

11.93%

Exports, 2022 Forecast

YoY Chg



12-Mo. Forecast



3.8%

Prime yield, NIY



€9.5

Prime rent, PSM/m



Source: Moody's Analytics, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q1 2022

0.01%

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



6.85%

Unemployment Rate



2.33%

Exports, Q-to-Q



Source: Moody's Analytics

Overview

Economic growth in Finland is expected to slow down more than the euro area in general – and will temporarily fall below potential. However, Finland 's economy is not significantly more dependent on Russia compared to many large European economies. The most significant direct effect of the war is the decline in exports to Russia. The war will also hit other Finnish export markets which weakens the total export outlook. Finland's economy is expected to grow 2% this year and 1.6% in 2023. Inflation in 2022 will be at its highest since 1990 – prices are estimated to increase by 5.7% in 2022. Despite the drop in the economic growth, - due to the strong post-pandemic recovery - the outlook for the Finnish economy remains moderate this and next year. (OP Group, Moody's Analytics)

After a decrease of 7.5% in 2020 and a sluggish start for 2021, the exports increased by 4.2% in 2021. With the bounce back after the pandemic in H2 2021, further growth is expected in 2022.

Occupier focus

As the Finnish economy overall, the industrial operators in general survived the pandemic relatively unscathed. In 2021, occupier demand for industrial premises have gained momentum, leading to increase in prime rents in H2 2021. The demand towards light industrial, warehouse, and logistics premises has further increased during the first quarter of 2022. An increase in rental levels in multiple segments and submarkets is forecasted in the short and medium-term.

In 2021, some 30,000 sq.m of new logistics premises were completed in the Helsinki Metropolitan Area. In addition, there are currently some 50,000 sq.m of logistics premises under construction in Vantaa. The developments are estimated to be completed during 2022. The developments consist mostly of build-to-suit buildings, although some parts of the premises in developments are built speculatively. Moreover, more than 50,000 sq.m of other industrial space (namely warehouse, light industrial, data center) is currently under construction in the HMA.

Outlook

The occupier demand is expected to further improve in selected logistics segments and areas going forward as the e-commerce trend continues going forward. Increase in transportation costs is seen as a possible driver to further emphasize the micro location of the industrial premises for the user. The outlook for the industrial properties is seen to be positive.

PRIME YIELD & PRIME RENT



MARKETBEAT

FINLAND

Industrial Q1 2022



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