



SFI / IPD Index for 2004 - Headline Results

Christina Gustafsson
MD, IPD Norden & Svenskt Fastighetsindex

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5.8% total return on Swedish property in 2004

SFI / IPD Swedish Property Index

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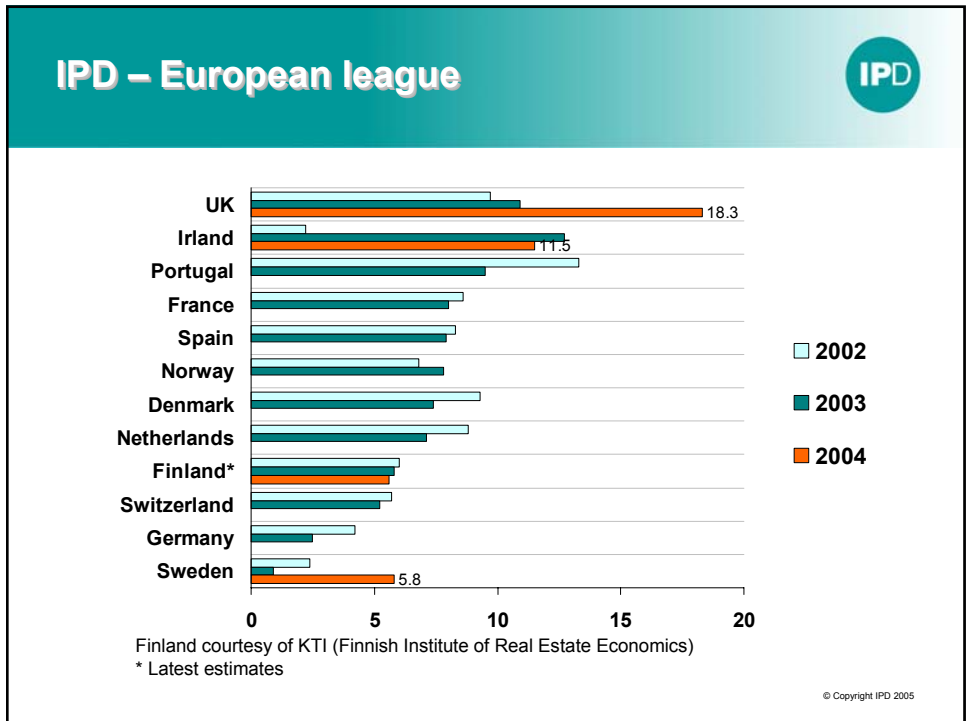
The growth of IPD property databanks

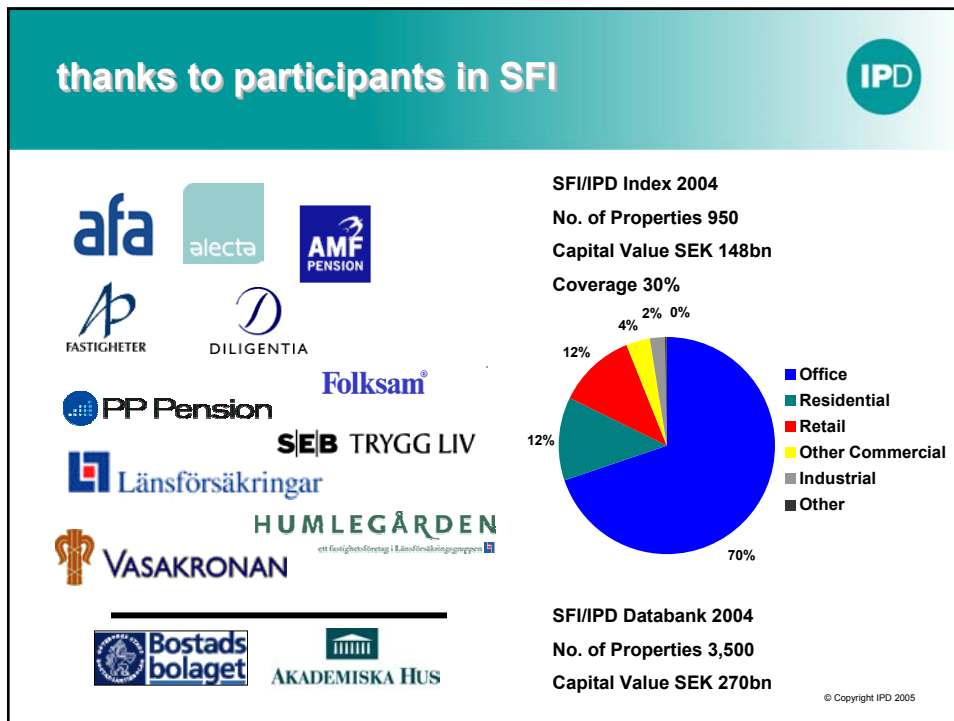
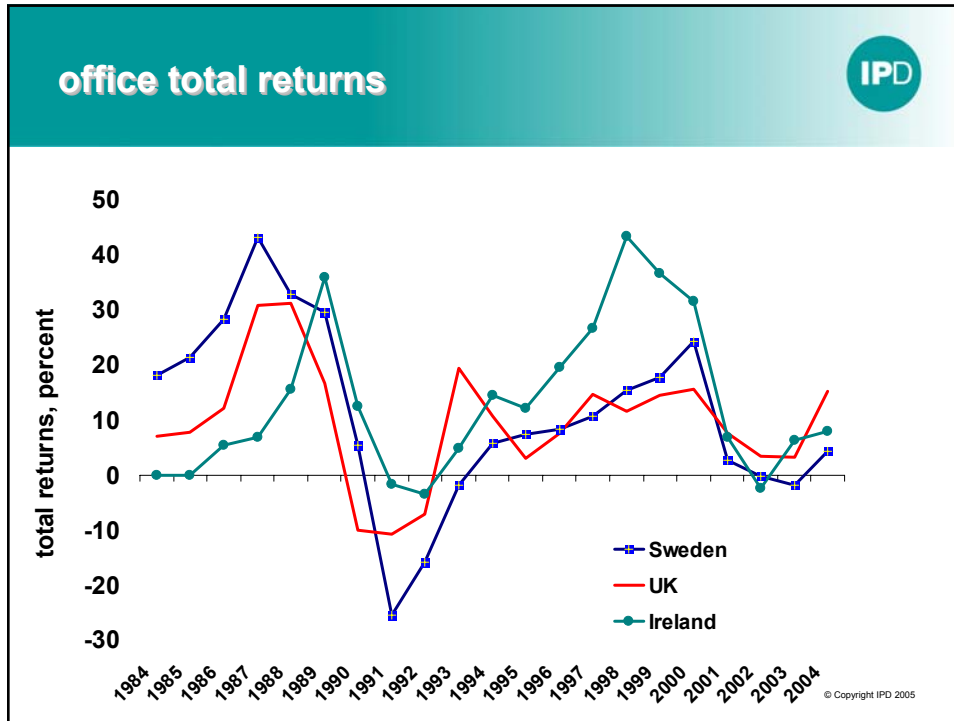


