

APOLLO

# Housing Outlook for Europe

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**Apollo Global Management**

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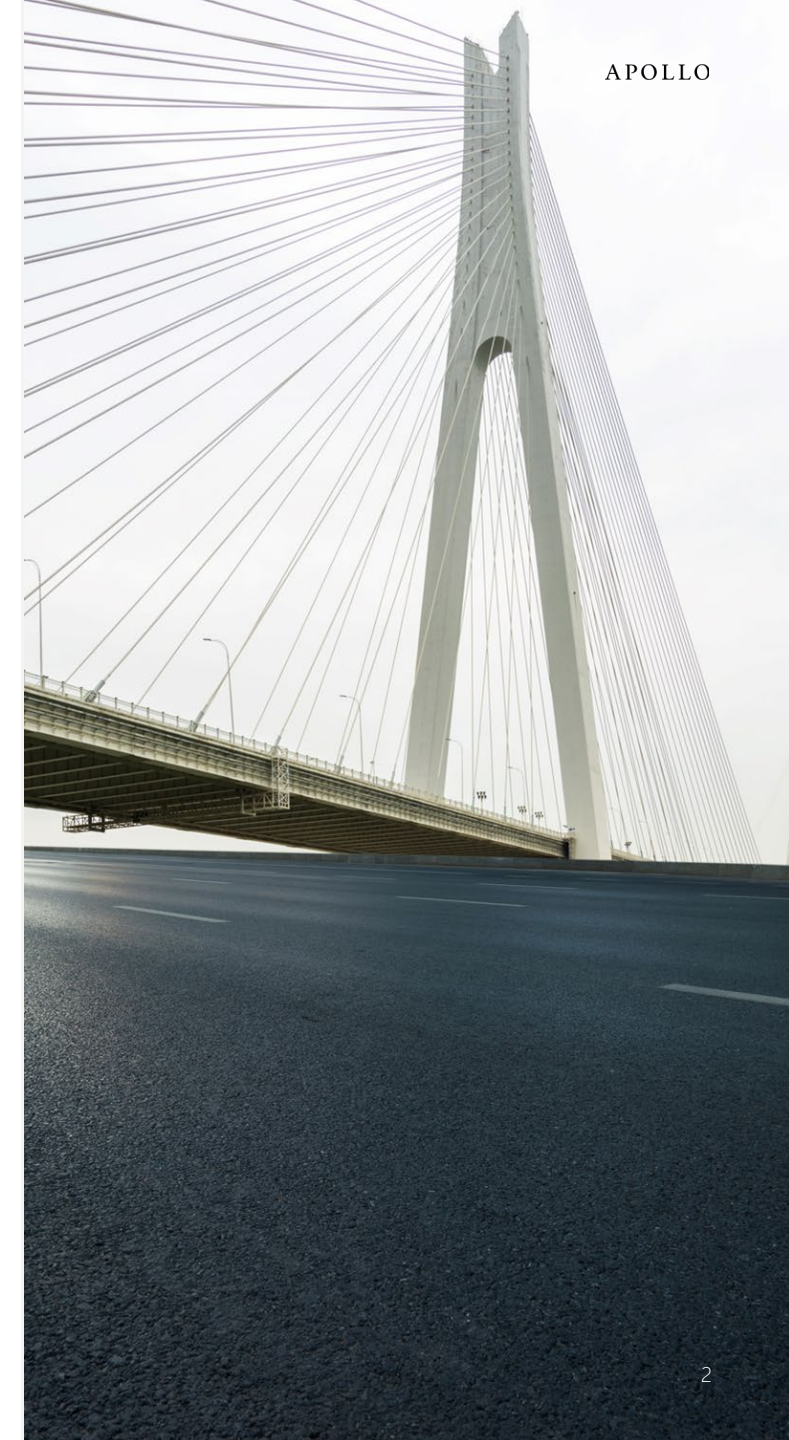
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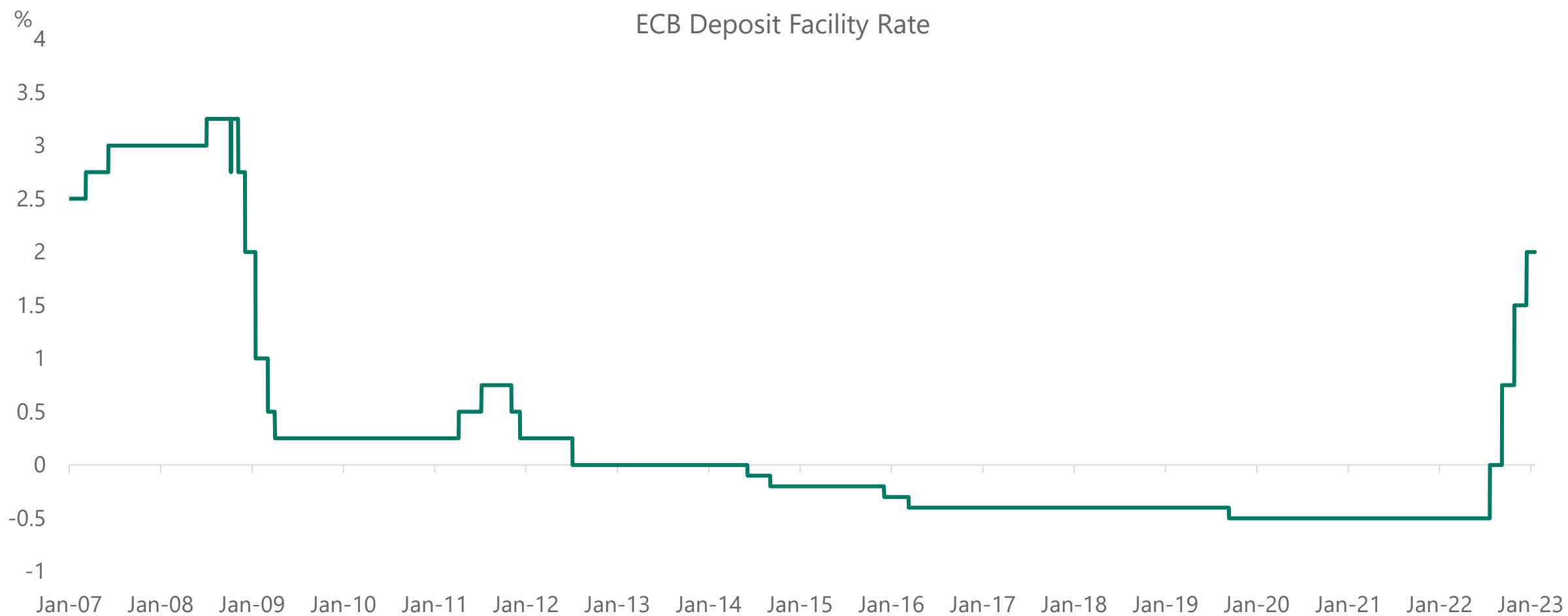
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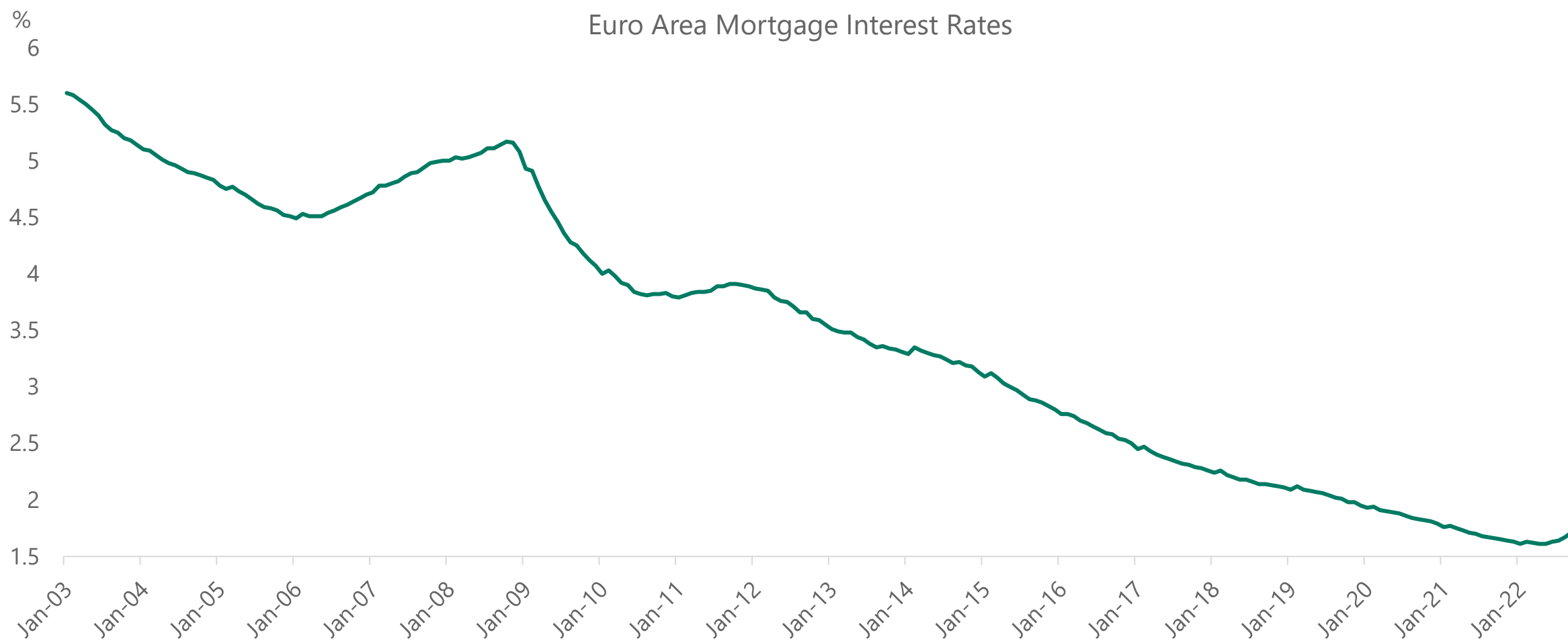


Euro Area

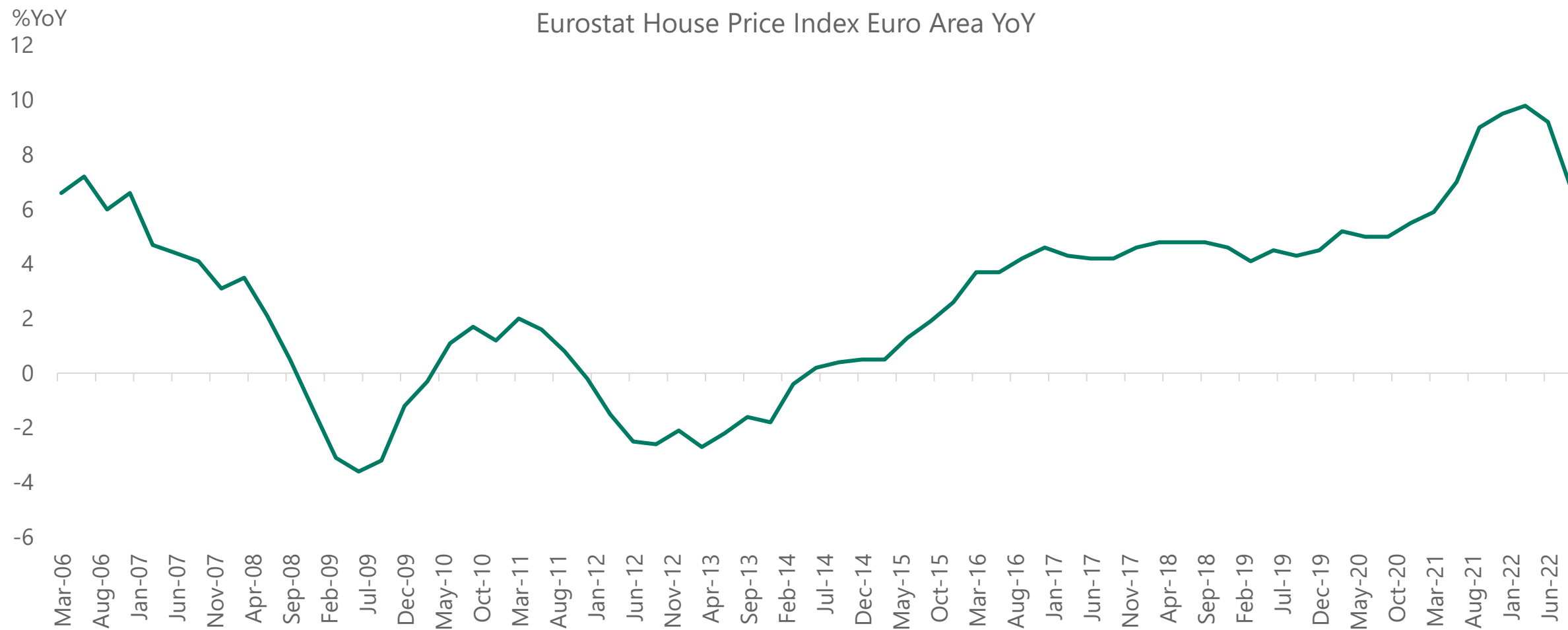
# ECB rate hikes cooling the housing market



