

## QUARTERLY STATISTICS

### European Mortgage Federation

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- ▶ Year-end 2009 figures for EU countries show that the worst effects of the global recession and the financial crisis may be over, paving the way for a moderate recovery in mortgage activity.
- ▶ Most markets recorded improvements in new lending, but the picture is still mixed and subdued due to the feeble pick-up in the macroeconomic environment.
- ▶ The general housing downturn continued also in Q4 2009 in many markets albeit at a much slower pace. The housing recession appears to be over in countries such as Denmark, Sweden and the UK.
- ▶ Mortgage interest rates reached new record lows in most markets. 2009 year-end figures reveal dramatic decreases over the same quarter of the previous year across some of the markets surveyed.

## New lending activity generally improves across EU markets: is the worst over?

Year-end figures for 2009 show a mixed picture across the EU, notwithstanding different trends in mortgage activity performance in individual markets. Most countries recorded encouraging signals in Q4 2009 with the worst effects of the financial crisis and global recession behind us, and signs of positive year-on-year developments. On the other hand, in some markets mortgage demand continues to be affected by curbing factors, primarily the subdued macroeconomic conditions across the EU. While some signs of very moderate recovery in real GDP were recorded in many EU economies, in other countries the economic recession continued, coupled with increasing unemployment rates. These negative factors were however

partly offset by the continued expansionary stance of monetary policy with record lows in mortgage interest rates.

In the UK, gross and net lending remained stagnant due to weak demand for house purchase in a continued uncertain (but at least now improving) macroeconomic environment. Gross lending substantially recorded another negative year-on-year performance (-21.4%), albeit less dramatic than in Q3 2009 (-41.1%). Net lending increased by 9.1% on the same quarter of the previous year but remained at historically very low levels. Lending activity was further depressed in Q4 2009 by weak remortgaging demand,

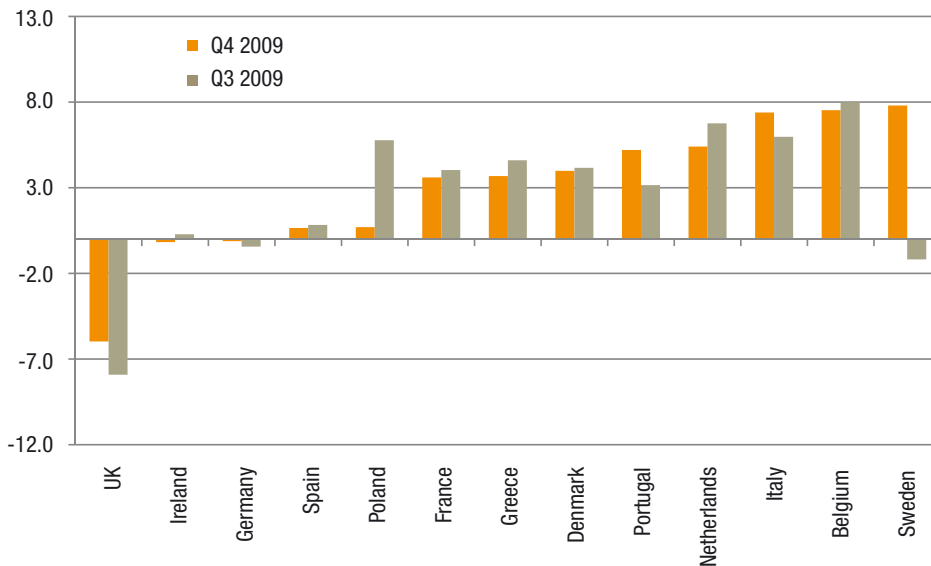
despite the continuing very low interest rate environment. Mortgage lending in Q4 2009 also benefited from the support from purchases having been brought forward in order to take advantage of the Stamp Duty exemption. Prices are showing an upward trajectory, and, notwithstanding the temporal distortion from the stamp duty measure, also appear to be on a gradual albeit fluctuating upward trend.

In Ireland, new lending decreased year-on-year by 50.3%, i.e. less than in Q3 2009 (- 62.2%), and this represented another marked quarter-on-quarter decrease (by 17.9%), which suggests that the current negative trend has not bottomed out. The seasonal patterns of lending ordinarily equates with lower levels of new loans being issued in Q4 compared to Q3, however the rate of year-on-year decline, while still notable, appears to be improving, particularly for First-Time Buyers. The factors behind this performance continued to be a subdued economic outlook which impacted sentiment in the housing market. Real GDP continued to decline, falling by 2.3% on Q3

2009, while the unemployment situation eased as the unemployment rate stabilised at 13.2% at the end of the quarter.

In Spain, new lending in Q4 2009 did not increase on the previous quarter (-0.3%), but recorded a positive growth rate on an annual basis (6.2%), thus continuing to move along the path of a moderate recovery since the historical low in gross mortgage lending recorded in Q1 2009. France also recorded a positive year-on-year growth in new lending (29.2%), which returned to the levels observed in Q3 2008. In Denmark, in Q4 2009 new mortgage lending continued along a path of robust recovery (14.5% on the previous quarter), which was confirmed by the increase on the previous year (33.4%). Improvements in market conditions were also recorded in Sweden: gross lending performance over the previous quarter returned into positive territory, marking a 15.1% increase after the -15.3% fall recorded in Q3 2009, which corresponded to a buoyant 23.8% increase on an annual basis.

