

Sweden Living Market Q1 2024

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

Living demand & supply

KEY PERFORMANCE INDICATORS

Prime Annual Rent*, SEK

▲ **3,200** (Q1)
per sq m, pa
Change YoY: 18.5%

Average Rent**, SEK

▲ **1,589** (2023)
per sq m, pa
+4.1% increase vs 2022

Multifamily Completions***, 2022

▼ **41,300**
Apartments

Multifamily New Started***, p2023

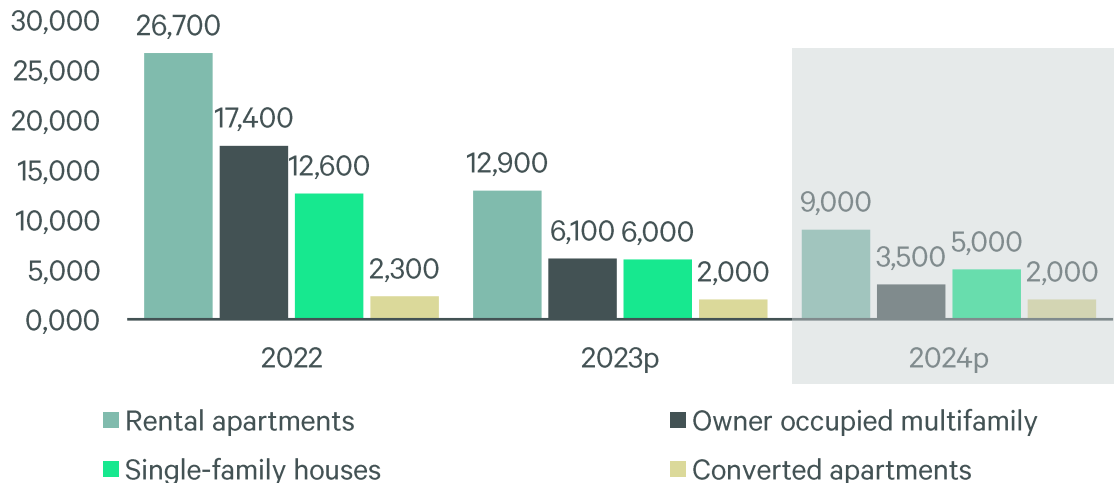
▼ **19,300**
Apartments

Multifamily New Started***, p2024

▼ **15,000**
Apartments

Source: Swedish Housing Authority & Statistics Sweden

Construction starts per residential type (forecast figures)



Source: Swedish Housing Authority & Statistics Sweden

Softening inflation and expectations of coming interest rate cuts have created a more positive outlook for the Swedish living market in general. CBRE deem the prime rent on new production multifamily apartments in Sweden and Stockholm to remain stable in Q1 at SEK 3,200 per sqm. Rent negotiations for the annual increase of the older stock in the coming year is expected to remain in a higher range than historical outcome, much like in 2023 when the average was 4.1% according to Statistics Sweden.

Prices on owner occupied residential apartments in Sweden increased by +1.4% in the past 12 months according to Mäklarstatistik April figures. Prices have during the same period remained stable (0%) for villas and -4.7% for vacation homes. The overall market activity remain lower. The monthly fee for owner-occupied apartments have also increased due to both increased interest rates and in some cases adjustments of leaseholds which has increased the living cost of owner-occupied apartments. Current Central bank interest rate is at 4.00% and expected to decrease before the summer, creating better fundamentals and consumer purchasing power ahead.

Swedish Housing Authority released the latest residential construction prognosis update in October stating a dramatic decrease in housing construction with expected starts to be 25,000 in 2023, and only 17,500 in 2024. The long-term construction rate is expected to be much lower than the 67,000 homes which, according to the Swedish Housing Authority's latest assessment need to be added per year until 2030. This limiting trend is expected to give a shortage of stock supply in the coming years.

Looking for the underlying data? If you are an active subscriber, log in to the [CBRE ERIX platform](#) to access the underlying CBRE proprietary data. For more information on becoming a CBRE ERIX subscriber, contact us.

