

FIGURES | FINLAND RESIDENTIAL | Q2 2024

# Active second quarter in the residential market

## RESIDENTIAL INVESTMENT VOLUME

€0.54bn TTM

▼ -54% (y-o-y %)

€389mn Q2/2024

▲ +9% (y-o-y %)

## INVESTMENT MARKET KEY FIGURES Q2 2024

Cross-border share

▲ 67%

Vs. 40% (5-year avg.)

Share of total investment

▲ 54%

Vs. 28% (5-year avg.)

Number of transactions

▼ 9

Vs. 12 (5-year avg.)

HMA Share

▲ 75%

Vs. 60% (5-year avg.)

Prime yield

▶ 4.50%

Vs. 4.50% in Q1 2024

### Investment market

- The Finnish residential market had the most active quarter since 2022 Q3 with transaction volume reaching €389 million in the second quarter. 67% of the total investment came from international investors, and 75% of the investment were centered in the Helsinki Metropolitan Area.
- Residential prime yield movement has stabilized, and the sentiment has turned to positive direction. Investors are actively looking to deploy capital into residential investments and the expected eases in interest rates will help investment volume to recover. Open ended real estate funds have been active sellers in the past year, due to pressure of withdrawals from the funds.
- The most notable deals of the second quarter were Slättö’s purchase of two residential portfolios, consisting of approximately 800 apartments located in the Helsinki Metropolitan Area and Tampere, for €130 million and Catella’s acquisition of four residential properties from eQ, located in Helsinki, Vantaa, Tampere and Turku.

### NOTABLE TRANSACTIONS IN Q2 2024

#### SALE OF TWO RESIDENTIAL PORTFOLIOS

**Sale price:** €130m

**Sale date:** 6/2024

**Buyer:** Slättö

**Seller:** Unknown

**Apartments:** ~800

**Location:** HMA, Tampere

#### SALE OF FOUR RESIDENTIAL PROPERTIES

**Sale price:** Conf.

**Sale date:** 5/2024

**Buyer:** Catella

**Seller:** eQ

**Apartments:** 243

**Location:** Helsinki, Vantaa, Tampere, Turku

Source: CBRE Research.

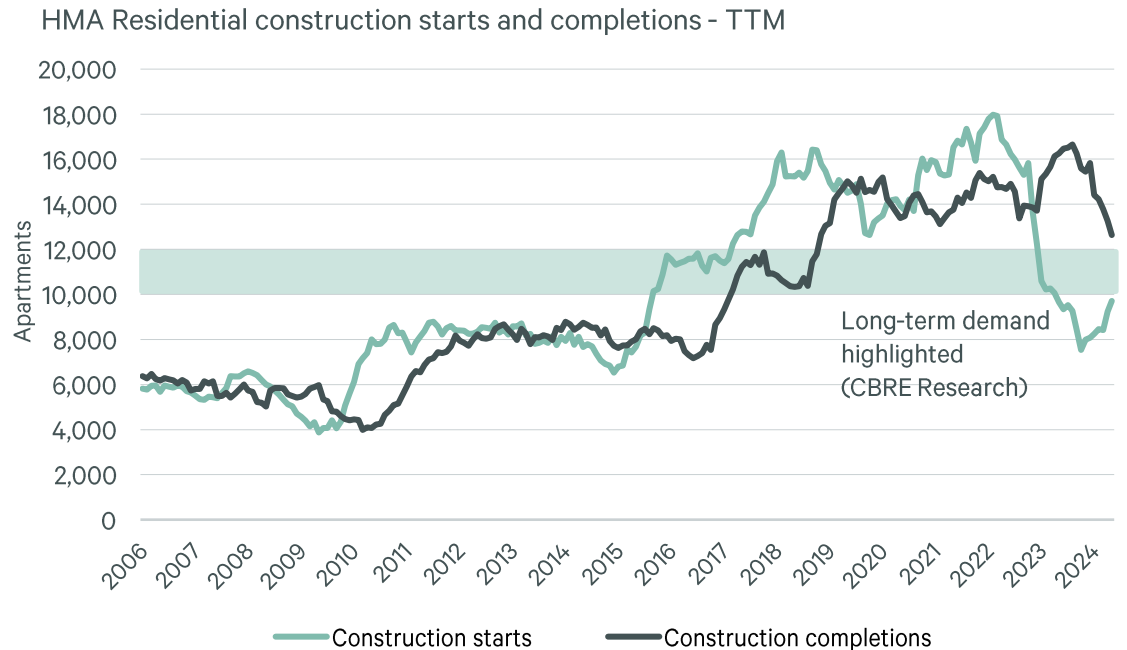
FIGURES | FINLAND RESIDENTIAL | Q2 2024

HELSINKI METROPOLITAN AREA KEY FIGURES



**Rental market & construction activity**

- The sales prices of old dwellings in HMA, Tampere, and Turku saw a year-over-year decrease of 5.1%, 2.4%, and 4.5% respectively in Q2. On a positive note, lowering interest rates are expected to stimulate the housing market and release pent-up demand. Investors are also gradually returning to the market, and the volume of loans has increased over the past months, yet still far below the long-term average. High housing supply in the HMA dampens price growth, while other major cities are starting to show signs of price growth potential.
- Average rents increased modestly by 0.5% in the capital city region, 2.4% in Turku, and 2.5% in Tampere (y-o-y) in the second quarter. Rental growth is expected to remain modest in the HMA in the short term, while other larger cities are experiencing signs of faster growth.
- Construction starts have fallen sharply. According to The Confederation of Finnish Construction Industries RT, construction activity decreases to 16,500 starts at the country level in 2024 and is expected to gradually recover in 2025 to 23,500 starts. However, the supply is anticipated to experience a strong increase only in 2027.



Source: CBRE Research, Statistics Finland.

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CONTACTS



**Jussi Niemistö**

Head of Research,  
Finland & the Nordics  
m +358 40 537 5760  
jussi.niemisto@cbre.com



**Olli Kantanen**

Head of Valuation  
& Advisory  
m +358 50 540 0805  
olli.kantanen@cbre.com



**Linda Anttila**

Director, Capital Markets |  
Residential  
m +358 40 535 6490  
linda.anttila@cbre.com



**Ilpo Münster**

Head of Investment  
Properties  
m +358 40 748 9213  
ilpo.munster@cbre.com



**Jouni Levo**

Head of Capital Markets  
m +358 50 083 4983  
jouni.levo@cbre.com

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