



# Finnish Property Barometer

- ▶ Investor sentiment survey
  - ▶ Spring 2012





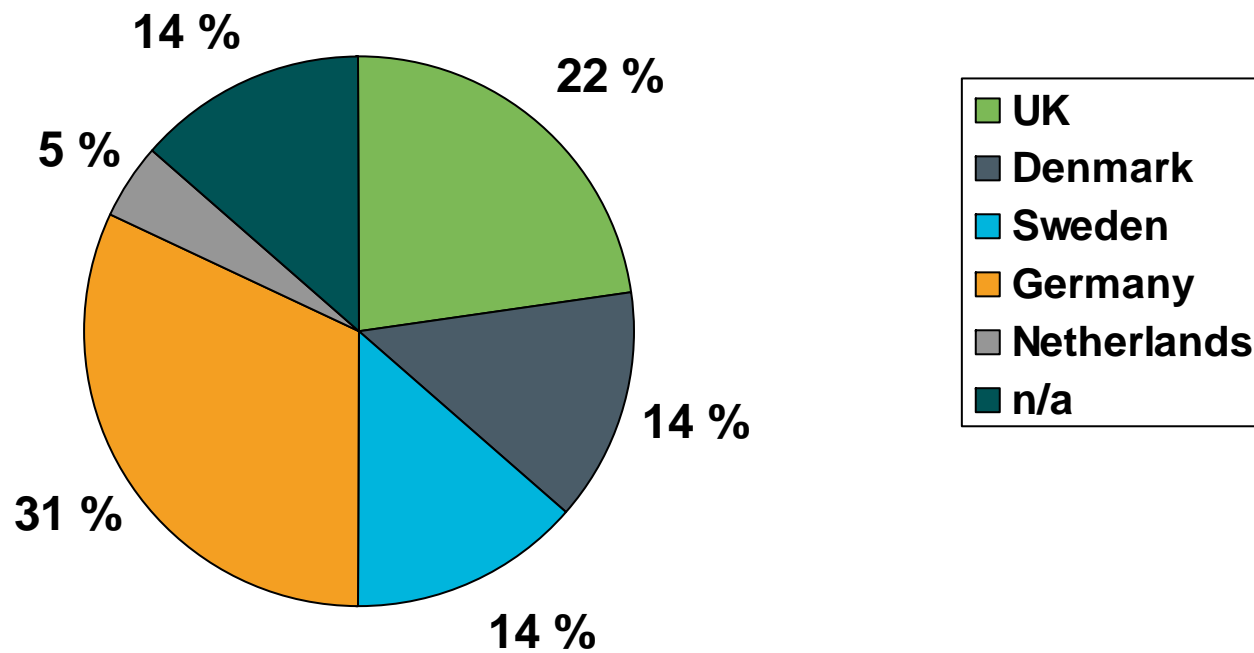
## Finnish Property Barometer

- ▶ The purpose of the barometer is to explore the Finnish investment market – its current position & development over time
- ▶ The survey was carried out for the very first time in Spring 2004
- ▶ The 10th update was made in Spring 2012, 22 respondents
- ▶ The survey is made annually in spring



