

# Commercial real estate debt, non-banks, and the stability of the financial system

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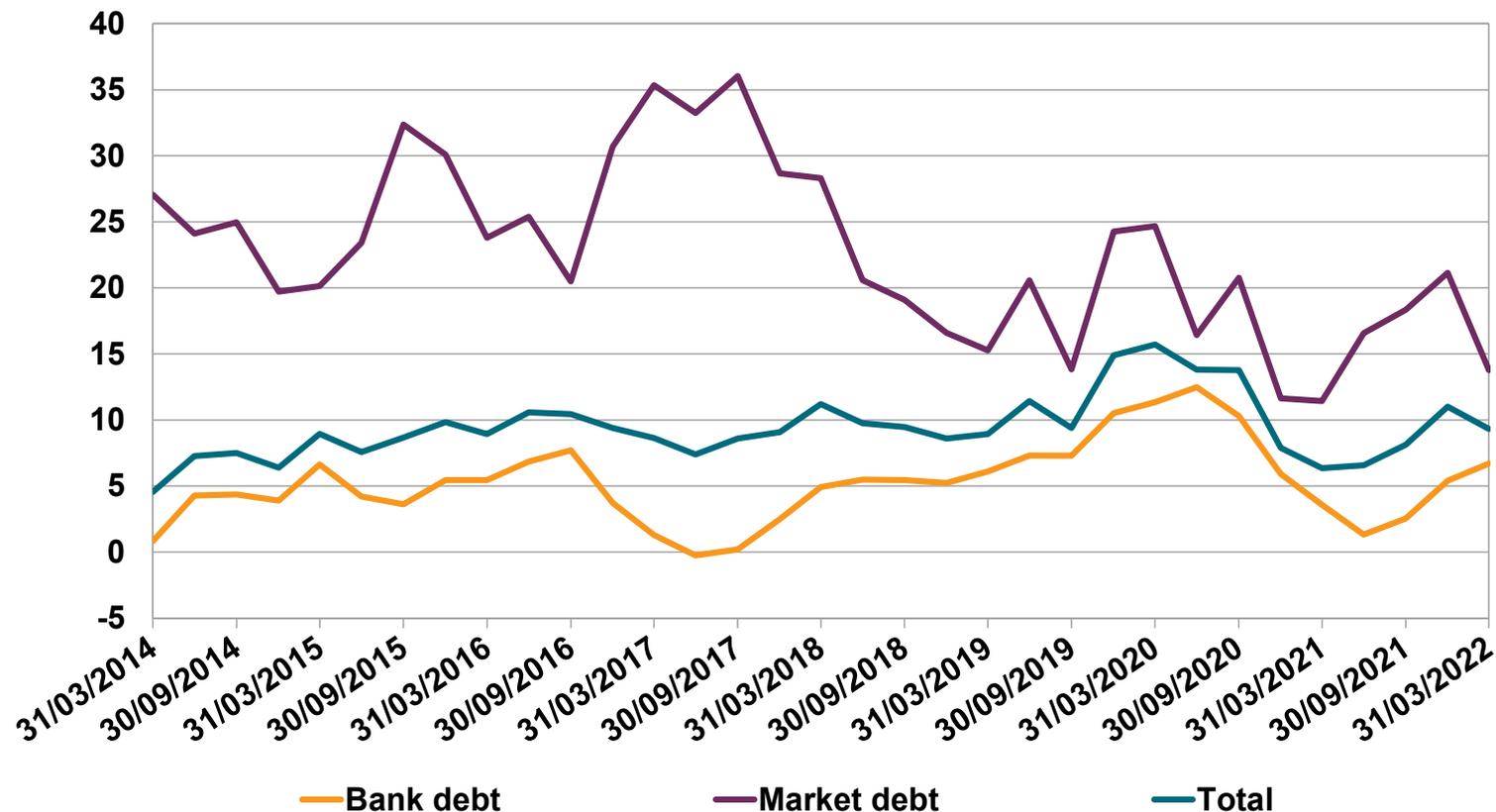


