

3rd August 2022

Loans to individuals – France • June 2022

Housing loan production is gradually beginning to normalize while remaining above the monthly averages of recent years

- The annual growth rate of outstanding loans to individuals remains high at +6.2% in June, still supported by the housing component (+6.6%) and, to a lesser extent, by consumer loans (+3.5%, after +4.0% in May).
- The seasonally adjusted production of housing loans reached 22.7 billion in June (26.8 billion in May), a level that remains higher than the monthly averages observed over the past five years, which have fluctuated between 16.9 billion (2018) and 22.8 billion (2021). Since January 2022, 122.5 billion additional loans have been produced in France. The rise in interest rates for new loans continues very gradually, averaging 1.35% in June, compared to 1.26% in May.
- The average maturity of new home loans continues to rise, reaching 23 years and 8 months for first-time buyers and 23 years and 1 month for all borrowers.
- The estimate for July indicates a further rise in the average interest rate on new loans to 1.44%, with monthly production of housing loans close to June's level (21.6 billion euros), maintaining the annual growth rate of outstanding loans at +6.5%.
- The "additional information" section of this Statinfo provides indicators on access to housing for first-time buyers and, within this group, for first-time buyers from low-income household.

Outstanding amounts and annual growth rates (without seasonal adjustment)

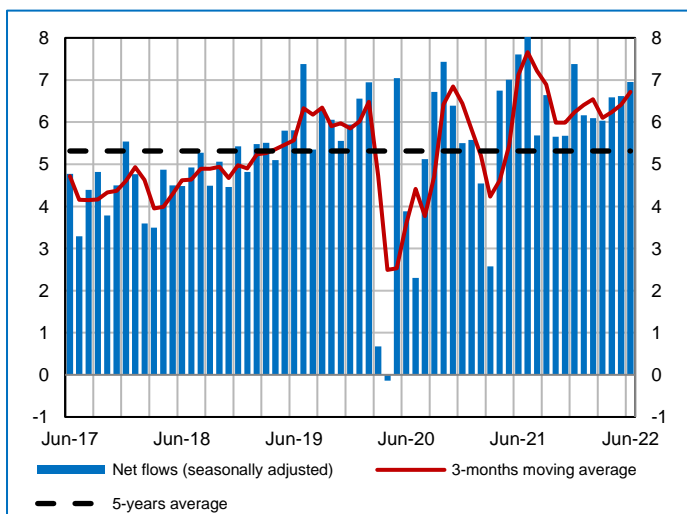
(Outstanding amounts in € Bn, annual growth rate in %)

| | End-of-month level | Annual growth rate | | | |
|-----------------------------------|--------------------|--------------------|------------|------------|------------|
| | Jun-22 | Apr-22 | May-22 | Jun-22 | july-22 |
| Total | 1 477 | 6.3 | 6.4 | 6.2 | - |
| <i>Lending for house purchase</i> | <i>1 249</i> | <i>6.8</i> | <i>6.8</i> | <i>6.6</i> | <i>6.5</i> |
| <i>Credit for consumption</i> | <i>198</i> | <i>3.6</i> | <i>4.0</i> | <i>3.5</i> | <i>-</i> |
| <i>Other lending</i> | <i>30</i> | <i>5.4</i> | <i>7.0</i> | <i>5.3</i> | <i>-</i> |

(*) Nowcasting

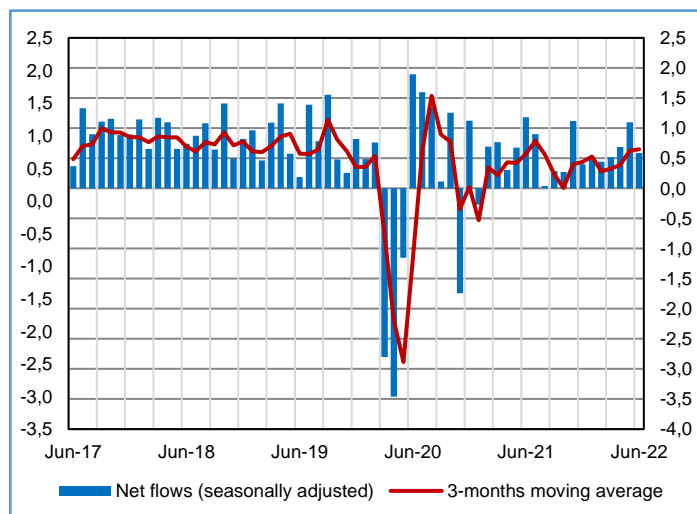
Housing loans to individuals (seasonally adjusted)

(In billion euros)



Credit for consumption (seasonally adjusted)

(In billion euros)





Production of new loans

(excluding overdrafts, monthly flows seasonally adjusted (a))

| (volumes in billion euros, proportion in percentage) | Feb-22 | Mar-22 | Apr-22 | May-22 (e) | June-22 (f) | July-22 (g) |
|--|--------|--------|--------|------------|-------------|-------------|
| - loans for consumption purposes (b) | 6.0 | 5.9 | 5.8 | 6.2 | 5.9 | |
| - housing loans | 23.0 | 24.7 | 25.8 | 26.8 | 22.7 | 21.6 |
| of which housing loans excluding renegotiations | 17.9 | 19.6 | 20.7 | 22.2 | 19.2 | |
| - proportion of renegotiation (not seasonally adjusted) in % (c) | 22.1 | 20.7 | 19.7 | 17.2 | 15.5 | |

Interest rates on new loans (narrow defined effective rate, monthly average)

| (in percentage) | Feb-22 | Mar-22 | Apr-22 | May-22 (e) | June-22 (f) | July-22 (g) |
|--|--------|--------|--------|------------|-------------|-------------|
| - housing loans | 1.13 | 1.14 | 1.19 | 1.26 | 1.35 | 1.44 |
| of which housing loans long term and fixed rates | 1.13 | 1.14 | 1.19 | 1.26 | 1.35 | |
| of which housing loans short term and floating rates | 1.16 | 1.22 | 1.21 | 1.28 | 1.34 | |
| of which housing loans excluding renegotiations | 1.09 | 1.11 | 1.16 | 1.25 | 1.34 | |
| - loans for consumption purposes (b) | 3.54 | 3.57 | 3.69 | 3.77 | 3.73 | |
| - overdrafts for individuals (d) | 5.18 | 5.06 | 4.94 | 4.90 | 4.87 | |

(a) Parameters for seasonal adjustment are updated each month, taking into account monthly data under review.

(b) Excluding revolving loans. Loans for splitted-cost payments (mainly "loans granted on market place" and "extended credit-card credits" are included into consumption loans.

(c) Ratio of renegotiated loans on housing loans, both not seasonally adjusted

(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

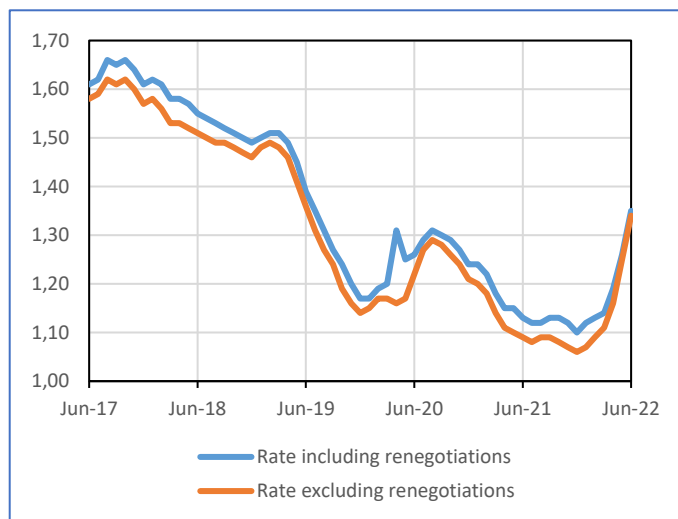
(e) Revised data

(f) Provisional data

(g) Nowcasting

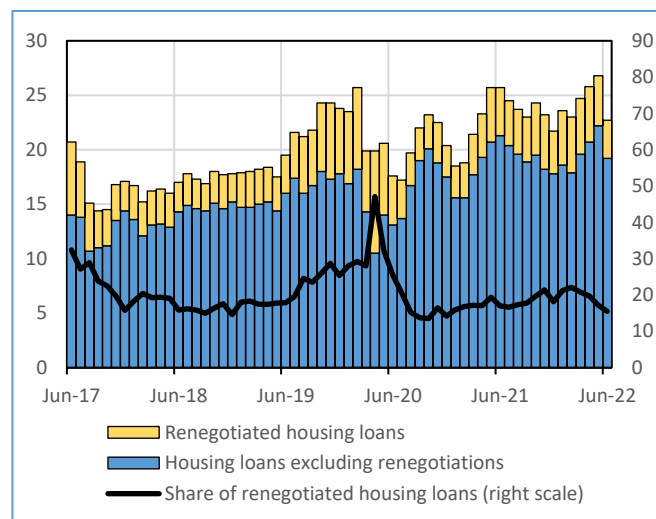
Interest rates on housing loans, all maturities

(Narrowly defined effective rate, average weighted by long and short term flows, in %)



Share of renegotiated loans in new housing loans

(Monthly seasonally adjusted new loans in € Bn, share in %)





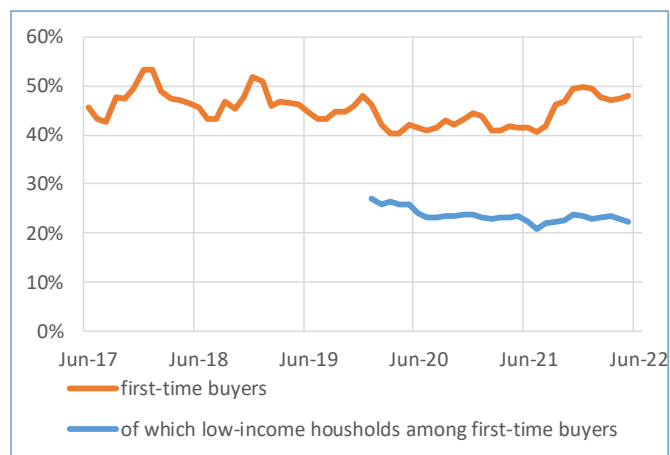
Additional information on access to real estate credit for first-time buyers

The Banque de France collects additional information from resident banks on housing loans, which makes it possible to break down loans according to their characteristics as well as those of the borrowers (loan amount, number of loans, average term, first-time buyer or not, etc.). This more granular information is based on a sample of 12 banks representing 90% of total outstanding loans, and is available with a small time lag. The data available at the end of May 2022 show that the share of first-time buyers in access to housing loans for the purchase of a primary residence remains high by historical standards, at 48%. Over the first five months of 2022, this share fluctuated between 47% and 50%, slightly above the average observed since 2014 (46%). Among first-time buyers, the share of low-income households, defined as those with an annual income of €30,000 or less, was 24% in December 2021 and 22% in May 2022, to be compared with the average calculated since January 2020 (24%).

Details on the methodology of this statinfo are available via the usual links.

Share of first-time buyers in the production of housing loans for the acquisition of a principal residence

(in %)



Average maturity of housing loans for the purchase of a primary residence

(in years)