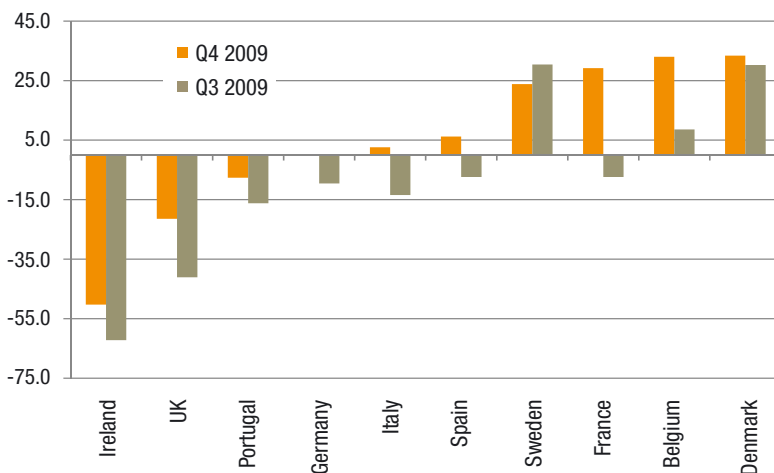
**Chart 1** ► Total Outstanding Residential Lending, year-on-year growth rates (%)



Source: European Mortgage Federation

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

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



Source: European Mortgage Federation

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

## Some housing markets on the way to recovery

Some encouraging signs were recorded across housing markets in individual countries. In the UK, for example, house prices saw a second successive quarterly increase over the previous quarter, albeit marginal (1.2%), which also resulted in a 0.3% increase on a year-on-year basis, i.e. the first increase on the previous year since Q2 2008. Although house purchase demand remains historically weak, supply of houses for sale has been restrained too, arrears and repossessions staying lower than initially expected at the outset of the downturn, removing the need for forced sales. There has been a temporary boost to demand in late Q4 2008, as borrowers rushed to buy lower priced houses before the government's temporary Stamp Duty exemption on properties up to 175,000 GBP (144,444 EUR) expired on January 1, 2010.

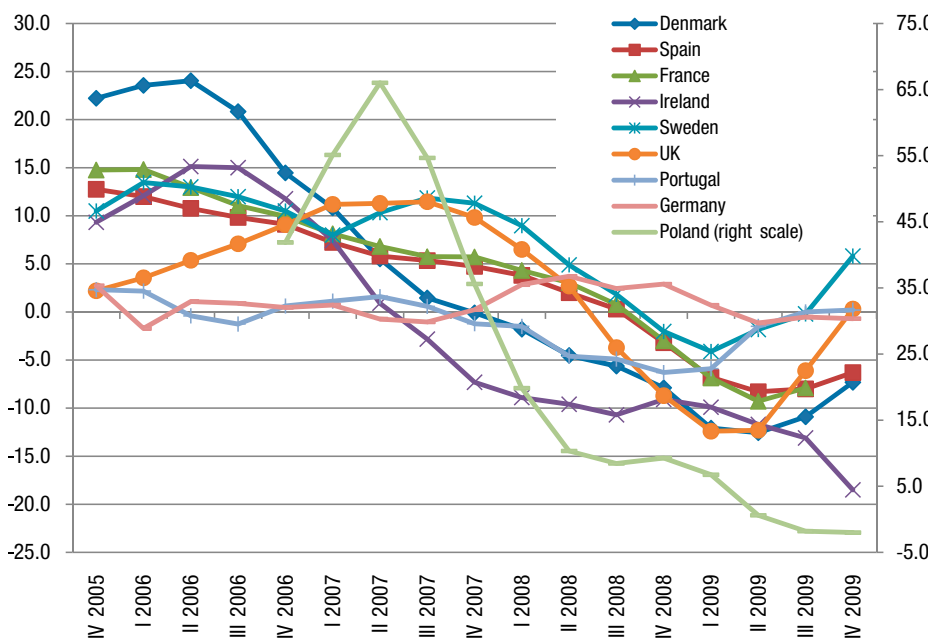
Denmark also showed some signs of continued improvement: Q4 2009 marked the second quarter-on-quarter consecutive increase in house prices (by 0.3%, after 0.4% in Q3 2009). On a year-on-year basis, yet, another fall was recorded (-7.3%), albeit lower than the 10.9% decrease recorded in Q3 2009, which represented the ninth consecutive quarterly decrease in house prices.

In Sweden house prices recorded their third quarter-on-quarter consecutive increase (by 2.2% in Q4 2009), which corresponds to a 5.8% increase on Q4 2008. Indeed, the housing market proved quite resilient to the international housing downturn. In fact, the housing recession only lasted two quarters (from Q4 2008 to Q1 2009) and was shorter than in any other countries.

Yet there are exceptions to the above picture. One continues to be Ireland, where the housing market recorded its worst performance on a year-on-year basis on record: the national house price index decreased by 18.5%, and on a quarter-on quarter basis it decreased for the eleventh consecutive quarter (by 8.3%). Economic sentiment continued to weigh upon the housing market in Q4 despite sustained improvement in terms of affordability. Further progress was made in the establishment of the National Asset Management Agency (NAMA) which will take on non-performing property development loans from financial institutions, which is expected to contribute to the normalisation of the property market. Also, in the 2010 Budget, it was announced that the Government would look to introduce a standing property tax although the Government refrained from articulating a timeline.

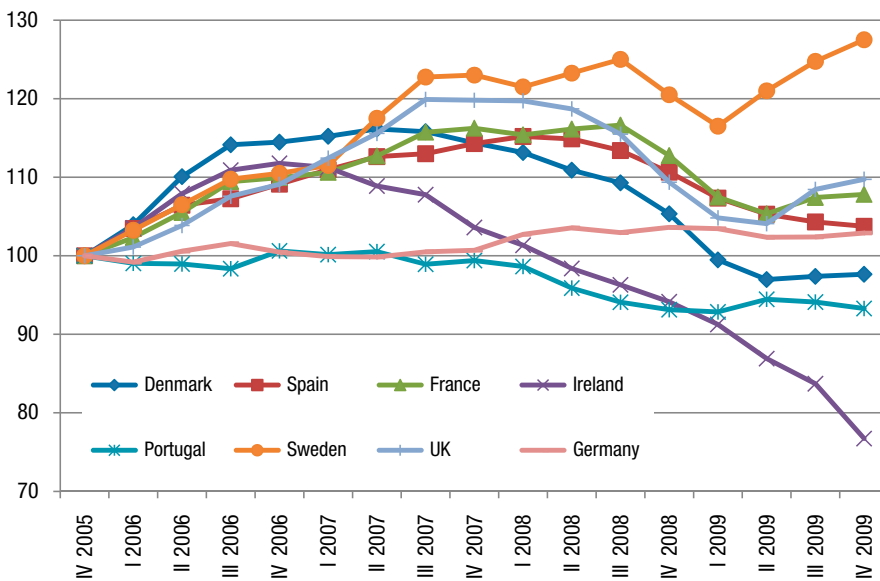
In Spain, the continued slowdown of the housing recession, which had started in Q2 2008, led to the seventh consecutive quarter-on-quarter fall in house prices (-0.6%). Although this decrease was more moderate than in the previous two quarters (-1.9% and -0.9% respectively), it resulted in another year-on-year decrease (by 6.3%, after the 8.0% fall recorded in Q3 2009).

The housing market downturn is also not over in Portugal, although it has stabilised on a year-on-year basis (house prices grew in Q4 2009 by 0.2% after being flat in Q3 2009): house prices decreased on a quarterly basis for the second consecutive quarter in a row (-0.9% after -0.4% in Q3 2009).



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

Source: European Mortgage Federation



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

Source: European Mortgage Federation

Notes:  
Standardised nominal house price indices on national values

## Continued decreases in mortgage interest rates down to historical lows

The interest rate environment continued to be extremely supportive of mortgage activity also in Q4 2009, as the ECB kept its policy rate unchanged at 1.00%. Also in non-euro area countries, Central Banks continued with their expansionary stances in monetary policy: in Sweden the policy rate has been maintained at 0.25% since July 2009, while in Denmark now it is at 0.75% (from January 15, 2010). As a result, mortgage interest rates further decreased across all markets surveyed. The year-on-year decreases resulting from year-end 2009 figures were particularly relevant in Italy (by 354 basis points, bps), Spain (by 337 bps), Portugal (by 327 bps) and Sweden (by 217 bps). Also on a quarterly ba-

sis, mortgage interest rates - which had already reached very low levels in previous quarters - continued to decrease in all markets in Q4 2009, though less significantly.

The continued decrease in mortgage interest rates throughout 2009 also impacted consumers' preferences in terms of mortgage interest type for new mortgage loans (Tab.5D). Data shows, for example, that there was a remarkable shift from Q4 2008 to Q4 2009 towards variable rate products in some markets, such as in Belgium (from 3.7% of total new mortgage loans in Q4 2008 to 47.6% in Q4 2009) and Italy (from 21.9% to 66.5%), where fixed-rate mortgages are traditionally predominant.

### Contributing National Experts

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## Country Insight: Ireland / by Tom O' Connor, Irish Banking Federation

In the period preceding the onset of the financial crisis, Ireland's stellar macroeconomic performance had benefitted from and contributed to the growth in the Irish housing and mortgage markets. Notably, property construction had come to account for a significant proportion of economic growth, particularly from 2004 onwards and as a consequence, one of the distinguishing features of Ireland's financial crisis has been a large exposure of financial institutions to the property development sector.

Property price growth in Ireland had already begun to cool before the global financial crisis accelerated with prices decreasing by 13% before the collapse of Lehman Brothers. Another differentiating factor was the small size of the specialist or subprime sector in Ireland as this was only in its infancy when access to funding on international markets deteriorated.

However, market sentiment for property was significantly affected by the financial crisis and broader economic events, in particular by labour market developments, with employment declining by 11.6% between early 2008 and the end of 2009. Decisive Government action required to tackle the Exchequer deficit, including public sector spending cuts and increases in taxation, also contributed to subduing demand for property.

