



**FINLAND
INDUSTRIAL &
LOGISTICS MARKET**

Q1/2021

CBRE RESEARCH

**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

INDUSTRIAL & LOGISTICS MARKET KEY FIGURES IN Q1 2021

STRONG APPETITE FOR I&L CONTINUES

Lack of investable product continued to limit the investment volumes and the number of transactions remained low in the first quarter of 2021. In spite of this, the share of I&L transactions from the total volume (20%) was higher than the 10-year average of 12%. The trailing twelve month I&L volume was equal to the total I&L investment volume (€0.6 billion) in 2020, demonstrating strong liquidity towards the sector.

Due to the limited stock and development pipeline, the demand for prime investment grade industrial properties highly exceeds the supply. As the vacancy rates in the modern stock are low and the occupier demand is high, the outlook points even further towards compressing yields. The prime I&L yield has contracted to a record low of 4.15%.

One of the largest transactions in the first quarter of 2021 was HKScan's sale and leaseback of their food production facility in Vantaa to AB Sagax for €77 million.

Investment Volume

€0.6bn TTM

▲ +2% (Y-o-Y %)

€0.22bn Q1/2021

▲ +1% (Y-o-Y %)



SALE AND LEASEBACK OF HKSCAN FOOD PRODUCTION FACILITY

Sales price: €77 million

Date: 2/2021

Buyer: AB Sagax

Seller: HKScan

Area: 51,000 sq m

Location: Vantaa

SALE OF 5 LIGHT INDUSTRIAL PROPERTIES IN 4 CITIES

Sales price: €11.6 million

Date: 3/2021

Buyer: EAB Group

Seller: Cromwell

Area: 20,000 sq m

Location: Helsinki, Espoo, Tampere and Oulu

Key Figures Q1 2021



Cross-border investments

83%

▲ 64% (5-year avg.)



Share of total volume

20%

▲ 12% (10-year avg.)



Number of transactions

12

▼ 16 (5-year quarterly avg.)



Prime yield

4.15%

▼ 10 bps vs. Q4 2020

Source: CBRE Research

INDUSTRIAL & LOGISTICS MARKET KEY FIGURES IN Q1 2021

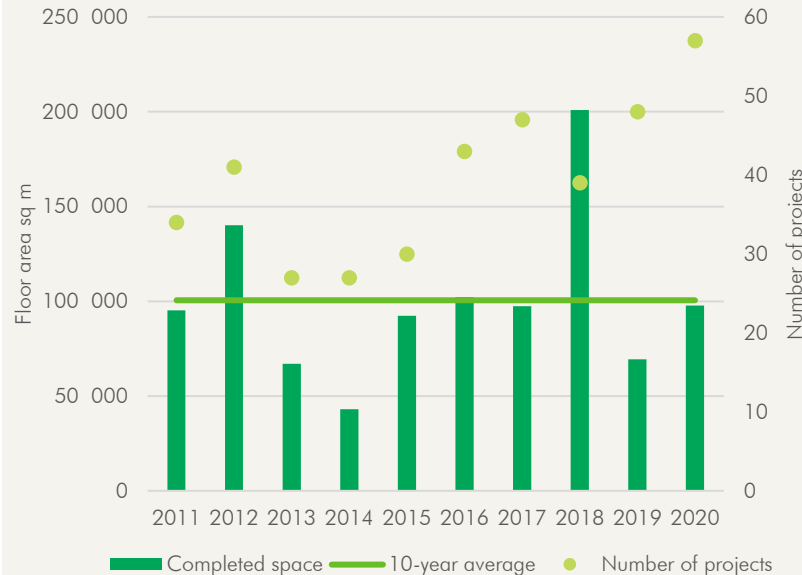
HIGH DEMAND & LIMITED SUPPLY OF AVAILABLE SPACE

Developers are struggling to respond to the increasing demand for logistics space due to the lack of available and suitable land in HMA. Majority of the future supply will focus along highways leading out from the HMA, and almost all new development is pre-let. As limited supply is not forecasted to meet the increasing demand for prime properties, vacancies within the sector are set to remain very low, and prime rents are expected to grow in the coming years.

On recent developments, PostNord has signed a lease with YIT and an international investor in a new logistic centre in Hakkila, HMA. The 15,000 sq m logistics terminal will house PostNord's terminal operations in the capital region and will be completed in Q3 2022.

The Finnish Post have started to develop to its 3PL operator Transval a 30,000 sq m logistics centre just outside HMA in Bastukäär, Sipoo. The property will be carbon neutral and is expected to be finished in Q3 2022.

New I&L completions in Helsinki Metropolitan Area



Source: CBRE Research, Statistics Finland, KTI Property Information Ltd.

Helsinki Metropolitan Area Key Figures

Y-o-Y Change



Development pipeline
Forecasted for 2021

85,000 sq m

▼ 98,000 sq m 2020



New I&L completions
H2 2020

44,600 sq m

▼ 53,200 sq m H1 2020



Vacancy rate
Q1 2021

4%



Prime I&L gross rent
Q1 2021

13 €/sqm/mth



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