

# THE FINNISH REAL ESTATE MARKET

Autumn 2025



## Transaction market gained momentum

Transaction volume during the first seven months of 2025 totaled approximately EUR 2.5 billion, 75% higher than a year earlier. The increase was not solely driven by large individual deals, as the number of transactions also grew by 40% compared to the previous year. Despite the recovery in the market, the transaction volume still remained around 20% below the five-year average.

The largest shift was seen in the retail property sector, where transaction volume reached EUR 620 million – triple the amount recorded the year before. The growth was particularly boosted by major transactions involving Mercada, Shopping Centre Mylly, and Shopping Centre Skanssi, which together accounted for roughly two-thirds of the retail volume. The second most active sector was residential, where volumes were lifted by Apollo's and Sato's July acquisitions of residential portfolios comprising 1,944 and 1,000 apartments, respectively.

Public Property Invest (PPI) and Nordisk Renting were significant buyers in the social infrastructure sector, completing acquisitions worth a total of around EUR 250 million. As a result, the transaction volume in the sector climbed to slightly above EUR 500 million. Office transaction volume, in turn, recovered to around EUR 220 million after a record weak year, supported by the acquisitions of Avia Real Estate and the upcoming headquarters of Relex Solutions.

Foreign investors remained active, accounting for 53% of total volume. In addition to Apollo, PPI, and Nordisk Renting, Swiss Life also made major acquisitions. Among domestic investors, VVT Kiinteistösiioitus, Sato, and UB Asuntorahasto were active players.

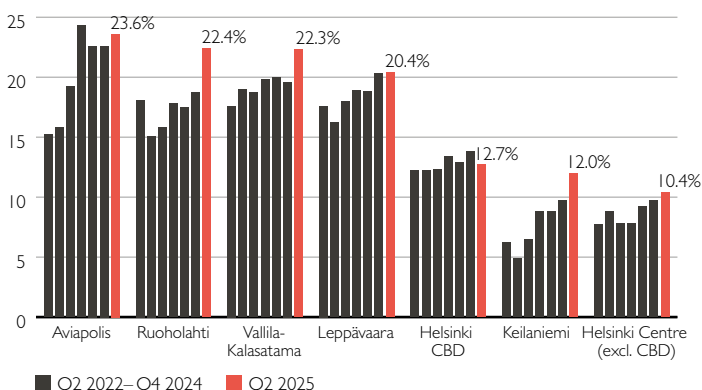
## Prime residential yield started to decline

Economic uncertainty and the current interest rate environment have so far limited yield compression. However, the residential prime yield decreased by 10 basis points to 4.3%. Industrial & logistics prime yield remained stable at 5.7%. Office and retail prime yields continued to show slight upward movement, now standing at 5.6% and 6.0%, respectively.

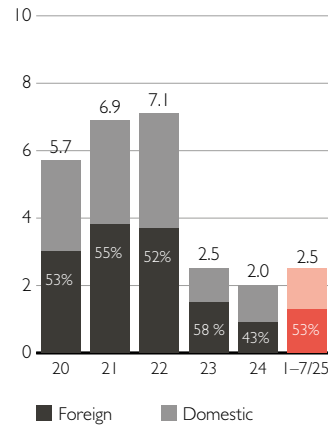
## Office vacancy in the Helsinki metropolitan area continues to rise

Office vacancy in the Helsinki metropolitan area increased to a record-high 17.0% in the second quarter. This is nearly one percentage point higher than a year earlier. In international comparison, the vacancy rate is high, though similar levels can also be found in other European

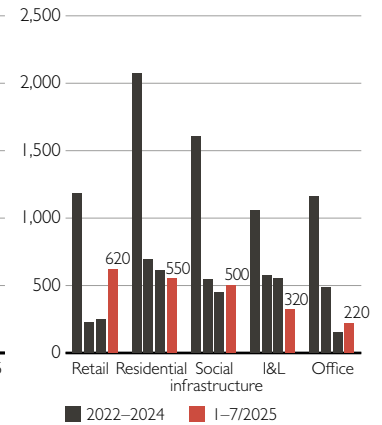
Office vacancy rates in selected submarkets in the HMA (%)



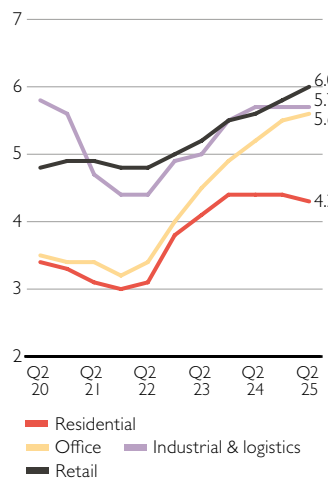
Transaction volume in Finland (EUR billion)



