



# 2023 Hemnet's Year in Review



# Content

Housing market 2023

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What will affect the housing market in 2024?



– The Swedish property market of 2023 was characterised by caution and low activity. Both buyers and sellers faced new challenges. Difficulties in obtaining mortgages and difficulties in agreeing on a price level. This has led to longer sales times, which has increased supply, although the number of properties published was relatively low, says **Erik Holmberg**, market analyst on Hemnet.

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– In 2023, speculation about interest rate trends had a major impact on the property market. We did not see a great decline in home prices, but buyers and sellers seem to be struggling to agree, which has led to a slower market. If the interest rate situation continues to brighten, we can expect to see greater mobility in the property market, says **Staffan Tell**, Head of Public Relations on Hemnet.

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# Housing market 2023

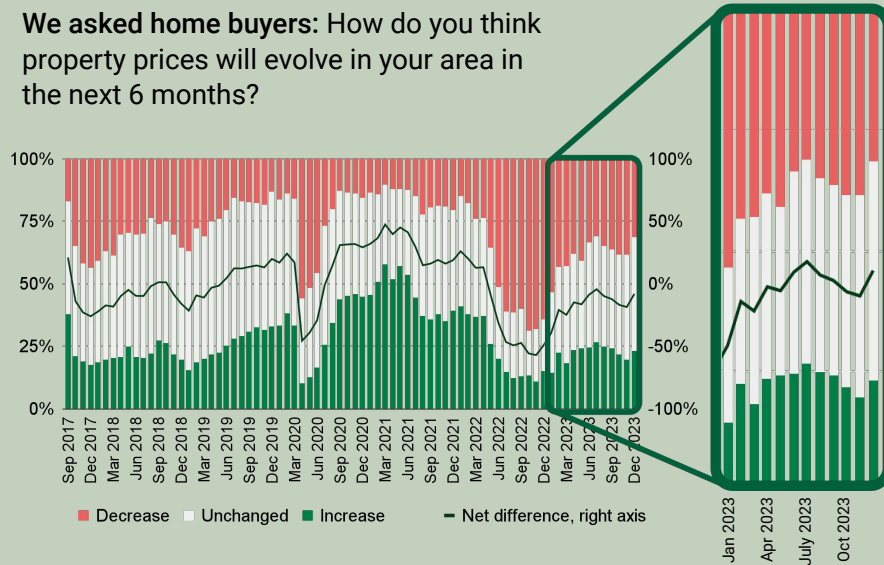




# Hemnet's Buyers Barometer

- ✓ Buyers' price expectations have reflected the development on the property market well.
- ✓ Positive momentum for price expectations and increasing prices during the year.

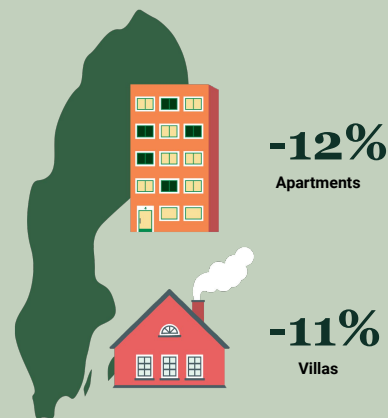
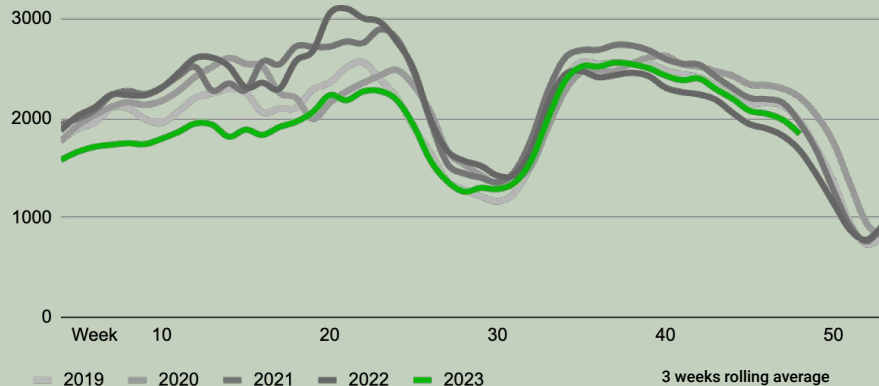
We asked home buyers: How do you think property prices will evolve in your area in the next 6 months?



# Fewer published properties in 2023

- ✓ Unusually few properties published properties in the first half of 2023.
- ✓ Increased to more normal levels in the second half of the year.

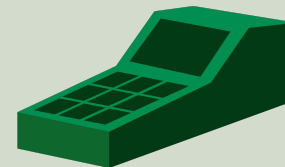
Published apartments, country.