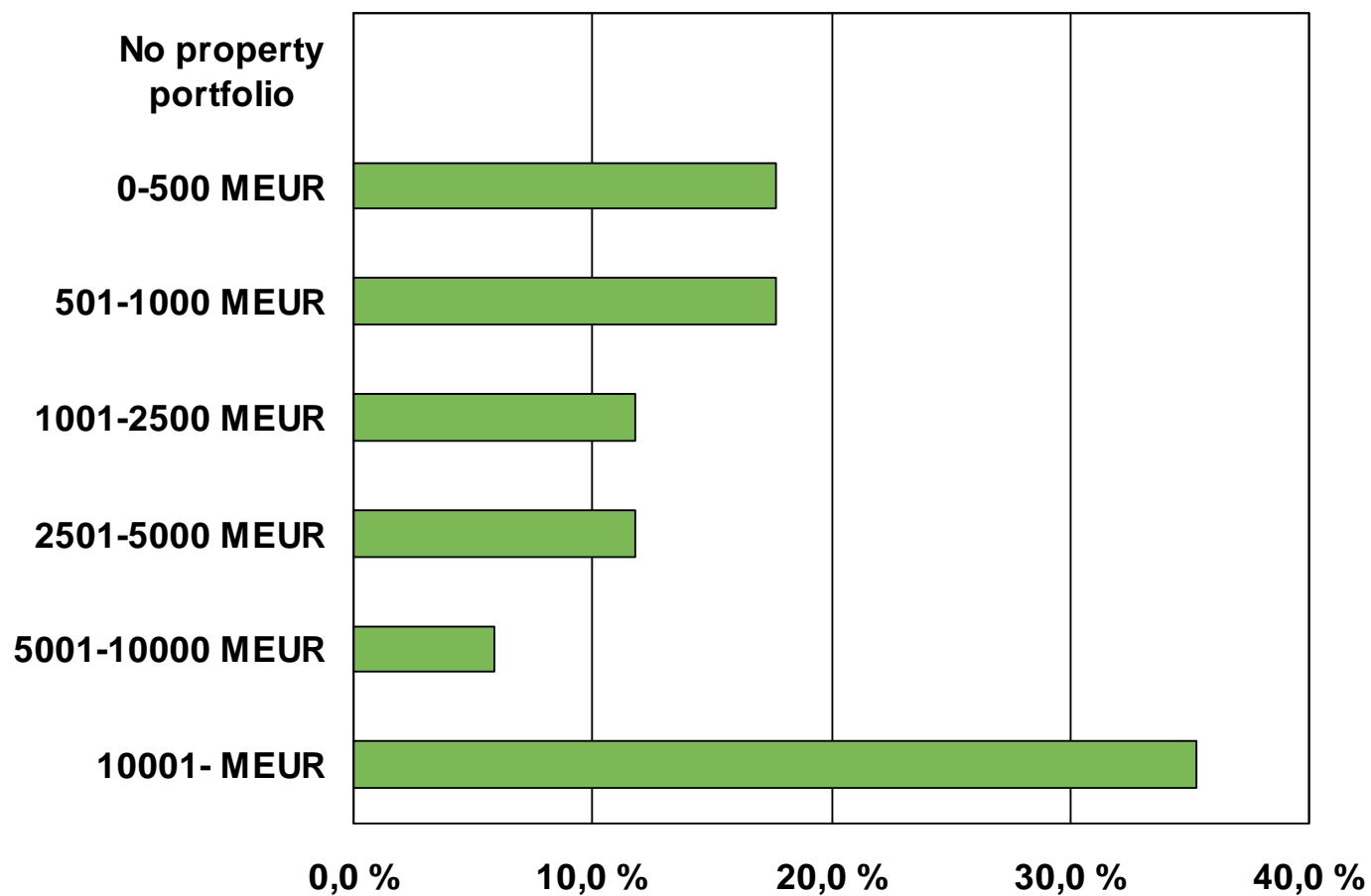


## In which country are you based? % of respondents



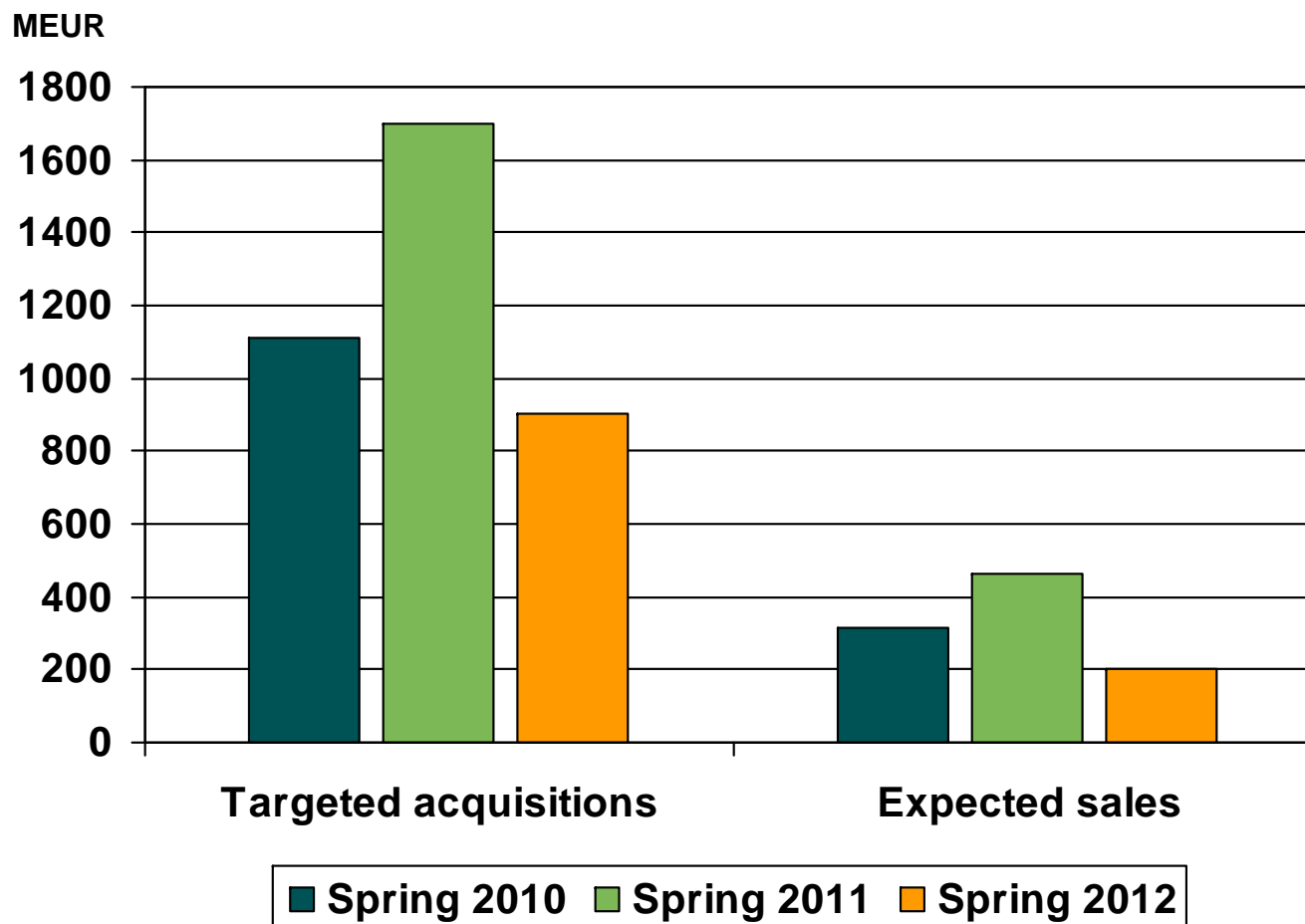


## Total size of property portfolio % of respondents





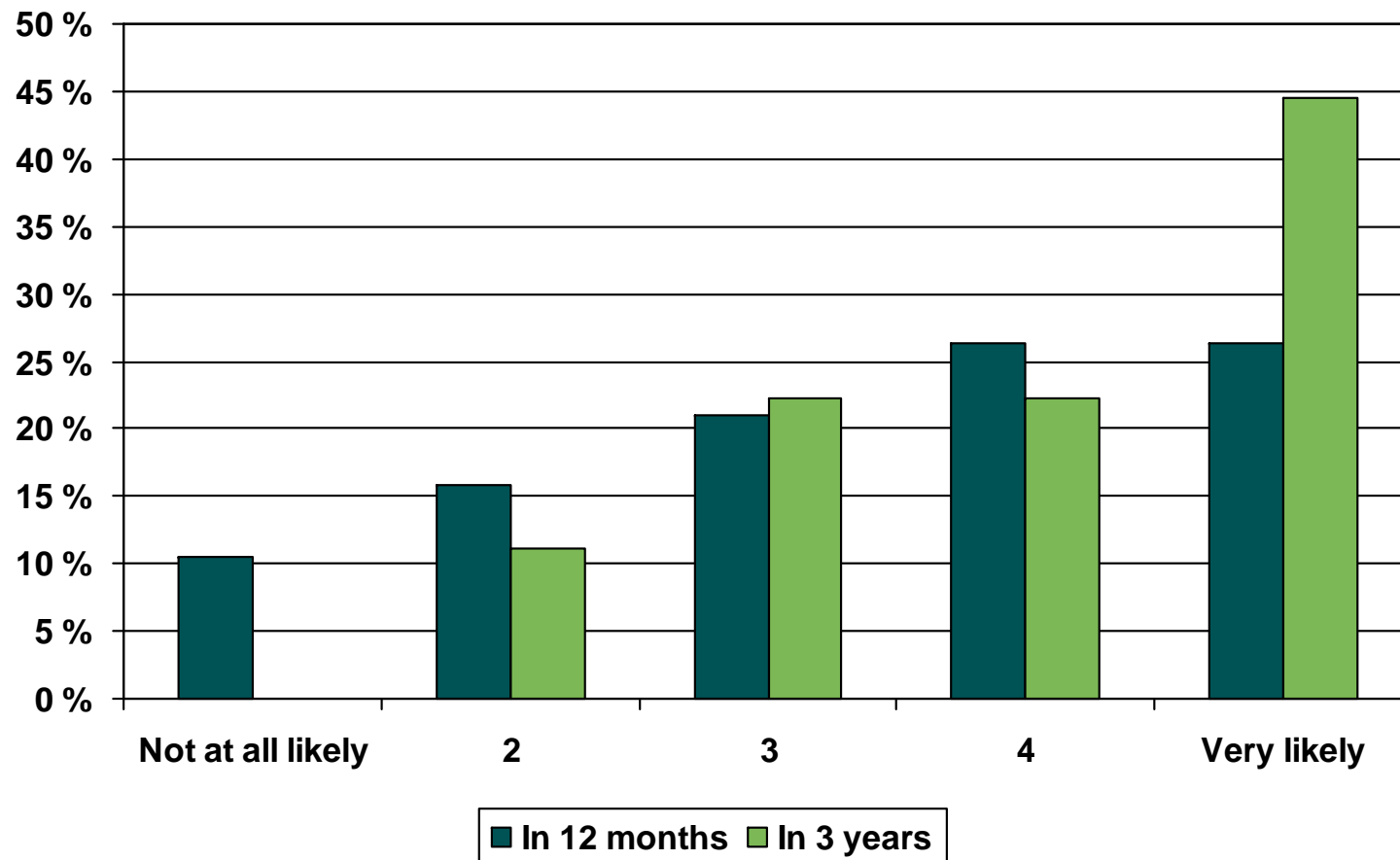
## Expected net investment in Finland (during the next 12 months)





