

**-3.5**

Consumer Confidence, December 2021

YoY  
Chg



12-Mo.  
Forecast



**6.7k**

Helsinki Region Population  
Growth, Q1-Q3 2021



**€121**

Prime rent, PSM/m



Source: Statistics Finland,  
Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q4 2021

**0.27%**

GDP Growth, Q-to-Q

YoY  
Chg



12-Mo.  
Forecast



**0.31%**

Private consumption  
Growth, Q-to-Q



**4.3%**

Retail Sales Volume  
Growth, Nov. 2021,  
YoY



Source: Moody's Analytics, Statistics Finland

### Overview

Finnish economy has reached full recovery in output and employment is well ahead of European peers. Thus, the Finnish economy will moderate over the year 2022. After the -2.9% GDP decrease in 2020 the GP grew by 3.5% in 2021. The estimated growth for 2022 is 2.4%. The Finnish economy has been considerably more resilient than predicted throughout 2021. Although, the COVID-19 transmissions have periodically elevated, the performance has exceeded expectations. Consumers will be the main driver of the short-term growth. Employment bounced back to pre-pandemic levels in mid-2021, well before the euro zone average. Through strong rebound in employment and plenty of job openings, the consumer confidence has improved. As the consumer confidence has improved, the retail performance has been strong over the past few quarters.

According to Statistics Finland, consumer confidence stood at -3.5 in December 2021 (September 2021 at 6.0, long-term average at -1.7). In Q3 2021 the total sales in the shopping centers increased by 1.7% compared to Q3 2020 (Finnish Council of Shopping Centers).

### Occupier focus

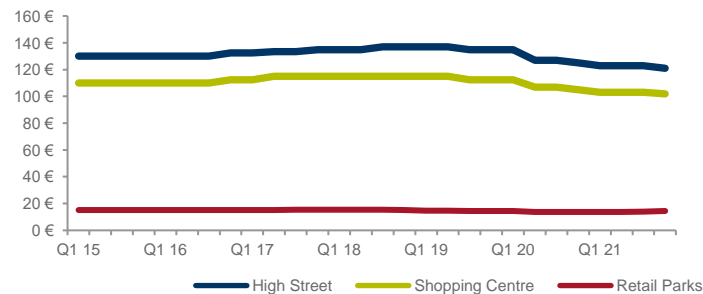
In early Q4, the occupier demand in retail sector continued the high level of growth started in Q3. However, as the covid cases once again increased and the Omicron variant increased the uncertainty, the demand hindered in November/December. In the retail sector the increased uncertainties has led to postponed decision making. On the other hand, there are new international brands looking to enter or further expand their presence in the Finnish market. Uncertainties and lowered demand in the retail market led to minor decrease in the prime rents in high street and shopping centres. However, positive momentum in the retail park and big box segment resulted in prime rents returning to pre-COVID levels.

Approximately 31,500 sq.m of new retail premises was completed 2021. Also, there are currently some 76,000 sq.m of retail premises under construction in the HMA expected to be completed in 2022, with the new Lippulaiva shopping centre in Espoo being the most notable development (44,000sq.m).

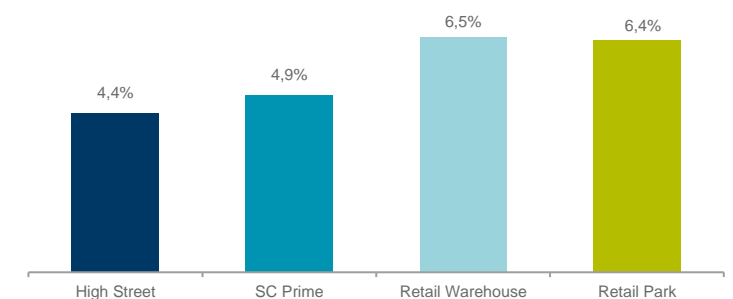
### Outlook

Raised COVID cases and restrictions put retail occupier market on hold in mid Q4, however the outlook is seen rather positive once the restrictions are eased.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## KEY LEASE TRANSACTIONS 2021

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
Retail asset	Helsinki	n.a.	750-1000	Lease
Restaurant premises	Kamppi, Helsinki	n.a.	200-500	Lease

## KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Columbus SC	Helsinki	Citycon / NREP	20,000	106.2
9 retail properties	Multiple	Majalis / Sagax	35,330	47
Ideapark Oulu	Oulu	Alma Property Partners / Erikoissijoitusrahasto UB Pohjoismaiset Liikekiinteistöt	24,000	60

## 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

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