

**12.0%**  
Vacancy Rate

YoY Chg  
12-Mo. Forecast

**5.0%**  
Vacancy rate, Helsinki CBD

**€38.00**  
Prime rent, PSM / month

**ECONOMIC INDICATORS  
Q2 2020**

**-10.0%**  
GDP Growth  
Q2 2020

**8.9%**  
Finland  
Unemployment Rate

Source: OxfordEconomics

**Overview**

Finnish economy experienced GDP contraction of 0.9% in Q1. Due to Finland's moderate lockdown policies, the contraction was a lot less severe than in most other European countries. However, Finnish GDP is expected to contract 5.5% in 2020 with a decrease of 10% in Q2. The economy is still estimated to start recovering later this year and continuing throughout 2021 with estimated GDP growth of 4.2%. Occupier demand increased in June, although still being at a very limited level as uncertainty in the economic situation continues.

**Occupier focus**

In mid-March, as the COVID-19 containment measures were placed, the office occupier market halted. In general, cases started pre-COVID-19 moved forward and/or were closed during Q2. However, during the period with containment measures (mid-March to May) the number of new cases were limited as companies were waiting for effect of the COVID-19 for their business. As the containment measures were lifted in May, the activity in the occupier increased in June, although, the demand remains limited. Minor decrease (1-2%) in rent levels was recorded in multiple submarkets.

The overall vacancy in the Helsinki Metropolitan Area (HMA) slightly increased in Q2 and is currently at 12%. In Q2 total of 16,000 sq. m was completed in the (HMA). There is currently close to 100,000 sq.m under construction in the HMA due to be completed in 2020-2021.

**Outlook**

We expect the occupier demand to start to recover after the summer holidays if no setbacks occur in terms of COVID-19. Due to the COVID-19 downsizing and cost efficiency might be a new trend. Although, the situation might lead to increased demand for new and well renovated premises with up to date building technology. We expect rent levels in certain sectors to further decrease, however no major impact is forecasted. Going forward, we see that in the most sought-after locations the rental levels will recover in 2021 or even by the end of 2020.

**OVERALL VACANCY & CBD PRIME RENT**



## MARKET STATISTICS

SUBMARKET	BUILT STOCK (sqm)	AVAILABILITY (sqm)	VACANCY RATE	NET Absorption (sqm)	NET absorption (YTD) (sqm)	UNDER CONSTRUCTION (sqm)
Helsinki (CBD)	420,000	21,000	5.0%	-4,200	-2,100	
Helsinki (Ruoholahti)	415,000	39,400	9.5%	11,400	2,100	
Helsinki (Pasila/Vallila)	610,000	45,900	7.5%	-6,100	-6,100	
Helsinki (Pitäjänmäki)	481,000	84,200	17.5%	-14,400	-7,200	
Espoo (Keilaniemi/Otaniemi)	302,000	12,100	4.0%	4,500	6,000	21,900
Espoo (Leppävaara)	245,000	35,500	14.5%	-3,700	600	18,500
Vantaa (Aviapolis)	280,000	26,600	9.5%	-700	-2,800	
<b>Helsinki Metropolitan Area (Overall)</b>	<b>8,760,000</b>	<b>1,050,000</b>	<b>12.00%</b>			<b>97,500</b>

## KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Fabianinkatu 9 (move in 2021)	Helsinki (City Centre)	Krogerus	5,400	Lease
Helsinki Court House (move in 2021)	Helsinki (Ruoholahti)	Senaatti Properties	2,250	Lease
Kalasadama Kampus (Q1 2020)	Helsinki (Kalasadama)	Eläketurvakeskus	4,500	Lease
Oops / Hatsinanpuisto (under construction) (Q3 2019)	Espoo (Leppävaara)	Trimble Solutions	10,000	Lease
Keilalampi (Q3 2019)	Espoo (Keilaniemi)	If Vahinkovakuutus	n.a.	Lease

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / € PSM
Office and dev. site portfolio	Espoo & Helsinki	Goldman Sachs & Cromwell Property Group / Elite Finland Value Added Fund II	19,700	n.a.

## KEY CONSTRUCTION COMPLETIONS Q2 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Fredriksberg B & C	Vallila	City of Helsinki, Vattenfall	16,000	KanAm Grund Group / NCC

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