# Mortgage rates still very low but starting to move higher



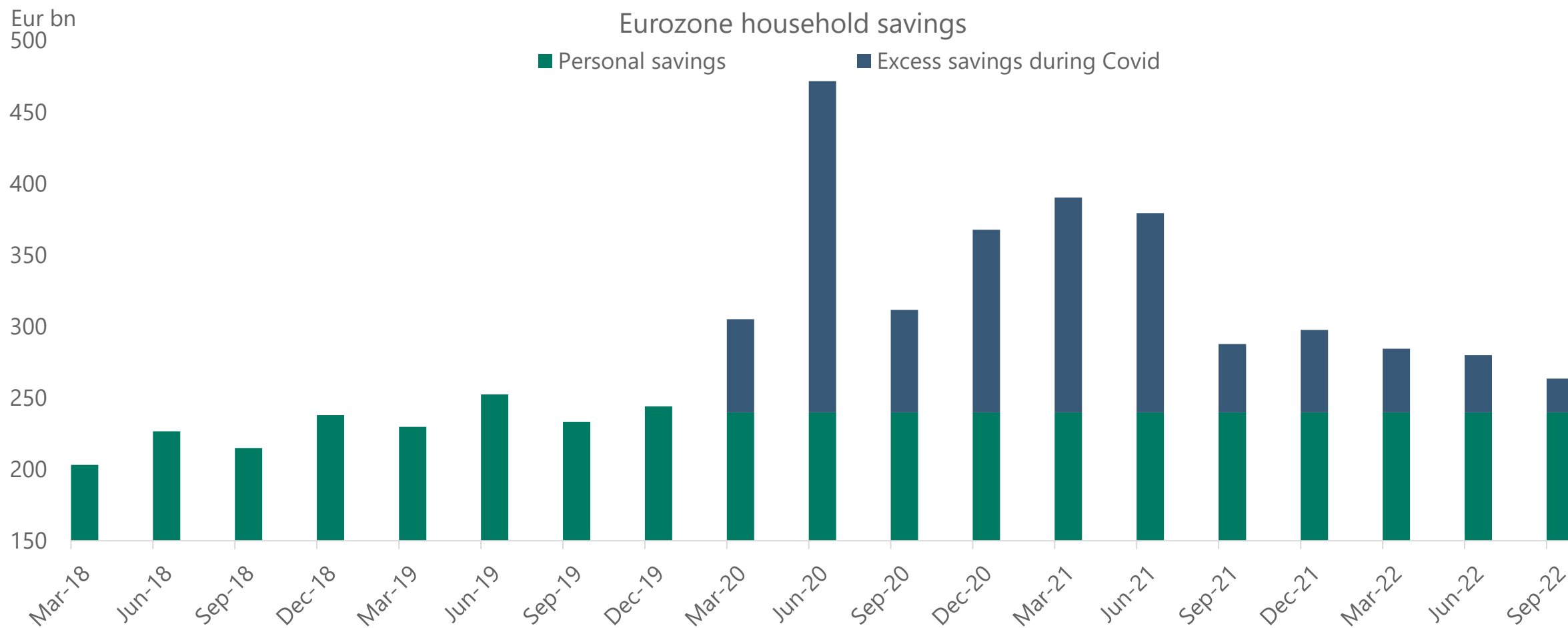
# Home price inflation rolling over



# Unemployment rate is still low, which supports housing demand

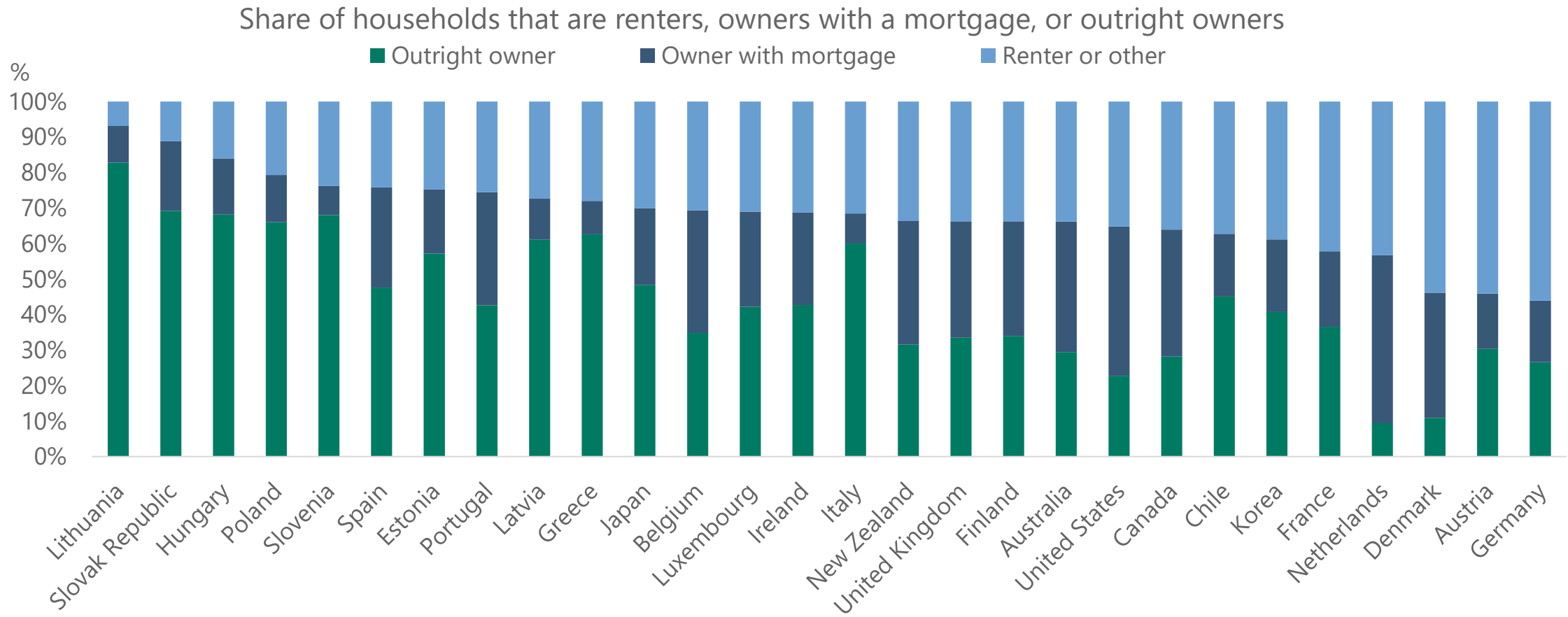


# Eurozone households have almost €1trn in excess savings





# The structure of homeownership in OECD countries



Source: OECD, Apollo Chief Economist. Note: Data for 2019 or latest year available.

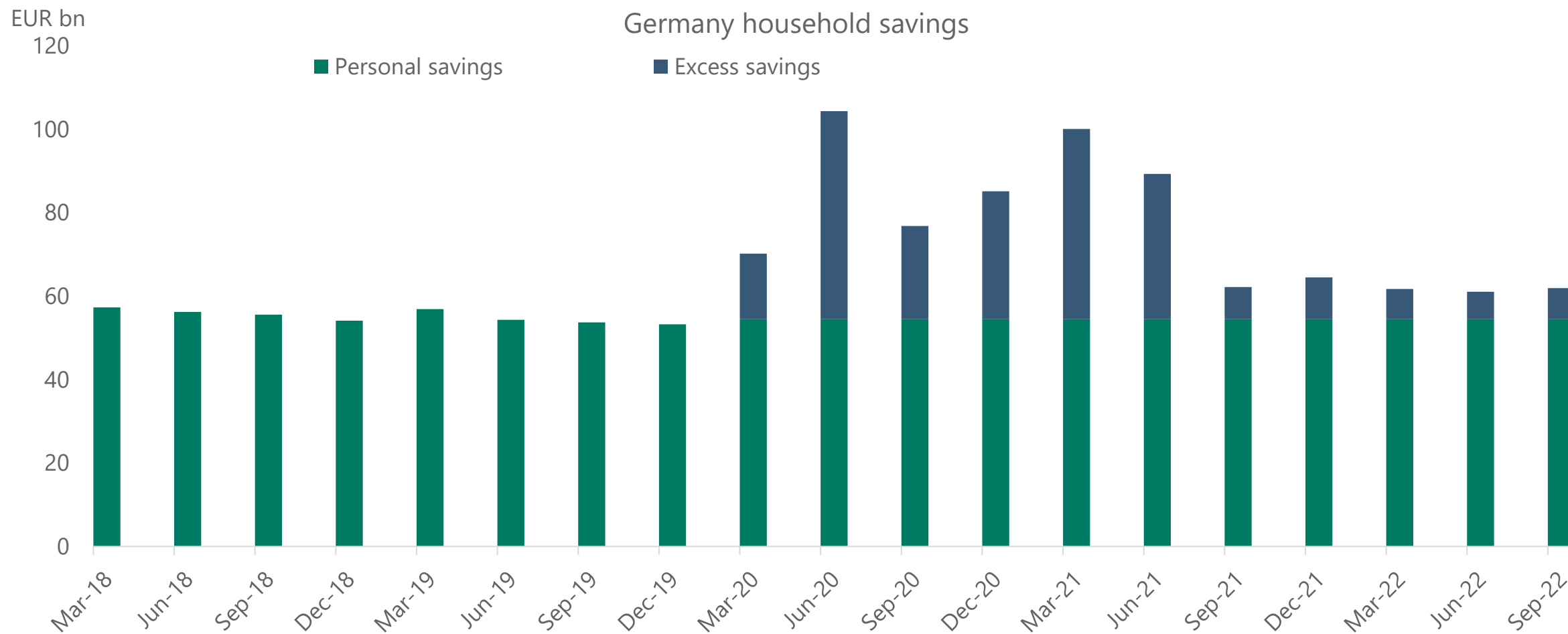
Germany

# Consensus expects a recession in Germany in 2023

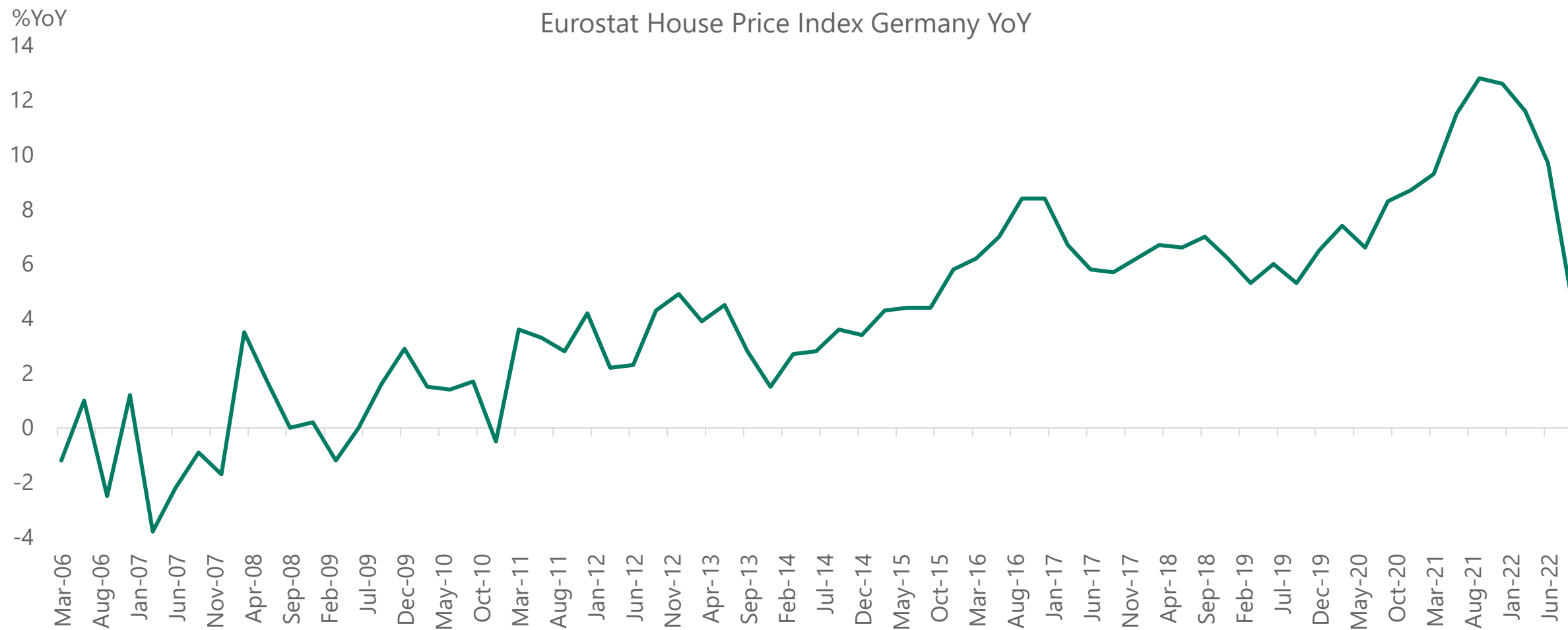


Source: Bloomberg, Apollo Chief Economist

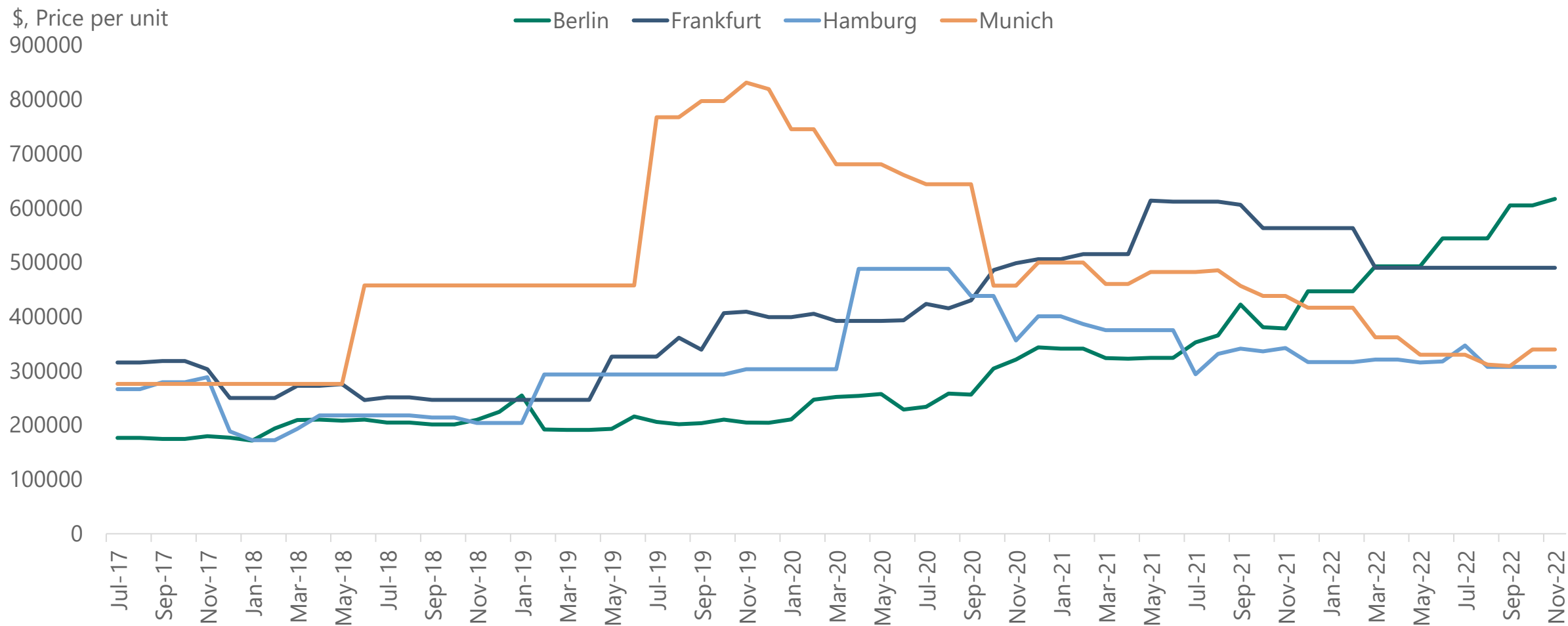
# German households have €240bn in excess savings



