REPORT
Savills Research

SWEDISH LOGISTICS MARKET OVERVIEW

SPRING/SUMMER 2025

Swedish Logistics Market

Spring / Summer 2025

Sweden's logistics market is entering a more cautious phase after years of record-high development. Vacancy in modern stock has risen to 7.9% as of Q1 2025, mainly due to speculative completions during 2023–2024. Certain regions, like Enköping and Eskilstuna, report vacancy rates far above average. Development volumes are now declining, with completions expected to align with historical average. Still, speculative projects account for a significant share of upcoming supply.

Investor interest in logistics remains solid. By April 2025, SEK 10.6 billion had been invested in the sector, representing 21% of the total transaction volume. Domestic investors dominated, while international investor share dropped to 22% — well below the five-year average. Prime yield-levels have stabilised around 5.0%, and rental levels hold firm in prime locations. However, pressure is increasing in oversupplied submarkets, where negotiated rents are falling below asking levels.

Strong demand drivers persist. Defence-related needs are rising rapidly following Sweden's NATO accession, with the Armed Forces actively expanding their logistics footprint. E-commerce has also regained pace, with 2024 showing +5% growth in turnover and +8.3% in parcel volumes.

Nearshoring remains more of a long-term strategy, limited for now by cost and complexity. Still, structural demand for logistics space is expected to grow, supported by evolving supply chains and geopolitical shifts.

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Hot Topics

LIGHT INDUSTRIAL ASSETS ARE GAINING INTEREST FROM INVESTORS

Light industrial properties, often located close to urban centres, offer strong fundamentals: resilient occupier demand, low vacancy rates, and limited new supply. Investors increasingly see light industrial as a defensive and liquid segment, supported by strong tenant demand and structural chain shifts in supply.

LOGISTICS YIELDS STABILISE AFTER SHARP ADJUSTMENTS

During the period between 2017 and early 2022, the Swedish logistics market experienced significant yield compression. As of Q1 2025, the prime logistics yield stands at 4.9%, marking an increase of 150 basis points since Q1 2022. The logistics sector was among the quickest to reprice, with yields adjusting more sharply than in other sectors — a trend mirrored across Europe. Current yield levels in Sweden are now broadly in line with the European average.

A STRONG EUROPEAN I&L MARKET

Investors interest into the sector has remained robust throughout the recent years of macroeconomic uncertainty. Although trade tensions have increased uncertainty during 2025, the effect is likely a temporary consequence and investments are expected to regain momentum later in the year. Meanwhile, prospects of onshoring, defence-related investment and increased government spending — most notably in Germany — could boost take-up moving forward.

INCREASED CONSUMER DEMAND FOR LOW-PRICE

E-commerce sales are rising again, by a rate of 5% in 2024, with a sharp increase in package volumes of 8.3% during 2024 — particularly from abroad. Low-price giants from China dominated imports in 2024, while domestic second-hand platforms also saw strong growth. It remains to be seen whether an economic recovery will shift demand toward higher-priced goods.

NEAR- AND RESHORING: A SHORT-TERM TACTIC OR A LONG-TERM STRATEGY?

Currency weakness, tariffs, and global conflicts have renewed interest in near- and reshoring across Europe. According to Savills' Logistics Occupier Census, nearly 30% of European occupiers planned to nearshore in 2022, compared to just 6% in 2024. High costs and complexity have shifted nearshoring from a short-term tactic to a long-term strategic consideration, with potential for gradual impact on take-up.

SIGNIFICANT SLOW DOWN IN LOGISTICS DEVELOPMENT

Following record-high construction volumes between 2022 and 2024, logistics development in Sweden is set to decline significantly over the coming years. After adding over 1.4 million sq m in 2024 alone, the completed volume is expected to drop below the historical average, reaching around 640,000 sq m in 2025. The slowdown reflects a more cautious market outlook, driven by weaker occupier demand, higher vacancy rates, and tighter financing conditions. Although speculative projects will continue to make up a high share of new developments, the overall construction volume is expected to remain subdued through 2026.

SWEDISH INVESTORS REMAIN ACTIVE IN THE I&L SECTOR

Investor demand for industrial and logistics assets has grown, with the sector reaching a 18% share over the last 12 months. Domestic players have dominated, reducing foreign investors' share to 22%, well below the five-year average of 47%. Geopolitical risk has dampened cross-border transactions, although foreign investors remain highly active and are actively sourcing for new investments in Sweden.

HIGH VACANCY RATES AND REGIONAL DISPARITIES IN SWEDISH LOGISTICS

High levels of logistics development in the past three years — much of it speculative — have led to rising vacancy rates and longer void periods. As of Q1 2025, Sweden's modern logistics stock has a vacancy rate of 7.9%. Regional variation is notable: Stockholm has absorbed some of the impact, while Enköping and Eskilstuna face higher vacancy, up to 44%. As demand weakens, both completions and speculative development are expected to decline in the coming quarters.

GAP BETWEEN ASKING AND ACHIEVED RENTS

Logistics rents in Sweden have historically remained stable, even during periods of elevated construction activity. Since 2024, a clearer gap has emerged between asking and achieved rents, especially in high-priced submarkets such as Stockholm North, where negotiated rents have been signed below asking levels in comparable developmens. Despite these shifts, prime supply-constrained locations have maintained stable or slightly growing rents, supported by continued occupier demand. In secondary markets, with higher vacancy, rental growth has been muted and generally tracked the increase of CPI.

IS MILITARY DEMAND THE NEXT DRIVER FOR LOGISTICS TAKE-UP?

Sweden's accession to NATO in 2024 reinforced the recent growth in military spending, with the defence budget reaching SEK 143 billion in 2025. The Swedish Armed Forces have significantly increased their demand for warehouse and logistics space — a trend that is expected to continue. The growing demand could have a notable impact on logistics take-up and future development activity.

An attractive ship to ride through the storm

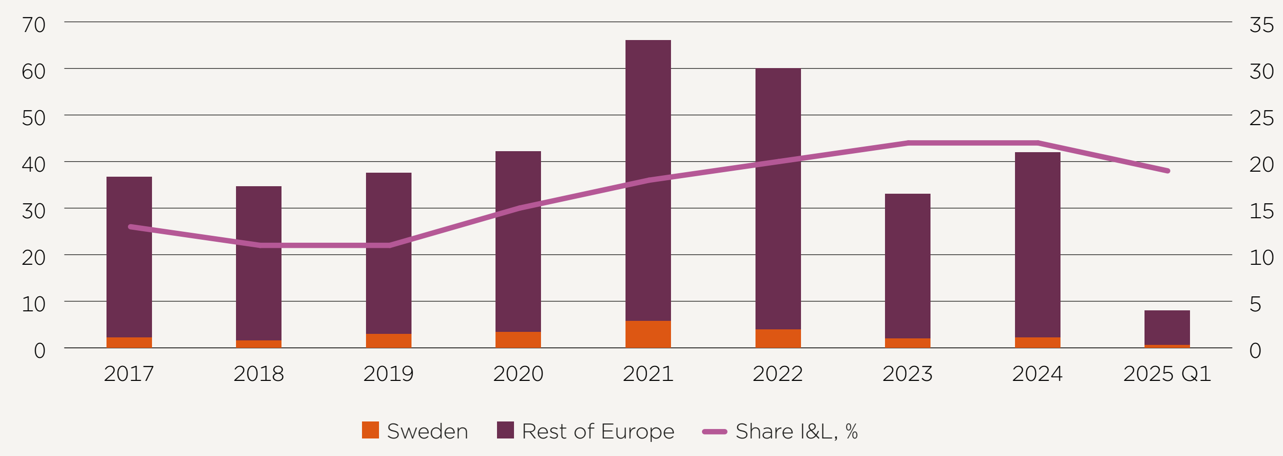
The European logistics sector remained attractive for investors in 2024, and a slow down during early 2025 is expected to regain momentum later in the year. Several sources of macroeconomic uncertainty continue, while new tenant demand may contribute to increased take-up over time.

European logistics real estate investment volumes reached €42.0 billion in 2024, marking a 27% year-on-year increase, though still 12% below the five-year average. This strong performance was largely driven by a robust year-end, with €14 billion invested in Q4. The market cooled in Q1 2025, however, with investment volumes falling to €7.9 billion — a 43% decline from Q4 2024 and 12% lower year-on-year. Compared to the five-year Q1 average, this represents a 35% drop.

Despite the overall decline in real estate investment, the logistics sector maintained its resilience. In 2024, logistics accounted for 22% of total real estate investment — in line with the highest share on record, in 2023. The sector also constituted a significant share of the transaction volume in 2022, proving the sector's relative strength amid broader economic uncertainty.

Several factors are expected to influence investment volumes in 2025. Chief among them is the Trump administration's recent tariff announcement and the subsequent 90-day moratorium, which are likely to suppress activity in the first half of the year. However, as the implications become clearer, a recovery in investment volumes is anticipated in the latter half. The pricing gap between buyers and sellers has been narrowing in recent quarters, and this trend is expected to resume as market clarity improves, and deal activity picks up.

European logistics transaction volume € billion, share logistics, %



Source: Savills Research, TritaxEurobox, Analytica

Megatrends to drive European logistics

One consequence of the tariffs — and the broader US-China trade tensions — is the likelihood of China redirecting excess capacity to Europe. This could exert deflationary pressure on the European economy, potentially prompting further interest rate cuts by the ECB in 2025. Lower rates would, in turn, place downward pressure on prime yields. At the time of writing, while the US has agreed to a separate 90-day pause on tariffs with China — signalling a major de-escalation — an additional 10% tariff on pre-April 2025 levels remains in effect. The long-term outcome of this turbulence is uncertain, but the US's reputation as a reliable trade partner has likely been damaged, encouraging deeper global integration elsewhere.

Geopolitics fuelling new industrial space requirements

While the European logistics occupier market has struggled to regain its pandemic-era heights, there are several megatrends we expect to drive demand over the long term. In addition to onshoring, which we have observed driving multiple deals across Europe, the continent's move to rearm in the face of rising geopolitical uncertainty is likely to drive demand for both manufacturing space for arms production and logistics space for inputs and outputs across Europe.

