



Retail Facts **Finland 2021**

**Smart
City!**

SMART OPPORTUNITIES
FOR INTERNATIONAL
RETAILERS

Why Finland?

A stable,
transparent and
well-performing
Nordic country

The presence
of international
retailers has been
steadily growing
in Finland

*The
**happiest
country**
in the world 4th year in a row

Population
grows rapidly in
the largest cities,
especially in
Helsinki

Growing
shopping centre
market, high quality
opportunities for
retail brands

Wealthy
consumers with
purchasing power
among the top
10 in EU

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*Sustainable Development Solutions
Network, World Happiness Report 2021

Cover photo: Redi shopping centre at Kalasatama Smart City, Helsinki



Chapter I

Finland

overview

Well-performing stable Nordic country

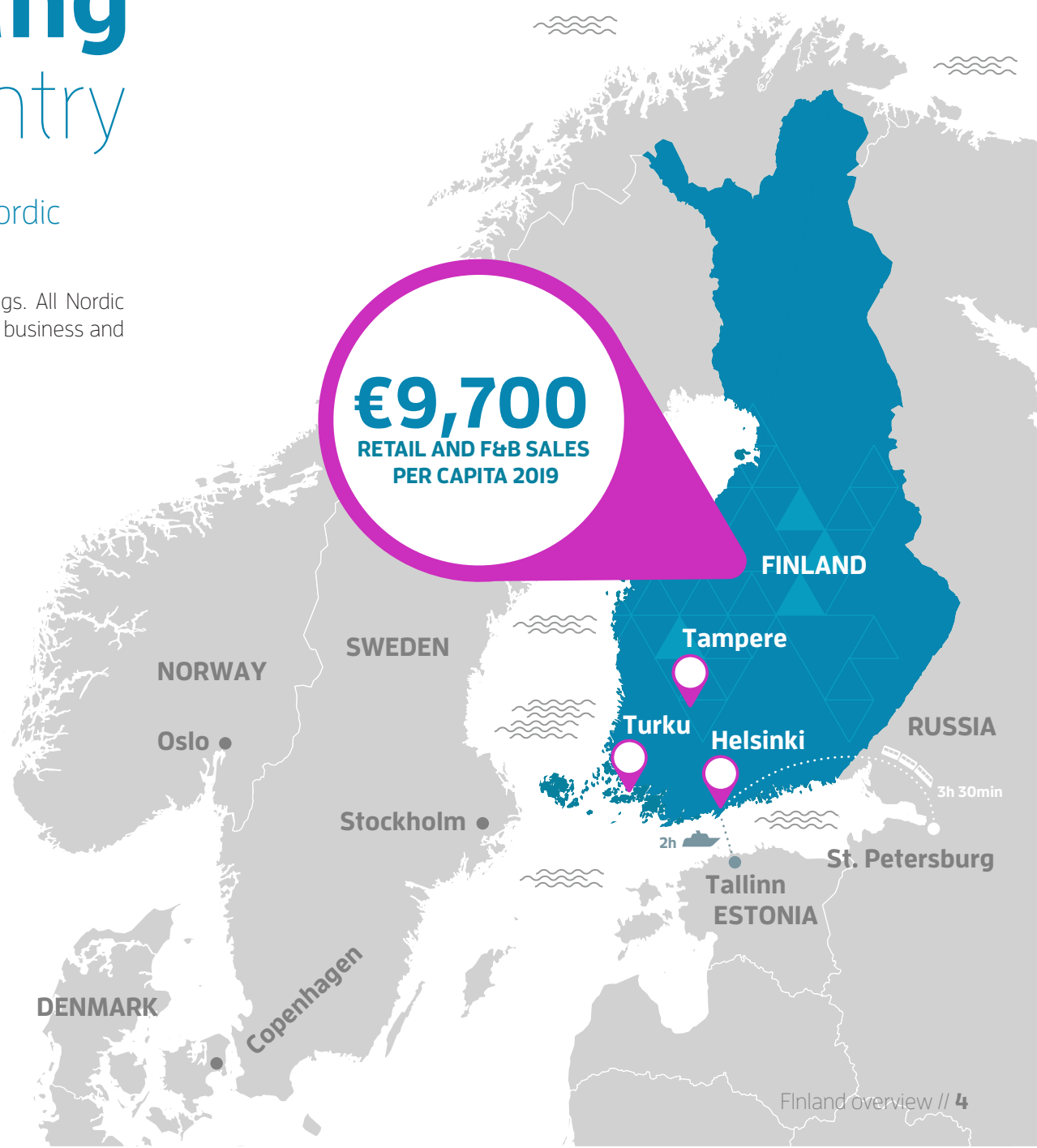
A member of the European Union and the only Nordic country in the Eurozone

The Nordic region continues to outperform the rest of Europe in rankings. All Nordic countries are ranked in the **top 10 best countries in the world** for doing business and the region's residents are among the happiest and the wealthiest.

KEY FACTS FINLAND

Population 2020	5.5 million
GDP per capita 2020	EUR 42,700
GDP growth 2020	-2.9 %
Inflation 8 / 2021	+2.2 %
Unemployment rate (June 2021)	7.6 %
Disposable income per capita 2019 (Aged 18 or over)	EUR 25,800
Retail sales 2019 (VAT 0%)	EUR 39,200 million
Retail sales growth 2020	+4.2 %
F&B sales 2019 (VAT 0%)	EUR 5,900 million
F&B sales growth 2020	-24 %
Retail and F&B sales per capita 2019 (incl. VAT)	EUR 9,700
Corporate tax rate	20 %

Source: Statistics Finland



Finnish economy recovers

as pandemic eases

Finland's economy has made it through the pandemic relatively unscathed compared to other EU countries. Recovery from the crisis and its impact on the economy appear to be shorter than feared. The Finnish economy plunged by -2.9 percent in 2020. On average, EU countries' GDP plunged by -5.9 percent.

