

QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

Daniele Westig | Economic Adviser | dwestig@hypo.org | Tel: +32 2 285 40 40



INTRODUCTION

In light of mounting political uncertainty both within and outside Europe, the third quarter of 2016 has provided an aggregate housing and mortgage market picture which is in line with the previous quarters. In the EU¹ house prices continued their upwards trend, on an aggregate level, while the outstanding mortgage lending figure in our sample, after having reached the peak at the end of 2015, slightly contracted by 1.9% since then. Interest rates continued their downward path as well and the unweighted average rate of our sample dropped by 19 bps year-on-year (y-o-y) and lies for the first time below 2.5%.

In this latest quarterly review a number of updates and new charts have been added in order to improve the effectiveness of the document. First of all, the thresholds and the timeline of the depicted charts have been updated in order to better focus on more recent developments. Moreover, considering the chart on the evolution of the House Price Index (HPI), the data has been switched from a quarter-on-quarter (q-o-q) to a year-on-year (y-o-y) representation in order to focus on longer dynamics. The q-o-q dynamics of the HPI will be represented with a new box plot chart which depicts the distribution of the HPI within the sample. In this way the reader has an insight as to where the HPI is headed in the short-term.

MORTGAGE LENDING

In Q3 2016 mortgage lending at an aggregate level shows an ongoing slightly decreasing path, which started at the beginning of 2016. Also the aggregate gross mortgage figure, though it increased by 1.7% from last quarter, reached around EUR 281 bn, which is around 11% less than the peak of nearly EUR 316 bn of Q2 2015. However, national peculiarities together with both market and non-market factors sketch a very heterogeneous picture across the continent.

An important reason for increased mortgage lending is a favourable economic climate, together with imbalances of high demand and low supply. For these reasons mortgage lending in **Sweden** is still rising but it seems that the pace has decreased to 7.8% y-o-y (from 8.2% the previous quarter). In **Ireland** Q3 2016 saw a buoyant growth in drawdowns, which increased y-o-y in volume by 13.7% and in value by 16.7% to EUR 1.6 bn. Looking at the year-to-date figures ending September 2016, approval and value volumes continued to increase in line with the yearly figures. Increasing household debt is heavily debated in Sweden and amortisation rules were imposed in June 2016 following different measures to cool down mortgage lending and house prices. Likewise in the **UK**, notwithstanding the ongoing political uncertainty due to the referendum in June 2016, the latest data on economic growth and unemployment shows a relatively

¹ In Q3 2016 the sample of the proxy for the amount of total outstanding mortgage lending in the EU28 included BE, CZ, DE, DK, ES, FI, FR, HU, IE, IT, NL, PL, PT, RO, SE and UK. (i.e. around 95% of the total outstanding

mortgage lending in the EU28 in 2015). Please, note that at the date of publishing, Q3 2016 data for NL was not yet available and the most recent observations (from Q4 2015) has been used.

favourable environment. The Bank of England aimed at supporting the domestic economy with a significant monetary stimulus in August as well as a new scheme to influence borrowing rates and to help lenders pass on interest rate cuts to household and firms. With this in mind, the UK housing market fared better than many had expected with increased mortgage lending (in GBP terms) compared to both the previous quarter and to the same quarter of the previous year. In Q3 2016 mortgage lending showed a lending market driven principally by re-mortgaging rather than by new house purchases. Elevated house prices, tight supply in the secondary housing market, tighter affordability criteria and upcoming tax changes in 2017 are factors dampening demand. As a result, the mix of lending has moved towards re-mortgaging activity which accounted for over 40% of lending compared to a third in the previous years. This trend is likely to continue in the near future. A surge in re-mortgaging activity can also be seen in **Denmark** due to declining long-term rates in the third quarter, which increased the proportion of fixed rate mortgages to 64% of gross lending compared to 45% the previous quarter. Overall gross residential lending increased by around 50% both q-o-q and y-o-y, while the level of total outstanding residential mortgage loans continued steady growth of 2.4% y-o-y. On the contrary, re-mortgaging plummeted in **Spain** by 83.3% y-o-y in Q3 2016 to EUR 649 mn, which represents nearly 8.5% of gross residential lending, down from 39% in Q3 2015. In parallel, the figures for outstanding mortgages also continued their downwards trend and gross figures showed a decrease both y-o-y and q-o-q. This is the result of the effects of non-market factors, such as the shutdown in the official registry of new mortgage loans as a consequence of a Supreme Court ruling regarding interest rates on arrears. In contrast, in **Belgium** the unusually high re-mortgaging activity of 2015 caused the y-o-y figure of overall new lending contracts of Q3 2016 to be slightly lower by around 1.17%, while the evolution in the amount shows a slight increasing of 1.31%. If re-mortgaging is not taken into account, both the number of contracts and the volume of lending increased by more than 5% and 10% respectively. The motivations for credits granted in Q3 2016 show a surge in purchases (+6%), in construction (+18%) and in purchase cum renovation (+6%), with only renovation (-2%) and refinancing (-20%) declining. Overdue contracts are continuing their downward path since the peak in 2015. In **Portugal** outstanding residential loans have been declining by 3.8% y-o-y, an ongoing trend since Q4 2011. Nevertheless, gross residential mortgage lending showed a growing trend reaching EUR 1.5 bn in Q3 2016, which reflects the improved economic household conditions and the low interest rates on deposits.

In Central and Eastern Europe the latest data gives quite a heterogeneous picture. On the one hand, in the **Czech Republic** new mortgages increased by almost 22% in the first three quarters of 2016, which represents a new record. The average amount of a mortgage loan also increased by 8.6%. In **Hungary**, whilst at a q-o-q level gross residential lending remained constant compared to the same period of the previous year, it shows an increase of 8.5% y-o-y. In Q3 2016 the construction industry also showed signs of vitality with an increase of 140% y-o-y in the issuance of new building permits. Several housing projects are in the pipeline, but the effect on completions is expected by mid-2017, which will reflect the VAT reduction for new-build homes which was introduced at the beginning of 2016. Starting from Q2 2017, Hungarian Commercial Banks have to fund at least 15% of their mortgage loan portfolio with mortgage bonds. Most of these banks entered into refinancing agreements with mortgage banks and by October 2018 the Mortgage Funding Adequacy Ratio is expected to increase from 15% to 20%. In **Romania** outstanding mortgages continued to increase in Q3 2016 but at a decreasing pace of around 2% q-o-q. The Non-Performing Loan (NPL) ratio of mortgage loans reduced by 1 pp to 7.8%, mainly due to a decrease in the volume of loans more than 90 days overdue. The Bank Lending Survey showed an easing in Credit Standards for the first time in half a year due to the lack of the surge of closing loans

followed by the law on debt discharge of April 2016, as only a marginal number of mortgage debtors requested to close their loans. On the other hand, in Q3 2016 **Poland** experienced the biggest decline of new residential loans over the last five years. The number of new loans granted in Q3 2016 decreased by c. 13%, while the value of newly granted loans diminished by nearly 9%. This decline can be explained by the unusually high lending results of the first half of the year due to the “Flat for Youth” Housing scheme. Moreover, it is important to highlight that credit standards for housing tightened for the fifth time in a row in Q3 2016, which comes as a result of restrictions on trade in agricultural properties, additional collateral requirements and updates in the assessment of creditworthiness. It is interesting to highlight that in this quarter new lending in Warsaw decreased for the first time in several years, but which still represents around 40% of the last quarter’s new lending volume. The construction of new dwellings also declined slightly in this quarter.

Moving to **France** housing and mortgage markets continue to be quite active. Outstanding residential mortgage lending grew by 3.1% y-o-y and the level of gross loans increased by 1.8% y-o-y, while credit production for existing homes remained stable at around EUR 79.7 bn. Housing activity also increased and at the end of October 2016, over a period of 12 months 843,000 existing homes were sold, namely 9% more than in October 2015 over the previous year. In **Italy** both outstanding and gross residential mortgage loans continued to grow by 1.8% and 5% respectively with regards to the same quarter of last year.

HOUSE PRICES

Nearly all countries of the sample report an increasing trend in terms of house prices. Besides a large variability across countries there are also distinct patterns within countries, with cities and capitals generally showing larger price increases than the surrounding countryside, mostly due to a mismatch in the supply and demand of housing, the very low interest rate environment and the improved disposable income of households. Looking at the new boxplot chart, the q-o-q median growth in Q3 2016 stands at 1.48%, a decrease from the 2.01% growth of the previous quarter, but in line with the 1.40% of the same period of last year.

In the **Czech Republic** large cities show an increase of house prices in the double-digit range. Besides the above mentioned reasons, here the implementation of new residential projects is quite lengthy, thus exacerbating the supply shortage. In **Hungary** house prices in Q2 2016, the latest quarter for which data is available, grew in aggregate terms by 1.4% q-o-q, which is a significant deceleration with respect to the previous quarters. Budapest and the surrounding area registered the highest increase, while less dynamic regions depicted also significantly lower prices. In **Poland** prices remained generally stable in Q3 2016, while in **Romania** house prices rose by more than 3% q-o-q.

Germany continued to witness increasing residential property prices. In the cities the situation remained tense as living space is scarce and, despite increases in construction activity, current demand in these areas outpaced supply. New lease rentals for residential use grew by 4% y-o-y and owner occupied housing by 6.4% over the same period, while prices for condominiums grew by 6.0% and single-family and semi-detached houses by 6.5%. In **Sweden** house prices increased by a healthy 8.7% in Q3 2016, though it seems that the pace has peaked and the first signs of a deceleration can be observed, considering that the increase in the same period last year was around 11%. The same trend is also seen with respect to apartments which increased by ‘only’ 6.3% in Q3 2016 compared to 19% in Q3 2015. Construction figures continued to increase in 2016 and the National Board of Housing expects that construction figures might soon

reach the record levels of the 1990s. Despite this, strict building standards coupled with a worsening undersupply for the construction workforce will not result in a balance here for several years to come. In **Portugal** the house price increase of 7.6% y-o-y in Q3 2016 marked the largest jump in the available series and follows a positive trend of six consecutive quarters. This recovery can be explained by the government programmes to attract new investors, with special permits to boost the residential sector. The increase in house prices was also helped by a slight increase in the demand for loans by individuals for the purchasing of housing. **Ireland** also saw property prices growing by 7.3% in September 2016 y-o-y, with Dublin increasing by 5.4%, while the rest of the country rose by 11%. Rents continued to grow faster than house prices with a geographic pattern but the gap narrowed markedly in Q3 2016. The Banking & Payments Federation Ireland (BPMFI) pointed out that a major issue in the Irish economy is the lack of available housing, especially of suitable family accommodation. Notwithstanding the increase in building activity with housing completions up +17.5% y-o-y and building starts up +15.9%, meeting the demand for 25,000 new homes per year is still far away. Based on the figures obtained from Daft.ie, a property listings website, the number of properties listed for sale and rent dropped significantly during the last year.