1 september 2022



# CRE debt is growing rapidly...

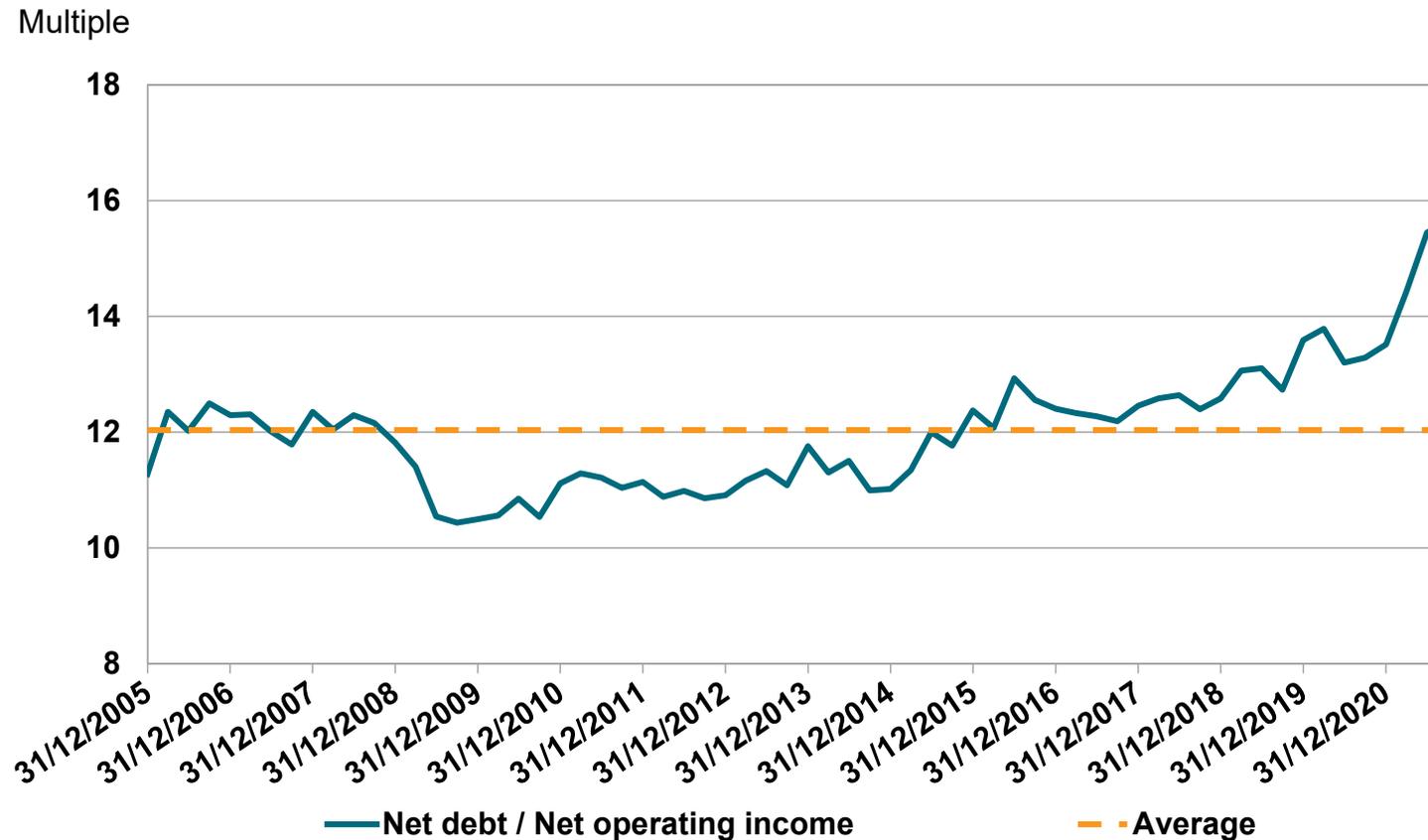
Y-o-y growth, per cent



Source: FI and Statistics Sweden.