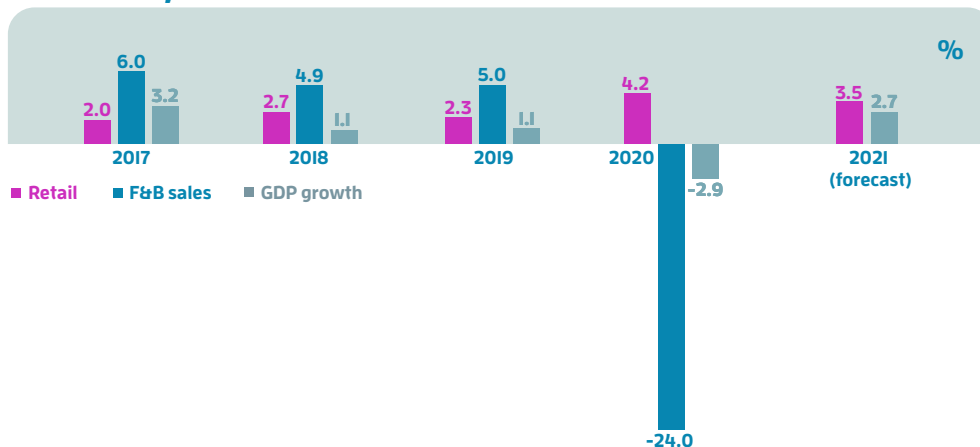
Consumer confidence has strengthened markedly during 2021, reflecting progress with the vaccination. According to the European Commission, Finland's economy will grow 2.7 % in 2021 and 2.9 % in 2022. The private consumption will grow by more than 3.4 % both years.

Although private consumption decreased during the pandemic, the retail sales grew as the shares of transport, leisure events and restaurants of consumer basket decreased. Finnish retail sales increased by 4.2 % in 2020. The Finnish Commerce Federation predicts growth of 3.5 % in the retail volume in 2021.

The Finnish spending potential exceeds the EU average. Finland is among the top 10 EU-countries based on purchasing power per capita (2019).

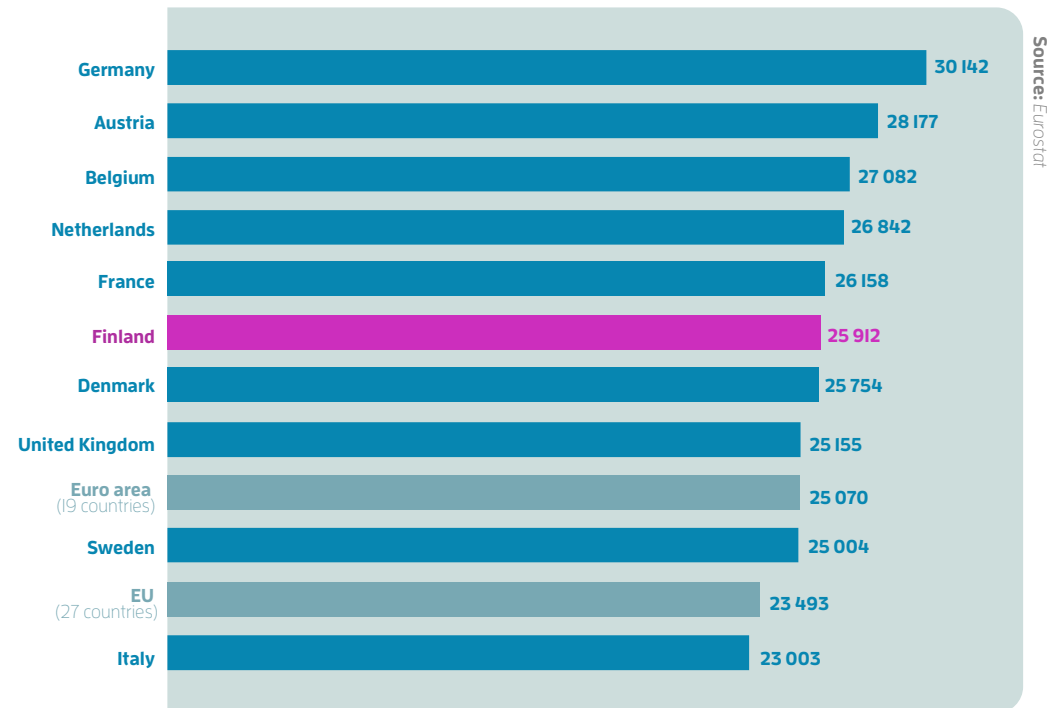
Sources: Eurostat, European Commission, The Finnish Commerce Federation

RETAIL, F&B AND GDP DEVELOPMENT 2016-2020



TOP 10 COUNTRIES IN EU, 2019

DISPOSABLE INCOME PER CAPITA IN PPS



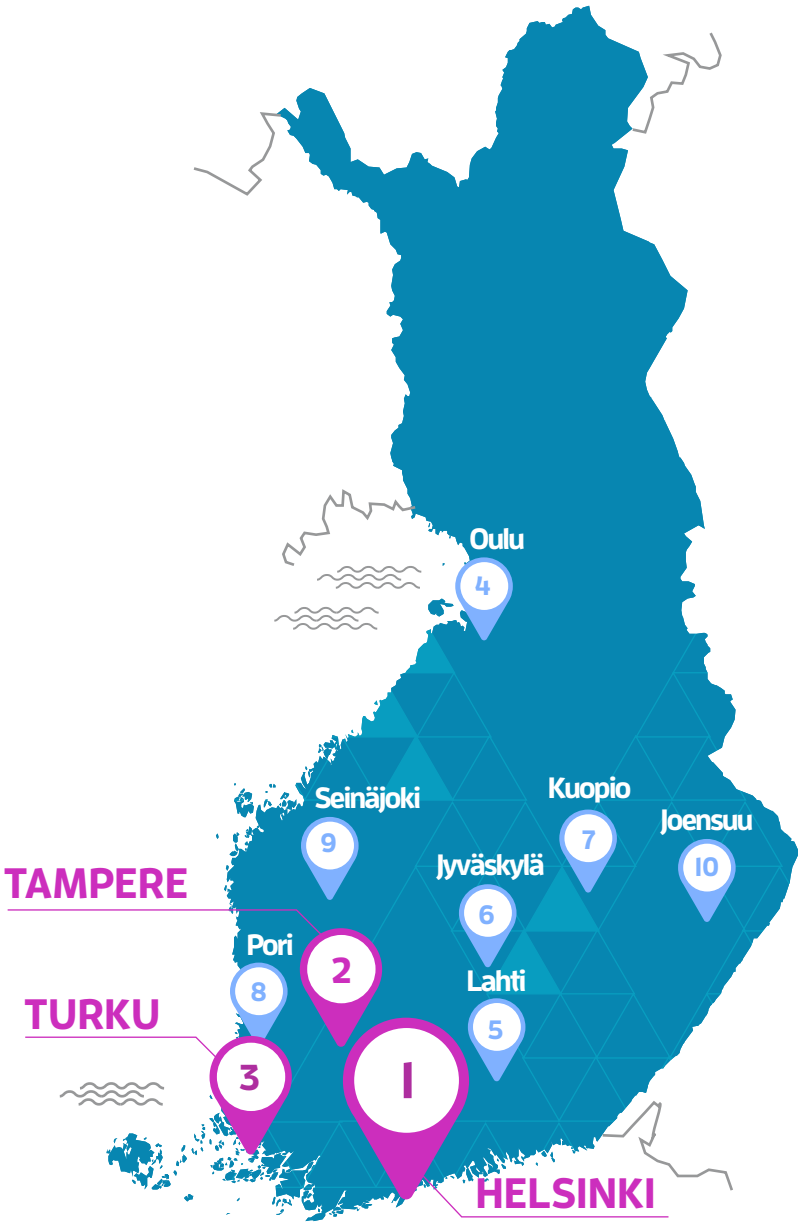
Population grows rapidly especially in Helsinki

