

QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

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INTRODUCTION

The strong performance observed in Q2 and Q3 2014 in EU mortgage and housing markets was consolidated during Q4 2014. Gross lending grew strongly in most countries and house price developments mirrored rising demand and improving sentiment. The interest rate environment continued to contract, further fuelling mortgage markets. Nonetheless, the situation remains far from pre-crisis levels and fragmentation continues to be relatively high both between and within different EU countries, though interest rates on mortgages appear to be converging, even on a nominal level.

MORTGAGE LENDING

Quarter 4 of 2014 showed a significant improvement in the overall conditions of housing and mortgage markets in the EU. Though still not fully and homogeneously recovered, these markets are showing some clear positive signs and 2014 may represent a turning point from the heavily subdued conditions observed in previous quarters. Total outstanding mortgage loans rose y-o-y (year-on-year) by 2.5%. In terms of q-o-q (quarter-on-quarter)

growth, Q4 levels were 0.22% higher than Q3 levels, a slight slow-down in the increase observed in previous quarters. Total outstanding mortgage lending stood at just over €6.44 tr. for our sample representative of the EU28¹. The performance in terms of gross lending was stronger than in Q3 2014. Y-o-y, gross lending grew in Q4 by 8.5% while in Q3 this was 5.7%. Q-o-q, gross lending grew by 5.2% in Q4, slightly down from the previous quarter, when growth was 7.8%. Gross lending in the sample² is estimated to have reached levels close to €220 bn. in Q4 2014, for the first time since mid-2008.

The improvement that has been observed in the EU mortgage market in the previous quarters of 2014 has further consolidated towards the end of the year. The general economic situation in the EU is slowly improving, with GDP growth, q-o-q, being positive (or zero) in all EU countries with the exception of Greece, Cyprus, Austria and Finland³ (not included in our sample). This has been reflected in a better performance of the mortgage market, both in terms of outstanding and gross lending. Another driver of these patterns is undoubtedly the low interest rate environment, driven by central banks' loose monetary policies, including historically low policy rates in most EU countries. These aspects are discussed further in the last section of this article, under the Mortgage Interest Rates section.

¹ In Q4 2014, the sample of the proxy approaching the amount of total outstanding mortgage lending in the EU28 included Belgium, Czech Republic, Denmark, Germany, Spain, France, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Romania, Sweden and the UK (i.e. 95% of total outstanding mortgages in the EU27 in 2012). Please note that at the date of publishing, Q4 2014 data for Spain, Portugal and the Netherlands was not yet available. Q3 values were used in the above-mentioned estimate for these countries.

² In Q4 2014, the sample of the proxy approaching the amount of gross mortgage lending in the EU28 included Belgium, Czech Republic, Denmark, Germany, France, Hungary, Ireland, Italy, the Netherlands, Portugal, Sweden and the UK (i.e. 85% of total outstanding mortgages in the EU27 in 2012). Please note that gross lending includes new mortgage loans and external remortgaging (i.e. with another bank) in all of these countries, except in Spain. Please note that, where data is unavailable, the latest available data has been used to compute the total gross lending amounts.

³ Source: Eurostat.

Some countries' performance in terms of gross mortgage lending has been particularly strong over Q4 2014. Both **Belgium** and **Denmark** experienced a sizeable increase y-o-y in terms of gross lending, with Denmark's gross mortgage loans being 123% higher than for the same quarter the previous year, and around 50% higher than in the previous quarter. Similarly, Belgium experienced a peak in gross lending, with an almost 90% increase both y-o-y and q-o-q. In the case of Belgium, this large increase is mainly explained by the fact that the Flemish regional government announced its intentions concerning a gradual dismantling of the home bonus system as of 1 January 2015 (following a transfer of the home tax system from the federal to regional level on 1 July 2014). The Walloon and Brussels regional governments have also hinted at a future downgrading of the home bonus and declared that logically, there will be a reduction in the coming years. Hence, many consumers still wanted to take advantage of the cheaper home bonus system by contracting their loan for the purchase, the renovation or the construction of their home before the end of the year. Moreover, consumers are under high pressure to ask for a rescheduling of reimbursements for their current mortgage loan due to the historically low interest rates. This has resulted in an unprecedented wave of refinancing applications during the last quarter of 2014. In fact, one fifth of the credits that were granted concerned external refinancing. The developments observed in Denmark are not so clearly linked to one-off factors, apart from a further tightening of monetary policy by the Danish Central Bank, which lowered interest rates to historical lows.

Generally, all countries in our sample recorded an increase in gross lending, with the exception of **France** and the **Czech Republic**. In **Spain**, this positive development in gross lending contributed to lowering the pace of decrease of outstanding residential lending in the last quarter. The positive evolution of the real economy and the labour market are the main factors behind the improvement in confidence of households and the reactivation of credit demand in the country. Moreover, credit supply conditions have also improved. **Hungary**, which experienced the third-largest y-o-y increase in gross lending in the sample has been characterised by strong GDP growth (3.6% annually), driven by manufacturing, construction and agriculture. It is worth noting that these developments have taken place against the backdrop of large regulatory changes in the country's mortgage market. The most important change has been the compensation and conversion possibilities now offered on foreign currency mortgages. According to a ruling, lenders will have to refund debtors the so called "unfair" interest rate increases and conversion rate differences, meaning that the outstanding loan amount will be reduced by the amount of the compensation. Foreign currency loan holders can expect compensation from their banks of about 15%-20% of the outstanding loan's capital. Moreover, almost all outstanding mortgage loans will be converted (by law) to HUF in March-April 2015. With this regulatory change, the large foreign currency exchange risk (especially in CHF) – that existed for households having foreign currency mortgage debt – will be eliminated. A new regulation is also in force from January 2015 setting the maximum LTV (80% to 85%) and maximum PTI (50% to 60%) ratios.

Ireland has also experienced a very strong quarter in terms of mortgage lending. Mortgage drawdowns rose by 46% year-on-year with almost 7,600 mortgages drawn down in Q4 2014. The value of mortgages drawn down, at €1,341 m., was the highest since Q4 2009. Moreover, the first-time buyer segment rose to its highest level, in volume terms, since Q3 2008. The Central Bank of Ireland (CBI) also confirmed its new limits on loan-to-value and loan-to-income ratios for new mortgage lending in February 2015. **Italy** has also experienced a sustained increase in gross lending, despite a small contraction in outstanding mortgage loans. The positive trend has been determined mainly by the following factors: the increase in demand for

mortgages; the better funding conditions for Italian banks and the low levels of the EURIBOR which has allowed banks to be more competitive in terms of interest rates; the positive dynamics of housing sales; and finally, recent government initiatives, such as the Memorandum of Understanding signed in September 2014 between the Ministry of Economy and Finance, and the Italian Banking Association that regulates the access to the Solidarity Fund, counter guaranteed by the State, for the suspension of home loan payments. The Fund has a budget of about €650 m. (Regions and other institutions may contribute to its increase) and will offer guarantees on mortgage financing for an estimated amount of €20 bn. The sharp rise observed in **Romania** is mainly due to the intensification of mortgage RON-denominated lending (by almost 25% in Q4 2014), mainly due to the *Prima Casă* ("first home") programme. The quality of these loans improved, with the NPL ratio decreasing to 4.4% in Q4 2014. This is set against a background of credit standards and credit terms remaining largely unchanged, and the demand for new mortgage loans increasing moderately in Q4 2014.

