

Real Estate Market Finland

Retail Q2 | 2024



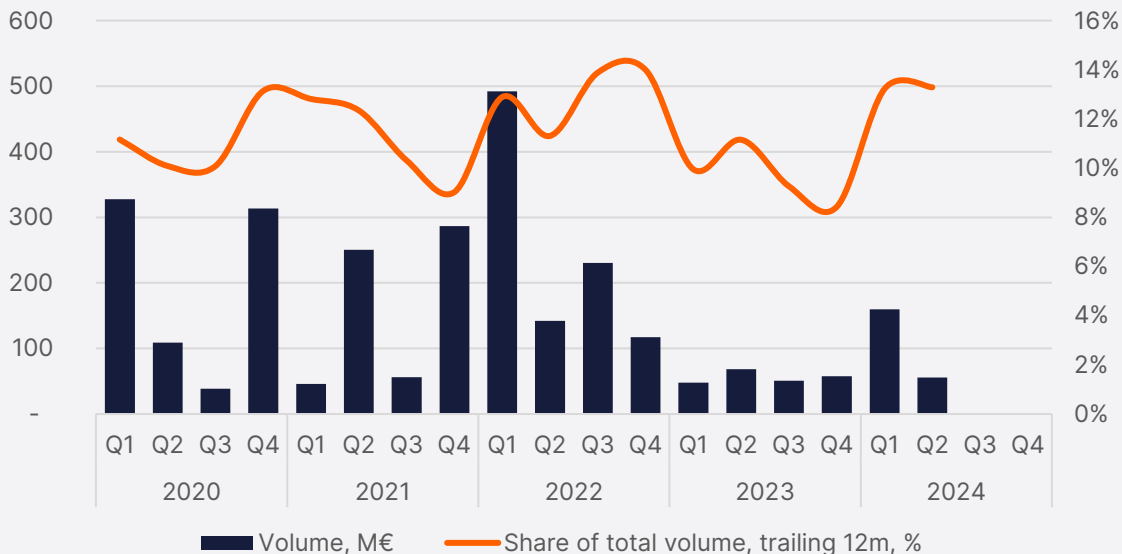
Retail Q2 2024

Investment highlights

56 M€ Volume -18% YoY	7 Transactions +9% YoY LTM	17% International Investors vs 30% 2023	7% Share of Total Volume vs 8% 2023
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5.10% Prime Yield (Grocery) ↑ 10 bps from Q1	86% Share of Big Box & Grocery YTD24 vs 65% 2023	+2.6% Retail trade turnover Q1 Change YoY	-7.2 Consumer confidence index +5.4 QoQ
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Quarterly transaction volume 2020-2024



Big box and grocery-anchored drive the investment demand

Q2 Key Takeaways

Retail transaction volume was €56 million in Q2, leading to a total of €215 million in H1. Big box and grocery-anchored retail dominated, accounting for 86% of retail deals.

H1 saw 13 retail transactions, a slight increase from the previous year. International investors represented 30% of these deals, making up 16% of the total transaction volume.

The most significant retail transaction in Q2 2024 was the Niitty shopping centre deal in Espoo, with HOK-Elanto as the buyer and OP Vuokratuotto as the seller.

Prime yields for Helsinki-based grocery retail rose by 10 basis points to 5.1% in Q2. High street Helsinki yields also increased by 10 basis points to 5.4%, and yields for prime big box properties rose to 6.0%.

Investment Demand

- Grocery chains plan to invest in new store sites, either through new developments or purchasing existing sites.
- Investment demand is highly selective, with grocery being a common focus.
- Essential commodities like pharmacies and discount retail are in demand, especially in value-add or opportunity cases. These necessities drive traffic and attract customers.

Occupier Market

- Fashion sales in shopping centres have declined significantly.
- Consumer behavior is price-driven, with cheap fashion dominating. Despite the talk about second-hand fashion, it plays a minor role in the broader market.
- A few new international brands, such as Under Armour and Nike, have opened stores.

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LTM = Last Twelve Months / HMA = Helsinki Metropolitan Area (Helsinki, Espoo, Vantaa)

Source: Newsec, Statistics Finland

Source: Newsec

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Newsec produces the most diverse, high-quality and up-to-date real estate market data in Finland. We conduct regional research on rental levels, vacancy and tenant demand trends. We monitor the local, Nordic and international real estate investment market and trends among investors and financiers. We use the data internally, in our client work and in the accompanying market reports, among other things.

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Helsinki Metropolitan Area Office market report contains key market data from the 27 sub-market areas in the Helsinki Metropolitan Area.

Southern Finland Logistics Market Report

Southern Finland Logistics Market report contains market data from the 9 most important sub-market areas.

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Residential Market Report provides comprehensive data for the 38 most important submarkets in Finland, located in the Helsinki Metropolitan Area, Turku and Tampere.

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- 15 000 residential leases signed
- 215 000 sqm of commercial property leases signed
- Advisor in real estate transactions worth EUR 266 million/year
- 700 professionals

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- 2500 professionals

Figures are for 2023 Renewable energy projects last 15 years.



More information

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