

Intelligent Investment

2026 Real Estate Market Outlook Sweden

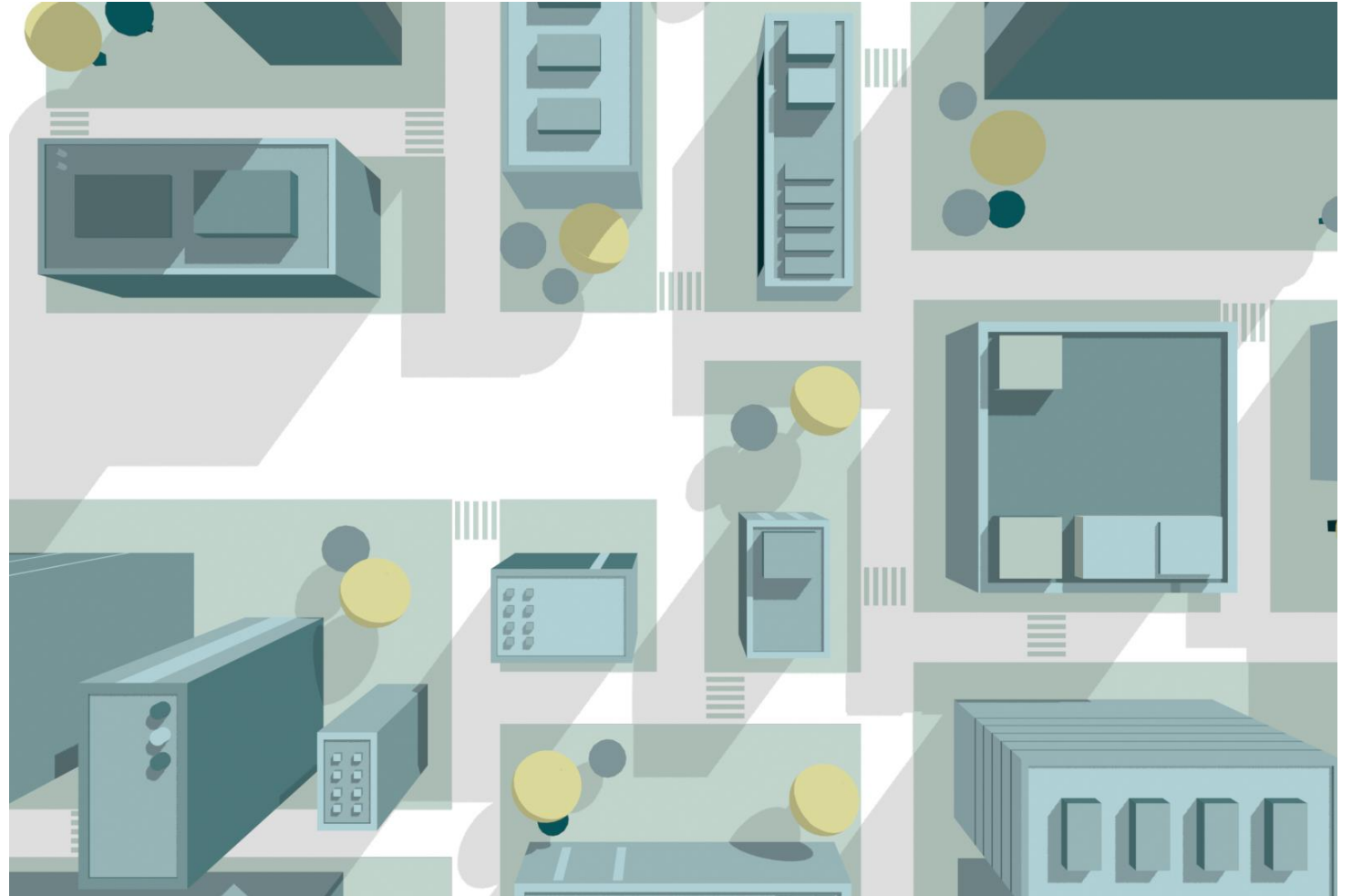
REPORT

CBRE RESEARCH
FEBRUARY 2026



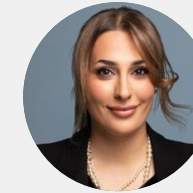
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Executive Summary

- Sweden's **Economy** is expected to outperform most EU markets in 2026, supported by stronger household purchasing power, easing inflation and a stronger krona.
- Sweden's **Investment Market** strengthened in 2025, with increasing investment activity, returning international core capital and improving investor sentiment. Listed companies and foreign buyers are set to play a larger role in 2026 as pricing stabilises and confidence improves.
- The **Residential** sector is forecast to gain momentum, driven by increased foreign interest, more forward-funding activity and a continued limited supply of new rental housing. The updated presumption-rent model – now without the cap on rent increases – may support confidence.
- **Logistics** enters 2026 with solid momentum, supported by increased core-capital allocations, limited speculative development, and continued activity from listed operators and foreign investors – strengthening liquidity and competitive depth across Sweden's key logistics markets.
- The **Office** sector enters 2026 with a pronounced flight-to-quality, centered on Stockholm's CBD and inner-city submarkets. Limited prime supply and resilient domestic demand support pricing, while secondary offices face a longer adjustment amid rising vacancies and shifting occupier preferences.
- **Retail** enters 2026 with renewed investor confidence, supported by stronger household finances, rising investment activity and greater capital allocation to food-anchored and big-box formats. Selective shopping centre deals are re-emerging, reflecting improving fundamentals and a more constructive outlook.
- **Hotel** performance is expected to strengthen in 2026, supported by smarter space use, accelerating renovations and rising international demand, while a constrained pipeline continues to underpin pricing power and investor interest.
- Demographic pressure and resilient elderly-care operations position **Community properties** for continued 2026 growth, with concentrated capital flows reinforcing their role as Sweden's most defensible social-infrastructure sector.
- Rising AI-driven power density is shifting **Data centre** strategies toward locations with secure, large-scale electricity and advanced cooling. This positions Sweden's strong grid and low-cost renewable power as key competitive advantages.
- Evolving EU regulations and rising **ESG** expectations are reshaping real-estate strategy, driving greater focus on transition plans, data quality, climate resilience, energy performance and circularity across portfolios.



Introductory Note by

Maryrose David

Head of Research,
Sweden

Welcome to CBRE's Real Estate Market Outlook for Sweden 2026.

The first half of this decade has brought global disruption – from the pandemic and inflation to geopolitical shocks – yet markets have increasingly learned to look through the noise as global real estate transitions into its next cycle. Sweden is progressing through the cycle faster than many European countries. Investment volumes increased by 21% in 2025, compared with 15% across Europe, and GDP growth in 2026 is forecast at 2.7%, well above the 1.2% forecast for the euro area.

With long-term interest rates expected to stay elevated, returns will be driven more by income than capital growth, increasing the importance of selectivity and active management. Financing conditions are gradually improving as bond markets reopen and Nordic banks expand senior-lending appetite, supporting a recovery in investment activity. Occupier markets are expected to strengthen moderately alongside better sentiment and macro conditions, while data centres should benefit from growing AI-related demand and Sweden's largely fossil-free power mix.

Sweden enters 2026 from a position of strength, with clearer momentum than many of its European peers.



01

Economy

Sweden moves from recovery to expansion in 2026

Sweden’s economic recovery gathered momentum through 2025 after a challenging first half marked by geopolitical uncertainty and new trade tariffs. Conditions improved as revised trade agreements eased escalation risks and helped stabilise market sentiment. Falling consumer prices supported household purchasing power, while CPI inflation remained close to target with only marginal increases from 2024, contributing to a more predictable macroeconomic landscape.

Growth was further underpinned by strong net exports, despite a strengthening krona, and increasingly accommodative monetary policy. The Riksbank’s rate cut to 1.75% supported activity and credit conditions, with preliminary estimates indicating GDP growth of 1.4% for 2025. GDP growth accelerated in the third quarter, which recorded the fastest quarterly expansion in nearly four years. Sweden’s NATO membership and rising defence expenditure also supported high tech manufacturing, attracted international partnerships and reinforced long term competitiveness.

OUTLOOK FOR 2026

Looking ahead, Sweden’s outlook for 2026 is set to improve further. Real GDP is forecast to grow by 2.7%, placing the country among the top performers in Europe and signalling a shift from recovery to expansion. Household consumption – representing around half of GDP – is expected to drive growth, with inflation (CPI) having moderated from 2.8% to 0.7% in 2025, real wages rising, and a stronger krona boosting purchasing power.

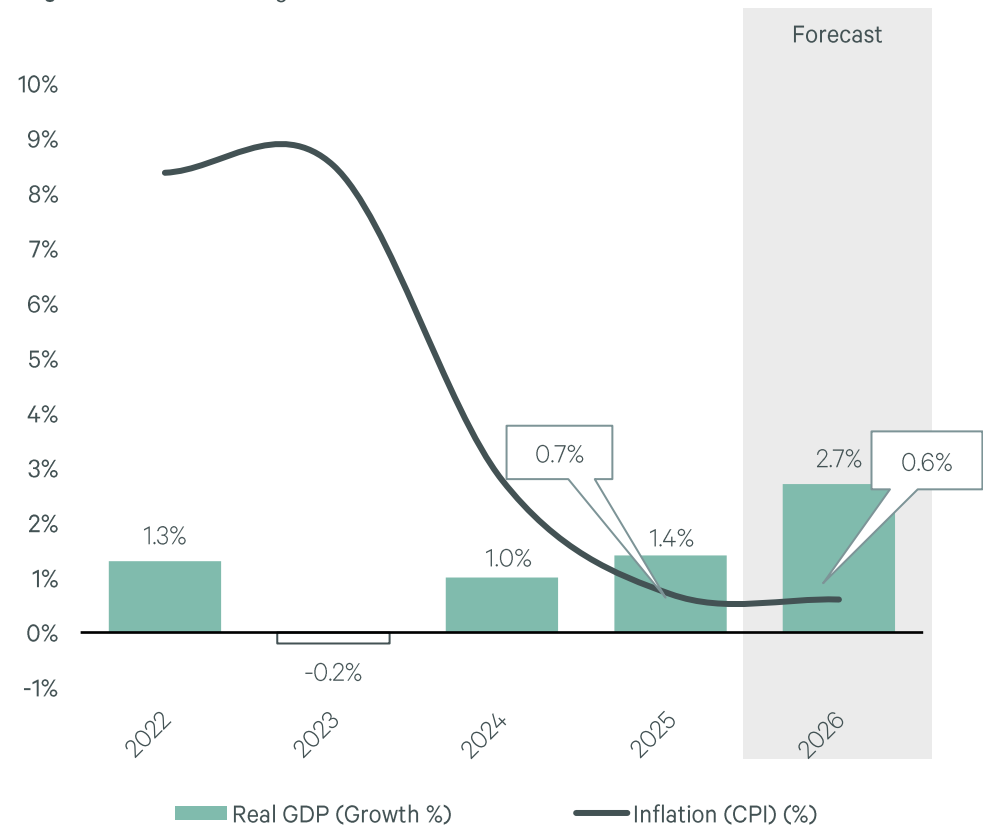
Fiscal measures, including temporary VAT cuts on food and electricity, are intended to reinforce this trend. Proposed housing-market reforms – such as eased amortisation rules and a lower mandatory down-payment requirement – are expected to reduce debt-servicing costs and support both households and the construction sector.

