

## Housing Loans Determinants before and during Financial Crisis

**Authors :** Josip Visković, Ana Rimac Smiljanić, Ines Ivić

**Abstract :** Housing loans play an important role in CEE countries' economies. This fact is based on their share in total loans to households and their importance for economic activity and growth in CEE countries. Therefore, it is important to find out key determinants of housing loans demand in these countries. The aim of this study is to research and analyze the determinants of the demand for housing loans in Croatia. In this regard, the effect of economic activity, loan terms and real estate prices were analyzed. Also, the aim of this study is to find out what motivates people to take housing loans. Therefore, primarily empirical study was conducted among the Croatian residents. The results show that demand for housing loans is positively affected by economic growth, higher personal income and flexible loan terms, while it is negatively affected by interest rate rise.

**Keywords :** CEE countries, Croatia, demand determinants, housing loans

**Conference Title :** ICMBSE 2015 : International Conference on Management, Behavioral Sciences and Economics

**Conference Location :** Lisbon, Portugal

**Conference Dates :** April 16-17, 2015