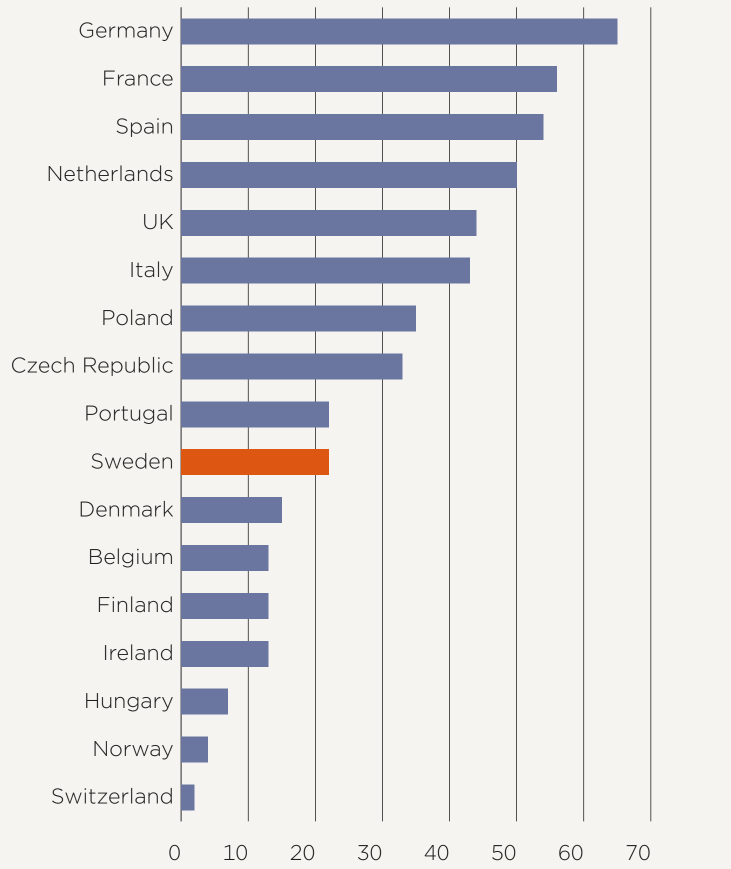
Fiscal stimulus to support occupier activity

Additionally, government spending in Germany is set to increase dramatically with their plans for €500bn in infrastructure spending. The logistics capacity needed to store construction material and machinery is likely to strengthen both Germany's logistics market as well as its ancillary markets like Poland. Rising government spending both in infrastructure and defence will have a ripple effect in terms of consumer spending due to looser fiscal policy and job growth. All of this is likely to drive higher levels of take-up in Europe, improving the fundamentals of the occupier market and stimulating further interest from investors in the market.

"Investor preferences have shifted in 2025, from single-tenant big box to multi-let properties. Adversity to risk has strengthened, and core markets are gaining traction. Germany, France and Spain are most attractive for investors, while Sweden is outperforming the rest of the Nordic market."

Andrew Blennerhassett
Logistics Research Analyst
Savills UK & EMEA

Where would European investors like to acquire?
Select all that apply, Share of responses, %



The Swedish investment market

Just like many European markets, the Swedish investment market rebounded in 2024 and has pushed onward strongly in 2025. So far this year, the market has been characterised by large transactions and a strong focus on location, supported by robust domestic demand.

> *"We are seeing continued allocation of core capital into the sector, as reflected in several ongoing transactions — signalling growing investor confidence and continued interest."*
>
> **Jakob Dingertz**
> Director Investment
> Savills Sweden

In 2024, price expectations between sellers and investors became more aligned, as reflected in the increase in transaction volume compared to 2023. Including M&A deals, total volume reached SEK 152 billion in 2024 — 43% higher than in 2023, though still 34% below the five-year average. 2025 began on a strong note, with SEK 53 billion in transaction volume by the end of April — 41% above the same period in 2024. The increase in volume so far this year has mainly been driven by larger deals, with an average transaction volume of SEK 455 million, representing a 38% increase compared to the full-year 2024 average.

International investors remained net buyers for the eighth consecutive year in 2024, reflecting continued interest in the Swedish real estate market. However, their market share fell to 15%, well below the five-year average of 27%. By end-April 2025, international activity had partly recovered to 22% — equivalent to SEK 11.5 billion — though still below historical norms. The rebound was driven by players like CapMan, following a major hotel portfolio acquisition, along with Greykite, KKR, and NREP.

By end-April 2025, listed real estate companies had returned as the largest net investors, active across Sweden with a focus on industrial and logistics assets. Around 70% of their investments were portfolio deals, led by companies such as Wihlborgs, Emilshus, and SLP. Institutions and pension funds also remained net buyers, primarily targeting offices in major cities — especially Stockholm — through both single-asset and portfolio acquisitions by Humlegården, Alecta, and Willhem.

Nearly half of all transaction volume was concentrated in Stockholm, marking the region's highest share since 2011. The public sector accounted for the largest share overall, driven by the Swedish Fortifications Agency's SEK 8.2 billion acquisition of seven defence properties. By sector — following public properties — industrial/logistics led with 21% of volume, followed by residential (19%) and offices (16%).

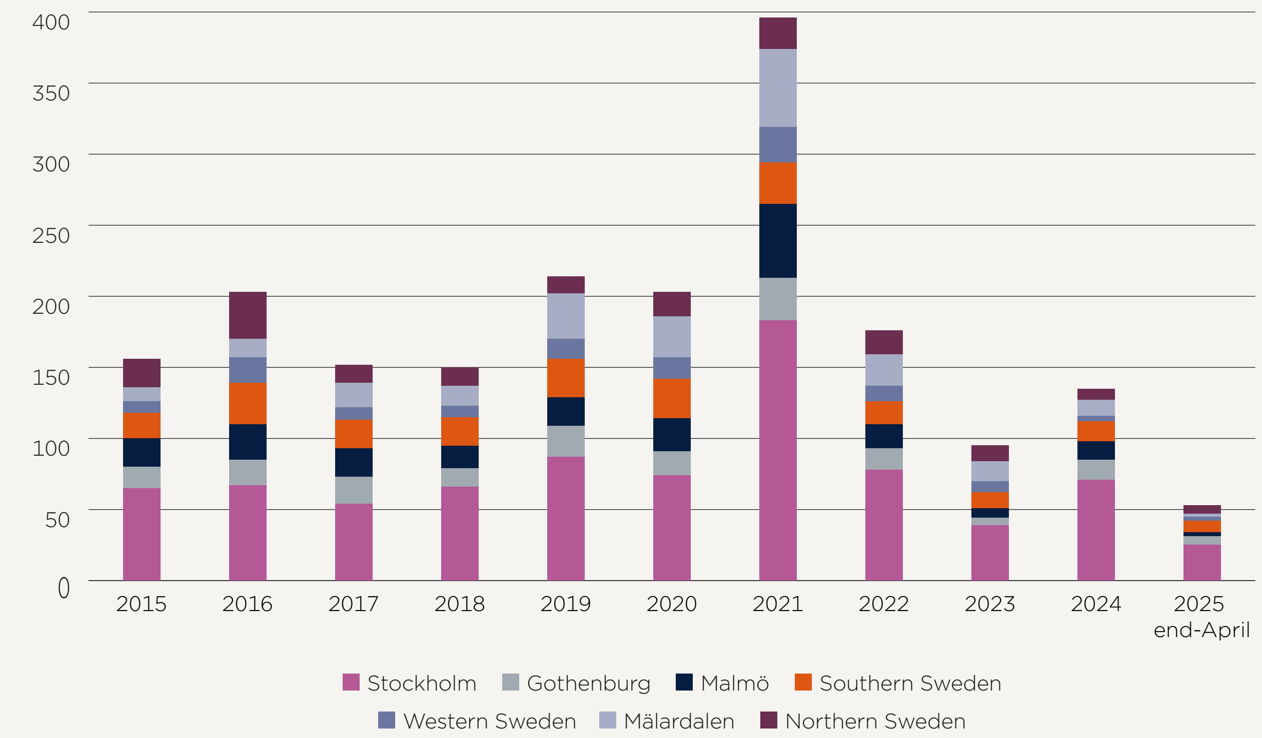
SEK 152 billion
Investment volume Sweden, 2024

SEK 53 billion
Investment volume Sweden, by end-April 2025

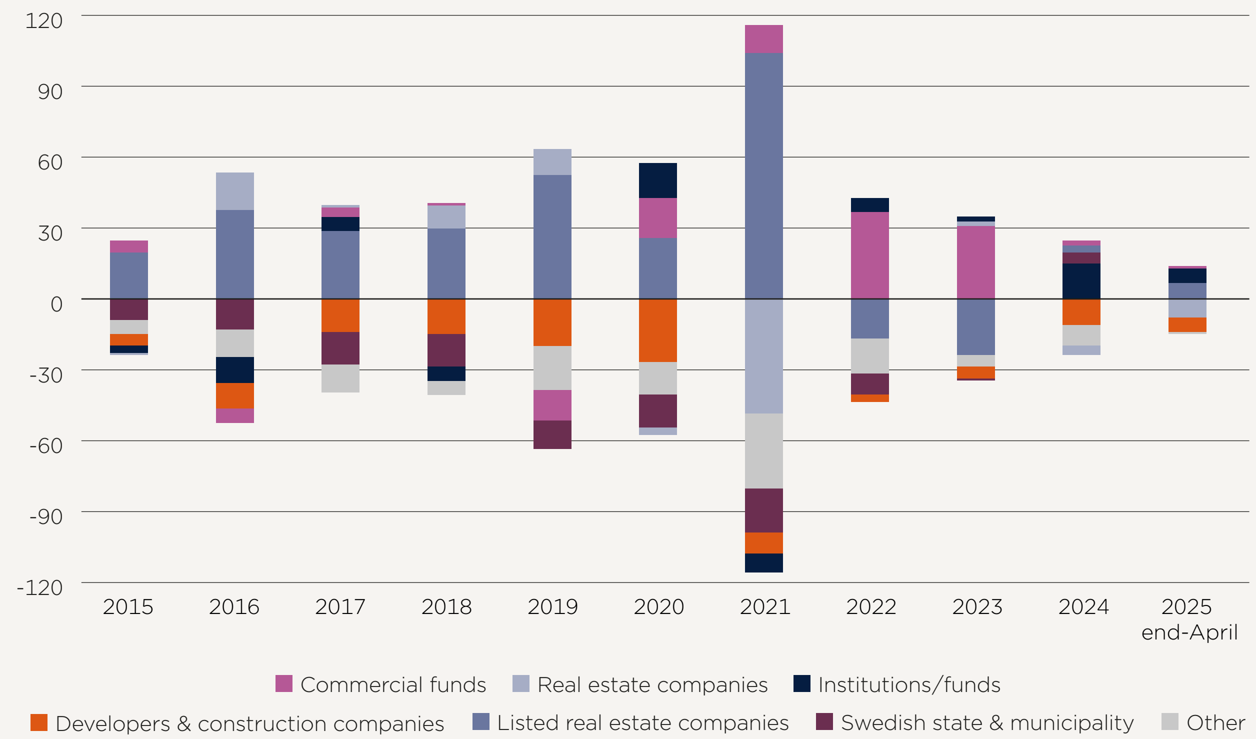
22%
Share of foreign investment (25% long-term average)

