



# **VICTORIA PARK AB**

**Valuation summary**

**2019-12-31**

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## 1 INSTRUCTION

Savills Sweden AB (“Savills”), in collaboration with Malmöbryggan Fastighetsekonomi AB (“Malmöbryggan”), has been instructed by Victoria Park AB (also “the client”) to perform desktop valuations on Victoria Park AB’s property portfolio. The date of valuation is 2019-12-31.

The purpose is to describe the market value of the current objects as well as other valuation parameters. The assignment has been carried out in accordance with international valuation standards (IVS).

## 2 SUPPORTING INFORMATION

### 2.1 General

The valuations are based upon the following information:

- Valuation information – For all valuation objects the valuations are based upon an up to date tenant list with detailed information on rents regarding residential, commercial and parking premises. For the properties in Lövgärdet in Gothenburg, Nyköping, Kungsbacken 1 in Kristianstad, Smörblomman 11 in Karlskrona, Skatan 9 in Växjö and Docenten, Jämtland and the properties in Herrgården in Malmö the charges for electricity and water are based on a separate billing list stating outcome for the last 12 months.

Victoria Park has also provided estimated general rental increases for respectively municipality. The predicted increases differ between 1,5 and 1,9 % depending on the municipality and in general the new rents for 2020 are expected to be in effect from 1<sup>st</sup> of March or 1<sup>st</sup> of April.

The client has also provided Savills with a summary of ongoing and planned renovations of flats. Planned renovations are listed until April 2020, and the summary details required investment, current rent, rent after renovations and date for when the new rent takes effect. For properties with ongoing or planned renovations, rents have been adjusted manually and the estimated investment has been added to the cash flow calculations for 2020.

Furthermore, the client has provided a summary of ongoing larger investments and project descriptions. In those cases where the projects entail a future rent increase at completion, the market rent has been increased with the estimated amount from the project description. Projects which will decrease operating costs has been taking in to account when assessing operating and maintenance costs. Stated investment amounts have been added to the cash flow calculations for 2020.

The basis for normalised operating and maintenance costs has been historical costs (Jan-Nov 2019 extrapolated for the full year) per valuation object provided by the client. Exceptions are the properties that have been acquired during 2019.

- Market information – Estimates of development regarding rents, vacancy levels, and yield levels for the individual and geographic market segments as per the date of valuation.

The most recent date of inspection for the subject properties within the various sub-portfolios are listed in the table below.

<b>Sub-portfolio</b>	<b>Latest date of inspection</b>
Eskilstuna	2018 Q1
Nyköping	2016 Q4
Göteborg Lövgärdet	2019 Q1
Kristianstad	2017 Q4
Malmö Herrgården	2017 Q1
Malmö + Karlskrona	2019 Q2
Stockholm Tensta	2017 Q1
Linköping	2017 Q1
Borås	2017 Q1
Markaryd	2017 Q3
Malmö Lindängen	2017 Q4
Malmö + Trelleborg	2019 Q1
Göteborg Bergsjön	2017 Q3
Haninge	2018 Q4
Mölnadal	2018 Q4

The properties in Nyköping will be inspected during the beginning of 2020.

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### **3 DISCLAIMER**

Victoria Park AB has provided the information and material on which the valuations described in this report are based.

If in any case information provided, orally or in writing, should prove incomplete, incorrect or in any other way irrelevant, the valuation/s based on this information is/are voided. In such instances neither Savills nor Malmöbryggan are to be held responsible vis-à-vis the client or any other party for any potential legal, financial or tax-related consequences stemming from the reliance upon or use of the appraised values.

No allowance has been made in our valuations for the costs of realisation, any liability for tax that might arise in the event of disposal or deemed disposal or the existence of any mortgage or any similar financial encumbrance over the properties.

Savills' and Malmöbryggan's, as well as the individual valuers', responsibility is limited solely to the use described in "1. Instruction" above. For other applicable conditions please see "General conditions" in Appendix 2.

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## 4 COMMON VALUATIONS CONDITIONS

### 4.1 Introduction

This section details the principles and assumptions that are generally applied as a basis for the valuation work.

### 4.2 Market value definition and its application

The valuations aim to, for each individual valuation object, assess the market value as per the date of valuation 2019-12-31. From this follows that summaries of assessed market values for the entire or part of the entire portfolio cannot be equated with assessed likely sales price to one single buyer at one point in time.

The accepted definition of market value in Sweden is “the probable transaction price on the general property market” (“sannolikt pris vid försäljning på den allmänna fastighetsmarknaden”). This abbreviated definition is assumed to be comprised in as well as lead to the same valuation result as application of the IVSC (International Valuation Standards Committee) definition:

***Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.***

### 4.3 Inflation

The inflation assumptions used as basis for the valuations is 2.0% in accordance with the Swedish central bank’s inflationary target.

### 4.4 Rental development

The general yearly rental development is assumed to follow the assumed inflation rate of 2 %. Commercial premises in Skåne, Karlskrona and Markaryd are the exceptions, as the nominal rental development of the premises in their current condition is assessed to be lower than the inflation.