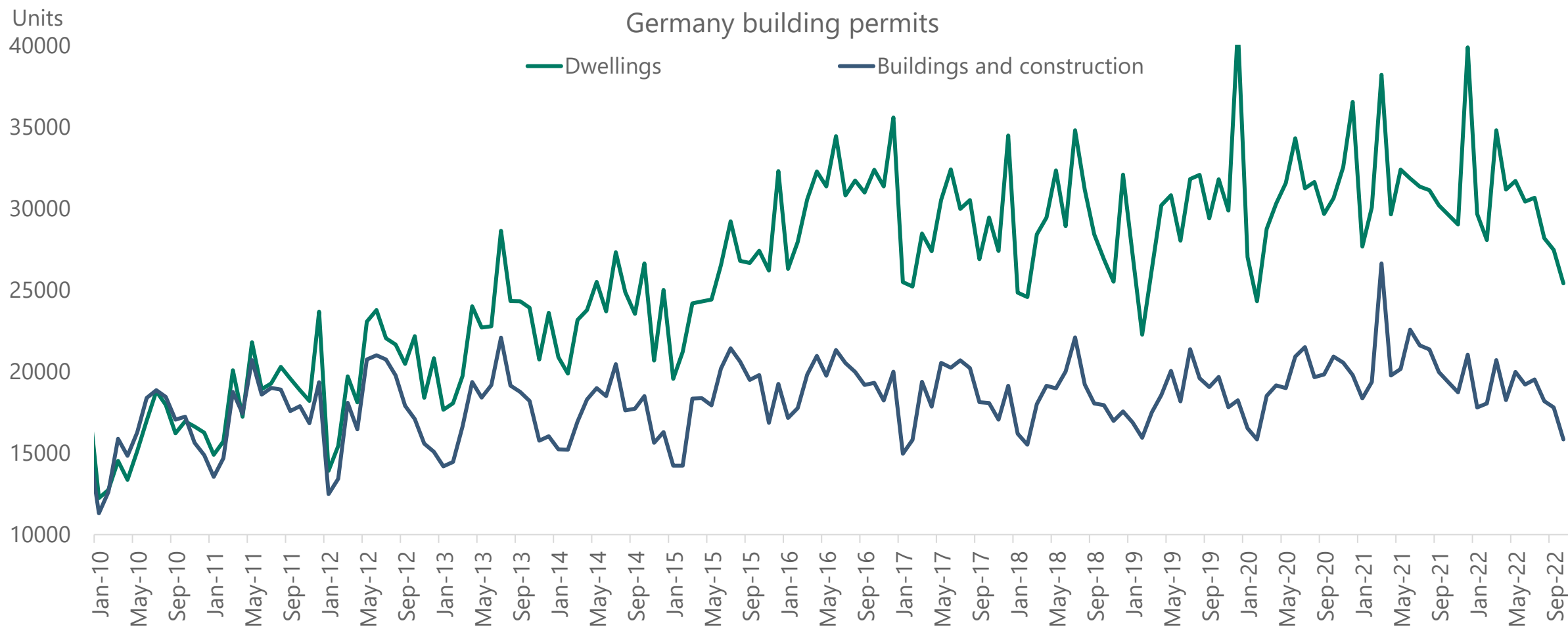
# German home price inflation coming down



