

Retail Facts Finland 2023

**Your
place?**

THRILLING OPPORTUNITIES
FOR INTERNATIONAL
RETAILERS



Why Finland?

A stable,
transparent and
well-performing
Nordic country

Population
grows rapidly in
the largest cities,
especially in
Helsinki

*The
**happiest
country**
in the world 6th year in a row

The presence
of international
retailers has been
steadily growing
in Finland

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 2023

Cover photo: Kamppi shopping centre, Helsinki



Chapter I

Finland overview

Well-performing stable Nordic country

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

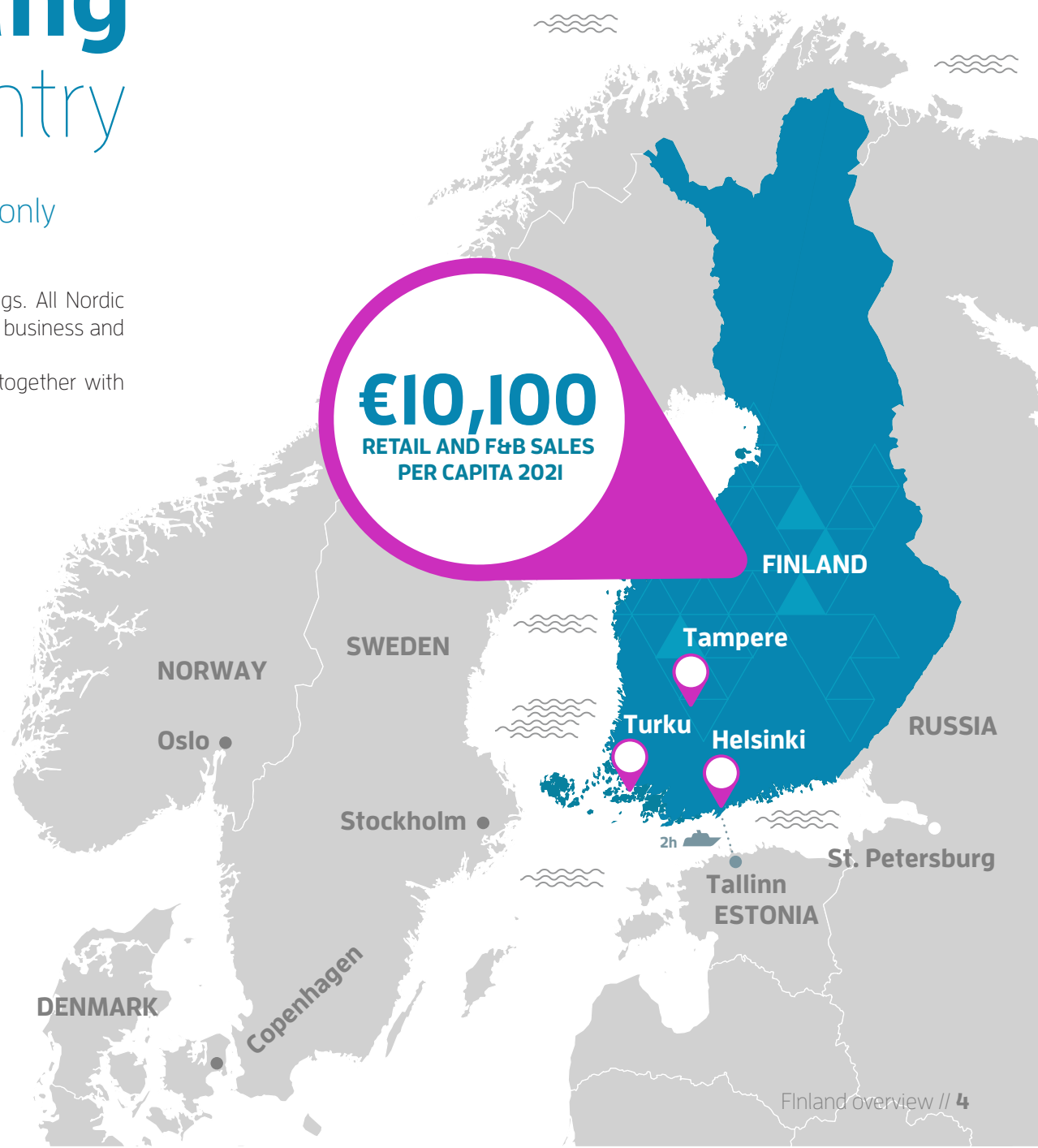
The Nordic region continues to outperform the rest of Europe in rankings. All Nordic countries are ranked in the **top 10 best countries in the world** for doing business and the region's residents are among the happiest and the wealthiest.

Finland joined NATO in April 2023 having applied the membership together with Sweden a year before.

KEY FACTS FINLAND

| | |
|--------------------------------------|---------------------------|
| Population 2022 | 5.6 million |
| GDP per capita 2022 | EUR 42,400 |
| GDP growth 2022 | +2.1 % |
| Unemployment rate 6 / 2023 | 6.1 % |
| Gross income per capita 2021 | EUR 34,200 |
| Retail sales 2021 (VAT 0%) | EUR 42,500 million |
| Retail sales growth 2022 | +3.8 % |
| F&B sales 2021 (VAT 0%) | EUR 4,700 million |
| F&B sales growth 2022 | +26.5 % |
| Retail and F&B sales per capita 2021 | EUR 10,100 |
| Corporate tax rate | 20 % |

Source: Statistics Finland



The purchasing power of households is improving

The Finnish economy increased by +2.1 percent in 2022 driven by private and public consumption. On average, EU countries' GDP grew by +3.4 % in 2022.

The Finnish economy was one of Eurozone's top performers in Q2/2023, growing by 0.7 % compared to the previous period (Eurostat). Most of the forecasting institutes predict that the Finnish economy will remain flat in 2023. According to the European Commission, Finland's economy is estimated increase slightly by 0.2 % in 2023 and for 2024 the growth is expected to resume by 1.4 %.

The inflation, energy crisis and continued uncertainties caused by the Russia's war against Ukraine have weakened the economic outlook all over the EU.

