

- > In the 4<sup>th</sup> quarter of 2007, most of the EU's residential mortgage markets showed further signs of slowdown, confirming the trend of previous quarters.
- > The decrease of mortgage lending activity on the previous year was more pronounced in the 'housing boom countries', but in a number of advanced EU countries the picture was more positive.
- > In central and eastern European countries (such as in the Baltic States and Hungary), mortgage and housing activities are still buoyant.
- > Growth in house prices continued to decelerate in the EU, though still remaining positive for most countries.

## CONTINUED DECLINE IN MORTGAGE ACTIVITY CONFIRMED BY Q4 2007 FIGURES

In the 4<sup>th</sup> quarter of 2007, most of the EU's residential mortgage markets showed further signs of slowdown, confirming the trend of previous quarters. The picture that now dominates across the EU is one of continuously rising mortgage interest rates, slowing growth in house prices and a combination of growing difficulties faced by banks to fund mortgage loans and falling economic confidence among consumers. However, an analysis of developments in the EU during the second half of 2007 suggests that the consequences of the crisis on mortgage lending activity and on housing markets in the EU has been much less severe than in the

US. Going forward, there is some consensus that the impact from the resulting credit crisis is not likely to fade away within the first half of 2008.

The correction process from record levels is continuing not only in the 'housing boom countries' (such as the UK, Ireland and Spain), where growth in mortgage lending, real estate markets and nominal house prices had been more pronounced than in the rest of Western Europe, but also in many parts of the EU. Slowing mortgage and housing activities are also reflected in the continuing deceleration of year-on-year growth of house prices, Ireland being the only country where there have been reports of negative growth in house prices. The picture is different in central and eastern European countries (such as in the Baltic States and Hunga-

ry), where mortgage and housing activities are still buoyant.

In the UK, gross mortgage lending fell by 10.3% on a year-on-year basis in Q4 2007, which is the first actual decrease since Q2 2005 (in Q3 the y-o-y growth rate was still positive, at 5.9%). This number is however largely influenced by the exceptional lending levels experienced in Q4 2006. During the next quarters, lending growth is likely to be negatively affected by continuing affordability problems that may act as an obstacle to first-time buyers entering the market.

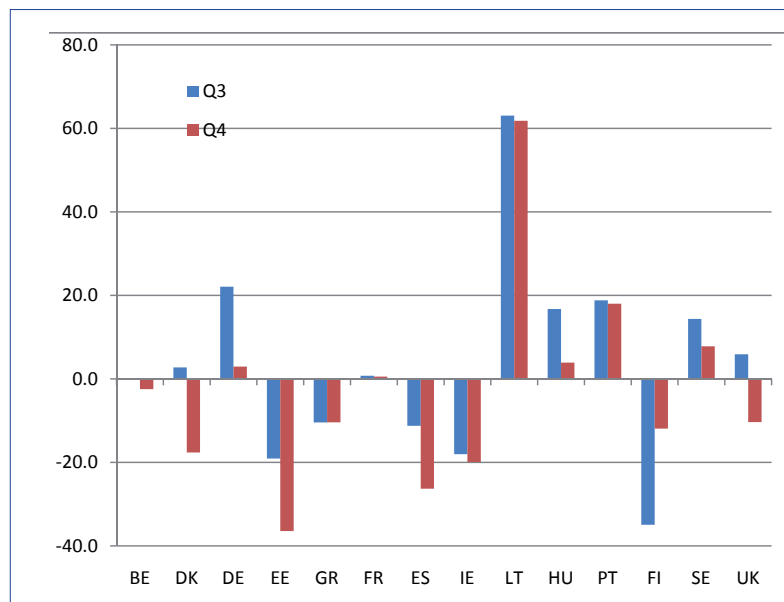
With regard to Spain, developments during 2007 have confirmed the slowdown of mortgage activity which had started after the peak reached in Q2 2006. Residential mortgage credit to households continued to fall sharply in Q4 2007 compared to the previous year (-26.3%) at a pace that was stronger than expected.

