What influence the buyers’ decision-making process?
- A study on the Swedish tenant-owned apartment market

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ABSTRACT

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Title
What influence the buyers’ decision-making process? – A study on the Swedish tenant-owned apartment market

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Abstract
This thesis is concerned with the decision-making process on the tenant-owned apartment marked in Sweden. It is argued that decision-making on the market is complex and the consumer protection is in need to be strengthened. The main issues on the market is argued to be the information asymmetry and agency problems. These phenomena influence the bounded rationality in the decision-making process.

The purpose is to gain an understanding of the information asymmetry and agency problems on the tenant-owned apartment market in order to explain how it influence the decision-making process. The empirical context where this research is performed is the tenant-owned apartment market in Sweden. More specifically, the relationship between buyers and brokers are examined. The descriptive and exploratory purpose of this mixed methods research calls for abductive reasoning. The choice of performing this research through mixed methods lead to the application of triangulation which influenced the choice of data collection techniques, namely interviews and a questionnaire. The broker perspective was examined with four interviews of real-estate brokers from the Kristianstad area. The perspective of the buyers was examined through three interviews with buyers from the Kristianstad area. Additionally, the questionnaire gathered the opinions from 83 respondents.

If buyers desire to make decisions that is made under as little bounded rationality as possibly, efforts needs to be made regarding the procedures on the market. Bounded rationality occurs when buyers perceive limitations during the examination of properties which influence the decision-making process.

Lastly, this field of research was previously rather uncovered. However, this thesis contributes with an understanding of various aspects that influence the decision-making process in the field of the tenant-owned apartment market. We believe that a further understanding of the tenant-owned apartment market would facilitate attempts to strengthen the consumer protection.

Keywords: Information asymmetry, Agency theory, Decision-making, Bounded rationality, Tenant-owned apartment market, Tenant-owned cooperative
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\begin{flushright}
ROBIN OLSSON \hspace{1cm} JONATHAN SAMUELSSON
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1. INTRODUCTION

In this chapter, we introduce you to the background of our thesis, to gain a deeper understanding of our research. Secondly, we explain our problem and why it is relevant to research. We also present our purpose and research question, why we have chosen to perform this research, and some limitations of the study. The chapter ends with a disposition.

1.1. BACKGROUND

There has been a debate for a couple of years about the need to strengthen the consumer protection on the tenant-owned apartment market in Sweden (SOU, 2017). There are shocking differences on the housing market in Sweden when it comes to legislations and inspections of properties prior to transactions. On the detached house market, over 90% of the buyers choose to do an inspection before buying their home. On the other hand, on the tenant-owned apartment market only 2-3% choose to do so (Malmström, 2012). The detached house market and the tenant-owned apartment market are regulated under different legislations. However, both legislations state that the buyer has an obligation to examine the property before the transaction (Sveriges Rikes Lag, 2017). Although, consumers on the detached house market seem to be aware of the risks they are exposed to when buying a property. A praxis has been developed where the common practice is to hire professional examinations to get a statement on the condition of the property. On the other hand, on the tenant-owned apartment market, no such praxis has developed, which means consumers might not be aware of the risks they take when they buy a tenant-owned apartment.

In a Swedish governmental investigation, the main focus is on changes in the legislation in order to strengthen the consumer protection of the Swedish tenant-owned cooperative market (SOU, 2017). In this thesis, the focus is on information asymmetry and agency problems instead of legislations, which is more based in the practice and behaviour of actors on the market. Information asymmetry occur in situations in which parties in an actual or potential transaction do not have all the relevant information
needed to determine whether the terms of an agreement are acceptable (Milgrom & Robert, 1992). An agency relationship arises between two (or more) parties when one, designated as the agent, acts on the behalf for the other part, designated the principal, in a particular domain of decision-making (Ross, 1973). The information asymmetry and agency problems are studied in the context of the decision-making process when buying a tenant-owned apartment.

Several studies have examined information asymmetry between different participants on the real-estate market (Garmaise & Moskowitz, 2004; Kurlat & Stroebel, 2015; Levitt & Syverson, 2008). Given the complex nature of real-estate, the market it is likely to produce information asymmetries, which in turn cause market inefficiencies (Donner & Kopsch, 2016). Additionally, agency problems have been researched related to the real-estate market by Rutherford, Springer, and Yavas (2005) and Levitt and Syverson (2008) just to name a few. Our assumption is that reduced information asymmetry and agency problems on the tenant-owned apartment market would strengthen the consumer protection. A strengthened consumer protection would make it easier for the consumer in the decision-making process. Therefore, this paper examines the information asymmetry and agency problems which occur between brokers and the buyers in their decision-making process on the real-estate market.

1.2. PROBLEMATIZATION

In Sweden, there are gaps in the consumer protection on the real-estate market (SOU, 2017). Different types of properties are regulated by different legislations (Sveriges Rikes Lag, 2017), and thus different rights and obligations apply in a housing transaction. Since there are differences in the legislations, different common practices have been developed on the market. The market is divided between detached houses and tenant-owned cooperative apartments. The common practice on the tenant-owned apartment market is to finalize a transaction without hiring a professional examiner to evaluate the general state of the property. This often creates a difference between the information and knowledge regarding the property between the buyer, seller, broker and the tenant-owned cooperative (Eisenhardt, 1989). These issues exist because of the limited
possibility to foresee all possible scenarios and aspects during the decision-making process (Milgrom & Roberts, 1992). This is often regarded as bounded rationality in the decision-making process (Simon, 1972).

On the real-estate market, similar to several other markets, brokers are often better informed than buyers. Akerlof (1970) concludes this in a situation where sellers of used cars have access to more information than the potential buyers. In many different settings, market participants have different information regarding important characteristics of heterogeneous assets (Kurlat & Stroebel, 2015). Akerlof (1970) states that since the seller is better informed than the potential buyer, the seller is therefore more likely to benefit from the deal. Akerlof (1970) further refers to this scenario as information asymmetry between the different actors (i.e. agents and principals). Kurlat and Stroebel (2015) further argue that asymmetric information has significant implications for balanced market outcomes. There is much research on the subject (Garmaise & Moskowitz, 2004), which established a broad range of different aspects regarding information asymmetry.

The Swedish real-estate market is no exception, virtually all actors on the market have access and ability to process different information (Jessop, 2005), which causes information asymmetry between the different actors (Donner & Kopsch, 2016). To purchase a “home”, in this case a tenant-owned apartment, is one of the biggest investments ever in a person’s life, and probably the financial decision which affects a person's private economy most of all (Vitestam-Blomqvist, 2017). It is problematic that such an important decision often is made with bounded rationality, which leaves the buyer in an unpleasant situation (Vitestam-Blomqvist, 2017)

Moreover, recent research on the subject focus on the agency problems, where homeowners have less information compared to the brokers who list the property. Thus, the buyer will be the underdog in the situation of price setting strategy, negotiations and so forth (Garmaise & Moskowitz, 2004). Agency problems is known among economist as the general problem of motivating one person to act on behalf of another person (Milgrom & Roberts, 1992). Agency problems arise when two parties
have different interest and asymmetric information, with the agent having more
information than the principal. This means that the principal cannot ensure that the
agent is acting in his or her best interest. The real-estate market is widely assumed to
have asymmetric information between different actors, which in turn leads agency
problems (Rutherford et al., 2005). Agency problems on the real-estate market is a well-
research field. However, to the best of our knowledge, research on agency problems
between the broker and seller on the Swedish tenant-owned apartment market is rather
limited.

There have been several studies regarding information asymmetry on the real-estate
market. Some of the most fundamental studies are presented by Garmaise and
Moskowitz (2004), Levitt and Syverson (2008), Kurlat and Stroebel (2015) and Donner
and Kopsch (2016). However, most of the current research regarding information
asymmetry and the real-estate market focuses on either information asymmetry
between the broker and the seller, or between the buyer and seller (Donner & Kopsch,
2016).

This thesis aims to extend current research and knowledge on information asymmetry
and agency problems during the decision-making process on the tenant-owned
apartment market between buyers and brokers. We claim that if one is able to
understand the information asymmetry and agency problems, it would ease the
decision-making process on the tenant-owned apartment market. This would facilitate
the development of a strengthened consumer protection and limit the bounded
rationality that occurs in the decision-making. Additionally, most of the research on
real-estate and information asymmetry is done outside of Sweden, making empirical
results hard to generalize into the Swedish tenant-owned apartment market.
1.3. RESEARCH PURPOSE
The purpose of this thesis is to gain an understanding of the agency problems and information asymmetry on the tenant-owned apartment market in Sweden, in order to explain how it influence the decision-making process of the buyer. The tenant-owned apartment market is a market where many people make one of their biggest investments, but also expose themselves for great risks. This thesis will attempt to contribute with knowledge that is needed to strengthen the consumer protection on the real estate market.

1.4. RESEARCH QUESTION
How can we understand and explain the information asymmetry and agency problems in the decision-making process when buying tenant-owned apartments?

1.5. LIMITATIONS
One limitation with this study is that it does not involve all the parts in a tenant-owned apartment transaction. In this study, the focus is on the relationship between the buyer and the broker. Due to the time limit of this thesis, this limitation was necessary to conduct the research thoroughly.

1.6. DISPOSITION
This thesis begins with an introduction where the background and problematization of this research is described. It is followed by the purpose and the research question. After that, some limitations to the research is brought up. The second chapter is theoretical methodology. In this chapter, the research approach and the research philosophy are presented together with the choices regarding theory and some critique of the sources. The third chapter describe the tenant-owned apartments as a form of housing. Further, it describes how the market is regulated and some of the common practices. In the fourth chapter, the theoretical background is explained. It describes very important theories regarding decision-making, bounded rationality, information asymmetry and agency problems. Lastly, a synthesis is presented as a conclusion to the chapter. Chapter five describe the empirical method and we argue for the choices regarding mixed methods and the data collection techniques. We present our operationalization and the
choices of respondents were discussed. Later, the data analysis method is described, and some limitations is brought up. Chapter six cover the findings in this research. We present our data from both the interviews and the questionnaire. In chapter seven, we further analyse and discuss the data. We argue for our findings related to the existing theories. Chapter eight conclude the research with a summary of the thesis, which is followed by some practical implications that we found noteworthy. Finally, theoretical contributions, some critical review and recommendations for future research is presented.
2. THEORETICAL METHODOLOGY

In the second chapter of this thesis we introduce our research approach, the epistemological assumptions and the relevant theory used in our thesis. Arguments for why we have chosen certain theories and methods are also presented.

2.1. RESEARCH APPROACH

In this thesis abductive reasoning has been applied. Initially, an official report from the Swedish government (SOU, 2017) which sparked the idea of this thesis. Secondly, the theoretical background was examined in order to understand further what already had been researched and to confirm the gap that initially was discovered. After that, in-depth interviews were held in order to examine the most important and surprising aspects of the tenant-owned apartment market. That led us to search for more theory that could explain the findings. Those findings and the newly added theory lead to an iteration in the data collection technique, in order to examine a larger sample and to be able to confirm or deny if there was any coherence between the data. This approach to research is often referred to as abductive reasoning (Bryman & Bell, 2015; Schwartz-Shea & Yanow, 2012). Research approach can be connected to the interpretation of physical surroundings that influence the reasoning process which also is linked to the theory and empirics. According to Bryman and Bell (2015), there are three main approaches for the reasoning in modern research, namely deductive, inductive and abductive reasoning. All three approaches have the same purpose which is to make logical conclusions and build theories about the world (Bryman & Bell, 2015). In the deductive approach, theory is examined and gathered in the initial steps of the research in order to develop and test hypothesis that lead to observations and hopefully desired findings. The deductive approach has a counterpart which is called inductive approach. In research that embrace the inductive approach, empirics is gathered and explained in the primary steps of the research and is later connected to theories that already exist (Bryman & Bell, 2015).
In addition to the deductive and inductive approaches there is a third way to interpret the physical surroundings and link research to theory, which is called the abductive approach. Research with an abductive approach combine the characteristics from both deductive and inductive approaches. The essentials process of abductive reasoning is to engage theory and empirics in a back-and-forth manner (Bryman & Bell, 2015; Schwartz-Shea & Yanow, 2012). Mantere and Ketokivi (2013) explain the process of the abductive approach as a puzzle where findings might surprise the researchers, which could lead to an encounter of a phenomena which the existing theory do not cover. This will result in another piece of theory needs to be added to the puzzle in order to link the empirical findings to theory and continue the research. In this thesis, we have chosen to embrace the abductive approach in order to remain open to the possibility of being surprised by the data, rather than using it to confirm our pre-understanding of the subject (Alvesson & Kärreman, 2007).

