

Retail Facts **Finland 2020**

Join us!
OPPORTUNITIES FOR
INTERNATIONAL RETAILERS

Why Finland?

*The
**happiest
country**
in the world third year in a row

A stable,
transparent and
well-performing
Nordic country

Population
grows rapidly in
the largest cities,
especially in
Helsinki

The presence
of international
retailers has been
steadily growing
in Finland

Growing
shopping centre
market, high quality
opportunities for
retail brands

Retail
market is growing
faster than the
Eurozone

Wealthy
consumers with
purchasing power
among the top
10 in EU

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*Sustainable Development Solutions
Network, World Happiness Report 2020

Cover photo: Oodi / Tuomas Uusheimo



Chapter I

Finland overview

Well-performing stable Nordic country

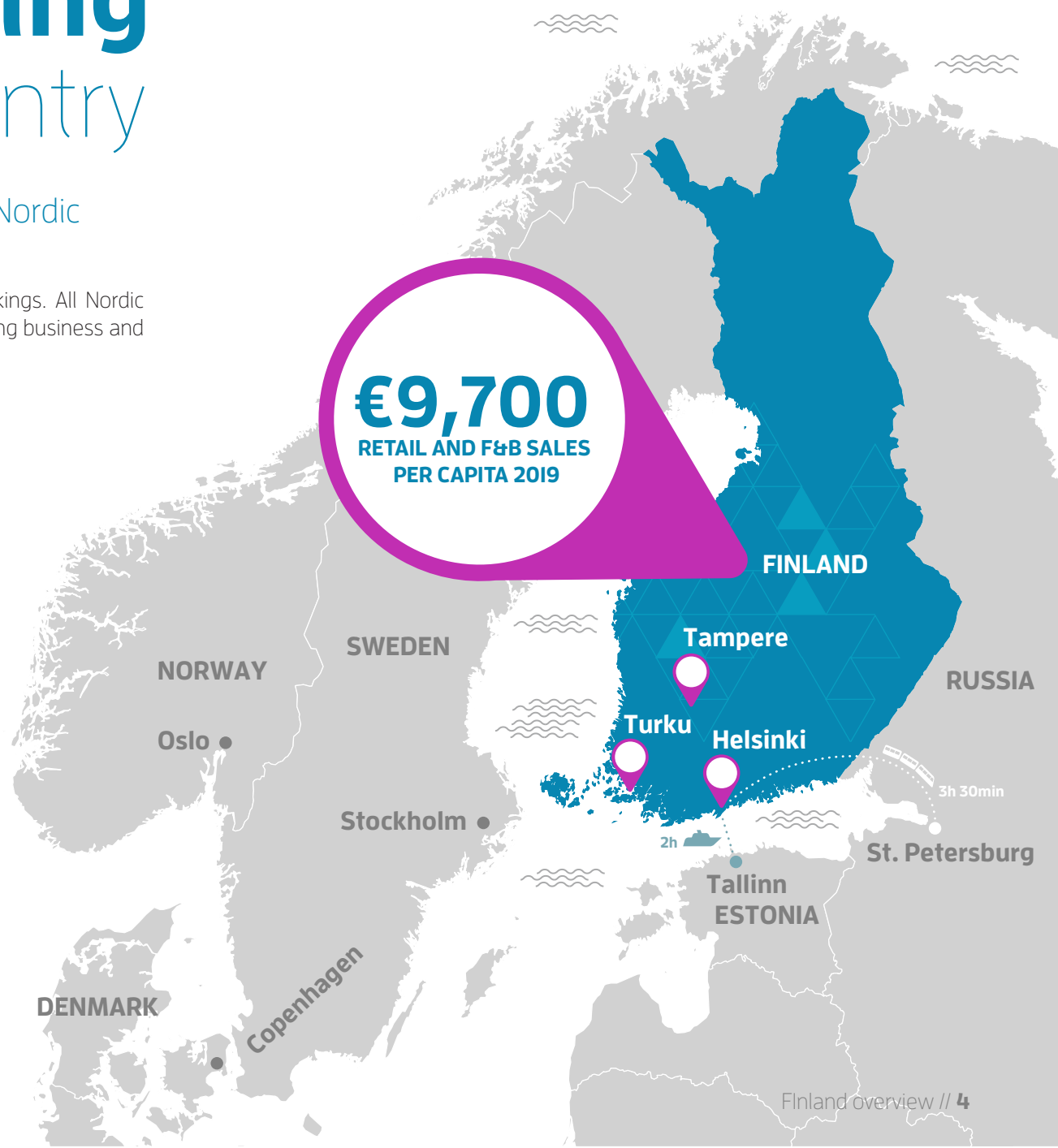
A member of the European Union and the only Nordic country in the Eurozone

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 2019	5.5 million
GDP per capita 2019	EUR 43,484
GDP growth 2019	1,00 %
Inflation 2019	1.02 %
Unemployment rate (March 2020)	7.30 %
Disposable income per capita 2018	EUR 23,900
Retail sales 2018 (VAT 0%)	EUR 39,400 million
Retail sales growth 2019	2.20 %
F&B sales 2018 (VAT 0%)	EUR 5,600 million
F&B sales growth 2019	5.10 %
Retail and F&B sales per capita 2018 (incl. VAT)	EUR 9,700
Corporate tax rate	20 %

Source: Statistics Finland



Finland's economy has made it through the **COVID-19 pandemic relatively unscathed**

Finland's economy has made it through the pandemic relatively unscathed compared to other EU countries. Finland did better at controlling the spread of the illness. Much of the labour force transitioned smoothly to working remotely, thanks to solid digital skills and infrastructure.

Based on Eurostat figures, Finland's economy fared the second best of any in the EU last spring. Finland's seasonally adjusted GDP plunged by 6.3 percent year-on-year in the second quarter. On

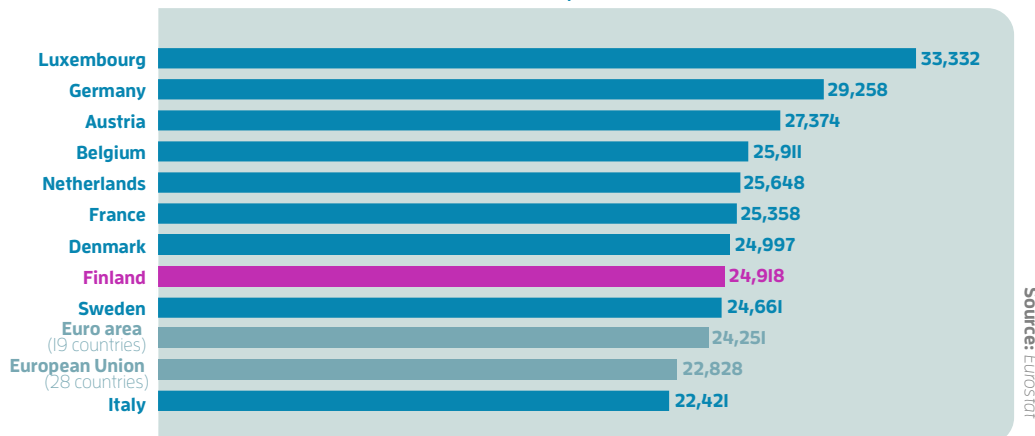
average, EU countries' GDP plunged by 14 percent.

Before COVID-19, Finland's GDP grew for several years in a row. In 2019 the economy grew by 1.0 %. Finland's GDP per capita was 9.2 % above the EU average.

