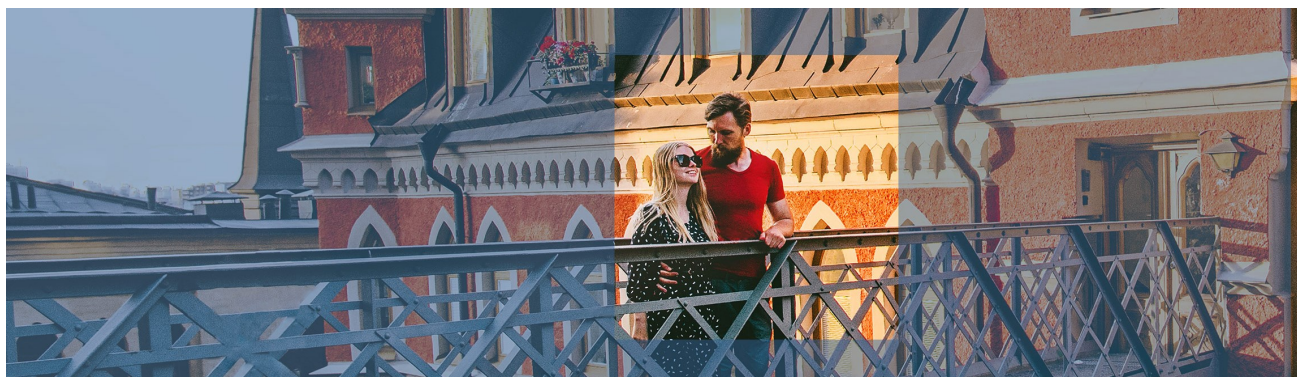


New regulations drag down Stockholm real estate sales

15/02/2019   

Summary

With a steep decline in condo prices following the implementation of new rules by the Financial Supervisory Authority, Grassroots sought to uncover what was affecting the Stockholm real estate market by speaking directly with residential brokers.

To assess the real estate market for condos in Stockholm, Grassroots® commissioned interviews with brokers who deal in residential sales. Sources cited a sharp decline in condo sales after March 1, 2018, due to the strong impact of the new FSA Financial Supervisory Authority (FSA, or Finansinspektionen) regulations, which make it more difficult for buyers to buy, and due to the unwillingness of sellers to sell at lower prices, although sources cited high numbers of transactions prior to March.

Among sources who commented, sales of condos in the sub-EUR 1 million (USD 1.18 million) price range are down for most in 2Q 2018 year-to-year due to the new FSA amortization regulations, longer transaction times, sellers pulling inventory off the market because they are reluctant to sell at lower prices and a slowdown in the new-condo market, while they are flat or up for almost none. Sales of condos in the EUR 1 million–EUR 3 million (USD 1.18 million–USD 3.54 million) price range are down for slightly more than two-thirds, flat for slightly less than one-fourth and up for almost none. Sales of condos in the above EUR 3 million price range are flat for slightly more than half, down for one-third and up for a few.

One source said, “The FSA amortization requirements are particularly hard on new buyers. Young people can’t meet the loan requirements and pay back the higher mortgages. Banks are requiring owners to sell first before getting a loan for a new condo. Because owners are not getting the prices they want, they are taking their condos off the market. Before, we had several bidders interested in a listing; now, it’s usually just one.”

Regarding pricing, among sources who commented, prices of condos in the sub-EUR 1 million price range were flat for two-thirds in the past three months, down for one-fourth and up for almost none. Prices of condos in the EUR 1 million–EUR 3 million price range were flat for slightly more than two-thirds, while they were down or up for a few. Prices of condos in the above EUR 3 million price range were flat for slightly more than three-fourths, while they were down or up for almost none.

Looking ahead, among sources who commented, three-fourths expect sales of condos in the sub-EUR 1 million price range to trend flat in the next 12 months, as desired inventory may return to the market and developers will have to accept lower prices for condos in new buildings, while a few said down, and almost none said up. Slightly more than two-thirds expect sales of condos in the EUR 1 million–EUR 3 million price range to trend flat, while slightly less than one-fourth expect them to trend down because new regulations make it more difficult to buy a house or apartment, and almost none said up. Two-thirds expect sales of condos in the above EUR 3 million price range to trend flat, while slightly less than one-fourth said down, and a few said up.

One source said, “Today’s real estate market won’t change anytime soon. Developers are going bankrupt, because they can’t sell their new units, and this will put pressure on keeping prices at their current levels. Furthermore, with the upcoming fall elections in Sweden, there is some uncertainty as to whether the new government will make changes in the FSA’s current amortization regulations.”

Want to view more?



Investment themes & strategy

A shared vision is vital for a sustainable recovery

→ [DISCOVER MORE](#)

by Deborah Zurkow | 27/08/2020



Investment themes & strategy

How will private debt be changed by Covid-19?

