

Tallinn Residential Real Estate Market 2017

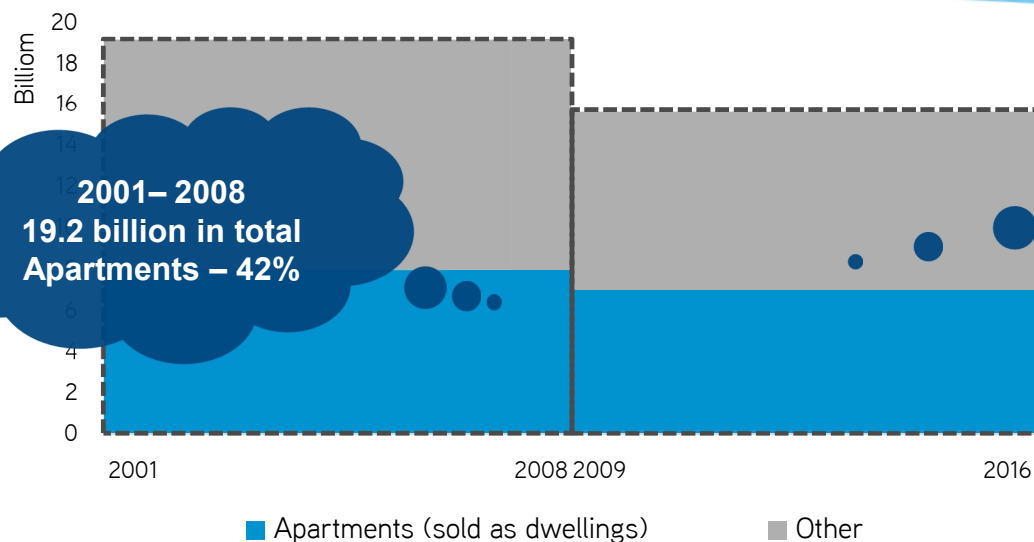
Prepared for Colliers

Tallinn, Estonia

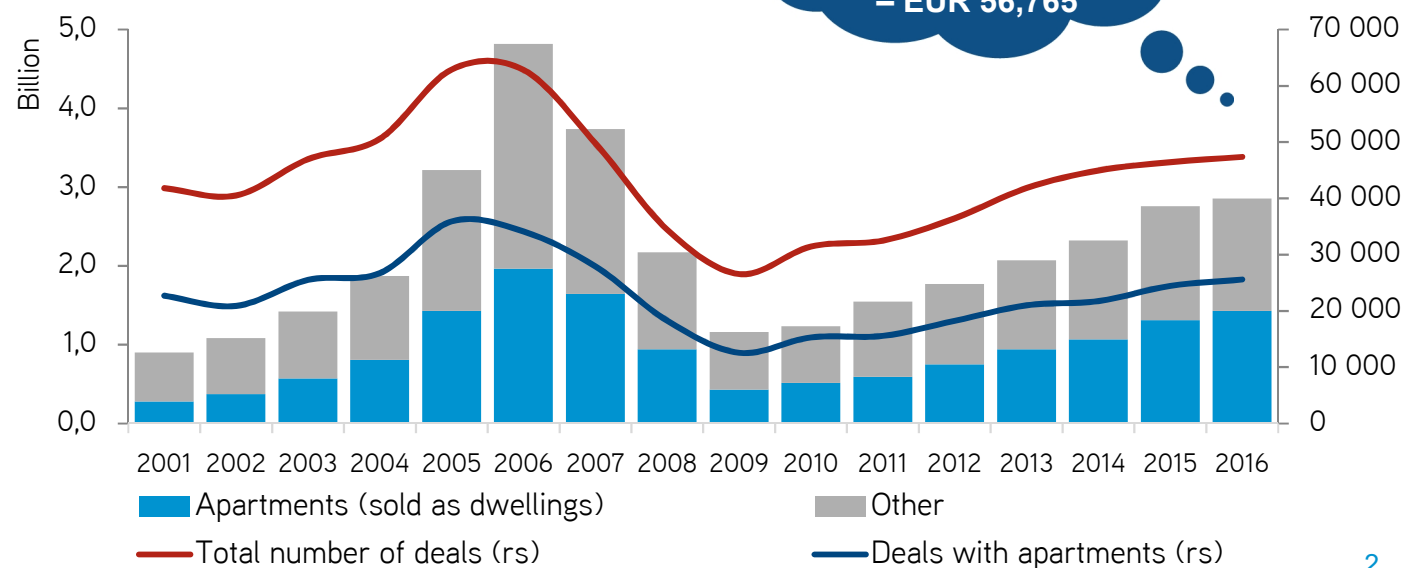
20.03.2017



