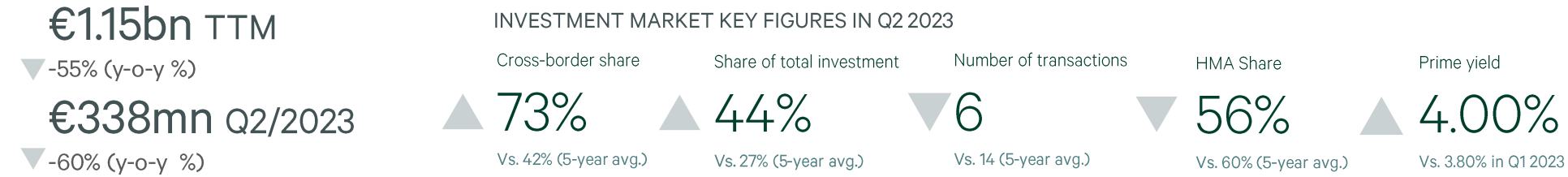


FIGURES | FINLAND RESIDENTIAL | Q2 2023

Residential remains the largest sector in the first half of 2023

RESIDENTIAL INVESTMENT VOLUME IN Q2 2023



Investment market

- Finnish residential investment volume ended up at €338 million in the second quarter, down 78% (y-o-y). 73% of the investments came from international investors and 56% took place in the Helsinki Metropolitan Area ("HMA"). With 35%, the residential sector had the highest share of investment volume in the first half of the year in Finland.
- The largest transaction in the second quarter was KKR and Avant’s acquisition of over 1,200 apartment nationwide residential portfolio from Kruunuasunnot. Investors' preference for residential assets continues as the long-term fundamentals of Finnish residential remain intact. The Finnish residential market has many benefits that draw international investment, including a low degree of regulation and high transparency.
- Higher interest rates and increased cost of capital have resulted in prime residential yield decompression, and yields increased by 20 bps to 4.00% in HMA and to 4.50% in Tampere and Turku during the second quarter.

NOTABLE RESIDENTIAL TRANSACTIONS IN Q2 2023

SALE OF 1247 APARTMENT PORTFOLIO

Sale price: Conf.
Sale date: 5/2023
Buyer: KKR & Avant
Seller: Kruunuasunnot
Apartments: 1,247 apartments
Location: Nationwide

SALE OF 226 APARTMENTS

Sale price: Conf.
Sale date: 4/2023
Buyer: NREP
Seller: S-Bank
Apartments: 226 apartments
Location: Espoo & Vantaa

Source: CBRE Research.

