



# Real Estate Projects

FEBRUARY 2018



**Realkapital**  
Investor



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# Our vision is "to transform bricks into gold"

The vision portrays who we are, our investment philosophy and the results we wish to achieve.



Anders Brustad-Nilsen  
Managing Director CEO/Partner

Our investment philosophy is to buy properties with potential beyond that which is normally expected. Some examples can illustrate this: to be first mover in an area development, show financial creativity in the purchase phase, identify deals off market, optimize tenant contracts, conceptualize properties or areas, buy vacant properties to rent or build on, etc. We also invest in cash flow properties where the property, tenant or location has superb fundamental characteristics and where the property's ability to be fully let is high.

Our geographical strategy of concentrating on projects within Greater Oslo still stands. The real estate market is strongly correlated with the development in GDP, and in the period between 1998 and 2015 Oslo had an annual average growth in GDP of 3.5%, against Norway as a nation at 1.8%. The data for Stockholm and Sweden shows a similar pattern. We believe that this trend is getting stronger, with development in the larger urban regions running ahead of the rest of the country.

Liquidity and volume are also central to one's ability to purchase and to reduce exit risk. Greater Oslo normally has over 60% of all transactions in the Norwegian market. By focusing on a limited geographical area our competitive advantage in all phases of the property life cycle is enhanced: identifying opportunities, understanding tenants locally, zoning, asset management, property development and exit strategy.

We have always focused on commuting hubs. In 2017 we bought two properties located at commuting hubs in Oslo, both within Oslo Municipality's strategic area development plan towards 2030. This means that the potential exists to increase the properties' volume.

Vitaminveien 1A at Storo was the largest acquisition last year at NOK 523 million and 21,000 m<sup>2</sup>. We have since closing in March rebranded the property with new signs and new façade paint, and approved building permit for an additional 2,300 m<sup>2</sup> to transform the building from an introverted brown brick block to an inviting modern office building that can compete against new builds at the main communication hubs in Oslo. We are very happy that Sector Alarm has chosen to stay in the building for an additional 15 years as the key tenant.

Hauketo Centre, bought in October, lies to the south of Oslo and is today a well-functioning local centre with 2 grocery stores, a fitness centre, a physiotherapist clinic and a drugstore. Our plan is to work with the local district authorities and Oslo Municipality to rezone the property to utilize the potential that the new zoning plan allows.

2017 was an exciting year on many of the properties we have under management. Portal Skøyen, formerly known as the Stenshaugen properties, has had a decrease in vacancy of over 6,000 m<sup>2</sup> with both Verisure and Envac signing long-term lease agreements. Of a total of 23,000 m<sup>2</sup> only 2,700 m<sup>2</sup> is now vacant, and there is good interest in many of the remaining areas. We used both equity and energy to turn the product into what tenants are looking for in a difficult market situation west of Skøyen.

At Hana in Sandnes new contracts with Coop, Elixia and Metro Bowling have been signed and at Carl Berner we have signed a long-term contract with one of the large grocery chains for all the retail space, and the start of building has now been formalized with an expected completion in 2020.

We also sold two projects last year, the Maxbo portfolio and the logistics property Linnestrand 2 in Lier. The former had a holding period of only 9 months and achieved an IRR of 40 %. Linnestrand 2 had a holding period of around 2 years and recorded an equity multiple of 1.8 and an IRR 26%. Klaveness Marine, for whom we bought Mariboegate 13, sold the property with a very strong



Final concept at Carl Berner Torg where construction phase has started

result last year (IRR not calculated as Klaveness Marine managed the property themselves). At Strandveien 41 in Hamar, however, we could not re-establish the cash flow with a low enough CAPEX after DNB moved out, and the bank took over the project at the start of the summer. The lesson learned from this project is avoid small transparent markets with single tenant risk.

The average IRR after valuation on assets under management is around 50%, ranging from at the lowest 12% to the highest at 140%. The main risk factor for the assets is clearly interest rates as one of the main costs affecting values, but equally critical is our ability to work on value creation according to the agreed strategy.





# All eyes on the occupier market



Håvard Bjorå  
Head of Research

**Looking back** to the 2017 issue of our report the overall message is still relevant and can be summarised as follows: A continuing fall in interest rates has brought yields to a new low and commercial real estate prices to record levels. The increase in commercial real estate prices since the 2008 financial crisis, with corresponding handsome capital gains for investors, has almost entirely been down to yield compression.

**Looking ahead** interest rates and yields have now probably bottomed-out and value gains are expected instead to be derived from a strong and strengthening letting market, which is predicted to continue throughout 2018. Beyond 2018, we might experience returns driven by rent increases to be offset by an increase in yields as interest rates slowly start to rise.

**The letting market** currently favours lessors and there is general agreement that it will remain strong in a 1-2 years' perspective. We have seen a drop in vacancy levels, in part because of strong demand for office space, but mainly due to there being fewer office projects under construction. With a high rate of conversion from office to residential, the net new office stock in Oslo in 2017 has been negative, and we expect only a marginal increase in 2018. In sum, the supply and demand balance suggests continued upwards pressure on rent levels in the short and medium term. Nevertheless, in the longer

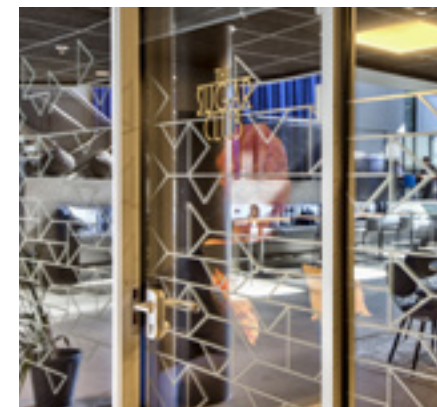
term construction activity will pick up, at the same time large tenants relocate to more space-efficient buildings, with a resulting slowdown in rental growth as we get closer to 2020.

**New technology** is redefining the workplace, enabling employees to work anywhere and causing businesses to reconsider their office rental strategies around more flexible options. New generations are likely to adopt flexible working practices to an extent not seen in preceding generations. Combining the fight to attract talent with the search for technical and digital competence, while addressing Millennials' working preferences, will become key to businesses prosperity. There needs to be a good understanding of not only who will be using office space, but how and when they will be using it.

## Assets will thrive and assets will become obsolete.

The rewards can be high. Value creation (BNP per employee) of private sector office workers in Oslo has tripled (from NOK 0.5m to NOK 1.5m) over the last 20 years. When this is combined with space efficiency gains the cost burden of office space can be dramatically reduced, which represents a huge potential for successful real estate managers who are prepared to offer the flexibility and quality prosperous businesses will require to attract and retain talented employees.

**Predicting the market** is immensely challenging given the changes we are facing in both the workforce and the workplace. One can only get so far using aggregate statistics and we believe we will see a widening of the gap between the successful real estate managers, who are able to understand and meet the future demand, and those who fall behind. Particular attention needs to be paid to the letting market, to next generation office requirements and to the ability of lessors to meet such expectations.





# Storogården - Vitaminveien 1, Oslo

The property Vitaminveien 1 was acquired by Realkapital Investor from OBOS Forretningsbygg in March 2017. The 21,000 sqm building extends over 9 floors, plus a basement providing good parking coverage, and had a mix of shorter term leases, while two floors had been vacated when the property was acquired.

