

Intelligent Investment

2026 Finland Real Estate Market Outlook

REPORT

CBRE RESEARCH
FEBRUARY 2026



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Executive Summary

Finland enters 2026 with momentum building after three years of below average economic performance. The Finnish GDP grew by a mere 0.2% during 2025 as the elevated trade uncertainty, limited boost in private consumption and softening labour market dragged on the economy. GDP growth is expected to strengthen to 1.1% in 2026, underpinned by the supportive rate environment, a gradual recovery of private consumption and improving business sentiment in key industries.

Finnish investment market transitioned from stabilisation to selective expansion in 2025. The investment market saw a strong rebound in absolute terms, and total investment grew by over 71% year-over-year to €4.4 billion in 2025. Social infrastructure was the largest sector with 32% of total investment followed by residential (20%) and retail (18%). Offices and Industrial & logistics (I&L) accounted for 11% and 9% of the total volume, respectively, while the hotel sector reached 7% of total investment in 2025. The financing market remained active and supportive of transactions in 2025. There were several larger refinancings during 2025 in the Finnish market, and especially Nordic banks continued to provide funding for real estate. According to the CBRE Nordic Investor Intention Survey 2026, Nordic investors are showing positive signals for the continued recovery in real estate investment, while beds and sheds remain as the most preferred sectors also in 2026.

Finnish real estate investment is expected to grow by 5–10% in 2026 supported by continued financing market liquidity, improving pricing visibility and attractive relative valuation. The recovery remains in its early stages and is likely to be gradual—but the direction of travel is constructive, and improving investor sentiment is expected to shift buyers and sellers closer together in the upcoming year. The continued financing market liquidity will support more transaction activity and lenders are expected to move increasingly from refinancing towards more acquisition driven lending. We expect the Nordic listed real estate sector re-gearing to continue, and especially Swedish listed investors are set to continue allocating capital into the Finnish market despite the possible lag effect from the relatively sizable discounts to net asset values for the listed sector. In addition, the gradually returning activity in larger lot sizes and the rebound in core capital will be key themes for the Finnish market in 2026.



Introductory Note by

Jussi Niemistö

Head of Research,
Finland and the Nordics

Welcome to CBRE's Finnish Real Estate Market Outlook 2026.

As we enter 2026, the Finnish real estate market is gearing up for more growth. Finland has turned the corner in recovery and the combination of supportive rate environment, the rise in private consumption and the improved industry sentiment will steer the economy back to the growth trend in 2026. Despite the volatile macroeconomic backdrop, we expect the gradual recovery in the Finnish economy and the improved financing market liquidity to fuel the recovery in the real estate market.

We are expecting 5–10% growth in total investment in 2026, and while investors continue to be selective and tilted to the most preferred sectors, notably residential and industrial and logistics (I&L), there are signals of improvement in several real estate sectors in the Finnish market. Alongside the beds and sheds that continue to top the list for Nordic investors, convenience led retail and social infrastructure are seeing a large pool of investors looking to deploy capital in these sectors. Data centres continue to see high demand through the AI and cloud computing trend.

The occupational markets are expected to see gradual improvement throughout the year, and while there are sector differences, more positive economic environment will support the rebound in occupier sentiment.



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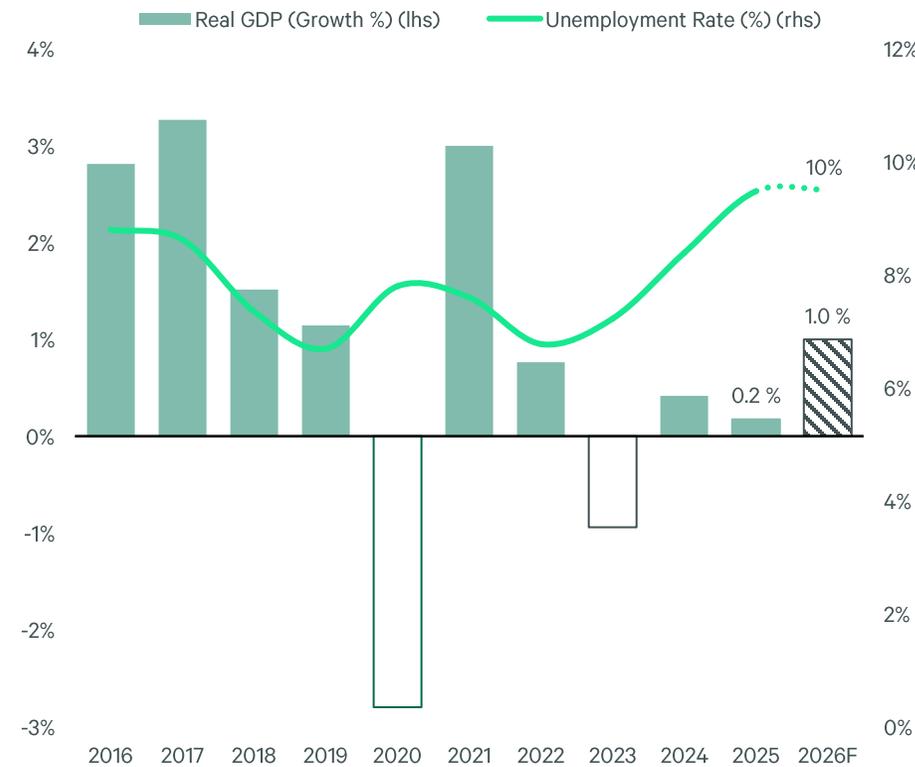
Economy

Growth momentum building up for 2026

Finland enters 2026 with momentum building after three years of below average economic performance. The Finnish GDP grew by a mere 0.2% during 2025 as the elevated trade uncertainty, limited boost in private consumption and softening labour market dragged on the economy. Annual average inflation moderated to 0.4%, while the trend of seasonally adjusted unemployment rate softened above 10% in 2025.

According to the latest industry surveys, the business sentiment has improved significantly across the main sectors in 2025. Retail and services confidence indicators are showing positive signals, while the manufacturing confidence has also hit the highest mark in three years highlighting optimism for the upcoming year. Construction confidence remains the outlier and the sector remains challenged by the weaker demand picture and continued oversupply of apartments. As another measure of improved financial market sentiment, the Nasdaq OMX Helsinki index rose by over 30% during 2025 led by the financial services and industrial goods sectors and marking the strongest performance in 20 years. The strong listed market performance also opened the IPO window reflecting improved financial market momentum in Finland.

Figure 1: Real GDP growth and Unemployment Rate in Finland between 2016 – 2026F (%)



Source: Statistics Finland, Nasdaq, Confederation of Finnish Industries, CBRE Research, January 2026

Finland’s GDP growth is expected to strengthen to 1.0% in 2026, underpinned by a more supportive rate environment, a gradual recovery of private consumption and improving business sentiment. The macro set-up is aligned with [the wider European picture](#): inflation has cooled, monetary conditions remain less restrictive, and real household incomes are improving—factors that typically translate into better transactional confidence and a more constructive operating environment for real estate. That said, the recovery is likely to remain uncertain and skewed to the downside. The elevated unemployment may drag the pace of the consumer driven rebound, and the global instability and tariff headwinds continue to weigh on the short-term outlook for Finland. Escalation in the global trade war is the key downside risk for the Finnish economy in 2026.

Despite global headwinds, we anticipate the recent positive signs for market activity to develop further this year. The key tailwinds for the economy in 2026 will be the positive sentiment in the key industries, spillover effects from the European wide infrastructure and defence spending and improved financial market sentiment. The growth momentum in AI related investment is expected to remain high in 2026.

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Economy

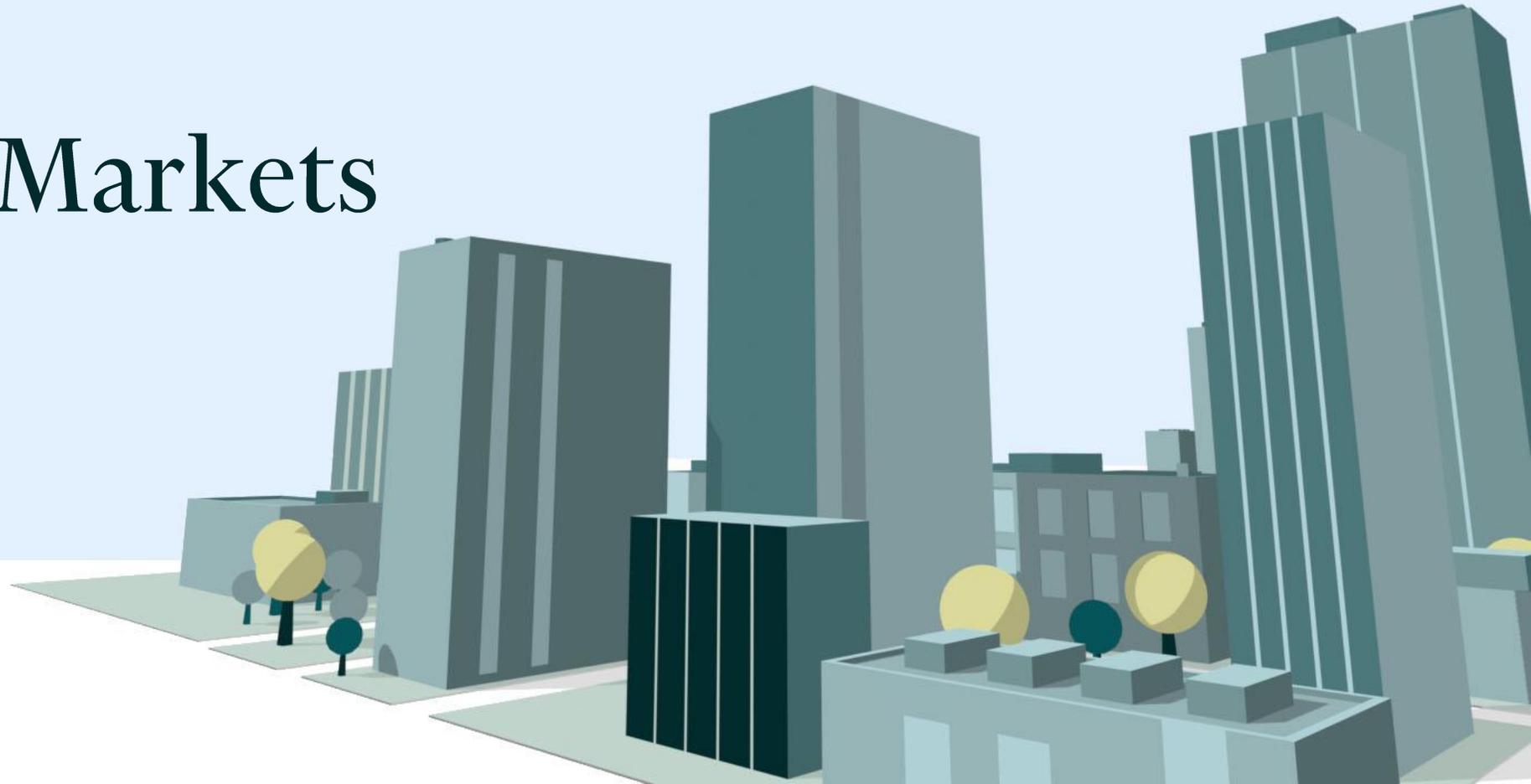
Trends to watch

- Finland's economy is forecast to expand by 1.0% in 2026, supported by easier financial conditions and improving industrial sentiment, marking a clearer turn from the recent low-growth period. The recovery is expected to be gradual and uneven with risks tilted to the downside. Any escalation in the global trade environment will weigh on the short-term performance of the Finnish economy.
- The stabilised interest rate environment should continue to support the recovery in the key business sectors in Finland, while the moderation of inflation will help in steering private consumption and real incomes back on the growth trend.
- The key tailwinds for the economy in 2026 will be the positive sentiment in the key industries, spillover effects from the European wide infrastructure and defence spending and improved financial market sentiment. The growth momentum in AI related investment is expected to remain high in 2026.
- Finland is renowned for its political stability and reliability as an investment destination. The country's strong democratic tradition, effective regulatory framework, and significant investments in infrastructure, education, research, and social equality continue to support its reputation as a secure and attractive place for investment.
- More recently, the Finnish government has also announced new corporate tax benefits in late-2025, proposing slashing the corporate tax rate from 20% to 18% in 2027, designed to further boost the long-term growth potential and attract more investments into the country.



02

Capital Markets



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Capital Markets

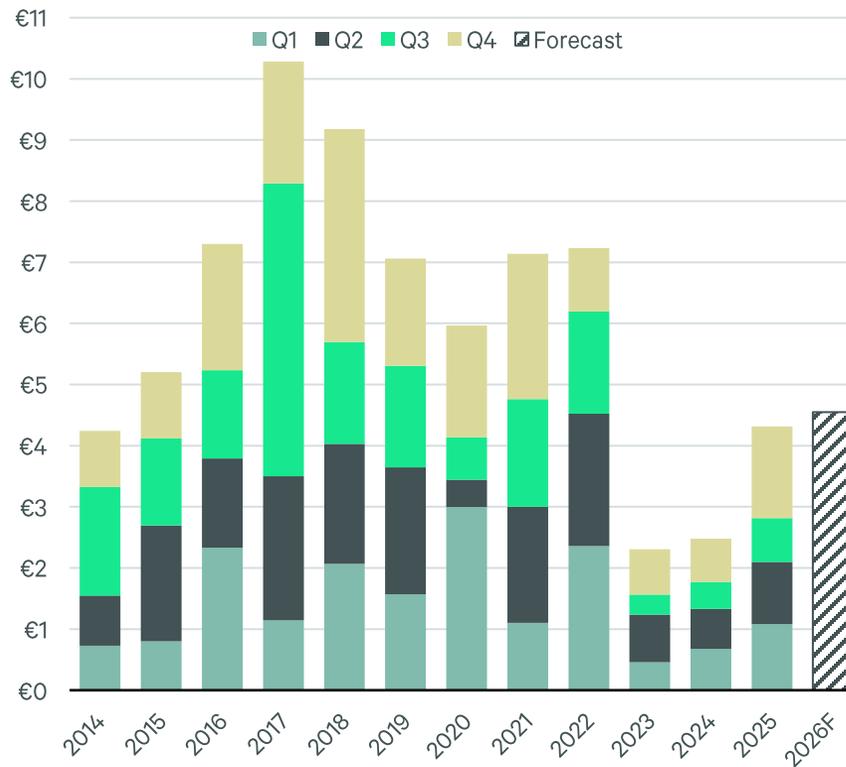
Positive trend set to continue in 2026

Finnish investment market transitioned from stabilisation to selective expansion in 2025. The investment market saw a strong rebound in absolute terms, and total investment grew by over 71% year-over-year to €4.4 billion in 2025. Social infrastructure was the largest sector with 32% of total investment followed by residential (20%) and retail (18%). Offices and Industrial & logistics (I&L) accounted for 11% and 9% of the total volume, respectively, while the hotel sector reached 7% of total investment in 2025.

