

## QUARTERLY STATISTICS

### European Mortgage Federation

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- ▶ Most mortgage markets continued to experience falls in new lending over the previous year. These falls have generally stabilised due to a number of factors: the continued expansionary interest rate environment, improved housing affordability and some short-term recovery at the macroeconomic level.
- ▶ New lending activity showed some progress in year-on-year terms in Belgium, Sweden and Denmark and, on the previous quarter, in France, Germany and the UK.
- ▶ House prices continued to decrease over the previous year in all markets surveyed (except for Belgium and Portugal), but positive developments on a quarter-on-quarter basis were recorded in France, Sweden and the UK.
- ▶ Mortgage interest rates continued to record substantial decreases both on the previous quarter and on the previous year, reaching historical lows in some markets.

## New mortgage lending improves in some countries while falls in other markets appear to stabilise

In most countries surveyed in Q3 2009, mortgage markets continued on the same trend reported in previous quarters, as no real reversal was observed from general year-on-year falls in new lending. However, after several quarters of sharply negative growth rates, most of these falls have stabilised in many markets. This was mainly due to some improvement in housing affordability, the continued expansionary interest rate environment across the EU and to a slight pick-up in macroeconomic recovery. In Sweden, gross lending decreased by 13.4% quarter-on-quarter but increased by 24.3% year-on-year, which was the highest increase on an annual basis since Q4 2005. This positive trend in mortgage activity in Sweden was also influenced by the very low central bank rate (0.25% since July 2009) that has

largely contributed to drive mortgage interest rates downwards. In Germany Q3 2009 was the second consecutive quarter recording an increase on the previous quarter, and in France gross lending decreased by 7.4% year-on-year but increased by 26.4% quarter-on-quarter.

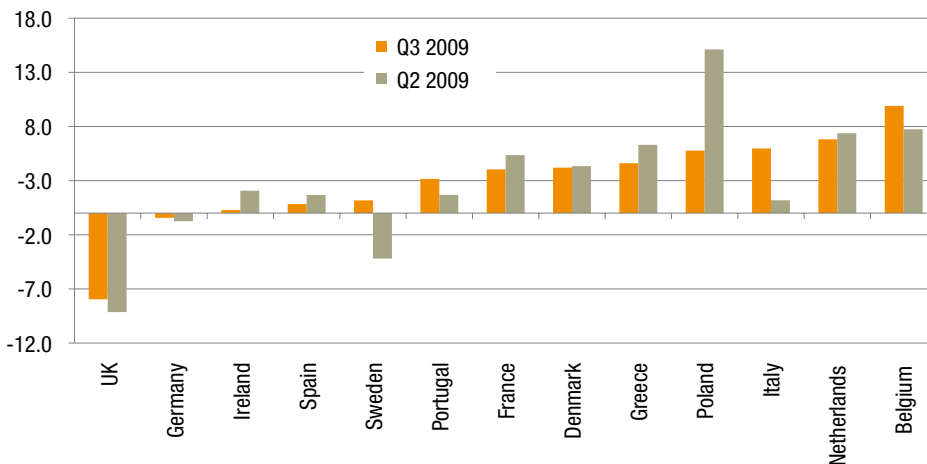
In the UK, mortgage lending also increased on Q2 2009 (by 20.5%) but in year-on-year terms continued on the same trend and decreased by 41.2%, i.e. slightly less than the 59.6% fall recorded in Q2 2009. There is evidence of a further temporary boost to activity, as homebuyers look to complete house purchases before the end of the year when the government's temporary higher threshold for exemption from Stamp Duty (set at £175,000, that is approximately 201,150 EUR) reverts back to £125,000 (143,680 EUR) in

January 2010. However, this positive scenario may yet be reversed in the event of negative macroeconomic shocks, in particular a rise in unemployment or a substantial bank rate increase. Net lending remains at historically very low levels. Overall remortgaging remains weak as low interest rates, coupled with stricter LTV criteria, mean there are both less incentive and fewer options for existing borrowers to refinance.

In Spain, the annual growth rate in new lending on a year-on-year basis was still negative (-11.2%), but this decrease was a slowdown compared with Q2 2009 (-20.6%). Growth over the previous quarter was still negative (-14.3%), while revised data for Q2 2009 showed that in this quarter new lending had performed a quarter-on-quarter increase of 23.8%. However, the total number of new loans increased slightly in Q3 2009 by 1.6% on a year-on-year basis for the first time after 13 quarters of negative growth.

