



**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>-1.58%</b> Exports, 2024 forecast	▼	▲
<b>5.40%</b> Prime yield, NIY	▲	▼
<b>€11.75</b> Prime rent, PSM/m	▲	▲

Source: Moody's Analytics, Cushman & Wakefield

**ECONOMIC INDICATORS**

	YOY Chg	12-Month Forecast
<b>0.52%</b> GDP Growth, Q-to-Q	▲	▲
<b>8.05%</b> Unemployment Rate 2024 forecast	▲	▼
<b>-2.41%</b> Exports, Q-to-Q	▼	▲

Source: Moody's Analytics

**ECONOMIC OVERVIEW**

The Finnish economy has shown positive signs in 2024, and a gradual recovery is expected in 2025 and 2026, with GDP growth estimated at 1.5-2% for both years. Private consumption and an increase in demand in the export sector are anticipated to be the key drivers of this recovery. ECB interest rates are forecast to continue decreasing, with multiple outlets predicting the ECB rate to settle at 2-2.25% by the end of 2025, easing pressure on multiple sectors, particularly the construction industry, which has been a weak point in the Finnish economy in recent years.

Growth in disposable real income, low inflation, and decreasing interest rates have positively impacted consumer purchasing power and confidence. Although a temporary spike in inflation due to an increase in VAT is expected in the fall, inflation levels should stabilize around 2% by the end of the year. While the labor market has remained subdued and unemployment levels have risen in 2024, the anticipated economic recovery is expected to positively affect the labor market in 2025 and 2026.

After healthy growth in year-end 2021 for the export sector, in 2022 there was up and down movement throughout the year resulting to a slightly decreased export sector which has continued in 2023. The export sector decreased by 4.4% in 2023 due to lower demand and weak development of the global economy. The export sector is expected to recover especially in the later stages of 2024, but the wide-ranging strikes in Finland during early parts of 2024 slowed down the growth in the sector.

**OCCUPIER FOCUS**

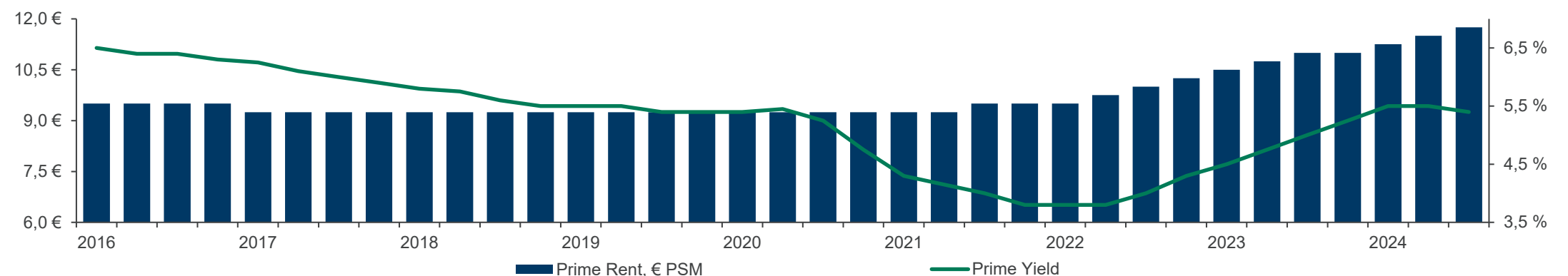
High demand for light industrial and logistics spaces, combined with a shrinking stock of built properties, has driven rents upward in key logistics and industrial locations. Vacancy rates are expected to remain stable at historically low levels.

In YTD 2024, over 100,000 sq.m of new logistics premises has been completed in the Helsinki Region. In addition, there are currently some 210,000 sq.m of logistics premises under construction in the Helsinki Region. Largest projects under construction are located in Hyvinkää, Järvenpää and Tuusula. The developments are estimated to be completed during 2024-2025. Moreover, some 140,000 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**

Going forward, strong demand from occupiers is anticipated to continue in primary logistics submarkets, especially as e-commerce trends persist. In Vantaa and other prime logistics areas in the Helsinki Metropolitan area, rental growth has been notable, driven by a shortage of prime logistics and light industrial premises and available land. Additionally, population growth in the HMA and other large cities is expected to boost the demand for urban services, supporting continued demand for logistics and light industrial premises. The outlook for industrial and logistics properties in primary locations remains positive.

**PRIME YIELD & PRIME RENT**



## KEY SALES TRANSACTIONS Q2/Q3 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
22 Light industrial properties	Espoo, Helsinki, Tampere, Vantaa	Aktiivihallit Ky / Fund managed by Blackstone	133,000	135.00
Two logistics properties	Tuusula	Funds managed by OP / Logian	32,500	n.a.
Logistics property	Vantaa	Fund managed by DEAS Asset management / Logian	25,000	n.a.

## LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT/TENANT TYPE	SQ.M.	TYPE
Hakkila	Vantaa	Logistics	7,600	Lease
Hervanta	Tampere	Logistics	n.a.	Lease
Pirkkala Airport	Pirkkala	Logistics	5,100	Lease

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