PART B. SWEDEN

Stockholm and Gothenburg



Gothenburg, Lilla Bommen waterfront. Architectural illustration.

This part reproduces the Nordic edition. It compares Stockholm and Gothenburg (Section B3) and then sets out Stockholm in Part B-I and Gothenburg in Part B-II, with offices in depth. Values are in Swedish kronor.

Data vintage. Metropolitan statistics come from Statistics Sweden and run to 2024, with the 2024 regional accounts provisional. Office market figures run to Q2 or Q3 2026.

B1. Executive summary and recommendations

Recommendations. Stockholm: prioritise core Grade A offices in the CBD for underwriting, subject to entry price; do not pursue suburban office value-add on an unlet basis; underwrite new-build rental housing selectively. Gothenburg: underwrite core offices in the Rest of Inner City selectively; consider the CBD only with strong pre-lets or covenants while new supply completes; do not pursue speculative value-add at present**.** On relative value, Stockholm offers the deeper market, with faster growth in output per worker and the lowest yields; Gothenburg offers stronger recent metro job growth at higher yields but a weaker office market. These are market-level judgements by the authors from the evidence in this edition, not findings of the sources and not asset-level investment approvals: each strategy still needs underwriting with net cash flows, capex, incentives, financing and exit assumptions against the investor's required return.

Two metros, one method. This Nordic edition applies the Observatory's method to Stockholm and Gothenburg: summary growth indicators and forecasts, growth and pay by sector, location quotients and shift-share against Sweden, and the forces behind growth, followed by the office market, housing and capital markets and illustrative strategies. Section B3 compares the two cities and the demand- and supply-side drivers of their growth; Parts B-I and B-II set out each in full.

The case rests on seven comparative findings:

1. **Stockholm's growth is productivity-led; Gothenburg's metro is gaining jobs share.** Between 2012 and 2024 Stockholm County's employment rose 17.9%, little faster than Sweden's 16.6%, but its real GDP rose 38.9% against 24.9% nationally, so real output per employed person rose about 18% against about 7% for Sweden, and its share of Swedish GDP rose from 31.0% to 33.0%. In the 13-municipality Gothenburg Region, register employment outgrew Sweden in both periods measured (2012 to 2018 and 2020 to 2023), and the region's share of Swedish GDP rose from 11.0% to 11.8%.
2. **Stockholm has lost ground since 2019.** Stockholm County beat the national employment trend by 11,300 jobs over 2012 to 2019 but fell 23,300 jobs short of it over 2019 to 2024; its unemployment reached a record 9.3% in Q4 2025 (Länsstyrelsen Stockholm). Gothenburg Region gained 11,000 jobs over the national trend in 2020 to 2023.
3. **Real pay rose, more than in the Spanish editions on their own measures, but fell back after 2021.** Real wage bills per employed person rose 12.3% in Stockholm and 7.8% in West Sweden between 2012 and 2024, all of it before 2019 or 2021; inflation in 2022 and 2023 cut them by about 9% in Stockholm from their 2021 peak. Konjunkturinstitutet forecasts national hourly wage growth of 3.5% in 2026 and 3.4% in 2027, with KPIF inflation of 1.6% and 2.6%, respectively (30 September 2026 forecast). These national forecasts suggest further real pay gains, but slower gains in 2027; they are not metropolitan wage forecasts.
4. **Stockholm is the specialised finance and technology hub; Gothenburg's strength is business services and industry.** Stockholm's location quotients are 2.36 in finance and 1.95 in information and communication. The Gothenburg Region is specialised in professional and administrative services (1.25) and information and communication (1.17), with a large industrial base across West Sweden.

5. **Both office markets have high and rising vacancy, but Stockholm's centre is tight.** Vacancy reached 16.1% in Stockholm and a record 14.7% in Gothenburg by mid-2026 (JLL). Stockholm CBD vacancy is 8.6% with a prime rent of SEK 9,800 per m² per year and a 3.90% prime yield; Gothenburg CBD vacancy is 15.7%, with SEK 4,200 and 4.55%.
6. **Demand drives growth; labour supply is tight and getting tighter.** Both metros rank among the EU's most innovative regions (Stockholm 1st, West Sweden 9th), while immigration adds little labour and work permits now require pay of at least 90% of the median wage. Labour supply is therefore less elastic than in the Spanish edition, so demand growth shows up in real pay as well as jobs (Section B3.3).
7. **Capital is returning.** Swedish transaction volume reached SEK 120.5 billion in H1 2026, up 60% (Cushman & Wakefield); Gothenburg office investment recovered to about SEK 4.7 billion in H1 2026 from about SEK 0.4 billion in all of 2025 (JLL). Regional growth forecasts for 2026 are strong: 3.6% for Stockholm and 3.0% for West Sweden (Nordea).

The assumptions this advice is most sensitive to: the path of the Riksbank policy rate, raised to 2% from 11 November 2026 and expected by the Riksbank to rise further in the coming year; office net absorption in suburban Stockholm and central Gothenburg, given new supply and hybrid working; and rent setting for new-build housing.

B2. Introduction: purpose, method and areas

This edition assesses whether, and how, an institutional investor should commit capital to real estate in Sweden's two largest metropolitan areas, and how the two compare. It begins with metropolitan growth, because real estate demand is generated at the metropolitan level and only then allocated to submarkets and buildings.

Why metropolitan analysis matters. Section 2 explains why the analysis is metropolitan: buildings last for decades, properties of the same type compete mainly within one metropolitan labour and housing market, and the type of growth decides which space is needed, with employment-led growth favouring volume demand and income-led growth favouring premium space.

Areas covered. For Stockholm, Stockholm County (26 municipalities, 2.47 million residents in 2024) is used as the metropolitan area, with Stockholm city (1.0 million) for context. For Gothenburg, the Gothenburg Region (GR, 13 municipalities including Kungsbacka in Halland, 1.09 million residents) is the metropolitan area for population, GDP, pay and register employment. Because detailed sector accounts are not published for the Gothenburg Region, the consistent 2012 to 2024 sector analysis uses the West Sweden accounts region (Västra Götaland and Halland, about 2.1 million residents), with the Gothenburg Region register data as the metro-level cross-check. Sweden is the reference economy throughout. Office sections use JLL's market and submarket definitions.

Method and data. Employment and wages by sector come from Statistics Sweden's (SCB) regional accounts: annual average employed persons (employees and self-employed) and wage bills, consistent from 2012 to 2024. Real values use the national CPI. Mean salaries by sector are not published for these geographies, so the report uses the real wage bill per employed person, which includes the self-employed in the denominator and is therefore a proxy for pay. Gothenburg Region employment comes from SCB's register statistics, which have method breaks in 2016, 2019 and 2024; growth is therefore measured only within each series (2012 to 2018 and 2020 to 2023). Figures are in Swedish kronor and are not converted, and pay levels are not compared with the Spanish editions. 'Technology' is used as shorthand for NACE section J, information and communication. Growth types. Following Chapter 3 of Sivitanides and Mourouzi-Sivitanidou (2020) and DiPasquale and Wheaton (1996), we distinguish observed growth from its inferred mechanism. Demand-induced growth begins with stronger demand for local goods or services: elastic labour supply favours job growth with modest wage gains, while a less elastic response favours larger wage gains. Supply-induced growth begins with an independent expansion of labour supply and, in the model, raises jobs while reducing real wages. Migration can initiate a supply shift or respond to job demand; its presence does not distinguish the two. Employment and pay movements are diagnostic clues, not causal identification or estimates of elasticity. Inflation, hours, worker composition and measurement coverage can alter the pay signal. Labels are therefore indicative and are assessed alongside sector demand, migration, participation and recruitment evidence; see Section 2 and Table 4b.

The investment cases. The report tests five illustrative strategies:

Table B1. The strategies tested

City	Strategy	Asset	Location	Risk style
Stockholm	A	Stabilised, fully let Grade A office building	CBD	Core
Stockholm	B	Partly vacant office building, refurbished	Solna / Sundbyberg	Value-add
Stockholm	C	New-build rental housing	Greater Stockholm	Core-plus
Gothenburg	A	Stabilised, let office building	Rest of Inner City (CBD as alternative)	Core
Gothenburg	B	Partly vacant office building, refurbished	Norra Älvstranden or CBD	Value-add

Structure. Section B3 compares the two cities, including the demand- and supply-side drivers of their growth. Part B-I (Sections B4 to B8) covers Stockholm and Part B-II (Sections B9 to B13) Gothenburg: metropolitan growth, prospects by asset class, the office market, housing and capital markets, and strategy appraisal. Section B14 sets out risks and monitoring for both, and Section B15 lists sources.

