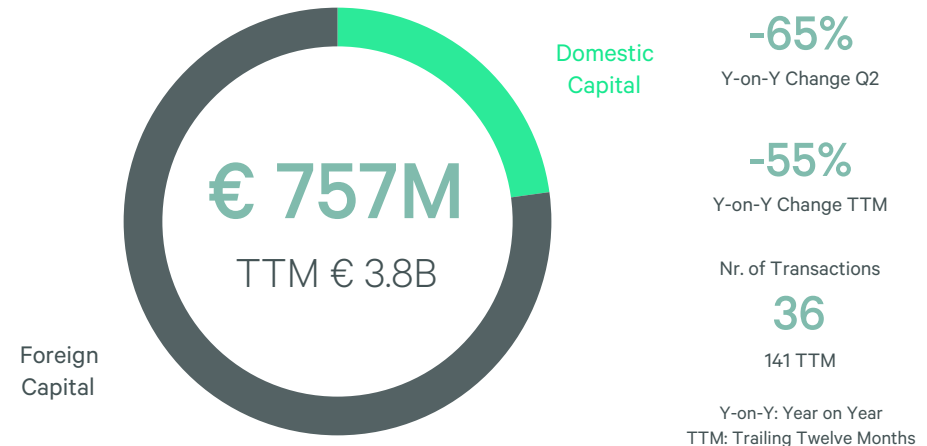


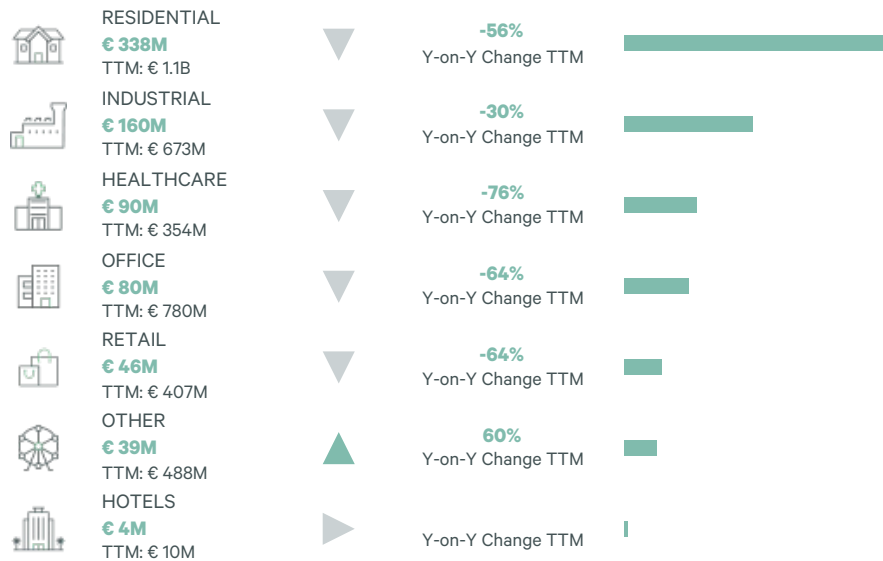
Finland Real Estate Investment Volumes Q2 2023

Second quarter Investment volume remained low in the Finnish market

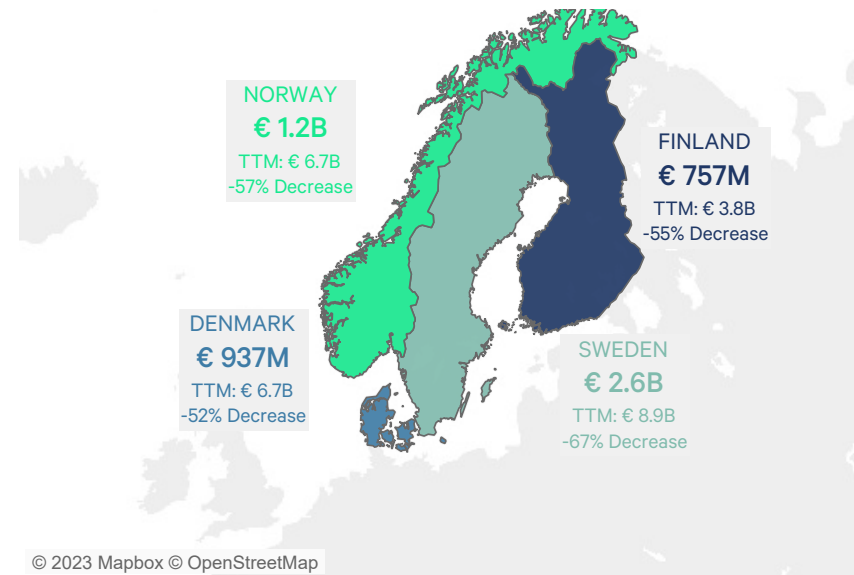
The Finnish investment market remained slow in the second quarter of the year as rising interest rates and the shift in the pricing environment kept limiting activity in the investment market. Investors remained selective in allocating new capital to the Finnish real estate investment market. Volume in the second quarter decreased by 65% (y-o-y) to €757 million, and TTM investment volumes decreased by 55% as TTM volume totaled €3.8 billion. In the second quarter, the residential sector was the largest with 45% share of the total volume, followed by I&L (21%) and healthcare (12%). The most notable transactions in the second quarter were KKR and Avant's purchase of over 1,200 apartment residential portfolio from Kruunuasunnot and NREP's acquisition of over 17,000 sq m office property in Keilaniemi, Espoo.



