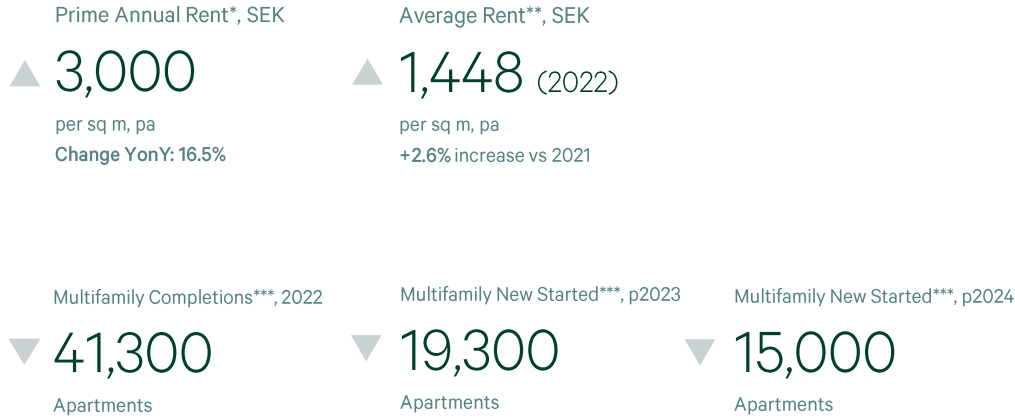


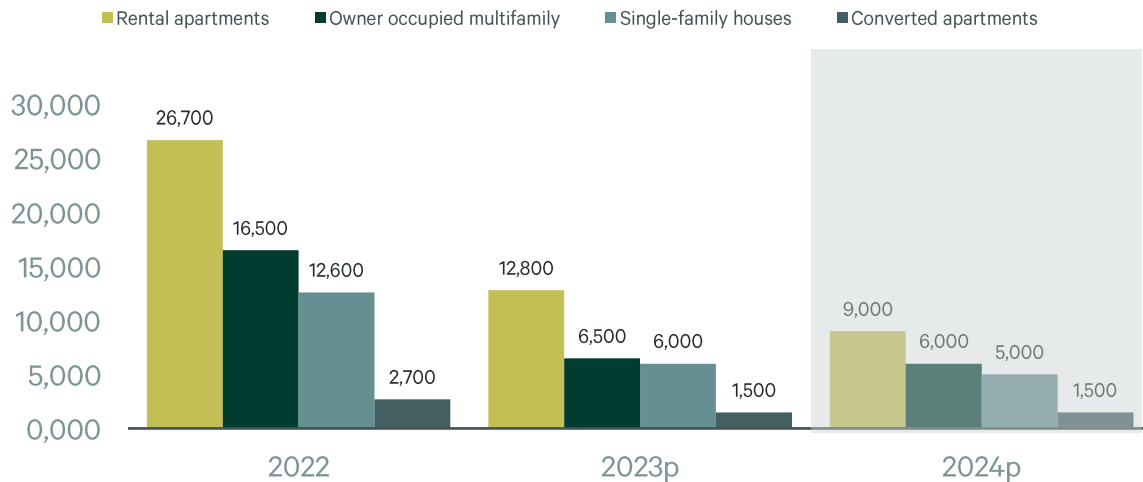
# Sweden Multifamily Market Q2 2023

CBRE RESEARCH  
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q2 2023)



Construction starts per residential type (forecast figures)



Source: Boverket & Statistics Sweden

# Multifamily market overview

Increased inflation, construction costs and decompressed yields have moved up the prime annual rent on new production multifamily apartments in Sweden and in Stockholm to SEK 3,000 per sqm a year. This is due to new production rent often calculated based on construction cost and market yield. Also, rental negotiations on the older stock have had record high increases, with negotiated levels generally between 3 and 4,75% after a longer negotiation period than normal. Due to increased property management and financing costs some landlords still demand higher rents by filing complaints for a second increase 2023. This is unusual and the outcome still unclear. With interest rates on housing loans increasing threefold the purchasing power for owner occupied stock has decreased and demand for rental apartments is expected to rise. The current Central bank interest rate is 3.75% and expected to be increased one or even two more times this year. The employment market is still stable supporting the sector further.

Prices on owner occupied units have on a national level, according to Mäklarstatistik, had prices drop by 12% in the past 12 months for villas and 5% for apartments. Cities in the northern parts of Sweden where green industries are expanding have seen more stable price development. H1 had a 22% drop in number of sold apartments and 18% for villas compared to the same period 2022. Interesting is that the past three months have had prices increasing again.

