QR QUARTERLY REVIEW OF EUROPEAN MORTGAGE AND HOUSING MARKETS

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European Mortgage Federation

Eva Dervaux | Research and Data Adviser | edervaux@hypo.org | Tel: +32 2 285 40 30

Housing Affordability: First time buyers, and how to help them?

Q3 | 2025 – REVIEW OF EUROPEAN MORTGAGE AND HOUSING MARKETS

DISCLAIMER

This review looks at developments in the mortgage and housing markets in Q3 2025 and is based on a country sample including Belgium, Bulgaria, Cyprus, Czechia, Germany, Denmark, Greece, Spain, Finland, France, Hungary, Ireland, Italy, Lithuania, The Netherlands, Malta, Norway, Poland, Portugal, Romania, Slovenia, Sweden, and the United Kingdom. This sample covers around 95% of total mortgage lending in the EU27 and UK. Where data for Q3 2025 is not yet available, the review reports figures from the most recently available quarter.

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Editor

European Mortgage Federation
Rue de la Science 14 A, 2nd Floor
B-1040 Brussels – Belgium
Tel : +32 2 285 40 30
Email: info@hypo.org

Writing team

Luca Bertalot
Jennifer Johnson
Eva Dervaux
Richard Kemmish

Layout

Exnihilo.be

INTRODUCTION

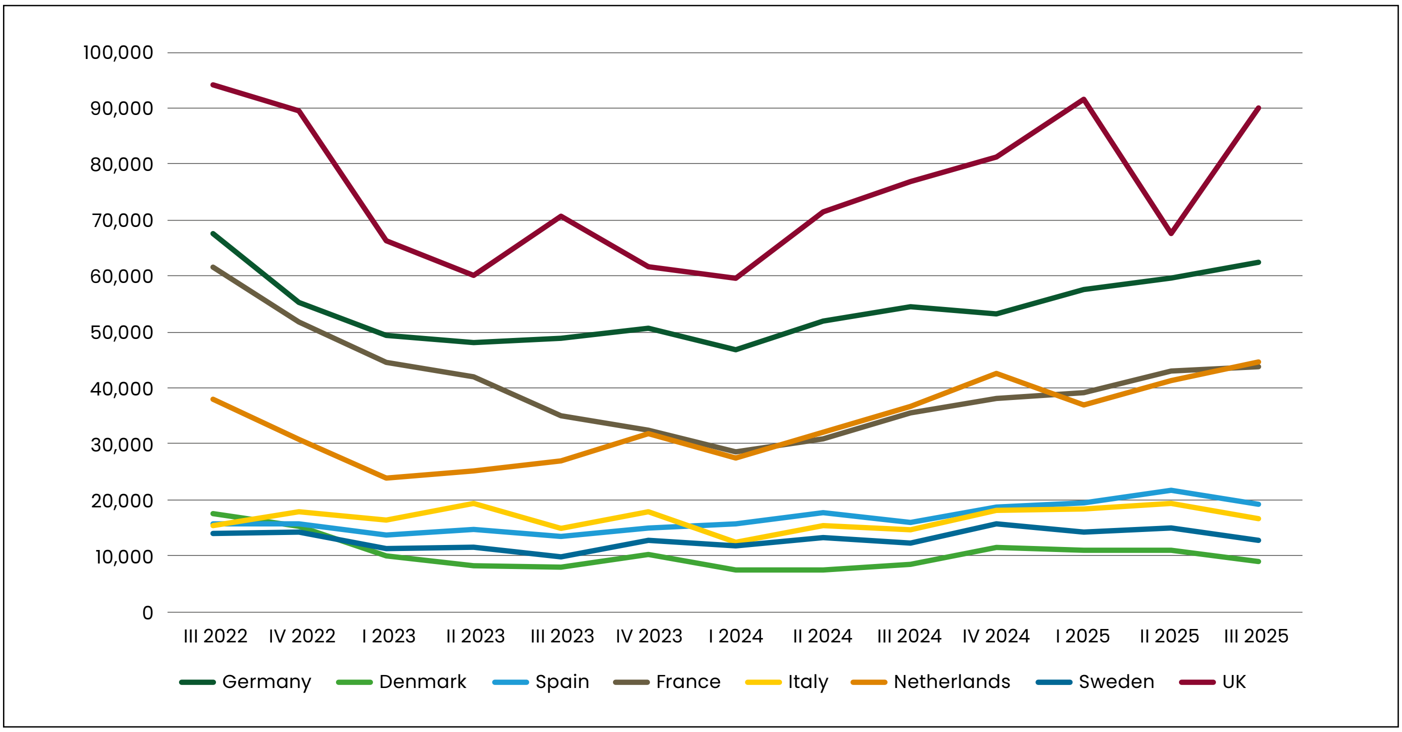
The EMF is happy to share with you its review of the European housing and mortgage market in Q3 2025. Following up from last quarter's topic, housing affordability, this quarter's focus is first-time buyers and the schemes supporting them in entering the housing market in Europe. The details of these national schemes can be found in the individual country fact sheets included in this review.

As per usual, this review includes developments of the mortgage and housing markets in Q3 2025 with country fact sheets of the following countries: Belgium, Bulgaria, Cyprus, Czechia, Germany, Denmark, Spain, Finland, France, Hungary, Ireland, Italy, Lithuania, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Sweden, and the United Kingdom.

Overview of the European mortgage and housing markets

In the third quarter of 2025, total outstanding residential mortgage lending increased across all countries in the EMF sample. However, gross residential lending did not rise uniformly: Cyprus, Denmark, Spain, Finland, Hungary, Italy, and Sweden recorded lower gross residential lending in Q3 2025 compared with Q2 2025. Nevertheless, the overall trend remains upward.

Gross Residential Mortgage Lending (million EUR)



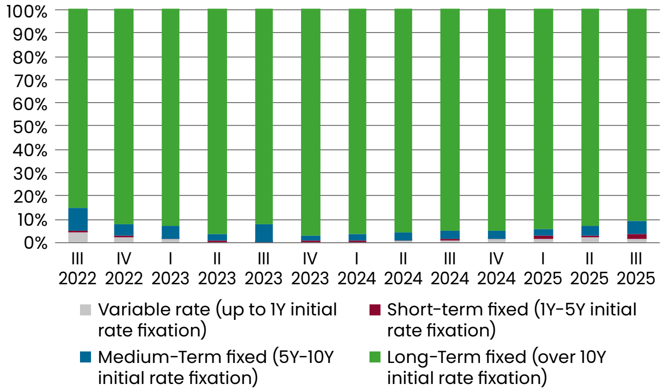
The house price index increased sharply in Portugal and Hungary between Q2 and Q3, rising from 258,8 to 269,4 in Portugal and from 368,5 to 390,3 in Hungary. At the other end of the spectrum, Poland and Slovenia recorded declines over the same period, with indices falling from 223 to 221 and from 209,3 to 207,0, respectively. In addition, the data confirm the downward trend in mortgage interest rates observed since 2021.

Remaining on the subject of mortgage interest rates, a closer look at the share of new mortgages with variable interest rates across the EMF sample of European countries reveals substantial cross-country differences and evolving borrower preferences, as also demonstrated in the graphs overleaf.

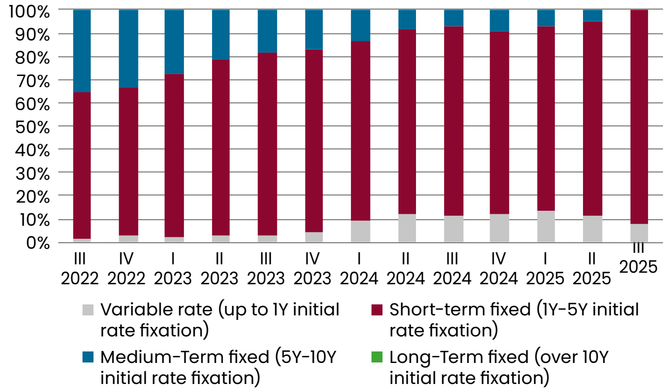
Variable-rate mortgages remain marginal in Belgium, despite a slight increase to above 2%. In Czechia, the share rose from around 2% in 2022 to roughly 10% in 2024, boosted by expectations of future decline in both central bank policy rate and mortgage rate. This was followed by volatility and a recent decline to 8.2% in Q3 2025 in the aftermath of realized drop in mortgage rates by around 1.5pp from its peak closer to its „neutral" level that limits expectations of further larger decline in interest rates. Denmark has seen a steady increase since late 2021, while Germany's share has remained broadly stable at around 10% over the past decade. Greece has experienced a gradual decline since the COVID-19 crisis. In Hungary, the share increased sharply in early 2024 and has since stabilised at around 25%. Italy recorded a downward trend over recent years, interrupted by a rise from 8.4% to 12% between Q2 and Q3 2025. Malta shows a slow decline since 2022, while in the Netherlands the share has remained stable at around 15%; within fixed-rate lending, medium-term fixation accounts for about half of new mortgages. Poland saw a sharp decline in 2021–2022, followed by stabilisation. Portugal and Romania both exhibit marked shifts away from variable rates: in Portugal, the majority of new borrowers have favoured fixed rates since late 2023, while in Romania short-term fixed rates now dominate, with variable rates accounting for only about a quarter of new lending. In Spain, long-term fixed-rate mortgages prevail, with variable rates falling from around 25% in 2021 to below 10% currently. Slovenia has experienced a strong increase in long-term fixed-rate mortgages, exceeding 80% by 2025. Sweden shows a reversal,

Mortgage Markets Breakdown by Interest rate Type (%) - New Loans

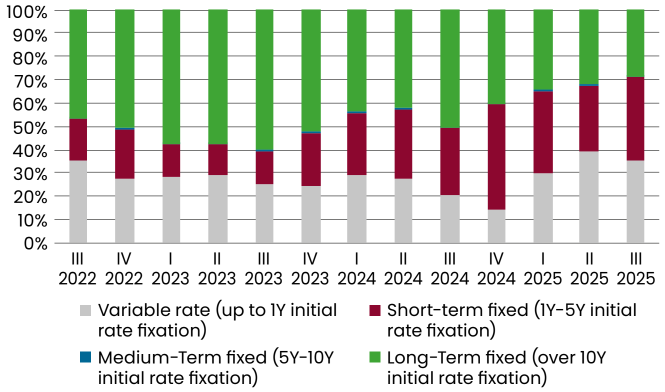
Belgium



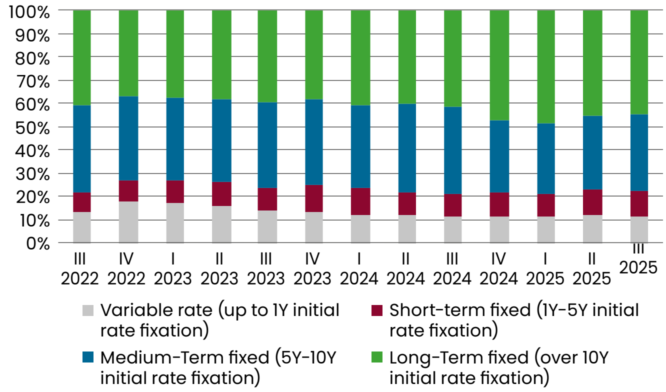
Czechia



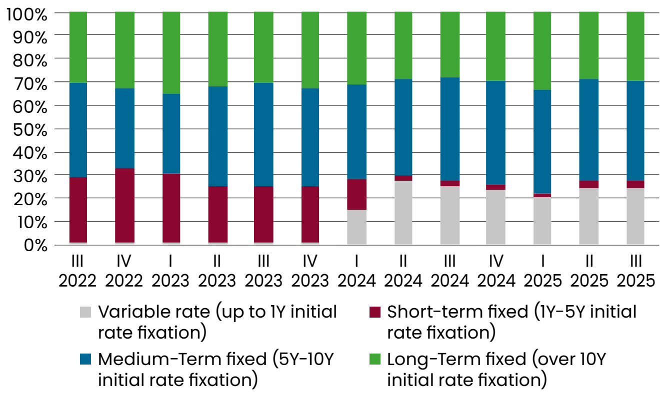
Denmark



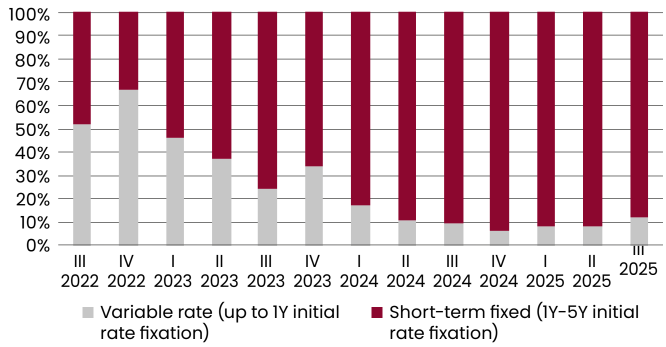
Germany



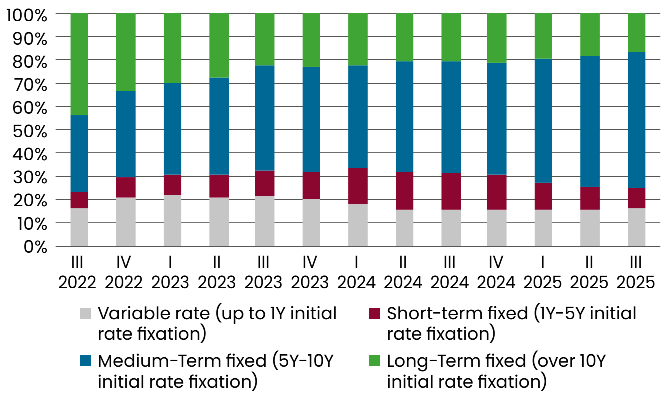
Hungary



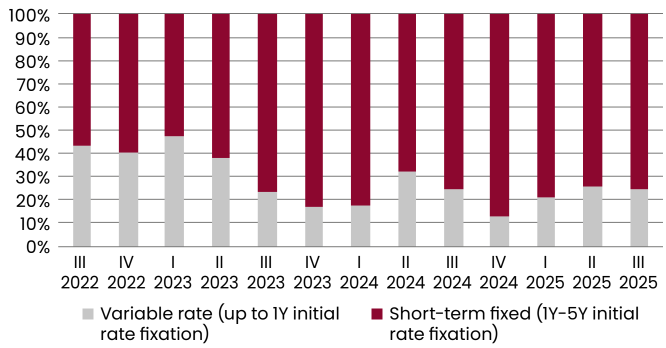
Italy

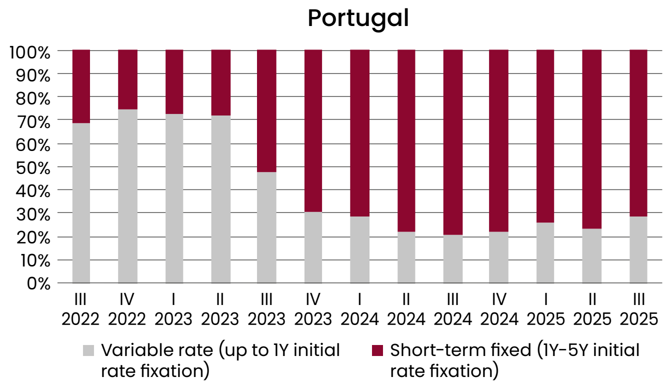


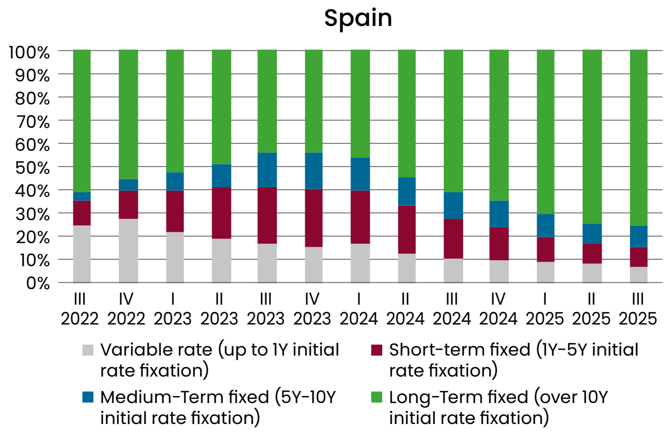
Netherlands

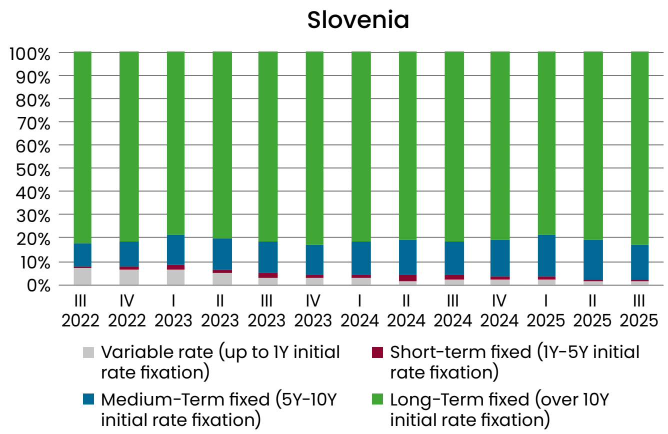


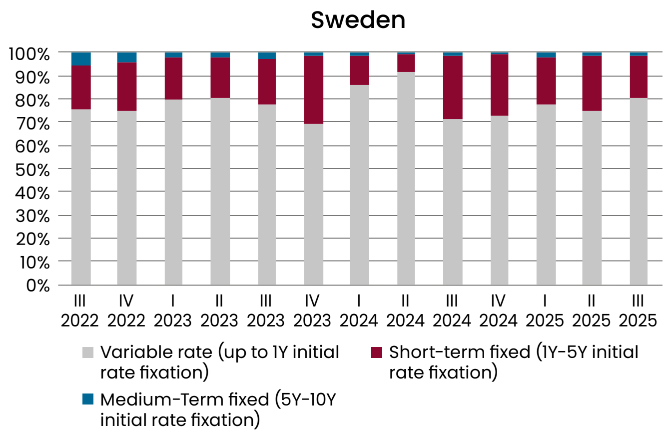
Poland

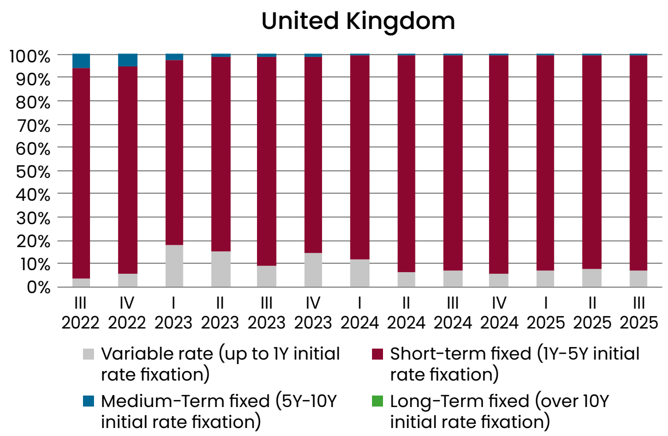


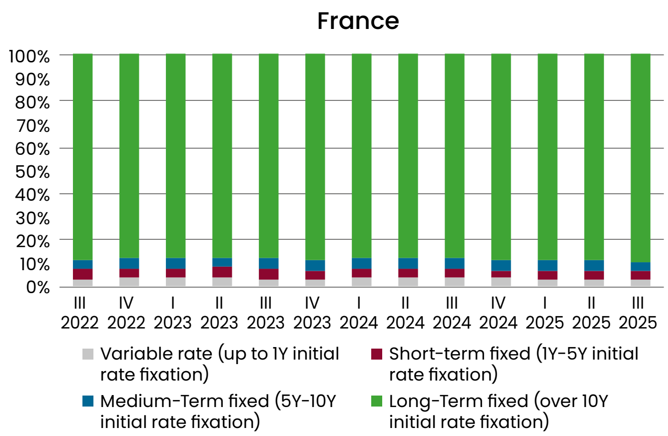












with variable rates rising to over 80% in 2025 after earlier declines. Finally, borrowers in the United Kingdom mainly choose short-term fixed-rate mortgages, whereas French borrowers have historically preferred long-term fixed-rate products.

First-time buyers

As discussed in previous reviews, unaffordable housing is a matter of great concern in the European Union (EU). It leads to housing insecurity, financial strain, and inadequate housing. It also prevents young people from leaving their parental home, impacting their mobility in the single market and limiting their labour/life opportunities. These problems directly affect people's health and well-being, embody unequal living conditions and opportunities, and result in increased healthcare costs, reduced productivity, and environmental damage. Because of the lack of affordable housing, young people may be forced to drop out of their studies, refuse job opportunities, delay starting or expanding a family and live in overcrowded and substandard accommodation, with potentially severe economic and social consequences.

In the past decade, homeownership in the EU has decreased overall, driven in particular by a drop in homeownership among young people. There has been an increase in Europeans living in apartments, concentrated in towns and suburbs.

"The lack of affordable housing prevents young people, particularly from disadvantaged backgrounds, from taking up education, traineeship, apprenticeships and employment opportunities, with far-reaching economic and social consequences. It delays family formation. Students and apprentices are particularly exposed to high housing costs, which may discourage them from pursuing studies, participating in mobility programmes such as Erasmus+, or completing their education, which further limits their independence and participation in society and in the economy."

European Commission's European Affordable Housing Plan, published in December 2025.*

It is increasingly difficult for first-time buyers in particular to enter the mortgage market and purchase their first home, with affordability being the main challenge. Sizeable deposit requirements, high monthly mortgage repayments, and a shortage of available housing all contribute to this challenge. These pressures are largely driven by higher interest rates, rising house prices, and demographic ageing. Younger buyers are particularly affected, as they often need larger mortgages due to smaller deposits and tighter credit constraints:

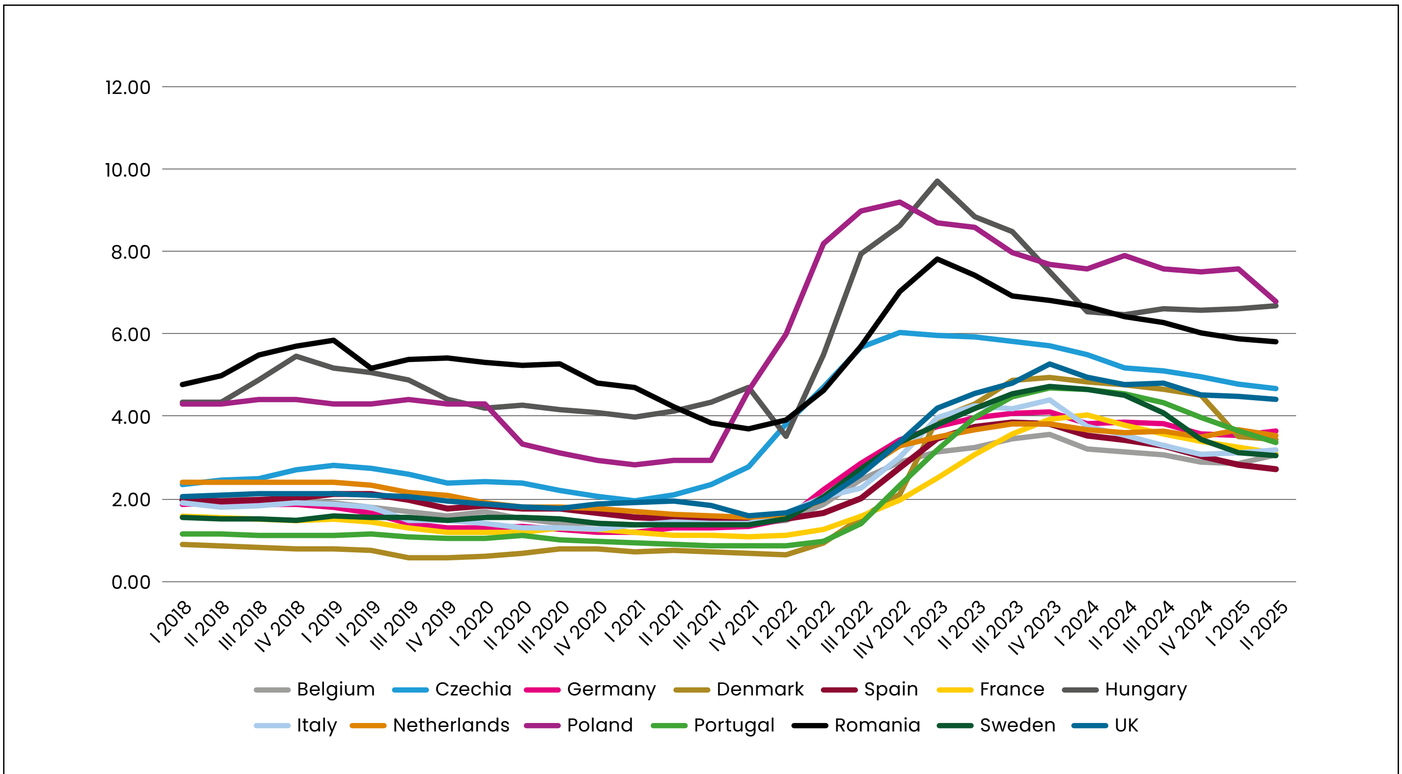
1. Mortgage interest rates:

Younger buyers typically rely on larger mortgages due to smaller deposits and tighter credit constraints. Consequently, high interest rates affect them more strongly, since the average amount they borrow is substantially higher. Mortgage interest rates experienced a significant increase in 2021/2022, following a sharp increase in inflation after the global pandemic, which led central banks to raise interest rates. The rates have been slowly decreasing but are not returning to pre-pandemic numbers, as indicated in the previous analysis and observed in the graph below. These higher interest rates are hindering market access for first-time buyers, younger and vulnerable groups.