In **Denmark** the growth in house prices was positive overall, with single house prices rising by 1.1% q-o-q and 4.4% y-o-y, while owner occupied flats increased by 0.4% q-o-q and by 7.2% y-o-y. Home sales slightly decreased in Q3 2016 with respect to the same period of the year before by 1.8% for single family houses and by 4.0% for owner occupied flats. The slowdown can be explained by the peak in transaction activity reached in 2015. Similarly, in **France** the price of existing homes continued to grow but by a smaller amount of around 1%. Since 2012, on average new houses have been fluctuating between EUR 3,750 and EUR 3,650 per square meter for collective housing and between EUR 238,000 and EUR 260,000 per unit. **Spain** showed an increase of 1.6% y-o-y in house prices and an average per square meter price is around EUR 1,500; however, this is still far below the peak registered in 2007. **Belgium** also witnessed an increase in house prices in the different housing categories, with a 2.5% increase in the official house price index for existing houses and a nearly 4% increase for newly built ones. Prices for houses and villas increased on average by 2.3% and 2.7% respectively while apartments became 1.3% cheaper.

In **Finland** house prices show a mixed pattern. On the one hand existing dwellings showed an increase of 1.4% y-o-y, which can be broken down into +2.8% in Helsinki and +0.2% in the rest of the country. On the other hand, new dwellings and multiple flats dwellings fell by 1.9% countrywide, with a 0.6% decrease in Helsinki and a 3.3% decrease elsewhere. In **Italy** house prices decreased by 0.9% y-o-y and stayed virtually unchanged with respect to the previous quarter. The price of new dwellings in particular fell by 2.1% y-o-y, while the existing dwellings decreased by a marginal 0.6%.

INTEREST RATES

Overall the countries of the analysed sample show a very low and in the majority of cases also decreasing interest rate landscape following the

expansive monetary policies of the various central banks of the continent. Moreover, in most countries there is a rising trend of entering a mortgage contract with longer initial fixed periods, in order to lock into the benefits of current interest rates, which will have difficulty to fall much lower. Nonetheless, there are some national peculiarities which are described here.

Notwithstanding the persistent downwards trend, in the **Czech Republic** it is expected that this dynamic will be reversed by the end of 2016 as a new legislation on the provision of loans to clients will enter into force. In **Finland** and in **Portugal**, interest rates have reached their lowest ever levels with 1.12% and 1.76% respectively. These can be explained by the fact that in these countries a majority of housing loans are linked to the Euribor, which currently is at very low levels. In the **UK** mortgage rates fell to their historic lows in nearly all measures following the accommodative monetary policy of the Bank of England coupled with the high level of competition among lenders to attract new customers. In **Hungary** mortgage holders are increasingly choosing more fixed rate loans. The most typical loan has a variable interest rate which is linked to the three month BUBOR, the Budapest Interbank rate. A similar dynamic has been seen in **Spain** over recent quarters where loans with an initial fixed period represented more than half of the market in Q3 2016, while they were around 38% just a year ago. This preference amongst Spaniards for a more fixed interest rate environment is reflected in the slight increase in interest rates over the last quarter. A similar picture is seen in **Italy** where new loans with initial fixed periods are continuously increasing and accounted for more than 63% of the total in Q3 2016. Italians also saw the interest rates of all different initial fixation periods decrease. In **Ireland** the new fixed rate mortgages taken out since Q1 2015 accounted for, on average, around 30% - 40% of the total, while the long-term average is around 20%. Mortgage rates on outstanding loans are heavily influenced by the European Central Bank's (ECB) base rate because about 49% of mortgages outstanding were on tracker rates, which average 1.03% for private dwelling home mortgages and 1.06% for buy-to-let mortgages.

In **Denmark** there were only small variations in the representative interest rate, which for the first time since a year showed a minor fall, enabling households to take out a loan at 1.2% with an initial fixed period of one year. Long-term and medium-term fixed rate loans also decreased marginally by 0.2 pps and 0.07 pps respectively. Short-term interest rate fixation saw a marginal increase of 0.05 pps. Equally, in **Sweden** rates changed only marginally in the reference period. Variable mortgage rates and those with an initial fixed period of one to five years remained stable, while mortgage rates with an initial fixed period of more than five years dropped 0.5 pps to 1.9%.

In **Germany** interest rates continued to be persistently low, as was also the case in **France**, with low interest rates stimulating the granting of loans where in Q3 2016 the average rate fell to 1.46% from 1.69% during the previous quarter. In **Belgium** the most representative interest rate of an initial long-term fixed period, which represent around 92% of the overall market, decreased to from 2.05% to 2.01%.

Contrastingly, in **Romania** the representative interest rate increased by 0.24 pps over the previous quarter to 3.56%.

Chart 1a ► Countries where gross residential lending has remained below 80% of 2007 levels

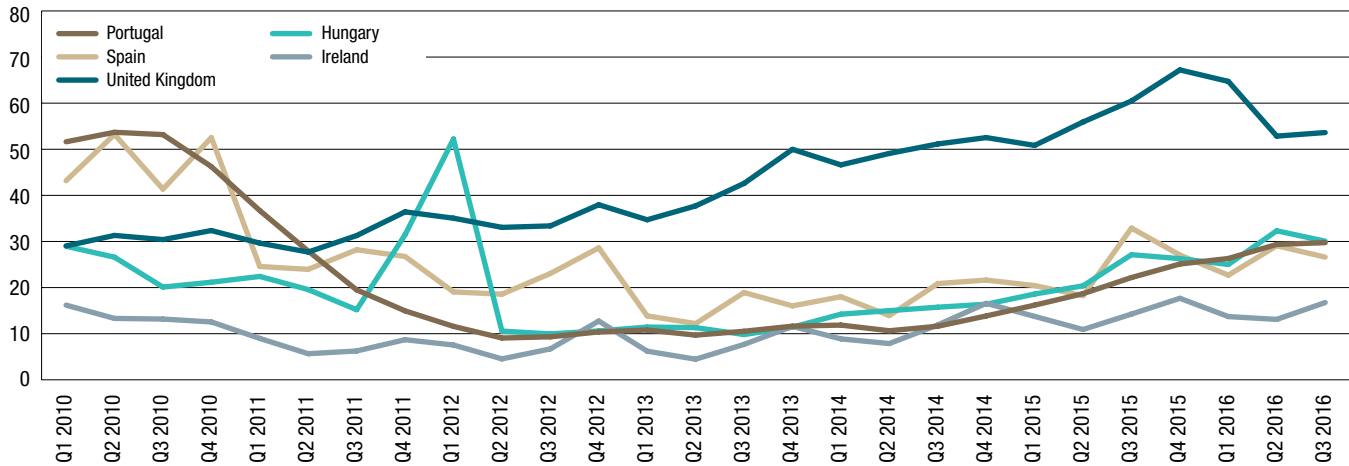


Chart 1b ► Countries where gross residential lending has remained between 80% and 120% of 2007 levels

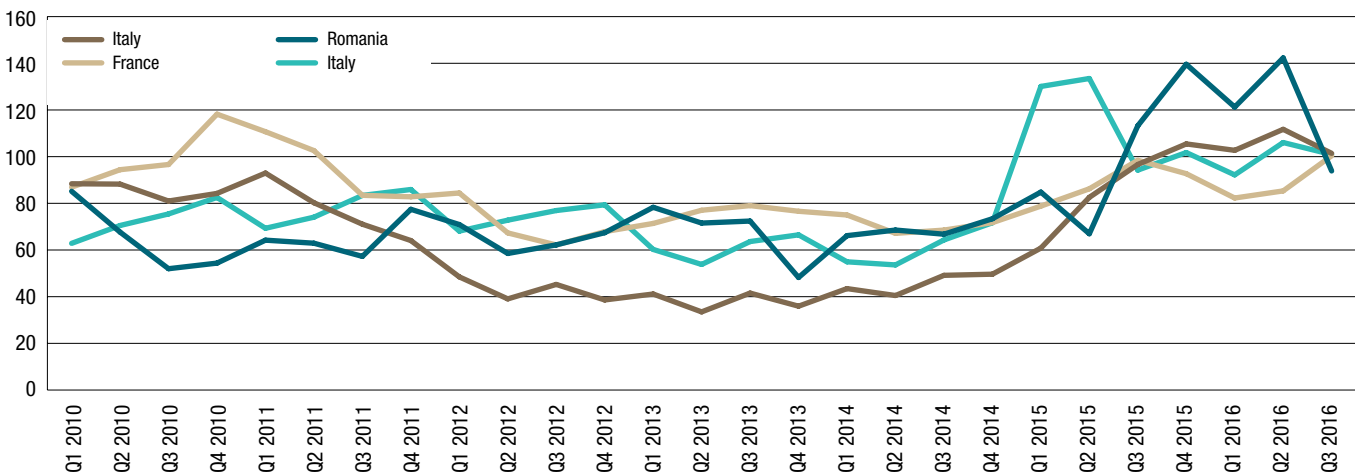
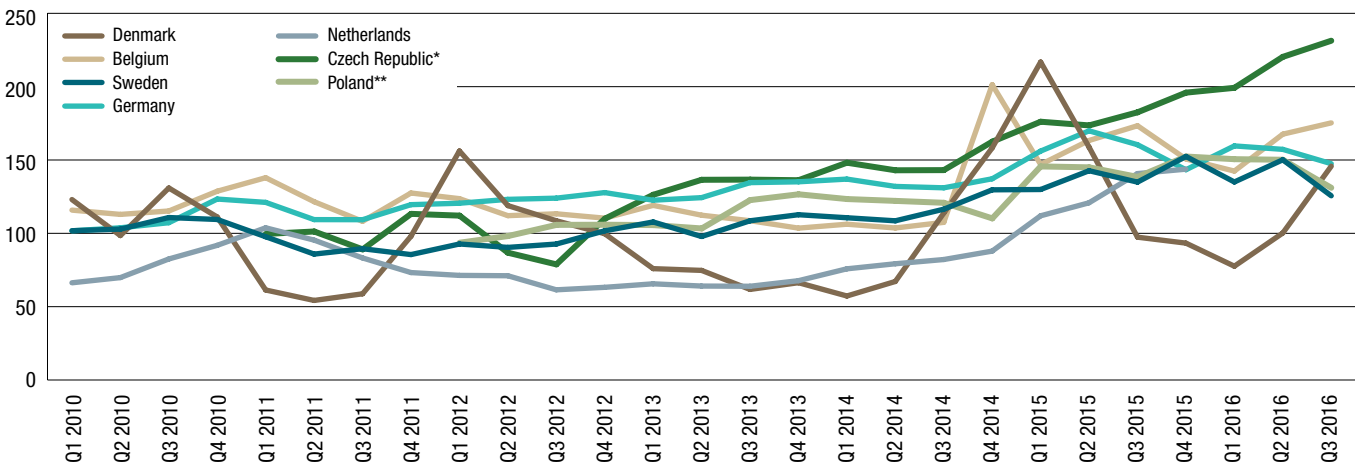