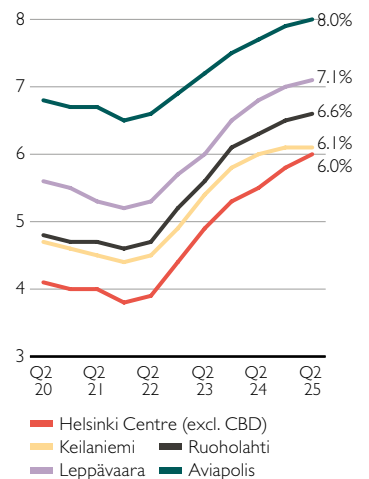
Transaction volume by asset type (EUR million)



Prime yields in the HMA by asset type (%)

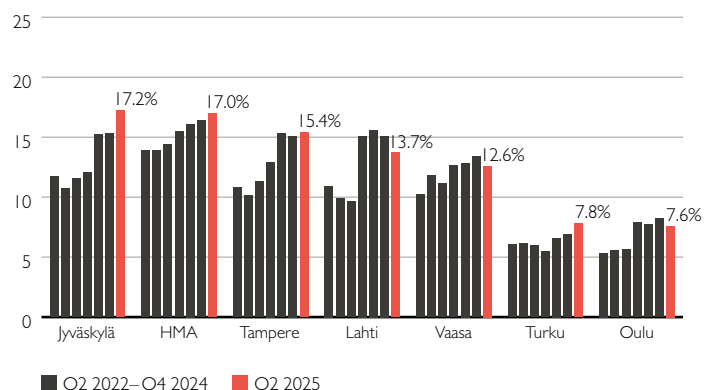


Prime office yields in selected submarkets in the HMA (%)



cities such as Stockholm. In Helsinki's central business district, however, vacancy decreased, reflecting the long-discussed polarization in the rental market. Among Finnish cities, the most positive development was seen in Lahti, Vaasa, and Oulu, where vacancy rates declined. In other property sectors, vacancy rates remained relatively stable.

Office vacancy rates by city (%)



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Helsinki  
(HMA)



Tampere



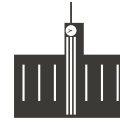
Turku



Oulu



Lahti



Jyväskylä



Vaasa

## OFFICE MARKET (Q2 2025)

→ Forecast (Q4 2025)

Stock (sqm):	8,430,000	940,000	880,000	680,000	280,000	410,000	310,000
Vacancy (%):	17.0 ↗	15.4 ↗	7.8 ↗	7.6 →	13.7 ↗	17.2 ↗	12.6 ↗
Prime rent (EUR/sqm/mth):	44.00 →	24.50 →	23.50 →	26.50 →	20.00 →	23.00 →	18.00 →
Prime yield (%):	5.60 →	7.50 →	7.75 →	7.75 →	9.00 →	8.75 →	9.00 →

## RETAIL MARKET (Q2 2025)

→ Forecast (Q4 2025)

Stock (sqm):	3,990,000	1,160,000	980,000	820,000	780,000	970,000	530,000
Vacancy (%):	3.7 ↗	4.4 →	4.3 →	1.9 →	3.4 →	3.5 →	2.2 →
Prime rent (EUR/sqm/mth):	100.00 →	60.00 →	45.00 →	50.00 →	40.00 →	38.00 ↘	37.50 →
Prime yield (%):	6.00 →	7.50 →	8.00 →	8.00 →	9.00 →	8.75 →	9.00 →

## INDUSTRIAL & LOGISTICS MARKET (Q2 2025)

→ Forecast (Q4 2025)

Stock (sqm):	8,120,000	2,170,000	2,270,000	1,610,000	1,980,000	1,260,000	870,000
Vacancy (%):	4.9 →	4.6 →	4.3 →	1.4 →	4.0 →	3.3 →	1.7 →
Prime rent (EUR/sqm/mth):	12.50 →	9.50 →	9.00 →	10.00 →	7.00 →	10.00 →	8.50 ↗
Prime yield (%):	5.80 →	7.75 →	7.75 →	8.25 →	8.50 →	9.00 →	9.00 →

### The following definitions are used for prime yields:

- **Initial yield:** Good location in the target market. High quality building. New development excluded.
- **Retail:** For example shopping centre or other retail property with well-known domestic or international tenants. Weighted average unexpired lease term of 3–5 years.
- **Office:** Stable anchor tenants. Weighted average unexpired lease term of 3–5 years.
- **Industrial & logistics:** Medium-sized property. One user. A stable tenant with a 5–7 year lease agreement.
- Particularly long lease agreements currently decrease yields by ca. 0.1–0.5 percentage points in the Helsinki CBD and 0.1–0.7 percentage points in other submarkets.

### Prime rental levels are based on the following the criteria:

- **Effective gross rents:** Good location in the target market. High quality premises. New development excluded.
- **Retail:** Street level retail premises. Approx. 150 sqm
- **Office:** Approx. 500 sqm in the HMA, approx. 300 sqm in the growth centres.
- **Industrial & logistics:** Approx. 1,000–3,000 sqm

Transaction volume does not include the daily stock trading of real estate companies.

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