



REPUBLIC OF ESTONIA  
LAND BOARD

# **The impact of coronavirus pandemic on real estate market in Estonia:**

## **evidence from apartment market**

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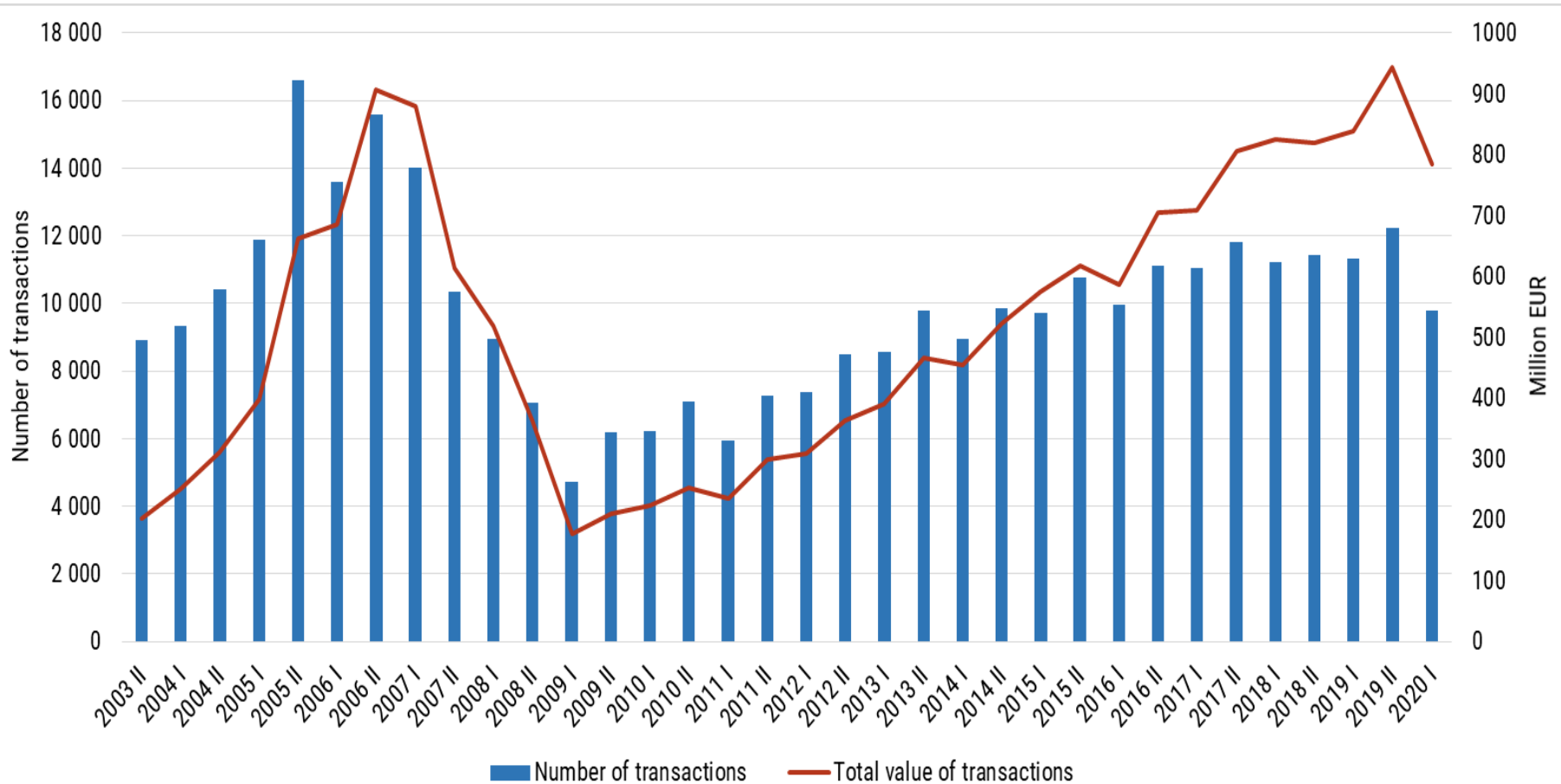
Estonian Land Board/ Department of Real Estate Valuation

