

**-1.47%**

Exports, 2023 forecast

YoY Chg



12-Mo. Forecast



**4.75%**

Prime yield, NIY



**€10.75**

Prime rent, PSM/m



Source: Moody's Analytics, Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q2 2023

**0.04%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**6.79%**

Unemployment Rate



**0.02%**

Exports, Q-to-Q



Source: Moody's Analytics

### Overview

The Finnish economy is expected to see some accelerated growth in H2 of 2023. The Finnish economy expanded in the first quarter of the year and the annual total GDP growth is expected to land at 1.7% in 2023. Improved conditions in the energy market have lowered prices helping reduce overall inflation which is expected to fall below European Central Bank's 2% target by 2024. The labor market has remained steady through the challenges and as price pressure eases, there is an expected increase in household consumption and consumer confidence in the second half-year. Real investment spending was at its lowest levels in years during Q1 due to increasing interest rates, elevated input costs and uneven global demand. While there is some expected improvement within the variables, business confidence is trending downwards, and growth will be uneven in the near future. (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% and there is some decrease expected in H2 of 2023. The Q4 2021 level is expected to be reached in 2027.

### Occupier focus

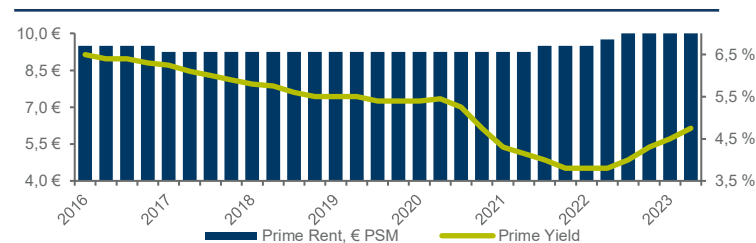
Solid demand for industrial premises has continued in H1 2023. Due to the strong demand, occupancies are high and an increase in rental levels has been noted in light industrial, warehouse, and logistics premises across all primary submarkets.

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 H1 2023, some 30,000 sq.m of new logistics premises were completed in the Helsinki Region. In addition, there are currently over 230,000 sq.m of logistics premises under construction in the Helsinki Region. Largest projects under construction are located in Hyvinkää, Mäntsälä, Tuusula and Sipoo. The developments are estimated to be completed during 2023-2025. Moreover, over 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 stay strong in primary logistics submarkets going forward as the e-commerce trend continues going forward. Especially in Vantaa, and other prime logistics areas in the Helsinki Metropolitan area, the rental growth has been strong due to the scarcity of prime logistics premises and available land. Due to strong demand and scarcity of opportunities, the vacancies are also starting to approach all-time low levels. Furthermore, in the HMA and other large cities, the population growth is seen to increase the demand for urban services supporting the demand for logistics and light industrial premises. The outlook for the industrial and logistics properties in primary locations is seen to be relatively positive despite the challenging market conditions.

### PRIME YIELD & PRIME RENT



## KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Six warehouse and industrial properties	Helsinki, Vantaa	MEKO AB / AB Sagax	39,000	36.50
Logistics property	Vantaa	Fund managed by abrdn / Blackstone	31,200	n.a.
Warehouse and light industrial property	Helsinki	Edita Group Oyj / EAB Value Added Fund III Ky	20,000	n.a.

## LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT/TENANT TYPE	SQ.M.	TYPE
Rykmentinpuisto	Tuusula	Logistics	38,000	Lease
Rahtiraitti	Sipoo	Logistics	15,200	Lease

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