

Sweden Retail Market Q1 2023

CBRE RESEARCH
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q1 2023)

HIGH STREET

STOCKHOLM

Prime Rent

▶ SEK 19,500

Yearly, per sq m
Change YoY: +3%

Vacancy rate, %

▲ 4.0%

GOTHENBURG

Prime Rent

▶ SEK 9,000

Yearly, per sq m
Change YoY: +3%

Vacancy rate, % (Q4)

▼ 0.0%

MALMÖ

Prime Rent

▶ SEK 4,600

Yearly per sq m
Change YoY: +10%

SHOPPING CENTRES

STOCKHOLM

Prime Rent

▶ SEK 8,500

Yearly, per sq m
Change YoY: unchanged

Vacancy rate, %

▲ 6.3%

GOTHENBURG

Prime Rent

▼ SEK 5,200

Yearly, per sq m
Change YoY: -2%

Vacancy rate, % (Q4)

▼ 5.9%

MALMÖ

Prime Rent

▶ SEK 4,200

Yearly, per sq m
Change YoY: unchanged

Vacancy rate, % (Q4)

▼ 5.8%

RETAIL PARK / BIG BOX

INCL GROCERIES

Prime Rent

SEK 2,300

Yearly, per sq m

EXCL GROCERIES

Prime Rent

SEK 2,100

Yearly, per sq m

Occupier Market

CBRE deem rent levels remaining stable in the first quarter of the year 2023 compared to Q4. Worth mentioning is also that tenants are in general paying full CPI indexed adjustments in line with rental contracts. Vacancy has moved up slightly in Stockholm for both high street and shopping centres.

Household spending power has clearly decreased in the past winter as household consumption dropped in three out of the four latest releases from Sweden Statistics; November (-0.7%), December (-1.4%), January (1.0%) and February (-1.4%). The strong positive trend for ecommerce for clothing companies during the pandemic years have now also shifted as customers preferring physical retail yet again.

Retail warehouse and big box retail with low cost products are performing very well. Electricity prices has gone down, but retailers are currently affected by falling demand for home products which had strong growth during the pandemic.

Investment market

The retail segment had only five transactions registered in the first quarter of 2023 and volumes dropping 58.3% compared to the same period in 2022. Deals categorized as high street, supermarket and big box transacted with only domestic investors active in the segment for the second quarter in a row.

Yields are deemed stable in Stockholm and moving out for both high street and shopping centres in Gothenburg and Malmo.

Notable deal in the first quarter is Nyfosa acquiring a retail portfolio from Stenhus fastigheter AB for SEK 725 million in February. The 13 properties are located nationwide with a lettable area of 50,300 sqm and contain supermarkets with one of the tenants being Dollarstore.

The segment remains attractive due to high inflation and interest rates making cashflow generating assets appealing, which coupled with beneficial CPI adjustment clauses in leasing contracts create a good environment for investing. Big box and grocery anchored assets are currently attractive for investors.

HIGH STREET

STOCKHOLM	GOTHENBURG	MALMÖ
Prime Yield	Prime Yield	Prime Yield
▲ 4.25%	▲ 5.25%	▲ 6.75%
Change YoY: +75 bps	Change YoY: +75 bps	Change YoY: +100 bps

SHOPPING CENTRES

STOCKHOLM	GOTHENBURG	MALMÖ
Prime Yield	Prime Yield	Prime Yield
▲ 6.25%	▲ 6.65%	▲ 6.75%
Change YoY: +50 bps	Change YoY: +115 bps	Change YoY: +75 bps

RETAIL PARK / BIG BOX

INCL GROCERIES	EXCL GROCERIES
Prime Yield	Prime Yield
▲ 5.50%	▲ 6.20%
Change YoY: +50 bps	Change YoY: +20 bps

KEY PERFORMANCE INDICATORS (Q1 2023)

RETAIL TRANSACTION VOLUME

SEK 974 mn Q1/2023

▼ -81.5% Y-o-Y

ALL RETAIL INVESTMENT VOLUME 2022

SEK 20.7 bn

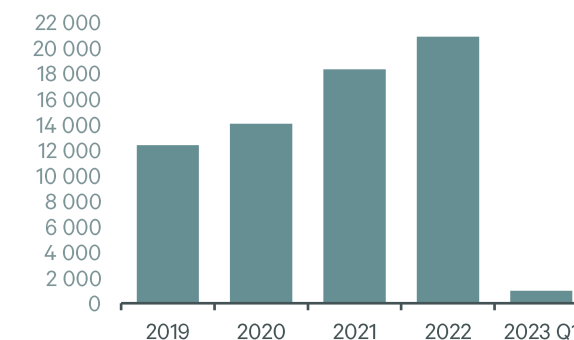
▼ -52% Y-o-Y 2021

NUMBER OF TRANSACTIONS

5

▼ -58,3% Y-o-Y

TOTAL ANNUAL RETAIL INVESTMENT VOLUMES (MSEK)



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