



# Finnish Property Barometer

- ▶ Investor Sentiment Survey,
  - ▶ Spring 2010

in co-operation with:

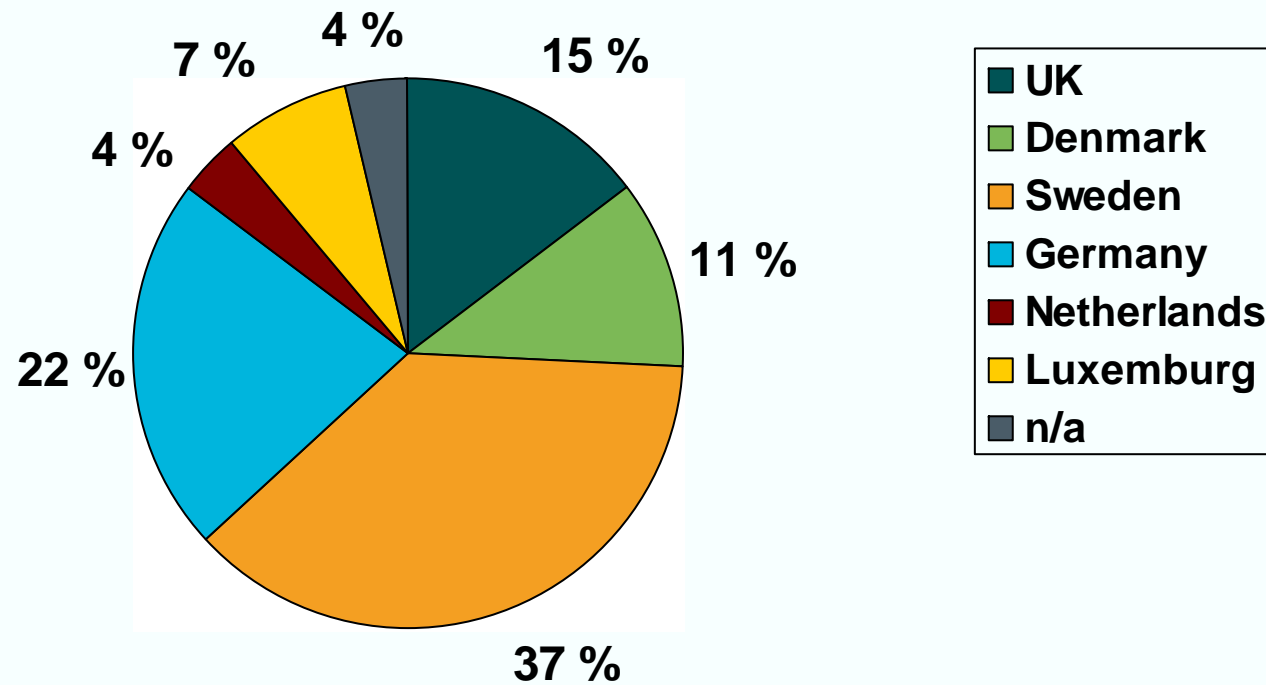


KTI Finland





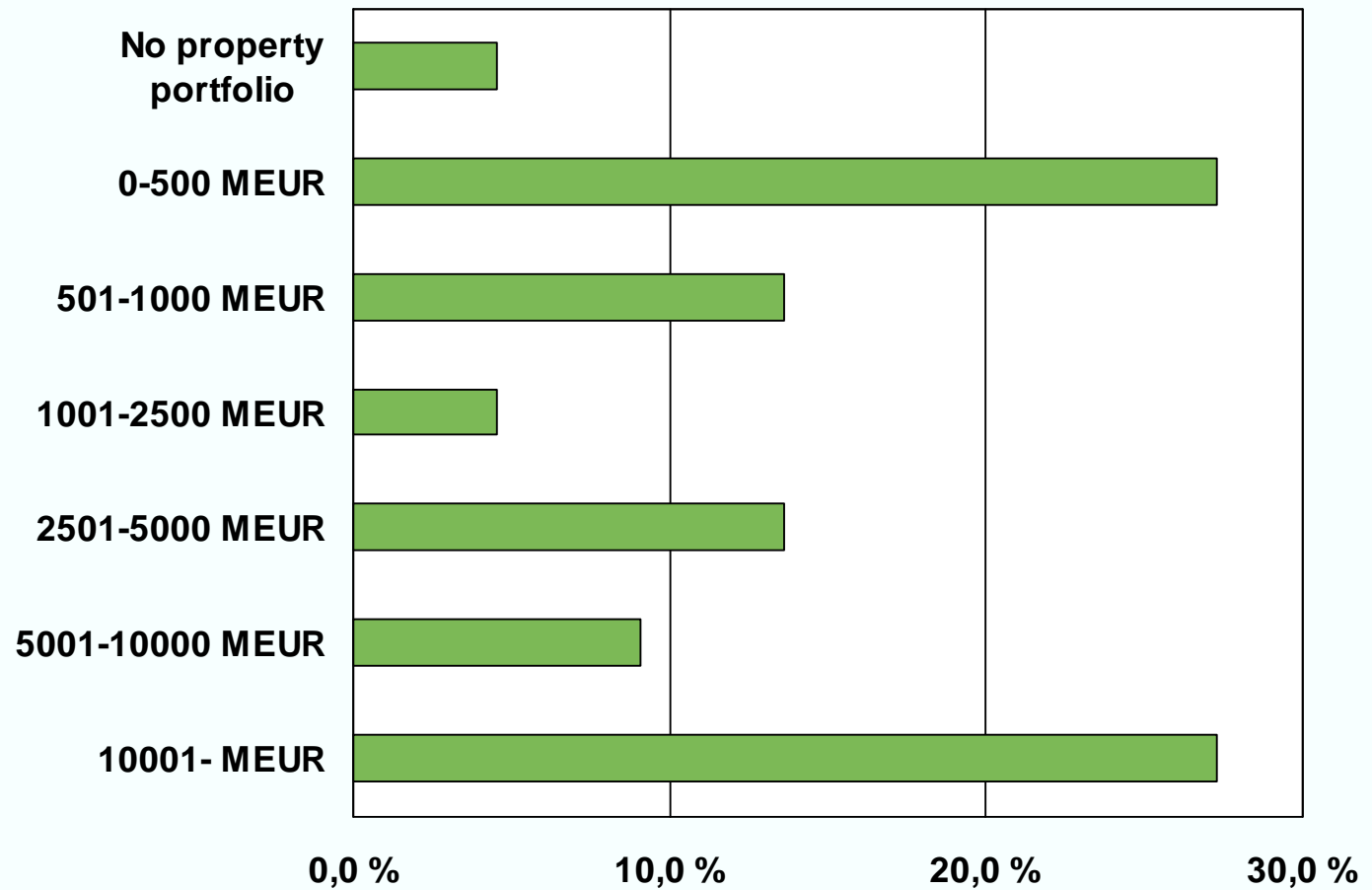
## In which country are you based?



