



The state of the housing market July 2021

Summary - July

- **Increasing number of buyers expect falling property prices**
- **Unusually high influx of homes for sale in July**
- **Record activity on the house market for a month of July**

The housing market in July was unusually active for a summer month. More houses were both listed and sold than in any previous month of July for as long as Hemnet has had a continuous data. Activity in the apartment market was also high compared to the usual July pattern, albeit slightly lower than in July 2020.

In Hemnet's Buyers' Barometer, price expectations fell for the third month in a row. The share of buyers expecting prices to fall was 22 percent in August, an increase of 7 percentage points since July. Overall, price expectations are now at their lowest level in a year. At the same time, the propensity to buy increased, with 41 percent saying they plan to buy a home in the next six months.

July is a special month in the housing market in that there is a different mix of homes sold than during most other months. Fewer homes are sold in urban areas, which affects both average prices and sales times, which should be taken into account when interpreting the figures.

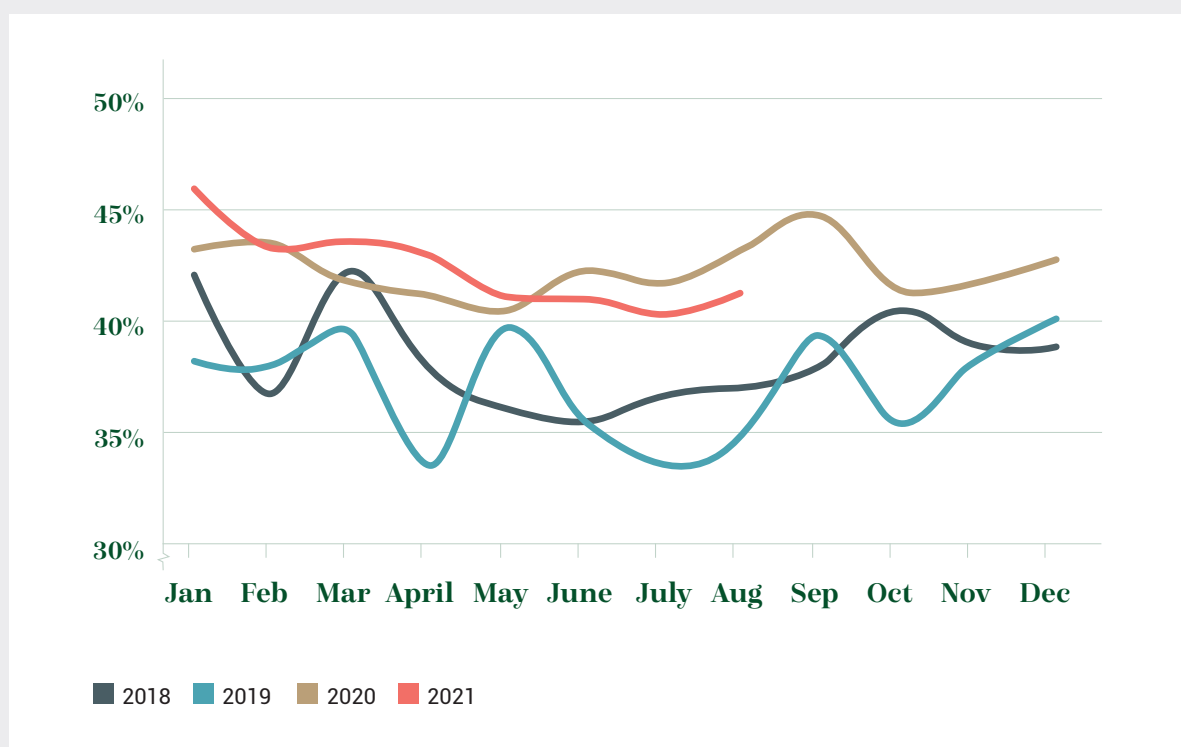


The Buyers' Barometer - more buyers expect falling prices

Of the visitors to Hemnet surveyed at the beginning of August, 41 percent said they were planning to buy a home in the next six months. This is an increase of 1 percentage point from the previous month's survey. Compared to the corresponding survey a year ago, the propensity to buy decreased slightly, but remains at high levels compared to previous years.

The survey on which the Buyers' Barometer is based is carried out at the beginning of each new month, which means that the results in this July report refer to the survey from the beginning of August.