Realkapital developed a comprehensive business plan for the property before acquisition, and during the first 10 months of ownership we have achieved many important milestones including renegotiating the lease to the anchor tenant in the building (Sector Alarm) for a longer term, obtaining a building permit from the municipality for expansion and renovation of the property and reprofiling of the building as “Storogården” (which included painting all facades a dark grey/black).

The building has an excellent location close to the Storo subway station, which is also a major hub for tram and bus lines (the sixth largest in Oslo), as well as excellent profiling towards, and access from, the Oslo Outer Ring road.

The plan for 2018 is to commence the build out of the property and secure tenants for the new offices and those that become vacant. To date we have seen good interest at increasing rent levels.

Vitaminveien 1, reprofiled as  
“Storogården”



Historic picture of building before  
painting and reprofiling



Storogården today





# Exited investments

Exited investments  
have average IRR > 50 %



**VEKTERGÅRDEN, GRØNLAND 34, DRAMMEN**

**LINNESTRANDA 2,  
LIER**

Property class:	Industrial
Lettable area:	11 562
Investment year:	2015
Realization year:	2017
Purchase price:	136 200 000
Sales price:	165 750 000
Equity multiple:	1,8
Investment period:	2,5 y
Equity IRR:	26,3 %



**STRANDGATA 41,  
HAMAR**

Property class:	Office
Lettable area:	4 802
Investment year:	2006
Realization year:	2017
Purchase price:	44 800 000
Sales price:	18 000 000
Equity multiple:	-
Investment period:	10,5 y
Equity IRR:	-29,9 %



**MAXBO (MISC),  
GJØVIK, HAMAR, ELVERUM**

Property class:	Retail
Lettable area:	9 043 / 10 488 / 2 628
Investment year:	2016
Realization year:	2017
Purchase price:	222 000 000
Sales price:	250 000 000
Equity multiple:	1,2
Investment period:	0,9 y
Equity IRR:	40 %



**ENSJØVEIEN 4,  
OSLO**

Property class:	Residential
Lettable area:	n/a
Investment year:	2016
Realization year:	2016
Purchase price:	87 000 000
Sales price:	n/a
Equity multiple:	n/a
Investment period:	n/a
Equity IRR:	n/a



**GRØNLAND 34,  
DRAMMEN**

Property class:	Office
Lettable area:	6 701
Investment year:	2016
Realization year:	2017
Purchase price:	170 000 000
Sales price:	206 225 000
Equity multiple:	1,7
Investment period:	0,5 y
Equity IRR:	158 %



**MORSTONGVEIEN 47,  
EIDSBERG**

Property class:	Retail
Lettable area:	15 500
Investment year:	2012
Realization year:	2016
Purchase price:	172 890 000
Sales price:	189 200 000
Equity multiple:	2,2
Investment period:	4,75 y
Equity IRR:	17,0 %





ØKERNVEIEN 9, OSLO

Property class:	Office
Lettable area:	12 688
Investment year:	2008
Realization year:	2014
Purchase price:	214 000 000
Sales price:	415 000 000
Equity multiple:	1,4
Investment period:	6,6 y
Equity IRR:	7,0 %



MARIBOESGATE 13, OSLO

Property class:	Office
Lettable area:	17 144
Investment year:	2014
Realization year:	2015 (Investor hand-over)
Purchase price:	404 000 000
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a



ØKERNVEIEN 11-13, OSLO

Property class:	Office
Lettable area:	11 984
Investment year:	2012
Realization year:	2014
Purchase price:	106 000 000
Sales price:	319 938 000
Equity multiple:	5,0
Investment period:	3,0 y
Equity IRR:	69,6 %



TYSK BOLIGVEKST AS

Property class:	Residence
Lettable area:	15 891
Investment year:	2007
Realization year:	2014
Purchase price:	125 316 908
Sales price:	150 000 000
Equity multiple:	1,3
Investment period:	6,9 y
Equity IRR:	4,5 %



ØVRE VOLL GATE 13, OSLO

Property class:	Office
Lettable area:	5 420
Investment year:	2015
Realization year:	2015 (Investor hand-over)
Purchase price:	158 000 000
Sales price:	n/a
Equity multiple:	n/a
Investment period:	0
Equity IRR:	n/a



HAGEVEIEN 20, TØNSBERG

Property class:	Logistics
Lettable area:	16 092
Investment year:	2005
Realization year:	2006
Purchase price:	82 500 000
Sales price:	105 000 000
Equity multiple:	3,0
Investment period:	1,0 y
Equity IRR:	209,0 %





MISC (HAUGESUND)

Property class:	Commercial
Lettable area:	15 673
Investment year:	2007
Realization year:	2013
Purchase price:	73 000 000
Sales price:	88 847 788
Equity multiple:	2,7
Investment period:	6,0 y
Equity IRR:	16,0 %



MAIL HANDLING FACILITIES (MISC)

Property class:	Logistics
Lettable area:	16 045
Investment year:	2009
Realization year:	2010/2012
Purchase price:	257 000 000
Sales price:	291 000 000
Equity multiple:	1,8
Investment period:	1,2 y / 3,6 y
Equity IRR:	24,0 %



HAGEVEIEN 20, TØNSBERG

Property class:	Logistics
Lettable area:	16 092
Investment year:	2005
Realization year:	2006
Purchase price:	82 500 000
Sales price:	105 000 000
Equity multiple:	3,0
Investment period:	1,0 y
Equity IRR:	209,0 %



TEVLINGVEIEN 23, OSLO

Property class:	Office
Lettable area:	24 300
Investment year:	2005
Realization year:	2007
Purchase price:	227 500 000
Sales price:	326 200 000
Equity multiple:	5,2
Investment period:	2,2 y
Equity IRR:	126,0 %



MISC (HAUGESUND)

Property class:	Commercial
Lettable area:	15 673
Investment year:	2007
Realization year:	2013
Purchase price:	73 000 000
Sales price:	88 847 788
Equity multiple:	2,7
Investment period:	6,0 y
Equity IRR:	16,0 %



HAGEVEIEN 20, TØNSBERG

Property class:	Logistics
Lettable area:	16 092
Investment year:	2006
Realization year:	2014
Purchase price:	105 000 000
Sales price:	42 000 000
Equity multiple:	-
Investment period:	7,4 y
Equity IRR:	-100,0 %





NORGES GRUPPEN (MISC)

Property class:	Commercial
Lettable area:	28 572
Investment year:	2003
Realization year:	2006
Purchase price:	176 175 000
Sales price:	255 000 000
Equity multiple:	6,9
Investment period:	2,3 y
Equity IRR:	135,0 %



ALFASETVEIEN 11, OSLO

Property class:	Industrial
Lettable area:	13 841
Investment year:	2003
Realization year:	2005
Purchase price:	125 644 800
Sales price:	151 000 000
Equity multiple:	2,6
Investment period:	2,0 y
Equity IRR:	66,4 %



FINNESTADVEIEN 44, STAVANGER

Property class:	Office
Lettable area:	22 000
Investment year:	2004
Realization year:	2006
Purchase price:	379 500 000
Sales price:	456 000 000
Equity multiple:	3,3
Investment period:	3,3 y
Equity IRR:	96,0 %



GRÅTERUDVEIEN 8, DRAMMEN

Property class:	Logistics
Lettable area:	14 934
Investment year:	2010
Realization year:	2011 (Investor hand-over)
Purchase price:	77 369 535
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a



REGBUEVEIEN 9, SKI

Property class:	Logistics
Lettable area:	10 000
Investment year:	2004
Realization year:	2005
Purchase price:	100 500 000
Sales price:	127 502 349
Equity multiple:	2,7
Investment period:	1,1 y
Equity IRR:	140,0 %



BRONGSGATAN 10, ÅSTORP (SVERIGE)

Property class:	Logistics
Lettable area:	14 934
Investment year:	2010
Realization year:	2011 (Investor hand-over)
Purchase price:	77 369 535
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a





# Portal Skøyen, Drammensveien 211-213, Oslo

Portal Skøyen, acquired in 2015, has been re-vitalized with the creation of an innovative and exciting atrium space that was completed in January 2017. The space has a unique atmosphere, combining elements of a hotel lobby, coffee shop, restaurant, bar and stage that can be used throughout the day for events, meetings, lunches and parties, as well as work areas. Focus on healthy food and a new fitness center are some of the services provided to empower the employees.

