

Sweden - Stockholm

Key Performance Indicators (Q2 2024)

Prime Yield

4.15%

Expected Investment Returns
Change YoY: 5 bps

Prime Rent

8,700kr

Yearly, per sq m
Change YoY: 2.4%

Average Rent

7,300kr

Yearly, per sq m
Change YoY: 2.8%

Take Up

88K

Square Meter
665K Year2Date

Vacancy Rate

7.33%

Percentage of Stock vacant
Change YoY: 101 bps

Typical Lease Terms

3-5 years

Typical Rent Free Period
0-3 months

Completions

0K

Square Meter
- Year2Date

Total Stock

11,466K

Square Meter
10,626K Occupied Stock

Forecast Completions

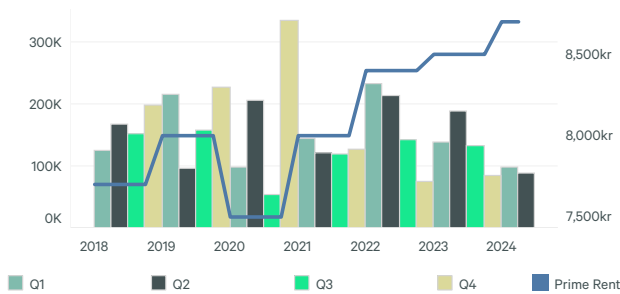
86K (2024)

Square Meter
395K (2025) // 338K (2026)

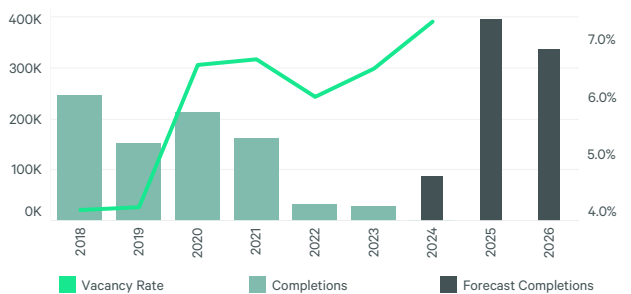
Leasing activity is currently focused on central locations, the leasing market in general continue to move slow with longer lease negotiation processes. CBD prime rent increased in Stockholm to SEK 8,700/sqm for Q2 as limited modern stock continue to attract demand. Rent levels for the other submarkets remain stable in the quarter. Secondary locations and buildings are at risk of being more affected in the current market. Vacancy level for CBD has moved up slightly to 5.4% (4.8% in Q1) with the same development in the Inner city to 7.9% (7.5% in Q1). Availability of sublease or vacant coworking adds 1.3% space to CBD (1.5% in Q1) and has decreased slightly to 1.2% in the Inner city (2% in Q1).

One of the largest leases in Q2 was the 10,000 sqm in Hagastaden where Ekobrottsmyndigheten signed a lease in May with Atrium Ljungberg. The building is currently being renovated, and the tenant is planning to move into the industrial themed building by the end of 2025. The tenant has signed a green lease where both tenant and landlord will work together to improve the sustainability performance of the space.

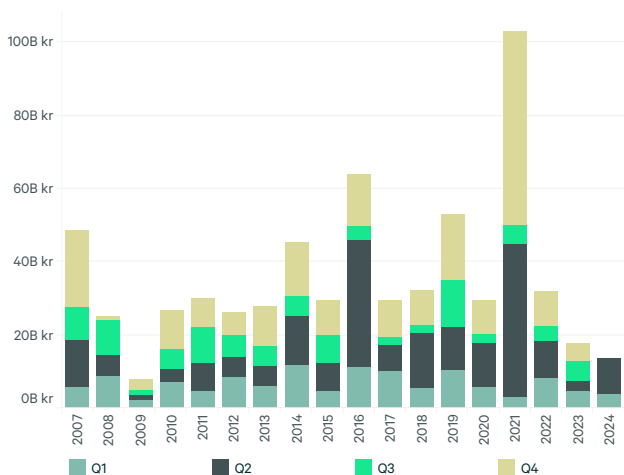
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Sweden Office Investment Volumes



Note: 2024 annual numbers till 6/30/2024

Macro-economic fundamentals with expected interest rate cuts in 2024 and ahead will have a positive impact on the real estate market this year. The Swedish Central bank interest rate was cut to 3.75% in May with expectations of further cuts in the second half of the year. The office investment market had a boost in Q2 as both SEB Trygg Liv divested three central Stockholm offices and Skanska divested Citygate. CBRE has compressed the Stockholm CBD office prime yield to 4.15% in Q2 2024 and leaving the other submarkets within the city stable. Office investment volume increased 239.5% in Q2 compared to the year before to SEK 9.88 bn, which is 30.7% of the total real estate transaction volume for the quarter. Active investors within the office segment in Q2 include institutional funds and property companies, with 15% cross-border investment so far this year. Assets have transacted mainly in Stockholm and Regional cities, with one each in Gothenburg and Malmö.

The largest deal was the Skanska Citygate (43,000 sqm) divestment in Gothenburg to sister company Skanska Förvaltningsfastigheter for SEK 2.5 bn in June. The property is LEED Platinum and WELL certified and also the tallest office building in the Nordics.

Looking for the underlying data? If you are an active subscriber, log in to the CBRE ERIX platform and access the underlying CBRE proprietary data. For more information on becoming a CBRE ERIX subscriber, please contact us.

Contacts

Annika Edström
Head of Research
(+) 46 76 89 93 252
annika.edstrom@cbre.com

Johanna Jonsson
Senior Director, Capital Markets
(+) 46 70 812 42 13
johanna.jonsson@cbre.com

Alexander Vintermist
Senior Director, Valuation Advisory
(+) 46 73 3498 738
alexander.vintermist@cbre.com

Kim Gruneberger
Director, Head of Investor Leasing - Office
(+) 46 721 61 14 42
kim.gruneberger@cbre.com

Anders Hansén
Head of A&T Occupier
(+) 46 70 1424 239
anders.hansen@cbre.com

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

