

QUARTERLY STATISTICS

European Mortgage Federation

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- ▶ At year-end 2010, new lending still reveals a mixed picture, with recovery continuing in most markets around stabilised levels, and some other markets still recording falls. The macroeconomic developments were still weak as in Q3 2010, with recovery in real GDP losing further momentum, low consumers' confidence and high unemployment rates.
- ▶ The prolonged decoupling in the EU housing markets continues, with healthy housing market conditions in some countries and prolonged falls in house prices in others.
- ▶ Some signs of rising mortgage interest rates can be observed, albeit remaining at very low levels in historical terms. Monetary policies, as expected, started reversing their trend in the EU due to accelerating inflation.

Final 2010 new mortgage lending figures reveal that the mixed picture in the EU continues

Year-end 2010 figures confirm the trend evident from the previous two quarters. Most markets stabilised around levels which were below the peaks reached in 2007 and 2008 before the crisis, but there has been no "double dip scenario", i.e. no new mortgage recession in Europe as a whole. The macroeconomic situation continues to be subdued in many countries, with weak GDP growth and accelerating inflation (Table 6). The expectation of a rise in policy interest rates in the euro area, coupled with tensions on government bond markets and ongoing inter-bank funding problems, contributed to some moderate rises in mortgage interest rates - which however remained at very low levels. Mortgage demand proved resilient, and in some of the countries which experienced the fastest GDP recovery in recent quarters new lending activity gained further momentum (Sweden and Germany). The decline in new lending in year-on-year terms continues in other markets, albeit further slowing down (Chart 2).

In the UK the situation is somewhat mixed. In Q4 2010 gross and net mortgage lending continued to be low compared to historical levels. Gross lending decreased by 10.6% on Q3 2010 (after an increase of 10.2% in Q3 2010), stabilising around the plateau reached in the first half of 2009. In year-on-year terms the fall continued in Q4 2010 and was more pronounced than in Q3 2010 (12.5% vs 2.8%). However, year-on-year comparisons are distorted by the effects of the end of the stamp duty concession at the end of 2009 which boosted house purchase completions at the end of 2009 followed by subdued lending at the start of 2010. In the first months 2011 we are likely to see further restriction on funds available for mortgage lending, as much of the volume of state support funds provided to some of the largest retail banks and building societies become due for repayment. In the absence of fully-functioning wholesale markets, the institutions facing this repayment burden will likely be looking to shrink their existing mortgage

portfolios, and this will probably create a continuing drag on gross and net lending throughout this year.

In Ireland, new mortgage lending in Q4 2010 decreased by 20.7% compared to the previous quarter and by 44.2% year-on-year, a slightly lower rate of decline than in Q3 2010. The demand was impacted by the significant macroeconomic and fiscal uncertainty leading to the agreement with the EU and IMF for a financial support mechanism. In Q4 2010, First-Time Buyers accounted for 41.2% of new mortgage loans, and the total amount of mortgage debt outstanding was 8.2% lower than a year earlier. As noted above, significant economic uncertainty developed in Q4 2010 culminating in the Memorandum of Understanding. A feedback loop developed between the macroeconomic developments and uncertainty in the banking sector, particularly in relation to funding. Unemployment increased slightly in Q4 to 13.8% while inflation measured on an annual basis also picked up in December due to the global increase in commodity prices. Real GDP declined slightly in Q4 on the previous quarter (by 1.6%) with activity in industry increasing while profits for multinational companies operating in Ireland fell.

In Hungary, lending activity was rather weak throughout 2010. In Q4, gross lending decreased by 6.1% but grew by 17.1% on a year-on-year basis. Net lending was negative (by 21 billion HUF, i.e. 79 million EUR), as it already was in two out of the previous three quarters. The volume of new contracts barely reached one fifth of the pre-crisis level. Changes in regulations caused the moderate demand to turn toward HUF loans. Since spring 2010, foreign-denominated mortgage lending has been suspended by the government. Mortgage interest rates on new HUF loans are now more favourable partly because lenders are offering products at lower initial interest rates. Yet, consumers' sentiment generally remains weak, and households are reluctant to take on new mortgage loans.

In Spain, despite the various measures implemented by the government to boost the housing transactions (i.e. the increase in VAT for new houses and the removal of the tax incentives for house purchases), new mortgage lending in 2010 was below 2009 levels both in number and in volume. New lending recorded a 75.5% increase on the previous quarter, which is however affected by the historical low reached in Q3 2010 after the increase of VAT. On an annual basis, new lending decreased by 5.9% on Q4 2009, which represented a clear improvement compared to the fall recorded in Q3 2010 (of 46.5%).

In Denmark, new mortgage lending recorded a negligible decrease of 0.7% quarter-on-quarter which corresponded to a 4.1% fall on Q4 2009. However, new lending performed quite well in the whole of 2010 due to early redemption opportunities in fixed rate mortgages as 2010 saw the opening (and closing) of 4% fixed-rate mortgages. The downward trend in net mortgage lending, which

has been decreasing for the first three quarters of 2010, was also confirmed by Q4 2010 figures. Again in Q4 2010 an increased share (approximately 40%) of all new loans were issued with a 30-year fixed interest rate, since fixed-rate mortgages account for the majority of early redemptions. However, the majority of new loans were still issued at variable rate mortgages (Table 5D). Conversely, fixed-rate mortgages continued in their slow decline as a share of total outstanding mortgages (28.5% from 29% in Q3 2010). (Table 5C)

In Italy, developments in gross lending in Q4 2010 resulted in a year-on-year fall (-7.9%) following the very good performance in Q4 2009 and equating with a positive performance on a quarter-on-quarter basis (20.6%).

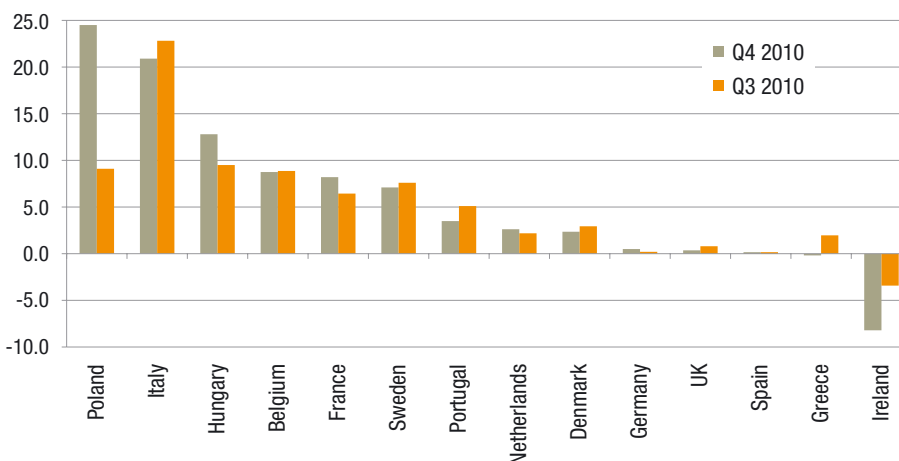
In Sweden, new lending proved healthy also in Q4 2010, having recorded a negligible decrease on an annual basis (0.2%), following growth of 3.8% in Q3 2010, but increased on the previous quarter by 9.9% after the temporary decrease in Q3 2010 (11.1%).

The German new lending market recorded very positive results also in Q4 2010, with a growth of 20.2% on the previous year (after 6.6% in Q3 2010), which corresponded to the highest growth rate on the previous quarter since Q2 2005 (18.1%).

In Poland, in Q4 2010 net lending reached 16.6 billion PLN (4.2 billion EUR), which was the second highest level since Q1 2009. Nearly 90% of banks have tightened their lending policies mainly in terms of LTV level. About 20% of banks foresee the further tightening in lending criteria in the near future, mainly due to the supervisory restrictions. The demand for loans is slowly rising, but on the other hand the persisting uncertainty in the labour market and rising interest rates may discourage consumers from taking out a mortgage loan. At the beginning of 2011 further restrictions were introduced by amendment of Recommendation S2 issued by the Financial Supervision Authority (KNF). The new recommendation imposes a ceiling on monthly foreign-currency loan installments of 42% of the borrower's income (for PLN-denominated this ceiling is as follows: 50% for individuals whose salary is below the national average, and 65% for individuals with higher salaries), but its impact cannot be assessed yet.

