

**4.5%**

Exports

YoY  
Chg



12-Mo.  
Forecast



**5.4%**

Prime yield, NIY



**€9.25**

Prime rent, PSM/m



### FINLAND ECONOMIC INDICATORS Q4 2019

**1.6%**

GDP Growth

YoY  
Chg



12-Mo.  
Forecast



**5.9%**

Finland  
Unemployment Rate



Source: Statistics Finland

### Overview

2019 was a year of modest growth for the Finnish economy and the GDP grew by 1.6%. The current growth expectation for 2020 is slightly lower at 1.1%. The main driver for growth in 2019 was exports of goods and services which picked up to growth of 4.5%. Domestic demand continues to be a growth driver in the short-term, yet the declining consumer confidence remains a downside risk for private consumption.

### Occupier focus

There were signs of improving occupier demand during 2019. The absorption of space remains limited.

In Q4 2019 there were no new completions in the Helsinki Metropolitan Area, although SRV started a 10,000 sq m logistics centre construction in Vantaa, which was forward purchased by Sagax. Further, in Sipoo and Järvenpää a total of 30,000 sq. m of logistics (gross) space is currently under construction. The developments consist of build-to-suit buildings.

### Investment focus

The amount of published deals was less than €60 in Q4/2019. Although the investment activity was scarce, the demand remains strong, both from domestic and international investors, towards the high-quality income producing properties. Prime yields in Q4 were at 5.4% in Helsinki and are around 40-110 bps higher in the regional markets.

### Outlook

The fundamentals underpinning the industrial real estate sector will remain stable. The occupier demand is expected to improve going forward. There is exceptionally good demand for prime products, and this is estimated to continue. There are multiple signs indicating divestment activity in the light industrial / logistics sector.

### PRIME YIELD & PRIME RENT



MARKETBEAT

# FINLAND

Industrial Q4 2019



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