

1.6 HOUSING MARKET INDICATORS
a) Most significant variables

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	Annual data			Quarterly data					Monthly data			
	2008	2009	2010	10 Q3	10 Q4	11 Q1	11 Q2	11 Q3	Aug 11	Sep 11	Oct 11	Nov 11
Prices and costs (a)												
Housing Price Index (INE) (annual rate)												
National total	-1.5	-6.7	-2.0	-2.2	-1.9	-4.1	-6.8	-7.4	...	...	...	...
New housing (first transfer)	4.3	-4.2	-2.7	-2.6	-2.1	-1.9	-5.2	-5.0	...	...	...	...
Second-hand housing	-6.2	-8.9	-1.2	-1.8	-1.6	-6.3	-8.3	-9.6	...	...	...	...
Appraisals (Ministerio de Fomento)												
Average price per m2 for open-market housing												
National total (annual rate)	0.7	-7.4	-3.9	-3.4	-3.5	-4.7	-5.2	-5.6	...	...	...	...
National total (EUR/m2)	2 071	1 917	1 843	1 832	1 826	1 778	1 752	1 729	...	...	...	...
Based on age (annual rate)												
New housing (<=2 years)	1.8	-7.0	-3.9	-3.4	-3.7	-4.1	-4.1	-5.4	...	...	...	...
Second-hand housing (>2 years)	0.2	-7.6	-3.6	-3.3	-3.2	-5.3	-6.2	-5.9	...	...	...	...
Based on region (annual rate)												
Madrid and Barcelona provinces	-0.4	-7.6	-4.2	-4.1	-4.6	-6.7	-6.7	-7.4	...	...	...	...
East coast, south coast and island provinces	1.6	-8.3	-5.1	-5.4	-3.7	-5.4	-6.0	-5.2	...	...	...	...
Other mainland provinces, Ceuta and Melilla	1.1	-6.7	-1.9	-1.8	-1.3	-3.5	-6.1	-5.5	...	...	...	...
Asking prices (annual rate)												
New housing (b)	-3.4	-7.8	-2.6	...	-3.2	...	-4.7	...	...	...	...	...
Second-hand housing	-6.1	-9.1	-4.7	-4.2	-4.0	-4.7	-5.2	-6.6	-6.9	-6.8	-7.1	-7.8
Rentals CPI	4.2	3.1	1.1	1.0	1.1	1.2	1.1	1.0	1.0	1.0	0.9	0.9
Index of building costs	...	0.6	2.1	2.2	2.6	4.2	3.4	3.6	3.4	3.0	...	...
Housing investment deflator (QNA)	0.3	-6.8	-2.3	-2.1	-1.3	-2.0	-3.7	...	...	...	...	...
Activity												
Supply												
Housing approvals in last twelve months (c)												
National total (annual rate)	-59.4	-58.1	-17.3	-27.2	-17.3	-12.8	-15.2	-13.9	-14.4	-13.9	...	...
National total (thousands)	265	111	92	97	92	90	85	84	83	84	...	...
