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FINANCIAL STABILITY

# Public hearing with Christine Lagarde, Chair of the European Systemic Risk Board (ESRB)

*This briefing paper is prepared in view of a regular public hearing with the Chair of the European Systemic Risk Board (ESRB), Christine Lagarde, which will take place on 4 December 2024. We cover the ESRB's report on bank deposits following US banking turmoil in March 2023, conclusions of the recent ESRB's General Board meeting, risk outlook for the financial sector and the Eurosystem's response to the European Commission's consultation on macroprudential policies for non-banks. Annexes include latest data on financing conditions and house price growth in EU Member States.*

**The last time ESRB Chair Christine Lagarde appeared before the ECON Committee was on March 20, 2023, in the aftermath of the US banking turmoil, the most significant system-wide banking stress since the Global Financial Crisis**. At the time, concerns about unrealised losses in an environment of rapid shifts in monetary policy played a key role in the collapse of Silicon Valley Bank and other US banks, as outlined in our previous briefing paper. Around the same time in Europe, the acquisition of Credit Suisse by UBS highlighted the risks of leaving a large bank's legacy and viability issues unresolved. Such scenarios can suddenly require fast interventions as investor confidence collapses, leading to mass deposit withdrawals and a loss of access to market funding.

**The ESRB's 2023 Annual Report noted that market confidence was restored after authorities quickly took appropriate action** and that, despite some volatility in bank asset prices, **there was no financial contagion to the EU**. This is further confirmed by **Figure 1** (see below), which shows the **evolution of the composite indicator of systemic stress (CISS)**. The resilience stemmed from European banks having high liquidity ratios and not sharing some of the riskier traits of those medium-sized banks in the US (e.g. large exposures to interest rate risk and reliance on a concentrated base of uninsured deposits).

**A recently published report by the Advisory Scientific Committee (ASC) of the ESRB reviews a wide range of policy options** to address banks' vulnerability to runs and their underlying causes. By reviewing a vast literature on bank runs, the report documents the importance of deposits for EU banks and how they

Economic Governance and EMU Scrutiny Unit (EGOV)
Author: Maja SABOL and Kai Gereon SPITZER
Directorate-General for Internal Policies
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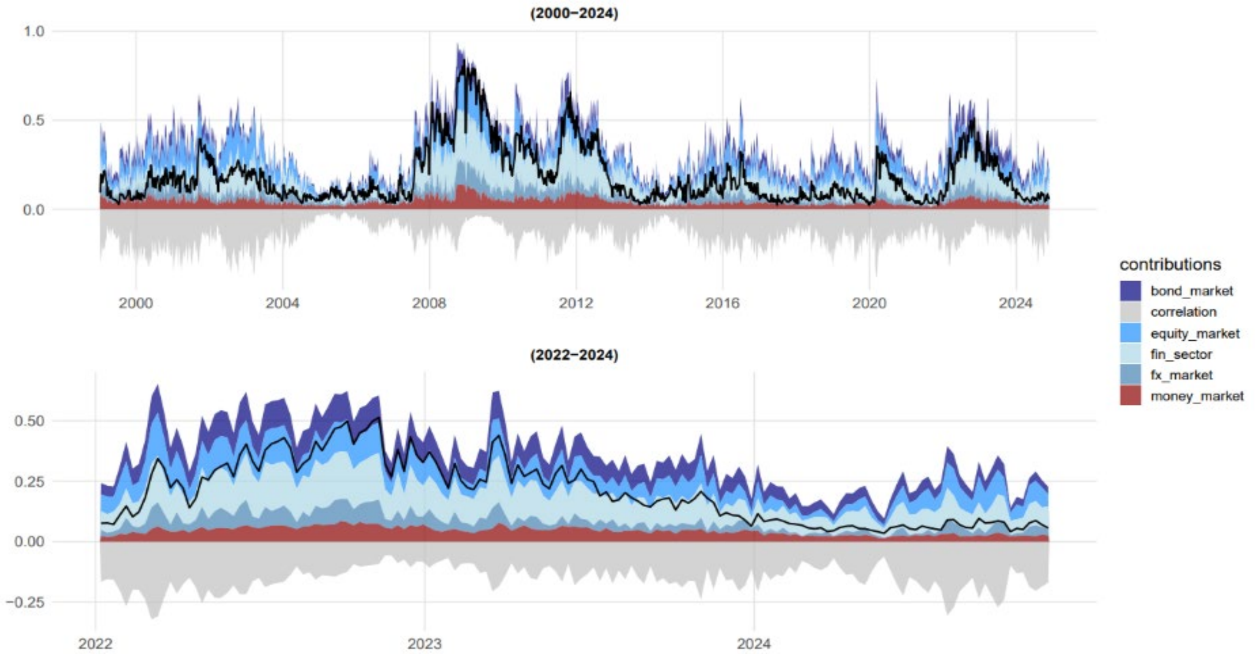
have evolved. Nevertheless, the ASC finds that several of the policy tools proposed by this literature (e.g. amending liquidity requirements, enhancing supervision of banks' liquidity and funding positions and other changes related to Pillar 2) would require legislative changes and are only likely to be viable in the medium-term. While global agreements set minimum requirements, the ASC argues that EU authorities could choose to top-up these standards on their own. At the same time, the report considers that adjusting Pillar 1 capital requirements would first require revisiting global regulatory agreements, implying feasibility only over the medium term.