New mortgage lending declined significantly- the number of new mortgage loans issued fell by 47% between late 2008 and the end of 2009. Net residential mortgage lending has also declined in month-on-month terms since peaking at a value of 148,542 million EUR in March 2009. These trends have contributed to mortgage lenders focussing on core segments of First- and Subsequent-Time Buyers, who strengthened their combined market share to 70% in value terms by the end of 2009. The segments most affected by the downturn have been the Buy-to-Let and re-mortgage (or switching) segments.

The economic downturn and the increased costs of funding have impacted upon the provision of mortgage credit as lenders have imposed more stringent criteria and also increased the value of deposits required for loans, particularly for Buy-to-Let transactions. Mortgage lenders refrained from passing on the increased costs of funding in 2009 to the point that interest rates for savings were significantly higher than those for mortgages. Lenders have sought to rectify this imbalance in the interests of sustainability and a number have raised interest rates for mortgage and non-mortgage lending. Notably, some 85% of residential mortgages outstanding are variable rate or fixed for a period of one year or less.

A significant positive development arising from the downturn has been a striking improvement in affordability. Property prices have fallen by over 30% from peak to levels equivalent to those of early 2003. Thus, properties have become significantly more affordable since early 2007. With the ECB main refinancing interest rate at an historic low, repayments have fallen by over 50% since 2007 and are now thought to consume just 13.4% of a First-Time Buyer couple's joint net income, according to the EBS/DKM Affordability Index. However, the future trend may be impact-

ed by changes in mortgage interest rates, probable further increases in taxation and the phasing out of mortgage interest relief (a tax credit on mortgage interest payments).

The housing market has been experiencing a correction since 2007 and the volume of units completed continues to decline as the market seeks equilibrium. Having peaked in 2006 at over 93,000 new housing units, this declined sharply to 26,000 in 2009 and is expected to fall further in 2010. There are different estimates provided for the level of unsold units or stock overhang and the numbers vary significantly, however one thing that is common in all estimates is the regional concentration of unsold units in certain areas, particularly outside Dublin although at varying levels. The National Asset Management Agency (NAMA) has been established as a State agency to take on impaired property development loans from financial institutions and it is currently assessing how to proceed with many of the incomplete or unsold developments. Once this process is underway, the property market will benefit from greater certainty.

There has also been significant activity in the policy arena with regard to statutory measures to protect homeowners in financial difficulties. The Financial Regulator published a Code of Conduct on Mortgage Arrears in February 2009 based on a voluntary industry Code that had already been in place for several years. One year later, the Financial Regulator increased the duration of the period that the lender must wait from when arrears first arise to initiating legal proceedings against the homeowner from six to twelve months. IBF members who provide mortgages also issued a Pledge to Homeowners in November 2009 committing to working with customers experiencing financial difficulties and to engage with the customer in formulating a mutually-acceptable and affordable repayment plan. In April 2010 IBF launched the website, [www.helpinghomeowners.ie](http://www.helpinghomeowners.ie) to provide information for borrowers on dealing with repayment difficulties, including how to contact their lender and other advice sources. While initially at a very low level, mortgage arrears levels have increased to 3.6% of accounts in arrears of 90 days or more as at the end of December 2009. However, the level of forbearance practiced by lenders is demonstrated by the fact that the number of new Court proceedings fell by 52% between end-Q3 and end-Q4 2009.

The Irish mortgage and housing markets continue to experience adjustment in early 2010, impacted by numerous Governmental, regulatory and industry measures to stabilise the financial system and to reassure consumers. A recovery in sentiment towards the property market may follow the anticipated return to economic growth in the second half of 2010.

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

	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	latest y-o-y change (%) (Q4 09)	previous y-o-y change (%) (Q3 09)
<b>BE</b>	119,133	123,055	125,677	128,068	130,548	134,454	136,016	137,823	140,979	144,578	7.5	8.0
<b>DK</b>	208,165	211,381	214,833	217,899	220,522	222,403	225,503	227,352	229,707	231,268	4.0	4.2
<b>DE</b>	1,160,187	1,155,742	1,149,512	1,150,485	1,151,578	1,147,869	1,141,930	1,141,853	1,146,564	1,146,564	-0.1	-0.4
<b>EE</b>	5,375	5,625	5,817	6,038	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>GR</b>	66,116	69,363	71,661	74,064	76,055	77,700	78,066	78,734	79,560	80,559	3.7	4.6
<b>FR</b>	633,600	651,900	667,400	679,600	698,300	710,000	712,900	716,000	726,500	735,600	3.6	4.0
<b>ES</b>	634,393	646,676	659,195	666,664	672,242	674,434	673,321	677,850	677,850	678,872	0.7	0.8
<b>IE</b>	135,963	139,842	142,403	145,341	147,550	147,904	148,542	148,349	147,969	147,623	-0.2	0.3
<b>IT</b>	299,798	304,223	299,802	297,760	305,498	307,832	314,398	321,487	323,742	330,585	7.4	6.0
<b>LV</b>	6,427	6,726	6,964	7,068	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>LT</b>	4,412	4,849	5,156	5,538	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>HU</b>	11,902	12,407	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>NL</b>	541,093	551,873	559,914	565,794	570,983	588,188	590,485	607,277	609,559	619,992	5.4	6.8
<b>PL</b>	31,987	35,966	40,834	44,959	51,949	57,014	51,820	51,756	54,949	56,630	-0.7	5.8
<b>PT</b>	99,391	101,094	103,308	105,521	105,167	105,210	105,989	107,299	108,484	110,685	5.2	3.2
<b>RO</b>	n/a	n/a	n/a	n/a	n/a	5,471	5,072	5,306	n/a	n/a	n/a	n/a
<b>SE</b>	216,460	221,434	223,655	230,718	232,162	218,976	208,358	217,403	229,413	236,062	7.8	-1.2
<b>UK</b>	1,714,212	1,745,904	1,585,254	1,534,327	1,537,551	1,459,858	1,347,056	1,394,708	1,415,877	1,372,659	-6.0	-7.9