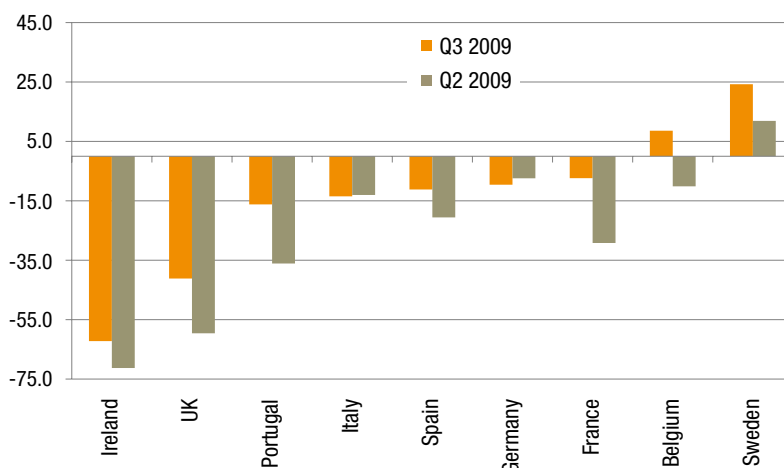
In Ireland, given the turbulent economic environment, the mortgage market experienced a relatively steady performance in Q3 2009. New lending declined slightly (-1.3%) on Q2 2009, although gross lending was still significantly lower than in the same period of 2008 (62.2% lower in value terms and 56.4% less in the number of loans issued). The principal reason for this relatively steady performance was an easing in the rate of overall economic decline in Ireland. Consumers' sentiment slightly improved as seasonally-adjusted GDP grew by 0.3% on the previous quarter, which compares to a decline of 0.6% in Q2 2009. Progress was made by the Government in implementing taxation and expenditure changes outlined in April while the legislation for the asset relief scheme, the National Asset Management Agency (NAMA), was published. The banking system experienced a period of relative stability compared to previous quarters and a new Governor of the Central Bank was appointed.

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



Source: European Mortgage Federation

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



Source: European Mortgage Federation

## Some signs of moderate recovery are observed across EU housing markets

At a glance, in all housing markets surveyed growth rates in house prices over the previous year remained in negative territory (Chart 3), but in some markets the continued downward trend in price indices has decelerated (Chart 4).

In the UK, house prices turned the corner in Q3 2009. Low mortgage interest rates and continued house price declines through 2008 and into early 2009 have made mortgages relatively more affordable. House prices rose by 4.2% on Q2 2009, which was the first quarter-on-quarter increase since Q3 2007 following seven consecutive quarters of decline. This may indicate that the housing market cycle has finally reversed even though it continued to decline on an annual basis (by 6.1%, against the 12.3% fall recorded in Q2 2009). Unexpectedly low unemployment and continuing low interest rates have boosted demand for house purchase beyond previous consensus expectations, which were for a continuing weak market throughout the year.

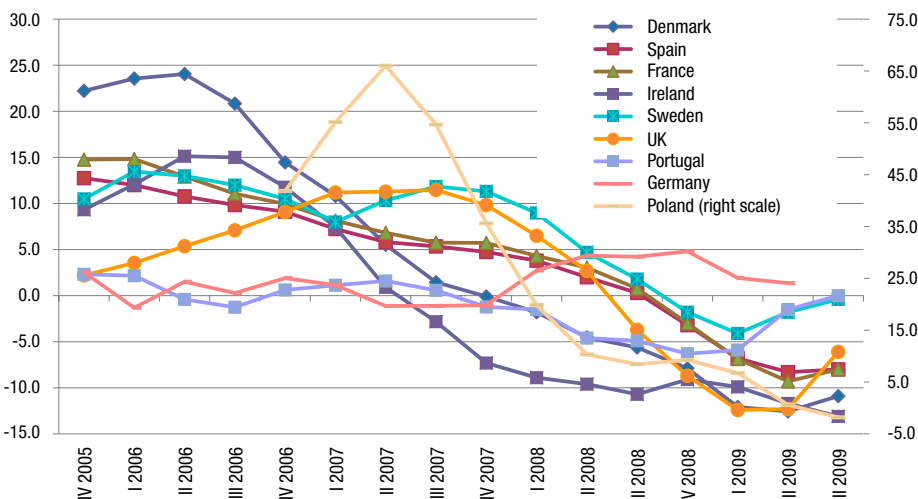
Some positive signals on a quarterly basis were reported also in Sweden (2.9%) which was the second increase in a row, and in France, where house prices increased on a quarter-on-quarter basis (by 1.8%) for the first time since Q3 2008; although this resulted in a 8.0% decrease year-on-year, the fall in house prices in the French market stabilised (9.3% in Q2 2009).

In Ireland house prices continued to decline and the year-on-year fall in Q3 2009 was the most pronounced of the current trend (-13.1%). Although affordability continued to improve for potential homeowners,

demand remained low. Negative sentiment around the broader economy among consumers, a significant volume of available housing stock, and anticipation of changes to the property tax regime in Budget 2010 scheduled for December were factors in this performance.