2. House prices:

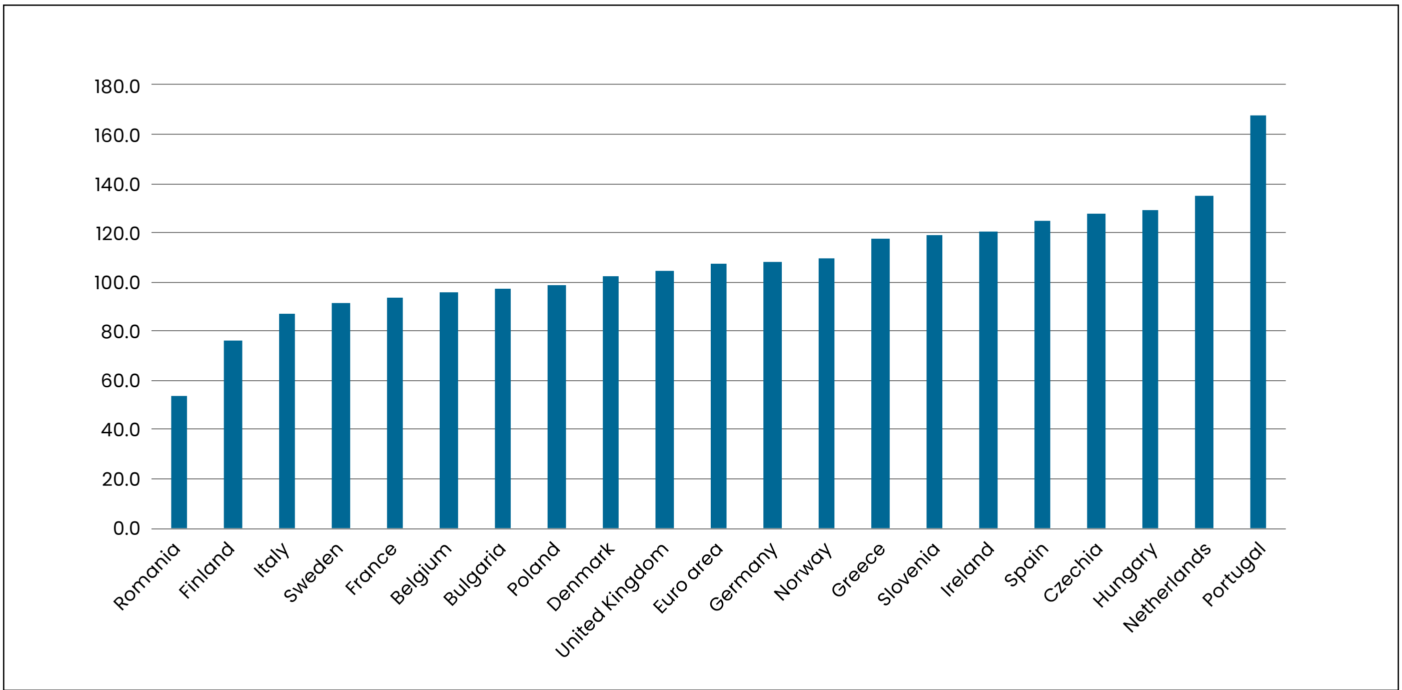
House prices have been increasing at a rapid rate in recent years, especially since the global pandemic. The house price to disposable income ratio is a common measure of housing affordability, as it shows how expensive houses are relative to the amount of income households have available to spend. The ratio is particularly high for countries such as Hungary, Portugal, Greece, the Netherlands and Poland. The ratios of these countries have deteriorated on average by 25% since 2015.

Mortgage Interest Rates (weighted average)



* https://housing.ec.europa.eu/european-affordable-housing-plan_en

Price to income ratio in Q3 2025 - Nominal house prices divided by nominal disposable income*



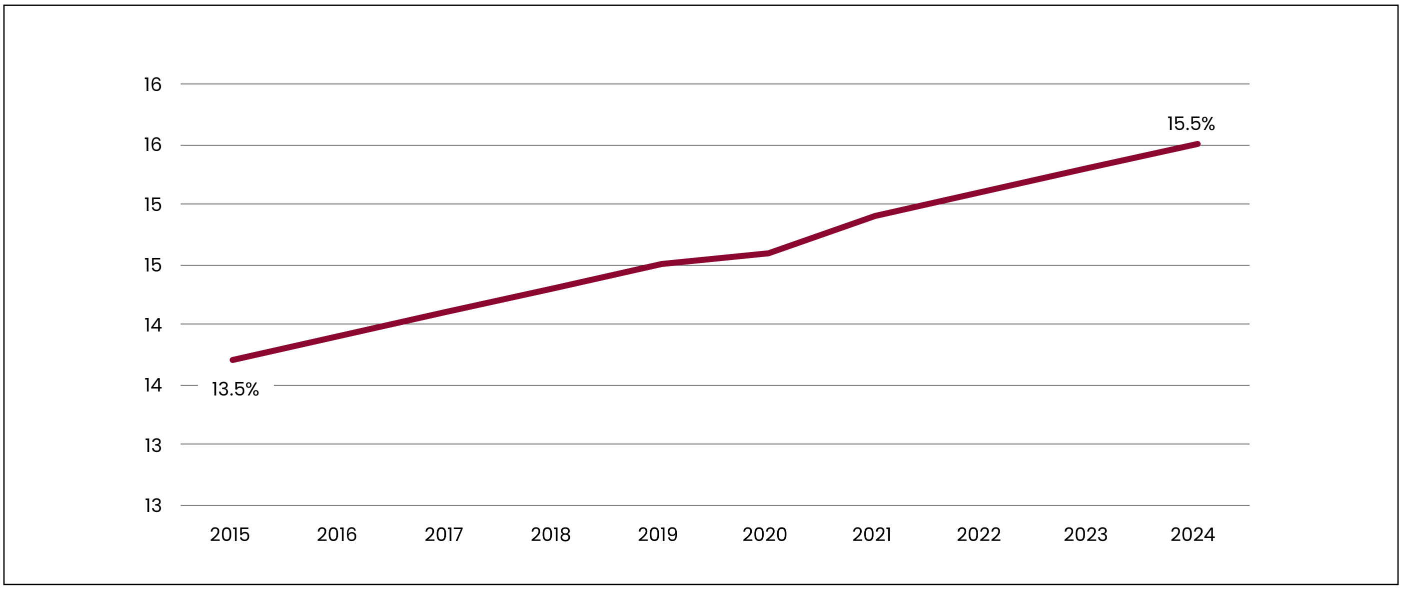
Source: OECD

3. Population:

Population ageing is also a relevant factor in debates around first-time buyers and housing affordability. As shown in the graph below, since 2015 the share of the population aged between 65–79 years old has increased on average by around 2% across the EU27 countries, while the proportion of the population aged 80 years old and over has risen by approximately 1%. This demographic dynamic can contribute to supply-side pressures in housing markets, as older owner-occupiers tend to remain in their homes for longer, leading to stronger competition for a limited housing stock.

Declining homeownership rates as observed in many western countries have direct and indirect implications for the broader economy. This trend has led governments to seek effective solutions to address the decline. Across Europe, countries have implemented various schemes to support first-time buyers in accessing the housing market. Details of these schemes can be found in the individual country fact sheets included in this Review.

Share of the EU population aged 65-79 years (%)



* for the Netherlands, the data is of Q2 2025.

Germany

Low Homeownership, Large rental Sector

by: Vincent Tran, vdp - Association of German Pfandbrief Banks

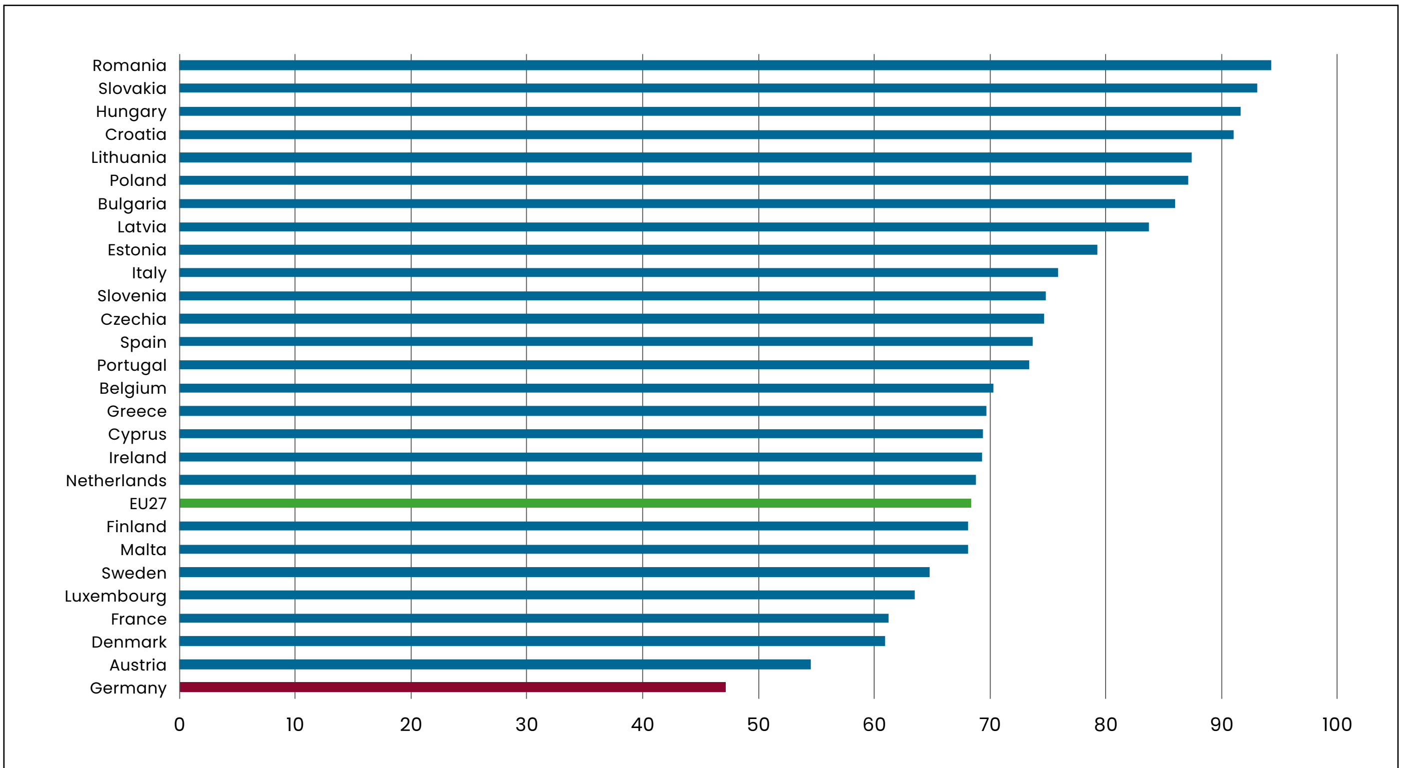
"Germany is the only country in the European Union where the majority of households live in rented properties."

High transaction costs have become a key barrier to buying

While the average homeownership rate in the EU is 68.4%, in Germany it is only 47.2%. This corresponds to a difference of 21.2 percentage points.

This chart shows that in 2024, Germany had the lowest homeownership rate in the EU27 at 47.2%, putting it in last place, while at the other end of the scale, Germany had the highest percentage of people living in rented properties at 52.8%.

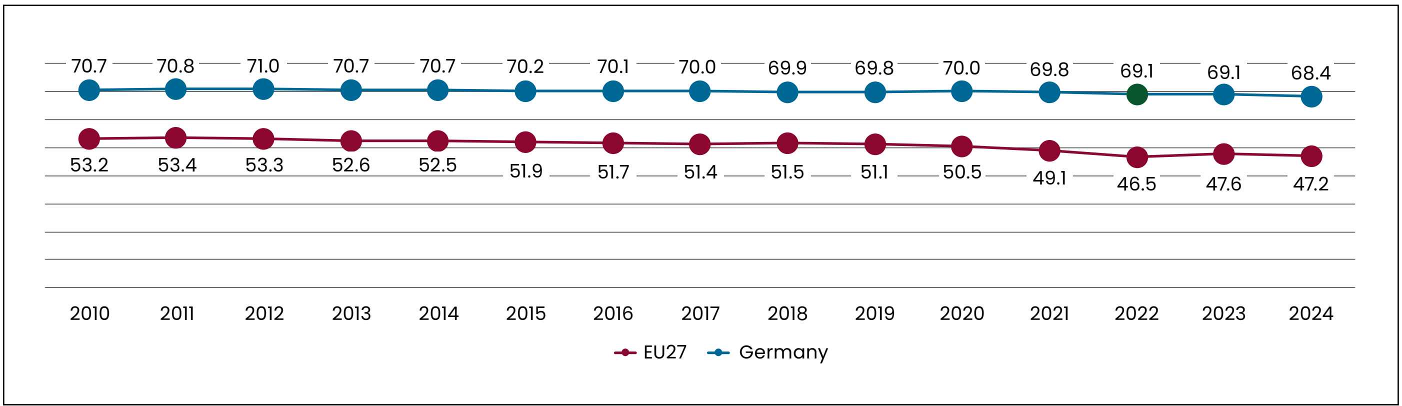
Homeownership in the EU27: Germany Ranks Last (%) in 2024



Source: Eurostat

In the EU27, the homeownership rate remains relatively stable at around 70% until 2021. From 2022 onwards, it declines to 68.4% in 2024. Germany remains significantly below this rate throughout and shows a stronger and almost continuous decline over the years. The homeownership declines from 53.2% in 2010 to 47.2% in 2024. Particularly striking is the dip between 2021 and 2022, when Germany declines from 49.1% to 46.5%, while the EU27 declines only slightly over the same period.

Homeownership (%) / Germany vs EU27



Source: Eurostat

The decline between 2021 and 2022 can reasonably be linked to the same developments for both series. These include the inflation and energy price shock in connection with the war in Ukraine, the resulting high interest rate reversal and worse financing conditions, as well as additional pressure on housing markets due to increased immigration. These factors have a stronger impact on the homeownership rate in Germany, resulting in a greater decline there. This is also because immigration-related housing demand is concentrated largely in the rental market, with newly arrived households predominantly living as tenants rather than owner-occupiers.

This low homeownership rate affects households in Germany in several ways. Households that live rent-free in their owner-occupied homes in old age generally have greater planning security, are not affected by rent increases and have a lower risk of falling into poverty in retirement. Homeowners can also build up wealth over time and can pass it on to the next generation. Differences in housing situations can go along with differences in wealth accumulation over time, even if wage inequality is relatively moderate by international standards. However, homeownership also brings some uncertainties. Homeowners bear the risk of modernisation and maintenance, which can lead to high and unpredictable costs that tenants are not usually directly confronted with. These opportunities and risks also have historical reasons, which raises the question:

Why renting is so common in Germany?

It is no coincidence that Germany is a nation of tenants. The current situation is the result of a long historical development in which politics have favoured the development of rental housing due to the need for a quick solution for increasing housing supply. During the industrial revolution, large industrial cities developed as rental markets. Densely populated neighbourhoods with rental blocks and multi-family houses emerged. Working- and middle-class households mainly rented.

After the Second World War, there was a severe housing shortage in Germany.

In West Germany, the shortage was exacerbated due to the large number of refugees and expellees. The primary goal was to overcome this housing shortage through a large-scale social housing construction programme. The state focused on extensive programmes to promote the construction of rental apartments in order to quickly provide a large number of affordable homes and stabilise the housing supply.

In the GDR (East Germany), housing policy focused less on encouraging homeownership and more on a state-organised rental system. Rents were strictly regulated and very low, amounting to around 3-4% of household income and many apartments were rented out administratively rather than through the market.

An important housing policy measure was the centrally planned construction of new housing. From the 1970s onwards, this mainly meant large prefabricated apartment blocks (Plattenbau), where speed and quantity often took priority over quality.

In West Germany, the federal government, state governments, local authorities and housing cooperatives played an important role in reconstruction. A key instrument was publicly subsidised housing construction, including large-scale social housing construction with rent and allocation restrictions. Financing was heavily based on low-interest public loans, but politicians also deliberately mobilised private capital. Private developers and investors were able to obtain subsidies and favourable financing terms for the construction of rental apartments, which contributed to a rapid expansion of the housing stock and favoured the comparatively high proportion of private landlords in Germany.

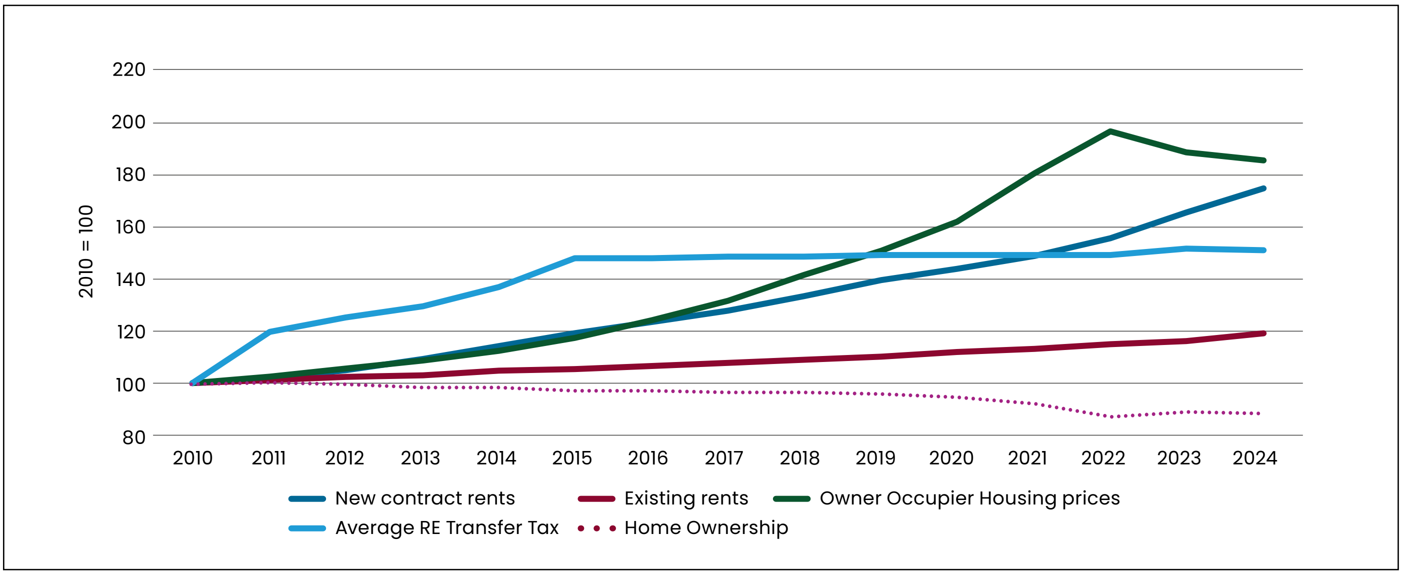
Over time, the rental market was also shaped by legal and institutional frameworks that aimed to balance tenant protection and investment incentives for landlords. Tenants benefit from a high degree of security, including long notice periods, limited termination options and restrictions on rent increases. At the same time, landlords can achieve returns through regulated rent adjustments and tax regulations, including depreciation options and other tax incentives. Homeownership was promoted more strongly than in East Germany, for example through family housing programmes and building society models. Later, rent subsidies were introduced, primarily for tenants and to a lesser extent for owner-occupiers, whereby entitlements were tied to housing costs. In Germany, there are housing/rent subsidies to help low-income eligible households cover their housing costs. These are mainly paid to tenants (rent subsidy) and, to a lesser extent, to homeowners (cost subsidy). As homeowners do not pay rent, their subsidy is based on eligible ongoing property costs, such as mortgage costs, property tax, administration fees and maintenance/operating costs.

Before the introduction of the homeownership allowance, the purchase and construction of residential property in West Germany and, from 1990, also in East Germany was primarily promoted through tax incentives. It is important to note that West Germany's housing policy relied heavily on the mobilisation of private capital, using the tax system to promote both owner-occupied housing and privately provided rental housing. In this context, the homeownership subsidy was introduced as direct federal subsidy, but remained temporary and was valid from 1996 to 2005. After a long period without a comparable nationwide programme, a child benefit programme for homeownership (Baukindergeld) was introduced for the construction or purchase of residential property. This was also temporary, valid from 2018 to 2023 and did not represent a permanent long-term strategy. In addition, the federal government has transferred considerable budgetary powers and responsibilities in housing policy to the federal states, which has led to a variety of programmes at state level that varies from state to state. Overall, the promotion of homeownership remains less significant than the promotion of rental housing construction.

All in all, these historical and structural factors help explain the consistently low homeownership rate in Germany. The following section examines why this situation has remained largely unchanged in recent years, focusing on the financial barriers to homeownership, especially transaction costs.

Cost pressures on the German housing market

Housing in Germany is becoming more expensive / Homeownership continues to decline



Source: vdpResearch, Destatis, Eurostat

The chart indicates a rising affordability burden for purchasing residential property in Germany. In addition to rising housing prices, the high transaction costs play a major role. The rise in housing prices and the increasing pressure on the housing market are also driven by sustained excess demand, which is met by limited housing supply and a low level of housing completions. The real estate transfer tax (Grunderwerbssteuer) is particularly important in this regard.

Historically, this Grunderwerbssteuer tax was comparatively low. From 1983 to 1996, the nationwide rate was 2%. From 1997, the real estate transfer tax rate increased to 3.5% and remained unchanged until 2006. Since 2006, federal states have set their own rates, which now range from 3.5% to 6.5%. Together with real estate agent commission and notary and land registry fees, the total transaction costs for purchasing a residential property can amount to around 6% to 12%. In line with this, the chart demonstrates that the average real estate transfer tax increased between 2010 and 2015 and then stabilised at a high level.

These high upfront costs make it difficult to purchase residential property, even if households are fundamentally willing to buy. This has a negative impact on mobility and reduces turnover in the homeowner segment. As a result, moving by selling and repurchasing is often financially unattractive. This is particularly relevant for older households who may wish to downsize from detached houses to smaller apartments.
A similar lock-in effect is visible in the rental market. New contract rents have increased much faster over the years than existing rents. Households in long-term rental agreements often pay comparatively low rents. This weakens incentives to move, even for households considering buying. At the same time, high rents for new contracts make it difficult to save up for a down payment. This makes it even more difficult for many households to accumulate equity for purchase costs and the acquisition itself. This development is influenced not only by market dynamics, but also by the institutional and policy framework. In Germany, housing policy has traditionally placed a strong emphasis on tenant protection and tenant affordability, while specific measures to promote homeownership have played a rather minor role. As a result, support for first-time buyers and owner-occupiers is comparatively modest.

High Transaction Costs: A Barrier to Homeownership

Anyone buying property in Germany will quickly realise that the purchase price is only the first part of the cost.

Depending on the federal state and the transaction set-up, purchase-related costs can add up to around 6-12% of the purchase price. These costs are typically paid out of the buyer's own funds and therefore form a major obstacle for households:

- **Real estate transfer tax**: Depending on the federal state, this is roughly 3.5-6.5% of the purchase price. Many states have raised their rates in recent years and there is no structural relief for first-time buyers or owner-occupiers. The tax applies to owner-occupiers and investors alike.

- **Notary and registration fees**: Notary and registration fees for the purchase of residential property are typically around 1.5-2% of the purchase price; registering a land charge (Grundschuld) for financing adds further costs depending on the loan amount.

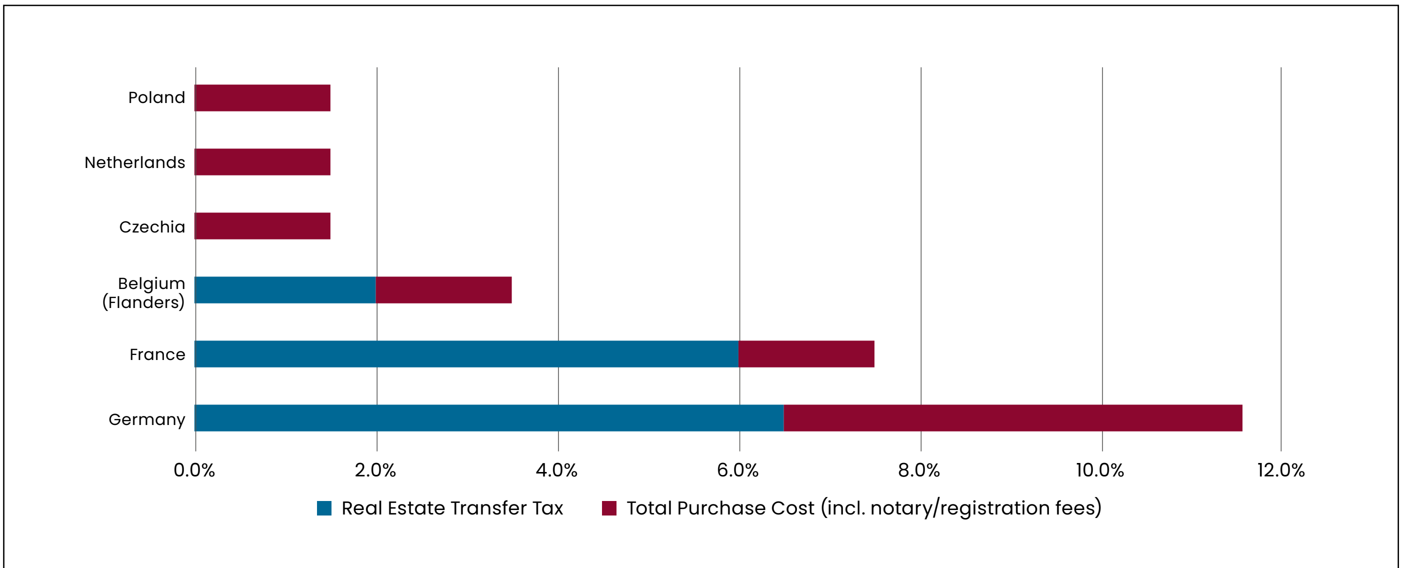
- **Real estate agent commission**: Since the end of 2020, commission on residential property purchases is generally split equally between buyer and seller. Where the total commission is around 7.14%, the buyer's share is about 3.57% of the purchase price.

For a house worth €400,000 in a federal state where the real estate transfer tax is 6.5%, the additional costs quickly add up: €26,000 in real estate transfer tax, around €6,000 (1.5%) in notary and registration fees, and €14,280 (3.57%) as the buyer's share of the real estate agent's commission, which amounts to a total of around €46,280 or just over 11.5% in addition to the purchase price. A household aiming for a 20% down payment therefore needs not only €80,000 in equity, but around €130,000 in equity when these transaction costs are included. For many young families with average incomes, this is a difficult barrier to overcome. This is significant not only because the financial barrier is higher, but also because these transaction costs are usually paid by the buyer out of their own pocket and do not increase the value of the property. They therefore reduce the available equity for the purchase price and increase the loan-to-value ratio, which makes financing more difficult.

International Comparison

Other European countries show that transaction costs can be structured differently, often with targeted relief for first-time buyers and owner-occupiers.

Transaction costs for an owner-occupied property worth €400,000 (first-time buyer) for existing buildings



Source: Hypostat, National-Websites

Country	RE transfer tax (owner occupier/ first-time buyer)	Notary/registration fees and real estate agent commission
Poland	PCC exemption for eligible first-time buyers on the existing market; otherwise usually 2%.	RE agent commission usually paid by seller; notary/registry fees apply.
Netherlands	2% transfer tax for owner-occupied homes; one-time exemption for eligible first-time buyers (18–35) below a value threshold.	RE agent commission usually paid by seller; notary/registry fees apply.
Czechia	No real estate transfer tax for residential purchases (abolished).	RE agent commission usually paid by seller; notary/registry fees apply.
France	'Frais de notaire' on existing properties typically around 7–8% (includes taxes, notary fees and registration fees).	The RE estate agent commission depends on the contract (it can be paid by the seller or the buyer). The property price quoted in the offers usually includes the RE agent's commission; mortgage-related fees (hypothèque/caution) apply.
Germany	Transfer tax 3.5–6.5% regardless of buyer type; no structural relief for owner-occupiers.	Buyer pays a share of agent commission; notary/registry fees apply.

In contrast to many other EU-countries with grants or relief for first-time buyers, Germany treats owner-occupiers much the same as any other buyer when it comes to transfer tax. Together with real estate agent commission, notary and registration fees, this creates comparatively high costs in a market already shaped by high new-contract rents, high housing prices and high construction costs.