At the other end of the spectrum, mortgage market performance in **Poland** in 2014 was the weakest since 2005. Although record low interest rates and stable property prices are a stimulant for the mortgage market, the purchasing power of households remained weak. The demand for residential loans did not change significantly in Q4 2014, despite banks expecting it to grow due to tightening of lending policies since January 2015. No significant changes in lending policies were noticed in Q4 2014. In **Portugal**, too, financial conditions and balance sheet restrictions have contributed to making the origination of mortgages more selective. However, on the demand side, there was a stabilisation of the demand for mortgages, mainly as a result of the improvements in the housing market and consumer confidence.

HOUSE PRICES

House prices in our sample have remained largely unchanged in Q4 2014⁴ compared to a slight increase in Q3. However, the developments in house prices are still rather fragmented in the EU (see charts on house price developments). Notably, there are countries such as **France** and **Poland**, where price indices have contracted by more than 1.5% q-o-q. However, in both cases, these developments are only recent, as house prices have been rather stable over earlier quarters. In **Italy**, on the other hand, the q-o-q contraction in house prices has been modest, though it has been following quite a steady downward path since mid-2011, which seems to be bottoming out. A notable development is observed in the **UK**, where a very sharp rise in house prices over the last couple of years has been abruptly reversed. This is also due to a number of policies that have been put in place to cool down the housing market, which was growing rapidly. At the other end of the spectrum is **Ireland**, where house prices have been rising sharply in recent quarters, after having reached their lowest levels (around 50% of 2007 prices) in Q1 2013. **Sweden** continues to display a relentless rise in its house prices, which are now at almost 130% of 2007 prices, the highest increase in the sample.

In **Ireland**, commentators have pointed to a lack of available housing, suitable family accommodation in particular, as the driving force behind the rise in house prices in Dublin. On the other hand, significant oversupply is maintaining downward pressure on prices outside Dublin and other cities. Moreover, economic fundamentals in Ireland continue to improve, with the unadjusted unemployment rate falling to 9.9% by the end of Q4 2014, and key sectors such as retail, tourism and construction reporting positive results and prospects in Q4 2014. Personal consumption expenditure also grew in 2014 for the first time since 2010. In **Sweden**, too, available housing

⁴ Please note that due to the data on house prices slightly lagging behind other statistics, only data for around half of the sample was available at the time of collection for Q4 2014.

is lacking, though construction figures continued to increase during 2014 and are comparatively high at the moment. However, building permits and building standards are quite strict and few expect a housing construction boom. Also, following several years of low levels of construction, this small increase doesn't seem to be enough to curb price increases.

Another notable development comes from **Spain**, where the fall in house prices that has been observed since the start of the housing crisis has finally been reversed, with the first very slight increase on average across the country. Positive price developments have also been observed in **Hungary**: on the housing market, the main indicators already showed a turnaround in 2014, even if new construction is still lagging far behind the figures observed before the crisis. Building permits issued in 2014 were 28% higher than in the previous year (9,633 new building permits were issued). The number of dwellings put to use was 8,358 in 2014; this represented a growth of 15% compared to 2013. Due to newly starting housing developments, the positive process is likely to continue and the number of new-built homes will likely increase in 2015.

The fragmentation level in terms of house price developments remains substantial also within countries, and between different types of properties. In **Belgium**, for instance, in Q3 2014⁵, the average price of an ordinary house amounted to €202,137, i.e. a 1.8% increase compared to the end of 2013. The price of a reference house, i.e. a house in the 75th percentile, amounted to €250,000, i.e. a 2% increase if compared to the end of last year. Villa prices went up: the average price of €324,856 at the end of 2013 rose to €341,021 in Q3 (+5%), whereas the reference price (Q75) went from €370,000 at the end of 2013, to €385,000 (+4%). For apartments, the average price increased by approximately 1.4% (from slightly above €209,000 at the end of 2013, to just above €212,000 in Q3 2014), whereas the reference price (Q75) did not change, and stayed at €250,000. This fragmentation is even starker in **Denmark** where, on average, house prices have decreased by 0.5% in Q4 2014, but the average price on owner-occupied flats increased by 0.3% compared to Q3 2014. In Copenhagen, house prices fell by 0.9% and the prices of flats increased by 0.9%. Similarly, in **Italy**, prices of new dwellings increased by 0.7% compared to the previous quarter, and decreased by 1.3% with respect to Q2 2013; prices for existing dwellings, on the other hand, went down by 0.7% compared to the previous quarter and by 4.8% with respect to the same quarter of the previous year. Other signs of fragmentation in terms of housing types is also observable in **Germany** and **Sweden** to a lesser extent, where in an environment of general price increases, the prices of different types of housing (e.g. one-family homes versus apartments or condominiums) grew at different paces.

As for developments within countries, it is worth noting that in **Ireland**, the capital city continues to drive the increase, with Dublin house and apartment prices up 22.5% and 21% respectively. Prices in the rest of the country were 10.2% higher than a year earlier. While house price growth eased in Q4 2014, it accelerated in the rest of the country. Similarly, in **Hungary**, the

housing market turnaround does not equally affect the different parts of the country. House price increases can mainly be observed in Central Hungary and Western Transdanubia, which can also be listed among the most developed regions based on per capita GDP. The turnaround can also be seen in Central Transdanubia, where prices also rose in 2014. At the same time, there are other regions that are still characterised by stagnation, or even falling prices (mainly regions in the Eastern part of Hungary).

MORTGAGE INTEREST RATES

The last quarter of 2014 has been characterised by interest rates on mortgage loans continuing to fall across all EU countries in our sample (with the exception of Ireland). This is mainly due to the continued subdued economic activity and inflation (which turned negative during Q4 2014 in the euro area). These developments have pushed central banks across the EU to further cut interest rates (where possible), and introduce additional non-standard measures to stimulate inflation and the economy. These have pushed interest rates on mortgages even lower, as lenders have been given access to cheaper liquidity, and their balance sheets have been "freed up" by the purchase of assets by the European Central Bank (ECB – for example Covered Bonds under the CBPP3 and Asset Backed Securities under the ABSPP).

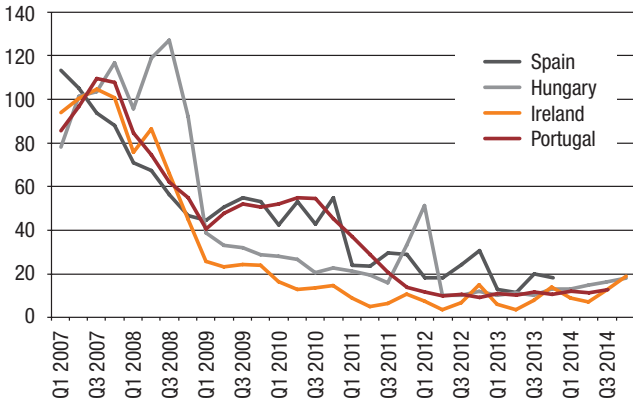
In absolute terms, interest rates on mortgage loans have fallen, for most countries, below 3% on an annual basis, and for a weighted average of the whole national market. Notable exceptions are Eastern European countries such as Poland, Hungary and Romania, and some Northern countries, namely Ireland, UK and the Netherlands. The Scandinavian Countries and Germany display the lowest interest rate levels, with Swedish weighted interest rates on mortgages being the lowest, at 1.85% per annum. The pattern of falling interest rates can be observed across the different types of interest rate fixation periods. This has brought interest rates on fixed (or long-term initial fixed rate) mortgages to a minimum. The consequences of this have been an increase across most countries' markets of the share of new loans being fixed-rate or longer-term fixed. On the other hand, the expectation that rates will remain low for a long period of time is dampening this effect, as many borrowers are attracted by the extremely low interest rates on variable rate or short-term initial fixed rate mortgages.