Since Christine Lagarde's last appearance, a number of policy papers and discussions have emerged on the significance of bank failures for the financial sector, how the **US experience can be relevant for European banking sector**, on how to **(effectively) manage such "crisis" situations** and on the **importance of insuring deposits**. During the US banking turmoil, uninsured depositors did not face losses, which suggests they were effectively protected alongside insured deposits. In Europe, deposits remain the primary funding source for banks, though their significance varies across Member States. On average, according to ECB data**, deposits insured by national Deposit Guarantee Schemes account for 37% of total deposits, with 92% of depositors fully covered**.

**Figure 1**: Composite indicator of systemic stress (CISS)




*Note: Figure shows the decomposition of CISS into contributions from each subindex. CISS is used by the ECB to assess the current state of financial (in)stability, capturing the level of frictions, stresses and strains (or their absence) and condensing this into a single statistic. Indicator aims to highlight the systemic nature of existing stresses, with systemic stress serving as an ex post measure of risk that has already materialised. CISS not only allows for real-time monitoring and evaluation of stress levels across the entire financial system, but it can also help identify historical "financial crises" and analyse it in the context of early warning signal models. Full description on the indicator and used methodology can be found here (0 = no stress, 1 = high stress).*
*Source: EGOV elaboration based on ESRB risk dashboard and ECB Data Portal.*

**The 2023 US banking turmoil provides important lessons for the link between monetary policy and financial stability**. In a paper for the Monetary Dialogue, Ignazio Angeloni outlined two key takeaways - first, **sudden or unexpected changes in monetary policy can destabilise bank balance sheets**, as seen in the US, so policymakers may need to better anticipate these side-effects, especially when financial stability risks could threaten price stability. Second, **supervisors must stay alert to these risks and**

**strengthen cooperation with monetary authorities**. Europe is ahead of the US in this area, as the ECB's Single Supervisory Mechanism (SSM) has enforced strong oversight and stress testing for over a decade, specifically targeting interest rate risks. Additionally, the ESRB with its focus on the macroprudential perspective further strengthens this framework offering promising approach to addressing these challenges. However, the author highlights that **internal barriers within the ECB can sometimes delay the recognition of risks and the coordination of responses**. To address this, the author calls for **greater collaboration between different departments within central banks**. Improved decision-making processes require members from both areas to develop cross-disciplinary skills to better understand these challenges. For example, financial stability implications and risk outlooks, could be integrated into monetary policy statements and other respective central bank communication strategies. Furthermore, the calibration of countercyclical macroprudential buffers could consider the monetary policy cycle, including different set of variables like monetary aggregates, asset prices etc.

## ESRB's General Board meeting: Main conclusions

**At its most recent General Board meeting on 26 September 2024, the ESRB concluded that financial stability risks remain elevated** due to elevated geopolitical uncertainty and the fragile economic recovery in the EU. The ESRB thinks risks to financial stability stemming from **geopolitical shocks can have an impact through both real** and **financial channels**, creating significant challenges for households and firms as already shown here in the ECB's Financial Stability Review (May 2024 edition). FSR section from May 2024 highlights that such shocks can disrupt global trade flows and drive up commodity prices, with non-bank financial institutions (NBFIs) being particularly vulnerable to these shocks. For banks, the adverse effects can be evident in credit default swaps and stock prices, while funding and liquidity banks' positions may also come under pressure. For the ESRB, a further undesirable consequence for the private sector is that banks may respond by increasing lending rates and reducing credit availability, thereby further tightening financing conditions.

**In addition, the ESRB discussed about vulnerabilities and connected risks within the commercial real estate (CRE) sector**, highlighting its importance for overall EU financial stability. An overview of **risks in both the residential and the commercial real estate sector** can be found in the following section. Finally, the **General Board reviewed the ESRB's response to the Commission's consultation on macroprudential policy for Non-Bank Financial Intermediation (NBFIs)** (more details available below). It highlighted the importance of enhancing the resilience of NBFIs in parallel with advancing the Capital Markets Union (CMU). **Priority areas for legislative action that have been identified by the ESRB** include *money market funds, open-ended investment funds*, *preparedness for margin calls* and *crypto-assets*. The ESRB has also called for a **system-wide approach to macroprudential policy towards NBFIs**, similar to a recommendation made by the IMF in its November 2024 edition of Global Financial Stability Report (GFSR), and emphasised the importance of achieving greater regulatory consistency across financial entities that are engaged in similar activities. The full ESRB response on this topic has been submitted to the Commission at the end of November. Following its meeting, as customary, ESRB has released its latest **ESRB risk dashboard** which can be found here.

## Risk outlook for the financial sector

**This section focuses on the evolving risks and vulnerabilities in the global and EU financial sectors,** as identified in the **ECB's Financial Stability Review** (November 2024 edition), the **International Monetary Fund (IMF)** and the **Bank for International Settlements** (BIS).

**Before we focus on the perspective of the ECB, we note that BIS has reported on the possibility of the financial cycle reaching its peak** and indicating possible stress ahead. In the BIS' Annual Economic Report 2024, it is stated that in the advanced economies (AEs) **different credit indicators and house prices begin to revert to their long-term trends**, which may signal that the financial cycle has peaked. Empirical analyses on financial crises suggest that **financial stress typically emerges two to three years after the first interest rate hike**, provoked by rising loan impairments and slower economic growth. The current financial cycle is still in the early stages of its post-peak phase suggesting that stress might emerge with some delay from now on, following a typical patterns. The risk financial stress increases the longer interest rates remain high, putting pressure on borrowers who need to refinance their debts.