Chart 1c ► Countries where gross residential lending has risen above 120% of 2007 level



Note: Following countries submitted data explicitly including remortgaging figures: Belgium, Denmark, Ireland, Romania, Spain, United Kingdom
 * 2011 = 100
 ** 2012 = 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 2a ► Countries where house prices have increased at most 2% y-o-y (base year 2007)

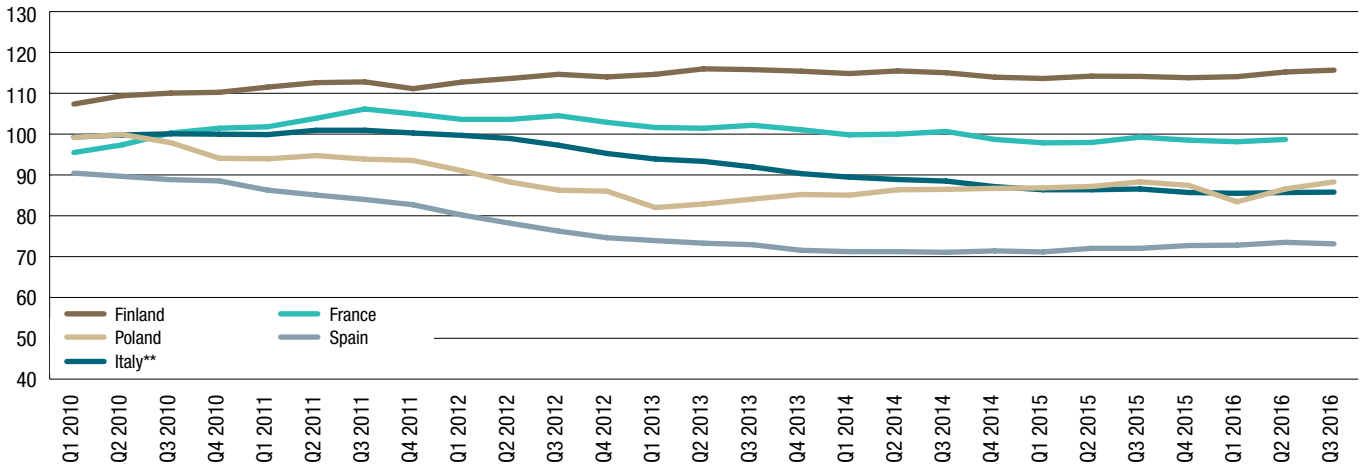


Chart 2b ► Countries where house prices have increased between 2% and 5% y-o-y (base year 2007)

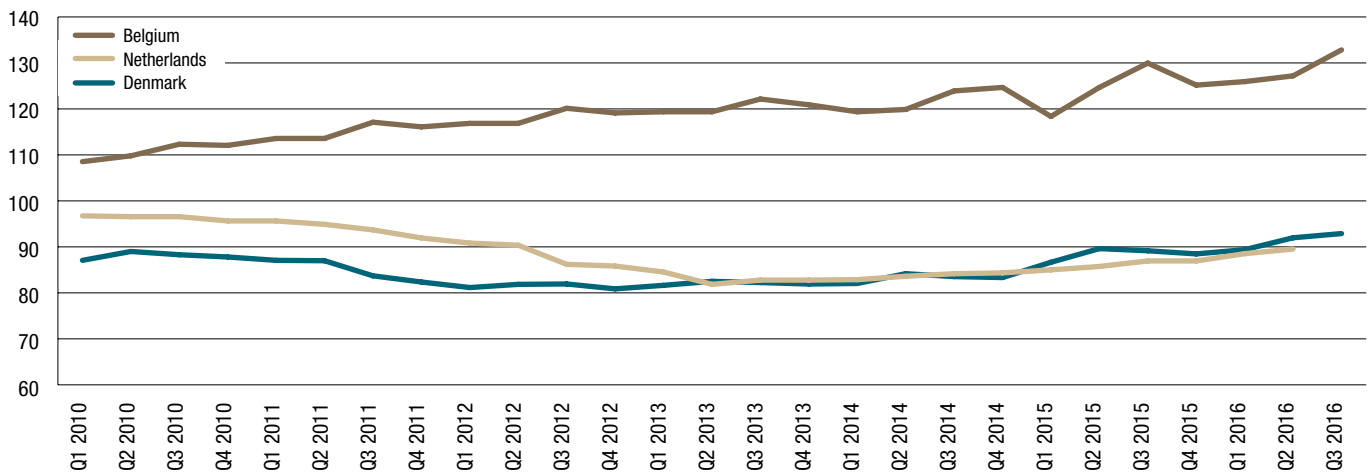
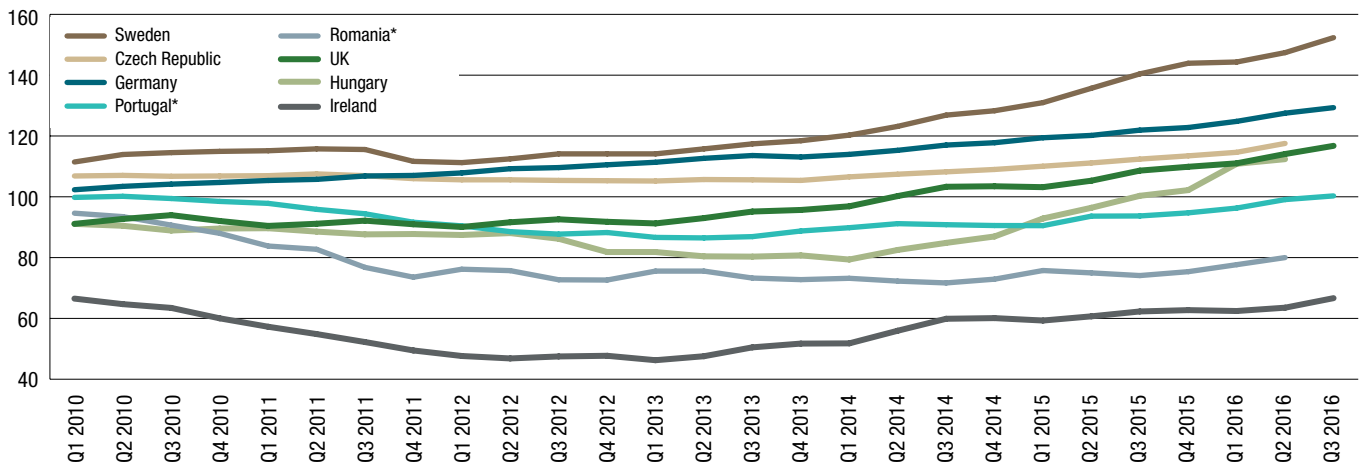
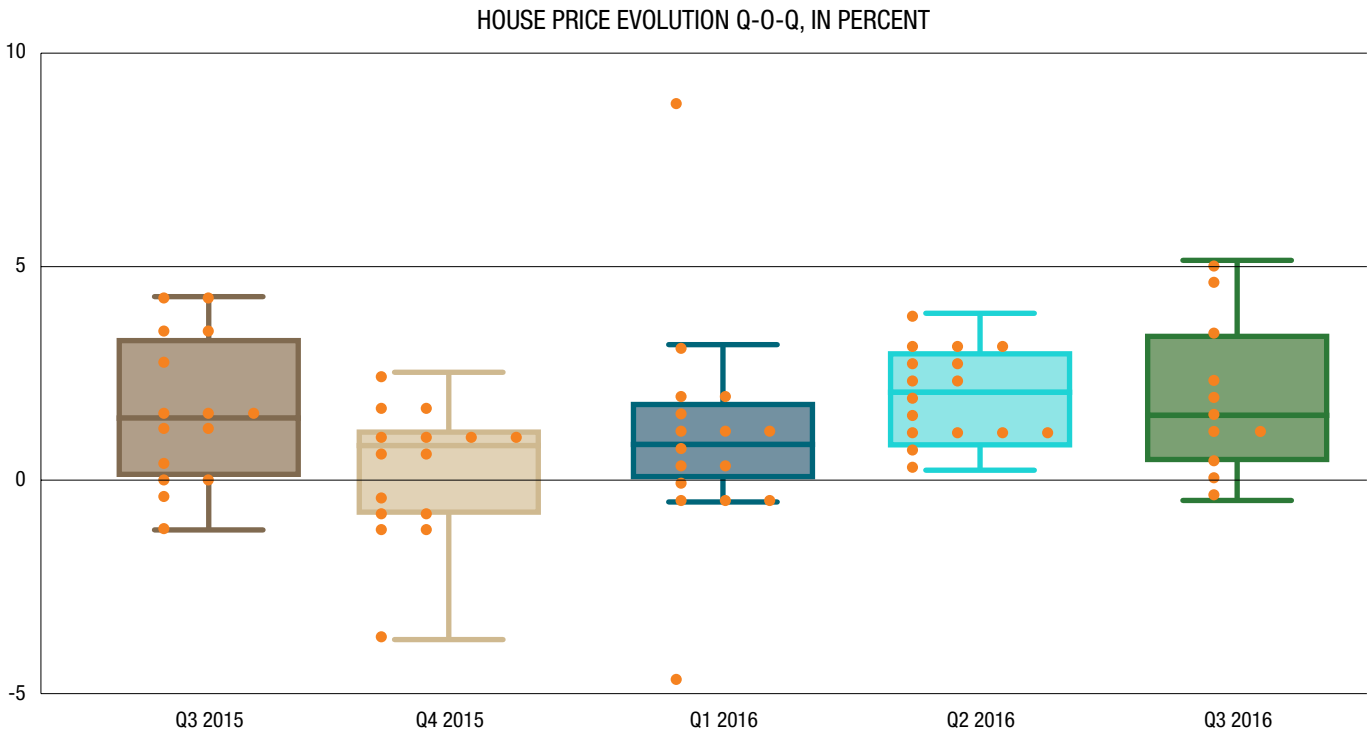


