

# Sweden Real Estate Investment Volumes Q1 2023

The volume in the first quarter declined by 63% compared to the same period 2022 and was the lowest volume in any quarter since 2017. International investors have been more active with 22 % of the volume, compared to an average of 19% in the last 10 years. The largest segment in Q1 was office with approx. 34 % of the volume and several transactions mainly in the Stockholm region. The single largest office deal was Axfast acquiring Skotten 6 in central Stockholm, followed by the Genesta sale of Svea Artilleri 11. Industrial properties were the second largest segment, accounting for approx. 29 % of the total volume. Low yielding residential properties continue to have historically low volumes, and zero community properties transacted. At the end of the quarter, JM sold a sizeable residential project currently under construction, a type of transaction that has been rare in the last months. Stockholm was the dominant region accounting for roughly two thirds of the total volume. There have been relatively few deals with nationwide portfolios, the exception is the supermarket and retail portfolio Nyfosa acquired in February.

Foreign  
Capital



Domestic  
Capital

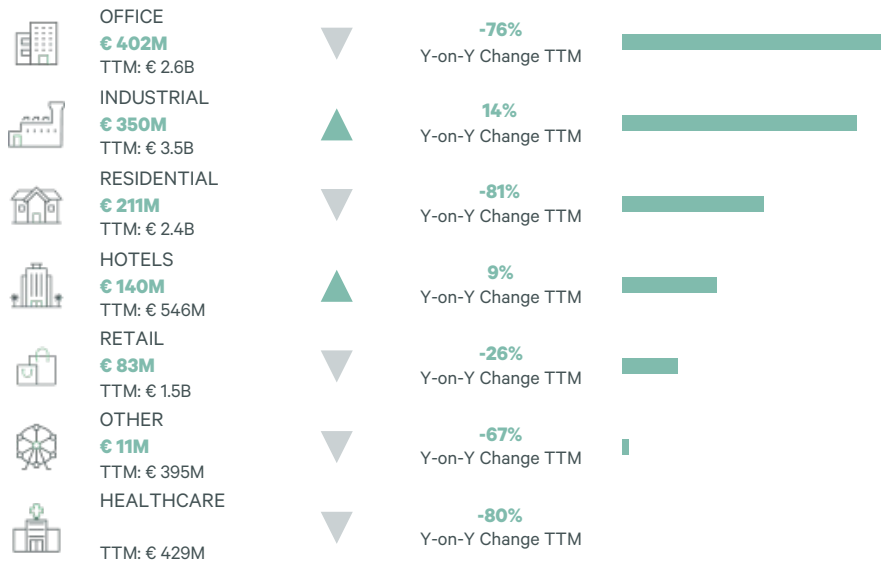
**-63%**  
Y-on-Y Change Q1

**-65%**  
Y-on-Y Change TTM

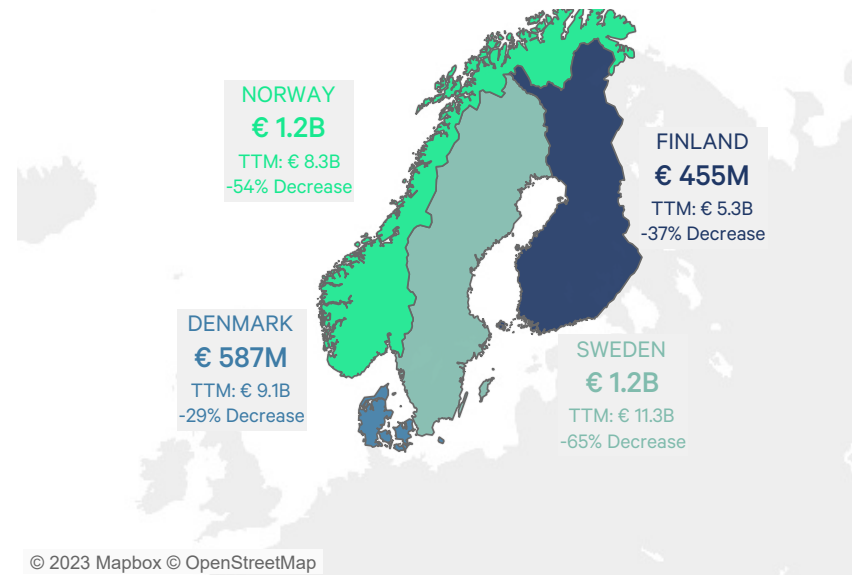
Nr. of Transactions  
**50**  
335 TTM

Y-on-Y: Year on Year  
TTM: Trailing Twelve Months

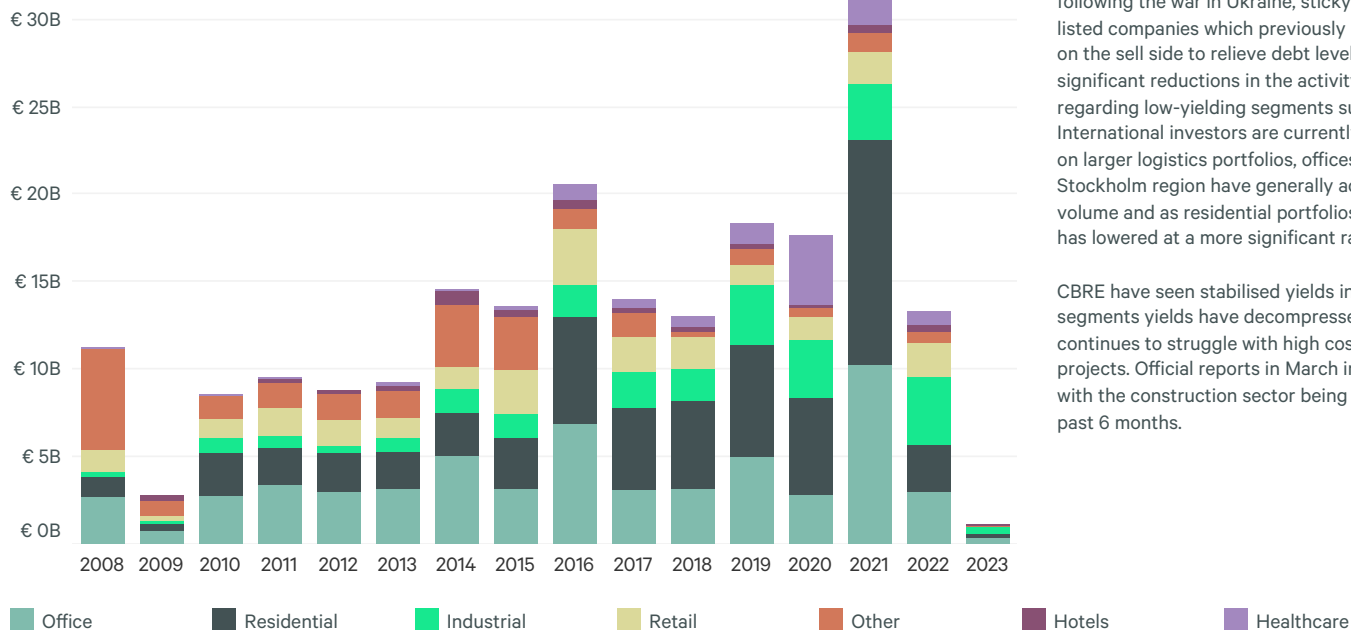
## Investment Volumes by Sector (Sweden)



## Investment Volumes in Nordics region



### Investment Volumes Annual by Sector (Sweden)



Note: 2023 annual numbers account till 3/31/2023

Sweden has a continuing wait-and-see investment market during the start of 2023. The beginning of the year has continued to be defined by uncertainties in the economy following the war in Ukraine, sticky high inflation rate and a shaky bank sector. Multiple listed companies which previously has been active buyers of properties have now acted on the sell side to relieve debt levels. Challenges in the financing market has led to significant reductions in the activity on the transaction market generally and specifically regarding low-yielding segments such as residential and community properties. International investors are currently active in most of the segments, with primary focus on larger logistics portfolios, offices in prime locations and large retail units. The Stockholm region have generally accounted for approx. 30 % of the total transaction volume and as residential portfolios have become less liquid, the volume in other regions has lowered at a more significant rate.

CBRE have seen stabilised yields in the industrial segment in strong locations. In other segments yields have decompressed and are still trending upwards. New development continues to struggle with high costs and low demand, especially for residential projects. Official reports in March indicate increased bankruptcies generally in Sweden, with the construction sector being one of the industries with the largest increase in the past 6 months.

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