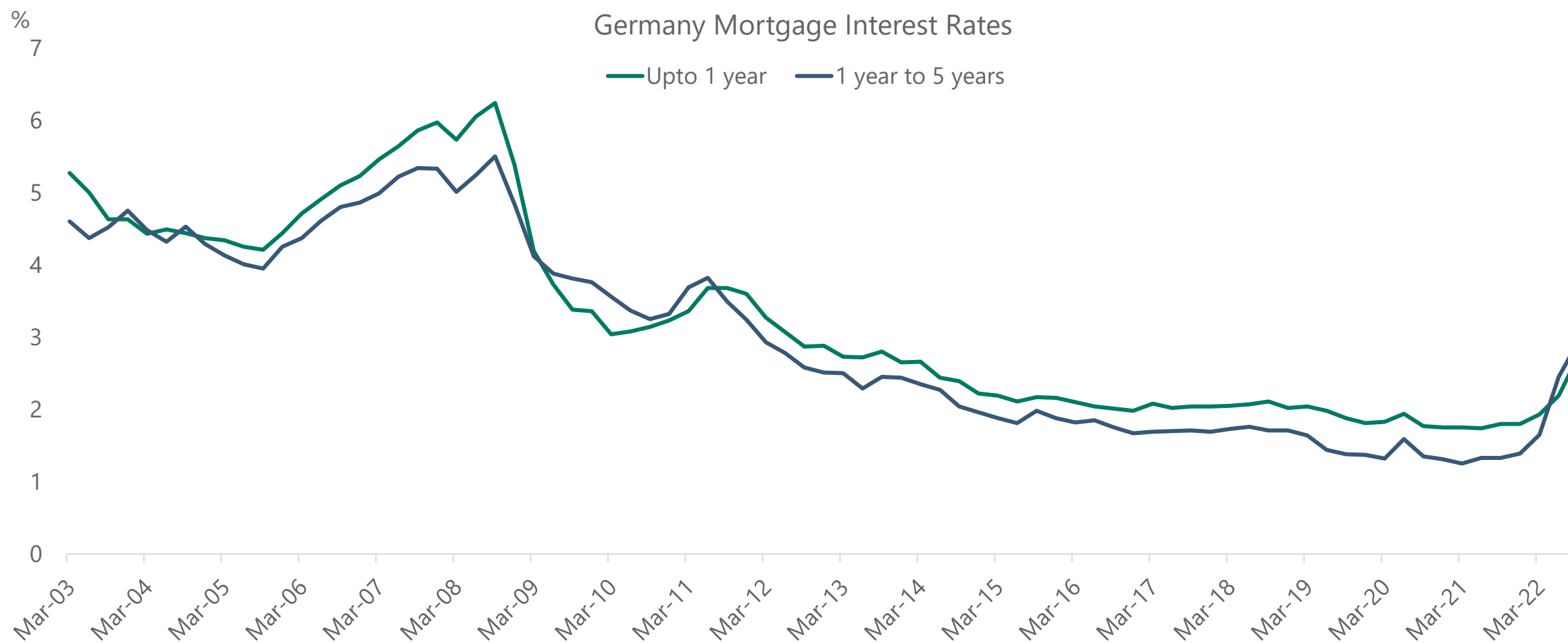
# Apartment prices in German, in euros



# German building permits softening



# German mortgage rates rising from low levels



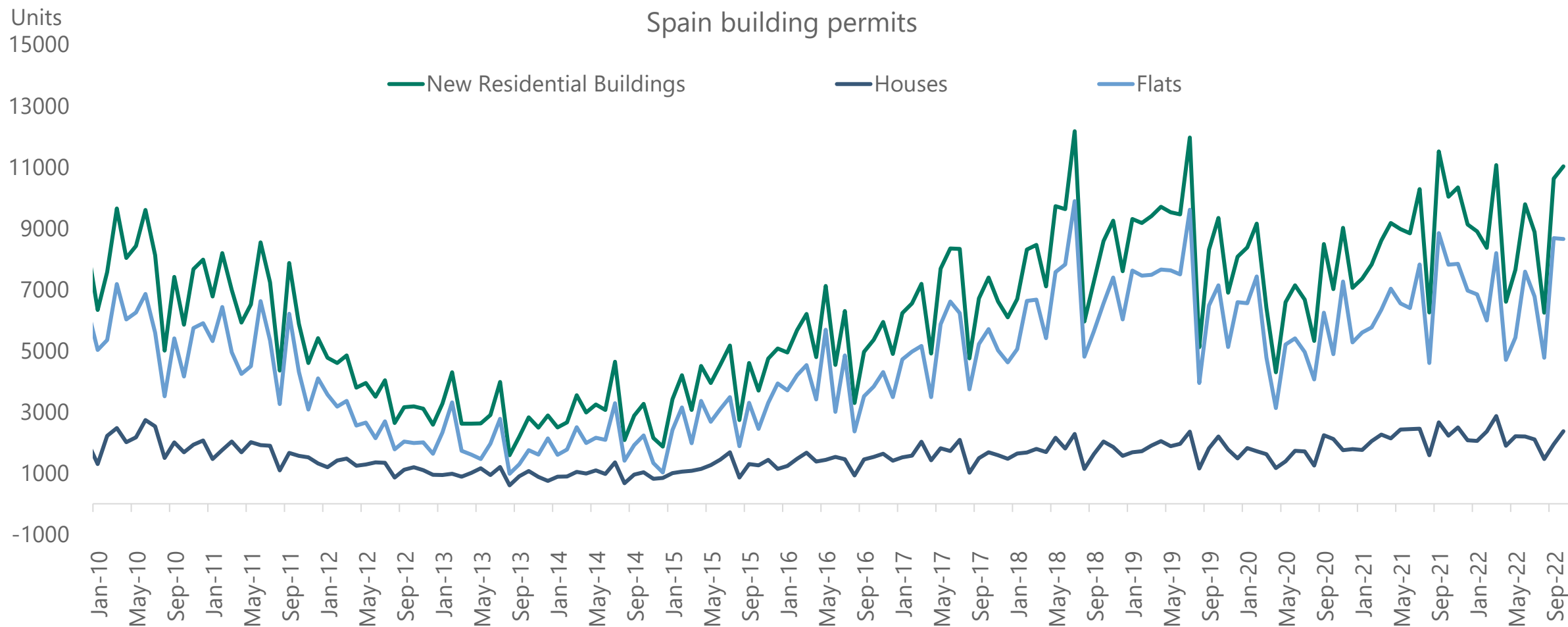


# German mortgages outstanding at €1.7trn



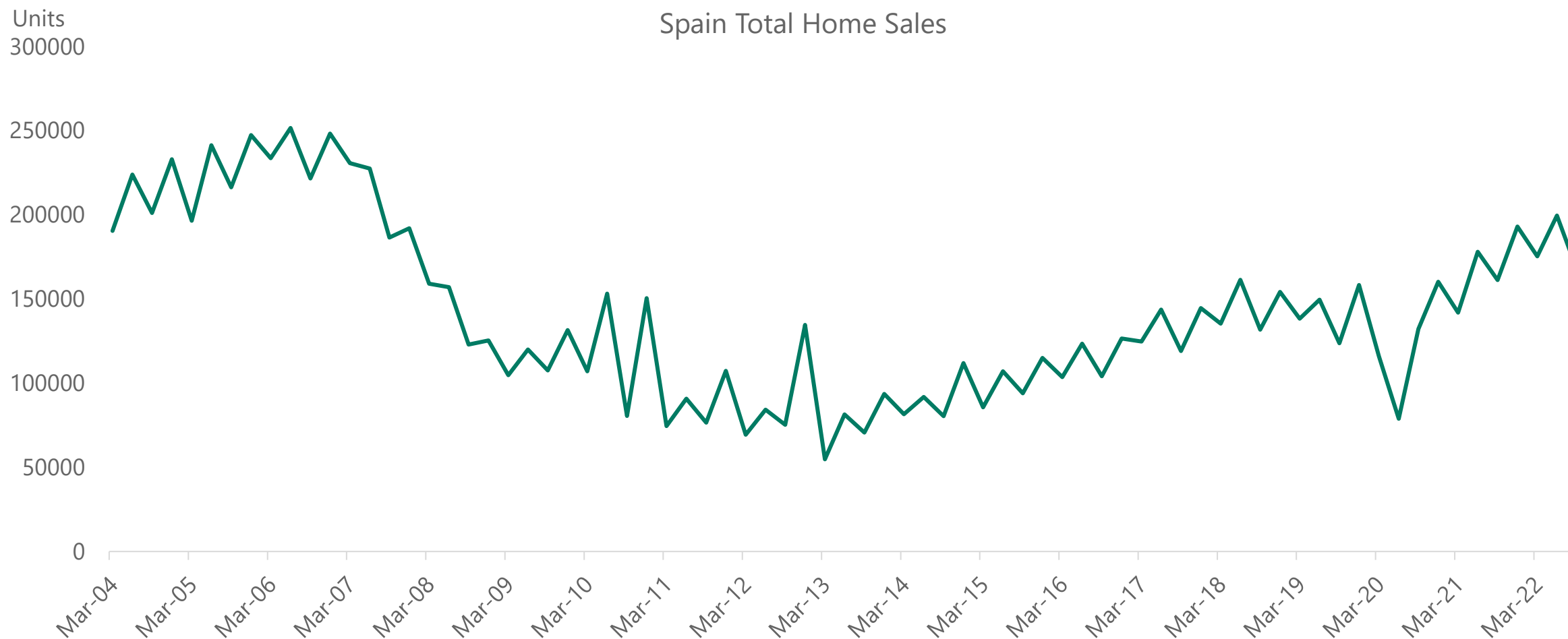
Spain

# Spanish building permits still solid



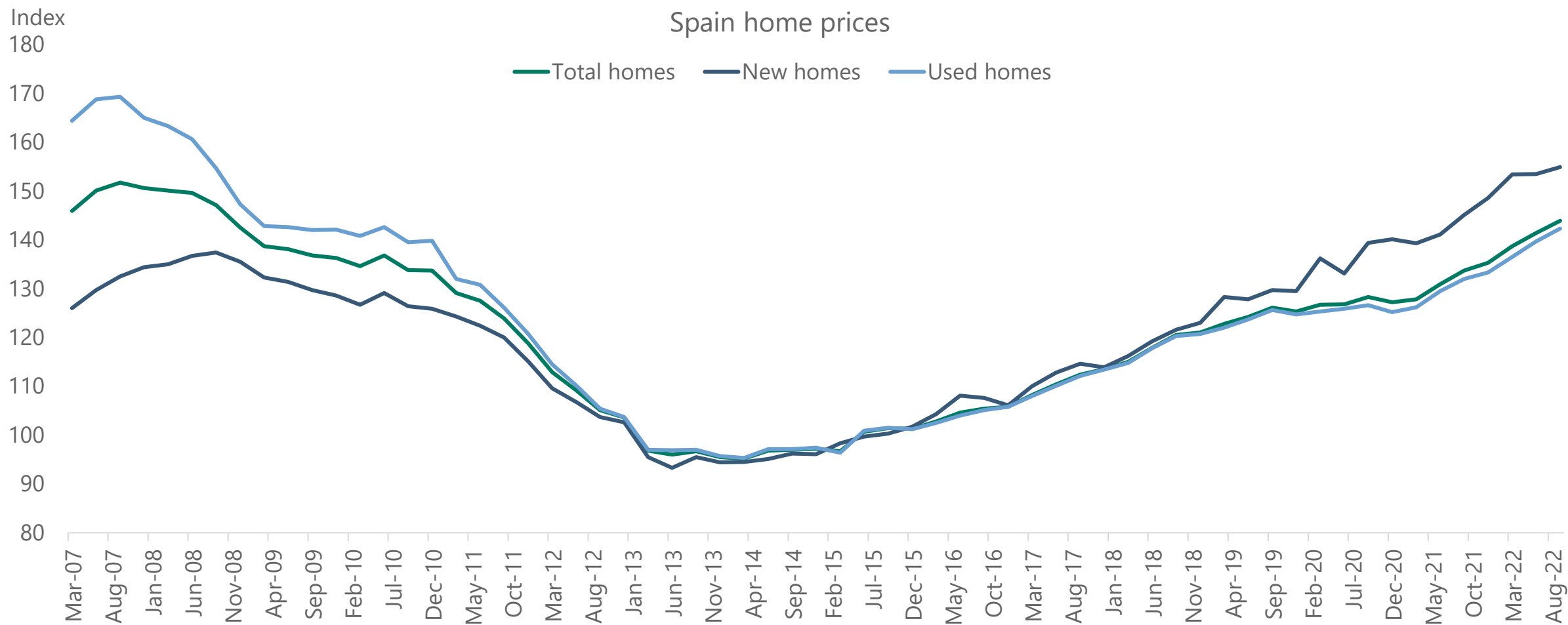
Source: Bloomberg, Apollo Chief Economist