The Finnish retail sales increased by 3.8 % and the F&B sales strongly by over

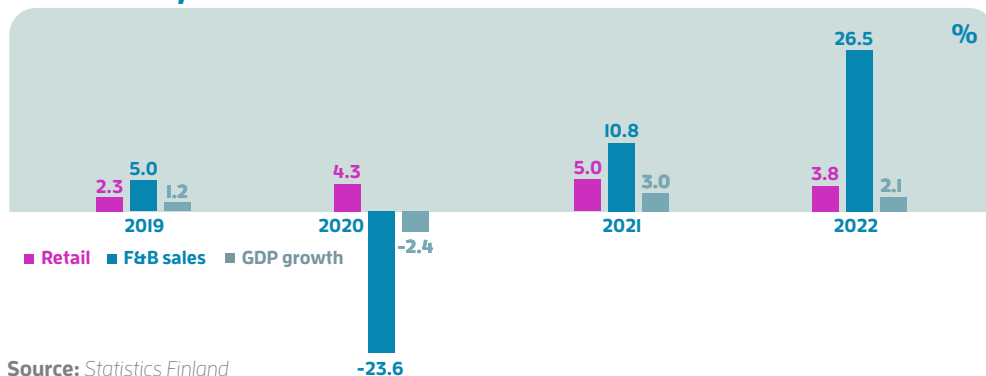
26 % in 2022 as after the pandemic the people flow to restaurants and other services has been steadily increasing.

The Finnish Commerce Federation predicts that while the retail turnover in euros will grow, the retail volume will decrease by -3.5 % in 2023. According to the forecast, the purchasing power of households will improve at the end of 2023 and in 2024. In fashion both the turnover in euros and the amount of sales have been growing for a couple of years and the price development has been moderate.

The Finnish spending potential exceeds the EU average. Finland is among the top 10 EU-countries based on purchasing power per capita in 2020.

Sources: Eurostat, European Commission, Statistics Finland, The Finnish Commerce Federation

RETAIL, F&B AND GDP DEVELOPMENT 2019-2022



Source: Statistics Finland

TOP 10 COUNTRIES IN EU, 2021 DISPOSABLE INCOME PER CAPITA IN PPS



Source: Eurostat

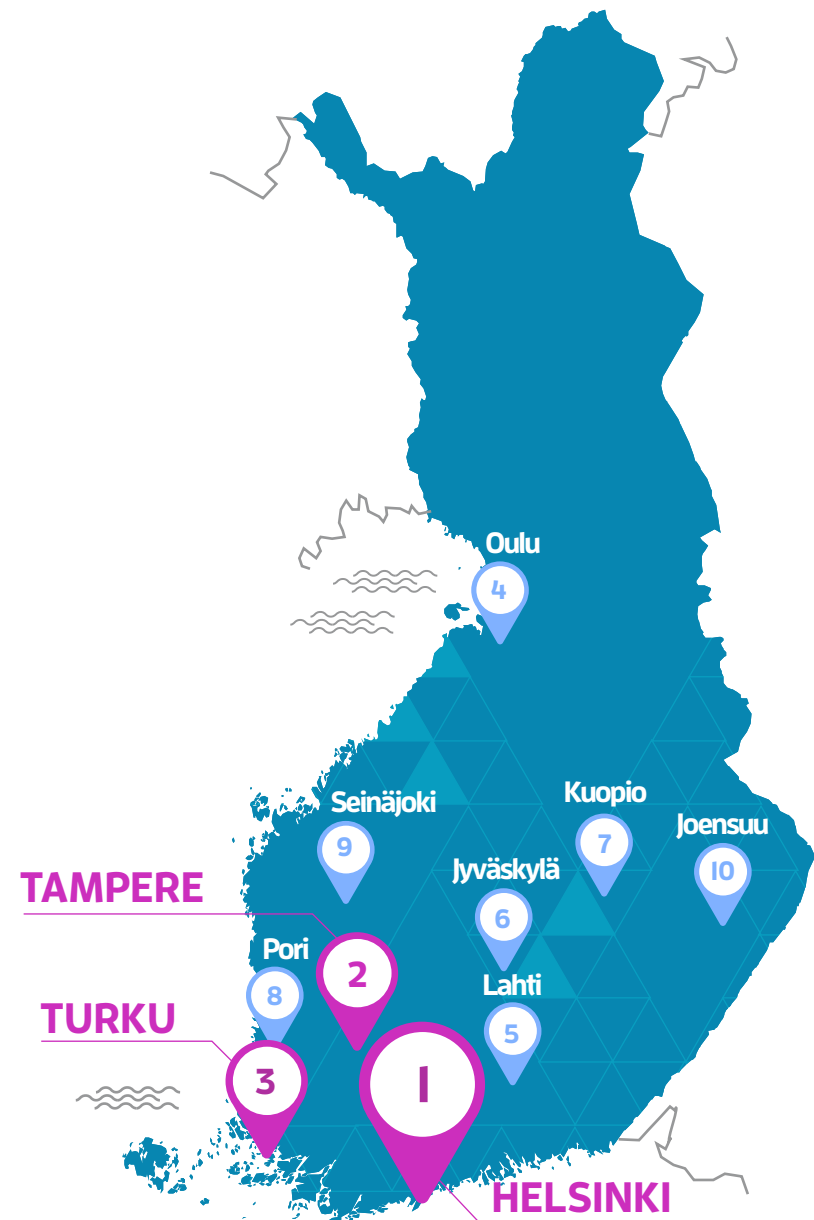
Population grows rapidly especially in Helsinki

Finland has **three city regions** with more than **300,000 inhabitants**. 43 % 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 2022 | Forecasted 5-year population growth |
|--------------------------|------------------|-------------------------------------|
| 1 Helsinki region | 1,616,000 | 4.4 % |
| 2 Tampere region | 428,000 | 3.4 % |
| 3 Turku region | 341,000 | 2.3 % |
| 4 Oulu region | 260,000 | 3.5 % |
| 5 Lahti region | 205,000 | -1.3 % |
| 6 Jyväskylä region | 189,000 | 2.0 % |
| 7 Kuopio region | 144,000 | 0.6 % |
| 8 Seinäjoki region | 131,000 | -0.7 % |
| 9 Pori region | 129,000 | -3.5 % |
| 10 Joensuu region | 127,000 | -1.4 % |

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.