The consequences of high transaction costs on homeownership in Germany:

- **Delayed residential property purchases**: Households often need more time to accumulate enough equity to cover both the down payment and transaction costs. Since banks typically do not finance these costs, they must be paid out of pocket, which also reduces the funds available to finance the purchase price.

- **Increased inequality between households with and without property assets**: Households who have family support, higher income or existing wealth can more easily overcome this barrier, while others remain in the rental market.

- **Reduced mobility in the housing market (lock-in)**: Long-term tenants often have a strong incentive to stay, as existing rents are usually significantly lower than rents for new contracts. This restricts mobility in the rental market and makes it harder for households to adjust their housing space consumption, which can lead to misallocation. At the same time, high transaction costs discourage turnover in the owner-occupied segment, as selling and repurchasing generates further purchase costs, reducing the incentive to move, for example by downsizing the living space of older households.

Conclusion

Germany being a nation of tenants is not a law of nature. It reflects historical developments and political decisions. In recent years, much has been done to improve the conditions for investment in rental housing construction. Now is the time to complement this approach by removing barriers to homeownership in order to stimulate the residential property market and reduce pressure on the rental housing market. One major barrier is high transaction costs, particularly the real estate transfer tax, which prevents many households from buying. Other European countries show that targeted relief for owner-occupiers is possible. A German strategy for homeownership should therefore reduce entry costs and simplify and raise the visibility of subsidy programmes.

Country fact Sheet

by: Daniel Kryszkiewiez, FeBelFin

BELGIUM

MORTGAGE MARKETS

Market Developments:

The third quarter of 2025 confirmed the positive trend in the new mortgage production with an increase in gross residential lending. The number of new mortgage loans increased in the third quarter of 2025, by around 13% as compared to the third quarter of 2024. Re-mortgaging transactions excluded, the evolution of production as compared to that in the corresponding quarter of the year before was also positive, with an increase of 11.8% in number of contracts and 23% in amount. What credit demand is concerned, the third quarter of 2025 continue on the positive trend of the year with an increase of around 6.7% in the number of the credit applications.

With regard to the purpose of the credits granted, the evolution in the number of credits compared with the third quarter of 2024 was positive for most categories. Loans for construction purposes increased by 8.6%, while loans for the purchase and renovation of houses rose by 9.1%. An increase of 8.4% was also observed for loans granted for the purchase of houses. Loans for other immovable purposes (such as garages or swimming pools) recorded an even stronger growth of approximately 11.5%. The only exception concerns loans granted exclusively for renovation purposes, which declined by 3.1%. In contrast, the number of refinancing loans increased by around 13.9% compared with the third quarter of the previous year. Excluding refinancing operations, approximately 53,063 mortgage credit contracts were granted, representing a total volume of more than EUR 10bn.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

Registration Duty Abatements in Belgium

Belgium applies registration duties on property acquisitions, with specific abatements and reduced rates depending on the region. These measures aim to facilitate access to home ownership and encourage renovation projects.

Flemish Region

- **Reduced Rate**: 2% (effective 1 January 2025) for the purchase of a primary residence, down from 3%.
- **Conditions**:
  - The property must serve as the buyer's sole and primary residence.
  - Occupation within three years of the deed.
  - Buyer must be a natural person and not purchase through a company.
  - Any other residential property owned must be sold within two years.

Walloon Region

- **Reduced Rate**: 3% for a primary residence (previously 12.5%).
- **Abolition of Previous Abatement**: The former EUR40,000 tax-free deduction on the taxable base was abolished as of 1 January 2025.
- **Conditions**:
  - Buyer must not own another residential property or commit to selling it within three years.
  - Occupation within three years (five years for new builds or off-plan purchases).
  - Minimum holding period of three years.

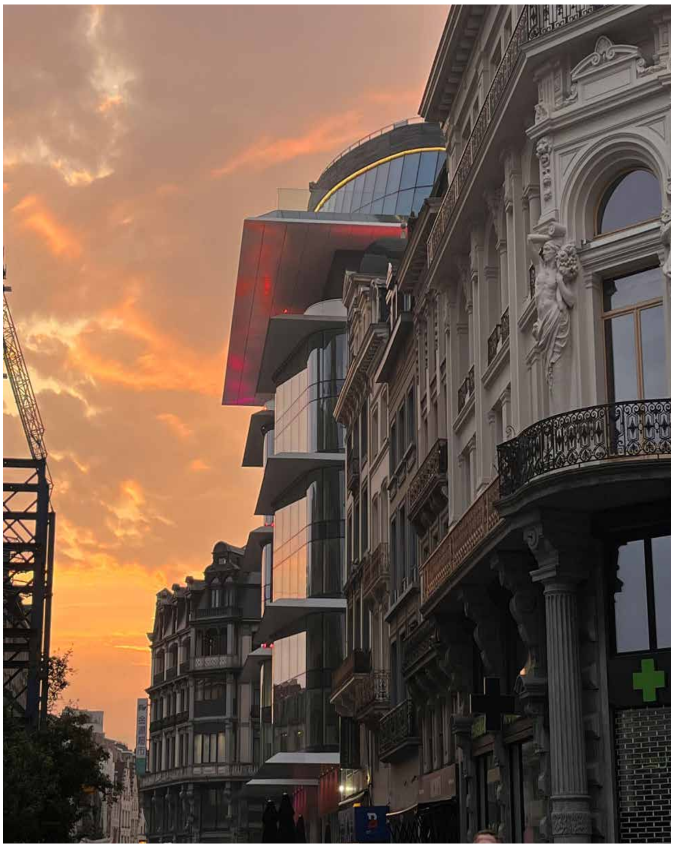
Brussels-Capital Region

- **Standard Rate**: 12.5%.
- **Main Abatement**: EUR200,000 tax-free on the first tranche of the purchase price, resulting in a maximum saving of EUR25,000.
- **Additional Measures**:
  - EUR100,000 abatement for building plots.
  - Energy performance bonus: EUR25,000 per two-level improvement in energy performance (PEB), provided renovations are completed within five years.
- **Conditions**:
  - Buyer must be a natural person, not own another property (or sell within two years).
  - Occupation within three years and residence for at least five years.
  - Property value capped at EUR600,000 (EUR300,000 for building plots).

MORTGAGE INTEREST RATES

For the third quarter of 2025, the market share of new fixed-interest rate loans and loans with an initial fixed rate for more than 10 years was stable and reach about 90,6% of newly provided loans. The share taken up by new loans granted with an initial fixed rate for 1 year, amounted to only 1.9% of the loans provided. The number of credits with an initial period of variable interest rate ranging from 3 to 10 years represented about 7.6% of the newly granted loans.

Since 2015, the outstanding number of overdue contracts shows a positive evolution downwards and stabilisation in the past year. The ratio overdue contracts/total number of contracts remained at about 0.6%.



Country fact Sheet
by: Daniel Kryszkiewiez, FeBelFin

BELGIUM

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	313.177	315.229	317.145	319.117	321.408	323.996	327.349	330.951	333.853
Gross Residential Mortgage Lending (million EUR)	7.436	8.382	6.544	7.450	7.757	8.365	9.083	9.521	9.567
House Price Indices (2015 = 100)	146,4	181,0	177,0	177,0	183,0	171,0	197,0	186,0	n/a
Mortgage Interest Rates (%, weighted average)	3,47	3,60	3,23	3,15	3,09	2,89	2,88	3,08	3,22
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	5,35	5,66	5,23	5,24	4,92	4,61	4,38	4,19	4,10
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,84	5,02	4,70	4,53	4,31	4,00	3,86	3,88	3,78
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,90	3,91	3,40	3,23	3,30	3,08	2,99	3,06	3,19
Long-term initial fixed period rate, 10-year or more maturity (%)	3,47	3,60	3,23	3,15	3,09	2,89	2,88	3,08	3,22
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	0,2	0,3	0,4	0,66	1,14	1,35	2,01	2,04	1,87
Short-term fixed (1Y-5Y initial rate fixation)	0,4	0,5	0,6	0,51	0,60	0,60	0,72	1,38	2,12
Medium-Term fixed (5Y-10Y initial rate fixation)	7,1	1,9	2,9	3,20	3,42	3,37	2,99	3,84	5,44
Long-Term fixed (over 10Y initial rate fixation)	92,3	97,3	96,2	95,63	94,84	94,68	94,28	92,74	90,57

Country fact Sheet

by: Petar Ivanov, Eversheds Sutherland

BULGARIA

MORTGAGE MARKETS

Market developments:

In Q3 2025 gross residential lending amounts to EUR 1 835 mn, which is a 4.6% increase q-o-q and a major 33% increase y-o-y. This increase continued to be fueled by favourable market conditions (including historically low interest rates) and robust demand for housing, while the share of refinanced loans remained largely unchanged compared to previous quarters (at ca. 22%).

Thus, as at end of Q3 the total amount of outstanding mortgages stood at ca. EUR 17 bn. (a 30% increase y-o-y).

On 1 January 2026 Bulgaria adopted the Euro as its national currency becoming the 21st Eurozone state.

In accordance with the law governing the currency transition process, as of 1 January 2026, all BGN denominated loans are automatically converted in EUR based on the official exchange rate of EUR 1 = BGN 1.95583, matematically rounded to the second decimal. Under law, interest rates on BGN denominated loans may not be higher as at the date of EUR adoption compared to the time before and fixed interest rate shall remain unchanged. Similarly, interest rates on BGN denominated deposits (which are widely used as reference rate on mortgage loans) may not be lower as at the date of EUR adoption compared to the time before.

In the short term these provisions are likely to stabilise interest rates on mortgage loans and deposits and therefore prevent any material changes to mortgage lending conditions.

Still, over the medium to long term the Euro adoption may materially impact the structure and conditions on the Bulgarian mortgage market, as – prior to Euro adoption – the mortgage loan market was almost exclusively local currency (BGN) based with loans being – almost exclyusively – issued with floating interest rates based on national consumer deposit interest rate data. The choice of average interest rates on deposits as referante rate for mortgage loans was – among others – due to the lack of an official BGN based benchmark. Following the adoption of the Euro, Bulgarian banks may be inclined to use more widely Eurozone standard benchmarks, such as EURIBOR and ESTR, in new and refinanced loans, which in recent years have proven to be more dynamic than the currently used deposit rate.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' scheme

In general, there are no such schemes supporting first-time buyers in Bulgaria. 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 EUR 51,129.18 (BGN 100,000).

Moreover, subsidising home ownership is not a major topic in Bulgarian politics and (still) Bulgarian society.

HOUSING MARKETS

Housing Supply:

In Q3 of 2025 housing starts have increased to 1797 (1640 in Q2 2025 and 1553 in Q3 2024), as well as the number of housing completions – 1392 (1256 in Q2 2025 and 1272 in Q3 2024). The number of issued housing construction permits has also increased to 2292 (2049 in Q2 2025 and 2113 in Q3 2024).

The main factors contributing to this increase is the robust demand for new dwellings on the Bulgarian housing market, as well as the stabilisation of inflation and overall favourable mortgage market conditions.

House Prices:

House prices on a national level have increased by 3.8% compared to Q2 2025 and 15.4% compared to Q3 2024. This corresponds to the overall trend of sustained house price growth in the past decade.

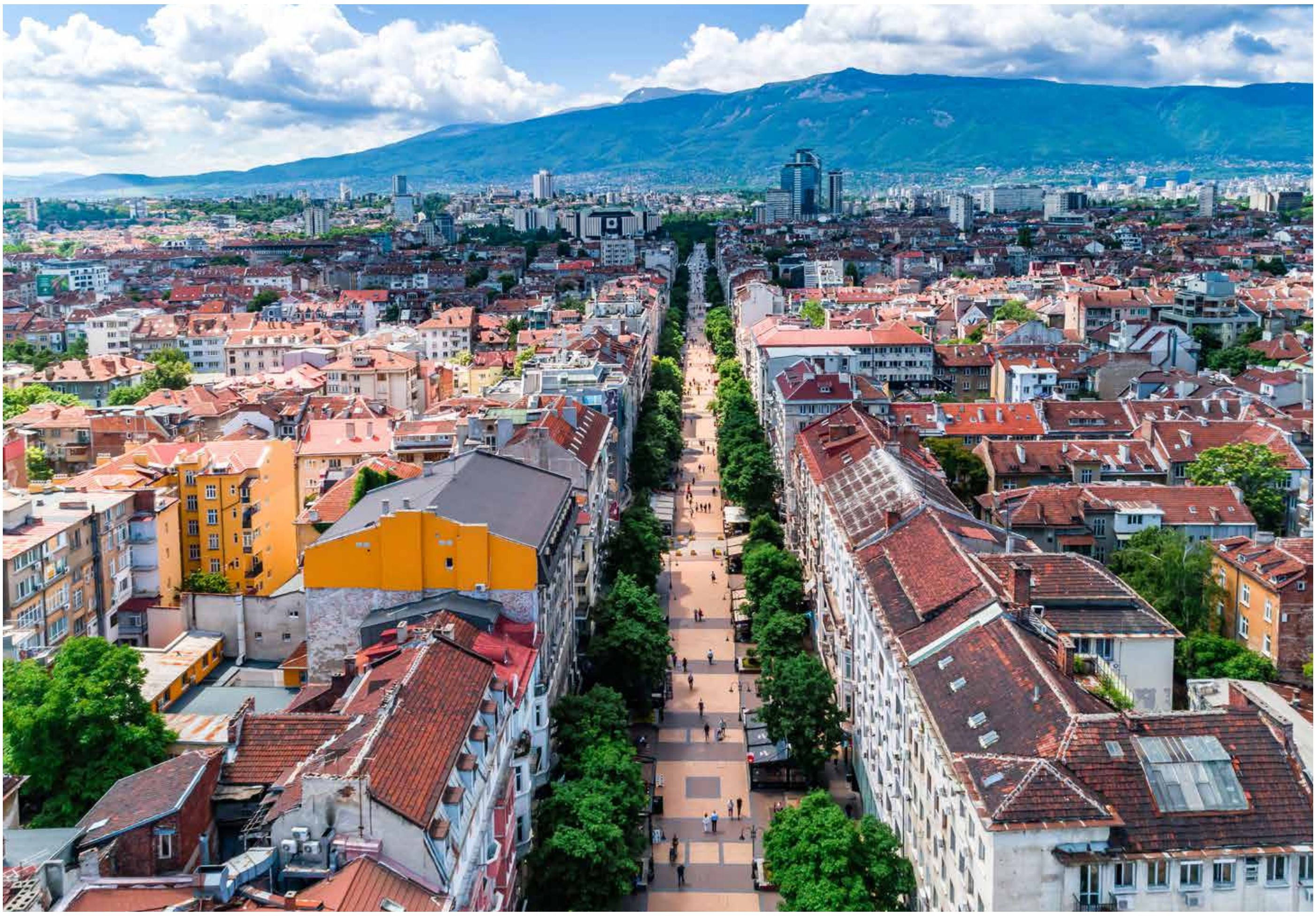
MORTGAGE INTEREST RATES

In Q3 2025 floating rate BGN denominated mortfage loans remain the absolutely dominant type of mortgage product in Bulgaria. Interest rates on new business continue their steady decrease to an all-time low, in line with the trend over the past decade.

Country fact Sheet

by: Petar Ivanov, Eversheds Sutherland

BULGARIA



	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	10.630	11.263	11.808	12.495	13.212	14.100	14.834	16.045	17.157,41
Gross Residential Mortgage Lending (million EUR)	980	1.174	1.177	1.371	1.381	1.459	1.377	1.754	1.835
House Price Indices (2015 = 100)	190,5	192,8	206,4	213,5	221,9	228,0	237,6	246,7	256,01
Mortgage Interest Rates (%, weighted average) BGN	2,61	2,58	2,57	2,52	2,53	2,5	2,47	2,43	2,47
Mortgage Interest Rates (%, weighted average) EUR	3,51	2,87	3,06	3,02	3,09	2,8	2,89	2,85	2,55
MORTGAGE INTEREST RATES (BGN MORTGAGES)									
Variable rate and initial fixed period rate up to 1 year (%)	2,55	2,60	2,58	2,56	2,52	2,53	2,48	2,47	2,47
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	3,34	3,27	2,94	3,26	3,21	3,27	3,44	3,27	3,25
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,49	3,45	3,52	3,49	n/a	3,56	4,07	n/a	4,33
Long-term initial fixed period rate, 10-year or more maturity (%)	3,28	3,10	4,07	n/a	n/a	n/a	n/a	n/a	n/a
MORTGAGE INTEREST RATES (EUR MORTGAGES)									
Variable rate and initial fixed period rate up to 1 year (%)	3,51	2,86	3,05	3,02	3,06	2,78	2,89	2,85	2,54
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	n/a	3,46	3,25	n/a	3,71	3,87	2,87	3,56	2,94
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,56	3,56	n/a	n/a	4,07	n/a	n/a	n/a	n/a
Long-term initial fixed period rate, 10-year or more maturity (%)	4,07	4,07	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Country fact Sheet

by: Dr. Nektarios Michail, Bank of Cyprus

CYPRUS

MORTGAGE MARKETS

Market developments:

The size mortgage market appears to have stabilized over the past few quarters, at around EUR 8.7-8.6 billion, following a long-term trend of deleveraging after the 2013 crisis in Cyprus, which led to a decline of around 30% in outstanding mortgages since 2015. New housing volumes have been increasing over the past few quarters, but have been mostly offset by higher repayments as a result of the higher interest rate environment. The combination of lower policy rates as well increased loan demand suggests that the market is likely to increase in the near future. This is in line with both the end of the deleveraging phase of the Cyprus economy as well as the increase in loan demand. Loan refinancing has remained higher than its long-term average, as a result of the higher prevailing interest rates, with the impact expected to fade out in the coming quarters.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

There are no schemes guaranteeing payments by first-time buyers in Cyprus. First-time buyers are defined as those who do not have any other residential property registered under their name in the official records of the state. First-time buyers are defined as those who do not have any other residential property registered under their name in the official records of the state.

1. Regarding schemes to reduce purchase costs for first-time buyers, the only reduction that exists is a **VAT reduction from 19% to 5%** for first-time buyers. The reduced rate of 5% can apply under certain conditions, significantly lowering the cost of the buyers' investment. Under the current rules, this reduced rate applies to the first 130 square meters of the property. To qualify, the total internal area of the property must not exceed 190 quare meters, its value must not exceed EUR 350,000, and the total transaction value must not exceed EUR 475,000. The standard 19% VAT rate applies to the remaining area.
2. Highly specific programs exists, such as the ones pertaining to the overall financial situation of a person, but this is more directed to those that already have a loan, not for new applicants. This program is called the *"Interest Rate Subsidy Scheme for Income Qualified Home Loans"*. The purpose of the Scheme is to provide financial support to households, that have taken out loans for home ownership purposes, in the form of an interest rate subsidy with the aim of reducing the negative effects on disposable income from the increase in inflation and interest rates. The Scheme subsidizes 50% of the average increase in the interest rate incurred by the borrower in relation to the interest rate in force when he signed the loan agreement for a period of 2 years from the date of the first disbursement of the loan. The interest rate subsidy cannot exceed a percentage of more than 2%. Applications, for this program were open from 02/01/2025 until 31/03/2025 and have concluded (signed) a loan agreement from 1/1/2022 to 31/12/2023.
3. There is a scheme subsidizing loans and interest rates for Cypriot refugees as a result of the 1974 Turkish invasion, as well as their offspring. The program lowers the interest rate cost for eligible applicants. There is no guarantee that the mortgage will be approved, and you cannot use borrowed money to cover the deposit. The criteria for selection pertain to the applicants income (not over a particular threshold) as well as the size of the house to be constructed/purchased. At the same time, there is a limitation as regards what can be included in the plot of the house (e.g. no swimming pool is allowed).
4. There was also a scheme that subsidized interest rates for first-time buyers for approximately 3 years, prior to the interest rate increases of 2022-2023, but this has now ended.
5. In Cyprus, shared ownership schemes exists but these relate only to loans taken prior to 2013.

HOUSING MARKETS

Housing Supply:

The number of building permits for dwellings, which proxies expected housing starts, has increased by 5% in January-July 2025, compared with the same period in the previous year. Given that a delay exists between the permit issuance and the building phase, the data suggest that there is still a significant pipeline of housing projects which are expected to materialize of the coming 1-2 years. At the same time, a new government scheme has been announced, which is expected to add approximately 500 housing units in the coming few years. The major factor affecting housing supply is the increase in population, especially due to net migration, making the need for additional housing more prevalent.

House Prices:

House prices continued to increase over the past year and quarter, reflecting the significant GDP growth rates in Cyprus, one of the highest in Europe in 2024 and 2025, as well as the previously-mentioned population increase mostly due to net migration. At the same time, this also reflects the continuous inflow of foreign funds in the economy, and in particular for real estate developments, even though to a smaller extent than in the previous years, as housing yields have declined.

MORTGAGE INTEREST RATES

Data suggest that over the high interest rate period of 2022-2023 many borrowers sought to replace their variable interest rate loans with fixed rate interest rate loans. This trend has eased as interest rates have declined, with Euribor-based and bank base rate-based loans remaining high in popularity.

Country fact Sheet

by: Dr. Nektarios Michail, Bank of Cyprus

CYPRUS

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	8.641	8.724	8.652	8.669	8.672	8.795	8.674	8.774	8.813
Gross Residential Mortgage Lending (million EUR)	472	588	386	373	352	366	473	554	495
House Price Indices (2015 = 100)	91,4	93,5	95,0	96,6	97,4	97,8	99,6	101,1	102,3
Mortgage Interest Rates (%, weighted average)	4,18	4,93	5,02	4,58	4,59	4,62	4,38	3,85	3,8
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	2,73	3,19	3,20	3,44	3,37	3,14	3,12	3,42	3,32
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,07	3,99	3,95	4,02	4,07	4,08	4,20	4,07	3,76
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,12	4,34	4,53	4,64	4,65	4,46	4,16	3,83	3,64

Country fact Sheet

by: Jaromir Sindel and Martin Kotek, Czech Banking Association

CZECHIA

MORTGAGE MARKETS

Market developments:

This year's growing trend of the mortgage market was confirmed in the 3rd quarter. Total sales grew by 38% with refinancing in line with these results (+40% y-o-y). Also, quarterly basis mortgage loans increased – by 5% overall, while refinancing increased even by 16%.

Drivers of this growth did not change from last quarter – high level consumer confidence thanks to stable economic situation, supported by still strong wage growth, stable interest rates and expectation of real estate price developments.

There are no significant changes of the macro-economic and commercial character are expected in the following quarters.

REGULATION & GOVERNMENT INTERVENTION

The Czech national bank announced slightly stricter rules for providing mortgage loans for the purchase of investment residential property, broadly defined as the acquisition of a third or subsequent property.

The LTV indicator may not exceed 70% and the income indicator DTI (Debt-to-Income) value of 7. This change will be effective from April 1st, 2026.

To date, there have been no explicit indicators specifically targeting mortgage investment. The Czech National Bank has instead issued general recommendations for a more prudent approach to lending for investment residential properties, aimed at addressing the potentially higher risks associated with financing real estate that is not intended for the borrower's own housing. Excluding the update described above, the central bank kept the LTV ratio at 80% (90% for borrowers under 36 years) and deactivated the DTI and DSTI ratios during the December financial stability meeting. Further, the CNB kept the CCyB rate at 1.25% and two Board members pointed to the possible use of the sectoral capital buffer (sSyRB) in the current phase of the higher financial cycle associated with house prices. However, according to the CNB minutes, this step would require detailed analysis.

First-time buyers' schemes

While there is no dedicated nationwide state guarantee scheme for first-time buyers' mortgage repayments, the previous government approved a Grant-and-Loan Program for the Development of Affordable Rental Housing aimed at people without owner-occupied housing who are either under 35 years of age, belong to the middle class with incomes below the 80th percentile, or work in public-interest professions.

While there is no active nationwide interest-rate subsidy scheme for first-time buyers in Q3 2025, an indirect measure exists that allows mortgage borrowers to deduct mortgage-related interest payments on owner-occupied housing from their taxable income, thereby reducing personal income tax.

Further, the new government plans to support the demand side at a later stage by subsidising mortgage interest rates for young families (with children under six years of age) and for public-interest occupations, as well as through subsidised down-payment loans for first-home purchases by young families.

Indirectly, a nationwide scheme, *the New Green Savings programme*, exists that subsidies interest rates for the renovation of owner-occupied housing to improve energy efficiency. Under this programme, the state covers 50% of the loan at a zero interest rate, meaning that the borrower effectively pays only half of the market interest rate.

In the past (prior to 2005), the government provided interest-rate subsidies of 4 percentage points if the mortgage rate exceeded 8%, 3 percentage points if it exceeded 7%, 2 percentage points if it exceeded 6%, and 1 percentage point if it exceeded 5%. The scheme targeted borrowers under 36 years of age purchasing older (more than two years old) owner-occupied residential property, subject to a price cap, and applied for the first ten years of the mortgage term.

Between 2016 and 2017, the *"Program 600"* provided subsidised interest rates defined as the EU base reference rate applicable to public support in the Czech Republic plus 1–2 percentage points. The programme targeted families under 35 years of age with at least one child younger than six. The loan amount was capped at CZK 0,6 mn (LTV up to 50%), with the possibility of combining it with a commercial loan up to a total LTV of 90%. There was also the possibility to defer loan repayments for up to two years in the event of the birth of a child.

This was followed by the "Program for Young" between 2018 and 2020 with lower subsidised interest rate at the EU base reference rate level (at least 1%) for first-time buyers under 36 years of age purchasing or renovating owner-occupied housing, subject to price caps, and complemented by a bonus for the birth of a child that slightly reduced the debt. This programme was amended in 2020–2022 by setting the LTV limit at 77%, maximum loan CZK 3-3,5 mn, increasing the maximum eligible age to 40 years, and transforming the child-related bonus into a reduction of the reference rate by 0,2 percentage points per child. In addition, the maximum loan maturity was extended to 30–35 years from the initial 15–21 years.

There is no nationwide state "shared ownership" scheme targeted at first-time buyers, but the new Czech government plans to amend the "housing legislation to improve its efficiency, introduce state guarantees for housing cooperatives to facilitate construction, and create investment incentives and tax reliefs for long-term investors in affordable rental and cooperative housing."

As motioned above, there are no scheme supporting first-time buyers in the Czech Republic.

However, there are specific reliefs for macroprudential mortgage indicators set by the law for borrowers under 36 years old, when providing mortgages for their own housing. Currently, people under 36 years old can obtain real estate financing with an LTV of up to 90%, while the standard cap of this indicator is 80%. The law increases the standard LTV cap by 10percentage points. At the time when the income indicators DTI and DSTI were also applied, more relaxed limits were applied specifically to clients under 36 years old, by increasing the DSTI by 5pp and increasing the DTI by one-time annual net income.

Furthermore, the CNB will require tighter LTV and DTI caps—set at 70% and 7×, respectively—for the purchase of so-called investment residential property from April this year. If it eases the demand in this segment, this measure could provide some relative advantage for first-time buyers.

