

# MARKETBEAT FINLAND



## Investment Q1 2023

**3.75%**

Prime Yield (office)

YoY  
Chg



12-Mo.  
Forecast



**€5.5bn**

Total Volume, Roll. 12m



**€0.41bn**

Total Volume, Q1 2023



**€0.11bn**

Resi. Volume, Q1 2023



**€0.1bn**

Office Volume, 2022



Sources: Cushman & Wakefield, KTI

### ECONOMIC OVERVIEW:

The H1 2023 is expected to be sluggish in terms of economic growth and positive movement is forecasted only in the second half. Finland's economy is expected to grow by 0.2% in 2023. Increased energy prices, high inflation, and the risk of recession have impacted the consumer confidence in Finland. Reduced disposable income has been decreasing private consumption and growth in the private consumption is expected only in H2 2023. Moreover, business confidence has fallen during the recent quarters, which is forecasted to discourage new hiring going forward. However, compared to prior downturns the impact on the labor market is expected to be modest. (Moody's Analytics)

### INVESTMENT OVERVIEW:

In Q1 2023 the total investment volume was approximately €0.41bn. Thus, a clear decrease in activity was seen as the investment volume reduced over 80% compared to Q1 2022. The most traded sectors in the first quarter of 2023 were residential (27%), office (25%), and industrial (23%). The share of international investors was some 37% in Q1 2023, compared to 48% in 2022.

Volatility in the interest rate market continued through the first quarter of 2023 leading to lack of quality product and low activity in the investment market. Investment appetite remains at healthy level, but investor return requirements and seller price expectations are still at a different level.

Outlook for the year going forward is cautiously positive, as SWAP rates have become more stable, and investors start to have a stronger base for investment calculations. Some investors have started acquisitions to be ahead of the curve before the market is expected to open during H2.

### ECONOMIC INDICATORS Q1 2023

**-0.14%**

GDP growth, Q-to-Q

YoY  
Chg



12-Mo.  
Forecast



**6.90%**

Unemployment Rate



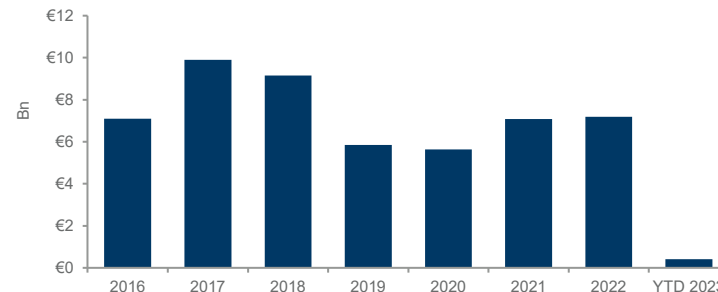
**2.95%**

10-Yr Gov. Bond



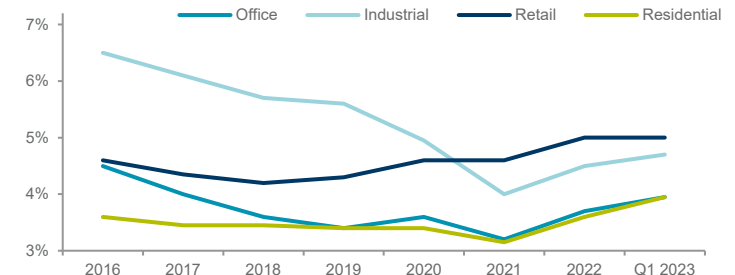
Source: Moody's Analytics, Bank of Finland

### INVESTMENT SALES VOLUME



Source: Cushman & Wakefield, KTI

### PRIME YIELD TREND



Source: Cushman & Wakefield

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## Investment Q1 2023



### INVESTMENT ACTIVITY (YTD 2023)

PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office		€103,000,000
Industrial		€94,000,000
Residential		€109,000,000
Retail		€32,000,000
Healthcare		€22,000,000
Other		€49,000,000
<b>TOTAL</b>	<b>44</b>	<b>€410,000,000</b>

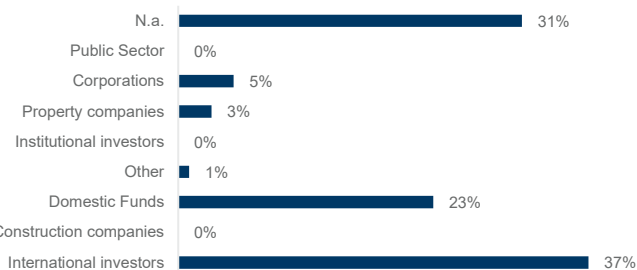
Sources: KTI

### SIGNIFICANT SALES (YTD 2023)

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE	PRICE / UNIT (€/sqm)	MARKET
Kalasadaman Horisontti	Office	Niam	SRV	11,700	n.a.	n.a.	Helsinki, Kalasatama
Logistics property	Industrial	NREP	Alfaroc Logistics	38,000	n.a.	n.a.	Tuusula
Hospital properties	Healthcare	City of Iisalmi	Ylä-Savon SOTE kuntayhtymä	n.a.	22.1	n.a.	Iisalmi

Sources: KTI, Cushman & Wakefield

### PROFILE OF BUYERS (YTD 2023)



Source: KTI

### VILLE SUOMINEN

Head of Valuation

+358 10 836 8455

[ville.suominen@cushwake.fi](mailto:ville.suominen@cushwake.fi)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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