Public investment will remain a key growth engine. Rising defence spending will boost advanced manufacturing and technology-driven industries and support Sweden’s long-term competitiveness.

“Sweden enters 2026 with renewed economic momentum and a level of stability that strengthens confidence across the entire real estate market.”

Daniel Hummel, Managing Director Sweden

Figure 1: Real GDP Change and Inflation (CPI) in Sweden.



Source: CBRE Research, Statistics Sweden, Swedish Government

01
Economy

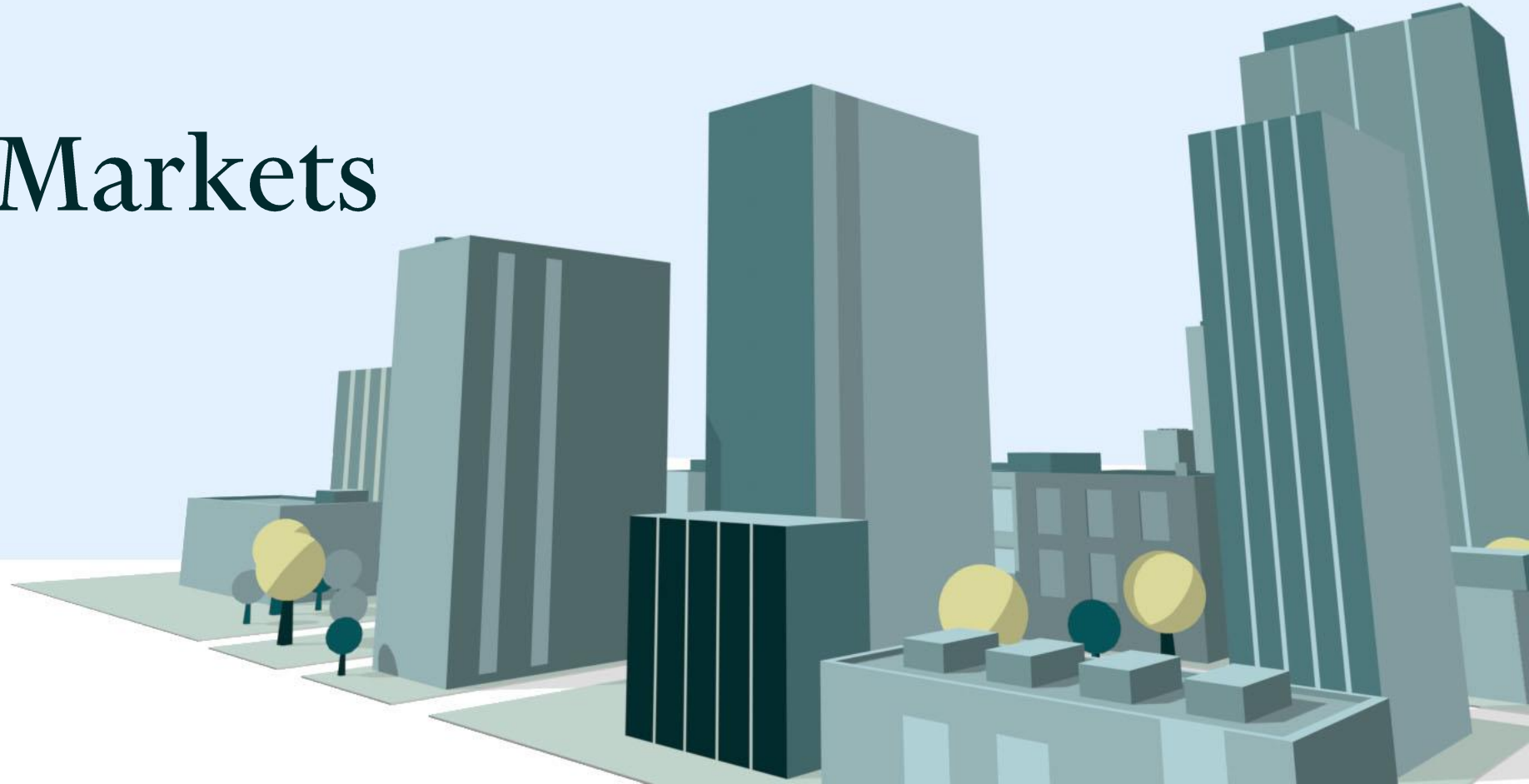
Trends to watch

- Sweden is expected to outpace most EU economies in 2026, with GDP growth rising from estimated 1.4% in 2025 to an initial forecast of 2.7%. Domestic demand remains a key driver, supported by real income gains and easing inflation. Having already moved ahead of the euro area in the rate-cutting cycle, the Riksbank is not expected to deliver further policy reductions in 2026, leaving Sweden with a comparatively tighter monetary stance than many of its European peers.
- Temporary VAT reductions on food and electricity, alongside rising real wages and a stronger krona, are set to lift household purchasing power. With consumption representing nearly half of GDP, this support remains central to Sweden's 2026 growth outlook.
- Sweden's NATO integration and rising defence spending are expected to generate medium-term spillovers across advanced manufacturing, technology and R&D. These investments strengthen competitiveness and attract international partnerships, underpinned by one of Europe's lowest public-debt ratios.
- AI adoption is accelerating in Sweden and may begin to affect labour dynamics and occupier needs – particularly in office, logistics and data-intensive sectors. Its full impact is uncertain, but it is a key trend to monitor in 2026.



02

Capital Markets



02

Capital Markets

Sweden emerges as a leading investment market in Europe

Sweden was one of Europe’s strongest performers in 2025. Transaction volume increased by 21% from 2024, ranking the country third among major European markets – behind Italy and Spain and ahead of the UK, France and Germany. Foreign investors continued to play a key role, accounting for 35% of all activity, while the total number of transactions increased by 23% year-on-year.

The market was supported by several major transactions, including the SEK 24 billion SBB–PPI deal, which accounted for around 14% of annual volume, and Fortifikationsverket’s SEK 8.2 billion acquisition from Specialfastigheter. Residential remained the largest sector in 2025, followed by industrial & logistics. Community properties ranked third, though the SBB–PPI deal alone made up roughly 72% of that sector’s full-year volume.

Importantly, 2025 marked a clear shift in capital flows as international core capital returned to the Swedish market after a period of absence. Several transactions indicated sharper pricing and renewed confidence among global core investors, marking a turning point in the market’s recovery. Looking into 2026, we expect transaction volume to increase by a further 10–15% compared to 2025.

CAPITAL FLOWS AND INVESTOR SENTIMENT

Broader global capital-raising trends are also turning more favourable. PERE data indicates that globally raised real estate fund capital increased by 29% in 2025, even as fundraising periods lengthened. In Sweden, funds and non-listed property companies remained the dominant net buyers.

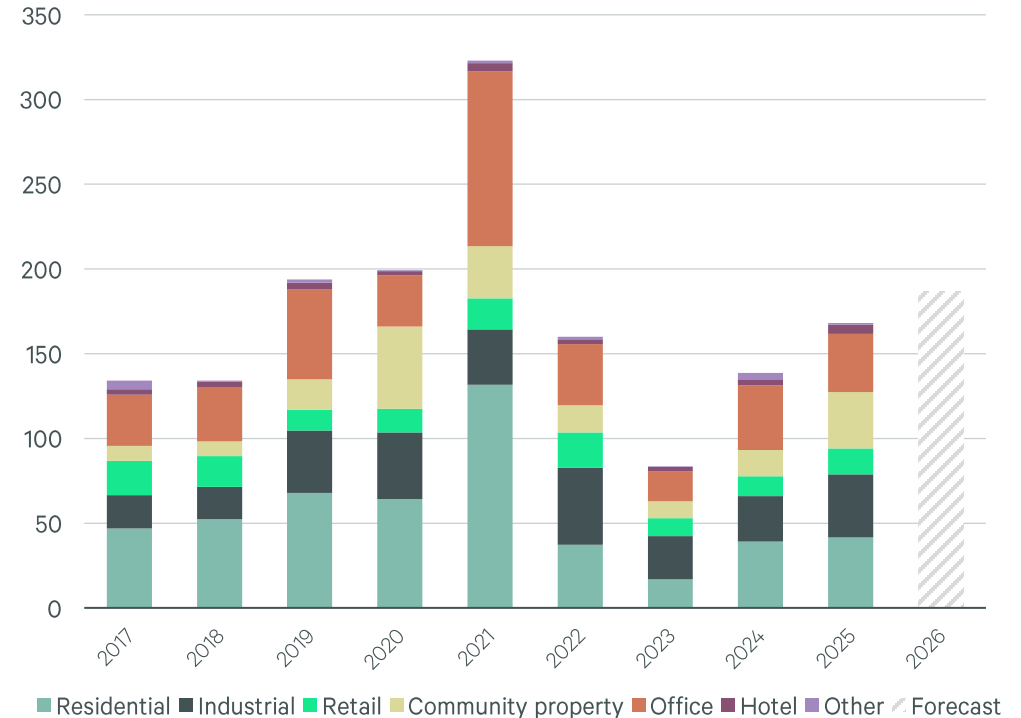
Investor sentiment towards Sweden is also improving: our Investor Intentions Survey 2026 shows that 64% of investors focused on Sweden expect to increase their purchasing activity compared to 2025.

Taken together, Sweden’s strong 2025 performance, increasing investment activity, improved access to capital and a more constructive investor outlook suggest that the market is moving into a more stable and progressively strengthening phase within the wider European landscape.

“The return of international core capital in 2025 was one of the clearest signals that Sweden is once again a priority market for long-term institutional investors.”

Johanna Jonsson, Co-Head of Capital Markets

Figure 2: Investment volume in Sweden by sector and forecast (SEK Billion)



Source: CBRE Research, PERE, Investor Intention Survey 2026

02

Capital
Markets

Trends to watch

- Listed property companies are expected to play a larger role again in 2026, after contributing only around 20% of transaction volumes in 2025— well below their historic share of roughly 50%. Their participation remains essential for Sweden, given that the listed sector have long been a major liquidity provider in the investment market. A gradual improvement in equity valuations, narrower NAV-discounts, and an improved leasing-market sentiment should support a modest recovery, although activity for the listed sector is unlikely to return to historic levels until the economic outlook strengthens further.
- International core capital is expected to increase its presence in Sweden, as 2025 marked a clear shift in capital flows and renewed confidence in prime segments. With pricing visibility improving and bid-ask spreads tightening, more global long-term investors are likely to enter competitive processes – particularly in residential, logistics and other income-secure asset classes. Sweden’s strong macro-outperformance, favourable relative pricing and position as the Nordic region’s most liquid and transparent market are expected to keep the foreign share of investment activity elevated, and potentially rising, over the coming years.
- Pricing is expected to stabilise further during 2026, mainly in the prime segment, while secondary assets continue to face a slower recovery. Financing conditions, ESG-driven requirements, and leasing momentum will drive stronger divergence between high-quality assets and those with greater operational or sustainability risk.
- Sweden is well-positioned to outperform Nordic investment forecasts again in 2026, supported by stronger transaction pipelines, a more diverse buyer base, and improving access to global capital.



