

QUARTERLY STATISTICS

European Mortgage Federation

Alessandro Sciamarelli | Statistical Adviser | asciamarelli@hypo.org | Tel: +32 2 285 40 42
Susan Yavari | Head of Economic Affairs | syavari@hypo.org | Tel: +32 2 285 40 46



- ▶ The positive developments recorded in Q4 2009 across many EU mortgage markets came to a halt in Q1 2010 in some countries while the recovery in some other markets continued, notwithstanding adverse or scarcely supportive macroeconomic conditions.
- ▶ The performance of new lending differed between countries as the European scenario continued to be mixed overall: positive developments over the previous year were recorded in Denmark, France, Portugal, Spain and Sweden, while new mortgage activity experienced a decline in Ireland and – seasonally – also in Germany. In the UK the fall in new lending continued but at a slower rate.
- ▶ Most housing markets showed positive signs. Sweden and the UK recorded spectacular increases in house prices on a year-on-year basis, while the housing recession continued in some other markets.
- ▶ The ECB and other central banks maintained their supportive monetary policy, leading to new record lows for all types of mortgage interest rate observed, with a continued shift in the market from fixed-rate to variable-rate mortgages.

The general recovery in new lending continues, but the picture is still mixed

Although the financial and economic crisis continues to bear down on lenders' ability to fund new mortgage lending and on consumers' demand for housing loans, mortgage markets in Q1 2010 have generally bottomed out of the recession – albeit with some significant exceptions.

The factors underpinning this mixed performance across the EU are a very modest macroeconomic recovery (real GDP in Q1 2010 increased by a meagre 0.2% in the EU27 on the previous quarter, while the recession continued in some individual economies), persisting uncertainty in the labour market and ongoing funding problems despite the very supportive monetary policy environments across the EU.

In the UK the fall in new lending continued but slowed down substantially: gross mortgage lending amounted to EUR 34 billion in Q1 2010, i.e. 23% down on Q4 2009 and 5.1% down on Q1 2009. Net lending decreased even more dramatically, down to EUR 958 million in the period, from EUR 5.3 billion in Q4 2009. Most, if not all, of this decline is in fact illusory: the previous government's temporary stamp duty holiday – exempting all purchases priced under GBP 175,000 (EUR 197,160) from paying the 1% purchase tax – came to an end on December the 31st last year. This resulted in a substantial number of borrowers who would have ordinarily transacted in Q1 2010 bringing forward their purchases to take advantage of the exemption and thus reducing their transaction costs.

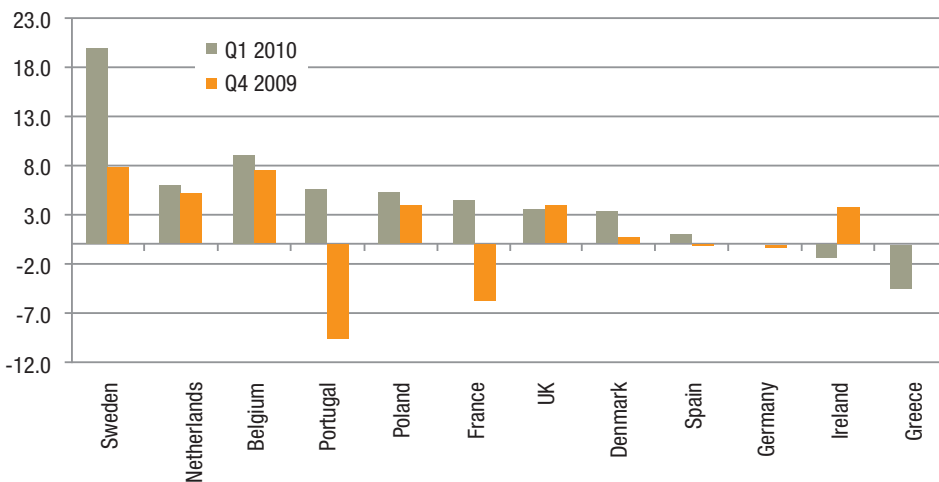
However, the underlying trend remains one of modest improvement in lending, driven by improvements in house purchase activity, whilst re-mortgaging remains muted.

In Ireland, the first quarter is traditionally a period of lower mortgage demand for the year, with 2010 no exception, while the trend of an easing in the year-on-year rate of decline was also noticeable; new lending decreased significantly (-38.9%) although less than in Q4 2009 (-50.3%). Notably, the number of First-Time Buyers was similar in Q1 2010 to the same period a year earlier. First and Subsequent-Time Buyers continued to perform strongly in market share terms, with both segments combined accounting for almost 70% of the value of new lending. In Germany, new lending recorded a slight decrease by 4.3% on Q1 2009, after flat year-on-year developments in Q4 2009.

In Spain, new mortgage lending improved on a year-on-year basis by a mere 0.1%, representing the second consecutive increase (following on from 6.2% in Q4 2009), but went down by 9.2% on the previous quarter – the third consecutive fall as a consequence of the reduced number of transactions.

In France, consistent with the usual seasonal pattern, new lending decreased on Q4 2009 by 11.6% but recorded a sharp increase on Q1 2009 (65.1%), which was however largely affected by the fact that Q1 2009 marked the trough in the mortgage lending cycle in France (i.e. the historical low on record). Positive developments over the same quarter of the previous year were also recorded in Denmark (26.8%, after the 33.4% recorded in Q4 2009) and Sweden (19.9% after 23.8%), although on a quarter-on-quarter basis new lending fell by 13% in both countries. In Denmark particularly, net lending was at its lowest level since Q4 2009 due to the relatively low mortgage activity level, but gross lending remained at absolute highs as Danish mortgage lenders continued to shift from fixed-rate mortgages to adjustable-rate loans.