### 4.5 Operating and maintenance costs

Assessment of operating and maintenance costs is made with support from historical costs (Jan-Nov 2019 extrapolated to yearly basis) per individual object.

For properties that have not been under Victoria Park’s management throughout the whole period the operating and maintenance costs are based on Savills’ statistics and experience in combination with any material provided from the previous owner or their proxies at the time of transaction. The concerned properties are located in Mölndal and Haninge and the assumed costs are presented in the table below.

Reported costs exclude property tax and any leasehold fees. An approximate distribution of operating and maintenance costs per geographical market is presented in the table below.

Municipality	Total	Operating	Property management	Insurance and administration	Repair	Maintenance
Kristianstad	295-460	70-220	25-60	35-45	25-50	90-120
Malmö	413-488	160-230	45-100	45-60	50-65	100-130
Göteborg	301-481	110-240	25-65	20-45	35-40	90-120
Karlskrona	284-477	110-250	20-65	35-50	25-60	80-120
Stockholm	414-474	180-220	50-80	45-50	30-65	100-120
Markaryd	250-481	50-250	30-65	50-60	35-65	70-130
Linköping	412-434	180-220	30-45	40-45	35-45	110-120
Växjö	375-421	180-200	20-55	45-65	50-55	80-120
Eskilstuna	325-490	110-350	25-75	15-60	25-75	50-140
Borås	443-485	210-240	50-65	45-50	45-50	100-110
Nyköping	429-476	150-230	50-70	40-45	50-70	100-120
Örebro	425-453	190-230	40-50	40-45	30-40	100
Trelleborg	444-473	200-210	50-60	40	40-50	100-110
Haninge	382-442	190-230	40-90	40-60	30-50	75-100
Mölndal	446	220	35	40	50	100

Property costs varies greatly depending on the age, type, condition, location etc. of the property. For the valuations we have assessed a total cost for each property with the historical costs as basis. In addition to this we consider costs for similar properties and official statistics such as REPAB, which is published by Aareon. Average costs according to REPAB are shown in brackets below.

Operating costs consists of heating (50 -140 SEK/sqm), electricity (5 – 30 SEK/sqm), water and sewage (30 – 50 SEK/sqm) and garbage (5 – 30 SEK/sqm).

Property management consists of services such as snow clearance, cleaning, gardening etc. (40 – 100 SEK/sqm).

Insurance and administration consist of property insurance, personnel costs, office expenses etc. (30 – 80 SEK/sqm).

Repairs or corrective maintenance is performed to correct a fault so that the failed equipment, machine, or system can be restored to an operational condition (20 - 50 SEK/sqm).

Maintenance or planned maintenance is scheduled maintenance with a longer periodicity than a year and aim to ensure that an item of equipment is operating correctly and to therefore avoid any unscheduled breakdown and downtime. Examples of planned maintenance are changing roofs, façade, windows, ventilation system etc. (130 – 270 SEK/sqm). Most property companies carry out big parts of their maintenance work as investments since the maintenance work let the property owners increase the rents according to the Swedish rental system. For the valuations we assume that the planned maintenance work only retains the current condition and that no rents are increased because of the said work. Therefor we assume a lower cost than the statistics from REPAB.

#### 4.6 Exit yield and discount rate

The markets requirements for the total rate of return in real estate investments (discount rate) can be explained by two different principles:

*Discount rate = risk-free rate of return + inflation rate + risk premium*

Or,

*Discount rate = yield + long term NOI growth rate*

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The second presented formula is the basis for calculating the discount rate generally used for the valuations. For objects which are dominated by publicly funded tenants with longer leases, a lower discount rate is applied during calculations of the present value of annual cash flows to reflect the lower risk associated with these types of conditions.

The exit yields are normally assessed based on the required rate of return derived from listed sales in the current submarket. In cases where sales have been analysed based on assessed net operating income (NOI) and fully rented, an adjustment is needed with the long-term vacancy rate applied to the NOI in the cash flows.

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## 5 VALUATION METHODOLOGY

### 5.1 Developed properties

The value appraisal of developed properties is based on a discounted cash flow analysis, meaning that the asset value is based on the present value of the forecast cash flow as well as the residual value over a certain calculation period, normally five years. Cash flow analyses with a time period greater than 5 years are used in those instances where it has been deemed appropriate in regards to long-term leases. The assumptions regarding future cash flows proceed from an analysis of:

- Current and past rents and costs
- Future development of the market/vicinity
- The general market conditions and market position of the properties
- Current terms and conditions of the leases
- Market-based rental conditions at the end of the lease period
- Operating and maintenance costs in similar facilities in comparison with those in the particular facilities
- Approved and planned investments and tenant improvements

Ongoing or planned investments and larger maintenance projects, where Victoria Park AB has provided information on remaining and budgeted investment amounts, are considered in the cash flow analysis for the coming year. No further analyses as to the feasibility of the scopes or the stated investments have been conducted by Savills or Malmöbryggan.

