



Source: HelsinkiResearchForum, Cushman & Wakefield

ECONOMIC INDICATORS Q2 2022



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)

Occupier focus

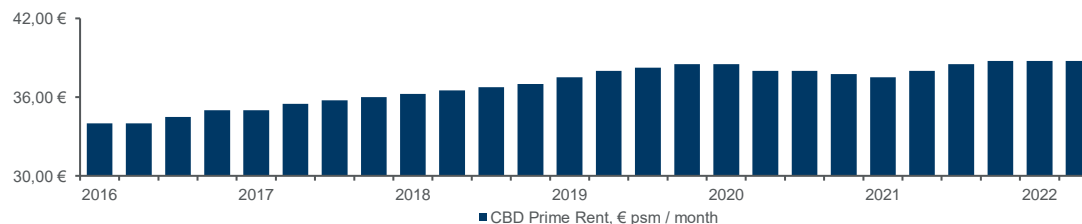
The demand for office premises has remained on a healthy level after the easing of COVID-19 related restrictions in Q1. The demand continues for class A premises, and for space which brings additional value to employees, such as those with strong amenities. Moreover, flexibility in the lease terms is sought after. For class B premises the demand is scarce. During the pandemic the demand for larger office (+2,000 sq.m) premises has been more subtle, however in H1 2022 we have seen increased activity in larger occupiers as well. Out of the key office locations in the HMA especially CBD, Pasila, and Keilaniemi has seen increased activity in Q2.

According to the Helsinki Research Forum, the vacancy in the thirteen key office areas in the Helsinki Metropolitan Area (HMA) was 11.5% in Q2 2022. The vacancy decreased by 0.6%-point compared to Q1 2022 – a net take-up of 30,157 sq.m. In H1 2022 some 20,000 sq.m of new office premises were completed in the HMA. Moreover, there is currently over 140,000 sq.m under construction in the HMA due to be completed in 2022-2024, consisting for instance We Land in Ruoholahti, Ilmalan Aura in Pasila/Ilmala, and Nordea Campus extension in Vallila.

Outlook

The expectations for occupier demand in the short-term is good. The occupiers are seen to adapt differently to the post-COVID time: some occupiers downsize due to hybrid working continuing at high rate, and others invest to premises which brings additional value and adapts to different ways of working at the office (increased number of online meetings, etc.).

CBD PRIME RENT





MARKET STATISTICS (HMA)

SUBMARKET	OFFICE STOCK (sqm)	AVAILABILITY (sqm), Q1 2022	VACANCY RATE Q2 2022	VACANCY RATE Q1 2022	UNDER CONSTRUCTION (sqm)
CBD	645,897	57,862	9.0%	10.6%	
SBD	659,577	47,810	7.2%	7.5%	19,900
Ruoholahti	347,637	45,353	13.0%	13.3%	21,000
Pasila/Vallila	790,592	64,054	8.1%	8.5%	48,400
Hakaniemi/Kalasadama/Sörnäinen	518,998	67,483	13.0%	12.3%	7,000
Pitäjänmäki	379,653	81,379	21.4%	24.0%	
Keilaniemi/Otaniemi	384,226	53,896	14.0%	13.9%	30,800
Leppävaara	265,633	35,145	13.2%	13.4%	
Aviapolis	188,116	26,622	14.2%	17.0%	
Helsinki Metropolitan Area (studied areas in total)	4,180,329	479,604	11.5%	12.1%	

Source: Helsinki Research Forum, Cushman & Wakefield

KEY LEASE TRANSACTIONS 2022 Q2

SUBMARKET	TENANT	SQM	TYPE
Helsinki (CBD)	Confidential (IT sector)	3,000-5,000	Lease
Helsinki (Pasila)	Confidential (Health&Beauty industry)	500-1,000	Lease
Espoo (Keilaniemi)	Confidential (Technology)	500-1,000	Lease
Helsinki (Ruoholahti)	Confidential	300-500	Lease

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE / €mn
Fab9	CBD, Helsinki	Genesta / KanAm Grund Group	7,600	n.a.
Bulevardi 21	SBD, Helsinki	Genesta / NREP	10,100	n.a.
Four office properties	Helsinki	Cromwell Property Group, Goldman Sachs Asset Management / CapMan	35,000	n.a.
HQ office property	Jätkäsaari, Helsinki	SRV / Union Investment Real Estate	6,036	58

KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Mikonkatu 7 (redevelopment)	CBD, Helsinki	DEAS	6,000	Ilmarinen / Ilmarinen

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