

-14.3

Consumer Confidence, June 2022

YoY Chg



12-Mo. Forecast



9.7k

Helsinki Region Population Growth, 2021



€121

Prime rent, PSM/m



Source: Statistics Finland, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q2 2022

0.30%

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



0.41%

Private consumption Growth, Q-to-Q



2.7%

Retail Turnover Growth, May 2022, YoY



Source: Moody's Analytics, Statistics Finland

Overview

Economic growth in Finland was on a healthy level, mostly due to pent-up demand and the recovery of the service sector from the pandemic. However, going forward the high inflation, tightening monetary policy, and slowing export sector will put pressure on the economy. Finland's economy is expected to grow 2% this year and 0.5% in 2023. Inflation in 2022 will be at its highest since 1990 – prices are estimated to increase by 6.4% in 2022. (OP Group, Moody's Analytics)

According to Statistics Finland, consumer confidence stood at -14.3 in March 2022 indicating a lowest consumer confidence (1995-2022). In March 2022 the consumer confidence stood at -10.5 and the long-term average is -1.8. In Q1 2022 the total sales in the shopping centers increased by 8.6% compared to Q1 2021 (Finnish Council of Shopping Centers).

Occupier focus

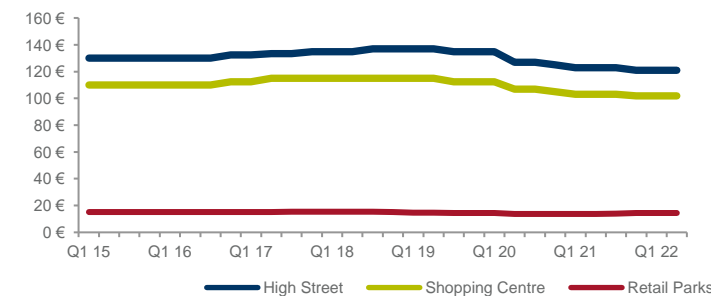
Retail occupier demand has remained strong for the big box type occupiers and F&B sector. The war in Ukraine notably affected the demand towards high street retail premises (brand stores, fashion), as uncertainty related to tourism in Finland increased. Nevertheless, activity in smaller high street premises in the Helsinki CBD has been evident in Q2.

Over 55,000 sq.m of new retail space was completed in H1 2022, with the new Lippulaiva shopping centre in Espoo being the most notable completion (44,000sq.m). There are currently approximately 25,000 sq.m of retail premises under construction in the HMA expected to be completed in 2022.

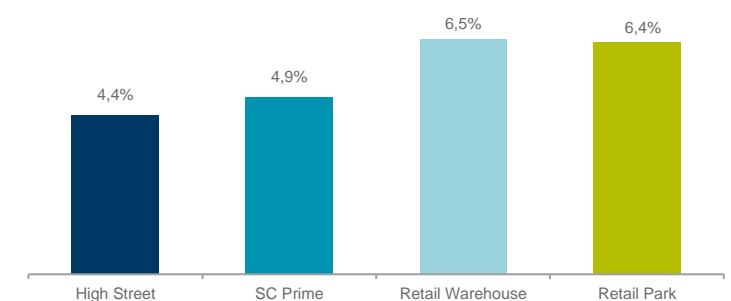
Outlook

The demand in the F&B and big box is expected to remain solid in the short and medium-term. Uncertainties are estimated to continue in the brand store/fashion segments, which will keep the demand scarce towards the high street retail premises.

PRIME RENTS HELSINKI



PRIME YIELDS



KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Mikonkatu 6	CBD, Helsinki	Bastard Burgers	200-500	Lease
Retail premises	CBD, Helsinki	n.a.	200-500	Lease
Restaurant premises	CBD, Helsinki	n.a.	100-200	Lease

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
17 retail properties	Multiple	Elite Finland Value Added Fund II Ky / Erikoissijoitusrahasto LähiTapiola Sijoituskiinteistöt	30,000	50
Suuris Retail Centre	Suurpelto, Espoo	Niam / S-Pankki Toimitila Erikoissijoitusrahasto	4,500	n.a.

KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Lippulaiva SC	Espoonlahti, Espoo	K-Supermarket, Prisma, City of Espoo, Lidl, Tokmanni, Jysk	44,000	Citycon, Citycon

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