

Sweden - Stockholm

Key Performance Indicators (Q4 2022)

Prime Yield

3.70%

Expected Investment Returns
Change YoY: 45 bps

Prime Rent

8,400kr

Yearly, per sq m
Change YoY: 5.0%

Average Rent

7,000kr

Yearly, per sq m
Change YoY: 6.1%

Take Up

75K

Square Meter
665K Year2Date

Vacancy Rate

6.01%

Percentage of Stock vacant
Change YoY: -66 bps

Typical Lease Terms

3-5 years

Typical Rent Free Period
0-3 months

Completions

3K

Square Meter
34K Year2Date

Total Stock

11,438K

Square Meter
10,750K Occupied Stock

Forecast Completions

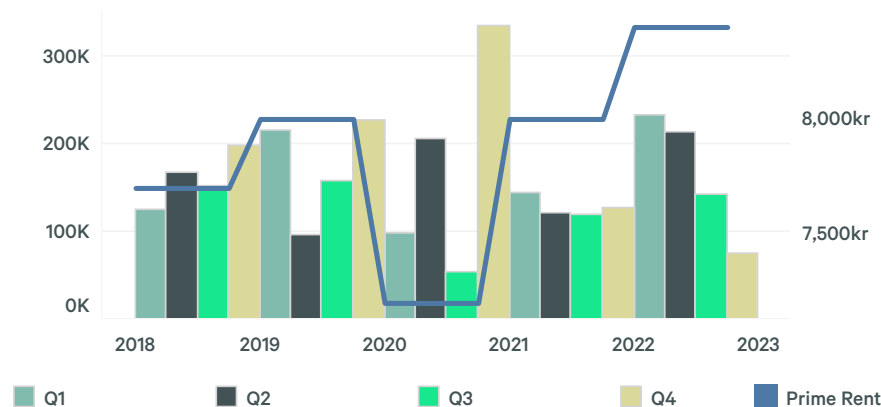
34K (2022)

Square Meter
182K (2023) // 184K (2024)

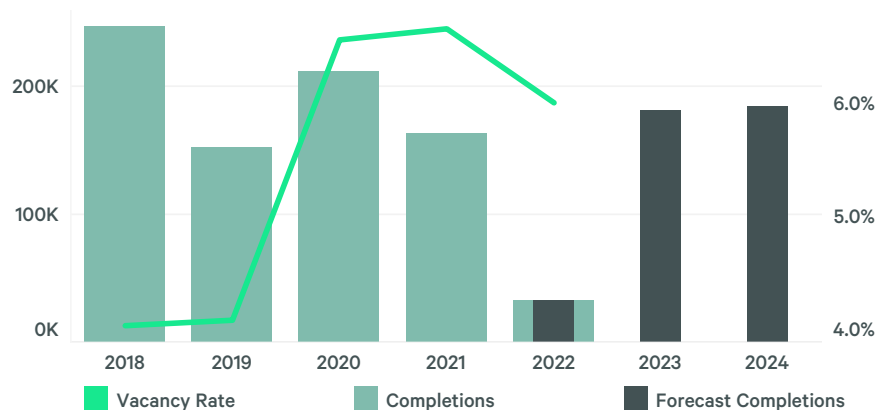
The leasing activity continued to be high in the fourth quarter, but is expected to slow during 2023 due to a slowing economic activity. The vacancy rate remained stable at 6% for all the submarkets. The vacancy declined somewhat in Kista from 9% to 8.5% and in Solna/Sundbyberg from 5.9% to 5.7%. The southern suburbs saw a slight uptick in vacancy rate from 4% to 5% and the innercity remained stable at 7.4%. CBD had the lowest vacancy rate at 3.4%.

Some notable leasing transactions during the quarter: the two largest leases were made outside of the usual office markets. Faberge leased 21,000 sqm to world-renowned manufacturing company Alfa Laval in Flemingsberg, and Atrium Ljungberg leased 20,000 sqm to another world-renowned manufacturing company, Atlas Copco, in Nacka. The largest leases in the usual office markets are Vasakronan letting 9,500 sqm to Strålskyddsmyndigheten and AMF letting 8,900 sqm to Sundbybergs stad, both in Solna/Sundbyberg. The largest lease in CBD was Union's lease of 3,000 sqm to Ioffice.

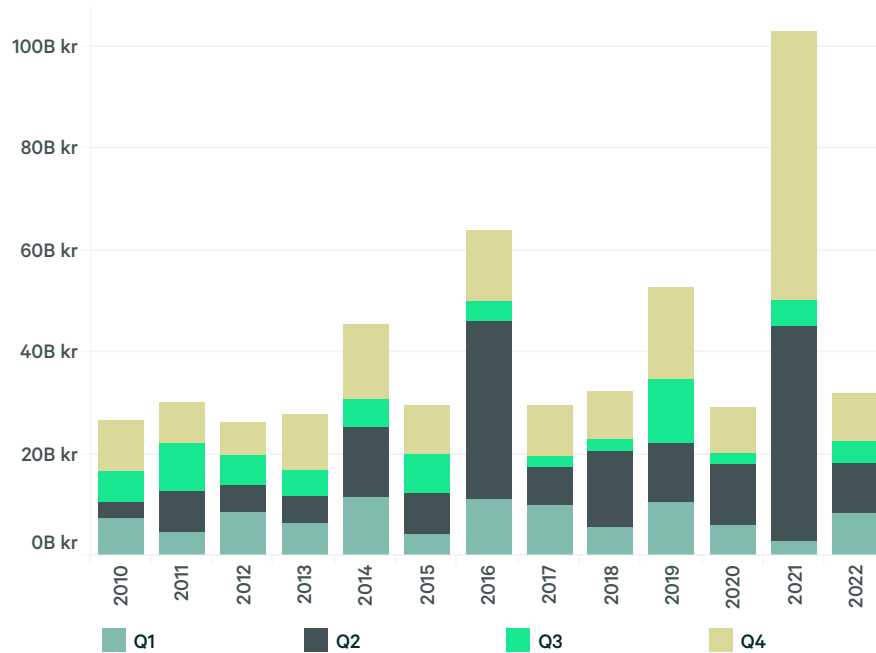
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Sweden Office Investment Volumes



The investment volume for office in 2022 declined with -70% compared to 2021. A very strong M&A year in 2021, providing unusually strong comparative figures, coupled with an increasingly more challenging investment climate in 2022 with increasing interest rates slowed down the market activity. The office sector reached however volumes that are above 2020 and 2018.

Notable deals: Folksam, a Swedish institution bought Kortbyrån on Vasagatan from the Norwegian institution DNB. The properties are located in CBD in close vicinity to the Central station, and the estimated price is €3 bn. Another Swedish institution, AMF acquired two office properties from Castellum for an estimated €79m. The properties are located in Marievik in Stockholm inner city.

Contacts

Annika Edström
Associate Director, Research
annika.edstrom@cbre.com

Daniel Holmkvist
Head of Valuation Advisory
(+) 46 70 079 27 71
daniel.holmkvist@cbre.com

Patrik Kallenvret
Head of Capital Markets Sweden & Nordics
(+) 46 76 746 33 41
patrik.kallenvret@cbre.com

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

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