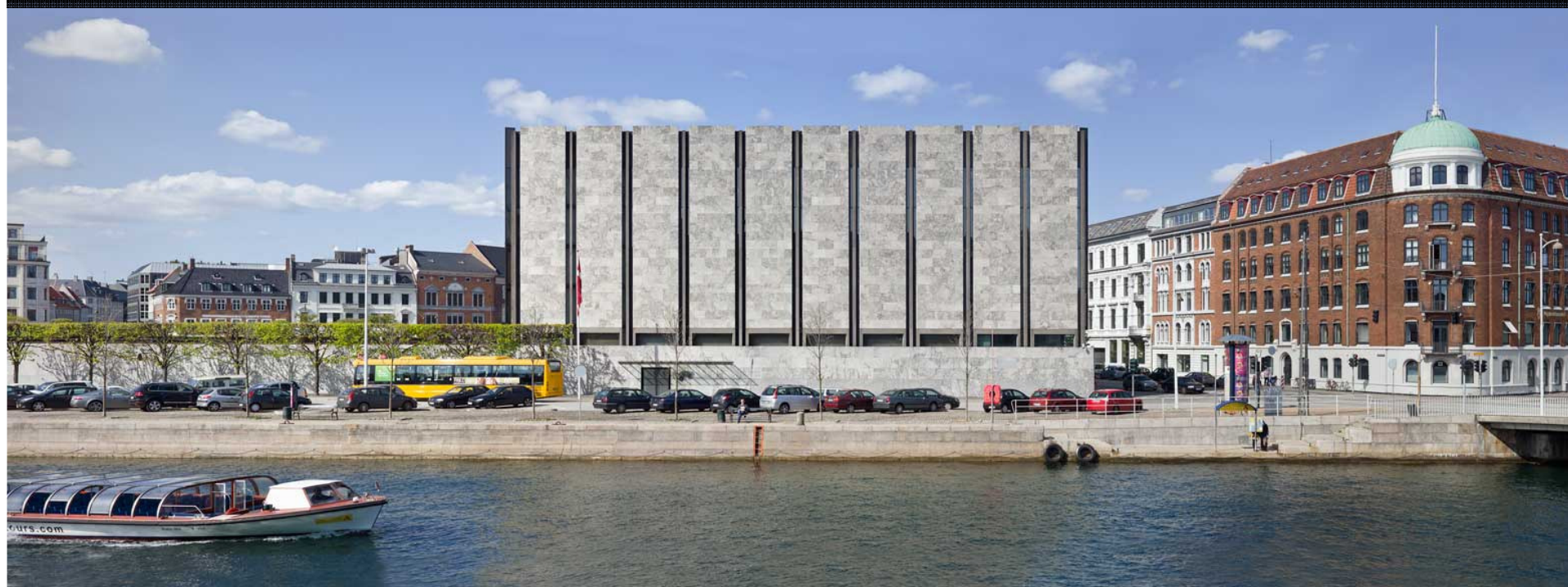


DANMARKS NATIONALBANK

