

	YoY Chg	12-Mo. Forecast
<b>1.72%</b> Exports, 2022	▲	▲
<b>4.5%</b> Prime yield, NIY	▲	▲
<b>€10.50</b> Prime rent, PSM/m	▲	▲

Source: Moody's Analytics, Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q1 2023

	YoY Chg	12-Mo. Forecast
<b>-0.14%</b> GDP Growth, Q-to-Q	▲	▲
<b>6.90%</b> Unemployment Rate	▲	▲
<b>1.13%</b> Exports, Q-to-Q	▲	▲

Source: Moody's Analytics

### 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)

After healthy growth in year-end 2021 for the export sector, the exports decreased by 4.1% in Q1 2022 (Q-to-Q). In Q2-Q3 2022 positive movement was witnessed. However, in Q4 2022 exports decreased by 2.2%. The Q4 2021 level is expected to be reached in 2025.

### Occupier focus

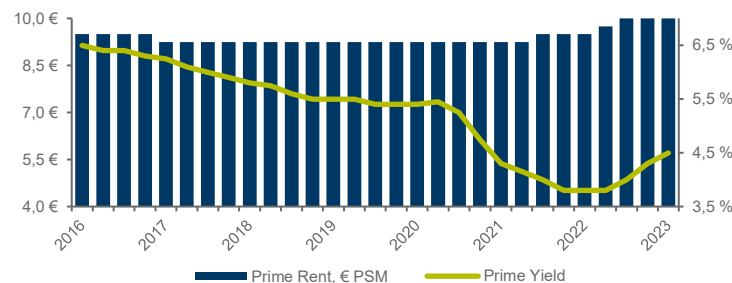
Solid demand for industrial premises has continued in Q1 2023. Due to the strong demand, occupancies are high and an increase in rental levels has been noted in light industrial, warehouse, and logistics premises across multiple submarkets.

In 2022, some 95,000 sq.m of new logistics premises was completed in the Helsinki Region, from which approximately 60,000 sq.m located in the Helsinki Metropolitan area. In Q1 2023, some 6,000 sq.m of new logistics premises were completed in the Helsinki Region. In addition, there are currently over 220,000 sq.m of logistics premises under construction in the Helsinki Region. Largest projects under construction are located in Hyvinkää, Mäntsälä, and Sipoo. The developments are estimated to be completed during 2023-2025. Moreover, some 100,000 sq.m of other industrial space is currently under construction. The developments consist mostly of build-to-suit buildings, although some parts of the premises in developments are built speculatively.

### Outlook

The occupier demand is expected to further improve in selected logistics segments and areas going forward as the e-commerce trend continues going forward. Population growth in the cities is seen to increase the demand for urban services supported by logistics and light industrial properties. Also, increase in transportation costs is seen as a possible driver to further emphasize the micro location of the industrial premises for the occupier. The outlook for the industrial properties is seen to be positive.

### PRIME YIELD & PRIME RENT



MARKETBEAT

# FINLAND

Industrial Q1 2023



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