

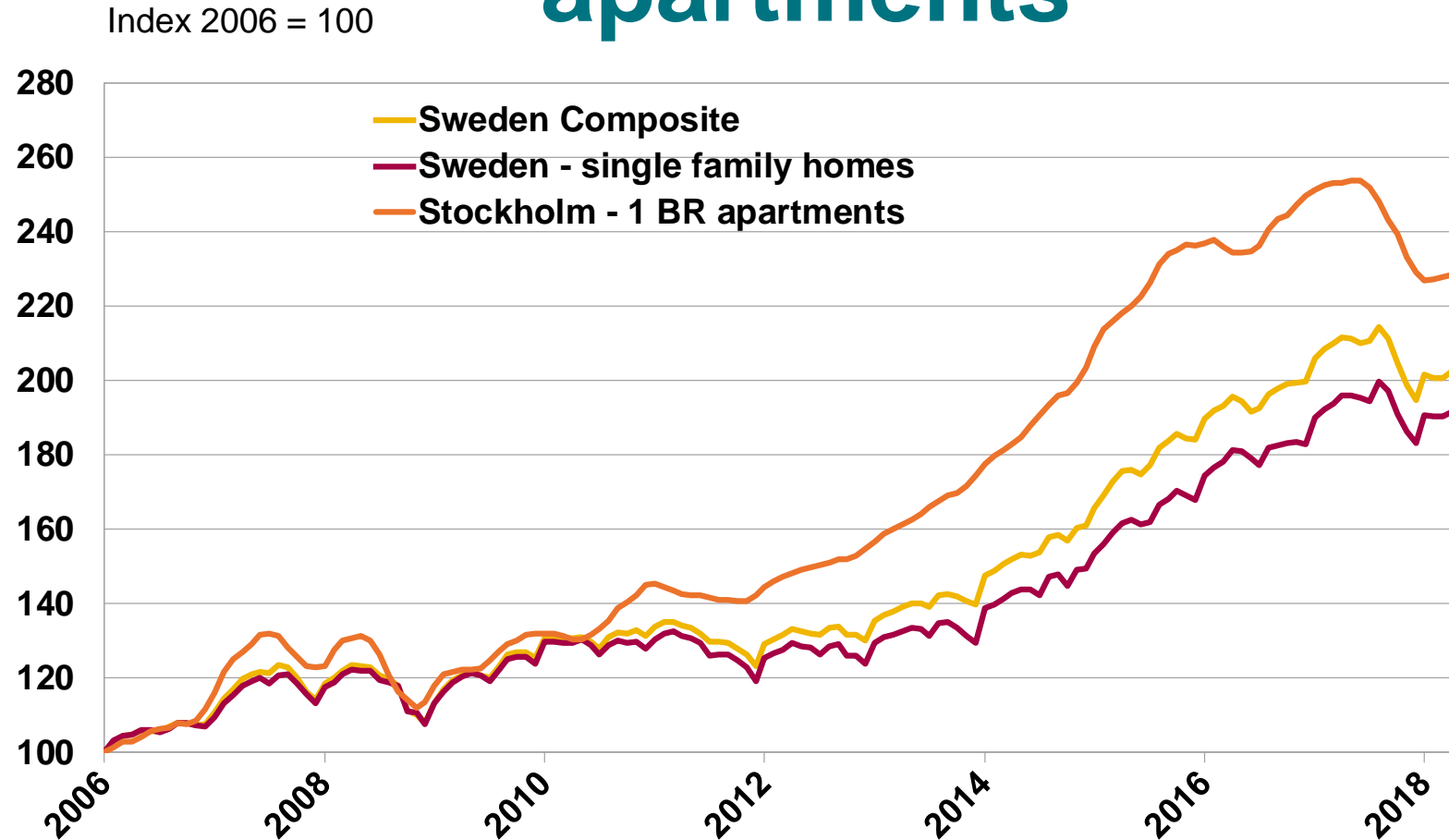


Balancing Act: How Governments can manage systemic risks and maintain healthy housing markets

