

INVESTMENT YIELDS



EUR 547 MILLION INVESTMENT ACTIVITY BOOMS IN Q3





HIGHLIGHTS

- In Q3 2021 the investment volume in the Baltic region reached ca. EUR 547 million. An increase of 190% was observed compared to the same quarter last year. More than thirty investment transactions were concluded with an average ticket size of ca. EUR 10 million.
- Investment volume have reached pre-covid levels and surpassed the EUR 1 billion mark during the first 3 quarters.
- The largest investment transaction in Q3 was registered in Riga, when *EFTEN Real Estate Fund 4* acquired the Jauna Teika office complex for EUR 131 million. With this transaction *Eften* secured the leading position among Baltic real estate funds, reaching nearly EUR 1 billion of assets under management. Latvia comprises 65% of total investment volume, followed by Lithuania (24%) and Estonia (11%).
- Despite the hurdles faced by the retail sector over the past two years, investors are seeing opportunities in the sector. For instance, Lithuania's largest transaction includes a sale of Liepu 81 shopping centre in Klaipeda. Also, one year after completing an extension and refurbishment of SC Alfa, *Blackstone* have agreed a sales transaction with *Acropolis Group*, although the Competition Council still has to approve it.
- Retail was a leading investment target during Q3 with the total investment level exceeding EUR 230 million and achieving 42% of total investment volume.
- In Estonia, the most significant transaction was a sale of Via3L central warehouse at the lowest yield in the market, putting further pressure on logistics yields in the country, while the most popular small cap (below EUR 10 million) asset class was modern stock-offices.

INVESTMENT VOLUME

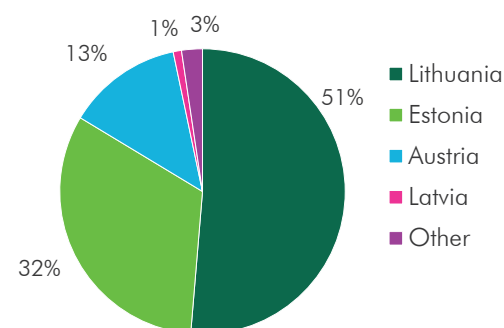
LATVIA	EUR 350.36 M	
LITHUANIA	EUR 130.32 M	
ESTONIA	EUR 66.65 M	

SECTORIAL SPLIT

RETAIL	EUR 230.9 M	42%	
OFFICE	EUR 162.8 M	30%	
RESIDENTIAL	EUR 68.4 M	12%	
INDUSTRIAL	EUR 56.1 M	10%	
OTHER	EUR 29.1 M	6%	

SOURCE OF CAPITAL

SECTORIAL SPLIT BY SOURCE OF CAPITAL



Arrows indicate changes compared to the corresponding period in the preceding year.

Source: CBRE Baltics Research

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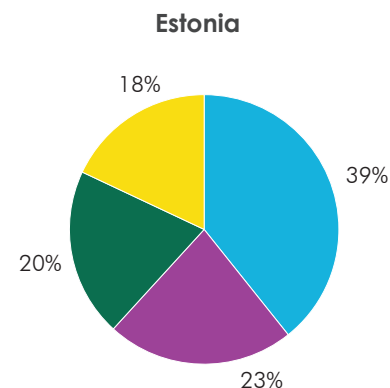
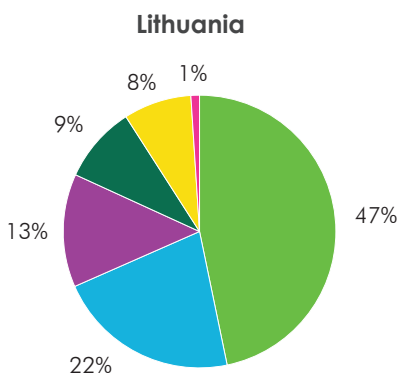
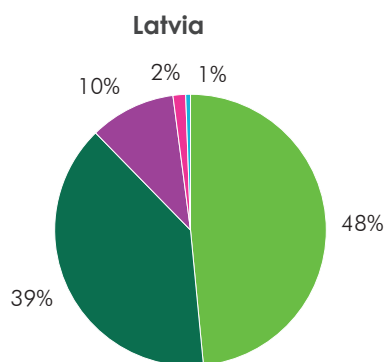
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HIGHLIGHTS

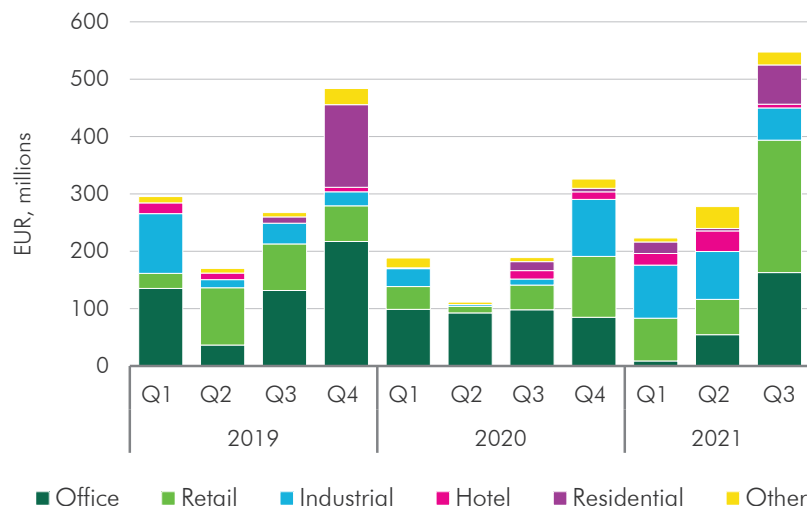
- BTA Baltic Insurance Company continued to increase its residential rental portfolio by signing a joint venture agreement with YIT for development of 4 residential buildings in all three Baltic capital cities. The deal was coordinated by Lumi Capital.
- The Private Residential Sector has been a hot topic in Europe for the past 2 – 3 years, and we have seen elevated activity in the Baltics as well. Riga has witnessed particular activity where investors investigate old developments by turning them into different types of residential schemes. Total investment volume in the Residential sector in Q3 reached ca. EUR 70 million.
- According to an EMEA Cap Rate Survey carried out in July 2021, purchasing activity expectations remain high in H2 2021. Just under two-thirds of respondents expect an increase in sales volume of 20% or more compared to 2020. Selling activity expectations are slightly lower than purchasing expectations. Only half of respondents expect an increase in selling activity.

SECTOR SPLIT BY COUNTRY, Q3 2021



■ Office ■ Retail ■ Industrial ■ Hotel ■ Residential ■ Other

BALTIC INVESTMENT VOLUME BY SECTORS, 2019 – Q3 2021



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