

Sweden Living Market Q3 2025

CBRE RESEARCH
REAL ESTATE MARKET FIGURES

Investment market

Sweden's residential investment market showed strong momentum in Q3 2025, with a total volume of SEK 9.9 billion, up 7% year-on-year, and representing 30% of total real estate investments. The number of transactions increased to 29, an 26% rise from Q3 2024, with the largest deal valued at just over SEK 1.5 billion.

Cross-border capital remained a key driver, accounting for 33% of the residential investment volume so far in 2025, totaling SEK 9.9 billion. The prime residential yield is assessed to amount to 3.90%, which is a 35-bps compression from previous year. Prime yield requirements widened through the rate-hike cycle that began in 2022 but have been broadly stable since early 2024. More recently, CBRE has observed selective yield compression within the prime segment, particularly for newly built assets.

Several major transactions defined the quarter. Familjebostäder acquired a residential portfolio comprising 14 properties in Hjulsta, Stockholm, totaling nearly 1,200 apartments. The seller, Einar Mattsson, had originally purchased the assets from the municipal housing company in 2008. KKR entered into a forward funding agreement to purchase a residential portfolio in Täby from Reliwe. The portfolio consists of three properties with a combined lettable area of 15,300 sq m and 325 apartments. This acquisition strengthens KKR's presence in the Swedish residential market and reflects continued investor interest in suburban Stockholm assets.

LIVING TRANSACTION VOLUME, bn SEK

SEK 28.8 bn (Q1-Q3)

▲ 27% compared to Q1-Q3 2024



Source: CBRE Research

KEY PERFORMANCE INDICATORS - RESIDENTIAL MARKET

NUMBER OF TRANSACTIONS Q3

29
▲ + 26% Y-o-Y

LARGEST SINGLE TRANSACTION Q3

SEK 1.52 bn

SHARE OF TOTAL VOLUME Q1 -Q3 2025

28%

CROSS BORDER INVESTMENTS Q1-Q3 2025

33% (SEK 9.9 bn)

PRIME YIELD*

3.90%
▼ -35 bps Y-o-Y

TRANSACTION VOLUME ALL SECTORS

Q1-Q3 2025
SEK 104 bn
▲ + 27% Y-o-Y

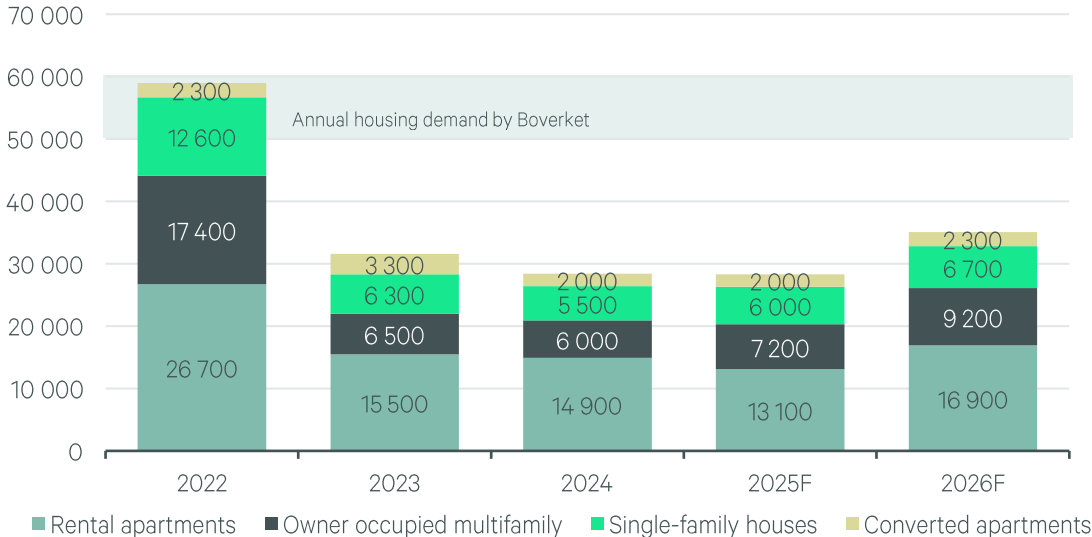
* New Production in Greater Stockholm

KEY PERFORMANCE INDICATORS



Source: Boverket, Statistics Sweden, Q2 2025

Construction starts per residential type 2022 – 2025F



Source: Boverket, CBRE Research, Q3 2025.

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Rental market

The Swedish rental market continued to show resilience in Q3 2025, supported by stable demand and a gradually easing interest rate environment. The prime annual rent increased to SEK 3,000 per sq m from SEK 2,900 per sq m, while the average rent in Stockholm rose to SEK 1,693, up from SEK 1,590 in 2024, marking a 6.5% 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 movements were mixed. Svensk Mäklarstatistik reports that condominium prices rose by 1.1% in September compared with August, while villa prices edged down by 0.1%. Over the third quarter as a whole, this equated to a slight downward trend for condominiums and a moderate upward movement for villas.

Monetary policy developments have played a pivotal role in shaping market sentiment. Following a reduction of the policy rate to 1.75% in September, the Riksbank has more than halved rates since May 2024, continuing the easing cycle that began late last year. These measures aim to counter subdued inflation and global uncertainty while supporting household spending and housing affordability. Although the full impact is yet to be felt, the cuts have already improved financing conditions and bolstered confidence among tenants and property owners.

The Swedish housing market is showing early signs of stabilisation after years of uncertainty. Lower interest rates have spurred activity, particularly in metropolitan areas, yet high construction costs and limited new development continue to constrain recovery. The Swedish National Board of Housing, Building and Planning forecasts only around 35,000 housing starts in 2026—well below the estimated annual need of 52,300 homes until 2033. Completions are also falling sharply, from 69,000 in 2023 to 33,000 in 2025, reflecting the slowdown in starts in previous years.

Market imbalances are highlighted in a report from Sveriges Allmännytt (Swedish Association of Public Housing Companies), which shows as many municipalities now report a surplus as a shortage of housing. Surpluses are concentrated in smaller towns and rural areas, while major cities face potential vacancies in new-build segments—often due to rents exceeding household affordability. The number of vacant public housing units has almost doubled in a year, underscoring the mismatch between supply and demand.

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