

Q1 2022

Sweden Retail Market Q1 2022

CBRE RESEARCH
NORDICS REAL ESTATE MARKET SNAPSHOT

KEY PERFORMANCE INDICATORS (Q1 2022)

HIGH STREET

STOCKHOLM

Prime Rent

▶ SEK 19,000

Yearly, per sq m
Change YoY: unchanged

Vacancy rate, %

▶ 4.00%

GOTHENBURG

Prime Rent

▶ SEK 8,900

Yearly, per sq m
Change YoY: +2%

Vacancy rate, %

▶ 4.40%

MALMÖ

Prime Rent

▶ SEK 4,400

Yearly per sq m
Change YoY: +4%

SHOPPING CENTRES

STOCKHOLM

Prime Rent

▼ SEK 8,500

Yearly, per sq m
Change YoY: -3%

Vacancy rate, %

▶ 8.00%

GOTHENBURG

Prime Rent

▶ SEK 5,300

Yearly, per sq m
Change YoY: unchanged

Vacancy rate, %

▶ 4.50%

MALMÖ

Prime Rent

▶ SEK 4,200

Yearly, per sq m
Change YoY: unchanged

Vacancy rate, %

▶ 8.50%

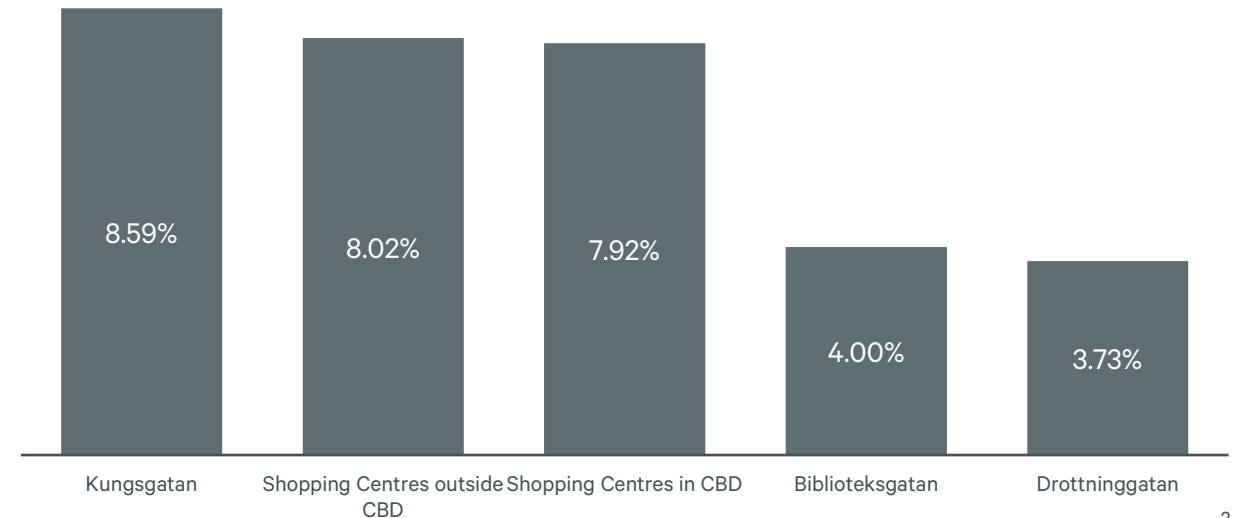
Retail Occupier Market Overview

High street prime rent in Stockholm has stabilized during 2021 and remains unchanged even during Q1 2022. High street prime rents in Gothenburg and Malmö, on the other hand, have increased during Q1 2022 by 2% and 4% respectively.

Vacancy rate among shopping centres in Stockholm and Malmö has stabilized during 2021 and remains at the level of 8% and 8.5% respectively. Shopping centres' vacancy rate in Gothenburg is currently at a lower level of 4.50%. High street retail vacancy rate in Stockholm and Gothenburg has reached levels of 4% and 4.40% respectively.

Abolishment of Covid-19 restrictions in February and a continuing return to the office has continued to improve retail footfall during Q1 2022, in City locations driving retail sales upwards and improving retail metrics. Resumption of tourism and business travel during Q2 2022 is expected to strengthen this trend. Following regained confidence both by landlords and occupiers as a result of increased footfall and improving retail metrics, the rental levels are expected to stabilize and vacancy to decrease.