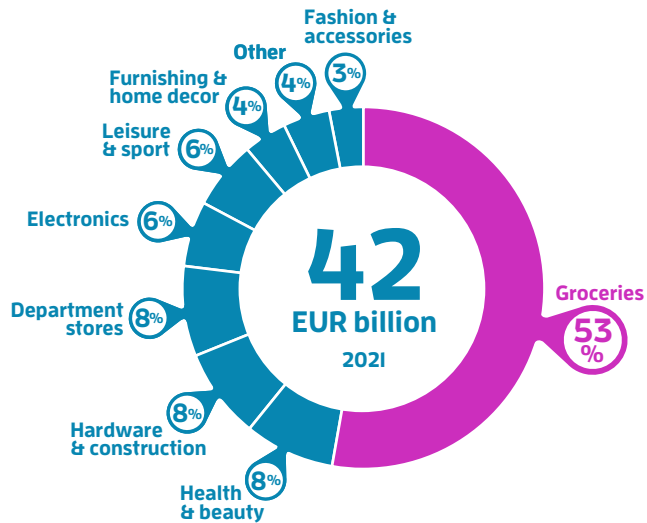
Chapter 2

The Finnish

retail market

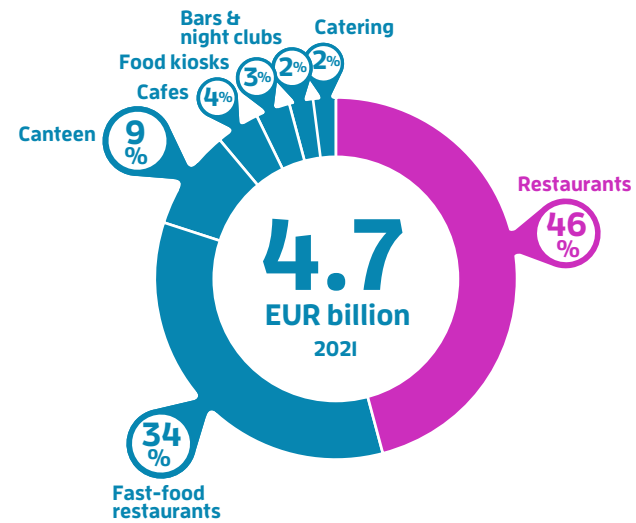
RETAIL SALES PER SEGMENT 2021 (VAT 0)

+3.8 % in 2022



FOOD AND BEVERAGE SALES PER SEGMENT 2021 (VAT 0)

+27 % in 2022



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*, *Nike*, *LPP* *Sinsay*, *Reserved*, *Cropp*, *House* and *Mohito*, *Mango* and *JD Sports*.

Grocery retail market is heavily dominated by two domestic operators *K Group* and *S Group*, but German *Lidl* has continu-

ously increased its market share during its over 20 years in Finland. As an example of rapid expansion, Danish *Normal* has opened over 60 stores in two and a half years.

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

| 2019 | 2020 | 2021 | 2022 | 2023 | |
|----------|----------------|-----------|-----------------|-----------|------|
| Reserved | J.Lindeberg | Rusta | KFC | Arket | Nike |
| Cropp | Norrøna | Lager I57 | Normal | Filippa K | Lyko |
| House | Blue Tomato | Olivia | Rituals | Tag Heuer | |
| Mohito | Søstrene Grene | | Dogman | | |
| Sinsay | Haglöfs | | Jula | | |
| Rieker | Kari Traa | | Bastard Burgers | | |
| MUJI | Cutters | | Beyond Retro | | |

Source: Realdia

Photo: kamppi shopping centre Helsinki

Photo: Cafe, Helsinki - Ants Vahter / Helsinki Marketing

Photo: Revontuli shopping centre, Rovaniemi



Scandinavian chains dominate the Finnish retail

| | | | | | |
|---|----------------------------|---------------------------|--------------------|---|-----------------------------|
|  | <i>& other stories</i> | COS | MONKL | WEEKDAY | VOLT |
| BIKBOK | CARLINGS | Cubus | Dressmann | clas ohlson | ONLY |
| JACK & JONES | VERO MODA | name it. | VILA CLOTHES | HEMTEX | EFVA ATTLING <i>efva</i> |
| LYKO | Normal | Cutters. | ECCO | SYNSAM | PeakPerformance |
| BJÖRN BORG | flying tiger copenhagen | CHANGE <i>Lingerie</i> | stadiumi | JOE & THE JUICE | XXL |
| KI KARITRAFI | GANT | GIGANTTI | gina tricot | ESPRESSO HOUSE | LAKRIDS BY JOHAN BULOW |
| HH HELLY HANSEN | KappAhl | newbie | LINDEX | POWER | Gudrun Sjödén |
| POLARN O. PYRET | TIGER OF SWEDEN | SAMSØE & SAMSØE | SAND COPENHAGEN | Ur & Penn | Olivia |
| KICKS | Zizzi | Haglöfs | SØSTRENE GRENE | LEXINGTON | NORRØNA |
| IKEA | RUSTA | JYSK | 157 | ARKET | FILIPPA K |
| Dogman | JULA | BASTARD BURGERS | INDISKA | PARTYLAND <i>Where fun parties begin</i> | |

International retail chains in the Finnish market

| | | | | |
|---------------------|----------------------------------|---------------------------|---------------|----------------------|
| Calvin Klein Jeans | ESPRIT | BOSS HUGO BOSS | GUESS | RITUALS COSMETICS |
| Levi's | LUSH FRESH HANDMADE COSMETICS | JD | Kartell | Lindt |
| blue-tomato | LONGCHAMP PARIS | L'OCCITANE EN PROVENCE | LOUIS VUITTON | SKECHERS |
| MANGO | Marc O'Polo® | MARKS & SPENCER | Massimo Dutti | NIKE |
| MUJI 無印良品 | NESPRESSO | NEWYORKER | QUIKSILVER | BEYOND RETRO |
| SARTORIA ROSSI | Specsavers | Superdry. 極度乾燥(しなさい) | McDonald's | TK HEUER |
| SUITSUPPLY | KFC | RIMOWA | X'S telut | TACO BELL |
| SUBWAY | THE BODY SHOP | TOMMY HILFINGER | BURGER KING | LIDL |
| STARBUCKS COFFEE | ZARA | sinsay | RESERVED | CROPP |

Online shopping has grown rapidly in Finland

The total value of retail e-commerce was EUR 5.8 billion in 2021, of which 64 % were made in Finnish stores. The share of e-commerce of all retail was approximately 9 %.

The e-commerce sales jumped by 28 % in 2020, the growth was 11 % in 2021 and is estimated to be around 8 % in 2022.