Source: Finnish Property Barometer  
KTI in co-operation with: Aberdeen Property Investors Finland, Greater Helsinki  
Promotion and NCC Property Development



## Total size of property portfolio

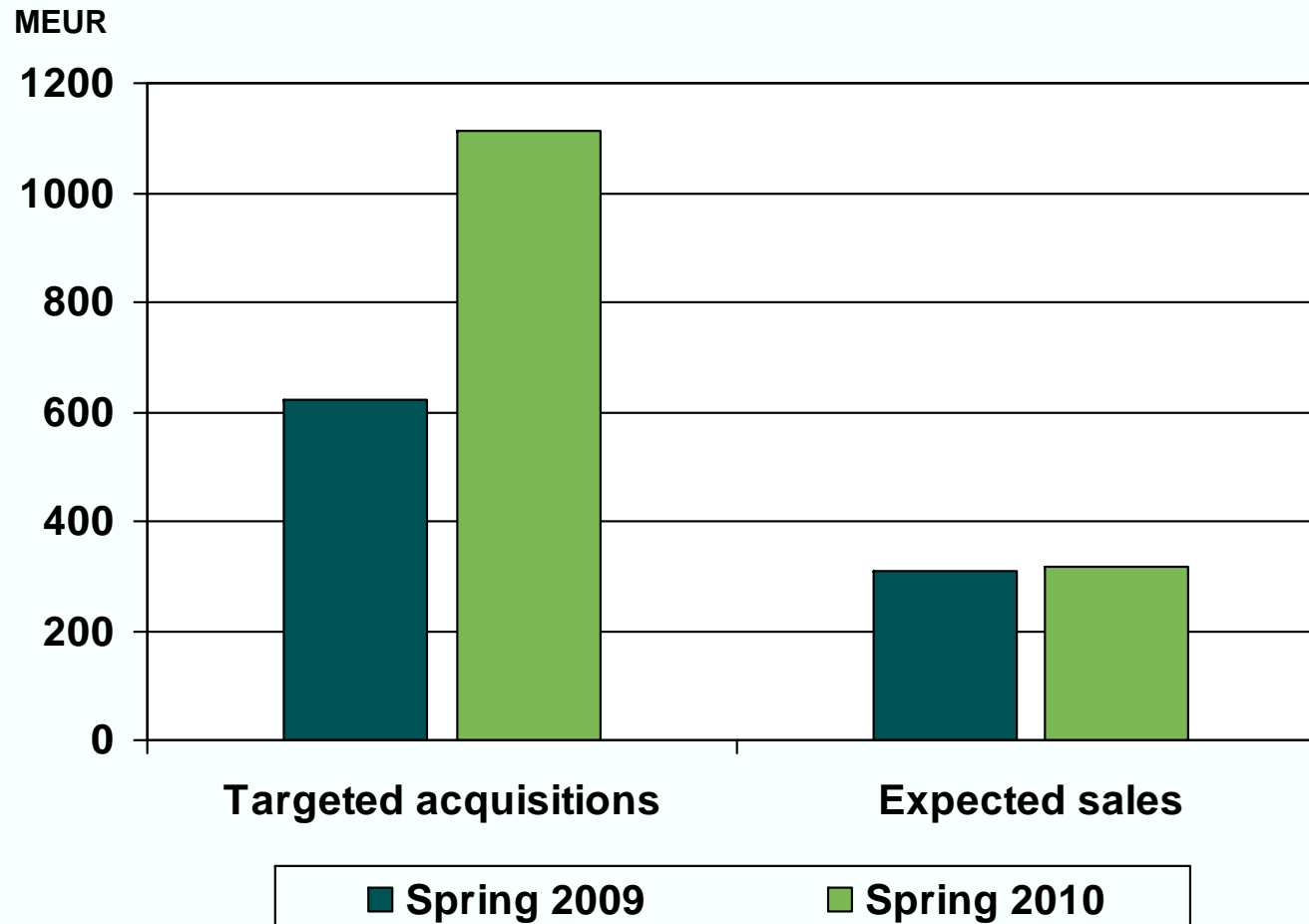


Source: Finnish Property Barometer  
KTI in co-operation with: Aberdeen Property Investors Finland, Greater Helsinki Promotion and NCC Property Development





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



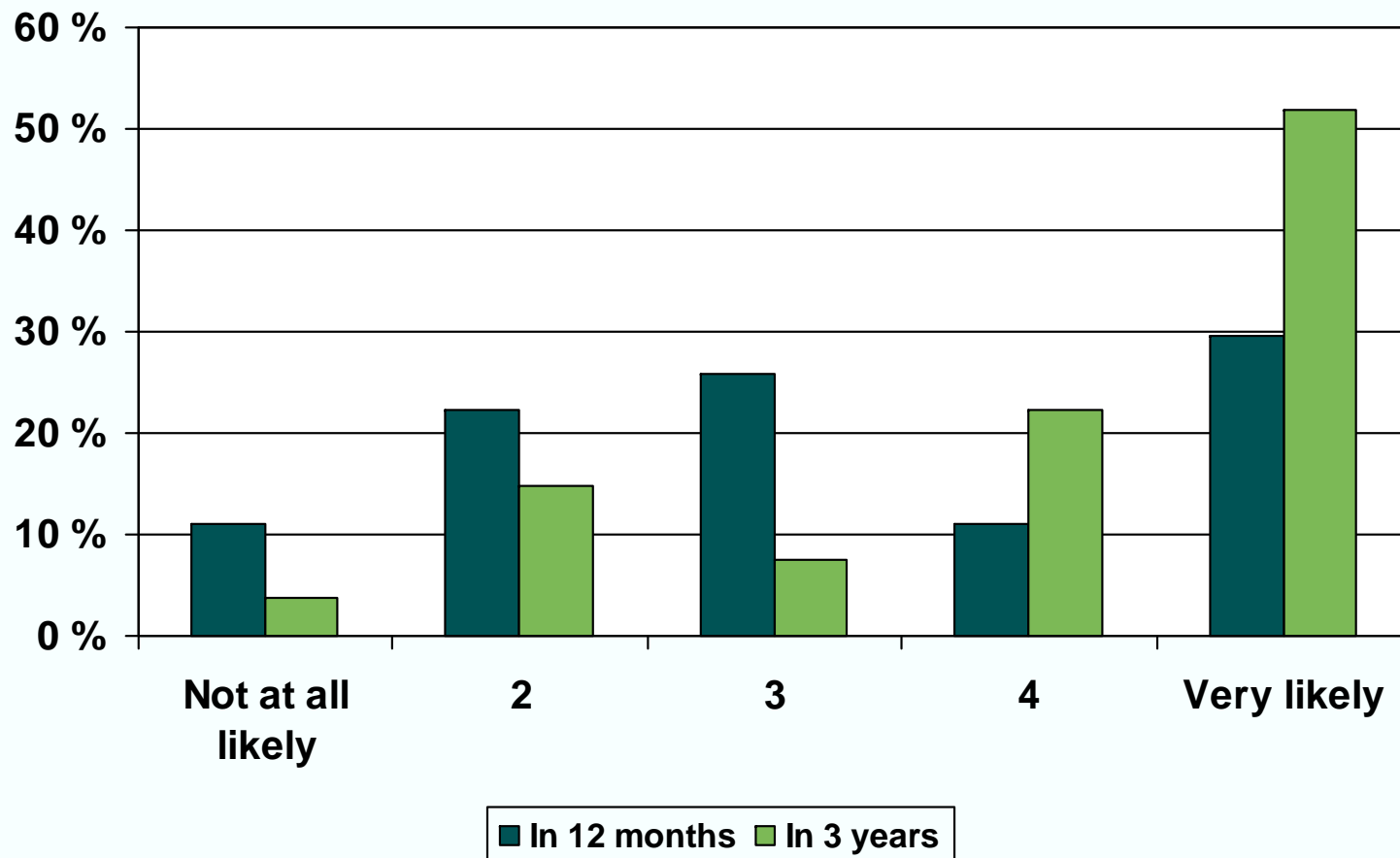
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## Future investments in Finland

