KTI Market Review
Spring 2016

- Large portfolio transactions increase the volume
- Prime yields at all-time low
- Office rents decreasing
- Amount of empty office space bottoming out?
- Residential rents continue increasing

KTI Market Review
Spring 2016

In an environment of extremely low interest rates, capital continues to flow into the property markets. Strong investment demand is creating pressures on yields. Core investors are concentrating on prime properties with safe cash flows. In the current markets, operations with riskier properties are also being seen as more viable, which adds to the market activity.

Market activity is also increasing due to the market entry of new investors as well as the restructurings of the traditional investors' portfolios. Transaction volumes remain at record levels as domestic funds, investment companies and foreign investors increase their portfolios. Domestic institutions are restructuring their portfolios by transferring the emphasis from direct domestic investments to foreign investments.

The weak economy has created pressures on the commercial property rental markets. The amount of vacant office space remains high in the Helsinki metropolitan area, and the vacancy rate has also now increased in the Helsinki CBD. Weak rental demand has reflected on rental levels, which have decreased in most submarkets. Negative development of rents is pressuring property values. Only in the Helsinki CBD, market values of offices have increased markedly, due to the decrease in yields.

In the residential markets, positive development has continued on almost all fronts: market values continue to increase, transaction volumes have reached record levels and rents have increased in all major cities. New market players and active new development are quickly expanding the supply of rental apartments. Increasing competition of tenants might limit the increase in rents in the future. In large apartments in particular, rents might even decrease in the coming months.

As exports remain sluggish, private consumption is the only driver for the slight growth in the economy. This is also reflected in the retail property markets, where vacancy rates remain low. The number of visitors and sales in the main shopping centres has increased slightly in the Helsinki metropolitan area in particular. Urbanisation and major investments in public transportation routes have boosted retail development, and the stock is thus expected to increase markedly.

Despite the sluggish economic development, construction markets show clear signs of increasing activity. Housing construction is increasing in main cities driven by both property investors and development of owner-occupied homes. The government's actions have increased infrastructure construction and enabled further growth in residential construction. The volumes of commercial property development have been boosted by some major industrial investments and retail property projects.

The structure of the property market is evolving

According to KTI's estimations, the total size of the Finnish property market had increased to €54.5 billion at the end of 2015. Compared to the previous year the market increased by some 9 per cent. As capital growth was close to zero, growth was based on new properties coming to the investment market. The stock increased through both new development and some major sale-and-leaseback transactions from corporations to investors. In 2015, Finnish corporations sold some €1.2 billion worth of properties. Large transactions were carried out by, for instance, Kesko, Posti Group and HOK-Elanto. New development increased the residential property investment stock in particular.

Institutions restructure their portfolios

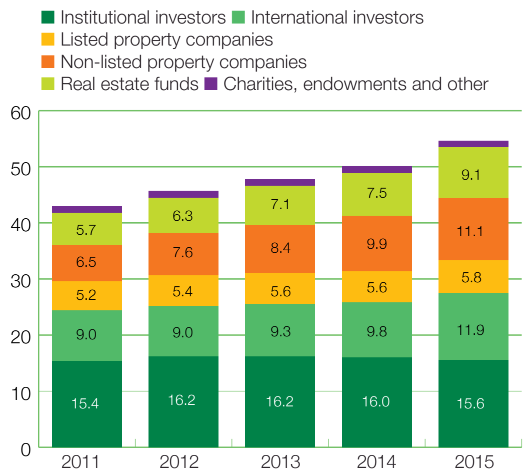
The absolute amount of institutional investors' direct domestic investments continued to decrease for the second year in a row. Their share of the total market fell from the previous year's 32 per cent to 29 per cent in 2015. Institutions carried out several transactions where formerly direct holdings were transformed to indirect structures. For instance, Ilmarinen sold a €400 million office portfolio to Antilooppi, which it owns together with the Swedish AMF. Varma also set up a new company – Serena Properties – together with Swedish partners and sold a €200 million retail portfolio to the new structure. Institutions also carried out direct disposals during 2015: Ilmarinen sold a large residential portfolio to OP-Rental Yield fund, and Veritas sold the Sola Business Valley in Espoo to RREEF's fund. Also Elo has carried out disposals in 2015 and 2016.

New players enter the market

High transaction volumes, low interest rates and institutional investors' portfolio restructurings have opened the doors for new players in the market. In 2015, some 20 new investors entered the market, including both foreign investors and newly established domestic funds and investment companies. The total amount of foreign investors' holdings increased to almost €12 billion, representing 22 per cent of the total market. In 2015, the holdings of domestic funds increased by €1.6 billion, and unlisted companies increased by €1.2 billion. The share of listed property companies remained stable at some 11 per cent.