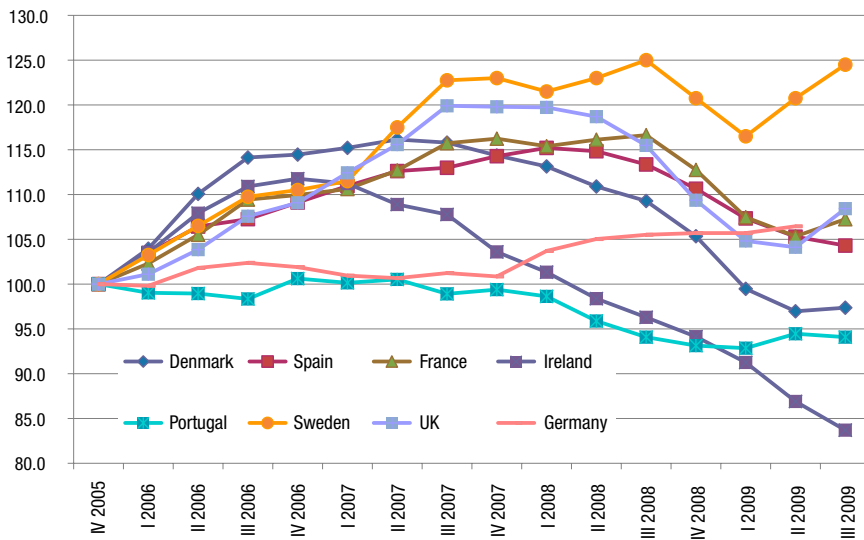
All other markets also continued to record decreases on a yearly basis, although some were very small such as in Sweden (-0.4%) and in Greece (-0.7%), while the fall was still above 10% in Denmark (10.9%, after a 12.6% drop in Q2 2009). The only exceptions were Belgium where year-on-year growth in house prices turned slightly positive (0.7%) and Portugal where house prices recorded flat year-on-year developments.

In Spain, in Q3 2009 the average house price index recorded again a negative year-on-year growth rate of 8.0% (substantially the same as in Q2 2009, 8.3%). In quarter-on-quarter terms, the house price index also continued to decrease (-0.9%), but less than in the two previous quarters. Since its historical peak recorded in Q1 2008 (Chart 4), the cumulative decrease in house price index has been of 10.5%. Moreover, preliminary available data for Q4 2009 showed new decreases in house prices on a year-on-year basis (-6.3%). Regarding housing transactions, the amount of total transactions (including new housing and second-hand housing) fell in Q3 2009 at a more moderate pace than in previous quarters.



**Chart 3** ►  
**Nominal house prices year-on-year growth rates (%) (Q4 2005-Q3 2009)**

Source: European Mortgage Federation



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

Source: European Mortgage Federation

## Mortgage interest rates reach record lows

Due to the prolonged expansionary stance of the ECB (the policy rate in the euro area has remained unchanged at 1.00% since May 2009) and other Central Banks as well as the increasing demand for Government bonds - and subsequent falls in yields - mortgage interest rates continued to record substantial decreases both on the previous quarter and on the previous year, down to historical lows in some markets. In particu-

lar, declines in representative mortgage interest rates on Q2 2009 were observed in all markets, notably in Denmark (by 67 basis points, bps), Spain (36 bps), Sweden (35 bps). Mortgage interest rates continued to fall also on a year-on-year basis. The most significant decreases on Q3 2008 were recorded in Sweden (448 bps), Italy (354 bps), Denmark (339 bps), Portugal (331 bps), Spain (315 bps) and Ireland (296 bps).

### Contributing National Experts

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## Country Insight: Denmark / By Kaare Christensen, Association of Danish Mortgage Banks

Denmark entered 2009 on an economically weak footing. Danish real GDP contracted by 2.2% quarter-on-quarter in Q4 2008. Following this rough start, economic activity remained depressed in H1 2009 contracting in both quarters - bringing the tally up to four consecutive quarters of decreasing economic activity. Q3 2009 however, brought some positive news for the Danish economy. Real GDP finally grew, however at a modest rate of 0.4% on the previous quarter. The slow progress continued in the latter months of the year, but the recovery remains slow and does not appear likely to fend off an overall economic contraction in the Danish economy in 2009 of an estimated 3 to 4% on the previous year.

The economic contraction in the Danish economy was fueled by receding exports combined with a slowdown in private consumption, especially early in the year.

Whereas slowing exports have little to do with internal developments in Denmark, the slowdown in private consumption was closely linked to rising unemployment combined with depressed overall expectations of private households. Over the course of 2009, unemployment rate almost doubled, from 2.2% early in the year to 4.3% by year-end.

Ironically, financial markets actually provided Danish households with large support in 2009 and arguably prevented an even greater fall in Danish house prices. The main drivers were declining money market rates and a normalisation of mortgage spreads, which almost narrowed down to zero by the end of 2009. On top of this, the Danish government proposed its new tax legislation, which will reduce income tax rates as early as 2010.

