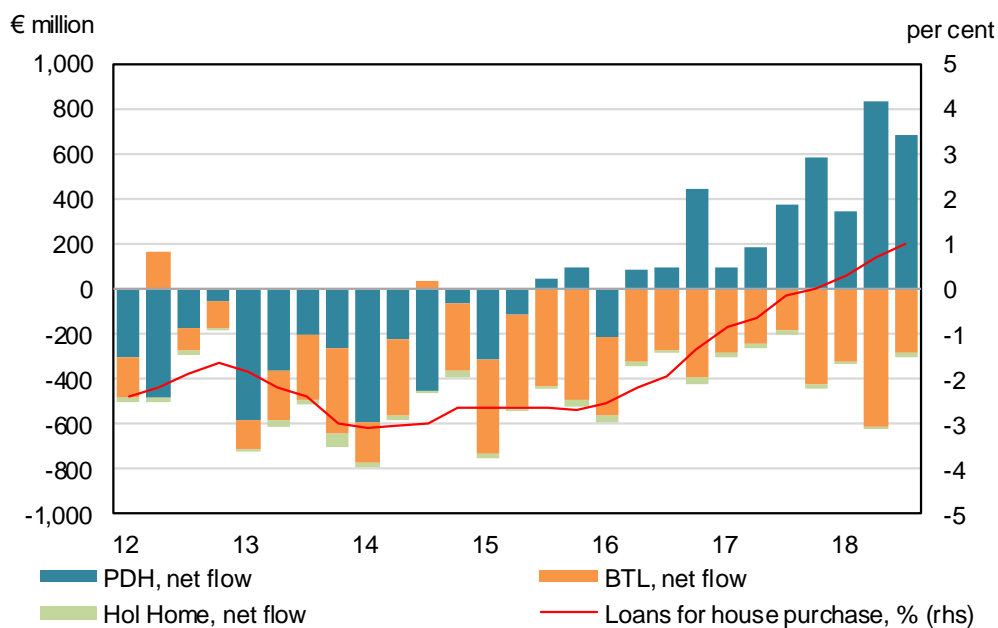




### Key Developments

Net lending for principal dwelling houses (PDHs) and buy-to-lets (BTLs) continued to diverge in the third quarter of 2018 (Chart 1). PDH lending increased for the tenth consecutive quarter, with a positive net flow of €684 million over the quarter. Conversely, BTL lending declined by €285 million over the same period. On an annual basis, PDH lending recorded its largest increase since the series began, of €2.4 billion.

Chart 1: Loans for house purchase; quarterly developments in net flows and annual rate of change



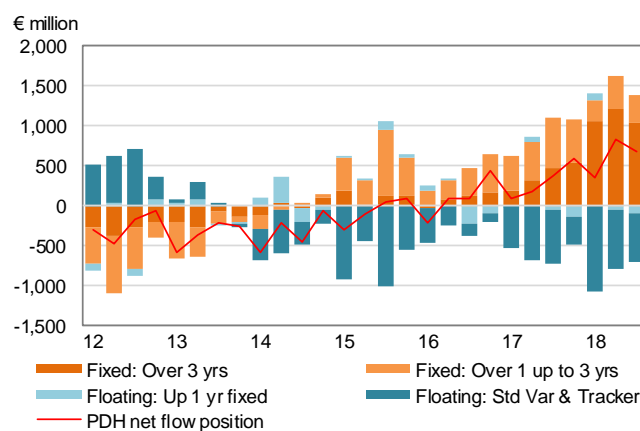
### Developments in PDH Loans

- Fixed-rate mortgages, which represent 26 per cent of the PDH market, increased by €1.4 billion over the third quarter of 2018. This increase was mainly attributable to loans with rates fixed between three and five years, which recorded a positive flow of €1 billion. Loans with a fixation period of between one and three years increased by €358 million, while loans with an over five year fixation period declined by €10 million (Chart 2).
- In contrast, PDH floating-rate lending declined in net terms by €705 million during Q3 2018.<sup>1</sup> This was owing to declines in all sub-categories over the quarter, with tracker mortgages recording the largest decline of €415 million. The developments are reflective of an increasing number of borrowers entering into fixed-rate contracts with a lower interest rate than variable rate contracts.<sup>2</sup>
- In annual terms, PDH fixed-rate loans recorded an increase of €5.4 billion, marking its largest annual increase since the series began. In contrast, PDH floating-rate loans declined by €3 billion (5.8 per cent) over the year.

