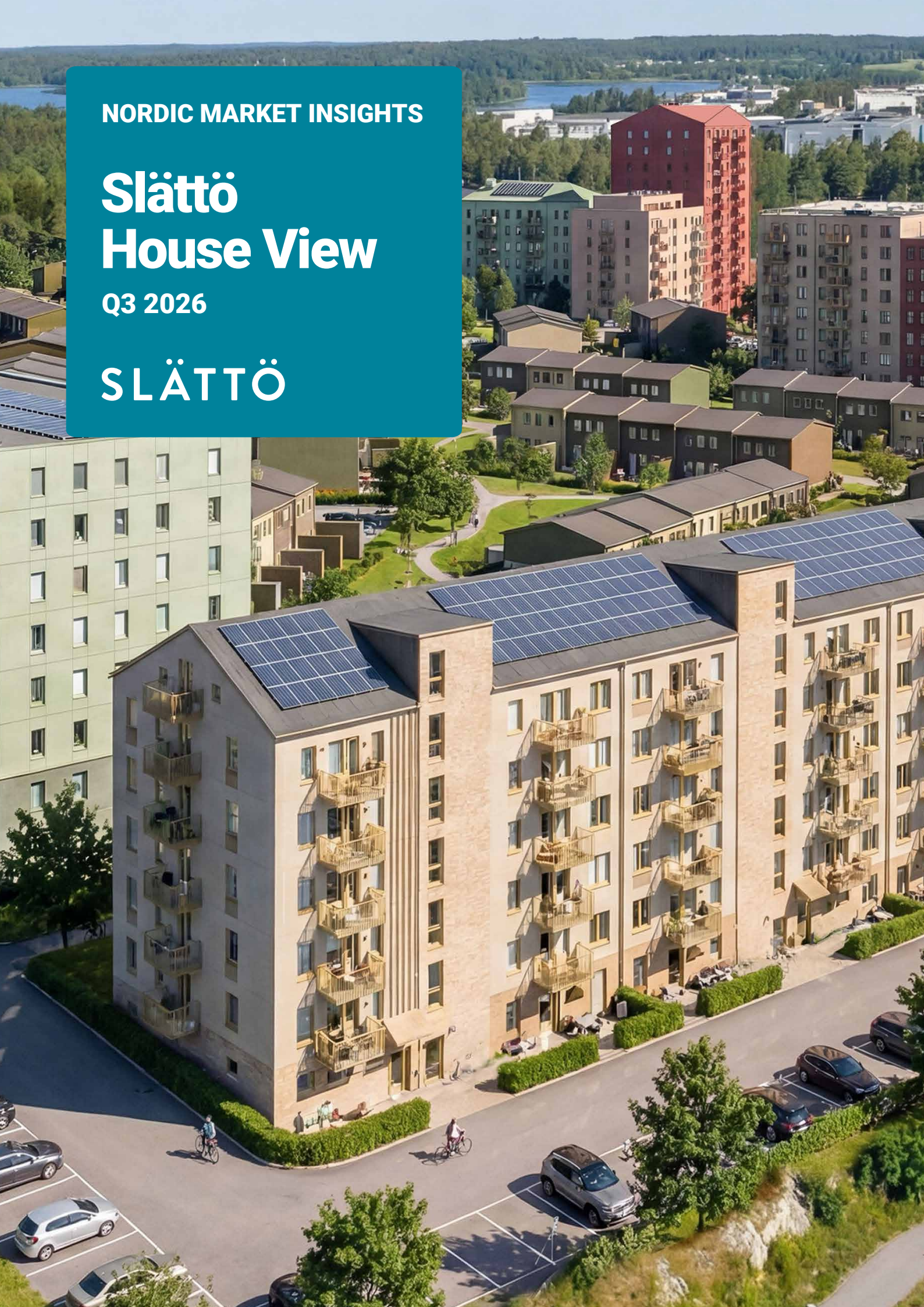


NORDIC MARKET INSIGHTS

# Slättö House View

Q3 2026

SLÄTTÖ



# Slättö House View

The Slättö House View is a data-driven market deep dive, updated twice a year. Slättö combines market data, stakeholder input, and internal discussions to form a clear base view of the Nordics and translates it into investment priorities - where to focus, where to be selective, and what to avoid.

Extensive analytical work sits behind the House View, which helps Slättö make better and faster decisions that support strong risk-adjusted returns for its investors.

This is backed by a strong deal flow. Over the last twelve months, Slättö has reviewed 719 deals worth EUR 23 bn in asset value, giving Slättö unparalleled insights on pricing and liquidity.

Here is a summary of Slättö's latest research. To access the complete report, please reach out to the Slättö team: [ir@slatto.se](mailto:ir@slatto.se).

