Residential investment surges in Q1 2026, led by major portfolio deals

INVESTMENT MARKET KEY FIGURES Q1 2026

€2.1bn TTM
+242% (y-o-y %)

€1,287mn Q1 2026
+906% (y-o-y %)

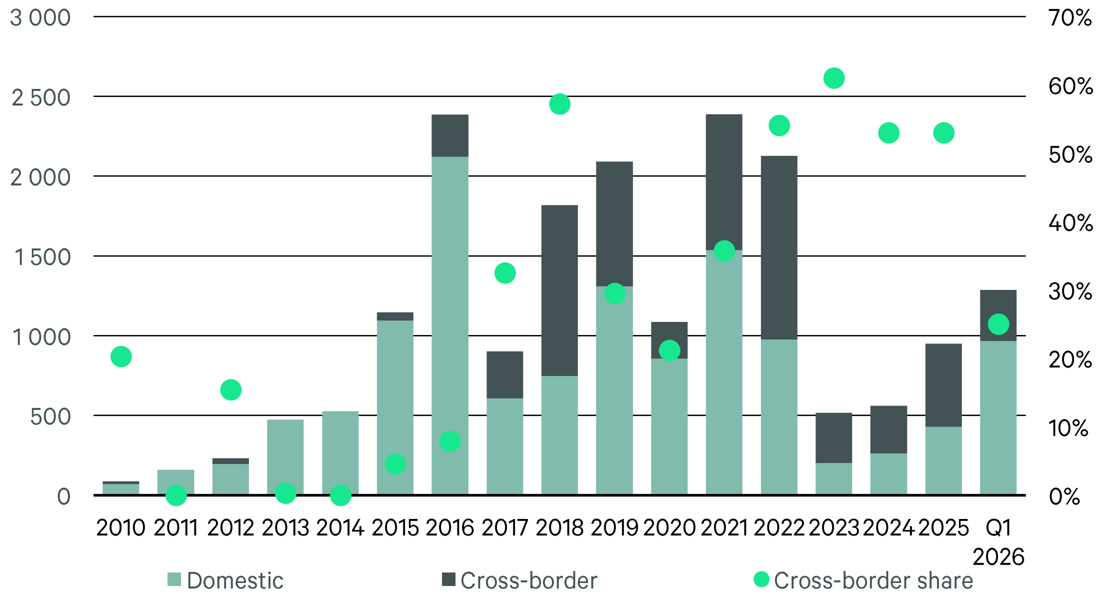
RESIDENTIAL INVESTMENT VOLUME YTD

Cross-border share	Share of total investment	Number of transactions	The HMA Share	Prime yield
25%	62%	7	55%	4.40%
Vs. 42% (5-year avg.)	Vs. 29% (5-year avg.)	Vs. 9 (5-year avg.)	Vs. 61% (5-year avg.)	Vs. 4.40% in Q4 2025

Investment market

- Residential investment volume hit a record €1,287 million in Q1 2026 — the highest quarterly total ever for the sector — accounting for 62% of total investment. Foreign capital contributed 25% of the volume, and the Helsinki Metropolitan Area drew 55% of investment activity.
- Residential prime yields held stable at 4.40% in the HMA and 5.00% in Turku and Tampere. The yield outlook remains positive.
- The quarter was defined by a small number of very large portfolio deals. Kojamo acquired Varma's residential portfolio of 4,761 apartments for c. €900 million, with 98% of the portfolio located in the Helsinki, Tampere and Turku regions. Storebrand purchased 999 apartments in the HMA from Ilmarinen for €180 million, and SATO acquired OP Vuokrakoti Ky's entire housing portfolio. Icecapital also acquired two residential projects in Espoo and Helsinki for its new housing fund from JM Suomi for €52 million.

