

Q4 2021

# Sweden Multifamily Market Q4 2021

CBRE RESEARCH  
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q4 2021)

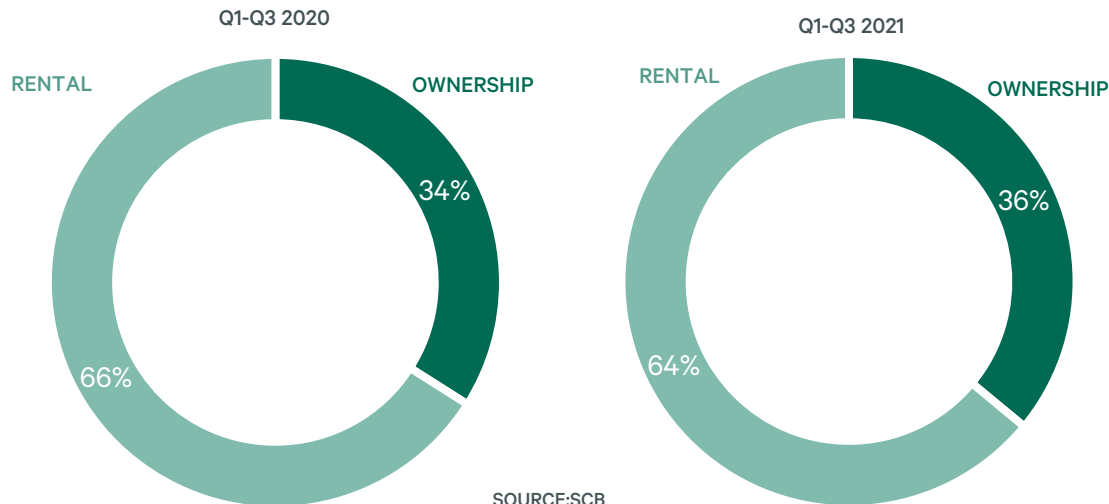


The demand for residential units is continuing to be very strong with very low vacancy rate across whole Sweden. The demand in three largest cities Stockholm, Gothenburg and Malmö is strongest, while the gap between supply and demand remains at the same level. Working from home during pandemics has led to increased demand for larger residential units: both larger apartments and single-family houses. As a result, the construction starts of single-family houses during Q1-Q4 2021 has increase by 27% compared to same period during 2020.

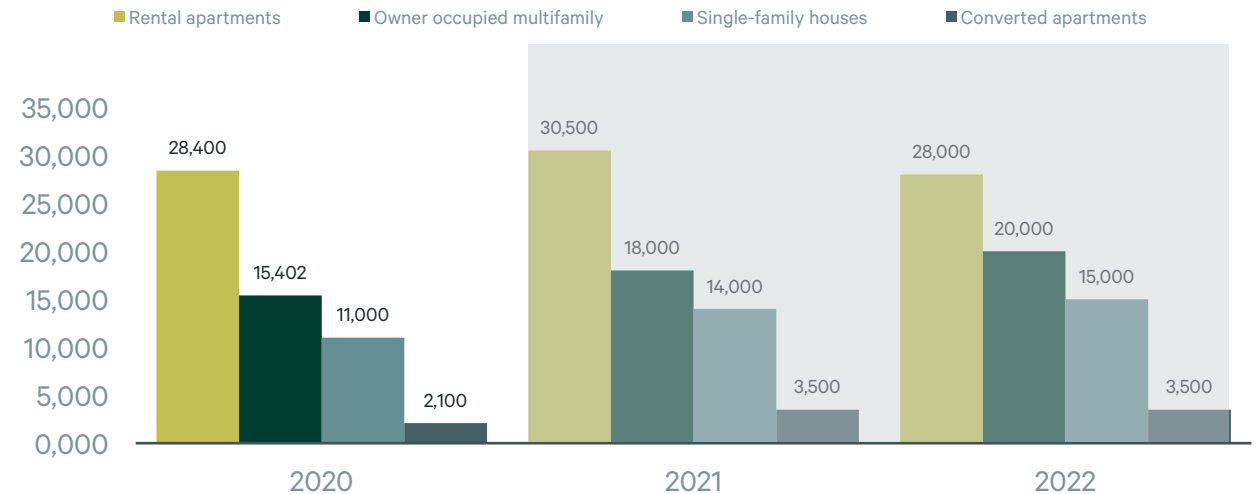
New construction starts of rental apartments in Stockholm has decreases by 10% during Q1-Q4 2021, while owner occupied, and single-family houses increased by 25% and 15% respectively. Similar trend is in Gothenburg, where new started rental apartments fell almost by 25%, while owner occupied apartments remain at the same level and new starts of single-family houses increased by 15%. After fall during 2019-2020 the new starts are on 2017-2018 level. New starts of rental apartments has increased here by 50%. In Municipalities with population larger than 75,000 people located outside of three largest cities the new construction starts have increased by 10% for rental apartments, by 25% for owner occupied multifamily apartments and by 30% for single-family houses.