There is a great deal of political discussion on housing for young people generally but not specifically for first-time buyers. However, both the previous and the new governments are aware of supply-side constraints in the real estate market. This means that the previous government focused primarily on supporting the affordable rental housing market, while the new government aims to amend construction permit legislation and related procedures to accelerate construction activity, on the supply side. This also includes the plan to classify housing complexes as strategic state projects to enable faster and more coordinated approval procedures.

Country fact Sheet

CZECHIA

by: Jaromir Sindel and Martin Kotek, Czech Banking Association

The government also plans to support the construction of housing for seniors and student residences (that could ease the demand on the real estate market), the renovation of panel apartment buildings, and the revitalisation of housing estates, which could help ease pressures in the real estate market. However, with capacity constraints, both on the labour and building material side, it is probably not possible to expect rapid and significantly noticeable impacts in the short run.

At a later stage, the new government plans to introduce subsidies for first-time buyers, limited to applicants below a certain age, families with children under six years of age, and public-interest professions. The share of young applicants aged up to 36 with one dependent (which includes not only children under 18) fell to 15% in the second quarter of this year from the long-term average of 21%. In this context, it is also important to note the gradual fall in the number of new births to around 75,000 in 2025, one-third lower than the average of 113,000 from 2016- 2021, reducing the potential impact of government support on the mortgage and property market.

HOUSING MARKETS

Housing Supply:

The recent data on new and refurbished housing confirms a continued weakness on the supply side of the housing market. Cumulative housing permits remained weak this year, in November by 6.8% less than a year ago and around 25% below the five-year average. Housing starts tell a similar story. With 32.8 thousand units started year-to-date, activity is still 2.2% below last year, suggesting stabilization rather than a clear recovery. By contrast, completions have improved. 30.8 thousand dwellings were completed year-to-date, up 8.4% year on year, largely reflecting the completion of older projects rather than renewed momentum in new construction. Overall, supply conditions remain structurally tight despite a short-term lift at the end of the construction chain.

House Prices:

House price growth slowed slightly in the third quarter of 2025, but still maintained strong double-digit growth. The House Price Index (HPI), which includes land and houses, rose 2.5% quarter-on-quarter in the third quarter. Although the pace of growth slowed after 3.1% in the second quarter, prices accelerated slightly to 10.8% y-o-y. However, this is still below the pace of realized home prices of around 16% in the third quarter. A year ago, house price growth was 6.1% year-on-year and realised house prices were rising at around 10%. House prices cumulatively jumped by 13.5% in the last three years and 60.2% in the last five years. In the last decade, it's up 147%, or 162% in the last 15 years.

MORTGAGE INTEREST RATES

The Czech central bank has kept its policy rate at 3.5% since May (and it remained unchanged until the end of 2025). This policy helped to stabilize mortgage interest rates too and generally all mortgage loans market.
Average mortgage interest rate declined by 9 bps. from 4.68% to 4.59%. The lower interest rates were provided in fixation range from 1 up to 3 years, which represents 70% of production.
The share of short-term fixations (up to 1 year) decreased under 8% and longer-term fixations (above 5 years) became negligible. More than 90% of all loans provided in Q3 were loans with fixation period above 1 year and up to 5 years.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	66.974	66.410	65.322	66.807	67.218	68.359	69.855	71.736	74.558
Gross Residential Mortgage Lending (million EUR)	1.396	1.643	1.605	2.494	5.722	5.180	5.599	7.161	7.487
House Price Indices (2015 = 100)	211,7	212,2	214,2	219,9	224,1	230,2	235,6	242,9	248.9
Mortgage Interest Rates (%, weighted average)	5,86	5,75	5,51	5,19	5,12	4,96	4,81	4,68	4,59
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	6,68	6,76	5,94	5,45	5,39	5,2	4,95	4,86	4,8
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	5,88	5,76	5,44	5,13	5,07	4,91	4,78	4,65	4,57
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	5,76	5,72	5,56	5,39	5,23	5,04	4,86	4,76	n/a
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	3,1	4,1	9,0	12,4	11,1	11,9	13,4	11,4	8,17
Short-term fixed (1Y-5Y initial rate fixation)	78,5	79,1	77,3	79,0	82,0	79,0	79,3	83,4	91,8
Medium-Term fixed (5Y-10Y initial rate fixation)	18,4	16,8	13,7	8,6	6,9	9,1	7,4	5,2	n/a*

*As the share of mortgage loans with an interest rate fixation period exceeding five years has declined to a negligible level, the CNB has ceased to differentiate within this category between new loans, refinancing, and other purposes, including internal remortgaging. For this reasons, we decided to exclude loans with an interest rate fixation period longer than five years from reporting altogether, thereby ensuring that the data more accurately reflect current market conditions for new and refinanced mortgages. While this decision slightly compromises the continuity of the time series, it preserves the analytical relevance and interpretability of the reported figures.

Country fact Sheet

DENMARK

by: Kristoffer Fannoe Lyngaard, Finance Denmark

MORTGAGE MARKETS

Market developments:

The total outstanding residential loans is 1,988 bn in the third quarter of 2025.

This is an increase of 0.59% compared to the second quarter of 2025. The total outstanding residential loans has increased by 2.47% since the third quarter of 2024.

Adjustable mortgage rates has been approximately unchanged the past months, hence demand for mortgage lending will likely remain the same. At the same time, unemployment is low and households purchasing power has been restored, which suggest that the mortgage lending will continue a stable growth.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

In Denmark there are no first-time buyers programmes in place, neither programmes to reduce purchase costs for first time buyers.

In general, interest rate payments are tax deductible up until yearly payments of 50.000 DKK = 6.693 EUR The National Bureau of Statistics defines First-time buyers are defined as buyers of owner-occupied homes who have not owned a home in the past three years.

In Denmark, buyers can have joint ownership arrangements means that several people own something together, typically a home, often governed by a co-ownership agreement (a legal agreement) to set rules for finances, maintenance and sales, which is crucial to avoiding conflicts. In marriage, the starting point is community of property, but you can make a prenuptial agreement to agree on separate property or other distributions, while unmarried cohabitants must be explicit about ownership and do not have community of property as a starting point. Key elements are sharing expenses, buying each other out, and how to handle the termination of co-ownership.

Nonetheless, within the last year we have observed an increased focus for first time buyers' access to the housing market. The common belief among most parties is to increase the housing supply. However, some political talks also suggests proposals to first time buyers specifically, e.g taking future income into account when extending credit.

HOUSING MARKETS

Housing Supply:

The housing market activity increased throughout the third quarter of 2025 with a total of 13,271 houses being sold. That is 17.1% more transactions than in the third quarter of 2024. In the same period 4,464 owner-occupied apartments were sold, an increase of 27.6% compared to the same quarter in 2024.

A total of 30,773 and 5,436 houses and apartments, respectively, were on the market at the end of the third quarter. The supply of houses has decreased by 6.5% compared to the same quarter in 2024. The supply of apartments has decreased by 12.5%.

House Prices:

House prices has increased by 6.2% over the past year, while owner occupied apartsment prices has increased by 13.3%. Compared to the previous quarter, housing prices has increased by 0.5% and the price on owner occupied apartments has risen by 4.3% since last quarter.

Both prices on houses and owner occupied apartments has grown significantly in the capital regions with prices having risen 9.6% and 17% in the last year, respectively. Compared to last quarter, prices for houses in the capital regions has grown by 1.5% and by 4.3% for owner occupied apartments.

MORTGAGE INTEREST RATES

The average interest rate on loans with fixation period up to one year decreased by 8 basis points in the third quarter of 2025. For the loans with one to five years of interest rate fixation the average interest rate decreased by 13 basis points.

The loans with between five and ten years of interest rate fixation, the average interest rate increased by 8 basis points.

The average interest rate on loans with more than ten years of fixation increased by 4 basis point in the third quarter of 2025.

Country fact Sheet

by: Kristoffer Fannoe Lyngaard, Finance Denmark

DENMARK

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	246.849	253.936	252.911	254.073	260.036	262.046	262.900	264.786	266.179
Gross Residential Mortgage Lending (million EUR)	7.764	10.278	7.214	7.400	8.377	11.411	11.030	10.865	11.447
House Price Indices (2015 = 100)	135,0	134,0	135,5	140,4	141,1	143,4	145,1	149,0	149,7
Mortgage Interest Rates (%, weighted average)	4,91	4,98	4,88	4,81	4,69	4,53	3,53	3,45	3,02
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,91	4,98	4,88	4,81	4,69	4,53	3,53	3,45	3,02
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,65	4,47	3,98	4,12	3,70	3,32	3,41	3,28	3,28
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,41	4,48	3,99	4,08	3,97	3,47	3,57	3,65	3,69
Long-term initial fixed period rate, 10-year or more maturity (%)	5,83	5,86	5,12	5,01	5,04	4,76	4,74	4,78	4,79
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	25,4	24,3	29,2	27,6	20,4	14,0	30,1	39,0	35,6
Short-term fixed (1Y-5Y initial rate fixation)	14,1	23,1	26,8	29,6	29,0	45,4	34,6	28,7	35,6
Medium-Term fixed (5Y-10Y initial rate fixation)	0,2	0,4	0,6	0,6	0,3	0,1	0,9	0,1	0,1
Long-Term fixed (over 10Y initial rate fixation)	60,3	52,2	43,4	42,3	50,4	40,5	34,4	32,2	28,7

Country fact Sheet

by: Jussi Kettunen, Finance Finland

FINLAND

MORTGAGE MARKETS

Market developments:

Household and investor demand for new mortgages was a higher level than a year before. Demand is still lower than historical average. Drawdowns of new housing loans by Finnish households in July-September 2025 amounted to EUR 3.7 bn, which was EUR 400 mn more than in the same period a year earlier. The total amount of investor loans was 300 mn more than a year before (2025: EUR 9 bn, 2024 EUR 8.7 bn).

REGULATION & GOVERNMENT INTERVENTION

To boost demand for housing loans the government has set or is going to set new rules (implementation day first of April 2026).

The goal is to:

- Increase the maximum duration of housing loans from 30 years to 35 years to support saving and investments.
- Implement measures to support housing sales and construction during economic downturns.
- The binding maximum loan-to-value (LTV) ratio for housing loans. The Financial Supervisory Authority can set the housing loan ceiling at a maximum of 95% for all home buyers, instead of the current 90%.

In general, the state supports the production of affordable and socially rented housing by paying interest subsidies on loans taken out for this purpose and issuing a state guarantee for them. Government has made decisions to decrease the amount paid for interest subsidies. In 2024 the amount was 2,250 bn EUR, 2025 1,750 bn EUR and the estimate for 2026 is 1,135 bn EUR and for 2027 500 mn EUR. So, the state supported building/housing is going to decrease in the coming years.

First-time buyers' schemes

In Finland, the home savers bonus system or ASP system is a system based on the Act on Bonus for Home Savers, which allows for the state to support ASP savers in purchasing their first owner-occupied home. The State Treasury advises banks and home buyers on applying the ASP regulations.
The State wants to encourage the purchase of the first home through the ASP system, meaning that the ASP system includes a number of benefits that are not granted to ordinary housing loans. ASP benefits can be obtained by saving the target amount to the ASP account and taking out an ASP loan for the purchase of a first home.
The benefits of the ASP loan include:

- tax free interest rate of 1% and additional interest rate of 2-4% for savings
- a lower interest rate on the ASP loan compared to similar first home loans granted by the bank
- a government interest subsidy for ten years
- a state guarantee free of charge.

An agreement about opening an ASP account is made between the ASP saver and the bank. An ASP account can be opened by a 15-44-year-old person who has not previously owned an apartment. When the ASP saver has saved at least 10% of the purchase price of a home on the ASP account, the bank may grant an ASP loan.
The bank pays an annual interest of one % on deposits to the ASP account. In addition, the ASP saver receives an additional interest of 2-4% when they have achieved the savings targets and purchase a home. The additional interest is paid for the first year of deposits followed by up to five calendar years.
More information can be found through this **link**.

HOUSING MARKETS

Housing Supply:

As mentioned last quarter, new housing starts are expected to start grow this year and continue to grow in 2026. However, the recovery in new housing construction is slow, as the recovery is being held back by an oversupply of housing in the market and weak consumer confidence. Last year, housing construction consisted mainly of subsidized construction, which is starting to decline. Population growth and migration are increasing the demand for housing, and construction is set to fall significantly below long-term construction needs in the coming years.

House Prices:

Housing sales is predicted to grow in 2025, but the forecast suggests that price increases will be delayed. Expectations for housing price development are modest due to the forecasted weaker economic growth.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	107 514	107 490	106 651	106 520	106 327	106 234	105 544	105 689	105 720
Gross Residential Mortgage Lending (million EUR)	6 316	6 351	5 091	5 336	5 231	6 249	5 597	5.933	5.175
House Price Indices (2015 = 100)	102,0	101,2	99,0	100,1	99,6	99,0	97,7	98,4	98,4
Mortgage Interest Rates (%, weighted average)	4,65	4,42	4,38	4,31	3,71	3,17	3,06	2,73	2,82

Country fact Sheet

by: Nicole Chavrier and Bertrand Cartier, BPCE

FRANCE

MORTGAGE MARKETS

Market developments:

At the end of September 2025, the total outstanding amount of home loans kept increasing over a year (by 0.3%) for the second quarter in a row since Q4-2023, standing at EUR 1,287 bn. The growth in the amount of home loan stock is due to the recovery of new home loans from Q3-2024. New housing loans (excluding negotiations and loan transfers) amounted to EUR 38.1 bn in Q3-2025, growing by 26% over a year and by 3% over a quarter.

According to Banque de France, the demand from first-time buyers has been important during the quarter (52% of new loans for a main residence) and the global amount of new home loans dedicated for the purchase of a primary residence constituted 85% of the total new home loans.

The average initial maturity for new home loans increased slightly to 22.6 years in Q3-2025 (vs. 22.5 years in Q2-2025). The average maturity at origination was stable for the purchase of a primary residence (23.7 years for first-time buyers and 22.6 years for repeat homebuyers). Moreover, new home loans with an initial maturity of more than 20 years accounted for 81% of the total quarterly production.

Volumes of renegotiated loans remained weak against a backdrop of falling interest rates recorded since the beginning of 2024. Renegotiated loans slightly diminished to EUR 5.6 bn in Q3-2025 (-7% q-o-q and -12% y-o-y) and the largest part was linked to the change in the borrower insurance attached to the home loan.

REGULATION & GOVERNMENT INTERVENTION

At the beginning of September, the classification of French municipalities in zones A, B or C was revised for 468 of them. This zoning illustrates the degree of local tension in the real estate market: zone A is associated with a very high housing demand; on the other hand, zone C is characterized by housing supply exceeding housing demand. The classification has an impact on the eligibility criteria for certain public housing aids (Zero-Interest Loan, "PSLA", ...). This change should benefit 2.4 mn French people.

The "MaPrimRenov'" scheme (the main financial aid scheme for energy renovation works) had been suspended from 23 June and was reopened on 30 September (and again, it has been suspended since 01/01/2026 in connection with the ongoing vote on the finance law for 2026). However, this resumption has been accompanied by stricter rules, tighter access conditions for households and a reduced public budget.

First-time buyers' schemes

In France, the programme is titled the *Social Home Ownership Guarantee Fund*. Under this scheme, mortgage loans are fully guaranteed; however, the guarantee covers only 50% of the lender's potential loss in the event of default. Loans intended to finance the borrower's down payment are not eligible for coverage under the programme and must be funded through the borrower's own financial contribution.

Eligibility is not limited to first-time buyers, even though more of them benefit from it. First-time buyers are defined as individuals who have not owned a residential property during the two years preceding the issuance of the mortgage credit offer. This definition applies irrespective of the borrower's age and includes joint applicants, if none of the parties has owned a residence within the specified reference period.

In addition, the loan must be secured by some form of guarantee/security (for example a "caution" or a mortgage on the property being financed). No further eligibility criteria, such as minimum energy performance standards or maximum property values, are specified.

An interest rate subsidy scheme only for first-time buyers is in place in the form of the *Zero Interest Loan* programme. Under this scheme, a loan carrying a 0% interest rate may finance up to 50% of the eligible operating costs associated with the housing transaction. All operational costs are considered in full when determining eligibility, including those related to the borrower's own contribution.

Eligibility is restricted to first-time buyers, defined as individuals who have not owned a primary residence in the two years preceding the issuance of the mortgage credit offer. This definition applies regardless of age and extends to joint borrowers, provided that all applicants satisfy the first-time buyer criterion.

The programme is subject to additional eligibility conditions, including requirements related to the nature of the transaction (new construction or existing housing), a minimum level of renovation or repair works, minimum energy performance certificate (EPC) standards, and geographical location constraints.

There is no scheme put in place to reduce purchase costs for first-time buyers but when acquiring existing housing, transfer taxes are slightly lower for first time buyers.

HOUSING MARKETS

Housing Supply:

The building sector recorded some improvements during the quarter. Compared to Q2-2025, the number of housing starts increased by 10%, to 70,500 units (still at low levels). Although there was a modest quarterly decline of 3% in housing permits (totalling 98,500 units), this quarter marks the highest figure for a third quarter since 2022. But with the municipal elections in March 2026 approaching, the context is not favourable for a recovery in the construction sector.

In particular, construction of new single-family detached houses registered a second quarterly rebound in a row: 22,400 housing permits (+16% q-o-q) and 16,830 housing starts (+12% q-o-q). Despite the recovery supported by the enlargement of the "Zero Interest Loan" since April 2025, this sector remained at an extremely low level in terms of volumes.

The quarterly sales of new homes built by real estate developers were stable compared to the previous quarter, with 16,240 new homes sold in Q3-2025 (SA data). However, quarterly sales declined by 10% over a year. Since the end of the Pinel Scheme at the end of 2024, the majority of new housing sales are now focused on primary residences to live in, which has not been sufficient to compensate for the significant decline in sales for rental investment.

The segment of existing dwellings totaled 206,300 transactions estimated in Q3-2025 and represented 86% of the total quarterly housing sales in France. Business activity decreased over the quarter (-13%), impacted by the stabilization of interest rates, but its evolution was still positive over a year (+7% vs. Q3-2024). The dynamics in Q3-2025 were more favourable for the Île-de-France region compared to the provincial regions. Quarterly transactions in Provincial regions decreased by 19% compared to Q2-2025, at around 171,100 units, whereas the Ile de France region (of which Paris city) totaled 35,200 transactions (+19% q-o-q).

House Prices:

Prices of existing homes in France were stable over a quarter in Q3-2025, after a surprising drop of 0.4% recorded in the previous quarter (SA data). The Q3-2025 variation broke down into +0.5% for flats and -0.4% for single-family houses. Over a year, the annual growth rate of housing prices in France increased slightly by 0.7% (+1.3% for flats and +0.2% for single-family houses). This positive trend in housing prices registered in 2025 (for the first time since 2023) illustrated the slow recovery in housing transactions started at the end of last year.

Unlike existing dwellings, the quarterly evolution of real estate prices for new homes built by property developers in France was negative for flats and positive for single-family houses.
At EUR 4,919 per square meter (SA-WDA data), the average price per square meter of new flats decreased by 0.4% over the quarter but increased by 4.3% year-on-year. The average price of a house built by real estate developers (5% of their total sales) reached EUR 353,140 in Q3-2025, increasing by 2.5% over the quarter but reflecting a fall of 2.6% compared to Q3-2024.

Prices of existing dwellings in Provincial France diminished by 0.1% over the quarter, linked to a -0.4% registered by single-family houses (vs. +0.4% for flats).
Prices in Île-de-France region excluding Paris city dropped by 0.2% over the quarter, negatively impacted by single-family houses in the suburbs (-0.8%). But including Paris city (+1.1% q-o-q for flats), housing prices in Île-de-France region increased by 0.2% over the quarter.

Besides, the quarterly change for housing prices in major provincial cities was stronger than in Paris city: +1.4% in Lyon's flats (like in Paris), +1.7% in Marseille's flats, and +1.8% for houses in the Lille metropolitan area.

MORTGAGE INTEREST RATES

France is attached to its traditional origination model of new home loans with fixed rates. So there is no evolution compared to previous quarters, with around 99% of new homes loans with fixed rates. The attraction for floating-rate loans is also reduced by the current environment of potential higher interest rates for the coming quarters.

The decreasing trend in interest rates for new home loans (excluding renegotiations and loan transfers), which began after reaching a peak of 4.17% in January 2024, came to an end in Q3-2025, stabilizing at 3.09% (for the Narrowly Defined Effective Rate, corresponding to the interest component of the Annual Percentage Rate of Charge). The fall of more than 100 bps for the average interest rate over the period helped to boost the production of new home loans in Q3-2025, but the recent stabilization of interest rates explained the current slowdown of recovery for new home loans.

Despite the persistence of pressures on the level of OAT-10 years in Q3-2025, the interest rates of new home have not increased. One explanation is partially related to the structure of the production, which remains significantly influenced by the substantial proportion of loans for first-time buyers purchasing their primary residence (accounting for nearly 50% of all new home loans in Q3-2025) amidst a backdrop of traditional intense competition among lenders in France.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	1.294.093	1.292.144	1.286.634	1.283.558	1.282.756	1.283.174	1.281.645	1.283.486	1,286,576
Gross Residential Mortgage Lending (million EUR)	34.900	32.200	28.300	30.700	35.300	38.100	39.100	43.000	43,700
House Price Indices (2015 = 100)	131,2	128,8	126,8	126,1	127,5	126,0	126,3	125,8	128.4
Mortgage Interest Rates (%, weighted average)	3,59	3,97	4,07	3,81	3,60	3,40	3,26	3,11	3.09
MORTGAGE INTEREST RATES – NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	3,56	3,70	3,99	3,97	3,98	3,91	3,83	3,74	3,70
Short-term fixed (1Y-5Y initial rate fixation)	3,33	3,69	3,75	3,71	3,60	3,44	3,36	3,28	3,27
Medium-Term fixed (5Y-10Y initial rate fixation)	2,69	2,85	2,88	3,03	2,91	2,73	2,64	2,54	2,29
Long-Term fixed (over 10Y initial rate fixation)	3,29	3,54	3,54	3,46	3,35	3,18	3,03	3,00	3,00
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	3,45	2,82	3,64	4,17	4,42	3,71	3,44	3,50	3,20
Short-term fixed (1Y-5Y initial rate fixation)	4,74	4,18	3,83	3,81	3,58	3,22	3,59	3,60	3,48
Medium-Term fixed (5Y-10Y initial rate fixation)	4,03	4,55	4,89	4,76	4,07	4,21	4,15	4,80	4,26
Long-Term fixed (over 10Y initial rate fixation)	87,78	88,46	87,65	87,26	87,93	88,86	88,81	88,10	89,06

Country fact Sheet
by: Vincent Tran, vdp

GERMANY

MORTGAGE MARKETS

Market developments:

In Q3 2025, the total outstanding residential loans reached EUR 1,920,100 bn, representing a 1.9% increase y-o-y. A total of EUR 62.6 bn was disbursed in Q3 2025, marking an 15.3% increase in gross residential lending compared to the same quarter of the previous year.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

In Germany, there are no nationwide mortgage guarantee for first-time buyers. Some federal states offer guarantees for housing loans that are not specifically intended for first-time buyers. These usually cover parts of a property-backed housing loan.

Nonetheless, Germany offers interest-subsidised loans for first-time buyers, mainly KfW 300 "Home ownership for families – new construction" and KfW 308 "Young people buy old". Both are subsidised loans. First-time buyers are applicants who do not own any residential property at the time of application. There is no upper age limit, but eligibility requires at least one child under the age of 18 and an income limit of EUR 90,000 plus EUR 10,000 per additional child. Other important criteria are owner-occupancy and, as a rule, a co-ownership share of at least 50%. KfW 300 requires a climate-friendly new building standard, while KfW 308 requires that the existing property complies with energy class F/G/H at the time of application and is renovated to at least the Efficiency House 85 EE or Monument EE standard within 54 months.

No nationwide exemption or reduction of purchase cost exist in Germany and in this case, real estate transfer tax for first-time buyers. Some federal states offset the costs with subsidies - for example, Hessengeld from Hesse.
This is a subsidy, not a tax relief. It amounts to EUR 10,000 per eligible buyer plus EUR 5,000 per minor child and is paid out over a period of 10 years. It is limited to the amount of real estate transfer tax actually paid. It only applies to the first-time purchase of owner-occupied residential property. Previous property purchases in another location may result in exclusion from eligibility.

In Germany, there is no nationwide public programme for "shared ownership". The closest alternative is housing cooperatives. People buy cooperative shares, become members and sign a long-term tenancy agreement. This gives them a stable right to live in the cooperative apartment, while the cooperative remains the owner of the building or apartment. To finance the shares required for a cooperative apartment, there is a state-subsidised loan from KfW. It offers up to EUR 100,000 per owner-occupied unit and includes a repayment subsidy of 7.5%, which is limited to EUR 7,500. The resident is not the owner of the flat, and it cannot usually be resold like a normal property. Instead, the resident terminates their membership and the shares are repaid in accordance with the cooperative's rules. Termination usually takes effect at the end of the financial year and the legal notice period is at least three months, although the rules may specify longer notice periods.

In addition to the nationwide KfW programmes, there are also subsidies provided by the federal states. For example: Thuringia's „Home Ownership for Families" programme, which offers a onetime subsidy of 5% of the purchase price with a capped base amount (EUR 400,000 for a residential unit or EUR 100,000 for land); Hamburg with the IFB housing loan for the construction and first-time purchase of owner-occupied residential property and North Rhine-Westphalia with NRW.BANK.Wohneigentum as a low-interest loan for small and medium income earners for the construction or purchase of owner-occupied residential property or the above-mentioned Hessengeld.

Although there are programmes in Germany to support first-time buyers, there is no comprehensive 'first-time buyer package' as in some other countries. Support is mainly provided through KfW subsidised loans and a few temporary government grants.
Many argue that the impact is limited because the eligibility criteria are narrow (often families with children, income caps) and the requirements can be high. The federal government also had to optimise the programmes to improve access and make them easier for applicants.
However, a more effective tool for supporting homeowners would be a reduction or exemption from the purchase costs of real estate transfer tax for homeowners including first-time buyers.

HOUSING MARKETS

Housing Supply:

In contrast to the moderate growth in building permits in the first half of 2025, the cumulated number of building permits for residential buildings rose significantly by the third quarter with 11.3%, indicating a stronger upturn in potential construction activity.

House Prices:

Prices for owner-occupied property rose by 2.4% y-o-y in Q3 2025, supported by a 0.63% increase compared with the Q2 2025. This is the sixth consecutive increase and signals a steady upward trend.

In comparison, the rise in new contract rents is faster, making homeownership more attractive relative to renting.

MORTGAGE INTEREST RATES

The weighted average interest rate on new residential mortgage loans increased from 3.67% in Q2 2025 to 3.71% in Q3 2025.

Variable interest rates have decreased, while all other periods have seen an increase in interest rates. However, the proportion of variable interest rates and long-term interest rates has also decreased, while the proportion of short- and medium-term fixed interest rates has increased.