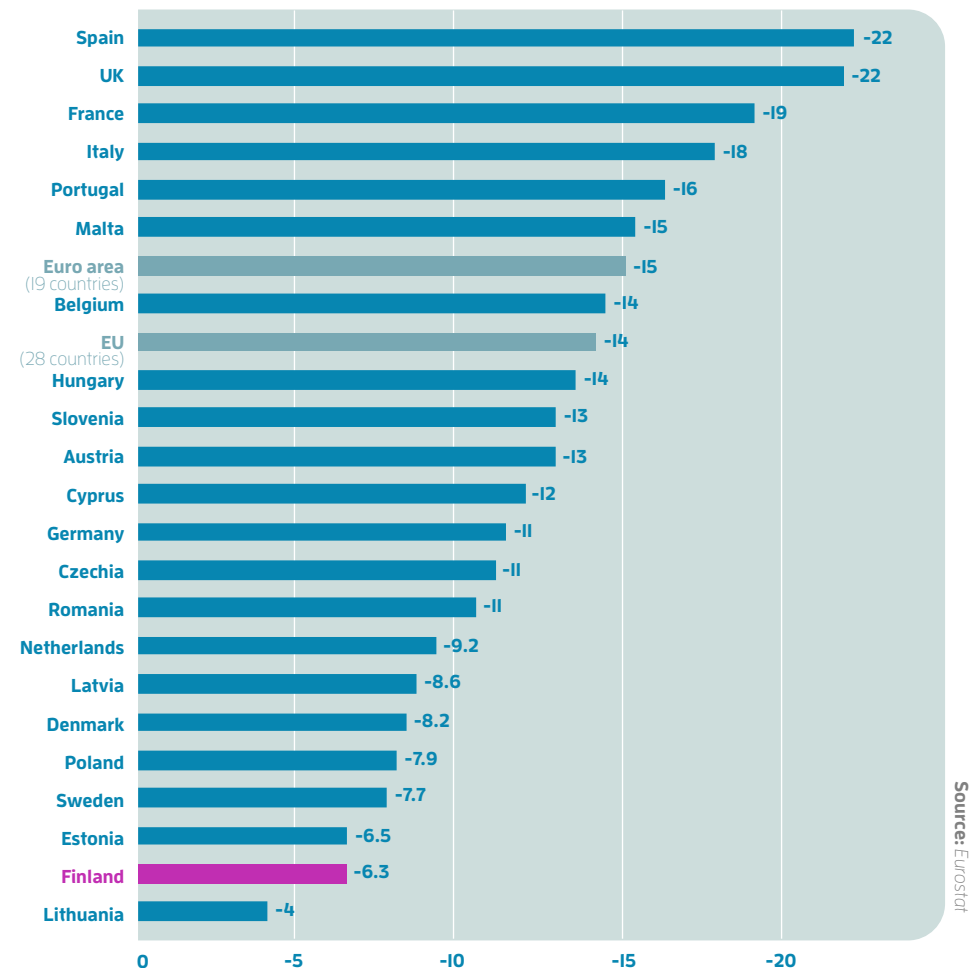
Also Finnish spending potential exceeds the EU average. Finland is among the top 10 EU-countries based on purchasing power per capita (2018).

Sources: Eurostat

TOP 10 COUNTRIES IN EU, 2018 DISPOSABLE INCOME PER CAPITA IN PPS, EU



Q2 2020: GDP change from previous year, %



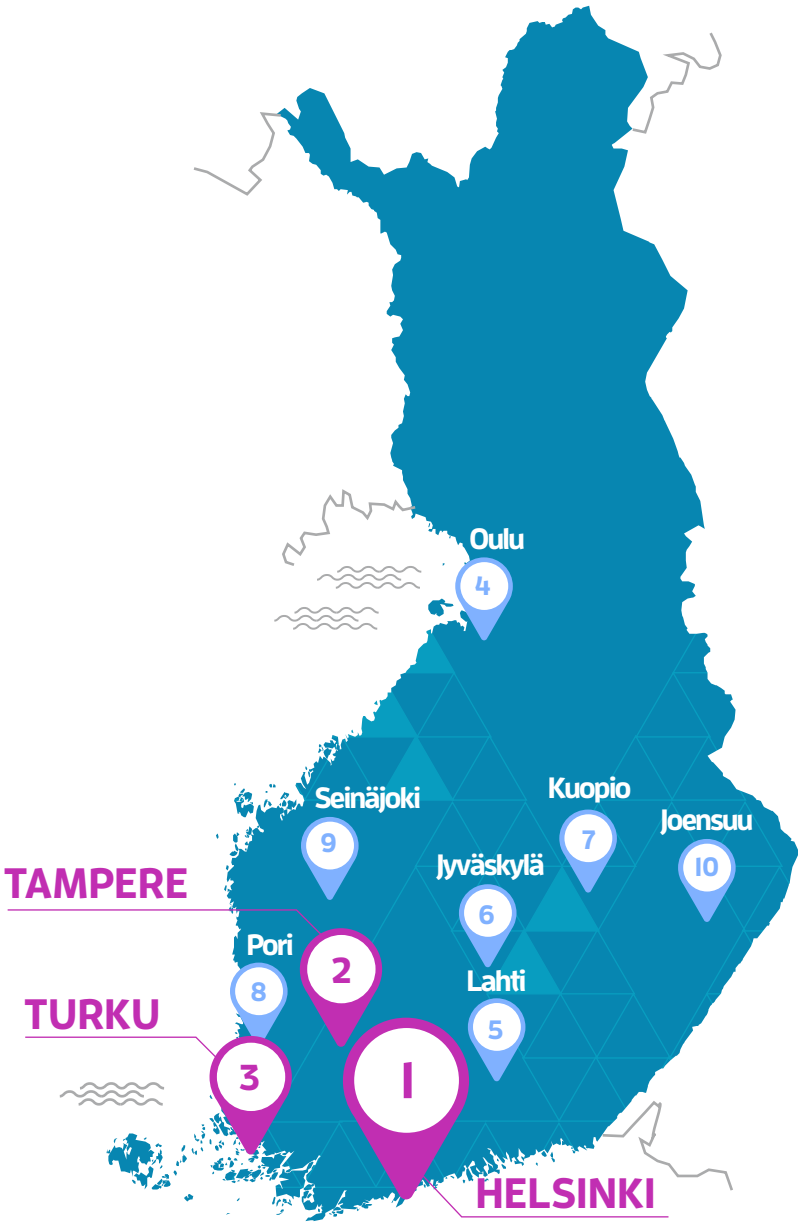
Population grows rapidly especially in Helsinki

Finland has **three city regions** with more than **300,000 inhabitants**. Almost 42 % of the population lives 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 2019	Forecasted 5-year population growth
1 Helsinki region	1,572,161	5.3 %
2 Tampere region	410,689	4.1 %
3 Turku region	332,288	2.8 %
4 Oulu region	252,559	3.5 %
5 Lahti region	199,604	-1.5 %
6 Jyväskylä region	186,252	2.9 %
7 Kuopio region	140,705	1.3 %
8 Pori region	131,368	-3.4 %
9 Seinäjoki region	126,732	-0.4 %
10 Joensuu region	124,152	-0.6 %