2.2. RESEARCH PHILOSOPHY

The epistemological considerations describe the philosophical approach in this research which is concerning what knowledge that is, or should be, accepted in a specific research discipline (Bryman & Bell, 2015). There are three main epistemological positions, namely positivism, interpretivism and realism. According to Bryman and Bell (2015), positivism is an epistemological position that advocate the methods used in natural science to be applied in social studies. Another key aspect of the positivistic position is that it is committed to the view of the reality of the world that is separated from our description of it (Bryman & Bell, 2015). Moreover, the positivistic position is widely understood to have its foundation on five principals (Bryman & Bell, 2015). However, these principals will not be explained further since they have low relevance for the performance of this research.

Additionally, positivism has been used and described by many scientists that seem to have their own interpretation and attitudes towards the concept. However, this leads us to the second epistemological position, interpretivism. Interpretivism is based on the idea that there are differences between social and natural sciences and thus the research strategy is required to be adapted accordingly (Bryman & Bell 2015).
Interpretivism is often the preferred position for research approaches that aim to understand and describe the participants’ views of the world (Bryman & Bell, 2015; Leitch, Hill & Harrison 2010). This means that the research conducted from the interpretive position try to find the subjective meaning of different social actions (Bryman & Bell, 2015). Lastly, the realism position, which is sharing two main ideas with positivism. Firstly, the belief is that methods used in natural studies can, and should be, applied in social studies. Secondly, that reality is regarded as separated from the description of it. Meaning that there is an external reality to which scientists direct their attention (Bryman & Bell, 2015). Furthermore, realism can be divided into two main sections: empirical realism and critical realism.

Empirical realism is described by Bryman and Bell (2015) as an epistemological position which assumes that through the use of ‘correct’ research methods the reality can be understood and explained. However, there have been some issues and critique towards this position and the main argument against it has been that it is a form of realism which fails to recognize that there are continuing structures and reproductive mechanisms are producing several observable phenomena and events. “In other words, it is realism of the most superficial sort” (Bhaskar, 2010, p. 2).

Critical realism on the other hand, acknowledges the events and discourses of the social world. Critical realism is explained by Bhaskar (2010) as follows:

“We will only be able to understand - and so change - the social world if we identify the structures at work that generate those events and discourses. [...] These structures are not spontaneously apparent in the observable pattern of events: they can only be identified through the practical and theoretical work of the social sciences” (Bhaskar, 2010, p. 2)

The quote implies that in order to understand reality, investigation in both theoretical and practical mechanisms is required. What makes it critical, is the possibility of changing to change the status quo through research. This approach suits our research strategy and our perspective on the pre-existing knowledge. Thus, critical realism is the philosophy of our choice. Additionally, Jessop, (2005), explain that another key aspect of critical realism is to change the common practice and status quo which this thesis to
some extent have as a goal on the tenant-owned cooperative market. Which is why critical realism being the epistemological consideration that describe the philosophical approach in this research.

2.3. CHOICE OF THEORY

The theoretical foundation of this thesis is based on decision-making. However, the purpose of this research is to gain an understanding of the tenant-owned apartment market in Sweden. This research is performed in order to explain what influence the buyers decision-making process. Thus, in order to explain the issues on the market, the concept of information asymmetry and agency theory was used. Information asymmetry was developed by Akerlof (1970), since then many researchers have further elaborated on Akerlof’s theory. We found a great deal of existing research on information asymmetry which covered the real-estate market, especially between sellers and brokers as well as between sellers and buyers. However, the research in this thesis will cover a different perspective of the market, namely the relation between buyers and brokers. In order to explain the information asymmetry and why it is relevant in our research, it is important to explain the agent theory which is closely related to the concept of information asymmetry issues. Michael Jensen and William Meckling (1976) were among the first to explain agent theory and their research are therefore important in our research. However, Ross (1973), Milgrom and Roberts (1992), Nygaard and Bengtsson (2002), Anglin and Arnott (1991) and others have contributed to the development of the agency theory which we have benefitted from. Milgrom and Roberts (1992) have also contributed with one of the main sub theories regarding the decision-making process, explicitly the perspective of bounded rationality.

According to Milgrom and Roberts (1992), bounded rationality is present in many of our daily decisions. Simon (1972), highlight that compromises in the knowledge and information that is available prior to a decision happen more or less all the time. This leads to making decisions under bounded rationality. Moreover, the research field that this thesis cover is the decision-making process on the tenant-owned apartment market. The tenant-owned apartment market is very complex and contain many unforeseeable issues and aspects. To strike a deal on the housing market is often considered as one of
the most important decisions in a person’s life and may expose the buyer to many risks (Vitestam-Blomqvist, 2017). Theory regarding consumer decision-making have been subject to much scrutiny and is therefore found reliable. We chose to initially base our research on Bettman, Johnson, and Payne (1991), since their contribution to the consumer decision-making includes important aspects that are relevant for the foundation of this thesis. Bettman et al. (1991) explain factors that affect the elements of a choice and different categories of information et cetera. Further, decision-making under uncertainty which was researched by Sigel, Klauer, and Pahl-Wostl (2010) and their results have been important for our understanding of the consumer behaviour in our research.

2.4. CRITIQUE OF SOURCES

A vast majority of the sources used in this thesis are peer-reviewed scientific articles, extracted from Google Scholar and Kristianstad University’s database Summon. Additionally, academic textbooks were used as references. Many of the authors are considered as experts within their field, which strengthens the validity of our sources. Moreover, many of the articles cite older articles within the field, which are regarded as classical sources. Lastly, we assume that the information and theories presented in the theoretical background are reliable, since they have consistently been cited by many other researchers, many of them in the context of real-estate.
3. TENANT-OWNED APARTMENT AS HOUSING

The housing market in Sweden is in general an important field of research yet it is relatively uncovered in existing theory. There are vast differences in the common practice and regulations in the transaction of different types of property on the market. There are three main types of properties in the housing market in Sweden; Firstly, detached houses, secondly, rental apartments and thirdly, apartments in tenant-owned cooperatives. Tenant-owned cooperative is a form of housing that is common in Sweden, and there are approximately one million tenant-owned apartments divided into approximately 26,000 tenant-owned cooperatives (SOU, 2017) (Vitestam-Blomquist, 2017). Additionally, over 100,000 transactions of tenant-owned apartments were made in Sweden 2015 (Vitestam-Blomquist, 2017).

Detached houses are referred to as real-estate and regulated by 4 kap. 19 § “the Swedish Land Law” which states that the seller has the duty to inform- and the buyer have the duty to examine prior to the transaction of a property (Sveriges Rikes Lag, 2017). The market of detached houses is most often straightforward and the information about the prospect is easily accessed. However, the owner structure and evaluation process are more complex on the tenant-owned apartment market compared to the detached house market. Legally tenant-owned apartments are referred to as personal property and thus regulated by “The Sales of Goods Act (1990:931)” in a combination with “Tenant-owned apartment Law (1991:614)” (Sveriges Rikes Lag, 2017). These regulations only include the duty to examine the property, however though, it does not include the duty to inform. Hence, the apartment is sold “as is”, meaning that the liability of the seller is different from the market for detached houses (SOU, 2017). This limitation in liability elevates the risk for the buyer. Additionally, the brokers have several obligations to fulfil, which are regulated by “Real-estate broker Law (2011:666). An example is 18 § “Real-estate broker Law (2011:666)”, which state that the brokers have an obligation to share the latest available annual report and the by-laws to potential buyers (Sveriges Rikes Lag, 2017).
The information of the physical aspects of prospects are gathered through professional examinations to get the most trustworthy and fair examination. In the detached housing market, a naturally formed praxis has developed where professional examinations are used in up to 95% of the transactions (Malmström, 2012). This praxis facilitates the information evaluation for decision-making. However, in comparison, only 2-3% of the transactions on the tenant-owned apartment market are professionally examined (Malmström, 2012). Hence, the risk of needing to make a decision under bounded rationality is assumed to be considerably higher on the tenant-owned apartment market. The bounded rationality account for the decisions that are made where a compromise between which information that is needed, and which information that is available, to make an informed decision. Additionally, tenant-owned apartment-transactions do not only involve the apartment, but also a part of the common areas in the property and the cooperative. This can pose several risks to the potential buyer. The risks in this scenario lays in the lack of knowledge or confidence in evaluation of annual reports and physical aspects of the property. This leaves the buyer of a prospect with less information in a more complex market, and the risk of finalizing one of the most important and expensive purchase with an uninformed decision (Vitestam-Blomqvist, 2017).

When buying a tenant-owned apartment, the buyer becomes a member in a tenant-owned cooperative (Vitestam-Blomqvist, 2017). As a member of the cooperative, the buyer also takes part of future needs of renovation and is therefore highly affected by the financial state of the cooperative. The average price on a tenant-owned apartment in Sweden have increased dramatically during the last couple of years, therefore it is important that the consumer protection on the market is strong (SOU, 2017). Additionally, there are many different actors involved in a transaction of a tenant-owned apartment. The seller and the buyer are the central figures, and the seller most often contact a real-estate broker when it is time to sell the apartment. Furthermore, the banks are interested if a potential buyer can pay future interest rates on the loans, and the cooperatives are in need get monthly fees. In other words, it is a very complex market, and there is a need to protect the buyer from potential risks (SOU, 2017; Vitestam-Blomquist, 2017).
4. THEORETICAL BACKGROUND

In this chapter, we will explain the background of the theoretical aspects in our thesis. We will discuss and describe theories regarding the decision-making process and bounded rationality, as well as information asymmetry and agency problems related to the real-estate market.

4.1. DECISION-MAKING

Consumer decision-making is a process of searching, choosing and purchasing a service, product or even an apartment, that consumers go through prior to a transaction. Decisions are composed out of different alternatives, with various attributes of different importance. Additionally, there are also often uncertainties in the decision-making process (Bettman et al., 1991). Understanding the decision-making process can provide insight into how humans make decisions and how they differ from each other (Malakooti, 2012). Decisions under uncertainty happen on a day to day basis and we are forced to choose even if the information is incomplete regarding the problem or decision at hand. According to Sigel et al. (2010) the decider does typically not have all the knowledge necessary available in order to make a completely rational decision. Sigel et al. (2010) further explain that this is caused by either lack of knowledge or lack of confidence in the knowledge. In other words, this is causing decision-making under uncertainty.

In the case of lack of knowledge, which by its definition is “a state in which a person has no knowledge relating to a specific question but is nonetheless able to specify what knowledge he lacks” (Sigel et al., 2010, p. 504). Meaning that the person with the decision at hand is aware of what knowledge that is missing and from that scenario he/she is possibly making an uninformed decision. The case of lack of confidence in the knowledge is an uncertainty towards the knowledge that one person develops when reflecting on a decision. The level of confidence one person has will determine his or her decision-making process (Sigel et al., 2010). Either with high or low confidence in the knowledge the decider will probably make uninformed decisions since he or she is not
certain of the reliance of the knowledge that is considered in the decision-making process (Sigel et al., 2010).

Additionally, according to Sigel et al. (2010) decisions are most often done without complete knowledge nor complete confidence in the knowledge. Sigel et al. (2010) argue that this will affect the level of effort that is put into the decision-making process. However, sometimes limitations in our abilities for processing information does have an impact on the choice, this phenomenon is called bounded rationality (Bettman et al., 1991).

Bounded rationality means that not all contingencies are fully accounted for (Milgrom & Roberts 1992). Rationality denotes a style of behaviour that is appropriate to the achievement of given goals, within the limits imposed by given conditions and constraints (Simon, 1972). According to Milgrom, and Roberts (1992), buyers cannot solve any complex problem exactly, costlessly, and instantaneously, and they cannot communicate with one another freely and perfectly. They recognize that they cannot possibly foresee all the things that might matter for them, they understand that communication is costly and imperfect and that understandings are often flawed, and they know that they are not likely to find the mathematically best solution to difficult problems. Milgrom and Roberts (1992), continue explaining that the buyers instead are boundedly rational, and they are aware of it.

“[...], the decision maker today, in business, government, universities, has available to him/her an unprecedented, collection of models and computational tools to aid him in his decision-making processes. Whatever the compromises he must make with reality in order to comprehend and cope with it, these tools make substantially more tractable the task of matching man’s bounded capabilities with the difficulty of his problems.” (Simon, 1972)
In complicated relationships contingencies, which have not been planned for, inevitably arise and when they do, the parties must find ways to adapt (Milgrom & Roberts, 1992). The buyers can act in an intentionally rational manner, trying to do the best they can, given the limitations under which they decide. Thus, the need of information is adapted to be able to make decisions under limited knowledge with bounded rationality.

Lastly, in order to clarify decision-making, let’s say that three different people are looking to purchase a tenant-owned apartment. When the first person, to whom the property market is completely new, is not aware of different aspects of the property, common practice nor the purchase process. This will, according to Sigel et al. (2010) induce a low effort in the information search since the person does not know what or where to start searching for information. This type of person can be associated with lack of knowledge meaning that the person does not know what to look for or take in consideration prior to the decision, which possibly could result in an uninformed decision. Additionally, the person is also experiencing bounded rationality since the abilities to evaluate the attributes of the property is assumed to be limited. Information asymmetry and principal-agent problems are also factors that affects this person’s decision-making which will been explained and discussed below.

