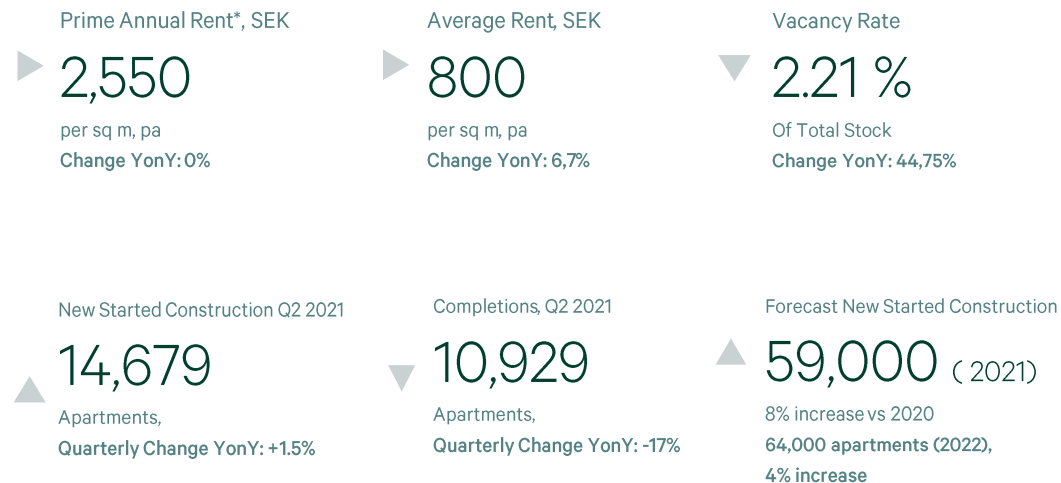


Q3 2021

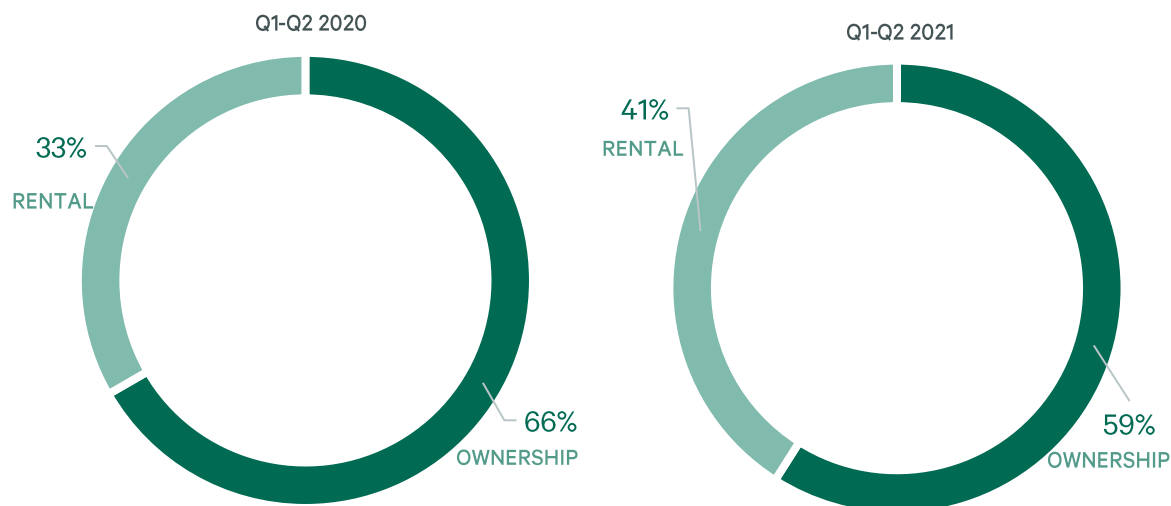
Sweden Multifamily Market Q3 2021

CBRE RESEARCH
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q3 2021)



CONSTRUCTION STARTS OF NEW APARTMENTS IN SWEDEN BY OWNERSHIP TYPE



SOURCE:SCB

Occupier Market Overview

The Majority of Swedish municipalities have continuing shortage of apartments. Students, young and older person belong to the group who find it very challenging to find an apartment to live in. Even though the population growth in Sweden slowed down substantially during year 2020 and during Q1-Q3 2021 due to decreased migration, the shortage of apartments in Sweden is still so large that the construction levels should be high during many years ahead. According to Boverket the minimum of 59,000 apartments needs to be constructed in Sweden each year until year 2029 in order to meet the demand for residential apartments.

