

**-18.3**

Consumer Confidence, Sep. 2022

YoY Chg



12-Mo. Forecast



**9.7k**

Helsinki Region Population Growth, 2021



**€118**

Prime rent, PSM/m



Source: Statistics Finland, Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q3 2022

**-0.06%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**-0.82%**

Private consumption Growth, Q-to-Q



**3.8%**

Retail Turnover Growth, May 2022, YoY



Source: Moody's Analytics, Statistics Finland

### 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)

According to Statistics Finland, consumer confidence stood at -18.3 in September 2022 indicating a lowest consumer confidence (1995-2022). In June 2022 the consumer confidence stood at -14.3 and the long-term average is -1.9.

In Q2 2022 the total sales in the shopping centers increased by 11.0% compared to Q2 2021. Total sales in Q2 2022 surpassed the total sales in Q2 2019 (pre-pandemic) by 4%, however, H1 2022 total sales still 1.6% under the H1 2019 level. (Finnish Council of Shopping Centers)

### Occupier focus

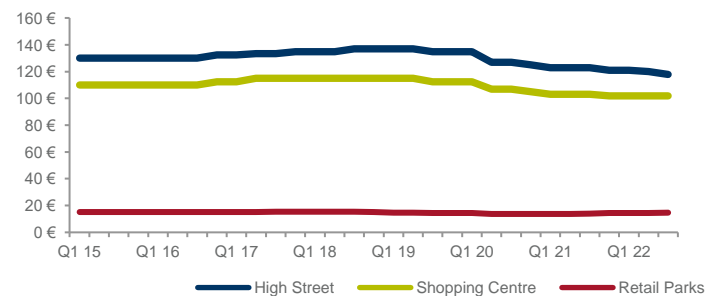
Retail occupier demand has remained active for the retail park and big box type occupiers and F&B sector. Also, after sluggish Q2 the demand towards high street increased in August. However, in September a slow down in the overall demand was witnessed. Occupancy in high street and key shopping centres have improved after the pandemic. However, vacancy remained over the long-term levels in the Helsinki CBD, which took the most severe hit during the pandemic.

Over 60,000 sq.m of new retail space has been completed in 2022 so far, with the new Lippulaiva shopping centre in Espoo being the most notable completion (44,000 sq.m). There are currently approximately 22,000 sq.m of retail premises under construction in the HMA expected to be completed in 2022-2023.

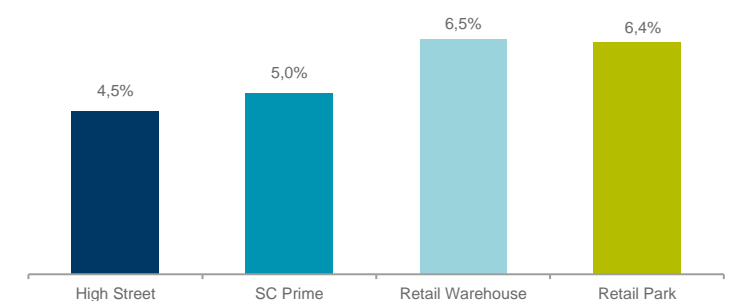
### Outlook

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. Going forward a downward pressure on prime high street rents is expected.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## LEASE TRANSACTIONS Q3 2022

| PROPERTY           | SUBMARKET           | TENANT                  | SQ.M.   | TYPE  |
|--------------------|---------------------|-------------------------|---------|-------|
| Aleksanterinkatu 9 | CBD, Helsinki       | Joe&TheJuice            | 200-500 | Lease |
| F&B premises       | Punavuori, Helsinki | Son of a Punch          | 100-200 | Lease |
| Uudenmaankatu 16   | SBD, Helsinki       | Scandinavian Photo      | 200-500 | Lease |
| Yliopistonkatu     | City centre, Turku  | Akateeminen Kirjakauppa | 500-700 | Lease |

## KEY SALES TRANSACTIONS Q3 2022

| PROPERTY              | SUBMARKET            | SELLER / BUYER | SQ.M.  | PRICE/€mn |
|-----------------------|----------------------|----------------|--------|-----------|
| Shopping Centre Kaari | Kannelmäki, Helsinki | Niam / Keva    | 48,855 | 207       |

## 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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