

YoY Chg 12-Mo. Forecast

-10.5

Consumer Confidence, March 2022



9.7k

Helsinki Region Population Growth, 2021



€121

Prime rent, PSM/m



Source: Statistics Finland, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

0.01%

GDP Growth, Q-to-Q



-1.03%

Private consumption Growth, Q-to-Q



3.2%

Retail Turnover Growth, Feb. 2022, YoY



Source: Moody's Analytics, Statistics Finland

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)

According to Statistics Finland, consumer confidence stood at -10.5 in March 2022 (December 2021 at -3.5, long-term average at -1.7). In 2021 the total sales in the shopping centers increased by 5.2% compared to 2020 (Finnish Council of Shopping Centers).

Occupier focus

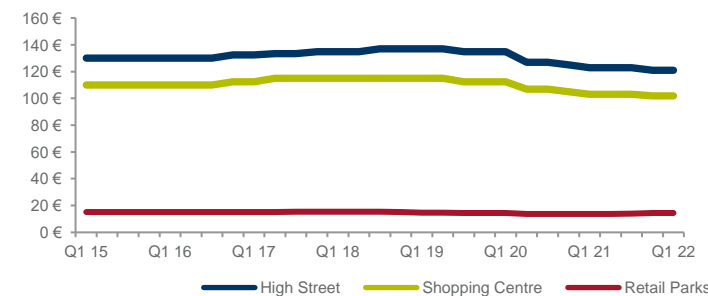
In January, the number of COVID-19 (Omicron) cases increased and slowed down the demand in the retail sector. Occupier activity is on a healthy level for the big box type occupiers and in the F&B sector. The war in Ukraine notably affected the demand towards high street retail premises (brand stores, fashion), as uncertainty related to tourism in Finland increased.

Approximately 50,000 sq.m of new retail space was completed Q1 2022, with the new Lippulaiva shopping centre in Espoo being the most notable completion (44,000sq.m). There are currently over 25,000 sq.m of retail premises under construction in the HMA expected to be completed in 2022.

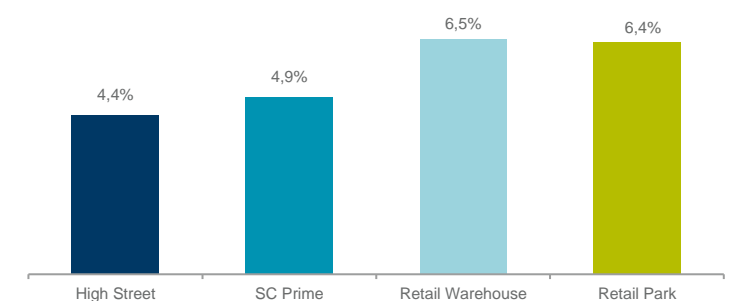
Outlook

The demand in the F&B and big box is expected to remain solid in the short and medium-term. Uncertainties are estimated to continue in the brand store/fashion segments, which will keep the demand scarce towards the high street retail premises.

PRIME RENTS HELSINKI



PRIME YIELDS



KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	SQ.M.	TYPE
Restaurant premises	SBD, Helsinki	n.a.	500-750	Lease
Retail premises	Pasila, Helsinki	n.a.	500-750	Lease
Restaurant premises	CBD, Helsinki	n.a.	200-500	Lease
Restaurant premises	CBD, Helsinki	n.a.	200-500	Lease

KEY SALES TRANSACTIONS 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Entresse SC	Espoo	Fund managed by Barings Real Estate Advisers / eQ Liikekiinteistöt	n.a.	n.a.
Stockmann Department Store	CBD, Helsinki	Stockmann / Keva	51,500	400
Four commercial properties	Vaasa	WasaGroup Fund I, WasaGroup Fund III / Serena Properties AB	32,000	n.a.

KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	OWNER / DEVELOPER
Lippulaiva SC	Espoonlahti, Espoo	K-Supermarket, Prisma, City of Espoo, Lidl, Tokmanni, Jysk	44,000	Citycon, Citycon

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