



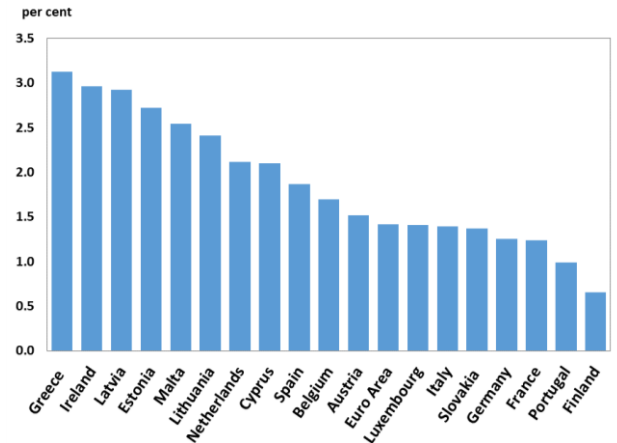
## Retail Interest Rates – September

8 November 2019

### Key Developments in Loans

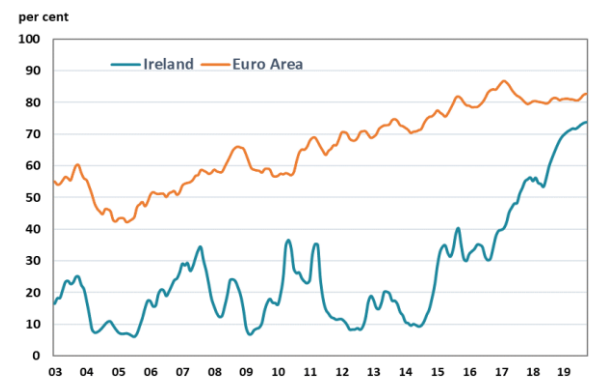
- The volume of new mortgage agreements\* amounted to €780 million in September 2019, bringing new agreements to €6.1 billion over the first three quarters of 2019, an increase of 12 per cent on the same period the previous year.
- The weighted average interest rate on all new mortgages agreed in Ireland stood at 2.96 per cent in September, down 11 basis points on the same month the previous year. The average for the euro area stood at 1.41 per cent in September, although the rate varied considerably across countries (Chart 1).
- Fixed rate mortgages (including renegotiations) accounted for 74 per cent of all new agreements in the three months to September, compared with 83 per cent of new agreements for the same period in the euro area (Chart 2).
- The weighted average interest rate on new fixed rate mortgage agreements stood at 2.86 per cent in September 2019, a decrease of 14 basis points on September 2018 (Chart 3). New fixed rate agreements averaged 2.91 per cent over the twelve months to September 2019.
- With fixed rate mortgage agreements accounting for an increasing share of the market, the volume of new variable rate mortgage agreements amounted to €184 million in September 2019, down 19 per cent on the same month the previous year. The weighted average interest rate on new variable rate mortgage agreements stood at 3.31 per cent.
- Renegotiated mortgages amounted to €232 million in September (Chart 4), with fixed rate products accounting for 65 per cent of renegotiations. The weighted average interest rate for all renegotiated mortgages was 2.80 per cent in September.

Chart 1: Average interest rates on lending for house purchases across Euro area, September 2019



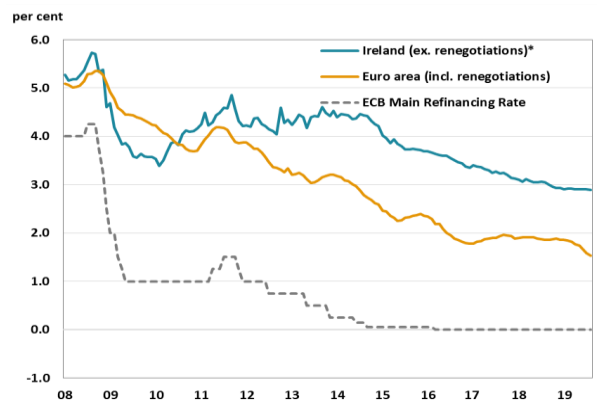
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

Chart 2: New mortgage agreements: Share of fixed mortgages (3-month rolling average)



Source: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

Chart 3: Average interest rates on new fixed rate mortgage agreements



Note: \* Prior to Dec 2014, the Irish rate includes renegotiations  
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

\*Rates and volumes quoted on this page exclude renegotiations unless otherwise stated

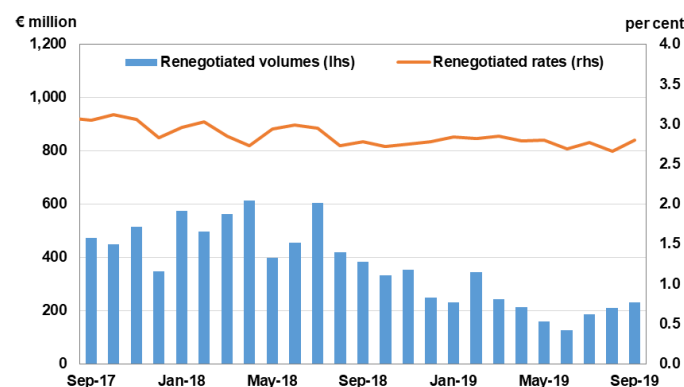
- Quarterly data<sup>1</sup> shows that fixed rate mortgages accounted for 81 per cent of **new PDH mortgage drawdowns** in Q3 2019, with a majority of these mortgages fixed for over 3 years. The fixed rates for new PDH mortgage drawdowns stood at 2.85 per cent in Q3, down 10 basis points on the same quarter the previous year. The standard variable rates for new PDH mortgage drawdowns remained relatively stable over the past year, and stood at 3.15 per cent in Q3.
- Variable rate mortgage accounted for 81 per cent of **new BTL mortgage drawdowns** in Q3 2019. Variable mortgage rates for new BTL mortgage drawdowns stood at 4.56 per cent in Q3 2019, down 18 basis points from the same period in the previous year. Fixed rate for BTL mortgages decreased by 72 basis points over the past year, and stood at 4.10 per cent in Q3.
- Consumer lending** in September decreased by €10 million on the previous month, with €193 million recorded in new loan agreements. The average interest rate was 7.80 per cent, while the equivalent euro area rate stood at 5.62 per cent.