**Several key pressure points identified by the BIS warrant close attention.** One of them is the **CRE sector**, which is facing both structural and cyclical challenges. A large correction in CRE prices could be significant - for example, the BIS has compared the current cycle in CRE sector to the cycle in the 1990s: when CRE prices fell by over 40% in real terms, credit and GDP growth dropped by 12 and 4 p.p., respectively. The BIS' empirical models suggest that a sharp decline in CRE prices in today's uncertain environment could have a similar impact on credit and GDP growth. Some adverse developments in the sector are already visible. Financial Times article discussed global commercial property prices, which have declined by around 20% from their peak in 2022. In addition, Morgan Stanley Capital International (MSCI) reports that global transaction volumes dropped by 45% in period 2022-2023 and have since remained at their lowest levels in a decade. Nevertheless, these developments so far differ from those during the last global financial crisis. **The question remains whether the CRE sector has overcome its challenges or if further issues are yet to emerge.** As property values and household's preferences in these markets are slow to adjust, investors and lenders may not fully recognise the financial impact of the downturn until years after the market has already started to recover. Other points mentioned by the BIS that need close monitoring include **(1) private sector balance sheets which have been deteriorating** as the fact that households have run out of excess savings, **(2) the vulnerability of NBFIs** to higher interest rates and **(3)** the **fragility of the Chinese financial sector**, which is exposed to adverse developments in the local housing market.

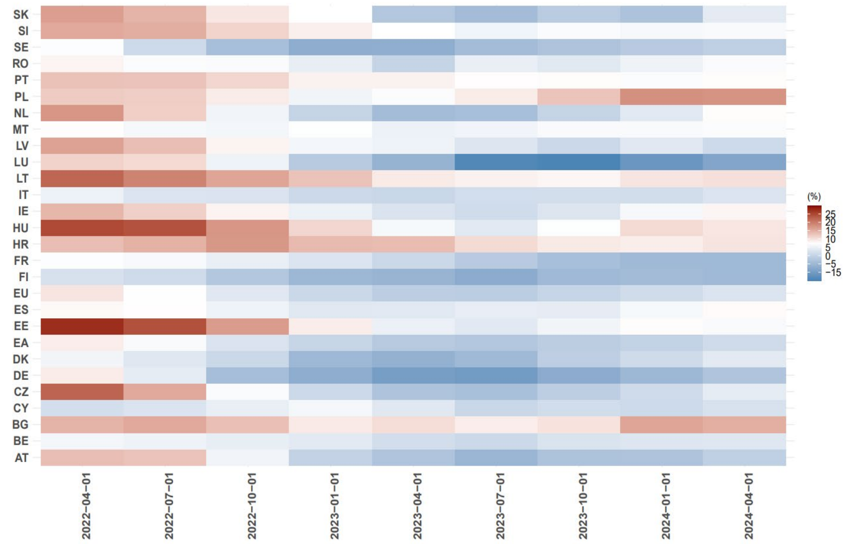
**Moreover the IMF's November 2024 GFSR warns that, while financial stability risks are moderate in the near term, they are significantly higher over the medium term**. Since its last report in spring 2024, global economic activity has slowed and inflation has eased. As major central banks have started loosening their monetary policy, financing conditions still remain supportive and asset price volatility has stayed low. However, **these favourable conditions have contributed to vulnerabilities**, such as high asset valuations, rising global sovereign debt levels and increased leverage in NBFIs, all of which could increase the risk of financial instability in the medium-term. Having in mind the BIS' main concerns, the IMF also notes that while stability risks from residential real estate seem contained in most countries, the **CRE sector continues to face significant pressures**, especially in the office sector where valuations on balance sheets are not aligned with their fundamentals.

**Coming to the ECB's FSR,** its main messages can be summarised as follows. **High valuations and risk concentration leave financial markets vulnerable to adverse dynamics**, which could be amplified by NBFIs due to their liquidity and leverage vulnerabilities. The ECB warns that **structural vulnerabilities in the NBFI sector call for a comprehensive coordinated policy response** to strengthen the sector's resilience from a macroprudential viewpoint. In that sense, the ECB notes that the EU needs a more unified

EU wide-supervision system for the NBFI sector which would create a level playing field and reduce regulatory arbitrage. A stronger NBFI sector would also support progress on the CMU and strengthen financial stability amidst possible shocks. In June 2024, the **ESRB published its latest NBFI risk monitor**, which can be found [here](), showing in more detail the possible scenarios if structural vulnerabilities in the sector continue to worsen.

**Furthermore,** the ECB finds that **sovereign vulnerabilities are increasing in light of heightened policy and geopolitical uncertainty**, weak fiscal fundamentals and a sluggish growth trend. Although aggregate debt-to-GDP ratios have recently decreased, **fiscal challenges remain in several euro area countries**. The ECB notes that **sovereign spreads have widened** for some high-debt euro area countries due to **increased policy uncertainty** and **market concerns** about the impact on debt sustainability. **Finally, credit risk concerns in specific parts of the household and corporate sectors** may lead to asset quality headwinds for both banks and non-banks if downside risks to growth materialise.