Chart 2c ► Countries where house prices have risen by at least 5% y-o-y (base year 2007)



Note:
 * 2009 = 100
 ** 2010 = 100

Chart 3 ► **Box Plot of the House Price Evolution in the EU with respect to the previous quarter**



Notes:
 Boxplots depict intuitively the distributional characteristics of a dataset, in this case the q-o-q House Price Index evolution of the country sample. The rectangle represents the second and third quartile of the data and the central horizontal line indicates the median value Q2, i.e. the value that splits the sample in two equal halves. The Horizontal lines below and above the box indicate respectively the lower and the upper quartiles. Eventual 'outliers' are depicted as points if they are more than 1.5 times the Interquartile distance – the height of the box – away from respectively Q1 or Q3. This is the case for Q1 2016.

The data set shows the q-o-q growth figures of the country sample. In Q3 2016 the data points are 11 instead of 16 as in 5 countries the latest House Price Index available was that of Q2 2016.

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

	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016	latest y-o-y change (%), Q3 16, EUR values	previous y-o-y change (%), Q2 16, EUR values	latest y-o-y change (%), Q3 16, local currency	previous y-o-y change (%), Q2 16, local currency
BE	199,255	201,814	204,810	207,590	209,664	210,979	214,772	4.9	4.5	4.9	4.5
CZ	29,296	30,313	31,120	32,085	32,347	33,038	34,007	9.3	9.0	8.6	8.5
DE	1,241,891	1,253,938	1,267,608	1,278,909	1,284,485	1,297,324	1,313,768	3.6	3.5	3.6	3.5
DK*	237,399	234,731	235,257	235,303	236,838	239,414	241,129	2.5	2.0	2.4	1.7
ES	580,564	575,693	569,005	562,828	557,044	555,049	n/a	n/a	-3.6	n/a	-3.6
FI	89,919	90,717	91,363	91,955	92,162	93,087	93,647	2.5	2.6	2.5	2.6
FR	841,940	845,778	857,481	866,401	871,009	880,280	884,304	3.1	4.1	3.1	4.1
HU	16,557	15,511	15,319	14,771	14,676	14,394	14,593	-4.7	-7.2	-5.8	-6.6
IE	114,311	113,038	111,731	110,635	109,493	108,763	107,984	-3.4	-3.8	-3.4	-3.8
IT	358,649	358,882	359,139	361,835	361,806	363,915	365,774	1.8	1.4	1.8	1.4
NL	635,515	635,116	637,625	656,015	657,982	661,746	n/a	n/a	4.2	n/a	4.2
PL**	89,894	89,592	87,808	88,390	88,759	87,488	89,665	2.1	-2.3	3.9	3.4
PT	101,544	100,786	100,387	98,516	97,820	97,229	96,593	-3.8	-3.5	-3.8	-3.5
RO	10,436	10,748	11,086	11,501	11,806	12,296	12,709	14.6	14.4	15.6	15.7
SE	348,597	358,951	357,899	374,754	379,052	379,606	377,176	5.4	5.8	7.8	8.2
UK	1,732,805	1,780,441	1,727,335	1,752,382	1,640,545	1,578,920	1,528,439	-11.5	-11.3	3.2	3.0

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).

* Only owner occupation, only mortgage banks - gross lending for house purposes not available for commercial banks starting Q3 2013.

** Adjusted for loan amortization and flows between the foreign currency loan portfolio and the zloty loan portfolio; the entire banking system was taken into account, including credit unions.

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

- Ireland
- Poland
- United Kingdom

Table 2 ► Gross Residential Mortgage Lending (million EUR)

	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016	latest y-o-y change (%), Q3 16, EUR values	previous y-o-y change (%), Q2 16, EUR values	latest y-o-y change (%), Q3 16, local currency	previous y-o-y change (%), Q2 16, local currency
BE	6,325	12,215	7,342	9,390	10,152	9,272	7,081	9,640	10,265	1.1	2.7	1.1	2.7
CZ*	1,783	1,929	1,840	2,232	2,257	2,331	2,118	2,794	2,844	26.0	25.2	25.2	24.6
DE	45,500	46,500	48,300	56,200	55,500	48,600	49,500	51,900	51,100	-7.9	-7.7	-7.9	-7.7
DK	10,238	15,016	18,983	13,766	8,754	9,152	6,415	8,482	13,125	49.9	-38.4	49.8	-38.6
ES	5,552	8,024	7,339	8,372	9,986	10,024	8,172	12,356	7,666	-23.2	47.6	-23.2	47.6
FI	4,452	4,398	9,352	10,705	6,646	6,604	6,573	8,693	7,136	7.4	-18.8	7.4	-18.8
FR	32,589	31,631	29,408	35,875	45,527	40,702	30,908	35,483	46,359	1.8	-1.1	1.8	-1.1
HU	269	243	212	297	436	388	306	472	479	9.8	59.1	8.5	60.1
IE	1,126	1,341	1,002	1,091	1,335	1,438	999	1,286	1,558	16.7	17.9	16.7	17.9
IT**	8,146	10,556	10,707	16,976	17,343	21,364	18,819	22,621	18,268	5.3	33.3	5.3	33.3
NL	17,360	18,768	21,676	25,510	29,790	30,623	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PL	2,129	1,901	2202,0	2538,7	2436,2	2635,4	2288,1	2628,6	2306,7	-5.3	3.5	-3.7	9.6
PT	573	690	715	950	1,098	1,250	1,218	1,481	1,474	34.2	55.9	34.2	55.9
RO	425	459	382	377	689	835	589	805	579	-15.9	113.7	-15.2	113.7
SE	11,996	15,001	12,955	16,737	14,070	17,560	13,532	17,575	13,023	-7.4	5.0	-5.4	7.4
UK	70,735	65,085	61,298	73,145	82,894	84,217	79,399	69,146	73,964	-10.8	-5.5	4.0	9.8

* Data break on Q1 2013 due to change in sources.

Source: European Mortgage Federation

** Latest data is an estimation.

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

- France
- Ireland
- Italy
- United Kingdom

Table 3 ► Change in Outstanding Residential Loans (Million EUR)												
	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016	II 2016
BE	699	1,323	1,461	4,361	1,928	2,559	2,996	2,780	2,074	1,315	3,792	1,610
CZ	266	500	469	275	564	1,017	807	965	263	691	969	691
DE	1,109	6,093	10,309	11,077	4,481	12,047	13,670	11,301	5,576	12,839	16,444	12,839
DK*	982	1,694	659	50	-735	-2,668	526	47	1,535	2,576	1,715	2,576
ES	-5,558	-3,499	-10,551	-6,600	-6,045	-4,871	-6,688	-6,177	-5,784	-1,995	n/a	-1,995
FI	90	588	398	373	157	798	645	592	207	925	560	n/a
FR	7,368	0	6,005	5,120	8,820	3,838	11,703	8,920	4,608	9,271	4,024	9,271
HU	-466	-259	-382	-247	-589	-1,046	-192	-548	-95	-282	199	-261
IE	-714	-2,956	-1,965	-1,236	-1,390	-1,273	-1,307	-1,096	-1,142	-730	-779	-623
IT	-1,345	-642	-135	-132	-488	233	257	2,697	-29	2,109	1,859	2,109
NL	-1,356	296	-2,562	2,631	4,414	-399	2,509	n/a	n/a	n/a	n/a	n/a
PL	639	1,262	825	-913	7,269	-301	-1,784	581	369	-1,271	2,177	-1,738
PT	-1,023	-926	-965	-1,202	-925	-758	-399	-1,871	-696	-591	-636	-591
RO	108	343	98	302	342	311	338	415	305	491	413	491
SE	-378	-2,961	5,502	-3,389	9,444	10,354	-1,052	16,855	4,298	554	-2,430	554
UK	14,895	57,787	56,534	-184	120,351	47,636	-53,106	25,047	-111,838	-61,625	-50,480	-49,669

* Due to the review of the official registers in Denmark, there is 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 this variable is the result of the variation between the two consecutive amounts of outstanding residential mortgage lending (Table 1).

Refer to Table 1 for eventual revisions.

