



SWEDEN
MULTIFAMILY MARKET
Q2 2020

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

MULTIFAMILY MARKET KEY FIGURES

ON TRACK

Klarabo acquired 800 apartments in 35 properties from Trelleborgs Hem for SEK 1.1 bn.

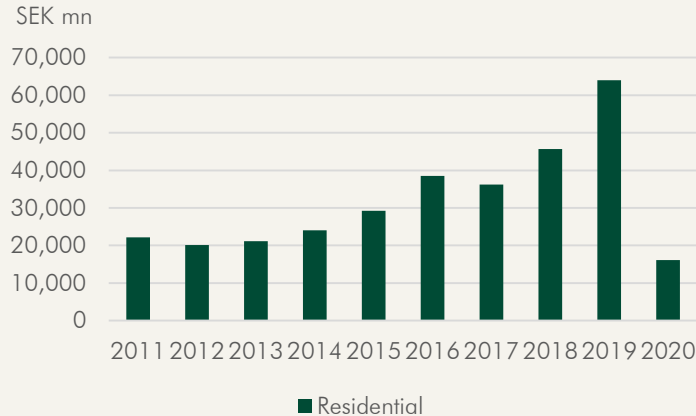
Heimstaden bought 3 properties from Magnolia for SEK 1 bn in Sundbyberg. The zoning has been approved, and when the development has been finished, there will be 380 apartments and a kindergarten. The project will be finished in 2024.

Amasten bought 1,259 apartments from SBB for SEK 1.5 bn. The properties are located in Tranås, Motala, Karlstad and Skövde.

Investment volume LTM

SEK 65.4 bn

▲ +62 % (Y-o-Y %)



Cross-border investments
SEK 34.1 bn



Share of total investment volume
52%



Number of transactions
138
▲ +27%



Largest single transaction
SEK 33.5 bn



Prime yield¹⁾
3.85%

Source: CBRE Research

THE INVESTMENT MARKET DURING THE QUARTER

RESILIENT AS EXPECTED

The share of international investors has dropped this year compared to what is normal for this segment. It is hardly surprising, considering all the market lockdowns during the spring which has made it impossible to travel. In our surveys, international investors have continued to express interest in Nordic multifamily housing. We therefore expect that the international investors will come back in the autumn.

As expected, the segment has remained resilient despite the market turmoil. We have seen no reason to move out prime yields. Investment volumes YTD is SEK 16.1 bn, which can be compared to 2019H1, with volumes of SEK 14.6 bn.

LARGEST DEALS DURING THE QUARTER

Properties	Total Price (SEK mn)	Price (SEK/m ²)	Buyer	Seller
1,259 apartments in various locations	1,500	14,300	Amasten	SBB
800 apartments in Trelleborg	1,100*	19,000	Klarabo	Trelleborgshem
Brygghuset 1,2,3 in Sundbyberg	1,000	-	Heimstaden	Magnolia
Portfolio of 500 apartments in Västerbotten	900	-	Skebo	Lindbäcks Group
883 apartments in Jämtland, in total 13 properties	750*	-	Niam	Rikshem

THE SWEDISH MULTIFAMILY MARKET

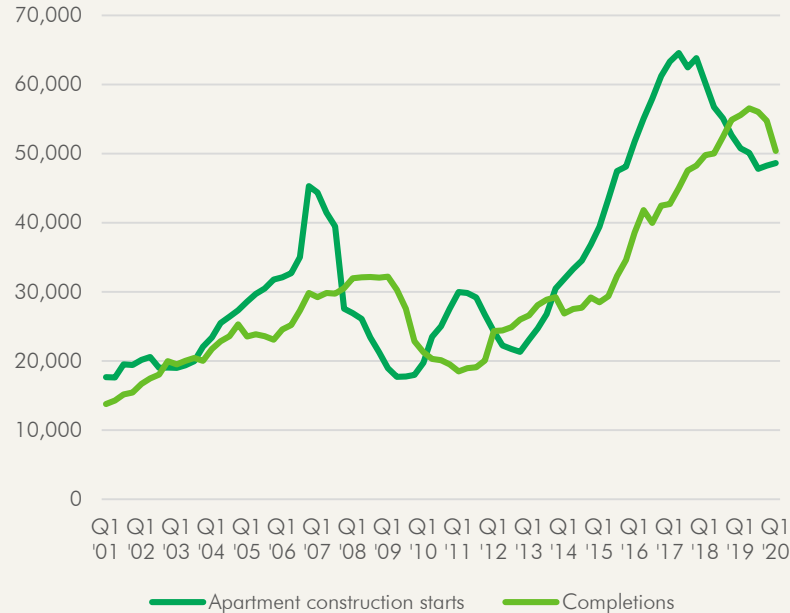
THE CONSTRUCTION MARKET HAS BOTTOMED OUT

Co-op prices increased 3% nationwide in the last 12 months ending July. In several surveys, many are optimistic about the housing prices in the next year, despite a higher unemployment rate.

Apartment construction starts seem to be recovering somewhat, although market conditions remain tough short-term. Unemployment will take time to recover. Longer term, persistently low interest rates and a (temporary?) removal of amortization rules will likely cushion the effects.

APARTMENT CONSTRUCTION STARTS AND COMPLETIONS

Last 4 quarters, thousands



2020 Q1
Sweden Nationwide
Key Figures
Y-o-Y Change



Construction Starts, Q1
11,800 units
▲ + 3.3% (quarterly, y-o-y)



New Completions, Q1
9,100 units
▼ - 32% (quarterly, y-o-y)



Average Annual Rent¹⁾
2,500 SEK/m²



Average Sale Price, Q2²⁾
47,350 SEK/m²
▼ - 9.4% (quarterly, y-o-y)



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