Finally, despite the changes outlined above in terms of market structure, we continue to observe large differences between countries' mortgage markets in terms of interest rates on new mortgage loans. Countries such as Belgium, Germany, the Netherlands and the UK display a preference for mortgage loans that have some initial rate fixation of more than a year, though the structure of their markets remains largely stable over time (with the exception of the UK, where fixed loans are becoming more popular, though this trend is slowing down). Other countries such as Portugal, Spain, Sweden, Romania, Poland and Italy have a clearly larger variable interest rate market, with some of these markets (e.g. Poland and Portugal) having over 90% of their new mortgage rates as variable.

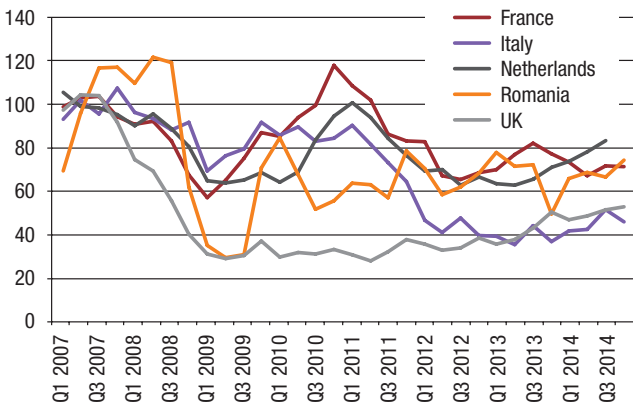
⁵ Latest available data.

Chart 1 ► **Gross Residential Lending (2007=100; in euro; seasonally adjusted data)**

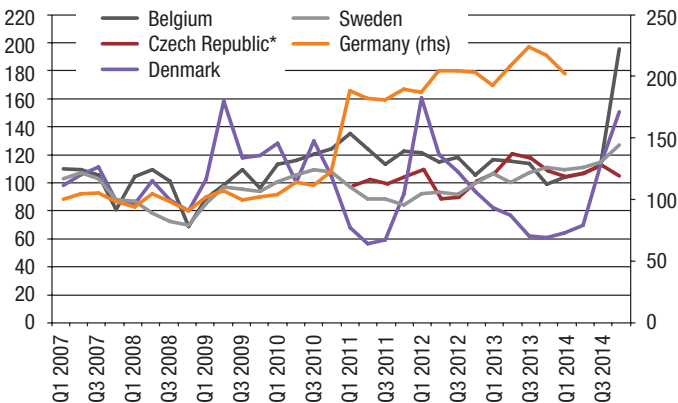
a) Countries where gross residential lending has remained below 20% of 2007 levels



b) Countries where gross residential lending has remained below, but above 50% of, 2007 levels



c) Countries where gross residential lending has risen above 2007 levels

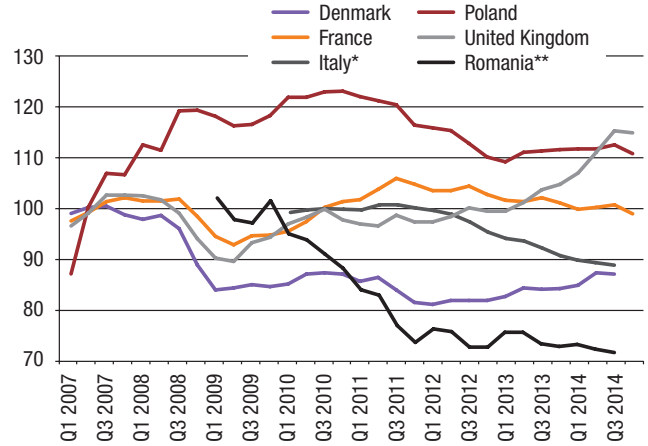


Source: European Mortgage Federation – European Covered Bond Council (EMF-ECBC)

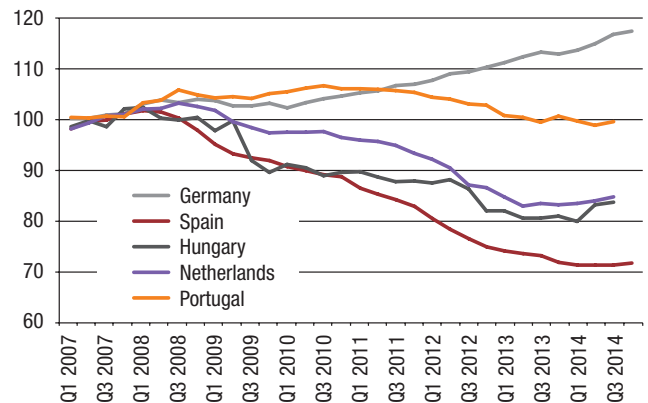
Note:
*Q1 2010 = 100
The time series have been seasonally adjusted by regressing the gross domestic lending of each country on quarter dummies and a constant, and adding the residuals to the sample means. STATA econometric software has been used.

Chart 2 ► **Nominal House Price Indices, 2007=100**

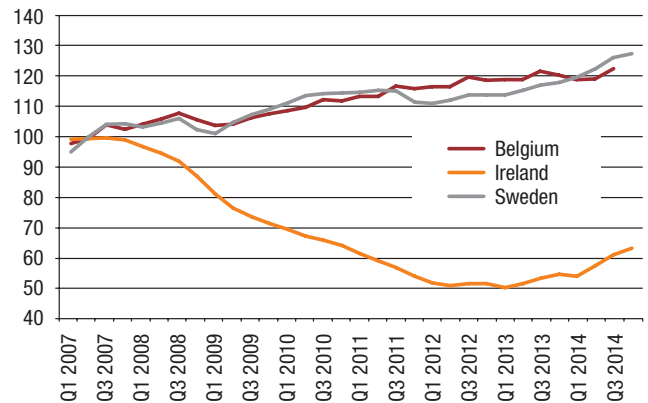
a) Countries where house prices have fallen in the latest quarter



b) Countries where house prices have risen slightly over the latest quarter



c) Countries where house prices have risen by at least 1.5% over the latest quarter



Source: European Mortgage Federation – European Covered Bond Council (EMF-ECBC)

Note:
*2010 = 100
**2009 = 100

Table 1 ▶ Total Outstanding Residential Mortgage Lending (Million EUR)

