



The state of the housing market October 2021

Summary – October

- Fewer buyers believe in rising property prices
- Lower apartment supply than in October 2020
- Somewhat longer sales times compared to last spring

Housing market activity remained high in October. There has been a high number of property sales compared to previous years, although this is now seasonally slowing down in the autumn.

The share of buyers expecting prices to rise over the next six months fell by 3 percentage points in November's survey, from 38 percent to 35 percent, compared with the corresponding figure for October. At the same time, the share of people who say they plan to buy a home remained at a lower level than during the pandemic. Of the visitors surveyed, 39 percent were planning to buy in the next six months.

In the apartment market, both the supply and the number of properties listed decreased year-on-year, by 2 and 3 percent respectively. The decrease was most noticeable in Stockholm County, where the number of property listings fell by 13 percent compared with October 2020.

In the holiday home market, it is now clear that the high demand we have seen over the past year is starting to wane. The average sale of a holiday home took 3 days longer in October and prices went up on average 4 percent points less than the corresponding month last year.



The Buyers' Barometer – fewer buyers believe in rising prices

The survey on which the Hemnet Buyer Barometer is based is conducted at the beginning of each new month, which means that the results for price expectations and propensity to buy in this October report refer to figures from the beginning of November.

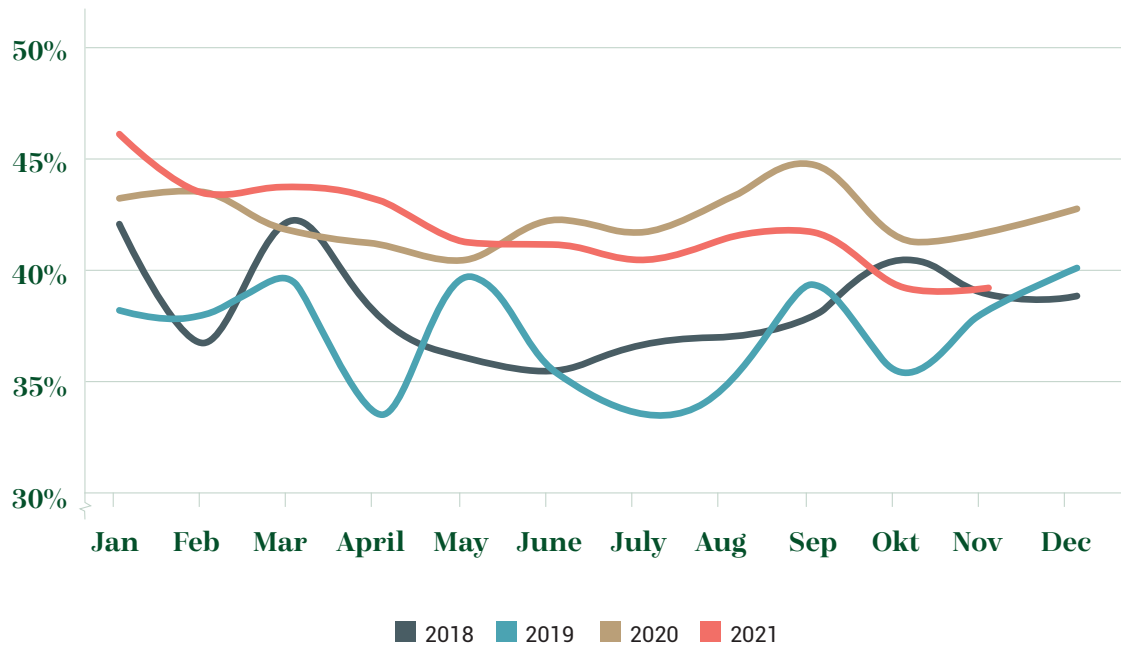
Hemnet's Buyers' Barometer



In Hemnet's November Buyers' Barometer, 35 percent of buyers surveyed said they expect prices to rise in the next six months. This is a decrease of 3 percent points since last month's survey and the lowest share since August 2020.

The share of buyers who thought prices were falling was 19 percent in November, which is the same level as in October's survey. Overall, this represents a net difference of 16 percent points between those who believe prices will rise and those who believe prices will fall. This is 3 percent points lower than in last month's survey.

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



Of the visitors surveyed on Hemnet at the beginning of November, 39 percent said they were planning to buy a home in the next six months. This is the same share as in the

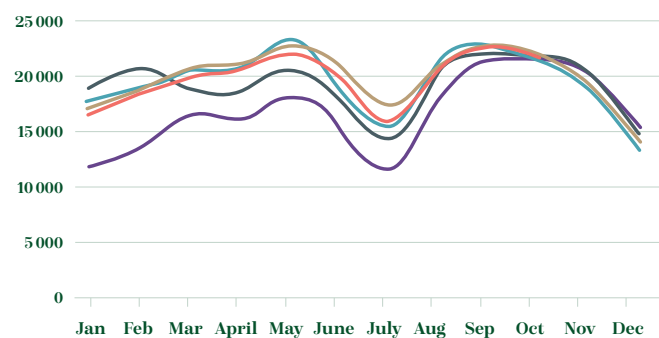
corresponding survey in October. As a result, the propensity to buy remains well below the levels seen during the more intense phase of the pandemic.



