



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

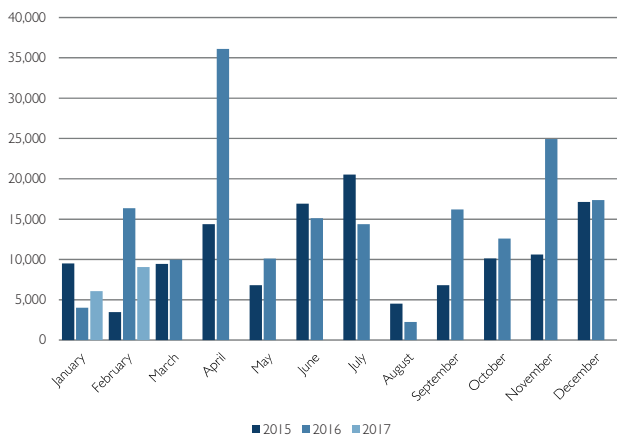
volume will fall significantly during the spring, as the volume in February–April 2016 was boosted by a number of large deals including major investments by Castellum, Willhem and Partners Group.

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.

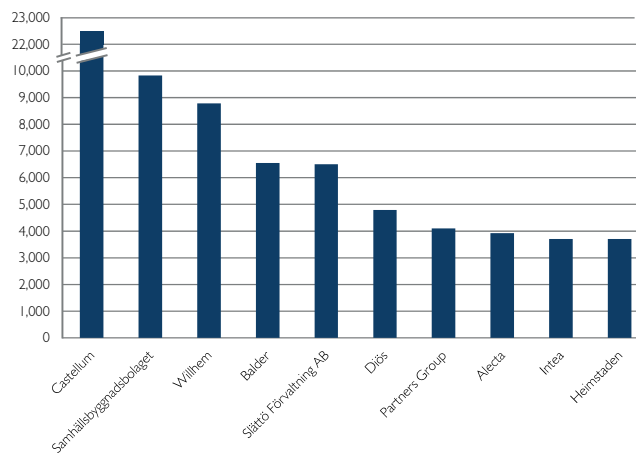
This effect is amplified by worsened access to financing and increasing credit margins since the autumn of 2015. With the exception of a handful of listed property companies, it is mainly local actors that invest in commercial property in smaller cities. Even though there is no rental growth over time 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.



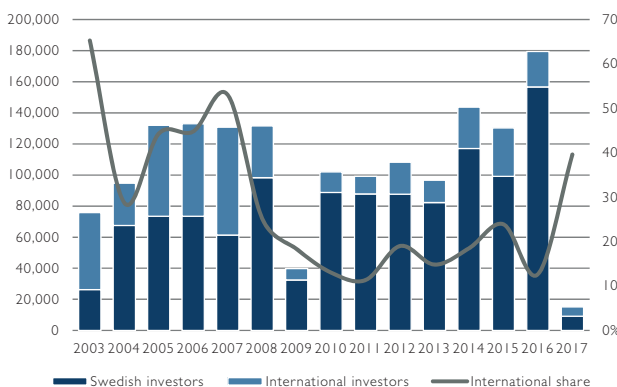
TRANSACTION VOLUME PER MONTH, MSEK



TOP 10 INVESTORS 2016–2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION