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

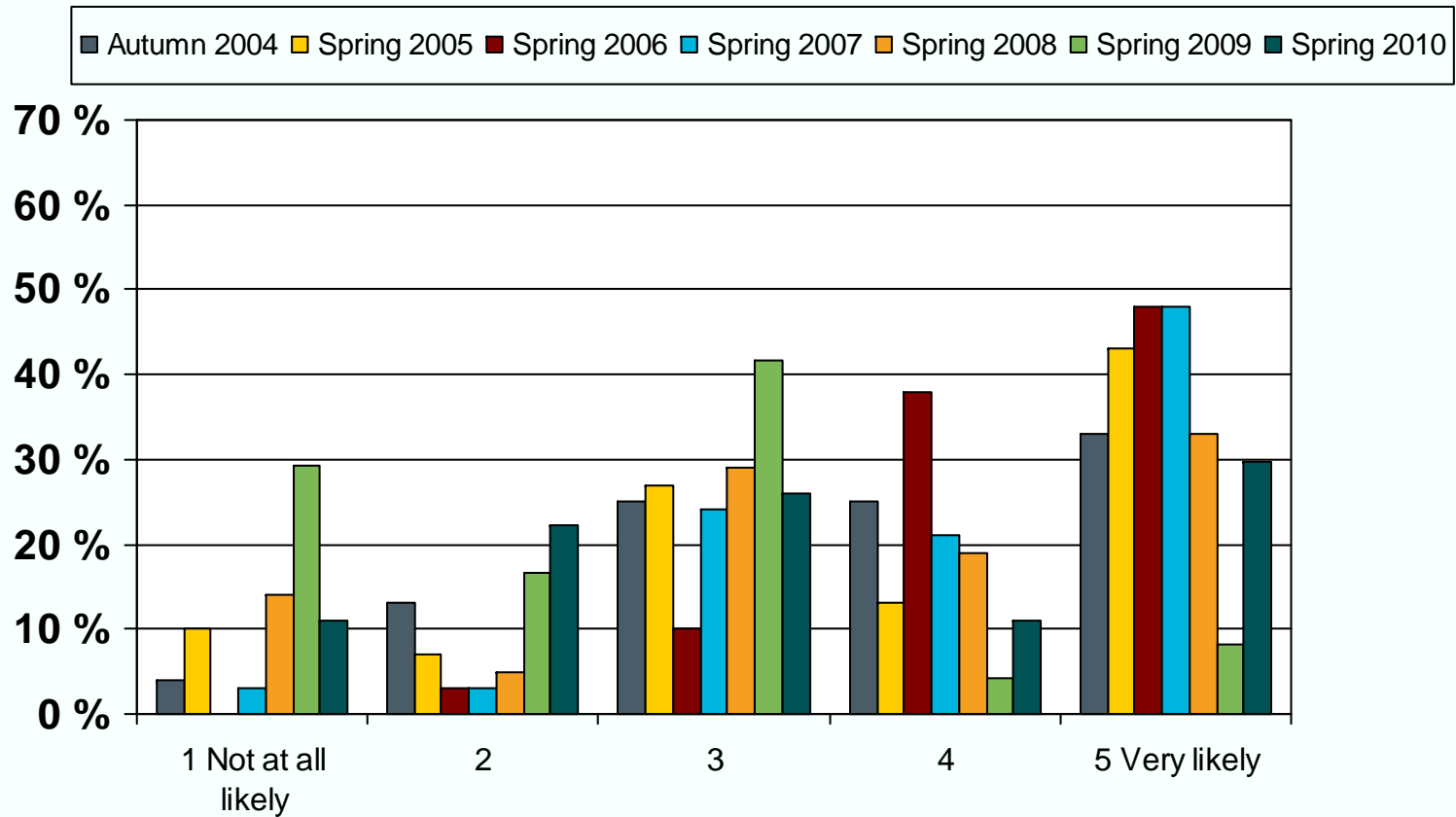


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## Future investments in Finland

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



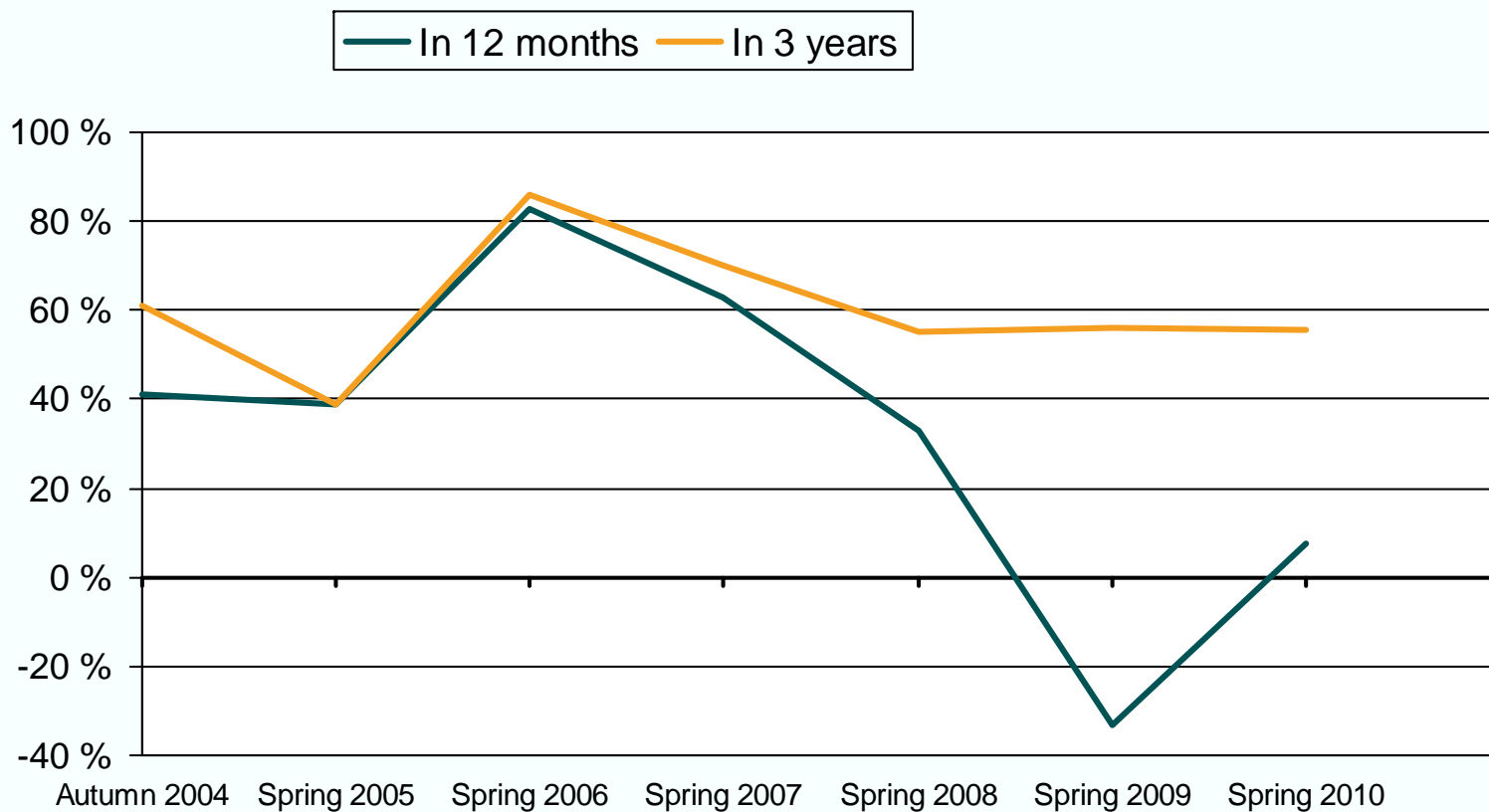
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## Balance figures of future investments in Finland