International investors remained active in the Finnish market and the cross-border share landed at 59% of total investment in 2025, above the 10-year average of 54%. Larger nationwide portfolio deals lifted the share of investment outside the capital city region – 41% of total investment landed in the Helsinki Metropolitan Area (HMA), below the 10-year average of 55%.

There were several structural deals during 2025, such as the Public Property Invest’s acquisition of the Nordic wide social infrastructure portfolio from SBB, Finavia’s purchase of the majority stake in Avia Real Estate from Nrep and Pontos and AMF’s divestment of the 1/3 share of Mercada to K-Kauppiasliitto.

Figure 2: Real estate investment volume in Finland 2006 – 2025F (€ Billion)



Source: CBRE Research, January 2026

The largest real estate transactions in 2025 were Kojamo’s divestment of a nationwide residential portfolio to Apollo for €242 million in June, Sato’s acquisition of nearly 1,000 apartments from OP Rental Yield in July and Keva’s purchase of the mixed-use portfolio, including the Grand Hansa hotel and offices in the Helsinki CBD, from the University of Helsinki Student Union.

Other notable deals include the VVT’s acquisition of the Kalasatama health and wellbeing centre in Helsinki from DEKA in August and CBRE IM’s divestment of the shopping centre Skanssi in Turku to Swiss Life and Trevian in April.

The Nordic listed companies, Public Property Invest and Prisma Properties, were the most active buyers during the year, and both investors completed more than 5 transactions in the Finnish market in 2025. Nordisk Renting, Cibus and Aedifica were among other active buyers during the year highlighting renewed investor confidence for the Finnish market. Domestic investors and developers were the most active sellers, and especially local open-ended funds and investment managers divested assets in different sectors during 2025.

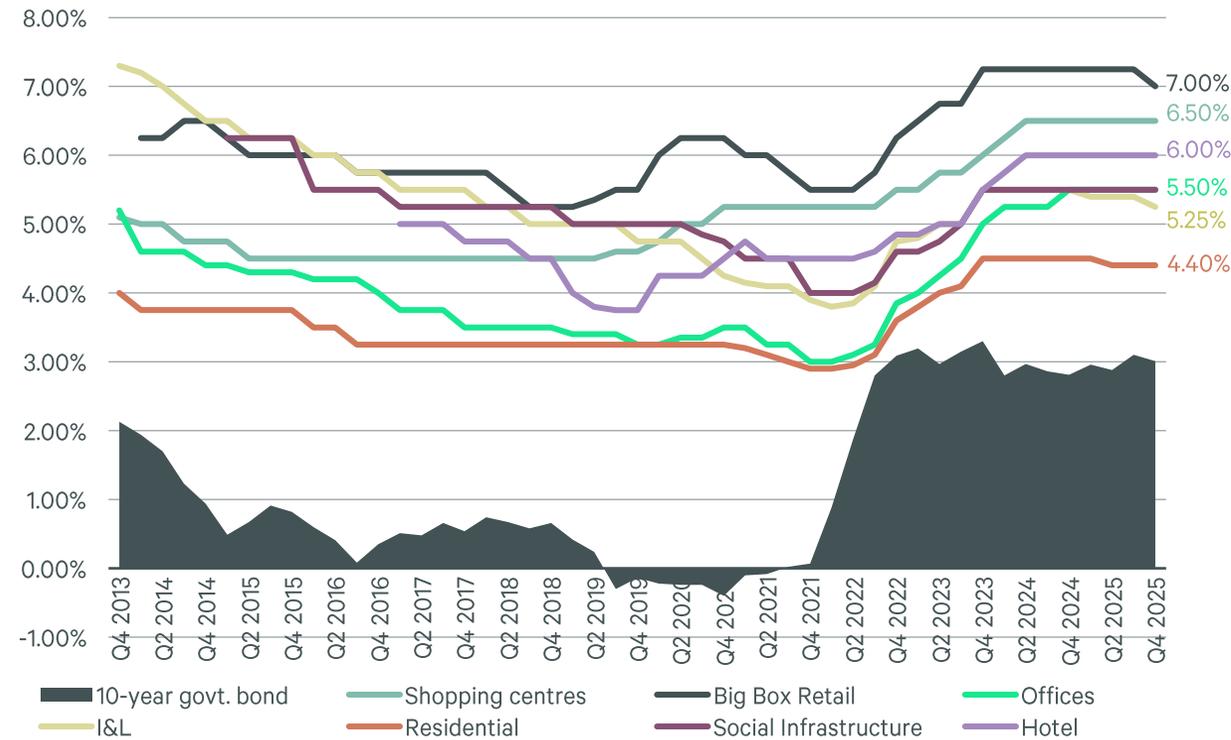
02

Capital Markets

Limited yield compression expected as interest rates remain elevated

Finnish market transitioned from stabilisation to selective expansion in 2025. Following a strong 2025, **we expect a further 5–10% increase in investment in 2026.**

Figure 3: Sector prime yields in Finland, 2013 – 2025 (%)



Source: CBRE Research, Q4 2025

The financing market remained active and supportive of transactions in 2025. There were several larger refinancings during 2025 in the Finnish market, and especially Nordic banks continued to provide funding for real estate. Most notable financing transactions included the €358 million refinancing of the Mall of Tripla shopping centre in Helsinki and €200 million refinancing of the Sello shopping centre in Espoo.

The pricing environment remained stable throughout 2025, and a few sectors already saw moderate yield compression. Residential and logistics continued to see investor interest with prime yields compressing 10 to 25 basis points during 2025. Big box, retail park and supermarket prime yields also compressed 25 basis points to 7.00%, 7.75% and 6.00%, respectively, amidst several retail investors looking to deploy more capital into the low-cost retail segment with its relatively strong operative performance and the attractive yield spread compared to peer markets in Northern Europe.

Residential, logistics and convenience-led retail prime yields have compressed slightly, yet we are not expecting a post-GFC (Great Financial Crisis) type of scenario with aggressive yield compression as the interest rates are expected to keep elevated in the short-term.

Outlook for 2026 – Investor sentiment supports the selective recovery in investment

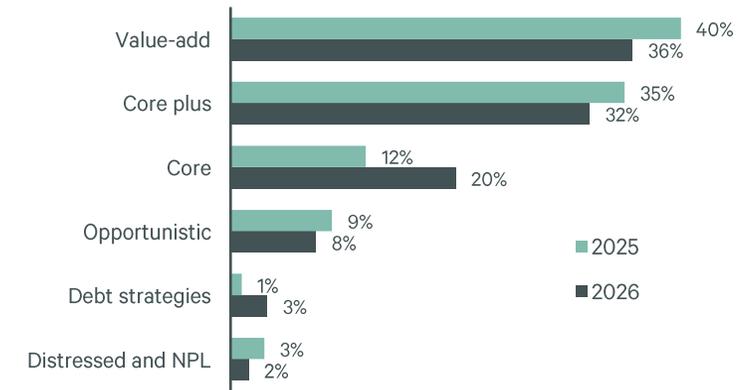
Finnish market transitioned from stabilisation to selective expansion in 2025. Following a relatively strong 2025, **we expect a further 5–10% increase in investment in 2026.**

According to the CBRE Nordic Investor Intention Survey 2026, conducted in November and December 2025, Nordic investors are showing positive signals for the continued recovery in real estate investment. Over half of the surveyed investors signalled willingness to purchase more during 2026 compared to the previous year, while the reasons behind the optimism were lower debt costs, tighter supply pipeline and overall greater alignment between buyers and sellers. The current market environment was also seen as an attractive entry point into real estate. Largest increase in the favoured investment strategy compared to 2025 was seen in core with 20% regarding this strategy as the most attractive for 2026 (Figure 4.).

Beds and sheds remain top of mind for Nordic investors, and 40% of Nordic investors favour residential sector followed by logistics (28%) in 2026. The preference for offices remain flat (13%) compared to 2025, while retail and hotels saw an increase from the previous year and landed at 10% and 4%, respectively. (Figure 5.)

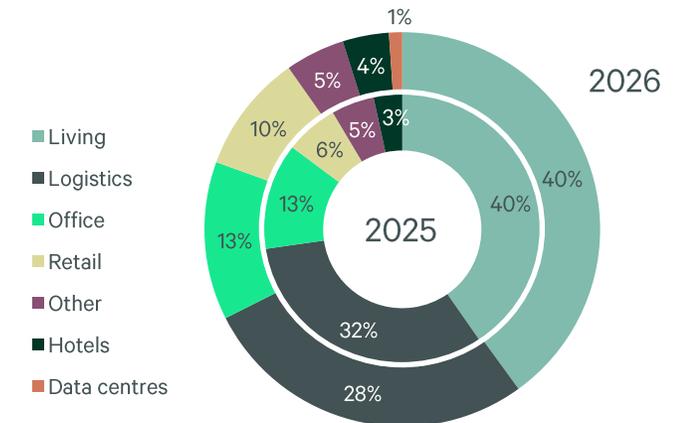
Finnish real estate investment is expected to grow by 5–10% in 2026 supported by continued financing market liquidity, improving pricing visibility and attractive relative valuation. The recovery remains in its early stages and is likely to be gradual—but the direction of travel is constructive, and improving investor sentiment is expected to shift buyers and sellers closer together in the upcoming year. The continued financing market liquidity will support more transactions and lenders are expected to move increasingly from refinancing towards more acquisition driven lending. We expect the Nordic listed real estate sector re-gearing to continue, and especially Swedish listed investors are set to continue allocating capital into the Finnish market. In addition, the gradually returning activity in larger lot sizes and the rebound in core capital will be key themes for the Finnish market in 2026.

Figure 4: Most attractive strategy for investment – 2026 vs. 2025



Source: Nordic Investor Intentions Survey 2026, CBRE Research

Figure 5: Sector preference – 2026 vs. 2025



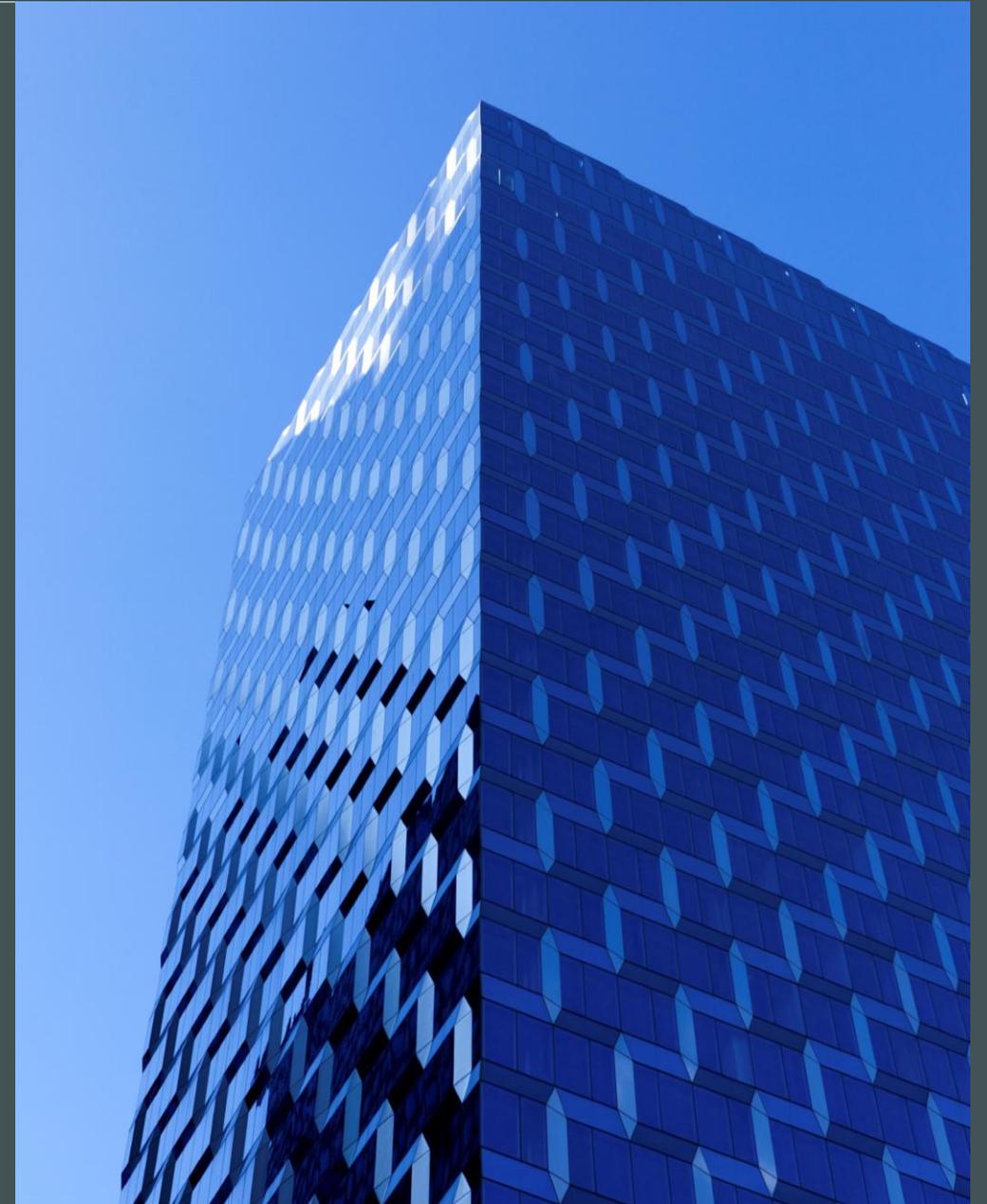
Source: Nordic Investor Intentions Survey 2026, CBRE Research