03

Living

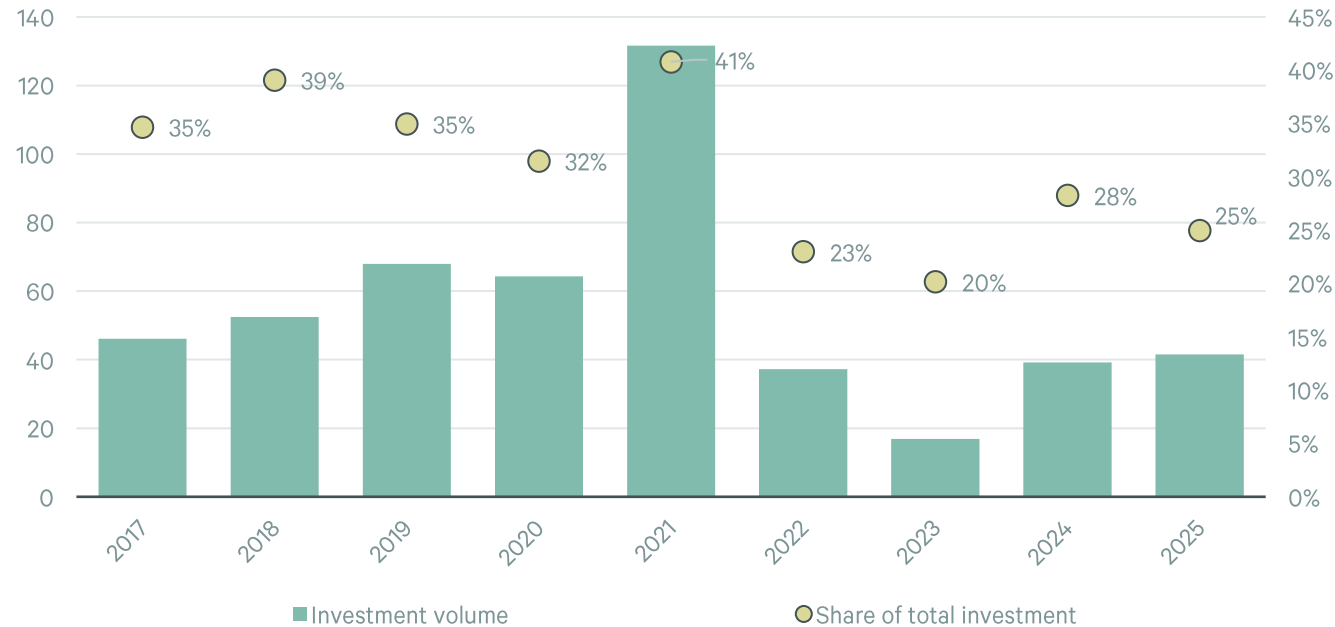


Residential remains the largest investment sector in 2025

“Throughout 2025 we saw intense interest, particularly for the newly built stock in Greater Stockholm, and we expect foreign investors to play an even larger role in 2026.”

Bojan Tivic, Co-Head of Capital Markets

Figure 3: Residential investment (SEK Billion) and the sector share from total investment (%) in Sweden



The Swedish residential investment market maintained a stable performance in 2025, remaining the largest sector with around 25% of total transaction volume. While overall volume was broadly unchanged from 2024 at approximately SEK 42 billion, the number of transactions increased by around 31% year-on-year.

Several notable transactions highlighted the sector’s steady activity during the year. Stena Fastigheter’s acquisition of Källfelt Byggnads AB added 1,350 residential units to its portfolio in Gothenburg and Stockholm. Hines completed its first residential acquisition in Sweden in the second quarter, acquiring 310 rental apartments in Kista from Magnolia Bostad, and later expanded its presence further by acquiring five fully leased properties in Haninge totalling 568 apartments. K-Fast Holding also executed a strategic divestment in Gothenburg, selling 264 completed apartments to an institutional investor.

Looking ahead, the broader market environment is becoming increasingly supportive. As inflation continues to ease and financing costs decline, investment conditions are improving, particularly for older residential stock where reduced funding costs can have a more pronounced impact on pricing and investor interest.

The Nordic Investor Intention Survey 2026 indicates that the residential sector remains the leading area of interest among investors, attracting approximately 40% of stated preferences and reinforcing its role as the dominant asset class within the Nordic real estate landscape.

Source: CBRE Research

03

Living

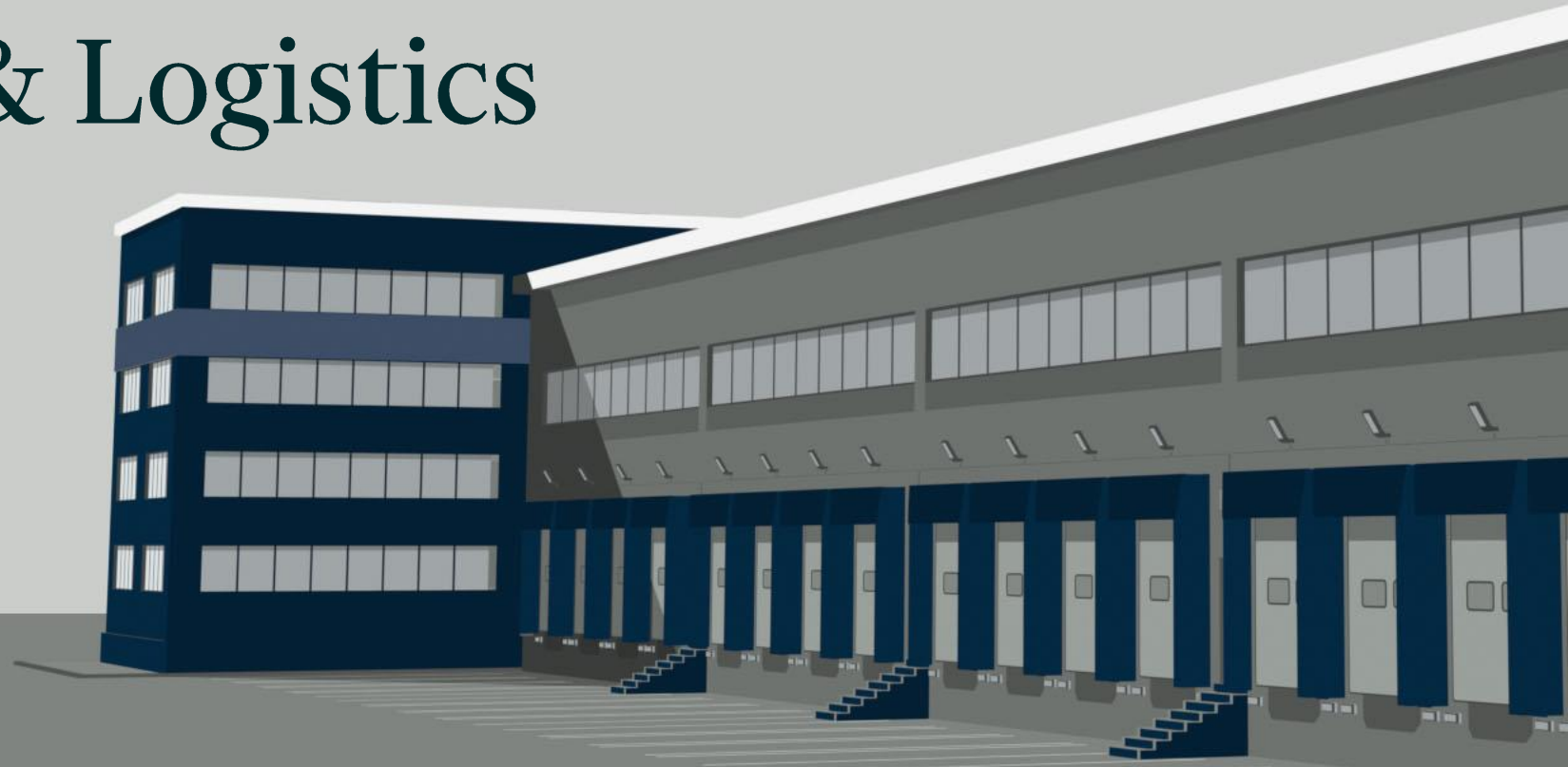
Trends to watch

- During 2025, the Swedish market saw new entrants acquire modern residential assets, primarily in Greater Stockholm, and the sub-segment experienced modest yield compression. Looking ahead to 2026, CBRE expects this trend to continue, supported by stronger interest from foreign investors and an increase in forward-funding transactions.
- In addition, CBRE's Investor Intentions Survey 2026 shows that residential is the top target sector in the Nordics, with 40% of respondents identifying living assets as their preferred allocation. This strong investor conviction, combined with stabilising fundamentals, suggests that transaction activity in the sector is likely to increase over the coming year.
- Since 2023, vacancy levels in newly built, higher-rent apartments have risen, particularly in larger regional cities. However, this is expected to ease as upcoming supply remains limited, improving the balance between new supply and demand.
- The Swedish government's improved model for setting presumption rents came into effect on 1 January 2026. The reform is expected to have a positive impact on the investment market, though outcomes will remain highly case-specific given the variation in rent levels across projects.



04

Industrial & Logistics

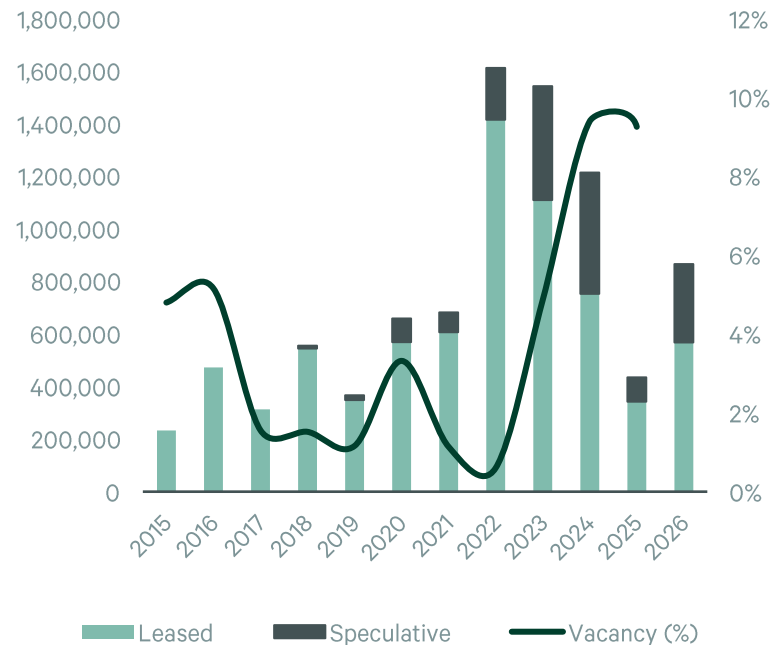


Investor appetite for Industrial & Logistics strengthened in 2025

“We’re seeing a solid increase in investor demand for the light industrial segment, driven by its resilient income streams and strategic advantage in catering to the demand and requirements of a diverse range of tenants.”

Emma Angser, Head of I&L Capital Markets

Figure 4: Added space (sq m) and vacancy rate



The Industrial & Logistics sector recorded a 39% increase in transaction volume and an 19% rise in the number of transactions in 2025 compared to 2024. This made I&L the second-largest investment sector in Sweden after residential.

Activity was driven by several significant transactions, including EQT’s divestment of a 33-property portfolio to Brookfield, Greykite’s market entry through a 27-asset acquisition from Regio, and Blackstone’s sale of an urban logistics portfolio to the Hines European Core Fund – all signalling sustained international appetite for Swedish logistics.