**Figure 2**: Heatmap of house price growth in EU countries, in %




*Note: Figure shows year-on-year growth rates in period Q2 2022-Q2 2024. Data for Greece is not available. Source: EGOV elaboration based on [Eurostat]().*

**In residential real estate markets, even though the outlook for the RRE sector has improved, downside risks still persist.** House prices in the euro area have stabilised, but house price valuations remain high in some Member States. After being on a downward path for a couple of quarters, in Q2 2024 house prices rose 1.3% yoy. While the overall drop in house prices was gradual, there were significant differences across Member States, with some markets not seeing a decline since the start of the ECB's tightening cycle as shown in **Figure 2**. The ECB, however, notes **that improved financing conditions and higher demand for mortgage loans could push house prices up again**. Despite recent price corrections, several markets still have stretched valuations, which could rise further if prices grow faster than disposable incomes, leading to increased vulnerabilities in some areas. **A detailed overview of house price growth can be found in the Annex to this briefing.**

**As we have already discussed the concerns of the IMF and BIS regarding the global CRE sector,** the **ECB** has also dedicated a section in the FRS to addressing these issues in the euro area. It states that **downside risks persist, although the ECB's easing policy should support the sector's recovery, particularly on the financing side**. Activity in the market in the euro area is at its lowest point, as seen during the global financial crisis. Moreover, sentiment indicators suggest that an increasing number of investors believe the CRE downturn has reached its trough. The positive aspect is that banks' aggregate exposures to CRE are significantly smaller than those to RRE and are unlikely to be large enough at the euro area level to threaten the banking system's resilience. Against this backdrop, and considering the interconnectedness of CRE activities with both banks and non-banks, the ECB has recently published a system-wide analysis of CRE exposures and risks in the [latest edition of the Macroprudential Bulletin]().

## Eurosystem response to the consultation on macroprudential policies for non-bank financial intermediaries (NBFIs)

**The regulatory framework currently in place for NBFIs primarily targets market integrity and investor protection - important objectives but insufficient to fully address systemic risk.** While some measures, such as leverage limits and liquidity management tools can strengthen resilience at the entity level they have not been adequate to prevent NBFIs from amplifying shocks during periods of stress. Developments in recent years (such as market stress during March 2020 in the wake of COVID-19 pandemic and in the UK gilt markets in September 2022) have highlighted the need for a broader perspective that accounts for the impact of NBFI vulnerabilities on the wider financial system and economy.

**Table 1.** Overview of key priorities and recommendations identified by the Eurosystem

| Priorities | Recommendations |
|---|---|
| **Implementation of international reforms** | • **Implement agreed international NBFI reforms**, including enhancing resilience of money market funds and addressing liquidity mismatch in open-ended funds<br>• **Introduce new *ex-ante* macroprudential tools to manage vulnerabilities**<br>• Grant authorities powers to limit liquidity mismatch and leverage |
| **System-wide stress testing and data** | • **Conduct stress tests to assess market reactions to shocks and collective impacts on system-wide risk**<br>• **Identify data gaps** and improve sharing mechanisms<br>• **Enhance data** access across jurisdictions |
| **Governance and coordination** | • **Enhance coordination between European and national authorities**<br>• Promote reciprocity of macroprudential measures across jurisdictions<br>• **Grant ESMA ("top-up") powers to request implementation of macroprudential measures** in collaboration with national authorities and the ESRB |
| **Scope and adaptation of regulation** | • **Expand oversight to asset management activities beyond traditional funds** (e.g., family offices, discretionary mandates)<br>• Use a comprehensive approach addressing both entity and activity-based systemic risks |

*Source: ECB Blog: Financial intermediation beyond-banks: taking a macroprudential approach (November 2024).*

**Earlier this year, the Commission launched a consultation on the adequacy of macroprudential measures for non-banks.** The consultation primarily targets EU institutions and bodies, national authorities (including National Competent Authorities (NCAs)) that supervise NBFIs and markets, central banks, and the entire non-banks industry. The idea behind the consultation is not to propose legislative changes but to focus on the vulnerabilities and significance of the NBFI sector for the entire financial sector. The consultation aims to gather insights on how to address these challenges from a macroprudential perspective.

**In the euro area, the Central Bank of Ireland sets a good example by applying macroprudential tools to non-banks**, particularly investment (property) funds. In 2022, central bank introduced two key measures: i) a 60% cap on the ratio of debt to total assets for property funds and ii) guidance to manage liquidity mismatches in property funds. More information available here.

**In their recent blog post, ECB argues that the macroprudential framework should account for the unique structures and activities of NBFIs**, rather than replicating banking regulations and "one-size fits all" approach. The primary objective should be making NBFIs more resilient and less likely to amplify adverse shocks, thereby enhancing financial stability. This would also support effective monetary policy transmission, foster resilient capital markets, and mitigate risks stemming from the interconnectedness between NBFIs and banks. A full overview of priorities identified by the Eurosystem and their recommendations can be seen in Table 1 above, and also in this paper here.

**In November 2024, the Bank of England published a system-wide exploratory scenario exercise** for the UK financial system following a market shock. The exercise, first of its kind globally, aimed to **deepen understanding of the risks made by and to non-banks, as well as the behaviour of both banks and non-banks under stress**. It also analysed the factors driving these behaviours and how they can amplify shocks and potentially threaten UK financial stability. A full overview of the exercise and its main findings is available here.



Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

**Table 2:** Composite cost of borrowing, households for house purchase,%

| | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 |
|---|---|---|---|---|---|---|---|---|---|
| BE | 3,7 | 3,7 | 3,5 | 3,4 | 3,5 | 3,5 | 3,4 | 3,4 | 3,4 |
| DE | 3,9 | 3,9 | 3,9 | 3,9 | 4,0 | 4,0 | 4,0 | 3,9 | 3,8 |
| EE | 6,0 | 5,9 | 5,8 | 5,8 | 5,7 | 5,7 | 5,6 | 5,5 | 5,2 |
| IE | 4,2 | 4,2 | 4,2 | 4,2 | 4,0 | 4,0 | 4,0 | 4,0 | 3,9 |
| EL | 4,6 | 4,5 | 4,3 | 4,3 | 4,2 | 4,2 | 3,9 | 3,9 | 3,9 |
| ES | 3,8 | 3,7 | 3,6 | 3,6 | 3,6 | 3,5 | 3,4 | 3,5 | 3,3 |
| FR | 3,6 | 3,5 | 3,5 | 3,5 | 3,5 | 3,4 | 3,4 | 3,4 | 3,3 |
| HR | 3,6 | 3,7 | 3,7 | 3,7 | 3,7 | 3,7 | 3,7 | 3,7 | 3,7 |
| IT | 4,2 | 4,2 | 4,1 | 4,0 | 4,0 | 3,9 | 3,6 | 3,8 | 3,6 |
| CY | 5,0 | 4,9 | 4,6 | 4,5 | 4,4 | 4,4 | 4,4 | 4,6 | 4,4 |
| LV | 5,8 | 5,8 | 5,8 | 5,8 | 5,7 | 5,6 | 5,6 | 5,4 | 5,2 |
| LT | 5,7 | 5,7 | 5,7 | 5,6 | 5,5 | 5,4 | 5,4 | 5,2 | 5,0 |
| LU | 4,3 | 4,2 | 4,2 | 4,2 | 4,2 | 4,2 | 4,0 | 4,0 | 3,9 |
| MT | 2,1 | 2,1 | 2,1 | 2,1 | 2,1 | 2,1 | 2,3 | 2,0 | 2,0 |
| NL | 4,0 | 3,9 | 3,8 | 3,9 | 3,8 | 3,9 | 3,9 | 3,9 | 3,9 |
| AT | 4,1 | 4,1 | 4,2 | 4,1 | 4,2 | 4,2 | 4,2 | 4,1 | 4,0 |
| PT | 4,5 | 4,4 | 4,3 | 4,2 | 4,2 | 4,1 | 4,0 | 3,9 | 3,7 |
| SI | 4,0 | 3,9 | 3,9 | 3,8 | 3,8 | 3,7 | 3,6 | 3,5 | 3,5 |
| SK | 4,0 | 4,1 | 4,2 | 4,1 | 4,2 | 4,2 | 4,2 | 4,2 | 4,1 |
| FI | 4,1 | 4,2 | 4,2 | 4,2 | 4,2 | 4,2 | 4,1 | 3,9 | 3,7 |
| EA | 3,9 | 3,9 | 3,8 | 3,8 | 3,8 | 3,8 | 3,8 | 3,7 | 3,6 |

*Source: ECB Data Portal.*

**Table 3:** Composite cost of borrowing, non-financial corporations, %

| | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 |
|---|---|---|---|---|---|---|---|---|---|
| BE | 5,2 | 5,2 | 5,3 | 5,2 | 5,2 | 5,1 | 5,0 | 5,0 | 4,8 |
| DE | 5,4 | 5,3 | 5,4 | 5,4 | 5,3 | 5,3 | 5,3 | 5,3 | 5,0 |
| EE | 6,8 | 7,2 | 7,2 | 6,8 | 6,9 | 6,4 | 6,9 | 6,4 | 6,7 |
| IE | 6,0 | 6,1 | 6,4 | 6,4 | 5,8 | 5,6 | 6,3 | 5,7 | 4,4 |
| EL | 6,0 | 6,0 | 6,3 | 6,0 | 5,5 | 5,6 | 5,8 | 5,7 | 5,5 |
| ES | 5,0 | 5,0 | 5,0 | 5,0 | 5,0 | 4,9 | 4,8 | 4,8 | 4,6 |
| FR | 4,8 | 4,8 | 4,8 | 4,8 | 4,5 | 4,7 | 4,7 | 4,6 | 4,5 |
| HR | 5,0 | 5,2 | 5,1 | 5,1 | 5,2 | 5,2 | 5,0 | 4,8 | 4,8 |
| IT | 5,6 | 5,4 | 5,4 | 5,4 | 5,4 | 5,3 | 5,3 | 5,2 | 5,0 |
| CY | 5,7 | 5,9 | 5,7 | 5,7 | 5,7 | 5,5 | 5,5 | 5,3 | 5,2 |
| LV | 6,9 | 6,4 | 6,9 | 6,7 | 6,8 | 6,3 | 6,4 | 5,8 | 6,2 |
| LT | 6,5 | 6,4 | 6,4 | 6,3 | 6,5 | 6,3 | 6,4 | 6,2 | 5,9 |
| LU | 4,4 | 4,4 | 4,3 | 4,0 | 4,0 | 4,4 | 4,5 | 4,4 | 4,4 |
| MT | 4,6 | 4,3 | 4,8 | 4,9 | 5,3 | 4,6 | 4,6 | 5,1 | 5,3 |
| NL | 4,3 | 4,2 | 4,5 | 4,4 | 4,3 | 4,4 | 4,4 | 4,3 | 4,2 |
| AT | 5,1 | 5,1 | 5,1 | 5,2 | 5,0 | 4,9 | 5,0 | 4,8 | 4,7 |
| PT | 5,6 | 5,6 | 5,7 | 5,7 | 5,4 | 5,4 | 5,2 | 5,3 | 5,1 |
| SI | 5,4 | 5,5 | 5,2 | 5,5 | 5,5 | 5,3 | 4,9 | 5,0 | 5,1 |
| SK | 6,0 | 6,2 | 6,2 | 6,2 | 5,8 | 5,8 | 5,7 | 5,6 | 5,3 |
| FI | 5,3 | 5,4 | 5,4 | 5,4 | 5,4 | 5,1 | 5,2 | 5,0 | 4,7 |
| EA | 5,2 | 5,2 | 5,2 | 5,2 | 5,1 | 5,1 | 5,1 | 5,0 | 4,8 |