## Nordic market insights

### Nordic fundamentals remain strong, with growth accelerating through 2026 and expected to outpace the euro area in 2026-27

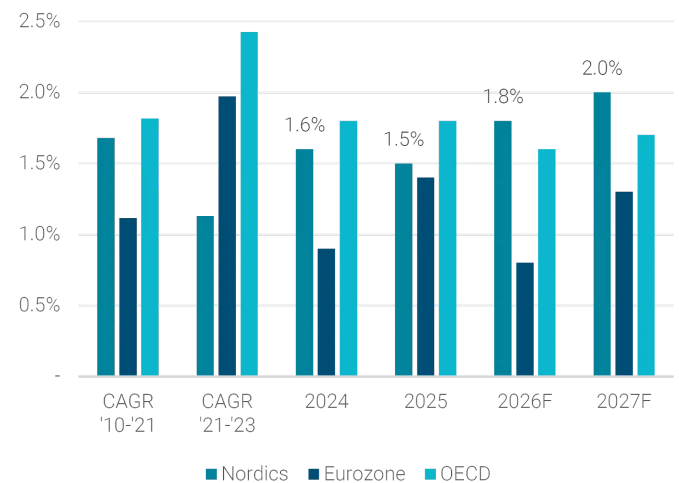
Nordic GDP growth accelerated in Q2 2026, well ahead of the euro area, and is projected at around 1.8% in 2026 and 2.0% in 2027. Sweden leads the recovery, and Finland is growing at its fastest pace in several years, reaching 2.5% in Q2 after close to three years of stagnation. Denmark sits at the other end, with growth that can swing with its export-heavy pharmaceutical sector. Real wages are rising faster than the EU average, household savings remain elevated and unemployment is expected to fall in 2026 and 2027, although consumer sentiment has stabilised just below neutral.

Monetary easing, however, has largely run its course. Inflation is normalising towards target across the region - Sweden temporarily sits below target on account of the VAT reduction on food - but the ECB has started a rate-hiking cycle, with the Swedish Riksbank potentially following. Swap rates have risen materially across all tenors over the past six months, which limits the scope for further yield compression even as growth improves. Globally, geopolitical fragmentation, rising public debt and the AI investment cycle keep risk premia structurally higher.

That said, the Nordics are comparatively well positioned to weather this turbulence. The region's structurally low sovereign debt levels and strong credit ratings underpin macro resilience and provide fiscal flexibility in downturns - the Nordics are home to three of only nine sovereigns globally rated AAA, while Finland holds an AA rating. The region also ranks highly in global governance, sustainability and innovation rankings: Sweden, Denmark and Finland rank 1st, 2nd and 4th in the EU Innovation Scoreboard and take the top three spots in the UN's 2025 Sustainable Development Report.

- Nordic growth accelerated in Q2 2026 and is expected to outpace the EU in 2026-27.
- Monetary easing has ended; rate hikes are increasingly priced in, and swap rates are up over the last six months.
- Nordic fiscal strength and governance support investment appeal in uncertain times.

#### Nordic GDP growth is forecast to strengthen in 2026-27



GDP growth forecast. Data: SEB Nordic Outlook May 2026 and OECD

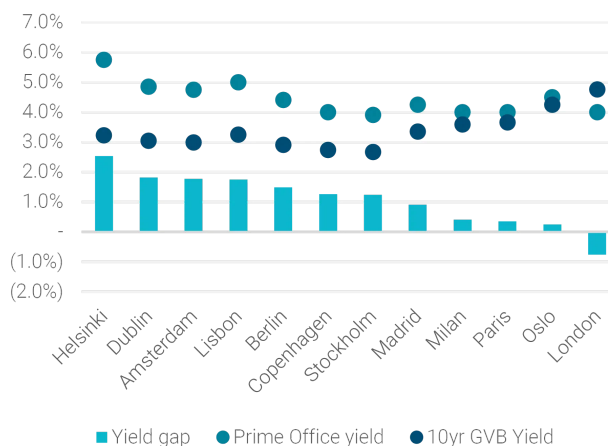
## Excellent debt availability in the Nordics supported by stable banks and a strong bond market

Credit sentiment continues to point to good availability. The CREDI Main Index remains at a historically elevated level and the expectations index improved marginally from an already supportive base, with banks foreseeing unchanged margins, availability and tenors, while borrowers are more optimistic and expect further easing. Nordic banks remain stable and profitable with limited real estate credit losses, and strong lending appetite has tightened margins and lifted LTC and LTV levels - though cash flow performance is still the test. Importantly, banks are also being pushed to compete on pricing as mortgage lending stagnates and alternative funding channels reopen.

The Nordic bond market has recovered faster than expected. Issuance rebounded strongly, with 2025-26 volumes among the highest since the 2021 peak, and activity spans the full credit spectrum rather than a narrow flight to quality: both investment-grade and high-yield issuers are accessing the market. Credit spreads tightened again after the spring 2026 sell-off, driven by strong inflows into credit funds, keeping the market open for refinancing and new issuance alike. Total outstanding Nordic real estate bonds amount to EUR 83 bn. Sweden and Norway continue to rely most heavily on bond financing, Finland is more balanced between bank and bond financing, while Denmark remains tied to its domestic realkredit system. ESG has become a gating factor for financing: properties rated below EPC rating E face growing difficulty in obtaining financing, and two-thirds of European lenders will no longer lend without sustainability credentials or a credible improvement plan.

