



Dynamics in the Mortgage Market – European Regional Overview:

**27th World Congress
International Union for Housing
Finance
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European Mortgage Federation**

The Voice of the EU Mortgage Industry

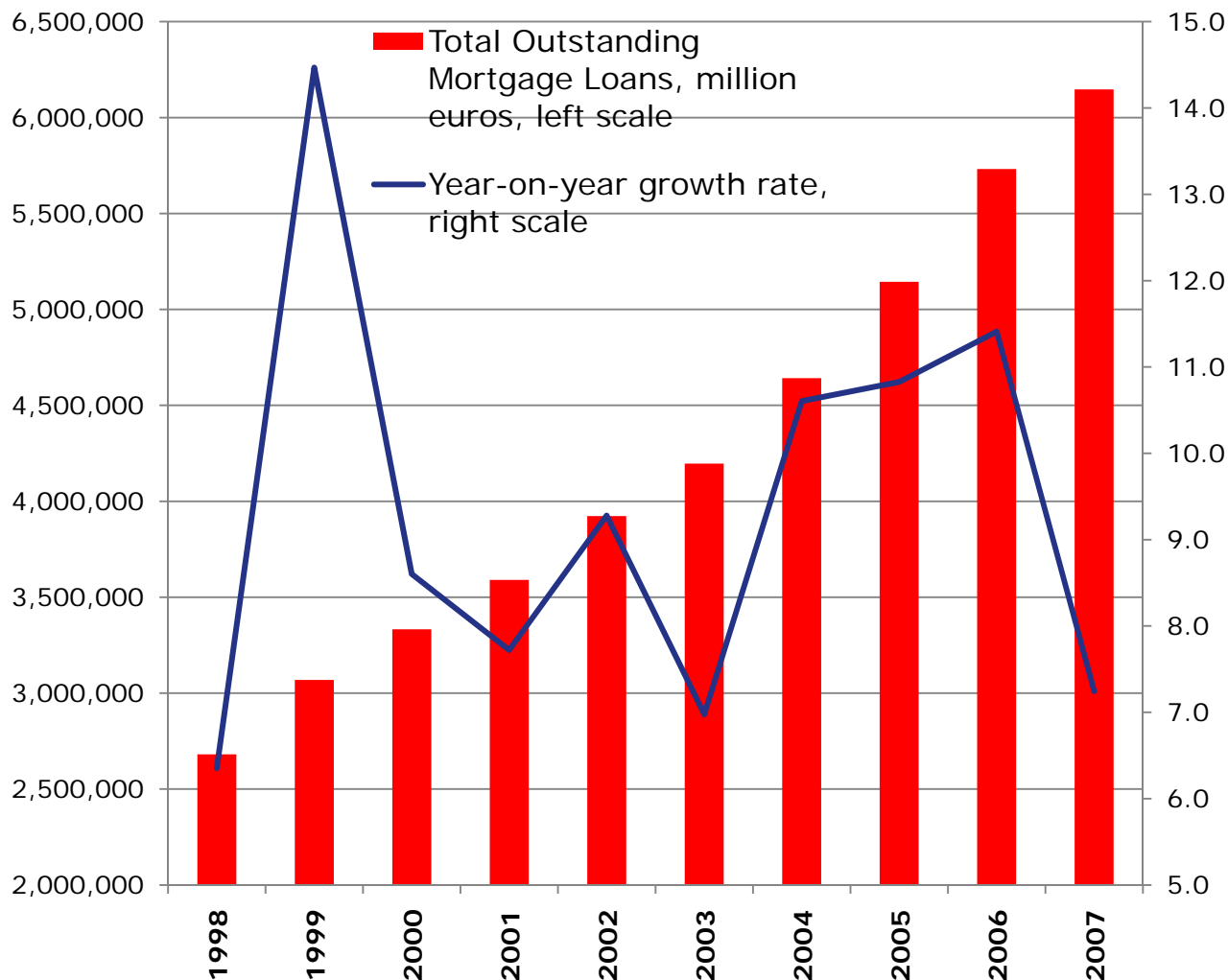


- The EMF is a product federation bringing together all categories of mortgage lenders
- Membership from EU Member States & Accession Countries
- Represents the mortgage industry at EU level => **retail** & **funding** sides
- Launched **European Covered Bond Council** (ECBC) in 2004
- Important sector in the general EU economy:
 - **€6.1 trillion** outstanding at end of 2007
 - Equal to **49.6%** of aggregate EU GDP
 - Access to housing for **67%** of EU population