## Future investments in Finland

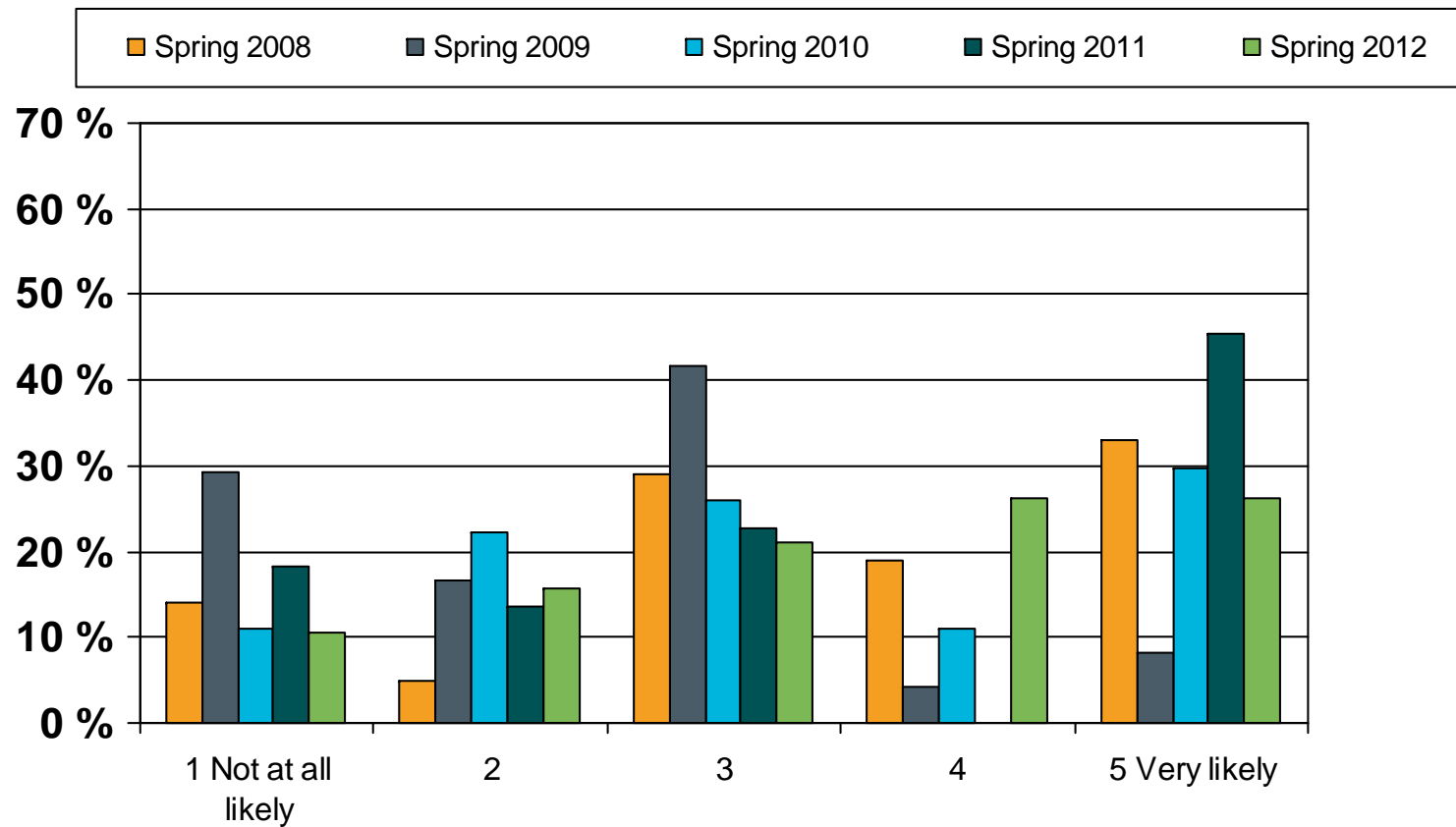
How likely is it that you will invest (or invest more) in Finnish Property in 12 months / 3 years?





## Future investments in Finland

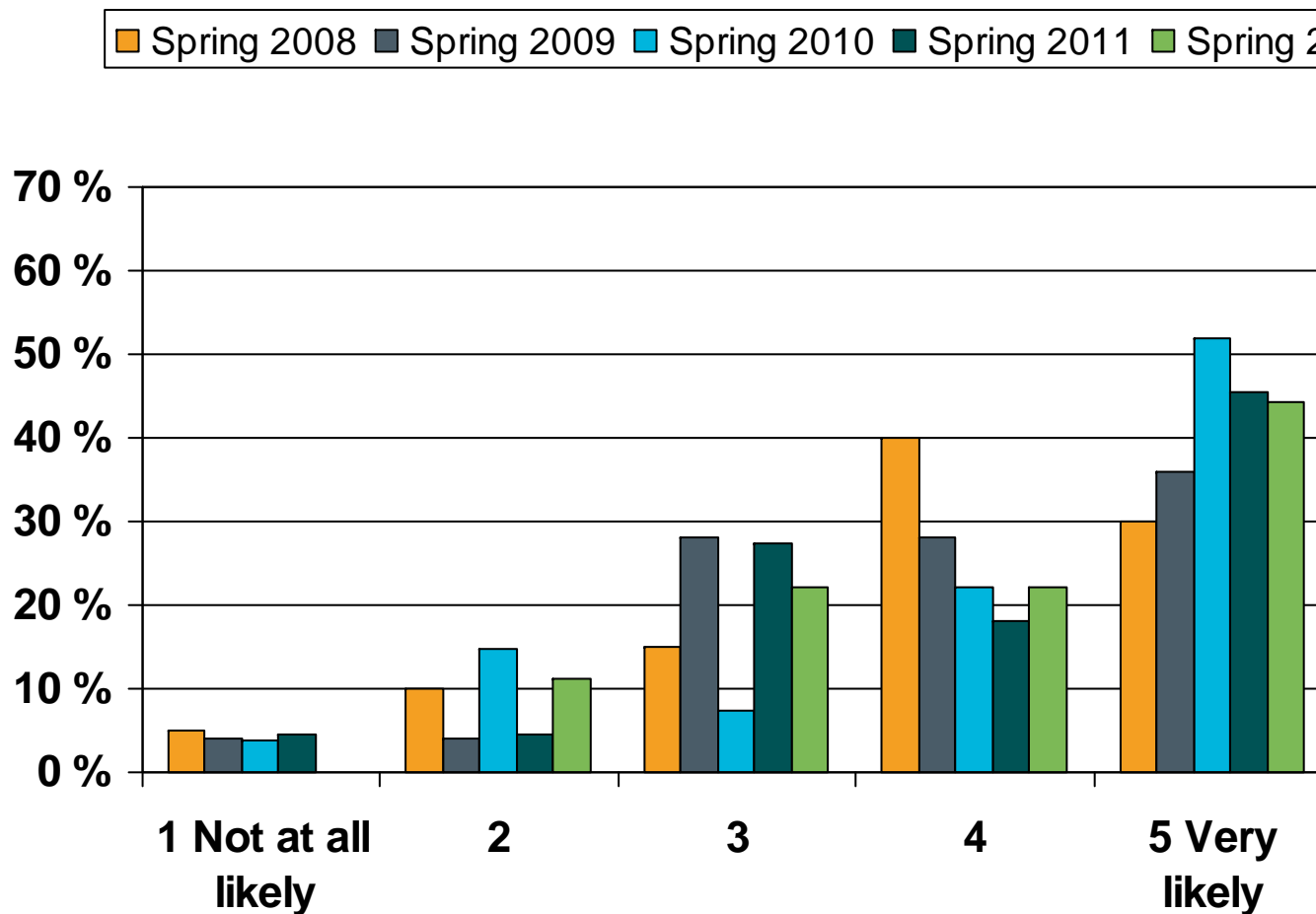
How likely is it that you will invest (or invest more) in Finnish Property in 12 months ?





## Future investments in Finland

How likely is it that you will invest (or invest more) in Finnish Property in 3 years?

