

New demographics reshape Nordic and Baltic real estate: Newsec's latest report uncovers surprising population shifts

The Nordic and Baltic real estate markets are at a turning point as shifting demographics redefine property demand. Newsec's latest Property Outlook report highlights surprising population trends—including aging populations, declining fertility rates, and regional migration patterns—that are reshaping investment strategies across the region.

For the first time in three decades, Latvia is experiencing population growth, while Finland posted its highest growth in 70 years. In contrast, Sweden recorded its weakest population increase in over two decades, signaling new challenges for its real estate market.

Across the Nordics, fertility rates are at historic lows, particularly in Finland, raising long-term concerns about workforce sustainability. Meanwhile, the Baltic states, especially Lithuania, show slight improvements, though fertility remains below replacement levels.

"These demographic trends are reshaping not just the population but the property market," says Max Barclay, CEO of Newsec. "Investors need to adapt quickly to capitalize on the changing demands for housing, offices, and public infrastructure across both urban and regional areas."

From cities to suburbs: Migration redefines housing and office demand

While capital cities like Stockholm and Riga once led population growth, recent trends show a shift toward suburban and regional centers, driven by negative internal migration. This redistribution of the population presents new opportunities for investment outside major urban hubs, particularly in residential development and office spaces.

"With an aging population and migration patterns shifting, demand for elderly care facilities, suburban housing, and regional office spaces is evolving. The property market is no longer just about urban growth—it's about regional shifts and long-term sustainability," says Max Barclay.

Real estate market impact: Aging populations and changing needs

By 2070, the Nordic population aged 65+ is projected to grow by 50%, creating heightened demand for elderly care infrastructure and home care solutions. Public properties will also need to evolve, with schools facing less pressure for new builds but more need for renovation to meet modern educational standards.

For the meantime, immigration remains the key driver of population growth in Sweden, Norway, and Denmark, reinforcing the need for multilingual public services and diverse housing solutions.

Future investment opportunities in a shifting market

Demand for office, retail, and industrial spaces will fluctuate depending on regional growth patterns. Areas with strong migration trends are likely to see stable demand, while regions facing population decline may experience a downturn. Sustainability and technological innovation, however, provide potential for growth in the logistics and industrial sectors.

For further insights and a detailed breakdown of these trends, download the full Newsec Property Outlook report.

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About Us

Newsec, a service company in real estate and beyond, offers investors, property owners and tenants a full range of services within the five business areas Property Asset Management, Advisory, Investment Management, Energy Transition and Digital Accelerator. The company was founded in 1994 and has revenues of appr 3 MEURO. Newsec employs some 2 600 people spread across the seven Nordic and Baltic markets. Read more on www.newsec.com

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