

DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, AUGUST 2020

Fixed-rate mortgage loans now dominate

More than half of the Danish homeowners' total mortgage loans of kr. 1,712 billion is now again with a fixed interest rate, more precisely kr. 856.6 billion. The last time fixed-rate loans accounted for more than half of the loans, was in 2009. The lowest level was in 2012 with just 31.5 per cent.

Increasing fixed-rate loans over a long period

Homeowners have increased their fixed-rate mortgage loans significantly in recent years. During the last 12 months, new fixed-rate mortgage loans of kr. 134.7 billion have been disbursed.

The appetite for fixed-rate loans has increased in line with the declining interest rate, differentiated admin-

istration fees, and the narrowed gap to the variable interest rate. The fixed-rate mortgages accelerated further when a number of borrowers chose to increase their fixed-rate mortgage during the latest refinancing boom.

Over the past 12 months, instalments have been paid on fixed-rate loans for kr. 22.3 billion. This means that the mortgage debt with fixed interest rate has increased by kr. 112.4 billion. In August, 70.4 per cent of the loans with fixed interest rate are with instalments.

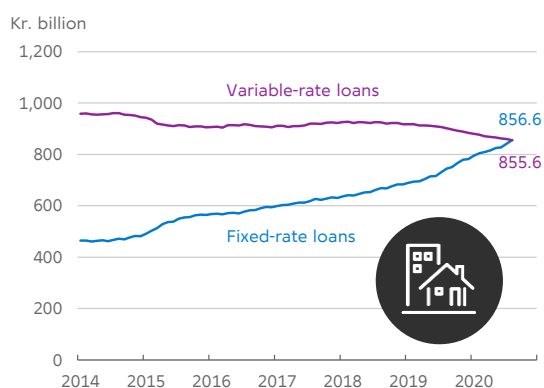
Variable interest rate loans are reduced

Mortgage debt with variable interest rates has been reduced by kr. 46.5 billion. The ordinary instalments account for kr. 17.9 billion of the reduction. The reduction of the debt with variable interest rates is broadly based across the country. Only in a few municipalities, the variable rate mortgage debt has increased. However, loans with variable interest rates continue to dominate in 34 of the Danish 98 municipalities.

Annual lending growth of 4 per cent

The Danes' total mortgage debt has grown by 4.0 per cent in the past year, and the debt has increased in 91 of 98 municipalities. The largest lending growth is in Glostrup with 7.3 per cent. Lending excl. ordinary repayments has increased in all of the country's municipalities, except Lolland, where lending has been reduced in recent years.

Fixed-rate mortgage loans now account for more than variable-rate loans



Note: Lending from mortgage credit institutions to Danish households with security in owner-occupied homes and holiday homes, nominal value.

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