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	latest y-o-y change (%) (Q4 14), EUR values	previous y-o-y change (%) (Q3 14), EUR values	latest y-o-y change (%) (Q4 14), local currency	previous y-o-y change (%) (Q3 14), local currency
BE	184,673	185,924	187,595	189,484	190,183	191,506	192,966	197,327	4.1	2.9	4.1	2.9
CZ	21,495	21,737	22,492	21,694	21,886	22,332	22,798	23,161	6.8	1.4	8.0	8.3
DE	1,186,614	1,193,162	1,202,466	1,208,822	1,209,931	1,216,024	1,226,333	1,237,410	2.4	2.0	2.4	2.0
DK*	244,066	244,561	234,257	234,750	235,724	237,379	238,088	238,066	1.4	1.6	1.2	1.4
ES	633,572	627,797	619,168	612,817	607,259	603,760	593,209	n/a	n/a	-4.2	n/a	-4.2
FR	790,421	797,364	805,998	814,627	817,789	823,663	828,000	833,120	2.3	2.7	2.3	2.7
HU	19,346	19,142	18,856	18,499	18,033	17,774	17,393	17,249	-6.8	-7.8	-1.0	-3.9
IE	125,688	124,553	123,708	122,585	121,417	118,923	116,960	115,730	-5.6	-5.5	-5.6	-5.5
IT	364,624	363,908	362,363	361,390	360,045	359,404	359,269	359,137	-0.6	-0.9	-0.6	-0.9
NL	648,680	645,864	643,996	632,092	630,736	631,032	n/a	n/a	n/a	n/a	n/a	n/a
PL	78,339	77,088	79,229	80,812	81,451	82,713	83,538	82,555	2.2	5.4	5.1	4.2
PT	109,615	108,573	107,544	106,585	105,562	104,636	103,671	n/a	n/a	-3.6	n/a	-3.6
RO	8,962	9,187	9,057	9,243	9,352	9,695	9,793	10,095	9.2	8.1	9.5	6.9
SE	348,732	336,349	344,782	340,379	340,001	337,040	342,542	339,152	-0.4	-0.6	5.6	5.0
UK	1,499,316	1,481,759	1,523,905	1,535,098	1,549,944	1,609,430	1,667,817	1,666,946	8.6	9.4	1.5	1.8

Note: Non seasonally-adjusted data.

Source: European Mortgage Federation

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

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

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

- UK

Table 2 ► Gross Residential Mortgage Lending (Million EUR)

	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	latest y-o-y change (%) (Q4 14), EUR values	previous y-o-y change (%) (Q3 14), EUR values	latest y-o-y change (%) (Q4 14), local currency	previous y-o-y change (%) (Q3 14), local currency
BE	5,723	6,430	6,390	6,534	4,977	5,924	6,325	12,215	86.9	-1.0	86.9	-1.0
CZ	1,039	1,609	1,377	1,389	1,005	1,423	1,310	1,346	-3.1	-4.9	-2.0	-6.0
DE	37,300	41,100	47,200	46,200	39,300	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DK	6,264	6,181	5,538	6,716	4,581	5,499	10,238	15,016	123.6	84.9	123.2	84.5
ES	4,919	6,137	4,836	5,962	6,467	6,818	5,604	7,908	32.6	15.9	32.6	15.9
FR	26,196	31,902	37,125	33,737	27,764	27,619	32,590	31,113	-7.8	-12.2	-7.8	-12.2
HU	107	164	182	170	148	218	269	243	42.9	47.9	51.8	54.2
IE	331	518	750	896	568	820	1,126	1,341	49.7	50.1	49.7	50.1
IT	6,898	7,474	6,673	7,902	7,337	8,804	8,116	9,687	22.6	21.6	22.6	21.6
NL	11,839	13,469	13,498	14,504	14,007	16,692	17,360	n/a	n/a	28.6	n/a	28.6
PT	447	503	519	580	500	550	573	n/a	n/a	10.4	n/a	10.4
RO	345	403	457	316	276	386	425	459	45.0	-7.0	45.4	-8.1
SE	10,469	11,695	11,107	13,093	10,791	12,899	11,996	15,001	14.6	8.0	21.5	14.1
UK	40,888	49,697	59,678	62,149	55,918	64,478	71,185	65,573	5.5	19.3	-1.4	10.9

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

- Ireland
- Italy
- Spain (change of source)
- Sweden
- UK

Source: European Mortgage Federation

Table 3 ► Change in Outstanding Residential Loans (Million EUR)												
	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	4,869	2,376	2,155	2,166	1,058	1,251	1,671	1,889	699	1,323	1,461	4,361
CZ	1,200	-386	715	460	-255	243	755	-798	192	445	466	363
DE	844	3,084	8,638	8,504	1,761	6,548	9,304	6,356	1,109	6,093	10,309	11,077
DK*	727	1,817	388	1,095	1,210	495	-10,303	492	975	1,655	709	-22
ES	-7,005	-5,523	-6,424	-6,483	-7,938	-5,774	-8,629	-6,351	-5,558	-3,499	-10,551	n/a
FR	7,639	5,303	6,111	7,921	6,312	6,943	8,634	8,629	3,162	5,874	4,337	5,120
HU	-1,045	-15	-382	-523	-639	-204	-286	-357	-466	-259	-382	-144
IE	-975	-897	-1,158	-794	-1,056	-1,135	-845	-1,123	-1,168	-2,494	-1,963	-1,230
IT	-844	288	-855	-647	-964	-716	-1,545	-973	-1,345	-642	-135	-132
NL	-2,305	5,954	2,235	-492	-2,088	-2,816	-1,868	-11,904	-1,356	296	n/a	n/a
PL	3,780	670	1,943	1,157	-1,094	-1,251	2,141	1,583	639	1,262	825	-983
PT	-213	-1,048	-1,049	-1,086	-905	-1,042	-1,029	-959	-1,023	-926	-965	n/a
RO	505	182	262	256	196	225	-130	186	108	343	98	302
SE	5,350	6,613	15,681	-1,220	13,809	-12,382	8,432	-4,403	-378	-2,961	5,502	-3,389
UK	7,288	66,669	21,378	-33,470	-54,520	-17,557	42,146	11,192	14,847	59,485	58,387	-871

Please note: this variable is the result of the variation between the two consecutive amounts of outstanding residential mortgage lending (Table 1).

Source: European Mortgage Federation

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

Table 4 ► House Price Indices, 2007 = 100

	III 2011	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	116.9	115.9	116.7	116.7	120.0	119.0	119.2	119.2	122.1	120.7	119.2	119.4	123.1	n/a
CZ	103.9	103.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DE	106.4	106.6	107.5	108.9	109.3	110.2	111.1	112.4	113.4	112.9	113.8	115.2	117.0	117.8
DK	83.5	80.9	80.6	81.4	81.4	81.4	82.1	83.9	83.6	83.8	84.4	87.0	86.8	n/a
ES	84.1	82.8	80.2	78.1	76.1	74.5	73.7	73.1	72.7	71.3	71.0	71.0	70.8	71.2
FR	106.4	105.1	103.7	103.7	104.7	102.9	101.6	101.4	102.2	101.0	99.7	100.1	100.8	98.8
HU	87.4	87.5	87.2	87.8	85.9	81.4	81.4	79.9	79.8	80.3	79.4	82.7	83.2	n/a
IE	56.0	53.0	50.8	49.8	50.6	50.6	49.3	50.5	52.5	53.8	53.1	56.8	60.3	62.6
IT*	101.2	100.5	99.9	99.1	97.4	95.3	93.9	93.3	91.9	90.2	89.3	88.7	88.3	n/a
NL	94.8	93.2	92.0	90.3	86.7	86.1	84.1	82.4	82.8	82.5	82.9	83.4	84.2	n/a
PL	120.6	116.5	116.1	115.4	112.8	110.1	109.2	111.1	111.4	111.6	111.7	111.7	112.6	110.8
PT	105.9	105.5	104.4	104.0	102.9	102.6	100.4	99.9	98.9	100.1	99.1	98.2	98.9	n/a
RO**	76.6	73.2	75.9	75.4	72.3	72.2	75.3	75.3	72.9	72.3	72.8	71.8	71.2	n/a
SE	115.0	111.0	110.6	111.8	113.5	113.5	113.5	115.2	116.9	118.0	119.9	122.8	126.6	128.1
UK	98.3	97.0	97.0	98.2	99.9	99.3	99.2	101.0	103.5	104.7	107.1	111.3	115.7	115.2

Note:

*: 2010=100

**: 2009=100

Source: European Mortgage Federation

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

Further information below:

Belgium: Stadim average price of existing dwellings.