Table 4 ► House Price Indices, 2007 = 100

	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	119.2	122.1	120.8	119.2	119.8	123.9	124.7	118.2	124.7	130.1	125.2	126.0	127.3	133.1
CZ	105.1	105.0	104.8	106.1	107.0	107.9	108.7	109.9	111.1	112.4	113.6	114.9	118.1	n/a
DE	112.4	113.4	112.9	113.8	115.2	117.0	117.8	119.5	120.3	122.1	123.0	125.1	127.9	129.8
DK	82.3	82.0	81.7	81.8	84.1	83.4	83.2	86.7	89.9	89.3	88.6	89.6	92.3	93.3
ES	73.1	72.7	71.3	71.0	71.0	70.8	71.2	70.9	71.8	71.8	72.5	72.6	73.3	72.9
FI	116.2	116.0	115.6	115.0	115.6	115.2	114.0	113.7	114.3	114.2	113.9	114.1	115.4	115.9
FR	101.4	102.2	101.0	99.7	99.9	100.6	98.5	97.7	97.8	99.1	98.3	97.9	98.5	n/a
HU	79.9	79.8	80.3	78.9	82.1	84.5	86.7	92.8	96.4	100.5	102.4	111.3	112.9	n/a
IE	47.3	50.3	51.7	51.7	56.1	60.3	60.5	59.6	61.1	62.8	63.3	63.0	64.1	67.4
IT*	93.3	91.9	90.2	89.3	88.7	88.3	86.9	86.1	86.1	86.3	85.4	85.2	85.4	85.5
NL	81.5	82.5	82.5	82.6	83.4	84.0	84.2	84.8	85.6	86.9	86.9	88.5	89.6	n/a
PL	82.6	83.9	85.0	84.9	86.2	86.3	86.6	86.7	87.1	88.2	87.3	83.2	86.4	88.2
PT	85.9	86.4	88.4	89.6	91.0	90.6	90.3	90.3	93.7	93.8	94.9	96.6	99.6	100.9
RO**	75.3	72.9	72.3	72.8	71.8	71.2	72.5	75.5	74.7	73.7	75.1	77.5	79.9	n/a
SE	115.2	116.9	118.0	119.9	122.8	126.6	128.1	130.8	135.7	140.5	144.1	144.5	147.7	152.7
UK	92.6	94.8	95.3	96.6	100.1	103.3	103.4	103.1	105.4	108.8	110.1	111.3	114.5	117.3

* 2010 = 100

Source: European Mortgage Federation

** 2009 = 100

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

Czech Republic: Data break in Q1 2008

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

Denmark: one-family houses - total index unavailable from source

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.

Poland: Weighted average price for the seven largest Polish cities

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:

- Finland
- Sweden

Table 5A ► Mortgage Interest Rates (% , weighted average)														
	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	3.37	3.41	3.56	3.50	3.32	3.04	2.79	2.54	2.43	2.46	2.48	2.27	2.05	2.01
CZ*	3.24	3.24	3.26	3.33	3.12	2.99	2.56	2.68	2.48	2.48	2.42	2.37	2.25	2.17
DE	2.70	2.74	2.84	2.79	2.63	2.39	2.18	1.93	1.83	2.03	2.00	1.91	1.81	1.68
DK**	1.14	1.22	1.22	1.27	1.27	1.27	1.34	1.15	1.06	1.03	1.12	1.17	1.26	1.20
ES	3.08	3.00	3.01	3.13	3.05	2.94	2.72	2.47	2.25	2.17	2.08	2.02	2.04	2.02
FI	1.99	1.99	1.97	1.94	1.83	1.66	1.63	1.38	1.36	1.34	1.27	1.18	1.15	1.12
FR***	3.13	3.11	3.18	3.01	2.83	2.63	2.40	2.17	2.01	2.14	2.18	2.02	1.68	1.45
HU	9.82	8.91	8.69	7.50	7.06	6.80	6.32	5.84	5.04	4.57	4.85	4.88	4.58	4.34
IE	3.40	3.52	3.41	3.36	3.27	3.58	3.75	3.60	3.46	3.40	3.42	3.30	3.34	3.26
IT	3.64	3.68	3.50	3.44	3.26	2.99	2.84	2.68	2.77	2.67	2.50	2.33	2.20	2.02
NL	3.80	3.65	3.62	3.55	3.44	3.31	3.18	3.09	2.88	2.89	2.83	2.75	2.66	n/a
PL	5.20	5.20	5.30	5.30	5.30	5.20	4.70	4.40	4.30	4.40	4.40	4.40	4.50	4.40
PT	3.19	3.19	3.27	3.37	3.28	3.15	3.01	2.74	2.28	2.19	2.13	1.99	1.86	1.76
RO****	4.50	4.85	5.36	5.19	5.19	5.04	4.66	3.99	3.95	3.94	3.79	3.49	3.32	3.56
SE	2.70	2.73	2.58	2.39	2.32	2.11	1.85	1.68	1.54	1.53	1.48	1.50	1.50	1.51
UK	3.27	3.14	3.05	3.04	3.12	3.21	3.09	2.76	2.60	2.57	2.54	2.50	2.41	2.30

* For Czech Republic from Q1 2015 the data source is the Czech national Bank.

Source: European Mortgage Federation

** This data series has been revised and it depicts the variable interest rate, which is the most common one.

*** Data from Q2 2012 has been revised for France due to a new source. Further data break in Q1 2014.

**** Recalculation of the interest rate as a weighted average of interest rates in local currency and euro (previously weighted average only of euro denominated mortgages). Data break from Q1 2014.

Note:

Data refers to quarter averages.

For Czech Republic 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.

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

- Finland
- Hungary
- Ireland

Table 5B ► Mortgage Interest Rates

Variable rate and initial fixed period rate up to 1 year (%)												
	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	3.06	3.06	3.11	3.01	2.63	2.74	2.73	2.67	2.48	2.16	2.37	2.49
CZ	3.15	3.40	3.09	3.02	2.37	2.81	2.65	2.76	2.59	2.61	2.32	2.55
DE	2.64	2.73	2.55	2.45	2.29	2.23	2.14	2.20	2.17	2.26	2.12	2.07
DK*	1.22	1.27	1.27	1.27	1.34	1.15	1.06	1.03	1.12	1.17	1.26	1.20
ES	2.80	2.97	2.88	2.71	2.51	2.24	2.01	2.04	1.85	1.72	1.66	1.66
FR	2.74	2.38	2.11	1.89	1.63	1.44	1.42	1.68	1.76	1.43	n/a	n/a
HU	8.69	7.50	7.06	6.36	6.32	5.84	5.04	4.57	4.85	4.88	4.58	4.34
IE	3.25	3.23	3.16	3.43	3.64	3.42	3.38	3.24	3.30	3.16	3.22	3.18
IT	3.19	3.18	3.00	2.70	2.56	2.35	2.20	2.09	1.97	1.92	1.80	1.74
NL	2.90	2.90	2.80	2.80	2.68	2.66	2.53	2.45	2.38	2.30	2.23	n/a
RO**	5.21	5.12	5.15	4.98	4.54	3.92	3.91	3.83	3.71	3.40	3.25	3.51
PT	3.28	3.42	3.28	3.15	3.01	2.74	2.28	2.19	2.13	1.99	1.86	1.76
SE	2.38	2.22	2.16	1.93	1.64	1.42	1.12	1.27	1.27	1.38	1.41	1.39
UK***	2.64	2.52	2.50	2.46	2.27	2.05	2.02	2.04	2.04	2.13	2.05	1.93
Short-term initial fixed period rate, from 1 to 5 years maturity (%)												
	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	3.11	3.10	2.90	2.52	2.21	2.38	2.33	2.40	2.21	2.05	2.01	2.08
CZ	3.25	3.21	3.06	2.95	2.75	2.57	2.37	2.35	2.32	2.26	2.25	2.13
DE	2.49	2.43	2.31	2.12	1.94	1.90	1.83	1.94	1.94	1.85	1.83	1.77
DK*	1.83	1.65	1.64	1.50	1.36	1.21	1.33	1.39	1.33	1.27	1.34	1.39
ES	3.20	3.29	3.16	3.09	2.84	2.68	2.44	2.23	2.17	2.06	2.02	1.99
FR	2.95	2.96	2.95	2.59	2.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	9.47	8.36	8.14	7.25	7.18	6.97	6.91	6.79	6.60	6.68	6.32	6.11
IE	4.53	4.44	4.37	4.41	4.11	3.88	3.58	3.73	3.66	3.59	3.57	n/a
IT	3.45	3.49	3.35	3.13	2.94	2.78	2.73	2.65	2.22	2.04	1.73	1.66
NL	3.40	3.30	3.10	3.10	2.98	2.91	2.74	2.69	2.64	2.55	2.41	n/a
RO**	5.03	5.95	5.54	5.56	5.59	5.53	5.34	4.24	4.03	4.46	4.95	4.91
SE	2.86	2.68	2.52	2.24	1.95	1.70	1.69	1.56	1.63	1.59	1.61	1.57
UK**	3.10	3.11	3.19	3.31	3.21	2.89	2.71	2.64	2.59	2.53	2.45	2.35
Medium-term initial fixed period rate, from 5 to 10 years maturity (%)												
	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	3.74	3.62	3.39	2.82	2.70	2.54	2.36	2.40	2.35	2.15	1.90	1.97
CZ	3.51	3.75	3.34	2.96	2.69	2.55	2.36	2.36	2.29	2.19	2.10	1.95
DE	2.88	2.79	2.61	2.37	2.13	1.88	1.68	1.90	1.89	1.77	1.63	1.52
DK*	3.13	2.67	2.53	2.12	1.82	1.47	1.83	2.30	2.30	1.84	2.01	1.94
ES	6.06	6.22	6.48	7.01	7.11	6.04	5.36	3.43	5.01	5.23	3.87	4.52
FR	2.83	2.86	2.73	2.39	2.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	7.79	7.51	7.13	6.69	6.61	6.49	6.47	6.37	6.22	6.22	6.69	6.89
IT	4.31	4.36	4.09	3.70	3.11	2.95	2.99	2.89	2.72	2.48	2.26	2.03
NL	4.10	3.90	3.80	3.60	3.39	3.22	2.94	2.90	2.83	2.78	2.68	n/a
RO**	6.52	6.22	5.64	5.65	5.80	5.94	5.70	5.61	5.40	5.62	5.64	5.66
SE	3.99	3.72	3.60	3.19	2.67	2.24	2.62	2.64	2.72	2.42	2.40	1.92
UK***	3.92	4.02	3.92	3.92	3.88	3.50	3.12	3.10	3.15	3.34	3.22	3.08

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

	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
BE	3.84	3.66	3.35	3.04	2.80	2.54	2.43	2.46	2.48	2.27	2.05	2.01
CZ	4.28	4.10	4.28	3.93	3.62	3.53	3.73	3.30	3.21	3.22	2.86	2.43
DE	3.06	2.97	2.83	2.50	2.27	1.89	1.89	2.12	2.08	1.95	1.86	1.70
DK*	4.27	4.07	3.71	3.56	3.30	2.93	3.14	3.86	3.78	3.67	3.35	3.15
ES	4.92	4.79	4.79	4.85	4.41	3.29	2.80	2.41	2.68	2.66	2.36	2.37
FR	3.25	3.29	3.17	2.78	2.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HU	7.96	6.68	6.60	6.53	6.75	6.75	6.70	6.30	6.66	5.75	6.46	5.93
IT	4.73	4.62	4.44	4.09	3.68	3.35	3.16	3.03	2.84	2.65	2.51	2.18
NL	4.70	4.60	4.50	4.00	3.89	3.78	3.35	3.25	3.28	3.17	3.08	n/a
RO**	6.04	6.99	6.31	6.91	8.21	7.54	5.93	5.86	5.65	4.91	5.96	5.94
UK***	4.14	4.04	4.14	4.14	4.15	4.10	4.11	4.25	4.06	3.98	4.95	0.00

* Due to the review of the official registers in Denmark, there is 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

** Recalculation of the interest rate as a weighted average of interest rates in local currency and euro (previously weighted average only of euro denominated mortgages). Data break from Q1 2014.