The net operating income during the calculation period arising from the analysis plus a residual value at the end of the calculation period is then discounted using a computed rate of interest. Based on market surveys and the aforementioned experience of the market, the value-influencing parameters used in the valuation correspond to Savills's interpretation of how a potential buyer in the market would reason. Thus the sum of the net discounted operating income and residual value may be viewed as an expression of market value. It must be observed that forecasts of cash flows and the long-term change in the value of the target properties constitute nothing more than part of the value assessment and shall not in any way be taken as a commitment to future outcomes.

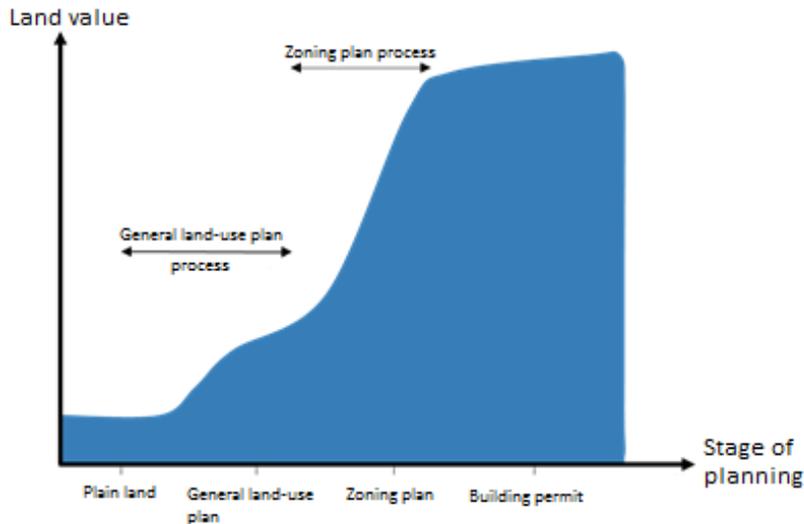
The value assessment is also based on the analysis of sold properties. The result of this analysis gives guidance regarding the required net return on the assigned properties.

### 5.2 Undeveloped properties

The value of a property can be derived from its future cash-flows. There are however some special considerations when valuing premises that are yet to be constructed. Firstly, the future cash-flow from new premises, in form of rent or transaction price, must be enough to make up for invested capital and some reasonable yield in order for the construction of the premises to be justified. The value of the land depends on how much new lettable area that might be constructed and one how far the planning process has progressed.

If no municipal (or county) plan exists there is little to no expected additional value to the land. If there is a general plan for land use and an interest from the municipality to develop the land further, a future expected value might be added to the original value of the land. When the process of a new zoning plan

is initiated the future expected value of the land often increases rapidly. When a building permit is obtained the value of the building rights has reached its maximum value.



Building rights might be thought of as the options of the property market and are often bought for a price that may be assessed today but under the special condition that a zoning plan will be in place when the buyer is to occupy the premises. When assessing the price one takes into account the extra risk that comes from the planning process, the risk that comes from market volatility, and the uncertainty regarding the time-frame of the project.

At the early stages of the planning process the added risk is great, but it diminishes the closer to a finished zoning plan the municipality comes. Thus the expected value rises.

Valuation appraisal regarding undeveloped properties (including contaminated and value add properties) are performed as assessments of the value of new development, with cost regarding decontamination and development considered. The assessments are based on the current conditions regarding city planning and observed price levels in transactions of undeveloped properties/building rights.

For the valuations Victoria Park has supplied information regarding possible and existing building rights on their properties. The information includes the size of the building right, named property, type of building planned, type of tenure and status for the detailed development plan.

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To assess the value of the building rights we have mainly used comparable transactions from Savills database of land sales. As support for the assumed values we have also performed residual calculation comprising the value of the project as when completed, from which the costs of development are subtracted. Such calculations are sensitive to the ingoing parameters of rent, operating and maintenance costs, and development costs, and the precision can thus vary considerably depending on how exact such information is. The information used is derived from analysis of market conditions and actual data from comparable transactions and projects. Assigned valuation parameters in the residual calculation are based on analyses of the below factors

- The property's market position and market conditions
- Development costs of comparable properties
- Marketable rental conditions
- Operating and maintenance costs for similar properties
- Assessed marketable yield level

Building rights values derived from a residual calculation lend support in the valuation appraisal made from the analyses of land allocations and transactions that are deemed comparable. This results in a final appraisal of the building rights value.

## 6 MARKET

### 6.1 Economic background

The Swedish central bank, Riksbanken, decided following their meeting in December, as previous prognoses indicated, to increase the key rate by 25 bps to 0%. The bank stated that they anticipate the key rate to remain unchanged until 2022. Analytics and the market predicted a hike in December, there are however disagreements as to whether the timing of the hike was correct. Economic experts and analysts believe, and have publicly stated, that the dampened economy and a rising unemployment rate will lead to a weaker inflation rather than stabilizing at 2 %. The Riksbank justified its increase with the fact that the economy, after being in a phase of high growth and development, is now moving towards a more normal economic position.