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

Denmark: all dwellings; please note that the series has been revised.

France: INSEE "Indice des prix du logement" (includes existing and new dwellings).

Greece: urban areas house price index (other than Athens); the time series has been updated.

Hungary: FHB house price index (residential properties).

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

Netherlands: Source: ECB. Data on existing dwellings.

Portugal: *Confidencial Imobiliário* house price index.

Spain: new house price index, first released by the Ministry of Housing on Q1 2005.

Sweden: index of prices of one-family homes.

UK: Department of Communities and Local Government Index (all dwellings).

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

- Denmark
- France

Table 5A ► Mortgage Interest Rates (% , weighted average)													
	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	3.75	3.87	3.72	3.51	3.45	3.41	3.37	3.41	3.56	3.50	3.32	3.04	2.79
CZ	n/a	n/a	n/a	n/a	n/a	3.06	3.24	3.24	3.26	3.33	3.12	2.99	2.56
DE*	3.56	3.39	3.20	2.96	2.85	2.80	2.73	2.78	2.87	2.81	2.67	2.43	2.22
DK**	2.50	3.08	3.11	3.13	2.60	2.97	2.92	3.01	2.49	2.27	2.62	2.79	2.47
ES	3.62	3.69	3.37	3.19	2.95	3.09	3.08	3.00	3.01	3.13	3.05	2.95	2.74
FR	3.95	4.09	3.83	3.64	3.42	3.28	3.13	3.11	3.18	3.16	3.02	2.65	2.42
HU	11.02	12.21	12.24	11.95	11.21	10.52	9.92	9.38	8.74	7.95	7.61	6.96	6.67
IE	3.12	3.23	3.10	3.22	3.59	3.37	3.40	3.52	3.41	3.36	3.27	3.58	3.83
IT	4.03	4.27	3.96	3.86	3.69	3.68	3.64	3.68	3.50	3.44	3.26	2.99	2.84
NL	4.52	4.49	4.34	4.19	4.07	4.04	3.80	3.66	3.62	3.55	3.46	3.32	3.19
PL	7.00	7.00	7.10	7.10	6.60	6.00	5.20	5.20	5.30	5.30	5.30	5.20	4.70
PT	4.31	4.44	3.98	3.69	3.41	3.30	3.19	3.19	3.27	3.37	3.28	3.10	3.01
RO	5.78	5.45	5.00	4.81	4.50	4.50	4.50	4.85	5.36	5.41	5.28	5.28	4.62
SE	3.96	3.84	3.61	3.47	3.00	2.83	2.70	2.73	2.58	2.39	2.32	2.11	1.85
UK	3.44	3.51	3.73	3.81	3.71	3.49	3.27	3.14	3.05	3.04	3.12	3.21	3.09

* Please note that the weighted average for the whole market is likely biased towards the short-term loans. This is due to the available weighting scheme: the loan volumes include prolongations, but prolongations tend to have shorter interest rate periods.

Source: European Mortgage Federation

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

Note:

Data refers to quarter averages.

Data from Q2 2012 has been revised for France due to a new source.

This table has been changed from the last quarter's edition, and now shows weighted average mortgage interest rates for all countries.

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

- Ireland
- Poland
- UK

Table 5B ► Mortgage Interest Rates

Variable rate and initial fixed period rate up to 1 year (%)												
	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	3.84	3.48	3.20	2.99	3.05	3.10	3.14	3.06	3.06	3.11	3.01	2.63
CZ	n/a	n/a	n/a	n/a	2.99	3.10	3.16	3.15	3.40	3.09	3.02	2.37
DE	3.49	3.20	3.05	2.87	2.78	2.86	2.82	2.77	2.76	2.63	2.51	2.35
DK*	1.67	1.40	1.23	1.12	1.22	1.16	1.23	1.22	1.27	1.27	1.27	1.34
ES	3.52	3.25	3.05	2.79	2.93	2.91	2.81	2.80	2.97	2.88	2.71	2.54
FR	3.75	3.40	3.21	3.04	2.95	2.73	2.68	2.74	2.78	2.72	2.39	2.18
HU	13.05	12.82	12.80	11.95	11.15	9.82	8.91	8.69	7.50	7.06	6.36	6.32
IE	3.13	3.00	3.12	3.43	3.16	3.21	3.31	3.25	3.23	3.16	3.43	3.64
IT	3.90	3.72	3.54	3.43	3.47	3.44	3.37	3.19	3.18	3.00	2.70	2.56
NL	3.83	3.70	3.55	3.33	3.16	3.06	2.92	2.90	2.83	2.72	2.70	n/a
RO	5.15	4.83	4.51	4.31	4.42	4.41	4.66	5.21	5.18	5.10	5.17	4.99
SE	3.98	3.76	3.37	2.90	2.70	2.59	2.65	2.38	2.22	2.16	1.93	1.64
UK**	2.99	3.16	3.20	3.23	3.13	2.90	2.77	2.64	2.52	2.50	2.46	2.27
Short-term initial fixed period rate, from 1 to 5 years maturity (%)												
	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	3.82	3.45	3.15	3.10	3.16	2.94	3.04	3.11	3.10	2.90	2.52	2.21
CZ	n/a	n/a	n/a	n/a	2.99	3.22	3.22	3.25	3.21	3.06	2.95	2.75
DE	3.06	2.90	2.71	2.57	2.50	2.40	2.43	2.50	2.45	2.35	2.16	2.01
DK*	2.16	1.85	1.82	1.67	1.85	2.06	2.06	1.83	1.65	1.64	1.50	1.36
ES	4.12	3.67	3.43	3.16	3.15	3.06	3.13	3.20	3.29	3.16	3.09	2.84
FR	3.66	3.77	3.57	3.43	3.26	3.03	2.94	2.95	2.96	2.95	2.59	2.37
HU	11.79	11.66	11.41	10.64	10.72	10.06	9.78	9.47	8.36	8.14	7.25	7.18
IE	4.37	4.21	4.04	4.35	4.45	4.39	4.60	4.53	4.44	4.37	4.41	4.11
IT	4.78	4.32	4.18	4.03	4.05	3.67	3.89	3.45	3.49	3.35	3.13	2.94
NL	4.21	3.99	3.88	3.85	3.72	3.54	3.46	3.39	3.26	3.09	3.06	n/a
RO	8.25	8.12	7.13	8.25	5.64	7.12	10.42	5.03	n	n	6.01	n
SE	3.62	3.49	3.29	2.95	3.01	2.90	3.09	2.86	2.68	2.52	2.24	1.95
UK	3.83	4.05	4.18	3.91	3.57	3.35	3.21	3.10	3.11	3.19	3.31	3.21
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)												
	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	3.77	3.53	3.53	3.49	3.38	3.39	3.48	3.74	3.62	3.39	2.82	2.70
CZ	n/a	n/a	n/a	n/a	3.85	3.72	3.48	3.51	3.75	3.34	2.96	2.69
DE	3.38	3.16	2.91	2.82	2.75	2.65	2.74	2.89	2.80	2.63	2.40	2.16
DK*	2.92	2.83	2.83	2.60	2.73	2.84	3.14	3.13	2.67	2.53	2.12	1.82
ES	8.81	7.77	7.21	6.37	6.49	6.33	6.45	6.06	6.22	6.48	7.01	7.14
FR	3.65	3.60	3.36	3.14	2.94	2.83	2.75	2.83	2.86	2.73	2.39	2.18
HU	n/a	n/a	n/a	n/a	8.35	8.21	7.76	7.79	7.51	7.13	6.69	6.61
IT	5.14	4.68	4.64	4.52	4.46	4.38	4.56	4.31	4.36	4.09	3.70	3.11
NL	4.82	4.70	4.66	4.62	4.55	4.29	4.19	4.04	3.90	3.76	3.55	n/a
RO	5.90	6.34	5.56	n/a	3.92	n/a	6.06	6.52	6.04	6.06	n	5.20
SE	4.45	4.06	3.80	3.57	3.75	3.75	4.46	3.99	3.72	3.60	3.19	2.66
UK	4.42	4.42	4.65	4.24	4.13	4.18	3.89	3.92	4.02	3.92	3.92	3.88