Driven by developments in the Copenhagen area, Danish house prices took a large tumble over the previous year. On average prices of single-family homes declined by 7.5%. Owner occupied apartments, which are abundant in the larger cities fell by 5.8% in 2009. Since the peaks in prices recorded in early 2007 (as regards single family homes) and in late 2006 (as regards owner occupied apartments) prices have fallen respectively by 15.3% and by 25.4%.

Prices fell sharply in H1 2009, whereas H2 2009 saw a more stable development with prices on single family homes as well as owner occupied apartments slightly rising nationwide in Q4 2009 on a quarter-on-quarter basis.

Housing supply peaked in the spring of 2009 with more than 62,000 homes for sale in Denmark. Since the summer months supply has declined, but levels remains high once put in historical context. In particular, a large number of single family homes are for sale, which is in stark contrast to the number of owner occupied flats for sale.

The decline in Danish house prices occurred under extremely depressed housing market activity. Buyers refused to enter the tumbling market and transactions set record lows at around 50,000 over the year.

The largest Danish mortgage bank, Nykredit, regularly surveys Danish home owners and calculates the affordability of owner occupation for potential first time buyers. Home owner price confidence has actually risen in 2009, but the rise has come from an extremely low level. Home owners' sentiment thus remained slightly depressed for most of the year finally entering a positive outlook towards the end of 2009. On the other hand, falling house prices combined with declining mortgage rates on variable rate mortgages have helped housing affordability rise significantly. Today an average first-time buyer household can expect to spend less than 40% of its disposable income on housing expenses. A year ago that number was closer to 60%.

Despite the considerable slowdown in the Danish housing market, gross mortgage lending in 2009 exceeded the values recorded for the last three years. Total gross lending for 2009 amounted to EUR 63.8 billion.

Gross lending was spiked by elevated redemption activity. Home owners redeemed EUR 43 billion worth of outstanding residential loans - predominantly converting traditional redeemable fixed rate mortgages to variable rate mortgages. The activity was spurred by the sharp decline in money market rates and the steepening of the yield curve.

As a result, net lending has been modest in 2009. Only EUR 14.7 billion has been added to outstanding mortgages, marking the slowest increase over the past 5 years.

As a result of homeowners' preferences, the share of variable rate mortgages out of total mortgages granted to homeowners has increased from 46% in late 2008 to 58% by the end of 2009. Though 1 out of 3 borrowers with a variable rate mortgage have capped the interest rate at either 5% or 6%. Danish homeowners generally have become more exposed to swings in money market rates.

**Table 1A ► Representative Mortgage Rates**

	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
BE	4.04	4.37	4.36	4.41	4.46	4.88	4.93	4.88	4.85	5.26	4.99	4.52	4.49	4.62
DK	3.46	3.63	4.18	4.18	4.41	4.50	4.53	4.56	5.36	5.03	4.64	3.17	2.31	1.64
DE	4.66	4.71	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37
EE	4.10	4.50	4.80	5.10	5.30	5.70	5.80	5.40	5.80	n/a	n/a	n/a	n/a	n/a
GR	4.22	4.50	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	3.83	3.54	3.24
FR	3.70	3.90	3.90	4.00	4.10	4.40	4.60	4.70	4.70	5.00	5.20	4.70	4.40	4.10
ES	3.86	4.20	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78
IE	3.99	4.40	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62
IT	4.90	5.05	4.56	4.79	4.90	4.94	5.20	5.22	5.56	5.28	6.29	3.89	1.74	1.74
LV	4.40	4.84	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a
LT	3.87	4.28	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a
HU	5.88	5.57	5.83	5.60	5.75	6.32	6.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.40	4.60	4.63	4.74	4.92	5.18	5.22	5.12	5.36	5.61	5.45	4.82	4.76	4.82
PL	5.80	5.80	5.70	5.70	5.70	6.00	6.20	6.51	7.80	8.40	8.70	7.30	7.20	7.30
PT	4.60	4.70	5.00	5.10	5.30	5.50	5.70	5.10	5.42	5.69	5.50	3.51	2.70	2.38
SE	3.00	3.31	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58
UK	5.01	5.13	5.25	5.43	5.62	5.90	6.08	5.90	5.81	6.05	5.56	4.45	4.38	4.39

<b>Short-term initial fixed period rate. from 1 to 5 years maturity</b>														
	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
BE	4.00	4.34	4.44	4.69	4.86	5.07	5.18	4.87	4.91	5.45	4.99	4.22	3.96	4.09
DE	4.61	4.80	4.86	4.99	5.22	5.34	5.33	5.01	5.24	5.50	4.84	4.12	3.88	3.81
GR	5.22	5.16	4.81	4.56	4.92	5.11	4.97	4.74	4.95	4.66	5.27	5.44	5.03	4.67
ES	4.17	4.46	4.74	4.97	5.21	5.63	5.76	5.67	5.74	6.18	6.06	4.71	3.94	3.46
IE	4.51	4.62	4.76	4.99	5.18	5.23	5.39	5.13	5.34	5.72	4.80	4.14	3.65	3.63
LV	5.60	5.86	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a
LT	4.69	4.90	4.89	5.11	5.48	5.68	5.55	5.22	5.81	n/a	n/a	n/a	n/a	n/a
SE	4.00	4.32	4.30	4.50	4.88	4.99	5.16	5.00	5.94	5.97	4.20	3.40	3.49	3.13
UK	5.19	5.42	5.45	5.79	6.06	6.40	6.48	6.51	6.51	n/a	n/a	n/a	n/a	n/a

