

## Investment Q2 2021

YoY Chg      12-Mo. Forecast

**3.3%**  
Prime Yield (office)



**€2.5bn**  
Total Volume, H1 2021



**€4.7bn**  
Total Volume, rol. 12m



**€1.0bn**  
Residential Volume, H1



**€0.45bn**  
Office Volume, H1



Sources: Cushman & Wakefield, KTI

### ECONOMIC INDICATORS Q2 2021

YoY Chg      12-Mo. Forecast

**1.35%**  
GDP growth, Q-to-Q



**7.7%**  
Unemployment Rate



**-0.02%**  
10-Yr Gov. Bond



Source: Moody's Analytics, Bank of Finland

### ECONOMIC OVERVIEW:

Finnish economy has hit a minor slowdown at the start of 2021 after already recovering towards the end of last the year. The modest recovery is set to continue in the second half of 2021. The spring lockdowns were a success and sent covid-19 cases into a steep decline while vaccination rollout accelerated. GDP decreased -2.7% in 2020 and is set to grow 2.7% in 2021 and 2.4% in 2022. Together with GDP, CPI is set to accelerate in H2 but to remain below 2%. Finland has navigated well through the pandemic, but the economy is not completely in the clear yet. Low infection rates have allowed Finland to remain mostly open without major lockdowns or harsh restrictions. A significant contribution to GDP growth will be attributed to private consumption, improved consumer sentiment and a release of held back demand.

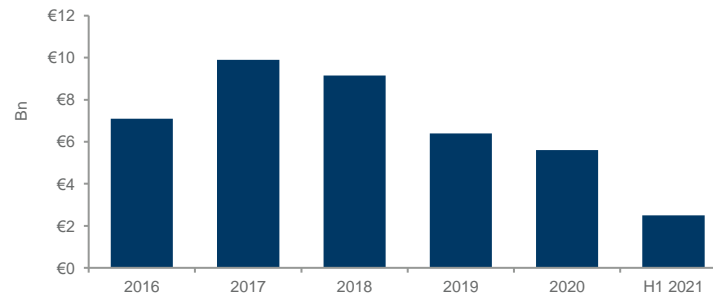
### INVESTMENT OVERVIEW:

In Q2 2021 the total investments were approximately €1.7bn, resulting to some €2.5bn transaction volume for the first half of 2021. Existing residential, logistics, and public use properties are very actively sought after, and demand is exceeding supply pushing yields to record levels. Also, appetite for office transactions has returned to a healthy level with international players completing multiple deals during Q2. In addition, activity in the retail segment has gained some momentum, especially in grocery store assets and big box units – although still behind the volumes of pre-COVID years.

The most traded sectors in H1 2021 was the residential (42%), office (18%), and public use (16%) sectors. The share of international investors was some 40% in the first half of 2021.

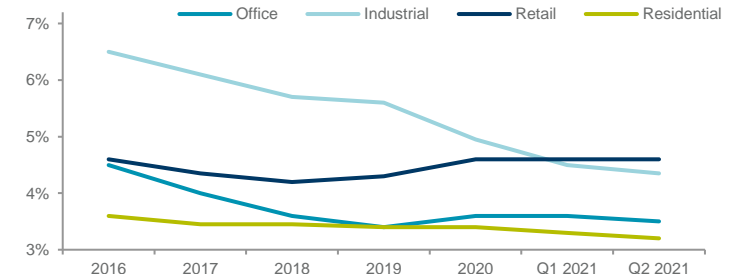
According to recent completed transactions and discussions with active investors, capital allocation targets for the Nordics & the Finnish market are very ambitious for the rest of 2021. This combined with well progressing vaccination rollout raises the expectation on the Finnish investment activity to a high level for 2021.

### INVESTMENT SALES VOLUME



Source: Cushman & Wakefield, KTI

### PRIME YIELD TREND



Source: Cushman & Wakefield

# MARKETBEAT FINLAND

## Investment Q2 2021



### INVESTMENT ACTIVITY (YTD 2021)

PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office		€400,000,000
Industrial		€300,000,000
Residential		€1,000,000,000
Retail		€300,000,000
Healthcare		€230,000,000
Other		€270,000,000
<b>TOTAL</b>	<b>49</b>	<b>€2,500,000,000</b>

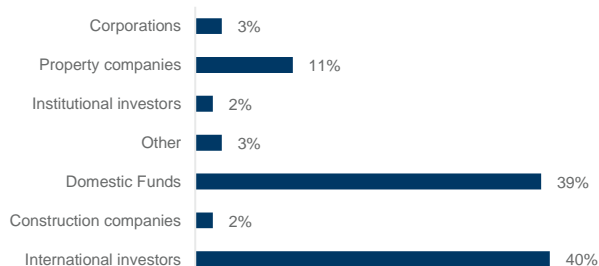
Sources: KTI

### SIGNIFICANT SALES (Q2)

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE	PRICE / UNIT (€/sqm)	MARKET
21 public use properties	Public use	Kinland AS	Social Infrastructure Invest AS	n.a.	n.a.	n.a.	Multiple
1,854 rental apartments	Residential	CapMan Nordic Residential Real Estate Fund	ICECAPITAL Housing Fund IV Ky	88,279	>€500,000,000	>5,600	Multiple
72 retail properties	Retail	Cibus Nordic Real Estate AB	AB Sagax	42,000	€71,600,000	1,700	Multiple
HQ of Ramboll Finland Oy	Office	Altaal	Keva	20,000	~€70,000,000	3,500	Espoo
Logistics property	Industrial	Fund managed by Barings Real Estate Advisers	Fund managed by NRP Wilfast	40,000 (+170,000 outdoor area)	€86,000,000	2,150	Hyvinkää

Sources: KTI, Cushman & Wakefield

### PROFILE OF BUYERS (H1 2021)



Source: KTI

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