

# EMF

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## QUARTERLY REVIEW OF EUROPEAN MORTGAGE MARKETS

European Mortgage Federation

Eric Hüllen | Research and Data | [ehuellen@hypo.org](mailto:ehuellen@hypo.org) | Tel: +32 2 285 40 30

### DISCLAIMER

This review looks at developments in the mortgage and housing markets in Q4 2023 and is based on a country sample including Belgium, Czechia, Germany, Denmark, Greece, Spain, Finland, France, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Sweden and the United Kingdom. This sample covers around 95% of total mortgage lending in the EU27 and UK. Where data for Q4 is not yet available, the review reports figures from the previously available quarter. The report ends with a look at the European Central Bank (ECB) Bank Lending Survey and corresponding surveys from other central banks of supply and demand for housing loans in the fourth quarter of 2023.

### GENERAL COMMENTARY

The recent decline in European mortgage lending volumes is showing initial signs of coming to an end. Volumes declined significantly from Q3 2022 but have steadily recovered since the second quarter of this year, with gross lending starting to pick up again in Q4 2023. Gross lending fell in Q4 2022 and Q1 2023 by 18.8% and 17.9%, respectively, but increased by 2.8% and 1.6% in Q2 and Q3. Q4 2024 was the first quarter with an increase in gross lending, it rose by 3.63% q-o-q. The market continues to be influenced by inflation, affecting new construction and demand for housing remains tight. Additionally, there is significant economic uncertainty. The analysis that follows covers both aggregate and individual country levels.

### GDP

According to Eurostat, in the fourth quarter of 2023, seasonally adjusted GDP remained stable in both the Euro area and the EU. In the third quarter it decreased by 0.1% in the Euro area and had remained stable in the entire EU. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 0.1% in the Euro area and by 0.2% in the EU, after +0.1% in both zones in the previous quarter.

For 2023 as a whole, GDP increased by 0.4% in both the Euro area and the EU, after +3.4% in both in 2022.

Denmark (+2.0%) had the highest increase compared to the previous quarter, followed by Croatia (+1.3%) and Slovenia (+1.1%). The largest decreases were in Ireland (-3.4%), Estonia and Finland (both -0.7%).

- Household final consumption increased by 0.1% in the Euro area and by 0.2% in the EU (+0.3% and +0.3% in the previous quarter).
- Government final consumption increased by 0.6% in Euro area and by 0.3% in the EU (after +0.6% in both zones in the previous quarter).
- Gross fixed capital formation increased by 1.0% in the Euro area and by 0.8% in the EU (after 0.0% and +0.1% respectively).
- Exports were stable in the Euro area and increased by 0.8% in the EU (after -1.2% in the Euro area and -1.1% in the EU), and imports increase by 0.6% in the Euro area and by 1.2% in the EU (after -1.4% and -1.6% respectively).



Looking at the impact of these on GDP growth: household consumption was negligible for the Euro area and positive for the EU (+0.1 pps), government expenditure was positive for both (+0.1 pps for both), gross fixed capital formation was positive for both (+0.2 pps), changes in inventories was negative for both (-0.1 pps), and exports minus imports was negative for both the Euro area (-0.3 pp) and the EU (-0.2 pp).

### OTHER ECONOMIC INDICATORS

Total employment increased by 0.3% in both the Euro area and the EU in Q4. In Q3 it increased by 0.2% in both zones. Compared with previous year, employment increased by 1.3% in the Euro area and by 1.2% in the EU (after +1.3% in the Euro area and +1.2% in the EU in the year to Q3).

Euro area annual inflation is expected to be 2.6% in the year to February 2024, down from 2.8% in January according to a flash estimate from Eurostat, the statistical office of the European Union. Looking at the main components: food, alcohol & tobacco is expected to have the highest increase (4.0%, compared with 5.6% in January), followed by services (3.9%, from 4.0%), non-energy industrial goods (1.6%, compared with 2.0%) and energy (-3.7%, compared with -6.1%).

Continued high interest rates, economic uncertainty, global geopolitical risks and monetary policy uncertainty, continue to weigh on mortgage origination volumes. Mortgage interest rates have risen, with notable differences between the Euro area and other regions. The volume of outstanding mortgages has plateaued in recent quarters, experiencing a modest uptick of approximately 1% from the previous year.

Increasingly, national regulations have focused on housing affordability and the persistently high level of mortgage interest rates. There is a growing awareness of the impact of higher interest rates on household incomes.

These and other topics will be covered in more detail in this edition of the Quarterly Review.

### FURTHER READING

- Strengthening the foundations for growth – OECD (2023), OECD Economic Outlook, February 2024, OECD Publishing, Paris. ([Link](#))
- Autumn 2023 Economic Forecast: A modest recovery ahead after a challenging year (2023), European Commission, Press release. ([Link](#))
- Housing policies and energy efficiency spillovers in low and moderate income communities – Asensio, O. I., Churkina, O., Rafter, B. D., & O'Hare, K. E. (2024). Housing policies and energy efficiency spillovers in low and moderate income communities. *Nature Sustainability*, 1-12. ([Link](#))
- Fixed rate versus adjustable rate mortgages: evidence from euro area banks – Albertazzi, U., Fringuellotti, F., & Ongena, S. (2024). Fixed rate versus adjustable rate mortgages: evidence from euro area banks. *European Economic Review*, 161, 104643. ([Link](#))

### MORTGAGE MARKETS

The total mortgage stock of the EMF country sample increased slightly to EUR 8.33 tn by the end of the fourth quarter. The quarterly increase remained at 1.5% y-o-y in Q4. Each quarter in 2023 the mortgage stock grew by under 2% y-o-y (1.5% Q1, 1.5% Q2, 1.4% Q3).

Gross residential mortgage lending decreased by 17.3% y-o-y. However, looking at quarterly figures, Q4 was the first quarter with a positive growth rate, at 3.6%. Total gross lending was EUR 263 billion in Q4, compared to EUR 254 billion in Q3, the lowest since the pandemic.

Gross lending increased significantly in Q4 2023 on a y-o-y basis in Poland (327%), Czechia (106%), and Portugal (55%), while it decreased the most in France (-38%), Denmark (-33%), and the UK (-32%, all values considering EUR figures).

In **Sweden**, the growth in net mortgage lending slowed to 1.1% on an annual basis, compared to 1.9% in the previous quarter. Lending secured on: single-family homes increased by 0.4%, from 0.8%. Tenant-owned apartments slowed to 0.4% from 0.8%, on multi-family homes increased by 3.8%, from 6.2%.

In **Denmark**, total outstanding residential loans were DKK 1,893 bn in Q4, an increase of 2.8% from Q3 2023 and 2.73% year on year.

**Finland**, household and investor demand for new mortgages was lower than the previous year. This decline is attributed to the ECB raising key interest rates, alongside persistently high Euribor rates, resulting in fewer housing transactions. The market conditions are challenging. However, there was an increase in the number of first-time home buyers, driven by changes in transfer tax regulations. In Finland total outstanding residential loans were EUR 107.5 bn in outstanding residential mortgage in Q4 2023 (-1.7% y-o-y).

Gross residential lending in **Hungary** increased by 12.4% in the year to Q4. Compared to the previous quarter, there was 12.5% growth. Total residential loans outstanding grew by 0.4% in Q4, and by 0.8% y-o-y.

In **Romania**, total mortgage loans increased by 2.3% in Q3 (the most recent available period) compared to the previous quarter (but declined by 0.5% y-o-y). The NPL ratio for mortgages increased slightly to 1.66% in December 2023, increasing both in quarterly (+0.01 pps), and annual terms (+0.2 pps). Gross new residential lending increased by almost a quarter compared to Q3 2023. Remortgaging decreased by 6% at the end of Q4. Credit institutions reported a flat evolution for credit standards on loans for house and land purchase in Q3 2023. Looking forward to the following quarter (Q4 2023), they envisage a constant dynamic in lending standards as well.

In **Poland** the mortgage market continued to grow, notably due to the "2% Safe Credit" program introduced in July 2023. In Q4, the number of new loans was just under 69,000, an increase of 68% q-o-q. Due to rising property prices, the average value of a residential loan granted in Q3 rose to nearly PLN 408,000. The number of outstanding home loans was 2.29 million, 3% less than a year ago.

In **Czechia**, the return of growth in Q3 was affirmed in Q4. New mortgages increased by 111%, and remortgaging by 173% y-o-y. These exceptional figures can be contextualized by the decade-low growth in the final quarter of 2022. Comparing Q4 to Q3 2023, new mortgages grew by 20% and remortgaging by 15%, this was due to pent-up housing demand, declining interest rates, and an overall improvement in the macroeconomic landscape, including decreasing inflation. These foster rising consumer confidence.

In **Belgium**, the market shrank more slowly in Q4. The number of new mortgage loans decreased by more than 14% compared to the last quarter of 2022, which was when new mortgage production started to fall. The corresponding amount also decreased by almost 16%. Excluding re-mortgaging transactions, origination volumes fell year-on-year by almost 13% (number of contracts) and 14.6% (value). The contraction in the demand for credit reduced to -8% in the fourth quarter of 2023. The fall in lending was across most types of transaction: -11.7% for purchases, -15.5% for renovation, and almost -25% for construction loans. The only exception was loans for the purchase and renovation of houses, which increased by more than 14.5%. Loans for other immovable purposes (garage, swimming pool, etc.) also decreased, by -14.9%. The number of refinancing loans decreased by more than 44% compared to the fourth quarter of the previous year. Loans for new purchases (excluding refinancing) were, about 49,000 for a total amount of about EUR 8.2 bn.

Lending in **Germany** hardly changed in Q4. Demand for residential loans remains low but stable. With interest rates not expected to fluctuate, potential borrowers for residential real estate have a stable planning environment. Loan disbursements rose slightly towards the end of the year but remained below the previous year's level. A total of EUR 49.3 bn was disbursed in Q4, and EUR 195.1 bn for the whole year, 28.7% less than in 2022.

In **France**, total outstanding home loans grew by 0.9% year-on-year to EUR 1,292 bn. Quarter-on-quarter, growth continued to decrease over the year since its peak in Q1 2022. On a quarterly basis, it decreased by 0.1% for the first time since 1999. New loans for residential real estate (excluding renegotiations and loan transfers) were EUR 26 bn in Q4, the lowest amount for a fourth quarter since 2014. Quarterly production was down by 11% compared to the previous quarter and by 43% compared to Q4 2022. According to the Bank de France-ACPR, first-time buyers borrowed 52% of new home loans for the purchase of a main residence in Q4 (above the 47% average since 2014 and slightly increasing over the second half year). The share of lower income first-time buyers (with an annual income of less than or equal to EUR 30,000) was 18% in Q4 2023 (compared to a 24% average since January 2020). Due to rising house prices and increasing interest rates, the average initial maturity for new home loans increased to Q1 2023 since when, it has remained stable at 22.2 years in Q4 2023. New home loans with an initial maturity of more than 20 years were 79% of quarterly origination, a historically high level. This trend has been accompanied by rising incomes, which have partially offset the significant erosion of households' purchasing power for acquiring a home linked to the increase in interest rates and housing prices. Renegotiated home loans (loan transfers) were EUR 6.4 bn in Q4, stable over one year at a very low level. With the most rapid decrease in interest rates for home loans in decades (192 basis points over the past 12 months), fewer households have shown interest in renegotiating their home loans, except concerning their insurance attached to their home loan, which represents the largest portion of the current negotiated amount.

In **Portugal**, total outstanding residential loans decreased by 1.3% y-o-y and by 0.3% q-o-q, to EUR 100.37 bn mn by the end of Q4. New loan production was EUR 6,005 mn in Q4, an increase of 54.8% y-o-y and 6.5% q-o-q. The rate of new mortgage loan origination rose to a 7 year high, resulting in an accumulated y-o-y growth of 25% in 2023. However, this includes renegotiated

contracts, which have been steadily increasing since mid-2022 due to rising interest rates. In December 2023, renegotiated contracts were 33% of all mortgage production, while new contracts made up the remaining 67%. New contracts decreased by 13% y-o-y.

In neighbouring **Spain**, outstanding residential loans were to EUR 475 bn in Q3 (the latest available data), a 3% decline. Q4 was the fourth consecutive quarter of lower new lending activity, decreasing by 4.5%. The shrinkage is slowing from the double-digit decreases in previous quarters, due to lower interest rate volatility. Overall the volume of financing fell by 14% in the year. Remortgaging continued to gain significance, and was 9% of the total in Q4.

In **Italy**, the volume of outstanding mortgage loans in Q4 were EUR 424.6 bn, stable with respect to the previous quarter, and a decrease of 0.5% y-o-y. Gross residential lending increased from the previous quarter (+21%) but remained stable over the year.

In Q3 2023 the total stock of outstanding mortgage loans in **Greece** continued to decline (-3.5%, y-o-y), at a rate that remained almost unchanged since 2022 (-3.6%). According to the latest data from the Bank Lending Survey (Q4 2023), credit standards for housing loans to households remained unchanged compared to Q3. Terms and conditions for mortgages to households also remained overall unchanged. Banks reported less rejected loan applications for housing loans. Demand for housing loans continued its decrease since Q2 2022 (apart from Q2 2023, due to the termination of the subsidized housing program "My Home"). During the next quarter, demand is still expected to decrease. In 2023, there was a slight decrease in the number of new housing loans. Persistently high inflation - averaging 4.2% in 2023 compared to 9.3%, in 2022 - and the increase in borrowing costs are likely to continue to impact demand.

In **Ireland**, a total of 11,584 new mortgages to the value of EUR 3,289 million were drawn down by borrowers during Q4, a decrease of 27.1% in volume and 24.4% in value year on year. First-time buyers remained the single largest segment by volume (62.7%) and by value (63.9%). Re-mortgage/switching drawdown volumes and values fell by 79.6% and 81.7% y-o-y, respectively. Mortgage approvals volumes decreased by 21.8% y-o-y in Q4 2023 to less than 11,300. First-time buyer approval volumes increased by 4% y-o-y to almost 7,000. Mover purchase approval volumes fell by 14.4% to 2,522, the second lowest Q4 volume since 2014. Re-mortgage/switching approval volume fell by 75.1% y-o-y to less than 1,000 in Q4 2023.

In the **UK**, weakness in the mortgage market was again evident in Q4. Gross lending was GBP 53.1 bn, and net lending minus GBP 0.6 bn. Throughout 2023, gross lending was GBP 224.0 bn, a 29% decrease from 2022's GBP 313.7 bn and the lowest level since 2015. Net lending in 2023 was minus GBP 0.3 bn, compared to GBP 57.7 bn in 2022, and total mortgage balances fell by GBP 2.0 bn over the year. However, lending has somewhat rebounded in the New Year, attributed to a decline in mortgage interest rates, increased real wages, and heightened consumer confidence. In Q4r, the value of outstanding mortgage balances in arrears rose by 9.2% from the previous quarter, to GBP 20.3 bn. The proportion of total mortgage balances in arrears increased from 1.12% to 1.23% over the quarter, the highest level since 2016 Q4. The March 2024 BSA Property Tracker indicates that concerns regarding mortgage affordability



have diminished over the past six months. Only 9% of mortgage borrowers expressed worry about repaying their mortgage in the next six months, down from 12% in December.

### REGULATION & GOVERNMENT INTERVENTION

Inflation was a significant concern for governments and authorities within the EMF country sample. This led to increased consumer prices and a depletion of households' savings. Consequently, government efforts were mainly to address housing and mortgage affordability. Additionally, measures were implemented to support supply, which was under strain from increased input prices. But some jurisdictions expressed concerns about actions that could jeopardise monetary policy measures.

#### FINLAND

Several new regulations have been introduced. These include a maximum maturity of 30 years, restrictions on housing company loans for new construction projects, and new regulations for assessing borrowers' creditworthiness. The Financial Supervisory Authority of Finland (FIN-FSA) has been granted authority to regulate the inputs to the creditworthiness assessment. Furthermore, quick-loan companies are now supervised by FIN-FSA, and regulations have been extended to cover other credit providers. Additionally, the interest rate ceiling for consumer loans has been lowered to 15% plus the reference rate, with a maximum of 20%. A positive credit registry has also been introduced. However, the new government's program does not mention the introduction of new macro stability instruments.

In addition, several amendments to transfer taxes took effect on January 1, 2024. Notably, first-time homebuyers are no longer exempt from transfer tax, and all transfer taxes have been decreased.