Defining Home loans

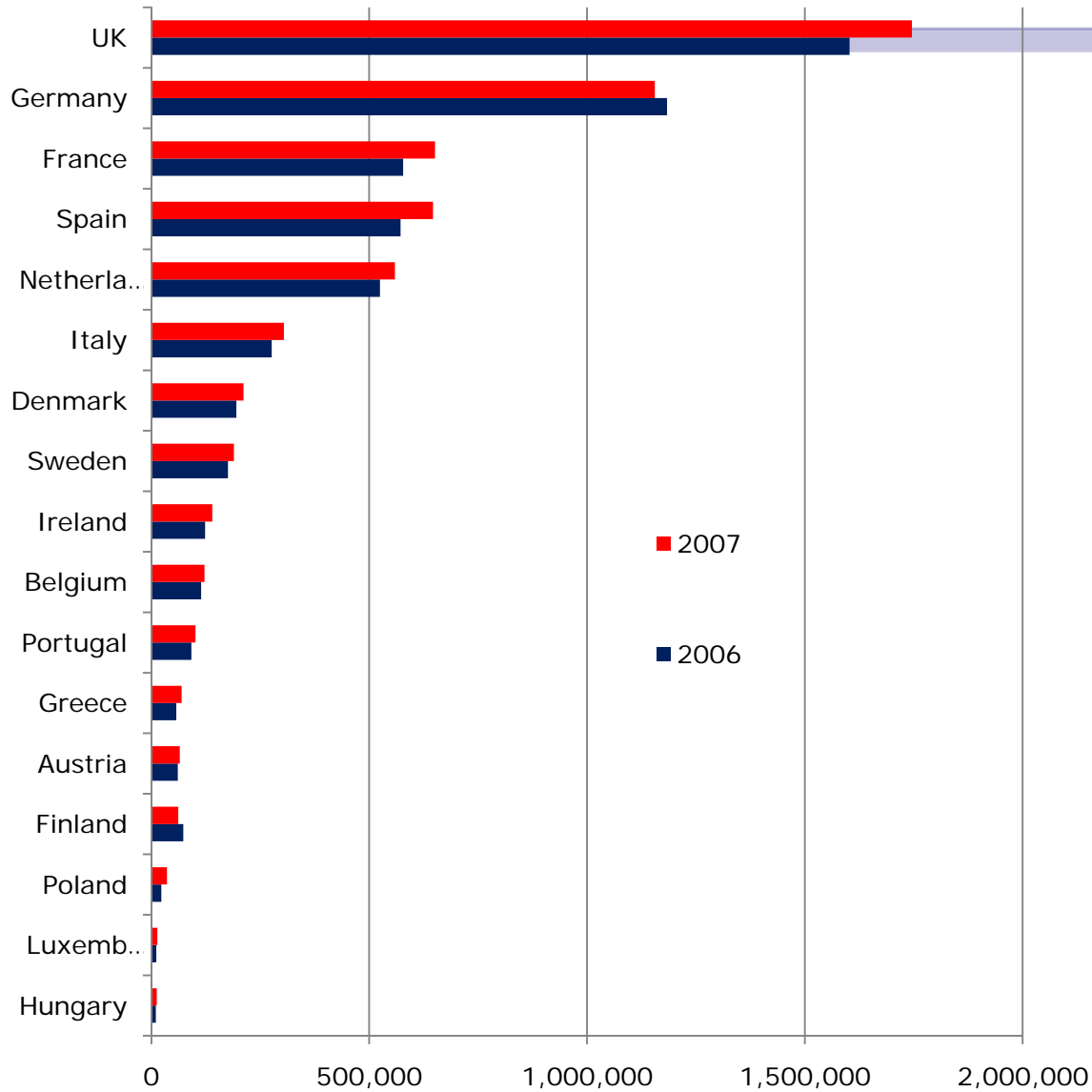
- Two categories of mortgage credit based on the borrower: residential and commercial
- Residential mortgage credit/Home Loans = credit to consumers as per EU definition of consumer:
 - “a natural person who is acting for purposes which can be regarded as outside his trade or profession”
- Home Loans are divided between three loan categories:
 - Mortgage loans (secured on real estate property) granted for housing purposes
 - Mortgage loans granted for consumption purposes, i.e. equity withdrawal (ERL)
 - Housing loans, i.e. non-real estate secured loans or unsecured loans, granted for housing

Value of EU 27 Residential Mortgage Market - 1997-2007

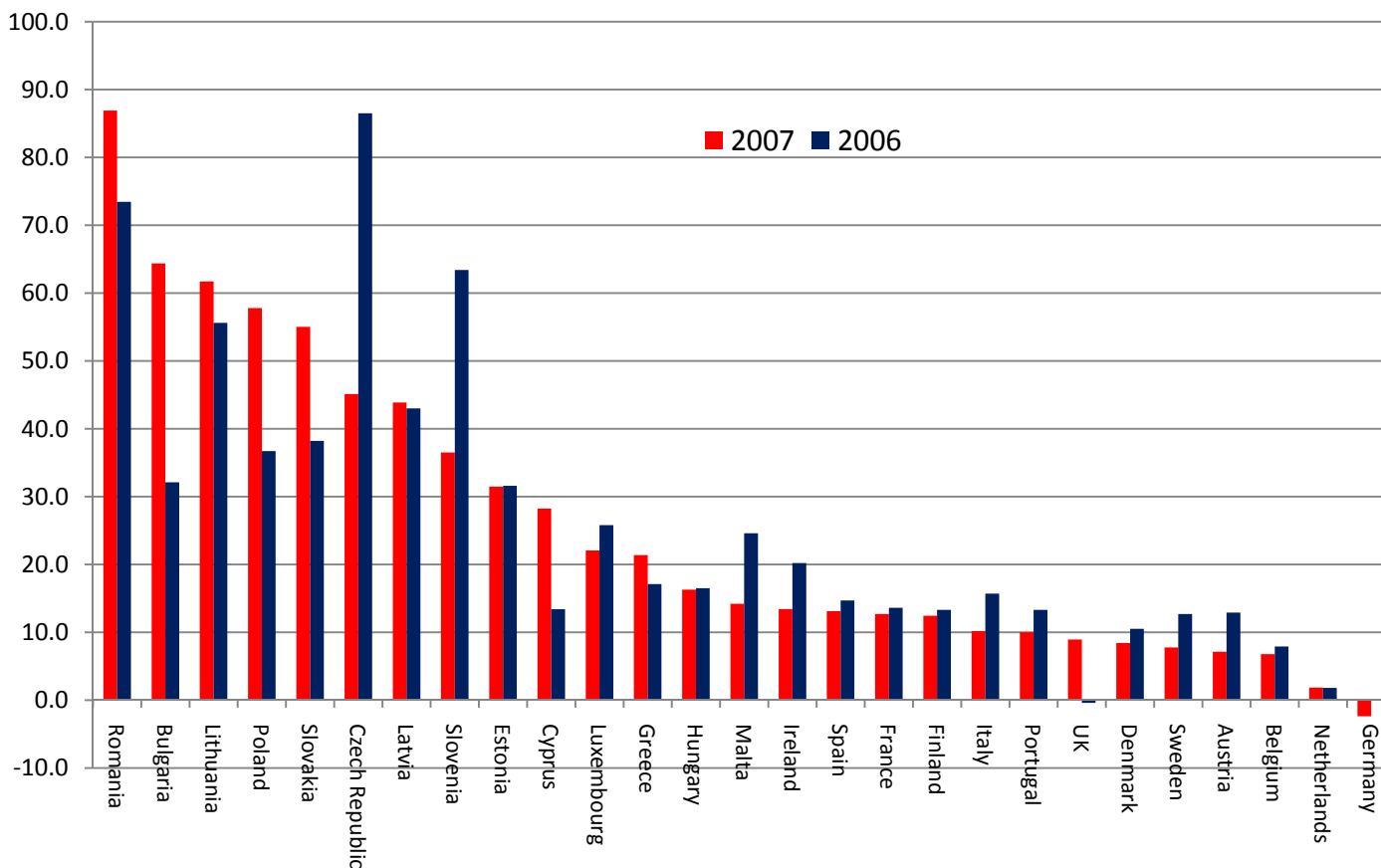