- Property investment stock is increasing
- Institutional portfolios' restructurings open doors for new players
- The share of residential properties is increasing in the investment market

The structure of Finnish property investment market by investor group
Direct property investments in Finland 2011-2015, EUR billion

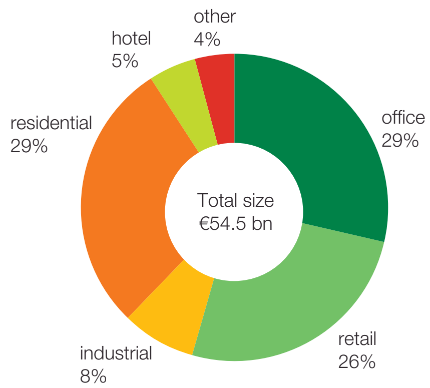


Source: KTI

Residential becoming the largest sector in the investment market

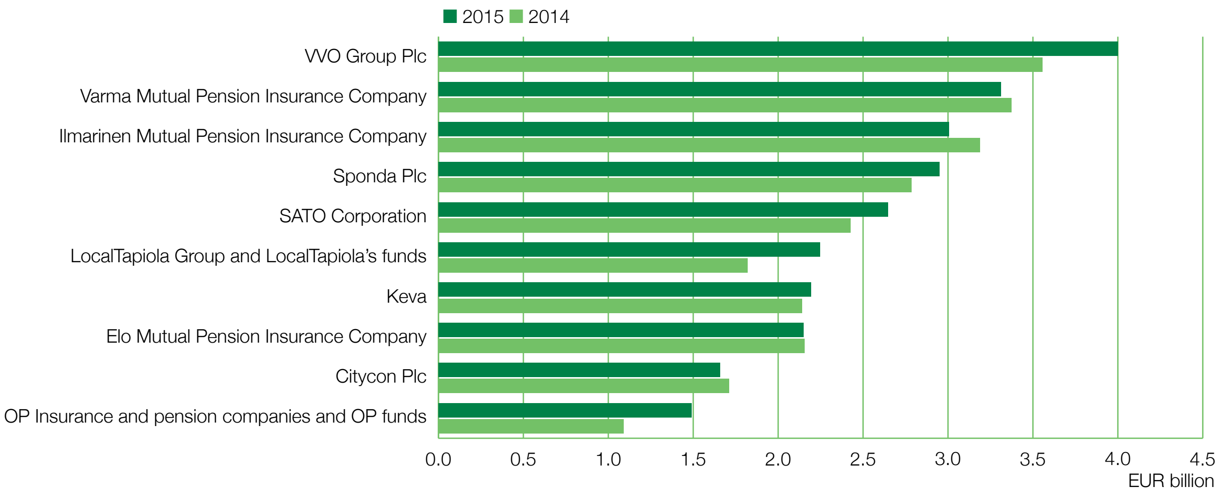
Market structure is also evolving with regard to various property sectors. Some 10 years ago, office properties represented over a half of the total market in the KTI Index database. Due to the continuous decline and sluggish outlook for rental demand of office space the attractiveness of office investments has decreased, and the share of offices in the KTI Index database dropped to 28 per cent in 2015. Residential properties' share increased markedly, and was some 29 per cent of the total market at the end of 2015. Also offices account for some 29 per cent of the total market, according to KTI estimates.

Property investment market by sectors



Source: KTI

Direct property holdings of 10 biggest property investors in Finland
fair values of the properties at the end of 2014 and 2015, EUR billion



Source: KTI (query for investors)

The transaction market remains active

In the transaction market, 2015 was the second most active year ever in Finland. The total volume increased to €5.5 billion, which is some €0.8 billion less than the record made in 2007. 2016 has started briskly, with the total volume of the first quarter amounting to €1.8 billion, which is the fourth highest quartile volume ever. The first quarter's volume was boosted by several large portfolio transactions, for instance Sponda's acquisition of the Forum block, Sirius' fund's retail portfolio deals and NIAM's office portfolio acquisition. In April, some large transactions were also released. SATO bought two large residential portfolios, and Sagax completed the acquisition of the retail portfolio of Suomen Lähikauppa.

Many property sectors attract investors

Retail properties were the most traded property sector, representing about one third of the total transactions volume in 2015. The volume of residential transactions was higher than ever before, at some €1.2 billion. Office properties also attracted investors, their volume equaling that of residential. In the first quartile of 2016, some major portfolio transactions have increased retail properties' share to almost half of all transactions.

Low interest rates draw capital into the property markets

Interest rates remain historically low, and no quick changes are being expected. Low and even negative interest rates are driving capital into the property markets as investors appreciate their stable cash flows. Inflow of capital is pressuring yields, which are at historically low levels in most markets. Despite the decrease, the premium between property yields and interest rates is higher than ever before.

Helsinki CBD office yields at all-time low

Prime yields continue decreasing. In the RAKLI-KTI Property Barometer carried out in April, the Helsinki CBD office yield was 4.9% on average. The lower quartile decreased to 4.5%. Both levels are some 0.5 percentage points lower than the lowest levels before the global financial crisis in 2007. Driven by the yield compression, market values of Helsinki CBD offices have increased markedly. In the KTI Index, the total return for CBD offices was 11.6% in 2015, as capital growth amounted to almost 7%. In other areas of Helsinki, office values decreased by almost 4%.