- Strong bank and bond market sentiment, with issuance volumes among the highest since 2021 and spreads retightened after the spring shock.
- Banks are forced to compete on pricing as the bond market rebounds, while ESG has become a condition of financing.

### Office yield spreads remain wider in Sweden, Finland and Denmark



Prime office yields vs. 10yr GVB yields. Data: JLL, Riksbanken, ECB and Norges Bank

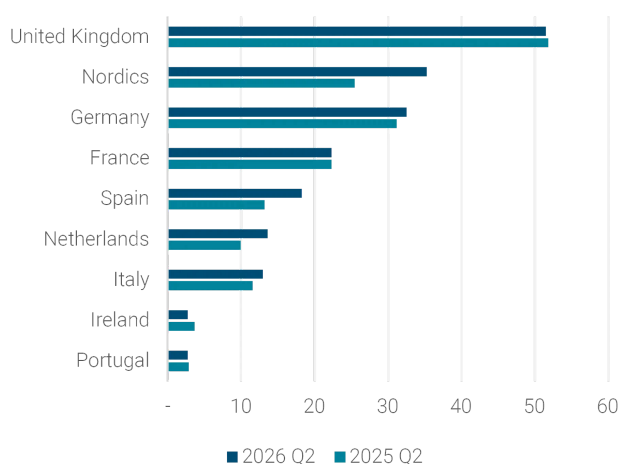
## The Nordic real estate investment market is now Europe's second largest, with liquidity improving

Nordic transaction volumes have moved ahead of Germany on a rolling 12-month basis to Q2 2026, at EUR 35.3 bn against EUR 32.5 bn. A year earlier the order was reversed, with Germany EUR 5.7 bn ahead, reflecting growth of 39% in Nordic volumes against 4% in Germany. This highlights the Nordics' relative scale and resilience. Liquidity is improving but remains uneven: Sweden is close to a record H1 and Denmark holds its strength, while Finland is rebounding from a low base and Norway shows a pause in momentum. Nordic H1 2026 volumes came in 13% above the 2015-22 H1 average and 85% above the 2023-24 H1 average.

The region also stands apart on returns. Unlike the UK, Ireland, France and Germany, which remain below their 2021 level, the Nordics have moved firmly through the trough into growth on a total return basis. This reinforces Slättö's conviction that occupier fundamentals, not repricing alone, are driving the recovery. Investor sentiment stays aligned with Slättö's prioritised segments: residential, logistics and light industrial and hotels draw the broadest support for sustained or increased exposure, while office remains the outlier, split between resilient prime assets and weaker secondary stock.

- The Nordics are now Europe's second largest and among its most liquid real estate markets.
- Liquidity is improving, led by Sweden and Denmark, while Finland rebounds from a low base and Norway pauses.

### Nordics rank second among major European markets by real estate transaction volume



R12M transaction volumes in major European markets. Data: JLL

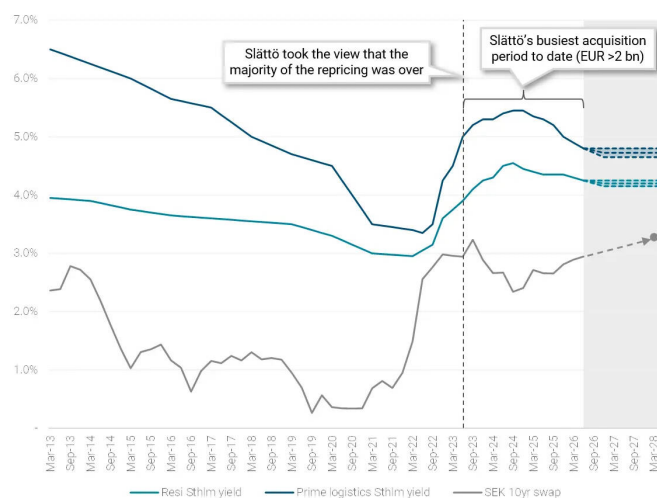
## Nordic yields are levelling out after one of Europe's deepest repricings, with alpha shifting from pricing to execution

The Nordics rank among Europe's most repriced markets, with larger peak-to-trough yield widening than most European peers, and the pricing trough is now largely passed. Nordic yields are stabilising or modestly compressing, led by logistics and light industrial. Denmark is normalising, with the smallest yield expansion of all Nordic markets, though prime residential yields in Copenhagen have compressed significantly. Finland is stabilising or compressing and offers the region's widest yield gap, and therefore the most room to compress as liquidity recovers. Norway is stabilising after significant repricing but remains hampered by high rates and a tight yield gap, with Norges Bank still cutting only gradually, near-term relief is limited.

