



# March volumes at record highs, but we are approaching the end of the increasing trend

The monthly transaction volume in March amounted to SEK 16 billion. This was significantly higher than the SEK 9.5 billion and SEK 10 billion recorded in March 2016 and March 2015, respectively.

The rolling 12-month volume increased to SEK 182 billion in March, compared to SEK 176 billion in February. Private and listed property companies are the biggest investors, but there are also many foreign investors active in the market. Foreign investors represented over 25 per cent of all investments in Q1 2017 (~10 per cent in 2016). Although foreign investors were net investors during the first quarter, they are still net-sellers over the last 12 months. There is a good chance that the market is about to reach the end of the increasing

trend that started in the autumn of 2014. One reason is that the volume during the spring 2016 was boosted by a number of large deals. In addition, uncertainty regarding the new tax regulations that may be implemented from mid-2018 might also have a negative impact on volumes going forward.

There were a number of big transactions in the major cities in March and several medium sized transactions in regional and smaller cities. As for commercial properties, the majority of large property investors focus on the same office/retail locations in the major cities. Low priority locations are characterised by many sellers and relatively few buyers. As a result of the increased supply more commercial property transactions have taken place outside the major/regional cities lately, where yields are generally higher. The rolling 12-month

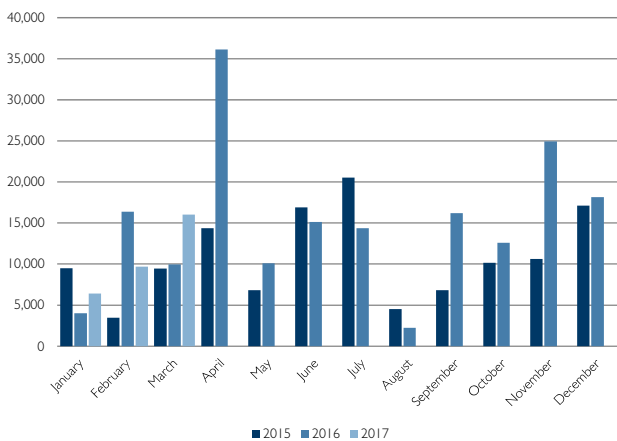
average yield for all office and retail transactions have increased accordingly, in line with the lower GDP growth and higher interest rates since mid-2016.

The Swedish GDP growth is slowing down (towards ~2 per cent) during 2017–2018, while inflation and long-term interest rates are gradually increasing. Residential new construction is increasing rapidly and oversupply may bring down housing prices and hamper GDP growth in a few years' time. It is likely that new construction will decrease when the residential market goes from balance to oversupply in 2018–2019. Stabilizing or falling housing prices could reduce the major cities total dominance as the country's growth engines during the coming five-year period.

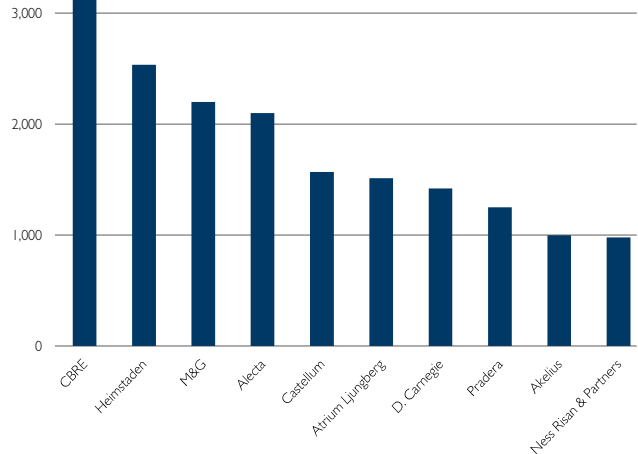


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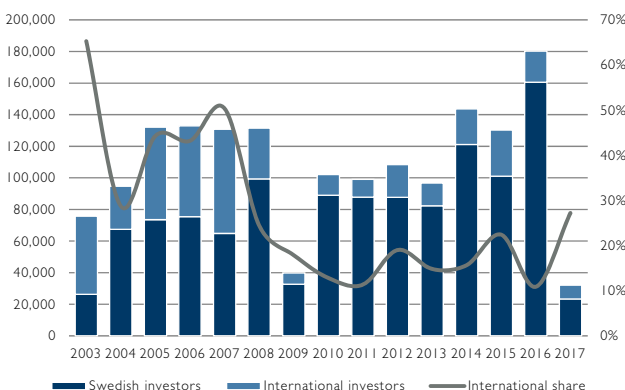
TRANSACTION VOLUME PER MONTH, MSEK



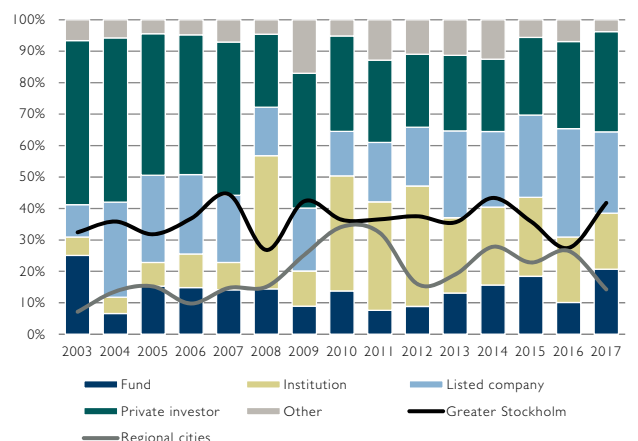
TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION





## Top 20 transactions rolling 12 months

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2016-04-13	Commercial portfolio (117 properties)	Mix	Norrporten	Castellum	Mainly office	1,140,094	21,500	18,858	5.3%*
2016-04-07	Residential portfolio (112 properties)	Gothenburg	Akelius	Willhem	Residential	310,101	5,000	16,124	4.8%*
2016-11-28	Project portfolio (7,000 apartments)	Stockholm, Malmö	Magnolia	Slättö Förvaltning	Development	450,000	5,000	N/A	N/A
2016-11-22	Office portfolio (33 properties)	Sundsvall, Umeå & Luleå	Castellum	Diös	Office	235,249	4,500	0	5.2%*
2016-09-19	Commercial portfolio (46 properties)	Stockholm, Gothenburg, Malmö etc.	User	Balder	Retail	278,277	4,150	14,913	
2016-07-11	Retail portfolio (10 properties)	Gothenburg, Malmö, Uppsala etc.	Starwood Capital	Tropho	Retail	148,103	3,100	20,931	6.3%*
2016-06-01	Smedstad 1:21 & Artilleristen I	Linköping, Östersund	Blackstone	Intea	Public	132,601	2,900	21,870	conf.
2016-10-14	Residential portfolio (31 properties)	Eskilstuna, Halmstad	Akelius	Willhem	Residential	128,573	2,800	21,778	conf.
2016-10-21	Mixed portfolio (10 properties)	Gothenburg	Volvo	Platzer	Mix commercial	338,000	2,800	8,284	7.2%
2017-01-13	Blekhölmén I	Stockholm	Niam	M&G European Property Fund	Office	34,000	2,200	64,706	conf.
2017-02-20	Bromma Blocks	Stockholm	Starwood Capital, Vencom	CBRE	Retail	55,320	2,200	39,769	5.25%*
2017-01-11	Commercial portfolio (10 properties)	Nacka	Carlyle Group	Alecta	Mix commercial	143,533	2,100	16,024	
2016-06-30	Residential portfolio (20 properties)	Stockholm, Malmö, Helsingborg etc.	Aberdeen	Balder & AP3	Residential	71,234	2,000	28,076	3.8%*
2016-07-14	Residential portfolio (22 properties)	Karlskrona & Malmö	PBA	Victoria Park	Residential	138,166	1,800	13,028	4.6%*
2016-12-06	Public portfolio (132 properties)	Jönköping, Karlstad, Mellerud etc.	Private	Samhällsbyggnadsbolaget	Public	89,599	1,800	20,090	conf.
2016-11-07	Residential portfolio (7 properties)	Karlstad, Stockholm, Örebro, Umeå, Jönköping	Slättö Förvaltning	Lansa	Residential	41,078	1,600	0	conf.
2016-12-06	Development project (~4,000 apartments)	Botkyrka	Stockholm municipality	Botkyrka municipality	Development		1,585	N/A	N/A
2017-03-15	Retail & office portfolio (7 properties)	Uppsala & Norrköping	Ståhl Fastigheter	Heimstaden	Mix incl. residential	87,775	1,544	17,590	conf.
2016-06-27	Kåkenhuset 37	Stockholm	GIC Real Estate	Folksam	Mix commercial	16,581	1,510	91,068	conf.
2017-02-09	Residential portfolio (44 properties)	Tranås, Arboga, Köping	Balder	D. Carnegie & Co	Residential	155,821	1,420	9,113	5.0%*

## Top 10 transactions March 2017

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2017-03-15	Retail & office portfolio (7 properties)	Uppsala & Norrköping	Ståhl Fastigheter	Heimstaden	Mix incl. residential	87,775	1,544	17,590	conf.
2017-03-24	Lindholmen 30:1	Gothenburg	Blackstone	Atrium Ljungberg	Office	37,035	1,260	34,022	conf.
2017-03-08	Retail portfolio (6 properties)	Borlänge, Uddevalla, Uppsala & Haparanda	Ikano	Pradera	Retail	67,036	1,250	18,647	6.0%*
2017-03-02	Sörred	Gothenburg	Söderport Fastigheter	Ness Risan & Partners	Industrial	134,000	979	7,306	
2017-03-10	Timotejen 19 & 28	Stockholm	Scanprop	Alm Equity	Development	64,687	860	13,295	N/A
2017-03-14	Verkmästaren	Eskilstuna	Pareto Group	Hemsö	Public	20,000	800	40,000	
2017-03-09	Industrial portfolio (4 properties)	Sigtuna, Eskilstuna & Borås	Estea	-	Industrial	68,884	617	8,957	conf.
2017-03-30	Sunnanå 12:51 & 12:52, Plantehuset 2 & 3 (50% share)	Helsingborg & Burlöv	Peab	Catena	Logistics & development	21,634	560	25,885	N/A
2017-03-23	260 apartments	Stockholm	-	SSM Holding	Development		500	N/A	N/A
2017-03-31	Singeln 1 & Sköns Prästbord 1:95	Umeå & Sundsvall	Coop	Tropho	Retail	26,961	500	18,545	6.75%*

\* Estimated by Catella

Source: Catella and Datscha