

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
16.2% Vacancy Rate	▲	▲
15.4% Vacancy Rate, Helsinki CBD	▲	▼
€42.00 Prime rent, PSM / month	▲	▲

Source: Helsinki Research Forum, Cushman & Wakefield

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.24% GDP Growth Q-to-Q	▲	▲
8.47% Unemployment Rate March 2025	▲	▼

Source: Moody's Analytics

ECONOMIC OVERVIEW

The first months of 2025 showed promising signs of growth, but ongoing tariffs and global economic uncertainty is likely to temporarily stagnate the recovery of Finnish economy during 2025 as estimations of GDP growth for 2025 settle around 1%. The ECB implemented a fifth and sixth rate cut in March and April with one additional cut expected before settling around neutral levels of around 2% in June. Easing credit conditions, rising disposable income and lower savings rates leave households in a more favorable position as private consumption is set to be a reliable contributor to growth in 2025.

Labor market has weakened as unemployment has grown to high levels in 2025 and the expected recovery is delayed to 2026. The export sector is forecast minor growth in 2025 as the strong development of export of services should offset the weak performance and negative impact of the U.S. tariffs on export of goods. The outlook for the export sector is cloudy as there is uncertainty to the development of demand in foreign markets.

OCCUPIER FOCUS

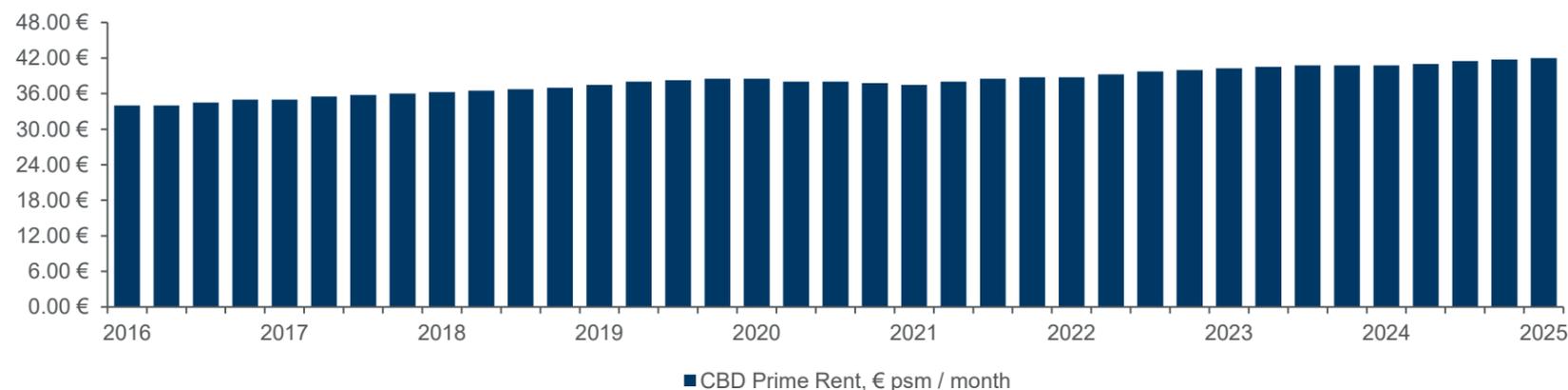
The office market remains challenging as vacancies increased among the main office submarkets in HMA in Q1 2025. There has been a small boost in activity on the market and occupiers are looking for ways to increase working from the office. The market is divided as demand for high quality premises is a priority for occupiers. Rental levels in prime locations have continued rising as mediocre assets are facing downwards pressure. Occupiers and owners' different expectations of tenant improvements is making new tenants hard to acquire without investing into renovating the premises.

According to the Helsinki Research Forum, vacancy in the thirteen key office areas in the HMA was 16.2% in Q1 2025. The overall vacancy increased by 0.5 percentage points compared to the previous quarter. The areas with the biggest change in vacancy were Keilaniemi with a 2.3 percentage points decrease in vacancy and SBD where vacancy increased by 2.95 percentage points. In Q1 2025 some 14,200 sq.m of new office space was delivered in the HMA. There are some 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

The office segment is experiencing a polarization, with strong demand and high expectations in CBD and core markets while secondary office locations and mediocre assets face more challenges. Property owners' willingness to invest in renovating premises is impacting the stability of rental levels and finding new tenants.

CBD PRIME RENT



MARKET STATISTICS (HMA)

SUBMARKET	OFFICE STOCK (sqm)	AVAILABILITY (sqm), Q1 2025	VACANCY RATE Q1 2025	VACANCY RATE Q4 2024	UNDER CONSTRUCTION (sqm)
CBD	638,896	98,586	15.4%	15.3%	16,700
SBD	693,682	83,648	12.1%	9.1%	
Ruoholahti	376,883	61,783	16.4%	15.6%	
Pasila	464,562	41,440	8.9%	9.2%	58,000
Vallila	464,787	93,443	20.1%	21.5%	
Hakaniemi	170,586	22,374	13.1%	11.4%	
Kalasadama	203,673	36,986	18.2%	17.3%	10,000
Sörnäinen	153,738	37,560	24.4%	22.7%	
Pitäjänmäki	360,782	88,144	24.4%	25.5%	
Keilaniemi	220,632	17,211	7.8%	10.1%	17,700
Otaniemi	174,865	37,152	21.2%	21.4%	5,700
Leppävaara	265,633	50,045	18.8%	18.6%	
Aviapolis	187,815	39,356	21.0%	18.4%	
HMA (studied areas in total)	4,376,535	707,727	16.2%	15.7%	

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 2025 Q1

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Office property	Tampere	Sponda / Tahoma	14,600	n.a.
Office property	Helsinki	Avain Yhtiöt / A. Ahlström	2,500	n.a.

KEY CONSTRUCTION COMPLETIONS 2024 / 2025 Q1

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER/DEVELOPER
Fabianinkatu 2	SBD, Helsinki	SUPO	14,160	Senaatti / Senaatti
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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