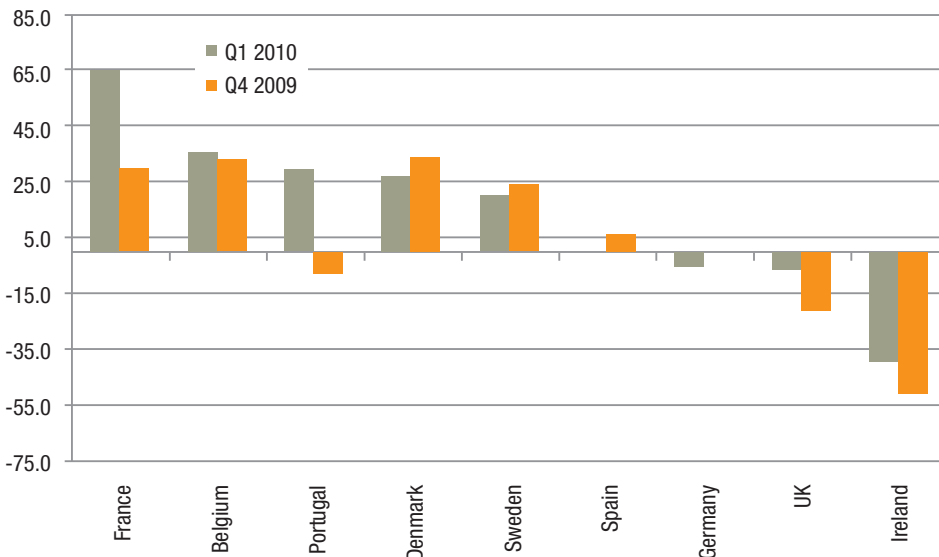
Chart 1 ▶ Total Outstanding Residential Lending, year-on-year growth rates (%)



Source: European Mortgage Federation

Notes:
 Non seasonally-adjusted data.
 Please note that the Swedish historical data has been revised due to a change in the statistical sources.
 Quarterly figures for non-euro area countries are converted using 3-m average of EUR exchange rates as published in the ECB Monthly Bulletin.

Chart 2 ▶ Gross Residential Lending, year-on-year growth rates (%)



Source: European Mortgage Federation

Notes:
 Non seasonally-adjusted data.
 Quarterly figures for non-euro area countries are converted using 3-m average of EUR exchange rates as published in the ECB Monthly Bulletin.

Housing demand back on the rise

After the recovery which was observed in many markets over the last two quarters of 2009, housing markets continued to record positive developments in most of the markets surveyed, both on a quarter-on-quarter and on a year-on-year basis. Data recorded in some markets provided evidence of a recovery in housing demand, which is gradually leading these markets out of the dramatic correction process from the booming cycle of the previous years. However, some exceptions to this picture can be observed.

In Ireland, the correction from the historical peak in house prices recorded in Q4 2006 continued in Q1 2010, with the house price index reaching the lowest levels since Q4 2002: the average house price index went down by 19.2% on Q1 2009, which is the most pronounced fall on record (following on from the 18.5% fall in Q4 2009), and corresponded to a 3.9% decline on Q4 2009. From peak to trough, house prices have so far recorded a cumulated decrease of 34%. On the other hand, affordability has improved and there are some signs of pick-up in macroeconomic conditions (real GDP increased by 2.7% in Q1 2010 while the unemployment rate stabilised), that are likely to provide some support to housing demand. In Spain, the housing recession which started in Q2 2008 continued also in Q1 2010, and house prices decreased by 1.4% on the previous quarter and by 4.7% on the previous year (which was however less than in Q4 2009, 6.3%).

Germany also recorded another year-on-year moderate fall in the house price index (by 1.5%), following from the falls recorded for three consecutive quarters, which should however be put in the context of a substantial long-term house price stability (Chart 4).

In Denmark house prices decreased on the previous year for the tenth consecutive quarter, albeit marginally (by 0.2%). This stabilisation on a year-on-year basis corresponded to the third quarter-on-quarter increase in a row, which suggests a moderate and gradual housing market recovery.

In France, in Q1 2010 the house price index went up by 1.3% on the previous year, performing the first positive growth rate since Q3 2008, while on a quarter-on-quarter basis, house prices recorded the third increase in a row (by 1.0%). These data would suggest that the French housing market has stabilised since the record low in the house price index that was reached in Q2 2009.

House prices continued to move in a positive trend also in Portugal, where they increased on the previous year by 3.8%, following on from the 3.6% growth rate recorded in Q4 2009 (although this corresponded to a negligible decrease on the previous quarter, i.e. 0.2%).

In Sweden the robust housing market recovery which started in Q2 2009 resulted in the fourth house prices' increase on a quarter-on-quarter basis (by 1.9%). Compared with the same quarter of the previous year, house prices gained further momentum and recorded an increase above 10%, which was the highest since Q1 2008.

Another spectacular increase in house prices on a year-on-year basis was recorded in the UK (7.7%), which was the highest growth rate recorded since Q4 2007. On a quarter-on-quarter basis, prices increased for the third consecutive quarter and returned to the levels observed in Q3 2008. The principal reason for this performance was low mortgage rates that kept on sustaining housing demand – although the current funding crisis meant lenders required much higher deposits from borrowers.