Country fact Sheet

by: Vincent Tran, vdp

GERMANY

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	1.866.400	1.871.300	1.871.800	1.877.500	1.885.000	1.891.800	1.897.600	1.908.200	1.920.100
Gross Residential Mortgage Lending (million EUR)	48.700	50.500	46.700	51.700	54.300	53.200	57.500	59.600	62.600
House Price Indices (2015 = 100)	160,2	157,8	157,2	157,9	159,2	159,7	160,8	162,1	163,1
Mortgage Interest Rates (%, weighted average)	4,09	4,15	3,85	3,90	3,84	3,60	3,57	3,67	3,71
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	5,29	5,57	5,38	5,47	5,35	4,93	4,52	4,34	4,15
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,46	4,53	4,07	4,12	4,02	3,73	3,57	3,54	3,54
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,80	3,86	3,57	3,61	3,58	3,37	3,35	3,50	3,57
Long-term initial fixed period rate, 10-year or more maturity (%)	3,85	3,83	3,59	3,67	3,61	3,39	3,48	3,65	3,73
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	13,83	13,40	12,14	11,82	11,44	11,53	11,54	12,12	11,55
Short-term fixed (1Y-5Y initial rate fixation)	9,82	11,52	11,16	9,95	9,59	10,26	9,67	10,65	11,00
Medium-Term fixed (5Y-10Y initial rate fixation)	36,97	36,98	36,00	38,05	37,13	30,91	30,01	31,94	32,62
Long-Term fixed (over 10Y initial rate fixation)	39,38	38,10	40,70	40,18	41,84	47,30	48,78	45,29	44,83

Country fact Sheet

by: Vasilis Panagiotidis, Hellenic Bank Association

GREECE

MORTGAGE MARKETS

Market Developments:

In the third quarter of 2025, actual disbursements in mortgage loans increased by 80% compared to the third quarter of 2024. In 9-month terms of 2025, the increase amounted to 29% y-o-y. In 2025, the "MY HOME II" Program has been a great boost for the mortgage market (29% of the total actual disbursements).

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

In line with this quarter's topic, the Greek government recently announced the extension of the duration of the "MY HOME II" which is part of the Recovery & Resilience Plan, financed by the EU's Recovery Fund. The program provides low-interest loans to young people or couples aged 25-50 in order to acquire their first home. With the "My House II" Program, consumers can acquire their home with co-financing of up to 90% of its value and on particularly favourable terms, provided that they meet the criteria set by legislation and relevant provisions. The deadline for joining the Program is set at 31.05.2026 (from 31.12.2025). The deadline for concluding a loan agreement with the final beneficiary is set at 31.08.2026 (from 30.6.2026).

The program key points are:

- A zero interest rate applies to 50% of the loan (comes from the Recovery and Resilience Fund - RRF).
- The maximum loan amount granted is 190,000 euros. The loan covers up to 90% of the value of the property.
- Beneficiaries of the Program are natural persons who, on December 31 of the year of application (2025 or 2026), are at least twenty-five (25) years of age and at most fifty (50) years of age, provided that they do not have another property suitable for their residence and they meet the income criteria.
- The minimum income threshold remains at €10,000 for singles, married couples or cohabiting couples, as well as for single-parent families. The maximum income threshold based on the last tax year or the average of the last three years is:
  1. 25,000 euros for single people.
  2. 35,000 euros for married people or parties to a cohabitation agreement. This amount is increased by 5,000 euros per child.
  3. 39,000 euros for single-parent families. This amount is increased by 5,000 euros per child.

HOUSING MARKETS

Housing Supply:

Housing supply remains constrained. The low level of supply relative to demand is mainly due to the widespread commercial use of residential properties, the effective withdrawal from the market of properties tied up as collateral for non-performing loans in foreclosure proceedings and the reduced construction of new dwellings between 2010 and 2020, which has impeded the smooth replenishment of the housing stock.

The decline in private building activity recorded in 1st half 2025 compared with the same period of 2024 (building permits down by 14.0% in number terms, by 24.1% in surface area and by 17.7% in volume terms) further slows the recovery of supply. This is partly attributed to the Council of State's ruling on the unconstitutionality of the incentive framework under the New Building Regulation.

The revision of this framework in line with the Court's decision is expected to prompt a rebound in private construction activity.

Housing Prices:

The upward trend in residential real estate prices continued in the third quarter of 2025. Specifically, apartment prices (in nominal terms) rose by 7.3% year-on-year in Q3 of 2025, exceeding their previous peak recorded in the third quarter of 2008 (Q3 2025: 107.5, Q3 2008: 102.2). Prices for newly-built apartments (up to five years old) increased at an average annual rate of 6.8% and have now exceeded their previous peak of the fourth quarter of 2008 by 9.4 index points (Q3 2025: 112.4, Q4 2008: 103), while older apartments saw an annual price rise of 7.6%, with the index reaching 104.5 in the third quarter of 2025, exceeding their prior peak by 2.8 index points (Q3 2008: 101.7). In terms of geographical breakdown, strong annual growth rates were recorded in Thessaloniki (8.8%) and other areas of Greece (8.8%). In Athens, apartment prices rose by 5.9% year-on-year, with the price index standing at 112.2, overshooting the previous peak by 10.8 points (Q2 2008: 101.4). A similar pattern was observed in rental prices, with the corresponding index reaching 114.7 in the third quarter of 2025, compared with 103.6 in the third quarter of 2024.

MORTGAGE INTEREST RATES

The weighted average interest rate on the outstanding balances of housing loans with a maturity of over five years decreased by 73 basis points (bps) in the June 2024-August 2025 period (August 2025: 3.61%, June 2024: 4.34%), while for housing loans with a maturity of over one and up to five years it remained almost unchanged (August 2025: 5.43%, June 2024: 5.45%).

Interest payments as a %age of household gross disposable income fell in June 2025, following a decline in the interest rates of existing loans. Nonetheless, the average annual balance of loans to households as a %age of household gross disposable income stood at 56.2%, slightly up compared to 2024.

Country fact Sheet

by: Vasilis Panagiotidis, Hellenic Bank Association

GREECE

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	28.623	28.456	27.597	27.429	27.060	26.495	26.307	25.425	25.475
Mortgage Interest Rates (%, weighted average)	4,24	4,43	4,45	4,20	3,86	3,71	3,69	3,63	3,55
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,21	5,09	5,32	4,92	4,39	3,82	3,70	3,58	3,48
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,42	4,43	4,20	4,12	3,97	3,95	4,15	4,36	4,18

Country fact Sheet

by: Gyula Nagy László, MBH Mortgage bank

HUNGARY

MORTGAGE MARKETS

Market developments:

During the first half of 2025, the mortgage market was supported by the saving inflows from the government securities market (return from government securities was lower since the beginning of the year due the decreasing inflation, so many households saw a good opportunity to invest their savings on the housing market). Real wages continued to rise in 2025 and employment in the national economy remained high.

The total outstanding residential loan portfolio grew by 2.7% in Q3 compared to the previous quarter and by 11.5% on y-o-y basis.

In August the launch of the Home Start program was announced, so the activity expanded significantly, especially for used dwellings. However the potential mortgage debtors, who were eligible to the Home Start program had to wait until the official start of the program in September. The first month showing the results of the new program was October (4th quarter already). New mortgage lending more than doubled in October compared to the previous month and also to 2024 October figure.

However the quarterly figure of newly issued mortgage loans in the third quarter of 2025 was still 12% lower on q-o-q basis and was about the same as a year before. The relative slow down of the gross mortgage lending was only temporary, and gross mortgage lending will accelerate from the beginning of the 4th quarter.

REGULATION & GOVERNMENT INTERVENTION

A new mortgage program (subsidized by the government) was introduced from September called *"Home Start"*. The new program has changed the mortgage market scenario from the 3rd quarter onwards. Since the program started in September, a reduced activity was expected in August, since customers will have waited with their applications in order to benefit from the better rate conditions in September.

First-time buyers' schemes

There are certain schemes in Hungary containing a subsidized loan part and a guaranteed payment for first time buyers, however these programs are available only for married couples and the guaranteed payment is related to the number of children. Presently there are no schemes for first time buyers with a guarantee for their payments.

The name of the latest program helping first time buyers with subsidised interest rate is *"Otthon Start"* (Home Start). This program is available for couples and singles alike.

Another program is helping married couples as first time buyers with subsidies interest rate is called CSOK Plus (Family Home Loan).

Both programs are based on max 3% subsidized mortgage rate (market mortgage rates start at 6-7%. The CSOK loans have also a part with lump sum payment, depending on the numbers of children.

- Home Start program: under the age of 41 a max 90% LTV is allowed.
- CSOK plus program (couples): the wife has to be under 41 years.
- Minimum EPC level is not required for the Home Start and the CSOK programs
- Maximum loan amount is up to HUF 50 Mn in both programs.
- Maximum property price under the **Home Start Program** is HUF 100mn for apartments and HUF 150mn for family houses.
- The maximum property price under the CSOK Plus is HUF 80mn.
- 90% of the Home Start program is used for used dwellings. It can be used also for purchasing new dwellings but in this case the limit is max HUF 1,5 Mn per square meters for the purchased property.

The stamp duty for house purchase is 4% in Hungary. According to an existing regulation First Time Buyers (under the age of 35) are eligible for a 50% stamp duty reduction. However there is an upper limit depending on the price for the purchased property, so not all First Time Buyers are eligible for the reduction of 50%.

Presently there are no shared ownership schemes in Hungary.

HOUSING MARKETS

Housing Supply:

The housing supply (new dwellings put on the market) in Hungary is very low compared to the EU average and to neighbour countries. In 2024 only 13,295 new dwellings were put to the market. The trend of insufficient housing supply continued also in 2025, until September 7,490 new dwellings were put on the market, 14% less than in the same period in the previous year.

In the capital city of Budapest in the first 3 quarters of 2025, 9.1% less new dwellings were completed compared to the same period in 2024. Today, the trend of new building permits issued is more promising.

On the national level, the number of building permits issued in the first 9 months in 2025 – with 9,947 new building permits – was 37% higher than during the same period in 2024. In Budapest the number of new building permits was 7,841 (that is 2.3 times more than a year earlier). A strong concentration can be observed in certain districts of Budapest. 3,400 dwelling permits were issued in the XI neighbourhood in Budapest, known as Újbuda ("New Buda").

Country fact Sheet

by: Gyula Nagy László, MBH Mortgage bank

HUNGARY

House Prices:

According to the MBH House price index, based on preliminary data (collected from real transaction prices registered at the National Tax Office) the nominal growth rate in Q3 was 18% on a yearly basis and 6% compared to the previous quarter. According to the National Bank Housing Report the house price growth in Budapest was even higher, based on first estimates can be over 29% on y-o-y basis. With these figures Hungary has probably produced the highest yearly house price growth in the EU in 2025.

Apart from Budapest, the growth is quite significant in some rural county headquarters. Szeged and Debrecen are leading the house price growth. Both cities host new industrial investments (new BMW car factory and CATL battery plant in Debrecen and new BYD car factory in Szeged).

The 4th quarter will most probably bring further house price growth due to the acceleration of mortgage lending stimulated by the Home Start Program.

MORTGAGE INTEREST RATES

New mortgage loans are typically priced with fixed rates, the most typical mortgage rate similarly to earlier period was the medium-term fixed rate (5Y-10Y initial rate fixation). This product represented 43% of the total new volume issued in Q3. The proportion of variable rate mortgages (up to 1Y initial rate fixation) was around 24% in Q3.

The Central Bank base rate is still at 6,5% since September 2024.

The "interest rate cap", that was introduced in 2022 by the government for mortgage debtors with variable rate loans and also applied to customers having loans with maximum 5 years interest rate fixation was further prolonged in 2025.

Mortgage loans based on market prices were also in Q3 between 6 to 7%, but from September a significant change occurred on the mortgage market with the introduction of the Home Start Mortgage Loan program. This loan has a fixed (subsidized) 3% mortgage rate for the whole maturity of the loan. The new product has completely changed the mortgage market, banks received record number of loan applications.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	14.664	14.993	14.707	15.224	15.599	15.450	16.183	16.838	17.653
Gross Residential Mortgage Lending (million EUR)	452	517	683	1.021	973	908	1.007	1.091	985
House Price Indices (2015 = 100)	294,55	301,98	323,77	332,43	331,33	342,37	371,69	368,46	390,34
Mortgage Interest Rates (%, weighted average)	8,49	7,50	6,54	6,47	6,60	6,56	6,61	6,69	6,64
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	10,59	8,25	8,64	8,21	8,73	7,95	8,30	8,56	8,48
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	14,87	13,87	13,17	9,42	7,40	7,29	6,93	6,67	6,73
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	8,49	7,50	6,54	6,47	6,60	6,56	6,61	6,69	6,64
Long-term initial fixed period rate, 10-year or more maturity (%)	8,78	7,65	6,90	6,90	7,02	6,86	7,01	7,07	7,08
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	1,2	0,7	15,2	27,3	25,3	23,6	20,3	24,8	24,1
Short-term fixed (1Y-5Y initial rate fixation)	24,0	24,1	13,4	2,5	2,1	2,2	2,1	3,0	3,1
Medium-Term fixed (5Y-10Y initial rate fixation)	44,3	42,7	40,1	41,3	44,4	44,4	4,4	43,2	43,6
Long-Term fixed (over 10Y initial rate fixation)	30,5	32,5	31,3	28,9	28,1	29,9	33,8	29,1	29,2

Country fact Sheet

by: Richard Kemmish, EMF consultant

IRELAND

MORTGAGE MARKETS

Market Developments:

The mortgage market continued to grow rapidly. Total new mortgage origination of EUR 3.974bn was an 16.6% increase y-o-y (by value), and 17.9% q-o-q (not seasonally adjusted). Although first time buyers are the largest segment at 61% of the total, re-mortgaging and product switching continued to grow significantly, up 57.9% on the year.[1]

Mortgages for newly built properties continued to expand more rapidly than those on existing properties and now represent more than a third of the total (35.8%), a rate of growth of 25.2% on thye year, mainly driven by first time buyers.

REGULATION & GOVERNMENT INTERVENTION

Rules limiting rent increases to the lower of 2% and inflation were expanded to cover all of Ireland's rental properties at the end of June, along with stronger tenant protection rules.[2]

Planning standards were amended for new build apartments in July with the explicit goal of increasing economic viability in response to a perceived down turn in new construction.[3]

As noted previously the Vacant Homes Tax and the Residential Zoned Land Tax continue to be significant government instruments to encourage development and increase use of currently unoccupied properties.

First-time buyers' scheme

In Ireland, two schemes are put in place at the national level.

The *First Home Scheme* (FHS) is an affordable housing scheme, which supports you to buy a new home or to build a first home. The FHS is a shared equity scheme. This means that the government and participating banks pay up to 30% of the cost of the new home in return for a stake in the home. If the borrower wants, he can buy back the stake at any time, but he does not have to.

This scheme is available nationwide for:

- First-time buyers and certain other people who want to buy a new home
- People who want to build their first home on their own site, and certain other people who want to build a new home.
- People who want to buy the home they are renting because their landlord is selling the property. This version of the FHS is known as the Tenant Home Purchase Scheme.

To qualify for the First Home Scheme, you must meet certain criteria.

1. **You must be a first-time buyer or 'fresh start' applicant buying or building a new home. You are a first-time buyer if:**

- You have not previously bought or built a property to live in.
- You do not own or have an interest in any property in Ireland or abroad.

You are a 'fresh start' applicant if you previously owned a home, but you no longer have a financial interest in it because:

- You are now divorced, separated, or your relationship has ended
- You have gone through personal insolvency or bankruptcy

If you are buying or building the property with someone else, they must also be a first-time buyer or fresh start applicant.

2. **You must be over 18 and have the right to live in Ireland.**
3. **You must live in the property, and it must be new**

If you are buying a property, it must be a newly-built home in a private development.

If you are building your own home:

- The property must be built on a site that you own or are buying
- The property must be a detached or semi-detached house
- The build must be managed by you or a contractor

The scheme does not cover second-hand homes, unless your landlord is selling the property you are renting and you want to buy it.

4. **Your home must be within the price limits for your area**

Your new home must cost less than the price limit for your local authority area. These limits are different depending on where you buy or build your home. The limits are also different if you are buying a house or apartment. The limits are linked to the average price for first-time buyers in each area. They are reviewed regularly and changed if needed.

5. **Your mortgage must be with a participating lender, and you must have a deposit**

Participating lenders currently include Bank of Ireland, Permanent TSB and Allied Irish Bank which includes AIB, Haven Mortgages and EBS.

You must borrow the maximum amount available to you from one of these lenders. Under Central Bank rules, the limit for mortgage borrowing for first-time buyers is 4 times your gross annual income. If you are a non-first-time home buyer, the limit is 3.5 times your gross annual income.

The *Help to Buy* (HTB) Scheme helps first-time buyers to either:

- Buy a newly built house or apartment
- Self-build a new home

It only applies to properties that cost €500,000 or less and you must live in the property as your home.

The Help to Buy Scheme gives a refund of the income tax and Deposit Interest Retention Tax (DIRT) you have paid in Ireland for the 4 years before the year you apply.

The HTB Scheme was increased in July 2020. This increase is known as the Enhanced Help to Buy Scheme.

How to qualify for the Help to Buy Scheme?

To qualify you must be a first-time buyer who buys or self-builds a new residential property between **1 January 2017** and **31 December 2029**. (The scheme was available if you bought or built a home between 19 July 2016 and 31 December 2016, but you had to claim it before 31/12/2019).

If you are buying or building the property with someone else, they must also be a first-time buyer.

1. https://bpfi.ie/publications/bpfi-mortgage-drawdowns-report-q3-2025/
2. https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/over-40000-more-tenancies-now-benefit-from-rent-controls-as-rent-pressure-zones-expanded-nationwide
3. https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/ministers-browne-and-cummins-issue-new-planning-standards-for-apartments

IRELAND

To qualify, you must take out a mortgage with a qualifying lender. The mortgage must be at least 70% of:

- The purchase value of the property if you are buying a newly built home. The purchase value is normally the price you pay for the property. However, if the purchase price is less than the market value, the purchase value will be the market value.
- The valuation approved by the mortgage provider, if you are building your home. The approved valuation is the valuation of the property at the time you take out the mortgage.

This is known as the *loan to value ratio.*

You are allowed to have a guarantor on the loan. A guarantor is someone who agrees to have the responsibility to pay your mortgage if you don't or can't pay it. For example, your guarantor could be a parent or close relative. If you have a guarantor on the loan, they do not have to be a first-time buyer.

Mortgage and shared equity schemes

If you are getting help to buy your home with the First Home Scheme, the equity you get is not considered when calculating the 70% loan to value ratio needed for HTB. Only your mortgage amount is taken into account.

However, if you are using the Local Authority Affordable Purchase Scheme and you sign a contract to purchase your home after 10 October 2023, the equity funding from your local authority is included when calculating the 70% loan to value ratio.

Your new home must meet certain criteria to qualify for the Help to Buy scheme.

- The property you buy or build must be a new residential property. It must never have been used, or have been suitable for use, as a residential property before. If the property was non-residential before, but has been converted for residential use, it may qualify for HTB.
- If you are buying a new home, the market value of the property must be €500,000 or less. In most cases the market value is the price you pay for the property. However, if the price has been subsidised, for example, if you are buying a home from your local authority under the Local Authority Affordable Purchase Scheme, you must use the market value.
- If you are building your home, the approved valuation of your home must be €500,000 or less. The valuation is approved by your mortgage provider and is valued at the time the mortgage is entered into. It includes the cost of the site.
- If you are buying your new home, the contractor or developer you buy it from must be approved by Revenue. Revenue has a list of approved developers and contractors, so you can check that they are approved.
- If you are building your own home, you will need a solicitor (registered with Revenue as a 'HTB approver') to verify your HTB claim
- You must live in the property for at least 5 years from the date that it is habitable

You will have to pay the HTB payment back if you do not live there for 5 years.

HOUSING MARKET

Housing Supply:

Again, new home completions continued to increase, to a total of 9,235, a 4% y-o-y increase but only a marginal q-o-q increase. Although Dublin continues to dominate new building activity (36% of the total), the most rapid growth (35% y-o-y) was in the surrounding mid-East region *Louth, Meath, Kildare, and Wicklow*. Looking forward, Q2s fall in new building permissions appears to be a one-off, in Q3 the recent growth returned with 11,142 hones receiving new permission, an increase of 49% on the low Q2 number and 29% y-o-y. The growth was greatest in the apartments sector and in Dublin.[4]

Housing Prices:

House prices continued to rise at an above inflation rate, by 7.6% in the year to the end of September to a median price of EUR 380,000. As in Q2, prices outside Dublin increased more rapidly than those in the capital, by 9.4% and 5.3% respectively).

MORTGAGE INTEREST RATES

Interest rates continued to fall y-o-y but at a significantly slower rate in Q3 as euro area rates generally stabilized. There has been a significant increase in the number of new fixed rate mortgages granted, now 87% of the total, up from 70% one year previously. This is presumably largely due to the average fixed rate, at 3.51% falling more rapidly and now being significantly lower than the rate on new floating rate mortgages at 4.08%. The average across all new mortgages was 3.59%, 25 basis points higher than the euro-zone average.[5]

4. https://www.cso.ie/en/releasesandpublications/ep/p-pp/planningpermissionsquarter32025
5. https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/retail-interest-rates/2025m09_ie_retail_interest_rate_statistics.pdf?sfvrsn=9ac86f1a_3

Country fact Sheet

by: Serena Razzi, Italian Banking Association (ABI)

ITALY

MORTGAGE MARKETS

Market developments:

The Italian mortgage market continues to register a positive performance in the 2025.
In Q3 2025, the volume of outstanding mortgage loans amounted to about EUR 435.7 bn, registering a growth of 3.0% y-o-y and of 0.7% q-o-q.
This trend reflected mainly the reduction in interest rates which boosted demand for loans for house purchase.
According to the Bank of Italy annual report, in the coming months, credit developments could be affected by the heightened uncertainty surrounding the global macroeconomic outlook.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

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 – or for the purchase and for energy efficiency improvement interventions – of the first home (not classified in the Real Estate public registry as a luxury house) granted to single-parent families with non-adult children, people under the age of 36 years, tenants of public housing.

The application must be submitted directly to the adhering 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% and an indicator of the equivalent economic situation (ISEE) – a sort of the annual income – not exceeding EUR 40,000 yearly). 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 30 September 2025, the Fund guaranteed more than 630,000 mortgages for a total financed amount of EUR 74.5 bn.

In the context of the First Home Loan Guarantee Fund ("Fondo Prima casa") mentioned above, it is expected that the maximum limit of the effective global rate applicable to mortgages will be equal to the Average Effective Global Rate on mortgages, as reported in the quarterly publication of the Ministry of Economy and Finance pursuant to Law No. 108 of 7 March 1996 – Anti-usury law.

Moreover, Italy provides a specific tax relief scheme aimed at reducing purchase costs for first-time home buyers, known as the *"Prima Casa"* (First Home) tax benefits. This is not a grant or subsidy, but a preferential tax regime that applies when purchasing a residential property intended to be used as the buyer's main home. The main benefit concerns indirect taxes on the purchase. When the property is bought from a private seller, the registration tax *(Imposta di Registro)* is reduced from the ordinary rate of 9% to 2% of the cadastral value of the property (with a minimum of EUR 1,000). In addition, mortgage and cadastral taxes are due at a fixed amount of EUR 50 each, instead of proportional rates. For the purposes of this regime, first-time buyers are not defined by age. There is no general age cap, and joint buyers may also benefit, provided that each purchaser independently meets the conditions. In particular, the buyer must declare that they do not own another residential property in the same municipality, and that they do not own any other residential property previously acquired with Prima Casa benefits, unless that property is sold within the prescribed time limits.

The buyer must also establish residence in the municipality where the property is located within 18 months of the purchase, if not already resident there. Additional criteria apply; the property must be non-luxury, there is no maximum purchase price or energy efficiency (EPC) requirement under the general regime.

To support first time buyers having trouble paying the mortgage, the "Solidarity Fund for mortgages for the first home purchase" *(Gasparrini Fund)* has been active since 2013.
The Fund allows borrowers – with an indicator of the equivalent economic situation (ISEE) not exceeding EUR 30,000 – to request a payment moratorium of the entire instalment – regarding loans up to EUR 250,000 – for a total of 18 months on their first home – not classified in the Real Estate public registry as a luxury house – if specific events occurred (e.g., death, serious injuries, loss of job, suspension of work for at least 30 days, reduction of working hours for at least 30 days).
According to data as of 30 September 2025, the Fund has allowed the suspension of over 189,000 mortgages for a total of EUR 18.7 bn.

HOUSING MARKETS

Housing Supply:

The growth in sales volumes began in the second quarter of 2024 continued also in Q3 2025; they recorded more than 175,000 (+8.5% y-o-y). The growth affected all areas of the country, with a slight difference between the provincial capital cities (+ 7.3%) with respect to the smaller cities (+9.0%). The "first home", benefiting from the tax relief, represented more than the 73% of the purchases, increased compared to the previous quarter.
This trend could have been positively affected also by the reduction of mortgages interest rates.

House Prices:

According to preliminary estimates of ISTAT, in Q3 2025 the House Price Index (HPI) increased by 0.6% q-o-q and by 3.8% y-o-y.
The increase on annual basis of HPI was due both to the prices of existing dwellings, which rose by 4.2%, and to the prices of new dwellings which increased by 1.4%.

MORTGAGE INTEREST RATES

The interest rates remained stable compared to the previous quarter and the fixed-rates mortgages confirmed dominance: the share of variable-rate mortgages (up to 1Y initial rate fixation) has decreased from about 46% of new loans in Q1 2023 to about 12% in Q3 2025 but rose about 4 percentage points compared to the previous quarter.

Country fact Sheet

by: Serena Razzi, Italian Banking Association (ABI)

ITALY

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	424.712	424.651	423.414	421.655	422.937	426.224	428.632	432.762	435.762
Gross Residential Mortgage Lending (million EUR)	14.790	17.952	12.311	15.247	14.637	18.184	18.422	19.429	16.549
House Price Indices (2015 = 100)	108,7	108,7	108,5	112,0	112,8	113,5	113,3	116,4	117,1
Mortgage Interest Rates (%, weighted average)	4,21	4,42	3,79	3,55	3,31	3,11	3,14	3,19	3,28
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,87	5,00	4,88	4,54	4,51	4,21	3,73	3,32	3,10
Long-term initial fixed period rate, 10-year or more maturity (%)	4,05	4,03	3,62	3,44	3,22	3,03	3,09	3,18	3,31
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	24,4	33,7	17,1	11,1	9,3	6,5	8,6	8,4	12,02
Short-term fixed (1Y-5Y initial rate fixation) / Medium-Term fixed (5Y-10Y initial rate fixation) / Long-Term fixed (over 10Y initial rate fixation)	75,6	66,3	82,9	88,9	90,7	93,5	91,4	91,6	87,98

Country fact Sheet

by: Richard Kemmish, EMF consultant

LITHUANIA

MORTGAGE MARKETS

Market developments:

The mortgage market continued it's rapid growth. Total mortgages outstanding reached €14.97 billion by end September, (an increase of 4% q-o-q and 13% y-o-y. Although gross new lending fell by 19% to €.14bn in the period.