*Source: ECB Data Portal.*

**Table 4:** House price growth, YoY in %

| | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | Q1-2021 | Q2-2021 | Q3-2021 | Q4-2021 | Q1-2022 | Q2-2022 | Q3-2022 | Q4-2022 | Q1-2023 | Q2-2023 | Q3-2023 | Q4-2023 | Q1-2024 | Q2-2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **BE** | 3,8 | 4,3 | 3,2 | 5,9 | 6,2 | 7 | 7,6 | 5,9 | 6,2 | 5,9 | 5,4 | 4,6 | 3,9 | 1,8 | 1 | 2,8 | 3,2 | 3,4 |
| **DE** | 7,4 | 6,6 | 8,3 | 8,7 | 9,3 | 11,5 | 12,8 | 12,7 | 11,6 | 9,3 | 4,2 | -3,9 | -6,9 | -9,7 | -10,2 | -7,2 | -5,1 | -2,6 |
| **EE** | 11,5 | 4 | 3,9 | 4,8 | 6,6 | 16,1 | 17,3 | 20,4 | 21 | 27,4 | 24,2 | 16,9 | 9,2 | 5 | 3,8 | 5,8 | 7,8 | 6,7 |
| **IE** | 1 | 0,3 | -0,8 | 0,7 | 3 | 5,6 | 10,6 | 13,8 | 15 | 14,3 | 11,9 | 8,6 | 5,1 | 2,7 | 1,4 | 3,1 | 6,3 | 8,4 |
| **ES** | 3,3 | 2,2 | 1,8 | 1,7 | 0,9 | 3,3 | 4,2 | 6,3 | 8,5 | 8,1 | 7,6 | 5,5 | 3,5 | 3,7 | 4,5 | 4,3 | 6,4 | 7,9 |
| **FR** | 4,9 | 5,2 | 4,9 | 5,8 | 5,5 | 5,7 | 7,1 | 6,9 | 7 | 7,1 | 6,5 | 4,7 | 2,9 | 0,7 | -1,6 | -3,6 | -4,8 | -4,6 |
| **HR** | 9,1 | 8,3 | 6,9 | 6,4 | 4,6 | 6,5 | 9 | 9,1 | 13,5 | 13,6 | 14,8 | 17,3 | 14 | 13,7 | 10,9 | 9,5 | 9,1 | 10 |
| **IT** | 1,7 | 3,3 | 1 | 1,5 | 1,7 | 0,4 | 4,1 | 4 | 4,5 | 5,2 | 2,9 | 2,7 | 1 | 0,6 | 1,7 | 1,8 | 1,6 | 2,9 |
| **CY** | 1,1 | -2,9 | -1,4 | 2,4 | -5,8 | -4,8 | 2,5 | -5,2 | 1,1 | 2 | 2,9 | 4,7 | 6,1 | 3,6 | 0,6 | 1,6 | 1,1 | 2,5 |
| **LV** | 8,8 | 1,5 | 1,7 | 2,2 | 2,9 | 12,1 | 12,4 | 16,1 | 17,4 | 16,3 | 13,6 | 8,6 | 5,9 | 5,4 | 3 | 0,8 | 3,6 | 1,1 |
| **LT** | 6,2 | 7 | 6,4 | 9,4 | 12 | 13,3 | 18,9 | 19,8 | 19,1 | 22,1 | 19,3 | 16 | 13,1 | 9,4 | 8,7 | 8,3 | 9,9 | 10,4 |
| **LU** | 14,1 | 13,2 | 13,8 | 16,7 | 17,2 | 13,4 | 13,2 | 12,1 | 10,3 | 11,7 | 11 | 5,5 | -1,7 | -5,9 | -13,9 | -14,5 | -11,2 | -8,3 |
| **MT** | 5,5 | 3,9 | 2,7 | 1,6 | 4,6 | 5,4 | 5,9 | 4,5 | 6,8 | 7,6 | 6,3 | 5,9 | 7,3 | 5,3 | 5,7 | 6,7 | 6,7 | 7 |
| **NL** | 6,9 | 7,9 | 8,6 | 8,7 | 10,4 | 12,6 | 16,2 | 18,6 | 19 | 17,5 | 12 | 5,7 | 0,1 | -4,1 | -3,7 | 0,1 | 3,7 | 7,7 |
| **AT** | 8 | 6,6 | 8 | 7,7 | 9,8 | 11,2 | 11,2 | 13,4 | 14,3 | 13,6 | 13,1 | 5,7 | -0,2 | -2,8 | -5,4 | -3 | -2,9 | -0,7 |
| **PT** | 10,6 | 9,7 | 6,9 | 8 | 6,6 | 7,8 | 11,5 | 11,6 | 12,9 | 13,2 | 13,1 | 11,3 | 8,7 | 8,7 | 7,6 | 7,8 | 7 | 7,8 |
| **SI** | 4,7 | 5,2 | 3,3 | 5,2 | 7,3 | 10,1 | 12,9 | 15,8 | 17 | 15,6 | 15,2 | 11,6 | 9 | 7,5 | 5,6 | 6,9 | 6,3 | 6,7 |
| **SK** | 13,1 | 9,7 | 8,4 | 7,2 | 1,9 | 4,7 | 8 | 10,7 | 14,2 | 16,6 | 14,6 | 9,7 | 7,5 | -2,2 | -4,1 | -1,4 | -3 | 4 |
| **BG** | 4,7 | 2,9 | 5,2 | 5,4 | 7,5 | 9,1 | 8,7 | 9,4 | 11,5 | 14,6 | 15,6 | 13,4 | 9,5 | 10,7 | 9,2 | 10,1 | 16 | 15,1 |
| **CZ** | 8,6 | 7,8 | 8,4 | 8,9 | 13,4 | 17,2 | 22,1 | 25,8 | 24,3 | 22,3 | 15,6 | 6,9 | 0,9 | -2,9 | -3,5 | -1 | 1,2 | 4,2 |
| **DK** | 3 | 2,9 | 4,2 | 7,3 | 9,2 | 12,9 | 13,2 | 11,3 | 9,8 | 5,8 | 3,4 | 0,7 | -4,9 | -6,2 | -4,8 | -0,9 | 1,3 | 3,9 |
| **FI** | 1,2 | 0,6 | 1,7 | 3,5 | 4,1 | 5,5 | 4,8 | 3,9 | 3,4 | 2,4 | 1,3 | -2,3 | -5,1 | -5,6 | -7,2 | -4,8 | -4,3 | -4,8 |
| **HU** | 8,3 | 2,6 | 4,8 | 4,2 | 9,6 | 16,9 | 16,7 | 22,8 | 23,2 | 24,9 | 24,1 | 17,5 | 11,3 | 6,4 | 3,7 | 7,3 | 10,9 | 9,8 |
| **PL** | 11,3 | 10,9 | 10,9 | 8,9 | 7,2 | 8,3 | 8,9 | 12,1 | 13,6 | 12,4 | 12,1 | 9,3 | 5,8 | 7 | 9,3 | 13 | 18 | 17,7 |
| **RO** | 8,1 | 6,6 | 2,3 | 2 | 1,4 | 3 | 5,9 | 7,5 | 6,4 | 8,5 | 7 | 6,8 | 4,6 | 0,1 | 4,8 | 3,7 | 5,5 | 6,8 |
| **SE** | 4,5 | 3,3 | 3,7 | 5,3 | 7,2 | 10,9 | 11,3 | 10,9 | 10,3 | 7,1 | 1,1 | -3,7 | -6,9 | -6,8 | -4,2 | -2,9 | -1,6 | -0,8 |
| **EA** | 5,3 | 5,1 | 5 | 5,6 | 5,9 | 7,1 | 9 | 9,5 | 9,8 | 9,2 | 6,7 | 2,7 | 0,3 | -1,7 | -2,3 | -1,2 | -0,3 | 1,3 |
| **EU** | 5,5 | 5,3 | 5,2 | 5,8 | 6,2 | 7,6 | 9,5 | 10,3 | 10,5 | 9,9 | 7,4 | 3,6 | 0,8 | -1 | -1,2 | 0,2 | 1,5 | 2,9 |