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



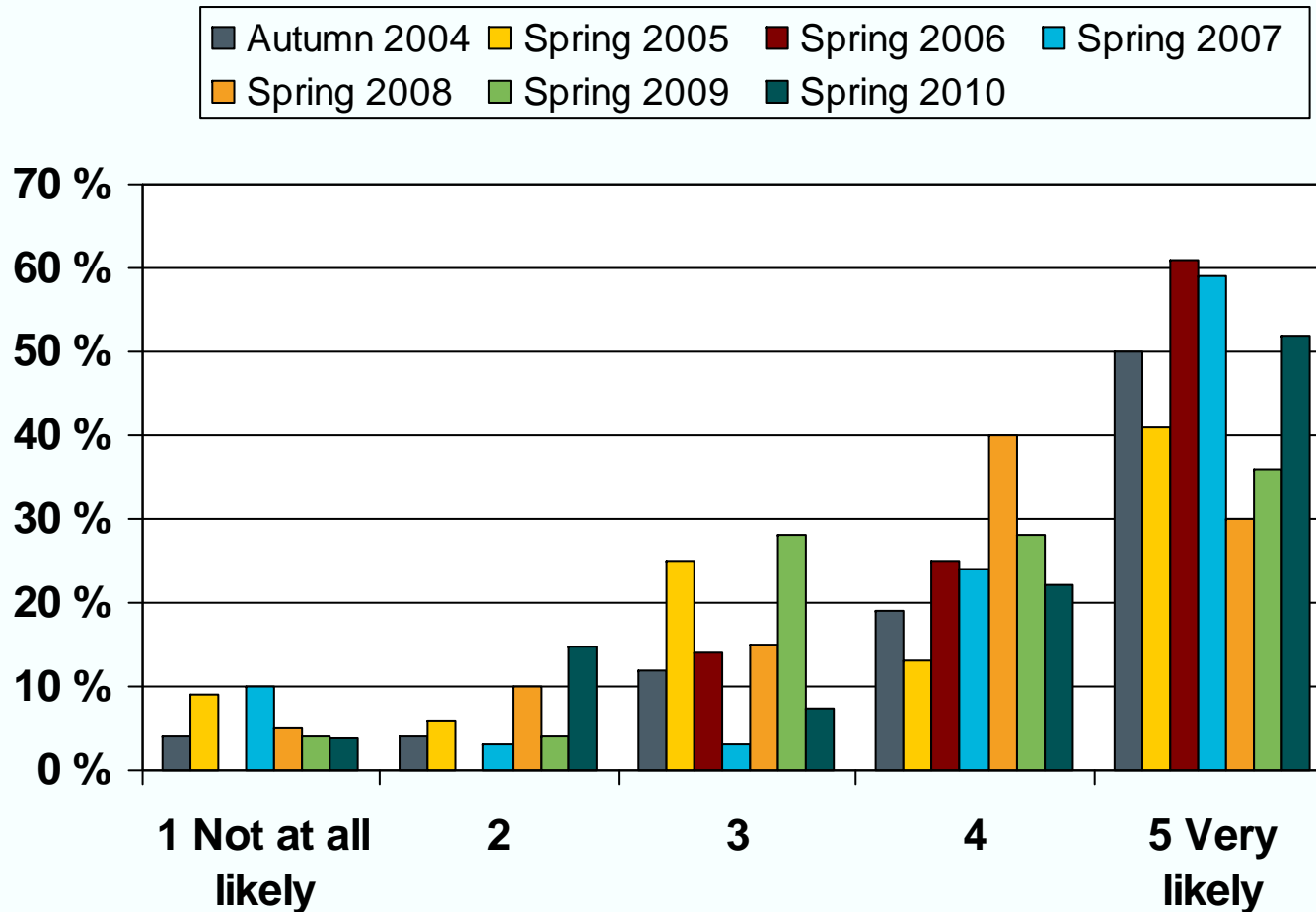
Source: Finnish Property Barometer  
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## Future investments in Finland

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

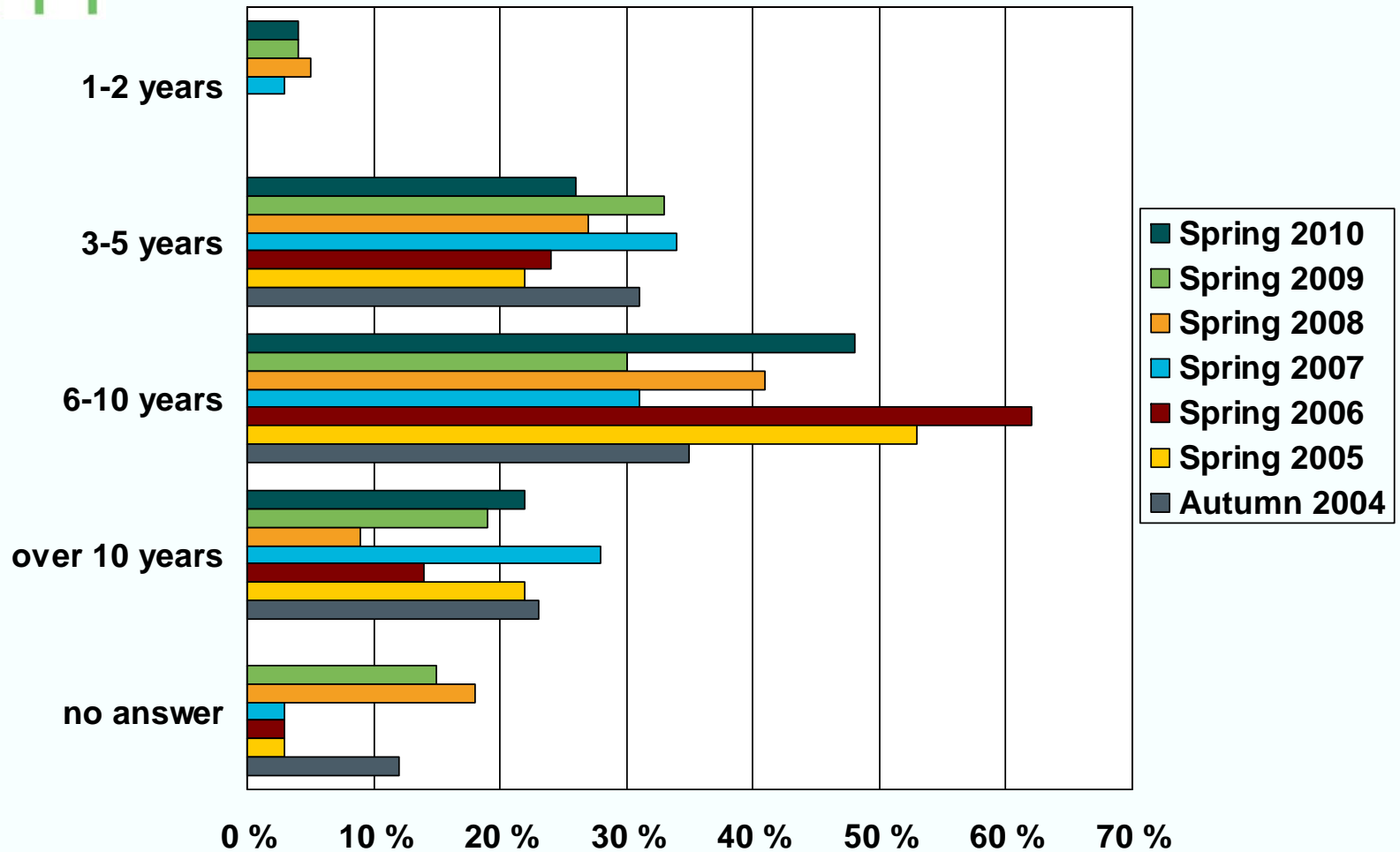


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# How long is your expected investment horizon in Finland?