<b>Variable rate and initial fixed period rate up to 1 year</b>														
	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
BE	3.88	4.20	4.47	4.69	4.87	5.13	5.26	5.16	5.58	5.98	4.87	3.74	3.21	2.97
DE	4.91	5.10	5.23	5.46	5.64	5.86	5.97	5.73	6.05	6.24	5.38	4.19	3.73	3.38
GR	4.22	4.50	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	3.83	3.54	4.67
ES	3.86	4.20	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78
IE	3.99	4.40	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62
LV	4.40	4.84	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a
LT	3.87	4.28	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a
SE	3.00	3.31	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58

Source: European Mortgage Federation

**Table 1B ► Mortgage Interest Rates****Long-term initial fixed period rate, 10-year or more maturity**

	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
BE	4.04	4.37	4.36	4.41	4.46	4.88	4.93	4.88	4.85	5.26	4.99	4.52	4.49	4.62
DE	4.63	4.69	4.56	4.76	5.03	5.08	5.01	4.88	5.09	5.21	4.73	4.49	4.53	4.45
GR	4.58	4.79	4.52	4.65	4.53	4.57	4.48	4.66	4.77	4.96	4.87	4.79	4.72	4.76
IE	4.66	5.10	5.12	5.35	5.73	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LV	5.37	5.29	5.09	5.39	5.68	6.02	6.33	6.31	6.82	n/a	n/a	n/a	n/a	n/a
UK	5.42	5.45	5.41	5.65	5.85	6.15	5.95	5.81	6.14	6.24	5.92	5.55	5.84	5.84

**Medium-term initial fixed period rate, from 5 to 10 years maturity**

BE	4.01	4.35	4.44	4.54	4.69	5.01	5.23	5.02	4.97	5.36	5.37	4.73	4.43	4.41
DE	4.66	4.71	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37
GR	5.22	5.16	4.81	4.56	4.92	5.11	4.97	4.74	4.95	5.16	5.79	5.61	4.75	4.67
ES	6.72	7.23	7.02	6.52	6.46	6.88	7.24	7.51	7.69	8.09	7.93	7.62	7.53	7.68
LV	5.60	5.86	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a
SE	4.70	4.69	4.53	4.63	5.08	5.15	5.23	5.19	5.91	5.83	4.87	4.84	5.26	4.21

Source: European Mortgage Federation

**Table 1C ► Mortgage Markets' Breakdown by Interest Rate Type (%) - Outstanding Loans**

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
<b>Denmark</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	43.5	41.9	38.7	36.2
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	n/a	n/a	56.5	58.1	0.6	63.8
<b>Ireland</b>													
fixed 1-3 years	11.7	11.6	13.6	17.1	16.6	16.9	16.4	14.9	13.9	11.6	9.0	7.9	n/a
fixed 3-5 years	3.8	4.8	5.6	4.3	5.8	5.7	5.7	5.8	6.1	6.0	5.6	5.3	n/a
fixed >5 years	1.8	2.0	2.1	2.2	2.2	2.1	2.1	2.2	2.3	2.4	2.9	2.7	n/a
variable and initial fixed up to 1 year	82.7	81.7	78.8	76.5	75.4	75.3	75.8	77.2	77.8	80.0	82.5	84.1	n/a
<b>Poland</b>													
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	n/a	n/a	100.0	n/a	n/a	100.0
<b>Sweden</b>													
initial fixed >5 years	21.9	22.2	22.8	23.7	24.2	24.6	23.7	23.1	21.1	20.5	19.6	18.4	17.5
initial fixed 1-5 years	38.2	38.4	38.5	38.3	38.2	38.6	38.4	37.9	36.0	36.5	36.7	36.6	35.8
variable and initial fixed up to 1 year	39.9	39.3	38.7	38.0	37.7	36.7	37.9	39.0	43.0	43.0	43.7	45.0	46.7
<b>UK</b>													
fixed	n/a	n/a	n/a	n/a	67.1	57.0	45.9	56.4	52.7	52.7	52.7	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	n/a	n/a	n/a	n/a	n/a	n/a

