

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.00% Prime Yield (office)		
€4.38bn Total Volume, Roll. 12m		
€4.38bn Total Volume, 2025		
€1.32bn Public Use Volume, 2025		
€0.95bn Resi. Volume 2025		

(Source: Cushman & Wakefield, KTI)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.13% GDP Growth Q-to-Q		
10.10% Unemployment Rate December 2025		
3.23% 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 and GDP estimated to remain flat at the end of the year. Key fundamentals for growth have improved in 2025, and GDP growth is estimated around 1% for 2026 and 1.5% for 2027.

In 2025 consumer sentiment remained weak partly due to rising unemployment throughout the year, which has stifled the growth of private consumption and increased the savings rate. Unemployment is gradually expected to recover, and in 2026 households should be in a more favorable position with private consumption forecast to be a reliable source of growth.

Fiscal consolidation is implemented for 2025-2027 in Finland, but key expenditures, including increased defense spending will initially deepen the public deficit. The export sector experienced minor growth in 2025 supported by an increase in export of goods and forecasts indicate modest growth for upcoming years despite global uncertainty.

INVESTMENT OVERVIEW

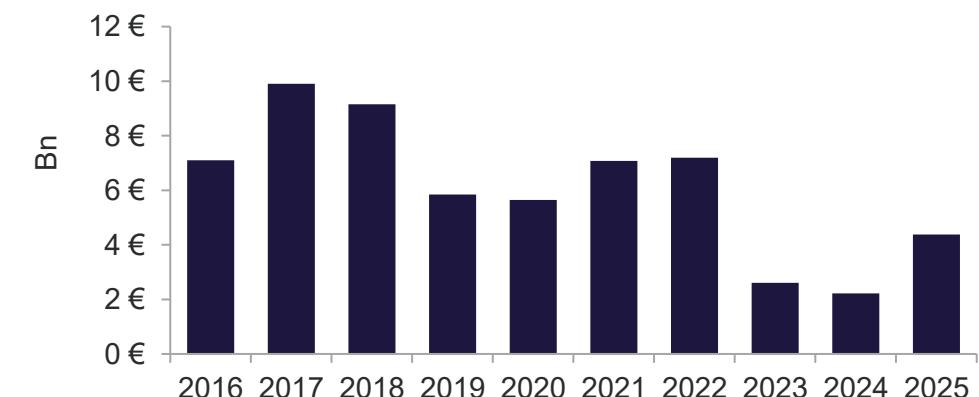
The last quarter of 2025 continued the positive trend on the property market as transaction volume amounted to some €1.88 bn. The transaction volume for 2025 increased by approximately 95% compared to 2024. The most traded sectors in 2025 were public use (30%), residential (22%) and retail (17%). In 2025 so far, the share of international investors was some 60%.

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 interest rate reductions by the European Central Bank, which are supporting financing conditions and improving sentiment.

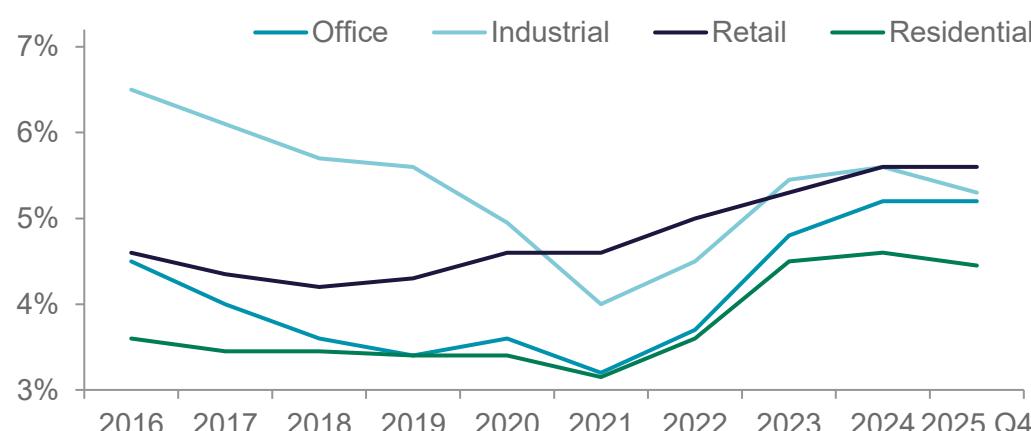
In the office sector, the market remains polarized. Demand is concentrated in the CBD of Helsinki and key submarkets, where prime assets continue to attract attention. Secondary locations, however, still face challenges with vacancy levels searching for a new normal. Still, expectations are building for a pickup in office transaction activity within the HMA, as investors re-evaluate 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 active and continues to be an attractive sectors for both domestic and international investors. The real estate market is clearly recovering, with activity and sentiment both improving across sectors.

INVESTMENT SALES VOLUME



PRIME YIELD TREND



INVESTMENT ACTIVITY 2025

PROPERTY TYPE	NUMBER OF TRANSACTIONS	SALES VOLUME (EUR)
Office	20-29	€490,000,000
Industrial	70-79	€580,000,000
Residential	30-39	€950,000,000
Retail	50-59	€760,000,000
Public use	40-49	€1,320,000,000
Other	1-9	€280,000,000
TOTAL	250-259	€4,380,000,000

SIGNIFICANT SALES 2025 Q4

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQM	PURCHASE PRICE / €mn	PRICE / UNIT (€/sqm)	MARKET
Public use portfolio	Public use	PPI	SBB	n.a.	530	n.a.	Multiple cities
Seven industrial properties	Industrial	Fund managed by Ethos Capital	Logicor	37,000	n.a.	n.a.	Multiple cities
CBD real estate complex	Retail, Office, Hotel, Public use	Keva, Mrec IM, HGR Property Partners	Ylva	45,000	188	4,200	Helsinki
463 Rental apartments	Residential	Premico	Merimieseläkekassa	n.a.	n.a.	n.a.	Helsinki, Turku, Maarianhamina,
Three retail properties	Retail	Julius Tallberg-Kiinteistöt Oyj	Ilmarinen	23,500	n.a.	n.a.	Tampere

Sources: KTI, Cushman & Wakefield

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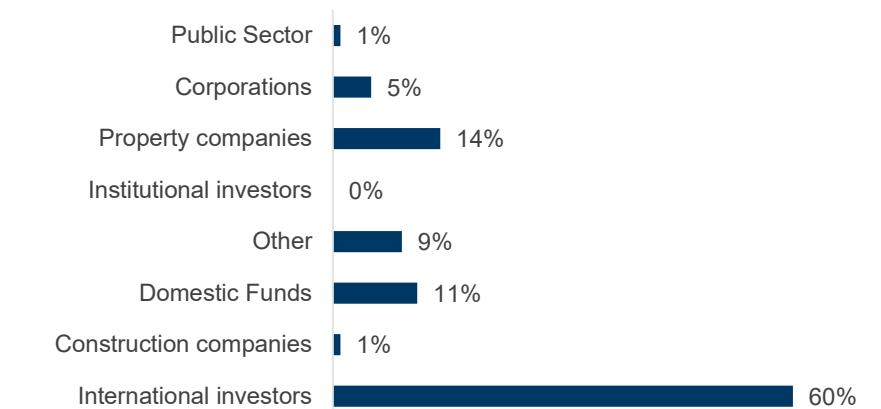
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PROFILE OF BUYERS



Source: KTI