Finland has **three city regions** with more than **300,000 inhabitants**. Over 42 % of the population live in these three regions and the share is set to increase thanks to a growing population and continuous urbanization.

FINLAND'S LARGEST CITY REGIONS

	Population 2020	Forecasted 5-year population growth
1 Helsinki region	1,585,000	4.8 %
2 Tampere region	417,000	4.6 %
3 Turku region	335,000	3.1 %
4 Oulu region	255,000	4.2 %
5 Lahti region	206,000	-1.4 %
6 Jyväskylä region	187,000	2.5 %
7 Kuopio region	141,000	1.8 %
8 Pori region	131,000	-0.3 %
9 Seinäjoki region	131,000	-3.3 %
10 Joensuu region	127,000	-0.9 %

Source: Statistics Finland



Top performer in international rankings

Finland retains its good position in many international rankings regarding the **competitiveness of the economy or the overall welfare of its citizens**.

This illustrates Finland's reputation as a respected Nordic economy where **stability, transparency, high-quality education and healthcare** support business and living.



NORMAALIHINTAISET KANKAAT
NORMAL PRICED FABRICS

PUUVILLA / COTTON

37€/m

SATIINI & PELLAVA /
SATIN & LINEN

47-55€/m

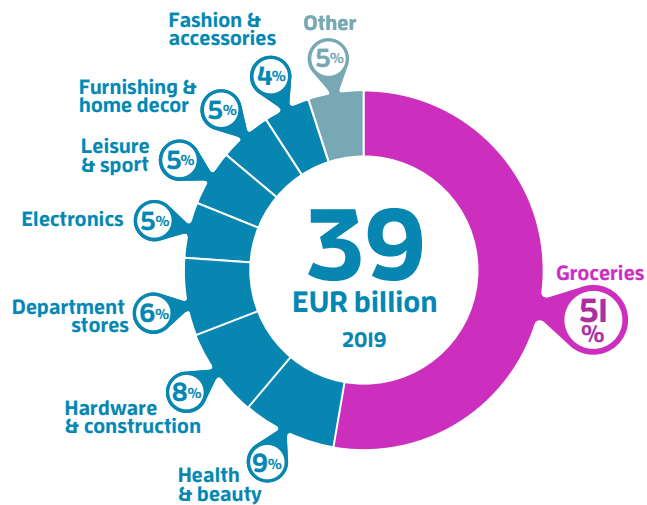
Chapter 2

The Finnish

retail market

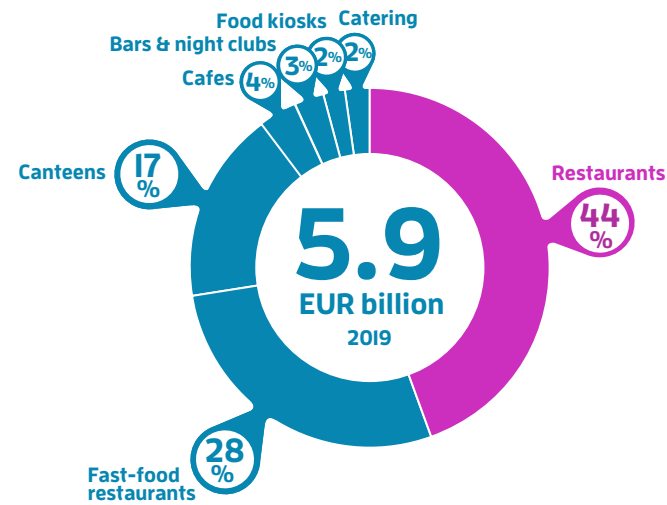
RETAIL SALES PER SEGMENT 2019 (VAT 0)

+4.2% in 2020



FOOD AND BEVERAGE SALES PER SEGMENT 2019 (VAT 0)

-24 % in 2020



Source: Statistics Finland

Opportunities for international retailers

Scandinavian chains dominate the fashion and sports market. Largest companies are Swedish *H&M* and *Stadium*, Norwegian *Varner Group* and *XXL* and Danish *Best-seller Group*. International fashion companies in the market include *Inditex* *Zara* and *Massimo Dutti*, *New Yorker*, *Mango*, *Marks&Spencer* and *JD Sports*.

Grocery retail market is heavily dominated by two domestic operators *K Group*

and *S Group*, but German *Lidl* has increased its market share.

The presence of international retailers in Finland has steadily grown in recent years. However, the **share of international retailers in Finland is still lower** compared to the rest of Europe and there is great potential for new retailers to enter the largely **untapped market**.