*** Bank of England discontinued the series Variable rate (up to 1 year). In this chart it has been replaced by Variable Rate without initial fixed period.

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:

- Hungary

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

	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Czech Republic											
Variable rate (up to 1Y initial rate fixation)	26.6	26.6	26.0	26.2	25.7	25.9	24.3	24.1	24.0	22.2	20.9
Short-term fixed (1Y – 5Y initial rate fixation)	49.6	50.3	51.2	51.4	52.0	53.6	57.3	57.0	58.8	59.8	59.9
Medium-Term fixed (5Y – 10Y initial rate fixation)	10.5	10.3	10.3	10.5	10.6	10.0	8.8	9.4	11.9	13.0	14.4
Long-Term fixed (over 10Y initial rate fixation)	13.3	12.9	12.6	11.9	11.7	10.5	9.6	9.5	5.2	5.1	4.9
Denmark											
Variable rate (up to 1Y initial rate fixation)	46.8	47.4	47.0	45.7	43.3	41.6	40.4	39.2	37.9	38.3	37.4
Short-term fixed (1Y – 5Y initial rate fixation)	23.4	22.6	22.8	23.7	25.0	25.8	26.5	27.1	27.7	27.1	27.3
Medium-Term fixed (5Y – 10Y initial rate fixation)	29.8	30.0	30.2	30.6	31.7	32.6	33.1	33.7	34.4	34.7	35.4
Long-Term fixed (over 10Y initial rate fixation)											
Ireland											
Variable rate (up to 1Y initial rate fixation)	94.7	94.4	94.5	94.5	93.9	93.6	92.6	92.0	91.8	91.5	90.3
Short-term fixed (1Y – 5Y initial rate fixation)	3.9	4.1	4.0	4.0	4.5	4.6	5.6	6.1	6.2	6.5	7.8
Medium-Term fixed (5Y – 10Y initial rate fixation)	1.4	1.5	1.5	1.5	1.6	1.8	1.9	1.9	2.0	2.0	2.0
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	0.0
Sweden											
Variable rate (up to 1Y initial rate fixation)	53.6	56.3	57.7	58.2	59.8	61.2	62.2	62.4	63.2	64.1	64.7
Short-term fixed (1Y – 5Y initial rate fixation)	41.7	39.3	38.1	37.7	36.2	34.9	34.1	33.9	33.2	32.5	31.9
Medium-Term fixed (5Y – 10Y initial rate fixation)	4.6	4.3	4.2	4.0	4.0	3.9	3.8	3.7	3.6	3.4	3.3
Long-Term fixed (over 10Y initial rate fixation)											

Table 5C ► Mortgage Markets Breakdown by Interest rate Type (%) – Outstanding Loans (continued)											
	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
United Kingdom											
Variable rate (up to 1Y initial rate fixation)*	64.4	61.9	60.1	58.0	56.3	54.6	52.5	50.9	49.9	48.2	47.0
Short-term fixed (1Y – 5Y initial rate fixation)	33.8	36.4	38.2	40.4	42.1	43.8	45.8	47.4	48.4	50.2	51.5
Medium-Term fixed (5Y – 10Y initial rate fixation)	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.3
Long-Term fixed (over 10Y initial rate fixation)	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.2	0.2
Currency denomination											
	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	
Hungary**											
HUF denominated	46.7	47.3	46.6	46.9	47.6	47.5	98.4	99.2	99.3	Since Q4 2015 FX lending is not allowed any more	
EUR denominated	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3		
CHF denominated	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4		
Other FX denominated	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0		
Breakdown by loan original maturity											
	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Italy											
maturity less than 1 year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
maturity between 1 and 5 years	0.2	0.2	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6
maturity more than 5 years	99.8	99.8	99.7	99.6	99.5	99.5	99.5	99.4	99.4	99.4	99.9

* Please note that for the UK, this refers only to Variable rate. Anything that is fixed for any duration is used in the calculation of a 'Fixed Rate', which is therefore the same for the other three fields.

Source: European Mortgage Federation

** From Q4 2015 in Hungary lending in foreign currency is not allowed any more.

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

- none

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

	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Belgium													
Variable rate (up to 1Y initial rate fixation)	4.2	6.8	7.5	5.1	2.6	1.6	0.9	0.5	0.4	0.7	1.6	1.3	0.5
Short-term fixed (1Y – 5Y initial rate fixation)	12.3	12.7	13.9	10.4	7.6	6.8	5.6	2.7	2.8	3.9	4.7	2.6	2.1
Medium-Term fixed (5Y – 10Y initial rate fixation)	13.2	14.6	13.4	16.5	16.4	15.7	13.9	11.7	12.0	18.3	17.5	14.3	13.9
Long-Term fixed (over 10Y initial rate fixation)	70.3	65.9	65.2	68.1	73.4	75.9	79.6	85.1	84.8	77.2	76.2	81.8	83.6
Czech Republic													
Variable rate (up to 1Y initial rate fixation)	33.6	37.9	34.7	28.0	34.3	52.4	38.3	31.4	25.2	27.5	27.6	23.6	17.1
Short-term fixed (1Y – 5Y initial rate fixation)	57.3	54.9	57.1	61.3	55.0	37.6	49.0	50.6	57.3	56.1	54.2	52.7	53.0
Medium-Term fixed (5Y – 10Y initial rate fixation)	5.3	4.1	6.0	8.6	9.1	8.3	10.2	15.6	15.2	13.6	15.6	20.7	26.8
Long-Term fixed (over 10Y initial rate fixation)	3.8	3.1	2.1	2.1	1.7	1.8	2.4	2.3	2.3	2.8	2.6	3.1	3.1
Denmark													
Variable rate (up to 1Y initial rate fixation)	n/a	40.0	34.5	20.6	17.3	19.5	8.0	6.8	16.6	25.1	22.0	19.0	11.2
Short-term fixed (1Y – 5Y initial rate fixation)	n/a	26.1	33.4	25.3	18.5	27.3	20.1	19.9	33.4	42.6	44.5	38.9	27.9
Medium-Term fixed (5Y – 10Y initial rate fixation)	n/a	2.6	4.3	1.8	1.5	1.8	2.8	1.6	1.2	1.0	4.2	1.4	1.8
Long-Term fixed (over 10Y initial rate fixation)	n/a	31.3	27.8	52.3	62.8	51.5	69.1	71.8	48.9	31.3	29.2	40.8	59.2
Germany													
Variable rate (up to 1Y initial rate fixation)	15.6	17.3	18.1	15.8	14.9	14.6	13.1	12.1	11.8	12.9	12.8	12.1	11.4
Short-term fixed (1Y – 5Y initial rate fixation)	12.5	13.4	13.8	13.4	12.3	11.6	10.1	9.2	9.8	10.5	10.6	9.5	9.0
Medium-Term fixed (5Y – 10Y initial rate fixation)	41.7	40.0	38.4	39.8	40.0	39.7	36.4	37.1	38.8	37.9	36.7	35.1	35.7
Long-Term fixed (over 10Y initial rate fixation)	30.2	29.2	29.6	30.9	32.7	34.1	40.4	41.6	39.6	38.7	40.0	43.3	44.0