# Home sales starting to soften a bit

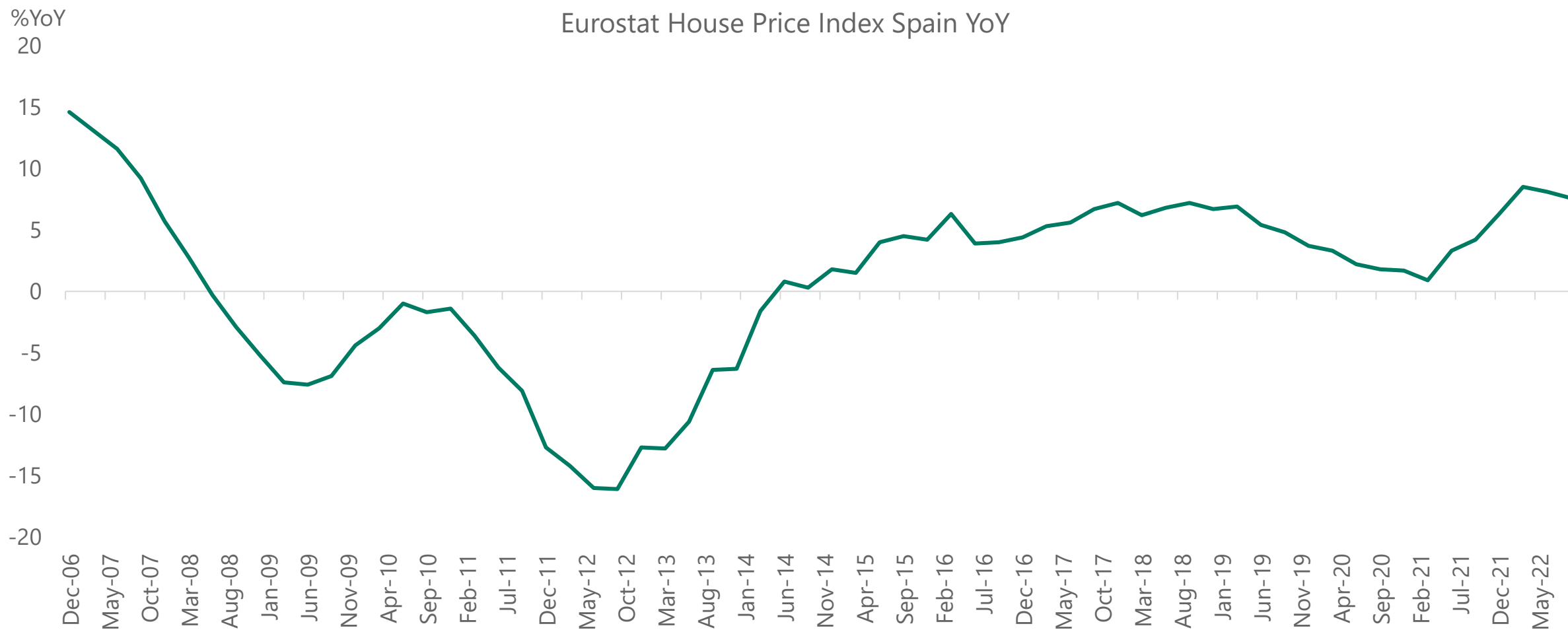


Source: Bloomberg, Apollo Chief Economist

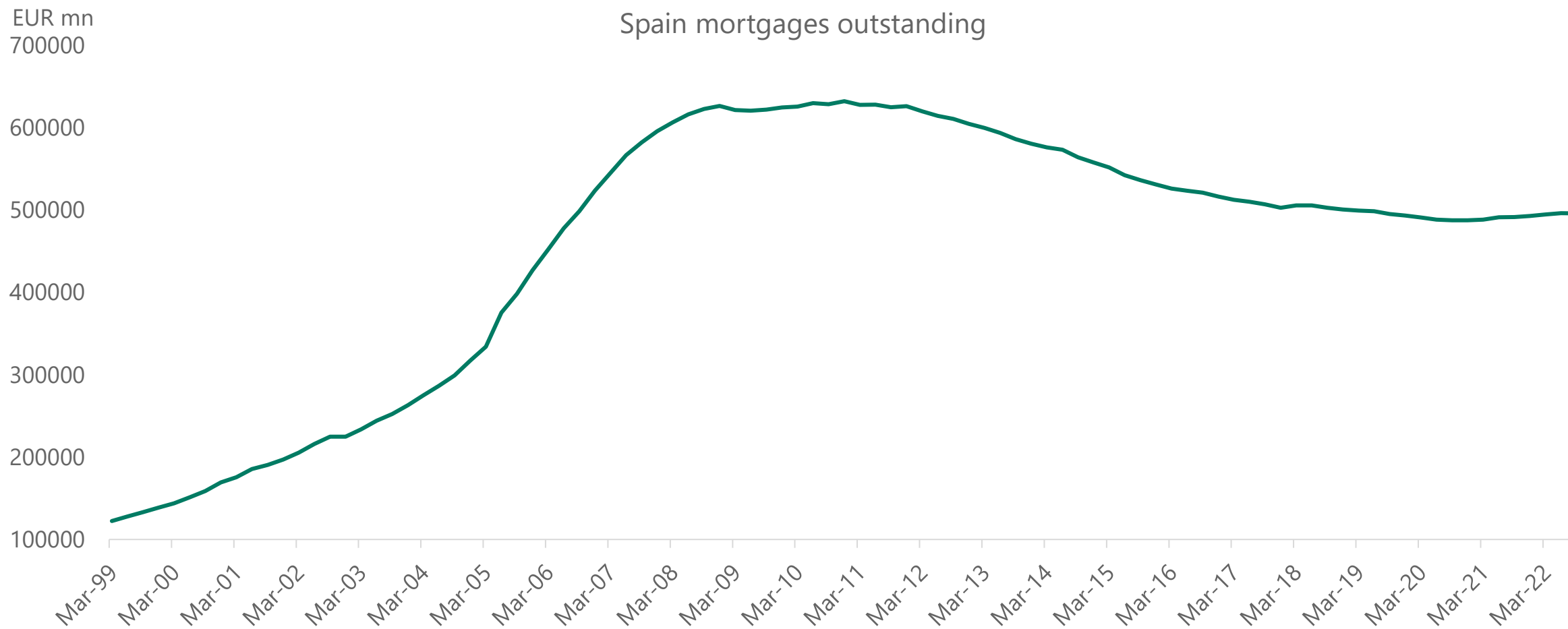
# Spanish house prices still rising



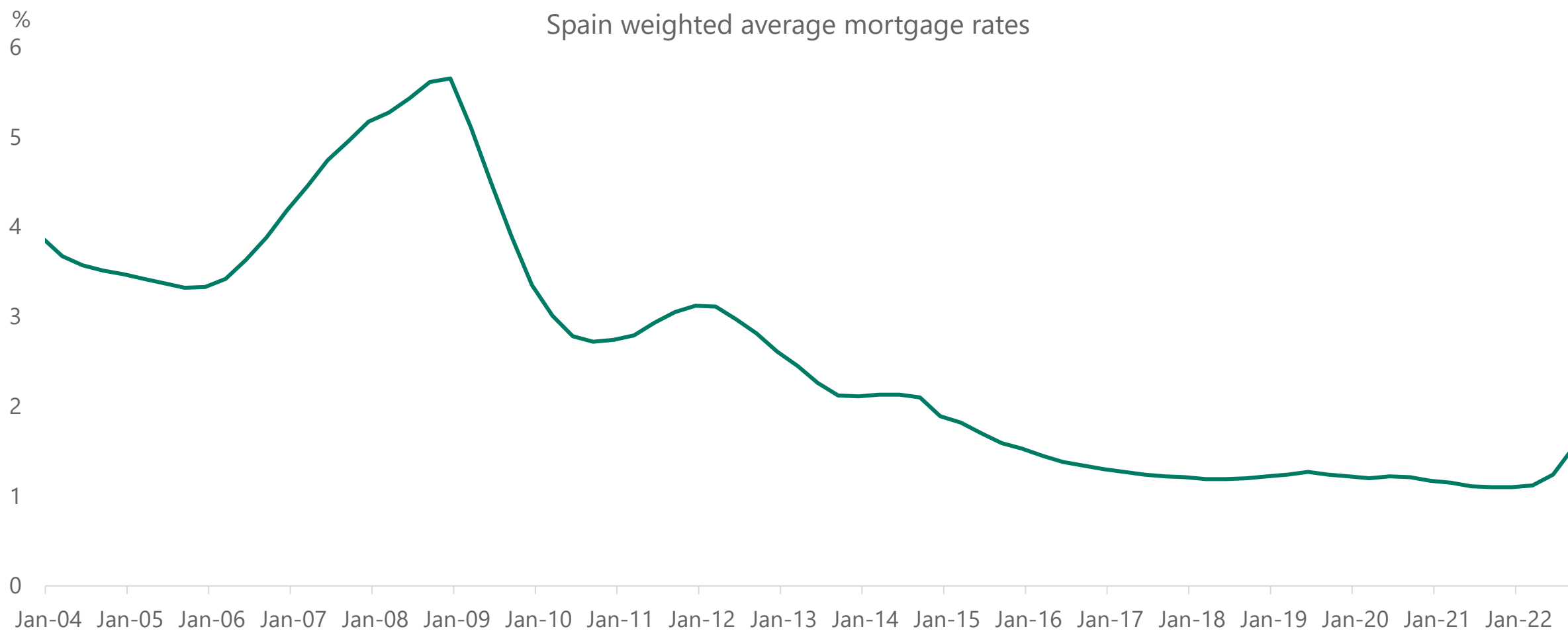
# Spanish house price inflation flattening out



# Spain: Mortgages outstanding



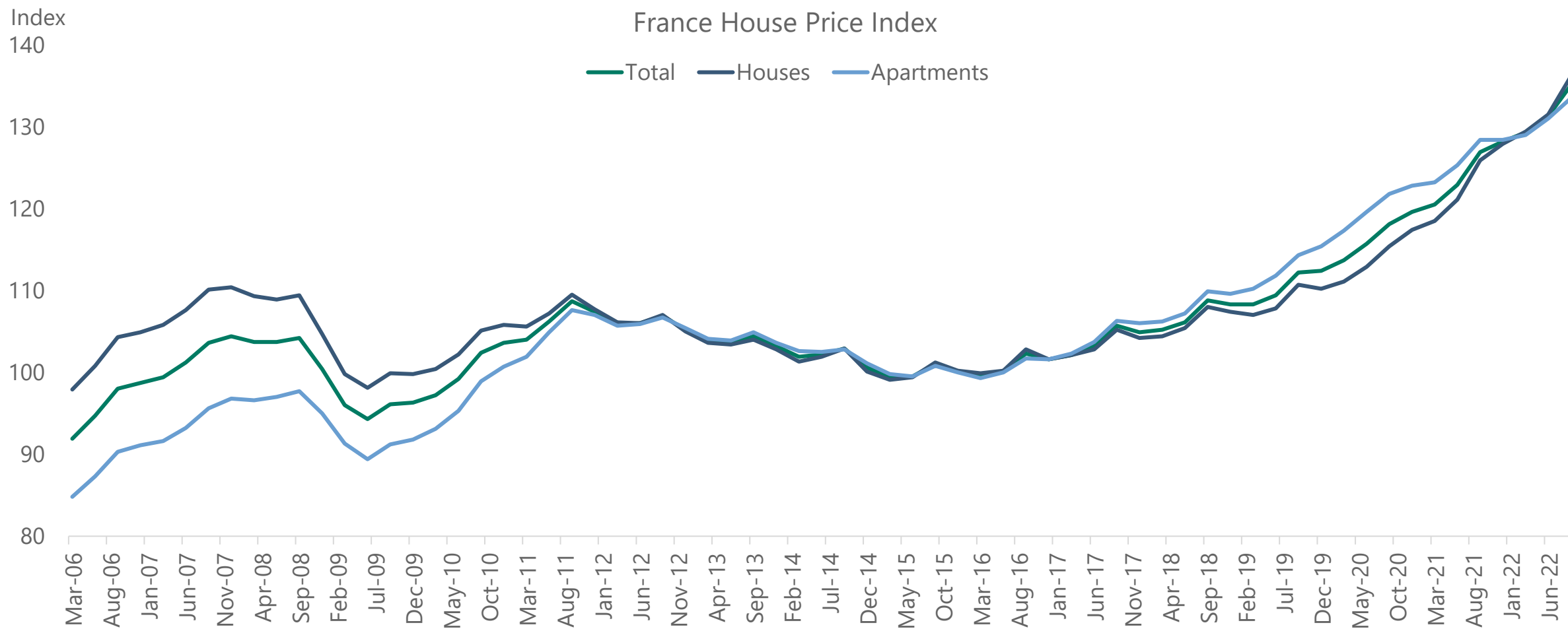
# Mortgage rate starting to inch slightly higher from a low level