Source: European Mortgage Federation

**Table 1D ► Mortgage Markets' Breakdown by Interest Rate Type (%) - New Loans**

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
<b>Belgium</b>													
variable (fixed up to 1 year)	n/a	n/a	1.5	n/a	1.2	1.2	1.8	2.2	2.4	3.7	13.6	26.4	41.2
initial fixed	n/a	n/a	16.9	n/a	13.4	13.7	13.3	15.1	15.0	13.6	16.1	21.3	20.5
fixed to maturity	n/a	n/a	81.6	n/a	85.4	85.1	85.0	82.7	82.5	82.7	70.3	52.3	38.4
<b>Denmark*</b>													
fixed	42.0	43.0	47.0	54.0	55.0	38.6	38.0	38.2	43.9	27.0	17.0	8.0	16.1
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	58.0	57.0	53.0	46.0	45.0	61.4	62.0	61.8	56.1	73.0	83.0	92.0	83.9
<b>Germany</b>													
Initial fix >1 <=5 years	16.0	16.0	16.0	14.0	15.0	15.0	17.0	17.0	15.0	17.0	20.0	19.0	18.0
Initial fix >5 <=10 years	38.0	38.0	38.0	39.0	38.0	38.0	37.0	38.0	39.0	38.0	38.0	41.0	41.0
Initial fix >10 years	30.0	30.0	31.0	33.0	31.0	32.0	31.0	30.0	31.0	29.0	25.0	24.0	24.0
Variable and initial fix for <= 1 year	16.0	16.0	15.0	14.0	16.0	15.0	15.0	15.0	15.0	16.0	17.0	16.0	17.0
<b>Spain</b>													
fixed	0.6	0.9	4.7	3.0	3.5	2.9	2.5	2.3	1.5	1.3	1.0	0.8	1.0
initial fixed	6.4	5.7	7.1	8.1	7.4	5.8	5.4	6.1	8.2	8.1	11.7	9.4	10.3
variable	93.0	93.3	88.1	89.0	89.1	91.3	92.0	91.5	90.3	90.6	87.4	89.8	88.7
<b>Italy</b>													
fixed	n/a	48.6	n/a	27.7	n/a	25.4	n/a	21.0	n/a	21.9	23.4	57.0	n/a
fixed to maturity	n/a	46.3	n/a	70.1	n/a	73.3	n/a	76.6	n/a	75.4	75.0	41.0	n/a
<b>Ireland</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21.8	9.4	11.6	39.0	16.3
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	
variable	70.5	62.9	58.5	51.0	70.5	94.5	88.3	76.4	78.2	90.6	88.4	61.0	83.7
<b>Poland</b>													
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	n/a	n/a	100.0	n/a	n/a	100.0
<b>Portugal</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.7	1.6	0.9
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	98.0	96.0	95.0	93.6	95.3	98.4	99.1
<b>Sweden</b>													
fixed	17.9	20.8	23.6	27.0	26.3	22.0	15.4	12.6	8.1	3.8	3.5	3.5	2.9
initial fixed	27.4	28.7	29.6	27.5	28.7	29.6	27.4	28.3	26.9	29.2	26.0	26.9	28.7
variable	54.6	50.5	46.8	45.5	45.0	48.4	57.2	59.1	65.0	67.0	70.6	69.6	68.4
<b>UK</b>													
initial fixed	60.0	62.7	73.5	76.3	75.3	66.2	54.2	64.4	59.9	53.4	57.2	74.2	76.6
variable	40.0	37.3	26.4	23.7	24.7	33.8	45.8	35.6	40.1	46.6	42.9	25.7	23.5

\*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.

Source: European Mortgage Federation



<b>Table 1E ► Description of Rates</b>	
The representative mortgage interest rates are an average or specific mortgage rates for 1 <sup>st</sup> ranking mortgages, involving no prior savings, with no discounts included, gross of tax relief, net of other bank costs. Other specifications are given below:	
<b>BE</b>	Long term initial fixed period rate, 10 years or more maturity.
<b>DK</b>	Adjustable mortgage rate.
<b>DE</b>	Renegotiable rate with a fixed period of 5 to 10 years.
<b>EE</b>	It is the weighted average of the annual interest rate on new EUR denominated housing loans granted to individuals.
<b>GR</b>	Reviewable rate after a fixed term of 1 year.
<b>ES</b>	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 (non-subsidized housing). This should be the same rate as used in the Hypostat and should relate to broadly the same product over time.
<b>FR</b>	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.
<b>IE</b>	Variable rate ( $\leq 1$ ).
<b>IT</b>	Until the 3 <sup>rd</sup> quarter of 2006, the fixed rate was used. From the 4 <sup>th</sup> quarter of 2006 onwards, the variable interest rate on a loan of EUR 100.000 with a maturity of 20 years has been used.
<b>LV</b>	Variable rate ( $\leq 1$ ). The average interest rate on new EUR denominated loans.
<b>LT</b>	Variable rate ( $\leq 1$ ). The average interest rate on new EUR denominated loans.
<b>HU</b>	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).
<b>PL</b>	The indicator is a weighted average of variable mortgage rates denominated in PLN for all residential credits on outstanding amounts.
<b>PT</b>	Variable interest rate up to 1 year indexed to Euribor ( $\leq 1$ ).
<b>FI</b>	Variable interest rate ( $\leq 1$ ).
<b>SE</b>	Variable interest rate up to 1 year ( $\leq 1$ ).
<b>UK</b>	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