VACANCY RATE AMONG HIGH STREET RETAIL AND SHOPPING CENTRES IN STOCKHOLM, %



Sweden – the 5th largest retail investment market in the EMEA

Swedish retail investment market has been one of the fastest growing retail markets in the EMEA during 2021. Retail investments have grown by 27% during 2021 in Sweden and have continued to accelerate their growth during Q1 2022.

The retail segment make up 15% of the total transaction volume with a Y-o-Y growth of 63%.

Both high street yields and shopping center yields in all three major cities (Stockholm Gothenburg and Malmö) have remained unchanged during Q1 2022.

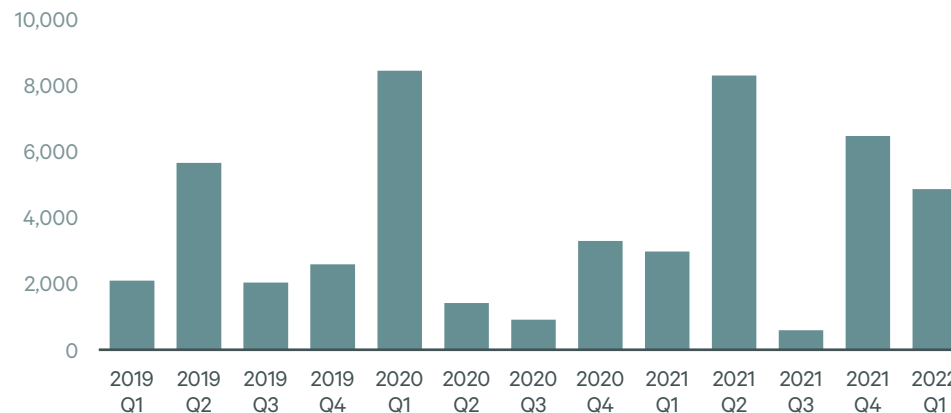
Swedish retail investment market during pandemics was dominated by local investors. So was the case during Q1 2022 . The whole retail investment volume has Swedish origin.

A notable retail transaction during Q1 was the acquisition of the shopping centre Heron City by Serena Properties for SEK 0.96 bn. More transactions within the retail segment are expected to come during 2022.

HIGH STREET		
STOCKHOLM Prime Yield	GOTHENBURG Prime Yield	MALMÖ Prime Yield
▶ 3.50% Change YoY: unchanged	▶ 4.50% Change YoY: 0,00%	▲ 5.75% Change YoY: +25 bps

SHOPPING CENTRES		
STOCKHOLM Prime Yield	GOTHENBURG Prime Yield	MALMÖ Prime Yield
▲ 5.75% Change YoY: +25 bps	▲ 5.50% Change YoY: +25 bps	▲ 6.00% Change YoY: +25 bps

RETAIL INVESTMENT VOLUMES PER QUARTER, MSEK



KEY PERFORMANCE INDICATORS (Q1 2022)

