

**12.3%**

Vacancy Rate, Q3 2022

YoY Chg



12-Mo. Forecast



**10.0%**

Vacancy rate, Helsinki CBD, Q3 2022



**€39.75**

Prime rent, PSM / month



Source: Helsinki Research Forum, Cushman & Wakefield

## ECONOMIC INDICATORS Q3 2022

**-0.06%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**7.06%**

Unemployment Rate



Source: Moody's Analytics

## Overview

Economic growth in H1 2022 in Finland was on a healthy level, mostly due to pent up demand and the recovery of the service sector from the pandemic, which both continue to support the growth in 2022. However, the risks that Finland falls into recession over the next 12 months are rising. Finland has been seen, however, to be better positioned compared to the rest of euro zone due to diverse industrial structure. Finland's economy is expected to grow 2.5% this year and 0.9% in 2023. (Moody's Analytics)

## Occupier focus

The overall demand for office premises decreased compared to Q2 2022 as the underlying drivers have somewhat changed. While demand continues to be stable for prime offices and premises with strong amenities that bring additional value to employees, demand for secondary assets has slowed down. On the other hand, we have witnessed an increased number of inquiries as the occupiers are tendering their current leases due to the pressure to create cost savings. The high inflation and weakening overall confidence in the short term are driving this activity, but also the low employees' presence in the office and utilisation of the premises, which often leads to downsizing the current footprint.

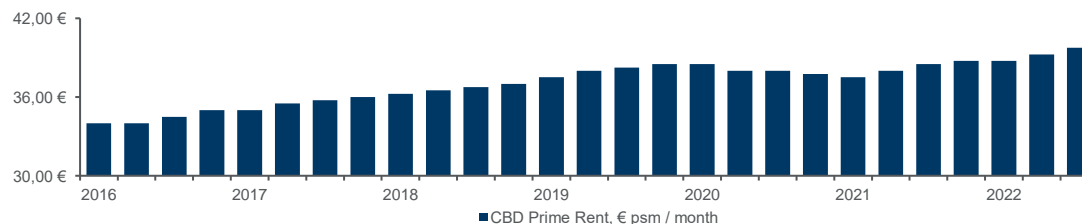
Among the main office submarkets in the Helsinki Metropolitan Area (HMA), Helsinki CBD, Pasila, and Keilaniemi in particular have experienced a good level of interest in Q3. According to the Helsinki Research Forum, the vacancy in the thirteen key office areas in the HMA was 12.3% in Q3 2022. The vacancy increased by 0.9 percentage points compared to the previous quarter – translating to a negative net take-up of 25,143 sq.m. During the first half of 2022, some 6,750 sq.m of new office space was delivered in the HMA. Moreover, there remain around 140,000 sq.m under construction due to be completed in 2022-2024, including projects such as We Land in Ruoholahti, Ilmalan Aura in Pasila/Ilmala, and Nordea Campus extension in Vallila.

## Outlook

The occupiers are adapting differently to the post-COVID era and different ways of working – some only downsize due to low space utilisation as a result of high levels of hybrid work, while others may downsize but invest in premises which attract employees to the office.

In addition, the upcoming rental reviews in this inflationary environment are expected to increase pressure on occupiers and consequently accelerate the trend of scaling down in the search for cost savings when lease events come due.

## CBD PRIME RENT



## MARKET STATISTICS (HMA)

SUBMARKET	OFFICE STOCK (sqm)	AVAILABILITY (sqm), Q3 2022	VACANCY RATE Q3 2022	VACANCY RATE Q2 2022	UNDER CONSTRUCTION (sqm)
CBD	645,897	64,750	10.0%	9.0%	
SBD	672,377	54,622	8.1%	7.2%	19,900
Ruoholahti	341,924	42,341	12.4%	13.3%	21,000
Pasila/Vallila	795,092	82,804	10.4%	7.5%	45,200
Hakaniemi/Kalasadama/Sörnäinen	518,998	63,290	12.2%	13.0%	7,000
Pitäjänmäki	379,653	89,694	23.6%	21.4%	
Keilaniemi/Otaniemi	384,226	56,132	14.6%	14.0%	24,000
Leppävaara	265,633	33,993	12.8%	13.2%	
Aviapolis	188,116	29,221	15.5%	14.2%	
<b>Helsinki Metropolitan Area (studied areas in total)</b>	<b>4,191,916</b>	<b>516,845</b>	<b>12.3%</b>	<b>11.4%</b>	

Source: Helsinki Research Forum, Cushman & Wakefield

## KEY LEASE TRANSACTIONS 2022 YTD

SUBMARKET	TENANT	SQM	TYPE
Helsinki (CBD)	Confidential (IT sector)	3,000-5,000	Lease
Helsinki (Pasila)	Confidential (Health&Beauty industry)	500-1,000	Lease
Espoo (Keilaniemi)	Confidential (Technology)	500-1,000	Lease
Helsinki (Vallila)	Confidential	1,000-3,000	Lease

## KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Alberga Business Park A	Leppävaara, Espoo	Union Investment / eQ Liikekiinteistöt	9,000	n.a.
Ilmalan Aura	Pasila, Helsinki	Hartela Etelä-Suomi Oy / Union Investment	11,500	n.a.
Pasilan Visio	Pasila, Helsinki	Fennia / Swiss Life	19,000	n.a.
Opus Business Park 1	Herttoniemi, Helsinki	Cromwell / Julius Tallberg-Kiinteistöt Oyj	6,821	16.2

## KEY CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Open Innovation House	CBD, Helsinki	Senaatti	6,750	eQ / Senaatti

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