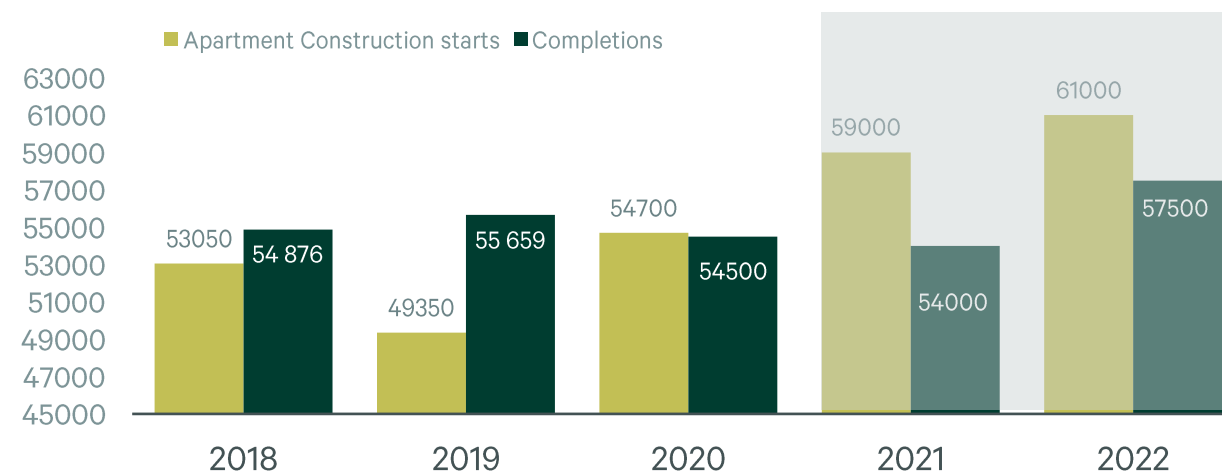
The construction of approximately 34,300 new apartments have started during H1 2021. It is a 25 % increase compared to the same period during year 2020, when construction of 27,389 apartments had started. Approximately 27,500 of new started apartments are located in multifamily houses. Approximately 59% of them are rental apartments. (Source: SCB)

Constriction starts have increased since Q3 2020 and continue to increase with each quarter. Construction of rental apartments has increased by 21% while construction of ownership apartments has increased by 16% during last Q3 2020 – Q2 2021. Increased Construction starts dominating in Greater Malmö with whole 72% and in larger university cities (29% increase). Greater Gothenburg area had an increase by 6%. Greater Stockholm had a decrease in new construction starts during period Q3 2020 – Q2 2021. (Source: Boverket, SCB)

According to the Swedish Authority Boverket there are three main obstacles for new construction of apartments in Sweden: high production costs, shortage of development plan for attractive land and challenges for a private person to get mortgage. Rent have remained unchanged since Q3 2020.

Average annual presumption rent is 2,000 SEK/sqm/year nationwide.

Apartment Construction starts and Completions (2021 and 2020 – forecast figures)



Set for a Record Year

The share of international investors is considerably larger this year to date than last year (49% YTD, vs. 6.5% in FY2020). We believe this is due to successful vaccination campaign both in Sweden and other European countries as well as due to abolishment of almost all Covid-19 restrictions in Sweden and Nordic countries.