”A little over a month has passed since the pandemic restrictions were lifted and we are now out of the period where the market was largely affected by the pandemic. Some signs of subdued demand can now also be seen in both the holiday home and house markets, which have been most affected by the pandemic. However, there is no dramatic decline, but rather a sideways development where the focus on the home has decreased somewhat and thus also to some extent the demand for housing,” says Hemnet’s market analyst, Erik Holmberg.

Supply – reduced apartment supply

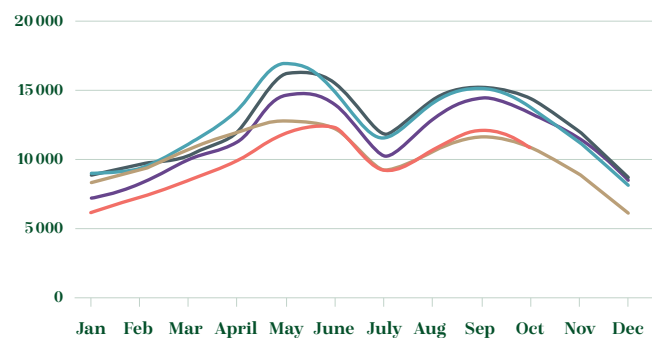
Supply of apartments on the succession market - Sweden



■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

In October, there were 21,590 apartments for sale on Hemnet, which is 2 percent fewer than in the corresponding month of 2020. In October, the number of listed apartments also decreased on an annual basis. A total of 10,869 apartments were listed, 3 percent fewer than in October last year. In Stockholm, where trends are often most pronounced in the housing market, the number of listed apartments fell by 13 percent year-on-year. On the other hand, Stockholm was also one of the areas where the number of listed apartments increased the most during the pandemic.

Supply of houses - Sweden

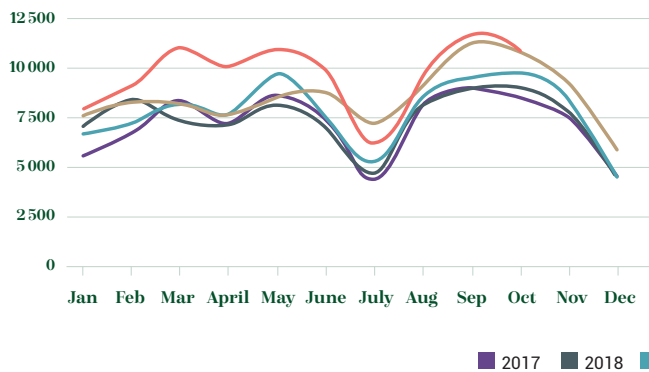


The supply of houses in October remained at the same level as in October 2020, which means that it is still low compared to previous years. In total, there were 10,857 houses for sale on Hemnet during the month. Of these, 4,734 were listed in October, an increase of 1 percent year-on-year.

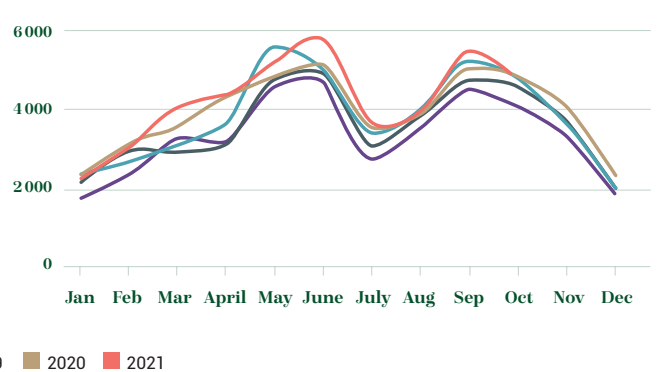
Area (county)	Supply	Annual rate, supply	Number of listed	Annual rate, listed
SWEDEN				
Houses	10,857	+/-0%	4,734	+1%
Apartments	21,590	-2%	10,869	-3%
Holiday homes	1,587	-1%	451	-3%
STOCKHOLM				
Houses	1,434	+/-0%	684	-8%
Apartments	8,499	-10%	4,406	-13%
VÄSTRA GÖTALAND				
Houses	1,686	+2%	703	+1%
Apartments	3,007	+2%	1,464	-5%
SKÅNE				
Houses	1,573	-3%	787	-2%
Apartments	2,619	+3%	1,431	+3%

Sales – seasonal decline

Apartments sold - Sweden



Houses sold - Sweden



In October, 10,898 apartment sales were reported in to Hemnet. This is an unchanged level compared to October 2020 but still significantly higher than the corresponding month in previous years.

On the house market, the number of sales in October decreased by 1 percent at an annual rate and a total of 4,838 sales were reported during the month. The market is now entering a period of the year when the number of sales is seasonally declining, particularly for houses.

