



FINLAND
OFFICE MARKET
Q2/2021

CBRE RESEARCH
NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

FINNISH OFFICE MARKET KEY FIGURES IN Q2 2021

INVESTMENT MARKET

Despite second quarter of 2021 reached investment volumes of only €236 million, the market activity cheered up noticeably towards the end of the first half of the year. The largest transactions in the second quarter were Altaal's acquisition of the Ramboll headquarters in Leppävaara for €69 million and Trevian's purchase of an office property in Pitäjänmäki for €24.4 million.

Helsinki Metropolitan Area received lion's share (93%) of the investment volume during the second quarter and investors are expected to remain active in the capital city region.

Prime office yield has recovered back to pre-COVID levels at 3.25% as the sentiment for offices has improved from the start of the year and there continues to be a large amount of deployable capital looking for the right product. The investment market focus is increasingly on higher-quality core products and tenant strength.

Investment Volume

€1.07bn TTM

▼ -61% (y-o-y %)

€236mn Q2/2021

▼ +449% (Y-o-Y %)



SALE OF RAMBOLL HQ IN LEPPÄVAARA

Sale price: €69 million

Sale date: 6/2021

Buyer: Altaal

Seller: KEVA

Size: 19,000 sq m

Location: Espoo

SALE OF OFFICE PROPERTY IN PITÄJÄNMÄKI

Sales price: €24.4 million

Sale date: 6/2021

Buyer: Trevian

Seller: AREIM

Size: 26,400 sq m

Location: Helsinki

Key Figures in Q2 2021



Cross-border share

40%

▼ 66% (2020)



Share of total investment

13%

▼ 32% (10-year avg.)



Number of transactions

14

▼ 16 (5-year quarterly avg.)



HMA share

93%

▲ 81% (5-year avg.)



Prime yield

3.25%

▼ 25bps vs. Q1 2021

Source: CBRE Research

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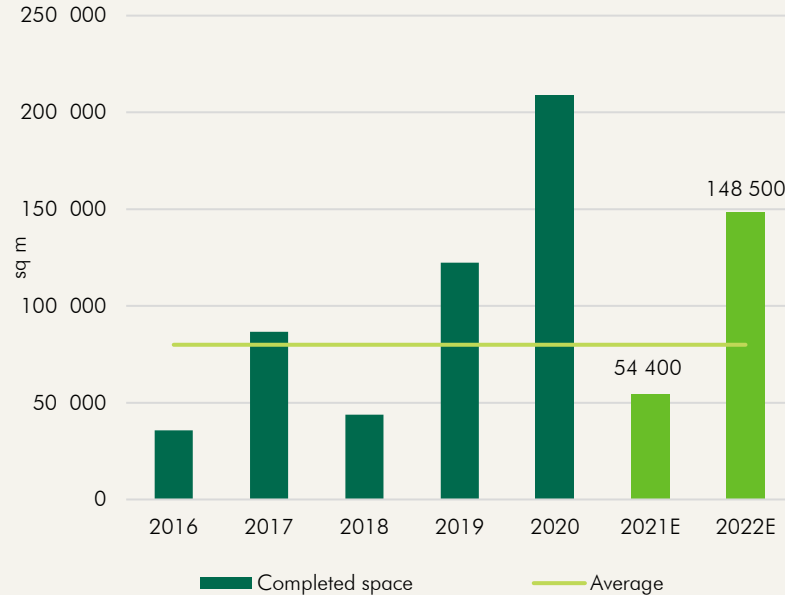
OCCUPIER MARKET

Occupiers are looking to restore the connection to their workforce and plan for a return to the office after summer holidays in Q3. Companies are optimistic about the second half of 2021 despite the delta variant and the rise in infections over the summer.

The office leasing market has seen a slight rebound in activity over the summer and companies have been active especially in smaller office spaces (<1000 sq m) in central office locations. Occupiers continue to be increasingly focused on higher-quality assets offering strong flexibility, technology and wellness features as the return to the office is underway.

There were 14,500 sq m of new office space completed in the first half of 2021 in the Helsinki Metropolitan Area and 40,000 sq m of new office space estimated to be completed during the second half with OOPS! office development in Leppävaara, Espoo being the largest project (20,000 sq m).

New office completions in HMA



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

Helsinki Metropolitan Area Key Figures



Development Pipeline
H2 2021

40,000 sq m

▼ 80,000 sq m (10-year avg.)



New Office Completions
H1 2021

14,500 sq m

▼ vs. 56,770 sq m (H2 2020)



Prime Rent
Q2 2021

42 €/sq m



Vacancy rate

12.8%

▲ 12.6% (Q1 2021)

CONTACT DETAILS



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