- Low interest rates pressure property yields
- Transactions market remain active
- Sluggish economic conditions reflected in secondary markets
- Population growth and new rail connections drive construction in HMA

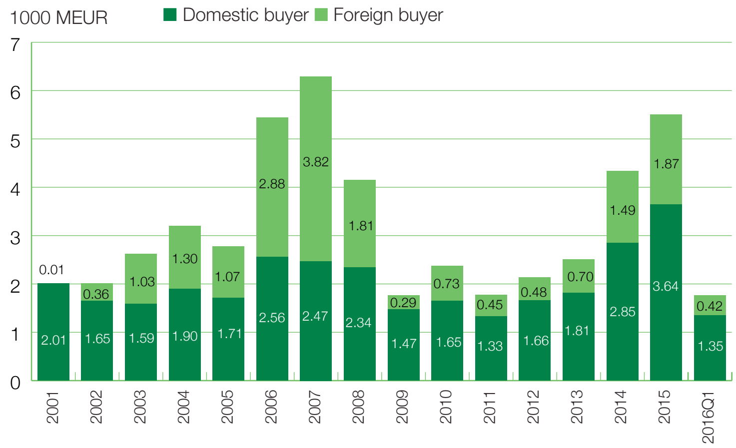
Strong demand also pressures yields in other regions

The strong inflow of capital is also impacting other regions, and higher yields offered by secondary locations are attracting investors. In major cities outside Helsinki, office yields have decreased by some 0.2-0.4% during the past six months, according to the RAKLI-KTI Property Barometer. However, the investor base is markedly smaller in cities outside the Helsinki metropolitan area, and the number of potential buyers is thus lower. In 2015, the Helsinki metropolitan area accounted for 55 per cent of the total transaction volume. In the first quartile of 2016, the Helsinki area's share was 60 per cent.

Total return amounted to 6.3% in 2015

Sluggish economic conditions have tightened the property investment market's outlook. The development of the KTI Index has closely followed that of the Finnish GDP. In 2015, the total return amounted to 6.3%, as the capital growth increased to the positive territory, at 0.3%, after having decreased for four years. Nine of the past

Transactions volume in the Finnish property market



Source: KTI

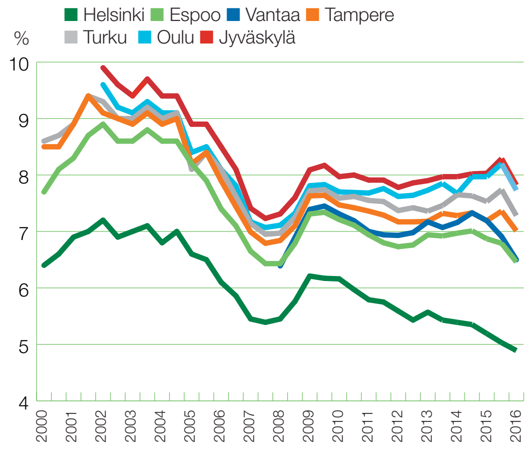
15 years have seen negative capital growth. The most negative development has been seen in the office and industrial property markets. In international comparison, income return remained high, at 6.0%, even though it decreased by 0.3 percentage points from the previous years. There are different drivers behind the decreasing income return: on the one hand, the increase in the share of residential properties, combined with the increase of their capital values has pressured income returns. On the other hand, the high vacancy rate and increasing costs of commercial properties is the less positive driver.

Largest direct property transactions in Finland in 2015-2016

ASSET / PORTFOLIO	DATE	PRICE (M€)	PURCHASER	SELLER
30 retail properties, 3 shopping centres (+6 in Sweden)	2015Q2	605 (portfolio in total 652)	Ankkurikadun Kiinteistöt Oy	Kesko Oyj, Kesko Pension Fund, Kruunuvuoren Satama Oy
Forum block, six retail and office properties in Helsinki CBD	2016Q1	576	Sponda Plc	Forum Fastighets Kb, Föreningen Konstsamfundet r.f.
15 office properties in Helsinki metropolitan area	2015Q2	400	Antilooppi Ky	Ilmarinen Mutual Pension Insurance Company
22 retail properties	2015Q4	191.5	Serena Properties AB	Varma Mutual Pension Insurance Company
97 retail, office and hotel properties in Sweden and Finland	2016Q1	180 (portfolio in total 450)	Partners Group	Sveafastigheter Fund III
Six office properties in Helsinki metropolitan area	2016Q1	160	NIAM	Elo Mutual Pension Insurance
27 care properties	2016Q1	155	eQ Care	Healthcare I (managed by Northern Horizon Capital)
Three postal centres, one warehouse and one logistics centre property	2015Q2	120	Ness, Risan & Partners (NRP)	Posti Group
20 retail properties	2016Q1	115	Sirius Capital Partners	Private investors
Three logistics properties	2015Q4	100	Logicor (owned by Blackstone)	Sponda Plc
Shopping Centre Kaari	2015Q3	n/a	NIAM	HOK-Elanto
1200 apartments (28 residential properties)	2015Q2	n/a	OP-Rental Yield	Ilmarinen Mutual Pension Insurance Company
1255 apartments	2016Q2	n/a	SATO Corporation	SVK Yhtymä Oy
1015 apartments	2016Q2	n/a	SATO Corporation	Suomen Laatuasunnot Oy