INTERNATIONAL BRAND ENTRANTS IN FINLAND

2017	2018	2019		2020	2021
& Other Stories	JD Sports	Reserved	J.Lindeberg	Rusta	KFC
Samsoe & Samsoe	Suitsupply	Cropp	Norrøna	Lager 157	Normal
Newbie	Cinamon	House	Blue Tomato		Olivia
Lexington	Weekday	Mohito	Spøstrene Grene		
Lakrids by Bülow		Sinsay	Kare Design		
Taco Bell		Rieker	Haglöfs		
Beijing8		MUJI	Kari Traa		

Source: Realidea

Photo: Ainoa shopping centre, Espoo

Photo: Sello shopping centre, Espoo

Photo: Grani shopping centre, Kauniainen

Scandinavian chains dominate the Finnish retail

	<i>& other stories</i>	COS	MONKI	WEEKDAY	VOLT
BIKBOK	CARLINGS	Cubus	Dressmann	clas ohlson	ONLY
JACK & JONES	VERO MODA	name it.	VILA CLOTHES	HEMTEX	EFVA ATTILING <i>efva</i>
NILSON SHOES	Normal	din skö	ECCO	SYNSAM	PeakPerformance
BJÖRN BORG	flying tiger copenhagen	CHANGE Lingerie	stadium	JOE & THE JUICE	XXL
KI KARITRAA	GANT	GIGANTTI	gina tricot	ESPRESSO HOUSE	LAKRIDS BY JOHAN BÜLOW
HH HELLY HANSEN	KappAhl	newbie	LINDEX	POWER	Gudrum Sjödén
POLARN O. PYRET	TIGER OF SWEDEN	SAMSØE & SAMSØE	SAND COPENHAGEN	Ur & Penn	Olivia
KICKS	Zizzi	H Haglöfs	SØSTRENE GRENE	LEXINGTON	NORRØNA
IKEA	RUSTA	JYSK	157		

Source: Realidea

International retail chains in the Finnish market

Calvin Klein Jeans			GUESS
			Kartell
			LOUIS VUITTON
MANGO	Marc O'Polo®		Massimo Dutti
			
			
SUITSUPPLY		RIMOWA	
			
VICTORIA'S SECRET	ZARA		
			

Source: Realidea



Chapter 3

Helsinki

metropolitan area

” **Northern Europe's**
Next Capital of Cool

Rebecca Thandi Norman, Fathom Travel Award winner of the Best Travel Blogs and Websites of 2018.

Helsinki is the **economic centre** and the **no. 1 retail destination** of the country

Key facts Helsinki metropolitan area

Population 2020	1.20 million (+10,000 from 2019), 22 % of total Finland
Workplaces 2018	657,000
Students 2019 (higher education)	89,000
Disposable income per capita 2019	EUR 27,900
Foreign overnight visitors	0.7 million in 2020 (3 million in 2019)
Shopping centres 2020	43 shopping centres with a total of 1.4 million sq m

Source: Statistics Finland, Visit Finland 2019, Finnish Council of Shopping Centers

Helsinki metropolitan area = Cities of Helsinki, Vantaa, Espoo and Kauniainen
Helsinki region = Metropolitan area and surrounding 10 commuter municipalities

Rapid population growth increases **the demand for new retail**

More than 20 % of the Finland's population live in the Helsinki metropolitan area.

The Helsinki metropolitan area is clearly the fastest growing region in Finland, with a current population of 1.2 million. The population grew by 10,000 in 2020 and it is expected to increase by 124,000 new residents within the next decade.

To support the growth, the municipalities in the Helsinki area have invested remarkably in several major public transport systems, e.g. the airport Ring Rail Line, metro line extension and Jokeri Light Rail. Also other new tram lines are under planning.

Population

1.2
million in
2020

+10,000
new residents in
2020

657,000
workplaces in 2018

124,000
new residents
over the next
10 years

Helsinki, the most popular tourist destination in the country

Record volumes in tourism boost retail and restaurant sales.

In 2018, foreign visitors spent in average 358 euros per capita in Finland. Half of the total consumption went to shopping, restaurants and leisure.

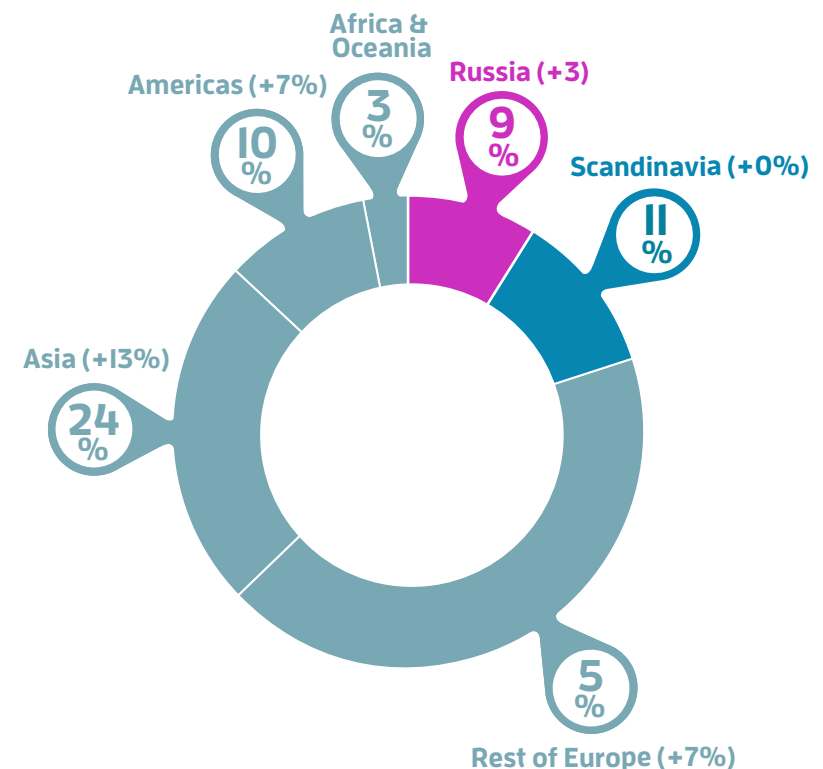
Tourism in Finland continued to grow and there were totally over 7 million over-night stays in 2019 (+2.9 % from 2018).

In Helsinki area, the number of over-nights exceeded 3 million in 2019 (+5 % compared to 2018), which makes Helsinki the most popular tourist destination.