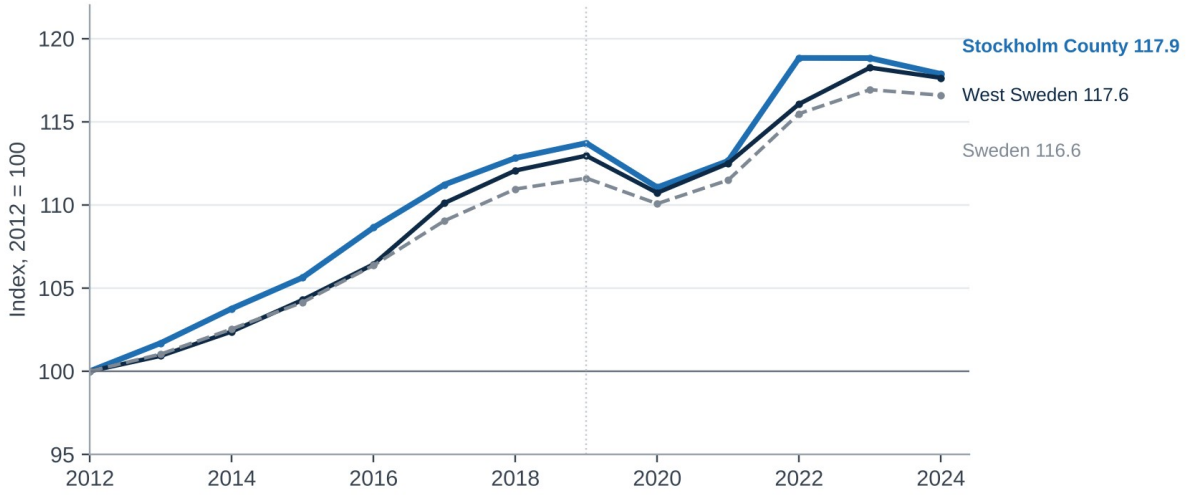
B3. Stockholm and Gothenburg compared

Stockholm and West Sweden added jobs at almost exactly the same pace between 2012 and 2024, slightly faster than Sweden. They differ in what drove growth: Stockholm in output and pay per worker, Gothenburg in the number of jobs and in its metro core.

B3.1 Growth on matched data

Figure B1. Stockholm and West Sweden grew in step, slightly ahead of Sweden

Employed persons, non-agricultural, regional accounts, 2012 to 2024 (index, 2012 = 100)



Source: SCB, regional accounts (NR0105), annual average employed persons, Stockholm County (RIKS1), West Sweden (RIKS5) and Sweden; authors' calculations.

Employment in Stockholm County rose 13.7% between 2012 and 2019 and 3.7% between 2019 and 2024; West Sweden's rose 13.0% and 4.1%; Sweden's 11.6% and 4.5%. Stockholm's lead before the pandemic became a lag after it, while West Sweden kept pace with the nation. Inside West Sweden, the Gothenburg Region did better than the wider region: its register employment grew 13.5% between 2012 and 2018 (Sweden 9.4%) and 8.5% between 2020 and 2023 (Sweden 6.1%).

Table B2. Stockholm and Gothenburg scorecard

Indicator	Stockholm	Gothenburg	Basis
Population growth, 2012 to 2024	+16.3%	+14.8%	County; Gothenburg Region (Sweden +10.8%)
Employment growth, 2012 to 2024	+17.9%	+17.6%	Regional accounts; West Sweden for Gothenburg (Sweden +16.6%)
Regional shift, 2012 to 2019	+11,300 jobs	+17,300 jobs	Regional accounts vs Sweden
Regional shift, 2019 to 2024	-23,300 jobs	-400 jobs	Regional accounts vs Sweden
Metro register regional shift	n.a.	+8,000 (2012-15); +7,300 (2016-18); +11,000 (2020-23)	Gothenburg Region, SCB register
Real GDP growth, 2012 to 2024	+38.9%	n.a. (GDP share 11.0% to 11.8%)	Stockholm volume index; Gothenburg nominal share
Real wage bill per employed, 2012 to 2024	+12.3%	+7.8%	Regional accounts (Sweden +7.8%)
Finance / technology location quotient, 2024	2.36 / 1.95	0.66 / 1.17	Stockholm accounts; Gothenburg Region register
Population projection, 2023 to 2040	+7.2%	+5.3%	SCB, county; Västra Götaland for Gothenburg
Regional GDP forecast, 2026 / 2027	+3.6% / +3.4%	+3.0% / +3.0%	Nordea; West Sweden for Gothenburg
Office vacancy, mid-2026: market / CBD	16.1% / 8.6%	14.7% / 15.7%	JLL
Prime CBD rent and yield	SEK 9,800; 3.90%	SEK 4,200; 4.55%	JLL, Q2 to Q3 2026
Tenant-owned flat prices, 12 months to Sept 2026	+6.5%	+4.3%	Svensk Mäklarstatistik, Stor-Stockholm and Stor-Göteborg

Sources: SCB regional accounts, population and register employment; SCB regional population projections (June 2024); Nordea, Regionala utsikter (October 2026); JLL Stockholm Office Market Dynamics (October 2026) and Nordics office outlook (October 2026); Svensk Mäklarstatistik (October 2026); authors' calculations.

Where population growth comes from. Population change is the sum of natural change (births less deaths) and net migration. Unlike the southern European metros in this series, Stockholm County grows mainly through natural increase: in 2024 its population rose by 18,486, of which births exceeded deaths by 10,247, net migration from abroad added 9,008 and net migration to the rest of Sweden subtracted 500 (Table B2a). The components for the Gothenburg Region were not available to the authors; its population rose by about 6,600 in 2024.

Table B2a. Components of population change, Stockholm County, 2024

Area	Population change	Natural change	Net migration, abroad	Net migration, rest of Sweden	Correction
Stockholm County	+18,486	+10,247	+9,008	-500	-269

Source: Region Stockholm, Prognos 2025 method description (August 2026), actual figures for 2024 based on SCB population statistics. The correction item covers late-reported events.

Jobs per resident. Stockholm County's population has grown almost as fast as its jobs. Employed persons per resident rose 1.7% between 2012 and 2019, against 3.3% for Sweden, and fell 0.4% between 2019 and 2024, while Sweden's rose 1.9%. This is consistent with the county's rising unemployment, although commuting and participation cannot be separated with the data used here. In the Gothenburg Region, register employment rose faster than population: jobs per resident rose 4.4% between 2012 and 2018 and 5.3% between 2020 and 2023, consistent with falling unemployment or more commuting into the metro core.

Synthesis by period. Table B2b summarises growth in each period and the type of growth it indicates.

Table B2b. Synthesis of growth patterns by period (average annual % change)

Area	Period	Population	Employment	Real pay	Real output	Indicative mechanism	Main forces
Stockholm County	2012-19	+1.6	+1.9	+2.0	+3.2	Consistent with demand-induced; stronger pay effect	Finance and technology hub; strong population growth
Stockholm County	2019-24	+0.8	+0.7	-0.5	+2.2	Output growth with falling real pay	2022 to 2023 inflation shock; weaker labour market; slowing population growth
West Sweden	2012-19	+1.4	+1.8	+1.7	n.a.	Consistent with demand-induced; stronger pay effect	Professional services; technology; industrial base
West Sweden	2019-24	+0.9	+0.8	-0.9	n.a.	Jobs growth with falling real pay	Inflation shock; export cycle; metro core still gaining

Sources: SCB population statistics, regional accounts (employed persons; wage bills; GDP in volume for Stockholm County) and CPI; authors' calculations. Population for West Sweden is that of the Gothenburg Region. Real pay is the real wage bill per employed person. Falling real pay after 2019 may reflect inflation, hours and worker composition as well as labour-supply shifts. Its cause is not identified; the same rule is applied across metros in Table 4b. Growth types follow the framework in Section B2 and are indicative.

B3.2 Competitive engines

Table B3. Regional shift by sector, Stockholm County and West Sweden (thousands of jobs)

Sector	Stockholm 2012-19	Stockholm 2019-24	West Sweden 2012-19	West Sweden 2019-24
J Information and communication	+5.0	-1.6	+1.2	+0.2
K Finance and insurance	+2.3	+1.2	0.0	-0.6
M to N Professional and administrative	-3.5	-8.8	+11.1	+0.2
G to H Trade and transport	+3.4	-6.3	+1.0	+1.2
O to Q Public admin, education, health	-7.0	-6.3	-1.1	+2.0
F, L Construction and real estate	+5.1	-2.0	+1.8	-0.2
B to E Industry and utilities	+1.3	+5.9	+3.0	-5.6
I, R to T Hospitality, culture, other	+4.7	-5.3	+0.3	+2.6
Total	+11.3	-23.3	+17.3	-0.4

Source: SCB regional accounts; authors' calculations. Regional shift is the change in local employment less the change expected had each sector grown at its national rate. Rows may not sum to totals because of rounding.

- **Stockholm's advantage is in specialised, high-value services.** Finance gains in both periods and its quotient keeps rising; technology gained strongly before 2019. Since 2019, though, most Stockholm sectors have lost ground to Sweden, including professional services (-8,800) and trade and transport (-6,300), and only industry and utilities and finance have gained.
- **West Sweden's advantage was in professional services before 2019** (+11,100), and the Gothenburg Region core has kept outgrowing Sweden since 2020, led by trade and transport, public services and hospitality. West Sweden's industrial base lost share after 2019 (-5,600).
- **Pay growth tells a different story from the Spanish cities.** In Stockholm, real wage bills per employed rose fastest in professional services (+20%), finance (+19%) and construction and real estate (+15%); in West Sweden in professional services (+18%) and construction and real estate (+12%). Growth in both regions was accompanied by rising real wage bills per employed person, not only by more workers; this is a pay measure, not a productivity measure, and it is affected by the mix of employees, self-employed and working time.

B3.3 Drivers of growth: demand side and supply side

Following Chapter 3 of Sivitanides and Mourouzi-Sivitanidou (2020), the drivers of metropolitan growth are divided into those that raise demand for an area's output and those that raise its supply of labour. Demand drivers raise jobs and real pay together; supply drivers raise jobs but hold real pay down. Tables B3a and B3b rate each driver for the two metros. The ratings are the authors' judgement from the evidence shown.

