

Key Performance Indicators (Q2 2021)

Prime Rent
7,600kr
Yearly, per sq m
Change YoY: 0kr

Average Rent
6,200kr
Yearly, per sq m
Change YoY: 0kr

Prime Yield
3.40%
Return on investment
Change YoY: 0.00%

Vacancy Rate
6.26% (↑)
Of Total Stock
Change YoY: 0.80%

Take Up
119K (↓)
Thousand sq m
Annual2Date

Completions
21K (↑)
Thousand sq m
194K Annual2Date

Forecast Completions
163K (2021)
Thousand of sqm
87K (2022) // 149K (2023)

Total Stock
11,364K (↑)
Thousand sq m
Occupied Stock

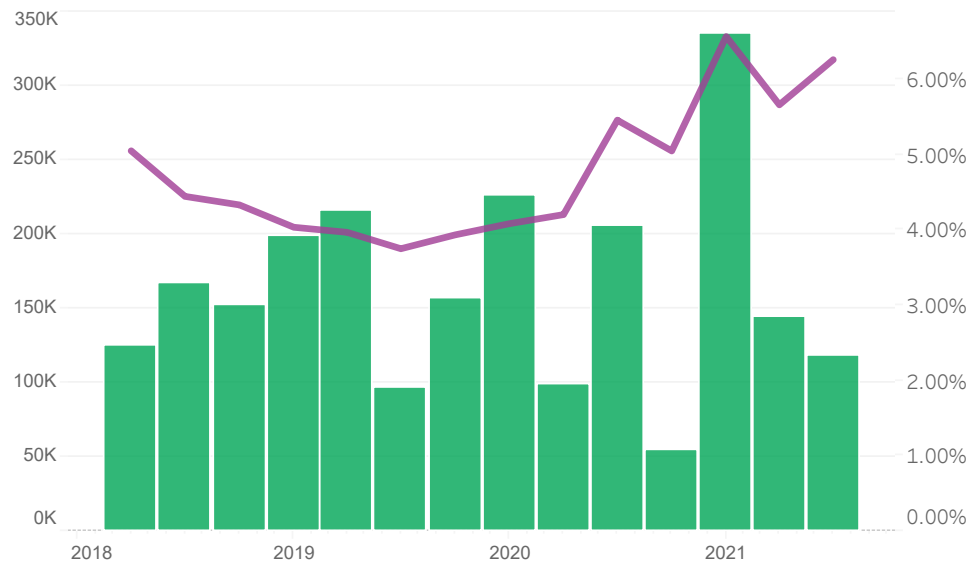
Performance Office Market - CBRE Insights

Net absorption was slightly negative in the second quarter, but for the first half of 2021 the net absorption is still positive with 50,000 sqm. This can be compared with 2020, with a negative net absorption of -160,000 sqm. Subletting has decreased from roughly one third of signed contracts in the second quarter 2020 to approximately 12% of the signed leases in the first quarter 2021.

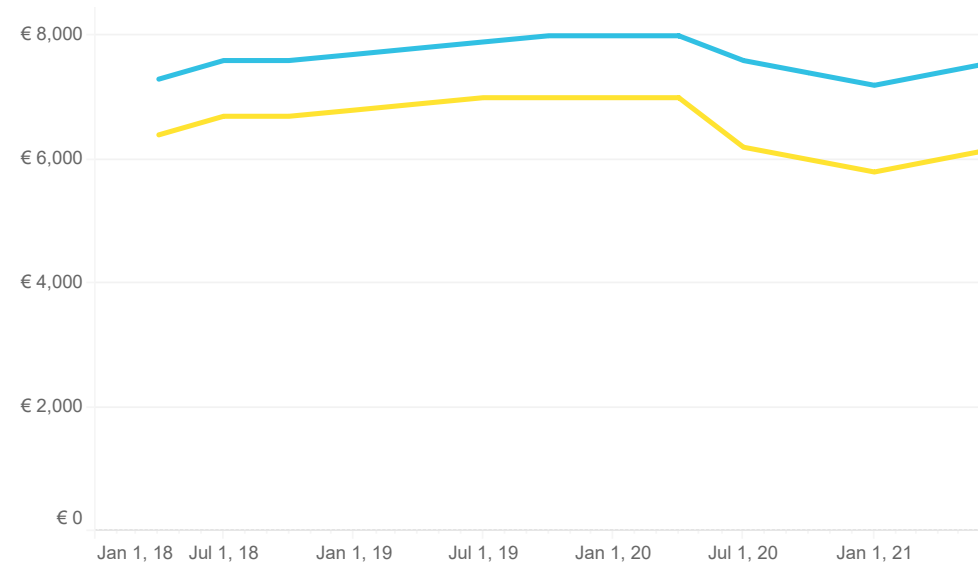
Vacancy rate was at 6.3% in the second quarter, below the peak in the fourth quarter 2020 of 6.6% but still at an elevated level compared to 4% in the 4th quarter 2019. Activity in the leasing market is higher than in the 3rd quarter in 2020.

Some large investment deals in the quarter include the sale of Barnängen 6 in Södermalm by Scius/Angelo Gordon to Blackstone. Volvo Cars' office building in Gothenburg was sold by Torslanda property investment to Niam for SEK 870 mn. Arctic acquired Fröfjärden 3 from AMF for SEK 740 mn. The property is fully let to Xylem Water Solutions. Technopolis acquired an office property for SEK 805 mn from Atrium Ljungberg in Kista.

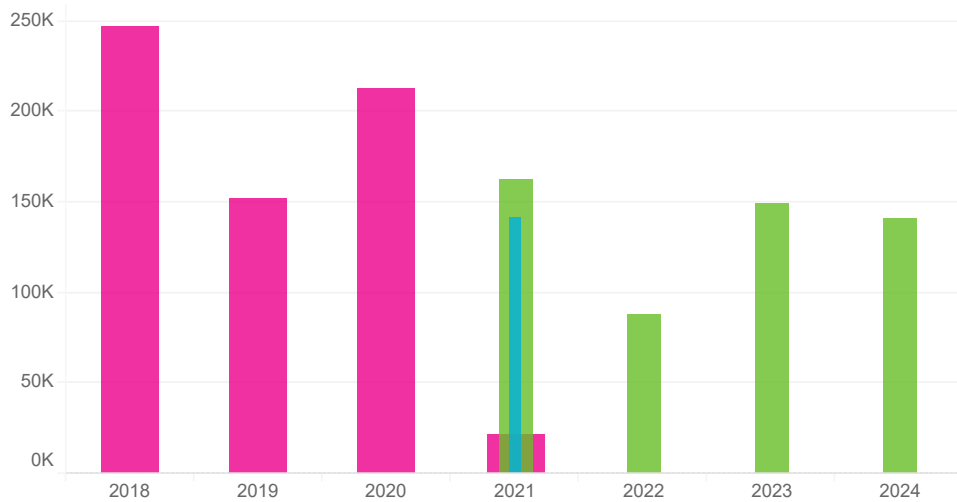
Market Trend (Net Absorption | Take-Up | Vacancy)



Rent Development (SEK Yearly, per sq m)



Stock Development (**Completions** | **Forecast** | **Forecast UC**)



Outlook Office Market

Infection rates have dropped substantially in Sweden and 54% (22nd of June) have been vaccinated with at least one dose, 32% with both doses. If current trends stand, a lot of offices will be able to open up again after the vacations end. It can potentially act as a stimulant for companies regarding their leasing decisions in the autumn. That will in turn be the determinant for the amount of office deals in the investment market, as visibility in the leasing market will help clear uncertainties in the underwriting.

For more information
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