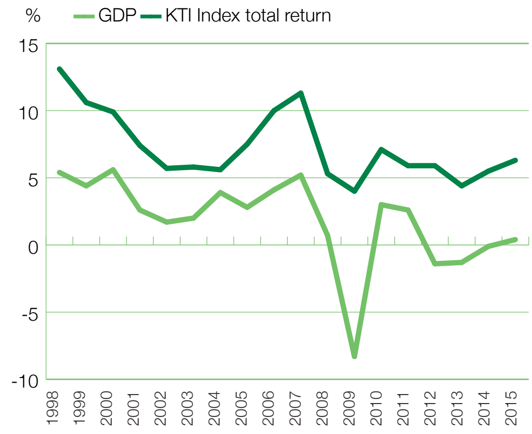
Source: KTI

Prime office yields in major Finnish cities



Source: RAKLI-KTI Property Barometer

KTI Index total return and GDP growth

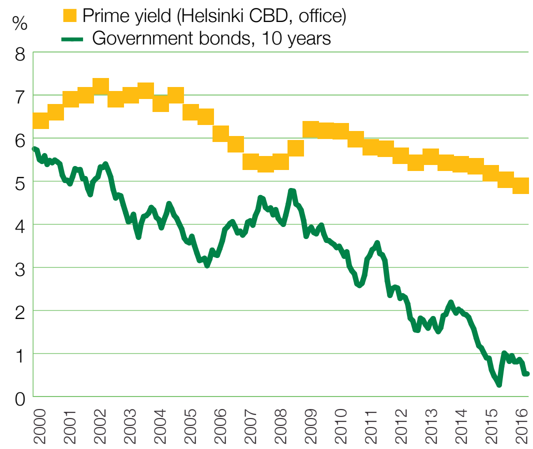


Source: KTI Index, Statistics Finland

Construction volumes increasing

Internal migration and strong investment demand has increased residential construction, which is expected to increase markedly more than the overall economy in 2016. According to the Confederation of Finnish Construction Industries RT, the volume of construction increased by some 0.2% in 2015. This year the growth is expected to accelerate to some 3-4%. Investments are increasing in both commercial, residential and infrastructure construction. The volumes of commercial property development are boosted by some large industrial projects and the Helsinki metropolitan area's major retail projects. Residential development is increasing in all major cities and for both rental and home-owning purposes. In infrastructure development, the government's decisions of some main public traffic investments are enabling further increase in residential development.

Long-term interest rate and Helsinki CBD prime office yield



Source: RAKLI-KTI Property Barometer, Bank of Finland

Amount of vacant office space stops increasing, rents decrease

- Several change of use projects under construction
- Office rents decreasing
- Occupancy rates finally improving?

The office occupancy rate has remained low especially in the Helsinki metropolitan area (HMA). During the winter; however, the office occupancy rate in HMA increased from 80.2% in September to 81.7% in March. In Helsinki, the amount of vacant office space has decreased by more than 50,000 sqm, and the occupancy rate increased to over 84%. The amount of empty space has decreased for example in the Vallila, Lauttasaari and Pitäjänmäki districts, but has increased in Pasila and also in the Helsinki CBD. The office occupancy rate of the Helsinki CBD stood at about 85% in March.

Occupancy rate is lowest in Espoo

In Espoo and Vantaa, the two other major cities of the Helsinki metropolitan area, office occupancy rates are lower than in Helsinki. In Espoo, the occupancy rate improved a bit during the winter, but remains still under 75%. A large amount of vacant office space is still found in, for example, the Leppävaara, Kilo and Mankkaa districts. In Vantaa, the occupancy rate decreased to 78.5%. About half of the respondents of RAKLI-KTI Property Barometer expect that office vacancy in the HMA will remain stable, while 22% expect vacant office space to decrease and 27% expect it to increase during the next six months. Expectations were now more optimistic than in a few previous surveys. In other major Finnish cities – Tampere, Turku and Oulu – office occupancy rates are clearly higher, close to 90%.

Office rents have decreased

The negative development of office rents has continued especially in the Helsinki region. The median rent per sqm for new office agreements decreased in Helsinki and Espoo as well as in Vantaa. In the Helsinki CBD office rents also decreased: the KTI office rent index showed a decrease for the second consecutive six-month period. During the last 12 months, the index has decreased by 1.1%. The median office rent in the Helsinki CBD decreased by more than one euro to 26.4 €/sqm/month. However, rents of the best office premises are still rather high and the upper quartile of office rents increased to 30 €/sqm/month.

Nevertheless, the respondents of RAKLI-KTI Property Barometer expect Helsinki CBD office rents to slightly increase during the next six months. In other cities and in other districts of Helsinki, rents are expected to remain stable or to decrease slightly. The most negative expectations are in Turku, where 40% of the barometer respondents expect office rents to decrease.

