

**6.0**

Consumer Confidence, September 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 Q3 2021

**0.79%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**0.12%**

Private consumption Growth, Q-to-Q



**4.3%**

Retail Sales Volume Growth, June, 2021, YoY



Source: Moody's Analytics, Statistics Finland

### 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.

According to Statistics Finland, consumer confidence improved to 6.0 in September 2021 (June 2021 at 4.6, long-term average at -1.7). In H1 2021 the total sales in the shopping centers increased by 4% compared to H1 2020 (Finnish Council of Shopping Centers).

### Occupier focus

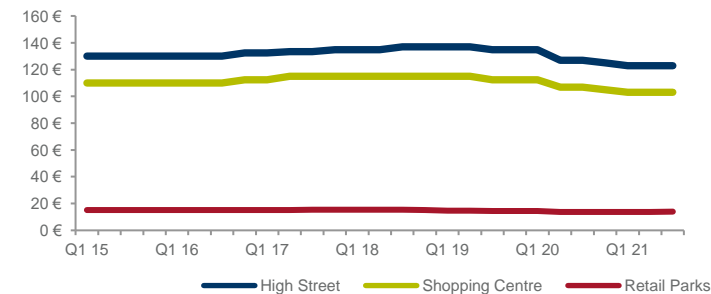
During the summer period the occupier demand for retail premises took a turn to worse, as once new COVID-wave hit Finland. However, in late August and September clear positive growth was witnessed. The occupier demand in late Q3 was at highest since pre-COVID19. New international brands have opened new stores during the pandemic and are looking to further expand in the Finnish market. This is mainly driven by the increasing Finnish purchasing power and significantly increased private consumption compared to the low activity during spring lockdown. However, no rental movement was observed in prime locations and shopping centres. Grown demand for retail park and big box premises has led to increased rents in multiple sub-markets.

Approximately 21,500 sq.m of new retail premises have been completed YTD 2021. Also, there are currently some 83,000 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).

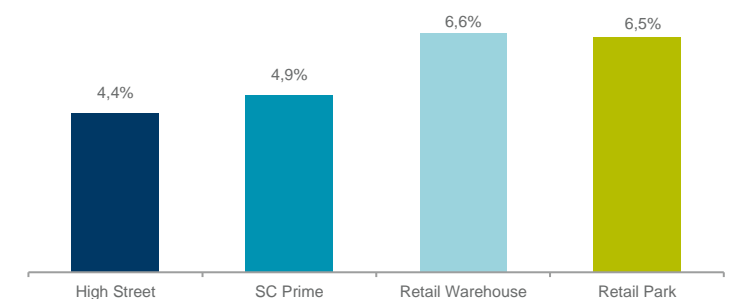
### Outlook

Lifted restrictions for day-to-day life, strong expected domestic tourism and bottled-up private consumption are all expected to contribute to strong results for retailers. Short-term view for the future is more transparent for the retailers and outlook is rather positive.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Kluuvi Shopping Center	Kluuvi, Helsinki	Olivia	n.a.	Lease
Retail park asset in Lahti	Lahti	Lager 157	n.a.	Lease

## KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Kivistö Local Center	Vantaa	Lehto / eQ Commercial Properties	12,000	n.a.
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 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Bredis phase 2	Laajalahti, Espoo	Rusta, Puuilo	7,700	NREP, Lehto
Hertsii	Herttoniemi, Helsinki	Prisma	20,000	Fennia Life, Aktia Life Insurance, Yleisradio Pension Fund / Hartela, YIT

## VILLE SUOMINEN

Director, Valuation & Research

+358 10 836 8455

ville.suominen@cushwake.fi

A CUSHMAN & WAKEFIELD  
RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)