Table B3a. Demand-side drivers of growth

Driver	Stockholm	Gothenburg	Evidence
National economic influences	Moderate now (strong before 2019)	Strong now	Stockholm fell 23,300 jobs short of the national trend in 2019 to 2024 and unemployment reached a record 9.3%; the Gothenburg Region gained 11,000 jobs above it in 2020 to 2023, unemployment was 6.4% in August 2026 and business confidence was 102.2
Amenities, infrastructure and tax	Strong	Moderate	Capital city; Arlanda passengers up just under 7% in 2025, Landvetter just under 2%; electricity shortages cost West Sweden 75 industrial establishments in four years; taxes are largely national
Clusters and innovation	Very strong	Strong	Stockholm ranks 1st among EU regions on the Regional Innovation Scoreboard 2025 and has 36 unicorns; West Sweden ranks 9th and Västra Götaland has 25% of Sweden's R&D; Volvo Cars' Gothenburg battery plant is postponed
Population growth	Moderate	Moderate	Stockholm County grew by 18,486 in 2024, more than half from births (Table B2a); Sweden grew by only 17,800 in 2025
Visitor spending	Moderate	Moderate	Guest nights rose about 3% in Stockholm County and 4% in Västra Götaland in 2025
Government spending	Strong	Moderate	Capital functions; Förbifart Stockholm (SEK 51.0 to 53.5 billion) and metro expansion; Västlänken in Gothenburg (about SEK 36 billion); national defence spending rising to 3.5% of GDP by 2030

Sources: Länsstyrelsen Stockholm, Läget i länet, March 2026; Business Region Göteborg, Konjunkturen #3 2026; Swedavia, traffic statistics 2025; VGR Analys 2026:42; Regional Innovation Scoreboard 2025, as reported by Invest in Gothenburg; Dealroom; Norran, 13 January 2026; SCB, population statistics 2025; Tillväxtverket, Inkvartering 2025; Realtid, 13 December 2025; EFN, 26 March 2025; authors' calculations (regional shifts).

Table B3b. Supply-side drivers of growth

Driver	Stockholm	Gothenburg	Evidence
Immigration for non-wage reasons	Weak	Weak	First-time residence permits fell to 88,938 in 2025, with protection permits down to 12,810; Stockholm city's net international migration halved to 1,861 in 2025
Labour force participation	Moderate	Weak	National participation is already 75.2%; Stockholm's 137,000 unemployed are the main reserve; employment of foreign-born residents has risen 5.5 points since 2019
Public policy programmes	Weak (restrictive)	Weak (restrictive)	Since 1 June 2026 work permits require pay of at least 90% of the median wage (SEK 34,470 a month); expert tax relief, extended to seven years in 2024, targets only highly paid specialists

Sources: Migrationsverket, residence permits 2025 and work permit rules 2026; City of Stockholm, Befolkningsöversikt 2025; SCB, Labour Force Survey, September 2026; Länsstyrelsen Stockholm, March 2026; Ekonomifakta, employment of foreign-born; Azets and EY, expert tax relief.

How the drivers explain the growth pattern. Before 2019, jobs and real pay rose together in both Swedish regions, consistent with demand-induced expansion and a stronger wealth effect than in the Spanish metros. A less elastic labour response is a hypothesis; the aggregate series do not estimate it. Migration policy may affect future recruitment, but does not by itself establish historical elasticity. After 2019 real pay fell and employment slowed, so the initiating mechanism remains uncertain. Stockholm's finance and technology exposure and Gothenburg's export manufacturing and R&D base provide sector-specific demand evidence; interest rates and funding conditions are possible influences whose contributions are not quantified here.

What could change the balance. A recovery in Stockholm's finance and technology demand would meet a large reserve of unemployed workers at first, then a tight labour market, raising real pay. Slower immigration limits volume growth in both metros. Gothenburg's growth depends on exports, including to the United States, its largest export market, and on whether the postponed battery investment resumes.

B3.4 Relative implications for real estate

Table B4. Relative outlook by asset class, five to ten years

Asset class	Stockholm	Gothenburg	Relative view
Prime offices	Strong: CBD vacancy 8.6%, rents up 129% since 2012	Moderate: CBD vacancy 15.7% with new supply completing	Stockholm CBD preferred; Gothenburg inner city outside the CBD is tighter
Value-add offices	Weak: suburbs 14% to 36% vacancy	Weak: 16% to 22% vacancy outside the inner city	Avoid speculative value-add in both
Rental housing	Moderate: strong demand, regulated rents, 3.85% prime yield	Moderate: demand from metro job growth; regulated rents	Similar; Stockholm deeper, Gothenburg higher yields
Tenant-owned housing (development)	Strong price recovery (+6.5%)	Moderate (+4.3%)	Stockholm preferred
Logistics and industrial	Moderate: consumption hub	Strong: Scandinavia's largest port and industrial base	Gothenburg preferred

Overall. Stockholm offers the stronger and more liquid prime office market, supported by productivity, pay and specialised services, but its employment has lagged Sweden since 2019 and its suburban office markets are oversupplied. Gothenburg's metro core is growing faster than Sweden and its yields are higher, but its office vacancy is at a record and the CBD has new supply to absorb; core investment there is better placed in the Rest of Inner City, and logistics is a relative strength.

Part B-I. Stockholm



Gamla Stan waterfront, Stockholm. Illustration adapted from a photograph by Julian Herzog, Wikimedia Commons · CC BY 4.0

B4. Stockholm: metropolitan growth patterns

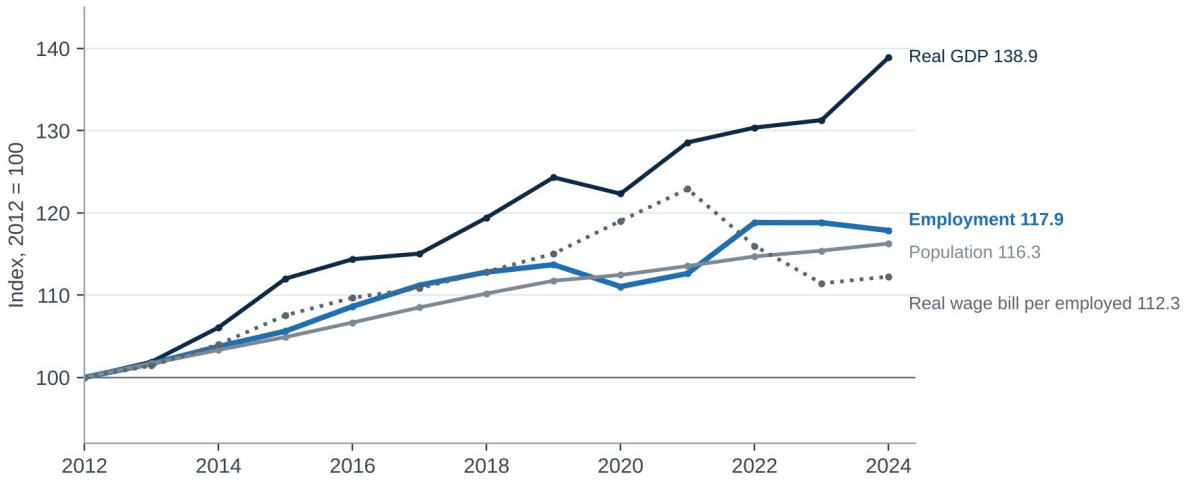
Metropolitan growth is analysed in four steps: summary indicators and forecasts (4.1), growth and pay by sector (4.2), specialisation and competitiveness against Sweden (4.3) and the forces behind growth (4.4).

B4.1 Summary growth indicators

Stockholm grew through output and pay as well as jobs: between 2012 and 2024 real GDP rose 38.9%, employment 17.9%, population 16.3% and the real wage bill per employed person 12.3%.

Figure B2. Output grew more than twice as fast as jobs or population

Summary growth indicators, Stockholm County, 2012 to 2024 (index, 2012 = 100)



Sources: SCB regional accounts (employment, wages, GDP volume), population statistics and CPI; authors' calculations. Employment excludes agriculture; wages deflated by the national CPI.

Employment. Non-agricultural employment rose from 1.19 million to 1.41 million between 2012 and 2024. It grew 13.7% to 2019, fell 2.3% in 2020, jumped in 2022 and has since edged down: the 2024 figure, which is provisional, is about 11,000 below 2023. Stockholm County's unemployment reached 9.3% in Q4 2025, the highest in the series, although employment rose again in late 2025 (Länsstyrelsen Stockholm).

Population. The county grew from 2.13 million to 2.47 million (+16.3%), against 10.8% for Sweden, and Stockholm city from 0.88 million to 1.0 million (+13.0%). Growth has slowed sharply: 4.0% in 2019 to 2024 after 11.8% in 2012 to 2019, and 0.5% in 2025.

Output and pay. Real GDP rose 38.9% against 24.9% for Sweden, and the county's share of national GDP rose from 31.0% to 33.0%; 2024 growth was a provisional 5.8%. The real wage bill per employed person reached SEK 537,000 in 2024, 14% above the Swedish level. It rose 15.0% to 2019 and peaked in 2021, then fell with the 2022 and 2023 inflation surge, ending 2.4% below its 2019 level.

Forecasts. The outlook is for a cyclical recovery (Table B5). Nordea forecasts Stockholm's regional GDP to grow 3.6% in 2026, the fastest of any Swedish region that year, and 3.4% in 2027, and an employment increase of 1.2% is forecast for 2026. SCB's most recent regional projection available to the authors (June 2024) has the county's population growing 7.2% between 2023 and 2040, slower than in the past decade but above Sweden's 4.3%. Konjunkturinstitutet forecasts national hourly wage growth of 3.5% in 2026 and 3.4% in 2027, with KPIF inflation of 1.6% and 2.6%, respectively (30 September 2026 forecast). These national forecasts suggest further real pay gains, but slower gains in 2027; they are not metropolitan wage forecasts. The Riksbank raised its policy rate to 2% from 11 November 2026 and expects to raise it further in the coming year.

Table B5. Historical and forecast growth, Stockholm County

Indicator	History	Forecast	Forecast source
Population	+16.3%, 2012 to 2024; +0.5% in 2025	+7.2%, 2023 to 2040	SCB, June 2024
Employment	+17.9%, 2012 to 2024	+1.2% in 2026	Länsstyrelsen Stockholm, March 2026
Unemployment	9.3% in Q4 2025	Back to pre-recession levels in 2027	Arbetsförmedlingen, spring 2026
Real GDP	+38.9%, 2012 to 2024	+3.6% in 2026; +3.4% in 2027	Nordea, October 2026
Real wage bill per employed	+12.3%, 2012 to 2024	Sweden: hourly wages +3.5% (2026), +3.4% (2027); KPIF +1.6% (2026), +2.6% (2027)	Konjunkturinstitutet, 30 September 2026

Sources: history as Figure B2; Länsstyrelsen Stockholm, Läget i länet, March 2026; Arbetsförmedlingen, Regionala utsikter, spring 2026; Nordea, Regionala utsikter, 7 October 2026; Konjunkturinstitutet, Konjunkturläget, 30 September 2026, national hourly wages and KPIF: https://www.konj.se/publikationer/konjunkturlaget/2026-09-30-inflationen-tydligt-over-inflationsmalet-nasta-ar/

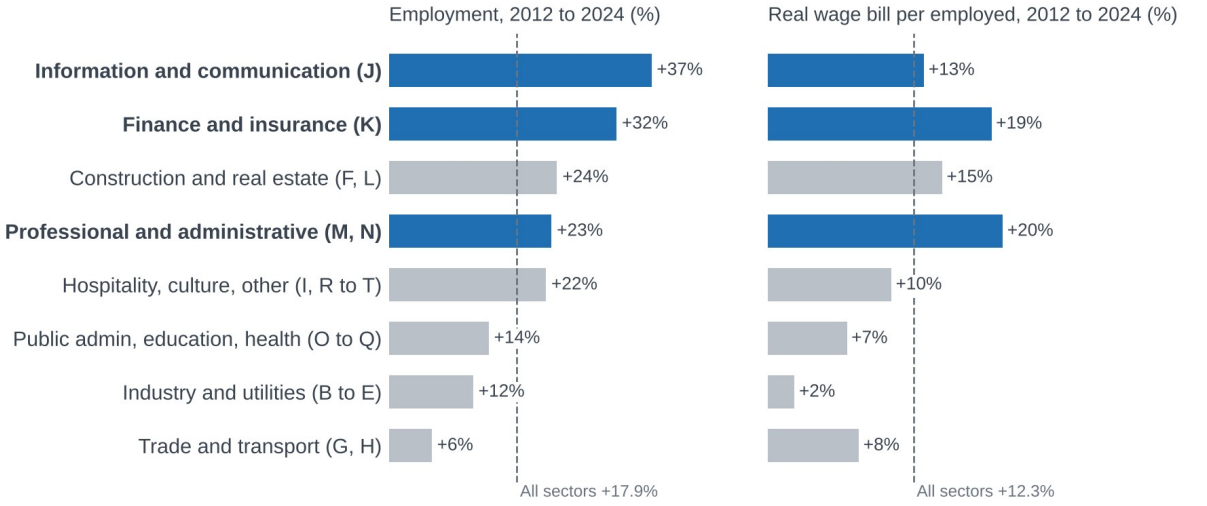
Reading for the investor. More than in Madrid and Barcelona, Stockholm's growth has raised output per worker and the real wage bill per employed person, which supports premium space and pricing. The weak spot is employment since 2019: the region is not currently gaining jobs share, so occupier demand depends on the recovery forecast for 2026 and 2027.

B4.2 Growth and pay by sector

Growth was led by knowledge-intensive services: information and communication jobs rose 37% and finance 32% between 2012 and 2024, against 18% for all sectors, and pay grew fastest in professional services and finance.

Figure B3. Technology and finance led job growth; pay grew fastest in professional services and finance

Employment and real wage bill per employed person by sector, Stockholm County, 2012 to 2024 (% change). Office-using sectors in blue.



Source: SCB regional accounts; wage bills deflated by the national CPI; authors' calculations.

Table B6. Employment and real pay by sector, Stockholm County

Sector	Jobs 2012 (000)	Jobs 2024 (000)	Jobs growth	Sweden jobs growth	Pay 2024 (SEK 000)	Real pay 2012 to 2019	Real pay 2019 to 2024	Real pay 2012 to 2024
J Technology	94.6	129.4	+36.8%	+32.6%	733	+12.8%	+0.3%	+13.1%
K Finance	53.3	70.3	+31.9%	+24.4%	900	+26.0%	-5.7%	+18.8%
F, L Construction, RE	90.0	111.2	+23.6%	+20.1%	575	+16.1%	-1.2%	+14.7%
M to N Professional	197.6	242.6	+22.8%	+29.1%	580	+16.7%	+2.6%	+19.7%
I, R to T Hospitality, other	120.0	146.4	+22.0%	+22.3%	367	+12.9%	-2.2%	+10.4%
O to Q Public services	325.2	370.6	+14.0%	+18.1%	432	+15.6%	-7.8%	+6.6%
B to E Industry, utilities	82.3	92.0	+11.8%	+2.9%	594	+9.8%	-6.9%	+2.2%
G to H Trade, transport	231.0	244.8	+6.0%	+7.2%	511	+14.0%	-5.5%	+7.6%
All sectors	1,194.0	1,407.3	+17.9%	+16.6%	537	+15.0%	-2.4%	+12.3%

Source: SCB regional accounts (annual average employed persons including self-employed; wage bills), Stockholm County and Sweden; national CPI; authors' calculations. Pay is the wage bill per employed person, which divides employees' wages by all employed, so it understates pay in sectors with many self-employed. Public services are O to Q.

Growth patterns by sector. Technology, finance, construction and real estate combined employment growth with real-pay gains over the longer period, consistent with demand-induced expansion and stronger purchasing power. The data do not independently establish labour-supply elasticity. Professional services raised pay sharply (+20%) while jobs grew more slowly than nationally. Public services, trade and transport expanded mainly in jobs, with pay held back after 2019; inflation and composition complicate the mechanism. Technology, finance and professional services remain relevant office-using sectors in the CBD and inner city.

B4.3 Specialisation and competitiveness

Stockholm is Sweden's finance and technology hub, and those specialisations are still deepening, but since 2019 the region has lost employment share in most other sectors.

Table B7. Location quotients by sector, Stockholm County (Sweden = 1.0)

Sector	LQ 2012	LQ 2019	LQ 2024	Share of jobs 2024	Reading
K Finance and insurance	2.25	2.30	2.36	5.0%	Highly specialised and rising
J Information and communication	1.91	1.96	1.95	9.2%	Highly specialised, stable
M to N Professional and administrative	1.40	1.35	1.32	17.2%	Specialised, easing
I, R to T Hospitality, culture, other	1.20	1.21	1.18	10.4%	Specialised
G to H Trade and transport	1.06	1.06	1.04	17.4%	Close to average
F, L Construction and real estate	0.88	0.91	0.90	7.9%	Below average
O to Q Public admin, education, health	0.82	0.79	0.79	26.3%	Below average
B to E Industry and utilities	0.50	0.50	0.53	6.5%	Under-represented

Table B8. Shift-share decomposition, Stockholm County, 2012 to 2019 and 2019 to 2024 (thousands of jobs)

Sector	Change 2012-19	National	Mix	Local	Change 2019-24	National	Mix	Local
M to N Professional	+37.4	+22.9	+18.0	-3.5	+7.6	+10.5	+5.9	-8.8
O to Q Public services	+35.5	+37.7	+4.8	-7.0	+9.9	+16.1	+0.1	-6.3
I, R to T Hospitality, other	+25.6	+13.9	+7.0	+4.7	+0.8	+6.5	-0.4	-5.3
F, L Construction, RE	+22.5	+10.4	+6.9	+5.1	-1.3	+5.0	-4.3	-2.0
J Technology	+20.6	+11.0	+4.7	+5.0	+14.2	+5.1	+10.7	-1.6
G to H Trade, transport	+18.7	+26.8	-11.5	+3.4	-4.9	+11.2	-9.7	-6.3
K Finance	+3.3	+6.2	-5.2	+2.3	+13.7	+2.5	+10.0	+1.2
B to E Industry, utilities	+0.1	+9.5	-10.7	+1.3	+9.6	+3.7	0.0	+5.9
Total	+163.7	+138.5	+13.9	+11.3	+49.6	+60.6	+12.2	-23.3

Source for Tables B7 and B8: SCB regional accounts, Stockholm County and Sweden, annual average employed persons, agriculture excluded; authors' calculations. National, Mix and Local are the national effect, industry-mix effect and regional (local) shift. RE is real estate.

Quotients and shares. Finance's quotient of 2.36 applies to 5.0% of the county's jobs and technology's 1.95 to 9.2%; public services (26.3%) and trade and transport (17.4%) remain the largest employers.

What the decomposition shows. National growth explains most of Stockholm's job gains, and the region's favourable mix (finance, technology and professional services, which grew fast nationally) added 12,000 to 14,000 jobs in each period. The regional shift, Stockholm's own competitive gain, turned from +11,300 before 2019 to -23,300 after it. Finance is the only office-using sector with a positive regional shift in both periods; technology's turned slightly negative after 2019, although its jobs still grew 15% and its quotient stayed close to 2. The losses after 2019 are concentrated in professional services, trade and transport, public services and hospitality.

B4.4 Forces behind growth and the five-year outlook

Preliminary conclusion: Stockholm's growth has been driven by its role as Sweden's capital and its finance and technology hub, which has raised productivity and pay, together with strong population growth that has now slowed.

