

Sweden Living Market Q2 2024

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

KEY PERFORMANCE INDICATORS

Prime Annual Rent*, SEK

▶ **3,200** (Q2)
per sq m, pa
Change YoY: 6.7%

Average Rent**, SEK

▲ **1,589** (2023)
per sq m, pa
+4.1% increase vs 2022

Multifamily Completions***, 2022

▼ **41,260**
Apartments

Multifamily Completions***, p2023

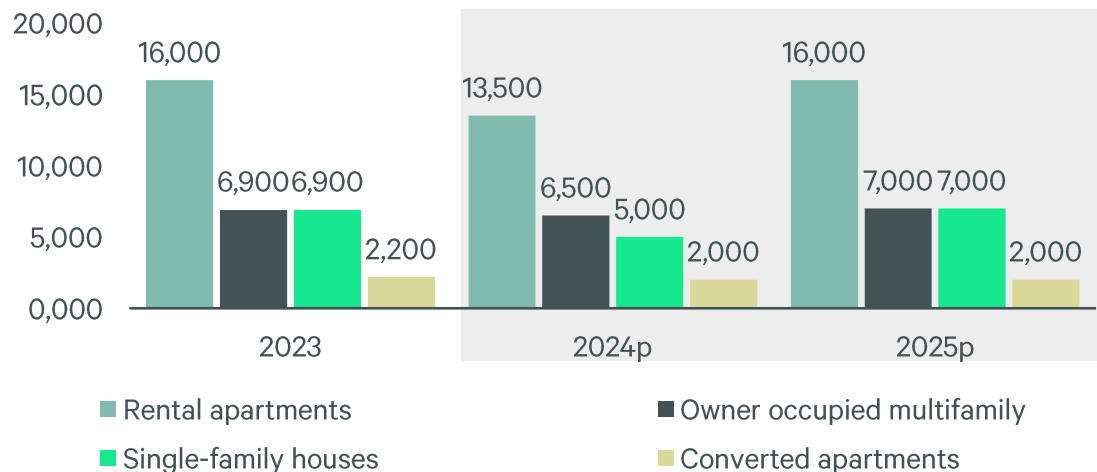
▲ **53,400**
Apartments

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 Q2 at SEK 3,200 per sqm. Rent negotiations for the annual increase of the older stock in the coming year is expected to remain in a higher range than historical outcome as the property owner’s association has claimed 15% for the negotiation start for Stockholm 2024. In 2023 the average increase was according to Statistics Sweden 4.1%.

Prices on owner occupied residential apartments in Sweden increased by 2.4% in the past 12 months according to the Mäklarstatistik June figures. Prices have during the same period also been positive for villas at 1.4% but -1.7% for vacation homes. The overall market activity in H1 was 82,100 sold homes, a 12% increase compared to the first six months of 2023. A larger supply of homes for sale is available on the market and expected to remain so in the coming autumn. So far, 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 still low.

Swedish Housing Authority released the latest residential construction prognosis update in May, which stated a more positive outlook on total housing construction with expected starts to be 27,000 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 prognosis from Statistics Sweden with fewer births and a 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 volume in Q1 increased by 117% compared to the same period 2023 so a slight decrease in Q2 volume growth in Q2 still gives a strong H1 2024. Q2 2024 transaction volume reached SEK 3.91bn by 30 deals, a 17.8% drop compared to Q2 2023.

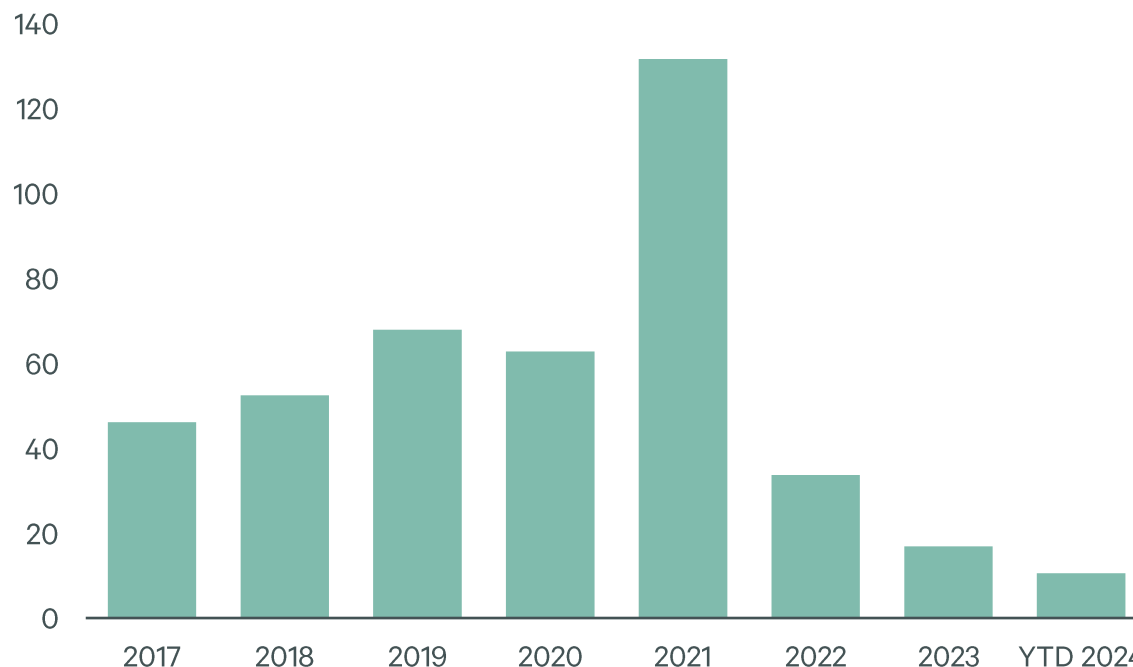
Cross-border investments in the sector is 10% so far in 2024. Deal sizes have, except for the two largest, been smaller than SEK 500m and located all over Sweden. The prime yield remain stable in Q2, at 4.5% for a prime new production asset located in Stockholm. Current Central bank interest rate is at 3.75% and expected to decrease further in H2, creating better fundamentals for multifamily investments ahead.

The largest transaction during the quarter was Genova creating a SEK 1.286bn JV with NREP on two properties comprising special housing, pre-school and multifamily of 28,800 sqm in Norrtälje. Another notable transaction was M2-Gruppen divesting everything in Jönköping by a portfolio of 21 properties (62,000 sqm) to local Muro Invest for SEK 1.1bn. The assets comprise of approx 45% residential units.

MULTIFAMILY TRANSACTION VOLUME, bn SEK

SEK 6.91 bn (Q2)

▼ -17.8% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS

NUMBER OF TRANSACTIONS Q1

30

▲ +30.4% Y-o-Y

LARGEST SINGLE TRANSACTION Q2

SEK 1.286 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*

4.50%

▲ +30 bps Y-o-Y

* New Production in Greater Stockholm

CONTACT



Annika Edström

Head of Research
CBRE Sweden
+46 76 899 32 52

annika.edstrom@cbre.com



Jacob Edin

Associate Director
Valuation Advisory
+46 76 854 85 43

jacob.edin@cbre.com



Julia Baehrendtz

Director
Capital Markets
+46 70 234 06 78

julia.baehrendtz@cbre.com

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