



January 2010

News from the Property Market

Transactions volume ca 1.7 billion euros last year

According to KTI's preliminary statistics, the total volume of major transactions in the Finnish property market reached ca. EUR 1.7 billion in 2009. The fourth quarter volume was ca. EUR 590 million, which is the largest quarterly volume since Q3/2008. The foreign investors accounted for 17% of all transactions, a significant decrease compared to 44% share in 2008 and 59% share in 2007. Retail properties were again the most popular property type, accounting for more than 30% of the transactions volume, followed by industrial properties and offices. (See below the graph of transactions volume 2001-2009.) www.kti.fi

Increase of residential prices continued

According to Statistics Finland, the prices of dwellings in old apartment buildings and terraced houses continued to increase in the fourth quarter of last year. Compared to the previous quarter, old dwelling prices rose by 2.8% in the whole country. The prices increased by 3.4% in Greater Helsinki

Property company & fund news

Citycon invests in shopping centre projects

Citycon is starting the redevelopment of the 10,4 sqm Espoontori shopping centre in Espoo. Citycon will invest EUR 18 million in the project. Construction work will begin immediately, and will be completed in December 2010. The extension of the Espoontori centre is also under planning.

Citycon is also developing a new 7,300 sqm shopping centre in Myllypuro in Eastern Helsinki. In addition, 255 apartments will be built in conjunction with the shopping centre. Citycon has sold all housing units to ICECAPITAL Housing Fund II K Asuntosäätiö and Ilmarinen. Construction work will begin in March. The first phase will be completed in the early summer of 2011 and the second phase in 2012. www.citycon.fi

New projects

SRV builds new residential buildings in Helsinki and Espoo

Construction company SRV is developing several new residential buildings in Helsinki Metropolitan Area

Area and by 2.2% elsewhere in the country. Compared to the corresponding period of the previous year, the prices increased most in the city of Helsinki, by 11.6 per cent. Among the largest cities, the prices increased more than 10 per cent also in Espoo and in Turku. www.stat.fi

Survey: Helsinki slides down in the most popular property investment city ranking

According to the *Emerging Trends in Real Estate® Europe 2010* survey by the Urban Land Institute and PricewaterhouseCoopers, Helsinki slid down to the mid-category in the rankings among the most popular property investment markets in Europe. Helsinki ranked to 12th place in "Existing Property Performance" category, to 14th place in "New Property Acquisitions" category and to 16th place in "City Development Prospects" category. Last year, Helsinki ranked among the top 7 cities in all categories. www.uli.org

Office construction activity decreasing in Helsinki Metropolitan Area

According to KTI, only ca. 60,000 sqm of new office space was under construction in Helsinki Metropolitan Area in the beginning of 2010. Additionally, ca. 80,000 sqm of office space was under major redevelopment. During the last year the office construction activity has decreased, because more than 100,000 sqm of new office space was completed, and only few new projects have started. In the beginning of 2009 more than 150,000 sqm of new office space was under construction and ca. 40,000 sqm was under major redevelopment. www.kti.fi

Kannelmäki area in Helsinki SRV will develop five new residential buildings, including ca. 150 apartments. In Arabianranta area in Helsinki a residential building with 136 apartments will be built. Also in Matinkylä area in Espoo, SRV will develop five residential buildings in the vicinity of shopping centre Iso Omena, including ca. 200 apartments. www.srv.fi

Skanska develops a large residential building in Helsinki

Also Skanska is developing Arabianranta area in Helsinki. Skanska builds a residential building including 175 apartments for Helsingin Asuntotuotantotoimisto (ATT). The construction work is starting in March and is expected to be completed in January 2012. www.skanska.fi ; www.att.hel.fi

The Finnish Economy

Key figures of the Finnish economy:

	2008	2009	2010	2011
GDP, change in vol.	1.0	-7.6	0.7	2.4
Inflation	4.1	0.0	1.2	1,5
Unemployment	6.4	8.5	10.5	9.6
Growth in exports	3.9	-25.7	5.0	5.6

Source: Statistics Finland, Ministry of Finance, December 2009

Best regards,
KTI Finland

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IPD - KTI Nordic Property Investment Briefing: Property Cycles - where are we?

IPD and KTI are happy to welcome you to the 6th Nordic Property Investment Briefing, to be organised in Stockholm, Sweden, on 5 May 2010. Please find attached more information on the event. The final program will be published and registration will be opened later in February. For more information, please contact Hanna Kaleva at KTI or Håvard BJORÅ at IPD.



We hope you find this information interesting. In case you don't want to receive this newsletter in the future, please unsubscribe at kti@kti.fi

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