



5 September 2019
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Ministry of Finance Sweden

Minister of Finance

Mr. Francesco Mazzaferro
Head of the Secretariat of the
European Systemic Risk
Board

Copy to: Erik Thedéen, Director General, Finansinspektionen

Dear Mr Mazzaferro,

Many thanks for your letter expressing your concern for the medium-term vulnerabilities in the residential real estate sector in Sweden. I welcome the extensive work by the European Systemic Risk Board (ESRB) to analyse and assess vulnerabilities that could cause risk to the financial stability in the EU. The ESRB fills an important role in this regard.

The Swedish government shares the ESRB's assessment, in the previous warning and in the current recommendation, that the medium-term vulnerabilities in the residential real estate sector in Sweden pose a risk to the macroeconomic stability. As noted by the ESRB, there has been a wide range of macroprudential policies implemented in Sweden that have dampened the build-up of these vulnerabilities.

The Swedish government also shares the ESRB's view that structural factors has influenced the development of the vulnerabilities in the residential real estate sector. Measures have also been taken to improve the functioning of the residential real estate sector.

The Swedish government looks forward to continuing the dialogue with the ESRB.

Yours sincerely,

Magdalena Andersson
Minister of Finance, Sweden