During the last year we have signed two long-term leases, for 10 and 15 years respectively, covering an area of 4,500 sqm. In addition, Bilja has extended its offices with an additional 700 sqm. The remaining area is currently let on shorter contracts, at the same time as negotiations are continuing to bring new tenants into the building.





# Present investments



CARL BERNER TORG, TRONDHEIMSVeien 113, OSLO



# Pontoppidans- gate 7, Oslo

FACTS

Contact person: Anders Brustad-Nilsen

Date of analysis: 31.12.17

Wgtd. remaining lease period (years): 7,8

Year of build: 1899/2000/2014

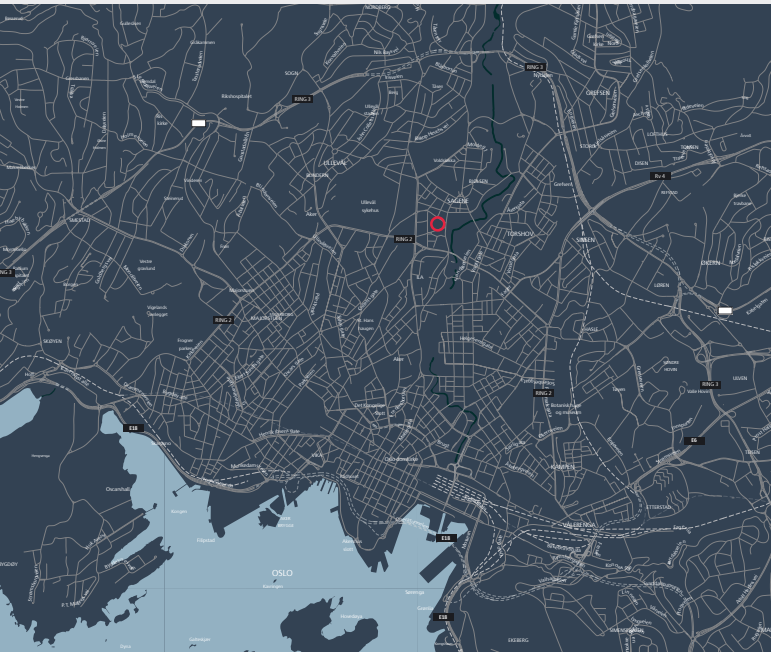
Lettable space (sqm): 9 052

Property Property type: Office/fitness

Tenant(s): Voice / SATS / misc.

Vacancy: 0,0 %

Land (sqm): 7 732 (freehold)



Property company	Realkapital 13 AS
Date of incorporation	03.11.17
Initial project cost	282 500 000
Initial project cost per sqm	31 209
Net purchase yield	5,6 %
Paid up equity	92 500 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	1,1 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1% share)	n/a
Dividend since est. (per 1% share)	0

BUSINESS/DEVELOPEMENTPLAN  
FOR THE PROPERTY

- External asset management
- Ensure good corporate governance

Prognosis* (End of Year)	2018	2019	2020
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value	N/A		
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8%			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2017

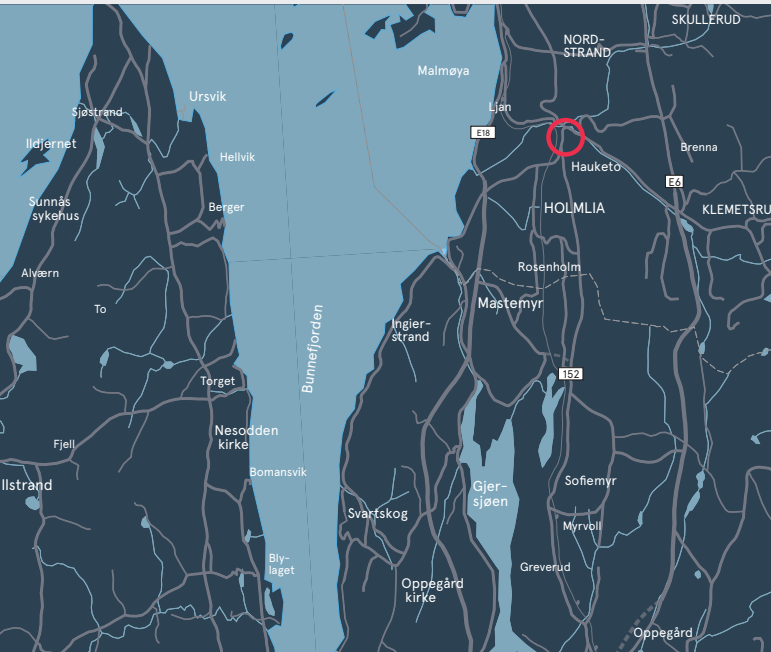
Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			



# Hauketoveien 8, Oslo

FACTS

**Contact person:** Anders Aasand  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 4,7  
**Year of build:** 1993/1996/2000  
**Lettable space (sqm):** 4 357  
**Property type:** Local mall/fitness  
**Tenant(s):** Rema 1000 / Fresh Fitness / Misc.  
**Vacancy:** 7,7 %  
**Land (sqm):** 5 375 (freehold)



Property company	Realkapital 12 AS
Date of incorporation	17.10.17
Initial project cost	133 000 000
Initial project cost per sqm	30 526
Net purchase yield	5,6 %
Paid up equity	43 000 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	2,0 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1% share)	n/a
Dividend since est. (per 1% share)	0

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Cash flow property with base of long leases
- Good mix of tenants for local shopping/services
- Development of value add opportunities in the longer run including re-zoning of the property to increase utilization and opportunities in collaboration with the municipality

Prognosis* (End of Year)	2018	2019	2020
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value	N/A		
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8%			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2017

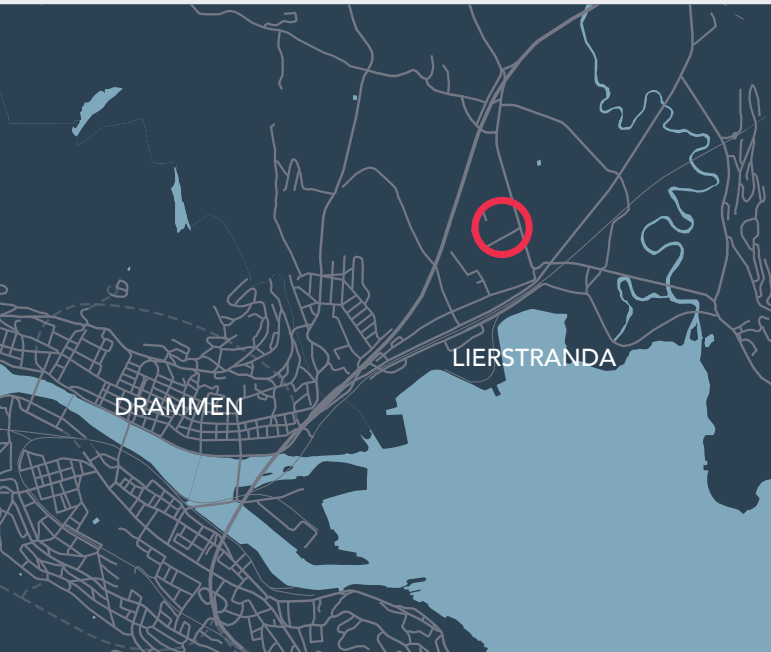
Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			



