

13.7%

Vacancy Rate, Q4 2021

YoY
Chg

12-Mo.
Forecast



11.8%

Vacancy rate, Helsinki CBD, Q4 2021



€38.75

Prime rent, PSM / month



Source: HelsinkiResearchForum, Cushman & Wakefield

ECONOMIC INDICATORS Q4 2021

0.27%

GDP Growth, Q-to-Q

YoY
Chg

12-Mo.
Forecast



7.0%

Unemployment Rate



Source: Moody's Analytics

Overview

Finnish economy has reached full recovery in output and employment is well ahead of European peers. Thus, the Finnish economy will moderate over the year 2022. After the -2.9% GDP decrease in 2020 the GP grew by 3.5% in 2021. The estimated growth for 2022 is 2.4%.

The Finnish economy has been considerably more resilience than predicted throughout 2021. Although, the COVID-19 transmissions have periodically elevated, the performance has exceeded expectations. Consumers will be the main driver of the short-term growth. Employment bounced back to pre-pandemic levels in mid-2021, well before the euro zone average.

Occupier focus

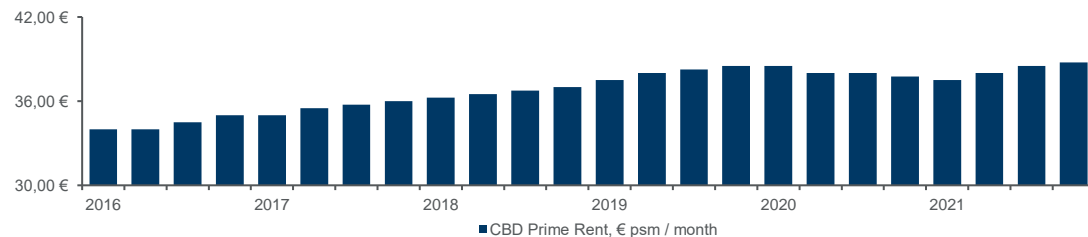
In early Q4, the occupier demand in office sector continued the good level of growth started in Q3. However, as the covid cases once again increased and the Omicron variant increased the uncertainty, the demand hindered in November and December. However, in the office sector the decrease in demand was more subtle compared to earlier waves/lock down periods. Healthy demand has led to prime rent to keep growing and exceeding the pre-COVID levels. There are still uncertainty of the future office occupancy trends. In the office occupier market the demand is towards modern premises, and premises which brings additional value to the employees of the company. Moreover, flexibility in the lease terms are sought after.

According to the Helsinki Research Forum, the vacancy in the twelve key office areas in the Helsinki Metropolitan Area (HMA) was 13.7% in Q4 2021. In 2021 some 44,000 sq.m of new office premises were completed in the HMA. There is currently some 95,000 sq.m under construction in the HMA due to be completed in 2021-2024.

Outlook

The expectations for occupier demand in the short-term is good. It is fairly certain that remote working will remain at a higher level compared to pre-COVID time, but on the other hand companies will most likely make changes to their office concepts, making them healthier and capable to adopt in a potential new respiratory tract infection situation. Therefore, it still remains uncertain, what will the total effect on office demand be in the "new normal".

CBD PRIME RENT





MARKET STATISTICS (HMA)

SUBMARKET	OFFICE STOCK (sqm)	AVAILABILITY (sqm), Q4 2021	VACANCY RATE Q4 2021	VACANCY RATE Q3 2021	UNDER CONSTRUCTION (sqm)
CBD	643,572	75,741	11.8%	11.0%	
Ruoholahti	347,637	57,736	16.6%	15.0%	21,000
Pasila/Vallila	819,914	72,201	8.8%	8.8%	26,400
Hakaniemi/Kalasadama/Sörnäinen	507,217	60,001	11.8%	11.5%	
Pitäjänmäki	390,814	102,643	26.3%	24.4%	
Keilaniemi/Otaniemi	345,080	48,014	13.9%	10.8%	21,000
Leppävaara	265,761	34,045	12.8%	14.2%	
Aviapolis	188,116	29,815	15.8%	13.4%	
Helsinki Metropolitan Area (studied areas in total)	3,508,115	480,194	13.7%	12.8%	

Source: Helsinki Research Forum, Cushman & Wakefield

KEY LEASE TRANSACTIONS 2021

SUBMARKET	TENANT	SQM	TYPE
Espoo (Leppävaara)	Confidential	3,000-5,000	Lease renewal
Helsinki (Meilahti)	Confidential	3,000-5,000	Lease renewal
Vantaa (Aviapolis)	Confidential	500-1,000	Lease renewal
Helsinki (Käpylä)	Confidential	1,000-3,000	Lease

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Fredriksberg D	Helsinki	NCC Property Development / Fund managed by abrdn	8,500	75
IVH Kampus Ky	Jyväskylä, Lappeenranta	Investors House, Private investors / Brunswick Real Estate, Nyfosa	46,000	56.3
Metso Outotec Office Campus	Espoo	Union Investment / Corum Eurion	14,376	n.a.

KEY CONSTRUCTION COMPLETIONS Q4 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Keilaniemi Next	Espoo	Fiskars	9,500	Warburg HIH / NCC

VILLE SUOMINEN

Director, Valuation & Research

+358 10 836 8455

ville.suominen@cushwake.fi

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