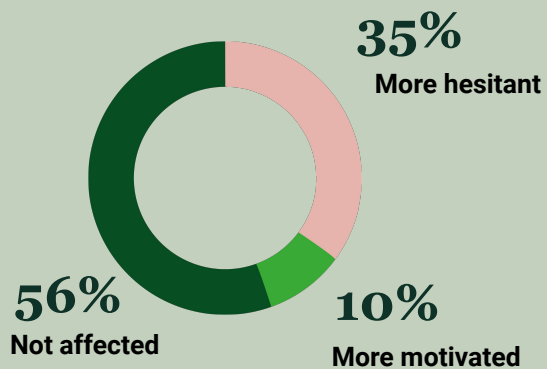
Refers to the period 1 Jan - 30 Nov 2023 compared to corresponding period in 2022.

# Caution on the market

✓ Increased caution and awaiting as a result of the economic situation.



**Question to home changer:** Are you more or less motivated to move due to the changed economic situation?



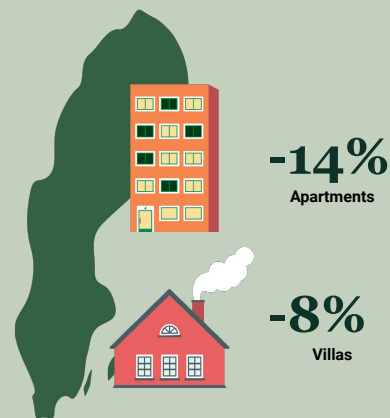
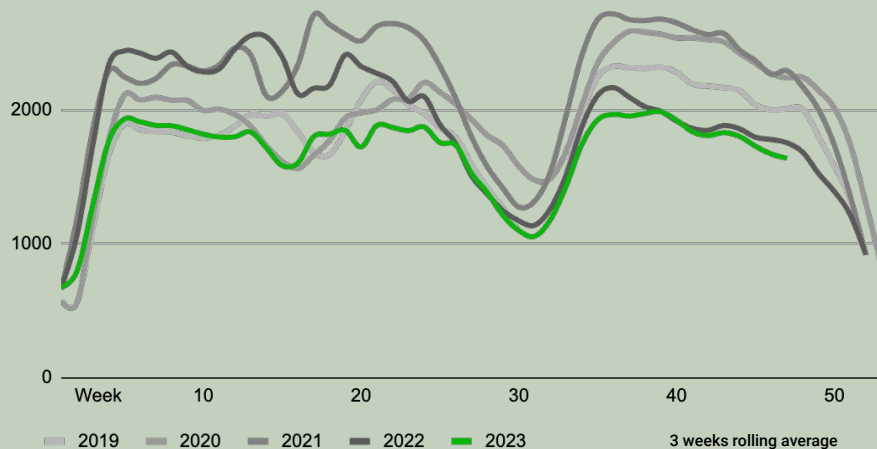
## Observed lock-in effects

- Decreased cash deposit as sale prices have fallen
- Harder to get mortgages
- Greater impact of the amortisation rule when interest rates has increased
- Reluctance to sell at a loss
- Awaiting due to the tougher market

# Fewer sold properties in 2023

- ✓ Low sales volumes throughout 2023, although the number of published properties increased in the second half of the year.
- ✓ It is still difficult for buyers and sellers to agree on a common price level.

Sold apartments, country.



Refers to the period 1 Jan - 30 Nov 2023 compared to corresponding period in 2022.

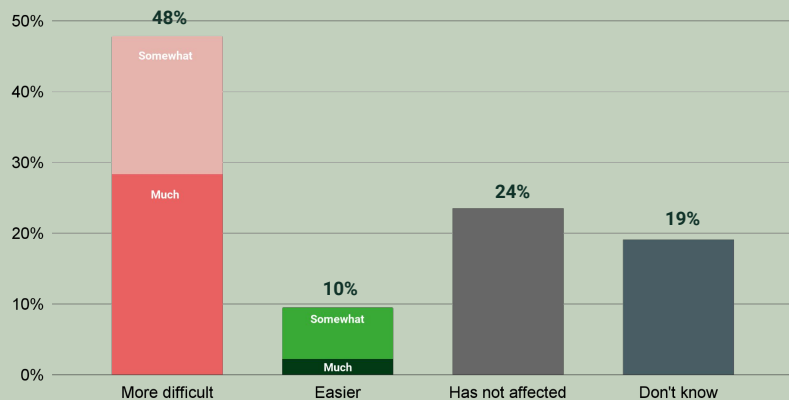
**“I need or want to sell  
my current home before  
I buy something new.”**

Speculators experience that the economic situation has made it more difficult to buy property.

# More difficult to buy a home

- ✓ Half of the consumers believe that the changed economic situation has made it more difficult for them to buy a home.
- ✓ This is part of the explanation for the low sales volumes we experienced in 2023.