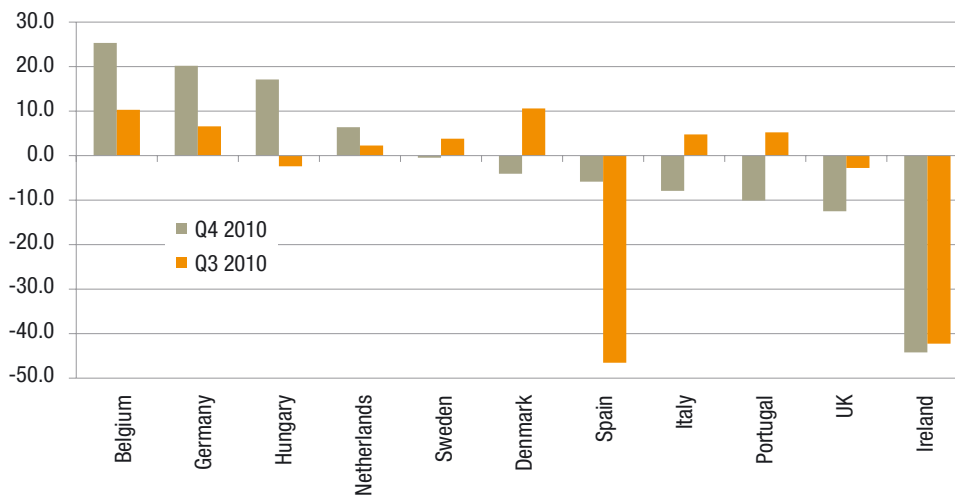
In Portugal, new lending decreased by -12.8% q-o-q, and -10.1% y-o-y (after 5.2% increase in Q3 2010). This was the second consecutive decrease on the previous quarter, but lending values fluctuated around stabilised values throughout 2010. However, the slowdown in mortgage lending is expected to continue over the next quarters, due to the economic recession and sovereign debt crisis that are leading to an increase in unemployment, a reduction in disposable income and tightened lending criteria by banks.

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



Source: European Mortgage Federation

Notes:
Please not that figures are calculated on values expressed in local currencies for non-euro area countries.

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

Source: European Mortgage Federation

Notes:
Please note that figures are calculated on values expressed in local currencies for non-euro area countries.

The decoupling in housing markets continues: recovery strengthens in some markets but in others recession is not over

The housing markets' decoupling which was observed in recent quarters continued also in Q4 2010 (Chart 4), with recovery in housing demand continuing in most markets on the one hand and the house price recession going on in Spain, Hungary, Greece, Netherlands and Ireland (albeit slowing down in most of these) on the other.

In the UK, more restrictive lending criteria and uncertainty about the future economic outlook continued to put downward pressure on house prices at the end of 2010. As a result, after five quarters of positive growth, the DCLG house price index recorded the first q-o-q decrease (by 1.8%), revealing that the positive trend observed since Q2 2009 may have reversed. However the Q4 2010 figure corresponded to another year-on-year increase (4.3%, after 7.5% in Q3 2010).

In Denmark, house prices recorded their second consecutive quarter-on-quarter decrease, albeit as moderate as the previous one (0.8% after 0.6%). However, it should be noted that developments vary across the country. House prices in the Copenhagen area rebounded in late 2009 and early 2010, where today house prices are almost 10% higher year-on-year. Meanwhile, no rebound in house prices has occurred outside Copenhagen.

In Ireland, in the final quarter of 2010 property prices continued the trend of decline - decreasing by 3.5% on a quarterly basis (by 10% on the previous year). Prices in Dublin fell by less (-0.6%) while outside the capital prices declined by 2.9%. The housing market was impacted by the same uncertainty outlined above in the final quarter of 2010. However, there are indications that the decline in rents may have bottomed out as rents for 2010 fell by 1% in 2010 compared to -15% in the previous year.

In Spain, growth in house prices continued to be negative, both year-on-year (by 3.5%, less than in Q3 2010, i.e. 3.7%) and quarter-on-quarter, which represented the eleventh consecutive decrease (but 0.4%), but the housing recession slowed further down.

In Germany, house prices in Q4 2010 recorded flat quarter-on-quarter developments, but growth in prices on a year-on-year basis continued for

the third consecutive quarter (by 2.0%). The robustness of the German economic performance (Table 6) resulting in 4% and 3.9% real GDP growth rates in Q4 2010 and Q3 2010 respectively, has provided further support to housing demand.

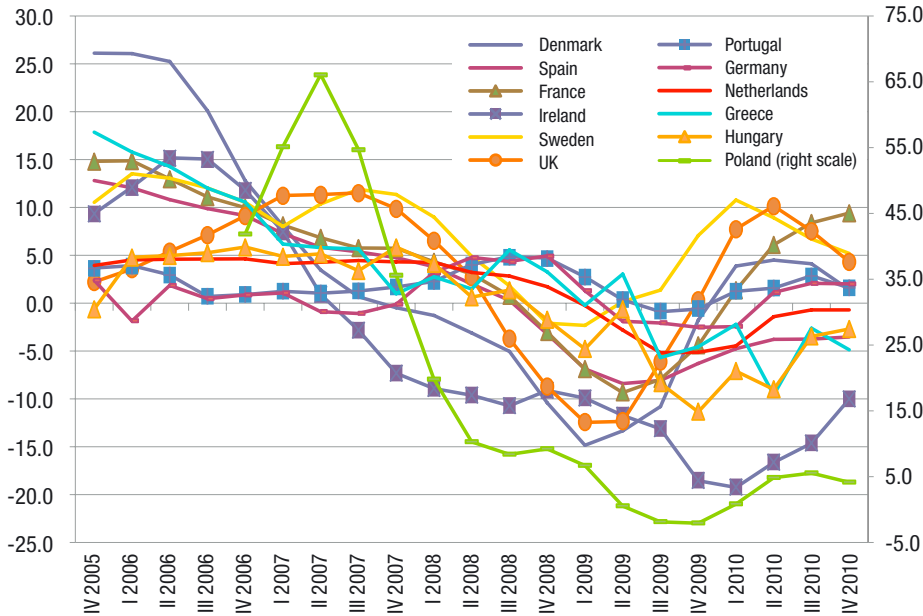
In Sweden, the monetary policy tightening of Q3 and Q4 2010 resulted in a mild slowdown in the housing market recovery following from the impressive performance of the previous four quarters: house prices went up by 0.4% on the previous quarter, 5.2% on Q4 2009. The bullish economic performance of the country – real GDP increased by 7.2% year-on-year, i.e. the highest growth rate in the EU (Table 6), provided vigorous stimulus to housing demand. There are several factors contributing to explain the resilience of the Swedish housing market during the crisis and the current recovery, despite increasing interest rates and the 75% LTV-ceiling imposed by the Swedish FSA. The major cities and other expanding areas in Sweden have relatively high population growth but very low construction figures – i.e. housing supply cannot meet demand. Despite the continued rise in policy interest rates, growing disposable incomes as a result of the positive economic situation and the “housing shortage” keep house prices on the rise.

In Portugal, after five consecutive quarters of positive quarter-on-quarter growth, house prices decreased by 0.4%, but prices went up on a year-on-year basis for the fourth consecutive quarter. The slow decline in prices reflects the price adjustments that are needed to balance supply and demand. The combination of housing stock with the consumer confidence indicator, currently at very low levels, appears to be influencing purchase decisions negatively.

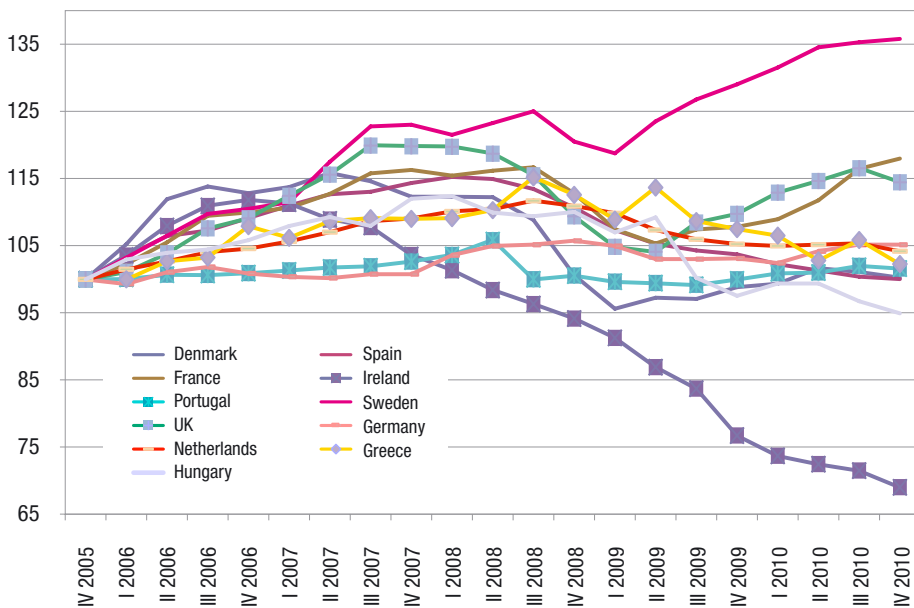
The continued decline of Hungarian house prices slowed down in 2010 as most of the effects of the crisis materialised in Q3 2009. According to the latest data of FHB Index, house prices in Hungary showed an average drop of 5.7% in 2010 compared to 2009 equating with a 9.2% decline in real terms. The number of transactions fell to the lowest level in the last decade (72,000), which suggests that sellers have been reluctant to lower their prices. The reduction of charges on property purchase (duty

rate for the amount above 4 million HUF was lowered from 6% to 4% at the beginning of 2010) did not result in permanent upswing, since some buyers only postponed their purchase decisions for the end of 2009. In 2010, supply started to shrink, both of new and second-hand housings, and new completed dwellings dropped considerably down to half of the 35,000 units that had been recorded before the crisis.