Source: Finnish Property Barometer  
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## If you are not investing in Finland in the foreseeable future, why not?

### ▶ 2010

- ▶ Investing in the upkeep 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

### ▶ 2009

- ▶ Availability and pricing.
- ▶ Finland is already over-weighted in our portfolio and we expect better growth opportunities elsewhere
- ▶ Not investing as end investor, but as developer - with the overall goal to sell after development to end investors.
- ▶ Not likely to invest directly but do invest through the public/listed route. Don't invest directly because of the market's size.
- ▶ Over weight Nordics
- ▶ Portfolio weight reasons. Prices have not adjusted enough and short term prospects are not as good as the other Nordic countries.

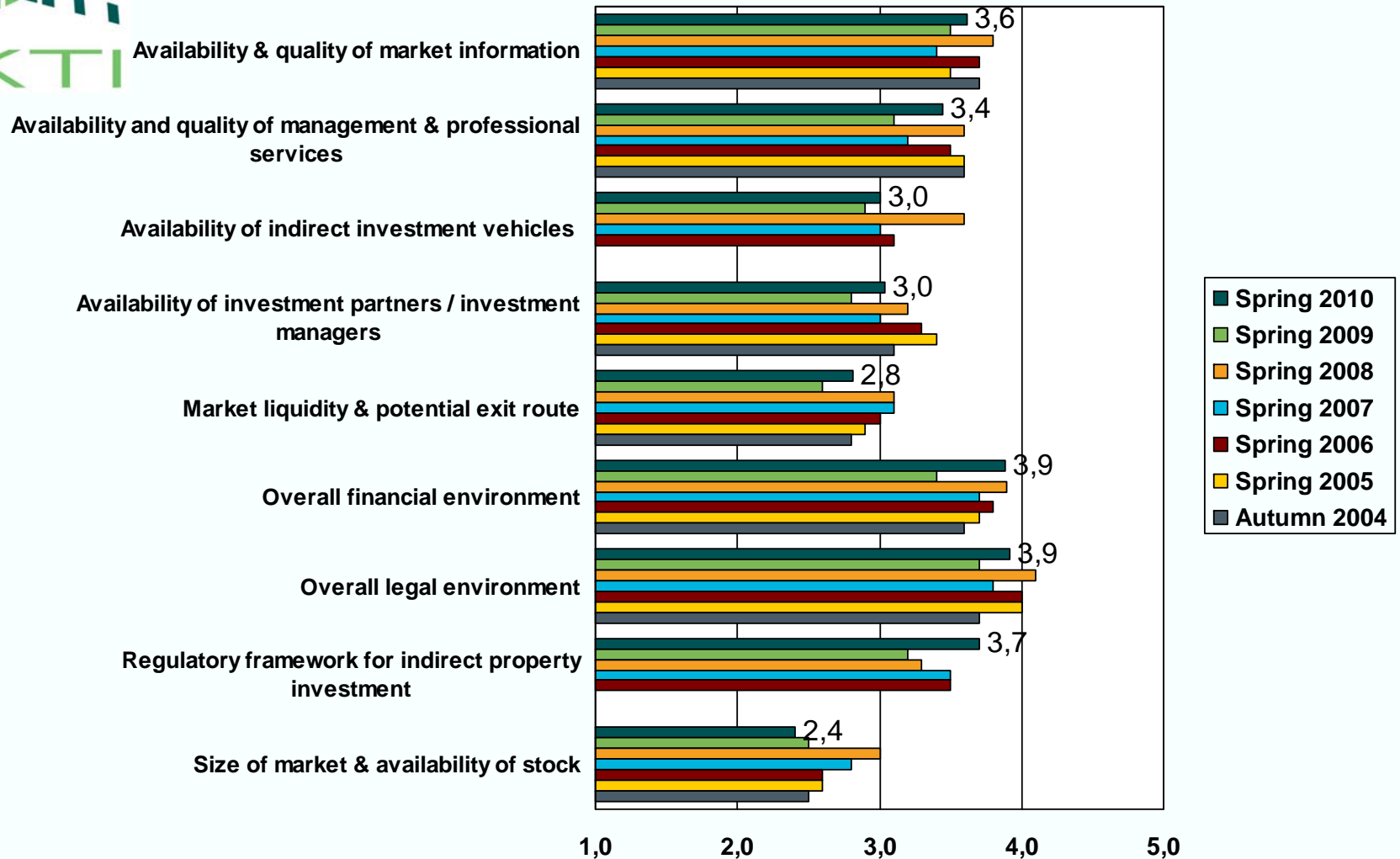
### ▶ 2008

- ▶ 'Investment strategy could change'
- ▶ 'Not a part of International Strategy'





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



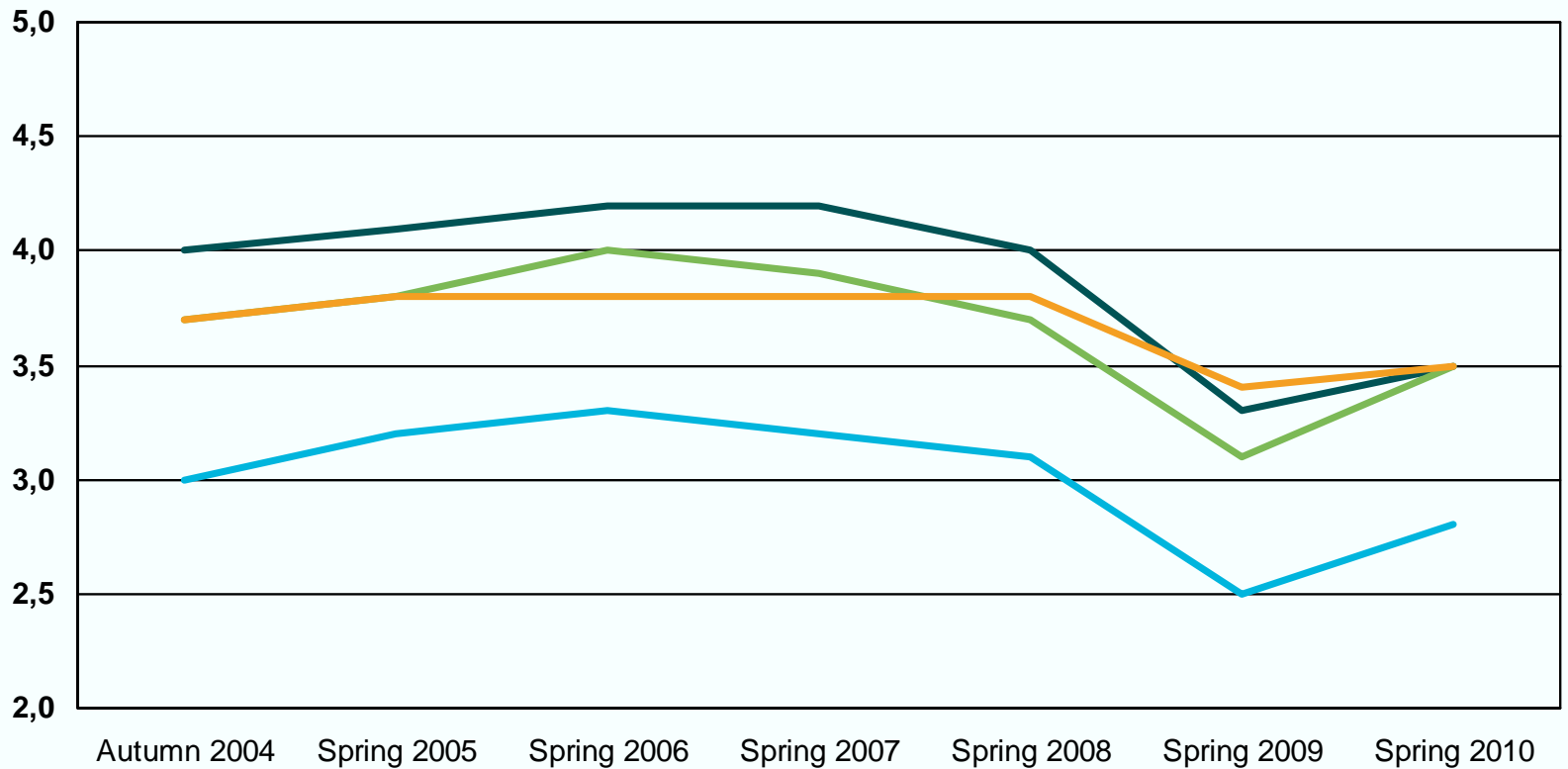
1 = rates with the **least** attractive markets, 5 = rates with the **most** attractive markets





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

- Overall growth and stability of the Finnish economy
- Prospects for overall performance of the property market
- Prospects for overall stability of the property market
- Liquidity of the property market



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

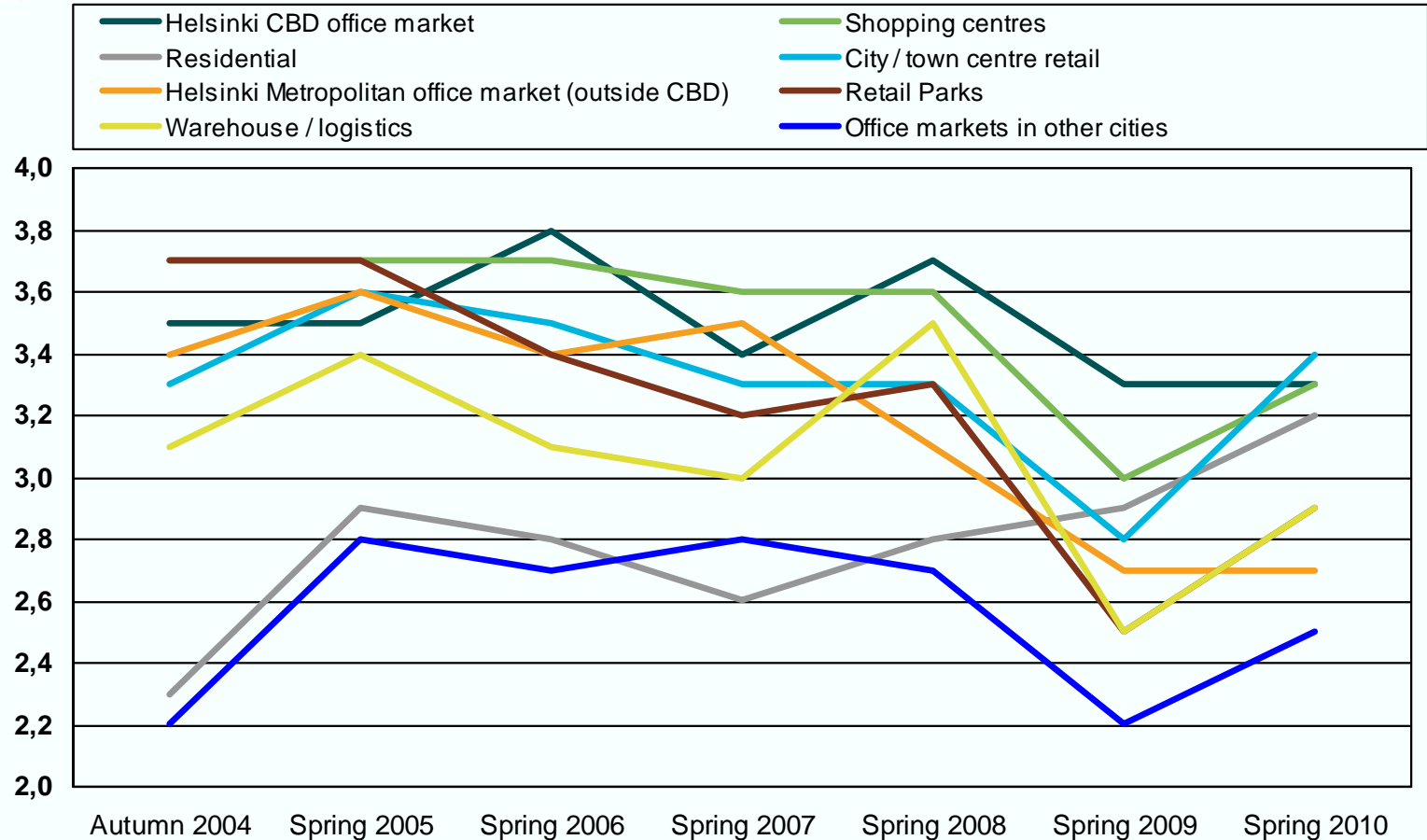
5 = rates with the **most** attractive markets

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## 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