FIGURES | FINLAND RESIDENTIAL | Q2 2023

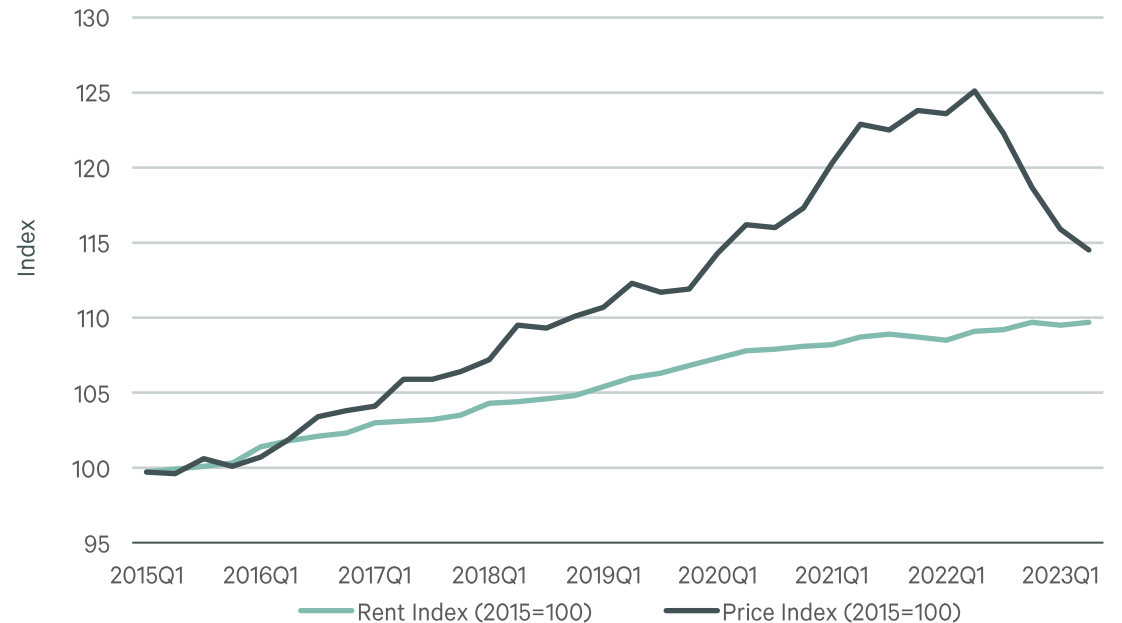
HELSINKI METROPOLITAN AREA KEY FIGURES



Rental market & construction activity

- Average sales prices of old dwellings in HMA decreased by 8.5% in the second quarter, while prices decreased by 7.5% and 4.3% in Tampere and Turku, respectively. Despite the recent sharp decline in prices, price growth has remained well above rent growth since 2015. Sales prices are expected to shift to growth next year as the employment stays strong, new construction continues to shrink, and the urban population growth keeps on in the largest cities.
- Average rents increased by 0.5% in the capital city region, 1.9% in Turku, and 2.1% in Tampere (y-o-y) in Q2. Rent increases have remained well below maintenance cost growth. Population growth, a declining level of completions, and the relative affordability of rental housing act as key drivers of rent growth in the mid-term. However, the high availability of rental housing tempers short-term rental growth.
- New completions reached an all-time high level in HMA. However, rising interest rates and construction cost growth have limited construction activity in the past year, and construction starts have dropped significantly.