In Poland, national average house prices increased by 4.2% year-on-year (but by a meagre 0.2% on a quarter-on-quarter basis). Property prices in biggest cities have been falling throughout 2010, and in Q4 2010 they decreased by about 3%. This trend is expected to be continued in the nearest future, as the buying capacities of the Polish household are at their limits and will not strongly support housing demand.



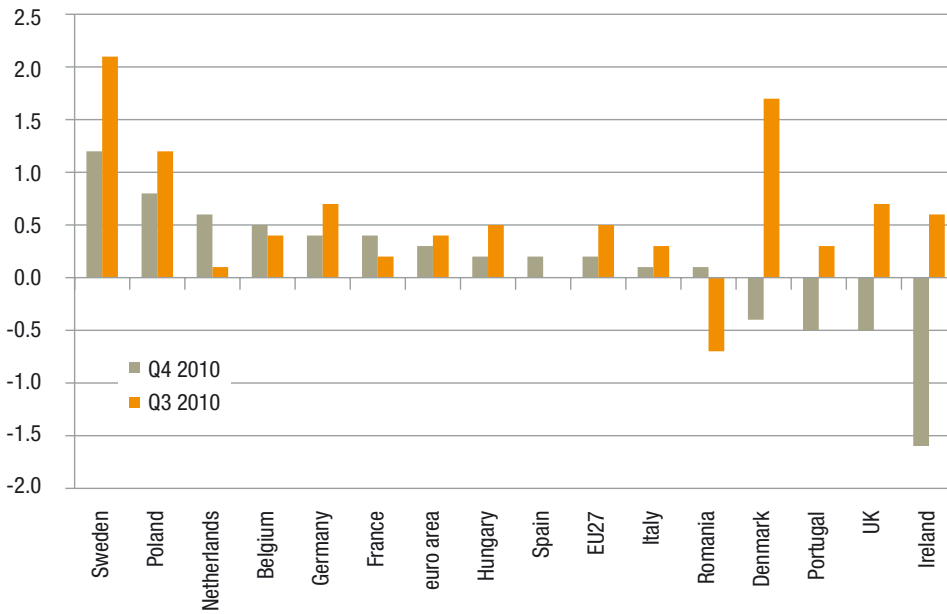
Source: European Mortgage Federation



Note: standardised nominal house price indices on national values

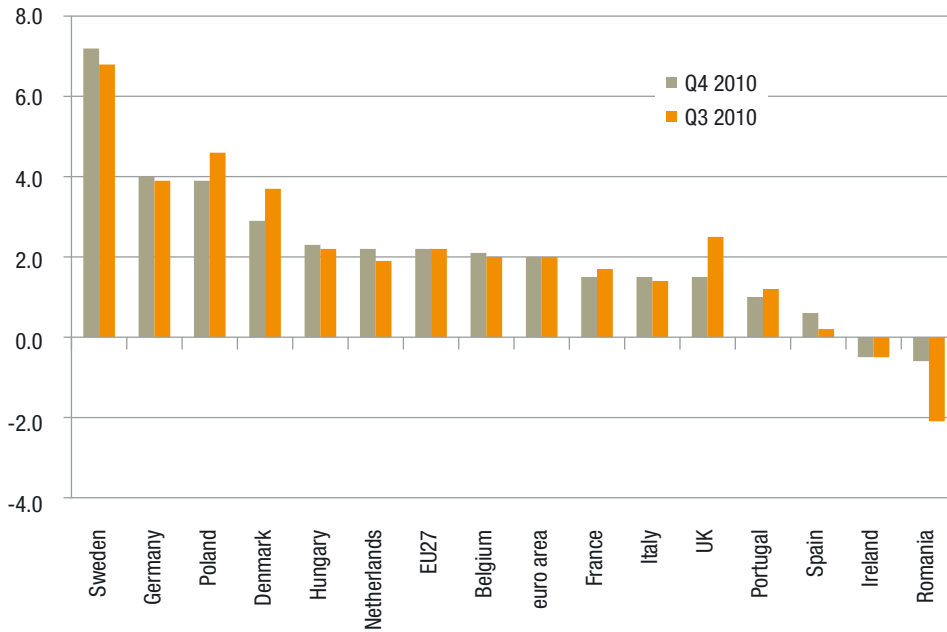
Source: European Mortgage Federation

Chart 5 ▶ Real GDP, quarter-on-quarter growth rates (%)



Source: Eurostat

Chart 6 ▶ Real GDP, year-on-year growth rates (%)



Source: Eurostat

Moderate short-term rises in mortgage interest rates, but the monetary environment generally remains expansionary

The expectation of monetary policy tightening in the euro area, as a result of mounting inflationary pressures in Q3 and Q4 2010 (Table 6), coupled with continued tensions in government bond markets characterised also Q4 2010. The ECB left its monetary policy unchanged in Q4 2010 but then, as expected, on April 7th, 2011 raised its key interest rates to 1.25%, which was the first monetary policy action taken in the euro area since May 2009. In Sweden, the Central Bank repo rate was raised three times between September and December up to 1.25%. The Central Bank continued to raise the interest rate once in February 2011 to 1.50%, and is expected to continue to raise the repo rate during the year.

Nevertheless, in Q4 2010 the general interest rate environment remained supportive to mortgage demand, since mortgage interest rates recorded

only marginal increases quarter-on-quarter in some countries. Even though most of these were the second consecutive increases on the previous quarter, rates have shown very small movements around historical lows in most markets (Table 5A). The only remarkable quarter-on-quarter increases in representative mortgage interest rates in Q4 2010 were of 55 and 31 basis points (bps) in Sweden and Portugal respectively, but rates remained at very low levels. On a year-on-year basis, most markets continued to record decreases, particularly in Hungary (by 221 bps) and Poland (100 bps). Longer-term fixed interest rates (Table 5B) also showed small increases on Q3 2010 in most markets and a relatively higher increase in Denmark (by 50 bps), where they steadily remained below 5% and fell by 49 bps compared to Q4 2009.

Contributing National Experts

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Note on definitions:

Total Outstanding Residential Mortgage Lending: total amount of existing residential loans on lenders' balance sheets at the end of the period.

Gross Residential Lending: total amount of new loans advanced during the period.

Net Residential Lending: new loans advanced during the period minus repayments. It also corresponds to the change in outstanding mortgage loans at the end of the period.

Country Insight: Poland / by Jacek Ryszewski, BRE Bank Hipoteczny SA

The current economic situation in Poland seems to be favourable, with 2010 seeing a 3.8% increase in real GDP (compared to a 1.7% increase in 2009). The strongest contribution to economic growth came from domestic consumption, which rose in 2010, along with the replenishment of stocks.

In 2010, the increase in added value of the construction industry was of 3.7% in comparison to 9.9% in 2009.

Economic growth in Poland is largely dependent on external demand, relying particularly on significant trade relations with Germany.

In 2008, the unemployment rate reached a low of 8%, but was severely affected by the crisis, subsequently rising to 12.1% in 2009 and 12.3% in 2010. A slight decrease however, is expected to be seen in 2011. Increases in unemployment have a negative influence on consumption demand as well as on the creditworthiness of potential and existing borrowers.

The real estate market during recent years has been characterised by a steady increase in prices. This results from an optimistic economic situation and forecasts such as: positive economic development, decreasing unemployment, and easy access to mortgage loans (low interest rates and competition in the banking sector), as well as an increasing demand for flats driven by unsatisfied social needs and speculation.

The financial crisis in 2008 and 2009 brought the boom in construction of new housings to a halt, and demand fell significantly. Since 2010, however, economic growth has started to speed up once more. New investment on the housing market has been introduced, due to the decreasing stock of dwellings. Estimates show that the number of available flats increased from approx. 33,000 units (in 2008 and 2009) to approx. 39,000 at the end of 2010, whereas the number of dwellings completed barely reached 136,000 units.

Since joining the European Union in 2004, demand for residential real estate market in Poland has been constantly growing, driven by increasing consumer needs as well as speculative opportunity caused by increasing prices. This speculative bubble collapsed in 2008, as decreasing prices and initial signs of bankruptcies amongst developers causing potential buyers to contain their demand. The number of transactions on the primary market significantly decreased in 2008 and 2009. The relative stabilisation of prices observed in 2010, and limits imposed on new investment in the past two years resulted in a decrease in the number of flats available for sale on the primary market, hence creating a slight increase in the activity of residential developers in 2010. Again, the number of flats released to the market was significantly

lower in 2010 than the previous year (-15%). The number of building permits issued was also lower (-2%) recorded at 165,000 units.

