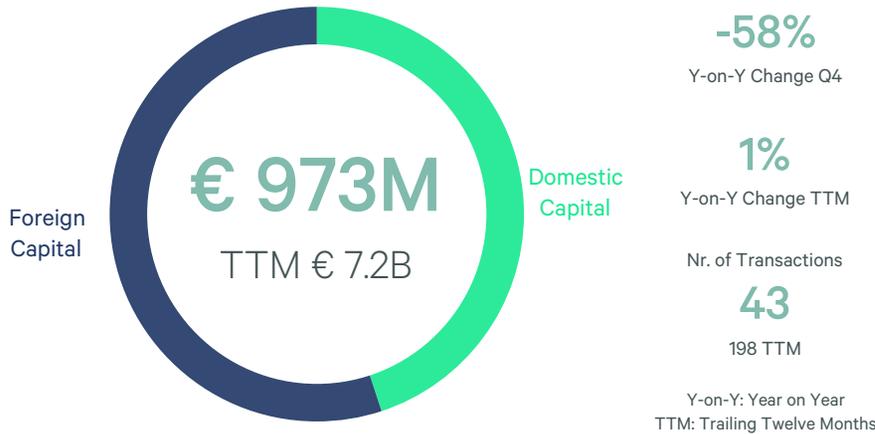
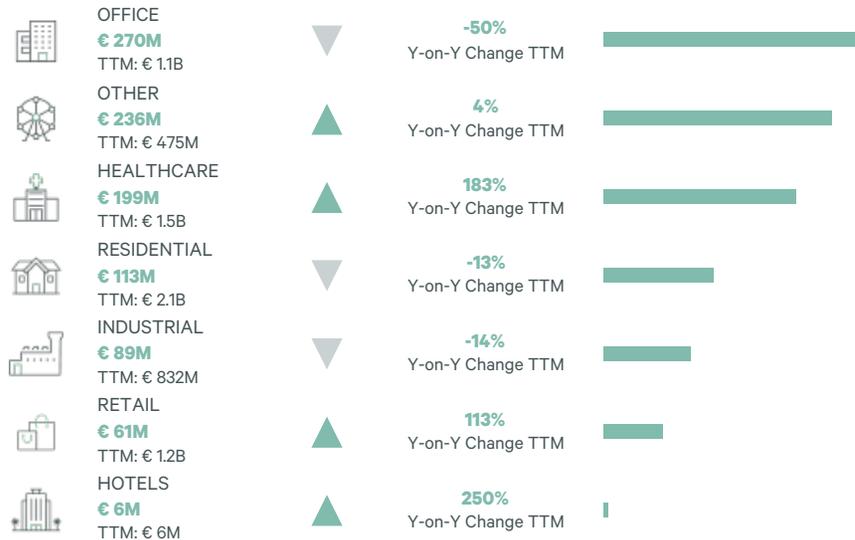