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

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

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

Please note that the SEK/EUR and GBP/EUR exchange rates have been very volatile since Q4 2008, so the year-on-year changes in lending stated in SEK and GBP resulted different than stated in EUR.

**Table 2 ► Gross Residential Mortgage Lending (Million EUR)**

	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	latest y-o-y change (%) (Q4 09)	previous y-o-y change (%) (Q3 09)
<b>BE</b>	6,105	5,907	5,471	5,001	6,076	5,657	4,797	4,091	5,461	6,143	6,381	33.0	8.6
<b>DK</b>	10,559	11,707	11,852	7,894	9,773	9,116	10,188	9,275	14,965	11,874	13,591	33.4	30.2
<b>DE</b>	19,457	22,360	21,519	16,818	19,442	21,012	20,000	16,400	18,000	19,000	20,000	0.0	-9.6
<b>EE</b>	615.5	499.2	444.8	439.0	461.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>GR</b>	3,942	3,474	3,833	3,677	3,752	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>FR</b>	37,000	39,500	36,500	31,300	33,106	32,000	25,600	17,700	23,440	29,640	33,070	29.2	-7.4
<b>ES</b>	37,737	30,853	28,508	25,016	24,166	18,510	16,089	15,496	19,191	17,143	17,088	6.2	-7.4
<b>IE</b>	8,733	8,984	8,282	6,266	7,566	5,678	3,539	1,998	2,173	2,145	1,760	-50.3	-62.2
<b>IT</b>	24,552	21,025	26,994	21,045	22,825	19,687	21,407	16,411	19,885	17,036	21,960	2.6	-13.5
<b>LT</b>	1,122	1,278	1,404	1,493	1,604	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>HU</b>	782	822	842	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>PT</b>	4,765	5,354	5,369	4,090	3,673	2,993	2,769	1,917	2,347	2,508	2,558	-7.6	-16.2
<b>SE</b>	12,474	10,567	10,658	8,218	9,265	7,360	8,921	7,983	11,328	9,600	11,046	23.8	30.4
<b>UK</b>	138,253	145,042	126,929	98,049	92,492	76,322	54,944	35,630	37,642	44,960	43,173	-21.4	-41.1

Note: non seasonally-adjusted data.

Source: European Mortgage Federation

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

Please note that the SEK/EUR and GBP/EUR exchange rates have been very volatile since Q4 2008, so the year-on-year changes in lending stated in SEK and GBP resulted different than stated in EUR.

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

	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009	latest y-o-y change (%) (Q4 09)	previous y-o-y change (%) (Q3 09)
BE	3,010	2,845	3,922	2,542	2,852	2,480	3,907	1,562	1,807	3,157	3,598	-7.9	27.3
DK	4,260	4,201	3,243	3,080	3,309	2,718	2,073	2,704	2,070	2,180	1,839	-11.3	-19.8
DE	-2,971	-94	-2,867	-6,245	1,103	1,100	-3,519	-5,939	651	3,251	2,604	-174.0	195.5
EE	414	308	250	193	221	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GR	3,019	2,812	3,248	2,297	2,404	1,991	1,645	366	668	826	999	-39.3	-58.5
FR	20,100	18,900	17,500	14,500	12,200	18,700	11,700	2,900	3,100	10,500	9,100	-22.2	-43.9
ES	24,258	15,601	12,283	12,519	7,469	5,578	2,191	-1,113	4,529	0.173	1,022	-53.4	-100.0
IE	4,290	4,118	3,879	2,561	2,946	2,209	565	427	-193	-380	-346	-161.2	-117.2
IT	7,203	9,937	4,425	-4,421	-2,042	7,738	2,334	6,566	7,089	2,255	6,843	193.2	-70.9
LV	591	359	310	209	134	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	496	544	438	307	381	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	3,029	13,045	10,885	7,835	5,880	5,189	17,205	2,297	16,792	2,282	10,433	-39.4	-70.7
HU	375	599	556	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PL	2,721	3,698	2,843	3,961	2,209	5,632	11,404	3,948	-529	112	1,287	-88.7	-98.0
PT	2,845	2,152	1,703	2,214	2,213	-354	43	779	1,310	1,185	2,201	n/a	-434.7
RO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	177	150	n/a	n/a	n/a	n/a
SE	6,422	5,059	5,582	4,579	6,106	4,367	4,062	3,594	5,953	4,499	5,097	25.5	3.0
UK	41,808	45,538	34,165	22,484	16,548	9,440	4,231	-9	3,106	5,315	4,614	9.1	-43.7

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.