Sales Transactions in Estonia

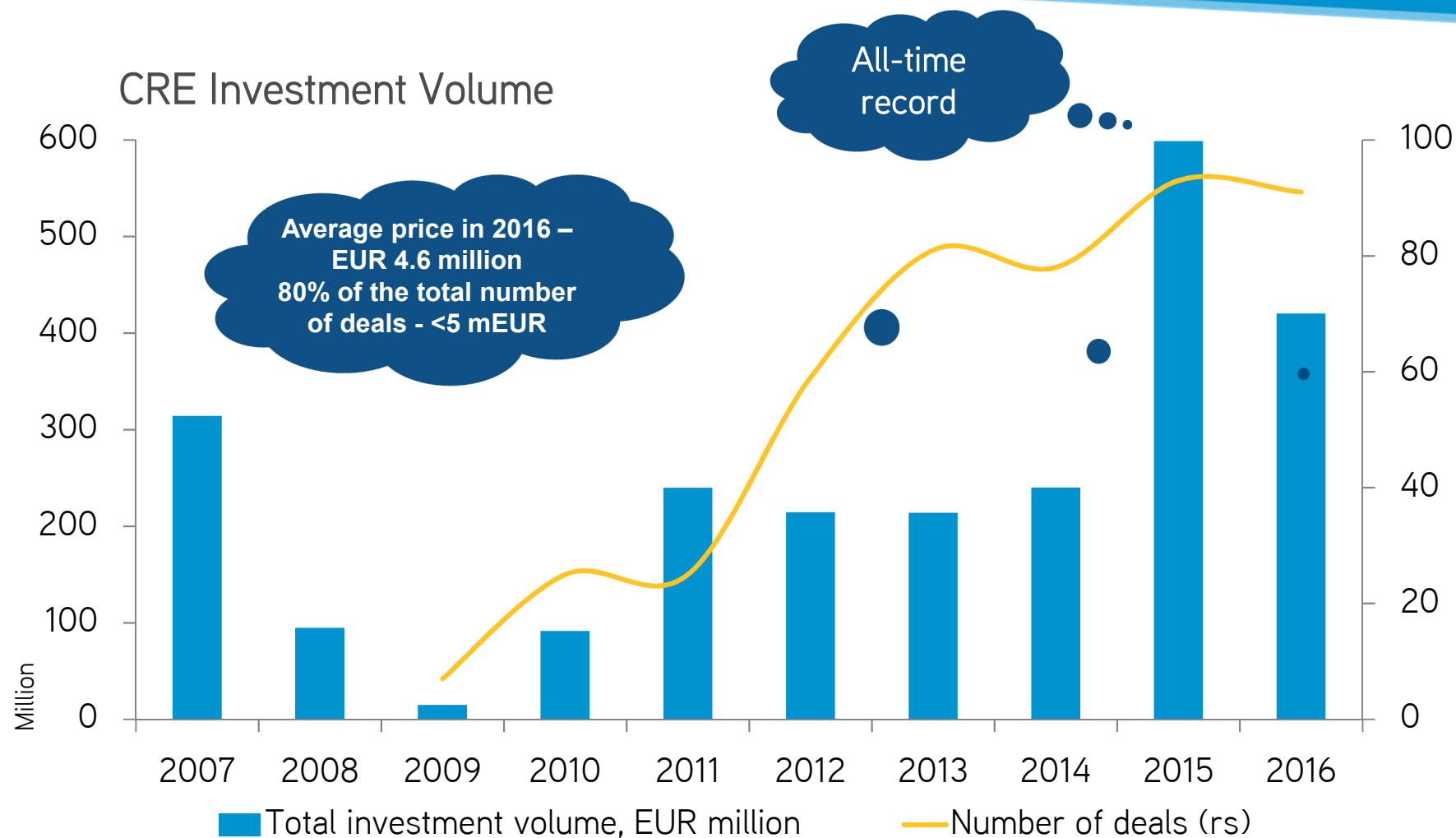


Source: Statistics Estonia



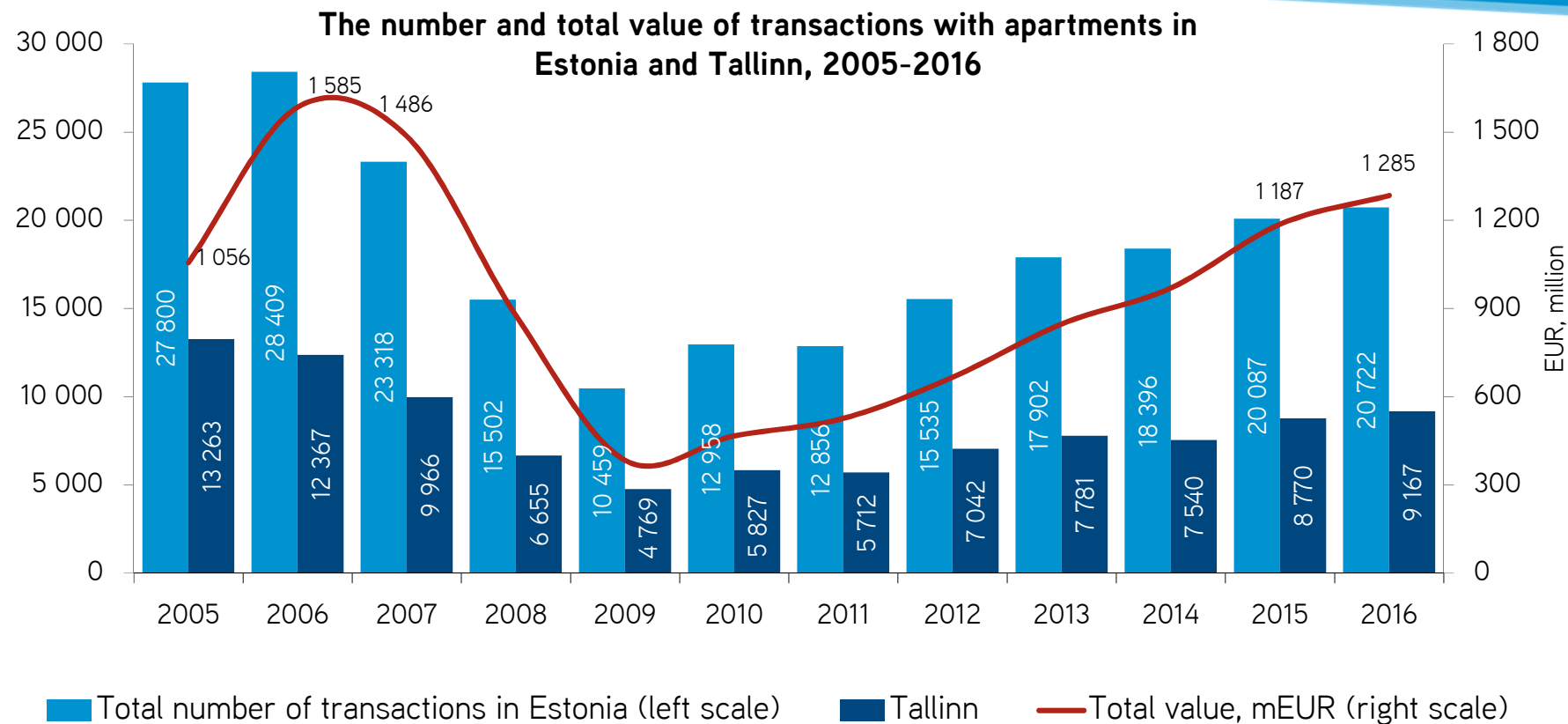
Source: Statistics Estonia

Commercial RE Investment Volume



