

**2.5%**

HH Disposable Income, Helsinki

YoY  
Chg



12-Mo.  
Forecast



**13k**

Helsinki Population Growth, 2019



**€131**

Prime rent, PSM/m



Source: Oxford Economics,  
Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q2 2020

**-10.0%**

GDP Growth  
Q2 2020

YoY  
Chg



12-Mo.  
Forecast



**-5.0%**

Consumer Spending  
Growth, 2020 forecast



**-1.5%**

Retail Sales Growth,  
2020 forecast



Source: Oxford Economics

### 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%. According to Statistics Finland, consumer confidence increased to -3.9 in June 2020 (April 2020 at -13.9, long-term average at -1.8). In March 2020 the total sales in the shopping centers decreased by 21.3% compared to March 2019, pushing the total sales in Q1 2020 to 5.5% lower than in the first quarter of 2019 (Finnish Council of Shopping Centers).

### Occupier focus

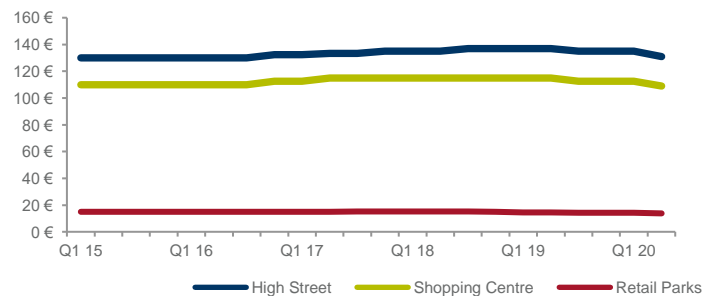
In mid-march the occupier demand for specialty retail and F&B premises halted as the containment measures for COVID-19 took place. Grocery stores and pharmacies have performed extremely well during the situation. While in general the retailers in the fashion and restaurants segments have been suffering from the pandemic and the containment measures, selected restaurants with good take away options have even increased their sales. After very quiet activity during March and April, retail sales have picked up during May-June, which has gradually shown in the occupier demand, as well. Decrease (3-6%) in rent levels was recorded in multiple submarkets.

Some 25,000 sq.m of retail premises were completed in H1 2020 in the Helsinki Metropolitan Area (HMA). The most notable completion was the Hertsi shopping centre in Q1 in Herttoniemi, Helsinki (20,000 sq.m) with strong emphasis on daily necessities and strong user base in the nearby wealthy residential areas. There are currently some 70,000 sq.m of retail premises under construction in the HMA expected to be completed in 2020-2022, with the new Lippulaiva shopping centre in Espoo being the most notable development (44,000sq.m).

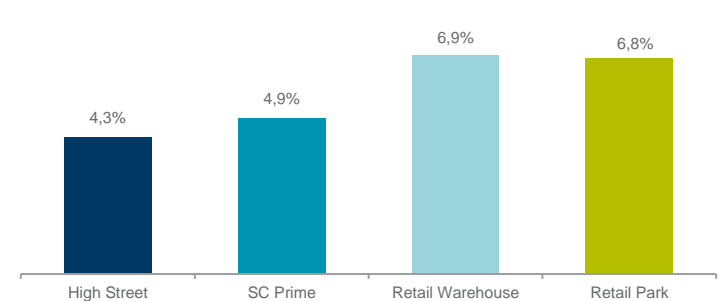
### Outlook

The second quarter was very difficult for the retail sector. The containment measures have been eased and the sales are picking up. However, retail sector will be under pressure going forward in 2020. We expect increased demand in the latter half of 2020, however, further decrease in retail rents in multiple segments is predicted.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Kamppi SC	Kamppi, Helsinki	Muji (Q4 2019)	3,500	Lease

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€ PSM
Kappeli Esplanadi	CBD, Helsinki	City of Helsinki / HOK-Elanto	1,100	€20mn / €18,180
Grocery store portfolio (18 assets)	Multiple	Trevian / Cibus	31,000	n.a.

## KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Hertsi	Herttoniemi, Helsinki	Prisma	20,000	Fennia Life, Aktia Life Insurance, Yleisradio Pension Fund / Hartela, YIT

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