The Port of Helsinki has been the busiest international passenger port in Europe for three years in a row, with over 12 million ship passengers in 2019. Liner traffic on the Tallinn route remains extremely popular, but the most substantial growth was in the passenger numbers in international cruise traffic (+16 % from previous year).



HELSINKI REGION FOREIGN OVERNIGHTS IN 2019, SHARE AND GROWTH FROM DIFFERENT REGIONS



offer attractive opportunities for new retail brands

After these years of high volumes, retail construction is now expected to decline. The largest shopping centre under construction is Lippulaiva in Espoo, opening in 2022.

Population = persons, GLA = sq m

Year	Total shopping centre GLA (sq m)	Population growth (persons)
1980	0	700,000
1981	0	720,000
1982	0	740,000
1983	0	760,000
1984	10,000	780,000
1985	20,000	800,000
1986	0	820,000
1987	50,000	840,000
1988	0	860,000
1989	60,000	880,000
1990	0	900,000
1991	70,000	920,000
1992	120,000	940,000
1993	140,000	960,000
1994	180,000	980,000
1995	0	1,000,000
1996	0	1,020,000
1997	190,000	1,040,000
1998	240,000	1,060,000
1999	260,000	1,080,000
2000	280,000	1,100,000
2001	330,000	1,120,000
2002	370,000	1,140,000
2003	430,000	1,160,000
2004	0	1,180,000
2005	530,000	1,200,000
2006	570,000	1,220,000
2007	570,000	1,240,000
2008	650,000	1,260,000
2009	650,000	1,280,000
2010	0	1,300,000
2011	650,000	1,320,000
2012	650,000	1,340,000
2013	750,000	1,360,000
2014	0	1,380,000
2015	780,000	1,400,000
2016	800,000	1,420,000
2017	850,000	1,440,000
2018	950,000	1,460,000
2019	1,050,000	1,480,000
2020	1,080,000	1,500,000
2021	0	1,520,000
2022	1,130,000	1,540,000

