



Continuously low market activity in September, but high volumes for residential building rights

The transaction activity has been relatively low so far during the autumn and the volume during September amounted to SEK 5.1 billion. The September volumes during 2016 and 2015 were SEK 16.3 billion and SEK 6.8 billion, respectively.

The rolling 12-month transaction volume fell to SEK 145 billion in September, compared to SEK 156 billion in August. There has been a clear focus on development projects, mainly residential projects in Stockholm, Gothenburg and some regional cities so far in 2017. All in all, the rolling 12-month transaction volume for development project amounted to SEK 21 billion in September (or about 15 per cent of the total transaction volume). Apart

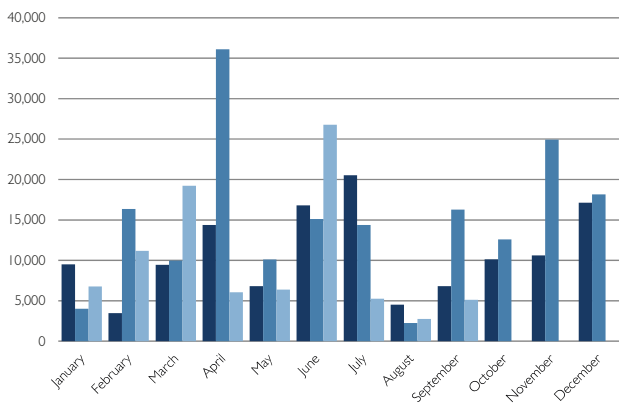
from development projects, the volume trend in all other segments are either stable or declining over the last quarter. The retail segment saw strongly increasing volumes from early 2014 up until Q2 2017, the rolling 12-months volumes have however fallen back significantly from SEK 29 billion in Q2 to SEK 19 billion in Q3. Although the average yields for retail properties have increased over the last 12 months, the investor demand is strong for high-quality Big-Box and shopping centres.

The market has been in a distribution phase since Q1 2017 with declining average yields for commercial properties. This is due to a pick-up in GDP growth during the spring 2017 and falling real interest rates. The distribution phase may continue for another 6–9 months. Lower

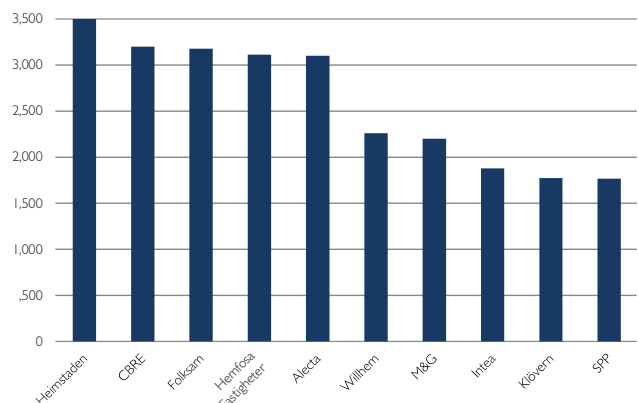
GDP growth and a less expansive monetary policy is expected to affect the market in 2018–2020 – and the upward trend in yields will most likely resume. Building rights in less attractive locations and weakly performing retail properties are expected to be first out in the upcoming cyclical slowdown.



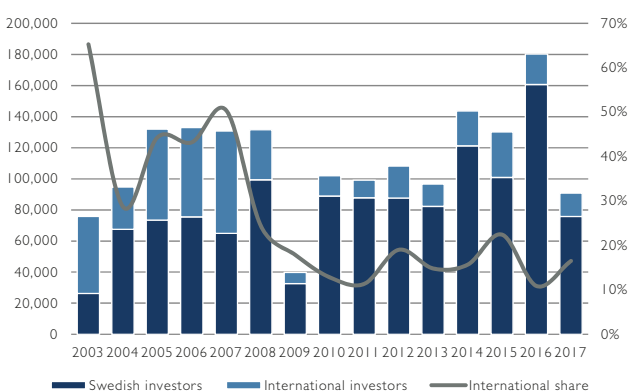
TRANSACTION VOLUME PER MONTH, MSEK



TOP 10 INVESTORS 2017 (YTD), MSEK



TOTAL SWEDISH TRANSACTION VOLUME, MSEK



INVESTOR TYPE AND REGION

