2026 according to the Ministry of Finance.

Labour productivity growth remains a strong contributor to growth economy and the unemployment rate dropped to 4.6% by year end (seasonally adjusted). Inflation measured by the Harmonised Index of Consumer Prices, has been declining since the peak in July-August 2022, dropping to 3.9% in 2023 and 2.3% in 2024.

The budget surplus was 4.3% of GDP (1.7% in 2023). Strong revenue growth, long average debt maturity and limited financing needs are expected to continue driving solid fiscal performance. The general government debt to GDP, dropped to 65% (73.6% in 2023).

Short-term risks are mainly external and skewed to the downside, including a downturn in key tourism markets, an escalation of regional conflicts, and delays in the implementation of the Recovery and Resilience Plan. Medium-term risks stem from climate change and a possible further deterioration in the global geopolitical outlook.

HOUSING MARKET

Home ownership has declined since the financial crisis of 2012-14 reflecting the deep recession, high non-performing loans and tighter credit conditions. Home ownership peaked in 2007 at 74.1% and dropped to a low of 67.9% in 2019. Since then, it has increased to 69.4% in 2024. The median value across all EU countries was 73.4%. Real gross value added by construction rose by 4.8% but is still 29% lower than its peak in 2007.

Growth in property sales slowed to 1.8% in 2024 after rising by an average of 25% a year in 2021-2023. Property sales by residents rose by 4.4% (average 15% in 2021-2023). Property sales by non-residents dropped marginally by 0.6% in 2024 (average 41% in 2021-2023).

Property sales in 2024 were distributed 49% to residents and 51% to non-residents, of which 37% of the total were to non-EU buyers. Prices of residential property have been rising since 2017 following a protracted period of decline (2008-2016). Residential property prices increased by 6.7% on average in 2024 (average 3.5% annually in 2017-2024).

Regional price differences reflect differences in the composition of demand. In Limassol there is higher demand from non-residents related to the city's international business orientation. There is a high proportion of vacation and second homes in the Larnaca, Paphos and Famagusta regions where prices have been more volatile in both the contraction and the recovery. Nicosia is the largest region by population and the country's capital and features demand from locals, diplomats, and students.

MORTGAGE MARKET

MARKET DYNAMICS

The mortgage market has been shrinking since the financial crisis of 2012-14, in absolute terms and relative to GDP as the banking sector restructured and deleveraged. Total outstanding loans for house purchase at year end were EUR 8.5 bn, 25% of GDP. This compares with EUR 12.7 bn, 65% of GDP in 2012.

Loans for house purchase increased as a share of loans to residents (including loans to corporates but excluding the government) in 2024, to 41.9% (from 24% in 2012) and as a share of all household loans to 79% (53% in 2012). This indicates a higher degree of deleveraging in the period in non-mortgage loans.

New mortgage loans net of renegotiated amounts, rose by 7% in 2024 to €1.09 bn or 28% of total new loans.

The variable interest rate (up to one-year initial rate fixation) for house purchase dropped to 4.7% at year-end (5.2% in December 2023).

Non-performing exposures of the household sector (there are no separate statistics for the performance of mortgages themselves) have been declining steadily. At the end of December 2024, they were EUR 0.8 bn, 7.9% of corresponding gross loans, compared with EUR 1.1 bn, or 11.1% of corresponding gross loans at the end of December 2023. At their peak in early 2015, non-performing exposures of households EUR 13.1 bn or 52.3% of gross loans. There is a provisioning ratio of 45.2% and a ratio of restructured facilities with the non-performing exposures of 33.5% at the end of December 2024.

NON-MARKET LED INITIATIVES

The standard VAT rate in Cyprus is 19% and applies to the sale of new properties. A reduced rate of 5% may apply to the first 130 or 200 square meters of a property purchased as the primary residence subject to specific conditions. Resale properties are generally exempt from VAT.

The applicable Loan-to-Value (LTV) limits vary according to several factors. For loans intended for the purchase of a primary residence, LTV limits are 80%, for non-primary residences the LTV is generally lower, often up to 70% and for investment properties it is often lower still potentially up to 60%.

While there isn't a Debt-To-Income (DTI) limit set by the Central Bank, lenders consider DTI ratio as a crucial factor in their loan approval process. It is generally set around 30-40%.

The Cyprus Asset Management Company (KEDIPES) was established in 2018 to manage and dispose of non-performing loans, helping to clean up the banking sector and stabilize the financial system.

The government provides financial assistance to first-time homebuyers to help them afford down payments and closing costs. The Housing Finance Corporation (HFC) is specifically designed to support moderate- and low-income households in accessing affordable housing finance. HFC was established with a social mandate to promote home ownership among citizens who might not qualify for loans from commercial banks and offer favourable loan terms to individuals and families with limited financial means. It has a limited portfolio of loans.

As of May 2025, the government offers several schemes to help home purchases subject to criteria, including:

- the Housing Subsidy Scheme for Young Couples and/or Individuals up to 41 Years Old, providing assistance for the acquisition of housing;
- the Housing Subsidy Plan for the Revitalization of Mountainous, Borderline, and Disadvantaged Areas;
- Housing Schemes by the Cyprus Land Development Corporation for affordable housing options through the construction and sale/rental of houses and apartments;
- the Special Subsidy for Purchasing or Building a New House to provide a lump-sum subsidy as an alternative to a reduced VAT rate on the purchase or construction of a primary residence, and
- the 'Renovate-Rent' Scheme to bring vacant properties back into the rental market at affordable prices for individuals with moderate or low incomes.

MORTGAGE FUNDING

Bank funding is primarily from customer deposits. Funding conditions are comfortable as reflected in the gross loans (not including provisions), to deposit ratio of 45.5% at the end of 2024, from 47.5% at the end of 2023. The loans to deposits ratio was higher than 100% in 2017. At the same time Cypriot banks have access to ECB funding. The securitisation legislation which has been enacted in July 2018 and the covered bond legislation provide additional funding tools.

GREEN FUNDING

Green funding is gaining momentum, driven by national targets aligned with EU climate goals and various funding mechanisms. The National Energy and Climate Plan (NECP) outlines the government's strategies to reduce greenhouse gas emissions, increase renewable energy sources, and improve energy efficiency. The final updated NECP was submitted in December 2024.

Cyprus adopted a National Adaptation Strategy and action plans to address the impacts of climate change. A revised strategy is expected in 2025. Cyprus is committed to the EU's Green Deal objectives, focusing on a transition to a green economy. A significant portion of green funding comes from various EU instruments. Cyprus' Recovery and Resilience Facility (RRF) dedicates a substantial amount (over 60% in some reports) to the green transition, focusing on renewable energy, energy efficiency, sustainable mobility, and climate change adaptation. The THALIA Programme is supported by the European Investment Bank (EIB), and targets smart and green investments in areas like water, energy, environmental protection, and digitalization.

	CYPRUS 2023	CYPRUS 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.8	3.4	1.0
Unemployment Rate (LSF), annual average (%) (1)*	6.3	5.8	5.9
HICP inflation (%) (1)	3.9	2.3	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	68.8	69.4	68.4
Gross Fixed Investment in Housing (annual change) (1)	5.8	3.2	-4.3
Building Permits (2015=100) (2)	143.0	136.2	136.9
House Price Index - country (2015=100) (2)	112.7	118.3	179.8
House Price Index - capital (2015=100) (2)	109.9	112.6	171.5
Nominal house price growth (%) (2)	5.7	5.0	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	8,339	8,488	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	9,057	8,783	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	45.3	43.5	71.3
Gross residential lending, annual growth (%) (2)	-13.8	7.0	3.9
Typical mortgage rate, annual average (%) (2)	4.1	4.7	4.34

(1) Eurostat Data
(2) European Mortgage Federation - Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

CYPRUS FACT TABLE

Which entities can issue mortgage loans in your country?	Financial institutions (banks and the Housing Finance Corporation HFC).
What is the market share of new mortgage issuances between these entities?	100%
Which entities hold what proportion of outstanding mortgage loans in your country?	Banks: 97% and HFC: 3%
What is the typical LTV ratio on residential mortgage loans in your country?	70%-80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Depending on the use of the house, then the loan is classified as residential or not i.e. residential is for primary home or holiday use.
What is/are the most common mortgage product(s) in your country?	Euro-denominated loans. Loans are given with floating rates and fixed rates. Fixed rates are within a specified period beyond which they are floating. Floating rates are on ECB/Euribor and bank base rates.
What is the typical/average maturity for a mortgage in your country?	The average maturity is 22 years.
What is/are the most common ways to fund mortgage lending in your country?	Customer deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	The costs associated with house purchase include VAT or a transfer fee (for property sales for which VAT has to be paid, no transfer fees will be applied); a mortgage fee and stamp duty (in case of mortgage loan)- and, lastly, the costs of title deeds.
What is the level (if any) of government subsidies for house purchases in your country?	There is reduced VAT of 5%, compared to the general rate of 19% for the acquisition of a primary home subject to conditions. The government has also allocated €67 million for housing programmes in 2025. There are four main programmes: the revitalization of mountainous, remote and border areas providing financial assistance for the purchase of permanent housing in the targeted regions; support for young families and migrants, subsidizing housing; renovate-and-rent programme, to encourage property owners to renovate old buildings and rent them at affordable prices; ktiZO Program, supporting tenants whose apartments are located in buildings slated for demolition.

Czechia

By Martin Kotek and Jaromir Sindel, Czech Banking Association

IN A NUTSHELL

- → The economy grew by 1%, inflation fell to 2.5% as the central bank cut its policy rate to 4% by end-2024 from 7% in November 2023.
- → The mortgage market grew by 89% y-o-y in 2024; average interest rate declined below 5% by the end of year and average fixed rate periods more than halved to 3 years.
- → Offer house prices increased by 10.7%, higher prices increased LTV ratio above 65% but mortgage related NPLs remained low at 0.6%.

MACROECONOMIC OVERVIEW

The economy gradual recovered, GDP grew by 1% after stagnating in 2023. This was mainly driven by rising household consumption (+2%), with stronger wage growth and easing inflation, and government spending (nearly +4%) despite fiscal consolidation. However, despite ongoing modest recovery in exports (+1.3%) fixed investment, reflecting a tight policy rate and fiscal consolidation, declined by 1.3% due to weaker investments into machinery and dwellings. Inflation moderated significantly: CPI fell to 2.4% from the average 13% in 2022–2023. This brought inflation back into the upper part of the Czech National Bank's (CNB) inflation target tolerance band. Lower energy and food prices were key contributors, though core inflation remained relatively persistent at 2.5%, mainly due to services prices.

This enabled the CNB to gradually lower its policy rate from the 7% mid-2022 and December 2023 in multiple steps to 4% by November 2024. The pace of rate cuts slowed in the second half of the year due to persistent inflation in services, and the CNB paused further easing in December 2024. The rate cuts, alongside a narrowing interest rate differential with the ECB and the Fed, contributed to a depreciation of the Czech koruna. The average exchange rate against the euro weakened to 25.1 CZK/EUR from 24.0 in 2023. Lower energy prices and ongoing though modest recovery in export activity resulted in a current account surplus of 1.8% of GDP. The fiscal consolidation and economic recovery narrowed the general government deficit to 2.2% of GDP after average Covid related deficit of 5.3% in 2020-2021 and energy crisis related deficit of 3.5% in 2022-2023. This resulted into the debt-to-GDP ratio at 43.6% in 2024.

LOOKING AHEAD

Slower growth is expected this year, at 1.7%, and only a moderate acceleration to 2.0% in 2026. This is due to the negative impact of trade wars and the associated uncertainty. However, we do not expect a major effect on the labour market or inflation, which also limits the policy response. We assume a slight slowdown in annual consumer price inflation to 2.3% this year and a further mild easing to 2.2% in 2026. In our forecast, real wages will grow by 3.5% and 2.7%, following a 4.5% increase last year – slightly more favorable than projected in February. However, real gros wages are expected to reach pre-COVID levels next year. The CNB's interest rates will likely continue to decline gradually. However, for this year, we still see room for one more cut in the two-week repo rate to 3.25%, and to 3.0% next year.

Bank lending to households is expected to strengthen slightly above 6% in both this year and next, following nearly 5% growth in 2024. These figures suggest a shift in the structure of credit creation, reflected in new loan disbursments in Q1 2025 and reflecting the composition of economic growth – namely, rising consumption, weaker investment activity, and a stronger real estate and construction sector. Looking specifically at housing loans, the volume of new mortgages in Q1 rose to around 3,5% of GDP that is above the long-term 3% average. This boosted new housing loans to increase to nearly 4% of GDPConsumer loan volumes stabilized at the beginning of this year at around 1.7% of GDP, slightly above the long-term average. This year, we expect deposit growth to slow to below 6%, and to further decelerate to below 5% in 2026, following nearly 7.5% growth last year. This reflects a combination of factors: weaker growth in corporate lending, declining interest rates, and a projected decrease in the household savings rate.

HOUSING MARKETS

The real estate market continued to grow significantly last year. Transactions with flats increased by 34% overall, and by 51% for new construction and 24% for old flats. The market is thus continuing to return to pre-crisis pace of activity relatively quickly after the monetary policy tightening and uncertainty depressed the real estate transactions in second half of 2022 and at the beginning of 2023.

After a shallow fall in prices between 2022 and 2023, there was a relatively significant increase in apartment and house prices last year. On average, offer prices rose by 10.7%, for older houses this was 10% nationwide but in Prague 18%. Prices for new buildings increased more slowly – by 8% on average, and by 9% in the capital. Family houses then maintained almost the same value in the regions and at the national level, but in Prague they increased by 15%.

Since 2015 property prices have increased by 124%, and are again growing faster than disposable incomes deepening the housing availability problem – compared to 2015, property prices outpaced income per capita by 24%.

Despite a slight increase in construction starts in particular in Prague and the Central Bohemian Region, the number of completed apartments remains below the long-term average. This creates a cumulative deficit of over twenty thousand apartments compared to the long-term average, half of which are in Prague and the Central Bohemian Region.

Rents are also growing at a higher rate than disposable household incomes.

MORTGAGE MARKETS

Banks and building societies arranged mortgages of CZK 246 bn (EUR 10 bn), an increase of 89% y-o-y growth, of which new mortgages were CZK 212 bn (+90% y-o-y), and remortgaging CZK 34 bn. (+83% y-o-y). This growth is partially because in 2023 origination was the lowest since 2008-2021 due to interest rates and low consumer confidence. After a weak Q1, when sales were at 60% of the remainder of the year, origination significantly strengthened and stabilized, in particular in new loans than in refinancing, as rates remained relatively high disincentivising refinancing. The newly provided mortgages recovered to 2.7% of GDP (1.5% in 2023) and though it remained below the 4.8% average boom from 2020-21, it was close to 2.9% in 2014-19.

This was due to many factors: the improved economic situation, recovery of real estate prices and the decrease in mortgage rates. The easing of consumer inflation (2.4% compared to 10.7% in 2023), resulted in a recovery of household purchasing power, and a slight improvement of still challenging affordability of housing and it eventually allowed the central bank to ease monetary policy. Generally, these factors contributed to improving consumer confidence and restoring demand for financing. Demand was also supported by addressing deferred housing financing needs and by expectations of future housing market development.

The Czech National Bank started easing monetary policy at the end of 2023 when it decreased the policy interest rate by 25 bps. the first change since mid 2022. In 2024 it cut 7 further times to 4.00%. This decline was partly reflected in the decline in long-term rates, which are decisive for setting mortgage interest rates. The average rate on new mortgages declined (5.16% in 2024 vs. 5.88% in 2023), it started at 5.51% in Q1 and ended slightly under 5% in Q4.

In expectation of further declines, customers preferred shorter- term fixed periods – up to 5 years, most often 3 years – very short fixed periods (up to 1 year) reached more than 10% market share, the highest in the last 10 years. As a result, the average fixed period decreased to 3 years from 4.3 in 2023 and it is less than half of average 6.3 year fixed period between 2018-2022.

Increased real estate prices likely contributed to a higher average LTV ratio at 65.8% i (63.1% in 2023).

The NPL ratio for households' mortgages remained virtually unchanged at 0.6%.

The National Bank reconsidered its macroprudential regulations during 2023 and gradually relaxed its restrictions on income ratios – the DSTI limit was fully cancelled in the second half of 2023 followed by cancellation of DTI from the beginning of 2024. These steps were to revive mortgage financing. The effect fully appeared just in the H1 2024 sales figures. The LTV limit at 80% (90% for younger than 36 years) remained valid without any changes.

In September 2024 new regulation of early repayments became effective. There was a defined maximum of reasonable cost for the repayment of mortgages outside their interest rate renewal period. Reasonably made cost must not exceed 1% of the total early repayment amount.

This is a change from the current interpretation of the CNB, which states that banks can only charge an administrative fee for early repayment. However, this setting of payments for early repayment will not dampen the refinancing if there is a significant decrease in interest rates. It was only partly the case of 2024, but further decline of interest rates can accelerate refinancing in 2025.

MORTGAGE FUNDING

The Czech banking sector has a massive excess of liquidity that is placed at the central bank. The loan-to-deposit ratio reached 62% in 2024 and ratio of loans to households to households' deposits is around 61% (the share of housing loans to households' deposits at 47%). Hence, the issuance of mortgage covered bonds is not a key financing source for Czech banks.

GREEN FUNDING

The main instrument to support investment in the energy saving was the New Green Saving program, its goal was to increase the energy efficiency of buildings and reduce emissions of greenhouse gases and other pollutants in the air. Support is aimed at building insulation, construction or purchase of houses with very low energy consumption, ecological methods of heating buildings, including replacement of inadequate heat sources or the use of renewable energy sources. The New Green Savings program is financed from a portion of the proceeds of emission allowance auctions.

There are 2 main pillars of the support provided to households – (i) providing consultancy to receive direct subsidy to household and (ii) if household needs additional loan, the state provides zero interest funding to financial institution up to 50% of that loan provided to household. Based on this scheme the state sets an upper limit on interest rate on loan provided to households on semi-annual basis that is actually half of the market interest rate on housings loans households.

	CZECHIA 2023	CZECHIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	-0.1	1.1	1.0
Unemployment Rate (LSF), annual average (%) (1)*	2.6	2.6	5.9
HICP inflation (%) (1)	12	2.7	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	76.0	74.7	68.4
Gross Fixed Investment in Housing (annual change) (1)	-6.0	-1.9	-4.3
Building Permits (2015=100) (2)	90.1	84.0	136.9
House Price Index - country (2015=100) (2)	208.7	222.3	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	-1.1	6.5	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	66,410	68,359	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	6,133	6,271	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	39.2	40.6	71.3
Gross residential lending, annual growth (%) (2)	-22.6	80.4	3.9
Typical mortgage rate, annual average (%) (2)	5.9	5.2	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

CZECHIA FACT TABLE

Which entities can issue mortgage loans in your country?	The only subjects that are entitled to issue mortgage loans are banks
What is the market share of new mortgage issuances between these entities?	Banks issue 100% new mortgages
Which entities hold what proportion of outstanding mortgage loans in your country?	3 biggest retail banks hold >70% of outstanding volume
What is the typical LTV ratio on residential mortgage loans in your country?	Typical LTV ratio of new mortgage loans is 80%
How is the distinction made between loans for residential and non-residential purposes in your country?	Majority of mortgage loans is issued for residential purpose
What is/are the most common mortgage product(s) in your country?	Typical product in 2024 was the mortgage loan for purchase or (re)construction of residential property, secured by this financed property, with interest rate fixed for 3 years and maturity 25 – 30 years.
What is the typical/ average maturity for a mortgage in your country?	Typical maturity is 25 – 30 years, that is close to maximum maturity (30 years) recommended by regulation
What is/are the most common ways to fund mortgage lending in your country?	Combination of covered bonds and deposits
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Administrative fee for record of the ownership change and fee for mortgage lien establishment to Real Estate Cadastre (state database of real estates) – 80 EUR per record Real estate agency fee (only for purchase intermediated by RE agency) Fee for notary or lawyer connected with preparation of purchase contract and notarial custody of purchase price (only if seller and buyer use legal services)
What is the level (if any) of government subsidies for house purchases in your country?	There is quite limited range of subsidies available: - Tax-deductible paid interests: The amount paid in interest on a mortgage loan to finance housing needs can be deducted from the tax base of physical entities' income, up to CZK 150,000 per year (= 6,000 EUR) - Relaxed LTV ratio applied for housing loans for applicants younger 36 years (max. 90% instead of 80%) - State subsidies aiming energy savings in family and apartment buildings - State subsidies for establishing social housing for disadvantaged people due to their age or health.

Denmark

By Nicholas Gudmund Hansen, Finance Denmark

IN A NUTSHELL

→ The economy grew by 3.7%
→ Mortgage interest rates have risen
→ Housing market activity is higher than last year.
→ House prices increased over the year, reversing their decrease in 2023.

MACROECONOMIC OVERVIEW

The economy grew by 3.7% in real terms, 1.2 pps more than 2023. The rise was mainly driven by increasing exports of goods and services, which rose by 7.5%. Also, consumer prices increased by 1.4% in 2024.

The employment rate has been stable throughout 2024. Starting at 77.4% in Q1 and ending at 76.9%. Unemployment increased by 0.8%-point in 2024 from 5.9% in the first quarter to 6.7% by year end. The government had a budget surplus of 5.6%. Gross government debt was 31.1%, which is low in a European context.

The deposit rate at Danmarks National bank, has been falling throughout the last half of the year. Between January and May it was 3.6% and has been falling since to 2.6% by year end. The fall in the deposit rate should be seen in context to a lower euro area inflation and the Danish central bank following the ECB's deposit rate drops due to the fixed exchange rate policy between the DKK and EUR.

HOUSING MARKETS

Nominal house prices increased by 7.4%, reversing their decrease of 2.6% in 2023. Prices increased more in the capital region, and by the end of 2024 prices of houses in Copenhagen were 10.9% higher than the year before, and prices on owner occupied apartments were 7.6% higher.

In total, 67,147 houses and owner-occupied flats were sold, slightly more than the 62,950 in 2023. Lower mortgage rates and other developments in the real economy have contributed to the increasing housing market activity in 2024, compared to the last two years.

House completions fell by 20.5%. Commenced construction decreased by 3.8% and the number of building permits issued increased by 4.4% compared with 2023.

MORTGAGE MARKETS

By the end of 2024, outstanding mortgage loans from mortgage banks[1] were DKK 3,145 bn (EUR 421bn equivalent) of which approximately DKK 1,786 bn (EUR 239bn) was for owner occupied housing. Housing loans from universal banks amounted to DKK 292 bn (EUR 39bn). In total, mortgage credit growth was 1% in 2024.

Mortgage lending activity in 2024 changed marginally compared to previous years. Gross lending activity by mortgage banks was lower than in 2023. Total gross lending reached DKK 418.2 bn (EUR 56bn). Residential mortgages were 61.4% of gross lending, 1.6% pps less than in 2023. Gross lending activity is down by 1.7%.

Adjustable-rate mortgages have gained slightly more market share. Outstanding mortgage loans issued by mortgage banks are split between fixed rate mortgages (37.4% by year end 2024), mortgages with an interest rate under 1 year (32.2%) and mortgages with an interest rate above 1 year (30.4%). However, in 2024 fixed rate mortgages (typically fixed for 30 years) were 41% of total gross lending, a decrease of 11.4 pps. Adjustable-rate mortgages and interest reset mortgages were 59%. The interest rates on fixed mortgage loans stabilized during 2023 and 2024 after rising from a historically low level in 2021. The short-term interest rate for borrowers was on average 4.73% in 2024.

Interest rates have been rising and are now at a higher level than in 2021 and previously for several reasons – including central banks trying to control inflation. Possible reasons for borrowers preferring adjustable-rate mortgages include their expectations of future rate decreases as inflation is closer to the ECB's target of 2% and, the possibility to lower monthly payments compared to those on fixed rated loans.

MORTGAGE FUNDING

Mortgage loans issued by mortgage banks are solely funded through the issue of covered bonds. Mortgage banks continuously supply extra collateral on a loan-by-loan basis if the value of cover assets (properties) deteriorates.

The funding mix – for the main part bullet bonds or callable long-term bonds – adjusts continuously according to borrower demand. Bonds are tapped and bullet bonds behind interest reset loans are refinanced by the month end in March, June, September and December. December remains traditionally the largest refinancing date, however new bullet bonds have not been issued with maturity in December for the past years, spreading refinancing activity and hence the point risk more evenly across the year.

[1] Mortgage banks are financial institutions specialized in a narrow range of activities. They provide loans secured by mortgages on real property. These loans are exclusively funded through the issuance of covered bonds. Deposits are not allowed. There is a direct match between each loan and the corresponding bond issued to finance it. Borrowers may prepay their loans at any time by repurchasing the bonds at their current market value. Universal banks operate across a broad spectrum of financial services. Loans may be funded through customer deposits, short-term borrowing, or the issuance of bonds. Deposits are allowed. Unlike mortgage banks, there is no direct match between individual loans and the instruments used to fund them. In the case of loan prepayments, the universal bank determines the applicable terms and pricing.

	DENMARK 2023	DENMARK 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.5	3.7	1.0
Unemployment Rate (LSF), annual average (%) (1)	5.1	6.2	5.9
HICP inflation (%) (1)	3.4	1.3	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	60.0	60.9	68.4
Gross Fixed Investment in Housing (annual change) (1)	-10.2	2.0	-4.3
Building Permits (2015=100) (2)	94.6	93.7	136.9
House Price Index - country (2015=100) (2)	133.6	143.0	179.8
House Price Index - capital (2015=100) (2)	156.3	173.0	171.5
Nominal house price growth (%) (2)	-2.3	7.0	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	277,743	278,687	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	46,816	46,750	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	155.3	150.0	71.3
Gross residential lending, annual growth (%) (2)	-12.9	-43.4	3.9
Typical mortgage rate, annual average (%) (2)	4.6	4.7	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

DENMARK FACT TABLE

Which entities can issue mortgage loans in your country?	Retail banks and mortgage banks.
What is the market share of new mortgage issuances between these entities?	Not available – data for residential reflect mortgage banks issuance only (not available for retail banks).
Which entities hold what proportion of outstanding mortgage loans in your country?	Over the past twelve months, the proportion (for owner-occupied housing) has been the following: Retail banks 15% Mortgage banks 85%
What is the typical LTV ratio on residential mortgage loans in your country?	For new loans for owner-occupied housing the LTV will normally be up to 80%. For other new residential loans, the LTV will normally be 60%.
How is the distinction made between loans for residential and non-residential purposes in your country?	The difference is whether you live in the house or not.
What is/are the most common mortgage product(s) in your country?	We have three typical types of loans: Loans with Fixed rate. Interest reset loans. Loans with variable rate with and without cap.
What is the typical/ average maturity for a mortgage in your country?	For new housing loans, the maturity is normally 30 years. For business loan, the maturity is typically 20 years.
What is/are the most common ways to fund mortgage lending in your country?	Covered bonds
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	For new loans at DKK 1 million (EUR 134,000) with fixed rate the following apply: Taxes going to state: Approximately DKK 17,000 (EUR 2,280). Costs going to the Mortgage bank: Approximately DKK 10,000 (EUR 1,340).
What is the level (if any) of government subsidies for house purchases in your country?	The government doesn't have any role in house purchases.

Estonia

By Irina Markitanova and Kaire Husu, Luminor Bank AS

IN A NUTSHELL

→ GDP fell by 0.2%.

→ Mortgage market turnover stabilised and started to grow.

→ Housing price indexes increased.

MACROECONOMIC OVERVIEW

The economy shrank by 0.2% after a 3.1% decline in 2023. Private consumption improved, investments increased by 5% in nominal terms and the share in GDP gained 0,2 percentage points reaching 10.7% of GDP. The government budget remained in deficit by 1.5% and government debt remained 23.6% of GDP.

Inflation stabilised from the previous year's 9.2% to 3.5%. It would have reduced further but for tax increases, other administrative changes and as wages are still catching up with the previous inflation. Service inflation exceeded that of goods. Wages increased by 8.1%, clearly exceeding inflation, but did not yet reach the peak real wage levels of 2021 as inflation over last years has exceeded wage growth. Unemployment rates increased from 6.4% to 7.6% mainly due to the gradual inclusion of Ukrainian war immigrants in the statistics as they needed to live for at least a year in Estonia to be included in the statistics. Companies maintained staffing levels in anticipation of returning demand.

Export and industrial production were lower but the trend changed in H2, as the Economies of Estonian's main trading partners improved. Also, Estonian companies have been successful in finding new markets.

HOUSING MARKET

The housing market boomed in 2021 and early 2022 which has resulted in current high prices and low turnover levels. According to Statistics Estonia average residential real estate transaction prices increased by 5.8% in 2024, but this likely overestimating true increase as flats with fewer square meters, but with higher number of rooms and renovated flats that have higher prices dominated the market.

The number of housing starts have stabilised around the historical average but is expected to increase because of expectations of improved living conditions and green transition. The number of building permits is below the historic average s by a quarter.

Affordability continued to improve as wage increased more than than house prices and – as almost all mortgages are floating rate – euribor and margins decreased. Still affordability is worse than before 2021.

MORTGAGE MARKETS

The recovery of the economy and falling interest rates supported demand. Despite the decreased number of house purchases the mortgage market grew by 7.7% to EUR 11,967 million, an historic high and equal to 30% of GDP. 20% more housing loans were signed compared to the previous year and the average loan grew by 7.4% to EUR 62,177. The housing loan portfolio grew a faster than GDP but in line with household real incomes' growth.

Housing loans maturities are up to 30 years. Their average interest rate decreased to 5.02% at year end. Borrowers can ask up to 85% of the property value with a standard contact structure and up to 90% if they qualify for the housing guarantee program supported by the government. Estonian Business and Innovation Agency offers loan guarantees with state guarantee for purchasing and renovating homes. In case of guarantee is applied then loan to value limit could be 90%. In 2024 approximately 17% from all new issued mortgage loans were with EIS guarantee.

The DSTI requirement states that the ratio of the payments due on the total liabilities of the borrower to their net income may not exceed 50% at the time of loan decision.

The mortgage market consists mainly of commercial banks. Housing loans account for approximately 40% of the aggregated loan and lease portfolio of the banks according to the Bank of Estonia. The banking sector is well capitalised and the quality of the housing loans remained good in 2024. Only 0.1% of housing loans are overdue by more than 90 days at year-end as reported by the Bank of Estonia. The importance and volume of this type of loans reflect the preference of households for homeownership over renting, as well as the concentration of the domestic market.

NON-MARKET LED INITIATIVES

The Bank of Estonia's macroprudential policies remained broadly unchanged. Macroprudential measures are applied when necessary to prevent risks to the functioning of the financial sector and to increase the resilience of the sector. The requirements setting the maximum (LTV) of 85%, (DSTI) of 50% and a maximum maturity of 30 years have been in place since 2015. The housing loan requirements of the Bank of Estonia need the borrowing capacity of the household to be assessed assuming an interest rate of at least 6%. The Bank of Estonia has set up a limit of 50% of the DSTI ratio calculated in this way.

Credit institutions operating in Estonia must currently comply with the following macroprudential requirements of the central bank: (1) systemically important banks must maintain an additional capital buffer of 2% of risk-weighted assets; (2) banks using internal ratings-based method must apply the minimum risk weight floor for mortgages in their capital calculations; (3) all banks must comply with borrower-specific requirements for issuing housing loans; and (4) countercyclical capital buffer requirement of 1.5%. The Bank of Estonia raised the countercyclical capital buffer rate to 1.5% because of the risks that followed from the rapid growth in credit in 2021-2022. The new rate started to apply from 1 December 2023.

The systemic risk buffer rate remains at 0%. But if banks registered in Estonia have granted mortgage loans to residents of Lithuania then a 2% systemic risk buffer is applied from 1st July, 2022 to those exposures. This is related to the retail exposures which are secured by residential real estate, with respect to natural person's resident in the republic of Lithuania. It is the decision of the Bank of Lithuania.

MORTGAGE FUNDING

The most important source of funds for the Estonian banking sector continues to be deposits. As deposits have grown strongly in recent years, they have been sufficient to finance the demand for credits. The ratio of loans to deposits was around 94% at the end of 2024.

The share of market-based funding increased during 2023 compared to 2022. At the end of 2024 Estonia had EUR 2,500 bn covered bonds outstanding of which EUR 1,000 bn was issued as retained covered bonds and EUR 1,500 bn as public issuances with one new public issuance in amount of 250mln in 2024.

	ESTONIA 2023	ESTONIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	-3.0	-0.3	1.0
Unemployment Rate (LSF), annual average (%) (1)	6.4	7.6	5.9
HICP inflation (%) (1)	9.1	3.7	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	80.7	79.3	68.4
Gross Fixed Investment in Housing (annual change) (1)	14.1	-10.0	-4.3
Building Permits (2015=100) (2)	100.4	89.0	136.9
House Price Index - country (2015=100) (2)	197.7	209.8	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	5.9	6.1	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	11,106	11,967	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	8,131	8,705	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	53.7	54.4	71.3
Gross residential lending, annual growth (%) (2)	-19.2	15.3	3.9
Typical mortgage rate, annual average (%) (2)	5.4	5.0	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

ESTONIA FACT TABLE

Which entities can issue mortgage loans in your country?	There is no limitation to issuers, financial and non-financial entities can offer loans, however, the small market in Estonia means that there have always been few suppliers of housing loans.
What is the market share of new mortgage issuances between these entities?	The mortgage market consists mainly of commercial banks. The five banks that issued most of the housing loans in 2024 were Swedbank, SEB Pank, LHV Pank, Luminor Bank and Coop Pank. LHV and Coop Bank increased their market shares from 11% to 13% and from 5% to 6% respectively while other banks market shares sightly decreased. Swedbank and SEB Pank remained the leaders in the market for housing loans with 41% and 27% market shares, followed by LHV and Luminor with 13% and 9% respectively.
Which entities hold what proportion of outstanding mortgage loans in your country?	Commercial banks hold the majority of outstanding mortgage loans.
What is the typical LTV ratio on residential mortgage loans in your country?	Eesti Pank has set an LTV limit of 85%. Average LTV for 2024 new issued mortgage loans was 71%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Not available.
What is/are the most common mortgage product(s) in your country?	Mortgage loan with floating interest rate (6-month Euribor + interest margin).
What is the typical/ average maturity for a mortgage in your country?	Eesti Pank has set maximum mortgage maturity of 30 years. Average maturity for 2024 new issued mortgage loans was 26.5 years.
What is/are the most common ways to fund mortgage lending in your country?	Commercial banks' lending activities are covered mainly with domestic deposits. But in addition, local banks have implemented Covered bond frameworks to use covered bonds as a contingency funding tool and especially in volatile periods.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Not available.
What is the level (if any) of government subsidies for house purchases in your country?	The Estonian Business and Innovation Agency (EIS, former business name KredEx) offers loan guarantees with state guarantee for purchasing and renovating homes. In 2024 approximately 17% from all new issued mortgage loans were with EIS guarantee.

Finland

By Jussi Kettunen and Veli-Matti Mattila, Finance Finland

IN A NUTSHELL

- → The economy remained slow, real GDP contracted by 0.2%.
- → The construction industry had more bankruptcies than during the global financial crisis and was a contributor to the recession.
- → Outstanding mortgages decreased by 1.0% from the previous year.
- → House prices decreased by 4% y-o-y.

MACROECONOMIC OVERVIEW

The economy contracted by 0.2% in real terms.

At the beginning of the year, the economy was weighed down by the sluggish construction sector and weak exports. Investments decreased in both the private and public sectors. Investments in transport equipment, machinery and equipment contracted sharply. Investments in building construction and civil engineering also remained clearly below long-term averages. Strikes hindered growth in industry in particular. On the other hand, sales of services remained stable.

As a result of these various factors, forecasts were revised downwards. Towards the end of the year, the economy was buoyed by falling interest rates and a slowdown in inflation. However, the continued moderation in global economic demand was reflected in new orders received by industry. As in the previous year, the economic sanctions imposed on Russia and Belarus had negative effects on Finnish companies. As the economy contracted, employment declined and the unemployment rate increased to 8.4% (compared to 7.2% in 2023).

The changed geopolitical situation accelerated the green transition. The shift away from Russian energy and the reduction of greenhouse gas emissions accelerated investments in renewable energy. Wind power capacity increased by 20% in 2024. The year was thus the second busiest year in history for wind power construction. The size of the investments was quite significant, approximately 1.8 billion euros.

LOOKING AHEAD

In 2025, GDP is expected to grow by 0.8%, andby 1.8% the following year. In 2027, the recovery from the recession will no longer boost economic growth which is predicted to slow to around its long-term growth potential, at 1.3%.

HOUSING MARKETS

Considerably fewer building permits were issued (-20% y-o-y), as construction related costs have escalated due to higher interest rates. The construction of new homes remained low, and housing starts decreased by 2% y-o-y. In Finland, on average, around 35,000 houses should be built annually. However, nowadays we are clearly below this long-term average.

With fewer buyers able or willing to purchase homes, residential property prices fell by 4% overall (existing dwellings with the largest falls were in Helsinki). This is the largest decline since the early 1990s, when the economy went through a severe recession. Among Finland's largest cities, the most significant decline were in Helsinki (-4% y-o-y) and Tampere (-3% y-o-y).

The construction industry experienced more bankruptcies than during the global financial crisis in 2009. This downturn was a significant contributor to the economy entering recession in the latter part of 2023.

At the end of December, the stock of housing loans was EUR 105.8 bn, an annual decline of 1.0%. Nonperforming loans in mortgages at year-end were 1.3% of the total (Q4 2023: 1.0%).

MORTGAGE MARKETS

During the coronavirus pandemic and war in Ukraine, the banking sector has continued to lend to households for home purchases as usual, which has been important for the growing popularity of remote work and labor mobility, among other things.

The aftermath of the coronavirus pandemic, which boosted housing sales, had receded at the end of 2022. The relatively high level of heating energy prices and loan interest rates, as well as the general increase in uncertainty, kept housing demand moderate compared to historical levels.

According to Finance Finland's Banking Barometer, households' demand for credit was slightly lower in the first half of the year than at the same time a year earlier. However, expectations of a recovery in credit demand in the near future were increasing. The use of loan servicing flexibility options was already decreasing.

In the end, demand for housing loans remained moderate and at year end the stock of housing loans was at EUR 105.8 billion. (EUR 107.5 bn year previously.) At year end the average interest rate on housing loans was 3.56% (4.08% in 2023) and on buy-to-let housing loans was 3.71% (4.3% in 2023).

The prevalence of variable-rate loans meant that the effects of the ECB's monetary policy easing have been felt more strongly in Finland than in many other euro area countries. On the other hand, in previous years, when market interest rates were zero or below, housing loan rates were among the lowest in the euro area.

At year end, the stock of loans granted to housing corporations, especially housing companies, was EUR 45,1 bn. The total debt of housing corporations must be repaid by the following three types of entities; households, housing investment funds and other housing investors, and finally companies are also responsible for repayment. But in the statistics, housing corporation loans are included in banks' corporate loans.

MORTGAGE FUNDING

Mortgages are generally funded via deposits and covered bonds. All outstanding covered bonds in Finland are backed by mortgages and the ratio of outstanding covered bonds to residential loans was approximately 45%. Therefore, covered bonds are an essential source of funding for the mortgage sector.

GREEN FUNDING

One example of complementary public financial instruments is the European Investment Fund (EIF) Loan Guarantee Programme, which aims to boost clean technology investments and energy efficiency renovations by SMEs, households and housing companies. The European Investment Fund (EIF) has signed agreements with eight Finnish banks and financial institutions to support small and medium-sized enterprises (SMEs), small mid-caps and housing companies. The agreements will enable approximately EUR 1 billion in loan financing for projects that promote Finland's climate goals and environmental sustainability.

	FINLAND 2023	FINLAND 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	-0.9	-0.1	1.0
Unemployment Rate (LSF), annual average (%) (1)	7.2	8.4	5.9
HICP inflation (%) (1)	4.3	1.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	69.2	68.1	68.4
Gross Fixed Investment in Housing (annual change) (1)	-12.5	-17.7	-4.3
Building Permits (2015=100) (2)	66.2	53.1	136.9
House Price Index - country (2015=100) (2)	102.3	99.6	179.8
House Price Index - capital (2015=100) (2)	128.8	111.8	171.5
Nominal house price growth (%) (2)	-6.5	-2.7	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	107,490	105.760	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	19,319	18,873	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	68.1	65.6	71.3
Gross residential lending, annual growth (%) (2)	-6.5	1.2	3.9
Typical mortgage rate, annual average (%) (2)	4.4	4.0	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

FINLAND FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions.
What is the market share of new mortgage issuances between these entities?	Credit institutions 100%: OP Financial Group 39%, Nordea 30%, Danske Bank 9%, rest 22%.
Which entities hold what proportion of outstanding mortgage loans in your country?	Banking groups hold 100% of the housing loan stock (banking groups include mortgage banks as subsidiaries).
What is the typical LTV ratio on residential mortgage loans in your country?	Loan-to-Collateral (LTC): First time buyers 80% (median, new loans) others 60% (median, new loans). The maximum loan-to-collateral (LTC) ratio for residential mortgage loans other than first-home loans is 90% (this is standard level). The standard maximum level for first-home loans is 95%. This limits the maximum amount of a first-home loan to 95% – and for other than first-home loans to 90% – of the fair value of the collateral at the time the loan is granted. The credit institution may grant consumer credit secured by communal shares entitling to the possession of a residential apartment, residential real estate, or usage rights to property including buildings. A personal guarantee is not considered collateral under this paragraph.
How is the distinction made between loans for residential and non-residential purposes in your country?	Not available.
What is/are the most common mortgage product(s) in your country?	Housing loan. Euribor rates are used as reference rates for housing loans[1].
What is the typical/average maturity for a mortgage in your country?	25 years.
What is/are the most common ways to fund mortgage lending in your country?	Deposits and covered bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Since October 2023: 1.5% transaction tax for apartments, 3% transaction tax for real estate (new: first time buyers are included in both cases January b2024 onwards).
What is the level (if any) of government subsidies for house purchases in your country?	First time buyers were exempted from transaction tax in 2023 (From the beginning of 2024, this government subsidy was removed).

[1] For more information regarding Euribor Interest Rates, please visit Housing loan drawdowns in January 2025 outpaced previous two years.

France

By Bertrand Cartier, Groupe BPCE (Banques Populaires-Caisses d'Epargne)

IN A NUTSHELL

- Average home loan rates decreased continuously during the year from 4.17% in January to 3.30% in December.
- Housing sales dropped by 11% to a 10 year low, impacting especially single-family detached houses.
- Prices of existing dwellings fell by 4% over the year, the most since 2009, particularly in Ile-de-France region and big cities like Paris and Lyon.
- Total outstanding home loans fell for the first time (-0.7% y-o-y), with a second consecutive decline in new home loans (-13% vs. 2023).
- The shift in the housing policy towards existing dwellings continued, but did not succeed in promoting renovation to the government target.

MACROECONOMIC OVERVIEW

According to Insee, the economy grew by 1.1% (+1.6% in 2023). The labour market was resilient with unemployment decreasing by 0.2 pp y-o-y to 7.3% in Q4, near to the 40 year low. The employment rate (of 15-64 years old) reached an annual high record at 74.6%.

As in 2023, the number of business failures continued to rise after a period of low volumes between 2020 and 2022, reaching 67,000 units in 2024 (up 18% y-o-y). Firms in the housing sectors were worse hit: in the building sector, failures increased by 25% to 14,820 (22% of total of national failures), strongly impacted by real estate developers and by builders of single-family detached houses. In real estate activities (led by landlords, agents or brokers for sale or purchase of real estate, rental of real estate, provision of other services related to real estate), failures grew by 32% to 5,025 (7% of the total), mostly affected by real estate agencies (+36% y-o-y of failures).

According to Insee, inflation fell sharply during the year, to 2.3% in annual average for 2024 (5.7% in 2023). The net purchasing power of households grew by 2.5%, largely driven by social benefits (particularly pensions that are adjusted with a delay to inflation) and by increased incomes from assets, which modestly supported the annual rise in household consumption (+1%). The saving rate remaining at a very high historical level (18.2% in 2024) and the second decline in a row for household investment, which corresponds to the use of a part of savings (-5.6% in 2024, after -7.7% in 2023), illustrated the very cautious behaviour adopted by households. This context of wait-and-see did not allow a true recovery of the housing market in 2024 despite some improvements in the second half of the year.

LOOKING AHEAD

According to forecasts from Banque de France in June 2025, GDP is expected to grow by 0.6% in 2025, with inflation at 1.0%. A slightly higher household purchasing power (+0.5%) would mildly support an increase in household consumption (+0.7% vs. 2024), which would be the main driver of economic growth in 2025. Moreover, the saving rate is expected to remain at 18.1%, above its pre-pandemic level due to political and economic uncertainty, and would not contribute to the recovery in household investment (expected at -0.5% for 2025).

After 4 interest rate cuts in the first half of 2025 and another potential one in the second half of 2025, the decreases in rates might come to an end in 2025. Political uncertainties, the high level of public debt and deficit, and US tariffs have all increased the cost of debt for the French government. In mid-May 2025, the Eurosystem forecasted an annual increase of 0.2 pp for the OAT-10 year, from 3.40% in 2025 to 3.60% in 2026. Those suggest that further cuts in home loan rates are unlikely.

With 80% of houses financed with a home loan, the end of falling interest rates at mid-2025 – which had been underpinning an increase in planned purchases over the last quarters – combined with economic uncertainty has limited expected purchases over the next 12 months.

HOUSING MARKETS

Sales of existing dwellings - 85% of all housing transactions - reached 845,000 units in 2024 (their lowest level since 2015) and decreased annually by 9%: Provincial France (approximately 88% of this total) fell by 9% and Ile-de-France by 13%. House prices dropped annually in France by 4.0%, but the fall lessened from the middle of the year as sales started to increase: Ile-de-France region suffered the most (-6.2%, with -6.7% for single-family detached homes and -5.7% for flats), as did Paris city (-5.8% for flats) ; prices in Provincial France decreased by 3.4% (single-family houses by 3.6% and flats by 3.0%).

With less favourable conditions for the building industry, the number of housing permits fell over a year by 13% to 329,200 and housing starts by 9% to 281,000. Housing starts for multifamily residential (179,000 units) were stable compared to 2023 (although at their lowest level since 2003), those for collective residences increased by 4% (notably in favour of students and seniors, with 34,000 units) and those for single-family detached homes kept shrinking to 67,900 units (- 29% y-o-y), their lowest level since the 1960's.

Sales of homes by real estate developers declined by 5% compared to 2023, to their lowest volume (68,500 sales) since the housing crisis of the 90's. Their stock of available home for sale was 117,400 units. The number of sale cancellations by households was equal to 18% of the annual sales and the number of housing operations cancelled by developers was equal to 35% of the annual new homes put up for sale. Annual average prices lowered by 0.7% for new flats (average sale price of EUR 4,678 per square meter) and by 2.7% for new houses (average sale price of EUR 345,342). As the previous year with the support of "Caisse des Dépôts et Consignations" and "Action Logement", the share of purchases by social housing (34%) and others institutional investors (4%) was higher than before 2022.

Sales of new single-family detached homes annually declined by 13% to 50,800 units, the lowest level for several decades. The traditional client for these properties is largely made up of first-time buyers and households with wages below the national average, who rely heavily on lending. The Government excluded in 2024 this kind of homes from eligibility for the zero interest rate loan ("PTZ"). Secondly the very sharp increase in builder's costs was passed on to buyers (+23% between 2019 and 2023 for the total average cost for a new house). Moreover, the goal of "Zero Net Land Take" (the balance of soil artificialization and renaturation recorded over a given area and period) in 2050 (and the intermediate stage of 50% reduction by 2031) introduced by the 2021 "Climate and Resilience Act" have already partially limited the development of new construction sites, which could also support the increasing trend in prices for new constructions (linked to a greater competition for areas available to build).

MORTGAGE MARKETS

MARKET DYNAMICS

According to Banque de France, new loan origination for households declined by 13% to EUR 132.7 bn in 2024. Excluding renegotiations and loan transfers, new loans were EUR 110.3 bn, down by 14%, at the lowest amount since 2014. For the first time since 1993, the outstanding value of all home loans decreased by 0.7% y-o-y at EUR 1,283 bn at the end of 2024 (vs. +0.9% in 2023). Finally, renegotiated loans were EUR 22.4 bn, decreasing by 9% (at 17% of the total new loans, stable over one year). 80% of new loans were for main residence purchases and 41% of the total were for first-time buyers (+1.0 pp versus 2023).

The monthly average interest rate of new home loans continuously decreased between the peak of January 2024 (4.17%) and December (3.30%), which supported the borrowing capacity of households. But in annual average, interest rates increased over a year by 43 bps at 3.72% in 2024, reaching the highest annual level since 2012.

Meanwhile, the average maturity at origination lowered slightly at 22.25 years (-0.8 month vs. 2023). Specifically for the purchase of a primary home, it was 23.5 years for first time buyers (-0.2 month vs. 2023) and 22.3 years for repeat buyers (-0.1 month). In 2024, the average LTV at origination fell to 77.7% (-1 pp vs. 2023) and the share of new loans with LTV higher than 100% was stable at 16.3%.[1] Furthermore, the average DSTI ratio at origination was unchanged at 30.7%.

The production of new housing loans is based on solid fundamentals, with lending criteria respecting the HCSF[2] requirements on the DSTI ratio (maximum of 35%) and the maturity (maximum of 25/27 years) for new loans. The HCSF requirements have a 20% flexibility margin, which was exploited more by lenders in 2024: 15.6% of new home loans did not meet HCSF criteria (vs. 14.3% in 2023), with 15.3% of loans with a non-compliant DSTI ratio and 0.7% for a non-compliant maturity.

Risks remained low in 2024, despite a start of rebound in new home loans in the second half of the year. The NPL ratio was 1.1% at the end of 2024 (+0.2 pp compared to the end of 2023), of which 0.1% were for the stage 2 under IFRS9. The cost of risk for home loans remained very limited at 1.6 bp in 2024 (+0.3 pp vs 2023).

NON-MARKET LED INITIATIVES

The sharp rise in interest rates in 2023 and their continued high level 2024 compared to the previous ten years led to fewer households buying a home with a loan (-15% vs. 2023), especially repeat buyers for a main residence. There were around 200,000 purchases of a main residence by repeat buyers with loans in 2024 (half the average since at least 2012) and representing 32% of total new home loans in 2023-2024 (the lowest share since at least the 2000s). Similarly, the number of loans for the purchase of a rental investment (19% of home loans) declined by 18% and fell close to the low volume of 2014 (below 120,000). Conversely, loans to first-time buyers have exceeded those to repeat buyers for a main residence since 2022, with a record share of 44% by number (35% before 2021) and 41% by amount (for the first time above the share of repeat buyers).

Volumes of renegotiated loans remained high despite the rise of interest rates, mainly linked to loans concerned by an insurance renegotiation. Finally, with less housing transactions in comparison with 2023, the share of new bridge loans went down to 7% of the total amount of new loans (-0.3 pp vs. 2023), whereas the extended bridging loans annually amounted to EUR 2.3 bn (+24% vs. 2023) in a context of a restart of transactions during the second half of 2024.

Banks lend money to households based on their capacity to reimburse and not on the value of the purchased residence, with in addition the notion of "amount left to live on". Besides, 99% of new home loans originated in 2024 were fixed rate (as recent years) and 97% of the outstanding value of all home loans were backed by some form of security (of which 65% were guaranteed by a "caution").

ANY FURTHER IMPORTANT EVOLUTION

In 2024, the highest interest rates since 2012 generated other effects: Firstly, households used more savings to purchase a home (22.3% in 2024, the peak since 2008) and the average amount of loan annually decreased by 7% to EUR 183,354. Secondly, the share of housing acquisitions financed by a loan represented around 65% of all transactions (versus around 80% in long-term average). Thirdly, the number of homes purchased without lending has steadily increased since 2020 when total transactions were decreasing in the meantime. Finally in 2024, the annual drop of the total amount of home loans showed increased household deleveraging.

Sales of a newly-built homes for rent decreased by 14% in 2024, 33% of total real estate developer sales at 20,000 units (their lowest volume and share since 1995). Regulatory pressures (capping of rent increases, more cities introducing rent controls, and increasing rules on energy-intensity) discourage exposure to the rental segment. With the end of Pinel scheme after December 2024, purchases for a rental investment are expected to continue to fall in 2025. The Pinel Scheme allowed between September, 1st 2014 and December, 31th 2024 the granting of a tax reduction for private landlords who rented a property (concerning newly-built homes in most cases) at a regulated and limited rental price (an approximate and non-exhaustive figure of more than 244,000 digital tax declarations were recorded by the French Court of Auditors over the period).

Finally, as housing permits for single-family detached homes were very low in 2024, the new version of the "PTZ" from April 2025 (valid until December 31st, 2027) should benefit this segment for the following quarters.

[1] In France for some housing projects selected/accepted by the lender, the lender can lend an amount of money higher than the value of the home bought in order to cover the added costs of the housing operation (which can be higher than 10% of the value of the home purchased : application fees, registration and notary fees, real estate agencies fees, VAT,…). This occurs when the household is either unable or unwilling to put enough funds in the acquisition of the home, or when it put a high value asset as a guarantee (such as another property already owned, in the case of specfic kinds of home loans).

[2] Haut Conseil de Stabilité Financière

MORTGAGE FUNDING

As home loans are mainly distributed by retail banks, new home loans are mostly funded by deposits. Domestic private customers deposits reached EUR 2,725 bn at year end (-0.1% vs. 2023), of which 70% were from households (including individual entrepreneurs and NPISH[3]) and 30% from non-financial corporations. Household overnight deposits dropped by 3% to EUR 561.2 bn between December 2023 and December 2024, whereas their accounts with agreed maturity increased by 20% to EUR 176.6 bn, augmenting the funding cost for banks based on those resources.

The total amount of outstanding mortgage covered bonds reached EUR 379.1 bn (Fact Book 2025, European Covered Bond Council) at the end of 2024, equal to 16% of the outstanding mortgage covered bonds in EU27.

Outstanding RMBS was EUR 146.3 bn as of Q4 2024, compared to EUR 140.6 bn on year prior, marking a yearly increase of 4%. Total RMBS issuance, in turn, was EUR 28.6 bn, following a decrease of 55% compared to 2023's EUR 64.2 bn end year value.

GREEN FUNDING

In 2024, the rent of a home with an Energy Performance Certificate "F" or "G" could not be increased (which is 15.9% of the private rental stock, representing 1.3 million of homes) and it was impossible to rent homes with an EPC "G+" (the most energy consuming homes, 1.4% of the private rental stock). Since April 2023, a complementary energy audit is required for sale of a single-ownership accommodation with EPC "F" or "G", which indicates the kind and the cost of renovation works needed to improve the EPC (EPC "E" will be concerned from January, 1st 2025).

The reform of the Energy Performance Certificate for homes under 40m^2 came into effect on July 1, 2024. Affecting at least 15% of the housing stock, it aims to ensure a more accurate assessment of the EPC (which often leads to an improvement of the rating). While this can be seen as a measure of equity taken into account the specificity of small homes, it can also be viewed as a way to limit the impact of the renting ban linked to EPC on the availability of the rental market (amidst increasing pressure of rental demand, specifically for small homes).

From the beginning of 2024, the Government changed the eligibility for the energy housing renovation bonus "MaPrimRénov'" to large scall renovations, quickly leading to a significant decrease in energy renovations financed with this scheme in Q1 2024. In this context, the Government approved some measures effective from May to December 2024 to revitalize applications of "MaPrimRénov". In 2024, 340.801 homes were renovated (of which 91,374 had large renovation works) under the most important public scheme, representing EUR 3.3 bn of financial aid. In this case, a large scall renovation is defined as a combination of several elements (for example the change of windows, the insulation of roof/ground/ walls,...), leading massively to an overall improvement of its energy efficiency. Moreover, several kinds of energy efficiency works are eligible for reduced VAT at 5.5% (vs. 10% or 20% for other kinds of renovation works).

Moreover, a total of 112,500 Eco-PTZ (a zero interest rate loan to improve energy performance of homes) were distributed in 2024 (+7% vs. 2023). Finally, home loans granted by banks for housing renovation were EUR 2.2 bn in 2024 (-13% vs. 2023).

	FRANCE 2023	FRANCE 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	1.4	1.2	1.0
Unemployment Rate (LSF), annual average (%) (1)	7.3	7.4	5.9
HICP inflation (%) (1)	5.7	2.3	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	63.1	61.2	68.4
Gross Fixed Investment in Housing (annual change) (1)	-5.0	-6.1	-4.3
Building Permits (2015=100) (2)	91.7	81.7	136.9
House Price Index - country (2015=100) (2)	131.5	126.2	179.8
House Price Index - capital (2015=100) (2)	126.7	119.3	171.5
Nominal house price growth (%) (2)*	-0.7	-3.8	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	1,292,144	1,283,174	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	18,953.9	18,741.4	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	70.8	68.0	71.3
Gross residential lending, annual growth (%) (2)	-41.0	-13.3	3.9
Typical mortgage rate, annual average (%) (2)	3.29	3.72	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

[3] Non-Profit Institutions Serving Households, including for example, charities, trade unions, churches. etc

FRANCE FACT TABLE

Which entities can issue mortgage loans in your country?	About 330 credit institutions (including banks, mutual banks, municipal credit banks and special credit institutions) are approved by the French supervisory authority (ACPR) and listed in the register of financial officers (REGAFI).
What is the market share of new mortgage issuances between these entities?	Two main categories of credit institutions are involved in property lending in France: - Mutual and cooperative banks, with the largest market share for many years and at its highest historical level (81.5% as of June 30, 2024, for the total outstanding home loans, +1.6pps over a year according to ACPR) - Private banks (16% as of June 30, 2024, for the total outstanding home loans).
Which entities hold what proportion of outstanding mortgage loans in your country?	Six banking groups and their subsidiaries (3 Mutual, 2 Private and 1 Public) represent almost 100% of the total amount of home loans as of June 30, 2024. Digital credit (Tel and Internet) kept developing with the offers of traditional banks, but still with a limited market share.
What is the typical LTV ratio on residential mortgage loans in your country?	In 2024, the average LTV ratio was estimated at 77.7%, down by 100 bps versus 2023.
How is the distinction made between loans for residential and non-residential purposes in your country?	French banking regulation require a distinction depending on the purpose of the loan (residential or non-residential). Thus, applicable conditions differ for each kind of financed asset and the ACPR publishes statistics identifying the residential financing of households.
What is/are the most common mortgage product(s) in your country?	The most common product is a fixed rate over the total duration of the loan. Like previous years, 99% of new credits were fixed-rate loans in 2024 and 97% were secured (of which 70% by a guarantee named "caution" provided by a Loan Guarantee Institution, and 19% with a registered mortgage). 72% of new lending are a fully amortized loan (versus 4% of interest only loans).
What is the typical/average maturity for a mortgage in your country?	In 2024, the average maturity of new home loans was 22.25 years (slightly lower compared to the previous year, at 22.32 years).
What is/are the most common ways to fund mortgage lending in your country?	Traditionally, the main sources of funding housing lending in France are the households' and companies' deposits (term deposits or savings accounts,…) and bond issues subscribed by institutional investors.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	In France, the purchase costs depend on the new or existing nature of the purchased house: - Existing properties: 7% to 8% for transfer duties and 4% to 6% for real estate agencies. - New properties: 2% to 3% for a new home (transfer duties only), plus 20% of VAT in most cases (except for social/ANRU areas sales which have a 5.5%, and 10% for sales of intermediate rental housing).
What is the level (if any) of government subsidies for house purchases in your country?	**To become homeowner of a primary residence:** Main supports: - Prêt à Taux Zéro ("PTZ", zero interest rate loan): this scheme allows first-time buyers to obtain an interest-free loan to finance part of the purchase of a primary residence (45,900 in 2024). The amount and eligibility conditions depend on the property's location and the borrower's income. - "Prêt Action Logement": formerly known as the "1% Housing contribution", it is a contribution of companies with more than 50 employees to the construction effort and called now "Action Logement". This loan is offered by Action Logement to help access homeownership, particularly for employees of private companies. It provides favorable conditions, including a reduced interest rate. - Bail Réel Solidaire ("BRS", solidarity real lease): it allows modest households to become homeowners, especially in densely populated areas, at a relatively affordable cost compared with the prices of a home bough on the market. It is based on a land-building separation (the household buy only the housing and lease the land to a government-approved organization). - MaPrimRenov': a financial aid for renovation works which can support indirectly the purchase of an existing home at a lower price in the outlook to launch works after the acquisition. Minor supports: - PAS (Social Homeownership Scheme Loan): this loan is intended for modest-income households and is subject to income conditions. It is accompanied by a State guarantee to promote mortgage credit to low-income households at a favorable interest rate. It can finance the purchase of a main residence as well as renovations. - PSLA (Social Homeownership Scheme): this scheme aims to facilitate homeownership for low-income households by allowing the purchase of properties at controlled prices after a period of rent. - VAT at 5.5% (reduced Value Added Tax): a lower VAT (against 20%) for the purchase of a newly-built home located in some areas in France considered as an urban renewal area (in "ANRU" and "QPV" areas). - Local Authority Aids: some municipalities or departments implement their own homeownership assistance programs, such as grants or zero-interest loans. **To buy a home to rent:** - Pinel scheme: it allowed between September, 1st 2014 and December, 31th 2024 the granting of a tax reduction for private landlords who rented a property (concerning newly-built homes in most cases) at a regulated and limited rental price (an approximate and non-exhaustive figure of more than 244,000 digital tax declarations were recorded by the French Court of Auditors over the period). - Denormandie Scheme: it encourages the renovation of existing homes by households for rental in certain areas (with a minimum amount of works and a compliance with rental conditions), in exchange of a reduction in income (around 881 households benefited from this scheme in 2024). - Logement Locatif Intermédiaire ("LLI", intermediate rental housing): the finance bill for 2024 has started to authorize individual investors (through a real estate investment company, "SCI") to buy a new home for rental at a price below the market value, located in densely populated areas and eligible to a lower VAT (10%) as well as a tax credit on the property taxe (for a maximum of 20 years). This scheme was not widely known by households in 2024.

Germany

By Vincent Tran, Verband deutscher Pfandbriefbanken (vdp)

IN A NUTSHELL

- → Real gross domestic product fell by 0.2%.
- → Lower rates increased affordability; gross lending rose to EUR 205.9 bn (+5% y-o-y).
- → Prices for owner-occupied residential property rose by 1.2%.
- → Continuous increase in new rents due to high demand.

MACROECONOMIC OVERVIEW

The economy contracted by 0.2%. The industry sector faced difficulties in adapting to the changed structural conditions and the volume of exports was restrained, due to the lower ability of German industry to compete with foreign manufacturers. The sharply increased wages provided room for additional consumer spending. Nevertheless, consumer spending remained cautious due to the ongoing uncertainty, which prevented a stronger recovery in consumption in the meantime. Despite a slight increase in unemployment rate, from 3.1% to 3.4%, particularly in the manufacturing sector, the labor market remained stable. The construction sector lacked significant growth drivers and remained subdued. However, modernization and new projects in roads, railways, and pipelines boosted underground construction activity (roads, railways, bridges, pipeline construction). Average annual inflation fell to 2.2% (5.9% in the previous year). Inflation is approaching the medium-term target of 2%, so the ECB reduced key rates four times from 3.75% to 2.75%.

HOUSING MARKET

Housing Construction has had a difficult few years. The sharp rise in interest rates and soaring construction prices led to higher costs and made it more difficult to finance projects. This led to a decline in orders and approvals that began in 2022 and continued through 2024. Housing completions declined by around 14.4% y-o-y to 251,937 units. Only 215,293 building permits were issued (a 17.1% decrease) indicating a continued weakening of construction activity in the residential property sector. The persistent imbalance between demand and supply is contributing to rising new contract rents, which increased by an average of 5.5%r. The number of transactions on the existing residential property market rose by 15.3%, which is reflected in an increase in mortgage lending. As a result of the sustained demand, residential property prices have continued to rise. Over the course of 2024, these prices stabilized and began to recover, with a 1.2% increase overall. Housing affordability has improved, supported by rising wages and stable financing conditions. This has made home ownership more attractive, especially in comparison to the consistent rise in new contract rents.

MORTGAGE MARKET

The average interest rate for residential mortgage loans fell from 3.9% in Q1 to 3,6% in Q4 due to the slight easing of monetary policy as a consequence of lower inflation. The construction or purchase of a residential property has thus become easier and more attractive in comparison to increasing rents. After the significant decline in demand for mortgage loans in 2023, the first half of 2024 already saw a noticeable upturn in loan commitments for the construction and purchase of owner-occupied residential property, even if this was well below the level achieved during the low-interest phase before mid 2022. Therefore, gross lending in 2024 for housing grew to EUR 205.9 bn (+5% y-o-y). Outstanding loans increased by 1.1%. to EUR 1.89 tn.

MORTGAGE FUNDING

In Germany, banks' main funding instruments for housing loans are savings deposits and covered bonds (Pfandbriefe). Germany has a significant share of the total covered bond market. Volume outstanding in Pfandbriefe remained unchanged over the course of the year at around EUR 400 bn. Total Pfandbrief issuance volume was at EUR 56.2 bn (2023: EUR 65.3 bn). Since 2017 the total outstanding volume of Pfandbriefe increased by 9%. It is worth mentioning that during this time the total outstanding amount of Public Sector Pfandbriefe fell by 32% to EUR 101 bn, the volume of Mortgage Pfandbriefe increased by 38% to EUR 297 bn and the Ship Pfandbrief decreased by 35% to EUR 1.6 bn.

Mortgage Pfandbrief issuance was EUR 41.4 bn (EUR 51.5 bn in 2023), Public Sector Pfandbrief issuance was EUR 14.8 bn (2023: EUR 13.8 bn) and Ship Pfandbriefe accounted for EUR 1.0 bn. Outstanding Mortgage Pfandbriefe increased from EUR 295 bn to EUR 297 bn and Public Pfandbriefe decreased from EUR 104 bn to EUR 101 bn.

GREEN FUNDING

The first ESG (Environmental, Social and Governance) Pfandbrief issued in September 2014 (EUR 300mn) pioneered a new sustainable covered bond market segment. Since then, German Pfandbrief banks have been very active in both, green and social lending and issuing Green and Social Pfandbriefe. Several Pfandbrief banks offer a discount on mortgage loans provided the building is energy efficient and fulfils certain requirements. In 2019, Pfandbrief issuers under the umbrella of the vdp published minimum standards for Green Pfandbriefe. They include requirements for the energy efficiency of financed buildings as evidenced by energy performance certificates. The minimum standards for Green Pfandbriefe were complemented by minimum standards for Social Pfandbriefe (March 2021) and minimum standards for the issuance of Green Public Pfandbriefe (June 2022). By updating the minimum standards for Green Mortgage Pfandbriefe and Green Public Pfandbriefe with effect from 1 January 2025, the requirements green cover assets must meet are more closely aligned with the EU taxonomy.

All minimum standards take account of the initiatives under way at the EU level regarding the taxonomy for sustainable economic activities and the introduction of the EU Green Bond Standard. Moreover, the minimum standards oblige Pfandbrief banks to provide a high degree of transparency. Issuers are required to establish their own Green or Social Bond Framework which must be based on the ICMA Green or Social Bond Principles. At the end of 2024, the volume of outstanding Green and Social Pfandbriefe was EUR 30 bn supplied by 14 issuers (EUR 24 bn and 13 issuers in 2023). Issuance in 2024 was EUR 7.1 bn.

	GERMANY 2023	GERMANY 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	-0.3	-0.2	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.1	3.4	5.9
HICP inflation (%) (1)	6.0	2.5	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	47.6	47.2	68.4
Gross Fixed Investment in Housing (annual change) (1)	-3.4	-5.0	-4.3
Building Permits (2015=100) (2)	83.0	68.7	136.9
House Price Index - country (2015=100) (2)	161.1	158.5	179.8
House Price Index - capital (2015=100) (2)*	161.1	160.0	171.5
Nominal house price growth (%) (2)	-4.1	-1.6	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	1,871,314	1,891,500	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	22,183	22,665	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	73.1	71.2	71.3
Gross residential lending, annual growth (%) (2)	-28.2	4.9	3.9
Typical mortgage rate, annual average (%) (2)	4.0	3.8	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

GERMANY FACT TABLE

Which entities can issue mortgage loans in your country?	Monetary Financial Institutions, such as: Commercial Banks, Savings Banks, Mortgage Banks, Landesbanks, Regional Banks, Cooperative Banks, Building Societies, Development Banks; and Life Insurers
What is the market share of new mortgage issuances between these entities?	MFI's: 96%, Life Insurers: 4%
Which entities hold what proportion of outstanding mortgage loans in your country?	MFI's: 96%, Life Insurers: 4%
What is the typical LTV ratio on residential mortgage loans in your country?	70-80% (average for purchase of owner-occupied residential properties)
How is the distinction made between loans for residential and non-residential purposes in your country?	Type of use (buildings with different types of use: predominant use)
What is/are the most common mortgage product(s) in your country?	Mortgage loans with fixed interest rates for about 10-15 years.
What is the typical/ average maturity for a mortgage in your country?	About 25 - 30 years
What is/are the most common ways to fund mortgage lending in your country?	Deposits, mortgage covered bonds, other bank bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Transaction costs vary by federal state because of different land transfer tax rates and if a real estate agent is involved or not. Overall, transaction costs can vary between 5% and 15% of the house price.
What is the level (if any) of government subsidies for house purchases in your country?	The acquisition of owner-occupied housing is promoted through various programmes of KfW, Germany's leading promotional bank. Currently, subsidised loans are granted for the following measures in connection with the acquisition of residential property by private householdss: • KfW Home Ownership Programme (For the purchase or construction of a home) • Home ownership for families (For families with children who build in a climate-friendly way) • Climate-friendly new construction - residential buildings (For building energy-efficient and sustainable houses and flats) • Completion of an energy-efficient refurbishment or when buying a property that has just been refurbished as an efficiency house. Besides that, the German states (Bundesländer) support home ownership within the scope of publicly assisted housing. Depending on the policy and cash balance of each State, several programmes are offered.

Greece

By Calliope Akantziliotou[1] and Evangelia Papapetrou, Bank of Greece

IN A NUTSHELL

→ Real GDP grew by 2.3% in 2024, at the same growth rate recorded in 2023.
→ House prices continued to rise strongly, although at a decelerating rate; apartments rose by 8.9% (13.9% in 2023).
→ Total outstanding housing loans declined by 2.6% against a drop of 3.5% in 2023.

MACROECONOMIC OVERVIEW

Economic activity continued to grow in 2024 at the same rate as in 2023 (2.3%),[2] significantly outperforming the euro area average at approximately 2.5 times higher than the corresponding rate in the eurozone (0.9%).

The main drivers of economic growth were private consumption, investment and exports as well as other factors, such as the strong performance of the tourist sector.[3] In particular, growth rates in real terms were 2.1% in private consumption, 4.5% in gross fixed capital formation and 3.8% in exports of services. In contrast, the increase in imports of goods and services (5.1% and 6.7% respectively) weighed GDP growth. In Q1 2025, GDP (seasonally adjusted data) continued growing by 2.2%, year-on-year, well above the euro area average (1.5%), mainly driven by exports of goods and services (2.2%) and private consumption (1.9%). On the contrary, the decline in gross fixed capital formation (down 3.2%, year-on-year in real terms), and the increase in imports of goods and services (2.4%) contributed negatively to GDP growth in Q1 2025.

The economic outlook remains positive, despite continued uncertainties surrounding the domestic and the global economy. Looking ahead, according to the latest press release of Bank of Greece on Monetary Policy Report 2024-2025 (June 2025),[4] economic growth in 2025 is expected to remain at the same rate as in 2024 and decelerate slightly in 2026 mainly driven by investment, supported by available European resources, and private consumption. More specifically, the growth rate of the Greek economy in 2025 will continue to outperform the European average in 2025 and is expected to stand at 2.3% and to decelerate to 2.0% in 2026 and marginally accelerate in 2027 (2.1%). Investment, exports and private consumption will continue to be the key drivers of the economy in the coming years.

Investment in total construction (ELSTAT, non-seasonally adjusted data at constant prices) increased further by 5.7% in 2024 at a weaker pace compared to 15.6% in 2023 (2022: 22.7%), whereas residential investment increased for seven consecutive years, although in 2024 it increased at a slower pace compared to the total (2024: 2.7% against 24.7% in 2023 and 57.8% in 2022). The difference was mainly due to investment in "other" construction (non-residential construction and civil engineering) which grew by 7.7% in 2024 (10.2% in 2023 and 8.3% in 2022).

In 2024, the labour market improved further, and unemployment declined, due to solid economic growth. According to ELSTAT – Labour Force Survey (non-seasonally adjusted data), employment increased, on average, 2.0% in 2024 slightly higher than in 2023 (1.3%) and at a moderate pace against employment rate in 2022 (5.4%). Employment growth in 2024 was greater for women than for men (2.5% and 1.6% respectively). The unemployment rate, although declining steadily and significantly in recent years (10.1% in 2024, 11.1 in 2023, 12.4% in 2022), remains high compared to the European average (6.4%). By gender distinction, the unemployment rate declined for both men and women while the rate of women (12.8%) remained significantly higher than that of men (8.0%). According to the Bank of Greece Governor's Annual Report 2024,[5] labour market developments will further improve, reflecting the continued growth in economic activity and the increase in household disposable income and with the unemployment rate expected to decrease in 2025 to 9.9%.

In 2024, HICP inflation (according to ELSTAT data) declined further to 3.0% compared to 4.2% in 2023 but remained relatively elevated - due to persistent services inflation – compared to euro area average (headline inflation dropped to 2.4% in 2024 from 5.4% in 2023). On the other hand, core inflation (inflation excluding unprocessed food and energy prices) decreased to 3.4% against 6.2% in 2023. In the first five months of 2025, HICP headline inflation stood at the same rate, at 3.0%, due – in addition to persistent services inflation – to the increase in food and non-energy industrial goods inflation. In 2025, HICP inflation is expected to stand at 2.5%,[6] reflecting persistently high services inflation, mainly due to expected increases in wages and rental prices and pressures from high, mainly foreign, demand (tourism).

In 2024 the amount in foreign direct investment (Bank of Greece data) increased to EUR 6.7 bn (from EUR 4.8 bn in 2023) with the real estate contribution[7] remaining strong (40.8% in 2024 against 44.7% in 2023).

According to the 2025 Annual Progress Report for Greece, submitted by the Ministry of Finance in April 2025, in 2024, the general government balance in Greece turned to a surplus of 1.3% of GDP. The general government primary outcome had a surplus of 4.8% of GDP (higher than 2.4% of GDP, as estimated in the 2025 Draft Budgetary Plan in October 2024), mainly as a result of a satisfactory economic growth in 2024 as well as due to higher tax revenue and containment on primary expenditure. The general government debt decreased to 153.6% of GDP at the end of 2024 from 163.9% in 2023. For 2025, a sustainable and strong primary surplus of +3.2% of GDP is expected, on the back of a solid economic growth and the general government debt is expected to drop to 145.7% of GDP, i.e. reduced by 7.9 p.p. compared to 2024.

1 The views expressed are solely those of the author and should not be interpreted as reflecting the views of the Bank of Greece.
2 Hellenic Statistical Authority (ELSTAT): non-seasonally adjusted data at constant prices.
3 Bank of Greece: Border Survey. In 2022, tourism activity almost rebounded compared to 2019 (revenues amounted to EUR 18 bn) at approximately by 97%. In 2023, revenues from tourism activity outpaced the 2019 revenues by 113.3% and amounted approximately EUR 21 bn. In 2024, revenues from tourism activity outpaced the 2023 revenues, recording an increase, on average, 4.5% and amounted approximately EUR 22 bn.
4 Press release of Bank of Greece: Monetary Policy Report 2024-2025/19.06.2025.
5 Press Release of Bank of Greece: Governor's Annual Report 2024/08.04.2025.
6 Press release of Bank of Greece: Monetary Policy Report 2024-2025/19.06.2025.
7 Net inflows of funds for real estate purchases by foreign investors.

HOUSING MARKETS

In 2024, the Greek real estate market has maintained its positive momentum. Despite the conditions that have emerged over the past three years as a result of heightened geopolitical instability, increased construction and operating costs and rising financing costs in the domestic market, the housing market in Greece experienced strong price increases, though at a decelerating rate in 2024 compared to 2023, as demand, both domestic and international, remained high amid limited housing supply.

In the housing market prices continued to grow in 2024 although at a decelerated rate. More specifically, based on Bank of Greece residential data (valuations) collected by credit institutions, at a country level, in 2024, nominal apartment prices increased on average by 8.9%, against 13.9% in 2023. Broken down by property age, during 2024, stronger rates of increase are recorded in new apartment prices (up to 5 years old) compared with the corresponding increases to old apartment prices (over 5 years old) standing on average at 10.2% and 8.1% respectively. By geographical area, higher annual rates compared to the average annual growth rate for the entire country were recorded in Thessaloniki (11.4%) and other regions of the country (10.7%) and to a lesser extent in Athens (8.4%) and other cities (7.4%). It is worth mentioning that the index of apartment prices in Q4 2024 just overpassed the historical peak in Q3 2008 by 0.1%.

The housing market continued its positive performance in 2024, supported by strong demand and by a low supply of particularly high-quality housing. The dynamics of the residential property market in 2024 are reflected both in data from the Golden Visa Programme and foreign direct investment (FDI) as well as in other relevant indicators. Foreign investment interest is reflected in Golden Visa data – despite new restrictions introduced in 2024 – as well as in Bank of Greece data on net inflows of funds for real estate purchases by foreign investors. More specifically, for 2024, net receipts for real estate purchases from abroad are still at a high level as a percentage of total investment in the country (41%), exceeding EUR 2.5 bn, up by 28.9% relative to 2023 (EUR 2,750 mn compared to EUR 2,133 mn in 2023). In 2024, residential investment (at constant prices) increased on average by 2.7%, though at a weaker pace compared to 24.7% in 2023, and still remains at low levels as % of GDP (2.4%). Moreover, in 2024, building activity for dwellings in the country (ELSTAT data) recorded a significant increase in both the number and building volume of new building permits, by 31.8% and 24.2%, respectively, higher compared to the growth rates recorded in 2023 (22.2% and 14.7%). At the same time, positive business expectations for residential construction (IOBE[8] data) strengthened further in 2024, but with a moderate increase of 7.7% compared with an annual increase 18.1% in 2023. The total cost of new residential building construction (ELSTAT data) continued to increase by 3.7% in 2024 but slowed down from an increase of 6.2% in 2023. The total amount of new housing loans[9] increased by 20.4% in 2024, but continues to remain below pre-crisis levels, while the outstanding amount of housing loans decreased by 2.6%. According to data from the Bank Lending Survey, there has been a decline in demand for housing loans for almost three years (with the exception of Q2 2023) due, inter alia, to the level of housing loan interest rates.

According to the latest available data, real estate transactions[10] increased by 8.8% in 2023 (122,123 transactions) against an increase by 7.2% in 2022 (112,283 transactions) and after a strong rebound in 2021 (104,746 transactions) by 40.1% against 2020. Due to the strong dynamics in Greek real estate market a further enhancement on the number of real estate transactions is expected for the year 2024.

Strong price growths in house prices recorded in the last three years have worsened house affordability, as prices level out of proportion to increases in disposable income. To alleviate the housing crisis, new legislation was introduced with strict conditions and restrictions on both the Golden Visa Program and short-term rentals in 2024. More specifically, Golden Visa Program in Greece has undergone significant changes, effective as of August 31, 2024, in order to reduce transactions from foreign investors buying property, such as the introduction of a dual-zone system for real estate transactions and increased thresholds in both tiers. New short-term rental regulations for 2024 have been established with strict conditions and licensing limitations imposed by local authorities especially in high-demand areas with limited housing availability.

Positive price growths in house prices recorded in the first months of 2025. In Q1 2025 the annual rate of change in apartment prices for the entire country stood at 6.8% year-on-year. The apartment price index in the Athens area registered a significantly lower annual growth rate than the average annual rate nationwide (5.5%). Despite house price growth and continued interest in housing during the first months of 2025, some market-related indicators are recording negative rates of change. More specifically, in Q1 2025, net foreign direct investment in Greek real estate was EUR 356.8 mn, (EUR 520 mn in Q1 2024, a 31.4%, year-on-year, decrease). Residential investment (seasonally adjusted ELSTAT data at constant prices) decreased marginally, by 0.3%, year-on-year, in Q1 2025 and still remains at low levels as a % of GDP (2.1%). Residential building activity (ELSTAT data) decreased significantly in the first two months of 2025, recording an annual decrease of 49.7% in terms of building volume (in cubic meters) and 50.8% in terms of the number of permits. The total cost of construction of new residential buildings (ELSTAT data) during Q1 2025 continues to increase (3.5%, year-on-year), although at a slightly decelerating compared to the corresponding period of 2024 (4.0%). On the other hand, positive developments were recorded in the Golden Visa Programme, under which, in the first four months of 2025 the issued and pending residence permits (Ministry of Migration and Asylum data on legal immigration: April 2025) reached 3,506 applications compared to 2,659 in the corresponding period of 2024, up by 38.9% year-on-year. Finally, the business expectations index for the construction of houses (IOBE data) in the first five months of 2025 recorded an increase of 8.5% year-on-year, compared to a marginal decline in the corresponding period of 2024 (-0.2%).

In 2025, a new rent subsidy program was introduced, effective from 2025 onwards, in order to alleviate housing costs of vulnerable households. According to this program, a single monthly rent – based on the contract rent of the previous year – will be provided by the State Budget, as a refund to eligible tenants of primary and student residences based on household's income

[8] IOBE: Foundation for Economic & Industrial Research.

[9] Data are based on the Bank of Greece interest rate database on new housing loan contracts.

[10] Source: ELSTAT. Annual data collected by notaries throughout the country, including all real estate categories of residential and commercial properties (dwellings, retail, offices, building plots, etc). Latest available data: 2023.

criteria, up to the end of November of each year. The one-year State Program "My Home II", aims to ensure access to housing for vulnerable households by providing low-interest housing loans.[11] Also, a new government initiative plan in order to alleviate the housing costs especially of vulnerable households, is the construction/reconstruction of suitable apartments, which will be offered at low-cost, social rents, with the participation of private construction firms in the development of social housing on State-owned land.

Expectations for the next period remain moderately positive, amid the unfavourable international economic and political environment, global trade tensions and associated uncertainties, high construction and energy costs; the main impediments include, inter alia, the geopolitical uncertainty, increased energy and material costs, increased prices, worsening housing affordability and other housing costs as well as continues changes in legislation and taxation.

MORTGAGE MARKETS

In 2024, the total stock of housing loans outstanding continued to decline, on average, by 2.6%, at a decelerate pace compared to 2023 (-3.5%). In April 2025 the amount of outstanding housing loans declined, at a decelerate rate, by 2.2%, year-on-year. The total amount of new housing loan agreements,[12] although still low in absolute terms, rebounded in 2024 and an increase was recorded, on average, by 20.4%, against a decrease in 2023 (-1.9%, a fall for the first time after six years of continuous growth). During the period January-April 2025, total new housing loans increased further by 5.8%, year-on-year, compared to a significant growth by 38.9% in the corresponding period of 2024.

According to the Bank of Greece data, in 2024, the average residential real estate-backed loan disbursement amount, including renovation loans, was EUR 70,281 higher than the average amount recorded in 2023 (EUR 68,682) but still significantly lower compared to the previous couple of years (EUR 78,812 in 2022 and EUR 73,157 in 2021). Finally, the average loan-to-value ratio for new mortgage loans in 2024 decreased further by 110 bps to 60.9% from 62.0% in 2023 (62.9% in 2022 and 63.7% in 2021).

In 2024, bank interest rates on new housing loans decreased whilst on outstanding housing loans remained unchanged. More specifically, average interest rates on new housing loans decreased by 4 bps to 4.06% and on outstanding housing loans with an initial maturity of over 5 years remained unchanged to 4.33%. In Q1 2025, the average interest rate on new housing decreased compared to Q4 2024 by 3 bps to 3.69% and compared to Q1 2024 by 77 bps. The average interest rate on outstanding housing loans with an initial maturity of over 5 years compared to Q4 2024 decreased by 19 bps to 4.05% and compared to Q1 2024 by 35 bps. Mortgages with floating rate used to be the most common, but since 2020, mortgages with a fixed rate have become increasingly popular and in 2024 stood at a high level as a percentage of total of new housing loans (70.4% against 65.8% in 2023, 55.6% in 2022 and 43.5% in 2021).

The increase in interest rates has led to lower demand for housing loans for almost three years, according to Bank Lending Survey data. However, the demand for housing loans in Q1 2025 increased quarter-on-quarter due to the launch of the State Program "My Home II" aimed at supporting new borrowers with more favourable terms in general and final pricing for them and is expected to remain unchanged in the next quarter. Also, according to the same survey, credit standards for housing loans to households remained almost unchanged compared to Q4 2024. Terms and conditions for mortgages to households tightened due to charge increases besides the interest rate. Finally, banks reported that the proportion of rejected loan applications to housing loans remained unchanged.

MORTGAGE FUNDING

From May 2024 to April 2025 private sector deposits increased by EUR 8.0 bn, higher than the increase recorded in the corresponding period of the previous two years (EUR 5.2 bn in the period May 2023 to April 2024 and EUR 7.1 bn in the period May 2022 to April 2023). Households' deposits grew annually by 2.6% in April 2025.

Use of central bank funding stood at EUR 2.6 bn, at the end of 2024, vis-à-vis EUR 14.3 bn in December 2023. The liquidity is in the form of regular Eurosystem liquidity operations (mainly MROs).

The outstanding amount of unsecured bonds issued by Greek banks, at the end of 2024 stood at around EUR 19.1 bn, from about EUR 12.9 bn at the end of 2023. From the total amount of 2024-end, senior bonds corresponded to EUR 11.6 bn and EUR 7.5 bn were subordinated.

The total outstanding amount of covered bonds issued by Greek banks, stood at EUR 11.5 bn, in 2024-end, not changed vis-à-vis 2023-end.

[11] The government co-funded loan Program 'My Home II' which aims to facilitate mainly young people in acquiring their first home – a residence not exceeding 150 square meters and be built before 2007, as shown by the building permit – started the application submissions on January 15, 2025. Under this program, individuals/couples aged 25-50 years old and with income criteria from EUR 10,000 up to EUR 20,000 – EUR 31,000 depending on marital status of beneficiary (+EUR 4,000 per child or EUR 5,000 per child for single-parent households) will be eligible for mortgages with duration from 3 up to 30 years, covering up to 90% of the value of property as in the purchase contract with a max housing loan amount of EUR 190,000 and max property value EUR 250,000. 50% of the mortgage will be financed through public funds (Recovery and Resilience Fund) at a zero interest rate and the remaining 50% will be financed from banks at market rates.

[12] Data are based on the Bank of Greece interest rate database on new housing loan contracts.

	GREECE 2023	GREECE 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.3	2.3	1.0
Unemployment Rate (LSF), annual average (%) (1)	11.1	10.1	5.9
HICP inflation (%) (1)	4.2	3.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	69.6	69.7	68.4
Gross Fixed Investment in Housing (annual change) (1)	24.7	2.7	-4.3
Building Permits (2015=100) (2)	239.9	289.4	136.9
House Price Index - country (2015=100) (2)	151.2	164.7	179.8
House Price Index - capital (2015=100) (2)	169.4	183.6	171.5
Nominal house price growth (%) (2)*	13.9	8.9	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	28,456	26,.986	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	2,732.5	2,594.7	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	19.5	17.5	71.3
Gross residential lending, annual growth (%) (2)	-4.8	19.3	3.9
Typical mortgage rate, annual average (%) (2)	4.10	4.06	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

GREECE FACT TABLE

Which entities can issue mortgage loans in your country?	All credit institutions authorised in Greece under the Law 4261/2014, Directive 2013/36/EU.
What is the market share of new mortgage issuances between these entities?	Confidential information
Which entities hold what proportion of outstanding mortgage loans in your country?	Confidential information
What is the typical LTV ratio on residential mortgage loans in your country?	The LTV ratio for new mortgage loans in 2024 decreased further by 110 bps to 60.9% from 62.0% in 2023.
How is the distinction made between loans for residential and non-residential purposes in your country?	The distinction is made by the reporting agents themselves.
What is/are the most common mortgage product(s) in your country?	Mortgages with floating rate used to be the most common product. But as of 2020-2024, mortgages with a fixed rate are becoming increasingly popular and in 2024 accounted for 70.4% of new loans, significantly up from 65.8% in 2023 and 55.6% in 2022.
What is the typical/ average maturity for a mortgage in your country?	Not available
What is/are the most common ways to fund mortgage lending in your country?	Deposits
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	**• VAT 24%** From 2006 until today, the legislation provides for the imposition of the standard VAT rate (24%) on newly built properties. An exemption on first residence was also set. From 2019, when the suspension of VAT collection on new buildings was first announced, there has been a continuous suspension, which (via Law 5162/2024) will be applicable until the end of 2025. **• Real Estate Transfer Tax 3%** Any transfer of real estate - not subject to VAT- is subject to a Transfer Tax (3%), which is applied on the higher value between market and zonal value (property price used for tax purposes) of the real estate property. Such cost is further increased by fees such as municipal tax, notarial, land registration and legal fees. **• Capital gains tax 15%** Capital gains tax is levied on property-selling owners (equal to 15% of the difference between the acquisition price and the selling price, progressively depreciated depending on the holding of the property. From the imposition (in 2013) until today, there has been a continuous suspension, which (via Law 5162/2024) will be applicable until the end of 2025.
What is the level (if any) of government subsidies for house purchases in your country?	There are no new developments.

Hungary

By Nagy Gyula László, MBH Mortgage Bank Plc

IN A NUTSHELL

- → The economy grew by 0.5% GDP after contracting in the previous year
- → Gross residential mortgage lending more than double compared to the previous year
- → The average mortgage rate was 7.2%
- → Housing completions were the lowest in the last 10 years at 13.3 thousands

MACROECONOMIC OVERVIEW

The economy grew annually by 0.5% according to raw data (0.6% seasonally and calendar-adjusted) in 2024. Services grew by 2.1% and contributed to growth by 1.1%. Agricultural value added decreased by 10.4%, decreasing GDP volume by 0.3%. Value added was 3% lower in industry (reducing GDP by 0.6% and, 0.6% lower in construction (reducing GDP by 0.3%).Exports decreased by 0.8% and imports by 3.3%. Household consumption grew by 4.3%, while public consumption decreased by 5.8%, overall consumption grew by 2.6%.

Unemployment varied between 4.3 and 4.7 during the year. It returned to 4.3% at year-end (210 thousand people). Inflation decreased to 3.7% (17.6% in 2023). Food prices have grown by 2.8%, services by 8.9%, tobacco and alcoholic drink prices increased by 4.4%. clothes and fashion products by 4.2%.and durable consumer goods by 0.9%. Energy prices decreased by 4.6%.

The deficit of the general government sector was HUF 4,002 billion (EUR 9.72bn equivalent), representing 4.9% of GDP. The debt of the general government sector at year end – based on data of the National Bank of Hungary – was HUF 59,875 billion (EUR145bn), 73.5% of GDP.

Housing loan disbursements increased significantly, driven by more market-based lending and a new type of housing loan subsidy program, called HPS Plus. For both new and pre-owned homes, the availability of mortgage loans for house purchase has improved significantly, the latter also supported by HPS Plus program for those intending to have more children.

As the rapid rise in house prices in recent years has particularly hit first-time buyers, who are typically young couples, with small savings and low incomes, the National Bank of Hungary proposed lowering the down payment for first-time buyers to 10% from 2024.

LOOKING AHEAD

Growth is expected in the mortgage market as funds flow into housing household savings. During the high inflation period (mainly 2023 and onwards) many households invested in high Premium Hungarian Government Securities (PMÁP) many of which paid high interest in the first half of 2025 then switch to lower rates. Other mature in 2025. As a result, significant funds may search for other investment possibilities such as the housing market. Government bonds had typically bullet repayment and had longer maturities, holders had only interest payments, unless they had maturing bonds.

Pension fund members will also be permitted in 2025 to use part of the savings for their own, their spouses' or their children's housing needs.

With the volatility of the stock market and lower return on other investments housing may become an attractive investment opportunity.

HOUSING MARKETS

Hungary had a population of 9,540 td and a stock of approximately 4,600 td housing units at year-end. The homeownership ratio was the 3rd highest in the EU at 91.6% according to Eurostat. Even with worse economic performance in, decreasing inflation, growing disposable real income for households, the slightly lower mortgage rates (also fueled by the competition among the banks) and new housing subsidy programs (CSOK PLUS) helped the recovery of the mortgage market during the year.

The pickup of mortgage lending has not improved the market for newly built dwellings. The number of building permits granted was 20,494, 5% lower than the 21,501 in 2023. Completions were 13,295 down 29% y-o-y (18,617 units). Completions have been falling since 2020 when there were 28,208. In Budapest, the number of building permits was 7,027, a 12% fall y-o-y and the number of completions decreased by 28% to 4,607 (from 6,359 in 2023).

According to the MBH House Price Index, house prices overall were 12% higher than in the previous year. Growth was more moderate in Budapest at 6%, while in Debrecen it was 13% (above the country average) and in Szeged it was above 9%. Debrecen has become the center for several new industrial projects, the price increase reflect a shortage of available dwellings.

According to the KSH (Hungarian Statistical Office) House price Index, the new house price Index was 14.2% higher at year-end and for second hand dwellings it was 12.8% higher.

According to the figures in the House Market Report of the National Bank of Hungary, the number of housing transactions (new and second hand dwellings) was above 152,8th in 2024.

MORTGAGE MARKETS

In H1 housing lending gained new momentum, by year end the outstanding volume of residential loans (mortgage loans secured by residential property) was HUF 6,355 bn (EUR 15bn) an increase y-o-y of 11%.

The number and amount of loans granted and the average loan amount were all significantly higher than a year earlier. Among the housing loans granted, the number and average amount of loans granted for the purchase of second-hand dwellings also increased. Growth in the gross residential lending has more than doubled in 2024 compared to the year before.

Mortgage debt/GDP increased to 6.9%, still the among the lowest in the region. The NPL housing loan ratio decreased close to 1% in 2024 from the previous year end figure of 1,4%. Despite the persistent rise in house prices in recent years, the median LTV ratio of newly disbursed mortgage loans has only increased slightly, for new loans in 2024 it was around 50% in Budapest and 52% on the countryside. The volume of mortgages with an LTV above 70% increased; around 30% of new mortgages were issued with an LTV between 70 – 80%, and 2-3% above 80% (mostly first time buyers due to the new regulation allowing first time buyers to borrow up to 90% LTV).

The volume of remortgaging increased by 24% but was only about 1.8% of total gross lending.

To mitigate the effects of increasing mortgage rates, the government earlier introduced "interest rate caps" on certain types of already existing mortgages (variable and 1 to 5 years fixed rate mortgages), where the rates were frozen at their earlier rate. Despite decreasing inflation and the constant decrease of the Central Bank base rate, the end of these caps has not been announced yet, although it was only intended to be temporary in the high inflation period.

Mortgage interest rates were in the range of 6.5 – 7.8% toward the end of the year. Average mortgage rate was 7.2%.

The termination of certain subsidies was offset by the new HPS Plus program, announced at the end of 2023, which allowed couples committing to have children to access preferential-rate loans from 2024 onwards. With the new HPS Plus subsidy program the volume of subsidised loan contracts increased significantly in 2024. In 2024, households concluded 11,300 HPS Plus loan contracts worth a total of HUF 295 billion. The average amount of HPS Plus contracts exceeded the highest amount available under the previous HPS scheme. Under the previous subsidy program in 2023 133 billion was extended in loans and 44 billion in non repayable grants.

The total volume of newborn baby loan contracts in 2024 remained unchanged compared to the previous year.

MORTGAGE FUNDING

Most mortgage funding is from deposits, but covered bonds are also commonly used. By year end more than 30% of residential loans were funded through covered bonds. Act XXX. on Mortgage Banks and Mortgage Bonds, approved by Parliament in 1997, contributed significantly to the establishment of the covered bond market. In April 2017, the Mortgage Funding Adequacy Ratio (MFAR) was introduced by the National Bank of Hungary requiring commercial banks to finance initially 15% of their mortgage loans with long-term securities. The ratio was increased to 20% in October 2018 and to 25% in October 1, 2019. The Hungarian covered bonds comply with the European Covered Bond and the European Covered Bond Premium criteria. The outstanding amount of covered bonds was HUF 2,107 bn (EUR 5.2bn) at year-end and EUR 500mn (HUF 212bn) was in EUR, the rest denominated in HUF. Presently there are 5 mortgage banks in Hungary, belonging to the largest commercial banks. Only one out of the five mortgage banks is engaged in direct mortgage origination, the other four mortgage banks do mostly refinancing of commercial bank's residential mortgage portfolios.

GREEN FUNDING

IIn July 2021, the preferential treatment of green funds in the MFAR (Mortgage Funding Adequacy Ratio) came into force, contributing to the issue of the first domestic green mortgage bonds. With the start of the MNB's Green Mortgage Bond Purchase Programme, green mortgage bond issuance started in the summer of 2021, and by June 2022, all five mortgage banks were already present in the Green Mortgage Bond market. At the end of 2024, the volume of green covered bonds outstanding was HUF 272,2 bn, (EUR 670mn) approximately 13% of all Hungarian covered bonds. In the future, as green loan portfolios for the commercial banks grow, the share of green funds is also expected to increase.

In 2021, to encourage green lending, the National Bank published the Green Preferential Capital Requirement Programme for Housing (also available for Corporates and Municipalities). In the Programme, capital relief is available for the lending institutions on their mortgage loans and personal loans, or on loans for modernizing residential buildings.

A new home renovation programme was introduced in the summer of 2024, exclusively for energy efficiency modernisation projects for detached houses. The renovation programme may include the insulation of buildings, replacement of doors and windows and modernisation of hot water and heating systems with a total budget of HUF 108 bn (EUR 300mn). A primary energy saving of at least 30 per cent must be achieved with the renovations, the improvement must be certified by energy efficiency certificates both before and after the completion of the renovation work. Besides contributing HUF 1 million from their own funds, a customer may apply for an interest-free loan and a non-repayable grant. From the presently allocated budget of the home renovation programme approximately 20,000 detached houses may be renovated.

	HUNGARY 2023	HUNGARY 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	-0.8	0.5	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.1	4.5	5.9
HICP inflation (%) (1)	17.0	3.7	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	90.5	91.6	68.4
Gross Fixed Investment in Housing (annual change) (1)	3.7	-3.7	-4.3
Building Permits (2015=100) (2)	171.8	163.8	136.9
House Price Index - country (2015=100) (2)	318.1	356.6	179.8
House Price Index - capital (2015=100) (2)	324.5	344.6	171.5
Nominal house price growth (%) (2)	8.6	12.1	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	14,993	15,450	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	1,562	1,612	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	12.4	12.4	71.3
Gross residential lending, annual growth (%) (2)	-45.1	95.5	3.9
Typical mortgage rate, annual average (%) (2)	9.2	7.3	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

HUNGARY FACT TABLE

Which entities can issue mortgage loans in your country?	Banks, specialised mortgage banks, saving cooperatives, financial companies (mortgage houses) can issue mortgage loans.
What is the market share of new mortgage issuances between these entities?	In proportion to the total volume issued in 2024 commercial banks issued 63%, mortgage banks 31.8%, home savings cooperatives, 5.2% of the new mortgage issuances.
Which entities hold what proportion of outstanding mortgage loans in your country?	Commercial banks hold 59.7%, mortgage banks 31% and housing saving banks hold 9.3% of the outstanding mortgage loans.
What is the typical LTV ratio on residential mortgage loans in your country?	Between 50 and 60% is the typical LTV on new residential mortgages. Banks can grant mortgages generally up to max 80% LTV without additional collateral. From 2024 First Time Buyers can borrow up to 90% LTV.
How is the distinction made between loans for residential and non-residential purposes in your country?	In the residential loan portfolio, by "housing loans" it is understood that the purpose of said loan is to finance the acquisition or purchase of a house or flat. On the other hand, in the residential mortgage loan portfolio, the so called "home equity" or free purpose mortgage loans are also included, when the purpose is to get a loan with a mortgage on the already existing residential property. "BTL mortgages" at present are included also in the residential loan portfolio, and statistically are not registered separately.
What is/are the most common mortgage product(s) in your country?	The most typical mortgage product is the housing loan granted by commercial banks and mortgage banks (when the purpose is the purchase of a flat or house).
What is the typical/ average maturity for a mortgage in your country?	Average maturity for a mortgage loan for building purpose 21.7 years, for new dwelling was 19.9 years, for used homes 18.3 years, for refurbishment 11.3 years in 2024
What is/are the most common ways to fund mortgage lending in your country?	The most common way to fund mortgage lending is funding from deposits, but covered bonds are also used. Since April 2017, commercial banks must adhere to a new regulation introduced by the National Bank of Hungary. The regulation prescribed, that certain proportion of all outstanding residential mortgage loans must be funded or refinanced by mortgage bonds. The ratio is called Mortgage Funding Adequacy Ratio (MFAR), and it was initially set at 15%. From October 2019 the ratio increased to 25% and remained at this level also in 2024.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	A transfer (stamp duty) tax of 4% is to be paid by the buyer to the National Tax and Customs Administration. (The rate of duty is 2% until 4 Mio HUF than 4% up to HUF 1bn (EUR 2.9 mn) per property. Buyers may be entitled to certain reliefs. Legal fees may range from 0.5–1% of the property price, usually paid by the buyer. When the property is sold through a real estate agency, a further 3-5% is paid by the seller. Buying a newly built flat is subject to a preferential VAT payment of 5% (instead of the 27% VAT applied on most consumer prices and services). The easing of the preferential VAT payment is valid until the end the 2026.
What is the level (if any) of government subsidies for house purchases in your country?	• In 2024 of the total outstanding mortgage portfolio, 19% weresubsidized. New mortgage lending has grown significantly in 2024 compared to the previous year. The volume of newly issued subsidized loans for housing purchase has grown from HUF 126 bn in 2023 to HUF 339 bn in 2024, the volume of non subsidized loans has grown from HUF 482 bn to HUF 1,007 bn. So while market priced housing loanissuance doubled in 2024, the volume of subsidized loans has almost tripled during the year. • The most significant housing subsidy loan program is the Home Purchase Subsidy (CSOK in Hungarian) for families. The new, interest subsidised housing loan, that was introduced in 2024 – called Home Purchase Subsidy Plus (CSOK+) – provided a higher loan amount than previously. This loan type alone contributed significantly to the total housing loan amount issued in 2024. • Apart from the CSOK programs the "Prenatal Baby Support" program (unsecured interest free loan facility up to HUF 10 Mio) also helped to stimulate the house purchase possibilities for families and first-time buyers.

Ireland

By Anthony O'Brien, Banking & Payments Federation Ireland

IN A NUTSHELL

- → The economy continued to grow amid subdued business expectations.
- → Housing demand remained strong but housing supply remains below levels required.
- → Housing supply is growing slowly.
- → House sales and rental prices continue to rise due to the mismatch between supply and demand.
- → Mortgage lending grew during 2024 driven by lending to first-time buyers (FTBs).

MACROECONOMIC OVERVIEW

Growth in domestic economic activity continued in 2024 amid subdued business expectations on the global economic outlook albeit with positive indicators especially in tax revenues and employment throughout 2024. Gross domestic product (GDP) grew by 1.2% in 2024, driven by growth in the domestic economy according to the Central Statistics Office (CSO). Modified final domestic demand, which excludes globalisation effects such as trade in intellectual property and aircraft leasing, increased by 2.7% in 2024, while consumer spending increased by 2.3%. Both industry and construction recorded annual contractions in gross domestic product based on constant market prices for the second year in a row, falling by 5.1% and 1.8% respectively in 2024. By contrast, the information and communication sector and the professional, administration and support services sector expanded by 8.4% and 5.6%, respectively, in 2024.

The total tax take in 2024 was €108 billion, according to the Department of Finance, 22.6% more than in 2023. Income tax receipts were up 6.6% year on year to €35.1 billion in the year. Corporation tax also grew, by about 5.3% year on year, to €39.1 billion, mainly due to once-off receipts arising from the Court of Justice of the European Union.

On the expenditure side, value added tax (VAT) receipts increased by 7.5% billion year on year to €21.8 billion in 2024, likely reflecting higher personal spending as well higher consumer prices. The annual average rate of inflation was 2.1% in 2024, down from 6.3% in 2023.

The increased income tax take was driven a combination of higher employment and increased earnings. By the end of Q4 2024, almost 2.8 million people were in employment, down slightly from the peak in Q3 2024. The annual unemployment rate dropped to 4.2% by December 2024, down from 4.5% in December 2023.

Employment and investment income increased by €16.3 billion in 2024, with compensation of employees 6.8% or about €10 billion higher.

HOUSING MARKET

Demand for housing remained strong in 2024, but the shortage of supply of new homes remained the key issue. The mismatch between demand and supply was evident through continued increases in residential property prices and rent prices.

More than 30,330 new dwellings were completed in 2024, 6.7% less than in 2023, according to the Central Statistics Office (CSO). Apartments accounted for 28.9% of all completions but the number of such completions decreased by 24.1% year on year.

A record 69,060 new homes commenced in 2024, more than the total number of homes started in 2022 and 2023 combined, according to the Department of Housing, Local Government and Heritage. Commencement activity in April, September and December alone accounted more than 60% of all commencements during 2024. The share of apartments in total commencements increased from 37% in 2021 to 43% in 2024, with the share of one-off units declining from 17% in 2021 to just over 9% in 2024. Taking the average trend commencement activity of 3,000 homes per month, we estimate that at least half of the total number of homes commenced during 2024 were due to the uncertainty about the extension of the development levy waiver in April (later extended until December) and water connection charge refund arrangement expiring in September.

With housing demand continuing to outstrip supply, CSO data shows that residential property prices rose by 8.7% in the twelve months to December 2024. Residential property prices in Dublin rose by 8.3% while prices outside Dublin rose by 9.0%. The CSO's annual national index rose to 183.4, which 12.7% higher than the previous peak in 2007.

There were 48,775 household market purchases of residential property in 2024, 2.9% fewer than in 2023 and the lowest level since 2021. Dublin was the largest housing market in 2022 with 15,541 household market purchases, the most since the data series started in 2010. The county's share increased to 31.9% of transactions in 2024, including 57.3% of apartment purchases.

Non-household buyers (such as companies, housing charities and government) bought 12,696 dwellings at market prices in 2024, 4.1% more than in 2023. Conversely, household investment in property (not for occupation) accounted for 11.1% of household market purchases, down from 12% in 2023.

With housing in short supply, rents also increased significantly in 2024. The national standardised rent level (based on new tenancies) rose by 5.5% year-on-year in Q4 2024 to €1,680, according to the Residential Tenancies Board (RTB). The standardised average rent for existing tenancies rose by 4.6% year on year to €1,440.

MORTGAGE MARKET

MARKET DYNAMICS

Mortgage drawdown activity continued to perform strongly in 2024. While the number of drawdowns fell by 1.3% to 43,030 in 2024, the value of mortgage drawdowns rose by 4% to almost €12.6 billion, reflecting higher housing prices. There were 51,337 mortgage approvals with a total value of €15.3 billion, up 2.9% and 8.2% in volume and value terms, respectively.

Most of the growth in mortgage activity was driven by first-time buyers (FTBs). The value of FTB approvals rose by 9.4% to more than €9.6 billion while FTB drawdowns rose by 8.4% to over €7.8 billion. These were the highest FTB drawdown levels since the 2006.

Total household residential mortgage debt outstanding to banks, including those that have been securitised, increased to about €85.3 billion at year end from about €83.7 billion a year earlier, according to the Central Bank of Ireland (CBI). When non-banks are included the value of household mortgage debt outstanding increased from €111.7 billion to €110.5 billion, while the number of accounts dropped by 2% to about 753,000. Buy-to-let mortgages accounted for 7.2% of the number and 6.9% of the value of mortgages outstanding.

Some 16% of the value of credit institution housing loans was on tracker rates linked to the ECB base rate by year end, down from 20% a year earlier. The share of outstanding mortgages on rates fixed for over one year fell from 64% at the end of 2023 to 62%. Some 69% of the value of new mortgage loan agreements were on fixed rates of greater than one year.

Only 3.8% mortgage accounts for private dwelling home (PDH) were in arrears of more than 90 days by the end of 2024, the lowest proportion since 2009. Some 11% of buy-to-let (BTL) mortgage accounts were in arrears of more than 90 days.

Mortgage lenders actively assist borrowers who experience repayment difficulties, which is demonstrated by the fact that 7.6% of all PDH accounts and 8.9% of all BTL accounts had an active restructure by the end of 2024.

NON-MARKET INTERVENTIONS

The CBI has maintained its loan-to-value (LTV) and loan-to-income (LTI) limits since 2022 with the LTV limit set at 90% for home buyers and 70% buy-to-let borrowers. The loan-to-income limit is 4 times gross income for FTBs and 3.5 for second and subsequent borrowers.

The CBI permits lenders to provide a portion of borrowers with loans that have LTIs and LTVs higher than the limits in line with their own credit policies. These allowances have increasing focussed on LTI limits. In 2024 the share of FTB lending, by value, with an allowance was 6.5 per cent. The corresponding figure for SSB lending was 10.1%, having increased from 7.2% in 2023. Essentially all allowance lending related to the LTI limits, according to the CBI.

CBI research indicates that the average LTV for FTBs fell from 80.3% in 2023 to 79.6% in 2024, while the average LTI increased from 3.3 to 3.4. For second and subsequent buyers (SSB), who are mostly home movers and exclude buy-to-lets, the average LTV and LTI were unchanged at 66% and 2.7 times gross income, respectively.

The government introduced a one-year mortgage interest tax relief form home owners with outstanding mortgage balances of between €80,000 and €500,000 at the end of December 2022.

The government Help to Buy (HTB) tax rebate scheme allows FTBs to use refunded deposit interest and income tax to help finance new home purchase or building, with claimants accessing up to 10% (up to €30,000) of the purchase value. The scheme was further extended to the end of 202 and the eligibility criteria were amended to allow applicants for the local authority affordable purchase scheme to qualify for the scheme. During 2024, over 8,500 claims were approved valued at about €226 million.

The First Home Scheme is a shared equity scheme, where the State and participating banks pay up to 30% of the cost of new homes in return for a stake in the home. An additional €280 million was made available by shareholders in 2024, bringing the total fund size to €680 million. During 2024, 1,797 loans were drawn down under the scheme valued at almost €118 million.

MORTGAGE FUNDING

Banks in Ireland rely mainly on retail funding sources (household and corporate deposits) for mortgage lending. Domestic private sector deposits (mainly from households and non-financial corporations) continued to grow, rising by 6.5% year on year to €324 billion at the end of 2024, some 49% of which were household deposits. Private sector deposits from Irish residents represented 66% of total liabilities for Irish-headquartered credit institutions.

Mortgage covered bonds outstanding in Ireland increased from EUR12.2 billion in 2022 to EUR13.2 billion in 2023.

CBI LTV AND LTI LIMITS

Mortgage Limits	Borrower Type	From 01/01/23	Allowance
LTV Limits	**Primary dwelling homes**	FTBs: 90%	15% of new lending to FTBs allowed above 90%
	Primary dwelling homes	Non-FTBs: 80%	15% of non-FTB new lending allowed above 80%
	Buy-to-lets (BTLs)/ Investors	70%	10% of BTL lending
LTI Limits	**Primary dwelling homes**	FTBs: 4 times income SSB: 3.5 times income	15% of new lending above the LTI limit is allowed
Exemptions	**From LTV limit:** Borrowers in negative equity	**From LTI limit:** Borrowers for investment properties	**From both limits:** Switcher mortgages Restructuring of mortgages in arrears

Source: Central Bank of Ireland.

GREEN FUNDING

Some banks in Ireland provide discounted fixed interest rates on mortgages secured on residential properties with higher energy efficiency ratings, based on the National Building Energy Rating. The availability of the discounted rates vary depending on the bank.

	IRELAND 2023	IRELAND 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	-2.5	2.6	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.3	4.3	5.9
HICP inflation (%) (1)	5.2	1.2	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	69.4	69.3	68.4
Gross Fixed Investment in Housing (annual change) (1)	3.7	-3.7	-4.3
Building Permits (2015=100) (2)	316.1	248.4	136.9
House Price Index - country (2015=100) (2)	169.0	183.4	179.8
House Price Index - capital (2015=100) (2)	147.8	160.7	171.5
Nominal house price growth (%) (2)*	3.1	8.5	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	80,213	82,519	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	15,216.7	15,419.3	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	54.8	52.1	71.3
Gross residential lending, annual growth (%) (2)	-14.0	4.0	3.9
Typical mortgage rate, annual average (%) (2)	3.78	4.04	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

IRELAND FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions (mainly banks) as well as non-bank retail credit firms/home reversion firms.
What is the market share of new mortgage issuances between these entities?	The market shares of different entity types are not published for competition reasons.
Which entities hold what proportion of outstanding mortgage loans in your country?	Non-banks accounted for 17.0% of the total mortgage accounts outstanding for principal dwelling homes (PDH) at the end of 2024 and 38.6% of buy-to-lets (BTL), according to the Central Bank of Ireland. Non-banks include retail credit firms, which are non-deposit taking regulated lenders, and credit servicing firms.
What is the typical LTV ratio on residential mortgage loans in your country?	Central Bank of Ireland research indicates that the average LTV for FTBs fell from 80.3% in 2023 to 79.6% in 2024, while the average LTI increased from 3.3 to 3.4. For second and subsequent buyers (SSB), who are mostly home movers and exclude buy-to-lets, the average LTV was unchanged at 66%, while the average LTI was 2.7. Note: These figures exclude the 6% of loans that were exempt from the Central Bank of Ireland's macroprudential regulations in 2024 including switcher loans (with no additional lending) and loans in negative equity.
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential mortgage loans include loans for residential property purchase (both for owner-occupation and buy-to-let), as well as re-mortgage or switching between lenders and top-up or equity withdrawal. Non-residential mortgages include commercial mortgages, where finance is provided for the purchase of a business premises. Where legal entities manage a number of buy-to-let properties, these may be treated as commercial entities rather than residential buy-to-let but this categorisation is at the discretion of the lender.
What is/are the most common mortgage product(s) in your country?	The standard variable rate mortgage for home purchase, based on the French amortisation profile, has traditionally been the most popular product among new customers, but the value of new mortgage agreements with fixed rates has exceeded those on floating or up to 1 year fixed rates in recent years. The share of outstanding mortgages on rates fixed for over one year fell from 64% at the end of 2023 to 62%. Some 69% of the value of new mortgage loan agreements were on fixed rates of greater than one year.
What is the typical/average maturity for a mortgage in your country?	For first-time buyers the mean term for a mortgage is about 29 years. For second-time home buyers it is about 24 years.
What is/are the most common ways to fund mortgage lending in your country?	Retail deposits are the main source of funding for mortgage lending, but covered bonds and residential mortgage-backed securities are also important.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Legal fees related to the purchase of the property are estimated at EUR 1,000-2,000. Buyer surveyor fees range from EUR 250 to EUR 1,000. Estate agent fees vary between 1% and 2% of the purchase price. VAT is charged on the sale of new residential properties. Stamp duty is charged on the VAT-exclusive price and is levied at 1% on the first EUR 1 mn (1% of the total if the VAT-exclusive price is up to EUR 1 mn), 1.5% on amounts between €1 mn and EUR 1.5 million and 6% any amounts above EUR 1.5 mn. Separate rates are charged where multiple properties are involved.
What is the level (if any) of government subsidies for house purchases in your country?	Eligible FTBs can receive refunds of income and deposit tax paid for purchases of new properties under the Help to Buy (HTB) scheme. FTBs can claim up to €30,000 or 10% of the value of the home. The First Home Scheme is a shared equity scheme. The scheme contributes up to 30% of the cost of new homes, if the FTB is not also availing of the HTB scheme or up to 20% if the FTB is also using the HTB scheme. The government also operates an affordable homes scheme, through which local authorities sell newly built homes at below market price with the local authority taking an equity stake covering the difference between the price paid and the market value. The local authority home loan is provided by local authorities to borrowers who cannot get sufficient funding from commercial lenders to buy a new or second-hand property.

Italy

By Marco Marino, Italian Banking Association – ABI

IN A NUTSHELL

- → Italy's GDP increased by 0.7% in 2024.
- → The housing market resumed the positive trend started in 2014, after the decline observed in 2023.
- → The mortgage market in terms of outstanding grew.
- → The "First Home Loan Guarantee Fund" ("Fondo Prima casa") guaranteed more than 564,000 mortgages for a total financed amount of EUR 66.1 billion.
- → The affordability index - which estimates the ability of a family to purchase an average priced house with a mortgage - was positive and largely above historical levels

MACROECONOMIC OVERVIEW

Italy's GDP increased by 0.7% in 2024. Domestic demand (excluding changes in inventories) provided a positive contribution to the growth, respectively of 0.5%. In particular, both household consumption and public spending provided a positive contribution of 0.2%, and gross fixed capital formation of 0.1%. The net foreign demand made similar positive contributions to the growth, respectively of 0.4%. Consumer price inflation in Italy fell to 1% in 2024 from 5.7 of 2023, especially in the wake of falling energy prices. Thanks to the significant drop in inflation, purchasing power returned to growth after contracting slightly in the previous two years. The economic activity slowed in construction and in services, respectively due to the reduction in tax incentives for residential building and to post-pandemic momentum slowing in high-contact sectors (e.g. tourism and food services). Households' disposable income continued to expand, though less than in the previous year. Unemployment declined again, to one of the lowest levels in the last 17 years, reaching 6.5%. General government net borrowing to GDP decreased to 3.4% and the public debt-to-GDP ratio amounted to 135.3%.In the first quarter of 2025 GDP increased by 0.3% q-o-q.

HOUSING MARKETS

The housing market resumed the positive trend started in 2014, interrupted by the pandemic induced slowdown in 2020, after the decline observed in 2023 (-9.5%).

According to the annual report of Real Estate Market Observatory of the Revenue Agency, residential property sales rose by 1.3% y-o-y, amounting to just over 719,000. The growth in sales volumes continued also in Q1 2025 (+11,2% y-o-y).

The growth of sales was greatest in the South of Italy (+2.6% y-o-y), followed by the Center (+1.6%) and the North-East (+1.5%), while in the North-West and in the Islands the transactions performance was similar to that recorded in 2023. More in detail, Lombardia and Lazio hold the greatest share of transactions on the total (respectively, equal to 21% and 9,7%, with more than 151,000 transactions in Lombardia and 69,000 in Lazio), and both show an increase y-o-y, respectively of 0.5% and 2.6%. Abruzzo recorded the greatest increase y-o-y (+9,2%) with over 16,400 transactions, followed by Friuli Venezia Giulia (+6,4%) and Molise (+6%), although these last ones hold a low share of the transactions on the total in absolute value; Basilicata recorded a decrease y-o-y of 2.9%.

The analysis of the sales transactions recorded in the eight largest Italian cities in terms of population show heterogeneous result. Overall, the positive trend registered at the national level is confirmed also in the main cities, but the increase, compared to 2023, is slight and equal to 0.2%. Roma and Genova recorded the greatest increase of sales y-o-y respectively of 3% and 2%, while Milano and Napoli had the largest falls (respectively -3.5% and -2.7%). Roma holds more than 32% of the main eight cities.

According to preliminary estimates of the Italian National Institute of Statistics (ISTAT), the Housing Price Index increased by 3.2%, due to both new dwellings (7.9%) and existing ones (2.2%).

According to the analysis based on data of the annual report of Real Estate Market Observatory of the Revenue Agency, the price per square metre of properties in Milan continued to increase most (+8.5% y-o-y, growing since 2017), followed by Bologna (+2.8%). In Torino and Napoli, it decreased respectively by 2.1% and 1.9 y-o-y.

According to the Italian Housing Market Survey of a sample of 1,486 real estate agents, conducted between 4 April and 7 May 2025 and published by the Bank of Italy, the share of agents who recorded a decrease in new sale listings remained substantially higher than the share reporting an increase. The gap between asking and offered prices is the main reason for cancelling sale listings.

According to the last report of ENEA, in 2023 (last data available) around 1,2 mn EPC were issued (around 1,1 mn in 2022).

For residential buildings, the share of the most energy efficient rating (A4) increased from 4.7 to 6.2% y-o-y. The most energy efficient ratings classes (from A4 to B) represent 20.6% of the total.

MORTGAGE MARKETS

In 2024, the mortgage market in terms of outstanding grew by 0.4% y-o-y to EUR 426.2bn.

Gross lending decreased by 11.9 y-o-y, reflecting the low demand for loans for house purchase, probably affected by the high key interest rates with respect to those of the two years before, influenced by the monetary policy stance.

In the last months of the year, the trend showed signs of recovery; the reduction in key interest rates boosted the demand for mortgages and this trend was confirmed in the first quarter of 2025 (in Q1 2025, gross residential lending increased + 49.5% on a y-o-y basis).

Overall, housing transactions with a mortgage increased to about 283,000 units (+4.6% y-o-y), resuming the positive trend observed up to 2021, followed by two years of decline. The growth affected all areas of the country, with a weaker growth in the Islands (+3.5%) and higher in the Centre (+5.1%) and in the North-East (+5%) with a slight difference between the provincial capital cities (+ 5.5%) with respect to the smaller cities (+4.1%).

