

FIGURES | FINLAND OFFICE | Q1 2024

Quiet first quarter in office investment

OFFICE INVESTMENT VOLUME IN Q1 2024

€0.39bn TTM
 ▼ -60% (y-o-y %)
 €91mn Q1/2024
 ▼ -34% (y-o-y %)

INVESTMENT MARKET KEY FIGURES IN Q1 2024

Cross-border share	Share of total investment	Number of transactions	HMA Share	Prime yield
▼ 53% Vs. 67% (2022)	▼ 18% Vs. 27% (5-year avg.)	▼ 5 Vs. 11 (5-year avg.)	▼ 19% Vs. 76% (5-year avg.)	▲ 5.25% Vs. 5.00% in Q4 2023

Office investment market

- The office investment market started the year with a low transaction volume. The largest transactions took place outside the HMA, with 19% of the transaction volume centered in the capital city region. 53% of the investment came from international investors.
- The repricing of the office market continued as the prime yield decompressed by 25 basis points to 5.25%, and the prime yield outside of the CBD increased to 6.00%. The key office transactions in Q1 took place in Tampere. VVT purchased a prime office property in the central area from Sponda, and Sagax bought the Cargotec R&D property from WP Carey.
- According to CBRE’s Nordic investor intention survey, around 60% of office investors report core assets as their investment strategy. The gap between prime and secondary markets continues to widen, with investors showing higher interest in grade B or C offices in prime submarkets than in grade A offices in secondary submarkets. Alternative sectors that office investors are interested in include medical offices and life science assets.

NOTABLE OFFICE TRANSACTIONS IN Q1 2024

OFFICE PROPERTY IN TAMPERE

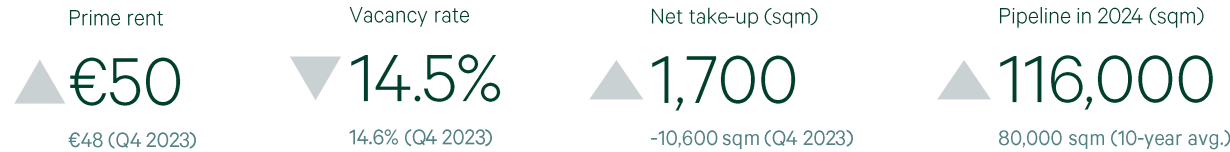
Sale price: Conf.
Sale date: 1/2024
Buyer: VVT
Seller: Sponda
Area: 13,000 sqm
Location: Tampere

CARGOTEC R&D PROPERTY

Sale price: Conf.
Sale date: 2/2024
Buyer: Sagax
Seller: WP Carey
Area: 17,000 sqm
Location: Tampere

Source: CBRE Research.

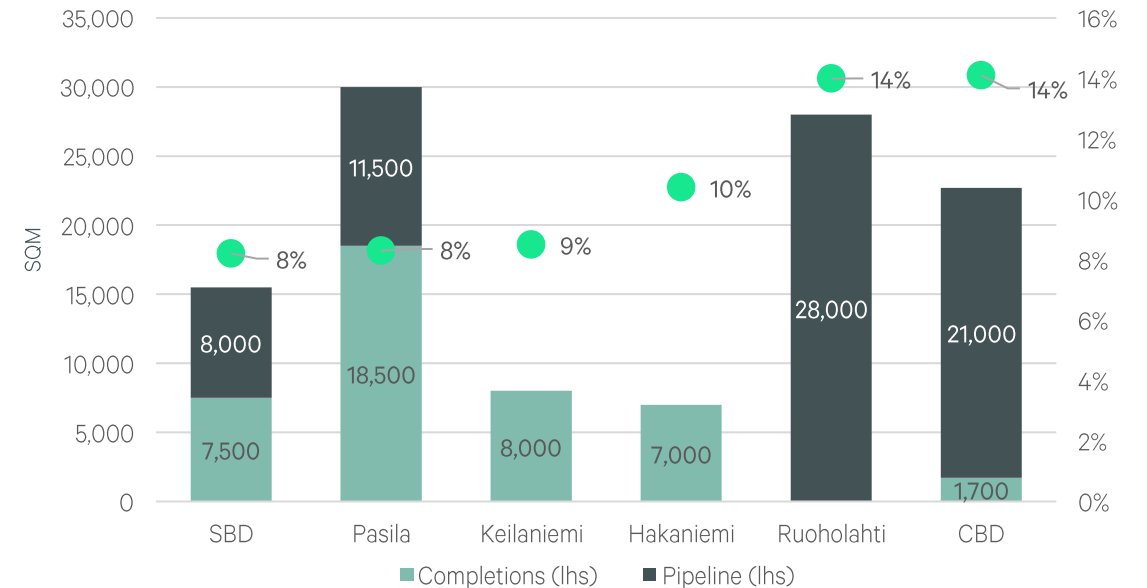
HELSINKI METROPOLITAN AREA KEY FIGURES



Office occupier market

- Prime rents in prime office submarkets CBD, Keilaniemi, and Pasila increased to €50, €33, and €32 per sqm respectively. HMA office vacancy stabilized in Q1 as the rate decreased by 0.1 percentage points to 14.5%, and the net take-up was 1,700 sqm. The highest net take-up was recorded in Otaniemi (3,600 sqm), Vallila (2,800 sqm), and Aviapolis (2,500 sqm). Pasila saw the lowest net take-up (-4,100 sqm), due to the availability of multiple larger office spaces in the market. The high structural vacancy highlights the need for more office conversions and the recent example of this activity is the collaboration between BobW and Slättö, where Slättö purchased an office property in CBD with the target to reposition the vacant office premises into an aparthotel for short- to long-term flex living.
- The new office development project, Keilaniemen portti, which is expected to be completed in 2026, is already fully leased as Metsä Group and CSC have signed leasing agreements. Professional service and IT remain the most active occupier sectors. In one of the larger leases in the first quarter Gofore announced its relocation to new premises in Hakaniemi.

COMPLETIONS, PIPELINE (2023-2024) AND VACANCY RATES IN SELECTED SUBMARKETS



The completions and pipeline include new office buildings and conversions to office space
 Source: CBRE Research, KTI Property Information Ltd, Helsinki Research Forum, Statistics Finland.

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