



High market activity – but signs of softening investor demand for secondary assets

There is a continuously high activity on the Swedish property market, and the rolling 12-months transaction volume ended up at SEK 135 billion in November, slightly lower than the SEK 140 billion recorded in October. The market is dominated by funds, private investors and listed companies. During the past six months, foreign investors have become increasingly interested in the Swedish property market and a few large international transactions may be upcoming during the first half of 2016. Catella expects the 2015 full year volume to be just below the 2014 volume.

Both yields and yield spreads between A, B and C locations are at historically low levels, but there are signs that the investment cycle has begun to turn. During the last month Catella has noticed that some sales processes for secondary assets have

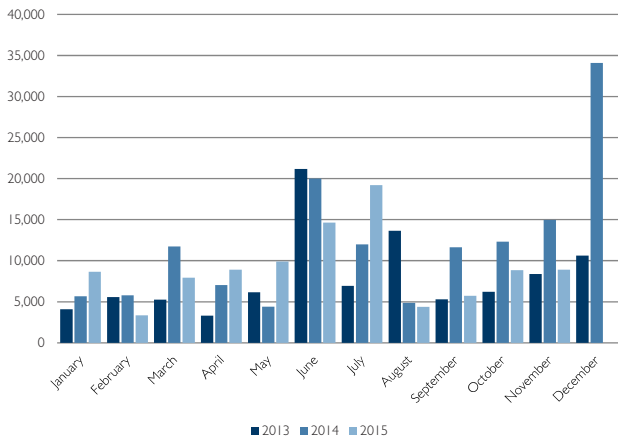
become drawn-out, in some cases due to that investors did not acquire the financing they initially expected. It is too soon to say whether this is an end-of-year effect or an actual trend shift. It is, however, well in line with the development on the credit market since the summer – where issuance of property related preference shares and corporate bonds have declined markedly. The credit spread between higher and lower rated US corporate bond yields has also increased, and even if the development is mainly driven by the oil and gas sector also other sectors are affected.

Investor demand is, however, expected to remain strong for high-quality properties in attractive locations in the major cities for the foreseeable future as real interest rates will remain close to zero. In today's market the timing is good for disin-

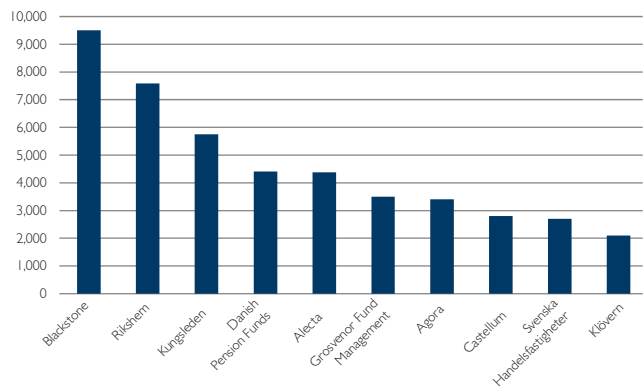
vestment in secondary locations in major cities as well as in smaller cities whereas liquidity is currently good in these locations. Generally, investor demand in these segments is only strong at the top of the investment cycle.



