

Sweden Real Estate Investment Volumes Q2 2024

The total investment volume came in at SEK 32.2 bn in Q2, a 9% increase Y-on-Y. The volume is still in the lower range compared to the years preceding 2023 but the activity is certainly increasing compared to last year. The second quarter have been characterized by an increased investor optimism as the interest rates ahead are expected to decrease further in H2. Office was the most popular segment in Q2 with 30.7% of total volume, followed by industrial properties at 27.7% and multifamily assets at 21.4%.

Stockholm was the most active market with 46% of the volume allocated here, Sweden nationwide comprised 36%, Gothenburg 13% and Malmö has reentered the market with 4% (0% in Q1). International investor presence fell in Q2 to approx. 11%. Notable and largest deal in the period was the Skanska divestment of the 43,000 sqm new office asset Citygate in Gothenburg for SEK 2.5 bn to sister company Skanska Förvaltningsfastigheter. Second largest deal was within the I&L segment with the DSV sale-and-lease back divestment of two newly built logistic properties in Landskrona, Skåne. Buyer was Catena at SEK 2.4bn for a lettable area of 180,000 sqm.



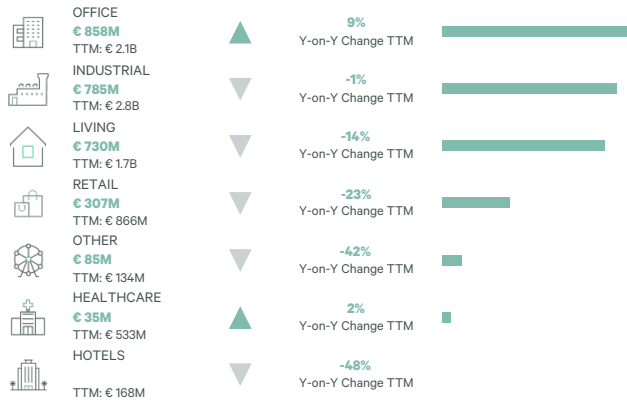
10%
Y-on-Y Change Q2

-7%
Y-on-Y Change TTM

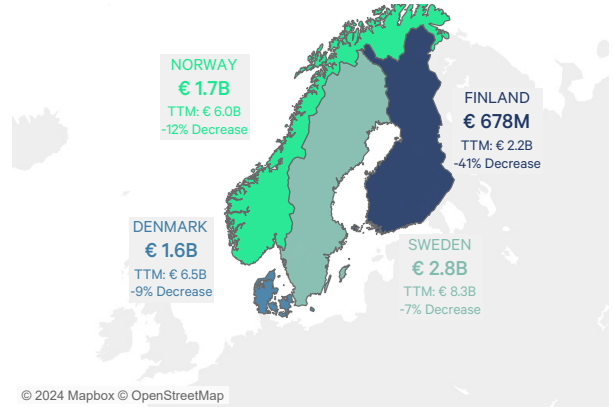
Nr. of Transactions
111
310 TTM

Y-on-Y: Year on Year
TTM: Trailing Twelve Months

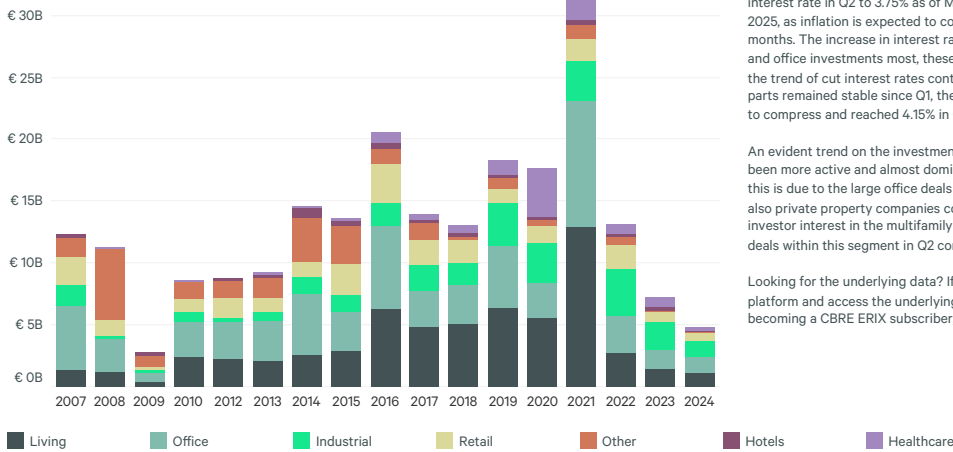
Investment Volumes by Sector (Sweden)



Investment Volumes in Nordics region



Investment Volumes Annual by Sector (Sweden)



Note: 2024 annual numbers account till 6/30/2024

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The macro-economic factors in Sweden are expected to create a more positive outlook for real estate investments ahead. The Riksbank, central bank in Sweden, cut the interest rate in Q2 to 3.75% as of May. Further cuts are expected in both H2 2024 and 2025, as inflation is expected to come down to and below the 2% target in the coming 12 months. The increase in interest rates impacted low yielding assets such as multifamily and office investments most, these asset classes are expected to benefit the most as the trend of cut interest rates continues. CBRE deem that prime yields have in most parts remained stable since Q1, the prime office yield for Stockholm has however started to compress and reached 4.15% in Q2.

An evident trend on the investment market in Q2 has been that domestic investors have been more active and almost dominated the market at 89% of the total volume. Much of this is due to the large office deals in Stockholm with Swedish institutional buyers, but also private property companies continuing to add to their portfolios. The increased investor interest in the multifamily sector in 2024 has also materialized in many more deals within this segment in Q2 compared to the two weak prior quarters.

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