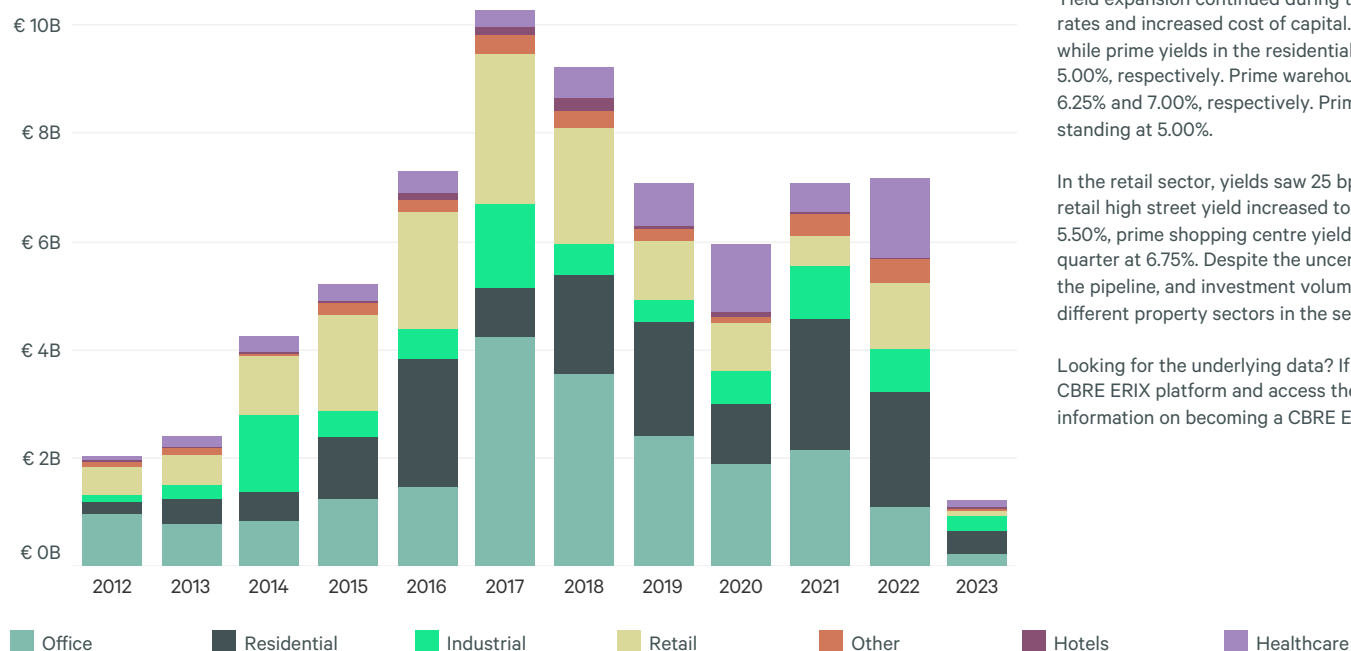
Investment Volumes by Sector (Finland)



Investment Volumes in Nordics region



Investment Volumes Annual by Sector (Finland)



Note: 2023 annual numbers account till 6/30/2023

Yield decompression continues in the second quarter

Yield expansion continued during the second quarter of the year due to rising interest rates and increased cost of capital. Office prime yield increased by 25 bps to 4.25%, while prime yields in the residential and I&L sectors increased by 20 bps to 4.00% and 5.00%, respectively. Prime warehouse and light industrial yields increased by 25 bps to 6.25% and 7.00%, respectively. Prime hotel yield saw 15 bps increase and is currently standing at 5.00%.

In the retail sector, yields saw 25 bps upward shift among different subsectors. Prime retail high street yield increased to 5.00%, supermarket yield ended up standing at 5.50%, prime shopping centre yield rose to 5.75%, and prime big box yield ended the quarter at 6.75%. Despite the uncertain market environment, there are multiple deals in the pipeline, and investment volumes are expected to increase gradually across different property sectors in the second half of the year.

Looking for the underlying data? If you are an active CBRE ERIX subscriber, log in to the CBRE ERIX platform and access the underlying CBRE proprietary data. For more information on becoming a CBRE ERIX subscriber, contact jos.tromp@cbre.com.

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