In Ireland, in Q4 2007 the decrease of mortgage lending activity on the previous year's Q4 continued to be pronounced (-19.9%), as it already was in Q3. The decline in housing demand also continued, due to the worsening confidence of consumers in response to interest rates hike. The current decrease of house prices should however positively impact households' housing affordability during 2008.

The picture was more positive in a number of other countries.

In Germany, the real estate market showed countercyclical signs of vitality in comparison to other advanced EU economies. In Q4 2007 gross residential lending grew slightly on the previous year

CHART 1 > GROSS RESIDENTIAL LENDING (YEAR-ON-YEAR GROWTH RATES):



Source: European Mortgage Federation

(by 2.9%), following good performance recorded in Q3. On the housing supply side, for the first time in the last six years annual residential fixed investment increased on the previous year (by 4.0%). In France, Q4 figures showed a slow decline in gross residential lending on the previous quarter, although it remained stable on a year-on-year basis (0.6%), confirming that the softening in mortgage activity there is taking place at a moderate level. According to a study released by the Banque de France in January 2008, this slowdown is not likely to turn into a severe recession of the mortgage market, and the domestic consequences of the international credit crisis should remain sustainable in terms of households' access to mortgage products. In Sweden, mortgage lending was still buoyant in the 4<sup>th</sup> quarter of

2007 and y-o-y growth of 7.8% provided no indication that mortgage lending has slowed down. In Denmark, after a positive year-on-year growth rate in Q3 - which had followed two disappointing successive quarters of negative growth - gross lending in Q4 2007 sharply decreased compared to the same quarter of 2006 (by -17.6%). The level of mortgage activity however remains high due to largely positive conditions of the Danish construction sector.

### SLOWING GROWTH IN HOUSE PRICES PUT IN CONTEXT

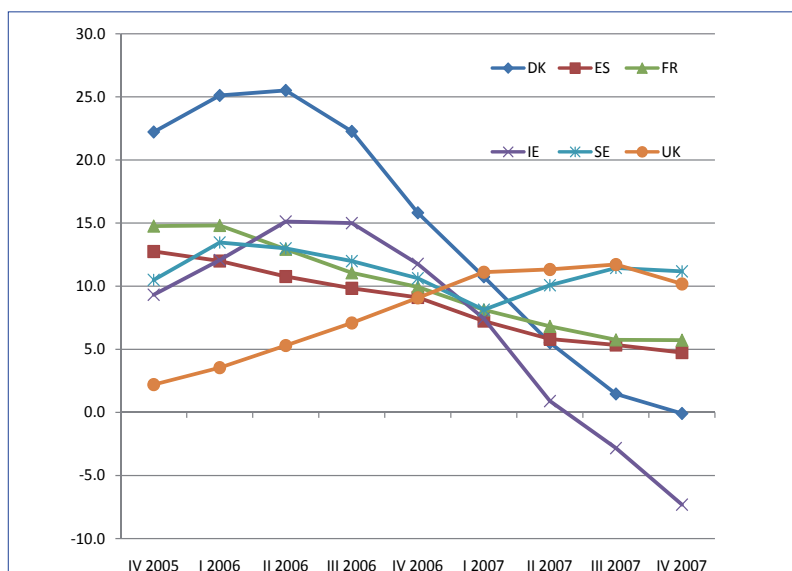
Q4 2007 figures reveal that year on year growth in house prices continued to decelerate in the EU, though still remaining positive for most countries (Chart 2).

However, this deceleration came after historical peaks in house prices that were reached around Q2 and Q3 of 2006, and also it should be noted that nominal house price indices in absolute terms remain at high levels. In addition, when considering levels observed since Q4 2005 (Chart 3), Q4 2007 figures show that prices did not generally decline from Q3 2007 levels, with the exception of Denmark and Ireland. While the latter experienced falls of 3.9% on the previous quarter and 7.3% on the equivalent quarter in the previous year, house price levels there have simply returned, in absolute terms, to Q1 2006 levels.