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) - New Loans (continued)													
	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Hungary													
Variable rate (up to 1Y initial rate fixation)	40.2	40.1	45.6	48.5	48.7	45.8	41.6	45.3	48.8	44.1	42.4	43.6	40.8
Short-term fixed (1Y – 5Y initial rate fixation)	43.3	40.7	34.4	34.8	34.5	33.6	32.4	32.7	29.6	32.5	31.4	31.1	30.0
Medium-Term fixed (5Y – 10Y initial rate fixation)	15.3	17.6	17.1	15.3	15.1	15.1	18.7	16.8	16.3	16.2	18.6	20.1	23.2
Long-Term fixed (over 10Y initial rate fixation)	1.3	1.6	2.9	1.4	1.8	5.5	7.3	5.1	5.3	7.2	7.6	5.2	6.0
Ireland													
Variable rate (up to 1Y initial rate fixation)	82.6	87.3	90.5	90.8	87.4	71.6	56.1	55.2	56.4	70.3	67.3	65.7	69.2
Short-term fixed (1Y – 5Y initial rate fixation)	17.4	12.7	9.5	9.2	12.6	28.4	43.9	44.8	43.6	29.7	32.7	34.3	30.8
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	79.8	79.6	78.2	73.4	68.3	46.5	38.5	38.5	40.7	41.8	36.25
Short-term fixed (1Y – 5Y initial rate fixation)	n/a	n/a	3.2	3.1	2.6	2.3	1.8	1.2	1.1	0.9	1.3	1.4	1.38
Medium-Term fixed (5Y – 10Y initial rate fixation)	n/a	n/a	1.6	1.6	1.9	2.2	2.8	3.2	3.2	3.2	3.5	3.6	3.69
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	15.5	15.7	17.2	22.1	27.1	49.2	57.2	57.4	54.6	53.3	58.68
Netherlands													
Variable rate (up to 1Y initial rate fixation)	26.1	23.2	21.3	19.1	19.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Short-term fixed (1Y – 5Y initial rate fixation)	40.6	37.3	35.5	36.9	35.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y – 10Y initial rate fixation)	29.9	35.1	39.3	39.0	38.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	3.5	4.4	3.9	5.0	6.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
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)	91.5	91.6	91.6	92.2	93.2	92.3	94.4	93.5	90.3	90.2	79.7	62.5	62.6
Short-term fixed (1Y – 5Y initial rate fixation)	8.5	8.4	8.4	7.8	6.8	7.7	5.6	6.5	9.7	9.8	20.3	37.5	37.4
Medium-Term fixed (5Y – 10Y initial rate fixation)													
Long-Term fixed (over 10Y initial rate fixation)													
Romania													
Variable rate (up to 1Y initial rate fixation)	88.2	86.5	87.9	87.5	86.8	87.7	94.0	95.6	68.2	76.9	90.6	95.1	94.9
Short-term fixed (1Y – 5Y initial rate fixation)	10.8	12.4	10.9	11.6	12.9	11.9	5.0	3.2	30.5	21.4	7.8	4.0	4.0
Medium-Term fixed (5Y – 10Y initial rate fixation)	0.2	0.2	0.3	0.3	0.2	0.4	0.9	0.7	0.7	0.8	0.4	0.6	0.6
Long-Term fixed (over 10Y initial rate fixation)	0.8	0.8	0.9	0.6	0.1	0.0	0.1	0.5	0.5	0.8	1.1	0.3	0.4
Spain													
Variable rate (up to 1Y initial rate fixation)	69.0	67.9	70.8	66.1	61.6	60.1	65.4	62.2	61.8	62.6	57.8	41.6	46.9
Short-term fixed (1Y-5Y initial rate fixation)	27.8	28.9	26.3	31.2	35.7	37.6	30.4	30.8	26.3	28.0	28.6	20.5	25.0
Medium-Term fixed (5Y-10Y initial rate fixation)	2.2	2.1	2.0	1.8	1.9	1.5	2.0	2.2	4.1	2.5	2.9	3.8	3.5
Long-Term fixed (over 10Y initial rate fixation)	1.0	1.0	0.9	0.8	0.8	0.8	2.2	4.7	7.9	6.9	10.7	34.2	24.6

Table 5D ► Mortgage Markets Breakdown by Interest rate Type (%) - New Loans (continued)													
	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Sweden													
Variable rate (up to 1Y initial rate fixation)	63.7	69.4	71.1	75.7	70.5	68.0	72.8	68.3	67.9	66.7	66.7	69.9	69.5
Short-term fixed (1Y – 5Y initial rate fixation)	28.6	26.0	24.2	19.9	23.1	23.5	18.5	21.6	23.6	25.2	26.3	23.1	22.8
Medium-Term fixed (5Y – 10Y initial rate fixation)	7.8	4.6	4.7	4.4	6.4	8.5	8.7	10.1	8.5	8.1	7.0	7.0	7.7
Long-Term fixed (over 10Y initial rate fixation)													
United Kingdom													
Variable rate (up to 1Y initial rate fixation)*	18.1	15.5	14.1	12.6	13.1	13.4	17.7	17.9	15.6	12.4	15.5	15.7	16.1
Short-term fixed (1Y – 5Y initial rate fixation)	80.3	83.1	84.7	86.1	85.4	85.1	80.3	78.9	81.0	84.6	83.4	83.2	82.8
Medium-Term fixed (5Y – 10Y initial rate fixation)	1.3	1.3	1.0	1.1	1.3	1.3	1.9	3.1	3.4	2.9	1.1	1.1	1.1
Long-Term fixed (over 10Y initial rate fixation)	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0

* Please note that for the UK, this refers to more than 99% to Variable rate without any fixed period.

Source: European Mortgage Federation

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

- none

THE BANK LENDING SURVEYS

NOTES ON THE BANK LENDING SURVEYS

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^{1,2}.

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 the "The euro area bank lending survey – Third quarter of 2016" of the ECB.

For the UK and Denmark the BLS is carried out by the respective Central Banks. It is important to point out that some statistical techniques and the underlying factor are slightly different from the one used by the ECB. In order to provide a consistent comparison with the data of the ECB, the figures of the change in credit standards for Denmark and the United Kingdom have been inverted, as in these cases a positive value is equivalent to a standard easing, which is opposite to the interpretation of the figures of the BLS of the ECB.

RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

1. Credit Standard:

Table 6A ► Supply Historic Evolution (Backward-looking 3 months)												
<i>(as a netted and weighted percentage of all respondent banks)</i>												
	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
Austria	0	0	0	0	-7	0	0	-14	0	7	0	14
Belgium	0	0	0	13	0	13	13	13	-25	0	0	13
Cyprus	25	25	13	25	13	13	0	0	0	0	0	0
Germany	0	-2	3	0	3	0	2	2	3	0	16	14
Estonia	0	0	25	-13	-13	13	25	50	13	13	13	0
Greece	0	0	0	0	0	0	0	0	25	13	0	0
Spain	0	0	0	0	0	0	0	0	-6	0	-6	-6
France	5	7	0	0	-7	-7	4	-7	1	-15	0	-7
Ireland	20	0	0	0	-10	0	30	-10	20	-10	10	0
Italy	-6	-13	-25	-13	0	-6	-13	-19	-6	-13	-6	-19
Lithuania	—	—	—	—	—	—	0	13	25	38	0	0
Luxembourg	-8	8	-8	8	-8	-17	-8	-8	-8	0	-8	-8
Latvia			-13	13	0	100	-75	-13	-13	0	0	0
Malta	0	0	0	0	0	0	0	0	0	-5	17	-21
Netherlands	0	8	8	0	0	0	8	0	8	-8	17	0
Portugal	0	0	0	0	0	0	-10	-10	0	0	0	0
Slovenia	0	0	0	-10	0	0	0	-10	-10	0	10	0
Slovakia	0	0	9	26	-13	13	39	18	0	0	6	9
Euro area	1	0	-2	-2	-1	-2	1	-4	2	-5	4	-1
Denmark	1	0	0	-1	1	1	0	-1	33	23	14	14
United Kingdom	-14	-6	-8	29	-8	4	-9	-16	-5	3	5	2

The overall credit standards in the third quarter of 2016 showed signs of easing within the Euro Area. Banks in Italy, France and Spain lowered their credit standards, while in the Netherlands the situation remained unchanged. Germany on the other hand reported a net tightening in the context of the implementation of the EU Mortgage Credit Directive. Looking at the principal factors contributing to changes in the credit standards especially competitive

pressures were a predominant factor of easing and banks' cost of funds and balance sheet constraints and risk perceptions also had a marginal impact.

Outside the Euro Area Denmark experienced a further important credit standard tightening. In the UK the credit standard remained virtually unchanged with respect to the previous quarter.

¹ The Finnish BLS data is not published because of confidentiality reasons. As the Finnish BLS sample consists of only four banks, there is a risk that answers of individual banks could be extracted from the aggregate results.

² It should be noted that the Diffusion Index is used (see ECB website or contact authors for more information) in this publication. For the data of Denmark and the UK net weighted average figures are used. Figures for France, Malta, Slovakia and The Netherlands 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.

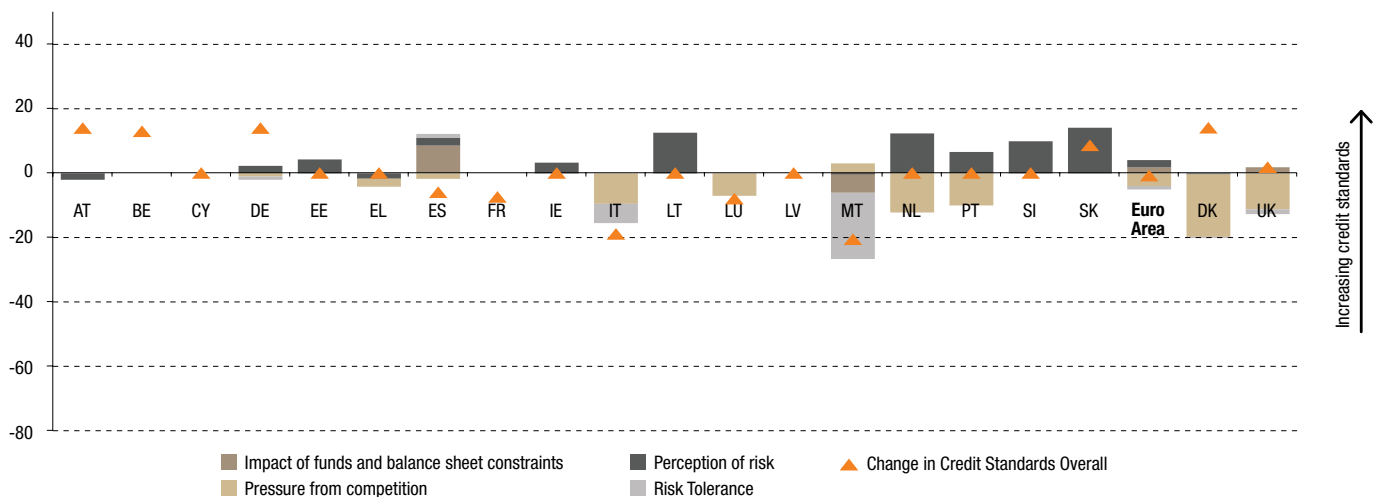
Table 6B ► Factors that have affected Supply in 2016-Q1 (Backward-looking 3 months)																					
<i>(as a netted and weighted percentage of all respondent banks)</i>																					
I 2016	AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro Area	DK	UK
Change in Credit Standards Overall	14	13	0	14	0	0	-6	-7	0	-19	0	-8	0	-21	0	0	0	9	-1	14	2
Factors affecting credit standards:																					
Impact of funds and balance sheet constraints	0	0	0	0	0	0	9	0	0	0	0	0	0	-6	0	0	0	0	2	—	2
Perception of risk	-2	0	0	2	4	-2	2	0	3	0	13	0	0	0	12	7	10	14	2	0	—
Pressure from competition	0	0	0	-1	0	-3	-2	0	0	-10	0	-7	0	3	-12	-10	0	0	-4	-20	-11
Risk Tolerance	0	0	0	-1	0	0	1	0	0	-6	0	0	0	-21	0	0	0	0	-1	0	-2