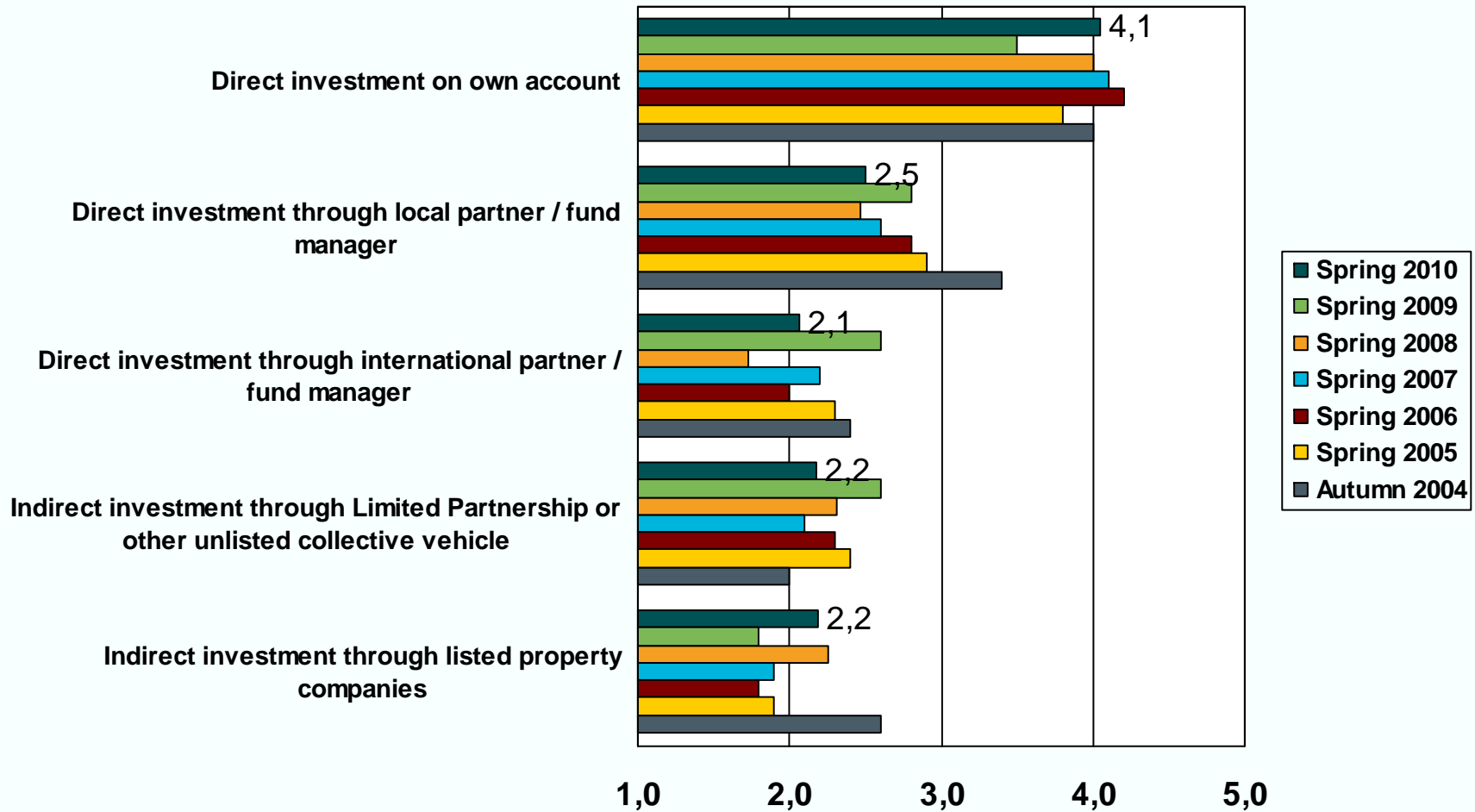


## What are your preferred submarkets?

- ▶ Helsinki CBD (5 answers)
- ▶ Tampere (2)
- ▶ Turku (1)
- ▶ Espoo, Vantaa (1)
- ▶ Keilaniemi, Hakaniemi, Vallila (1)
- ▶ High street retail (1)
- ▶ Residential and retail (1)
- ▶ Retail parks (1)
- ▶ 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

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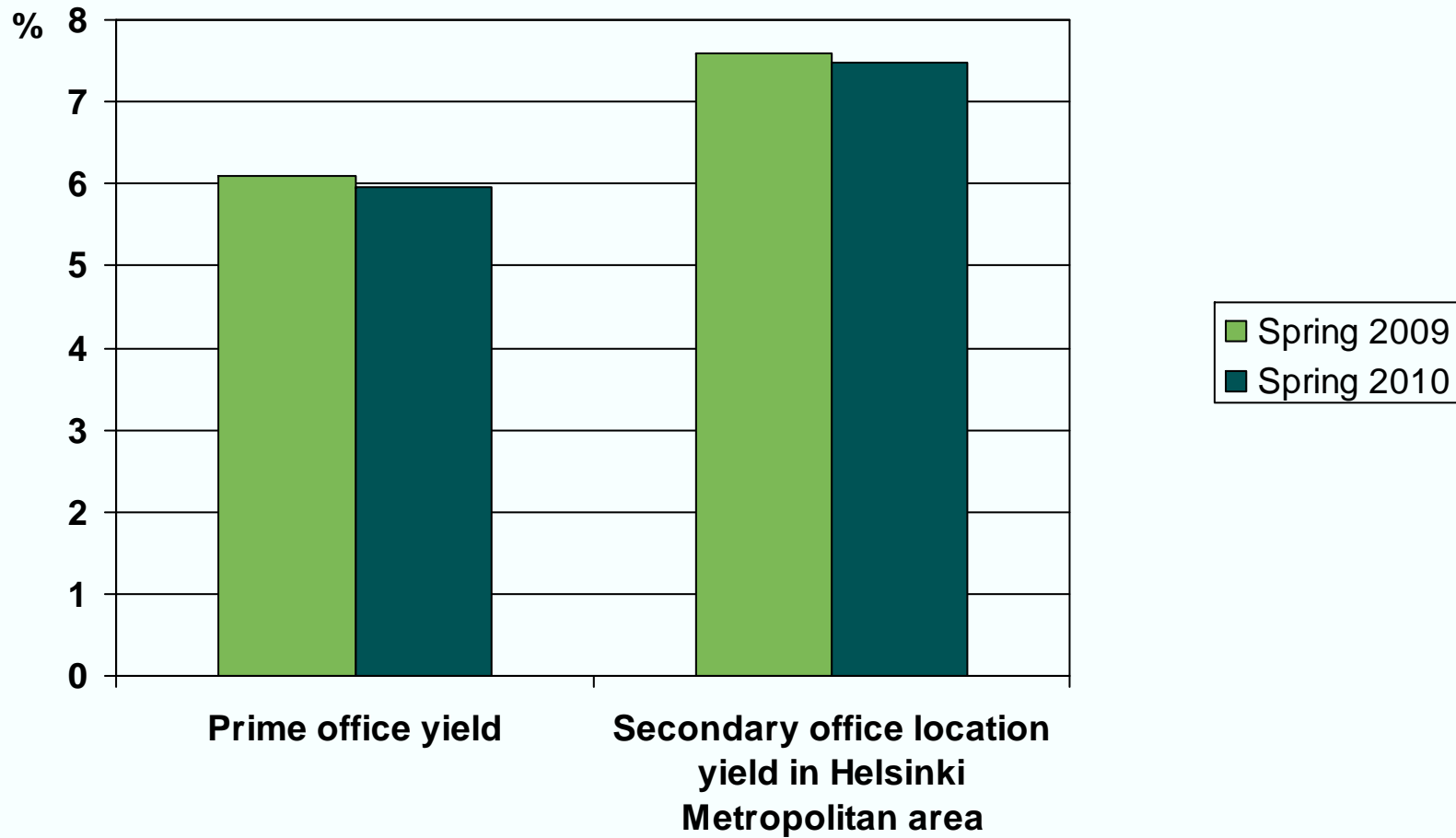
## Investment strategy to Finland IRR / Leverage

		Leverage (%)					
		<30%	30-50%	50-65%	65-75%	75-85%	>85%
IRR (%)	<5%	0	0	0	0	0	0
	5-10%	9	20	9	0	0	0
	10-15%	0	7	11	0	0	0
	15-20%	0	0	5	14	0	0
	>20%	0	0	2	5	11	7