Country	Index Starts in:	Total return 2003, %	Total return 2004, %	No. of properties	Total Capital Value €bn	Est % of Market 1
Canada	1984	8.2		1,672	28.7	50
Denmark	2000	7.4		1,414	9.1	39
France	1986	8		4,743	56.8	62
Germany 2	1996	2.5		2,368	37.7	18
Ireland	1984	12.7	11.5	321	3.8	79
KTI Finland 3	1998	5.8		2,333	15.1	58
Netherlands	1995	7.1		6,243	38.5	59
Norway	2000	7.8		452	7.0	35
Portugal	2000	9.5		399	5.0	39
Spain	2001	7.9		346	8.0	33
Sth Africa	1995	15.1		2,152	7.8	60
Sweden	1984	0.9	5.8	950	16.4	30
Switzerland	2002	5.2		2,215	17.3	27
UK 2	1971	10.7	18.3	10,986	174.0	45

1 total asset value of institutions & listed vehicles
 2 includes non-December valued properties not included in Index
 3 through 'compliance' agreement with KTI (Finnish Institute of Real Estate Economics)

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valuation based index

- A common approach to valuation – the Swedish Valuation Guidelines
- market value at 31 December
- external authorised valuers or in-house valuers with equivalent qualifications
- External valuations for 99% of the capital value 2004
- DCF method used for 99% of the capital value 2004

Year	In-house (%)	External (%)
97	75	25
98	55	45
99	45	55
00	35	65
01	25	75
02	15	85
03	10	90
04	5	95

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changing to time-weighted returns from 2005

- The 'two-step' method.... Step 1: calculate a return for a single month

$$TR_t = \frac{CV_t - CV_{t-1} - Cexp_t + Crec_t + NI_t}{CV_{t-1} + Cexp_t}$$

- Step 2: compound the individual 12 monthly returns to an annual total return

$$[(1+TR_1/100) * (1+ TR_2/100) * \dots * (1+ TR_{12}/100) - 1] * 100$$

TR_t = Total return in month t

NI_{it} = Net Rental Income or NOI

CV_t = Market Value, end of month t


CV_{t-1} = Market Value, beginning of month t

CExp_{it} = Capital expenditure during month t, including all purchase, development and other capital expenditure

CRec_{it} = Capital receipts during month t, including all sale receipts and other capital receipts

