

5.30%
Exports, 2022 Forecast



3.8%
Prime yield, NIY



€9.5
Prime rent, PSM/m



Source: Moody's Analytics, Cushman & Wakefield

FINLAND ECONOMIC INDICATORS Q2 2022

0.30%
GDP Growth, Q-to-Q



6.12%
Unemployment Rate



6.16%
Exports, Q-to-Q



Source: Moody's Analytics

Overview

Economic growth in Finland was on a healthy level, mostly due to pent-up demand and the recovery of the service sector from the pandemic. However, going forward the high inflation, tightening monetary policy, and slowing export sector will put pressure on the economy. Finland's economy is expected to grow 2% this year and 0.5% in 2023. Inflation in 2022 will be at its highest since 1990 – prices are estimated to increase by 6.4% in 2022. (OP Group, Moody's Analytics)

After a healthy growth in year-end 2021 for the export sector, the exports decreased by -9.8% in Q1 2022 (Q-toQ). In Q2 2022 the exports increased by 6.16% and the Q4 2021 level is expected to be reached by the year-end 2022.

Occupier focus

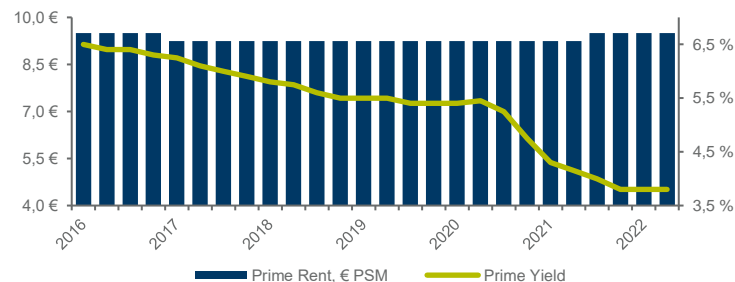
As the Finnish economy overall, the industrial operators in general survived the pandemic relatively unscathed. In 2021, occupier demand for industrial premises have gained momentum, leading to increase in prime rents in H2 2021. The demand towards light industrial, warehouse, and logistics premises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

In H1 2022, some 10,000 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, approximately 20,000 sq.m of other industrial space was completed in H1 2022 in the HMA, and some 50,000 sq.m of other industrial space 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 Q2 2022



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