The Swedish experience

Erik Thedéen, Director General, Swedish FSA

Highest price increase for small apartments

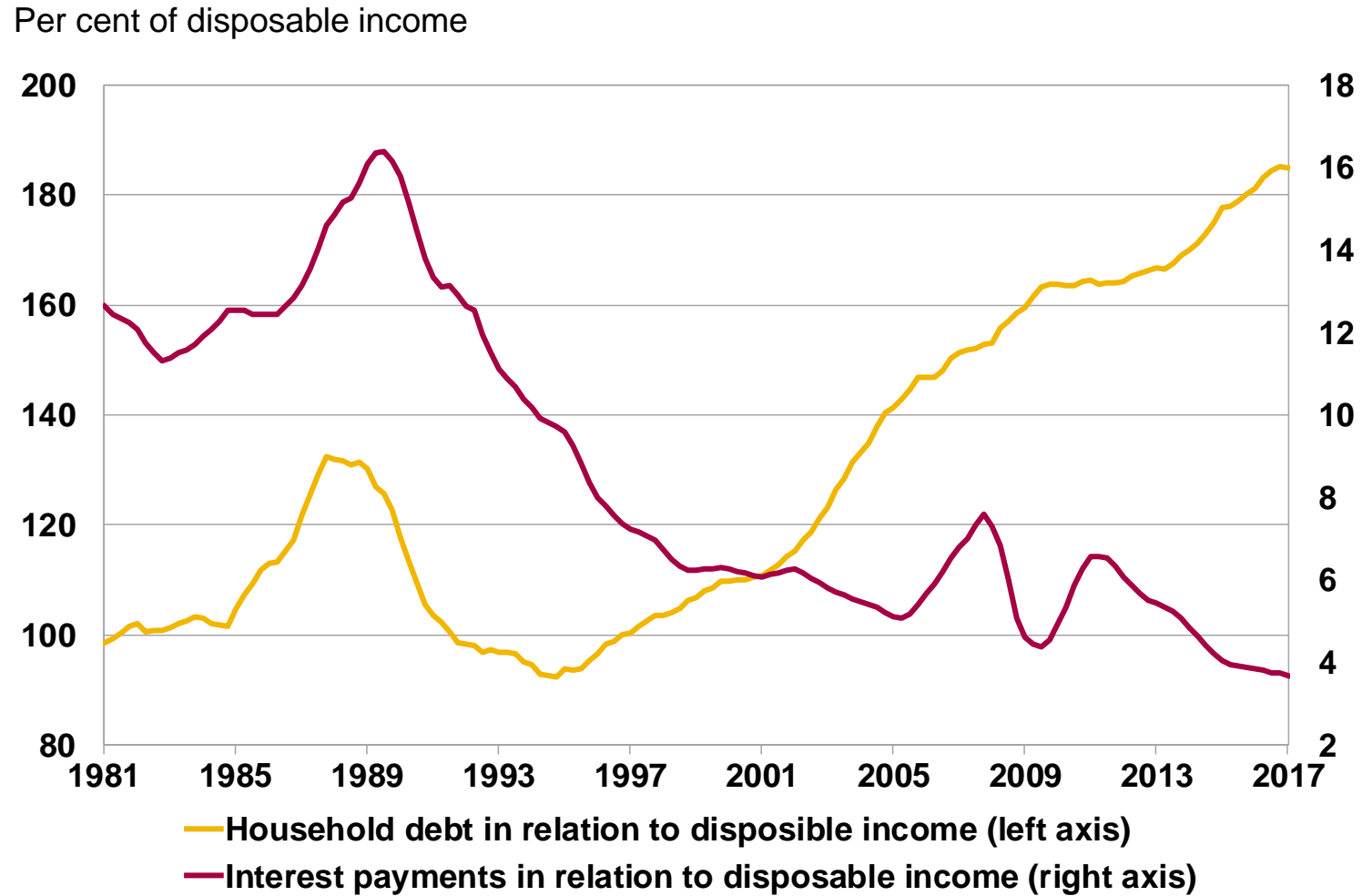


Source: Valueguard.

Note: BR = bedroom tenant-owned apartments.