In Spain, year-on-year growth in nominal terms was still pronounced (+4.7%), although it has been constantly slowing down since Q4 2005. However, it is worth highlighting that inflation-adjusted growth in house prices in Q4 2007 was almost negative. Moreover, there are signs of further cooling of the housing market, so that the correction process in house prices is likely to continue.

In the UK, growing pressure on the housing market throughout 2007 led to a marked slowdown in house prices, but end of year results were still positive. In Sweden and Finland prices kept rising both on a year-on-year and on a quarter-on-quarter basis as housing demand remained strong. As for Denmark, house prices decreased slightly compared to Q3 2007 (-1.2%), though remaining stable compared to Q4 2006.

CHART 2 > NOMINAL HOUSE PRICE GROWTH RATES Q4 2005 - Q4 2007



Source: European Mortgage Federation

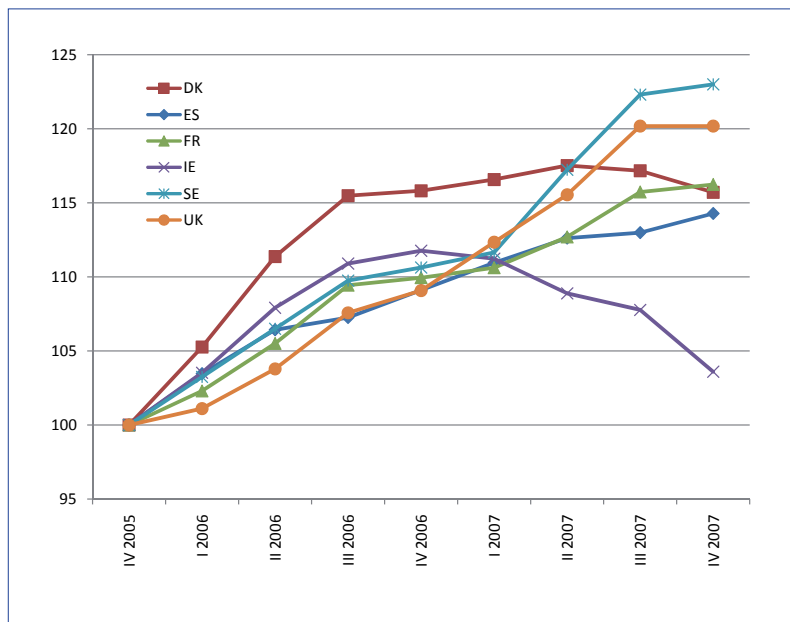
### MONETARY POLICY

On the ECB's monetary policy specifically, the ECB benchmark rate hasn't changed since June 2007 (while since then, BOE rates were raised once and lowered three times), and given the rising inflationary pressures in the eurozone, it is unlikely that Governor JC Trichet will decrease rates any time soon, even if the euro economy, with current growth rates at 2% and the slow down recorded in the mortgage and housing markets in the last two years, could do with a boost. But the main headlines in the EU at the moment, much like the rest of the world, aren't about the lack of growth but about the rising prices in everyday purchases of goods, especially food products.

With regard to perspectives, fears for the eurozone mortgage markets centre on a continued glut in credit provision and lowering consumer confidence due to inflationary and general economic worries. Such concerns will not be helped by the visions of a faltering US economy, which will naturally have wide repercussions, not least on Europe, not belittling either the impacts on the mortgage markets of the sub-prime crisis, but at least taking some optimism from the fact that the mortgage situation in Europe is far different from the US. Having avoided the pitfalls of careless underwriting and securitisation of mortgage loans widely practised in the US, one could hope that no radical change is likely to be on the cards for the European mortgage

industry beyond the credit crisis. Whether that view is widely shared will be revealed at our annual conference this autumn, which will focus on the question. And for the record, it will take place in Brussels on the 20<sup>th</sup> and 21<sup>st</sup> of November 2008. Further details will soon be published on the website of the European Mortgage Federation.

