



High transaction activity for development projects, but the overall volume is low

The transaction volume during July and August amounted to SEK 8 billion. This is a significantly lower market activity than the previous summers. The transaction volumes during the summer period in 2016 and 2015 (July and August) were SEK 17 billion and SEK 25 billion, respectively.

The rolling 12-month transaction volume decreased to SEK 153 billion in August, compared to SEK 162 billion in June. There has been a clear focus on development projects, mainly residential projects in Stockholm, Gothenburg and some regional cities. All in all, the development projects amounted to SEK 2.9 billion in July and August (or about 36 per cent of the total transaction volume).

The property market is dominated

by institutional investors focusing on residential, public and well-located commercial properties in the major cities. Some of the listed property companies are also investing, but they are selective and focus on well-located properties in the major cities. SPP did the single largest investment during the summer when they acquired a grocery store portfolio for around SEK 1.6 billion. The other major transactions were Vasakronan's acquisition of a newly constructed office property in Hammarby Sjöstad (Stockholm) for SEK 900 million, Fastpartner's acquisition of an office property in Frösunda (Solna, Greater Stockholm) and Hemsö's purchase of a school and nursery portfolio comprising around SEK 540 million.

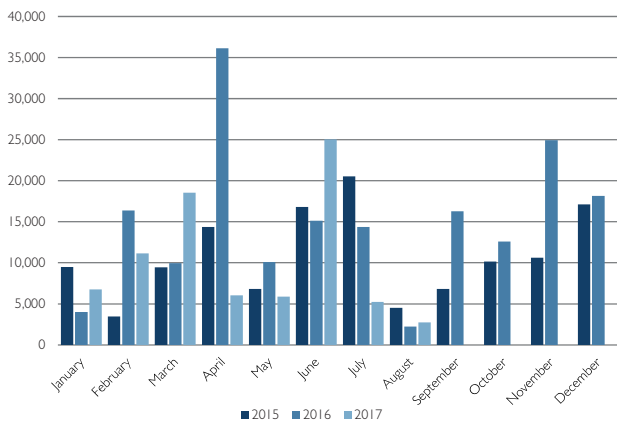
The transaction market remains one-sided and almost all major investors on the market are focusing on the

same segments in the major cities. It is getting increasingly important that each investment ticks all the boxes of the companies' investment criteria. As a result of the strong pick-up in residential new construction, the supply of projects and building rights has increased significantly over the last 6–9 months. The volumes have increased from a stable 12-months rolling volume of SEK 7–8 million over the last years up until the autumn 2016, to the currently historic high levels of around SEK 20 million. Catella expects this supply to continue increasing as the residential market is starting to get saturated and it is getting more challenging to sell and lease newly-built residential flats in non-prime locations.

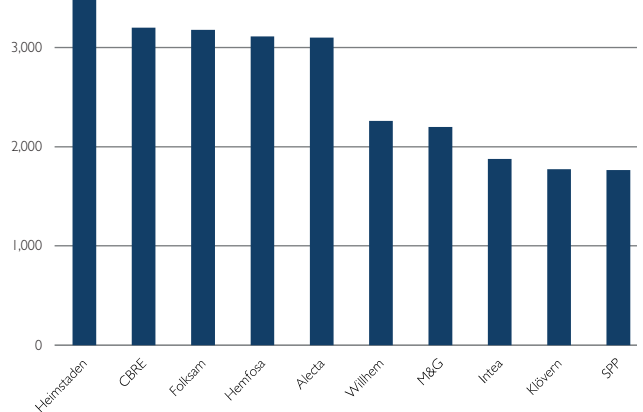


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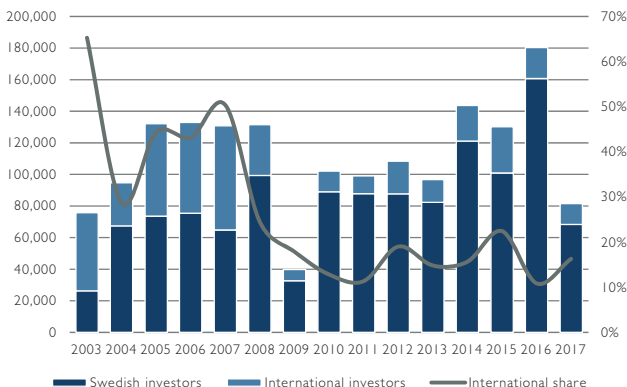
TRANSACTION VOLUME PER MONTH, MSEK