Slättö's view is that the broad repricing opportunity is fading. Long-term interest rates are expected to rise as markets price in stickier inflation, limiting the scope for meaningful compression, so Slättö expects yields to level out over the next twelve months. Regional cyclical differences still create scope for further capital growth: Finland sits later in its cycle, and a continued liquidity recovery could fuel yield compression given the yield gap still has room to close. Denmark and Sweden are fully priced and Norway offers limited opportunities at current rates. The window nonetheless remains open in pockets of the market and for specialised investors who can create value in fragmented, operationally intensive strategies.

- Alpha is shifting from repricing to execution, aggregation and operational performance, with Finland the main contrarian cash-yield opportunity.

### Yields are expected to stabilise as interest rates limit further compression



Residential and Logistics yields versus SEK 10yr swap, historical and forecast.

Data: Slättö's own forecast, yields from Newsec, swap data from Capital IQ and SEB

# Residential

Residential is one of Slättö's two conviction segments, supported by limited construction and continued rental growth in capital cities and larger regional cities.

## Denmark leads, Sweden is strong and Finland is normalising

### Investment market

Denmark continues to lead, remaining the Nordics' most liquid residential market with the tightest pricing as institutional demand concentrates in Greater Copenhagen. Sweden is close behind and has been very strong, with H1 2026 volumes at roughly twice the ten-year average and a wider buyer base as local core capital returns alongside international investors. Finland is normalising, with volumes back in line with its ten-year average as forced sellers grow scarce. Prime yields have compressed from peak across the capitals.

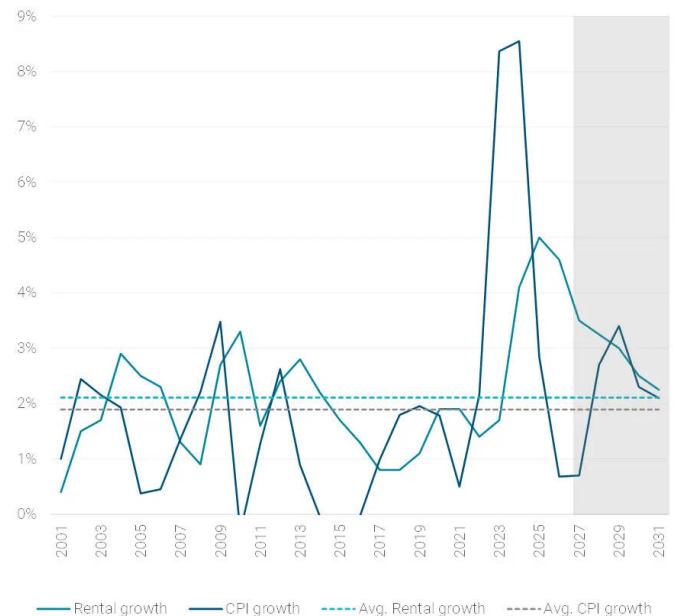


### Rental market

Rental growth is forecast to be strongest in Denmark, followed closely by Sweden, with Finland trailing in the near term. Greater Copenhagen has outpaced the national average since 2022, reaching 4.6% year-on-year in 2026, and a shrinking construction pipeline should keep supply constrained; national private-rental vacancy hit a historic low of 1.9% in Q4 2025. In Sweden, the regulated system is gradually recouping the 2022-23 inflation gap, with rents up 3.5% in 2026 and real rental growth expected to continue; demand is more selective, however, with weaker absorption of higher-priced new production in peripheral locations. In Finland, rental growth remains subdued, with a rebound expected from 2028 onwards following a period of lower construction rate.

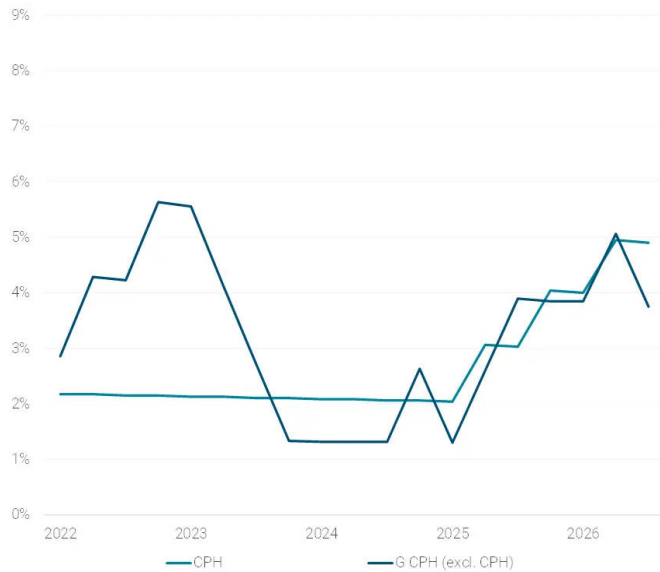
New Swedish legislation effective from July 2026 formally recognises rent-to-buy, opening a route into the underpenetrated single-family rental market, where only 5% of Sweden's single-family housing stock is currently rented.