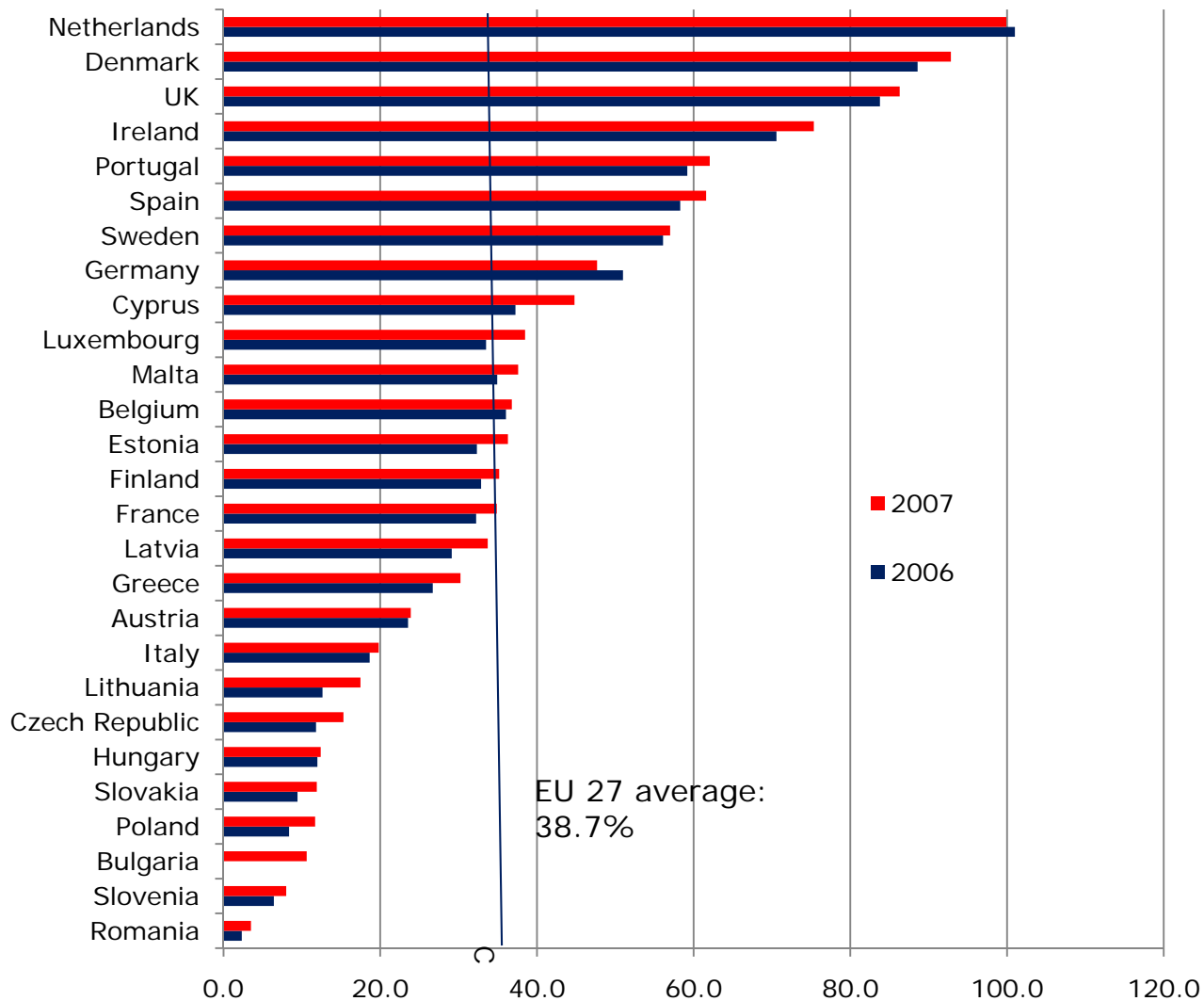
Outstanding Mortgage Loans in the EU – 2006 & 2007 (mil. €)