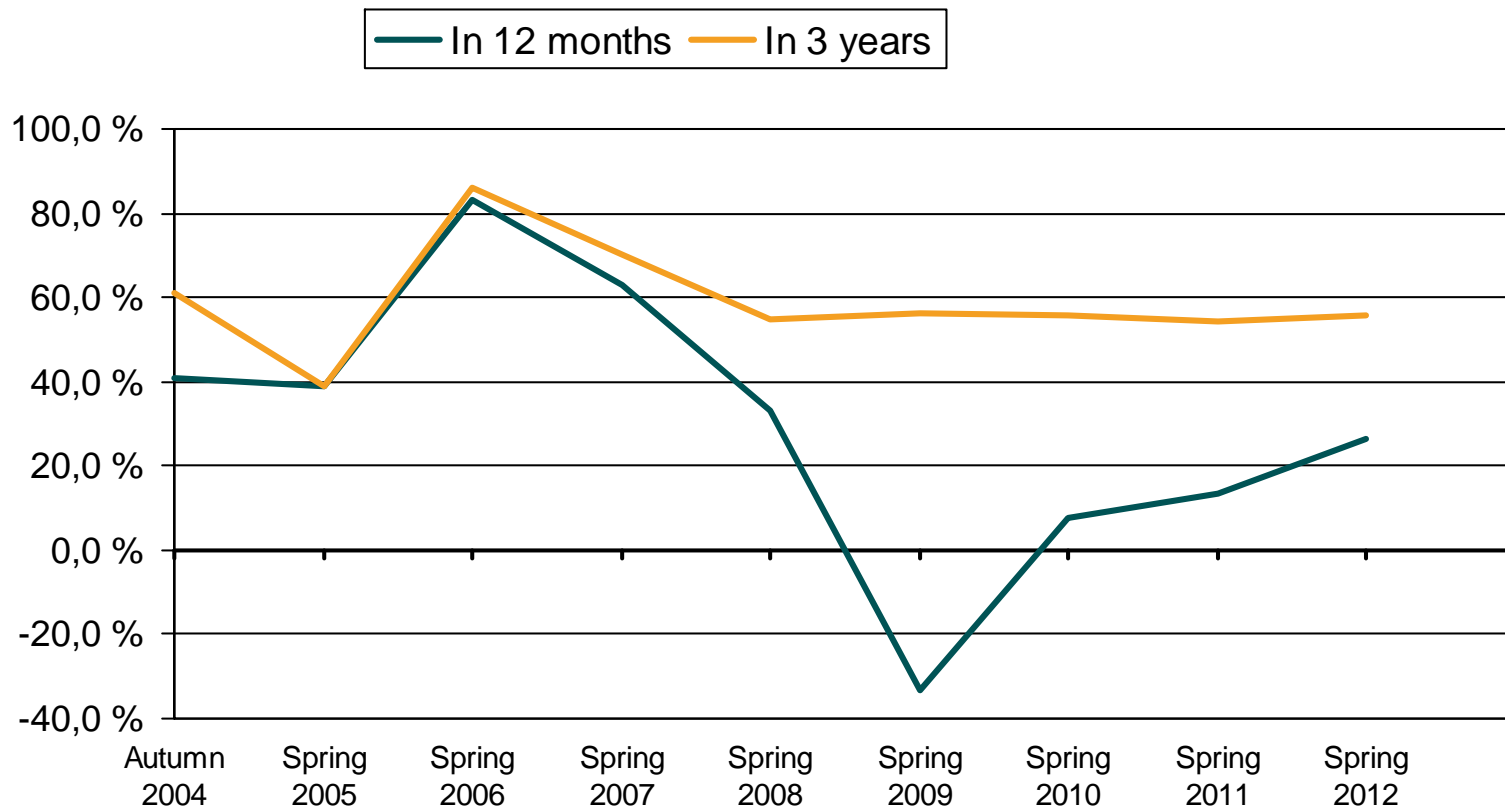






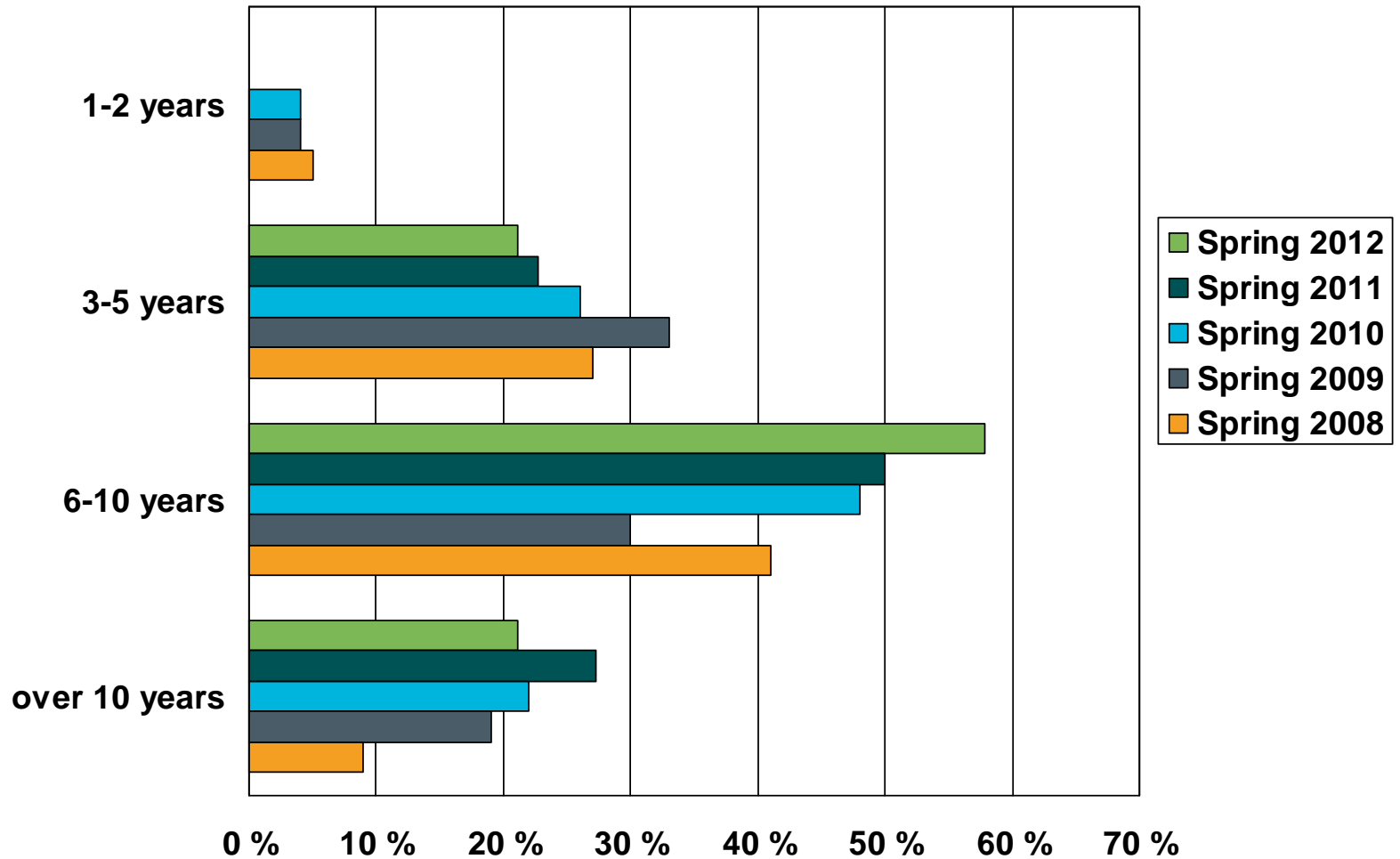
## Balance figures of future investments in Finland

How likely is it that you will invest (or invest more) in Finnish Property in 12 months / 3 years?





