

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
-8.6 Consumer confidence, December 2024	▲	▲
26.0k Helsinki Region Population Growth 2023	▲	▲
€102 Prime rent, PSM/m	▬	▲

Source: Statistics Finland, Cushman & Wakefield

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.50% GDP Growth Q-to-Q	▲	▲
0.13% Private Consumption Growth, Q-to-Q	▲	▼
-1.4% Retail Turnover Growth, November 2024 YoY	▼	▲

Source: Moody's Analytics, Statistics Finland

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.

Shopping centres saw a slight decrease in sales in Q3 2024 compared to previous year although on a rolling 12-month period there has been minor growth. Footfall in shopping centres has had stable growth during 2024 with Q3 having a 2.7% increase compared to Q3 2023. (Finnish Council of Shopping Centers)

OCCUPIER FOCUS

The retail occupier sentiment has been challenging in almost all sectors in 2024 as vacancies have continued to increase. The big box sector has faced increased challenges as new tenants are hard to find, especially in smaller regions. Restaurant premises have also seen an increase in vacancies in the later half of 2024. There is still opportunities in the market as brands are looking for new high-quality premises in the Helsinki CBD area.

Approximately 35,500 sq.m of new retail space was completed in 2024 in the Helsinki Metropolitan Area. There are currently some 17,500 sq.m of retail premises under construction in the HMA expected to be completed in 2025-2026.

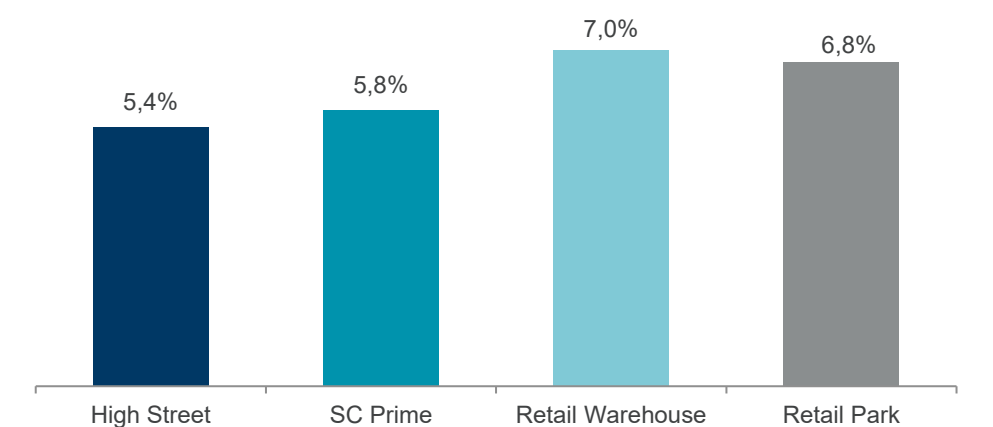
OUTLOOK

Due to uncertainties the rental growth in the retail sector has been stagnant and vacancies have increased in recent quarters. However, the outlook for 2025 is optimistic as falling interest rates and rising disposable income should boost private consumption and the Finnish economy is expected to start a gradual recovery.

PRIME RENTS HELSINKI



PRIME YIELDS



LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT / TENANT TYPE	SQ.M.	TYPE
Aleksanterinkatu	CBD, Helsinki	Fashion	200-500	Lease
Salomonkatu	SBD, Helsinki	Restaurant	200-500	Lease
Yliopistonkatu	CBD, Helsinki	Retail	700-1,000	Lease
Pohjoisesplanadi	CBD, Helsinki	Restaurant	700-1,000	Lease

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Shopping centre Niitty	Espoo	OP / HOK-Elanto	n.a.	n.a.
Two retail properties	Espoo, Salo	eQ / Kesko Oy	19,800	n.a.
Retail Park Vantaanportti	Vantaa	eQ / Tallberg	24,600	n.a.
Retail property	Vantaa	W.P. Carey Inc / Develo	7,200	n.a.

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	OWNER / DEVELOPER
Bigbox asset in Tammisto	Tammisto, Vantaa	Power	7,000	Ilmarinen
Bigbox asset in Espoo	Suomenoja, Espoo	Power	5,900	Broman Group Oy
Bigbox asset in Petikko	Petikko, Vantaa	Wetteri, Autosuni	8,400	Teräselementti Oy

VILLE SUOMINEN

Head of Valuation & Advisory, Finland

Tel: +358 10 836 8455

ville.suominen@cushwake.fi

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.

You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.