On the total number of houses purchased by individuals, those purchased with a mortgage also restarted to increase and represented the 41.7% of the transactions (+1.6% compared with 2023 when they accounted approximately 40%).

The average mortgage amount increased to about EUR 135,000 (up EUR 4,400 y-o-y): the largest average amount was in the Central area, with an average of EUR 146,000 (almost EUR 167,000 in the major cities). The average maturity is substantially stable to 25.3 years and is similar in all areas, except for the Centre, 26.1 years.

Fixed-rates mortgages continued to be preferred: the share of variable rate mortgages on new loans (up to 1-year initial rate fixation) has decreased from about 33.7% at the end of 2023 to about 6.5% at the end of 2024.

The decrease of interest rates started at the beginning of 2024 continued during the year. In particular, at year end, interest rates on short term fixings averaged approximately 4.2% (from 5% at the end of 2023) and those with a fixing over 1 year at 3.03% (from 4.03% at the end of 2023).

"Green mortgages" are a growing part of the total mortgage market

The growth of "green mortgages" is also supported by the fact that they generally offer more favorable conditions than traditional credit products.

This trend is confirmed by findings showed by the Bank of Italy in its Annual report, based on the latest Regional Bank Lending Survey (RBLS,H1 2024), which reports that the 34% of the banks surveyed offer green mortgage loans to households, both for the purchase of high energy performance houses and for the energy renovation of existing home. Notably, these green mortgage products accounted for around 15% of new mortgage originations.

The main public measure to supports credit access for the first house purchase is the "First Home Loan Guarantee Fund" ("Fondo Prima casa") which issues public guarantees to cover 50% of the mortgage loan exposure up to EUR 250,000, for the purchase of the first home, granted to: (i) single-parent families with non-adult children; (ii) people under the age of 36 years or (iii) tenants of public housing. The application must be submitted directly to the banks which are always independent in their decision to finance, relying on creditworthiness assessment.

The Italian Budget Law of 2025 extended until 2027 the public guarantee up to 80% of total mortgage loan if specific conditions are met (e.g. if LTV > 80%). The public guarantee increases up to 90% of mortgage loan for "large families" (borrowers with more than three children under the age of 21). According to data as of 31 December 2024, the Fund guaranteed more than 564,000 mortgages for a total financed amount of EUR 66.1 billion.

To support first time buyers having trouble paying the mortgage, the "Solidarity Fund for mortgages for the first home purchase" (Gasparrini Fund) continues. The Fund allows borrowers to request a payment moratorium on their first home for up to 18 months, if specific events occurred (e.g., suspension/reduction/termination of employment). According to data as of 31 December 2024, the Fund has allowed the suspension of over 189,000 mortgages for a total of EUR 18.6 bn.

In 2024, conditions for buying a home remained favorable, with the affordability index largely above historical levels. The index estimates the ability of a family to purchase an average priced house with a mortgage. The index[1] is based on interest rates, house prices and disposable income: a positive affordability index means that the average family was able to purchase a house at the market average price.

After a slight weakening in the affordability index during 2023, at the end 2024 the affordability index increased. This improvement is mainly driven by the start of the reduction of key interest rates on mortgages.

This trend continued in the first three months of 2025.

MORTGAGE FUNDING

Overall, the deposits and bonds increased by 2.7%, continuing the positive trend recorded since the beginning of 2024. Deposits (current accounts, certificates of deposit, repurchase agreements) increased by 2.0%, while funding by bonds increased by 7.2%.

Covered bonds represent an important source of funding; in 2023, Italy has completed the transposition of the new European covered bond legislation, effective from 31 March 2023.

In 2024, according to preliminary estimates, a total of approximately EUR 31.1 bn were issued (17.3 bn in 2023), and total outstandings were approximately EUR 160.8 bn.

GREEN FUNDING

In recent years, several fiscal bonus measures have been introduced to support home renovation, which allow tax subtraction as a percentage of the expenses and subject to a cap which can change based on specific characteristics of the works/ beneficiaries.
Measures concerning energy efficiency are, mainly:

- the "Ecobonus", for energy efficiency works (e.g., redevelopment of the building, solar collectors[2], windows), extended until the end of 2027;
- the "Superbonus", for works improving energy efficiency and seismic security of the houses (including installing photovoltaic cells and electric vehicle charging columns), introduced in 2020 during the pandemic and extended to 2024 and 2025 with some changes, in particular providing a different value of the tax subtraction and a restriction of the scope of beneficiaries.

[1] For the complete methodology for calculating the affordability index, please refer to the "Residential Real Estate Report 2025" (Italian Revenue Agency – Italian Banking Association) https://www.agenziaentrate.gov.it/portale/documents/d/guest/ri2025_residenziale20250520

[2] Systems that capture solar energy in the form of heat directly, such as solar thermal panels.

Other important fiscal measures to encourage renovation and improvement are:

- the "Restructuring Bonus", for expenses carried out on private properties and commonly owned parts of condominiums in relation to extraordinary maintenance, renovation, restoration, conservative rehabilitation of the buildings, in force until 2033 with different value of the tax subtraction;
- the "Seismic bonus", for properties in seismic zones, for the expenses incurred until 2027 for seismic risk reduction, improving the seismic class of the property
- the "Furniture bonus", on purchases of furniture and large household appliances in the context of the renovation of the house, in force until 2025 with some restrictions.

According to the initial rules, the tax subtraction was allowed to be converted into an invoice discount or a tax credit, which could be transferred to banks or financial intermediaries.

According to the new rules in force from the 17 February 2023, in general terms, this is only allowed for the Superbonus for works in seismic zones, but in limited cases and under certain conditions.

	ITALY 2023	ITALY 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	0.7	0.7	1.0
Unemployment Rate (LSF), annual average (%) (1)	7.7	6.5	5.9
HICP inflation (%) (1)	5.9	1.1	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	75.2	75.9	68.4
Gross Fixed Investment in Housing (annual change) (1)	18.1	-3.1	-4.3
Building Permits (2015=100) (2)	115.3	109.5	136.9
House Price Index - country (2015=100) (2)	108.3	111.7	179.8
House Price Index - capital (2015=100) (2)	88.9	89.6	171.5
Nominal house price growth (%) (2)	1.3	3.1	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	424,651	426,224	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	-2,303	1,573	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	31.6	30.6	71.3
Gross residential lending, annual growth (%) (2)	-1.3	-11.9	3.9
Typical mortgage rate, annual average (%) (2)	4.42	3.54	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed

ITALY FACT TABLE

Which entities can issue mortgage loans in your country?	Banks and financial intermediaries.
What is the market share of new mortgage issuances between these entities?	More than 95% of new mortgage loans are issued by banks.
Which entities hold what proportion of outstanding mortgage loans in your country?	Data no available.
What is the typical LTV ratio on residential mortgage loans in your country?	Data no available.
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential loans are loans granted for house purchase and renovation.
What is/are the most common mortgage product(s) in your country?	Fixed interest rate mortgage loans to purchase residential real estate.
What is the typical/ average maturity for a mortgage in your country?	20-25 years.
What is/are the most common ways to fund mortgage lending in your country?	Given Italy's universal banking model, there is not a specific funding source for mortgage lending. That said, the most common funding technique is represented by unsecured bank bonds which, in turn, represents also the most common way for funding mortgage lending. For major Italian banking groups, covered bonds recently started to play an increasing role as a funding source for mortgage lending.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Data not available. In addition to costs relating to taxation on transfer, the main costs are related to real estate brokerage agency (if existing), and notary costs. The real estate taxation in Italy affects both direct (on income and capital) and indirect (on transfers and contracts) taxes and depend on the players involved (individuals or companies) and on the nature of the properties (land, buildings, commercial or residential).
What is the level (if any) of government subsidies for house purchases in your country?	Regarding tax benefits, homeowners can benefit some fiscal advantages for the "first home" purchase, which consist of smaller indirect taxes than the ordinary value. The "first home" purchase relief allows to pay reduced taxes if specific conditions are met. If the seller is a private individual (or a company selling in VAT exemption regime) the proportional registration fee is 2% on the cadastral value (instead of 9%) and the fixed "imposta ipotecaria" and "cadastral fee" are both equal to EUR 50. If the seller is a company selling under VAT tax regime, VAT on the purchase price is 4% (instead of 10%) and the fixed "registration fee", "imposta ipotecaria" and "cadastral fee" are both equal to EUR 200. In any case, the proportional registration fee (2%) cannot be lower than EUR 1,000. With reference to public guarantees on residential loans for house purchase, in 2014 the First Home Loan Guarantee Fund and the Solidary Fund for mortgages are in force; they support credit access for the first house purchase.

Latvia

By Valdis Grudulis, Bank of Latvia

IN A NUTSHELL

- → Economic activity remained subdued with weak investment and limited export growth outweighing modest gains in private consumption. Inflation stayed low, and real wages continued to grow.
- → Housing market activity begun to recover, supported by improved purchasing power and declining mortgage rates, with more notable recovery H2.
- → Lending to households increased, supported by lower interest rates and state-backed programmes, with residential mortgage volumes rising despite overall credit-to-GDP remaining low.
- → Bank funding remained stable and dominated by domestic deposits.

MACROECONOMIC OVERVIEW

Limited recovery of demand from Scandinavia and geopolitical uncertainty motivating saving rather than consumption, economic activity remained subdued. The real GDP contracted by 0.4% (s.a., quarterly data). The private consumption grew negligibly (+0.2%) despite improving purchasing power due to robust income growth with contained inflation (1.3%, the annual average).

Investment growth was held back by the low activity of the private sector, thus, the gross fixed capital formation shrank by 6.8% y-o-y. Weakness of investment manifested in lower capital goods' imports, resulting in a stronger decrease of total goods and services imports (by 2.4%) compared to the drop of exports (by 1.6%).

The labour market easing appears. Despite the sluggish economy, unemployment increased slightly (to 6.9% on average), and average wage growth rose 9.7% with remaining labour shortages and minimum wage growth. Real wage growth remained positive with low inflation. The negative contribution of energy prices, however, faded gradually towards the end of the year being replaced by the impact of increased global food prices as well as strong income growth.

The general government deficit was lower - it fell to 1.8% of GDP, from 2.4% a year earlier. The general government debt-to-GDP ratio reached 46.8%, reflecting additional borrowing to cover the cash-flow deficit and meet refinancing needs.

HOUSING MARKETS

Housing market activity grew by 4.7%, driven by a gradual improvement in household purchasing power and a decline in housing loan interest rates. The recovery was primarily concentrated in the standard-series apartment segment on the secondary market, particularly in Riga, which accounted for roughly half of all residential transactions there. Meanwhile, growth in regional areas remained modest, reflecting a more cautious and uneven recovery outside the capital. Activity in new developments continued to decline throughout most of the year. However, in H2 early signs of a gradual recovery began to emerge.

The prolonged period of elevated interest rates impacted new housing construction. In 2024, the number of newly completed apartments declined by 35% compared to the previous year. A moderate recovery in apartment construction activity is expected in 2025.

Over the past three years, the supply of housing – measured by the number of listings in sales advertisements – expanded considerably across all market segments. However, with the pick-up in demand in late 2024 and early 2025, the number of advertised apartments has started to decline. This shift suggests tightening market conditions, which could place upward pressure on new dwelling prices.

On the demand side, housing affordability improved due to several factors. Since 2023, wage growth has outpaced the rise in housing prices, largely reflecting a slowdown in the pace of dwelling price growth. In early 2024, borrower-based macroprudential measures were marginally relaxed for loans financing the purchase of energy-efficient dwellings. These adjustments contributed to a partial recovery in overall affordability to the levels before the rate rises.

House price growth remained moderate. According to the Central Statistical Bureau, the House Price Index increased by 4.4% y-o-yr. The previous trend in new house prices continued to soften, driven in part by stabilizing construction costs. Meanwhile, prices in the old standard apartment segment remained broadly unchanged.

MORTGAGE MARKETS

As interest rates have gradually decreased, domestic lending has significantly picked up. However, the ratio of credit to GDP has not changed significantly and remains at a very low level.

The outstanding amount of residential and commercial mortgage loans held by banks increased by 5.8% in 2024. Residential mortgages outstanding also increased by 5.4%.

The LTVs of new residential mortgage loans have increased somewhat, which can be explained by a slightly higher proportion of loans issued under the state support programme for house purchase. LTVs for 29% of new loans volume exceeded 90%, mainly related to the state support program. Total residential mortgage loans still comprise only 12.5% of GDP (still the lowest level among all Euro area countries) and overall household indebtedness remains low.

Interest rates on residential mortgage loans have decreased gradually in line with the fall in EURIBOR – from 5.8% in December 2023 to 4.4% in December 2024.

The quality of the loan portfolio remains high – the share of NPLs was 1.3% of the total domestic loans and 0.9% of the residential mortgage loans at the end of 2024.

MORTGAGE FUNDING

Credit institutions obtain funding mostly from domestic retail and non-financial corporations deposits. Some banks additionally attract EU online platform deposits from EA households (at the end of 2024 EU online platform deposits amounted 2.3% of total non-bank deposits, compared to 3.1% in 2023). Credit institutions are not active in the financial markets for funding.

Domestic deposits remain stable and were 80.1% at the end of 2024 (compared to 78.9% the year before) of banks' total liabilities, while the share of liabilities to foreign parent MFIs (mostly Nordic parent banks) was 6.5% (6.3% in 2023), as only small foreign branches used parent bank funding and the banking sector domestic loan to deposit ratio was still low – 68.2% (72.5% in 2023). In 2024, there were no mortgage covered bonds issued by Latvian banks and no central bank funding were used. However, an Estonian bank's Latvian branch mortgages were included in an Estonian covered bond programme.

	LATVIA 2023	LATVIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.9	-0.4	1.0
Unemployment Rate (LSF), annual average (%) (1)	6.5	6.9	5.9
HICP inflation (%) (1)	9.1	1.3	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	82.8	83.7	68.4
Gross Fixed Investment in Housing (annual change) (1)	11.1	-8.6	-4.3
Building Permits (2015=100) (2)	115.3	109.5	136.9
House Price Index - country (2015=100) (2)	191.3	199.6	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)*	3.8	4.3	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	4,790	5,053	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	2,544.0	2,699.4	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	18.8	18.5	71.3
Gross residential lending, annual growth (%) (2)	n/a	n/a	3.9
Typical mortgage rate, annual average (%) (2)	5.57	5.44	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

LATVIA FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions, credit unions and non-bank financial institutions can issue mortgage loans.
What is the market share of new mortgage issuances between these entities?	Not available.
Which entities hold what proportion of outstanding mortgage loans in your country?	The mortgage market is significantly dominated by mortgage loans issued by banks.
What is the typical LTV ratio on residential mortgage loans in your country?	According to legislation LTV cannot exceed 90%. For the participants of the state support programme for house purchase and construction, the upper LTV limit is 95%.
How is the distinction made between loans for residential and non-residential purposes in your country?	The distinction is based on the loan issuing purpose (defined by Latvijas Banka's Regulation Compiling the Monthly Financial Position Report of Monetary Financial Institutions and Regulation for the Credit Register).
What is/are the most common mortgage product(s) in your country?	Housing loans. Nearly all mortgage interest rates are floating, consisting of two components: • a variable base rate – typically linked to short-term EURIBOR (mostly 3 or 6 month) • a markup set individually by banks. Fixed-rate lending remains marginal, making up only a small fraction of new lending.
What is the typical/average maturity for a mortgage in your country?	The typical maturity of a new issued mortgage is 20 years.
What is/are the most common ways to fund mortgage lending in your country?	See section on Mortgage funding.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	A stamp duty of 0.5-1.5% of the home price applies when registering the purchase. Regularly, the 1.5% fee applies, and the stamp duty is reduced to 0.5% under the support programme for house purchase. The reduced cost is applied only to families with children, and not for young specialists (please see question 10 on the overview of the support programmes). In addition to the stamp duty, 0.1% of the mortgage loan amount should be paid for the registration of the mortgage. These are the main fees associated with house purchase, there are also some additional registration fees, but they are usually small, and their amount is fixed (does not depend on the loan amount or real estate price). For home purchases under the state guarantee programme buyers face additional costs: • for families with children and for national armed forces soldiers, the one-time fee is applied - 2.5% of the outstanding amount of the guarantee; • for young specialists, the guarantee fee of 2.4% per annum (of outstanding amount of the guarantee) applies.
What is the level (if any) of government subsidies for house purchases in your country?	It is possible to obtain a state guarantee: **For families with children**: up to 30% of the loan amount, but not exceeding EUR 30,000 for families with children (the exact amount of the guarantee depending on the number of children). Up to 50% of the loan amount, but not exceeding EUR 50 000 for families with children in regions outside Riga and the counties adjacent to Riga. In addition, an extra 5% increase in the guarantee (but not exceeding the amount of EUR 30,000) is possible if the dwelling corresponds to the "A" energy efficiency class of buildings or is a 'nearly zero energy building'. Moreover, families with at least three children or with children with disabilities that have applied for a mortgage in the largest commercial banks in Latvia are eligible to receive a state subsidy in the amount of 8 to 12 thousand euro (the exact amount depending on the number of children in the family and energy efficiency of the housing to be purchased/built). **For young specialists** (individuals up to 35 years old who have acquired the vocational secondary or higher education) it is possible to obtain a guarantee up to EUR 50,000 or 20% of the loan amount. **For national armed forces soldiers** it is possible to obtain a guarantee up to EUR 20,000 or 25% of the loan amount.

Lithuania

By Jonas Grincius, Artea Bank

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IN A NUTSHELL

- → GDP grew by 2.6% amid near-zero inflation (0.9%), unemployment increased to 7.1%.
- → Apartment prices rose by 3–4%, from the double-digit growth of previous years.
- → Housing market activity picked up towards year-end – for example, by October up20% y-o-y.
- → Mortgage interest rates peaked in 2023 and began easing; the average new rate dropped from 5.8% to 4.9%.
- → The government's "First Home" interest subsidy continued supporting young buyers.
- → Banks raised minimum down payments to 20% amid higher risk perceptions.

MACROECONOMIC OVERVIEW

Despite geopolitical headwinds, real GDP grew by 2.6% in 2024 (after near-zero growth in 2023). Growth became broad-based, driven by strengthening domestic demand and recovering production. High-value service sectors (IT, finance, business services) expanded alongside manufacturing output, which rose 6.1% (9% year-on-year in Q4) as industrial activity rebounded from the previous year's downturn. Massive public investments – particularly in energy infrastructure, civil engineering and defence projects – further underpinned growth. Export performance remained mixed due to external weakness, but resilient services exports helped offset declines in goods trade.

Crucially, inflation plunged in 2024 after the prior year's price spike. Average HICP inflation was only 0.9% – the lowest in the EU – due to falling energy prices and base effects. Meanwhile, nominal wages surged over 10%, resulting in a significant rise in real incomes. This boosted consumer confidence and spending: retail sales (especially non-food) jumped by double digits as households benefited from near zero inflation and robust pay growth. Higher incomes and accumulated savings helped households weather the preceding period of record-high interest rates and maintain consumption.

The labour market remained tight, albeit with some lagging effects from the 2023 slowdown. Employment hit a historic high of 1.5 million, aided by positive net migration, even as average unemployment rose to 7.1%. Labour supply was augmented by inflows of workers (including Ukrainians and returning emigrants), which kept unemployment from falling despite strong job creation. Fiscal policy was moderately expansionary – public sector wage, pension hikes and investment continued – resulting in a slightly higher deficit of 1.3% GDP (after 0.8% in 2023). Overall, Lithuania demonstrated economic resilience in 2024, outperforming many regional peers. However, the outlook is tempered by remaining external risks and uncertainty in the geopolitical environment.

LOOKING AHEAD

Leading indicators suggest that 2025 will build on the positive momentum, though new challenges are emerging. The Bank of Lithuania projects economic growth of around 2.9% in 2025, with a more balanced contribution from domestic consumption and exports. Cooling inflationary pressures in 2024 greatly improved housing affordability and consumer sentiment; by the end of 2025, housing affordability is expected to return to the high levels of 2020, with an average buyer able to afford 77 m^2 of housing (up from recent years). This optimistic view is underpinned by continued wage growth, stabilizing prices, and the prospect of declining interest rates, which together should further improve household purchasing power. Mortgage rates are already declining and markets anticipate modest ECB rate cuts in 2025, easing financing costs for new borrowers.

There are clear signs of a housing market recovery. By early 2025, home sales were surging from a low base – the number of apartments sold in January–February 2025 was about 40% higher than a year earlier, reflecting both an improving market and the very weak activity in early 2024. Price growth, however, is expected to remain moderate. Market observers note that the past two years' slowdown led mostly to longer selling times rather than price corrections, and most sellers have been willing to wait rather than cut prices. As demand picks up, prices are likely to rise only gradually, given the still-high stock of listings and cautious buyer sentiment. On the supply side, developers are slowly resuming projects postponed during the downturn, which should prevent excessive price acceleration.

Key risks could yet cloud the outlook. Domestic inflation is set to rise in 2025, driven by policy changes like higher excise taxes, a new CO_2 levy, and substantial minimum wage and public-sector pay increases. These will squeeze real incomes and could temper consumer spending growth. Geopolitical uncertainties – notably the war in Ukraine and regional security concerns – remain a concern for investor confidence. Additionally, political changes at home (with a new coalition government formed after the 2024 elections) may lead to shifts in economic policy or sentiment. Nonetheless, the baseline scenario is cautiously optimistic: solid economic fundamentals, improving affordability, and easing financing conditions point to a continued recovery in Lithuania's housing and mortgage markets in 2025.

HOUSING MARKETS

After years of rapid growth, the housing market cooled, with price increases moderating amid high borrowing costs and weaker demand. The Ober-Haus Apartment Price Index rose by about 3.4% y-o-y—well below the double-digit gains of 2021–2022. In Vilnius, prices increased by roughly 3%, while smaller cities like Klaipėda, Šiauliai, and Panevėžys posted slightly higher gains (~6%) off lower bases.

Despite a sharp drop in transactions during 2022–2023, prices largely held steady. Most sellers opted to wait rather than offer major discounts. This cautious approach prevented a broader correction. In real (inflation-adjusted) terms, prices were roughly flat in 2024, improving affordability slightly.

Housing demand picked up in H2 after a weak start. In early 2024, transaction volumes fell to their lowest in a decade, as high interest rates and economic uncertainty weighed on buyers. According to the Centre of Registers, deals in H1 2024 were down significantly year-on-year. Specifically, around 18,500 residential properties were sold in H1 2024 – approximately 10% fewer than in the same period of 2023. However, by Q4, monthly sales were surpassing 2023 levels—October sales rose approximately 20% year-on-year. Full-year transaction volumes ended just 3% below 2023, with around 40,000 deals—close to the historical average.

The rebound was the strongest in the new-build segment and in Vilnius. Sales of newly built flats in the capital rose by 37% year-on-year (around 3,160 units), driven by incentives and revived demand. These incentives included government support measures such as the First Home interest subsidy and a state-backed down-payment guarantee for young families, as well as promotional offers from developers and banks, especially for energy-efficient 'green' housing. Nationally, new home sales rose 32%, while the resale market remained weak.

On the supply side, residential construction slowed after peaking in 2022. Completions fell by 10–15% in 2023, and developers launched fewer new projects. However, improved demand helped clear unsold inventory by late 2024. Some owners switched their properties to the rental market: rental listings rose 27%, while sale listings increased only 12%. This helped ease pressure on prices.

Population trends also supported demand. Lithuania recorded approximately 0.4% population growth for a second year, driven by net migration—including returning Lithuanians and Ukrainian refugees. Urban centres, especially Vilnius and Kaunas, saw the strongest demand and most new construction.

Regional variation persisted. Smaller cities like Klaipėda and Šiauliai saw sharper declines in 2023 but rebounded more strongly in 2024, with price gains of 6%, outpacing Vilnius. However, absolute prices remained much lower (e.g. ~€1,800/m^2 in Kaunas vs. €2,670/m^2 in Vilnius). Rural markets remained flat, constrained by depopulation.

Overall, while high interest rates and inflation dampened activity in 2022–2023, housing fundamentals remained sound. The Bank of Lithuania estimated only mild (5–10%) overvaluation, which eased as incomes rose. With supply adjusting and demand recovering, the market is moving toward a more stable phase of modest, sustainable growth.

MORTGAGE MARKETS

The mortgage market experienced both contraction then recovery in 2023–2024. The first half of 2024 had weak activity due to high interest rates and economic uncertainty, as many borrowers delayed purchases and banks maintained cautious lending practices. However, as inflation receded and macroeconomic conditions improved, mortgage lending picked up notably in H2. By year-end, loan volumes were growing again and new loan issuance had accelerated.

The total stock of housing loans increased by approximately 9% to €12.7 bn. This growth exceeded that in 2023 and was among the highest in the euro area. Mortgage lending to households now accounts for more than half of all bank lending in Lithuania. Net mortgage lending (new loans minus repayments) totalled roughly €1.1 billion in 2024, driven by pent-up demand and renewed confidence. Most of this growth occurred in Q3–Q4, as consumer sentiment improved and interest rates began to stabilize.

Interest rates, which had risen sharply during 2022–2023, peaked at around 5.5–5.8% by the end of 2023. In 2024, rates eased slightly, and by year-end, new housing loan rates had declined to around 4.8–4.9%. This reduction supported borrower affordability and helped revive demand. Lithuanian banks maintained relatively stable lending margins, with rate fluctuations largely reflecting changes in the external benchmark (EURIBOR). Since nearly all mortgages in Lithuania are tied to variable rates indexed to EURIBOR, borrowers directly felt the impact of these benchmark shifts. By early 2025, borrowers showed renewed confidence that mortgage costs would not rise further.

In early 2024, demand for mortgages hit multi-year lows. However, by mid-year it began to recover, supported by rising real incomes and easing inflation. By late 2024, some institutions began offering longer loan maturities or temporary discounts, especially for energy-efficient "green" housing.

Overall credit standards remained tight, with loan-to-value (LTV) and debt-service requirements unchanged. LTV is capped at 85% for first-time buyers and 70% for second or investment properties, while the debt service-to-income (DSTI) ratio is limited to 40% of net monthly income. Mortgages typically requires significant down payments, first-time buyers must provide at least 15%, while second or investment properties require 30%. In practice, many banks raised the effective down payment for first homes to 20% during the high-rate environment. As a result, average LTVs on new loans hovered around 70–75%, with few high-LTV loans issued. Average loan terms remained near 25 years, with many borrowers opting for the maximum to keep monthly payments manageable. Some borrowers extended their loan terms during the rate spike to reduce instalments.

Despite higher rates, mortgage asset quality remained strong. Households entered this cycle with low debt levels and substantial savings buffers. The non-performing loan (NPL) ratio stayed around 1% or less in 2023–2024. A small rise in late payments was mostly among variable-rate borrowers with high leverage, but these cases were generally addressed through renegotiation. In 2024 alone, over €700 million in loans (about 5.7% of the mortgage portfolio) were refinanced or modified—double the previous year's level. These adjustments helped contain arrears and avoided broader distress. A resilient labour market also supported repayment, with low unemployment and rising wages keeping default risks low.

There were several policy and regulatory measures. The government continued to support first-time buyers through the "First Home" program, offering interest subsidies or grants for young families, particularly in the regions. A complementary state-backed guarantee scheme introduced in 2023 also helped young families meet down payment requirements. Together, these initiatives improved affordability and supported demand in the most constrained segments of the market.

The Bank of Lithuania maintained macroprudential policies aimed at ensuring stability. A sectoral systemic risk buffer of 2% remained in place for housing loans, discouraging aggressive credit expansion. In addition, from mid-2022, the minimum down payment for second and investment properties was raised to 30%, cooling speculative activity. These measures contributed to the slowdown in price growth and a decline in second-home mortgage issuance. No major new rules were introduced in 2024, reflecting a view that existing measures were sufficient. Policymakers also continued to debate the potential introduction of a more robust property tax regime to reduce speculation, though no concrete steps were taken during the year.

MORTGAGE FUNDING

Lithuania's mortgage market remains primarily funded through domestic deposits, with minimal reliance on capital markets or central bank facilities. In 2024, strong deposit growth—driven by high interest rates—boosted household savings by nearly 12%, outpacing credit growth and improving banks' loan-to-deposit ratios. Over 80% of mortgage lending is funded by customer deposits, enabling banks to reduce reliance on costlier funding sources and avoid extensive use of ECB refinancing tools.

Wholesale funding was used sparingly, with only a few bond issuances in 2024. Covered bonds remain unused and mortgage securitisation is virtually absent.

An emerging development was the rapid expansion of Revolut Bank, which briefly became Lithuania's largest bank by assets, intensifying competition for deposits and pushing incumbents to raise savings rates.

Overall, Lithuanian banks are well-positioned to support mortgage growth internally, thanks to ample liquidity and conservative lending practices. Unless credit demand rises sharply, external funding will likely remain a supplementary source.

GREEN FUNDING

Sustainable finance is gradually gaining ground in Lithuania's housing market through a mix of public programs and emerging private sector initiatives. The government remains the primary driver, particularly in improving buildings' energy efficiency. In late 2024, Lithuania and the European Investment Bank launched a €100 million fund to support the renovation of up to 700 multi-apartment buildings. Leveraging private co-financing, the program aims to mobilize around €625 million in total investment, expanding on previous efforts that have already modernized over 3,300 buildings. This initiative provides residents with low-interest loans for insulation, heating upgrades, and renewable installations—cutting energy costs and supporting national climate and energy goals.

On the private side, green mortgages are beginning to appear. Some banks now offer incentives such as waived fees or lower interest rates for energy-efficient homes, typically rated A+ or A++. While still limited in scale, these products reflect growing interest in sustainable finance, spurred by EU regulations and rising customer awareness.

Mandatory building standards are also pushing change. Since 2021, all new buildings must meet the A++ energy class. Developers initially faced challenges, but by 2023, over 22% of new apartments in Vilnius met this standard, with another 57% certified as A+.

Financing these higher-efficiency buildings requires more capital. While green bonds and dedicated lending instruments are not yet widespread in housing, early steps have been taken—such as sustainability-linked bonds issued by Šiaulių Bankas.

Looking ahead, a blend of public subsidies, EU funds, and private green finance is expected to support the ongoing modernization of Lithuania's housing stock and align the sector with Europe's broader sustainability goals.

	LITHUANIA 2023	LITHUANIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	0.3	2.8	1.0
Unemployment Rate (LSF), annual average (%) (1)	6.9	7.1	5.9
HICP inflation (%) (1)	8.7	6.4	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	88.8	87.4	68.4
Gross Fixed Investment in Housing (annual change) (1)	1.2	-4.2	-4.3
Building Permits (2015=100) (2)	95.1	79.7	136.9
House Price Index - country (2015=100) (2)	214.2	235.0	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	9.8	9.7	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	12,174	12,670	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	4,261	4,390	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	27.3	46.4	71.3
Gross residential lending, annual growth (%) (2)	-11.0	51.7	3.9
Typical mortgage rate, annual average (%) (2)	5.5	5.2	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

LITHUANIA FACT TABLE

Which entities can issue mortgage loans in your country?	Commercial banks only
What is the market share of new mortgage issuances between these entities?	The entire market for new mortgage issuances is served by banks (100%). It is roughly divided among four major players with market shares of approximately 30%, 30%, 15%, and 10%, with the remaining share held by smaller institutions.
Which entities hold what proportion of outstanding mortgage loans in your country?	See answer to item 2
What is the typical LTV ratio on residential mortgage loans in your country?	The LTV typically converges toward the regulatory maximum threshold of 80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	The distinction between residential and non-residential mortgage loans is primarily based on the intended use and type of collateral. Residential mortgage loans are secured by property intended for housing purposes, such as single-family homes or apartments, and are typically granted to individuals or households. Non-residential mortgage loans are secured by commercial or industrial properties (e.g., office buildings, retail space, warehouses) and are usually granted to legal entities or self-employed individuals for business use. This distinction is reflected both in internal bank classification systems and regulatory reporting, such as in the asset class definitions under the Capital Requirements Regulation (CRR) and national supervisory frameworks.
What is/are the most common mortgage product(s) in your country?	The most common mortgage products are loans for the purchase of an apartment or a house, as well as loans for the construction of residential property. In Lithuania, the most common mortgage products are loans for the purchase of an apartment or a house, as well as loans for the construction of residential property. These are typically: • Interest rate basis: 6-month EURIBOR plus a fixed bank margin. • Amortisation method: Annuity repayments. • Typical term: Approximately 25–30 years. • Currency: Euro (€). • Security: Mortgage over the purchased or constructed residential property.
What is the typical/average maturity for a mortgage in your country?	Average maturity is about 20+ years
What is/are the most common ways to fund mortgage lending in your country?	Bank deposits
What is the level (if any) of government subsidies for house purchases in your country?	None, government does not subsidise house purchases

Luxembourg

By Giorgia D'Alessandro, European Mortgage Federation – European Covered Bond Council

IN A NUTSHELL

- → The economy returned to growth, by 1%. Inflation fell to 1.6% but unemployment increased to 5.9%.
- → House prices continued to fall, but stabilized in Q4.
- → Although falling, mortgages per capita of EUR 65,203 are the highest in Europe.
- → The government has introduced several tax measures to support the housing and mortgage markets.

MACROECONOMIC OVERVIEW

The economy returned to growth, by 1% after a 1.1% contraction in 2023 but still significantly below the growth of recent years. The main drivers of this growth were public consumption and exports of financial services. Lower interest rates and fiscal support (including energy subsidies) supported household demand but investment, particularly in real estate and equipment, remained weak with low consumer confidence.

Inflation fell to 1.6%, one of the lowest rates in Europe, partly due to lower food and energy prices and a decrease in the level of wage indexation. The IMF forecasts that it will decline slightly in 2025 then remain at the current low level in the medium term.

Unemployment increased to 5.9% (4.9% at year end 2023) and is particularly high (20.4%) in under-24s. This is largely due to the downturn in the construction industry and lack of investment in the non-financial sector. However, there are also shortages of labour in skilled sectors.

While consumer price inflation has outpaced wage growth in the Euro region in recent years, Luxembourg has seen a large increase in real compensation per employee since 2019.

The fiscal situation remains strong with a 1% government surplus (0.8% deficit last year), and a government debt to GDP ratio of 26% (provisional figures from the IMF).

HOUSING MARKETS

House prices continued to decline rapidly, by 5.2% after a 9.1% decline in 2023. This is a correction from the rapid increases to 2022 when house prices rose by 57% over a four year period. In Q4 there were signs that the correction may be over with house prices rising by 4% in the quarter and apartments by 1,8%. Despite the decline, in absolute terms prices remained high at EUR 7,802 / m^2.

Similarly, transaction volumes which are still significantly below their long term average of between 6 – 7,000 started to increase to 4,845, an increase of 49% y-o-y.

The government has introduced fiscal measures to support the housing market including increased tax deductibility for notarial fees, a tax credit for investors in rental properties, a 90% tax exemption for income from qualifying social housing measures and a temporary cut in capital gains tax realized on a property's sale.

The government doubled the allocation of funds to affordable housing (Fonds Spécial du Logement) to EUR1.45bn and widened the eligibility for affordable public housing provided by SNHBM (Société Nationale des Habitations à Bon Marché) as part of its policy to be a larger participant in the rental market.

MORTGAGE MARKETS

The mortgage market continued to shrink albeit at a slower pace. At year end there were EUR 43.8bn outstanding (down 0.3% on the year, after a decline of 1.5% the year before). Relative to GDP, the decline is more dramatic to 50.9% from 55.4% a year previously – a level not seen since 2016.

However, in per capita terms the mortgage market is still the largest in Europe with EUR 65,203 outstanding per person (EUR 66,487 at year end 2023), 31% more than the second highest country, the Netherlands.

The rate basis of mortgages continued to be mixed, 39% have a rate that is floating (or fixed for less than a year), the average cost of which fell slightly over the year from 4.07% to 3.96%.

As with the housing market, the government has introduced or expanded fiscal measures to support mortgages, including higher levels of tax deductibility of mortgage interest payments, and a tax shield for money paid by employers for rent for employees under the age of 30.

MORTGAGE FUNDING

Luxembourg's mortgage market is primarily funded by deposits from individuals and businesses. There are now no more mortgage covered bonds outstanding.

GREEN FUNDING

Luxembourg was the first nation to enact laws permitting the issue of green covered bonds. Covered bonds for renewable energy have been added to the list of current covered bond classes by the Law of 22 June 2018, which modernised the Law of 5 April 1993 on the Luxembourg financial sector. Also, the first stock exchange to run a platform exclusively for green, social and sustainable assets was the Luxembourg Stock Exchange. There were 1,317 green bonds listed on the exchange as of April 2022, with more than 200 issuers having issued green bonds exchange.

	LUXEMBOURG 2023	LUXEMBOURG 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	-1.1	1.0	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.9	5.9	5.9
HICP inflation (%) (1)	2.9	1.6	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	67.6	63.5	68.4
Gross Fixed Investment in Housing (annual change) (1)	-9.4	-17.5	-4.9
Building Permits (2015=100) (2)	n/a	n/a	136.9
House Price Index - country (2015=100) (2)	171.5	162.5	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	-9.1	-5.2	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	43,942	43,820	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	66,497	65,203	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	140.4	134	71.3
Gross residential lending, annual growth (%) (2)	-43.2	n/a	3.9
Typical mortgage rate, annual average (%) (2)	4.1	3.96%	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

LUXEMBOURG FACT TABLE

Which entities can issue mortgage loans in your country?	Banks and bank' branches from German Bausparkassen and the "Caisse Nationale d'Assurance Pension", which lends only to private sector employees who contribute to the pension fund.
What is the market share of new mortgage issuances between these entities?	100%
Which entities hold what proportion of outstanding mortgage loans in your country?	Six domestically-oriented banks, hold 90% of mortgage loans.
What is the typical LTV ratio on residential mortgage loans in your country?	The usual maximal LTV ratio amounts to 80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Not available
What is/are the most common mortgage product(s) in your country?	The most common mortgage contract is at a fixed rate. (62% of loans issued in 2021 = fixed, and so 38% variable)
What is the typical/ average maturity for a mortgage in your country?	The standard maturity for mortgage loans is 25 to 30 years, while some banks grant credits for up to 35 years.
What is/are the most common ways to fund mortgage lending in your country?	Mostly deposits
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Roundtrip transaction cost (registration tax, notary fees, real estate agent's fee, transcript tax) are between 12%-16.5%.
What is the level (if any) of government subsidies for house purchases in your country?	Eligible households can receive a capital grant of €500 to €10,000 toward home purchase or construction, with higher amounts available for condominiums, row houses, or semi-detached homes, subject to income-based eligibility criteria.

Malta

By Karol Gabarretta, Malta Bankers' Association

IN A NUTSHELL

- → Real GDP growth moderated to 6.0% (from6.8%) mainly driven by domestic demand.
- → Inflation fell to 1.8% by year end, broadly similar to the rest of the eurozone.
- → Residential property prices continued to increase during the first three quarters at an average annual rate of 6.9% (6.2% for 2023 as a whole).
- → Mortgage lending grew by 9.4% to around €8.4 bn.

MACROECONOMIC OVERVIEW

Following the strong growth in 2023 and despite a challenging international environment economic activity moderated yet still outperformed the euro area. Real GDP grew by 6%, with growth balanced between domestic demand and net exports. Domestic demand rose by 5.3% (2.1% in 2023) contributing 4.4% to GDP growth, private consumption 5.7%, (12.2%) adding 2.7%.

Imports grew by 4.7% and exports 5.3%, a net contribution of 1.6% to growth. This reflected a smaller trade deficit in goods (in volume terms).

Government consumption grew by 7.3%, (3.1% in 2023) due to more spending on intermediate consumption and compensation (partly due to collective agreements in the education and health sectors). Overall, government consumption added 1.2%to growth.

The labour force expanded by 5.4% in the first nine months (7.1% in the same period of 2023) and employment by 5.9% (7.0%) somewhat exceeding the average increase of 3.6% estimated since 2003. According to the Labour Force Survey (LFS) the unemployment rate averaged 3.2% during the first three quarters of 2024, compared to 3.6% in the same period of 2023.
There were 122,187 foreign workers in September 2024 (109,165 in September 2023). The number of foreigners in employment rose for all types of occupation. The largest increases in absolute terms, almost half the total, were in services and sales jobs and in elementary occupations. These were also the two most prevalent jobs held by foreign employees.

Labour productivity grew by 0.8%, after it was broadly stable in the previous year. GDP growth slightly offset an increase in employment.
In the first three quarters, the general government deficit declined significantly compared to the corresponding period of 2023. On a four-quarter moving sum basis, the deficit-to-GDP ratio narrowed from 4.6% at end-2023 to 2.9% in Q3 2024. General government debt as a share of GDP declined, from 47.7% at end-2023 to 45.3% as at end-September 2024. The general government net financial worth ratio also improved. Meanwhile, the cyclically-adjusted deficit narrowed in the four quarters up to September 2024.

The average rate of HHICP inflation declined to 2.43% (from 5.6%). It eased from 3.7% in January to 1.8% by the end of the year, as supply conditions and certain import prices normalised further and the Government's Stabbiltà scheme helped dampen food inflation. HICP inflation in Malta was on average in line with that in the euro area in 2024. Although the contribution of services inflation in Malta was lower, those of food and energy inflation were higher.

HOUSING AND MORTGAGE MARKETS

The home-ownership rate decreased to a record low at 68.1% in 2024 from 74.7% in 2023. This rate averaged 79.7% from 2005 until 2024, reaching an all-time high of 82.6% in 2022.

The number of housing construction permits increased to 8,716 after decreasing in 2023 (8,112). Apartments were again by far the largest residential category, almost 87% of new permits.

National Office of Statistics (NSO) data on residential property transactions show that 12,597 final deeds of sale were registered with the tax authorities, 3.4% more than a year earlier. This follows a decline of 15% in 2023. Over 90% of final deeds registered in 2024 involved purchases by individuals. The value was €3.5bn (from €3.3bn in 2023). The data presented cover the following property types: airspace, boathouse, bungalow, farmhouse, flat/apartment, garage, garden, house, maisonette, penthouse, plot of land, semi-detached villa, terraced house, 'terran' (groundfloor), urban tenement, and villa.

Residential property prices continued to increase during the first three quarters. The NSO's Property Price Index (PPI) – based on actual transactions of apartments, maisonettes and terraced houses – increased at an average annual rate of 6.9% during the first three quarters of the year, following a 6.2% increase in 2023 as a whole. The price increase in the first three quarters of 2024 exceeded that in the euro area, where house prices increased by an annual rate of 1.2%.

Mortgages to residents for house purchases totalled around €8.4 bn at yearend, up from around €7.7 bn in 2023. The core domestic banks extended well over 90% of the credit provided to households and individuals (which includes mortgage loans). The median loan-to-value ratio increased to 79.5%. During 2024 the weighted average lending rates paid by households decreased, compared to 2023. Mortgage rates decreased to 2.6%, while rates on consumer credit and other lending decreased to around 4.1%.

In recent years, various factors contributed to the attractiveness of property investment such as, an increase in disposable income, the influx of foreign workers which increased demand for property and a growth in tourism which led to a strong demand for private accommodation.

Prices continued to be supported by low-interest rates and government schemes to support the residential property market, some of which were modified during the year.

The Malta Citizenship by Investment scheme which allows foreigners to acquire Maltese citizenship, subject to certain conditions which can include property purchases also played a role in generating demand for local properties.

MORTGAGE FUNDING

Mortgage loans are mainly provided by the core domestic banks, predominantly Bank of Valletta plc and HSBC Bank Malta plc, which account for around 66% of the domestic retail market (as a percentage of total deposits held by the core domestic banks). These latter banks rely mainly on resident deposits for funding, which increased to almost € 29.5bn. Local retail deposits provide ample liquidity to the core domestic banks and with a loan-to-deposit ratio as low as 58% (as of June 2024), such banks do not need to resort to issuing covered bonds or to securitising assets.

GREEN FUNDING

During the last few years, various of the core domestic banks, launched a wide array of green energy loans to finance the acquisition of equipment to generate renewable energy or increase energy efficiency – which include PV panels; green roof gardens; solar water collectors; space heating and hot water or cooling generation; insulation; interior and exterior apertures – double glazing and insulation; ventilation, heating or cooling and lighting systems; energy generation household storage and EV household charging stations.

Sources: *inter alia* CBM Annual Report 2024, CBM Financial Stability Report 2024, NSO website and CBM website Monetary and Banking Statistics

	MALTA 2023	MALTA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	6.8	5.9	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.5	3.1	5.9
HICP inflation (%) (1)	5.6	2.4	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)*	74.7	68.1	68.4
Gross Fixed Investment in Housing (annual change) (1)	-1.1	7.5	-4.3
Building Permits (2015=100) (2)	205.5	220.8	136.9
House Price Index - country (2015=100) (2)	155.3	163.3	179.8
House Price Index - capital (2015=100) (2)	-	-	171.5
Nominal house price growth (%) (2)	9.2	5.2	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	8,353	8,170	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	15,410	14,500	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	n/a	n/a	3.9
Typical mortgage rate, annual average (%) (2)	2.85	1.95	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

MALTA FACT TABLE

Which entities can issue mortgage loans in your country?	Main lenders are the 6 core domestic banks (APS Bank Ltd; Bank of Valletta plc; BNF plc; HSBC Bank Malta plc; Lombard Bank Malta plc, MeDirect Bank (Malta) plc) plus 3 other banks, FCM Bank Ltd, FIMBank plc and Izola Bank p.l.c.
What is the market share of new mortgage issuances between these entities?	Not available
Which entities hold what proportion of outstanding mortgage loans in your country?	HSBC Bank and Bank of Valletta (BOV) account for 73.3% of the total assets (December 2024) held by the core domestic banks.
What is the typical LTV ratio on residential mortgage loans in your country?	The LTV has remained contained at around 79.5%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Central Bank of Malta regulations differentiate macroprudential measures between Category I borrowers – purchasing their primary residential property and Category II borrowers – purchasing their second or additional residential property or buy-to-let properties.
What is/are the most common mortgage product(s) in your country?	Borrowers can choose both fixed and variable rate mortgages, with capital and interest payable over the term of the loan. A moratorium on capital repayments can normally be agreed for an initial number of years, during which interest only is repaid.
What is the typical/ average maturity for a mortgage in your country?	The maximum maturity granted in Malta is linked to the retirement age. 40-year mortgages to Category I borrowers are only issued on condition that the mortgage is repaid before the borrower reaches the age of 65.
What is/are the most common ways to fund mortgage lending in your country?	Mortgage funding in Malta remains predominantly deposit-based. Core domestic banks, provided approximately 88% of bank credit to residents and collected around 93% of total resident deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	In Malta, there is a 5% Duty on Documents (Stamp Duty) on purchases, which can be reduced to 3.5% of the first EUR 150,000 under certain conditions (see www.notariesofmalta.org/taxinfo.php) and one final withholding tax of 8% on the value of the property when sold (again, with certain conditions).
What is the level (if any) of government subsidies for house purchases in your country?	The Maltese Housing Authority currently provides the following schemes: (a) Grant to Assist Owners in the Construction and/or Completion or Rehabilitation of their First Home; (b) Installation of lifts in Government owned residential blocks/entrances; (c) Rent Subsidy in Private Rented Residences; (d) Scheme for Persons with Disability; (e) A Scheme to encourage residents of Government owned property Department to become owner occupiers; (f) Subsidy on Adaptation Works; (g) Subsidy on Adaptation Works related to dangerous structures; (h) Redemption of Ground Rent, (i) Equity Sharing Scheme for persons over 40 (j) a scheme for the restoration of streetscapes in Urban Conservation Areas (UCAs). (k) a Scheme to lease vacant property for social housing. The Maltese Housing Authority embarked on a EUR 50 mn social housing project (see https://www.eib.org/en/projects/pipelines/all/20150802)

The Netherlands

By Marcel Klok, Nico de Vries, ING, Paul de Vries, Dutch Land Register
and Jan-Willem Pijper, De Nederlandse Vereniging van Banken (NVB)

IN A NUTSHELL

→ Economy exited recession and grew by 1%

→ As contractual wage growth accelerated to 6.6% and inflation fell to 3.2%, consumer purchasing power increased.

→ Exit of small buy-to-let investors due to policy measures provided room for first-time buyers.

MACROECONOMIC OVERVIEW

The economy recovered from a mild recession caused by high inflation and a global trade downturn. While the year started with a small contraction, growth started in the second quarter and overall, the economy grew by 1% over the year (after 0.1% in 2023).

As inflation decreased from 4.1% in 2023 to 3.2%, consumer confidence improved somewhat, contractual wage increases rose to the highest level since 1982 and statutory minimum wages were increased further, resulting in an increase in consumer purchasing power and consumption growth.

Growth was 1% (0.1% in 2023). Public consumption, particularly in health care, provided the largest contribution to growth along with specialised business services, trade, and transport and storage, while temp job agencies, construction, and transport equipment manufacturing were the largest drags.

The number of bankruptcies increased throughout the year but had little impact on unemployment. International trade was mixed, as the energy crisis and global rebalancing still had lagged repercussions. As service exports had already returned to growth earlier, goods exports expanded from Q2 due to a re-exports revival, while exports of Dutch origin continued contracting.
A further drag on growth was inventory reductions in retail and manufacturing, which was partly due to policy changes. Overall, investment, including housing investment improved through the year but was still negative y-o-y, especially in commercial non-residential real estate it was weak and infrastructure too, due to delays related to emission limits and lack of qualified personnel. The latter is expected to be turned around, as the government plans to boost investment in infrastructure (as well as in defence) considerably in 2025.

LOOKING AHEAD

The most prominent risk to the Dutch economy is escalation of the trade war. The outlook for growth in the Dutch economy is only moderately positive, as trade barriers and elevated uncertainty already have negative effects on the global economy. While the effect on Dutch business confidence visible in surveys seems still only slightly negative, consumer confidence has dropped. For now, it seems reasonable to expect sluggish growth quarters mid-2025 and an acceleration towards a normal growth pace thereafter. This assumes that US import tariffs would remain in the ballpark of 10-20%. That would still allow Dutch exports to moderately expand in 2025 and 2026. Accordingly, economic growth remains below potential for a number of quarters, but may approach a normal pace again in the second half of 2026.

Domestic policies (or the lack of changes) are also a source of uncertainty. In July 2024, the new four-party government was sworn in. The resulting political uncertainty appears higher than in the past. The coalition's policy plans are projected to boost GDP growth in the short term, especially in 2025. This is mostly thanks to higher expenditures, such as higher private investment in (infrastructure for) housing, purchasing power measures (such as higher rent allowances) and additional growth in health care. Medium term economic growth potential is likely to be negatively impacted by the policy changes, i.e. by lowering investment in science and education and policy uncertainty regarding nitrogen emission restrictions.

HOUSING MARKETS

The price index for existing owner-occupied homes increased by 8.7% (-3% in 2023) with price increases increasing over the course of the year due to improved affordability due to wage-growth (6.5% average in 2024) and slow declines in interest rates.

Among the four largest cities the municipality of Utrecht recorded the largest price increase (15.2 percent), the national average and in Amsterdam increases were 8.7%, in The Hague 7.2% and Rotterdam 6.5%.

Nearly 206,500 homes were sold (182,400 in 2023), an increase of 13%. Especially in urban areas, the number of transactions increased significantly: in The Hague by27.5%, Utrecht by 26.5%, Rotterdam (26.4%, and Amsterdam (23.4%).

The major cities were especially popular among young buyers; in particular first-time buyers. Due to successive policy measures, small investors renting out their properties in these cities less and selling their houses. These houses are particularly suitable for first-time buyers on the housing market.

Economic uncertainty affects the housing market. However, the expectation is that this effect will be limited. The underlying demand remains high. Household growth and income increases continue. At the same time, fewer homes are being added than are deemed necessary. In 2024, 89 thousand homes were added to the housing stock through new construction and other forms of housing development. This is less than in the previous five years. In 2023, 94 thousand homes were added to the housing stock. There continues to be a housing shortage. To meet the demand, the government has set a goal to build an additional 100,000 homes annually.

MORTGAGE MARKETS

Total Outstanding Residential Mortgage Lending strongly increased to EUR 890 bn by year end, up 4.2% y-o-y. Gross residential lending increased 29% to EUR 139bn, recovering from the contraction in 2023 (-30% y-o-y).

The average interest rate (weighted) was 3.9%, (4.0% in 2023). Variable interest rates (fixed for up to 1 year) averaged 5.2%, while long-term fixed (10 years or more) were 3.4%.

In 2024, 53% of new mortgages in the Netherlands had an initial fixed interest period between 5 and 10 years, while 16% were variable-rate mortgages. The sharp rise in mortgage interest rates beginning in 2022 triggered a significant shift in borrower preferences toward shorter fixed-rate periods—those under 10 years.

This trend has persisted into 2024. Only 20% of new mortgages now have an initial fixed rate longer than 10 years, a steep decline compared to the average of 54% during the period from 2020 to 2022. This shift reflects both affordability concerns and expectations of future interest rate reductions.

	THE NETHERLANDS 2023	THE NETHERLANDS 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	0.1	1.0	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.6	3.7	5.9
HICP inflation (%) (1)	4.1	3.2	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)*	69.3	68.8	68.4
Gross Fixed Investment in Housing (annual change) (1)	-1.3	-1.1	-4.3
Building Permits (2015=100) (2)	101.17	123.45	136.9
House Price Index - country (2015=100) (2)	182.2	198.1	179.8
House Price Index - capital (2015=100) (2)	190.0	206.6	171.5
Nominal house price growth (%) (2)	-2.9	8.7	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	826,157	890,132	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	46,384	49,609	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	154.7	159.9	71.3
Gross residential lending, annual growth (%) (2)	-30.4	29.4	3.9
Typical mortgage rate, annual average (%) (2)	3.7	3.9	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

THE NETHERLANDS FACT TABLE

Which entities can issue mortgage loans in your country?	Mortgages are mostly being issued by banks and insurance companies. But also, the government, municipalities, companies in general and private persons may issue mortgages. However, for professional issuing of mortgages a company needs a license from the Netherlands Authority for Financial Markets. There are strict regulations for license holders to protect the consumer.
What is the market share of new mortgage issuances between these entities?	Not available.
Which entities hold what proportion of outstanding mortgage loans in your country?	Not available.
What is the typical LTV ratio on residential mortgage loans in your country?	Maximum LTV in 2022 is 100% (106% when financing energy saving measures). The average LTV for all new mortgage applications at HDN in 2022 was 55.4%, and 75.9% for house purchase mortgage loans.
How is the distinction made between loans for residential and non-residential purposes in your country?	A mortgage is registered at the Kadaster (Land Registry and Mapping Agency). At the time of registration of the mortgage, it must be specified whether a piece of land or object is meant for residential purposes.
What is/are the most common mortgage product(s) in your country?	Annuity and interest-only.
What is the typical/ average maturity for a mortgage in your country?	30 years.
What is/are the most common ways to fund mortgage lending in your country?	Deposits and wholesale funding.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	2% taxes; 4% other transaction costs (i.e. notary; real estate agent; taxation).
What is the level (if any) of government subsidies for house purchases in your country?	There is a guarantee fund, the Nationale Hypotheek Garantie (NHG). For mortgages lower than EUR 355,000 and meeting certain conditions, the NHG guarantees the repayment of the remaining mortgage debt in case of foreclosure (again subject to certain conditions).

Poland

By Agnieszka Nierodka, Polish Bank Association

IN A NUTSHELL

→ Economy grew by 2.9%, inflation slowed considerably to 3.7%.
→ Strong growth in construction and the mortgage market.
→ Housing market awaiting announcement of another support program.
→ Slowing of price increase second half.

MACROECONOMIC OVERVIEW

Macroeconomic situation began to improve. According to EUROSTAT estimates, GDP grew by 2.9%, (EU average 1% y/y). The HICP inflation rate was 3.7%, which was still above the NBP target, but significantly lower than the previous year (10.9%). The central bank's interest rates remained stable - since October 2023, the reference rate has been 5.75%. The labor market remained strong unemployment was 3% at year end, one of the lowest levels in the EU. At the same time, double-digit wage growth continued – the average gross monthly wage in the private sector in Q4 was PLN 8,549, (EUR 1,999.77 equivalent) i.e. 10% more year-on-year.

LOOKING AHEAD

Further growth of the mortgage and real estate market is expected in 2025. Rising wages and the prospect of interest rate cuts may increase the consumer creditworthiness and encourage greater activity in the real estate market. However, the key issue remains the development of government programs supporting housing, such as the announced "Key to the apartment", which is to come into effect at the end of 2025. The program, was to be launched in the second half of 2025. It is currently unknown whether the program will be processed. Its main goal is to facilitate access to housing for people who have not yet had the opportunity to purchase their own property. The initiative aims to support primarily young people and families who, for various reasons, have been unable to enter the housing market.

According to the program's assumptions, support will be directed exclusively to people who have never owned their own apartment or house before. A key condition for receiving support will also be income restrictions – depending on the number of people in the household, specific limits on monthly net income will apply, which in the case of a single-person household will be a maximum of PLN 6,500, and in the case of a family of five – up to PLN 21,000.

The program provides for preferential mortgage loans with installment subsidies – for up to 10 years. During this time, the state will subsidize the interest rate, reducing the real cost of the loan to around 1.5% per annum. Apartment prices will also be limited – the maximum price per square meter will be PLN 10,000, and in the largest cities – PLN 11,000, although ultimately municipalities will be able to adjust this threshold to local conditions.

Another important requirement will be the age of the property – apartments eligible for purchase must come from the secondary market and be at least five years old, and the seller must have owned them for at least three years. This is to limit speculation and artificial price inflation. The program will not cover apartments from the primary market, with the exception of those built by social entities.

HOUSING MARKETS

Construction began on over 233,000 apartments, up 24% y-o-y. Of these apartments for sale or rent were 65.2% of the total, while apartments being built for the owner were 32.8%. The remaining 2.0% consisted of cooperative, municipal, social apartments.

Building permits were issued for nearly 292,000 apartments with a total usable area of 24.1 million m2, which is 20.7% and 16.6% more than in 2023, respectively. The average construction time was 43.6 months (compared to 43 months in 2023). In 2024, the total number of apartments put into operation was 200,409, a decrease of 9.4% y/y. 124,347 apartments were put up for sale or rent (a 9.2% year-on-year drop).

In Q1 the increase in apartment prices was still supported by the Safe Credit 2%. The "Safe 2% Loan" program guaranteed a subsidy for mortgage payments so that the actual interest rate for the first ten years of repayment did not exceed 2% (+ ba.k margin). This subsidy was equal to the difference between the market fixed interest rate applicable in banks and the 2% interest rate applicable to program beneficiaries. Only households that had never previously owned their own property were eligible for the program. The maximum age of the borrower was 45 years, and in the case of married couples or couples raising a child together, only one of the borrowers must meet the age requirement (45 years).

The maximum preferential loan amount is PLN 500,000 for a single person and PLN 600,000 for married couples or single parents with a child. The program allows for the financing of both primary and secondary market real estate, as well as the construction of a house, including the purchase of a plot of land and completion of construction. The loan period in the program is at least 15 years. For the first ten years, the installments are paid in a decreasing form at a fixed rate of 2% plus the bank's margin. After this period, the interest rate switches to market variables, and the installments are converted to an annuity form.

The program was launched on July 1, 2023, and was supposed to run until 2027. By the beginning of 2024, the program's funds were so popular that banks had to suspend accepting new applications.

Average prices continued to increase in H2, but at a slower rate than in H1 and 2023 as supply grew more rapidly than demand. The highest prices increases were in Krakow (+25%) and Warsaw and Wrocław (+18%).

MORTGAGE MARKETS

There were significant changes to the housing market. Q1 continued trends of the previous year, which were due to the 'Safe Credit 2%' mortgage subsidy program which lasted until the end of March 2024 and had a key impact on the housing market.

In Q1, banks granted 64,504 new mortgage loans for a total amount of PLN 26,876 bn (EUR 6,287bn). This was the second highest amount ever t after Q423. From Q2, the rate of apartment sales slowed significantly. In April and May, to a level comparable to that in the "crisis" period of the end of 2022 and the beginning of 2023. Lending also slowed.

In the whole of 2024, over 200 thousand new mortgage loans were concluded for over PLN 85 billion (EUR 25bn, (25% more in number and 36% in value compared to 2023). Despite this the total number outstanding fell to 2.24 million, a decrease of 2.29% y-o-y). The total amount was PLN 496 bn (EUR 11bn, 3.3% more y-o-y). Competitive pressure forced banks to reduce credit margins, which caused the average interest rate on new housing loans to drop to 7.40%, i.e. by 0.40 p.p. quarterly and by 0.30 p.p. year-on-year. In the case of variable-rate loans, the interest rate is based on the WIBOR rate plus the bank's margin. In the case of fixed-rate loans, the interest rate is based on the Interest Rate Swap rate for a given period plus the bank's margin.

