

FIGURES | FINLAND I&L | Q3 2023

Slowdown in industrial and logistics investments

I&L INVESTMENT VOLUME IN Q3 2023

€486 mn TTM
 ▼ -60% (y-o-y %)

€36 mn Q3/2023
 ▼ -88% (Y-o-Y %)

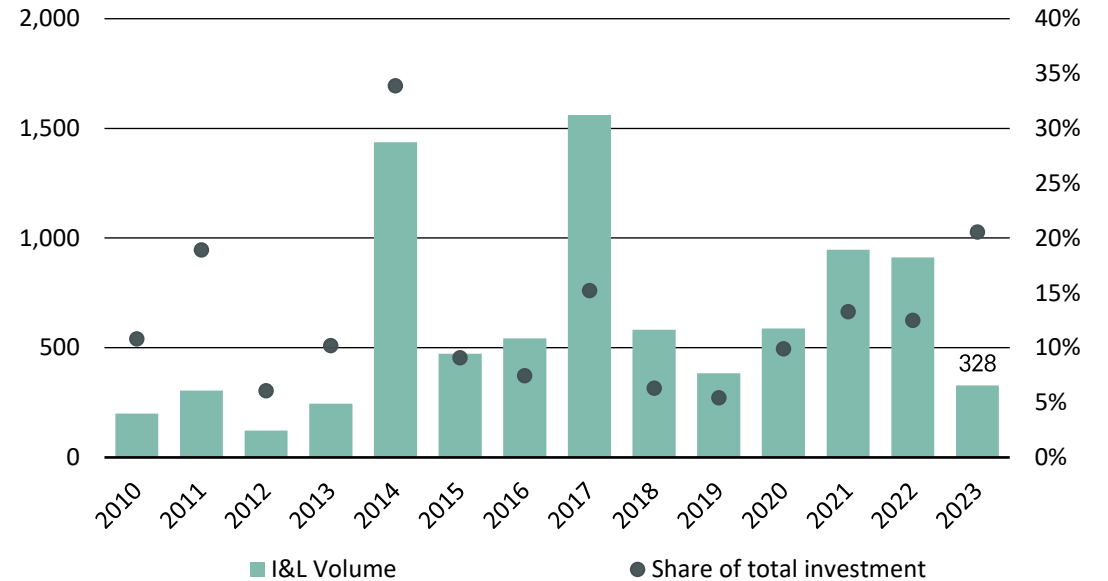
INVESTMENT MARKET KEY FIGURES IN Q3 2023

Cross-border share	Share of total investment	Number of transactions	HMA Share	Prime yield
▼ 19% Vs. 66% (5-year avg.)	▲ 11% Vs. 10% (5-year avg.)	▼ 2 Vs. 12 (5-year avg.)	▼ 19% Vs. 50% (5-year avg.)	▶ 5.00% Vs. 5.00% in Q2 2023

Investment market

- In the third quarter of 2023, I&L investment volumes decreased by 88% (y-o-y) to €36 million. A total of 19% of the investment came from international investors, and 19% of the investment volume was centered in the Helsinki Metropolitan Area.
- Prime yields remained stable during Q3 among all I&L subsectors. The prime logistics yield is standing at 5.00%, while the prime warehouse and light industrial yields are 6.25% and 7.00%, respectively.
- Despite low investment volume, there are deals in the pipeline as logistics investment market long-term prospects remain intact and higher yield levels create appealing investment opportunities. The largest transaction in the third quarter was VVT’s purchase of a 17,000 sqm logistics asset near Helsinki-Vantaa airport from OP.

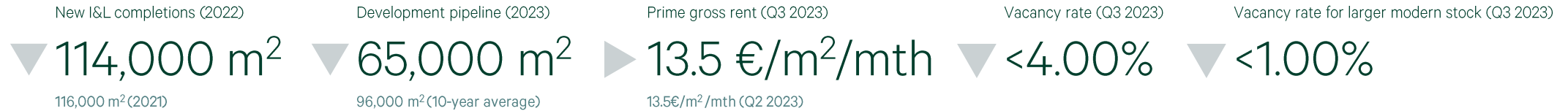
I&L INVESTMENT VOLUMES IN M€ AND SHARE OF TOTAL INVESTMENT



Source: CBRE Research.

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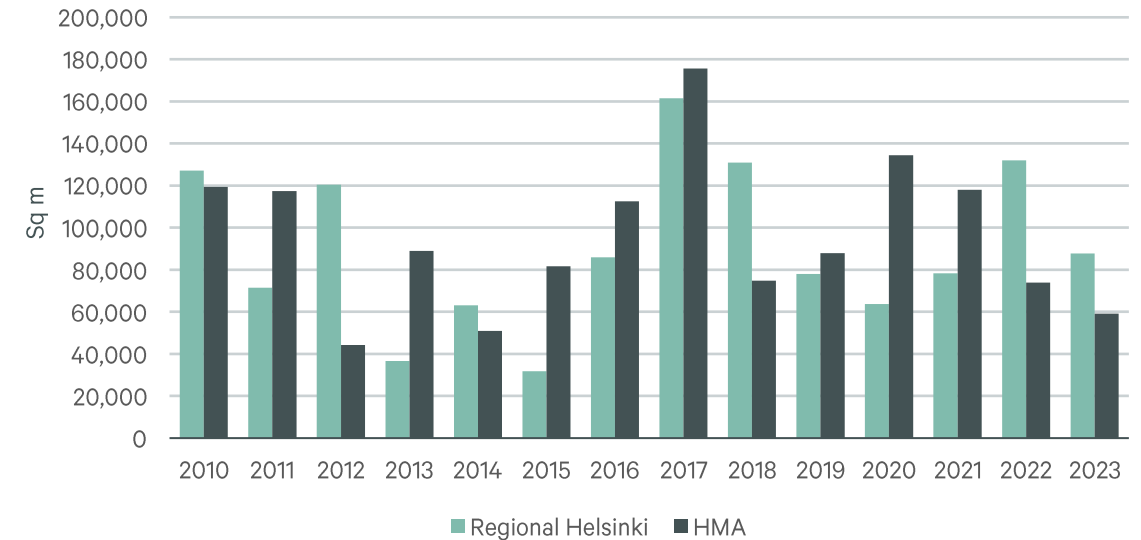
HELSINKI METROPOLITAN AREA KEY FIGURES



Occupier market & construction activity

- E-commerce expansion and near shoring needs are driving logistics sector demand due to supply chain distribution. Companies are focusing on streamlining their operations, leading to increased demand for efficient logistics space, while the supply of modern I&L properties remains limited across Greater Helsinki region.
- Several new construction projects were announced during the third quarter. Posti announced the investment of €60 million in logistics center construction in Järvenpää. The building will be completed in phases, and the first phase will contain 35,000 sqm. The plot permits a total of 90,000 sqm of construction rights. Logicens acquired a 58,000 sqm site located in Hervanta, Tampere, and a new 29,000 sqm warehouse property is expected to be completed by the end of 2024.
- Construction starts are progressively centered in regional Helsinki as HMA zoning permits remain tight. In 2023, until August, 57,000 sqm of new I&L space were started in HMA, as 88,000 of new I&L construction took place in regional Helsinki.

I&L CONSTRUCTION STARTS IN HMA AND REGIONAL HELSINKI



HMA consists of Helsinki, Espoo and Vantaa, Regional Helsinki includes Sipoo, Tuusula, Kerava, Nurmijärvi, Mäntsälä and Järvenpää. Data coverage in 2023 is until August.

Source: CBRE Research, Statistics Finland.

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