Spring | 2026 Market Review

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This market review reflects the views and evaluations of Trevian Asset Management's team of real estate professionals on the development of the real estate markets in Finland. The evaluations are based on market data, trends visible in our business activities, and our long-standing experience in the real estate sector.

DIGITALIZATION AND TOURISM DRIVE DEMAND FOR REAL ASSETS

In 2026, Finland's real estate market will not recover evenly. Instead, it will clearly divide into sectors experiencing growth and those facing structural challenges. Market direction is no longer defined by the general cycle, but by where real economic growth is taking place. Two key forces are shaping development: digital infrastructure as a driver of the energy transition, and the rapid growth of tourism in Lapland.
Both are characterized by genuine international demand, long-term competitive advantages, and a strong reliance on physical real estate.

DIGITAL INFRASTRUCTURE AT THE TOP OF THE REAL ESTATE AGENDA

Digital infrastructure has become a structural foundation of the real estate market. In 2025, new data center investments already accounted for approximately 30% of total real estate investment volumes, clearly illustrating where growth is concentrated while much of the traditional market remained stagnant.

In 2026, data centers, the data services industry, energy production and transmission, and telecommunications networks will increasingly guide investment decisions, zoning, and regional development. Finland's competitive position is strong: clean and affordable energy, an expanding power grid, a stable operating environment, a cool climate, and reliable telecommunications make the country an attractive destination for global capital.

As energy demand exceeds supply, investments in electricity infrastructure and digital assets continue to accelerate. Data centers represent long-lived, structural demand: while technology evolves, the real estate remains, supported by long-term and predictable lease agreements.

THE DATA SERVICES ECOSYSTEM EXPANDS REAL ESTATE DEMAND

A shift in market thinking is underway. The focus is no longer solely on individual data centers, but on a broader data services ecosystem where data is stored, processed, and refined. This creates new business models and diversifies real estate demand around digital infrastructure.

U.S. technology companies are leading the development, but Europe is building parallel solutions. Microclouds and AI-driven applications are decentralizing demand and reducing reliance on single operators.
As demonstrated by Amsterdam's development, strong data infrastructure and a thriving IT industry reinforce one another – a similar growth path is also possible in Finland.

TRADITIONAL PROPERTY SECTORS: SELECTIVE PROGRESS

At the same time, development across traditional real estate investment classes remains selective and polarized.

In Finland, retail activity is strongly concentrated in shopping centers, making the retail sector comparatively less risky in an international context. Digitalization acts as a reinforcing force: omnichannel operating models increase the role of physical stores as hubs for brand visibility, customer experience, and logistics. Within retail, the focus is shifting increasingly toward services. Rental levels remain moderate, but occupancy rates stay high, particularly in shopping centers where health and wellbeing services stabilize cash flow and strong brands continue to drive leasing demand.

In logistics and light industrial properties, polarization is intensifying. Modern, automation-ready facilities perform well, while older building stock faces demolition and rezoning pressure. Previously developed properties lacking conversion or redevelopment potential are increasingly challenged, as assets tailored to a single user are not always adaptable to broader market needs.

The residential market has moved closer to normalization as financing conditions have improved, but construction activity remains subdued and regional disparities continue to widen. By contrast, the office market remains weak: investors are reducing exposure, voluntary transactions are limited, and refinancing has become a central theme.

Overall, the investment market in 2026 remains cautious and selective. Capital is directed toward healthcare, social infrastructure, digital infrastructure, and tourism, while the role of foreign capital increases as domestic capital becomes less mobile.

A NEW GROWTH ENGINE: TOURISM IN LAPLAND

Alongside traditional sectors, a new source of structural growth has emerged: tourism in Lapland. Entering 2026, it represents the clearest growth story in Finland's real estate market. Growth is driven by genuine international demand, strong branding, and long-term infrastructure development.

Lapland's competitive advantage over peer destinations is rooted in investments in airports, accommodation, experience services, and logistics. Demand exceeds supply, with growth constrained primarily by accommodation capacity and housing. The solution is not mass tourism, but high-quality, sustainable, premium-focused tourism. This enables long-term leases, the entry of international hotel and resort operators, and the creation of new investment vehicles.

PUBLIC–PRIVATE CAPITAL PARTNERSHIPS ENABLE GROWTH

Digital infrastructure, energy, and tourism-supporting assets are capital-intensive, while many municipalities face limited investment capacity. The key issue is not a lack of demand, but the structure of financing. The Swedish model, where the public sector acts as an enabler while institutional investors provide the core capital, offers a compelling blueprint for Finland as well.

CONCLUSION

The year 2026 will be defined by selective growth. Success in the real estate market will favor sectors and assets that are linked to digital infrastructure, serve international demand, and rely on long-term, financially secure tenants.

Digitalization and tourism are not isolated trends – both require real assets around them. This represents the most significant opportunity in Finland's real estate market in 2026.

HAVE YOU READ THIS?

The year 2025 marked a clear turning point for the Finnish real estate market. After several challenging years, early signs of recovery translated into tangible momentum: interest rates began to ease, transaction activity picked up, and international investor interest in Finland strengthened – particularly in infrastructure and data center–related investments.