CHART 3 > NOMINAL HOUSE PRICE INDEX (Q4 2005 =100)



Source: European Mortgage Federation

## > COUNTRY INSIGHT: GREECE

by Dimitrios Frangopoulos, National Bank of Greece

The mortgage market in Greece has not been affected by the international turmoil generated by the recent and, as it seems, still ongoing sub-prime and credit crisis. On a year-on-year basis total outstanding balances grew by a healthy 21.5%, which is much higher than that of most EU countries. Net lending in 2007 reached €12.2 billion, compared to €11.7 billion in 2006, while gross lending i.e. new loan disbursements in Euros, reached €15.1 billion.

The Greek mortgage market is quite heavily concentrated with the top 5 commercial banks accounting for 69% of the total market, although new entrants have made an impact in recent years, increasing gradually their market share by almost 2 percentage points in the last two years.

Demand has been sustained by changing family patterns resulting in smaller household sizes and a constant inflow of immigrants mainly from Southeastern European countries, which account for more than 10% of total population in Greece. Nevertheless, there is evidence that there has been an over response on the supply side, spurred by the boom following the Athens Olympics and more recently, especially in 2005, by expectations of heavier real estate taxes on new buildings, that led to a significant increase in new licences during that year, which meant that (given that it takes around 12-18 months to completion), in 2007 there was an increase in new houses on offer. This will probably result in weaker house price growth in 2008 and although there are no overall official data available yet for 2007, prelimi-

nary data, published by the Bank of Greece (for urban centres excluding Athens), suggest that the rate of increase in house prices slowed down considerably in 2007, from the 12.2% experienced in 2006, to somewhere close to 6% in 2007. This trend is expected to continue in 2008, in line with a more general slow down in credit expansion in the mortgage sector, which is expected to finish the year close to the 18% mark. Anecdotal evidence suggests that the slowdown is already apparent in the first months of 2008 seen by the level of new disbursements. This development has not however taken any one by surprise. In fact the slow down seems to be less severe than originally expected since most Greek banks have on the one hand taken in some of the increases in interest rates against their spreads and on the other, they have maintained the policy of offering low teaser rate for the first few years (normally for the first year, but more recently even for up to 3 years).

In fact, the Bank of Greece has lately been expressing its concern on the continuing high rate of credit expansion and voices are being raised in the press regarding the level of household indebtedness, which however still remains much lower than the European average (41% compared to 55% in the Eurozone not including securitizations).

Nevertheless, the credit expansion Greece has witnessed in the past few years, has led a number of Greek Banks to resort to loan securitization to cover their funding needs, something, which may not be as easy in 2008 as a result of the sub prime crisis. In fact, some

banks are now contemplating using covered bonds as an alternative funding instrument (legislation making this possible in November 2007), with issues already expected to start in the second half of this year. This has not however had as yet an impact on credit availability or in raising the cost of prospective borrowers, as it seems to be having in some other countries.

Another expected consequence of credit expansion is the increase of delinquencies. Although there is an increase in delinquencies in absolute numbers, the percentage of delinquent retail loans (i.e. mortgages and consumer loans) seems to be on the decrease, standing at around 3.4% in Q2 2007, still considerably high by EU standards, but better than the 4.4% recorded in 2006.

The Greek mortgage market is heavily concentrated in the major urban centres, with Athens accounting for just under half of all new loan disbursements and Salonica - the second largest city - a distant second with around 10%.

Demand from foreign nationals is still quite subdued compared to other South European and Mediterranean Countries such as Spain or even Bulgaria, but there are signs that it is picking up and there is a number of Banks that are becoming active in this field. This is expected to have an impact on prices outside the major urban centres, mainly in the islands and the Peloponnese in the South of the country, although there is also interest from buyers from Eastern European countries (Bulgaria and Russia) for properties in the North (Chalkidiki). All in all the basic fundamentals of the Greek economy remain healthy with GDP expected to grow by about 4%, unemployment being held in check below the 8% mark, the recent reforms putting some order to Greece's labour market, leaving inflation - which has shown signs of picking up recently reaching 4.4% in February- as the only real worry of the Government. In spite of that, it could reasonably be argued that on balance the prospects for the housing market in Greece remain positive.

