

SWEDEN
OFFICE MARKET
Q2 2021

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

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 870mn. Arctic acquired Fröfjärden 3 from AMF for SEK 740mn. The property is fully let to Xylem Water Solutions. Technopolis acquired an office property for SEK 805mn from Atrium Ljungberg in Kista.

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%

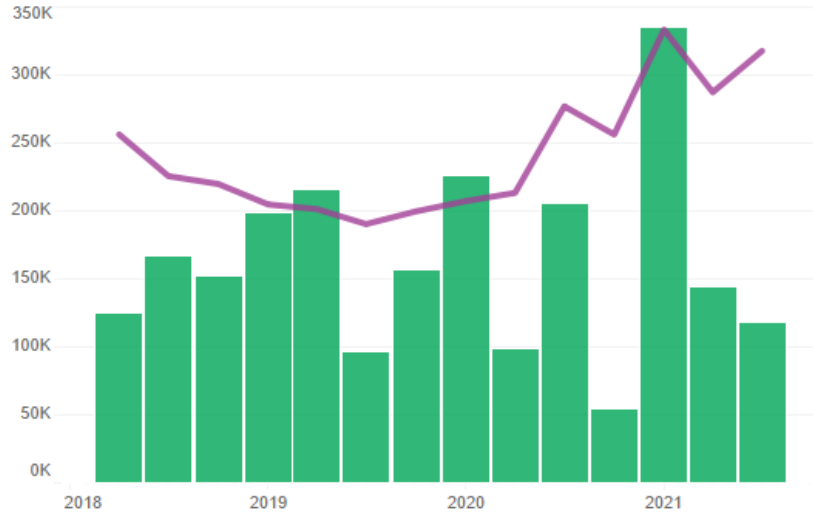
Take Up
119K (↓)
Thousand sq m
Annual2Date

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

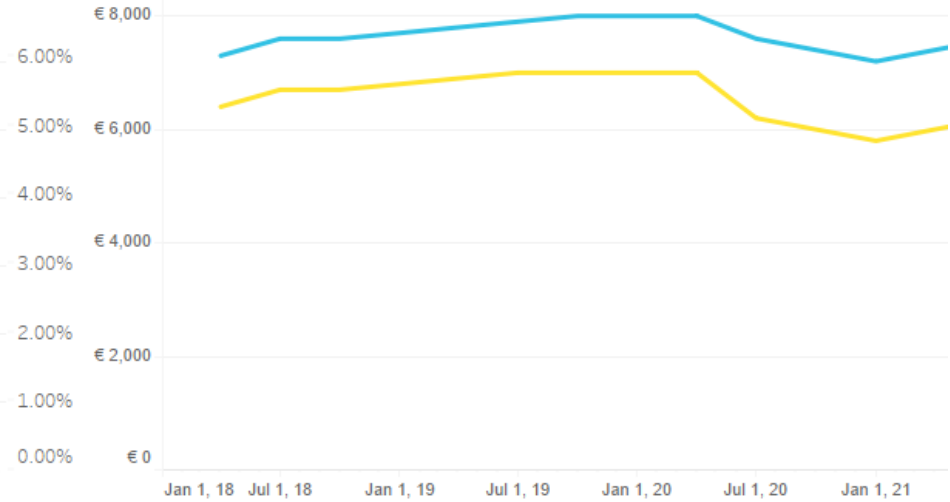
Forecast Completions
163K (2021)
Thousand of sqm
87K (2022) // 149K
(2023)

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

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



Rent Development (SEK Yearly, per sq m)

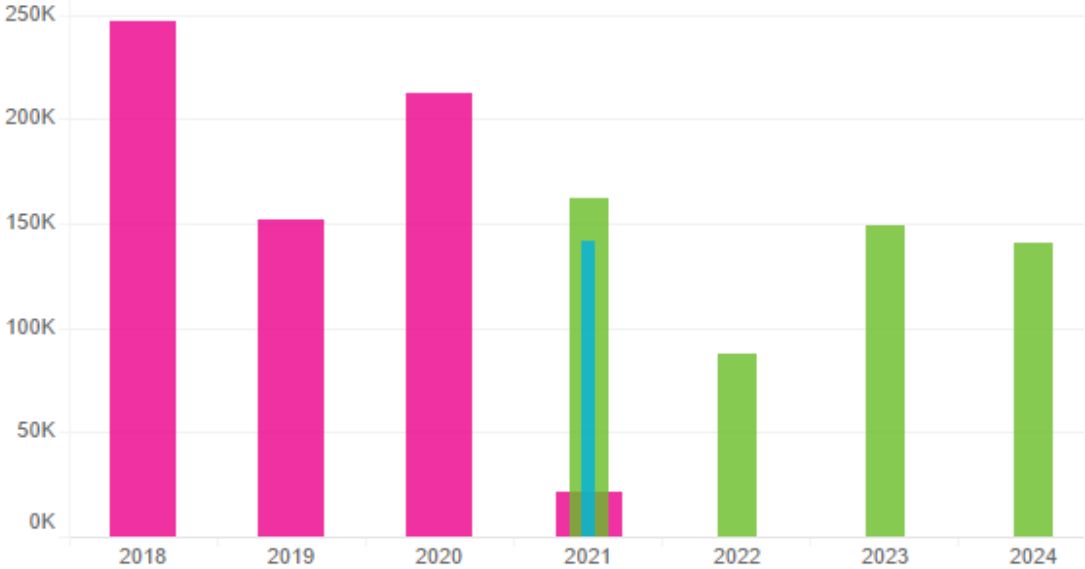




OUTLOOK OFFICE MARKET

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.

Stock Development (Completions | Forecast | Forecast UC)





AMANDA WELANDER

Head of Research

+46 73 349 87 57

AMANDA.WELANDER
@CBRE.COM



DANIEL HOLMKVIST

Head of Valuation

+46 70 979 27 71

DANIEL.HOLMKVIST
@CBRE.COM



PATRIK KALLENVRET

Head of Capital
Markets & MD CBRE
Sweden

+46 76 736 33 41

PATRIK.KALLENVRET
@CBRE.COM



DANIEL JIRHÄLL

Head of A&T Investor
Leasing

+46 76 773 83 39

DANIEL.JIRHALL
@CBRE.COM

© Copyright 2021 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.

Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE.