



**FINLAND
INDUSTRIAL &
LOGISTICS MARKET**

Q2/2021

CBRE RESEARCH

**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

INDUSTRIAL & LOGISTICS MARKET KEY FIGURES IN Q2 2021

TAILWINDS CONTINUE FOR I&L

Investment volumes in the second quarter reached the highest level since 2018 with €227 million, 153% growth year-over-year. Investor appetite for modern industrial and logistics properties remains high and the challenge continues to be the low supply of quality institutional-grade products on the market.

Investable products with the right qualities and lot sizes gain significant attention and intense competition from both international and domestic investors. The prime I&L yield has contracted to a record low of 4.10% in the second quarter, while positive tailwinds continue for the Finnish I&L sector.

Largest transactions in the second quarter were NRP's sale of Onninen distribution centre to Sagax for €86 million in Hyvinkää and VVT's sale of a modern logistics property to Evli Rental Yield Fund in Aviapolis.

Investment Volume

€0.73bn TTM

▲ +36% (Y-o-Y %)

€227mn Q2/2021

▲ +153% (Y-o-Y %)

SALE OF ONNINEN DISTRIBUTION CENTRE IN HYVINKÄÄ

Sales price: €86 million

Date: 5/2021

Buyer: Barings Real Estate

Seller: NRP

Area: 40,000 sq m

Location: Hyvinkää



SALE OF MODERN LOGISTICS PROPERTY IN AVIAPOLIS

Sales price: Conf.

Date: 6/2021

Buyer: Evli Rental Yield Fund

Seller: VVT

Area: 6,600 sq m

Location: Aviapolis, Helsinki

Key Figures Q2 2021



Cross-border investments

70%

▲ 64% (5-year avg.)



Share of total volume

12%

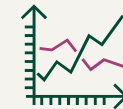
▲ 12% (10-year avg.)



Number of transactions

26

▼ 16 (5-year quarterly avg.)



Prime yield

4.10%

▼ 5 bps vs. Q1 2021

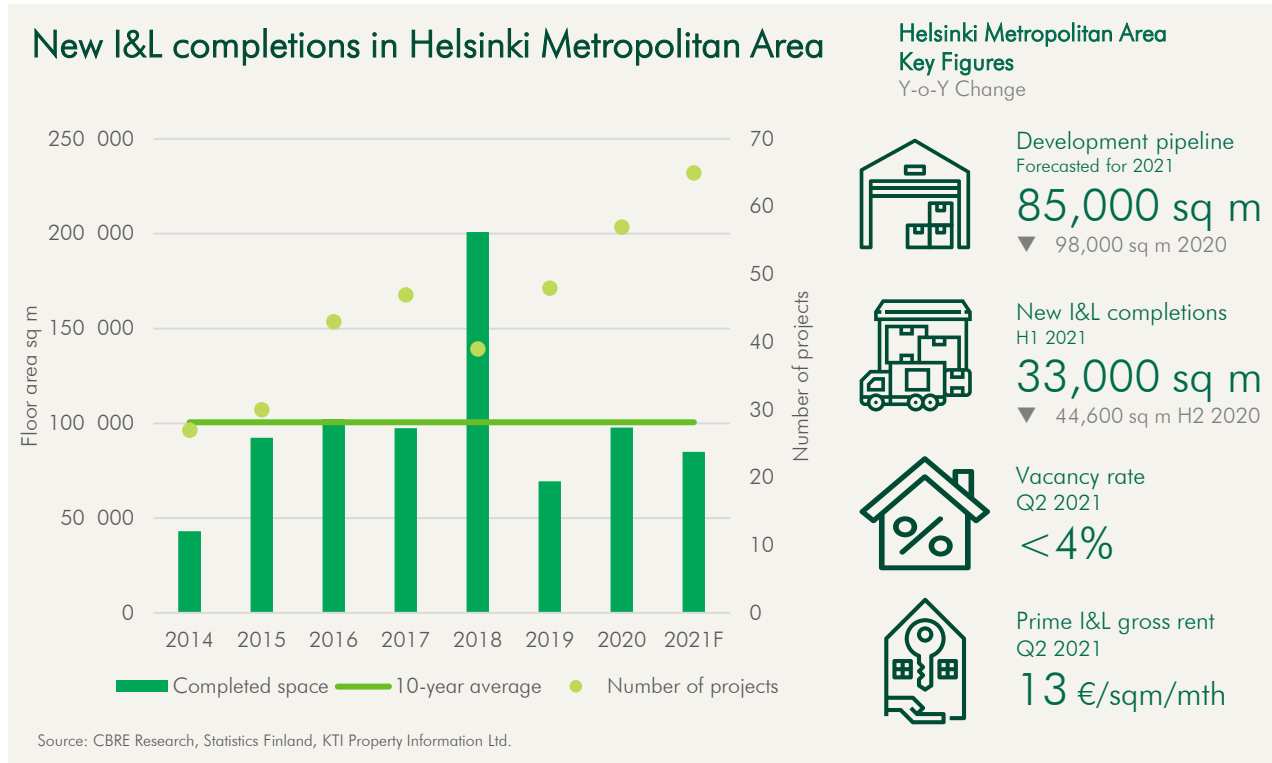
Source: CBRE Research

INDUSTRIAL & LOGISTICS MARKET KEY FIGURES IN Q2 2021

OCCUPIER MARKET

Positive trend for the industrial and logistics market shows no signs of losing steam and the continued growth in the number of package deliveries and the need for additional industrial space is driving the occupier market. Logicenters signed a 7,000 sq m long-term lease with the parcel services company Matkahuolto in their modern and recently refurbished facility in Aviapolis in the second quarter.

The first half of 2021 saw 33,000 sq m of new industrial and logistics completions in the Helsinki Metropolitan Area. The demand for logistics space remains high and the lack of available land for new developments in the capital city region is pushing new development in the outskirts of the Helsinki Metropolitan Area. For example, the grocery and retail chain Kesko recently announced its plans to build a large terminal and distribution centre with floorspace of up to 300,000 sq m in the submarket of Ilvesvuori in Nurmijärvi.



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
H1 2021

33,000 sq m

▼ 44,600 sq m H2 2020



Vacancy rate
Q2 2021

<4%



Prime I&L gross rent
Q2 2021

13 €/sqm/mth

CONTACT DETAILS



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