Furthermore, several listed Swedish property companies active within the I&L sector currently trade at a premium to NAV, which has supported liquidity and helped fuel the strong transaction momentum seen in 2025.

Globally, logistics remained one of the most favoured sectors among institutional investors. According to PERE’s full-year report, logistics accounted for 16% of global real estate fund capital raised, making it the third-largest sector after residential and data centres.

DEVELOPMENT PIPELINE AND VACANCIES

Following several years of historically low vacancy rates, speculative construction has helped bring new space to the market, pushing vacancies higher in certain submarkets and creating short term pressure. Development activity has decreased: approximately 435,000 sq m of new space was completed in 2025 – a 64% decline compared with 2024. Construction continues to be concentrated to key hubs in Jönköping, Mälardalen, Gothenburg, and Stockholm.

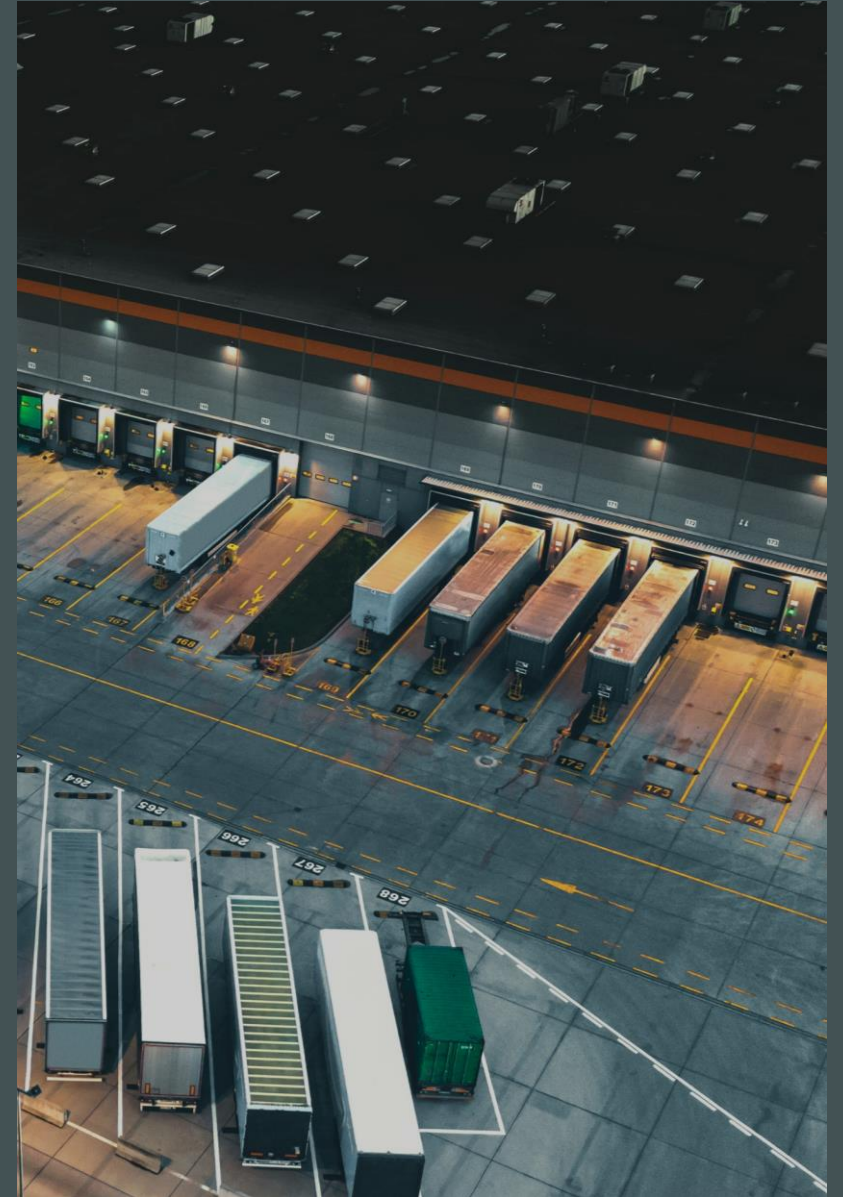
The development pipeline is expected to amount to approximately 850,000 sq m in 2026, of which nearly 300,000 sq m is speculative. Activity is expected to ease again in 2027. While the 2026 development pipeline represents an uplift compared with 2025, it remains below the elevated levels recorded during 2022-2024.

Supported by tighter pipelines across several European logistics markets, oversupply risks are anticipated to ease over the medium term, sustaining rental stability and continued investor interest.

Source: PERE, CBRE Research

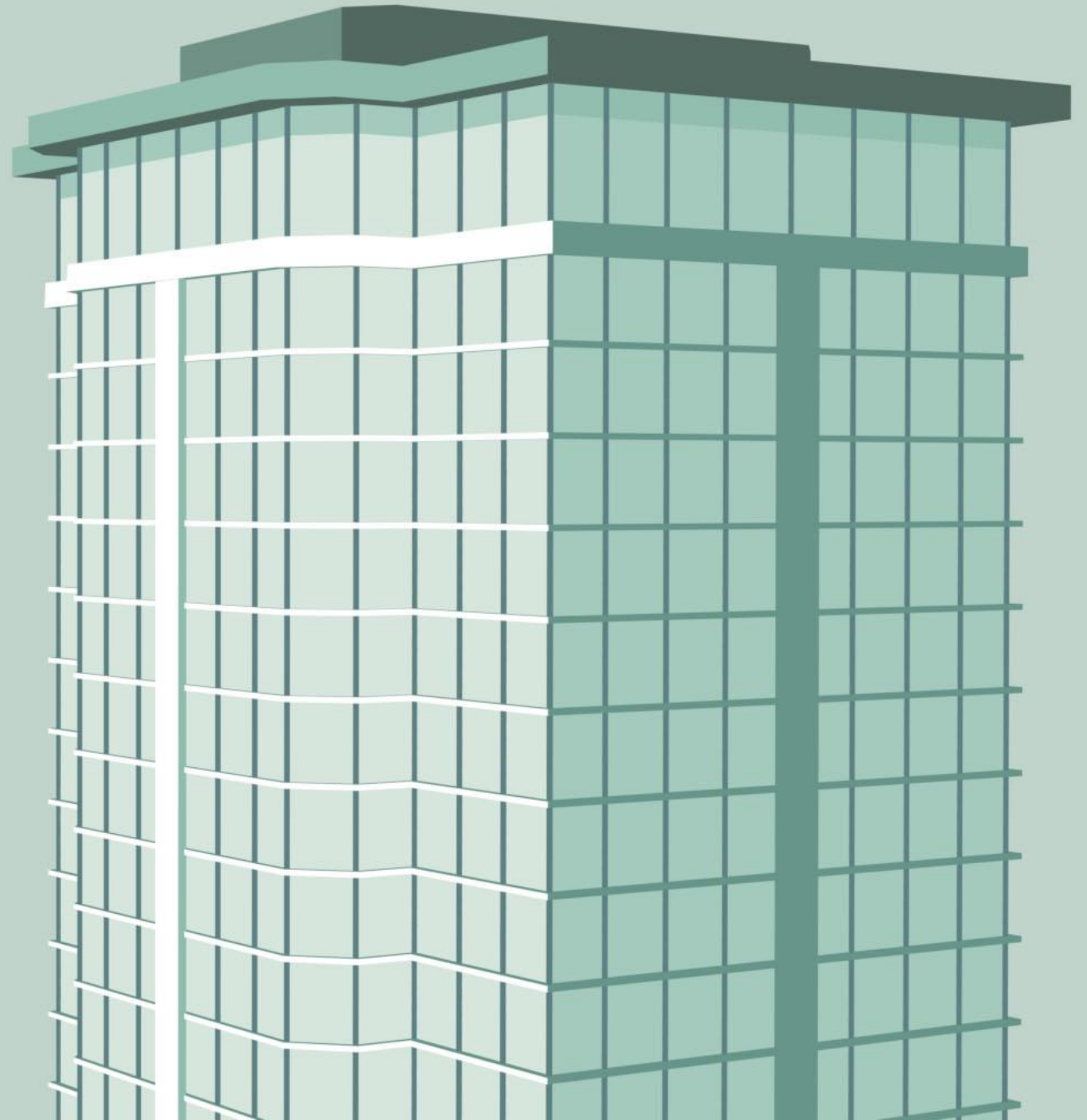
Trends to watch

- Vacancy pressures are expected to remain uneven across Sweden in 2026, particularly in submarkets with concentrated speculative development such as Stockholm and Jönköping. Elevated vacancy levels reflect the volume of recent completions, and while demand remains healthy, assets in weaker locations or with higher capex needs are likely to see slower absorption.
- Construction activity is set to moderate after several years of heavy speculative development, helping to create a more balanced supply-demand environment from 2026 onwards. Developers have already reduced new project starts in response to rising vacancies, and the slowdown in speculative pipelines should support rental stabilisation and improve leasing visibility across core markets.
- The occupier market is expected to strengthen gradually as economic conditions improve, with rising tenant demand essential for a sustained recovery in secondary assets. E-commerce activity has returned to levels comparable with the pandemic peak, and increasing parcel flows remain a key driver of demand for modern, well-located space.
- Globally, industrial & logistics may lose some relative momentum to data centres and broader infrastructure, but it remains one of the most favoured sectors among institutional investors. Despite capital rotation toward digital infrastructure, logistics continues to rank as the third-largest sector for global fundraising, supporting sustained allocations to the sector through 2026.
- In Sweden, a positive signal for increasing transaction activity is the improving investor environment within logistics and industrial. Core and core-plus capital is returning, international capital is becoming more active, and lenders are showing greater appetite for the sector, supported by resilient fundamentals and strong income visibility.
- This is reflected in continued international interest in Swedish logistics assets. Cross-border capital is expected to remain active in 2026, reinforcing liquidity and competition for modern assets in major hubs, supported by Sweden's transparency, pricing visibility and concentration of investment-grade assets in strategic locations.



05

Offices



Flight-to-Quality deepens market polarisation

“Vacancy has risen steadily since 2022, but this is largely concentrated in older, less efficient stock. In Stockholm CBD, supply remains structurally constrained, and high-quality space is absorbed quickly.”

Caroline Sjödin, Head of Office Agency

Figure 5: Office investment volume (SEK billion) and prime office yield in Sweden



Source: CBRE Research, Occupier Office Sentiment Survey 2025

Office investment activity in Sweden remained highly selective in 2025, with limited transactional depth across the market. One deal dominated the year: the Swedish Fortifications Agency’s SEK 8.2 billion acquisition from Specialfastigheter in Stockholm, accounting for around 25% of the total annual office investment volume. Beyond this transaction, market activity was primarily focused on Stockholm’s prime submarkets, underscoring investors’ choosy preference for centrally located and modern assets.

This selective deployment of capital reflects the ongoing intensification of the flight-to-quality trend. Office vacancies have continued to rise in Sweden since 2022, driven by softer demand for secondary stock, workplace transformation, and elevated supply in certain non-core locations. As a result, investors have become more selective, increasingly targeting prime assets while pricing and absorption challenges persist in secondary markets.

This widening gap was further illustrated by DWS’s divestment of the property Solna United to Vasakronan, where the repricing between acquisition and divestment underscored the sharper valuation divergence between prime and secondary assets.

