

	YoY Chg	12-Mo. Forecast
1.7% Exports, 2021 Forecast	▲	▲
4.15% Prime yield, NIY	▼	▼
€9.25 Prime rent, PSM/m	▬	▬

Source: Moody's Analytics, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
1.35% GDP Growth, Q-to-Q	▲	▲
7.7% Unemployment Rate	▼	▲
1.09% Exports, Q-to-Q	▲	▲

Source: Moody's Analytics

Overview

Finnish economy has hit a minor slowdown at the start of 2021 after already recovering towards the end of last the year. The modest recovery is set to continue in the second half of 2021. The spring lockdowns were a success and sent covid-19 cases into a steep decline while vaccination rollout accelerated. GDP decreased -2.7% in 2020 and is set to grow 2.7% in 2021 and 2.4% in 2022. Together with GDP, CPI is set to accelerate in H2 but to remain below 2%. Finland has navigated well through the pandemic, but the economy is not completely in the clear yet. Low infection rates have allowed Finland to remain mostly open without major lockdowns or harsh restrictions. A significant contribution to GDP growth will be attributed to private consumption, improved consumer sentiment and a release of held back demand. Exports are projected to continue to lag as the rest of the economy moves forward. Finland is forecast to be a net importer for the foreseeable future with help from a strong euro, which will continue to gain ground on the dollar for the next few years.

Occupier focus

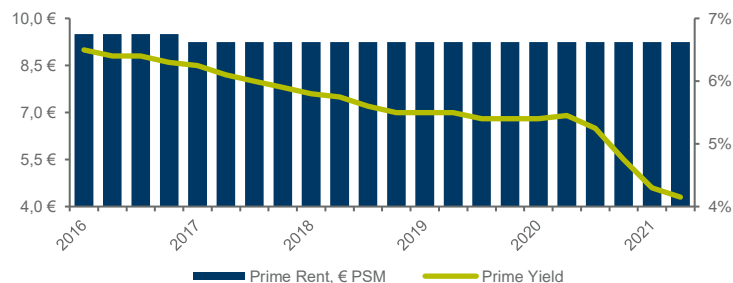
Occupier market in the industrial and the logistics sectors remained mainly stable and unchanged during 2020. As the Finnish economy overall, the industrial operators in general survived the pandemic relatively unscathed. During the first half of 2021, occupier demand for industrial premises have gained some momentum, however, there was no evidence of prime rent level movement.

In 2021 so far, some 10,000 sq.m of new logistics premises were completed in the Helsinki Metropolitan Area. In addition, there are currently some 60,000 sq.m of logistics premises under construction in Vantaa. The developments are estimated to be completed during 2021 and 2022. The developments consist mostly of build-to-suit buildings, although some parts of the premises in developments are built speculatively.

Outlook

Export driven businesses might still face challenges due to the pandemic although the economy in general is starting to gain momentum during H2 2021. On the other hand, the occupier demand is expected to further improve in selected logistics segments and areas going forward as the consumers have been forced to get accustomed to e-commerce even for grocery shopping. The individual operators, often occupying the properties alone, might experience the remaining COVID-19 related challenges rather differently. Still, the outlook for the industrial properties can be seen as warily positive.

PRIME YIELD & PRIME RENT



MARKETBEAT

FINLAND

Industrial Q2 2021



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