The demand for credit was supported by the relatively low level of interest rates and a special government programme called "Family in their own home" (government subsidies to the interest rate).

To counter the increasing credit risk, the Polish Financial Supervisory Authority issued a "Recommendation T" i.e. a guideline of best practice for the management of credit risk arising from loan exposures of households. The recommendation came into force in August 2010 and set an upper limit for monthly instalments of 50% of the borrower's income, or 65 % for the comfortably well-off. The effects of this recommendation on the mortgage market are hard to predict, but it is unlikely to support the market.

The volume of non-performing mortgage loans increased from 0.5 bln EUR (in 2008) to 0.8 bln EUR in 2009, and reached 1.1 bln EUR as at Q3 2010, that is 1.1%, 1.5% and 1.8 % of the mortgage loans portfolio. The total outstanding value of loans granted in 2010 increased significantly on 2009, by about 70 %. The majority of the amount of outstanding loans was disbursed in Q4 2010.

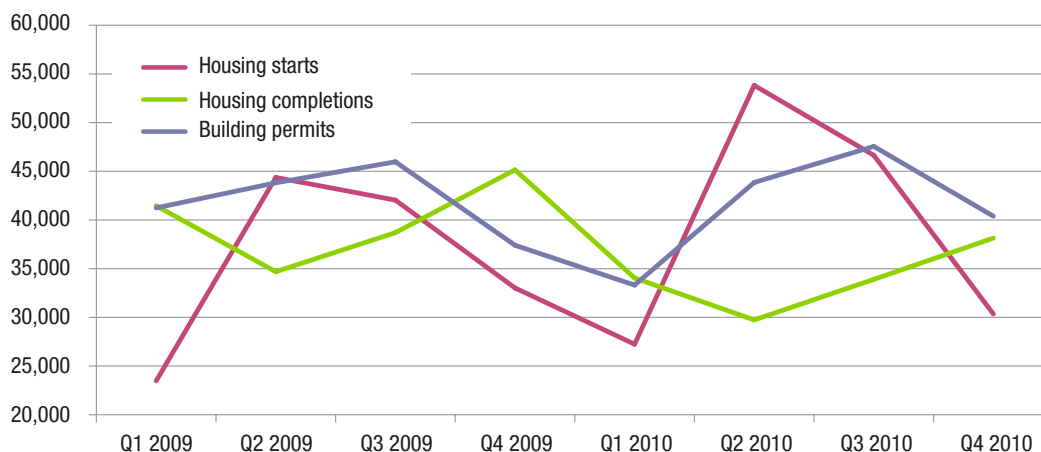
Generally, the downturn in the housing market continued in 2010, but at a lower rate. The market recorded slight improvements in both new residential construction activity and the limited number of dwellings available for sale on the market. Most new housing investment was concentrated in the best locations and is focused on small flats tailored to customers with rather limited financial possibilities.

A certain number of dwellings completed up to 3 years ago, designed as a second family "holiday" flat, or dwelling for rent, are still unsold and are unable to attract buyers' interest.

In summary, the overall picture of the Polish real estate market is unclear. On the one hand, growing real GDP, the stabilisation of real estate prices, their continued growth in some of the main cities, and unfulfilled social needs all contribute to fuel additional demand for housing. On the other hand unemployment, accelerating inflation and a rise in reference interest rates, as well as unfavourable changes to the government programme "Family in their own home" (where significant restrictions are planned as of Q3 2011), and tightening regulatory measures contribute to reducing the availability of home loans.

The worst effects of the economic slowdown may be over, but the mortgage market continues to be rather weak.

Chart 1 ► Residential construction in Poland (units)



Source:
European Mortgage Federation

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

| | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 | latest y-o-y change (%) (Q4 10), EUR values | previous y-o-y change (%) (Q3 10), EUR values | latest y-o-y change (%) (Q4 10), local currency | previous y-o-y change (%) (Q3 10), local currency |
|----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|---|---|---|
| BE | 136,056 | 137,901 | 141,097 | 145,206 | 147,816 | 150,592 | 153,605 | 157,912 | 8.8 | 8.9 | 8.8 | 8.9 |
| DK | 221,962 | 225,037 | 227,650 | 230,138 | 230,894 | 232,526 | 234,023 | 235,090 | 2.2 | 2.8 | 2.4 | 2.9 |
| DE | 1,141,930 | 1,141,853 | 1,146,564 | 1,146,969 | 1,142,702 | 1,143,236 | 1,148,882 | 1,152,195 | 0.5 | 0.2 | 0.5 | 0.2 |
| GR | 78,066 | 78,734 | 79,560 | 80,559 | 81,173 | 81,355 | 81,125 | 80,429 | -0.2 | 2.0 | -0.2 | 2.0 |
| FR | 712,900 | 716,000 | 726,500 | 737,600 | 745,000 | 756,500 | 773,300 | 798,100 | 8.2 | 6.4 | 8.2 | 6.4 |
| ES | 673,321 | 677,850 | 677,850 | 678,872 | 679,106 | 680,788 | 678,958 | 680,091 | 0.2 | 0.2 | 0.2 | 0.2 |
| IE | 149,172 | 148,795 | 148,351 | 147,947 | 146,763 | 144,240 | 143,279 | 135,806 | -8.2 | -3.4 | -8.2 | -3.4 |
| IT | 274,616 | 281,404 | 284,428 | 291,160 | 298,141 | 346,277 | 349,318 | 352,012 | 20.9 | 22.8 | 20.9 | 22.8 |
| HU | 22,539 | 21,031 | 22,201 | 22,425 | 22,860 | 24,831 | 23,353 | 24,853 | 10.8 | 5.2 | 12.8 | 9.5 |
| NL | 590,888 | 607,573 | 609,695 | 613,877 | 613,528 | 618,625 | 623,023 | 629,967 | 2.6 | 2.2 | 2.6 | 2.2 |
| PL | 51,820 | 51,756 | 54,949 | 51,720 | 54,569 | 62,099 | 62,781 | 67,669 | 30.8 | 14.3 | 24.5 | 9.1 |
| PT | 105,989 | 107,299 | 108,484 | 110,685 | 111,835 | 113,197 | 114,019 | 114,553 | 3.5 | 5.1 | 3.5 | 5.1 |
| RO | 5,107 | 5,293 | 5,365 | 5,718 | 6,026 | 6,374 | 6,548 | 6,794 | 18.8 | 22.1 | n/a | n/a |
| SE | 208,429 | 217,472 | 229,508 | 236,167 | 249,997 | 263,878 | 274,230 | 283,666 | 20.1 | 19.5 | 7.1 | 7.6 |
| UK | 1,347,147 | 1,394,932 | 1,416,103 | 1,372,861 | 1,393,826 | 1,457,080 | 1,490,994 | 1,442,836 | 5.1 | 5.3 | 0.4 | 0.8 |

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

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

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

Please note the Polish data for Q1 2010 should not be compared with the corresponding figure of the previous year due to a change in methodology.

Please note that the Central Bank of Ireland issued revised time-series in June 2010 to account for revaluations and reclassifications. Q4 2010 figure includes change in methodology from the Central Bank of Ireland moving to figures reported net of impairment provisions. The Q4 2010 figures are also affected by the exit of a credit institution from the market.

Table 2 ► Gross Residential Mortgage Lending (Million EUR)

| | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 | latest y-o-y change (%) (Q4 10), EUR values | previous y-o-y change (%) (Q3 10), EUR values | latest y-o-y change (%) (Q4 10), local currency | previous y-o-y change (%) (Q3 10), local currency |
|----|---------|--------|---------|----------|---------|--------|---------|----------|---------|---|---|---|---|
| BE | 4,797 | 4,091 | 5,461 | 6,143 | 6,381 | 5,535 | 6,462 | 6,775 | 7,996 | 25.3 | 10.3 | 25.3 | 10.3 |
| DK | 10,188 | 9,275 | 14,965 | 11,874 | 13,591 | 11,764 | 9,570 | 13,114 | 13,012 | -4.3 | 10.4 | -4.1 | 10.6 |
| DE | 20,000 | 18,500 | 20,000 | 21,300 | 22,300 | 17,700 | 20,200 | 22,700 | 26,800 | 20.2 | 6.6 | 20.2 | 6.6 |
| GR | 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 |
| FR | 25,600 | 17,700 | 23,440 | 29,640 | 33,070 | 29,220 | 32,478 | 40,125 | n/a | n/a | 35.4 | n/a | 35.4 |
| HU | 1,236 | 374 | 343 | 345 | 271 | 261 | 341 | 324 | 311 | 15.0 | -6.3 | 17.1 | -2.4 |
| ES | 16,089 | 15,496 | 19,191 | 17,143 | 17,088 | 15,395 | 20,336 | 9,168 | 16,087 | -5.9 | -46.5 | -5.9 | -46.5 |
| IE | 3,539 | 1,998 | 2,173 | 2,145 | 1,760 | 1,220 | 1,305 | 1,239 | 982 | -44.2 | -42.2 | -44.2 | -42.2 |
| IT | 18,743 | 12,785 | 15,510 | 13,663 | 18,740 | 16,046 | 18,970 | 14,313 | 17,256 | -7.9 | 4.8 | -7.9 | 4.8 |
| NL | 23,714 | 14,569 | 16,529 | 17,037 | 18,431 | 13,916 | 16,581 | 17,423 | 19,607 | 6.4 | 2.3 | 6.4 | 2.3 |
| PT | 2,618 | 1,917 | 2,347 | 2,508 | 2,558 | 2,476 | 2,690 | 2,639 | 2,300 | -10.1 | 5.2 | -10.1 | 5.2 |
| SE | 8,921 | 7,983 | 11,328 | 9,600 | 11,046 | 9,568 | 12,130 | 11,068 | 12,363 | 11.9 | 15.3 | -0.2 | 3.8 |
| UK | 54,944 | 35,630 | 37,642 | 44,829 | 43,030 | 33,472 | 40,494 | 45,521 | 39,422 | -8.4 | 1.5 | -12.5 | -2.8 |

