

# DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, MAY 2021

## Mortgage debt in holiday homes grew during corona

In the past year<sup>1</sup>, Danes have increased their mortgage debt with collateral in holiday homes by kr. 6.9 billion to kr. 90.6 billion. This is an increase of 8.3 per cent, which is primarily driven by an increase in fixed-rate debt. In comparison, mortgage debt with collateral in owner-occupied housing has increased by 3.6 per cent the past year. Mortgage debt with collateral in holiday homes now amounts to 5.2 per cent of homeowners' total mortgage debt of kr. 1,757 billion.

The figures for the mortgage debt are in line with the high demand for holiday homes in particular and Danmarks Nationalbank's lending survey, in which the institutions report increased loan demand from

household customers in connection with the purchase of holiday homes. Holiday homes can, however, also be financed through a home equity loan in, for example, the owner-occupied home or through savings. The increase in mortgage debt secured by holiday homes therefore does not necessarily fully reflect the increased trading activity.

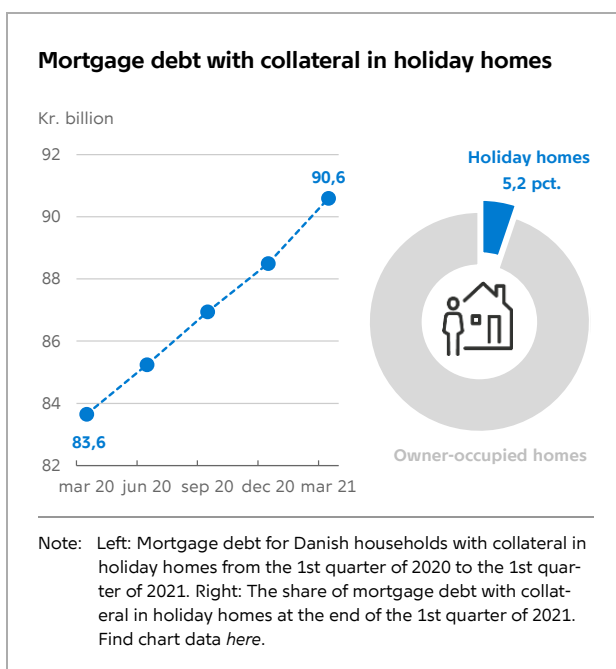
### Fixed interest rates also win over holiday homes

48.4 per cent of the mortgage debt with collateral in holiday homes carried a fixed interest rate at the end of the 1st quarter of 2021. This is a marked increase compared with just one year ago, when the share was 41.8 per cent. However, the share of fixed-rate debt remains below the level of mortgage debt with collateral in owner-occupied housing, where the share of fixed-rate debt is 53.3 per cent.

Currently, 43.1 per cent of the mortgage debt with collateral in holiday homes is with deferred amortisation. In comparison, this applies to 45.6 per cent of the debt with collateral in owner-occupied housing.

### Popular holiday municipalities make up the majority

The holiday homes which are provided as collateral for the debt are not surprisingly concentrated in popular holiday home municipalities. A total of five municipalities<sup>2</sup> account for approx. a third of the total mortgage debt with collateral in holiday homes, while just over half of the debt is distributed in 10 out of the country's 98 municipalities.



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<sup>1</sup> The period covers the end of the 1st quarter of 2020 to the end of the 1st quarter of 2021, when the latest data for mortgage debt secured by holiday homes is available.

<sup>2</sup> Gribskov, Odsherred, Varde, Syddjurs and Ringkøbing-Skjern.