



Slightly higher market activity in October driven by the Swedish institutions

The activity on the transaction market picked up somewhat in October compared to the previous month. The volume ended up at SEK 8.8 billion during October, which can be compared to SEK 10.2 billion and SEK 12.6 billion during the same month in 2015 and 2016, respectively.

The rolling 12-month transaction volume fell to SEK 142 billion in October, compared to SEK 146 billion in September. The activity in October was concentrated to the public and industrial segments, while there were also a number of major transactions within the retail and residential segments during the month. There have, however, not been any significant office transitions since the summer although

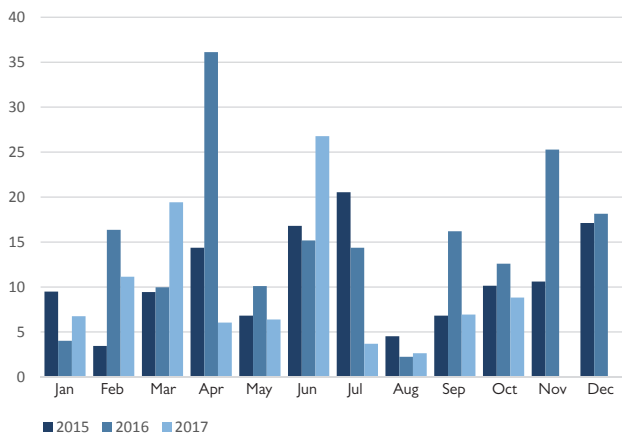
the investor demand is strong for well-located offices in the major cities. The transaction volume for development projects remains at an all-time high rolling 12-months volume of SEK 21 billion in October and consists mainly of residential projects in Stockholm, Gothenburg and some regional cities. Swedish institutional investors (mainly occupational pension companies and the AP-funds) remain the largest net investors by far.

The sentiments among investors have shifted since the summer and investors have become more selective in general. The residential developers have now started to feel the pressure from the significantly increasing supply of new residential construction. Although the year-to-year change in housing prices are still positive, the prices have started to fall on a month-to-month basis during the autumn. Housing prices are a strong leading indicator

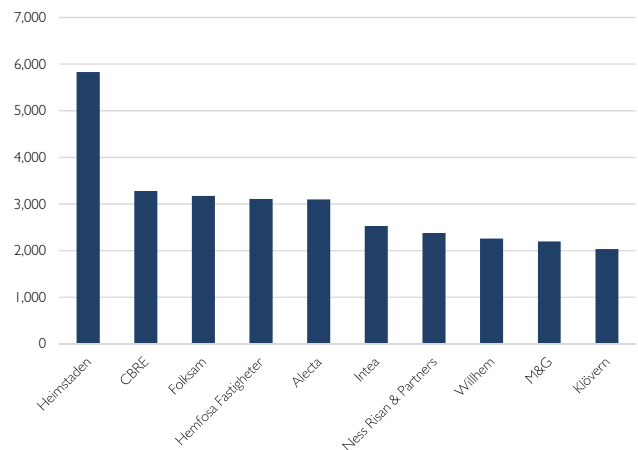
of GDP growth (around 6 months ahead), and stabilising housing prices on a year-to-year basis indicate a significant slowdown in the economic growth in 2018. Lower GDP growth and a less expansive monetary policy is expected to push the market towards a cyclical slowdown in 2018–2020. The underlying fundamentals for Swedish property, however, remains good with strong rental growth for well-located, modern offices in the major cities and a continuously extremely expansive monetary policy (with strongly negative real interest rates).



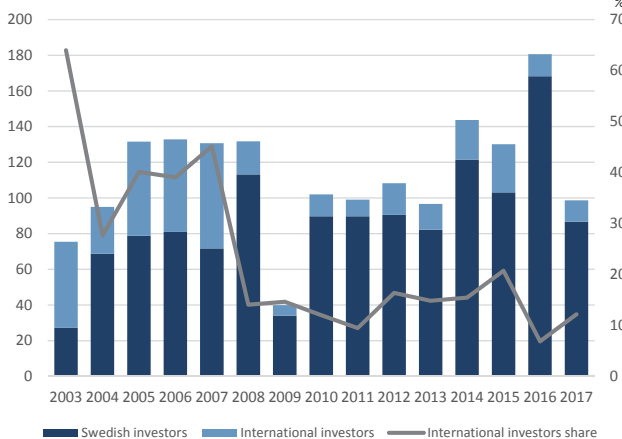
TRANSACTION VOLUME PER MONTH, BSEK



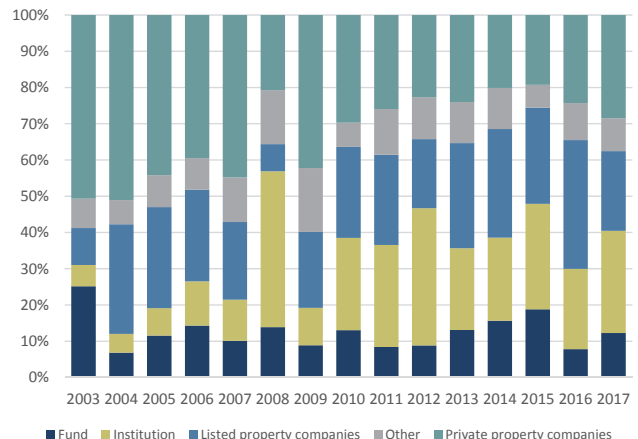
TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, BSEK