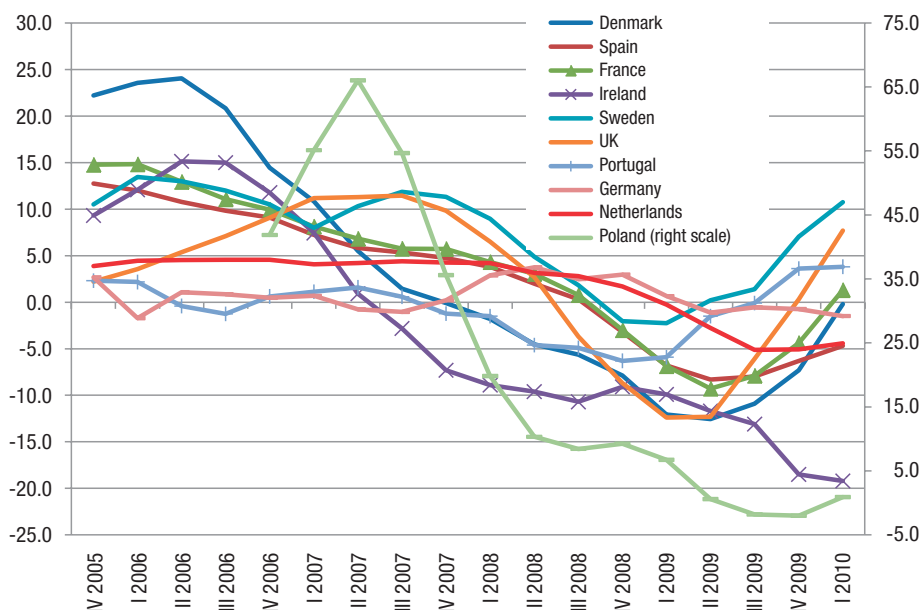


Chart 3 ▶
Nominal House Prices
year-on-year growth rates (%)
(Q4 2005-Q1 2010)

Source: European Mortgage Federation

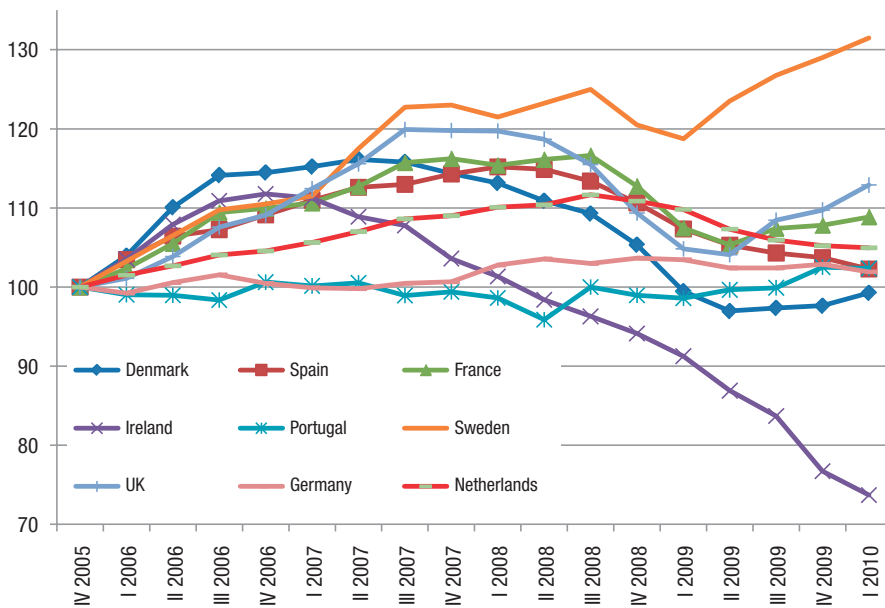


Chart 4 ►
Nominal House Price Indices
(Q4 2005=100)

Source: European Mortgage Federation

Note:
Standardised nominal house price indices on national values

Mortgage interest rates down to new historical lows

The continuing low and stable monetary policy environment has helped support mortgage demand. The ECB and the BOE policy rate remained unchanged at 1.00% and 0.50% respectively since Q1 2009, while the Swedish central bank reversed its policy and raised its central rate from the historical low of 0.25% to 0.50% on July the 1st, 2010.

As these expansionary monetary policies continued to be passed through to mortgage markets, further decreases in mortgage interest rates were recorded in all the countries surveyed (see Table 5A), both on the previous quarter and on the previous year, which led to new record lows in some markets. In Denmark for example, representative mortgage interest rates

went down by 49 basis points (bps) on a year-on-year basis (by 192 bps quarter-on-quarter) to 1.25% and in the UK by 36 bps quarter-on-quarter and 66 bps year-on-year. In Spain mortgage interest rates on new loans reached the record low of 2.44%, which corresponded to a decrease of 178 bps on Q1 2009.

The gradual shift in consumers' preference from fixed-rate to variable-rate products which was recorded in some countries throughout 2009, continued in some countries (see Table 5D) such as Belgium, Denmark, Italy and the UK. However, in Ireland there has been a marked shift away from variable-rate products to fixed-rate products since February 2010.

Contributing National Experts

BE: Frans MEEL (Union Professionnelle du Crédit) > DK: Kaare CHRISTENSEN (Association of Danish Mortgage Banks) > DE: Thomas HOFER (Verband deutscher Pfandbriefbanken) > ES: Irene PEÑA CUENCA (Asociación Hipotecaria Española) > FR: Jean-Marie GAMBRELLE (Crédit Immobilier de France), Marielle THOMAS (Union Nationale pour l'Habitat) > IE: Tom O' CONNOR (Irish Banking Federation) > IT: Angelo PEPPETTI (Associazione Bancaria Italiana) > NL: Nico DE VRIES (ING Bank) > PL: Jacek RYSZEWSKI (BRE Bank SA), Agnieszka NIERODKA (Mortgage Credit Foundation) > PT: Jose Jesus MARTINS (Caixa Economica Montepio Geral) > RO: Sergiu OPRESCU (Alpha Bank Romania) > SE: Christian NILSSON (Swedish Bankers' Association) > UK: James TATCH (Council of Mortgage Lenders)

Country Insight: Sweden / by Christian Nilsson, Swedish Bankers' Association

Increased mortgage lending despite international economic downturn

Sweden has an export-oriented economy which was hit by the economic downturn in 2008 after the global financial crisis. However, the Swedish economy has so far managed fairly well to cope both with the financial crisis in 2008 and 2009, and with the sovereign debt crisis in southern Europe in 2010. Real GDP fell by 4.9% in 2009, but it has recovered quickly and has increased by 3% on a quarterly basis in Q1 2010. The unemployment rate has increased, but not as much as expected. Unemployment was 8.3% in 2009 compared to 6.2% in 2008.