Mortgage Markets' Growth rate (%) - 2006 & 2007

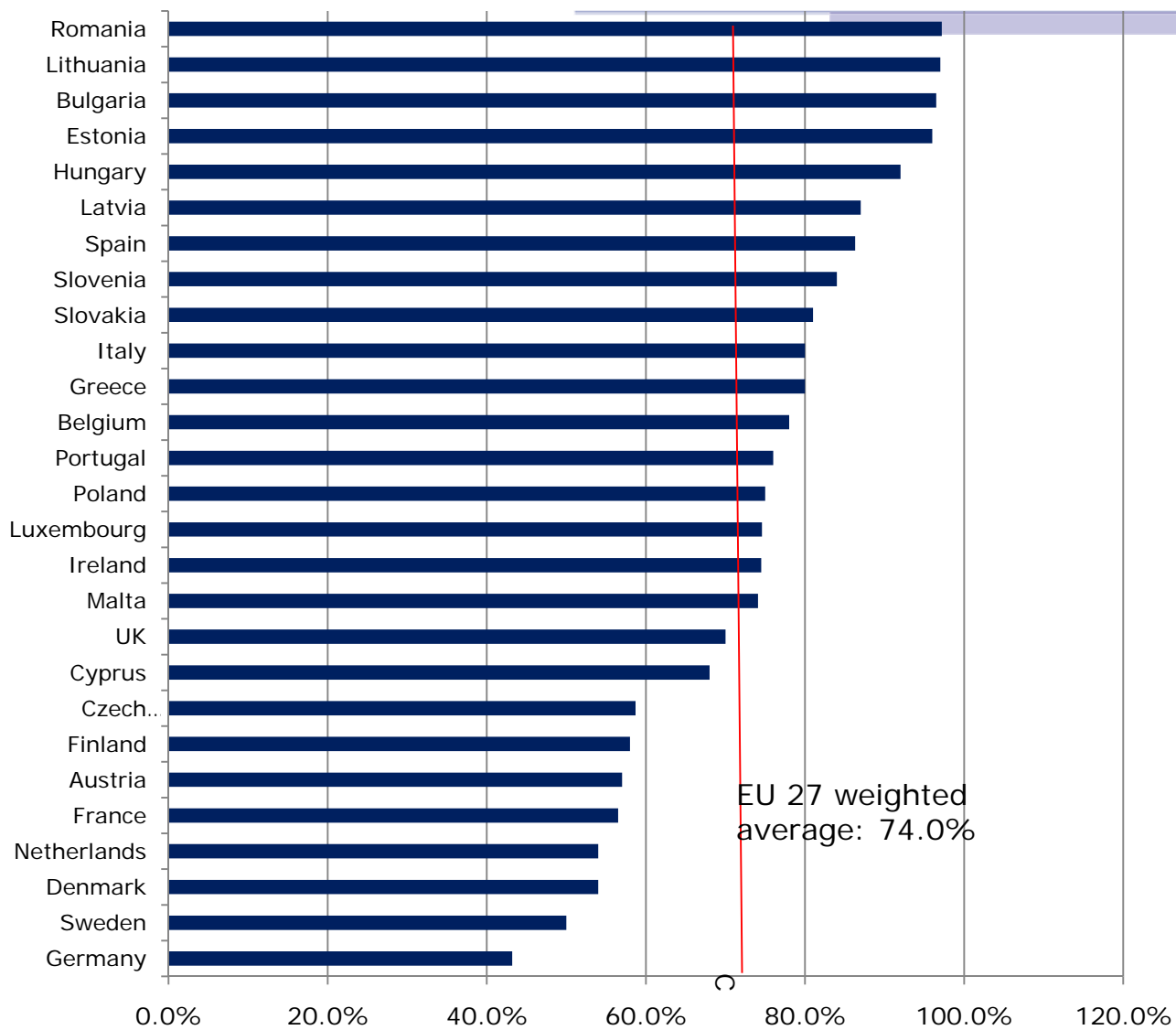


Mortgage Debt as % of GDP – 2006 & 2007

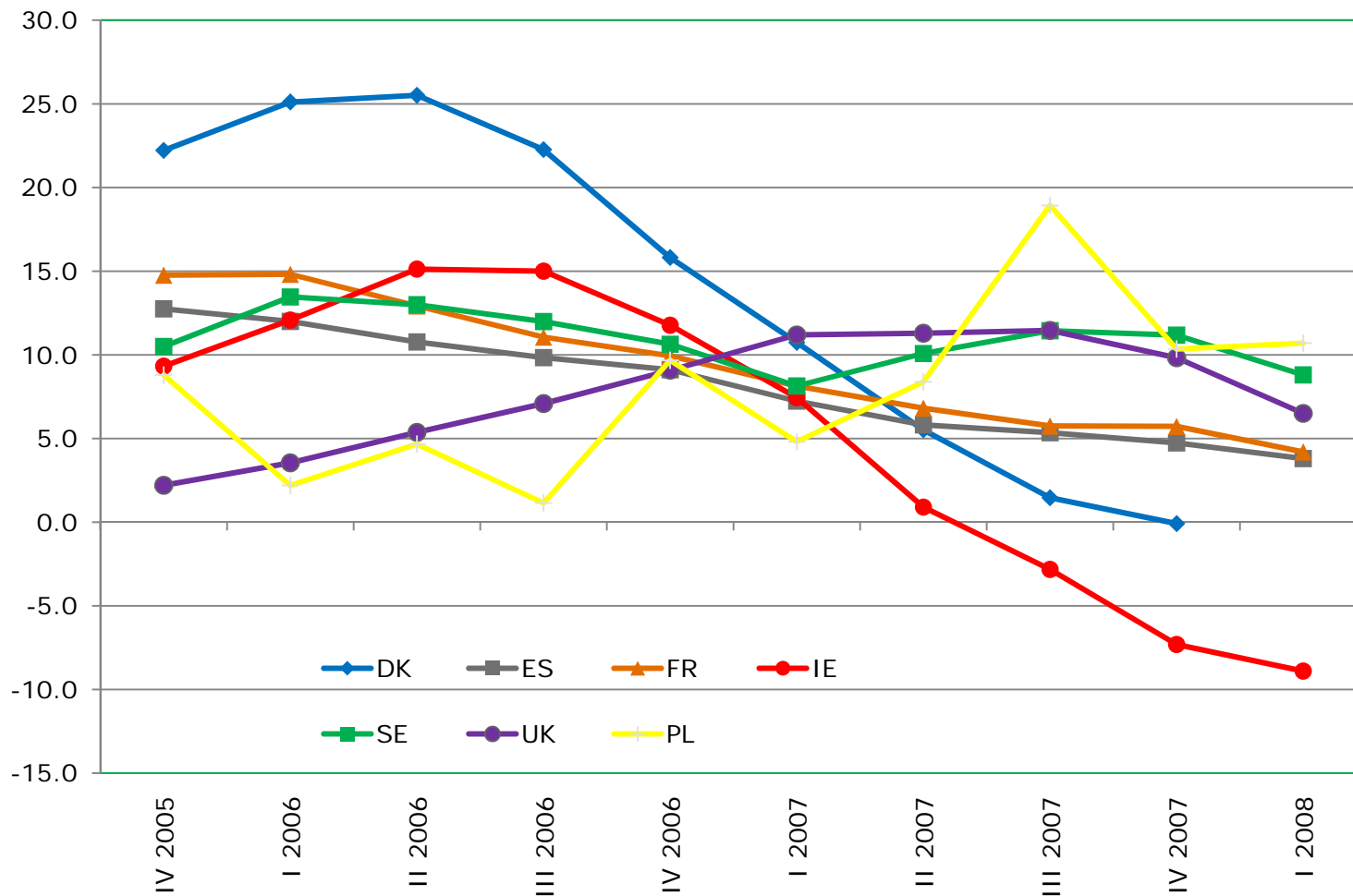




