



High transaction activity for development projects, but the overall volume is low

The transaction volume during July and August amounted to SEK 8 billion. This is a significantly lower market activity than the previous summers. The transaction volumes during the summer period in 2016 and 2015 (July and August) were SEK 17 billion and SEK 25 billion, respectively.

The rolling 12-month transaction volume decreased to SEK 153 billion in August, compared to SEK 162 billion in June. There has been a clear focus on development projects, mainly residential projects in Stockholm, Gothenburg and some regional cities. All in all, the development projects amounted to SEK 2.9 billion in July and August (or about 36 per cent of the total transaction volume).

The property market is dominated

by institutional investors focusing on residential, public and well-located commercial properties in the major cities. Some of the listed property companies are also investing, but they are selective and focus on well-located properties in the major cities. SPP did the single largest investment during the summer when they acquired a grocery store portfolio for around SEK 1.6 billion. The other major transactions were Vasakronan's acquisition of a newly constructed office property in Hammarby Sjöstad (Stockholm) for SEK 900 million, Fastpartner's acquisition of an office property in Frösunda (Solna, Greater Stockholm) and Hemsö's purchase of a school and nursery portfolio comprising around SEK 540 million.

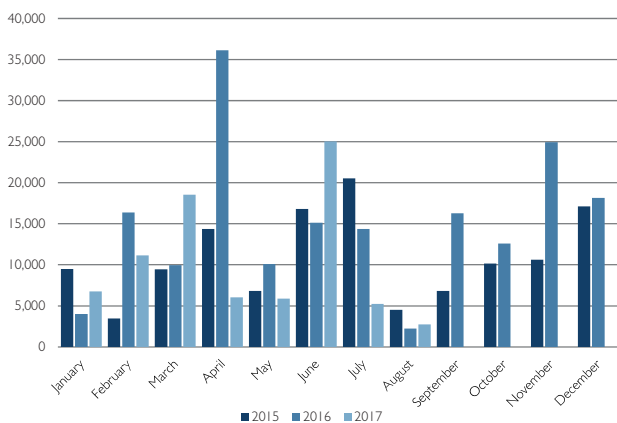
The transaction market remains one-sided and almost all major investors on the market are focusing on the

same segments in the major cities. It is getting increasingly important that each investment ticks all the boxes of the companies' investment criteria. As a result of the strong pick-up in residential new construction, the supply of projects and building rights has increased significantly over the last 6–9 months. The volumes have increased from a stable 12-months rolling volume of SEK 7–8 million over the last years up until the autumn 2016, to the currently historic high levels of around SEK 20 million. Catella expects this supply to continue increasing as the residential market is starting to get saturated and it is getting more challenging to sell and lease newly-built residential flats in non-prime locations.

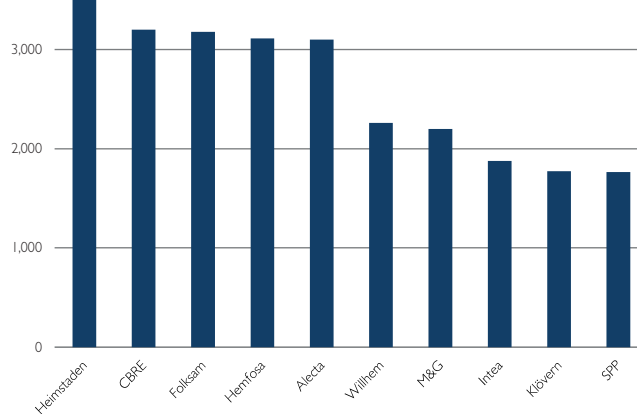


Arvid Lindqvist, Head of Research
arvid.lindqvist@catella.se

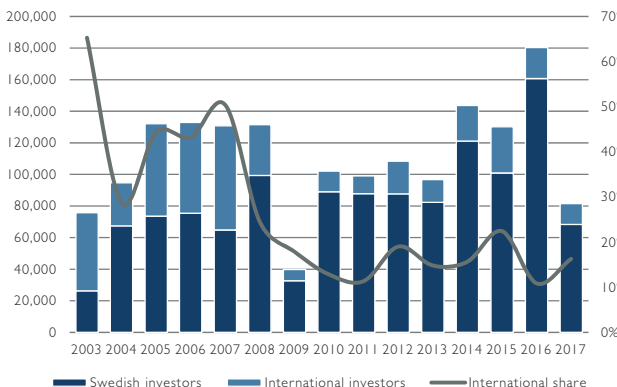
TRANSACTION VOLUME PER MONTH, MSEK



TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION