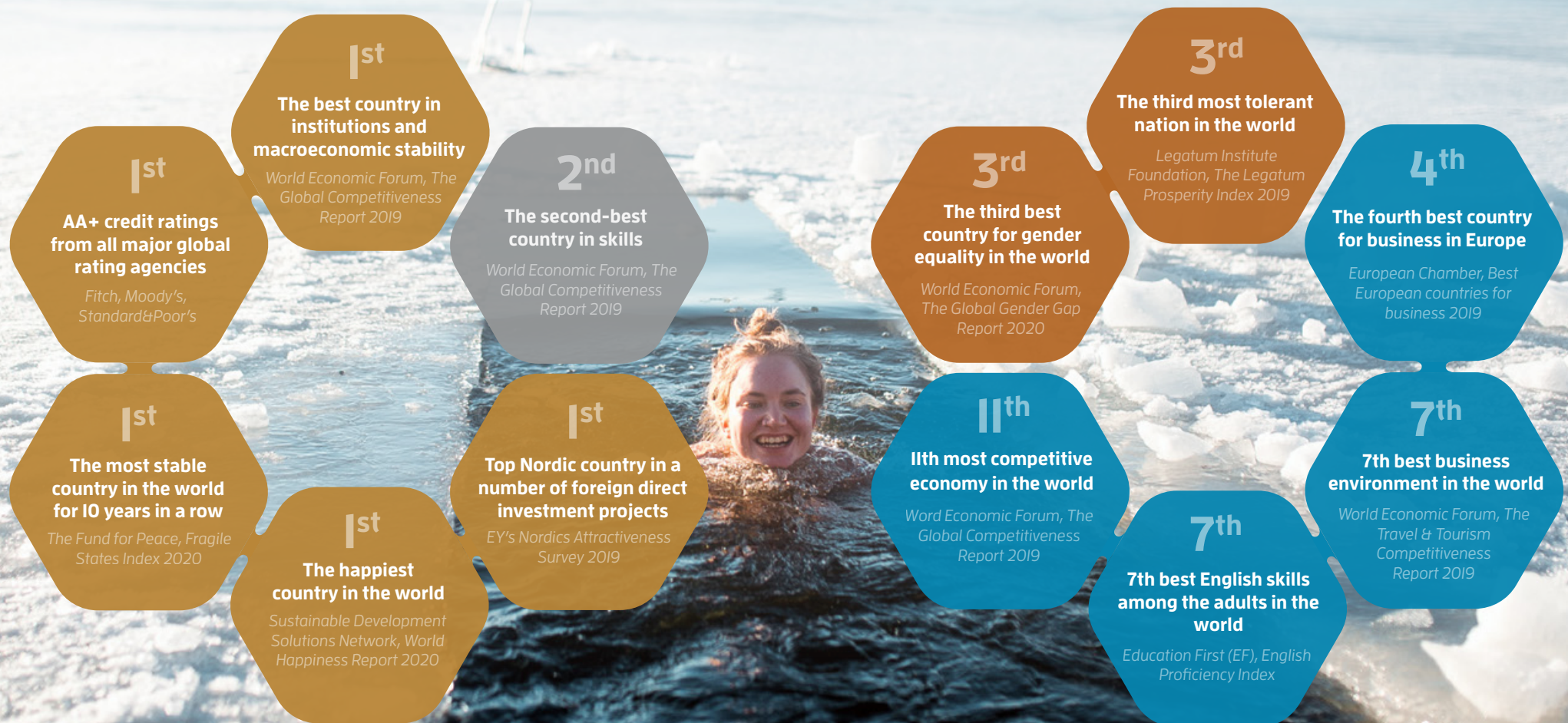
Source: Statistics Finland



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 consumption is over 15% higher than that of the Eurozone

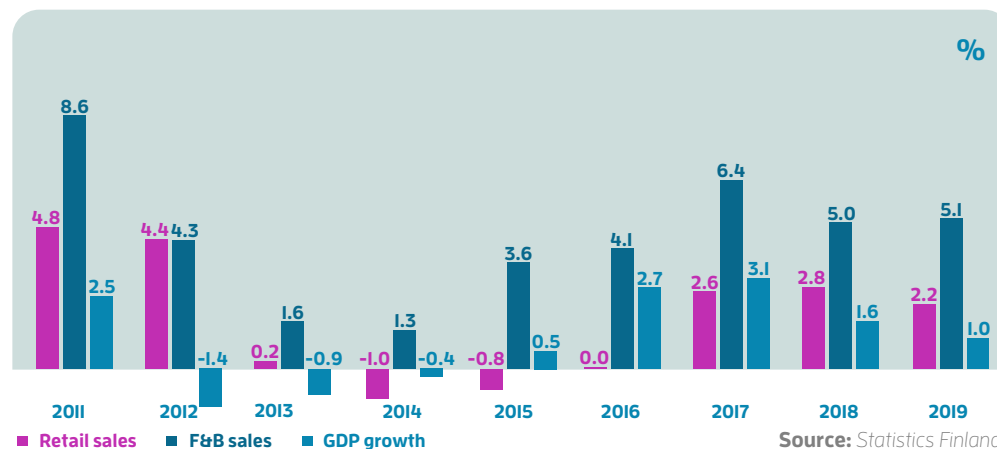
Finnish retail sales increased by 2.2 % in 2019. The food & beverage sector has been growing fast almost the whole decade, by 5.1 % in 2019. The retail market has been growing faster than the Eurozone on average.

Finnish retail consumption per capita is slightly higher than in Sweden and on the 6th place in the EU.

Finns spend a large share of their income on retail and leisure activities. Retail accounts for 34 % of total household expenditure. Adding food & beverage and leisure services, the share is approx. 40 % - EUR 8,900 per capita.

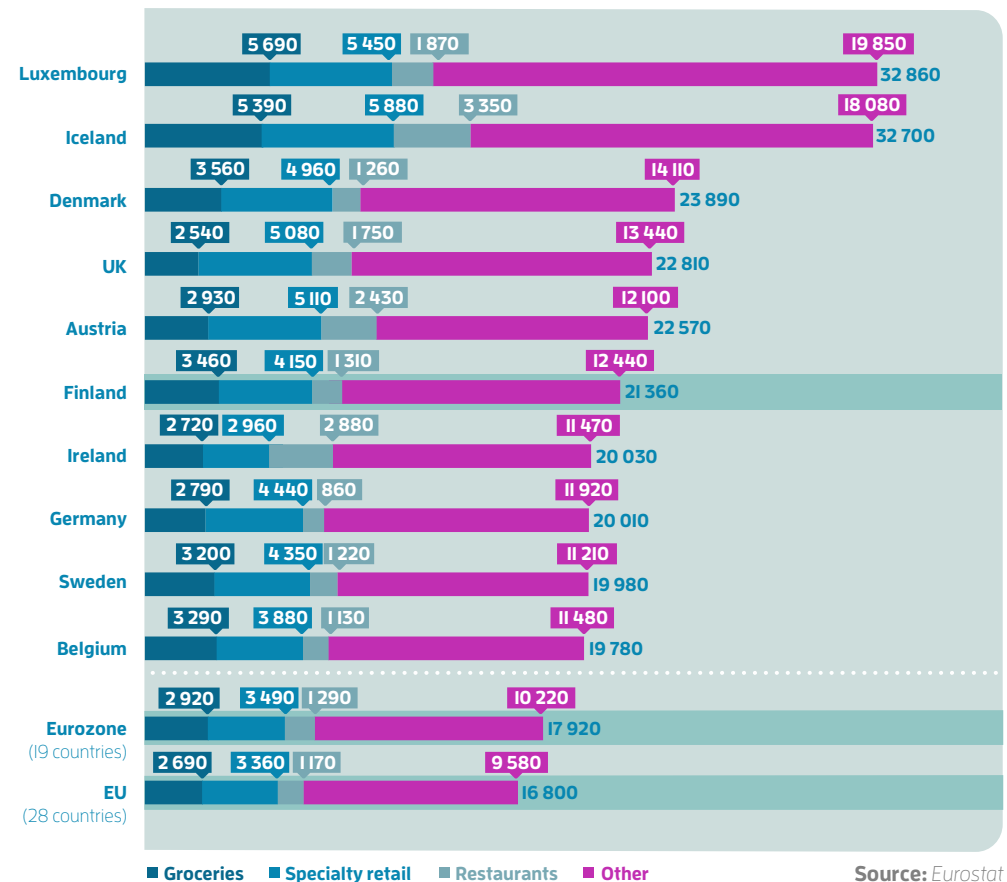
Sources: Eurostat, Statistics Finland

RETAIL, F&B AND GDP DEVELOPMENT 2011-2019



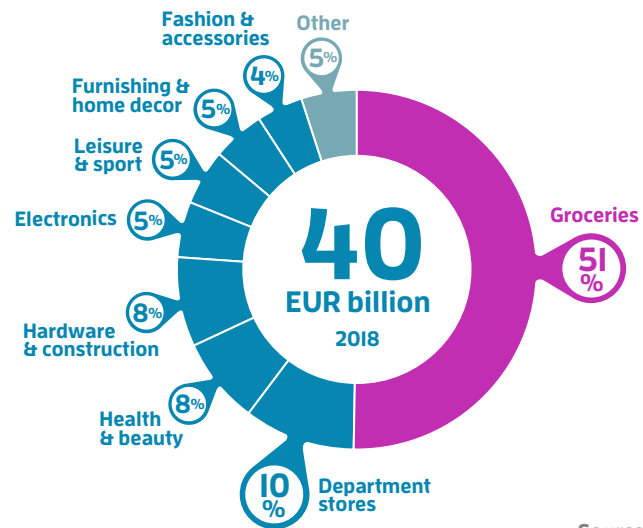
TOP 10 COUNTRIES IN EU

CONSUMPTION EXPENDITURE PER CAPITA 2018, EUR



RETAIL SALES PER SEGMENT (VAT 0)