Investment market

The total volume in Q1 increased by 117% compared to Q1 2023 and reached SEK 3.61bn by 12 deals. High interest rates continue to have an impact on low yielding living assets, rate cuts create a better outlook ahead.

Investors have all been domestic. Deal sizes have, except for the two largest, been smaller than SEK 500m and mainly located in Stockholm or Regional cities.

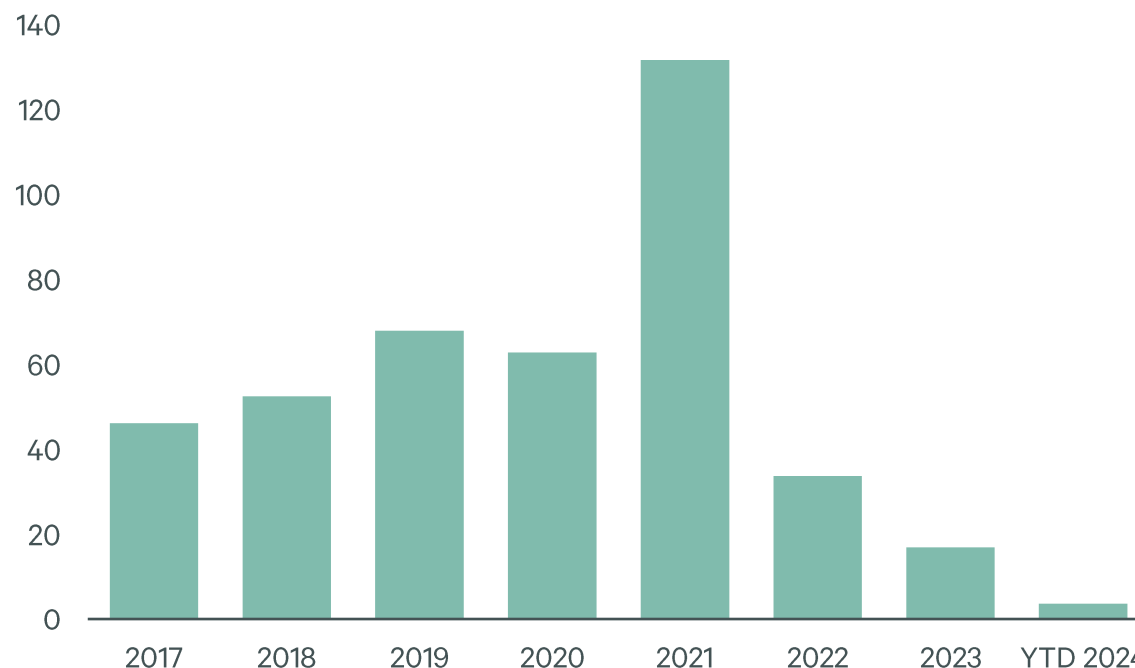
The largest transaction during the quarter was the Granit Bostad divestment to Uppsala hem of a 14,500 sqm portfolio (290 apartments) in Uppsala for SEK 0.835 bn. Another notable transaction was also a municipality owned multifamily company investment as Svenska Bostäder acquired two properties in Vårberg outside of Stockholm for SEK 0.725 bn from a JV (Åke Sundvall & HEBA) which was originally an owner occupier project now converted to rental units with planned completion in September 2024 and June 2025.

The prime yield remain stable in Q1, at 4.5% for a prime new production asset located in Stockholm.

MULTIFAMILY TRANSACTION VOLUME, bn SEK

SEK 3.61 bn (Q1)

▲ +117% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS

NUMBER OF TRANSACTIONS Q1

12

▲ +9.1% Y-o-Y

LARGEST SINGLE TRANSACTION Q1

SEK 0.835 bn

ALL INVESTMENT VOLUME IN 2023

SEK 83 bn

▼ -48% Y-o-Y

SHARE OF TOTAL ALL SECTOR VOLUME 2023

20.2%

CROSS BORDER INVESTMENTS 2023

15.4% (SEK 2.4 bn)

PRIME YIELD*

4.50%

▲ +35 bps Y-o-Y

* New Production in Greater Stockholm

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