



Lower volumes in February – good opportunities start to arise in secondary locations

The monthly transaction volume in February amounted to SEK 9.1 billion. This was significantly lower than the SEK 16.4 billion recorded in February 2016, but much stronger than the SEK 3.5 billion for the same month in 2015.

The transaction volume of the Swedish property market fell somewhat in February compared to previous months, but remains at record levels with a rolling 12-month volume of SEK 174 billion. There were a number of big transactions in the Stockholm region in February including CBRE Global Investors' acquisition of the retail park Bromma Blocks from Starwood, and CBRE Global Investment Partners' acquisition of the office property Tobaksmonopolet 2 in Stockholm from Aberdeen. There is, however, a good chance that the rolling 12-month

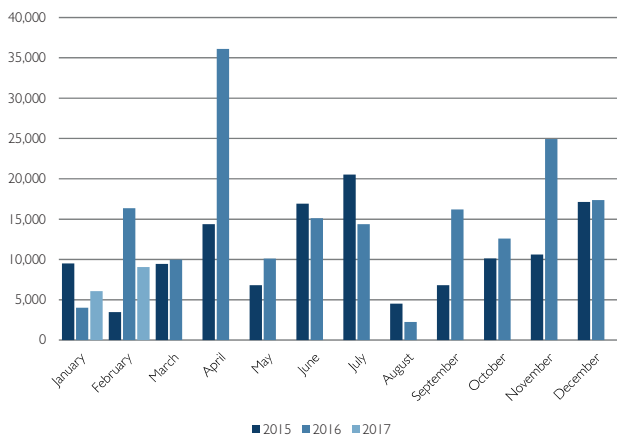
volume will fall significantly during the spring, as the volume in February–April 2016 was boosted by a number of large deals including major investments by Castellum, Willhem and Partners Group.

The Swedish economy is mainly driven by consumption and investments in the housing sector. Since the early 2000s, half of Sweden's GDP growth has been generated in the Stockholm region, while around 25 per cent has been generated in the Gothenburg and Malmö regions. This apparent geographic concentration of GDP growth has not gone unnoticed by property investors. With regard to commercial properties, most large private and institutional property investors are focusing on the same office and retail locations in the large cities. This is resulting in a large number of bidders for properties in these locations, while there are many sellers but few investors in non-prioritised locations.

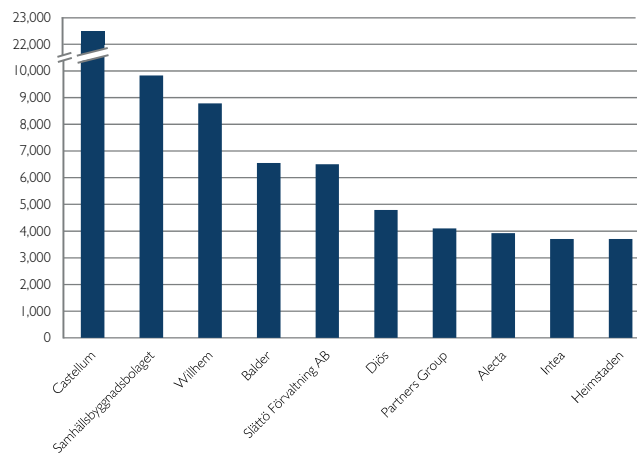
This effect is amplified by worsened access to financing and increasing credit margins since the autumn of 2015. With the exception of a handful of listed property companies, it is mainly local actors that invest in commercial property in smaller cities. Even though there is no rental growth over time in these locations, there are opportunities for medium-sized investors that have a good understanding of the property market and efficient management models to invest in these locations without encountering a lot of competition.



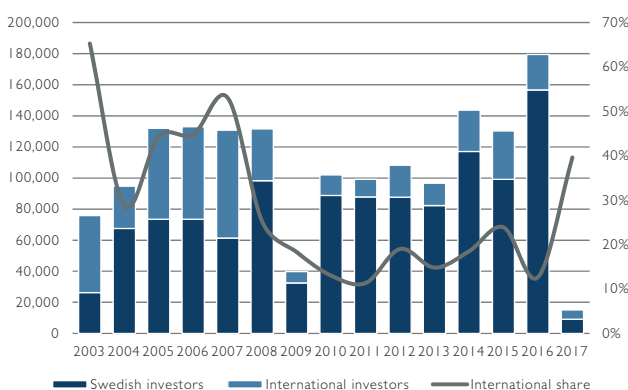
TRANSACTION VOLUME PER MONTH, MSEK



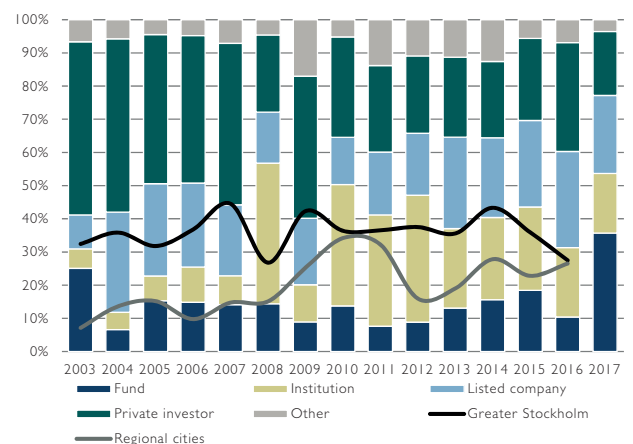
TOP 10 INVESTORS 2016–2017 (YTD), MSEK



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 AB	Development	450,000	5,000	N/A	
2016-11-22	Office portfolio (33 properties)	Sundsvall, Umeå & Luleå	Castellum	Diös	Office	235,249	4,500	6,898	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	Trophi	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	Blekholmen 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	conf.
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 AB	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
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%*
2017-02-16	Tobaksmonopolet 2	Stockholm	Aberdeen	CBRE	Office	23,423	1,000	42,693	4.0%*

Top 10 transactions February 2017

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2017-02-20	Bromma Blocks	Stockholm	Starwood Capital, Vencom	CBRE	Retail	55,320	2,200	39,769	conf.
2017-02-09	Residential portfolio (44 properties)	Tranås, Arboga, Köping	Balder	D. Carnegie & Co	Residential	155,821	1,420	9,113	5.0%*
2017-02-16	Tobaksmonopolet 2	Stockholm	Aberdeen	CBRE	Office	23,423	1,000	42,693	4.0%*
2017-02-01	Sabbatsberg 24	Stockholm	Stockholm municipality	Castellum	Office	11,716	800	68,283	N/A
2017-02-07	Residential portfolio (7 properties)	Stockholm	Private	Akelius	Residential	14,753	680	46,092	2.5%*
2017-02-09	Residential portfolio (58 properties)	Falköping	Balder	Heimstaden	Residential	70,607	593	8,403	conf.
2017-02-25	Commercial portfolio (10 properties)	Mölnådal, Partille	Castellum	Klövern	Mix commercial	40,438	498	12,343	
2017-02-25	Mixed portfolio (14 properties)	Borås	Klövern	Castellum	Mix commercial	81,128	478	5,892	
2017-02-28	Industrial portfolio (16 properties)	Stockholm, Kungsör, Kumla	Kungsleden	Söderport Fastigheter AB	Industrial	102,109	427	4,182	7.5%*
2017-02-01	Patan 1 & 2	Haparanda	Concent	Private	Development		279		N/A

* Estimated by Catella

Source: Catella and Datscha