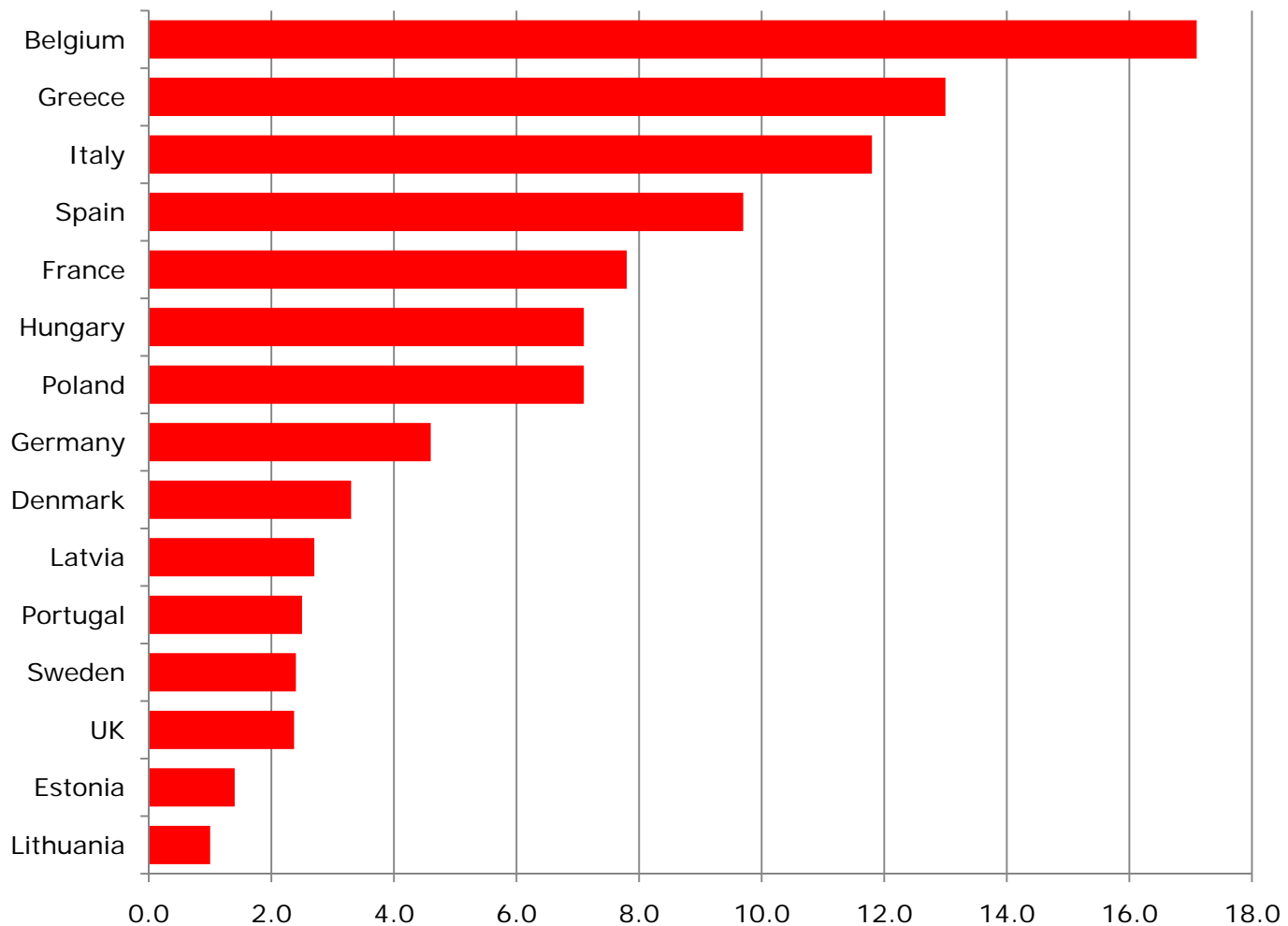
Owner Occupation in Europe – 2002-2007



House Price y-o-y growth rates (%) – 2005-2007



Transaction Costs (% of property value)