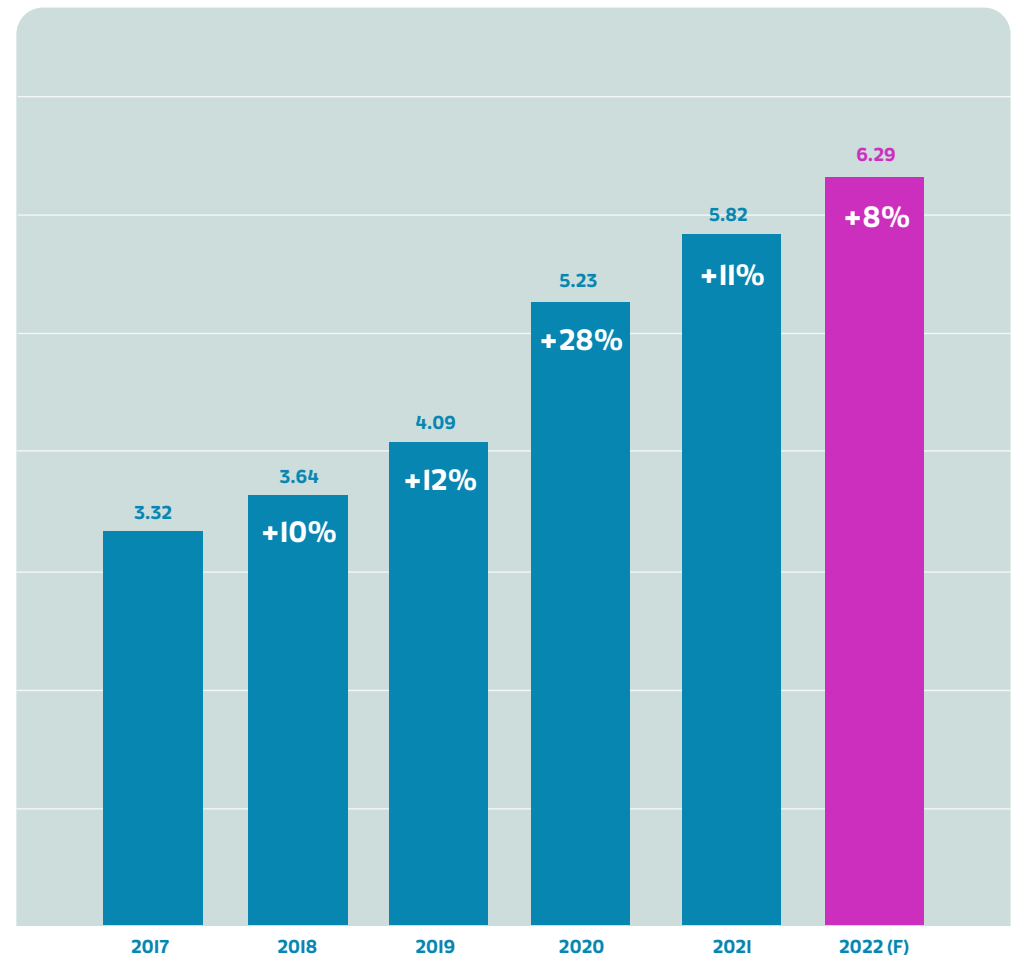
Clothing, shoes and accessories are clearly the most popular product group. Electronics and telephones come the second. Online grocery shopping has been growing rapidly and is currently almost 3 % of the total grocery market in Finland.

Growing e-commerce increases the Finnish consumer interest and knowledge in international brands. Out of international

online stores Zalando is the most popular. Germany, Sweden, China, the US and Great Britain are the top 5 countries when Finns choose to shop from international sites.

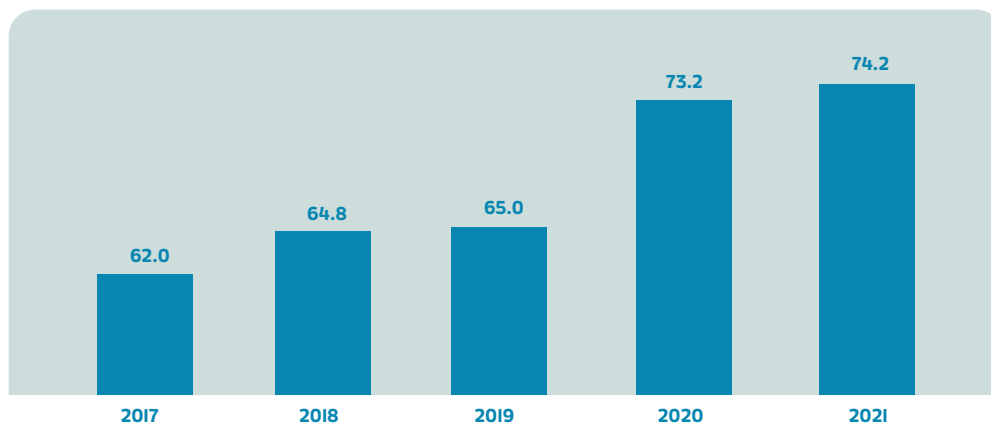
Even though e-commerce is thriving, physical stores remain the most important marketplace in Finland with almost 90 % share of the retail sales. New large-scale well-performing shopping centres like Mall of Tripla are a proof that consumers still prefer to shop and spend time in shopping centres.

FINLAND E-COMMERCE TURNOVER OF RETAIL GOODS (€BN)



Source: The Finnish Commerce Federation and Kantar TNS

SHARE OF INTERNET USERS AGED 18-79 WHO MADE DIGITAL PURCHASES IN THE PREVIOUS THREE MONTHS, %



Source: The Finnish Commerce Federation and Kantar TNS

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 2022 | 1.22 million (+17,000 from 2021), 22 % of total Finland |
| Workplaces 2021 | 667,000 |
| Students 2021 | 92,200 |
| Gross income per capita 2021 | EUR 42,500 |
| Foreign overnight visitors 2022 | 1.9 million |
| Shopping centres 2023 | 45 shopping centres with total of 1.5 million sq m |

Source: Statistics Finland, 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 1.22 million. The population grew by 17,000 in 2022 and it is expected to increase by 155,000 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 Light Rail I5. Also other new tram lines are under planning.

Population

1.2
million in
2022

+17,000
new residents in
2022

667,000
workplaces in 2021

155,000
new residents
over the next
10 years

Helsinki, the most popular tourist destination in the country

Number of overnight travelers in summer 2023 almost at the level of 2019.

There were 3.7 million overnight stays in Helsinki in 2022 (+76 % compared to 2021). The growth from January to July 2023 was +19 % higher compared to the same period last year. In July 2023, the overnights in the city reached almost the level of 2019. Although the share of foreign

tourists is still lower than before, foreign overnight visitors already accounted for 43 % of the July 2023 stays in Helsinki.