Note: "Bank debt" refers to loans to commercial real estate firms according to FLU (KRITA as of September 2019). "Market debt" refers to bonds and commercial paper issued by firms within the CRE sector according to statistics on issued securities (Statistics Sweden).

## ...also compared to cash flows

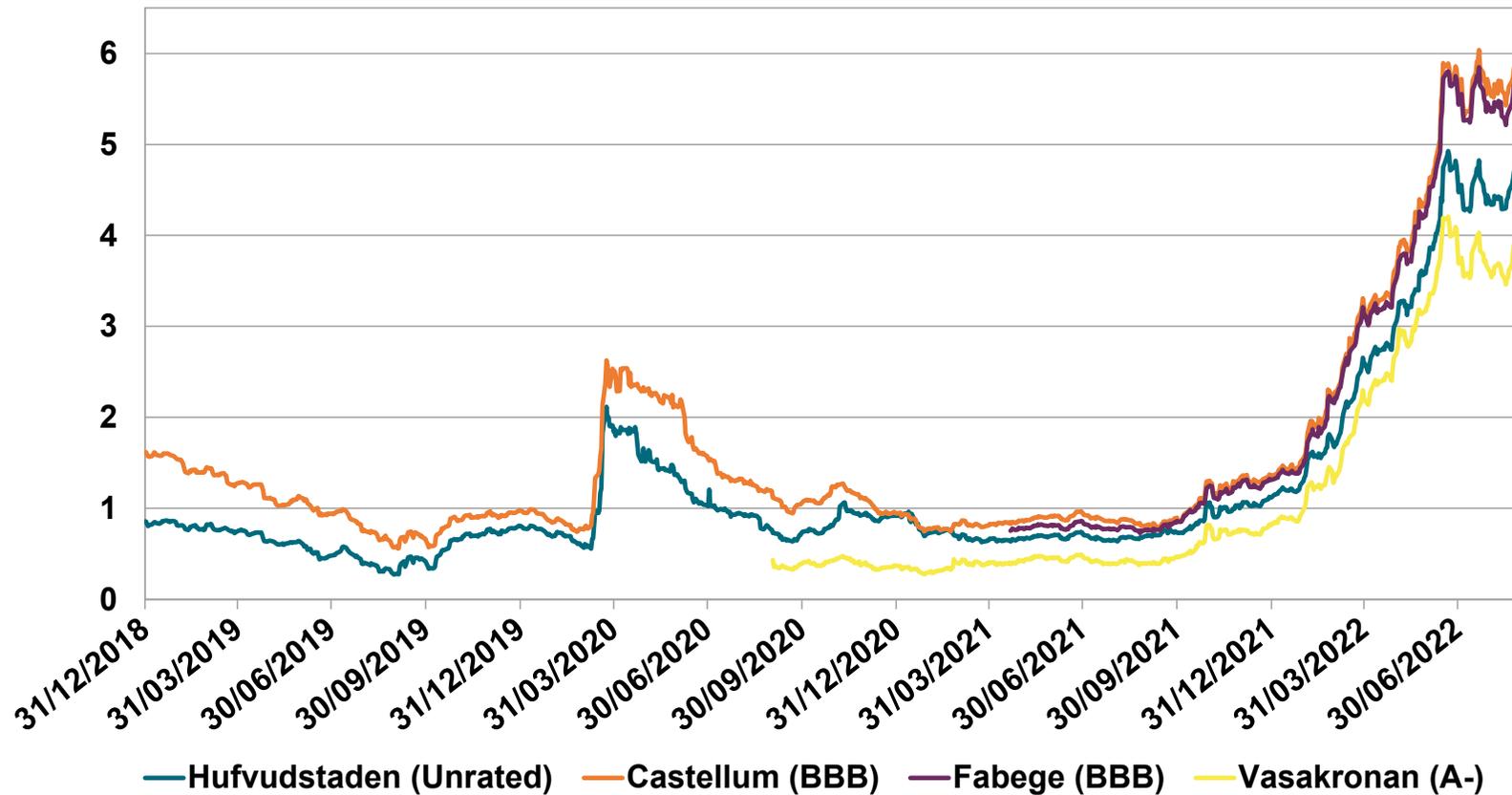


Source: Sedis and Sveriges Riksbank.

Note: Volume weighted quotient for 34 CRE companies, where some are added over time. The quotient is calculated by dividing interest-bearing debt less liquid assets by earnings before interest, tax, depreciation and amortisation (EBITDA).

# Market financing costs have increased rapidly

Per cent