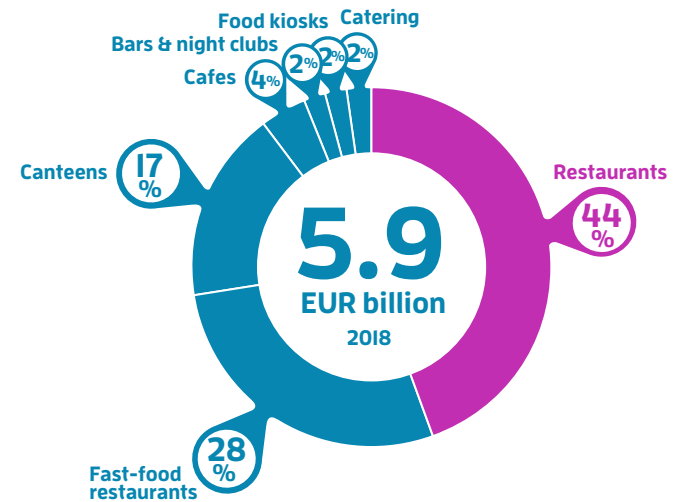
+2.2% in 2019



Source: Statistics Finland

FOOD AND BEVERAGE SALES PER SEGMENT (VAT 0)

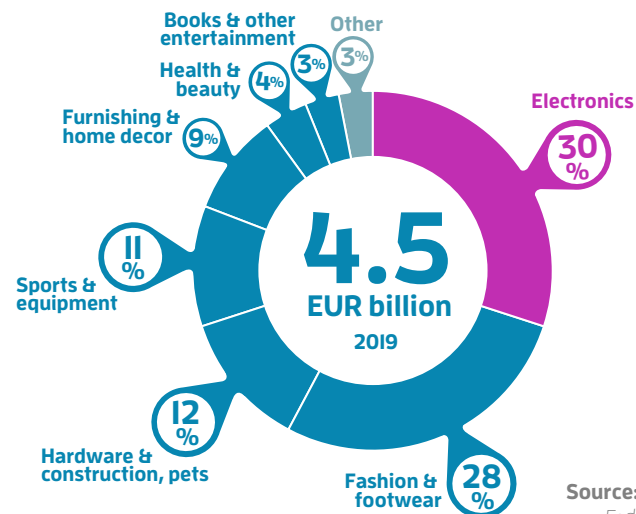
+5.1% in 2019



Source: Statistics Finland

ONLINE RETAIL GOODS (VAT 0)

+12% in 2019



Source: Finnish Commerce Federation / Kantar TNS

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

2016	2017	2018	2019	
Volt	& Other Stories	JD Sports	Reserved	Søstrene Grene
The Athlete's Foot	Samsøe & Samsøe	Suitsupply	Cropp	Kare Design
Levi's	Newbie	Cinamon	House	Haglöfs
Massimo Dutti	Lexington	Weekday	Mohito	Kari Traa
Peak Performance	Lakrids		Sinsay	
WHSmith	Taco Bell		Rieker	
Power	Beijing8		MUJI	
Joe & The Juice			J.Lindeberg	
UpperCrust			Norrøna	

Source: Reallidea

Photo: Ainoa shopping centre

Photo: Jumbo shopping centre / Kari Palsila

Photo: Messukeskus Expo and Convention Centre



Scandinavian chains dominate the Finnish retail

Source: Realidea

International retail chains in the Finnish market

Calvin Klein Jeans	ESPRIT	BOSS HUGO BOSS	GUESS
Levi's	LUSH FRESH HANDMADE COSMETICS	JD	Kartell
blue-tomato	LONGCHAMP PARIS	L'OCCITANE EN PROVENCE	LOUIS VUITTON
MANGO	Marc O'Polo®	MARKS & SPENCER	Massimo Dutti
MUJI 無印良品	NESPRESSO	NEWYORKER	QUIKSILVER
SARTORIA ROSSETTI	Specsavers®	Superdry. 極度乾燥(しなさい)	Timberland
SUITSUPPLY	the athlete's foot	Mulberry	TUMI
UNITED COLORS OF BENETTON.	THE BODY SHOP	TOMMY HILFINGER	BURGER KING
VICTORIA'S SECRET	ZARA	LIDL	TACO BELL
McDonald's	SUBWAY	STARBUCKS COFFEE	

Shopping centre sales have increased faster than the retail sales in general

The shopping centre market is growing, offering high quality opportunities for retail brands. Shopping centre sales have increased faster than the retail sales in general, while F&B and leisure services take larger and larger share.

The Finnish retail landscape is dominated by shopping centres. There are currently 111 shopping centres in Finland with a total GLA of 2.46 million sq m.

34 new shopping centres and 32 extensions have been opened during the past decade with a total of GLA of 1.3 million sq m.

Finnish shopping centres have been performing strongly year after year. The number of shopping centre visitors and sales increased by 6.6 % in 2019, including the figures of new shopping centres and extensions. The share of the shopping centre sales is 17 % of the total retail sales. The share continues to increase steadily.

The supply of F&B as well as various kinds of entertainment and leisure services is increasing. For example, cinemas *Finnkino* and *Cinamon*, children adventure parks *HopLop* and *Duudson Park*, virtual reality park *Pikseli Arcade*, indoor *Surf Beach*, indoor skydiving *Fööni* and climbing centre *Irti Maasta* help shopping centres to attract new customers.

Also public health centres and libraries increasingly wish to be located in the busy shopping centres.

Sources: Finnish Council of Shopping Centers

Both the number of visitors and sales increased by

6.6%
in 2019

Photo: City of Helsinki / Tero Pajukallio

Chapter 3

Helsinki

metropolitan area

My Helsinki

“ **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 a **fast growing** and **wealthy capital city**

Key facts Helsinki metropolitan area

Population 2019	1.19 million (+17,000 from 2018), 21 % of total Finland
Workplaces 2017	637,000
Students 2018 (higher education)	88,500
Disposable income per capita 2018	EUR 27,219
Foreign overnight visitors 2019	3 million (+5 % from 2018)
Shopping centres 2019	42 shopping centres with a total GLA 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

Economic centre and the no. 1 retail destination of the country

Helsinki is the most dynamic region in retail and business

The metropolitan area accounts for 37 % of the national GDP.

The average disposable income of the inhabitants is EUR 27,200 per capita, which is 14 % higher than the national average (in 2018).

A record number of congresses chose Helsinki as host city in 2018. According to the annual congress city statistics (UIA), **Helsinki is the most popular Nordic city for organizing congresses.**

The Helsinki's startup ecosystem is recognized globally. World's leading startup event Slush is bringing together the global tech scene to Helsinki every year.

Most attractive retail destination

Shopping centre like-for-like sales of the region increased by 2.2 % and footfall by 0.1 % in 2019.

When new centres and extensions are included, the total sales of the region grew by 9.8 % and footfall by 9.7 % in 2019.

One third of Finnish Shopping centres are located in the metropolitan area and their sales equals over half of the total shopping centre sales in Finland.