Mortgage demand is expected to remain robust through 2026, according to the Ministry of Finance GDP growth is expected to be 3.3% (European commission estimate 3.0%) and consumer confidence (Eurostat survey based) is improving along with real wage growth.

REGULATION & GOVERNMENT INTERVENTION

No new macro-prudential or subsidy schemes were introduced. The existing housing-loan rules set by the Bank of Lithuania continue to apply, and the main institutional change was the full implementation of the five-year fixed-rate offer requirement adopted in 2024.

From January 2026 changes to pillar 2 pension regulations allow certain withdrawls with the central bank estimating that EUR 240mn will be invested in real estate.[1]

First time buyers' scheme

In Lithuania, borrowers can access the **"Financial incentive for young families purchasing their first home"** scheme.

During the call period of this scheme, applications can only be submitted by young families who do not have or have not owned residential housing, except in cases where the useful area of the housing per person does not exceed 14 square meters or if the housing is more than 60% depreciated.

A young family is considered to be both spouses, as well as a couple in a registered partnership, or a single parent raising a child(ren) under the age of 36.

Requirements for purchased housing

The state subsidizes housing for young families, the value of which (according to the value determined by an independent property appraiser and the price specified in the notarial housing purchase and sale agreement) does not exceed EUR 120,000 when purchasing the first home in the territory of the Republic of Lithuania, except for:

- territories of municipalities with more than 150,000 permanent residents of Lithuania:
- territories of municipalities surrounding the previously mentioned municipalities with more than 60,000 permanent residents of Lithuania, where the normative value of the area unit of housing in apartment buildings exceeds the average normative value of the area unit of housing in apartment buildings in that municipality;
- resort territories.

HOUSING MARKETS

House Prices:

Residential prices continued to rise strongly. According to Eurostat, nationwide they rose 10.8% y-o-y, more than double the euro area average of 5.1%. The quarterly rise was 2.9%, after 2.8% in Q2. This closely matched private sector numbers for apartment price moves in the largest 5 cities which rose 3.0% in the quarter. Prices for an apartment in Vilnius have now reached €2,85- / Sq m.

Sales volumes also climbed, with housing transactions in June 2025 about 15% higher than a year earlier. Price increases were broad-based, with secondary cities narrowing the gap with Vilnius. Analysts warn that if supply constraints persist, affordability may again deteriorate despite income growth.

MORTGAGE INTEREST RATES

Lithuania's mortgage portfolio remains dominated by variable-rate loans, which were 93% of new origination in the quarter, although this is down from 97% one year previously following the legal obligation for banks to offer at least one five-year fixed option. Most borrowers still link their rates to short-term EURIBOR, so overall pricing moves closely with market rates. Average interest rates on newly granted floating rate mortgages decreased by 8 basis points over the quarter to 3.63%. Rates on longer term mortgages fell more rapidly in line with Euro rates, with the average fixed rate mortgage (across all maturities) falling 81 basis points to 4.03%.[2]

1. https://www.lrt.lt/en/news-in-english/19/2791319/lithuania-s-record-housing-market-heads-into-uncertain-2026
2. https://www.lb.lt/en/m_statistics/t-new-business-of-loans/?export=pdf

Country fact Sheet

by: Karol Gabarretta, Malta Bankers' Association

MALTA

MORTGAGE MARKETS

Market developments:

Outstanding residential mortgage has been increasing from 8.047 mn in Q2 2024 to 8.785 mn in Q2 2025, meaning an increase of 9% y-o-y. New sustainability criteria under schemes such as 'Ixtri Proprjetà Sostenibbli' require developers to integrate energy-efficiency measures. This program is aimed at encouraging the purchase of environmentally friendly homes. The scheme offers financial grants distributed over three years to buyers of properties that meet specified sustainability standards. While boosting long-term building quality, these requirements lengthen permit assessment times and can slow project hand-overs.

REGULATION & GOVERNMENT INTERVENTION

The "Ixtri Proprjetà Sostenibbli" (Buy Sustainable Property) scheme could have an impact the mortgage market. The scheme opened on 19 May 2025 and was scheduled to close on 30 September 2025; eligibility required a property purchased on or after 1 January 2025, which means the impact on the mortgage and housing market will be observable in the near future. There are no prospect for a 2026 extension or re-opening of the program.

First-time buyers' schemes

1. **New Hope Guarantee Scheme (Housing Authority)** – This is the **only true loan guarantee** mechanism widely available today. It allows individuals (often first time buyers) who **cannot obtain a life insurance policy** due to a serious **medical condition or disability** to access a home loan.
    a. The Housing Authority acts as **guarantor up to €250,000** on a primary residence, replacing the life insurance requirement so the bank can lend. Beneficiaries pay an annual contribution roughly equivalent to a life policy premium.
    b. Multiple local banks (e.g., APS, BOV, MeDirect) have formally joined the scheme, confirming its use in retail mortgage underwriting.

Bottom line: There is **no blanket government guarantee** that covers **all** first time buyers' repayments. The **New Hope** guarantee applies **only** where life policy access is the barrier.

The following schemes do **not** guarantee repayments to banks, but they **improve affordability** and **cash flow**, which banks may consider positively in affordability assessments:

First Time Buyer Grant (€10,000 over 10 years):
Annual **€1,000** cash payment for ten years to eligible first time buyers who purchased their first home after **1 January 2022**, provided it's financed by a bank home loan and used as the primary residence.

- The measure has been **retained and made permanent in law** per **Budget 2026** announcements (i.e., no longer "renewed year by year"), with some eligibility clarifications.

- **10% Deposit Scheme (a.k.a. Deposit Guarantee/Assistance)**:
  For buyers typically **aged 21–39**, the bank issues a **personal loan** to cover the 10% promise of sale deposit; the **Housing Authority pays the interest** for the full term (up to **25 years**). This is **not a repayment guarantee** but removes the upfront deposit liquidity hurdle. (The HA's own report calls this the "Deposit Guarantee scheme.")
  - Recent budget/property updates indicate the **eligible property cap** has been **raised to €250,000** (from €225,000).

Equity Sharing Scheme:

- HA can **co own up to 50%** of a property (capped amounts apply) for eligible buyers, with the buyer repaying HA's share **interest free over ~20 years**. This reduces the borrower's initial debt burden rather than guaranteeing payments. (Budget 2026 lowered the age threshold to **25+** in some cases.)

Social Loan Scheme / Home Assist (with BOV):

- **Monthly grant** (up to **€167**) toward loan repayments for lower income households; in some cases the **deposit** is covered within the total loan and **notarial fees** are assisted. Again, this is **subsidy**, not guarantee.
- **Guarantee exposure**: Only **New Hope** provides an explicit **state/HA guarantee** to the bank on the loan (up to a defined cap), and only for a narrowly defined cohort (medical/disability life policy issue). Underwriting should follow HA and bank specific agreements.
- **Cash flow support**: The **€1,000/year First Time Buyer grant** and **Social Loan** subsidies can be **treated as recurring income support** in affordability models, subject to bank policy. They **do not transfer credit risk** to the state.

Deposit assistance: The **10% Deposit Scheme** improves **front-end affordability** (and reduces deposit fraud risk) but **does not guarantee** future instalments. It may, however, lower early stage default risk by smoothing liquidity at purchase.

There is **no universal, ongoing government buydown** of the **main mortgage rate** for first time buyers (outside the targeted measures above). Most other support for first time buyers—e.g., the **€10,000 cash grant paid as €1,000/year over 10 years**—is an **income/cash flow grant**, not an interest rate subsidy.

Malta has several **up-front cost–reducing measures** for **first-time buyers**, ranging from **stamp duty relief** to **cash grants** and **VAT refunds**.

1) Stamp duty relief (primary residence)

- **0% stamp duty on the first €200,000** of the property value for qualifying first time buyers (ordinary residence). Current guidance and market summaries indicate this relief remains **available for acquisitions through 31 Dec 2025** (documentation typically due by late Feb 2026).
  Background: The official Commissioner for Revenue guidelines detail the bands historically applied (€150k → €175k → €200k) and set submission rules; subsequent extensions have been communicated via policy updates and market guidance. Always confirm dates with your notary at deed.
- **UCA / Long vacant / "Traditional architecture" new builds: Full stamp duty exemption on the first €750,000** for qualifying properties (buyer side), with complementary tax reliefs on the **seller side** (final withholding tax) to stimulate this segment. Validity has been maintained through 2025 in the most recent policy and market updates.

2) Cash grants that cut the effective purchase cost

- **€10,000 First Time Buyer grant** (Housing Authority): **€1,000 per year for 10 years** for buyers whose first home was acquired **after 1 Jan 2022** and financed by a bank home loan (primary residence). This scheme has been renewed and is now positioned as a long term measure; applications open annually.

- **Grant for first time buyers of Urban Conservation Area (UCA) / long vacant / "traditional architecture" new properties:**
- **€15,000** grant (properties in Malta)
- **€40,000** grant (properties in Gozo)
- **For deeds signed between 1 Jan 2025 and 31 Dec 2026**. Apply promptly (tight timelines apply—e.g., 6 months for certain categories).
- **Grant on First Residence (finishing/rehabilitation costs)** *(Housing Authority / Scheme GFR via servizz.gov)*: Part refund of finishing/rehab expenses, **up to €5,824** (with an **extra €1,165** if the dwelling was **built before 1990**)—paid in two tranches; no income threshold, first residence only.

3) VAT refunds linked to eligible restoration/finishing (reduces net project outlay)

- **VAT refund up to €54,000** on the first **€300,000** of restoration/finishing spend for qualifying **UCA, 20+ years/7+ years vacant**, or **new "traditional architecture"** properties (programme continued through **2025**; check the current application window and caps before works).

4) Liquidity/interest support that reduces upfront cash strain (useful at deed)

- **10% Deposit Scheme (Housing Authority)**: For eligible first time buyers (typically ages **21–39**), the 10% **promise-of-sale deposit** is financed via a bank personal loan while the **Housing Authority pays the interest** for the full term (up to **25 years**). This doesn't lower the purchase price per se, but it **cuts the immediate cash requirement** and the **financing cost** of the deposit.

Malta has a **shared ownership** option through the Housing Authority's **Equity Sharing Scheme**.

What it is:

Government co ownership: The Housing Authority (HA) purchases **up to 50%** of an eligible property alongside the buyer (HA's share **capped at €100,000**; total property value typically **up to €250,000**). The buyer acquires **at least 50%** using personal funds and a bank home loan.

- **Buy back after 20 years**: The buyer must **buy back HA's share** within **20 years** at the **same price the HA paid** (i.e., **no interest or indexation** on HA's share).
- **Deposit & eligibility basics**: Applicants must pay **10% deposit** from their own funds; current HA page indicates the scheme is **aimed at 30+** (see ">30Y Age of applicant"), with the property in **finished/shell-to-habitable** state and **value not exceeding €250,000**.
- **Age threshold,current vs. announced changes**
- **Current HA criteria** still show **30+** on the official page.
- **Announced extension**: In late March **2025**, Government stated it would **extend eligibility to those aged 25+**; watch for updated HA guidelines/terms to confirm implementation timelines.

Who lends & how it works day to day

- Banks (e.g., **APS Bank**) participate; you finance **your share** via a standard home loan, while HA takes the **partner share** (up to 50%). After **20 years**, you settle HA's share at the original amount.

Why it matters (for lenders & buyers)

- **Affordability**: It reduces the bank financed portion upfront, helping applicants whose income doesn't support a full purchase today. HA's share being **interest free for 20 years** materially lowers overall carrying cost compared to 100% bank finance.
- **Scale/uptake**: HA reporting shows the scheme has been actively used since 2019 (with hundreds of beneficiaries to date), and policy papers track its popularity among homeownership measures.

HOUSING MARKETS

Housing Supply:

Approvals for new dwellings in Malta increased on a q-o-q basis during 2025, reflecting a rebound in development activity. In Q2 2025, a total of 3,027 new dwellings were approved across 598 building permits, averaging approximately 5,1 dwellings per permit. This trend accelerated in Q3, with 3,668 dwellings approved across 593 permits, representing an average of 6,2 dwellings per permit. Although the total number of permits declined slightly (from 598 to 593), the rise in dwellings per permit indicates the progression of larger, higher-density projects through the planning process. On a simple q-o-q basis, this represents an increase of roughly 21% in approved dwellings, suggesting a notable uptick in potential construction starts.

The composition of approvals remained dominated by apartments, with this trend intensifying over the quarter. In Q2, apartments accounted for 70.6% of approvals (2,138 units), rising to 73.5% in Q3 (2,696 units), further highlighting the emphasis on higher-density housing formats.

Geographically, the distribution of approvals shifted across key localities. In Q2, Northern Harbour led with 751 approvals, followed by St Paul's Bay (321), Msida (183), and Fgura (164). In Q3, Northern Harbour remained the top locality (923 approvals), with St Paul's Bay (449), Birżebbuġa (291), and Marsaskala (285) showing increased activity. Notably, Gozo also experienced a marked acceleration, recording 512 approvals in Q3, a y-o-y increase of 56.1%.

The key drivers to watch when analysing the rise on housing supply are:

- First time buyer cash grant (€10,000 over 10 years)—entrenched and renewed—supports repayment capacity and nudges demand, especially for apartments in urban cores.
- Deposit assistance (10% Deposit Scheme) lowers the upfront cash hurdle; the property cap has been raised to improve eligibility. That can pull pre sales forward and encourage developers to commence.
- Equity Sharing (shared ownership with HA) widens access—announced extension to age 25+ increases the buyer pool for mid ticket apartments.
- Resilient transactions and price indices: Private sector surveys and official data show steady demand, with res-

idential prices rising into 2025 (e.g., CBM/NSO series), encouraging developers to keep pipeline active.

- Land scarcity & densification: NSO analysis highlights land value dominance and scarcity as core price drivers—developers respond with multi unit projects, lifting dwellings/permit ratios (as seen Q3).
- Population & rental pressures: Growth in foreign workers and tourism underpins rental demand, sustaining apartment approvals as the preferred format.
- The NSO building permit series shows a downshift in early 2025 (Q1) then a sharp Q2/Q3 rebound; this whipsaw likely reflects planning throughput, developer staging, and pipeline conversion after strong Q4 2024 approvals.

House Prices:

Q-o-q analysis indicates that nominal house prices increased by 0.7% in Q3 2025 compared to Q2 2025. When adjusted for inflation, this corresponds to an approximate real increase of 0.86%, based on the Central Bank of Malta's house price index for the quarter. On a y-o-y basis, nominal prices rose by 6.88% relative to Q3 2024, which translates to a real increase of roughly 4.39%. For lenders, these trends suggest that prices continued to rise modestly over the past quarter, while annual growth remained solid, reflecting sustained demand for apartments and the ongoing impact of policy measures supporting first-time buyers.

House Prices:

Most new mortgage lending in Malta continues to be floating-rate products tied to short-term EURIBOR benchmarks plus a bank margin. However, over the past two years, major lenders have expanded their fixed-rate offerings—now commonly available for initial terms of 5 or 10 years—and introduced hybrid mortgages that lock in a fixed rate for a set period before reverting to a variable rate. While these fixed and hybrid options remain a minority of total new lending, their take-up has grown as borrowers seek protection against future interest-rate volatility.

Mortgage rates for both floating and fixed products have broadly tracked underlying market rates. Floating-rate mortgages adjust in line with 3-month EURIBOR movements, while fixed-rate deals move in step with 5- or 10-year swap rates. Following the European Central Bank's tightening cycle, both floating and fixed rates peaked in late 2023 and have since moderated—with the average mortgage credit interest rate in Malta declining to 2.54% in June 2025 and standing at 2.59% by September 2024.

Analysis of y-o-y price changes by dwelling type up to Q3 2025 highlights a divergence across the residential market. Apartment prices increased by 4.9%, while maisonettes rose by 3.06%, reflecting continued strength in higher-density housing formats. In contrast, terraced houses experienced a decline of 2.16%, and "other houses", including villas, townhouses, and houses of character, fell by 7.23%. This pattern indicates that market strength is concentrated in apartments and maisonettes, whereas detached and semi-detached segments remain softer, consistent with broader trends toward densification and prevailing affordability constraints.

In Q3 2025 Malta saw clear, material price dispersion by subsector and meaningful differences by region/locality.

Subsector analysis for Q3 2025 relative to Q3 2024 reveals notable differences in price dynamics across dwelling types. Apartment prices increased by 4.9% y-o-y, with momentum strengthening compared to earlier quarters, highlighting sustained demand for multi-unit stock. Maisonettes recorded moderate and steady gains of 3.06% y-o-y. In contrast, terraced houses declined by 2.16%, reversing the small increases observed in Q1 and Q2 2025, and signalling softness in larger, standalone homes. The most pronounced declines were observed in the "other houses" category, including villas, townhouses, and houses of character, which fell by 7.23% y-o-y. These type-level movements, drawn from the Central Bank of Malta's house price index and corroborated by independent market summaries for Q3 2025, confirm a market that remains largely flat and apartment-led, with persistent weakness in detached housing segments.

MORTGAGE INTEREST RATES

Malta's mainstream home loans remain predominantly variable rate facilities that often start with a short initial fixed window (1–5 years), then revert to variable over the remaining term. You can see this pattern across product pages at APS Bank (Fixed Interest Rate Home Loan for 1, 3 or 5 years before moving to a variable rate) and their other packages, as well as at MeDirect (fixed period 3 years) and BNF (variable loans tied to a published BNF Base Rate, with optional fixed rate booking).

No regulator or aggregate source publicly reports the exact share of fixed vs variable mortgages. Available evidence shows banks actively marketing short fixed windows but keeping variable rate structures as the default for the life of the loan.

The different programs put in place (APS' Green Home Loan, APS' APlus Home Loan, MeDirect, 10% Deposit Scheme and the New Hope Scheme features) have widened access and shifted product selection toward short fixed starters, offset, and interest only onboarding, while government schemes directly expand the eligible borrower pool for conventional mortgages.

In 2025, Maltese mortgage rates edged down modestly in line with a lower policy rate environment, but pass through to retail lending has been muted compared with the euro area norm.

Mortgage market indicators point to a gradually easing interest rate environment through 2025. Data compiled by financial data aggregators indicate that the average mortgage credit interest rate in Malta stood at approximately 2.5% in September 2025, based on series derived from monetary financial institution (MFI) statistics, and reflecting modest declines over the course of the year. At the euro area level, the European Central Bank's headline measure of the "cost of borrowing for households for house purchase" was around 3.3% in November 2025, providing a regional benchmark that remains above prevailing Maltese mortgage rates. In parallel, long-term market yields in Malta, measured against a 10-year reference, declined from their mid-2024 highs to approximately 3.45% by November 2025, signalling a more accommodative interest rate backdrop that typically feeds through to fixed-rate mortgage pricing windows.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	7.521	7.689	7.889	8.048	8.227	8.402	8.610	8.786	8.984
Gross Residential Mortgage Lending (million EUR)	121	91	112	114	140	107	141	132	139
Mortgage Interest Rates (%, weighted average)	2,29	1,94	1,99	2,05	1,95	1,83	1,87	1,86	1,88
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	2,48	2,59	2,57	2,62	2,58	2,50	2,61	2,54	2,60
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	1,58	1,74	1,54	1,47	1,40	1,45	1,38	1,44	1,63
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	42,1	42,3	50,4	44,3	38,3	41,9	40,3	37,7	31,9
Short-term fixed (1Y-5Y initial rate fixation)	55,3	55,0	48,5	53,1	60,4	57,1	57,4	60,1	60,3

Country fact Sheet
by: Nico de Vries, ING

NETHERLANDS

MORTGAGE MARKETS

Market Developments:

The growth of the mortgage market continues to be strong with an increase of 8.1% q-o-q (22% y-o-y). Driven by higher house prices and house sales (16% increase y-o-y). Further growth is expected given the stable interest rates, rising household incomes and ongoing sale of former rental properties by investors.

REGULATION & GOVERNMENT INTERVENTION

The wave of property sales by professional landlords is driven by regulatory and fiscal changes implemented over the past two years. Key factor has been the full enforcement of the Affordable Rent Act earlier this year, which extended tenant protection beyond the social housing sector to include mid-market rentals, significantly reducing rental flexibility for investors. In addition, the transfer tax on buy-to-let properties was raised from 8% to 10.4%, and the deductibility of mortgage interest on rental properties was further restricted, eroding the financial benefits of holding investment properties. Combined, these measures have diminished the attractiveness of the private rental market.

First-time buyers' schemes

In the Netherlands, there are no specific schemes supporting first-time buyers at the national level.

The **Starter Loan** (Starterslening) is a supplementary loan offered by many Dutch municipalities through the Stimuleringsfonds Volkshuisvesting (SVn) to help first-time buyers purchase their first home. It bridges the gap between the maximum mortgage a buyer can obtain based on income and the actual purchase price of the property.

Key features:

- The loan amount is typically up to 20% of the purchase price, with a maximum set by the municipality.
- It is **interest-free** and **repayment-free** for the **first three years**.
- After three years, regular interest and repayment start, based on the borrower's financial situation.
- The Starterslening must be combined with a mortgage that has Nationale Hypotheek Garantie (NHG).
- Eligibility criteria (income limits, maximum property price, age) vary by municipality.

This scheme is designed to make homeownership more accessible for young buyers who cannot fully finance their first home with a standard mortgage.

In the Netherlands, first-time homebuyers aged **18 to 35** can apply for an exemption from paying **real estate transfer tax** (normally 2% of the purchase price) when buying their first home. This exemption applies if:

- The property will be used as the buyer's **main residence**.
- The purchase price does not exceed the legal threshold (e.g., €525,000 in 2025).
- The buyer has **not previously claimed** this exemption.

If these conditions are met, the buyer pays **0% transfer tax** on the purchase.

Purchase Discount (Koopkorting) and KoopGarant

Sometimes housing corporations and developers offer homes at a **discounted price compared to market value** to make homeownership more accessible for first-time buyers. These discounts can range from **10% to 30%** of the property's market value. The buyer agrees to certain conditions, such as resale restrictions or shared profit/loss arrangements when selling the property later.

KoopGarant is a specific regulated discount program. Under this scheme:

- Buyers purchase the home at a discounted price (usually 10–25% below market value).
- The housing corporation retains a buy-back obligation: when the buyer wants to sell, the corporation must repurchase the property.
- Any profit or loss on the property's value is shared between the buyer and the corporation according to agreed %ages.
- This system ensures affordability for starters and provides security for both parties.

KoopGarant is designed to keep homes affordable for future buyers and prevent speculative price increases, while still allowing the buyer to build some equity.

HOUSING MARKETS

Housing Supply:

In the third quarter of 2025, the Netherlands saw a moderate increase in its housing stock. Bringing the total housing stock to 8.32 mn (0.8% y-o-y increase: 67,600 dwellings). The limited expansion reflects ongoing challenges in new construction, including labor shortages, high building costs, and delays in permitting.

Housing Prices:

The upward trend in house prices continues. House prices increased 1.8% q-o-q, 7.8% y-o-y. This growth was supported by persistent demand, limited new construction, and investor sell-offs that added supply without significantly easing structural shortages. While price acceleration has slowed slightly due to affordability constraints and stable mortgage rates, the overall trajectory remains positive, reflecting strong market fundamentals and continued pressure on housing availability.

MORTGAGE INTEREST RATES

Mortgages rates remain stable slightly over 3.6%. The preference for longer fixed term (>5 years) remains unchanged and is chosen for 75% of the new mortgages.

Country fact Sheet

by: Nico de Vries, ING

NETHERLANDS

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	848.120	851.917	858.752	868.001	878.169	887.833	898.929	911.508	924.212
Gross Residential Mortgage Lending (million EUR)	26.897	31.753	27.361	32.012	36.711	42.670	37.104	41.370	44.701
House Price Indices (2015 = 100)	181,9	185,0	189,4	194,8	201,9	206,11	210	214	218
Mortgage Interest Rates (%, weighted average)	3,84	3,84	3,72	3,62	3,66	3,48	3,50	3,58	3,59
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,77	5,07	5,12	5,12	5,22	4,95	4,65	4,30	4,05
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,55	4,58	4,28	4,11	4,12	3,93	3,81	3,75	3,66
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,84	3,84	3,72	3,62	3,66	3,48	3,50	3,58	3,59
Long-term initial fixed period rate, 10-year or more maturity (%)	3,31	3,20	3,07	3,02	3,11	2,99	3,29	3,30	3,24
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	21,58	19,98	18,10	15,89	15,56	15,80	0,16	0,16	0,16
Short-term fixed (1Y-5Y initial rate fixation)	10,63	11,61	15,21	15,86	15,65	15,00	0,12	0,10	0,09
Medium-Term fixed (5Y-10Y initial rate fixation)	45,48	45,43	44,05	47,65	47,88	47,60	0,53	0,56	0,58
Long-Term fixed (over 10Y initial rate fixation)	22,29	22,98	22,63	20,60	20,91	21,50	0,20	0,19	0,17
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS									
Variable rate (up to 1Y initial rate fixation)	0,17	0,17	0,16	0,17	0,16	0,20	0,20	0,21	0,23
Short-term fixed (1Y-5Y initial rate fixation)	1,03	0,98	0,97	1,03	1,01	1,00	1,12	1,16	1,20
Medium-Term fixed (more than 5Y initial rate fixation)	98,80	98,85	98,87	98,80	98,82	98,80	98,68	98,62	98,56

Country fact Sheet

by: Benedikte Fahre and Michael H. Cook, Finans Norway

NORWAY

MORTGAGE MARKETS

Market developments:

The mortage market in Norway has been stable over the third quarter. The total outstanding residential loans at market value is approximately 316 bn EUR in the third quarter of 2025, an increase of 1.3% q-o-q. The NPL ratio on residential loans has been stable the last two years, with a slight increase from 0.66% in the second quarter to 0.68% in the third quarter of 2025.

The Norwegian central bank reduced its policy rate by 0.25 percentage points in June, leading to a lower representative interest rates on residential mortgages during the third quarter. The representative interest rate for new home purchase loans in the third quarter was 5.27%, marking the lowest level since 2023.

Another rate reduction of 0.25 percentage points was implemented by the central bank in September, suggesting that mortgage rates are likely to continue declining in the near term. According to the central bank's latest interest rate projections, approximately one rate cut per year is anticipated through 2028, with the next reduction expected around the second quarter of 2026.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

There are no guaranteeing payments, interest rates schemes, reduction of purchase costs nor shared ownership schemes put in place in Norway to support first time buyers.

Young people's housing savings (BSU account)

A specialized savings account targeting savings for first time buyers. You can save up to NOK 27,500 per year, and total savings in the account cannot exceed NOK 300,000. You get a 10% tax deduction of the yearly savings amount.

To be eligible for the savings account and the following tax deduction you cannot own a home, and you must be under 34 years. The amount is locked for housing purposes, either a down payment on your primary house or other house purposes for your primary home. If you start using the amount you cannot continue to save in the account. If you purchase a primary home without using the account you will not be eligible for the tax deduction anymore, but you can continue to save if you have not yet exceeded the maximum amount of NOK 300,000. The rates in these accounts are higher than in regular savings accounts. The average rate was 6.38% in 2024, but as the Norwegian central bank has reduced its policy rate twice in 2025, the rates on these savings accounts have also declined throughout 2025.

