January 8th 2024

Loans to individuals – France • November 2023

Housing loan production excluding renegotiations remains at a low level

➢ Seasonally adjusted production of housing loans excluding renegotiations stands at 8.7 €bn in November (after 9.2 €bn in October and September). The annual growth rate of outstanding housing loans continues to slow (+1.3% in November 2023, after +1.6% in October) while remaining above the euro zone average.

➢ The average interest rate on new housing loans, excluding fees and insurance, continues to rise in November (3.99%, after 3.87% in October) and gradually catches up the average rates charged by some of our European neighbors.

➢ The annual growth rate of outstanding consumer credit slightly decreases in November, at +1.9% after +2.2% in October.
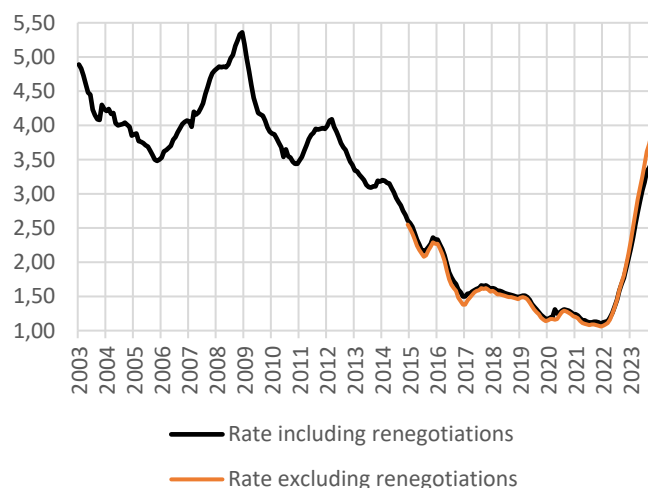
Production of new housing loans

(Monthly seasonally adjusted new loans in €bn)

- Renegotiated housing loans
- Housing loans excluding renegotiations
- Housing loans total
- average 2003 - 2014 (inc. renegotiations)
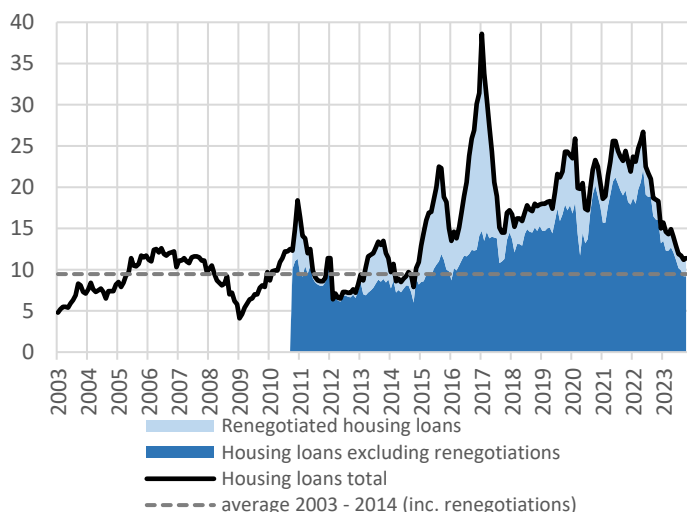
Interest rates on housing loans, all maturities

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

- Rate including renegotiations
- Rate excluding renegotiations

Production of new loans (excluding overdrafts, monthly flows seasonally adjusted (a))

(volumes in €bn, proportion in percentage)	July-23	Aug-23	Sept-23	Oct-23 (e)	Nov-23 (f)	Dec-23 (g)
- loans for consumption purposes (b)	5.4	5.7	5.5	5.7	5.9	
- housing loans	11.9	11.7	11.2	11.4	10.9	10.4
of which housing loans excluding renegotiations	10.2	9.9	9.2	9.2	8.7	8.6
- proportion of renegotiation (not seasonally adjusted) in % (c)	15.0	15.2	17.6	19.9	20.6	

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

(in percentage)	July-23	Aug-23	Sept-23	Oct-23 (e)	Nov-23 (f)	Dec-23 (g)
- housing loans	3.17	3.33	3.38	3.45	3.55	3.66
of which housing loans long term and fixed rates	3.17	3.30	3.38	3.44	3.55	
of which housing loans short term and floating rates	3.24	3.95	3.49	3.74	3.57	
of which housing loans excluding renegotiations	3.43	3.62	3.73	3.87	3.99	4.11
- loans for consumption purposes (b)	5.91	5.96	5.97	6.08	6.33	
- overdrafts for individuals (d)	6.22	6.35	6.88	6.93	7.03	

(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

Renegotiated loans are loans where at least one of the terms of the initial contract is modified with the active participation of the borrower, giving rise to the declaration of a new contract. They include in particular loans for which the insurance contract has been modified (since February 2022 the Lemoine law authorizes the termination at any time of the borrower's insurance contracts, without any notice period or fees or penalties) even if the other characteristics of the loan remain unchanged.