Source: Savills Research

Swedish transaction volume SEK billion



Net buyers and sellers per investor category, incl. M&A-deals, SEK billion



Investment in the I&L sector

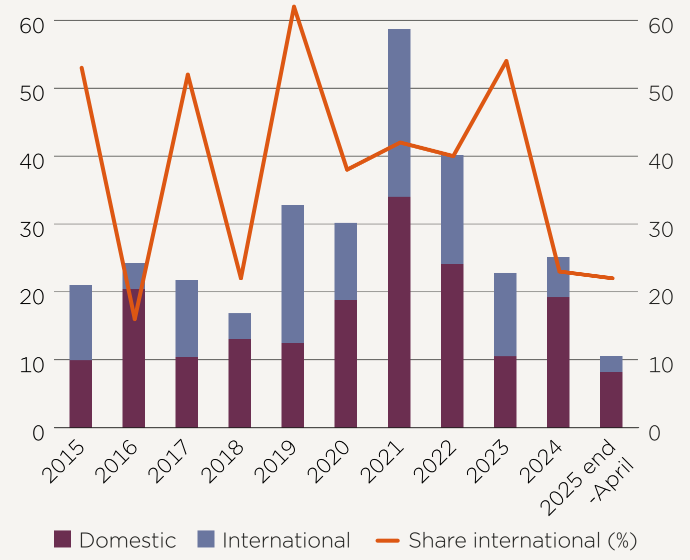
The industrial and logistics sector has remained attractive to investors during 2025 with the sector representing a significant share of the Swedish transaction volume. Domestic demand has continued to be high during the year, with listed property companies as the single net investor group.

By the end of April 2025, the industrial and logistics sector attracted an investment volume of SEK 10.7 billion, representing 21% of the total investment volume in the period. The average deal size for both logistics and industrial properties amounted to SEK 370 million, surpassing the five-year average of SEK 268 million. The four largest transactions were all portfolio transactions, collectively accounting for more than SEK 5 billion, representing 48% of the total investment volume in the sector.

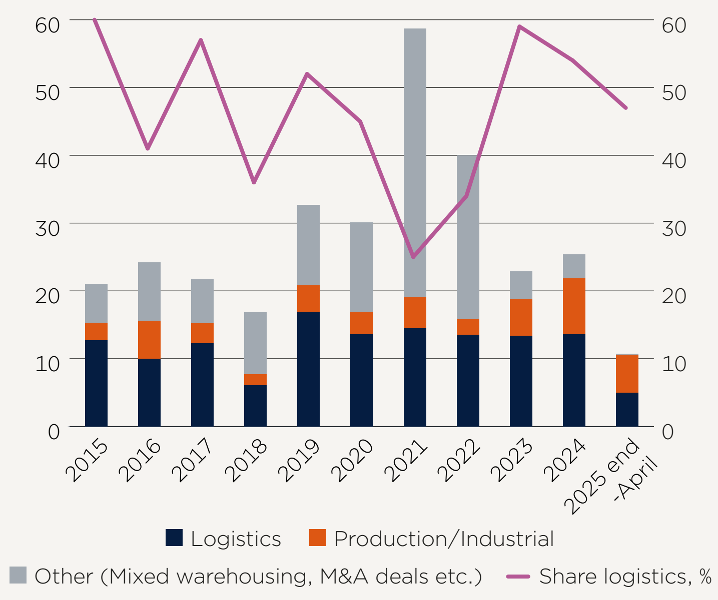
International investors have gradually increased their presence in the Swedish market of logistics and industrial real estate; however, domestic investors have shown particular strength since 2024. Historically, foreign investors have represented approximately 40% of the annual investment volume in the sector — this share dropped to 23% in 2024, and 22% by the end of April 2025. Another shift in investor demand became apparent in 2024 and has accelerated during 2025, as commercial funds' net-positive investment volume decreased in 2024 and was negative by end-April 2025 — while listed real estate companies significantly increased their exposure to the sector.

Domestic investors in the sector during 2025 include Emilshus, SLP, and South Bay while international investors include Greykite and OTPP. Investment in the sector has been concentrated to southern Sweden and the major cities by end-April 2025. Notably, the Mälardalen region has represented a five-year annual average of 21% of total transaction volume in the sector; this figure has amounted to 6% in 2025.

International investors I&L SEK billion, share %



Transaction volume I&L SEK billion, share logistics, %



Source: Savills Research

SEK **10.7** billion

Investment volume I&L by end-April 2025

22%

Share of foreign investors within the sector, by end-April 2025 (5YA 39%)

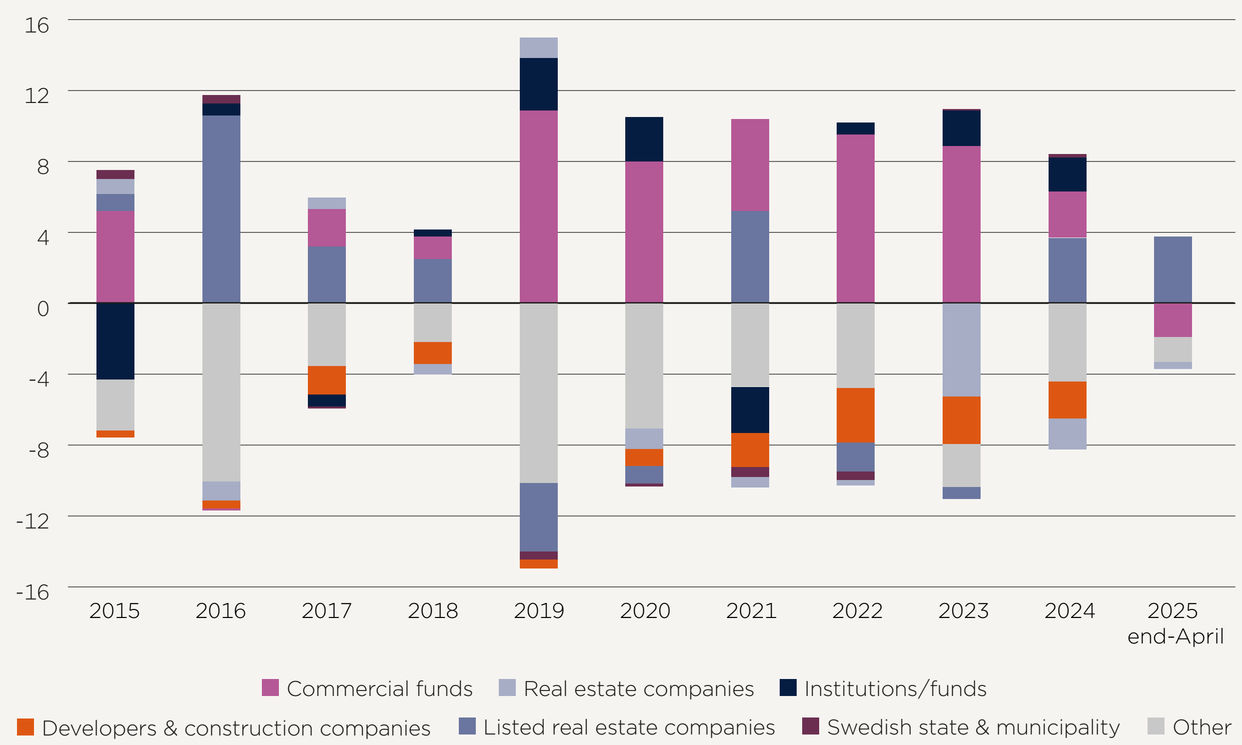
2nd

Largest sector in terms of volume, by end-April 2025

"Recent trend shifts in the market follow clear correlations; the international capital in the sector is primarily derived through commercial funds, while the stronger domestic demand was driven by the listed capital."

Markus Kindbom
Co-head of Valuation
Savills Sweden

Net buyers and sellers I&L sector per investor category, incl. M&A-deals, SEK billion



Source: Savills Research

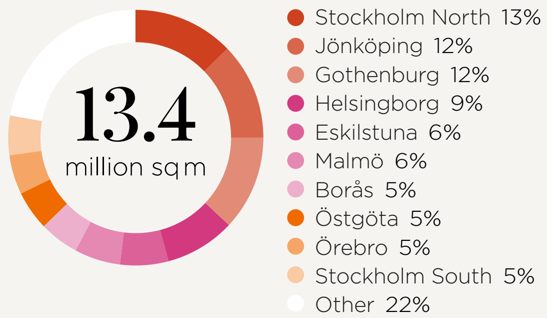
Sweden's Logistics Market Overview

Savills has compiled logistics development throughout 25 Swedish regions since 2007, referred to as the modern logistics stock. The stock in concentrated in southern Sweden along the highways connecting the major cities.

The total modern logistics stock amounts to approximately 13.4 million sq m, concentrated south of — and including — the Stockholm region, with a strong connection to domestic markets and international trade. The highest volume of modern logistics space is located in Northern Stockholm — constituting 13% of the national stock — and the Stockholm region has a combined share of 18%. As the largest exporting region in Sweden, Gothenburg region claims a 12% share of the logistics stock — just like Jönköping region which holds the second largest share. Other major regions of logistics supply have developed along major highways connecting Stockholm, Gothenburg, Helsingborg and the Jönköping region, benefiting from well-developed infrastructure and ports.