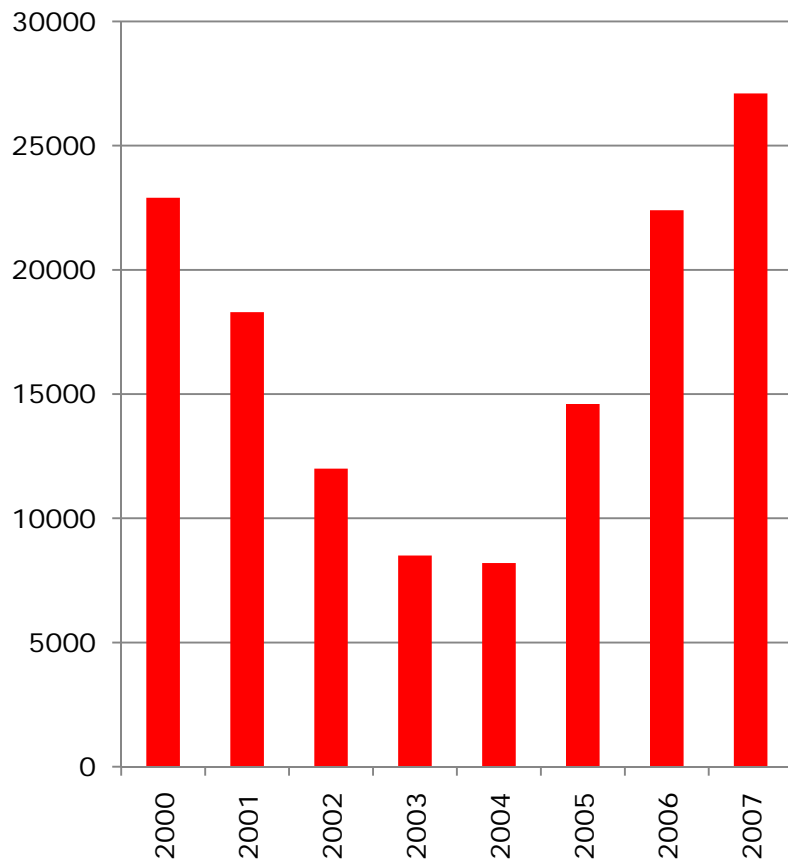


Source: European Mortgage Federation

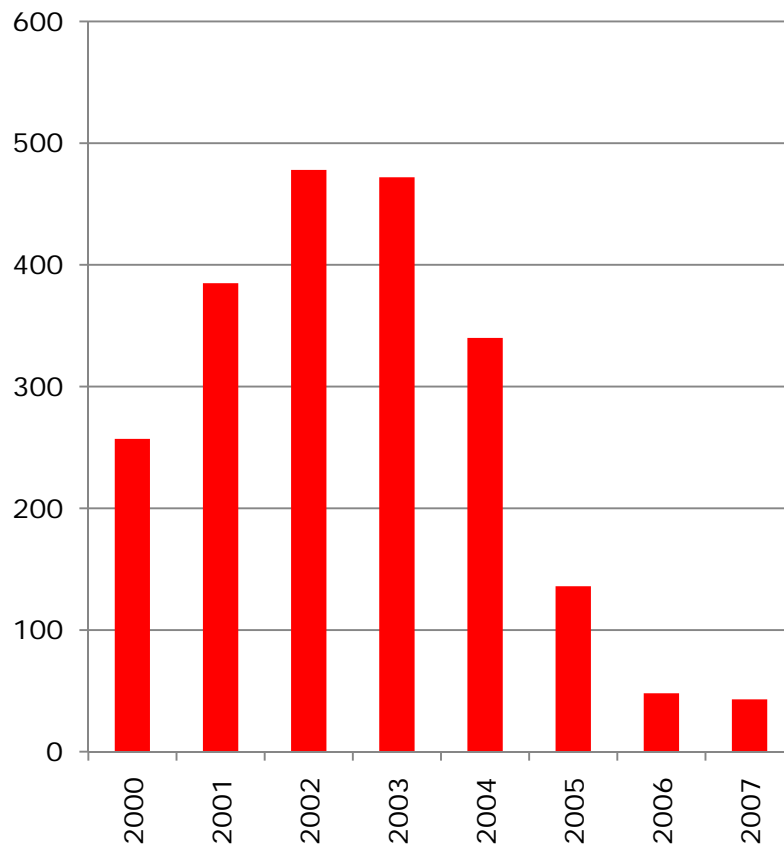
Non-performing loans - repossessions



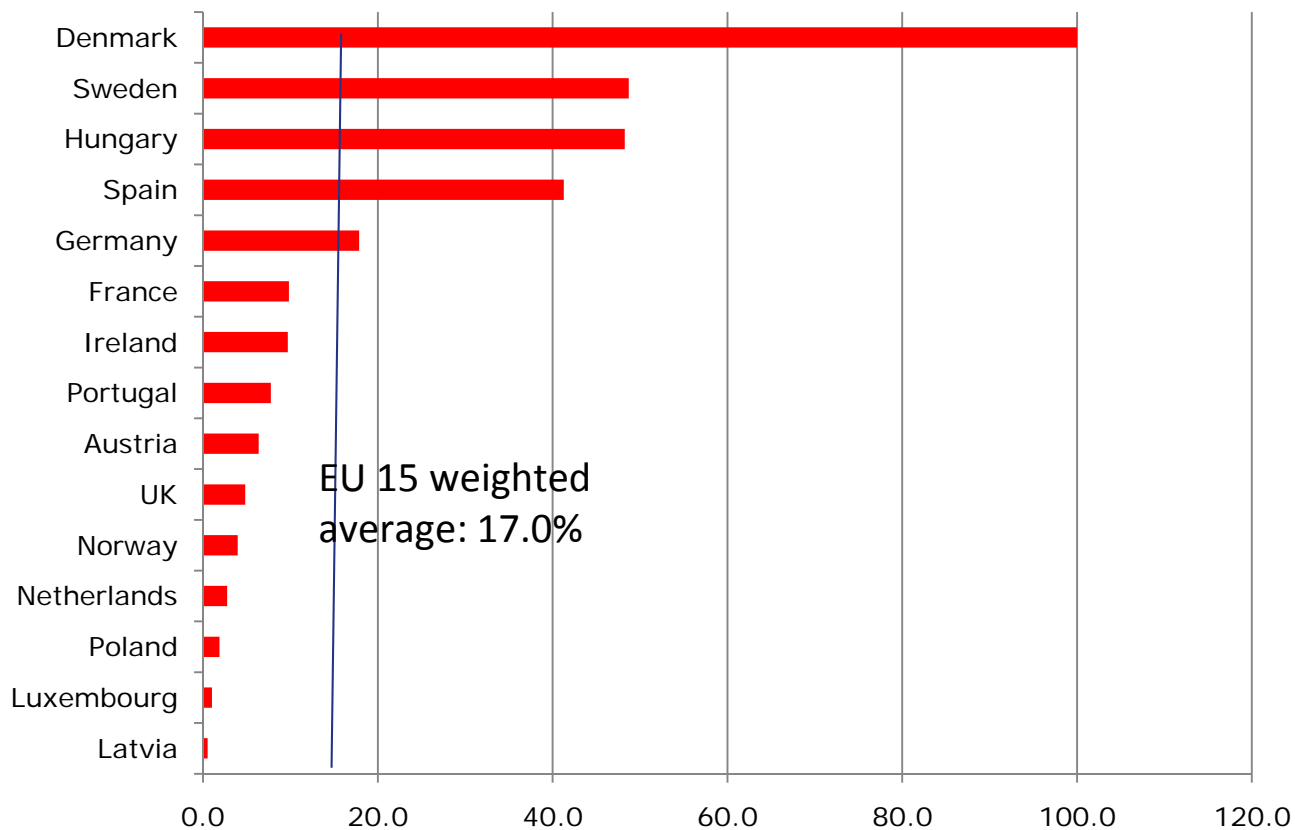
Number of repossessions - UK



