



SWEDEN
OFFICE MARKET
Q2 2020

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

OFFICE INVESTMENT MARKET OVERVIEW

INVESTMENT MARKET HOLDING UP BETTER THAN FEARED

Q2 was the slowest investment quarter in Stockholm in a year, and 2020H1 was down -11% compared to 2019H1. Yet, the market seems to be holding up better than initially feared.

Cross border investments fell by -15% last 4 quarters (y-o-y), which is hardly surprising. The deals closing were initiated pre-Corona.

The largest deal was Nyfosa acquiring 44 properties, primarily office, in several locations from SBB for SEK 4.9 bn. The annual rental value was SEK 402 mn with a WAULT of 2.3 years.

OFFICE TRANSACTION VOLUME

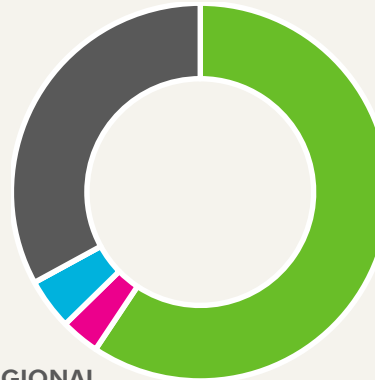
Last 4 quarters

SEK 48.9bn (last 4 quarters)

▲ +42% (last 4 quarters y-o-y)

SEK 11.6bn Q2 2020

▼ -4.6% (quarter volumes y-o-y)



STOCKHOLM
SEK 29bn

▲ +33%

GOTHENBURG
SEK 1.6bn

▼ -124%

MALMÖ
SEK 2.1bn

▼ -22%

REGIONAL
SEK 16.2bn

▲ +47%

KEY FIGURES LAST 4 QUARTERS

OFFICE INVESTMENT MARKET

5 YR SWAP RATE¹⁾

0.10%

PRIME YIELD

3.40%

▲▼ 0 bps

CROSS BORDER INVESTMENTS

SEK 6.2 bn

▼ -15%

SHARE OF TOTAL ALL-SECTOR VOLUME

24%

NUMBER OF TRANSACTIONS

69

▲ +21%

LARGEST SINGLE TRANSACTION

SEK 4.9bn

INVESTMENT VOLUME IN 2019

SEK 54.2bn

OFFICE OCCUPIER MARKET OVERVIEW

LEASING MARKET COMMENTS

Office take up in Stockholm was down -3% y-o-y for 2020H1. The vacancy rate rose in the second quarter to 5.50%. So far it mainly seems that new spaces coming to market have had trouble being absorbed. We have adjusted the prime rent with -5% to reflect the change in market sentiment. The very low vacancy rates seen before the pandemic turmoil is acting as a cushion. Office properties under development proceed as planned and we have not seen any material impact on timelines due to materials shortages. However, some planned new developments are being put on hold, which will affect supply later.

KEY FIGURES Q2 2020

STOCKHOLM OFFICE OCCUPIER MARKET

PRIME RENT PER M² PA

7,600 SEK

AVERAGE RENT PER M² PA

6,200 SEK

VACANCY RATE

5.50%

NET ABSORPTION

-146,700 m²

LEASING ACTIVITY

PROPERTY	SIZE OF LEASE (M ²)	LANDLORD	SUBMARKET	RENT	TENANT
Snäckan 8	15,000	Skanska	CBD	-	Stayaround
Lysbomben 4	13,384	Areim	Inner city	2,650	Socialstyrelsen
Hilton 2	3,600	FastPartner	Solna/Sundbyberg	-	Stoneridge Electronics
Herrjärva 2	2,600	NCC	Solna/Sundbyberg	~3,200*	Hewlett Packard
Apotekaren 22	2,300	Fabege	Inner city	6,950	Mentimeter

INVESTMENT ACTIVITY

PROPERTY	SUBMARKET	BUYER	SELLER	PRICE	TENANT
44 properties	Sweden Nationwide	Nyfosa	SBB	4,892	Mainly tax funded tenants
9 properties in Halmstad & Borås	Sweden Nationwide	Offentliga Hus	SBB	1,160	Region Halland, Hallands kommun, Skatteverket, Borås stad
Kvarngärdet 27:2	Uppsala	Bonnier Fastigheter	Uppsala kommun	~712*	Municipality, Uppsala näringsliv, coworking
Påsen 1	Stockholm south suburbs	Fabege	Capman	441	-
Gamlestaden 2:8	Gothenburg	SBB	Nyfosa	~400*	Currently vacant (SKF moved out)



AMANDA WELANDER

Head of Research

+46 73 349 87 57

AMANDA.WELANDER@CBRE.COM



DANIEL HOLMKVIST

Head of Valuation

+46 70 979 27 71

DANIEL.HOLMKVIST@CBRE.COM



LISEN HEIJBEL

Head of Capital Markets

+46 73 349 87 07

LISEN.HEIJBEL@CBRE.COM



NINA DE BESCHE

Head of A&T Investor Leasing

+46 73 349 87 46

NINA.DEBESCHE@CBRE.COM

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