The European Central Bank (ECB) decided during their December meeting to continue to maintain European rates. The meeting, the first with Christine Lagarde as president, was followed by a statement of forward continued steady rate levels or even possibly lower until the inflation target is met. At the moment, the main refinancing rate is unchanged at 0.0%. The marginal lending facility rate and the deposit facility rate remain at -0.4% and -0.5% respectively. Net purchases of government bonds of EUR 20 billion will also continue as before.

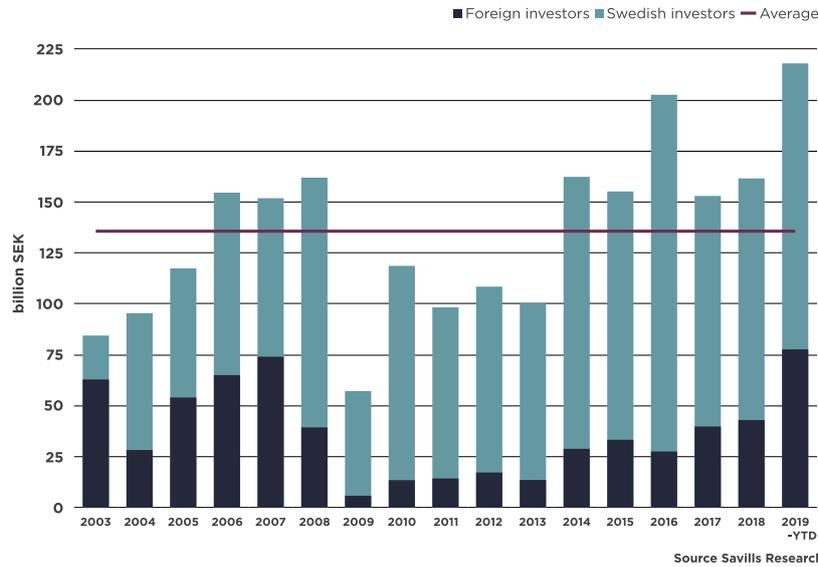
The American central bank, the Federal Reserve (FED), informed of a stationary rate in December. Thus, the rate, represented as an interval, was unchanged at 1.50 – 1.75%. The announcement was expected by the market, the decision unanimous, and it was motivated by a strong labour market and a somewhat increased activity in the economy. The announcement was in line with previous announcement made by Jerome Powell, president of FED. It was also established that households' expenditure has been increasing faster than previously awaited, a slower growth has been seen in the country's export and less investments are being made in American industries.

Earlier this summer, the Swedish Financial Supervisory Authority ("FI") announced that Swedish banks' exposure towards commercial real estate companies was high and that increased capital requirements should be formulated. Due to the exposure, FI concluded through stress tests that hikes in interest rates could lead to elevated credit risks. In November these requirements were further discussed and through FI's monthly stability report, a proposition was drafted and sent out for referral. Previous legislation did not allow the banks' risk weights to be lower than 23 %, taking no consideration as to whether the loans are aimed towards the commercial sector or residential sector. The new proposal suggests that the banks' risk weight demands should be differentiated between sectors. The differentiation suggested is a minimum cap of 35 % for commercial property loans and 25 % for residential property loans. It remains to be seen how the proposal will be received by the market and whether the requirements will be implemented.

### 6.2 Transaction market

As 2019 has ended, the accumulated transaction volume demonstrates a record year. A year of large portfolio transactions and major company acquisitions with large volumes has resulted in an accumulated transaction volume of underlying property values of SEK 218 billion. The result was a year with amounting volumes that has never previously been observed.