02

Capital Markets

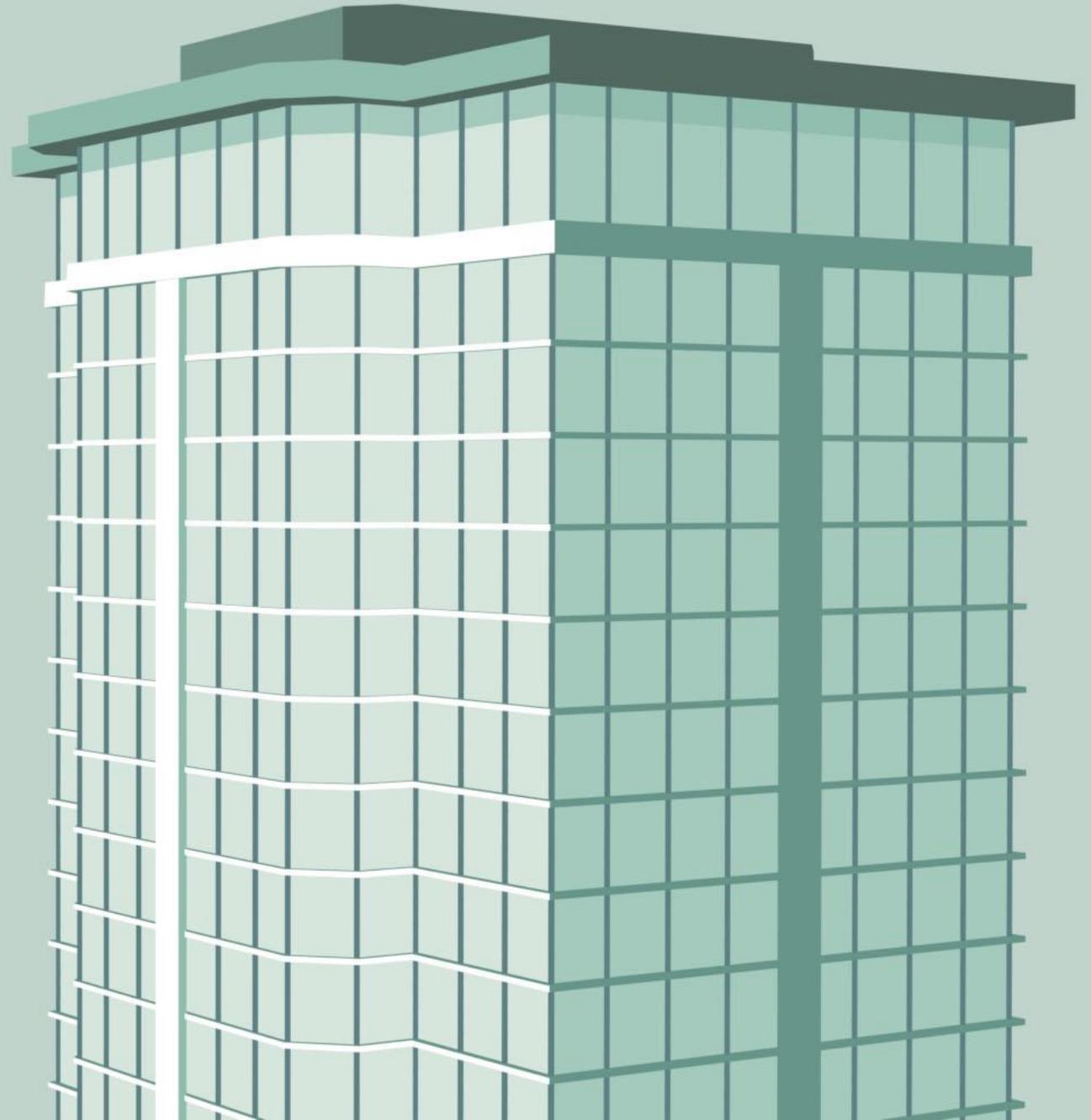
Trends to watch

- Finland's investment market transitioned from stabilisation to selective expansion in 2025. Following the rebound, we expect a further 5–10% increase in 2026, supported by improving pricing clarity and debt market liquidity along with the improving economic performance.
- Debt markets pivot from refinancing to acquisition financing. Nordic bond market conditions have continued to improve supporting a shift in origination and enabling a wider buyer pool and larger trades to clear.
- Swedish listed sector is set to become market-moving. Beyond the handful of active listed companies to date, we expect a wider set of Swedish listed real estate companies to increase allocation to Finland in 2026 in addition to the currently active Nordic and international capital base, broadening liquidity and speeding the gradual recovery.
- Return of core capital – According to CBRE Nordic Investor Intentions Survey 2026, the preference for core is making a comeback in 2026, and there are early signs of core capital re-engaging. This trend suggests renewed confidence in the pricing environment and further restoring faith into the continued recovery of investment.
- Larger over €100 million lot sizes are returning – This reflects improving conviction and market-clearing evidence, consistent with the broader European pattern of gradual recovery driven by income strategies rather than aggressive yield compression.



03

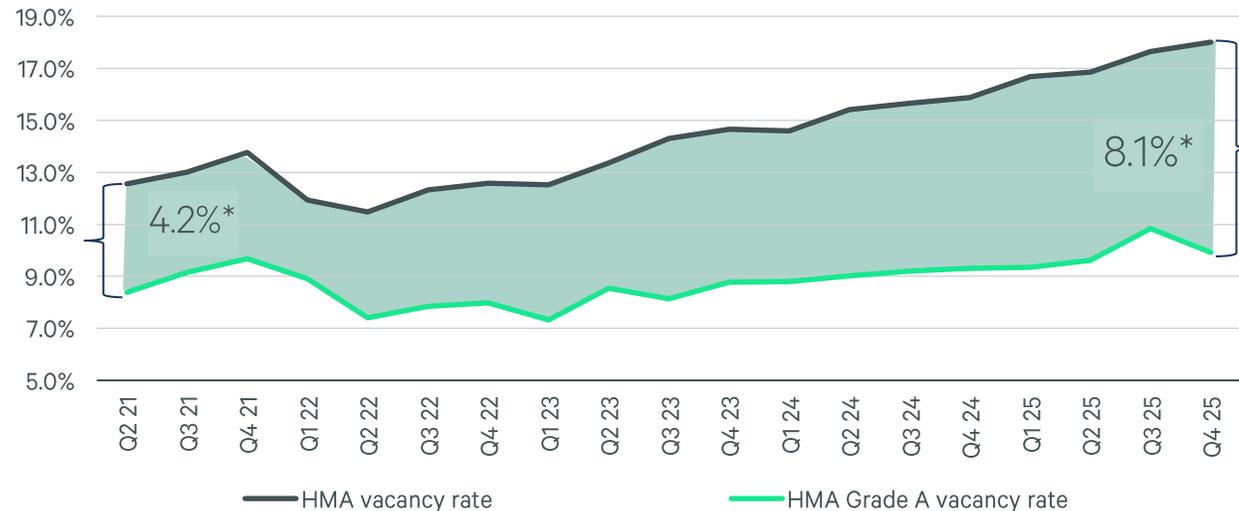
Offices



The gap between Grade A and other offices continues to widen

Along with the flight to quality trend, **the competition for higher-quality space intensifies as new supply remains modest**

Figure 6: Vacancy rate and the spread between Grade A and total HMA office vacancies



Source: CBRE Research, Helsinki Research Forum

*Percentage point gap between Grade A and total market vacancy rate

Vacancy in the Helsinki Metropolitan Area remains elevated at 18.0%, but the headline figure masks a deepening divide in the market. Much of the available space is secondary as older, functionally obsolete offices, public sector legacy properties and a growing pool of sublease space are available on the market. These properties create opportunities for conversions and repositioning rather than meeting current occupier needs.

In contrast, vacancy in Grade A buildings is much more resilient reflecting sustained demand for modern, centrally located and well-serviced offices. This imbalance is driving the continued flight-to-quality trend with competition intensifying for the limited amount of new or refurbished space in well-connected submarkets. With the development pipeline remaining modest, this supply pressure is expected to persist through 2026.

Leasing market is showing early signs of improvement as occupiers show decision-making confidence. Organizations are increasingly choosing to stay in their current premises and renegotiate terms rather than relocate, resulting in rising levels of renewals and regears. Space reductions are occurring, but they are primarily the result of rightsizing strategies aimed at improving efficiency and targeting higher-quality locations, rather than simple downsizing. As a result, demand continues to focus on the best-performing assets, reinforcing the widening gap between prime and secondary offices.

Flight-to-quality theme continues in the office market

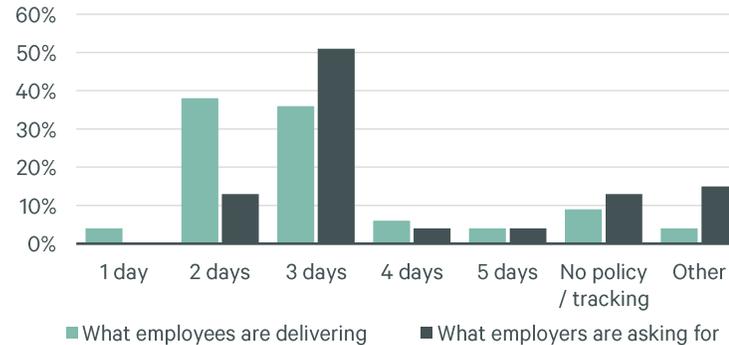
In 2025, the office investment volume reached €494 million, marking a substantial increase of 67% compared to the previous year. The office sector represented 11% of total investment activity, with cross-border investments accounting for 22% of the overall volume.

A significant 96% of the investment volume was concentrated in the Helsinki Metropolitan Area (HMA). The prime yield remained steady at 5.50% throughout the year, while yields outside the Central Business District (CBD) stood at 6.25%. Current pricing conditions present attractive opportunities for investors, with the yield gap to Sweden reaching a historical high of 150 basis points. According to the Nordic Investor Intentions Survey 2026, office investors want further clarity on stronger occupier demand and economic performance before deploying more capital into the sector. Investors are increasingly focusing on core investments and especially Grade A offices, while the secondary assets are expected to see limited investor demand.

Notable transactions in 2025 included Keva's acquisition of a substantial portfolio consisting mainly of office assets in the CBD from the Helsinki Student Union in the last quarter of the year. Additionally, Public Property Invest ASA acquired an office property development project in Otaniemi, Espoo, from HGR Property Partners for €79 million.

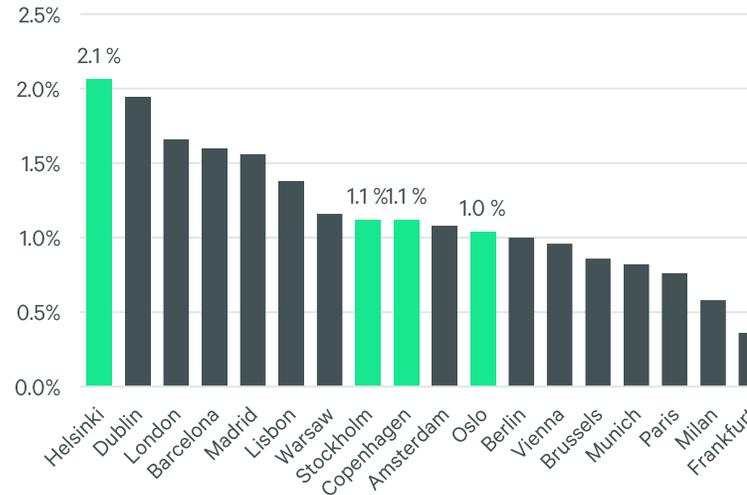
Further insights from investment market KPI's and volumes can be found from our Office figures Q4 2025 report from the following link: [Figures Finland Office Q4 2025](#)

Figure 7: Office attendance expectations vs. delivery per week



Source: CBRE Nordic Office Occupier Survey 2025, CBRE Research

Figure 8: Annual average office-based employment growth, 2026–2030



Source: CBRE Research, Oxford Economics

The office market saw a limited amount of new office premises with 28,000 sqm of new completions in 2025. The most significant completion was the Kalasataman Horisontti. In 2026, new completions are expected to reach 48,000 sqm with the most notable projects being the completion of Keilaniemen Portti and the flagship office Signe in the CBD which has attracted high interest among occupiers and drove prime rental increase in the market. The prime rent increased by 3.6% to a current level of 57€/sqm/month.

Office-based employment in Helsinki is projected to experience robust growth, with over 30,000 additional office workers by 2030. This growth represents more than a 10% rise in total office employment and is expected to drive demand for high-quality office spaces. Employers are still expecting higher level of office attendance than employees are currently delivering. Nearly 60% of companies expect 3 or more days at the office while the achieved rate is 15 %-points lower, but this gap in office attendance is expected narrow closer to expected levels going forward. The peak utilization rates are already at high levels with strong divergence between days, creating challenges to space optimization and driving the need for flexible office space.

Looking ahead in 2026, the demand for high-quality buildings situated in well-connected transport hubs is expected to remain strong. This trend is likely to stimulate continued rental growth in the premium segment of the market, attracting increased investor interest in core office investments. As companies seek to optimize their office environments, the emphasis on quality and location will play a pivotal role in shaping the future of the office leasing market in Finland.

Trends to watch

- Although office investment volumes have shown early signs of recovery, capital deployment into the Finnish office market remains selective. Investor interest is gradually broadening with a growing number of both domestic and international investors actively assessing opportunities. The trend is supported by current pricing levels and a favourable yield premium relative to other Nordic markets. Investors continue to seek greater visibility on occupier demand, as well as clearer signals of improving macro-economic conditions, while the investor demand remains increasingly focused on core and core-plus assets.
- Rental dynamics in Finland remain diverged. While headline rents are not expected to grow in secondary locations and dated premises, prime and newly refurbished assets continue to demonstrate pricing resilience, supported by a willingness to pay for higher quality and central locations.
- Leasing market is showing early signs of improvement as occupiers show decision-making confidence. Organizations are increasingly choosing to stay in their current premises and renegotiate terms rather than relocate, resulting in rising levels of renewals and regears. Tenants are prioritizing higher quality and better-located office spaces rather than simply opting for smaller premises. Additionally, subleasing has become a strategic option for tenants looking to optimize their space utilization, allowing them to maintain flexibility while adjusting to changing business needs.
- The demand for higher-quality buildings situated in well-connected transport hubs is expected to remain strong. This trend is likely to stimulate continued rental growth in the premium segment of the market, attracting increased investor interest in core office investments. As companies seek to optimize their office environments, the emphasis on quality and location will play a pivotal role in shaping the future of the office leasing market in Finland.



04

Industrial & Logistics



04
I&L

Further yield compression expected in the I&L market

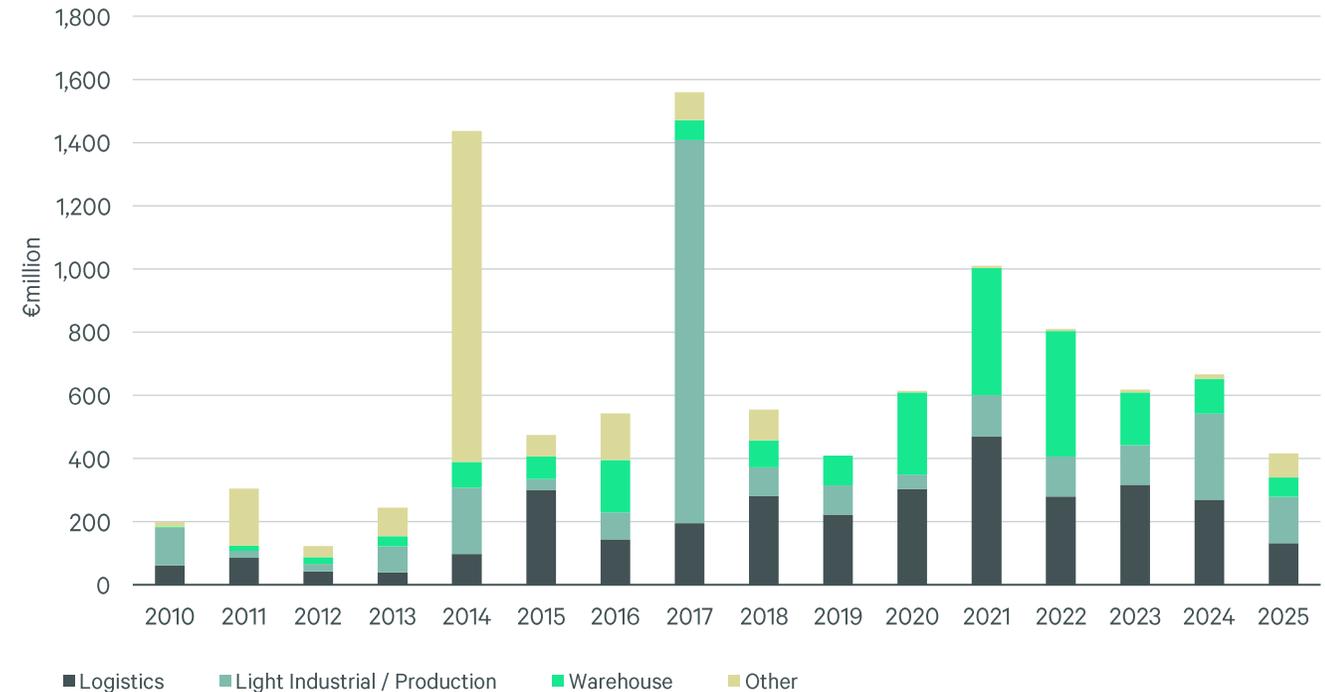
Investment activity in Finland’s industrial and logistics (I&L) sector softened in 2025, with total volume reaching €416 million, a 36% decrease compared to the previous year. I&L attracted 9% of total real estate investment, and demand remained well-diversified across logistics, warehouse, and light industrial segments. International investors remained active, accounting for 57% of all transactions, with the Helsinki Metropolitan Area (HMA) attracting most capital deployed (59%).