The second person however, is one who have general knowledge to some extent and experience of the market, knowing what to look for and what to examine in order to gather relevant information prior to the decision. This kind of person is the one who is the most likely to put highest level of effort into the search for information (Sigel et al., 2010).

The third person might be on the complete opposite side of the knowledge spectrum compared to the first person, having more than sufficient knowledge regarding properties and the common practice of the market. However, the level of effort regarding information is nonetheless similar to the example of the first person who have low to no knowledge about the market. The reason behind this behaviour is according to Sigel et al. (2010) that the persons that already have knowledge and have a high confidence in their knowledge often find it unnecessary to search for more information.
In regard to our thesis, this type of person can be linked to brokers which is on the opposite side of the spectrum but this time referring to the information asymmetry and the principal-agent problems that may occur.

4.2. AGENCY THEORY

The general problem of motivating one person or organization to act on behalf of another is known as the principal-agent problem (Milgrom & Robert, 1992). The most common reference to principal-agent problems includes management as the agent, and shareholders as the principals. Agency theory is one of the oldest and most common modes of social interaction (Ross, 1973). Agency theory reminds us about that much of organizational life is based on self-interest, whether we like it or not. The human assumptions of the agency theory are that individuals are self-interested, have a bounded rationality and that individuals are risk-averse (Eisenhardt, 1989). Principal-agent problems were highlighted by the economist Michael Jensen and William Meckling (1976). Since then, the agency theory has expanded into several different relationships. Principal-agent problems often arises when there is information asymmetry between two parts (Rutherford et al., 2005), making the theory relevant for the purpose of our study. You could express it as information asymmetry on the real-estate market leads to principal-agent problems as well. Agency theory focuses on the relation between two parts; the principal and the agent. The principal wants to get a mission done, and therefore hire someone to accomplish that for him/her. The person who is hired is the one that is called agent. Both the principal and the agent are assumed to be rational individuals whose action are controlled by self-interest, and the problem that arises is that the principal never can be sure that the agent always acts in the principal's interest, since both are controlled by self-interest (Krasniakova & Malmsäter, 2006). To overcome these problems, the agent and the principal constitute a contract which state what both parts expect from one another. The principal wants to get “something done”, and the agent wants to be compensated for his/her work. Additionally, the principal-agent relationship assumes to be controlled by formal contracts that both parts sign (Krasniakova & Malmsäter, 2006). In this thesis, the agency theory is used to examine the relationship between buyers and brokers on the
tenant-owned apartment market, where the buyer is considered to be the principal, and the broker is considered to be the agent.

4.2.1. **PRECONDITIONS OF THE AGENCY THEORY**

According to Nygaard and Bengtsson (2002), there are six fundamental assumptions regarding the agency-theory. Firstly, as stated above, both the principal and the agent are assumed to be utility maximization individuals, meaning that both parts try to accomplish as high utility as possible of the relation. In theory, this relationship is optimal when it is impossible for both parts to increase their own utility without reducing the other parts utility. Secondly, there is a conflict of goals between the principal and the agent. By this, the authors mean that the utility function between the two parts is not identical, meaning that the principal aims to get as much as possible done from the agent, for the smallest possible reward. Consequently, the agent demands as great reward as possible for a small endeavour.

Thirdly, the information between the principal and the agent is asymmetric. The principal is always in disadvantage, since the agent has an informational advantage, which creates information asymmetry between the two parts. The information asymmetry is often in disfavour for the principal, who cannot judge if the agents’ effort is equivalent to his/her reward. Fourthly, the agent is assumed to act in a opportunistic way, meaning that the agent have a self-interest. The principal knows that the agent might act in an opportunistic way, which forces the principal to cover himself from possible opportunism, often with a contract of some kind.

Fifthly, the agent is assumed to have bounded rationality, as stated before. The agent does not have access to all information needed to make a rational decision. Since the information never can be complete, the principals control of the agents’ behaviour becomes difficult. Lastly, the agent is assumed to be risk averse, which means that if the agent is forced to take a higher risk, he demands a greater compensation in comparison to if the agent had been neutral to risks (Nygaard & Bengtsson, 2002). Researchers such as Anglin and Arnott (1991) state that even in a world of symmetric information, where everyone is equally informed, there would still be agency problems. However, the
authors state that it is the presence of asymmetric information that often leads to the principal-agent problem (Anglin & Arnott, 1991).

4.2.2. AGENCY PROBLEMS ON THE REAL-ESTATE MARKET

There has been research regarding principal-agent problems on the real-estate market by other that Anglin and Arnott (1991). Some of the most recognizable ones are Rutherford et al. (2005) and Levitt and Syverson (2008). However, to the best of our knowledge, the research on agency problems on the Swedish real-estate market is a rather uncovered field of research.

Rutherford et al. (2005) and Levitt and Syverson (2008) examined whether real-estate agents are able to use their information advantage to sell their own property for a higher price than their client’s properties. Agents are often better informed than their clients who hire them and might therefore exploit the informational advantage in their favour (Levitt & Syverson, 2008). The empirical result of their study confirms the theoretical predictions of agency problems on the real-estate market, as they found out that agent-owned houses were sold for approximately 4-5 % more than their clients. However, Rutherford et al. (2005) results could not confirm that agent-owned houses are sold faster than a client’s house. Additionally, Levitt and Syverson (2008) had similar results in their study. Their results confirmed that real-estate agents sell their own home for about 3,7 % more than other houses, but their houses also stayed on average 9.5 days longer on the market. The authors further state that the real-estate agents have an incentive to convince their clients to sell their house too cheaply and too quickly (Levitt & Syverson, 2008). Both these studies confirm that agency problems on the real-estate market exist, and that real-estate agents serve themselves better than their clients.

Additionally, much of the previous research do not focus on the relationship between buyers and brokers, but rather between the relationship between sellers and brokers (Anglin & Arnott, 1991; Rutherford et al., 2005; Levitt & Syverson, 2008). There is a “dark spot” on the research on agency problems on the real-estate market between buyers and brokers. Therefore, this thesis aims to broaden the understanding of the agency
problems on the real-estate market narrowed down to the tenant-owned apartment market, from a buyer and broker perspective.

As stated above, the principal can never be sure that the agent acts in his best interest. Furthermore, the agency problems on the real-estate market is closely related to the information asymmetry that exist. The agent might not share all information with a potential buyer, which in turn generates information asymmetry, which will be further develop in the next section of this chapter (Anglin & Arnott, 1991).

4.3. INFORMATION ASYMMETRY

The problem that arises when one market participant is more informed than the other part was firstly illustrated by Akerlof (1970) in his paper "The Market for Lemons: Quality Uncertainty and the Market Mechanism". Akerlof’s paper are now world-famous and is considered one of the most important economic theories ever developed. His research regarding information asymmetry rendered him a Nobel prize. (Nobelprize, 2018). Akerlof (1970) uses the used car market in the U.S as an example of the problem of quality and uncertainty. The ownership of a used car is transferred from one person to another, after a period of use by the first owner. The “defective” used cars are referred to as “lemons” in Akerlof’s paper (1970).

Many important mechanical parts and several other elements in a used car are hidden and not easily available for inspection, so the buyer does not know beforehand if the car is a lemon or not. The buyers’ best guess is that the car is of average quality, and they will therefore only pay the price of a car of known average quality. This means that owners of good used cars, that are maintained carefully, never will get a high enough price to make the selling of the car valuable for the seller. Consequently, owners of “good” used cars do not place their cars on the used car market, which in turn reduces the average quality of used cars on the market. The result of this situation is a market that is characterized by asymmetric information. Akerlof also discusses other markets, which have the same kind of asymmetry problems. Examples of studies of other markets are provided by Campbell and Kamlani (1997) who tested labour markets, as well as by Finkelstein and Poterba (2002) and Chiappori and Salanie (2000) which are studies of
the insurance market. Recent research discusses information asymmetry in relation to the real-estate market (Garmaise & Moskowitz, 2004; Levitt & Syverson, 2008; Kurlat & Stroebel, 2015).

The interaction between quality goods and asymmetric information can lead to the disappearance of guarantees on the market, which leaves buyers in a situation where they are inferior to the sellers. The buyers have access to less information about the used cars than the buyers, and the risk of buying a lemon car therefore increases, which could put the buyer in financial difficulties. The buyers are in other words “forced” to do an uninformed decision, meaning that they buy the car based on a small amount of information about it. The sellers on the other hand, takes an “informed decision”; they mostly know about the potential defects of the car, but choose not to inform the buyer, in order to earn as much money as possible from the car (Akerlof, 1970). This situation on the tenant-owned apartment market is similar, where the buyers are “forced” to base a huge financial transaction on an uninformed decision. This exposes the buyers of tenant-owned apartments to a financial risk and potentially other risks that financial instability might bring. Additionally, brokers are superior to buyers, since they make informed decisions when setting the price of the apartment. However, the tenant-owned apartment market is a complex market with a lot of different actors and regulations (Vitestam-Blomquist, 2017).

Akerlof (1970) proposed strong warranties as a solution to overcome the “lemons problem”, as they can protect buyers from negative financial consequences of buying a lemon. More recently, the explosion of available information through the internet has helped to reduce the information asymmetry, even though the problem still exists in several markets. Additionally, as stated above, information asymmetry on the real-estate market is often connected to other issues such as the principal-agent problem (Anglin & Arnott, 1991). In the context of this research, the internet surely has reduced the information asymmetry on the real-estate market as a whole. However, information asymmetry problems still exist on the tenant-owned apartment market (Donner & Kopsch, 2016).
4.3.1. INFORMATION ASYMMETRY AND THE REAL-ESTATE MARKET

The consumer protection on the Swedish tenant-owned cooperative market is weak at the moment, and is in need to be strengthened (SOU, 2017). The issue has received little attention by previous research, however Donner and Kopsch (2016) slightly discusses it, even though their main objective is to analyze the effect of information asymmetry when converting from rental apartments to tenant-owned apartments.

The study conducted by Kurlat and Stroebel (2015) has been useful this thesis. For example, they managed to identify that more informed buyers manage to buy houses to a lower price. Their results suggest that there is indeed substantial information asymmetry on the real-estate market. Kurlat and Stroebel (2015) further state that the information asymmetry is not limited to differences between buyers and sellers, but rather it exists within these groups, which creates an advantage for those who are more informed compared to their peers. This is relevant for the purpose of our thesis since part of the aim is to strengthen the consumer protection on the tenant-owned apartment market. Additionally, Donner and Kopsch (2015) provide empirical evidence of information asymmetries in the market of tenant-owned apartments. Their findings suggest that informed participants on the market will take advantage of their informational advantage, when given the opportunity. Previous research on information asymmetry has helped to develop the research question and purpose for this thesis. However, it is a field of research that is rather unexplored on the Swedish tenant-owned apartment market, with the exception of Donner and Kopsch (2016). Therefore, we want to enlighten this gap and gain an understanding of the information asymmetry and agency problems between buyers and brokers on the tenant-owned apartment market.

4.4. SYNTHESIS

To sum up the theoretical background, the following theories have been found to best explain the observed issues in the specific research context. In the purpose of this thesis it is stated that the research will aim to gain an understanding and explain the information asymmetry and agency problems in different stages of the decision-making process. Firstly, to begin examining the decision-making process, the existing theory provided an understanding from which the research question and primary strategy were
developed. This resulted in the examination of what was important for the different actors in different stages of the transaction, meaning the decision-making process for the buyers, and the marketing stages for brokers.

Secondly, the examination of opinions regarding both buyers and brokers on which aspects is most important in different stages of the transaction, the research found that there are differences in what the different actors believe is important. This differences between what the buyers want and what the brokers believe the buyers want leads us to the understanding that information asymmetry exists on the market. Thirdly, since there is information asymmetry on the market, agency problems are bound to occur. Agency problems, in the context of this research, is found to be problems linked to the trust and behaviour of the broker. The broker, which is referred to as the principal, have legal responsibility to act in the best interest of both the buyer and seller. However, incentives for the broker to act in the best of their own interest exist in form of the provision-based salary systems. This is linked to that the broker might have provision-based salary systems, they usually want to increase the selling price as much as possible. Similarly, for obvious reasons, the seller wants to sell the property to the highest price possible. On the contrary, the buyer wants to make a decision to purchase a property with the aim to get as much for their money as possible. This would benefit the broker and seller economically because they have more information than the buyer. The presence of information asymmetry in the decision-making process leads the buyer to a situation where the buyer will have to make a decision under bounded rationality. In the figure below, the main theories that is related to the different stages of the tenant-owned apartment market is visualised. Decision-making is a process that covers the entire scope of this thesis. The underlying theories, information asymmetry and agency problems, explain the phenomena and the issues in the different phases of the transaction.

Conclusively, since the market of tenant-owned apartments in Sweden is subject to several of these issues makes it highly complex and additionally the consumer protection on the market is very limited. Our aspiration is to spark an interest that will
lead to more research and a further understanding of this phenomena which hopefully will strengthen the consumer protection on the tenant-owned apartment market.