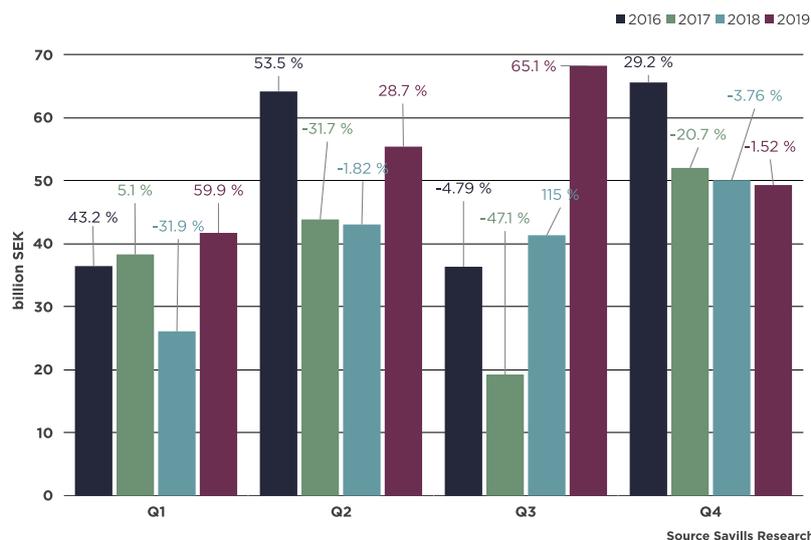
### Transaction Volumes



Savills recorded 569 individual transactions in 2019 with an average transactions size of approximately SEK 384 million. In 2019 there were 42 transactions that revealed an acquisition price surpassing SEK 1 billion. International buyers have during the past three years shown an increasing interest for the Swedish real estate market and were more than eager to invest in the Swedish market in 2019. International players have acquired assets in in several different segments with especially large transactions in both the logistics segment and residential segment. Looking at quarterly investment volumes Q4 of 2019 showcase a similar transaction market to the two previous years. The difference is that fewer transactions were made, although with higher average volumes. Accumulated transaction volume of Q4 2019 amounted to SEK 49.3 billion.

### Quarterly Investment Volumes

Quarter on Quarter analysis - Change between one fiscal quarter and the previous fiscal quarter



Residential properties have during the past several years been highly sought-after assets on the transaction market. Investors' interest for the segment continued to be strong in 2019 with several transactions going beyond the SEK 1 billion mark. Interest in forward-funding deals has been high, as approximately 21.2% of all transaction volume is attributed to these kinds of transactions. A total of SEK

79 billion has been traded in, of which 42.4% is derived from Vonovia's purchase of all shares in Swedish housing company Hembla, for an estimated property volume and underlying property value of SEK 33.5 billion.

Yields in most segments continue to see historically low levels, which has been the effect of good access to both loaned capital and equity, lack of alternative investments that can match the risk-adjusted return on properties and a demand for certain properties that far exceeds the supply. As international and institutional capital have emerged in the Swedish market with good fundamental conditions, it has been harder for local and more traditional actors to win bidding processes. The international actors see possibilities in the Swedish market due to a weak Swedish crown and higher yields, compared to other European markets.

The residential segment has been the subject of great interest from investors for a long period of time. A significant housing deficit and close to non-existing vacancies has resulted from this interest, and the segment is deemed near risk free. Past years' yield compression has continued in 2019, and with an increasing interest from well-financed foreign investors, the competition grows even stronger. Investors' appetite for "Million Programme" with low rent levels and beneficial rent improvement potential remains very strong. Savills has observed transactions taking place below 3 %, and yields are not expected to be maintained on low levels for some time to come. Transactions regarding forward founding projects have been observed in the interval 4.00- 4.75%, which has been the case for some time now.

### 6.3 Outlook for 2020

In a market with a weakened economy, predicted to persist in 2020, fundamental forces like key rates affecting the property market continue to show positive signals of a good year in 2020. Identified risks ahead are connected with today's global political developments and the uncertainty which follows. One example is the on-going trade war and civil unrest and protests that are disrupting markets. The weak Swedish crown, which has been a driving force for international investors, is expected to see a strengthening in 2020. However, favourable yields are still considered to continue to bring international investors to the Swedish property market.

The weakened economy is partly reflected in lowered demands of labour and decreased production in various sectors. Additionally, there is pessimism both from households and Swedish industry according to the Economic Tendency Survey from the National Institute of Economic Research. Inflation and growth is expected to be somewhat suppressed in 2020 and the number of bankruptcies is again at relatable levels to 2011-2012. At the same time, the number of newly started companies declined during 2018 and 2019, which could see a reversing trend if the capital contribution requirement for shareholder companies is reduced to SEK 25,000. With this in mind, the valuation of contracts and choice of tenant should become even more important.

The property market has traditionally been financed by bank loans. In recent years (2017-2019), a larger share of financing has been achieved through new issues of corporate bonds. Approximately a third of all debt from publicly listed property companies stems from issued bonds (excluding hybrid bonds). Even if growth of total bonds has decreased in 2019 relative to earlier years, the total volume is expected to see a rise in corporate bonds in property companies' balance sheets. This will probably see another push due to new capital requirements of the banking sector.

The interest in forward funding projects that characterized 2019 is expected to persist into 2020. However, a problem that has arisen is purchased land intended for condominiums. Now, the land, intended to be developed as rental units, risks an incapacity to profit due to massive write-downs. Following this, investors have to take into account risks of the developers' balance sheets and their

capacity/ability to develop said project. It is also expected that municipals will start selling out parts of their housing stock to finance construction of residential units and other welfare projects. A few municipalities have announced that they are open to larger sales of municipal housing by 2020. For example, Uppsala, Trelleborg, Örebro, Södertälje and Kiruna municipality have all announced their willingness to sell. Most recently, Eskilstuna, Ängelholm and Sollentuna have sold municipality housing to private residential actors. The market is still reserved regarding the investment support for rental apartments and student housing, and how or whether it could be used or including in calculations after the government's streamlining of the subsidy.

