

Capital Growth Continues to Drive Residential Investment Returns in Sweden

MSCI Index Reveals 10.6% Return

Stockholm – March 16, 2016 - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics and ESG research, has recorded a 10.6% total return in 2015 for Swedish residential property investment as indicated in the [IPD Sweden Annual Residential Property Index](#).

The total return in 2015 represents a growth of three percentage points from 7.7% in 2014, as reported by MSCI last year. Capital growth rose to 7.0% from 4.1% last year, marking the strongest on record since 2006 and positive for the seventh consecutive year. Rental growth in the residential sector remains stable, reaching 1.7%, and only a minor factor in driving the strong capital growth. A continued decline in valuation yield was the main driver of capital growth.

Income return on the other hand, fell 0.1% to 3.4% in 2015. Notably, the newer residential stock posts higher income return than the older stock, which was reflected across the country.

Christina Gustafsson, Executive Director, MSCI, commented: “2015 was yet another strong year for residential property investment returns in Sweden. Valuation yields fell nearly 30bps as a consequence of the investment appetite. A notable point is that valuation yields for the third year in a row dropped more outside Stockholm than in the capital.”

“It is also encouraging to see that the Index has expanded to cover almost 320,000 units valued at SEK 352 billion. As such we capture a larger part of the residential market and provide an enhanced scope to residential investment benchmark.”

-Ends-

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

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Media Inquiries

London

Karen Mulligan, MSCI

+ 44 20 7336 9243 / karen.mulligan@msci.com



New York

Michael Jalili

+ 1 212 9811094 / Michael.Jalili@msci.com

MSCI Global Client Service

EMEA Client Service

+ 44 20 7618.2222

Americas Client Service

1 888 588 4567 (toll free)

Asia Pacific Client Service

+ 852 2844 9333

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