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

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

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
BE	n/a	n/a	n/a	n/a	n/a	3.7	2.8	-0.2	5.6	1.5	-2.2	-3.6	0.7	3.8
DE	0.9	0.5	0.7	-0.7	-1.0	0.2	2.8	3.7	2.4	2.9	0.7	-1.1	-0.5	-0.7
DK	20.8	14.5	10.8	5.5	1.5	-0.1	-1.8	-4.5	-5.6	-7.9	-12.1	-12.6	-10.9	-7.3
EE	73.2	21.2	9.1	15.4	7.4	7.1	-12.5	-17.6	n/a	n/a	n/a	n/a	n/a	n/a
GR	12.0	10.5	6.2	5.8	5.7	1.0	2.8	1.5	5.6	3.3	-0.1	2.9	-5.1	-4.4
ES	9.8	9.1	7.2	5.8	5.3	4.7	3.8	2.0	0.3	-3.2	-6.8	-8.3	-8.0	-6.3
FR	11.1	9.9	8.1	6.8	5.7	5.7	4.3	3.0	0.8	-3.0	-6.9	-9.3	-7.9	-4.4
IE	15.0	11.8	7.4	0.9	-2.8	-7.3	-8.9	-9.6	-10.7	-9.1	-9.9	-11.7	-13.1	-18.5
PL	n/a	41.9	55.1	66.0	54.7	35.6	19.8	10.3	8.4	9.3	6.7	0.6	-1.8	-2.0
PT	-1.3	0.6	1.1	1.6	0.6	-1.2	-1.5	-4.6	-4.9	-6.3	-5.9	-1.5	0.0	0.2
SE	12.0	10.5	8.0	10.3	11.8	11.3	9.0	4.9	1.8	-2.0	-4.1	-1.8	-0.2	5.8
UK	7.1	9.1	11.2	11.3	11.5	9.8	6.5	2.7	-3.7	-8.7	-12.4	-12.3	-6.1	0.3

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: single family house price index

Denmark: all dwellings

France: INSEE index (second-hand dwellings only)

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

Ireland: new series of ESRI residential property prices index

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

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

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

**Table 5A ► Representative Mortgage Rates (%)**

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
BE	4.37	4.36	4.41	4.46	4.88	4.93	4.88	4.85	5.26	4.99	4.52	4.49	4.62	4.43
DK	3.63	4.18	4.18	4.41	4.50	4.53	4.56	5.36	5.03	4.64	3.17	3.21	2.97	1.74
DE	4.71	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37	4.29
EE	4.50	4.80	5.10	5.30	5.70	5.80	5.40	5.80	n/a	n/a	n/a	n/a	n/a	n/a
GR	4.50	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	4.18	3.54	3.24	3.12
FR	3.90	3.90	4.00	4.10	4.40	4.60	4.70	4.70	5.00	5.20	4.80	4.40	4.40	4.60
ES	4.20	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78	2.52
IE	4.40	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62	2.61
IT	5.05	4.56	4.79	4.90	4.94	5.20	5.22	5.56	5.28	6.29	3.89	1.74	1.74	1.72
LV	4.84	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.28	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a	n/a
HU	5.57	5.83	5.60	5.75	6.32	6.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.18	4.45	4.69	4.90	5.18	5.34	5.38	5.50	5.70	5.71	4.21	3.63	3.87	3.88
PL	5.80	5.70	5.70	5.70	6.00	6.20	6.51	7.80	8.40	8.70	7.30	7.20	7.30	7.10
PT	4.70	5.00	5.10	5.30	5.50	5.70	5.10	5.42	5.69	5.50	3.51	2.70	2.38	2.23
SE	3.31	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58	1.43
UK	5.13	5.25	5.43	5.62	5.90	6.08	5.90	5.81	6.05	5.56	4.45	4.38	4.38	4.39

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

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
BE	4.34	4.44	4.69	4.86	5.07	5.18	4.87	4.91	5.45	4.99	n/a	n/a	n/a	n/a
DE	4.80	4.86	4.99	5.22	5.34	5.33	5.01	5.24	5.50	4.84	4.12	3.88	3.81	3.76
GR	5.16	4.81	4.56	4.92	5.11	4.97	4.74	4.95	4.66	5.27	5.44	5.03	4.67	4.65
ES	4.46	4.74	4.97	5.21	5.63	5.76	5.67	5.74	6.18	6.06	4.71	3.94	3.46	3.19
IE	4.62	4.76	4.99	5.18	5.23	5.39	5.13	5.34	5.72	4.80	4.14	3.65	3.63	3.59
LV	5.86	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.90	4.89	5.11	5.48	5.68	5.55	5.22	5.81	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.60	4.63	4.74	4.99	5.18	5.18	5.05	5.06	5.49	5.50	4.98	4.82	4.97	4.90
SE	4.32	4.30	4.50	4.88	4.99	5.16	5.00	5.94	5.97	4.20	3.40	3.49	3.13	3.07
UK	5.42	5.45	5.79	6.06	6.40	6.48	6.51	6.51	n/a	n/a	n/a	n/a	n/a	n/a