In October 2008 a plan to stabilise the Swedish financial sector was launched. This plan contained, among other things, a bank guarantee programme, a cap-

ital infusion programme and emergency support for banks. Another important part of the plan is the stabilisation fund, which will bear all costs of bank-supporting measures. The stabilisation fund will be financed by annual fees paid by banks and other credit market institutions. However, the Swedish financial sector was in a relatively better shape by the time of the global financial crisis. The Swedish State has issued guarantees to a few banks through the bank guarantee programme so far, but has also faced no costs for these guarantees.

Mortgage lending in Sweden has been relatively less affected by the financial crisis compared with other European countries. Although the growth rate in mortgage lending has slightly slowed down over time, residential mortgage lending has increased between 8% and 13% on an annual basis on average since 2005 and up to Q1 2010 (see Figure 1).

In addition to the fact that the Swedish economy has managed the international financial crisis and the state debt crisis fairly well, there are several other explanations why the mortgage market has continued to record comparably high growth rates.

The first is the record low in interest rates. As the export-oriented Swedish economy was severely hit by the global financial crisis in Q4 2008, the Riksbank (Swedish Central Bank) lowered the repo rate (its main policy rate) to very low levels. The Riksbank lowered the repo rate from 4.75% in September 2008 to 0.25% in July 2009. On July the 1st 2010 it was raised slightly to 0.50% (while the ECB policy rate remained unchanged at 1.00%).

The low repo rate has put downward pressure on the short-term Swedish market interest rates and also on variable mortgage interest rates. Since April 2009 variable mortgage interest rates have ranged from 2% to 1.4%, which should be one of the lowest mortgage interest rates among advanced economies (see figure 2). At the end of May 2010, 60% of the existing mortgage loan stock was at variable interest rates and between January and May almost 80% of new mortgage loans were at variable rates.

Another important reason lies in the lack of unoccupied houses in the housing market and low construction figures. New residential construction activity has been comparably low, as it was before the financial crisis in 2008. There are almost no vacant houses in the housing market and in the larger cities and, moreover, in other expansive areas there is to some extent a housing shortage. Except for a short period at the end of 2008 and in the beginning of 2009, prices of houses and apartments have continued to increase, and this has affected the demand for residential mortgage lending.

Tax deductions on renovation and rebuilding also played an important role. The Government introduced a new tax deduction at the end of 2008 of up to 50% of the costs of housing renovation and rebuilding. The tax deduction has been upped to SEK 50,000 (EUR 5,000) per house owner and year.

This tax deduction was one of several measures undertaken to stimulate employment at the beginning of the financial crisis, and has proved popular and been widely used. It is estimated that the lower cost of renovation and rebuilding has helped stimulate mortgage lending.

Finally, the transformation from rental housing to tenant-owned housing also represented an important change to the housing sector. This change has taken place in areas where the increases in house prices have been particularly sustained, such as for example, in the biggest urban areas. When the tenants of a rented apartment take part in the transformation of the apartment into a tenant-owned one, they normally finance the purchase of the apartment with a residential mortgage loan.

There has been a public debate whether a housing bubble was noticeable in Sweden and about the potential vulnerability of mortgage borrowers. Both the Riksbank and Finansinspektionen (Financial Supervisory Authority) have investigated the issue of a potential housing bubble and of an increase in lending to households. Both the authorities and most other analysts consider that interest rates will increase in the coming years and this increase will put some pressure on many of the households which already are highly indebted. This will also have a dampening effect on the whole economy as household consumption will fall. Even though most analysts expect house prices to increase in the future, few of them believe that there is a housing bubble in Sweden.

Finansinspektionen's point of view is that the banks' credit losses on mortgage loans will be limited when interest rates increase and there will be no threat to financial stability. High Loan-to-Value (LTV) ratios are not a threat to financial stability although they represent a potential problem for highly-indebted borrowers. Thus, Finansinspektionen recently suggested to introduce new general guidelines for credit institutions offering residential mortgage loans. These general guidelines state that LTVs for residential loans should not exceed 85% for new loans or for existing loans that are extended. These new rules will come into force on October the 1st, 2010.

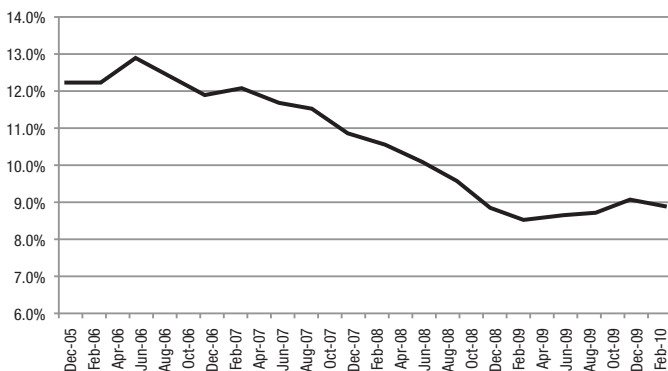


Chart 2 ▶
Mortgage interest rates, new loans

Source: Statistics Sweden

Chart 1 ▶
Residential mortgage lending outstanding, annual percentage change

Source: Statistics Sweden

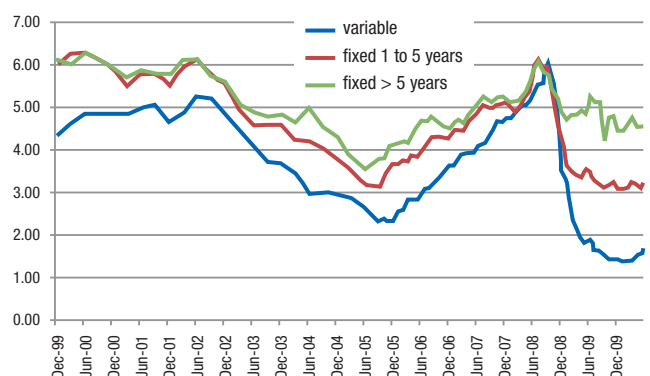


Table 1 ► Total Outstanding Residential Mortgage Lending (Million EUR)

