

Sweden Retail Market Q2 2023

CBRE RESEARCH
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS

HIGH STREET

STOCKHOLM

Prime Rent

▶ SEK 19,500

Yearly, per sq m

Change YoY: no change

Vacancy rate, %

▼ 0.0%

GOTHENBURG

Prime Rent

▼ SEK 8,750

Yearly, per sq m

Change YoY: -2.8%

Vacancy rate, %

▲ 4.5%

MALMÖ

Prime Rent

▼ SEK 4,500

Yearly per sq m

Change YoY: -2.2%

Vacancy rate, %

▲ 4.5%

SHOPPING CENTRES

STOCKHOLM

Prime Rent

▼ SEK 8,250

Yearly, per sq m

Change YoY: -2.9%

Vacancy rate, %

▼ 5.5%

GOTHENBURG

Prime Rent

▼ SEK 5,100

Yearly, per sq m

Change YoY: -3.7%

Vacancy rate, %

▲ 7.8%

MALMÖ

Prime Rent

▼ SEK 4,100

Yearly, per sq m

Change YoY: -2.4%

Vacancy rate, %

▶ 5.9%

RETAIL PARK / BIG BOX

INCL GROCERIES

Prime Rent

SEK 2,500

Yearly, per sq m

EXCL GROCERIES

Prime Rent

SEK 2,300

Yearly, per sq m

Occupier Market

Prime rents are starting to come down for both high street assets outside of Stockholm city centre and for shopping centres in all the main three cities as the tenant demand has softened. Prime rent levels in the second quarter remain stable for high street space in Stockholm with the same situation for Retail park/big box assets. Luxury goods and discount products are continuing to perform well, with retailers in the middle segment struggling a bit more. The general leasing situation has become more challenging.

Vacancy has moved down in Stockholm for both high street and prime shopping centres and remain stable compared to Q4 in Malmö. In Gothenburg the occupancy rate has decreased for both high street and shopping centres.

The retail sector is expected to be boosted by tourist spending during the 2023 summer as the weak Swedish currency attract international travelers. Domestic consumption and travelling is also boosted by the weak SEK, with Swedish residents incentivized to stay within the country borders for vacations.

Investment market

The second quarter included eight deals of supermarket and big box transactions with mainly domestic buyers, excluding the Swiss life acquisition of two newly built big box assets of 20,000 sqm total in Gothenburg from Aspelin-Ramm. This is the first enter of a cross-border investor after two quarters of domestic investors only.

The repricing of the retail segment has been quite substantial in the past year and no exception to other segments. This development is due to the increasing financing costs based on the rising interest rates and investors' increasing risk aversion. However, yields are expected to stabilize at this level, offering investors returns during turbulent times. Especially the demand for big box and grocery anchored assets is expected to remain strong.

Q2 retail investment volume amounted to SEK 6.1bn, which is 21% of total investment volume. H1 retail investment volume amounted to SEK 20.7bn, which is 52% down compared to the same period last year.

HIGH STREET		
STOCKHOLM Prime Yield ▲ 4.75% Change YoY: +125 bps	GOTHENBURG Prime Yield ▲ 5.25% Change YoY: +75 bps	MALMÖ Prime Yield ▲ 6.75% Change YoY: +100 bps
SHOPPING CENTRES		
STOCKHOLM Prime Yield ▲ 6.00% Change YoY: +75 bps	GOTHENBURG Prime Yield ▲ 6.75% Change YoY: +125 bps	MALMÖ Prime Yield ▲ 6.75% Change YoY: +75 bps
RETAIL PARK / BIG BOX		
INCL GROCERIES Prime Yield ▲ 5.75% Change YoY: +75 bps	EXCL GROCERIES Prime Yield ▲ 6.50% Change YoY: +50 bps	

KEY PERFORMANCE INDICATORS

RETAIL TRANSACTION VOLUME

SEK 6.1 bn (Q2)

▼ -38.9% Y-o-Y

ALL RETAIL INVESTMENT VOLUME (2022)

SEK 20.7 bn

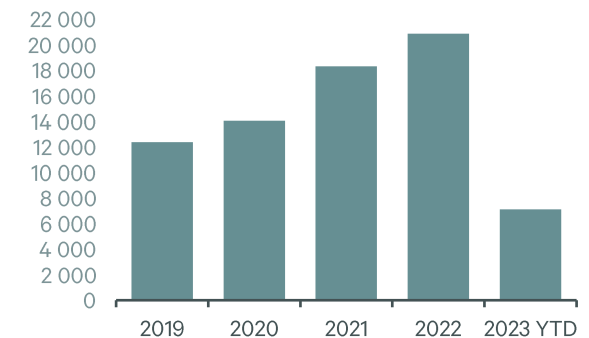
▼ -52% Y-o-Y 2021

NUMBER OF TRANSACTIONS (Q2)

8

▼ -52,9% Y-o-Y

TOTAL ANNUAL RETAIL INVESTMENT VOLUMES (MSEK)



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