

Real Estate Market Finland

Industrial & Logistics Q2 | 2024



Industrial & Logistics Q224

Investment highlights

263 M€ Volume -18% YoY LTM	9 Transactions -29% YoY LTM	66% International Investors vs 73% 2023	26% Share of Total Volume vs 23% 2023
5.30% Prime Yield ↑30bps from Q1	15€ /sqm/month Prime Rent 0€ from Q1	6.3% Vacancy HMA -2.2% from Q1	336,590 sqm Completions 1-5/24* -36% YoY

Quarterly transaction volume 2020-2024



LTM = Last Twelve Months
HMA = Helsinki Metropolitan Area (Helsinki, Espoo, Vantaa)
* Industrial buildings and warehouses, Finland

Source: Newsec, Statistics Finland

Significant light industrial mega deal in Q2 by Blackstone

Q2 Key Takeaways

Investment in Q2 reached €263 million, a 133% increase from Q1. Despite a 12-month transaction volume still being 18% lower year-over-year, the decline in Q2 was much less severe compared to previous quarters.

The Industrial & Logistics (I&L) property segment continues to grow in importance, accounting for 26% of the total volume over the trailing 12 months—a record high.

In Q2, 66% of investments came from international investors, with the Helsinki Metropolitan Area (HMA) making up 53% of the volume. Greater Helsinki's share was 94% for 2023.

Significant I&L transactions in Q2 included a €135 million light industrial portfolio deal, with Blackstone as the buyer and NREP as the seller, and a logistics property portfolio acquired by Logian from OP Vuokratuotto.

Price discovery in prime I&L is still ongoing. Prime yield decompression continued, reaching 5.3% in Q2. Prime rent stands at €15, while the average Greater Helsinki prime rent is €12. Vacancy in Greater Helsinki remained steady at 7.5% in Q2, with 37,000 sqm added to the logistics stock.

Investment Monitor

- Heterogeneous investor and customer preferences dictate size and other criteria. Some investors seek modern spaces with minimal capital expenditure, while others prioritize higher yields and property development opportunities.
- Outlook in the medium term favours I&L segment as Finland lags other Nordic countries in share of e-commerce sales and there is room for growth for e-commerce sector and for corresponding logistics space.

Occupier Market

- As economic activity will start to pick up again in 2025, and with slower inflation and increasing purchasing power growth the demand will start to recover.
- The lack of modern I&L space, steady demand and ESG requirements continue to create upward pressure on rents.

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Source: Newsec

Make use of the even more detailed property market data!

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 Office Market Report

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.

Residential Market Report

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

Newsec in Finland

- Properties in asset management services worth EUR 28,5 billion
- Valuations worth EUR 20 billion/year
- Over 33 000 rental apartments under management
- 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

Newsec in Northern Europe

- Properties in asset management services worth EUR 99 billion
- Valuations worth EUR 333 billion/year
- 700 0000 sqm of leases signed
- Advisor in real estate transactions worth EUR 1,8 billion/year
- Over 76 renewable energy and energy transition transactions
- 2500 professionals

Figures are for 2023 Renewable energy projects last 15 years.



More information

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