**Question to home buyers:** Do you think the changed economic situation has made it easier or more difficult for you to buy a home?



In what way has it become more difficult to buy a home?

**36%**

I need or want to sell my current home before I buy something new.

**32%**

I think that i cannot get a home loan for the same amount as before.

**27%**

I think it is difficult to fulfil sellers price expectations.

**24%**

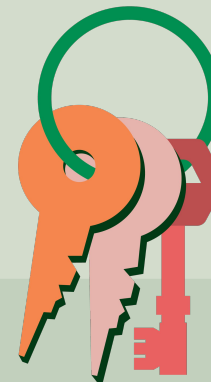
It has become more difficult to manage the monthly costs if I buy a property at the price level I want or need

**13%**

Other

# Twice as many sell first

- ✓ Selling first is the new normal for the home changer.
- ✓ In March 2022, we had the reverse figures with twice as many who bought before they sold.
- ✓ This is another reason for the high supply and low numbers of sales we have had during 2023.



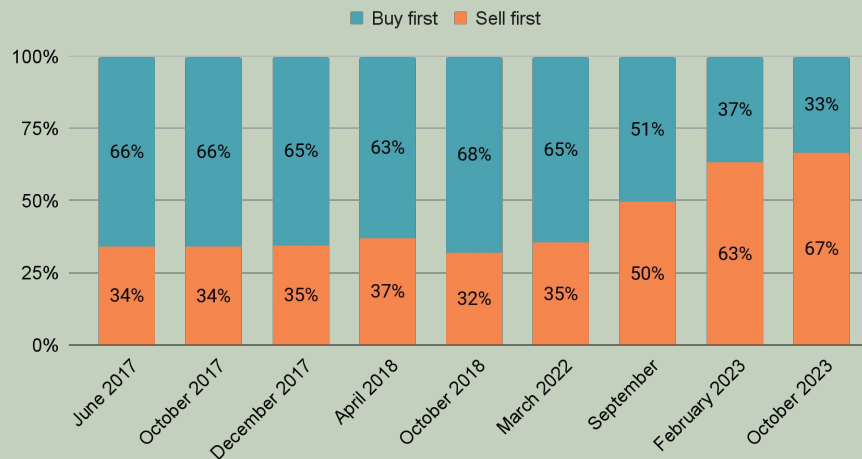
## Home changer who sell or buy first

**67%**

sell before they buy

**33%**

Buy before they sell

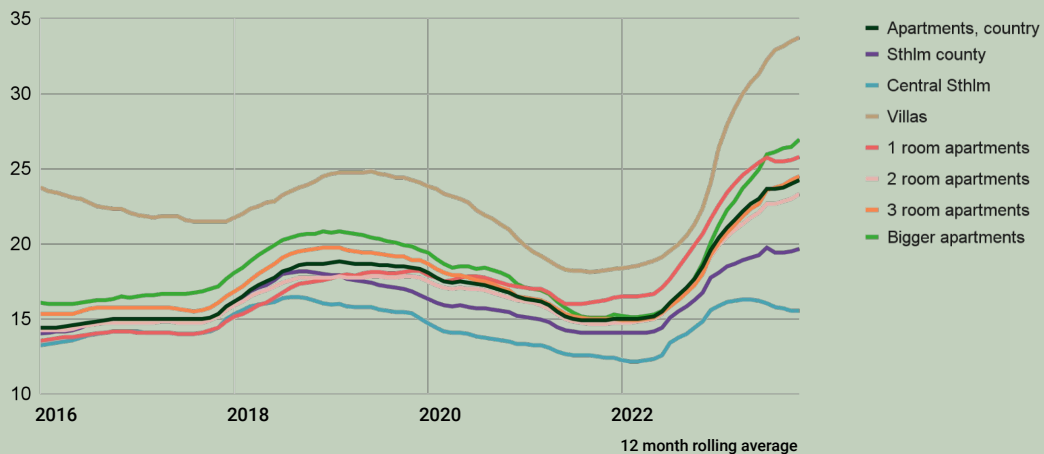


# Sales time has increased

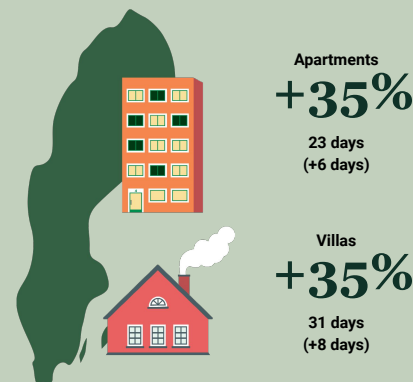
- ✓ The sales time has increased significantly for all property types 2023.
- ✓ It's the main reason for the high supply.



Sales time, median number of days.