The average value of new loans increased again; the average loan granted in Q4 was PLN 426,916 (EUR 100,500, UP 1.24% in the last quarter, and 4.66% y-o-y).

The quality of the portfolio improved slightly, at year end NPLs were 1.65%, a quarterly decrease of 0.04 p.p., while year-on-year it was less by almost a quarter.

MORTGAGE FUNDING

The main funding instrument for mortgages are deposits, followed by covered bonds. According to the covered bond law, only specialised mortgage banks are eligible to issue covered bonds in Poland. In 2023 there were 5 mortgage banks registered in Poland: mBank Hipoteczny S.A., PKO Bank Hipoteczny S.A., Pekao Bank Hipoteczny S.A, ING Bank Hipoteczny S.A., and Millennium Bank Hipoteczny S.A. All these banks issued mortgage covered bonds, but not all of them in 2024. According to banking law, in order not to lose its license to issue covered bonds, a bank must issue covered bonds at least once every three years.

To stimulate the mortgage covered bond market and change the structure of mortgage funding, the Polish Supervision Authority introduced the Long-Term Funding Ratio (Wskaźnik Finansowania Długoterminowego – WFD) under a recommendation by the KNF, which came into effect on July 18, 2024. Banks are required to maintain this ratio at a minimum level of 40% starting from December 31, 2026. The aim of the ratiois to reduce the risk associated with the current funding structure of mortgage loans, which relies heavily on short-term retail deposits and may lead to financial instability under stress conditions. The WFD is designed to increase the share of long-term debt instruments in banks' liabilities, thereby improving the maturity matching of assets and liabilities and enhancing the resilience of the banking sector to liquidity shocks. Additionally, the ratio includes preferential weights for mortgage loans with fixed or periodically fixed interest rates, as well as for green debt instruments, supporting the development of these market segments. Preferential weights are discounts on the value included in the WFD ratio for those mortgage loans or assets that are considered more stable and valuable from the point of view of the banks' financial security – e.g., fixed-rate loans or loans financing green assets. This allows the bank to lend more of these types of funds without lowering its WFD ratio as much as it would with regular loans.

Fixed-rate loans can have their weighting reduced by as much as 30-50% compared to variable-rate loans. Similar reductions apply to green assets.

	POLAND 2023	POLAND 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	0.2	2.9	1.0
Unemployment Rate (LSF), annual average (%) (1)	2.8	2.9	5.9
HICP inflation (%) (1)	10.9	3.7	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	87.3	87.1	68.4
Gross Fixed Investment in Housing (annual change) (1)	-1.4	-9.4	-4.3
Building Permits (2015=100) (2)	107.8	122.5	136.9
House Price Index - country (2015=100) (2)	188.3	198.1	179.8
House Price Index - capital (2015=100) (2)	193.5	221.0	171.5
Nominal house price growth (%) (2)	6.1	14.2	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	110,595	116,045	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	3,009	3,169	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	25.3	23.4	71.3
Gross residential lending, annual growth (%) (2)	24.0	52.2	3.9
Typical mortgage rate, annual average (%) (2)	8.3	7.7	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables

POLAND FACT TABLE

Which entities can issue mortgage loans in your country?	Banks and credit unions
What is the market share of new mortgage issuances between these entities?	No detailed data available, rough estimates: less than 1% of new lending is granted by credit unions, over 99% – by banks.
Which entities hold what proportion of outstanding mortgage loans in your country?	Around 99.9% – banks; 0.1% – credit unions.
What is the typical LTV ratio on residential mortgage loans in your country?	30.94% of new loans granted in 2024 had LTVs over 80%. 45.58% – LTVs between 50-80%. 9.66% – LTVs between 30-50%. 13.83% – LTVs below 30%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Borrower's statement – the client must declare (in loan's application) for what purpose the credit will be used; bank is allowed to check whether the loan was used according to that declaration.
What is/are the most common mortgage product(s) in your country?	Since 2022 loans with a periodically fixed interest rate (mainly: 5Y fixed) began to prevail among new loans. In 2024 79.9% of the loans (in terms of portfolio value) were periodically fixed-rate loans, 20.1% were floating rate.
What is the typical/ average maturity for a mortgage in your country?	Between 25 and 35 years (according to yearly data, 59.88% of new lending belonged to that range in 2024).
What is/are the most common ways to fund mortgage lending in your country?	Banking deposits and interbank lending.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	• establishment of a mortgage – 0.1% of the secured amount. • notary fee (depends on the value of property) – usually: PLN 1,010 + 0.4% over the value of PLN 60,000 (+ VAT 23%). • additional notary documents – PLN 6 per page. • entry to the mortgage register – PLN 200; if there's no mortgage register for the property – establishment of mortgage register costs additionally PLN 60. • tax on civil law transactions (paid only if the property is purchased on the secondary market) – 2% of the value of property. Note: since 2024 the need to pay this tax – when purchasing the 1st apartment form the secondary market has been abolished. • property valuation (sometimes covered by the bank) – usually PLN 700-1300. • commission for the broker (if needed) – around 3% + VAT.
What is the level (if any) of government subsidies for house purchases in your country?	Between July and December 2023, a new mortgage subsidy programme was in place (so called 2% Safe Credit" loan). Due to the exhaustion of budget funds, this very popular program was terminated in 2024, but banks were still granting loans under this program during the first quarter of 2024 based on loan applications submitted at the end of 2023.

Portugal

By Banco Montepio

IN A NUTSHELL

→ House Prices increased by 9.1%.
→ The number of residential property transactions fell by 14.5%.
→ The participation of non-residents decreased.
→ The Government has introduced new measures to support young people in purchasing their first homes.

MACROECONOMIC OVERVIEW

GDP growth slowed down to 1.9% (2.6% in 2023 and 7.0% in 2022) Final domestic consumption increased, while investment slowed down and net external demand was negative in 2024, after two positive years. Imports increased while exports grew at a similar pace to the previous year.

Unemployment fell to 6.4% (from 6.5% in 2024) and inflation fell to 2.7% (5.3% in 2023).

The budget balance had a surplus of 0.7% of GDP (surplus of 1.2% in 2023).

The current account had a surplus of 2.2% (0.6% in 2023).

The savings rate was 12.2%, its highest since 2003.

LOOKING AHEAD

Further growth is expected in the range +1.4% to +2.4% subject to risks for the global economy, including the trade war, and the financial capacity of consumers given high interest rates and house prices. The government forecasts a growth of 2.1% in the State Budget 2025.

The unemployment rate is expected to decline in 2025, from 6.4% to 6.3% (according to Montepio projections).

The inflation (measured by the HCPI) is expected to decline in 2025, to between1.5%and 2.5% (Montepio projections, with downside risks).

According to Bank of Portugal (BoP), the risks surrounding economic projections were underestimated including geopolitical risks, difficulties on the use of European funds, which could imply less investment.

HOUSING MARKETS

According to the Financial Stability Report (REF) of the BoP, real estate prices continued to grow above the inflation rate in 2024, with signs of overvaluation. The Housing Price Index (IPHab) increased 9.1% in 2024 (+8.2% in 2023). The BoP consider that prices have continued to grow above the historical trend, and that signs of overvaluation have persisted since 2019, although noting that these signs began to decrease since Q422.

According to Statistics Portugal, the number of transactions increased to 156,325 for €33.8 billion (an increase of 14.5% and 20.8% respectively y-o-y). Existing dwellings' sales increased by 14.8% (number) and 21.1% (value), new dwellings, 13.4% and 20.0%.

The participation of non-residents in the real estate market decreased. In 2024, 93.7% of purchases were buy tax residents 16.2% more than in 2023.

The BoP recognizes that this underestimates the relevance of foreigners as many now have tax residence.

Over the last 10 years, an increase in the participation of non-resident buyers has characterized the residential real estate market.

Housing supply has remained unable to meet demand, despite recent easier licensing. According to Statistics Portugal, 25.4 thousand buildings were licensed and 16.0 thousand buildings completed, (an increase of 8.2% and a reduction of 7.5% respectively). Restrictions remain, disruptions in material supply chains, lack of labour, increased costs and the growth in financing costs. The slight easing of criteria for granting construction credit may mitigate this. According to the BoP analysis, the limited supply of new housing and the lack of an accumulated stock of available homes mitigates the impact on prices in the event of a reduction in demand. Throughout 2024, construction costs stabilized, but labour costs continued to rise.

According to the BoP, sales are expected to increase as are property prices. The limited supply of new housing, due to labour and material shortages, and the lack of sufficient inventory of available housing, are expected to continue to put upward pressure on property prices.

MORTGAGE MARKETS

Strongly supported by the rise in new mortgage loans (+34%), the net pure new mortgage loans (new mortgage loans, excluding renegotiated loans and net of early repayments) hit a record volume of EUR 6.1 bn, nearly four times more than the previous year, while renegotiated loans decreased by 36% to EUR 7.3 bn (EUR 11.4 bn in 2023). As a percentage of the total loans renegotiations were 29% (from 47% in 2023).

A total of 89,738 residential mortgage loan contracts were signed, a 32% increase y-o-y, with an average value of €154,147 (+5.6%).

The stock of mortgage loans rose by EUR 3.5 bn (3.6% YoY), to EUR 102.4 bn by year-end. The early repayments decreased by 3.6%.

Most loans remain floating rate (70% of the stock, -14 p.p. vis-a-vis 2023), but new loans were increasingly mixed interest rate (loans with an initial period of fixed rate followed by variable rate) regime (as in 2023). These were 73% of new loans, an increase of 37 percentage points compared to the previous year. This type of mortgage peaked in August at 80% of total origination.

The average mortgage rate was 4.66% in January 2024, the highest level since 2009, then decreased by 0.5 p.p., to 4.1% by year end. The average outstanding has been increasing to €68,470 by year end, mainly triggered by the prolonged rise in housing prices, leading to a 12% increase in the average monthly instalment to EUR 404 (12% above the average in 2023).

The NPL ratio of mortgage loans remained around 1.3%, similar to the levels since December 2023.

According to Banco de Portugal, credit institutions continued to comply with the recommendation on new residential mortgage loans which focuses on loan-to-value (LTV), debt service-to-income (DSTI) ratio and maturity limits, to ensure responsible lending and protect borrowers from over-indebtedness. Accordingly, the average LTV remained stable at 69%, after falling in 2023 (from75% in 2022). The recommended limits is 90% for main dwellings. 92% of new loans had a DSTI equal to or less than 50%, (91% in 2023). For outstanding loans this was26.1% (26.7% in 2023). The recommendation is 50% or less (with some exceptions), and maturities averaged 31 years (longer that the European average) below the 2021 peak of 33.7 years. The recommendation is that the average maturity of new loans should be less than or equal to 30 years.

Several legal measures have been approved and implemented by the Portuguese Government to assist young people (up to 35 years) to ourchase their first home. According to Banco de Portugal, these measures boosted the level of loans granted to borrowers under the age of 35, which accounted for 47% of the total new loans from August 2024 onward (compared to 37% between January and July 2024).

MORTGAGE FUNDING

Deposits remain the primary source of funding for banks, representing 61% of their liabilities (from 59% in 2023). In 2024, interest-bearing accounts held by households and non-financial institutions accounted for 53% of total savings deposits, an increase of 3 percentage points compared to 2023.

GREEN FUNDING

ESG financing continued to grow to EUR 13.6 bn in December (+28% YoY), 70% of which were green bonds (+2 p.p. vs. 2023). Non-financial companies issued most, EUR 10.2 bn (75% of the total), while the financial sector accounted for the remaining EUR 3.4 bn. Some banks continued to offer mortgage loans with a discount on the interest rate or other benefits if the collateral had a higher Energy Performance Certificate (EPC) grade.

The energy efficiency in buildings (component C13) is a vital aspect of the "Climate Transition" under the Recovery and Resilience Plan (PRR), reflecting Portugal's dedication to achieving carbon neutrality by 2050. It aims to encourage the energy renovation of private residential buildings, implement energy-efficient solutions, replace outdated equipment, and enhance installed capacity to promote energy and resource efficiency. Additionally, it seeks to strengthen renewable energy and address energy poverty. These measures are expected to result in an average reduction of at least 30% in primary energy consumption and a 20% decrease in water supply consumption in participating buildings. Out of a total target of 610 million euros to be allocated, 57% has already been approved, and 27% has been disbursed as of March 2025.

	PORTUGAL 2023	PORTUGAL 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.6	1.9	1.0
Unemployment Rate (LSF), annual average (%) (1)	6.5	6.5	5.9
HICP inflation (%) (1)	5.3	2.7	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	76.0	73.4	68.4
Gross Fixed Investment in Housing (annual change) (1)	-1.1	3.4	-4.3
Building Permits (2015=100) (2)	391.1	420.7	136.9
House Price Index - country (2015=100) (2)	207.5	231.4	179.8
House Price Index - capital (2015=100) (2)	n/a	n/a	171.5
Nominal house price growth (%) (2)	7.8	11.6	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	100,370	104,105	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	9,589	9,785	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	56.6	55.9	71.3
Gross residential lending, annual growth (%) (2)	34.0	13.2	3.9
Typical mortgage rate, annual average (%) (2)	4.1	3.7	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

[1] In July 2024, the government approved Decree-Law 44/2024, establishing a guarantee for credit institutions to assist young people (up to 35 years) to purchase their first home covering up to 15% of the transaction for up to 10 years. Additionally, to further support young first time buyers, the government exempts those under 35 years from paying the Municipal Property Transfer Tax (IMT) and stamp duty and prohibits early repayment fees on mortgage loans with variable interest rates until the end of 2025.

PORTUGAL FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions (according to Decree-Law No. 349/98 of Nov/11 and within the limits established in articles 3 and 4 of DL No. 34/86, of Mar/3 for commercial and investment banks). The types of credit institutions and respective activities are defined by the Legal Framework of Credit Institutions and Financial Companies (articles 3 and 4).
What is the market share of new mortgage issuances between these entities?	In 2024, the largest credit institutions are expected to have continued representing the bulk of new mortgage production, with market shares generally reflecting the current market structure of the Portuguese banking sector (as per question three).
Which entities hold what proportion of outstanding mortgage loans in your country?	The seven largest institutions in Portugal are CGD, Santander Totta, Millennium BCP, BPI, Novo Banco, Banco Montepio and Crédito Agricola, which hold market shares ranging from c.3% of Crédito Agrícola to c.25% of CGD as of December 2024. *Source: Annual Reports; Banco de Portugal (Monetary and Financial Statistics).*
What is the typical LTV ratio on residential mortgage loans in your country?	Since 1 July 2018, new residential credit agreements should observe the following LTV limits: 90% for credit for own and permanent residence; 80% for other purposes; 100% for purchasing immovable property held by the credit institutions themselves and for property financial leasing agreements. In 2024, the bulk of new credit operations (99.8%) had an LTV ratio equal or below 90% (64% with LTV ≤80% and 36% with 80%<LTV≤90%). *Source: Banco de Portugal (Macroprudential measure within the legal framework of credit for consumers).*
How is the distinction made between loans for residential and non-residential purposes in your country?	Loans for residential purpose comprise (i) mortgage loans, which include credit agreements for the acquisition or construction of permanent, secondary or for-rental housing, and (ii) other related-mortgage loans, which comprise loans celebrated with individuals that are subject to the mortgage loans rules. *Source: Banco de Portugal (Bank Customer Website).*
What is/are the most common mortgage product(s) in your country?	The most common mortgage products are written with variable interest rate indexed to Euribor rate. As of December 2024, 59% of the mortgage contracts portfolio were written with variable interest rate, 33% with mixed rate and 5% with flat rate. Of the contracts written with variable interest rate, 33% were indexed to Euribor 12m, 38% to Euribor 6m, 26% to Euribor 3m and only 4% were indexed to other reference rates.
What is the typical/ average maturity for a mortgage in your country?	Mortgage loans granted in 2024 had an average maturity of 31.0 years (30.6 years in 2023). *Source: Banco de Portugal (Macroprudential measure within the legal framework of credit for consumers).*
What is/are the most common ways to fund mortgage lending in your country?	From the bank's perspective, retail and wholesale funding are the main sources of funding of the national banking system, with deposits becoming the main source (LTD ratio of 75% as of December 2024). From the point of view of customers, commercial banks are the most common providers of mortgage lending. *Source: Banco de Portugal, Portuguese Banking System: latest developments, 4th quarter 2024*
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	There are bureaucratic charges related with the necessary procedures (at the Land Registry, Municipality Council and Notarial Office), and specific taxes related with house transaction, as the municipal taxes on real estate (IMI) and on onerous transfer of property (IMT). In purchases through loans, banks usually charge commissions related to the credit process (study and opening), which often include asset-evaluation costs.
What is the level (if any) of government subsidies for house purchases in your country?	Since September 2012 it is not possible to take mortgages loans with a subsidised system scheme. Currently there are special conditions for disabled people with a disability grade greater than 60% and for family households in very difficult economic situation (Law 58/2012 of Nov/9). In order to support access to housing among younger generations, the Portuguese government has recently approved a set of new measures. As of 1 August 2024, young individuals up to 35 years old benefit from exemptions on the municipal tax on onerous property transfers (IMT) and stamp tax when purchasing their first permanent residence. Full exemption applies to properties with a value up to €316,772. For purchases between €316,772 and €633,453, the exemption applies only to the portion up to the €316,772 threshold, with the remainder taxed at the standard rate. To benefit from this measure, buyers must be 35 years old or younger, not be considered tax dependents in the year of acquisition, and the property must be intended for permanent residence. In addition, under Decree-Law No. 44/2024, a state-backed guarantee was introduced to support young people purchasing their first home. This measure allows the state to provide a personal guarantee of up to 15% of the purchase price, thereby facilitating access to loans covering up to 100% of the property value. Eligible individuals must be aged between 18 and 35, have their fiscal residence in Portugal, earn an annual taxable income not exceeding the 8th IRS bracket (i.e., up to €81,199), and not own residential property at the time of application. The property must be used as a permanent residence and its value must not exceed €450,000. The beneficiaries must also have no outstanding tax or social security obligations. The state guarantee is valid for a period of 10 years from the date of the mortgage agreement. These measures aim to reduce the financial burden for young adults entering the housing market and facilitate homeownership within this age group. In addition, until 31 December 2025, no partial or total prepayment commission is due on mortgage loans of permanent housing with a variable interest rate.

Romania

By Cristian Dragoş, Ştefan Dina (Romanian Association of Banks)

IN A NUTSHELL

- → Growth fell to 0.8%, inflation fell to 5.8% and unemployment to 5.4%.
- → The real estate market gained momentum: the number of sales and permits increased after a two-year slump.
- → The mortgage market grew as lending accelerated, supporting overall growth.

MACROECONOMIC OVERVIEW

Growth slowed significantly to 0.8% y-o-y, from 2.4% in 2023. This was slower than the EU average (1%), per capita in purchasing power standards it was 78.3% of the EU average, up from 77.8% in 2023. On the supply side, contractions in agriculture and construction were offset by modest growth in services and a substantial increase in net taxes. On the demand side, rising consumption and inventory accumulation more than compensated for the contractionary effects of declining investments and negative net exports.

The labour market eased slightly. Although the average unemployment rate declined to 5.4% (5.6% in 2023), the number of vacancies dropped more sharply – to 36,000 (40,000 in 2023) equivalent to 12 unemployed persons per vacancy, up from 11 in 2023.

Annual HICP inflation declined to 5.8% (from 9.7%), still more than twice the EU average of 2.6%. The reduction prompted the beginning monetary easing, the National Bank of Romania (NBR) reduced the policy rate to 6.5%, through two 0.25 percentage point cuts in July and August.

LOOKING AHEAD

The Romanian economy is projected to grow at a modest pace of around 1% in 2025, with a slight acceleration anticipated in 2026 (~1.9%). This subdued growth outlook reflects the impact of fiscal consolidation measures aimed at addressing the sizeable 9.4% government budget deficit registered in 2024. These corrective policies, expected to be implemented in 2025, will likely weigh on economic activity in the short term, as consumption and public spending are restrained. Inflation is also projected to be affected by these adjustments, particularly due to increased taxation, and is expected to end higher than in 2024.

The upward pressure on house prices is driven by decreased supply – residential construction works declined by 22.1% in 2024 – and a rise in construction costs, by approximately 10% y-o-y. This is expected to continue in the near term, as the labour shortage in the sector is likely to be exacerbated by the elimination of tax benefits for construction employees starting January 1, 2025. The supply of properties in the new housing segment available for sale is also expected to continue shrinking, as the number of building permits issued in 2023 and 2024 was 20% and 17% below the 2005–2024 annual average, respectively.

HOUSING MARKETS

Housing completions declined by 14.9%. Although the decline affected all eight regions, the rates varied: the largest decreases were in the South East (-22.2%) and Center (-20.8%), the smallest were in the West (-4.3%) and North West (-7.2%), (which had with the largest contractions the previous year). The number of permits issued for residential construction increased by 2.9% y-o-y, following two consecutive years of decline. All regions except the South West and Center issued more permit. The largest increase was in the West, up 11.9%.

Residential property prices increased by 5%, compared to 3.3% in 2023. Prices of existing dwellings increased by 3.4% (from 0.6%), while those of new dwellings slowed to 8.1% (from 8.7%). Prices rose across all categories, with house prices increasing most (4.9%, driven primarily by rural houses, which rose by 6.9%). Apartment prices increased by 3.1%, with the strongest growth recorded outside Bucharest (up 5.6%), while prices in Bucharest rose by 1.2%. The growing preference for larger dwellings outside cities may be influenced by the increased adoption of remote work.

The real estate market is recovering: the number of transactions (excluding agricultural land) increased by 3.6% after two consecutive years of decline. Demand was supported by economic growth and increasing wages, with average monthly net earnings up by 13.4%.

Disparities in house prices and affordability remain significant. According to the National Bank of Romania (NBR), nationally, the price-to-income[1] ratio was 8.8 years of average income per typical property (as of March 2024). Regionally, disparities are notable, ranging from 6.8 years in Bucharest – due to higher average salaries – to over 11 years in Cluj County, where lower incomes contrast with the highest house prices in the country.

MORTGAGE MARKETS

Outstanding housing loans were 6.3% of GDP, after an annual increase of 4.2% in 2024. Domestic currency-denominated loans increased by 7.9%, while those in foreign currency declined by -18.2%. Consequently, the share of outstanding loans in local currency rose to 89%, up from 86% in 2023 as foreign currency loans became more expensive and therefore less accessible.

The average interest rate on new local currency loans declined from 7% in December 2023 to 6.1% in December 2024, whereas that for new euro decreased from 7.8% to 7%. Use of foreign currency housing loans has been restricted since

[1] The price-to-income indicator highlights the number of years needed to purchase a two-room apartment with an area of 55 sq m. Income was adjusted by deducting subsistence expenses, estimated at 50 percent of the net minimum wage in the economy.

January 2019, when a regulatory provision set the maximum debt-to-income ratio at 20%, compared to 40% for domestic currency loans.

According to the Central Bank's Financial Stability Report of December 2024 (FSR, Dec 2024), the share of loans under the "First Home"/"New Home" programme continued to decline, to 25% of the total by September 2024, down from approximately 45% five years earlier (September 2019). The volume of loans granted through the government program decreased significantly, falling to RON 27.1 billion in September 2024 from a peak of RON 36.9 billion in August 2021.

The flow of new "First Home"/"New Home" loans also declined sharply, to RON 297.8 million between October 2023 and September 2024, compared to RON 3.2 billion between October 2018 and September 2019. The "First Home" program – most recently rebranded as "New Home" – is a Romanian government initiative aimed at helping first time homebuyers access affordable mortgages with low down payment and state backed guarantees. The decrease is expected to continue due to the reduction of the ceiling as well as the development, diversification, and personalization of banks' product offerings to better meet customer needs. Every year, the government is reducing the state-backed guarantees allocated to the program (this is what "reduction of the ceiling" means). In the meantime, other mortgage products are competing with the program.

Loans granted under the "First Home"/"New Home" programme have shown higher quality than standard loans, with a NPL ratio of 1.56% compared to 1.61% for standard mortgage loans as of September 2024.

Since April 1, 2022, a regulation has been in effect, reducing the loan-to-value (LTV) cap by 10 percentage points (i.e., a 10 pp increase in the required down payment) for non-primary residences. Despite this, the number of such buyers (on-primary residence buyers) has increased. In the first nine months of 2024, only 42% of new bank loans were granted to first-time buyers. The maximum LTV for primary residences is 85% for local currency loans and 75% for foreign currency loans. The maximum LTV for non-primary residences is 75% for local currency loans and 65% for foreign currency loans.

As a result, the share of new loans with an LTV below 85% rose to 70% in September 2024, up from 61% in September 2023. The median LTV for new loans (excluding "First Home"/"New Home" loans) was 73%, while the LTV ratio for the entire housing loan stock was 68% as of September 2024.

According to the Bank Lending Survey for Q4 2024, the average household indebtedness (measured as the debt service-to-income ratio) remained unchanged compared to a year earlier for both new loans (35%) and outstanding loans (41%).

MORTGAGE FUNDING

Deposits remain the primary funding source for mortgages. Deposits grew more rapidly than private sector lending, as it did in 2023. As a result, the loan-to-deposit ratio declined to 66.6% from 67.6% in 2023. The annual growth rate of residents' deposits (in RON equivalent) slowed to 10.5%, down from 11.6% in 2023, with deceleration in both household and corporate deposits, following a decline in deposit interest rates. Banks' external financing also contracted, with the share of foreign liabilities to total liabilities falling to 6.9% in December 2024 from 7.4% in December 2023.

GREEN FUNDING

Households have begun to show interest in green housing loans. According to the Financial Stability Report (FSR, Dec 2024), green loans were 20% of total new housing loans in the first nine months of 2024. However, their share in the total outstanding housing loan stock remained relatively low, at 9.2% in September 2024, up from 6.3% in September 2023 – indicating substantial growth potential. Green lending is an emerging sector, in which credit institutions in Romania are beginning to play a key role in raising public awareness about sustainability. They are doing so by offering banking products and services aligned with new environmental, social, and governance (ESG) policies. Notably, in February 2024, Romania issued sovereign green bonds for the first time, raising €2 billion.

	ROMANIA 2023	ROMANIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	2.4	0.8	1
Unemployment Rate (LSF), annual average (%) (1)	5.6	5.4	5.9
HICP inflation (%) (1)	9.7	5.8	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	95.6	94.3	68.4
Gross Fixed Investment in Housing (annual change) (1)	-6.7	-8.8	-4.2
Building Permits (2015=100) (2)	88.6	91.2	
House Price Index - country (2015=100) (2)	152.28	158.36	
House Price Index - capital (2015=100) (2)	137.12	143.59	
Nominal house price growth (%) (2)	3.3	5	
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	21262	22153	
Outstanding Residential Loans per capita over Total Population (EUR) (2)	1407	1462	
Outstanding Residential Loans to disposable income ratio (%) (2)			
Gross residential lending, annual growth (%) (2)	-0.9	4.2	
Typical mortgage rate, annual average (%) (2)	7.3	6.4	

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables

ROMANIA FACT TABLE

Which entities can issue mortgage loans in your country?	Generally credit institutions issue mortgage loans, with marginal input from non-bank financial institutions. Currently, there are 31 credit institutions. Additionally, 65 other non-bank financial institutions carry out multiple lending activities.
What is the market share of new mortgage issuances between these entities?	Banks are the main mortgage lenders, with marginal input from non-bank financial institutions.
Which entities hold what proportion of outstanding mortgage loans in your country?	Although official data is not available, the top 10 banks originate most mortgage loans.
What is the typical LTV ratio on residential mortgage loans in your country?	The average LTV ratio for new residential mortgage loans was 65% in 2024.
How is the distinction made between loans for residential and non-residential purposes in your country?	The mortgage market regards mainly the residential properties, financed with mortgage loans granted to private individuals, with longer amortization periods (+10 years). The maximum LTV allowed is 85% for local currency loans and 75% for foreign currency loans for all the clients who don't own a residential property at the credit request date, otherwise the maximum LTV limits decrease by 10 basis points, becoming maximum 75% for local currency loans and 65% for foreign currency loans. For financing non-residential properties, the commercial real estate loans for legal entities are used, with shorter terms, higher margins and more conservative LTV limits (often under ~60–70%).
What is/are the most common mortgage product(s) in your country?	Starting in 2009, loans granted under "First House" Programme have represented the main driver for mortgage lending in Romania. However, beginning with 2018, the penetration of "First House" loans in the new mortgage sales volumes dropped below 50%. In 2020, the "First House" Programme became the "New House" Programme.
What is the typical/ average maturity for a mortgage in your country?	The maximum lending period for loans granted under the "New House" Programme is 30 years. As for standard mortgage loans, other than the ones mentioned above, the maximum lending period is 35 years.
What is/are the most common ways to fund mortgage lending in your country?	The loan-to-deposit ratio stands at approximately 70% (69.4% as of June 2025, Source: NBR). Thus, credit institutions mainly use funds attracted from clients to grant loans. Credit institutions have gradually reduced their dependence on 'parent' banks by increasing customer deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	A series of costs are applicable to mortgage loans. The most important ones include: • analysis fee, • valuation fees of the property to be mortgaged, either by internal evaluators of credit institutions or external evaluators. The average cost range for evaluating a residential property is about EUR 80-150 plus VAT. • costs related to obtaining the land book extract necessary for signing the mortgage real estate: RON 40 (approximately EUR 9). • notary/legal costs related to signing the mortgage contract, varying based on several factors: transaction value, property age, etc. e.g: The land book registration fee amounts to 0.15% of the sale price, the state tax owed by the seller amounts to 2% if the property is owned for less than 3 years and the value exceeds RON 200,000, etc. • also, for secured mortgage loans, credit institutions require home insurance, which depends on the value of the home, the maturity, the types of insured risks, etc.
What is the level (if any) of government subsidies for house purchases in your country?	There are no government subsidies for house purchasing, but there are specific programmes designed to assist customers who wish either to purchase a house or to build one. The "New House" Programme supports young people who want to purchase their first home via Government guarantees, the main benefits for the clients being a lower interest rate and down payment. Also, certain credit institutions have concluded agreements with the National Housing Agency to offer loans for the acquisition or construction of homes. The rental housing units for young people may be bought by the leaseholders (tenants) at the end of at least one-year continuous lease.

Slovakia

By Erik Hoščuk, Slovenská sporiteľňa

IN A NUTSHELL

- → GDP grew by a solid 2.1% in 2024, driven by household consumption and inventory buildup, while foreign demand had a negative impact on overall activity.
- → Real estate prices increased by less than 1%Interest rates on new housing loans peaked in H1, demand for new loans recovered as rates declined in H2.
- → The loan-to-deposit ratio declined due to weak lending growth and deposit inflows.

MACROECONOMIC OVERVIEW

In 2024, the Slovak economy grew by 2.1% y-o-y, supported mainly by the strong performance at the beginning of the year, when annual growth climbed above 3%. However, economic performance slowed throughout the year, reaching around 1% in the third quarter, with a slight acceleration towards the end of the year, approaching 2% y/y. The economy was supported by household consumption and inventory buildup. However, imports grew faster than exports creating a significantly negative contribution to GDP.

The labor market remained stronger, with average unemployment falling to 5.3% (from 5.8%), the lowest in Slovakia's history. Nominal wage growth decelerated to 6.6%.

The average inflation rate landed at 2.8% in 2024, significantly lower than the double-digit level recorded in 2023 (10.5%). One of the key factors behind the decline was a cap on household energy prices, which kept inflation subdued throughout the year. On a year-on-year basis, food prices were the most prominent contributor to price growth, along with recreational services. Core inflation stood at 2.6%, down from 11.5% in 2023.

Public deficit remained elevated at 5.3% in 2024, comparable to the previous year (5.2%). The debt-to-GDP ratio rose significantly, ending slightly above 59%. Despite fiscal consolidation, elevated deficits and a mild increase in the debt-to-GDP ratio are forecasted. In recent years, the indebtedness of Slovak households has grown the most in the Eurozone, however, in 2024, it declined due to strong nominal GDP growth and a decrease in the growth of retail lending. Stabilization in the range of 40-45% is expected in coming years.

HOUSING MARKET

Slovakia has the second highest homeownership rate in Europe (behind Romania) at 93.1% (the EU average is 68.4%), due to a long period of relatively low interest rates, an underdeveloped rental market, historical and cultural factors.

Prices grew strongly in recent years in Slovakia, largely due to low interest rates. The compound annual growth rate (CAGR) reached almost 10% over the last 5 years peaking between 2021 and 2022, when average prices rose by more than 20%. After that, property prices declined by 6% in 2023, (the first decline since 2014). In 2024, prices s increased just marginally by 1% y-o-y. Since the beginning of 2025, demand has increased, in Q1 2025, average prices increased by 4%. The highest property prices are in Bratislava region (3,190 EUR per sqm) and the lowest in Nitra region (1,389 EUR per sqm). In terms of property types, the average price of flats increased by more than 2% y-o-y while the price of houses remained unchanged year-on-year in 2024.

Real estate activity slowed visibly in 2024, the number of building permits issued declined roughly by 25% as developers were more cautious especially due to elevating interest rates. Similarly, the number of dwellings started declined by more than 20% y-o-y in 2024. Both of these declined for the third consecutive year, which could create upward pressure on property prices in the coming years.

Real estate activity is also influenced by challenging bureaucratic processes for developers, with slow and fragmented processes despite some digital and legislative progress. After COVID-19, the demand for office and administrative building has lessened, while demand for residential units increased. As a result, some developers have revised their plans and converting originally office-based projects into residential developments.

Overall, the housing market in 2024 was shaped more by interest rates and expectations around property prices than by the current financial capacity of households to afford housing.

MORTGAGE MARKET

Mortgage loan growth slowed sharply—from double-digit rates to below 3% in 2024—mainly due to rising interest rates. Naturally, the peak in interest rates reduced new lending. in Q1 2024, the volume of new housing loans was nearly 20% lower than in the same period a year earlier. However, as interest rates began to decline, new loan volumes started to recover. For the full year, the total volume of new housing loans was approximately 13% lower than in the previous year.

The Slovak banking market was known for the popularity of both internal refinancing (renegotiation with the same bank) and external refinancing (switching between banks). However, higher interest rates also caused refinancing activity to nearly come to a halt, as well as significantly reducing the number of purchases for investment purposes. Most households chose to keep their existing interest rates and fixated rate periods unchanged, as adjusting them would not have been economically beneficial. Those who intended to change their rates or fixed periods had generally already done so earlier.

The share of externally secured intermediate loans declined slightly by 3 percentage points y-o-y close to 60% in 2024. Third-party (Externally secured) intermediated loans are loans provided by the bank through external intermediaries or partners, such as financial advisors or brokers.

After years of gradual declines, the average interest rate on new housing loans rose sharply—from just below 1% in December 2021 to 4.5% in March 2024. The market has long been dominated by relatively short fixed rates (3 to 5 years), typically around 90% of new production. However, due to anticipated rate hikes, the share of longer fixation periods (over 5 years) increased to nearly one-fifth of new production in 2021 and rose further to 40% in early 2022. In 2023, as interest rates continued to rise, the 3 to 5-year fixated period remained dominant. This trend changed in 2024, when interest rates peaked and started to decline, households' preferences changed and shifted to shorter fixed periods of 1 to 3 years, reflecting expectations of further rate reductions in the near future.

The average maturity of new contracts increased marginally and remained below 27 years. This trend of long maturities has been present in the market for several years. Naturally, with higher interest rates and relative economic uncertainty, households have sought lower monthly installment payments by opting for longer loan terms. The average LTV ratio on new loans increased marginally (+15 bps y-o-y), close to 70%. The share of new loans with an LTV ratio between 80% and 90% accounts for 12% of new production, while new loans with an LTV greater than 90% are not permitted.

Other measures to combat rising indebtedness include debt-to-income (DTI) ratio limits, set at 8 times income since mid-2018, and the debt service-to-income (DSTI) ratio, which requires a minimum reserve to be set aside from monthly net income after deducting debt repayments and minimum living costs. This reserve has been set at a minimum of 40% since mid-2020. These limits were not changed during the pandemic or amid rising interest rates. Additionally, there are also limits for the loan maturity for mortgages.

Borrowers were able to manage the period of higher interest rates without a significant increase in non-performing loans. Although the volume of non-performing housing loans increased slightly throughout 2024, it remained relatively stable and close to its historical low of 1.1%. It is also important to note that the government introduced a subsidy program to help borrowers cope with higher mortgage payments due to rising interest rates.

LOOKING AHEAD

The growth of the housing loan market accelerated in H2, with data from Q1 2025 confirming a continuation of this. As interest rates gradually decline, demand is expected to grow but a return to double-digit growth rates appear unlikely. It is more probable that the growth rate will align with Slovakia's nominal GDP growth, settling around 4–5% annually. While there is still room for banks to further reduce interest rates, a return to the historically low levels of previous cycles remains improbable. Additionally, following the period of elevated interest rates in recent quarters, a large number of housing loans are expected to reach the end of their fixed-rate periods in the coming quarters and years. To gain market share, banks may adopt more aggressive pricing strategies, which could put pressure on their profit margins.

MORTGAGE FUNDING

Deposits are, for banks, one main source and for the building societies, the only source of funding for mortgages. Short-term deposits and current accounts have offered stable, low-cost funding for banks and building societies for a long time. Retail deposits grew by 7% in 2024, driven largely by the better financial situation of households. Interest rates on retail deposits remained low at virtually 0%, but banks have started to provide attractive interest rates on term deposits, the average interest rate was around 2.8% at year end. Naturally, with declining interest rates in Q1 2025, the banks also decreased interest rates on new term deposits. On the other hand, the growth of more volatile and price sensitive corporate deposits decelerated from double digit numbers to below 5%. Interest rates for corporate term deposits were around 2.9% at year end.

Overall Loan-to-deposit ratios declined from 107% to 103% in 2024, this is seen as acceptable as banks can also issue covered bonds. Covered bonds are an attractive funding tool for Slovak banks as they are typically cheaper than senior unsecured bonds, as they are asset-backed, highly rated (triple A or slightly lower), therefore are perceived as lower risk by investors. TLTRO funding was successfully used by the largest banks, mostly due to its positive effect on profitability rather than as a necessary source of funding, although this has been repaid.

	SLOVAKIA 2023	SLOVAKIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.2	2.1	1.0
Unemployment Rate (LSF), annual average (%) (1)	5.8	5.3	5.9
HICP inflation (%) (1)	11.0	3.2	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	93.6	93.1	68.4
Gross Fixed Investment in Housing (annual change) (1)	-14.5	-13.4	-4.3
Building Permits (2015=100) (2)	95.9	78.9	136.9
House Price Index - country (2015=100) (2)	200.1	201.7	179.8
House Price Index - capital (2015=100) (2)	184.9	188.4	171.5
Nominal house price growth (%) (2)	-6.0	0.8	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	39,035	40,749	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	7,190	7,512	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	51.4	50.9	71.3
Gross residential lending, annual growth (%) (2)	-59.7	16.6	3.9
Typical mortgage rate, annual average (%) (2)	4.3	4.4	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

SLOVAKIA FACT TABLE

Which entities can issue mortgage loans in your country?	Housing finance is raised from banks, building societies and state funds (which only provide minimum funding).
What is the market share of new mortgage issuances between these entities?	The majority of new mortgages are issued by commercial banks (over 95%), followed by building societies (~3-4%) and state funds contributed with just marginal volumes.
Which entities hold what proportion of outstanding mortgage loans in your country?	Banks had a market share of 95%, building societies of 5% and the state funds just 0.1%.
What is the typical LTV ratio on residential mortgage loans in your country?	In 2024, the average LTV for newly provided mortgages was about 70%. Maximum LTV ratio of 90% is possible although only up to 20% of all newly provided mortgage can have an LTV between 80% and 90%. However, the share of mortgages with LTV between 80% and 90% was slightly below 12% of the total new production in 2024.
How is the distinction made between loans for residential and non-residential purposes in your country?	NBS regulations define the purpose and eligible cover (i.e. residential property – flat, house, apartment house or land designed for housing construction) for residential loans. Non-residential loans cannot be included in the cover pools of the covered bonds.
What is/are the most common mortgage product(s) in your country?	In 2024, the most common mortgage product in Slovakia is mortgage loans for purchase of properties intended for residential use, with fixed rates for period of 1 to 3 years. Previously, when interest rates were lower, households tended to have longer fixed periods.
What is the typical/ average maturity for a mortgage in your country?	The average maturity of a new mortgage loan was about 26 years in 2024. Mortgage loans can have a maturity of at least 4 years and a maximum of 30 years. There are certain exceptions (e.g. for some Building Societies' products the maximum maturity can be extended to 40 years) to these rules, but these are applied only to a fraction of volumes provided.
What is/are the most common ways to fund mortgage lending in your country?	For banks, deposits are one main source and for the building societies the only source of funding for their mortgage market activities. Banks also fund their lending activities through issuance of covered bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	The costs associated with purchasing a property in Slovakia are relatively low. Legal, notarial, and registration fees typically range from hundreds to thousands of euros, depending on the property value and transaction specifics, with real estate agent fees typically ranging from 3% to 6%.
What is the level (if any) of government subsidies for house purchases in your country?	Subsidies are provided in two main forms: • **Mortgage loan for young** – tax bonus of interest costs, up to EUR 400 per annum, eligibility limited by income and age of debtor. • **State Housing Development Fund** – providing loans with lower interest rates. But the volume of state loans is low, and conditions apply. New measures by the government were introduced for 2024 as a compensation for increased debt service due to higher interest ratess: • Tax return for 2023: tax bonus of 75% of an instalment increase due to higher interest rate, up to EUR 150 per month (EUR 1,800 per annum) • For 2024: - Direct payment of 75% of an instalment increase, up to EUR 150 per month (EUR 1,800 per annum) - Mortgage loan for young – maximum tax bonus increased to EUR 1,200 per annum; debtor's income limit was increased; maximum loan volume was abandoned.

Slovenia

By Jelena Ćirjaković, Banka Slovenije

IN A NUTSHELL

- → GDP growth slowed to 1.6%, while inflation decreased to 2.0%.
- → Outstanding residential loans grew 3.9% y-o-y as interest rates decreased.
- → House prices grew 7.4% y-o-y, while sales fell further by 21.1%.
- → The government aims at building new rental flats and curbing short-term residential rentals.

MACROECONOMIC OVERVIEW

GDP growth slowed down by 0.5 pps to 1.6%. With inflation easing, real wages grew, which increased the growth in private consumption to 1.6%. The growth in government consumption was even higher, 8.5%, mostly due to the shift from the voluntary complementary health insurance into a compulsory health contribution, but also due to higher employment in the state sector and higher funds for post-flood reconstruction. Gross fixed capital formation declined by 3.7% mostly due to high uncertainty, high energy prices and a smaller contribution of the government as the last European financial support ended. Imports increased by 3.9% and exports by 3.2%. At year end, both the sentiment and the consumer confidence indicators improved over a year earlier, however remained lower than their long-term average.

The labour market remained tight with rising employment and a fall in unemployment. The growth in employment was easing through the year, while unemployment fell to 3.7%, a historic low. Employment of foreign workers has again increased, their share of all employment was 15.7%. Due to high inflation in recent years and a tight labour market, average wage growth remained high. Nominal wage growth was 6.2%, 3.3 pps lower than a year earlier. With inflation easing, real wage growth was 4.2% at year-end (4.7% a year earlier).

Consumer price inflation (HICP) averaged 2.0% over the year, 5.2 pps lower than a year earlier. As the pressures on commodity and energy markets eased, the slowdown in inflation in the first half of the year was mostly due to slower growth in food prices, which averaged at 1.9% (11.8% a year earlier). Energy inflation decreased by 2.3% in average over the year.

With nominal economic growth, the general government debt decreased further, from 69.2% in 2023 to 67.0% of GDP. The deficit decreased by 1.7 pps to 0.9% of GDP, as support measures to mitigate high energy costs decreased.

LOOKING AHEAD

Economic growth is expected to strengthen to 2.1% in 2025 according to IMAD[1]. Domestic consumption is expected to be a key driver of higher GDP growth, in particular private consumption, supported by rising wages and social transfers, as well as a recovery in investment. The investment activity of the government sector is expected to strengthen, supported by funds from the Recovery and Resilience Plan and the Fund for the Reconstruction of Slovenia, established in response to the 2023 floods. Lower interest rates may have a particular impact on housing investment in the medium term. There are however significant downside risks to the forecast, especially due to the heightened uncertainty in the international environment, arising from trade policies.

The government has proposed legislation to build 20,000 public rental flats over ten years, supported by EUR 100 million annually. The government is preparing a new Hospitality Act that will limit short-term rental of residential real estate to up to 60 days per year in multi-apartment buildings and up to 150 days in single- and two-family houses (with the option for municipalities to adjust this timeframe).

According to Banka Slovenije, from January 1, 2025, banks must comply with the countercyclical capital buffer (CCyB) rate of 1% of the total risk exposure amount. This is considered a positive neutral[2] CCyB rate. Furthermore, banks must comply with the systemic risk buffer (SRB) for all retail exposures to natural persons secured by residential real estate of 0.5%.

HOUSING MARKETS

Along with shortages in supply of housing, house prices continued to grow. They increased most in the less urbanized areas of the country. The SORS[3] data shows, house prices rose for 10 successive years, rising by 7.4% y-o-y in 2024. In Ljubljana the growth in prices of existing flats increased, to 7.3%, while prices in Maribor rose by 6.1% and in the rest of Slovenia by 7.0% y-o-y. Prices of newly-built flats increased by 11.6%, while prices of existing family houses rose by 6.2% y-o-y. Nominal house prices were higher by more than 50% since 2008, while real house prices increased by 13.7%. House price growth in Slovenia exceeded price increase in the EU as a whole, which average 3.3%.

The number of new building permits for residential buildings and flats decreased by 10.3% to 2,511 and by 14.1% to 4,339, respectively. Osrednjeslovenska region (including Ljubljana) accounted for about 21.8% of new building permits for residential buildings and 28.6% for flats. In 2023, construction starts were made on 5,197 new flats, down 3.9% on the previous year, when construction starts were highest in over a decade. Furthermore, new flats that were completed rose by 14.8% to 4.919 on the previous year.

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1 The Institute of Macroeconomic Analysis and Development of the Republic of Slovenia (IMAD). Source: Spring Forecast of Economic Trends 2025 - Institute of Macroeconomic Analysis and Development of the Republic of Slovenia.

2 The calibration of the level of the positive neutral rate is based on the historical average of the signalled value of the CCyB, based on the results of stress tests and expert judgment. The decision on the level of the positive neutral rate also took account of the effectiveness of the potential release of CCyB. The buffer rate must be sufficiently high to also allow for an effective partial release.

3 Statistical Office of the Republic of Slovenia.

New investment in housing fell to 2.6% of GDP in Q4 and remained significantly lower than the euro area average (5.6%). Construction activity continued to be faced with labour shortages and sharply increasing construction costs. In Q4, construction costs for newly-built flats were higher by 31.3% than in 2021. The value of construction of buildings put in place decreased by 12.3% over the previous year. Confidence in construction continued to decrease but remained positive. The European financial support[4] ended, which weakened government investment, with the largest impact on construction activity, as added value decreased by 1.4%. Sales of land for construction of buildings declined by around 20% on the previous year and by 45% compared to the peak in 2021.

House sales fell by 21.1% y-o-y to 8,124 units, the lowest level since 2011. In Ljubljana sales of existing flats fell by 11.7%, in Maribor by 13.1% and in the rest of Slovenia by 22.5%. Ljubljana had the largest share of the national market, with 28.1%, followed by Maribor with 13.0%. Sales of newly built dwellings fell the most, by 50.8%. The value of house sales fell by 14.7% to EUR 1,341 bn. Demand for housing is supported by decreasing interest rates, low unemployment and low household indebtedness.

Homeownership was 74.8%, down by 0.4 pps from 2023, while 16.3% of homeowners had a mortgage or a loan. Rents, measured as a part of HICP, increased by 6.4%, slowing down from 12.4% in 2023 and 18.9% in 2022.

MORTGAGE MARKETS

Demand for housing loans increased, as with declining interest rates, the cost of financing decreased. New residential loans increased by 20% to EUR 1.4 bn after falling by a half a year earlier. At year end, the average maturity of new residential loans increased from 17.9 a year earlier to 19.0 years, while 47% of residential loans had an average maturity from 15 to 20 years and almost a third equal or below 15 years.

In 2024, 16.3% of owners of residential real estate had a mortgage or a loan. Outstanding residential loans grew by 3.9% y-o-y by year end (from 0.7% in 2023), above the euro area average of 0.6%. By year end, the stock of outstanding residential increased from EUR 8.2 bn to EUR 8.6 bn, equivalent to 13% of GDP, much lower than the Euro area average (35%). The share of fixed rate residential loans outstanding increased further to 76% by year end. The NPL ratio for residential loans has continued to decline to 1.0% (1.1% at the end of 2023), the lowest in over a decade.

In new residential loans, 97.6% were on fixed rates at year end. The average interest rate on new residential loans was 3.18% at year end, (3.96% at the end of 2023). The average LTV for new residential loans increased to 65.0% (59.2% at the end of 2023), the average DSTI was 34.3% by year end (34.2% at the end of 2023). The share of new residential loans above the recommended LTV value (80% or 70%, see below) increased from 11.5% in Q4 2023 to 17.3% in Q4 2024 and the share of loans with a non-compliant cap on DSTI (50%) decreased from 2.5% to 1.5% over the same period.

The BLS (Bank Lending Survey) shows demand for housing loans slightly increased in the first half of 2024, mostly due to the impact of decreasing interest rates. The credit standards for new residential lending eased slightly in the first half of the year, while slightly tightening in Q4.

Banka Slovenije maintained its macroprudential restrictions on household lending at the same level as a year earlier. The recommended LTV for residential property was of up to 80% for primary property and of up to 70% for other loans secured by residential real estate. The debt servicing-to-income ratio (DSTI) was not to exceed 50% and allowable deviations were 3%. Irrespective of their level of income, the consumer must be left with the minimum creditworthiness[5] amount each month after paying all instalments under credit agreements.

MORTGAGE FUNDING

The main source of bank funding were the non-banking sector deposits (mostly household and corporate deposits). In 2024, they increased by 1.4% to EUR 41.6 bn, the least in the last six years. Household deposits increased by 3.0% to EUR 27.3 bn, while corporate deposits decreased by 0.3% to EUR 10.9 bn, the first decline since 2019.

The loan-to-deposit ratio (LTD) increased slightly to 68.2%. Wholesale funding has increased by EUR 206.6 mn to 8.7% of banks' balance sheet, as some banks' issued debt securities to meet minimum capital requirements and qualified obligations (MREL). Debt securities issued increased by EUR 0.3 bn to EUR 3.5 bn. Some banks decreased their liabilities to foreign banks, which stood at 2.2% of banks' balance sheet. Banks had no debt to the ECB. With large amount of non-banking sector deposits and liquid assets, banks had less need for other sources of financing.

The average liquidity coverage ratio (LCR) decreased by 19 pps to 316% by year-end. The liquidity surplus above minimum regulatory requirement decreased by 8.6% to EUR 11.7 bn. The average net stable funding ratio (NSFR) fell by 7 pps to 167%. Slovenia continues to be ranked among the top in the Euro area in terms of these two indicators. The Slovene banking sector remained well capitalized.

GREEN FUNDING

Slovenia is supporting the green transition with reforms and investments towards a greener economy. The Recovery and Resilience Plan aims to promote renovation of buildings, with a focus on the national building stock. In 2024, the Government has adopted the updated Integrated National Energy and Climate Plan (NECP 2024), which sets targets by 2030 to reduce greenhouse gas (GHG) emissions, increase energy independence and accelerate the transition to clean energy sources.

Several banks provide green housing loans with favourable conditions, such as discounted interest rates, for the purchase of a flat or a house with an appropriate energy certificate, for the construction of a passive or low-energy house and for the energy renovation of the property. Banks also offer companies a variety of options for financing the green transition. In March, 2025, the government adopted a framework for the issuance of bonds of the Republic of Slovenia, linked to the fulfilment of the sustainable goals, Sustainability-linked bond (SLB).

[4] The Multiannual Financial Framework (MFF) of the EU (the financial perspective).

[5] In determining the minimum creditworthiness amount banka Slovenije took account of the minimum cost of living by the Institute for Economic Research. The minimum creditworthiness amount stood at EUR 745 in 2024.

	SLOVENIA 2023	SLOVENIA 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.1	1.6	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.7	3.7	5.9
HICP inflation (%) (1)	7.2	2.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	75.2	74.8	68.4
Gross Fixed Investment in Housing (annual change) (1)	18.1	-2.9	-4.3
Building Permits (2015=100) (2)	114.6	102.9	136.9
House Price Index - country (2015=100) (2)	186.1	199.9	179.8
House Price Index - capital (2015=100) (2)	187.8	201.5	171.5
Nominal house price growth (%) (2)	7.2	7.4	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	8,272	8,598	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	3,908	4,048	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	21.7	21.8	71.3
Gross residential lending, annual growth (%) (2)	-48.0	20.3	3.9
Typical mortgage rate, annual average (%) (2)	4.0	3.2	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

SLOVENIA FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions, which includes banks, savings banks and branches of foreign banks as well as the National Housing Fund (NHF).
What is the market share of new mortgage issuances between these entities?	Commercial banks dominate the market. Banks held a market share in the balance sheet total of 91.6%, while savings banks held a share of 5.5% and branches of foreign banks a share of 2.9%. At year end there were 9 banks, 3 savings banks and 2 banks' branches.
Which entities hold what proportion of outstanding mortgage loans in your country?	The outstanding amount hold by commercial banks, savings banks and banks' braches is close to 100%, since share of the NHF is negligible.
What is the typical LTV ratio on residential mortgage loans in your country?	The average LTV ratio on new residential mortgages at origination was of 65.0%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential loans are loans, granted to households for the purchase or renovation of housing, while commercial loans are loans, granted for the purchase or renovation of commercial real estate.
What is/are the most common mortgage product(s) in your country?	Around 98% of the value of new residential loans were on fixed rates.
What is the typical/ average maturity for a mortgage in your country?	Average maturity of new residential loans was 19.0 years.
What is/are the most common ways to fund mortgage lending in your country?	Banks fund their mortgage lending mainly through domestic deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Real estate transfer tax of 2% of the purchase price (except if subject to VAT, then 22% or 9.5%), capital gains tax (from 0% to 25%, depending on the holding period), real estate agency's fee of up to 4% of the purchase price, notary and court fees.
What is the level (if any) of government subsidies for house purchases in your country?	There are no government subsidies for house purchase.

Spain

By Leyre López, Spanish Mortgage Association

IN A NUTSHELL

→ Mortgage activity rebounded sharply with lower interest rates and expectations of rising

→ Strong demand and insufficient supply adds pressure on prices, especially in major cities and coastal regions

→ The Government introduced guarantees for first time buyers and developers to improve housing affordability

MACROECONOMIC OVERVIEW

The economy grew by 3.2% (2.7% in 2023). Household consumption and investment were key drivers, while net exports contributed to a lesser extent. The service sector continued to play an important role with tourism showing particularly strong results following a record-breaking 94 million tourist arrivals.

Job creation remained robust. The number of employed rose by 500,000, of which 200,000 were immigrants. The unemployment rate fell by 1 percentage point to 11.3%, though it continues to be the highest among euro area member states. The strong labour market performance boosted household income by around 9%.

Core Inflation fell to 2.9% (3.4% in 2023) and underlying inflation dropped sharply from 5.9% to 3.0%although energy costs increased towards year end.

Public debt increased in nominal terms but fell as a share of GPD. Reaching 101.8% it fell by 3.3 percentage points.

LOOKING AHEAD

In 2025, the economy is expected to continue outperforming other European economies driven by strong domestic demand.

The real estate market will continue to face the demographic challenges with net household creation estimated at about 250,000 units per year over the next 15 years. To meet sustainability and housing affordability goals, it will be necessary to adapt urban land planning to housing needs and promoting residential development through public-private collaboration.

HOUSING MARKETS

After the contraction in 2023, real estate activity increased to 715,000 units, 12% more than the previous year and equal to 2022 levels, partly due to the ongoing decline in interest rates and the growing household creation driven by net immigration. Foreign buyers remained robust accounting for 18% of all transactions.

Existing properties were 90% of all sales, despite the 9% growth in new property sales, which is expected to continue as housing approvals increased by 17% to28,000 units.

Despite increased supply it remains insufficient to address the affordability problems. based on household net creation estimates the market will need approximately twice as many homes as are currently under construction, and to change housing types to better align with future buyer profiles. The greatest needs are in areas with structurally high demographic pressure, such as Madrid, Barcelona and certain coastal regions affected by tourism, including Malaga, Alicante and the Balearic and Canary Islands where prices have increased more rapidly. Nationally, housing prices rose by 6% in nominal terms, but in these regions, the average increase was around 8%. Since 2025, prices across Spain have risen by 30% in nominal terms and by 5% in real terms, with some provinces with more international buyers – such as the Balearic Islands, Malaga or Madrid – growing around 30% in real terms.

MORTGAGE MARKETS

Mortgage origination increased to €68 billion, 20% more than in 2023 and the highest level since 2010 largely due to the fall in borrowing costs and the strength of the labour market.

Repayments were also lower resulting in total outstanding mortgages growing for the first time since 2010, albeit at only 0.5% (-3% in 2023). Even so, the deleveraging process that began after the financial crisis is still ongoing, with residential mortgage credit currently equivalent to just 30% of GDP compared to 60% in 2010.

Due to competition between banks and the interest rate outlook there was a 40 bp fall in average interest rates to 3.3%. Fixed-rate loans were 90% of the market, within this loans with an initial fixed term over 10 years were 60% of the total. Although variable rate loans have been decreasing since 2015, they still represent half of the outstanding mortgage portfolio.

Credit standards have remained stable and prudent according to the Bank of Spain. The loan service-to-income ratio (LSTI) for new loans slightly decreased to 35%, and although the proportion of loans with a loan-to-value (LTV) rate above 80% saw a small annual increase from 6.5% to 7.7%. This does not appear concerning; among other reasons, because it is likely that most of these loans are backed by additional collateral, such as public guarantees.

Overall, delinquency remains at historically low levels, with the residential and the real estate segments performing particularly well, both recording non-performing loan ratios at 2.4%.

NON-MARKET LED INITIATIVES

In response to the challenges certain groups face in accessing credit – particularly young people and families with dependent children – the government established a credit guarantee scheme in 2023 for first time buyers. This partially secures bank financing with an initial endowed of €2.5 billion. However, by April 2025, only 18% of the allocated funds had been disbursed. This measure complements similar regional initiatives; for example, Madrid and Andalusia have launched their own guarantee programs, some of which have recently been revised to ease access.

In parallel, the government has approved a separate line of loans and guarantees for both public and private developers to support the development of social rental housing. The loan facility is expected to mobilize €4 billion – split equally between state funds and contributions from financial institutions. An additional €2 billion has been allocated to the guaranteed scheme associated with the initiative.

MORTGAGE FUNDING

Bank deposits from the private sector increased by 5% in 2024, coinciding with a rise in interest rates. There was a continued shift from demand deposits toward longer-term deposits, which typically offer higher returns. The loan-to-deposit ratio declined to historically low levels, falling below 80%, indicative of financial stability.

Outstanding covered bonds (cédulas hipotecarias) declined moderately by 0.7%, bringing the total balance to under €189 billion. Of this amount, approximately 40% is pledged in monetary policy operations. The decline was more pronounced in the case of mortgage-backed securitizations, which fell by 12% to a total outstanding volume of around €74 billion. Overall, lower funding needs driven by high-liquidity and a shift to bonds that meet regulatory requirements, have reduced the appeal of these financing instruments.

GREEN FUNDING

Approximately 80% of buildings and residential properties have a low energy efficiency rating, according to the Institute for Energy Diversification and Saving (Instituto para la Diversificación y Ahorro de la Energía, IDAE). This presents a significant challenge in light of the decarbonization targets established by the Energy Performance of Buildings Directive (EPBD), which mandates that the entire building stock must achieve zero emissions by 2050.

To meet these targets, the government has launched the National Building Renovation Plan (Plan Nacional de Rehabilitación de Edificios, PNRE 2026) which defines policies and measures to decarbonize the sector. It focuses on promoting innovation and large-scale building retrofitting through public-private collaboration, while identifying viable business models and financing mechanisms. A first draft of the plan is expected to be submitted to the European Commission by the end of 2025.

In parallel, and also within the sustainability agenda, the national government has recently approved a Strategic Project for Economic Recovery and Transformation (Proyecto Estratégico para la Recuperación y Transformación Económica, PERTE) aimed at promoting the industrialization of housing construction, based on standards of affordability and environmental sustainability. This initiative, intended to streamline construction timelines, is backed by €1.3 billion in funding from the Next Generation EU (NGEU) program. The sector calls for simplification and harmonisation of building regulation to streamline processes and enhance efficiency.