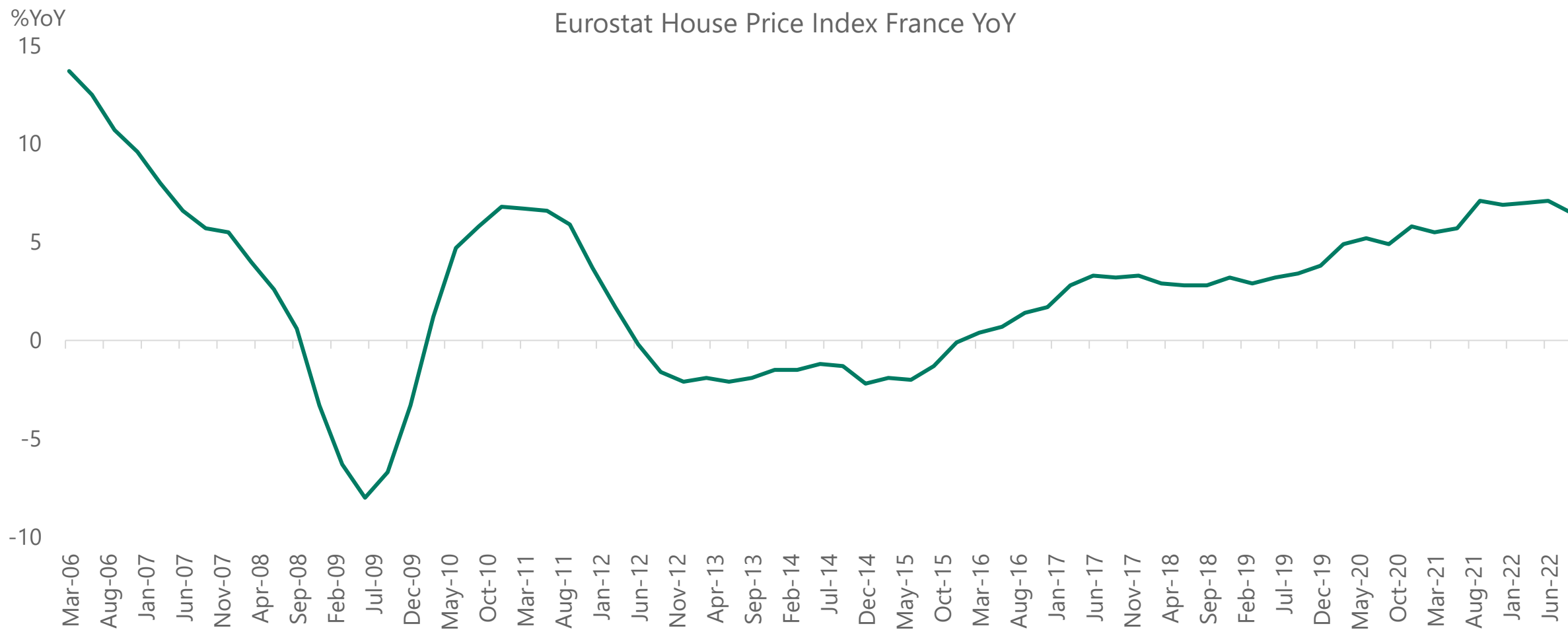


France

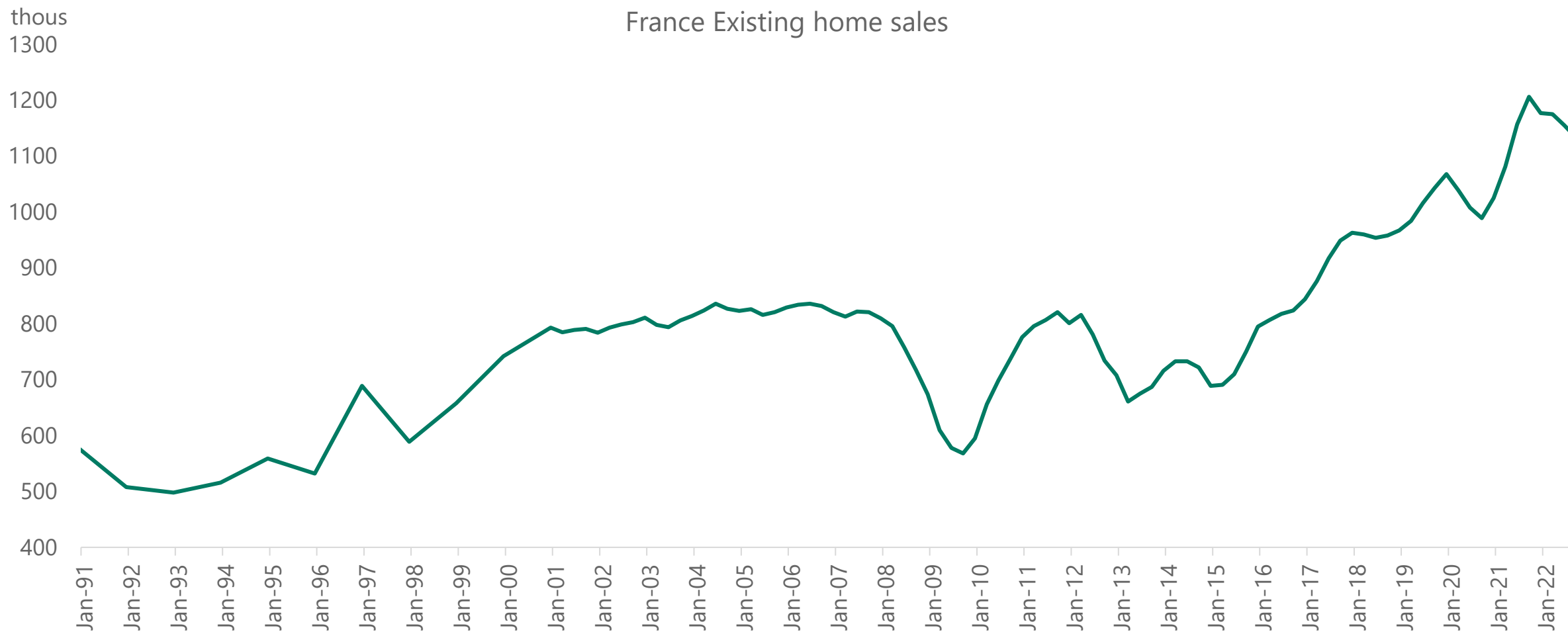
# French house prices still rising



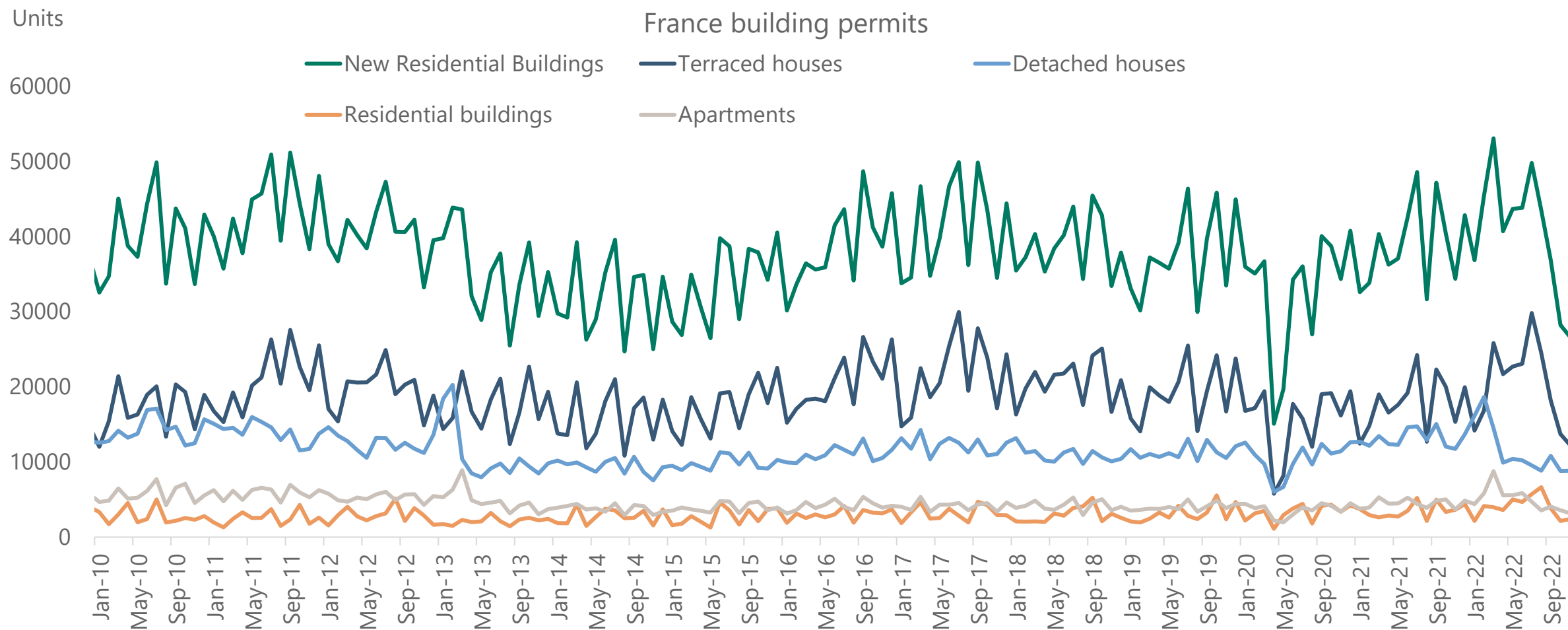
# House price inflation slowing a bit



# Home sales starting to moderate



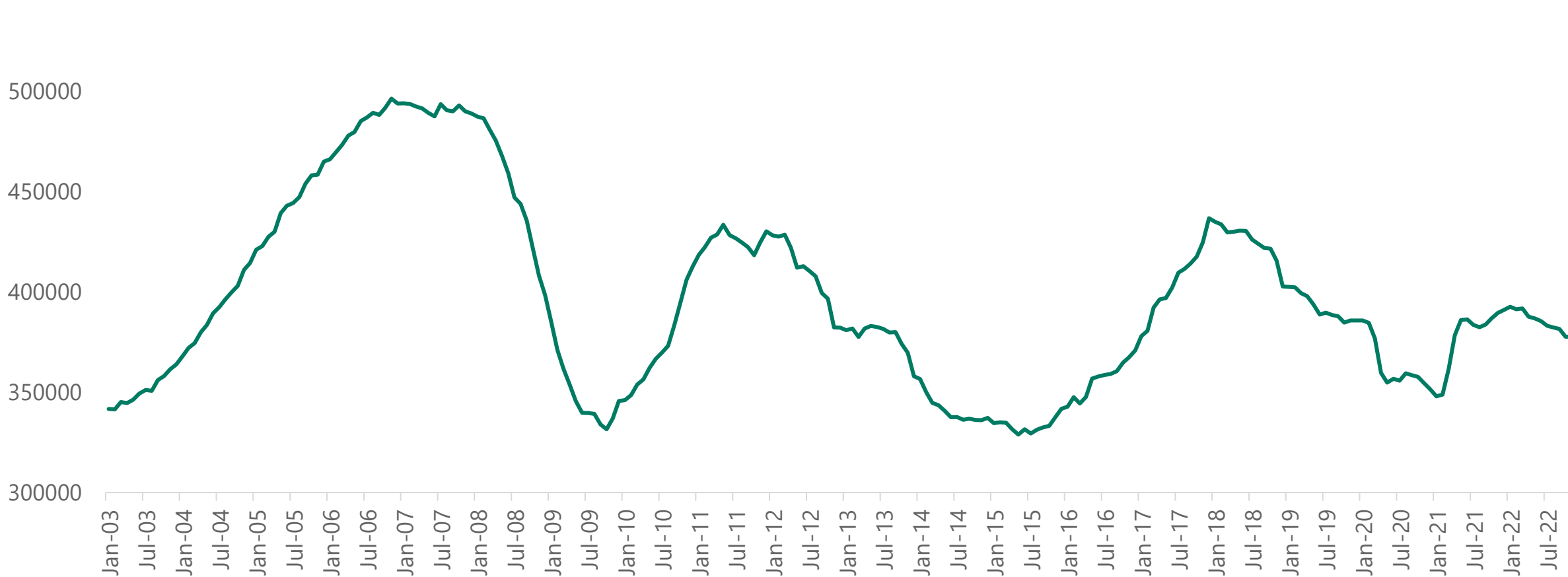
# Building permits falling



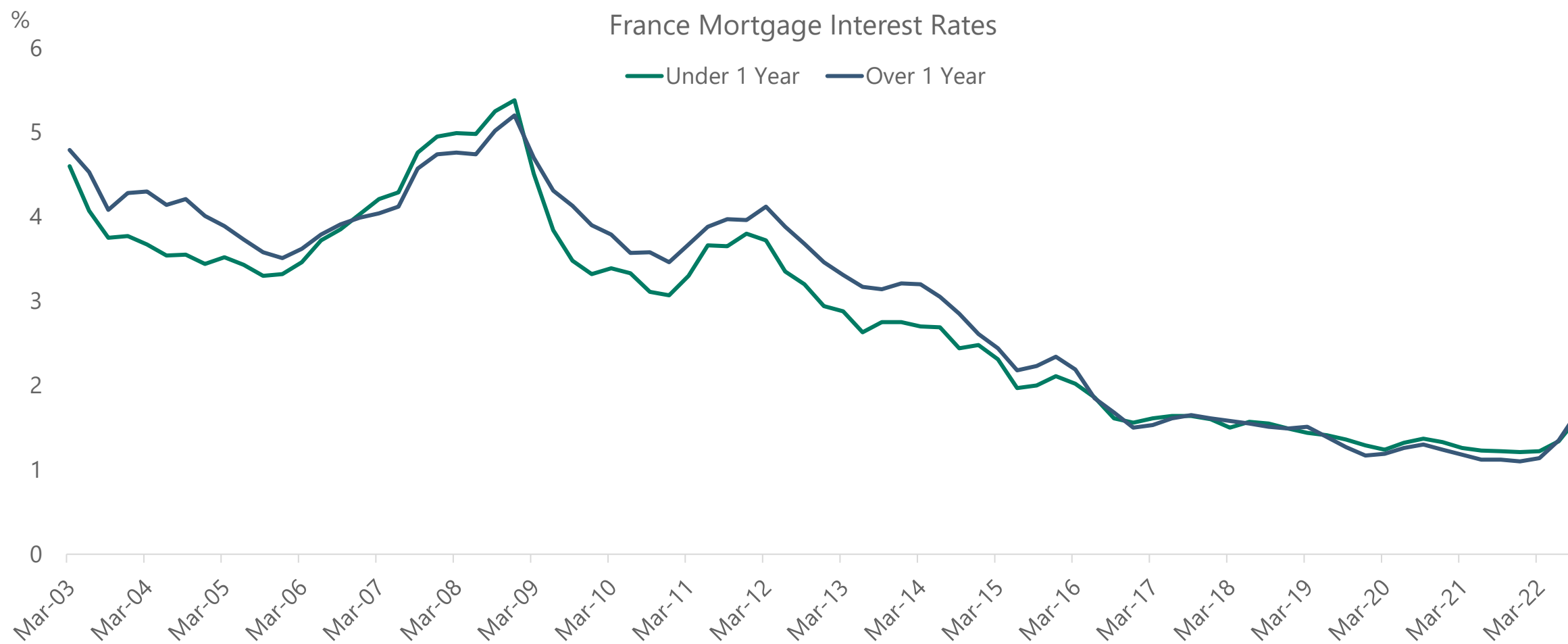
# Housing starts moderating

units, 12 month sum

France housing starts



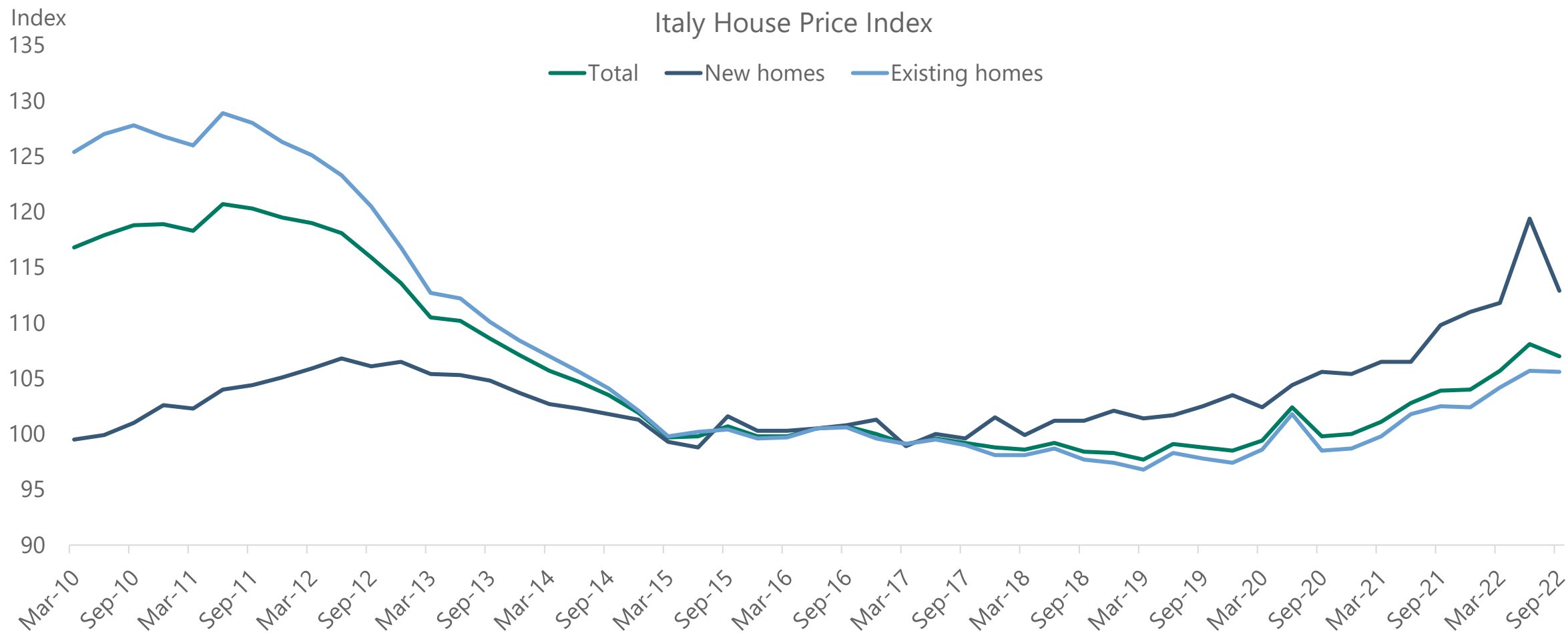
# Mortgage rates starting to rise from a low level



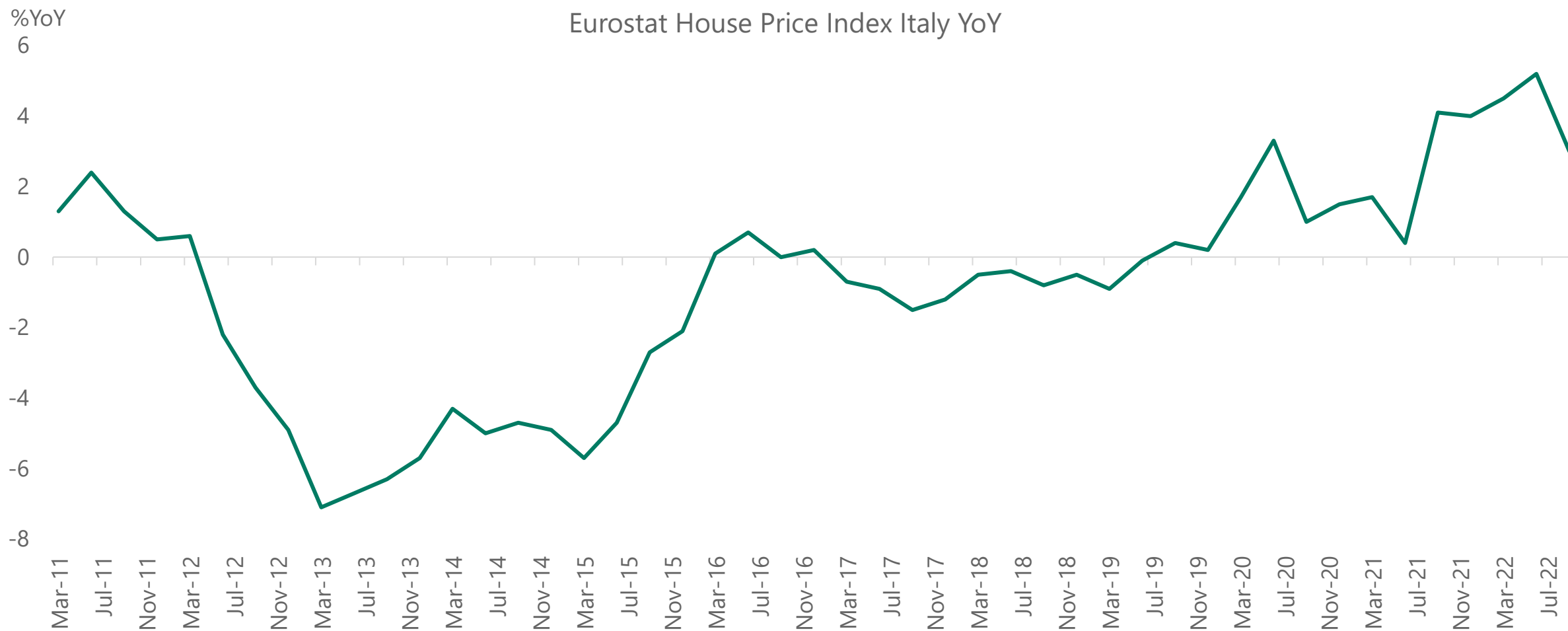
Italy



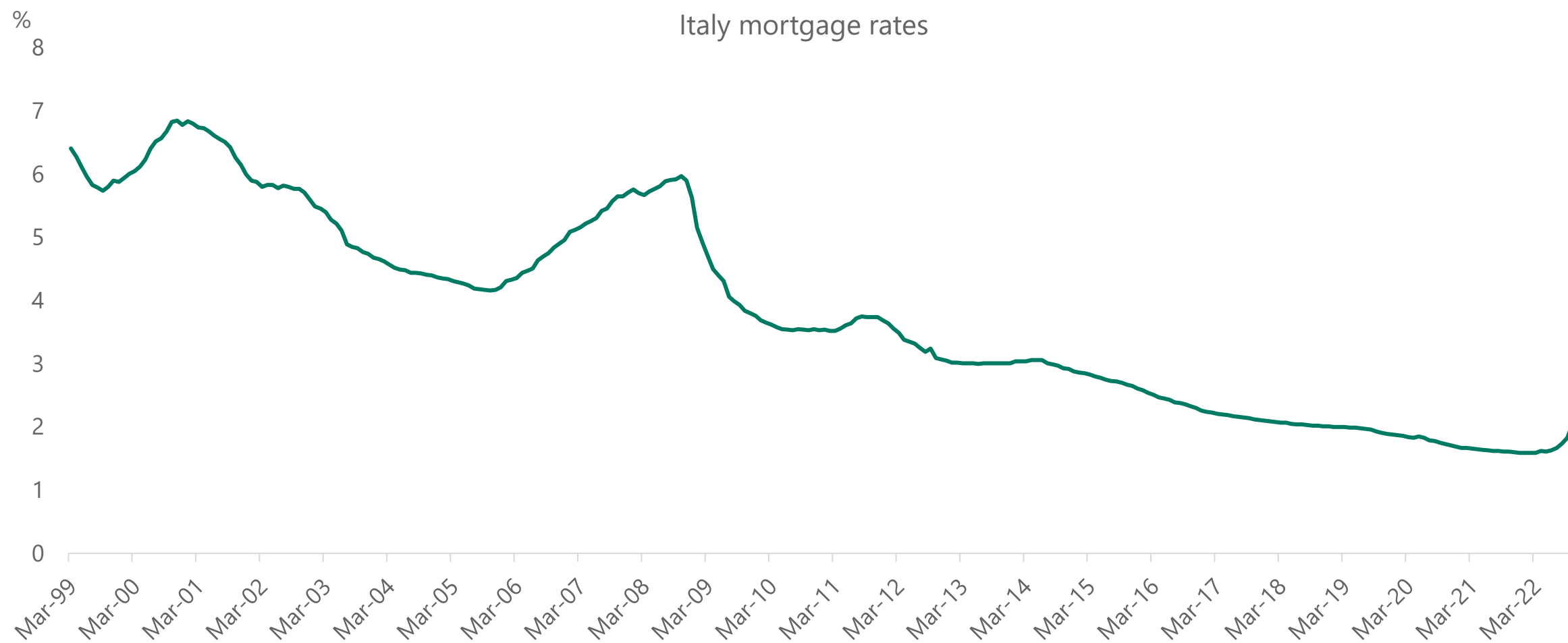
# Italy: House prices starting to roll over?