## How long is your expected investment horizon in Finland?





## If you are not investing in Finland in the foreseeable future, why not? Responses from three previous surveys

### 2012

- ▶ Investment strategy
- ▶ Other priorities
- ▶ Overloaded development pipeline

### 2011

- ▶ Available stock is limited
- ▶ Fund fully invested
- ▶ Too small

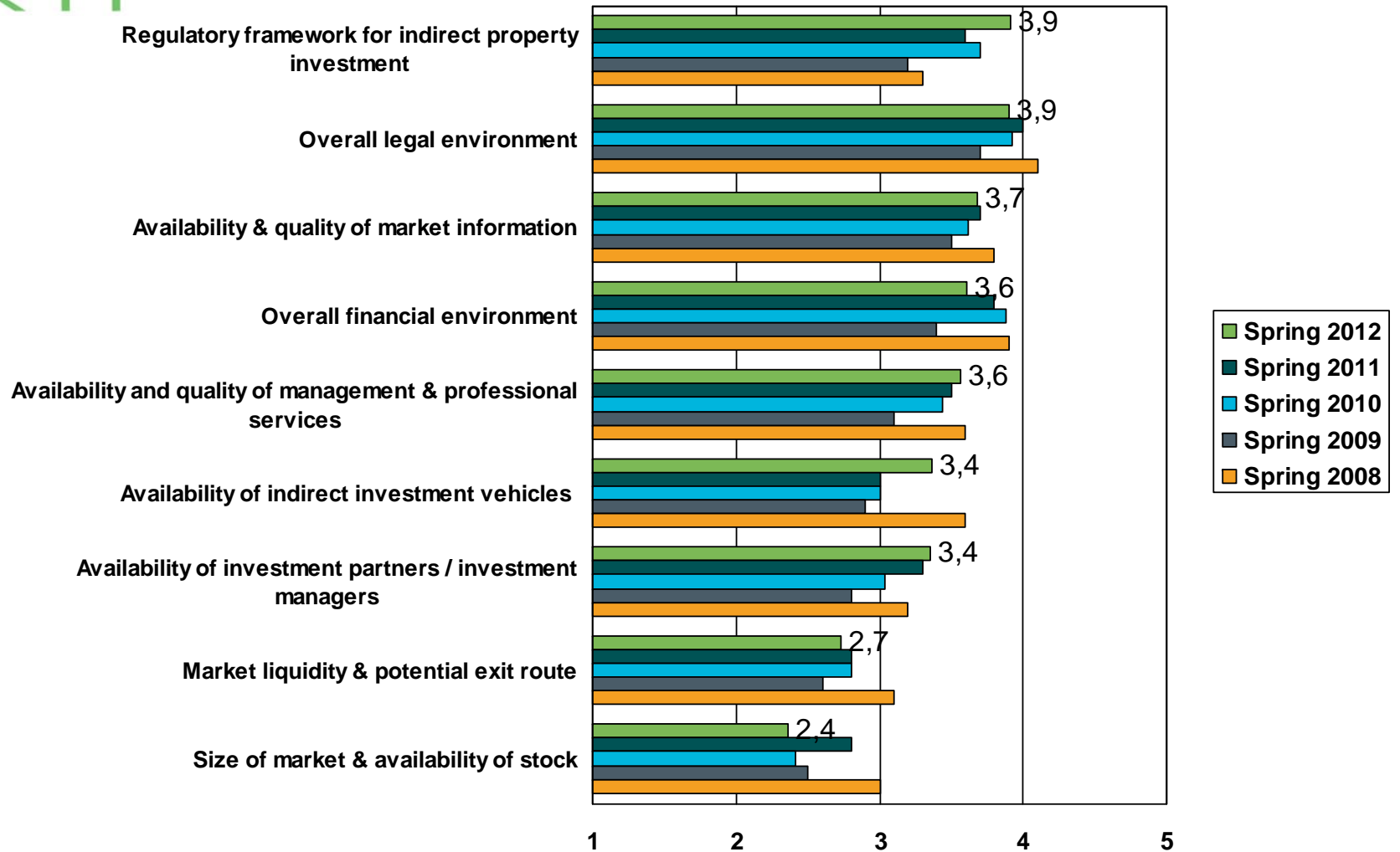
### 2010

- ▶ Investing in the upkeeping of our assets: yes. New acquisitions: not at the moment because we are already over-exposed in Finland.
- ▶ Pricing, outlook, availability
- ▶ Ability to find Investments.
- ▶ In short term money is allocated in other markets. In long term depends on availability of deals
- ▶ Not directly but through public markets





## Characteristics of the Finnish Market in comparison with other European Markets



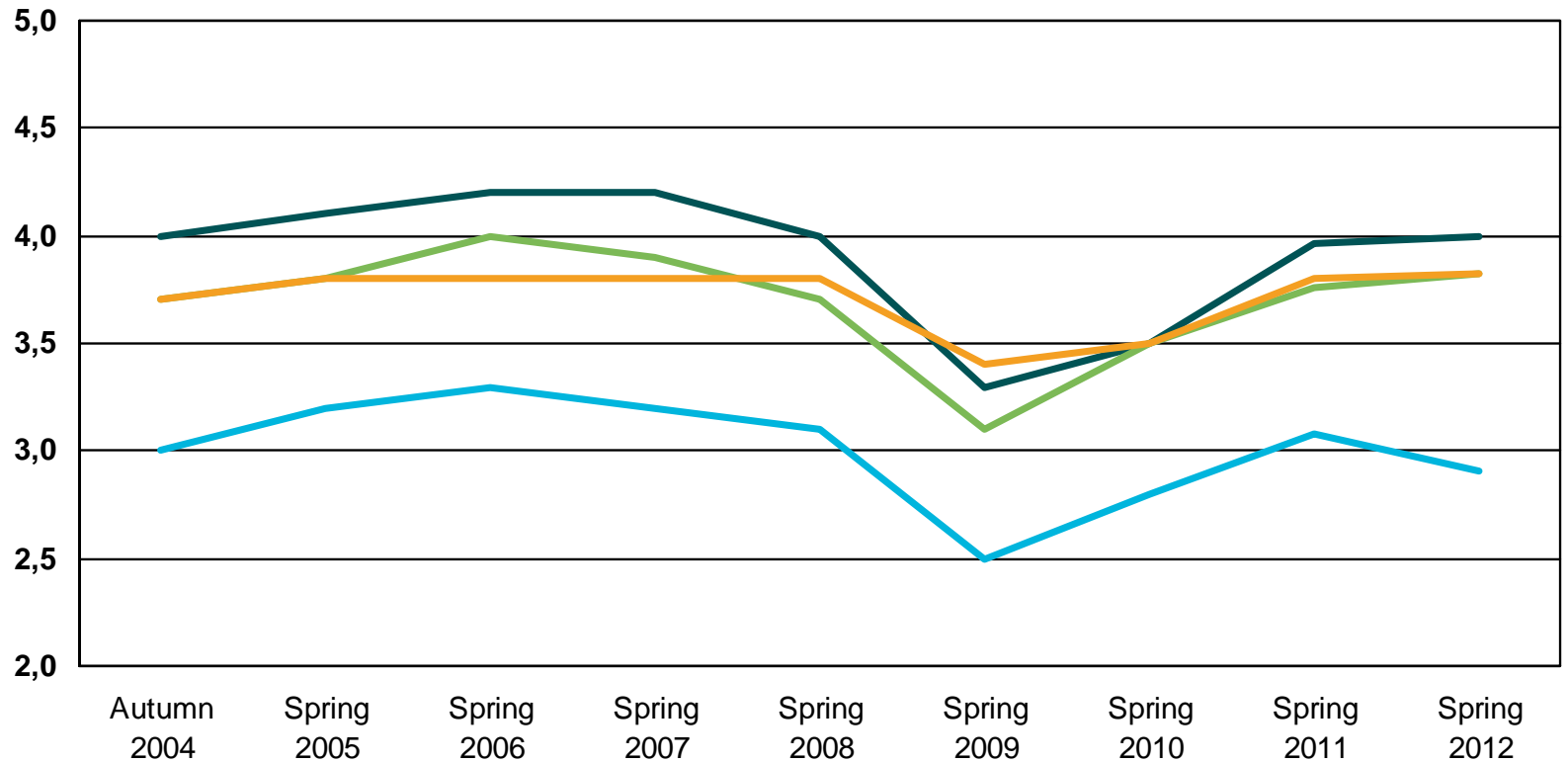
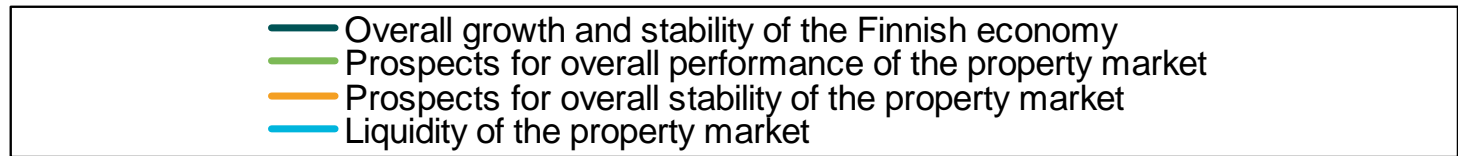
1 = rates with the **least** attractive markets  
5 = rates with the **most** attractive markets