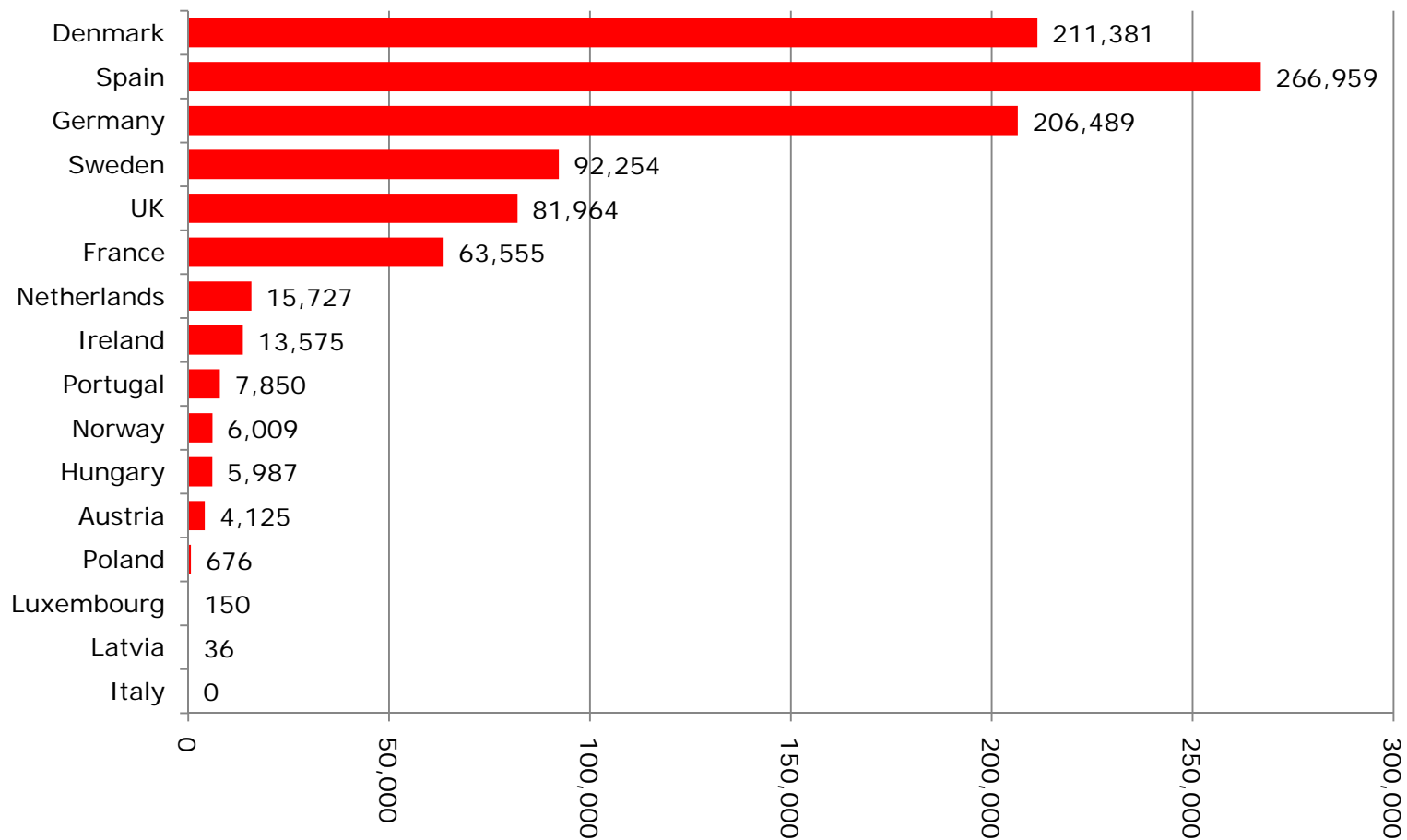
Number of repossessions - Denmark



Mortgage CBs outstanding as % of total outstanding mortgage loans - 2007



Mortgage Covered Bonds outstanding – 2007 (mil. €)



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