### FACT SHEET GREECE 2007

Population (million inhab.)	11.2
Nominal GDP per capita (€)	20,500
GDP per capita at PPS (Purchasing Parity Standards)	87.6 (EU15=100)
Real GDP growth rate (%)	4.0
Mortgage balances outstanding (billion €)	64.7
Mortgages, incl. securitizations (% of GDP)	30.2

Sources: EMF, Eurostat



## STATISTICS

Please note that mortgage rates cannot be directly compared at the European level because of the different characteristics of mortgage markets and mortgage products. Table 1A shows the rates charged on a typical mortgage in each country

where available. Descriptions of the respective products are set out in Table 1C. To aid some comparison, Table 1B shows the typical rates split according to the variability of the interest rate charged.

TABLE 1A > REPRESENTATIVE MORTGAGE INTEREST RATE, %

	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007
BE	3.89	3.94	4.04	4.37	4.36	4.41	4.46	4.88	4.93
DK	2.95	3.26	3.46	3.63	4.18	4.18	4.41	4.50	4.53
DE	4.19	4.39	4.66	4.71	4.60	4.78	5.01	5.12	5.03
EE	3.50	3.80	4.10	4.50	4.80	5.10	5.30	5.70	5.80
GR	3.86	3.92	4.22	4.50	4.36	4.00	4.90	4.93	4.75
FR	3.50	3.60	3.70	3.90	3.90	4.00	4.10	4.40	4.60
ES	3.53	3.86	4.17	4.46	4.74	4.97	5.21	5.63	5.33
IE	3.68	3.85	3.99	4.40	4.57	4.78	4.98	4.99	5.07
IT	4.10	4.30	4.90	5.05	4.56	4.79	4.90	4.94	5.20
LV	4.10	4.10	4.40	4.84	5.28	5.53	5.81	6.05	6.29
LT	3.36	3.40	3.87	4.28	4.58	4.84	5.12	5.53	5.71
HU	5.89	5.85	5.88	5.57	5.83	5.60	5.75	6.32	6.48
AT	3.52	3.90	4.08	4.36	4.64	4.94	5.11	5.37	n/a
PL	6.00	5.60	5.80	5.80	5.70	5.70	5.70	6.00	6.20
PT	4.10	4.30	4.60	4.70	5.00	5.10	5.30	5.50	5.70
SE	2.36	2.83	3.00	3.31	3.63	3.92	4.11	4.43	4.75
UK	4.99	5.01	5.01	5.13	5.25	5.42	5.61	5.90	6.08

Short-term initial fixed period rate, from 1 to 5 years maturity									
	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007
BE	3.80	3.89	4.00	4.34	4.44	4.69	4.86	5.07	5.18
DK	2.95	3.26	3.46	3.63	4.18	4.18	4.41	4.50	4.53
DE	4.25	4.37	4.61	4.80	4.86	4.99	5.22	5.34	5.33
GR	4.92	4.60	4.37	4.42	4.37	4.33	4.32	4.46	4.21
ES	3.53	3.86	4.17	4.46	4.74	4.97	5.21	5.63	5.33
IE	3.95	4.09	4.51	4.62	4.76	4.99	5.18	5.23	5.39
LV	5.26	5.41	5.60	5.86	6.16	6.02	6.17	6.52	6.46
LT	3.68	3.77	4.69	4.90	4.89	5.11	5.48	5.68	5.55
AT	2.90	3.05	3.04	3.07	3.42	3.76	3.75	3.96	n/a
SE	3.68	3.76	4.00	4.32	4.30	4.50	4.88	4.99	5.16
UK	4.95	4.99	5.20	5.39	5.47	5.83	6.06	6.42	6.45
Variable rate and initial fixed period rate up to 1 year									
	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007
BE	3.18	3.61	3.88	4.20	4.47	4.69	4.87	5.13	5.26
DK	3.36	3.40	3.87	4.28	4.58	4.84	5.12	5.53	5.71
DE	4.44	4.71	4.91	5.10	5.23	5.46	5.64	5.86	5.97
GR	3.86	3.92	4.22	4.50	4.36	4.00	4.90	4.93	n/a
ES	3.20	3.55	3.86	4.20	4.49	4.76	4.93	5.20	5.03
IE	3.68	3.85	3.99	4.40	4.57	4.78	4.98	4.99	5.07
LV	4.09	4.42	4.40	4.84	5.28	5.53	5.81	6.05	6.29
LT	3.36	3.40	3.87	4.28	4.58	4.84	5.12	5.53	5.71
AT	3.52	3.90	4.08	4.36	4.64	4.94	5.11	5.37	n/a
SE	2.36	2.83	3.00	3.31	3.63	3.92	4.11	4.43	4.75
UK	4.79	4.81	4.83	4.92	5.22	5.55	5.84	n/a	n/a