Sources: Statistics Finland, Finnish Council of Shopping Centres



Photo: Helsinki day / Lauri Rotko

Average income is
14%
higher than
national average

Total number of
shopping centre visitors
in the region increased by
9.7%
in 2019 (including the
whole supply)

Rapid population growth increases the demand for new retail

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

The Helsinki metropolitan area is clearly the fastest growing region in Finland, with a current population of 1.19 million. The population grew by 17,000 in 2019 and it is expected to increase by 108,000 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

1.19

million in
2019

+17,000
new residents in
2019

637,000
workplaces in 2017

108,000
new residents
over the next
10 years



Photo: Flow-festival / Jussi Hellsten

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.

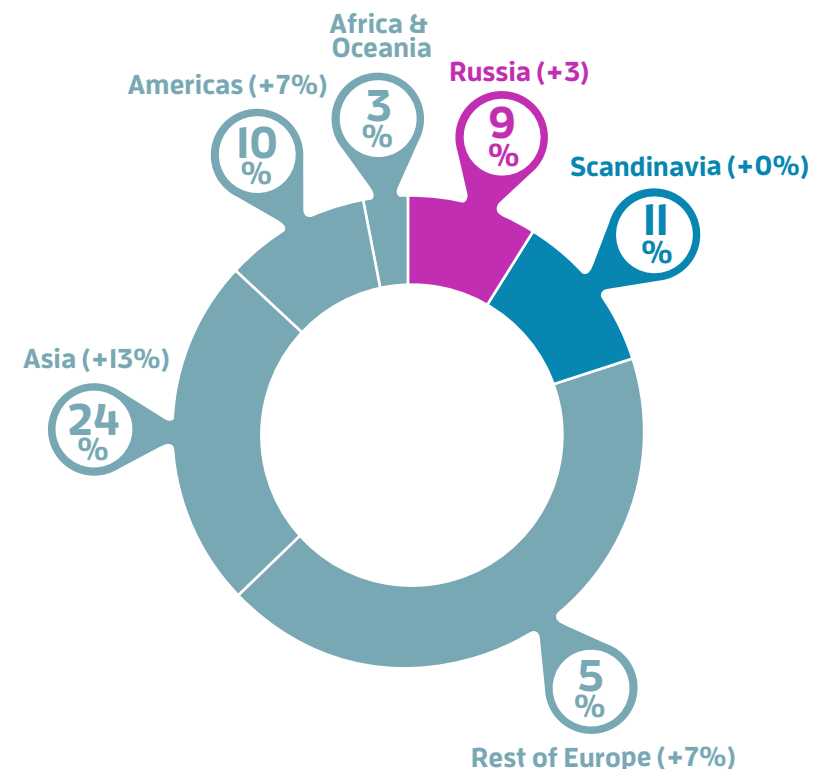
Tourism in Finland continued to grow and there were totally over 7 million overnight stays in 2019 (+2.9 % from 2018).

In Helsinki area, the number of overnights 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



Shopping centres

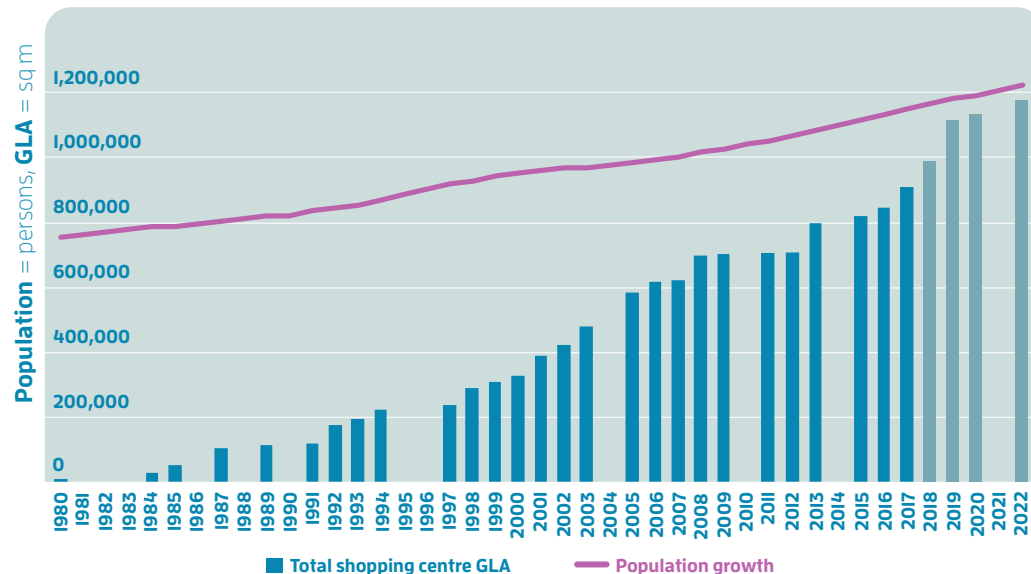
offer attractive opportunities for new retail brands

Shopping centre stock in the metropolitan area has increased significantly during the past decade. The most significant new openings in 2019 were Mall of Tripla in Helsinki and the completion of the shopping centre Ainoa in Espoo. During 2019–2020, approx. 150,000 sqm of new

shopping centre space have been completed.

However, after these years of high volumes, retail construction activity is now expected to decline. The largest shopping centre project under construction is Lippulaiva in Espoo, estimated to open in 2022.