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

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

German and Hungarian series have been revised

Table 3 ► Net Residential Mortgage Lending (Million EUR)

| | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 | latest y-o-y change (%) (Q4 10), EUR values | previous y-o-y change (%) (Q3 10), EUR values | latest y-o-y change (%) (Q4 10), local currency | previous y-o-y change (%) (Q3 10), local currency |
|----|---------|--------|---------|----------|---------|--------|---------|----------|---------|---|---|---|---|
| BE | 3,907 | 1,562 | 1,628 | 2,979 | 4,249 | 2,610 | 2,776 | 3,012 | 4,308 | 1.4 | 1.1 | 1.4 | 1.1 |
| DK | 2,073 | 2,704 | 2,070 | 2,180 | 1,839 | 1,371 | 1,532 | 1,799 | 1,167 | -36.5 | -17.5 | -36.4 | -17.4 |
| DE | -3,519 | -5,939 | 651 | 3,251 | 2,604 | -4,707 | 474 | 5,068 | 4,181 | 60.6 | 55.9 | 60.6 | 55.9 |
| GR | 1,951 | 366 | 668 | 826 | 999 | 614 | 182 | -230 | -696 | -169.7 | -127.8 | -169.7 | -127.8 |
| FR | 11,700 | 2,900 | 3,100 | 10,500 | 12,600 | 7,400 | 11,500 | 16,800 | 24,800 | 96.8 | 60.0 | 96.8 | 60.0 |
| ES | 2,191 | -1,113 | 4,529 | 0.173 | 1,022 | 331 | 1,682 | -1,830 | 1,132 | 10.8 | n/a | 10.8 | n/a |
| IE | 591 | 369 | -377 | -444 | -404 | -1,184 | -2,523 | -961 | -7,473 | n/a | 116.4 | n/a | 116.4 |
| IT | 2,099 | 3,290 | 6,788 | 3,036 | 6,720 | 6,981 | 48,136 | 3,041 | 2,694 | -59.9 | 0.2 | -59.9 | 0.2 |
| LV | 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 |
| LT | 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 |
| NL | 6,338 | 2,336 | 16,685 | 2,122 | 4,182 | -349 | 5,097 | 4,398 | 6,944 | 66.0 | 107.3 | 66.0 | 107.3 |
| HU | 573 | 58 | 33 | 15 | -51 | -60 | -85 | 4 | -79 | 56.0 | n/a | n/a | n/a |
| PL | 11,404 | 3,948 | -529 | 112 | 1,287 | 473 | 7,941 | 572 | 4,202 | 226.6 | 412.2 | 210.6 | 389.0 |
| PT | 38 | 780 | 1,310 | 1,185 | 2,201 | 1,150 | 1,362 | 822 | 534 | -75.7 | -30.6 | -75.7 | -30.6 |
| RO | n/a | 177 | 150 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| SE | 4,197 | 3,538 | 5,949 | 4,523 | 5,106 | 4,247 | 5,668 | 3,318 | 5,022 | -1.6 | -26.6 | -12.3 | -33.9 |
| UK | 4,231 | 86 | 3,235 | 5,313 | 4,598 | 594 | 2,987 | 4,139 | 2,227 | -51.6 | -22.1 | -53.7 | -25.4 |

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

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

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

Please note the Polish data for Q1 2010 should not be compared with the corresponding figure of the previous year due to a change in methodology.

Please note that the Central Bank of Ireland issued revised time-series in June 2010 to account for revaluations and reclassifications.

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

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

| | III 2007 | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
|----|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| BE | n/a | 3.7 | 2.8 | -0.2 | 5.6 | 1.5 | -2.2 | -3.6 | 0.7 | 4.0 | 4.5 | 3.2 | 4.6 | 3.4 |
| DE | -1.0 | -0.1 | 3.2 | 4.7 | 4.3 | 4.9 | 1.3 | -1.8 | -2.0 | -2.5 | -2.4 | 1.1 | 2.1 | 2.0 |
| DK | 0.7 | -0.5 | -1.3 | -3.1 | -5.0 | -10.4 | -14.8 | -13.3 | -10.8 | -1.8 | 3.9 | 4.5 | 4.1 | 1.4 |
| GR | 5.7 | 1.0 | 2.8 | 1.5 | 5.6 | 3.3 | -0.2 | 3.0 | -5.6 | -4.5 | -2.2 | -9.5 | -2.6 | -4.8 |
| ES | 5.3 | 4.7 | 3.8 | 2.0 | 0.3 | -3.2 | -6.8 | -8.3 | -8.0 | -6.3 | -4.7 | -3.7 | -3.7 | -3.5 |
| FR | 5.7 | 5.7 | 4.3 | 3.0 | 0.8 | -3.0 | -6.9 | -9.3 | -7.9 | -4.4 | 1.4 | 6.1 | 8.4 | 9.4 |
| HU | 3.3 | 5.8 | 4.1 | 0.6 | 1.3 | -1.7 | -4.8 | -0.6 | -8.3 | -11.3 | -7.1 | -9.0 | -3.5 | -2.7 |
| IE | -2.8 | -7.3 | -8.9 | -9.6 | -10.7 | -9.1 | -9.9 | -11.7 | -13.1 | -18.5 | -19.2 | -16.6 | -14.6 | -10.0 |
| NL | 4.4 | 4.3 | 4.2 | 3.2 | 2.8 | 1.7 | -0.3 | -2.8 | -5.1 | -5.1 | -4.4 | -1.4 | -0.7 | -0.7 |
| PL | 54.7 | 35.6 | 19.8 | 10.3 | 8.4 | 9.3 | 6.7 | 0.6 | -1.8 | -2.0 | 0.9 | 4.9 | 5.6 | 4.2 |
| PT | 1.3 | 1.7 | 2.3 | 4.0 | 4.8 | 4.7 | 2.7 | 0.4 | -0.8 | -0.6 | 1.3 | 1.6 | 2.8 | 1.6 |
| SE | 11.8 | 11.3 | 9.0 | 4.9 | 1.8 | -2.0 | -2.3 | 0.2 | 1.4 | 7.1 | 10.7 | 8.9 | 6.7 | 5.2 |
| UK | 11.5 | 9.8 | 6.5 | 2.7 | -3.7 | -8.7 | -12.4 | -12.3 | -6.1 | 0.3 | 7.7 | 10.1 | 7.5 | 4.3 |

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

Source: European Mortgage Federation

Further information below:

Belgium: Stadim average price of existing dwellings

Germany: owner occupied single family houses, vdp index

Denmark: all dwellings

France: INSEE index (second-hand dwellings only)

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

Ireland: new series of ESRI residential property prices index

Hungary: FHB house price index (residential properties)