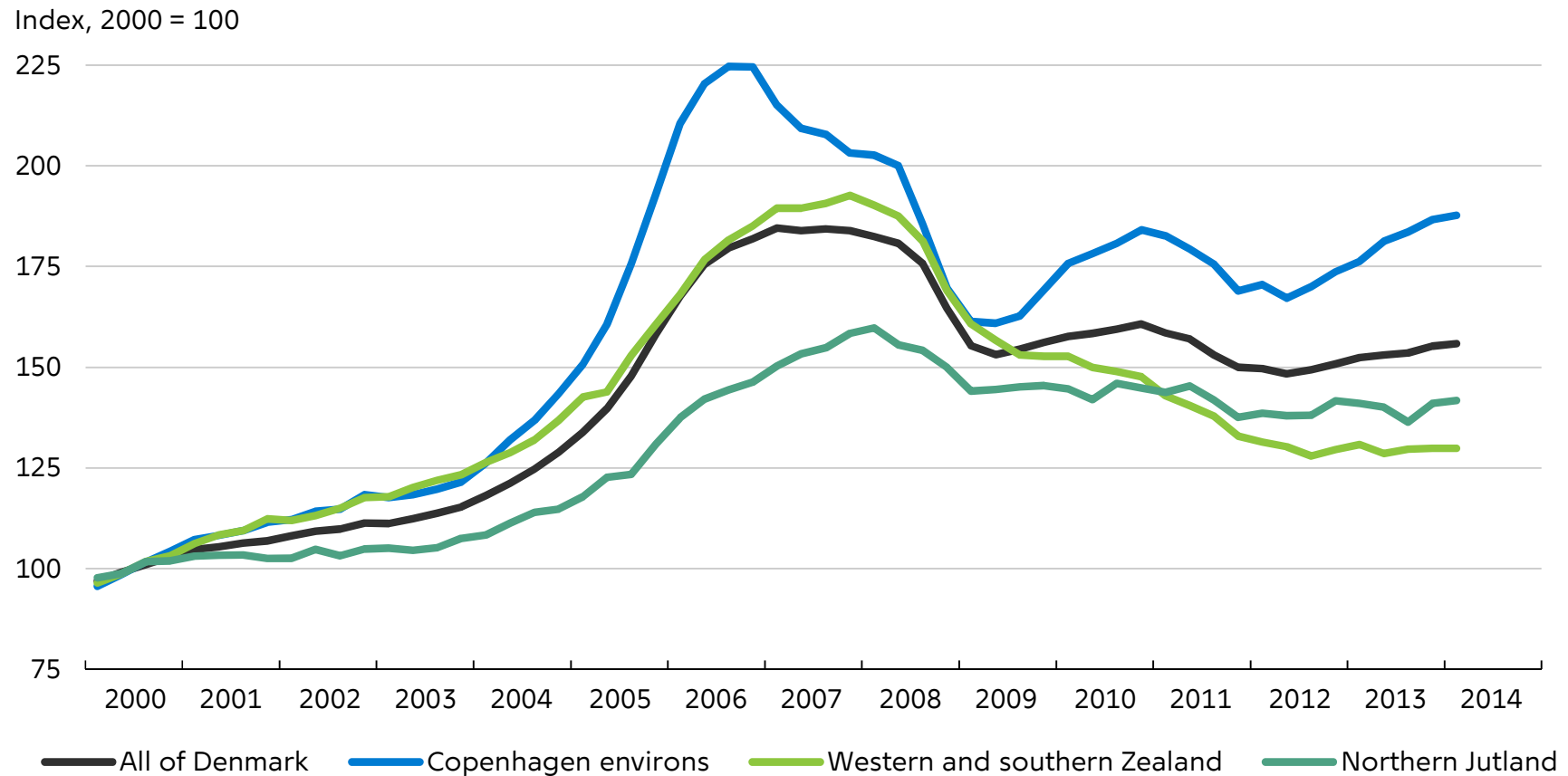
WORKSHOP ON HOUSEHOLD DEBT – A CHALLENGE FOR THE FUTURE?

