

Sweden Living Market Q1 2025

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

Investment market

The living sector investment volume in Q1 2025 was SEK 5.39 billion, showing a modest increase of 2% year-over-year, and the sector accounted for 14% of the total investment volume. Cross-border investment made up 29% of the total, amounting to SEK 1.57 billion. The total number of transactions decreased by 11% year-over-year to 19.

Among the most notable transactions in Q1 2025 was Willhem's acquisition of 371 newly constructed residential apartments in Bandhagen, Stockholm, from Nordiska Bostad for SEK 1.29 billion. This significant deal aligns with Willhem's strategic expansion in the Stockholm area, enhancing their portfolio with sustainable and modern housing units. Another key transaction was Trianon's divestment of properties to Briban Invest, valued at SEK 1.062 billion. This deal involved residential properties in Skurup and Ystad, as well as office properties in Malmö. The transaction increased Trianon's share of residential properties to 76%.

The prime residential yield did not see further compression and stood at 4.15% in Q1 2025. Following the recovery in 2024, the residential sector continues to see interest from both domestic and international investors, who are aiming to increase their allocation in the Swedish residential sector. The long-term drivers are positive for the Swedish residential market with strong fundamentals from urbanization and population growth in the largest cities.

LIVING TRANSACTION VOLUME, bn SEK

SEK 5.39 bn (Q1)

▲ 2% Y-o-Y



Source: CBRE Research

KEY PERFORMANCE INDICATORS

NUMBER OF TRANSACTIONS Q1

19
▼ -11% Y-o-Y

LARGEST SINGLE TRANSACTION Q1

SEK 1.29 bn

ALL INVESTMENT VOLUME IN 2025

SEK 39 bn
▲ +34% Y-o-Y

SHARE OF TOTAL VOLUME 2025

14%

CROSS BORDER INVESTMENTS 2025

29% (SEK 1.57bn)

PRIME YIELD*

4.15%
▼ -35 bps Y-o-Y

* New Production in Greater Stockholm

KEY PERFORMANCE INDICATORS

Prime Annual Rent*, SEK

▲ **3,200** (Q1)
per sqm, pa
Change YoY: 0%

Average Rent**, SEK

▲ **1,488** (2024)
per sqm, pa
+4% increase vs 2023

Multifamily Completions***, 2023

▲ **41,260**
Apartments

Multifamily Completions***, 2024

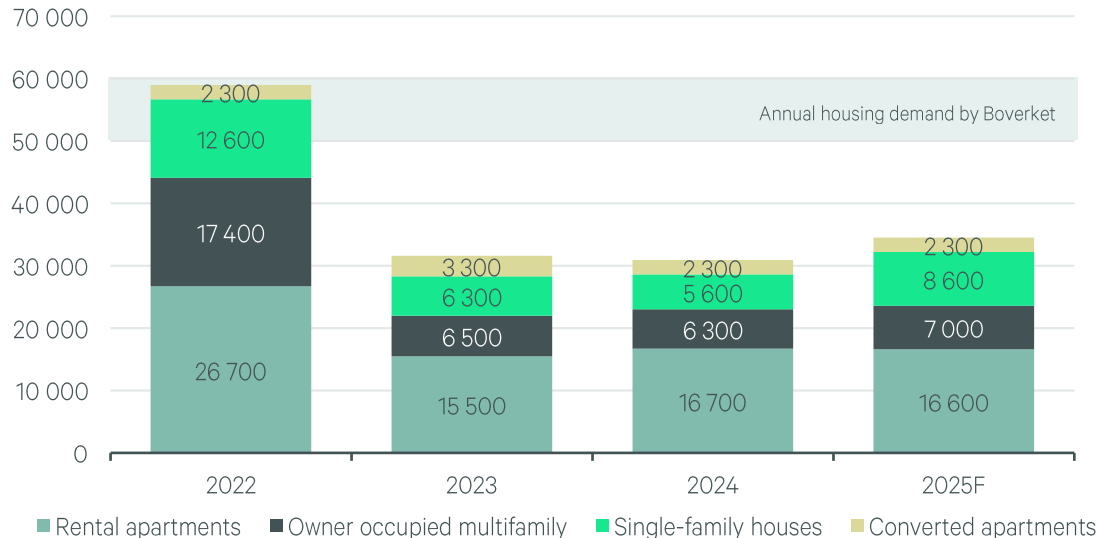
▲ **53,380**
Apartments

Multifamily New Started***, p2025

▲ **24,000**
Apartments

Source: Boverket, Statistics Sweden, Q1 2025

Construction starts per residential type 2022 – 2025F



Source: Boverket, CBRE Research, Q1 2025.

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Rental market

In the first quarter of 2025, Sweden's housing market continued to demonstrate stability and growth. The prime annual rent remained steady at SEK 3,200, showing no year-over-year change, while the average rent increased by 4% compared to 2024, reaching SEK 1,488. This rise in average rent was influenced by a moderate inflation rate of 2.86% for the previous year, which helped maintain stability in prime rents.

Throughout 2024, the Swedish central bank, Riksbank, implemented several interest rate cuts, with the most significant reduction being 0.5 percentage points to 2.75% in November. In early 2025, Riksbank reduced the interest rate, and by March, it maintained the policy rate at 2.25%, amid growing uncertainty about global trade and economic recovery. Despite these efforts, uncertainty about further interest rate cuts remains high due to geopolitical factors and the pace of economic recovery. Meanwhile, housing prices showed mixed trends, with condominium prices increasing by 1.1% and villa prices remaining nearly unchanged with a slight increase of 0.1%. Over the past 12 months, condominium prices have risen by 4.2%, and villa prices by 1.8%, according to Mäklarstatistik, indicating a stable but cautious market with high activity levels despite small price movements.

Housing construction in Sweden is gradually improving, with the number of construction starts expected to increase from 30,900 in 2024 to 34,500 in 2025. Despite this positive trend, the projected figures are still well below the 52,330 apartments per year needed to meet annual demand, as forecasted by Boverket.

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