

Real Estate Market Finland

Public Properties Q2 | 2024

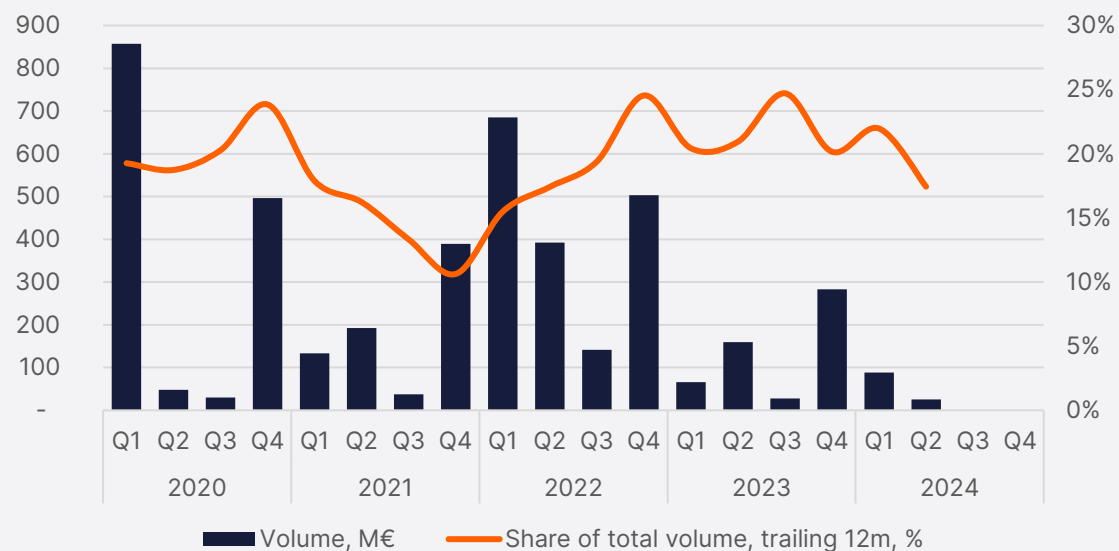


Public Properties Q2 2024

Investment highlights

26 M€ Volume -51% YoY LTM	2 Transactions -51% YoY LTM	34% International Investors YTD 2024	8% Share of Total Volume YTD 2024
4.90% Prime Yield 0 bps from Q1	15% Share of HMA YTD 2024	0% Portfolio deals YTD24 vs 68% 2023	74% Healthcare share YTD24 vs 37% 2023

Quarterly transaction volume 2020-2024



Slow start for the year in public properties

Q2 Key Takeaways

Public properties transaction volume has been sluggish in the first half of 2024, with €114 million, down 55% year-over-year and well below the 5-year H1 average of €611 million.

In the last quarter of 2023, motivated deals led to the highest public properties volume of any quarter that year, driven by redemptions in open-ended funds. This trend did not continue in H1 2024, but it is expected to resume later in the year.

Year-to-date 2024, international investors accounted for 34% of investments. Public properties transactions made up only 8% of the total volume in H1, compared to the 5-year average of 18%. Helsinki's share was 15%.

The most significant Q2 transaction was Ilmarinen selling a healthcare property in Oulu to Swiss Life.

Prime yields in this segment have stabilized at 4.9% for three consecutive quarters.

Investment Monitor

- Investor demand has narrowed. Fewer are willing to invest in small municipalities or in large transaction sizes, making deals challenging.
- Both good and poor properties continue coming to the market in 2024 due to the continued reform of the social service network.
- Demand is becoming polarised. Demand is towards population-growth areas, new construction, and credible operators.

Occupier Market

- The investor market is closely examining operators, with tenant importance rising across all subsegments.
- Key tenants in the care sector include large private operators with corporate guarantees and welfare areas without break options, along with public infrastructure entities such as municipalities and state agencies with tax collection rights.

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Make use of the even more detailed property market data!

Newsec produces the most diverse, high-quality and up-to-date real estate market data in Finland. We conduct regional research on rental levels, vacancy and tenant demand trends. We monitor the local, Nordic and international real estate investment market and trends among investors and financiers. We use the data internally, in our client work and in the accompanying market reports, among other things.

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Helsinki Office Market Report

Helsinki Metropolitan Area Office market report contains key market data from the 27 sub-market areas in the Helsinki Metropolitan Area.

Southern Finland Logistics Market Report

Southern Finland Logistics Market report contains market data from the 9 most important sub-market areas.

Residential Market Report

Residential Market Report provides comprehensive data for the 38 most important submarkets in Finland, located in the Helsinki Metropolitan Area, Turku and Tampere.

Newsec in Finland

- Properties in asset management services worth EUR 28,5 billion
- Valuations worth EUR 20 billion/year
- Over 33 000 rental apartments under management
- 15 000 residential leases signed
- 215 000 sqm of commercial property leases signed
- Advisor in real estate transactions worth EUR 266 million/year
- 700 professionals

Newsec in Northern Europe

- Properties in asset management services worth EUR 99 billion
- Valuations worth EUR 333 billion/year
- 700 0000 sqm of leases signed
- Advisor in real estate transactions worth EUR 1,8 billion/year
- Over 76 renewable energy and energy transition transactions
- 2500 professionals

Figures are for 2023 Renewable energy projects last 15 years.



More information

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