

OeNB Report 2025/7: Falling interest rates stimulate demand for housing loans

Austrian results of the euro area bank lending survey, first quarter of 2025

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Austrian households' demand for housing loans increased significantly in the first quarter of 2025 on the back of falling interest rates. The banks surveyed expect households' demand for loans to rise further in Q2 25.

By contrast, demand for corporate loans in Austria continued to decline in Q1 25 – a trend which has remained unchanged for the past two and a half years, mostly because of a drop in financing needs for fixed investment. Financing needs for inventories and working capital have also been decreasing since Q2 24.

Survey results continue to indicate rising risk levels since 2022. As a result, Austrian banks have comprehensively tightened their lending policies for corporate loans, which makes it more difficult for companies to take on new debt as banks increasingly reject loan applications while offering less favorable credit conditions.

Note: This survey was completed at the end of March 2025. At that time, the turmoil caused by US tariff policies and the extent of Austria's budget deficit were not yet known.

Note: The full report in German can be found at [OeNB Reports](#).

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