#### HUNGARY

The role of subsidies and special government programs became increasingly vital in 2023 for potential debtors due to high interest rates on new mortgage lending and amid unfavourable economic conditions. Among these programs were the Home Purchase Subsidy (CSOK) and the "Prenatal Baby Support loans for Families," both of which were popular among young couples already having or planning to have children. Towards the end of the year, announcements were made regarding the restriction of conditions for the Prenatal Baby Support loan from 2024, and the discontinuation of CSOK-type loans in large cities from the same year.

To offset the negative effects of these restrictions, a new interest-subsidized housing loan, named Home Purchase Subsidy Plus (CSOK+), was introduced in January 2024. This targets families planning to have another child and will offer a higher loan amount than existing programs, with the maximum amount linked to the number of children. The subsidized interest rate for CSOK+ loans will be fixed at 3%. The announcement of these changes led to an increase in demand for subsidized loans in Q4, particularly among families who found the previous subsidy conditions more favorable.

Additionally, a gradual decrease in market rates of non-subsidized housing loans towards the end of the year also contributed to an increase in new lending in Q4.

In response to rising interest rates since the end of 2022, the government introduced an "interest rate cap" program in 2022 for mortgage debtors with variable rate loans. This program was later extended to customers with loans having a maximum 5-year interest rate fixed period. Under this scheme, interest rates were frozen at their earlier, lower level until July 2024.

#### POLAND

In the Q4, over 48,000 mortgage loans with a total value exceeding PLN 20 bn were granted under the "Safe Credit 2%" program. These loans were over 70% of the total number and value of all mortgage loans granted in Q4. The announcement that the program will expire at the end of 2023 and very attractive preferential interest rates have contributed to very high interest in the program.

#### CZECHIA

With the improving market situation the National Bank is relaxing rules for housing loan provisioning. The regulation of Debt Service to Income (DSTI) ratio was repealed in Q3, the second income ratio, Debt to Income (DTI), has been cancelled since the beginning of 2024. The impact of this change will be reflected in the production of the first half of 2024.

#### ROMANIA

There were no new regulations announced during Q4. As announced earlier in the year, starting in January 2024, the reduced VAT value for dwellings of a maximum of 600,000 lei (approximately 120,000 EUR) and 120 square meters in surface area increases from 5% to 9% (approved by Law No. 296/2023).

#### BELGIUM

The government has changed the regulation on the bundling of mortgage loans and debt balance insurances. Under the new regulation, a consumer who wants to change their insurance provider after one-third of the loan term will still keep the interest rate discount that had been granted pursuant to that bundling.

#### FRANCE

The finance bill for 2024, confirmed the extension until 2027 of the PTZ (a zero-interest home loan for first-time buyers) and the Eco-PTZ (a zero-interest home loan for improving the energy performance of homes). The eligibility criteria for the PTZ focus on new housing in densely-populated areas for flats, and for the acquisition of existing homes in less densely-populated areas with a minimum of 25% renovation works, allowing them to reach an EPC D rating after the renovations (compared to E before the reform).

Because of higher consumer prices (HICP +4.1% y-o-y in December) and construction costs (+3.4% y-o-y in Q3 2023, but +20% compared to Q2 2020), the finance bill increased the amount of the Eco-PTZ, coupled with MaPrimeRénov (an energy renovation bonus), to EUR 50,000 (instead of EUR 30,000), aimed at supporting renovation works.

A new law project, titled "Acceleration of the Renovation of Deteriorated Housing," was put forward in December 2023. It includes the creation of a new collective loan to finance work in co-ownership buildings in a simpler and more flexible manner, facilitating essential maintenance and energy renovation works for building preservation.

**SPAIN**

In February 2024, the Council of Ministers approved a public guarantee to facilitate access to homes for young people and families with dependent children. This program of EUR 2.5 bn is expected to cover 20% of the mortgage deposit or 25% if the property meets certain energy-efficient standards (i.e., a lab D or above). Further details of this measure will be outlined in a subsequent agreement with the ICO (Spain's public financial entity attached to the Ministry of Economic Affairs and Digital Transformation) to which credit institutions may voluntarily adhere.

In the rental market, the government extended the rental contract renewal cap for 2024, from 2% in 2023 to 3% in 2024, unless the tenant and the landlord (provided the latter is not a large property owner) reach a different agreement. In addition, the government, in accordance with the new Housing Law approved in 2023, has introduced a benchmark index for new lease contracts when the lessor is a large property owner or when the property has not been rented for the last 5 years. This index, implemented in February 2024, establishes a minimum and a maximum rental price, aiming to control housing rental prices in areas labelled as "stressed." To be "stressed area," a) the financial or rental burden (plus utilities) must exceed 30% of the average local income, or b) house prices have increased by more than 3 percentage points over CPI in the last 5 years. So far, only Catalonia has expressed its intention to implement this rule, as the decision to enforce it falls under the autonomous regions. The real estate sector is leaning towards adopting policies aimed at increasing the housing stock for both rental and ownership.

**IRELAND**

The Government has published the 'Planning and Development Bill 2023' to improve consistency and alignment throughout all tiers of planning including increased certainty through the introduction of statutory timelines for decision-making.

**HOUSING MARKETS**

Across Europe construction activity and house prices are responding in different ways to macroeconomic conditions, making generalisations is not feasible.

**■ CONSTRUCTION SUPPLY**

Construction has dropped sharply in **Sweden** in 2023 to 29,350 dwellings, 49 percent lower than in 2022. It is predicted to continue falling in 2024.

In **Denmark**, housing market activity increased in Q4 2023 with 9,997 houses being sold, 53% more than in Q4 2022. In the same period 3,936 owner-occupied apartments were sold, an increase of 74% y-o-y. A total of 30,192 houses and 7,099 apartments were on the market at the end of Q4. The supply of houses has decreased by 1.2% and apartments has increased by 5.3% from the previous quarter.

In **Finland** new housing permits and the number of new starts are now decreasing. Despite hopes for improvement, the market conditions remained challenging.

In **Hungary**, the number of newly issued building permits was 6,607 in Q4, a 65% increase from the previous quarter, and a 27% decrease year on year. The number of housing completions for the whole country in Q4 was 7,839, a 127% quarterly and 13% annual increase. Building permits in Budapest (2,855) in

Q4 were 227% higher than in the previous quarter, but only 57% of the same quarter last year. Housing completions there were 2,657 in Q4, almost three times higher than the previous quarter (918). Compared on y-o-y basis, the growth was 28%.

The activity in the residential real estate market in **Romania** has continued to slow down, both on the supply and demand side. The volume of construction works in 2023 decreased by 6%, and this trend is expected to persist in the upcoming period due to a decrease in building permits (-20% annually in 2023), as well as the sustained increase in the average cost of construction for residential buildings (+16.5% in 2023 compared to 2022). Moreover, the number of transactions fell compared to 2022 (-9.3%).

In **Poland** in Q4, the number of apartments for which construction has started amounted to 50.1 thousand, a decrease of 6% q-o-q. After shrinking in the first three quarters of 2023, the number of housing units completed grew in the fourth quarter, reaching over 60 thousand new apartments, a growth of 23% q-o-q. In 2023, both the number and area of apartments completed decreased by 7.2% and 9.7%, respectively, compared to the previous year. During 2023, the number of apartments for which construction has started and apartments for which construction permits have been issued decreased by 5.6% and 19.0% y-o-y, respectively.

Despite a small increase in prices in **Czechia** in Q3 (Q4 data not published by time of writing), the housing market did not change significantly. The number of transactions reached its lowest level in H2 2022 and has been gradually recovering since then. The cautious approach of consumers and still high prices of real estate, despite the slowly growing level of financing, do not promise a full recovery by the end of the year.

In the **Netherlands**, the total number of permits for new houses issued in 2023 as a whole is expected to be less than 55,000 (last year this figure was 64,500). This is 55% of the government target, and will see the housing shortage rise to more than 400,000 homes. The number of permits reached an all-time high of 2,872 units in March 2021 and a record low of 1,229 units in December 2012.

In **Germany**, there was a sharp decline in permits for residential buildings (-35.1% y-o-y) due to the rise in interest rates, the increase in overall costs (labour, materials, and financing costs) and further building regulations, resulting in a decline in the number of completions and projected completions. Excess demand for housing remains, leading to a further increase in new contract rent prices. Requirements for renovations are also rising, further increasing rent. As wages are growing and interest rates have stabilized at the current level, homeownership is becoming more appealing for households, especially if the cost of renting becomes as high as the financial burden of a mortgage loan.

In **France**, the total volume of housing permits was to 94,500 units in Q4 2023 (seasonally adjusted and working day adjusted), the lowest Q4 number for 23 years. There were 70,000 houses started in Q4, decreasing by 9% compared to the previous quarter (but down 20% year on year). This quarter had the least new housing starts for single-family houses since 2000, with 21,000 units, 15% below the previous low in Q2 2020 (during the Covid-19 crisis). New single-family houses were less than 9% of total transactions, a historical low. Existing dwellings sold were 201,700 in Q4, around 85% of total sales, its highest historical share. Quarterly transactions of existing homes declined by



1% compared to Q3 and by 24% compared to Q4 2022. Despite the sharp and continuous drop since 2022, activity in Q4 remained in line with the best years before 2017, but the gap to the long-term average is growing.

Building activity by real estate developers was around 6% of the total, its lowest level since 2000, consisting of 95% flats and 5% houses in Q4. With 15,700 units in Q4, the number of new dwellings put up for sale decreased for the seventh quarter in a row (13% versus Q3 2023 and 45% y-o-y), falling below the record of Q2 2020 (19,200 units). Q4 2023 sales reached a new low since 1995 with 15,000 new homes sold, decreasing by 9% versus the previous quarter and 34% compared to Q4 2022.

Cancellations accounted for more than 26.3% of sales in Q4, still historically high and higher than the level of cancellations during the pandemic (24.8% in Q2 2020). The number of homes available for sale decreased by 1% compared to the previous quarter, after six consecutive quarters of increase. With 129,400 units in Q4, the available housing stock was still 7% above that of Q4 2022, at a very high level historically. In Q4, around 8% of new housing (sold and put up for sale) corresponded to construction linked to an already existing home.

The increase in borrowing costs has impacted housing demand in **Spain**, although to a lesser extent than on lending activity. Data suggest that a significant volume of transactions were undertaken without financing. For the year, sales fell by 10%, less than the Q4 decrease (-14%), as well as the decline in lending activity. New housing developments, strongly affected by the scarce availability of urban land, were slightly below 2022 as new building permit issuance slowed during the second half of the year.

In Italy in Q4 2023 transactions volumes amounted to approximately 201,600, a decrease of 3.3% y-o-y.

In **Greece**, in the first 11-months of 2023, construction activity increased in the number of building permits by 23.6% y-o-y, and in volume (cubic meters) by 16.0% y-o-y. In the region of Athens, the number of permits increased by 23.0% y-o-y, and volume by 24.1%. Increased investment interest from abroad, which fuelled the recovery of the high-quality real estate market and income-related properties, continued its growth in the first 9-months of 2023, with a significant increase of 28.7%. Net foreign direct investment for real estate purchases was EUR 1,643.6 mn compared to EUR 1,276.9 mn in 2022. In 2023, residential investment (at constant prices) increased on average by 20.7% y-o-y, less than in the previous two years (2022: 33.7% and 2021: 27.3%), though it remains low at 1.9% of GDP. Business expectations for housing construction, in the IOBE survey, improved further in 2023 (18.1%) compared to 4.0% in 2022. However, the total cost of construction of new residential buildings increased in 2023 on average by 6.2% y-o-y, compared to 8.8% in 2022, and in 2021, 3.2%.

The results from the December **Portuguese** Housing Market Survey suggest that the market remains under pressure, with many of the survey's indicators firmly negative. Forward-looking sentiment does not suggest an imminent improvement, with an expectation of reduced activity in both sales and rental markets over coming months. A net balance of -30% of respondents noted a decline in new buyer inquiries during December, continuing the trend of deeply negative readings. New supply also remains weak, with a net balance of -33% for new instructions. For agreed sales, the headline net balance was

-28% in December, identical to the previous month (-26%). Short-term sales expectations are also negative with a net balance of -19% of respondents anticipating a drop in the next three months (down from -18% in November).

In **Ireland**, almost 8,900 housing units were started in Q4, 47% more than in Q4 2022 and the second highest quarterly (activity spiked to 12,665 in Q3 2021 following the lifting of Covid-related health restrictions) since Q3 2007. Dublin and Dublin Commuter accounted for 45.1% and 17.3%, respectively, of housing starts. More than 3,900 dwellings were started in Dublin, almost 1,600 units more than in Q4 2022. Housing starts increased by 45.2% y-o-y to 1,532, the first increase since Q1 2022. Almost 10,300 new dwellings were completed in Q4, according to the Central Statistics Office (CSO), 13% more than in Q4 2022. Dublin accounted for about 40.8% of all completions in Q4 2023 80.7% of apartment completions. Munster and the Dublin Commuter region (Louth, Meath, Kildare and Wicklow) accounted for about 16.2% and 20.2% of completions, respectively. Household market purchases of residential property fell by 0.9 y-o-y to 14,285 in Q4 2023. There were 50,234 purchases in 2023. Activity had peaked at 50,687 in the twelve months ending August 2023. Dublin was the largest housing market in Q4 with almost 4,500 purchases, 7.8% more than in Q4 2022 and 31.3% of the national market. Dublin accounted for more than half (57.2%) of apartment sales.

In the **UK**, there were 73,620 housing starts in Q3 2023, up 59 on the same period last year, and 40,721 completions, unchanged from the same period of last year. Housing starts are considerably higher than normal due to house builders choosing to bring forward the start of building works to avoid the costs of complying with new building regulatory standards. Recently published net additional dwellings data, which also includes new dwellings created from conversions and change of use shows that in the tax year 2022/23 there were 234,397 net additions. This is virtually the same number as in 2021/22 and still below the government's target of 300,000 net additions by the middle of the decade.

#### ■ HOUSE PRICES

There are no clear trends or patterns in house prices across the countries considered. Additionally, similar patterns for northern Europe, evident in previous quarters, have begun to erode.

The simple average of house price index values for the EMF country sample increased slightly in Q4 to 163.9 (from 161.8 in Q3, base year 2015). After a gradual increase in the average value since the global financial crisis, it decreased slightly in Q1 2023 but started to increase again since Q2.

In **Sweden**, one-family home prices decreased by 6.3% y-o-y in Q4, compared to a decline of -11.1% in the previous quarter, according to Statistics Sweden. The price statistic is partly based on transactions where prices are negotiated in earlier quarters, and the figure is, to some extent, delayed. Other statistics, based on real estate agents, show that one-family house prices have stabilized during 2023. Apartment prices increased slightly by 0.5% y-o-y in Q4, (unchanged in Q3), according to the Valueguard HOX index. The prices of one-family homes in the Stockholm area decreased by -6.3% on a yearly basis in the fourth quarter of 2023 (-11.6% in the previous quarter). In the Malmö area, prices decreased by -8.7% y-o-y (-12.9%), and in Gothenburg, they decreased by -2.3% (-7.7%). The prices of apartments in Stockholm increased by 2% in the fourth quarter of 2023 (2% in the previous quarter). Apartment prices in Gothenburg remained unchanged quarter (-2%), and in Malmö, prices increased by 1% (-2%). The price changes were moderate in January 2024 (on an annual

basis). One-family homes decreased by -0.9% in January on an annual basis, and tenant-owned apartments increased slightly by 0.7%.

House prices in **Denmark** have increased by 3.6% in the past year, prices for owner-occupied apartments have increased by 8.3%, for houses by 0.2% for apartments by 1.6%.

Prices of old dwellings in **Finland** in housing companies decreased by 7.1% in Greater Helsinki from the previous year. Compared to Q3, prices of old dwellings in housing companies declined in large towns except for Espoo and Tampere. Prices of dwellings in blocks of flats fell by 5.9% across the whole country, and prices of dwellings in terraced houses dropped by 3.5% compared to one year ago.

In Central and Eastern Europe, house price developments have been diverse, with no clear pattern across the region.

In **Hungary**, according to the National Statistical Office, House Price Indices decreased by 0.7% in nominal terms. In Q3, the MBH House Price Index, calculated as a national average based on available real housing transaction data, showed a 1.6% decrease q-o-q (nominal terms). Since these figures represent nominal price changes, the q-o-q change in real terms was -3.6%. The nominal house price decrease for family houses, with the exception of West Transdanubia, exceeded the price decrease of other house categories (e.g., condominiums). The number of transactions in 2023 was significantly lower than in the previous year. This was in big cities and the countryside, although the reduction was less in smaller villages and settlements.