RETAIL TRANSACTION VOLUME

SEK 4.86 bn Q1-Q4 2022

SEK 4.86 bn Q1/2022

▲ +63% Y-o-Y

NUMBER OF TRANSACTIONS

13

▲ +62% Y-o-Y

ALL INVESTMENT VOLUME IN 2022

SEK 33.592 bn

▲ +13% Y-o-Y

SHARE OF TOTAL ALL SECTOR VOLUME

15%

▲ Y-o-Y

CROSS BORDER INVESTMENTS

SEK 0 bn

Y-o-Y unchanged

5 YEAR SWAP RATE, SWEDEN*

0.14%

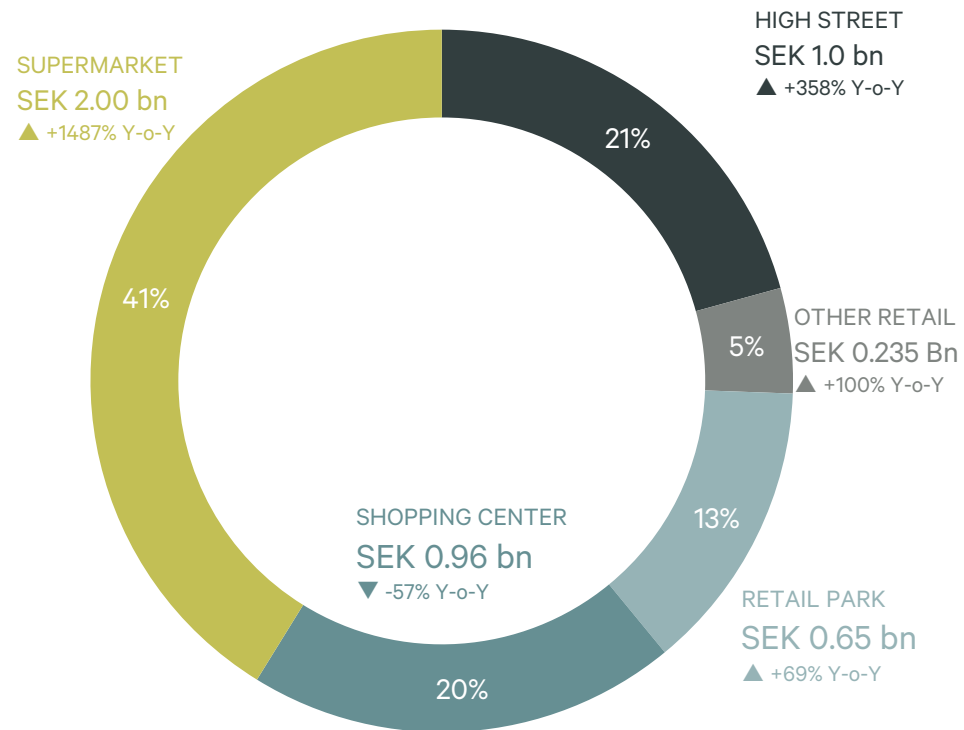
* 5 Year Swap Rate 29 October 2021

Recovery set to continue

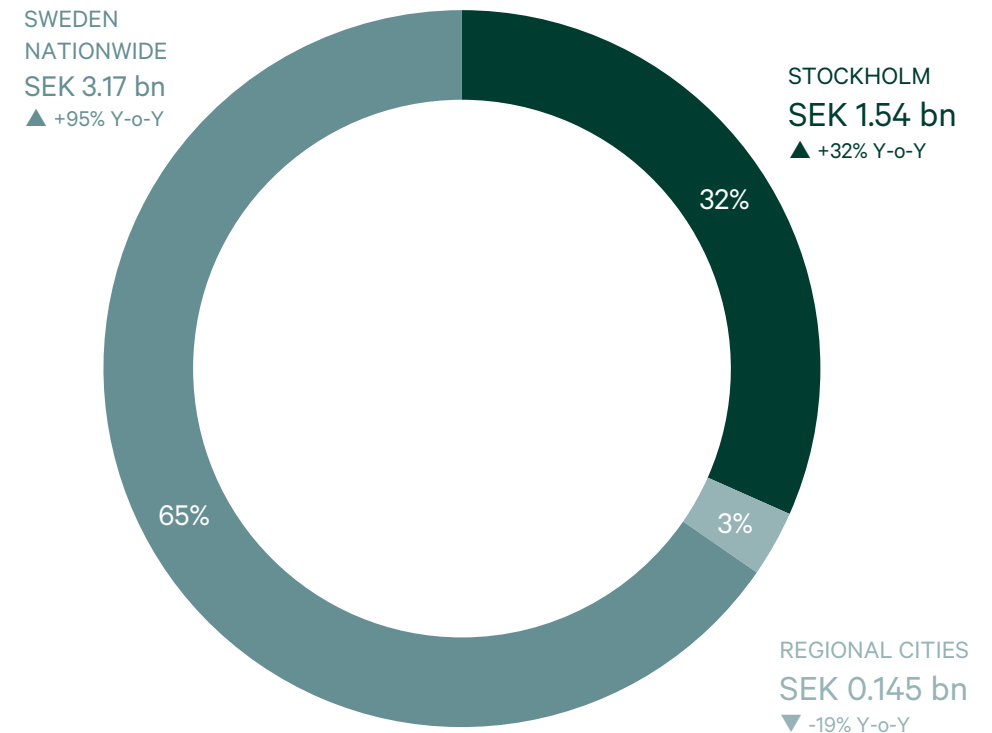
Approximately 65% of all transactions in the retail market in Sweden during Q1 2022 were invested in assets located outside of cities across Sweden nationwide, showing a growth of 95% on a yearly basis. Out of major larger cities it was Stockholm, which received SEK 1.54 bn (32% of total retail volume).

Investments in the high street retail have increased dramatically during Q1 2022 and reached SEK 1.0 bn. That can be compared with SEK 0.26 bn during the entire year 2021. The share of investments going into shopping centers and supermarkets has continued to increase during Q1 on a quarterly basis. This trend is set to continue during Q2 2022 as more deals with shopping centers are expected during the next quarter.

RETAIL TRANSACTION SHARE PER RETAIL TYPE



RETAIL TRANSACTION SHARE PER REGION



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