



High market activity and falling yields in both prime and secondary segments

The activity on the Swedish property market is continuously strong. The transaction volume for the first half of 2015 amounted to SEK 53 billion, which is slightly below SEK 55 billion in 2014. The transaction volume summed up to almost SEK 16 billion in June, which was well over the May volume but still below the extremely strong June volumes in 2013 and 2014 (of SEK 20 and 21 billion respectively).

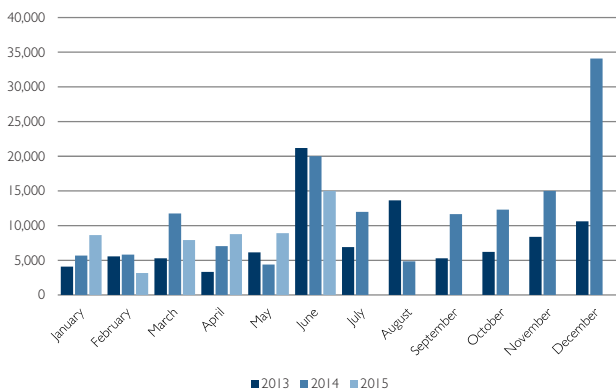
Private and listed property companies are dominating the market. There are, however, a lack of willing sellers in the prime-end of the market, which makes a large part of the transaction activity taking place outside prime locations in the major cities as well as in smaller and medium sized cities.

Yield spreads between prime and secondary segments are at historically low levels. Declining yield levels are observed in all property segments and it is likely that the prime yields will go below levels that traditionally have been considered the floor. The solid GDP growth in 2015–2016 is producing a strong rental growth for offices in prime locations, while high vacancies in secondary locations are putting a cap on rental growth at or below inflation. The variation in rental growth between prime and secondary locations in combination with the tight yield spread is making the risk premium between prime and secondary office segments negative. In other words, office yield levels in secondary locations do not compensate investors

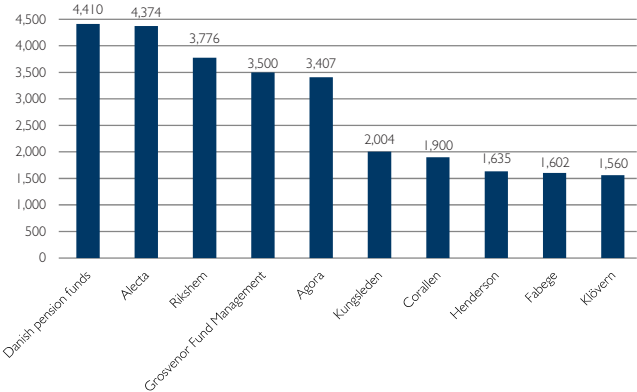
for the lower rental growth and higher vacancy risk in these segments compared to prime locations. All in all, the market is closing in on the top of the investment cycle. The strong liquidity outside prime locations in combination with a substantial interest among investors indicate that now is a good timing to sell properties in secondary locations.



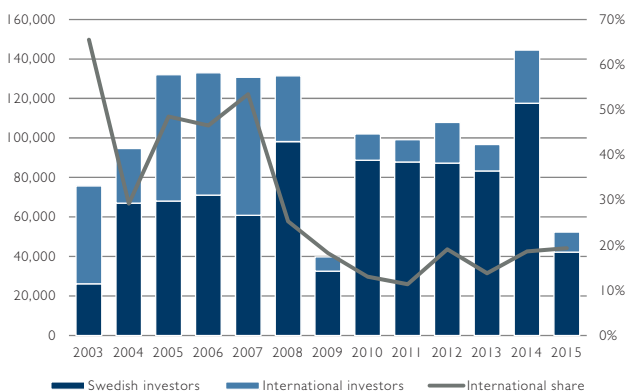
TRANSACTION VOLUME PER MONTH, MSEK



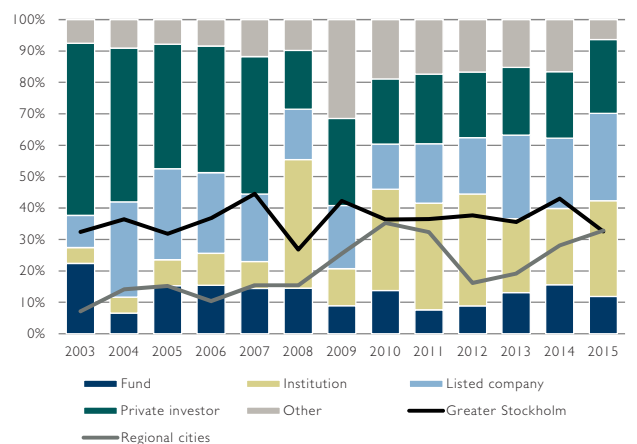
TOP 10 INVESTORS 2015, MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION





Top 20 transactions 2015

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2015-05-20	NREP Logistics together with three additional properties	Several cities	NREP	Danish pension funds	Logistics	467,303	~4,410	~9,000	6.1-6.4%
2015-06-01	Swedavia's Airport Portfolio	Stockholm, Gothenburg & Malmö	Swedavia	Alecta		260,000	3,950	15,192	
2015-01-16	Skärholmen Centrum (Hästhölm 1, 16, 19, 22, 24 & 29)	Stockholm	Centeni	Grosvenor Fund Management	Retail	98,382	3,500	35,576	5.0%*
2015-04-13	23 properties in Norrköping and Linköping	Norrköping, Linköping	Heimstaden	Corallen	Office	162,510	1,900	11,692	
2015-03-05	Nova Lund (Företaget 7, 13 & 14)	Lund	Unibail-Rodamco	Henderson	Retail	25,984	1,635	62,923	5.5%
2015-05-28	Haga Norra, Stora Frösunda 2 & Hagalund 2:2	Stockholm	Catena	Fabege AB	Development project	40,873	1,450	35,476	
2015-06-01	Seven retail properties	Västerås, Eskilstuna, Södertälje, Kalmar etc.	NIAM IV Holding	Agora	Retail	71,529	1,242	17,364	conf.
2015-04-27	Solna Gate (Aprikosen 2)	Solna	Mengus	Klövern	Office	35,200	1,200	34,091	5.1%*
2015-06-15	TeliaSonera HQ	Farsta	Nordisk Renting	Rikshem & Ikano Invest	Development project	101,600	1,050	10,335	
2015-01-21	Gårdsten 58:1	Gothenburg	Stena Fastigheter	Victoria Park	Mix incl. residential	112,517	925	8,221	
2015-01-21	Nine logistic properties	Vaggeryd etc. (8 municipalities)	Hemfosa Fastigheter	Estancia Fastigheter	Industrials	116,481	900	7,727	
2015-06-12	Citadellet, Tornen and M2	Gothenburg	Älvstranden Utveckling	Atrium Ljungberg	Office	34,343	897	26,119	
2015-03-30	Gamlestadens Fabriker (Olskroken 18:7)	Gothenburg	Aberdeen	Platzer	Office	61,864	750	12,123	
2015-05-12	Bo i Väsby AB	Upplands Väsby	Upplands Väsby municipality	Rikshem	Residential	44,705	720	16,106	conf.
2015-04-08	Kristineberg 1:10 (part of) & Kristineberg 1:4 (part of)	Stockholm	Stockholm municipality	NCC	Development project	N/A	683	N/A	
2015-02-05	Mariott Hotel (Snöflingan 3)	Stockholm	Invesco	Balder	Hotel	22,000	670	30,455	
2015-03-06	Päronet 8	Solna	Union Investment	Humlegården	Office	21,438	650	30,320	
2015-06-22	Patentverket (Uppfinnaren 1)	Stockholm	Vasakronan	Oscar Properties	Office	16,023	650	40,567	
2015-03-27	Kista Science City (Hörnafjord 1)	Stockholm	Genesta Property	Kungsleden	Office	23,226	514	22,130	
2015-02-20	Skrubba 1:2, Varvet 1, Sicklaön 107:3, Sotaren 1 & Flygeleven 2	Stockholm, Botkyrka, Täby, Nacka	Sofieberg Fastigheter	Stendörren	Mix commercial property	52,154	500	9,587	

Top 20 transactions June 2015

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2015-06-01	Swedavia's Airport Portfolio	Stockholm, Gothenburg & Malmö	Swedavia	Alecta	Other	260,000	3,950	15,192	
2015-06-01	Seven retail properties	Västerås, Eskilstuna, Södertälje, Kalmar etc.	NIAM IV Holding	Agora	Retail	71,529	1,242	17,364	conf.
2015-06-15	TeliaSonera HQ	Farsta	Nordisk Renting	Rikshem & Ikano Invest	Development project	101,600	1,050	10,335	
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2015-06-22	Patentverket (Uppfinnaren 1)	Stockholm	Vasakronan	Oscar Properties	Office	16,023	650	40,567	
2015-06-01	Caroli (Carolus 32)	Malmö	Profi Fastigheter	Agora	Retail	15,485	474	30,610	conf.
2015-06-18	Slagan 1	Helsingborg	Magnolia Bostad	Alecta	Development project	13,000	424	32,615	
2015-06-24	Park49 (Heden 47:3)	Gothenburg	Skanska	Balder	Office	7,500	418	55,733	4.75%*
2015-06-05	Gefion 3, Hästvagnen 3, Översikten 6 & Översikten 9	Malmö, Jönköping	Alecta	Kungsleden	Retail	23,599	385	16,314	conf.
2015-06-02	Kompassen (Kitteln 11)	Örebro	Pare Fastigheter	Agora	Retail	13,661	320	23,424	conf.
2015-06-02	Mixed retail properties	Falköping, Nässjö, Sundsvall, Tranås	M2 Gruppen	Agora	Retail	43,111	309	7,168	conf.
2015-06-01	Mixed property portfolio	Strängnäs, Sala, Järna, Skinnkatteberg	Sterner Stenus & Kvalitena	Amasten	77% residential and public	32,543	291	8,942	6.0%*
2015-06-05	Terminalen 2	Sollentuna	Humlegården Fastigheter	Kungsleden	Office	14,985	285	19,019	conf.
2015-06-01	Smedjan (Vampyren 9)	Eskilstuna	Klövern	Agora	Retail	16,587	240	14,469	conf.
2015-06-02	Ekholmen Centrum	Linköping	Kvalitena	Agora	Retail	12,136	238	19,611	conf.
2015-06-01	Mixed property portfolio	Timrå, Falun	Möller & Partners	Amasten	37% retail 21% office 20% res.	27,808	217	7,804	7.0%*
2015-06-01	Vårberg Centrum (60% share)	Stockholm	D. Carnegie & Co	Agora	Retail	25,346	210	8,285	conf.
2015-06-18	Mixed property portfolio	Luleå	Lulebo	Rikshem	1,600 apartments & seven public properties	65,000	conf.	N/A	conf.
2015-06-18	Residential properties in Bergsjön	Gothenburg	Several	Willhem	Residential	42,278	conf.	N/A	conf.
2015-06-05	Residential portfolio	Linköping	Isidorum	Bonäsudden Fastighets	Mix incl. residential	35,519	conf.	N/A	conf.

* Estimated by Catella