The government investment support for development of rental, student apartments and elderly homes was abolished in December, valid from 1<sup>st</sup> of January 2022. This together with the lack of various construction materials, unstable and not guaranteed supply chain of such materials, not completely resolved cement crisis in Slite, Gotland might lead to delay of both new started construction and delivery of completed units.

CONSTRUCTION STARTS SHARE OF NEW APARTMENTS IN SWEDEN BY OWNERSHIP TYPE



Construction starts per residential type (2021 and 2022 – forecast figures)



# 2<sup>nd</sup> largest residential market in the EMEA

Swedish Residential Investment Market has become second largest in the EMEA during 2021 (German market ranked as 1<sup>st</sup>). After a historic quarterly record level of SEK 54 bn in Q3, mainly thanks to Akelius - Heimstaden deal, the residential transaction volume has decreased during Q4 2021 to SEK 30.71 bn, a level above quarterly average. High share of international investors in Q3 (70%) was also explained by Akelius – Heimstaden deal. The share of foreign investors remained at 70% level even during Q4, mainly due to Allianz - Heimstaden deal. That level is much higher than usual share of foreign investors before pandemics. The share of foreign investors in the residential segment during 2021 has recovered and outperformed the record highest 2019-level.

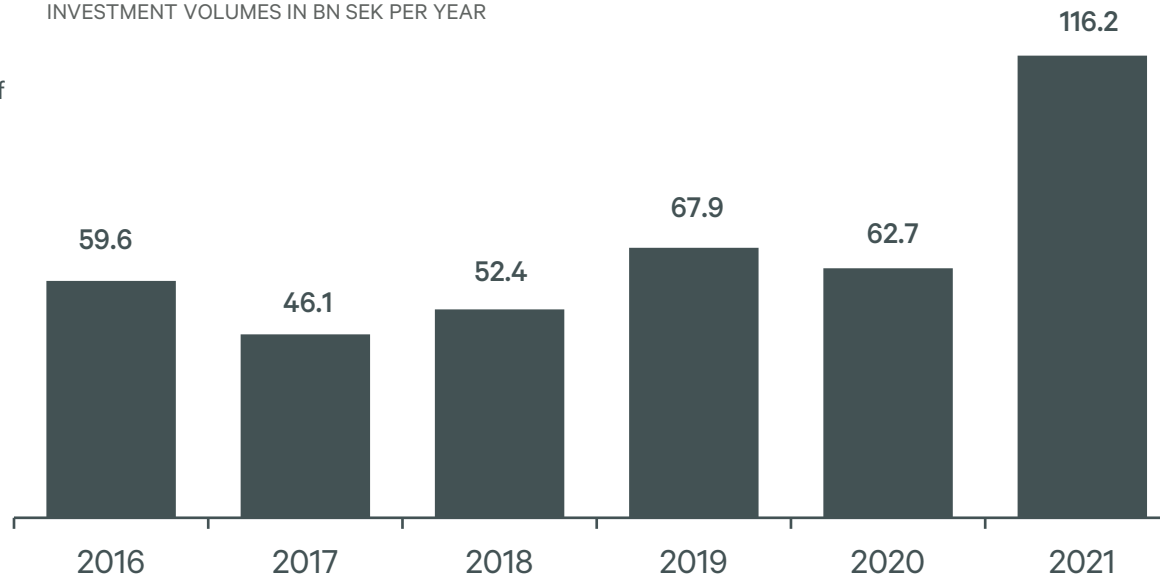
The number of transactions in Q4 was 10% higher than during Q3 2021. On yearly basis the number of transactions has been lower in year 2021 (205) than during 2020 (215). The number of transactions increased during 2021 by 29% and 14% compared to pre-pandemic years 2019 and 2018 respectively.