New office development projects started in early 2016

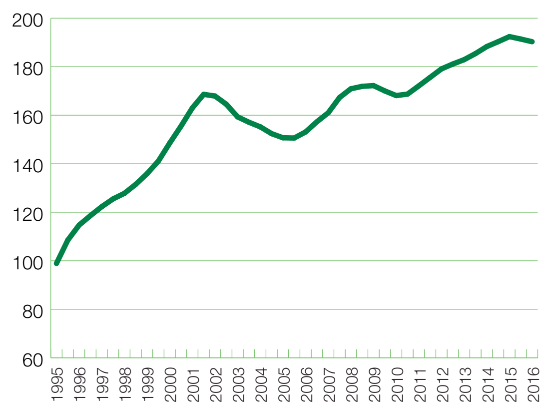
The large amount of empty office space has caused office construction volumes to decrease in the Helsinki region. In 2015, only a couple of new office projects were started, and consequently only some 40,000 sqm of new office space was under construction in the end of year. In early 2016, office construction has become more active and a few new projects have been started. At the end of March, approx. 90,000 sqm of new office space was under construction in the Helsinki metropolitan area. The largest new office project is taking place by the Kasarmitori square in the Helsinki CBD, where an old office property was demolished. Ahlström Capital, HGR Property Partners and YIT are developing a new 16,000 sqm office property, the main user of which will be the law firm Roschier.

In other major Finnish cities there are just a couple of office developments under construction. The volume is largest in Tampere, where approx. 25,000 sqm of new office space was under construction at the end of March. For example, Technopolis is developing two new phases for its Yliopistonrinne office complex in Tampere.

Change of use projects decrease the office stock

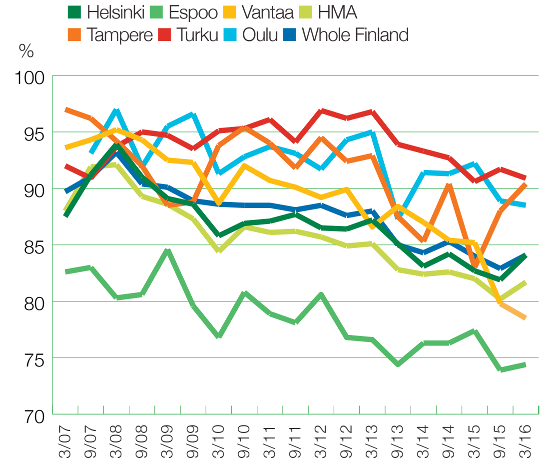
The owners of older and/or secondary located office buildings are often actively considering change of use projects or demolitions of the buildings. Change of use projects tend to be slow or totally impossible, due to planning issues, and/or the location or technical characteristics of the building. Despite the challenges, quite many change of use projects of old office buildings have recently been started, and at the end of March, there were almost 40,000 sqm of these kinds

KTI Rental index
Helsinki CBD offices, index 1993=100



Source: KTI

Office occupancy rates in major cities



Source: KTI

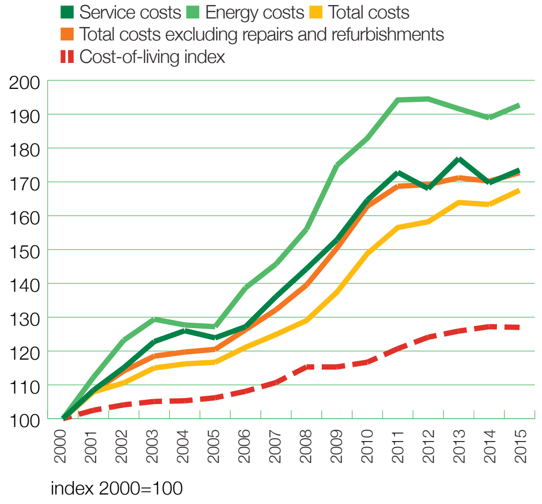
of redevelopment projects under construction in the Helsinki metropolitan area. In addition, some 30,000 sqm of old office space has recently been demolished, and new residential properties are being built in those sites. Thus, altogether some 65,000 sqm of office space has recently disappeared in the region due to demolitions or change of use projects. Several additional change of use projects are currently under planning.

Increasing operational costs decrease income returns

KTI's operational cost index for office buildings showed an increase of 2.6% for 2015. Costs increased by 1.3% in the Helsinki metropolitan area and by 3.6% elsewhere in Finland. Refurbishment costs increased the most, by more than seven per cent. Both service and energy costs increased by some two per cent last year in the whole of Finland, although in the Helsinki region service costs decreased.

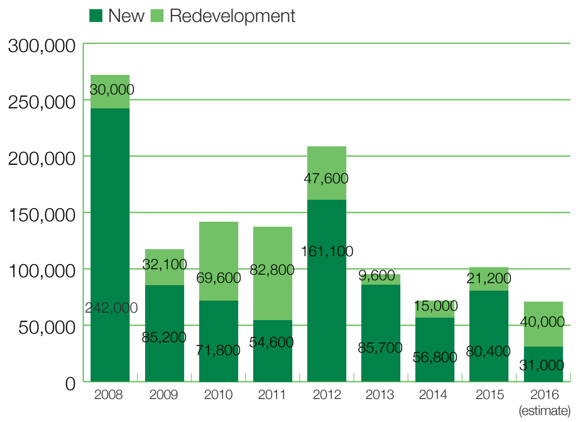
During 2000-2015, the operational costs of office buildings have risen in total by some 60 per cent, while the cost-of-living index has increased by less than 30 per cent during the same period. Increasing costs, together with high vacancy and challenging economic development, have decreased income returns. In 2015, income return for offices decreased to 5.9% - the lowest figure in KTI Index history, which started in 1998.