QUALITY CONTINUES TO LEAD

Sentiment improved toward the end of 2025, supported by fewer bankruptcies and a growing number of newly established companies. Stockholm’s leasing market remained broad-based, with activity across small, mid-sized and larger lettings, highlighting how quality, sustainability, and connectivity – rather than size – are shaping occupier decisions.

Looking ahead to 2026, expected GDP growth of around 2.7% should support stronger office demand, particularly in the Stockholm CBD, where supply remains structurally limited. This is reflected in pricing: Stockholm’s prime office yield is among the lowest in Europe, underpinned by limited CBD availability, long-term institutional ownership, and resilient domestic investor demand. These fundamentals are likely to sustain rental resilience in prime locations, while secondary offices may face a more prolonged adjustment.

As investors position capital for 2026, the flight-to-quality trend is expected to remain at the forefront, mirroring patterns seen across the wider European office market.

05
Offices

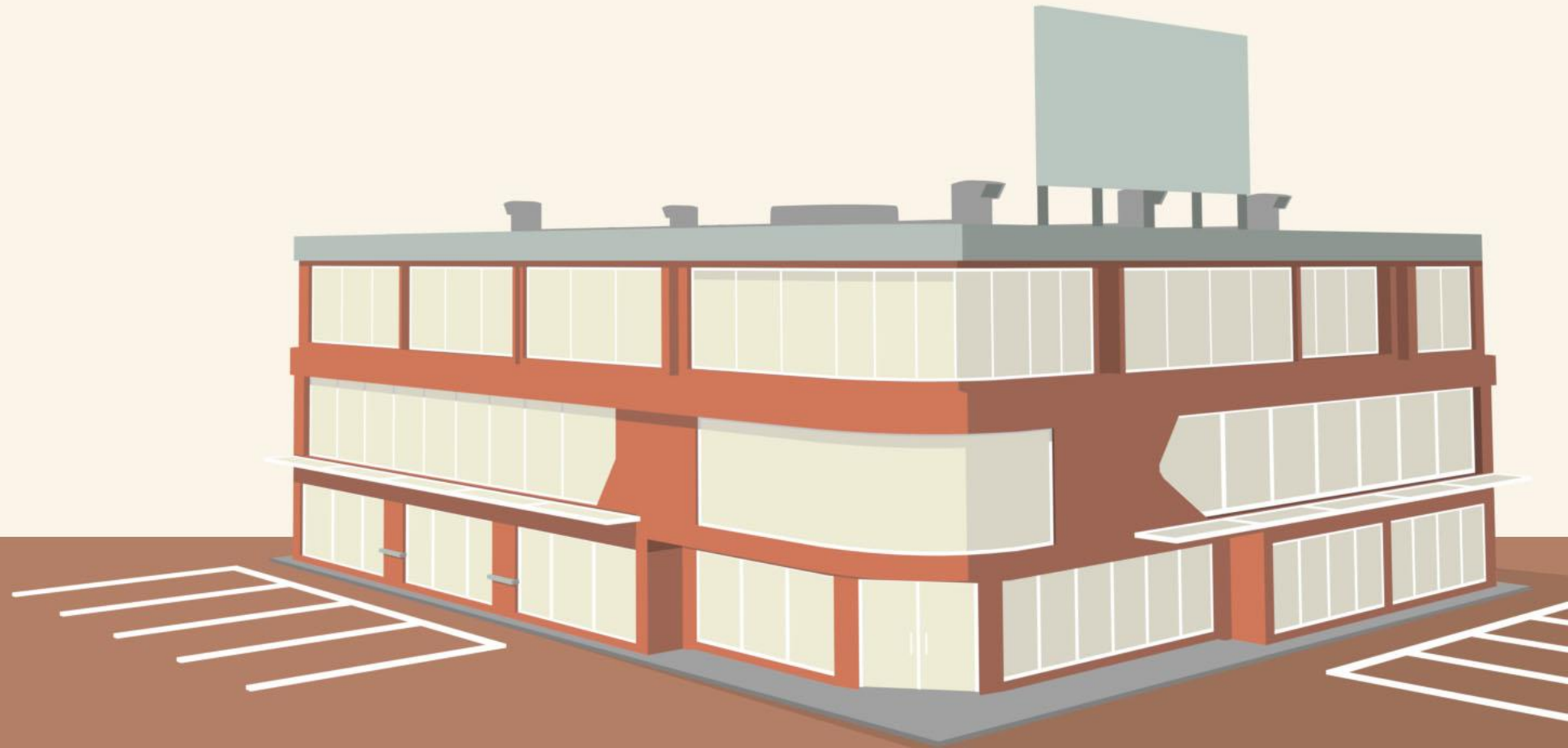
Trends to watch

- The gap between prime and secondary offices will continue to widen as occupiers prioritise quality, ESG compliance, and connectivity. Centrally located prime assets will see resilient absorption, while older, non-core offices face longer voids.
- AI adoption is set to reshape occupational strategies in knowledge-intensive sectors such as legal, advisory and accounting. While automation will reduce space tied to routine tasks, the shift towards specialised, tech-enabled roles will underpin sustained demand for modern, collaborative work environments.
- As hybrid work patterns stabilise, Swedish occupiers – particularly in CBD locations – are increasingly using the office to strengthen brand, culture and employee experience. This is shifting demand away from low-investment flexibility towards well-located, identity-driven workplaces. This challenges how base-build standard solutions support occupier differentiation.
- Peak-day utilisation in the Nordics already outpaces the rest of Europe, and this elevated attendance is expected to hold steady through 2026. Strong workplace engagement will continue to drive demand for Grade A space, particularly in central submarkets.
- Sweden's office investment market remains dominated by long-term domestic institutions, whose strong balance sheets and selective strategies keep international participation historically low. Limited CBD supply and local demand will continue to reinforce pricing resilience in prime assets.



06

Retail



Renewed investor appetite positions retail for a strong year

“The overall picture indicates that all retail subsectors are becoming more active this year, with take-up no longer driven solely by hard discount and grocery – although these two categories continue to show the strongest momentum.”

Oscar Sandén, Head of Agency

The Swedish retail investment market improved in 2025, with investment volumes rising 31% year-on-year and the number of transactions increasing by 26%. The recovery reflects renewed investor confidence supported by attractive pricing, strengthening market fundamentals, and improved financing conditions. Supermarkets were the largest sub-segment, accounting for 46% of total volume, while big-box retail – 2024’s dominant category – remained a significant but secondary driver.

Market activity was underpinned by several high-profile deals, including Niam’s divestment of Bernstorp in Malmö to Svenska Handelsfastigheter and ICA Real Estate’s acquisition of Alecta Fastigheter’s stake in Ancore Fastigheter. Svenska Handelsfastigheter further reinforced its position through a SEK 1.6 billion acquisition from Fastena.

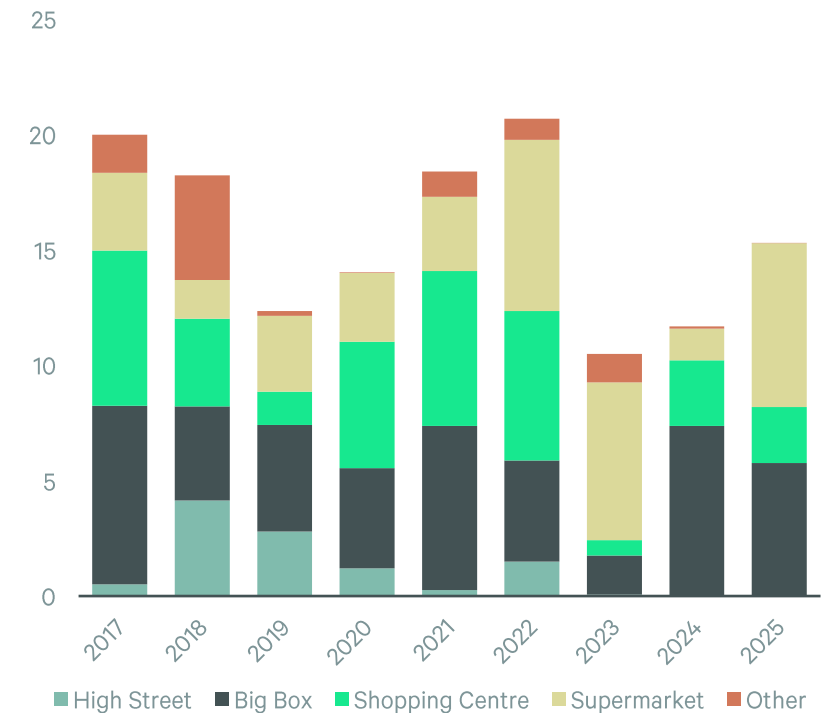
Notably, shopping centres – largely absent from the investment agenda in recent years – returned to the market with Alecta’s acquisition of Kongahälla Center, underscoring that high-quality, well-performing schemes remain compelling where fundamentals are strong. Nevertheless, investor interest continues to concentrate on big-box formats with a strong grocery anchor, reflecting demand for food-backed resilience and defensive cash flows.

ECONOMIC TAILWINDS

Broader macro improvements – lower inflation, a more resilient labour market and a strengthening krona – have boosted consumer purchasing power, improving the retail outlook for 2026. Sweden stands in contrast to several European markets where weaker sentiment has led to higher savings rates and softer discretionary spending. Category performance in 2025 echoed this divergence: everyday-goods sales stagnated, while discretionary segments such as toys, home furnishings and electronics posted stronger growth, signalling a shift towards more experience-driven consumption.

Retail yields compressed across all sub-segments during the year, with the sharpest movement in big-box assets excluding supermarkets (7.50% to 6.75%). Food-anchored big-box also saw significant compression (6.50% to 5.85%). Lower interest rates have increased the relative appeal of retail assets offering predictable income and long-term tenant demand.

Figure 6: Retail investment volumes by subsector in Sweden 2017 – 2025 (SEK billion)



Source: CBRE Research, Statistics Sweden

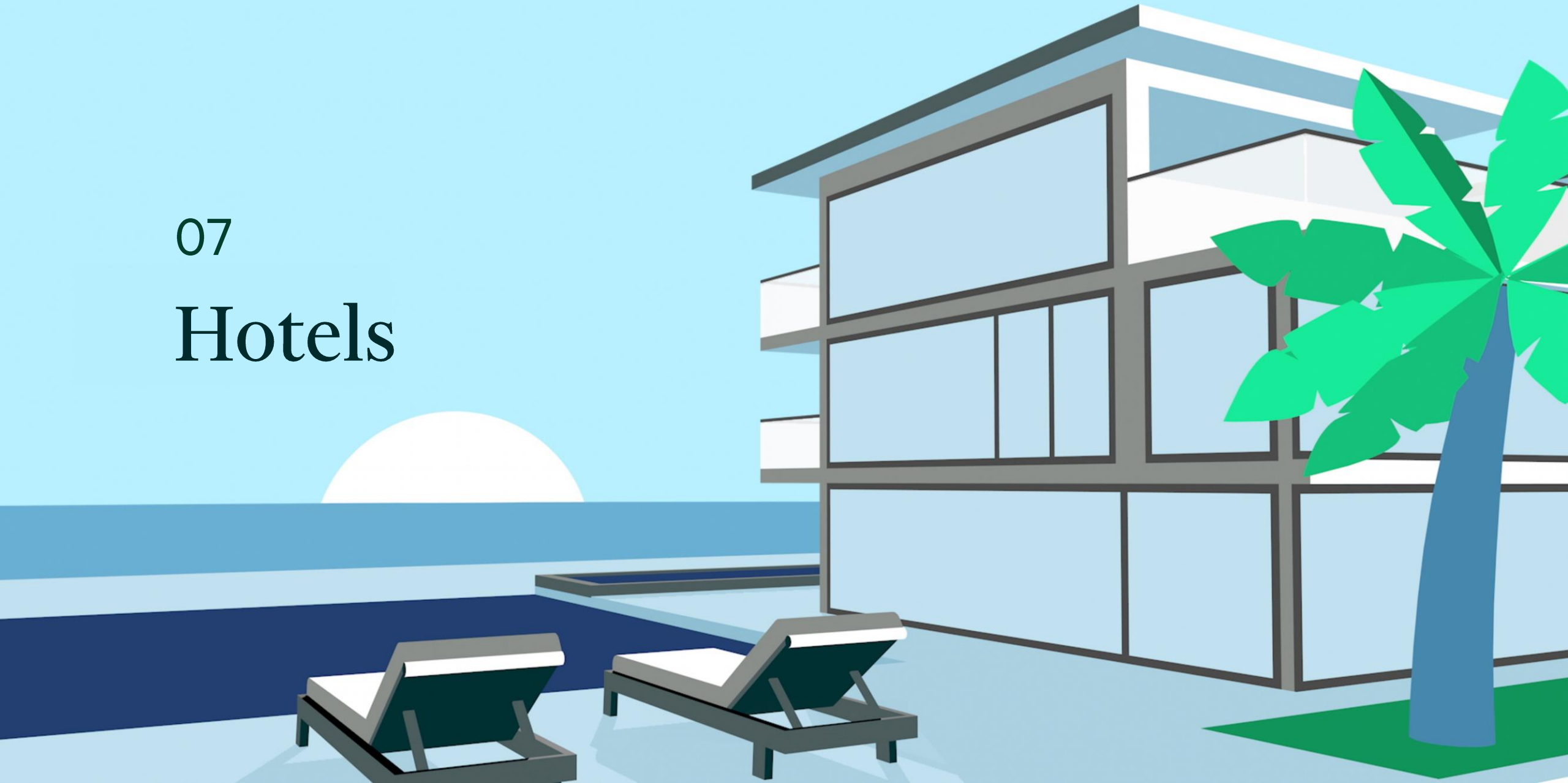
Trends to watch

- Capital allocation to retail is increasing as both domestic investors and financial institutions re-engage with the sector, reflecting rising confidence in its defensive income profile and improving fundamentals across Sweden's retail landscape.
- Food-anchored and big-box formats continue to outperform, supported by resilient consumer demand, long leases, and stable cash flows, positioning these assets as highly attractive targets in a moderating interest-rate environment.
- After years of limited activity, selective shopping centre transactions are re-emerging, demonstrating that well-located, high-performing assets remain appealing to investors and can attract meaningful capital where operational fundamentals are strong.
- Strengthening macro conditions, improving household finances, and renewed investor appetite are expected to increase investment activity in 2026, reinforcing retail's position as one of the year's most compelling investment sectors.



07

Hotels



International demand and broad appeal fuel optimism to 2026

“With ongoing operational efficiencies, rising demand, and a limited new supply, hotels remain a compelling asset class.”

Björn Gullaksen, Analyst Capital Markets Hotels

Sweden enters 2026 following its strongest hotel transaction year in a decade. Total transaction volumes reached SEK 5.5 billion in 2025, driven largely by an exceptionally strong first quarter. CapMan’s acquisition of the Midstar portfolio was the dominant deal and illustrates the continued attractiveness of the Swedish hotel sector, especially in a market with a limited pipeline of new supply.

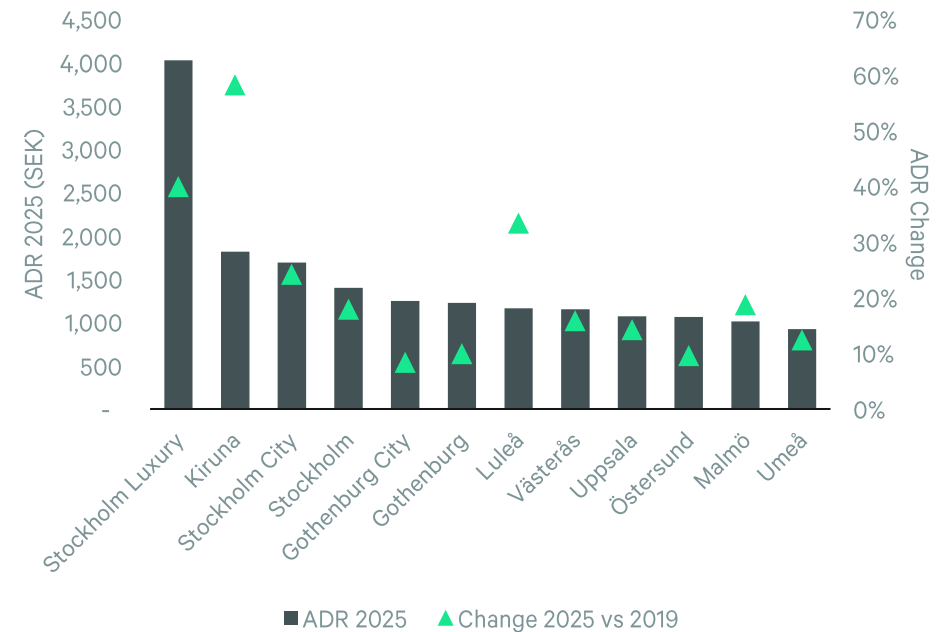
Operationally, the performance of Swedish hotels continues to exceed expectations. Total room revenues reached a record SEK 28.5 billion in 2025 – 5% above last year and more than 30% higher than in 2019. The growth reflects both a higher number of sold room nights and a solid uplift in pricing.

Looking at the key markets and sectors in Sweden, pricing momentum is evident across the country. Stockholm’s luxury segment is now at an all-time high, with an ADR exceeding of SEK 4,000 – up 40% since 2019. Strong growth also extends far beyond the capital. Northern cities such as Kiruna and Luleå have posted ADR increases of 58% and 33% respectively since 2019, underscoring that operational strength and pricing power are broadly distributed across the Swedish hotel market.

Demand fundamentals remain one of Sweden’s greatest strengths. Domestic travellers accounted for roughly 75% of all guest nights in 2025, while international demand reached a record 10.7 million. Over the past decade, international guest nights have grown by nearly 40%, outpacing domestic growth of 22% – a trend expected to continue. The United States has emerged as Sweden’s largest international source market, and northern destinations, above the Arctic Circle, are benefiting from rising global interest in nature-based and “coolcation” travel.

From a European perspective, Sweden stands out as one of the strongest post-pandemic hotel markets. Stockholm’s RevPAR is up 25% compared with 2019, placing it among Europe’s top performers. Looking ahead, Sweden is forecasted to have the highest annual growth in hotel nights of all European countries.

Figure 7: ADR and ADR change in %, in SEK, between 2019 and 2025, selected Swedish cities



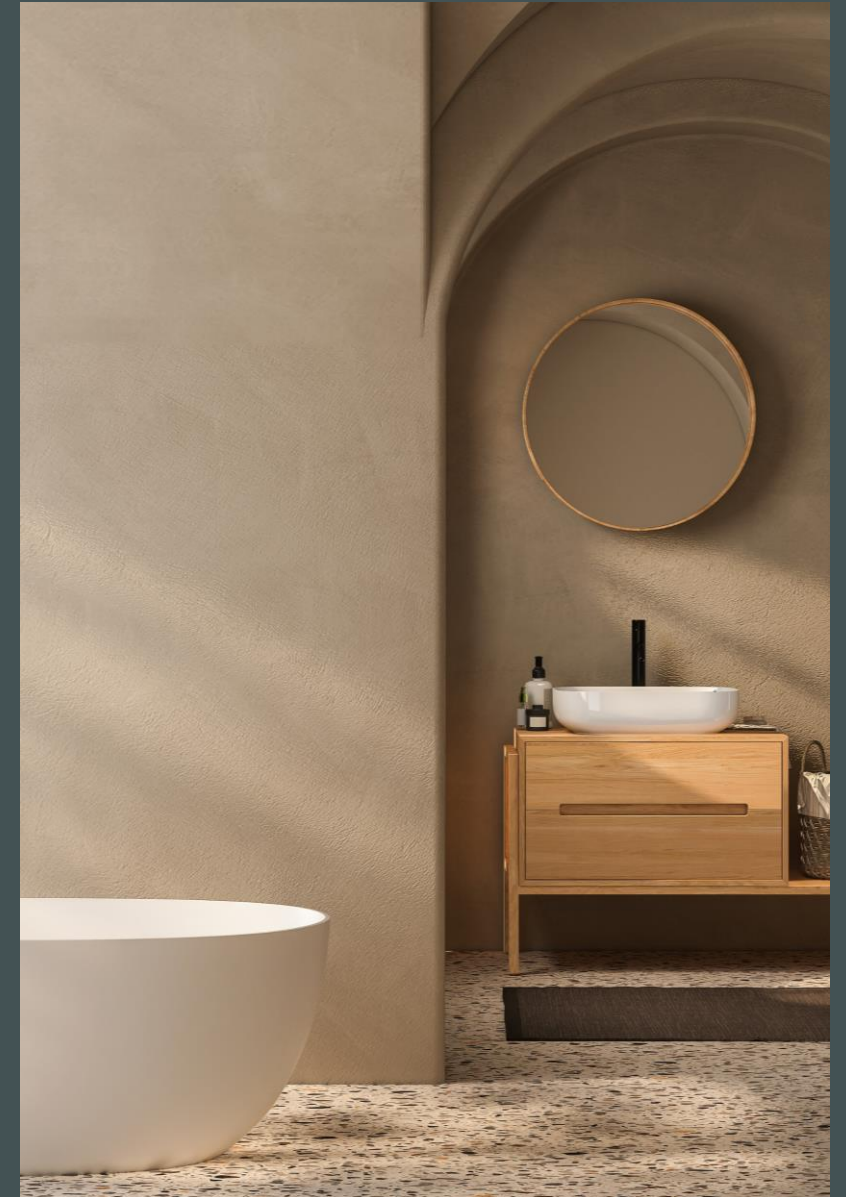
Source: Benchmarking Alliance, Tillväxtverket, SEB, 2026.

07

Hotels

Trends to watch

- During 2025, Sweden's hotel sector continued to evolve as operators intensified their focus on smarter space utilisation, introducing dark-rooms, hybrid floors and multi-purpose layouts to lift performance without expanding their build footprint. Renovation activity is expected to accelerate into 2026, as deferred capex meets rising competitive pressure, making upgrades increasingly necessary despite elevated construction costs.
- International demand is set to play a larger role, with Sweden projected to record the strongest growth in hotel nights in Europe, reshaping both market mix and seasonal patterns. At the same time, operators are broadening their offer as more differentiated concepts gain traction – spanning blended travel, meetings-plus-leisure, wellness-focused stays and lifestyle-driven formats.
- Long-stay, aparthotel and budget-lean products continue to gather momentum, supported by project-based workers, extended corporate stays and value-conscious travelers. Overall operational performance remains underpinned by a constrained supply pipeline, reinforcing pricing power and sustaining strong investor interest heading into 2026.