Residential investment volume by investor origin and share of total investment since 2010



Source: CBRE Research

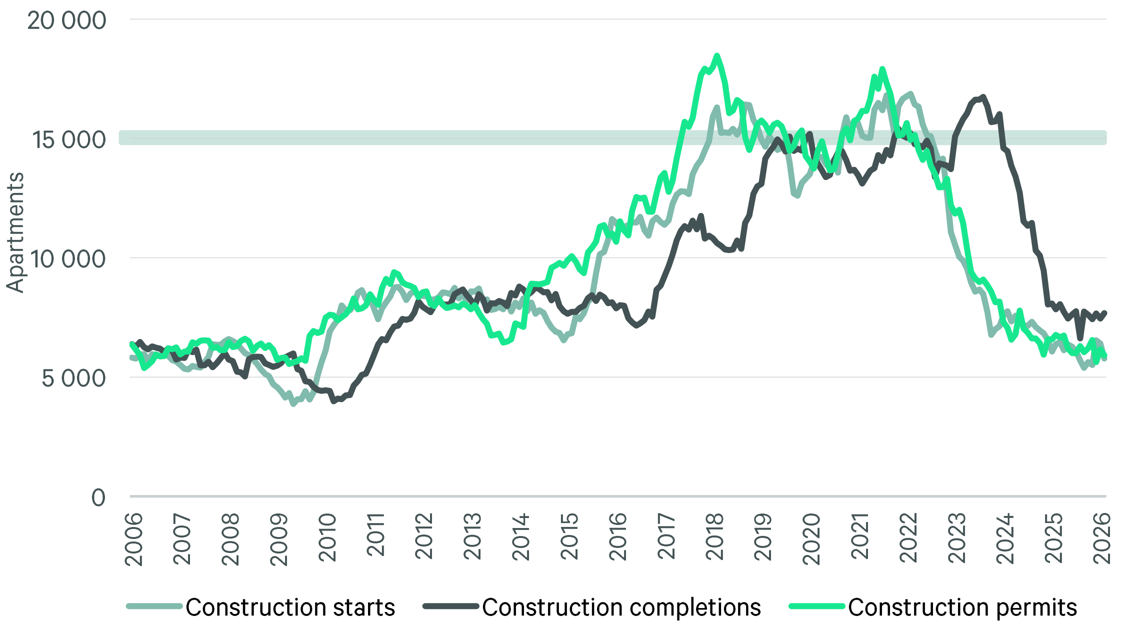
THE HELSINKI METROPOLITAN AREA KEY FIGURES

Construction starts TTM (February 2026)	New completions TTM (February 2026)	Average monthly rent (Q1 2026)	Average sales price (February 2026*)
▼ 5,773 units	▼ 7,685 units	▼ 19.97 €/m^2	▼ 4,147 €/m^2
-12% (Y-o-Y)	-2% (Y-o-Y)	-0.4% (Y-o-Y)	-3.4% (Y-o-Y)

Rental market & construction activity

- The average sales prices* of old dwellings in the HMA decreased by 3.4% year-on-year in February, while Tampere saw a 1.6% decrease and Turku a 2.0% increase in Q1. HMA old apartment prices are now c. 18% below their 2022 peak. Sales prices remain under pressure, with consensus forecasts (Hypo, PTT, Nordea) pointing to a further 1–2% decline in HMA prices in 2026 as cautious economic conditions and elevated rate expectations weigh on demand.
- The Confederation of Finnish Construction Industries (CFCI) slashed its 2026 nationwide forecast for non-subsidized apartment starts to a mere 3,400, down from 9,000 previously, as investors have widely withdrawn from new development. ARA-subsidized construction is expected at 5,500 apartments in 2026. In the HMA, Q1 starts fell 12% year-over-year and completions 2%, pointing to a materially tighter pipeline from 2027 onward. Near-term rental fundamentals remain mixed: average HMA rents declined 0.4% in Q1 against still-elevated available inventory, while Turku and Tampere posted y-o-y gains of 0.6% and 1.0%. With new supply collapsing, the current vacancy overhang is likely transitory.

HMA residential construction permits, starts and completions - TTM



Source: CBRE Research, Statistics Finland, CFCI, VTT estimated long-term demand highlighted for 2025-2045.

*Preliminary Statistics Finland figures for nonsubsidized apartments

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