Figure 1. Theoretical synthesis
5. EMPIRICAL METHOD

In this chapter we first describe the research method and strategy. Later, how data was collected and then analyzed. Lastly some critique and limitations towards the approaches is highlighted.

5.1. MIXED METHODS AS RESEARCH DESIGN AND STRATEGY

This thesis was built upon a issue on the tenant-owned apartment market and researched through mixed methods. Research that is conducted through mixed methods have the benefit of combining both quantitative and qualitative research techniques (Tashakkori & Creswell, 2007). Qualitative research often results in deep and detailed information regarding a specific problem (Bryman & Bell, 2015). Quantitative research is a good and efficient strategy when a wider and more generalizable perspective is desired (Bryman & Bell, 2015). However, qualitative research sometimes has issues regarding generalization of the result. This can be explained by the limited sample of interviewees that often is the case when, for example, interviews are the sole data collection method (Bryman & Bell, 2015). Quantitative research on the other hand have limitations such as lack of possibility for the individuals to elaborate freely on aspects of the problem that is in focus (Denscombe, 2009). Additionally, “The analysis of relationships between variables creates a static view of social life that is independent of people’s lives” (Bryman & Bell, 2015, p. 179). This means that the data will show static results that might not be displaying the true aspects of the individual’s opinion, since individuals change. Evidently, the nature of mixed methods eliminate some of the disadvantages of both strategies in their singularity, and instead complement each other to form well-grounded results. The choice of mixed method research in this study was made since the aim is to gain an understanding of the information asymmetry and agency problems during the decision-making process on the tenant-owned apartment market. This requires both detailed and broad knowledge which is the key feature of mixed methods since it best explain the nature of the problem (Bryman & Bell, 2015).
This thesis is to a high extent descriptive because the chief purpose was to gain an understanding regarding the information asymmetry and agency problems that exists on the tenant-owned apartment market (Saunders, Lewis & Thornhill, 2012). However, this thesis was also exploratory since it aimed to gain an understanding (Saunders et al., 2012) of the problem. Additionally, the time horizon for this thesis was approximately 10 weeks which gave the opportunity to conduct a cross sectional research (Saunders et al., 2012).

Additionally, this thesis benefitted from both secondary and primary data. The secondary data provided background and context for this thesis. The main source was initially an official report of the Swedish government (SOU, 2017). However, since this research has its own purpose, the value of the secondary data decreased because of the different needs and requirements in information. The primary data collection techniques were in-depth semi-structured interviews and online survey questionnaires, which enabled a triangulation of the data.

Triangulation is often used to cross-check the findings from mixed method research with both qualitative and quantitative data collection methods (Deacon, Bryman & Fenton, 1998). “Triangulation involves using more than one method or source of data in the study of social phenomena” (Bryman & Bell 2014, p. 402), and is a crucial element in mixed methods research (Fielding, 2012). Bryman and Bell (2014) further explain that triangulation increase the validity of the research which is the main reason why this thesis is based on both quantitative and qualitative data collection methods.

The qualitative data collection technique was semi-structured in-depth interviews. The quantitative data collection technique was a survey questionnaire. Semi-structured interviews are one of the most common empirical tools used in qualitative research (Bryman & Bell, 2015). It is often used in order to examine subjective opinions and understand problems through analysis of deep and rich information that is gathered (Bryman & Bell, 2015). Another advantage is that a lot of information can be collected during a cross sectional time-period (Ahrne & Svensson, 2011). One difficulty with interviews as a form of data collection is the interpretation of the gathered data. To be
able to interpret the interview data, all interviews were transcribed and analyzed with a thematic analysis (Ahrne & Svensson, 2011). The second data collection technique was as mentioned a survey questionnaire. The questionnaire was important in order to understand a wider perspective of the problem and validate the previous findings from the interviews. Saunders et al. (2012) explain that survey questionnaires are a technique that is effective and good for gathering information from a large sample which in our case made it possible to understand the tenant-owned apartment market from a broader perspective.

5.2. SEMI-STRUCTURED INTERVIEWS

Semi-structured interviews are typically used in a context where the researcher is flexible and generally more prone to be surprised by the answers and findings (Bryman & Bell, 2015). Moreover, in a semi-structured interview, the interviewer must actively listen and be ready to open up for follow-up questions (Alvehus, 2013). The semi-structured interviews allow the respondent to explain thoughts and answer when needed which gave us the possibility to develop deeper knowledge of the issues that exist (Denscombe, 2009). The abductive reasoning that is adopted in this thesis allowed us to expand and adjust the theoretical background as the data was collected. During the interviews, both researchers was present in order to be as responsive as possible and ask follow-up questions to get deeper knowledge. All interviews were held face-to-face and were audio-recorded, which enabled the researchers to transcript the interviews, that later facilitated to the analysis. The average length of each interview was approximately 30 minutes. There are both positive and negative aspects of audio-recorded interview. The positive aspects are that the interviewers ensure that everything that is said is interpreted in the right way (Alvehus, 2013). The negative aspects are that the respondent might feel uncomfortable being recorded (Alvehus, 2013). However, the researchers kindly asked all the respondents if they were allowed to record the interviews and informed them that all the material would be handled confidentially. The reason for the rather short interviews was that it would be easier to find willing participants with shorter interviews, rather than longer ones (Seymour, 1992).
Additionally, two interview guides were constructed for this thesis. Firstly, an interview guide was constructed for the interviews with brokers, see Appendix A - Interview guide for brokers. Secondly, an interview guide was constructed for the interviews with buyers of tenant-owned apartment, see Appendix B - Interview guide for buyers. The questions were very similar to each other in the two interview guides, in order to be able to compare and analyze the differences in the answers from the buyers and the brokers. The buyers were asked questions regarding different aspects of the decision-making process when buying tenant-owned apartments. The brokers were asked questions regarding how they perceive the buyers in these different stages.

The questions in the interview guide were closely developed with theoretical assumptions to easier ground the responses in relevant theory. At the beginning of the interviews, a control question was asked in order to understand how experienced the respondent were concerning the tenant-owned apartment market. Question 2, 3, 4, 6, 7, 9 and 10 were directly developed to answer questions regarding information asymmetry. Additionally, question 3, 6, 7, 8 and 9 was developed related to agency theory. Lastly, the questions, 5, 7, 10 and 11 were developed related to decision-making theory.

Additionally, the questions that were asked to the respondents were divided into three different categories. Firstly, aspects of the decision-making prior to the transaction were asked. Secondly, aspects of the decision-making during the transaction process were brought up. Lastly, aspects of the decision-making after the transaction, were discussed. Moreover, a couple general questions more directly focused on the research question of the thesis were asked. In the end of the interviews, the researchers expressed their gratitude and appreciation to the participants. Further, the participants were asked if they wanted a final version of the research e-mailed to them, so that they could examine if their answers not had been interpreted wrongly.
5.2.1. CHOICE OF INTERVIEWEES

There have been two different participant selection procedures in the qualitative research of this thesis. Firstly, buyers of tenant-owned apartments were the target in order to get an in-depth understand from the buyers’ perspective. Three buyers were interviewed, and they all had different experiences from buying tenant-owned apartments, see Table 1. The criteria the researchers had was that the buyer must have bought at least one tenant-owned apartment in Sweden. The participants, that were buyers, were selected via a convenience sampling technique. A convenience sample is one that is naturally available to the researchers by virtue of its accessibility (Bryman & Bell, 2015). Participant 1 was a first-time buyer of a tenant-owned apartment and had no experience from buying tenant-owned apartments before. Participant 2 and 3 had bought a couple of tenant-owned apartments in their life, and therefore had more experience regarding the process of buying tenant-owned apartments. Moreover, participant 1 and 2 was students attending the business administration program at Kristianstad University. Participant 3 was a middle-aged man working in the insurance sector. Secondly, brokers were interviewed in order to understand the information asymmetry from their perspective as well.

Table 1. Interview participants, buyers.

<table>
<thead>
<tr>
<th>Nr</th>
<th>Title</th>
<th>Number of bought apartments</th>
<th>City</th>
<th>Length of interview</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Buyer</td>
<td>1</td>
<td>Kristianstad</td>
<td>27 min</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>2</td>
<td>Buyer</td>
<td>2</td>
<td>Kristianstad</td>
<td>29 min</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>3</td>
<td>Buyer</td>
<td>2</td>
<td>Kristianstad</td>
<td>36 min</td>
<td>Face-to-face</td>
</tr>
</tbody>
</table>

Four different brokers were interviewed, working on two different broker agencies, see Table 2. The researchers had two criteria’s when looking for potential brokers to interview. Firstly, they had to be licensed brokers, and secondly, they should have had experience of selling tenant-owned apartments in Sweden. All the interviews started with a brief explanation on the subject of our thesis, and the respondents were also informed that they would be anonymous in the study. The brokers were selected via a snowball sampling. Snowball sampling is a sampling technique where one person refers to the next person, and so on (Denscombe, 2009) (Bryman & Bell, 2015). In the initial
stage, the researchers asked one broker if she could participate. That broker further on referred us to the next broker, and that broker to the next one, and so forth. This approach made it possible for the researchers to come in contact and interview four different brokers, as stated above. Snowball sampling is an effective sampling technique when the researchers want to build up a reasonable selection of participant, especially in smaller research projects (Denscombe, 2009).

Table 2. Interview participants, brokers.

<table>
<thead>
<tr>
<th>Nr</th>
<th>Title</th>
<th>Years active as broker</th>
<th>City</th>
<th>Length of interview</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Broker</td>
<td>15</td>
<td>Kristianstad</td>
<td>32 min</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>2</td>
<td>Broker</td>
<td>25</td>
<td>Kristianstad</td>
<td>29 min</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>3</td>
<td>Broker</td>
<td>10</td>
<td>Kristianstad</td>
<td>38 min</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>4</td>
<td>Broker</td>
<td>10</td>
<td>Kristianstad</td>
<td>28 min</td>
<td>Face-to-face</td>
</tr>
</tbody>
</table>

5.3. SURVEY QUESTIONNAIRE

The quantitative data collection was a self-completed online questionnaire. According to Saunders et al. (2012) online questionnaires are useful when trying to collect responses from groups that are otherwise difficult to access. In this case it was required to obtain opinions from a sample that was as wide as possible. This sample would with other procedures be virtually impossible to gather due to the budget and time frame at hand. The survey questionnaire was created using an online survey platform called “Google Forms”. This platform allowed the questionnaire to be easily shared via a hyperlink. “Google Forms” did additionally have the advantage of summarizing the responses to into an “Excel” file which facilitated the import to “SPSS”, where the data analysis took place.

Saunders et al. (2012) and Denscombe (2009) explain that in order to gather relevant data, the survey questions needs to be developed in close relation to the research question and purpose. In this thesis the purpose and research question of this thesis as well as the theoretical background was in focus during the development of the questions for the questionnaire.
Since the target population was tenant-owned apartment buyers in Sweden, it was assumed that the vast majority of the respondents would have Swedish as their mother-tongue. The logical language for the questionnaire would therefore be Swedish. The questionnaire can be found in Appendix C in its original form. According to Denscombe (2009), it is important to let external professionals pre-screen and test the questionnaire before it is sent to respondents. The supervisor of this thesis pre-screened the questionnaire before it was shared in order to minimize the risk for interpretation errors from the respondents.

5.3.1. OPERATIONALIZATION

The questionnaire was developed in close relation to the theoretical framework in this thesis. The questions in the questionnaire were structured so that the results would reflect different stages of the decision-making process. The different sections were divided between the different stages in the decision-making process. The first section covered the initial stage of the decision-making process, which is referred to as prior to the transaction in this thesis. The second stage was aimed at understanding the stage of the decision-making process where information is gathered and interpreted in order to make a decision which is made under as little bounded rationality as possible. The two primary stages of the transaction were covered by examining the opinions of various variables sequentially in different stages. This allowed comparisons regarding if there was any difference in the importance of certain variables during different stages of the decision-making process through paired sample T-tests. The last stage that the questionnaire covered was the stage after the transaction was finished, which aimed to further examine relevant aspects of the decision-making process. Additionally, the questions were aimed to examine different aspects related to the main theories information asymmetry and agency theory.

The questionnaire consisted of eight questions. The questions were a combination of multiple-choice questions, likert-scale questions and open-ended questions. The open-ended questions (Q7 & Q8) was developed in relation to all three main theories, information asymmetry, agency problems and decision-making. The likert scale
questions (Q4, Q5 & Q6) was developed to gain an understanding about the attitudes and opinions regarding various variables. The variables in the likert questions were developed to mirror different aspects regarding information asymmetry and agency problems. Additionally, the likert scale questions covered the attitudes and opinions on two different stages of the transaction, namely prior and during the decision-making process. The multiple-choice questions in the questionnaire (Q1, Q2 & Q3) was aimed to provide basic information regarding the respondents.

