

	YoY Chg	12-Mo. Forecast
-0.07% Exports, 2021 Forecast	▼	▲
4.0% Prime yield, NIY	▼	▼
€9.5 Prime rent, PSM/m	▲	▲

Source: Moody's Analytics, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
0.79% GDP Growth, Q-to-Q	▲	▲
7.7% Unemployment Rate	▼	▼
0.85% Exports, Q-to-Q	▼	▲

Source: Moody's Analytics

Overview

Finnish economy is picking up its pace on the path towards full recovery from the recession. New pandemic restrictions continued to weigh down growth at the first half of the year, but the successful vaccination rollout has set the economy on track for a fast recovery. The second quarter already showed the signs of strengthening and the output is set to further accelerate on Q3. The recovery is forecasted to remain strong into next year until settling for moderate growth. GDP decreased -2.9% in 2020 and is set to grow 3.2% in 2021 and 2.6% in 2022. Businesses and consumers are the main drivers of the economy over the near term. A significant contribution to GDP growth will be attributed to private consumption, improved consumer sentiment and a release of held back demand. Dried up demand in early 2021 from European trading partners has led to negative forecast for the 2021 exports. However, as the economies are to open across Europe, the exports are expected to reach full recovery during 2022.

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. YTD2021, occupier demand for industrial premises have gained momentum, leading to increase in prime rents.

In 2021 so far, some 10,000 sq.m of new logistics premises were completed in the Helsinki Metropolitan Area. In addition, there are currently some 60,000 sq.m of logistics premises under construction in Vantaa. The developments are estimated to be completed during 2021 and 2022. The developments consist mostly of build-to-suit buildings, although some parts of the premises in developments are built speculatively.

Outlook

As the economies start to open across Europe the Finnish exports are expected to reach full recovery in 2022. The occupier demand is expected to further 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. The individual operators, often occupying the properties alone, might experience the remaining COVID-19 related challenges rather differently. The outlook for the industrial properties can be seen as positive.

PRIME YIELD & PRIME RENT



MARKETBEAT

FINLAND

Industrial Q3 2021



VILLE SUOMINEN

Director, Valuation & Research

+358 10 836 8455

ville.suominen@cushwake.fi

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