	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010	latest y-o-y change (%) (Q1 10)	previous y-o-y change (%) (Q4 09)
BE	123,055	125,677	128,068	130,548	134,454	136,016	137,823	140,979	144,578	148,310	9.0	7.5
DK	211,381	214,833	217,899	220,522	222,403	225,503	227,352	229,707	231,268	232,885	3.3	4.0
DE	1,155,742	1,149,512	1,150,485	1,151,578	1,147,869	1,141,930	1,141,853	1,146,564	1,146,564	1,142,702	0.1	-0.1
EE	5,625	5,817	6,038	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	69,363	71,661	74,064	76,055	77,700	78,066	78,734	79,560	80,559	74,414	-4.3	3.7
FR	651,900	667,400	679,600	698,300	710,000	712,900	716,000	726,500	735,600	745,000	4.5	3.9
ES	646,676	659,195	666,664	672,242	674,434	673,321	677,850	677,850	678,872	679,202	0.9	0.7
IE	139,842	142,403	145,341	147,550	147,904	148,542	148,349	147,969	147,623	146,473	-1.4	-0.2
IT	304,223	299,802	297,760	305,498	307,832	314,398	321,487	323,614	330,585	336,592	7.1	7.4
LV	6,726	6,964	7,068	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	4,849	5,156	5,538	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	12,407	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	551,873	559,914	565,794	570,983	588,188	590,485	607,277	609,559	619,992	610,051	6.0	5.0
PL	35,966	40,834	44,959	51,949	57,014	51,820	51,756	54,949	56,630	54,569	5.3	-9.3
PT	101,094	103,308	105,521	105,167	105,210	105,989	107,299	108,404	110,685	111,835	5.5	5.2
RO	n/a	n/a	n/a	n/a	5,471	5,072	5,306	n/a	n/a	n/a	n/a	n/a
SE	221,434	223,655	230,718	232,162	218,976	208,358	217,403	229,413	236,062	249,625	19.8	7.8
UK	1,745,904	1,585,254	1,534,327	1,537,551	1,459,858	1,347,056	1,394,708	1,415,877	1,372,659	1,394,110	3.5	-6.0

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

Quarterly figures for non-euro area countries are converted using 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin.

Please note that the Swedish historical data has been revised due to a change in the statistical sources.

Please note that the SEK/EUR exchange rate has been very volatile since Q4 2008, so the year-on-year change in lending stated in SEK shows different results than when stated in EUR.

Table 2 ► Gross Residential Mortgage Lending (Million EUR)

	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010	latest y-o-y change (%) (Q1 10)	previous y-o-y change (%) (Q4 09)
BE	5,907	5,471	5,001	6,076	5,657	4,797	4,091	5,461	6,143	6,381	5,535	35.3	33.0
DK	11,707	11,852	7,894	9,773	9,116	10,188	9,275	14,965	11,874	13,591	11,764	26.8	33.4
DE	22,360	21,519	16,818	19,442	21,012	20,000	16,400	18,000	19,000	20,000	15,700	-4.3	0.0
EE	499	445	439	461	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	3,474	3,833	3,677	3,752	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FR	39,500	36,500	31,300	33,106	32,000	25,600	17,700	23,440	29,640	33,070	29,219	65.1	29.2
ES	30,853	28,508	25,016	24,166	18,510	16,089	15,496	19,191	17,143	17,088	15,514	0.1	6.2
IE	8,984	8,282	6,266	7,566	5,678	3,539	1,998	2,173	2,145	1,760	1,220	-38.9	-50.3
IT	21,025	26,994	21,083	22,819	19,686	23,190	16,411	19,885	17,049	22,096	18,607	13.4	-4.7
LT	1,278	1,404	1,493	1,604	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	822	842	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-22.3
PT	5,354	5,369	4,090	3,673	2,993	2,769	1,917	2,347	2,508	2,558	2,476	29.2	-7.6
SE	10,567	10,658	8,218	9,265	7,360	8,921	7,983	11,328	9,600	11,046	9,568	19.9	23.8
UK	145,042	126,929	98,049	92,492	76,322	54,944	35,630	37,642	44,960	43,173	33,797	-5.1	-20.1

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

Quarterly figures for non-euro area countries are converted using 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin.

Please note that the SEK/EUR exchange rate has been very volatile since Q4 2008, so the year-on-year change in lending stated in SEK shows different results than when stated in EUR.