Proportion of Hemnet visitors planning to buy a home in the next six months



In Hemnet's Buyers' Barometer in August, buyers' price expectations fell for the third month in a row. Of the buyers surveyed, 22 percent said they expected prices to fall in the next six months. This is an increase of 7 percentage points compared to the July survey. At the same time, the share

believing in rising prices fell by 7 percentage points in August's survey, from 44 percent to 37 percent. Overall, there is a difference of 15 percentage points between those who believe in rising and falling prices. This net figure is the lowest in a year.

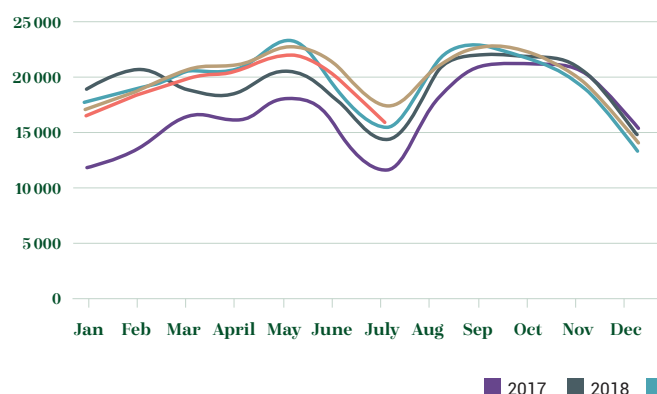
Hemnet's Buyers' Barometer



“Price expectations continue to fall, which is likely to lead to greater caution among buyers in general going forward. This, in turn, may dampen price developments. At the same time, we continue to see high levels of people planning to buy a home, which suggests that the high demand we have seen will continue”, says Erik Holmberg market analyst at Hemnet.

Supply - high influx of homes for sale

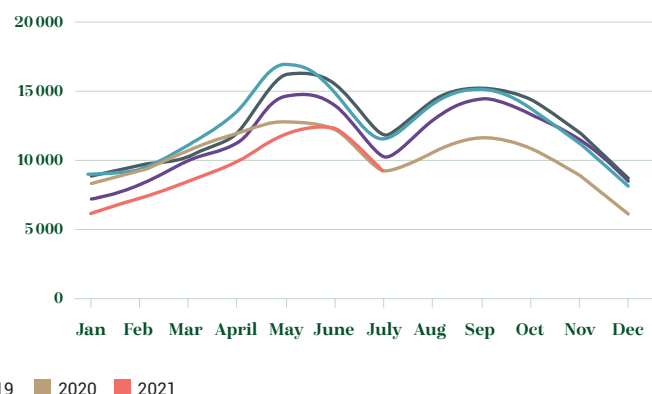
Supply of apartments on the succession market - Sweden



In July, there were 20,300 apartments for sale on Hemnet. This is 10 percent lower than in July 2020 but higher than in the corresponding month of previous years. Of the apartments for sale, 6,498 had been listed in July. This is also lower than the corresponding month in 2020 but higher than what has been normal for a month of July historically.

On the house market, there were 9,106 houses for sale on Hemnet during the same month, which is slightly lower than in July last year and clearly lower than in previous years. At the same time, the influx of new houses for sale was high. There were 3,171 houses listed in July, which is the highest recorded July figure as far back as Hemnet has

Supply of houses - Sweden



a continuous time series, and 8 percent more than July 2020.

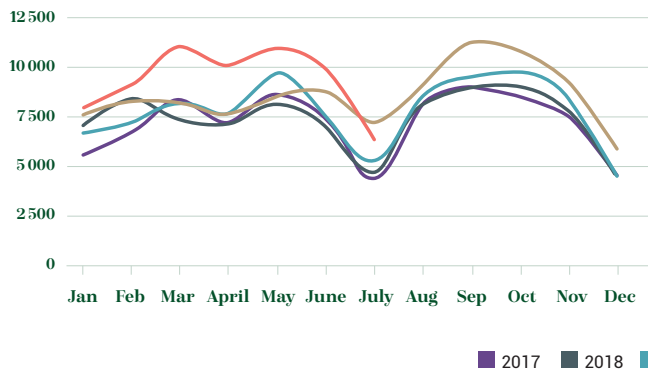
The fact that there is a record influx of houses onto the market for the season, while supply is at record lows, is due to the unusually hot market we have had for houses over the past year. This has resulted in relatively few houses remaining on the market for an extended period of time, thus keeping supply down despite high listing pressure over the past two months. It is likely that this high influx is partly due to the fact that many of those who previously waited to sell their homes are now taking action as restrictions begin to ease, and that the seasonal pattern has been different as more people spend their summer holidays within the country.