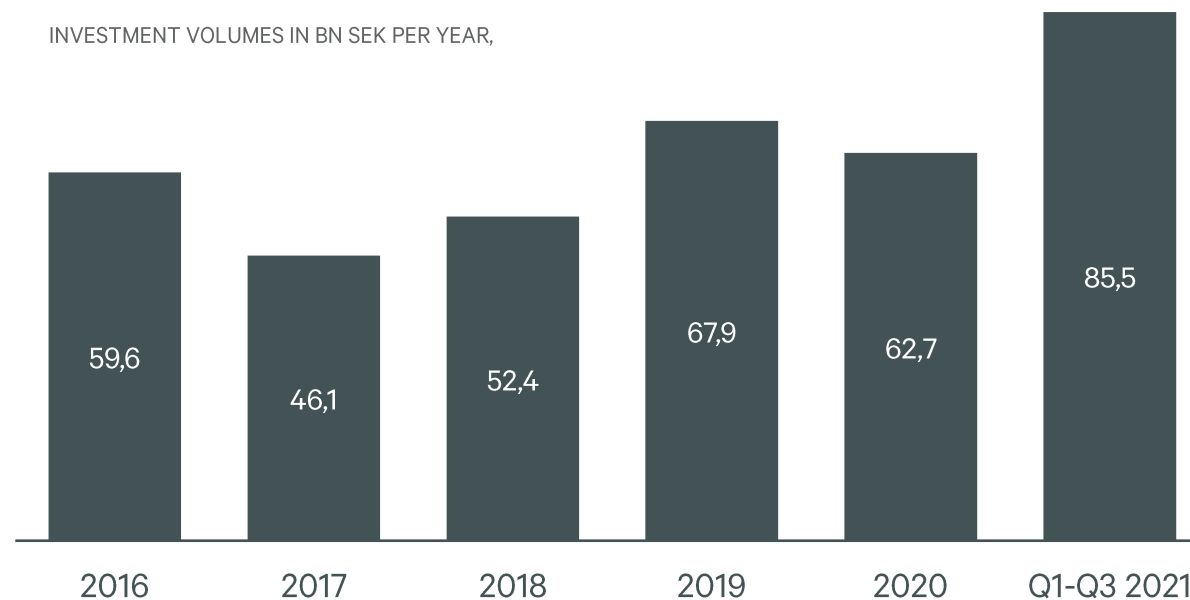
The number of transactions has increased Y-o-Y by 35%. Even the number of transactions YTD (150) is larger than during corresponding period previous year (146). The largest single transaction during Q3 2021 was acquiring of Akelius portfolio by Heimstaden (worth SEK 36.7 bn).

We see strong recovery of Multifamily Investment Market from Covid-19 crisis, continuing yield compression in the segment, which means more will be willing to take investable products to the market

TRANSACTION VOLUME (Q3 2021)

SEK 85.5 bn YTD
SEK 53.9 bn Q3/2021
 ▲ +634% Y-o-Y

INVESTMENT VOLUMES IN BN SEK PER YEAR,



KEY PERFORMANCE INDICATORS (Q3 2021)

NUMBER OF TRANSACTIONS

50
 ▲ +35% Y-o-Y

LARGEST SINGLE TRANSACTION

SEK 36.7 bn

ALL INVESTMENT VOLUME IN 2021

SEK 193.1 bn

SHARE OF TOTAL ALL SECTOR VOLUME

82%

CROSS BORDER INVESTMENTS

SEK 37.54 bn

PRIME YIELD*

3.30%
 ▼ -12% Y-o-Y

The Largest pan-European cross-border M&A transaction in the residential sector ever

CBRE has acted as financial and real estate advisor to Akelius on the sale of its Nordic and German platform for €9.1bn

Heimstaden subsidiary, Heimstaden Bostad, acquires 599 properties with 28,776 apartments centrally located in Berlin (14,050), Hamburg (3,592), Stockholm (5,934), Malmö (4,107), and Copenhagen (1,093), announced on September 26, 2021.

For 27 years, Akelius has gradually built up the portfolio with continuous development and quality renovations. The portfolio has a residential occupancy of 98% and more than 99% of rental income is derived from regulated apartments

The Swedish portfolio consist of 10,041 regulated apartments, 118,000 sq m commercial space and 7,050 parking spaces

CBRE has acted as exclusive financial and real estate advisor for the German platform, and joint financial and real estate advisor for the Nordics platform

Portfolio name	SELLER	BUYER	TOTAL PRIC, MSEK)	PRICE, SEK/m ²
Portfolio of 104 properties	Akelius	Heimstaden	36,700	45,054
Portfolio OF 36 properties	Hefab	John Mattson Fastigheter	5,270	0
Portfolio of 62 properties	Signatur fastigheter	Trianon	1,478	19,161
BÅTHUSET 2; OPALEN 5; RAJGRÄSET 2; TAKET 6; TRANBÄRET 2	Anders Ivarsson	Mälardalens omsorgsfastigheter	1,120	17,230
Gränby 9:6; Sala Backe 47:1; Kvarngärdet 71:1	Wallenstam	Aberdeen	1,070	65,927
Portfolio of 2 properties	Aros Bostadsutveckling AB	CBRE Global Investors	850	0
Portfolio of properties	Lidén group	Amasten	784	18,496

CONTACT



Dzmitry Fando

Senior Research Analyst
CBRE Sweden
m +46 76 899 32 52
dzmitry.fando@cbre.com

© Copyright 2021 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.

Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE.