

### SUPPLY: Speculative completions triple in 2023

2023 saw nearly half a million sqm of speculative space reach the Swedish logistics market, tripling the record-breaking completions of the previous years. At the same time, the regional cities saw more speculative projects completed throughout the year, than in the previous ten years combined. Altogether, nearly 1.2 million sqm of modern logistics space saw completion in 2023, marking a slight decrease from the record-breaking volume of 2022. Looking forward to 2024, the development pipeline remains robust with some 1.5 million sqm of projects scheduled to complete this year, with nearly 40% being developed on a speculative basis.

### DEMAND: Vacancies increase as record-breaking supply outpaces demand

Logistics demand remained stable in Q4 2023. However, the robust development pipeline continues to impact the vacancy rate. Overall, the vacancy rate in Sweden continued to increase, reaching 5%. Regional cities experienced the most significant increase compared to the previous quarter, with a vacancy rate reaching 6%. Both Stockholm and the Gothenburg region also saw a slight uptick in its vacancy rates, concluding at 6% and 2.5%, respectively. In contrast, the Öresund region vacancy rate decreased to 4.5%. Despite an all-time high in speculative completions, the vacancy rate increase has been less pronounced than anticipated, as lettings in older properties increased in the later half of 2023.

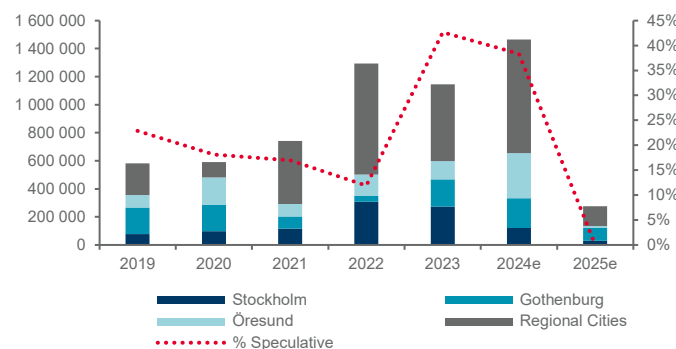
### PRICING: Strong rental growth mitigating the effect of yield decompression

Prime yields have continued their upwards shift in the fourth quarter 2023, after a brief period of stability induced by a quiet transaction market, to reach 5.00% in Stockholm and Gothenburg regions, 5.25% in the Öresund region and 5.5% across the most attractive regional cities. Meanwhile, prime rents marked a modest increase across Sweden, reaching SEK 1,000 in the Stockholm region, SEK 900 in the Gothenburg region, SEK 800 in the Öresund region and SEK 625 in the strongest regional cities. Consequently, the decrease of the implied capital values resulting from yield decompression was dampened by a strong rental growth experienced in 2023.

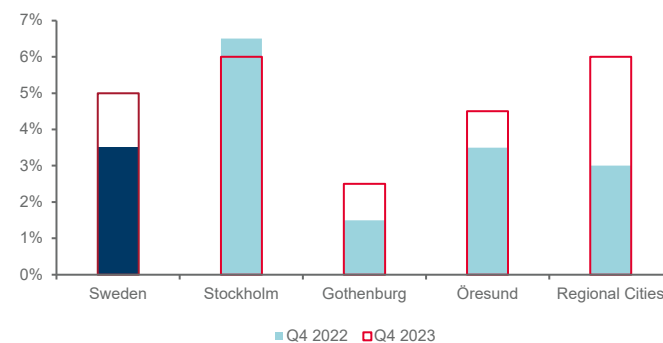
#### ECONOMIC INDICATORS



#### COMPLETIONS, SQM



#### VACANCY RATE



Source: Statistics Sweden, Stockholm County Administrative Board

Source: Cushman & Wakefield Sweden

### MARKET STATISTICS

MARKET	INVENTORY (SQM)	VACANCY RATE	PRIME RENT	PRIME YIELD
Stockholm	2,780,000	6.0%	1,000	5.00%
Gothenburg	2,560,000	2.5%	900	5.00%
Öresund	2,070,000	4.5%	800	5.25%
Regional Cities	7,200,000	6.0%	625	5.50%
<b>Overall</b>	<b>14,610,000</b>	<b>5.0%</b>	-	-

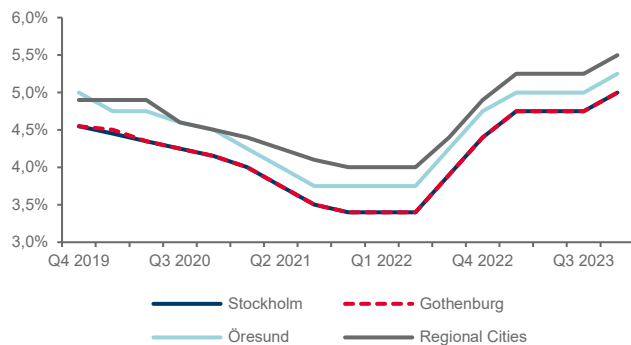
### KEY LEASE TRANSACTIONS

PROPERTY	SIZE (SQM)	TENANT	PROPERTY OWNER	LOCATION
Nygård 2:14	129,000	Fortifikationsverket	Stendörren	Stockholm
Ärilen 1	30,000	Apotea	Järngrinden & Ekebeck	Varberg
Grundstenen 7	15,000	Unknown	Logistea	Trollhättan

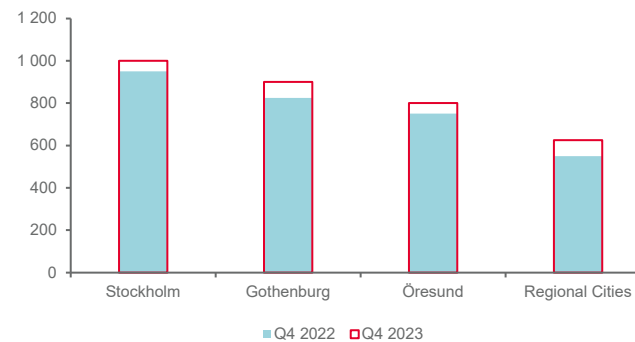
### KEY SALES TRANSACTIONS

PROPERTY NAME	BUYER	SELLER	SIZE (SQM)	PRICE (MSEK)	PRICE (SEK/SQM)	LOCATION
Portfolio, 5 properties	OTTP JV Focus Nordic	Mileway	121,000	~1,500	~12,400	Multi-city
Saltängen 1	Genesta	ICA	101,000	~1,300	~12,900	Västerås
Benkammen 14	Microsoft	Tritax Eurobox	24,600	320	13,000	Malmö

### PRIME YIELD



### PRIME RENT, SEK/SQM/YEAR



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