



**FINLAND
OFFICE MARKET**
Q3/2020

CBRE RESEARCH
**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

FINNISH OFFICE MARKET KEY FIGURES IN Q3 2020

SLOW RECOVERY IN OFFICES

The office market showed early signals of recovery after the summer with a handful of deals closing during the third quarter. The largest transactions were the sale of Next (Fiskars HQ) office development project in Espoo and the 45.5€ sale of Arkadiankatu 23 office property in Helsinki.

The continued low levels of investment volumes reflect the uncertainty caused by COVID-19 and investors are closely monitoring the impacts of the second wave. The share of foreign capital in the Finnish office market continues to be high with an 80% share of the total office investment in Q3.

Despite the second wave, there are deals moving forward and investor demand continues to be high for core office properties.

Investment Volume

€2.29bn TTM

€0.22bn Q3/2020

▼ -62 % (Y-o-Y %)



SALE OF NEXT OFFICE DEVELOPMENT PROJECT (FISKARS HQ) IN ESPOO

Sale price: Confidential

Sale date: 8/2020

Buyer: Warburg-HIH Invest

Seller: NCC Property Development

Size: 9,200 sq m

Location: Espoo

SALE OF ARKADIANKATU 23 OFFICE PROPERTY IN HELSINKI

Sale price: €45.5 million

Sale date: 9/2020

Buyer: LaSalle IM

Seller: OP Life Assurance Company

Size: 10,800 sq m

Location: Helsinki

Key Figures in Q3 2020



Cross-border share

80%

▲ 70% in H1 2020



Share of total investment

33%

▲ 32 % (10-year avg.)



Number of transactions

9

▼ 17 (5-year quarterly avg.)



HMA share

70%



Prime yield

3.35%

+/- 0 bps vs. Q2

Source: CBRE Research

LONG-TERM SHIFTS IN OCCUPIER STRATEGY AND SPACE REQUIREMENTS

OCCUPIER MARKET SENTIMENT

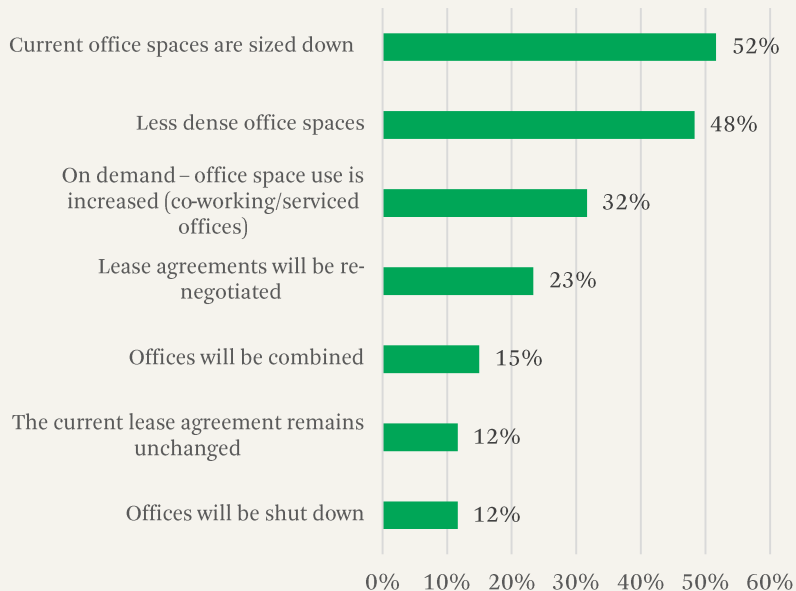
We surveyed over 60 occupiers employing more than 80.000 people in Finland for the CBRE Finland Occupier Flash Survey.

Occupiers highlighted the scope for longer-term shifts in strategy and space requirements with half of the responses showing either sizing down of current office spaces (52%) or assembling less dense offices (48%) in the long-term.

A significant proportion (82%) expect to have a hybrid workplace and flexible remote working policy in the future, up from 47% pre-COVID.

According to our survey results, employees will have the option for full-time remote work in the long run (27%), at least for certain groups/teams, a policy deemed unthinkable before the pandemic (0%).

The future trends in office occupier strategies



Source: CBRE Finland Occupier Flash Survey, CBRE Research, September 2020

Helsinki Metropolitan Area Key Figures



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