1. **Hub functions and specialisation.** Finance and technology are highly concentrated and still deepening, supporting high output per worker and the country's highest office rents.
2. **Output per worker rather than headcount.** Real output rose more than twice as fast as employment, so output per employed person rose about 18%; the real wage bill per employed person rose faster than in Sweden until 2021. Output per hour is not available for the county.
3. **Population growth, now slowing.** The county grew by almost 350,000 people in 2012 to 2024, but growth has fallen to about 0.5% a year, and SCB's projection implies slower growth to 2040.
4. **A weaker labour market since 2019.** The region has lost jobs share in most sectors and unemployment is at a record.

Will these forces persist? Hub functions and specialisation are durable, and forecasters expect Stockholm to lead Sweden's recovery in 2026 and 2027. Slower population growth and rising interest rates are the main constraints: they temper housing demand and the pace at which office vacancy can fall.

B5. Stockholm: growth prospects and real estate markets

Over the next five to ten years, Stockholm's growth pattern most clearly supports prime offices and well-located housing; it does not support speculative suburban offices.

Table B9. Asset classes and Stockholm's growth pattern, five to ten years

Asset class	Evidence	Demand evidence	What benefits most	Key caveat
Offices	Strong but polarised	Finance and technology specialised and growing; pay up 13% to 20% in office-using sectors	Grade A CBD and Hagastaden	Market vacancy 16.1%; suburbs 14% to 36%
Rental housing	Moderate	Population +16.3% since 2012; real pay up	New-build rental in well-connected locations	Regulated rents; population growth slowing
Tenant-owned housing	Moderate to strong	Prices +6.5% in 12 months; higher real pay	Development for sale in the inner suburbs	Rate rises from late 2026
Logistics	Moderate	Largest consumer market in Sweden	Last-mile and urban logistics	Trade and transport losing share since 2019
Social infrastructure	Moderate	Public services +14% jobs; below-average concentration	Healthcare and education	Follows population, which is slowing

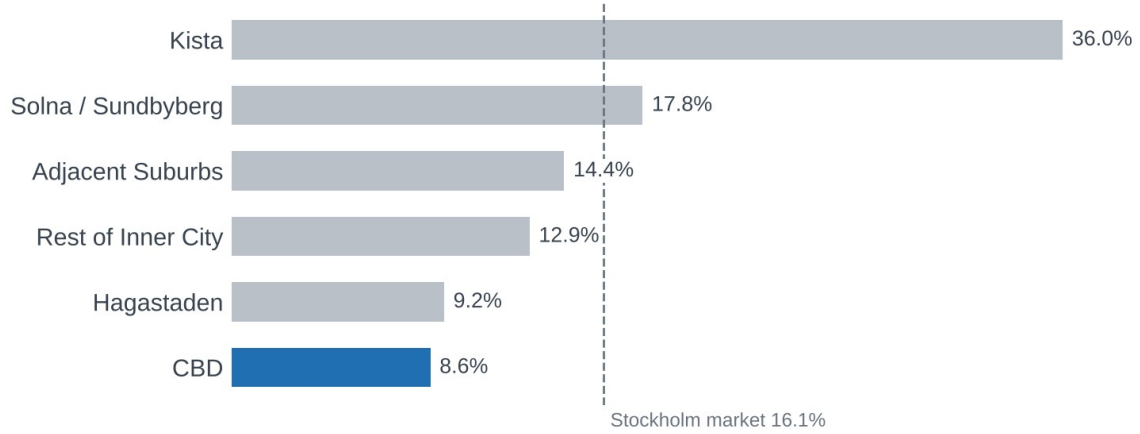
What the growth evidence does not support. Speculative office development or value-add outside the inner city, where vacancy is 14% to 36%, and manufacturing space, which is under-represented in the county.

B6. Stockholm: the office market

Stockholm's office market is polarised: the CBD is tight and rents are at record levels, while the overall vacancy rate is the highest in the series compiled for this edition, which starts in 2012.

Figure B4. CBD vacancy is 8.6%; Kista's is 36%

Stockholm office vacancy by submarket, Q2 2026 (%)



Source: JLL, Nordics office outlook, October 2026 (Citymark vacancy data); JLL Stockholm market vacancy as at mid-2026.

Table B10. Stockholm office submarkets, Q2 2026

Submarket	Vacancy	Prime rent (SEK per m² per year)	Prime yield
CBD	8.6%	9,800	3.90%
Hagastaden	9.2%	5,800	4.40%
Rest of Inner City	12.9%	5,700	4.75%
Adjacent Suburbs	14.4%	3,600	5.50%
Solna / Sundbyberg	17.8%	3,700	5.50%
Kista	36.0%	2,400	7.00%

Source: JLL, Nordics office outlook, autumn 2026 (Q2 2026). CBRE reports CBD vacancy of 6.8% and a CBD prime rent of SEK 9,500 for Q2 2026; definitions differ.

Demand and supply. Take-up reached 380,000 m² in the first three quarters of 2026, and market vacancy eased to 15.7% in Q3 2026 from a peak of 16.1% in Q2 (JLL). Supply is now limited: no completions in Q3 2026 and 51,000 m² in the year to date, with 212,000 m² under construction, 66% pre-let.

Rents. The prime CBD rent was SEK 9,800 per m² per year in Q3 2026, up from SEK 9,500 in 2025 and SEK 7,600 in mid-2019, and more than double the SEK 4,300 recorded in mid-2012 (JLL). Rents outside the CBD are a third to a half of CBD levels and have been flat.

A changed market. Vacancy was around 4% to 6% in 2020 and 2021 (CBRE) and has risen with hybrid working and the post-2019 loss of jobs share. Vacancy is lowest in the CBD and well-connected inner-city space and highest in older suburban office parks, above all Kista, which face structural vacancy. Historical vacancy figures come from different providers and should be read as indicative.

B7. Stockholm: housing and capital markets

Housing. Prices of tenant-owned flats in Greater Stockholm rose 6.5% in the 12 months to September 2026, to an average of about SEK 70,700 per m², and 9.3% in central Stockholm; house prices rose 5.4% (Svensk Mäklarstatistik). Housing starts in Stockholm County were 9,488 in 2025, against 9,701 in 2024 (SCB, preliminary, not adjusted for reporting lags); nationally about two-thirds of apartment-building starts were rental. Rents for new-build rental housing are set within Sweden's regulated system, which caps rental growth; the average rent in Greater Stockholm was SEK 1,693 per m² per year in 2025, up 6.5% (SCB, as reported by CBRE).

Demand, supply and affordability. On the authors' calculation, 2024 population growth implies about 14,900 new households (the register shows 13,437), and 13,621 dwellings were completed, a ratio of 0.92; over 2013 to 2024 the ratio was 0.91. Because the register counts households from occupied dwellings, this shows supply keeping pace with recorded households, not the absence of a shortage. The price of a tenant-owned flat rose from 4.7 years of household income in 2012 to a peak of 6.6 in 2017 and was 5.7 in 2024. Renters' median housing costs were 27.7% of disposable income in 2024 (margin about 3 points), but second-hand rents for a two-room flat equal about 48% of renters' median income, which describes the segment open to households without queue time (Section 3.4).

Capital markets. Swedish property transaction volume reached SEK 120.5 billion in H1 2026, up 60% year on year and the strongest first half since 2021; residential took 25%, logistics and industrial 22% and offices 13% (Cushman & Wakefield). Residential volume was SEK 22.5 billion in Q2 2026 alone, up 57% (CBRE).

Table B11. Stockholm pricing indicators, 2026

Indicator	Value	Period	Source
Prime office yield, CBD	3.90% (down 10 bps)	Q2 2026	JLL; CBRE also 3.9%
Prime office yield, Hagastaden	4.40%	Q2 2026	JLL
Prime residential yield, new production, Greater Stockholm	3.85% (down 30 bps)	Q2 2026	CBRE
Prime residential rent	SEK 3,000 per m² per year	Q2 2026	CBRE
Transaction volume, Sweden	SEK 120.5 bn (+60%)	H1 2026	Cushman & Wakefield

Reading for the investor. Prime yields of 3.85% to 3.90% are low by any standard and are priced for continued rental growth. With the Riksbank having raised its policy rate to 2% from 11 November 2026, and expecting further rises, there is little room for further compression.

B8. Stockholm: strategy appraisal

Strategy A offers secure income in the tightest submarket, and its main risk is the price paid; Strategy B depends on lease-up in a market where vacancy outside the inner city is 14% to 36%; Strategy C has strong demand but regulated rents and a low entry yield. All values are illustrative.

Table B12. Value sensitivity to yield, Stockholm CBD (% change in value from the central case)

Case	Central yield	-50 bp	-25 bp	+25 bp	+50 bp
A: Grade A CBD office	3.90%	+14.7%	+6.8%	-6.0%	-11.4%

Source: authors' calculations on the JLL prime yield, Q2 2026.

A 25 basis point move changes value by about 6% to 7%, and a 50 basis point move by about 11% to 15%. Because value is income divided by yield, a fall in the yield raises value slightly more than an equal rise reduces it. The risk at today's yields lies in the direction of rates, which are now rising, and in how little room is left for compression, not in the arithmetic of the change. Absolute capital values are not shown. Prime yields are quoted on net income, so capitalising a gross headline rent at a prime yield does not give a usable value; an underwriting value needs the asset's net income after non-recoverable costs, vacancy and incentives, and must deduct capex, leasing and purchase costs. The percentage changes do not depend on the income level.