Ireland: new series of ESRI residential property prices index

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

Portugal: *Confidencial Imobiliário* house price index

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

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

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

| Table 5A ► Representative Mortgage Rates (%) | | | | | | | | | | | | | | |
|---|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| | III 2007 | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
| BE | 4.88 | 4.93 | 4.88 | 4.85 | 5.26 | 4.99 | 4.52 | 4.49 | 4.62 | 4.43 | 4.32 | 4.03 | 3.9 | 3.82 |
| DK | 4.50 | 4.53 | 4.56 | 5.36 | 5.03 | 4.64 | 3.17 | 2.31 | 1.64 | 1.74 | 1.25 | 1.10 | 1.36 | 1.40 |
| DE | 5.12 | 5.03 | 4.89 | 5.06 | 5.17 | 4.83 | 4.40 | 4.39 | 4.37 | 4.29 | 4.09 | 3.89 | 3.65 | 3.70 |
| EE | 5.70 | 5.80 | 5.40 | 5.80 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| GR | 4.93 | 4.75 | 5.36 | 5.40 | 4.18 | 3.54 | 4.18 | 3.54 | 3.24 | 3.12 | 3.11 | 3.26 | 3.54 | 3.65 |
| FR | 4.40 | 4.60 | 4.70 | 4.70 | 5.00 | 5.20 | 4.80 | 4.40 | 4.40 | 4.70 | 4.40 | 4.40 | 3.90 | n/a |
| ES | 5.20 | 5.37 | 5.34 | 5.39 | 5.93 | 5.89 | 4.22 | 3.14 | 2.78 | 2.52 | 2.44 | 2.33 | 2.44 | 2.54 |
| IE | 4.99 | 5.07 | 5.00 | 5.23 | 5.58 | 4.33 | 3.23 | 2.68 | 2.62 | 2.61 | 2.77 | 2.83 | 2.96 | 3.01 |
| IT | 5.41 | 5.48 | 5.35 | 5.54 | 5.52 | 4.91 | 3.66 | 2.85 | 2.33 | 2.24 | 2.22 | 2.24 | 2.39 | 2.52 |
| LV | 6.05 | 6.29 | 6.12 | 6.61 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| LT | 5.53 | 5.71 | 5.56 | 5.86 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| HU | 11.21 | 11.48 | 10.80 | 11.45 | 11.71 | 13.34 | 13.22 | 14.16 | 13.56 | 11.65 | 10.63 | 9.79 | 9.24 | 9.44 |
| NL | 5.18 | 5.34 | 5.38 | 5.50 | 5.70 | 5.71 | 4.21 | 3.63 | 3.87 | 3.88 | 3.78 | 3.65 | 3.62 | 3.55 |
| PL | 6.00 | 6.20 | 6.51 | 7.80 | 8.40 | 8.70 | 7.30 | 7.20 | 7.30 | 7.10 | 6.80 | 6.70 | 6.30 | 6.10 |
| PT | 4.86 | 5.20 | 5.13 | 5.42 | 5.69 | 5.46 | 3.51 | 2.64 | 2.38 | 2.23 | 2.16 | 2.25 | 2.51 | 2.82 |
| SE | 4.45 | 4.77 | 5.07 | 5.34 | 6.07 | 3.64 | 2.16 | 1.94 | 1.60 | 1.44 | 1.41 | 1.71 | 2.23 | 2.78 |
| UK | 5.89 | 5.95 | 5.78 | 5.94 | 6.19 | 5.61 | 4.86 | 4.59 | 4.77 | 4.85 | 4.73 | 4.56 | 4.40 | 4.26 |
| Short-term initial fixed period rate, from 1 to 5 years maturity (%) | | | | | | | | | | | | | | |
| | III 2007 | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
| BE | 5.07 | 5.18 | 4.87 | 4.91 | 5.45 | 4.99 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| DE | 5.34 | 5.33 | 5.01 | 5.24 | 5.50 | 4.84 | 4.12 | 3.88 | 3.81 | 3.76 | 3.56 | 3.36 | 3.25 | 3.31 |
| GR | 5.11 | 4.97 | 4.74 | 4.95 | 4.66 | 5.27 | 5.44 | 5.03 | 4.67 | 4.65 | 4.69 | 4.65 | 3.96 | 3.95 |
| ES | 5.63 | 5.76 | 5.67 | 5.74 | 6.18 | 6.06 | 4.71 | 3.94 | 3.46 | 3.19 | 3.04 | 2.78 | 2.83 | 2.95 |
| IE | 5.23 | 5.39 | 5.13 | 5.34 | 5.72 | 4.80 | 4.14 | 3.65 | 3.63 | 3.57 | 3.51 | 3.89 | 4.13 | 4.17 |
| HU | 12.54 | 12.39 | 12.28 | 13.10 | 13.43 | 14.25 | 15.49 | 15.52 | 14.17 | 12.98 | 12.58 | 12.11 | 11.47 | 11.18 |
| IT | 4.70 | 4.99 | 5.23 | 5.65 | 5.93 | 4.98 | 4.14 | 4.00 | 3.61 | 3.35 | 3.12 | 2.82 | 3.14 | 3.48 |
| LV | 6.52 | 6.46 | 6.16 | 6.48 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| LT | 5.68 | 5.55 | 5.22 | 5.81 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NL | 5.18 | 5.18 | 5.05 | 5.06 | 5.49 | 5.50 | 4.98 | 4.82 | 4.97 | 4.90 | 4.77 | 4.56 | 4.39 | 4.22 |
| SE | 4.99 | 5.16 | 5.05 | 5.94 | 5.97 | 4.22 | 3.41 | 3.49 | 3.14 | 3.08 | 3.25 | 3.18 | 3.26 | 3.74 |
| Variable rate and initial fixed period rate up to 1 year (%) | | | | | | | | | | | | | | |
| | III 2007 | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
| BE | 5.13 | 5.26 | 5.16 | 5.58 | 5.98 | 4.87 | 3.74 | 3.21 | 2.97 | 2.92 | 2.91 | 2.82 | 2.87 | 3.12 |
| DE | 5.86 | 5.97 | 5.73 | 6.05 | 6.24 | 5.38 | 4.19 | 3.73 | 3.38 | 3.36 | 3.04 | 3.19 | 3.28 | 3.38 |
| GR | 4.93 | 4.75 | 5.36 | 5.40 | 4.18 | 3.54 | 4.18 | 3.54 | 3.24 | 3.12 | 3.11 | 3.26 | 3.54 | 3.65 |
| ES | 5.20 | 5.37 | 5.34 | 5.39 | 5.93 | 5.89 | 4.22 | 3.14 | 2.78 | 2.52 | 2.44 | 2.33 | 2.44 | 2.54 |
| IE | 4.99 | 5.07 | 5.00 | 5.23 | 5.58 | 4.33 | 3.23 | 2.68 | 2.62 | 2.61 | 2.77 | 2.83 | 2.96 | 3.01 |
| HU | 11.21 | 11.48 | 10.80 | 11.45 | 11.71 | 13.34 | 13.22 | 14.16 | 13.56 | 11.65 | 10.63 | 9.79 | 9.24 | 9.44 |
| IT | 5.41 | 5.48 | 5.35 | 5.54 | 5.52 | 4.91 | 3.66 | 2.85 | 2.33 | 2.24 | 2.22 | 2.24 | 2.39 | 2.52 |
| LV | 6.05 | 6.29 | 6.12 | 6.61 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| LT | 5.53 | 5.71 | 5.56 | 5.86 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NL | 5.18 | 5.34 | 5.38 | 5.50 | 5.70 | 5.71 | 4.21 | 3.63 | 3.87 | 3.88 | 3.78 | 3.65 | 3.62 | 3.55 |
| SE | 4.45 | 4.77 | 5.07 | 5.34 | 6.07 | 3.64 | 2.16 | 1.94 | 1.60 | 1.44 | 1.41 | 1.71 | 2.23 | 2.78 |
| UK | 5.90 | 6.06 | 5.88 | 5.80 | 6.04 | 5.52 | 4.39 | 4.32 | 4.36 | 4.09 | 3.82 | 3.78 | 3.77 | n/a |

Note: UK series has been revised

Source: European Mortgage Federation

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

| | III 2007 | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
|-----------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| DK | 6.16 | 5.84 | 6.03 | 7.12 | 7.10 | 6.58 | 5.84 | 5.48 | 5.21 | 5.19 | 4.68 | 4.35 | 4.20 | 4.70 |
| DE | 5.08 | 5.01 | 4.88 | 5.09 | 5.21 | 4.73 | 4.49 | 4.53 | 4.45 | 4.38 | 4.30 | 3.90 | 3.64 | 3.77 |
| GR | 4.57 | 4.48 | 4.66 | 4.77 | 4.96 | 4.87 | 4.79 | 4.72 | 4.76 | 4.65 | 4.66 | 4.26 | 4.82 | n/a |
| IE | 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 | n/a |
| IT | 5.85 | 5.88 | 5.78 | 5.99 | 5.93 | 5.21 | 5.01 | 5.18 | 5.02 | 4.92 | 4.74 | 4.42 | 4.09 | 4.30 |
| LV | 6.02 | 6.33 | 6.31 | 6.82 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NL | 5.08 | 5.27 | 5.28 | 5.26 | 5.46 | 5.60 | 5.46 | 5.37 | 5.31 | 5.25 | 5.22 | 5.17 | 5.01 | 4.88 |