5.3.2. SAMPLE SELECTION

The population of interest for this thesis was individuals that had bought at least one tenant-owned apartment in Sweden. Since this was the only precondition for the interest of the respondents the population of the possible sample was big but also difficult to closer define. The sampling method used was snowball sampling which is a “non-probability” sampling method (Denscombe, 2009; Bryman & Bell, 2015). According to Baltar and Brunet (2012), snowball sampling can be conducted by sharing the online survey questionnaire on social networks such as Facebook and LinkedIn. The survey questionnaire was initially shared on the personal networks of the researchers and further shared by respondents to the extended network of their connections. This procedure resulted in 83 useful responses that became the base of our statistical analysis which was used to confirm and further be able to generalize the results that were found in the interviews. The sample consisted of 31 (37.4%) men, 51 (61.4%) women and one individual (1.2%) that did not want to state their gender. The age of the participants ranged from 20 to 59 years.

Initially, the aim was to conduct one online survey questionnaire to both buyers and brokers, which would give a broader perspective from both the buyers and broker side. However, due to the time-limit of this thesis, combined with difficulties finding enough brokers, the survey questionnaire was only sent out to buyers of tenant-owned apartments.
5.4. DATA ANALYSIS

The data was analyzed in two stages, since the data was collected with two different techniques. Further, the findings from the semi-structured interviews, which was the first technique, was analyzed before the survey questionnaire was created. The questionnaire could therefore be focused on validating the findings from the interview, as well as highlight other opinions (Deacon et al., 1998). The purpose of using two data collection techniques have been found to increase the validity and reliability of the research (Bryman & Bell, 2015). The method analysing more than one source of data and is referred to as triangulation (Deacon et al., 1998; Bryman & Bell, 2015; Fielding, 2012).

The interviews were transcribed and later on the content was thematically analyzed. A transcription is a written translation of an audio-recorded interview (Bryman & Bell, 2015). The audio from the interviews were recorded in order to transcribe and facilitate thorough analysis of what the respondents said (Bryman & Bell, 2015). Additionally, transcriptions eliminate the risk of interpretation errors (Ahrne & Svensson, 2011). The interviews were transcribed in Swedish since the interviews were held in Swedish, which also is the native language for the researchers and the respondents in this thesis. The transcriptions were time-consuming, but important, to be able to analyze the data in a thorough way (Rennstam & Wästerform, 2015).

The analysis was conducted through a method called thematic analysis. Thematic analysis is about understanding the underlying contents in the information that is gathered from the interviews (Rennstam & Wästerform, 2015). The analysis was made to be able to identify the main ideas that were brought up during the interviews and it facilitated the work for relating gathered data to existing theory. Denscombe (2009) highlight this as one of the main reasons to do the thematic analysis. Practically, the analysis was conducted by reading the transcriptions and theory and then highlight what was found relevant for the research question and purpose. The important data that was highlighted is presented in chapter 6 and later analyzed and discussed in chapter 7. Additionally, the survey questionnaire had two open ended questions which were
analyzed in a similar way to the interviews, which was through thematic analysis. This leads us to the questionnaire which was analyzed through statistical tests.

The survey questionnaire, which was created in order to examine and validate the findings from the interviews from a broader perspective, was statistically tested and analyzed in the statistical computer program ‘SPSS’. The primary tests were aimed to understand what information buyers desire and think are the most important. The questionnaire was designed to capture the samples’ opinions at different stages in the decision-making process. This made it possible to understand which aspects that were more important in the primary stages of the search for new housing as well as in the end of the decision-making process (Sigel et al., 2010). Since questions were asked to the respondents about their opinions in the initial stage of the search for new housing as well as during the end of the decision-making process, the analysis could be conducted through paired samples T-test (Pallant, 2013). According to Pallant (2013) paired samples t-test is a good statistical test to use to examine if there is any difference in the opinions. In this case, opinions regarding different stages during the decision-making process that the buyer go through. The paired samples T-test were tested with a significance level of 95% which can be considered as the norm for statistical tests as the ones conducted in this thesis.

The questionnaire was developed so that it would be possible to examine the importance of one variable at two different phases in the decision-making process. The first phase is the initial stage of the decision-making process, when the search for new housing and information is initiated and an interest is developed. The second phase that is examined is the last phase of the decision-making process. In our case, when the buyer considers having enough information to make an informed decision about whether or not to start the bidding process. Conclusively, through the analysis method for the qualitative data, we found out the most important opinions and the relevant aspects of the buyers and brokers on the tenant-owned apartment market. Through the analysis of the quantitative data, validation of previously analyzed data from interviews were possible.
5.5. TRUSTWORTHINESS, RELIABILITY AND VALIDITY

Validity refers to what extent the concepts that the researchers measure, or do not want to measure, are supported by the chosen measurement (Bryman & Bell 2015). According to Bryman and Bell (2015), validity can be determined in numerous ways. In this study, the validity was firstly determined by letting experts or other with knowledge within the chosen field check the measurement. The questionnaire and interview-guide were checked by our supervisor, who is to be considered as knowledgeable within the research field. However, the procedure of the questionnaires and interviews might disrupt the natural habitat of the subject and could therefore influence the answers and possibly affect the validity to some extent (Bryman & Bell, 2015; Cicourel, 1982). The interviews that was held, combined with the questionnaire that was sent out, made the results more generalizable, compare to if only one data collection source were used.

Reliability refers to the degree to which a measure of a concept is stable (Bryman & Bell, 2015). In other words, to which extent the findings will be consistent if they were repeated on another occasion, or by a different researcher. However, findings from semi-structured interviews are not necessarily intended to be repeatable, since they reflect reality at the time they were collected (Saunders et al., 2012). To strengthen the reliability of this thesis, the researchers used multiple data collection techniques and triangulated the data. A questionnaire can always be re-tested in order to strengthen the reliability, and should, if re-tested, obviously provide similar results (Bryman & Bell, 2015). However, due to limited time, no re-tests of the questionnaire will take place in this study.

5.6. TIME HORIZON

The time constraint of solely a couple of weeks and we could obtain information of how the state of the market is at one point in time. Hence, this thesis is perceived as cross-sectional research. According to Bryman and Bell (2015), cross-sectional research seldom reaches the same level of internal validity as one might find in experimental research. Since experimental research often examine problems over a longer time period which facilitate a deeper and more accurate understanding. Mixed methods research and triangulation have been used in this thesis, which is believed to increase
the reliability (Fielding, 2012). Meaning that we have attempted to compensate for the limitations that is due to the time constraints.

5.7. LIMITATIONS

There are limitations and negative aspects with most research methods and techniques (Bryman & Bell, 2015). To eliminate these negative aspects, we have used mixed methods and techniques based on triangulation. This mixed method research is based on both qualitative and quantitative methods. Denscombe (2009) discuss some limitations regarding qualitative research and mentions subjectivity, problems of generalization and issues with replication. The subjectivity that Denscombe (2009) mention means that it can contribute to subjective findings since it greatly will be influenced by the individual opinion of the interviewees that are chosen. Another limitation is the problem with generalization, since only a few interviews were held. Difficulty to replicate the research is another possible limitation. The semi-structured interviews derive from two interview guides, which include the main topics and questions. However, the interviewer was responsive and asked follow-up questions based on what the interviewee answered. Hence, there is a decreased possibility to replicate the research.

Quantitative research methods on the other hand have other limitations. The limitations of quantitative research include difficulty to obtain a representative sample, which makes it more difficult to generalize (Saunders et al., 2012). For example, our sampling method did not make it possible for people that are not users of the Internet which excluded a large part of the population. Additionally, the survey questionnaire aimed solely at buyers and thus one might argue that the gathered data is bias. However, some brokers also answered the questionnaire but there were not enough to assume any statistical difference in the answers between buyers and brokers.

The main relevant issue with mixed method research that it is difficult to determine what findings to regard as the correct, when findings from different research methods is contradictory (Onwuegbuzie & Johnson, 2006). Additionally, arguments against mixed methods is often based on “the idea that research carry epistemological commitments”
and/or “the idea that quantitative and qualitative research are separate paradigms” (Bryman & Bell, 2015, p. 642) However, since this thesis aims to best understand and explain a phenomenon, we have applied a liberal commitment to the epistemological assumptions. We have also, instead of viewing the quantitative and qualitative research methods as separate, used triangulation to eliminate as much of their limitations that might exist in their singularity as possible.

5.8. ETHICAL CONSIDERATIONS
For ethical reasons, the brokers and the agency that they work for are anonymous in study. Instead of using the brokers real name, they are referred to as “broker x” in this study. Moreover, the same argument is used considering the buyers of tenant-owned apartments. They are referred to as “buyer x”. Further, a letter regarding information of our study were conducted and sent to the buyers before the interview. This was done to give the participants some background information regarding the study. The first broker in the study was contacted by phone, and we briefly explained the purpose of our study and kindly asked if she could participate. After the interview was done, we kindly asked if the broker could refer us to another broker, which she could. This procedure later on continued with four brokers in total. All the brokers were informed that they would be anonymous in the study, to be able to get as honest answers as possible as well as to protect their integrity (Bryman & Bell, 2015). Moreover, the respondents in the online survey questionnaire are also anonymous in this study.
6. FINDINGS

In this chapter, findings from our interviews with both brokers and buyers are presented. The findings cover the primary stages as well as during and after the decision-making process. Furthermore, the findings from the questionnaire will be presented in order to lay the foundation for a broad analysis. The analysis will provide information regarding information asymmetry and agency problems on the tenant-owned apartment market.

6.1. FINDINGS FROM THE BUYER PERSPECTIVE

The buyers perspective will be presented under three different stages of the decision-making process, namely prior to, during and after the transaction. Three different buyers of tenant-owned apartments were interviewed. Topics related to the purpose of this study were discussed to gain an understanding of the information asymmetry and agency problems between buyers and brokers, see Appendix B. The buyers had different experience on the tenant-owned apartment market. Buyer 1 had experience of buying one tenant-owned apartment, while the other two buyers had bought two tenant-owned apartments. Additionally, the result from the 85 questionnaire responses will be presented. These results in some case support the findings from the interview and in some other cases indicate some ambiguity between the opinions of the respondents in the two different data collection techniques.

At the beginning of the interviews, the buyers were asked if they consider that there is information that does not reach all the parts of a tenant-owned apartment transaction. All the buyers expressed that they do believe that brokers in general intentionally hide information from potential buyers. The buyers seem to believe that brokers in general might not share their concern regarding the tenant-owned cooperatives economy, disturbing neighbours, and upcoming renovations in the cooperative.

“I am sure that the tenant-owned apartment market is filled with missing information, and that brokers intentionally choose to hide information that the buyers could react negatively on. [...] I consider it to be unethical” - Buyer 1
“I think that the brokers sometimes do not share their worries regarding the cooperatives economy with a potential buyer. [...] They just want the buyer to sign the contract” - Buyer 3

6.1.1. THE INITIAL STAGE OF THE DECISION-MAKING PROCESS

In the three interviews, as well as in the questionnaire, buyers of tenant-owned apartments answered questions about their opinion of what sparks their interest in the search for new housing. Some of the buyers in the interview express that in the initial part of the decision-making process, the most important aspects are the listing price and the monthly fee.

“The price and the monthly fee is the first things I look at when searching for apartments. [...] I do not have the financial status to look at every apartment, so the first step was to sort out what I actually could afford” - Buyer 1

“The price of the apartments is always the first priority. After that, I would say that the geographical location of the apartment is the second most important thing for me” - Buyer 2

However, results from the questionnaire indicate that other aspects than the price and monthly fee are the most important. The results from the questionnaire indicate that the geographical location, variable 3.3, and the neighbourhood, variable 3.4, are the most important aspects, see Appendix E. The importance of these variables are not equal, there is a difference between the importance of the monthly fee and the geographical location and neighbourhood. There is a significant difference between the variables, see Table 3 and Table 4. The results from the questionnaire indicate that the geographical location and neighbourhood is more important than the monthly fee in the primary stages of the decision-making process.

Further, one of the buyers in the interview also considered the geographical location as the most important aspect. Some of the other buyers also expressed that the geographical location is what might spark an interest to go to a viewing.
“The geographical location is the most important for me, always. I mean, I do not go and look for an apartment at a place where I don’t want to live. So yes, the geographical location is absolutely the first and most important thing that I look at” - Buyer 3

Table 3. Difference between geographical location and monthly fee

<table>
<thead>
<tr>
<th>Variables</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical location</td>
<td>Beginning</td>
<td>4.48</td>
<td>83</td>
<td>.001</td>
</tr>
<tr>
<td>Monthly fee</td>
<td>Beginning</td>
<td>4.07</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

Table 4. Difference between neighbourhood and monthly fee

<table>
<thead>
<tr>
<th>Variables</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighbourhood</td>
<td>Beginning</td>
<td>4.49</td>
<td>83</td>
<td>.000</td>
</tr>
<tr>
<td>Monthly fee</td>
<td>Beginning</td>
<td>4.07</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

Some of the buyers in the interviews also expressed that in many cases, the tenant-owned apartment is sold before the bidding process even begin. They also expressed that due to the short decision-making process, they barely had time to examine all important aspects of the apartment and tenant-owned cooperative, since the speed of transaction on the market is high. One buyer also said that he felt stressed to strike a deal on a very limited time and not until later be able to examine the apartment, the property in general, and the financial state of the tenant-owned cooperative.