Area distribution per region

modern logistics stock, Sweden Q1 2025



Source: Savills Research

	REGION	TOTAL STOCK	SHARE
1	Stockholm North	1,778,000	13%
2	Jönköping region	1,650,000	12%
3	Gothenburg region	1,603,000	12%
4	Helsingborg region	1,178,000	9%
5	Eskilstuna region	835,000	6%
6	Malmö region	770,000	6%
7	Borås region	682,000	5%
8	Östgöta region	680,000	5%
9	Örebro region	669,000	5%
10	Stockholm Syd	654,000	5%
11	Halmstad region	582,000	4%
12	Enköping region	486,000	4%
13	Skaraborg region	380,000	3%
14	Uppsala region	358,000	3%
15	Växjö region	241,000	2%
16	South-East Sweden	165,000	1%
17	Mid-Sweden	140,000	1%
18	Värnamo region	109,000	1%
19	Katrineholm region	108,000	1%
20	Ulricehamn region	104,000	1%
21	The three city region*	87,000	1%
22	Umeå region	84,000	1%
23	North-East Skåne	38,000	0%
24	Sundsvall region	18,000	0%
25	Karlstad region	15,000	0%
Total		**13,414,000**	100%

*Sw: Trestadsregionen
Source: Savills Research

Definition Savills defines the modern logistics stock as properties with construction years from 2007 and onwards at a size of at least 5,000 sq m. Note that Savills Research's definition of which municipalities are included in the respective region differs from other market data providers.

The Nordic Trade Triangle

One of the many strengths of the Nordic region is its well-established multimodal transport system that links the capital cities of each country together. This transportation system is known as the 'Nordic Trade Triangle' and includes infrastructure such as motorways, railway connections, airports, and ports. The trade triangle also provides a swift connection to the rest of continental Europe through the southern node of Sweden, extending into the comprehensive Trans-European Transport Network (TEN-T).

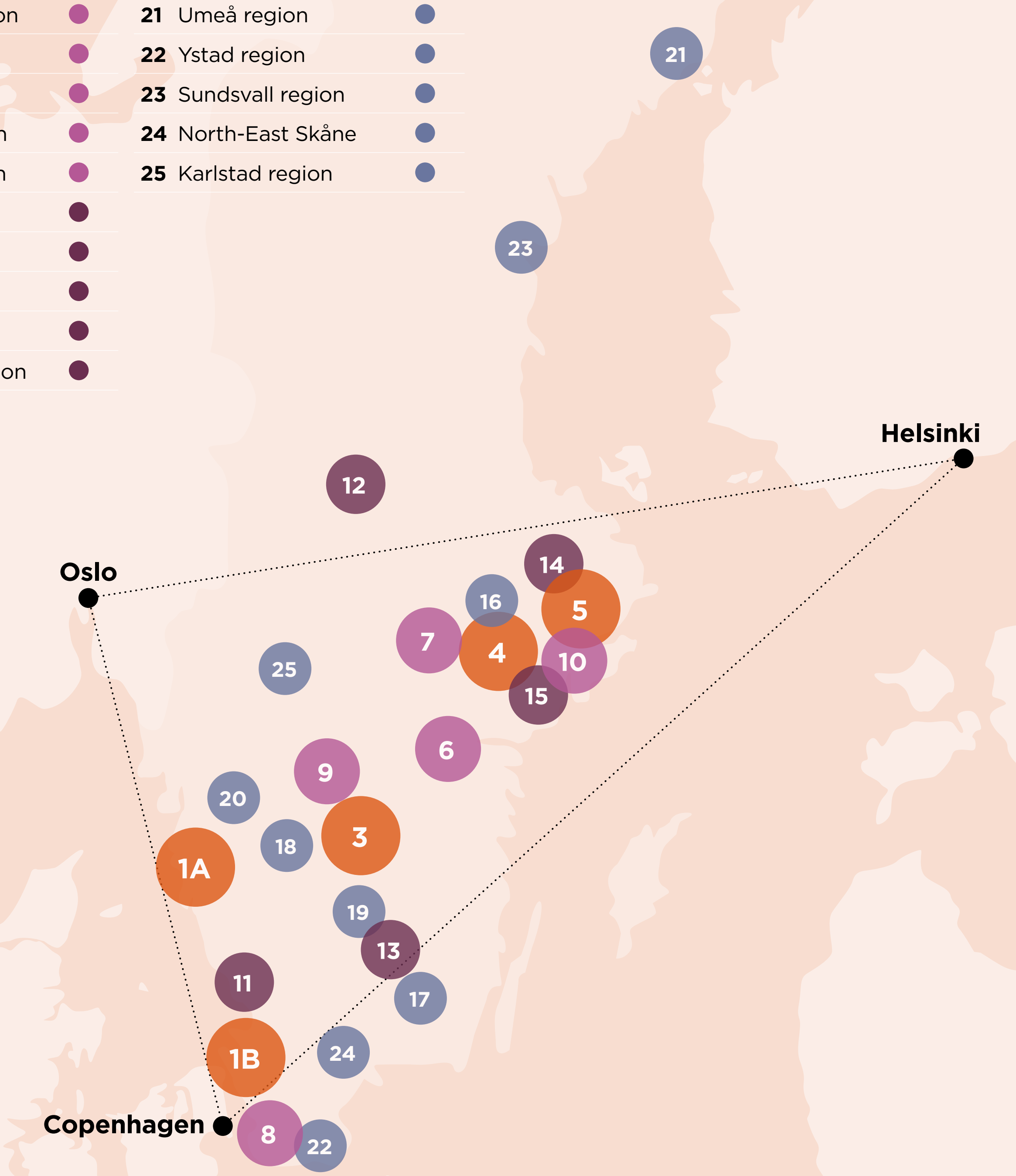
With 80% of Sweden's population and businesses located within the triangle, the infrastructure included in the Nordic Trade Triangle is of strategic importance for the Nordic countries. Moreover, the Nordic Trade Triangle serves as the backbone for passenger and freight transport between the Nordics and Western Europe. From Sweden, all major cities in the Nordics and coastal regions of Germany and Poland are reached by road in less than 12 hours.

Source: Savills Research, Intelligent Logistik 2024

THE SWEDISH LOGISTICS MARKET

Sweden's Top 25 Logistics Regions 2024

1A	Gothenburg region	**16**	Västerås region
1B	Helsingborg region	**17**	South-East Sweden
3	Jönköping region	**18**	Ulricehamn region
4	Eskilstuna region	**19**	Värnamo region
5	Stockholm North	**20**	The three city region*
6	Norrköping region	**21**	Umeå region
7	Örebro region	**22**	Ystad region
8	Malmö region	**23**	Sundsvall region
9	Skaraborg region	**24**	North-East Skåne
10	Stockholm South	**25**	Karlstad region
11	Halmstad region		
12	Mid-Sweden		
13	Växjö region		
14	Uppsala region		
15	Katrineholm region		



*Sw: Trestadsregionen

Logistics Construction is Slowing Down after Record Highs

The development volume of logistics space remained strong in 2024 but is expected to slow down going in the coming years. While speculative projects will continue to represent a significant share of new developments, the total volume is projected to decline. This reflects a more cautious outlook for the 2025–2026 development pipeline.

Adjustment in construction volume

The volume of logistics construction has been at all-time high levels during the last three years, and 2024 set another record at over 1.4 million sqm added stock. The average annual construction volume of logistics space during the period of 2015–2021 was 650,000 sqm, while the average during 2022–2024 was 1.38 million sqm. Looking ahead, an adjustment is expected during 2025 as the completed construction volume is expected to be in line with the historical average at 640,000 sqm.

Speculative development continues at a high rate

Between 2022 and 2024, a notable shift occurred in logistics development, with activity moving from the Stockholm and Gothenburg regions toward Skåne, Mälardalen, and the E4 South region. The share of speculative development surged in 2023, remained high in 2024 and is expected to further increase in 2025 to a rate of 48%. Over the past five years, the average share of speculative development was 28%. The Stockholm region held a significant share of speculative development in 2024 as 94% of completions were speculative, exceeding the five-year average of 42%.

The previous drastic increase in construction of logistic space and speculative development could stem from a previously experienced under-supply in the market, supported by previous reports of low vacancy rates in the sector. Many developers acted simultaneously and the most recent data on vacancy rate development substantiates that the adjustment was too sharp, and the rate of new supply has exceeded demand. Although the share of speculative development will remain high in 2025 and 2026, the gross volume is expected to decrease.

640,000 sqm

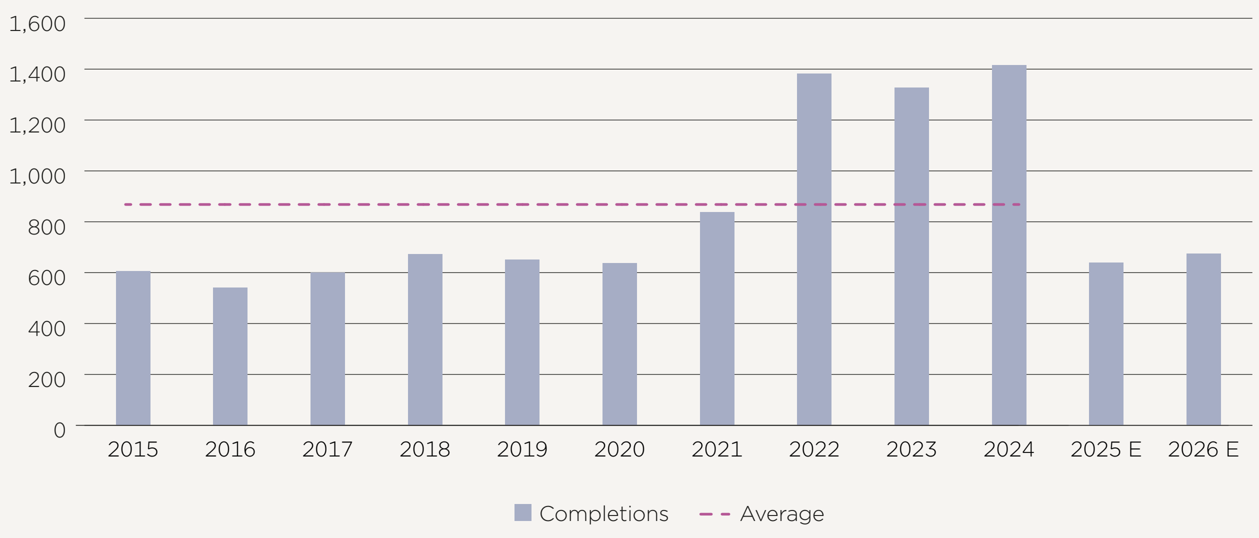
Logistics construction pipeline, 2025
(1.4 million sqm in 2024)

"The decline in upcoming logistic development is driven by more uncertain market conditions, weaker occupier demand, and elevated vacancy levels."