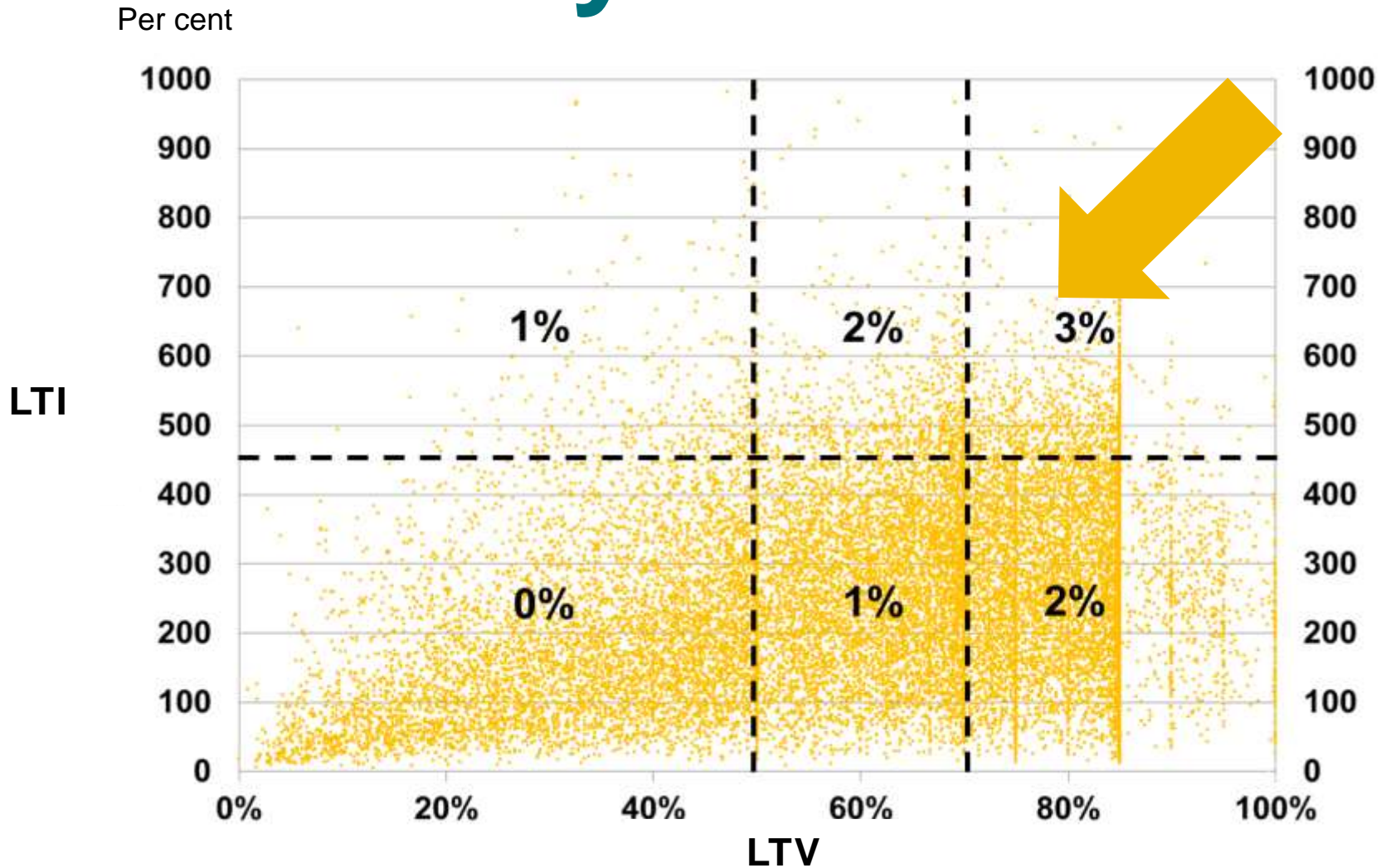


Structural changes led to interest-only loans



Source: Statistics Sweden

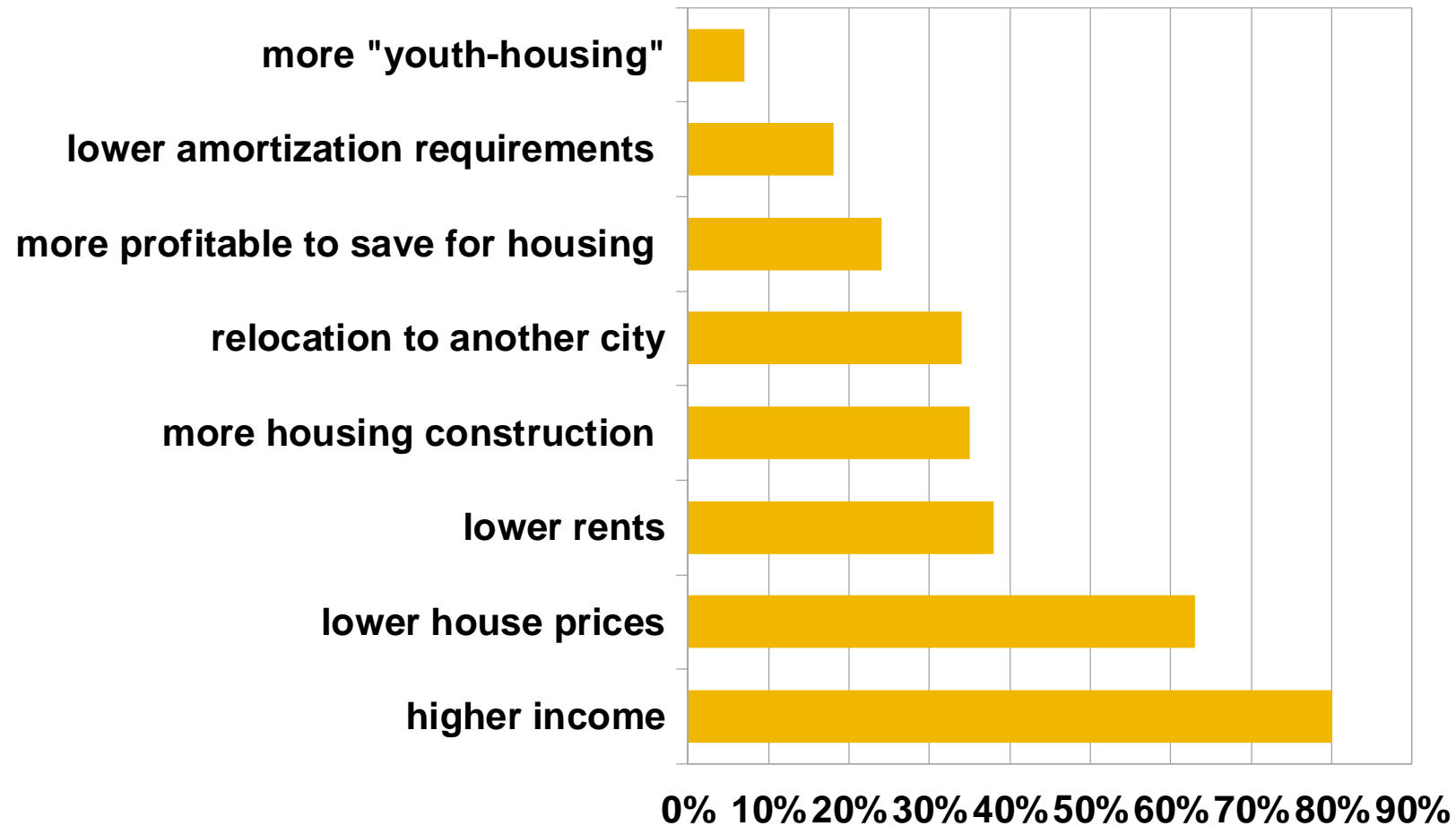
Curb systemic risk



Source: Finansinspektionen.

Note: Loan-to-value (LTV) and Loan-to-(gross)income (LTI).

Survey: "What would enable you to realize your housing ambitions?"



Source: WSP (2017)



Main points

- Low interest rates and strong growth => challenge for macropru
- Price correction triggered intense debate about role of macropru
- Strong price growth (not borrower-based measures) main hurdle for affordability