Source: Finnish Property Barometer





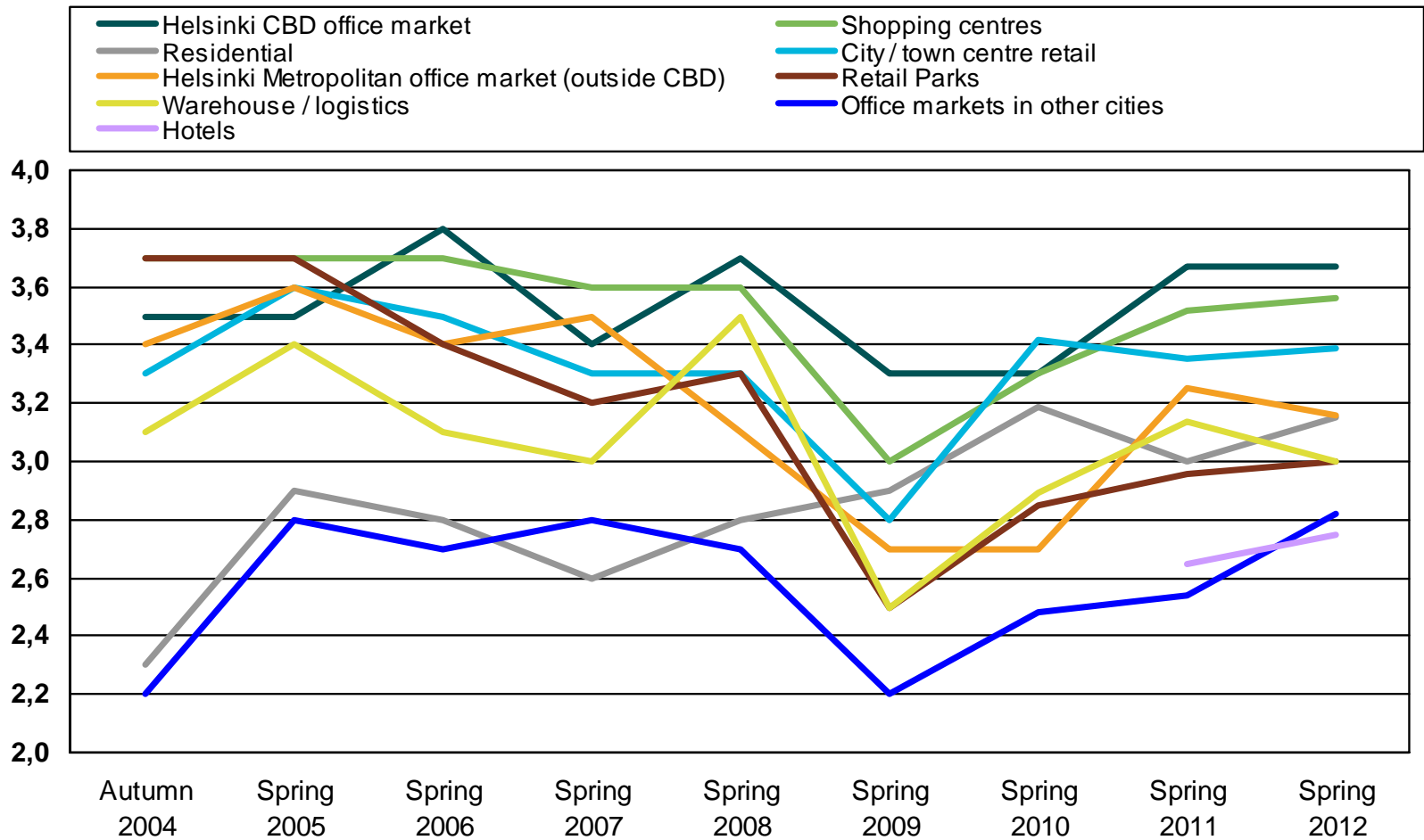
# Prospects over the next three years in comparison with other European Markets



1 = rates with the **least** attractive markets  
 5 = rates with the **most** attractive markets



# How would you currently rate the potential for investment in Finland of the following types? in comparison with other European Markets



1 = rates with the **least** attractive markets  
5 = rates with the **most** attractive markets