	SPAIN 2023	SPAIN 2023	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.7	3.2	1.0
Unemployment Rate (LSF), annual average (%) (1)	12.2	11.4	5.9
HICP inflation (%) (1)	3.4	2.9	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	75.3	73.7	68.4
Gross Fixed Investment in Housing (annual change) (1)	0.6	1.7	-4.3
Building Permits (2015=100) (2)	217.2	257.0	136.9
House Price Index - country (2015=100) (2)	122.6	129.7	179.8
House Price Index - capital (2015=100) (2)	145.1	156.1	171.5
Nominal house price growth (%) (2)*	3.9	5.8	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	471,915	474,501	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	9,814.1	9,759.4	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	51.1	49.0	71.3
Gross residential lending, annual growth (%) (2)	-13.8	20.8	3.9
Typical mortgage rate, annual average (%) (2)	3.75	3.35	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables

SPAIN FACT TABLE

Which entities can issue mortgage loans in your country?	Mortgage lending is always provided by financial institutions. Banks, savings banks, credit cooperatives, and financial credit establishments are the institutions allowed by law to grant mortgage loans and issue securities. It is worth mentioning that saving banks were especially affected by the financial crisis due to the high exposure to the real estate sector. Several saving banks disappeared through liquidation or acquisition, and most of the remaining were transformed into banks after Law 26/2013 of 27 December was passed. Since then, only small and regional saving banks operate in the market.
What is the market share of new mortgage issuances between these entities?	More than 85% of the total volume of new mortgage loans was granted by banks. Other financial institutions, like credit cooperatives and financial credit establishments, represent the remaining 15%.
Which entities hold what proportion of outstanding mortgage loans in your country?	Banks and former saving banks stand for a major part of the market, representing around 90% of total outstanding mortgage lending. The remaining 10% is covered by credit cooperatives and financial credit establishments.
What is the typical LTV ratio on residential mortgage loans in your country?	On average, in 2024, the LTV ratio on new residential mortgage loans was 63% (according to Bank of Spain statistics). However, the most common LTV for FTB is 80%, while for second houses the maximum level is normally 70%.
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential loans include loans granted to households for housing purchase.
What is/are the most common mortgage product(s) in your country?	The most common mortgage loan product historically was the variable rate mortgage loan reviewable every 6 or 12 months with a French amortisation system. In variable-rate mortgage loans, the interest rate is linked to an official reference index (the most common is Euribor 12m). Since 2015, initial-fixed interest rate mortgage loans have gained momentum, representing more than 90% of gross residential lending in 2024.
What is the typical/average maturity for a mortgage in your country?	According to Bank of Spain statistics, the average maturity for new mortgage loans was around 24.5 years, with the most typical term for FTB being 30 years. As usual, the real amortisation period is usually lower, around 15 years on average.
What is/are the most common ways to fund mortgage lending in your country?	Covered bonds, RMBS/CMBS, and deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	The main transactions cost associated with house purchase are VAT for new housing, which represents 10% of the value of the house, and the Tax on property transfer for second-hand dwellings (with a rate normally between 6-10%, depending on the geographical area). As of 2019, after the *Law 5/2019 regulating Real Estate Credit Contracts* was passed, all costs linked with the constitution of the mortgage must be covered by the bank (Mortgage Stamp Duty – "AJD" Tax; notary, registry, and agency fees), except the cost of the valuation of the property and the notarial copies requested by the client, which are the responsibility of the borrower. Another cost that is compulsory for the borrower when taking out a mortgage is the cost of fire insurance.
What is the level (if any) of government subsidies for house purchases in your country?	In 2013, the tax deduction that had been in force for years aimed at aiding homebuyers came to an end, remaining exclusively for those homebuyers who had purchased a property before that date. In 2018, a new State Housing Plan for the 2018-2021 period (recently extended until 2025) came into force, which seeks to facilitate access to housing property for vulnerable young people under 35 years old, whilst trying at the same time to boost the regeneration of urban and rural areas affected by depopulation. Eligible beneficiaries must buy a home in a municipality with less than 10,000 inhabitants and the amount granted under this scheme shall not exceed EUR 10,800 per dwelling, limited to 20% of the purchase price. In 2023, a public line of guarantees was approved through Royal Decree-Law 5/2023 to partially cover the loan for the acquisition of a primary residence for young people or families with dependent children. The guarantee has a duration of 10 years and covers up to 20% of the principal, although it can be extended to 25% if the property has a minimum energy rating of D.

Sweden

By Christian Nilsson, Swedish Bankers' Association

IN A NUTSHELL

- → The economy grew by 1% and CPI fell to 0.8%
- → Residential mortgage lending increased by 1.4%.
- → House prices increased slightly across all types
- → The share of new loans with variable interest rates increased to 85.0%.

MACROECONOMIC OVERVIEW

The GDP increased by 1.0% compared to a decrease of 0.1% in 2023, according to Eurostat. Activity in the economy increased slightly by year end, in particular in retail sales and industrial production.

Due to the weak economic conditions in general, fixed gross investments have slowed down in recent years. However, after nine consecutive quarters of declining housing investment, it increased in H2.

Unemployment increased to 8.4 percent from 7.7 percent in 2023.

Government consumption continued to grow including in defence expansion and healthcare. Government debt[1] as a percentage of GDP increased from 31.6% to 33.5% in 2024. The increase in government debt is equivalent to EUR 11.4 bn in 2024[2].

LOOKING AHEAD

According to different forecasts Sweden is experiencing an economic downturn where uncertainty about future economic developments is holding back both consumption and investments which increases the risk that the weak economic trend will continue longer than forecasted. Forecasts are difficult due to uncertainties about US tariffs, however the consequences of the tariffs themselves are expected to be limited both on inflation and growth in Sweden.

HOUSING MARKETS

There was a mixed development between housing completion and starts. Completions decreased to around 42,000 dwellings, (-35% y-o-y) but housing starts only decreased by 2% in 2024 to 28,350 dwelling, after a 50% fall in 2023 due to increasing housing costs and decreasing demand.

Prices of one-family homes recovered slightly increasing by 0.4% after a decrease of 9.9% in 2023. One-family homes are most expensive in Stockholm region (unchanged y-o-y) and increased in Gothenburg and Malmö by 0.7% and by 0.8% respectively.

Prices on one-family homes continued increasing in Q1 2025 to 2.9% on an annual basis.
The prices for tenant-owned apartments[3] increased by 2%.[4]

The share of tenant-owned apartments among new construction of apartments has been relatively stable around 50%. However, in the last years the share of rental apartments has increased to 62%. Overall, 37% of all apartments are tenant-owned and the rest are rented. For all dwellings (single family homes and apartments), the share is reversed: 61% owner occupied and 39% rental in 2024.

MORTGAGE MARKETS

Variable mortgage interest rates (<1 year) decreased to 2.9% by year end (4.4% at year-end 2023). Initial fixed rates, for 1 to 5 years, decreased to an average of 2.9% (4.2%) and for over 5 years to 2.8% (from3.0%).

The share of variable interest rates in new lending was 85.0% even though variable interest rate and initial fixed rates was almost at the same level. It is assumed that borrowers are expecting interest rates to decrease as variable interest rates share is high.

The average LTV for new mortgage loans was 64.5%, almost the same as in the previous year.

The credit loss ratio on mortgage loans remained close to zero, due to high credit standards, the social welfare system, and house prices that with few exceptions have been increasing for many years.

The growth rate in outstanding mortgage loans increased further in March 2025 to 1.7% on an annual basis compared to 0.9% in March 2024.

MORTGAGE FUNDING

Covered bonds are the most common form of mortgage funding. During 2024 the nominal value of outstanding covered bonds decreased by -1.3% (in SEK) to EUR 225 bn equivalent. For comparison total outstanding residential mortgages were EUR 467 bn. New issuance was EUR 44 bn in 2024.

GREEN FUNDING

Most Swedish mortgage institutions and banks offering mortgages, also offer different kinds of green mortgages typically with a 0.1 percent interest rate discount if the residential property fulfils certain energy standards. For several years institutions have issued green covered bonds to fund the green assets in the cover pool.

[1] Government consolidated Gross Debt, Maastricht definition.

[2] Eurostat.

[3] That is, apartments in blocks legally owned by tenant-owner associations.

[4] The properties in which tenant-owned apartments are located are formally owned by tenant-owners' associations. A resident in a tenant-owned apartment is entitled to live in one of the tenant-owners' associations' apartments. The resident can sell and buy the right to live in the apartment on the open market. The resident can take a loan to finance the purchase.

	SWEDEN 2023	SWEDEN 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	-0.2	1.0	1.0
Unemployment Rate (LSF), annual average (%) (1)	7.7	8.4	5.9
HICP inflation (%) (1)	5.9	2.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	64.9	64.8	68.4
Gross Fixed Investment in Housing (annual change) (1)	-22.2	-15.0	-4.3
Building Permits (2015=100) (2)	53.4	52.5	136.9
House Price Index - country (2015=100) (2)	141.3	141.9	179.8
House Price Index - capital (2015=100) (2)	127.0	127.0	171.5
Nominal house price growth (%) (2)	-9.9	0.4	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	476,323	467,822	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	45,271	44,336	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	181.6	172.8	71.3
Gross residential lending, annual growth (%) (2)	-29.9	16.8	3.9
Typical mortgage rate, annual average (%) (2)	4.3	4.9	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

SWEDEN FACT TABLE

Which entities can issue mortgage loans in your country?	There are no specific limitations as regards issuing mortgages. 99% of all mortgage lending is issued by banks and credit market institutions. New non-bank actors like mortgage credit companies and AIF (Alternative Investment Funds) have entered the market since a couple of years and made up 1% of the mortgage market in 2024.
What is the market share of new mortgage issuances between these entities?	There is an approximate share of 75% for credit market institutions (mortgage credit institutions) and 25% for banks. Due to the increasing market interest rates, actors like mortgage credit companies and AIF (Alternative Investment Funds) had a shrinking new lending and a market share close to 0% of new mortgages in 2024.
Which entities hold what proportion of outstanding mortgage loans in your country?	Mortgage institutions have 76% of outstanding mortgages and banks 23%. Mortgage credit companies and AIF (Alternative Investment Funds) have 1% of outstanding mortgages.
What is the typical LTV ratio on residential mortgage loans in your country?	According to Finansinspektionen the average LTV for new mortgage loans in 2024 was 64,5%.
How is the distinction made between loans for residential and non-residential purposes in your country?	The distinction is made based on how the loan is secured. Residential loans are secured on residential property.
What is/are the most common mortgage product(s) in your country?	Ordinary mortgage loans. Variable interest is the most common interest rate on new mortgages (85%) in 2024.
What is the typical/ average maturity for a mortgage in your country?	The expected average length of a mortgage loan is 7.5 years. Contractual lengths of mortgage loans vary normally between 30 to 50 years. However, for many different reasons, mortgage borrowers either terminate their mortgage permanently or terminate and get a new one before the contractual length is reached.
What is/are the most common ways to fund mortgage lending in your country?	Covered bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Different studies seem to indicate that the level of cost associated with a house purchase is very low in Sweden. Transaction costs in Sweden consist mainly of stamp tax (1.5%) and, if you need a loan, of a mortgage fee (2% of the new or increased mortgage). Normally, borrowers do not pay any fee to the mortgage lender. A notary is not needed.
What is the level (if any) of government subsidies for house purchases in your country?	There are no direct subsidies in Sweden. However, borrowers are allowed to deduct the interest payments from their tax payments. Interest payments up to SEK 100,000 (around EUR 8,700) yearly can be deducted by 30% from borrowers' tax payments. Interest payments above SEK 100,000 can only be deducted by 21% from tax payments.

Iceland

By Lúðvík Elíasson, Central Bank of Iceland and Magnús Árni Skúlason, Reykjavik Economics ehf

This country report does not represent the view of the bank.

IN A NUTSHELL

→ Iceland's Gross Domestic Product (GDP) contracted by 0.7% in 2024.

→ Robust domestic investment, cooling inflation, and a strong labor market indicate continued economic stability as the country moves into 2025.

→ Strong investment in areas like residential construction, data centers, and the fishing industry supported the economy.

→ Inflation remained a key focus in Iceland in 2024, though it generally trended downwards.

MACROECONOMIC OVERVIEW

Iceland's economy demonstrated resilience in 2024 and continued to grow into early 2025, performing better than initially expected, largely driven by robust residential and business investment. While growth slowed compared to previous years, key economic indicators suggest a dynamic and adapting landscape. Recent comprehensive benchmark revisions of national accounts time series for 1995–2024 have also been applied according to Eurostat standards.

After significant growth in previous years (e.g., 5.0% in 2023 and 8.7% in 2022), Iceland's Gross Domestic Product (GDP) contracted by 0.7% in 2024. This slowdown was anticipated, with domestic demand outpacing GDP growth and a negative contribution from net exports. However, strong investment in areas like residential construction, data centers, and the fishing industry supported the economy.

Looking at the start of 2025, real GDP increased by 2.6% in the first quarter compared to the same quarter last year. On a seasonally adjusted basis, real GDP grew by 2.7% compared with the fourth quarter of 2024. Gross fixed capital formation showed significant growth in 2024, increasing by 7,7%. This was driven by a 18.9% rise in residential investment. Inflation remained a key focus in 2024, though it generally trended downwards. After peaking at 10.2% in February 2023, the consumer price index (CPI) slowed significantly, reaching 4.8% annually in December 2024, but still over the inflation target of the Central Bank of Iceland. Housing costs continued to be a primary driver of inflation, though excluding housing, the CPI showed a lower increase or 2.8%. Long-term wage agreements and a slowing housing market were seen as contributing factors to the disinflationary trend.

The Icelandic labor market remained strong, with a high employment rate. In the fourth quarter of 2024, the employment rate was 80.1%, and the unemployment rate was 2.9%. While the number of employed people increased, particularly among men, the employment rate remained largely unchanged year-on-year. Wage developments were influenced by collective bargaining agreements signed in March, which stipulated salary increases.

Tourism continued to be a significant contributor to the Icelandic economy. In 2024, 2.3 million tourists arrived in Iceland via Keflavík Airport, representing a year-on-year rise of just over 2.2%. While services exports contracted slightly overall in 2024, reflecting some headwinds in the tourism sector early in the year, due to volcanic eruptions in the Reykjanes Peninsula, the fourth quarter saw a healthy rebound in services exports, indicating a satisfactory period for the industry.

The Central Bank of Iceland maintained a tight monetary policy for much of 2024, with the key interest rate remaining unchanged at 9.25% from August 2023 trough most of 2024. Despite high interest rates and initial pessimism among corporate executives, investments proved surprisingly resilient, particularly in residential and business sectors. The Central Bank lowered rates in October 2024 by half a percent. The key interest rates were 7,5% in August 2025.

While 2024 saw a minor contraction in economic growth compared to the post-pandemic surge, Iceland's economy demonstrated its ability to adapt. Robust domestic investment, cooling inflation, and a strong labor market indicate continued economic stability as the country moves into 2025. Forecasts for 2025 suggest a projected GDP growth of around 1% driven by rising domestic demand due to high saving rates. It is projected that the growth will be around 2,5% in 2026.

HOUSING MARKETS

The housing market approached overheating in 2022. The Central Bank of Iceland implemented sharp policy measures, including lowering maximum loan-to-value ratios and requiring banks to hold higher capital ratios. These actions should have slowed the market but due to the consequences of the eruption near the town Grindavik many of the inhabitants relocated by buying properties in other areas. This resulted in higher increase in housing prices than were expected. This effect boosted prices early in the year 2024. Real house prices increased on the one hand in the Capital Region of Reykjavik by 3% (8%) and on the other by 2,8% (7,7%) countrywide. In additon to the Grindavik effect, high number of first-time buyers and immigration fuelled the market. Supply constraints of new housing construction eased in 2024. High household saving rates also sustained market activity despite rising mortgage rates. Icelandic household debt ratios remained relatively low compared to other Nordic countries. Rental prices in the capital region saw an 13% nominal increase.

The numbers of housing starts have been revised and were around 8 thousand units in 2024 and were similar as the pervous year. Number of transaction increased in 2024 by 43% yoy, primarily due to demand from the displaced inhabitants of Grindavik. Total transacion with residential housing was over 13 thousand in 2024. Owner occupancy has historically been high in Iceland, estimated at around 75% according to the 2021 census.

MORTGAGE MARKETS

A significant number of mortgages with rates fixed for 5 years was under rate newal in 2024. Despite higher mortgage rates arrear did not increase so the transformation was without concerns in regards to financial stability. According to the Central Bank economic outlook does not indicate a spike in households financial disstress. Those most pessimistic in the markets thought that households would increasingly be in arrears. That has not materialised. It is noteworthy that in the last years publication it was expected that households under mortgage renewal would turn to index-linked mortgage. That has materialised, but in 2024 the share of indexed linked mortgages was 70%.

Outstanding household mortgage debt in December 2024 amounted to ISK 2,730,15 billion or (€ 18.3 billion) In constant prices the mortgage debt increase by ISK 34.5 billion (€231) from December 2023 to December 2024 As a percentage of GDP, outstanding mortgages for households were 59.4%, a decrease of 2.3 percentage points from 2023. In general, the demand for credit has decreased due to high interest rates and borrower-based measures.

The Central Bank of Iceland has implemented borrower-based measures, including loan-to-value (LTV) ratios and debt service-to-income (DSTI) ratios at the time the loan is issued (per rules no. 217/2024). Other financial stability rules apply to the capital requirements of financial institutions. Most changes took effect in 2022, with the objective of cooling the housing market and mitigating inflationary pressures.

Nominal mortgage rates increased further in 2024 after a steep rise in 2023. Average variable mortgage rates increased from 3.7% on average in 2021 to 10.6% on average in 2024. The nominal rate was 9,5% in 2023. Indexed mortgage rates increased on average from 3.3% in 2023 to 4.1% in 2024.

The average loan-to-value ratio for new mortgages in 2024 was 56%, a minor decrease from the previous year. At year-end of 2024, 60% of mortgages were indexed-linked, with 33% of these subject to variable rates. The share of non-indexed mortgages was 40%, with around 20% subject to variable rates. Households in arrears on mortgage payments are historically low at around 1,1%, increasing by 0.1% from 2023 to 2024.

MORTGAGE FUNDING

Covered bond issuance has returned and is developing in Iceland. The European Mortgage Federation/European Covered Bond Council´s membership of the three systemically important banks has increased interest in issuing covered bonds. In 2024 the banks sold ISK covered bonds for ISK 100 billion (€ 670 million). an increase by ISK 20 billion (€134M) from 2023. The outstanding amount totalled ISK 565 billion (€3.8 billion) at the end of December 2024 according the Central Bank of Iceland's Financinal Stability Report 2025/1. Other funding sources come mostly from deposits and direct lending from pension funds. The principal buyers of covered bonds are pension funds and insurance companies.

GREEN FUNDING

The financial sector has continued to develop green funding products, offering customers better terms for green-defined investment projects. The most common financing has been for environmently friendly vehicles and machinary. The Nordic Investment Bank has provided loans to systemcally important banks.

Muncipalities have encouraged environmently friendly building methods and have incentified contractors by giving discounts for land purchases. The concrete industry has continued to decarbonise their supply chain. Construction companies and HMS are increasingly aware of the carbon footprint of the industry and have taken steps to reduce emissions. Additionally, it is more common for new housing units to be certified as green, for example, by the Nordic Swan Ecolabel, one of the world's toughest environmental certifications.

	ICELAND 2023	ICELAND 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	5.6	0.5	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.5	3.6	5.9
HICP inflation (%) (1)	8.0	4.5	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	n/a	n/a	68.4
Gross Fixed Investment in Housing (annual change) (1)	-0.3	18	-4.3
Building Permits (2015=100) (2)	n/a	n/a	136.9
House Price Index - country (2015=100) (2)	231.6	183.4	179.8
House Price Index - capital (2015=100) (2)	224.8	244.6	171.5
Nominal house price growth (%) (2)*	9.2	3.8	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	17,114	18,974	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	44,135.8	49,467.2	15,311.8
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	-10.2	25.2	3.9
Typical mortgage rate, annual average (%) (2)	3.30	4.00	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

ICELAND FACT TABLE

Which entities can issue mortgage loans in your country?	Deposit taking corporations (banks) and Pension Funds, the Housing and Construction Authority (HMS).
What is the market share of new mortgage issuances between these entities?	In 2024 the market share of deposit taking banks was approximately 95%. The pensions fund's share and housing authority and building authority (HMS) was 5% in total.
Which entities hold what proportion of outstanding mortgage loans in your country?	At year-end 2024 the deposit taking banks held 66% of the total outstanding mortgages to households, the pension funds 20.4% and IL – Fund (in winding-up, precursor to the HMS) 13.3%.
What is the typical LTV ratio on residential mortgage loans in your country?	About 56% on new mortgages. The maximum LTV at year-end 2024 was 80%, but up to 85% for first time buyers (limit to price). This limit was lowered on 15 June 2022 from 85% to 80% and 90% to 85% respectively.
How is the distinction made between loans for residential and non-residential purposes in your country?	A residential mortgage is a loan to an individual which is backed by real estate or is made for the purpose of buying a residential asset. The Central Bank currently makes a distinction between those loans in its accounts. Banks and pension funds require a pledge in the underlying property for a new mortgage.
What is/are the most common mortgage product(s) in your country?	Mortgage for 25 to 40 years with 3 to 5 year reset period on interest rates. The relative popularity of indexed vs. non-indexed mortgages varies depending on the level of interest and inflation. The share of each type of mortgage on 2024 was: • Indexed – variable rate: 50.66%. • Indexed – fixed rate: 20.54%. • Non-indexed – variable rate: 10.02%. • Non-indexed – fixed rate: 18.78 Most mortgages have flexible rates with reset periods up to five years. Amortisation is typically on the basis of fixed total mortgage payments rather than fixed amortisation payments.
What is the typical/ average maturity for a mortgage in your country?	25 to 40 years.
What is/are the most common ways to fund mortgage lending in your country?	Covered bonds and deposits in the case of banks. Members funding in terms of pension funds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Stamp duty – 0.8% of the official property valuation (*fasteignamat*) for individuals and 1.6% for rental companies/legal entities.
What is the level (if any) of government subsidies for house purchases in your country?	The government has introduced some help to buy programmes and pays interest expense benefits to low-income households. First time buyers pay half of the stamp duty.

Norway

By Michael Hurum Cook, Finance Norway

IN A NUTSHELL

→ Moderate growth in the economy, unemployment remains low
→ The key policy rate has remained at 4.5%
→ Inflation has declined, but still above target
→ Increased price growth in the housing market

MACROECONOMIC OVERVIEW

Following a rapid post-pandemic recovery, economic growth was more moderate in 2024. Higher interest rates and inflation have dampened demand in part by reducing investment and household consumption. On the other hand, a weaker krone has fueled a sharp rise in exports. An expansionary fiscal policy and strong petroleum investment have also lifted mainland[1] activity. The GDP-growth was 2.1% and 0.6% for mainland-Norway. Registered unemployment[2] remained quite stable throughout the year and ended at 2%, whereas according to the Labour Force Survey[3] it was 4% at year-end.

Inflation declined markedly since the end of 2022, but has slowed in recent months, and rose to 3.4% in February 2025. Wages have risen in recent years, owing to high inflation, a tight labour market and high profitability in some business sectors. In 2024, wage growth picked up to 5.6%. Combined with disinflation, the rise in real wage growth was significant in 2024.

The Central Bank started to raise its key policy rate in September 2021 from a record low of 0% and after several hikes the key policy rate is now 4.5% (May 2025).

In 2024, prices in the secondary housing market increased by 3% compared to the average in 2023. During the first quarter of 2025, house prices have increased markedly. Besides low unemployment, the decrease in newbuilding and expectations of lower mortgage rates not too far ahead in time has probably been important explanatory factors. The regulatory reduction[4] in the share of equity required to finance house purchases at year-end 2024 has likely had the largest impact on non-home owners. For the mortgage and housing markets, the main drivers will be the key policy rate, economic activity and unemployment. Almost all mortgages have variable-rate so change in rates have a strong, direct effect on disposable income.

HOUSING MARKETS

The housing market is characterised by a high ownership rate. According to Statistics Norway, 76.5% of all households own their dwelling. The housing market consists of 47.2% detached houses, 26.7% multi-dwelling buildings, 12.3% terrace houses, 9% house with 2 dwellings and other buildings 4.8%.

Up to 2017, there was an extended period of house price growth due to low interest rates, high income growth and low construction activity. In 2017 the trend turned, particularly in Oslo, due to increased construction activity and amendments to the mortgage regulation by the Ministry of Finance. A new requirement of a maximum loan-to-income of 5 dampened house price growth. Afterwards, house price growth was stable until it started to increase as the key policy rate was reduced due to the pandemic.

During the pandemic, house prices increased particularly in urban areas. Interest rate cuts in early 2020 reduced the mortgage burden for households, with more than 90% of mortgages being variable-rate. According to the Central Bank, there was a net migration from Oslo for the first time in 20 years, as the pandemic changed housing preferences, increasing demand for larger dwellings outside the larger cities. Nevertheless, the price level in Oslo remains well above that of other major cities.

House price growth slowed as the mortgage rates increased, following steady increases in the key policy rate from Autumn 2021. Price growth gradually increased during 2024 to an annual growth of 6.4% by year end.

Uncertainty about the housing market has led to a decrease in demand for new buildings which in turn has reduced construction. In 2024 the signals were more positive after a very weak 2023. According to the research company "Prognosesenteret"[5] the sales of new residential real estate was 11% higher y-o-y but housing starts declined by 1%. Given the fairly slow reaction of new construction to increased demand, the reduction of housing starts may support prices in future.

MORTGAGE MARKETS

Household borrowing costs rose substantially as the policy rate increased from its lowest level of 0% in 2021. Mortgage rates were on average around 5.5 - 5.6% in 2024. A lending survey carried out by the Central Bank shows that banks expect more fierce competition in the mortgage market going forward. The Central Bank projects that mortgage rates will decrease, but the size of the decrease will necessarily depend on the key policy rate development. The Central Bank has announced that the key policy rate will most likely decrease in 2025.

The mortgage market is dominated by variable-rate loans. According to Statistics Norway, there was a reduction in total credit demand growth in Q1 24, before the growth increased steadily for the rest of the year. The annual growth rate for credit from households was 3.4% at year-end.

An annual mortgage lending survey carried out by the Norwegian Financial Supervisory Authority (FSA) shows that the average loan-to-value ratio for new loans remained stable at 64%.

1 Mainland Norway consists of all domestic production activity except exploration of crude oil and natural gas, transport via pipelines and ocean transport.

2 Registered unemployment with the Norwegian Labour and Welfare Administration (NAV).

3 The Labour Force Survey is an interview-based survey conducted by Statistics Norway, captures the overall unemployment rate.

4 The requirement for equity was reduced from 15% to 10%.

4 Source (Norwegian only): https://blogg.prognosesenteret.no/status-paa-salg-og-igangsetting-av-nye-boliger---mars-2024.

New mortgages are typically written with a 25-year maturity, and it is convenient to move a mortgage to another institution. Almost all loans to households secured on dwellings are granted by banks and mortgage credit institutions.

To mitigate the build-up of debt in vulnerable households, the government has set requirements for banks and other financial institutions. Residential mortgage loans have been subject to regulation since 2015, building on guidelines which had been in effect since 2011. In December 2020, the Ministry of Finance consolidated the requirements in a new regulation covering both residential mortgages and consumer loans. The regulation has later been reviewed on several occasions. In December 2024 the MoF decided to make some adjustments as well as making the regulation permanent (but with regular assessments). For mortgages the following apply:

- Loan-to-value (LTV) requirement of maximum 90%
- Stress test: Households must be able to service their debt in the event of a 3 pps. increase in mortgage rates. The minimum stress test level is a 7% interest rate
- Maximum debt-to-income (DTI) ratio requirement of five times gross annual income
- Mandatory principal payments (i.e. interest-only loans are not allowed) when the LTV ratio exceeds 60%
- Flexibility quota: Up to 10% of the value of new loans can deviate from one or more of the requirements in each quarter (the limit is 8% for Oslo)

According to the quarterly FSA survey on the use of the flexibility quota (i.e. deviations from the mortgage requirements) it has been stable since the pandemic. In 2024, it was 7.7% in Q4 for new loans outside Oslo (7.4% in Q4 23). For Oslo it was 5.9% in the same period (5.4% in Q4 23). The figures reflect that banks tend to operate with a significant buffer to the limits set in the regulation, although the use of flexibility quota may not be evenly distributed among banks.

Defaults on mortgages have been very low for a long time. According to the FSA, there are few signs of severe stress among households despite the sharp increase in interest rates in recent years. The FSA points to the fact that the economic activity has remained fairly sound and that unemployment is low.

MORTGAGE FUNDING

Norwegian banks and covered bond companies (separate legal entities whose main purpose is to fund mainly mortgages with covered bonds) are on aggregate funded by approximately 9% equity, 43% deposits (only banks) and 48% wholesale funding. Covered bonds are the most important part of wholesale funding and approximately all covered bonds are based on residential mortgages. The remainder of wholesale funding constitutes senior, unsecured bonds (preferred and non-preferred) and short term-funding. To date, there are 23 issuers of covered bonds. In 2024 more than EUR 31 bn. worth of covered bonds was issued. The total level of outstanding bonds was approximately EUR 147.6 bn, up by EUR 15.1 bn from 2023. 59.3% of the outstanding bonds are denominated in NOK, 37.3% in EUR, and the remaining 3.4% in other foreign currencies.

According to figures from the FSA, the development in banks' funding has been quite stable for some time. Since the introduction of covered bonds in 2007, senior unsecured bonds have gradually been replaced by covered bonds. This has also contributed to longer maturities within wholesale funding.

GREEN FUNDING

Sustainable finance has been a key priority for several years. In 2015, the Oslo Stock Exchange became the first stock exchange in the world to introduce a separate list for green bonds. Since then, numerous initiatives in the financial industry have been taken and several green bonds issued. Several banks offer green mortgages to their customers, some with a discount in the interest rate. Green mortgages are most commonly linked to Energy Performance Certificate (EPC) or to specific energy efficiency initiatives on houses.

The first green covered bonds were issued in 2018. Today, 16 Norwegian issuers have issued green covered bonds based on residential mortgages. Outstanding volume was just over EUR 18 bn at year-end 2024, up from EUR 16 bn in 2023.

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	NORWAY 2023	NORWAY 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	0.1	2.1	1.0
Unemployment Rate (LSF), annual average (%) (1)	3.6	4.0	5.9
HICP inflation (%) (1)	5.8	2.8	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)*	79.2	78.8	68.4
Gross Fixed Investment in Housing (annual change) (1)	-15.6	-19.1	-4.3
Building Permits (2015=100) (2)	73.7	60.8	136.9
House Price Index - country (2015=100) (2)	138.2	146.4	179.8
House Price Index - capital (2015=100) (2)	149.3	159.5	171.5
Nominal house price growth (%) (2)	0.9	5.9	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	312,510	306,279	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	56,934	55,183	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	149.2	142.4	71.3
Gross residential lending, annual growth (%) (2)	n/a	n/a	3.9
Typical mortgage rate, annual average (%) (2)	4.9	5.7	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

NORWAY FACT TABLE

Which entities can issue mortgage loans in your country?	Banks, credit institutions (such as covered bond companies) and state lending institutions.
What is the market share of new mortgage issuances between these entities?	Data not available for new mortgage issuance.
Which entities hold what proportion of outstanding mortgage loans in your country?	Banks and covered bond companies have granted almost all mortgage loans. State lending institutions have a marginal share.
What is the typical LTV ratio on residential mortgage loans in your country?	64% for new mortgages according to a survey conducted by the FSA.
How is the distinction made between loans for residential and non-residential purposes in your country?	Not available.
What is/are the most common mortgage product(s) in your country?	Variable rate mortgage.
What is the typical/ average maturity for a mortgage in your country?	The standard maturity for mortgage loans is about 25 years.
What is/are the most common ways to fund mortgage lending in your country?	Covered bonds and deposits.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	For house purchase in isolation (i.e. not costs associated with mortgages etc.) there is typically only a stamp duty which is set to 2.5% of the purchase price.
What is the level (if any) of government subsidies for house purchases in your country?	Vulnerable households may receive loans with a favourable interest rate or direct support from the government bank "Husbanken". The amount under the latter option is calculated based on income and housing expenses.

Switzerland

By Matthias Holzhey, Maciej Skoczek (UBS Switzerland AG),
Remo Kübler, Manuel Kummer (Swiss Bankers Association, SBA)

IN A NUTSHELL

- → The economy grew by 0.9%, the slowest since 2020. Growth was driven by chemicals and pharmaceuticals and public-related services, while manufacturing and exports lagged due to weak eurozone demand.
- → The SNB cut its key interest rate from 1.75% to 0.5%
- → House prices rose by 2.4% on average, but major cities saw slight declines.
- → Mortgage volume growth slowed to 2.6% but is expected to growby 3.0% in2025.
- → Rental vacancies fell to 1.6% with excess demand, pushing up rents.

MACROECONOMIC OVERVIEW

The economy[1] grew by 0.9% (1.2% in 2023), below-average[2] and the lowest value since 2020. On the production side, the main growth driver was the chemical and pharmaceutical industry. Public administration, health sector, insurances, transportation and storage, as well as the construction industry were also growth drivers. In contrast, manufacturing remained weak for the second consecutive year. Cyclical industries such as metals and machinery once again suffered revenue losses due to sluggish economic development in the eurozone, and especially in Germany.

Employment growth, measured in full-time equivalents, nearly halved compared to 2023 and amounted to just 1 percent in 2024. The main drivers of employment growth were – similarly to growth drivers – the public sector, public-related sectors such as healthcare and education, and transportation.

Private consumption grew significantly, supported by robust population growth of around 1 percent and declining inflation. Real wages increased by an above-average 0.7%. The stable labor market also provided some support for consumption, although there was a slight rise in unemployment to 2.4%, well below the long-term average value of roughly 2.8%

Inflation virtually disappeared last year. The only significant positive contribution came from housing rents. This gave the SNB considerable leeway to lower its key interest rate from 1.75% to 0.50% over the course of the year. Despite the rate cuts, the Swiss franc remained relatively stable versus the currencies of the main trading partners.

HOUSING MARKETS

Driven by ultra-low mortgage rates, a growing preference for homeownership and strong immigration, demand for owner-occupied housing surged from late 2020 onwards. The boom peaked in the second half of 2022, when prices rose by around 6 percent year-on-year. However, the return of inflation and higher interest rates slowed this. In 2024, prices increased by 2.4%, single-family homes rose by almost 3%, condominiums by 2%. The rises were virtually nationwide. They rose mostin the mountain regions, +5%. Overall, affordable regions with good accessibility saw above-average price growth. In contrast, prices in major cities such as Basel, Bern, Geneva, and Lugano, as well as in Zurich, declined slightly.

The SNB began easing monetary policy earlier than most other central banks, from 1.75% to 0.5% by year-end. Market interest rates also declined: yields on 10-year federal bonds dropped by over 30 basis points during the year to 0.3 percent. Improved financing conditions led to increased demand in the owner-occupied housing market. It is estimated that the number of search subscriptions for homes rose by 20 percent in 2024[3].

Lower interest rates are boosting demand on several fronts. First, the cost of home ownership (mortgage interest, maintenance, taxes) has fallen: by the end of 2024, the usage costs of an average condominium was about 20 percent below the peak levels of mid-2023. Second, by year-end, the cost of owning a home was almost 15 percent lower than renting a comparable apartment, whereas in mid-2023, the premium for ownership was still over 15 percent. Third, lower interest rates are supporting demand in the buy-to-let segment.

Demand for owner-occupied houses is also being supported by a shortage of rental apartments. The vacancy rate for rental units has been falling steadily since 2020 and was around 1.6% in 2024. Against the backdrop of persistent excess demand, asking rents rose by 2.3% while existing rents increased by 3.3%. To escape rising housing costs, many people are choosing to live in larger households. There is no relief in sight, as the recovery in construction activity is progressing only slowly.

However, for most households, home ownership is becoming increasingly unaffordable. Fewer households meet the lending criteria to purchase their desired property. In 2024, only just under a third of all listed homes with at least four rooms were affordable for an average family with children. By comparison, in 2009, this share was almost 60 percent[4].

The lack of affordability is forcing potential buyers to look for properties in extended suburban areas or on the periphery, where prices are lower than in city centers. At the same time, pension fund assets or advances on inheritances are increasingly being used to finance home purchases. In addition, buying a home is often only considered later in life, when income and equity positions are more favorable.

According to the UBS Swiss Real Estate Bubble Index, the risk of a price correction in the owner-occupied market was moderate at the end of 2024. While price levels have decoupled from fundamentals such as rents or incomes, low home ownership costs, limited supply, weak new construction activity, and slow mortgage growth have all helped to mitigate risks.

1 Measured by sport event adjusted GDP.

2 After adjustments to the economy caused by the one off factors of the Olympics and the European football championship, as revenues of both UEFA and the International Olympic Committee are recorded in Swiss GDP, equal to 0.4% of GDP.

3 Source: https://app.realmatch360.com/demand-index.

4 Source SNB https://data.snb.ch/en/warehouse/KRED/facets.

MORTGAGE MARKETS

MARKET DYNAMICS

The volume of the mortgage market reached CHF 1.2 tn (EUR 1.28tn equivalent), compared with CHF 1.175 tn mortgage volume end of 2023. This reflects both the prevailing property price levels and the lack of mandatory amortization requirements for loan-to-value (LTV) ratios below 66%. This environment of low interest rates, combined with the tax-deductibility of mortgage expenses, encourages households not to repay loans prematurely.

Strict debt-to-income limits, based on affordability calculations, inhibit households' capacity to accumulate excessive debt, making LTVs over 80% a rarity. The average loan-to-value ratio for these assets (the average of all real estate owned by households) decreased from around 48% in 2003 to roughly 35% now (based on the Household Wealth Statistics of the SNB).

At the end of 2024, newly granted mortgages had an average LTV of 69% for owner-occupied properties and 63% for investment properties, levels that stayed relatively stable year-on-year. Notably, the LTVs for investment properties were 70% five years ago, but the rise in mortgage rates in 2022 made high LTV for investments less affordable. With favorable financing conditions, low unemployment and persistent housing shortage, Switzerland's NPL ratio for all loan types remain below 1%, underscoring the resilience of the country's housing finance market going forward.

During 2024, outstanding mortgage volumes rose by approximately 2.6%, the lowest growth rate since 2001. In the last 25 years, the outstanding has increased by an annual average of 3.6%. The slower growth rate was driven by households where the growth rate was 1.6%. The lower mortgage growth was partly due to extraordinary amortizations triggered by higher mortgage rates, while fewer real estate transactions – especially up to mid-202 – also played a role.

In contrast, companies and real estate investment firms have grown by above 5% annually, though this has recently eased to 4.2%. Overall, this trend points to a growing professionalization of the real estate market, as fewer investment properties remain in private hands.

Although the development of mortgage volumes remains below average, it has been increasing since the lows of mid-2024. According to recent trends, the Swiss National Bank's interest rate cuts may signal a turning point, with a projected acceleration in mortgage growth to 3.0% in 2025.

NON-MARKET LED INITIATIVES

In November 2023, the Federal Council published the revised Capital Adequacy Ordinance (CAO), thereby implementing the final elements of the Basel III reforms. The revision aims at an at least largely compliant implementation of the Basel Standards and will come into force on January 1st, 2025. First, the risk weights have been updated, with the CAO now differentiating between various types of properties, such as owner-occupied housing versus investment properties, as well as their construction status (completed versus unfinished). In general, risk-weighted assets will increase for rented properties and decrease for owner-occupied properties. Overall, the revision of the standardised approach for credit risks appears to be capital neutral in aggregate.

Another major change involves the introduction of a so-called 'value at origination', requiring banks to maintain the lending value at the value determined at the time of the initial financing for the first 5 years, with certain permissible exceptions such as property renovations. Additionally, the revision leads to adjusted property valuation requirements.

In this regard, the Swiss Bankers Association (SBA) has updated its "Guidelines on assessing, valuing and processing loans secured against property". These guidelines, like previous versions, have been recognized by the Swiss Financial Market Supervisory Authority (FINMA) as minimum standards under supervisory law. The amendments cover various topics, including refinements regarding prudent and independent valuations and the use of valuation models.

MORTGAGE FUNDING

Traditionally, Swiss banks finance their mortgage lending largely by customer deposits, albeit the specific share varies from bank to bank. According to SNB data, mortgage loans account for 52% of banks' domestic assets, while customer deposits amount to 62% of domestic liabilities (as of 2024). Covered Bonds collateralized by real estate mortgage loans are another important source of funding, accounting for about 17% of total outstanding mortgage loans in 2024. Historically, the Swiss covered bond market has been mainly driven by two specialized institutions: The Pfandbriefzentrale der Schweizerischen Kantonalbanken AG and the Pfandbriefbank Schweizerischer Hypothekarinstitute AG, both with the exclusive right to issue Swiss Pfandbriefe for their member banks under the Federal Pfandbrief Act. Their market share amounts to 36.1% of domestic debtors of bonds in CHF and source 15% of Swiss mortgage loans.

In 2024, four institutions – Cornèr Bank, Crédit Agricole Next Bank (Suisse) SA, UBS, and Valiant Bank AG – had their own covered bond programs under contractual private law totaling CHF 26.4 bn, CHF 25.6 bn of which were issued by Swiss entities of these banks, thus diversifying their funding sources. However, these are structured programs that are not subject to the Pfandbrief legislation.

In addition to customer deposits and covered bonds, banks use interbank loans, other bonds, and equity to refinance its mortgage lending business.

GREEN FUNDING

In line with the Swiss government's financial market policy and its strategy to establish Switzerland as a leading hub for sustainable finance, the SBA set out new self-regulatory minimum standards on mortgage lending, which entered into force on January 1st, 2024. These "Guidelines for Mortgage Providers on the Promotion of Energy Efficiency" encourage sustainable property financing by requiring banks to advise clients on energy efficiency and on the long-term value retention of the building when financing owner-occupied single-family homes and holiday homes.

Furthermore, mortgage providers are also expected to provide information on available public and private funds for building renovations as well as on independent experts or specialist bodies for obtaining specific technical advice on the energy impact and financial effects of any optimization measures.

Banks have issued green and sustainable bonds, the proceeds of which are used to refinance mortgages that meet specific environmental and social criteria. As of the end of 2024, green and sustainable bonds emitted by commercial banks active in Switzerland amounted to approximately CHF 2.1 bn.

	SWITZERLAND 2023	SWITZERLAND 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)	0.7	1.3	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.1	4.4	5.9
HICP inflation (%) (1)	2.3	1.1	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)*	42.6	n/a	68.4
Gross Fixed Investment in Housing (annual change) (1)	-4.4	n/a	-4.3
Building Permits (2015=100) (2)	n/a	n/a	136.9
House Price Index - country (2015=100) (2)	12.4	128.3	179.8
House Price Index - capital (2015=100) (2)	124.8	130.8	171.5
Nominal house price growth (%) (2)	3.9	3.5	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	n/a	n/a	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	n/a	n/a	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	n/a	n/a	3.9
Typical mortgage rate, annual average (%) (2)	1.7	1.5	4.34

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Eurostat Reviewed
** EU 2024 to be confirmed

SWITZERLAND FACT TABLE

Which entities can issue mortgage loans in your country?	Banks, insurers, and pension funds issue mortgage loans. However, from a legal perspective, private individuals can grant mortgages too.
What is the market share of new mortgage issuances between these entities?	According to MoneyPark, of the roughly 32 billion CHF in new mortgages in 2024, around 95% were issued by banks. The remaining volume came from pension funds. Insurance companies, on the other hand, reduced their mortgage exposure and recorded negative growth.
Which entities hold what proportion of outstanding mortgage loans in your country?	Banks account for about 95% of the total outstanding mortgage loans. The rest of the market is shared by insurers (~2.5%) and pension funds (~2.5%).
What is the typical LTV ratio on residential mortgage loans in your country?	The median LTV for new mortgage loans granted in 2024 stood at 66%, which is roughly the equivalent to the LTV of a first mortgage. A second mortgage can cover the missing loan amount up to typically an LTV of 80%.
How is the distinction made between loans for residential and non-residential purposes in your country?	In the context of risk weighting, the Capital Adequacy Ordinance (CAO) makes a distinction between self-occupied and non-self-occupied residential properties, as well as between owner-occupied and income-producing commercial properties. Residential properties are considered self-occupied if they are primarily used by the borrower, may include one additional rental unit financed by the same bank that finances the borrower's main residence, or are owned by non-profit housing organizations or subject to government-controlled cost rent models. All other residential properties are classified as non-self-occupied. Non-residential properties are considered commercial. If they are primarily used by the borrower, they are treated as owner-occupied; otherwise, they are classified as income-producing. Mixed-use properties (residential and commercial) are only considered self-occupied if both the residential and commercial parts meet the criteria for self-occupation.
What is/are the most common mortgage product(s) in your country?	Fixed-rate mortgages are the most common mortgages in Switzerland. The offered maturities usually reach from a minimum of 2 years up to a maximum of 15 years
What is the typical/ average maturity for a mortgage in your country?	Most of the (fixed rate) mortgages offered on the market have a maturity between 3 and 10 years.
What is/are the most common ways to fund mortgage lending in your country?	Customer deposits and Swiss Pfandbriefe covered bonds.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	The additional costs (i.e. property transfer tax, registration fee and notary fees) vary from canton to canton and can range from 2 to 5% of the purchase price.
What is the level (if any) of government subsidies for house purchases in your country?	There are no specific subsidies for purchasing residential real estate. However, the government scheme to promote home ownership allows for the early withdrawal and the pledging of pension assets for the purchase, the construction, and the modification of owner-occupied residential property as well as the repayment of mortgage loans and the purchase of shares in a housing association, or similar participations.

United Kingdom

By Joseph Thompson, Building Societies Association

IN A NUTSHELL

→ Growth slowed significantly over the year to 1.1% with higher unemployment and low consumer confidence.

→ New house completions fell 28% to 107,500, significantly below the government target of 300,000 new homes per year.

→ House prices only rose by 1% despite lower interest rates and 3% real wages growth.

→ First time buyers represented more than 50% of new mortgages for the first time since this data was collected.

MACROECONOMIC OVERVIEW

GDP growth was relatively strong in the first half of the year but slower in the second half such that the economy grew by just 1.1% over the year. This continues a trend of weak growth over the last decade (excluding the spike following the pandemic) as the UK continues to face weak productivity growth. Following larger than expected revisions to the UK's population, total labour productivity (output per hour) fell by 1% y-o-y. Business and household confidence fell in the second half of the year partly reflecting the measures announced in the October Budget that included higher taxes for both businesses and individuals. Tax on employment (National Insurance) for businesses was increased to 15% on salaries above £5,000 from April 2025, from 13.8% on salaries above £9,100. At the same time the national minimum wage was also increased.

These labour market policies added constraints on an already softening labour market. The number of job vacancies fell in every month and the unemployment rate was 4.4% at year end, up from 4.1% in 2023. Wage growth lso slowed to 5.3% in 2024 from 7.0% in 2023, however it was still relatively high by historical standards.

High wage growth fuelled domestic price growth, inflation (CPI) was 4.0% in January, above the Bank of England's 2.0% target. Consequently, the referemce rate remained high, at 5.25% until it was cut to 5% in August and 4.75% in November. Annual CPI inflation fell over the year in response to higher interest rates and was 2.5% by December 2024.

LOOKING AHEAD

The Bank of England's base rate is expected to fall further in 2025 reflecting both weaker domestically generated inflation but also weaker growth prospects driven in part by higher trade tariffs.

There are upside risks to inflation such as the perseverance of higher food inflation and higher energy costs because of geopolitical events.

HOUSING MARKETS

107,500 homes were built, down 28% y-o-y. This fall was a result of projects being bought forward to avoid the costs of new building regulatory standards in England relating to energy performance and electric vehicle charging points which came into force on 15 June 2023 and has consequently seen a fall in new starts in 2024. There were 153,900 housing completions in 2024, down 6% on the 163,300 in 2023.

The Government announced a target of 1.5 million net homes in the UK (new house buildings plus conversions) over a five year period. In 2023/24 there was a net addition of 221,000 homes, down 6% on 2023/23. To help meet this target the Government announced reforms including (1) mandatory housing targets for local authorities, (2) prioritising building on 'grey-belt' and brownfield sites, and the review of building on green belt sites subject to strict rules, and (3) streamlining planning processes.

Nearly three quarter (73%) of the homes built in 2024 were by private companies and the remainder by local authorities or social landlords. In June 2025, the government announced a £39 bn (EUR 45bn equivalent) affordable housing programme over the next decade. This replaces the current affordable housing programme of £11.5 billon (EUR 13.3bn) over five years until March 2026.

There were 1.1 million property transactions, up 8% y-o-y but owner occupation levels remained unchanged at 64.8%. Owner occupation fell from their peak in 2003 at 70.9% to 62.6% in 2016/17 before increasing.

House prices growth increased by 1% in the year, supported by strong real earnings growth of 3% and mortgage rates which began to fall in H2 after the Bank Rate was cut from 5.25% to 5.00%.

There was significant regional variance in house prices, with house prices in the North of England, Scotland, Wales and Northern Ireland growing faster than in Southern England and London. House prices are typically more affordable in these regions, and affordability constraints in the South has seen increased activity in these regions. The shift to hybrid working patterns may also have contributed to more workers able to purchase properties further away from economic centres such as London.

In the 2024 Autumn Budget, it was announced that higher rates of Stamp Duty Land Tax (SDLT) on purchases of additional residential properties will increase to 5% (from 3%) fromOctober. The main SDLT thresholds would also revert to their 2022 rates from 1 April 2025. The current nil-rate band will decrease to £125,000 from £250,000. The nil-rate threshold for first-time buyers will also decrease from £425,000 to £300,000, and the cap on qualifying properties will be lowered to £500,000.

MORTGAGE MARKETS

MARKET DYNAMICS

Gross mortgage lending was £242 bn (EUR 280bn) in 2024, up 7% y-o-y. Total outstanding mortgages increased by 1% to £1,645 bn. (EUR 1915bn)

More than half of new mortgages for purchase were to first-time buyers, the highest proportion since 2005 (when data was first available). This increase was aided by strong earnings growth, falling mortgage rates and relatively slow rental growth on existing tenanted properties. More homebuyers are buying jointly, which is helping overcome affordability constraints. Some first-time buyers will also have brought their purchases forward to avoid the increase in SDLT that came into place on 1 April 2025.

The mean LTV ratio on new loans was 71.4%, up from 69.9% in 2023. The average term on new mortgages remained unchanged at 28.7 years. Longer mortgages have been a trend in the UK thathas occurred every year since 2009 when it was 23.1 years. Increasing terms has been a mechanism for homebuyers and those remortgaging to manage affordability constraints. Many homeowners are now refinancing for the first time since fixing their mortgage at very low rates during the pandemic period. Around half of homeowners are expected to see payment increases by the end of 2027, although more than a quarter (27%) are expected to see costs fall. The need to extend mortgage terms may be constrained if mortgage fall as expected and real incomes continue to grow.

The average rate on new residential loans was 4.88% in 2024, up from 4.81%. Mortgage rates increased in the first half of the year in line with higher inflation expectations. However, the Bank Rate was cut in August 2024, and this was reflected in mortgage pricing.

The proportion of lending at variable rates fell to 7.8%, following an increase to 13.8% in 2023. Inflation expectations had peaked in 2023 and more borrowers opted to borrow at variable rates to benefit from falling interest rates. In 2024 borrowers locked in these lower rates with the outlook for inflation facing greater uncertainty.

Mortgage arrears have remained low and relatively stable despite the rise in mortgage interest rates since the pandemic. At the end of 2024, 1.20% of loans were in arrears (greater than 2.5% of notional, including those in possession), from 1.17% at the end of 2023. The resilient labour market and growing real wages has supported households whilst inflation and mortgage interest rates have increased, allowing the level of arrears to remain low. Lenders also continue to support homeowners with forbearance measures to help borrowers in difficult financial situations.

The stock of possessions increased from to 7,299 at the end of 2024, up from 5,236 at the end of 2023. Although this has increased, and is expected to increase further in coming years it remains very low by historical standards.

NON-MARKET LED INITIATIVES

There were no major developments

MORTGAGE FUNDING

At year-end outstanding borrowings from lenders via the TFSME (Term Funding Scheme with additional incentives for Small and Medium sized enterprises) was £103 bn (EUR 119bn). This is down from £153 bn (EUR 177bn) at the end of 2023 and a peak of £193 bn at the end of 2021. As a consequence lenders have increasingly looked towards retail sources for funding. Therefore, there was strong competition for retail savings in 2024, and lenders raised £99.2 bn in these markets. This is up considerably on the £36 bn *EUR 42bn)in 2023 as households have been able to save more as the spike in inflation has faded and real wages have grown. Uncertainty in equity markets may also have driven funds into the retail markets.

Lenders continued to access the covered bond market in 2024 with ten of the thirteen registered issuers active during the year. They raised a total of £12bn (EUR 13.9bn) in seventeen different transactions. This was broadly equivalent to the value of bonds that matured during the year and so the aggregate value of outstanding covered bonds was constant at approximately £80bn (EUR 93bn). There was an increase in the proportion of bonds denominated in euros to over 40%, with 8% in US dollars and the balance issued in sterling. The positive sentiment for UK issuers has continued into the beginning of 2025.

GREEN FUNDING

The Government has strengthened its Net Zero policies related to energy efficiency and emissions. It recently consulted on proposals to raise minimum efficiency standards for all privately rented homes by 2030. Under the proposals, landlords would be required to ensure that their rented properties meet at least an EPC rating of band C.

In its manifesto, the Government pledged £13.2 bn (EUR 15bn)for home retrofitting. In October 2024, it allocated £3.4 bn (EUR 4bn) to heat decarbonisation and household energy efficiency under the Warm Homes Plan.

This plan aims to support the growth of heat pump manufacturing and increase funding for the Boiler Upgrade Scheme, offering homeowners in England and Wales £7,500 to install a heat pump. Additionally, the Government aims to ease planning rules by removing the one-metre rule, allowing more households in England to install heat pumps.

The Warm Homes Plan is expected to benefit up to 300,000 homes by 2025. However, concerns have been raised about the Government meeting its commitment, as only £3.4 bn (EUR 4bn) has been allocated over three years, falling short of the total £13.2 bn pledged.

	UNITED KINGDOM 2023	UNITED KINGDOM 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	0.5	0.375	1.0
Unemployment Rate (LSF), annual average (%) (1)	4.1	4.3	5.9
HICP inflation (%) (1)	7.4	2.5	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	64.8	n/a	68.4
Gross Fixed Investment in Housing (annual change) (1)	n/a	n/a	-4.3
Building Permits (2015=100) (2)			136.9
House Price Index - country (2015=100) (2)	142.3	143.3	179.8
House Price Index - capital (2015=100) (2)	122.6	122.3	171.5
Nominal house price growth (%) (2)*	0.4	0.7	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	1,862,971	1,983,868	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	27,503	28,658	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	n/a	n/a	71.3
Gross residential lending, annual growth (%) (2)	2.5	-29.4	3.9
Typical mortgage rate, annual average (%) (2)	4.81	4.88	4.34

(1) Office for National Statistics - UK
(2) European Mortgage Federation – Hypostat 2024, Statistical Tables
* Office for National Statistics - UK / Reviewed
** EU 2024 to be confirmed

UNITED KINGDOM FACT TABLE

Which entities can issue mortgage loans in your country?	Monetary and Financial Institutions (MFIs), which includes banks and building societies. Other specialist lenders (non-bank, non-building society UK credit grantors, specialist mortgage lenders, retailers, central and local government, public corporations, insurance companies and pension funds). Other (anything not covered elsewhere).
What is the market share of new mortgage issuances between these entities?	MFIs – 92.7% Other specialist lenders – 6.5% Other – 0.9%
Which entities hold what proportion of outstanding mortgage loans in your country?	MFIs – 89.6% Other specialist lenders – 7% Other – 3.4%
What is the typical LTV ratio on residential mortgage loans in your country?	71.4% for loans advances in 2024
How is the distinction made between loans for residential and non-residential purposes in your country?	The distinction is based on the property being purchased and the purpose it will be used for. A residential loan is used to purchase a property that a person will live in. A commercial loan is one that is used to purchase commercial land or buildings.
What is/are the most common mortgage product(s) in your country?	Initial fixed rate products.
What is the typical/average maturity for a mortgage in your country?	28.7 years for loans advances in 2024.
What is/are the most common ways to fund mortgage lending in your country?	Retail deposits and wholesale funding.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	**Stamp Duty Land Tax** – ranges from 0% to 12%, depending on property value **Valuation fee** – ranges from GBP 150 to GBP 1,500, depending on property value **Surveyor's fee** – ranges from GBP 250 to GBP 600 **Legal fees** – ranges from GBP 500 to GBP 1,500 **Electronic transfer fee** – around GBP 40 to GBP 50
What is the level (if any) of government subsidies for house purchases in your country?	There are no subsidies which apply to house purchase on the whole, there are however some subsidies for specific parts of the market, such as those who live in social housing.

