



SWEDEN
MULTIFAMILY MARKET
Q1 2021

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

MULTIFAMILY MARKET KEY FIGURES

STRONG MARKET

The investment volumes in the 1st quarter was lower than the record volumes of Q4 but was still firmly set higher than for the same quarter in 2020.

After very low cross-border investment volumes during 2020 due to travel restrictions, foreign investors returned decisively in Q1.

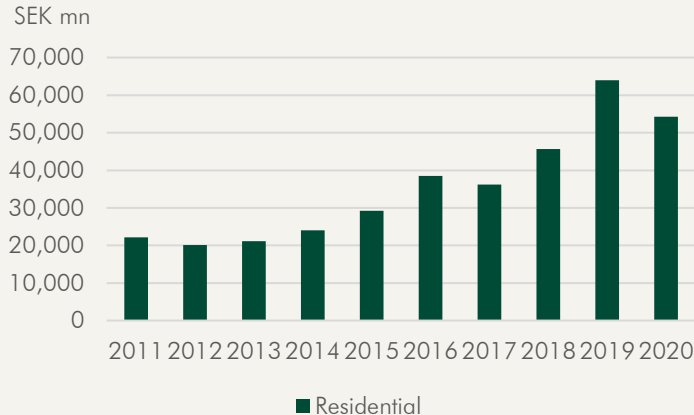
As Swedish prime yields for new production remains compelling relative to other European residential markets, we expect the current interest to continue.

Overall interest currently seems stronger than the number of objects out for sale.

Investment volume LTM

SEK 55 bn

▲ +0.3 % (Y-o-Y %)



Cross-border investments (LTM)
SEK 6.3 bn



Share of total investment volume (LTM)
36%



Number of transactions (LTM)
215
▼ -1.4%



Largest single transaction (Q1)
SEK 1.3 bn



Prime yield Q1¹⁾
3.50%

Source: CBRE Research

THE INVESTMENT MARKET DURING THE QUARTER

ACTIVITY

Activity in the 1st quarter has remained high despite the high volumes and the large number of deals closing in the 4th quarter.

Kungsholmsporten in Stockholm inner city was sold by AFA Fastigheter and acquired by Ursus and their minority partner Cavendo. The properties contain 257 apartments constructed between 2009–2011 in 20 floors and are located in, as the name might suggest, Kungsholmen.

Skanska has sold 220 rental apartments in Barkarbystaden to NREP for approximately 720 mSEK. The apartments will be finalized in December 2023 and has special features such as green concrete, with 50% less environmental impact than traditional concrete.

LARGEST DEALS DURING THE QUARTER

Properties	Total Price (SEK mn)	Price (SEK/m ²)	Buyer	Seller
Kungsholmsporten, Stockholm	1,350*	65,400	Ursus	AFA Fastigheter
(Part of) Barkarby 2:2, Järfälla	720	53,000	Nrep	Skanska
Sundbyberg 2:185, Sundbyberg	588	-	CBRE GI	Magnolia
Projekt Vega, Haninge	492	49,700	Willhem	-
Vikingen 1, Jönköping	423	37,800	Studentbostäder i Sverige AB	Vasaparken
Selfoss 4, Stockholm	423	63,200	Patrizia	Fabege/SHH

THE SWEDISH MULTIFAMILY MARKET

CONSTRUCTION EXPECTED TO PICK UP

The construction of new apartments is expected to pick up this year and in 2022, especially for co-ops and houses.

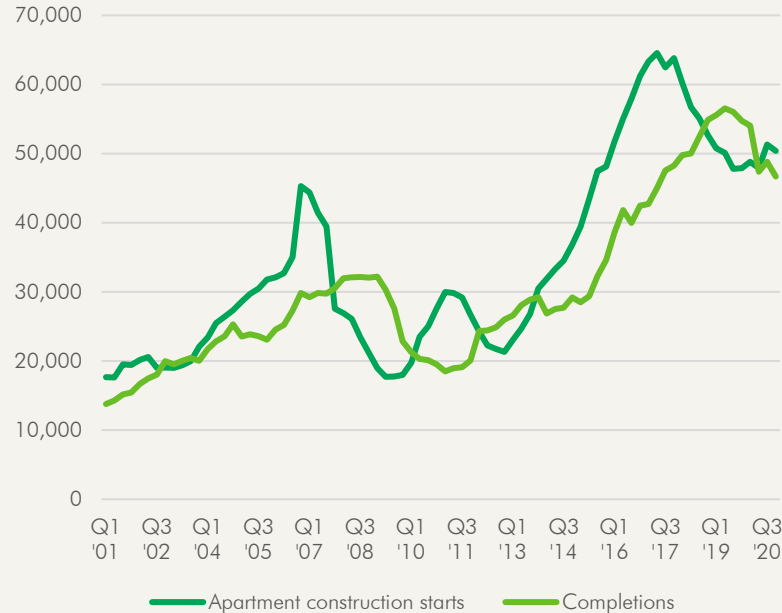
For rental apartments, the construction is expected to increase somewhat this year but fall back again in 2022. Overall, the government subsidies for rental apartments has favored smaller rental units with lower rents in the new production.

Total construction starts in 2020 showed an increase y-o-y of +8%. 27,030 rental apartments were constructed (23,780 in 2019). In 2021, 29,300 is expected to be constructed, and then fall back to 27,500 in 2022.

Investments into new residential construction is expected to increase with 11% this year and with 10% in 2022. (Source: "Byggnkonjunkturen #1 2021, Byggföretagen)

APARTMENT CONSTRUCTION STARTS AND COMPLETIONS (TOTAL, ALL KINDS)

Last 4 quarters until Q4 '20, thousands



2020 Q4/2021 Q1
Sweden Nationwide
Key Figures
Y-o-Y Change



Construction Starts, Q4
12,852 units
▼ -8.5% (quarterly, y-o-y)



New Completions, Q4
11,673 units
▼ -26% (quarterly, y-o-y)



Prime Annual Rent, Q1¹⁾
2,550 SEK/m²



Average Sale Price, Q1²⁾
61,100 SEK/m²
▲ +32% (quarterly, y-o-y)

THANK YOU!

PLEASE DON'T HESITATE TO CONTACT US



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