Outstanding amounts and annual growth rates (without seasonal adjustment)
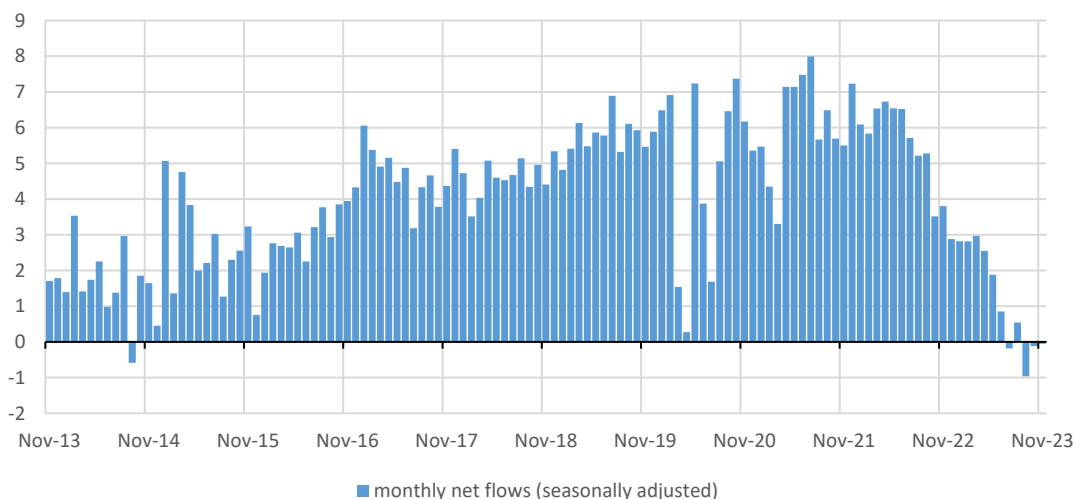
(Outstanding amounts in €bn, annual growth rate in %)

	End-of-month level	Annual growth rate			
	Nov-23	Sept-23	Oct-23	Nov-23	Dec-23*
Total	**1,527**	**1.9**	**1.8**	**1.5**	**-**
Lending for house purchase	*1,292*	*1.8*	*1.6*	*1.3*	*1.0*
Credit for consumption	*205*	*1.9*	*2.2*	*1.9*	*-*
Other lending	*29*	*5.3*	*5.8*	*6.9*	*-*

(*) Nowcasting

Net flows of housing loans to individuals (seasonally adjusted)

(In €bn)

■ monthly net flows (seasonally adjusted)

Net flows of credit for consumption (seasonally adjusted)

(In €bn)

■ monthly net flows (seasonally adjusted)

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More information on methodology, time series , calendar
All statistical time series published by the Banque de France can be accessed on Webstat Banque de France

Publication available on Apple and Android

STAT INFO – November 2023
Loans to individuals

Contact Banque de France
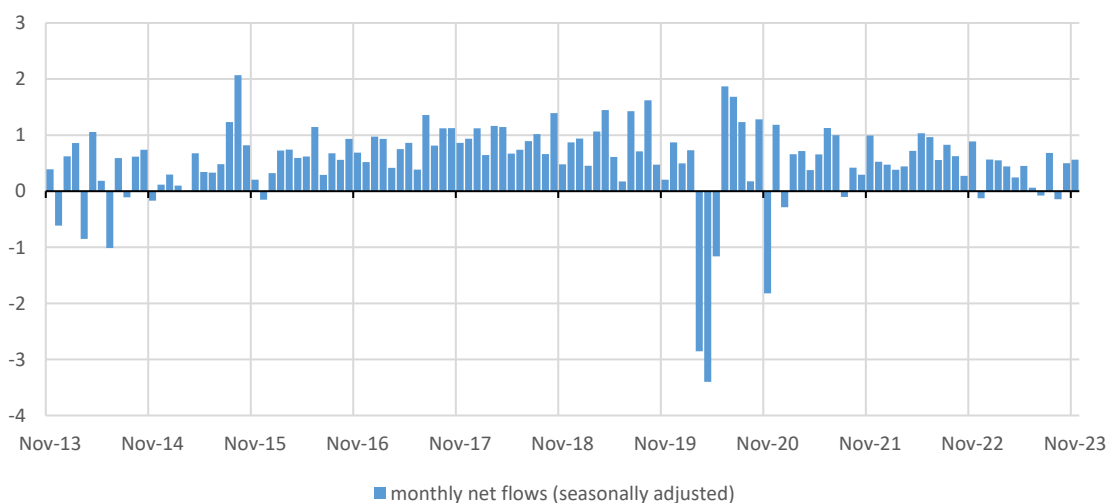
Euro area : Annual growth rate of outstanding housing loans to households(1) (in %)