International tourism to Finland is estimated to recover to the pre-Covid level by the end of 2024. Domestic tourism and EU's internal tourism remain at a higher

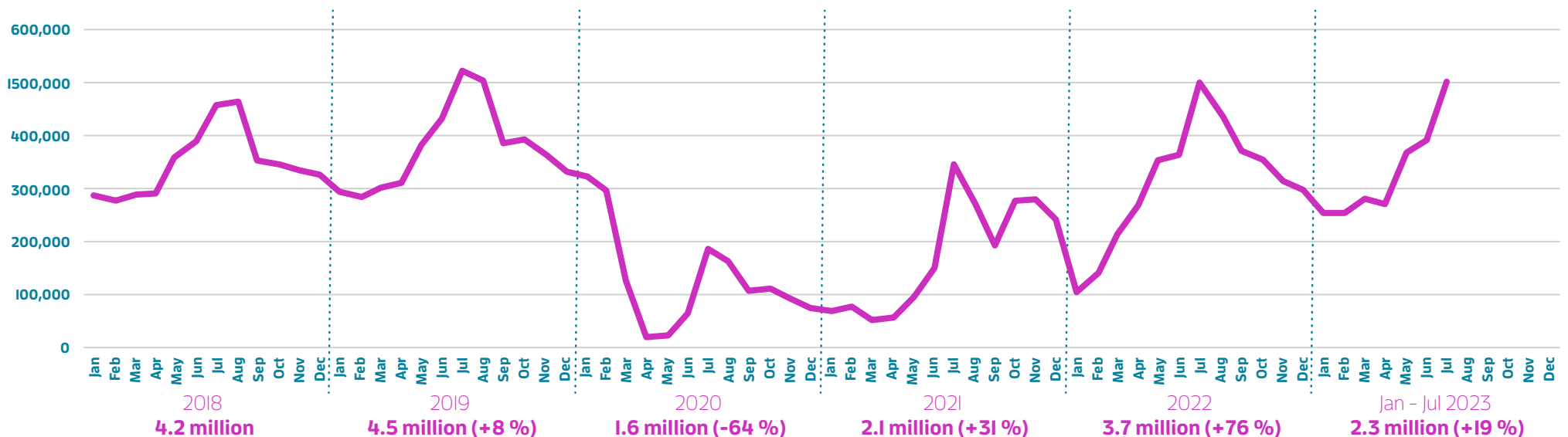
level than usual. According to the opinion of the Finnish tourism industry, Russia's attack on Ukraine has so far affected the industry less than feared.

Before the Covid-19 the Port of Helsinki was the busiest international passenger port in Europe with over 12 million ship

passengers in 2019. The fast and frequent Helsinki-Tallinn is the most popular route. At the end of the summer 2023, the number of passengers was almost at the same level as in 2019.

Source: Statistics Finland, Port of Helsinki

OVERNIGHT STAYS IN HELSINKI (2018 - JULY 2023)



Source: Statistics Finland (including hotels and other registered accommodation establishments, foreign and domestic visitors)

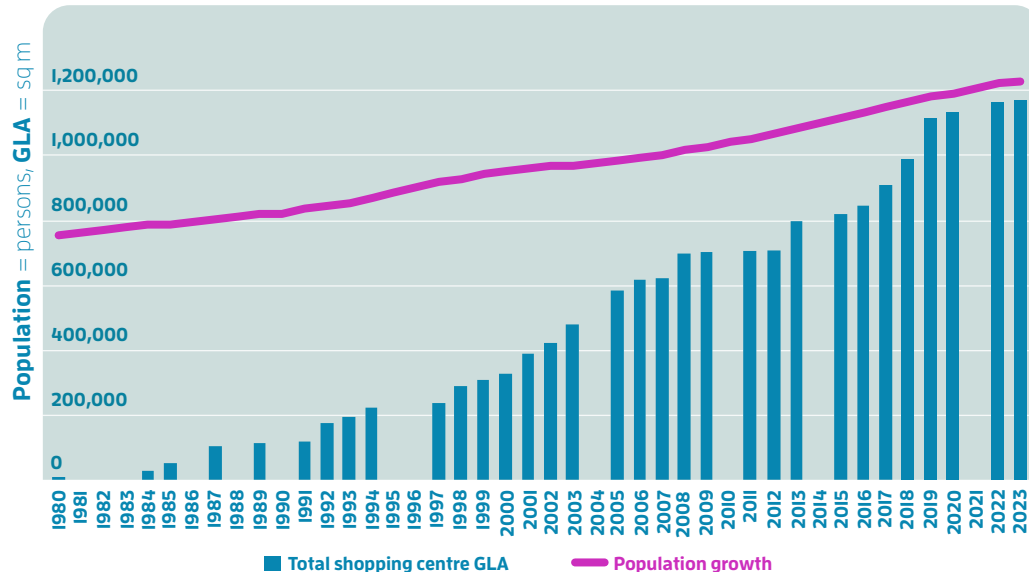
Shopping centres

offer attractive opportunities for new retail brands

Shopping centre stock in the metropolitan area has increased significantly during the past decade. During 2019–2022, approx. 180,000 sqm of new shopping centre space have been completed. The largest openings have been Mall of Tripla (2019) in Helsinki and the extension of Ainoa (2019) and the opening of new Lippulaiva (2022) in Espoo.

After these years of high volumes, retail construction is now expected to decline. The largest shopping centre under construction is a smaller local shopping centre Kivistö in Vantaa, opening at the end of 2023.