### Real rental growth in Sweden is expected to continue



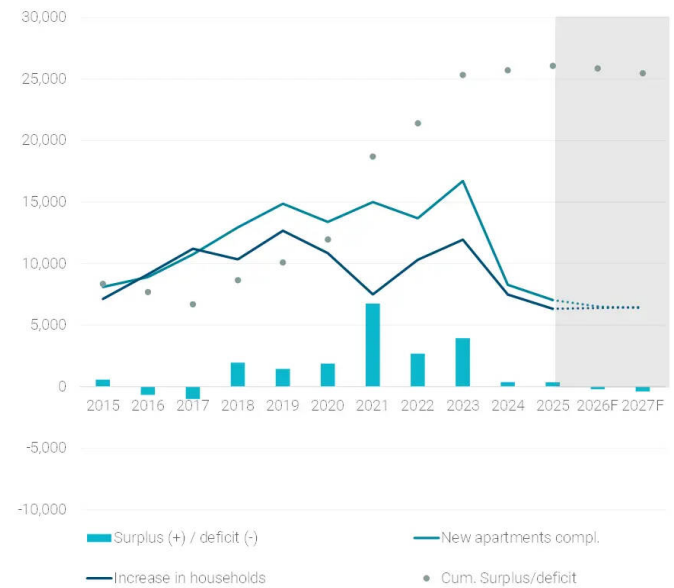
Data: SCB and Slättö

## Greater Copenhagen is forecast to lead Nordic rental growth



Year-on-year rental growth, private housing in primary locations. Data: Colliers

## Slow rental growth in Finland in the short-term, expected to increase



Housing supply and demand in HMA in Finland. Data: Statistics Finland, Forecast by Slättö House View

## Owner-occupied market

Sweden and Denmark are both set for growth, with Finland trailing. Swedish prices have climbed to new highs as transaction volumes pick up again, with Stockholm leading, supported by rising real incomes, stabilised interest rates and a loan-to-value cap relaxed to 90% - though elevated listing volumes still weigh on selected markets. In Denmark, prices have surged around 20% year-on-year in Copenhagen and Aarhus, making break-up opportunities increasingly attractive, but supply in Copenhagen has doubled over the last six months and Denmark's central bank (Danmarks Nationalbank) has warned the pace is unsustainable, so caution is warranted. Finland remains subdued, yet the persistent gap between consumer and institutional pricing continues to favour break-up strategies in selected infill locations.

- Denmark leads the recovery and the Nordic rental growth outlook, Sweden is strong with a broader buyer base, and Finland is normalising from a low base.
- Fundamentals support rent growth, but location matters and new rent-to-buy legislation opens single-family rentals as a strategy in Sweden.
- Owner-occupied apartments are rising in Sweden and Denmark, supporting break-up strategies, though Danish price momentum warrants caution and Finland trails.

# Logistics & Light Industrial

Logistics and light industrial is one of Slättö's two conviction segments, supported by resilient occupier demand, improving macro conditions and growing e-commerce activity.

## Activity is accelerating and yields have compressed

### Investment market

The segment has remained resilient through the cycle and activity has accelerated: H1 2026 transaction volumes were 49% higher than H1 2025 and 46% above the ten-year H1 average, with Sweden and Finland at record levels while Denmark and Norway were relatively slow. Prime yields compressed slightly across all countries. The yield spread between logistics and light industrial has narrowed to more balanced levels from its 2022 peak, with recent transactions showing notable portfolio premiums in light-industrial. Finland still stands out with higher yields and a wider spread than the other Nordic markets.



### Occupier market

Leasing momentum has strengthened, supported by resilient occupier demand, improving macro conditions and growing e-commerce activity. Logistics vacancy remains elevated in areas affected by earlier speculative development but is gradually rebalancing as new supply slows, while light-industrial vacancy stays low with selective upward pressure on rents in constrained submarkets. In Denmark, construction fell sharply in 2025 and land scarcity around Copenhagen continues to limit large-scale development, pushing major platforms outward to hubs such as Ringsted. In Norway, prime last-mile rents in Oslo have risen sharply since 2022 and now exceed NOK 2,000 (roughly EUR 170) per sqm and annum.

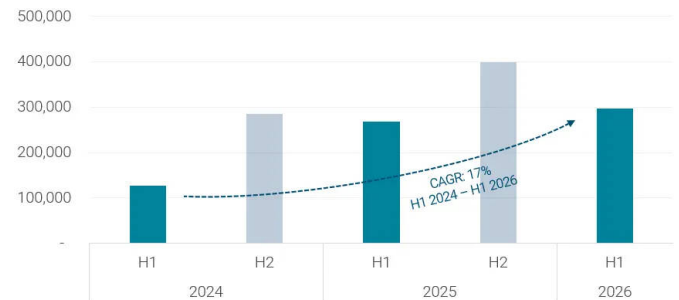
- Transaction volumes are up 49% year-on-year and 46% above the ten-year H1 average, led by Sweden and Finland, with prime yields having compressed from peak.
- Occupier markets are improving as speculative supply slows, light-industrial stays tight, and portfolio premiums underpin the roll-up strategy.

