



SWEDEN
OFFICE MARKET
Q3 2020

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

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OFFICE INVESTMENT MARKET OVERVIEW

SLOW-MOVING MARKET

Q3 is not a great quarter for the investment market in normal times, and in Corona times it is even more sluggish. Office properties for a total value of SEK 2.1 bn was transacted during the quarter (-83%).

Properties that hold public tenants, are tax financed or in other ways are less cyclical, seem to be preferred by the investment market.

However, even though figures indicate Q3 was a standstill, we do believe there are room for improvement during Q4. As lockdowns are eased, it will open up for foreign investors to invest in the Swedish office market.

OFFICE TRANSACTION VOLUME

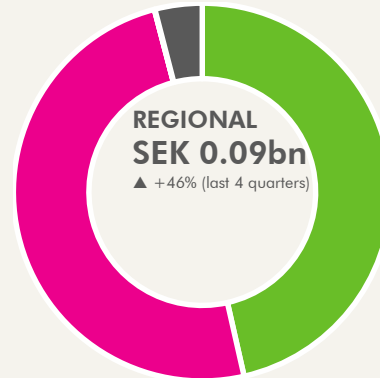
Last 4 quarters

SEK 37.7bn (last 4 quarters)

▼ -15% (last 4 quarters y-o-y)

SEK 2.1bn Q3 2020

▼ -83% (quarter volumes y-o-y)



STOCKHOLM
SEK 0.98bn
▼ -53% (last 4 quarters)

GOTHENBURG
SEK 1bn
▼ -162% (last 4 quarters)

REGIONAL
SEK 0.09bn
▲ +46% (last 4 quarters)

KEY FIGURES LAST 4 QUARTERS

OFFICE INVESTMENT MARKET

5 YR SWAP RATE¹⁾

0.10%

PRIME YIELD

3.40%

▲▼ 0 bps

CROSS BORDER INVESTMENTS

SEK 6.6 bn (17.5% of total)

▼ -12%

SHARE OF TOTAL ALL-SECTOR VOLUME

24%

NUMBER OF TRANSACTIONS

61

▼ -3%

LARGEST SINGLE TRANSACTION

SEK 4.9bn (13% of total)

INVESTMENT VOLUME IN 2019

SEK 54.2bn

OFFICE OCCUPIER MARKET OVERVIEW

LEASING MARKET COMMENTS

Office take up in Stockholm was down -24% y-o-y for 2020 Q1-Q3. Take up in Q3 was a mere 54,500 sqm.

The overall vacancy rate declined somewhat to 5.10%, but we expect it to increase again in Q4. Some new supply is coming to market in Q4, such as the vacant premises of EY (who will move to Sergelhuset).

Activity is mainly focused on public sector tenants, life science and workers' unions, who are less cyclical.

Our forecast is that the market will bottom out in the next quarter or start of 2021.

KEY FIGURES Q3 2020

STOCKHOLM OFFICE OCCUPIER MARKET

PRIME RENT PER M² PA

7,400 SEK ↓

AVERAGE RENT PER M² PA

6,000 SEK →

VACANCY RATE

5.10% ↓

NET ABSORPTION

10,300 m² ↓

LEASING ACTIVITY

PROPERTY	SIZE OF LEASE (M ²)	LANDLORD	SUBMARKET	RENT (SEK/M ²)	TENANT
Munklägret 24	3,000	PP Pension	Inner city/ Kungsholmen	-	EBM
Forskaren	5,700	Vectura Fastigheter	Inner city/ Hagastaden	4,700	Elekta

INVESTMENT ACTIVITY

PROPERTY	SUBMARKET	BUYER	SELLER	PRICE (MSEK)	TENANT
Snödroppen 2 & Tulpanen 3	Gothenburg	Regio	Nyfosa	1,037	IF, Västra Götalands-regionen
Vildmannen 11	Stockholm CBD	Arnahammar	Vasakronan	~230*	Vacant
Skvalberget 33	Stockholm inner city	Barings	Nordisk renting	~750*	Sale and leaseback, KPA
3 properties	Enköping	Genova	HSB	~91*	-



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