Table B13. Summary assessment of the Stockholm strategies

Factor	A: core CBD office	B: value-add, Solna / Sundbyberg	C: new-build rental housing
Market tightness	CBD vacancy 8.6%	Vacancy 17.8%	Strong demand; regulated rents
Demand base	Finance and technology, specialised and growing	Mixed occupiers; competing with new supply	Population growth, slowing
Pricing	Yield 3.90%; rent SEK 9,800	Yield 5.5%; rent SEK 3,700	Yield 3.85%
Main risk	Paying a full price at 3.90%	Slow lease-up	Rent regulation; rate rises
Verdict	Prioritise for underwriting, subject to entry price	Do not underwrite unlet; revisit with a pre-let	Underwrite selectively

From growth to space. Table B13a traces each material source of Stockholm's growth to the space it requires, the stock available to meet it, and the evidence on whether that demand can be met by absorbing existing space, adapting it or building new (Section 2). The judgements in the last column are the authors'; where this edition has no evidence, the table says so.

Table B13a. From growth to space: Stockholm

Source of growth	Space it requires	Stock available to meet it	Absorption, adaptation or construction (authors' judgement)
Households	Rental and tenant-owned homes in well-connected locations	Completions covered 0.92 of new households in 2024 and 0.91 over 2013 to 2024; housing starts 9,488 in 2025 (preliminary)	**Construction, at about the pace of recorded households.** Swedish households are counted from occupied dwellings, so the ratio cannot show a shortage; second-hand rents for a two-room flat, about 48% of renters' median income, show that entry outside the queue is expensive.
Finance and technology jobs	Grade A offices in the CBD and Hagastaden	CBD vacancy 8.6%, market 16.1%, suburbs 14% to 36%; 212,000 m² under construction, 66% pre-let	**Absorption in the centre, pre-let construction.** Demand is for central space, which pre-let projects are adding to. The suburban surplus is in the wrong locations; the growth evidence does not support value-add there, and whether it can be adapted to other uses is not assessed.
Output and income	Better rather than more space: prime offices, quality housing	As above	**Quality, not quantity.** Real output per worker rose about 18% (Sweden 7%) and the real wage bill per employed person 12.3% in 2012 to 2024, while employment has lagged Sweden since 2019. This growth upgrades the space people use more than it adds to it.
Consumption	Last-mile and urban logistics	Not measured	**Not assessed.** The largest consumer market in Sweden, but trade and transport have lost share since 2019.
Productive capital	Specialised premises	Not measured	**Not assessed.** Förbifart Stockholm (SEK 51.0 to 53.5 billion), metro expansion and rising national defence spending appear in Section B3.3, but the edition does not trace them to premises.

Sources: Sections B4 to B8, Tables 7 and 8, and the sources cited there. Judgements are the authors'.

Reading. Stockholm's growth asks for better space more than more space. Central offices are being met by pre-let construction, while the suburban surplus is unlikely to be absorbed by the sectors that are growing.

Recent evidence and what it supports testing. JLL reports market-wide net absorption of about -213,000 m² over the twelve months to mid-2026, marginally positive in the CBD. Ericsson will move to about 71,000 m² in Hagastaden from 2028, which CBRE expects to add to vacancy in Kista. In the municipal rental queue, the average waiting time in 2025 was 5.8 years for newly built homes and 9.6 years for existing homes (Bostadsförmedlingen), so demand for new production is weaker than for the existing stock. In the authors' judgement, this supports testing prime CBD income on its own leasing evidence, requiring a committed occupier for any exposure in Kista, and comparing rents and lease-up at new rental schemes before underwriting rental development.

Part B-II. Gothenburg



Stora Hamnkanalen, Gothenburg. Illustration adapted from a photograph by D.O.G.A., Wikimedia Commons · Public domain

B9. Gothenburg: metropolitan growth patterns

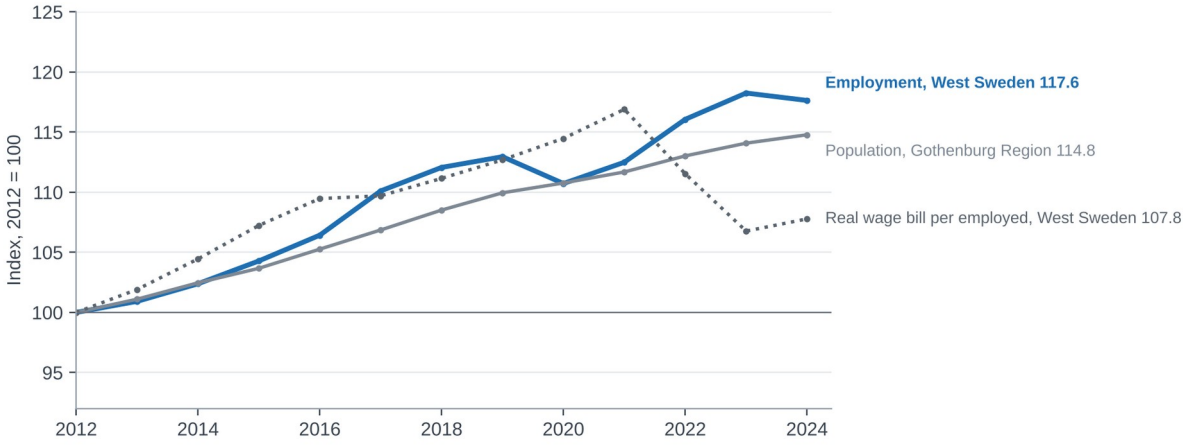
The Gothenburg analysis uses two layers: the consistent SCB regional accounts for West Sweden (2012 to 2024), which give sectors, employment and pay against Sweden; and the Gothenburg Region's own population, GDP, pay and register employment, which show the metro core.

B9.1 Summary growth indicators

The Gothenburg Region grew in jobs, people and output faster than Sweden: population rose 14.8% between 2012 and 2024, and its share of Swedish GDP rose from 11.0% to 11.8%. The wider West Sweden region kept pace with the nation in jobs (+17.6%) and pay (+7.8%).

Figure B5. Jobs and population grew steadily; real pay fell back after 2021

Summary growth indicators, Gothenburg Region and West Sweden, 2012 to 2024 (index, 2012 = 100)



Sources: SCB population statistics (Gothenburg Region, 13 municipalities); SCB regional accounts (West Sweden, employment and wage bills); national CPI; authors' calculations.

Population. The Gothenburg Region grew from 948,000 to 1,088,000 residents (+14.8%), against 10.8% for Sweden, and Göteborg municipality from 526,000 to 609,000 (+15.8%). Growth slowed to 4.4% over 2019 to 2024, still faster than Stockholm County's 4.0%.

Employment. In the regional accounts, West Sweden's non-agricultural employment rose from 910,000 to 1,071,000 (+17.6%; Sweden +16.6%). In the metro register data, the Gothenburg Region's employment rose 13.5% between 2012 and 2018 (Sweden 9.4%) and 8.5% between 2020 and 2023 (Sweden 6.1%), reaching 581,320 in 2024. Employment rose 0.8% in the year to early 2026 and unemployment was 6.2% in May 2026, well below Stockholm's (Business Region Göteborg).

Output and pay. Constant-price GDP is not published for the Gothenburg Region, but its nominal GDP rose 84.9% between 2012 and 2024, against 73.0% for Sweden. Its workplace wage bill rose 33.7% in real terms. In West Sweden, the real wage bill per employed person was SEK 459,000 in 2024, close to the Swedish level, after rising 12.7% to 2019 and falling 4.4% since.

Forecasts. Nordea forecasts West Sweden's regional GDP to grow 3.0% in both 2026 and 2027, as export-dependent regions recover. SCB's June 2024 projection has Västra Götaland's population growing 5.3% between 2023 and 2040, above Sweden's 4.3%. Business sentiment in the region was in the normal range in Q2 2026, with trade strong but manufacturing and construction weak (Business Region Göteborg).

Table B14. Historical and forecast growth, Gothenburg

Indicator	History	Forecast	Forecast source
Population	Gothenburg Region +14.8%, 2012 to 2024	Västra Götaland +5.3%, 2023 to 2040	SCB, June 2024
Employment	West Sweden +17.6%, 2012 to 2024; Gothenburg Region +0.8% in year to early 2026	Unemployment back to pre-recession levels in 2027	Arbetsförmedlingen, spring 2026
Unemployment	6.2% in May 2026	As above	Business Region Göteborg
GDP	Nominal +84.9%, 2012 to 2024 (Sweden +73.0%)	West Sweden +3.0% in 2026 and 2027	Nordea, October 2026
Real wage bill per employed	West Sweden +7.8%, 2012 to 2024	Sweden: hourly wages +3.5% (2026), +3.4% (2027); KPIF +1.6% (2026), +2.6% (2027)	Konjunkturinstitutet, 30 September 2026