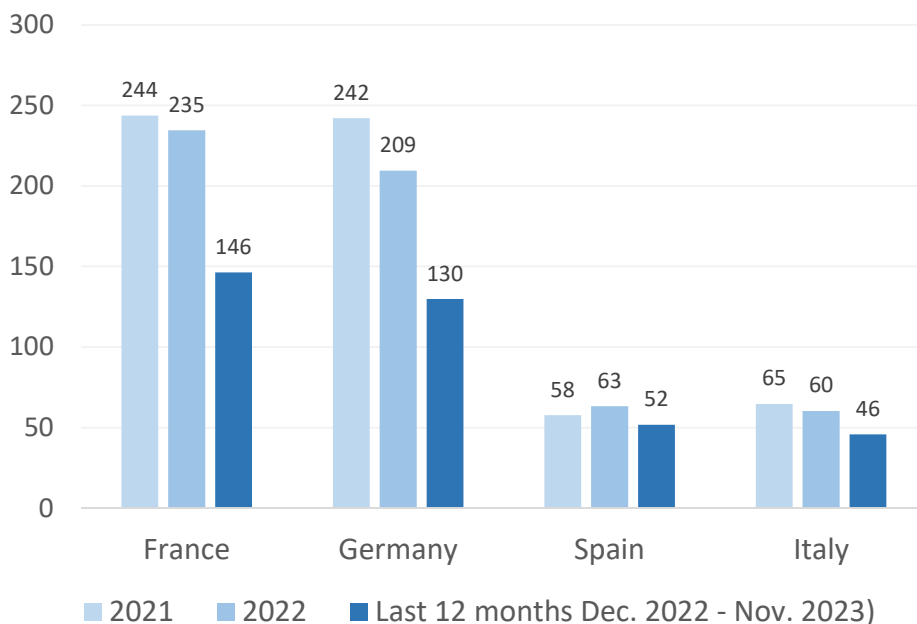Legend: Germany | Spain | France | Italy | euro area

Callout values: 1,5 | 1,2 | 0,7 | 0,0 | - 3,2
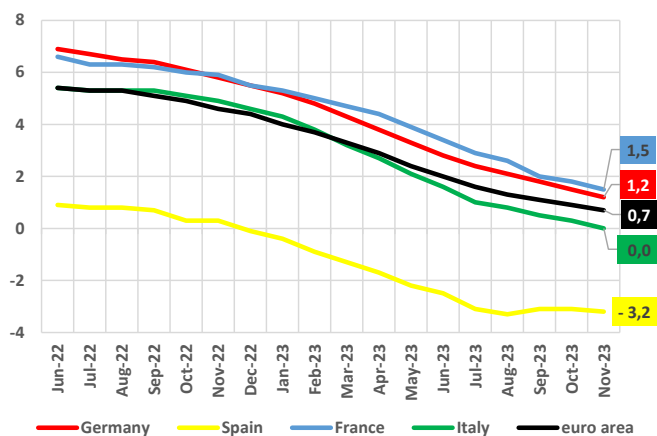
Euro area : Interest rates for new housing loans (overall effective rate including fees and insurance, in %)

Legend: Italy (4.92%) | Germany (4.27%) | Spain (4.02%) | France (4.14%) | euro area (4.35%)
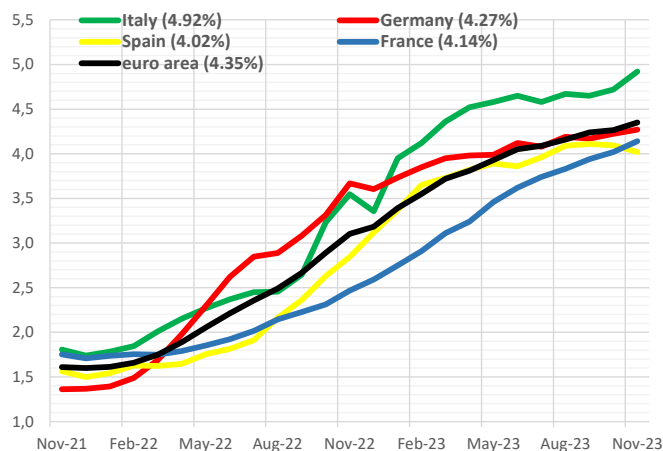
(1) Households = Individuals + sole entrepreneurs + non-profit institutions serving households. The annual growth rate of outstanding housing loans to households in France is +1.5% in October 2023 and +1.3% for individuals alone.