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

| | | | | | | | | | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| BE | 5.01 | 5.23 | 5.02 | 4.97 | 5.36 | 5.37 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| DE | 5.12 | 5.03 | 4.89 | 5.06 | 5.17 | 4.83 | 4.40 | 4.39 | 4.37 | 4.29 | 4.09 | 3.89 | 3.65 | 3.70 |
| GR | 5.11 | 4.97 | 4.74 | 4.95 | 5.16 | 5.79 | 5.61 | 4.75 | 4.67 | 4.34 | 3.66 | 4.45 | 4.69 | 5.17 |
| HU | 18.82 | 18.42 | 18.66 | 18.60 | 21.43 | 21.33 | 22.61 | 20.99 | 20.35 | 16.87 | 19.38 | 21.48 | 17.66 | 15.64 |
| IT | 5.60 | 5.66 | 5.41 | 5.77 | 5.76 | 5.08 | 4.53 | 4.38 | 4.24 | 4.05 | 4.07 | 3.97 | 3.66 | 4.01 |
| ES | 6.88 | 7.24 | 7.51 | 7.69 | 8.09 | 7.93 | 7.62 | 7.53 | 7.68 | 7.41 | 7.71 | 7.64 | 8.00 | 6.97 |
| LV | 6.52 | 6.46 | 6.16 | 6.48 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NL | 5.05 | 5.12 | 5.10 | 5.07 | 5.41 | 5.51 | 5.44 | 5.35 | 5.41 | 5.28 | 5.19 | 4.94 | 4.73 | 4.57 |
| SE | 5.16 | 5.23 | 5.19 | 5.91 | 5.83 | 4.87 | 4.84 | 5.26 | 4.21 | 4.55 | 4.78 | 4.22 | 4.05 | 4.83 |

Source: European Mortgage Federation

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

| | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
|---|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| Denmark | | | | | | | | | | | | | |
| fixed | n/a | n/a | n/a | n/a | 43.5 | 41.9 | 38.7 | 36.2 | 34.0 | 31.0 | 30.0 | 29.0 | 28.5 |
| variable | n/a | n/a | n/a | n/a | 56.5 | 58.1 | 61.3 | 63.8 | 66.0 | 69.0 | 70.0 | 71.0 | 71.5 |
| Hungary | | | | | | | | | | | | | |
| HUF denominated | 53.5 | 48.9 | 48.7 | 44.8 | 39.4 | 35.6 | 38.4 | 38.2 | 37.6 | 37.0 | 34.0 | 35.5 | 34.7 |
| EUR denominated | 1.1 | 1.1 | 0.9 | 0.9 | 1.4 | 2.5 | 3.4 | 4.4 | 5.3 | 5.8 | 6.0 | 6.1 | 5.9 |
| CHF denominated | 36.1 | 49.2 | 49.3 | 52.9 | 57.5 | 59.7 | 56.0 | 55.3 | 54.9 | 54.6 | 57.0 | 55.2 | 55.8 |
| Other FX denominated | 9.2 | 0.8 | 1.1 | 1.4 | 1.7 | 2.2 | 2.2 | 2.1 | 2.2 | 2.5 | 3.0 | 3.2 | 3.6 |
| Ireland | | | | | | | | | | | | | |
| fixed 1-3 years | 16.9 | 16.4 | 14.9 | 13.9 | 11.6 | 9.0 | 7.9 | 7.1 | 6.3 | 6.3 | 7.1 | 6.8 | n/a |
| fixed 3-5 years | 5.7 | 5.7 | 5.8 | 6.1 | 6.0 | 5.6 | 5.3 | 5.4 | 5.2 | 5.2 | 5.8 | 6.1 | n/a |
| fixed >5 years | 2.1 | 2.1 | 2.2 | 2.3 | 2.4 | 2.9 | 2.7 | 2.3 | 2.2 | 2.8 | 1.5 | 1.4 | n/a |
| variable and initial fixed up to 1 year | 75.3 | 75.8 | 77.2 | 77.8 | 80.0 | 82.5 | 84.1 | 85.2 | 86.3 | 85.7 | 85.6 | 85.7 | n/a |
| Sweden | | | | | | | | | | | | | |
| initial fixed >1 years | 59.6 | 58.6 | 57.4 | 55.8 | 54.7 | 52.1 | 48.9 | 46.1 | 42.7 | 41.6 | 40.8 | 41.7 | 44.3 |
| variable and fixed up to 1 year | 40.4 | 41.4 | 42.6 | 44.2 | 45.3 | 47.9 | 51.1 | 53.9 | 57.3 | 58.4 | 59.2 | 58.3 | 55.7 |
| UK | | | | | | | | | | | | | |
| initial fixed | 53.0 | 51.4 | 51.1 | 50.8 | 48.1 | 44.4 | 42.5 | 40.1 | 37.6 | 35.6 | 33.8 | 32.4 | 31.5 |
| variable | 47.0 | 48.6 | 48.9 | 49.2 | 51.9 | 55.6 | 57.5 | 59.9 | 62.4 | 64.4 | 66.2 | 67.6 | 68.5 |

Note: Swedish series has been revised

Source: European Mortgage Federation

Hungarian series has been revised. Please note that only housing loans are included (not home equity loans)

| Table 5D ► Mortgage Markets' Breakdown by Interest Rate Type (%) - New Loans | | | | | | | | | | | | | |
|---|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
| Belgium | | | | | | | | | | | | | |
| Fixed interest rate | 85.1 | 85.0 | 82.7 | 82.5 | 82.7 | 70.3 | 52.3 | 38.3 | 32.8 | 28.8 | 40.7 | 51.8 | 71.7 |
| Initial fixed rate | 13.7 | 13.3 | 15.1 | 15.0 | 13.6 | 16.1 | 21.3 | 20.5 | 19.7 | 19.7 | 19.3 | 18.7 | 15.8 |
| Variable rate (= initial fix <= 1 year) | 1.2 | 1.8 | 2.2 | 2.4 | 3.7 | 13.6 | 26.4 | 41.2 | 47.6 | 51.5 | 39.9 | 29.5 | 12.5 |
| Denmark* | | | | | | | | | | | | | |
| fixed | 38.6 | 38.0 | 38.2 | 43.9 | 27.0 | 17.0 | 8.0 | 16.1 | 15.2 | 12.0 | 20.0 | 47.8 | 38.1 |
| variable | 61.4 | 62.0 | 61.8 | 56.1 | 73.0 | 83.0 | 92.0 | 83.9 | 84.8 | 88.0 | 79.9 | 52.2 | 61.9 |
| Germany | | | | | | | | | | | | | |
| initial fixed 1-5 years | 15.0 | 17.0 | 17.0 | 15.0 | 17.0 | 20.0 | 19.0 | 18.0 | 18.0 | 17.0 | 16.0 | 15.0 | 15.0 |
| initial fixed 5-10 years | 38.0 | 37.0 | 38.0 | 39.0 | 38.0 | 38.0 | 41.0 | 41.0 | 40.0 | 38.0 | 37.0 | 38.0 | 39.0 |
| initial fixed >10 years | 32.0 | 31.0 | 30.0 | 31.0 | 29.0 | 25.0 | 24.0 | 24.0 | 25.0 | 26.0 | 30.0 | 32.0 | 32.0 |
| variable and initial fixed up to 1 year | 15.0 | 15.0 | 15.0 | 15.0 | 16.0 | 17.0 | 16.0 | 17.0 | 17.0 | 19.0 | 17.0 | 15.0 | 14.0 |
| Spain | | | | | | | | | | | | | |
| fixed | 2.9 | 2.5 | 2.3 | 1.5 | 1.3 | 1.0 | 0.8 | 1.0 | 0.8 | 0.9 | 1.2 | 1.1 | 1.2 |
| initial fixed | 5.8 | 5.4 | 6.1 | 8.2 | 8.1 | 11.7 | 9.4 | 10.3 | 9.5 | 12.3 | 11.6 | 14.3 | 14.2 |
| variable | 91.3 | 92.0 | 91.5 | 90.3 | 90.6 | 87.4 | 89.8 | 88.7 | 89.7 | 86.8 | 87.2 | 84.6 | 84.5 |
| Italy | | | | | | | | | | | | | |
| Variable | 25.4 | n/a | 21.0 | n/a | 21.9 | n/a | 34.5 | n/a | 66.5 | n/a | n/a | n/a | n/a |
| fixed to maturity | 73.3 | n/a | 76.6 | n/a | 75.4 | n/a | 64.2 | n/a | 32.5 | n/a | n/a | n/a | n/a |
| Ireland | | | | | | | | | | | | | |
| initial fix >1 year | 5.5 | 11.7 | 23.6 | 21.8 | 9.4 | 11.6 | 39.0 | 16.3 | 16.1 | 32.3 | 24.2 | 24.8 | 23.2 |
| variable and initial fixed up to 1 year | 94.5 | 88.3 | 76.4 | 78.2 | 90.6 | 88.4 | 61.0 | 83.7 | 83.9 | 67.7 | 75.8 | 75.2 | 76.8 |
| Hungary | | | | | | | | | | | | | |
| Variable or Initial fix up to 1 year (HUF denom) | 5.1 | 4.8 | 4.0 | 4.4 | 5.8 | 9.9 | 15.4 | 14.9 | 13.5 | 25.0 | 65.4 | 81.1 | 84.6 |
| Initial fix >1 = 5 years (HUF denom) | 6.0 | 5.4 | 5.9 | 5.4 | 8.1 | 12.2 | 23.8 | 22.3 | 8.3 | 5.6 | 7.2 | 9.8 | 8.8 |
| Initial fix > 5 = 10 years (HUF denom) | 1.9 | 1.5 | 1.8 | 1.4 | 1.4 | 2.7 | 2.3 | 2.3 | 1.8 | 2.3 | 3.0 | 3.8 | 3.3 |
| Initial fix > 10 years (HUF denom) | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.4 | 0.5 | 0.4 | 0.5 | 0.4 | 0.1 | 0.3 | 0.4 |
| Variable or Initial fix up to 1 year (EUR denom) | 0.5 | 0.4 | 0.3 | 0.3 | 10.6 | 46.6 | 44.2 | 47.3 | 58.9 | 49.7 | 21.0 | 4.6 | 1.2 |
| Variable or Initial fix 1 year (CHF denom) | 86.3 | 87.5 | 87.8 | 88.4 | 74.0 | 28.2 | 13.9 | 12.8 | 17.0 | 17.0 | 3.1 | 0.5 | 1.6 |