Additionally, another surprising finding from the questionnaire were discovered. The description (variable 3.1) in the listing for tenant-owned apartments, is the least important aspect when it comes to sparking an interest in the initial phase of the transaction, see Appendix E. However, another part of the listing, the pictures, is according to the results from the questionnaire just as important as the monthly fee, see Table 5. Regarding the pictures, it is also important that they portray a true image of the listing, which buyers expressed in the next phase of the decision-making process as very important.
Table 5. Difference between pictures in the listing and monthly fee

<table>
<thead>
<tr>
<th>Variables</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pictures in the listing</td>
<td>Beginning</td>
<td>4,28</td>
<td>83</td>
<td>0,104</td>
</tr>
<tr>
<td>Monthly fee</td>
<td>Beginning</td>
<td>4,07</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95%

6.1.2. DURING THE DECISION-MAKING PROCESS

Since all interview respondents had bought one or more tenant-owned apartment in Sweden, we assumed that they were slightly familiar with the tenant-owned apartment market. The buyers were asked if they believe that the pictures in the advertisement reflect reality. All agreed on that the pictures in the advertisements for tenant-owned apartments are important. However, the buyers seem to believe that the advertisements often are distorted.

“The advertisements are often distorted, it is impossible to gain an opinion about the apartment just from the pictures” - Buyer 2

“The apartments are always better looking on pictures. Brokers are good at making the apartment looking bigger on pictures than they actually are in reality” - Buyer 3

The pictures in the advertisements seem to portray reality falsely, which often leaves the buyer disappointed when they see the apartment on the first viewing. All buyers in the interviews said that it is almost impossible to get a “feeling” of the apartment without seeing it in real life. Additionally, the pictures have a significantly lower importance in the final phase than during the initial phase of the decision-making process, see Table 6 below.
Table 6. Importance of the pictures

<table>
<thead>
<tr>
<th>Variable pair 2</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of pictures in listing</td>
<td>Beginning</td>
<td>4,28</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td></td>
<td>During</td>
<td>3,89</td>
<td>83</td>
<td>0,003</td>
</tr>
</tbody>
</table>

* sig = 95 %

However, according to the results in the questionnaire the most important aspects in the final stage of the decision-making process is still the geographical location, variable 4.3, and the neighbourhood, variable 4.4, see Appendix F. Between these variables in the final stage of the decision-making process, there is no significant difference between geographical location and the neighbourhood, as seen in Table 7. Meaning that the two variables is equally important.

Table 7. Difference between geographical location and neighbourhood

<table>
<thead>
<tr>
<th>Variables</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical location</td>
<td>During</td>
<td>4,43</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Neighbourhood</td>
<td>During</td>
<td>4,36</td>
<td>83</td>
<td>0,181</td>
</tr>
</tbody>
</table>

* sig = 95 %

Although, there is no significant difference in the importance of the geographical location in the final stage of the decision-making process compared to the initial stage, see Table 8.

Table 8. Importance of the geographical location

<table>
<thead>
<tr>
<th>Variable pair 3</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of geographical location</td>
<td>Beginning</td>
<td>4,48</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td></td>
<td>During</td>
<td>4,43</td>
<td>83</td>
<td>0,436</td>
</tr>
</tbody>
</table>

* sig = 95 %
However, the neighbourhood variable has different importance in the different stages of the decision-making. Our findings indicate that the importance in the initial stage is higher than in the final stage. The results that support this is displayed in Table 9 below.

Table 9. Importance of the neighbourhood

<table>
<thead>
<tr>
<th>Variable pair 4</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of neighbourhood</td>
<td>Beginning</td>
<td>4,49</td>
<td>83</td>
<td>0,027</td>
</tr>
<tr>
<td></td>
<td>During</td>
<td>4,36</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

Additionally, all the interviewed buyers believe that it is important to examine the annual reports of tenant-owned cooperatives in order to thoroughly evaluate the potential tenant-owned apartment. The importance of the annual report of the tenant-owned cooperative is significantly more important in the final stages of the decision-making process, see Table 10.

Table 10. Importance of the financial state of the cooperative

<table>
<thead>
<tr>
<th>Variables pair 9</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of the financial state of the cooperative</td>
<td>Beginning</td>
<td>3,89</td>
<td>83</td>
<td>0,003</td>
</tr>
<tr>
<td></td>
<td>During</td>
<td>4,10</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

The financial state can be linked to the risk for an increase in the monthly fee, if the property is in need for renovations. All the interviewed buyers said that they believe it is important to examine the general state of the property. Table 11 below indicate that the financial state and the condition of the property in general are of the same importance in the final phase of the decision-making process.
Table 1. Difference between financial state and the condition of the property

<table>
<thead>
<tr>
<th>Variables</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial state of the cooperative</td>
<td>During</td>
<td>4,10</td>
<td>83</td>
<td>.695</td>
</tr>
<tr>
<td>Condition of the property in general</td>
<td>During</td>
<td>4,14</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

Previous and upcoming renovations seem to be the most important thing to examine. A tenant-owned cooperative with much future renovations planned often comes with a higher monthly fee, which seemed to concern the buyers quite a lot. The condition of the property in general is according to the results in the questionnaire significantly more important in the final stages of the decision-making process than in the initial phase which is shown in Table 12 below.

Table 12. Importance of the condition of the property

<table>
<thead>
<tr>
<th>Variable pair 8</th>
<th>Stage in decision making</th>
<th>Mean</th>
<th>N</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of the condition of the property in general</td>
<td>Beginning</td>
<td>3,87</td>
<td>83</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>During</td>
<td>4,14</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

* sig = 95 %

Additionally, some of the interviewed buyers describe that they had to gather a lot of information regarding both the apartment and the cooperative as a whole by themselves. One of the buyers explained that he often calls the chairman of the tenant-owned cooperative in order to get as much information as possible regarding the property. Some of the buyers gathered information by themselves since they did not get the information that they wanted or needed from the broker. Others wanted to gather more information by themselves, but due to the speed of transaction, they did not have time to do it prior to buying the apartment.
“You don’t have time to search for information on your own, you are afraid that someone else will buy the apartment. Therefore, you buy the apartment with very limited information regarding both the apartment and the property as a whole” - Buyer 3

The buyers further expressed that trust issues are another factor that affects the decision-making process. They felt a need to gather information by themselves, mainly because they had problems trusting the broker.

“I search for a lot of information. I know that the broker has a self-interest, so I like to achieve information on my own” - Buyer 2

6.1.3. AFTER THE DECISION-MAKING PROCESS

During the interviews, the buyers expressed their opinions regarding the brokers’ behaviour and their actions after the transaction was completed. Some of the buyers found that the information from the brokers were limited. However, another opinion is that the information which was received from the broker was sufficient enough to make a qualified decision. Past renovation, needs for future renovations, other planned projects and funds designated for these projects are among the limitations in the communicated information. When the buyers were asked if they believed that the information they got from the brokers was sufficient enough to take an informed decision regarding the apartment, the opinions differed. One of the buyers were satisfied with the information from the broker.

“I got all the information I needed, such as an annual report, a description of the apartment, and so forth. I think the broker did a good job” - Buyer 1

However, others expressed that they were very unsatisfied with the information that they got from the brokers.

“I would like to say that the information that I received from the broker was very limited. I would like to achieve information regarding the state of the property, previous and upcoming renovations. [...] More information regarding the cooperative as a whole would really make it easier for me to take an informed decision regarding the apartment” - Buyer 3
“No, I didn’t even get the annual report or the by-laws, which was really strange. But still, if the broker said to me “this cooperative has great economy” I would not believe him, since I know he has his own self-interest and just want to sell the apartment” - Buyer 2

The quote above from an interview is also supported by the open-ended questions in the questionnaire. The respondents of the questionnaire were asked if there was anything that the broker could have done differently in order to facilitate the decision-making process. The most notable responses are presented in Table 13 below.

Table 13. Summary of notable quotes gathered from Q7 in the questionnaire

<table>
<thead>
<tr>
<th>Quote:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I did not get any annual report”</td>
</tr>
<tr>
<td>“The broker lied about things, he promised things that he could not deliver. Ugly salestrick”</td>
</tr>
<tr>
<td>“To explain the finance of the tenant owned cooperative”</td>
</tr>
<tr>
<td>“I would appreciate if the broker had informed me regarding important and relevant aspects since I was a first-time buyer”</td>
</tr>
</tbody>
</table>

Additionally, the respondents in the questionnaire were asked which information that they gathered by themselves. A vast majority pointed out that they had to gather and interpret information regarding the cooperatives economy by themselves, mostly the annual report. Further, many buyers also explained that they had to gather information regarding the neighbourhood by themselves as well. Table 14 below shows the most notable responses regarding this matter.

Table 14. Summary of notable quotes gathered from Q8 in the questionnaire

<table>
<thead>
<tr>
<th>Quote:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I had to analyze the cooperatives economy by myself”</td>
</tr>
<tr>
<td>“The financial annual report”</td>
</tr>
<tr>
<td>“The condition of the property as a whole, and which renovations that had been done”</td>
</tr>
<tr>
<td>“Checked the loans of the tenant-owned cooperative and the distance to the city centre”</td>
</tr>
<tr>
<td>“I went to the viewing, checked the neighbourhood and prices on other listings in the surrounding area”</td>
</tr>
</tbody>
</table>
6.2. FINDINGS FROM THE BROKER PERSPECTIVE

In this subsection, the brokers perspective will be presented under three different stages of the decision-making process. Four brokers that sell tenant-owned apartments were interviewed. The brokers had worked between 10 to 25 years within their profession and were selected from two broker agencies in Kristianstad. The questions asked to the brokers were similar to the ones that were asked to the buyers, with a few minor exceptions. Just as with the buyers, the brokers were asked if they consider that there is information that does not reach all the parts of a tenant-owned apartment transaction. The brokers had different opinions regarding this matter. Some of the brokers expressed that there definitely is information that they intentionally do not share with the buyers.

“Yes, I am sure there is [...] From my experience, the annual report is sometimes hard to find, which is something that might not reach the buyers at all times.” - Broker 4

“The only thing I can think of is the annual report [...] The tenant-owned cooperatives need to be better to hand out this information to me as a broker.” - Broker 1

Others expressed that there indeed is missing information between different parts of the transaction, but rather between the tenant-owned cooperative and the broker, and not between the broker and the buyer.

“I often get the feeling that the tenant-owned cooperative is very unhelpful. They just refer me to the seller most of the times if I have any questions, but I ask myself: why do not the cooperative want to help? It feels like the cooperative thinks that I only earn money on their apartments, but that is not the case - it is good for the cooperative as well if I manage to sell an apartment to the highest price possible” - Broker 3

“I'm sure there is. Not between the buyers and brokers, but between the cooperative and us brokers” - Broker 2
6.2.1. THE INITIAL STAGE OF THE DECISION-MAKING PROCESS

In the beginning of the interviews with the brokers, questions regarding how they attract buyers to buy tenant-owned apartments were asked, see Appendix A. The brokers all to some extent expressed that it is important for them to prepare well-written advertisements, with a lot of pictures. The advertisements are mostly posted on several social-media platforms and advertisement websites for housing. The brokers said that more “classical” advertisements such as newspaper are becoming less important. Some of the brokers did not even use advertisements in newspaper anymore, since they felt it was expensive compared to advertisement on social media platforms such as Facebook. Additionally, the brokers informed us that it is important to have many as many potential buyers as possible on the viewings of tenant-owned apartments, since it often lead to a higher price of the apartment.

“Our goal is to get as high price as possible for every apartment, not as many potential buyers as possible... I still try to get as many people as possible to the viewings of apartments, since people become stressed when they see other potential buyers at the viewing... which often raises the price a bit” - Broker 2

When the brokers were asked which aspects that is the most important ones when writing a housing advertisement, the results varied a lot. Some of the brokers state that the pictures of the object are the most important part of the advertisement, and that everything else is secondarily. However, some brokers said that the most important aspect is to be very clear about where the apartment is located. Others seem to believe that the price and the monthly fee is the most important aspects of the advertisements. However, all brokers clearly stated that the monthly fee is an important aspect, but some did not hold it as the most important aspect to get buyers interested of the listed apartment.

6.2.2. DURING THE DECISION-MAKING PROCESS

All the brokers said that the geographical location is important for the value of the tenant-owned apartment. One of the brokers further expressed that newly renovated bathrooms always is appreciated by the buyers, and that newly renovated apartments in general are more attractive for buyers than older ones. Another one said that the
buyers often want to examine the tenant-owned cooperatives annual report, while others said that buyers have no interest at all in the annual report. Additionally, all the brokers expressed that buyers often are worried regarding upcoming renovations for the cooperative that might affect the monthly fee for the apartment. Several of the brokers stated that buyers do not have any knowledge, or are not interested in, the financial state of the tenant-owned cooperative. However, the brokers still considered the financial state of the cooperative as important to be able to estimate the value of the tenant-owned apartment.