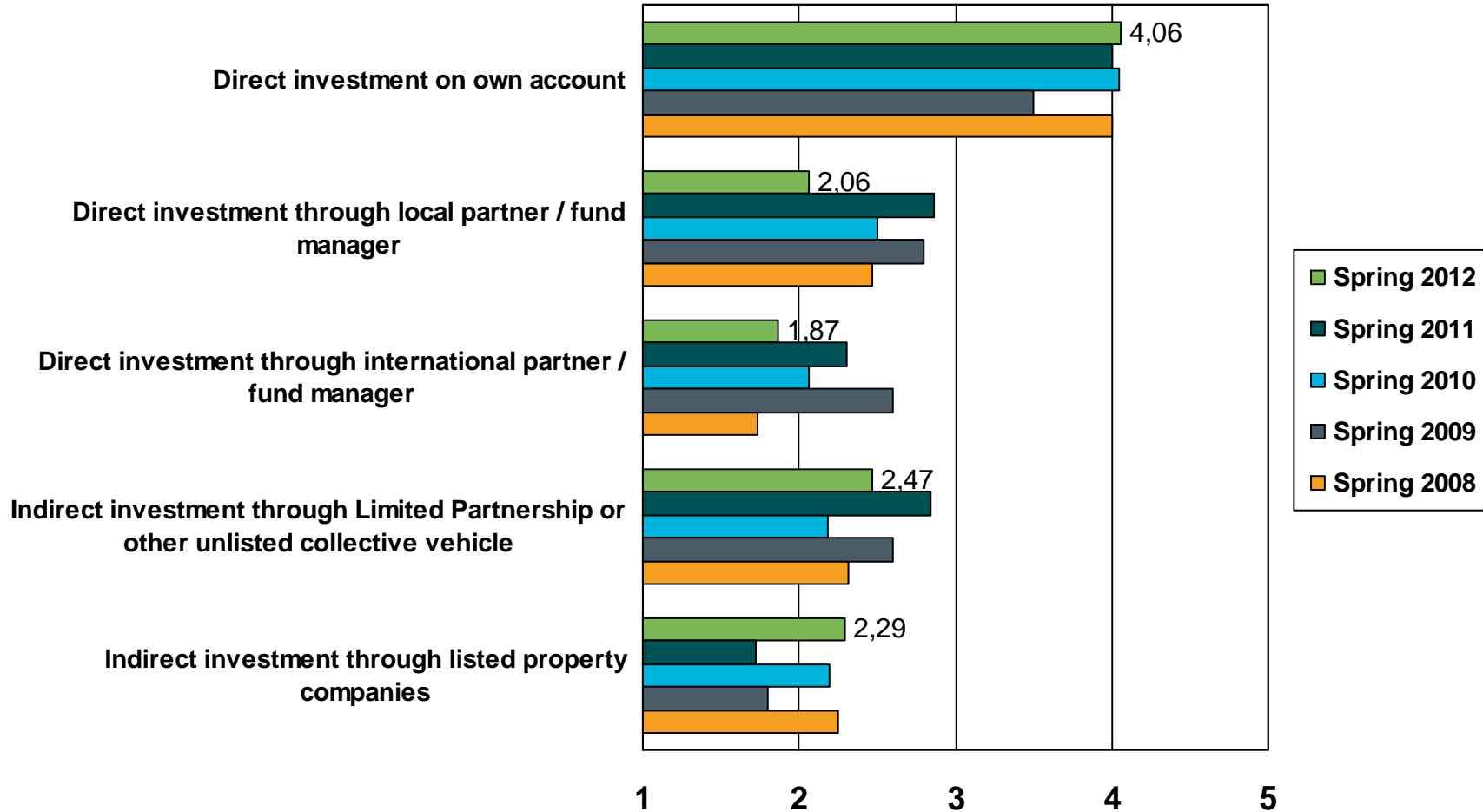
## What are your preferred submarkets?

- ▶ Helsinki CBD (4 answers)
- ▶ edge of water locations with good connections with the Helsinki CBD (1)
- ▶ Ruoholahti (1)
- ▶ Vantaa (1)
- ▶ Vuosaari (1)
- ▶ Helsinki retail (1)
- ▶ Nationwide Shopping Centres (1)





## Preferred investment routes for any investment in Finland



1 = rates with the **least** attractive route  
 5 = rates with the **most** attractive route







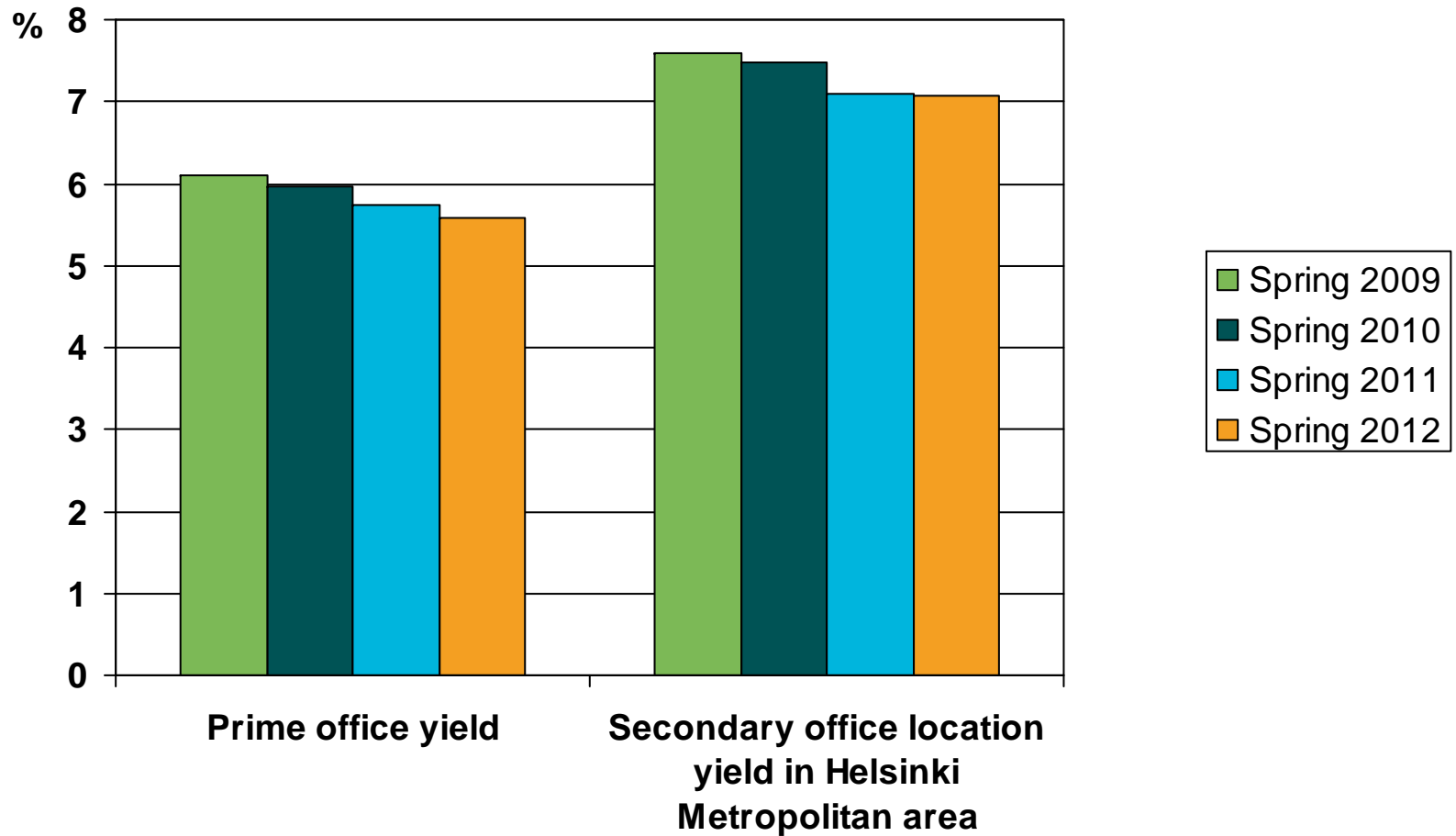
## Investment strategy to Finland IRR / Leverage

% of respondents

		Leverage (%)					
		<30%	30-50%	50-65%	65-75%	75-85%	>85%
IRR (%)	<5%	0	0	0	0	0	0
	5-10%	6	26	6	0	0	0
	10-15%	0	3	13	6	0	0
	15-20%	3	3	6	6	6	3
	>20%	0	0	0	0	3	6