| | IV 2007 | I 2008 | II 2008 | III 2008 | IV 2008 | I 2009 | II 2009 | III 2009 | IV 2009 | I 2010 | II 2010 | III 2010 | IV 2010 |
|--|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|
| Poland | | | | | | | | | | | | | |
| fixed | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| initial fixed | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| variable | n/a | n/a | n/a | n/a | 100.0 | n/a | n/a | n/a | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Portugal | | | | | | | | | | | | | |
| fixed | 1.0 | 1.9 | 3.6 | 5.2 | 6.6 | 4.7 | 1.6 | 0.9 | 0.7 | 0.7 | 0.6 | 1.0 | 0.9 |
| variable | 99.0 | 98.1 | 96.4 | 94.8 | 93.4 | 95.3 | 98.4 | 99.1 | 99.3 | 99.3 | 99.4 | 99.0 | 99.1 |
| Sweden | | | | | | | | | | | | | |
| Variable and initial fix for <= 1 year | 48.5 | 59.0 | 61.1 | 68.9 | 77.2 | 85.3 | 83.3 | 84.9 | 83.5 | 77.7 | 73.9 | 63.9 | 60.1 |
| Initial fix >1<=5 years | 32.1 | 27.2 | 28.1 | 24.6 | 19.5 | 11.4 | 13.5 | 12.6 | 13.9 | 18.0 | 20.1 | 26.0 | 32.4 |
| Initial fix >5 years | 19.4 | 13.8 | 10.8 | 6.4 | 3.2 | 3.2 | 3.1 | 2.6 | 2.7 | 4.3 | 6.0 | 10.1 | 7.5 |
| UK | | | | | | | | | | | | | |
| initial fixed | 66.2 | 54.2 | 64.4 | 59.9 | 53.4 | 57.1 | 74.2 | 76.6 | 59.4 | 46.1 | 46.2 | 51.0 | 51.8 |
| variable | 33.8 | 45.8 | 35.7 | 40.1 | 46.7 | 42.9 | 25.7 | 23.5 | 40.7 | 53.8 | 53.7 | 48.8 | 48.2 |

Notes: Source: European Mortgage Federation
 In Denmark the majority of loans are initial fixed with maturities between 1 and 5 years, and are defined as "variable rate loans". However in this context "initial fixed rate" is more appropriate.
 Swedish, Hungarian and Italian series has been revised.
 According to the definition from the Central Bank of Portugal, new loans with initial fixed rate include floating rate loans.
 Please note that in Hungary foreign-denominated mortgage lending was suspended in 2010. The values above 0 in EUR and CHF lending are the result of restructuring and remortgaging

Table 5E ► Description of Rates

The representative mortgage interest rates are an average of, or specific mortgage rates for, 1st ranking mortgages, involving no prior savings, with no discounts included, gross of tax relief, net of other bank costs. Other specifications are given below:

| | |
|-----------|--|
| BE | Long term initial fixed period rate, 10 years or more maturity. |
| DK | Adjustable mortgage rate. |
| DE | Renegotiable rate with a fixed period of 5 to 10 years. |
| EE | It is the weighted average of the annual interest rate on new EUR denominated housing loans granted to individuals. |
| GR | Reviewable rate after a fixed term of 1 year. |
| ES | Variable rate - Effective average interest rate not including costs. The interest rate usually floats every 6 or 12 months, according to an official reference rate for mortgage loans secured on residential property (subsidised housing). This should be the same rate as used in the Hypostat and should relate to broadly the same product over time. |
| FR | Fixed rate - The rate is fixed for the total maturity of the loan. The rate communicated is the fixed average rate of secured loans "PAS" with a maturity between 12 and 15 years. |
| IE | Variable rate (≤ 1). |
| IT | From Q1 2010 onwards, the variable interest rate on a loan of EUR 100,000 with a maturity of 20 years has been used. |
| LV | Variable rate (≤ 1). The average interest rate on new EUR denominated loans. |
| LT | Variable rate (≤ 1). The average interest rate on new EUR denominated loans. |
| HU | The APRC of the most typical loan in Hungary (currently the most typical loan for residential purposes at a variable interest rate and denominated in CHF). |
| PL | The indicator is a weighted average of variable mortgage rates denominated in PLN for all residential credits on outstanding amounts. |
| PT | Variable interest rate up to 1 year indexed to Euribor (≤ 1). |
| SE | Variable interest rate up to 1 year (≤ 1). |
| UK | The average mortgage rate charged on all regulated mortgage contracts except lifetime mortgages newly advanced in the period (Source: Council of Mortgage Lenders, Regulated Mortgage Survey). |

Table 6 ► Macroeconomic Indicators

| | Real GDP* | | Unemployment rate** | | HICP inflation | | Policy interest rate | |
|------------------|---|---|---------------------|-------------|----------------|-------------|----------------------|-------------|
| | Latest quarter-on-quarter growth rate, (%), Q4 10 | Previous quarter-on-quarter growth rate, (%), Q3 10 | Q4 2010 (%) | Q3 2010 (%) | Q4 2010 (%) | Q3 2010 (%) | Q4 2010 (%) | Q3 2010 (%) |
| BE | 0.5 | 0.4 | 8.0 | 8.3 | 3.4 | 2.9 | 1.00 | 1.00 |
| DK | -0.4 | 1.7 | 7.7 | 7.4 | 2.8 | 2.5 | 0.75 | 0.75 |
| DE | 0.4 | 0.7 | 6.7 | 6.9 | 1.9 | 1.3 | 1.00 | 1.00 |
| FR | 0.4 | 0.2 | 9.6 | 9.8 | 2.0 | 1.8 | 1.00 | 1.00 |
| GR | n/a | -1.3 | 14.1 | 13.0 | 5.2 | 5.7 | 1.00 | 1.00 |
| HU | 0.2 | 0.5 | 11.1 | 11.1 | 4.6 | 3.7 | 5.25 | 5.75 |
| IE | -1.6 | 0.6 | 14.5 | 13.8 | -0.2 | -1.0 | 1.00 | 1.00 |
| IT | 0.1 | 0.3 | 8.4 | 8.3 | 2.1 | 1.6 | 1.00 | 1.00 |
| NL | 0.6 | 0.1 | 4.4 | 4.5 | 1.8 | 1.4 | 1.00 | 1.00 |
| PL | 0.8 | 1.2 | 9.7 | 9.6 | 2.9 | 2.5 | 3.50 | 3.50 |
| PT | -0.5 | 0.3 | 11.2 | 11.1 | 2.4 | 2.0 | 1.00 | 1.00 |
| RO | 0.1 | -0.7 | 7.4 | 7.3 | 7.9 | 7.7 | 6.25 | 6.25 |
| ES | 0.2 | 0.0 | 20.5 | 20.4 | 2.9 | 2.8 | 1.00 | 1.00 |
| SE | 1.2 | 2.1 | 7.9 | 8.3 | 2.1 | 1.5 | 1.25 | 0.75 |
| UK | -0.5 | 0.7 | 7.8 | 7.7 | 3.7 | 3.1 | 0.50 | 0.50 |
| euro area | 0.3 | 0.4 | 10.0 | 10.1 | 2.2 | 1.9 | 1.00 | 1.00 |
| EU27 | 0.2 | 0.5 | 9.6 | 9.6 | 2.7 | 2.3 | n/a | n/a |

Note:

* GDP at constant prices, seasonally-adjusted

**EU-harmonised unemployment rate, seasonally-adjusted

Sources: Eurostat, ECB, Central Banks



2011 EMF
Quarterly Statistics



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