**Table 2 ► Total Outstanding Residential Mortgage Lending (Million EUR)**

	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	latest y-o-y change (%) (Q3 09)	previous y-o-y change (%) (Q2 09)
<b>BE</b>	116,288	119,133	123,055	125,677	128,068	130,548	134,454	136,016	137,985	143,440	9.9	7.7
<b>DK</b>	203,746	208,165	211,381	214,833	217,899	220,522	222,403	225,503	227,352	229,707	4.2	4.3
<b>DE</b>	1,161,101	1,160,187	1,155,742	1,149,512	1,150,485	1,151,578	1,147,869	1,141,930	1,141,853	1,146,564	-0.4	-0.8
<b>EE</b>	5,068	5,375	5,625	5,817	6,038	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>GR</b>	63,274	66,116	69,363	71,661	74,064	76,055	77,700	78,066	78,734	79,560	4.6	6.3
<b>FR</b>	614,700	633,600	651,900	667,400	679,600	698,300	710,000	712,900	716,000	726,500	4.0	5.4
<b>ES</b>	618,792	634,393	646,676	659,195	666,664	672,242	674,434	673,321	677,850	677,850	0.8	1.7
<b>IE</b>	131,845	135,963	139,842	142,403	145,341	147,550	147,904	148,542	148,349	147,969	0.3	2.1
<b>IT</b>	289,861	299,798	304,223	299,802	297,760	305,498	307,832	314,398	321,343	323,743	6.0	1.2
<b>LV</b>	6,069	6,427	6,726	6,964	7,068	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>LT</b>	3,870	4,412	4,849	5,156	5,538	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>NL</b>	528,149	541,194	552,079	560,128	565,945	571,082	588,420	590,837	607,692	610,016	6.8	7.4
<b>PL</b>	28,211	31,987	35,966	40,834	44,959	51,949	57,014	51,820	51,756	54,949	5.8	15.1
<b>PT</b>	97,239	99,391	101,094	103,308	105,521	105,167	105,210	105,989	107,299	108,484	3.2	1.7
<b>RO</b>	n/a	n/a	n/a	n/a	n/a	n/a	5,471	5,072	5,306	n/a	n/a	n/a
<b>SE</b>	181,459	185,040	189,426	201,892	207,906	208,859	198,471	189,935	199,178	211,313	1.2	-4.2
<b>UK</b>	1,665,245	1,714,212	1,745,904	1,585,317	1,534,089	1,537,265	1,458,957	1,346,647	1,393,880	1,414,941	-8.0	-9.1

Note: non seasonally-adjusted data.

Please note that the Q1 2008 to Q4 2008 figures for Sweden should not be compared with the corresponding figures of the previous year due to a change in the statistical source.

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 resulted different than stated in EUR.

Source: European Mortgage Federation

**Table 3 ► Gross Residential Mortgage Lending (Million EUR)**

	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	latest y-o-y change (%) (Q3 09)	previous y-o-y change (%) (Q2 09)
<b>BE</b>	5,342	6,105	5,907	5,471	5,001	6,076	5,657	4,797	4,091	5,461	6,143	n/a	-10.1
<b>DK</b>	9,147	10,559	11,707	11,852	7,894	9,773	9,116	10,188	9,275	14,965	11,874	30.2	53.1
<b>DE</b>	18,069	19,457	22,360	21,519	16,818	19,442	21,012	20,000	16,400	18,000	19,000	-9.6	-7.4
<b>EE</b>	576	616	499	445	439	461	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>GR</b>	3,858	3,942	3,474	3,833	3,677	3,752	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>FR</b>	33,800	37,000	39,500	36,500	31,300	33,106	32,000	25,600	17,700	23,440	29,640	-7.4	-29.2
<b>ES</b>	38,479	37,737	30,853	28,508	25,016	24,166	18,510	16,089	15,496	19,191	16,440	-11.2	-20.6
<b>IE</b>	7,809	8,733	8,984	8,282	6,266	7,566	5,678	3,539	1,998	2,173	2,145	-62.2	-71.3
<b>IT</b>	21,171	24,552	21,025	26,994	21,045	22,825	19,687	21,407	16,411	19,851	17,031	-13.5	-13.0
<b>LT</b>	976	1,122	1,278	1,404	1,493	1,604	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>HU</b>	584	782	822	842	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>PT</b>	4,144	4,765	5,354	5,369	4,090	3,673	2,993	2,769	1,917	2,347	2,508	-16.2	-36.1
<b>SE</b>	10,191	12,474	10,567	12,409	10,469	12,105	9,439	10,620	9,940	13,547	11,728	24.3	11.9
<b>UK</b>	125,025	138,253	145,042	126,929	98,061	92,143	76,224	54,313	36,048	37,233	44,853	-41.2	-59.6

Note: non seasonally-adjusted data. | Source: European Mortgage Federation

Please note that the Q1 2008 to Q4 2008 figures for Sweden should not be compared with the corresponding figures of the previous year due to a change in the statistical source.

