

Strength to Strength

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Spanish News



The Spanish-National Statistics Institute-reported earlier this week that, according to data from property transactions carried out in previous months, the number of new mortgages constituted on homes listed in the property registers reached a total of 19,732 in May, which represents an-increase of 10.9% over the figure recorded in the same month of 2014. With this year-on-year improvement in May, home mortgages in-Spain-accumulated twelve consecutive months of double digit increases. However, the Institute noted that, compared to the figure recorded for April,-when the number of new mortgages on homes rose by 21.4%, the May increase has moderated by more than ten points.

The average value of the home mortgages signed in May reached 103,922 euros, which is 4.4% more than in same month of 2014, while the capital loaned for these mortgages increased by 15.8% year-on-year, to 2,050 million euros.

Month-on-month (May over April), home mortgages increased by 4.6%, representing the lowest rise recorded in the past five years, while the capital loaned grew by 8%, compared with a 14% increase registered a year earlier.

In the first five months of the year, the number of mortgages constituted on housing accumulated an increase of 20.1% over the same period of 2014, with the capital loaned increasing by 24% and the average mortgage value rising by 3.3%.

Andalucía, Madrid and-Catalonia-were the regions which recorded the greatest number of mortgages constituted on housing in May, -with totals of 3,717, 3,378 and 3,085 new mortgages, respectively, while the regions which registered

the highest year-on-year increases in the number of-home mortgages in May were La Rioja (+43.4%), Navarra (+31.8%) and-Galicia-(+26.8%). In addition, the regions where most capital was loaned for these home mortgages were Madrid (496.3 million euros), Catalonia (371.4 million euros) and Andalucía (323.4 million euros).

According to the Institute's data, a total of 29,712 mortgages were constituted in May on rural and urban properties (the latter includes dwellings), which represents an increase of 7.3% compared to the same month of last year. Moreover, the mortgage loan capital increased by 15.1%-compared to the same month of 2014, to reach a total of 3,737.8 million euros, while the average mortgage value of all the mortgages constituted amounted to 125,802 euros, representing an increase of 7.3% over the previous year.

The average interest rate for home loans stood at 3.40% in May, compared to 3.82% recorded a year earlier, while for all the loans, the average interest rate stood at 3.38%, with a repayment term of 21 years on average.

Europa Press-reported that 92.8% of the mortgages constituted in May were of the variable interest rate type, while 7.2% were of the fixed rate type, and the Euribor is the most used reference rate in the constitution of variable interest rate mortgages, appearing in 92.2% of the new-contracts.

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