



MÄKLARSAMFUNDET ASSOCIATION OF SWEDISH REAL ESTATE AGENTS



Some facts about Sweden

Geography and sun shine

Its long coastlines and a large number of lakes and forests characterize Sweden. In terms of area it is similar to the State of California. Due to the fact that the tilt in the earth's axis and its rotation around the sun, the Polar Regions experience an extreme contrast between long summer days and equally long winter nights. Sunlight may last around the clock in the region North of the Arctic Circle, but even further south, during the summer. The nights in June have only a few hours of semi darkness.

Real estate market in Sweden

The real estate market in Sweden can be considered as very stable.

The quality of property is very high due to the climate and the laws that regulate constructors, and equally important is the fact that Swedes in general invest a lot of money in their housing. Swedish housing costs are among the highest in Europe, calculated as a share of disposable income. It is the local authorities in Sweden that are responsible for planning and providing access to housing. During the last years, the level of new housing production has been very low. There is a great need of new housing in the growth areas and especially in Stockholm. In contrast to growth areas, medium-sized and small towns often have a lot of vacant dwellings for rent and for sale, to a much lesser prize than in the growth regions. In the south of Sweden Danish and German families often purchases a summer home, a trend has escalated since the bridge between Sweden and Denmark was ready. It is also very common for Norwegian families to buy a home in Sweden especially on the boarders towards Norway.

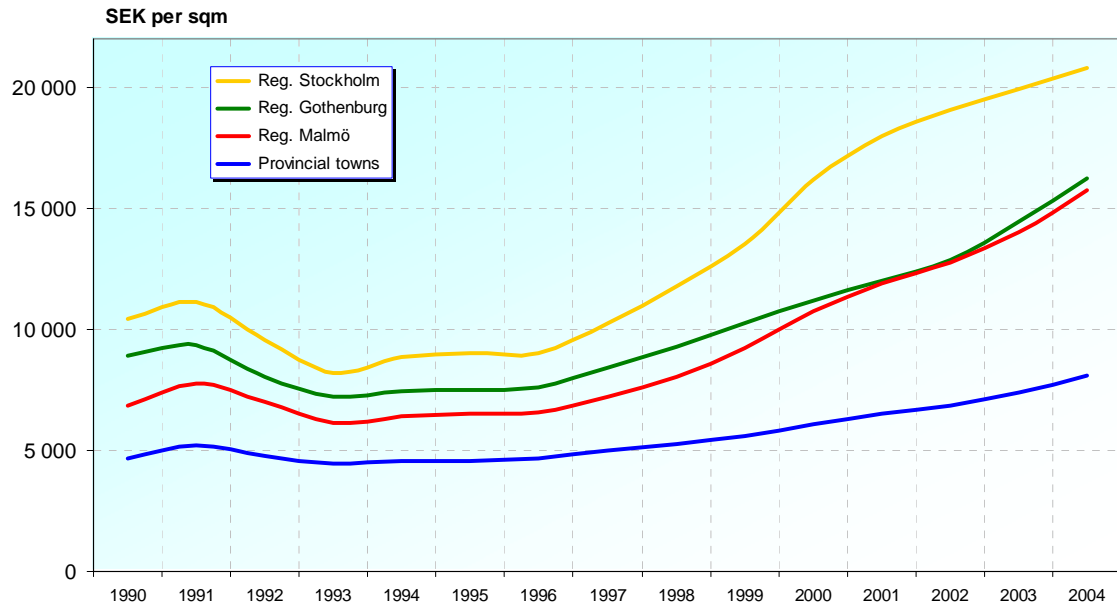
Housing

Heavy governmental subsidies have resulted in the fact that the housing stock in Sweden has been modernised. All citizens live in homes that are well equipped. There are two main issues in Swedish housing policy debate today, the construction-market and on how to bring construction costs down and the Swedish real estate tax system, the ongoing discussion is coloured by politics.