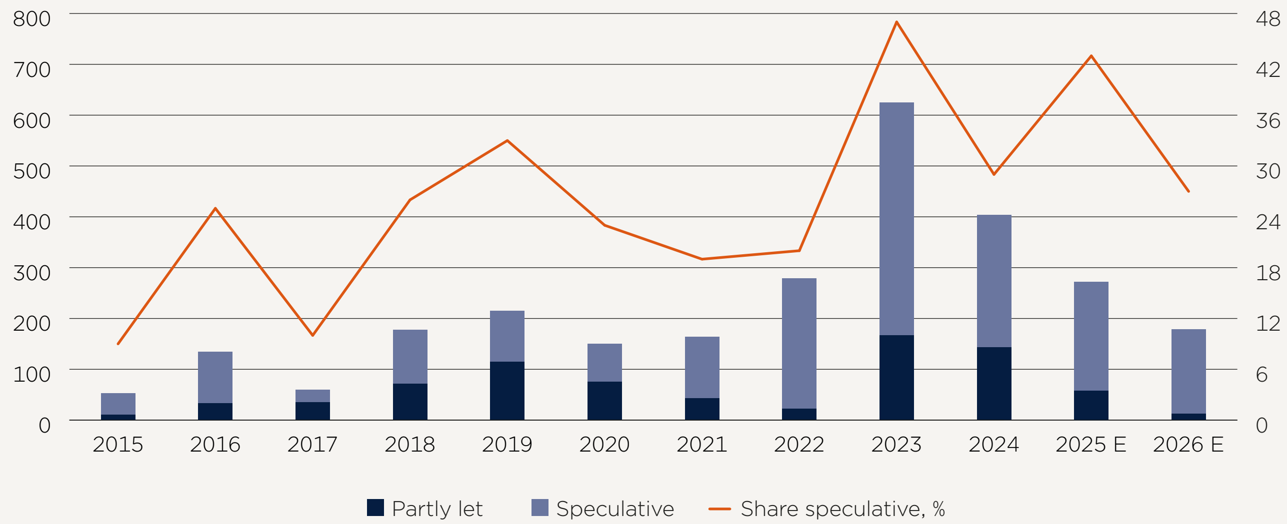
Axel Jersenius
Research Analyst
Savills Sweden

Source: Savills Research

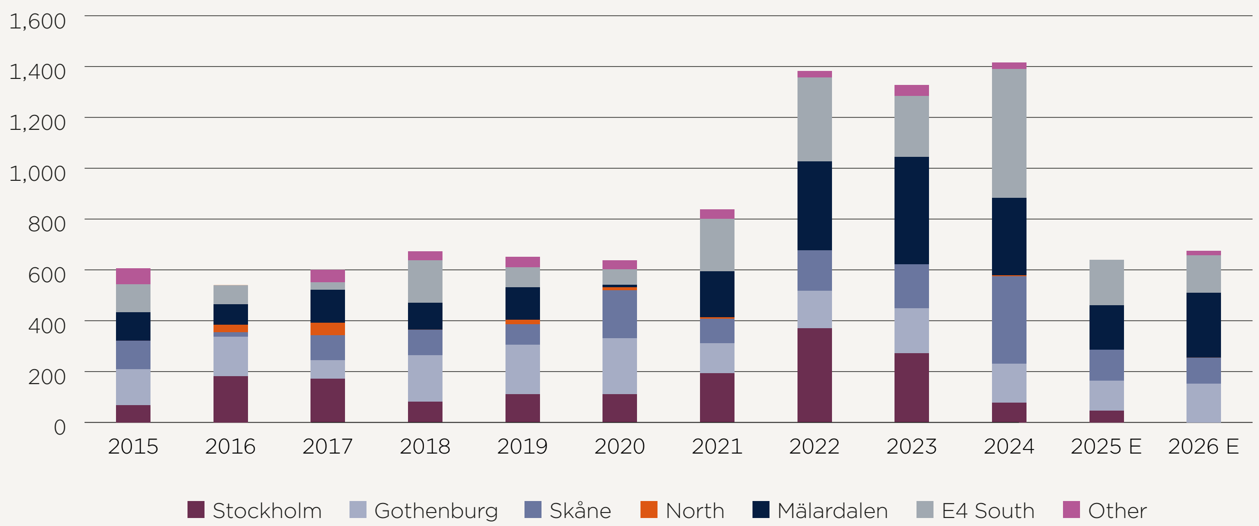
New developments of warehouse & logistics properties 5,000 sqm+ (000' sqm)



Speculative developments in Sweden 5,000 sqm+ (000' sqm)



New developments per region 5,000 sqm+ (000' sqm)



Logistics Vacancy in Sweden Remains Elevated in Early 2025

Vacancy in Sweden's modern logistics sector remains high at 7.9% as of Q1 2025. The elevated levels are driven by speculative development during 2023–2024, but a slowdown in new supply may ease pressure going forward. Regional variations persist, with especially high vacancy in markets like Enköping and Eskilstuna.

Savills measures vacancy on the modern logistics stock, defined as properties with a construction year from 2007 and of at least 5,000 sqm. The latest vacancy rate measurement reveals a continuation of relatively high rates of open vacancy in the selected regions, at 7.9% as of Q1 2025.

Construction volumes for 2025 have adjusted to lower demand, with speculative development set to decline. Vacancy has already begun to ease slightly, and further gradual compression is expected throughout the year.

Varied vacancy rates across Sweden's logistics markets

It is clear that the substantial share of speculative developments during 2023 and 2024 is the primary reason for the high levels of vacancy in the modern logistics stock. Of the 20 largest vacancies measured, 18 were completed in 2023 or 2024, together accounting for 65% of the total vacant space — and notably, all were built on a speculative basis. Several regions saw particularly high levels of speculative activity during this period, which has significantly impacted vacancy rates.

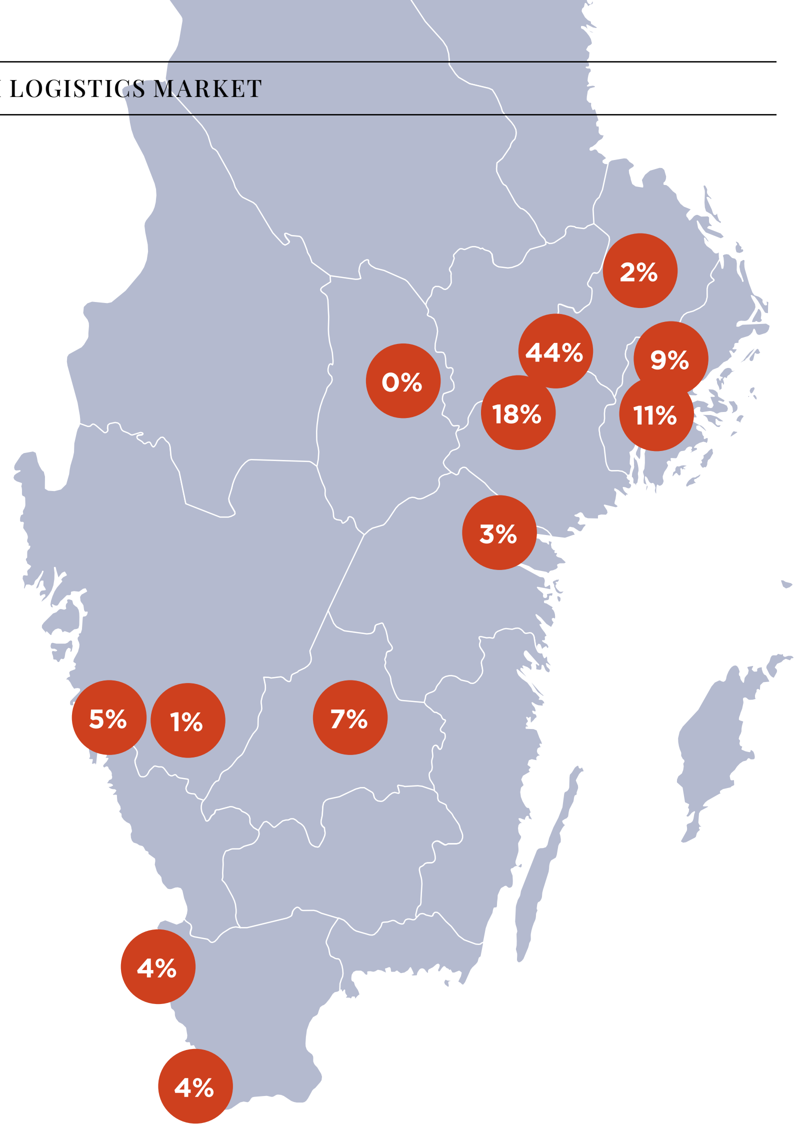
As previously mentioned, 94% of developments in Stockholm were speculative in 2024, and vacancy has increased notably between Q3 2023 and Q1 2025. In Stockholm South, the rate rose from 3.1% to 10.7%, and in Stockholm North from 5.0% to 8.8%. Because of its large stock, Stockholm was less affected than some other regions. In Eskilstuna, vacancy climbed from 6.7% to 17.9%, while Enköping now reports a rate of 44%. There, five recent developments — making up about half of the modern stock — are nearly fully vacant.

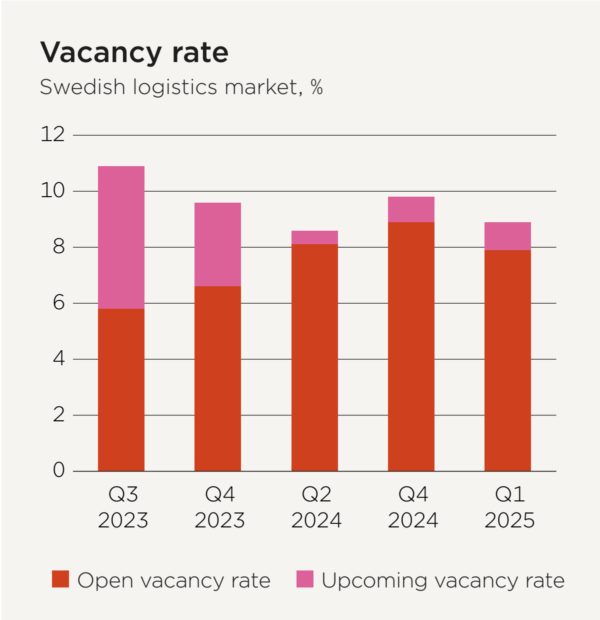
The largest share of vacant space in the older logistics stock is concentrated in Sweden's major cities — Stockholm, Malmö, and Gothenburg — with 219,000, 171,000, and 115,000 sqm of vacancy, respectively. In addition, the Jönköping region accounts for a further 148,000 sqm of vacant space, with further increases in vacancy anticipated.