In **Romania**, residential real estate prices rose by 4.8% y-o-y in Q3 2023. Factors putting pressure on prices include the significant decline in building permits and the continued increase in construction costs. Regional disparities remain important, in terms of house prices, access to housing (calculated as price per income), and trading activity. According to the NBR Bank Lending Survey (February 2024), the average house price per square meter stayed flat in Q4 2023, and banks further expect the average price to stay unchanged in the upcoming quarter.

In **Poland**, the third quarter brought sharp price increases in both primary and secondary markets, mainly due to the effect of "Safe Credit 2%". In the primary market, the most significant price growth was in Bydgoszcz (11.2% q-o-q), Kraków (10.5%), and Białystok (10.4% q-o-q). In the secondary market, the largest price growth was in Kielce (6.6% q-o-q), Katowice (6.2% q-o-q), and Rzeszów (6.1% q-o-q). Prices in Warsaw grew by 6.2% in the primary market and by 3.9% q-o-q in the secondary market.

Based on the figures from the notary barometer in **Belgium**, the average house price increase to EUR 322,780 at the end of 2023, an increase of 1.1% over the year. Regional differences are evident in Belgium's three regions (Flanders, Wallonia, and Brussels). Prices increased in two of the three regions. In the Brussels region, the average price (EUR 562,489) decreased by -2.4%, in Wallonia, it increased by 2.0% to EUR 240,649 and in Flanders, by 3.0% to EUR 358,677. In 2023, the average prices of apartments increased by 1.6%, increasing in only one of the three regions, Flanders, where it increased by 3.3% to EUR 276,450. In Wallonia, the average price stabilised at EUR 199,130 and in the Brussels Region, it decreased by to EUR 280,520.

In the **Netherlands**, house prices continued to increase in Q4, after a drop in Q2 2023. The HPI increased to 183 (base year 2015) an increase of 3% q-o-q but a decrease of 0.6% y-o-y. House prices are still lower than at the beginning of 2022.

In **Germany**, the price adjustment for residential properties continued from Q3 2023 to Q4 2023 at -1.6%, but remained moderate overall at -5.8% compared to the same period of the previous year.

The decline in prices of existing homes in **France** continued to strengthen in Q4, both on a quarterly and annual basis. Nationally, they dropped by 1.8% compared to the previous quarter (seasonally adjusted data), with the same decrease for both flats and single-family houses. While this was primarily driven by the Paris region and major cities until the previous quarter, the magnitude of the quarterly decline in Q4 was similar across Paris city, Paris region (Ile-de-France excluding Paris city), and the rest of France (Provincial France).

In the Paris region (Ile-de-France excluding Paris city), prices of existing homes decreased by 1.5% (S.A. data) in Q4 q-o-q and by 6.9% y-o-y. Unlike the previous quarter, the Q4 decline was mostly attributed to flats, both in Paris (-2% q-o-q, S.A.) and in the suburbs (-1.8% q-o-q, S.A.). Specifically in Paris, the average price of flats decreased by 6.8% y-o-y, returning in Q4 2023 to the levels of in Q1 2019 (before the Covid-19 crisis), a decrease of 9.3% from the peak at the end of 2020.

In Provincial France (Metropolitan France excluding the Paris region), prices for existing dwellings experienced their largest decline since 2009 (-1.9% over a year, S.A. data) in Q4. Over the quarter, this decrease was -1.9% for single-family houses and -1.8% for flats. With three consecutive declining quarters, prices in Provincial France were down by 2.9% over the year to Q4 (after a 0.5% decrease q-o-q in Q3 2023). Compared to Q4 2022, the drop in prices of single-family houses was more pronounced (-3.3%) than for flats (-2.0%).

The prices of new homes built by real estate developers continued to increase in Q4, by 0.4% for single-family houses and stable for flats (respectively +2.2% and +2.5% compared to Q4 2022). The current price of newly built homes is influenced by two opposing effects: the combination of building material shortages with the implementation of new building methods (including "RE2020"), and the rise in raw material/energy/labour costs; and the reduced financial affordability of newly built homes for households with high house prices and interest rates.

In **Spain**, house prices increased by 5.3%, largely driven by a 5.4% rise in the second-hand segment, which is approximately 80% to 90% of sales. This surge surpasses 2022 when prices of existing houses increased by 3.2%. Meanwhile, the new housing market continued its consistent growth in Q4 (+4.0% y-o-y), although at a slower pace compared to Q4 2022 when it increased by 5.3% amid rising production costs. Regionally, significant increases occurred in certain areas along the Mediterranean Sea with a strong influence of residential tourism, such as Malaga, Alicante, and the archipelago of the Balearic Islands. All these provinces experienced an annual increase close to 10%. Overall, nearly all regions higher prices in the year, except for three provinces in the interior.

According to preliminary estimates the Housing Price Index for **Italy** Q4 2023 remained stable compared with the previous quarter and increased by 1.8% y-o-y. The increase on annual basis was mainly due to the prices of new dwellings, which grew by 8.9%.



According to the Bank of **Greece** indices of residential property prices, in Q4, nominal apartment prices increased, on average, by 11.8% y-o-y for the entire country (10.8% y-o-y in Athens, 14.6% in Thessaloniki, 13.9% in other cities, and 11.2% in other areas of Greece). In 2023, apartment prices increased at an average annual rate of 13.4%, compared with an average increase of 11.9% in 2022. Broken down by the age of the property, in Q4 2023, the y-o-y rate of increase in prices was 11.0% for new apartments (up to 5 years old) and 12.4% for old apartments (over 5 years old). For 2023, prices of new apartments increased on average by 12.4%, against an increase of 12.5% in 2022, whereas prices of old apartments increased by 14.2%, against an increase of 11.6% in 2022.

In **Portugal**, house prices rose 1.6% q-o-q in Q4, down from +3.7% q-o-q reported in Q3<sup>1</sup>.

**Irish** prices increased in Q4, with prices up by 4.4% in the year, compared with an increase of 7.7% in 2022. Prices for new dwellings were up 9.2% y-o-y, while prices of existing dwellings were 1.6% higher. Prices vary significantly by location, type and status. At almost EUR 410,000, the median new dwelling price was more than EUR 110,000 higher than the median existing dwelling price in December 2023 (based on filings of household purchases at market prices).

Annual house prices in the **UK** fell by 2.8% in Q4 2024, reflecting the continued weakness in demand fueled due to higher interest rates. Average house prices in London fell at a slightly faster rate of 4.1% over the year. The BSA Property Tracker also shows that people are more optimistic in regards to house prices with 41% who said they think house prices will rise in December, compared to just 33% in December 2023.

## MORTGAGES INTEREST RATES

The average, unweighted EMF mortgage interest for Q4 and Q3 2023 was 4.95%, 10 bps higher than Q2 (4.85%). It is the highest average rate since the start of the data in Q1 2009. Moreover, Q3 2023 marks the eighth consecutive increase. The average rate for Euro area countries was 4.13% and 6.12% for non-Euro area countries. Excluding Denmark, Sweden and the UK from the sample of the non-Euro area countries, the average interest rate was 6.94%. For the non-Euro Area eastern European countries (CZ, HU, PL, RO), the average interest rate already started to decrease since the second quarter of the year from its high of 8.07% in Q1.

In **Sweden**, the share of variable interest rates is comparatively high at 61% of outstanding and 69% of new loans. This implies that an increasing market interest rate affects Swedish borrowers and the demand for housing loans to a larger extent than in countries where fixed rates are more common. In December 2023, variable interest rates decreased slightly to 4.4% from 4.8% in the previous quarter. Additionally, initial fixed interest rates decreased in the fourth quarter: 1-5 years decreased to 4.2% (from 4.4% in the previous quarter), and interest rates over 5 years decreased to 3.0% (from 3.8% in the previous quarter).

In **Denmark**, the average rate on mortgages with a fixed period of up to one year increased by 7 bps in Q4. For mortgages with between one to five years fixed rates, the average rate rose by 18 bps. For those fixed for five to ten years, the increase was 7 bps and longer fixed periods by 3 bp. The high I rates on short term fixed rate mortgages during 2022 and 2023 has provided an opportunity for owners to convert their mortgages to fixed-rate mortgages with a lower interest rates, thereby reducing some of their outstanding debt payments.

In **Finland**, the rate on new housing loans was higher at 4.42%. Approximately 30% of all mortgage debtors have an interest rate cap. This cap helps predict loan servicing costs, even if interest rates change. Nordea announced that 70% of their mortgage debtors have an interest rate cap or have savings on other assets for more difficult months.

In **Belgium**, compared to previous quarters, interest rates continued to rise to 3.6% (3.47% Q3). For Q4 2023, the market share of new fixed rate loans and loans with an initial fixed rate for more than 10 years went up again to reach more than 97.3% of new loans. The share of new loans with an initial fixed rate for 1 year amounted to only 0.3%. The number with an initial period of interest rate ranging from 3 to 10 years represented about 2.4% of the newly granted loans. Since 2015, the outstanding number of overdue contracts shows a positive evolution downwards. The ratio of overdue contracts to the total number of contracts remained at only 0.61%.

In the **Netherlands**, the average interest rate for new mortgages remained stable compared to the previous quarter at 3.84%. Variable interest rates (fixed for up to 1 year) averaged to 5.07%, while long-term fixed (10 years or more fixation) were 3.3%.

In **Germany**, the average interest rate was 4.15% in Q4 (4.09% in Q3 2023). 75% of new lending was issued on an interest fixed period of over five years.

In **France**, the interest rate on home loans (excluding renegotiations and loan transfers) reported by the Banque de France has increased each month since the previous quarter, reaching 4.04% at the end of December and averaging 3.97% for Q4 (for the Narrowly Defined Effective Rate, corresponding to the interest component of the Annual Percentage Rate of Charge).

The maximum legally allowable APRC in France (the usury rate) averaged 5.94% in Q4 for a new home loan with a duration of more than 20 years, and was at 6.29% for the month of December. Consequently, the average APRC for a new home loan with a duration of more than 20 years was 4.58% in December 2023. The usury rates, monitored by the French government, depend on the duration of the home loan (under 10 years, between 10-20 years, above 20 years) and are based on the previous quarterly average of the APRC with an additional margin of 33%. They were updated every quarter before January 2023 and every month until December 2023. As interest rates increased strengthens, the level of usury rates increased more rapidly, reaching its highest level since 2013 in Q4 2023. From January 2024, usury rates have been updated quarterly again..

Interest rate developments in Central and Eastern European varied over the course of the latest quarter. For some jurisdictions, the significant increase in

<sup>1</sup> Confidencial Imobiliário (Ci), January 2024.



interest rates has already started to temper, and rates are starting to normalise from their high levels.

In **Hungary**, from September 2022, to October 2023 the Central Bank base rate remained at 13%. Then, the Central Bank began to cut the base rate monthly by 75 bps reaching 10.75% at the end of December. The monthly rate cuts are expected to continue in 2024 at an anticipated pace of 75 to 100 bps. Interest on new housing loans peaked in the first quarter of 2023 and then started a downward trend. Similarly to the earlier trend, the most popular mortgage interest types were medium and long-term fixed mortgages. Initial interest rates fixed for 5 to 10 years were 42.6% of new mortgages, while over 10 years fixed (long-term) new mortgages represented 32.47%. The share of variable rate mortgages (up to 1 year) is negligible in Hungary among new mortgages, representing about 0.7% in Q4. The most typical mortgage loans with interest rates fixed for 5 to 10 years had an average rate of 7.5% (down from 8.49% in Q3). In line with the government's recommendation and to stimulate the mortgage market, commercial banks implemented a so-called "voluntary interest rate ceiling" for mortgage loans. As a result, banks lowered their mortgage rates during the last quarter of 2023. The recommendation in October was an 8.5% APR as the interest rate ceiling. From January 2024, the voluntary interest rate ceiling was further reduced to 7.3%.

In **Romania** at the end of Q4, the rate on new loans for house purchase reached 6.8%, a small decline from the peak in Q1 2023, of 7.9%. Looking at the fixed rate period, 48.5% (-4.1 pps decrease in share y-o-y) have a variable interest rate. Loans with long-term fixed rate (over 10 years) declined in the last two quarters of 2024 (from 23% in Q4 2022 to 5.6% in Q4 2023), in favour of medium-term (5-10 years) and short term (1-5 years) fixed-rate loans. The lowest interest rate is on loans with a medium-term fixed interest rate (5%), while the variable rate loans is the highest currently, with an average of 7.6%.

In **Poland** in October 2023, the Monetary Policy Council announced another cut in the NBP reference rate by 0.25 pps to 5.75%. The WIBOR rate, which serves as the basis for the interest rate on mortgage loans, was in the range of 5.62% to 5.88% in the fourth quarter.

Towards the end of the year in **Czechia**, the National Bank reduced the base rate by 25 bps to 6.75%. While this change might have seemed minor, it was the first reduction since the peak 7.0% in H2 2022 and hinted at a potential relaxation of monetary policy in the coming months. This adjustment was met with positivity and was evident in the declining interest rates for housing loans starting from the beginning of 2024. Despite this, the decrease in housing financing interest rates in Q4 was relatively gradual. Customers showed a preference for shorter interest rate fixed periods, particularly up to 5 years, which was 83% of all new loans. This behaviour stemmed from the anticipation of an imminent drop in rates.

In **Spain** the weighted average interest rate recorded the first decline for the first quarter since Q1 2022. It fell from 3.82% in Q3 to 3.80%. This slight cut could indicate a potential turning point in the cycle of interest rate hikes, especially considering the market's anticipation of a relaxation in the ECB's monetary policy. Fixed-rate loans were 83% of new lending, approximately half had an initial fixed rate period from 1 to 10 years (40%). This latter trend

contrasts with the share from one year ago when mixed-rate loans did not even reach 20% of the market.

In Q4 in **Italy**, the interest rate on loans with fixed periods of less than one year continued to increase to 5% (1.33% in Q1 2022). Interest rates fixed for over 1 year remained stable at 4.03% relative to the previous quarter (1.72% in Q1 2022). The average rate on new loans for house purchases increased to 4.42% from 4.21% in the previous quarter (1.66% in Q1 2022).

According to the latest figures from **Greece**, rates on housing loans increased to December 2023 compared with the average rate for 2022. In particular, the rate on new housing loans in 2023 averaged 4.10% against 3.14% in 2022 (up by 96 bps), whilst in December 2023 the average rate was 4.37% a rise of 76 bps year-on-year. Mortgage interest rates (including charges, such as processing fees, mortgage registration fees, etc.) in December 2023 rose by 97 bps to 5.09% compared to December 2022, whilst for the whole of 2023 they were 4.71% on average against the average rate of 3.48% in 2022 (up by 123 bps). The rate on outstanding loans with an initial maturity of over 5 years in 2023 was on average 4.33% against 2.41% in 2022 (up by 193 bps). According to the bank interest rate of euro-denominated new loans vis-à-vis Euro area residents from domestic credit institutions, the amount of new housing loan agreements increased during 2021, on average, by 46.2% and continued its upward trend during 2022 (20.7%). Since end-2022, the contraction of housing loans has intensified as a result of monetary policy tightening. In 2023, new housing loans amounted to EUR 1,189.6 mn compared to EUR 1,212.8 mn in 2022, posting a decrease on average by 1.9%.

In **Portugal**, in Q4 2023, the variable rate for new loans (up to 1-year initial rate fix) was 4.89% compared with 4.69% in Q3 2023.

In **Ireland**, the representative interest rate on new loans for house purchase in Q4 decreased to 4.19% from 4.21% in Q3. Fixed-rate mortgages (fixed for over one year) were 81.4% of new mortgages. And more than half of mortgages outstanding, at 63.8% as of September 2023, up from 54% in the previous year. Some 21.3% of the value of outstanding mortgages was on ECB base rate-linked tracker mortgage rates in Q3 2023.

Lastly in the **UK**, average mortgage interest rates increased to 5.29% in Q4 2023, up from 4.85% in Q3. Rates on both short term and longer term fixed rate deal increased over the quarter. They also increased in variable rates. However, since the end of the year fixed rates have reduced and fixed mortgage rates have begun to fall.