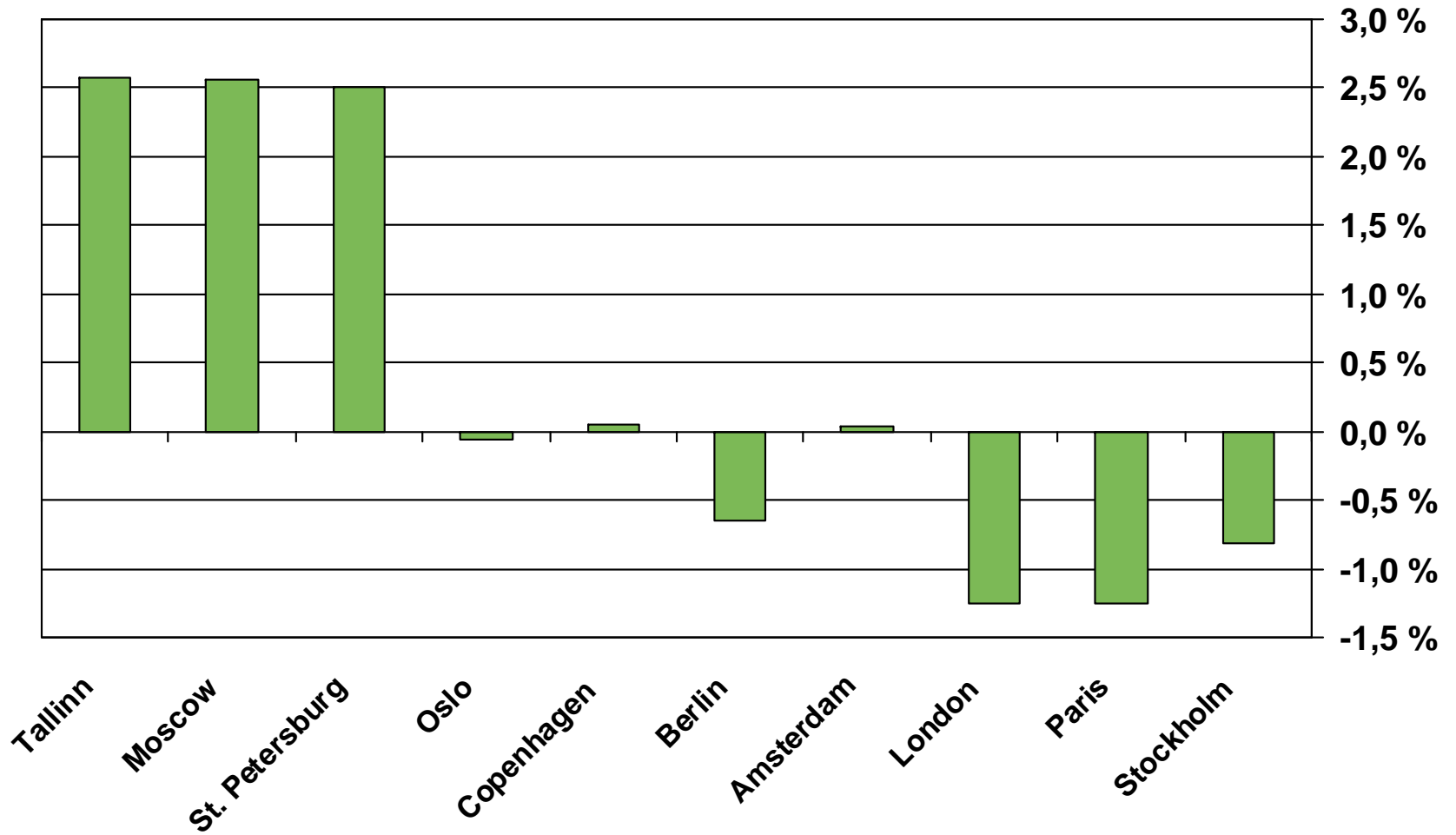


## What is your view about the prime and secondary yield levels in Helsinki office markets?



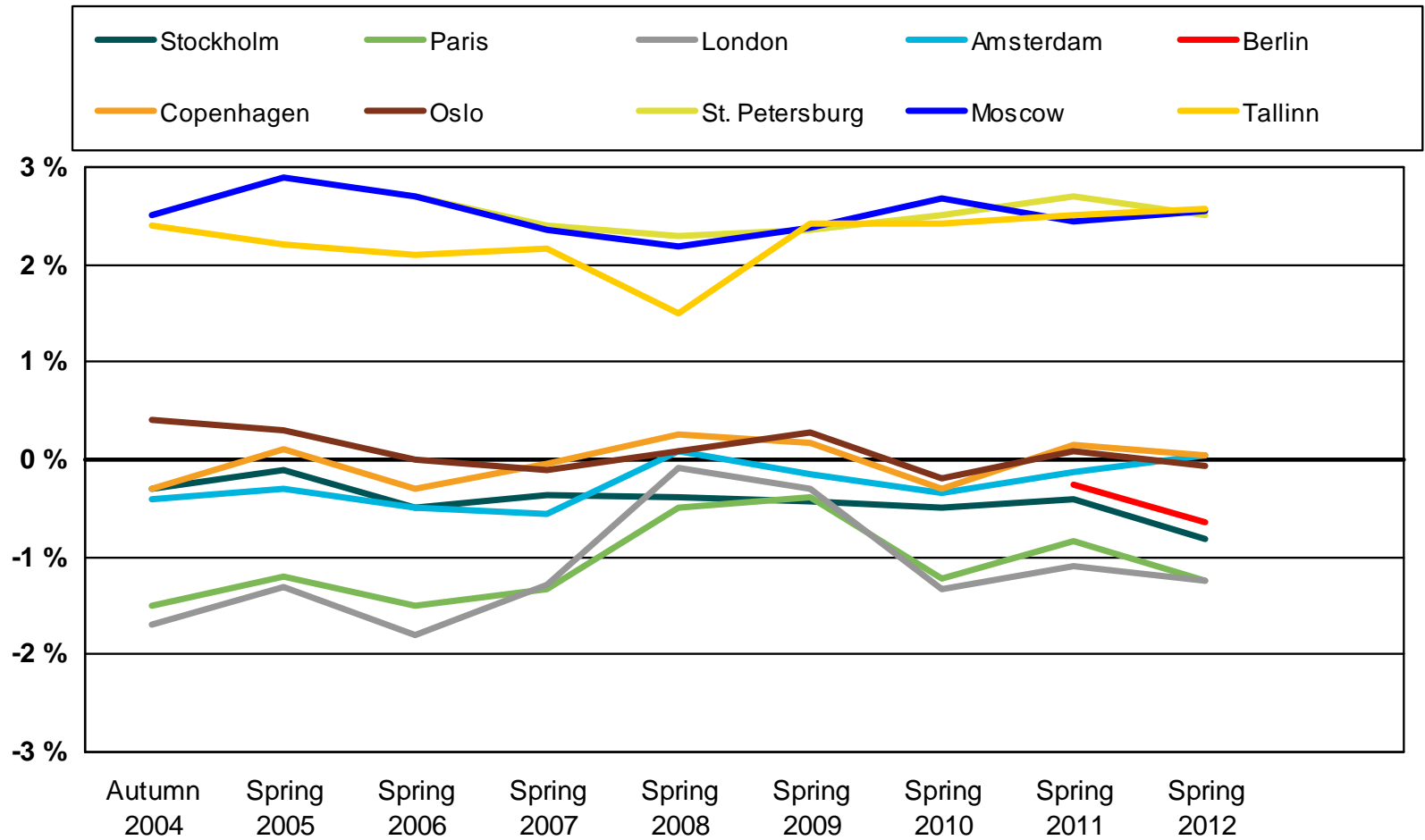


## Risk premium/discount compared to Helsinki Prime office markets, average Percentage points





# Risk premium/discount compared to Helsinki Prime office markets, average Percentage points



Source: Finnish Property Barometer



## What are the key strengths of the Finnish Property Market in the European context?

- ▶ Stability (7 answers)
- ▶ Economy (7)
- ▶ Transparency (5)
- ▶ Euro denominated (4)
- ▶ High yields / returns (3)
- ▶ Professional counterparties (2)
- ▶ Infrastructure development (2)





## What are the key weaknesses of the Finnish Property Market in the European context?

- ▶ Small market size / lack of investable stock (13 answers)
- ▶ Illiquidity (4)
- ▶ Too much construction / vacancy in offices (4)
- ▶ Euro denominated (3)
- ▶ Dominated by domestic players (3)





**Thank you!**

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