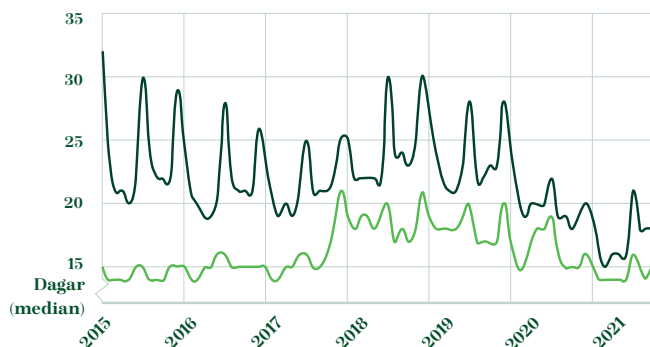
“The number of sales continues to remain at high levels during the autumn. The high pressure we saw this spring, particularly in the house market, with high demand relative to supply, seems to have eased somewhat. But even though the pace has slowed down, there are still many sales, which is a sign of a continuing strong market,” says Erik Holmberg.

Area (county)	Number sold	Annual rate, sold
SWEDEN		
Houses	4 838	-1%
Apartments	10 898	+/-0%
Holiday homes	564	-7%
STOCKHOLM		
Houses	683	-12%
Apartments	4 596	-3%
VÄSTRA GÖTALAND		
Houses	683	-14%
Apartments	1 553	+2%
SKÅNE		
Houses	733	-3%
Apartments	1 390	+7%

Sales time, starting price and closing price – slightly longer sales times

■ Houses
■ Apartments

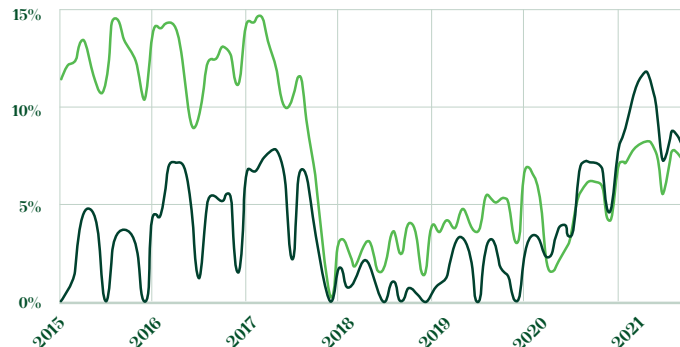
Sales time (median days) - Sweden



It took an average of 15 days for apartments advertised on Hemnet to be sold in October. This is the same level as in the corresponding month last year and one day slower than in September.

The corresponding sales time for houses in October was 18 days. This is the same sales rate as in the corresponding month of 2020, which was the lowest measured sales time for a single month as far back as Hemnet has a continuous time series. At the same time, the sales time for houses is now higher than last spring, when it was at a record pace.

Difference between asking price and closing price - Sweden



For apartments sold in October, the average increase from the starting price to the closing price was 7 percent. This is one percent point more than the corresponding month in 2020. This increase is mainly due to developments in Stockholm. There, the average rise from starting price to closing price was 10.6 percent in October, 2 percent points higher than in October 2020.

The price of an average house sale in October rose by 7.5 percent from the starting price to the closing price. This is still higher than the corresponding figure for apartments, but the average increase continues to fall since the peak last spring.

“What was significant for the housing market during the pandemic, with strong pressure on holiday homes and houses in particular, now seems to be starting to subside. Instead, the pressure on the apartment market seems to be highest in several ways, especially in Stockholm. This is probably a result of the fact that the pandemic is now affecting the market to a lesser extent, as more people are vaccinated and restrictions are removed”, says Erik Holmberg.

Area (county)	Median difference, asking price and closing price	Annual rate, difference between asking price and closing price	Median sales time (days)	Annual rate, sales time
SWEDEN				
Houses	+7.5%	+/-0 pp	18 days	+/-0 day
Apartments	+7.0%	+1 pp	15 days	+/-0 day
Holiday homes	+4.1%	-2 pp	27 days	+3 days
STOCKHOLM				
Houses	+7.0%	-1 pp	15 days	+1 day
Apartments	+10.6%	+2 pp	14 days	-1 day
VÄSTRA GÖTALAND				
Houses	+5.9%	-2 pp	19 days	+/-0 day
Apartments	+5.2%	+/-0 pp	16 days	+1 day
SKÅNE				
Houses	+6.6%	+/-0 pp	16 days	+1 day
Apartments	+4.2%	+/-0 pp	14 days	+1 day

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 housing data in the report are based on property in the succession market, i.e., excluding new construction.
- The aim of the report is to provide a clear overview of the housing market. The report therefore presents data for the dwelling types: house, apartment and holiday home. These make up about 90 percent of the housing ads on the succession market on Hemnet. Dwelling types not covered by the report include terraced houses and plots.
- 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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