Source: Refinitiv Eikon.  
Note: Fixed 3-year yield.

# CRE companies are sensitive to interest rates



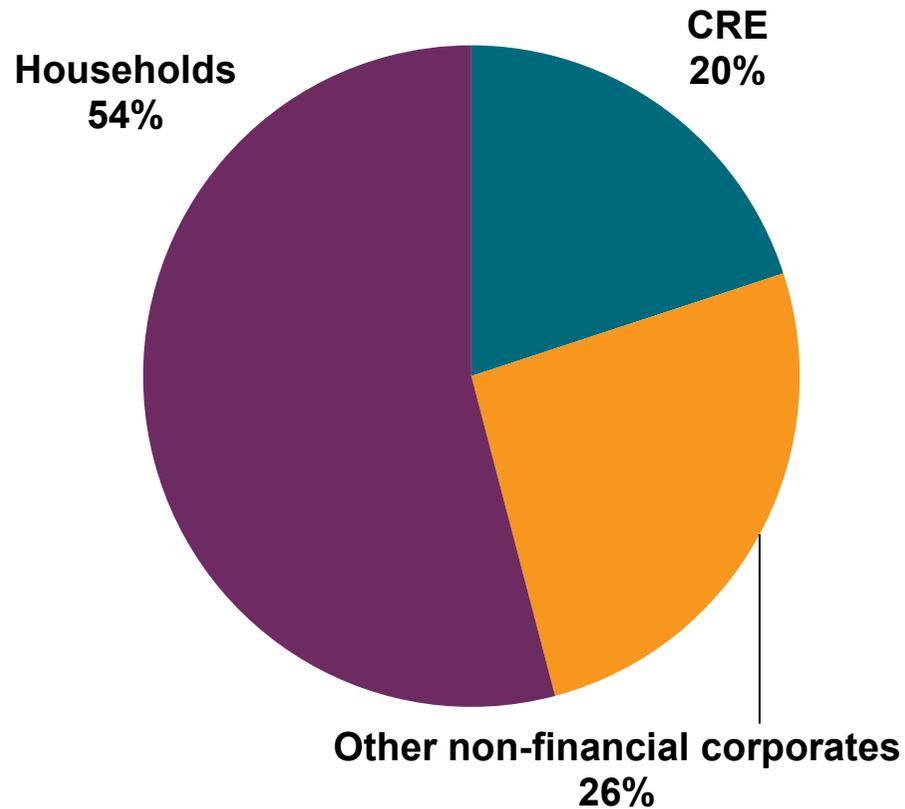
Source: FI.

Note: Share of banks' loans to CRE firms with elevated credit risk. The share is shown at the baseline, given 25% lower net operating income, and given 3 percentage points higher financing costs.

# Banks have significant CRE exposures

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Per cent of lending to the public



Source: Company reporting.

Note: Volume weighted average for SEB, Svenska Handelsbanken, and Swedbank. Data is for all exposures classified as lending to the public as at 30 June 2022.