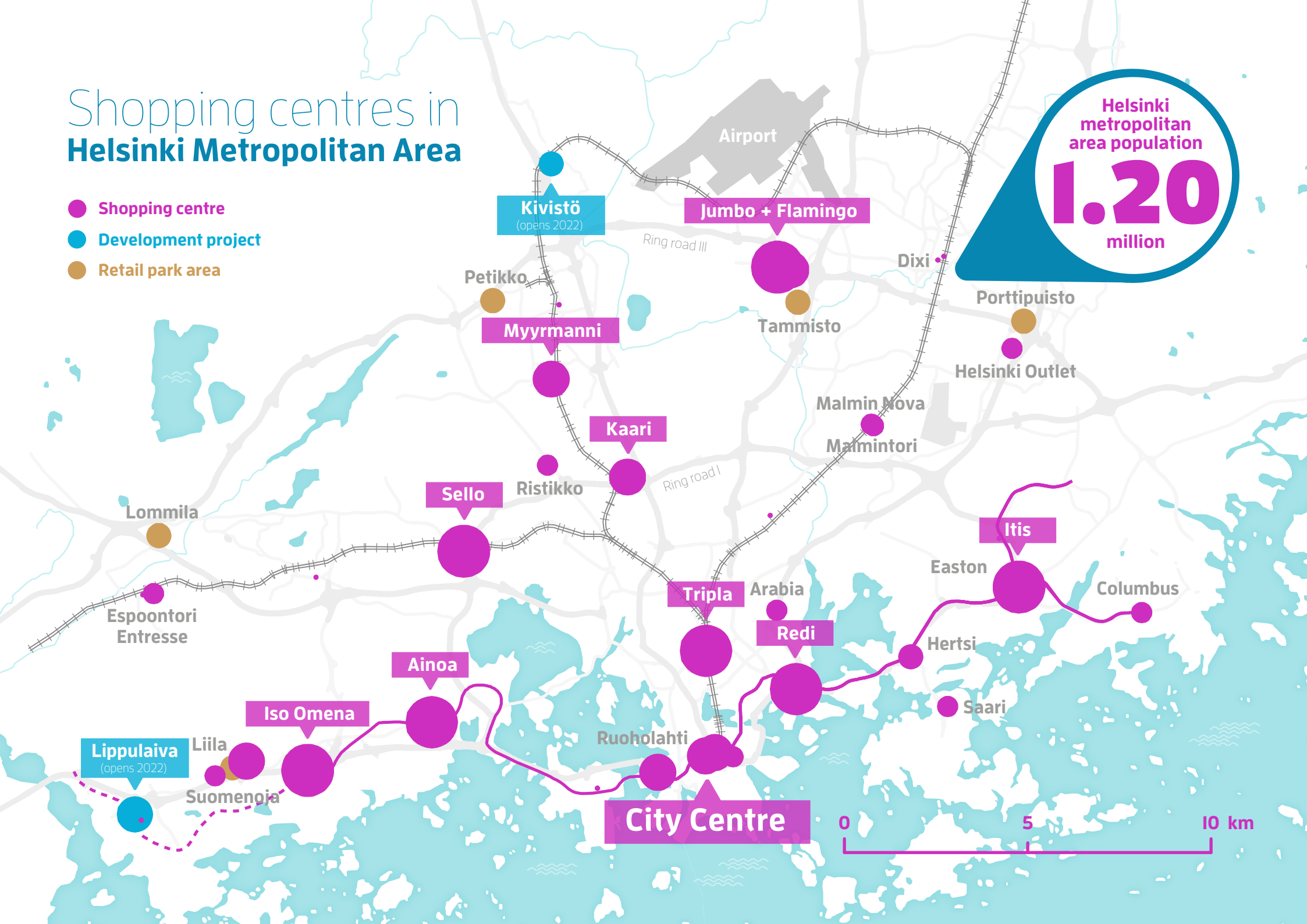
Photo: Forum Shopping Centre, Helsinki

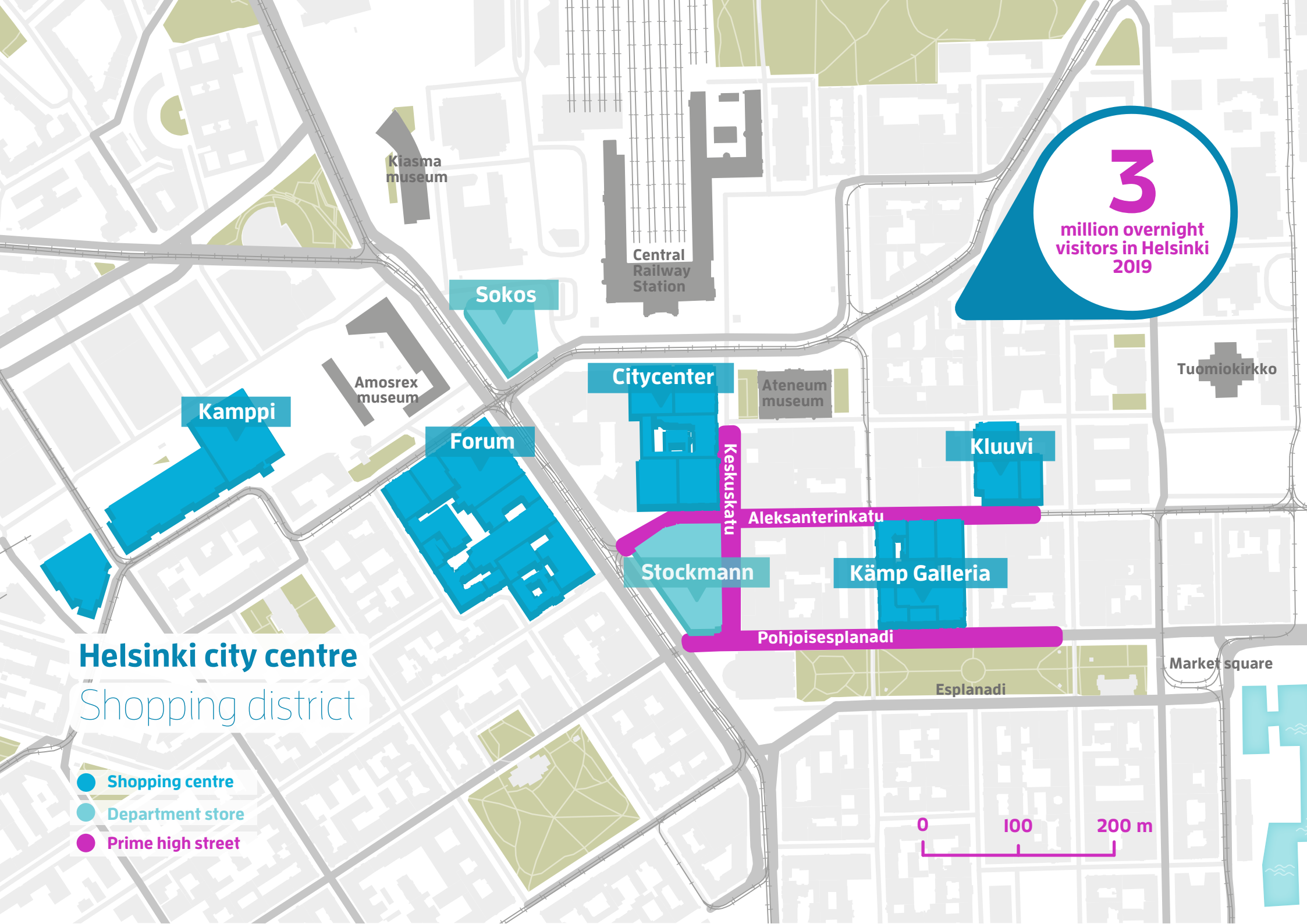
Shopping centres in Helsinki Metropolitan Area

- Shopping centre
- Development project
- Retail park area

Helsinki
metropolitan
area population

1.20
million





3
million overnight
visitors in Helsinki
2019

Helsinki city centre Shopping district

- Shopping centre
- Department store
- Prime high street

0 100 200 m

Largest shopping centres in Helsinki

Outside Helsinki city centre

	Sales 2020, EUR million	Footfall 2020, million	Leasable retail area, sq m	Sales / Leasable retail area	Sales / Visitors
Jumbo-Flamingo	410	10	115,900	3,500	41
Sello	341	19	91,900	3,700	18
Mall of Tripla	223	18	86,300	2,600	13
Iso Omena	343	15	85,200	4,000	23
Itis	290	13	78,600	3,700	22
Redi	105	7	59,000	1,800	15
Kaari	245	7	45,700	5,400	36
Ainoa	153	6	45,600	3,400	24
Myyrmanni	147	7	31,700	4,600	21
Lippulaiva (under construction, opens in 2022)	-	-	42,000	-	-

Helsinki city centre shopping centres

Forum	160	7	40,500	3,900	22
Kamppi	154	18	32,700	4,700	9
Citycenter	89	10	20,400	4,400	9
Kämp Galleria	22	1	8,400	2,600	16
Kluuvi	19	2	10,000	1,900	10

Source: Finnish Council of Shopping Centers



Chapter 4

Tampere

Tampere is the second largest city region in Finland and the largest inland city in the Nordic countries

Tampere is a fast growing university city and one of the fastest growing urban areas in Finland.

The city centre is developing fast. The first tram line of the city started operating in August 2021 with extension already under construction.

A new deck and a unique arena UROS LIVE has been built on top of the railway in

the heart of the city. The largest multi-purpose arena in Finland will open already in December 2021 and the entire project is expected to be completed in 2024 with new homes, hotel, retail and offices.

In addition to the active and fast developing city centre, Tampere region has several shopping centres and big box retail areas.