→ [DISCOVER MORE](#)

by Deborah Zurkow | 11/08/2020



Investment themes & strategy

What investors need to know as Brexit nears

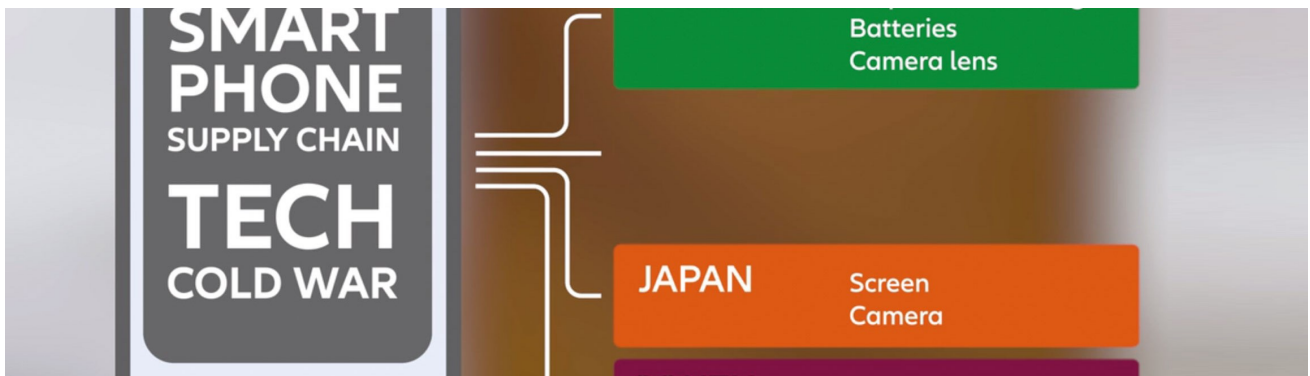
→ [DISCOVER MORE](#)

07/02/2019



What could happen in a US-China "tech cold war"?

21/02/2019   



Summary

Our experts explain how continued trade tensions between the US and China could escalate to a full-blown "tech cold war", forcing the rest of the world to choose sides. Supply chains could be disrupted, but several countries could benefit from new partnerships and production lines.

↓ [LOAD MORE](#)

Disclaimer

Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

This material has not been reviewed by any regulatory authorities. In mainland China, it is used only as supporting material to the offshore investment products offered by commercial banks under the Qualified Domestic Institutional Investors scheme pursuant to applicable rules and regulations. This document does not constitute a public offer by virtue of Act Number 26.831 of the Argentine Republic and General Resolution No. 622/2013 of the NSC. This communication's sole purpose is to inform and does not under any circumstance constitute promotion or publicity of Allianz Global Investors products and/or services in Colombia or to Colombian residents pursuant to part 4 of Decree 2555 of 2010. This communication does not in any way aim to directly or indirectly initiate the purchase of a product or the provision of a service offered by Allianz Global Investors. Via reception of his document, each resident in Colombia acknowledges and accepts to have contacted Allianz Global Investors via their own initiative and that the communication under no circumstances does not arise from any promotional or marketing activities carried out by Allianz Global Investors. Colombian residents accept that accessing any type of social network page of Allianz Global Investors is done under their own responsibility and initiative and are aware that they may access specific information on the products and services of Allianz Global Investors. This communication is strictly private and confidential and may not be reproduced. This communication does not constitute a public offer of securities in Colombia pursuant to the public offer regulation set forth in Decree 2555 of 2010. This communication and the information provided herein should not be considered a solicitation or an offer by Allianz Global Investors or its affiliates to provide any financial products in Brazil, Panama, Peru, and Uruguay. In Australia, this material is presented by Allianz Global Investors Asia Pacific Limited ("AllianzGI AP") and is intended for the use of investment consultants and other institutional/professional investors only, and is not directed to the public or individual retail investors. AllianzGI AP is not licensed to provide financial services to retail clients in Australia. AllianzGI AP (Australian Registered Body Number 160 464 200) is exempt from the requirement to hold an Australian Foreign Financial Service License under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order (CO 03/1103) with respect to the provision of financial services to wholesale clients only. AllianzGI AP is licensed and regulated by Hong Kong Securities and Futures Commission under Hong Kong laws, which differ from Australian laws.

This document is being distributed by the following Allianz Global Investors companies: Allianz Global Investors U.S. LLC, an investment adviser registered with the U.S. Securities and Exchange Commission; Allianz Global Investors Distributors LLC, distributor registered with FINRA, is affiliated with Allianz Global Investors U.S. LLC; Allianz Global Investors GmbH, an investment company in Germany, authorized by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); Allianz Global Investors (Schweiz) AG; Allianz Global Investors Asia Pacific Ltd., licensed by the Hong Kong Securities and Futures Commission; Allianz Global Investors Singapore Ltd., regulated by the Monetary Authority of Singapore [Company Registration No. 199907169Z]; Allianz Global Investors Japan Co., Ltd., registered in Japan as a Financial Instruments Business Operator [Registered No. The Director of Kanto Local Finance Bureau (Financial Instruments Business Operator), No. 424, Member of Japan Investment Advisers Association and Investment Trust Association, Japan]; and Allianz Global Investors Taiwan Ltd., licensed by Financial Supervisory Commission in Taiwan.

Active is: Allianz Global Investors

Value. Shared.

Our firm

Career

What we do

Our history

Our culture

Inclusion & diversity

Corporate responsibility

Our experts

Our leadership team

Our offices

Insights

Outlook & commentary

Investment themes & strategy

Why active?

Coronavirus

Update Magazine

The Investment Intelligence

Podcast

Staying active

Capabilities

Alternatives

Equity

Fixed Income

Multi Asset

China A-shares

Research

risklab

Press centre



Allianz Global Investors is comprised of the [AllianzGI Affiliated Entities](#) worldwide. Product availability will vary by jurisdiction.