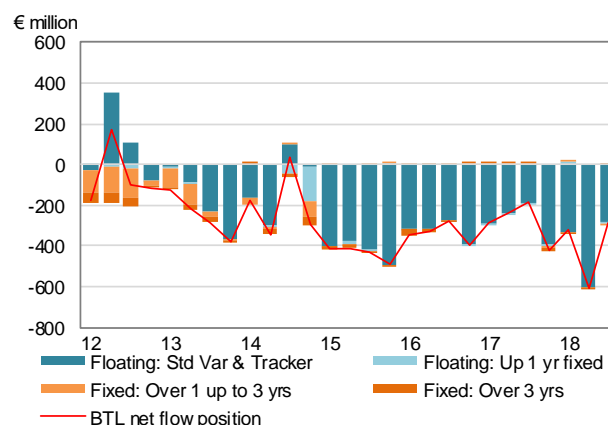
### Developments in BTL Loans

- BTL mortgages recorded a year-on-year decline of 13.5 per cent (€1.6 billion) at end-September 2018.
- BTL floating-rate loans declined in net terms by €287 million (2.7 per cent) during Q3 2018. Floating-rate loans saw declines in all sub-categories, with tracker mortgages showing the most pronounced decrease over the quarter of €196 million (Chart 3).

**Chart 2: PDH fixed and floating-rate loans; quarterly developments in net flows and net position**



**Chart 3: BTL fixed and floating-rate loans; quarterly developments in net flows and net position**



<sup>1</sup> Floating-rate loans include loans fixed for up to one year.

<sup>2</sup> See [Retail Interest Rates release](#) for more information.

- During Q3 2018, BTL fixed-rate mortgages increased by €2 million, reversing the three previous quarterly declines. This arose from inflows of €6 million in the over three and up to five year fixation category, which was partly offset by a decline of €3 million in the over one and up to three years fixation category.

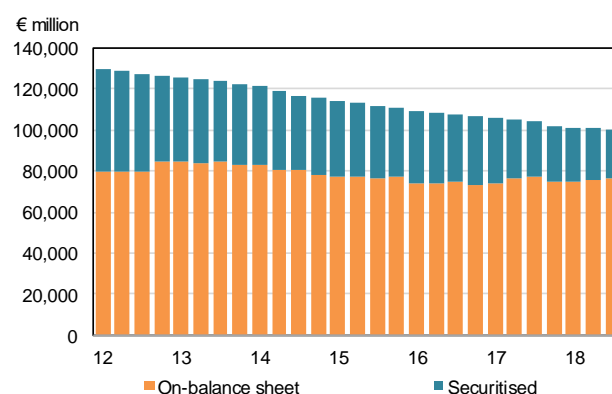
#### Developments in Securitised Loans

- The total outstanding stock of securitised loans for house purchase declined by €1.4 billion over the third quarter to stand at €23.9 billion (Chart 4). Total loans for house purchase, which includes both on-balance sheet and securitised mortgages, stood at €100.5 billion at end-September 2018.

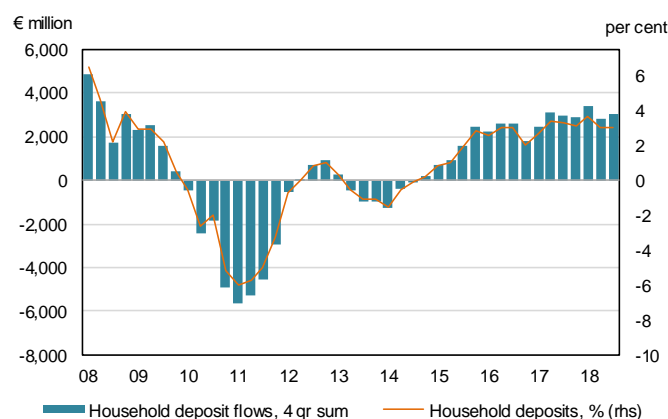
#### Other Personal Lending and Deposits

- Other personal lending increased by €133 million over the quarter, signifying its largest increase since September 2017.
- Household deposits grew by €3.3 billion, or 3.5 per cent, over the year to end-September 2018 (Chart 5). This was the 16<sup>th</sup> consecutive quarter of annual growth.

**Chart 4: Outstanding stock of on-balance sheet and securitised mortgages**



**Chart 5: Household deposits; net flows (4-qr sum) and annual rate of change**



#### Further information

The extensive set of Private Credit Statistics tables, along with a detailed set of explanatory notes is available at:

<http://www.centralbank.ie/polstats/stats/cmab/Pages/HouseholdCredit.aspx>.

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