"In the house market, the high listing pressure from June continued in July. This is likely to be partly an effect of many people who previously held off on selling their homes now taking action as the restrictions begin to ease, as well as a slightly different seasonal pattern during the pandemic. The high number of listed houses we have now seen has contributed to a market with a better balance between supply and demand", says Erik Holmberg.

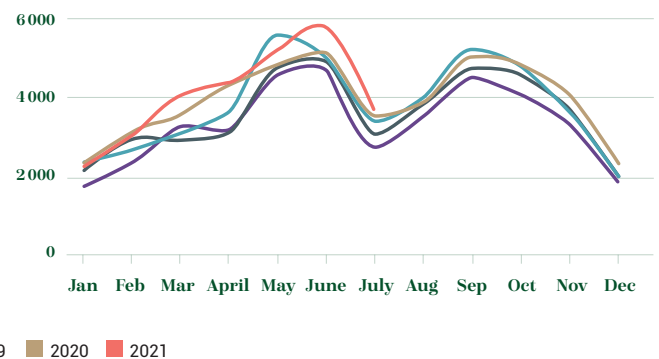
Area (county)	Supply	Annual rate, supply	Number of listed	Annual rate, listed
SWEDEN				
Houses	9,106	-1%	3,171	+8%
Apartments	15,562	-10%	6,498	-4%
Holiday homes	2,693	+1%	975	-7%
STOCKHOLM				
Houses	913	-4%	312	+4%
Apartments	5,153	-14%	1,907	-14%
VÄSTRA GÖTALAND				
Houses	1,312	-5%	401	+1%
Apartments	2,092	-9%	876	-2%
SKÅNE				
Houses	1,474	+1%	576	+2%
Apartments	2,144	-14%	1,123	-3%

Sales - record number of house sales for a month of July

Apartments sold - Sweden



Houses sold - Sweden



6,201 apartment sales were reported in the country in July. This is 14 percent less than in July 2020 but 16 percent more than in July 2019.

In the house market, 3,640 sales were reported in the same period. It is the highest number for a month of July as far back as Hemnet has data. Compared with July 2020, 3 percent more houses were sold in

July. This development is the result of continued high demand combined with the clear increase in the number of listed houses in recent months.

Overall, July this year was an unusually active month in terms of the number of sales, although on the apartment side there were fewer sales than in July last year.

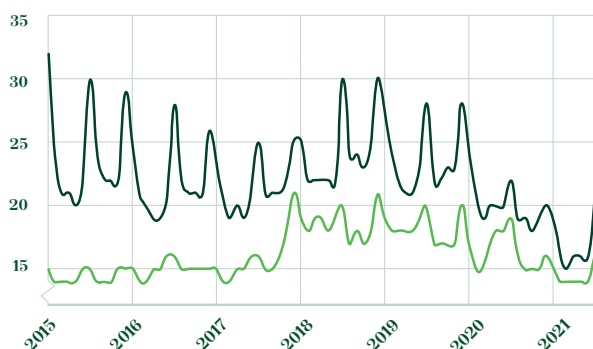
"Similar to last year, the summer of 2021 is characterised by an unusually high level of activity, this year particularly on the house market. Both the number of listed and sold houses is at a record high for a month of July and the high activity is also visible for apartments, although not at the same levels as in the summer of 2020," says Erik Holmberg

Area (county)	Number sold	Annual rate, sold
SWEDEN		
Houses	3,640	+3%
Apartments	6,201	-14%
Holiday homes	1,019	+/- 0%
STOCKHOLM		
Houses	310	-16%
Apartments	1,793	-22%
VÄSTRA GÖTALAND		
Houses	558	+3%
Apartments	912	-11%
SKÅNE		
Houses	697	+16%
Apartments	1,022	-15%