TABLE 1B > MORTGAGE INTEREST RATES, %									
Long-term initial fixed period rate, 10-year or more maturity									
	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007
BE	3.89	3.94	4.04	4.37	4.36	4.41	4.46	4.88	4.93
DE	4.24	4.39	4.65	4.70	4.58	4.77	5.02	5.10	5.02
GR	4.26	4.56	4.58	4.79	4.52	4.65	4.53	4.57	4.48
IE	4.40	4.58	4.66	5.10	5.12	5.35	5.73	n/a	n/a
LV	4.69	4.92	5.37	5.29	5.09	5.39	5.68	6.02	6.29
Medium-term initial fixed period rate, form 5 to 10 years maturity									
BE	3.86	3.90	4.01	4.35	4.44	4.54	4.69	5.01	5.23
DE	4.11	4.19	4.39	4.66	4.71	4.60	4.78	5.01	5.12
GR	5.61	5.80	5.37	5.22	5.16	4.81	4.56	4.92	n/a
IE	3.95	4.09	4.51	4.62	4.76	4.99	5.18	5.23	5.39
LV	5.26	5.41	5.60	5.86	6.16	6.02	6.17	6.52	6.46

TABLE 1C > 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:

BE	Long term initial fixed period rate, 10 years or more maturity. Market share approx. 95% in 2007.
DK <sup>i</sup>	Adjustable mortgage rate - Market share = 50% in 2005.
DK <sup>ii</sup>	Fixed interest rate based on 30 year callable bonds. Market share = 50% in 2005.
DE	Renegotiable rate with a fixed period of 5 to 10 years. Market share = 42% in 2005.
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. Market share for 1st Quarter 2005=86%.
ES	Variable rate - Market share 2005= 93.2%.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).
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. Market share= varies between 70% and 80%
IE	Variable rate ( $\leq 1$ ).
IT	Until the 3rd quarter of 2006, the fixed rate was used - Market share 2005 = between 20% and 30%. From the 4th quarter of 2006 onwards, the variable interest rate on a loan of EUR 100.000 with a maturity of 20
LV	Variable rate ( $\leq 1$ ).The average interest rate on new EUR denominated loans.
LT	Variable rate ( $\leq 1$ ). The average interest rate on new EUR denominated loans.- Market share October 2005-September 2006=51.34%
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).
AT	Variable rate( $\leq 1$ ).
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 ( $\leq 1$ )- Market share 2005=98.9%
FI	Variable interest rate ( $\leq 1$ )
SE	Variable interest rate up to 1 year ( $\leq 1$ ) – Market share 2006=54%
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). i 2 year discounted rate; ii 2 year fixed rate (Source: Bank of England)

TABLE 2 > TOTAL OUTSTANDING RESIDENTIAL MORTGAGE LENDING (MILLION EUR)