SHOPPING CENTRE GLA AND POPULATION IN THE HELSINKI METROPOLITAN AREA



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

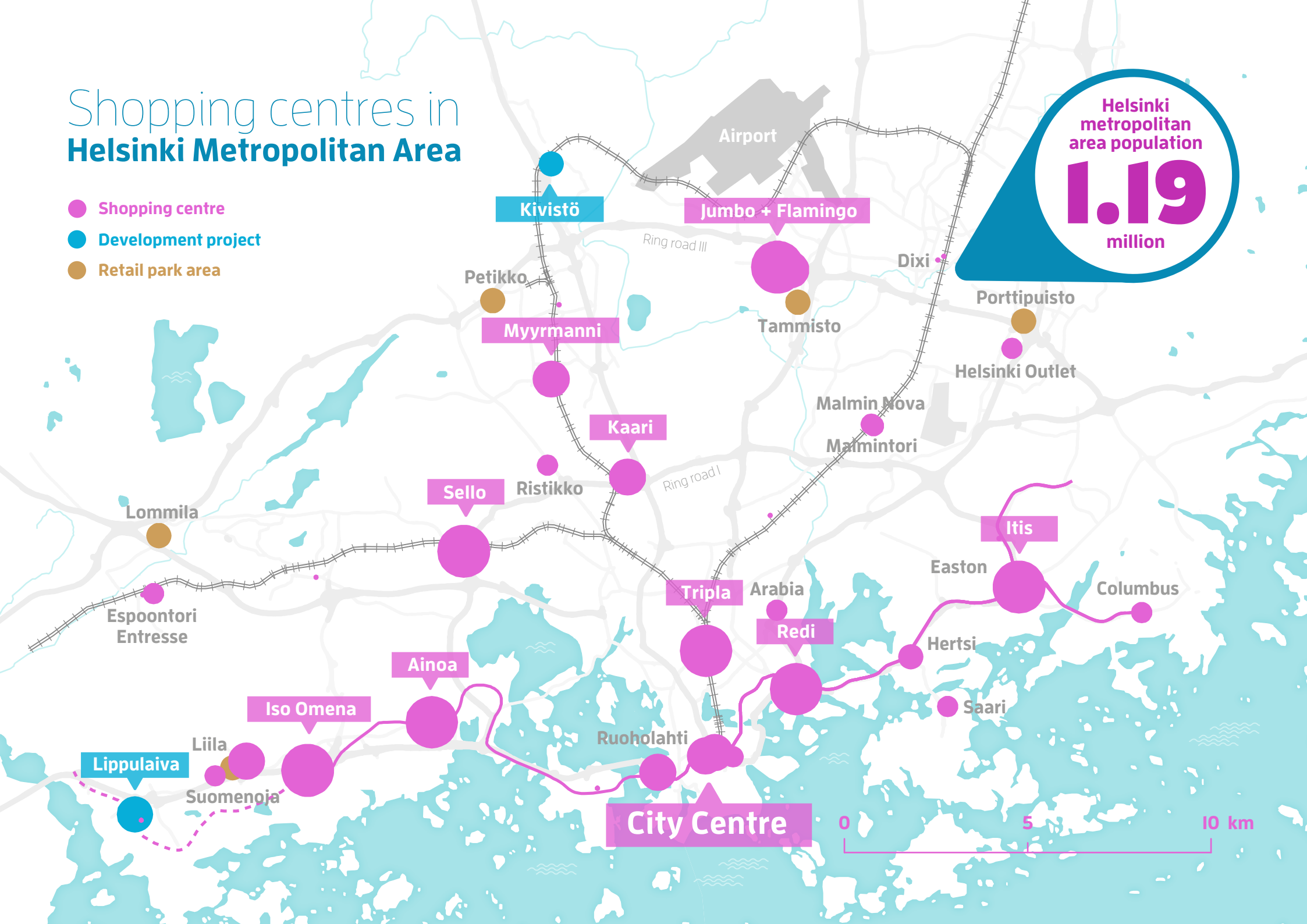


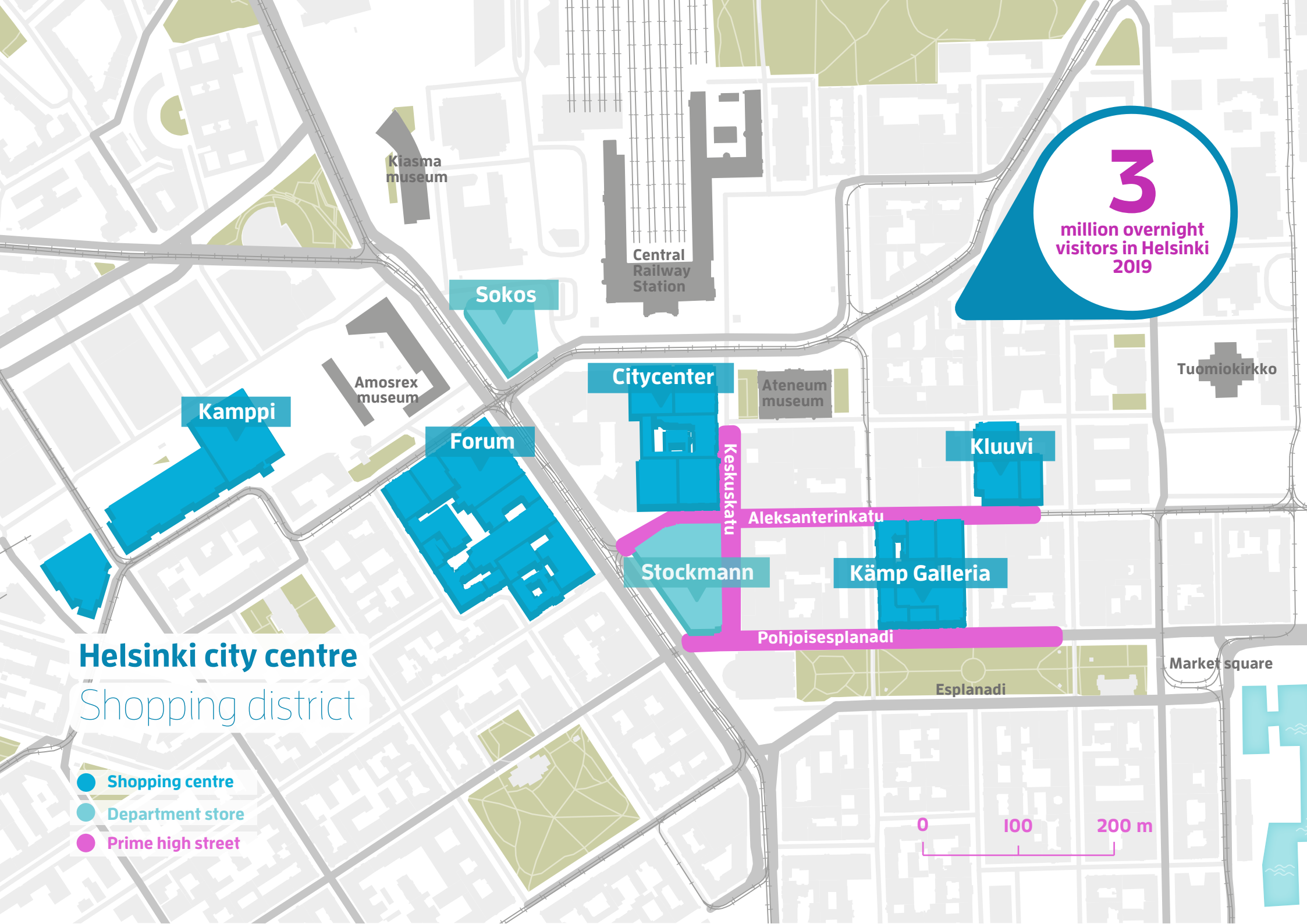
Shopping centres in Helsinki Metropolitan Area

- Shopping centre
- Development project
- Retail park area

Helsinki
metropolitan
area population

1.19
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 and development projects in Helsinki

Outside Helsinki city centre

	Sales 2019, EUR million	Footfall 2019, million	Leasable retail area, sq m	Sales / Leasable retail area	Sales / Visitor
Jumbo-Flamingo	501	13	115,900	4,300	38
Sello	394	24	91,700	4,300	16
Tripla (opened in 2019)	-	-	85,400	-	-
Iso Omena	385	20	84,500	4,600	19
Itis	319	18	78,562	4,100	18
Redi	110	8	59,000	1,900	14
Kaari	234	7	45,665	5,100	33
Ainoa (extension completed in 2019)	146	7	45,584	3,200	21
Myyrmanni	152	9	31,100	4,900	18
Lippulaiva (under construction, completion in 2022)	-	-	42,000	-	-

Helsinki city centre shopping centres

Forum	216	13	40,500	5,300	17
Kamppi	235	30	32,662	7,200	8
Citycenter	118	17	24,000	4,900	7
Kämp Galleria	41	3	8,432	4,900	16
Kluuvi	32	4	10,000	3,200	8

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 growing university city and one of the fastest growing urban areas in Finland. The city centre is developing fast. Currently, the largest multipurpose arena in Finland as well as the first tramway of the city are under construction. In the future, new skyline is growing fast around Tampere railway station with new buildings to cover the railway tracks.

Tampere was the second busiest congress location in Finland with 9,000 congress visitors in 2018. The revenue impact brought to Tampere by the congresses was over 12 million euros, which is 1,340 euros per congress visitor.