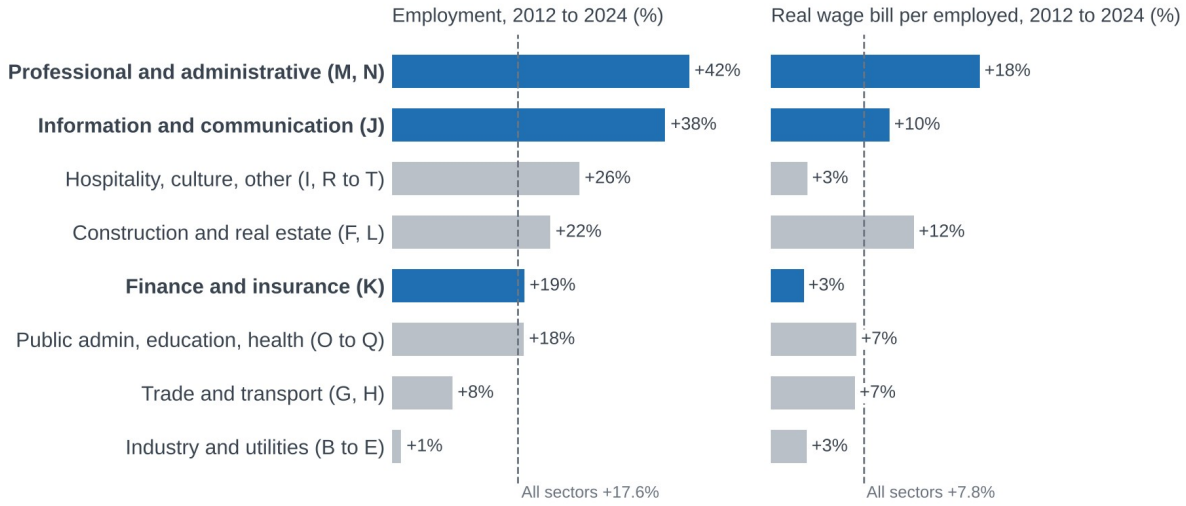
Sources: SCB population, municipal GDP and regional accounts; Business Region Göteborg, Konjunkturen 2/2026; Arbetsförmedlingen, Regionala utsikter, spring 2026; Nordea, Regionala utsikter, 7 October 2026; Konjunkturinstitutet, Konjunkturläget, 30 September 2026, national hourly wages and KPIF: https://www.konj.se/publikationer/konjunkturlaget/2026-09-30-inflationen-tydligt-over-inflationsmalet-nasta-ar/

B9.2 Growth and pay by sector

In West Sweden, professional services (+42%) and information and communication (+38%) led job growth between 2012 and 2024, while industry and utilities barely grew (+1%).

Figure B6. Professional services and technology led growth; industry stood still

Employment and real wage bill per employed person by sector, West Sweden, 2012 to 2024 (% change). Office-using sectors in blue.



Source: SCB regional accounts, West Sweden (Västra Götaland and Halland); national CPI; authors' calculations.

Table B15. Employment and real pay by sector, West Sweden

Sector	Jobs 2012 (000)	Jobs 2024 (000)	Jobs growth	Sweden jobs growth	Pay 2024 (SEK 000)	Real pay 2012 to 2024
M to N Professional	95.8	135.7	+41.6%	+29.1%	531	+17.6%
J Technology	28.2	39.0	+38.3%	+32.6%	633	+10.0%
I, R to T Hospitality, other	72.0	90.9	+26.3%	+22.3%	313	+3.1%
F, L Construction, RE	77.6	94.8	+22.2%	+20.1%	526	+12.0%
K Finance	10.8	12.8	+18.5%	+24.4%	577	+2.8%
O to Q Public services	296.8	351.5	+18.4%	+18.1%	398	+7.2%
G to H Trade, transport	179.1	194.2	+8.4%	+7.2%	451	+7.1%
B to E Industry, utilities	150.0	151.9	+1.3%	+2.9%	537	+3.0%
All sectors	910.3	1,070.8	+17.6%	+16.6%	459	+7.8%

Source: SCB regional accounts, West Sweden and Sweden; national CPI; authors' calculations. Pay is the wage bill per employed person, dividing employees' wages by all employed. West Sweden is wider than the Gothenburg Region and includes most of Västra Götaland's industrial towns.

Growth in business services. Professional-services jobs grew 42% against 29% nationally and real pay per employed person rose 18%, consistent with demand-induced expansion and a stronger wealth effect. A less elastic labour response is possible, not measured. Technology, construction and real estate also outgrew Sweden with above-average pay growth. Finance remains small and slow-growing. Industry employs 152,000 people across West Sweden, but employment is flat and real-pay gains are limited.

B9.3 Specialisation and competitiveness

Table B16. Location quotients, West Sweden (accounts) and Gothenburg Region (register), Sweden = 1.0

Sector	West Sweden 2012	West Sweden 2024	West Sweden share 2024	Gothenburg Region 2012	Gothenburg Region 2024
M to N Professional and administrative	0.89	0.97	12.7%	1.15	1.25
J Information and communication	0.75	0.77	3.6%	1.12	1.17
B to E Industry and utilities	1.19	1.16	14.2%	1.00	0.99
G to H Trade and transport	1.08	1.09	18.1%	1.10	1.07
F, L Construction and real estate	1.00	1.01	8.9%	0.93	0.92
I, R to T Hospitality, culture, other	0.94	0.96	8.5%	1.02	1.00
O to Q Public admin, education, health	0.99	0.98	32.8%	0.91	0.89
K Finance and insurance	0.60	0.57	1.2%	0.72	0.66

Sources: SCB regional accounts (West Sweden); SCB register employment, RAMS 2012 and BAS 2024 (Gothenburg Region, 13 municipalities); authors' calculations. Register and accounts employment are different concepts, so the two geographies' quotients are not directly comparable with each other, only with Sweden on the same basis.

Quotients and shares. In West Sweden, industry and utilities employ 14.2% of jobs, a far larger share than technology (3.6%) or finance (1.2%), and public services are the largest employer at 32.8%.

Shift-share. In the regional accounts, West Sweden gained 17,300 jobs over the national trend in 2012 to 2019, led by professional services (+11,100), and broke even in 2019 to 2024 (Table B3), when gains in public services and hospitality offset a loss of 5,600 in industry. The metro register data show the Gothenburg Region core doing better.

Table B17. Regional shift by sector, Gothenburg Region, register employment (persons)

Sector	2012-15	2016-18	2020-23
M to N Professional and administrative	+2,226	+3,889	+833
O to Q Public services	+1,365	+909	+4,433
B to E Industry and utilities	+3,881	+1,036	-1,307
F, L Construction and real estate	+718	+470	-9
J Information and communication	+465	+794	+1,061
K Finance and insurance	+139	-18	-242
G to H Trade and transport	-459	+406	+3,379
I, R to T Hospitality, culture, other	-324	-187	+2,825
Total	+8,012	+7,299	+10,971

Source: SCB register employment, RAMS 2012 to 2015 and 2016 to 2018, and BAS 2020 to 2023 (workplace basis), Gothenburg Region and Sweden; authors' calculations. Regional shift is the change in local employment less the change expected had each sector grown at its national rate. SCB reclassified research and development activities from November 2016, and split Ericsson AB across manufacturing, software publishing, computer programming and research and development, which moves jobs between sectors J, M and C. Each interval therefore lies within one classification and one source series, and no interval crosses 2015 to 2016, 2018 to 2019 or 2019 to 2020. Rows may not sum to totals because of rounding.

Where the region is competitive. The Gothenburg Region outgrew the national trend in all three intervals: by 8,000 jobs in 2012 to 2015, 7,300 in 2016 to 2018 and 11,000 in 2020 to 2023. Professional services and technology gained in all three, on both sides of the 2016 reclassification, and their quotients rose, making them the metro's office-using engines. Since 2020 the gains have broadened to trade and transport, public services and hospitality, while industry has lost share. Finance is small and under-represented (quotient 0.66).

B9.4 Forces behind growth and the five-year outlook

Preliminary conclusion: Gothenburg's growth has been carried by a broadening services economy in its metro core, built on business services and technology linked to the region's industrial and logistics base, together with sustained population growth.

1. **Business services and technology.** Professional services and technology outgrew Sweden in both periods and are increasingly concentrated in the metro.
2. **Industry and the port.** West Sweden's industrial base is large and stable in jobs; it supports engineering, technology and logistics demand, but it is exposed to export cycles and lost share after 2019.
3. **Population growth.** The region has grown faster than Sweden and continues to do so, with a projected 5.3% increase for Västra Götaland to 2040.

Will these forces persist? Forecasters expect a recovery led by exports in 2026 and 2027, which favours West Sweden, and the metro's lower unemployment points to a tighter labour market than Stockholm's. The main risks are the export cycle, weak construction and manufacturing sentiment, and rising interest rates.

B10. Gothenburg: growth prospects and real estate markets

Table B18. Asset classes and Gothenburg's growth pattern, five to ten years

Asset class	Evidence	Demand evidence	What benefits most	Key caveat
Offices	Moderate, polarised	Professional services and technology outgrowing Sweden; pay up 10% to 18%	Inner city outside the CBD; modern, well-located space	Record vacancy 14.7%; CBD supply
Logistics and industrial	Strong	Largest port in Scandinavia; industrial base; trade and transport gaining since 2020	Port-related and regional distribution	Export cycle; manufacturing sentiment weak
Rental housing	Moderate	Population +14.8% since 2012; low unemployment	New-build rental near transport	Regulated rents
Tenant-owned housing	Moderate	Prices +4.3% in 12 months	Central Gothenburg (+5.8%)	Rate rises
Social infrastructure	Moderate	Public services gaining share since 2020	Healthcare and education	Public funding

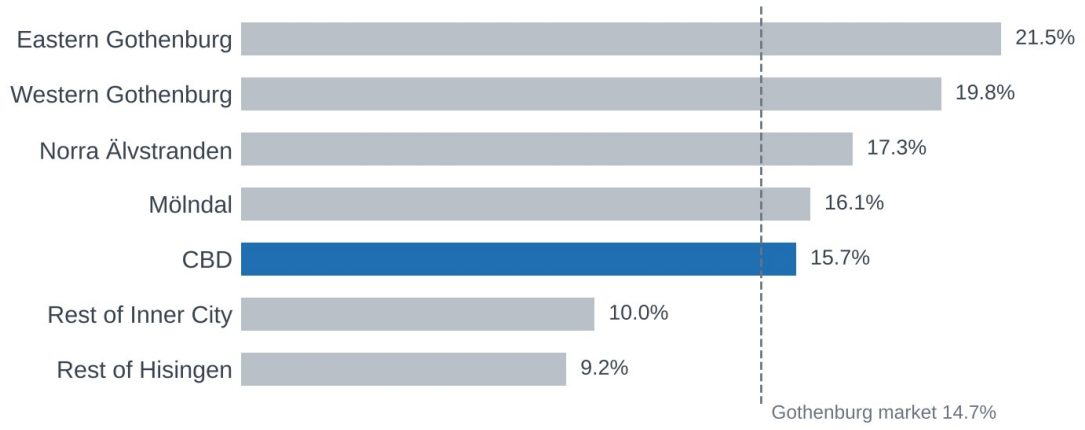
What the growth evidence does not support. Speculative office space outside the inner city, where vacancy is 16% to 22%, and value-add in the CBD before the current pipeline is let.