	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	latest year-on-year change (Q4 07)	previous year-on-year change (Q3 07)
BE	111,004	114,105	113,496	116,506	119,754	122,444	7.3	7.9
DK	190,743	194,970	199,075	203,746	208,165	211,381	8.4	9.1
DE	1,183,752	1,183,834	1,179,992	1,161,101	1,160,187	1,155,742	-2.4	-2.0
EE	3,783	4,278	4,654	5,068	5,375	5,625	31.5	42.1
GR	53,660	57,145	60,255	63,274	66,086	69,363	21.4	23.2
FR	560,000	578,600	594,600	614,700	633,600	n/a	n/a	13.1
ES	545 990	571 803	594 486	618 792	634 393	646 676	13.1	16.2
IE	117,143	123,288	127,555	131,845	135,963	139,842	13.4	16.1
IT	269,646	276,102	282,658	289,861	299,798	n/a	n/a	11.2
LV	2,771	3,258	3,827	4,240	4,491	4,708	44.5	62.0
LT	2706	2997	3371	3870	4412	4849	61.8	63.1
HU	9,536	10,373	10,912	11,463	11,902	12,407	19.6	24.8
AT	55,815	60,669	61,794	62,924	64,179	64681	6.6	15.0
PL	20245	22795	24927	28211	31987	35966	57.8	58.0
PT	90,384	91,895	94,394	97,239	99,391	101094	10.0	10.0
SE	169,922	175,767	178,185	181,459	185,040	189,426	7.8	8.9
UK	1,543,491	1,602,558	1,642,476	1,665,205	1,713,154	1,671,079	4.3	11.0

Notes:  
Non seasonally-adjusted data.  
Note that for Belgium data up to Q4 2006 are from the Banking, Finance and Insurance Commission. Data for 2007 are from the National Bank of Belgium.  
Quarterly figures for non Euro area countries are converted using the 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin.  
Figures for the Danish market represent lending by EMF members only, 90% of the market.

TABLE 3 > GROSS RESIDENTIAL MORTGAGE LENDING (MILLION (EUR))

	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	latest year-on-year change (Q4 07)	previous year-on-year change (Q3 07)
BE	6,765	6,275	6,528	5,911	5,609	5,342	6,115	5,907	5471	-2.5	-0.1
DK	19,722	11,887	12,314	11,395	14,388	9,147	10,559	11,707	11,852	-17.6	2.7
DE	21,331	18,396	18,282	18,315	20,903	18,069	19,457	22,360	21,519	2.9	22.1
EE	489	460	562	617	700	576	616	499	445	-36.4	-19.1
GR	5,107	3,642	3,645	3,880	4,278	3,858	3,942	3,474	3,833	-10.4	-10.4
FR	36,400	35,000	38,700	39,200	36,300	33,800	37 000	39 500	36 500	0.6	0.8
ES	37,889	40 262	42 293	34 761	39 092	38 479	37 737	30 853	28 811	-26.3	-11.2
IE	10,341	8,437	10,130	10,962	10,343	7,809	8,733	8,984	8,282	-19.9	-18.0
IT	23,826	20,346	20,198	20,060	25,053	21,171	24 552	21 025	26,994	7.7	4.8
LV	531	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LT	542	615	694	784	868	976	1122	1278	1404	61.8	63.1
HU	552	438	650	704	810	584	782	822	842	3.9	16.7
PT	4,752	6,609	4,564	4,506	4,550	4,144	4 765	5 354	5 369	18.0	18.8
FI	6985	6763	8611	8178	7417	7303	6018	5320	6534	-11.9	-34.9
SE	12603	9722	10835	9,241	11,510	10,191	12,474	10,567	12,409	7.8	14.4
UK	120,370	107,780	124,988	136,743	137,264	125,172	138,164	144,823	123,069	-10.3	5.9

Notes:

Non seasonally-adjusted data.

Quarterly figures for non Euro area countries are converted using the 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin. Figures for the Danish market represent lending by EMF members only, 90% of the market.