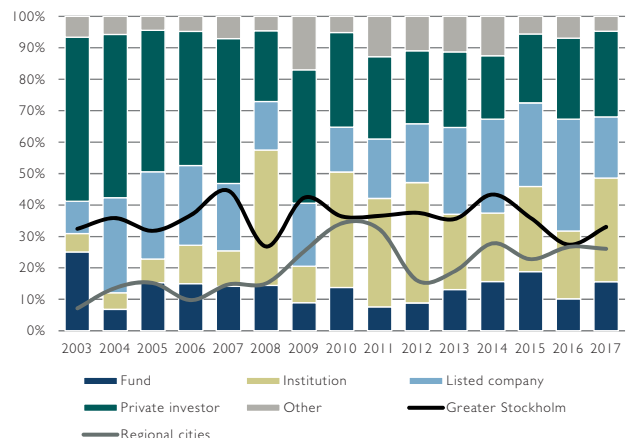
TOP 10 INVESTORS 2017 (YTD), MSEK



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
2016-11-28	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	19,110	5.2%*
2016-09-19	Commercial portfolio (46 properties)	Stockholm, Gothenburg, Malmö etc.	User	Balder	Retail	278,277	4,150	14,913	conf.
2016-07-11	Retail portfolio (10 properties)	Gothenburg, Malmö, Uppsala etc.	Starwood Capital	Trophi	Retail	148,103	3,100	20,931	6.3%*
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	conf.
2017-06-16	Residential portfolio (28 properties)	Helsingborg	Akelius	Folksam	Residential	85,774	1,948	22,711	conf.
2017-06-16	Residential portfolio (34 properties)	Helsingborg	Akelius	Willhem	Residential	101,946	1,862	18,265	conf.
2016-12-06	Public portfolio (132 properties)	Jönköping, Karlstad, Mellerud etc.	Private	Samhällsbyggnadsbolaget	Public	89,599	1,800	20,090	conf.
2017-08-22	Retail portfolio (11 properties)	Linköping, Södertälje, Gothenburg etc.	NREP	SPP	Retail	62,897	1,600	25,438	conf.
2016-11-07	Residential portfolio (7 properties)	Karlstad, Stockholm, Örebro, Umeå, Jönköping	Slättö Förvaltning	Lansa	Residential	41,078	1,600	38,950	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 och Norrköping	Ståhl Fastigheter	Heimstaden	Mix incl. residential	87,775	1,544	17,590	conf.
2016-12-06	Public portfolio (35 properties)	Karlshamn, Ale, Mark etc.	Hemsö	Samhällsbyggnadsbolaget	Public	177,889	1,500	8,432	5.5%*
2017-02-09	Residential portfolio (44 properties)	Tranås, Arboga, Köping	Balder	D. Carnegie & Co	Residential	155,821	1,420	9,113	5.0%*
2017-06-15	Eldaren 6	Kalmar	Skanska	Intea	Public	37,842	1,400	36,996	conf.
2016-10-28	Share of Hammar 9:151	Kristianstad	Private investors	Eurocommercial	Retail	40,600	1,325	32,635	6.0%

Top 10 transactions July and August 2017

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2017-08-22	Retail portfolio (11 properties)	Linköping, Södertälje, Gothenburg etc.	NREP	SPP	Retail	62,897	1,600	25,438	conf.
2017-07-12	Development project	Stockholm and Nacka	Privat	Partners Group	Development		conf.		N/A
2017-07-05	Hammarby gård 12	Stockholm	Skanska	Vasakronan	Office	12,500	900	72,000	conf.
2017-07-03	Hilton 5	Solna	Handelsbanken	FastPartner	Office		conf.		conf.
2017-07-04	Public portfolio (5 properties)	Malmö and Stockholm	Lantmännen	Hemsö	Public		540	33,595	conf.
2017-07-07	Development project	Karlstad, Norrköping, Östersund and Västerås	Platzer	Bonava	Development		477	N/A	N/A
2017-07-04	Backåkra I	Linköping	Kommunen	Private buyer	Development		314	N/A	N/A
2017-07-06	Kungsängen 37:13	Stockholm	Vasakronan	Klövern	Commercial	15,169	285	18,788	
2017-08-23	Växthus 2	Karlstad, Gävle, Motala etc.	Aspelin Ramm	Skanska	Development	25,000	280	11,200	N/A
2017-08-18	Vipemöllan 38	Huddinge	Corem	JM	Development		260	N/A	N/A

* Estimated by Catella

Source: Catella and Datscha