Increased sales time

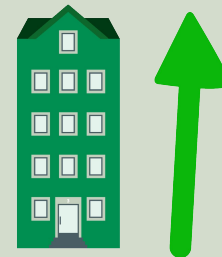


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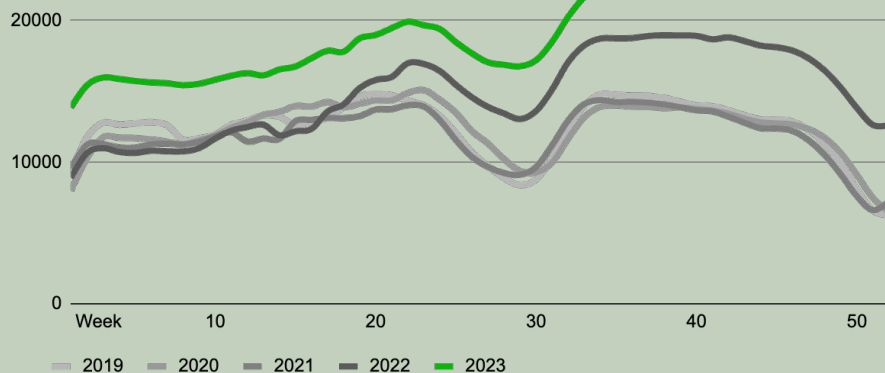


# Record high weekly supply

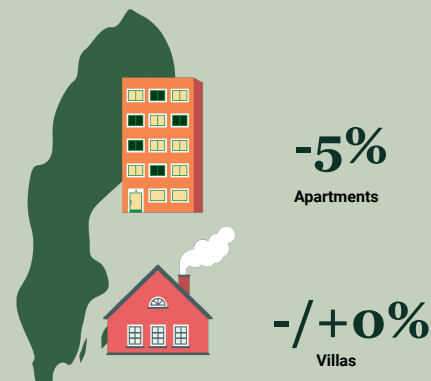
- ✓ The weekly supply of apartments this year is well above the level of previous years in every week.
- ✓ At the same time, the annual supply of apartments was lower than in previous years.
- ✓ This is an effect of the longer sales times and the lower number of published listings.



Weekly supply, apartments, country.



Annual supply apartments/villas

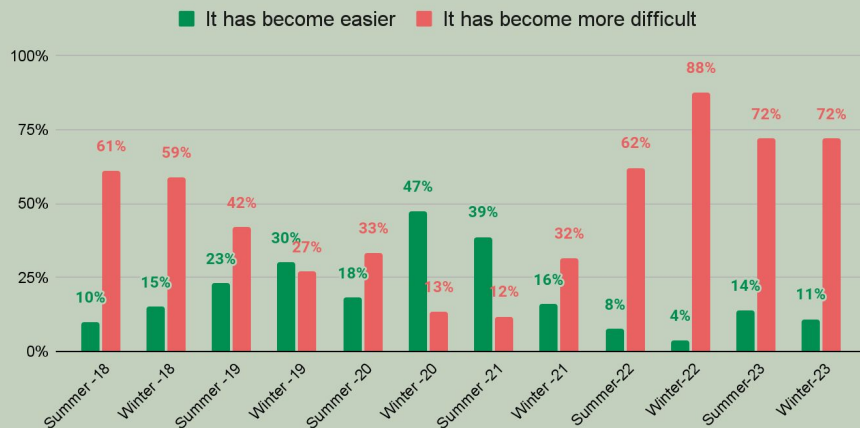


Refers to the period 1 Jan - 30 Nov 2023 compared to corresponding period in 2022.

# Real estate agents think it's harder to sell

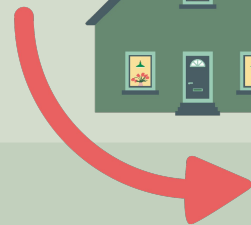
✓ Real estate agents are experiencing falling demand due to higher mortgage rates as the main reason for a tougher market.

Question to real estate agents: Do you find it easier or more difficult to sell properties in your area compared to one year ago?

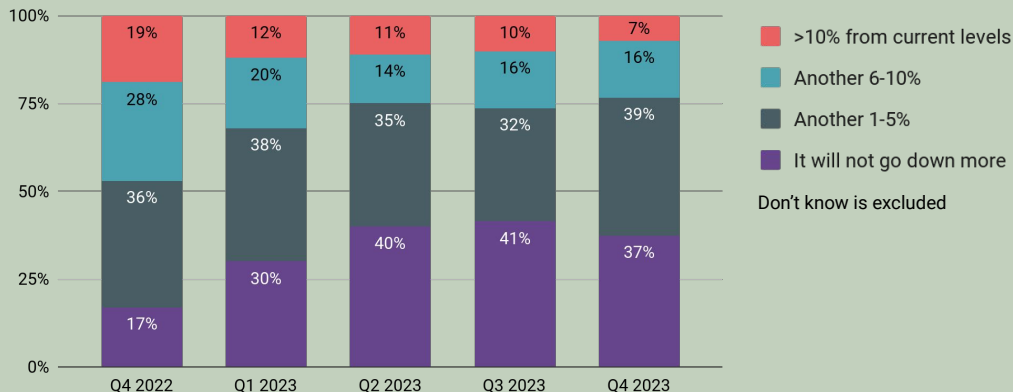


# Are we approaching the end of the price decline phase?

✓ Market participants believe that most of the price decline is behind us.



