



Institutional investors are driving up transaction volumes in June

The monthly transaction volume in June amounted to SEK 25 billion. This is a historically high volume and significantly higher than the SEK 15 billion and SEK 17 billion recorded in June 2016 and June 2015, respectively.

The rolling 12-month transaction volume increased to SEK 162 billion in June, compared to SEK 152 billion in May (which in turn can be compared to the all-time high of SEK 186 billion in March). The transaction volume for residential properties was high in June. The market was dominated by institutional investments in regional cities, where Heimstaden, Willhem and Folksam were the three largest investors. There were also several large prime office transactions in Stockholm during the month, including three transactions in the CBD. In addition, Swedish listed and

institutional investors made big investments within the public property segment, dominated by transactions by Intea and Hemfosa. In total, Intea and Hemfosa made transactions amounting to around SEK 3.6 billion in June (which can be compared to an average rolling 12-month volume of SEK 12.5 billion for the public property segment as a whole over the last five years). All in all, the market is liquid, but clearly dominated by institutional investors focusing on residential, public and well-located commercial properties in the major cities.

Uncertainty regarding new tax regulation that may be implemented in mid-2018 has not had any noticeable negative impact on transaction volumes so far. However, potential new regulation regarding capital gains tax and interest deductibility for companies may affect the business models of highly leveraged, transaction-oriented investors with

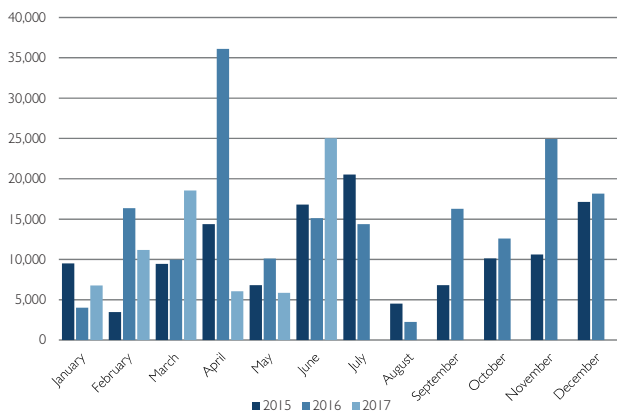
value-add strategies during the coming years – investors that are often focusing on B and C locations in the major cities. For long-term, low-leveraged private investors and institutions, however, the impact of the new regulation will likely be limited.

Although transaction volumes remain high, the market remains one-sided as almost all major investors on the market are focusing on the same segments in the major cities. Transaction activity has been high in recent years and most large institutions have vehicles for property investments within their prioritized segments. The focus of institutions and listed property companies are slowly shifting towards complementary investments. As a result, it is getting increasingly important that each investment ticks all the boxes of the companies' investment criteria.

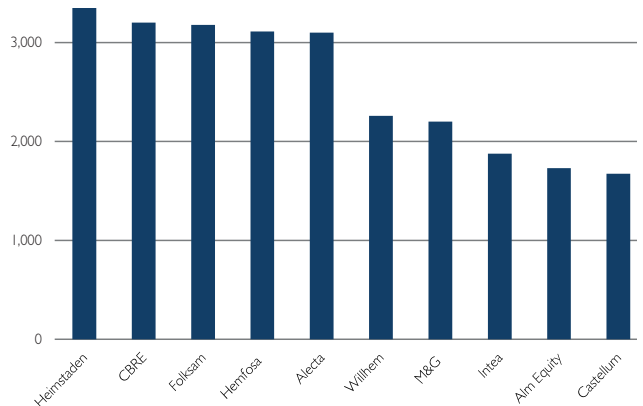


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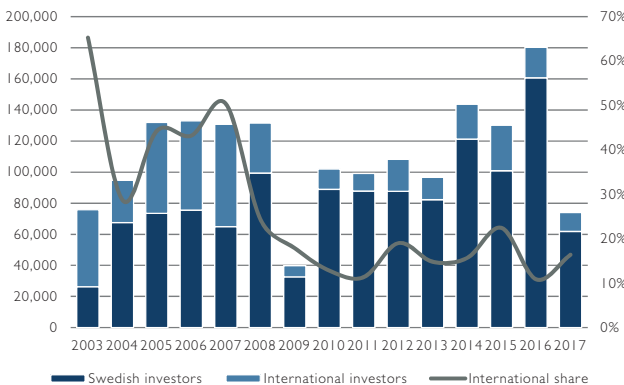
TRANSACTION VOLUME PER MONTH, MSEK



TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION

