

Sweden Living Market Q3 2024

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

KEY PERFORMANCE INDICATORS

Prime Annual Rent*, SEK

▶ **3,200** (Q3)
per sqm, pa
Change YoY: 6.7%

Average Rent**, SEK

▲ **1,590** (2023)
per sqm, pa
+4.1% increase vs 2022

Multifamily Completions***, 2022

▼ **41,260**
Apartments

Multifamily Completions***, p2023

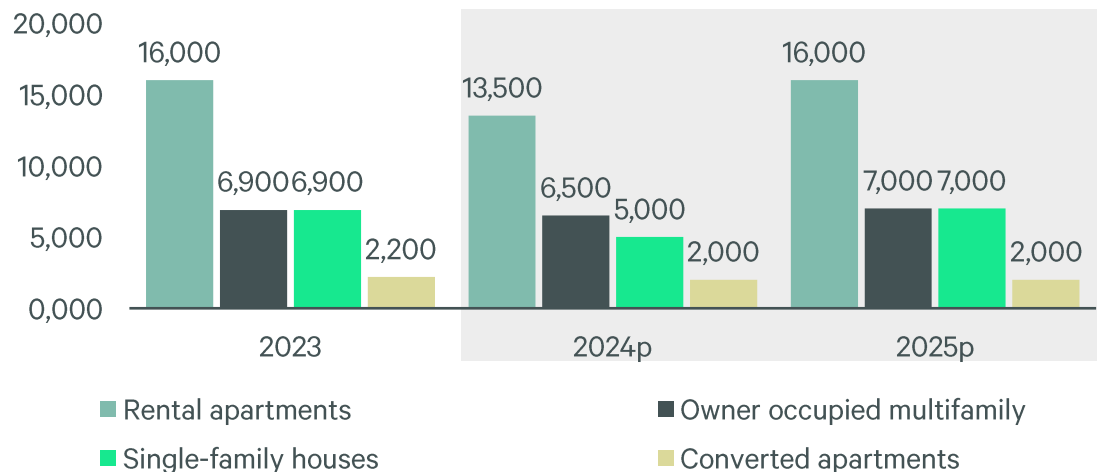
▲ **53,400**
Apartments

Multifamily New Started***, p2024

▲ **23,000**
Apartments

Source: Swedish Housing Authority & Statistics Sweden

Construction starts per residential type (forecast figures)



Source: Swedish Housing Authority & CBRE Research

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Living demand & supply

Softening inflation and 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 Q3 at SEK 3,200 per sqm. Rent negotiations for the annual increase of the older stock in the coming year is expected to remain higher than historical outcome. In 2024, the average rent increased by 5%, which is the highest increase over the past ten years according to Statistics Sweden.

Prices for owner occupied residential apartments during the past 12 months increased by 2.6% and 3.9% for single-family houses, according to Mäklarstatistik September figures. So far in 2024, 121,900 homes have been sold, an increase with 11% compared to the same period in 2023. A larger supply of homes for sale are available on the market and expected to remain so during the rest of the year. The absorption from buyer demand has been stable with functioning bidding processes and shorter sales processes compared to 2023. The demand for new production owner occupied apartments is however still soft.

Swedish Housing Authority released a residential construction prognosis update in May, which stated a more positive outlook on total housing construction with 27,000 expected starts in 2024 and 32,000 in 2025. The long-term construction rate is expected to be much lower than previous years, however with a recent population forecast from Statistics Sweden with fewer births and decreasing immigration, this lower new supply trend may be more in line with future demand. A shortage of housing is still expected in some municipalities and regional cities.

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 Q3 2024 transaction volume reached SEK 8.57bn through 18 deals. The total volume in Q3 increased by 194% compared to the same period 2023 and the total volume for the first three quarters already surpasses the 2023 annual total.

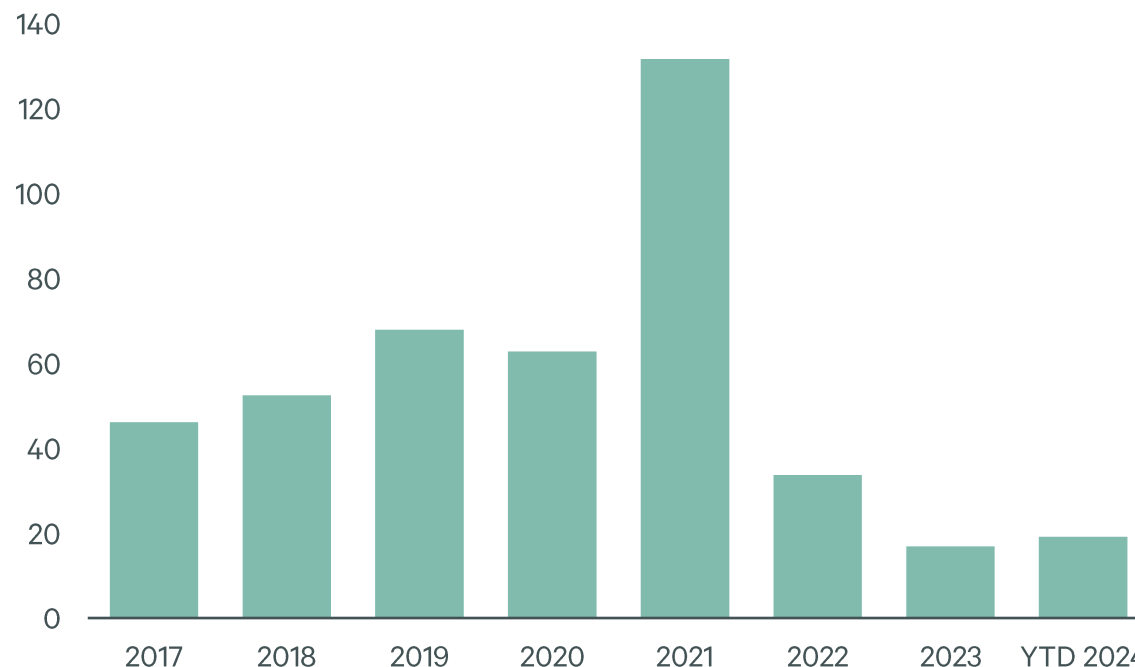
Cross-border investments in the sector is 25% so far in 2024. Deal sizes have generally been smaller than SEK 500m and distributed all over Sweden. The prime yield has compressed to 4.25% for a prime new production asset located in Stockholm. Current Central bank interest rate is at 3.25% and expected to decrease further in Q4, creating better fundamentals for multifamily investments ahead.

The largest transaction during the quarter was Slättö creating a SEK 3.1bn JV with K2A on a nationwide student housing portfolio of 72,000 sqm. Another notable transaction was ALM Equity divesting 60% of Nyttobostäder to Aermont Capital for SEK 1.9bn, which included 100,000 sqm lettable area and 130,000 sqm BTA building rights.

MULTIFAMILY TRANSACTION VOLUME, bn SEK

SEK 8.579 bn (Q3)

▲ 194% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS

NUMBER OF TRANSACTIONS Q3

18

▲ +5.9% Y-o-Y

LARGEST SINGLE TRANSACTION Q3

SEK 3.1 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*

4.25%

▲ +5 bps Y-o-Y

* New Production in Greater Stockholm

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