

YoY Chg      12-Mo. Forecast

**3.0%**  
Prime Yield (office)



**€8.3bn**  
Total Volume, Roll. 12m



**€2.2bn**  
Total Volume, 2022 Q1



**€0.65bn**  
Retail Volume, 2022 Q1



**€0.64bn**  
Care Volume, 2022 Q1



Sources: Cushman & Wakefield, KTI

### ECONOMIC INDICATORS Q1 2022

YoY Chg      12-Mo. Forecast

**0.01%**  
GDP growth, Q-to-Q



**6.85%**  
Unemployment Rate



**0.94%**  
10-Yr Gov. Bond



Source: Moody's Analytics, Bank of Finland

### ECONOMIC OVERVIEW:

Economic growth in Finland is expected to slow down more than the euro area in general – and will temporarily fall below potential. However, Finland's economy is not significantly more dependent on Russia compared to many large European economies. The most significant direct effect of the war is the decline in exports to Russia. The war will also hit other Finnish export markets which weakens the total export outlook. Finland's economy is expected to grow 2% this year and 1.6% in 2023. Inflation in 2022 will be at its highest since 1990 – prices are estimated to increase by 5.7% in 2022. Despite the drop in the economic growth, - due to the strong post-pandemic recovery - the outlook for the Finnish economy remains moderate this and next year. (OP Group, Moody's Analytics)

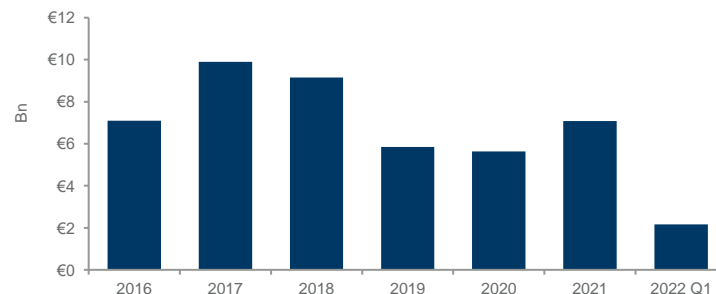
### INVESTMENT OVERVIEW:

In Q1 2022 the total investments were approximately €2.2bn – rolling 12-month investment volume being €8.3bn. This was the third consecutive quarter when transaction volume exceeded EUR 2 billion. The investor demand towards the Finnish property market continued its strong growth in early 2022. The demand towards residential and public use properties continued to be strong. Retail sector was the most traded in Q1, mostly due to the transaction of Stockmann department store in Helsinki CBD. The investor demand towards the industrial and office sectors remains strong, although the investment volume was rather low in Q1 2022. Yield compression was evident in year-end 2021 in multiple sectors and sub-markets, leading to record low yield levels in office, logistics, residential, and public use sectors. Also, the yield levels in retail park/big box segment has beaten the pre-COVID levels.

The most traded sectors in the first quarter of 2022 was retail (30%), healthcare (30%), and residential properties (24%) sectors. The share of international investors was some 44% in 2022 Q1.

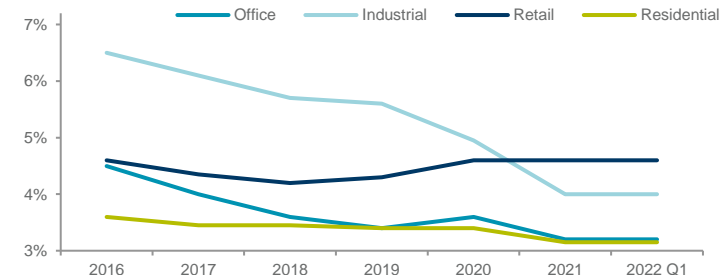
Finnish transaction market has remained active, even though the war in Ukraine has slightly decelerated interest for new market entrants. Through recent completed transactions and ongoing processes, it is evident that capital allocation targets for the Nordics and the Finnish markets are still ambitious for 2022.

### INVESTMENT SALES VOLUME



Source: Cushman & Wakefield, KTI

### PRIME YIELD TREND



Source: Cushman & Wakefield

# MARKETBEAT FINLAND

## Investment Q1 2022



### INVESTMENT ACTIVITY (2022 YTD)

PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office		€174,000,000
Industrial		€109,000,000
Residential		€521,000,000
Retail		€651,000,000
Healthcare		€640,000,000
Other		€76,000,000
<b>TOTAL</b>	<b>63</b>	<b>€2,170,000,000</b>

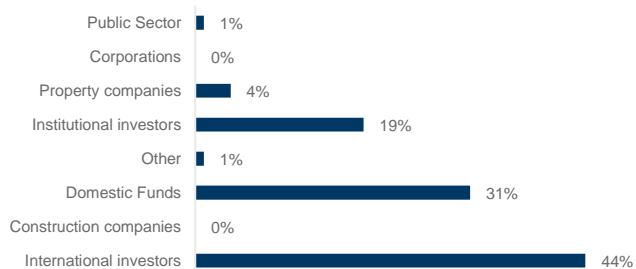
Sources: KTI

### SIGNIFICANT SALES (2022 YTD)

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE	PRICE / UNIT (€/sqm)	MARKET
Espoo Hospital	Healthcare	LähiTapiola	City of Espoo	n.a.	€295,100,000	n.a.	Espoo
43 mixed use properties	Multiple	Nyfosa Finland	Partners Group	222,000	€200,000,000	900	Multiple
1,900 rental apartments	Residential	GIC, Orange Capital Partners (OCP)	Premico, Real estate fund managed by Morgan Stanley Real Estate Investing	112,800	€300,000,000	2,660	Multiple
Stockmann department store property	Retail	Keva	Stockmann Oyj Abp	51,500	€400,000,000	7,770	Helsinki CBD

Sources: KTI, Cushman & Wakefield

### PROFILE OF BUYERS (2021)



Source: KTI

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