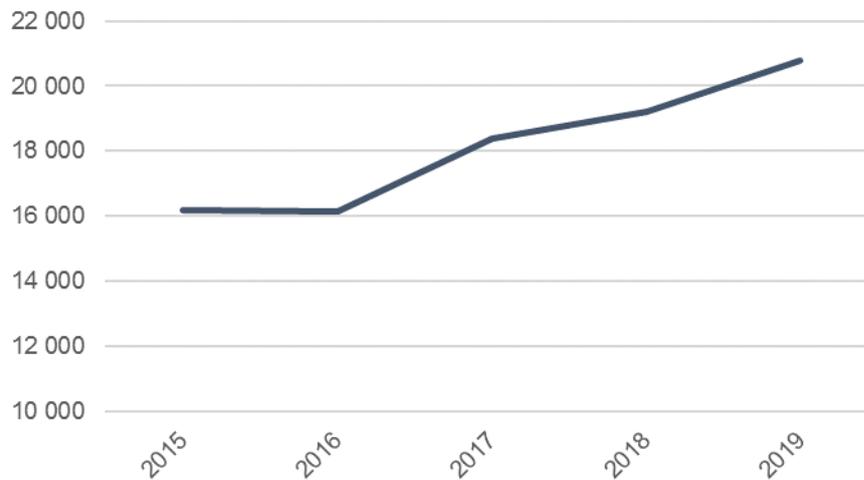
## 6.4 Residential property transactions

Listed below is a selection of the transactions that have taken place since October 2019. In appendix 1 is the complete selection of transactions presented.

- The biggest transaction during the period was carried out in the beginning of October when Samhällsbyggnadsbolaget (SBB) acquired a portfolio of 41 properties located in the southern and south eastern part of Sweden in mostly small municipalities. The properties contain a total of 1,560 apartments of which 670 are located in Växjö and 426 in Ronneby. The price was 1.5 billion SEK and the yield is estimated to 4.5 %.
- Gladshem attained a portfolio of 86 apartments in Eskilstuna from Mesta Bygg at the end of October. The price is estimated to about 179 MSEK and the yield level to 3.4 %.
- Another big transaction in Eskilstuna was closed during the fourth quarter when Willhem acquired a forward funding project with a total of 15,109 sqm. The buildings are expected to be completed by 2022-2023 and the agreed price is 617 MSEK.
- In mid-November Amasten purchased a residential portfolio in Norrköping from Subnova. The properties contain a total of 347 apartments with a yearly rent of 34.7 MSEK. The price of 426 MSEK gives an estimated yield level of 4.4%.
- At the end of the year Sollentunahem, owned by Sollentuna municipality, sold a portfolio of 538 apartments located in Rotebro and Rotsunda. The sale was the first stage for the company selling a total of 2,000 apartments. The agreed price was 805 MSEK and the buyer was John Mattson.

The last few years have seen a steady increase in the demand for residential properties, with a resulting decrease in yields and rise in prices. A compilation of completed residential property transactions from Savills transaction database shows 150-200 completed transactions per year with prices exceeding 25 MSEK. The compilation shows an estimated yearly increase of 9% of price levels since 2016, see table below.

### Average price level multi-dwelling units



During 2019 we have noticed increased price levels and minor yield compressions, especially in the greater Stockholm area. In rest of Sweden, especially the greater Gothenburg area, we have seen few or none transactions which are of interest for the valuation objects. The current market consists of several and well-financed and transaction-biased buyers alongside few owners who is willing to divest their assets. Savills are of the opinion that if an object were to be introduced to the market in Gothenburg the interest would be great and competition amongst potential buyers fierce. The assumed yield levels for residential units in Victoria Parks' valuation are summarized in the table below.

Municipality	Residential yield	Municipality	Residential yield
Borås	4,00 - 4,30	Malmö	3,25 - 4,25
Eskilstuna	3,25 - 3,90	Markaryd	5,25 - 6,00
Göteborg	3,70 - 3,80	Mölndal	3,50
Haninge	3,30	Nyköping	3,90 - 4,20
Örebro	3,70 - 3,80	Stockholm	3,15 - 3,20
Karlskrona	3,50 - 4,75	Trelleborg	3,75 - 4,00
Kristianstad	3,50 - 4,25	Växjö	3,75 - 4,50
Linköping	3,60 - 3,90		

### 6.5 Vacancies residential properties

Every other year, Statistics Sweden conducts a survey concerning apartment vacancy level in Sweden. The results for 2019 will, according to Statistics Sweden, be published on January 23, 2020, why these are not included in the compilation below.

In total, approximately 19,000 apartments were vacant in September 2017, which represent 1.3% of the total 1.5 million apartments in public housing. This number is the lowest since 1990. Approximately 6,400 of these unlet apartments were available for immediate leasing. The presence of unlet apartments in public housing has decreased by almost 2,400 apartments since the previous survey in 2015. The majority of the unlet apartments, 7 out of 10, are located in municipalities with fewer than 75,000 inhabitants. In public housing, the largest proportion of vacant apartments was in Sorsele (7.1%), followed by Malå with 6.3%.