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 resulted different than stated in EUR.

**Table 4 ► Net Residential Mortgage Lending (Million EUR)**

	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	latest y-o-y change (%) (Q3 09)	previous y-o-y change (%) (Q2 09)
BE	2,172	3,010	2,845	3,922	2,542	2,852	2,480	3,907	1,562	1,969	n/a	n/a	-31.0
DK	4,084	4,260	4,201	3,243	3,080	3,309	2,718	2,073	2,704	2,070	2,180	-19.8	-37.5
DE	-3,822	-2,971	-94	-2,867	-6,245	1,103	1,100	-3,519	-5,939	651	3,251	195.5	-41.0
EE	376	414	308	250	193	221	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	3,110	3,019	2,812	3,248	2,297	2,404	1,991	1,645	366	668	826	-58.5	-72.2
FR	16,000	20,100	18,900	17,500	14,500	12,200	18,700	11,700	2,900	3,100	10,500	-43.9	-74.6
ES	22,731	24,258	15,601	12,283	12,519	7,469	5,578	2,191	-1,113	4,529	0,173	n/a	-39.4
IE	4,267	4,290	4,118	3,879	2,561	2,946	2,209	565	427	-193	-380	-117.2	-106.6
IT	6,556	7,203	9,937	4,425	-4,421	-2,042	7,738	2,334	6,566	6,945	2,400	-69.0	-440.1
LV	810	591	359	310	209	134	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	374	496	544	438	307	381	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	15,289	3,029	13,045	10,885	8,049	5,817	5,137	17,338	2,417	16,855	2,324	-70.0	189.8
HU	213	375	599	556	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PL	2,358	2,721	3,698	2,843	3,961	2,209	5,632	11,404	3,948	-529	112	-98.0	-124.0
PT	2,499	2,845	2,152	1,703	2,214	2,213	-354	43	779	1,310	1,185	-434.7	-40.8
RO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	177	150	n/a	n/a	n/a
SE	3,458	4,582	3,711	4,905	n/a	5,150	3,588	5,128	4,345	6,424	5,253	46.4	24.7
UK	38,132	41,808	45,538	34,165	22,548	16,249	9,391	3,599	415	2,700	5,218	-44.4	-83.4

Note: non seasonally-adjusted data.

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 Q1 2008 to Q4 2008 figures for Sweden should not be compared with the corresponding figures of the previous year due to a change in the statistical source.

Source: European Mortgage Federation

**Table 5 ► House Price Indices (nominal year-on-year growth rates, %)**

	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009
BE	n/a	n/a	n/a	n/a	n/a	n/a	3.7	2.8	-0.2	5.6	1.5	-2.2	-3.6	0.7
DE	1.5	0.3	1.9	1.1	-1.1	-1.1	-1.0	2.7	4.3	4.2	4.8	1.9	1.4	n/a
DK	24.0	20.8	14.5	10.8	5.5	1.5	-0.1	-1.8	-4.5	-5.6	-7.9	-12.1	-12.6	-10.9
EE	65.5	73.2	21.2	9.1	15.4	7.4	7.1	-12.5	-17.6	n/a	n/a	n/a	n/a	n/a
GR	14.2	12.0	10.5	7.4	4.2	2.3	1.5	1.7	3.0	2.9	2.7	-2.5	-1.9	-0.7
ES	10.8	9.8	9.1	7.2	5.8	5.3	4.7	3.8	2.0	0.3	-3.2	-6.8	-8.3	-8.0
FR	12.9	11.1	9.9	8.1	6.8	5.7	5.7	4.3	3.0	0.8	-3.0	-6.9	-9.3	-8.0
IE	15.1	15.0	11.8	7.4	0.9	-2.8	-7.3	-8.9	-9.6	-10.7	-9.1	-9.9	-11.7	-13.1
PL	n/a	n/a	41.9	55.1	66.0	54.7	35.6	19.8	10.3	8.4	9.3	6.7	0.6	1.8
PT	-0.4	-1.3	0.6	1.1	1.6	0.6	-1.2	-1.5	-4.6	-4.9	-6.3	-5.9	-1.5	0.0
SE	13.0	12.0	10.5	8.0	10.3	11.8	11.3	9.0	4.7	1.8	-1.8	-4.1	-1.8	-0.4
UK	5.4	7.1	9.1	11.2	11.3	11.5	9.8	6.5	2.7	-3.7	-8.7	-12.4	-12.3	-6.1

Note: 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: single family house price index

Denmark: all dwellings

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

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)

Source: European Mortgage Federation



**2009 EMF**  
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