GROSS RESIDENTIAL LENDING (2015 = 100; IN EURO; SEASONALLY ADJUSTED DATA)

CHART 1A | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BELOW 80% OF 2015 LEVELS

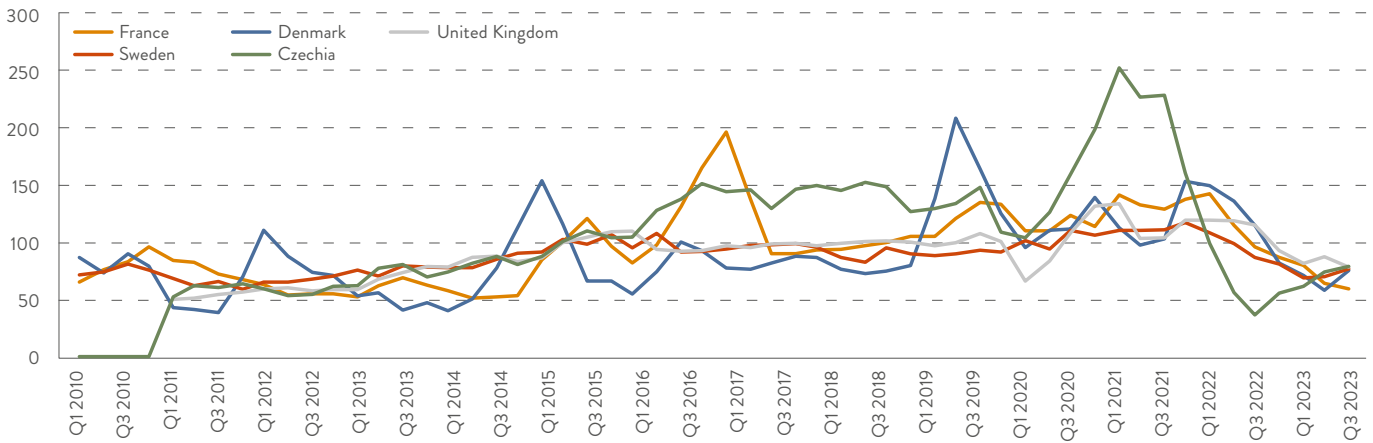


CHART 1B | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS REMAINED BETWEEN 80% AND 100% OF 2015 LEVELS

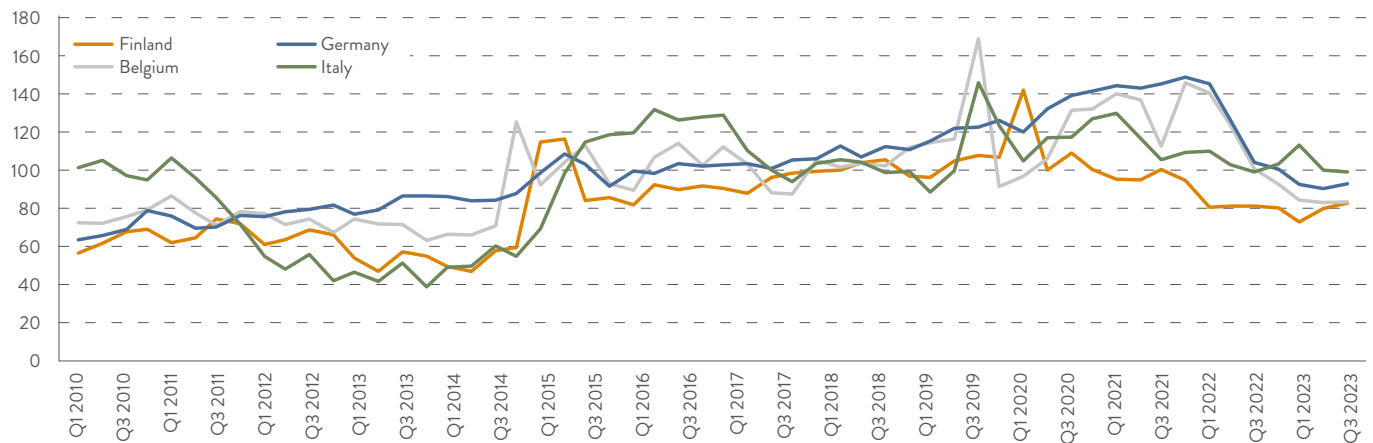
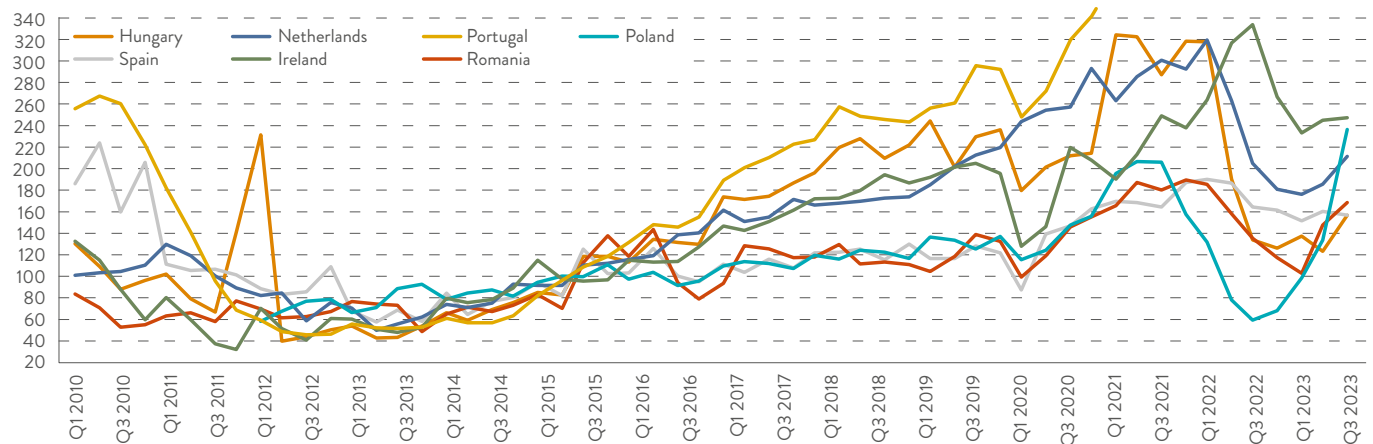


CHART 1C | COUNTRIES WHERE GROSS RESIDENTIAL LENDING HAS RISEN ABOVE 130% OF 2015 LEVELS



NOTE:  
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.  
The fpp-package in R-Studio was employed.

NOMINAL HOUSE PRICE INDICES (2015 = 100)

CHART 2A | COUNTRIES WHERE HOUSE PRICES HAVE DECREASED Y-O-Y

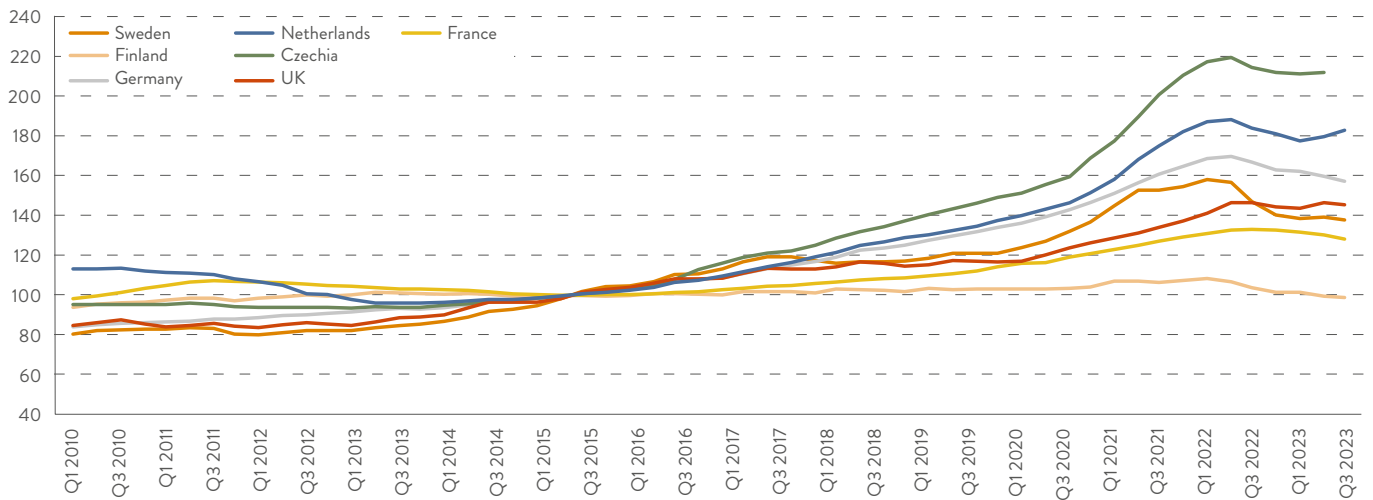


CHART 2B | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED BELOW 5% Y-O-Y

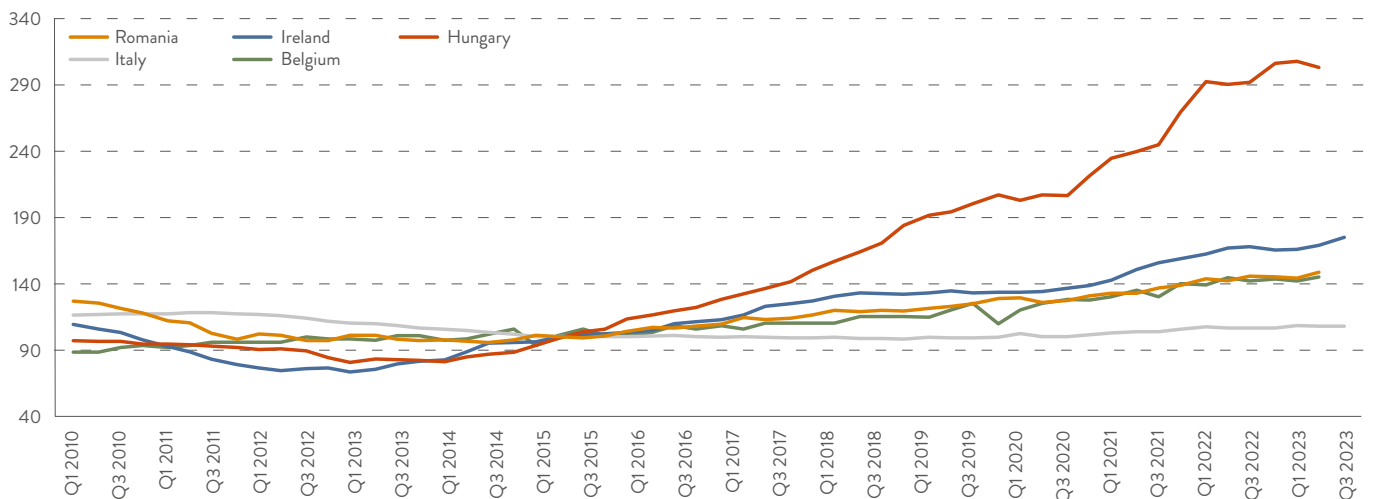


CHART 2C | COUNTRIES WHERE HOUSE PRICES HAVE INCREASED ABOVE 5% Y-O-Y

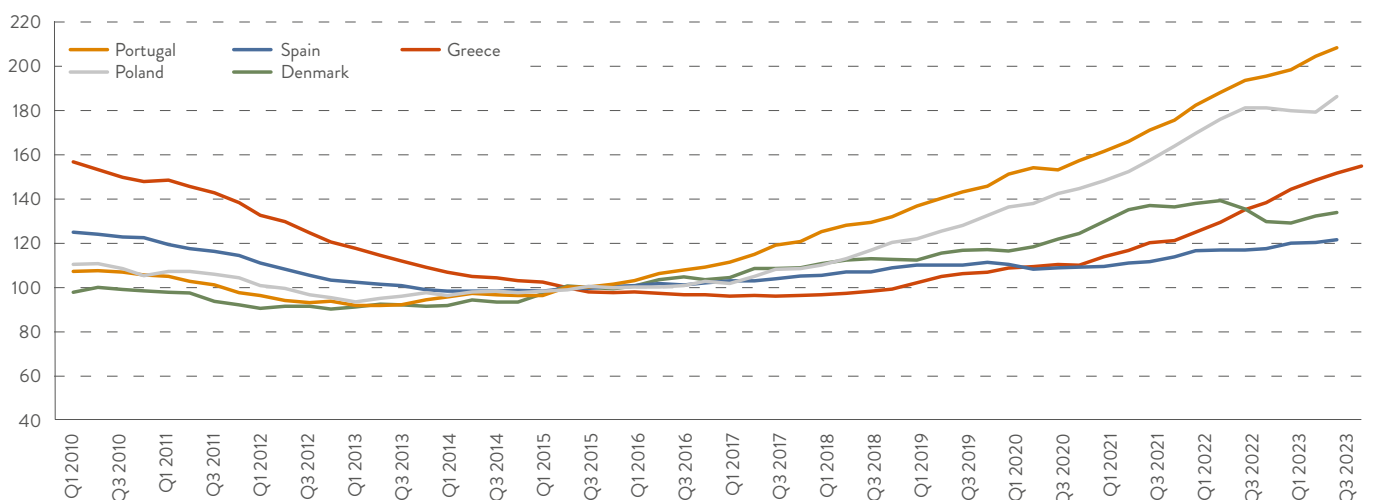
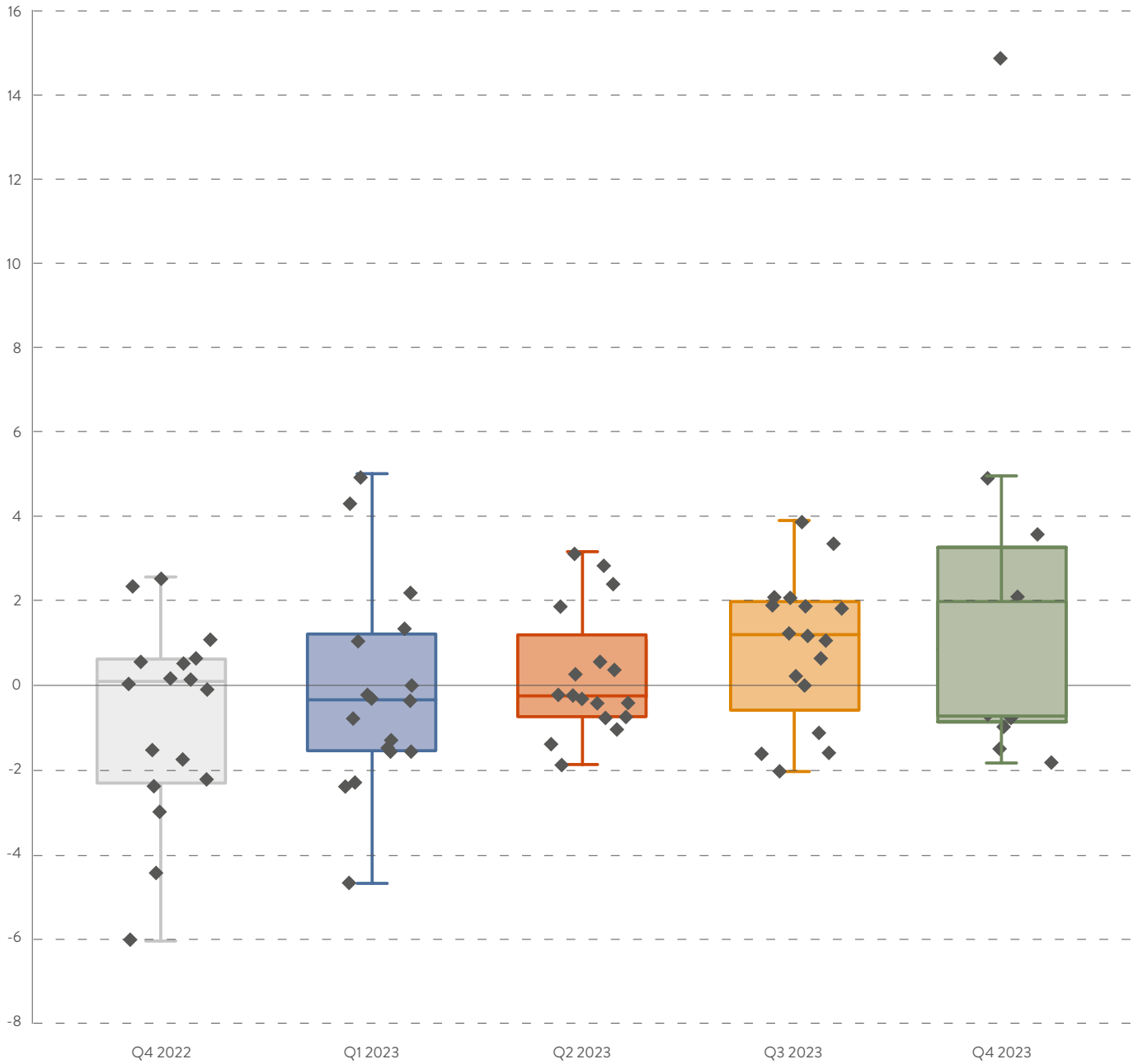