Key facts Tampere

Population 2019	City 238,100 (whole city region 410,700)
Workplaces 2017	122,600 (whole city region 175,200)
Students 2018 (higher education)	30,900
Disposable income per capita 2018	EUR 23,700
Shopping centres 2019	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 Torini / Aki Rask

Photo: Hiedanranta sustainable smart city attitude / Laura Vanzo

Tampere region

Shopping centres

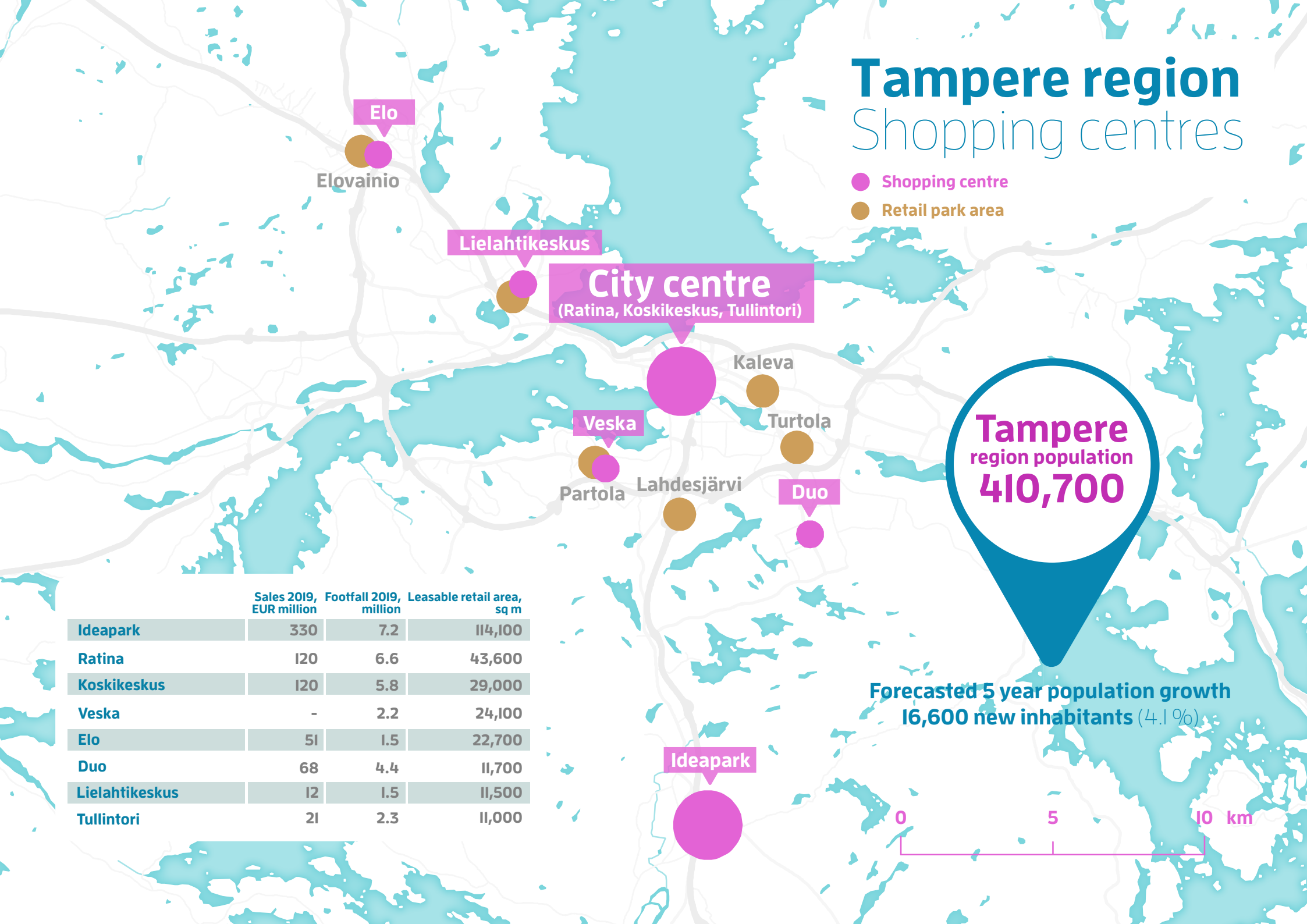
● Shopping centre

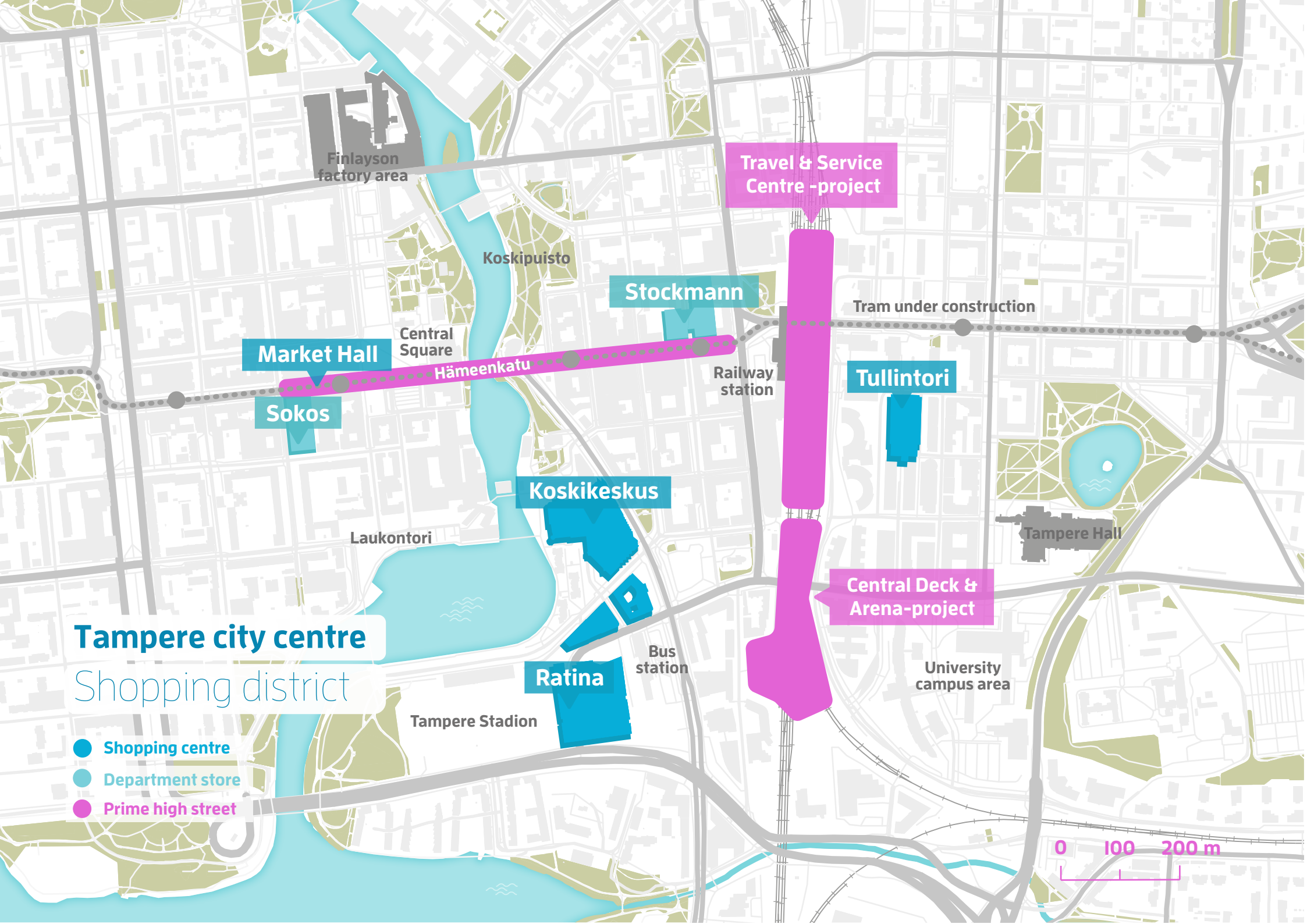
● Retail park area

Tampere
region population
410,700

Forecasted 5 year population growth
16,600 new inhabitants (4.1%)

	Sales 2019, EUR million	Footfall 2019, million	Leasable retail area, sq m
Ideapark	330	7.2	114,100
Ratina	120	6.6	43,600
Koskikeskus	120	5.8	29,000
Veska	-	2.2	24,100
Elo	51	1.5	22,700
Duo	68	4.4	11,700
Lielähtikeskus	12	1.5	11,500
Tullintori	21	2.3	11,000





Finlayson
factory area

Travel & Service
Centre -project

Koskipuisto

Stockmann

Tram under construction

Market Hall

Central
Square

Hämeenkatu

Railway
station

Tullintori

Sokos

Koskikeskus

Laukontori

Tampere Hall

Central Deck &
Arena-project

Tampere city centre
Shopping district

Bus
station

University
campus area

Ratina

Tampere Stadion

- Shopping centre
- Department store
- Prime high street

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. The municipality has an ambitious new vision for developing the city centre and giving a boost for the future of the whole Turku region.