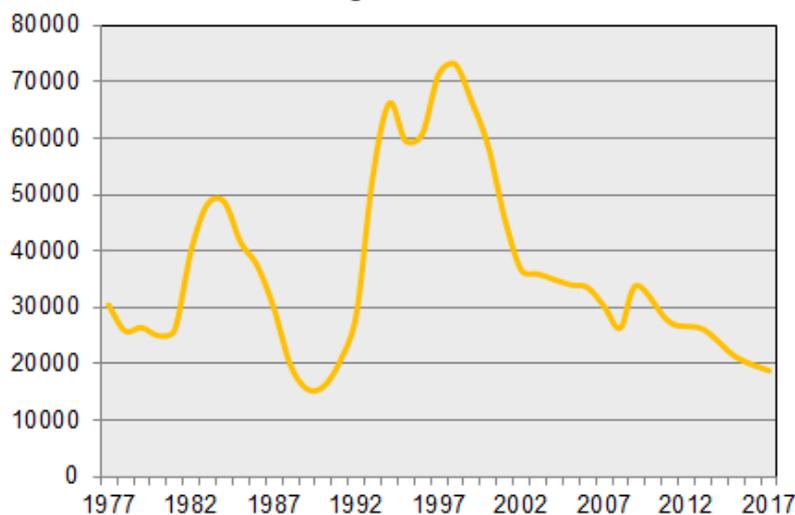
The municipality with the largest number of vacant apartments in public housing is Stockholm, where there were 151 vacant apartments, but since the total number of apartments in Stockholm is the largest in Sweden it corresponds to only 0.2% of the stock. The second-highest number of vacant apartments was in Malmö municipality, with 78 vacant apartments, representing 0.4% of the total. The third largest number of vacant apartments can be found in Botkyrka, where 0.6%, 68 apartments, were vacant.

The table below shows the average vacancy rate for different ownership categories under the respective year for the country as a whole (Source: Swedish Statistics).

Ownership	2009	2011	2013	2015	2017
Municipal housing companies	1,3 %	0,9 %	0,8 %	0,4 %	0,3 %
Private owners	2,1 %	1,3 %	1,1 %	0,6 %	0,6 %
Total	1,7 %	1,1 %	0,9 %	0,5 %	0,4 %

Apartments available for rent in multi-dwelling units, public and private:

### Number of unlet dwellings 1977–2017



Source: Swedish statistics

For the valuations we have assumed different long-term residential vacancy levels depending on location and the valuation object itself. The assumptions for Victoria Parks' valuations see table below.

Municipality	Long-term vacancy	Municipality	Long-term vacancy
Borås	0,50	Malmö	0,50
Eskilstuna	0,50 - 1,00	Markaryd	1,50 - 3,00
Göteborg	0,50	Mölnadal	0,50
Haninge	0,50	Nyköping	0,50 - 1,00
Örebro	0,50	Stockholm	0,25
Karlskrona	0,50 - 1,00	Trelleborg	0,50
Kristianstad	0,50 - 1,00	Växjö	0,50
Linköping	0,50		

## 7 PORTFOLIO SUMMARY

The sum of the assessed market values for the portfolio in question amounts to:

**SEK 25,304,905,000**

Distribution for each geographical sub-market can be seen in the table below.

Municipality	Number of objects	Lettable area, sqm	Market value		Est. Op. & Maint. Costs, SEK/sqm	Exit yield %
			MSEK	SEK/sqm		
Kristianstad	19	38 477	941	24 454	389	3.84
Malmö	8	153 010	2 801	18 306	462	4.16
Göteborg	3	128 886	2 208	17 131	422	4.15
Karlskrona	18	98 846	1 609	16 276	437	4.61
Stockholm	4	49 839	1 102	22 111	460	3.17
Markaryd	34	57 231	545	9 516	437	5.51
Linköping	2	122 145	2 593	21 229	421	3.7
Växjö	3	72 472	1 113	15 358	446	4.23
Eskilstuna	37	241 395	4 594	19 031	449	3.83
Borås	3	60 828	988	16 243	470	4.23
Nyköping	4	48 983	788	16 087	461	4.14
Örebro	3	47 906	749	15 635	436	3.77
Trelleborg	3	8 594	171	19 839	455	3.82
Haninge	5	175 074	4 795	27 388	415	3.38
Mölndal	1	13 586	309	22 744	446	3.5
<b>Sum /average</b>	<b>147</b>	<b>1 317 272</b>	<b>25 305</b>	<b>19 210</b>	<b>439</b>	<b>3.89</b>