The market was characterized by smaller deal sizes and off-market trades, as investors focused on modern logistics and light industrial assets. While value-add strategies continued to drive much of the activity, early signals suggest that core capital is gradually re-entering the Finnish I&L market, encouraged by stabilizing pricing and a narrowing bid-ask spread. Pricing trends were positive toward year-end, and the prime logistics yield compressed by 25 basis points to 5.25%. Prime warehouse and light industrial yields are also facing pressure while standing at 6.75% and 7.75%, respectively.

A notable transaction underscoring these dynamics was Sicore’s acquisition of the newly completed 15,000 sqm DHL Express prime logistics hub at Helsinki-Vantaa Airport, purchased from Urban Partners’ Nordic Strategies Fund III and Pontos Group. The deal highlights demand for best-in-class, strategically located logistics facilities with strong occupier profiles.

Investor demand is well diversified across the multiple subsectors of I&L

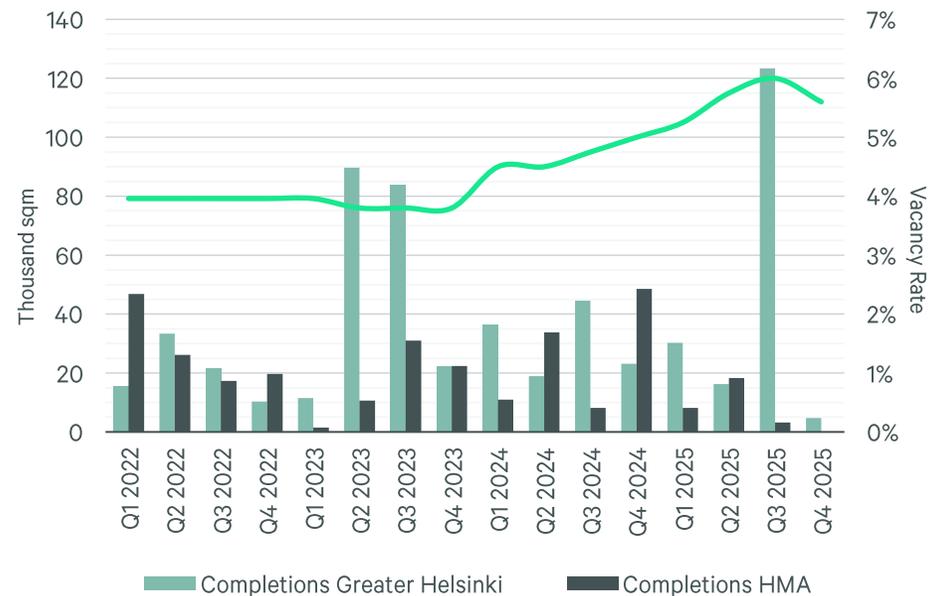
Figure 9: Total I&L investment volume since 2010 by subsector



Source: CBRE Research

Demand for prime assets remains robust

Figure 10: Net completions and vacancy rate (%)



Source: Statistics Finland, KTI, CBRE Research

Greater Helsinki refers to Hyvinkää, Järvenpää, Kerava, Mäntsälä, Nurmijärvi, Sipoo and Tuusula

*Data coverage is until November of 2025

The Finnish I&L market ended the year with downward trend in the vacancy rate, which decreased by 0.4 percentage points to 5.60% in the HMA during the last quarter. Vacancy rates for larger modern logistics premises remain particularly low. The demand is polarized between asset sizes, as smaller premises below 5,000 sqm are in high demand. In addition, cross-dock premises are sought after, while availability is limited. However, leasing negotiations are progressing slowly, with decision-making remaining delayed, especially for larger premises.

Both new occupiers and current tenants are seeking modern, energy-efficient, and well-located facilities, particularly within the core I&L submarkets. Smaller assets, in particular, are being absorbed quickly. The reallocation space from technically dated properties continues to offset net take-up figures in Finland. According to CBRE's investor intentions survey, investors are cautiously optimistic about increasing occupier demand. Half of the respondents expect demand to stay similar during the current year while half believe demand to increase up to 20% compared to last year.

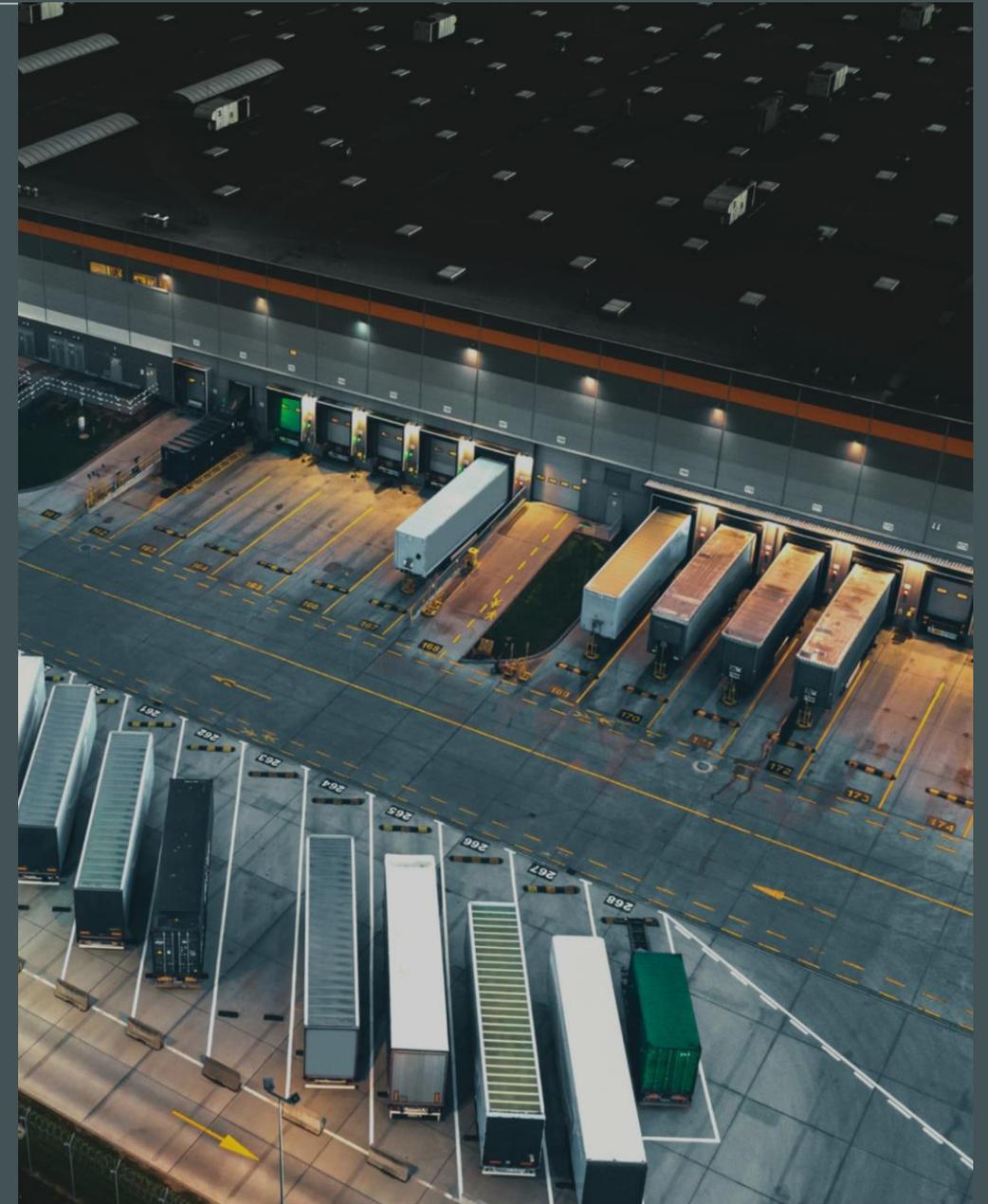
The demand and limited availability for new modern logistics premises has driven multiple major development projects as they can be tailored to meet specific occupier needs and pricing is often competitive. This reflects broader market trend where agility and operational efficiency is becoming central in occupier strategies.

Development pipeline was modest in 2025* in HMA (42,500 sqm) while Greater Helsinki saw 175,000 sqm of new I&L premises. The HMA pipeline continues to be limited driven by lack of zoning for I&L premises which drives most new development to take place in Greater Helsinki region. Current pipeline consist mostly of pre-let, particularly build-to-suit warehouses and production-linked logistics facilities. The most notable projects expected to be completed in 2026 include an 11,400 sqm production and warehouse facility in Rykmentinpuisto, Tuusula, for DEXIS; a 14,000 sqm logistics facility for Lehtipiste Oy; and a 9,000 sqm production and warehouse facility with new headquarters for Chiller Oy, in Sula, Tuusula.

05
I&L

Trends to watch

- Looking ahead to 2026, we expect investment activity to gradually improve as bid-ask spreads stabilize, and more product enters the market. With core capital becoming more active, continued downward pressure on prime yields is anticipated across the subsector, yet particularly for assets with strong energy efficiency, modern specifications, and core location.
- Polarization between prime and secondary assets will continue to widen. Modern, energy efficient logistics facilities with strong locations will outperform, while older stock faces higher vacancy and downward pressure on rents. This dynamic is creating opportunities to reposition well-located but obsolete properties, though viability remains highly sensitive to capex and energy upgrade costs.
- Occupier demand is increasingly fragmented by asset size and functionality. Modern units below 5,000 sqm are being absorbed quickly within core submarkets. Cross-dock facilities are also sought after, yet availability remains limited. In contrast, leasing negotiations for larger premises are protracted, reinforcing pricing power for small, well-located assets while larger space demand stay more sensitive to economic visibility and tenant-specific needs.
- With low availability of modern facilities and competitive pricing, new built-to-suit development is becoming increasingly popular. Occupiers are focusing on operational efficiency and technologies to automate and streamline their processes further.
- Prime rental growth in Finland is expected to remain modest despite demand factors remaining intact. Our baseline scenario points to near-flat prime rent development in 2026, with the upside to the very best assets in prime HMA logistics submarkets. The scarcity of prime assets and lack of new development in HMA due to zoning will put pressure for rent growth in medium-term. Incentives, by contrast, are expected to increase further in secondary locations and older stock as landlords compete for a narrower pool of quality-driven occupiers.



05

Living



Living sector expected to attract high interest in 2026

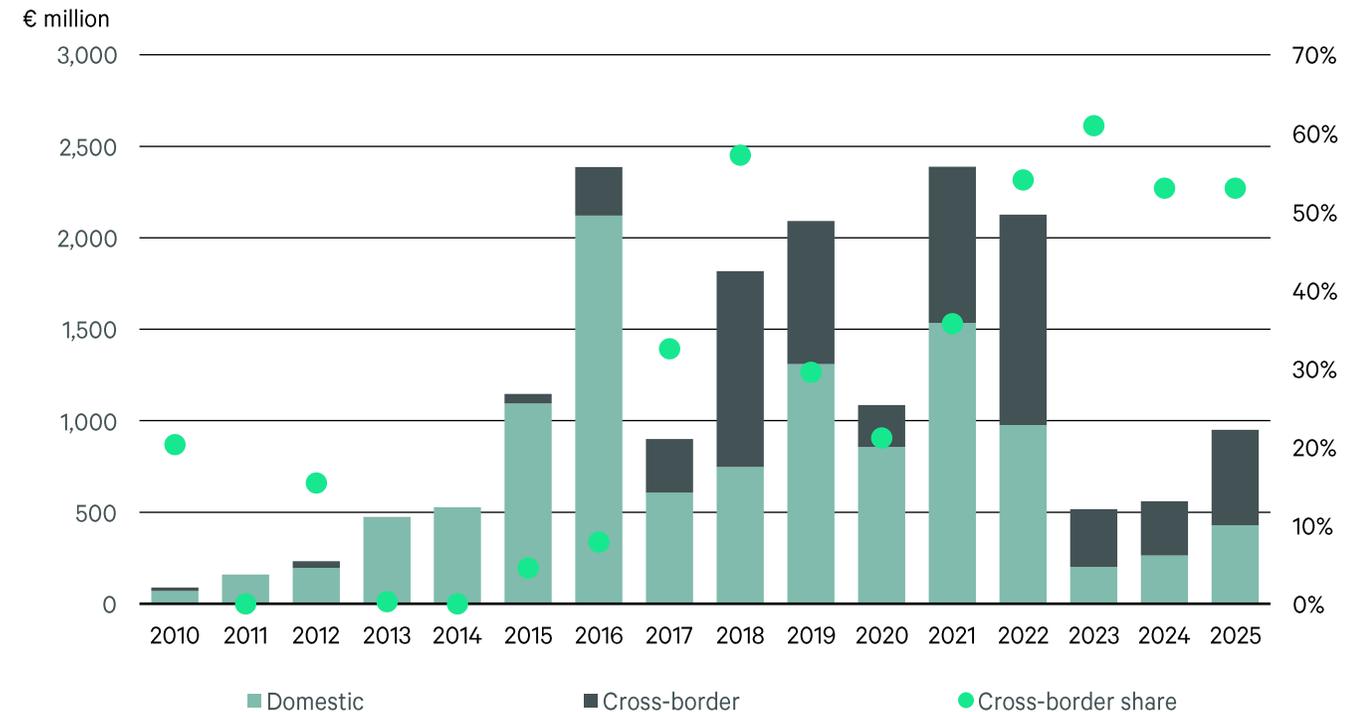
Investment in the living sector reached €950 million in 2025, a 70% increase compared to the previous year. This placed the living sector as the second-largest in terms of investment, attracting 21% of the total investment volume, second only to social infrastructure. Majority of this investment (55%) originated from cross-border investors with 67% concentrated in the Helsinki Metropolitan Area (HMA).

