

**-10.8**

Consumer Confidence, March 2023

YoY Chg



12-Mo. Forecast



**15.3k**

Helsinki Region Population Growth, 2022



**€108**

Prime rent, PSM/m



Source: Statistics Finland, Cushman & Wakefield

### FINLAND ECONOMIC INDICATORS Q1 2023

**-0.14%**

GDP Growth, Q-to-Q

YoY Chg



12-Mo. Forecast



**-0.78%**

Private consumption Growth, Q-to-Q



**3.7%**

Retail Turnover Growth, Feb. 2023, YoY



Source: Moody's Analytics, Statistics Finland

### Overview

The H1 2023 is expected to be sluggish in terms of economic growth and positive movement is forecasted only in the second half. Finland's economy is expected to grow by 0.2% in 2023. Increased energy prices, high inflation, and the risk of recession have impacted the consumer confidence in Finland. Reduced disposable income has been decreasing private consumption and growth in the private consumption is expected only in H2 2023. Moreover, business confidence has fallen during the recent quarters, which is forecasted to discourage new hiring going forward. However, compared to prior downturns the impact on the labor market is expected to be modest. (Moody's Analytics)

According to Statistics Finland, consumer confidence stood at -10.8 in March 2023, while in December 2022 the consumer confidence was -18.5 (the long-term average is -2.2).

The total sales in shopping centres continued to grow modestly in Q4 2022 – the total sales in Q4 were 3.9% higher than in Q4 2021. (Finnish Council of Shopping Centers)

### Occupier focus

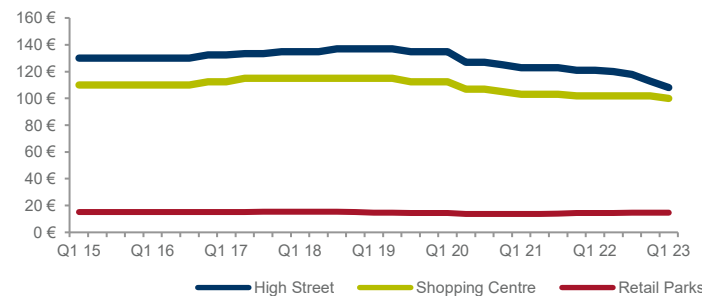
In the retail sector, the activity remains good in the food and beverage (F&B) sector, however more cautiousness has been evident compared to 2022. As international tourism and office visit frequency are still behind pre-COVID numbers, the high street demand remains low, and the pressure for rent levels, especially in large units occupied by e.g., fashion retailers, has pushed prime rents further down in Q1 2023. The demand towards retail park and big boxes remained good in the first quarter of 2023.

Over 60,000 sq.m of new retail space was completed in 2022 in the Helsinki Metropolitan Area, with the new Lippulaiva SC accounting for 44,000 sq.m of the total completions. In Q1 2023, below 3,000 sq.m of new retail premises were completed. There are currently only some 30,000 sq.m of retail premises under construction in the HMA expected to be completed in 2023-2024.

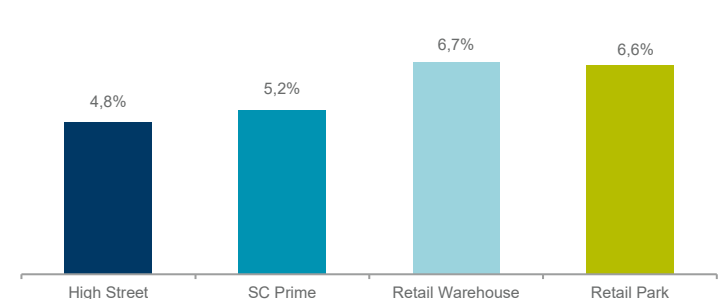
### Outlook

The demand in the big box sector 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. Going forward a downward pressure on prime high street rents is expected to continue.

### PRIME RENTS HELSINKI



### PRIME YIELDS



## LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT/TENANT TYPE	SQ.M.	TYPE
Eteläesplanadi	CBD, Helsinki	Restaurant	500-700	Lease
Telakkakatu	SBD, Helsinki	Restaurant	200-500	Lease
Arkadiankatu	SBD, Helsinki	Restaurant	200-500	Lease

## KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M.	PRICE/€mn
Two retail properties	Imatra, Kouvola	Corum XL / n.a.	n.a.	12.1
Big box retail property	Oulu	Euro Motor Center / Erikoissijoitusrahasto Evli Logistiikkakiinteistöt	3,300	n.a.
Big box retail property	Lieto	Tekova Oy / Innovestor Oy	3,200	n.a.

## KEY CONSTRUCTION COMPLETIONS 2022 / 2023

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

## VILLE SUOMINEN

Head of Valuation

+358 10 836 8455

ville.suominen@cushwake.fi

**A CUSHMAN & WAKEFIELD  
RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services.

*©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.*

cushmanwakefield.com