SHOPPING CENTRE GLA AND POPULATION IN THE HELSINKI METROPOLITAN AREA



Sources: Finnish Council of Shopping Centers, Statistics Finland, Realidea

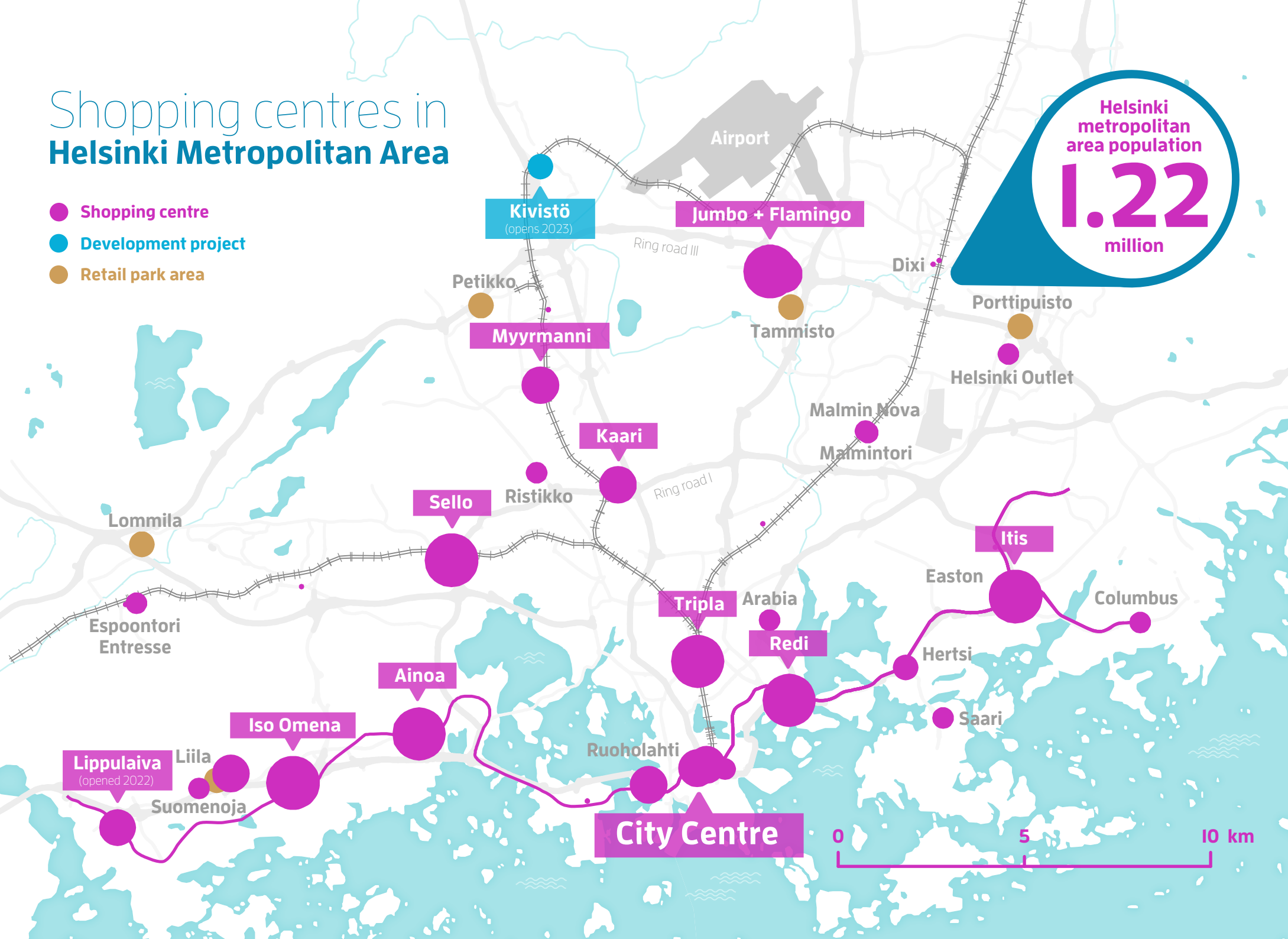


Photo: Forum shopping centre, Helsinki

Shopping centres in Helsinki Metropolitan Area

- Shopping centre
- Development project
- Retail park area

Helsinki metropolitan area population
1.22
million



3.6
million overnight
visitors in Helsinki
2022

Klasma
museum

Central
Railway
Station

Sokos

Amosrex
museum

Citycenter

Ateneum
museum

Tuomiokirkko

Kamppi

Forum

Kluuvi

Keskuskatu

Aleksanterinkatu

Stockmann

Kämp Galleria

Pohjoisesplanadi

Helsinki city centre

Shopping district

- Shopping centre
- Department store
- Prime high street

Market square

Esplanadi

0 100 200 m

Largest shopping centres in Helsinki

Outside Helsinki city centre

(with leasable retail area over 30,000 sqm)

| | Sales 2022, EUR million | Footfall 2022, million | Leasable retail area, sq m | Sales / Leasable retail area | Sales / Visitors |
|--------------------------------------|-------------------------|------------------------|----------------------------|------------------------------|------------------|
| Jumbo-Flamingo | 482 | 12 | 115,900 | 4,200 | 42 |
| Sello | 384 | 21 | 91,900 | 4,200 | 18 |
| Mall of Tripla | 307 | 24 | 86,500 | 3,500 | 13 |
| Iso Omena | 393 | 17 | 85,200 | 4,600 | 23 |
| Itis | 260 | 15 | 71,000 | 5,100 | 17 |
| Redi | 130 | 10 | 59,200 | 2,200 | 13 |
| Kaari | 269 | 7 | 47,200 | 5,600 | 40 |
| Ainoa | 207 | 9 | 46,200 | 4,500 | 24 |
| Lippulaiva (opened in 3/2022) | 101 | 4 | 36,700 | 2,800 | 24 |
| Myyrmanni | 147 | 8 | 31,700 | 4,600 | 19 |

Helsinki city centre shopping centres

| | | | | | |
|----------------------|-----|----|--------|-------|----|
| Forum | 176 | 8 | 40,500 | 4,300 | 21 |
| Kamppi | 200 | 22 | 30,700 | 6,500 | 9 |
| Citycenter | 84 | 12 | 20,500 | 4,100 | 7 |
| Kämp Galleria | 34 | 2 | 7,900 | 4,300 | 20 |
| Kluuvi | 21 | 2 | 11,000 | 1,700 | 9 |

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 rapidly growing university city and one of the fastest growing urban areas in Finland.

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

The largest multi-purpose arena in Finland has been opened in December

2021. The entire hybrid project is expected to be completed in 2024 with new homes, hotel, retail and offices next to the arena.

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

Tampere key facts

| | |
|----------------------------------|---|
| Population 2022 | 249,000 (whole city region 428,000) |
| Workplaces 2021 | 131,400 (whole city region 188,400) |
| Students 2021 (higher education) | 32,200 |
| Gross income per capita 2021 | EUR 33,500 |
| Shopping centres 2023 | 13 shopping centres with a total GLA of 355,800 sq m |

