

OeNB Report 2025/12: Lower interest rates further increase demand for housing loans

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

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The fall in interest rates gave a strong boost to demand for housing loans in Austria in the first two quarters of 2025. For the third quarter of 2025, the banks surveyed expect demand for housing loans to rise further.

Demand for corporate loans by Austrian companies, on the other hand, has continued to decline in the second quarter of 2025. This downward trend has been ongoing for nearly three years, mostly because of a drop in the financing need for fixed investment. A hoped-for trend reversal is being delayed, mainly due to unpredictable US tariff policy, which increases global uncertainties and hampers corporate investment.

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

Banks' corporate lending policies are increasingly taking into account sustainability in the context of climate change. On the demand side, banks have seen an uptick in companies' need for financing for climate change-related investment.

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

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