In 2025, larger transactions returned to the market, with over 70% of the investment volume comprising deals exceeding €50 million. Large-scale portfolio deals also re-emerged, exemplified by two significant transactions: Apollo's market entry into the Finnish residential market with the purchase of a nationwide residential portfolio from Kojamo for €242 million in June, and Sato's acquisition of nearly 1,000 apartments from OP Rental Yield in July. According to CBRE's Nordic Investor Intention Survey, half of the respondents targeting the Finnish real estate market identified the living sector as their primary area of interest. Investors anticipate a positive evolution in occupier demand with 89% of respondents expecting a moderate to strong increase in demand over the next three years.

The prime residential yield in the HMA shifted to a downtrend in 2025, declining by 10 basis points to 4.40%. Further positive yield trend is expected for 2026.

The trend of international investors entering the market and increasing their portfolios continued in 2025 and is expected to persist in the coming years

Figure 11: Total living investment volume by investor origin and share of total investment since 2010



Source: CBRE Research

Supply remains limited well into 2027

Despite the recent downward trend in rents, **the continued low levels of new supply shortages will lead to rent increases in the long-run.**

Figure 12: Apartment completions, estimated need for new apartments and population growth in the Helsinki Metropolitan Area (2010 – 2026F)



Source: Statistics Finland, VTT Technical Research Centre of Finland, CBRE Research

Finland’s housing market is entering 2026 under challenging conditions, as price growth and rents softened during 2025 in the main residential markets (HMA, Tampere, and Turku), and construction continues to struggle. Despite the current high availability of rental apartments, the market is facing a deepening structural supply shortage due to low construction levels. Immediate relief is not in sight, as new construction starts and permit levels remain low, while the HMA is experiencing solid population growth.

According to a study conducted by VTT, the HMA is expected to need over 15,000 new apartments annually based on Statistics Finland’s baseline population growth forecast, creating a widening gap between actual production and structural needs. The shortage is further exacerbated by the tightening of public funding that began in 2025, with the intention of ending all subsidized (ARA) construction by the end of 2027. ARA-regulated construction has accounted for nearly 30% of construction in the past five years, with the emphasis increasing in the last two years.

An upward trajectory in rent development is expected as the current supply in the market is slowly absorbing. The HMA is expected to see close to 100,000 new inhabitants by 2030, while the current availability of rental apartments is below 20,000, with supply levels at a mere 6,000 apartments a year. Additionally, the increasing trend of renting versus owning, decreasing household sizes, and rising occupancy rates all support the rent growth dynamics in the upcoming years.

03

Living

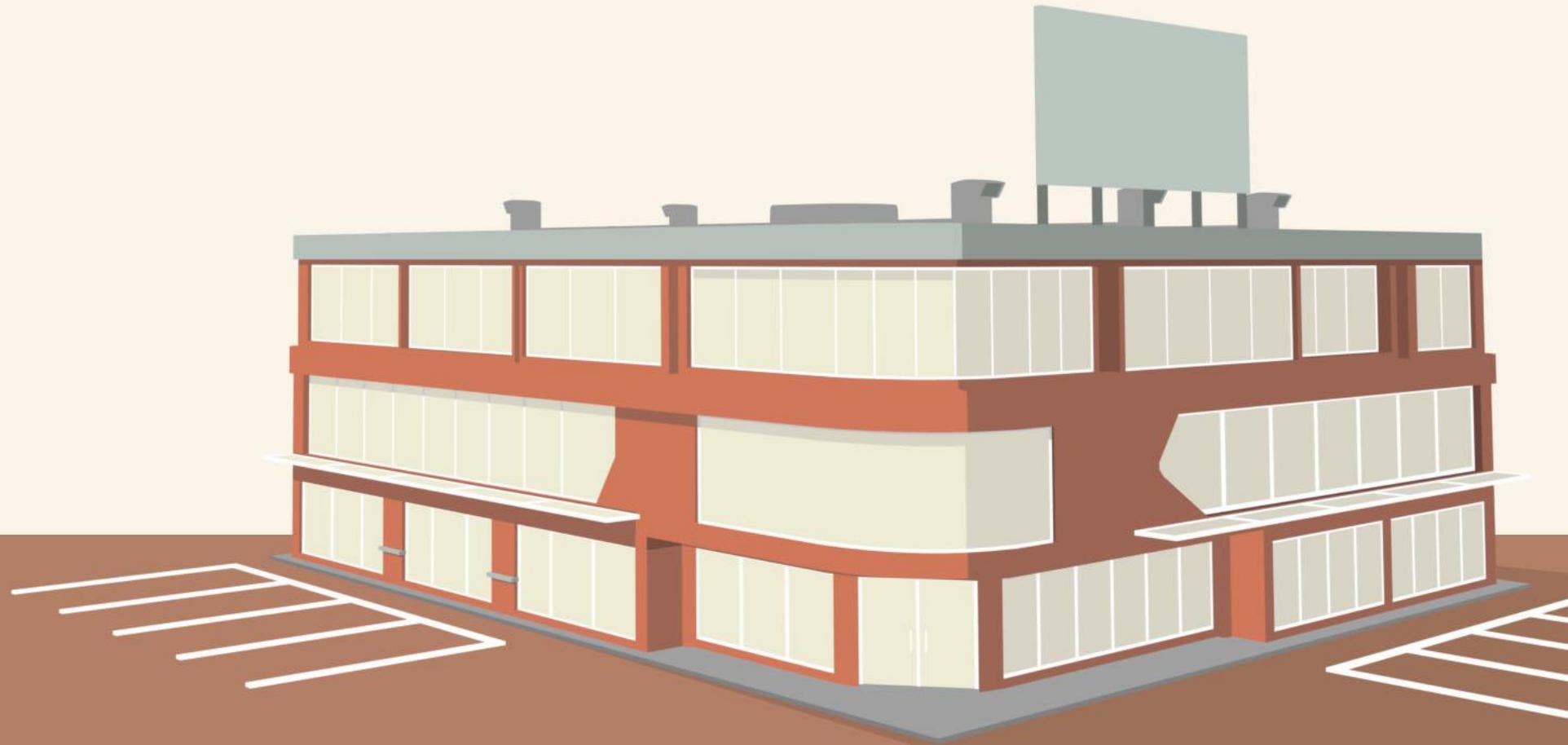
Trends to watch

- The living sector is expected to attract the most investor interest in 2026, with continued high international interest in Finnish residential real estate. Foreign investors seek opportunities in markets with solid fundamentals, particularly in high-demand areas like the Helsinki Metropolitan Area (HMA), Turku, and Tampere. Finnish residential market is gaining recognition for its stability, low level of regulation and long-term growth fundamentals. Further recovery in transaction volume and yield trend is expected in 2026.
- Despite the current high availability of rental units, the structural supply shortage is becoming more pronounced, with an estimated need for over 15,000 new apartments annually in the HMA. As demand continues to exceed supply, especially with population growth projected to increase by nearly 100,000 inhabitants by 2030, upward pressure on rents is anticipated. While this dynamic is most pronounced in the HMA, similar trends are being observed in other major cities across Finland.
- Housing prices are expected to shift toward growth in 2026 after a series of challenging years. The economic outlook is cautiously optimistic with real incomes rising and lower interest rates brightening the forecast. Sales volumes have already shown signs of recovery, with a 17% increase in apartment sales in the HMA in 2025 compared to the previous year, and most of the ten largest cities have also shifted toward growth. Further recovery in sales and prices is expected in 2026 as residential market continues to recover gradually along with the improved economic sentiment.



06

Retail



Rebound in investment driven by convenience led retail

Investment activity in the Finnish retail sector surged significantly, increasing by 242% year-on-year and reaching a total volume of €786 million. This positioned the sector as the third-largest in terms of investment volume, representing 18% of the total. The growth was partly driven by structural deals, such as the AMF’s disposal of Mercada to K-Kauppiasliitto and S-Group’s sale of the Mylly shopping centre.

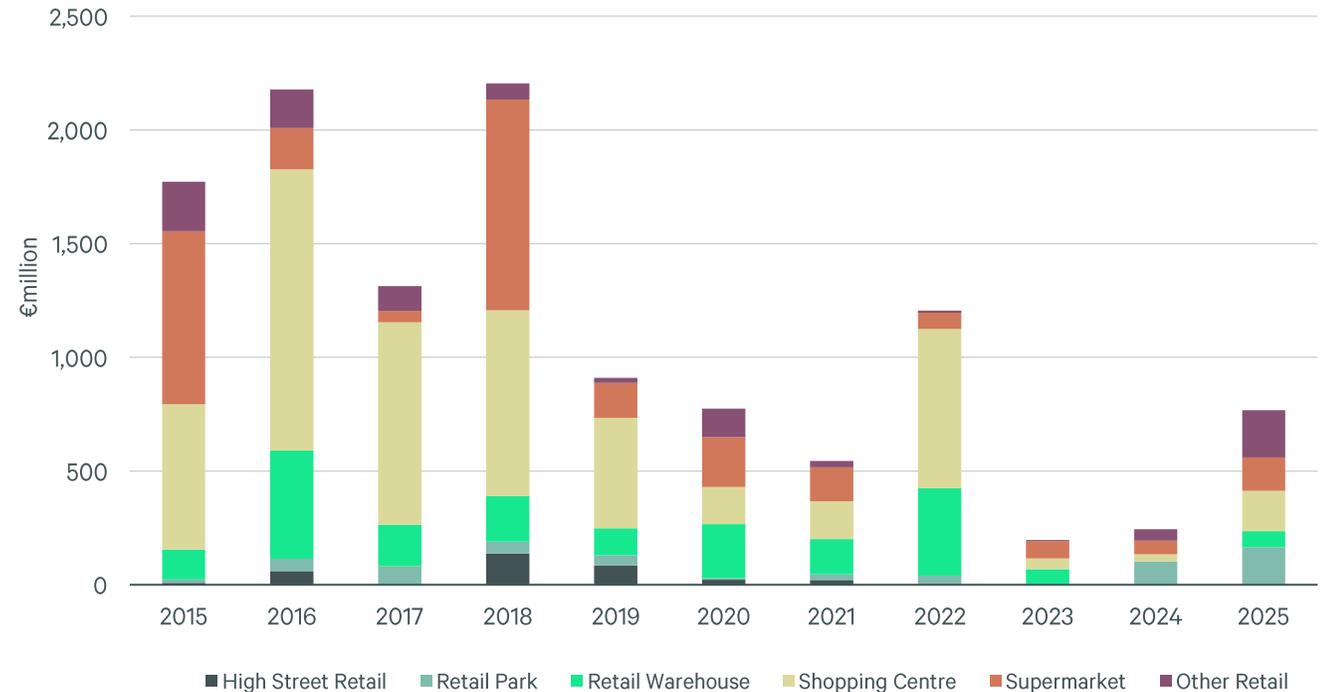
The investment volume was diversified across various segments, including retail parks and big boxes, supermarkets, and shopping centres. International investors remained active, accounting for 50% of all transactions, with Swedish listed sector companies being particularly active buyers. A significant portion of the activity (89%) was located outside the Helsinki Metropolitan Area (HMA).

Demand varied across sub-sectors. Retail parks, big boxes and convenience-led assets attracted stronger demand, while demand for shopping centres and high street retail was more limited. This trend was reflected in yield development, with prime supermarket, retail park, and big box yields all experiencing a contraction of 25 basis points towards year-end. These yields currently stand at 6.00%, 7.00%, and 7.75%, respectively.

Notable transactions included Swiss Life and Trevian’s acquisition of shopping centre Skanssi from CBRE IM in April, and Prisma Properties’ purchase of a nationwide portfolio of grocery assets from Kesko through a sale-and-leaseback deal, valued at €59 million.

Big boxes, retail parks and grocery-anchored assets attract the most investor demand

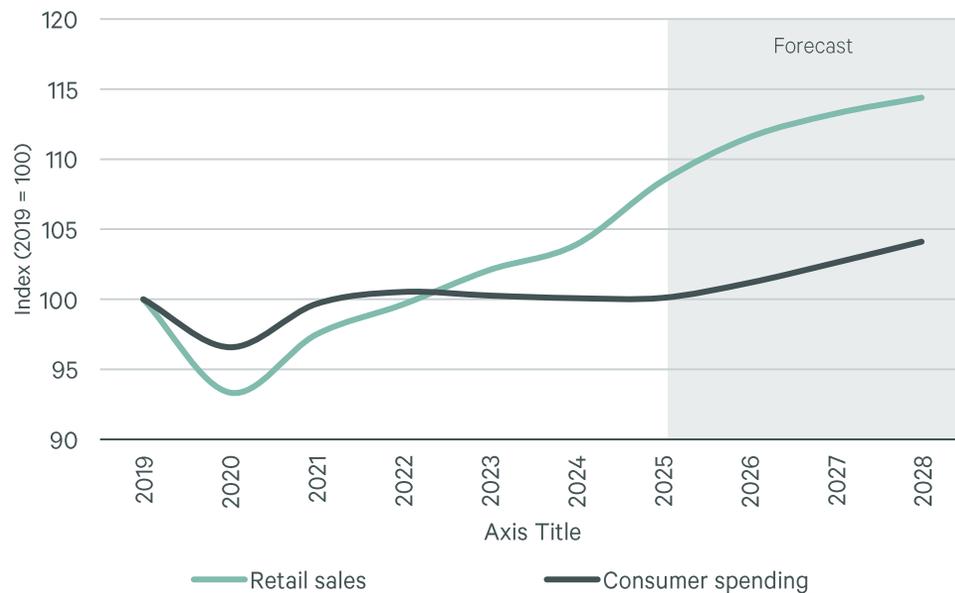
Figure 13: Total Retail investment volume since 2015 by subsector



Source: CBRE Research

Real disposable income recovery to boost retail

Figure 14: Retail sales and total consumer spending 2019 – 2028F



Source: Statistics Finland, Finnish Council of Shopping Centers, CBRE Research

The Finnish economy is exhibiting signs of a gradual recovery driven by pick up in growth in private demand in late 2025. Inflation expectations remain modest, projected at 1.2% for the current year. Real wages are showing growth and consequently, consumer spending is anticipated to grow at an annual pace of 1-1.5% in the coming years. Retail sales are expected to see even larger growth signalling favourable prospects for the retail segment.

Shopping centre performance is solid, especially in the Helsinki Metropolitan Area (HMA). However, performance is polarized; well-located centres focused on daily convenience, such as grocery stores and healthcare, perform better. According to the Finnish Council of Shopping Centers, total nominal sales in the 55 monitored shopping centres increased by 2.3% in Q3 and 1.1% over the past 12 months. Visitor numbers rose by 2.7% in Q3 and 1.1% year-over-year. In the HMA, both sales and visitor figures outperformed national averages, with increases of 3% in Q3. Occupancy rates in the HMA are also high, exceeding 96%.

Discount retail has experienced significant growth in recent years, with annual growth exceeding 5%, compared to an annualized retail sales growth of below 2% between 2019 and 2025. This increase in discount retail sales has primarily been driven by the opening of new stores, while the role of online sales remains limited. Multiple players, such as Tokmanni, Rusta, and Puuilo, have heavily expanded their operations, creating a demand for big box properties. There are no immediate signs of a decline in demand, as operators like Puuilo, Biltema, Jula and Rusta continue to open new sites.

