

Housing Price Indicator remains close to record level

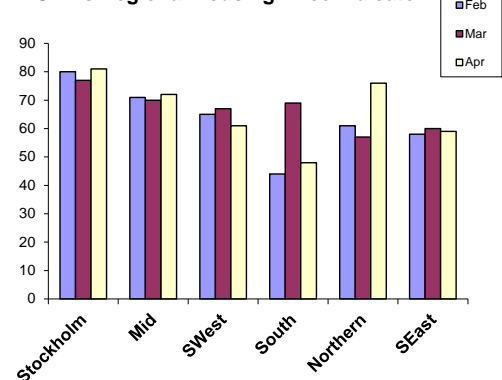
MONDAY
MARCH 9, 2015

STRONG TREND IN HOUSE PRICES TO CONTINUE.

The SEB Housing Price Indicator declined slightly to 67 in April, just slightly below to the record level of 68, reached last month. According to the survey, 77% (76%) of Swedish households expect home prices to be higher in 12 months' time while only 10% (8%) foresee declining prices. The increase reflects rising expectations in the north, where the price indicator spiked to 76% (57%), but with higher price expectations also in Stockholm and the middle of Sweden. The price indicator for Stockholm set a new all-time high at 81% (77%). Price expectations in the southern regions generally declined with the indicator for the south falling back to 48 (69), after a temporary spike in March.

The share of households that plan to fix rates in 3 months increased marginally to 7%, from 6% in March. The levels are still low compared to historical peaks, which most often have coincided with periods when the Riksbank have initiated rate hike cycles. There are thus few signs that low yields are yet causing households to shift towards a larger share of fixed rates. Swedish households' own repo rate expectations declined from last month but households still expect the repo rate to rise from current -0.25% to 0.38% (March 0.39%) in a year's time.

SEB's Regional Housing Price Indicator

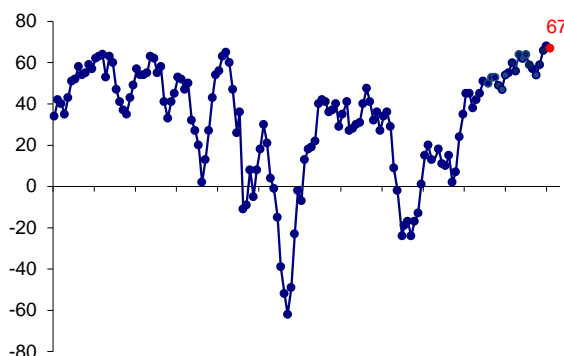


In line with the signals from the SEB Housing Price Indicator home prices have continued to accelerate with home prices according to Valueguard now increasing well above 10% y/y. The SEB Housing Price Indicator clearly suggests that this trend will continue.

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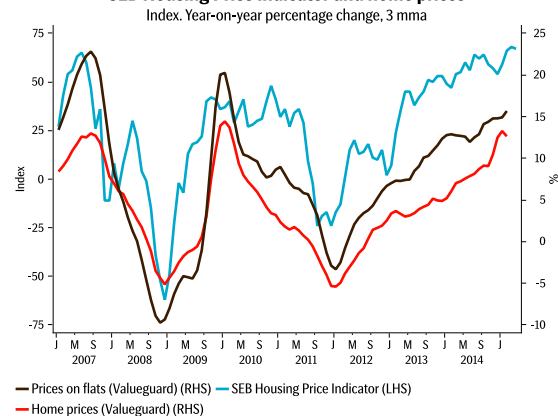
Since March 2003, Demoskop has surveyed the Swedish housing market every month on behalf of SEB. The current survey was conducted from February 23, 2015 to March 4, 2015.

SEB's Housing Price Indicator



Source: SEB, Demoskop

SEB Housing Price Indicator and home prices



— Prices on flats (Valueguard) (RHS) — SEB Housing Price Indicator (LHS)
— Home prices (Valueguard) (RHS)

Source: Valueguard, SEB