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
11/28/2016	Residential portfolio (~7,000 apartments)	Stockholm, Malmö	Magnolia	Slättö	Development	450,000	5,000	N/A	N/A
11/22/2016	Office portfolio (33 properties)	Sundsvall, Umeå, Luleå	Castellum	Diös	Office core plus	235,249	4,500	19,129	5.2%
1/13/2017	Blekholmen I	Stockholm	NIAM	M&G	Office CBD	34,000	2,200	64,706	Conf.
2/20/2017	Bromma Blocks	Stockholm	Starwood Capital	CBRE	Retail centre	55,320	2,200	39,769	5.2%
1/11/2017	Mixed portfolio (10 properties)	Nacka	Carlyle	Alecta	Mix commercial	143,533	2,100	14,631	
6/16/2017	Residential portfolio (28 properties)	Helsingborg	Akelius	Folksam	Residential	85,774	1,948	22,711	
6/16/2017	Residential portfolio (34 properties)	Helsingborg	Akelius	Willhem	Residential	101,946	1,862	18,265	
12/6/2016	Public portfolio (132 properties)	Jönköping, Karlstad, Mellerud etc.	Privat	Samhällsbyggnadsbolaget	Public	89,599	1,800	20,090	Conf.
8/22/2017	Retail portfolio (11 properties)	Linköping, Södertälje, Gothenburg etc.	NREP	SPP	Retail	62,897	1,600	25,438	Conf.
11/7/2016	Residential portfolio (~700 apartments)	Karlstad, Stockholm, Örebro, Umeå, Jönköping	Slättö	Lansa	Residential	41,078	1,600	38,950	Conf.
12/6/2016	Development project (~4,000 apartments)	Botkyrka	Stockholm municipality	Botkyrka municipality	Development		1,585	N/A	N/A
3/15/2017	Residential portfolio (7 properties)	Uppsala, Norrköping	Henry Ståhl Fastigheter	Heimstaden	Mix including residential	87,775	1,544	17,590	6.0%
4/23/2017	Logistics portfolio (3 properties)	Nyköping, Norrköping, Jönköping	Invesco	Bråviken logistik	Industrial	143,907	1,515	10,528	5.8%
12/6/2016	Public portfolio (35 properties)	Norrköping, Norrköping, Karlshamn etc.	Hemsö	Samhällsbyggnadsbolaget	Public	177,889	1,500	8,432	5.5%
2/9/2017	Public portfolio (44 properties)	Tranås, Arboga, Köping	Balder	D. Carnegie	Residential	155,821	1,420	9,113	5.0%
9/29/2017	Timret I	Norrköping	Rusta	Ness Risan & Partners	Logistics prime location	66,820	1,400	20,952	Conf.
6/15/2017	Eldaren 6	Kalmar	Skanska	Intea	Public	37,842	1,400	36,996	
11/8/2016	Torp retail center	Uddevalla	Steen & Ström	Olav Thon	Retail centre	32,459	1,285	39,588	4.7%
3/24/2017	Lindholmen 30:1	Gothenburg	Blackstone	Atrium Ljungberg	Office core plus	37,035	1,260	34,022	
11/21/2016	Snäckan 8	Stockholm	Skanska	SKL	Office CBD	23,500	Conf.	Conf.	Conf.

Top 10 transactions October 2017

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
10/25/2017	Bogen I and Stäven I	Gotland	Gotlandshem	Kuststaden	Residential	65,100	609	9,355	Conf.
10/3/2017	Industrial portfolio (8 properties)	Smaller cities	Alma Property Partners	Private byer	Industrial	100,078	600	5,995	Conf.
10/31/2017	Commercial portfolio (3 properties)	Uppsala	Heimstaden	FastPartner	Mix commercial	29,758	480	16,130	
10/3/2017	Public portfolio (4 properties)	Stockholm, Sollentuna, Solna	Private seller	Skandia Fastigheter	Public	19,400	470	24,227	Conf.
10/30/2017	Ulvsättra 1:90	Järfälla	Private seller	Stendörren	Industrial	39,950	410	10,263	
10/5/2017	Jågaren 7	Täby	NREP	Tristan	Retail centre	15,500	314	20,258	6.0%
10/19/2017	Public portfolio (4 properties)	Vänersborg	CLS Holdings	Intea	Public	38,876	Conf.	Conf.	Conf.
10/11/2017	Development project	Gothenburg	Platzer	Peab	Development	34,330	Conf.	N/A	N/A
10/18/2017	Retail portfolio (72 properties)	Smaller cities	Granen	Tre Kronor	Retail grocery store	78,987	Conf.	Conf.	Conf.
10/18/2017	Kvarngärdet 56:13	Uppsala	Fastighetsförädlarna i Mälardalen	Rikshem	Elderly care and health center	8,300	Conf.	Conf.	

* Estimated by Catella

Source: Catella and Datscha