

The Logistics Market

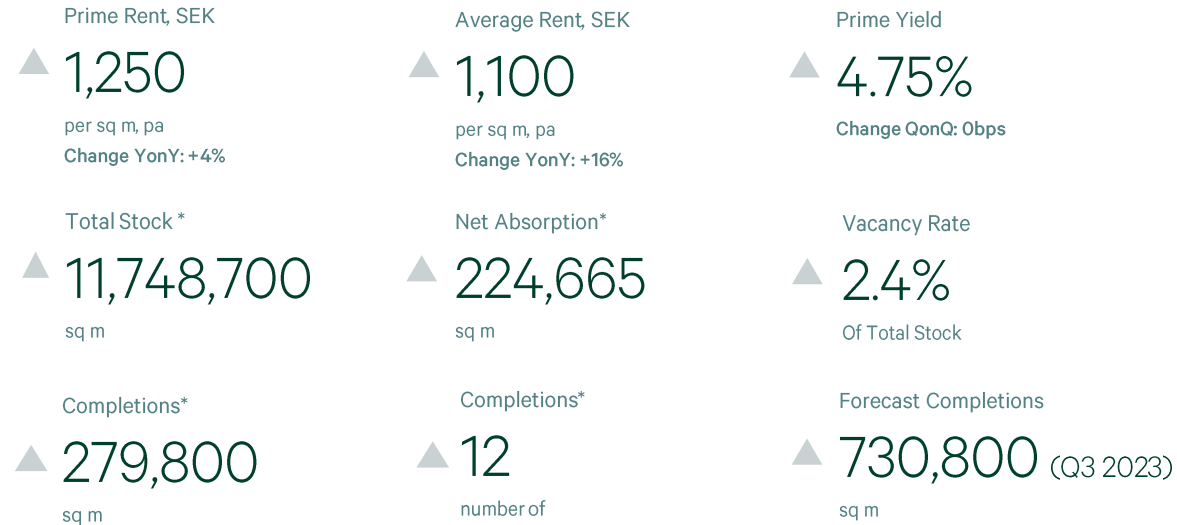
Sweden

Q2 2023

CBRE RESEARCH

NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q2 2023)



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Occupier Overview

The occupier market for logistics remain slow yet stable, with average national vacancy rising slightly to 2.4% (2.25% in Q1). This level is still low with local availability differing due to a larger rate of speculative development reaching the market in the past quarter and ahead. This trend is evident especially in the northern Stockholm region, with total vacancy rate for the Stockholm region currently at 5%.

CBRE has done a larger inventory of logistics property stock in Stockholm and Gothenburg during Q2 which has also impacted area figures this quarter. A total of 279,800 sqm modern logistics space was completed in Sweden in Q2. The forecasted completions for Q3 2023 are estimated at 730,800 sqm. However, forecasted completion figures is becoming increasingly uncertain as developers may postpone development starts.

Rents remain stable in Q2. Among notable leases are Logicens 36,000 sqm in Hyllinge, Helsingborg to Frigoscandia. The new development will include temperature-controlled space, be BREEAM Excellent certified and completed end of 2024. Facilities include 2,500 sqm office as the new tenant headquarter.

Logicenter are also developing a new 32,000 sqm combined cross-dock and distribution centre for Bring in Stigamo, Vaggeryd. The development is starting this year with completion in the beginning of 2025. Solar panels are installed on the roof and preparations are made to ease electrical transports of packages.

In Almnäs, Södertälje (Stockholm Syd) ISAB is leasing 11,300 sqm in a speculative development by Stendörren. The newly completed facilities will be accessed from July 1st.

* Modern Logistics stock in major hubs in the logistics triangle. Figure boosted in Q2 due to stock inventory.

Investment Market

The investment market has slowed down across all segments during the first half of 2023. However, the I&L transaction volume has totalled SEK 4.55bn via 18 deals in Q2, a volume drop of 53% compared to the same period in 2022. So far this year, cross-border investments in the sector have reached 41%.

Prime logistic yield remains stable at 4.75% and the investor demand continues to be strong. The largest transaction during the period was the SEK 1.5bn portfolio divestment in Gothenburg by Sörreds Logistik, where Platzer acquired the Bockasjö part of the joint venture between the parties. Lettable area 90,900 sqm with tenants including Volvo and Schenker.

CBRE IM has together with Panattoni acquired 77,000 sqm land to develop 46,000 sqm logistics in Åstorp, east of Helsingborg. Seller is Södervidden fastigheter. The development is speculative and aiming for BREEAM Excellent with completion end of 2024.

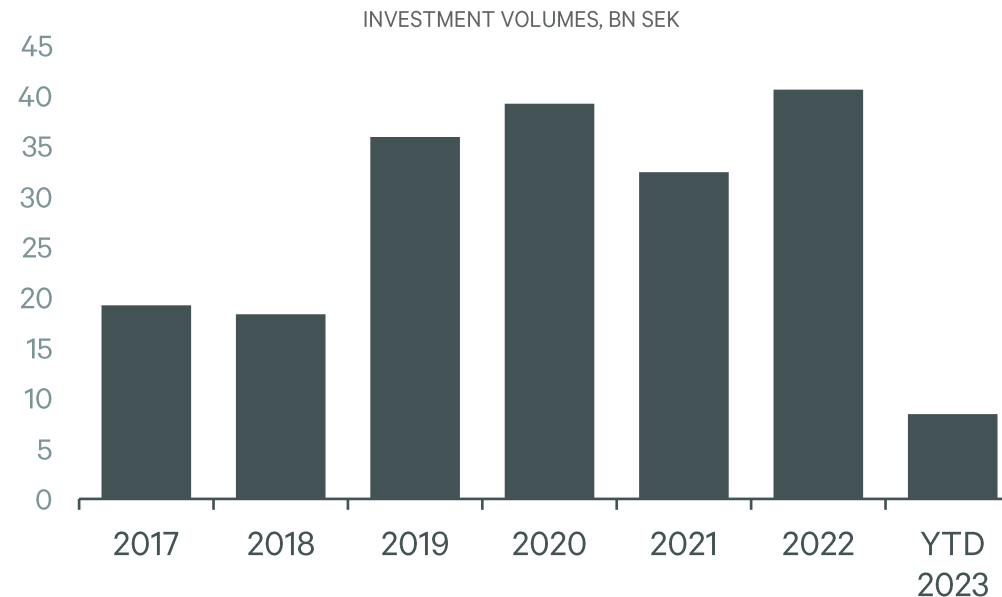
Also notable are the BlackRock acquisitions of two logistics properties. One DC of 62,500 sqm in Norrköping acquired from Inlog, and one DC of 49,700 sqm in Vaggeryd, Jönköping acquired from Hökerum.

I&L TRANSACTION VOLUME

SEK 40.6 bn FY 2022*

SEK 4.55 bn Q2/2023

▼ -53% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS (Q2 2023)

NUMBER OF TRANSACTIONS

18

▼ -52.5% Y-o-Y

ALL INVESTMENT VOLUME IN 2022

SEK 159 bn

▼ -52% Y-o-Y

SHARE OF TOTAL ALL SECTOR VOLUME

16%

▼ vs. 28% in Q1

CROSS BORDER I&L INVESTMENTS 2023 (YTD)

SEK 4.2 bn

41% of total volume

LARGEST SINGLE TRANSACTION

SEK 1.5 bn

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