Following several years of elevated development activity, the Swedish logistics market is entering a more balanced phase. Higher financing costs, increased vacancy and stricter return requirements have significantly reduced speculative construction, with new development increasingly driven by occupier demand and build-to-suit projects.

At the same time, development is becoming more selective and concentrated in strategic logistics hubs and well-connected locations that can support modern occupier requirements.

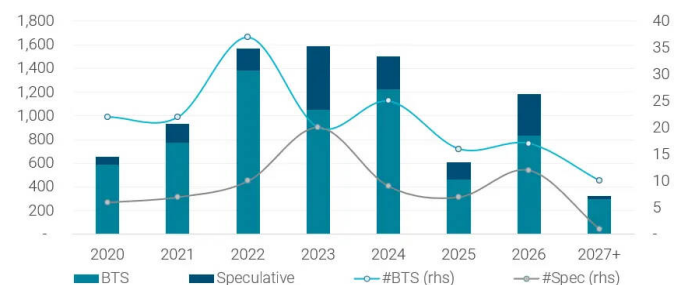
- The market is shifting towards a more disciplined and demand-led development cycle, supporting healthier long-term fundamentals.

### Leasing momentum is strengthening



Announced lettings in Sweden 2024-26. Data: Colliers and Dagens Logistik

### Development is becoming more selective



New developments per year in Sweden 2015-27+. Data: Croisette

# Other segments

Hotel and social infrastructure are two niche segments that Slättö prioritises.

## Hotels

### Resilient, RevPAR-led occupier market and an increasingly international investor base

#### Investment market

Investor confidence in Nordic hotel real estate remains strong, with 2026 H1 transaction volumes around 14% above the ten-year H1 average, and the market is focused on value-add strategies driven by repositioning, refurbishment and operational optimisation. It is also polarised: new capital is highly selective, concentrating on institutional-quality assets in prime locations while secondary assets and markets attract a narrower buyer universe. Notably, non-Nordic private equity and international operators are testing entry into a market historically difficult for outside capital to enter. Prime yields have come down 25-30 bps from peak in Copenhagen, Stockholm and Oslo, while Helsinki remains unchanged at a higher level.

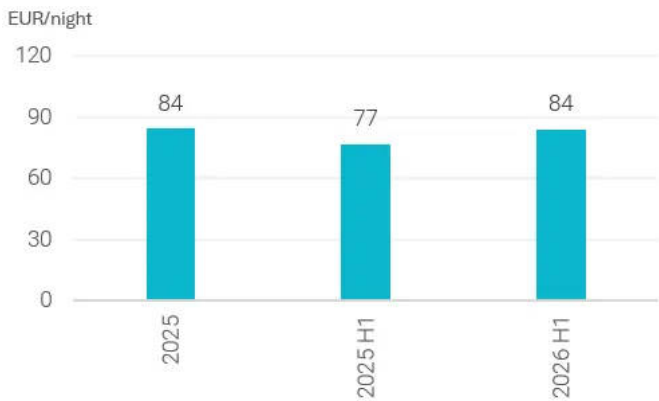


#### Occupier market

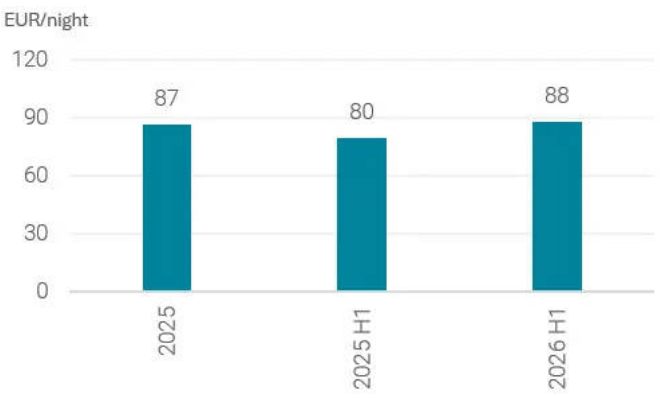
Operating performance remains supportive and the recovery is increasingly RevPAR-driven. In 2026 H1 both Stockholm and Copenhagen were above their year-earlier levels, Oslo remained the strongest absolute performer, and Helsinki was the weakest although increasingly underpinned by record foreign visitation. Summer trading reached record levels, with July accommodation revenue up 12% year-on-year in Sweden and 10% in Stockholm. Growth across the capitals is driven more by room rates than occupancy, so the durability of achieved rates and the risk of new supply are central to underwriting, while rising labour and operating costs weight on profitability and lease-cover ratios. Overall, low new supply and resilient demand support a constructive outlook, with Copenhagen, Oslo and Stockholm in the lead and Helsinki improving from the weakest base.

