



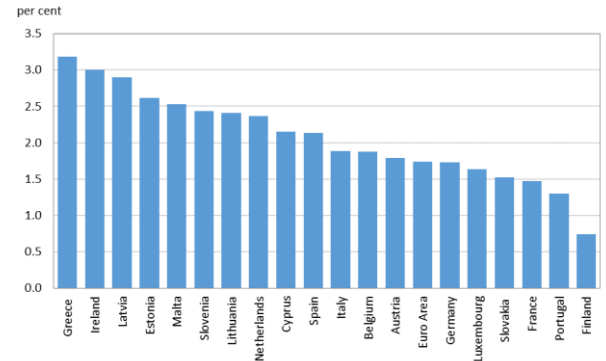
Retail Interest Rates – March 2019

10 May 2019

Key Developments in Loans

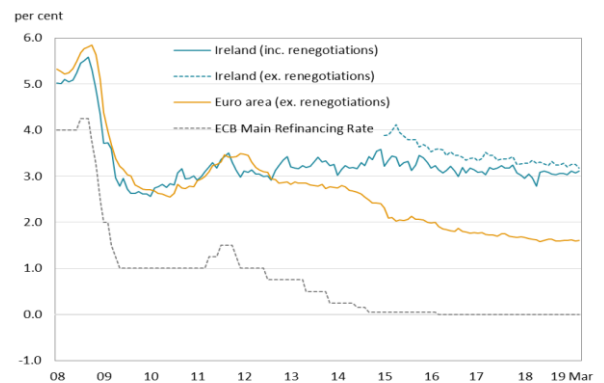
- The volume of new mortgage agreements¹ amounted to €609 million in March 2019, bringing new agreements to €1.7 billion over the first quarter of 2019, an increase of 9 per cent on the same period the previous year.
- The weighted average interest rate on all new mortgages agreed in Ireland stood at 3.00 per cent in March, down 21 basis points on the same month the previous year. The average for the euro area stood at 1.74 per cent in March, although the rate varied considerably across countries (Chart 1).
- The weighted average interest rate on new variable rate mortgage agreements stood at 3.17 per cent in March (Chart 2), a decline of 17 basis points on the March 2018. New business rates averaged 3.25 per cent over the last twelve months.
- The weighted average interest rate on new fixed rate mortgage agreements stood at 2.92 per cent in March, a decline of 19 basis points on March 2018. New fixed rates averaged 2.99 per cent over the previous twelve months.
- Fixed rate mortgages (including renegotiations) accounted for 71 per cent of all new agreements in March, compared with 81 per cent of new agreements for the same period in the euro area.
- Total renegotiated mortgages amounted to €243 million in March (Chart 3), with fixed rate products accounting for 77 per cent of renegotiations. The weighted average interest rate for all renegotiated mortgages was 2.84 per cent in March.

Chart 1: Average interest rates on lending for house purchase (excluding renegotiations) across Euro area countries, March 2019



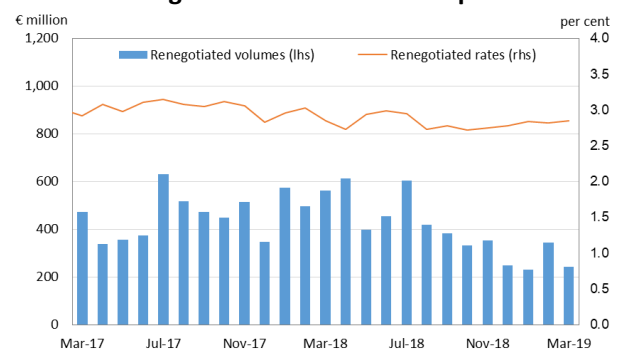
Sources: Retail Interest Rates [SDW](#)

Chart 2: Interest rates on new variable rate loan agreements to households for house purchase



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

Chart 3: Renegotiated loans for house purchase



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

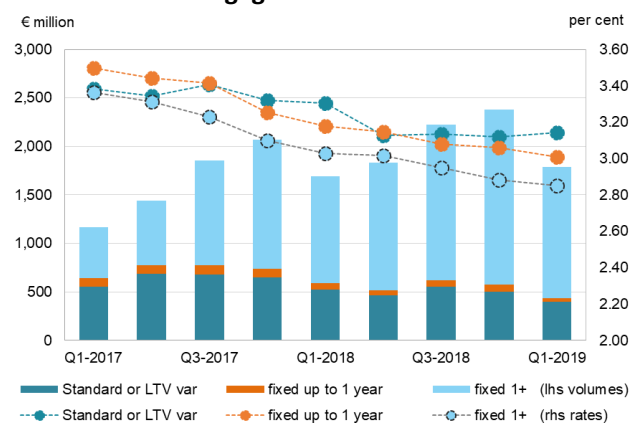
¹ Rates and volumes quoted on page 1 exclude renegotiations unless otherwise stated

- Quarterly data from the domestic data series² shows that the **standard variable rates for new PDH mortgage drawdowns** fell by 16 basis points over the past year to 3.14 per cent at end Q1 2019 (Chart 4). Fixed rates for new PDH mortgage drawdowns stood at 2.85 per cent at the end of Q1, down 18 basis points on Q1 last year. Fixed rate mortgages account for 76 per cent of PDH mortgage drawdowns in Q1, with a majority of these mortgages fixed over 3 years.
- **Variable mortgage rates for new BTL mortgage drawdowns** averaged 4.60 per cent in Q1 2019, a decrease of 13 basis points from Q1 2018. Fixed rate BTL mortgages decreased by 17 basis points to 4.39 per cent over the same period. Variable mortgage rates account for 80 per cent of new BTL mortgage drawdown in Q1 2019.

Key Developments in Deposits

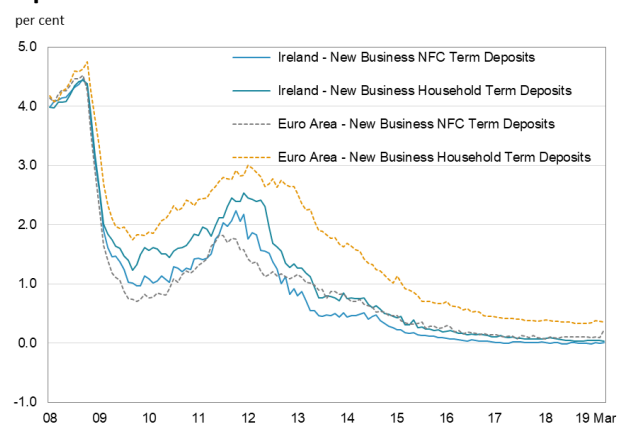
- **Interest rates on new household term deposits** has remained unchanged for the eighth consecutive month in March 2019, at 0.04 per cent (Chart 5). This represented a 4 basis point decline over the last twelve months. Equivalent euro area rates remain marginally higher at 0.35 per cent, a decline of 2 basis points over the past 12 months.
- **New business NFC term deposits** remained largely unchanged over the last twelve months, and stood at 0.01 per cent in March. Corresponding NFC term deposit rates for the euro area increased by 12 basis points over the same period, to stand at 0.22 per cent in March (Chart 5).

Chart 4: PDH mortgage interest rates and volumes³



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

Chart 5: Interest rates on household & NFC term deposits



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

² Quarterly data provide a breakdown by mortgage product and property type. See note 1 for further information.

³ 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](#).