



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
1.66% Exports, 2024	▲	▲
5.40% Prime yield, NIY	▲	▼
€12.00 Prime rent, PSM/m	▲	▲

Source: Moody's Analytics, Cushman & Wakefield

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.50% GDP Growth, Q-to-Q	▲	▲
8.27% Unemployment Rate 2024	▲	▼
2.13% Exports, Q-to-Q	▲	▲

Source: Moody's Analytics

ECONOMIC OVERVIEW

While the Finnish GDP decreased by an estimate of 0.5% in 2024, there were signs of growth throughout the year leading to an expected recovery in 2025 and 2026 with GDP growth estimated at 1-2% for both years. The ECB has implemented four interest rate cuts in 2024, with more anticipated in the first half of 2025 as interest rate is expected to settle around 2.25% in 2025, easing the pressure on business investments and households. The decreased interest rates have positively impacted the housing market as the number of sales is approaching normal levels. The pressure on inflation is low, with forecasts of inflation remaining below the ECB target of 2% in 2025 and 2026.

Weak consumer confidence, increased household saving and high levels of unemployment reduced private consumption in 2024, but low inflation, growth in real disposable income and reduced interest rates is expected to boost household consumption and accelerate growth in 2025. Export sector experienced growth in 2024 and the outlook remains positive as European demand should increase, but the impact of possible U.S. tariffs brings uncertainty to the market.

The export sector experienced up and down movement in 2022 and due to lower demand and weak development of the global economy the export sector decreased by 4.4% in 2023. In 2024 the export sector performed steadily despite the wide-ranging strikes early in the year providing uncertainty. In total the export sector experienced minor growth in 2024 with especially ICT services developing robustly and the outlook for 2025 looks positive, although the possible U.S. tariffs have arisen as a main concern.

OCCUPIER FOCUS

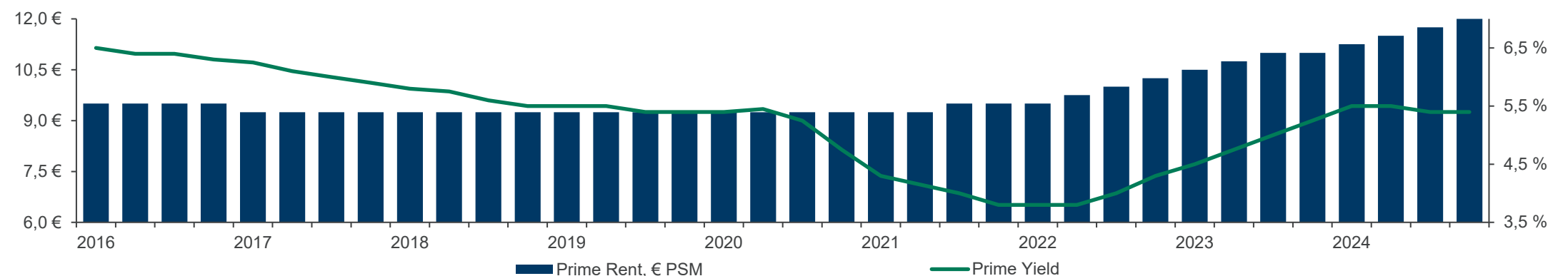
High demand for light industrial and logistics spaces, combined with a shrinking stock of built properties, has driven rents upward in key logistics and industrial locations. Vacancy rates are expected to remain stable and especially modern premises are experiencing low levels of vacancy.

In 2024, approximately 250,000 sq.m of new logistics premises has been completed in the Helsinki Region. In addition, there are currently some 185,000 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 2025-2026. 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

Going forward, strong demand from occupiers is expected to continue in primary logistics submarkets, especially as e-commerce trends persist. In 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 Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Logistics property	Hyvinkää	Savills IM / Swiss Life	47,000	n.a.
Two logistics properties	Vantaa	Nordea / UrbanLight	27,000	n.a.
Logistics property	Vantaa	HUS Group / Ethos	7,850	11.00

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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