Improving consumer fundamentals are expected to drive a recovery in the retail sector throughout 2026. However, high street and shopping centre rent levels have stagnated over the past year due to weaker-than-expected economic conditions and reduced demand. Rental expectations for shopping centres are cautiously positive, as the fundamentals are in place, while high street retail remains flat.

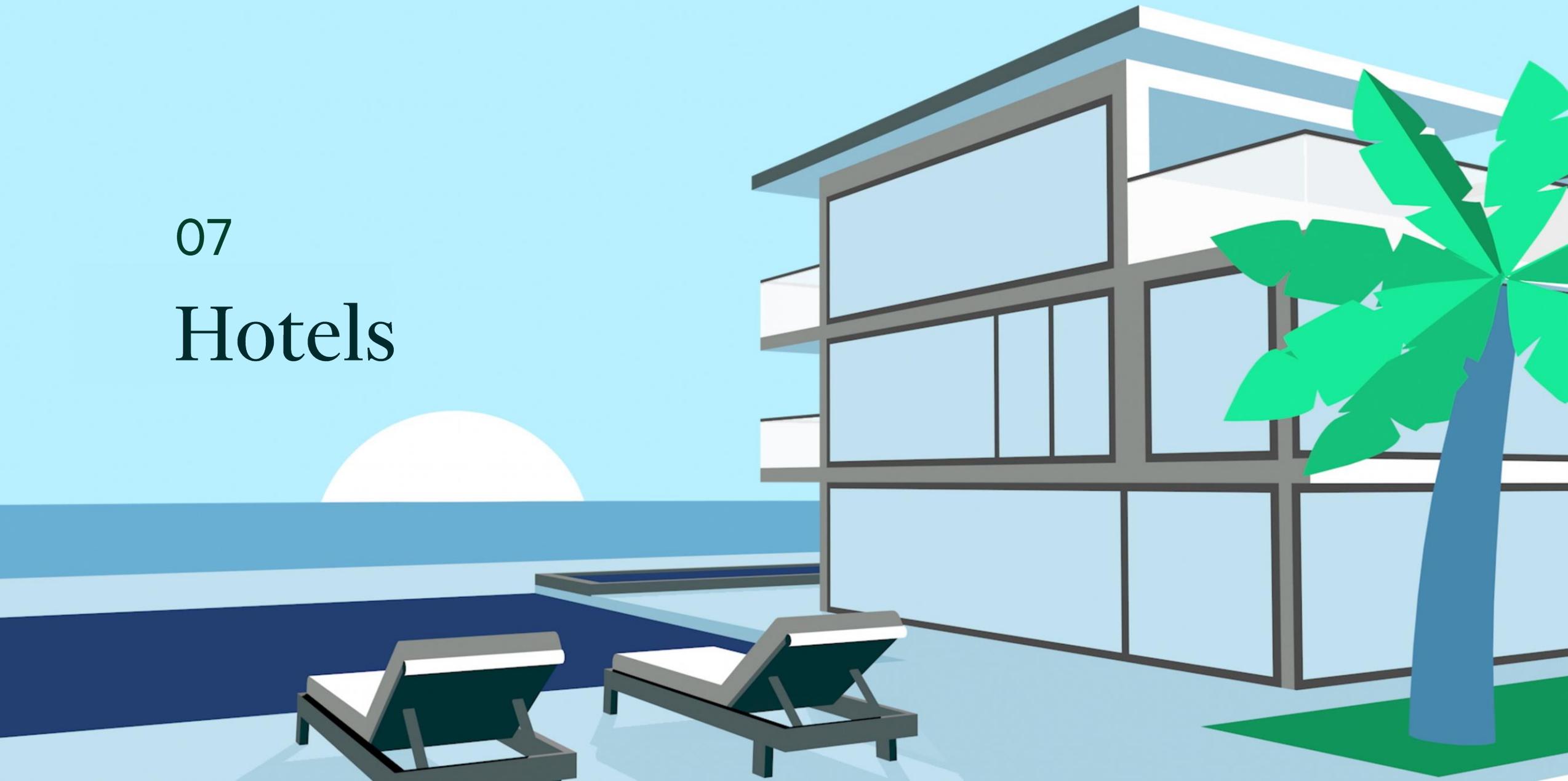
Trends to watch

- The Finnish retail sector witnessed a surge in investment activity, increasing by 242% year-on-year to reach €786 million. Notably, retail parks and convenience-oriented sectors are experiencing stronger demand, while shopping centres and high street retail face more limited interest. This trend is reflected in the contraction of yields for prime supermarket, retail park, and big-box assets. Swedish listed companies have emerged as particularly active buyers in this segment.
- The Finnish economy is displaying signs of gradual recovery, underpinned by positive growth in private demand and modest inflation expectations of 1.2% for the current year. With purchasing power on the rise, retail sales are projected to grow with annual rate of 2.0%. This favourable economic outlook is expected to bolster the retail sector.
- The discount store segment has seen substantial growth, with annual increases exceeding 5%, outpacing overall retail sales growth of below 2%. This growth is driven primarily by the expansion of new store concepts, with key players like Tokmanni, Rusta, and Puuilo actively increasing their footprints. This trend has led to investors actively seeking investments in big box and retail park properties among this defensive sector during weaker economic conditions.
- While high street and shopping centre rents have stagnated due to weaker-than-expected economic conditions, rental expectations for shopping centre rent development are cautiously optimistic, supported by solid operational fundamentals and low levels of vacancy. In contrast, high street retail is expected to see limited rent development.



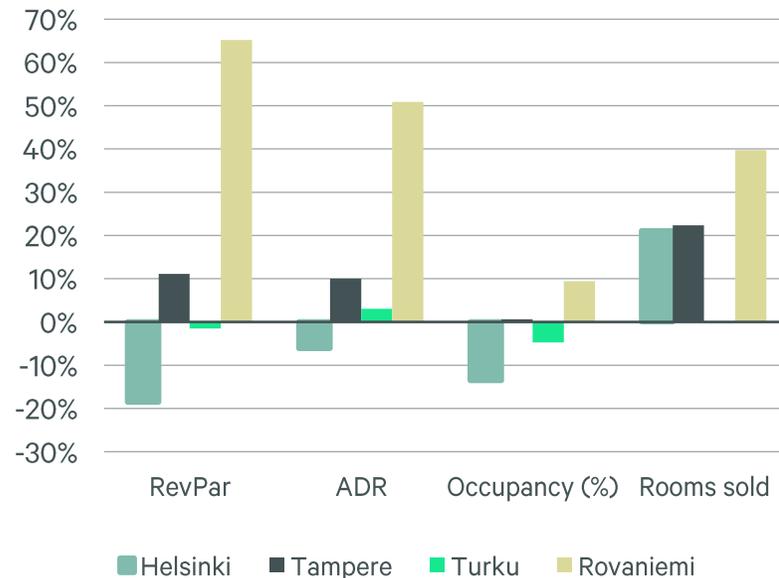
07

Hotels



Demand in growth trend with Lapland leading the way

Figure 15: Hotel performance in key cities – 2019 vs. 2025



Source: Oxford Economics, Benchmarking alliance, Statistics Finland, CBRE Research
 Definitions: RevPAR = Revenue per Available Room,
 ADR = Average Daily Rate.

Hotel demand fundamentals remain robust in Finland, although the sources of growth have been shifting. Post-pandemic, most of the rebound has been driven by domestic travel and short-haul European arrivals. In 2026, momentum is expected to increasingly come from inbound markets, supported by the gradual recovery of long-haul capacity and the continued rebuilding of the network at Helsinki Airport. Foreign overnight stays have been rising through 2025 (17% year-on-year), even as domestic nights have slightly softened from their pandemic-era highs.

Finavia reports that there were 8.5 million arriving passengers at Helsinki-Vantaa in 2025 (+4.1% year-on-year), with long-haul and transfer traffic also continuing to recover. Meanwhile, Lapland airports have hit record passenger levels.

The hotel performance indicators are showing mixed signals, with RevPAR experiencing modest growth in the main travel cities in 2025. The growth in RevPAR is driven by increased occupancy, while ADR has been decreasing. This indicates that the market is showing solid demand; however, pricing power remains subdued, apart from Rovaniemi, which is seeing growth in both ADR and occupancy.

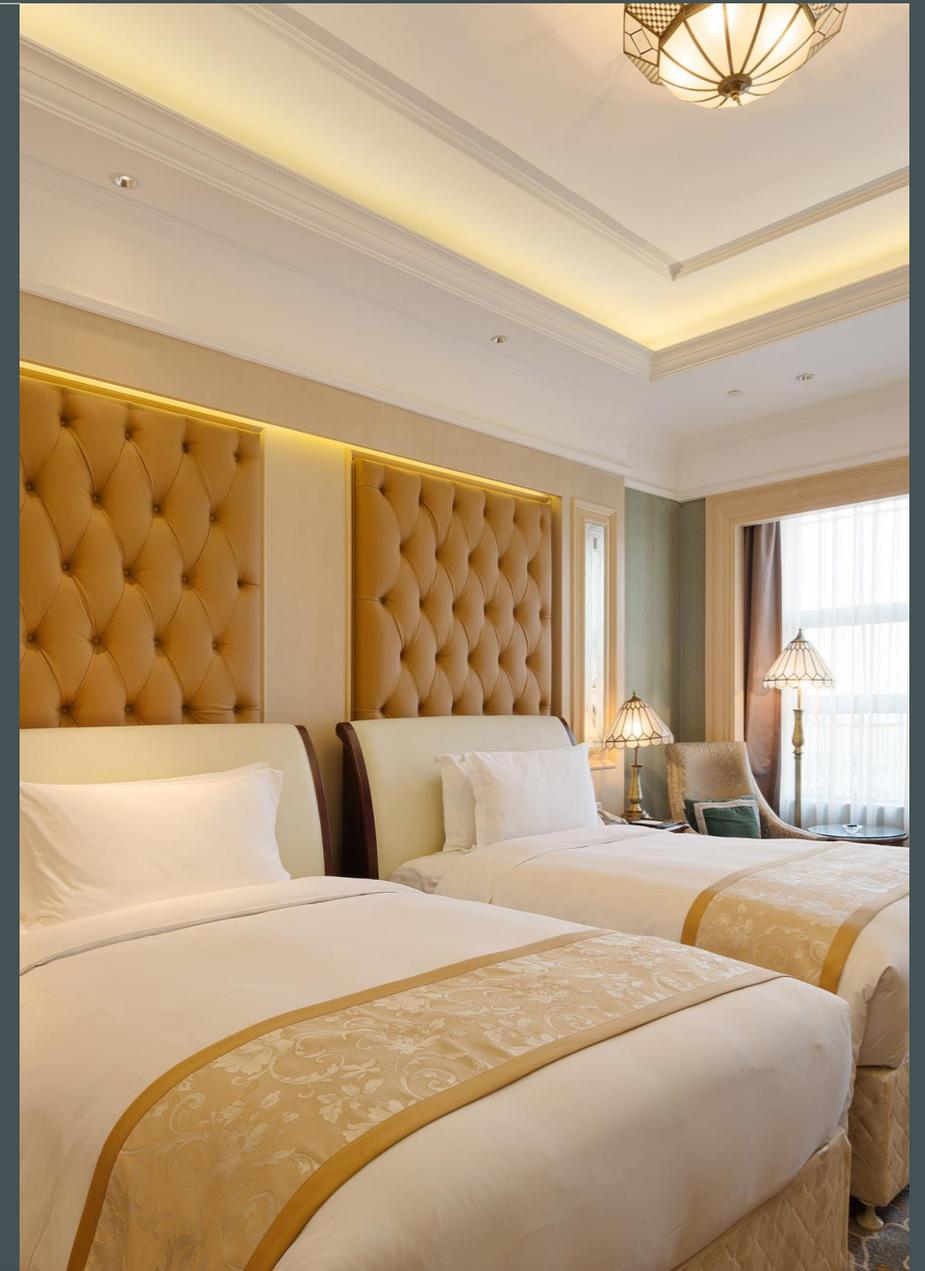
The seasonality effect is significant in Rovaniemi, as RevPAR reaches an average of €252 during the winter months (Dec-Feb) compared to €43 in the summer season (Jul-Aug). However, growth is not only evident during the winter season; metrics are also on the rise during the summer. Overall, winter travel is gaining traction in the Nordics, with strong growth markers across the ski centres and Arctic region.

The hotel investment market saw a notable investment volume in 2025, exceeding €300 million, the highest level recorded since 2010. The most significant transactions included luxury-scale hotel acquisitions, with M&L Hospitality Group purchasing Hotel Maria, integrating it as part of the Hilton Waldorf Astoria brand. Keava also acquired a portfolio of assets in CBD, including the Grand Hansa hotel. The prime yield remained unchanged in 2025, standing at 6.0%.

Supply remains limited in the short-term compared to the pre-pandemic expansion. Helsinki experienced a notable increase in room supply from 2019 to 2024 (23%). New development has largely paused, resulting in a modest pipeline for the coming years. In 2026, the most notable development in Helsinki will be the Radisson Blu Royal hotel extension.

Trends to watch

- A key trend in the Finnish hotel market is the shift from domestically led demand to increased reliance on international arrivals. While domestic travel provided a robust foundation during the post-pandemic rebound, domestic overnight stays are stabilizing. Growth is now more influenced by foreign demand, bolstered by recovering air connectivity and expanding inbound travel from European and long-haul markets. This transition is expected to enhance demand quality, as international travellers typically contribute more revenue.
- The composition of travel demand is evolving with leisure travel remaining the primary driver. The gradual recovery of corporate travel is visible in the hotel market as business events and international conferences have rebounded from the pandemic slowdown. The trend of blended and extended-stay patterns, as well as experience-led travel are likely benefitting operators in Helsinki and Lapland.
- Hotel performance is improving unevenly with rising occupancy supporting modest RevPAR growth in major markets. However, ADR remains under pressure due to heightened competition and price sensitivity among travellers. A crucial trend to monitor is whether improving demand conditions will lead to stabilizing or rising ADR, signalling a shift toward a more balanced recovery.
- Divergence in performance is increasingly evident between urban centres and leisure-driven destinations. Rovaniemi and other Lapland markets are outperforming, driven by strong international demand and rising rates, while the key cities in Southern Finland face slower pricing recovery. This polarization highlights the importance of destination specific factors and underscores the resilience of experience-led and nature-based tourism in the Nordic context.



