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## IBF/PwC Mortgage Market Profile

### New Lending – Quarterly Report

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	Number	Value
<b>New Mortgage Lending Quarter 3, 2006:</b>	<b>54,623</b>	<b>€10,962m</b>
<b>Total, Year to date (Q1-Q3, 2006)</b>	<b>155,316</b>	<b>€29,529m</b>
Quarter 2, 2006	53,449	€10,130m
Quarter 1, 2006	47,244	€8,437m
Quarter 4, 2005	55,618	€10,341m
Quarter 3, 2005	53,543	€9,380m
% change, Q3 2006 Vs. Q2 2006	+2.2%	+8.2%
% change, Q3 2006 Vs. Q3 2005	+2.0%	+16.9%

The total value of mortgage loans issued in the year to date (to end September) was €29,529m with €10,962m of new lending in the third quarter of 2006 (for detailed analysis see page 3).

The value of mortgage lending in the third quarter of 2006 was up 16.9% against the same period in 2005 (for detailed analysis see page 3).

Market size:

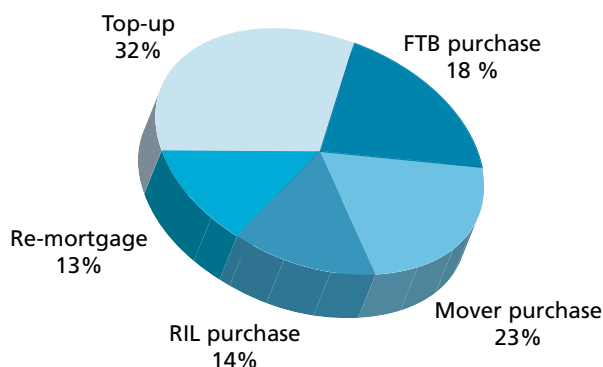
- These figures relate to all lending secured by residential property.
- The total of outstanding residential mortgage debt is published on a monthly basis by the Central Bank and Financial Services Authority of Ireland.

# Loan Volumes

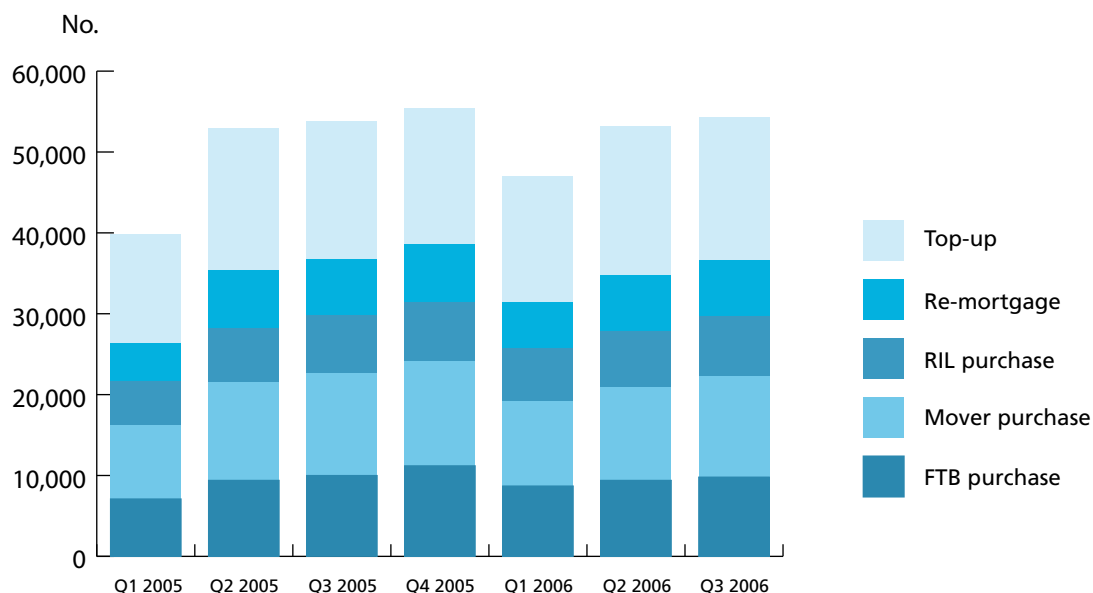
The number of mortgages issued increased in Q3 by 2.2%, quarter-on-quarter. This increase was underpinned by growth in all segments bar top-ups (the largest segment in terms of numbers of loans), which decreased by 3.7% from Q2.

- The distribution of lending volumes between market segments remains relatively static, as has been the case since the beginning of 2005 when data collection commenced.
- The segment with the largest quarter-on-quarter change was the mover purchase segment with a 7.5% increase in Q3 over Q2.
- Top-up mortgages remain the largest market segment in terms of numbers of loans.
- Although down slightly from 18,412 loans in Q3 2006 to 17,758 in Q3, the figure represents an increase of 4.8% against the same period in 2005.

Quarter 3 2006: 54,623 Mortgage Loans



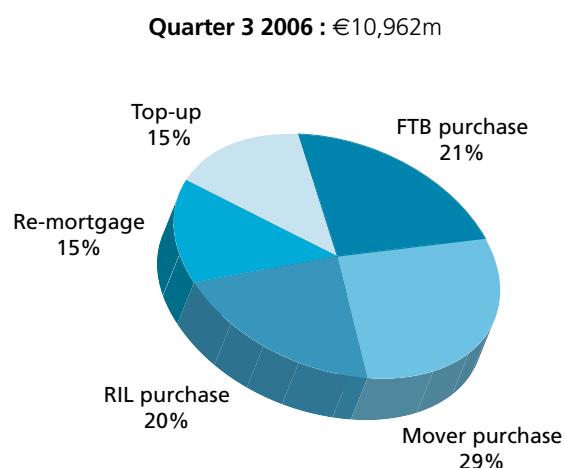
		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		Total Drawdowns
		No.	%	No.	%	No.	%	No.	%	No.	%	
2006	Q3	9,884	18.1%	12,470	22.8%	7,530	13.8%	6,981	12.8%	17,758	32.5%	54,623
	Q2	9,407	17.6%	11,598	21.7%	7,083	13.3%	6,949	13.0%	18,412	34.4%	53,449
	Q1	8,789	18.6%	10,452	22.1%	6,647	14.1%	5,752	12.2%	15,604	33.0%	47,244
2005	Q4	11,284	20.3%	12,941	23.3%	7,474	13.4%	7,108	12.8%	16,811	30.2%	55,618
	Q3	10,062	18.8%	12,688	23.7%	6,842	12.8%	7,004	13.1%	16,947	31.7%	53,543
	Q2	9,394	17.9%	12,071	23.0%	6,368	12.1%	7,202	13.7%	17,469	33.3%	52,504
	Q1	7,139	18.0%	9,060	22.9%	5,172	13.1%	4,630	11.7%	13,594	34.3%	39,595