Source: Savills Research

"Vacancy levels reflect the market's response to a period of intense speculative development. With a more balanced pipeline in 2025, tenants now have a window of opportunity to secure space in key locations."

Gustaf Damberg
Head of Industrial and Logistics Leasing
Savills Sweden





VACANCY (YTD)	**OPEN** (%)	**OPEN** (sqm)		**UPCOMING** (sqm)	
STOCK	**Modern**	**Modern**	**Old**	**Modern**	**Old**
Enköping region	44	214,000	38,000	-	-
Eskilstuna region	18	150,000	7,000	-	-
Stockholm North	9	156,000	104,000	15,000	-
Stockholm South	11	70,000	115,000	31,000	17,540
Jönköping region	7	123,000	148,000	-	6,500
Gothenburg region	5	74,000	115,000	7,000	12,000
Malmö region	4	34,000	171,000	-	-
Helsingborg region	4	50,000	112,000	-	-
Östgöta region	3	18,000	60,000	-	10,000
Uppsala region	2	6,000	5,000	51,000	-
Borås region	1	6,000	64,000	13,000	2,300
Örebro region	0	-	21,000	1,000	-

THE SWEDISH LOGISTICS MARKET

Yield Stabilisation and Rental Shifts

The logistics market is famously quick to re-adjust pricing as market conditions shift, which also applies to the Swedish logistics market, where occupier demand has eased, with notable regional differences in rental development.

The European logistics prime yield adjusted rapidly between 2022 and 2023. Yield levels saw some further expansion in European markets in 2024, and the prime logistics yield averaged 5.0% by Q1 2025, an increase of 110 bps since Q1 2022.

The prime yield in Sweden also decreased after the peak following the financial crisis of 2008 — and continuously since 2014 — driving investment strategies based on compressed exit yield. The prime logistics yield in Sweden was estimated to 4.9% by Q1 2025, marking an increase of 150 basis points since Q1 2022.

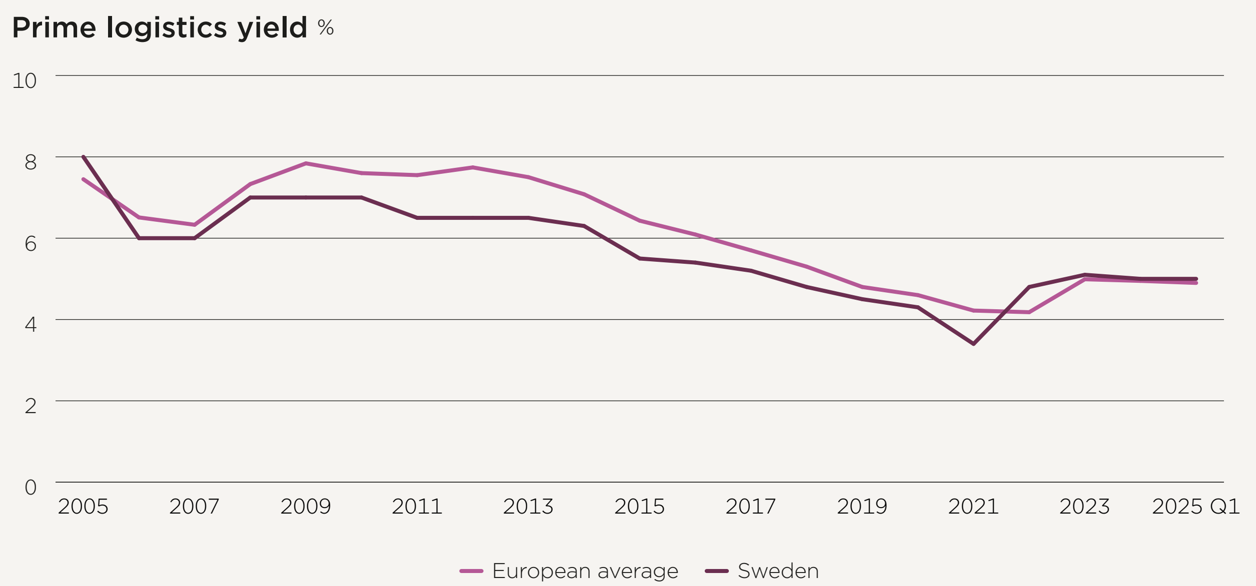
Regional differences in rental development

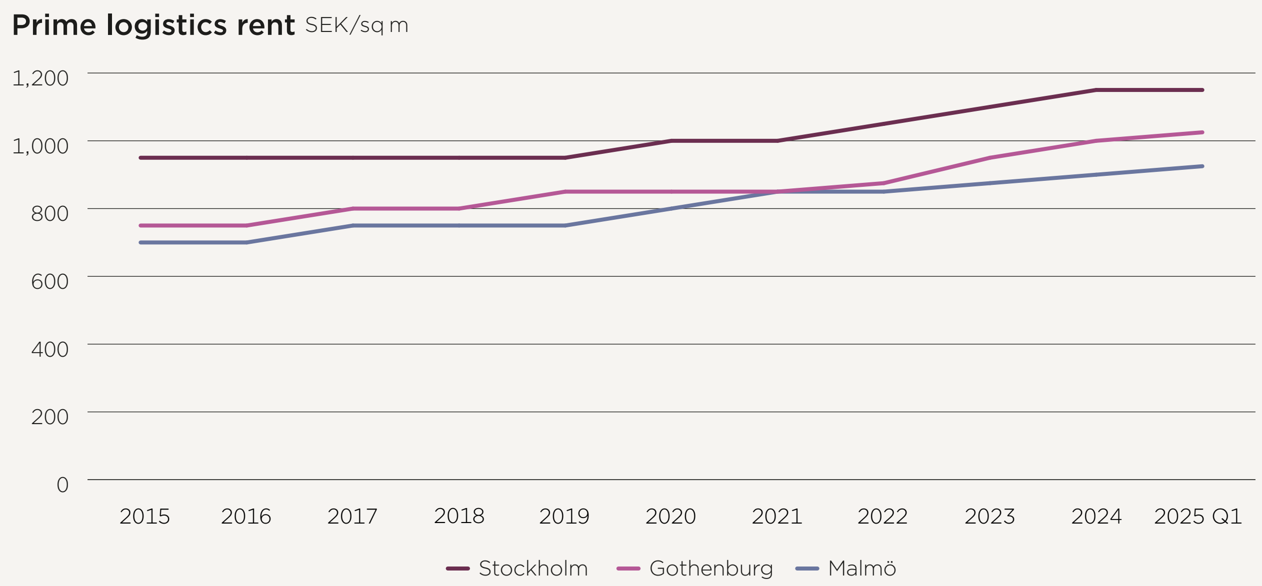
The historical rental development has been stable in Sweden, driven by strong competitiveness between developers, lowered building costs, and underlying assumptions regarding exit yield. Prime rental levels in the Stockholm region, measured in the most sought-after and supply-restricted stock, has increased by 21% since 2019 to SEK 1,150 per sq m and year by Q1 2025. The prime rental level in Gothenburg amounted to SEK 1,025 per sq m, and SEK 925 per sq m in Malmö.

With the high-inflation period behind us and property owners facing increased competition due to high vacancy rates, Savills has observed that in certain regions, asking rents are currently below previous market levels.

"Recent take-up has mainly been driven by built-to-suit projects, with limited leasing of available speculative stock. We are also seeing variations in asking rents, as production costs have differed depending on the timing of construction — with more recent projects generally benefiting from lower building costs compared to those completed just 18 months ago."

Jonas Bodwall
Associate Director Leasing
Savills Sweden





Source: Savills Research

Low-price E-commerce on the Rise

Innovative online platforms, both domestic and international, are attracting Swedish consumers. Easy-to-use, fast, and inspiring applications that offer low-price alternatives are gaining popularity. As e-commerce turnover grew in 2024, imports from foreign platforms played a significant role in driving this development.

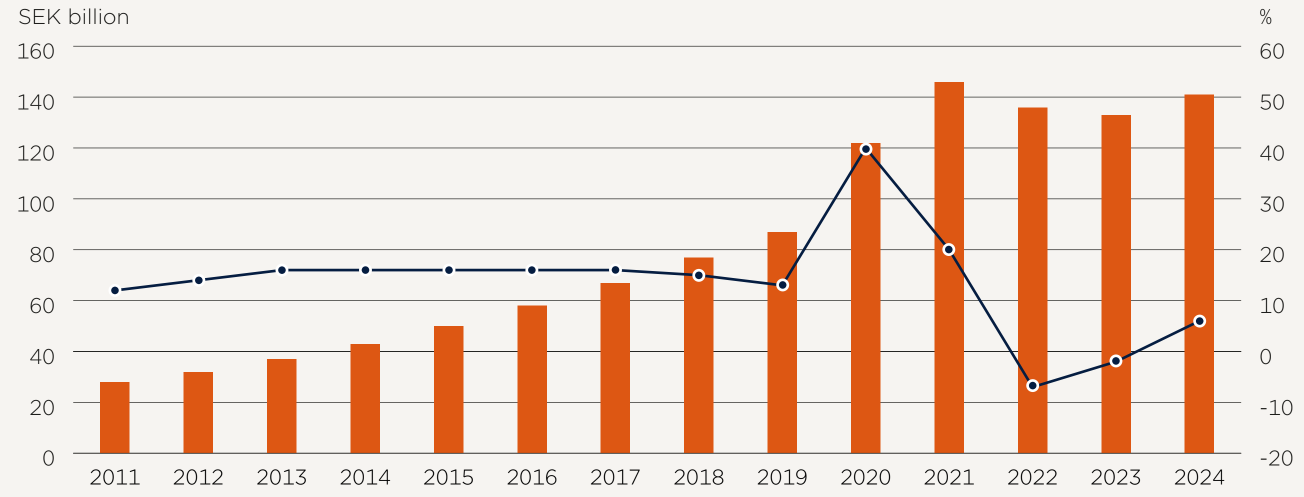
Savills previously noted that the negative growth in Swedish e-commerce during 2022 and 2023 was a temporary reaction to the economic environment. Rising living costs compressed retail demand, while the lifting of Covid-related restrictions led consumers back to physical stores, temporarily slowing online sales.

