

# MARKETBEAT FINLAND



## Investment Q4 2022

**3.50%**  
Prime Yield (office)

YoY  
Chg



12-Mo.  
Forecast



**€7.2bn**  
Total Volume, Roll. 12m



**€1.25bn**  
Total Volume, Q4 2022



**€2.1bn**  
Resi. Volume, 2022



**€1.25bn**  
Healthcare Volume, 2022



Sources: Cushman & Wakefield, KTI

### ECONOMIC INDICATORS Q4 2022

**-0.14%**  
GDP growth, Q-to-Q

YoY  
Chg



12-Mo.  
Forecast



**6.76%**  
Unemployment Rate



**3.09%**  
10-Yr Gov. Bond



Source: Moody's Analytics, Bank of Finland

### ECONOMIC OVERVIEW:

According to initial figures, Finland's economy grew by 1.9% in 2022, and is expected to grow 0.6% in 2023. Positive development in 2022 was supported by pent-up demand and the recovery of the service sector from the pandemic in the first half. During the second half, growth turned negative. The H1 2023 is expected to be sluggish in terms of economic growth and positive movement is forecasted only in the second half. Consumer price index is forecasted to be 7.1% in 2022 and to remain above target at 5.4% in 2023. (Moody's Analytics)

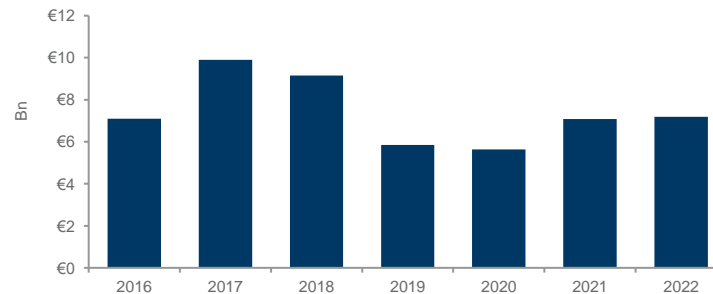
### INVESTMENT OVERVIEW:

In Q4 2022 the total investments were approximately €1.25bn – full year volume being €7.2bn. Thus, historically on a healthy level p.a., but a clear decrease in activity was witnessed during the second half. The most traded sectors in 2022 were residential (29%), healthcare (17%), and retail & industrial (both 16%). The share of international investors was some 48% of the total volume in 2022.

Very volatile interest rate movement and increased cost of debt capital keeps putting all yields under pressure. Investment appetite remains high, as there are major sources of capital to be allocated to the market and Finland still offers returns compared to the Central European markets. Although successful transactions are hard to come by, as the expectations of the buyers and sellers are quite different.

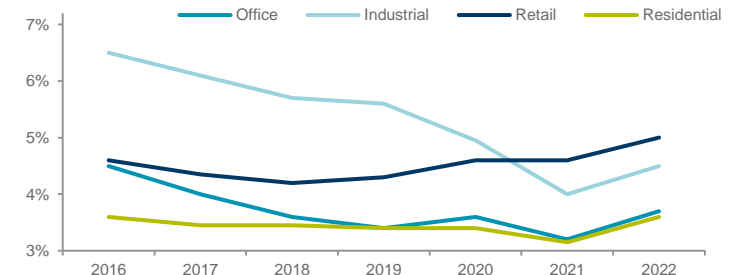
Raised energy costs put pressure on operating costs, whilst it remains unclear whether owners will be able to apply full indexation in all property sectors during 2023 (e.g. residential). This will further put pressure on property values.

### INVESTMENT SALES VOLUME



Source: Cushman & Wakefield, KTI

### PRIME YIELD TREND



Source: Cushman & Wakefield

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## Investment Q4 2022



### INVESTMENT ACTIVITY (2022)

PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office		€1,158,000,000
Industrial		€1,179,000,000
Residential		€2,114,000,000
Retail		€1,179,000,000
Healthcare		€1,250,000,000
Other		€310,000,000
<b>TOTAL</b>	<b>272</b>	<b>€7,190,000,000</b>

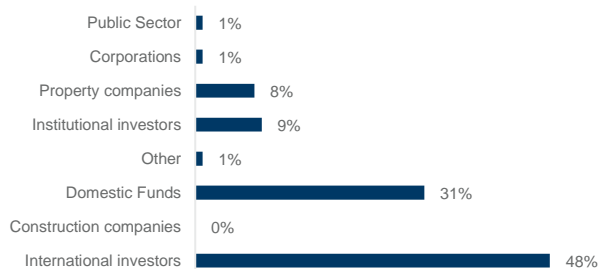
Sources: KTI

### SIGNIFICANT SALES (2022 Q4)

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE	PRICE / UNIT (€/sqm)	MARKET
Public use portfolio (28 assets)	Public use	Kinland	eQ Yhteiskuntakiinteistöt	n.a.	€76,000,000	n.a.	Multiple
Shopping Centre Grani	Retail	NREP	VVT	7,500	n.a.	n.a.	Kauniainen
Eteläesplanadi 2	Office	NREP	Allianz Real Estate	14,500	n.a.	n.a.	Helsinki, CBD
Public use portfolio (13 asset)	Public use	Infranode	City of Jyväskylä	n.a.	€84,000,000	n.a.	Jyväskylä

Sources: KTI, Cushman & Wakefield

### PROFILE OF BUYERS (2022)



Source: KTI

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### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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