# Finland Real Estate Investment Volumes Q4 2022

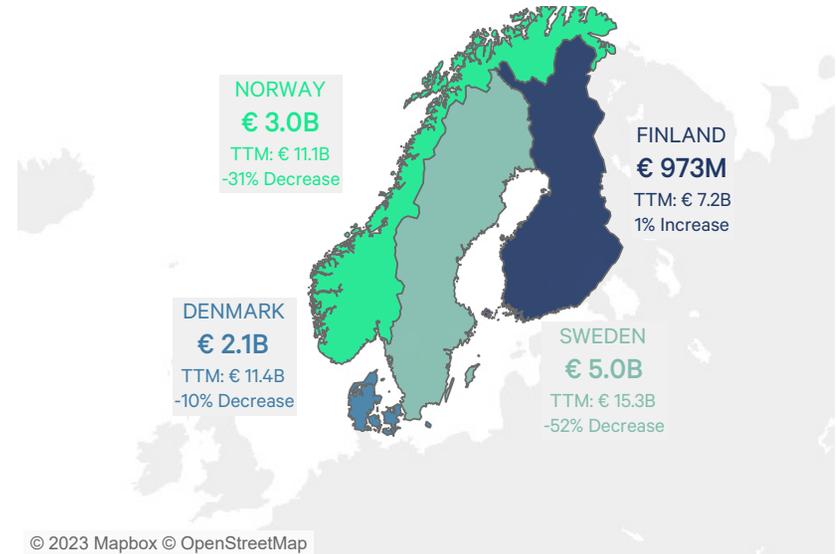


Total investment volume in Finland reached €7.2 billion in 2022, up by 1% compared to the previous year. There was record high activity in the first half of the year with €4.53 of investment in H1. Market slowed down towards the end of the year as a result of the growing market uncertainty caused by global inflationary pressures and rising interest rates. Fourth quarter of 2022 saw investment volumes of €973 million (down -58% y-o-y). During 2022, 52% of total investment volume came from cross-border investors, and HMA's share of the total investment volume was 51%. Residential sector was the largest sector in 2022 attracting 29% of the year's total volumes with €2.1 billion followed by social infrastructure with 26% of total (€1.9 billion). Social infrastructure saw record level of investment, while multiple larger municipalities sold their healthcare and public properties to investors. Retail sector attracted 16% of the total investment, while office sector transactions saw a more modest level (15%) in 2022. Largest transaction in 2022 was Starwood and Avara's sale of the 2,200 apartment nationwide residential portfolio to Orange Capital Partners, while the largest transaction of last quarter of 2022 was NREP's purchase of the Eteläesplanadi 2 office property from Allianz.

## Investment Volumes by Sector (Finland)

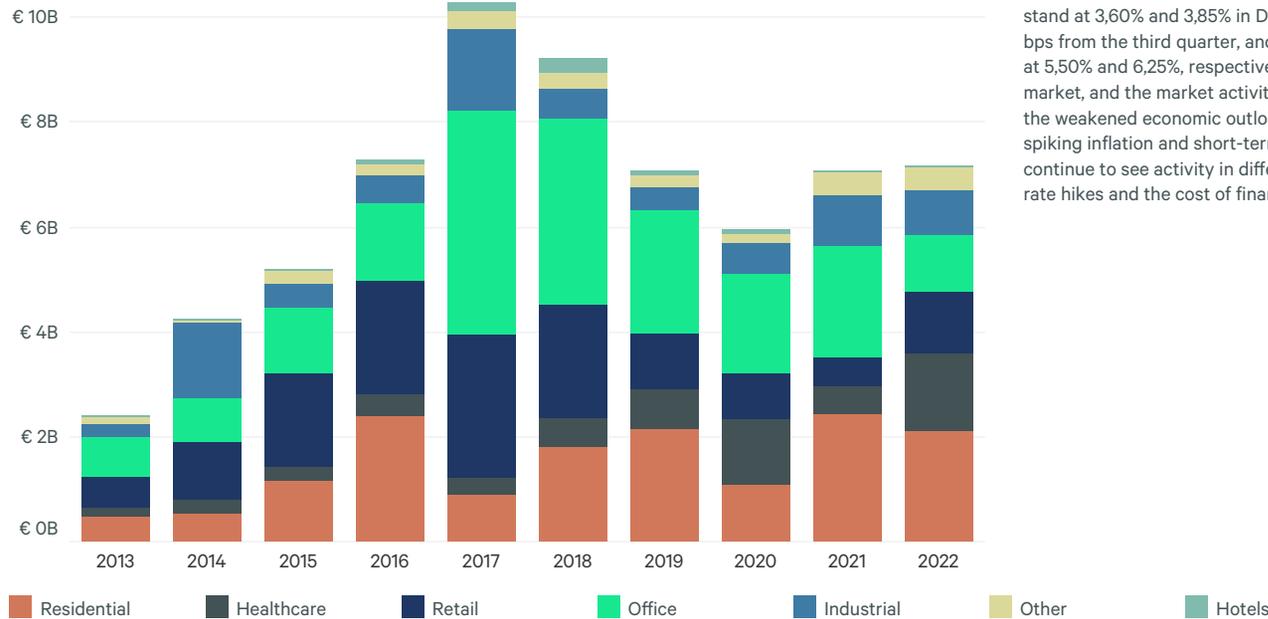


## Investment Volumes in Nordics region



### Investment Volumes Annual by Sector (Finland)

2022 annual numbers account till 12/31/2022



Prime yields continued to decompress due to increased financing costs and rising interest rates. Residential and office prime yields saw moves of 50-60 basis points, and stand at 3,60% and 3,85% in December 2022. Prime I&L yield has moved to 4,75%, up 65 bps from the third quarter, and shopping centres and big box retail yields are standing at 5,50% and 6,25%, respectively. There are several deals in the pipeline for the Finnish market, and the market activity is expected to pick up in 2023 from the H2 2022 despite the weakened economic outlook and higher uncertainty. Despite the uncertainty from spiking inflation and short-term slowdown in the economy, Finnish property market will continue to see activity in different sectors in 2023. The continued central bank interest rate hikes and the cost of financing will be key themes for the next 12 months.

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