### Key Developments in Deposits

- Interest rates on new household term deposits** remained low at 0.04 per cent in September, down one basis point from the previous month. Equivalent euro area rates stood at 0.32 per cent in September (Chart 6).
- New business NFC term deposits** in Ireland remained largely unchanged over the last twelve months, and stood at -0.06 per cent in September. Corresponding NFC term deposit rates for the euro area were also relatively static over the same period, standing at -0.01 per cent (Chart 6).

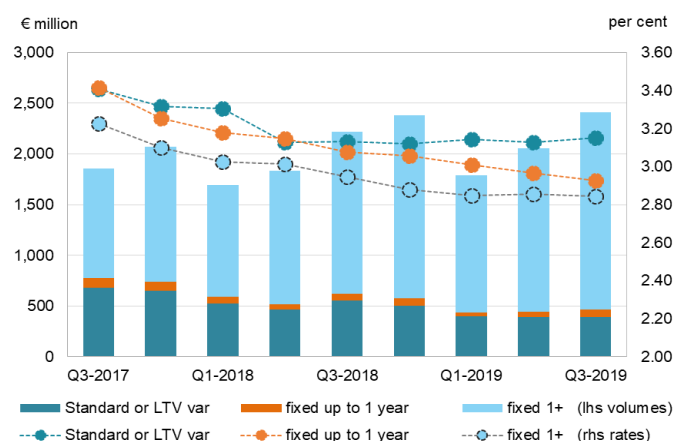
<sup>1</sup> Quarterly data provide a breakdown by mortgage product and property type. See note 1 for further information.

Chart 4: Renegotiated loans for house purchase



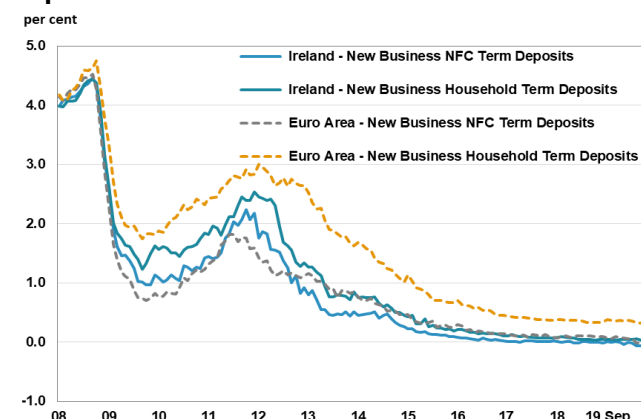
Source: Retail Interest Rates [Table B.2.2](#)

Chart 5: PDH mortgage interest rates and volumes<sup>2</sup>



Source: Retail Interest Rates [Table B.3.1](#)

Chart 6: Interest rates on household & NFC term deposits



Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

<sup>2</sup> Refers to the volume of new business mortgages drawn down over the respective quarter. See Note 1.

### Note 1:

Interest rates and new business volumes are collected from credit institutions with a significant level of lending or deposit business with households or non-financial corporations (NFCs). The sample is monitored to ensure compliance with ECB Regulation.

Monthly *Retail Interest Rate Statistics* in Tables B.1.1 to B.2.2 cover all euro-denominated lending to, and deposits from, households and NFCs in the euro area. New business is defined as any new agreement during the month between the customer and the credit institution. This agreement covers all financial contracts that specify the interest rate for the first time, including any renegotiation of existing business (excluding automatic renewals). These statistics are compiled under ECB Regulation and are comparable across the euro area.

Quarterly *Retail Interest Rate Statistics* in Table B.3.1 cover all euro and non-euro denominated mortgage lending in the Republic of Ireland only. New business refers to new mortgage lending drawdowns during the quarter, broken down by type of interest rate (i.e. fixed, tracker and SVR). These statistics are not compiled under ECB MFI interest rate Regulation.

### Note 2:

There are a number of factors that can lead to differences between *Retail Interest Rate* statistics and interest rates advertised by resident credit institutions. These include renegotiated loans, the inclusion of home improvement loans, and the underlying statistical compilation methodology.

### Note 3:

In January 2015, a number of enhancements to the calculation of the national weighted average interest rates and national total business volumes were introduced under ECB Guideline (ECB/2014/15). As a result of these enhancements, data have been recalculated for

previous reference periods in order to ensure a consistent compilation of data across time.

Recent data are often provisional and may be subject to revision.

For further detail please see the [Retail Interest Rates](#) webpage for:

- An extensive set of [Retail Interest Rate Tables](#);
- [Retail Interest Rate Statistics Explanatory Note](#);

Previous Interest Rate Statistical Releases can be found [here](#).