**Question to the market:** How much more will prices go down in your area before they turn or stabilize?



## 76%

In the fourth quarter of 2023, 76% of the respondents believed that prices will fall a maximum of 5% below today's level before they turn or stabilise.

## 7%

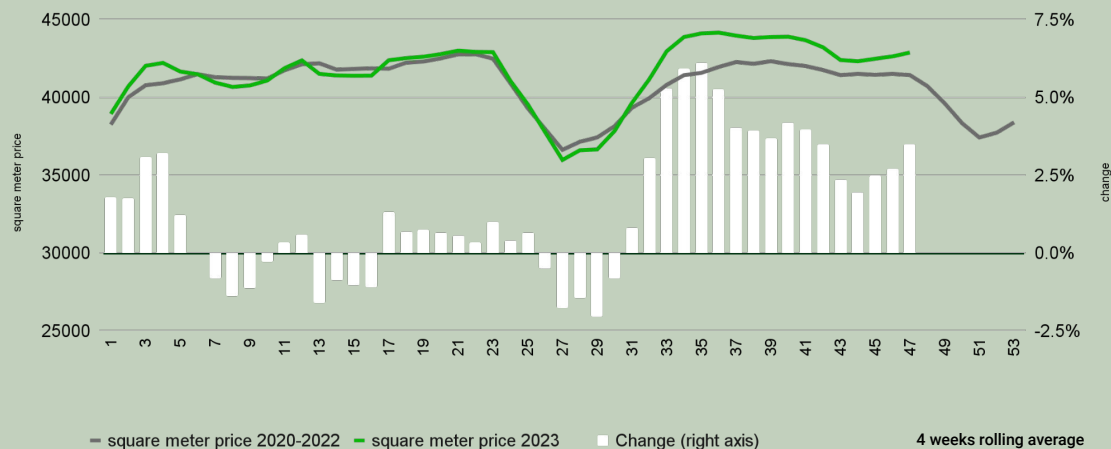
In the fourth quarter of 2023, 7% of the respondents expected prices to fall by a further 10% or more compared to today's level before they turn or stabilise.

# Higher asking prices during the autumn

- ✓ The asking prices during the autumn were higher than previous years.
- ✓ It can be seen as that the sellers has high expectations.
- ✓ Before the summer the average asking prices were in level with previous years.



Asking prices, country.

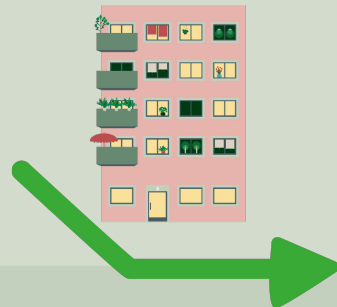


## W.34

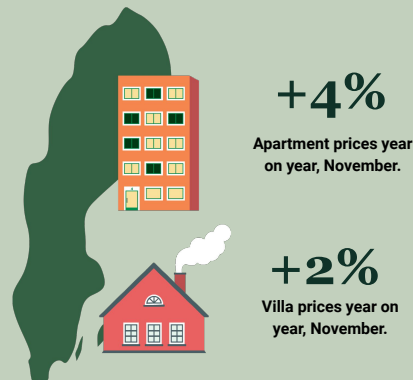
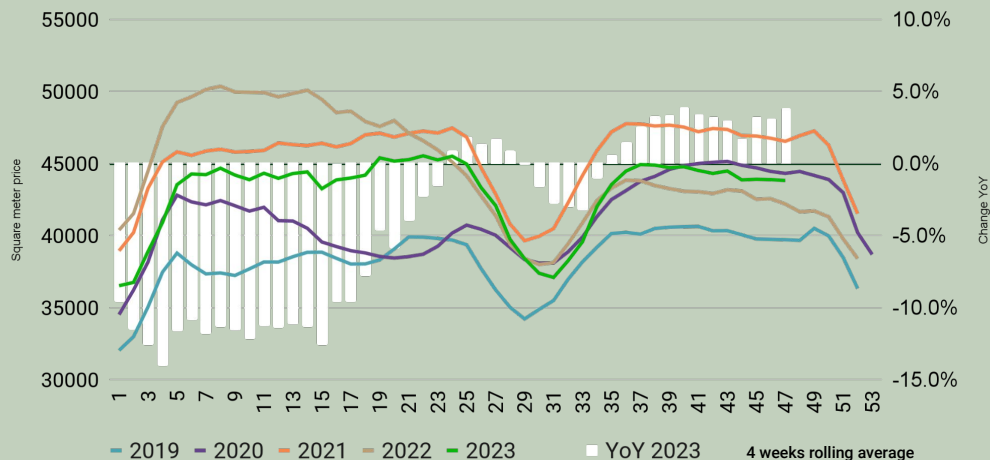
Week 34 was the week with the highest asking price. In this week, the average price per square meter was 44,000.