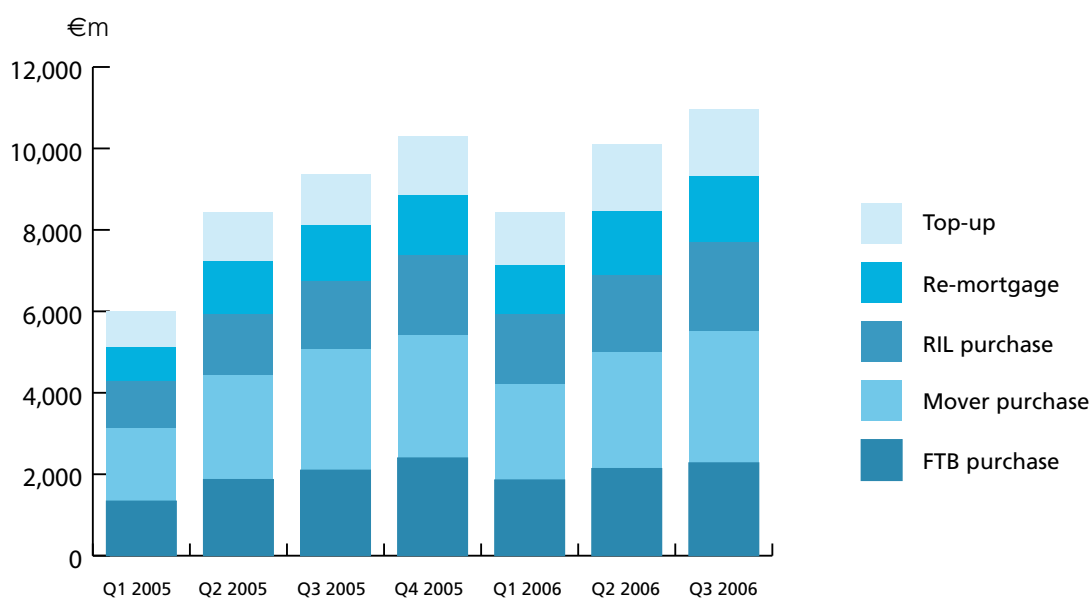
# Loan Values

The mover purchase continues to constitute the largest segment, by value. At €3,233m in Q3, it represents almost 30% of the value of mortgage lending.

- The value of mortgage lending increased by 8.2% in Q3 over Q2. This growth was particularly robust in the mover purchase (13.1%) and residential investment letting (RIL) purchase (14.4%) segments. The first time buyer and re-mortgage segments grew by 6.9% and 2.3%, respectively, with the top-up category showing a small decline of 0.3%.
- Analysis of historical data sources regarding the Irish mortgage market point to the significance of seasonal factors. Typically, the first quarter of the year is the quietest period in terms of mortgage issuance with activity levels increasing throughout the year, peaking in either Q3 or Q4. This seasonality is reflected in 2005 and 2006 with the value of mortgage lending increasing significantly from Q1 to Q2 in both years followed by more moderate growth from Q2 to Q3.



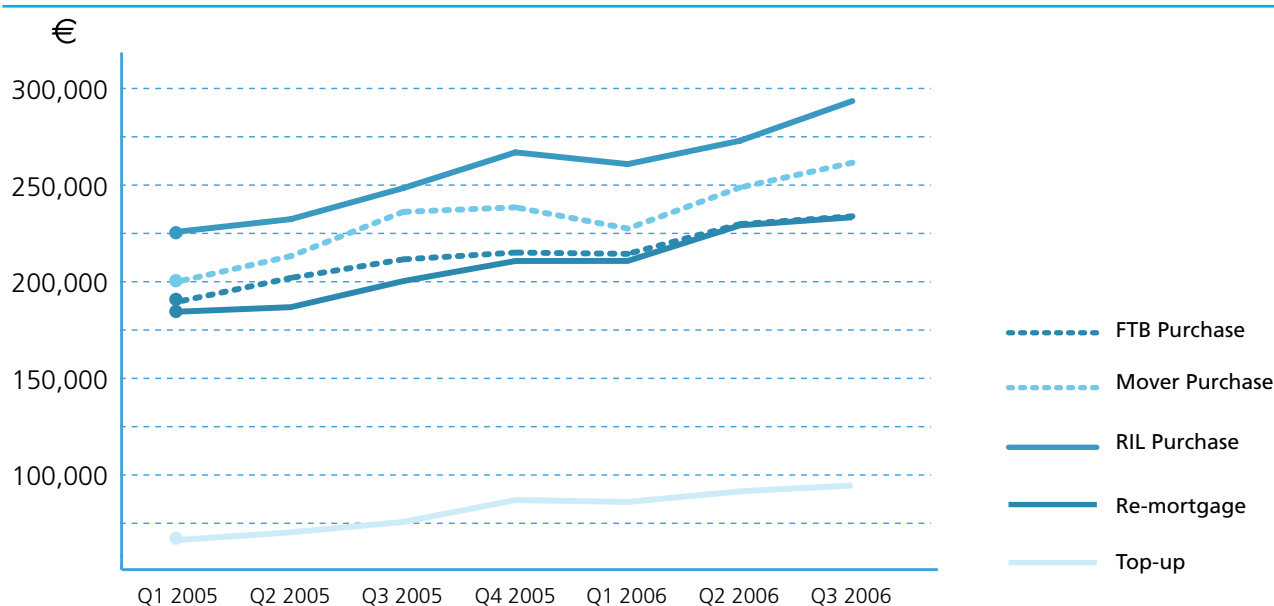
		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		Total Drawdowns
		€m	%	€m	%	€m	%	€m	%	€m	%	
2006	Q3	2,288	20.9%	3,233	29.5%	2,193	20.0%	1,613	14.7%	1,635	14.9%	10,962
	Q2	2,140	21.1%	2,858	28.2%	1,917	18.9%	1,576	15.6%	1,639	16.2%	10,130
	Q1	1,864	22.1%	2,353	27.9%	1,719	20.4%	1,199	14.2%	1,303	15.4%	8,437
2005	Q4	2,400	23.2%	3,056	29.6%	1,978	19.1%	1,481	14.3%	1,426	13.8%	10,341
	Q3	2,105	22.4%	2,966	31.6%	1,684	17.9%	1,386	14.8%	1,239	13.2%	9,380
	Q2	1,875	22.3%	2,546	30.3%	1,465	17.4%	1,328	15.8%	1,184	14.1%	8,397
	Q1	1,337	22.3%	1,792	29.9%	1,156	19.3%	843	14.1%	868	14.5%	5,996