Source: Colliers International

Residential Market in Estonia

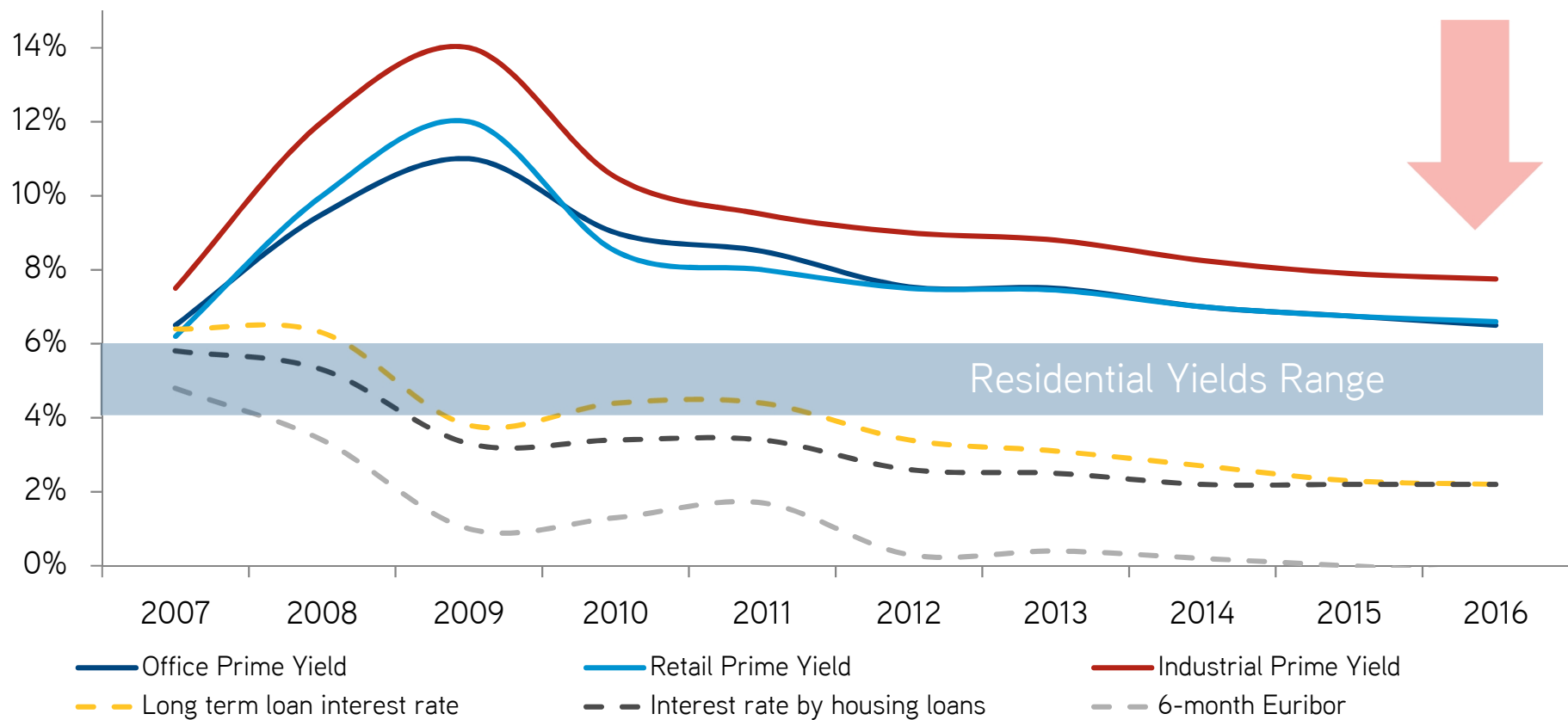


Source: Estonian Land Board

The number and total value of transactions