



High market activity – but there are signs that the investment cycle has already peaked

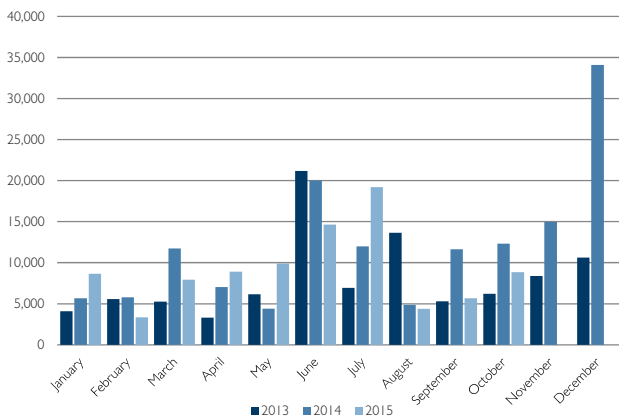
There was an upswing on the transaction market in October compared to the previous month. The transaction volume for the month amounted to just below SEK 9 billion, which can be compared to 5.5 billion in September and 12.5 billion in October last year. Activity on the Swedish property market has been at record levels since December 2014, and the rolling 12-months transaction volume has remained in the range SEK 140–150 billion since then. This level is much higher than the average for the past five years, which is SEK 112 billion, and is in line with the record volumes of 2006–2007. The market is dominated by funds, private investors and listed companies. During the past six months, the presence of international investors has also increased significantly. All in all, Catella expects the full year volume to be in line with the 2014 volume due to

the continuously strong investor demand. The market is driven by strong GDP growth, combined with the extremely low interest rates, good access to financing, low banking margins and risk-willing investors. The market has been hampered by a lack of supply of high-quality properties during 2014–2015. By September, there had not been one single office transaction in the city centre of Stockholm during 2015, but this eased considerably in October with two completed transactions – Olov Lindgren’s purchase of Törnet 10 and Axfast’s purchase of Jakob Mindre 11. 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 already begun to turn. Since the summer, it has become increasingly clear that the global economy is slowing and the US credit spreads, i.e.

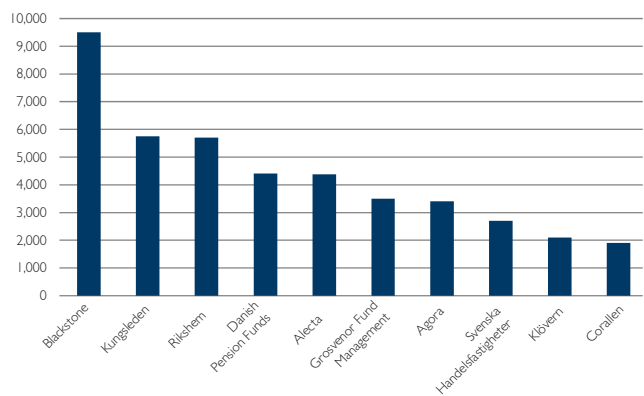
the difference between interest on corporate bonds with high credit ratings and on those with lower ratings, has widened markedly. This is one factor that reflects reduced risk appetite among investors. In today’s market the timing is good for disinvestment in secondary locations in major cities as well as in smaller cities where as liquidity is currently good in these locations. Generally, investor demand in these segments is only strong at the top of the investment cycle.