Housing starts in last twelve months (c)												
National total (annual rate)	-43.8	-54.0	-22.4	-30.3	-22.4	-24.7	-24.8	...	...	...	...	...
National total (thousands)	346	159	124	136	124	115	108	...	...	...	...	...
Based on type of housing (thousands)												
Unsubsidised	255	80	63	69	63	61	56	...	...	...	...	...
Subsidised	91	79	61	66	61	54	52	...	...	...	...	...
Subsidised as % of total	26.2	49.6	49.0	48.9	49.0	47.0	47.9	...	...	...	...	...
Based on region (annual rate)												
Madrid and Barcelona provinces	-34.3	-45.6	-29.0	-38.2	-29.0	-39.1	-32.3	...	...	...	...	...
East coast, south coast and island provinces	-51.2	-63.2	-30.8	-35.7	-30.8	-32.9	-35.2	...	...	...	...	...
Other mainland provinces, Ceuta and Melilla	-39.8	-49.6	-14.5	-22.8	-14.5	-13.3	-15.6	...	...	...	...	...
Demand												
Number of house purchase transactions												
Before a notary public (Ministerio de Fomento)												
National total (annual rate)	-32.6	-17.8	5.9	-25.1	14.4	-30.5	-40.7	-6.3	...	...	...	...
National total (thousands)	564	464	491	81	150	74	91	75	...	...	...	...
Based on age (annual rate)												
New housing	-19.2	-27.7	-17.1	-53.9	-10.0	-43.8	-57.2	-1.0	...	...	...	...
Second-hand housing	-45.6	-3.6	30.9	4.7	36.5	-20.2	-26.3	-8.7	...	...	...	...
Based on region (annual rate)												
Madrid and Barcelona provinces	-37.0	0.1	14.5	-21.9	19.2	-31.6	-40.0	-10.3	...	...	...	...
East coast, south coast and island provinces	-36.3	-22.1	2.2	-23.7	11.7	-23.3	-36.2	-2.1	...	...	...	...
Other mainland provinces	-26.0	-20.6	5.4	-28.0	14.4	-36.5	-45.5	-8.8	...	...	...	...
Registered												
National total (annual rate)	-28.8	-25.1	6.3	13.0	-9.3	6.2	-23.5	-34.0	-38.0	-28.2	-18.0	...
National total (thousands)	552	413	440	123	91	124	84	81	27	26	22	...
Based on age (annual rate)												
New housing	-14.8	-21.3	0.8	9.7	-12.8	3.7	-25.2	-37.0	-41.4	-28.0	-17.3	...
Second-hand housing	-39.0	-29.0	12.5	16.7	-5.5	8.7	-21.8	-30.8	-34.2	-28.5	-18.7	...
Housing investment (annual rate)(QNA)(a)	-10.7	-24.5	-16.8	-15.1	-11.4	-9.0	-8.4

