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Fixed-rate loans are gaining ground

Danes' have moved further towards fixed-rate loans. In all 98 municipalities, the proportion of mortgage loans with fixed rate has increased in the recent year. The movement towards fixed rate has been most significant outside the larger cities.

At the national level, the proportion of fixed-rate mortgages has increased by 1.3 percentage points and now represents 41.3 per cent of total mortgages of kr. 1,562 billion. This is the largest share since 2010.

Ishøj, Ringsted, Læsø, Sorø and Morsø are the five municipalities where the movements towards fixed

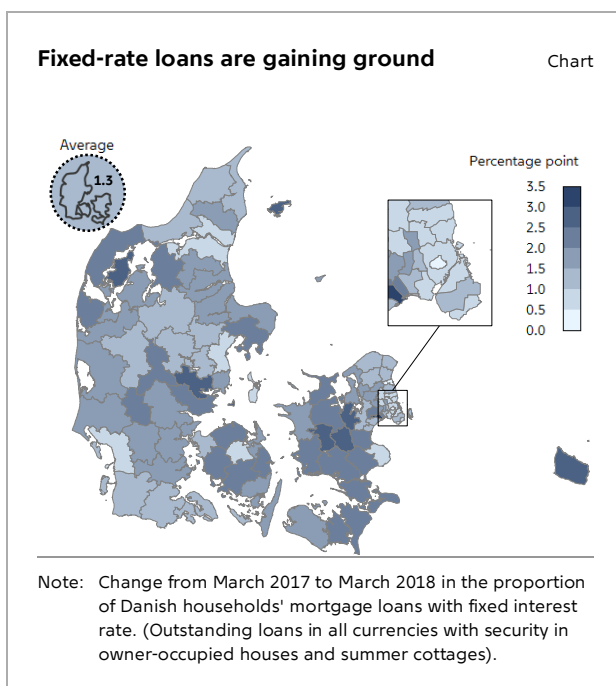
rate have been the largest in the recent year. Here, the proportion has increased by between 2.6 and 3.2 percentage points.

The smallest movements have been in the municipalities Frederiksberg, Hørsholm, Gentofte, Gladsaxe and Lyngby-Taarbæk. Here, the proportion has increased by between 0.4 and 0.6 percentage points.

There is a significant difference between the Danes' appetites for fixed-rate mortgages across the country. At the top we find e.g. the municipality of Ærø where 56 per cent of mortgages are with fixed rate, while this is only the case for 27 per cent in Hørsholm. By comparison, the proportion of fixed-rate loans is slightly less than 39 per cent in the area of Copenhagen, which accounts for almost a quarter of total mortgages in Denmark.

Although there are big differences between municipalities, the tendency towards fixed-rate loans in recent years is the same across the country. A larger proportion of mortgages with fixed rate help improve the Danes' resilience to changes in the interest rate.

Fixed-rate mortgages have become more popular as the difference in interest rates and administration fees to variable-rate loans is narrowed. This price gap is currently historically low.



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