

DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, NOVEMBER 2019

Fixed-rate lending growth throughout the country

In the recent year, the Danes' mortgage loans¹ have increased by 3.8 per cent. The relatively moderate growth in lending covers a large increase of 14.0 per cent in fixed-rate loans and a reduction of 3.7 per cent in variable-rate loans. Fixed-rate loans now take up 46.7 per cent of the total loans of kr. 1,667 billion.

Fixed-rate have taken over in 45 municipalities

5 years ago, fixed-rate loans accounted for more than half of total lending in none of the Danish 98 municipalities. At the beginning of the year, the number was 13. The number has since exploded, and fixed-rate loans now take up more than half in 45 municipalities. In line with the declining interest rate level and narrowed spreads to the variable interest rate, the Danes' appetite for fixed-rate loans has increased. In addition, some borrowers have

increased their fixed-rate mortgages in connection with the recent conversion wave.

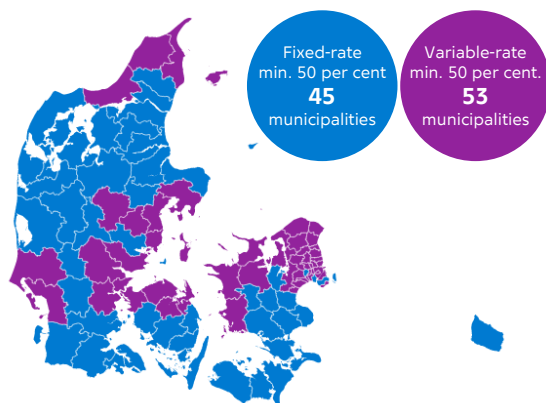
Double-digit growth rates in most of the country

The growth in fixed-rate loans is geographically broad-based and has been positive in all municipalities in the country the recent year. In 75 municipalities, fixed-rate lending growth has even been more than 10 per cent.

Variable-rate lending is dwindling

Over the past year, mortgage loans with variable rates have been reduced in 94 municipalities. In the 7 municipalities, however, there has been a positive net new lending of variable-rate loans, i.e. lending has increased when you disregard the past year's installments. In the remaining 87 municipalities, there has been a reduction in variable-rate loans, even though the installments are disregarded.

Fixed-rate now take up most in 45 municipalities



Note: Ultimo November 2019.

Decrease in variable-rate interest only loans

At the national level especially the interest-only variable-rate loans have been reduced, mainly as a result of the expiry of the interest-only period. However, variable-rate lending with installments has not increased correspondingly. The explanation is, among other things that the borrowers with variable-rate and installments have, over the past year, paid installments equivalent to almost 5 per cent of the debt. In addition, lending has been reduced through extraordinary redemptions, for example in connection with a change to a fixed-rate loan.

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¹ Loans from mortgage credit institutions with collateral in Danish households' owner-occupied and holiday homes, nominal value.