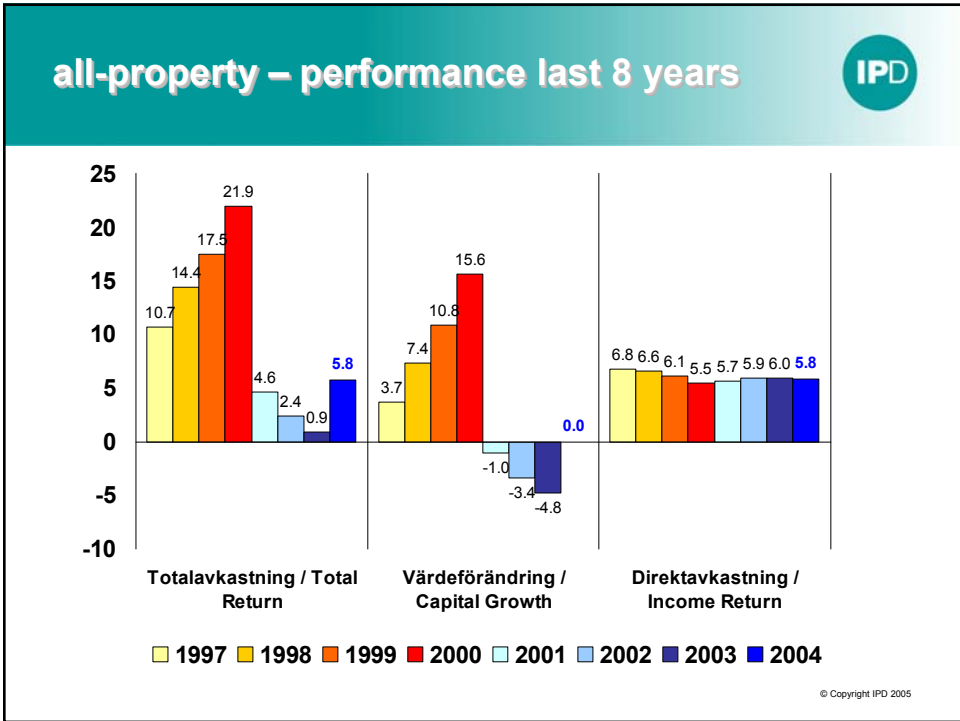
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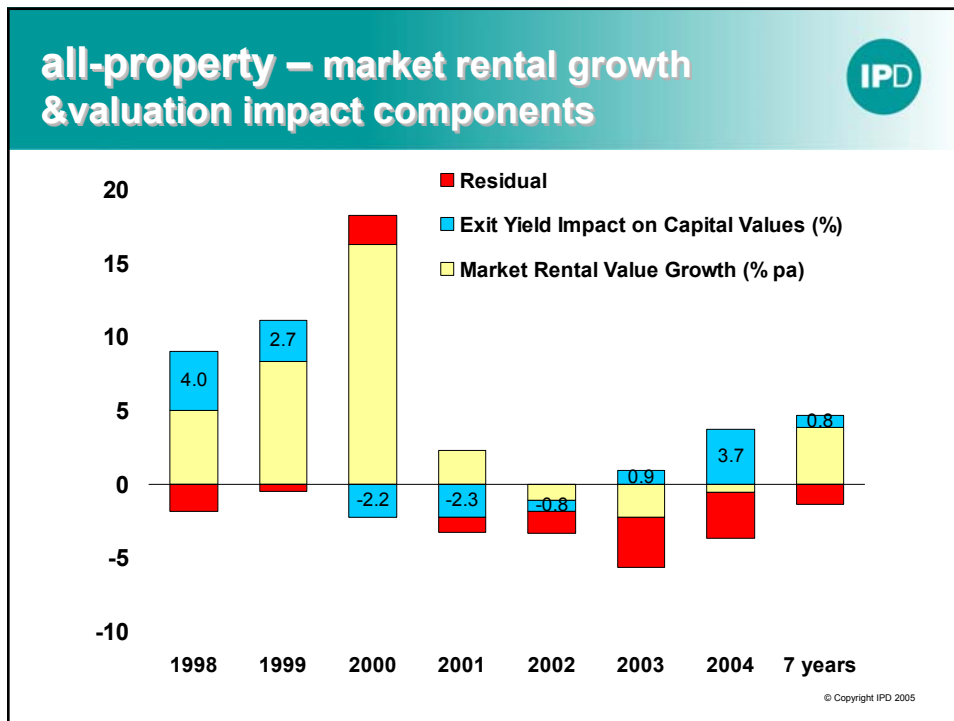
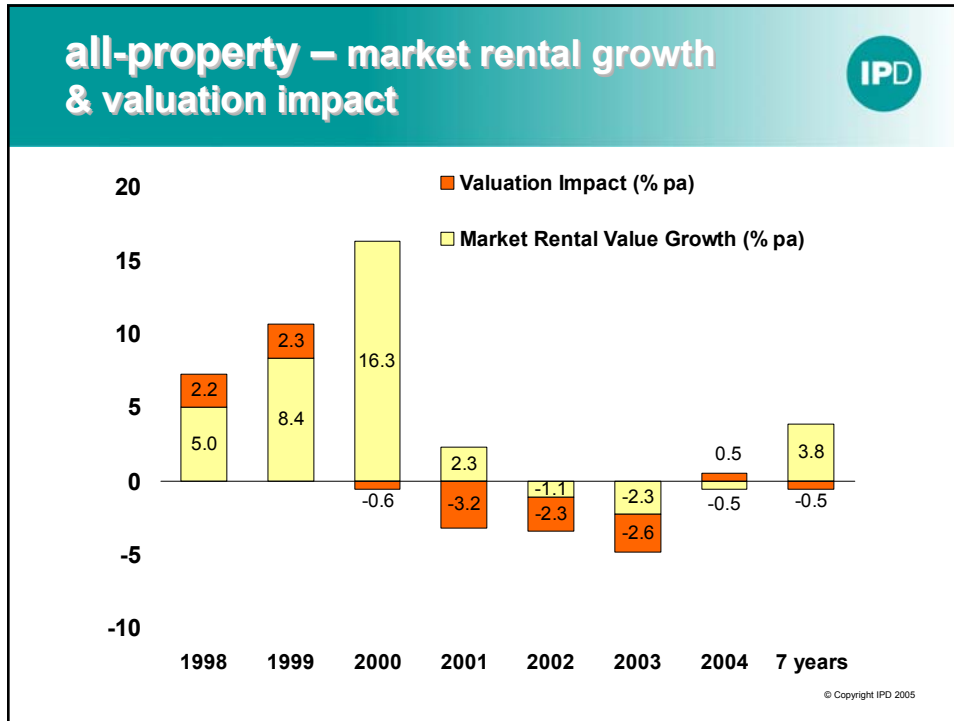
property performance in detail