Gothenburg, 2020-01-15  
Savills Sweden AB



Markus Nilsson Rau  
AUKTORISERAD  
FASTIGHETSVÄRDERARE



SAMHÄLLSBYGGARNA



Limhamn, 2020-01-15  
Bryggan Fastighetsekonomi



Peter Samuelsson  
AUKTORISERAD  
FASTIGHETSVÄRDERARE



SAMHÄLLSBYGGARNA



Stockholm, 2020-01-15  
Savills Sweden AB



Karin Zakariasson, MRICS  
AUKTORISERAD  
FASTIGHETSVÄRDERARE



SAMHÄLLSBYGGARNA



**COMPARABLE TRANSACTIONS – October – December 2019**

No.	Date	Property	Municipality	Buyer	Seller	Area [sqm]	Price		Exit Yield	Comment	
							[MSEK]	[SEK/sqm]			
1	2019-12-23	Residential Developments - Skogsflyet & Haga	Norrköping, Sundsvall	Trenum (Balder / AP3)	SHH Bostad	10 988	400	36 403		Forward funding	
2	2019-12-23	Residential Portfolio	Sollentuna	John Mattson	Sollentunahem	37 200	805	21 640			
3	2019-12-20	Arvid 1, Kristallen 1-3, Sandhammaren 4, Servitutet 2	Kävlinge	Samhällsbyggnadsbolaget	KKB Fastighet	26 600	545	20 489	3,75%		
4	2019-12-19	Taket 2	Växjö	K-Fastigheter	C4 Hus	2 900	80	27 586	4,60%		
5	2019-12-18	Galgvreten 3:7 & 3:8	Enköping	K2A	Andersson Company	4 060	160	39 409	5,00%		
6	2019-12-18	Residential Development	Eskilstuna	Willhem		15 109	617	40 837		Forward funding	
7	2019-12-16	Viljan 1	Eskilstuna	Gladshem	Mathias Brus Fastigheter	3 600	86	23 889	3,40%		
8	2019-12-12	Residential Portfolio	Landskrona	SIG Invest		3 618	51	14 096	4,50%	Million Programme	
9	2019-12-09	Residential Portfolio	Hörby, Jönköping	Svenska Bostadsfonden		20 000	250	12 500			
10	2019-12-09	Soluppgången 1	Växjö	K2A	Skanska	4 800	160	33 333	4,40%	Forward funding	
11	2019-11-15	Residential Portfolio	Norrköping	Amasten	Subnova	30 703	426	13 875	4,40%	Million Programme	
12	2019-11-01	Traktören 6 & 7	Sollentuna	Housing Co-op	Sollentunahem	15 674	265	16 907		Million Programme	
13	2019-10-30	Residential Portfolio	Eskilstuna	Gladshem	Mesta Bygg	7 338	179 *	24 394	3,40%		
14	2019-10-17	Residential Portfolio	Karlskoga	Gladshem	Bliibro	7 800	51	6 538	5,80%		
15	2019-10-15	Gennaker	Västerås	NREP	Bonava	8 486	355	41 834	4,10%	Forward funding	
16	2019-10-02	Residential Portfolio	Växjö, Ronneby, Helsingborg, etc.	Samhällsbyggnadsbolaget	Amasten	114 750	1 501	13 076	4,50%		
17	2019-10-01	Dadeln 3	Kungsbacka	Stena	Private	6 400	120	18 750	3,00%	Million Programme	
						<b>Min</b>	2 900	51,0	6 538	3,0%	
						<b>Max</b>	114 750	1 500,5	41 834	5,8%	
						<b>Average</b>	18 825	355,9	23 856	4,2%	
						<b>Median</b>	8 486	250,0	21 640	4,4%	

\*Estimated transaction price

## GENERAL TERMS AND CONDITIONS

### GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS

These General Terms and Conditions have been produced jointly by CBRE Sweden AB, Cushman & Wakefield Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Newsec Advice AB, Savills Sweden AB and Svefa AB. They have been drafted based on generally accepted principles regarding valuations, which are produced by Samhällsbyggarna (Swedish professionals for the built environment) Property Valuation Section and are intended for use by registered valuers at Samhällsbyggarna. The terms and conditions shall apply as of 1 December 2010 for valuations of whole and parts of properties, site leasehold rights, buildings on non-freehold land and similar valuation services in Sweden. The following shall apply unless otherwise stated in the valuation report:

#### 1 Scope of the valuation report

- 1.1 The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Land Register (*Sw. Fastighetsregistret/ The Real Property Register*) pertaining to the object of the valuation.
- 1.2 The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.
- 1.3 Registered rights in respect of the property have been verified by means of an extract from the Land Register. Since the information obtained from the Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

#### 2 Assumptions for the valuation report

- 2.1 The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of use has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative.
- 2.2 The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Swedish Standards" applicable from time to time.
- 2.3 As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.
- 2.4 It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

#### 3 Environmental matters

- 3.1 The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

- 3.2 In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

#### 4 Inspection, technical condition

- 4.1 The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty to investigate pursuant to Chapter 4, Section 19 of the Land Law Code (*Sw. Jordabalken SFS 1970:994/Code of Land Laws*). The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.
- 4.2 The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:
- any matter which would require specialist expertise or special knowledge to discover;
  - the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.

#### 5 Liability

- 5.1 Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed).
- 5.2 The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 25 times the price base amount at the date of the valuation.

#### 6 Validity of the valuation report

- 6.1 Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.
- 6.2 Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been made based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

#### 7 Use of the valuation report

- 7.1 The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.
- 7.2 Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may effect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.
- 7.3 Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.