

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.00% Prime Yield (office)		
€3.02bn Total Volume, Roll. 12m		
€2.45bn Total Volume, 2025 YTD		
€0.62bn Public Use Volume, 2025 YTD		
€0.62bn Resi. Volume 2025 H1		

(Source: Cushman & Wakefield, KTI)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
-0.12% GDP Growth Q-to-Q		
9.74% Unemployment Rate September 2025		
3.11% 10-Yr Gov. Bond		

Source: Moody's Analytics, Bank of Finland

ECONOMIC OVERVIEW

In 2025 economic growth in Finland has remained stagnant, as the expected economic recovery has been delayed. The key fundamentals for growth have improved, as slowdown in inflation together with eased credit conditions increase household purchasing power, business confidence has strengthened, and export sector has seen moderate growth driven by export of services. However, weak consumer confidence partly due to major challenges in the labor market have kept economic growth in check and the GDP is forecast to remain flat in 2025 and increase by 1% in 2026. Signs of a turnaround are visible as the labor market is projected to gradually recover supported by an increase in consumption and the tariff deal with US is likely to remove uncertainty and stimulate investment demand. Additionally, cheap and clean electricity has attracted data centre investments in Finland, also boosting other industries.

INVESTMENT OVERVIEW

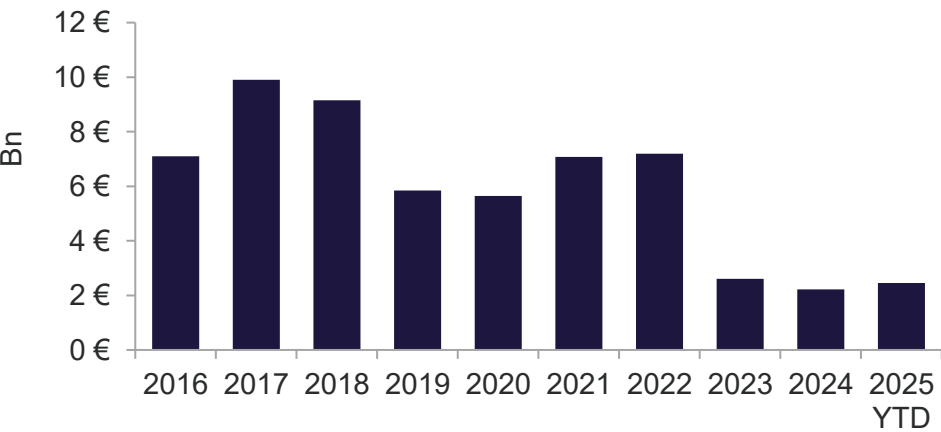
The third quarter of 2025 continued the positive trend on the property market as transaction volume amounted to some €0.68 bn, a 79% increase to Q3 2024. Also, the transaction volume YTD for 2025 surpassed the total volume for 2024. The most traded sectors YTD in 2025 were public use (25%), residential (25%) and retail (21%). In 2025 so far, the share of international investors was some 68%.

The market is showing clear signs of recovery, with more transactions taking place across all sectors compared to previous years and investor confidence is improving as activity picks up. At the same time, the outlook has brightened due to recent and expected interest rate reductions by the European Central Bank, which are supporting financing conditions and improving sentiment.