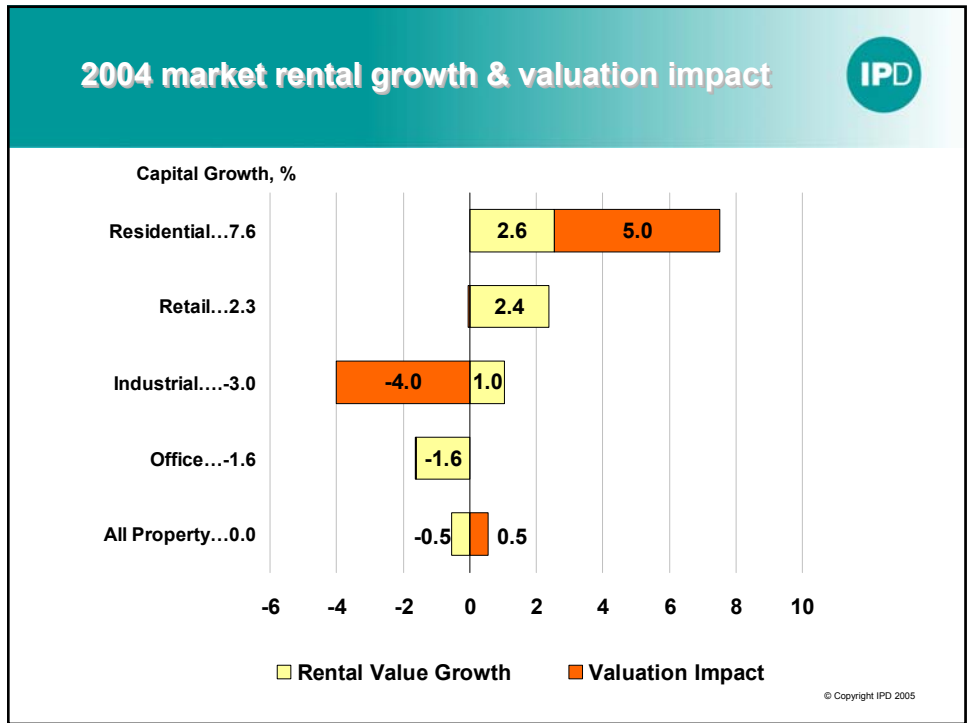
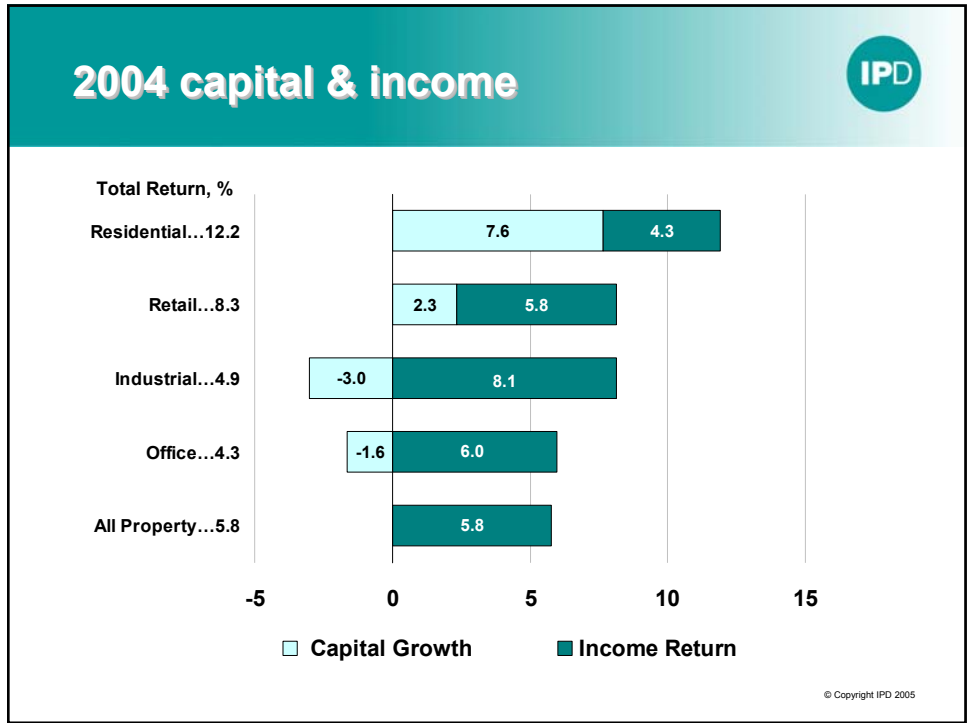