Key facts Tampere

Population 2020	City 241,000 (whole city region 417,700)
Workplaces 2018	127,800 (whole city region 181,700)
Students 2019 (higher education)	30,900
Disposable income per capita 2019	EUR 24,200
Shopping centres 2020	8 shopping centres with a total GLA of 267,700 sq m

Sources: Statistics Finland; Finnish Council of Shopping Centers; Visit Tampere

Tampere region = Tampere and surrounding nine commuter municipalities



Photo: Sokos Torri / Aki Rask

Photo: Hiedanranta sustainable smart city attitude / Laura Vanzo

Tampere region

Shopping centres

● Shopping centre

● Retail park area

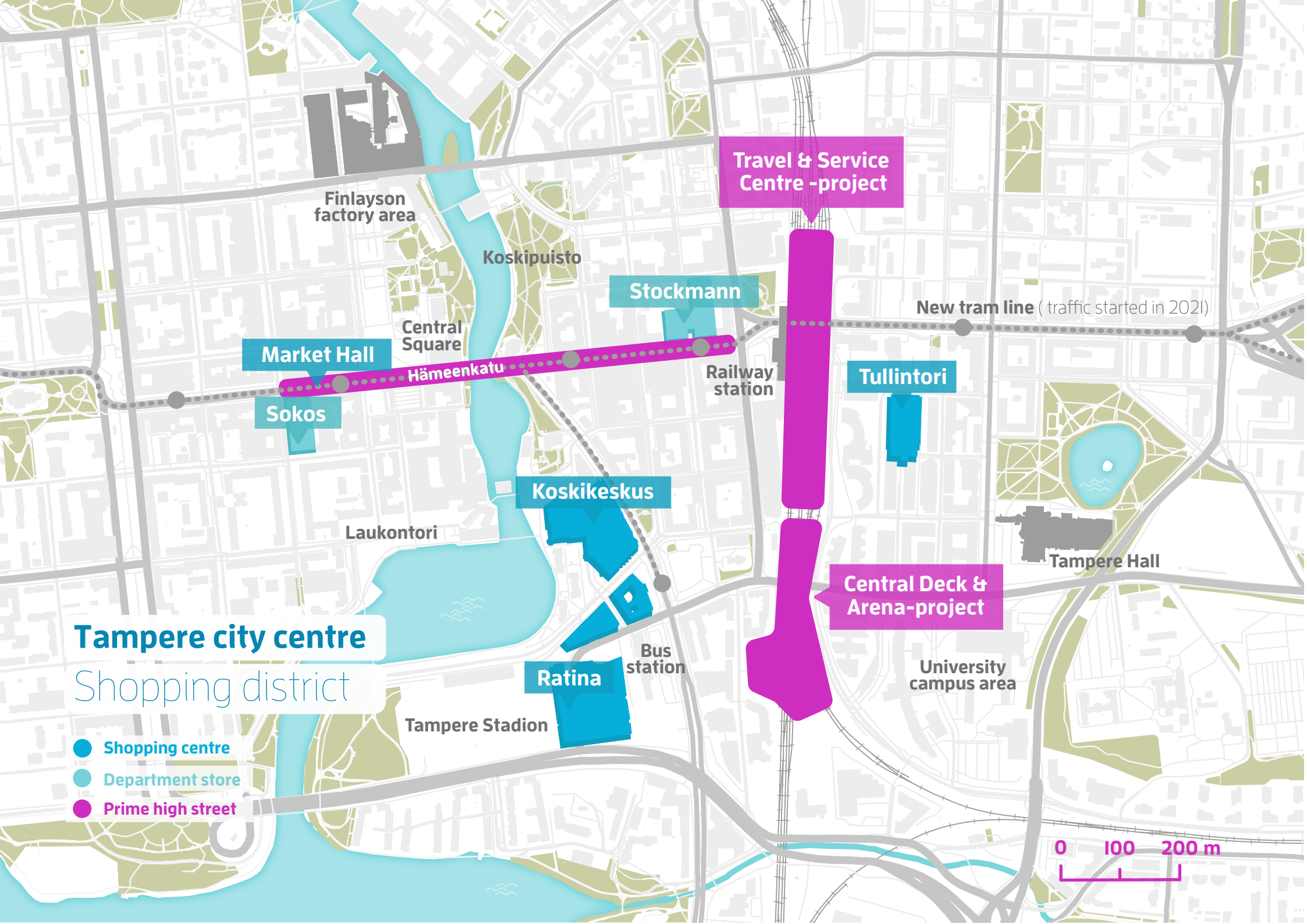
City centre
(Ratina, Koskikeskus, Tullintori)

Tampere
region population
417,700

Forecasted 5 year population growth
19,300 new inhabitants (+4.6 %)

	Sales 2020, EUR million	Footfall 2020, million	Leasable retail area, sq m
Ideapark	280	6.3	116,000
Ratina	117	5.0	49,500
Koskikeskus	96	4.0	29,500
Veska	-	2.2	24,100
Elo	52	1.3	22,800
Duo	71	3.8	13,100
Like	10	1.2	11,500
Tullintori	15	1.4	6,800

0 5 10 km



Tampere city centre

Shopping district

- Shopping centre
- Department store
- Prime high street

Travel & Service
Centre -project

Stockmann

New tram line (traffic started in 2021)

Market Hall

Sokos

Hämeenkatu

Railway
station

Tullintori

Koskikeskus

Laukontori

Central Deck &
Arena-project

Tampere Hall

Ratina

Bus
station

University
campus area

Tampere Stadion

0 100 200 m

Chapter 5

Turku



Turku is the third largest city region in Finland

Turku is the oldest city in the whole country and the most important cultural and business hub of the Western Finland.

The city centre is located at the mouth of the Aura River. The lively urban centre consists of the commercial district around the market square, Aura riverfront with many restaurants, Old Town and the university campus area.

New Turku Market Square is under construction and will be completed by the summer 2022. Below the Market Square, a new underground parking hall has already opened for customers in 2020. New Hamburger Börs hotel will open in 2021. The shopping centres Hansa and Wiklund around the market square have been refurbished.

