

**MARKET FUNDAMENTALS**

|  | YOY Chg | 12-Month Forecast |
|--|---------|-------------------|
| <b>15.4%</b><br>Vacancy Rate               | ▲       | ▲                 |
| <b>15.5%</b><br>Vacancy Rate, Helsinki CBD | ▲       | ▼                 |
| <b>€41.75</b><br>Prime rent, PSM / month   | ▲       | ▲                 |

Source: Helsinki Research Forum, Cushman & Wakefield

**ECONOMIC INDICATORS**

|   | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| <b>0.50%</b><br>GDP Growth Q-to-Q               | ▲       | ▲                 |
| <b>8.27%</b><br>Unemployment Rate 2024 forecast | ▲       | ▼                 |

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.

**OCCUPIER FOCUS**

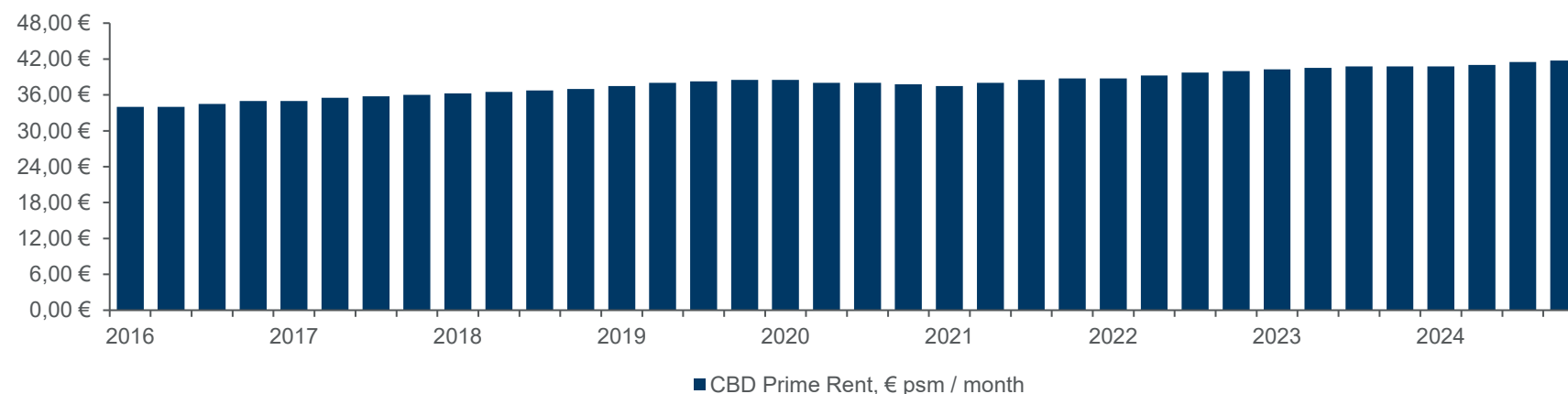
The office market has been challenging in 2024 and in Q4 vacancies among the main office submarkets in HMA continued increasing. Demand for quality premises in prime locations has remained strongest leading to an increase in rental levels in prime assets. However, there is still pressure in rental levels and vacancy in secondary assets and locations. Most occupiers are also looking for ways to increase working from the office and entice employees to use office premises providing a boost in activity in the market in the future.

According to the Helsinki Research Forum, vacancy in the thirteen key office areas in the HMA was 15.4% in Q4 2024. The overall vacancy increased by 0.3 percentage points compared to the previous quarter. Some of the biggest changes are a result of completed renovations adding vacant office space in Sörnäinen and the removal of office space due to renovations in Pasila. In Q4 2024 some 26,200 sq.m of new office space was delivered in the HMA. There are close to 115,000 sq.m under construction due to be completed in 2025-2028, including projects such as Signe in Helsinki city centre, Keilaniemen portti in Keilaniemi, and The Node in Pasila.