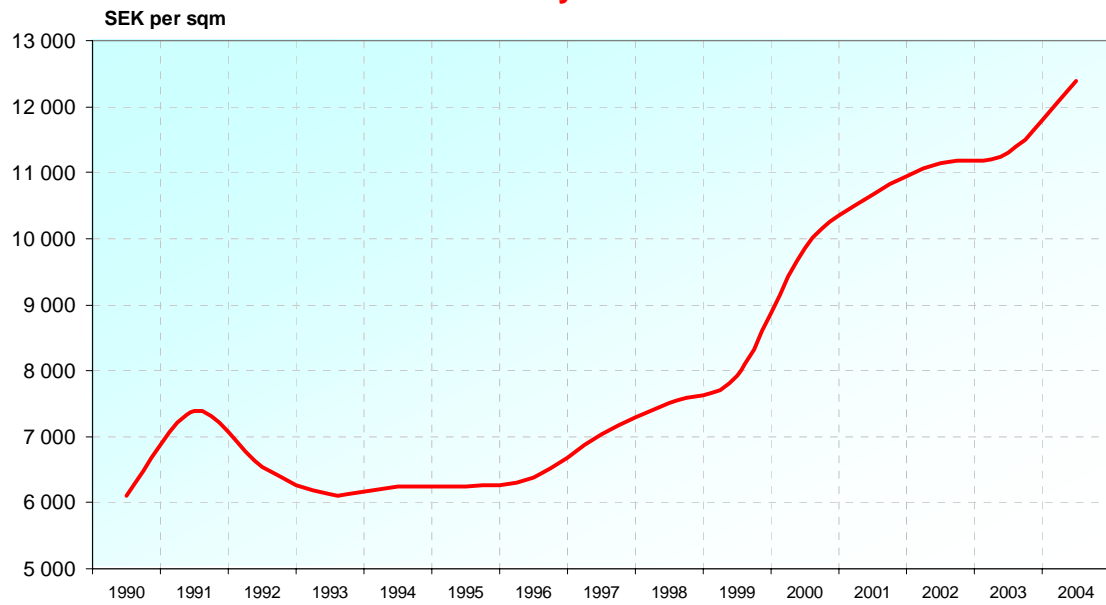
The rental sector in Sweden makes up to approximately 40 % of the total housing stock, but the number is declining due to a persistent transformation from rental to owned flats. Private companies own half of the rental sector and public housing companies own half. The public housing companies are non-profit organisations owned by local authorities. These apartments are available to everyone, irrespective of income, the size of family or other factors. Because of this system, Sweden does not have any housing reserved for specific social groups.

In recent years conditions on the housing market have changed substantially, especially for the public housing companies. All preferential special rules have been abolished and public housing companies compete on the housing market on the same terms as privately owned housing. In these circumstances, many local authorities want to sell their public housing companies on the market.