Start loans from the public Husbanken (Housing bank)

The public owned Husbanken can provide start loans, to apply for this loan you do not necessarily have to be a first-time buyer, but there is a scheme for first time buyers in some municipalities in Norway. To be eligible for the loan you must meet a number of requirements, and you cannot be eligible for loan from a regular bank.

The use of flexibility quotas in the lending regulations

The regulation on financial institutions' lending practices provides a set of rules on debt-to-income limits, debt-servicing ability and stress-testing interest rates on mortgages. In the regulation there is a flexibility quota that allows banks to exceed one or several of the rules for a small portion of the loans (8% in Oslo, and 10% in the rest of the country). A review of the banks' use of this quota for new amortization loans included in the flexibility quotas show that the banks used 27% of the quota on first time buyers in 2025.

HOUSING MARKETS

Housing Supply:

Construction starts for new housing increased by 15% q-o-q in the third quarter and 8% y-o-y. Notably, construction starts for apartments declined by 5% q-o-q, indicating that growth was driven primarily by other property types. While these figures suggest an increase in market activity, it is important to note that this improvement comes from historically low levels recorded in 2024. The sector continues to face challenges, including rising defaults, staff reductions, and bankruptcies within Norway's construction industry. Sales of new housing has also increased rising by 3% q-o-q and 6% y-o-y in the third quarter.

House Prices:

The house prices in Norway have increased 1.3% q-o-q, and 5% y-o-y in the third quarter. The increase in house prices has been driven by the reduction of the policy rate, low supply of new housing, a low unemployment rate and strong real wage growth.

Regions in the western part of Norway have recorded the most pronounced price growth over the past quarter. Notably, the two largest cities in this area have seen significant increases, with Stavanger experiencing a y-o-y rise of 15.3% and Bergen registering an increase of 10% over the same period.

In contrast, Oslo that traditionally has been characterized by robust price growth has demonstrated a flatter trend, with a 4.4% y-o-y increase. This moderation in Oslo's price growth has been partly attributed to a higher volume of real estate investors selling their properties, substantially increasing the supply. Recent tax changes have made property rental less attractive and more costly and elevated interest rates have contributed to reduced profitability. Reflecting these shifts, the number of units sold in Oslo reached a record high in 2025, with the number of listed dwellings during the first three quarters of 2025 being 11.7% above the equivalent period in 2024.

MORTGAGE INTEREST RATES

Historically the large majority of the Norwegian mortgages have a variable interest rate, and this is still the case in the third quarter of 2025 with 95.3% of outstanding loans having a variable rate. 2.7% of outstanding loans have a short term fixed rate (1Y-3Y).

Country fact Sheet

NORWAY

by: Benedikte Fahre and Michael H. Cook, Finans Norway

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	306.913	309.017	297.870	308.843	301.498	303.167	316.027	309.665	316.733
House Price Indices (2015 = 100)	141,0	141,0	142,0	144,0	145,0	147,0	151,0	150,0	152,5
Mortgage Interest Rates (%, weighted average)	4,69	5,34	5,56	5,71	5,72	5,58	5,63	5,62	5,27
MORTGAGE INTEREST RATES									
Variable rate	5,36	5,78	5,93	5,91	5,89	5,86	5,83	5,79	5,50
Short term fixed (3M-12M initial rate fixation)	3,1	3,12	3,29	3,45	3,7	3,84	3,93	4,06	4,10
Short-term fixed (1Y-3Y initial rate fixation)	2,99	3,07	3,25	3,47	3,9	4,16	4,24	4,3	4,11
Medium-Term fixed (3Y-5Y initial rate fixation)	3,59	3,78	3,96	4,04	4,06	4,01	4,02	3,94	4,35
Long-Term fixed (over 5Y initial rate fixation)	2,95	2,96	2,96	2,97	3,08	3,04	3,09	3,23	3,79
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate	95,93	95,85	95,98	95,33	94,93	95,03	95,15	95,32	95,32
Short term fixed (3M-12M initial rate fixation)	0,58	0,74	0,8	0,79	0,58	0,54	0,65	0,72	0,72
Short-term fixed (1Y-3Y initial rate fixation)	1,70	1,77	1,69	2,2	2,84	2,88	2,80	2,66	2,66
Medium-Term fixed (3Y-5Y initial rate fixation)	0,84	0,73	0,66	0,83	0,91	0,84	0,79	0,76	0,76
Long-Term fixed (over 5Y initial rate fixation)	0,94	0,92	0,87	0,85	0,75	0,71	0,62	0,54	0,54

Country fact Sheet

by: Agnieszka Nierodka, Polish Bank Association

POLAND

MORTGAGE MARKETS

Market developments:

Total outstanding residential mortgage debt reached ~PLN 507.8bn at the end of Q3 2025, +1.3% quarter-on-quarter and +2.8% year-on-year. The market grew mainly because new lending accelerated, supported by NBP rate cuts (improving affordability/credit capacity) and still-strong housing demand. Banks originated about 64.8k mortgages worth ~PLN 27.4bn in Q3 2025 (+17% q/q and +41% y/y by number; +19% q/q and +45% y/y by value). The average amount of mortgage loan in 3Q 2025 was PLN 450 411 (+1,6% q/q and + 6,8% y/y).

A notable feature is that the number of active mortgage contracts fell by 4,6% y/y (while the value of the portfolio still rose), consistent with early repayments, loan consolidation, and borrowers switching product terms rather than large-scale external refinancing.

Further NBP rate moves: additional cuts would typically support demand and origination volumes; reversals would do the opposite. Q3 demand was already helped by a sequence of rate cuts that lowered the reference rate from 5.75% to 4.75% over 2025.

Capital / macroprudential settings: from 25 Sep 2025 the CCyB is 1%, and the Financial Stability Committee continues to signal a path toward a 2% target (phased). This can tighten banks' capital constraints at the margin, affecting pricing and credit supply.

REGULATION & GOVERNMENT INTERVENTION

An important event in the third quarter was the signing on August 5, 2025, of an amendment to the act on social forms of housing development. From the perspective of the supply of rental and municipal housing, it is important to increase the limits for financing social and municipal housing construction until 2030 (a total of PLN 39.4 billion) and extending and increasing the budget of the social rental housing program to PLN 7 billion, which strengthens the institutional tools for supporting the housing segment outside the commercial market.

It is also worth noting the regulatory factor that may influence investment decisions at the end of 2025. Due to the fact that from the beginning of 2026, projects submitted together with a building permit application must take into account the requirements for emergency shelters, an increased influx of building permit applications can be expected before the end of the year. This is consistent with the strong increase in the number of building permits issued in Q3 2025.

First-time buyers' schemes

The name of the programme in place in Poland is called *"Family Home Loan"* (Rodzinny Kredyt Mieszkaniowy).

The total amount covered by the guarantee for the family housing loan and the borrower's own contribution shall not exceed PLN 200,000 and may not exceed 20% or 30% of the total amount of expenses for which the loan is taken out.

In addition, the program offers a so-called family repayment, where part of the loan principal is repaid from the program funds when the borrower's household grows by a second or subsequent child. The borrower receives PLN 20,000 for the second child and PLN 60,000 for the third and each subsequent child, and the money goes directly to the lending bank, reducing the debt. The condition is that the borrower does not own another apartment and submits an application together with a birth certificate within one year of the family expanding.

The program is aimed at creditworthy individuals who do not have the funds required by banks for a down payment, including singles, people raising at least one child together, married couples, and large families. There's no age limit.

The borrower and members of their household may not own another apartment, unless the household includes two or more children. In this case, they may jointly own one other apartment, but no larger than 50m^2 if there are two children, 75m^2 if there are three children, and 90m^2 if there are four children. For families with five or more children, there is no longer a size limit.

The minimum term for which a guaranteed mortgage loan will be granted is 15 years. A family mortgage loan will be granted up to 100% of the purchase price of an apartment or the cost of building a single-family house, including the finishing of the property.

There is also a limit on the price of residential property, published quarterly. This limit varies depending on the market on which the property is purchased (primary or secondary) and the location of the property (three types of location, taking into account provinces, provincial capitals, and municipalities adjacent to these cities).

The schemes subsidising interest rates for first time buyers in Poland is an installment subsidy program called *"Safe Credit 2%"* (Bezpieczny Kredyt 2%). The recruitment period suspended as of the Q3 2025. This was a classic installment subsidy mechanism (interest subsidy), but applications for new applicants were suspended on January 2, 2024. The program continues to operate for those who submitted applications earlier, but it is not currently an "open" relief for new buyers.

Under the program, the state subsidizes the installments so that the cost of the loan corresponds to an interest rate of 2% (the subsidy mechanism is calculated as the difference between the market fixed rate and 2%). Subsidies are available for 10 years. After 10 years, when the subsidies end, the loan continues to be repaid according to the terms of the agreement and, as a rule, switches to a variable interest rate.

The persons eligible for the program have to be younger than 45 years of age, do not own and have never owned an apartment/house or cooperative rights to an apartment/house (in the case of married couples/parents with children, it is sufficient for at least one person to meet the age requirement).

The purpose of the program is the purchase of a first apartment/house (primary or secondary market) or construction of a house.

The loan amount limits is up to PLN 500,000 (single person) or PLN 600,000 (married couple or parents with a child) and the own contribution can be maximum PLN 200,000. Nonetheless there is no price limit per square meter applicable under this program.

Country fact Sheet

POLAND

by: Agnieszka Nierodka, Polish Bank Association

HOUSING MARKETS

Housing Supply:

In Q3 2025, the number of dwellings for which building permits were issued rose to 69,309, representing a strong acceleration both quarter-on-quarter (+20.8%) and a decline of less than 8% year-on-year. At the same time, the number of dwellings whose construction had commenced amounted to 55,300 and was practically stable compared to Q2 (+0.006%), and less than 6% lower than a year earlier. On the side of dwellings completed, 52,892 units were recorded, i.e., an increase of 14.60% q/q and 7.7% y/y.

House Prices:

In addition to the decline in mortgage interest rates observed since mid-2025, another factor significantly affecting the housing market was the stabilization or even decline in real estate transaction prices on a quarterly basis. From a price perspective, Q3 2025 confirmed the market's transition to a phase of stabilization, with clear differences between the primary and secondary markets and between cities.

On the primary market the biggest increases q/q were recorded in: Opole (+5.5%), Bydgoszcz (+4.9%), and Gdynia (+2.8%). The biggest decreases were observed in Białystok (-3.8%), and in Wrocław (-3.3%).

On the secondary market the biggest increases q/q were recorded in: Zielona Góra (+7.1%), Opole (+3.8%), and Olsztyn (+3.2%). The biggest decreases were observed in Kraków (-1.7%), and in Gdańsk (-1.4%)

In Warsaw prices decreased by 0.6% q/q on primary market and by 0.8% on secondary market.

MORTGAGE INTEREST RATES

In Q3 2025, about 77% of new mortgages (by number) were originated with periodically fixed rates (and about 23% variable). This share was broadly unchanged compared to Q2.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	104.439	110.595	112.440	113.555	115.385	116.045	118.405	118.108	118.914
Gross Residential Mortgage Lending (million EUR)	3.288	5.766	6.291	4.277	4.419	4.539	4.664	5.485	6.414
House Price Indices	188,0	194,0	205,0	213,0	218,1	220,4	222,0	223,0	221,0
(2015 = 100)	8,00	7,70	7,60	7,90	7,60	7,50	7,60	6,80	6,60
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	8,90	7,80	8,00	7,90	7,80	7,90	7,90	7,30	7,00
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	7,80	7,60	7,50	7,90	7,50	7,40	7,50	6,60	6,50
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS									
Variable rate (up to 1Y initial rate fixation)	85,2	81,0	77,4	75,4	73,3	70,9	68,6	66,8	64,4
Short-term fixed (1Y-5Y initial rate fixation)	14,8	19,0	22,6	24,6	26,7	29,1	31,4	33,2	35,6
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	23,3	17,2	17,4	32,2	24,9	13,1	21,1	25,6	24,6
Short-term fixed (1Y-5Y initial rate fixation)	76,7	82,8	82,6	67,8	75,2	86,9	78,9	74,4	75,4

PORTUGAL

MORTGAGE MARKETS

Market developments:

The outstanding stock of household credit in Portugal increased by EUR 3.3 bn (+2.4%) between June 2025 and September 2025, reaching EUR 141.3 bn. On a year-to-date basis, outstanding household credit expanded by EUR 8.5 bn (+6.4%), with housing loans accounting for 80.6% of total household credit net flows in 2025.

The outstanding stock of housing loans reached EUR 108 bn in September 2025, reflecting net positive flows of EUR 2.8 bn (+2.6%) in the Q3 of 2025 and an increase of EUR 6.9 bn relative to December 2024 (+8.4%). Loans granted for the purchase of owner-occupied primary residences to borrowers aged 35 or under(1) accounted for 59,6% of gross new housing lending in September 2025, broadly in line with the 2025 average of 59.2%.

Net housing loan flows(2) amounted to EUR 3.8 bn in the Q3 of 2025, increasing by EUR 0.1 bn compared with the Q2 and by EUR 1.0 bn relative to the first quarter. This development was driven by a rise in gross new lending excluding refinancing, from EUR 5.7 bn in the Q2 of 2025 to EUR 6.0 bn in the Q3, combined with a stabilisation of early repayments, which remained unchanged at EUR 2.1 bn quarter-on-quarter. Therefore, the early repayment rate has continued to decline, with early repayments averaging 0.7% of the outstanding housing loan stock per month in 2025, compared with 1% in 2024.

The cumulative volume of refinanced and renegotiated housing loans up to September 2025 (EUR 3.9 bn) was 31% lower than in the corresponding period of 2024 (EUR 5.7 bn). Accordingly, the share of refinancing and renegotiations in total gross new housing lending has continued to decrease, falling to 19% in the Q3 of 2025, the second lowest level observed since December 2022 (13.4%).

The evolution of commercial, political and macroeconomic factors in Portugal may be influenced, in the near future, by several factors. Inflation, interest rates, GDP growth and labour market developments are some of the key elements to be monitored, along with the behaviour of stock markets and the banking system, namely in what concerns to exposures to Non-Banking Financial Institutions and the Commercial Real Estate market.

Political uncertainty and global issues such as trade policies and the energy crisis can also have a significant impact. The legislative elections of May 18 strengthened the position of the centre-right Democratic Alliance (AD) coalition of the previous government, amid a loss of left-wing voters and the end of bipartisanship in the Portuguese political system, leading to some reduction in the likelihood of political instability in the country. However, given the lack of a parliamentary majority, the risk remains arising from the need for support from other parties in the Parliament (Assembly of the Republic) to the Government.

Furthermore, the political fragmentation resulting from the elections also increases the risk of legislative paralysis and of potential difficulties in approving important reforms and public projects, as well as in the management of EU funds, with potential adverse impacts on economic activity.

It should be noted, however, that the State Budget for 2026 was approved on November 27, 2025, with the votes in favour of the AD Government coalition and the abstention of the Socialist Party (PS), the second largest opposition party, which allowed its approval, despite the votes against from the remaining parties.

The economy is expected to evolve favourably in the near future, with GDP estimated to grow this year and next at a rate of around 2.0%, while inflation is expected to maintain its slowdown trend and the labour market showing slight additional improvements, despite the aforementioned risks and uncertainties currently existing, particularly those arising from the global geopolitical context and the ongoing trade war, in addition to pressure on families' financial capacity (e.g., continued rise in house prices) and the aforementioned potential governance difficulties of the new minority government.

(1) Borrowers aged 35 or under benefit from a government-supported scheme aimed at facilitating access to owner-occupied primary residences (details of this programme are provided in a subsequent section).

(2) For statistical purposes, net housing loan flows are defined as gross new lending excluding refinancing minus early repayments over the reference period, while outstanding amounts refer to end-of-period stocks.

REGULATION & GOVERNMENT INTERVENTION

In early July 2025, the Bank of Portugal published Notice ("Aviso") No. 3/2025, which updates the rules for informing clients about the State's personal guarantee scheme for loans for primary and permanent housing for young people up to 35 years old. The Notice extended these information requirements to authorized financial companies, not just banks, ensuring transparency and equal treatment of clients regardless of the type of institution granting the loan. The changes made may make this scheme more accessible and well-known and potentially facilitate access to credit for young buyers—a segment that is relevant in the real estate market.

It is also worth noting that the Bank of Portugal decided to maintain the 4% capital reserve for systemic risk in mortgage lending in 2025, a preventive measure to increase the resilience of Portuguese banks in the face of a possible crisis in the residential real estate market. This measure has been in effect since October 1, 2024, and was confirmed in November 2025 (i.e., in the 4th quarter), after an assessment of the context and its effectiveness.

Also noteworthy is that the European Investment Bank (EIB) approved a framework loan of EUR 1.34 bn to support the construction and renovation of approximately 12,000 affordable housing units in Portugal. On September 18th, it signed an agreement with the Portuguese Republic to release the first tranche of EUR 450 mn of the total approved funding. This agreement contributes to addressing housing needs in the country, simultaneously promoting social inclusion, territorial cohesion, and environmental sustainability throughout the national territory.

First-time buyers' schemes

In Portugal there is a state guarantee program to support first-time homebuyers, called the *„State Public Guarantee on housing credit for young people"*, mainly aimed at young people up to 35 years old who are buying their own permanent home. This guarantee is in effect under recent legal measures and can be used until the end of 2026 (for contracts signed until December 31, 2026). This guarantor was approved by the government in July 2024, through Decree-Law ("Decreto-Lei") 44/2024, which establishes a guarantee provision for credit institutions to assist young people (up to 35 years of age) in purchasing their first home. The legal framework for this initiative was published in September 2024 (Ordinance 236-A/2024/1), which outlines the conditions for granting these guarantees, namely a maximum limit of 15% of the transaction value for a maximum term of 10 years.

Up to 15% of the property transaction value is guaranteed (the lower of the purchase price and appraised value). This means the State acts as guarantor for this portion of the risk, allowing banks to finance up to 100% of the property value, therefore allowing for no down payment.

No loan to fund the deposit is available to the guarantee. The state guarantee serves to enable the granting of the loan for the property purchase up to 100% of its value, making an initial down payment with own capital unnecessary.

The young people (first-time buyers) able to benefit from the Public Guarantee, must meet the following conditions:

i. Be between 18 and 35 years old and have a tax address in Portugal;
ii. Income cannot exceed the 8th income tax bracket, i.e., EUR83,696 (2025);
iii. Not own, in whole or in part, any other residential property;
iv. The loan must be for the purchase of their first permanent home;
v. The value of the property to be acquired cannot exceed EUR450,000;
vi. No debts with the Tax Authorities or Social Security

For the purposes of this scheme, all property purchasers must be the borrowers and meet all the established conditions.

This state guarantee is granted only once — it cannot be used again if you have already benefited from it in the past. The scheme applies to loan agreements signed until December 31, 2026. The State assumes the guarantee for a maximum period of 10 years from the signing of the contract. The measure does not cover loans for construction, improvement works or financial leasing

The Portuguese state has a mortgage interest rate subsidy scheme for families with loans granted to purchase, build, or rehabilitate their primary and permanent residence and who are experiencing high levels of financial strain (subsidy up to approximately EUR 800 /year), but this is not a program specifically for first-time homebuyers.

Portugal has a tax regime that substantially reduces the initial costs of buying a home for first-time buyers, through exemptions from the Municipal Property Transfer Tax (IMT) and Stamp Duty for young people up to 35 years old. This regime came into effect with the publication of Decree-Law No. 48-A/2024, in August 2024, as part of the Government's "New Housing Strategy". This programme is called the *"Exemption from Municipal Property Transfer Tax"* (IMT) and *"Stamp Duty"*. In many cases, the measure includes exemption from registration and deed fees for these young buyers.

Property Transfer Tax (IMT) and Stamp Duty exemption will be total for properties up to EUR 316,772 (acquisition value) when it is the first permanent residence of a young person up to 35 years old. The exemption will only be partial if the property has a value between EUR 316,772 and EUR 633,453 (the exemption applies up to EUR 316,772 and the tax only applies to the value exceeding this limit). There is no exemption for properties valued above EUR 633,453.

The buyer must be up to 35 years old on the date of the deed or acquisition. They must not have previously owned any property intended for permanent residence.

If one person in the couple is eligible (for example, under 35 years old and meets the requirements), it will be possible to benefit partially (for example, exemption applicable only to the corresponding share of the eligible buyer).

The intended use of the property must be the owner's permanent residence and cannot be used for long-term rentals or tourism for a minimum period of time (at least 6 years).

Finally, in Portugal, there is currently no specific and comprehensive shared ownership scheme (such as shared equity or shared ownership with public participation in the property).

HOUSING MARKETS

Housing Supply:

On September 18, 2025, the Government approved a package of measures aimed at increasing the public housing supply, including the creation of the Partnerships for Affordable Rentals *("Parcerias para o Arrendamento a Preços Moderados")* program. The sale of public properties to finance housing programs was also authorized, and amendments were introduced to the "1st Right" and the Public Contracts Code to facilitate and accelerate public housing solutions. These measures are intended to increase the supply of affordable housing, a structural factor that can alleviate pressure on residential market prices and, consequently, on the mortgage market in the medium term.

According to data made available by INE, Statistics Portugal, completed dwellings in new constructions for family housing reached a q-o-q increase of 4.7% in Q3 (8.7% y-o-y), which compares to a -1.9% q-o-q change in Q2.

In what regards licensed dwellings in new constructions for family housing (start of constructions), Q3 showed a -8.8% decrease when compared to Q2, although on a y-o-y analysis this indicator reached a 7.3% increase.

As relevant factors to this evolution, one might highlight the declining market interest rates coupled with the implementation of a public policy named "Building Portugal" *(Construir Portugal)* mainly oriented towards the offer side of the market, that established, among other initiatives, a new exceptional and temporary regime that accelerates private and cooperative projects or the thorough review of urban licensing, with simplified and more effective procedures.

Country fact Sheet

by: Banco Montepio

PORTUGAL

House Prices:

House prices have continued to rise at a robust pace. The September Housing Market Survey indicates that 34% more respondents reported price increases than decreases — up from 20% in June. This growth has been driven primarily by Lisbon and Porto, which have outperformed the Algarve. Despite only steady or even softer transaction activity, the market shows no signs of cooling in terms of price growth.

MORTGAGE INTEREST RATES

The share of new loans with variable rates (defined as up to one year of initial rate fixation) increased to 28.5% in Q3 2025, up from 20.3% in Q3 2024 — indicating a growing borrower preference for floating-rate products. No new mortgage types have been introduced, and the three existing categories — Floating, Fixed-to-Floating, and Fixed — remain unchanged. Following market interest rates trend, the variable rates have been declining since Q4 2023, from 4.9%, to 2.8% in Q3 2025.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	99.738	99.442	99.542	100.250	101.410	102.939	104.960	107.284	110.116
Gross Residential Mortgage Lending (million EUR)	6.574	6.743	5.991	5.944	5.732	6.872	6.531	6.912	7.332
House Price Indices (2015 = 100)	208,48	211,27	212,45	220,74	228,89	235,68	247,05	258,78	269,35
Mortgage Interest Rates (%, weighted average)	4,51	4,73	4,68	4,56	4,35	4,00	3,67	3,39	3,19
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	55,4	37,3	32,7	27,9	20,3	22,0	26,0	23,9	28,5
Short-term fixed (1Y-5Y initial rate fixation)									
Medium-Term fixed (5Y-10Y initial rate fixation)	44,6	62,7	67,3	72,1	79,7	78,0	74,0	76,1	71,5
Long-Term fixed (over 10Y initial rate fixation)									

Country fact Sheet

by: Stefan Dina, Romania Banking Association

ROMANIA

MORTGAGE MARKETS

Market developments:

In the third quarter of 2025, gross new residential lending saw a 5.8% increase compared to the previous quarter and a 20% rise compared to the same period in 2024. However, the annual growth rate is among the lowest recorded in Romania over the past two years.

The mortgage loans' quality showed further improvement in 2025 Q3, with the non-performing loans ratio (NPL) standing at 1.52%, lower by 0.1 percentage points compared to the same period of the previous year.

According to the November 2025 Bank Lending Survey, credit institutions in Romania reported a tightening of credit standards in Q3 2025, driven by concerns over the anticipated financial standing of households. They expect these conditions to remain stable through the fourth quarter of 2025.

In Romania, the decline in households' real income, driven by fiscal consolidation measures, could have an impact on the mortgage market. In September, the real median household income dropped by approximately 6% compared to the previous year, reducing affordability for many households. This trend is likely to continue in the near future, as most fiscal measures are set to be fully implemented in 2026.

REGULATION & GOVERNMENT INTERVENTION

In Q3 2025, Romania implemented significant changes to the VAT regime for real estate transactions. The standard VAT rate increased from 19 to 21%, now applying to all new residential properties.

First-time buyers' schemes

The Romanian government offers a guarantee program designed to support first-time homebuyers, making it easier for them to access financing under certain conditions. This initiative, known as the *Noua Casă* (Engl. *New Home*) program, renewed in April 2025, helps eligible buyers by providing government-backed guarantees, which enables them to secure loans with lower interest rates and reduced down payment requirements. The program aims to make homeownership more accessible for young individuals and families who may otherwise face challenges in purchasing a property.

- For homes priced up to EUR 70,000, whether new, old or reconsolidated, the mandatory minimum down payment is 5%, and the maximum government guarantee is 50%. Regarding homes priced between pp70,001 and EUR 140,000, considered new homes, the downpayment is 15%, whereas the maximum government guarantee is 60%. The program also allows the purchase of properties with values exceeding EUR 70,000 / EUR 140,000, provided that the difference is covered from the buyer's own funds.
- There is no age limit to participate in the program. For joint buyers, none of the applicants should already own a home. If one partner has previously benefited from the program or already owns a property, the other partner may still be eligible if applying as a single buyer. Additionally, an applicant may own at most one property with a usable area of less than 50 m², provided it was not purchased through the program beforehand.

There is no law forbidding borrowing money to fund the deposit. But it's important to notice that for loans under this program, borrowers should have a DSTI under 45%.

Under the *Noua Casă* program, the interest rate is variable, calculated based on the Reference Index for Consumer Loans (IRCC), to which a fixed margin of approximately 2% is added.

There used to be a reduction in VAT for homes purchased under the program *Noua Casă*, but this facility has been eliminated since August 1st 2025, as part of fiscal consolidation measures taken by the Romanian government.

HOUSING MARKETS

Housing Supply:

The annual growth rate of residential building permits has followed a steady upward trend throughout 2025. In the third quarter, the number of permits issued increased by 24% compared to the same period of the previous year. By contrast, housing completions declined by 6% in Q2 2025 relative to Q2 2024. The contraction was particularly pronounced in urban areas, where the number of completed dwellings fell by 14%. Meanwhile, construction costs continued to rise in Q3 2025, posting an annual increase of 7.5%. This growth was driven primarily by higher labor costs in the construction sector, which continue to outpace wage growth in the broader economy.

