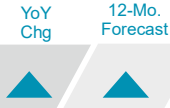


# MARKETBEAT HELSINKI



Office Q2 2024

**14.7%**  
Vacancy Rate, Q2 2024



**13.9%**  
Vacancy rate, Helsinki CBD, Q2 2024



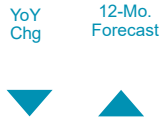
**€41.00**  
Prime rent, PSM / month



Source: Helsinki Research Forum, Cushman & Wakefield

## ECONOMIC INDICATORS Q2 2024

**0.28%**  
GDP Growth, Q-to-Q



**8.03%**  
Unemployment Rate  
2024 forecast



Source: Moody's Analytics

## Overview

In 2023 the Finnish economy decreased moderately but a gradual recovery is expected during 2024 and an estimated GDP growth of 1-2% in 2025. The recovery is driven by an expected increase in the export sector and growth in disposable real incomes that help boost private consumption and consumption demand. The economy has seen minor growth in H1 2024 despite the uncertainty at the start of the year caused by the strikes in multiple sectors. In the labour market increasing layoffs are leading to a rise in unemployment rate in 2024 before a recovery in 2025. Investments have been the weak link in the economy with construction investments decreasing by -8.5% in 2023.

Inflation has continued reducing in early 2024 with 1.5% recorded in May. A temporary spike is expected in August, but inflation should settle at 2% by the end of the year. ECB interest rates were lowered to 3.75% in June as expected and while no further reductions were announced, the markets anticipate 1-2 additional cuts during 2024 which is promising for the recovery of the Finnish economy. (Moody's Analytics)

## Occupier focus

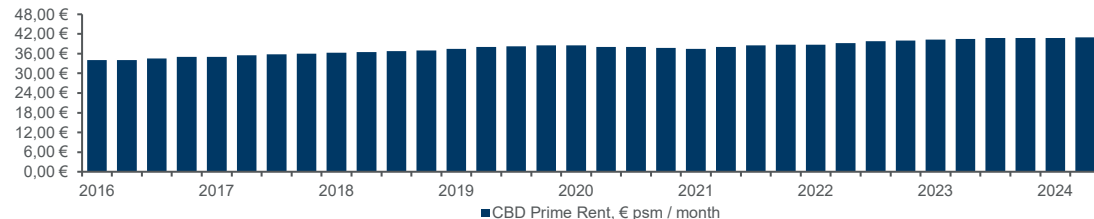
The trend of growing vacancy has slowed down but in 2024 Q2 there was still a small increase in vacancy among the main office submarkets in HMA, while the market is becoming more polarized. The demand for prime offices and premises with strong amenities that bring additional value to employees remains and the rental level for these assets have remained stable, while the demand and rentals levels for secondary assets have seen increased vacancy and lower rental levels in certain submarkets. Long leases and excess space are an issue for some occupiers, which has led to subletting premises to reduce excess space.

According to the Helsinki Research Forum, vacancy in the thirteen key office areas in the HMA was 14.7% in Q2 2024. The vacancy increased by 0.2 percentage points compared to the previous quarter – an increase of approximately 8,700 sq.m q-on-q. Among the main office submarkets in HMA, Hakaniemi and Ruoholahti have experienced a good level of interest in Q2 2024. In Q2 2024, some 39,000 sq.m of new office space was delivered in the HMA. There are close to 110,000 sq.m under construction due to be completed in 2024-2026, including projects such as Nordea Campus extension in Vallila, Signe in Helsinki city centre, and Keilaniemen portti in Keilaniemi.

## Outlook

Outlook for the office occupier demand is visibly more polarizing. Prime offices with strong amenities and building certificates have increasing demand as occupiers focus on premium assets and improving overall ESG performance. The rental level pressure is mainly impacting secondary assets and locations that have seen a noticeable increase in vacancy recently. Occupiers remain hesitant to sign longer duration leases.

## CBD PRIME RENT





## MARKET STATISTICS (HMA)

SUBMARKET	OFFICE STOCK (sqm)	AVAILABILITY (sqm), Q4 2023	VACANCY RATE Q2 2024	VACANCY RATE Q1 2024	UNDER CONSTRUCTION (sqm)
CBD	635,500	88,279	13.9%	14.2%	16,700
SBD	686,185	54,545	7.9%	8.2%	19,900
Ruoholahti	352,847	49,315	13.3%	14.0%	
Pasila/Vallila	848,882	117,374	13.8%	13.5%	14,500
Hakaniemi/Kalasatama/Sörnäinen	523,841	79,539	15.2%	15.0%	10,000
Pitäjänmäki	360,782	96,979	26.9%	27.0%	
Keilaniemi/Otaniemi	377,367	50,302	14.2%	12.1%	23,400
Leppävaara	265,633	47,113	18.9%	17.7%	
Aviapolis	187,815	36,698	19.5%	17.8%	
<b>Helsinki Metropolitan Area (studied areas in total)</b>	<b>4,238,851</b>	<b>626,126</b>	<b>14.7%</b>	<b>14.5%</b>	

Source: Helsinki Research Forum, Cushman & Wakefield

## KEY LEASE TRANSACTIONS H1 2024

SUBMARKET	TENANT	SQM	TYPE
Espoo (Keilaniemi)	Confidential	100-300	Lease
Helsinki (CBD)	Confidential	500-1,000	Lease
Helsinki (Kalasatama)	Confidential	1,000-2,000	Lease
Helsinki (Ruoholahti)	Confidential	2,000-3,000	Lease

## KEY SALES TRANSACTIONS H1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Office property	Vantaa	Cromwell Property Group / Revelon	6,200	n.a.
Office property	Tampere	Sponda Oyj / VVT Property Fund II Ky	13,000	n.a.

## KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Ilmalan Aura	Ilmala, Helsinki	-	11,500	Union Investment / Hartela
We Land	Ruoholahti, Helsinki	Deloitte, Cargotec, Helen	21,000	NCC / NCC
Wood City (phase III)	Jätkäsaari, Helsinki	WithSecure	6,000	Union Investment / SRV

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