Key facts Turku

Population 2020	194,400 (whole city region 335,100)
Workplaces 2018	100,200 (whole city region 147,173)
Students 2019 (higher education)	29,800
Disposable income per capita 2019	EUR 22,400
Shopping centres 2020	3 shopping centres with a total GLA of 155,700 sq m

Sources: Statistics Finland, Finnish Council of Shopping Centers

Turku region = Turku and surrounding ten commuter municipalities



Photo: Turku Cathedral & city of Turku / Suomen Ilmakuva



Photo: Market square / Sello Ristimäki

Turku region

Shopping centres

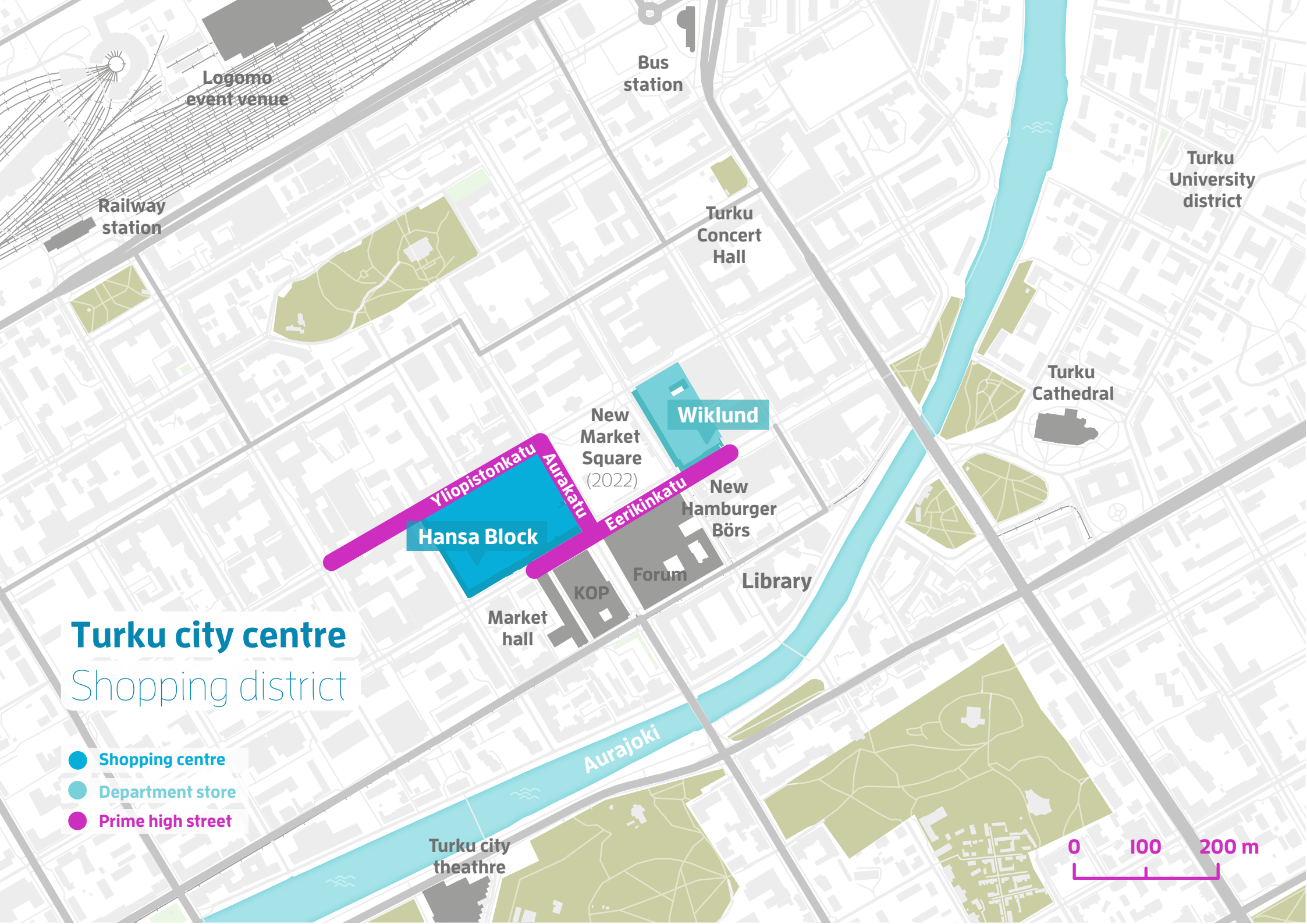
- Shopping centre
- Retail park area

Turku
region population
335,100

Forecasted 5 year population growth
10,500 new inhabitants (+3.1%)

	Sales 2020, EUR million	Footfall 2020, million	Leasable retail area, sq m
Mylly	209	4.7	58,700
Hansa	191	9.5	53,000
Skanssi	118	3.2	36,000

0 5 10 km



Logomo
event venue

Railway
station

Bus
station

Turku
Concert
Hall

Turku
University
district

Turku
Cathedral

New
Market
Square
(2022)

Wiklund

New
Hamburger
Börs

Hansa Block

KOP

Forum

Library

Market
hall

Aurajoki

Turku city
theatre

Turku city centre Shopping district

- Shopping centre
- Department store
- Prime high street

0 100 200 m

Establishment facts

Entering the market

Easiest way to enter the Finnish market is through direct ownership.

Franchising and via shop-in-shops are other ways, but the franchise market is not as mature as in other Europe. There is no restrictions for foreign companies for buying or renting property in Finland.

Rental conditions

Fixed lease terms are usually applied in the shopping centres, with a **typical minimum fixed term between 3-5 years**. Longer terms usually apply for anchor

tenants, often between 5-10 years. If not agreed, tenants don't have an automatic right for lease renewal.

Usually the rent is based on the leasable area. Separate maintenance cost and marketing fee are usually charged in shopping centres. The use of turnover rent with a minimum base rent is common in shopping centres.

Rents are usually adjusted annually according to the cost of living index. The legislation gives parties high freedom to agree on all the terms and conditions freely.

Opening hours

Retail opening hours regulation is the most liberal in Europe. All shops can set their opening hours freely. Finnish shopping centres usually have common minimum opening hours agreed in the leases. Typical minimum opening hours for shopping centres in the Helsinki metropolitan area are **10:00 a.m. – 21:00 p.m. Mon-Fri, 10:00 a.m. – 19:00 p.m. Sat and 12:00 a.m. – 18:00 p.m. Sun.**

Retail opening
hours regulation
**most
liberal**
in Europe

Photo: Helsinki Day at Kluuvi, Helsinki - Jussi Hellsten / Helsinki Marketing





This publication is provided by the **Finnish Council of Shopping Centres**

It is an industry association bringing together the most prominent players in the Finnish shopping centre industry - retailers, shopping centre owners, managers and consultants.

Further information on the Finnish shopping centre industry, statistics and key figures for all the main shopping centres can be found on the annual publication.

The Finnish Shopping Centres 2021

www.kauppakeskusyhdistys.fi/en