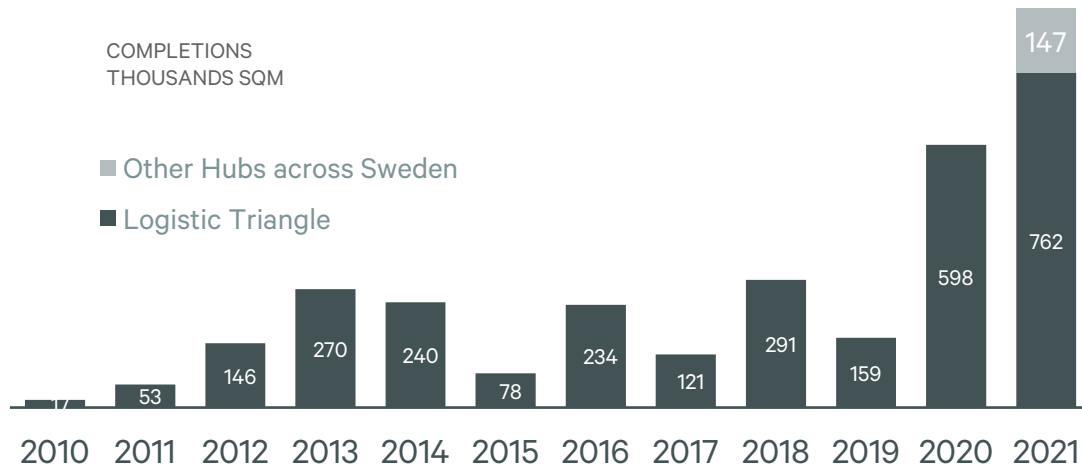
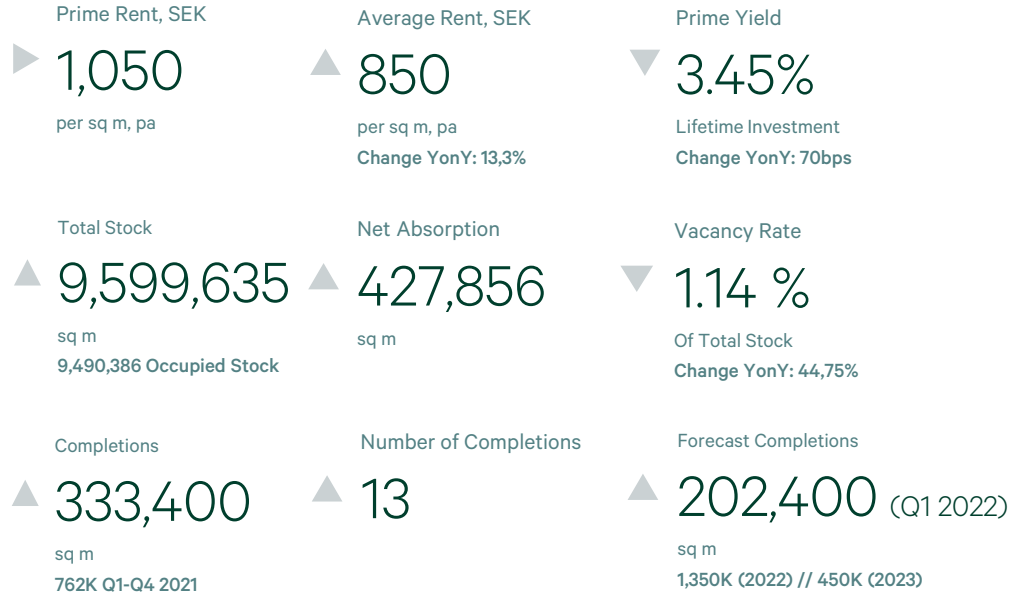


Q4 2021

# Sweden Logistics Market Q4 2021

CBRE RESEARCH  
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q3 2021)



# Logistics Occupier Market Overview

Modern logistic stock in the logistic triangle has grown by 333,400 sqm during Q4 2021. Overall, approximately 909,400 sqm of new modern logistics have come to the market in Sweden during year 2021. Approximately 762,400 sqm of this new stock is located in logistic triangle around major logistic hubs. Year 2022 logistic market is expected to receive another 1,354,000 sqm of modern logistic, 50% more than year 2021. Another 450,000 sqm are already registered so far to be completed during 2023. Even with such stock volumes newly built and planned to be built, the demand for modern logistics in Sweden is still higher than the supply.

There is continuing high demand for modern logistic real estates with continuing shortage despite extremely large new volumes coming to the market. As a result, more and more logistic projects are being built on speculation now, which was unusual just a couple of years ago.