# Selling prices are higher than one year ago

- ✓ From a year of falling prices (2022) to a year of awaiting and slightly increasing prices.
- ✓ Prices went down again in autumn, following the normal seasonal pattern.



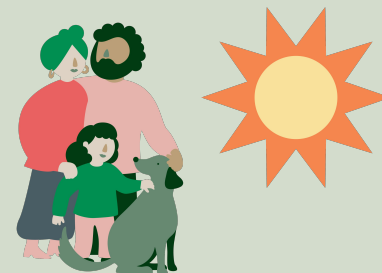
Price development apartments, country.



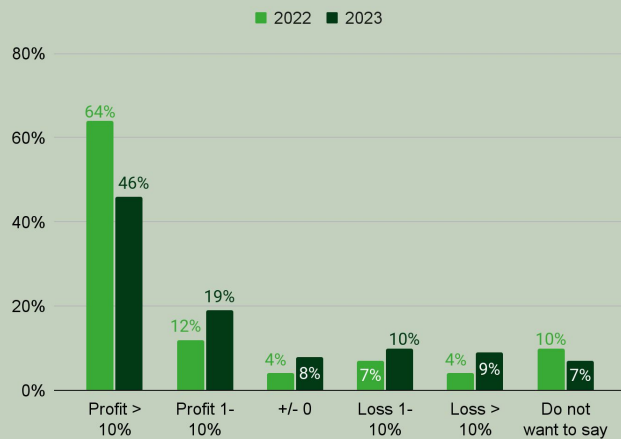
Refers to the period 1 Jan - 30 Nov 2023 compared to corresponding period in 2022.

# Satisfied sellers

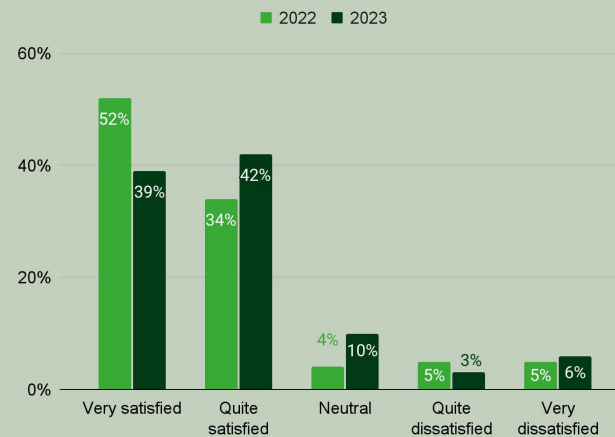
- ✓ Sellers were generally satisfied with their sales in 2023.
- ✓ However fewer sold with a profit compared to 2022.



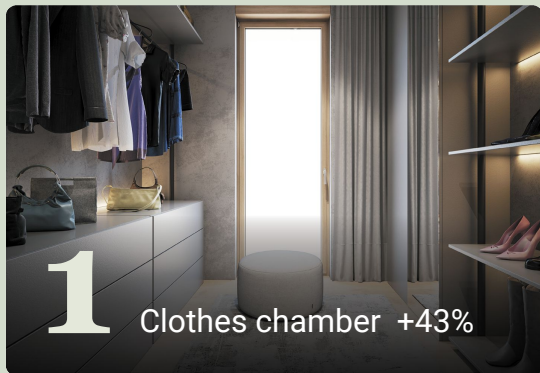
## How much profit or loss did you make on your sale?