Table 5B ► Mortgage Interest Rates (continued)**Long-term initial fixed period rate, 10-year or more maturity (%)**

	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
BE	3.90	3.67	3.59	3.69	3.64	3.50	3.62	3.84	3.66	3.35	3.04	2.80
CZ	n/a	n/a	n/a	n/a	3.60	3.72	3.88	4.28	4.10	4.28	3.93	3.62
DE	3.53	3.38	3.07	3.00	3.00	2.90	2.95	3.09	3.01	2.89	2.55	2.32
DK*	4.50	4.17	4.05	3.98	3.93	3.73	4.20	4.27	4.07	3.71	3.56	3.30
FR	4.61	4.46	4.89	5.16	5.18	5.40	5.72	4.92	4.79	4.79	4.85	3.90
HU	4.15	4.03	3.80	3.58	3.41	3.30	3.20	3.25	3.29	3.17	2.78	2.54
IT	n/a	n/a	n/a	n/a	8.21	7.18	n/a	7.96	6.68	6.60	6.53	6.65
NL	5.21	4.63	4.81	4.64	4.55	4.47	4.83	4.73	4.62	4.44	4.09	3.68
RO	5.08	5.03	5.06	5.03	4.92	4.90	4.81	4.73	4.64	4.33	3.99	n/a
SE	5.99	5.23	5.14	4.95	6.52	6.39	6.08	6.04	6.28	5.46	6.07	n
UK	5.09	5.52	5.48	5.43	5.29	4.52	3.88	4.14	4.04	4.14	4.14	4.15

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

Source: European Mortgage Federation

** Please note that this refers to variable rate only for the UK.

Note:

n - no lending made in this maturity bracket

Data refers to quarter averages

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

- Germany
- Ireland
- Italy

Table 5C ► Mortgage Markets Breakdown by Interest rate Type (%) – Outstanding Loans

	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Czech Republic											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	25.8	25.3	25.2	25.4	26.6	26.6	26.0	26.2
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	47.9	48.9	50.0	50.6	49.6	50.3	51.2	51.4
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	11.8	11.5	11.2	10.8	10.5	10.3	10.3	10.5
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	14.4	14.3	13.6	13.2	13.3	12.9	12.6	11.9
Denmark											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	47.1	46.6	47.2	46.5	45.2
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	23.2	23.4	22.7	23.0	24.0
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ireland											
Variable rate (up to 1Y initial rate fixation)	90.3	91.4	92.0	92.8	93.7	94.2	94.4	94.7	94.4	94.5	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	8.5	7.4	6.8	6.0	5.1	4.4	4.2	3.9	4.1	4.0	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.2	1.2	1.2	1.2	1.4	1.4	1.4	1.5	1.5	n/a
Long-Term fixed (over 10Y initial rate fixation)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Italy											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0	0.0	0.0	0.0
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.2	0.2	0.3	0.4
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	99.8	99.8	99.7	99.6
Long-Term fixed (over 10Y initial rate fixation)											

Table 5C ► Mortgage Markets Breakdown by Interest rate Type (%) – Outstanding Loans (continued)											
	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Netherlands											
Variable rate (up to 1Y initial rate fixation)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	99.5	99.5	99.5	99.6	99.6	99.5	99.6	99.5	99.5	99.5	n/a
Long-Term fixed (over 10Y initial rate fixation)											
Sweden											
Variable rate (up to 1Y initial rate fixation)	47.4	46.2	45.9	45.3	45.7	47.0	49.1	51.1	53.7	55.0	55.6
Short-Term fixed (1Y-5Y initial rate fixation)	52.6	53.8	54.1	54.7	54.3	53.0	50.9	48.9	46.3	45.0	44.4
Medium-Term fixed (5Y-10Y initial rate fixation)											
Long-Term fixed (over 10Y initial rate fixation)											
UK											
Variable rate (up to 1Y initial rate fixation)*	n/a	n/a	72.1	71.6	70.7	69.3	67.1	64.8	62.9	60.7	58.7
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	27.9	28.4	29.3	30.7	32.9	35.2	37.1	39.3	41.3
Medium-Term fixed (5Y-10Y initial rate fixation)											
Long-Term fixed (over 10Y initial rate fixation)											
Currency denomination											
	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Hungary											
HUF denominated	45.2	46.6	46.0	45.2	46.6	46.7	47.3	46.6	46.9	47.6	47.5
EUR denominated	6.7	6.6	6.7	6.9	6.9	6.8	6.7	6.8	6.7	6.5	6.4
CHF denominated	45.4	44.3	44.9	45.4	44.6	44.5	43.7	44.2	44.0	43.4	43.6
Other FX denominated	2.7	2.6	2.5	2.5	1.9	2.1	2.3	2.4	2.5	2.5	2.6

* Please note that for the UK, this refers only to Variable rate.

