CBRE | Baltics TALLINN OFFICE MARKET| SNAPSHOT Q1 2020

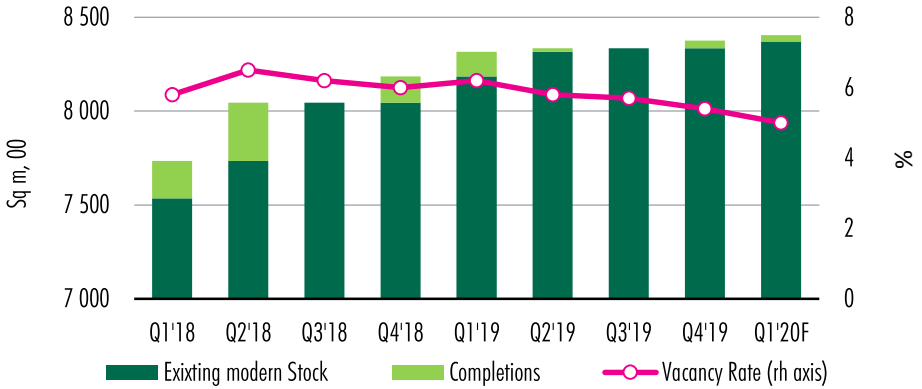
KPI:

- Stock: 837,000 sq m
- Vacancy Rate: 5.5%
- Completions: 3,500 sq m
- Prime yield [1]: 6.0%

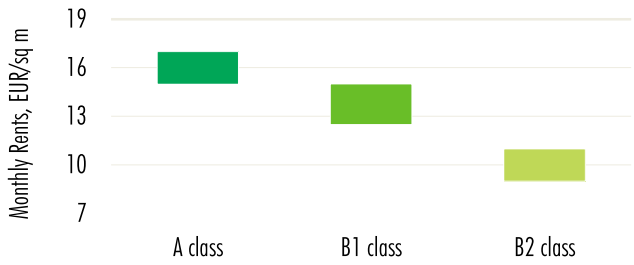
Macro:

- HICP: 2.0% [2]
- GDP: 3.9% [1]
- Unemployment: 5.6% [2]
- Wage Growth: 5.4% [3]

Main Indicators, Tallinn Modern Office Stock:



Office Rent Prices by Class:



Highlights:

- Overall vacancy continued to decline from the high of Q1 2019. The reduction was due to high demand from local companies and the lack of new projects delivered to the market.
- Rent prices have stabilized somewhat, reflecting the uncertainty of the future of the global economy after the COVID-19 crisis and the delay of new office building completions.
- Take-up for Q1 2020 was 7 500 sq m.
- In the first quarter, one project was completed: Väike –Järve Ärikeskus, which delivered 3 500 sq m of new office space.
- The rest of the year should see around 80 000 sq m of new office space delivered. Although some projects will be delayed due to the COVID-19 epidemic.
- Major development projects currently under construction are the 2nd phase of Fahle Park, which will provide 15 000 sq m of new office space and Viktor Palmi maja in Ülemiste adding a further 11 000 sq m.

Projects pipeline, 2020:

Project	Class	Landlord	Expected[1]	GLA, sq m
Lurichi maja	A	Mainor Ülemiste	2020	3 705
Viktor Palmi maja	A	Technopolis	2020	11 000
Ellipsi Maja	B1	Fund Assets	2020	4 800
Mauruse maja	B1	Fund Assets	2020	7 700
Büroo 31	A	Novira	2020	3 000
Elektrilevi HQ	B1	Kaamos	2020	10 000
Fahle Park 2nd phase	A	Fausto Grupp OÜ	2020	15 000

Notes: figures show Q1 2020 result. KPI arrows indicate Q1 2020/Q4 2019 change. Take-up includes pre-lease
Macroeconomics data are yearly results; arrows indicate y/y growth result comparison.
1. Before COVID – 19 outbreak. 2. February 2020 data. 3. Nominal net wage growth, Q4 2019.
Sources: Eurostat, Eesti Pank, CBRE Baltics Research, stat.ee

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