08

Social Infrastructure



08

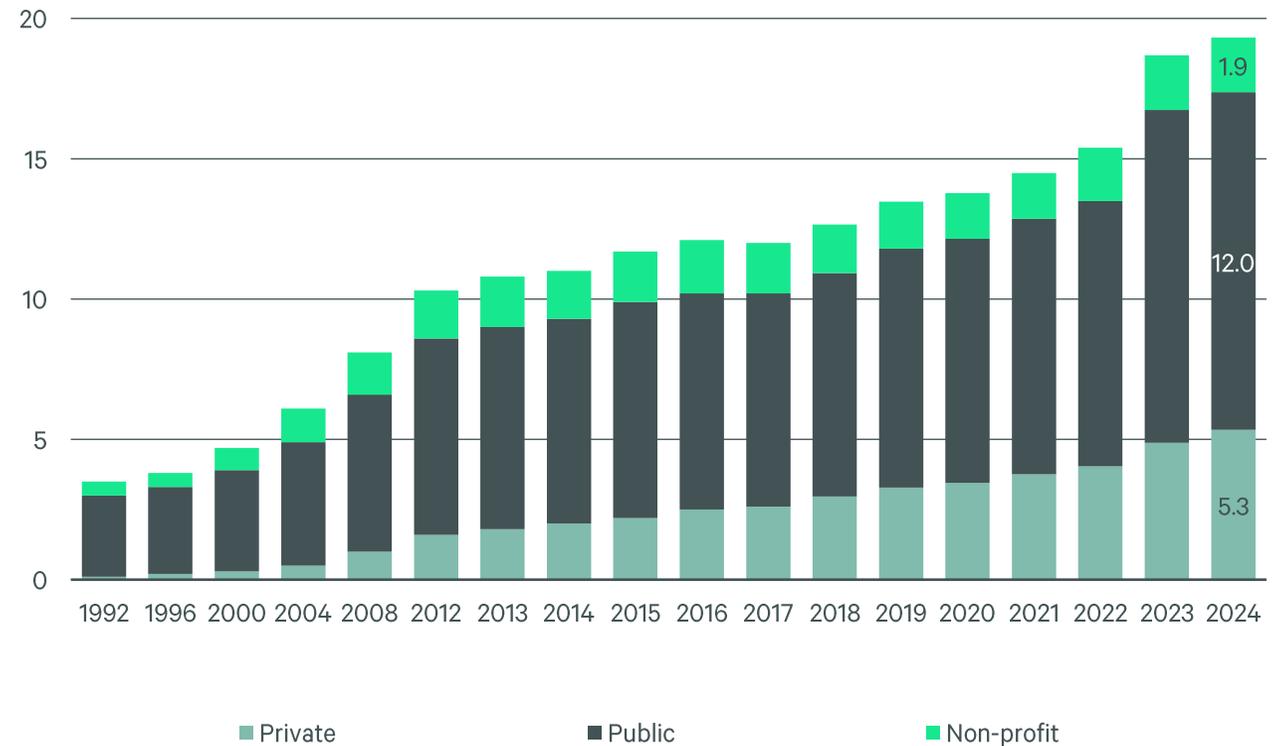
Social
infrastructure

Public-to-private outsourcing and demographics fuel the growth

Finland’s social infrastructure sector is increasingly shaped by the 2023 health, social services and rescue services reform, which transferred responsibility for organising services from municipalities and joint municipal authorities to 21 wellbeing services counties (with Helsinki remaining responsible for its area). The wellbeing services counties are self-governing but funded by central government and lack taxing rights, which elevates the importance of budget discipline, procurement frameworks and service network optimisation. During 2025 the spotlight was increasingly on tight budget constraints for both the counties who organise the healthcare/social services and municipalities in charge of the daycare/education. Over the last 12 months, the social infrastructure market saw an increasingly active operator and investor landscape with growing focus for public-to-private outsourcing.

The healthcare and social services market in Finland is valued at over €19 billion, healthcare costs at nearly 10% of GDP. The public sector has increasingly outsourced services to the private sector over the past 15 years, especially following the 2023 healthcare and social services reform. Private care companies now represent 36% of the market, with their share doubling to €5.2 billion in the last decade. Despite the trend, over 60% of social care services remain public, indicating room for further outsourcing. In elderly care, private operators serve 54% of the market and accommodated nearly 30,000 clients in 2024. The growing demand for these services is driven by the rapidly ageing population. This along with the continued fiscal constraints on the public sector and the restructuring of wellbeing services counties are expected to fuel the social infrastructure sector growth well into 2026.

Figure 16: Output of the healthcare and social services by sector in Finland (1992-2024)



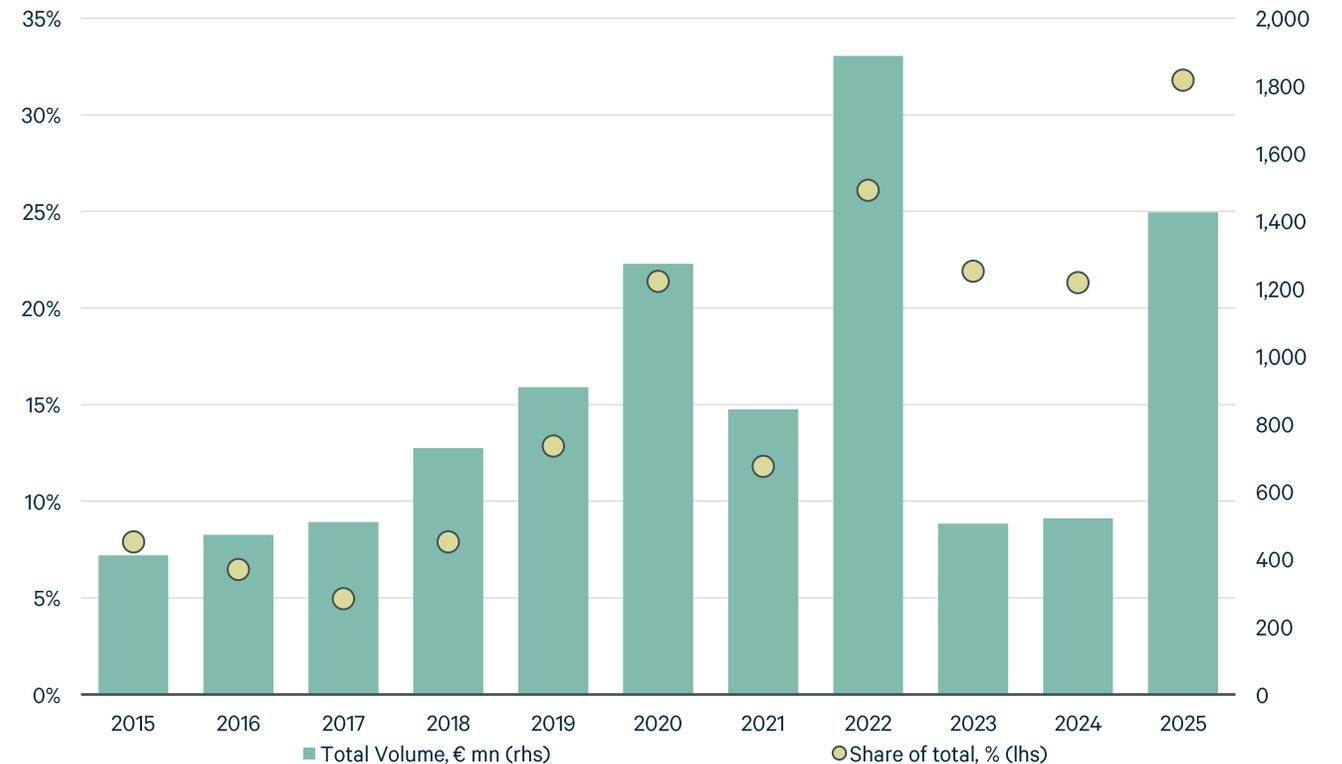
Source: CBRE Research, Statistics Finland, Q3 2025

Healthy investor appetite fuels the growth

In 2025, the Finnish social infrastructure investment grew to €1,426 million, marking a strong 144% increase year-over-year. Excluding the Public Property Invest’s acquisition of the Nordic social infrastructure portfolio from SBB, the largest transactions of 2025 in the sector were DEKA’s disposal of the Kalasatama health and wellbeing centre for €100 million to VVT in Helsinki, the infranode-backed Suohki’s acquisition of the Cleantech Garden school and office development from NCC in Espoo and Nordisk Renting’s purchase of the healthcare property complex in Jyväskylä from Investors House and Ovaro Kiinteistösiijointu.

Social infrastructure attracted the largest share of the total investment with over 30% in 2025 with increasingly active group of buyers in different subsectors. Excluding the PPI-SBB transaction, 35% of the total volume came from elderly care in 2025, which remains the most active subsector. Public Property invest was the most active buyer during 2025 along with Kinland and Northern Horizon. The Belgian REITs, Aedifica and Cofinimmo, continued to be active in developing and investing into care in the Finnish market, while the two sector specialists also agreed on merger due to be closed in early 2026. The Nordic sector specialists, Kinland, Nordiquis and Northern Horizon, also expanded their allocation in Finland during 2025. We expect both the local and international sector specialists to continue to build scale and compete for the preferred asset types in all subcategories (elderly care, daycare, educational assets, healthcare centres, and public-sector leased properties), while the sector’s structural characteristics and growth drivers remain intact.

Figure 17: Social infrastructure investment volume (€ million) and share of total investment in Finland



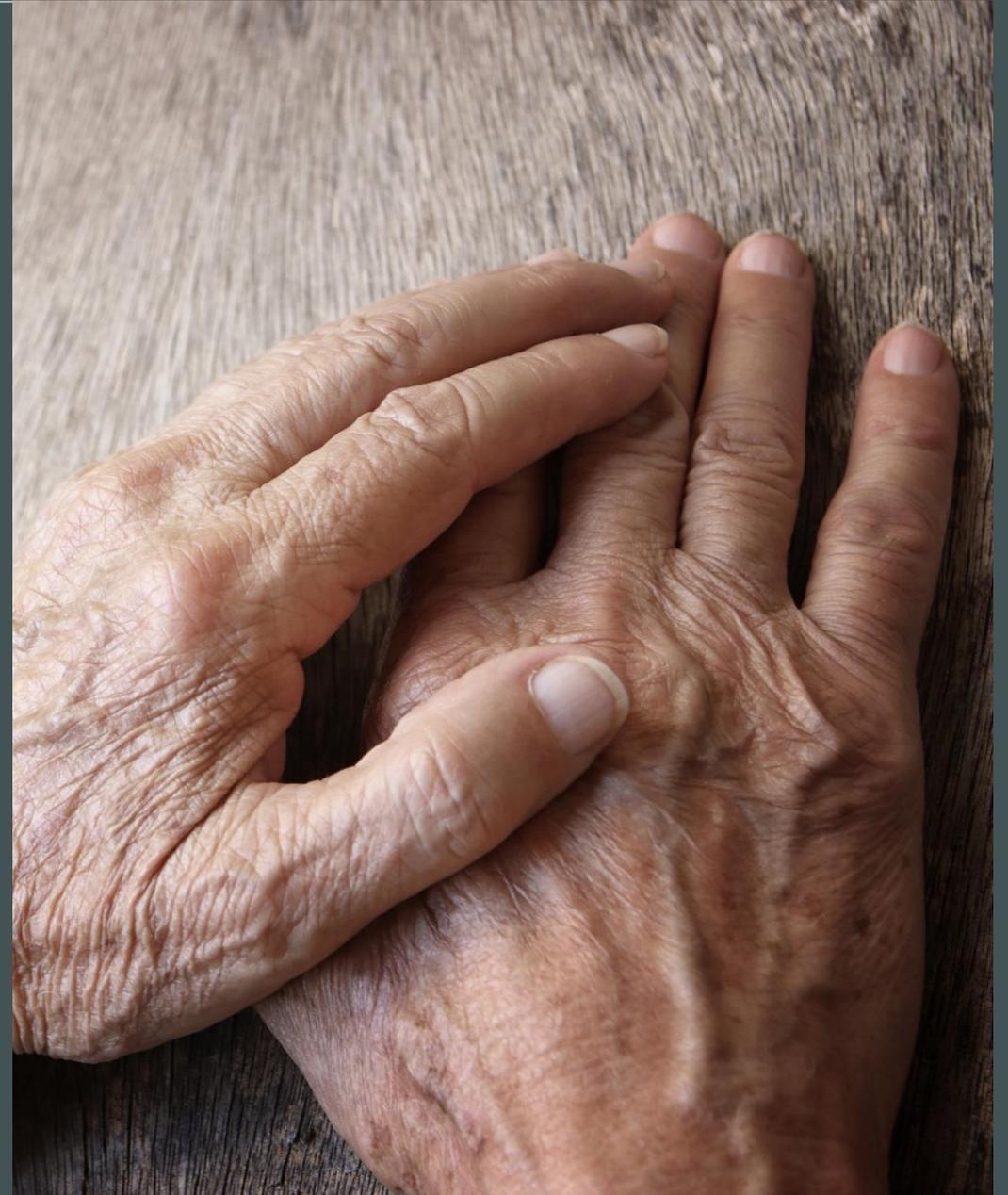
Source: CBRE Research, January 2026

08

Social
Infrastructure

Trends to watch

- In 2025, the Finnish social infrastructure investment grew to €1,426 million, marking a strong 144% increase year-over-year. Social infrastructure attracted the largest share of the total investment with over 30% in 2025 with increasingly active group of buyers in different subsectors ranging from elderly and day care to public sector tenanted offices and healthcare centres.
- Both the local and international sector specialists are set to continue to build scale and compete for the preferred asset types in all subcategories (elderly care, daycare, educational assets, healthcare centres, and public-sector leased properties), while the sector's structural characteristics and growth drivers remain intact. Rapidly ageing population along with the continued fiscal constraints on the public sector and the restructuring of wellbeing services counties are expected to fuel the social infrastructure sector growth well into 2026.
- Between 2025 and 2045, the number over 75-year-olds increases by over 220,000 people, adding up to a total population of nearly 900,000 over 75-year-olds in 2045. This trend also increases the need for new care homes and other social infrastructure properties, and more importantly on the operating side, further highlights the demand for healthcare and social workforce. There are over 20,000 additional permanent residents expected in elderly and social care services by 2045.



09

Data Centres



AI and cloud computing aiding the boom in Finnish data centres

Vacancy rates within European data centres, across both primary and secondary markets, are projected to decline further this year. Having fallen below 10% for the first time in late 2024, the rate is forecast to reach an all-time low of 6.5% by the close of 2026. This is due to surging demand, compounded by bottlenecks in the electrical grid, which limits the volume of new capacity that can be brought to market. As Europe’s data centre capacity remains highly concentrated in FLAPD (Frankfurt, London, Amsterdam, Paris, Dublin) and power availability and grid access are the single largest development bottleneck in the primary hubs, Finland is positioned as a credible “next-wave” location: electricity prices were among the lowest in Europe in 2024, and the average time to connect to the grid is materially shorter than in the most primary markets.

Finland is accelerating into the next phase of the European data centre investment cycle, supported by structural demand drivers and competitive advantages to Europe’s primary markets. The Finnish government’s recently announced roadmap defines “high value-added” data centres as those that combine economic contribution, registration/situational awareness and tangible participation in power-system flexibility—an important step in aligning investor appetite with public acceptance and infrastructure constraints. With 33 operational sites and ~285 MW of capacity and electricity consumption of ~1.6 TWh in 2024, Finland is still small versus Europe’s primary hubs but is scaling fast with consumption projected by industry to reach 5–6 TWh by 2030. According to EK (Confederation of Finnish Industries), the investment pipeline is growing and increasingly late-stage with multiple projects at investment decision or start-up phase and a large volume in planning—supporting a strong construction cycle through 2026–2027. Finland’s value proposition in data centres is well defined: strong access to renewable electricity, strong power and fibre backbone, and climate advantage for energy-efficient cooling.