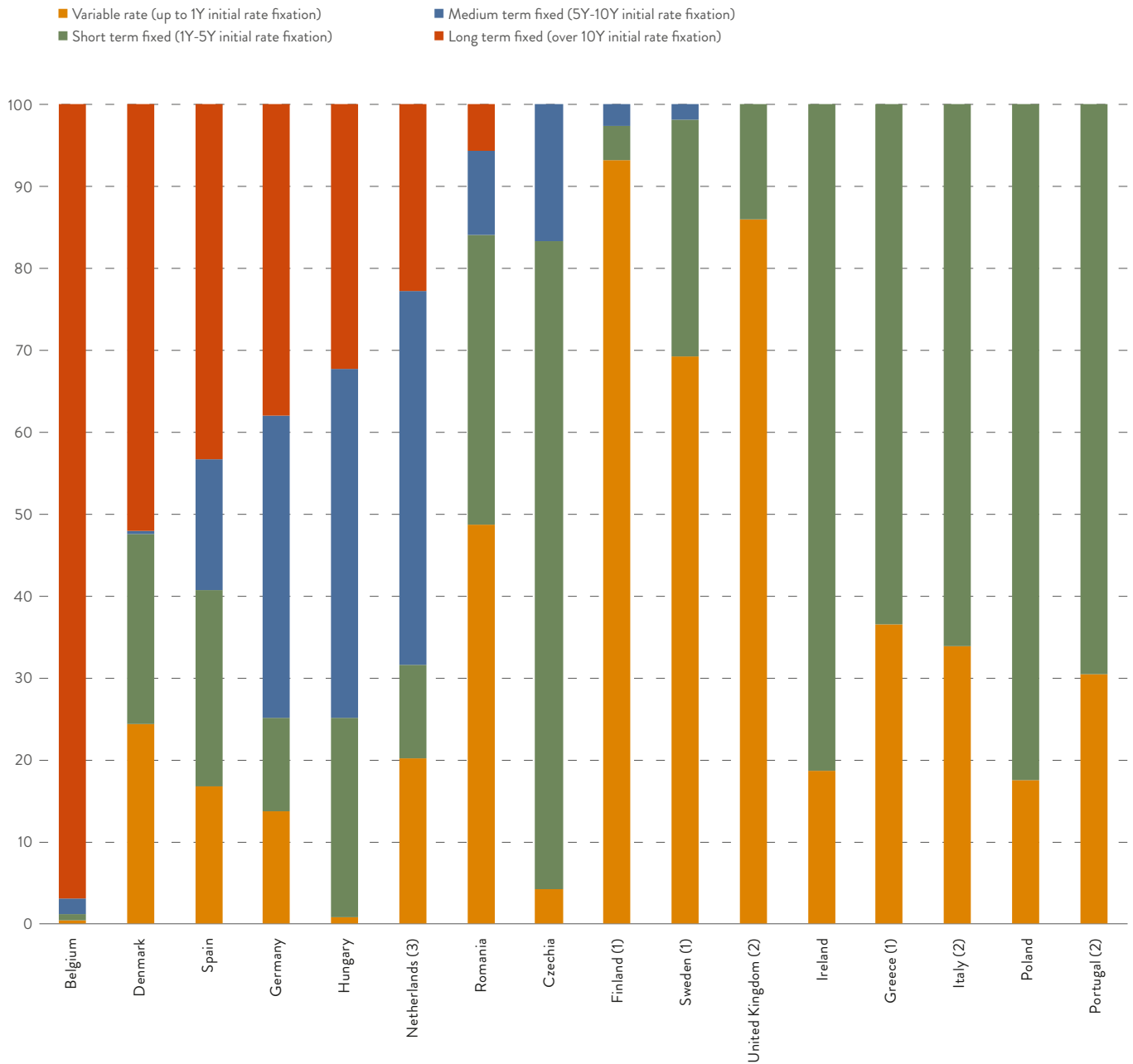
CHART 3 | BOX PLOT OF THE HOUSE PRICE EVOLUTION IN THE EU WITH RESPECT TO THE PREVIOUS QUARTER

HOUSE PRICE EVOLUTION Q-O-Q, IN PERCENT



NOTES:  
 The dataset shows q-o-q growth figures of the country sample for most recent five quarters based on a Boxplot representation. 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, 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.

CHART 4 | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - NEW LOANS (Q4 2023)



NOTES:  
 (1) Medium- and Long-term fixations are grouped together  
 (2) Short-, Medium- and Long-term fixations are grouped together  
 (3) Due to data availability referring to Q1 2023



TABLE 1 | TOTAL OUTSTANDING RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	LATEST Y-O-Y CHANGE (%), Q4 2023, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2023, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 2023, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q3 2023, LOCAL CURRENCY
BE	300,929	304,879	308,579	309,852	312,122	313,244	315,607	2.3	2.7	2.3	2.7
CZ	62,566	63,756	65,497	67,650	68,244	66,974	66,410	1.4	5.0	4.0	4.1
DE	1,796,920	1,824,500	1,842,800	1,848,300	1,857,000	1,866,400	1,870,900	1.5	2.3	1.5	2.3
DK	252,550	242,560	247,730	248,588	247,133	246,847	253,936	2.5	1.8	2.7	2.0
EL	30,314	30,117	29,753	29,311	28,899	28,623	28,456	-4.4	-5.0	-4.4	-5.0
ES	490,671	490,356	486,890	481,496	478,120	475,055	n/a	n/a	-3.1	n/a	-3.1
FI	108,703	108,467	109,315	108,348	107,887	107,514	107,490	-1.7	-0.9	-1.7	-0.9
FR	1,249,231	1,269,970	1,280,950	1,285,452	1,291,641	1,292,950	1,292,144	0.9	1.8	0.9	1.8
HU	14,022	13,443	14,204	14,905	15,265	14,664	14,993	5.6	9.1	0.8	0.6
IE	83,445	83,048	83,391	82,832	83,144	83,815	84,165	0.9	0.9	0.9	0.9
IT	419,845	424,169	426,959	425,908	425,252	424,712	424,650	-0.5	0.1	-0.5	0.1
NL	804,429	810,999	813,300	816,639	819,943	823,353	n/a	n/a	1.5	n/a	1.5
PL	108,749	105,472	106,167	104,113	107,964	104,439	110,595	4.2	-1.0	-3.4	-5.5
PT	100,481	101,328	101,700	101,178	100,892	100,675	100,370	-1.3	-0.6	-1.3	-0.6
RO	21,259	21,376	21,432	21,251	21,072	21,076	21,218	-1.0	-1.4	-0.5	-0.9
SE	478,024	474,676	470,048	464,773	445,535	457,070	476,323	1.3	-3.7	1.1	1.9
UK	1,859,873	1,830,180	1,834,658	1,850,593	1,894,334	1,883,461	1,862,555	1.5	2.9	-0.5	0.8

NOTE: Non seasonally-adjusted data.

Source: European Mortgage Federation

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

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

PL – adjusted for loan amortisation and flows between the foreign currency loan portfolio and the zloty loan portfolio; the entire banking system was taken into account, including credit unions.

CZ – the series has been distorted at 2018A4 due to the change of definition of the statistics and the splitting according to fixation.

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

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:



TABLE 2 | GROSS RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023	LATEST Y-O-Y CHANGE (%), Q4 2023, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q3 2023, EUR VALUES	LATEST Y-O-Y CHANGE (%), Q4 2023, LOCAL CURRENCY	LATEST Y-O-Y CHANGE (%), Q3 2023, LOCAL CURRENCY
BE	11,054	12,236	12,697	11,145	9,961	7,392	7,574	7,439	8,382	-15.9	-33.3	-15.9	-33.3
CZ	4,610	3,082	2,102	1,038	798	988	1,357	1,396	1,643	106.1	34.5	106.1	34.5
DE	76,900	74,900	75,700	67,800	55,100	49,300	47,800	48,700	49,300	-10.5	-28.2	-10.5	-28.2
DK	13,757	18,903	18,040	17,643	15,316	9,881	8,043	7,764	10,278	-32.9	-56.0	-32.9	-56.0
ES	15,626	15,811	18,209	15,551	15,655	13,466	14,660	13,172	14,944	-4.5	-15.3	-4.5	-15.3
FI	7,836	7,634	7,689	6,403	6,207	6,431	7,027	6,316	6,351	2.3	-1.4	2.3	-1.4
FR	69,300	71,500	74,800	61,600	51,700	44,600	41,600	34,500	32,200	-37.7	-44.0	-37.7	-44.0
HU	957	998	1,091	677	439	350	481	452	517	17.8	-33.2	17.8	-33.2
IE	3,312	2,513	3,134	4,057	4,353	2,866	2,762	3,172	3,289	-24.4	-21.8	-24.4	-21.8
IT	18,986	17,385	18,865	15,289	17,911	16,384	19,418	14,790	17,952	0.2	-3.3	0.2	-3.3
NL	44,646	39,660	45,596	38,050	30,809	23,634	24,955	26,897	31,753	3.1	-29.3	3.1	-29.3
PL	5,019	3,780	3,326	1,897	1,350	1,556	2,490	3,288	5,766	327.0	73.3	295.9	65.5
PT	4,001	4,155	4,218	3,906	3,879	4,530	4,551	5,185	6,005	54.8	32.7	54.8	32.7
RO	1,083	1,002	1,049	953	823	581	569	893	1,014	23.2	-6.3	23.8	-5.8
SE	18,282	17,053	17,712	14,165	14,449	11,289	11,472	9,649	12,826	-11.2	-31.9	-11.4	-27.9
UK	81,080	87,480	89,230	94,578	89,709	66,785	59,885	70,458	61,063	-31.9	-25.5	-33.3	-27.1

CZ – Data break on Q1 2020 due to methodological adjustments  
SE - approx. 75% of total market

Source: European Mortgage Federation

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

- France
- Poland

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:





TABLE 3 | CHANGE IN OUTSTANDING RESIDENTIAL LOANS (MILLION EUR)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	3,381	4,348	4,547	4,295	4,080	4,901	3,950	3,700	1,273	2,270	1,122	2,363
CZ	1,417	2,996	1,790	3,255	2,489	-555	1,190	1,741	2,153	594	-1,270	-564
DE	22,073	32,138	29,639	31,160	21,430	31,057	27,580	18,300	5,500	8,700	9,400	4,500
DK*	-543	840	19	3,795	-8,484	-10,493	-9,990	5,171	858	-1,455	-286	7,089
EL	-601	-4,133	-4,251	-6,257	-376	-201	-197	-364	-443	-412	-276	-167
ES	614	2,811	254	1,553	1,621	1,905	-315	-3,466	-5,394	-3,377	-3,064	n/a
FI	800	1,297	1,024	1,024	293	651	-236	848	-967	-461	-373	-24
FR	13,091	21,878	22,703	19,920	13,427	21,222	20,739	10,980	4,502	6,189	1,309	-806
HU	156	962	195	-13	337	-974	-579	761	701	360	-600	329
IE	-2,365	-550	-165	-316	-2,705	-773	-397	343	-559	312	671	350
IT	3,946	5,691	4,153	4,563	4,586	5,390	4,324	2,790	-1,052	-655	-540	-62
NL	6,638	8,541	10,623	7,726	8,488	10,464	6,570	2,301	3,339	3,304	3,410	n/a
PL	-1,164	4,356	719	2,829	-1,210	-1,388	-3,277	695	-2,054	3,852	-3,525	6,155
PT	939	-1,169	1,240	963	1,086	1,246	847	372	-522	-287	-216	-305
RO	209	540	648	596	477	435	118	55	-181	-179	4	142
SE	-2,423	15,689	4,677	-1,400	3,091	-10,702	-3,347	-4,629	-5,274	-19,239	11,535	19,254
UK	113,470	16,972	5,677	55,890	7,027	-8,904	-29,693	4,478	15,935	43,741	-10,873	-20,907

\* 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.

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:





TABLE 4 | HOUSE PRICE INDICES (2015 = 100)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
BE	125.8	128.8	128.4	131.0	135.9	131.0	141.0	140.3	146.0	143.4	144.9	143.4	146.4	n/a
CZ	155.4	159.4	168.9	177.5	189.7	200.6	210.3	217.1	219.3	214.5	211.7	211.2	211.7	n/a
DE	139.6	143.3	146.8	151.5	157.1	161.2	165.2	169.2	170.1	167.5	163.5	162.8	160.2	157.8
DK	122.7	125.4	130.8	136.2	138.0	137.4	139.3	140.4	136.7	130.6	130.2	133.4	134.9	155.0
EL	110.9	110.7	114.3	117.5	120.7	121.9	125.8	130.2	136.0	139.2	145.2	149.3	152.4	155.6
ES	109.8	110.0	110.2	111.8	112.7	114.9	117.6	118.0	118.0	118.6	121.2	121.5	122.8	124.9
FI	104.0	104.4	105.1	108.2	108.0	107.6	108.6	109.4	107.8	104.6	102.2	101.9	99.9	99.1
FR	116.9	119.6	121.3	123.5	125.7	128.0	130.2	132	133.8	134.0	133.7	132.7	131.2	128.8
HU	206.8	206.1	221.2	234.2	239.3	244.8	269.5	292.2	290.0	291.7	306.1	307.8	302.9	n/a
IE	134.8	137.2	139.0	143.4	151.5	156.7	159.9	163.4	167.7	168.8	166.3	166.9	170.1	176.2
IT	99.8	100.0	101.1	102.8	103.9	104.0	105.7	108.1	106.9	106.8	106.8	108.8	108.7	108.7
NL	143.5	146.4	151.7	158.4	168.6	175.1	182.4	187.5	188.6	184.1	181.2	177.8	180.0	183.0
PL	142.9	145.2	148.6	152.9	157.9	164.3	170.2	176.7	181.6	181.7	180.3	179.7	186.7	195.9
PT	153.6	157.7	161.7	166.4	171.3	176.0	182.6	188.31	193.82	195.9	198.6	204.7	208.5	n/a
RO	126.4	128.0	131.5	133.6	133.8	137.5	139.8	144.9	143.2	146.8	146.3	145.1	150.0	n/a
SE	127.5	132.6	137.2	145.5	153.2	153.5	155.0	158.6	157.3	147.8	140.9	138.9	139.8	138.4
UK	120.8	124.2	126.8	129.2	131.8	134.6	138.1	141.9	147.1	147.4	145.1	144.4	147.2	146.2

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

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" (Second-hand dwellings - metropolitan France - all items).

Greece: valuation based index, of new and existing apartments for the whole country, compiled by the Bank of Greece.

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: Statistics Portugal 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:

- Greece
- Hungary

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:





TABLE 5A | MORTGAGE INTEREST RATES (% , WEIGHTED AVERAGE)

	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	1.40	1.37	1.34	1.35	1.38	1.38	1.47	1.86	2.48	2.91	3.17	3.28	3.47	3.60
CZ*	2.17	2.04	1.94	2.06	2.31	2.76	3.80	4.72	5.71	6.05	6.00	5.97	5.86	5.75
DE	1.24	1.18	1.18	1.26	1.28	1.31	1.50	2.24	2.88	3.45	3.78	3.98	4.09	4.15
DK**	0.76	0.78	0.69	0.72	0.70	0.67	0.62	0.90	1.52	2.12	3.98	4.34	4.91	4.98
EL	2.95	2.80	2.67	2.81	2.85	2.77	2.83	2.95	3.17	3.60	3.76	3.96	4.24	4.43
ES	1.75	1.62	1.54	1.49	1.47	1.43	1.50	1.63	2.02	2.71	3.39	3.69	3.82	3.80
FI	0.72	0.69	0.71	0.72	0.72	0.77	0.87	1.60	2.75	3.30	3.93	4.39	4.65	4.42
FR***	1.30	1.27	1.21	1.14	1.12	1.12	1.13	1.27	1.57	1.91	2.37	2.89	3.29	3.54
HU	4.15	4.06	3.97	4.11	4.33	4.69	3.47	5.48	7.95	8.62	9.72	8.87	8.49	7.50
IE	2.80	2.77	2.80	2.74	2.73	2.71	2.80	2.75	2.69	2.77	3.42	3.97	4.21	4.19
IT	1.27	1.25	1.37	1.42	1.39	1.40	1.66	2.04	2.26	3.01	4.00	4.27	4.21	4.42
NL**	1.77	1.75	1.68	1.62	1.56	1.54	1.59	1.97	2.70	3.29	3.52	3.69	3.84	3.84
PL	3.10	2.90	2.80	2.90	2.90	4.60	6.00	8.20	9.00	9.20	8.70	8.60	8.00	7.70
PT	0.82	0.71	0.69	0.67	0.62	0.61	0.74	1.20	1.93	3.08	3.81	4.30	4.69	4.89
RO****	5.25	4.81	4.67	4.21	3.82	3.68	3.89	4.62	5.70	7.05	7.85	7.42	6.92	6.82
SE	1.49	1.39	1.36	1.36	1.33	1.35	1.48	2.05	2.74	3.38	3.81	4.21	4.57	4.77
UK	1.74	1.85	1.91	1.92	1.82	1.57	1.64	1.98	2.59	3.38	4.20	4.56	4.85	5.29

\* For Czechia from Q1 2015 the data source is the Czech national Bank

\*\* 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.

