



**FINLAND
OFFICE MARKET**
Q1 2020

CBRE RESEARCH
**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

FINNISH OFFICE MARKET KEY FIGURES IN Q1 2020

RECORD HIGH QUARTER FOR THE OFFICE MARKET

The Finnish office investment volume ended the first quarter of 2020 on a high note with a total volume of €1.24 bn.

Offices continued to attract interest with 36% of the total transaction volume and the majority of the transactions were focused on the Helsinki Metropolitan Area (90%).

The historical sale and leaseback of OP HQ Campus for €480 mn in Helsinki and the landmark deal of Accountor Tower in Espoo were the most notable transactions of the first quarter.

Investment Volume
€3.06bn TTM
€1.24bn Q1/2020

▲ +116% (Y-o-Y %)



HELSINKI (HMA)
EUR 1.12bn

OTHER FINLAND
EUR 0.12bn



Cross-border investments
€0.9bn



Share of total investment volume
36%



Number of transactions
17



Largest single transaction
€0.48bn



Prime yield
3.25%

Source: CBRE Research

WHAT ARE THE MAIN DRIVERS IN THE FINNISH OFFICE MARKET

LOOKING AHEAD

Despite a very good Q1 on record in Finland, the market sentiment deteriorated during April and the true impact of slowdown will be visible during the second and third quarter of 2020.

Many investors are currently in a 'wait-and-see' mode and occupiers are taking a more cautious approach at the moment. The prime rent development will be flat to slightly negative in the short-term. Early-stage and smaller size projects have seen the impact, whereas larger later-stage projects are still moving forward.

Notable Office Transactions in Q1 2020

SALE & LEASEBACK OF OP HQ CAMPUS IN HELSINKI

Sale price: €480 million

Sale date: 1/2020

Buyer: NH Investment and Securities, Shinhan Investment Corp. and Varma

Seller: OP

Size: 74,150 sq m

Location: Helsinki

SALE OF ACCOUNTOR TOWER IN ESPOO

Sale price: Confidential

Sale date: 3/2020

Buyer: DWS

Seller: Regenero (YIT & HGR Capital Partners Joint Venture)

Size: 23,700 sq m

Location: Espoo

Helsinki Metropolitan Area Key Figures



Development Pipeline
114,200 sq m



New Office Completions
Q1 2020
90,500 sq m



Prime Rent
Q1 2020
42 €/sqm



Vacancy rate
12.6%



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