# Average Loan

		FTB Purchase	Mover Purchase	RIL Purchase	Re-mortgage	Top-up
		€	€	€	€	€
2006	Q3	<b>231,514</b>	<b>259,286</b>	<b>291,230</b>	<b>230,991</b>	<b>92,050</b>
	Q2	227,454	246,444	270,657	226,847	89,007
	Q1	212,053	225,158	258,549	208,382	83,498
2005	Q4	212,709	236,132	264,625	208,348	84,831
	Q3	209,174	233,794	246,102	197,917	73,137
	Q2	199,593	210,884	230,019	184,433	67,767
	Q1	187,309	197,756	223,554	182,089	63,820

- Mortgages in respect of RIL properties continued to be the highest average loan size, increasing to €291,230 in Q3.
- The smallest increase in average loan size was in respect of first time buyer mortgages which increased by 1.8%.



**Irish Banking Federation (IBF) is the leading representative body for banking and financial services in Ireland. Irish Mortgage Council (IMC) is an affiliate of IBF and represents mortgage lending institutions.**

#### Data

This data relates to loans granted by IBF/IMC member institutions listed which are secured by a mortgage on residential Irish property. We estimate that the data covers well in excess of 95% of the mortgage market and includes residential mortgage lending data from the following institutions:

AIB group  
 Bank of Ireland Mortgage Bank  
 Bank of Scotland (Ireland)  
 EBS Building Society  
 First Active  
 ICS Building Society  
 IIB Homeloans Ltd  
 Irish Nationwide Building Society  
 Permanent TSB  
 Ulster Bank

Whilst every effort is made to ensure accurate classification of loans, some exceptions will always arise. The following are the market segment definitions in use in IMC data.

- First Time Buyer (FTB) Purchase - a loan issued for the purchase of residential property which is to be owner-occupied, where none of the borrowers have ever been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere.
- Mover purchase - a loan issued for the purchase of residential property which is to be owner-occupied, where at least one of the borrowers has been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere.
- Residential Investment Letting (RIL) purchase - a loan issued for the purchase of residential investment property or a holiday home
- Re-mortgage - a loan which is issued by one lender to refinance an existing mortgage with another lender. This may or may not include further equity release.
- Top-up - a further mortgage advance to an

existing borrower which is issued to finance expenditure other than house purchase.

#### Disclaimer:

This report is based on statistical information supplied to IBF/IMC by the mortgage lending institutions listed herein. PricewaterhouseCoopers has reviewed the collation of this report by IBF/IMC. While every effort has been made to ensure the accuracy of information included in this report, IBF and PricewaterhouseCoopers can accept no responsibility for errors contained herein. This report is not to be reproduced in whole or in part without prior permission.

The full data series will be maintained on the IBF website ([www.ibf.ie](http://www.ibf.ie)).

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