Trevian in 2025 – Market recovery, strategic investments and experience-led assets drive renewed momentum

Next, take a look at the compact table summarizing the present and future of different real estate sectors!

SECTOR	INVESTMENT		LEASING	
	PRESENT	FUTURE	PRESENT	FUTURE
RESIDENTIAL	The transaction market is gradually returning toward normal as financing conditions improve, making residential assets attractive again as an investment class. Construction activity is recovering slowly, while regional disparities continue to widen. The market is improving incrementally, but a fully balanced recovery has not yet emerged.	A significant increase in investment activity will occur only if the market fully normalizes and both rents and prices begin to rise. Stable prospects attract long-term investors, but rapid growth is unlikely without broader market normalization. Development is possible but remains dependent on overall market conditions.	The rental market is in a transition phase. Supply remains abundant, but the attractiveness of major cities and the recent slowdown in new construction are beginning to absorb excess supply, limiting rent increases. Family-sized housing is in short supply, driving demand in certain locations.	Rent levels are expected to return to normal, with occupancy rates increasing moderately, particularly in high-demand areas. Housing will need to become more compact and cost-efficient for families. However, the limited zoned land for residential use and employment conditions will constrain sharper rent growth.
OFFICES	The investor market for office properties remains weak. Many investors are looking to reduce their office exposure, and bringing assets to market at realistic pricing is often unattractive. Refinancing is therefore frequently chosen as an alternative. Sellers typically emerge only when an investment has reached the end of its lifecycle and a sale becomes unavoidable.	Voluntary transactions remain limited, but opportunistic long-term investors can find opportunities in attractively priced assets. Demand for high-quality offices is expected to recover gradually, and market polarization will persist. Smart city development is contributing to the densification of urban centers and continues to reshape the nature of work.	Vacancy in Helsinki CBD has continued to increase, and competition for tenants remains intense. Asking rents in new leases have seen little upward adjustment. However, well-located, high-quality office space continues to attract demand. Some large corporates are gravitating toward prime central locations or nearby areas as part of the competition for top talent. Active leasing efforts are essential to securing new leases.	High-quality offices in prime locations are expected to retain tenant demand. Flexibility in space design and lease terms will support leasing activity. For more challenging assets, profitability remains weak due to declining rents, high conversion costs, and accumulated capital expenditure needs, making the financial equation difficult to balance. Active leasing will become even more critical in the leasing process.
LOGISTICS	Transaction activity has declined less than in other sectors. There is demand for both prime and value-add assets, but market polarization remains pronounced: prime assets are highly sought after, while older properties without conversion or redevelopment potential face challenges. Opportunistic bids are common, but closing realistic transactions often requires a reassessment of the asset's value.	The market is expected to remain active for prime assets, with multiple buyers in place. Improved financing conditions are most clearly reflected in prime pricing. Polarization will persist, and while refurbishment of value-add stock can partially mitigate this trend, the strongest investor interest is focused on assets leased to established tenants under long-term agreements.	Rental levels largely follow indexation under long-term leases, although performance varies significantly between assets. Occupancy depends on location and adaptability. Prime assets with long leases continue to generate stable cash flow. Specialized segments such as defense, energy, and data infrastructure are increasingly visible in the market. Active leasing strategies and tailored lease structures are becoming more important.	Stabilization of construction costs are easing the near-term launch of new projects. ESG investments have become a baseline requirement for large users, particularly international companies, while domestic and smaller tenants tend to place greater emphasis on energy efficiency. A prolonged weak economic environment may impact tenants' ability to meet rental obligations, but proactive and flexible leasing strategies can help address demand effectively.
RETAIL	Although the broader investor market remains somewhat subdued, the retail sector continues to attract interest. The market picked up noticeably last year, with transaction activity focused on supermarkets, hypermarkets, and big-box assets, while shopping centers continue to stand out with high occupancy rates. In Finland, retail activity is strongly concentrated in highly accessible shopping centers, making the sector comparatively less exposed to risk.	Shopping centers are expected to retain their strong position as hubspots for both retail and services. The role of services, particularly health and wellbeing, will continue to expand as part of the overall tenant mix, helping to stabilize cash flow. Omnichannel strategies and strong brands support asset values, and investor focus is increasingly directed toward centers with diversified tenant mix and well-balanced risk structures.	Occupancy levels in shopping centers remain high despite ongoing uncertainty around consumer spending. Footfall has increased, and tenant line-ups are largely stable. Omnichannel retailing has become an integral part of tenants' operating models and brand presence. Growth is being driven by beauty, health, and wellbeing products, while restaurants and fashion retailers face a more challenging operating environment.	Tenants with strong digital capabilities and omnichannel operations are expected to be the most resilient over the long term, reinforcing both the attractiveness and value of shopping centers. Retail brands and service offerings continue to support consumer demand and high occupancy rates, with accessibility remaining a key determinant of leasing demand.

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Trevian Asset Management is a Finnish real estate investment and asset management company focused on office, retail, residential, logistics and data centres, owned by its key personnel. We offer full-service asset management and structured investment services throughout the whole investment lifecycle. The services are focused especially for institutional real estate investors, banks, and other professional investors.

Trevian's assets under management is 1.2B€. www.trevian.fi/en

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