Table 3 ► Net Residential Mortgage Lending (Million EUR)

	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010	latest y-o-y change (%) (Q1 10)	previous y-o-y change (%) (Q4 09)
BE	2,845	3,922	2,542	2,852	2,480	3,907	1,562	1,807	3,157	3,598	n/a	n/a	-7.9
DK	4,201	3,243	3,080	3,309	2,718	2,073	2,704	2,070	2,180	1,839	1,371	-49.3	-11.3
DE	-94	-2,867	-6,245	1,103	1,100	-3,519	-5,939	651	3,251	2,604	-4,707	-20.7	-174.0
EE	308	250	193	221	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	2,812	3,248	2,297	2,404	1,991	1,645	366	668	826	999	-5,811	n/a	-39.6
FR	18,900	17,500	14,500	12,200	18,700	11,700	2,900	3,100	10,500	9,100	7,400	155.2	7.7
ES	15,601	12,283	12,519	7,469	5,578	2,191	-1,113	4,529	0.173	1,022	331	-129.7	-53.4
IE	4,118	3,879	2,561	2,946	2,209	565	427	-193	-380	-346	-1,150	-369.3	-161.2
IT	9,937	4,425	-4,421	-2,042	7,738	2,334	6,566	7,089	2,127	6,971	6,007	-8.5	198.7
LV	359	310	209	134	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	544	438	307	381	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	13,045	10,885	7,835	5,880	5,189	17,205	2,297	16,792	2,282	10,433	7,859	261.5	-10.5
HU	599	556	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PL	3,698	2,843	3,961	2,209	5,632	11,404	3,948	-529	112	1,287	473	n/a	-88.7
PT	2,152	1,703	2,214	2,213	-354	43	779	1,310	1,185	2,201	1,150	47.6	n/a
RO	n/a	n/a	n/a	n/a	n/a	n/a	177	150	n/a	n/a	n/a	n/a	n/a
SE	5,059	5,582	4,579	6,106	4,367	4,062	3,594	5,953	4,499	5,097	3,984	10.9	25.5
UK	45,538	34,165	22,484	16,548	9,440	4,231	-10	2,656	5,185	5,321	958	n/a	25.8

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

Quarterly figures for non-euro area countries are converted using 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin.

Please note that the Swedish historical data has been revised due to a change in the statistical sources.

The Spanish data for Q3 2009 should be read as 173,000 EUR.

Table 4 ► House Price Indices, nominal year-on-year growth rates (%)

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
BE	n/a	n/a	n/a	n/a	3.7	2.8	-0.2	5.6	1.5	-2.2	-3.6	0.7	3.8	n/a
DE	0.5	0.7	-0.7	-1.0	0.2	2.8	3.7	2.4	2.9	0.7	-1.1	-0.5	-0.7	-1.5
DK	14.5	10.8	5.5	1.5	-0.1	-1.8	-4.5	-5.6	-7.9	-12.1	-12.6	-10.9	-7.3	-0.2
EE	21.2	9.1	15.4	7.4	7.1	-12.5	-17.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	10.5	6.2	5.8	5.7	1.0	2.8	1.5	5.6	3.3	-0.1	2.9	-5.1	-4.4	-3.1
ES	9.1	7.2	5.8	5.3	4.7	3.8	2.0	0.3	-3.2	-6.8	-8.3	-8.0	-6.3	-4.7
FR	9.9	8.1	6.8	5.7	5.7	4.3	3.0	0.8	-3.0	-6.9	-9.3	-7.9	-4.4	1.3
IE	11.8	7.4	0.9	-2.8	-7.3	-8.9	-9.6	-10.7	-9.1	-9.9	-11.7	-13.1	-18.5	-19.2
NL	4.6	4.1	4.2	4.4	4.3	4.2	3.2	2.8	1.7	-0.3	-2.8	-5.1	-5.1	-4.4
PL	41.9	55.1	66.0	54.7	35.6	19.8	10.3	8.4	9.3	6.7	0.6	-1.8	-2.0	0.9
PT	0.6	1.1	1.6	0.6	-1.2	-1.5	-4.6	-4.9	-6.3	-5.9	-1.5	-0.1	3.6	3.8
SE	10.5	8.0	10.3	11.8	11.3	9.0	4.9	1.8	-2.0	-2.3	0.2	1.4	7.1	10.7
UK	9.1	11.2	11.3	11.5	9.8	6.5	2.7	-3.7	-8.7	-12.4	-12.3	-6.1	0.3	7.7

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

Source: European Mortgage Federation

Further information below:

Belgium: Stadim average price of existing dwellings

Germany: single family house price index

Denmark: all dwellings

Estonia: Tallinn area house price index (not a national index)

France: INSEE index (second-hand dwellings only)

Greece: urban areas house price index (other than Athens)

Ireland: new series of ESRI residential property prices index

Netherlands: CBS (Statistics Netherlands) house price index of existing homes

Portugal: new INE index since Q3 2008

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

Sweden: index of prices of one-dwelling and two-dwelling buildings

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

Table 5A ► Representative Mortgage Rates (%)

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
BE	4.36	4.41	4.46	4.88	4.93	4.88	4.85	5.26	4.99	4.52	4.49	4.62	4.43	4.32
DK	4.18	4.18	4.41	4.50	4.53	4.56	5.36	5.03	4.64	3.17	3.21	2.97	1.74	1.25
DE	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37	4.29	4.09
EE	4.80	5.10	5.30	5.70	5.80	5.40	5.80	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	4.18	3.54	3.24	3.12	3.11
FR	3.90	4.00	4.10	4.40	4.60	4.70	4.70	5.00	5.20	4.80	4.40	4.40	4.60	4.30
ES	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78	2.52	2.44
IE	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62	2.61	2.77
IT	4.56	4.79	4.90	4.94	5.20	5.68	5.73	5.95	6.29	3.89	2.85	2.33	2.24	2.22
LV	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	5.83	5.60	5.75	6.32	6.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.45	4.69	4.90	5.18	5.34	5.38	5.50	5.70	5.71	4.21	3.63	3.87	3.88	3.78
PL	5.70	5.70	5.70	6.00	6.20	6.51	7.80	8.40	8.70	7.30	7.20	7.30	7.10	6.80
PT	5.00	5.10	5.30	5.50	5.70	5.10	5.42	5.69	5.50	3.51	2.70	2.38	2.23	2.16
SE	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58	1.43	1.40
UK	5.25	5.43	5.62	5.90	6.08	5.90	5.81	6.05	5.56	4.45	4.38	4.38	4.39	3.80

Short-term initial fixed period rate, from 1 to 5 years maturity (%)

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
BE	4.44	4.69	4.86	5.07	5.18	4.87	4.91	5.45	4.99	n/a	n/a	n/a	n/a	n/a
DE	4.86	4.99	5.22	5.34	5.33	5.01	5.24	5.50	4.84	4.12	3.88	3.81	3.76	3.56
GR	4.81	4.56	4.92	5.11	4.97	4.74	4.95	4.66	5.27	5.44	5.03	4.67	4.65	4.69
ES	4.74	4.97	5.21	5.63	5.76	5.67	5.74	6.18	6.06	4.71	3.94	3.46	3.19	3.04
IE	4.76	4.99	5.18	5.23	5.39	5.13	5.34	5.72	4.80	4.14	3.65	3.63	3.59	3.51
LV	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.89	5.11	5.48	5.68	5.55	5.22	5.81	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.63	4.74	4.99	5.18	5.18	5.05	5.06	5.49	5.50	4.98	4.82	4.97	4.90	4.77
SE	4.30	4.50	4.88	4.99	5.16	5.00	5.94	5.97	4.20	3.40	3.49	3.13	3.07	3.25
UK	5.45	5.79	6.06	6.40	6.48	6.51	6.51	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Variable rate and initial fixed period rate up to 1 year (%)

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
BE	4.47	4.69	4.87	5.13	5.26	5.16	5.58	5.98	4.87	3.74	3.21	2.97	2.92	2.91
DE	5.23	5.46	5.64	5.86	5.97	5.73	6.05	6.24	5.38	4.19	3.73	3.38	3.36	3.04
GR	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	4.18	3.54	3.24	3.12	3.11
ES	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78	2.52	2.44
IE	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62	2.61	2.77
LV	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.45	4.69	4.90	5.18	5.34	5.38	5.50	5.70	5.71	4.21	3.63	3.87	3.88	3.78
SE	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58	1.43	1.40

Source: European Mortgage Federation

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

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
DE	4.56	4.76	5.03	5.08	5.01	4.88	5.09	5.21	4.73	4.49	4.53	4.45	4.38	4.30
GR	4.52	4.65	4.53	4.57	4.48	4.66	4.77	4.96	4.87	4.79	4.72	4.76	4.65	4.66
IE	5.12	5.35	5.73	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LV	5.09	5.39	5.68	6.02	6.33	6.31	6.82	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.72	4.73	4.85	5.08	5.27	5.28	5.26	5.46	5.60	5.46	5.37	5.31	5.25	5.22
UK	5.41	5.65	5.85	6.15	5.95	5.81	6.14	6.24	5.92	5.55	5.84	5.84	n/a	n/a

Medium-term initial fixed period rate, from 5 to 10 years maturity (%)

BE	4.44	4.54	4.69	5.01	5.23	5.02	4.97	5.36	5.37	n/a	n/a	n/a	n/a	n/a
DE	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37	4.29	4.09
GR	4.81	4.56	4.92	5.11	4.97	4.74	4.95	5.16	5.79	5.61	4.75	4.67	4.34	3.66
ES	7.02	6.52	6.46	6.88	7.24	7.51	7.69	8.09	7.93	7.62	7.53	7.68	7.41	7.71
LV	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.64	4.66	4.81	5.05	5.12	5.10	5.07	5.41	5.51	5.44	5.35	5.41	5.28	5.19
SE	4.53	4.63	5.08	5.15	5.23	5.19	5.91	5.83	4.87	4.84	5.26	4.21	4.46	4.78

Source: European Mortgage Federation

Table 5C ► Mortgage Markets' Breakdown by Interest Rate Type (%) - Outstanding Loans

	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
Denmark													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	43.5	41.9	38.7	36.2	34.0	31.0
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56.5	58.1	61.3	63.8	66.0	69.0
Ireland													
fixed 1-3 years	13.6	17.1	16.6	16.9	16.4	14.9	13.9	11.6	9.0	7.9	7.1	6.3	6.3
fixed 3-5 years	5.6	4.3	5.8	5.7	5.7	5.8	6.1	6.0	5.6	5.3	5.4	5.2	5.2
fixed >5 years	2.1	2.2	2.2	2.1	2.1	2.2	2.3	2.4	2.9	2.7	2.3	2.2	2.8
variable and initial fixed up to 1 year	78.8	76.5	75.4	75.3	75.8	77.2	77.8	80.0	82.5	84.1	85.2	86.3	85.7
Poland													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0	n/a	n/a	100.0	n/a	n/a
Sweden													
initial fixed >5 years	22.8	23.7	24.2	24.6	23.7	23.1	21.1	20.5	19.6	18.4	17.5	16.7	16.1
initial fixed 1-5 years	35.1	34.9	34.8	34.9	34.8	34.3	33.2	32.8	31.2	29.3	27.5	25.0	24.6
variable and initial fixed up to 1 year	42.1	41.4	41.1	40.4	41.5	42.6	45.7	46.7	49.2	52.3	55.0	58.3	59.4
UK													
initial fixed	47.7	50.5	52.9	53.0	51.4	51.1	50.8	48.1	44.4	42.5	40.1	37.6	n/a
variable	52.3	49.5	47.1	47.0	48.6	48.9	49.2	51.9	55.6	57.5	59.9	62.4	n/a