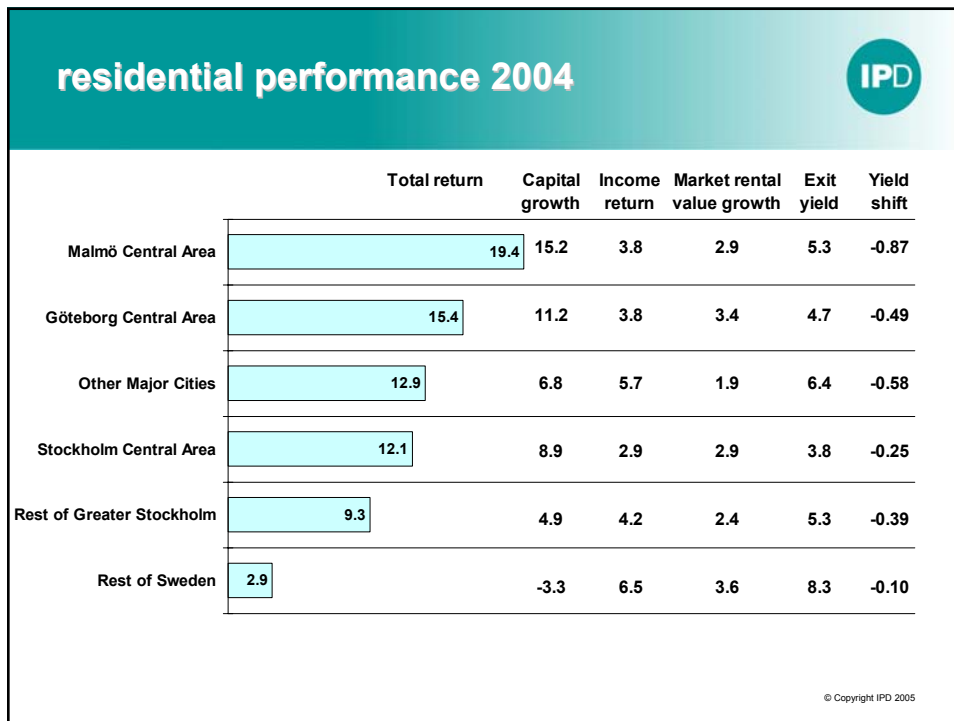
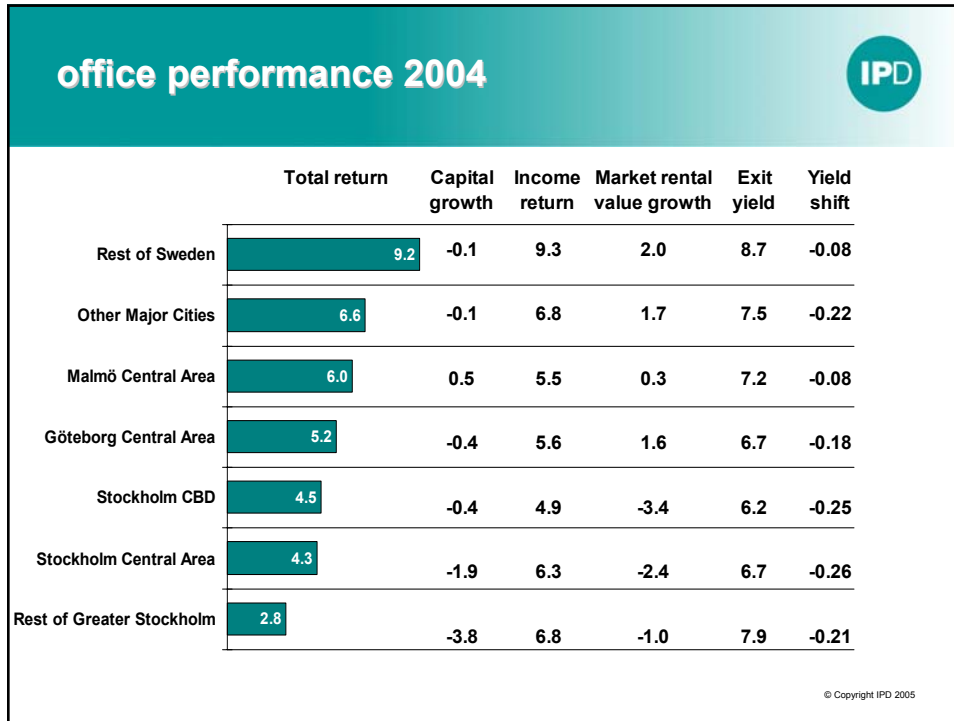
- total return & components
- sectors & regions
- long-term trends
- risk & return