House Prices:

House prices in Romania rose by 4.7% on an annual basis in Q2 2025. This increase is broadly in line with growth observed in previous quarters and closely matches the European Union average increase of 5.4%.

MORTGAGE INTEREST RATES

The representative interest rate on new loans for house purchases decreased in the third quarter of 2025, standing at 5.8% (down 0.4%age points compared to Q3 2024). Short-term fixed-rate loans continue to dominate, comprising 68.1% of new credit volumes, with their cost decreasing slightly to 5.7% on a annual basis. The average interest rate for variable-rate loans has declined to 6.5% (-0.9%age points compared to Q3 2024), remaining the most expensive type of credit and accounting for 24.5% of new loan volumes (down from 27.4% in Q3 2024). The average interest rate for medium-term fixed-rate loans remained constant at 5%, while its market share in new loans decreased by 2.3%age points from Q3 2024. Long-term fixed interest rates saw a reduction in cost to 5.8% (compared to 6.3% in Q3 2024), with a significant decrease in market share to 2.1% (down 6.7%age points from 8.8% in Q3 2024).

Country fact Sheet

by: Stefan Dina, Romania Banking Association

ROMANIA

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	21.076	21.218	21.258	21.424	21.691	22.127	22.349	22.411	22.752
Gross Residential Mortgage Lending (million EUR)	893	1.014	891	1.063	1.175	1.464	1.255	1.317	1.386
House Price Indices (2015 = 100)	150,0	152,3	154,3	155,1	155,9	158,4	161,8	162,38	n/a
Mortgage Interest Rates (%, weighted average)	6,92	6,82	6,69	6,44	6,23	6,01	5,88	5,81	5,84
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	7,57	7,56	7,65	7,61	7,43	6,84	6,45	6,43	6,52
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	6,41	6,33	6,23	6,02	5,83	5,71	5,69	5,64	5,67
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,98	5,01	5,29	4,99	5,03	5,02	4,97	4,96	4,97
Long-term initial fixed period rate, 10-year or more maturity (%)	6,95	6,95	6,51	6,24	6,30	6,20	6,11	5,85	5,85
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	54,8	48,5	40,7	31,2	27,41	28,0	28,7	25,5	24,5
Short-term fixed (1Y-5Y initial rate fixation)	27,5	35,5	39,1	51,4	56,11	58,6	60,5	63,3	68,1
Medium-Term fixed (5Y-10Y initial rate fixation)	11,1	10,4	13,7	8,8	7,66	6,6	6,1	5,6	5,3
Long-Term fixed (over 10Y initial rate fixation)	6,6	5,6	6,5	8,6	8,83	6,8	4,8	5,5	2,1

Country fact Sheet

by: Jelena Ćirjaković, Bank of Slovenia

SLOVENIA

MORTGAGE MARKETS

Market developments:

In 2025, demand for housing loans increased and was driven by lower interest rates, along relatively favourable economic conditions with low unemployment and real wage growth. The annual growth of outstanding residential loans increased from 3.9% at the end of 2024 up to 7.4% y-o-y by the end of the third quarter of 2025. The volume of total outstanding residential loans therefore rose to EUR 9.1 bn. In the first three quarters of 2025 new residential loans increased by more than half, amounting to a total of EUR 1.57 bn.

According to the bank lending survey (BLS), demand for housing loans in the third quarter of 2025 increased mainly due to the lower overall level of interest rates, higher consumer confidence and loans from other banks. Despite higher growth in residential loans in the recent period, the share of residential loans in GDP remains significantly lower than the euro area average. The share of non-performing exposures (NPE) remained stable at 0.9% by the end of the third quarter of 2025.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

The Housing Guarantee Scheme Act for Young People (ZSJSM), adopted in 2022, stipulates that the state will provide young Slovenian citizens with permanent residence in Slovenia a guarantee for a bank loan of up to EUR 200,000 for their first housing solution, with a term of up to 30 years. The total amount of the quota under the guarantee scheme amounts to EUR 300 mn per year and will be renewed annually at this amount until the end of 2032, the law further stipulates. The borrower needs to secure the loan with a mortgage and provide their own contribution of at least 20% of the loan principal. Guarantees for housing loans are intended for young people up to 38 years old, who must also meet the condition of either being members of a young family or being employed with an average net salary in the three months prior to submitting the loan application equal to or lower than 1.5 times the average monthly net salary in Slovenia. Their total taxable income, which is not exempt from income tax, in the year prior to taking out the loan must not exceed 1.5 times the average annual net salary in Slovenia.*

There has been however so far very little interest from the banks for this scheme.

Support comes also through the Housing Fund of the Republic of Slovenia, that offers housing units for rent with a priority in the selection of tenants given to young people and families, most of them being first-time buyers.

HOUSING MARKETS

Housing Supply:

Demand for residential properties continued to exceed supply. The construction of new residential properties is hindered by high construction costs and a shortage of workers, while the market also lacks suitable land for building residential buildings. In the first three quarters of 2025, the number of flats in residential buildings for which building permits were issued fell by 14.7% y-o-y and stood at 2,836 flats. However, during this period, after two years of decline, the number of buildings for which building permits were issued increased by 6.4% y-o-y to 1,921 buildings.

In the third quarter of 2025, economic growth was 1.7% y-o-y, with construction increasing most, by 14.2% y-o-y. Gross fixed capital formation increased by 9.1%, however investment in residential buildings continued to decrease (by 7.2% in the third quarter of 2025). Confidence in construction improved somewhat by the end of the third quarter of 2025, with increases in both the volume of construction work and total orders as well as expected employment, mainly due to the increased scale of public infrastructure projects.

The number of residential property sales increased in 2025 after nearly three years of decline. In the first three quarters of 2025 the y-o-y growth in sales was 30.5%, with a total of 8,078 flats and family houses being sold. The sale of existing flats in Ljubljana increased by around 30% y-o-y, 36.8% in Maribor and by over a half in the rest of Slovenia, while the sale of existing houses rose by more than a third. In the first three quarters of 2025 the share of sales of newly built residential properties in all sales stood at around 4%.

House Prices:

After increasing by 7.5% in 2024, house prices continued to rise in 2025, although at a slower pace. The SORS data shows, that in the third quarter of 2025 house prices increased by 2.7% y-o-y. Compared to the previous quarter, when they increased by 3.8% q-o-q, house prices however fell by 1.1% q-o-q. In the third quarter of 2025, the prices of existing dwellings (flats and family houses) increased by 5.2% y-o-y, while compared to the previous quarter they increased by 0.8%.

In the third quarter of 2025, the prices of newly built dwellings fell significantly, by 9.5% y-o-y, after increasing by 1% y-o-y in the second quarter of 2025. The prices of newly built dwellings fell by 10.6% q-o-q, after increasing by 9.9% q-o-q in the previous quarter.

House prices rose across all regions in Slovenia, however at different rates. In the last year, house prices in the capital, Ljubljana, have been growing at a slower pace compared to the rest of Slovenia. In the third quarter of 2025, the growth in prices of existing flats in Ljubljana stood at 3.4%, while prices in Maribor rose by 9.8% and in the rest of Slovenia by 6.9% y-o-y.

MORTGAGE INTEREST RATES

Fixed interest rates for newly approved housing loans greatly dominate over variable rates. The share of variable rate loans in total loans for house purchase decreased fom 2.45% in December 2024 to 1.07% in June 2025, when it started again to increase and in September 2025 the share stood at 2.07%. Fixed interest rates for newly approved housing loans decreased from 3.1% in December 2024 to 2.8% by September 2025.

*For further information: https://www.sid.si/banke/stanovanjska-jamstvena-shema-za-mlade-zsjsm

Country fact Sheet

by: Jelena Ćirjaković, Bank of Slovenia

SLOVENIA

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	8.235	8.272	8.303	8.392	8.488	8.598	8.710	8.914	9.119
Gross Residential Mortgage Lending (million EUR)	278	320	310	353	360	390	429	559	578
House Price Indices (2015 = 100)	186,3	191,2	195,4	198,3	201,5	205,7	201,7	209,3	207,0
Mortgage Interest Rates (%, weighted average)	4,03	3,96	3,81	3,68	3,44	3,18	2,99	2,86	2,83
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	5,41	5,8	5,3	5,42	4,88	4,97	3,98	3,51	3,63
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	3,74	3,3	3,99	3,37	3,52	3,6	3,28	2,93	3,04
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,74	3,88	3,72	3,56	3,39	3,01	2,91	2,85	2,72
Long-term initial fixed period rate, 10-year or more maturity (%)	4,04	3,95	3,79	3,67	3,4	3,15	2,98	2,85	2,83
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	3,2	2,6	2,8	1,8	2,0	2,0	1,9	1,2	1,56
Short-term fixed (1Y-5Y initial rate fixation)	1,6	1,7	1,6	2,3	2,3	1,7	1,6	1,2	0,96
Medium-Term fixed (5Y-10Y initial rate fixation)	13,8	12,9	14,4	15,1	13,9	15,1	17,7	17,0	14,41
Long-Term fixed (over 10Y initial rate fixation)	81,4	82,8	81,1	80,7	81,7	81,1	78,8	80,5	83,07

Country fact Sheet
by: Leyre Lopez, Asociación Hipotecaria Española

SPAIN

MORTGAGE MARKETS

Market developments:

The mortgage outstanding volume continued to accelerate, growing by 3% y-o-y supported by the strong dynamism of new mortgage lending driven by solid demand. Remortgaging activity declined slightly, accounting for 6% of new mortgages, down from 8%.

REGULATION & GOVERNMENT INTERVENTION

In 2026 the new State Housing Plan (2026-2030) will enter into force. This plan aims to expand the social and affordable housing stock, promote urban rehabilitation and regeneration, and support youth emancipation. It is being introduced in a context in which housing has become a critical issue due to rising housing prices and a shortage of available dwellings. In addition, in building renovation, the Ministry of Housing and Urban Agenda has presented a draft National Housing Renovation Plan. This initiative responds to the partial transposition of Directive (EU) 2024/1275 of the European Parliament and of the Council on the energy performance of buildings.
Separately, the Bank of Spain has approved a new regulation to simplify banks' accounting information, aligning it with the financial reporting standards adopted by the European Union.

First-time buyers' schemes

A State Guarantee Scheme is currently in place to support housing affordability for young people under 36 years and for families with children. This programme is endowed with up to EUR 2.5 bn and covers up to 20% of the loan amount, or up to 25% when the mortgage is secured by a dwelling that meets energy efficiency standards. Eligibility is subject to income limits and maximum purchase price, which vary depending on the Autonomous Community where the property is located.
In addition, several autonomous communities -such as Madrid, Andalusia, the Balearic Islands, Galicia, Murcia and Castile and Leon- have implemented their own public guarantee programmes for FTB. Most of these schemes impose income and purchase price limits (with Madrid being an exception regarding income limits). Age eligibility generally caps applicants at 35 years, except in Madrid, where the limit has been extended to 50 years, and in the Balearic Islands, where no age limit applies.

Some regions offer tax deductions on interest expenses for the purchasing of a home by FTB. This is the case of Madrid, where deductions apply to buyers up to 30 years, as well as in other regions, such as Castilla-La Mancha and Extremadura, which set age limits at 40 and 35 years, respectively.
At the national level, the Code of Best Practices (Known in Spain as the *Código de Buenas Prácticas or CBP*) provides for interest rate reductions under certain circumstances of borrower vulnerability.

The current State Housing Plan provides aid of up to EUR 10,800 for FTB under 35 who purchase their first home in an area affected by rural depopulation.
At regional level, some autonomous communities offer tax deductions for investment in a primary residence for young people buying their first home, such as Andalusia, the Canary Islands, Valencia, Castilla and Leon, Murcia and La Rioja. In addition, several communities set reduced taxes in the Stamp Duty or in the Property Transfer Tax for FTB, generally under 36 years of age.

HOUSING MARKETS

Housing Supply:

Construction starts indicators point to close the year as an all-time high of the last decade, although activity remains insufficient considering net household formation and the existing structural housing deficit. Housing permits increased by 8% between January and October, but growth has been constrained by limited land availability, administrative hurdles in urban development and planning processes and labour shortage.

House Prices:

Housing price growth continued to be driven by the shortage of available homes. In the last quarter, prices rose by 3% in q-o-q terms (same level as in the previous quarter) and by 12% in y-o-y terms.
Although housing price growth was widespread, some regional heterogeneity was observed. Areas experiencing strong demographic pressure, such as Madrid, as well as coastal regions with a higher presence of international buyers stood out, recording nominal price increases of over 40% since 2019, compared with around 30% at the national level.

MORTGAGE INTEREST RATES

Fixed rates mortgages continue to dominate the market, accounting for 93% of new loans. Within this segment, long-term fixed rate loans stood out, supported by a more moderate decline in interest rates.

Country fact Sheet

by: Leyre Lopez, Asociación Hipotecaria Española

SPAIN

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	475.055	471.915	470.137	471.396	472.491	474.501	477.535	483.067	487.079
Gross Residential Mortgage Lending (million EUR)	13.172	14.942	15.507	17.674	15.949	18.822	19.444	21.794	19.197
House Price Indices (2015 = 100)	122,8	124,9	126,5	128,5	130,2	133,7	137,8	141,9	146,0
Mortgage Interest Rates (%, weighted average)	3,90	3,86	3,57	3,45	3,32	3,05	2,85	2,72	2,66
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,50	4,52	3,95	4,32	4,10	3,61	3,24	3,04	2,85
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,62	4,53	4,10	4,02	3,97	3,50	3,31	3,16	3,07
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,02	3,91	3,87	3,91	4,06	3,63	3,69	3,62	3,48
Long-term initial fixed period rate, 10-year or more maturity (%)	3,22	3,23	3,09	2,93	2,87	2,75	2,62	2,52	2,49
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	16,9	15,4	16,8	12,5	10,3	10,1	9,2	8,1	7,1
Short-term fixed (1Y-5Y initial rate fixation)	24,1	24,8	23,0	20,9	17,3	14,1	10,4	8,8	8,6
Medium-Term fixed (5Y-10Y initial rate fixation)	15,2	15,8	14,4	11,8	11,4	11,4	9,8	8,5	9,5
Long-Term fixed (over 10Y initial rate fixation)	43,8	44,0	45,8	54,8	61,0	64,4	70,6	74,6	74,9

Country fact Sheet

by: Christian Nilsson, Finance Sweden

SWEDEN

MORTGAGE MARKETS

Market developments:

Net mortgage lending grew by 2.2% on an annual basis in the third quarter 2025 compared to 2.0% the previous quarter. Mortgage lending secured on one-family homes increased by 2.8% on an annual basis (2.4% Q2 2025). The increase in lending secured on tenant-owned apartments increased by 1.9% (1.6% Q2 2025). The net mortgage lending to multi-family homes increased by 1.2% in Q3 compared to 1.3% on an annual basis in the previous quarter. During 2025 there has been a higher demand for one-family homes than tenant-owned apartments, and therefore net lending growth has been higher for one-family homes.

As the interest rates has decrased during 2024 and 2025 the mortgage market has slowly recovered and the residential lending growth rate has increased. However, the general growth in the economy is still slow and house buyers hesitate.

REGULATION & GOVERNMENT INTERVENTION

First-time buyers' schemes

Currently the government has suggested a new law on mortgage loans which will increase the loan-to-value cap (from 85% to 90%) when buying a new home and ease amortization requirements as a measure to lower the barriers to the housing market. For additional housing loans on existing homes the loan-to-value cap will instead be lowered to 80%. The new law will enter into force in April 2026. The new law is intended to help first-time buyers but is not specifically directed to first-time buyers. Instead, it will be equal to all mortgage borrowers.

Through the years there have been many proposals to improve the housing market, but few of them specifically concern first-time-buyers. First-time buyers may benefit from the various proposals, but they rarely apply exclusively to first-time buyers.

A common suggested policy solution to help youth and low-income groups is to increase the construction of affordable rental apartments. Subsidies to increase the construction of affordable rental apartments tends to be very expensive and has therefore been limited during the years.

The construction of rental apartment in Sweden has also been hampered by a rent control system. The rental market in Sweden is comparably strict regulated through a rent control system based on the utility value. The rent regulation is an important component in keeping rents down but is also an obstacle for the construction of rental apartments. In addition, the rent control regulation creates long queues for rental apartments with regulated rent in the larger cities and in university towns, where young people tend to move. Rent levels for newly built apartments are largely unregulated, while older apartments have artificially low rent due to regulation. The regulation takes little account of the location of rental units, which means that the willingness to pay often differs significantly from the regulated rent – especially in areas perceived as attractive.

There have also been other policy suggestions to improve the housing market for the "housing poor" during the years:

- Start-up loans
- Preferential home savings scheme
- Regulatory changes.

The list could be longer, but few of the proposed solutions make it through the parliament. Political proposals to introduce subsidies are very expensive and normally meet political resistance. Proposals to increase market elements in the rental market are also challenging to implement as politicians are afraid of losing voters on the fear of rising rents.

HOUSING MARKETS

Housing Supply:

The construction is expected to recover in 2025 and 2026. Increasing costs for housing and rents, and decreasing birth rates and immigration, have lowered demand for new housing in general.

House Prices:

One-family homes prices increased by 1.7% on a yearly basis Q3 2025 compared to an increase by 2.7% Q2 2025 according to Statistics Sweden. One year ago, Q2 2024, the house prices increased by 1.5% on an yearly basis. The price statistic is partly based on transactions where the prices are negotiated in earlier quarters and the figure is to some extent delayed.

The prices on one-family homes in the Stockholm area increased by 1.8% on a yearly basis in the third quarter 2025 (4.3% previous quarter). In the Malmö-area the prices increased by 8.2% on an annual basis (1.6% previous quarter) and in Gothenburg by 1.0% (7.5% previous quarter).

MORTGAGE INTEREST RATES

The share of variable interest rates was 77% of outstanding household mortgage loans at the end of Q3 2025. The share of new loans with variable interest rates was 80% in Q3 compared to 75% the previous quarter. The share of variable interest rate among new mortgage loans is comparably high in Sweden compared to other European countries. In general mortgage borrowers expect the interest rate level to sink and tend to chose variable interest rates. Also, depending on the current interest rate level, borrowers have to pay a interest rate differential compensation if a intial fixed rate mortage is terminated before maturity.

Country fact Sheet

by: Christian Nilsson, Finance Sweden

SWEDEN

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	457.029	476.094	468.846	467.605	471.577	467.853	496.096	485.608	492.722
Gross Residential Mortgage Lending (million EUR)	9.649	12.826	11.671	13.351	12.170	15.834	14.204	15.230	12.840
House Price Indices (2015 = 100)	139,8	138,1	136,9	138,4	141,9	141,0	140,6	142,2	144,3
Mortgage Interest Rates (%, weighted average)	4,57	4,77	4,68	4,53	4,09	3,46	3,13	3,06	2,83
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	4,77	4,40	4,36	4,04	3,36	2,94	3,01	2,82	2,70
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,44	4,18	3,74	3,64	2,91	2,85	3,10	2,97	2,88
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	3,80	3,02	3,09	3,11	2,78	2,75	3,24	3,22	3,11
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS									
Variable rate (up to 1Y initial rate fixation)	58,65	61,12	65,06	69,18	71,31	72,79	73,80	75,27	76,68
Short-term fixed (1Y-5Y initial rate fixation)	40,03	37,57	33,66	29,57	27,48	26,04	25,05	23,61	22,24
Medium-Term fixed (5Y-10Y initial rate fixation) Long-Term fixed (over 10Y initial rate fixation)	1,32	1,30	1,28	1,24	1,21	1,16	1,16	1,12	1,09
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	77,52	69,16	86,00	91,58	86,91	77,13	77,70	74,71	80,07
Short-term fixed (1Y-5Y initial rate fixation)	19,73	28,97	12,73	7,37	11,50	20,98	19,73	23,43	18,53
Medium-Term fixed (5Y-10Y initial rate fixation) Long-Term fixed (over 10Y initial rate fixation)	2,75	1,87	1,26	1,05	1,58	1,89	2,56	1,86	1,40

Country fact Sheet

UNITED KINGDOM

by: Joseph Thompson, Building Societies Association (BSA)

MORTGAGE MARKETS

Market developments:

Gross lending was £78.6 billion in the third quarter of 2025, up 22% on the £64.2 billion in Q3 2024. After repayments net lending was £16.3 billion in the quarter, up 71% on the £9.6 billion in Q3 2024. Lending activity has stabilised following the distortions to the mortgage market in April caused by the changes to Stamp Duty Land Tax.

The Bank Rate was cut from 4.25% to 4.00% in August 2025 and average mortgage rates have reduced from 4.43% in Q2 2025 to 4.25% in Q3 2025 which may have also helped stimulate mortgage demand. The mortgage market has been supported by a stable labour market and growing real wages over the last year.

The following text was provided in Q1 & Q2 but still relevant. In June 2025 the Financuial Conduct Authorit launched a discussion paper on the future of the mortgage market. The Bank of England have signalled that there is less room for monetary easing than previously thought, with neutral Bank Rate expected to be in the 3-4% range. Therefore there is little scope for mortgage rates to ease further this year.

In June 2025 the Financial Conduct Authority launched a discussion paper on the future of the mortgage market. The FCA set out possible measures that could boost homeownership and economic growth. These include considering new affordability tests such as using rental payment history instead of proof of income. The paper also discussed the possibility to rebalance the collective risk appetite in mortgage lending as current risk appetites may be deemed as too cautious if there is a desire to increase access to mortgage finance, innovation, and support home ownership. The paper recognises there are trade-offs, with risks of house price inflation and higher levels of arrears and repossessions.

REGULATION & GOVERNMENT INTERVENTION

In July 2025 the Prudential Regulation Authority (PRA) relaxed rules around Loan To Income (LTI) flow limits. Until this point firms lending more than £100 million per year could not advance more than 15% of new loans at an LTI of over 4.5. This has been increased to £150 million, meaning this restriction will no longer apply to around 80 UK lenders.

Several major lenders have already changed their behaviour in response, and data suggests this has resulted in a higher supply of credit to households. This has also helped mortgage approvals reach a nine-month high in September, returning to the pre-Covid average.

First-time buyers' schemes

The Mortgage Guarantee Scheme is a UK initiative introduced to support homebuyers with a deposit as small as 5%. The Scheme encourages lenders to offer high loan-to- value (LTV) mortgages, between 91-95%, by insuring them against a portion of their potential losses should borrowers default on these mortgages.

The government doesn't directly guarantee individual mortgages but covers lenders losses in case of defaults and the loan to fund the deposit is not eligible for the guarantee. The Scheme is open to all eligible buyers and is not restricted to first-time buyers only.

Property and purchase conditions apply, including, the requirement that the residential property is used as the main home and the mortgage must be a repayment mortgage.

Stamp Duty Land Tax First Time Buyer Relief. First-time buyers in England and Northern Ireland pay no stamp duty on properties up to £300k. For properties between £300k – £500k, 5% is paid on the amount above £300k. For properties above £500k, standard Stamp Duty Land Tax rates apply. The buyer must have never owned a property previously and the property they purchase must be their main residence. £500k maximum value.

First Homes scheme. If you're a first-time buyer, you may be able to buy a home for 30% to 50% less than its market value. The home must be your only or main residence. The home can be a new home built by a developer or a bought via an estate agent, which someone else bought before through the scheme. The First Homes scheme is only available in England. You must be 18 or older and be able to get a mortgage for at least half the price of the home. You must not earn more than £80,000 a year before tax (£90,000 if the property is in London). Councils may set local eligibility criteria. For example, some councils may prioritise giving First Homes discounts to:

- key workers, as defined by the council
- people who already live in the area
- those on lower incomes.

Shared ownership scheme. The scheme enables buyers to purchase a share of a property and pay rent on the rest, reducing the upfront deposit and mortgage size. Shared owners can buy additional shares over time (staircasing) although in certain cases, exceptions may apply. At the point of resale, shared owners cannot sell less than the value they already own. The Scheme is not restricted to first-time buyers only. For example, those who have owned a home previously but cannot afford one or existing shareholders looking to move are applicable. Criteria such as maximum household income and affordability apply. In some cases, priority is assigned to certain groups such as members of the armed forces.

Country fact Sheet

UNITED KINGDOM

by: Joseph Thompson, Building Societies Association (BSA)

HOUSING MARKETS

Housing Supply:

The latest data available is of Q2 2025. There were 31,430 house building starts in Q2 2025, up 15% on the same period in 2024. 36,160 house builds were completed in Q2 2025, down 19% on the same period in 2024. Starts are 57% below their 2023 Q2 peak and are 76% above their 2020 Q2.

House Prices:

Annual house prices growth was 2.1% in Q3 2025, and quarterly growth was 1.6% in Q3 2025.

MORTGAGE INTEREST RATES

The majority of loans advanced remain on short term fixed rate deals, with 93% advanced on terms up to 5 years, and only 7% on variable rates.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
MACROECONOMIC INDICATORS									
Total Outstanding Residential Mortgage Lending (Million EUR)	1.876.018	1.865.260	1.896.400	1.923.480	1.960.677	1.983.866	1.991.191	1.949.733	1.926.762
Gross Residential Mortgage Lending (million EUR)	70.458	61.376	59.342	71.253	76.871	81.271	91.754	67.338	90.038
House Price Indices (2015 = 100)	146,8	145,1	146,8	150,5	151,3	153,1	150,9	150,9	153,3
Mortgage Interest Rates (%, weighted average)	4,85	5,31	4,96	4,80	4,83	4,54	4,52	4,43	4,25
MORTGAGE INTEREST RATES									
Variable rate and initial fixed period rate up to 1 year (%)	5,64	5,74	5,86	5,94	5,78	5,56	5,27	4,86	4,72
Short-term initial fixed period rate, from 1 to 5 years maturity (%)	4,75	5,22	4,83	4,71	4,73	4,46	4,46	4,32	4,21
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)	4,75	4,65	4,18	4,10	4,01	3,97	3,92	4,05	4,01
Long-term initial fixed period rate, 10-year or more maturity (%)	3,32	4,16	4,22	3,02	3,90	5,05	5,19	N/A	N/A
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS									
Variable rate (up to 1Y initial rate fixation)	12,40	12,40	12,40	11,90	11,50	10,90	10,10	9,50	9,30
Short-term fixed (1Y-5Y initial rate fixation)	84,01	84,01	84,10	84,58	85,05	85,71	86,57	87,33	87,62
Medium-Term fixed (5Y-10Y initial rate fixation)	3,50	3,50	3,50	3,44	3,36	3,30	3,24	3,17	3,08
MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS									
Variable rate (up to 1Y initial rate fixation)	9,5	14,3	11,9	6,4	7,4	6,0	7,2	7,6	7,00
Short-term fixed (1Y-5Y initial rate fixation)	89,5	84,7	87,5	93,0	92,0	93,5	92,8	91,9	92,63
Medium-Term fixed (5Y-10Y initial rate fixation)	1,0	1,0	0,6	0,6	0,6	0,5	0,5	0,5	0,37

QUARTERLY REVIEW

OF EUROPEAN MORTGAGE AND HOUSING MARKETS

Q3| 2025

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FUNDING THE REAL ECONOMY