We expect year 2022 to be at least as strong as year 2021.

## TRANSACTION VOLUME (Q4 2021)

**SEK 116.2 bn 2021**  
**SEK 30.71 bn Q4/2021**  
 ▲ +2% Y-o-Y

## INVESTMENT VOLUMES IN BN SEK PER YEAR



## KEY PERFORMANCE INDICATORS (Q4 2021)

### NUMBER OF TRANSACTIONS

**54**  
 ▼ -22% Y-o-Y

### LARGEST SINGLE TRANSACTION

**SEK 17.1 bn**

### ALL INVESTMENT VOLUME IN 2021

**SEK 304.1 bn**  
 ▲ +53% Y-o-Y

### SHARE OF TOTAL ALL SECTOR VOLUME

**28.25%**

### CROSS BORDER INVESTMENTS

**SEK 18.51 bn**  
 ▲ +2.10% Y-o-Y

### PRIME YIELD\*

**3.00%**  
 ▼ -75bps Y-o-Y

# Top largest transactions in the residential market

Three largest transactions in the residential market during Q4 worth SEK 3.53 bn include properties located in Greater Stockholm

Project Primus, located in Lilla Essingen in Stockholm, has been a joint venture between Oscar Properties and Starwood Capital. Oscar Properties has acquired Starwood's share and sold Primus during Q4 for approximately SEK 1.38 bn.

Another notable transaction during Q4 was when Wallenstam sold 6 residential properties worth SEK 1.15 bn to SBB. Sold residential properties include 2 properties located in Sundbyberg and 4 properties in Stockholm municipality. Properties in Sundbyberg consist of 37 and 162 apartments respectively. Properties in Stockholm are all located in Gröndal and include 98 apartments.

Wallenstam has also sold two newly built residential properties Järnet 12 and Järnet 13 located in Tyresö municipality (part of greater Stockholm) for SEK 1 bn. Both sold properties include total number of 275 apartments.

Largest transaction deal outside Greater Stockholm was in Halmstad, where Gekås sold two residential properties including 330 residential apartments worth SEK 0.83 bn to Willhem.

PORTFOLIO NAME	SELLER	BUYER	TOTAL PRICE, (MSEK)	PRICE, SEK/m <sup>2</sup>
Portfolio of properties	Heimstaden	Allianz	17,100	n/a
Primus 1	Starwood Capital Group	Oscar Properties	1,380	n/a
Portfolio (6 properties)	Wallenstam	SBB, Samhällsbyggnadsbolaget	1,150	33,080
Järnet 12 & 13	Wallenstam	AXA	1,000	77,286
Halmstad 9:182 & 9:185	Gekås	Willhem	818	40,703
Smedjan 2	Nordr	Willhem	727	53,260
Kopparsticket 8; Vinjetten 6; Gravyren 1	Occupier	John Mattson Fastighets	670	57,104
Basunen 3; Nyborg 22	Bertlands fastigheter	Trianon	630	62,680

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