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Residential Investment Reaches €223 Million in Q3

RESIDENTIAL INVESTMENT VOLUME YTD

€0.73bn TTM

▲ +25% (y-o-y %)

€223mn Q3/2025

▲ +95% (y-o-y %)

INVESTMENT MARKET KEY FIGURES Q3 2025

Cross-border share	Share of total investment	Number of transactions	The HMA Share	Prime yield
▼ 0%	▲ 31%	▼ 3	▼ 15%	▶ 4.40%
Vs. 47% (5-year avg.)	Vs. 29% (5-year avg.)	Vs. 9 (5-year avg.)	Vs. 58% (5-year avg.)	Vs. 4.40% in Q2 2025

Investment market

- Residential investment volume reached €223 million in the third quarter. Domestic investors drove the investment volume and 15% of the total investment concentrated in the Helsinki Metropolitan Area (HMA).
- Residential prime yields remained stable in the third quarter: 4.40% in the HMA, and 5.00% in Turku and Tampere. The outlook for further yield development is positive. Core investors remain selective in allocating capital to the sector; however, they are expected to return to the market as economic conditions and rental market fundamentals improve. This trend is further amplified by increased capital availability and lower financing costs.
- The most notable investment of the quarter was Sato's acquisition of a portfolio of 16 residential properties from the OP Rental Yield fund. This portfolio comprises approximately 1,000 apartments located in major Finnish cities. Additionally, CapMan acquired a premium residential building in Katajanokka, Helsinki, from the Finnish Seamen's Service Bureau (MEPA).

RESIDENTIAL TRANSACTIONS IN Q3 2025

SALE OF 16 RESIDENTIAL BUILDING PORTFOLIO

Sale price: Conf.

Sale date: 7/2025

Buyer: Sato

Seller: Op Group

Apartments: ~1000

Location: Nationwide

SALE OF RESIDENTIAL PROPERTY IN KATAJANOKKA

Sale price: Conf.

Sale date: 8/2025

Buyer: Capman

Seller: MEPA

Apartments: 38

Location: Katajanokka, Helsinki

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THE HELSINKI METROPOLITAN AREA KEY FIGURES

Construction starts TTM (July 2025)

6,133 units

-14% (Y-o-Y)

New completions TTM (July 2025)

7,659 units

-32% (Y-o-Y)

Average monthly rent (Q3 2025)

21.11 €/m²

-0.5% (Y-o-Y)

Average sales price (August 2025*)

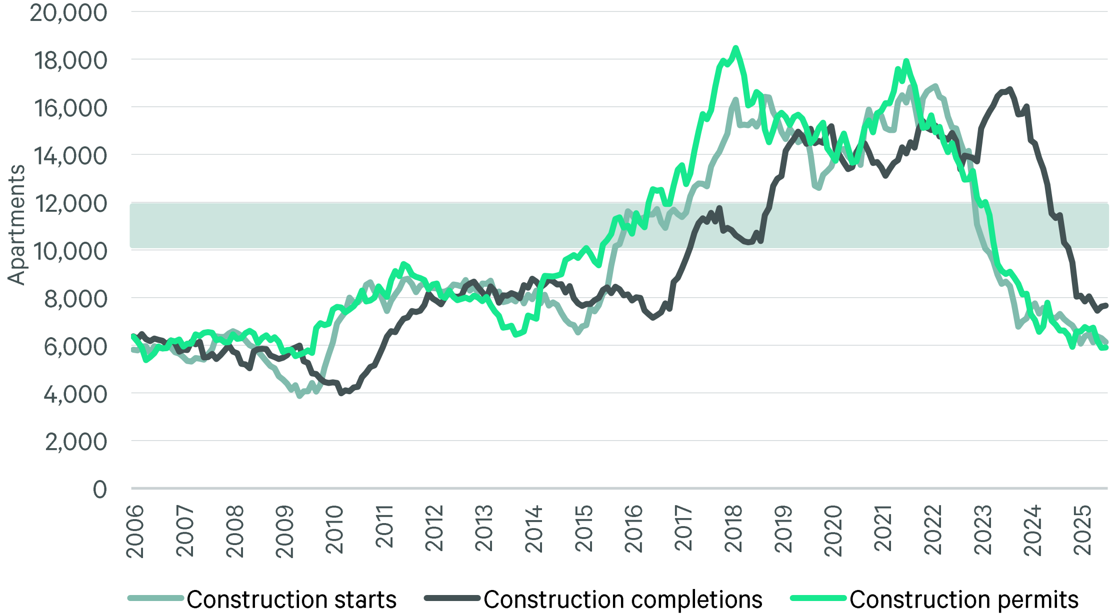
4,356 €/m²

-0.4% (Y-o-Y)

Rental market & construction activity

- The average sales prices* of old dwellings in the HMA decreased by 0.4% year-on-year, with more significant declines of 3.9% in Tampere and 3.8% in Turku. While interest rates have significantly decreased over the past two years—leading to an increase in housing loans and a rebound in sales volumes from their lowest levels—weak economic conditions have limited a stronger recovery and price adjustments.
- Average rents in the HMA decreased by 0.5%, while they increased by 0.3% in Turku and 0.9% in Tampere (y-o-y) in Q3. Despite the recent decline in rents, occupancy levels in the HMA and larger cities have risen. Rents are expected to shift to a growth trend in the HMA as the oversupply in the market is absorbed.
- Construction starts decreased by 14% year-on-year with a more significant 32% drop in new completions in the HMA. The construction of government-subsidized apartments (ARA-asunnot) has mitigated even sharper decline in construction activity. While construction has likely reached its lowest levels, a rapid recovery is not expected; gradual improvement is forecasted in the coming years.

The HMA Residential construction permits, starts and completions - TTM



Source: CBRE Research, KTI, Statistics Finland, long-term demand highlighted.

*Preliminary Statistics Finland figures

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