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

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
BE	4.20	4.47	4.69	4.87	5.13	5.26	5.16	5.58	5.98	4.87	3.74	3.21	2.97	2.92
DE	5.10	5.23	5.46	5.64	5.86	5.97	5.73	6.05	6.24	5.38	4.19	3.73	3.38	3.36
GR	4.50	4.36	4.00	4.90	4.93	4.75	5.36	5.40	4.18	3.54	4.18	3.54	3.24	3.12
ES	4.20	4.49	4.76	4.93	5.20	5.37	5.34	5.39	5.93	5.89	4.22	3.14	2.78	2.52
IE	4.40	4.57	4.78	4.98	4.99	5.07	5.00	5.23	5.58	4.33	3.23	2.68	2.62	2.61
LV	4.84	5.28	5.53	5.81	6.05	6.29	6.12	6.61	n/a	n/a	n/a	n/a	n/a	n/a
LT	4.28	4.58	4.84	5.12	5.53	5.71	5.56	5.86	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.18	4.45	4.69	4.90	5.18	5.34	5.38	5.50	5.70	5.71	4.21	3.63	3.87	3.88
SE	3.31	3.63	3.92	4.11	4.43	4.75	5.10	5.33	6.06	3.60	2.15	1.93	1.58	1.43

Source: European Mortgage Federation



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

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
DE	4.69	4.56	4.76	5.03	5.08	5.01	4.88	5.09	5.21	4.73	4.49	4.53	4.45	4.38
GR	4.79	4.52	4.65	4.53	4.57	4.48	4.66	4.77	4.96	4.87	4.79	4.72	4.76	4.65
IE	5.10	5.12	5.35	5.73	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LV	5.29	5.09	5.39	5.68	6.02	6.33	6.31	6.82	n/a	n/a	n/a	n/a	n/a	n/a
NL	4.70	4.72	4.73	4.85	5.08	5.27	5.28	5.26	5.46	5.60	5.46	5.37	5.31	5.25
UK	5.45	5.41	5.65	5.85	6.15	5.95	5.81	6.14	6.24	5.92	5.55	5.84	5.84	n/a

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

BE	4.35	4.44	4.54	4.69	5.01	5.23	5.02	4.97	5.36	5.37	n/a	n/a	n/a	n/a
DE	4.71	4.60	4.78	5.01	5.12	5.03	4.89	5.06	5.17	4.83	4.40	4.39	4.37	4.29
GR	5.16	4.81	4.56	4.92	5.11	4.97	4.74	4.95	5.16	5.79	5.61	4.75	4.67	4.34
ES	7.23	7.02	6.52	6.46	6.88	7.24	7.51	7.69	8.09	7.93	7.62	7.53	7.68	7.41
LV	5.86	6.16	6.02	6.17	6.52	6.46	6.16	6.48	n/a	n/a	n/a	n/a	n/a	n/a
SE	4.66	4.64	4.66	4.81	5.05	5.12	5.10	5.07	5.41	5.51	5.44	5.35	5.41	5.28
SE	4.69	4.53	4.63	5.08	5.15	5.23	5.19	5.91	5.83	4.87	4.84	5.26	4.21	4.46

Source: European Mortgage Federation

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

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
<b>Denmark</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	43.5	41.9	38.7	36.2	34.0
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56.5	58.1	61.3	63.8	66.0
<b>Ireland</b>													
fixed 1-3 years	11.6	13.6	17.1	16.6	16.9	16.4	14.9	13.9	11.6	9.0	7.9	7.1	n/a
fixed 3-5 years	4.8	5.6	4.3	5.8	5.7	5.7	5.8	6.1	6.0	5.6	5.3	5.4	n/a
fixed >5 years	2.0	2.1	2.2	2.2	2.1	2.1	2.2	2.3	2.4	2.9	2.7	2.3	n/a
variable and initial fixed up to 1 year	81.7	78.8	76.5	75.4	75.3	75.8	77.2	77.8	80.0	82.5	84.1	85.2	n/a
<b>Poland</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0	n/a	n/a	100.0	n/a
<b>Sweden</b>													
initial fixed >5 years	22.2	22.8	23.7	24.2	24.6	23.7	23.1	21.1	20.5	19.6	18.4	17.5	16.7
initial fixed 1-5 years	35.4	35.1	34.9	34.8	34.9	34.8	34.3	33.2	32.8	31.2	29.3	27.5	25.0
variable and initial fixed up to 1 year	42.4	42.1	41.4	41.1	40.4	41.5	42.6	45.7	46.7	49.2	52.3	55.0	58.3
<b>UK</b>													
fixed	n/a	n/a	n/a	67.1	57.0	45.9	56.4	52.7	52.7	52.7	n/a	n/a	n/a
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Swedish series has been revised