*Note: Colour gradient scale ranges from minimum (blue) to maximum (red), with white representing the mid-point (50th percentile).*
*Source: Eurostat.*

**Table 5:** House price growth, QoQ in %

| | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | Q1-2021 | Q2-2021 | Q3-2021 | Q4-2021 | Q1-2022 | Q2-2022 | Q3-2022 | Q4-2022 | Q1-2023 | Q2-2023 | Q3-2023 | Q4-2023 | Q1-2024 | Q2-2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **BE** | 0,5 | 1,2 | 2,1 | 2 | 0,8 | 1,9 | 2,6 | 0,5 | 1,1 | 1,7 | 2,1 | -0,3 | 0,4 | -0,4 | 1,3 | 1,4 | 0,8 | -0,2 |
| **DE** | 0,8 | 1,8 | 3 | 2,9 | 1,4 | 3,8 | 4,1 | 2,8 | 0,4 | 1,8 | -0,8 | -5,2 | -2,7 | -1,3 | -1,3 | -2 | -0,6 | 1,3 |
| **EE** | 4,8 | -5,8 | 2,3 | 3,8 | 6,6 | 2,6 | 3,4 | 6,6 | 7,1 | 8 | 0,8 | 0,2 | 0 | 3,8 | -0,3 | 2,1 | 2 | 2,8 |
| **IE** | -0,8 | -0,1 | 0,3 | 1,3 | 1,5 | 2,4 | 5,1 | 4,2 | 2,6 | 1,8 | 2,8 | 1,2 | -0,7 | -0,5 | 1,5 | 2,9 | 2,3 | 1,4 |
| **ES** | 1,2 | 0 | 1,2 | -0,8 | 0,4 | 2,4 | 2,1 | 1,2 | 2,6 | 1,9 | 1,7 | -0,8 | 0,7 | 2,1 | 2,5 | -1 | 2,7 | 3,6 |
| **FR** | 1 | 1,4 | 2 | 1,2 | 0,7 | 1,6 | 3,3 | 1,1 | 0,8 | 1,7 | 2,7 | -0,6 | -0,9 | -0,5 | 0,4 | -2,7 | -2,2 | -0,2 |
| **HR** | 2,7 | 1,8 | -0,6 | 2,5 | 0,9 | 3,6 | 1,7 | 2,5 | 5 | 3,7 | 2,8 | 4,7 | 2 | 3,5 | 0,3 | 3,4 | 1,7 | 4,3 |
| **IT** | 0,9 | 3 | -2,5 | 0,2 | 1,1 | 1,7 | 1,1 | 0,1 | 1,6 | 2,3 | -1,1 | -0,1 | 0 | 1,9 | -0,1 | 0 | -0,2 | 3,2 |
| **CY** | 2,5 | 0,3 | -4,8 | 4,7 | -5,7 | 1,4 | 2,5 | -3,1 | 0,5 | 2,3 | 3,4 | -1,5 | 1,9 | -0,1 | 0,5 | -0,6 | 1,4 | 1,2 |
| **LV** | 0,7 | -2,4 | 3,4 | 0,6 | 1,4 | 6,4 | 3,6 | 3,9 | 2,5 | 5,4 | 1,2 | -0,6 | -0,1 | 4,9 | -1,1 | -2,7 | 2,7 | 2,3 |
| **LT** | 2,6 | 2,2 | 0,4 | 3,9 | 5 | 3,4 | 5,4 | 4,7 | 4,4 | 5,9 | 3 | 1,9 | 1,8 | 2,4 | 2,4 | 1,5 | 3,3 | 2,8 |
| **LU** | 4 | 4,3 | 2,8 | 4,6 | 4,4 | 0,9 | 2,7 | 3,6 | 2,7 | 2,2 | 2,1 | -1,5 | -4,3 | -2,2 | -6,6 | -2,2 | -0,7 | 1 |
| **MT** | -4,4 | 2 | 1,8 | 2,5 | -1,6 | 2,8 | 2,3 | 1,1 | 0,5 | 3,5 | 1,1 | 0,7 | 1,8 | 1,6 | 1,5 | 1,6 | 1,9 | 1,8 |
