

Sweden Living Market Q2 2025

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

Investment market

Sweden's residential investment market showed strong momentum in the second quarter of 2025, with a total volume of SEK 13.3 billion, up 64% year-on-year, and representing 27% of total real estate investments. The number of transactions increased to 38, an 8.6% rise from Q2 2024, with the largest single deal valued at just under SEK 1.9 billion.

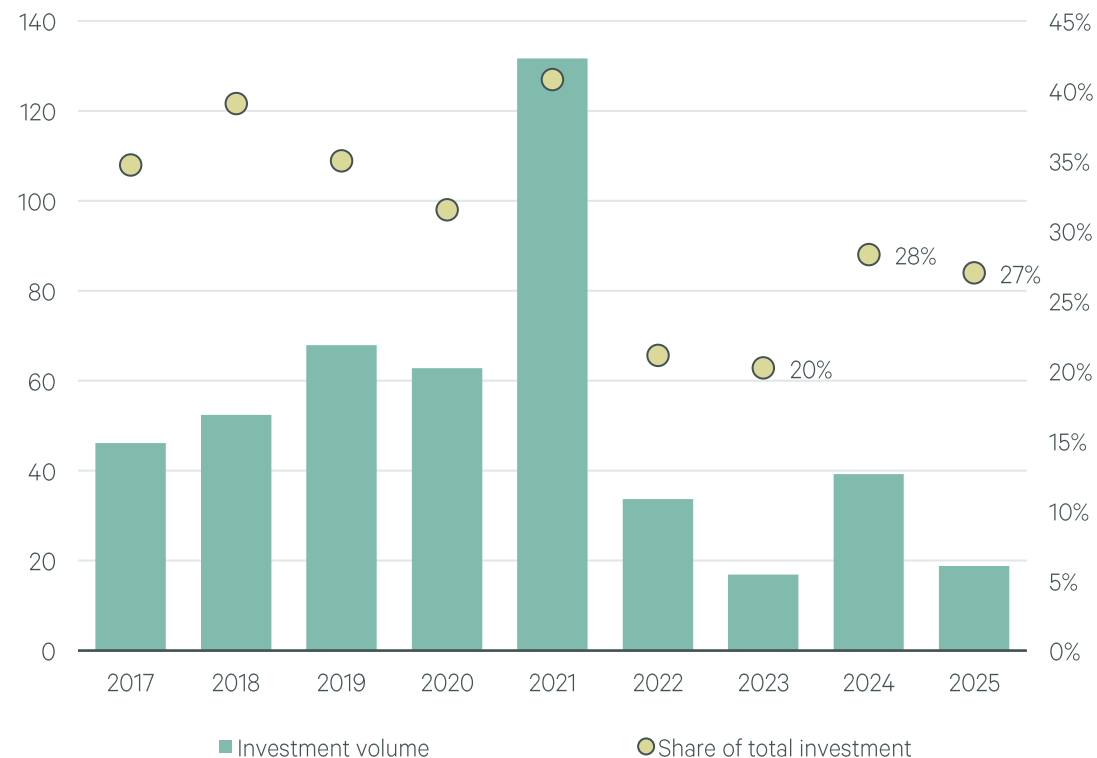
Cross-border capital remained a key driver, accounting for 33% of the residential investment volume so far in 2025, totaling SEK 6.23 billion. The prime residential yield remained unchanged at 4.15%, consistent with the level recorded in the previous quarter.

Several major transactions defined the quarter. K-Fastigheter divested a large residential portfolio in western Sweden for SEK 1.9 billion, generating a liquidity boost of SEK 500 million. The buyer was an institutional investor, and the deal is part of K-Fastigheter's strategy to strengthen its balance sheet and focus on core development operations. Stena Fastigheter acquired Källfelt Byggnads AB, adding 1,350 residential units and 68,000 sqm of commercial space in Gothenburg and Stockholm, further reinforcing its position as a leading urban developer. Meanwhile, Ontario Teachers' Pension Plan entered the Swedish residential market through a partnership with local operator Gordion, marking its first residential investment in the country and expanding its European real estate footprint.