Euro area: New housing loans (excluding renegotiations) to households, cumulative in €bn

Legend: 2021 | 2022 | Last 12 months Dec. 2022 - Nov. 2023)

|	France	Germany	Spain	Italy
2021	244	242	58	65
2022	235	209	63	60
Last 12 months	146	130	52	46

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. Analysis of the data shows that:

- The share of first-time borrowers of home loans for the acquisition of a principal residence still continues to account for around half of new loans in 2023, a proportion slightly higher than the average observed since 2015.
- The average maturity of housing loans for the purchase of a principal residence reaches 23 years for all borrowers and 23 years and 7 months for first-time buyers.
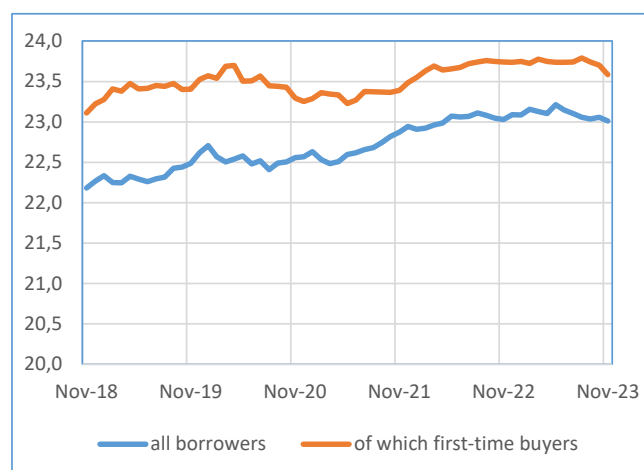
Share of first-time buyers in the production of housing loans for the acquisition of a principal residence
(in %)
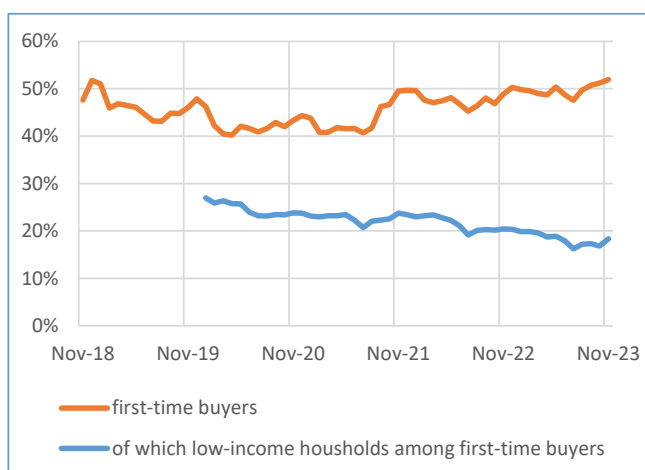
Average maturity of housing loans for the purchase of a principal residence
(in years)

Additional information

Only loans granted to individuals (households excluding sole proprietors and unincorporated partnerships) by resident monetary financial institutions are presented here. The outstanding growth rates are calculated from monthly changes in stocks (including sales and securitization) by correcting from modifications that do not reflect economic changes, especially, the accounting derecognition of loans from the MFI's statistical balance sheet due to write-offs/write-downs. Conversely, exchange rate effects are taken into account without any change for technical reasons. Monthly growth rates are those of new loans agreed, i.e. disbursed. Nevertheless, new loan production represents new loans granted, even when they are not actually disbursed to the borrower, in accordance with the Eurosystem harmonised methodology, which aims to provide the public with an indicator that rapidly reflects changes in loan production. For this reason, the production of new loans differs from monthly changes in outstanding loans. Indeed, on the one hand, outstanding loans are recorded after the effective disbursement of funds and, on the other hand, they are reduced by the amortization of old loans. The weighted average rates and new business volumes are calculated according to the harmonized definitions of the Eurosystem. Published rates are the narrowly defined effective rate (NDER). They correspond to the interest component of the Annual Percentage Rate of Charge (APRC). Renegotiated loans also include external mortgage repurchases.

Low-income households are defined as those with an annual net income before tax of less than or equal to €30,000.

As of October 1st, 2021, the Banque de France start offering a nowcasting on new business loans and interest rates based on a model which takes into account market conditions (reference interest rate, property transfer duties...) and the past values of the estimated variables. The absolute nowcasting deviation is on average 0.3 billion euros over the long term, i.e. 1.5% of the average gross flow. For interest rates, the absolute deviation is 1 basis point on average.

For the European comparison, the scope of borrowers is extended to households, which includes, in addition to individuals, sole entrepreneurs and non-profit institutions serving households.

The ECB now publishes an annual growth rate (AGR) for outstanding housing loans in the eurozone, adjusted for the effects of securitization and other loan transfers. This indicator is included for the first time with the publication of the November 2023 figures (chart p3 top left), replacing the unadjusted AGR used until October 2023. This improves comparability with other countries whose AGRs already incorporated this correction. The annual growth rate of outstandings adjusted for securitization/loan transfer effects stood at +0.7% in November for the eurozone, compared with +0.3% for the unadjusted indicator.