Recovery strengthens in 2024

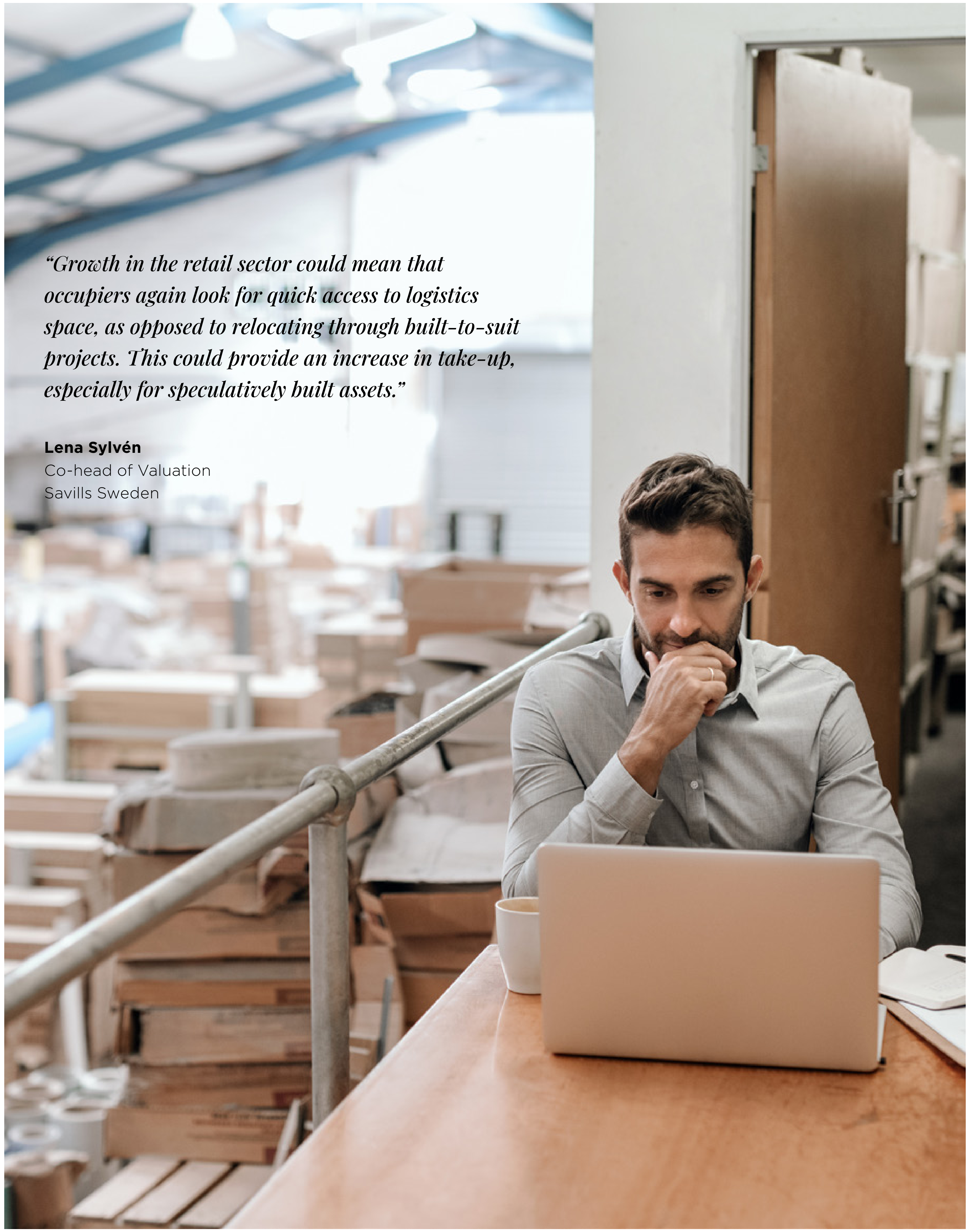
By 2024, the market started to recover. Monetary easing improved consumer purchasing power, and e-commerce turnover rose by 5% year-on-year, reaching SEK 141 billion — the second-highest figure on record.

The number of packages sent within Sweden also grew steadily. According to the Parcel Index, introduced by industry associations in 2023, parcel volumes have increased each quarter since Q1 2023. In total, 211 million parcels were delivered across Sweden in 2024, representing an annual growth rate of 8.3%.

E-commerce turnover SEK billion, Development, %



Source: PostNord, The Swedish Confederation of Transport Enterprises, Savills Research



"Growth in the retail sector could mean that occupiers again look for quick access to logistics space, as opposed to relocating through built-to-suit projects. This could provide an increase in take-up, especially for speculatively built assets."

Lena Sylvén
Co-head of Valuation
Savills Sweden

Foreign low-cost giants reshape logistics flows

The Parcel Index highlights a shift in logistics flows, driven particularly by low-cost international platforms such as Temu and Shein. Foreign imports rose by 25% during 2024, compared to a 5% increase in domestic parcels.

According to the E-barometer, China became the leading source of imported goods to Sweden, ahead of Germany, Denmark, and the UK. Domestically, second-hand platforms, such as Sellpy and Tradera, also experienced strong growth.

Outlook

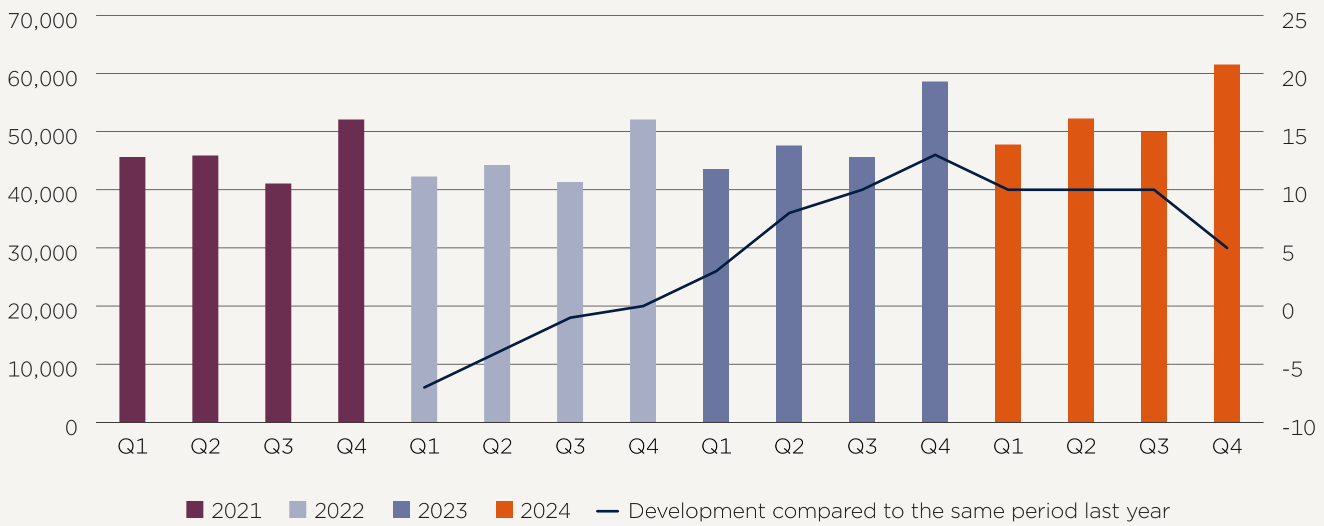
Quality shift and regulatory pressures

Looking ahead, it remains to be seen whether economic recovery will encourage consumers to prioritise higher-quality goods.

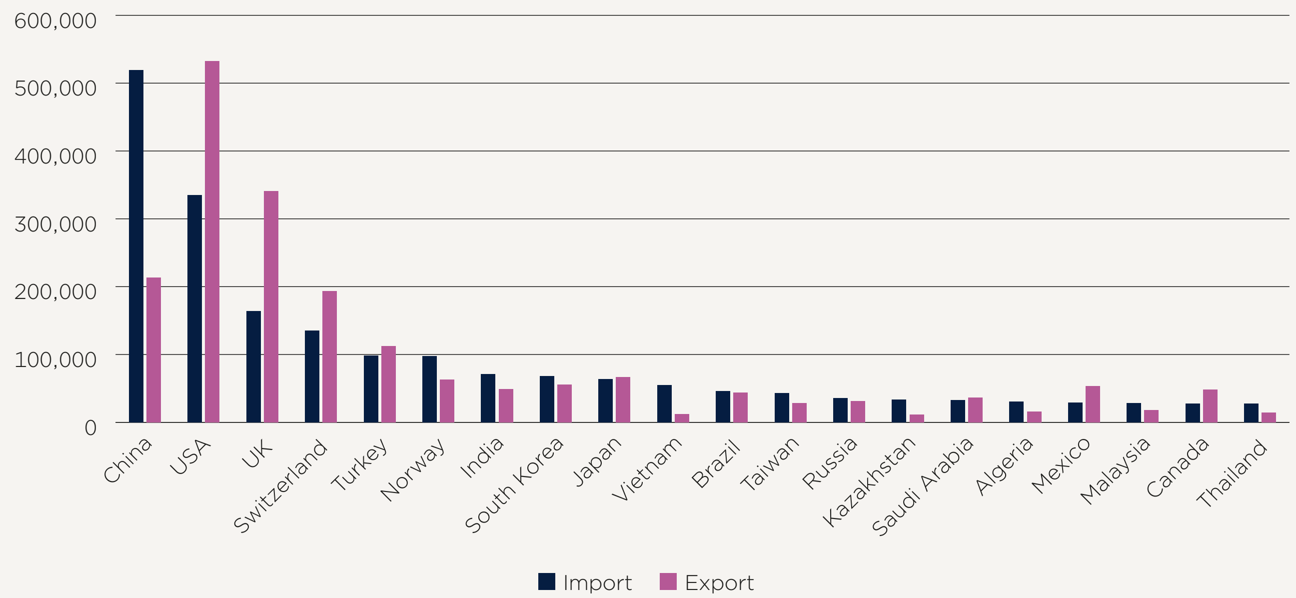
At the same time, discussions around regulatory gaps are gaining momentum. European companies face stringent standards on labour conditions, consumer protection, reporting, and environmental impact — requirements that many foreign competitors currently bypass.

This regulatory imbalance could ultimately impact the competitiveness of European businesses, consumers, and the broader market environment.

The parcel index Number of packages (000'), Development, %



Origin of import and export of goods to the EU EUR millions



Source: Savills Research, The Swedish Confederation of Transport Enterprises, Eurostat, PostNord

Will nearshoring drive long-term logistics demand?