Figure 18: Data centre vacancy rate among primary and secondary markets in Europe (%)



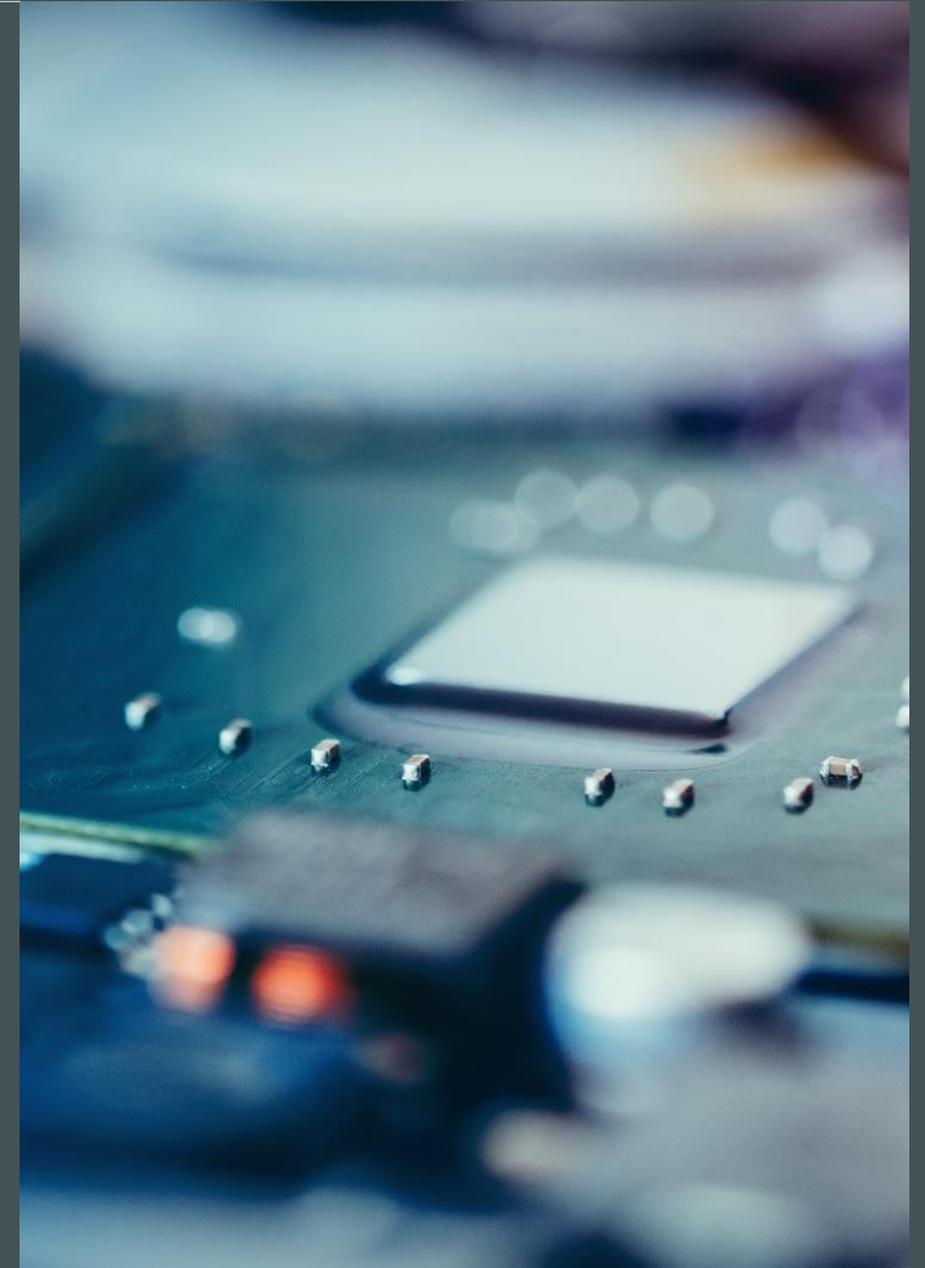
Source: Finnish Government Data Centre Roadmap, CBRE Research

09

Data centres

Trends to watch

- The constraints of power availability, coupled with lengthy lead times for grid connections, are causing operators to explore on-site electricity generation as a practical alternative to reliance on the grid. Initially conceived as a transitional measure, some operators are now planning for long-term deployment. Despite certain disadvantages, such as more complex ability reporting and elevated costs when compared to the grid, we anticipate further proliferation of this technology, driven by growing tenant acceptance. Capacity at scale will become harder to source across Europe. The site selection process for tenants is becoming even more complex as viable alternatives are often spread across multiple submarkets, or even countries.
- Alongside established hyperscale providers, a growing number of companies, such as GPUaaS providers, are now seeking double-digit megawatt capacity across Europe and the Nordics. This trend is expected to intensify, diversifying the wholesale tenant pool. Despite strong demand, most operators are unwilling to undertake speculative data centre builds given the significant CapEx commitment required. Partial pre-let agreements are now commonplace. Because of the anticipated rise in short-term capacity requirements from emerging companies, this mismatch is projected to exacerbate the supply-demand imbalance in 2026.
- As Europe's data centre capacity remains highly concentrated in FLAPD (Frankfurt, London, Amsterdam, Paris, Dublin) and power availability and grid access are the single largest development bottleneck in the primary hubs, Finland is positioned as a credible “next-wave” location. Finland is accelerating into the next phase of the European data centre investment cycle, supported by structural demand drivers and competitive advantages to Europe's primary markets. Finland's value proposition in data centres is well defined: strong access to renewable electricity, strong power and fibre backbone, and climate advantage for energy-efficient cooling.



10

Sustainability



Transition plans will catalyse value creation despite regulatory shifts

Transition plans will act as a catalyst for transformation – **an ambitious, forward-looking blueprint that harnesses data, portfolio intelligence, strategic investment planning, and strong governance to ensure real estate assets remain compliant, resilient, and high performing** in a net zero future.

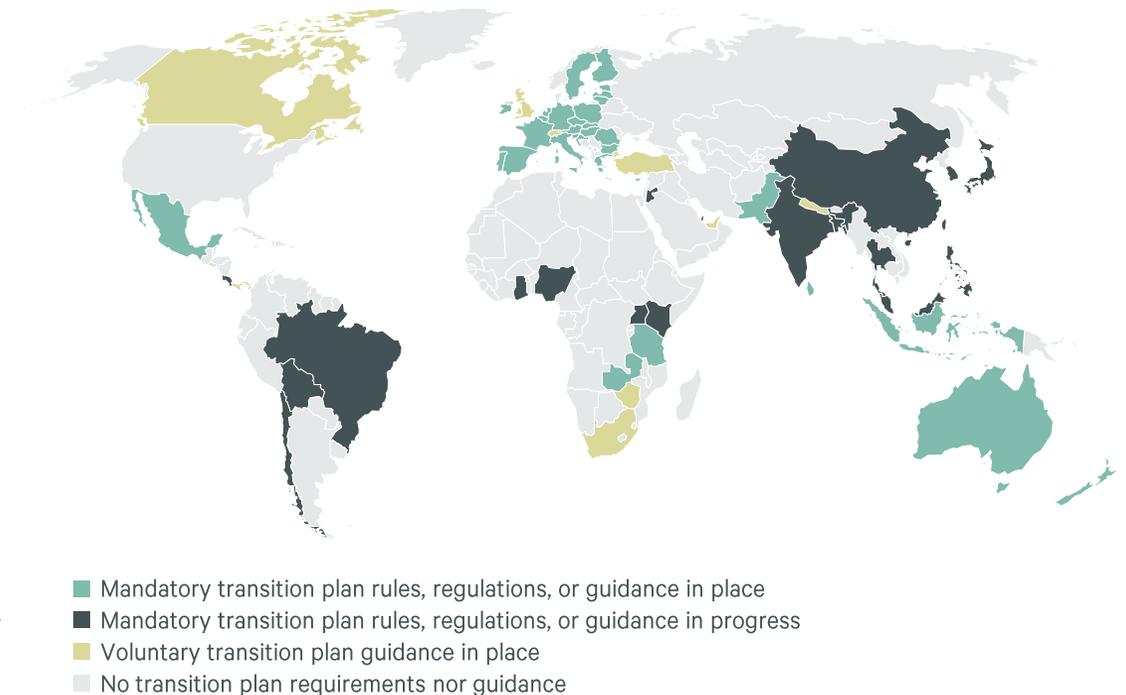
The Green Claims Directive, the Omnibus package negotiations, the SFDR 2.0 revision and the Energy Performance of Buildings Directive (EPBD) transpositions are all examples of either recent or proposed regulatory changes in Europe. They will increasingly influence real estate decisions for investors, developers, and occupiers this year and beyond.

Globally, more jurisdictions now require transition plan disclosures, with standards converging around the International Sustainability Standards Board as the baseline framework. While initial requirements target financial institutions and large listed companies, we expect smaller firms will follow.

In real estate, a transition plan serves as a strategic roadmap to align portfolios with a low-carbon economy and meet net-zero targets. The adoption of transition plans will continue despite regulatory shifts. They remain a critical tool for demonstrating credible climate commitments, managing long-term risks and identifying opportunities for value creation.

Investors, developers, and occupiers will need to implement solutions that simplify compliance, ensure consistent data quality, and provide a single source of truth for portfolio reporting. These solutions are likely to deliver measurable benefits, such as improved Net Operating Income, operational savings, and increased resilience, while enabling accurate financial risk quantification to inform valuation, insurance, and capital planning.

Figure 19: Global transition plan requirements



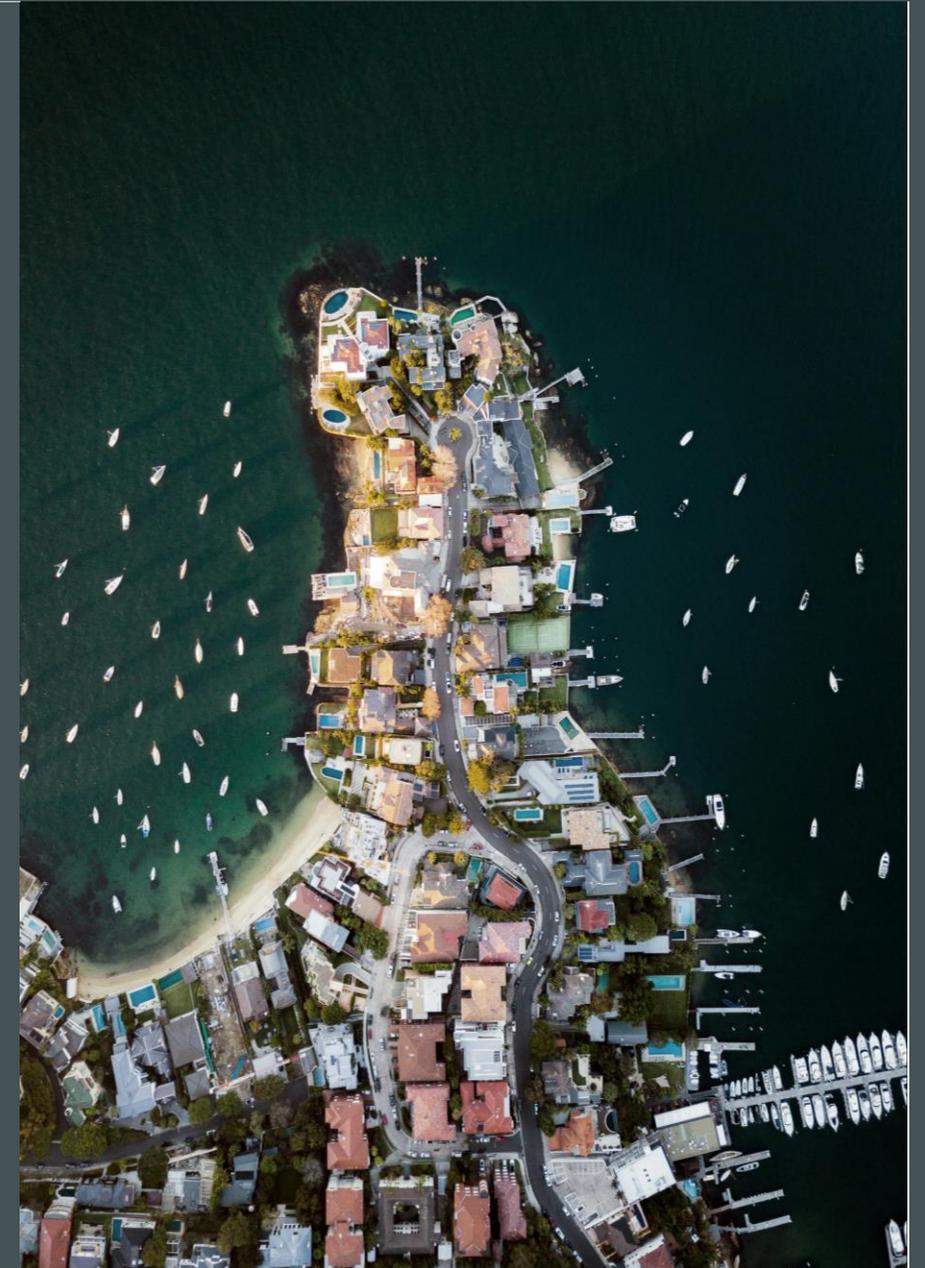
Source: ITPN - International Transition Plan Network

10

Sustainability

Trends to watch

- Embedding sustainability into real estate strategies is no longer optional, it is a critical consideration for both risk mitigation and value creation. By addressing sustainability factors, organisations reduce exposure to regulatory penalties, physical climate risks, reputational damage, protect property and rental values, and boost occupancy rates and leasing activity.
- Investors will increasingly act to improve their buildings' energy efficiency due to rising energy market volatility and the forthcoming implementation of the revised Energy Performance of Buildings Directive (EPBD). The updated directive introduces phased minimum energy performance standards (MEPS) for existing buildings, based on nationally defined benchmarks. This regulatory framework aims to require the renovation of the least efficient buildings, specifically targeting the worst-performing 16% by 2030 and 26% by 2033.
- Energy Performance Certificates (EPCs) and the E-value are already among the key drivers of real estate sustainability in Finland. As national implementation of the revised EPBD proceeds, the EPC framework will place greater emphasis on a building's share of renewable energy and operational GHG emissions, further increasing the importance of these factors.
- There will be increased focus on future-proofing real estate portfolios with a solid and robust transition plan. This is no longer just about compliance. Decarbonisation and climate risk management are becoming central priorities, particularly for vulnerable assets where climate hazards could impair long-term functionality and value.
- CapEx implementation will present challenges when organisations look to move from strategy to action. To overcome these hurdles, organisations can adopt phased investment strategies, prioritise projects with strong return on investment and compliance benefits, and leverage green financing instruments such as ability-linked loans or bonds. Digital energy performance monitoring and predictive maintenance can optimise capital allocation, while partnerships with technology providers and government incentive programs can further reduce financial risk.



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