# Home price inflation starting to come down



# Mortgage rates rising from low levels

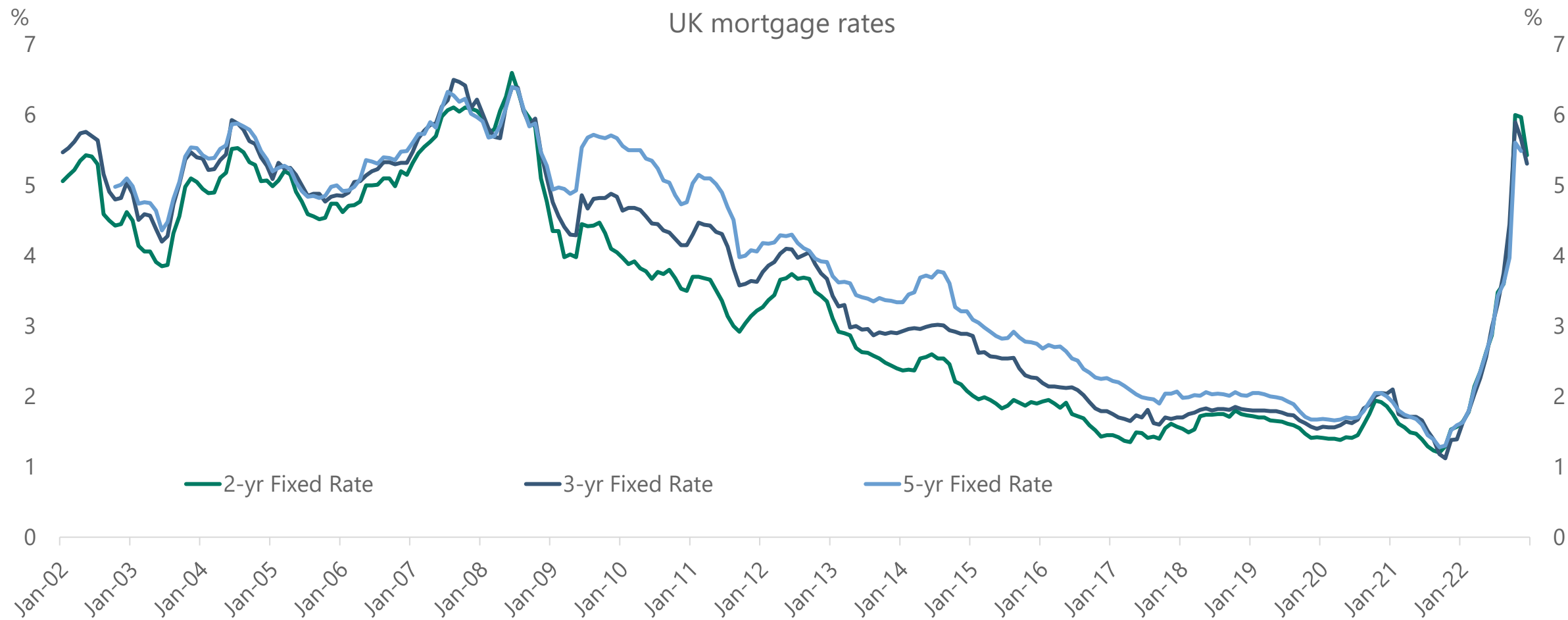


# Mortgages outstanding



United Kingdom

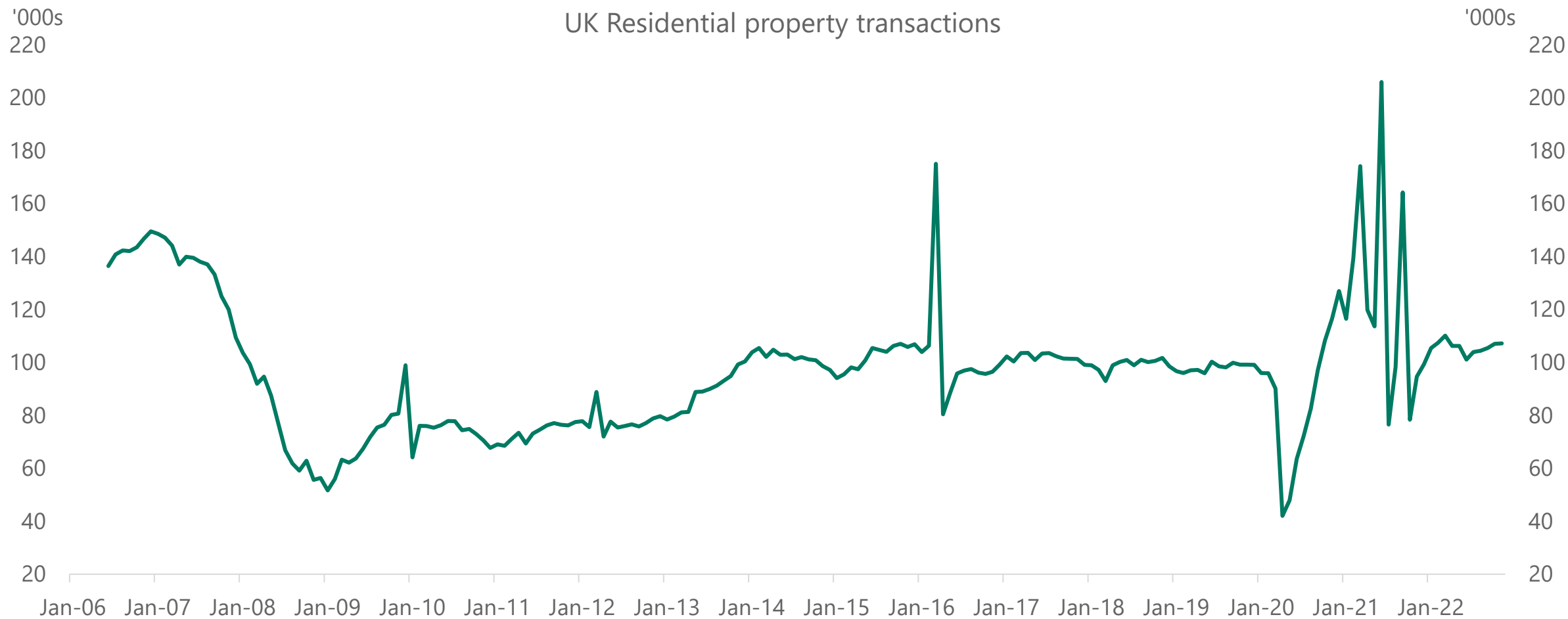
# UK: Mortgage rates have risen significantly