B11. Gothenburg: the office market

Gothenburg's office vacancy reached a record 14.7% by mid-2026, up from 4.6% in 2019 (JLL); rents have held but the market needs to absorb new supply.

Figure B7. The CBD has more vacancy than the rest of the inner city

Gothenburg office vacancy by submarket, Q2 2026 (%)



Source: JLL, Nordics office outlook, October 2026 (Citymark vacancy data).

Table B19. Gothenburg office submarkets, Q2 2026

Submarket	Vacancy	Prime rent (SEK per m² per year)	Prime yield
Rest of Inner City	10.0%	3,700	5.20%
Rest of Hisingen	9.2%	2,000	6.50%
CBD	15.7%	4,200	4.55%
Mölndal	16.1%	3,000	6.50%
Norra Älvstranden	17.3%	3,000	5.80%
Western Gothenburg	19.8%	1,500	7.00%
Eastern Gothenburg	21.5%	2,500	6.50%

Source: JLL, Nordics office outlook, autumn 2026 (Q2 2026).

Demand and supply. Take-up was close to 100,000 m² in H1 2026, after about 130,000 m² in all of 2025. About 120,000 m² is under construction across the region, most completing in 2027; in the CBD, 59,000 m² is under construction in three projects, about 41% pre-let (JLL).

Rents. The prime CBD rent was SEK 4,200 per m² per year in mid-2026, up from SEK 3,500 in mid-2019 (+20%), less than half Stockholm's CBD level. Rents across submarkets were unchanged through 2025 and 2026.

A market in transition. Vacancy was 6.5% at the end of 2012 and 4.6% in mid-2019, and has risen to about 13% in 2025 and 14.7% by mid-2026. Unlike Stockholm, the CBD is not the tightest submarket: the rest of the inner city (10.0%) and parts of Hisingen (9.2%) have lower vacancy, while the CBD's 15.7% reflects new and refurbished space coming to market.

B12. Gothenburg: housing and capital markets

Housing. Prices of tenant-owned flats in Greater Gothenburg rose 4.3% in the 12 months to September 2026, to an average of about SEK 48,100 per m², and 5.8% in central Gothenburg; house prices rose 4.4% (Svensk Mäklarstatistik). Housing starts in Västra Götaland County rose to 4,464 in 2025 from 3,245 in 2024 (SCB, preliminary, not adjusted for reporting lags). Rental housing operates under the same regulated rent system as in Stockholm.

Demand, supply and affordability. On the authors' calculation, 2024 population growth in the Gothenburg Region implies about 6,100 new households (the register shows 5,910), against 5,919 completions, a ratio of 0.97; over 2013 to 2024 the ratio was 0.92, with the same register caveat as for Stockholm. The price of a tenant-owned flat rose from 3.8 years of household income in 2012 to a peak of 6.1 in 2021 and was 5.2 in 2024. Renters' median housing costs were 27.2% of disposable income in 2024, while second-hand rents for a two-room flat equal about 41% of renters' median income (Section 3.4).

Capital markets. Gothenburg office investment recovered to about SEK 4.7 billion in H1 2026, from about SEK 0.4 billion in the whole of 2025, a very weak year (JLL). The prime CBD office yield was 4.55%, 65 basis points above Stockholm's.

Table B20. Gothenburg pricing indicators, 2026

Indicator	Value	Period	Source
Prime office yield, CBD	4.55%	Q2 2026	JLL
Prime office yield, Rest of Inner City	5.20%	Q2 2026	JLL
Office investment, Gothenburg	About SEK 4.7 bn	H1 2026	JLL
Office investment, Gothenburg	About SEK 0.4 bn	2025	JLL
Transaction volume, Sweden	SEK 120.5 bn (+60%)	H1 2026	Cushman & Wakefield

B13. Gothenburg: strategy appraisal

Strategy A targets the tightest part of the market at a higher yield than the CBD; the CBD alternative offers the strongest location but has more vacancy and new supply; Strategy B depends on lease-up in submarkets with 16% to 22% vacancy. All values are illustrative.

Table B21. Value sensitivity to yield, Gothenburg (% change in value from the central case)

Case	Central yield	-50 bp	-25 bp	+25 bp	+50 bp
A: Rest of Inner City office	5.20%	+10.6%	+5.1%	-4.6%	-8.8%
A alternative: CBD office	4.55%	+12.3%	+5.8%	-5.2%	-9.9%

Source: authors' calculations on JLL prime yields, Q2 2026.

The Rest of Inner City offers a yield 65 basis points above the CBD with lower vacancy, and its value is slightly less sensitive to a given yield move. Because value is income divided by yield, a fall in the yield raises value slightly more than an equal rise reduces it. The risk at today's yields lies in the direction of rates, which are now rising, and in how little room is left for compression, not in the arithmetic of the change. Absolute capital values are not shown. Prime yields are quoted on net income, so capitalising a gross headline rent at a prime yield does not give a usable value; an underwriting value needs the asset's net income after non-recoverable costs, vacancy and incentives, and must deduct capex, leasing and purchase costs. The percentage changes do not depend on the income level.

Table B22. Summary assessment of the Gothenburg strategies

Factor	A: core, Rest of Inner City	A alternative: core, CBD	B: value-add, Norra Älvstranden or CBD
Market tightness	Vacancy 10.0%	Vacancy 15.7%; 59,000 m² under construction	Vacancy 15.7% to 17.3%
Demand base	Professional services and technology outgrowing Sweden	As A	Competes with new and refurbished space
Pricing	Yield 5.20%; rent SEK 3,700	Yield 4.55%; rent SEK 4,200	Yield 4.55% to 5.80%
Main risk	Liquidity in a thin investment market	Absorption of new supply	Slow lease-up
Verdict	Underwrite selectively	Underwrite only with strong pre-lets or covenants	Do not underwrite at present

From growth to space. Table B22a traces each material source of Gothenburg's growth to the space it requires, the stock available to meet it, and the evidence on whether that demand can be met by absorbing existing space, adapting it or building new (Section 2). The judgements in the last column are the authors'; where this edition has no evidence, the table says so.

Table B22a. From growth to space: Gothenburg

Source of growth	Space it requires	Stock available to meet it	Absorption, adaptation or construction (authors' judgement)
Households	Rental and tenant-owned homes near transport	Completions covered 0.97 of new households in the Gothenburg Region in 2024 and 0.92 over 2013 to 2024; starts in Västra Götaland rose to 4,464 in 2025 from 3,245 (preliminary)	**Construction, at about the pace of recorded households.** As in Stockholm, the ratio cannot show a shortage; second-hand rents for a two-room flat equal about 41% of renters' median income.
Professional services and technology jobs	Modern, well-located offices, mainly in the inner city	Market vacancy a record 14.7%; CBD vacancy 15.7% because new space is completing; 120,000 m² under construction, 59,000 m² of it in the CBD, about 41% pre-let; 16% to 22% outside the inner city	**Absorption first.** The metro core is outgrowing Sweden, but modern central space is being built faster than it is let. The CBD pipeline needs to be absorbed before further construction or value-add, and peripheral vacancy is not supported.
Industry, the port and exports	Logistics and industrial space	Not measured	**Not assessed.** Demand is rated strong (Table B18), but stock and rents were not analysed, and the postponed battery investment is a risk.
Income	Better space	As above	**Moderate.** The real wage bill per employed person rose 7.8% in West Sweden in 2012 to 2024.

Sources: Sections B9 to B13, Tables 7 and 8, and the sources cited there. Judgements are the authors'.

Reading. Gothenburg's office demand can be met for now from space already built or under construction; its distinctive growth, in industry and the port, points to logistics and industrial space that this edition has not yet measured.

Recent evidence and what it supports testing. JLL reports positive CBD net take-up of 13,000 m² over the year to mid-2026, not enough to offset new supply, so CBD vacancy rose. In the authors' judgement, central offices with pre-lets or established income can be tested now, while speculative refurbishment should wait until the CBD pipeline is absorbed.

B14. Risks, monitoring and review triggers

Table B23. Risks, indicators and suggested review triggers

Risk	Most exposed	What to monitor	Suggested review trigger
Interest-rate rises	Stockholm A and C; Gothenburg A	Riksbank policy rate; swap rates; prime yields	Prime CBD yield above 4.25% (Stockholm) or 4.90% (Gothenburg)
Office oversupply	Stockholm B; Gothenburg B	Vacancy by submarket; completions; pre-let rates	Market vacancy rising for two consecutive quarters
Stockholm labour market	Stockholm A and B	County employment and unemployment	Unemployment above 9.5% or regional shift still negative in 2025 data
Export cycle	Gothenburg A and B	West Sweden GDP; manufacturing sentiment	Business barometer for manufacturing below 90
Rent regulation	Stockholm C	Rent negotiations; new-build rent rules	Any tightening of rent-setting for new production
Hybrid working	All office strategies	Office utilisation; take-up per employee	Take-up falling while employment rises

Data refresh before any investment decision. Update JLL and CBRE office data to the latest quarter, confirm the SCB regional accounts for 2024 (currently provisional) and 2025, and refresh the forecasts and the SCB population projection.

B15. Sources

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