**OUTLOOK**

Outlook for the office occupier demand is still polarizing. As occupiers are looking for high quality premises, property owners willing to invest in renovating premises are seeing more demand alongside newly built premises. Occupiers remain hesitant to sign longer duration leases.

**CBD PRIME RENT**



MARKET STATISTICS (HMA)

| SUBMARKET                           | OFFICE STOCK (sqm) | AVAILABILITY (sqm), Q4 2024 | VACANCY RATE Q4 2024 | VACANCY RATE Q3 2024 | UNDER CONSTRUCTION (sqm) |
|-------------------------------------|--------------------|-----------------------------|----------------------|----------------------|--------------------------|
| CBD                                 | 638,896            | 98,747                      | 15.5%                | 13.9%                | 16,700                   |
| SBD                                 | 689,680            | 57,495                      | 8.3%                 | 8.2%                 | 14,160                   |
| Ruoholahti                          | 376,883            | 58,708                      | 15.6%                | 15.1%                |                          |
| Pasila                              | 464,562            | 42,684                      | 9.2%                 | 11.1%                | 43,000                   |
| Vallila                             | 404,140            | 82,492                      | 20.4%                | 21.1%                |                          |
| Hakaniemi                           | 170,586            | 19,461                      | 11.4%                | 9.9%                 |                          |
| Kalasadama                          | 203,673            | 35,309                      | 17.3%                | 16.3%                | 10,000                   |
| Sörnäinen                           | 153,738            | 34,962                      | 22.7%                | 20.0%                |                          |
| Pitäjänmäki                         | 360,782            | 92,039                      | 25.5%                | 26.7%                |                          |
| Keilaniemi                          | 220,632            | 22,306                      | 10.1%                | 8.7%                 | 17,700                   |
| Otaniemi                            | 170,850            | 35,804                      | 21.0%                | 19.0%                | 5,700                    |
| Leppävaara                          | 265,633            | 49,285                      | 18.6%                | 18.8%                |                          |
| Aviapolis                           | 187,815            | 32,356                      | 17.2%                | 18.0%                |                          |
| <b>HMA (studied areas in total)</b> | <b>4,307,870</b>   | <b>661,649</b>              | <b>15.4%</b>         | <b>15.1%</b>         |                          |

Source: Helsinki Research Forum, Cushman & Wakefield

KEY LEASE TRANSACTIONS 2024

| SUBMARKET             | TENANT       | SQM         | TYPE  |
|-----------------------|--------------|-------------|-------|
| Helsinki (SBD)        | Confidential | 1,000-2,000 | Lease |
| Helsinki (CBD)        | Confidential | 500-1,000   | Lease |
| Helsinki (Kalasadama) | Confidential | 1,000-2,000 | Lease |
| Helsinki (Ruoholahti) | Confidential | 2,000-3,000 | Lease |

KEY SALES TRANSACTIONS Q4 2024

| PROPERTY             | SUBMARKET | SELLER / BUYER                             | SQM   | PRICE / €mn |
|----------------------|-----------|--|-------|-------------|
| Fab9 office property | Helsinki  | Fund managed by KanAm Grund group / Colony | 7,597 | n.a.        |
| Office property      | Vantaa    | Conficap Oy / n.a.                         | 5,200 | n.a.        |

KEY CONSTRUCTION COMPLETIONS 2024

| PROPERTY                | SUBMARKET             | MAJOR TENANT              | SQM    | OWNER/DEVELOPER     |
|-------------------------|-----------------------|---------------------------|--------|---------------------|
| Nordea Campus extension | Vallila, Helsinki     | Nordea                    | 14,500 | Pembroke / Pembroke |
| We Land                 | Ruoholahti, Helsinki  | Deloitte, Cargotec, Helen | 21,000 | NCC / NCC           |
| Wood City (phase III)   | Katajanokka, Helsinki | Stora Enso                | 15,000 | Varma / Varma       |

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