# Industrigata 1, Lier

FACTS

Contact person: Stian L. Andresen  
Date of analysis: 31.12.17  
Wgtd. remaining lease period (years): 4,7  
Year of build: 1970 / 1990  
Lettable space (sqm): 12 000  
Property Property type: Industrial  
Tenant(s): Askø  
Vacancy: 0,0 %  
Land (sqm): 20 404 (freehold)



Property company	Realkapital 11 AS
Date of incorporation	01.09.17
Initial project cost	146 000 000
Initial project cost per sqm	12 167
Net purchase yield	6,6 %
Paid up equity	56 000 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	2,0 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1% share)	n/a
Dividend since est. (per 1% share)	0

BUSINESS/DEVELOPEMENTPLAN  
FOR THE PROPERTY

- Secure leasing agreement with new tenant
- Increase operating income and tenancy
- Maintain a good relationship with existing tenant

Prognosis* (End of Year)	2018	2019	2020
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value	N/A		
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8%			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2017

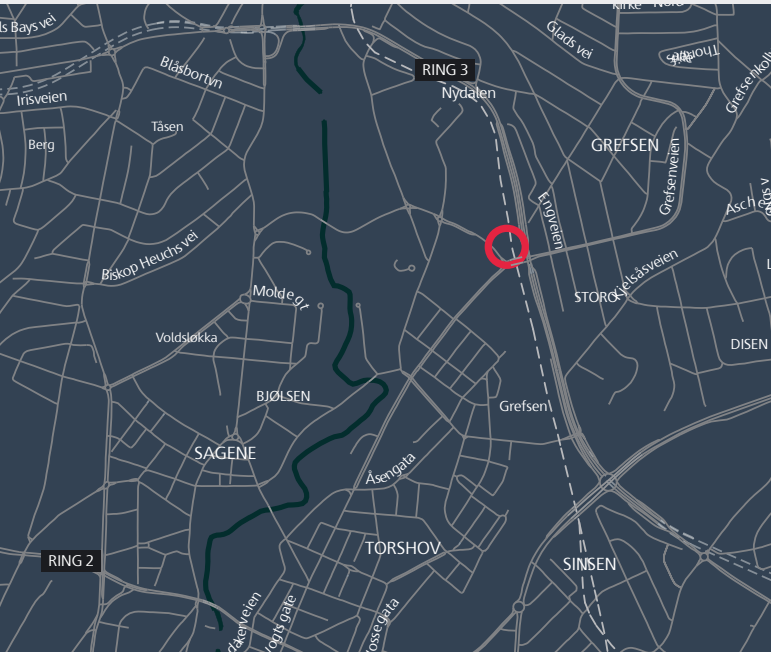
Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2018			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015	N/A		
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			



# Vitaminveien 1, Oslo

FACTS

**Contact person:** Anders Aasand  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 7,9  
**Year of build:** 2002  
**Lettable space (sqm):** 21 394  
**Property type:** Office/retail  
**Tenant(s):** Sector Alarm / GE Healthcare / Misc.  
**Vacancy:** 6,5 %  
**Land (sqm):** 6 637 (freehold)



Property company	Realkapital 10 AS
Date of incorporation	01.03.17
Initial project cost	512 600 000
Initial project cost per sqm	28 453
Net purchase yield	5,5 %
Paid up equity	222 600 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Maximixze value potential from prime location on communication hub with unique parking coverage, extend lease length of current contracts
- Reprofilng and refurbish of property to increase attractiveness and tenant satisfaction
- Build out of approx. 2,000 sqm “infill” over 9 floors to increase lease area

Prognosis* (End of Year)	2018	2019	2020
Gross rental income	35 272 940	35 978 399	36 697 967
Net operating income	32 800 000	33 500 000	34 200 000
Net cash flow after loan instalments and dividend	15 900 000	16 800 000	17 700 000
Net cash flow before loan instalments and dividend	21 700 000	22 600 000	23 500 000
Budgeted dividend	0	0	0
Net yield	5,00 %	5,00 %	5,00 %
Estimated property value	670 000 000	684 000 000	697 700 000
Estimated NPV interest swap	-900 000	-600 000	-300 000
Net debt	-291 200 000	-271 600 000	-250 400 000
Latent tax reduction 8%	-43 200 000	-44 900 000	-46 500 000
Value adjusted equity	334 700 000	366 900 000	400 500 000
Share value per 1 %	3 347 000	3 669 000	4 005 000
Calculated annual return (IRR)	24,9 %	19,3 %	16,5 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

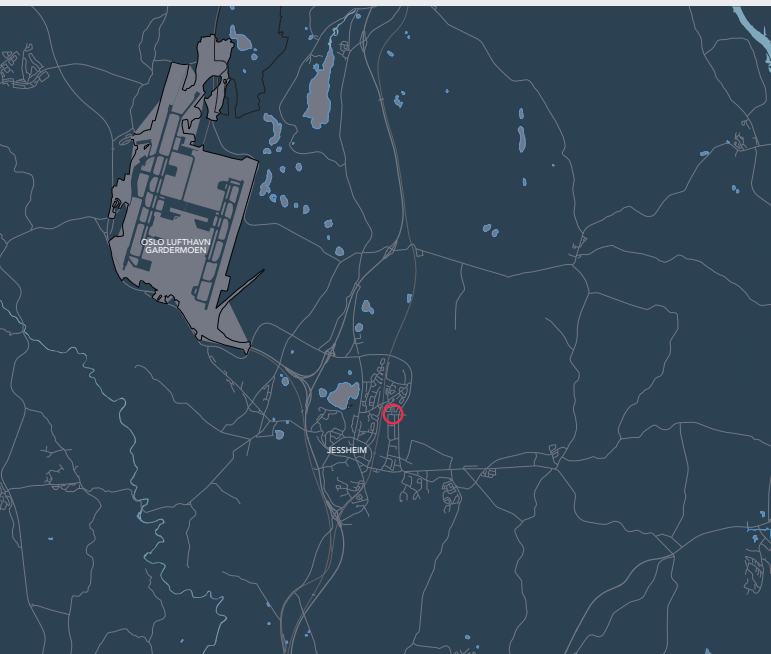
Net yield	4,90 %	5,00 %	5,10 %
Net operating income 2016	32 800 000	32 800 000	32 800 000
Estimated property value	669 400 000	656 000 000	643 100 000
Estimated NPV interest swap (90 %)	-1 100 000	-1 100 000	-1 100 000
Net debt	-309 600 000	-309 600 000	-309 600 000
Reduction tax values 10 %	-42 600 000	-41 500 000	-40 400 000
Cash flow after 31.12.2015			0
Dividend after 31.12.2015			0
Value adjusted equity	316 100 000	303 800 000	292 000 000
Estimated property value per sqm	38 051	37 290	36 556
Share value per 1 %	3 161 000	3 038 000	2 920 000
Calculated annual return (IRR)	52,1 %	45,1 %	38,4 %



# Jessheim Næringspark, Ullensaker

FACTS

**Contact person:** Kari Myrland  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 4,6  
**Year of build:** 2000-2008  
**Lettable space (sqm):** 13 569  
**Property type:** Office, workshop, retail  
**Tenant(s):** Snap Drive / Elixia / Mekonomen / misc.  
**Vacancy:** 4,5 %  
**Land (sqm):** 18.976 (freehold)



Property company	Realkapital 8 AS
Date of incorporation	01.03.17
Initial project cost	285 500 000
Initial project cost per sqm	21 041
Net purchase yield	6,5 %
Paid up equity	111 500 000
No. of shares	1 000 000
Capital paid back to partners	4 000 000
Minimum share %	1,0 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1% share)	n/a
Dividend since est. (per 1% share)	40 000

BUSINESS/DEVELOPEMENTPLAN  
FOR THE PROPERTY

- Attractive retail park with stable cash flow
- Large plot with excellent location in an area with strong growth
- Development potential

Prognosis* (End of Year)	2018	2019	2020
Gross rental income	20 700 000	21 800 000	22 200 000
Net operating income	19 200 000	19 600 000	20 000 000
Net cash flow after loan instalments and dividend	-2 500 000	0	0
Net cash flow before loan instalments and dividend	11 900 000	11 600 000	11 800 000
Budgeted dividend	10 600 000	7 800 000	8 000 000
Net yield	6,30 %	6,30 %	6,30 %
Estimated property value	311 100 000	317 500 000	323 800 000
Estimated NPV interest swap (23 % tax)	-200 000		
Net debt	-169 200 000	-165 800 000	-162 200 000
Latent tax reduction 10%	-18 900 000	-19 700 000	-20 500 000
Value adjusted equity	122 800 000	132 000 000	141 100 000
Share value per 1 %	1 228 000	1 320 000	1 411 000
Calculated annual return (IRR)	12,6 %	13,2 %	13,2 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

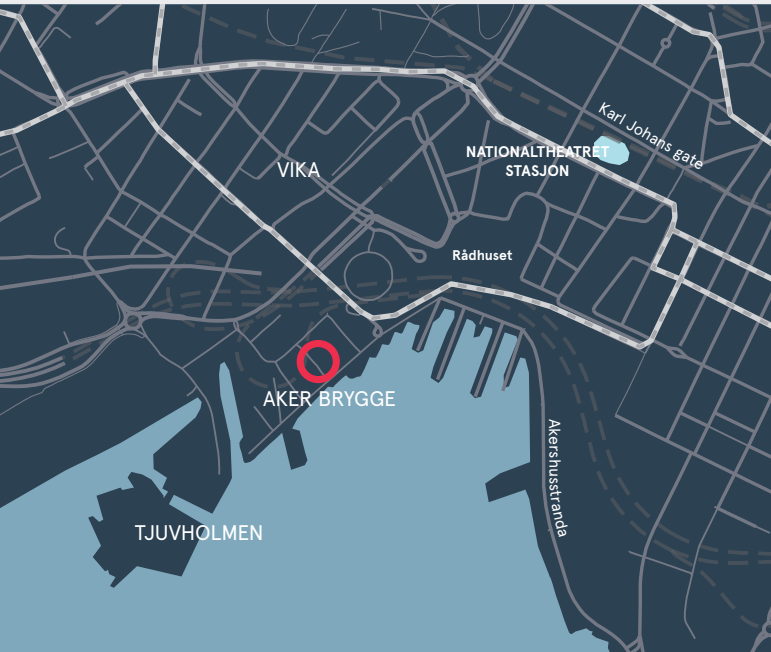
Net yield	6,20 %	6,30 %	6,40 %
Net operating income 2018	19 200 000	19 200 000	19 200 000
Estimated property value	309 700 000	304 800 000	300 000 000
Estimated NPV interest swap (23 % tax)	-400 000	-400 000	-400 000
Net debt	-170 500 000	-170 500 000	-170 500 000
Reduction tax values 10%	-18 500 000	-18 100 000	-17 700 000
Cash flow after 30.06.2017	5 900 000	5 900 000	5 900 000
Dividend after 30.06.2017	-4 000 000	-4 000 000	-4 000 000
Value adjusted equity	122 200 000	117 700 000	113 300 000
Estimated property value per sqm	22 825	22 464	22 110
Share value per 1 %	1 222 000	1 177 000	1 133 000
Calculated annual return (IRR)	16,1 %	11,1 %	6,3 %



# Beddingen 8, Oslo

FACTS

**Contact person:** Anders Aasand  
**Date of analysis:** 31.12.2017  
**Wgtd. remaining lease period (years):** 0,9  
**Year of build:** 1991  
**Lettable space (sqm):** 2 079  
**Property type:** Office  
**Tenant(s):** Misc.  
**Vacancy:** 0,0 %  
**Land (sqm):** n/a



Property company	Realkapital 7 AS
Date of incorporation	01.11.16
Initial project cost	87 400 000
Initial project cost per sqm	41 000
Net purchase yield	5,8 %
Paid up equity	30 500 000
No. of shares	1 000 000
Capital paid back to partners	2 500 000
Minimum share %	3,5 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Maximize value potential of attractive prime CBD location
- Potential to increase rent from offices and parking
- Increase contract length



Prognosis* (End of Year)	2018	2019	2020
Year end prognosis*	2018	2019	2020
Gross rental income	6 200 000	6 400 000	6 500 000
Net operating income	5 400 000	5 500 000	5 600 000
Net cash flow after loan instalments and dividend	2 100 000	2 100 000	2 100 000
Net cash flow before loan instalments and dividend	5 200 000	5 600 000	5 300 000
Budgeted dividend	2 000 000	2 400 000	2 100 000
Net yield	4,00 %	4,00 %	4,00 %
Estimated property value	137 500 000	140 000 000	143 800 000
Estimated NPV interest swap	0	0	0
Net debt	-52 300 000	-49 100 000	-45 900 000
Latent tax reduction 10%	-9 000 000	-9 400 000	-9 800 000
Value adjusted equity	76 200 000	81 500 000	88 100 000
Share value per 1 %	762 000	815 000	881 000
Calculated annual return (IRR)	58,8 %	40,6 %	33,1 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

Net yield	3,90 %	4,00 %	4,10 %
Net yield	3,90 %	4,00 %	4,10 %
Net operating income 2018	5 400 000	5 400 000	5 400 000
Estimated property value	138 500 000	135 000 000	131 700 000
Estimated NPV interest swap (90 %)	0	0	0
Net debt	-55 400 000	-55 400 000	-55 400 000
Reduction tax values 10 %	-9 000 000	-8 700 000	-8 400 000
Cash flow after 31.12.2016	0	0	0
Dividend after 31.12.2016	0	0	0
Value adjusted equity	74 100 000	70 900 000	67 900 000
Estimated property value per sqm	66 619	64 935	63 348
Share value per 1 %	741 000	709 000	679 000
Calculated annual return (IRR)	121,4 %	113,4 %	105,9 %