with apartments in Tallinn in 2016

	Number	Value, EUR million
New apartments	2,209	254
Apartments, total	9,167	835

CRE Investment Indicators

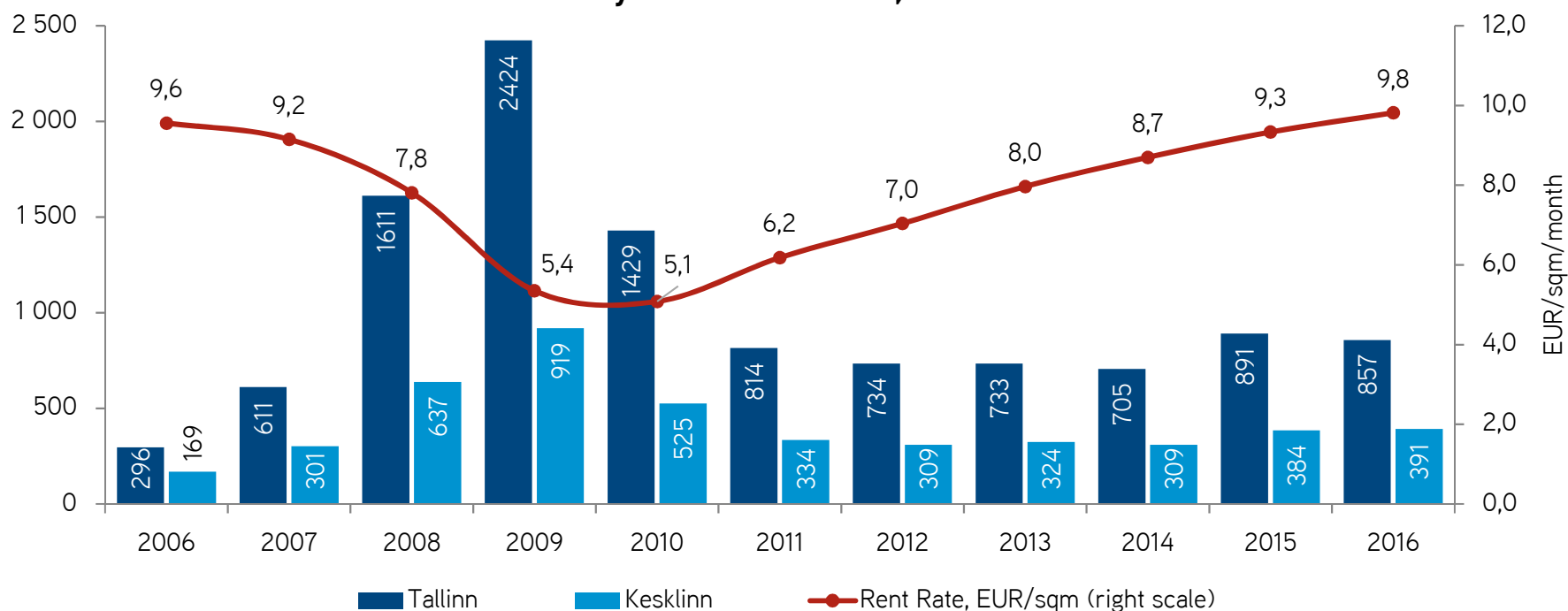


Source: Colliers International, Bank of Estonia

Residential Market in Tallinn



Average asking price and number of apartments for rent in primary and secondary markets in Tallinn, 2009-2016