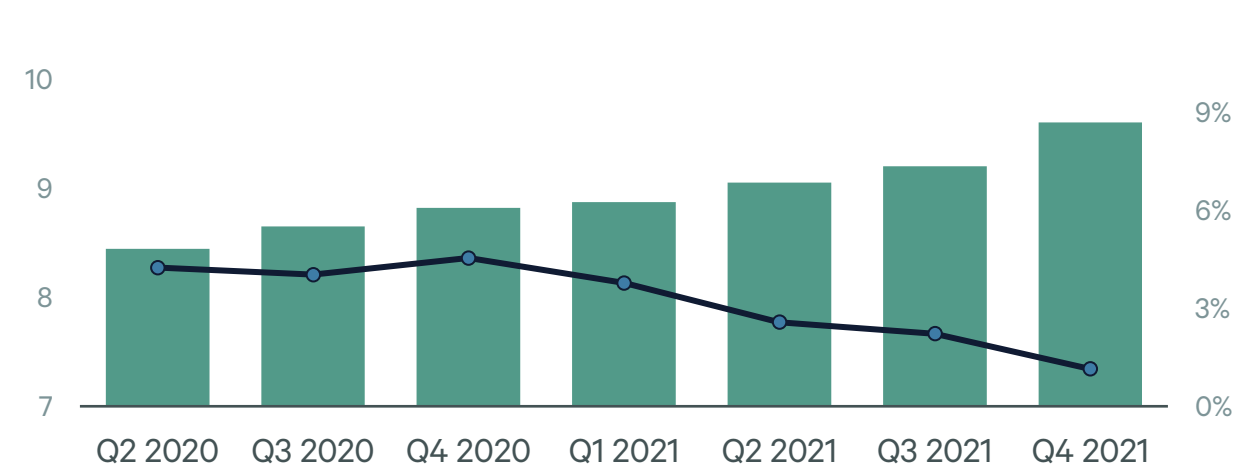
Logistic Prime Rent stays at the same level during Q4 2021, while average rent continues to grow, showing YoY growth of 13.3%.

Vacancy Rate has gone down from 2.21% Q3 2021 to 1.14% in Q4 2021, the level lower than pre-pandemic levels during 2019. The only logistics hub, where vacancy rate increased slightly (by 50bps), was Örebro: 3% during Q4 to compare with 2.5% during Q3. All other logistic hubs in Swedish logistic triangle had their vacancy rate either decreased or it remained at zero level during Q4. Similar situation is with vacancy rate in Greater Stockholm, where vacancy rate has gone down to 1.5%, the level below the pre-pandemic level in any quarter during 2019. Gothenburg-Arendal had vacancy rate of 1.2%, Malmö's vacancy rate was 2.6%.

Notable leases during Q4 include:

- Logicenters letting 25,000 sqm in top modern logistic property located in Torsvik, Jönköping to Thunderful Group.
- Geodis leases 17,000 sqm large distribution warehouse from Logicor in Arendal 1:8, Gothenburg.
- Logicenters letting 10,850 sqm to Vinden AB in Brunna, north of Stockholm.

MARKET TREND (Logistic Stock\* in Millions sqm | Vacancy Rate)



# Sweden – 5<sup>th</sup> largest market in EMEA

Swedish logistic market has grown its market share in the EMEA region during pandemics. Sweden is now stable 5<sup>th</sup> logistic market in the EMEA, leading even whole Nordic logistics market to 3<sup>rd</sup> place across all EMEA countries, right after Germany and the UK. International investors stand for 53% of all transactions in the Swedish logistics market during Q4. The share of International investors in the logistics market during 2021 is second highest across all real estate segments (33%) after residential segment. Strong interest from international investors is expected to continue further during Q1 2022.

Swedish logistics market is experiencing boom: record levels of modern logistics space are delivered to the market each quarter, while the demand side has potential to absorb much more logistic space and still has shortage of modern logistics. More investors than before are investing now in the Swedish logistics market speculatively.

Over 85% of all transactions in the logistic market during Q4 were attracted by assets located across Sweden nationwide.

Compression of Logistics Prime Yield continued also during Q4 2021, when the new historical low level of 3.45% was reached. Prime Yield has gone down by 70 bps between Q4 2020 and Q4 2021 and is expected to continue decrease during Q1 2021.

LOGISTICS TRANSACTION VOLUME (Q4 2021)

SEK 32.1 bn Q1-Q4 2021

SEK 12.92 bn Q4/2021

▼ -50% Y-o-Y



KEY PERFORMANCE INDICATORS (Q4 2021)

NUMBER OF TRANSACTIONS

45

▼ -10% Y-o-Y

ALL INVESTMENT VOLUME IN 2021

SEK 304.1 bn

▲ +53% Y-o-Y

SHARE OF TOTAL ALL SECTOR VOLUME

12%

▼ Y-o-Y

CROSS BORDER INVESTMENTS

SEK 6.85 bn

▼ Y-o-Y

5 YEAR SWAP RATE, SWEDEN\*

0.14%

LARGEST SINGLE TRANSACTION

SEK 4.95 bn: acquiring of 275,000 sqm large logistic portfolio by AXA from NREP located in Sweden. Other Nordic parts of portfolio are located in Norway, Denmark and Finland. Total size of Nordic Portfolio was 515,000 sqm large and SEK 9 bn in transaction value.

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