A – THE MORTGAGE MARKET

1. Total Outstanding Residential Loans

Total Amount, End of the Year, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	87,622	90,710	96,925	101,169	107,354	112,666	119,774	125,528	135,896	142,173	138,662	130,000
BELGIUM	189,484	196,877	207,117	220,114	233,224	246,528	263,419	275,378	291,948	308,579	315,229	323,996
BULGARIA	3,507	3,499	3,522	3,700	4,190	4,715	6,384	7,031	8,086	9,390	11,263	14,100
CROATIA	8,161	7,998	7,845	6,975	7,017	7,178	7,632	8,260	9,004	9,932	10,840	11,395
CYPRUS	11,854	11,655	11,661	11,515	11,123	8,670	8,605	8,649	8,385	8,386	8,339	8,488
CZECHIA	27,222	28,732	32,085	34,940	40,555	43,984	48,658	51,174	60,632	65,497	66,410	68,359
DENMARK	231,850	239,403	238,848	243,751	250,708	255,215	262,611	270,820	281,740	284,146	277,743	278,687
ESTONIA	5,896	6,064	6,323	6,661	7,107	7,603	8,119	8,656	9,449	10,492	11,106	11,967
FINLAND	88,313	89,762	91,955	94,056	96,129	97,781	100,354	103,610	107,759	109,315	107,490	105,760
FRANCE	814,627	833,120	866,401	899,358	954,226	1,009,562	1,078,645	1,136,990	1,214,582	1,280,950	1,292,144	1,283,174
GERMANY	1,208,822	1,237,410	1,279,456	1,326,901	1,378,810	1,445,987	1,530,434	1,629,423	1,744,433	1,842,773	1,871,314	1,891,500
GREECE	71,055	69,408	67,593	61,397	58,812	56,766	52,707	46,133	30,891	29,753	28,456	26,986
HUNGARY	18,499	17,146	14,943	14,024	13,602	13,604	13,715	13,321	14,660	14,204	14,993	15,450
IRELAND	94,862	90,593	87,898	86,195	84,045	83,301	81,637	80,891	79,634	78,130	80,213	82,519
ITALY	361,390	359,137	362,332	369,520	375,425	378,966	383,515	391,515	409,868	426,953	424,651	426,224
LATVIA	5,062	4,703	4,503	4,412	4,362	4,102	4,177	4,178	4,505	4,713	4,790	5,053
LITHUANIA	5,901	6,006	6,179	6,597	7,194	7,786	8,457	9,176	10,237	11,471	12,174	12,670
LUXEMBOURG	23,389	25,038	26,599	28,314	30,656	33,062	35,651	38,957	42,464	44,596	43,942	43,820
MALTA	3,278	3,592	3,905	4,204	4,548	4,949	5,459	5,824	6,459	7,910	8,353	8,170
NETHERLANDS	695,175	696,303	703,901	715,680	726,602	740,431	751,902	769,655	806,818	836,390	854,472	890,132
POLAND	80,812	82,555	88,390	89,592	93,111	96,728	104,146	104,607	111,423	106,166	110,593	116,045
PORTUGAL	106,585	102,469	98,516	95,377	94,093	93,952	93,846	96,176	98,149	101,700	100,370	104,105
ROMANIA	9,257	10,105	11,522	12,893	14,262	15,785	16,999	18,354	20,347	21,432	21,218	22,129
SLOVAKIA	15,304	17,364	19,714	22,508	25,383	28,271	31,001	33,787	37,677	41,602	39,035	40,749
SLOVENIA	5,307	5,348	5,525	5,717	5,976	6,239	6,587	6,862	7,479	8,215	8,272	8,598
SPAIN	569,692	552,613	526,105	511,253	497,711	494,459	487,561	481,913	487,146	486,890	471,915	474,501
SWEDEN	340,379	339,152	375,277	387,000	401,977	409,876	423,397	469,091	485,635	470,048	476,323	466,702
EURO AREA 20	4,353,468	4,389,099	4,462,590	4,559,506	4,689,983	4,847,042	5,036,226	5,235,596	5,512,438	5,757,901	5,803,830	5,845,987
EU 27	5,073,155	5,117,689	5,235,022	5,352,379	5,515,406	5,694,126	5,919,770	6,178,254	6,503,965	6,738,716	6,782,375	6,871,280
ICELAND	8,941	9,167	9,688	11,851	12,091	12,351	13,104	12,711	14,952	15,889	17,114	18,974
NORWAY	245,449	241,128	242,633	274,257	270,151	280,500	298,318	299,365	328,387	324,846	312,510	306,279
SWITZERLAND	720,066	763,933	853,457	884,018	832,915	896,413	960,608	n/a	n/a	n/a	n/a	n/a
UNITED KINGDOM	1,483,422	1,612,453	1,755,378	1,546,503	1,542,945	1,574,861	1,709,024	1,669,740	1,861,750	1,827,277	1,862,971	1,983,868
AUSTRALIA	862,191	956,789	1,018,576	1,106,598	1,124,025	1,115,281	1,134,377	1,183,189	1,296,938	1,373,512	1,359,241	1,364,504
BRAZIL	104,595	135,687	117,305	157,747	143,958	134,780	141,340	111,840	129,174	164,836	193,730	181,678
CANADA	817,605	896,116	887,681	1,004,421	996,750	991,832	1,123,183	1,100,173	1,200,281	1,233,482	1,242,207	1,038,001
JAPAN	1,268,756	1,275,745	1,431,968	1,550,537	1,451,780	1,601,853	1,702,550	1,689,996	1,689,435	1,606,115	1,480,502	n/a
RUSSIA	67,238	56,579	56,366	78,449	83,379	88,621	120,740	111,767	151,272	191,205	196,567	188,845
SINGAPORE	69,869	81,663	88,973	94,261	94,862	100,555	102,563	96,339	109,271	122,148	152,035	159,432
SOUTH KOREA	354,001	422,800	498,377	563,852	601,734	632,255	650,224	682,787	731,245	753,952	742,393	733,511
TURKEY	37,048	44,270	45,096	44,167	42,105	31,208	29,982	30,637	19,621	18,035	13,527	n/a
USA	10,147,492	11,526,568	12,854,235	13,276,165	11,668,812	12,222,189	12,457,189	11,404,454	12,356,000	13,120,576	12,664,621	11,506,016

Sources: *European Mortgage Federation National Experts, European Central Bank, National Central Banks, Federal Reserve*

1) Time series breaks:

- Cyprus: 2004 (reclassification of loans)
- Ireland: 2010 (different definition used from 2010 - see point (1) Notes).
- Italy: 2010 (due to a change of methodology)
- Luxembourg: 2003 (due to a change in the statistical source)
- Netherlands: 2006 (due to a change of methodology)
- Norway: 2009 (due to a change in methodology)
- Malta: 2005 (due to a change in the statistical source), before 1999 aggregate data residential and commercial
- Poland: 2007 (due to a change of methodology)
- Romania: 2007 (due to a change of methodology)
- Slovakia: 2006 (due to a change of methodology)
- Spain: 1999 (due to a change in methodology)
- Sweden: 2004 (due to a change in the statistical source)

2) The series has been revised for at least two years in:

- Canada
- USA

3) Notes:

- For further details on the methodologies, please see "Annex: Explanatory Note on data"
- n/a: figure not available
- Please note that the conversion to euros is based on the bilateral exchange rate at the end of the period (provided by the ECB and Bloomberg)
- Please note that due to the conversion to euros, changes observed for countries not belonging to the euro area may be due to exchange rate fluctuations. To obtain values in national currency, please refer to the exchange rates used, on Table 30 of this publication.
- For Turkey the entire series has been updated
- For Ireland, this series includes all housing loans until 2009. From 2010, this series represents only housing loans for owner-occupied dwellings.
- For Malta, this series does not include non-resident lending
- For Japan, the reference year is the Japanese Fiscal year, from April to March
- For Spain the series from 1999 has been updated and refers total residential mortgage loans (only backed up by a mortgage)
- For the US, all mortgage credit lending series has been discontinued by the source as of 2019

2. Change in Outstanding Residential Loans

End of period, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	1,341	3,088	6,215	4,244	6,185	5,312	7,108	5,754	10,368	6,277	-3,511	-8,662
BELGIUM	5,869	7,393	10,240	12,997	13,110	13,304	16,891	11,959	16,570	16,631	7,028	8,390
BULGARIA	-66	-8	23	178	491	525	1,669	647	1,055	1,304	1,873	2,837
CROATIA	-234	-194	-130	-787	153	190	430	512	744	928	908	555
CYPRUS	-825	-199	6	-146	-392	-2,453	-65	44	-264	1	-47	149
CZECHIA	-630	1,510	3,353	2,855	5,616	3,428	4,675	2,516	9,457	4,865	913	1,949
DENMARK	1,110	7,553	-555	4,903	6,957	4,507	7,396	8,208	10,920	2,406	-6,402	944
ESTONIA	51	168	259	338	446	496	516	537	794	1,042	615	861
FINLAND	1,967	1,449	2,193	2,101	2,073	1,652	2,573	3,256	4,149	1,556	-1,825	-1,730
FRANCE	-55,413	18,493	33,281	32,957	54,868	55,336	69,083	58,345	77,592	66,368	11,194	-8,970
GERMANY	23,969	28,588	42,046	47,445	51,909	67,177	84,447	98,989	115,010	98,340	28,541	20,186
GREECE	-3,579	-1,646	-1,815	-6,196	-2,585	-2,046	-4,059	-6,574	-15,242	-1,138	-1,297	-1,470
HUNGARY	-1,486	-1,353	-2,203	-919	-423	3	111	-395	1,339	-456	789	457
IRELAND*	-2,600	-4,269	-2,695	-1,703	-2,150	-744	-1,664	-746	-1,257	-1,504	2,083	2,306
ITALY	-4,198	-2,253	3,195	7,188	5,905	3,541	4,549	8,001	18,353	17,085	-2,303	1,573
LATVIA	-272	-359	-200	-91	-50	-260	75	1	327	208	77	263
LITHUANIA	25	160	172	416	589	585	669	717	1,061	1,234	703	496
LUXEMBOURG	1,674	1,649	1,561	1,715	2,342	2,408	2,569	3,325	3,507	2,132	-654	-35,772
MALTA	190	314	313	299	344	401	510	365	635	1,451	443	-183
NETHERLANDS	-8,692	2,205	6,654	10,355	9,568	12,586	9,887	15,670	37,163	29,572	18,082	35,660
POLAND	1,378	1,743	5,835	1,202	3,520	3,616	7,419	460	6,817	-5,257	4,427	5,452
PORTUGAL	-3,935	-4,116	-3,953	-3,139	-1,284	-141	-106	2,330	1,973	3,551	-1,330	3,735
ROMANIA	490	848	1,417	1,371	1,369	1,523	1,214	1,355	1,993	1,085	-214	911
SLOVAKIA	1,603	2,060	2,350	2,794	2,875	2,888	2,730	2,786	3,890	3,925	-2,567	1,714
SLOVENIA	48	41	177	192	259	263	348	173	617	736	57	326
SPAIN	-24,713	-17,079	-26,508	-14,852	-13,542	-3,252	-6,899	-5,647	5,233	-256	-14,975	2,586
SWEDEN	5,457	-1,227	36,125	11,722	14,977	7,883	13,538	45,568	16,544	-15,587	6,275	-9,621
EURO AREA 20	-67,490	35,686	73,490	96,913	130,470	157,053	189,162	199,285	276,842	245,463	45,929	42,157
EU 27	-61,471	44,557	117,355	117,438	163,130	178,728	225,615	258,158	325,711	234,751	43,660	88,904
ICELAND	880	225	522	2,162	240	260	753	1,500	2,241	937	1,225	1,860
NORWAY	-15,275	-4,322	1,506	31,624	-4,107	10,350	17,817	1,047	29,022	-3,541	-12,336	-6,231
SWITZERLAND	17,731	43,867	89,524	30,561	-51,103	63,498	64,195	n/a	n/a	n/a	n/a	n/a
UNITED KINGDOM	-17,842	129,031	142,925	-208,875	-3,558	31,916	134,164	-39,285	192,010	-34,472	35,694	120,897
AUSTRALIA	-87,411	29,249	456,449	87,968	17,107	-9,087	18,807	48,889	113,749	76,574	-14,271	5,263
BRAZIL	9,065	30,503	-16,717	40,441	-13,789	-9,177	6,561	-29,501	17,334	35,662	28,894	-12,052
CANADA	-49,960	78,511	-8,435	116,739	-7,670	-4,918	131,351	n/a	100,109	n/a	8,725	-204,206
JAPAN	-326,386	7,033	157,063	119,254	-99,135	151,099	102,339	-20,120	-561	-83,320	-125,613	n/a
RUSSIA	9,499	-10,659	-213	22,083	4,930	5,242	32,120	-8,970	39,504	39,933	5,362	-7,721
SINGAPORE	1,430	11,794	7,310	5,288	601	5,693	2,008	-6,224	12,932	12,878	29,887	7,397
SOUTH KOREA	7,613	68,799	75,576	65,475	37,882	30,521	17,969	32,563	48,458	22,707	-11,559	-8,882
TURKEY	902	7,222	827	-930	-2,062	-10,896	-1,226	655	-11,016	-1,586	-4,509	n/a
USA	-459,152	1,379,076	1,327,667	421,930	-1,607,354	553,377	235,000	-1,052,734	951,546	764,575	-455,955	-1,158,605

Sources: *European Mortgage Federation National Experts, European Central Bank, National Central Banks, Federal Reserve*

1) Time series breaks:

- See Table 1

2) The series has been revised for at least two years in:

- See Table 1

3) Notes:

- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the time series are the result of the variation between two consecutive amounts of outstanding mortgage loans.
- Please note that the conversion to euros is based on the bilateral exchange rate at the end of the period (provided by the ECB and Bloomberg)
- Please note that due to the conversion to euros, changes observed for countries not belonging to the euro area may be due to exchange rate fluctuations. To obtain values in national currency, please refer to the exchange rates used, on Table 27 of this publication.

3. Gross Residential Loans

Total Amount, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	15,874	16,877	21,166	20,363	28,130	28,106	30,568	38,069	37,204	34,606	21,471	17,824
BELGIUM	25,077	29,441	36,155	36,554	33,568	34,895	43,805	36,115	45,549	39,584	27,589	29,840
BULGARIA	635	697	973	1,157	1,620	1,709	1,793	2,013	2,767	3,417	3,869	5,387
CROATIA	549	530	669	1,721	663	974	1,159	1,592	1,595	2,662	2,703	2,447
CYPRUS	1,399	480	268	543	720	869	874	783	1,121	1,178	1,016	1,087
CZECHIA	6,404	6,446	7,984	10,384	11,207	11,871	10,694	10,062	17,915	6,995	5,417	9,771
DENMARK	24,700	35,303	50,700	40,526	40,661	39,100	74,476	55,830	56,922	69,878	60,833	34,405
ESTONIA	686	819	942	1,038	1,206	1,315	1,399	1,368	1,899	2,207	1,783	2,056
FINLAND	17,514	17,540	33,307	29,511	30,982	33,970	33,705	38,088	32,461	27,933	26,125	26,436
FRANCE	140,600	112,900	213,700	252,500	268,500	203,600	247,500	250,600	275,200	259,500	153,100	132,700
GERMANY	170,100	177,100	208,600	209,400	214,300	227,800	245,000	269,700	299,600	273,500	196,300	205,900
GREECE	n/a	n/a	447	471	518	553	587	640	973	1,197	1,140	1,360
HUNGARY	623	885	1,343	1,688	2,352	2,875	3,012	2,844	3,524	3,273	1,796	3,511
IRELAND	2,495	3,855	4,848	5,656	7,286	8,722	9,540	8,365	10,467	14,057	12,088	12,568
ITALY	25,910	31,848	61,850	79,092	70,499	67,860	71,616	76,338	79,049	69,450	68,544	60,378
LATVIA	221	247	271	363	419	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LITHUANIA	573	541	1,051	1,219	1,341	1,460	1,479	1,581	2,196	2,443	2,175	3,299
LUXEMBOURG	4,817	5,694	6,347	7,134	7,250	8,680	9,407	10,685	11,243	9,337	5,299	n/a
MALTA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NETHERLANDS	36,700	48,550	63,474	80,977	100,972	107,080	122,626	138,957	163,181	154,114	107,240	138,754
POLAND	7,716	8,003	9,850	9,389	10,695	11,810	12,270	13,037	18,908	10,394	12,893	19,619
PORTUGAL	2,049	2,313	4,013	5,790	8,259	9,903	10,950	12,056	15,774	17,384	24,519	24,519
ROMANIA	1,521	1,542	2,516	2,470	2,656	2,688	2,696	2,504	3,953	3,840	3,069	4,597
SLOVAKIA	4,873	5,840	6,362	9,865	8,019	7,972	7,277	8,402	11,117	9,492	3,821	4,457
SLOVENIA	597	633	886	1,059	1,118	1,068	1,130	1,512	2,008	2,196	1,143	1,375
SPAIN	21,857	26,800	35,721	37,492	38,861	43,056	43,591	43,970	59,425	65,220	56,396	67,952
SWEDEN	46,498	51,168	60,761	59,341	59,871	55,755	55,165	61,206	68,059	64,146	44,986	52,548
EURO AREA 20	470,825	481,513	698,207	778,025	826,045	786,140	879,722	938,264	1,046,662	982,355	709,433	732,953
EU 27	563,425	587,996	833,317	904,836	956,180	913,855	1,041,896	1,092,851	1,226,643	1,146,878	842,295	862,790
ICELAND	858	994	1,769	11,562	13,978	16,558	n/a	n/a	n/a	n/a	3,487	5,009
UNITED KINGDOM	209,257	252,301	305,534	300,855	296,364	303,739	306,465	276,178	358,374	367,250	257,201	291,874
AUSTRALIA	205,474	224,757	242,678	239,637	250,892	218,192	197,826	234,556	352,165	367,151	326,233	244,573
BRAZIL	52,063	49,698	33,554	25,618	26,821	25,988	29,352	29,579	39,932	44,264	46,708	48,747
CANADA	182,258	172,343	218,526	228,136	223,819	189,081	216,977	n/a	n/a	n/a	n/a	n/a
JAPAN	158,455	136,253	148,309	202,497	166,748	157,653	171,814	172,041	166,558	147,459	133,680	n/a
RUSSIA	31,980	34,623	17,065	19,873	30,664	40,695	40,506	53,729	65,397	60,755	77,618	42,257
TURKEY	19,893	12,566	15,464	17,078	16,611	6,872	8,808	15,680	7,437	7,139	5,535	n/a
USA	1,545,913	1,524,778	1,854,523	1,921,236	1,914,869	1,869,924	2,010,612	1,992,965	1,886,369	2,275,160	2,353,662	n/a

Source: *European Mortgage Federation National Experts, European Central Bank, Japan Housing Finance Agency, National Central Banks, Federal Reserve, Inside Mortgage Finance, FRED*

1) Time series breaks:
- France (2007)
- The Netherlands (2003: change of source; 2004-2007: change of methodology)
- USA (2006)
- Luxembourg (2023): change of source

2) The series has been revised for at least two years in:
- Austria
- Croatia
- France
- Japan
- USA
- Russia

3) Notes:
- For further details on the methodologies, please see "Annex: Explanatory Note on data"
- n/a : figure not available
- Please note that the conversion to euros is based on the yearly average bilateral exchange rate (provided by the ECB)
- Please note that due to the conversion to euros, changes observed for countries not belonging to the euro area may be due to exchange rate fluctuations. To obtain values in national currency, please refer to the exchange rates used, on Table 29 of this publication.
- Data includes internal remortgaging for the following countries: Slovakia and Italy
- For Austria and Turkey the figure includes only new loans
- For Belgium the figure also includes external remortgaging
- For Spain the figure also includes credits to households.
- For Sweden only residential lending from mortgage credit institutions is included. Lending by banks is not included in the above. However, mortgage credit institutions are estimated to constitute around 75% of the total residential mortgage credit market.
- For Denmark the figure does not include second homes
- For Japan, the reference year is the Japanese Fiscal year, from April to March
- For US, the credit mortgage lending series has been discontinued by the source as of 2019

4) ECB source:
- Austria
- Croatia
- France
- Lithuania
- Italy

4. Representative Interest Rates on New Residential Loans

Annual average based on monthly figures, %

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TYPE
AUSTRIA	2.39	2.29	2.02	1.92	1.89	1.84	1.63	1.34	1.20	1.87	3.87	3.89	1
BELGIUM	3.45	3.17	2.49	2.11	2.09	1.91	1.78	1.57	1.46	2.14	3.59	3.41	1
BULGARIA	7.05	6.69	5.89	4.99	4.00	4.64	3.51	3.52	3.27	3.11	3.53	2.95	1
CROATIA	5.04	5.05	5.07	4.78	3.80	3.52	3.07	2.93	2.65	2.55	3.26	3.73	1
CYPRUS	5.03	4.43	3.59	3.06	2.77	2.41	2.12	2.10	2.17	2.55	4.13	4.70	2
CZECHIA	3.26	2.56	2.33	2.07	2.11	2.49	2.62	2.22	2.27	4.61	5.88	5.16	1
DENMARK	1.20	1.29	1.09	1.15	1.00	0.81	0.66	0.69	0.69	1.29	4.55	4.73	1
ESTONIA	2.54	2.43	2.25	2.28	2.34	2.59	2.54	2.48	2.15	2.68	5.36	5.02	1
FINLAND	1.98	1.80	1.35	1.16	0.95	0.86	0.73	0.69	0.77	3.30	4.42	3.99	1
FRANCE	3.19	2.96	2.32	1.88	1.60	1.55	1.36	1.26	1.15	1.47	3.03	3.41	1
GERMANY	2.76	2.49	1.95	1.76	1.83	1.87	1.52	1.25	1.26	2.44	4.00	3.80	1
GREECE	2.82	2.94	2.62	2.74	2.78	3.01	3.11	2.85	2.78	3.14	4.10	4.06	2
HUNGARY	9.85	8.48	6.21	5.32	4.70	4.43	4.86	4.56	4.43	7.35	9.20	7.28	2
IRELAND	3.44	3.42	3.49	3.26	3.19	3.01	2.93	2.81	2.73	2.71	3.78	4.04	1
ITALY	3.50	2.83	2.50	2.02	1.90	1.89	1.44	1.25	1.40	3.01	4.42	3.11	1
LATVIA	3.53	3.38	3.18	3.21	2.82	2.82	2.67	2.62	2.39	2.98	5.53	5.44	1
LITHUANIA	2.39	2.15	1.88	1.95	2.01	2.22	2.37	2.33	2.16	2.78	5.45	5.24	1
LUXEMBOURG	2.13	2.02	1.86	1.68	1.74	1.75	1.53	1.34	1.32	2.01	4.07	3.96	2
MALTA	3.03	2.85	2.99	2.84	2.83	2.71	2.58	2.60	3.01	2.87	2.85	1.95	1
NETHERLANDS	3.78	3.37	2.95	2.56	2.41	2.38	2.18	1.81	1.63	2.34	4.03	3.93	1
POLAND	5.14	4.10	4.40	4.40	4.40	4.40	4.32	3.47	3.06	7.70	8.32	7.65	1
PORTUGAL	3.26	3.21	2.38	1.95	1.65	1.41	1.26	1.08	0.83	1.78	4.03	3.67	2
ROMANIA	4.73	5.06	3.99	3.46	3.70	5.16	5.45	5.12	4.12	5.15	7.29	6.44	2
SLOVAKIA	4.07	3.39	2.72	1.97	1.82	1.58	1.41	1.17	1.02	1.93	4.30	4.42	1
SLOVENIA	3.30	2.92	2.55	2.29	2.46	2.45	2.21	2.01	1.71	3.65	3.96	3.18	1
SPAIN	3.04	2.96	2.24	2.01	1.95	1.97	1.99	1.73	1.49	1.97	3.75	3.35	2
SWEDEN	2.75	2.24	1.66	1.60	1.58	1.50	1.52	1.48	1.35	2.34	4.34	4.14	2
ICELAND	3.92	3.86	4.19	4.10	4.06	3.98	3.62	2.75	2.43	2.27	3.30	4.00	6
NORWAY	3.98	3.78	2.86	2.43	2.50	2.45	2.75	2.12	1.79	2.82	4.86	5.67	6
SWITZERLAND	2.02	1.89	1.77	1.63	1.53	1.45	1.37	1.27	1.19	1.33	1.72	1.53	6
UNITED KINGDOM	3.24	3.12	2.62	2.34	2.03	2.11	2.25	2.00	2.11	2.56	4.81	4.88	1
AUSTRALIA	5.10	5.08	4.83	4.51	5.51	4.65	4.15	3.65	3.45	5.97	5.75	5.93	2
BRAZIL	8.10	9.30	10.10	10.80	9.10	8.00	7.70	7.20	7.20	10.00	10.40	9.40	6
CANADA	3.14	3.05	2.70	2.70	2.89	3.44	3.30	2.55	n/a	n/a	n/a	n/a	1
JAPAN	1.87	1.62	1.52	1.06	1.23	1.36	1.21	1.31	1.33	1.60	1.82	1.85	6
RUSSIA	12.44	12.45	13.35	12.48	10.64	9.56	9.87	7.68	7.47	7.12	8.18	8.66	1
SOUTH KOREA	3.86	3.55	3.03	2.91	3.27	3.39	2.74	2.50	2.94	4.24	4.37	3.90	6
TURKEY	9.69	11.86	12.31	13.25	12.14	19.30	17.75	12.47	17.83	19.11	29.32	42.79	1
USA	3.98	4.17	3.85	3.65	3.99	4.54	3.94	3.11	2.96	5.34	6.81	4.20	5

Source: *European Mortgage Federation National Experts, European Central Bank, Japan Housing Finance Agency, National Central Banks, Federal Reserve*

1) Time series breaks:

- Czech Republic: 2013 (source was changed from 2013 to the Central Bank data)
- Croatia: 2012 (new series from 2012 onwards due to revised methodology)
- Iceland: 2005 (in 2004, the average is based on data between September and December)
- Romania: 2014 (change in the methodology of the NBR to reflect the changes in granting mortgages by currency)
- Slovakia: 2009 (before 2009, the reference currency for the interest rate was SKK)
- Slovenia: 2007 (before 2007, the reference currency for the interest rate was SIT)
- Sweden: 2005 (before 2005, the average was calculated with quarterly data)
- Japan: 2003 (the underlying mortgage products were changed due to a succession in Japan of government agencies dealing with housing finance)

2) The series has been revised for at least two years in:

- Russia
- Croatia
- Malta
- Luxembourg
- Lithuania
- Austria
- Italy

3) Notes:

- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- For national definitions of representative interest rates on new residential loans, please see the methodological Annex ("Explanatory Note on data")
- Type: The type of new residential loan related to the published representative interest rate is provided in the column "type". There are 6 main types:
  (1) Weighted average interest rate on loans to households for house purchase
  (2) Initial fixed period interest rate up to 1 year on loans for house purchase
  (3) Initial fixed period interest rate over 1 and up to 5 years on loans for house purchase
  (4) Initial fixed period interest rate over 5 and up to 10 years on loans for house purchase
  (5) Initial fixed period interest rate of over 10 years on loans for house purchase
  (6) Other
- For Iceland the number represents real interest rate

5. Amount of Gross Lending with a Variable Interest Rate

Fixation period of up to 1 year, %

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	81.4	84.0	76.1	63.6	51.8	43.5	43.6	37.6	38.0	39.6	39.7	23.1
BELGIUM	5.8	4.2	0.6	0.9	1.4	6.7	6.4	5.1	5.1	7.8	7.6	7.1
BULGARIA	96.8	96.1	93.4	97.2	98.5	98.6	99.0	98.1	98.2	95.0	99.8	99.0
CROATIA	70.5	72.2	77.5	50.7	30.7	15.7	13.3	20.3	14.9	9.0	8.6	3.8
CYPRUS	85.7	91.7	95.1	96.1	97.9	94.8	93.2	92.7	97.9	n/a	66.6	51.6
CZECHIA	34.2	8.5	5.8	4.1	2.7	3.0	3.1	2.4	2.5	5.0	6.8	n/a
DENMARK	n/a	23.0	14.1	17.8	19.2	15.5	18.9	25.7	24.1	38.7	n/a	n/a
ESTONIA	86.3	88.2	89.3	89.4	88.9	88.6	89.9	86.8	90.7	93.0	94.7	94.4
FINLAND	95.8	93.7	92.9	92.5	95.2	96.3	96.6	96.9	95.6	95.5	93.3	96.2
FRANCE	6.8	4.2	2.0	1.1	0.6	0.6	0.6	0.5	0.5	0.8	1.0	4.0
GERMANY	16.3	15.8	12.4	12.0	11.4	11.7	11.0	10.5	9.7	11.0	15.6	11.8
GREECE	87.8	90.3	92.4	85.6	82.0	85.7	83.9	61.6	56.5	44.4	34.2	29.6
HUNGARY	44.1	47.1	45.0	41.9	41.0	16.0	7.0	1.2	0.7	0.8	0.1	0.2
IRELAND	83.6	86.6	66.0	65.4	49.5	39.0	26.9	22.8	19.8	10.8	13.3	30.5
ITALY	n/a	77.7	47.9	37.5	33.3	33.3	29.4	18.5	17.1	40.0	35.5	11.4
LATVIA	96.4	96.3	95.3	92.7	93.8	95.7	95.8	94.1	95.7	93.9	91.9	91.3
LITHUANIA	83.6	89.2	88.1	85.8	91.1	97.3	98.4	97.2	97.6	96.0	97.1	97.5
LUXEMBOURG	68.8	74.8	52.1	45.0	42.3	46.9	39.0	33.9	35.0	46.2	42.6	39.0
MALTA	93.4	72.8	72.4	72.2	74.2	62.7	44.4	57.7	65.5	65.4	53.4	n/a
NETHERLANDS	24.3	19.6	14.5	13.7	13.7	16.2	18.6	14.8	11.8	14.3	21.1	15.7
POLAND	100.0	100.0	100.0	100.0	100.0	100.0	100.0	97.0	93.7	47.7	30.7	21.9
PORTUGAL	91.2	92.3	92.1	66.4	60.3	65.0	71.7	67.9	85.5	76.5	24.1	22.0
ROMANIA	n/a	88.0	85.0	93.0	93.0	75.0	77.0	71.0	73.0	60.0	55.0	32.0
SLOVAKIA	9.6	4.0	2.7	3.0	1.4	1.2	1.4	2.1	1.9	2.5	3.4	5.0
SLOVENIA	98.8	97.8	66.0	53.0	46.2	45.7	54.3	41.0	13.2	7.7	1.5	2.5
SPAIN	67.7	64.5	62.9	46.3	42.4	36.3	35.5	34.0	25.1	23.6	18.3	12.3
SWEDEN	64.3	75.7	73.0	76.0	71.7	68.8	59.3	48.4	43.5	63.7	76.5	85.0
NORWAY	n/a	93.0	90.0	92.0	98.0	97.0	97.0	98.0	99.0	99.0	99.0	97.1
UNITED KINGDOM	19.0	13.2	15.8	16.0	11.5	7.5	7.9	8.6	6.4	5.1	14.8	7.8
ICELAND			38.5	52.8	55.5	49.3	60.2	64.9	52.3	45.5	69.1	59.8
CANADA	16.6	26.9	33.7	18.3	18.4	27.6	10.9	n/a	n/a	n/a	n/a	n/a
JAPAN	49.7	52.5	56.5	50.2	50.7	60.5	63.1	70.0	76.2	77.9	84.3	n/a
SOUTH KOREA	n/a	n/a	n/a	61.0	71.1	64.8	53.0	63.8	76.8	75.3	41.8	37.9

Sources: *European Mortgage Federation National Experts, National Central Banks, Statistical Data Warehouse - ECB https://data.ecb.europa.eu/data/datasets/RAI/RAI.M.LU.SVLHPHH.EUR.MIR.Z*

1) The series has been revised for at least two years in:

- Czechia
- French
- Portugal
- Slovenia
- United Kingdom
- Croatia
- Estonia
- Luxembourg
- Lithuania

The data has been validated with the dataset provided by the European Central Bank

6. Average Amount of a Mortgage Granted

EUR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BELGIUM	134,975	138,084	144,159	149,126	154,717	158,649	162,494	176,622	184,317	195,849	192,355	196,056
CZECHIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	55,220	61,356	76,695	101,237	99,703
BULGARIA	41,833	40,703	47,913	59,036	69,054	71,745	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK	130,288	132,820	138,767	142,238	145,861	149,845	154,635	164,356	174,231	178,463	177,459	180,451
ESTONIA	36,755	37,079	37,894	39,081	40,521	42,195	43,719	45,802	49,902	54,535	57,915	62,177
FINLAND	94,416	94,171	95,735	97,215	98,735	100,030	104,792	108,449	110,553	113,793	114,800	114,487
FRANCE	142,563	145,313	149,018	153,857	161,350	170,187	179,050	180,036	190,170	207,537	196,800	183,354
GERMANY	n/a	n/a	212,000	n/a	236,000	n/a	277,000	n/a	338,000	n/a	344,100	353,200
GREECE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	73,157	78,812	68,682	70,281
HUNGARY	13,945	15,322	15,484	17,339	18,759	23,833	24,285	25,053	33,192	29,390	33,783	42,300
IRELAND	166,450	174,269	180,963	191,719	209,373	216,941	222,965	234,869	240,654	267,072	277,342	292,079
LATVIA	27,438	30,315	31,390	25,206	285,931	37,407	n/a	n/a	n/a	n/a	n/a	n/a
NETHERLANDS	243,811	247,394	254,266	224,392	243,455	261,502	277,879	291,919	316,755	339,115	364,640	n/a
POLAND	47,604	49,364	50,633	50,562	57,369	59,493	64,658	66,523	73,188	72,479	82,644	98,791
ROMANIA	24,209	33,306	34,418	35,632	39,299	41,899	43,472	40,308	50,380	53,391	53,718	57,697
SLOVAKIA	59,267	62,091	59,035	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SPAIN	100,011	102,253	106,736	109,785	117,199	124,265	125,615	134,738	137,920	144,914	141,827	145,482
ICELAND	72,842	72,003	52,278	96,354	120,664	121,582	n/a	n/a	216,241	212,288	205,726	221,477
NORWAY	182,523	188,612	173,123	173,276	190,913	184,280	186,558	186,597	199,227	211,194	189,665	190,092
UNITED KINGDOM	182,461	206,027	241,876	222,875	214,301	216,765	225,184	239,492	260,780	278,403	258,506	282,682
AUSTRALIA	220,343	220,594	239,968	244,373	245,927	243,527	n/a	n/a	n/a	n/a	n/a	n/a
BRAZIL	52,235	50,102	37,528	32,628	41,056	33,786	38,502	38,708	38,850	40,912	47,017	41,416
CANADA	126,283	122,825	132,199	133,549	138,835	137,028	145,357	n/a	n/a	n/a	n/a	n/a
JAPAN	244,794	231,274	253,220	290,624	283,245	281,104	312,573	324,727	311,303	n/a	n/a	n/a
RUSSIA	38,761	34,185	24,396	23,201	28,211	31,047	30,874	30,176	34,265	48,923	41,326	32,429
TURKEY	23,782	21,509	22,530	22,476	19,247	13,818	13,121	13,642	11,635	8,816	6,306	n/a

Source: *European Mortgage Federation National Experts, National Central Banks, Japan Housing Finance Agency*

1) The series has been revised for at least two years in:
- Estonia
- Greece
- Hungary
- Norway
- United Kingdom

2) Notes:
- Please note that the conversion to euros is based on the yearly average bilateral exchange rate (provided by the ECB)
- Please note that due to the conversion to euros, changes observed for countries not belonging to the euro area may be due to exchange rate fluctuations. To obtain values in national currency, please refer to the exchange rates used, on Table 29 of this publication.
- For Belgium it represents the average of the year for the purchase of a dwelling
- For Denmark the statistics includes only owner occupation from mortgage banks
- For Germany the statistics contain average amount of a mortgage for the purchase of a second hand single family house
- For the UK the figure represents the median advance mate to home-owner for house purchase activity

7. Total Outstanding Non-Residential Mortgage Loans

Total Amount, End of the Year, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CZECHIA	12,035	13,544	14,435	16,446	19,358	19,997	29,510	31,965	35,516	38,569	42,717	44,957
DENMARK	145,158	151,264	143,427	148,532	148,608	149,845	154,635	164,356	160,316	131,138	155,963	169,547
ESTONIA	3,223	3,250	3,339	3,509	3,382	2,393	3,501	3,716	3,941	4,406	4,719	5,349
FINLAND	18,174	19,501	20,713	22,117	24,129	26,493	28,406	29,850	30,762	44,405	58,538	61,300
GERMANY	250,631	247,345	250,310	249,295	261,102	265,796	299,137	316,469	218,358	228,524	228,498	229,071
GREECE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HUNGARY	6,112	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IRELAND	27,710	25,108	22,737	20,493	17,890	14,211	10,966	9,428	7,289	4,943	3,469	2,749
ITALY	87,260	79,915	87,372	81,591	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LATVIA	2,298	2,034	1,898	2,255	2,025	1,664	n/a	n/a	n/a	n/a	n/a	n/a
MALTA	1,350	1,391	1,228	1,252	1,286	1,399	1,533	1,646	5,952	5,508	6,170	n/a
NETHERLANDS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
POLAND	13,116	13,055	13,952	13,616	18,532	16,187	16,230	19,606	18,632	18,686	18,938	18,479
ROMANIA	19,244	17,763	16,887	15,409	14,189	14,427	15,000	14,986	15,410	17,605	18,942	98,999
SPAIN	159,599	134,581	129,690	115,889	185,105	166,228	156,024	150,562	139,701	131,310	127,571	124,938
ICELAND	11,332	11,092	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NORWAY	13,626	13,550	13,027	13,752	13,399	19,556	19,215	19,012	20,523	20,644	23,199	22,237
AUSTRALIA	482,944	524,797	558,371	599,575	589,029	588,282	610,387	620,659	683,702	n/a	n/a	n/a
BRAZIL	16,508	20,555	16,862	20,783	15,034	10,439	7,490	4,498	4,531	6,568	9,570	9,595
CANADA	242,341	280,904	291,451	339,483	345,150	379,414	439,130	n/a	n/a	n/a	n/a	n/a
JAPAN	188,247	190,401	232,126	257,421	247,373	268,369	277,828	264,773	255,036	n/a	n/a	n/a
RUSSIA	3,080	2,573	1,711	1,693	1,081	1,773	2,765	2,190	2,833	2,665	80	63
SINGAPORE	27,000	27,522	31,144	31,753	30,950	30,481	30,284	27,817	31,309	33,470	n/a	n/a
USA	2,445,870	2,916,811	3,478,185	3,831,895	3,462,965	3,988,682	n/a	n/a	n/a	n/a	n/a	n/a

Source: *European Mortgage Federation National Experts, National Central Banks, Federal Reserve*

1) Time series breaks:
- Latvia: 2003 (due to a change in the statistical source)

2) Notes:
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the conversion to euros is based on the bilateral exchange rate at the end of the period (provided by the ECB and Bloomberg)
- Please note that due to the conversion to euros, changes observed for countries not belonging to the euro area may be due to exchange rate fluctuations. To obtain values in national currency, please refer to the exchange rates used, on Table 30 of this publication.
- For US, the credit mortgage lending series has been discontinued by the source as of 2019.

8. Total Outstanding Residential Loans to GDP Ratio

%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	27.1	27.2	28.2	28.3	29.1	29.2	30.2	33.0	33.5	31.8	29.1	27.0
BELGIUM	48.2	48.9	49.7	51.2	52.4	53.6	55.0	59.8	57.5	55.7	54.0	52.8
BULGARIA	8.3	8.1	7.7	7.6	8.0	8.4	10.4	11.4	11.4	10.9	12.0	13.6
CROATIA	18.2	17.9	17.1	14.7	14.2	13.8	13.6	16.2	15.3	14.5	14.2	13.3
CYPRUS	65.9	67.0	65.2	60.8	54.9	40.1	37.1	39.2	33.6	30.2	28.0	25.3
CZECHIA	17.1	18.2	18.9	19.7	20.9	20.8	21.6	23.7	25.4	23.7	21.7	21.4
DENMARK	89.6	90.1	87.5	86.1	85.0	84.4	84.8	87.0	82.1	74.7	74.3	70.2
ESTONIA	31.2	30.2	30.6	30.6	29.8	29.4	29.0	31.6	30.3	29.1	29.5	30.3
FINLAND	43.2	43.4	43.5	43.2	42.5	41.9	41.8	43.5	43.0	40.8	38.7	38.3
FRANCE	38.5	38.8	39.4	40.3	41.5	42.7	44.2	49.1	48.5	48.5	46.1	43.9
GERMANY	43.0	42.3	42.3	42.3	42.2	42.9	44.1	47.9	48.2	47.5	45.4	43.9
GREECE	39.5	39.2	38.3	35.2	33.2	31.6	28.7	28.0	17.0	14.4	12.9	11.4
HUNGARY	18.1	16.1	13.2	12.1	10.7	10.0	9.4	9.7	9.5	8.4	7.6	7.5
IRELAND	52.9	46.5	33.4	31.9	28.3	25.5	22.9	21.6	18.3	15.4	15.9	15.5
ITALY	22.4	22.1	21.9	21.8	21.6	21.4	21.3	23.6	22.5	21.8	20.4	19.4
LATVIA	22.2	19.9	18.3	17.4	16.2	14.1	13.7	13.9	13.5	12.3	11.9	12.6
LITHUANIA	16.7	16.4	16.5	16.9	17.0	17.0	17.3	18.4	18.1	17.0	16.9	16.2
LUXEMBOURG	47.6	48.3	49.1	50.4	52.7	54.8	57.1	60.4	58.7	57.5	55.4	50.9
MALTA	41.3	41.0	39.1	39.9	38.1	38.2	38.2	43.6	42.2	45.4	43.1	36.4
NETHERLANDS	103.7	102.3	100.6	99.4	96.7	93.9	90.6	94.4	90.2	84.8	79.9	78.5
POLAND	20.6	20.2	20.5	21.0	19.9	19.4	19.6	19.9	19.3	16.2	14.7	13.7
PORTUGAL	62.5	59.2	54.8	51.1	48.0	45.8	43.8	48.0	45.4	42.0	37.8	36.5
ROMANIA	6.4	6.7	7.2	7.6	7.6	7.7	7.6	8.3	8.4	7.5	6.5	6.3
SLOVAKIA	20.6	22.8	24.7	27.8	30.1	31.6	32.8	36.2	37.6	37.9	31.8	31.1
SLOVENIA	21.3	20.4	20.0	19.6	19.0	17.8	13.6	14.6	14.3	14.4	13.1	12.8
SPAIN	76.0	68.9	61.2	55.1	49.6	46.0	39.1	43.1	39.9	36.2	32.3	29.8
SWEDEN	77.0	77.3	82.4	83.0	83.7	87.1	88.8	97.6	89.8	83.7	86.9	82.8
EURO AREA 20	45.1	44.2	43.4	42.9	42.4	42.3	42.0	45.7	44.4	42.8	40.6	38.8
EU 27	45.1	44.3	43.7	43.3	42.7	42.5	42.2	45.9	44.4	42.3	40.0	38.3
ICELAND	73.7	68.0	61.3	63.0	55.2	55.5	59.4	67.1	68.5	58.2	59.6	61.4
NORWAY	62.4	64.1	69.8	82.2	76.5	75.8	81.7	92.7	77.2	57.5	69.6	68.5
SWITZERLAND	130.4	134.2	137.9	134.9	140.6	133.5	149.1	n/a	n/a	n/a	n/a	n/a
UNITED KINGDOM	70.3	69.4	65.9	62.9	64.6	64.1	67.6	70.4	70.5	62.5	81.9	56.6
AUSTRALIA	78.2	79.7	89.8	92.3	97.5	90.0	91.8	106.4	88.6	84.9	86.2	80.9
BRAZIL	5.8	6.7	7.1	9.3	8.4	8.1	8.5	9.3	8.8	9.0	9.8	8.7
CANADA	61.1	60.3	62.1	69.3	72.5	65.8	72.4	n/a	n/a	n/a	64.1	48.1
JAPAN	33.6	31.6	35.1	32.7	35.3	36.4	37.4	41.0	38.0	n/a	n/a	n/a
RUSSIA	4.1	3.4	4.5	6.5	6.3	6.1	8.0	9.2	9.3	9.0	10.9	9.0
SINGAPORE	31.3	31.5	31.4	31.1	33.1	30.5	30.6	33.8	28.5	26.1	33.5	30.3
SOUTH KOREA	33.0	36.0	36.0	40.0	40.0	41.0	42.0	45.0	44.0	44.0	44.0	41.8
TURKEY	5.3	5.7	5.7	5.4	5.9	4.6	4.4	5.2	2.7	2.1	1.3	n/a
USA	82.9	79.5	76.5	74.4	71.4	67.7	n/a	n/a	n/a	n/a	51.2	41.0

Source: *European Mortgage Federation National Experts, European Central Bank, National Central Banks, Eurostat, Bureau of Economic Analysis, Federal Reserve, IMF*

1) Time series breaks:
- See Table 1

2) The series has been revised for at least two years in:
- Australia
- Brazil
- Canada
- Japan
- Russia
- Singapore
- South Korea
- Turkey
- USA
- France

3) Notes:
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the GDP at current prices has been taken in euros directly from Eurostat.
- See Tables 1 and 27 for further information on the data used.

Notes:
All the data from Eurostat have been updated from 2019.

9. Total Outstanding Residential Loans to Disposable Income of Households Ratio

%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	44.4	44.7	47.1	47.3	48.5	49.3	50.6	53.3	57.5	53.1	48.2	42.5
BELGIUM	80.7	82.9	85.9	88.6	90.4	92.6	94.8	97.9	100.3	96.5	90.3	89.7
BULGARIA	13.4	13.3	12.9	12.9	13.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CROATIA	29.2	29.2	27.7	24.1	23.4	22.7	23.0	25.7	25.8	24.3	n/a	n/a
CYPRUS	94.1	98.8	98.8	92.1	84.3	61.5	56.2	58.4	55.2	47.4	45.3	43.5
CZECHIA	31.0	33.5	35.8	37.3	39.4	39.0	40.5	41.7	44.5	42.8	39.2	40.6
DENMARK	184.6	188.1	180.0	175.5	174.7	173.0	172.7	177.2	175.4	164.3	155.3	150.0
ESTONIA	57.2	55.6	55.0	55.0	53.8	52.8	52.7	55.5	57.3	56.4	53.7	54.4
FINLAND	73.2	73.6	74.2	74.4	74.2	73.1	72.7	74.3	76.4	72.6	68.1	65.6
FRANCE	60.6	61.2	62.9	64.1	66.3	68.1	70.4	73.4	75.5	75.4	70.8	68.0
GERMANY	67.6	67.5	67.9	68.1	68.4	68.9	71.3	75.1	78.7	76.5	73.1	71.2
GREECE	60.2	58.7	57.3	52.8	50.7	48.4	43.2	38.9	24.3	21.6	19.5	17.5
HUNGARY	30.7	28.3	23.8	21.3	18.8	17.3	16.2	16.6	16.3	14.4	12.4	12.4
IRELAND	108.9	102.0	94.8	88.7	80.9	76.8	71.3	65.4	61.6	57.8	54.8	52.1
ITALY	32.9	32.4	32.3	32.6	32.4	32.1	32.3	33.9	34.2	33.3	31.6	30.6
LATVIA	37.5	32.9	29.8	27.7	26.0	22.8	22.1	21.5	21.8	18.8	18.8	18.5
LITHUANIA	26.3	26.6	26.6	26.4	27.6	28.1	28.0	28.0	29.3	28.1	27.3	46.4
LUXEMBOURG	121.8	125.8	131.7	136.1	138.1	143.1	146.6	151.6	163.2	155.9	140.4	134.0
NETHERLANDS	204.7	200.5	198.9	196.3	194.3	188.4	182.9	180.8	178.6	167.3	154.7	159.9
POLAND	33.4	33.0	34.3	34.5	33.3	32.9	33.2	32.3	33.2	28.5	25.3	23.4
PORTUGAL	86.9	83.7	77.8	72.6	69.4	66.4	63.5	65.6	64.4	61.1	56.6	55.9
ROMANIA	12.0	13.0	13.8	14.1	13.7	14.0	13.8	14.3	14.9	15.4	12.9	12.4
SLOVAKIA	35.3	39.1	42.2	46.7	50.2	51.0	53.3	56.9	62.2	59.6	51.4	50.9
SLOVENIA	23.1	23.0	23.3	23.1	23.1	22.7	22.6	22.3	22.9	23.6	21.7	21.8
SPAIN	86.9	84.2	77.1	73.0	68.8	66.5	62.4	64.9	64.2	58.5	51.1	49.0
SWEDEN	148.4	150.6	165.0	164.9	167.8	173.8	177.5	192.7	184.5	173.9	181.6	172.8
EURO AREA 20	69.7	69.3	69.0	68.7	68.7	68.7	69.3	72.1	73.4	70.6	66.3	38.8
EU 27	71.1	70.9	71.0	70.6	70.5	70.3	70.8	73.7	74.2	71.3	71.3	7.2
NORWAY	142.5	143.0	143.2	165.2	156.9	162.0	169.2	178.0	174.4	178.1	201.9	142.4
SWITZERLAND	214.6	222.0	217.9	227.7	218.2	240.0	243.3	n/a	n/a	n/a	n/a	n/a
UNITED KINGDOM	104.3	104.2	96.3	94.2	97.9	96.2	100.9	99.1	102.9	96.8	n/a	n/a
USA	74.5	80.3	72.7	74.4	64.8	70.0	n/a	n/a	n/a	n/a	n/a	n/a

Source: *European Mortgage Federation National Experts, European Central Bank, National Central Banks, National Statistics Offices, Eurostat, Federal Reserve, US Bureau of Census*

1) Time series breaks:
- See Table 1

2) The series has been revised for at least two years in:
- See Table 1

3) Notes:
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the disposable income of households at current prices has been taken in euros directly from AMECO.

10. Total Outstanding Residential Loans per Capita

Total Population, EUR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	10,367	10,662	11,290	11,628	12,237	12,771	13,520	14,103	15,213	15,834	15,230	14,194
BELGIUM	17,012	17,608	18,431	19,460	20,545	21,628	22,995	23,899	25,266	26,561	26,877	27,418
BULGARIA	481	483	489	517	590	669	912	1,011	1,169	1,373	1,747	2,188
CROATIA	1,915	1,883	1,857	1,664	1,689	1,748	1,872	2,035	2,231	2,572	2,815	2,951
CYPRUS	13,691	13,584	13,767	13,574	13,012	10,032	9,824	9,740	9,358	9,269	9,057	8,783
CZECHIA	2,589	2,733	3,045	3,311	3,834	4,145	4,569	4,785	5,777	6,228	6,133	6,271
DENMARK	41,382	42,544	42,202	42,709	43,611	44,146	45,230	46,510	48,243	48,378	46,816	46,750
ESTONIA	4,466	4,609	4,809	5,062	5,402	5,763	6,128	6,513	7,104	7,878	8,131	8,705
FINLAND	16,274	16,466	16,805	17,141	17,467	17,736	18,187	18,752	19,473	19,703	19,319	18,873
FRANCE	12,418	12,591	13,037	13,496	14,283	15,062	16,030	16,848	17,952	18,849	18,954	18,741
GERMANY	15,012	15,321	15,757	16,147	16,708	17,465	18,435	19,592	20,978	22,139	22,183	22,665
GREECE	6,457	6,352	6,225	5,693	5,462	5,285	4,915	4,304	2,893	2,845	2,733	2,595
HUNGARY	1,867	1,736	1,516	1,427	1,388	1,391	1,403	1,364	1,507	1,466	1,562	1,612
IRELAND	20,578	19,533	18,791	18,237	17,567	17,245	16,646	16,294	15,907	15,441	15,217	15,419
ITALY	6,055	5,909	5,960	6,091	6,196	6,266	6,412	6,564	6,919	7,233	7,198	7,228
LATVIA	2,501	2,350	2,267	2,241	2,237	2,121	2,176	2,190	2,380	2,513	2,544	2,699
LITHUANIA	1,986	2,040	2,115	2,284	2,526	2,772	3,027	3,284	3,662	4,088	4,261	4,390
LUXEMBOURG	43,552	45,550	47,249	49,135	51,901	54,920	58,074	62,221	66,901	69,099	66,497	65,203
MALTA	7,759	8,365	8,881	9,334	9,881	10,404	11,060	11,318	12,515	15,183	15,410	14,500
NETHERLANDS	40,825	40,835	41,056	41,477	41,788	42,279	42,603	43,197	44,948	46,235	46,384	49,609
POLAND	2,123	2,171	2,326	2,360	2,452	2,547	2,743	2,756	2,945	2,819	3,009	3,169
PORTUGAL	10,163	9,827	9,496	9,223	9,127	9,130	9,132	9,341	9,531	9,824	9,589	9,785
ROMANIA	462	507	580	652	726	808	876	950	1,060	1,125	1,114	1,161
SLOVAKIA	2,828	3,206	3,636	4,148	4,670	5,194	5,688	6,191	6,901	7,655	7,190	7,512
SLOVENIA	2,578	2,595	2,678	2,770	2,893	3,019	3,165	3,274	3,546	3,899	3,907	4,048
SPAIN	12,192	11,881	11,326	11,009	10,697	10,597	10,388	10,181	10,278	10,265	9,814	9,759
SWEDEN	35,620	35,164	38,500	39,285	40,217	40,501	41,387	45,421	46,789	44,971	45,271	44,230
EURO AREA 20	12,793	12,833	13,019	13,255	13,606	14,035	14,568	15,104	15,901	16,605	16,601	16,718
EU 27	11,497	11,555	11,799	12,033	12,379	12,761	13,256	13,807	14,550	15,081	15,114	15,312
ICELAND	27,780	28,147	29,439	35,638	35,735	35,444	36,707	34,907	40,543	42,231	44,136	49,467
NORWAY	48,592	47,206	46,963	52,633	51,376	52,968	55,988	55,773	60,910	59,876	56,934	55,183
SWITZERLAND	89,571	93,853	103,604	106,161	98,926	105,658	112,424	n/a	n/a	n/a	n/a	n/a
UNITED KINGDOM	23,213	25,057	27,067	23,654	23,433	23,763	25,643	24,912	27,776	27,284	27,503	28,658
AUSTRALIA	37,279	40,757	42,769	45,744	45,706	44,677	44,775	46,130	50,493	52,816	51,410	50,157
BRAZIL	519	667	572	763	690	641	667	525	603	766	895	857
CANADA	23,305	25,287	24,863	27,816	27,274	26,759	29,871	28,946	31,399	31,685	30,469	25,140
JAPAN	9,955	10,023	11,263	12,202	11,434	12,632	13,445	13,385	13,442	n/a	n/a	n/a
RUSSIA	469	393	391	543	577	613	836	776	1,050	1,325	1,361	1,316
SINGAPORE	12,941	14,930	16,075	16,810	16,903	17,833	17,982	16,944	20,037	21,669	24,136	26,410
SOUTH KOREA	5,606	6,724	7,512	8,396	8,799	9,170	9,445	9,814	10,543	10,878	10,476	14,174
TURKEY	490	577	580	561	528	386	366	368	235	213	159	n/a
USA	32,106	36,203	40,077	41,094	35,891	37,395	37,941	34,401	37,213	39,367	37,891	33,728

Source: *European Mortgage Federation National Experts, European Central Bank, National Central Banks, National Statistics Offices, Eurostat, Federal Reserve, US Bureau of Census*

Notes:

- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the population concerns residents who are more than 18 years old
- The whole series has been revised utilising Total Population
- Canada has been added

B — THE HOUSING MARKET

11. Owner Occupation Rate

%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	57.3	57.2	55.7	55.0	55.0	55.4	55.2	55.3	54.2	51.4	54.3	54.5
BELGIUM	72.3	72.0	71.4	70.9	72.4	72.3	71.3	71.1	71.3	72.5	71.9	70.2
BULGARIA	85.7	84.3	82.3	82.3	82.9	83.6	84.1	84.3	84.9	85.0	86.1	86.0
CROATIA	88.5	89.7	90.3	90.0	90.5	90.1	89.7	91.3	90.5	91.1	91.2	91.0
CYPRUS	74.0	72.9	73.0	72.5	70.7	70.1	67.9	68.6	69.8	69.6	68.8	69.4
CZECHIA	80.1	78.9	78.0	78.2	78.5	78.7	78.6	78.9	78.3	77.1	76.0	74.7
DENMARK	64.5	63.3	62.7	61.7	62.2	60.5	60.8	59.3	59.2	59.6	60.0	60.9
ESTONIA	81.1	81.5	81.5	81.4	81.8	82.4	81.7	81.4	81.6	82.0	80.7	79.3
FINLAND	73.6	73.2	72.7	71.6	71.4	71.6	71.1	70.7	70.3	69.5	69.2	68.1
FRANCE	64.3	65.0	64.1	64.9	64.4	65.1	64.1	63.6	64.7	63.4	63.1	61.2
GERMANY	52.6	52.5	51.9	51.7	51.4	51.5	51.1	50.5	49.5	46.7	47.6	47.2
GREECE	75.8	74.0	75.1	73.9	73.3	73.5	75.4	73.9	73.3	72.8	69.6	69.7
HUNGARY	88.7	88.2	86.3	86.3	85.2	86.0	91.7	91.3	91.7	90.1	90.5	91.6
IRELAND	69.9	68.6	70.0	69.8	69.5	70.3	68.7	69.3	70.0	70.4	69.4	69.3
ITALY	73.3	73.1	72.9	72.3	72.4	72.4	72.4	75.1	73.7	74.3	75.2	75.9
LATVIA	81.2	80.9	80.2	80.9	81.5	81.6	80.2	81.2	83.2	83.1	82.8	83.7
LITHUANIA	92.2	89.9	89.4	90.3	89.7	89.9	90.3	88.6	89.0	88.6	88.8	87.4
LUXEMBOURG	73.0	72.5	73.2	73.9	74.7	71.2	70.9	68.4	71.1	72.4	n/a	63.5
MALTA	80.3	80.0	80.8	81.4	81.3	81.6	79.8	81.9	81.9	82.6	n/a	68.1
NETHERLANDS	67.1	67.0	67.8	69.0	69.4	68.9	68.9	69.1	70.1	70.6	70.2	68.8
POLAND	83.8	83.5	83.7	83.4	84.2	84.0	84.2	85.6	86.8	87.2	87.3	87.1
PORTUGAL	74.2	74.9	74.8	75.2	74.7	74.5	73.9	77.3	78.3	77.8	76.0	73.4
ROMANIA	95.6	96.2	96.4	96.0	96.8	96.4	95.8	96.1	95.3	94.8	95.6	94.3
SLOVAKIA	90.5	90.3	89.3	89.5	90.1	91.3	90.9	92.3	92.9	93.0	93.6	93.1
SLOVENIA	76.6	76.7	76.2	75.1	75.6	75.1	74.8	74.6	76.1	75.4	75.2	74.8
SPAIN	77.7	78.8	78.2	77.8	77.1	76.3	76.2	75.1	75.8	76.0	75.3	73.7
SWEDEN	69.6	69.3	66.2	65.2	65.2	64.1	63.6	64.5	64.9	64.2	64.9	64.8
EURO AREA 20	66.9	66.9	66.4	66.3	66.1	66.2	65.8	66.0	65.8	n/a	n/a	n/a
EU 27	70.7	70.7	70.2	70.1	70.0	69.9	69.8	70.0	69.9	69.1	69.2	68.4
ICELAND	77.5	78.2	77.8	78.7	74.1	73.6	73.6	73.6	73.6	n/a	n/a	n/a
NORWAY	83.5	84.4	82.8	82.9	81.5	81.3	80.3	80.8	n/a	n/a	n/a	78.8
SWITZERLAND	44.0	44.5	43.4	42.5	41.3	42.5	41.6	42.3	42.2	n/a	n/a	n/a
UNITED KINGDOM	64.6	64.4	63.5	63.4	65.0	65.2	65.2	65.2	65.2	64.3	64.8	n/a
AUSTRALIA	67.2	67.2	67.5	67.5	66.2	66.2	66.3	66.3	n/a	n/a	n/a	66.0
TURKEY	60.7	61.1	60.4	59.7	59.1	59.0	58.8	57.9	57.5	n/a	n/a	n/a

Source: *Eurostat, National Statistics Offices*

2) The series has been revised for at least two years in:

- France
- Greece
- Australia

Notes

- For further details on the methodologies, please see "Annex Explanatory Note on data"
- n/a: figure not available

12. Building Permits

Number issued

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	47,144	50,011	52,275	61,380	71,805	59,718	69,642	63,581	60,146	46,922	34,881	32,100
BELGIUM	49,141	54,903	46,181	50,978	49,972	62,656	57,821	56,579	61,988	54,495	50,698	44,150
BULGARIA	12,278	15,848	17,264	18,157	5,562	5,956	5,980	5,860	7,074	8,169	8,165	7,786
CROATIA	7,744	7,743	6,950	9,398	12,509	11,719	15,370	14,083	16,654	18,700	9,870	10,273
CYPRUS	5,341	4,933	5,014	5,354	5,728	6,408	7,218	7,023	8,164	7,604	7,170	6,827
CZECHIA	29,475	28,127	28,886	31,002	32,069	30,702	31,606	31,747	33,995	31,969	26,014	24,258
DENMARK	12,418	17,394	24,374	32,338	31,052	41,870	39,917	38,819	40,067	36,359	21,875	22,838
ESTONIA	3,049	3,941	5,588	6,021	7,877	6,990	8,025	8,833	8,773	6,763	5,612	4,973
FINLAND	26,680	29,370	32,014	40,208	48,353	41,137	37,754	39,986	45,045	37,072	21,176	17,001
FRANCE	423,135	380,248	405,911	465,734	495,009	465,629	453,847	396,650	470,846	494,590	378,298	329,198
GERMANY	272,433	285,079	313,296	375,388	347,882	346,810	360,493	368,589	380,736	354,162	259,239	215,293
GREECE	5,675	4,620	4,618	4,305	4,930	5,685	6,044	6,915	9,888	9,793	11,079	13,365
HUNGARY	7,536	9,633	12,515	31,559	37,997	36,719	35,123	22,556	29,941	35,002	21,501	20,494
IRELAND	7,199	7,411	13,044	15,950	20,776	28,939	38,461	42,371	42,991	34,177	41,225	32,401
ITALY	51,777	44,971	42,879	44,231	52,027	55,596	55,262	49,100	59,839	59,904	55,309	55,164
LATVIA	2,369	2,295	2,193	1,998	2,766	2,750	2,973	2,670	2,780	2,765	2,528	2,401
LITHUANIA	7,118	6,868	7,028	8,397	7,682	8,082	7,651	9,021	12,297	8,426	6,680	5,602
LUXEMBOURG	3,761	6,360	4,558	4,846	5,048	5,468	5,619	5,112	6,105	4,709	n/a	n/a
MALTA	2,705	2,937	3,947	7,508	9,822	12,885	12,485	7,837	7,578	9,523	8,112	8,716
NETHERLANDS	27,233	41,320	55,599	53,567	69,741	70,034	58,108	67,151	75,833	64,508	56,247	68,638
POLAND	67,175	65,449	72,293	80,796	89,888	95,463	101,595	107,590	133,270	98,040	77,956	88,585
PORTUGAL	7,416	6,858	8,169	8,219	14,044	20,046	23,835	24,791	28,060	29,963	31,949	34,367
ROMANIA	37,776	37,672	39,112	38,653	41,603	42,694	42,541	41,311	51,287	43,660	34,646	35,667
SLOVAKIA	13,180	14,310	17,642	20,224	18,472	20,574	20,385	19,050	22,915	19,201	16,914	13,920
SLOVENIA	2,549	2,359	2,441	2,617	2,713	2,834	2,572	2,583	2,914	3,128	2,798	2,511
SPAIN	34,288	34,873	49,695	64,038	80,786	100,733	106,266	85,535	108,318	108,923	109,483	127,721
SWEDEN	34,476	43,140	57,146	66,583	73,103	63,443	54,877	63,409	79,260	59,678	30,500	30,000
NORWAY	30,252	27,130	30,927	36,530	35,294	31,527	31,774	29,931	30,126	29,864	22,807	18,805
SWITZERLAND	n/a	n/a	51,126	51,653	49,985	48,305	43,953	44,378	n/a	n/a	n/a	n/a
AUSTRALIA	183,275	210,007	239,735	234,869	224,609	211,539	176,611	186,961	227,856	190,903	165,170	5,626
RUSSIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,650	7,302	6,892	7,290	7,163
SINGAPORE	18,034	8,454	5,438	7,452	5,103	20,227	16,282	n/a	n/a	n/a	n/a	n/a
SOUTH KOREA	440,116	515,251	765,328	726,048	653,441	554,136	487,975	457,514	545,412	521,791	428,744	428,244
TURKEY	839,630	1,031,754	897,230	1,006,650	1,405,447	669,165	319,720	555,132	726,649	697,596	843,077	758,189
USA	988,000	1,052,083	1,177,417	1,205,667	1,286,250	1,327,833	1,387,000	1,478,417	1,737,583	1,681,833	1,518,083	n/a

Source: *European Mortgage Federation National Experts, National Statistics Offices, US Bureau of Census*

1) Time series breaks:
- Austria: 2005 (source was changed from 2005 onwards)
- Denmark: 2012 (source was changed from 2012 onwards)

2) The series has been revised for at least two years in:
- Denmark
- France
- Turkey
- Austria
- Croatia
- Canada
- Singapore
- Italy
- Luxembourg
- Lithuania
- Malta
- France

Notes:
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a: figure not available
- For Ireland: new data series taking into account the number of dwelling units
- For Italy: 2017 figure takes into accout the first 9 months

13. Housing Starts

Number of projects started per year

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BELGIUM	44,696	52,826	43,520	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BULGARIA	7,669	8,355	12,308	12,495	3,681	3,824	4,223	4,116	5,084	5,468	5,850	6 184
CZECHIA	22,108	24,351	26,378	27,224	31,521	33,121	38,677	35,254	44,992	42,242	35,704	36,612
DENMARK	11,593	17,250	20,813	29,621	29,236	37,059	40,994	38,126	43,868	38,205	23,702	22,800
ESTONIA	2,343	3,841	3,882	2,706	3,611	n/a	n/a	6,833	10,433	4,716	4,281	4,935
FINLAND	27,841	25,109	31,893	36,490	44,251	45,676	39,110	40,662	47,894	37,752	23,089	22,581
FRANCE	357,988	336,455	340,667	369,585	433,002	401,732	384,647	370,276	411,776	398,427	307,620	280,896
GREECE	11,748	9,619	9,264	9,286	10,336	13,337	17,432	19,731	29,124	29,124	35,596	46,904
HUNGARY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IRELAND	4,708	7,717	8,747	13,234	17,572	22,467	26,237	21,686	30,724	26,957	32,801	69,060
ITALY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MALTA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
POLAND	127,392	148,122	168,403	173,932	205,990	221,907	237,281	223,842	277,400	200,300	189,100	233,800
ROMANIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SLOVAKIA	14,758	15,836	19,640	21,441	19,930	22,055	21,516	19,744	24,497	20,608	18,038	15,254
SLOVENIA	3,142	2,762	2,749	2,975	3,231	3,765	3,438	3,819	4,423	5,410	5,197	n/a
SPAIN	35,721	38,018	50,565	66,906	68,905	103,380	108,608	87,475	113,675	110,018	110,344	136,187
SWEDEN	30,472	36,717	48,152	61,365	63,681	53,127	49,358	55,448	68,420	57,033	27,000	28,350
ICELAND	769	582	1,612	1,133	2,836	2,525	3,792	2,406	7,181	7,221	8,683	8,113
NORWAY	27,634	25,404	30,150	31,278	30,719	29,496	25,037	23,695	25,425	23,199	13,963	13,874
UNITED KINGDOM	124,790	140,760	148,160	155,150	164,110	168,610	153,000	129,430	177,170	182,080	150,370	107,520
AUSTRALIA	171,934	203,799	227,495	234,113	216,550	223,888	175,356	182,523	230,730	182,908	163,836	168,049
BRAZIL	342,283	295,914	263,157	217,437	226,208	277,295	282,718	266,664	505,847	n/a	n/a	n/a
CANADA	187,923	189,329	195,535	197,916	219,763	212,843	208,685	217,880	271,198	261,849	240,267	227,697
JAPAN	987,254	880,470	920,537	974,137	946,396	952,936	883,687	812,164	865,909	860,828	800,226	816,018
RUSSIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2,821	4,830	4,288	5,303	5,626
SINGAPORE	20,357	11,571	8,082	6,918	5,397	13,121	19,467	n/a	n/a	n/a	n/a	n/a
SOUTH KOREA	425,944	507,666	716,759	657,956	544,274	470,706	478,949	526,311	583,737	383,404	242,188	305,331
USA	925,000	1,003,000	1,112,000	1,174,000	1,203,000	1,249,900	1,290,000	1,379,600	1,601,000	1,552,600	1,421,000	n/a

Source : *European Mortgage Federation National Experts, European Central Bank, National Central Banks, National Statistics Offices, Eurostat, US Bureau of Census*

1) Time series breaks
- Denmark: 2012 (source was changed from 2012 onwards)

2) The series has been revised for at least two years in:
- France
- United Kingdom
- Sweden
- Austria
- Croatia
- Canada
- Singapore
- Italy
- Luxembourg
- Lithuania
- Malta

3) Notes:
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Russia added as time-series

14. Housing Completions

Number of projects completed per year

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	40,300	60,400	47,700	47,700	52,100	52,100	56,200	55,200	63,600	64,798	n/a	n/a
BULGARIA	9,250	9,993	7,806	9,342	2,205	2,324	3,052	3,376	3,898	5,390	5,419	5,201
CROATIA	10,090	7,805	8,059	7,809	8,496	10,141	11,726	11,957	n/a	n/a	n/a	n/a
CYPRUS	3,833	2,718	2,390	2,570	2,993	3,866	4,420	6,351	7,357	8,820	n/a	n/a
CZECHIA	25,238	23,954	25,095	27,322	28,575	33,868	36,406	34,412	34,581	39,398	38,069	30,267
DENMARK	16,740	15,822	15,200	21,197	25,757	29,057	34,419	39,021	36,734	41,435	37,769	30,045
ESTONIA	2,079	2,756	3,969	4,732	5,890	6,472	7,014	7,579	6,735	6,521	8,424	5,814
FINLAND	29,071	28,907	27,448	29,593	34,934	42,010	42,892	38,536	37,148	41,460	40,888	21,105
FRANCE	404,355	404,355	413,627	399,564	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GERMANY	214,817	245,325	247,722	277,691	284,816	287,352	293,002	306,376	293,393	295,275	294,399	251,937
GREECE	30,324	18,323	10,938	7,506	7,009	8,753	10,355	11,845	22,164	19,102	23,479	30,116
HUNGARY	7,293	8,382	7,612	10,032	14,389	17,681	21,127	28,158	19,898	20,540	18,647	13,295
IRELAND	4,575	5,518	7,219	9,842	14,321	17,899	21,047	20,514	20,473	29,851	32,626	30,330
ITALY	118,600	103,600	86,200	81,600	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LATVIA	2,201	2,630	2,240	2,197	2,271	2,966	3,315	3,101	2,853	3,140	2,736	4,058
LITHUANIA	3,467	4,456	5,707	7,051	6,420	6,434	6,510	6,814	6,492	8,694	8,681	7,711
LUXEMBOURG	2,642	3,357	3,091	3,856	4,319	3,987	3,663	n/a	n/a	n/a	n/a	n/a
NETHERLANDS	49,311	44,041	48,381	54,849	62,982	66,585	71,548	69,985	71,221	74,560	n/a	69,129
POLAND	145,388	143,235	147,821	163,394	178,342	185,170	207,224	221,401	234,916	238,621	221,282	200,409
PORTUGAL	12,713	8,297	7,126	7,867	8,156	10,627	12,591	16,914	19,081	19,742	21,534	24,639
ROMANIA	43,587	44,984	47,017	52,206	53,301	59,725	67,488	67,816	71,420	73,332	71,454	60,787
SLOVAKIA	15,100	14,985	15,471	15,672	16,946	19,071	20,171	21,490	20,649	20,220	20,891	17,632
SLOVENIA	3,484	3,163	2,776	2,975	3,044	3,037	3,415	3,540	4,032	4,286	4,919	n/a
SPAIN	64,817	46,822	45,152	40,119	54,610	64,354	78,789	85,945	91,390	89,107	87,565	97,837
SWEDEN	29,225	29,164	34,603	42,441	48,227	54,876	55,659	50,479	50,089	54,018	62,000	42,000
ICELAND	782	1,212	1,086	1,802	1,883	2,453	3,284	3,298	2,898	2,869	3,946	3,665
NORWAY	28,456	28,072	28,265	29,286	31,470	32,830	30,397	29,164	28,398	28,010	27,974	23,986
SWITZERLAND	50,166	49,162	53,126	52,034	50,209	53,199	48,040	49,577	45,908	46,505	n/a	n/a
UNITED KINGDOM	109,450	117,820	142,480	141,880	162,470	165,490	177,880	146,650	174,960	178,360	163,340	153,890
AUSTRALIA	153,827	177,814	197,253	213,644	213,181	219,588	202,308	181,501	178,774	172,388	172,268	177,313
CANADA	185,494	181,428	194,461	187,605	190,923	200,262	187,177	198,761	222,670	219,942	n/a	n/a
RUSSIA	929,000	1,124,000	1,195,000	1,167,000	1,139,000	1,075,741	1,120,333	1,121,601	1,204,647	1,290,006	1,449,404	1,449,404
SINGAPORE	13,150	19,941	18,971	20,803	16,449	9,112	7,527	4,061	6,388	9,526	21,284	10,600
SOUTH KOREA	395,519	431,339	460,153	514,775	569,209	636,494	518,084	471,079	431,394	413,798	436,055	449,835
TURKEY	726,339	777,596	732,948	754,174	833,517	894,240	738,816	599,999	626,910	642,269	n/a	n/a
USA	764,000	884,000	968,000	1,059,000	1,153,000	1,184,900	1,255,100	1,286,900	1,341,000	1,390,500	1,557,000	n/a

Source: *European Mortgage Federation National Experts, National Statistics Offices, US Bureau of Census*

1) Time series breaks
- Denmark: 2012 (source was changed from 2012 onwards)
- Netherlands: 2012 (due to a change in methodology)

2) The series has been revised for at least two years in:
- Greece
- United Kingdom
- Iceland
- Singapore
- Slovenia
- Lithuania
- Latvia

3) Notes
- For further details on the methodologies, please see “Annex: Explanatory Note on data”
- n/a: figure not available

4) For Archive:
- Austria - data break in 1995

15. Real Gross Fixed Investment in Housing

Annual % change

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	-0.2	-0.4	1.0	2.3	6.3	2.0	3.9	-1.2	7.6	2.4	-8.7	-6.9
BELGIUM	-2.8	5.7	1.0	2.9	0.8	2.6	4.7	-7.0	6.6	-3.0	-3.4	-4.3
BULGARIA	-4.0	-3.3	-10.3	102.1	19.2	-2.2	6.6	0.7	0.6	-1.4	-0.2	-4.0
CYPRUS	-25.6	-7.9	-4.5	29.8	16.0	37.5	21.3	1.1	12.6	5.7	5.8	3.2
CZECHIA	-7.7	10.2	15.6	5.3	10.6	5.2	2.0	3.8	-0.9	-13.0	-6.0	-1.9
DENMARK	-7.8	6.8	5.3	4.7	11.1	4.8	6.3	9.1	10.0	-8.5	-10.2	2.0
ESTONIA	15.4	19.6	7.5	16.5	11.1	-1.5	11.7	14.0	-3.5	4.8	14.1	-10.0
FINLAND	-5.5	-5.4	1.7	10.6	4.1	4.7	-4.2	-3.2	1.9	5.0	-12.5	-17.7
FRANCE	-0.4	-1.9	-1.1	2.8	6.1	3.2	2.5	-8.5	13.7	-0.8	-5.0	-6.1
GERMANY	-0.8	2.9	-0.7	5.0	0.9	3.0	1.5	4.6	-2.3	-2.2	-3.4	-5.0
GREECE	-31.1	-53.3	-25.8	-11.5	-7.0	22.5	16.9	19.0	27.3	33.7	20.7	2.7
HUNGARY	-6.0	11.0	16.8	9.7	16.0	11.3	7.0	21.5	-4.3	14.6	-12.3	-16.5
IRELAND	5.8	15.1	6.5	21.1	21.7	20.4	-0.3	-7.6	4.5	21.8	3.7	-3.7
ITALY	-5.4	-7.9	-2.4	0.1	1.1	1.1	-0.8	-7.7	50.1	13.9	3.7	-3.1
LATVIA	-6.6	10.9	5.3	-17.7	-0.2	26.3	3.8	-3.7	10.4	-11.4	11.1	-8.6
LITHUANIA	11.5	16.9	14.9	6.8	-4.6	5.9	14.7	5.8	0.8	19.3	1.2	-4.2
LUXEMBOURG	21.1	11.2	8.9	9.4	-8.8	3.3	8.3	-0.7	8.4	-14.3	-9.4	-17.5
MALTA	-2.8	-0.2	33.7	26.6	36.4	20.3	0.1	-7.1	12.8	-2.9	-7.3	7.5
NETHERLANDS	-12.2	6.1	20.1	21.7	12.3	9.3	3.4	-0.6	5.7	1.0	-1.3	-1.1
POLAND	0.9	8.4	-11.5	-2.9	-2.6	-10.1	4.3	5.7	15.3	-0.3	-1.4	-9.4
PORTUGAL	-14.2	-0.8	1.0	6.3	8.7	6.6	1.4	-6.9	14.8	3.1	-1.1	3.4
ROMANIA	-11.2	4.5	5.2	12.1	10.0	-24.9	23.7	3.8	28.0	3.1	3.1	-8.8
SLOVAKIA	12.0	-15.1	-1.6	24.3	0.0	9.4	2.9	9.9	7.6	7.2	-14.5	-13.4
SLOVENIA	-7.6	-6.7	0.7	-0.8	5.3	1.9	8.4	-0.2	9.1	8.1	18.1	-2.9
SPAIN	-7.6	9.9	-3.2	8.9	13.4	13.0	6.6	-9.7	0.9	1.4	0.6	1.7
SWEDEN	4.0	18.2	15.8	9.8	7.1	-6.4	-6.5	1.6	11.5	4.8	-22.2	-15.0
EU 27	-3.1	1.0	0.5	5.3	4.7	3.6	2.3	-2.0	9.0	1.5	-3.1	-4.3
EURO AREA 20	-3.1	0.0	-0.2	5.1	4.4	4.5	2.3	-2.9	8.9	1.7	-2.3	-4.0
ICELAND	10.5	15.1	-2.2	25.9	21.1	15.7	31.1	0.1	-3.4	-6.2	-0.3	18.0
NORWAY	5.3	-1.4	3.2	6.6	7.3	-6.5	-1.1	-1.6	3.5	-1.4	-15.6	-19.1
SWITZERLAND	3.3	1.7	1.7	1.8	1.2	-1.9	-3.4	-1.4	-1.0	-5.4	n/a	n/a
UNITED KINGDOM	5.7	5.0	5.3	3.9	9.2	5.1	0.1	n/a	n/a	n/a	n/a	n/a
TURKEY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
USA	11.9	3.6	10.1	6.5	4.0	-0.5	-1.0	7.2	10.6	-9.1	-10.9	-9.9

Sources: *Eurostat*

1) The series has been revised for at least two years in:
- All EU 27
- Iceland
- Norway
- Switzerland
- United Kingdom

2) Notes:
- For further details on the methodologies, please see “Annex: Explanatory Note on data” or Eurostat Data
- n/a: figure not available

16. Total Dwelling Stock

Thousands units

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	4,519	4,562	4,608	4,656	4,707	4,758	4,821	4,875	4,938	n/a	n/a	n/a
BELGIUM	5,229	5,273	5,315	5,357	5,404	5,454	5,513	5,576	5,628	5,681	5,742	5,489
BULGARIA	3,918	3,928	3,935	3,944	3,951	3,959	3,971	3,985	4,002	4,283	4,304	n/a
CROATIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CYPRUS	441	444	446	449	452	455	460	466	473	482	n/a	n/a
CZECHIA	4,754	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK	2,812	2,827	2,844	2,861	2,878	2,901	2,919	2,941	2,749	2,780	2,806	2,827
ESTONIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FINLAND	2,600	2,618	2,634	2,655	2,680	2,705	n/a	2,770	2,794	2,816	2,845	2,845
FRANCE	34,378	34,750	35,182	35,425	35,720	36,330	36,609	36,997	37,196	37,553	37,818	38,172
GERMANY	40,995	41,221	41,446	41,703	41,968	42,235	42,513	42,804	43,082	43,367	43,651	43,891
GREECE	6,500	6,518	6,529	6,537	6,544	6,552	6,563	6,575	6,597	6,616	6,639	6,669
HUNGARY	4,402	4,408	4,415	4,420	4,427	4,439	4,455	4,474	4,501	4,519	4,538	4,615
IRELAND	1,998	1,999	2,002	2,008	2,018	2,032	2,049	2,065	2,081	2,100	n/a	n/a
ITALY	n/a	n/a	n/a	n/a	n/a	n/a	35,213	n/a	35,272	n/a	n/a	n/a
LATVIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LITHUANIA	1,298	1,403	1,413	1,428	1,445	1,451	1,501	1,517	1,534	1,556	1,678	1,505
LUXEMBOURG	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MALTA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NETHERLANDS	7,449	7,535	7,588	7,641	7,741	7,815	7,892	7,966	8,046	8,125	n/a	8,274
POLAND	13,853	13,983	14,119	14,272	14,440	14,615	14,813	15,191	15,359	15,575	15,779	n/a
PORTUGAL	5,910	5,920	5,926	5,933	5,942	5,955	5,968	n/a	n/a	n/a	n/a	n/a
ROMANIA	8,800	8,841	8,882	8,929	8,977	9,031	9,093	9,156	9,587	9,656	n/a	n/a
SLOVAKIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SLOVENIA	n/a	845	n/a	n/a	n/a	852	n/a	n/a	845	n/a	n/a	n/a
SPAIN	25,245	25,209	25,171	25,129	25,097	25,075	25,067	25,068	25,076	25,082	n/a	n/a
SWEDEN	4,634	4,669	4,717	4,796	4,859	4,925	4,978	5,037	5,096	5,159	5,212	5,261
ICELAND	132	132	134	135	138	140	144	146	151	159	162	159
NORWAY	2,427	2,456	2,485	2,516	2,548	2,582	2,610	2,638	2,667	2,694	2,721	2,744
SWITZERLAND	4,235	4,289	4,352	4,421	4,469	4,529	4,582	4,637	4,688	4,694	4,794.4	n/a
UNITED KINGDOM	27,168	27,331	27,532	27,754	28,005	28,262	28,539	28,815	29,059	29,322	25,396	29,810
AUSTRALIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BRAZIL	63,197	64,593	65,965	67,213	68,018	69,419	70,646	71,570	72,273	74,145	77,674	n/a
JAPAN	60,629	n/a	n/a	n/a	n/a	62,407	n/a	n/a	n/a	n/a	65,047	n/a
RUSSIA	61,300	62,900	64,000	64,900	65,900	66,900	67,500	69,000	70,200	71,200	72,300	73,300
SINGAPORE	289	309	327	348	364	370	374	376	382	391	n/a	n/a
SOUTH KOREA	18,414	18,742	16,367	16,692	17,123	17,633	18,127	18,526	18,812	n/a	n/a	n/a
TURKEY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
USA	133,509	134,321	135,201	136,169	137,223	138,347	139,511	140,758	142,125	143,719	145,354	146,771

***Source:** European Mortgage Federation National Experts, National Statistics Offices, Japanese Ministry of Internal Affairs and Communication, US Bureau of Census*

1) Time series breaks

- Denmark: 2007 (due to a change in methodology)
- Netherlands: 2012 (due to a change in methodology)
- Norway: 2006 (due to a change in methodology)

2) The series has been revised for at least two years in:

- Brazil
- Greece
- Poland
- United Kingdom
- USA
- Bulgaria
- Belgium
- Lithuania
- Italy

3) Notes

- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available

17. Number of Transactions

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BELGIUM	124,356	135,180	103,514	119,064	123,851	130,326	149,667	122,501	143,327	150,625	127,880	128,942
CROATIA	n/a	n/a	230,321	228,586	214,385	212,586	211,529	193,566	247,937	242,624	215,507	212 745
CYPRUS	1,997	2,410	1,672	2,791	2,429	2,880	3,458	3,458	n/a	n/a	n/a	n/a
DENMARK	3,767	4,527	4,952	7,063	8,734	9,242	10,366	7,968	10,347	13,409	15,567	15,847
ESTONIA	46,566	52,490	63,186	63,679	69,818	68,602	70,851	82,263	88,448	60,740	62,886	67,147
FINLAND	30,141	31,093	33,090	33,407	35,891	34,947	35,902	34,412	42,243	38,710	32,923	32,643
FRANCE	58,520	61,954	61,334	62,654	60,800	63,298	70,794	76,281	70,630	82,865	52,404	n/a
GERMANY	565,000	562,000	577,000	575,000	567,000	575,000	608,000	599,000	599,000	523,000	432,000	498,000
GREECE	49,774	43,443	54,631	60,540	69,826	79,532	96,662	74,769	104,746	112,283	122,123	n/a
HUNGARY	104,129	127,592	154,212	160,975	165,782	172,846	154,940	145,300	168,000	156,100	123,300	130,000
IRELAND	26,305	38,955	47,330	46,416	52,119	53,644	57,654	49,711	58,168	63,544	50,324	48,775
ITALY	403,124	417,524	444,636	516,574	542,700	578,647	603,541	557,926	748,523	784,486	709,591	719,578
LATVIA	49,141	49,973	48,397	52,152	52,640	49,093	49,890	50,839	56,502	52,752	46,997	47,732
LUXEMBOURG	5,471	6,477	6,269	6,333	7,404	7,545	7,295	6,835	6,836	5,872	3,251	4,845
MALTA	n/a	n/a	n/a	6,502	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NETHERLANDS	110,094	153,511	178,293	214,793	241,860	221,603	221,012	236,841	226,087	193,103	18,240	206,460
POLAND	124,685	130,656	160,789	173,467	188,596	211,597	213,763	204,709	248,694	245,755	182,403	na.
PORTUGAL	66,058	69,839	90,509	107,490	129,834	151,209	154,865	137,513	165,682	167,900	136,499	156,325
ROMANIA	473,319	454,001	483,699	521,805	587,017	603,592	622,260	589,748	712,313	702,731	637,833	641,144
SLOVENIA	9,239	10,364	12,030	14,018	15,246	13,902	14,071	11,612	13,927	12,869	10,300	8,124
SPAIN	300,568	365,621	401,713	457,738	532,261	582,888	569,993	487,354	674,249	717,734	638,591	715,429
SWEDEN	151,582	159,536	168,298	160,200	164,735	158,233	163,784	173,602	187,624	164,406	138,190	154,616
ICELAND	7,459	8,314	10,247	11,164	10,546	11,169	10,904	12,749	14,259	10,363	9,201	13,212
NORWAY	109,437	112,147	119,681	121,578	114,382	118,196	119,950	125,302	128,113	110,788	103,912	113,939
UNITED KINGDOM	1,376,080	1,208,310	999,460	1,235,020	1,220,060	1,191,510	1,176,860	1,045,130	1,476,040	1,258,220	1,019,220	n/a
AUSTRALIA	469,584	511,653	521,214	471,267	478,410	432,340	434,412	470,264	636,884	514,971	670,000	555,293
BRAZIL	996,719	991,933	894,125	785,160	653,291	769,200	762,332	840,028	1,222,656	109,771	993,433	117,703
JAPAN	169,467	155,900	154,200	158,100	147,500	159,867	191,800	147,300	159,800	147,400	158,533	n/a
RUSSIA	3,032,834	3,448,283	2,806,901	2,861,989	2,863,164	3,122,824	3,025,069	3,130,095	3,575,093	2,815,558	3,800,000	n/a
SINGAPORE	22,728	12,848	14,117	16,378	25,010	22,139	19,150	20,909	33,557	21,890	19,044	21,950
TURKEY	1,157,190	1,165,381	1,289,320	1,341,453	1,409,314	1,375,398	1,348,729	1,499,316	1,491,856	1,485,622	n/a	n/a
USA	5,519,000	5,377,000	5,751,000	6,011,000	6,123,000	5,957,000	6,830,000	6,462,000	6,891,000	5,670,000	4,760,000	n/a

Source: *European Mortgage Federation National Experts, National Statistics Offices, US Bureau of Census*

1) Time series breaks
- Estonia: 2006 (data from the Estonian Landboard)
- Ireland: 2011 (the source was changed from 2011 onwards)
- Germany: 2007 (the source was changed from 2007 onwards)
- Portugal: 2000

2) The series has been revised for at least two years in:
- Estonia
- United Kingdom
- Iceland
- Italy
- Latvia
- Luxembourg
- France

3) Notes
- For Ireland, please note that data prior to 2011 is an estimation based on mortgage approvals, and must thus be used with caution.
- In Poland, the data for 2012 concerns only the dwellings of the secondary market and excludes single family houses.
- In Croatia, the number refers to new dwellings only.
- In Cyprus, the number refers to properties sold and transferred
- In Denmark, the number excludes self-build dwellings but covers second homes.
- In Belgium, the number includes only transaction on second hand houses.
- In the Netherlands, the number includes commercial transactions also.
- In Romania, the number includes commercial transactions also.
- In Portugal, the number covers only urban areas including commercial transactions.
- In Japan, the number of second hand dwellings purchased between January and December of the indicated years.
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- For Finland 2000-2007 are estimates by the Federation of Finnish Financial Service.
- For Denmark 2000-2003 is an estimation.

18. Nominal House Price Indices

2015 = 100

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	92.1	95.3	100.0	106.7	112.1	118.8	126.0	135.5	151.0	168.5	163.7	157.0
BELGIUM	99.2	100.7	100.0	104.4	108.8	113.1	119.4	121.1	131.5	142.7	145.6	145.9
BULGARIA	95.9	97.3	100.0	107.0	116.3	122.7	128.5	129.7	135.6	156.2	186.7	217.5
CROATIA	104.6	103.0	100.0	100.9	104.8	111.1	121.1	130.4	145.0	170.1	186.2	198.5
CYPRUS	113.9	104.2	100.0	98.2	98.7	99.9	101.9	102.6	102.7	106.7	112.7	118.3
CZECHIA	92.5	96.1	100.0	111.0	120.3	132.1	143.9	156.8	197.3	211.0	208.7	222.3
DENMARK	92.3	93.8	100.0	103.7	108.4	112.8	116.0	121.2	135.6	136.7	133.6	143.0
ESTONIA	82.3	93.6	100.0	104.8	110.5	117.4	125.3	132.8	152.8	186.6	197.7	209.8
FINLAND	101.4	100.8	100.0	100.9	101.9	103.0	103.9	105.1	109.1	109.4	102.3	99.6
FRANCE	103.8	101.9	100.0	100.9	104.0	107.1	110.6	116.8	124.6	132.4	131.5	126.2
GERMANY	92.7	95.6	100.0	106.0	112.1	120.7	128.9	138.5	154.1	168.0	161.1	158.5
GREECE	113.7	105.3	100.0	97.5	96.6	98.3	105.4	110.1	118.5	132.7	151.1	164.2
HUNGARY	81.8	84.9	100.0	117.7	134.3	160.1	192.2	205.5	240.8	292.9	318.1	356.6
IRELAND	77.0	89.7	100.0	107.5	119.1	131.3	134.4	134.8	146.0	164.0	169.0	183.4
ITALY	109.1	104.0	100.0	100.3	99.2	98.6	98.5	100.4	103.0	106.9	108.3	111.7
LATVIA	98.2	93.8	100.0	107.8	116.2	129.2	139.9	146.0	161.9	184.3	191.3	199.6
LITHUANIA	90.7	96.5	100.0	105.4	114.8	123.2	131.6	141.2	163.8	195.0	214.2	235.0
LUXEMBOURG	90.9	94.9	100.0	106.0	112.0	119.9	132.0	151.1	172.2	188.6	171.5	162.5
MALTA	92.2	94.5	100.0	105.5	111.0	117.4	124.7	128.9	135.4	142.2	155.3	163.3
NETHERLANDS	96.3	97.2	100.0	105.0	114.0	125.0	133.0	144.0	165.6	187.6	182.2	198.1
POLAND	96.0	98.1	100.0	101.5	106.4	115.5	127.5	140.9	156.0	177.5	188.3	215.0
PORTUGAL	93.1	97.0	100.0	107.6	118.9	129.9	143.4	154.8	172.8	192.4	207.5	231.4
ROMANIA	99.3	97.2	100.0	106.0	112.4	118.6	122.7	128.4	134.1	146.8	152.3	158.4
SLOVAKIA	99.0	98.3	100.0	104.9	111.9	118.1	126.9	142.1	175.5	212.9	200.1	201.7
SLOVENIA	106.2	99.2	100.0	103.3	111.8	121.6	129.7	135.7	151.3	173.7	186.1	199.9
SPAIN	101.4	98.9	100.0	101.9	104.3	107.8	111.3	110.0	112.4	118.0	122.6	129.7
SWEDEN	84.5	90.4	100.0	108.4	117.4	117.4	120.5	128.6	150.3	156.8	141.3	141.9
EU 27 (simple average)	96.3	97.1	100.0	104.8	111.0	118.1	125.8	133.0	148.0	165.2	170.2	179.6
EURO AREA 19 (simple average)	97.6	98.0	100.0	104.0	109.4	115.7	119.9	126.0	138.8	158.5	163.4	169.7
ICELAND	85.2	92.4	100.0	109.8	131.2	142.0	148.3	157.8	177.6	214.8	231.6	183.4
NORWAY	87.8	94.8	100.0	111.9	110.3	114.1	116.3	126.4	134.4	137.0	138.2	146.4
SWITZERLAND	94.9	97.5	100.0	100.1	96.6	97.1	101.7	106.4	112.7	119.3	124.0	128.3
UNITED KINGDOM	87.4	94.4	100.0	107.0	111.9	115.4	116.5	119.9	129.6	141.8	142.3	143.3
AUSTRALIA	87.1	93.0	100.0	104.2	110.7	107.1	101.1	105.7	120.6	122.6	115.6	n/a
BRAZIL	96.7	101.6	100;0	97.2	96.1	97;5	102.3	111.5	118.4	120.4	126.2	135.0
JAPAN	99.9	99.5	100.0	102.2	104.8	106.8	108.6	108.6	115.1	124.8	128.6	135.2
RUSSIA	94.1	99.6	100.0	97.3	96.4	99.2	105.0	112.7	135.0	165.8	178.8	203.5
SINGAPORE	107.1	104.0	100.0	96.9	95.8	104.3	107.1	109.5	121.1	131.5	140.5	143.7
SOUTH KOREA	95.0	96.6	100.0	100.7	102.2	103.3	103.0	108.5	119.2	113.7	109.6	109.8
TURKEY	75.3	86.6	100.0	112.2	122.4	127.8	140.6	183.3	292.8	784.3	1,376.7	1,721.5
UNITED STATES	90.7	94.9	100.0	105.9	112.4	118.7	125.2	139.2	163.8	177.4	189.0	190.7

Sources: *European Mortgage Federation, National Statistics Offices, OECD, ECB (for the euro area (19)), EUROSTAT (for the EU) ,Federal Housing Finance Agency (US), Ministry of Land Infrastructure Transport and Tourism (JP), Federal Reserve Bank of St. Louis*

1) Time series breaks
- Croatia: 2022 (change of source)
- Czech Republic: 2008 (change in source)
- Iceland: 2005 (change of source)
- Portugal: 2005
- Australia: 2010
- US: 1980=100

2) The series has been revised for at least two years in:
- Australia
- Austria
- Brazil
- Japan
- Poland
- United Kingdom
- USA
- Croatia
- Latvia
- Lithuania
- Luxembourg

3) Notes:
- For Hypostat 2020 the base year has been postponed to 2015 to be in line with the dispositions followed by Eurostat in compliance with Regulation (EC) No 2015/2010)
  - For further details on the methodologies, please see "Annex: Explanatory Note on Data"
- n/a : figure not available
- For Austria, the index covers new and used condominiums and for single-family houses.
- For Bulgaria, the index excludes new flats.
- For Croatia, the index covers the average price of new dwellings sold.
- For Cyprus, the index covers houses and flats and is calculated on year averages of valuation data
- For Czechia, the index covers second-hand flat prices in CZ and also new flat prices Prague.
- For Denmark, second homes and flats are included.
- For Estonia, both new and existing dwellings are included.
- For Finland, the index covers the change in the prices of single-family houses and single-family house plots.
- For France, the index covers the weighted average of existing homes and the price index for new housing.
- For Greece, the index covers only urban areas.
- For Poland, the index includes only transactions in the secondary market, covering the 7 biggest cities in Poland.
- For Sweden, the index covers one- and two-dwellings buildings.
- For the UK, the index covers only market prices, self-built dwellings are excluded
- For Australia, the index is a weighted average of the seven largest cities
- For Japan, the index covers monthly price indices for detached houses.
- For Brazil: Prices grew fast due to pent-up demand unleashed after 2006, when inflation and interest rates where controled.
- For USA: the index includes purchase-only
- For Australia: Discontinued Series

19. Nominal House Price Index – cities

2015 = 100

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA												
Vienna	93.8	97.8	100.0	103.8	105.4	110.9	116.3	124.1	137.5	150.9	148.1	142.3
Rest of the country	92.3	95.1	100.0	109.0	114.4	124.1	127.4	137.0	154.5	171.3	169.9	167.5
BELGIUM												
Brussels	101.5	97.2	100.0	103.0	104.3	106.9	112.7	121.9	126.4	124.9	124.7	129.2
BULGARIA												
Sofia	90.3	92.9	100.0	111.0	123.1	131.3	141.8	133.6	140.3	163.5	210.0	248.0
Varna	89.5	91.9	100.0	107.6	119.0	124.2	133.1	120.0	126.3	142.7	182.1	218.2
Plovdiv	91.7	90.8	100.0	105.6	115.9	123.2	135.0	132.0	136.9	153.6	195.7	217.2
CROATIA												
Zagreb	103.5	102.2	100.0	100.7	105.1	116.4	131.8	142.5	158.3	193.9	201.0	218.8
Adriatic Coast	105.5	103.4	100.0	101.3	105.7	111.4	119.1	126.6	142.5	160.9	171.3	190.3
Rest of the country	103.6	102.8	100.0	99.2	99.7	100.3	104.1	114.5	124.4	146.2	162.5	182.9
CYPRUS												
Nicosia	115.4	105.6	100.0	97.6	98.5	99.9	101.5	102.7	102.2	105.2	109.9	112.6
Limassol	113.2	104.1	100.0	99.1	101.3	104.8	109.8	111.7	115.5	123.2	136.0	145.8
Larnaca	115.7	104.9	100.0	98.8	98.0	99.6	102.4	104.7	106.3	109.7	120.2	129.9
CZECHIA												
Prague	95.2	96.0	100.0	110.7	119.6	131.6	n/a	n/a	n/a	n/a	n/a	n/a
DENMARK												
Copenhagen	83.6	90.4	100.0	106.0	113.1	122.8	125.5	134.3	160.2	163.6	156.3	173.0
Aarhus	91.6	92.7	100.0	102.9	105.5	110.7	113.6	119.8	133.8	135.8	135.0	136.0
Odense	92.9	95.0	100.0	104.6	107.0	113.4	118.6	121.0	133.4	133.6	132.9	135.0
FINLAND												
Helsinki	99.2	99.7	100.0	102.8	106.3	122.8	126.9	132.5	140.7	139.9	128.8	111.8
Tampere	98.1	99.1	100.0	101.1	103.0	120.5	122.9	126.7	133.5	136.0	128.2	108.6
Turku	96.1	99.2	100.0	100.9	104.3	104.4	109.5	112.3	118.9	120.7	116.0	115.8
FRANCE												
Paris	103.5	101.6	100.0	103.1	110.5	117.8	125.4	134.3	134.3	132.8	126.7	119.3
Marseille	107.7	103.7	100.0	97.7	101.5	103.8	108.1	113.2	121.2	132.9	135.3	130.5
Lyon	100.4	100.4	100.0	102.8	110.0	119.7	132.4	146.2	153.1	153.8	145.0	133.9
GERMANY												
Aggregate seven largest Germany cities	86.7	92.1	100.0	109.8	122.4	132.2	137.4	144.1	158.2	170.7	161.1	160.0
GREECE												
Athens	116.5	105.6	100.0	98.1	97.1	99.8	110.4	119.0	130.5	148.7	169.4	183.2
Thessaloniki	113.2	105.7	100.0	96.6	95.2	96.3	103.0	108.1	116.2	131.0	152.6	169.7

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
HUNGARY												
Budapest	77.8	82.8	100.0	124.0	146.7	180.2	221.0	231.7	252.1	276.5	324.5	344.6
Debrecen	82.2	87.0	100.0	116.1	136.5	161.9	203.3	211.6	248.6	316.2	343.5	388.0
Szeged	87.5	90.4	100.0	114.7	147.3	174.3	224.2	235.4	278.7	368.8	390.7	426.8
ITALY												
Rome	109.3	105.4	100.0	95.1	92.0	89.8	87.5	86.1	85.7	87.0	87.7	88.7
Milan	99.1	100.5	100.0	99.2	99.3	100.2	101.9	103.5	106.1	114.9	124.5	135.1
Naples	100.8	101.5	100.0	97.6	96.9	96.8	96.5	92.2	93.4	92.3	94.2	92.7
IRELAND												
Dublin	73.2	91.0	100.0	105.1	115.0	124.9	124.9	124.2	133.3	147.0	147.8	160.7
NETHERLANDS												
Amsterdam	86.7	91.1	100.0	113.6	129.5	146.0	154.3	162.1	180.3	200.2	190.2	206.6
The Hague	93.9	96.2	100.0	108.3	120.3	135.4	146.1	157.1	179.8	199.6	192.3	206.0
Rotterdam	94.3	95.8	100.0	107.1	121.0	138.6	149.9	162.6	185.5	208.3	202.5	215.4
POLAND												
Cracovia	94.6	98.8	100.0	101.2	104.9	113.2	124.9	137.3	151.4	170.8	182.7	217.0
Lodz	96.5	96.7	100.0	99.0	104.1	110.7	123.1	140.6	156.2	180.7	194.9	245.0
Warsaw	98.9	100.0	100.0	100.2	107.4	119.1	132.6	147.7	162.9	184.7	193.5	221.0
PORTUGAL												
Lisbon	95.7	96.4	100.0	103.3	114.8	126.6	132.8	144.7	n/a	n/a	n/a	n/a
ROMANIA												
Bucarest	96.9	96.7	100.0	107.5	116.4	121.6	125.6	126.6	138.0	142.4	137.1	143.6
SLOVAKIA												
Madrid	98.0	97.4	100.0	105.7	112.0	116.5	124.1	137.8	166.9	198.2	184.9	188.4
Barcelona	98.1	97.2	100.0	98.5	107.3	113.3	109.3	140.1	190.1	246.8	222.2	222.3
Valencia	105.5	102.7	100.0	105.2	111.7	117.3	139.0	154.1	211.3	276.8	251.1	249.7
SLOVENIA												
Ljubljana	102.8	95.0	100.0	106.0	120.0	134.5	137.9	142.8	161.1	183.8	187.8	201.5
SPAIN												
Barcelona	97.5	97.1	100.0	104.5	110.3	119.7	126.6	125.4	129.0	138.7	145.1	156.1
Madrid	100.3	98.7	100.0	106.2	113.0	120.5	126.1	124.3	126.3	132.1	135.0	141.1
Valencia	102.0	99.5	100.0	102.6	101.7	105.2	110.3	109.9	114.7	121.3	128.8	140.4
SWEDEN												
Stockholm	79.4	87.7	100.0	108.7	114.9	108.7	109.3	116.2	137.8	142.7	127.0	127.0
Malmö	90.1	93.7	100.0	111.3	121.8	126.0	131.6	142.1	167.8	174.9	157.6	158.8
Göteborg	85.6	90.6	100.0	106.6	117.6	118.5	122.3	129.2	147.6	154.5	140.1	141.1

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ICELAND												
Reykjavik	83.1	91.7	100.0	110.5	131.8	139.7	144.8	152.8	171.4	212.5	224.8	244.6
NORWAY												
Oslo	79.2	89.5	100.0	125.9	112.4	119.9	124.3	139.6	145.5	145.0	149.3	159.5
Bergen	89.2	98.0	100.0	102.8	101.5	103.1	105.5	113.4	119.3	122.7	123.5	139.6
Trondheim	89.9	96.4	100.0	106.9	106.9	107.4	107.8	115.3	123.9	127.8	125.8	129.2
UNITED KINGDOM												
London	77.4	90.8	100.0	110.0	113.0	112.4	110.8	113.8	117.6	124.2	122.6	122.3
AUSTRALIA												
Canberra	93.7	95.2	100.0	104.9	109.5	110.9	115.6	124.9	163.4	157.2	157.6	n/a
Sydney	79.4	88.7	100.0	109.8	116.0	108.1	113.0	121.8	154.6	144.1	155.3	n/a
Melbourne	86.4	91.0	100.0	108.3	119.9	113.8	120.3	127.2	151.2	144.1	145.4	n/a
BRAZIL												
São Paulo	n/a	102.0	104.5	103.3	102.2	103.4	106.9	122.3	143.4	168.2	186.7	207.3
Rio de Janeiro	n/a	101.8	101.3	98.8	94.9	92.4	92.0	95.1	103.9	121.3	134.3	143.3
Belo Horizonte	n/a	99.5	98.0	95.1	92.9	92.2	93.3	97.3	102.2	112.9	124.1	150.2
JAPAN												
Tokyo	96.8	96.0	100.0	103.6	106.8	108.8	110.2	110.0	118.7	130.5	136.5	141.3
Osaka	100.4	99.1	100.0	102.5	106.5	110.8	113.4	113.7	119.3	130.2	134.7	139.2
Aichi	98.2	97.6	100.0	101.9	105.8	107.2	111.2	109.4	114.9	118.6	134.7	122.0
RUSSIA												
Moscow	89.8	94.6	100.0	101.1	99.5	100.9	107.5	114.0	142.7	167.8	177.5	193.0
St. Petersburg	97.0	99.7	100.0	102.3	103.3	110.5	116.3	125.9	157.4	193.3	198.4	210.4
SOUTH KOREA												
Seul	94.5	95.6	100.0	101.3	103.7	107.1	107.6	114.6	129.3	120.9	116.6	118.2
Busan	95.6	96.7	100.0	103.2	105.6	104.0	102.7	108.7	120.5	115.0	107.3	105.0
TURKEY												
Ankara	80.9	88.7	100.0	109.1	116.7	118.5	130.5	169.9	264.7	721.8	1,387.7	2,319.6
Istanbul	66.1	81.2	100.0	112.8	117.8	118.9	123.2	157.6	257.1	704.9	1,139.9	1,692.1
Izmir	77.0	87.0	100.0	116.1	137.7	145.8	160.9	208.2	330.1	885.7	1,554.4	2,368.9
USA												
Washington - DC	95.0	97.9	100.0	103.8	107.8	112.0	117.5	129.0	143.0	151.7	160.1	158.5
New York	92.2	95.5	100.0	104.6	110.1	115.2	121.1	131.4	145.0	155.6	167.3	167.2
Los Angeles	85.0	92.8	100.0	108.5	117.3	123.9	130.0	143.3	166.1	177.1	186.7	186.0
SWITZERLAND												
Zurich region	n/a	n/a	100.0	100.8	99.1	101.4	107.1	114.0	122.3	131.7	136.9	141.7
Espace Mittelland	n/a	n/a	100.0	101.3	98.2	99.7	104.1	109.4	115.1	120.6	124.8	130.8
Lake Geneva region	n/a	n/a	100.0	98.1	94.3	95.1	99.9	105.2	111.4	117.8	122.3	126.1

Sources: *European Mortgage Federation National Experts, National Central Banks, National Statistics Offices, Federal Housing Finance Agency (US), Ministry of Land Infrastructure Transport and Tourism (JP), FPRE - Residential Property Price Index, OECD*

1) Time series breaks:
- Croatia: 2022 (change of source))

2) The series has been revised for at least two years in:
- Denmark
- Netherlands
- Japan
- Poland
- Russia
- Switzerland
- United Kingdom
- US
- Croatia
- Belgium
- Italy

3) Notes:
- For Hypostat 2020 the base year has been postponed to 2015 to be in line with the dispositions followed by Eurostat in compliance with Regulation (EC) No 2015/2010)
- Belgium: Data refers to apartments in Brussels which constitute 70% of the market.
- Bulgaria: Data referred to flats in the district centres only (newly built flats are excluded)
- Spain: the indexes refer to the regions around these cities
- Slovakia: the indexes refer to the regions around these cities, price per square metre
- Slovenia: the index comprises only apartments

20. Change in Nominal House Price

Annual % change

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	5.2	3.5	4.9	8.5	5.3	4.7	3.4	7.0	11.8	10.3	-2.8	-4.1
BELGIUM	1.9	1.5	-0.7	4.4	4.2	3.9	5.6	1.4	8.6	8.5	2.2	0.1
BULGARIA	-2.2	1.4	2.8	7.0	8.7	5.5	4.8	0.9	4.5	15.2	19.6	16.5
CROATIA	-3.9	-1.6	-2.9	0.9	3.8	6.1	9.0	7.7	7.3	17.3	9.5	6.6
CYPRUS	-6.5	-8.8	-4.3	-1.8	0.5	1.2	2.0	0.7	0.0	3.9	5.7	5.0
CZECHIA	0.1	3.8	4.1	11.0	8.4	9.8	8.9	9.0	25.8	6.9	-1.1	6.5
DENMARK	0.8	1.5	6.7	3.7	4.5	4.1	2.8	4.3	11.7	1.0	-2.3	7.0
ESTONIA	10.7	13.7	6.9	4.8	5.4	6.2	-31.8	6.0	15.1	22.2	5.9	6.1
FINLAND	1.6	-0.6	-0.8	0.9	1.1	1.0	0.9	1.2	3.8	0.3	-6.5	-2.7
FRANCE	-1.2	-1.8	-1.9	0.9	3.0	3.0	3.2	5.6	6.7	6.3	-0.7	-4.0
GERMANY	3.0	3.1	4.6	6.0	5.8	7.7	6.8	7.4	11.3	9.0	-4.1	-1.6
GREECE	-10.9	-7.5	-5.0	-2.5	-1.0	1.8	7.2	4.3	7.3	11.7	13.8	8.8
HUNGARY	-6.1	3.3	18.1	17.3	13.4	18.5	18.4	9.1	11.9	21.5	8.0	12.1
IRELAND	1.3	16.5	11.6	7.3	10.9	10.2	2.4	0.4	8.2	12.3	7.4	8.5
ITALY	-6.5	-4.7	-3.8	0.3	-1.1	-0.6	-0.1	1.9	2.6	3.8	1.3	3.1
LATVIA	8.2	-4.5	6.6	7.8	7.9	11.2	8.2	4.2	11.2	13.9	3.8	4.3
LITHUANIA	1.2	6.4	3.7	5.4	8.9	7.3	6.8	7.3	16.1	19.0	9.8	9.7
LUXEMBOURG	5.0	4.4	5.4	6.0	5.6	7.1	10.1	14.5	13.9	9.6	-9.1	-5.2
MALTA	-0.4	2.6	5.8	5.5	5.3	5.8	6.1	0.4	3.7	6.7	9.2	5.2
NETHERLANDS	-6.6	0.9	2.9	5.0	7.5	9.0	6.9	7.9	15.2	13.6	-1.9	8.7
POLAND	-1.0	1.8	1.1	0.7	6.6	8.9	10.6	11.7	9.6	10.4	6.1	14.2
PORTUGAL	-1.9	4.2	3.1	7.6	10.5	9.3	10.4	8.0	11.6	11.3	7.8	11.6
ROMANIA	-0.3	-2.1	2.9	6.0	6.0	5.6	3.4	4.3	7.5	7.2	3.7	4.0
SLOVAKIA	-0.9	-0.8	0.9	4.9	6.7	5.5	7.5	11.9	23.7	21.3	-6.0	0.8
SLOVENIA	-5.2	-6.6	0.8	3.3	8.3	8.7	6.7	4.6	11.5	14.8	7.2	7.4
SPAIN	-5.8	-2.4	1.1	1.9	2.4	3.4	3.2	-1.1	2.1	5.0	3.9	5.8
SWEDEN	3.4	7.0	10.7	8.4	8.3	0.0	2.6	6.7	16.9	4.3	-9.9	0.4
EU 27 (simple average)	-0.6	1.3	3.1	4.9	5.8	6.1	4.7	5.5	10.3	10.6	3.0	5.0
EURO AREA 20 (simple average)	-0.4	1.0	2.2	4.0	5.1	5.6	3.5	4.9	9.7	10.7	2.8	5.7
ICELAND	5.8	8.4	8.2	9.8	19.5	8.2	4.4	6.4	12.5	21.0	7.8	-20.8
NORWAY	-0.7	8.7	4.6	12.5	-1.1	2.8	2.6	5.7	5.1	1.8	0.9	5.9
SWITZERLAND	3.0	2.7	2.6	-1.5	3.6	2.5	2.2	5.3	9.1	6.4	3.9	3.5
UNITED KINGDOM	2.6	8.0	6.0	7.0	4.6	3.1	1.0	5.1	10.2	10.1	0.4	0.7
AUSTRALIA	8.1	6.6	8.8	5.1	4.5	-4.8	2.3	3.0	22.1	-3.2	-5.7	n/a
BRAZIL	8.7	5.0	-1.6	-2.6	-2.1	0.2	2.9	7.1	9.0	2.4	0.3	13.4
JAPAN	1.6	-0.3	0.5	1.1	0.6	0.9	-0.3	-0.5	5.2	6.3	3.1	5.1
RUSSIA	7.3	5.9	0.4	-2.7	-1.0	3.0	5.9	7.3	21.6	22.8	7.8	9.2
SINGAPORE	3.2	-2.9	-3.9	-3.1	-1.1	8.9	2.7	n/a	10.6	8.6	6.8	2.3
SOUTH KOREA	0.3	1.7	3.5	0.7	1.5	1.1	-0.4	n/a	9.9	-4.7	-3.6	0.2
TURKEY	12.7	15.0	15.5	12.2	9.1	4.5	10.0	30.4	59.7	167.9	75.5	25.0
USA	7.2	5.2	5.5	5.6	6.2	6.2	5.1	7.9	16.8	13.9	6.1	0.9

Sources: *European Mortgage Federation, National Statistics Offices, OECD, ECB (for the euro area)*

1) Time series breaks
- See Table 18

2) The series has been revised for at least two years in:
- See Table 18
- See Table 18 for further notes.

21. Nominal House Price to Disposable Income of Households Ratio

2015 = 100

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	95.9	96.6	100.0	102.5	104.1	110.3	110.3	120.3	128.7	129.3	117.0	105.6
BELGIUM	101.9	102.2	100.0	101.4	101.7	103.9	103.9	103.3	106.9	107.6	100.7	97.4
BULGARIA	100.3	101.0	100.0	102.2	103.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CROATIA	105.8	106.8	100.0	97.7	97.1	102.7	102.7	113.0	115.9	116.3	n/a	n/a
CYPRUS	107.3	104.5	100.0	92.7	87.5	78.6	78.6	79.7	73.4	71.1	72.3	75.9
CZECHIA	94.4	100.4	100.0	106.2	104.8	107.5	107.5	117.6	133.8	123.8	110.5	117.7
DENMARK	97.6	97.7	100.0	99.1	100.3	101.1	101.1	105.0	114.7	104.9	99.1	106.1
ESTONIA	91.9	98.7	100.0	99.6	97.0	92.9	92.9	98.5	104.6	115.4	109.8	116.5
FINLAND	104.2	102.5	100.0	99.0	97.6	93.3	93.3	93.4	93.7	90.1	80.4	78.3
FRANCE	106.4	103.1	100.0	99.1	99.6	99.4	99.4	103.7	106.2	107.3	99.2	95.3
GERMANY	97.8	98.3	100.0	1,024.6	104.8	113.1	113.1	119.7	129.3	131.5	118.6	116.7
GREECE	113.6	105.0	100.0	98.9	98.1	100.5	100.5	109.7	109.1	113.6	121.6	132.4
HUNGARY	85.2	87.8	100.0	112.3	116.2	142.6	142.6	160.1	168.1	186.8	163.9	184.8
IRELAND	81.9	93.5	100.0	102.5	106.9	108.4	108.4	101.7	103.0	112.5	111.6	116.2
ITALY	111.1	105.3	100.0	99.0	96.0	93.0	93.0	96.9	95.0	93.4	90.2	93.0
LATVIA	109.9	99.1	100.0	102.3	104.5	111.1	111.1	113.1	112.7	110.9	113.3	118.2
LITHUANIA	94.7	99.5	100.0	98.2	102.4	100.1	100.1	98.7	105.6	110.9	111.4	122.3
LUXEMBOURG	95.6	96.3	100.0	103.0	101.9	108.8	108.8	117.0	129.8	133.2	110.7	104.9
NETHERLANDS	100.5	99.0	100.0	102.1	107.3	113.2	113.2	117.5	128.0	134.1	119.8	129.5
POLAND	103.4	102.0	100.0	100.7	95.5	102.6	102.6	108.9	120.2	122.8	110.9	126.6
PORTUGAL	96.0	100.4	100.0	103.7	111.1	122.8	122.8	134.1	142.2	146.4	148.1	165.2
ROMANIA	107.2	104.3	100.0	96.6	90.1	82.1	82.1	84.0	83.0	88.0	77.2	80.3
SLOVAKIA	107.5	104.2	100.0	101.7	103.1	102.0	102.0	111.0	130.3	142.4	122.9	123.9
SLOVENIA	109.4	100.9	100.0	99.1	102.3	105.3	105.3	106.1	110.0	118.3	115.8	124.3
SPAIN	105.4	102.8	100.0	99.2	98.4	97.1	97.1	98.1	95.9	96.7	90.6	95.9
SWEDEN	83.7	91.3	100.0	105.0	111.2	115.1	115.1	120.8	128.9	131.9	122.5	123.0
NORWAY	86.5	96.1	100.0	114.2	108.5	111.8	111.8	128.4	120.4	102.2	111.8	n/a
SWITZERLAND	110.8	110.9	100.0	101.0	99.1	100.9	100.9	99.0	104.5	100.1	n/a	n/a
UNITED KINGDOM	112.8	112.7	100.0	118.9	132.2	127.6	127.6	133.4	134.3	137.0	n/a	n/a
JAPAN	97.9	105.3	100.0	90.7	97.1	94.5	94.5	90.7	105.0	115.7	n/a	n/a
UNITED STATES	90.1	94.8	100.0	102.6	106.3	105.9	105.9	111.5	127.8	120.0	n/a	n/a

1) Time series breaks
For all countries from 2015

2) The series has been revised for at least two years in:
For all countries from 2015

3) Notes
- For Hypostat 2020 the base year has been postponed to 2015
- For further details on the methodologies, please see "Annex: Explanatory Note on data"
- n/a: figure not available
- See Tables 18 and 28 for further notes.

C — FUNDING OF THE MORTGAGE MARKET

22. Total Covered Bonds Outstanding

Backed by Mortgages, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	18,854	22,450	27,345	30,894	31,915	42,001	49,124	59,601	71,142	74,522	94,274	95,516
BELGIUM	8,188	10,575	15,105	16,700	15,250	20,092	23,637	41,062	41,462	46,162	54,707	55,727
CYPRUS	1,000	1,000	650	650	650	650	650	650	650	650	650	650
CZECHIA	10,355	11,106	11,656	13,060	15,522	13,757	14,168	18,185	22,548	17,908	13,213	14,953
DENMARK	359,646	369,978	377,903	389,200	393,447	396,246	402,432	419,031	433,812	440,428	441,008	435,825
ESTONIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	850	850	2,100	2,250	2,500
FINLAND	29,783	32,031	33,974	33,822	34,625	37,257	37,774	43,855	47,119	51,817	48,551	49,353
FRANCE	202,822	188,925	188,669	177,813	185,820	194,227	209,294	221,821	226,893	244,263	347,122	376,098
GERMANY	199,900	189,936	197,726	207,338	215,199	233,372	239,570	246,311	264,016	281,505	294,810	296,841
GREECE	16,546	14,546	4,961	4,485	10,100	13,840	13,190	10,890	10,840	10,140	9,840	9,840
HUNGARY	4,016	3,272	3,022	2,189	2,641	3,762	3,868	4,526	4,483	4,840	5,473	5,125
IRELAND	20,827	18,473	16,916	17,062	16,416	20,788	19,337	16,816	14,433	12,229	12,652	12,652
ITALY	122,099	122,464	122,135	138,977	139,937	163,311	172,728	171,102	168,099	162,848	157,793	160,875
LATVIA	0	0	0	0	0	0	0	0	0	0	0	0
LUXEMBOURG	0	0	0	0	0	0	0	0	0	0	0	0
NETHERLANDS	61,015	58,850	61,101	67,604	72,880	94,797	118,969	154,505	172,181	197,002	212,057	223,290
POLAND	707	882	1,230	2,216	3,959	4,925	6,111	5,776	5,000	4,467	4,248	3,804
PORTUGAL	36,016	33,711	34,461	32,970	35,530	35,795	36,600	38,350	38,150	35,900	39,020	39,531
ROMANIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	200	200	200	200	0
SLOVAKIA	4,067	3,939	4,198	4,197	5,118	4,858	6,658	7,337	8,851	11,382	15,027	14,955
SPAIN	334,572	282,568	252,383	232,456	216,498	213,253	220,767	231,143	216,808	188,958	191,825	185,676
SWEDEN	217,854	209,842	221,990	222,444	219,212	217,979	235,111	247,713	242,018	225,212	235,228	224,876
ICELAND	803	927	1,205	1,902	2,506	3,123	3,071	3,330	4,270	5,725	6,358	6,697
NORWAY	105,202	102,704	107,694	113,051	113,359	119,398	123,023	131,713	130,030	133,012	130,621	145,619
SWITZERLAND	89,064	100,436	111,542	117,564	111,632	119,422	128,248	140,617	152,825	174,458	201,085	189,781
UNITED KINGDOM (regulated)	114,395	114,654	106,674	97,127	89,509	93,530	108,857	96,012	88,710	85,801	95,376	95,929
UNITED KINGDOM (non regulated)	18,077	16,143	8,236	0	0	0	0	1,112	2,380	4,510	4,603	4,824
AUSTRALIA	51,831	64,741	69,312	70,796	64,001	65,855	64,630	62,592	57,864	70,180	79,777	80,234
BRAZIL	n/a	n/a	n/a	n/a	n/a	454	2,487	3,199	7,609	16,133	20,787	18,872
CANADA	50,459	64,836	85,759	100,830	93,095	107,496	113,016	168,195	138,436	168,393	192,353	205,903
JAPAN	n/a	n/a	n/a	n/a	n/a	1,000	3,585	5,322	6,174	5,788	6,505	5,600
SINGAPORE	n/a	n/a	919	1,963	5,576	8,466	8,990	8,815	11,087	12,423	13,683	19,011
SOUTH KOREA	2,536	1,349	1,954	2,490	2,619	2,771	6,183	7,928	9,966	11,622	14,591	15,457
TURKEY	n/a	n/a	128	628	1,923	2,334	1,967	1,755	895	280	6	0
USA	6,000	4,000	4,000	2,000	0	0	0	0	0	0	0	0

Source: *European Covered Bond Council*

Notes :
n/a : figure not available
Austrian and Icelandic figures are estimates
Czech series has been revised
French series has been revised
Hungarian series has been revised
Norvegian series has been updated
Portuguese series has been revised
Spanish series has been revised
Covered bonds include only bonds secured on property by mortgage lending insittutions
Even though mortgage bonds legislation exists in Greece and Portugal, no mortgage bonds have been issued there. There is no mortgage bond legislation in Belgium. Italy just adopted legislation. It is expected to issue covered bonds in 2006.
Bonds were not issued in the UK and Ireland before 2003. In other countries were data is missing, bonds may have been issued but the quality of the data is uncertain.
In Sweden, the first covered bonds were issued in 2006, even though the Swedish covered bonds act applies from 2004. Prior to 2006 only mortgage bonds were issued in Sweden (outstanding volume at the end of 2005: 92,8 bn Euro) and as they are not directly comparable to covered bonds they are not included in the figures. A large part of the mortgage bond stock have also been converted into covered bonds in 2006. The figures include both the converted bonds and the new bonds issued during the year.

