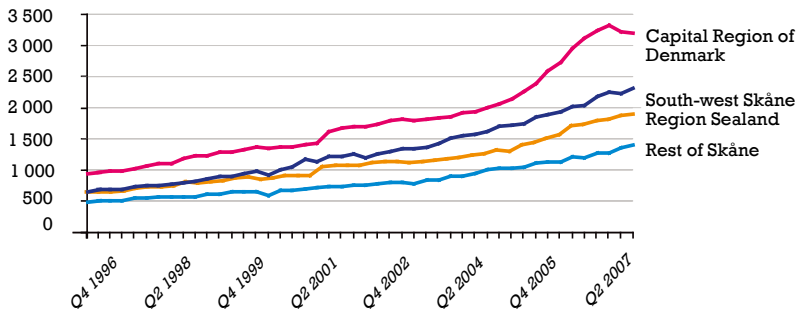


11. Housing prices

Less expensive homes, lower costs of living and better value for money regarding living standards have more than quadrupled the Danish migration flow from Öresund DK to Öresund SE since The Øresund Bridge opened in 2000. Housing prices in the Capital Region of Denmark have been higher than other parts of the Öresund region since the second half of the 1990s but since 2005 the price differences compared to other areas have increased markedly. Between the first quarter of 2005 and the fourth quarter 2006 the price for one- or two-dwelling houses increased in the Capital Region of Denmark by 48 percent on average while only by 29 percent in south-west Skåne and Region Sealand. The average price increased by 21 percent in other parts of Skåne during the same period. During the first half of 2007 housing prices began to fall in the Capital Region of Denmark but the price differences are still very large compared to other areas. The average price per square metre for a single dwelling building in the Capital Region of Denmark during the second quar-

One- or two-dwelling houses: Average square metre price by region, 1st quarter 1996 – 2nd quarter 2007 (current prices EUR per m²)



Source: Association of Danish Mortgage Banks and Värderingsdata AB

ter of 2007 was EUR 3 190, which can be compared to EUR 2 260, the average price per square metre for a detached dwelling in south-west Skåne and about EUR 1 900 in Region Sealand. When comparing average prices in Copenhagen and Frederiksberg municipalities with Malmö municipality, differences were just as great. In the second quarter of 2007, the average price for a single family house in Copenhagen and Fred-

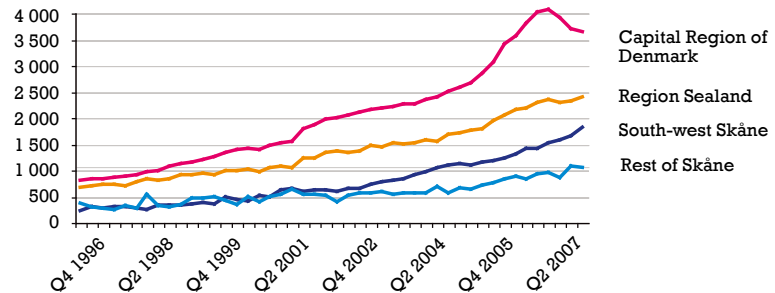
eriksberg was EUR 3 850 while the average price in Malmö was EUR 2 600. Prices for one- or two-dwelling houses in Region Sealand and areas of Skåne have not at all increased in the same way as those of in the Copenhagen-Malmö area.

Prices drop for Danish tenant owned apartments at end of 2006

The price for tenant owned apartments

started to fall during the fourth quarter of 2006 and has continued downwards since. However, the price differences between the Danish and Swedish sides of Öresund are still considerable when it comes to tenant owned apartments. In the Capital Region of Denmark, the average price per square metre for a tenant owned apartment during the second quarter of 2007 was EUR 3 660, which can be compared to EUR 1 800 per square metre, the price in south-western Skåne. The price development has not been as drastic in Region Sealand, where the prices have not followed the development in the Capital Region of Denmark but have continued to rise. The average price level is also higher in Region Sealand than in south-western Skåne. The average price per square metre was EUR 2 400 in the second quarter of 2007. Comparing average prices in Copenhagen and Frederiksberg's municipalities and Malmö municipality shows continued large differences despite the drop in prices during recent years. In the second quarter the average price in Copen-

Tenant owned apartments (Danish and Swedish): Average square metre price by region, 1st quarter 1996 – 2nd quarter 2007 (current prices EUR per m²)



Source: Association of Danish Mortgage Banks and Värderingsdata AB

hagen and Frederiksberg was EUR 3 900, while the corresponding price in Malmö was EUR 1 940. It is important to note that it is not possible to directly compare Danish tenant owned apartments (ägarlägenheter) and those in Sweden (bostadsrätter), as the Swedish "bostadsrätter" include monthly fees beyond the purchase price (for further information see www.tendensoresund.org).

