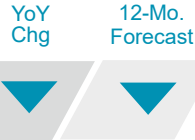


**-1.44%**

Exports, 2023 forecast



**5.00%**

Prime yield, NIY



**€11.00**

Prime rent, PSM/m

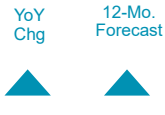


Source: Moody's Analytics, Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q3 2023

**0.50%**

GDP Growth, Q-to-Q



**6.97%**

Unemployment Rate



**-1.34%**

Exports, Q-to-Q



Source: Moody's Analytics

### Overview

According to the data and forecast updated in September, the Finnish economy expanded slightly in H1 2023 due to strong demand in the service sector and increased industrial production. Growth in the latter half of 2023 is set to remain stable and growth for the whole year is forecasted at 0.7%. Inflation has reduced from peak levels mostly due to improved situation in the energy markets and is forecasted to continue reducing in the latter half of 2023 before reaching ECB's 2% target by 2024. Household consumption is expected continue minor growth despite low levels of consumer confidence. The labor market has remained steady throughout the year although unemployment rate is forecasted to increase slightly in late 2023. Interest rates increased in Q3 2023, which has affected investment spending, but ECB's interest rates have likely hit their peak levels. Overall, the short-term market outlook is clouded with uncertainty as multiple sectors notably building and industrial sectors have been struggling recently. (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% which has continued throughout 2023. For 2024 there is minor growth forecasted and the Q4 2021 level is expected to be reached in 2026.

### Occupier focus

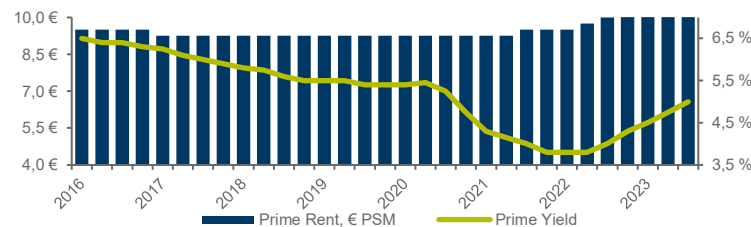
Solid demand for industrial premises has continued in Q3 2023. Due to the strong demand, occupancies are high and an increase in rental levels has been noted in light industrial, warehouse, and logistics premises in the most sought-after submarkets.

YTD 2023, some 40,000 sq.m of new logistics premises has been completed in the Helsinki Region, from which some 10,000 sq.m in Helsinki Metropolitan Area. 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, close to 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 at 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/Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Logistics property	Tuusula	OP Real Estate Asset Management/ VVT Property Fund II Ky	17,000	n.a
Logistics property	Espoo	SLEF / n.a.	9,600	n.a.
Six warehouse and industrial properties	Helsinki, Vantaa	MEKO AB / AB Sagax	39,000	36.50

## LEASE TRANSACTIONS YTD 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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### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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