Private Note
French series: Outstanding CBs+50% of Mixed Assets

1) The series has been revised for at least two years in:
- United Kingdom

Notes
- For further details on the methodologies, please see “Annex : Explanatory Note on data”
- n/a : figure not available
- Please note that the conversion to euros was performed by the ECBC

23. Total Covered Bonds Issuances

Backed by Mortgages, EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	6,093	7,111	5,457	7,181	3,165	11,007	11,228	20,587	15,553	21,646	21,675	11,626
BELGIUM	5,598	2,387	4,530	2,345	1,050	5,842	5,000	19,250	2,500	7,700	11,295	5,520
CYPRUS	0	0	0	0	0	-	-	-	-	0	0	0
CZECHIA	1,791	2,188	2,729	1,693	4,074	2,573	1,516	6,412	10,415	4,435	1,000	1,250
DENMARK	149,989	154,310	163,050	130,329	123,205	113,441	165,208	124,013	121,724	149,201	117,638	121,635
ESTONIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	850	0	1,250	250	250
FINLAND	3,771	6,469	7,425	4,679	5,550	5,650	6,650	11,199	8,587	11,420	10,400	10,350
FRANCE	21,386	17,558	33,903	19,482	28,347	27,108	37,050	39,770	29,865	46,390	134,899	53,531
GERMANY	33,583	29,145	40,369	35,070	36,841	43,142	41,973	40,248	45,812	67,317	51,509	57,258
GREECE	0	750	0	3,675	7,375	6,650	200	0	600	0	400	500
HUNGARY	559	91	888	625	1,166	2,004	487	1,555	541	911	1,185	1,064
IRELAND	3,235	2,535	5,225	3,542	3,250	5,575	0	2,000	0	0	2,250	2,250
ITALY	24,520	39,475	27,650	41,780	19,180	45,200	27,000	26,100	22,500	20,760	17,300	31,177
LATVIA	0	0	0	0	-	0	0	0	0	0	0	0
LUXEMBOURG	0	0	0	0	-	0	0	0	0	0	0	0
NETHERLANDS	4,478	3,910	7,908	9,908	11,925	28,714	28,388	44,013	36,705	37,956	20,125	26,840
POLAND	116	269	416	1,099	2,048	1,244	1,284	22	454	650	634	1,329
PORTUGAL	4,500	3,825	8,675	5,950	8,200	2,350	4,800	1,500	0	3,550	5,420	5,162
ROMANIA	n/a	n/a	n/a	n/a	n/a	n/a	200	0	0	0	0	0
SLOVAKIA	841	654	1,159	751	1,316	800	2,250	1,500	2,000	3,250	4,125	1,500
SPAIN	22,919	23,038	31,375	31,393	30,000	19,935	19,435	14,560	12,720	22,350	22,550	16,750
SWEDEN	51,633	48,424	60,729	52,187	48,525	54,199	53,258	53,222	57,240	48,238	56,677	44,278
ICELAND	51	91	414	560	850	755	788	646	988	1,832	1,414	997
NORWAY	18,339	14,474	17,750	23,058	21,256	24,331	20,766	29,686	20,466	34,217	26,872	31,182
SWITZERLAND	13,583	19,193	15,840	16,106	12,922	13,725	15,360	20,508	19,297	25,490	27,136	21,894
UNITED KINGDOM (regulated)	1,480	12,529	15,015	9,599	11,563	14,916	22,959	9,089	9,783	15,977	23,799	14,225
UNITED KINGDOM (non regulated)	0	0	0	0	-	-	-	1,112	1,190	2,255	0	0
AUSTRALIA	15,868	13,253	10,004	11,382	7,351	11,075	9,511	4,594	6,825	24,509	19,442	9,462
BRAZIL	n/a	n/a	n/a	n/a	n/a	454	2,040	2,473	4,366	8,309	2,514	1,368
CANADA	9,354	19,275	29,287	28,148	12,441	24,384	23,647	79,834	31,820	70,170	61,479	28,449
JAPAN	n/a	n/a	n/a	n/a	n/a	1,000	2,585	1,850	750	0	1,750	0
SINGAPORE	n/a	n/a	919	1,014	3,753	3,762	914	1,000	3,702	3,910	2,927	6,361
SOUTH KOREA	466	-	919	949	417	587	3,369	2,921	2,847	2,092	3,704	4,400
TURKEY	n/a	n/a	128	500	1,334	766	256	0	16	0	0	0
USA	0	0	0	0	-	-	0	0	0	0	0	0

Source: *European Covered Bond Council*

1) The series has been revised for at least two years in:
- United Kingdom

2) Notes
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the conversion to euros was performed by the ECBC

24. Total Covered Bonds Outstanding

As % of GDP, Backed by Mortgages, %

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	5.8	6.7	7.9	8.6	8.6	10.9	12.4	15.7	17.7	16.7	19.8	19.8
BELGIUM	2.1	2.6	3.6	3.9	3.4	4.4	4.9	9.0	8.2	8.3	9.4	9.1
CYPRUS	5.6	5.7	3.6	3.4	3.2	3.0	2.8	3.0	2.8	2.3	2.2	1.9
CZECHIA	6.5	7.0	6.9	7.4	8.0	6.5	6.3	8.4	9.5	6.5	4.3	4.7
DENMARK	139.0	139.2	138.4	137.5	133.5	131.1	130.0	134.4	128.8	115.7	118.0	109.8
FINLAND	14.6	15.5	16.1	15.5	15.3	16.0	15.7	18.4	18.7	19.4	17.5	17.9
FRANCE	9.6	8.8	8.6	8.0	8.1	8.2	8.6	9.6	9.1	9.3	12.4	12.9
GERMANY	7.1	6.5	6.5	6.6	6.6	6.9	6.9	7.3	7.4	7.3	7.2	6.9
GREECE	9.2	8.2	2.8	2.6	5.7	7.7	7.2	6.6	5.9	4.9	4.5	4.1
HUNGARY	3.9	3.1	2.7	1.9	2.1	2.8	2.6	3.3	2.9	2.9	2.8	2.5
IRELAND	11.6	9.5	6.4	6.3	5.5	6.4	5.4	4.5	3.4	2.4	2.6	2.4
ITALY	7.6	7.5	7.4	8.2	8.1	9.2	9.6	10.3	9.5	8.3	7.6	7.3
LATVIA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LUXEMBOURG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NETHERLANDS	9.2	8.8	8.9	9.5	9.9	12.2	14.6	19.4	20.1	20.6	20.5	19.7
POLAND	0.2	0.2	0.3	0.5	0.8	1.0	1.1	1.1	0.9	0.7	0.6	0.4
PORTUGAL	21.1	19.5	19.2	17.7	18.1	17.4	17.1	19.2	18.1	14.8	14.7	13.9
ROMANIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0	0.0	0.1	0.1	0.0
SLOVAKIA	5.5	5.2	5.3	5.2	6.1	5.4	7.1	8.0	9.1	10.4	12.2	11.4
SPAIN	44.6	35.2	29.4	25.1	21.6	19.8	17.7	20.6	18.0	14.0	13.1	11.7
SWEDEN	49.3	47.8	48.7	47.7	45.7	46.3	49.3	51.5	45.0	40.1	42.9	39.9
ICELAND	6.6	6.9	7.6	10.1	11.4	14.0	13.9	17.6	19.8	21.0	22.2	21.7
NORWAY	26.7	27.3	31.0	33.9	32.1	32.2	34.0	41.4	31.9	23.5	29.1	32.6
SWITZERLAND	16.6	18.1	17.6	18.7	17.9	19.2	19.6	21.3	22.2	22.4	24.6	21.9
UNITED KINGDOM (regulated)	5.4	4.9	4.0	3.9	3.7	3.8	4.2	4.0	3.3	0.0	0.0	0.0
UNITED KINGDOM (non regulated)	0.9	0.7	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
AUSTRALIA	4.4	5.9	5.7	6.5	5.4	5.4	5.2	5.4	4.4	4.3	5.1	4.8
BRAZIL	n/a	n/a	n/a	n/a	n/a	0.0	0.1	0.3	0.6	0.9	1.1	0.9
CANADA	3.6	4.8	6.1	7.3	6.4	7.4	7.3	11.7	8.2	8.3	9.9	9.5
JAPAN	n/a	n/a	n/a	n/a	n/a	0.0	0.1	0.1	0.1	0.1	0.2	0.1
SINGAPORE	n/a	n/a	0.3	0.7	1.8	2.7	2.7	2.9	3.3	2.7	3.0	3.6
SOUTH KOREA	0.2	0.1	0.1	0.2	0.2	0.2	0.4	0.6	0.7	0.0	0.0	0.0
TURKEY	n/a	n/a	n/a	0.1	0.3	0.4	0.3	0.3	0.1	0.0	0.0	0.0
USA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: *European Covered Bond Council, Eurostat*

1) The series has been revised for at least two years in:
- all countries

2) Notes
- For further details on the methodologies, please see “Annex : Explanatory Note on data”
- n/a : figure not available
- - : no active covered bond market
- For a detailed defintion of covered bonds, please see the glossary
- Please note that the conversion to euros was performed by the ECBC
- See Tables 22 and 27 for further notes

25. Total Residential Mortgage-Backed Securities (RMBS) Outstanding

EUR million

	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	1,292	1,142	1,142	n/a	n/a	n/a	n/a	n/a
BELGIUM	45,070	38,575	30,743	25,014	23,221	19,847	25,200	24,500
FINLAND	0	0	0	0	0	0	0	0
FRANCE	78,996	83,279	97,215	81,311	86,167	87,178	140,600	146,300
GERMANY	28,141	29,296	5,075	2,815	11,768	24,791	31,334	41,300
GREECE	1,208	1,093	385	321	284	247	211	200
IRELAND	27,895	26,961	21,987	23,181	28,813	27,357	19,500	30,700
ITALY	60,435	60,094	59,645	47,987	42,857	39,106	33,600	31,300
NETHERLANDS	164,846	167,214	159,005	150,368	132,188	95,364	82,100	77,600
PORTUGAL	17,369	16,755	12,168	12,634	11,481	6,702	5,500	3,700
SPAIN	126,644	112,336	104,652	113,477	108,858	92,480	81,100	74,400
SWEDEN	0	0	0	0	0	0	0	0
UNITED KINGDOM	142,546	152,819	175,973	144,370	139,783	132,962	131,800	137,200
RUSSIA	1,868	3,083	2,842	n/a	n/a	n/a	n/a	n/a

Source: *Association for Financial Markets in Europe (AFME)*

1) Notes
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the conversion to euros was performed by AFME

26. Total RMBS Issuances

EUR million

	2017	2018	2019	2020	2021	2022	2023	2024
BELGIUM	6,680	0	6,960	59	0	0	1,015	0
FRANCE	28,212	13,640	21,810	12,150	12,352	25,583	64,200	28,640
GERMANY	2,500	0	0	0	9,000	13,059	6,560	10,000
GREECE	0	0	0	0	0	0	0	0
IRELAND	4,215	13,568	5,010	5,485	15,314	6,130	1,813	20,170
ITALY	12,880	11,940	13,586	578	8,277	853	8,159	4,920
NETHERLANDS	14,850	30,415	10,328	7,997	7,499	3,603	13,500	6,200
PORTUGAL	0	2,266	0	1,647	125	331	-	-
SPAIN	15,347	683	2,884	20,336	9,033	15,194	14,930	7,070
SWEDEN	313	0	0	0	0	0	0	0
UNITED KINGDOM	33,131	39,277	39,816	0	36,751	39,650	33,498	43,030

Source: *Association for Financial Markets in Europe (AFME)*

1) Time series breaks
- All countries: 2007

2) Notes
- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the conversion to euros was performed by AFME

D — MACROECONOMIC INDICATORS

27. GDP at Current Market Prices

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	323,910	333,146	344,269	357,608	369,362	385,274	397,147	380,889	405,241	447,218	477,249	481,940
BELGIUM	392,880	403,003	416,701	430,085	445,050	460,051	478,676	460,535	508,061	554,214	584,699	613,983
BULGARIA	42,050	43,026	45,812	48,773	52,531	56,225	61,531	61,608	71,060	85,801	93,948	103,723
CROATIA	44,437	43,989	45,258	47,339	49,986	52,747	56,131	50,947	58,898	68,370	76,472	85,610
CYPRUS	18,040	17,483	17,944	19,014	20,312	21,674	23,178	22,087	24,928	27,777	29,807	33,568
CZECHIA	159,462	157,821	169,558	177,439	194,133	210,971	225,614	215,805	238,250	276,266	305,967	318,896
DENMARK	258,743	265,757	273,018	283,110	294,808	302,329	309,526	311,356	342,962	380,618	373,755	396,960
ESTONIA	18,911	20,048	20,631	21,748	23,834	25,932	27,951	27,430	31,169	36,011	37,682	39,510
FINLAND	204,321	206,897	211,385	217,518	226,301	233,462	239,858	238,038	250,664	267,687	277,625	276,172
FRANCE	2,117,189	2,149,765	2,198,432	2,234,129	2,297,242	2,363,306	2,437,635	2,317,832	2,502,118	2,639,092	2,803,100	2,921,412
GERMANY	2,811,350	2,927,430	3,026,180	3,134,740	3,267,160	3,365,450	3,474,110	3,403,730	3,617,450	3,876,810	4,121,160	4,305,260
GREECE	179,884	177,236	176,369	174,494	176,903	179,558	183,347	165,016	181,500	206,620	220,303	237,573
HUNGARY	102,240	106,264	112,791	116,256	127,025	136,055	146,555	137,920	153,980	168,550	196,391	206,209
IRELAND	179,458	195,085	262,976	270,205	297,763	326,631	356,357	375,250	434,070	506,282	504,620	533,444
ITALY	1,612,751	1,627,406	1,655,355	1,695,787	1,736,593	1,771,391	1,796,649	1,661,240	1,821,935	1,962,846	2,085,376	2,192,182
LATVIA	22,791	23,626	24,572	25,371	26,984	29,154	30,573	30,110	33,349	38,386	40,348	40,208
LITHUANIA	35,040	36,581	37,346	38,890	42,276	45,515	48,959	49,873	56,478	67,437	71,986	78,410
LUXEMBOURG	49,095	51,791	54,142	56,208	58,169	60,121	62,432	64,524	72,361	77,529	79,310	86,104
MALTA	7,944	8,751	9,997	10,541	11,937	12,977	14,297	13,352	15,324	17,432	19,382	22,471
NETHERLANDS	660,463	671,560	690,008	708,337	738,146	773,987	813,055	796,530	870,587	958,549	1,034,086	1,134,115
POLAND	388,356	406,413	429,835	424,735	465,773	499,004	532,505	526,147	576,383	656,153	750,801	845,652
PORTUGAL	170,492	173,054	179,713	186,490	195,947	205,184	214,375	200,519	216,053	242,341	265,503	285,189
ROMANIA	142,929	150,522	160,288	167,494	186,399	206,072	224,179	220,487	241,611	284,174	324,578	353,821
SLOVAKIA	74,493	76,355	80,126	81,265	84,670	89,875	94,430	93,450	100,245	109,762	122,813	130,985
SLOVENIA	36,454	37,634	38,853	40,443	43,011	45,876	48,582	47,045	52,279	57,038	63,090	66,968
SPAIN	1,020,677	1,032,608	1,078,092	1,114,420	1,162,492	1,203,859	1,245,513	1,119,010	1,222,290	1,346,377	1,461,889	1,591,627
SWEDEN	441,851	438,834	455,495	466,267	480,026	470,673	476,870	480,556	540,734	561,785	548,373	563,963
EURO AREA 19	9,936,144	10,169,459	10,523,092	10,817,294	11,224,153	11,599,278	11,987,123	11,466,457	12,416,101	13,439,408	14,300,026	15,070,627
EU 27	11,516,211	11,782,085	12,215,146	12,548,706	13,074,833	13,533,353	14,019,674	13,470,880	14,639,535	15,920,742	16,969,695	17,941,888
ICELAND	12,133	13,473	15,795	18,804	21,918	22,238	22,043	18,948	21,819	27,297	28,693	30,919
NORWAY	395,857	378,456	349,757	335,397	356,289	372,658	365,131	322,824	425,446	565,022	448,904	446,991
SWITZERLAND	531,729	548,015	625,533	621,765	615,776	614,304	644,443	650,743	687,568	777,805	818,183	865,620
UNITED KINGDOM	2,096,338	2,311,080	2,644,717	2,434,119	2,359,790	2,420,897	2,526,615	2,371,130	2,641,049	2,921,382	2,274,050	3,507,396
AUSTRALIA	1,102,309	1,200,586	1,133,945	1,199,008	1,152,849	1,239,387	1,235,717	1,112,298	1,463,711	1,617,217	1,576,364	1,686,585
BRAZIL	1,792,269	2,022,943	1,653,390	1,704,413	1,720,603	1,674,178	1,667,515	1,202,911	1,475,057	1,829,973	1,967,123	2,097,807
CANADA	1,338,986	1,487,317	1,429,694	1,449,574	1,375,191	1,506,812	1,552,185	1,349,267	1,772,446	2,026,517	1,936,729	2,157,333
JAPAN	3,779,514	4,033,436	4,082,788	4,746,872	4,111,429	4,402,516	4,555,808	4,119,947	4,445,189	3,990,634	3,812,619	3,875,456
RUSSIAN FEDERATION	1,659,363	1,687,535	1,246,169	1,214,921	1,313,383	1,443,673	1,509,457	1,212,710	1,627,345	2,130,379	1,807,267	2,092,440
SINGAPORE	223,027	259,339	282,905	302,679	286,214	329,164	335,501	284,808	383,287	467,350	453,781	526,891
KOREA, REPUBLIC OF	993,860	1,222,707	1,346,596	1,422,410	1,353,351	1,506,876	1,470,022	1,340,295	1,605,538	1,569,395	1,550,039	1,755,000
TÜRKIYE, REPUBLIC OF	694,296	773,010	793,672	824,666	716,194	681,389	676,981	586,879	722,530	849,279	1,003,125	1,273,708
UNITED STATES	12,240,356	14,503,027	16,804,446	17,839,769	16,352,956	18,040,633	19,157,379	17,376,681	20,831,759	24,136,602	24,758,213	28,092,107

Sources: *Eurostat, World Bank, IMF*

1) Time series breaks:
- For all counties: 2003 and onwards

2) The series has been revised for at least two years in:
all countries excluding Europe

3) Notes:
- For further details on the methodologies, please see “Annex : Explanatory Note on data”
- n/a : figure not available
- Please note that the GDP at current prices has been taken in euros directly from Eurostat.
- Please note that for the non European countries GDP figures have been downloaded from the World Bank and the year-average USD/EUR exchange rate (Table 30) has been applied.

28. Gross Disposable Income of Households

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	197,400	202,900	205,600	214,000	221,400	228,700	234,800	231,700	241,300	267,900	287,600	305,700
BELGIUM	234,800	237,600	241,200	248,300	257,900	266,100	277,100	282,900	296,700	319,800	349,400	361,200
BULGARIA	26,200	26,400	27,400	28,700	30,700	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CROATIA	27,600	26,900	27,900	28,800	30,100	31,800	32,900	32,200	34,900	40,800	n/a	n/a
CYPRUS	12,600	11,800	11,800	12,500	13,300	14,200	15,300	15,200	16,500	17,700	18,400	19,500
CZECHIA	87,900	85,800	89,700	93,700	103,000	112,800	120,100	119,600	132,300	152,900	169,400	168,500
DENMARK	125,600	127,300	132,700	138,900	143,500	147,500	152,300	153,100	156,900	172,900	178,900	185,800
ESTONIA	10,300	10,900	11,500	12,100	13,100	14,400	15,500	15,500	16,800	18,600	20,700	22,000
FINLAND	120,700	122,000	124,000	126,400	129,500	133,800	138,000	139,600	144,300	150,600	157,800	161,300
FRANCE	1,343,500	1,361,600	1,377,400	1,402,400	1,438,600	1,482,300	1,532,000	1,551,000	1,616,600	1,700,100	1,824,400	n/a
GERMANY	1,787,400	1,834,100	1,884,800	194,900	2,014,700	2,098,400	2,148,600	2,180,200	2,246,300	2,408,400	2,560,900	n/a
GREECE	118,100	118,200	117,900	116,300	116,100	117,200	123,700	118,400	128,100	137,700	146,300	154,600
HUNGARY	60,300	60,500	62,700	65,700	72,500	78,600	84,500	80,500	89,800	98,300	121,000	124,400
IRELAND	87,100	88,800	92,700	97,200	103,300	108,000	114,900	122,900	131,400	135,100	146,300	158,500
ITALY	1,100,000	1,106,900	1,120,400	1,134,800	1,158,100	1,178,800	1,187,000	1,160,800	1,215,100	1,281,900	1,345,200	n/a
LATVIA	13,500	14,300	15,100	15,900	16,800	18,000	19,000	19,500	21,700	25,100	25,500	27,300
LITHUANIA	22,200	22,500	23,200	24,900	26,000	27,600	30,500	33,200	36,000	40,800	44,600	27,300
LUXEMBOURG	19,200	19,900	20,200	20,800	22,200	23,200	24,500	26,100	26,800	28,600	31,300	32,700
NETHERLANDS	334,600	342,700	348,900	358,700	367,300	385,600	405,500	421,500	445,300	486,000	533,900	556,600
POLAND	242,000	249,800	257,500	259,600	286,900	302,400	320,000	333,100	334,100	372,300	437,400	495,700
PORTUGAL	122,700	122,400	126,600	131,400	135,500	141,400	147,900	146,200	153,800	166,400	177,300	186,300
ROMANIA	77,400	77,900	83,600	91,700	104,200	112,400	125,000	127,900	135,000	139,500	164,900	179,000
SLOVAKIA	43,400	44,400	46,700	48,200	50,700	55,400	58,100	59,800	62,900	69,800	76,000	80,000
SLOVENIA	23,000	23,300	23,700	24,700	25,900	27,500	29,200	30,300	32,600	34,800	38,100	39,500
SPAIN	655,900	656,200	682,200	700,600	723,000	743,600	781,400	764,800	799,300	832,200	922,700	967,500
SWEDEN	229,400	225,200	227,400	234,700	240,100	235,800	238,100	242,100	265,100	270,300	262,300	270,100
EURO AREA 19	6,270,200	6,362,400	6,500,300	6,664,900	6,856,100	7,088,700	73,130,000	7,345,900	7,661,500	815,600	875,880	n/a
EU 27	7,137,400	7,227,500	7,383,800	7,582,300	7,834,900	8,101,800	838,040,000	8,437,500	8,833,500	945,300	1,017,840	n/a
ICELAND	5,300	6,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NORWAY	172,300	168,600	169,400	166,000	172,200	173,200	176,300	166,700	189,200	182,400	154,792	215,100
SWITZERLAND	335,500	344,100	391,700	388,300	381,800	373,700	394,800	420,900	422,600	466,800	n/a	n/a
UNITED KINGDOM	1,422,300	1,547,800	1,823,600	1,641,200	1,542,900	1,592,500	1,665,900	1,638,800	1,759,800	1,888,100	n/a	n/a
JAPAN	2,488,300	2,306,400	2,439,400	2,748,700	2,632,700	2,584,700	2,803,100	2,923,300	2,673,700	2,630,500	n/a	n/a
TURKEY	496,000	488,600	535,800	538,700	519,100	n/a	n/a	n/a	n/a	n/a	n/a	n/a
UNITED STATES	9,679,800	10,199,200	12,707,100	13,111,900	13,439,800	13,559,600	15,014,300	15,865,800	16,290,800	18,789,500	n/a	n/a

Source: *European Commission (AMECO Database), Eurostat, National Statistical Offices*

1) The series has been revised for at least two years in:

- EA20
- EU27
- United Kingdom

2) Notes

- For further details on the methodologies, please see "Annex : Explanatory Note on data"
- n/a : figure not available
- Please note that the disposable income of households at current prices has been taken in euros directly from AMECO, except for Greece which was taken from ELSTAT
- Figures from Malta not available.

29. Total Population

Millions

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUSTRIA	8,451,860	8,507,786	8,584,926	8,700,471	8,772,865	8,822,267	8,858,775	8,901,064	8,932,664	8,978,929	9,104,772	9,158,750
BELGIUM	11,137,974	11,180,840	11,237,274	11,311,117	11,351,727	11,398,589	11,455,519	11,522,440	11,554,767	11,617,623	11,742,796	11,817,096
BULGARIA	7,284,552	7,245,677	7,202,198	7,153,784	7,101,859	7,050,034	7,000,039	6,951,482	6,916,548	6,838,937	6,447,710	6,445,481
CROATIA	4,262,140	4,246,809	4,225,316	4,190,669	4,154,213	4,105,493	4,076,246	4,058,165	4,036,355	3,862,305	3,850,894	3,861,967
CYPRUS	865,878	858,000	847,008	848,319	854,802	864,236	875,899	888,005	896,007	904,705	920,701	966,365
CZECHIA	10,516,125	10,512,419	10,538,275	10,553,843	10,578,820	10,610,055	10,649,800	10,693,939	10,494,836	10,516,707	10,827,529	10,900,555
DENMARK	5,602,628	5,627,235	5,659,715	5,707,251	5,748,769	5,781,190	5,806,081	5,822,763	5,840,045	5,873,420	5,932,654	5,961,249
ESTONIA	1,320,174	1,315,819	1,314,870	1,315,944	1,315,635	1,319,133	1,324,820	1,328,976	1,330,068	1,331,796	1,365,884	1,374,687
FINLAND	5,426,674	5,451,270	5,471,753	5,487,308	5,503,297	5,513,130	5,517,919	5,525,292	5,533,793	5,548,241	5,563,970	5,603,851
FRANCE	65,600,350	66,165,980	66,458,153	66,638,391	66,809,816	67,026,224	67,290,471	67,485,531	67,656,682	67,957,053	68,172,977	68,467,362
GERMANY	80,523,746	80,767,463	81,197,537	82,175,684	82,521,653	82,792,351	83,019,213	83,166,711	83,155,031	83,237,124	84,358,845	83,456,045
GREECE	11,003,615	10,926,807	10,858,018	10,783,748	10,768,193	10,741,165	10,724,599	10,718,565	10,678,632	10,459,782	10,413,982	10,400,720
HUNGARY	9,908,798	9,877,365	9,855,571	9,830,485	9,797,561	9,778,371	9,772,756	9,769,526	9,730,772	9,689,010	9,599,744	9,584,627
IRELAND	4,609,779	4,637,852	4,677,627	4,726,286	4,784,383	4,830,392	4,904,240	4,964,440	5,006,324	5,060,004	5,271,395	5,351,681
ITALY	59,685,227	60,782,668	60,795,612	60,665,551	60,589,445	60,483,973	59,816,673	59,641,488	59,236,213	59,030,133	58,997,201	58,971,230
LATVIA	2,023,825	2,001,468	1,986,096	1,968,957	1,950,116	1,934,379	1,919,968	1,907,675	1,893,223	1,875,757	1,883,008	1,871,882
LITHUANIA	2,971,905	2,943,472	2,921,262	2,888,558	2,847,904	2,808,901	2,794,184	2,794,090	2,795,680	2,805,998	2,857,279	2,885,891
LUXEMBOURG	537,039	549,680	562,958	576,249	590,667	602,005	613,894	626,108	634,730	645,397	660,809	672,050
MALTA	422,509	429,424	439,691	450,415	460,297	475,701	493,559	514,564	516,100	520,971	542,051	563,443
NETHERLANDS	16,779,575	16,829,289	16,900,726	16,979,120	17,081,507	17,181,084	17,282,163	17,407,585	17,475,415	17,590,672	17,811,291	17,942,942
POLAND	38,062,535	38,017,856	38,005,614	37,967,209	37,972,964	37,976,687	37,972,812	37,958,138	37,840,001	37,654,247	36,753,736	36,620,970
PORTUGAL	10,487,289	10,427,301	10,374,822	10,341,330	10,309,573	10,291,027	10,276,617	10,295,909	10,298,252	10,352,042	10,467,366	10,639,726
ROMANIA	20,020,074	19,947,311	19,870,647	19,760,585	19,643,949	19,533,481	19,414,458	19,328,838	19,201,662	19,042,455	19,054,548	19,067,576
SLOVAKIA	5,410,836	5,415,949	5,421,349	5,426,252	5,435,343	5,443,120	5,450,421	5,457,873	5,459,781	5,434,712	5,428,792	5,424,687
SLOVENIA	2,058,821	2,061,085	2,062,874	2,064,188	2,065,895	2,066,880	2,080,908	2,095,861	2,108,977	2,107,180	2,116,972	2,123,949
SPAIN	46,727,890	46,512,199	46,449,565	46,440,099	46,528,024	46,658,447	46,937,060	47,332,614	47,398,695	47,432,893	48,085,361	48,619,695
SWEDEN	9,555,893	9,644,864	9,747,355	9,851,017	9,995,153	10,120,242	10,230,185	10,327,589	10,379,295	10,452,326	10,521,556	10,551,707
EURO AREA 19	340,307,106	342,011,161	342,787,437	343,978,656	344,695,355	345,358,497	345,713,148	346,632,956	346,670,757	346,753,317	349,616,346	n/a
EU 27	441,257,711	442,883,888	443,666,812	444,802,830	445,534,430	446,208,557	446,559,279	447,485,231	447,000,548	446,820,419	448,753,823	n/a
ICELAND	321,857	325,671	329,100	332,529	338,349	348,450	356,991	364,134	368,792	376,248	387,758	383,567
NORWAY	5,051,275	5,107,970	5,166,493	5,210,721	5,258,317	5,295,619	5,328,212	5,367,580	5,391,369	5,425,270	5,488,984	5,550,217
SWITZERLAND	8,039,060	8,139,631	8,237,666	8,327,126	8,419,550	8,484,130	8,544,527	8,606,033	8,670,300	8,738,791	8,815,385	8,962,258
UNITED KINGDOM	63,905,342	64,351,203	64,853,393	65,379,044	65,844,142	66,273,576	66,647,112	67,025,542	67,026,292	66,971,395	67,736,802	69,226,000
AUSTRALIA	23,128,129	23,475,686	23,815,995	24,190,907	24,592,588	24,963,258	25,334,826	25,649,248	25,685,412	26,005,540	26,439,111	27,204,809
BRAZIL	201,721,767	203,459,650	205,188,205	206,859,578	208,504,960	210,166,592	211,782,878	213,196,304	214,326,223	215,313,498	216,422,446	n/a
CANADA	35,082,954	35,437,435	35,702,908	36,109,487	36,545,236	37,065,084	37,601,230	38,007,166	38,226,498	38,929,902	40,769,890	41,288,599
JAPAN	127,445,000	127,276,000	127,141,000	127,076,000	126,972,000	126,811,000	126,633,000	126,261,000	125,681,593	125,124,989	126,070,518	n/a
RUSSIA	143,506,995	143,819,667	144,096,870	144,342,397	144,496,739	144,477,859	144,406,261	144,073,139	144,130,482	144,236,933	144,444,359	n/a
SINGAPORE	5,399,162	5,469,724	5,535,002	5,607,283	5,612,253	5,638,676	5,703,569	5,685,807	5,453,566	5,637,022	6,299,187	6,036,860
SOUTH KOREA	50,428,893	50,746,659	51,014,947	51,217,803	51,361,911	51,585,058	51,764,822	51,836,239	51,744,876	51,628,117	51,784,059	51,751,065
TÜRKIYE	75,627,384	76,667,864	77,695,904	78,741,053	79,814,871	80,810,525	82,003,882	83,154,997	83,614,362	84,680,273	85,279,553	85,372,377
USA	316,059,947	318,386,329	320,738,994	323,071,755	325,122,128	326,838,199	328,329,953	331,511,512	332,031,554	333,287,557	334,233,854	n/a

Sources : *Eurostat, World Bank, National providers*

30. Bilateral Nominal Exchange Rate with the Euro

END-OF-YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EU 27												
Bulgarian lev	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
Croatian kuna***	7.627	7.658	7.638	7.560	7.440	7.413	7.440	7.552	7.516	7.537	***	***
Czech koruna	27.427	27.735	27.023	27.021	25.535	25.724	25.408	26.242	24.858	24.116	24.724	25.185
Danish krone	7.459	7.445	7.463	7.434	7.445	7.467	7.472	7.441	7.436	7.437	7.453	7.458
Hungarian forint	297.040	315.540	315.980	309.830	310.330	320.980	330.530	363.890	369.190	400.870	382.800	411.350
Polish zloty	4.154	4.273	4.264	4.410	4.177	4.301	4.257	4.560	4.597	4.681	4.340	4.275
Romanian leu	4.471	4.483	4.524	4.539	4.659	4.653	4.783	4.868	4.949	4.950	4.976	4.974
Swedish krona	8.859	9.393	9.190	9.553	9.844	10.255	10.447	10.034	10.250	11.122	11.096	11.459
NON-EU												
Australian dollar	1.542	1.483	1.490	1.460	1.535	1.622	1.600	1.590	1.562	1.569	1.626	1.677
Brazilian real	3.258	3.221	4.312	3.431	3.973	4.444	4.516	6.374	6.310	5.639	5.362	6.425
Canadian dollar	1.467	1.406	1.512	1.419	1.504	1.561	1.460	1.563	1.439	1.444	1.464	1.495
Icelandic krona	158.290	154.310	141.380	119.150	124.209	133.206	135.850	156.100	147.600	151.500	150.500	143.900
Japanese yen	144.720	145.230	131.070	123.400	135.010	125.850	121.940	126.490	130.380	140.660	156.330	163.060
Norwegian krone	8.363	9.042	9.603	9.086	9.840	9.948	9.864	10.470	9.989	10.514	11.241	11.795
Russian rouble**	45.325	72.337	80.674	64.300	69.392	79.715	69.956	91.467	85.300	79.226	100.22	
Singapore dollar	1.662	1.682	1.526	1.528	1.559	1.559	1.511	1.622	1.528	1.430	1.459	1.416
South Korean won	1,450.930	1,324.800	1,280.780	1,269.340	1,279.610	1,277.930	1,296.280	1,336.000	1,346.380	1,344.090	1,433.660	1,532.150
Swiss franc	1.228	1.202	1.084	1.074	1.170	1.127	1.085	1.080	1.033	0.985	0.926	0.941
Turkish lira	2.961	2.832	3.177	3.707	4.546	6.059	6.684	9.113	15.234	19.965	32.653	36.737
UK pound sterling	0.834	0.779	0.734	0.856	0.887	0.895	0.851	0.899	0.840	0.887	0.869	0.829
“US dollar	1.379	1.214	1.089	1.054	1.199	1.145	1.123	1.227	1.133	1.067	1.105	1.039

YEARLY AVERAGE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EU 27												
Bulgarian lev	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
Croatian kuna***	7.579	7.634	7.614	7.533	7.4637	7.418	7.418	7.538	7.528	7.535	***	***
Czech koruna	25.980	27.536	27.279	27.034	26.326	25.647	25.670	26.455	25.640	24.566	24.004	24.004
Danish krone	7.458	7.455	7.459	7.445	7.445	7.453	7.466	7.454	7.437	7.440	7.451	7.451
Hungarian forint	296.870	308.710	310.000	311.440	309.190	318.890	325.300	351.250	358.520	391.290	381.850	381.850
Polish zloty	4.198	4.184	4.184	4.363	4.257	4.262	4.298	4.443	4.565	4.686	4.542	4.542
Romanian leu	4.419	4.444	4.445	4.490	4.569	4.654	4.745	4.838	4.922	4.931	4.947	4.947
Swedish krona	8.652	9.099	9.354	9.469	9.635	10.258	10.589	10.485	10.147	10.630	11.479	11.479
NON-EU												
Australian dollar	1.378	1.472	1.478	1.488	1.473	1.580	1.611	1.655	1.575	1.517	1.629	1.629
Brazilian real	2.869	3.121	3.700	3.856	3.605	4.309	4.413	5.894	6.378	5.440	5.401	5.401
Canadian dollar	1.368	1.466	1.419	1.466	1.465	1.529	1.486	1.530	1.483	1.370	1.460	1.460
Icelandic krona	162.200	154.850	144.390	131.010	120.540	127.890	137.280	154.590	150.150	142.240	149.130	149.130
Japanese yen	129.660	140.310	134.310	120.200	126.710	130.400	122.010	121.850	129.880	138.030	151.990	151.990
Norwegian krone	7.807	8.354	8.950	9.291	9.327	9.598	9.851	10.723	10.163	10.103	11.425	11.425
Russian rouble**	42.337	50.952	68.072	74.145	65.938	74.042	72.455	82.725	87.153	74.125	92.45	92.45
Singapore dollar	1.662	1.682	1.526	1.528	1.559	1.593	1.527	1.574	1.589	1.451	1.452	1.452
South Korean won	1,453.910	1,398.140	1,256.540	1,284.180	1,276.740	1,299.070	1,305.320	1,345.580	1,354.060	1,358.070	1,412.880	
Swiss franc	1.231	1.215	1.068	1.090	1.112	1.155	1.112	1.071	1.081	1.005	0.972	0.972
Turkish lira	2.534	2.907	3.026	3.343	4.121	5.708	6.358	8.055	10.512	17.409	25.760	25.760
UK pound sterling	0.849	0.806	0.726	0.819	0.877	0.885	0.878	0.890	0.860	0.853	0.870	0.870
US dollar	1.328	1.329	1.110	1.107	1.130	1.181	1.120	1.142	1.183	1.053	1.081	1.081

Source: *European Central Bank*

Notes
- For further details on the methodologies, please see “Annex: Explanatory Note on data”
- n/a: figure not available

** Data for 2023 is retreived via Bloomberg

***Croatia joined Eurozone 01/01/2023

A. THE MORTGAGE MARKET

1. TOTAL OUTSTANDING RESIDENTIAL LOANS TOTAL AMOUNT, END OF THE YEAR, EUR MILLION

Total residential loans on the lender's books at the end of the period. The definition of residential loans can vary somewhat across EU27 countries, depending on the collateral system and the purpose of the loans. Some countries only integrate secured residential loans, while others include both secured and non-secured loans. In some countries, this collateral is generally the property, whilst in some others favour a system of personal guarantees.

Regarding the purpose, a few countries exclude residential loans whose purpose is all commercial (such as purchasing a building to let). In addition, there are some methodological differences across EU27 countries regarding the statistical treatment of loans made for renovations of existing dwellings: under some assumptions, some of these loans can be considered as consumption loans.

As a methodological note, the data for the Outstanding amounts is considered as Non-Adjusted Loans.

The conversion to EUR is based on the bilateral exchange rate at the end of the period (provided by the European Central Bank).

Japan: The outstanding balance of commercial loans is of major and regional banks and credit unions, which covers only rental houses that are constructed by individuals. The data are available only from FY2009. No other statistics are available for this category. The Japanese Fiscal Year starts from April to March.

2. CHANGE IN OUTSTANDING RESIDENTIAL LOANS END OF PERIOD, EUR MILLION

Year-on-year changes in Table 2. It also corresponds to new residential loans advanced during the period minus repayments.

3. GROSS RESIDENTIAL LOANS TOTAL AMOUNT, EUR MILLION

The total amount of residential loans advanced during the period. Gross lending includes new mortgage loans and external remortgaging (i.e., remortgaging with another bank) in most countries. Internal remortgaging (i.e., remortgaging with the same bank) is not included, unless it is otherwise stated.

The conversion to EUR is based on the average bilateral exchange rate over the given year (provided by the European Central Bank).

Denmark: The figure does not include second homes.

Italy: Includes the total value of residential loans during the period, including new lending and remortgaging/refinancing of existing loans on the same property.

Poland: The estimated value of newly granted loans was based on increases in the volume of loans to households adjusted for loan amortization and flows between the foreign currency loan portfolio and the zloty loan portfolio; the entire banking system was taken into account, including credit unions.

Spain: Total amount of loans and credits to households.

Sweden: The figures cover only gross lending by mortgage institutions. New mortgage lending from banks is not included.

4. REPRESENTATIVE INTEREST RATES ON NEW MORTGAGE LOANS, PERCENT

This series aims to provide the most representative figures on interest rates on mortgage loans in the EU 27 countries and beyond. For most of these countries, the source of the data is the European Central Bank (ECB), which in turn collects data from the respective national central bank. The ECB's definition of the interest rate reported is the following:

"Dataset name: MFI Interest Rate Statistics; BS reference sector breakdown: Credit and other institutions (MFI except MMFs and central banks); Balance sheet item: Lending for house purchase excluding revolving loans and overdrafts, convenience and extended credit card debt; MFI interest rate data type: Annualised agreed rate (AAR) / Narrowly defined effective rate (NDER); BS counterpart sector: Households and non-profit institutions serving households; Currency of transaction: Euro; IR business coverage: New business"

The datasets from the ECB are named: "Bank business volumes - loans to households for house purchase (new business) - Euro area (changing composition), Monthly", and with the variation of the dataset depending on the IRF period.

The data provided normally refers to weighted averages.

Below is a list of countries for which the above does not apply (at least in part):

Bulgaria: Weighted average of interest rates on loans for house purchase, excluding revolving loans and overdrafts, convenience and extended credit card debt, BGN (the monthly data is based on the average of observations through the period); Source: Bulgarian National Bank (BNB).

Croatia: Weighted average interest rate on HRK housing credits indexed to foreign currency (to households); Source: Croatian National Bank.

Czechia: Weighted average mortgage rate on loans to households for house purchase; Source: Hypoindex until 2012; Czech National Bank from 2013.

Denmark: Data reflects interest rates fixed up to 12 months on mortgage loans from mortgage banks

Germany: Initial fixed period interest rate between 5 and 10 years on loans for house purchase, excluding revolving loans and overdrafts, convenience and extended credit card debt, EUR (the monthly data is based on the average of observations through the period); Source: Deutsche Bundesbank.

Greece: Initial fixed period interest rate up to 1 year on loans for house purchase, excluding revolving loans and overdrafts, convenience and extended credit card debt, EUR (the monthly data is based on the average of observations through the period); Source: National Bank of Greece.

Hungary: Weighted average rate of housing purpose residential loans with different interest rate periods. The data is the average rate over the year. Source: National Bank of Hungary.

Lithuania: Total initial rate fixation on loans for house purchase; Source: Bank of Lithuania.

Luxembourg: Initial fixed period interest rate up to 1 year on loans for house purchase; Source: Central Bank of Luxembourg.

Malta: Weighted average of interest rates on loans for house purchase to households and NPISH; Source: Central Bank of Malta.

Poland: Weighted average interest rate on housing loans; Source: National Bank of Poland.

Romania: Mortgage loans granted in EUR with a maturity of 10 years or more with a charged rate fixed for 1 year; Source: National Bank of Romania.

Spain: Initial fixed period interest rate up to 1 year on loans for house purchase, excluding revolving loans and overdrafts, convenience and extended credit card debt, EUR, (the monthly data is based on the average of observations through the period); Source: European Central Bank.

Sweden: Housing credit institutions' lending rates on new agreements with variable interest rates, to Swedish households (incl. NPISH) and non-financial corporations. Variable interest rates are defined as interest rates up to 3 months of fixed interest rates.

United Kingdom: Weighted average interest rate on loans secured on dwellings, GBP; Source: Bank of England.

Iceland: Average of the lowest mortgage interest rates provided by lending institutions for indexed housing loans; these mortgage interest rates are real mortgage interest rates (nominal mortgage interest rates adjusted for CPI inflation).

Japan: Since the Japanese Fiscal Year 2003, the statistics depicted are the average rates of the monthly lowest interest rates of Flat 35 of which the maturity is 21-35 years. Flat35 is a long-term fixed-rate mortgage that is provided by the securitization business of the Japan Housing Finance Agency.

Russia: Weighted average interest rates of total new housing mortgage lending in RUB; Source: Central Bank of Russia.

Turkey: Weighted average interest rates for banks' loans in TYR; Source: Central Bank of the Republic of Turkey.

United States: Contract interest rate on 30-year, fixed-rate conventional home mortgage commitments. Source: Federal Reserve.

5. AMOUNT OF GROSS LENDING WITH A VARIABLE INTEREST RATE (FIXATION PERIOD OF UP TO 1 YEAR), PERCENT

This series, based on a dataset already collected for the EMF Quarterly Review, aims to look at the size of gross lending with a variable interest rate.

The ECB collects this data and publishes it as: "Share of variable rate loans in total loans for house purchase - Euro area, Euro area (changing composition), Monthly". With this dataset the data validation takes place.

6. AVERAGE AMOUNT OF MORTGAGE LOAN, IN EUR

This series aims to provide an average figure of the amount of mortgage loans a prospective homeowner is granted in the various countries.

Denmark: The statistics capture values of owner occupation from mortgage banks.

Germany: The statistics capture the average amount of a mortgage for the purchase of a second-hand single-family house.

Slovakia: The statistics have been constructed by dividing the total volume of gross residential loans of a given year by the total number of concluded contracts and are based on data from the Central Bank.

United Kingdom: This figure represents the median advance made to homeowners for house purchase activity. It excludes loans made for the purpose of buy-to-let, although the figures are not that different from one another.

Iceland: The downsizing of 2015 figures can be explained by the partial remortgaging due to government-financed prepayment on selected loans, which spurred a large number of small mortgages at the beginning of that year.

Japan: Flat35 data for detached houses. Flat35 is a long-term fixed-rate mortgage that is provided by the securitisation business of the Japan Housing Finance Agency. The data is available only from the Japanese Fiscal Year 2004. The entire market data is not available.

7. TOTAL OUTSTANDING NON-RESIDENTIAL MORTGAGE LOANS TOTAL AMOUNT, END OF THE YEAR, EUR MILLION

Total non-residential loans on the lender's books at the end of the period. Typically, these loans are mortgage loans whose main purpose is not residential. The sum of "Total Outstanding Residential Loans" and "Total Outstanding Non-Residential Mortgage Loans" gives the total outstanding housing loans..

8. TOTAL OUTSTANDING RESIDENTIAL LOANS TO GDP RATIO, PERCENT

Total Outstanding Residential Loans is provided by the European Mortgage Federation (Table 1). GDP at current prices is provided by Eurostat and the World Bank (Table 27).

9. TOTAL OUTSTANDING RESIDENTIAL LOANS TO DISPOSABLE INCOME OF HOUSEHOLDS RATIO, PERCENT

Total Outstanding Residential Loans is provided by the European Mortgage Federation (Table 1). Data on Disposable Income of Households at current prices is provided by the European Commission (AMECO Database) and National Statistical Offices (Table 28).

10. TOTAL OUTSTANDING RESIDENTIAL LOANS PER CAPITA – TOTAL POPULATION, EUR

Total Outstanding Residential Loans is provided by the European Mortgage Federation (Table 1). Data on population is provided by Eurostat and the US Bureau of Census, and concerns the total population (Table 29).

B. HOUSING MARKET

11. OWNER OCCUPATION RATE, PERCENT

Distribution of population by tenure status – owner. Source: Eurostat [ilc_lvho02].

12. BUILDING PERMITS, NUMBER ISSUED

A building permit is an authorisation to start work on a building project. As such, a permit is the final stage of planning and building authorisations from public authorities, prior to the start of work. In Hypostat, the building permit concerns only dwellings.

13. HOUSING STARTS, NUMBER OF PROJECTS STARTED PER YEAR

The number of new residential construction projects that have begun during a given period. Housing Starts are usually considered to be a critical indicator of economic strength (since it has an effect on related industries, such as banking, the mortgage sector, raw materials, employment, construction, manufacturing, and real estate).

14. HOUSING COMPLETIONS, NUMBER OF PROJECTS COMPLETED PER YEAR

The number of new residential construction projects that have been completed during a given period. Housing Completions are directly integrated into the dwelling stocks and, as such, is a determinant of the housing supply.

15. REAL GROSS FIXED INVESTMENT IN HOUSING, ANNUAL % CHANGE

Real Gross fixed capital investment in housing is measured by the total value of producers' acquisitions, less disposals, of new dwellings during the accounting period; Source: Eurostat, OECD.

16. TOTAL DWELLING STOCK, THOUSAND UNITS

According to the "1993 SNA" (System of National Account), dwellings are buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences; movable structures, such as caravans, used as principal residences of households are included.

For many countries, the yearly change in total dwelling stock is above the number of yearly completions because these two variables have been created with different methodologies.

17. NUMBER OF TRANSACTIONS

Total number of new or second-hand dwellings purchased or transferred in the period, including those occupied for the first time.

The national methodologies used to calculate this index are the following:

EU27

Belgium: transactions on second-hand houses only.

Croatia: Number of new dwellings purchased.

Denmark: excludes self-build.

Finland: 2000-2007 are estimates of the Federation of Finnish Financial Services (FFI), calculated by utilising the average housing completions of the years 2008-2014.

France: new apartments as principal and secondary residence or rental.

Ireland: estimate based on mortgage approvals until 2011.

Latvia: new or second-hand real estate purchased or transferred, including those occupied for the first time.

Netherlands: includes commercial transactions.

Romania: includes commercial transactions.

Sweden: from the year 2000, not only one-family homes are included in the transaction figures but also apartment transactions.

NON EU27

USA: Number of New Home Sales (US Bureau of Census) + Number of Existing Home Sales (National Association of Realtors).

18. NOMINAL HOUSE PRICES INDICES, 2015=100

Indices were computed to reflect the changes in house prices observed over the period. For Hypostat 2020, the base year has been postponed to 2015 to be in line with the dispositions followed by Eurostat in compliance with Regulation (EC) No 2015/2010. Eurostat data is used for a number of countries.

The data description is as follows:
Eurostat: House Price Indices (HPIs) measure inflation in the residential property market. The HPI captures price changes of all kinds of residential property purchased by households (flats, detached houses, terraced houses, etc.), both new and existing. Only market prices are considered; self-built dwellings are therefore excluded. The land component of the residential property is included. These indices are the result of the work that National Statistical Institutes (NSIs) have been doing mostly within the framework of the Owner-Occupied Housing (OOH) pilot project coordinated by Eurostat.

For the countries for which Eurostat data is not employed, the following national methodologies are used to calculate the published indices:

EU27

Austria: The RPPI for Vienna and for Austria, excluding Vienna (regional breakdown), is a so-called "dummy index." It is calculated on the basis of the euro price per square meter for new and used condominiums and for single-family houses. The dummy index is calculated by the Vienna University of Technology on the basis of data provided by the Internet platform Ametanet of the Austrian real estate software company EDI-Real. The calculation uses a hedonic regression model with a fixed structure over time. This approach may produce biased estimates if the effects of the variables change over time. Source: OeNB.

Bulgaria: annual average market price index of dwellings, flats in the district centres (new flats are excluded); Source: National Statistical Institute.

Croatia: the average prices per m2 of new dwellings sold.

Cyprus: The indices are based on property valuation data collected since 2006 by the contracted banks, which receive the relevant information from independent property surveyors in connection with mortgage transactions, such as housing loans, mortgage refinancing, and mortgage collateral. The data, which are representative of the Cyprus property market, cover all the areas under the effective control of the Republic of Cyprus (Nicosia, Limassol, Larnaca, Paphos, and Famagusta) and refer to residential properties (houses and apartments). Source: Central Bank of Cyprus.

Czechia: Index of realised new and second-hand flat prices. New flats are published for Prague only. Source: Czech Statistical Office.

Denmark: The House Price Statistics are based on statements of properties offered for sale on the internet and registered as sold in the public Sales and Valuation Register, SVUR, or the joint municipal property register, ESR.

Estonia: New and existing dwellings, whole country; Source: Estonian Statistics Database.

Finland: The statistics on prices of dwellings in housing companies are compiled from the Finnish Tax Administration's asset transfer tax data. The preliminary data on monthly statistics include around two-fifths of all housing transactions and quarterly statistics around two-thirds, though coverage varies by area. For transactions of old dwellings in housing companies the coverage of the annual statistics is almost complete. These statistics describe the levels of the prices and changes in the prices of single-family houses and single-family house plots quarterly and annually. Source: Statistics Finland.

France: The index of housing prices (IPL) is a quarterly index, average annual base 100 in 2010.

The IPL is a transaction price index measuring, between two consecutive quarters, the pure evolution of prices of homes sold. For a given quarter, the index is obtained as the weighted average of two indices: (1) the Notaries - INSEE index of existing homes; and (2) the price index for new housing. Source: National Institute of Statistics and Economic Studies (INSEE).

Germany: VDP Price Index for Owner Occupied Housing, calculated by vdpResearch.

Greece: Urban areas only.

Hungary: The house price changes observed over the period are based on the data of the FHB house price index. The index is based on real transactions and comprises new-built and existing (used) residential properties (flats, detached houses, terraced houses). The methodology for the calculations is the hedonic regression model, which is also used by European institutions (Eurostat, ECB). The index shows the annual average change compared to the base year of 2006. All dwellings, FHB house price Index.

Italy: Source: Bank of Italy, Istat, Revenue Agency Property Market Observatory (Osservatorio del mercato immobiliare), Consulente Immobiliare and Tecnoborsa.

Poland: The data contains average transaction prices on the secondary market - the 7 biggest cities in Poland, weighted with the market housing stock of the city. Analysed cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warszawa, Wrocław.

Portugal: Annual average based on bank evaluation data. Source: Statistics Portugal.

Romania: Source: National Institute of Statistics.

Slovenia: existing dwellings; y-o-y variation in the last quarter of each year; Source: Statistical Office of the Republic of Slovenia.

Spain: all dwellings; Source: Ministerio de Fomento.

Sweden: one and two-dwelling buildings annual average.

NON EU27

Australia: Residential Property Price Index, average of the eight largest cities. Source: Australian Bureau of Statistics

Japan: The indices are based on monthly prices for detached houses. Source: Ministry of Land Infrastructure, Transport and Tourism.

Russia: y-o-y variation in the last quarter of each year.

Turkey: Data on house prices, in percentage change over the previous period. Source: OECD.

United Kingdom: All dwellings. Source: Office for National Statistics

United States: Data on house prices, in percentage change over the previous period. Source: OECD.

19. NOMINAL HOUSE PRICE INDEX – CITIES (2015=100)

Indices are computed to reflect the changes in house prices observed over the period in the capital cities and in the largest cities of a given country. The provided statistics are based on heterogeneous data sources, methodologies, and areas (considering either the city as such or also the surrounding region). The indices provided in this section have to be compared with caution. The following national methodologies (if explanation available) have been applied for the calculation:

EU 27

Austria: Residential Property price index for overall dwellings in Vienna.

Belgium: The Index for Brussels has been calculated on the basis of the Notary Barometer and refers to apartments in Brussels, which constitute 70% of the market.

Bulgaria: annual average market price index of dwellings, flats in the district centres (new flats are excluded); Source: National Statistical Institute.

Croatia: the average prices per m2 of new dwellings sold. Source: Croatian Bureau of Statistics

Cyprus: The indices are based on property valuation data collected since 2006 by the contracted banks, which receive the relevant information from independent property surveyors in connection with mortgage transactions, such as housing loans, mortgage refinancing, and mortgage collateral. The data is available at the district level for Nicosia, Limassol, Larnaca, Paphos, and Famagusta and refers to residential properties (houses and apartments). Source: Central Bank of Cyprus.

Denmark: The House Price Statistics are based on statements of properties offered for sale on the internet and registered as sold in the public Sales and Valuation Register, SVUR, or the joint municipal property register, ESR. Data is available at the postal code level. Source: Association of Danish Mortgage Banks

Finland: The statistics on prices of dwellings in housing companies are compiled from the Finnish Tax Administration's asset transfer tax data. The preliminary data on monthly statistics include around two-fifths of all housing transactions, and quarterly statistics around two-thirds, though coverage varies by area. For transactions of old dwellings in housing companies, the coverage of the annual statistics is almost complete. These statistics describe the levels of the prices and changes in the prices of single-family houses and single-family house plots quarterly and annually. Source: Statistics Finland.

France: The statistics consider only apartments. Source: National Institute of Statistics and Economic Studies

Germany: VDP Price Index for Owner Occupied Housing, calculated by vdpResearch.

Hungary: The house price changes observed over the period are based on the data of the FHB house price index. The index is based on real transactions and comprises newly built and existing (used) residential properties (flats, detached houses, terraced houses). The methodology for the calculations is the hedonic regression model, which is also used by European institutions (Eurostat, ECB). The index shows the annual average change compared to the base year of 2006. All dwellings, FHB house price Index.

Ireland: All residential properties. Source: Central Statistical Office

Poland: average transaction prices on the secondary market

Portugal: yearly average on the Banking sector's valuations, monthly data, Statistics Portugal

Slovakia: prices in Euros per square metre. Source: Central Bank of Slovakia

Slovenia: captures only existing flats in Ljubljana. Source: Statistical Office of the Republic of Slovenia.

Spain: the indices refer to the regions around these cities, calculated with valuation prices. Source: Ministerio de Fomento.

Sweden: One- or two-dwelling buildings for permanent living. Source: Statistics Sweden

NON EU 27

Australia: Residential Property Price Index. Source: Australian Bureau of Statistics

Brazil: The Financed Housing Collateral Value Index – IVG-R measures the long-term trend of the household's houses in Brazil. The index is calculated using the evaluation data of housing loans that are granted to natural persons and collateralized by financed real estate. The IVG-R is constructed using information from eleven Brazilian metropolitan regions: Belém, Belo Horizonte, Brasília, Curitiba, Fortaleza, Goiânia, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo.

Iceland: total residential property. Source: Statistics Iceland

Japan: The indices are based on monthly prices for detached houses. The sources are the Associations of Real Estate Appraisers of Tokyo, Osaka, and Aichi.

Norway: Source: Real Estate Norway

Turkey: Source: Central Bank of the Republic of Turkey

United Kingdom: All dwellings. Source: Office for National Statistics

United States: Source: Federal Housing Finance Agency

20.CHANGE IN NOMINAL HOUSE PRICES, ANNUAL % CHANGE

The annual percentage change is computed using the house price indices found in Table 17.

21. NOMINAL HOUSE PRICE TO DISPOSABLE INCOME OF HOUSEHOLDS RATIO, 2015=100

This indicator is a measure of housing affordability. The nominal house price to disposable income ratio is also used by the OECD to provide a measure of housing affordability. However, this index is partially biased since it does not integrate financing costs: mortgage interest rate, taxes, notary costs, etc.

C. FUNDING OF THE MORTGAGE MARKET

22. TOTAL COVERED BONDS OUTSTANDING, BACKED BY MORTGAGES, EUR MILLION

Covered bonds are dual-recourse debt instruments issued by credit institutions and secured by a cover pool of financial assets, typically composed of mortgage loans, public-sector debt or ship mortgages. Three different models of covered bonds co-exist in Europe:

- Direct/on-balance issuance (German model): The originator issues the covered bonds, and the assets are ring-fenced on the balance sheet of the originator.
- Specialist issuer (French model): an originator establishes a credit institution subsidiary that issues the covered bonds and holds the collateral.
- Direct issuance with guarantee (UK model): the originator issues the covered bonds, which are guaranteed by a special purpose entity of the originator, which holds the cover pool assets.

23. TOTAL COVERED BONDS ISSUANCE, BACKED BY MORTGAGES, EUR MILLION

See point 22.

24. TOTAL COVERED BONDS OUTSTANDING, BACKED BY MORTGAGES, TO GDP RATIO

Total Covered Bonds Outstanding (backed by mortgages) is provided by the European Covered Bond Council (Table 22). GDP at current prices is provided by Eurostat and the World Bank (Table 27).

25. TOTAL RESIDENTIAL MORTGAGE-BACKED SECURITIES (RMBS) OUTSTANDING, EUR MILLION

An RMBS is a derivative whose value is derived from home equity loans and residential mortgages. In line with the other mortgage-backed securities, the owner is entitled to a claim on the principal and interest payments on the residential loans underpinning the security.

26. TOTAL RESIDENTIAL MORTGAGE-BACKED SECURITIES (RMBS) ISSUANCE, EUR MILLION

See point 25.

D. MACROECONOMIC INDICATORS

27. GDP AT CURRENT MARKET PRICES, EUR MILLION

Within the approach of GDP at current prices, the fundamental principle is that output and intermediate consumption are valued at the prices current at the time the production takes place. This implies that goods withdrawn from inventories by producers must be valued at the prices prevailing at the times the goods are withdrawn, and consumption of fixed capital in the system is calculated on the basis of the estimated opportunity costs of using the assets at the time they are used, as distinct from the prices at which the assets were acquired. The data was retrieved from:

28. GROSS DISPOSABLE INCOME OF HOUSEHOLDS, EUR MILLION

According to the "1993 SNA", Gross Disposable Income of Households is the sum of household final consumption expenditures and savings (minus the change in net equity of households in pension funds). It also corresponds to the sum of wages and salaries, mixed income, net property income, net current transfers, and social benefits other than social transfers in kind, less taxes on income and wealth, and social security contributions paid by employees, the self-employed, and the unemployed.

The indicator for the household sector includes the disposable income of non-profit institutions serving households (NPISH).

29. TOTAL POPULATION

This statistic takes into account the total number of residents of a given country.

The sources used are Eurostat and the World Bank.

30. BILATERAL NOMINAL EXCHANGE RATE WITH THE EURO

For the outstanding residential and non-residential loans, the End-of-Year Exchange rate has been taken into account, while for the gross lending figures and for the average amount of mortgage, the average Exchange rate was used.

The source is the Statistics Data Warehouse of the European Central Bank. For the Exchange Rate with the Icelandic krona, Bloomberg has been used.

NOTES

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2025

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September 2025

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