# Eikveien 19-20, Drammen

FACTS

**Contact person:** Anders Aasand  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 10,2  
**Year of build:** 2005(2016) / 2003  
**Lettable space (sqm):** 5 255  
**Property type:** Workshop/office  
**Tenant(s):** Volvo Norge AS / Norsk Scania AS  
**Vacancy:** 0,0 %  
**Land (sqm):** 14.441 / 14.710 (freehold)



Property company	Realkapital 4 AS
Date of incorporation	30.06.16
Initial project cost	139 300 000
Initial project cost per sqm	15 400
Net purchase yield	6,5 %
Paid up equity	49 000 000
No. of shares	1 000 000
Capital paid back to partners	6 623 000
Minimum share %	2,5 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1% share)	66 230

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Cash flow oriented investment with high annual dividends
- Long term lease contracts with Volvo Norge and Norsk Scania hosting truck repair, maintenance and newsales
- Large plots with potential additional development



Prognosis* (End of Year)	2018	2019	2020
Gross rental income	9 900 000	10 100 000	10 300 000
Net operating income	9 300 000	9 500 000	9 700 000
Net cash flow after loan instalments and dividend	300 000	-100 000	100 000
Net cash flow before loan instalments and dividend	6 100 000	5 700 000	5 900 000
Budgeted dividend	4 000 000	4 000 000	4 000 000
Net yield	6,10 %	6,20 %	6,30 %
Estimated property value	155 700 000	156 500 000	157 000 000
Estimated NPV interest swap (23 % tax)	1 000 000	900 000	800 000
Net debt	-85 500 000	-83 900 000	-82 100 000
Latent tax reduction 10%	-7 400 000	-7 800 000	-8 200 000
Value adjusted equity	63 800 000	65 700 000	67 500 000
Share value per 1 %	638 000	657 000	675 000
Calculated annual return (IRR)	19,6 %	16,9 %	15,3 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

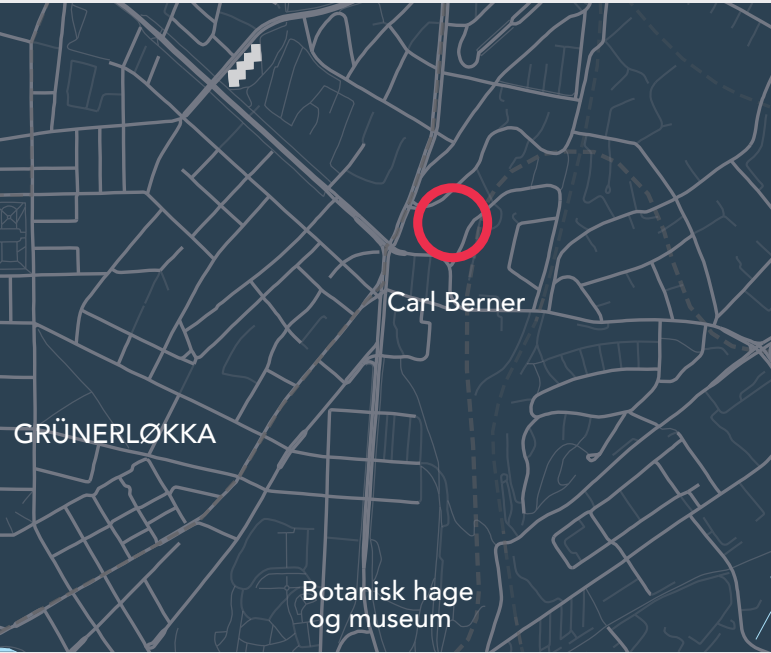
Net yield	5,90 %	6,00 %	6,10 %
Net operating income 2018	9 300 000	9 300 000	9 300 000
Estimated property value	157 600 000	155 000 000	152 500 000
Estimated NPV interest swap	1 400 000	1 400 000	1 400 000
Net debt	-88 000 000	-88 000 000	-88 000 000
Reduction tax values 10 %	-7 300 000	-7 000 000	-6 800 000
Cash flow after 30.06.2017	3 000 000	3 000 000	3 000 000
Dividend after 30.06.2017	-2 000 000	-2 000 000	-2 000 000
Value adjusted equity	64 700 000	62 400 000	60 100 000
Estimated property value per sqm	29 990	29 496	29 020
Share value per 1 %	647 000	624 000	601 000
Calculated annual return (IRR)	29,1 %	26,3 %	23,5 %



# Trondheims-veien 113, Oslo

FACTS

Contact person: Anne-Lise Øien  
Date of analysis: 31.12 17  
Wgtd. remaining lease period (years): N/A  
Year of build: Planned Q3/Q4 2020  
Lettable space (sqm): 3 640  
Property Property type: Retail/residential  
Tenant(s): Coop Norge Øst SA  
Vacancy: NO  
Land (sqm): 6 432 (freehold)



Property company	Realkapital 5 AS
Project start	01.07.16
Initial project cost	
Net purchase yield	
Paid up equity	
Capital paid back to partners	
Sales Trigger	

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- New development project for housing and retail at Carl Berner Place – a public transport hub, centrally placed in Oslo City
- The project estimated to build 111 apartments, convenience stores, cafes and restaurants
- The apartments and retail stores are planned to be completed in Q3 2020

Prognosis* (End of Year)	2018	2019	2020
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8%			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2017

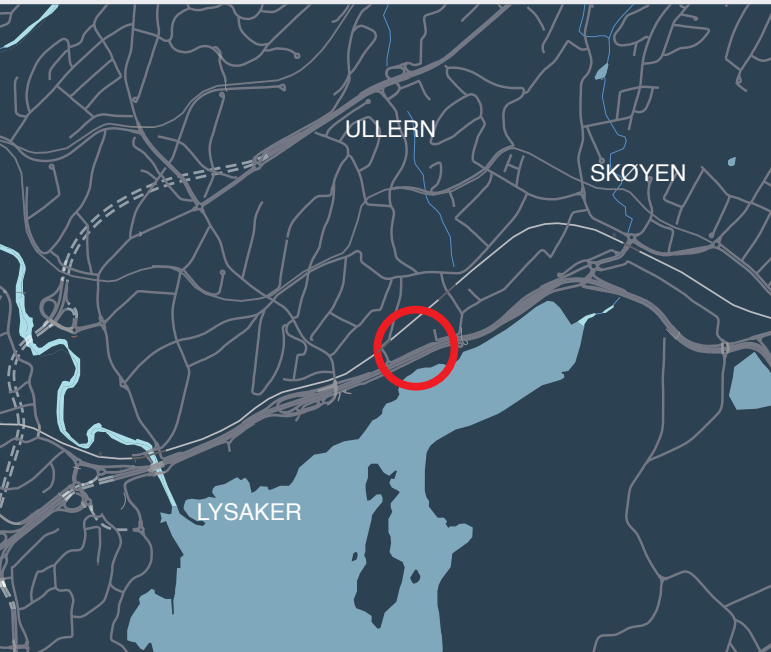
Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			



# Drammensveien 211 – 213, Oslo

FACTS

**Contact person:** Anders Brustad-Nilsen / Kari Myrland  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 11,0  
**Year of build:** 1965/1990/1995/2004  
**Lettable space (sqm):** 24 300  
**Property type:** Industrial/logistics/office  
**Tenant(s):** Bilia AS / Verisure / misc.  
**Vacancy:** 12,0 %  
**Land (sqm):** 9 716 (freehold)