Source: European Mortgage Federation

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

- No country

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans

	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Belgium													
Variable rate (up to 1Y initial rate fixation)	3.0	1.8	1.6	1.8	3.5	7.3	4.8	4.2	6.8	7.5	5.1	2.6	1.6
Short-Term fixed (1Y-5Y initial rate fixation)	1.6	4.3	4.7	4.1	6.7	12.6	12.6	12.3	12.7	13.9	10.4	7.6	6.8
Medium-Term fixed (5Y-10Y initial rate fixation)	7.3	8.5	7.4	8.9	17.8	22.9	19.1	13.2	14.6	13.4	16.5	16.4	15.7
Long-Term fixed (over 10Y initial rate fixation)	88.0	85.4	86.4	85.2	72.0	57.1	63.4	70.3	65.9	65.2	68.1	73.4	75.9
Czech Republic													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	35.4	29.9	33.6	37.9	34.7	28.0	34.3	52.4
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	54.2	59.0	57.3	54.9	57.1	61.3	55.0	37.6
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	4.5	3.8	5.3	4.1	6.0	8.6	9.1	8.3
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	5.9	7.3	3.8	3.1	2.1	2.1	1.7	1.8
Denmark													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40.0	34.5	20.6	17.3	19.5
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.1	33.4	25.3	18.5	27.3
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.6	4.3	1.8	1.5	1.8
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31.3	27.8	52.3	62.8	51.5
Germany													
Variable rate (up to 1Y initial rate fixation)	14.0	15.0	14.0	14.0	15.0	16.0	15.0	15.0	16.0	17.0	15.0	14.0	14.0
Short-Term fixed (1Y-5Y initial rate fixation)	15.0	15.0	14.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	13.0	12.0
Medium-Term fixed (5Y-10Y initial rate fixation)	39.0	40.0	40.0	40.0	40.0	41.0	41.0	42.0	41.0	39.0	40.0	41.0	40.0
Long-Term fixed (over 10Y initial rate fixation)	32.0	30.0	32.0	33.0	32.0	30.0	31.0	30.0	29.0	30.0	31.0	32.0	34.0

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)													
	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Hungary													
Variable rate (up to 1Y initial rate fixation)	69.0	65.7	60.7	59.5	58.6	50.9	45.2	40.2	40.1	45.6	48.5	48.7	45.8
Short-Term fixed (1Y-5Y initial rate fixation)	14.5	16.6	17.8	18.4	19.8	27.4	36.9	43.3	40.7	34.4	34.8	34.5	33.6
Medium-Term fixed (5Y-10Y initial rate fixation)	12.1	14.9	19.4	19.6	18.4	19.8	15.8	15.3	17.6	17.1	15.3	15.1	15.1
Long-Term fixed (over 10Y initial rate fixation)	3.3	2.7	2.0	1.9	1.8	1.7	2.1	1.3	1.6	2.9	1.4	1.8	5.5
Ireland													
Variable rate (up to 1Y initial rate fixation)	88.5	90.2	91.6	90.8	81.0	85.3	79.5	82.6	87.3	90.5	90.8	87.4	71.6
Short-Term fixed (1Y-5Y initial rate fixation)	11.5	9.8	8.4	9.2	19.0	14.7	20.5	17.4	12.7	9.5	9.2	12.6	28.4
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy													
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	79.8	79.6	78.2	73.4
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.2	3.1	2.6	2.3
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.6	1.6	1.9	2.2
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15.5	15.7	17.2	22.1
Netherlands													
Variable rate (up to 1Y initial rate fixation)	22.7	22.7	22.5	23.2	24.1	22.8	25.0	26.1	23.2	21.3	19.1	19.3	n/a
Short-Term fixed (1Y-5Y initial rate fixation)	32.2	36.2	36.3	38.4	36.6	39.9	41.9	40.6	37.3	35.5	36.9	35.7	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	36.1	32.9	32.0	31.2	31.7	29.9	28.0	29.9	35.1	39.3	39.0	38.5	n/a
Long-Term fixed (over 10Y initial rate fixation)	9.1	8.2	9.2	7.2	7.7	7.4	5.1	3.5	4.4	3.9	5.0	6.6	n/a

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)

	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Poland													
Variable rate (up to 1Y initial rate fixation)	100	100	100	100	100	100	100	100	100	100	100	100	100
Short-Term fixed (1Y-5Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Medium-Term fixed (5Y-10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term fixed (over 10Y initial rate fixation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal													
Variable rate (up to 1Y initial rate fixation)	98.5	97.9	96.6	93.0	90.7	91.3	90.5	91.5	91.6	91.6	92.2	93.2	n/a
Short-Term fixed (1Y-5Y initial rate fixation)													
Medium-Term fixed (5Y-10Y initial rate fixation)	1.5	2.1	3.4	7.0	9.3	8.7	9.5	8.5	8.4	8.4	7.8	6.8	n/a
Long-Term fixed (over 10Y initial rate fixation)													
Romania													
Variable rate (up to 1Y initial rate fixation)	90.9	97.3	96.2	95.8	97.6	97.6	98.0	88.2	86.5	87.9	87.5	86.8	87.7
Short-Term fixed (1Y-5Y initial rate fixation)	0.7	0.3	1.0	1.4	2.1	1.5	1.8	10.8	12.4	10.9	11.6	12.9	11.9
Medium-Term fixed (5Y-10Y initial rate fixation)	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.4
Long-Term fixed (over 10Y initial rate fixation)	8.3	2.3	2.7	2.5	0.3	0.7	0.2	0.8	0.8	0.9	0.6	0.1	0.0
Spain													
Variable rate (up to 1Y initial rate fixation)	83.6	81.9	80.4	77.1	73.5	67.6	66.6	69.0	67.9	70.8	67.3	61.6	59.0
Short-Term fixed (1Y-5Y initial rate fixation)	15.0	16.0	17.9	21.1	24.1	29.0	29.6	27.8	28.9	26.3	30.1	35.7	38.2
Medium-Term fixed (5Y-10Y initial rate fixation)	0.9	1.1	1.0	1.2	1.1	2.1	2.6	2.2	2.1	2.0	1.7	1.9	1.5
Long-Term fixed (over 10Y initial rate fixation)	0.5	1.0	0.7	0.6	1.3	1.3	1.3	1.0	1.0	0.9	0.8	0.8	1.3

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) – New Loans (continued)													
	IV 2011	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
Sweden													
Variable rate (up to 1Y initial rate fixation)	54.2	59.0	57.8	54.1	61.0	57.5	63.0	63.7	69.4	71.1	75.7	70.5	68.0
Short-Term fixed (1Y-5Y initial rate fixation)	40.4	36.5	36.1	35.7	28.1	29.2	26.7	28.6	26.0	24.2	19.9	23.1	23.5
Medium-Term fixed (5Y-10Y initial rate fixation)	5.3	4.5	6.1	10.2	10.9	13.3	10.3	7.8	4.6	4.7	4.4	6.4	8.5
Long-Term fixed (over 10Y initial rate fixation)													
United Kingdom													
Variable rate (up to 1Y initial rate fixation)*	n/a	n/a	n/a	n/a	36.5	29.3	24.7	22.7	19.7	19.0	18.1	17.5	17.8
Short-Term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	63.6	70.7	75.3	77.3	80.3	81.0	82.0	82.6	82.2
Medium-Term fixed (5Y-10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)													

* Please note that for the UK, this refers only to Variable rate.