LIVING TRANSACTION VOLUME, bn SEK

SEK 13.3 bn (Q2)

▲ 64% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS

NUMBER OF TRANSACTIONS Q1

38
▲ +8,6 % Y-o-Y

LARGEST SINGLE TRANSACTION Q2

SEK 1.9 bn

ALL INVESTMENT VOLUME IN 2025

SEK 70 bn
▲ +12% Y-o-Y

SHARE OF TOTAL VOLUME 2025

27%

CROSS BORDER INVESTMENTS 2025

33% (SEK 6.23 bn)

PRIME YIELD*

4.15%
▼ -35 bps Y-o-Y

* New Production in Greater Stockholm

KEY PERFORMANCE INDICATORS

Prime Annual Rent*, SEK

▶ **3,200** (Q2)
per sqm, pa
Change YoY: 0%

Average Rent**, SEK

▲ **1,590** (2024)
per sqm, pa
+6,85 increase vs 2023

Multifamily Completions***, 2023

▲ **53,383**
Apartments

Multifamily Completions***, 2024

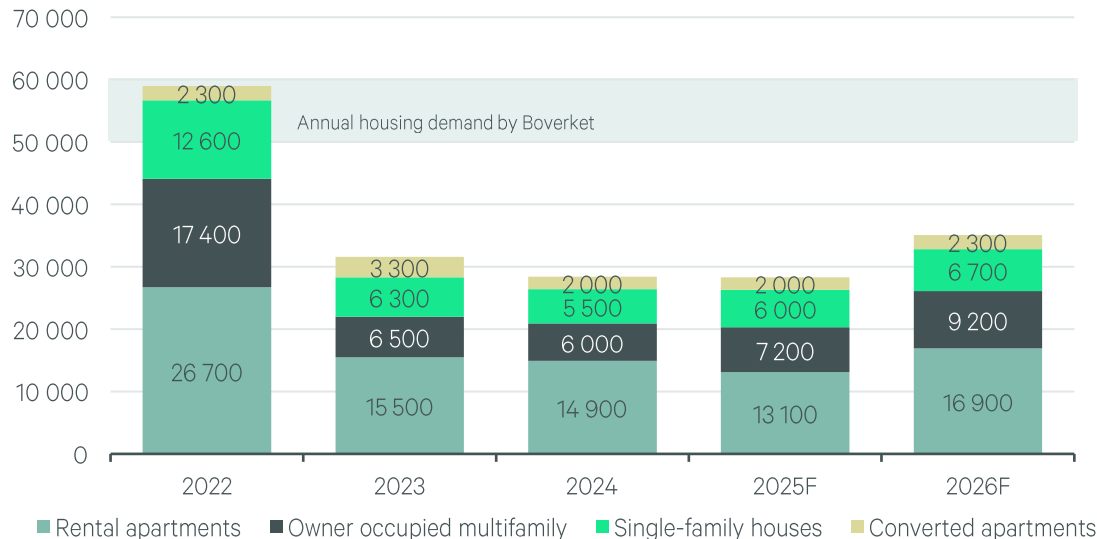
▲ **39,240**
Apartments

Multifamily New Started***, p2025

▲ **26,100**
Apartments

Source: Boverket, Statistics Sweden, Q2 2025

Construction starts per residential type 2022 – 2025F



Source: Boverket, CBRE Research, Q2 2025.

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Rental market

The Swedish rental market continued to show resilience in the second quarter of 2025, supported by stable demand and a gradually easing interest rate environment. The prime annual rent remained unchanged at SEK 3,200 per square meter, while the average rent in Stockholm rose to SEK 1,590, up from SEK 1,488 in 2023, marking a 6.85% year-on-year increase. This growth reflects both inflationary pressures and a continued imbalance between supply and demand in the rental segment.

On the ownership side, price trends were mixed. According to Mäklarstatistik, condominium prices declined by 0.6% in June, while villa prices increased by 0.7%. Over the second quarter, this translated into a slight downward trend for condominiums and moderate upward movement for villas.

Monetary policy developments played a key role in shaping market sentiment. After holding the policy rate at 2.25% in March, the Riksbank lowered the rate to 2.00% during Q2, continuing its easing cycle that began in late 2024. The central bank's actions reflect a response to subdued inflation and global economic uncertainty, with the aim of supporting household consumption and housing affordability. While the full effects of these rate cuts are yet to materialize, they have contributed to improved financing conditions and a more optimistic outlook among both tenants and property owners.

Despite these supportive factors, housing construction remains subdued. According to Boverket's June 2025 forecast, only 28,300 new homes are expected to start construction this year, well below the estimated annual need of 52,000. This structural undersupply continues to put upward pressure on rents, particularly in metropolitan areas.

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