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

Tampere region = Tampere and surrounding nine commuter municipalities



Tampere region

Shopping centres

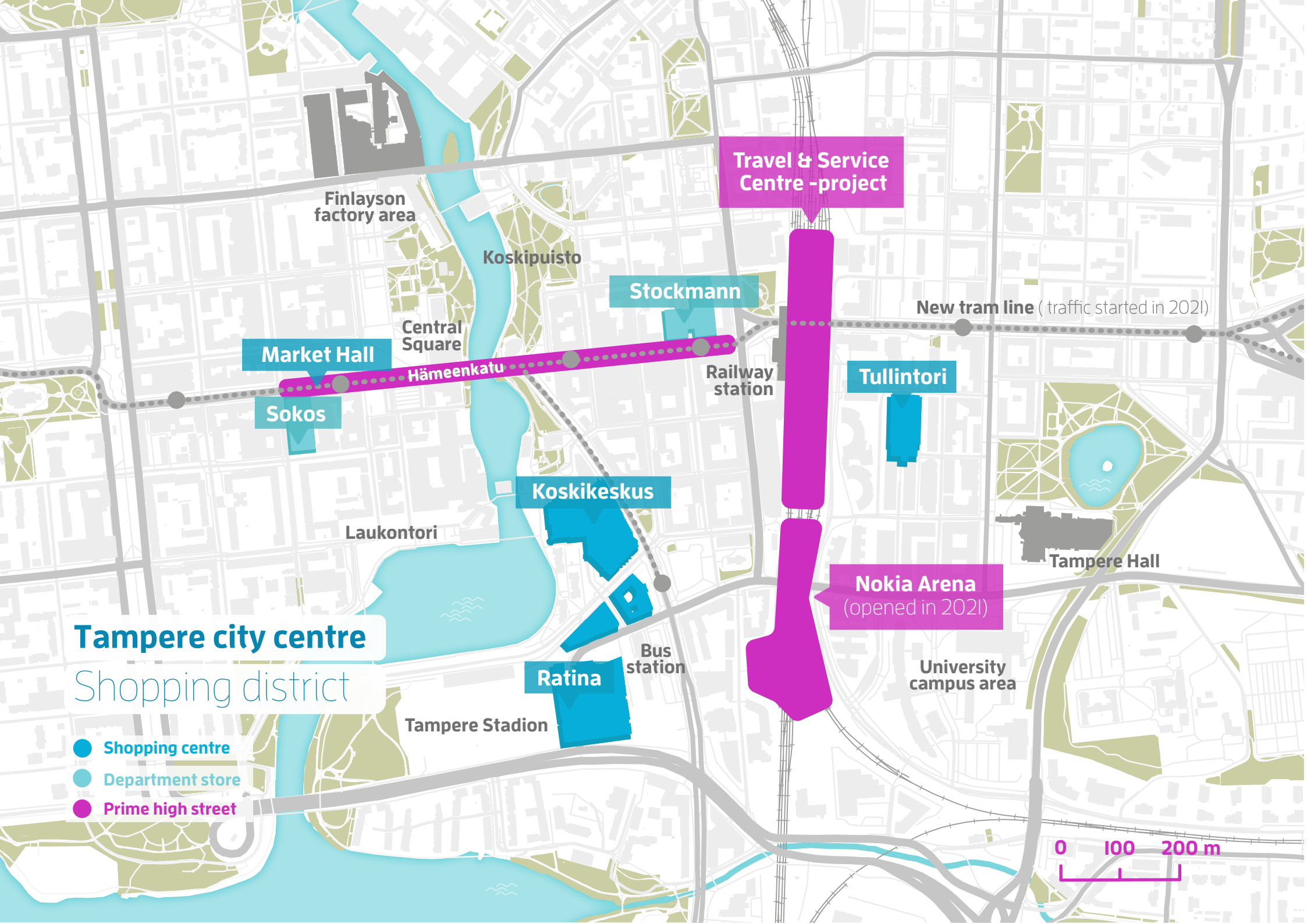
- Shopping centre
- Retail park area

Tampere
region population
428,100

Forecasted 5 year population growth
15,000 new inhabitants (+3.4%)

| | Sales 2022, EUR million | Footfall 2022, million | Leasable area, sq m | Sales EUR / Leasable retail area | Sales EUR / Visitors |
|-------------|----------------------------|---------------------------|------------------------|-------------------------------------|-------------------------|
| Ideapark | 340 | 6.8 | 111,500 | 3,000 | 50 |
| Ratina | 164 | 7.2 | 49,500 | 3,300 | 23 |
| Koskikeskus | 104 | 4.8 | 34,000 | 3,100 | 22 |
| Veska | - | 2.2 | 24,100 | - | - |
| Elo | 62 | 1.4 | 23,200 | 2,700 | 44 |
| Duo | 79 | 4.2 | 13,400 | 5,900 | 19 |
| Like | 15 | 1.5 | 12,600 | 1,200 | 10 |
| Tullintori | - | 1.3 | 6,800 | - | - |





Tampere city centre

Shopping district

- Shopping centre
- Department store
- Prime high street

Travel & Service Centre -project

Stockmann

Market Hall

Sokos

Hämeenkatu

Koskikeskus

Ratina

Nokia Arena
(opened in 2021)

Tullintori



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 opened at the end of 2022. Below the Market Square, a new underground parking hall has served customers since 2020. Next to the square the 4-star Hotel Hamburger Börs opened its doors in 2021. The shopping centres Hansa and Wiklund around the market square have been refurbished.

Turku key facts

| | |
|------------------------------|---|
| Population 2022 | 197,900 (region 341,300) |
| Workplaces 2021 | 105,000 (region 149,600) |
| Students 2021 | 31,900 |
| Gross income per capita 2021 | EUR 32,100 |
| Shopping centres 2023 | 3 shopping centres with a total GLA of 158,400 sq m |