08

Community properties



Ageing population shaping the future of Community properties

Community properties accounted for around 20% of total investment volume in 2025, nearly doubling compared with 2024. Activity was dominated by a single transaction: the transfer of SBB’s community property portfolio to Public Property Invest (PPI). This deal represented approximately 72% of annual volume in the sector, aligning with SBB’s restructuring while supporting PPI’s Nordic expansion within social infrastructure. Excluding this transaction, the sector accounted for around 6% of total investment volume, highlighting how activity in recent years has largely been driven by occasional large-scale structural deals. Despite this, investor interest in high-quality social-infrastructure assets remains evident.

Prime yields continued to adjust during the year, with elderly-care assets pricing tighter than LSS and selected justice-sector properties also repricing, supported by rising demand for facilities such as prisons and remand centres.

Demographic shifts continue to play a key role in shaping demand. Sweden’s ageing population, combined with a persistently low birth rate, is influencing which asset types move forward in development pipelines and long-term planning.

Elderly-care as a sub-segment accounted for the largest share of transaction volume in 2025, and the demand for senior housing and care homes is set to rise further. In contrast, sub-segments such as daycare centres and schools are expected to experience weaker demand. Statistics Sweden projects that the population aged 80+ may increase by around 106% between 2024 and 2070, signalling a substantial shift in long-term service requirements.

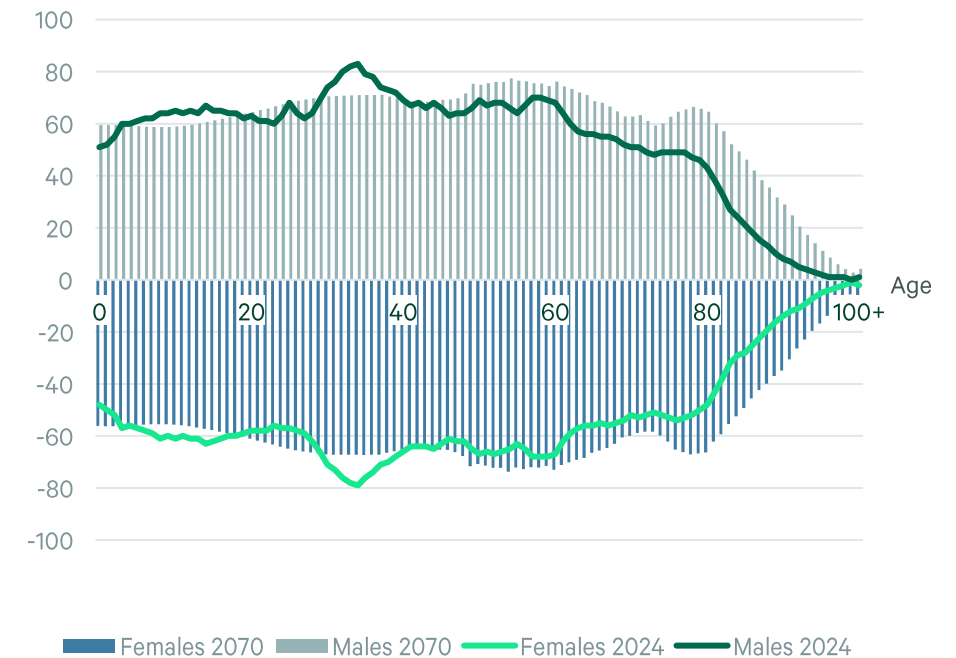
At the same time, elevated construction costs and land prices are limiting new development activity, placing additional pressure on the existing stock and reinforcing demand for standing assets in the sector.

Taken together, these dynamics suggest that community properties – particularly those linked to elderly care – will remain a central and steadily expanding component of Sweden’s social-infrastructure landscape. The combination of demographic change, public-sector tenancy, and long-term operational needs continues to provide a solid foundation for future activity in the sector.

“The widening yield spread highlight investor confidence in elderly-care assets, whose resilient operations and demographic tailwinds have made them the strongest-performing sub-sector.”

Daniel Holmkvist, Head of Valuation

Figure 8: Population pyramid 2024 vs. 2070, in thousands



Source: Statistics Sweden, CBRE Research

Trends to watch

- Transaction activity in the sector remain heavily concentrated, with a single large structural deal dominating the 2025 investment market. Historically, one major owner has accounted for roughly 40% of all community-property transactions, indicating that structural deals are likely to continue shaping annual activity within the sector.
- An ageing population is reshaping needs across municipalities. The increasing number of older residents is boosting demand for elderly-care housing, specialised care environments, and facilities tailored for higher levels of assistance. This trend continues to guide development strategies, long-term planning and allocation of capital within the sector.
- Demand within the educational sub-segment is becoming increasingly selective. Lower birth rates reduce the need for new-build facilities, shifting focus toward modernising, replacing, or consolidating existing stock. As operators and municipalities prioritise efficient and well-located properties, non-prime or outdated educational assets risk declining demand, weaker liquidity, and downward pressure on pricing.
- Long-term lease agreements with public-sector tenants and care operators continue to underpin stable occupancy and predictable cash flows. These tenancy structures reinforce community properties' role as essential social infrastructure and support their defensive profile, especially during a selective investment environment.



09

Data Centres



AI demand accelerates pressure in Sweden’s Data Centre Market

“Power-capacity demand is no longer driven solely by logistics operators; data-centre occupiers are now competing for the same supply, making reliable access to electricity increasingly critical.”

Christoffer Nord, Head of I&L Agency

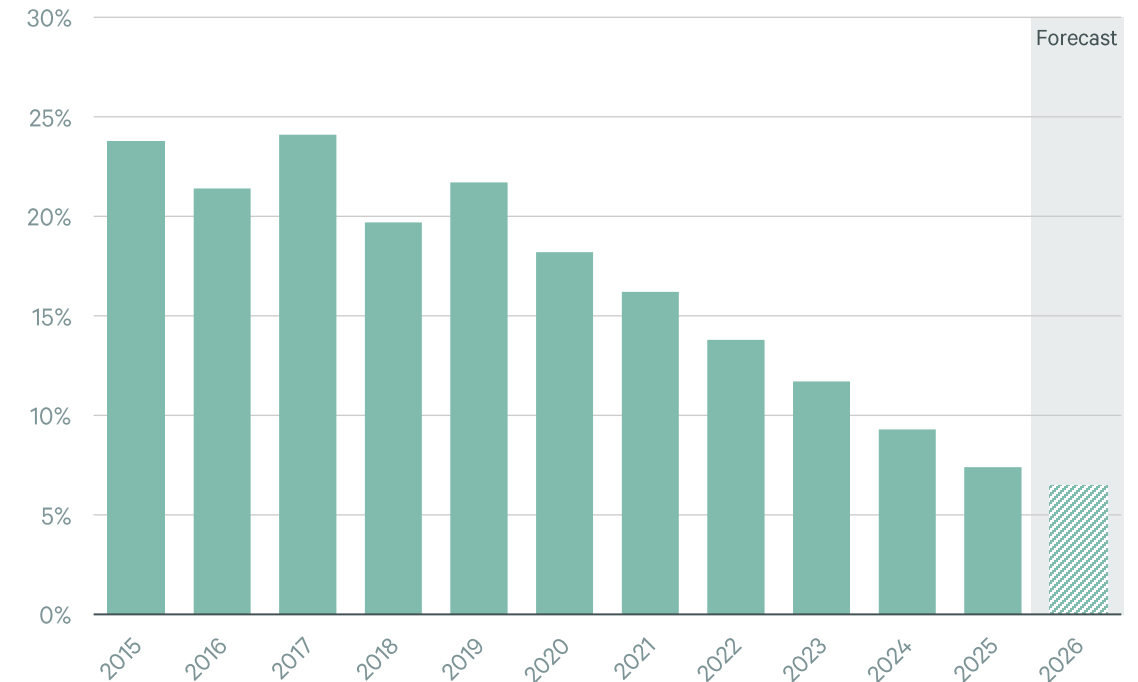
Across Europe, data centre vacancy continues to tighten as demand outpaces new supply, driven in large part by the rapid growth of AI-related workloads. This is increasing the need for highly specialised, GPU-dense facilities. GPUs (graphics processing units) are high-performance chips designed for complex AI and data-intensive tasks, requiring far greater power and advanced cooling than traditional servers, adding further pressure on regional capacity and pushing pricing upward.

The Nordics is well positioned to accommodate rising demand, supported by competitively priced electricity, abundant renewable energy and favourable climate conditions. Investor appetite is also strengthening, with PERE’s full-year fundraising report ranking data centres, including infrastructure, as the leading global sector with a 37% allocation share and total fundraising up 29% year-on-year.

Given the technical complexity and capital intensity of new builds, speculative development remains limited. AI and GPU-as-a-service providers therefore increasingly favour leasing pre-let, high-capacity deployments. This model continues to benefit Sweden and the wider Nordic region, further reinforced by Sweden’s planned 2026 electricity tax reduction, low natural-hazard risk and ample land availability.

AI-driven demand is also reshaping locational preferences, with operators prioritising markets that can deliver power, land and cooling at scale. Sweden is emerging as one of the few regions able to support high-density deployments without the constraints seen in primary hubs, extending demand into Swedish micro-locations where access to power now outweighs proximity to major cities.

Figure 9: Data centre vacancy rate among primary and secondary markets in Europe (%)