Nearshoring remains costly and complex, leading many occupiers to focus on diversifying supplier bases and transport routes instead. However, geopolitical tensions, supply chain vulnerabilities, and rising regulatory pressures have reinforced near- and reshoring as key long-term strategies for developers, investors, and occupiers.

Cost, complexity, and shifting supply chains

Supply disruptions during the pandemic, combined with rising import prices, a weaker Swedish currency, and new sustainability regulations, have accelerated a rethinking of supply chains across Europe. In particular, EU taxonomy and ESG frameworks are pushing businesses to shorten supply chains and improve traceability. According to Savills' Nearshoring Index 2024, European countries are well-positioned for reshoring, with Poland, Czech Republic, and Portugal ranking among the most attractive destinations. Sweden ranked fourth overall.

Despite these drivers, profitability remains the main priority for manufacturers. Reshoring is expensive and complex, making broad implementation unlikely in the short term. Savills' European occupier surveys show that only 6% of respondents planned near- or reshoring initiatives in 2024, compared to nearly 30% immediately after the pandemic.

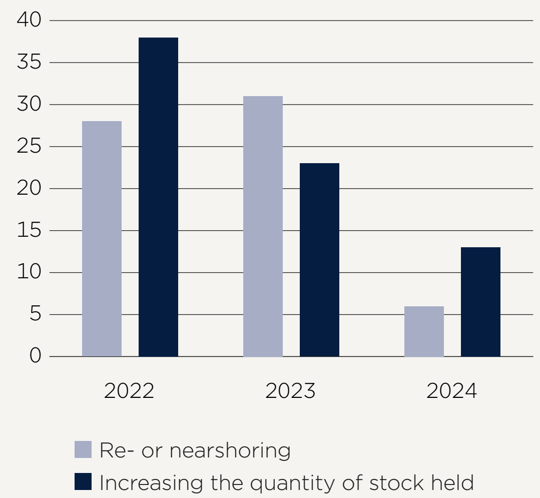
A long-term trend with significant potential impact

Diversification of supplier bases, adoption of supply-chain technologies, and new routing strategies have been the preferred short-term responses. However, even a limited shift could create notable logistics demand: the 6% of occupiers considering near- or reshoring are some of the largest logistics providers in the world and represent around 171.5 million sq m of occupied space.

Investors and developers continue to view near- and reshoring as long-term structural drivers. Although the transition will be gradual, it is expected to deliver a meaningful and sustained boost to logistics demand over the next decade.

Occupiers' intentions

for the following 1-3 years, %



Source: Savills Research, TritaxEurobox, Analytica

"While full-scale reshoring remains both complex and costly, we're starting to see signs that occupiers are increasingly looking to diversify supply chains and position production closer to end markets. This could well evolve into a clearer trend over time – one that may, in turn, drive growing demand for manufacturing and logistics space across Europe."

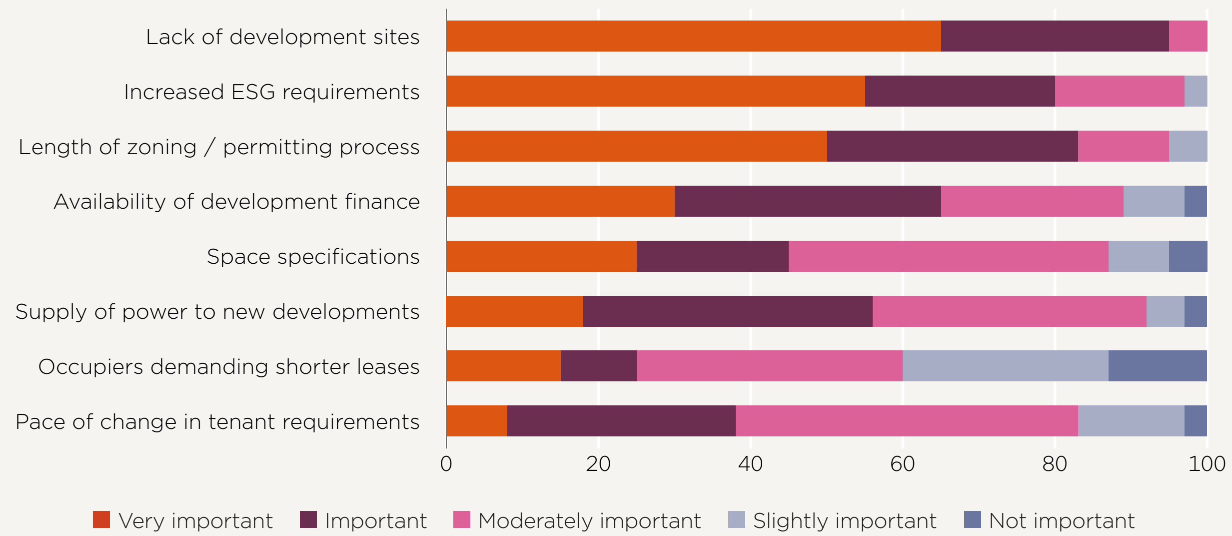
Emil Stålknapp
Head of Commercial Property Management
Savills Sweden

Ranking of potentially game-changing trends in logistics real estate by market actors

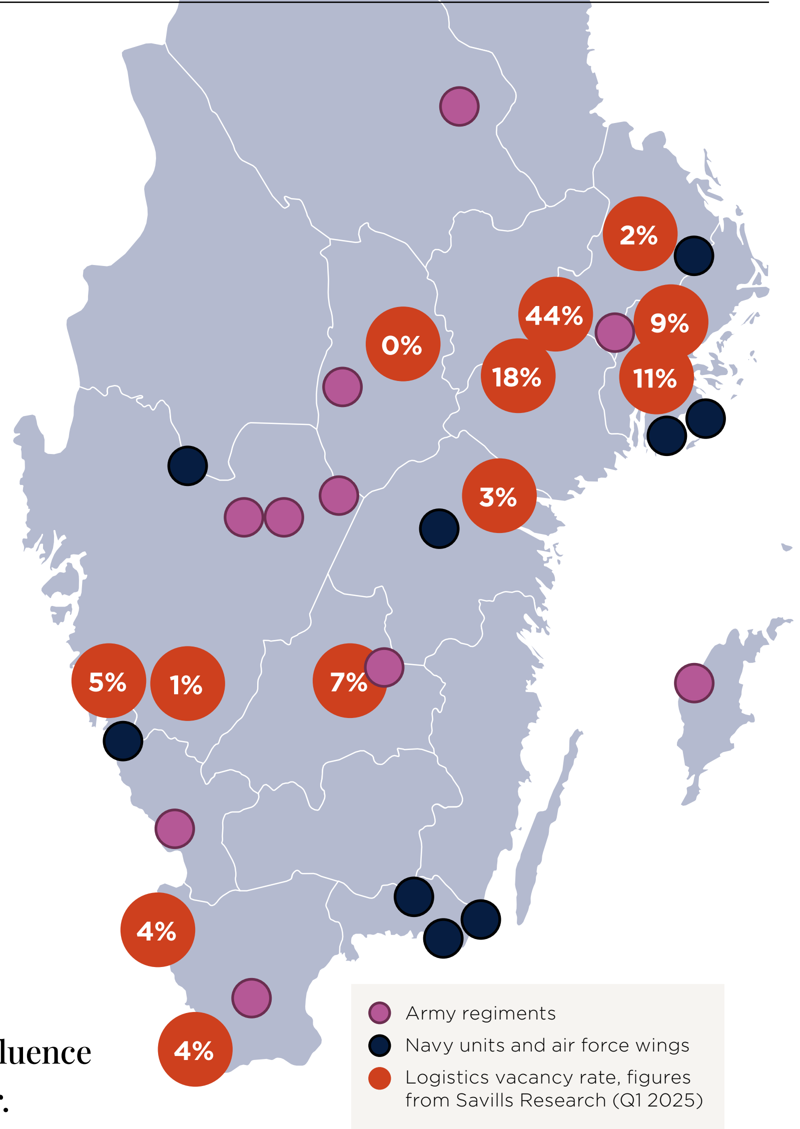
	Rank for Occupiers	Rank for Investors	Rank for Developers
More stringent ESG targets/regulations	1	3	2
Increased power requirements	2	2	1
Robotics/robots/ advanced automation	3	4	4
Replacement of labour with technology solutions	4	5	5
Greater use of AI	5	7	7
Electric/hydrogen HGVs	6	9	6
Ability to incorporate returns/repairs	7	6	8
Re/nearshoring	8	1	3
Innovative ways to use drones	9	8	9

Importance of issues when considering new industrial and logistics developments

Proportion of respondents, %



How will Sweden's Defence Expansion Shape the Logistics Market?



The Swedish Armed Forces have turned the disbandment of the 2010s to development in the 2020s. A growing demand for warehousing and logistics has emerged, with the possibility to influence both take-up and new development in the sector.

Sweden ended over two centuries of military non-alignment through its accession to NATO in 2024, driven by heightened geopolitical risk. Sweden's military budget had gradually increased prior to joining NATO, and the allocated share of GDP increased from 1.0% in 2016 to 1.5% in 2023. The allocated capital for the military reached SEK 126 billion in 2024, constituting 2.2% of GDP, and the government budget for 2025 amounts to SEK 143 billion — showing a continued growth of the military.

Logistics and warehousing: a foundation in national defence

The Swedish Fortifications Agency has reported a significant increase in the Swedish Armed Forces' demand for warehouse and logistics space across the country in recent years — a trend that is expected to continue. The Agency's current property portfolio is estimated to be worth approximately SEK 25 billion, with plans to expand it through both large-scale and smaller acquisitions. Many transactions are conducted off-market, with the objective of securing assets at fair market value.

The Swedish Fortifications Agency anticipates continued growth in the Armed Forces' demand for logistics and warehouse space nationwide. To meet these needs, the Agency plans to expand its property portfolio through a combination of leasing, acquisitions, new construction, redevelopment, and property adaptations. Notably, substantial volumes of suitable space are available in proximity to several military regiments across Sweden — particularly in and south of the Stockholm region.

The demand is here and now

Infrastructure demand is based on the strategic location with the goal of acquiring assets in the short-term for use in the long-term. There is already evidence of both acquisitions and lease agreements of Swedish Fortifications Agency in the sector and given that most logistics take-up in Sweden over the past year has been driven by built-to-suit projects, the Swedish Armed Forces' increasing demand could influence both future take-up and new development activity within the logistics sector.

Source: Savills Research, The Swedish Armed Forces, The Swedish Fortifications Agency

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