“Buyers do not really care about the financial aspect nowadays, like they did back in the 90’s. Buyers should be more aware of the financial aspects in the cooperative, especially in young tenant-owned cooperatives” - Broker 2

“It happens that a potential buyer asks for the annual report, but, it is uncommon. I think that the annual report is too complicated for the average buyer to understand, they leave the financial part to the bank” - Broker 4

When the brokers were asked if there is any information that they prefer not to share with potential buyers, neighbours were the most discussed topic. The tenant-owned cooperative’s financial state and the general state of the property was also discussed. Additionally, another broker claimed that he never thinks in those terms, and always act honest towards a potential buyer.

“Sometimes you hear that there is living an angry old lady in the cooperative, but that might be something that you do not share to potential buyers” - Broker 4

“No, not directly. Maybe if I have heard that the neighbours are annoying, that might be something that I do not share with people on the viewings” – Broker 1

“I have never tried to conceal anything [...] Those things always catch up to you anyway, that is not a situation that you want end up in” - Broker 2
Accordingly, it seems like external factors such as disturbing neighbours might be what a potential buyer reacts mostly negatively on, according to the brokers. In other words, it is similar to the factors that the brokers prefer not to share with the potential buyers.

6.2.3. AFTER THE DECISION-MAKING PROCESS

The brokers were asked to express if buyers usually contact them after they already have bought the apartment. The brokers admitted that this happens rather often.

“If any problems pop up, they contact me [...] Usually they contact me if something is broken in the apartment, but I most often refer them to the seller in situations like this” - Broker 4

“I mostly refer them to contact the seller, since it is often outside of my legal obligation” - Broker 3

A natural question to raise afterwards was if the brokers themselves contact the buyer after the transaction is made. On this matter, the answers varied quite a lot from broker to broker.

“We have questionnaires sent out automatically, where they evaluate me as a broker. But no, I do not personally contact the buyer, but I think it could be good for future relationships with the buyer” - Broker 2

“No, not really. If the buyer has any questions they usually call me, I do not contact them first” - Broker 1

It seems like the brokers obligation ends when the buyers sign the contract. When the contract is signed, the brokers work is finished. Most of the complications after the contract signing is between the buyers and sellers, according to the brokers. Therefore, no other relevant findings could be identified in this part of the decision-making process.
7. ANALYSIS AND DISCUSSION

In this chapter the findings are analyzed and related to existing theory in an attempt to explain and understand the decision-making process on the tenant-owned apartment market in Sweden. Lastly, a discussion is presented.

7.1. ANALYSIS

To begin with, both agency problems and information asymmetry have been identified throughout all the three steps in the decision-making process on the tenant-owned apartment market. Firstly, an important finding that can influence the buyers in the decision-making process is the short time that the apartments are out on the market before they are sold, which is also known as the speed of transaction. Our findings indicate that the speed of transaction decrease the possibility to gather sufficient information in order to interpret and evaluate the listing. This can result in that the buyers need to make decisions under bounded rationality. Bounded rationality is explained as limitations in the information regarding the possible outcomes of a decision (Milgrom & Roberts, 1992).

In this case, which is decision-making on the tenant-owned apartment market, it is more or less impossible to gather enough information to account for all possible issues that might occur. No matter how much time one might have to make a decision, there will still be difficulties to make decisions without bounded rationality. However, the respondents said that because of the high speed of transaction, they did not even have time to properly evaluate the aspects that they find the most important before they had to strike a deal. The speed of transaction on the Swedish tenant-owned apartment market is problematic since more informed buyers manage to buy apartments to a lower price (Kurlat & Strobel, 2015). This leads us to the stage in the decision-making process where information needs to be gathered and interpreted in order to make a decision that is as informed as possible, meaning under as little bounded rationality as possible.
Secondly, our findings indicate that the financial state of the cooperative and the general state of the property can be regarded as two of the most important aspects to be able to evaluate the property. Our findings also indicate that it is difficult to interpret and evaluate those aspects since the information is not always available to the broker or the buyer. Additionally, the average citizen might not have the ability to interpret the important aspects and understand if the information is good or bad regarding both the physical state of the property as well as the financial state. Brokers have an obligation to share the annual financial report of the tenant-owned cooperative and the by-laws (Sveriges Rikes Lag, 2017). However, our findings indicate that buyers feel that brokers are not sharing enough information to make an informed decision. This can be explained with the information asymmetry that exists on the market. Several other studies have concluded that the real-estate market is filled with information asymmetry (Kurlat & Stroebel, 2015; Donner & Kopsch, 2016; Garmaise & Moskowitz, 2002). Information asymmetry in this case is referred to the asymmetry in what information the buyers want, and the brokers think the buyers want. The buyers view certain aspects as the most important ones, and the broker on the other hand have another perspective of what is most important to share. The brokers share the information that they think will spark an interest in as many potential buyers as possible. Thus, this information is not always in line with what information the buyers want. Our findings indicate that there are differences in what the broker believe is the most important to write in a housing advertisement, compared to the buyers. Some of the brokers state that the pictures are the most important aspect in the housing advertisement. However, the buyers believe that the pictures often are distorted, and portrait the apartments falsely. Additionally, some of the brokers stated that the geographical location and the monthly fee is the most important aspect. This is coherent with the buyers’ perception of the most important aspects in the initial stage of the decision-making process.

Results from interviews with brokers indicate that some believe that buyers are not as interested in the financial reports today as they were in the 90s. However, one broker assumed that this could be explained by the interest rates, which are significantly lower these days compared to a couple of decades ago. This could influence the monthly fee
a lot more because a combination of high loans on the property and higher interest rates could potentially result in sudden changes in the monthly fee.

However, the findings in this research indicate that there might be other underlying factors that are influencing this matter. The findings show that it is common among buyers to gather and attempt to interpret the financial report by themselves. Since the beginning of the technology era, financial reports are to some extent made generally more easily available to the buyers. Hence, the buyers are more prone to bypass the brokers and gather information and financial reports by themselves. Buyers gather a lot of information on their own. The underlying reasons are the broker does not provide sufficient information, or that the buyer simply does not trust the broker. Through this example we can understand that there is a difference in what the buyers want and what the brokers provide, and a lack of trust in the broker and the information that is shared. This leads us to the agency problems on the market.

Thirdly, the findings indicate that brokers intentionally leave out information that the buyers consider as important. One example that we have found evidence for is that the brokers sometimes intentionally do not inform potential buyers about disturbing aspects of the tenant-owned cooperative, such as annoying neighbours. Another example is regarding the general state of the property. This can be explained by that the broker have incentives to sell the apartment to a high price as possible, which goes in line with the agency theory (Nygaard & Bengtsson, 2002). Why buyers feel that the broker is not providing sufficient information could be explained by that the broker simply withhold information from the buyer which is creating agency problems. This is coherent with Donner and Kopsch (2016) findings that participants which is more informed exploit their informational advantage. In our case, the buyer will suffer in the form of needing to make a decision under bounded rationality. The broker can withhold information, either for self-gain or other incentives, such as provisional based salary systems (Levitt & Syverson, 2008). The findings indicate that there are several other agency problems on the tenant-owned apartment market. One example is that buyers seem to have a hard time trusting the brokers. Buyers are aware that brokers work under a provisional based salary system, thus, this affect the relationship between
buyers and brokers. This leads to a situation where the buyer gather and interpret information by themselves.

Lastly, the findings indicate that there is information asymmetry between actors that are not covered in this research. There seems to be a lot of information asymmetry between brokers and the tenant-owned cooperative, which is problematic, since this information asymmetry then influence the relationship between brokers and buyers. Findings from the interviews indicate that the brokers believe that it is hard to find the annual reports of the tenant-owned cooperatives from time to time. Additionally, our findings indicate that the broker do not share the annual report at all times. This is indeed problematic, since the brokers have an obligation to hand out the latest annual report to potential buyers, which is regulated in 18 § “Real-estate broker law (2011:666)” (Sveriges Rikes Lag, 2017).

7.2. DISCUSSION

Generally, on the tenant-owned apartment market, you as a seller probably want to sell your apartment as fast as possible, to the highest price possible. On the other hand, as a buyer, you want as much time as possible to thoroughly evaluate the apartment and make a decision with as little bounded rationality as possible. According to § 8 “Real-estate broker Law (2011:666)”, it is stated that the broker is supposed to fulfil both the sellers and the buyers interest (Sveriges Rikes Lag, 2017). This means that the broker needs to compromise between the interest of the buyer and seller, since it is almost impossible for the broker to completely fulfil what both the seller and the buyers want. However, since many brokers work under provisional based salary systems, they often have incentives to act in their own interest. This interest is often coherent with the interest of the seller. Since both the seller and broker would gain on selling the property as fast as possible to the highest price possible, problems will arise.

These problems can be linked to the decision-making process and the aspects that is regarded as the most important in order to evaluate the apartment. The bounded rationality, which according to Milgrom and Roberts (1992), can be explained as the buyer not having complete information regarding important aspects of a transaction.
The lack of possibility to evaluate the apartment can occur because of information asymmetry and agency problems on the market. Information asymmetry influence the decision-making because brokers and buyers have different opinions regarding which aspects that are most important to properly evaluate a tenant-owned apartment. This can be explained by that brokers are more informed about the market than the buyers, and therefore they sometimes only share information that is positive, even though some negative aspects may exist. This results in buyers needing to make decisions under bounded rationality. Our empirical findings support that the brokers sometimes leave out information that the buyers consider as important. Additionally, our findings showed that the buyers find it important to be informed about disturbing neighbours. Consequently, the decision-making process that the buyer goes through will be influenced by agency problems and information asymmetry and thus the decision will be made under bounded rationality.

Another explanation that is supported in our findings is that bounded rationality can be connected to the speed of the transaction. This means that the time that an apartment is listed and marketed influence the possibility to properly evaluate a tenant owned apartment and the cooperative. On the tenant owned apartment market the speed of transaction can be very high. Some apartments are listed, “examined” and sold within a matter of days. The short marketing time create stress for buyers that look for or need new housing. Thus, decisions are forced to be made regarding the transaction in a limited time. The consequences of the high speed of transaction create bounded rationality and influence the decision-making process.

Agency problems arise when there are conflicting interests between a principal and an agent. (Rutherford et al., 2005; Milgrom & Robert, 1992). The principal in this case is the buyer, which as stated above, most often wants to buy an apartment to the best price possible with as much information as possible. The agent is most often, and in our case as well, referred to as the broker which have incentives to sell at the highest price possible and as fast as possible. These conflicting interests will create problems that derive from information asymmetry and will influence the decision-making in the same way as information asymmetry does. Several agency problem on the tenant owned
apartment market have been found in our research. One example is that the trustworthiness of the broker is sometimes low since buyers not always receive the information that is desired and needed to make decisions under as much rationality as possible. This can be explained in relation to agency theory according to Nygaard and Bengtsson (2002), as well as our findings to occur because of the contradicting interests between the participants.
8. CONCLUSION

In this chapter we conclude this research. A summary of the thesis is presented with the knowledge that was gained, the methods that was applied and the techniques that was used. Some of main findings are also presented, as well as practical implications and theoretical contributions. The chapter ends with a critical review and suggestions for future research.

8.1. SUMMARY OF THESIS

This thesis investigated the decision-making process with the purpose to gain an understanding of the agency problems and the information asymmetry. Consequently, we highlight essential aspects that influence buyers in their decision-making regarding one of the most expensive transactions many buyers make in their lifetime. The context of this research was the tenant-owned apartment market in Sweden which cover approximately 100,000 transactions each year. This context was researched through mixed methods. The qualitative technique, semi structured interviews, resulted in-depth information and knowledge regarding opinions on different aspects from the perspective of both buyers and brokers on the tenant-owned apartment market. Through this research technique we were able to understand foundational aspects regarding the decision-making process and the most important problems that may arise. In this part of the research we found that agency theory and information asymmetry on the market influence the decision-making process. To gain more knowledge regarding the issues, and the abductive approach which was applied, we conducted further research through a quantitative technique. An online survey questionnaire was developed, and the questions were based on the findings from the semi-structured interviews. The purpose of using mixed methods, and thereby using both qualitative and quantitative data collection techniques, the findings resulted in both a detailed as well as a broad perspective on the issues. Both data collection techniques aimed to gain an understanding of the information asymmetry and agency problems in different stages of the decision-making process of a tenant-owned apartment transaction. Mixed methods were used, and we were able to draw conclusions that are based on
information from techniques which was chosen to triangulate the issues to best describe the problem.