Key facts Turku

Population 2019	193,000 (whole city region 332,300)
Workplaces 2017	100,100
Students 2018 (higher education)	29,900
Disposable income per capita 2018	EUR 23,000
Shopping centres 2019	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

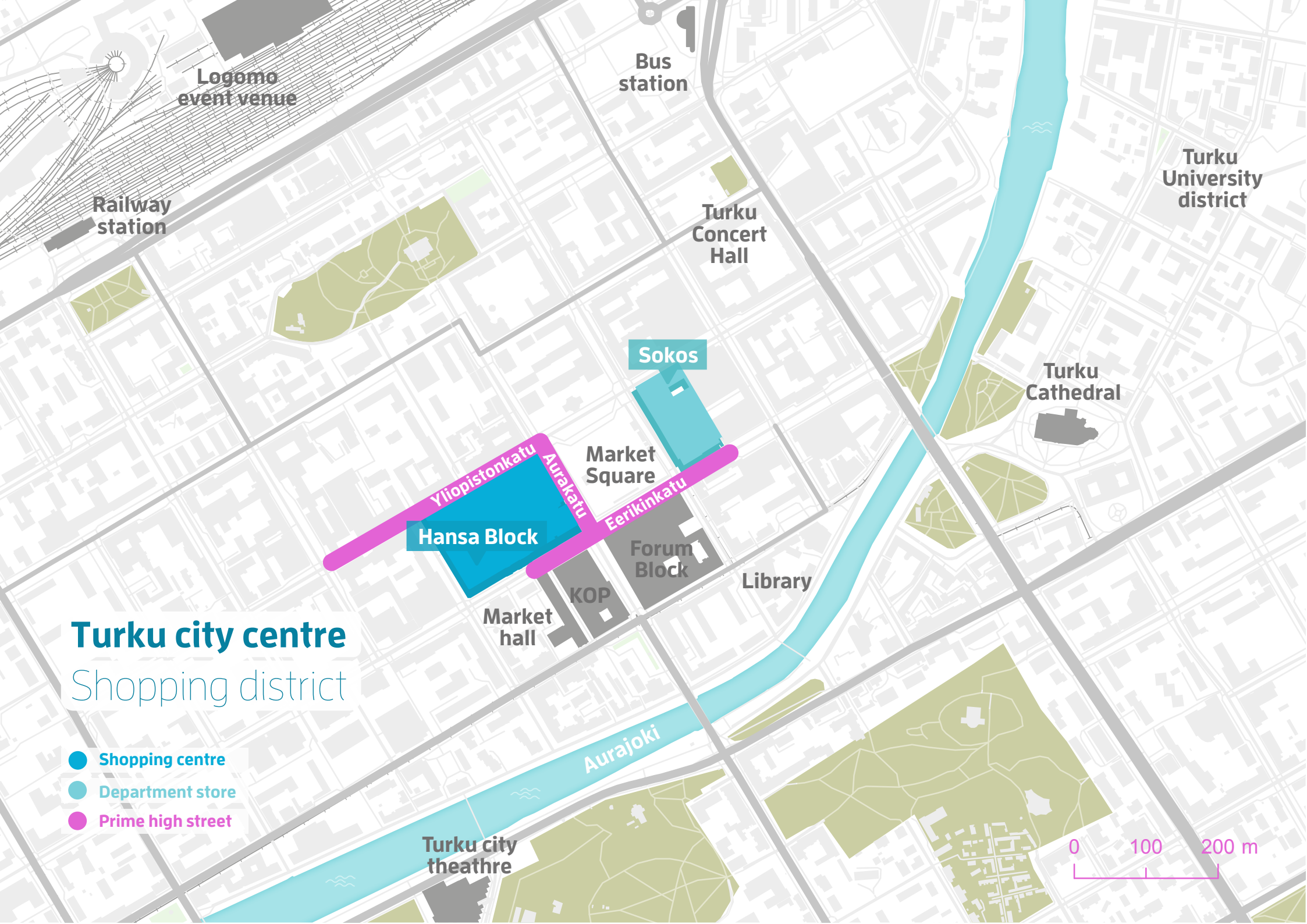
- Shopping centre
- Retail park area

Turku
region population
332,300

Forecasted 5 year population growth
9,400 new inhabitants (2.8 %)

	Sales 2019, EUR million	Footfall 2019, million	Leasable retail area, sq m
Mylly	233	5.8	58,700
Hansa	211	11.5	53,000
Skanssi	130	3.8	36,900

0 5 10 km



Logomo
event venue

Railway
station

Bus
station

Turku
Concert
Hall

Turku
University
district

Turku
Cathedral

Sokos

Market
Square

Hanza Block

Forum
Block

Library

KOP

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.

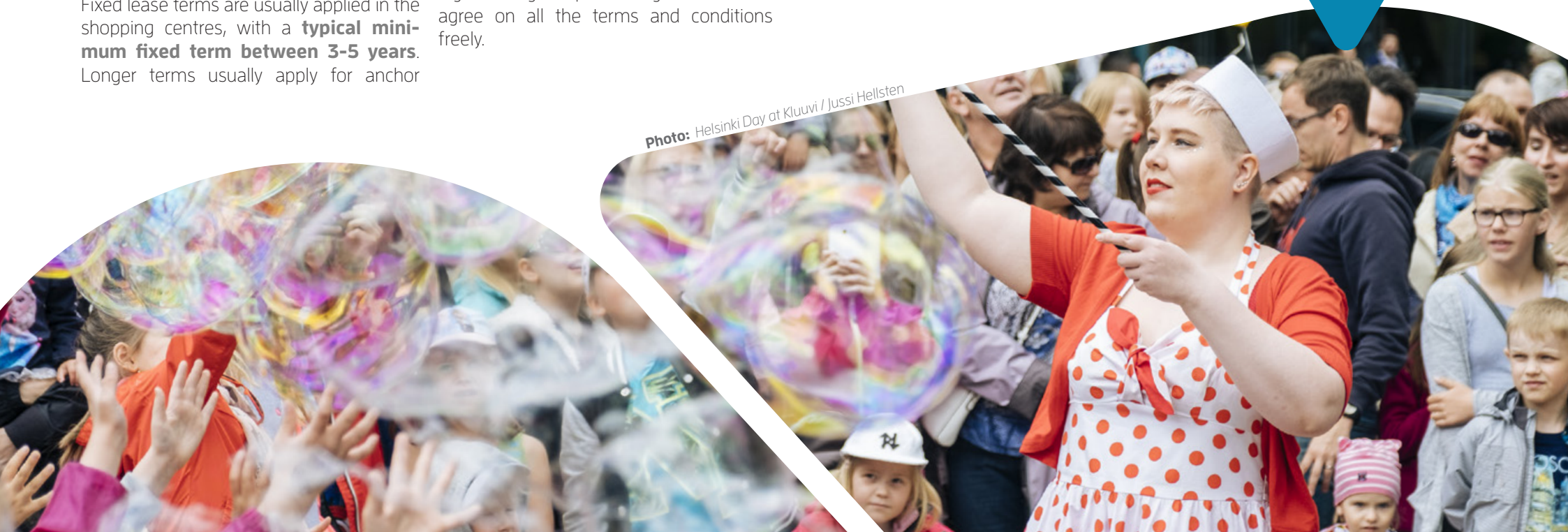
Rents are usually adjusted annually according to the cost of living index. The legislation gives parties high freedom to agree on all the terms and conditions freely.

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 / Jussi Hellsten





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 2020

www.kauppakeskusyhdistys.fi/en