

-6.3%
Exports, 2020



4.3%
Prime yield, NIY



€9.25
Prime rent, PSM/m



FINLAND ECONOMIC INDICATORS Q1 2021

0.04%
GDP Growth, Q-to-Q



8.8%
Unemployment Rate



-0.14%
Exports, Q-to-Q



Source: Moody's Analytics

Overview

Finnish GDP growth beat expectations in the last quarter of 2020 and the economy is set for a recovery in 2021. However, new covid-19 restrictions and a slow vaccine rollout continue to weigh down growth at the first half of the year. Wider vaccination rollout and accelerating GDP will boost the recovery in the second half of 2021. GDP decreased -3.2% in 2020 and is set to grow 2.6% in 2021 and 2.3% in 2022. The growth is mainly driven by upturn in global economy and increased exports. Secondly the growth is boosted by bottled-up private consumption and replenished service sector. Finland has navigated well through the pandemic. Low infection rates have allowed Finland to remain mostly open without major lockdowns or harsh restrictions. Exports are projected to continue to lag as the rest of the economy moves forward.

Occupier focus

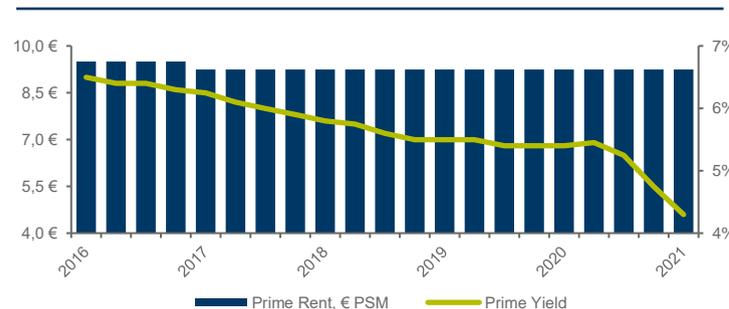
Occupier market in the industrial and the logistics sectors remained mainly stable and unchanged during 2020. As the Finnish economy overall, the industrial operators in general survived the pandemic relatively unscathed. There was no evidence of rent level movement during 2020 and Q1 2021.

In 2020, some 40,000 sq.m of new industrial and logistics premises were completed in the Helsinki Metropolitan Area. The completed developments are mostly located in Vantaa. In addition, there are currently some 50,000 sq.m of industrial and logistics premises under construction in Vantaa. Majority of these developments are estimated to be completed during 2021. The developments consist mostly of build-to-suit buildings, although some parts of the premises in development are built speculatively.

Outlook

Export driven businesses, but also industries solely based on domestic markets, might still face severe challenges due to the pandemic and the overall slowing economy with trading partners during H1 and H2 2021. The outlook for the industrial properties remains therefore misty as the individual operators, often occupying the properties alone, might experience the remaining COVID-19 related challenges rather differently. The occupier demand is expected to improve in selected logistics segments and areas going forward as the consumers have been forced to get accustomed to e-commerce even for grocery shopping.

PRIME YIELD & PRIME RENT



MARKETBEAT

FINLAND

Industrial Q1 2021



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