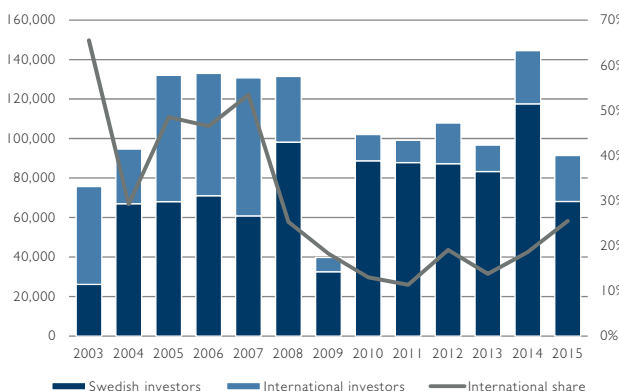
TRANSACTION VOLUME PER MONTH, MSEK



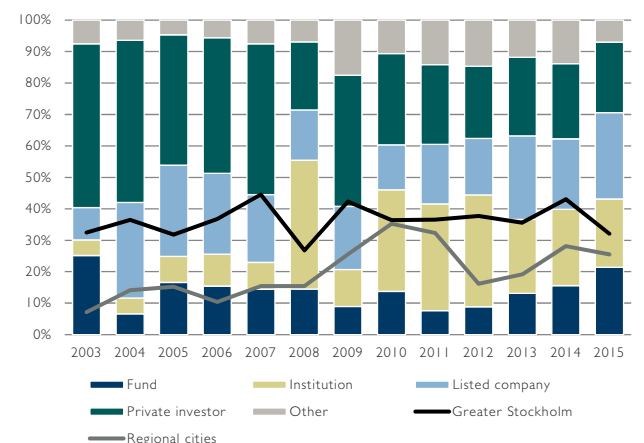
TOP 10 INVESTORS 2015, MSEK



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.	Obligo	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	Swedavias 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, Tegelludden 13, Stettin 5 & Stettin 6	Stockholm	Djurgårdsstadens Fastigheter	Kungsleden	Mix incl. office	95,990	3,000	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	
2015-03-05	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, Sollentuna, Nacka, Östersund	Atrium Ljungberg	-	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 Commercial Holding	Nischer	Development project	37,000	1,133	30,622	NA
2015-06-15	TeliaSonera HQ (Burmanstorp 1)	Farsta	Nordisk Renting	Rikshem & Ikano Invest	Development project	101,600	1,050	10,335	NA
2015-09-25	Residential portfolio	Värmdö	Värmdö municipality	Rikshem	Residential	137,654	1,004	14,885	
2015-05-12	Public portfolio	Multiple	Sveafastigheter	Residenset	Public	57,200	1,000	17,483	

Top 10 transactions October 2015

Date	Object	Municipality	Seller	Buyer	Type	Area (sq.m.)	Price (MSEK)	Price (SEK/sq.m.)	Yield
2015-10-16	Rotterdam 1, Tegelludden 13, Stettin 5 & Stettin 6	Stockholm	Djurgårdsstadens Fastigheter	Kungsleden	Mix incl. office	95,990	3000	31,253	
2015-10-05	Hjorten 5, Sleipner 5, Sirius 16 & 24 & 25	Skellefteå	Skellefteå municipality	Diös	Mix incl. office	51,967	653	12,566	
2015-10-07	Köpet 1	Karlstad	Konsum Värmland	Eurocommercial	Retail	22,000	600	27,273	5.3%
2015-10-15	Residential portfolio (13 properties)	Borås	Bostäder i Borås	Victoria Park	Residential	64,850	531	8,188	4.8%*
2015-10-13	Retail portfolio (7 properties)	Huddinge, Södertälje, Linköping, Mjölby etc.	KF Fastigheter	NREP	Retail	28,299	530	18,729	~6%*
2015-10-26	Residential portfolio (10 properties)	Göteborg	D. Carnegie & Co	Bostadsbolaget	Residential	65,607	493	7,514	5.3%*
2015-10-13	Ridfogden 1	Lund	KB Ladugårdsmarken	Heimstaden	Residential	11,163	300	26,874	conf.
2015-10-21	Nacka Sicklaön 12:9, Piloten 2, Träbjälken 16 & Sjöberg 7:4	Nacka, Sollentuna, Stockholm	Landsort Care 2	Hemsö	Public	11,000	285	25,909	
2015-10-01	Söderberg 4 & 5, Fältmarskalken 3	Kristianstad	Contentus	Hyresbostäder i Malmö	Residential		210	23,959	conf.
2015-10-29	Princeton	Stockholm	Stockholm municipality	Hemsö & Sveanor	Development project		202	NA	NA

* Estimated by Catella

** Closing delayed until end of November