Property company	Realkapital 1 AS
Date of incorporation	07.01.15
Initial project cost	260 000 000
Initial project cost per sqm	11 294
Net purchase yield	Development
Paid up equity	27 500 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	4,0 %
Sales trigger	20 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1 % share)	0

BUSINESS/DEVELOPEMENTPLAN  
FOR THE PROPERTY

- The property common areas have been renewed in 2016, and are ready to open the doors in January 2017
- The focus has been to attract tenants who are entitled to urban qualities at low rental cost in an embracing atmosphere.
- New tenants has already moved in, and the new concept seem to attract even more tenants
- For more information visit Portal Skøyen's website [www.portalskoyen.no](http://www.portalskoyen.no)



Prognosis* (End of Year)	2018	2019	2020
Gross rental income	22 700 000	23 200 000	23 700 000
Net operating income	21 300 000	21 700 000	22 100 000
Net cash flow after loan instalments and dividend	0	7 400 000	-18 200 000
Net cash flow before loan instalments and dividend	-17 800 000	7 600 000	8 600 000
Budgeted dividend	0	0	0
Net yield	5,45 %	5,55 %	5,65 %
Estimated property value	398 200 000	398 200 000	399 000 000
Conservative estimate NPV development/vacancies	102 400 000	102 400 000	102 400 000
Net debt	-293 500 000	-285 100 000	-275 300 000
Latent tax reduction 10%	-26 300 000	-27 300 000	-28 300 000
Value adjusted equity	180 800 000	188 200 000	197 800 000
Share value per 1 %	1 808 000	1 882 000	1 978 000
Calculated annual return (IRR)	59,6 %	46,6 %	38,7 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

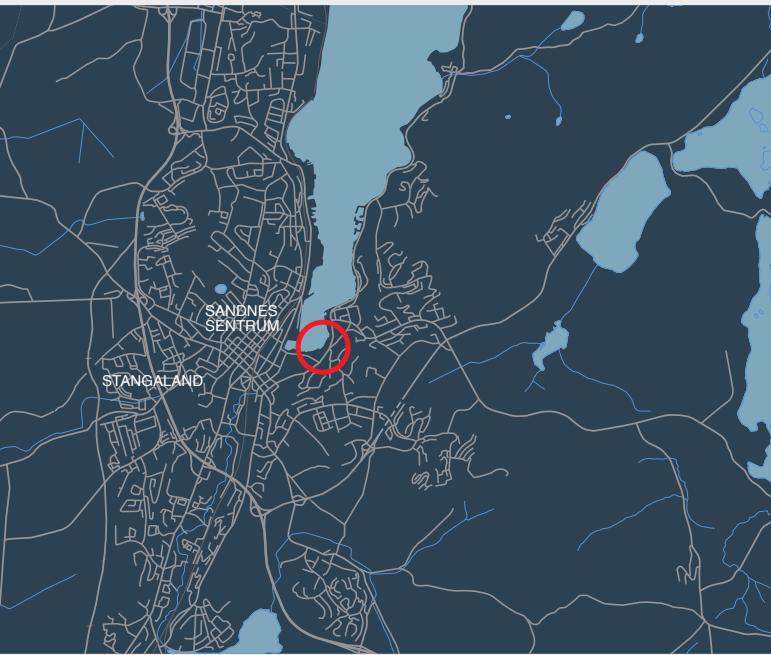
Net yield	5,25 %	5,35 %	5,45 %
Net operating income 2018	21 300 000	21 300 000	21 300 000
Estimated property value	405 700 000	398 100 000	390 800 000
Conservative estimate NPV development/vacancies	102 400 000	102 400 000	102 400 000
Net debt	-303 200 000	-303 200 000	-303 200 000
Reduction tax values 10%	-29 200 000	-29 200 000	-29 200 000
Value adjusted equity	175 700 000	168 100 000	160 800 000
Estimated property value per sqm	21 312	20 913	20 530
Share value per 1 %	1 757 000	1 681 000	1 608 000
Calculated annual return (IRR)	84,5 %	81,8 %	79,2 %



# Hanaveien 17, Sandnes

FACTS

**Contact person:** Kari Myrland  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 8,1  
**Year of build:** Originally 1980'ies refurbished 2010  
**Gross building area (sqm):** 8 859  
**Property type:** Local mall/fitness/medical  
**Tenant(s):** Coop, Sats Elixia, Lucky Bowl, etc  
**Vacancy:** 0,0 %  
**Land (sqm):** 11 364 (freehold)



Property company	Hana Sanz Eiendomsinvest AS
Date of incorporation	27.12.10
Initial project cost	110 397 000
Initial project cost per sqm	12 462
Net purchase yield	7,5 %
Paid up equity	21 283 000
Paid up equity per 1 % unit	212 830
Sales Trigger	20,00 %
Last share trade (date)	30.06.16
Last share trade (per 1 %)	375 000
Dividend since est.	6 600 000

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Local mall near the city center of Sandnes
- Largest tenant (Coop) representing 42 % of the rental income
- Utilizing property development potential by building homes on the property's roof

Prognosis* (End of Year)	2018	2019	2020
Gross rental income	10 100 000	10 300 000	10 500 000
Net operating income	9 000 000	9 200 000	9 400 000
Net cash flow after loan instalments and dividend	-1 600 000	400 000	600 000
Net cash flow before loan instalments and dividend	6 200 000	6 200 000	6 400 000
Budgeted dividend	5 000 000	3 000 000	3 000 000
Net yield	7,00 %	7,10 %	7,20 %
Estimated property value	131 400 000	132 400 000	133 200 000
Estimated NPV interest swap	0	0	0
Tax discount reduction ("Skatterabatt") 10%	-4 600 000	-5 000 000	-5 300 000
Net debt	-69 300 000	-66 200 000	-62 900 000
Value adjusted equity	57 500 000	61 200 000	65 000 000
Unit value per 1 %	575 000	612 000	650 000
Calculated annual return (IRR)	16,7 %	16,3 %	15,9 %

\*Estimated CPI 2%

VALUATION PR. 31.12.2017

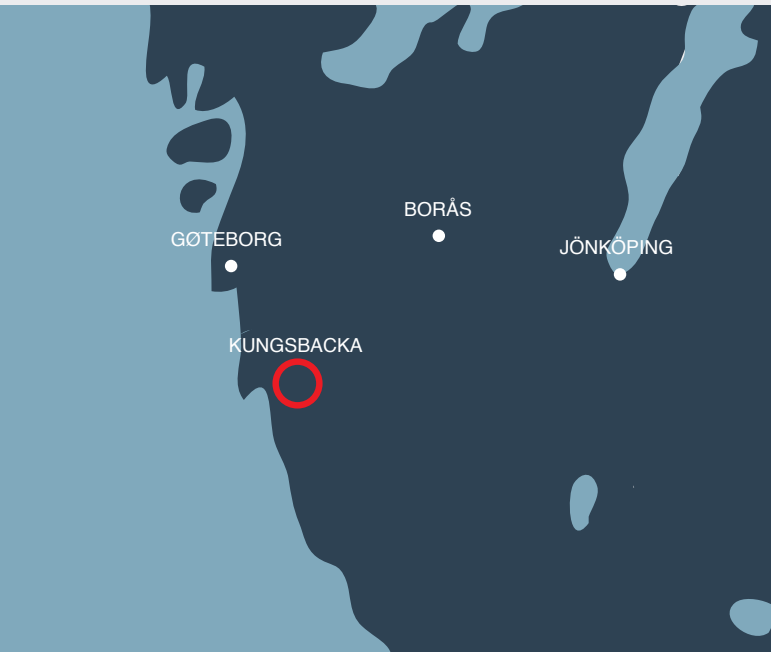
Net yield	6,70 %	6,90 %	7,10 %
Net operating income 2018	9 000 000	9 000 000	9 000 000
Estimated property value	134 300 000	130 400 000	126 800 000
Estimated NPV interest swap	0	0	0
Net debt	-70 300 000	-70 300 000	-70 300 000
Tax discount reduction ("Skatterabatt") 10%	-4 900 000	-4 500 000	-4 200 000
Cash flow after 30.06.2016	0	0	0
Dividend after 30.06.2016	0	0	0
Value adjusted equity	59 100 000	55 600 000	52 300 000
Estimated property value per sqm	15 160	14 719	14 313
Unit value per 1 %	591 000	556 000	523 000
Calculated annual return (IRR)	18,1 %	17,2 %	16,3 %



