

**0.3%**

Median HH Income

YoY Chg



12-Mo. Forecast



**10K**

Population Growth



**6.7%**

Unemployment Rate



Source: Statistics Finland, Oxford Economics, Findicator

### FINLAND ECONOMIC INDICATORS Q4 2019

**1.6%**

GDP Growth

YoY Chg



12-Mo. Forecast



**1.2%**

Consumer Spending Growth



**2.4%**

Retail Sales Growth



Source: Statistics Finland, Oxford Economics

### 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. According to Statistics Finland, consumer confidence remained stable at -4.2 in December 2019 (September 2019 at -4.2).

### Occupier focus

In Q4 2019 retail occupier demand remained stable. The focus of demand is good towards prime locations and especially the trend of converting specialty retail into services continued (e.g. F&B and beauty / well-being / experiences).

Total of 115,000 sq.m of retail premises were completed in Q4 2019 in the Helsinki Metropolitan Area (HMA). The most notable completions were the Mall of Tripla in Pasila, Helsinki (85,000 sq.m) and third phase of Ainoa Shopping Centre in Tapiola, Espoo (20,000 sq.m). There are currently some 90,000 sq.m of retail premises under construction in the HMA expected to be completed in 2020-2022.

With the strong influx of new supply, even prime rents can be under pressure for the next upcoming years. Although, with the current population growth and purchasing power projection, we expect HMA shopping centre segment to be fairly balanced or even short of supply in the early 2020's.

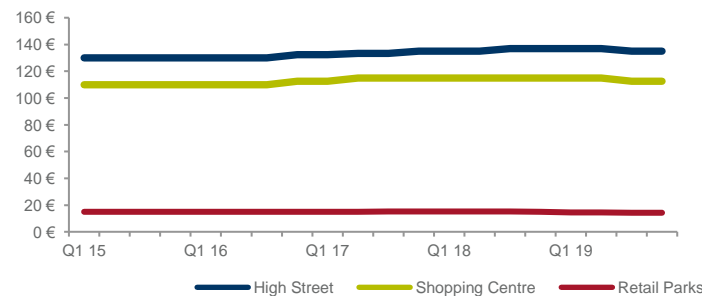
### Investment focus

Retail investments concluded the year with a strong Q4 accounting to some €255m. The most notable deal was the divestment of Aleksanterinkatu 19 in the CBD by Sponda, in which 60% of income constituted from high street retail.

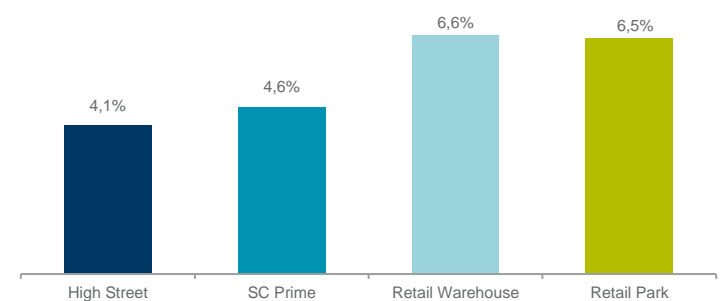
### Outlook

Occupier demand is expected to remain stable in key retail locations. Other segments and areas will be under pressure during 2020. Investor demand is estimated to remain good for selected niche segments (e.g. grocery & prime SC's). Some secondary shopping centres expected to be transacted during 2020.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Kamppi SC	Kamppi, Helsinki	Muji	3,500	Lease

## KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/\$ PSF
Aleksanterinkatu 19 (~60% retail)	CBD, Helsinki	Sponda / Union Investment Real Estate GmbH	8,300	€148M/17,831

## KEY CONSTRUCTION COMPLETIONS YTD 20XX

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Ainoa SC, Phase III	Tapiola, Espoo	N/A	20,000	Lähitapiola / LähiTapiola
Mall of Tripla	Pasila, Helsinki	SOK, Kesko	85,000	YIT
Helsinki Outlet	Kuninkaala, Vantaa	N/A	10,000	Fortus AS, Nordlett Oy

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