Boverket released the new residential construction prognosis in June which state a dramatic decrease in housing construction ahead. A total of 71,000 residential units were started in the record year of 2021. In 2023 the starts are expected to be 27,000 and in 2024 only 21,700. The figures may end up lower due to high market uncertainty. This limiting trend is expected to give a shortage of supply in the coming years.

Looking for the underlying data? If you are an active CBRE ERIX subscriber, log in to the CBRE ERIX platform and access the underlying CBRE proprietary data. For more information on becoming a CBRE ERIX subscriber, contact [jos.tromp@cbre.com](mailto:jos.tromp@cbre.com).

# Investment market

The Swedish Residential Investment Market has gained some momentum during Q2 2023 with a combined transaction volume of SEK 8.33 bn in 21 deals. The volume dropped 38 % compared to the same period previous year.

International investors returned to the Swedish residential investment market after several quiet quarters and are currently representing a 22% share of the total volume in 2023. The activity in the residential investment market is expected to increase further as soon as the inflation rate and interest rates start stabilising.

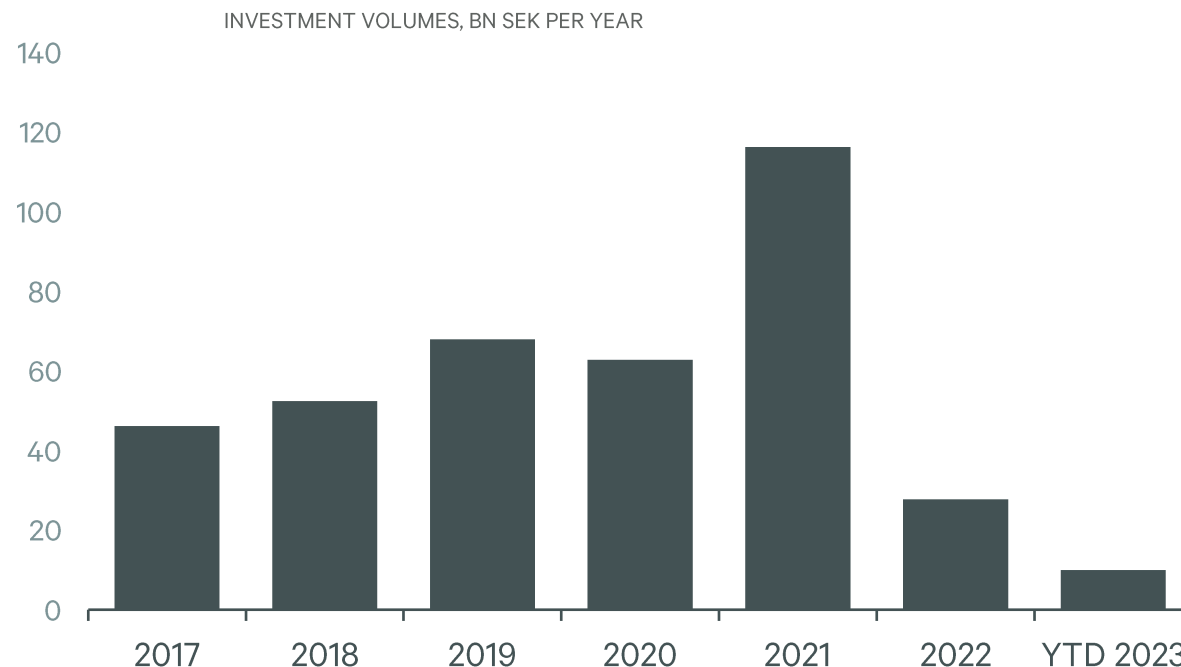
A notable transaction during the second quarter was Stjernplan acquiring a 45 asset portfolio from Trianon in April for approx. SEK 1.3 bn. The total portfolio area comprises of 65,500 sqm with 874 apartments located in Skåne and Stockholm.

Decompressed yields, rising financing costs together with inflation infused property management costs impact developers and owners of residential units, as prices adjust downwards.

RESIDENTIAL TRANSACTION VOLUME (Q2 2023)

**SEK 8.33 bn**

▼ -38,2% Y-o-Y



Source: CBRE Research

## KEY PERFORMANCE INDICATORS

### NUMBER OF TRANSACTIONS Q2

21

▼ -32,3% Y-o-Y

### LARGEST SINGLE TRANSACTION Q2

SEK 3.6 bn

### ALL INVESTMENT VOLUME IN 2022

SEK 159.5 bn

▼ -50,6% Y-o-Y

### SHARE OF TOTAL ALL SECTOR VOLUME YTD

22.1%

### CROSS BORDER INVESTMENTS YTD

19.5% (SEK 1.9 bn)

### PRIME YIELD\*

4.20%

▲ +110 bps Y-o-Y

\* New Production in Greater Stockholm

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