



**FINLAND
MULTIFAMILY MARKET**

Q1/2021

CBRE RESEARCH

**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

FINNISH MULTIFAMILY MARKET KEY FIGURES IN Q1 2021

INVESTMENT MARKET

The residential investment market has remained active and investor sentiment continued positive in the first quarter of 2021. Multifamily was the largest sector in the Finnish market with investment volumes of €356 million in the first quarter, up 22% year-over-year.

Prime yields have compressed to 3.20% in Helsinki, down 5 bps from the last quarter of 2020, and standing at 3.75% in Tampere and 3.85% in Turku.

The largest transaction in the first quarter was the German investor Union Investment purchasing a 214-apartment development project in Vuosaari from Skanska for €74 million.

Investment Volume

€1.21bn TTM

▼ -48% (Y-o-Y %)

€356mn Q1/2021

▲ 22% (Y-o-Y %)



SALE OF 214 APARTMENT DEVELOPMENT PROJECT IN HELSINKI

Sales price: €74 million

Sale date: 3/2021

Buyer: Union Investment

Seller: Skanska

Apartments: 214 apartments

Location: Vuosaari, Helsinki

SALE OF 400 APARTMENT PORTFOLIO IN 7 CITIES

Sales price: Conf.

Sale date: 2/2021

Buyer: Avara Residential Fund II

Seller: S-Bank

Apartments: 400 apartments

Location: Finland (7 cities)



Key Figures in Q1 2021

Cross-border investments

44%

▲ 30% (5-year avg.)

Share of total investment volume

32%

▲ 18% (10-year avg.)

Number of transactions

15

▼ 24 (5-year quarterly avg.)

Largest single transaction

€74mn

Prime yield

3.20%

▼ -5 bps from Q4 2020

Source: CBRE Research

FINNISH MULTIFAMILY MARKET KEY FIGURES IN Q1 2021

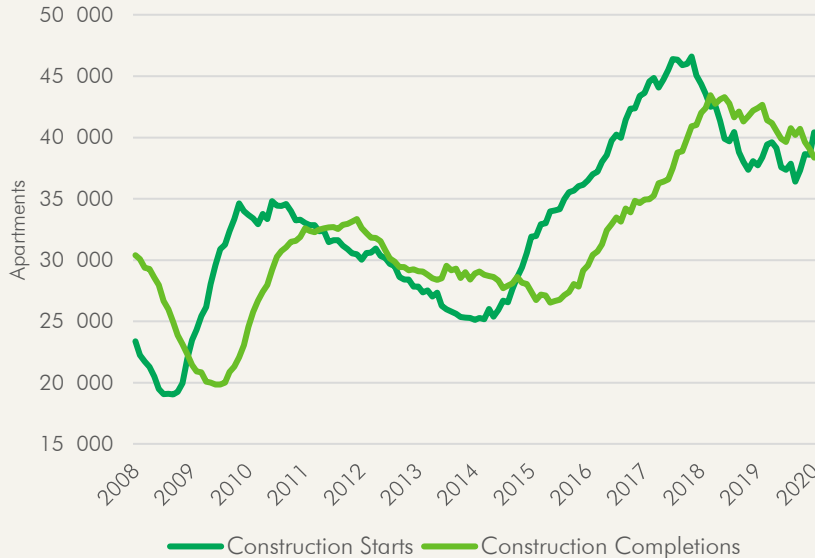
LOOKING AHEAD

The construction starts ticked higher in Finland at the end of the year and reached the highest point since the start of the pandemic. The residential construction activity remains on a high note also in the Helsinki Metropolitan Area (HMA).

The pandemic has caused a temporary oversupply of available rental apartments, but we expect this to end once the economy is reopened and students and other renter households return to the rental market. The average monthly rent grew by 1.1% (year-over-year) to 20.13€/sqm in the HMA in the first quarter. Average sales price continued to grow in HMA by 3.9% (year-over-year).

Construction activity remains high

Construction starts and completions in Finland (TTM)



Source: Statistics Finland.

Helsinki Metropolitan Area
Latest Key Figures
Y-o-Y Change



Construction Starts
December 2020 TTM

16,385 units
▲ +19%



New Completions
December 2020 TTM

13,673 units
▼ -8%



Average Monthly Rent
Q1/2021

20.13 €/sqm
▲ +1.1%



Average Sales Price
Q1/2021

4,140 €/sqm
▲ +3.9%

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