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a) Most significant variables (continued)

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	Annual data			Quarterly data					Monthly data			
	2008	2009	2010	10 Q3	10 Q4	11 Q1	11 Q2	11 Q3	Aug 11	Sep 11	Oct 11	Nov 11
Demographic variables (c)												
Population >=25 years of age (EPA, 2005 methodology)												
Annual change (thousands)	525	209	181	165	181	170	126	112	...	...	...	...
Households (EPA, 2005 methodology)												
Number (millions)	16.90	17.12	17.25	17.20	17.25	17.28	17.33	17.37	...	...	...	...
Annual change (thousands)	448	226	131	84	131	166	202	172	...	...	...	...
Number of dwellings per household	1.55	1.56	1.56	1.57	1.56	1.56	1.56	...	...	...	...	...
Foreign investment in property (d)												
Total in last 4 quarters (c)												
Annual rate	-0.2	-31.5	2.6	-4.5	2.6	11.9	18.1	...	...	...	...	...
Ratio to GDP (%)	0.49	0.35	0.36	0.36	0.36	0.38	0.41	...	...	...	...	...
Affordability												
Borrowing conditions (a)												
Average new mortgage term (years)	26.6	24.4	25.1	25.5	25.2	26.0	24.2	...	...	...	...	...
Loan/value ratio (%)(LTV)(New loans)	60.6	56.6	57.4	57.5	57.9	59.4	56.5	...	...	...	...	...
Percentage of new loans with LTV>80%	11.0	10.6	11.9	11.9	11.9	12.9	11.6	...	...	...	...	...
Interest rate on unsubsidised loans (%)	5.8	3.4	2.6	2.6	2.7	3.0	3.4	3.6	3.7	3.7	3.7	...
Labour market												
Employment (EPA, 2005 methodology)												
(annual change) (thousands) (c)	-620	-1 211	-238	-323	-238	-243	-174	-391	...	...	...	...
Rate of youth unemployment (20-29 years of age) (2005 methodology)(a)	16.2	26.3	29.6	29.1	30.5	32.4	32.1	32.4	...	...	...	...
Measures of affordability												
House price/gross disposable household income	7.1	6.7	6.6	6.6	6.6	6.5	6.4	6.4	...	...	...	...
Annual theoretical affordability without deductions (e)	50.9	34.6	33.6	32.8	33.6	33.4	36.1	36.8	...	...	...	...
Annual theoretical affordability with deductions (e)	41.0	28.0	27.2	26.6	27.2	27.0	29.1	29.7	...	...	...	...
Wealth												
Net household financial wealth (c)												
Annual rate	-24.5	9.9	-0.1	0.8	-0.1	5.8	11.2	...	...	...	...	...
As % of GDP	68.3	77.9	77.5	76.0	77.5	80.1	79.4	...	...	...	...	...
Household real-estate wealth (c)												
Annual rate	0.0	-4.3	-2.9	-2.5	-2.9	-4.3	...	...	...	...	...	...
Ratio to GDP (%)	557.8	550.9	530.8	534.9	530.8	513.6	...	...	...	...	...	...
Total household wealth (c)												
Ratio to GDP (%)	626.0	628.8	608.3	610.9	608.3	593.8	...	...	...	...	...	...
Credit (including securitisation)												
Total credit to the non-financial private sector												
Annual rate (a)	10.5	2.5	-0.5	-0.2	0.3	0.3	-0.7	-1.5	-1.5	-1.7	-2.0	...
Total mortgage credit												
Annual rate (a)	8.8	1.4	-0.2	-0.6	-1.6	-2.7	-4.0	-5.1	-5.2	-5.2	...	...
Outstanding balance as % of GDP (c)	100.1	104.8	102.8	104.0	102.8	100.8	98.7	96.7	...	...	...	...
Credit to households for house purchase												
Annual rate (a)	8.3	1.3	0.6	0.9	0.5	0.1	-0.2	-0.8	-0.8	-0.8	-1.1	...
Outstanding balance as % of GDP (c)	62.4	64.7	64.5	64.8	64.5	64.0	63.4	62.8	...	...	...	...
Number of new mortgage loans (annual rate)												
Total	-28.1	-4.2	-14.0	-23.8	-5.6	-26.1	-40.5	...	...	...	...	...
For house purchase	-35.6	-13.2	-7.5	-25.4	-1.1	-34.8	-54.5	...	...	...	...	...
Financing under housing schemes												
Annual rate (a)	10.2	4.4	3.6	4.2	2.6	2.6	1.9	...	...	...	...	...
As % of credit for house purchase (c)	4.9	5.1	5.2	5.2	5.2	5.3	5.4	...	...	...	...	...
Doubtful loans to households for house purchase and renovation. Doubtful loans ratio (a)												
	1.63	2.95	2.60	2.62	2.42	2.47	2.52