Price trend Villas

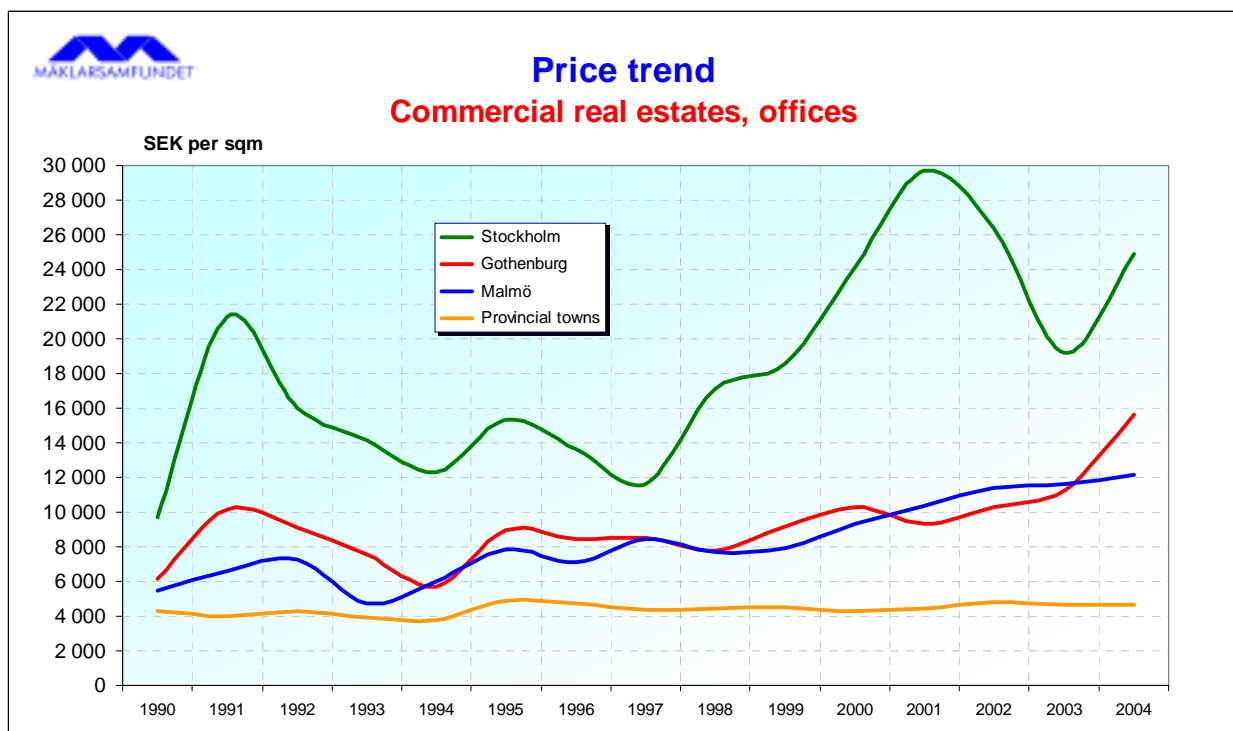
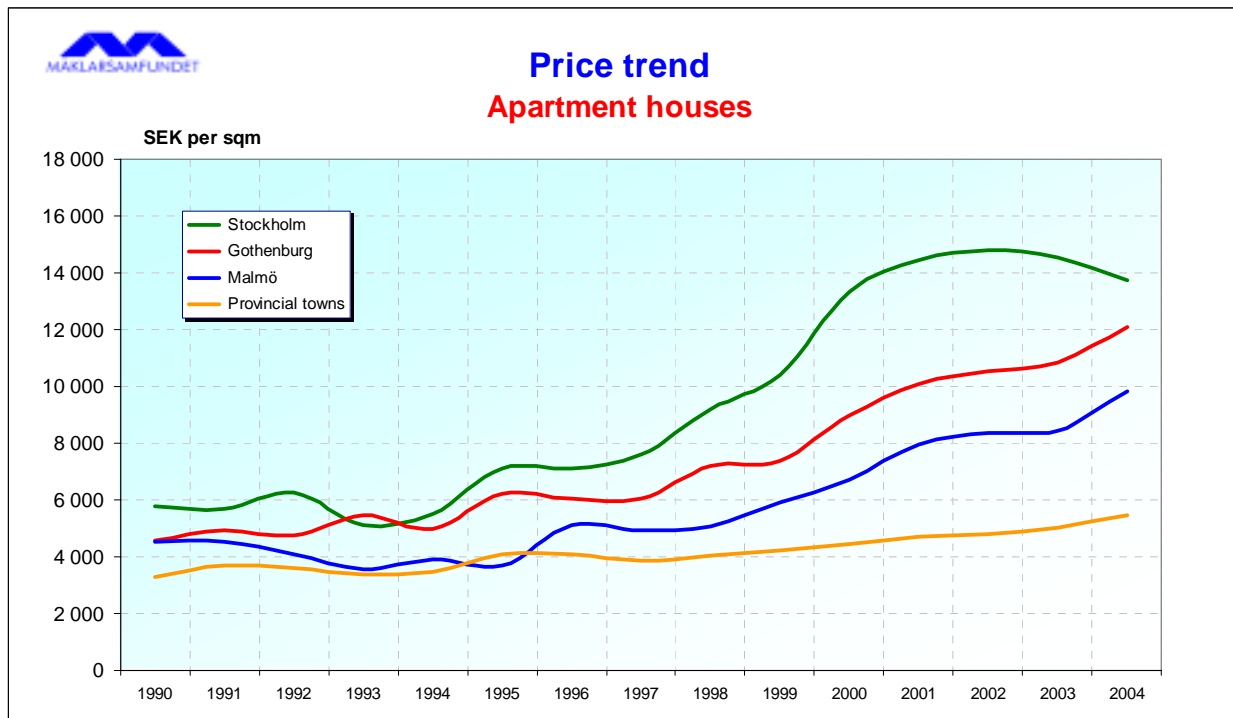