Governor Per Callesen, 24 September 2014



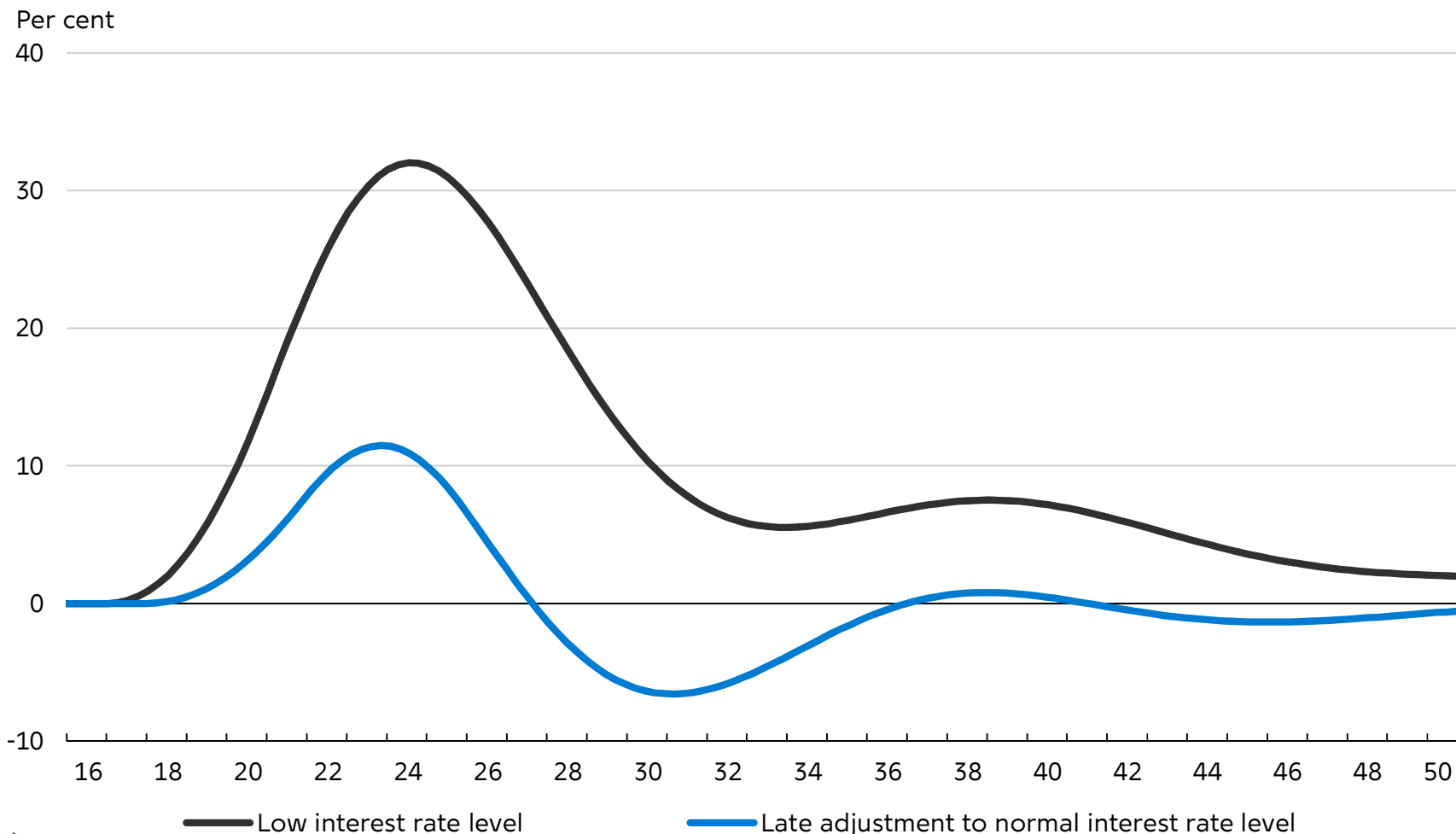
DANMARKS
NATIONALBANK

Housing prices are increasing, but significant regional differences



Low interest rates will increase the housing prices substantially