Note: Swedish series has been revised

Source: European Mortgage Federation

Table 5D ► Mortgage Markets' Breakdown by Interest Rate Type (%) - New Loans

	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	I 2010
Belgium													
variable (fixed up to 1 year)	1.5	n/a	1.2	1.2	1.8	2.2	2.4	3.7	13.6	26.4	41.2	47.6	n/a
initial fixed	16.9	n/a	13.4	13.7	13.3	15.1	15.0	13.6	16.1	21.3	20.5	19.7	n/a
fixed to maturity	81.6	n/a	85.4	85.1	85.0	82.7	82.5	82.7	70.3	52.3	38.4	32.8	n/a
Denmark*													
fixed	47.0	54.0	55.0	38.6	38.0	38.2	43.9	27.0	17.0	8.0	16.1	15.2	12.0
variable	53.0	46.0	45.0	61.4	62.0	61.8	56.1	73.0	83.0	92.0	83.9	84.8	88.0
Germany													
initial fix 1-5 years	16.0	14.0	15.0	15.0	17.0	17.0	15.0	17.0	20.0	19.0	18.0	18.0	17.0
initial fix 5-10 years	38.0	39.0	38.0	38.0	37.0	38.0	39.0	38.0	38.0	41.0	41.0	40.0	38.0
initial fix >10 years	31.0	33.0	31.0	32.0	31.0	30.0	31.0	29.0	25.0	24.0	24.0	25.0	26.0
variable and initial fix for up to 1 year	15.0	14.0	16.0	15.0	15.0	15.0	15.0	16.0	17.0	16.0	17.0	17.0	19.0
Spain													
fixed	4.7	3.0	3.5	2.9	2.5	2.3	1.5	1.3	1.0	0.8	1.0	0.8	0.9
initial fixed	7.1	8.1	7.4	5.8	5.4	6.1	8.2	8.1	11.7	9.4	10.3	9.5	12.3
variable	88.1	89.0	89.1	91.3	92.0	91.5	90.3	90.6	87.4	89.8	88.7	89.7	86.8
Italy													
variable	n/a	27.7	n/a	25.4	n/a	21.0	n/a	21.9	n/a	34.5	n/a	66.5	n/a
fixed to maturity	n/a	70.1	n/a	73.3	n/a	76.6	n/a	75.4	n/a	64.2	n/a	32.5	n/a
Ireland**													
initial fix >1 year	31.7	35.8	34.2	20.7	14.0	21.7	25.3	16.7	9.3	28.4	21.1	16.4	25.9
variable and initial fix for up to 1 year	68.3	64.2	65.8	79.3	86.0	78.3	74.7	83.3	90.7	71.6	78.9	83.6	74.1
Poland													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0	n/a	n/a	100.0	n/a	n/a
Portugal													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.7	1.6	0.9	0.7	0.7
variable	n/a	n/a	n/a	n/a	98.0	96.0	95.0	93.6	95.3	98.4	99.1	99.3	99.3
Sweden													
fixed	23.6	27.0	26.3	22.0	15.4	12.6	8.1	3.8	3.5	3.5	2.9	3.0	5.0
initial fixed	27.0	25.7	27.0	29.4	25.6	26.2	22.9	18.9	11.2	13.2	12.2	13.5	17.3
variable	49.4	47.2	46.7	48.5	59.0	61.1	68.9	77.2	85.3	83.3	84.9	83.5	77.7
UK													
initial fixed	73.5	76.3	75.3	66.2	54.2	64.4	59.9	53.4	57.2	74.2	76.6	59.4	46.1
variable	26.4	23.7	24.7	33.8	45.8	35.7	40.1	46.7	42.9	25.7	23.5	40.7	53.8

Note: Swedish, Italian and Irish series have been revised

Source: European Mortgage Federation

* It should be noted that in Denmark the majority of loans are initial fixed with maturities between 1 and 5 years, and are defined as "variable rate loans". However in this context "initial fixed rate" is more appropriate.

** It should be noted that in Ireland mortgage loans classified as "variable" include tracker rate loans, which are pegged to the European Central Bank rate. Recent estimates indicate that tracker rates account for a significant proportion of variable-rate mortgage loans.

Table 5E ► Description of Rates	
The representative mortgage interest rates are an average of, or specific mortgage rates for, 1 st ranking mortgages, involving no prior savings, with no discounts included, gross of tax relief, net of other bank costs. Other specifications are given below:	
BE	Long term initial fixed period rate, 10 years or more maturity.
DK	Adjustable mortgage rate.
DE	Renegotiable rate with a fixed period of 5 to 10 years.
EE	It is the weighted average of the annual interest rate on new EUR denominated housing loans granted to individuals.
GR	Reviewable rate after a fixed term of 1 year.
ES	Variable rate - Effective average interest rate not including costs. The interest rate usually floats every 6 or 12 months, according to an official reference rate for mortgage loans secured on residential property (subsidised housing). This should be the same rate as used in the Hypostat and should relate to broadly the same product over time.
FR	Fixed rate - The rate is fixed for the total maturity of the loan. The rate communicated is the fixed average rate of secured loans "PAS" with a maturity between 12 and 15 years.
IE	Variable rate (≤ 1).
IT	Until the 3 rd quarter of 2006, the fixed rate was used. From the 4 th quarter of 2006 onwards, the variable interest rate on a loan of EUR 100.000 with a maturity of 20 years has been used.
LV	Variable rate (≤ 1). The average interest rate on new EUR denominated loans.
LT	Variable rate (≤ 1). The average interest rate on new EUR denominated loans.
HU	The APRC of the most typical loan in Hungary (currently the most typical loan for residential purposes at a variable interest rate and denominated in CHF).
PL	The indicator is a weighted average of variable mortgage rates denominated in PLN for all residential credits on outstanding amounts.
PT	Variable interest rate up to 1 year indexed to Euribor (≤ 1).
SE	Variable interest rate up to 1 year (≤ 1).
UK	The average mortgage rate charged on all regulated mortgage contracts except lifetime mortgages newly advanced in the period (Source: Council of Mortgage Lenders, Regulated Mortgage Survey).

Source: European Mortgage Federation



2010 EMF
Quarterly Statistics



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