Sources: Statistics Finland, Finnish Council of Shopping Centers

Turku region = Turku and surrounding ten commuter municipalities



Photo: Shopping centre, Turku



Photo: Shopping centre, Turku

Turku region

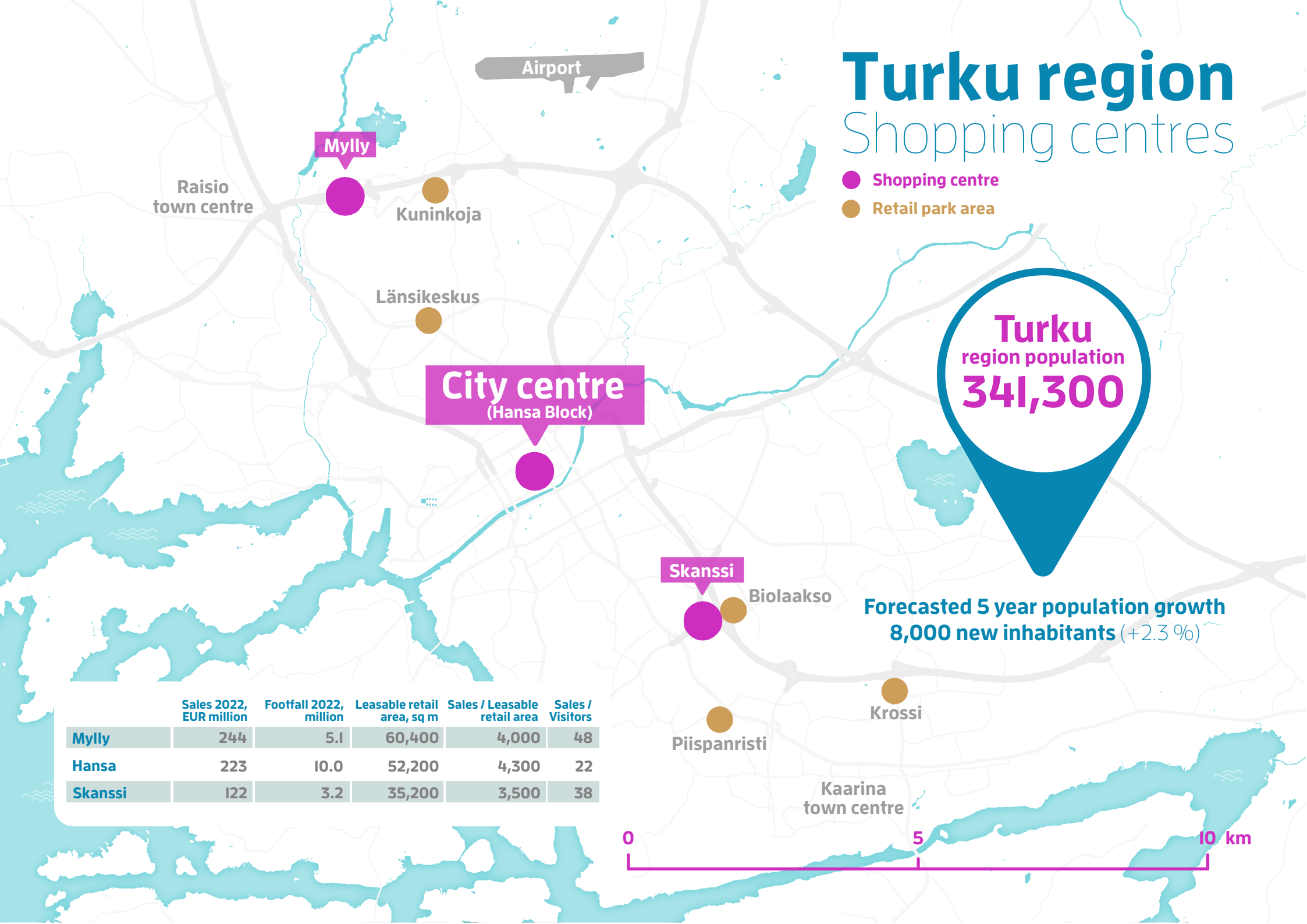
Shopping centres

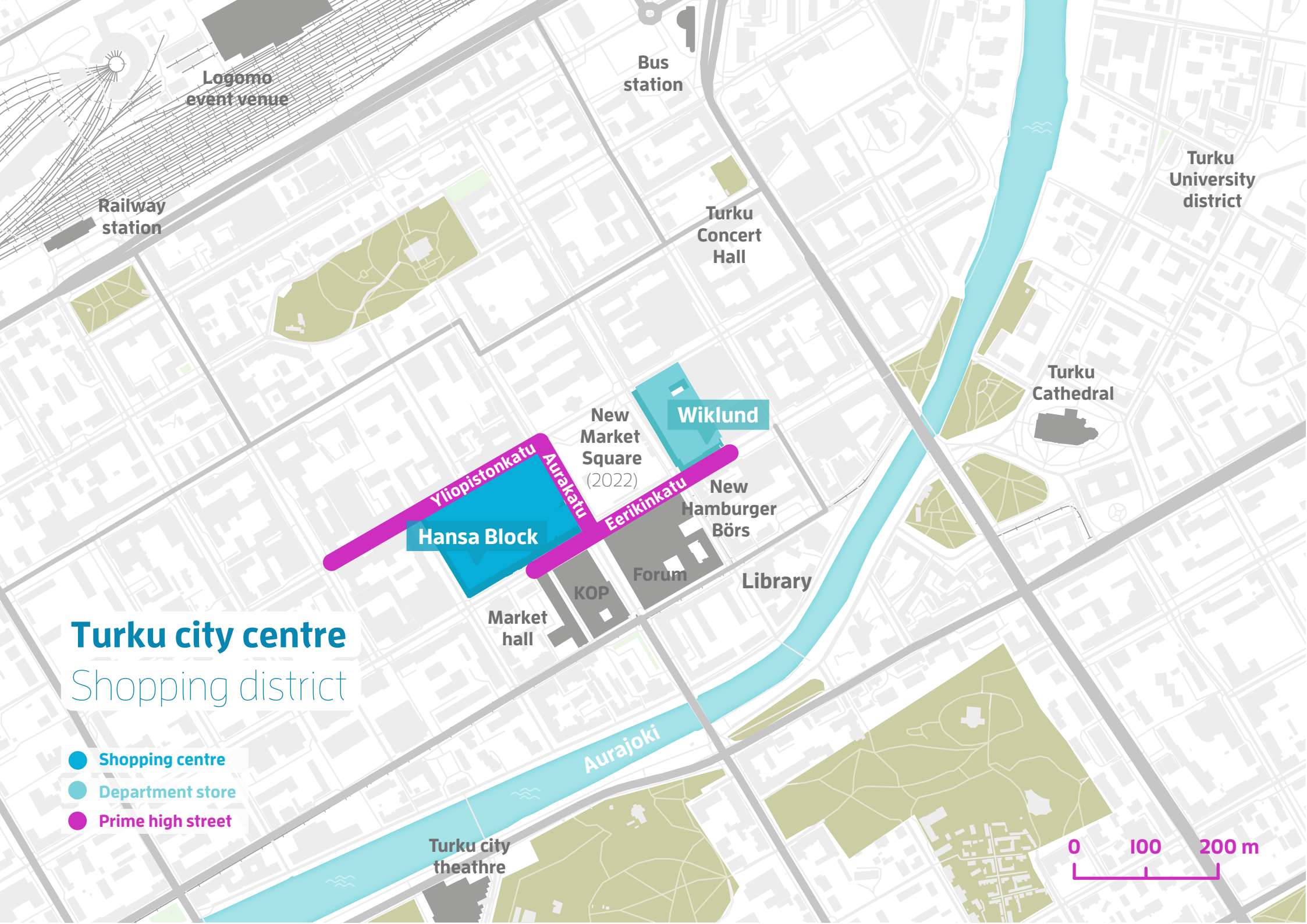
- Shopping centre
- Retail park area

Turku
region population
341,300

Forecasted 5 year population growth
8,000 new inhabitants (+2.3%)

| | Sales 2022, EUR million | Footfall 2022, million | Leasable retail area, sq m | Sales / Leasable retail area | Sales / Visitors |
|----------------|-------------------------|------------------------|----------------------------|------------------------------|------------------|
| Mylly | 244 | 5.1 | 60,400 | 4,000 | 48 |
| Hansa | 223 | 10.0 | 52,200 | 4,300 | 22 |
| Skanssi | 122 | 3.2 | 35,200 | 3,500 | 38 |





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

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 many other European countries. There are no restrictions for foreign companies to acquire or rent properties 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

separately 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 often adjusted annually according to the cost of living index. The legislation gives parties high flexibility 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





Photo: Sky Room, Clarion, Helsinki - Yiping, Feng and Ling Ouyang / 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 2023

www.kauppakeskushdistys.fi/en