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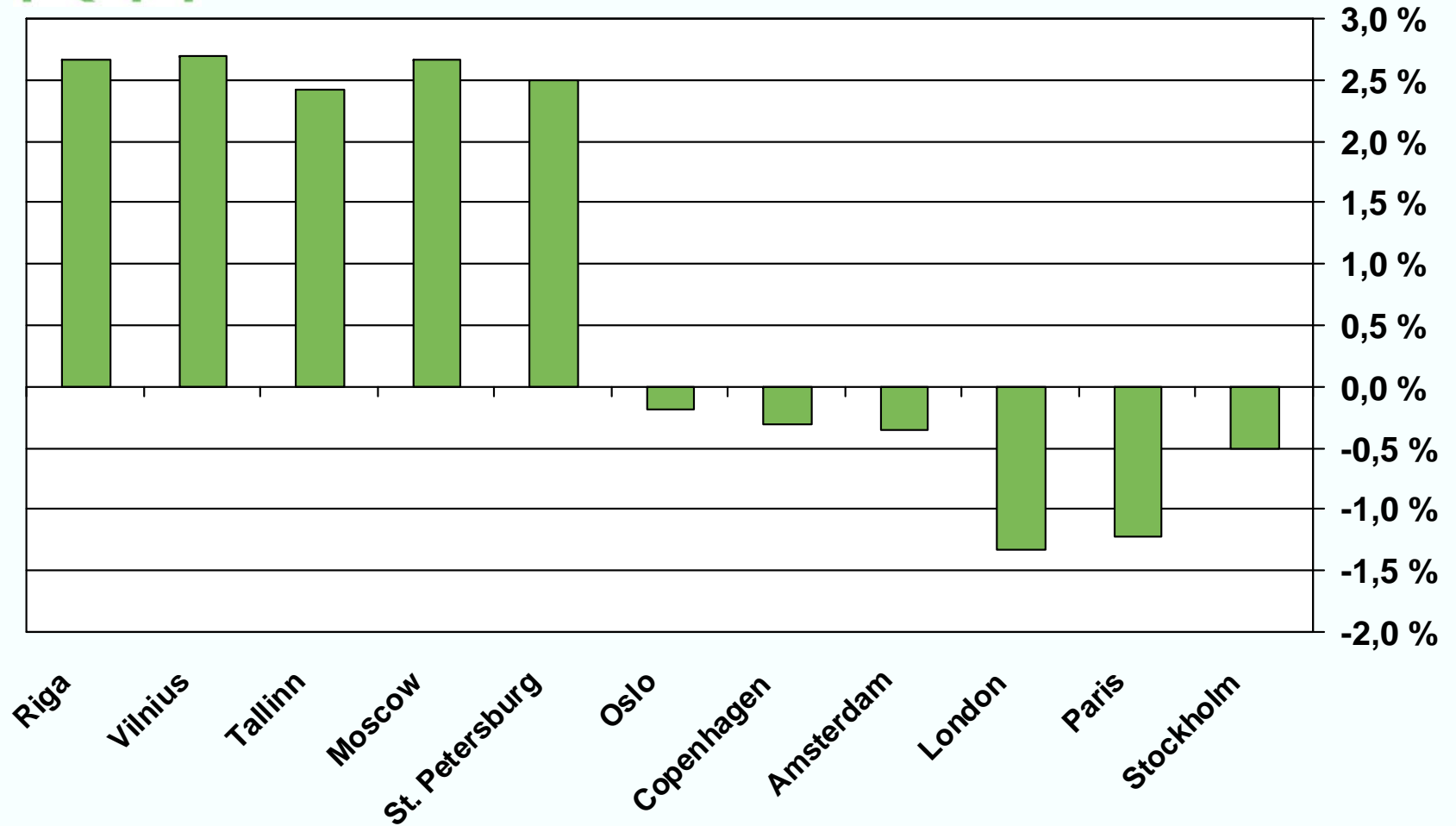
## What is your view about the prime and secondary yield levels in Helsinki office markets?



Source: Finnish Property Barometer  
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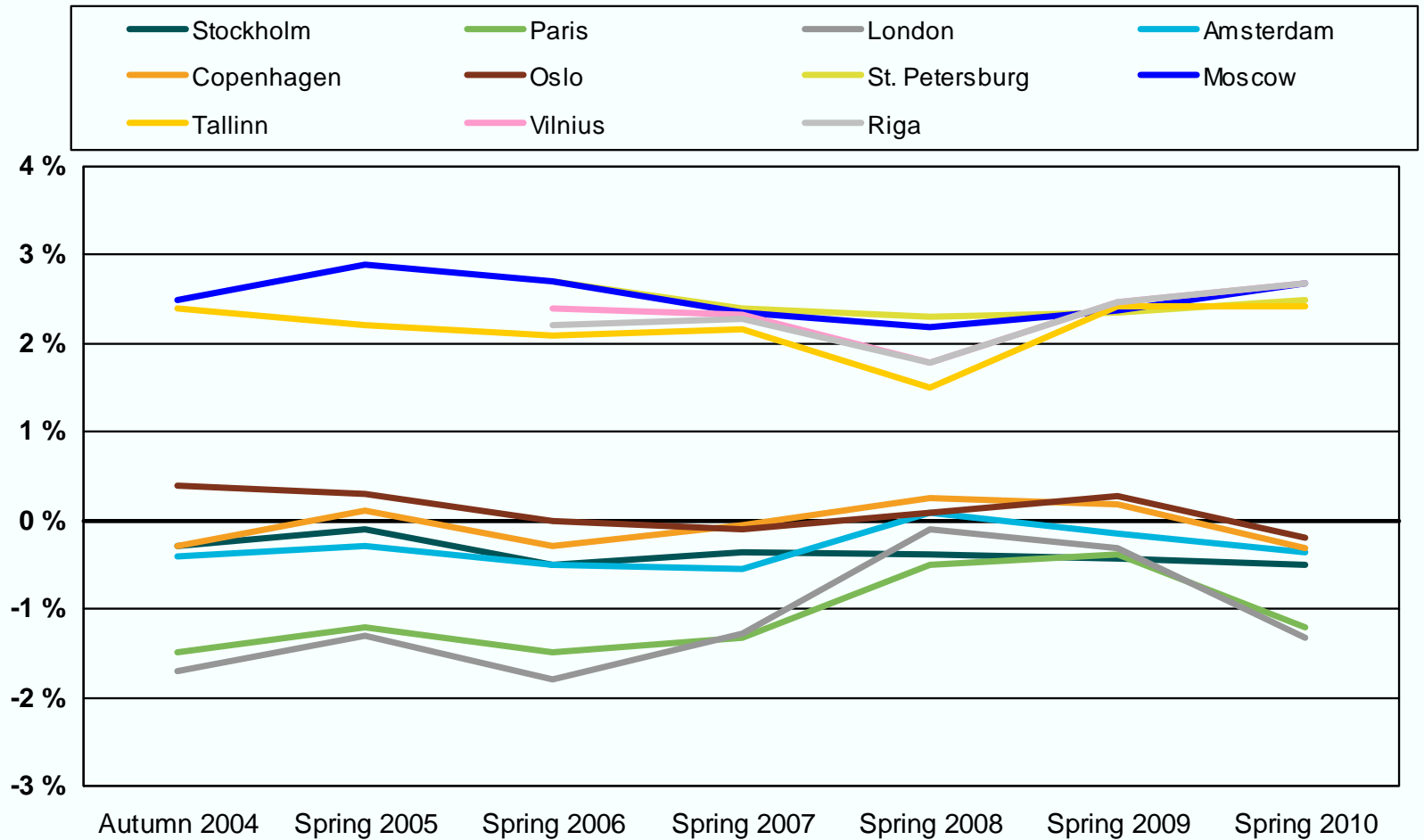
## Risk premium/discount compared to Helsinki Prime office markets, average



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



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

- ▶ Transparency (9 answers)
- ▶ Stability / low risk (9)
- ▶ Legal environment (5)
- ▶ Professionalism / reliability of partners (5)
- ▶ Immature market / opportunities (4)
- ▶ Economic environment (2)
- ▶ Part of the Eurozone (2)
- ▶ Liquidity (2)



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

- ▶ Small market size / lack of investment stock (14 answers)
- ▶ Liquidity (9)
- ▶ Depending on Nokia / controlled by local strong companies / low diversification of occupier base (3)
- ▶ Old stock (2)
- ▶ Slow planning process / inflexible authorities (2)
- ▶ Quality of services / immature property management (2)





**Thank you!**

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