Source: European Mortgage Federation

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

- Ireland

► Explanation of the market breakdown criteria for the case of Belgium	
Stated Category in Table 5D	Actual content
Variable rate (up to 1Y initial rate fixation)	Variable rates from 1Y to less than 3Y (mostly 1Y variable rate loans). N.B.: Belgian law forbids variable rates under 1Y variability.
Short-term fixed (1Y-5Y initial rate fixation)	Variable rates from 3Y to less than 5Y initial rate fixation
Medium-Term fixed (5Y-10Y initial rate fixation)	Total of the categories related to : <ul style="list-style-type: none"> ▪ variable rates from 5Y to less than 10Y initial rate fixation ▪ variable rates from 10Y and more (in practice, 10Y variability is generally the longest variability period offered, otherwise customer opt for fixed interest rate loans)
Long-Term fixed (over 10Y initial rate fixation)	Fixed interest rate loans (no variability)

THE ECB BANK LENDING SURVEY

NOTES ON THE BANK LENDING SURVEY

The Bank Lending Survey (BLS) is carried out by the European Central Bank (ECB) and is addressed to senior loan officers of a representative sample of euro area banks and conducted four times a year. The sample group participating in the survey comprises around 130 banks from all euro area countries and takes into account the characteristics of their respective national banking structures.¹

The survey addresses issues such as credit standards for approving loans as well as credit terms and conditions applied to enterprises and households.

It also asks for an assessment of the conditions affecting credit demand. The results and information displayed here is taken from the quarterly results of this exercise, as well as other information and data made public by the ECB.

Please note that the BLS does not report current levels of credit standards or demand, but rather it shows *changes* in credit standards and demand relative to the previous quarter.

RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. Credit Standards (Supply)

Table 6A ► Credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 8a of BLS)

(as a netted and weighted percentage of all respondent banks)

	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
AT	0	0	10	10	10	0	-7	0	0	0	0	-7
CY	30	30	10	30	30	40	38	25	25	13	25	13
DE	2	2	4	9	3	2	5	0	-2	3	0	3
EE	0	25	0	0	0	0	0	0	0	25	-13	-13
ES	11	6	6	0	6	11	0	0	0	0	0	0
FR	9.05	0	14.8	0	8.65	4.05	8.85	4.95	7.15	0	0	-7.05
IE	10	20	10	25	-8	-10	-10	20	0	0	0	-10
IT	44	19	0	0	13	6	0	-6	-13	-25	-13	0
LU	8	8	17	8	8	0	8	-8	8	-8	8	-8
LV					n/a	n/a	n/a	n/a	n/a	-13	13	0
MT	0	0	0	0	0	0	0	0	0	0	0	0
NL	0	17	0	17	25	33	8	0	8	8	0	0
PT	50	30	30	0	0	0	0	0	0	0	0	0
SI	10	10	20	20	10	10	0	0	0	0	-10	0
SK	0	-11.13	32.34	11.14	-10.98	5.75	8.99	0	0	8.86	26.09	-12.89
Euro area	14.08	8.41	7.44	6.33	8.92	7.72	3.51	0.73	-0.01	-2.36	-1.78	-1.09

Interpreting the data: A *negative value reflects a perceived easing of credit standards*, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information.

Table 6B ► Factors affecting banks' credit standards as applied to the approval of loans to households for house purchase, backward-looking 3 months (Question 9 of BLS)

(as a netted and weighted percentage of all respondent banks)

IV 2014		AT	CY	DE	EE	ES	FR	IE	IT	LU	LV	MT	NL	PT	SI	SK	Euro area
	Change in Credit Standards Overall	-7	13	3	-13	0	-7.05	-10	0	-8	0	0	0	0	0	-12.89	-1.09
Factors affecting credit standards:	Impact of funds and balance sheet constraints	0	13	2	0	0	-6.3	0	0	0	0	0	0	10	0	12.89	-0.25
	Perception of risk	7	13	1	0	0	0.75	-10	3	8	0	0	0	-5	0	12.89	1.08
	Pressure from competition	-10.5	0	0	-6.5	0	-3.78	0	-6.5	-8.5	0	0	0	-10	0	2.17	-2.38

“**Perception of risk**” is calculated as the unweighted average of “expected economic activity” and “housing market prospects”;

“**Pressure from competition**” is calculated as the unweighted average of “competition from other banks” and “competition from non-banks”.

Interpreting the data: A *negative value reflects a perceived easing of credit standards*, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information.

¹ It should be noted that the Diffusion Index is used (see ECB website or contact authors for more information) in this publication. Figures for France, Malta and Slovakia are weighted based on the amounts outstanding of loans of the individual banks in the respective national samples, while figures for the other countries are unweighted.

2. Demand

Table 7A ► Demand for loans to households for house purchase, backward-looking 3 months (Question 13a of BLS)

(as a netted and weighted percentage of all respondent banks)

	I 2012	II 2012	III 2012	IV 2012	I 2013	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014
AT	0	-20	0	20	20	14	14	0	-21	7	21	0
CY	-40	-40	-30	-20	-40	-20	-63	-25	-25	-13	0	0
DE	20	12	18	14	14	16	7	7	0	16	5	2
EE	-13	25	25	-13	13	38	25	0	13	13	0	25
ES	-28	-28	-11	-11	11	-39	-11	-11	6	0	6	0
FR	-13.05	-90.05	-36.35	-23.3	-17	-1.8	24	15.15	-5.5	-0.5	-8.7	17.8
IE	-10	-10	10	25	17	20	20	30	30	40	50	80
IT	-50	-44	-38	-31	-50	-38	-25	0	0	19	31	25
LU	0	-17	8	8	-8	17	17	-8	-8	0	8	-25
LV	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
MT	0	-27.27	-4.04	0	22.49	22.84	0	26.94	4.76	22.76	49.78	0
NL	-50	-42	-25	-58	-42	-58	-50	-17	-17	0	8	17
PT	-70	-70	-40	-70	-60	-40	-30	0	0	10	10	0
SI	-30	-20	-40	-30	-40	-30	0	-10	0	-30	-10	-20
SK	12.61	-3.45	38.8	-28.73	4.42	-0.17	-21.89	0	17.24	-8.53	24.68	17.55
Euro area	-17.72	-34.12	-14.36	-15.02	-11.05	-14.85	-3.19	0.86	-2.6	6.61	8.96	11.94

Interpreting the data: A negative value reflects a perceived decline in demand, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information.

Table 7B ► Factors affecting demand for loans to households for house purchase, backward-looking 3 months (Question 14 of BLS)

(as a netted and weighted percentage of all respondent banks)

IV 2014		AT	CY	DE	EE	ES	FR	IE	IT	LU	LV	MT	NL	PT	SI	SK	Euro area
	Change in Credit Standards Overall	0	0	2	25	0	17.8	80	25	-25	0	0	17	0	-20	17.55	11.94
Factors affecting credit standards:	Impact of housing market prospects	0	0	5	25	6	13.75	50	19	0	13	4.76	25	10	10	21.27	10.95
	Other financing needs	0	-13	0	0	6	1.53	30	3	0	6.5	0	8.5	10	-5	8.78	2.95
	Use of alternative finance	0	0	-4.7	0	-4	0	0	0	-5.3	0	-1.6	-2.7	0	-10	-1.24	-2.08

“Other financing needs” are calculated as the unweighted average of “consumer confidence” and “non-housing-related consumption expenditure”; “Use of alternative finance” is calculated as the unweighted average of “household savings”, “loans from other banks” and “other sources of finance”.

Interpreting the data: A negative value reflects a perceived decline in demand, and vice versa (the number can range from -100 to 100). The Diffusion Index is used – please see ECB website or contact authors for more information.



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