

**12.0%**

Vacancy Rate, Q4 2020

YoY Chg



12-Mo. Forecast



**9.0%**

Vacancy rate, Helsinki CBD, Q4 2020



**€37.5**

Prime rent, PSM / month



## ECONOMIC INDICATORS Q1 2021

**0.04%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**8.8%**

Unemployment Rate



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.

## Occupier focus

Occupier demand has polarized as the COVID-19 restrictions have progressed. Current clients on the occupier market can be categorized in three: 1. Well established companies who are looking to execute post-pandemic occupancy strategy with potential hybrid-solution rolled out (remote working and office needs combined). 2. companies looking to achieve economic savings due to tightened situation 3. companies who are reacting to current situation by reducing space due to increased remote working etc. Furthermore, there are companies looking to pay a premium for a shorter agreement to hedge future uncertainty and companies who are looking to secure long agreements trying to benefit from the current slight 'occupier's market'. The overall vacancy in the Helsinki Metropolitan Area (HMA) remained stable in Q4 and is currently at 12%. In Q1 2021 there were no new office completions in the HMA. There is currently some 114,000 sq.m under construction in the HMA due to be completed in 2021-2023.

## Outlook

The billion-dollar question remains the same: how will the "new normal" look after the summer period with workforce returning to work without restrictions / remote working recommendations. It is fairly certain that remote working will remain at a higher level compared to pre-COVID time, but on the other hand companies will most likely make changes to their office concepts, making them healthier and capable to adopt in a potential new respiratory tract infection situation. Therefore, it still remains uncertain, what will the total effect on office demand be in the "new normal".

## OVERALL VACANCY & CBD PRIME RENT



## MARKET STATISTICS

SUBMARKET	BUILT STOCK (sqm)	AVAILABILITY (sqm), Q4 2020	VACANCY RATE, Q4 2020	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%			21,000
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%			36,500
Espoo (Leppävaara)	273,474	22,300	8.3%			18,500
Vantaa (Aviapolis)	188,116	21,200	11.3%			
<b>Helsinki Metropolitan Area (Overall)</b>	<b>8,740,000</b>	<b>1,050,000</b>	<b>12.00%</b>			<b>114,000</b>

\*changes in the defined area/stock data, thus not comparable to Q3 figures  
 Source: Helsinki Research Forum, Cushman & Wakefield

## KEY LEASE TRANSACTIONS 2019-2020

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 Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Metsä Group and Mela HQ	Tapiola, Espoo	Metsäliitto Cooperative Farmers' Social Insurance Institution Mela / NREP	20,000	90
Go 21	Tampere	Jatke Pirkanmaa / A. Ahlström Kiinteistöt	11,000	n.a.

## 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

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