SALES PRICE GROWTH AND RENT GROWTH IN OLD DWELLINGS IN HMA 2015-2023



Source: CBRE Research, Statistics Finland

FIGURES | FINLAND RESIDENTIAL | Q2 2023

FIGURE 1
Old dwellings prices per sqm 2015-2023

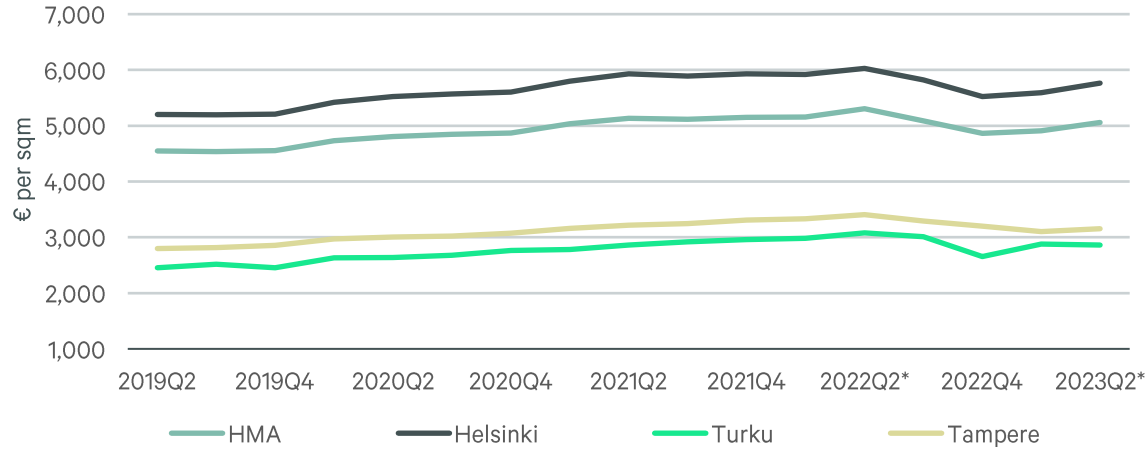


FIGURE 3
Old dwellings sales 2015-2023

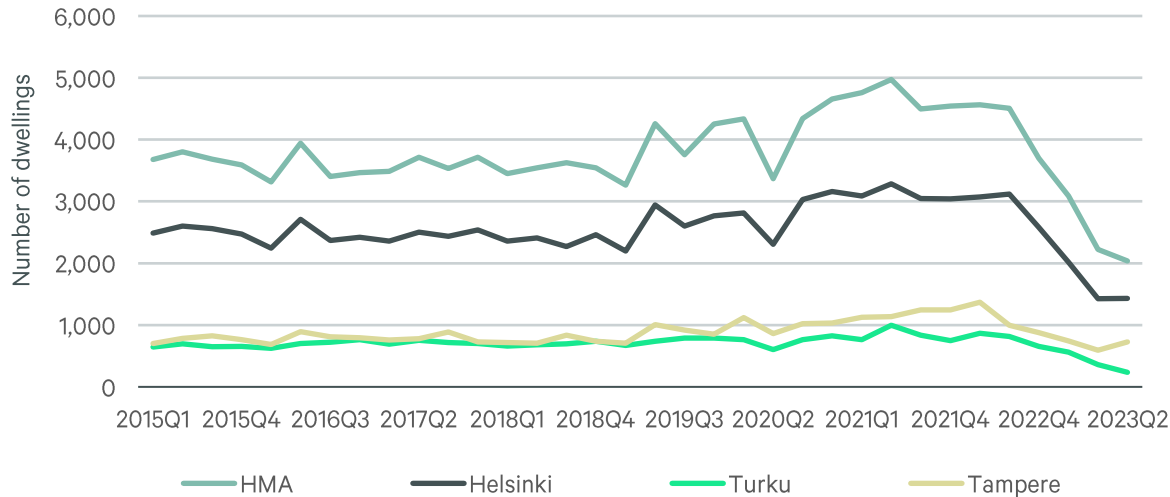


FIGURE 2
Old dwelling sales availabilities 2019-2023

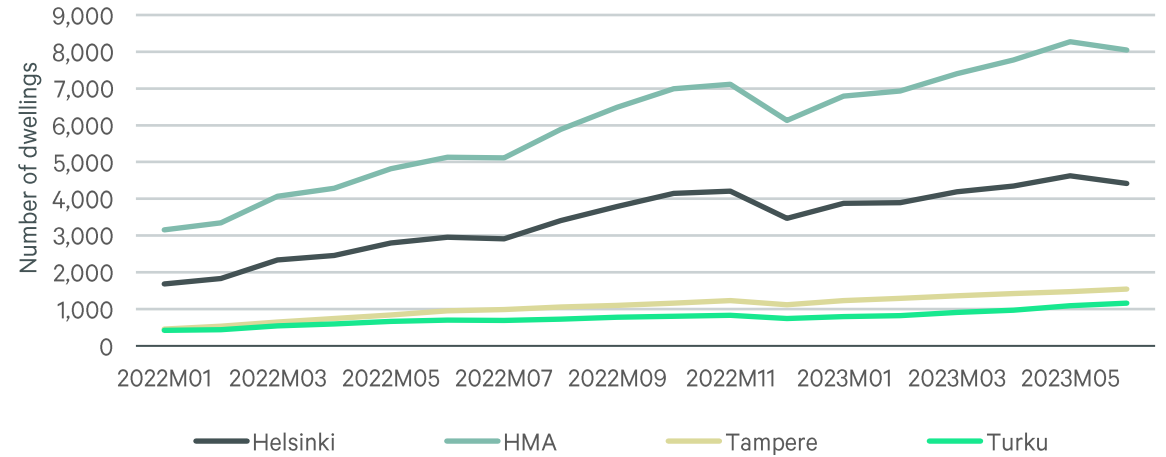
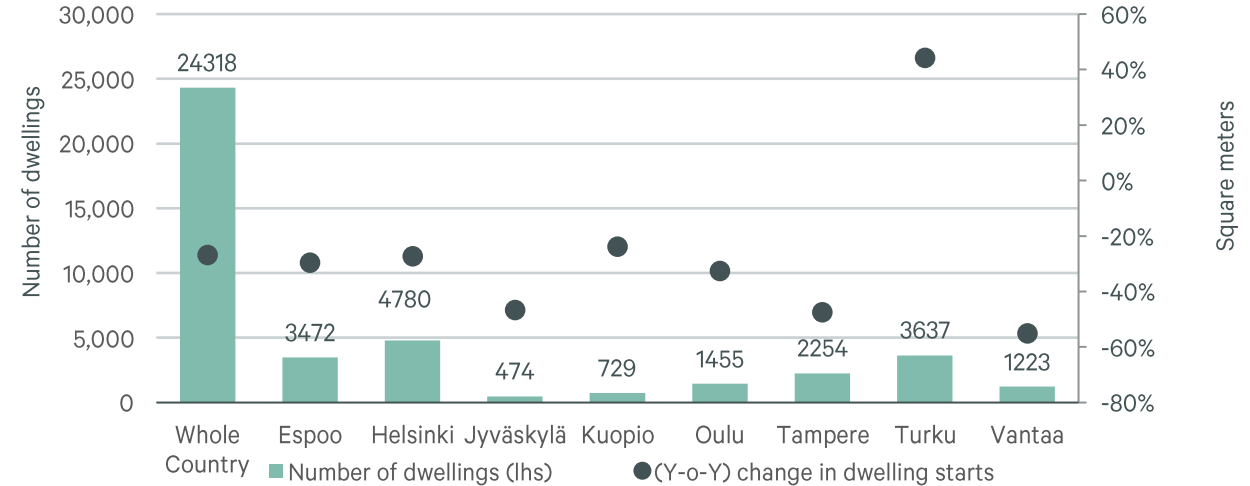


FIGURE 4
TTM Dwelling construction starts and y-o-y change (May 2023)



Statistics in this page are for dwellings in blocks of flats, except in Figure 2 terraced houses are also included.
Source: CBRE Research, Statistics Finland.



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