- Hotel demand is attracting more capital, including first international entrants; value-add is the main strategy and prime yields are slowly coming down - Copenhagen, Oslo and Stockholm lead while Helsinki lags.
- Operations are supportive and RevPAR-led, but growth is rate-driven rather than occupancy-driven, so rate durability and cost inflation are the key underwriting questions.

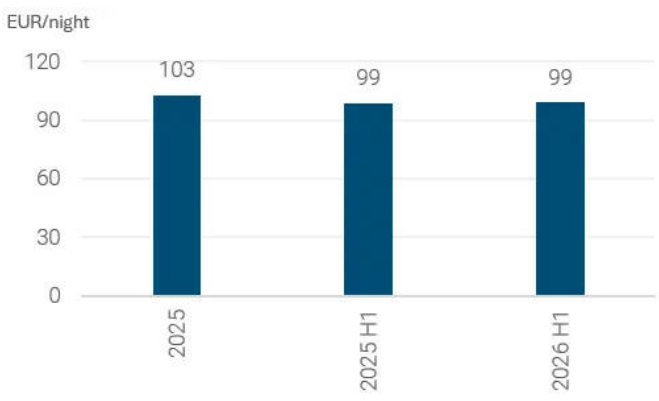
RevPAR in Copenhagen



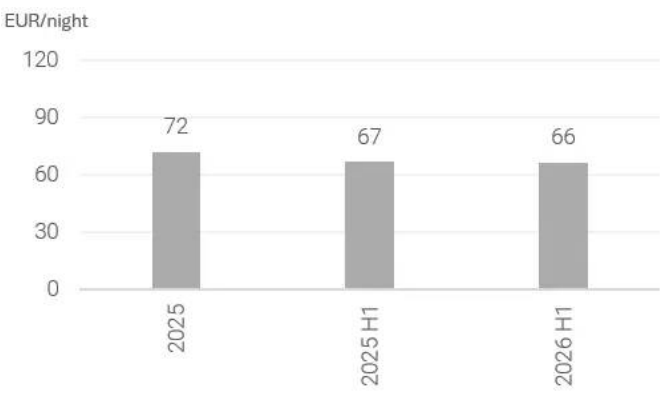
RevPAR in Stockholm



RevPAR in Oslo



RevPAR in Helsinki



Data: Benchmarking Alliance

## Social Infrastructure

### Selective market, with institutional capital returning to prime assets

#### Investment market

Transaction activity remains subdued and selective. Demand and pricing have nonetheless risen for modern, high-quality assets with long-lease public-sector tenants - primarily in healthcare, education and security real estate - and the return of institutional capital as active buyers is now the key driver, pushing yields lower including in regional locations. Pricing remains highly polarised: purpose-built assets with strong counterparties on long leases trade at materially tighter yields, while assets with weaker private tenants or greater operational exposure face significantly wider bid-ask spreads. Sweden's outlook is stable with some scope for compression, Norway is relatively active in this segment and has seen the strongest recent compression, Finland has very limited liquidity owing to fund redemptions and healthcare reform, and Denmark remains a small, largely publicly owned market.

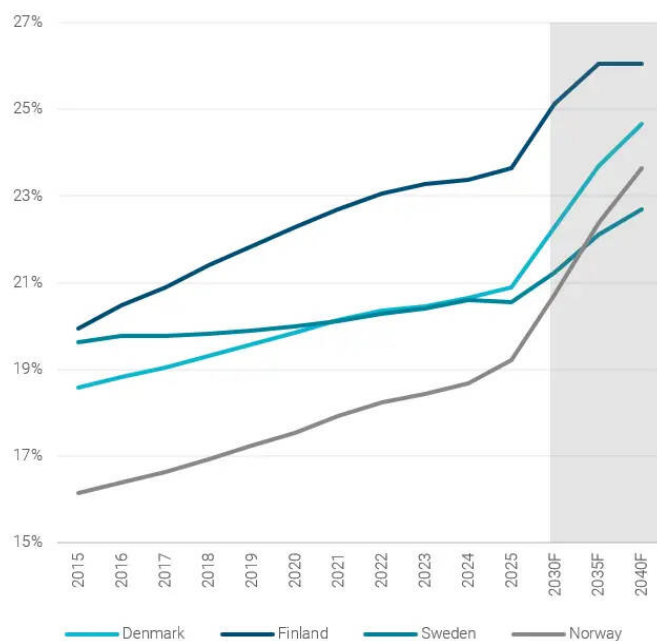


#### Occupier market

The demand case is anchored in ageing demographics and an ageing building stock, driving sustained need for modern care facilities. At the same time, falling birth rates reduce demand for certain education assets in some regions, increasing the importance of location and tenant quality. Another structural pillar is security and defence: the build-out of total defence (civil and military) and the justice system carries substantial investment needs, with Sweden's NATO membership reshaping where property investment is needed and driving demand across housing, logistics and public services.