Development of operational costs
Offices, whole Finland



Source: KTI

Completed office projects in the Helsinki metropolitan area



Source: KTI, RPT Docu Oy

Retail property stock increases in the Helsinki metropolitan area

Active retail construction continues especially in the Helsinki metropolitan area. At the end of March, approx. 180,000 sqm of new retail space was under construction in the area. All of the largest projects are being developed by the metro line or railroads. By the new western metro line, to be opened in August, several new retail projects will be completed this year. The largest of them is the extension of IsoOmena shopping centre in Matinkylä, Espoo. By the current metro line in Helsinki, a 60,000 sqm REDI is under construction in the Kalasatama area, and Kesko's 20,000 sqm retail project is underway in the Itäkeskus area. The construction volumes will increase even further in the near future, when the construction of the 85,000 sqm Mall of Tripla will be started in Pasila. In addition, a new retail centre is being planned in the Kivistö area in Vantaa, and a large extension and redevelopment project of the Lippulaiva shopping centre in Espoo is also about to begin soon.

- New retail projects concentrate by the metro line and railroads
- The amount of large shopping centres increases
- Amount of visitors increasing in shopping centres

Large retail projects also in other cities

There are also some large retail projects under construction in other cities. For instance in Tampere, Sponda is developing the 47,000 sqm Ratina shopping centre. Another large project in Tampere is the extension and redevelopment of the Prisma hypermarket in the Kaleva district. In Jyväskylä, the construction of shopping centre Seppä commenced early this year. LocalTapiola Group's insurance companies invested EUR 70 million in the project. In Oulu, the construction of shopping centre Valkea will be completed during Q2, as well as a couple of smaller retail projects. In Kotka, on the south-eastern coast of Finland, development plans for a large outlet

Major retail development projects in the Helsinki metropolitan area
size of circle = size of project, light circle = project under planning

Map created using QGIS 2.14.1
- QGIS Development Team, 2016, QGIS Geographic Information System. Open Source Geospatial Foundation Project. http://qgis.osgeo.org @ Helsinki City Survey Division, the municipalities of Helsinki Region and HSY, 2014. Licence; Helsinki City Survey Division's open data licence 1.0. Additions to the map by KTI. 4 / 2016.

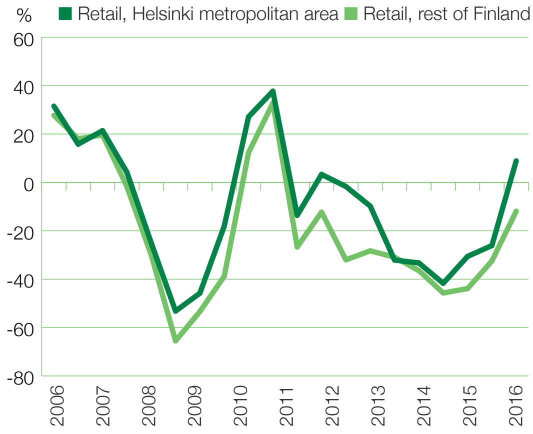
and entertainment centre Kotka Old Port are moving forward, and the first phase of the centre is expected to be completed in 2018. GVA Sawyer is acting as the main developer in the project.

Retail occupancy rates still rather high

The occupancy rates of retail premises have remained rather high, despite of the sluggish economic situation and the challenges of retail sales. In the KTI rental database, the retail occupancy rate in the Helsinki metropolitan area was 95.1% in early March, which is slightly higher than six months earlier. The corresponding figure for the whole of Finland increased to 94.2%.

The respondents of the RAKLI-KTI Property Barometer have become a bit more optimistic about the near future. The balance figure of the retail vacancy forecast turned positive for the first time in four years, meaning that the majority of respondents expect the amount of empty retail space to decrease. In the rest of Finland, the balance figure is still negative, although less negative than in the previous barometer surveys.

Outlook for retail vacancy rates
Balance figures, next 6 months



Source: RAKLI-KTI Property Barometer

Retail rents about to decrease?

The outlook for retail rents in the Helsinki CBD is somewhat mixed. The respondents of the RAKLI-KTI Property Barometer estimated that prime retail rent has clearly decreased, but on the other hand, the respondents expect retail rents to increase slightly within the next 12 months. According to the KTI rental database, rental levels of new retail agreements in the Helsinki CBD have been decreasing. The median rent of new agreements during September-February was only 55 €/sqm/month, which is the lowest figure in the present decade.

The rental market in the CBD has been, however, active. According to the KTI rental database, more than 11,000 sqm of new retail space agreements were made during the winter. The figure is clearly higher than in the past few years.

Retail sales and the amount of visitors increasing in shopping centres

According to the KTI Index, the total return of retail properties was only 3.9% in 2015. The market values and also income return decreased in both shopping centres and other retail properties. Shopping centres delivered 0.8 percentage points higher total return compared to other retail properties.