	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007	latest year-on-year change (Q4 07)	previous year-on-year change (Q3 07)
BE	3,203	2,475	2,964	2523	3004	2172	3 010	2,845	n/a	n/a	n/a
DK	4,250	4,597	4,731	4,806	3,691	4,084	4,260	4,201	3,243	-12.1	-12.6
DE	3,445	-1,904	702	4,361	63	-3,822	- 2 971	- 94	- 2 867	-4650.8	-102.2
EE	355	318	403	444	495	376	414	308	250	-49.5	-30.6
GR	4,109	2,617	2,813	2809	3485	3110	3 019	2 812	3 248	-6.8	0.1
FR	18,500	16,600	19,800	20,000	18,600	16,000	20,100	18,900	n/a	n/a	n/a
ES	30,791	24 416	26 069	19 934	25 813	22 683	24 305	15 601	12 283	-52.4	-21.7
IE	7,465	5,635	6,209	6,343	6,145	4,267	4,290	4,118	3,879	-36.9	-35.1
IT	12,159	8,799	9,086	8143	6452	6556	7203	9937	4,425	-31.4	22.0
LV	363	388	468	615	699	810	591	359	310	-55.7	-41.6
LT	285	253	272	310	291	374	496	544	438	50.5	75.5
HU	435	327	598	364	281	213	375	599	556	97.9	64.7
PL	1356	1246	2245	1,892	1,993	2,358	2,721	3,698	2,843	42.7	95.4
PT	902	1,484	3,009	1314	1511	2499	2845	2152	1703	12.7	63.8
SE	4363	2778	3912	3,251	4,070	3,458	4,582	3,711	4,905	20.5	14.1
UK	6,529	9,082	7,956	8,571	19,302	6,601	6,472	8,163	8,845	-54.2	-4.8

Notes:  
Non seasonally-adjusted data.  
Quarterly figures for non Euro area countries are converted using the 3-m average of EUR exchange rate as published in the ECB Monthly Bulletin.  
Figures for the Danish market represent lending by EMF members only, 90% of the market.  
Since Q4 2004, figures for Spain include since the IV Quarter 2004 securitized loans.  
There has been a change in source for Poland, since I Quarter 2004.

TABLE 5 > HOUSE PRICE INDICES (NOMINAL YEAR-ON-YEAR GROWTH RATES)

	IV 2005	I 2006	II 2006	III 2006	IV 2006	I 2007	II 2007	III 2007	IV 2007
BE	15.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DK	22.2	25.1	25.5	22.3	15.8	10.7	5.5	1.5	-0.1
EE	41.7	82.0	65.5	73.2	21.2	9.1	15.4	7.4	7.1
ES	12.8	12.0	10.8	9.8	9.1	7.2	5.8	5.3	4.7
FR	14.8	14.8	12.9	11.1	9.9	8.1	6.8	5.7	5.7
IE	9.3	12.1	15.1	15.0	11.8	7.4	0.9	-2.8	-7.3
AT	2.1	2.6	4.3	1.4	1.5	1.7	3.8	4.2	0.0
PL	8.8	2.2	4.7	1.1	9.7	4.8	8.4	18.9	10.3
PT	2.3	2.2	-0.4	-1.3	0.6	1.1	1.6	0.6	-1.2
FI	8.4	8.8	7.8	7.0	6.1	6.4	6.4	5.9	5.3
SE	10.5	13.5	13.0	12.0	10.6	8.1	10.1	11.4	11.2
UK	2.2	3.5	5.3	7.1	9.1	11.1	11.3	11.7	10.2

It is worth mentioning that house prices are calculated according to different methodologies at the national level.  
 BE: Index includes all types of houses (excl. flats) on the secondary market  
 DK: Single-family house price index  
 EE: House price index is not properly national, since it refers only to the Tallinn area  
 ES: New house price index, first released by the Spanish Ministry of Housing on Q1 2005  
 FR: Prices include only second-hand houses  
 IE: Updated time series of the PTSB/ESRI residential price index  
 FI: New and second-hand dwellings price index  
 SE: All dwellings price index

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