



FINLAND
OFFICE MARKET
Q4/2020

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

FINNISH OFFICE MARKET KEY FIGURES IN Q4 2020

FLIGHT TO QUALITY

The office investment volumes in 2020 were 20% lower than in the previous year reflecting the uncertainty from the pandemic.

Investor demand continues to be high for core office properties and the investor focus is more towards higher quality assets. While there has been a lack of investable core products on the market, the Finnish office market saw many development stage deals in the last quarter.

The office market showed signs of recovery with 15 deals closing during the last quarter of 2020. The largest transactions were Castellum's acquisition of the Lindström Invest office portfolio of 5 properties in Kalasatama and the Hämeentie 15 office property in Helsinki.

Investment Volume

€1.91bn FY2020

▼ -20% (y-o-y %)

€0.34bn Q4/2020

▼ -56% (Y-O-Y %)



SALE OF PORTFOLIO OF 5 PROPERTIES IN KALASATAMA

Sale price: €150 million

Sale date: 11/2020

Buyer: Castellum

Seller: Shareholders of Lindström Invest Oy

Size: 36,000 sq m

Location: Helsinki

SALE OF HÄMEENTIE 15 OFFICE PROPERTY IN HELSINKI

Sale price: €23 million

Sale date: 12/2020

Buyer: Castellum

Seller: Capman

Size: 7,879 sq m

Location: Helsinki

Key Figures in Q4 2020



Cross-border share

56%

▼ 66% in Q3 2020



Share of total investment

19%

▼ 32% (10-year avg.)



Number of transactions

15

▼ 17 (5-year quarterly avg.)



HMA share

100%



Prime yield

3.5%

▲ 15 bps vs. Q3 2020

Source: CBRE Research

FINNISH OFFICE MARKET KEY FIGURES IN Q4 2020

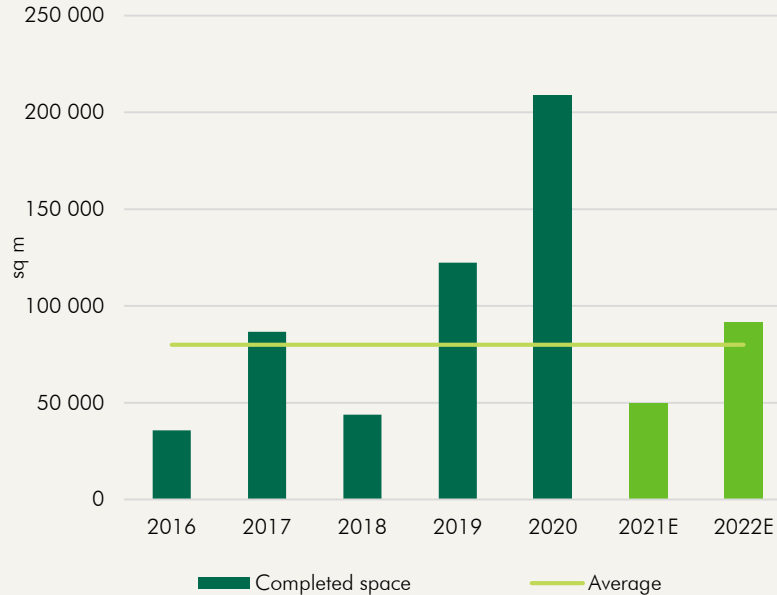
OCCUPIER MARKET

Companies continue to be cautious on space needs and there is an element of 'wait-and-see' among office occupiers despite the vaccine optimism.

Leasing activity in the first half of 2021 is expected to be low key as many companies are carefully monitoring the outlook for mass vaccinations and the possibility of reopening the economy.

Companies seek for smaller spaces and are reviewing the possibility of subleases and use of flexible offices. Cost savings and uncertainty have an impact on occupier strategies and many occupiers are signing short-term lease extensions as the near-term outlook remains uncertain.

New office completions in HMA



Source: CBRE Research, KTI Property Information Ltd.

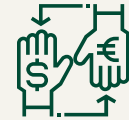
Helsinki Metropolitan Area Key Figures



Development Pipeline
FY2021

50,000 sq m

▼ 80,000 sq m
(annual 10-year avg.)



New Office Completions
H2 2020

56,770 sq m

▼ vs. 152,000 sq m
(H1 2020)



Prime Rent
Q4 2020

42 €/sq m



Vacancy rate

12.6%



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