According to the KTI indices commissioned by the Finnish Council of Shopping Centers, the number of visitors in shopping centres increased by 4.0% in the first quarter of 2016 compared to the previous year. In the Helsinki metropolitan area, the growth was as high as 5.4%, while elsewhere in Finland the number of visitors increased by approximately one per cent. Retail sales of shopping centres increased by 0.2% compared to the January-March last year.

The cumulative figures for the previous 12 months showed an increase of 1.7% in the number of visitors, but the decrease of 0.2% in retail sales compared to the previous 12 months. The figures comprise 38 shopping centres in Finland.

Shopping center indices

Amount of visitors and total sales		
	Q1 2016 vs. Q1 2015	**12 months rolling average**
Amount of visitors	+4.0%	+1.7%
Total sales	+0.2%	-0.2%

Source: Finnish Council of Shopping Centers, KTI

Residential property markets remain active

Residential has been the best performing sector for eight consecutive years

In the KTI Index, the total return on residential properties amounted to 8.9% in 2015. Income return remained at 5.4% and capital growth was at a healthy level of 3.4%. Due to the positive development of market values, residential has produced the highest total return every year since 2008.

More capital flows into the market

In the KTI Index database, the amount of residential properties has increased from €2.5 billion to €6.8 billion in the past 10 years. During the past decade, market values have increased by 3.4% per annum on average. In the whole investment market, residential property holdings amounted to almost €16 billion in 2015. The majority of the growth in the market size is the result of new development. In the past couple of years, property funds in particular have actively increased their portfolios. During 2013-2015, construction companies sold some €1.5 billion worth of newly developed residential properties to property funds. Many investors have also increased their portfolios through their own development projects. In recent years, residential development has also been boosted by the pension funds' possibility to use leverage in residential development.

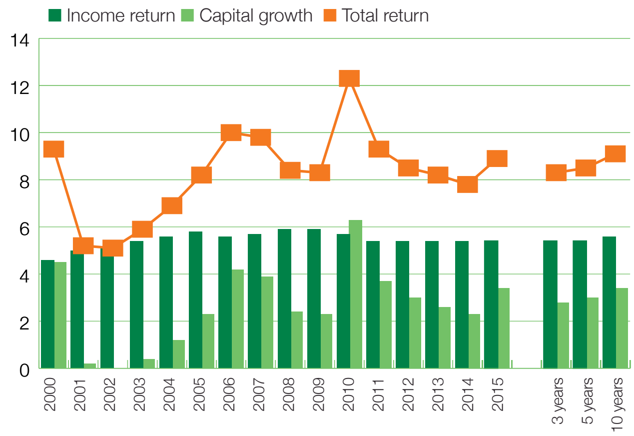
International investors interested in the Finnish residential markets

Domestic investors have so far dominated the rental residential market. Investors across Europe are, however, becoming increasingly interested in residential investment, and interest in the Finnish market has also increased recently. The market entry of foreign players has so far been limited by both the tough competition on the best properties and the challenges of organising property management in Finland.

In 2015, the Swedish Balder took a significant stake in the Finnish residential market when it acquired the majority ownership in SATO. In April this year, the German pension fund Bayerische Versorgungskammer (BVK) bought a €80 million residential portfolio from LocalTapiola's fund. CapMan acted as advisor to BVK, and will also manage the portfolio.

- Strong investment performance of residential properties attract investors
- Residential rents continue to increase in main cities
- Increasing supply mitigates the outlook for rental growth
- Foreign investor interest increasing in the residential market

Total return on residential property investments



Source: KTI Index

Rents continue to increase in all main cities

KTI's residential rent indices show an annual increase of 4.1 per cent in new rental agreements for the Helsinki metropolitan area, and 3.5 per cent in other main cities. There are, however, significant differences between cities and areas, and rental growth has slowed down almost everywhere during the past six months. In Espoo and Vantaa, where rents have increased annually by 4-6 per cent in the past five years, rents have even decreased slightly since last autumn.

Supply of rental apartments increasing

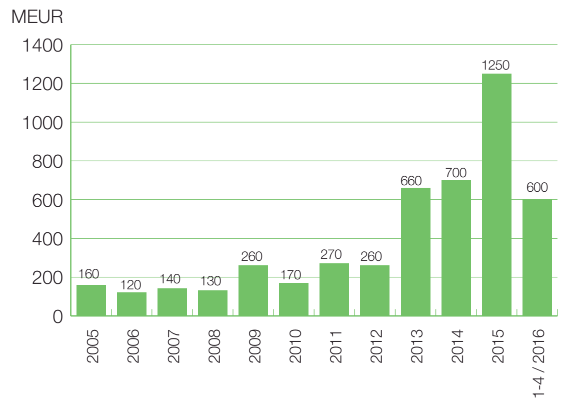
The Confederation of Finnish Construction Industries RT estimates that the construction of some 31,500 new dwellings will be started in 2016. This would represent a growth of some 1,000 dwellings compared to the previous year. The majority – some 18,000 dwellings – would be in apartment buildings or row houses. Starts of state-subsidised or so called ARA-dwellings are estimated to decrease and to be some 7,500 dwellings. New construction is concentrated in the main city regions. In 2015, the Helsinki metropolitan area accounted for almost half of all housing starts. New construction is currently boosted by the slight improvement in consumer confidence, which will start to relieve the accumulated demand. The growth in the development of new rental apartments by professional investors is also estimated to continue.

