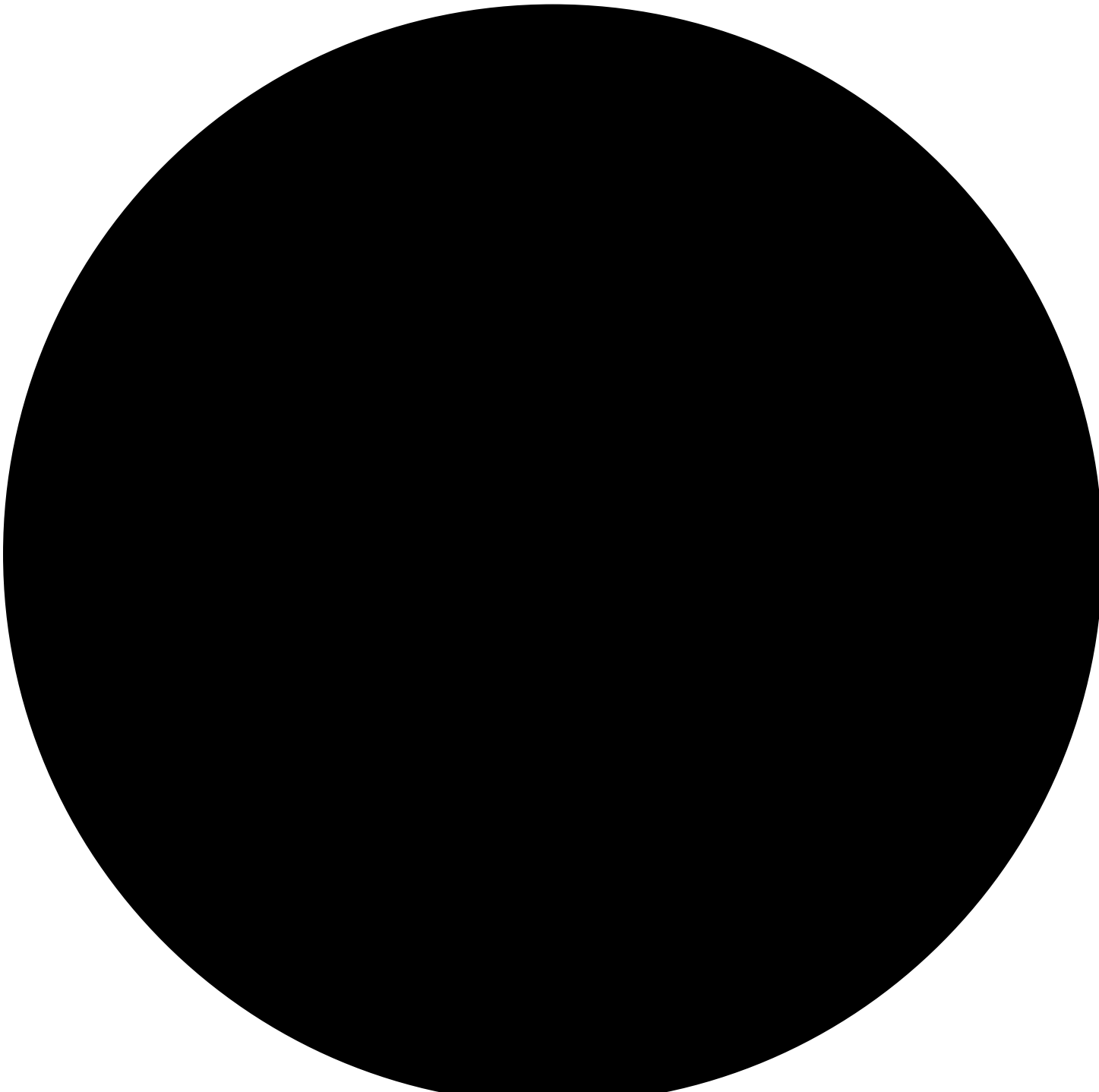


CASH? NO, THANKS

Posted on 02/10/2015 by Naider



The latest economic data provided by the [National Statistics Institute](#) in relation to real estate mortgages give positive signs as far as economic recovery is concerned, according to this organization two out of three houses are paid again with credit, which means an increase in bank loans, exactly 25.6% in the second quarter of 2015 compared to the first.

Even so, as we can confirm through the [Bank of Spain](#), the The credits granted are not entirely comparable with those signed prior to the crisis since the conditions have been modified, while before credits were granted up to forty years, these practices seem to have been banished since today the average term of amortization is around 22 years. But not only the average repayment terms have been altered, interest rates continue their downward trend to the current average of 2.4%, basically due to the fact that the Euribor continues at minimum levels. Regarding the "loan to value" or the loan-value ratio, that is, the amount lent by banks with respect to the total value of the property, it has increased from 57.5% in 2013 to 61.8% last June .

The granting of real estate loans is a factor that is highly taken into account by economic analysts since it is used as a thermometer to measure the confidence that banks have in the economy, this, together with the slight but constant drop in unemployment and the recovery of the banking has

led to this predisposition of banks to increase their non-current assets.

There are no comments yet.