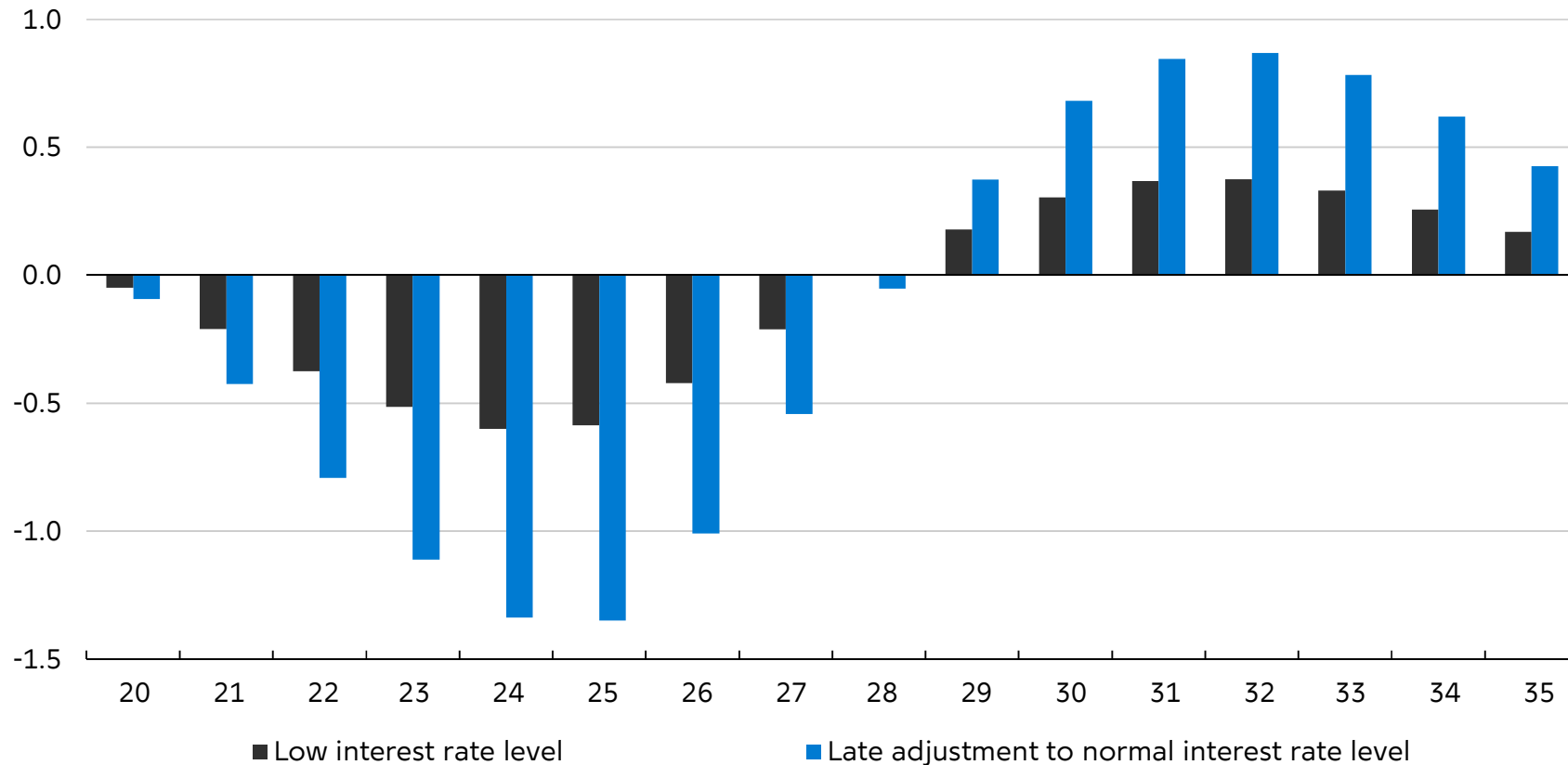
Deviation in house prices from baseline scenario with different interest rate level assumptions



House prices will continue to increase, but less, if the interest rate deductibility is reduced