1.6 HOUSING MARKET INDICATORS
a) Most significant variables (continued)

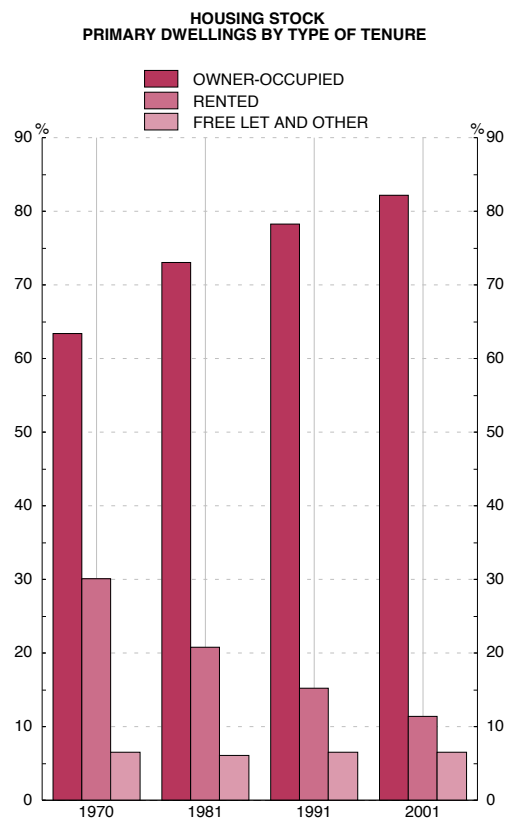
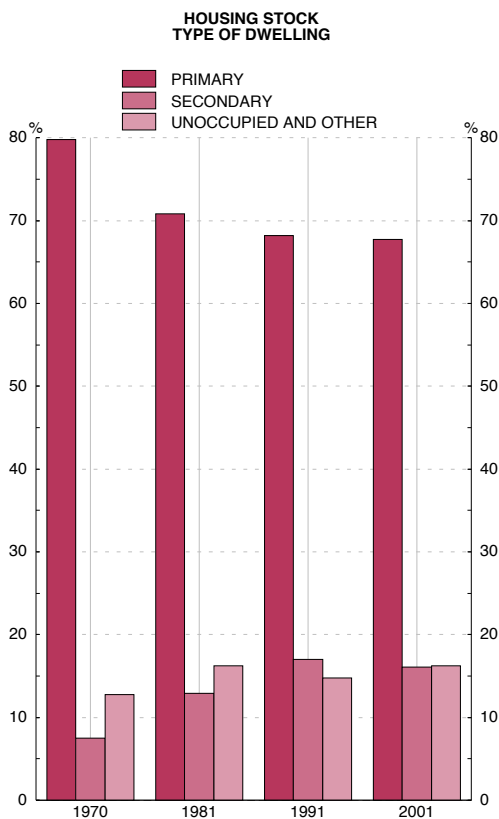
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	Annual data			Quarterly data					Monthly data			
	2008	2009	2010	10 Q3	10 Q4	11 Q1	11 Q2	11 Q3	Aug 11	Sep 11	Oct 11	Nov 11
Return on alternative investment												
Cumulative return over last 12 months (c)												
Housing (rental plus change in prices) . . .	0.1	-2.7	0.3	0.4	0.3	-0.9	-1.3	...	...	...	...	...
Gross return on rental	3.3	3.5	3.8	3.8	3.8	3.9	3.9	...	...	...	...	...
Money market funds (f) . . . . .	...	...	...	...	...	...	...	...	...	...	...	...
Investment funds (g) . . . . .	...	...	...	...	...	...	...	...	...	...	...	...
Stock market (IBEX-35)	-39.4	29.8	-17.4	-10.6	-17.4	-2.7	11.8	-18.7	-14.4	-18.7	-17.2	-8.8
International comparison												
Real prices indices (annual rates) (a)												
Spain	-3.2	-7.2	-5.6	-5.3	-5.9	-7.9	-8.4	-8.4	...	...	...	...
Germany	-2.6	-0.3	1.8	...	...	...	...	...	...	...	...	...
France	-1.5	-7.2	4.8	6.7	7.9	6.9	5.6	...	...	...	...	...
Italy	-0.7	-1.2	-1.4	...	-1.3	...	-1.6	...	...	...	...	...
Netherlands	0.4	-4.4	-3.2	-2.1	-2.6	-3.1	-4.1	-5.2	-5.3	-5.5	-5.3	...
Euro area	-1.9	-3.2	0.2	...	...	...	...	...	...	...	...	...
United Kingdom	-4.3	-9.8	3.9	4.3	0.5	-3.7	-5.7	...	...	...	...	...
United States	-7.8	-4.3	-5.1	-2.5	-2.8	-5.2	-7.4	-7.8	...	...	...	...
Japan (h)	-4.9	-1.9	...	...	...	...	...	...	...	...	...	...

Sources: INE, Ministerio de Fomento, CNMV, Colegio de Registradores, Sociedad de Tasación, Fotocasa, Expocasa, Sociedad de Bolsas S.A., BIS, OECD, ECB and Banco de España.(See accompanying methodological note).

- (a) Period average.
- (b) Half-yearly data.
- (c) End of period.
- (d) Includes residential and non-residential property.
- (e) The quarterly data are annual moving averages.
- (f) During the period for which no data on the return on money market funds are available, the return on short-term fixed-income investment funds is used.
- (g) Excluding money market funds.
- (h) The half-yearly data are annual moving averages.