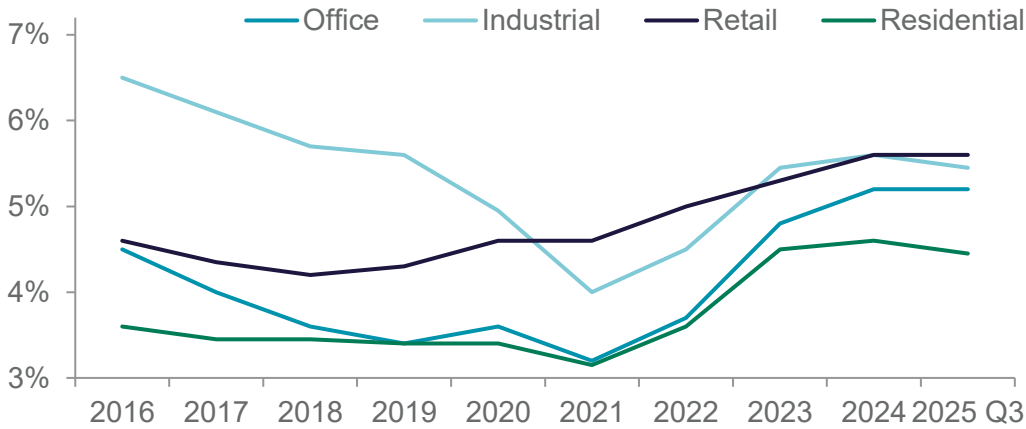
In the office sector, the market remains polarized. Demand is concentrated in the CBD of Helsinki and key submarkets, where prime assets continue to attract attention. Secondary locations, however, still face challenges with vacancy levels searching for a new normal. Still, expectations are building for a pickup in office transaction activity within the HMA, as investors reevaluate core and high-quality secondary opportunities.

Retail and residential assets have gained significant momentum this year as buyer and seller expectations have become more aligned. The logistics and light industrial segment remains especially active and continues to be one of the most attractive sectors for both domestic and international investors. Overall, by the end of summer 2025 there have been more transactions completed than in the whole of last year, and full-year volume forecasts look healthier than in two previous years. The real estate market is clearly recovering, with activity and sentiment both improving across sectors.

INVESTMENT SALES VOLUME



PRIME YIELD TREND



INVESTMENT ACTIVITY 2025 YTD

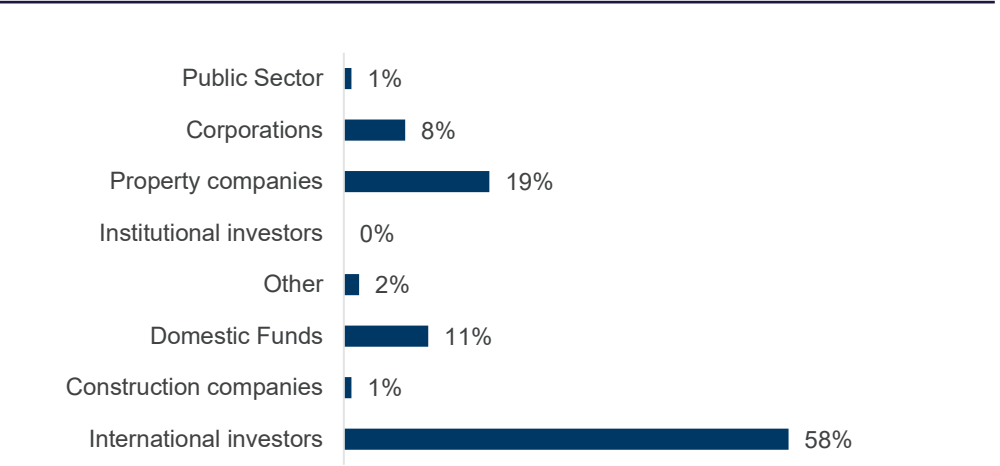
PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office	10-19	€210,000,000
Industrial	40-49	€320,000,000
Residential	10-19	€620,000,000
Retail	40-49	€530,000,000
Public use	20-29	€620,000,000
Other	1-9	€150,000,000
TOTAL	170-179	€2,450,000,000

SIGNIFICANT SALES 2025 Q3

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE / €mn	PRICE / UNIT (€/sqm)	MARKET
Kalasatama Health & Well-being centre	Public use	VVT Property Fund II	Deka	18,250	100.00	5,500	Helsinki
Hypermarket property	Retail	Cibus	NREP	9,300	39.80	4,300	Tuusula
Five logistics properties	Industrial	Slättö	n.a.	n.a.	n.a.	n.a.	Espoo, Vantaa
1000 Rental apartments	Residential	SATO	OP	n.a.	n.a.	n.a.	Multiple cities

Sources: KTI, Cushman & Wakefield

PROFILE OF BUYERS



Source: KTI

VILLE SUOMINEN

Head of Valuation & Advisory, Finland
Tel: +358 10 836 8455
ville.suominen@cushwake.fi

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