Deviation in annual house price increase from baseline scenario

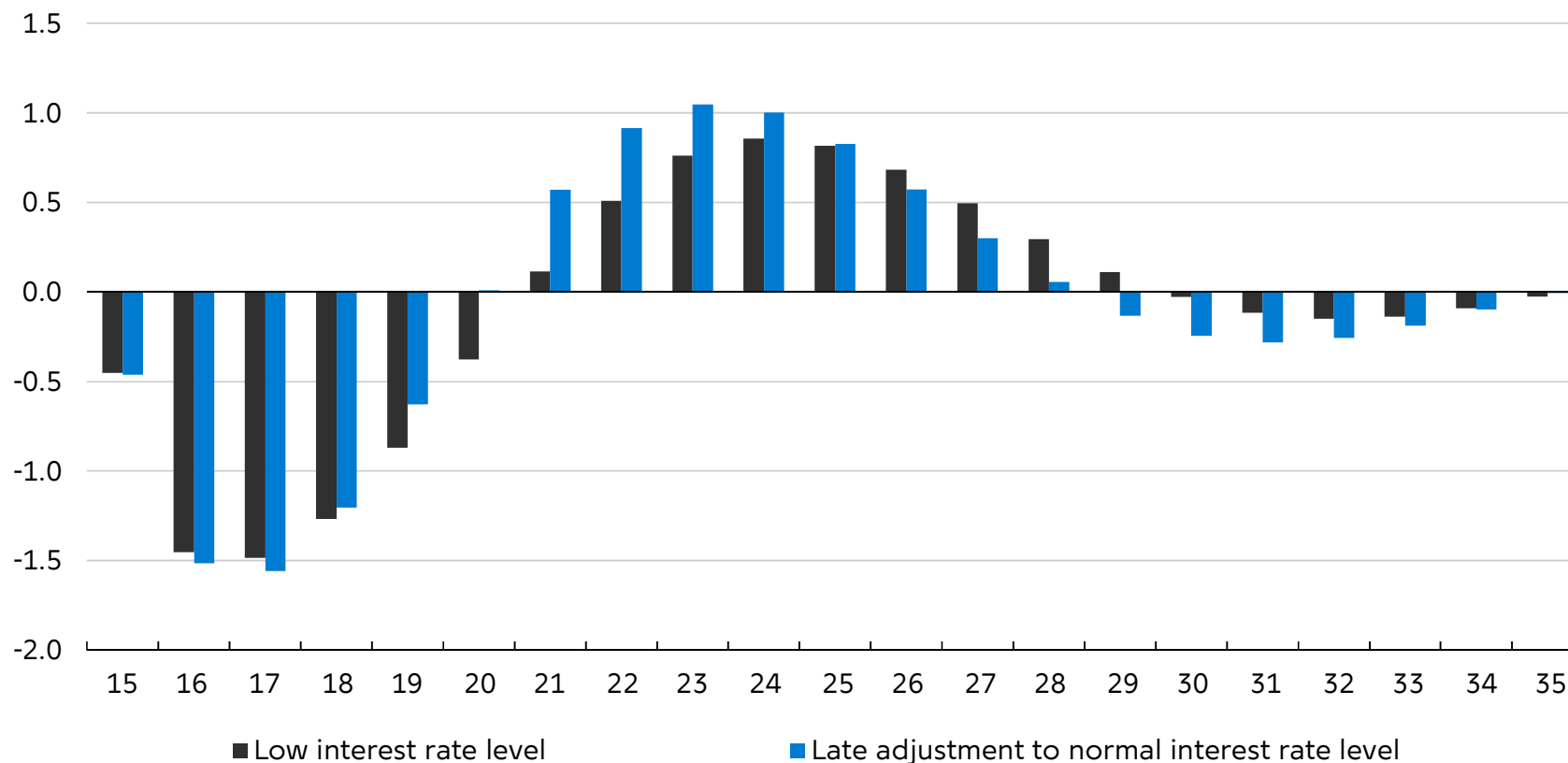
Percentage points



House prices will continue to increase, but less, if the limit for deferred amortisation is reduced from 80 to 60 per cent

Deviation in annual house price increase from baseline scenario

Percentage points



The housing market is important for the financial and macroeconomic stability

- Restore the link between property value tax and house prices
- Reduce the maximum limit for deferred amortisation loans
- Reduce the tax value of interest rate deductibility