Note:

For UK there are different factors and following assumptions were made: tight wholesale funding conditions > impact of funds and balance sheet constraints; market share objectives > pressure from competition; changing appetite for risk > Risk Tolerance

For DK following assumption: Credit standards - competition > Pressure from competition; credit standards - perception of risk > perception of risk; credit standards appetite for risk > Risk Tolerance

Chart 3 ► Credit Standards Overview and Factors



2. Credit Demand

Table 7A ► Demand Historic Evolution (Backward-looking 3 months)

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

	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015	I 2016	II 2016	III 2016
AT	0	-21	7	21	0	7	7	14	21	0	7	7
BE	-13	0	-13	25	50	75	50	25	0	-25	13	25
CY	-25	-25	-13	0	0	-13	0	25	0	13	25	13
DE	7	0	16	5	2	10	24	26	22	3	9	3
EE	0	13	13	0	25	13	0	25	0	-13	13	25
EL	-13	-25	-13	13	13	13	-13	0	-50	17	13	13
ES	-11	6	0	6	0	6	0	0	11	5	25	-6
FR	15	-6	-1	-9	18	0	-3	26	-4	38	-6	20
IE	30	30	40	50	80	50	40	-10	0	0	0	20
IT	0	0	19	31	25	19	31	50	56	44	38	25
LT	—	—	—	—	—	—	-25	25	50	13	0	38
LU	-8	-8	0	8	-25	42	-25	0	8	0	8	8
LV			0	0	0	-13	-50	38	25	13	0	38
MT	27	4	23	50	0	23	27	44	-23	-17	27	21
NL	-17	-17	0	8	17	33	25	50	33	33	45	41
PT	0	0	10	10	0	0	30	40	70	60	10	40
SI	-10	0	-30	-10	-20	-20	0	20	10	20	20	30
SK	0	17	-9	25	18	30	30	18	0	13	12	61
EA	1	-3	7	9	12	13	15	26	20	16	16	16
DK*	-1	2	23	18	21	15	31	2	-9	1	2	32
UK**	62	11	27	-27	-46	-41	32	23	8	12	22	-44

* Data taken is "demand for loans - existing customer" as DK does not provide an aggregate figure for demand (we left aside the "demand for loans - new customers").

** Data taken is "change from secured lending for house purchase from households".

Summer 2016 was in line with the previous part of the year with overall demand for credit increasing nearly everywhere in the Euro area driven mainly by the low general level of interest rates, but also continued favourable housing market prospects. Especially France, Italy, the Netherlands and Slovakia increased the demand considerably and also Belgium, Latvia and Portugal saw more people asking for a loan for their house purchase. The principal factors for this trend were the impact of housing market prospects and the general favourable level of interest. Single exception in the euro area was Spain which saw the net demand for new lending slightly decrease.

In Denmark the demand showed an increase while in the UK the demand decreased substantially.

Table 7B ► Factors that have affected Demand in 2016-Q2 (Backward-looking 3 months)

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

II 2016	AT	BE	CY	DE	EE	EL	ES	FR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	Euro Area	DK	UK
Change in Demand Overall	7	25	13	3	25	13	-6	20	20	25	38	8	38	21	41	40	30	61	16	32	-44
Factors affecting credit standards:																					
Impact of housing market prospects	0	0	0	7	13	5	7	0	10	13	38	0	0	21	37	20	30	43	10	—	—
Other financing needs	-3	-7	7	-2	0	0	8	0	-5	7	0	0	0	0	8	0	0	10	3	—	—
Use of alternative finance	-4	0	0	-2	4	-3	0	0	3	0	-9	0	4	-2	-4	0	-3	0	-1	—	—
general level of interest	13	25	13	9	0	5	5	0	0	31	13	7	13	21	41	10	30	63	14	—	—

Note:

DK and UK do not provide factors affecting the Demand, but a breakdown of the different types of lending.

Chart 4 ▶ Demand Overview and Factors

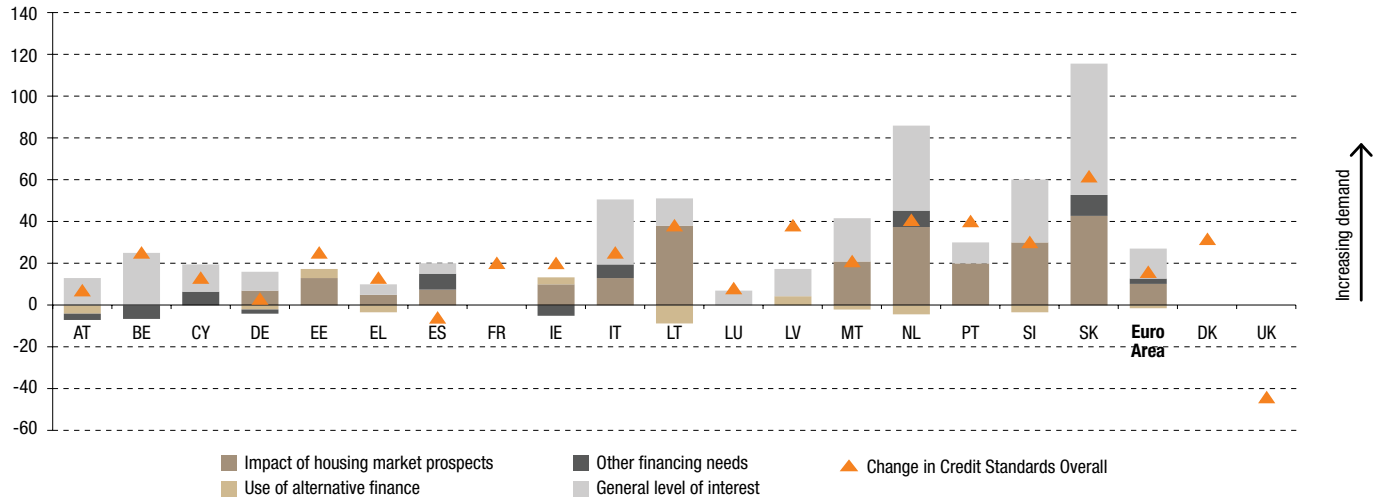
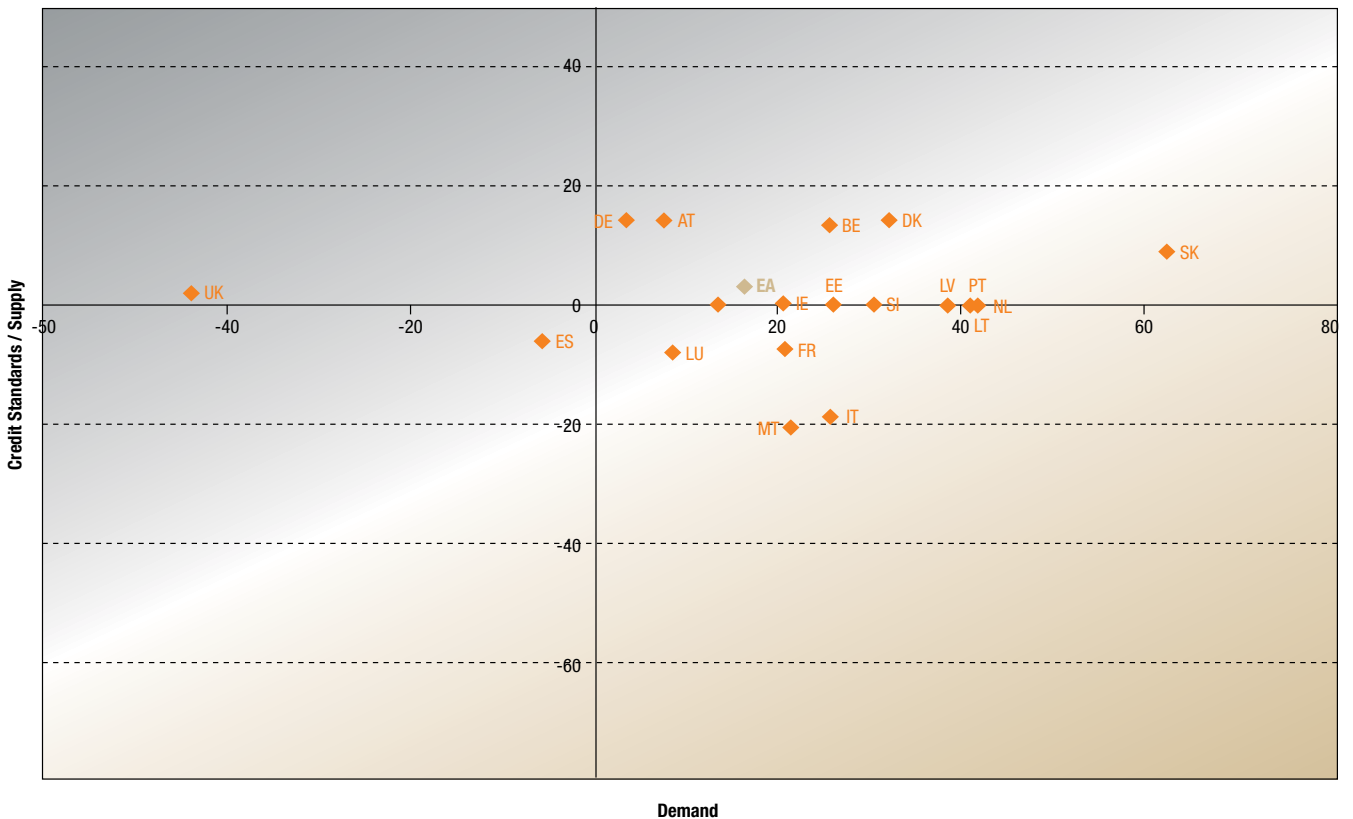


Chart 5 ▶ Demand and Supply Overview



3. Scatter Plot

In Q3 the cloud of countries continues to be positioned around a moderately positive demand with the credit standard figures scattered equally around easing and tightening figures. Significant outliers to this picture is the UK

which show a significant decrease in demand for housing finance, probably due to the uncertainty caused by the decision to quit the EU.



2016 EMF
Quarterly Review



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