# UK housing market expectations deteriorating

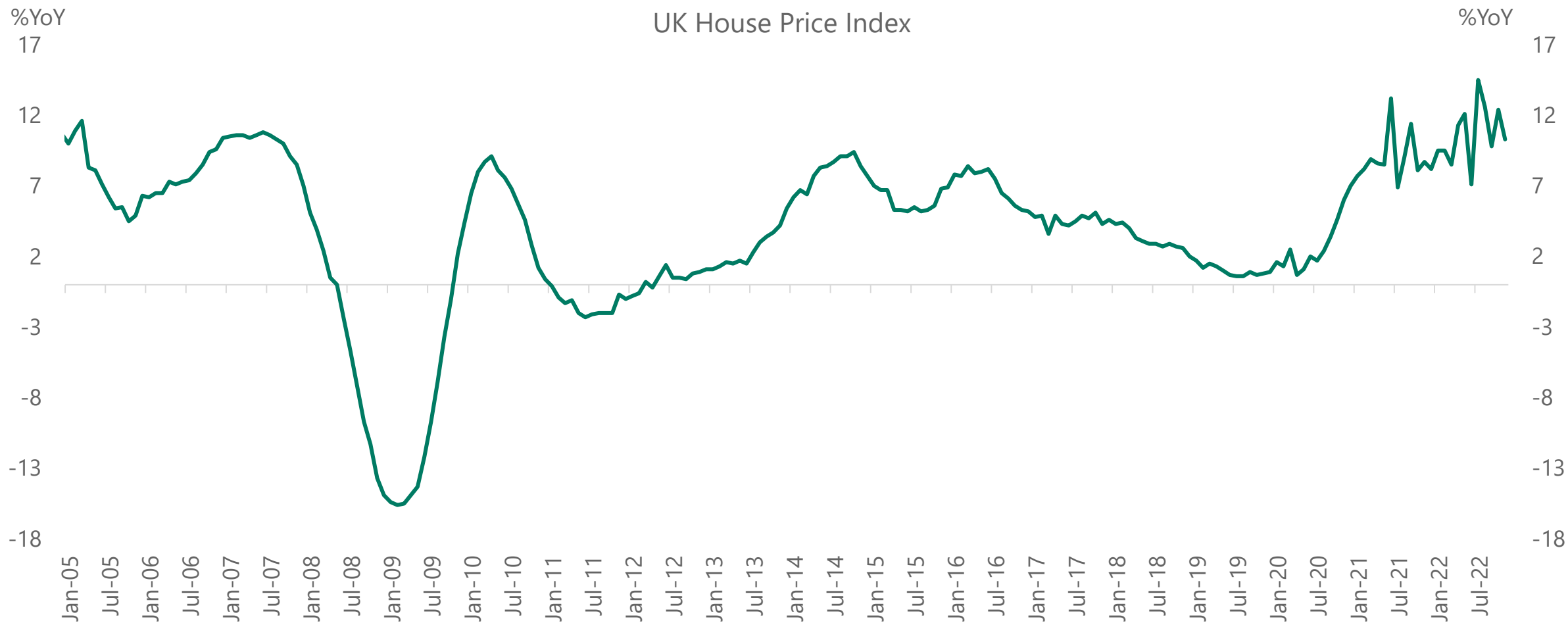


# Residential property transactions stable

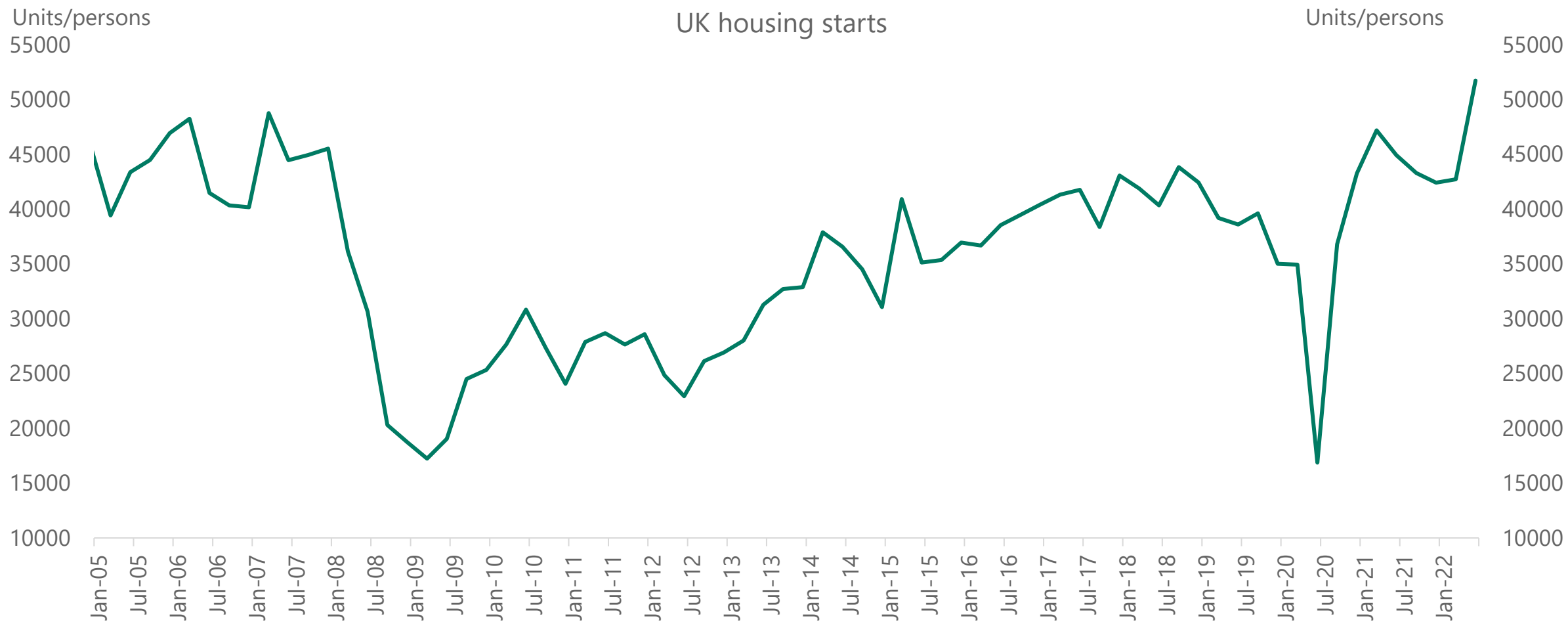




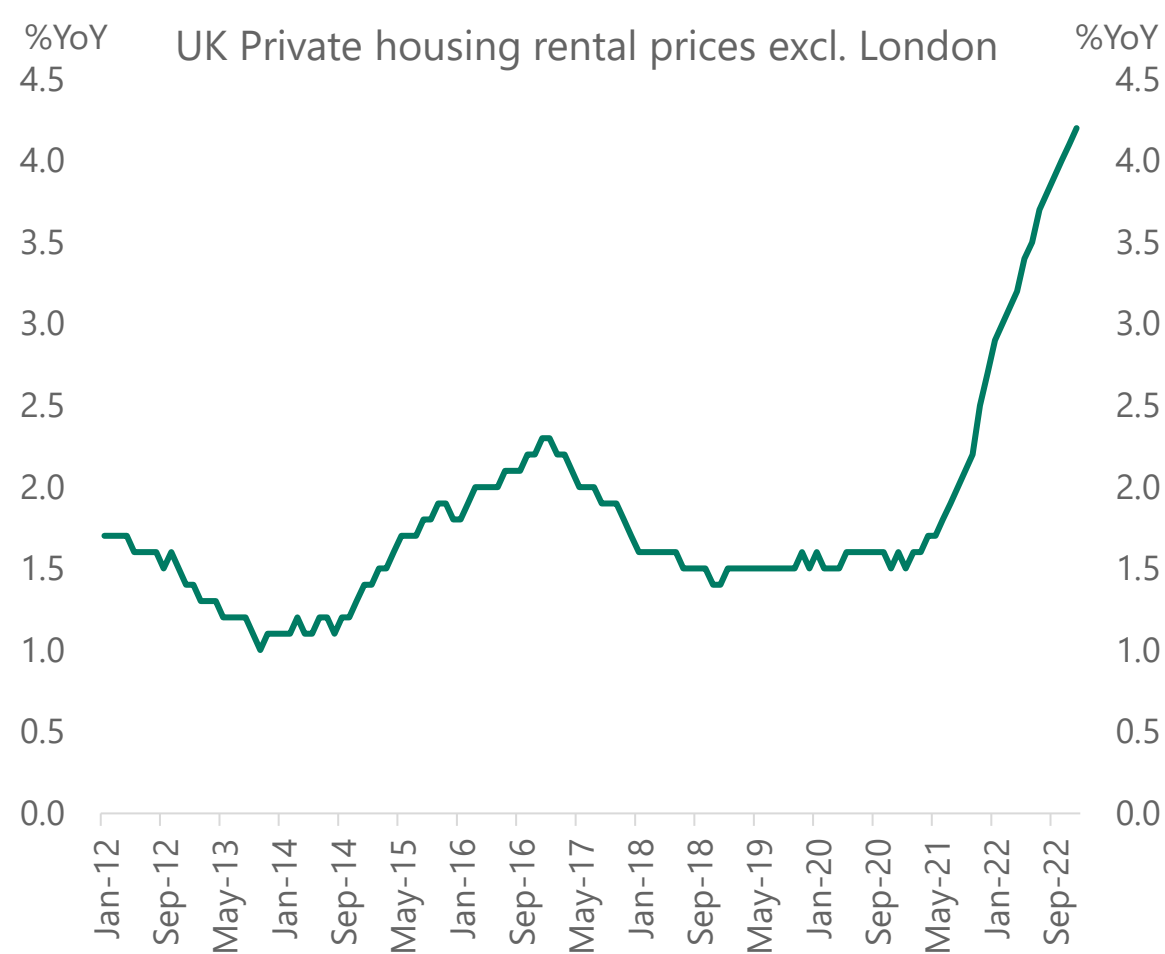
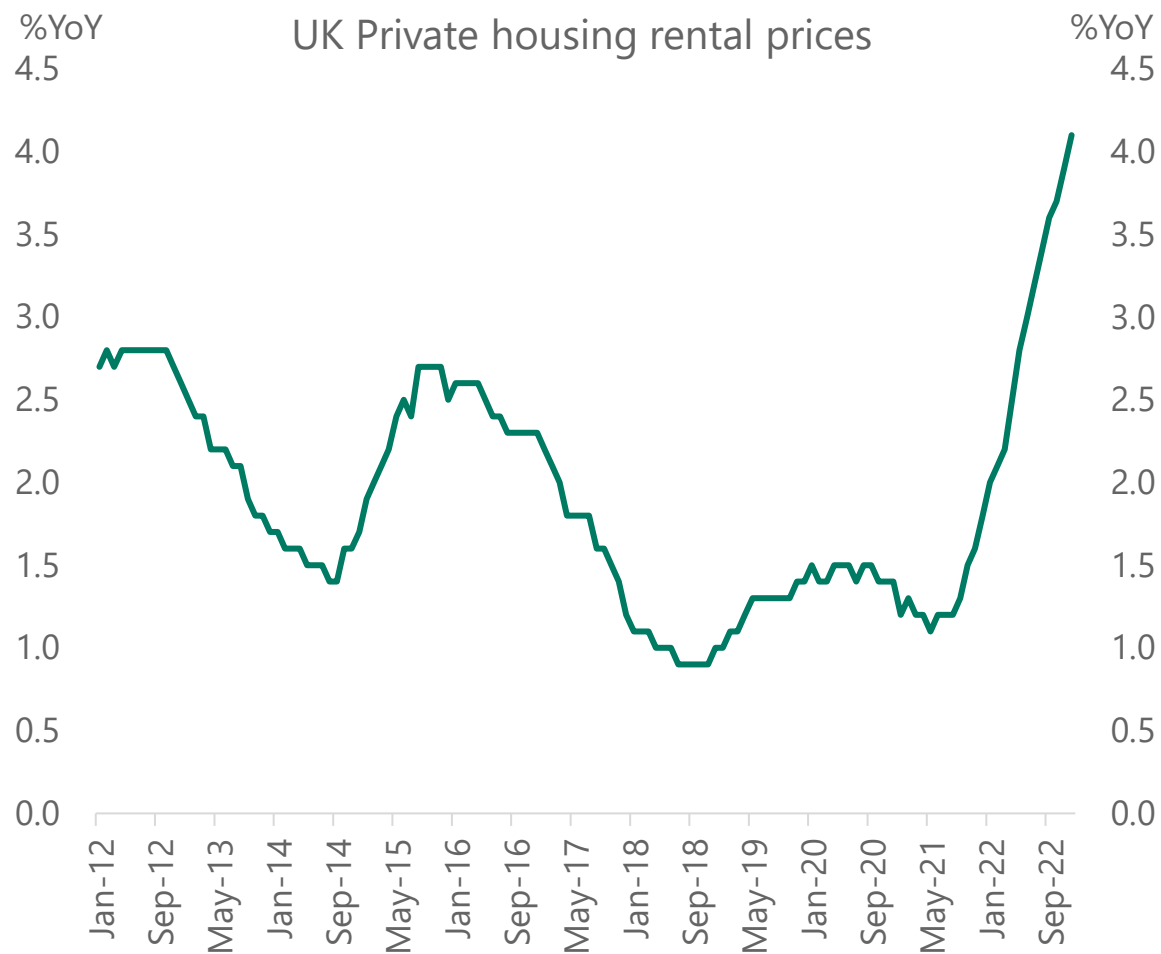
# Housing inflation still elevated



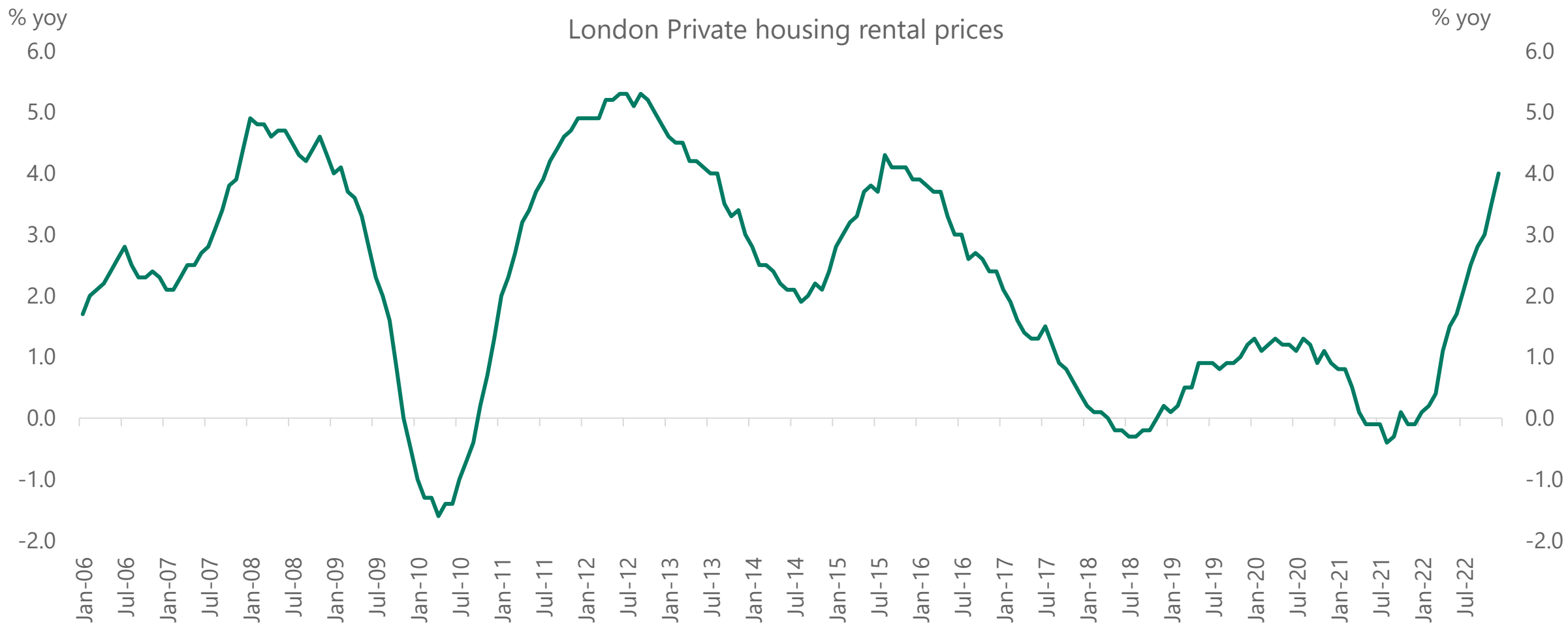
# UK housing starts



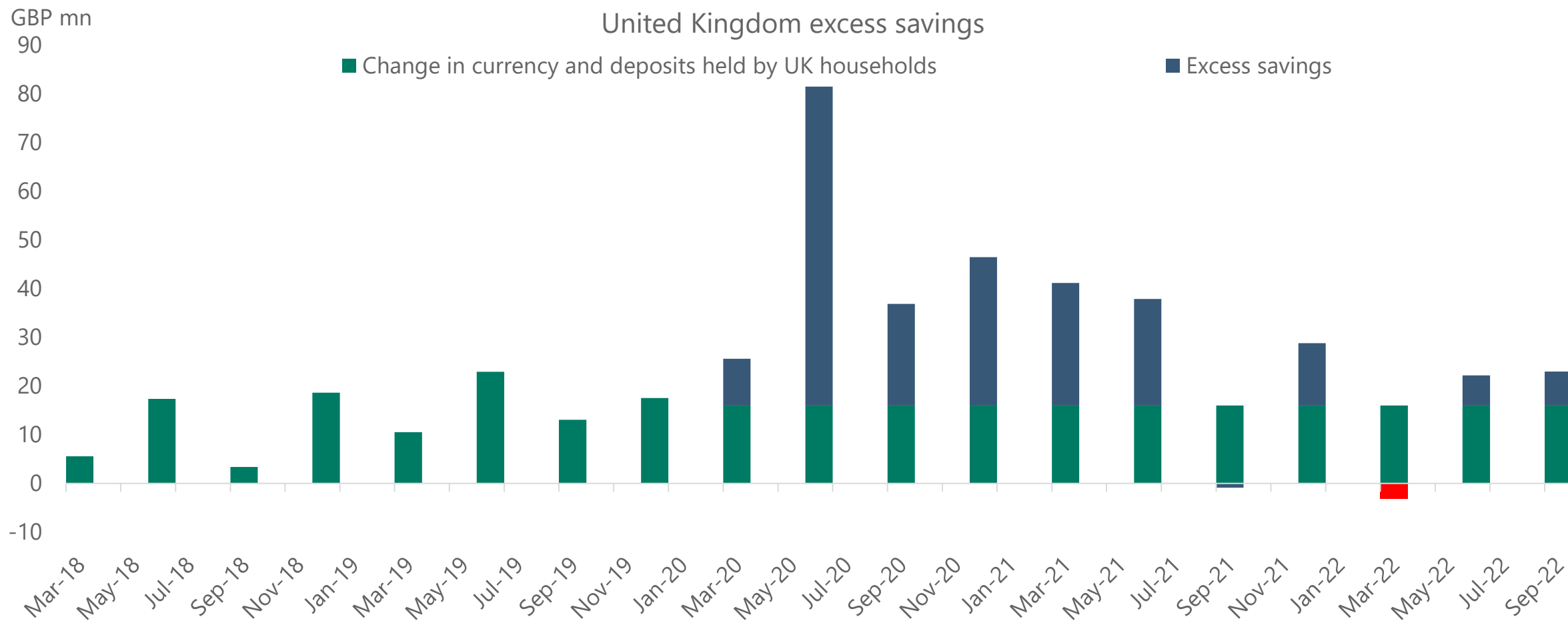
# Rental prices rising



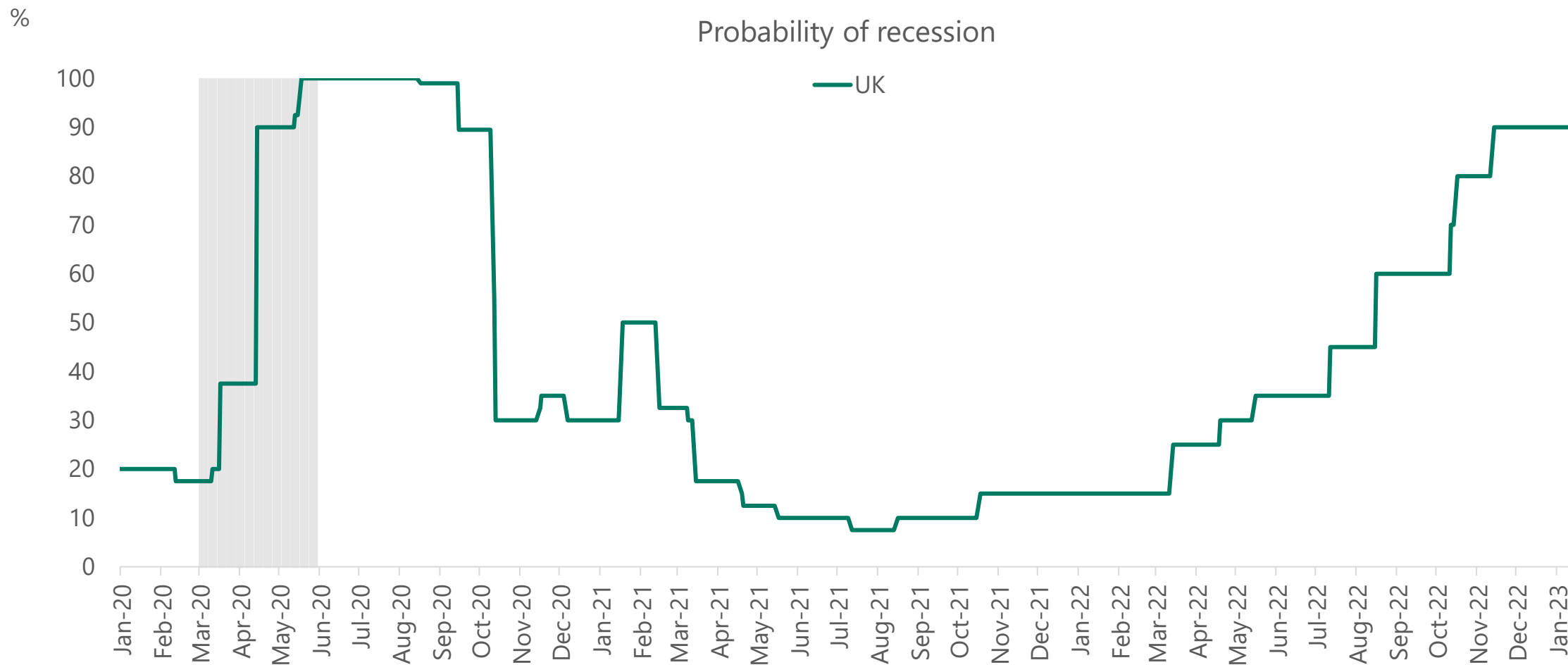
# London rental prices



# UK: Excess savings built up during the pandemic



# Probability of recession in the UK at 90%





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade, including #1 in 2019. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.