Source: European Mortgage Federation

#### 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.

For Hungary the representative interest rate on new loans in Q1 2018 is not any more the variable rate, but the short-term fixed one (1y-5y)

For Sweden the the representative interest rate is based on approximately 75 % of the total market

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

- Poland
- The Netherlands

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:



TABLE 5B | MORTGAGE INTEREST RATES

## VARIABLE RATE AND INITIAL FIXED PERIOD RATE UP TO 1 YEAR (%)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	1.84	1.89	1.85	1.92	1.97	1.90	2.46	3.67	4.40	4.87	5.25	5.66
CZ	2.17	2.31	2.44	3.18	4.12	5.09	6.23	6.68	7.06	6.95	6.68	6.76
DE	1.76	1.78	1.78	1.81	1.88	2.10	2.52	3.29	4.19	4.84	5.29	5.57
DK*	0.69	0.72	0.70	0.67	0.62	0.90	1.52	2.12	3.98	4.34	4.91	4.98
EL	2.31	2.44	2.37	2.30	2.39	2.66	3.12	3.81	3.90	3.98	4.21	5.09
ES	1.40	1.43	1.42	1.35	1.35	1.45	2.08	2.76	3.40	3.80	4.13	4.17
FI	0.72	0.70	0.72	0.77	0.88	1.56	2.54	2.90	3.43	3.97	4.41	4.30
HU	2.98	2.97	3.87	4.53	5.59	6.49	8.91	9.57	10.57	11.32	10.59	8.25
IE	3.23	3.19	3.11	3.06	3.34	3.47	3.55	3.67	4.19	4.13	4.41	4.37
IT	1.36	1.39	1.36	1.32	1.33	1.39	1.88	2.77	3.81	4.47	4.87	5.00
NL	1.62	1.62	1.62	1.60	1.64	1.95	2.51	3.36	4.06	4.44	4.77	5.07
PL	2.90	2.90	2.90	4.50	6.20	8.10	9.30	9.50	9.20	9.10	8.90	7.80
PT	0.69	0.67	0.62	0.61	0.74	1.20	1.93	3.08	3.81	4.30	4.69	4.89
RO**	4.60	4.17	3.70	3.55	3.70	4.36	5.50	7.17	8.33	8.02	7.57	7.56
SE	1.24	1.25	1.23	1.22	1.29	2.45	3.42	3.63	4.22	4.28	4.77	4.40
UK***	1.88	1.91	1.90	1.64	1.64	2.14	2.72	3.72	4.47	5.28	5.64	5.74

## SHORT-TERM INITIAL FIXED PERIOD RATE. FROM 1 TO 5 YEARS MATURITY (%)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	2.04	2.11	2.13	2.12	2.21	2.53	3.08	3.79	4.46	4.63	4.77	5.02
CZ	2.03	2.14	2.35	2.81	3.89	4.70	5.56	5.84	5.87	5.91	5.88	5.76
DE	1.29	1.30	1.34	1.38	1.49	2.14	2.78	3.56	3.97	4.30	4.46	4.53
DK*	0.73	0.87	0.82	0.94	1.47	2.56	3.17	4.12	4.32	4.46	4.65	4.47
ES	1.37	1.38	1.35	1.35	1.56	1.76	2.29	3.42	3.98	4.35	4.60	4.52
FI	1.50	1.66	1.69	1.99	1.62	1.08	1.52	2.06	3.10	3.59	3.91	4.11
HU	4.52	4.53	4.89	5.33	6.02	7.88	10.63	13.30	16.41	14.04	14.87	13.87
IE	2.68	2.64	2.64	2.63	2.67	2.65	2.62	2.70	3.35	3.94	4.16	4.15
NL	1.63	1.59	1.60	1.64	1.68	1.99	2.77	3.55	4.17	4.42	4.55	4.58
PL	3.40	3.80	3.70	4.60	5.60	8.20	8.60	9.00	8.30	8.30	7.80	7.60
RO**	5.29	4.60	4.21	4.12	4.16	4.87	6.20	7.04	7.47	6.60	6.41	6.33
SE	1.29	1.31	1.26	1.39	1.84	3.26	3.75	3.79	4.08	3.92	4.44	4.18
UK	1.90	1.91	1.81	1.55	1.62	1.96	2.57	3.36	4.13	4.53	4.75	5.22

## MEDIUM-TERM INITIAL FIXED PERIOD RATE. FROM 5 TO 10 YEARS MATURITY (%)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	1.35	1.34	1.37	1.33	1.46	1.90	2.46	3.07	3.48	3.72	3.92	3.91
CZ	1.92	2.02	2.28	2.69	3.65	4.58	5.53	5.97	5.92	5.95	5.76	5.72
DE	1.03	1.09	1.11	1.14	1.34	2.11	2.80	3.36	3.57	3.70	3.80	3.86
DK*	0.89	1.14	1.06	1.13	1.77	2.68	3.40	4.21	4.15	4.29	4.41	4.48
EL	3.15	3.12	3.25	3.19	2.99	3.02	2.99	3.18	3.51	3.94	4.42	4.43
ES	3.82	3.64	3.49	3.52	4.08	4.01	4.45	4.47	4.69	4.33	4.00	3.90
FI	1.31	1.32	1.31	1.38	1.84	2.87	3.22	3.21	3.68	3.85	3.67	3.55
HU	3.97	4.11	4.33	4.69	5.60	6.82	7.95	8.62	8.98	8.87	8.49	7.50
NL	1.68	1.62	1.56	1.54	1.59	1.97	2.70	3.29	3.52	3.69	3.84	3.84
RO**	5.22	4.65	4.40	4.29	4.32	5.10	6.10	6.75	7.35	6.68	4.98	5.01
SE	1.48	1.59	1.50	1.61	2.29	3.48	3.34	3.11	3.52	3.29	3.80	3.02
UK	2.11	1.91	1.86	1.85	1.96	2.14	2.54	3.15	3.69	4.06	4.33	4.65



## LONG-TERM INITIAL FIXED PERIOD RATE, 10-YEAR OR MORE MATURITY (%)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
BE	1.34	1.35	1.38	1.38	1.47	1.86	2.48	2.91	3.17	3.38	3.45	3.60
CZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DE	1.15	1.28	1.30	1.32	1.54	2.39	3.08	3.58	3.75	3.79	3.85	3.83
DK*	1.63	2.13	2.27	2.46	2.90	3.96	4.86	5.86	5.56	5.75	5.83	5.86
ES	1.55	1.44	1.42	1.37	1.36	1.52	1.79	2.36	2.95	3.18	3.21	3.22
HU	4.73	4.80	5.14	3.71	3.47	5.48	6.79	9.13	9.72	9.39	8.78	7.65
IT****	1.37	1.43	1.39	1.41	1.72	2.34	2.84	3.56	4.12	4.13	4.05	4.03
NL	1.90	1.79	1.75	1.74	1.80	2.11	2.62	3.00	3.04	3.25	3.31	3.20
RO**	4.51	4.16	3.78	3.70	4.04	4.76	5.60	6.08	6.48	6.28	6.95	6.95
UK	2.42	2.23	2.08	1.99	1.88	2.19	2.78	3.25	4.00	3.82	3.32	4.16

\* 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.

\*\* 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.

\*\*\*\* IT: Data-series accounts for interest rates for all maturities beyond 1 year of initial fixed period

Source: European Mortgage Federation

## 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:

- Belgium
- Poland
- Portugal
- The Netherlands

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:



TABLE 5C | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) - OUTSTANDING LOANS

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
<b>CZECHIA</b>											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>DENMARK</b>											
Variable rate (up to 1Y initial rate fixation)	29.8	28.7	28.8	29.0	31.3	33.7	35.8	37.0	38.2	38.2	38.1
Short-term fixed (1Y-5Y initial rate fixation)	20.4	20.6	20.8	21.6	22.3	22.7	22.8	22.6	22.0	22.0	22.7
Medium-Term fixed (5Y-10Y initial rate fixation)	49.8	50.7	50.4	49.3	46.4	43.6	41.5	40.4	39.8	39.7	39.2
Long-Term fixed (over 10Y initial rate fixation)											
<b>FINLAND</b>											
Variable rate (up to 1Y initial rate fixation)	95.2	95.3	95.4	95.5	95.5	95.5	95.5	95.2	94.8	94.5	94.1
Short-term fixed (1Y-5Y initial rate fixation)	2.4	2.2	2.1	2.0	1.9	1.9	2.0	2.2	2.6	2.8	3.2
Medium-Term fixed (5Y-10Y initial rate fixation)	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.7	2.7
Long-Term fixed (over 10Y initial rate fixation)											
<b>IRELAND</b>											
Variable rate (up to 1Y initial rate fixation)	59.2	57.7	55.9	52.9	49.8	46.0	41.4	38.3	37.1	36.2	n/a
Short-term fixed (1Y-5Y initial rate fixation)	37.4	38.9	40.7	43.6	46.3	49.3	51.0	53.2	53.6	54.1	n/a
Medium-Term fixed (5Y-10Y initial rate fixation)	3.4	3.4	3.4	3.6	4.0	4.8	7.7	8.5	9.3	9.8	n/a
Long-Term fixed (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n/a
<b>POLAND</b>											
Variable rate (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	93.1	91.7	89.1	88.5	86.7	85.2	81.0
Short-term fixed (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	6.9	8.3	10.9	11.5	13.3	14.8	19.0
Medium-Term fixed (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	n	n	n	n	n	n	n
Long-Term fixed (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n	n	n	n	n	n	n

TABLE 5C | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – OUTSTANDING LOANS (CONTINUED)

	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
<b>SWEDEN</b>											
Variable rate (up to 1Y initial rate fixation)	50.4	48.9	48.3	47.0	47.2	48.8	51.0	53.5	56.4	58.7	61.1
Short-term fixed (1Y-5Y initial rate fixation)	48.4	49.9	50.5	51.7	51.4	49.9	47.7	45.1	42.3	40.0	37.6
Medium-Term fixed (5Y-10Y initial rate fixation)	1.2	1.2	1.2	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3
Long-Term fixed (over 10Y initial rate fixation)											
<b>UNITED KINGDOM</b>											
Variable rate (up to 1Y initial rate fixation)*	79.4	80.5	81.5	82.7	84.0	85.5	87.0	87.3	87.2	87.6	87.6
Short-term fixed (1Y-5Y initial rate fixation)											
Medium-Term fixed (5Y-10Y initial rate fixation)	20.6	19.5	18.5	17.3	16.0	14.5	13.0	12.7	12.8	12.4	12.4
Long-Term fixed (over 10Y initial rate fixation)											
<b>CURRENCY DENOMINATION</b>											
	II 2013	III 2013	IV 2013	I 2014	II 2014	III 2014	IV 2014	I 2015	II 2015	III 2015	IV 2015
<b>HUNGARY*</b>											
HUF denominated	46.6	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	6.9	6.8	6.7	6.8	6.7	6.5	6.4	0.4	0.3	0.3	
CHF denominated	44.6	44.5	43.7	44.2	44.0	43.4	43.6	1.0	0.4	0.4	
Other FX denominated	1.9	2.1	2.3	2.4	2.5	2.5	2.6	0.2	0.1	0.0	
<b>BREAKDOWN BY LOAN ORIGINAL MATURITY</b>											
	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
<b>ITALY</b>											
Maturity less than 5 years	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Maturity over 5 years	99.7	99.7	99.8	99.7	99.8	99.7	99.8	99.8	99.8	99.8	99.8

## NOTES:

\* From Q4 2015 in Hungary lending in foreign currency is not allowed any more.  
n – no lending outstanding in this maturity bracket

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

- Poland

Source: European Mortgage Federation

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS

	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
<b>BELGIUM</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	0.6	0.6	0.4	0.4	0.5	0.6	1.9	4.3	2.1	1.5	0.3	0.2	0.3
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	1.1	1.2	1.1	1.2	1.1	1.2	1.2	1.2	1.0	0.6	0.5	0.4	0.5
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	14.6	13.8	13.5	14.6	13.6	13.6	11.6	9.6	4.9	4.9	3.2	7.1	1.9
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	83.6	84.4	85.0	83.8	84.8	84.7	85.3	84.9	92.1	93.1	96.0	92.3	97.3
<b>CZECHIA</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	3.2	2.6	1.3	1.1	1.1	1.2	1.7	1.8	2.8	2.5	2.9	3.1	4.1
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	50.7	50.3	50.9	51.2	46.0	47.2	55.0	63.1	64.1	70.1	75.8	78.5	79.1
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	46.2	47.1	47.8	47.7	53.0	51.5	43.4	35.2	33.1	27.4	21.3	18.4	16.8
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
<b>DENMARK</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	9.1	8.0	12.3	12.7	15.4	21.1	31.2	35.1	27.8	28.4	28.8	25.4	24.3
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	16.7	16.8	20.4	25.7	26.8	26.6	22.0	18.0	21.3	13.8	13.7	14.1	23.1
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	0.5	0.6	0.4	0.4	0.9	0.6	0.3	0.2	0.2	0.2	0.2	0.2	0.4
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	73.7	74.7	66.9	61.2	57.0	51.7	46.5	46.7	51.0	57.5	57.3	60.3	52.2
<b>FINLAND</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	96.9	96.7	95.9	96.6	95.6	95.8	96.9	95.1	96	95.2	94.8	94.5	93.3
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	1.2	0.8	0.7	0.6	0.8	0.6	0.9	2.0	2.1	2.9	3.4	4.0	4.0
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	1.8	2.5	3.4	2.8	3.6	3.6	2.2	2.9	1.9	1.9	1.8	1.5	2.7
<b>Long-Term fixed</b> (over 10Y initial rate fixation)													
<b>GERMANY</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	10.1	9.5	9.4	10.3	9.8	9.0	9.6	13.5	17.8	17.0	16.1	13.8	13.4
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	7.2	7.1	7.0	6.6	7.0	6.3	6.8	8.0	9.1	9.8	10.1	9.8	11.5
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	33.2	34.3	36.4	35.4	35.9	35.6	38.9	37.5	36.0	35.3	35.7	37.0	37.0
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	49.5	49.1	47.3	47.7	47.3	49.1	44.7	41.0	37.1	37.9	38.1	39.4	38.1



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
<b>GREECE</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	n/a	n/a	n/a	n/a	54.5	48.6	46.4	42.5	41.1	34.0	34.3	31.2	36.6
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	n/a	n/a	n/a	n/a	n	n	n	n	n	n	n	n	n
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	n/a	n/a	n/a	n/a	9.9	11.2	13.2	15.6	17.8	18.4	21.6	23.5	16.6
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>HUNGARY</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	1.0	0.9	0.9	0.7	0.5	0.5	0.6	0.8	1.2	1.0	1.2	1.2	0.7
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	25.4	27.1	31.7	29.0	24.2	16.8	15.9	28.2	31.8	29.7	24.1	24.0	24.1
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	59.8	60.6	56.6	57.5	52.4	39.5	31.9	40.9	34.3	34.3	42.8	44.3	42.7
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	13.7	11.4	10.8	12.8	22.9	43.2	51.7	30.2	32.7	35.0	31.9	30.5	32.5
<b>IRELAND</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	20.3	22.8	19.3	18.9	18.9	19.4	14.4	9.0	6.0	7.6	12.3	15.3	18.6
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	79.7	77.2	80.7	81.1	81.1	3.55	85.6	91.0	94.0	92.4	87.7	84.7	81.4
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	n	n	n	n	n	n	n	n	n	n	n	n	n
<b>ITALY</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	16.2	16.9	16.8	16.5	17.2	16.7	25.2	52.0	66.7	46.1	37.4	24.4	33.7
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)													
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	83.8	83.1	83.2	83.5	82.8	83.3	74.8	48.0	33.3	53.9	62.6	75.6	66.3
<b>Long-Term fixed</b> (over 10Y initial rate fixation)													
<b>NETHERLANDS</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	15.2	12.8	11.3	11.9	11.0	9.6	9.8	16.3	21.0	21.9	20.9	21.6	20.0
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	7.4	6.4	6.6	6.7	6.7	6.4	6.3	6.9	8.3	9.0	9.9	10.6	11.6
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	32.9	34.8	33.7	32.2	34.1	34.0	30.9	33.0	37.1	39.1	41.6	45.5	45.4
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	44.4	46.0	48.4	49.1	48.2	50.0	53.0	43.8	33.6	30.0	27.6	22.3	23.0



