

Market Update Feb 15

Issue 1/11

Helsinki, Finland



Commercial Property in Finland

■ Finnish Economics

Finnish GDP decreased by more than 7% in 2009 but in forecasts for 2010 and beyond Finland's economics is expected to grow stable but moderate. The Finnish Ministry of Finance forecasts the GDP growth of 3,2% for 2010 and some 2,9% for 2011. A big problem for Finnish economy is the high rate of unemployment though it is forecasted to shrink. Also the public debt will increase during 2011 but it is still at a moderate level. The Central Bank Rate (Euribor) should remain stable at least the next 6 months.

■ Sales Market

According to KTI Finland, the size of the Finnish professional property investment market is ca. € 38 billion. A decade ago, the market was dominated by domestic institutional investors like pension funds and similar. They still remain major players in the market with a share less than 40% but their dominance has decreased together with the emergency of foreign (appr. 70) investors, domestic funds and others. Since 2009 only few new foreign investors has entered the market, but it is forecasted that the interest of foreign investors toward Finland will increase again after some modest years.

■ Rental Market

The development of the rents and vacancies vary strongly between the sub-markets. The vacancy rate for offices has increased during the 2010 and there are many free sqm waiting for renovating and developing. On the other hand many new and modern office building especially in HMA are under planning and construction and companies are looking for new and flexible "high- and green tech" premises.

■ International News

After Greece and even Ireland's big economic bailouts in the past debt concerns have moved to other EU-countries like Portugal and Spain. So far the European Central Bank together with EU-member governments has succeeded to soften these threads by supporting strongly the member crisis states. In this aspect Finland is a solid and stable property investment market for international investors and real estate developers.

Key Figures

Key figures of the Finnish economy:

ECB Steering rate	1,0%(Source: BoF)
Inflation - 1year	2,9%(Source:StatFin-12/10)
Building Cost Index 1year	2,6%(Source:StatFin-12/10)
Residential price change: (new construction)	9,7%(Source:Stat.Fin-12/10)
Growth in exports 2010	5,7%(Source: StatFin-12/10)
GDP change in vol. 2010	3,2%(Source: StatFin-12/10)

Rental market:

CBD Prime (average)	25 eur/m ² /month
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Sales market:

Yield prime office	5,75.00%
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Finland in Numbers

Population:	5.350.000
GDP:	€ 171,2 billion (2009)
GDP per capita:	€ 32.065
Unemployment:	7,9%(Source:Stat.Fin-12/10)
Conversion:	1 Euro = 1,3524USD (Source: ECB)

About NAI Premises

NAI Premises is a full-service commercial property agent in Finland, independent of all Bank affiliations or outside capital interest. From its head office in Vantaa, the company operates throughout whole Finland, creating value for its client by providing qualified commercial real estate services.

NAI Global is one of the world's leading providers of Commercial Real Estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

NAI Global consist of 350 Offices in 55 Countries with 5,000 Professionals and a \$45 billion Annual Transaction Volume worldwide.

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Finland - Helsinki Market Update

February 2011

Rental data:

Property	EUR net rent m ² / per month					
Office	Low	High	Average	Vacancy		
Prime Offices						
Category A	20	29	25	5,75%		
City Centre Offices						
Category B	10	20	13	12,00%		
Other High Class						
Category C	10	20	13	14,5%		
Industrial	Low	High	Average	Vacancy		
Warehouse						
Category A	7	9	8	5,0%		

Retail	Low	High	Average	Vacancy
City Centre				
Category A	30	140	60	2,7%

Definitions:

Office definitions:

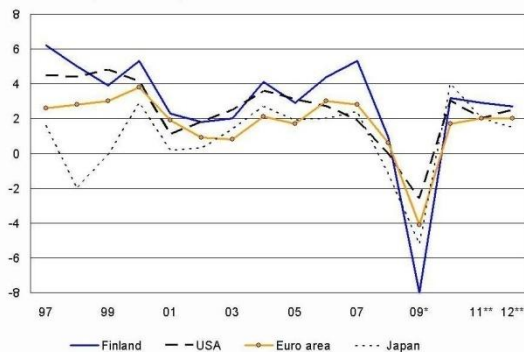
- Prime Office Category A: High quality premises in Helsinki CBD.
- City Centre Office Category B: High quality premises in Helsinki area.
- Other High Class Category C: High quality premises in Helsinki Metropolitan area.
- Warehouse Category A: High quality/new buildings in 20 km radius from Helsinki centre.
- Retail City Centre Category A: Good/high quality in Helsinki centre area.

Sales data:

Recent transactions:

- JAN 2011: RBS Nordic Renting from Ilmarinen Mutual Ins. Company, **Mechelininkatu 1**, Helsinki CBD office - 25,172 m²
- JAN 2011: Sveafastigheter JV HGR Property Partners from Delek Real Estate, **Vallgarden**, Helsinki, Vallila, office, 19,500m²
- JAN 2011: SRV from Cordea Savills, **Niittytori Shopping Center**, Espoo, retail, 4,000m²

GDP change in volume per cent 2001– 2010 (EUR)



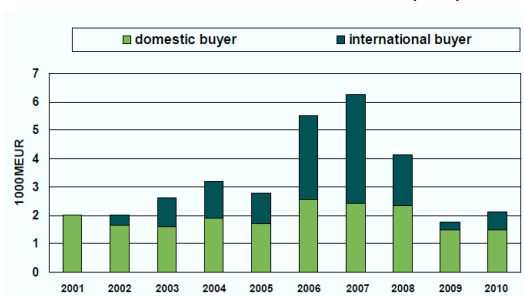
Source: Stat.Finland,EU,OECD,Mof, 21.12.2010/VMKO/17047

Harmonised Index of Consumer Prices, annual change



Source: Eurostat and Statistics Finland

Transactions volume in Finland 2001– 2010 (EUR)



Source: KTI

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The information contained herein has been congregated from different sources in the market we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.

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