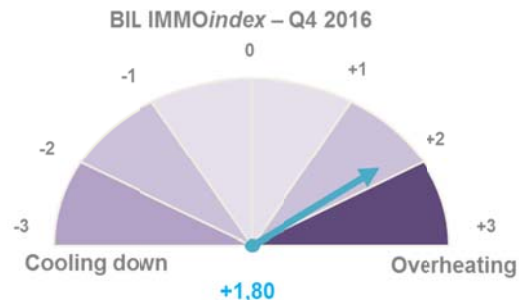


BIL IMMOindex: the housing market is more buoyant than ever

Luxembourg, 18 July 2017. According to the latest edition of the [BIL IMMOindex](#), published by Banque Internationale à Luxembourg and produced in cooperation with PwC Luxembourg, the housing market is continuing the rally observed in the second half of 2016. The index, a true market barometer, reached +1.80 in Q4 2016, up from +1.58 in June 2016.

The BIL IMMOindex increased from +1.58 in the second quarter of 2016 to +1.80¹ in Q4. At +0.87 in Q4 2015, it more than doubled in a year. This rise reflects a nationwide housing market rally begun at the start of 2016 and continued throughout the year, slightly gaining momentum in the process.

The reasons for the renewed rise in the index include a sustained climb in housing prices (+7.7% between Q4 2015 and Q4 2016), the credit boom (+25.4% increase in the volume of mortgage loans compared to end-2015) and, to a lesser extent, a robust construction sector (+5.7% year-on-year growth in Q4 2016).



“The index more than doubled between end-2015 and end-2016, powered by rising housing prices and the credit boom. Although it is on the verge of overheating, the market’s ascent is underpinned by solid fundamentals: a growing population and a robust national economy. An increase on the supply side, rather than a decrease in demand, would serve to slow the rise and help move the IMMOindex closer to an equilibrium,” explains Marcel Leyers, Chief of Corporate and Institutional Banking at BIL.

Launched in October 2015 and developed by BIL in partnership with PwC Luxembourg, the BIL IMMOindex is an indicator of housing market trends in Luxembourg for professional, institutional and retail investors.

Updated regularly and published every six months, the index is based on price changes on the selling and rental markets, as well as factors underlying supply and demand such as the national economy, construction activity and demographic change. A total of seven ratios are integrated to produce the BIL IMMOindex, a clear indicator that gives an overview of Luxembourg housing market in the last 35 years.

The complete analysis for each region of Luxembourg is available at www.bil.com/immoindex.

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¹ The index runs on a scale of -3 to +3 and indicate the market “temperature”. At +3, the maximum level, the market is thought to be “overheating”. At the other end of the scale, a negative index means that the market is lacklustre, and a level of -3 indicates a stagnant, “frozen” market.

About Banque Internationale à Luxembourg (BIL):

Founded in 1856, Banque Internationale à Luxembourg (BIL) is the oldest multi-business bank in the Grand Duchy. It has always played an active role in the main stages of the development of the Luxembourg economy. It currently operates in retail, private and corporate banking, as well as on capital markets. Employing more than 2,000 people, BIL is present in the financial centres of Luxembourg, Switzerland (since 1984), Denmark (since 2000), the Middle East (since 2005) and Sweden (since 2016).

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