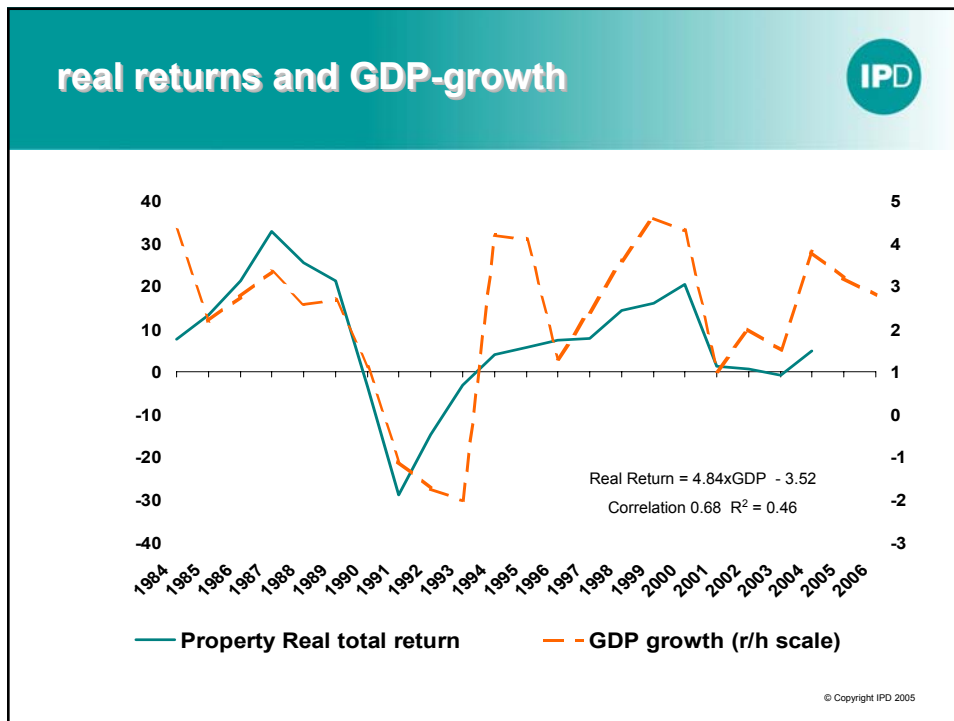
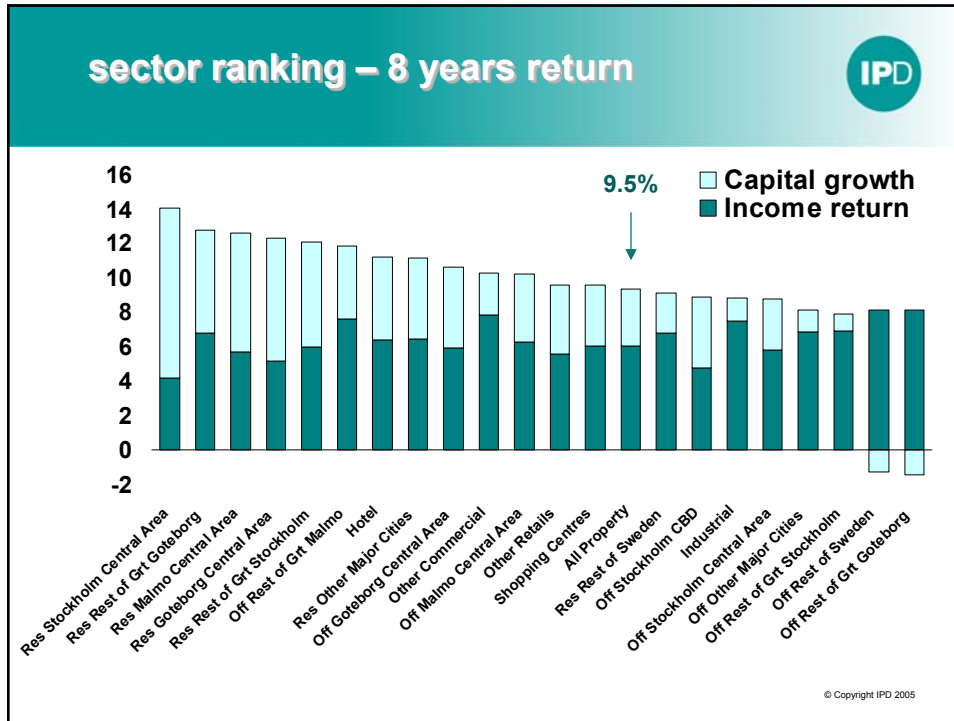
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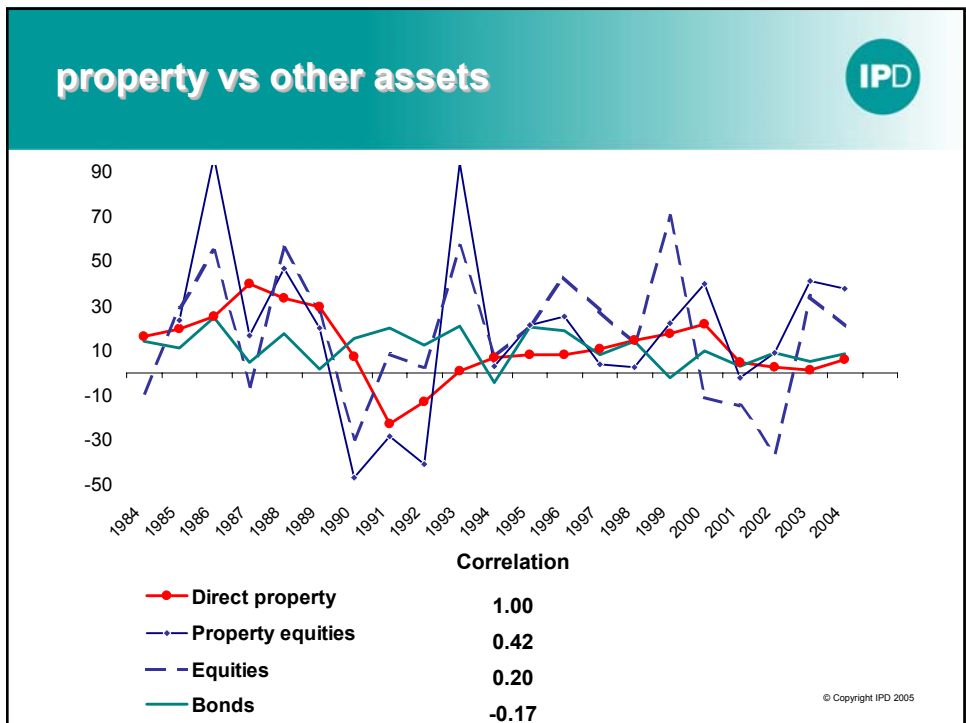
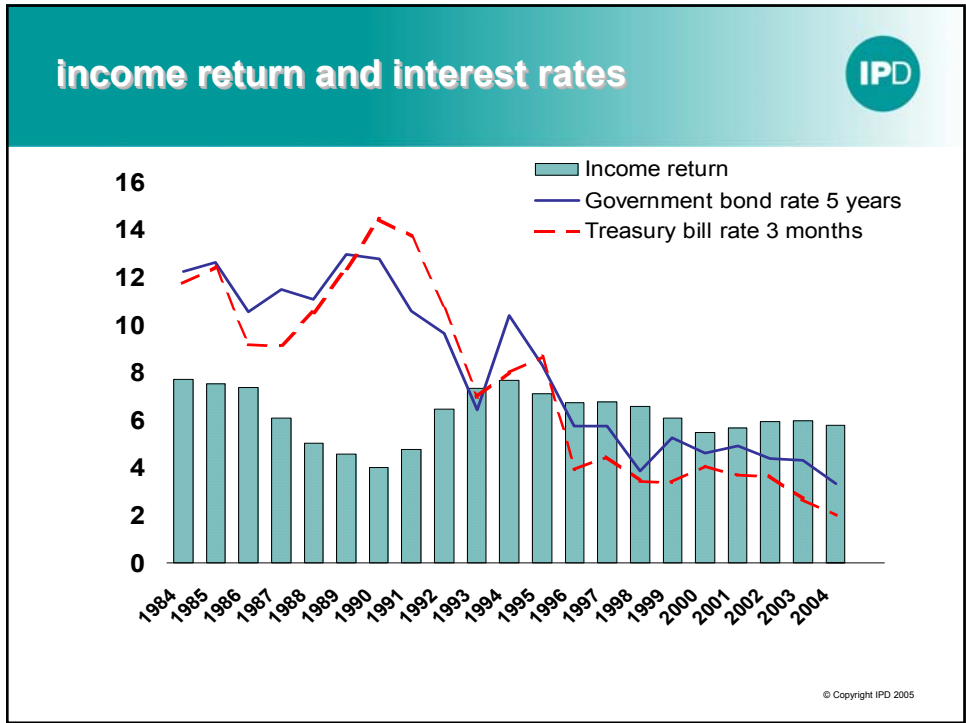