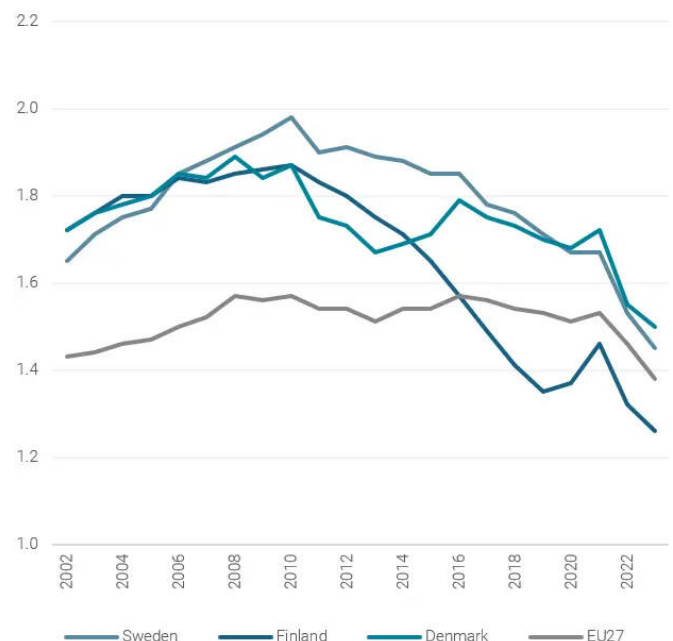
- Social infra is selective, but institutional capital returning as active buyers is pushing yields lower, with wide pricing gaps between prime assets and assets carrying operational risk.
- Ageing demographics support elderly care and senior living, while NATO membership and the defence build-up are creating a new, state-driven demand pillar.

#### Strong fundamentals for elderly care and senior living



Population 65+ years. Data: Eurostat

#### Lower birth rates reduce overall demand for child-related assets



Birth rates per woman 2002-2023. Data: Eurostat

# The investment opportunity

## Why the Nordics

**Nordic fundamentals are strong. GDP growth accelerated in Q2 2026, running well ahead of the euro area and much of Europe, and is projected at around 1.8% in 2026 and 2% in 2027.**

Inflation has normalised towards target, labour markets are improving, public debt remains low and governance is strong. The rate easing cycles have run their course, but the region offers excellent access to debt through resilient banks and a bond market where issuance volumes are among the highest since 2021.

**The Nordics are now Europe's second largest real estate market, ahead of Germany on a rolling twelve-month basis, and one of the most liquid.**

Transaction activity is improving - Sweden is close to a record H1 and Denmark holds its strength - and, after one of Europe's deepest repricings, the pricing trough has passed, with yields in the Nordic capitals stabilising or modestly compressing. The Nordics have also returned to growth in total-return terms, unlike the UK, Ireland, France and Germany, which remain below their 2021 level.

**Attractive entry points remain in fragmented, operationally intensive and capital-constrained strategies where specialised investors can create value.**

Regional cyclical differences still create scope for value, with Finland offering a contrarian cash-yield play as liquidity improves.

## Partner with Slättö, the specialist in Nordic private real estate markets

Slättö is the natural choice for investors seeking alpha through value-add and core-plus strategies and a targeted exposure to the Nordics.

The firm's research concludes that focused regional managers have historically outperformed broad multi-country strategies significantly, and Nordic managers have outperformed the rest of Europe.

Slättö has built a strong track record of market-leading returns through thematic strategies focused on Nordic residential, logistics and light industrial, underpinned by deep local sourcing. Over the last twelve months, Slättö has reviewed 719 deals worth EUR 23 bn, signed 19 investments totalling EUR 641 m, and divested EUR 188 m of stabilised assets, having been a net buyer since Q3 2023 on the conviction that market timing was attractive.

That local capability extends to asset management: EUR 7 m of energy capex to date has delivered a value uplift of EUR 18 m through higher NOI, equating to an unlevered 2.5x multiple on invested capital, while also reducing liquidity risk across the portfolio.

Get in touch to learn more about investment opportunities: [ir@slatto.se](mailto:ir@slatto.se).

## About Slättö

Slättö is a Nordic-focused private equity real estate investor. Since inception in 2013, the firm has executed transactions with a total value of EUR 5 bn.

Through its strategies, Slättö manages a diversified real estate portfolio across Sweden, Finland and Denmark, comprising approximately 11,000 residential apartments (580,000 sqm of lettable area, plus 120,000 sqm under development) alongside more than 100 light-industrial and logistics assets totalling 480,000 sqm of lettable area and 400,000 sqm under development. The portfolio also includes investments in hotel and social infrastructure.

Read more on Slättö's website [www.slatto.se](http://www.slatto.se).