## How satisfied were you with your property sale?



## Search terms with increased popularity in 2023



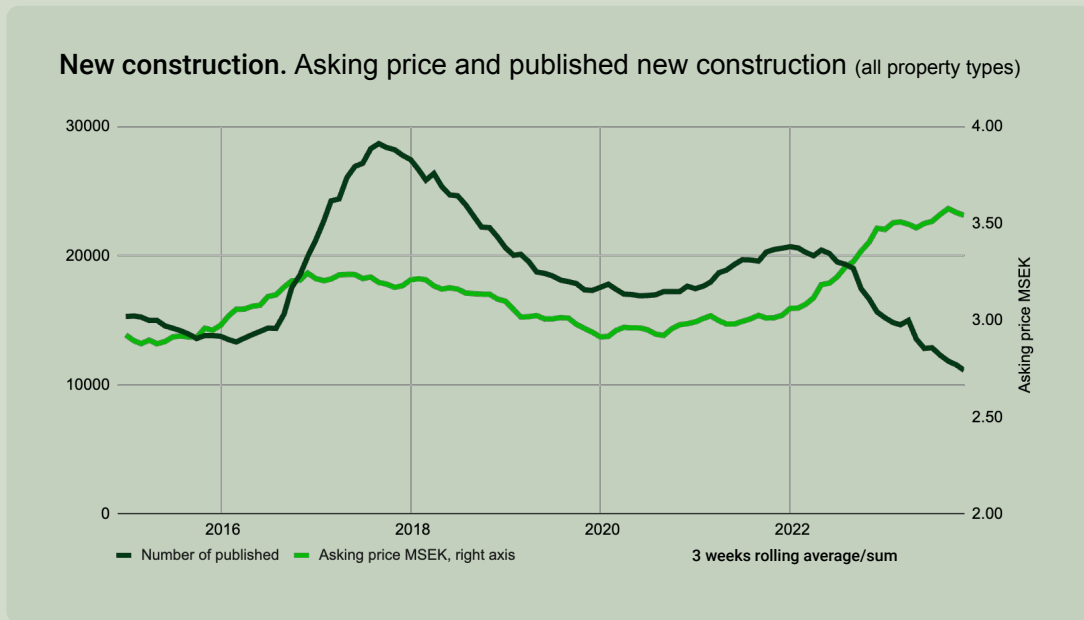
# New construction market 2023





# Fewer starts but still high list prices

- ✓ The new construction market has been hit hard, with a sharp fall in the numbers of published as a result.
- ✓ At the same time, the asking price has not fallen significantly.



New construction properties 2023

**-30%**

Published  
new construction  
properties

**-38%**

Published  
new construction  
apartments

**-/+0%**

Asking price  
new construction  
properties

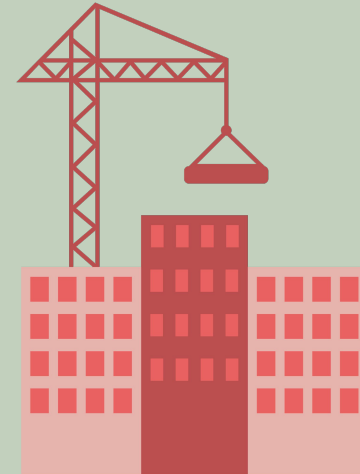
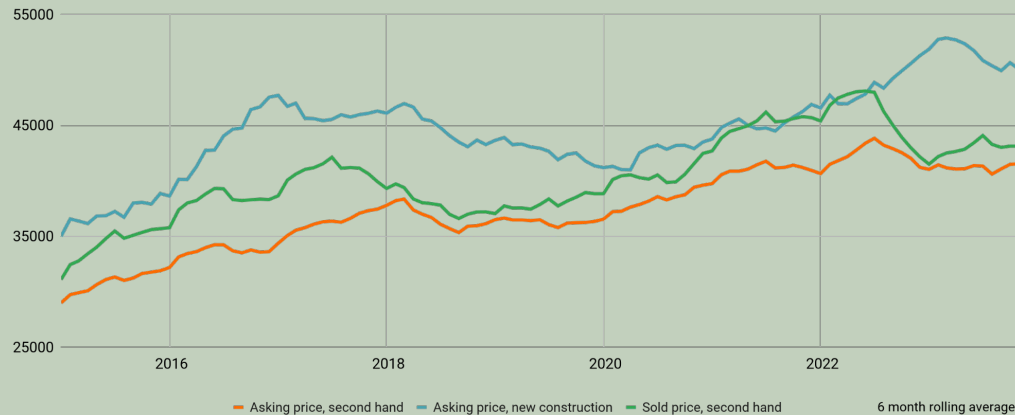
**-3%**

Asking price  
new construction  
apartments

# Price difference between new construction and second hand market

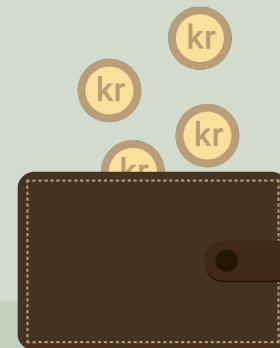
✓ In 2023, asking prices have fallen slightly, but are still higher than what buyers are willing to pay.

Average square meter price apartments, country.

