

Capital Growth in Swedish Property tops 9% in 2016

Stockholm – February 20, 2017 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today that the Swedish property market delivered a total return of 13.9% in 2016, as recorded by the [IPD Sweden Annual Property Index](#).

Capital growth, which rose to 9.1% (from 8.7% in 2015), is partly explained by 4.1% market rental value growth. This is the strongest capital growth on record since 2007 and positive for the seventh consecutive year. Since the start of the positive trajectory in 2010, capital growth has reached a total 38%. Income return on the other hand fell to 4.4% in 2016, the lowest level since 1990.

Compared to 2015, performance across sectors was much the same. The Office sector continued to lead the market with a total return of approximately 16%, while Industrial remained the main laggard at 9.3%. Geographically, Offices in Stockholm performed better than elsewhere in the country, whereas the corresponding assets in Malmö, the third largest region in Sweden, underperformed.

Compared with other asset classes, over the last year the Swedish property market outperformed equities (9.8%) as well as property equities (7.1%) and bonds (5.9%).

Erik Nyman, Executive Director, MSCI, commented “Total return has remained at a high level in 2016, supported partly by lower yields, but importantly rental growth is contributing strongly. Market rental value growth in the Office sector is the strongest since 2000 and in certain pockets of the market vacancy rates are historically low.

“Importantly, the [IPD Sweden Annual Property Index](#) sample continues to grow and now tracks more than SEK 700 billion in asset value and almost 4,000 properties. This further enhances our ability to deliver high quality analytics.”

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For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

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 money managers, according to the most recent P&I ranking.

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