Triangulation is regarded as an effective approach to increase reliability. The problems on the market could be explained and understood with three well researched theories. Firstly, the decision-making theory could explain that there are different stages in the process of deciding. The decision-making process is a complex process that humans go through in more or less every decision that is ever made. However, decisions on the tenant-owned apartment market is covering endless information, possible outcomes and future problems. Hence, the decision-making process on the tenant-owned apartment market is even more complex since it covers a grand number of variables. Our findings indicate that buyers find it difficult to partly gather, but also interpret, the information that is needed to make an informed decision as possible. This is often referred to as acting under bounded rationality in decision-making theory.

Secondly, information asymmetry theory, which is described by Akerlof (1970) as when different actors on the market have different information available during the decision-making process. In our findings we have found that the main differences exist between participants that believe that the other part is satisfied with the information that is provided but actually do not trust the information or gather the information by themselves. Our findings show that the financial report and the general state of the property are some of the most important aspects to evaluate in order to make a decision that is as informed as possible, *i.e.* under as little bounded rationality as possible.

The third and last main problem that our findings indicated on the tenant-owned apartment market can be explained with agency theory. The agency problems that occur on the market derive from information asymmetry. When at least one of the participants on the market have advantage in the knowledge that they possess, the have the possibility to use it to gain themselves in one way or another. Brokers are the ones that often have the information advantage in a tenant-owned apartment transaction. Our findings show that brokers often try to sell at the highest price possible and might not share information that could negatively influence the decision-making process of
the buyer. Our findings indicate that an example of this information can be disturbing neighbours, or aspects that might influence the monthly fee or financial state of the tenant-owned cooperative.

To conclude, we have been able to gain an understanding of the tenant-owned apartment market regarding the relations and problems that occur. However, this research merely scraped the surface of this specific field of research. We believe that this thesis has contributed with some early trends in the findings of opinions regarding important aspects on the tenant-owned apartment market. This research has resulted in a both deeper and wider understanding of where the information asymmetry and agency problems exist during the decision-making process on the tenant-owned apartment market.

8.2. PRACTICAL IMPLICATIONS

In our opinion, there are two possible ways to strengthen the consumer protection on the tenant-owned apartment market in Sweden. Our suggestion for enhancing the consumer protection is based on the concept of making a more informed decision, i.e. with less bounded rationality. This might be possible through some kind of interpretation and evaluation platform. The information that is required and wanted in the different stages of the transaction could be easier to access and understand for the buyer. We claim that if one is able to understand the information asymmetry and agency problems, it could aid the buyers on the tenant-owned apartment market. This could increase the accuracy of the information that is available for one to evaluate during a decision-making process.

According to our secondary data, an official report of the Swedish government, one way to strengthen the consumer protection could be to adjust the legislations (SOU, 2017). There are two different legislations covering the detached housing market and the tenant-owned cooperative market. Because there are different legislations on the market, different rights and obligations apply to the different actors on the market. Hence, in order to facilitate for the customer to make informed decisions with lower
risk, adjustments to the obligations and rights regarding the transaction is needed. For further reading on this matter, see the official government investigation (SOU, 2017) regarding this issue.

8.3. THEORETICAL CONTRIBUTIONS
The official government investigation (SOU, 2017) was the starting point for this thesis. The aim of the investigation is to examine the consumer protection on the Swedish tenant-owned apartment market. This investigation provided a perspective on the tenant-owned apartment market and the lacking consumer protection. It resulted in an understanding of the gaps in the consumer protection on the market. The investigation suggested changed legislations and regulations on the market in order to strengthen the consumer protection. However, from a theoretical perspective, our research adds yet another perspective. We investigate the relation between buyers and brokers and their opinions about various factors that influence them during the decision-making process on the housing market. More specifically, an understanding is gained concerning the information asymmetry and agency problems between buyers and brokers and how it influences the decision-making process of the buyer.

8.4. CRITICAL REVIEW AND FUTURE RESEARCH
This thesis is based on mixed methods research that consider critical realism as the epistemological philosophy approach and the reasoning became naturally abductive. These considerations have been the foundation of the choices for which data collection techniques that were used which ultimately formed the findings. The research choices that have been made in this thesis is referred to as mixed methods. It is based on a combination of qualitative and quantitative research strategies. Although, since mixed methods is the chosen research method, the flaws and limitations should be considered as a combination instead of two separated methods. The main critique aimed towards mixed methods research is regarding the difficulties of determining what findings that should be considered as the most correct, when findings from different research techniques is contradictory. However, these method were found to be the most suitable
to best understand and describe the influences on the decision-making process on the tenant-owned apartment market.

This leads us to another limitation with this research, which is that only one specific part of the relations on the market was covered. We chose the relation between brokers and buyers since, to us, it made most sense to start the examination of the problems on with the two actors that interact the most during the decision-making process. Additionally, the relationship that was the chosen field of research was widely uncovered before this thesis was conducted. All the actors on the tenant-owned apartment market have their own perspective on different parts of the transaction and decision-making process. If the relations between all these actors were to be examined a more thorough understanding of the aspects influencing the decision-making process and tenant-owned apartment market could be achieved.

Recommendations for future research in this field is to conduct a more thorough examination of the other perspectives on the tenant-owned apartments market. This could possibly be performed by both increasing the scale of the research. Lastly, we have a firm belief in that more research regarding different perspectives of the tenant-owned apartment market could contribute to a further understanding. Hence, it would facilitate attempts to strengthen the consumer protection on the tenant-owned apartment market.
9. REFERENCES


Övergripande frågor
1. Hur länge har du arbetat som mäklare?
2. Anser du att det finns information som inte når fram till samtliga parter i en bostads transaktion?
   - Var skulle du säga att den finns?
   - Vilken information tror du det är som inte når fram till de olika individerna?
   - Varför uppstå den?

Innan köparens beslut
3. Vilka knep använder du för att så många köpare som möjligt ska bli intresserade av en bostadsrätt?
   - Om inga, vilka aspekter beskriver eller “trycker du du på när en bostadsrätt ska annonseras?
4. Har du upplevt någon koppling mellan antalet intressenter och hur ni skriverannonserna?
   - Om ja, vilken typ av annons eller framkallar ett större antal intressenter?
   - Om nej, framställs bilder för att endast visa fastighetens positiva sidor som den är eller för att visa potential där det kanske finns brister?

Under köparens beslutsproces
5. Vilka aspekter uppfattar du som viktigast för att värdera en bostadsrätt?
6. Vilken information delar du med dig av till intressenterna?
7. Vad för typ av information förmedlar du helst inte till intressenten?

Efter köparens beslut/transaktion
8. Brukar ni återkoppla till köparen efter att bostadsrätten är såld?
   - Om ja, angående vad?
9. Förekommer det att köpare återkopplar och har frågor information som de inte fick sig tillhanda innan köpet av bostadsrätten?
   - Om ja, vad för typ av frågor?
10. Tror du att det hade varit enklare för köpare att ta ett beslut angående köp av en bostad om de hade fått all/mer information tillgänglig innan köpet?
      - Vad för information?
11. Anser du att köpare är intresserade av årsredovisning, och vad tycker du är viktigt att titta på i en årsredovisning för bostadsrättsföreningarna?
APPENDIX B - INTERVIEW GUIDE FOR BUYERS

Övergripande frågor
1. Hur många bostadsrätter har du köpt?
2. Anser du att det finns information som inte når fram till samtliga parter i en bostadsrättstransaktion?
   - Var skulle du säga att den finns?
   - Vilket information tror du det är som inte når fram till de olika individerna?
   - Varför uppstår den?

Innan köparens beslut
3. Vilka aspekter var viktigast för dig när du började kolla på en ny bostad?
   - Vad fick dig att besluta om att gå på visning?

Under köparens beslutsprocess
4. Vad anser du är viktigt att undersöka för att möjliggöra en grundlig värdering av den potentialla bostadsrätten?
   - Kollar du på årsredovisnigen?
5. Vad fick dig att besluta om att ingå i budgivning/köpa den lägenhet som du köpte?
6. Anser du att bilderna/annonsen speglade en sann bild av bostaden?
7. Hur pass aktiv var du i införskaffningen av information och kunskap om bostaden?
8. Utvärderade du den information du fick av mäklaren, eller tog du dig tid att leta själv efter något specifikt du ville veta?

Efter köparens beslut/transaktion (köp/icke köp)
9. Anser du att mäklaren tillhandahöll dig all nödvändig information inför ditt köp av bostadsrätten?
   - Om nej, vad för information hade du velat få för att få en bättre bild av bostadsrätten?
10. Anser du att det hade varit enklare att ta ett beslut angående köp av din bostad om du hade fått all/mer information tillgänglig innan köpet?
    - Vad för information?
11. Om du tittade på årsredovisningen för föreningen, vad tycker du är viktigt att titta efter?
Hej!

Vi heter Robin Olsson och Jonathan Samuelsson och är två ekonomstudenter på Högskolan Kristianstad och vi håller just nu på med vårt examensarbete. Vårt examensarbete handlar om bostadsrättsmarknaden och vi har som syfte att skapa en djupare förståelse angående informationen som finns mellan köpare och mäklare på bostadsrättsmarknaden.

Vår fråga till er är: Vill Ni ställa upp på en intervju som tar ca 30 minuter? Det vi är intresserade av är er förståelse och ert perspektiv av bostadsrättsmarknaden. Vi tänker hålla så kallade semi-strukturerade intervjuer vilket menas med att vi försöker föra en diskussion där vi berör frågor så som vilken information som finns tillgänglig, vilken information du som köpare vill ha och tycker är viktig samt vilken information du känner att du inte kunde få tag i.


Tack för att ni tog er tid att läsa detta, och vi hoppas att ni vill hjälpa oss med vårt examensarbete!

Med vänliga hälsningar,

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Alina Lidén (handledare)
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APPENDIX D - QUESTIONNAIRE

Bostadsrättsmarknaden ur köparens perspektiv

Denna enkät är skapad av Jonathan Samuelsson och Robin Olsson. Vi är studenter på Högskolan i Kristianstad och skriver vårt examensarbete om bostadsrättsmarknaden i Sverige.

Just nu är vi i slutfasen av vårt arbete och vi behöver din hjälp! Om du har köpt bostadsrätt någon gång är vi intresserade av dina åsikter angående bostadsrättsmarknaden och vilka aspekter som är viktiga för dig före-, under- och efter ett köp av en bostadsrätt.

Enkäten består av 8 frågor och tar ca 5 minuter att genomföra.

Din integritet är viktig för oss och därför kommer alla svar förbli anonyma. Ditt svar kommer hjälpa oss att komma fram till värdefulla slutsatser.

Tack på förhand,
Jonathan och Robin

*Required

1. Har du köpt en bostadsrätt någon gång? *
   Mark only one oval.
   ○ Ja
   ○ Nej Stop filling out this form.

2. Är du mäklare? *
   Mark only one oval.
   ○ Ja
   ○ Nej

3. Vad identifierar du dig som? *
   Mark only one oval.
   ○ Kvinna
   ○ Man
   ○ Vill ej ange

4. När är du född? *
   Example: 15 December 2012

5. Hur viktiga är följande aspekter för att du ska bli intresserad av en bostadsrätt? *
   Mark only one oval per row.

<table>
<thead>
<tr>
<th>(1) Inte alls viktigt</th>
<th>(2) Neutral</th>
<th>(3) Mycket viktigt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beskrivningen i annonser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilderna i annonser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geografiska läget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bostadsområdet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stilen på lägenheten (sekelskiftehus, modern etc.)</td>
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<tr>
<td>Lägenhetens egenskaper (hiss, baskorg, antal toaletter etc.)</td>
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<td>Skicket på lägenheten</td>
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<tr>
<td>Skicket på fastigheten i sin helhet</td>
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<tr>
<td>Bostadsrätsföreningens ekonomi (ärsredovisning etc.)</td>
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</tr>
<tr>
<td>Potentialen för renovation/ombyggnad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Att månadsavgiften är låg</td>
<td></td>
<td></td>
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</tbody>
</table>

69
Mark only one oval per row.

<table>
<thead>
<tr>
<th>(1) Inte alls viktigt</th>
<th>(2) Neutral</th>
<th>(3) Neutral</th>
<th>(4) Medium viktigt</th>
<th>(5) Mycket viktigt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Att beskrivningen i annonsern överensstämmer med verkligheten</td>
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<td>Att bilder i annonsern överensstämmer med verkligheten</td>
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7. Vänligen svara på följande påstående *
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<th>(2) Neutral</th>
<th>(3) Neutral</th>
<th>(4) Medium</th>
<th>(5) Mycket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jag förlade mig på informationen jag fick från mäklaren</td>
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<td></td>
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<tr>
<td>Jag sökte upp information på egen hand</td>
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</tbody>
</table>

8. Vänligen beskriv vad mäklaren hade kunnat göra annorlunda för att underlätta din beslutsprocess

9. Vänligen beskriv vilken information du själv hämtade in för att underlätta din beslutsprocess och varför?

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APPENDIX E - MEANS OF VARIABLES PRIOR TO TRANSACTION
APPENDIX F - MEANS OF VARIABLES DURING TRANSACTION