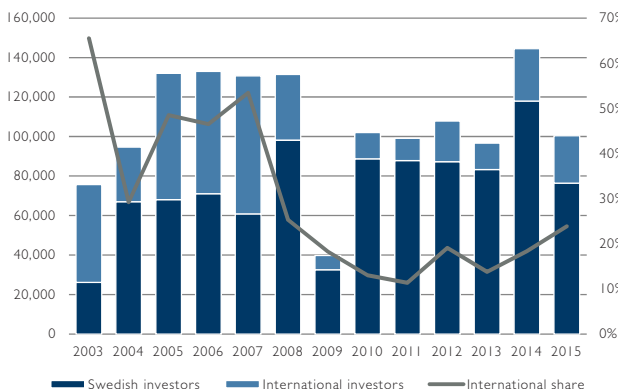
TRANSACTION VOLUME PER MONTH, MSEK



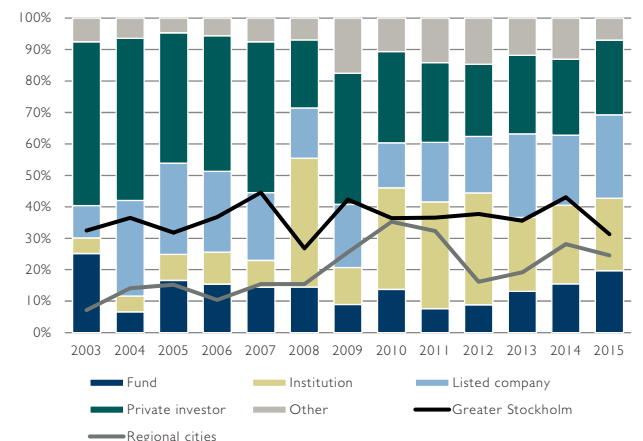
TOP 10 INVESTORS 2015, MSEK



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
2015-07-22	Mixed portfolio	Stockholm, Gothenburg, Malmö, Linköping etc.	Obliqo	Blackstone	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%*
2015-10-16	Rotterdam 1, Tegellunden 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.
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%*
2015-03-05	Nova Lund (Företaget 7, 13 & 14)	Lund	Unibail-Rodamco	Henderson	Retail	25,984	1,635	62,923	5.5%
2015-07-09	Mixed portfolio	Luleå	Lulebo	Rikshem	Residential, public	24,710	1,600	12,092	conf.
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	
2015-07-17	Igor 8, Månadsmötet 9, Rotundan 1 & Orminge 47:1	Västerås, Östersund, Sollentuna, Nacka	Atrium Ljungberg	Keva, Hea, Revcap, Private	Retail	62,627	1,300	20,758	6.0%*
2015-06-01	Retail portfolio (7 properties)	Västerås, Eskilstuna, Södertälje, Kalmar etc.	Niam	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%*
2015-07-06	Tyresö Centrum (Forellen 17 & 22, Bollmora 2:585)	Tyresö	CBRE Global Investors	Diligentia	Retail	30,846	1,200	38,903	conf.
2015-08-28	Residential project	Multiple	Concent Holding	Commercial Nischer	Development project	37,000	1,133	30,622	NA
2015-11-26	Retail portfolio (13 properties)	Kristinehamn, Bromölla, Hässleholm etc.	ICA Fastigheter	Secore	Retail	54,829	1,100	20,062	conf.
2015-06-15	TeliaSonera HQ (Burmanstorp 1)	Farsta	Nordisk Renting	Rikshem & Ikano Invest	Development project	101,600	1,050	10,335	NA

Top 10 transactions November 2015

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2015-11-20	Residential portfolio (47 properties)	Östersund, Umeå, Haparanda	Akelius	Rikshem	Residential	121,159	1,878	15,500	~4.0%*
2015-11-26	Retail portfolio (13 properties)	Kristinehamn, Bromölla, Hässleholm etc.	ICA Fastigheter	Secore	Retail	54,829	1,100	20,062	conf.
2015-11-25	Office portfolio (11 properties)	Stockholm, Sollentuna, Upplands Väsby	Castellum	FastPartner	Office	88,555	822	9,282	
2015-11-09	Mixed portfolio (14 properties)	Karlskrona	CA Fastigheter	Heimstaden	Mix incl. residential	43,400	~690	~15,900	conf.
2015-11-17	Residential portfolio (5 properties)	Täby	Akelius	Tenant-owner association	Residential	29,385	690	23,481	NA
2015-11-16	Varvet 2	Karlstad	Magnolia	Slättö Förvaltning	Residential	12,300	360	29,268	~4.5%*
2015-11-06	Logistics/Industrial portfolio (4 properties)	Södertälje, Eskilstuna, Sigtuna	Hemfosa Fastigheter	Savana	Logistics/ industrial	86,805	335	3,859	
2015-11-16	Mässhallen 2	Malmö	NCC	Castellum	Office	7,300	327	44,795	conf.
2015-11-06	Public portfolio (43 properties)	Mix	Humana	Hemfosa	Public	30,270	259	8,540	
2015-11-30	Limhamn, CEMENTEN	Malmö	NCC	MKB	Development project	65,000 BTA	254	NA	NA

* Estimated by Catella