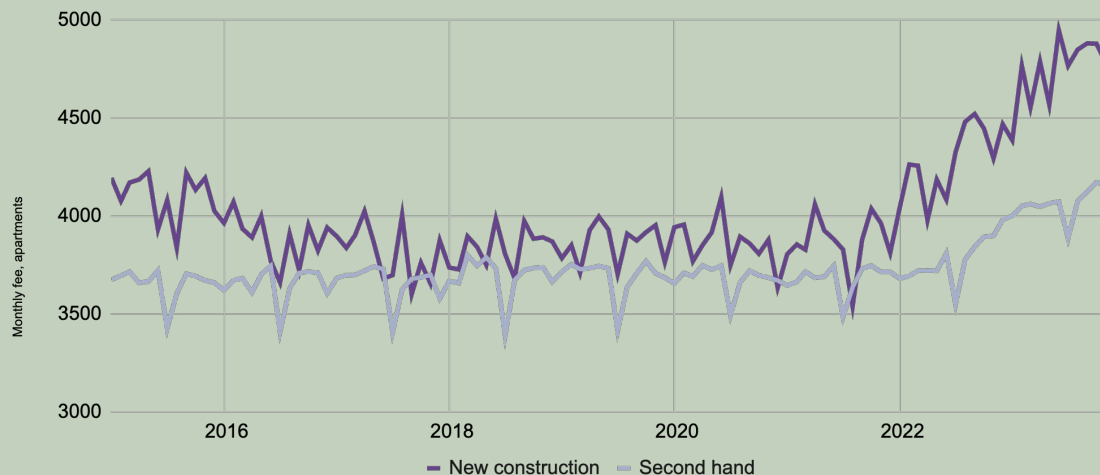


# Higher monthly fee

- ✓ The monthly fee for new construction apartments has risen with 25-30% compared to previous years.
- ✓ During the same period has the monthly fee for second hand apartments risen with roughly 10%.



Monthly fee apartments



**+25-30%**

The monthly fee on the new construction market is up 25-30% compared to previous years.

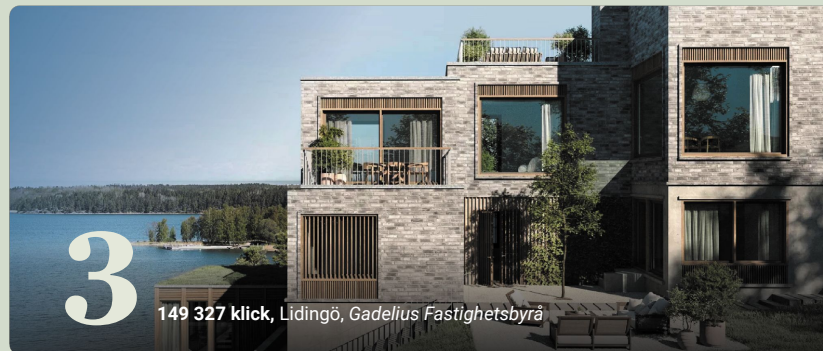
**+10%**

The monthly fee on the second hand market is up 25-30% compared to previous years.

# Årets klickmonster 2023



# Klicktoppen: Mest klickat på Hemnet 2023

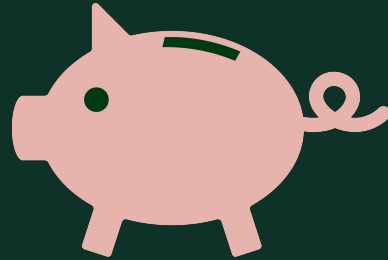
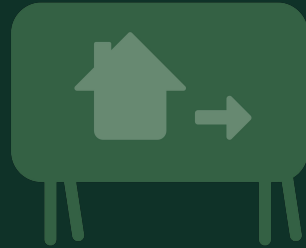




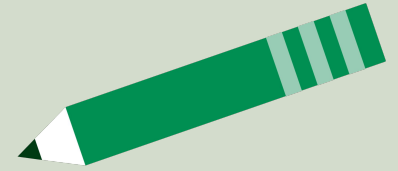
# Klicktoppen: Mest klickat på Hemnet 2023



# What will affect the housing market in 2024?



# Housing market in 2023 and what we can expect further



## Macro factors

- Interest rate
- Inflation
- Economy
- Unemployment rate
- Geopolitical tension
- Urbanisation
- Housing shortage

## Housing market 2023

- Some signs on a more active market
- Higher price expectations
- High weekly supply
- Lower number of published
- Low sales volumes
- Higher monthly fees
- Reduced construction



# Summary



- From a year of falling prices to a year of awaiting
- Higher interest rates and lower buying power
- Low activity in spring, higher activity in autumn
- Still hard for buyers and sellers to agree on a common price level - low sales volumes
- Increased caution and lock-in effects
- A positive price development in 2023
- The new construction market is hardest hit
- We approaching the interest rate top, what does it mean for the market?

# Contact

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