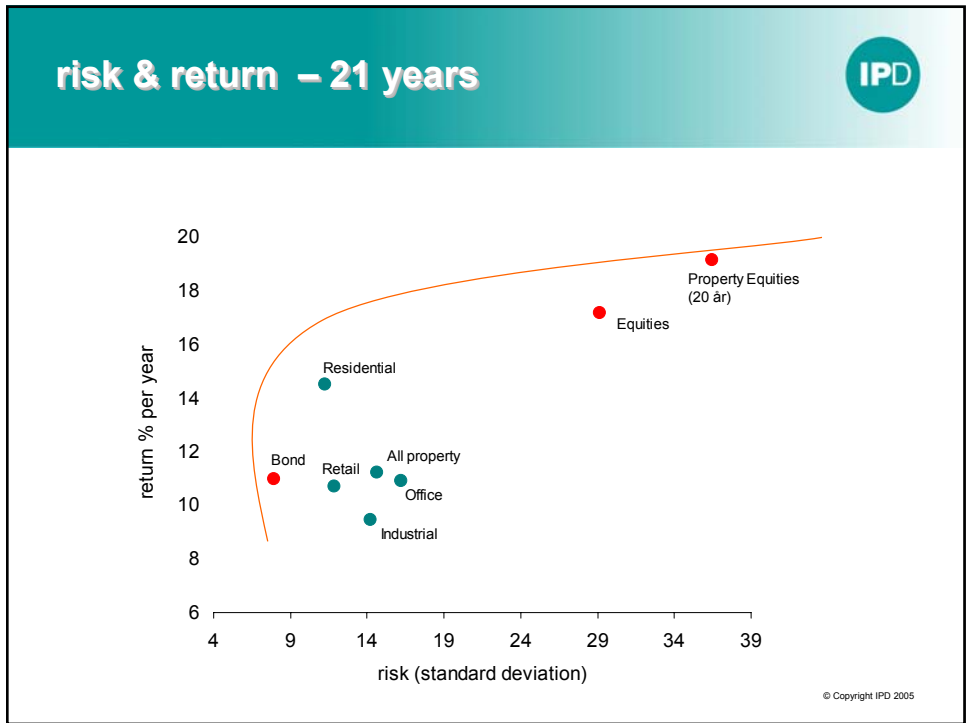
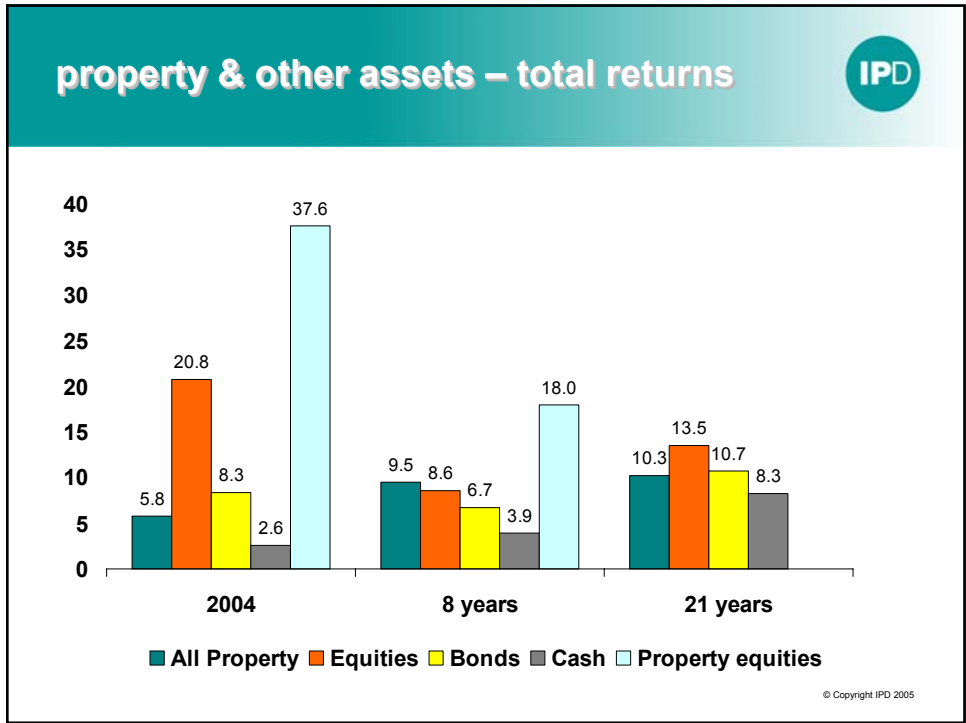