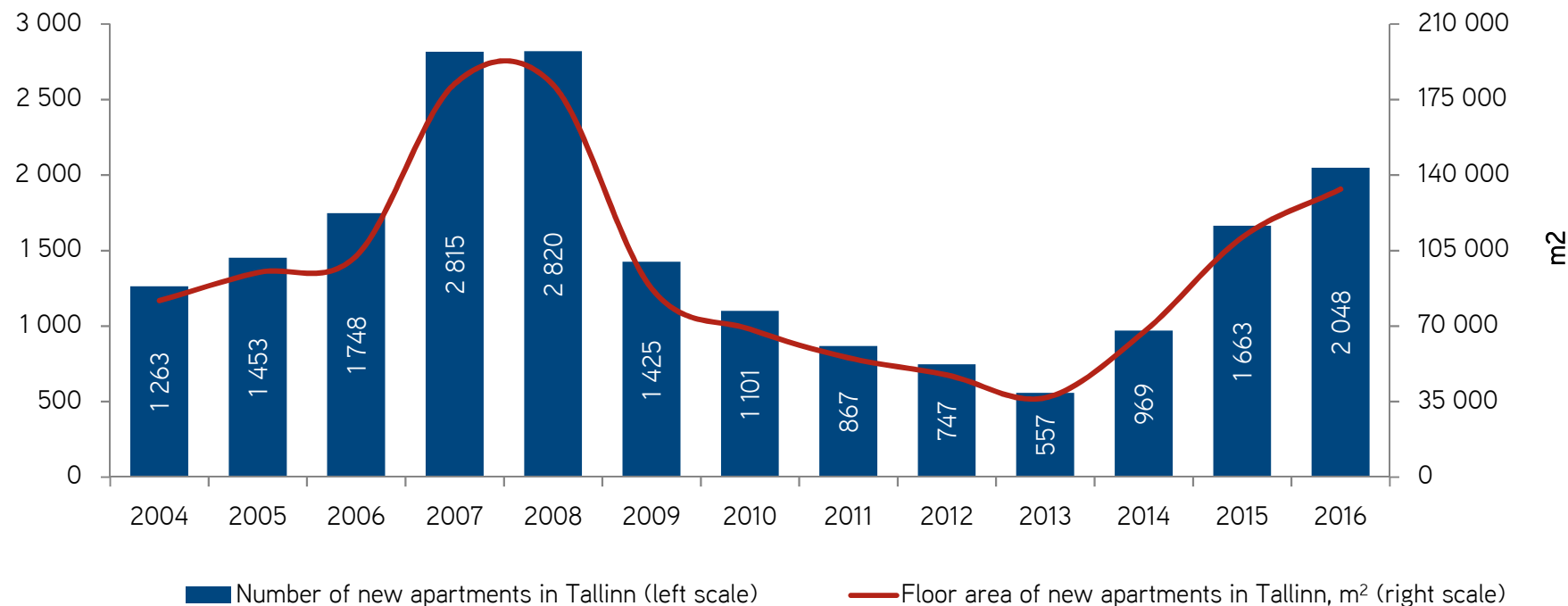


Source: kv.ee

Residential Development Market in Tallinn



Completed dwellings in Tallinn, 2004-2016



Source: Statistics Estonia

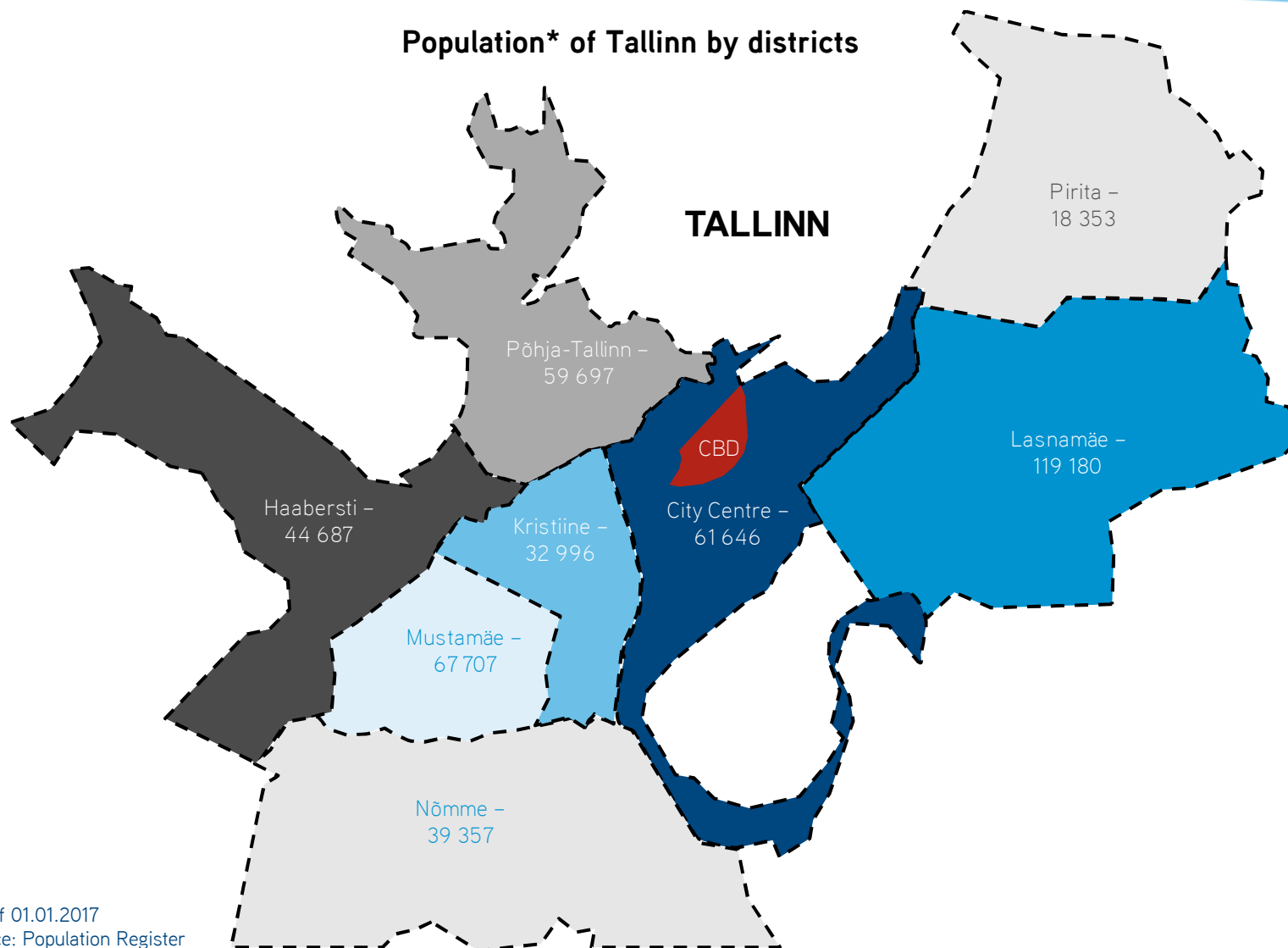
Completed dwellings in Tallinn by type

	2013	2014	2015	2016
1-2-storeyed	32	29	15	8
3-5-storeyed	357	549	778	1135
6-8-storeyed	168	357	646	761
9- and more storeyed	0	34	224	144
Total	557	969	1,663	2,048

Source: Statistics Estonia

Tallinn Map









Population* of Tallinn by districts



*As of 01.01.2017
Source: Population Register









New developments



				
Name	City Residence	Tartu road 52	Rotermann Quarter, R18	Promenaadi House
Location / City district	City Centre, Tartu Rd 56	City Centre, Tartu Rd 52	City Centre	City Centre, Poordi 3, 5
Developer	Endover	Merko	Rotermann City	Capital Mill
Price per sqm	1,775 – 4,167 €/m ²	2,219 – 3,247 €/m ²	3,040 – 5,140 €/m ²	2,800 – 4,743 €/m ²
Number of apartments	85	103	58	120
				
Name	Meerhof 2.0	Tivoli	Rannapargi	Noblessner
Location / City district	City Centre, Pirita tee	City Centre	City Centre	Põhja-Tallinn
Developer	Metro Capital	Metro Capital	Sea Reval	Merko + BLRT
Price per sqm	2,062 – 4,795€/m ²	2,390 – 3,170 €/m ²	2,100 – 3,705 €/m ²	1,711 – 4,780 €/m ²
Number of apartments	73	150	60	103+66

New developments



				
Name	Laev	Tondi Quarter	Skyline residents	Kadaka Twins
Location / City district	Haabersti	Kristiine	Lasnamäe	Mustamäe
Developer	Al Mare Estate	Pro Kapital	U.S. Invest AS	GMP Grupp
Price per sqm	3,011 – 4,759 €/m ²	1,758 – 2,380 €/m ²	2,340 – 3,305 €/m ²	1,500 – 2,060 €/m ²
Number of apartments	29	On sale 4*31 (600 in total)	141	84
				
Name	Paepargi Towers	Pärnaõue	Pöörise	Hõbemetsa
Location / City district	Lasnamäe	Haabersti	Mustamäe	Haabersti
Developer	Merko	NCC	TTP	Kaamos
Price per sqm	1,644 – 2,247 €/m ²	1,482 – 2,032 €/m ²	1,727 – 2,155 €/m ²	1,746 – 2,049 €/m ²
Number of apartments	60+60+60	ca 800 in total	On sale 3*80 (800 in total)	On sale 3*20 (470 in total)

Conclusions & Trends:



- ☐ Investing into residential properties has been and still is largely private persons business;
- ☐ Foreigner investors are and have historically been focused on city centre, locals also buy apartments in suburbs;
- ☐ Focus has historically been mainly on single apartments not on entire apartment houses;
- ☐ Starting from 2010 owning apartments as LLC has become more and more popular;
- ☐ Most wanted are new apartments with 1-2 bedrooms located in the city centre;
- ☐ Estimably 23-28% of new apartments in the city centre and 5-10% in the suburbs are bought on investment purposes;
- ☐ Yields of residential properties have always been at least 3-6% lower than for investments into commercial real estate;
- ☐ Due to compressed commercial property yields, investments into residential segment have become more interesting for larger investors;
- ☐ Existing residential investment projects include Sakala 9, Pronksi 3, Mere pst 8, Tööstuse 83, Randla 11;
- ☐ Even though the interest for residential sector has increased among professional large-scale investors, small investors will continue to dominate on residential market in mid-term perspective.

A dark blue background featuring a faint, light blue world map. A vertical white line is positioned to the right of the 'Thank You!' text.

Thank You!

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