

12.0%
Vacancy Rate



9.0%
Vacancy rate, Helsinki CBD



€37.75
Prime rent, PSM / month



ECONOMIC INDICATORS 2020

-3.8%
GDP Growth



7.8%
Unemployment Rate



Source: Bank of Finland

Overview

Finnish economy experienced a less severe downturn than most European economies in 2020 but a challenging winter is still ahead. The vaccinations are expected to gradually slow down the pandemic during 2021. With the economy slowly returning towards normal, household consumption is expected to drive growth of 2.2% in 2021 and 2.5% in 2022. The economy has seen a strong recovery from the spring lows, but challenging conditions still persist. High unemployment, and the strong second wave of the pandemic in Finland's key trading partners are risking economic growth for the coming months.

Occupier focus

After the summer period occupier activity rekindled but started to fade towards the end of the year. This pattern resulted in approximately 70% demand compared to previous years. The main trend of the post-COVID-19 office occupier market, is diversification between occupiers. The most demand is for 100-300 sq.m premises, whereas pre-COVID-19 the highest demand was towards slightly larger, 300-400 sq.m units. Further, multiple large occupier projects have been put on hold as companies are awaiting the progress of the mass vaccination process. The overall vacancy in the Helsinki Metropolitan Area (HMA) remained stable in Q4 and is currently at 12%. In Q4 total of 25,000 sq.m was completed in the (HMA), with full year 2020 accounting to some 135,000 sq.m. There is currently some 83,000 sq.m under construction in the HMA due to be completed in 2021-2023.

Outlook

Office occupier demand is expected to improve during H1 2021 if no major step backs are witnessed. Due to the COVID-19, office premise & layout adaptability and lease agreement flexibility are likely to become even more important. Furthermore, downsizing and cost efficiency might be a new trend. On the other hand, indoor air quality and other office wellbeing efforts might lead to increased demand of space per employee. 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 2022.

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)	652,128	59,500	9.0%			
Helsinki (Ruoholahti)	341,686	43,000	12.5%			
Helsinki (Pasila/Vallila)	879,229	59,200	6.8%			9,200
Helsinki (Pitäjänmäki)	369,131	79,200	21.5%			
Espoo (Keilaniemi/Otaniemi)	373,396	26,100	7.0%			15,500
Espoo (Leppävaara)	273,474	22,300	8.3%			18,500
Vantaa (Aviapolis)	188,116	21,200	11.3%			
Helsinki Metropolitan Area (Overall)	8,740,000	1,050,000	12.00%			83,000

*changes in the defined area/stock data

Source: Helsinki Research Forum, Cushman & Wakefield

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 Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Lindström Invest Oy (5 assets)	Kalasadama	Shareholders of Lindström Invest Oy / Castellum	36,000	150
Hämeentie 15	Sörnäinen	CapMan / Castellum	7,879	23

KEY CONSTRUCTION COMPLETIONS Q4 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Woodcity	Jätkäsaari	Supercell	10,400	Supercell / SRV
Vaisala HQ extension	Vantaanpuisto	Vaisala	7,900	Vaisala

VILLE SUOMINEN

Director, Valuation & Research

+358 10 836 8455

ville.suominen@cushwake.fi

cushmanwakefield.com / cushmanwakefield.fi

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