Sales time, starting price and closing price – seasonal changes

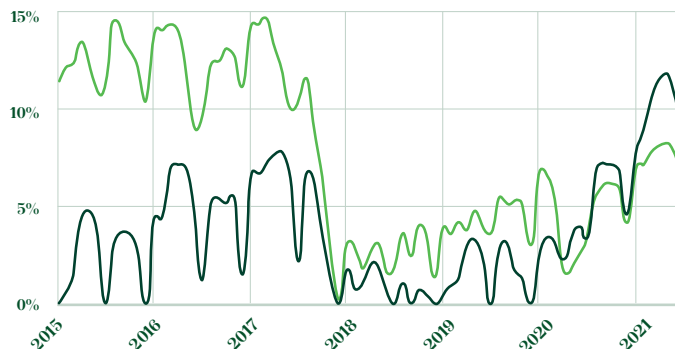
Sales time (median days)

– Sweden



Difference between starting price and closing price

– Sweden



■ Houses ■ Apartments

Sales times for both houses and apartments increased in July. Above all, this is a seasonal effect, as more homes that have been on the market for a long time are sold during the summer. For apartment sales, the average selling time was 16 days in July, 3 days faster than the corresponding month in 2020. The corresponding figure for the house market was 21 days. This is a decrease of 1 day compared to July 2020. In the house market, the sales time in July was the lowest for a month of July as far back as Hemnet has data, indicating that there has been a seasonally high pace in the market.

The price of apartments sold in July increased by an average of 5.6

percent from the starting price to the final price. This is 2 percentage points more than in the corresponding month of 2020. Compared to June this year, however, there is a decrease, which follows the normal seasonal pattern.

The corresponding percentage increase for house sales was 7.3 percent in July. This is also lower than in June but 4 percentage points higher on an annual basis. In addition to the normal seasonal pattern, the high influx of houses into the market is also likely to have an impact. This has evened out the balance between supply and demand, generally resulting in less intense bidding.

Area (county)	Median difference, starting price and closing price	Annual rate, difference between starting price and closing price	Median sales time (days)	Annual rate, sales time
SWEDEN				
Houses	+7.3%	+4 pp	21 days	-1 day
Apartments	+5.6%	+2 pp	16 days	-3 days
Holiday homes	+8.8%	+2 pp	21 days	+/-0 days
STOCKHOLM				
Houses	+5.1%	+3 pp	19 days	+/-0 days
Apartments	+8.3%	+3 pp	16 days	-1 day
VÄSTRA GÖTALAND				
Houses	+5.6%	+4 pp	22 days	+/-0 days
Apartments	+5.4%	+2 pp	17 days	-3 days
SKÅNE				
Houses	+7.4%	+4 pp	18 days	-1 day
Apartments	+5.0%	+3 pp	14 days	-1.5 days

About the statistics

- Hemnet's Buyers' Barometer is based on a survey that is sent out to visitors to hemnet.se at the beginning of each month. The respondents who state that they plan to buy a home within six months are asked: "How do you think housing prices will develop in your area over the next six months?" In total, the survey is answered by between 2,000 and 3,000 people each month. (During March and April 2020, an additional survey was also conducted in the middle of each month.)
- In May 2021, a change was made in how we calculate sales time. The change means that we now do not count the days that a property has been "upcoming" on Hemnet. This means that the average sales time will be slightly shorter than with the previous way of calculating. Historical data has also been corrected, which means that there will be no break in series.
- In May 2021, a review and change in methodology was carried out regarding how we calculate supply. This implies that statistics that have been communicated previously may differ somewhat from the figures we have been communicating since then. Historical data has also been corrected, which means that there will be no break in series.
- All property data in the report is based on property on the succession market.
- The supply on Hemnet is defined as the number of active property listings during a given time period. In this case during one month.
- Published listings are property listings that are published for the first time during the given period.
- Sales means property that have a reported sale date to Hemnet. The statistics are based on the data available at the beginning of each month covered by the report. This means that sales reported later are not included but may have some impact on the statistics retrospectively.
- The median difference between the starting price and the closing price is the middle percentage value that a property increases with from the starting price to the closing price during a given period.
- The sale time is the average (median) number of days that a property sold has been for sale on Hemnet. The reason why the median is used as an average is because the number of days a property is for sale on Hemnet is not normally distributed and that individual extreme values otherwise have an unreasonably large impact.

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