Increase in supply will impact rental markets

The sluggish economic outlook and increasing supply are starting to set limits for rental growth. Occupancy rates, which have remained close to 100 per cent, have started showing the first signs of deterioration. In the KTI Index database, the average occupancy rate for residential decreased slightly, but remained at a healthy level of 96 per cent. Competition for tenants is becoming tighter as the supply increases. In the RAKLI residential barometer, the expectations for rental development remained positive for small apartments in the Helsinki metropolitan area, as well as in Tampere and Turku. However, the outlook was clearly less positive than in the previous survey last autumn. In other main cities, the majority of the respondents expected rents to remain stable.

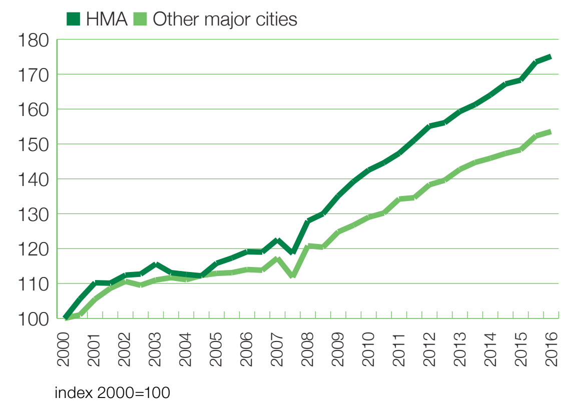
The demand for large rental apartments is clearly weaker than that of small apartments, and in almost all cities there were more respondents who expect rents to decrease than those who believe in positive development. Only in Helsinki has the balance figure remained slightly positive.

Rental residential property transactions volume



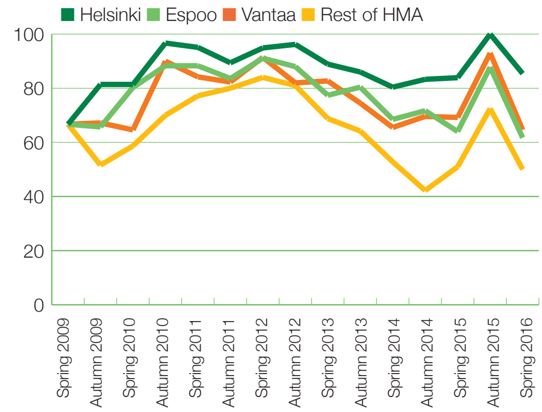
Source: KTI

KTI Residential rent index: New agreements



Source: KTI

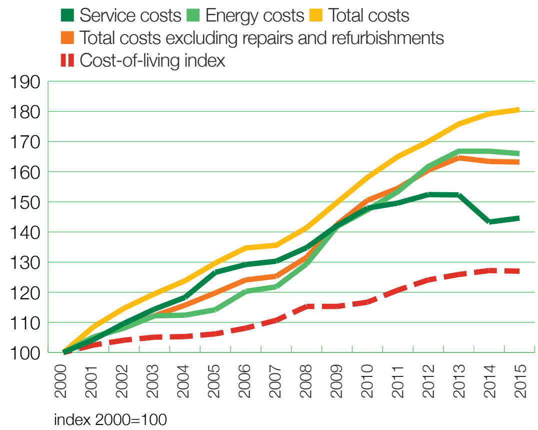
RAKLI residential barometer: Outlook for rents in small apartments, balance figures



Source: RAKLI residential barometer

Development of operational costs

Apartment buildings, whole Finland



Source: KTI

Increasing refurbishment costs challenge income returns

KTI's operational cost index for apartment buildings showed an increase of some 1 per cent for 2015. However, refurbishment costs increased markedly, and were some €1.4 per square meter on average in the Helsinki metropolitan area. In the whole country, refurbishment costs increased by 3.3 per cent. Also according to Statistics Finland, repair construction volumes are increasing, and their share was some 58 per cent of all housing construction in 2015.

Costs excluding repairs and refurbishments remained stable compared to the previous year. Of all operational cost items, property taxes increased the most, by 4.2 per cent on average.

KTI Finland is an independent research organisation and service company providing information and research services for the Finnish real estate industry. KTI maintains extensive databases on returns, rents, transactions, operating costs and customer satisfaction measures in the Finnish property market. Based on these databases, various kinds of benchmarking and analysis services can be provided. KTI's clients comprise major property investors, managers, occupiers as well as service providers in the Finnish market. KTI is owned by the Finnish Real Estate Federation and RAKLI, the Finnish Association of Building Owners and Construction clients.

KTI Finland
Eerikinkatu 28, 7th floor
00180 Helsinki
FINLAND
Tel. +358 20 7430 130
www.kti.fi