

Slightly higher market activity in October driven by the Swedish institutions

The activity on the transaction market picked up somewhat in October compared to the previous month. The volume ended up at SEK 8.8 billion during October, which can be compared to SEK 10.2 billion and SEK 12.6 billion during the same month in 2015 and 2016, respectively.

The rolling 12-month transaction volume fell to SEK 142 billion in October, compared to SEK 146 billion in September. The activity in October was concentrated to the public and industrial segments, while there were also a number of major transactions within the retail and residential segments during the month. There have, however, not been any significant office transitions since the summer although

the investor demand is strong for well-located offices in the major cities. The transaction volume for development projects remains at an all-time high rolling 12-months volume of SEK 21 billion in October and consists mainly of residential projects in Stockholm, Gothenburg and some regional cities. Swedish institutional investors (mainly occupational pension companies and the AP-funds) remain the largest net investors by far.

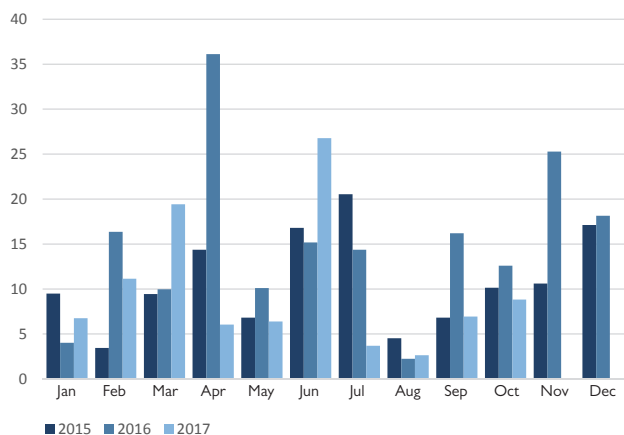
The sentiments among investors have shifted since the summer and investors have become more selective in general. The residential developers have now started to feel the pressure from the significantly increasing supply of new residential construction. Although the year-to-year change in housing prices are still positive, the prices have started to fall on a month-to-month basis during the autumn. Housing prices are a strong leading indicator

of GDP growth (around 6 months ahead), and stabilising housing prices on a year-to-year basis indicate a significant slowdown in the economic growth in 2018. Lower GDP growth and a less expansive monetary policy is expected to push the market towards a cyclical slowdown in 2018–2020. The underlying fundamentals for Swedish property, however, remains good with strong rental growth for well-located, modern offices in the major cities and a continuously extremely expansive monetary policy (with strongly negative real interest rates).

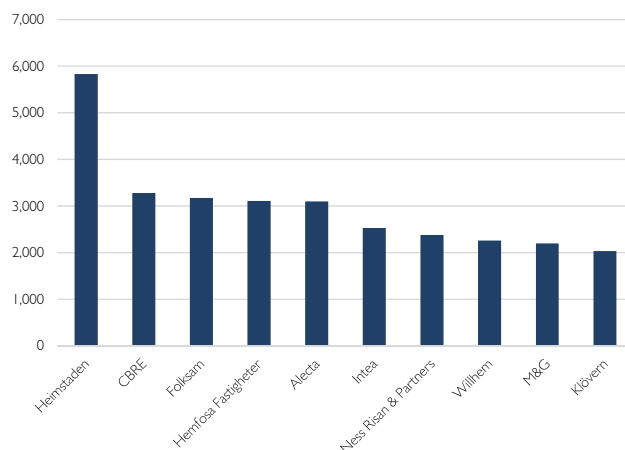


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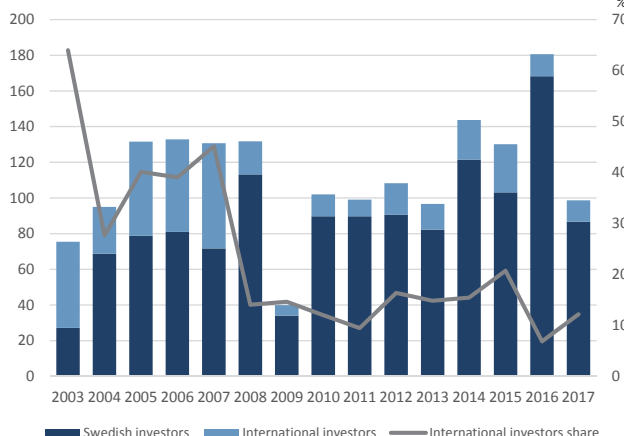
TRANSACTION VOLUME PER MONTH, BSEK



TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, BSEK



INVESTOR TYPE AND REGION

