



The trend of slowing transaction volumes continued in March

February's pick-up in rolling twelve-month transaction volumes did not continue in March. Instead, the gradual slowdown in the transaction volumes that has been ongoing since the summer 2015 seems to endure. The monthly transaction volume in March ended up at just over SEK 7 billion, which can be compared to SEK 9.5 billion and almost SEK 12 billion during the same month 2014 and 2015 respectively. As a result the rolling twelve-month transaction volume fell to SEK 135 billion, from SEK 137 billion in February – significantly lower than the peak of almost SEK 160 billion that was recorded last summer.

Property funds was the single largest investment group during the first quarter 2016, with private property companies and institutions on the second and third place. The listed property companies reduced their investment activity significantly during the first quarter, and their rolling twelve-month investment volume fell from SEK 43 billion in May 2015 to SEK 34 billion in March. International investors have done a number of large deals during the first quarter, and the largest fund investor during

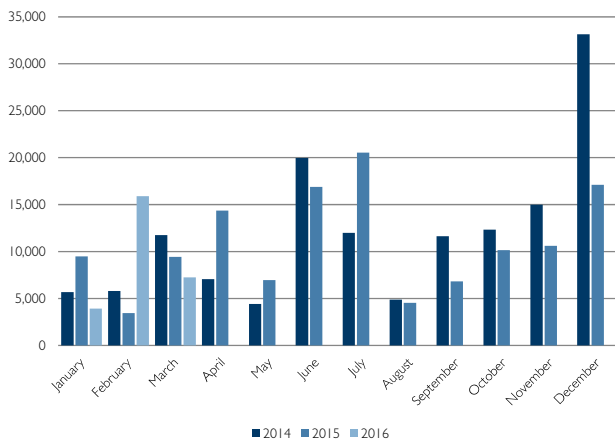
the first quarter was Partners Group which acquired properties for SEK 4.1 in total. The internationally strong economic growth in Sweden is generating a significant interest in Swedish real estate – particularly among Nordic, German and Anglo-Saxon investors. International investors have increased their rolling twelve-month investment volumes from SEK 10–20 billion in 2010–2014, to around SEK 30–40 billion in 2015–2016. So far in 2016, foreign investors have acquired properties for just over SEK 7 billion, representing around 25 per cent of the transaction volume. However, international investors are also major sellers on the market – and although their net-investments have improved since mid-2013, international investors are still selling more than they are buying.

Average yields for commercial properties are at historically low levels, and are driven by Sweden's internationally strong GDP growth and low interest rates. However, there is plenty to suggest that the global economy will grow slowly during 2016–2017 – which has a direct impact on small, open economies like Sweden. Both average yields and transaction volumes

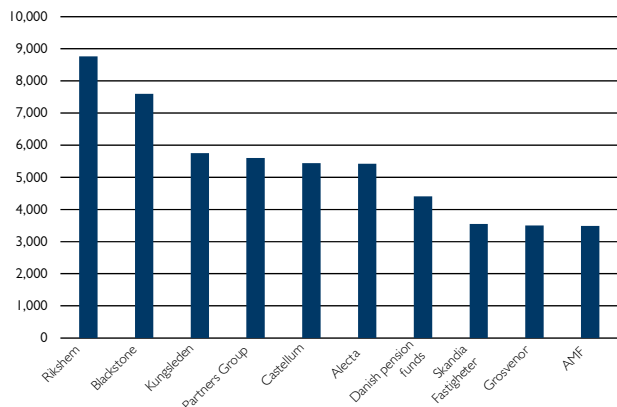
are strongly correlated to GDP growth. If GDP growth and the rolling twelve-month transaction volumes continue to slow down towards the historical average of around SEK 115 billion during the second half of 2016, yields in secondary property segments (and thereby average yields) will start to increase. Swedish institutional investors are expected to continue to be the major net-buyers on the market throughout 2016, while the listed property companies will gradually decrease their net-investments and start to offload properties in non-strategic locations.



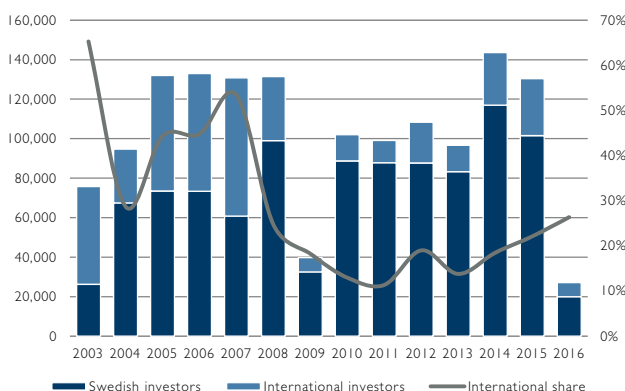
TRANSACTION VOLUME PER MONTH, MSEK



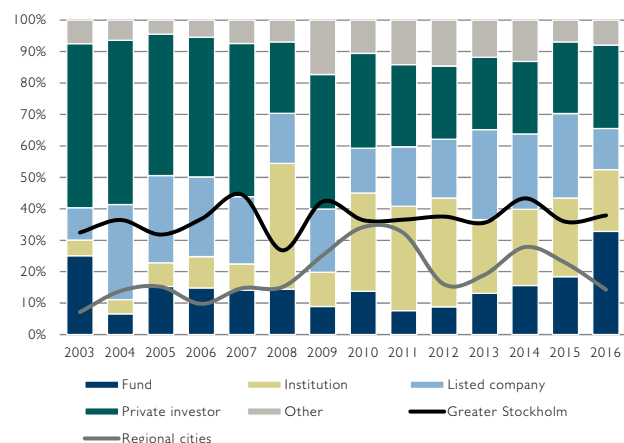
TOP 10 INVESTORS 2015–2016 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION





Top 20 transactions 2015–2016

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2015-07-22	Mixed portfolio	Stockholm, Gothenburg, Malmö, Linköping etc.	Obligo	Blackstone & Areim	Office, logistics	659,000	9,500	14,416	
2015-05-20	NREP Logistics together with 3 additional properties	Stockholm, Gothenburg, Jönköping, Luleå etc.	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	Other	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%*
2015-12-09	Fatburssjön 10	Stockholm	Aareal Bank	AMF	Office	46,000	3,060	66,522	~4.0%*
2015-10-16	Rotterdam 1, Tegeludden 13, Stettin 5 & Stettin 6	Stockholm	Djurgårdsstadens Fastigheter	Kungsleden	Mix incl. office	95,990	3,050	31,253	
2015-07-08	Retail portfolio (44 properties)	Luleå, Boden, Katrineholm, Södertälje, Gävle	Areim	Svenska Handelsfastigheter	Retail	180,363	2,700	14,970	conf.
2016-02-19	Commercial portfolio (63 properties)	Stockholm, Jönköping, Norrköping etc.	Sveafastigheter	Partners Group	Commercial	166,154	2,500	15,046	
2016-02-04	Uarda 5	Solna	Fabege	Union Investment	Office	44,269	2,257	50,984	conf.
2015-04-13	Office portfolio (23 properties)	Norrköping, Linköping	Heimstaden	Corallen	Office	162,510	1,994	12,270	
2015-11-20	Residential portfolio (47 properties)	Östersund, Umeå, Haparanda	Akelius	Rikshem	Residential	121,159	1,878	15,500	4.0%*
2015-12-10	Radison Blu Waterfront & Congress Centre	Stockholm	DNB	KLP	Hotel	34,244	1,750	51,104	~4.0%*
2015-03-05	Nova Lund (Företaget 7, 13 & 14)	Lund	Unibail-Rodamco	Henderson	Retail	25,984	1,635	62,923	5.5%
2016-02-09	Office and public portfolio (10 properties)	Stockholm, Täby, Solna	Profi Fastigheter	Partners Group	Office	99,965	1,600*	16,006	6.1%*
2015-07-09	Mixed portfolio	Luleå	Lulebo	Rikshem	Residential, public	24,710	1,600	12,092	conf.
2015-12-10	Torsplan 2	Stockholm	NCC	Castellum	Office	23,000	1,600	69,565	~4.1%*
2015-08-31	Mixed portfolio	Gothenburg, Stockholm, Umeå, Boden etc.	Sveafastigheter	Partners Group	Mix	70,481	1,500	21,282	
2015-05-28	Haga Norra (Stora Frösunda 2 & Hagalund 2:2)	Stockholm	Catena	Fabege	Development project	40,873	1,450	35,476	NA
2015-09-29	Solna Port (Brahelund 2)	Solna	Commerz Real	Areim	Office	43,782	1,350	30,835	
2016-03-16	Logistics portfolio (21 properties)	Gothenburg, Stockholm, Malmö etc.	Estancia fastigheter	Corem	Logistics	168,040	1,315	7,826	7.3–7.5%*

Top transactions March 2016

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2016-03-16	Logistics portfolio (21 properties)	Gothenburg, Stockholm, Malmö etc.	Estancia fastigheter	Corem	Logistics	168,040	1,315	7,826	7.3–7.5%*
2016-03-17	Residential portfolio	Östersund	Östersundshem	Rikshem	Residential	133,507	1,144	8,569	4.8%*
2016-03-08	Office portfolio (23 properties)	Linköping and Norrköping	Heimstaden	Castellum	Office	162,685	1,042	6,402	
2016-03-29	Retail portfolio (7 properties)	Nyköping, Karlskoga, Örnsköldsvik and Mjölby	Cornerstone	Valad Nordic Retail Partnership	Retail	45,672	800	17,516	8.0%*
2016-03-31	Solbacken retail park	Skellefteå	Cordea Savills	Regio	Retail	32,211	580	18,006	6.0%*
2016-03-23	Antikvarien I & Arkeologen I	Helsingborg	Magnolia	SPP	Residential (development)		550	NA	
2016-03-09	Public portfolio (7 properties)	Helsingborg, Landskrona, Lomma etc.	Midroc	Pareto	Public	13,800	500	36,232	
2016-03-09	Grinden 21	Stockholm	AFA	Centria	Mix commercial	10,533	500	47,470	conf.
2016-03-01	Mölnvik retail park	Värmdö	Invesco	Aberdeen	Retail	16,076	conf.		conf.
2016-03-31	Tigern 7, Lejoninnan 10, Björnen 6, Hålan 6:2 & Mjälaryd 3:300	Jönköping	Balder	Hökerum	Mix incl. Residential	31,137	320	10,277	4.1%*
2016-03-31	Partille 11:24	Partille	Catena	Svenska Hus	Industrial	19,587	186	9,496	

* Estimated by Catella