19.11.2020

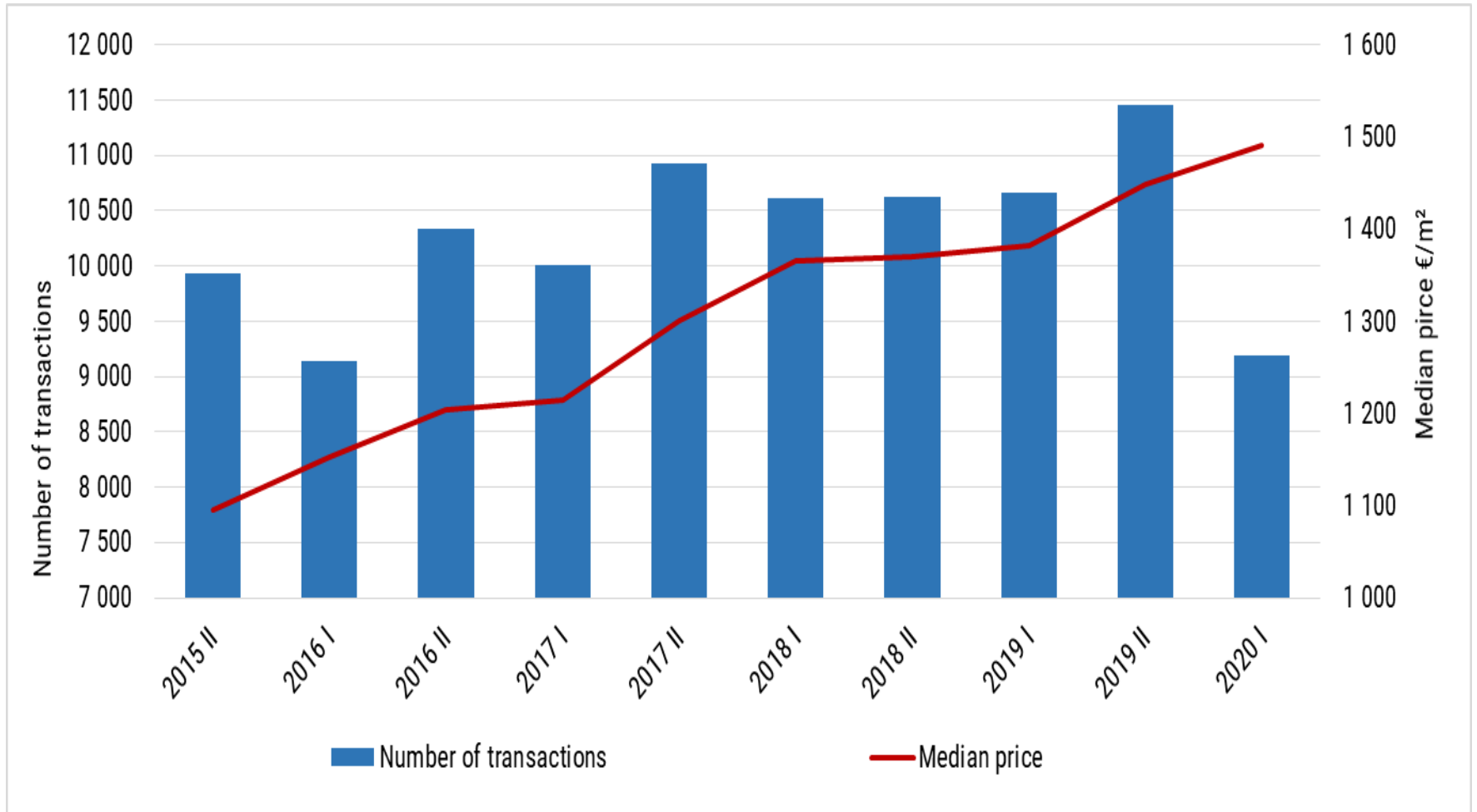
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# Transaction activity and total value of transactions



# Median price and number of transactions



# Highlights of apartment market in IH 2020 in Estonia

- **Median price of apartments + 7,8% YoY**
- **Transactions -14% YoY** , total free market transactions in 2020 IH amounted to 9193.
- **New apartments** (apartments sold directly by developers): **+ 5% YoY** transactions (+122 transactions)
- **Secondary market:** transactions slowed down for a while after the government declared emergency situation in the middle of March – impact in statistics - **19%** (-1593 transactions )

# Highlights of 2020 IH apartment market in Estonia

- New apartments -> pre-agreements are common
- down payment (at least 10%) is paid several months before
- the transaction will be closed after the apartment is ready -> these sales still took place
- secondary market slowed down for a while in the emergency situation due to no pre-agreements and decreased confidence over the future

New apartments amounted to 25% of the total number of transactions in IH 2020:

- the indicator is at record high
- the main reason for an overall increase of the median price of apartments in Estonia.

# Transaction numbers in larger cities of Estonia

	Secondary market				New apartments				Proportion of new sales	
	2019 IH	2020 IH	YoY change		2019 IH	2020 IH	YoY change		2019 IH	2020 IH
<b>Tallin</b>	3199	2417	-782	-24,4%	1254	1228	-26	-2,1%	28,2%	33,7%
<b>Tartu</b>	664	533	-131	-19,7%	173	199	26	15,0%	20,7%	27,2%
<b>Pärnu</b>	341	297	-44	-12,9%	95	86	-9	-9,5%	21,8%	22,5%

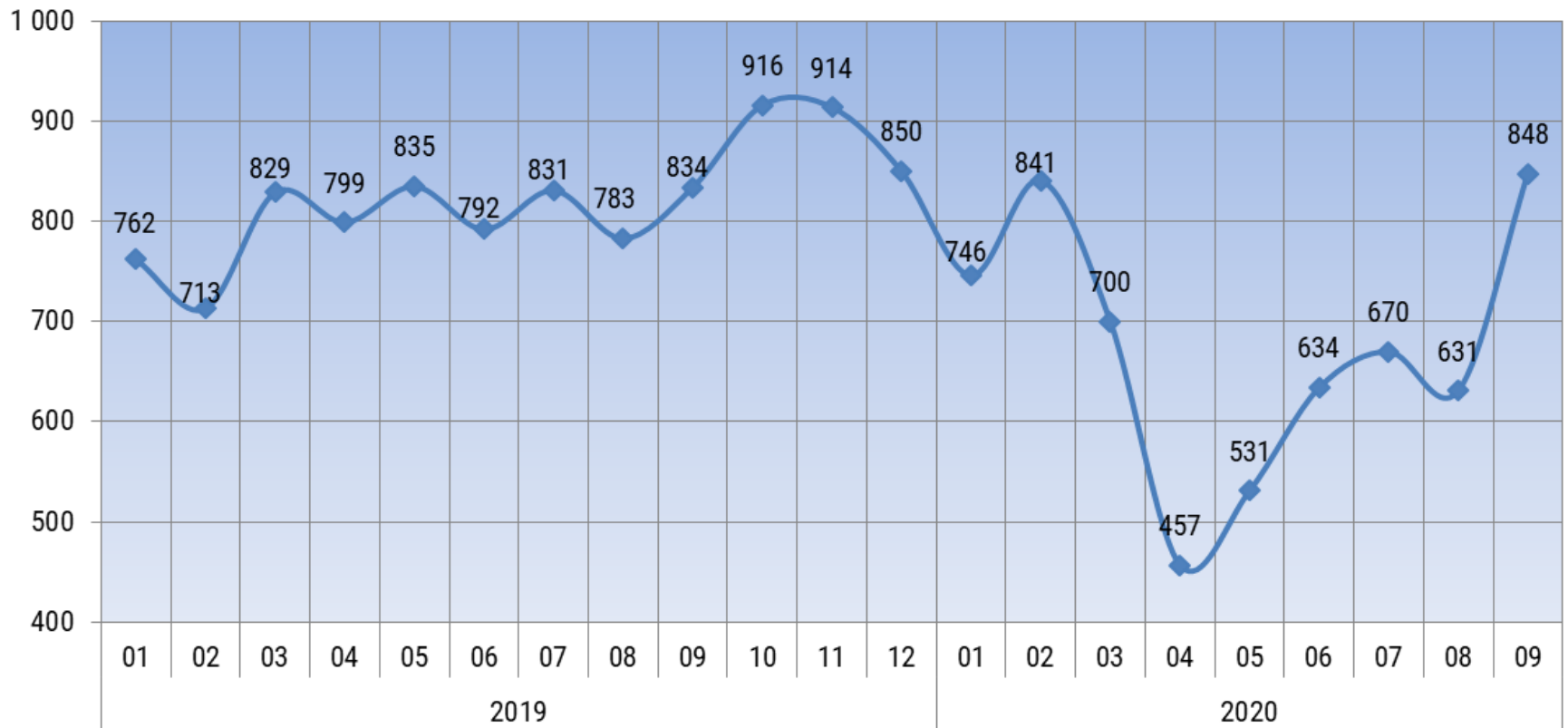
# Median prices in larger cities of Estonia

	Secondary market median price (€/m <sup>2</sup> ) and change (%)			New apartments median price(€/m <sup>2</sup> ) and change (%)		
	2019 IH	2020 IH	YoY change	2019 IH	2020 IH	YoY change
Tallin	1 689	1 809	7,1%	2 273	2 572	13,2%
Tartu	1 322	1 376	4,1%	1 654	1 981	19,8%
Pärnu	1 162	1 166	0,4%	1 511	1 827	20,9%



# Recovery from the first wave of coronavirus in Estonian residential market

Number of transactions monthly, Tallinn



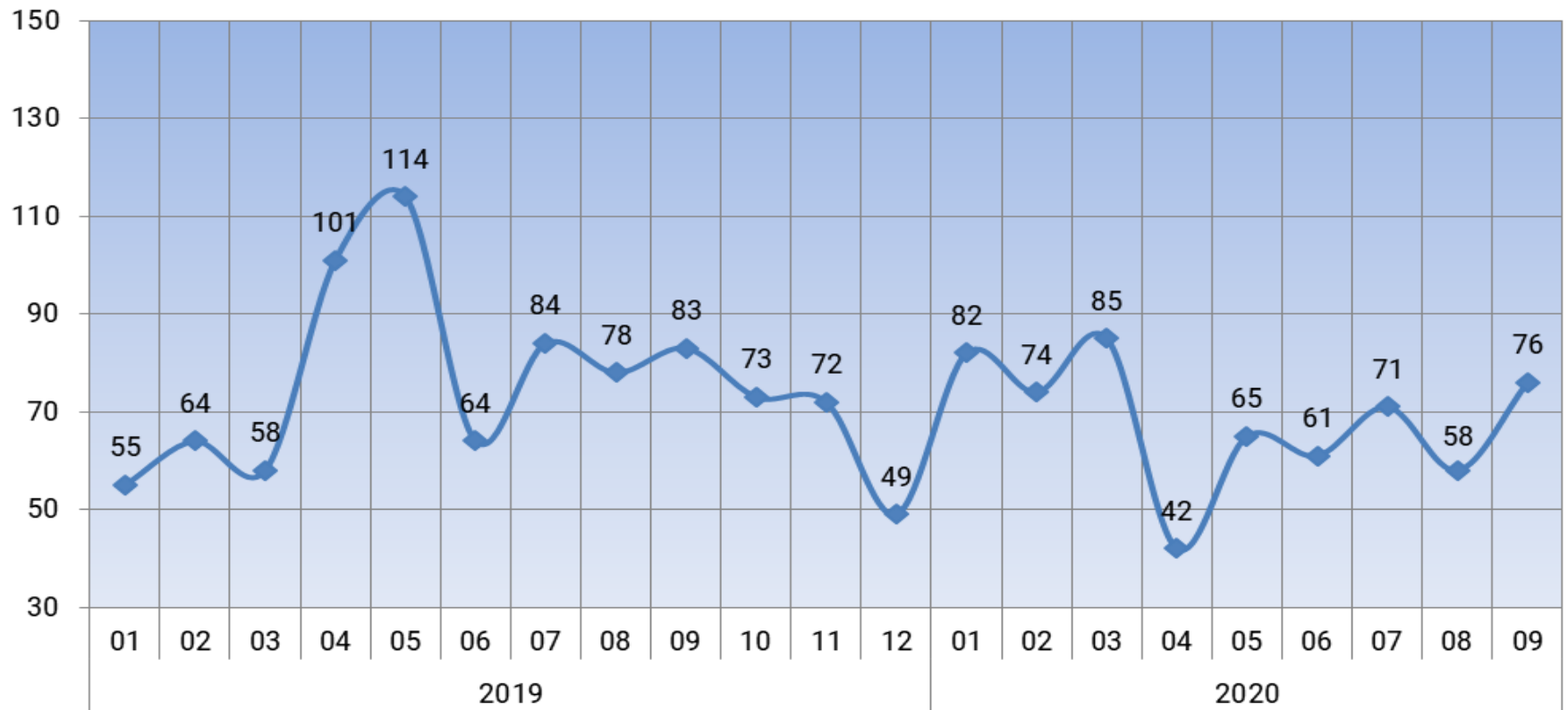
# Recovery from the first wave of coronavirus in Estonian residential market

Number of transactions monthly, Tartu

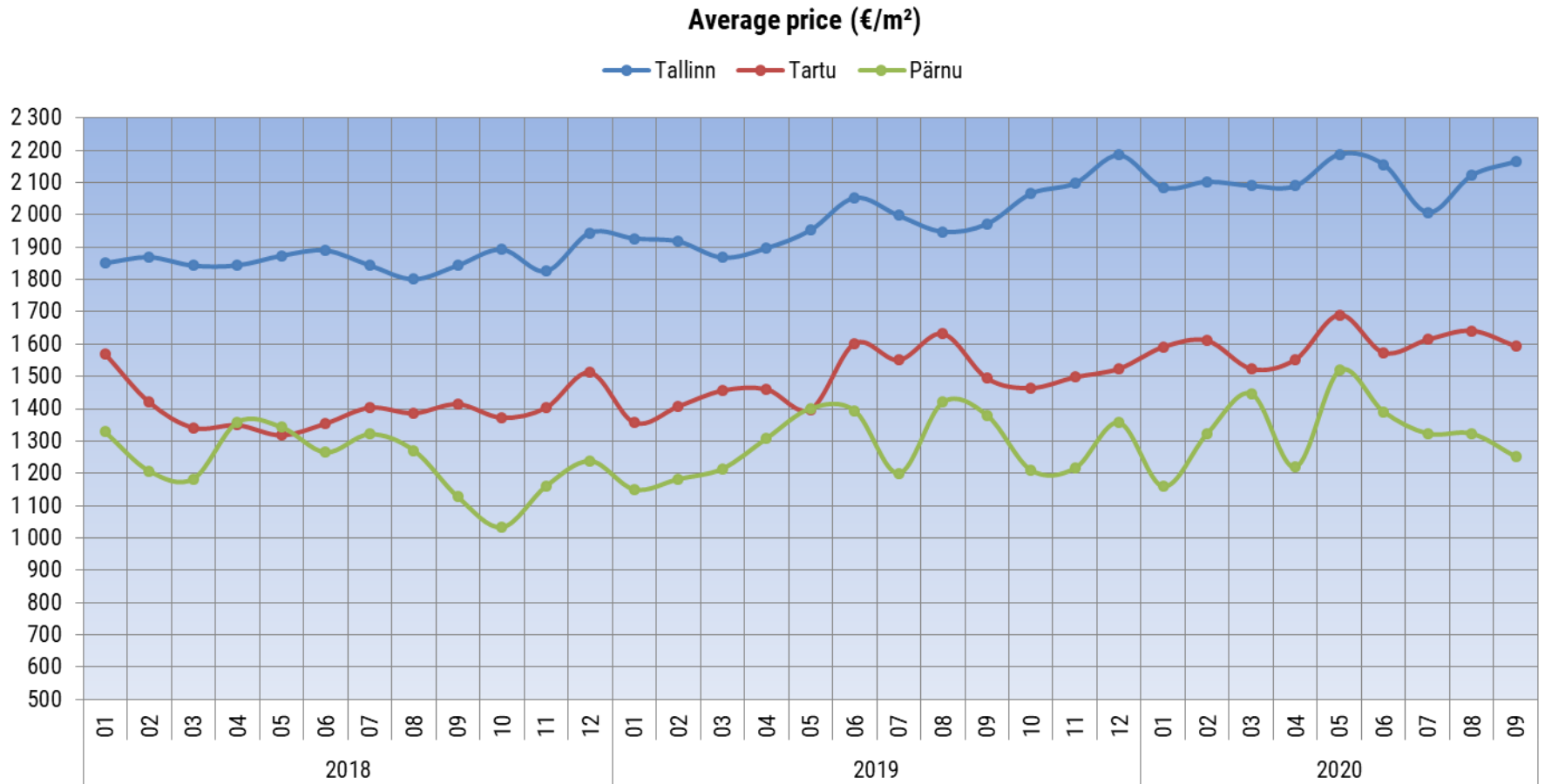


# Recovery from the first wave of coronavirus in Estonian residential market

Number of transactions monthly, Pärnu



# Recovery from the first wave of coronavirus in Estonian residential market



# Summary

- The first wave of coronavirus and also the emergency situation declared by the government lasted from March to May in Estonia.
- Transactions fell in IH 2020, but prices continued to increase due to a larger share of new apartments.
- Only few new corona-cases in summer months - people regained the confidence, except tourism sector.
- Transaction numbers have recovered



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# Thank You!

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