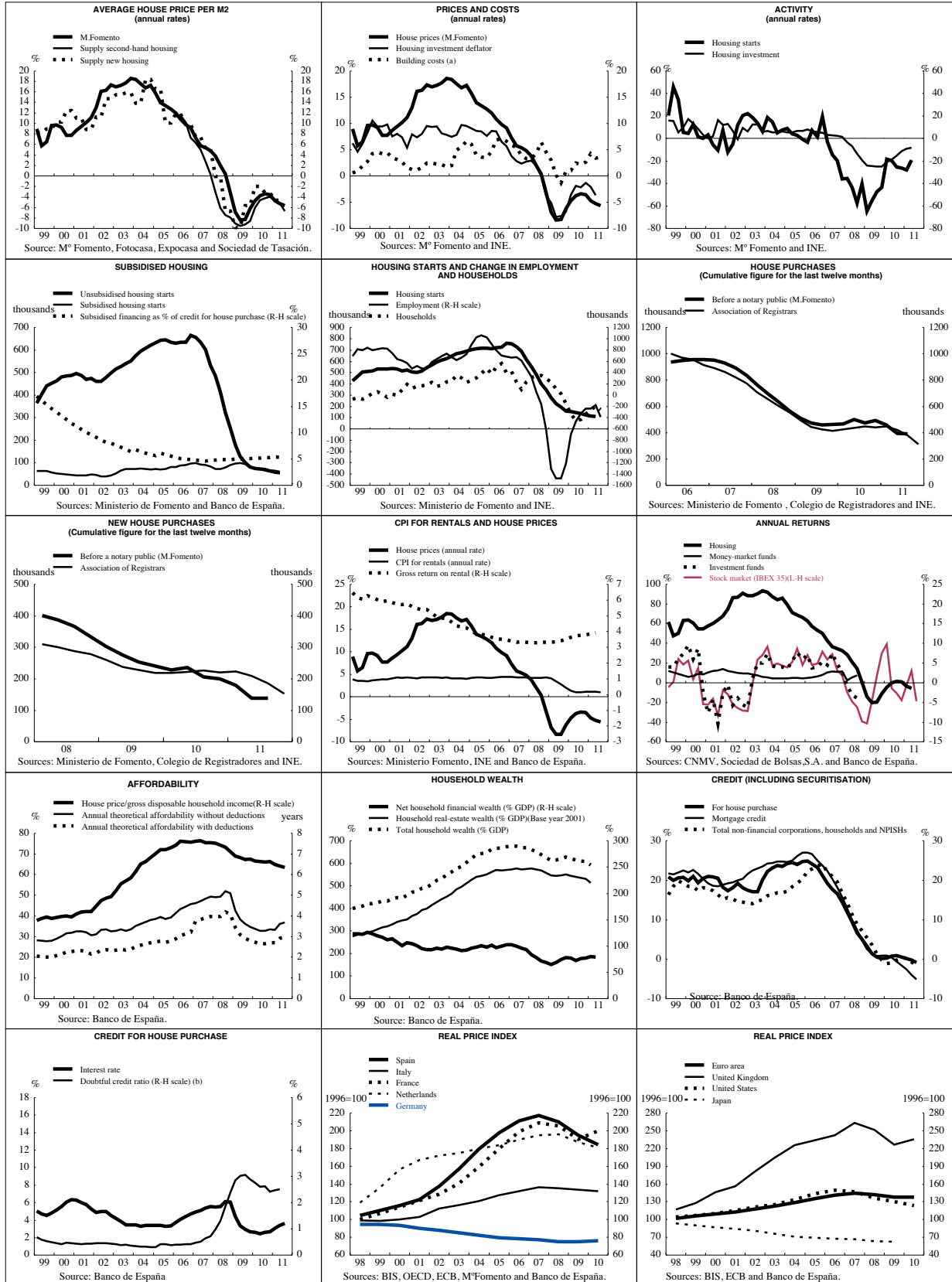
	1970	1981	1991	2001	2005	2006	2007	2008	2009
Housing stock									
Number of dwellings (Censuses) (a)	10 658 882	14 726 134	17 206 363	20 946 554	23 918 413	24 626 384	25 376 597	26 230 579	26 768 715
Percentage of dwellings (Censuses)									
Primary	79.8	70.8	68.2	67.7	...	...	...	...	...
Secondary	7.5	12.9	17.0	16.0	...	...	...	...	...
Unoccupied and other	12.7	16.3	14.8	16.2	...	...	...	...	...
Percentage of primary dwellings (Censuses)									
Owner-occupied	63.4	73.1	78.3	82.2	...	...	...	...	...
Rented	30.1	20.8	15.2	11.4	...	...	...	...	...
Free let and other	6.5	6.1	6.5	6.5	...	...	...	...	...
Percentage of primary dwellings (HBCS)(b)									
Owner-occupied	...	...	79.3	84.5	86.3	...	...	...	...
Rented	...	...	13.5	9.6	9.3	...	...	...	...
Free let and other	...	...	7.2	5.9	4.5	...	...	...	...



Source: INE and Banco de España.

(a) Year 2004 to 2009: Banco de España estimates.

(b) Household Budget Continuous Survey (HBCS).



a) Before January 2007, building costs base 1990=100. b) Before December 1997, doubtful loans ratio of mortgage credit of banks and savings banks.