# Infarten 2, Kungsbäck

FACTS

**Contact person:** Arild Aubert  
**Date of analysis:** 31.12.17  
**Wgtd. remaining lease period (years):** 3,5  
**Year of build:** 1996  
**Lettable space (sqm):** 6 971  
**Property type:** Office/retail/school  
**Tenant(s):** Misc  
**Vacancy:** 7,7 %  
**Land (sqm):** 5728 (freehold)



Property company	Kungsbäck Holding AS
Date of incorporation	22.12.04
Initial project cost (SEK)	90 138 000
Initial project cost per sqm (SEK)	12 930
Net purchase yield	8,9 %
Paid up equity (SEK)	12 200 000
No. of shares	1 000
Capital paid back to partners (SEK)	31 515 819
Sales trigger	25 %

BUSINESS/DEVELOPEMENTPLAN  
FOR THE PROPERTY

- Office, school and commercial premises located in central Kungsbäck, a growing city south of Gothenburg.
- The property is steady generating healthy cash flow and dividends.
- Trade volume in central city is threatened by competition from shopping malls.
- Focus on developing the property and adapting the premises according to the tenants’ future needs.



Prognosis* (End of Year)	2018	2019	2020
Gross rental income	11 400 000	11 500 000	11 600 000
Net operating income	8 300 000	8 400 000	8 500 000
Net cash flow before loan instalments and dividend	5 200 000	6 200 000	6 300 000
Budgeted dividend	3 700 000	4 700 000	4 800 000
Net yield	6,30 %	6,40 %	6,50 %
Estimated property value	133 300 000	132 800 000	131 700 000
Estimated NPV interest swap	0	0	0
Net debt	-59 100 000	-57 600 000	-56 100 000
Latent tax reduction 10 %	-7 300 000	-7 400 000	-7 400 000
Value adjusted equity	66 900 000	67 800 000	68 200 000
Share value per 1 %	669 000	678 000	682 000
Calculated annual return (IRR)	20,2 %	19,8 %	19,4 %

\*Estimated CPI 1%

VALUATION (SEK) PR. 31.12.2017

Net yield	6,00 %	6,20 %	6,40 %
Net operating income	8 300 000	8 300 000	8 300 000
Estimated property value	138 300 000	133 900 000	129 700 000
Reduction tax values 10 %	-7 900 000	-7 500 000	-7 200 000
Net debt	-60 600 000	-60 600 000	-60 600 000
Estimated NPV interest swap	0	0	0
Value adjusted equity	69 800 000	65 800 000	61 900 000
Estimated property value per sqm	19 839	19 208	18 606
Share value per 1 %	698 000	658 000	619 000
Calculated annual return (IRR)	21,1 %	20,8 %	20,4 %



# Our team



**ANDERS BRUSTAD-NILSEN**  
MANAGING DIRECTOR (CEO)/  
PARTNER

Anders holds a Master of Science degree in Risk Analysis from NTNU (Norwegian Technical University). Prior to joining Realkapital Anders was the Managing Director for a supplier company to the solar industry in Europe and Project Manager for a Norwegian real estate construction company.



**ANNE-LISE ØIEN**  
PROPERTY DEVELOPER/PARTNER

Anne-Lise holds an MBA from California State University as well as an MBA from Oslo School of Business (BI). Prior to joining the Realkapital she has over 20 years' experience in the retail and service industry as concept developer, management advisor and leadership consultant. She has also been the head of commercial development and Managing director of Trekanten Shopping-mall in Asker.



**ANDERS MØRLAND**  
INVESTMENT MANAGER/  
PARTNER

Anders Mørland holds a Master of law degree from UIO (University of Oslo). Prior to joining Realkapital he was Senior Director at CBRE Capital Markets. Anders Mørland has also work experience from Persen Skei Real Estate Advisors and Schjødt Lawfirm.



**ANDERS AASAND**  
INVESTMENT MANAGER/  
PARTNER

Anders holds a Master of Science degree in Finance (Siviløkonom) from Norwegian School of Economics (NHH). Prior to joining Realkapital he was Principal at Lindsay Goldberg Nordic, the Nordic affiliate of US based Private Equity firm Lindsay Goldberg. Anders has also worked with McKinsey & Company.



**STEFFEN DILLEVIG AAS**  
FINANCIAL CONTROLLER

Steffen holds a Master of Real Estate Management degree from KTH Royal Institute of Technology. Prior to joining Realkapital Investor he has many years of experience as Controller from major real estate companies Entra and Norwegian Property, as well as Real Estate Valuer at Handelsbanken Norge.



**HELENE WALTHINSEN**  
MD/AUTHORIZED ACCOUNTANT

Helene is educated from Sør-Trøndelag College within accounting and auditing. Before joining Realkapital Helene was working 12 years at Entra Eiendom AS as accounting manager and 5 years at Visma as account manager.



**ARILD AUBERT**  
CFO PROJECTS/PARTNER

Arild holds degrees as State Authorized Public Accountant (Norway) as well as Certified Financial Analyst (AFA), both from the Norwegian School of Economics (NHH). He joined Realkapital in 2014 and has previously held various management positions in DnB Bank and Pareto group. He has extensive experience in finance, accounting, real estate projects and business management.



**KARI MYRLAND**  
SENIOR ASSET MANAGER/  
PARTNER

Kari holds a Master of Business and Economics degree from NHH (Norwegian School of Economics and Business administration). She also has a Bachelor in Real Estate studies from BI (Norwegian School of management). She has 25 years experience from Asset Management, project development and finance. She has managed her own real estate agency and previously held position as director in Aberdeen Property Investors and senior financial adviser in Nordea.



**STIAN LEVI ANDRESEN**  
INVESTMENT MANAGER /  
PARTNER

Stian holds a degree as State Authorized Real Estate Agent from BI Norwegian Business School. He has a broad network and 18 years' experience from property transactions, management and development. For the past 13 years he has been working with investments and development of commercial properties. Stian came to us in 2017 from Skanska Commercial Development. As Head of Business Development, he acquired one of Norway's most attractive portfolio of development properties for new office buildings in Oslo.



**ALEXANDRA BERGGREN**  
ACCOUNTANT

Alexandra holds a Master of Economics and Business degree from NHH (Norwegian School of Economics) and a Bachelor of Economics and Business from UMB (Norwegian University of Life Sciences). Before joining Realkapital Alexandra was working as an Accountant and Investment analyst in the investment company AS Hamang Papirfabrik.



# Contact us!

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