| **NL** | 2 | 2,4 | 2,4 | 1,6 | 3,6 | 4,4 | 5,6 | 3,7 | 4 | 3,1 | 0,7 | -2,1 | -1,5 | -1,2 | 1,1 | 1,7 | 2 | 2,6 |
| **AT** | 2 | 2,2 | 2,9 | 0,5 | 3,9 | 3,5 | 3 | 2,5 | 4,6 | 2,9 | 2,5 | -4,2 | -1,2 | 0,2 | -0,2 | -1,8 | -1,2 | 2,5 |
| **PT** | 3,8 | 1,8 | -0,5 | 2,7 | 2,5 | 2,9 | 2,9 | 2,7 | 3,8 | 3,1 | 2,9 | 1,1 | 1,3 | 3,1 | 1,8 | 1,3 | 0,6 | 3,9 |
| **SI** | 1 | 1,9 | 0,1 | 2 | 3 | 4,6 | 2,6 | 4,6 | 4,2 | 3,3 | 2,3 | 1,4 | 1,8 | 1,9 | 0,5 | 2,6 | 1,2 | 2,2 |
| **SK** | 3,9 | 0,5 | 1,5 | 1,1 | -1,2 | 3,3 | 4,7 | 3,6 | 2 | 5,5 | 2,8 | -0,8 | -0,1 | -4 | 0,8 | 1,9 | -1,7 | 3 |
| **BG** | 1,2 | -1,1 | 3,5 | 1,7 | 3,2 | 0,3 | 3,2 | 2,4 | 5,2 | 3,1 | 4,1 | 0,4 | 1,6 | 4,3 | 2,7 | 1,2 | 7,1 | 3,4 |
| **CZ** | 1,8 | 1,7 | 2,6 | 2,6 | 5,9 | 5,2 | 6,9 | 5,7 | 4,7 | 3,4 | 1 | -2,2 | -1,3 | -0,4 | 0,3 | 0,3 | 0,9 | 2,6 |
| **DK** | 0,7 | 2,1 | 2,4 | 1,9 | 2,5 | 5,6 | 2,6 | 0,2 | 1,1 | 1,8 | 0,3 | -2,4 | -4,6 | 0,4 | 1,8 | 1,6 | -2,5 | 3 |
| **FI** | 1 | 1 | 0,4 | 1,1 | 1,5 | 2,4 | -0,2 | 0,2 | 1 | 1,4 | -1,2 | -3,5 | -1,9 | 0,9 | -2,9 | -1 | -1,3 | 0,3 |
| **HU** | 4 | -2,1 | 3,8 | -1,4 | 9,4 | 4,3 | 3,7 | 3,7 | 9,8 | 5,7 | 3 | -1,7 | 4 | 1 | 0,4 | 1,7 | 7,5 | 0 |
| **PL** | 3,6 | 2 | 2 | 1 | 2 | 3,1 | 2,6 | 3,9 | 3,3 | 2 | 2,4 | 1,4 | -0,1 | 3,2 | 4,5 | 4,8 | 4,3 | 2,9 |
| **RO** | 3,3 | 0,1 | -2,6 | 1,3 | 2,7 | 1,6 | 0,1 | 2,8 | 1,7 | 3,7 | -1,2 | 2,5 | -0,4 | -0,8 | 3,4 | 1,5 | 1,3 | 0,5 |
| **SE** | 1,2 | 0,1 | 2,2 | 1,7 | 3,1 | 3,5 | 2,6 | 1,3 | 2,6 | 0,5 | -3,1 | -3,6 | -0,8 | 0,6 | -0,4 | -2,3 | 0,5 | 1,4 |
| **EA** | 1,1 | 1,6 | 1,4 | 1,4 | 1,4 | 2,7 | 3,2 | 1,9 | 1,6 | 2,2 | 0,8 | -1,9 | -0,8 | 0,2 | 0,2 | -0,8 | 0 | 1,8 |
| **EU** | 1,4 | 1,5 | 1,4 | 1,4 | 1,8 | 2,9 | 3,1 | 2,1 | 2 | 2,3 | 0,8 | -1,5 | -0,7 | 0,4 | 0,7 | -0,2 | 0,6 | 1,9 |

*Note: Colour gradient scale ranges from minimum (blue) to maximum (red), with white representing the mid-point (50th percentile).*
*Source: Eurostat.*