Source: European Mortgage Federation

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

	IV 2006	I 2007	II 2007	III 2007	IV 2007	I 2008	II 2008	III 2008	IV 2008	I 2009	II 2009	III 2009	IV 2009
<b>Belgium</b>													
variable (fixed up to 1 year)	n/a	1.5	n/a	1.2	1.2	1.8	2.2	2.4	3.7	13.6	26.4	41.2	47.6
initial fixed	n/a	16.9	n/a	13.4	13.7	13.3	15.1	15.0	13.6	16.1	21.3	20.5	19.7
fixed to maturity	n/a	81.6	n/a	85.4	85.1	85.0	82.7	82.5	82.7	70.3	52.3	38.4	32.8
<b>Denmark*</b>													
fixed	43.0	47.0	54.0	55.0	38.6	38.0	38.2	43.9	27.0	17.0	8.0	16.1	15.2
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	57.0	53.0	46.0	45.0	61.4	62.0	61.8	56.1	73.0	83.0	92.0	83.9	84.8
<b>Germany</b>													
Initial fix >1<=5 years	16.0	16.0	14.0	15.0	15.0	17.0	17.0	15.0	17.0	20.0	19.0	18.0	18.0
Initial fix >5<=10 years	38.0	38.0	39.0	38.0	38.0	37.0	38.0	39.0	38.0	38.0	41.0	41.0	40.0
Initial fix >10 years	30.0	31.0	33.0	31.0	32.0	31.0	30.0	31.0	29.0	25.0	24.0	24.0	25.0
Variable and initial fix for <= 1 year	16.0	15.0	14.0	16.0	15.0	15.0	15.0	15.0	16.0	17.0	16.0	17.0	17.0
<b>Spain</b>													
fixed	0.9	4.7	3.0	3.5	2.9	2.5	2.3	1.5	1.3	1.0	0.8	1.0	0.8
initial fixed	5.7	7.1	8.1	7.4	5.8	5.4	6.1	8.2	8.1	11.7	9.4	10.3	9.5
variable	93.3	88.1	89.0	89.1	91.3	92.0	91.5	90.3	90.6	87.4	89.8	88.7	89.7
<b>Italy</b>													
variable	48.6	n/a	27.7	n/a	25.4	n/a	21.0	n/a	21.9	n/a	34.5	n/a	66.5
fixed to maturity	46.3	n/a	70.1	n/a	73.3	n/a	76.6	n/a	75.4	n/a	64.2	n/a	32.5
<b>Ireland</b>													
fixed	37.1	41.5	49.0	29.5	5.5	11.7	23.6	21.8	9.4	11.6	39.0	16.3	16.1
variable	62.9	58.5	51.0	70.5	94.5	88.3	76.4	78.2	90.6	88.4	61.0	83.7	83.9
<b>Poland</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0	n/a	n/a	100.0	n/a
<b>Portugal</b>													
fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.7	1.6	0.9	0.7
initial fixed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	n/a	n/a	n/a	n/a	n/a	98.0	96.0	95.0	93.6	95.3	98.4	99.1	99.3
<b>Sweden</b>													
fixed	17.9	20.8	23.6	27.0	26.3	22.0	15.4	12.6	8.1	3.8	3.5	3.5	2.9
initial fixed	27.4	28.7	29.6	27.5	28.7	29.6	27.4	28.3	26.9	29.2	26.0	26.9	28.7
variable	54.6	50.5	46.8	45.5	45.0	48.4	57.2	59.1	65.0	67.0	70.6	69.6	68.4
<b>UK</b>													
initial fixed	60.0	62.7	73.5	76.3	75.3	66.2	54.2	64.4	59.9	53.4	57.2	74.2	76.6
variable	40.0	37.3	26.4	23.7	24.7	33.8	45.8	35.7	40.1	46.6	42.9	25.7	23.5

Note: Swedish and Italian series has been revised

Source: European Mortgage Federation

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

**Table 5E ► Description of Rates**

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

<b>BE</b>	Long term initial fixed period rate, 10 years or more maturity.
<b>DK</b>	Adjustable mortgage rate.
<b>DE</b>	Renegotiable rate with a fixed period of 5 to 10 years.
<b>EE</b>	It is the weighted average of the annual interest rate on new EUR denominated housing loans granted to individuals.
<b>GR</b>	Reviewable rate after a fixed term of 1 year.
<b>ES</b>	Variable rate - Effective average interest rate not including costs. The interest rate usually floats every 6 or 12 months, according to an official reference rate for mortgage loans secured on residential property (non-subsidized housing). This should be the same rate as used in the Hypostat and should relate to broadly the same product over time
<b>FR</b>	Fixed rate - The rate is fixed for the total maturity of the loan. The rate communicated is the fixed average rate of secured loans "PAS" with a maturity between 12 and 15 years.
<b>IE</b>	Variable rate ( $\leq 1$ ).
<b>IT</b>	Until the 3 <sup>rd</sup> quarter of 2006, the fixed rate was used. From the 4 <sup>th</sup> quarter of 2006 onwards, the variable interest rate on a loan of EUR 100.000 with a maturity of 20 years has been used.
<b>LV</b>	Variable rate ( $\leq 1$ ). The average interest rate on new EUR denominated loans.
<b>LT</b>	Variable rate ( $\leq 1$ ). The average interest rate on new EUR denominated loans.
<b>HU</b>	The APRC of the most typical loan in Hungary (currently the most typical loan for residential purposes at a variable interest rate and denominated in CHF).
<b>PL</b>	The indicator is a weighted average of variable mortgage rates denominated in PLN for all residential credits on outstanding amounts.
<b>PT</b>	Variable interest rate up to 1 year indexed to Euribor ( $\leq 1$ ).
<b>SE</b>	Variable interest rate up to 1 year ( $\leq 1$ ).
<b>UK</b>	The average mortgage rate charged on all regulated mortgage contracts except lifetime mortgages newly advanced in the period (Source: Council of Mortgage Lenders, Regulated Mortgage Survey).

Source: European Mortgage Federation



**2009 EMF**  
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