

4.6

Consumer Confidence, June 2021

YoY Chg



12-Mo. Forecast



14k

Helsinki Region Population Growth, 2020



€123

Prime rent, PSM/m



Source: Statistics Finland, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q2 2021

1.35%

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



1.8%

Private consumption Growth, Q-to-Q



3.8%

Retail Sales Volume Growth, March, 2021, YoY



Source: Moody's Analytics, Statistics Finland

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.

According to Statistics Finland, consumer confidence improved to 4.6 in June 2021 (March 2021 at -3.0, long-term average at -1.8). In 2020 the total sales in the shopping centers decreased by 11.6% compared to 2019 (Finnish Council of Shopping Centers).

Occupier focus

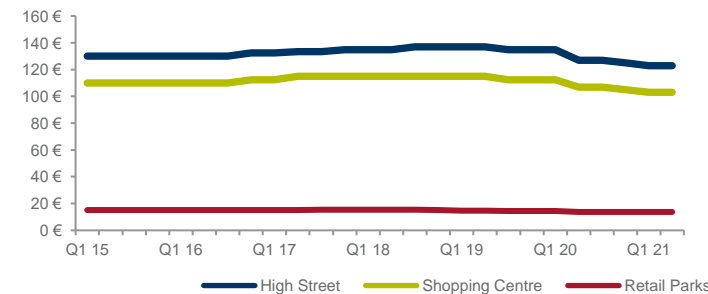
Compared to initial lockdown period in spring 2020, the demand was on a healthier level in early Q2. After the restrictions were eased, the retail occupier demand has notably increased. Companies are now more ready to make decisions regarding their business premises compared to 2020 and early 2021. Overall demand for retail premises has improved in May-June 2021. New international brands have opened new stores during the pandemic and are looking to further expand in the Finnish market. New entrants include KFC, Olivia, Lager 123, and Bestseller with their Normal-concept. This is mainly driven by the increasing Finnish purchasing power and significantly increased private consumption compared to the low activity during spring lockdown.

Approximately 14,000 sq.m of new retail premises have been completed in H1 2021. Also, there are currently 90,000 sq.m of retail premises under construction in the HMA expected to be completed in 2021-2022, with the new Lippulaiva shopping centre in Espoo being the most notable development (44,000sq.m).

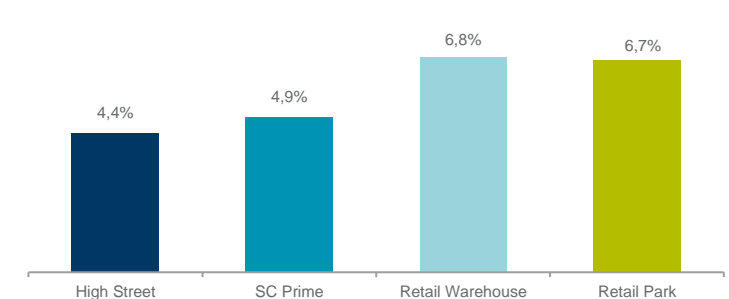
Outlook

Well progressing vaccination rollout, strong expected domestic tourism and bottled-up private consumption is expected to be seen as strong results for retailers. The summer will be make-it-or-brake-it time for many retailers, defining the next steps according to profitability.

PRIME RENTS HELSINKI



PRIME YIELDS



KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Central Railway Station (Q4 2020)	CBD, Helsinki	Olivia	n.a.	Lease
Retail park asset in Raisio (Q4 2020)	Raisio	Lager 157	3,000	Lease

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
72 retail properties	Multiple	AB Sagax / Cibus Nordic Real Estate AB	42,000	71.6
Espoonlahti Motorcenter	Espoo	Imarinen / Elite Alfred Berg Vuokratuotto	3,600	8.0
Three retail properties	Multiple	AKR Tuotto II Ky / Erikoissijoitusrahasto UB Suomi Kiinteistöt	15,700	n.a.
Retail property	Espoo	Sjaelso Finland Oy / Pharmacy Pension Fund	6,350	n.a.

KEY CONSTRUCTION COMPLETIONS 2020-2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Hertsi	Herttoniemi, Helsinki	Prisma	20,000	Fennia Life, Aktia Life Insurance, Yleisradio Pension Fund / Hartela, YIT

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