Source: CBRE Research, PERE

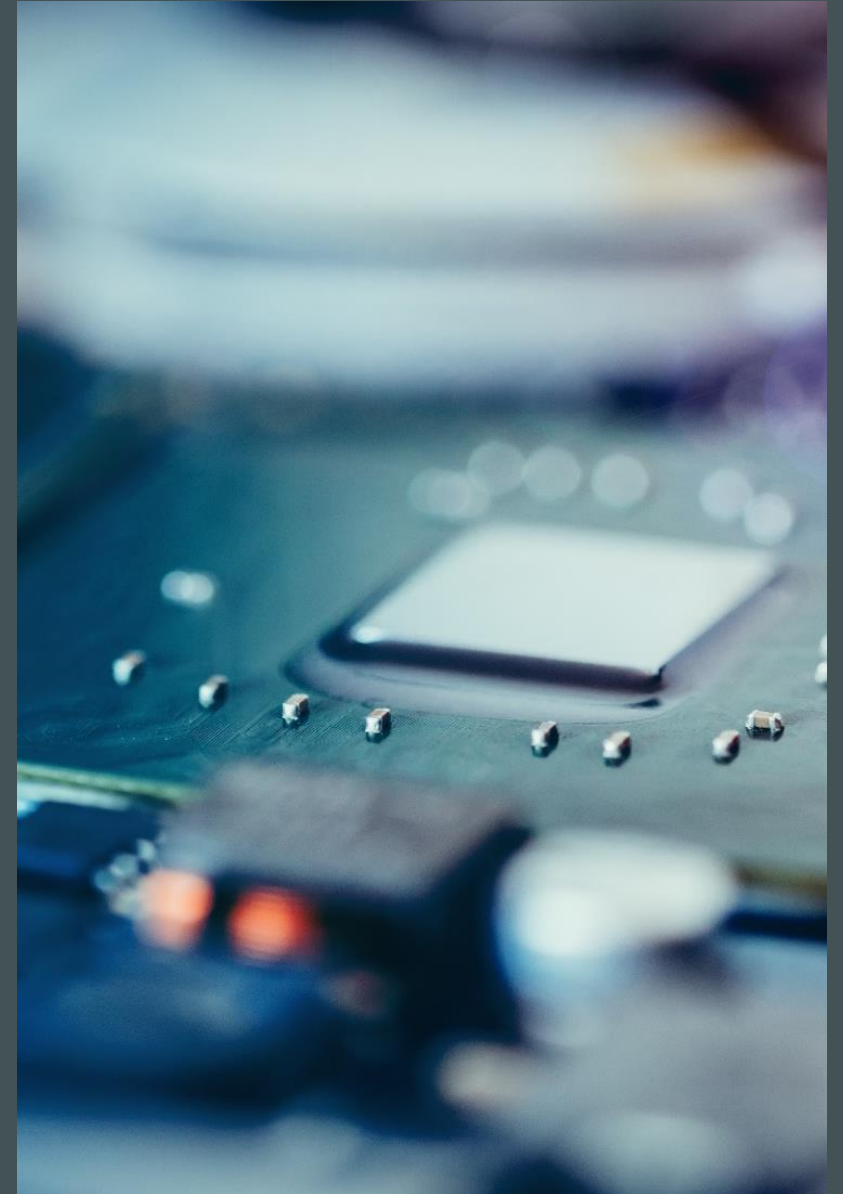
Note: 2025 value is estimated

09

Data centres

Trends to watch

- As AI-driven power-density requirements rise, operators are prioritising markets able to deliver large, secure power allocations and advanced cooling at scale. Sweden stands out as one of the few European regions capable of supporting high-density deployments, with ample grid capacity and fewer land or power constraints than the primary hubs.
- The tightening supply across major European data centre markets is shifting site-selection decisions toward Swedish micro-markets, where renewable energy, competitive electricity pricing and strong grid reliability offer a clear strategic advantage and reinforce landlords' negotiating position.
- Long construction timelines and high capital requirements continue to limit speculative development. As a result, AI and GPU-as-a-service providers are securing large pre-let capacity across the Nordics rather than constructing new facilities, allowing for faster deployment. Investor interest is rising in parallel, with PERE ranking data centres – including infrastructure – as the leading global fundraising sector, supported by a 37% share of total capital raised.
- Sweden's electricity tax reduction, combined with its cool climate, renewable baseload power and stable grid, will further enhance the Nordic region's competitiveness for energy-intensive computing.



10

Sustainability



Transition plans will catalyse value creation despite regulatory shifts

“As energy performance becomes a defining market differentiator, the speed and conviction of the transition will determine which assets outperform and which are left behind.”

Linda Kjällén, Head of ESG

Transition plans will act as a catalyst for transformation – **an ambitious, forward-looking blueprint that harnesses data, portfolio intelligence, strategic investment planning, and strong governance to ensure real estate assets remain compliant, resilient, and high performing** in a net zero future.

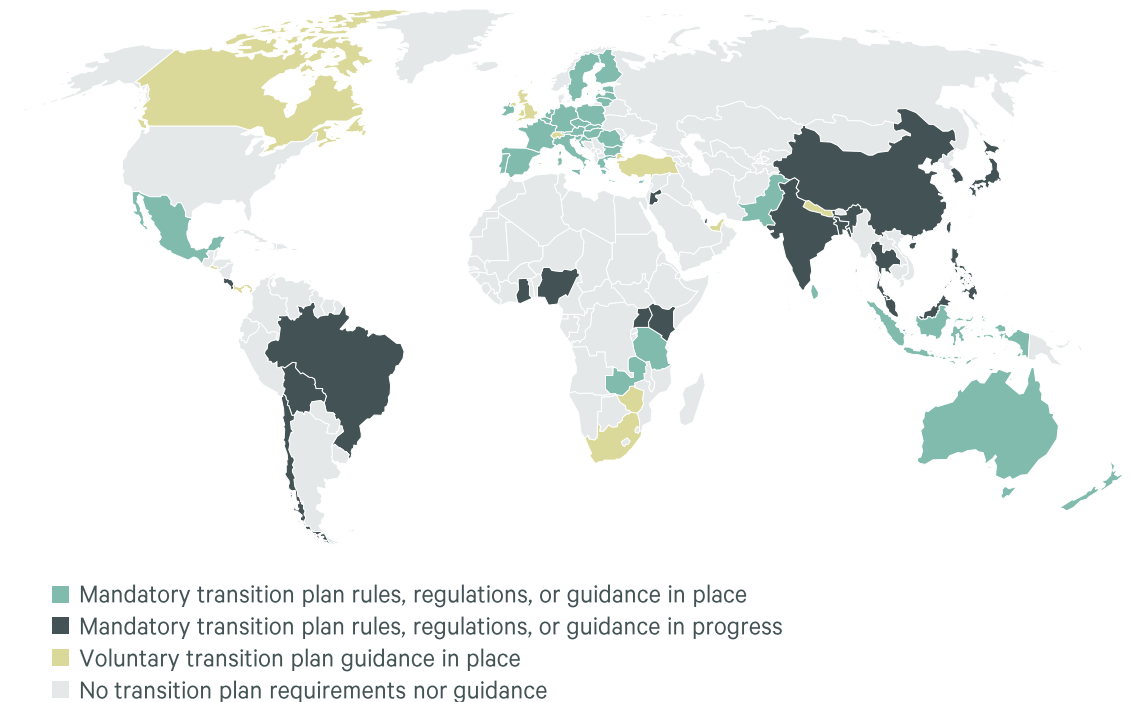
The Green Claims Directive, the Omnibus package negotiations, the SFDR 2.0 revision and the Energy Performance of Buildings Directive (EPBD) transpositions are all examples of either recent or proposed regulatory changes in Europe. They will increasingly influence real estate decisions for investors, developers, and occupiers this year and beyond.

Globally, more jurisdictions now require transition plan disclosures, with standards converging around the International Sustainability Standards Board as the baseline framework. While initial requirements target financial institutions and large listed companies, we expect smaller firms will follow.

In real estate, a transition plan serves as a strategic roadmap to align portfolios with a low-carbon economy and meet net-zero targets. The adoption of transition plans will continue despite regulatory shifts. They remain a critical tool for demonstrating credible climate commitments, managing long-term risks and identifying opportunities for value creation.

Investors, developers, and occupiers will need to implement solutions that simplify compliance, ensure consistent data quality, and provide a single source of truth for portfolio reporting. These solutions are likely to deliver measurable benefits, such as improved Net Operating Income, operational savings, and increased resilience, while enabling accurate financial risk quantification to inform valuation, insurance, and capital planning.

Figure 10: Global transition plan requirements



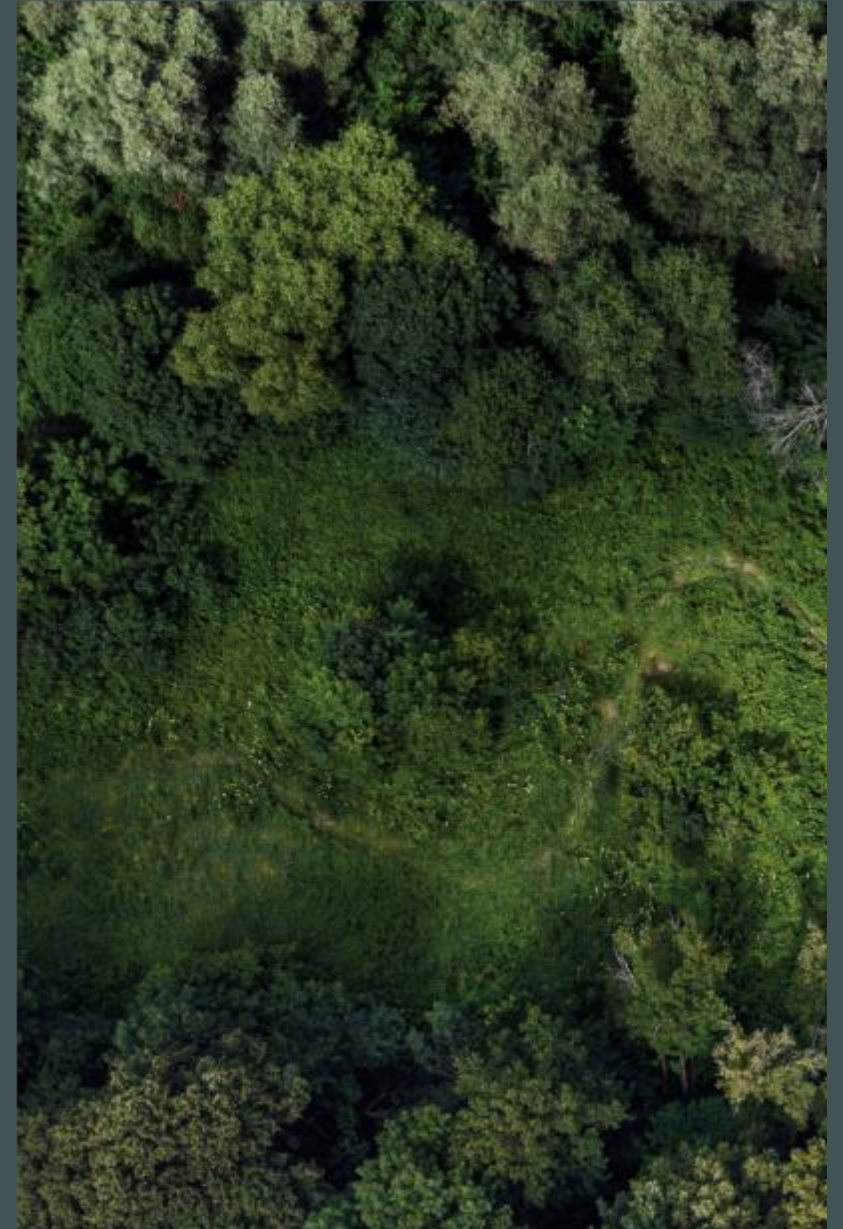
Source: ITPN - International Transition Plan Network

10

Sustainability

Trends to watch

- Rising energy-performance expectations are reshaping Sweden's asset strategy, driven by a national building stock where a large share of existing properties faces notable efficiency gaps under upcoming EU-aligned standards, such as MEPS (Minimum Energy Performance Standard). This is prompting owners to reassess long-term capital plans, as buildings with strong performance profiles increasingly secure better liquidity, more resilient valuations and improved access to financing.
- Climate-impact transparency is becoming a core part of development and investment decisions, with broader requirements for lifecycle carbon assessments influencing material selection, design choices and overall project feasibility. This shift is prompting capital to prioritise projects and portfolios with clear pathways to lower embodied and operational emissions.
- Circularity is moving from ambition to practical implementation, supported by rising interest in reused materials and more advanced tools for tracking material flows across construction processes. As circular practices scale, they increasingly strengthen both cost efficiency and asset positioning in sustainability-aligned leasing and investment markets.
- Climate-adaptation measures are gaining prominence as risk-mitigation tools, following more frequent climate-related disruptions and increased scrutiny of physical risk exposure. Investors and owners are integrating resilience measures into long-term asset planning to safeguard operational continuity and preserve value.
- The demand for high-quality, standardised ESG data continues to intensify, driven by EU disclosure frameworks that elevate expectations for comparability, accuracy and auditability. This is accelerating investment in digital reporting infrastructure that enables portfolio-wide insights and supports alignment with investor and regulatory requirements.



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