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023
<b>POLAND</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	97**	n/a	n/a	87.3	75.7	74.4	33.02	43.05	40.2	47.7	37.8	23.3	17.2
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	3**	n/a	n/a	12.8	24.3	25.6	66.98	56.95	59.8	52.3	62.2	76.7	82.8
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	n	n/a	n/a	n	n	n	n	n	n	n	n	n	n
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	n	n/a	n/a	n	n	n	n	n	n	n	n	n	n
<b>PORTUGAL</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	70.0	68.5	71.5	68.7	67.0	64.8	67.2	68.6	74.6	72.7	71.7	47.4	30.5
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)													
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	30.0	31.5	28.5	31.3	33.0	35.2	32.8	31.4	25.4	27.3	28.3	52.6	69.5
<b>Long-Term fixed</b> (over 10Y initial rate fixation)													
<b>ROMANIA</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	75.2	74.1	74.8	73.5	71.2	59.2	55.7	65.5	52.7	56.2	60.2	54.8	48.5
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	7.4	5.4	4.6	6.4	8.1	9.7	6.7	9.2	21.1	20.6	17.6	27.5	35.5
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	3.1	4.6	5.7	7.9	9.5	13.6	13.7	7.8	3.2	2.8	1.8	11.1	10.4
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	14.3	15.9	15.0	12.2	11.2	17.4	23.8	17.5	23.0	20.5	20.4	6.6	5.6
<b>SPAIN</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	31.2	28.2	25.5	24.4	22.7	22.5	20.0	25.7	27.8	26.1	22.1	17.8	16.6
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	19.1	19.3	16.6	15.2	13.0	11.1	10.8	10.0	12.0	18.3	20.6	22.9	23.8
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	2.7	3.1	3.1	3.3	3.3	4.4	3.9	3.8	5.3	7.8	11.8	16.4	16.3
<b>Long-Term fixed</b> (over 10Y initial rate fixation)	47.0	49.4	54.9	57.2	61.0	62.0	65.2	60.5	54.9	47.7	45.6	42.9	43.3



TABLE 5D | MORTGAGE MARKETS BREAKDOWN BY INTEREST RATE TYPE (%) – NEW LOANS (CONTINUED)

	III 2020	IV 2020	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023
<b>SWEDEN</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)	45.2	43.7	43.4	42.8	44.1	47.6	61.3	75.6	74.5	79.4	80.1	77.5	69.2
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)	39.8	42.6	44.4	45.2	44.7	41.6	28.7	18.5	21.5	18.1	17.6	19.7	29.0
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	15.0	13.7	12.3	12.0	11.2	10.8	10.0	5.9	4.0	2.5	2.3	2.8	1.9
<b>Long-Term fixed</b> (over 10Y initial rate fixation)													
<b>UNITED KINGDOM</b>													
<b>Variable rate</b> (up to 1Y initial rate fixation)*	92.1	93.4	94.5	94.7	95.0	95.0	95.8	96.3	94.5	82.0	84.7	90.5	85.7
<b>Short-term fixed</b> (1Y-5Y initial rate fixation)													
<b>Medium-Term fixed</b> (5Y-10Y initial rate fixation)	7.9	6.6	5.5	5.3	5.0	5.0	4.2	3.7	5.5	18.0	15.3	9.5	14.3
<b>Long-Term fixed</b> (over 10Y initial rate fixation)													

## NOTE:

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

\*\* Cumulative data for the whole year (PL)

n – no lending made in this maturity bracket

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

- Portugal

Source: European Mortgage Federation

For a more interactive data representation, the Quarterly Review Data Hub shows the quarterly EMF mortgage and housing data in an active webpage. Please consult the Quarterly Review Data Hub on the EMF website [www.hypo.org](http://www.hypo.org) or via the following QR code:



## THE BANK LENDING SURVEYS

### NOTES ON THE BANK LENDING SURVEY

The Bank Lending Survey (BLS), carried out by the European Central Bank (ECB), is addressed to senior loan officers of a representative sample of Euro area banks and is conducted four times a year. The latest survey was conducted between 8 December and 2 January 2024. A total of 157 banks were surveyed in this round, with a response rate of 100%. The BLS takes into account the characteristics of their respective national banking structures<sup>1</sup>.

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.

For the United Kingdom (UK) and Denmark, the BLS is carried out by their respective Central Banks. In this context, it is important to point out that some statistical techniques and underlying factors are slightly different from those used by the ECB. In order to provide a consistent comparison with the data of the ECB, the figures relating to the change in credit standards for Denmark and the UK have been inverted, as in these cases a positive value is equivalent to a standard easing, where positive values in the credit standard statistics of the ECB mean a standard increase, thus a restriction.

In addition to Denmark and the UK, we have compiled the bank lending surveys from Czechia, Hungary, Romania and Poland. For these countries, similar criteria as those used in the BLS carried out by the ECB apply, meaning that, as is the case for the Euro zone countries, positive values represent net tightening and negative values represent net easing. In the case of Hungary and Poland the effect of the different factors on demand have been inverted to match the interpretation of the figures of the ECB's BLS.

### GENERAL COMMENTARY

According to the fourth quarter 2023 ECB BLS, Banks reported a further net tightening of credit standards for loans to households, which was small for housing loans and more pronounced for consumer credit (net percentages of 2% and 11% respectively). Risk perceptions were a major driver of the tightening of credit standards in both categories, with banks' lower risk tolerance also driving the tightening of credit standards for consumer credit. While the slight tightening in the housing loan segment was driven by smaller Euro area countries, credit standards in consumer credit tightened across the four largest Euro area economies. For both loan categories, the net tightening was lower compared with the third quarter (11% for housing loans and 16% for consumer credit) but was broadly in line with what had been expected. Banks expect a further net tightening of credit standards in both loan categories.

Net demand for housing loans and consumer credit continued to decrease (net percentages of -26% and -7% respectively). For both housing loans and consumer credit, the general level of interest rates and consumer confidence were major drivers of the decline in demand, with housing market prospects also exerting substantial downward pressure on housing loan demand. Net declines were observed across the four largest Euro area economies. For both loan categories, the net decrease was more moderate than in the previous quarter (-45% for housing loans and -12% for consumer credit) but, for housing loans, more substantial than expected. In the first quarter of 2024, banks expect an increase in housing loan demand for the first time since the first quarter of 2022, but a continued decrease in consumer credit demand.

<sup>1</sup> 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.

<sup>2</sup> It should be noted that the term "Net Percentage" is used (see ECB website or contact authors for more information) in this publication. For the data for 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. For Estonia and Ireland Diffusion Index Data is used as they lack net percentage data.



## RESULTS RELATED TO LENDING TO HOUSEHOLDS FOR HOUSE PURCHASE

## 1. CREDIT STANDARD:

**TABLE 6A** | SUPPLY HISTORIC EVOLUTION (BACKWARD-LOOKING 3 MONTHS)  
NET PERCENTAGE (FREQUENCY OF TIGHTENED MINUS THAT OF EASED OR REVERSE)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	IV 2023
AT	0	-14	14	14	14	29	57	14	0	-14	14	14
BE	-25	0	0	0	25	50	25	25	50	0	25	0
CY	25	0	25	0	0	25	25	25	0	0	25	25
DE	0	-7	4	4	7	32	39	29	11	11	4	0
EE	-50	0	-25	0	25	0	50	50	0	25	0	25
EL	0	0	0	0	0	0	0	0	0	0	0	0
ES	11	0	11	11	0	30	40	20	20	10	30	0
FR	-8	0	8	0	0	17	42	10	20	20	10	0
HR	—	—	—	—	—	—	—	—	33	33	33	17
IE	0	20	20	0	0	20	20	0	67	0	67	0
IT	0	0	0	-9	-9	9	9	18	9	0	0	67
LT	0	25	0	0	25	0	50	75	0	50	0	50
LU	83	33	0	17	17	83	83	100	50	67	33	17
LV	0	0	-50	-25	0	25	50	25	0	25	0	25
MT	0	0	37	37	-34	0	-34	0	31	-31	0	0
NL	-17	0	-17	-17	0	33	0	17	50	-17	17	0
PT	0	0	0	0	0	0	20	40	0	0	0	0
SI	0	0	0	0	0	10	20	30	30	0	-44	11
SK	-32	-78	-32	-27	-44	-26	0	0	17	19	0	0
EA	-2	-2	2	0	2	24	32	21	19	8	11	2
CZ	-31	-2	-21	-23	2	93	25	-18	4	27	-63	-38
DK	-6	-5	2	2	-1	7	19	27	43	1	13	1
HU	-20	-5	-6	-6	-6	35	31	17	0	0	0	0
PL	-66	-18	28	15	42	77	4	-1	-58	34	28	-5
RO	0	-47	-20	0	7	75	18	-8	28	-4	n/a	n/a
UK	-14	-39	-15	-23	3	22	13	34	-5	31	20	-10

### CREDIT STANDARDS FOR RESIDENTIAL LOANS

In the fourth quarter of 2023, Euro area banks reported a small further net tightening of credit standards on loans to households for house purchase (net percentage of banks at 2%). This tightening of credit standards followed six quarters of substantial cumulative tightening, which has contributed to the drag on loan growth. Taking the historical leading indicator properties of credit standards for loans for house purchase (about two quarters ahead of actual loan developments), the recent net tightening of credit standards can be expected to continue to put a drag on actual lending dynamics to households well into 2024.

The net percentage declined relative to the third quarter of 2023 (11%) and was broadly in line with what banks had expected at that time (1%). It was also below the historical average (6%) and the lowest net percentage since the start of the cycle of increasing interest rates. The slight net tightening was driven by smaller Euro area countries, with banks in each of the four largest Euro area economies citing net unchanged credit standards.

Banks' higher risk perceptions were the main factor driving the net tightening of credit standards on housing loans. Increased risk perceptions were primarily related to perceptions regarding housing market prospects and the general economic outlook. Banks' risk tolerance, competition as well as banks' cost of funds and balance sheet constraints had a broadly neutral impact.

In the first quarter of 2024, Euro area banks expect a pick-up in the net tightening of credit standards on loans to households for house purchase (net percentage of 8%). Among the four largest Euro area economies, the expected net tightening is most pronounced in Germany.

### TERMS AND CONDITIONS FOR RESIDENTIAL LOANS

Banks reported a moderate easing of their overall terms and conditions for new housing loans in the fourth quarter of 2023 (net percentage of -4%), after seven quarters of successive, sizeable tightening. While overall terms and conditions eased, margins on average loans remained broadly unchanged and margins on riskier loans continued to widen, exerting tightening pressure on terms and conditions.

Amongst the largest Euro area economies, margins increased in France and Spain, with banks in those countries also reporting even tighter terms and conditions. By contrast, banks in Germany and Italy reported narrower margins on average loans and easier terms and conditions. For the Euro area net percentage, banks mentioned that loan-to-value ratios tightened somewhat, while other loan size limits eased. The net percentage in the fourth quarter was lower than in the third quarter (19%) and was the first easing since the first quarter of 2022.

Banks reported competition as contributing to the net easing of overall terms and conditions, outweighing a tightening impact of cost of funds and balance sheet constraints. Banks' risk perceptions and risk tolerance had a neutral impact. Cost of funds and balance sheet constraints had a tightening impact in Spain and France, while competition exerted an easing impact in Germany, France and especially Italy. Some French banks also referenced the increase in mortgage rates as exerting tightening pressure on terms and conditions.

### NON-EURO AREA CREDIT STANDARDS

Concerning non-Euro area jurisdictions, Denmark and Hungary reported a stagnation in credit standards (1% and 0%, respectively). Czechia experienced a second relatively strong relaxation in credit standards (-38% in Q4 and -63% in Q3), while the UK and Poland reported only a slight relaxation (-10% and -5%, respectively). At the time of writing, the BLS conducted by the Central Bank of Romania has yet to be published. However, based on Q3 2023 data, banks reported a relatively strong relaxation (-38%).

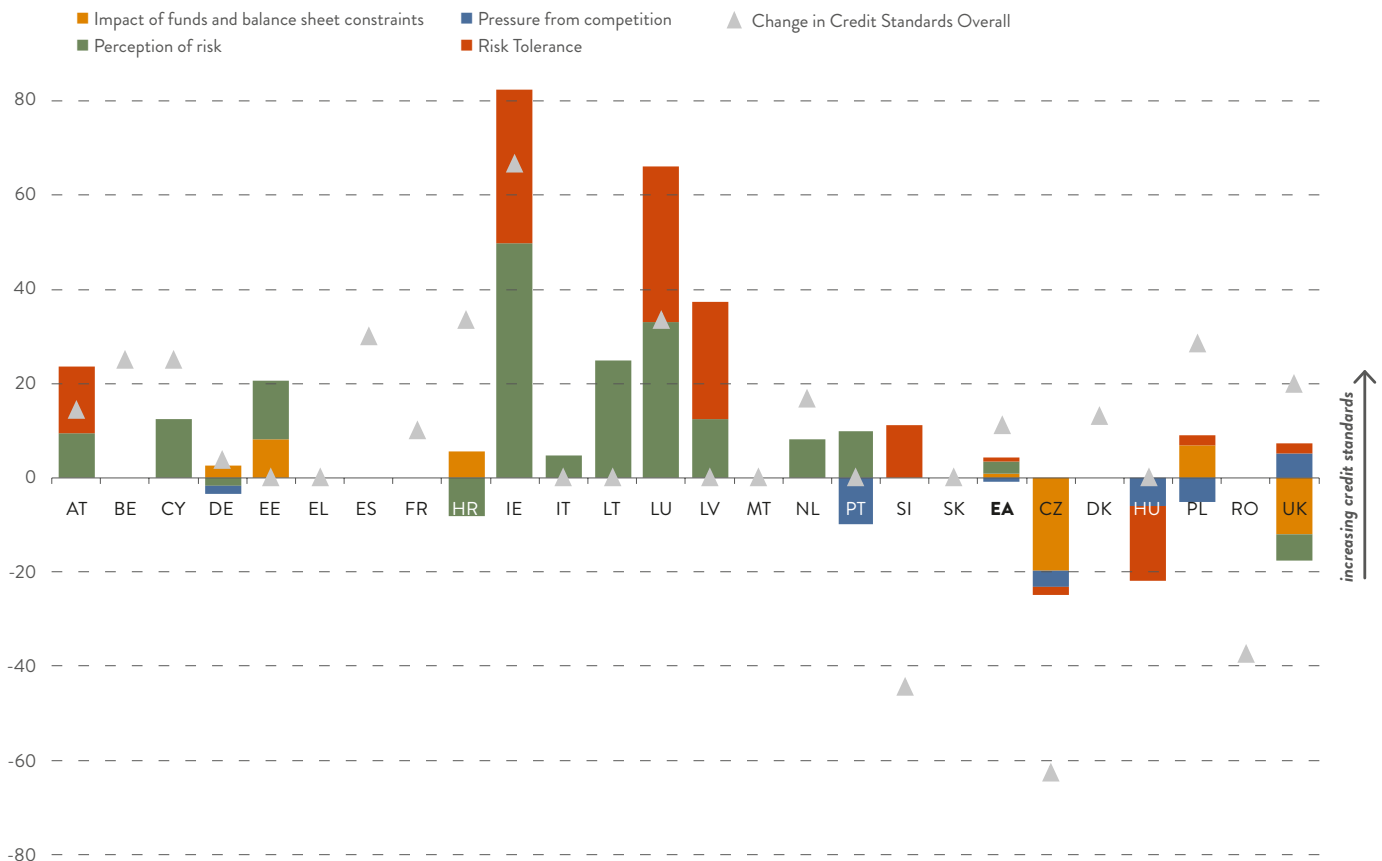
**TABLE 6B** | FACTORS THAT HAVE AFFECTED DEMAND IN 2023-Q3 (BACKWARD-LOOKING 3 MONTHS)  
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

III 2023	AT	BE	CY	DE	EE	EL	ES	FR	HR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ	DK	HU	PL	RO	UK	
Change in Credit Standards Overall	14	25	25	4	0	0	30	10	33	67	0	0	33	0	0	17	0	-44	0	11	-63	13	0	28	-38	20	
<b>FACTORS AFFECTING CREDIT STANDARDS:</b>																											
Impact of funds and balance sheet constraints	0	0	0	2	8	0	0	0	6	0	0	0	0	0	0	0	0	0	0	1	-20	0	0	7	n/a	-12	
Perception of risk	10	0	13	-2	13	0	0	0	-8	50	5	25	33	13	0	8	10	0	0	3	0	0	0	0	n/a	-6	
Pressure from competition	0	0	0	-2	0	0	0	0	0	0	0	0	0	0	0	0	-10	0	0	-1	-4	0	-6	-5	n/a	5	
Risk Tolerance	14	0	0	0	0	0	0	0	0	33	0	0	33	25	0	0	0	11	0	1	-2	0	-16	2	n/a	2	

NOTES:

- 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
- For CZ there are different factors and following assumptions were made: cost of funds and balance sheet constraints > impact of funds and balance sheet constraints; pressure from other banks and non-banks > pressure from competition.
- For HU the factors have suffered a change in the sign (positive net change indicator = contributed to tightening); also there are different factors so the following assumptions were made: changes in bank's current or expected capital position + changes in bank's current or expected liquidity > impact of funds and balance sheet constraints; competition from other banks and non-banks > pressure from competition.
- For PL there are different factors and following assumptions were made: current or expected costs related to your bank's capital position > impact of funds and balance sheet constraints;
- For RO there are different factors and following assumptions were made: current or expected costs related to your bank's capital position > impact of funds and balance sheet; competition from other banks and non-banks > pressure from competition.