overall




- a 5.8% property market return in 2004 means:
 - up 5 basis points from 2003
 - worst performing asset class
 - below long term returns 9.5% but
 - ... real return 5.5% not far from long term real return 6.6%
- rise in performance due to:
 - fall in valuation yields
 - slightly rising rents for offices outside Stockholm
- residentials strongest sector
 - benefiting from highest capital growth
 - due to continued fall in yields and
 - ... continuous increasing rents
- over full 21 year history
 - residentials clear winner with total returns of 14% per year
 - three main commercial sectors returns 8% – 10% per year
 - but greater volatility for offices compared with retails and industrials

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SFI / IPD calendar 2005



- March
 - full individual benchmark reports to all participants
 - individual presentations to participants
 - Market Reports
 - Swedish Property Investors Digest
 - Long term Property index report
- April
 - 5th April - full presentation of results – Index launch at IVA
 - DPAS - Interactive report / analysis tool for participants
- May
 - 11th May – Nordic Markets Briefing in co-operation with S.I.P.A. in Copenhagen - Nordic Index Launch
 - 12-13th May - IPD European Property Investment Conference in Copenhagen



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Thank you for your time!

Investment Property Databank Ltd

7/8 Greenland Place
London NW1 0AP
Switch: 020 7482 5149
Fax: 020 7267 0208
joakim.franson@ipdindex.co.uk
www.ipdindex.co.uk

IPD Norden AB

Birger Jarlsgatan 2, 5 tr
SE-114 34 Stockholm
Switch: +46(0)8 505 652 30
Fax: +46(0)8 505 652 39
christina.gustafsson@ipdnorden.com
www.fastighetsindex.se



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