Price trend Holiday houses

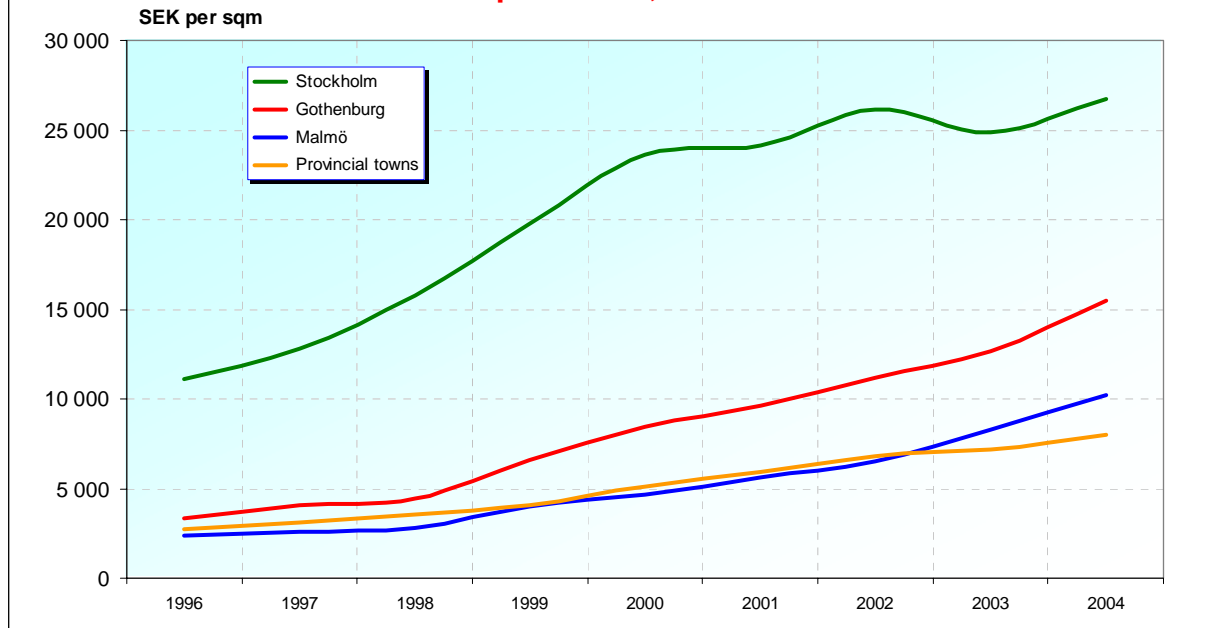


International investments in the Swedish real estate market

There has been a substantial growth of international investors on the commercial real estate market in Sweden, last year 79 % of the total investors came from abroad, a majority from Germany and USA. There is a safe liquidity in commercial real estate, the transaction costs are low and Sweden has a unique transparency on the market. It is easy to find information about the real estate of interest and in general a real estate affair involving investors from abroad is uncomplicated. Estimates say that the number of international investors will continue to grow in the future.



Price trend Apartments, owned



Population

About 80% of Sweden's inhabitants live in settlements of 500 or more people. The most densely populated areas lie in a triangle formed by the three largest cities Stockholm, Gothenburg and Malmö. The coast area towards the Baltic region, North of Stockholm is also densely populated as well as a few other towns/municipalities that offer university education. On the other hand, the interior of the northern parts in Sweden, Norrland, is very sparsely populated which causes a lot of problems.

The estate agent

The laws and regulations controlling real estate industry are quite strict; to become a licensed estate broker you need to take a University course full time over two years.

Each property transaction is unique and requires different demands on the creativity and knowledge of the estate agent. Most property transactions in Sweden do however consist of the following elements:

- Collecting data and information necessary of the object
- Calculating Capital Gain
- Ownership check up
- Object description and Preliminary estimate
- Marketing exhibition
- Negotiations and Housing Cost Estimate
- Purchase agreement and other documents
- Final agreement
- Taking possession
- Registration of title
- Filing