**CHART 4** | CREDIT STANDARDS OVERVIEW AND FACTORS



## CREDIT DEMAND:

**TABLE 7A** | DEMAND HISTORIC EVOLUTION (BACKWARD-LOOKING 3 MONTHS)  
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

	I 2021	II 2021	III 2021	IV 2021	I 2022	II 2022	III 2022	IV 2022	I 2023	II 2023	III 2023	III 2023
AT	14	14	14	0	0	14	-71	-86	-43	14	-29	-43
BE	25	50	-50	25	0	-50	-75	-100	-75	-75	-25	-50
CY	-25	25	0	100	-50	-75	-75	-50	-100	-25	-75	0
DE	0	11	18	11	32	-4	-71	-93	-75	-32	-32	-7
EE	100	25	25	0	-75	50	-50	-100	-25	0	-25	-50
EL	75	50	25	75	25	-25	-50	-25	-50	75	-75	-50
ES	-22	44	33	33	22	10	-30	-20	-90	-60	-60	-20
FR	-25	33	8	0	0	-25	-17	-90	-80	-70	-60	-60
HR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-33	33	-50	-17
IE	0	20	-20	-40	-20	20	40	50	67	0	-33	-33
IT	-10	22	9	18	-18	-9	-18	-45	-45	-64	-45	-36
LT	75	25	50	75	-25	0	0	-50	-75	-50	-75	-100
LU	-50	-17	-17	-17	-50	-83	-83	-100	-100	-100	-67	
LV	75	75	25	0	0	-25	-50	-75	25	-50	-50	-75
MT	0	2	-37	-20	34	0	0	0	3	21	24	0
NL	50	50	-17	-33	33	17	-33	-67	-83	-17	-33	0
PT	40	40	60	60	20	20	-40	-80	-80	-60	-20	-20
SI	-25	75	50	20	10	40	-60	-60	-70	-30	-33	-22
SK	-21	46	32	21	22	36	-74	-100	-100	-93	-39	-32
EA	<b>-2</b>	<b>29</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>-10</b>	<b>-42</b>	<b>-74</b>	<b>-72</b>	<b>-47</b>	<b>-45</b>	<b>-26</b>
CZ	86	96	-11	-18	-81	-83	-81	-69	-32	37	76	64
DK*	-33	-6	8	-23	0	21	20	49	41	23	-11	-11
HU	89	100	63	47	60	20	-92	-92	-76	-15	63	79
PL	-58	-59	-15	47	87	87	93	32	-74	-77	-40	-58
RO	43	75	-53	-34	43	-49	-56	-54	-72	-23	n/a	n/a
UK**	22	-81	35	35	-6	-30	37	75	31	-53	55	32

\* 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"

## REJECTION RATES

Banks reported a further net increase in the share of rejected applications for housing loans (net percentage of 6%). The increase remains slightly above the long-run average of 5%, albeit lower than in the previous quarter (12%). The net share of rejected loan applications has increased every quarter since the start of the increasing ECB policy rate in July 2022.

## CREDIT DEMAND

The net decrease in demand for housing loans remained substantial in the fourth quarter of 2023 but was lower than earlier in the year (net percentage of -26%, after -45% in the previous quarter). The decrease in demand was stronger than anticipated by banks in the previous quarter (net percentage of -11%) and played out across the four largest Euro area economies. Actual net decreases in demand have consistently been greater than previous expectations for the same period since the fourth quarter of 2022.

Housing loan demand declined primarily due to high interest rates, as well as weakening housing market prospects and low consumer confidence. The general level of interest rates continued to be the main negative contributor to housing loan demand, but the net tightening impact became substantially

smaller. Similarly, consumer confidence and housing market prospects had a smaller, but still sizeable negative impact in the fourth quarter of 2023. Other financing needs and the use of alternative finance contributed negatively to demand to a much smaller extent. These developments played out broadly to a similar extent across the four largest Euro area economies, with only German banks citing housing market prospects rather than higher interest rates as the main dampening factor, which may be related to the strong decline in house prices in Germany.

In the first quarter of 2024, banks expect an increase in housing loan demand (net percentage of banks of 5%), which is the first time a demand increase has been expected since the first quarter of 2022.

## CREDIT DEMAND IN NON-EURO AREA COUNTRIES

The reported demand for housing loans in non-Euro area countries was quite diverse. Hungary, Czechia, and the UK reported a significant increase in demand, with figures of 79%, 64%, and 32%, respectively. On the other hand, Poland (-58%) and Denmark (-11%) experienced a decrease in housing loan demand. Examining Q3 2023 data for Romania, demand increased by 35%.

**TABLE 7B** | FACTORS THAT HAVE AFFECTED DEMAND IN 2023-Q1 (BACKWARD-LOOKING 3 MONTHS)  
(AS A NETTED AND WEIGHTED PERCENTAGE OF ALL RESPONDENT BANKS)

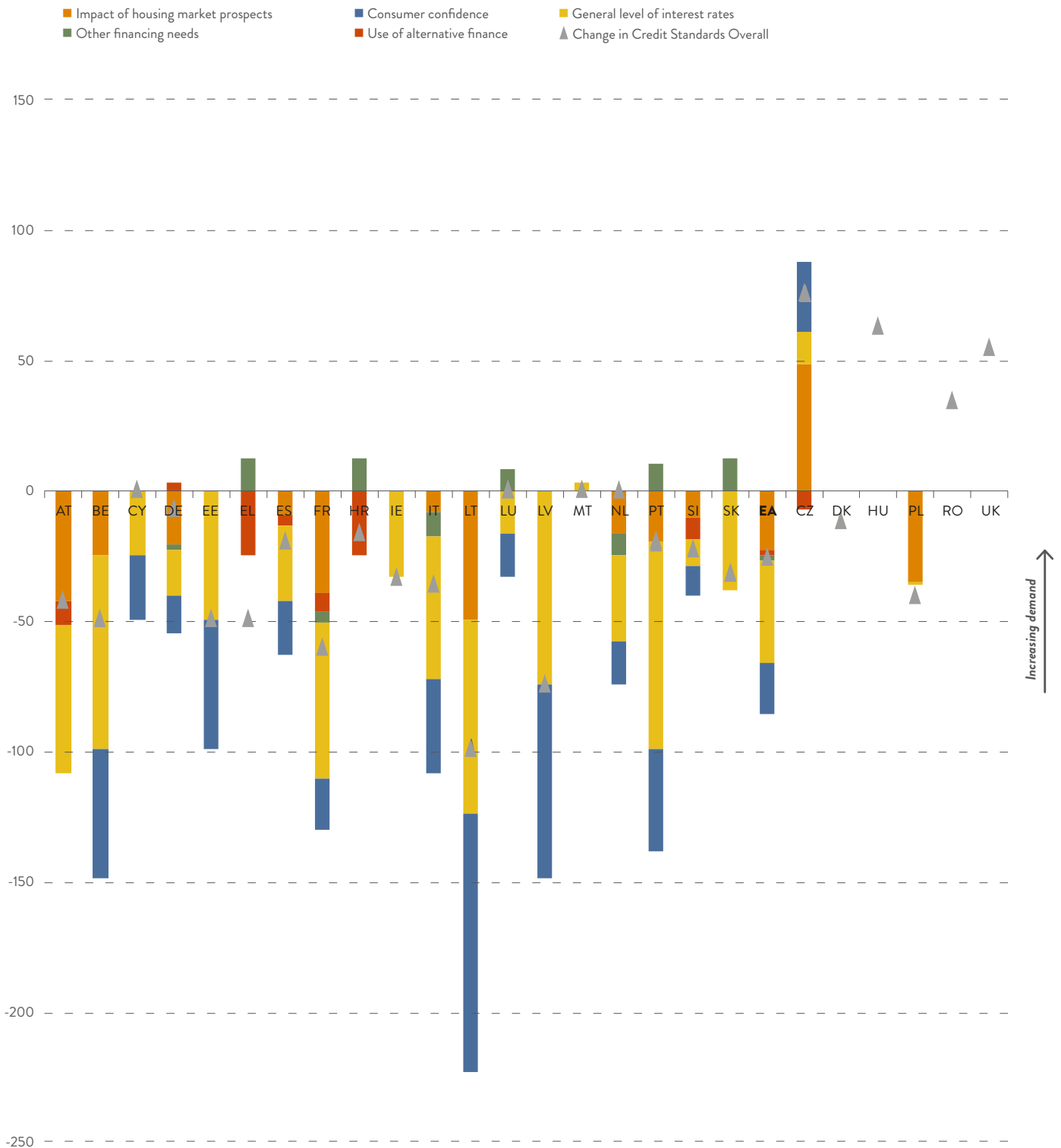
I 2023	AT	BE	CY	DE	EE	EL	ES	FR	HR	IE	IT	LT	LU	LV	MT	NL	PT	SI	SK	EA	CZ	DK	HU	PL	RO	UK	
Change in Demand Overall	-43	-50	0	-7	-50	-50	-20	-60	-17	-33	-36	-100	0	-75	0	0	-20	-22	-32	-26	76	-11	63	-40	35	55	
<b>FACTORS AFFECTING CREDIT DEMAND:</b>																											
Impact of housing market prospects	-43	-25	0	-21	0	0	-10	-40	0	0	-9	-50	0	0	0	-17	-20	-11	0	-23	49					-36	
Other financing needs	0	0	0	-2	0	13	0	-5	13	0	-9	0	8	0	0	-8	10	0	12	-2	-				-		
Consumer confidence	0	-50	-25	-14	-50	0	-20	-20	0	0	-36	-100	-17	-75	0	-17	-40	-11	0	-20	27				0		
Use of alternative finance	-10	0	0	2	0	-25	-3	-7	-25	0	0	0	0	0	0	0	0	-7	0	-3	-8				-		
General level of interest rates	-57	-75	-25	-18	-50	0	-30	-60	0	-33	-55	-75	-17	-75	3	-33	-80	-11	-39	-39	12				-1		

### NOTES:

- DK, HU, RO and UK do not provide factors affecting the Demand, but a breakdown of the different types of lending
- For CZ there are different factors and the following assumptions were made: non-housing related expenditure > other financial needs; household savings > internal financing out of savings/down payment; level of interest rates > general level of interest.
- For PL there are different factors and the following assumptions were made: changes in consumption expenditure > changes in consumer confidence; use of alternative financing sources > impact of other sources of finance; changes in terms on housing loans > impact from loans of other banks.



CHART 5 | DEMAND OVERVIEW AND FACTORS

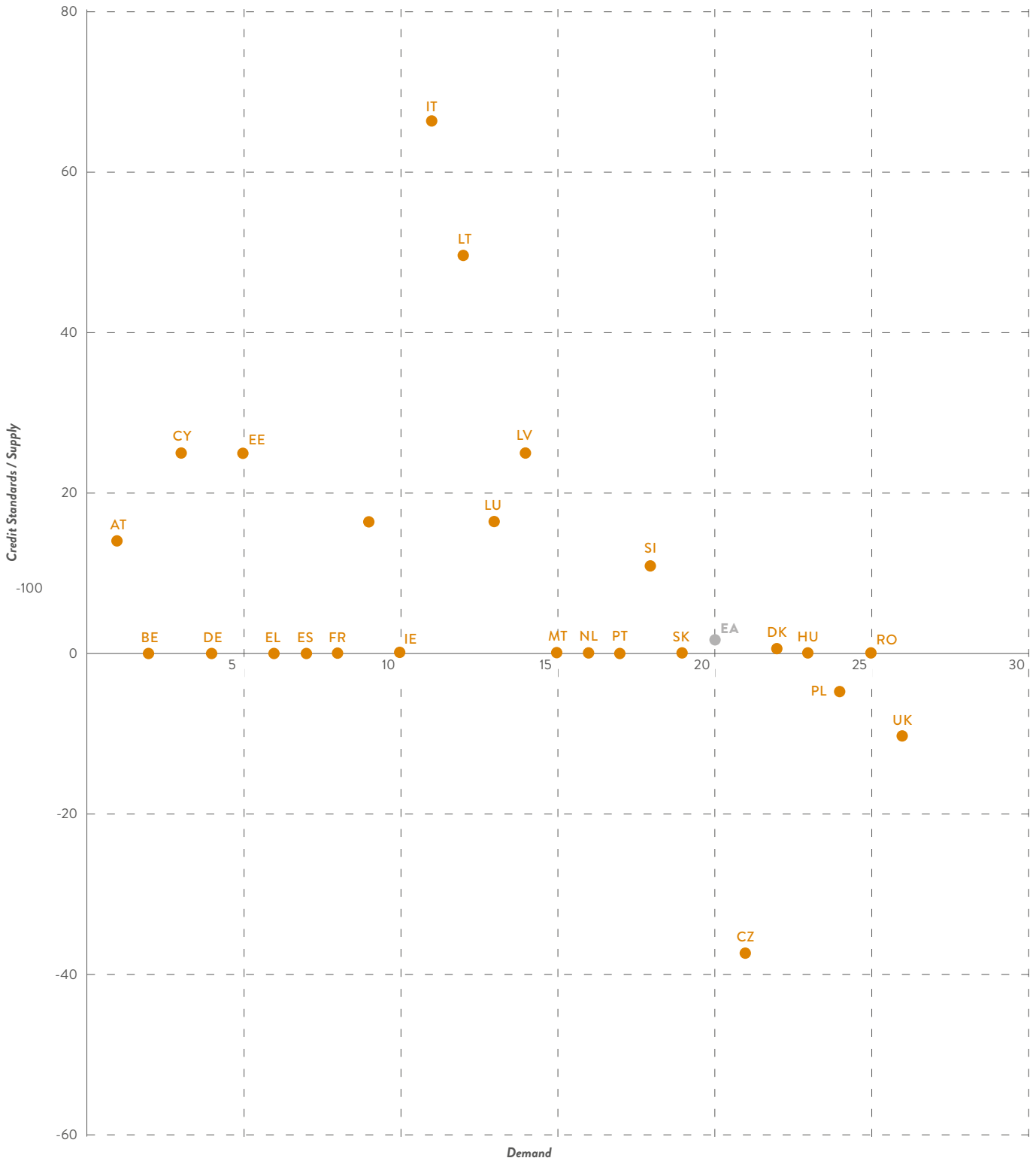


SCATTER PLOT ANALYSIS

In terms of credit standards, 11 out of the 24 countries considered in this report (excluding Romania where data was not yet available) reported a tightening of net credit standards in Q4 2023. This is comparable to the 11 countries out of 24 that reported no changes in credit standards. The general trend of tightening and stagnation aligns with the uncertainty outlined in the previous

report, coupled with macroeconomic and geopolitical developments. Notably, 18 jurisdictions reported a decrease in demand for housing loans, continuing the trend observed in the previous quarter. Only Czechia, Hungary, and the UK reported an increase in demand.

CHART 6 | DEMAND AND SUPPLY OVERVIEW



NOTES:

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





Q4|2023

QUARTERLY REVIEW  
OF EUROPEAN  
MORTGAGE MARKETS



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