Housing prices in the long term

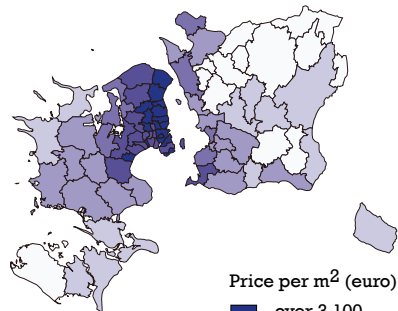
The large price ranges for housing in recent years are primarily an urban phenomenon in both Denmark and Sweden. The sharply rising housing prices in both Denmark and Sweden mostly due to the strong growth and the low interest rates that have held for several years. The large increases in housing prices has been especially sharp, especially in

the Capital Region of Denmark, and can be explained by the introduction of mortgage-free home loans in 2003, which further contributed to the increases in prices. An effect of this development is that the Capital Region of Denmark is developing into a more closed market for first time buyers and people with average incomes. This has led to more buyers opting to move to southern or western Zealand or to south-western Skåne. The price for tenant owned apartments in the Capital Region of Denmark during the second half of 2006 had fallen and prices for one- or two dwelling houses did likewise in 2007, which is an indication that the Copenhagen housing market is in the process of cooling off. At present however, it is impossible to say whether a more drastic dip in prices is to be expected or if what is happening now is simply a market adjustment to a somewhat lower price level. In Region Sealand the prices have continued to rise for both tenant owned apartments and one- or two-dwelling houses.

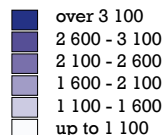
Housing prices has increased the most in Malmö

A continued rise in the economy, low interest rates and repealing of the real estate tax mean continued sharp price increases for

Average prices for one- or two-dwelling houses per m² in 2007 (EUR)



Price per m² (euro)

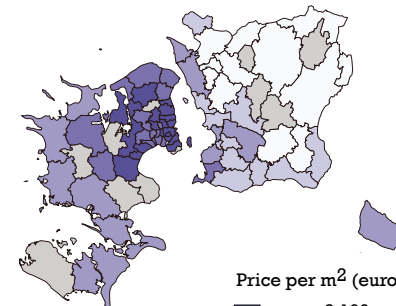


Source: Association of Danish Mortgage Banks and Värderingsdata AB
Map: Region Skåne

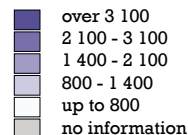
residential housing in Sweden as well as in the three greater metropolitan areas.

Average prices per square metre for detached dwellings as well as tenant owned

Average price for tenant owned apartments per m² in 2007 (EUR)



Price per m² (euro)



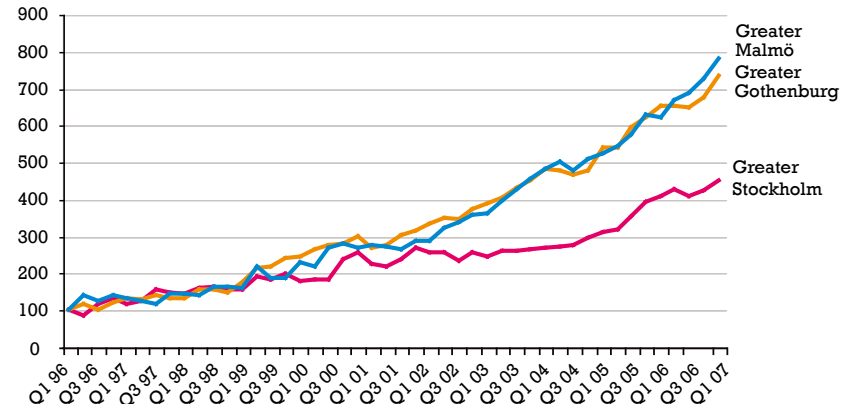
apartments are significantly lower in the Malmö area than in Sweden's two other greater metropolitan areas of Stockholm and Gothenburg. By the fourth quarter of 2006 a tenant owned apartment in the greater Stockholm area cost an average of EUR 3 180 per square metre, EUR 2 080 in the greater Gothenburg area and EUR 1 640 in the greater Malmö area. The average price for one- or two-dwelling houses in the greater Stockholm area was EUR 2 840 per square metre during the same period, but the price for one- or two-dwelling houses in the greater Gothenburg and Malmö areas was approximately EUR 2 300 per square meter. Meanwhile, the price development has been much sharper in the Malmö area than in the other two greater metropolitan areas, which probably because of intense immigration from Denmark in recent years. Between the fourth quarters of 2001 and 2006, the average price for tenant owned apartments has increased by 70 percent in the greater Stockholm area, by 115 percent in the greater Gothenburg area, and by 161

percent in the greater Malmö area. The signs that housing prices in Zealand have started to decrease could lead to housing prices on both sides of Öresund starting to even out somewhat. The price difference compared to

the greater Malmö area is in any case extensive and it will probably require a substantial price decrease in the Copenhagen area to lessen the Danish immigration to Skåne.

Tenant owned apartments: Average price per square meter in Swedish greater metropolitan areas 1st quarter 1996- 2nd quarter 2007

Index (1996 = 100)



Source: Värderingsdata AB