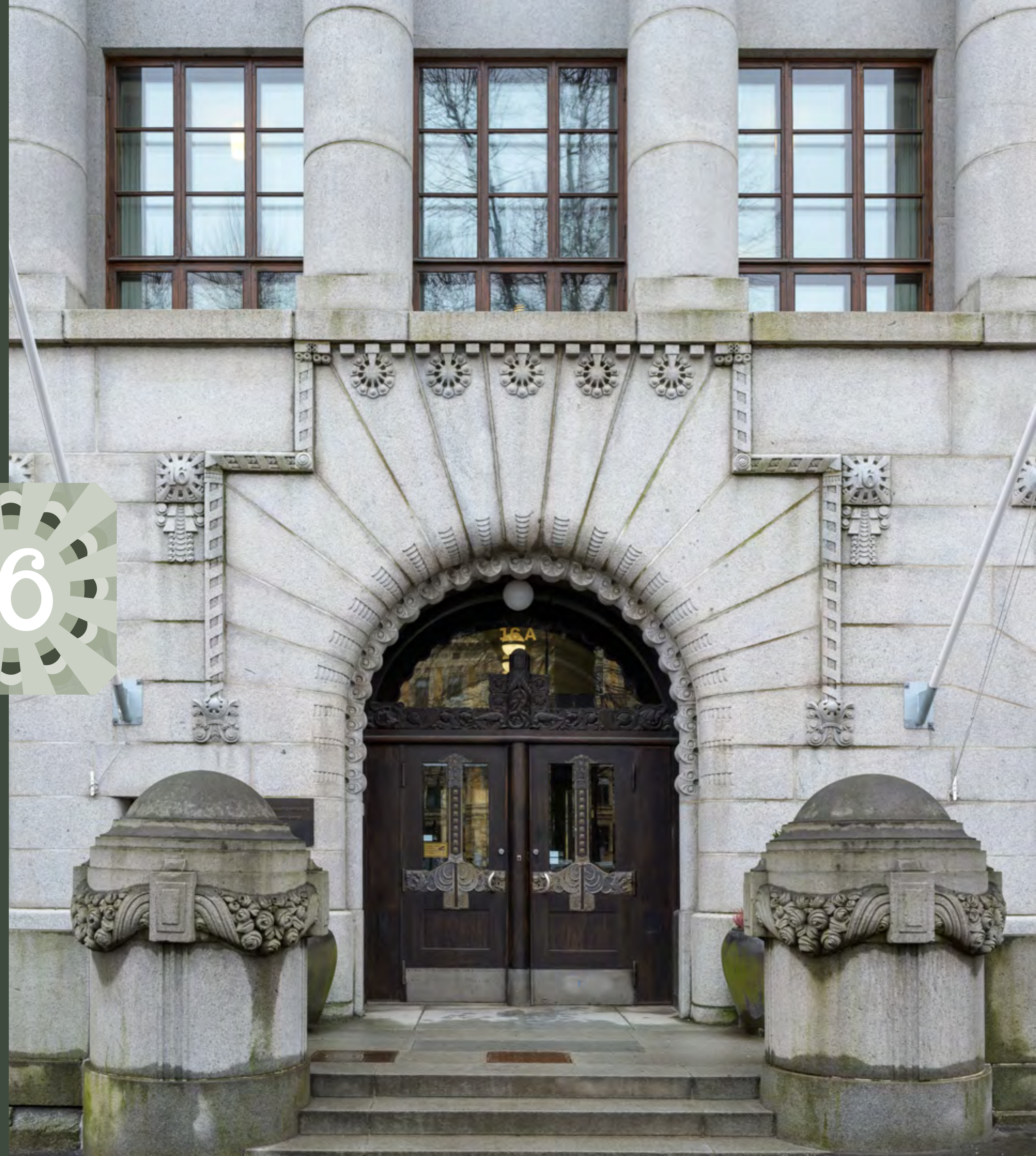


ETELÄESPLANADI

Historic landmark building in the heart of Helsinki



ETELÄESPLANADI

Historic landmark building in the heart of Helsinki



Basic information	3
History	4
Location	5
Protection status	8
Description of the building	9
Technical condition	11
Zoning	13
Bids	14
Process	15
Further information	17

Senate Properties is selling a historic landmark building at Eteläesplanadi 16 in the heart of Helsinki. The property, once known as ‘The Bank House’, was originally built for the Mortgage Society of Finland.

The building was completed in 1909 and extended in 1956 and between 1965 and 1967. The original design was by renowned Finnish architect Lars Sonck, and the building is protected under a Government Decree (Decree on the Protection of State-owned Buildings).

The building consists of seven stories and a basement, and has a floor area of approximately 4,910 square metres. The property boasts a number of stately function rooms, such as the former banking hall ‘Sonck Hall’.

The property has most recently been occupied by various Government departments in 2021.

Basic information

Address	Eteläesplanadi 16, Helsinki
Property identifier	91-3-49-4
Land tenure	Freehold
Lot size	~1,505 m ²
Usage	The building has previously been used as offices
Protection status	Protected under a Government Decree
Year of completion	1909, extended in 1956 and 1965–1967
Architect	Lars Sonck (original design)
Gross area*	~5,777 m ²
Floor area*	~4,910 m ²
Occupancy	Vacant
Maintenance costs (2022)	EUR ~230,500 per year
Current owner	Finnish Government

* Municipal Register of the City of Helsinki, planning permission and building information. The figures are unverified.

Distinguished and historic landmark building

Prestigious location in central Helsinki

ETELÄESPLANADI

16

Rare opportunity to develop a property in Helsinki CBD



‘The Bank House’ is one of the most striking examples of Lars Sonck’s Art Nouveau designs from the Romantic era

The designer of the building, Lars Sonck, is among the most prominent Finnish architects of the Romantic era. The building was commissioned by the Mortgage Society of Finland, which opened a bank on the property. Consequently known as ‘The Bank House’, the building is both a piece of history and an embodiment of Finnish cultural identity. The building is the only one representing Art Nouveau architecture on the south side of the Esplanade Park.

The property was occupied by the Mortgage Society of Finland until 1939, when the Finnish Government purchased the building to house the Social Insurance Institution of Finland. The property was extended for the first time in 1956, when the National Board of General Education moved into the building. The two-storey extension was built on top of the street-facing wing. A second two-storey extension was built on top of the courtyard-facing wing to create more space. The works were completed in 1967.

The National Board of General Education vacated the property in the mid-70s, and the building was thoroughly renovated between 1976 and 1978. A fire that started on the construction site on Midsummer’s Night in 1976 destroyed many of the original structures and put the renovation behind schedule. The Finnish Ministry of Transport and Communications moved into the building in stages in 1977. A building history survey was conducted in 2008 (Ark-byroo) and updated in 2022 (Insinööri Studio). The survey reports can be found in the project bank.





Prestigious address in the heart of Helsinki

The property is located in the heart of Helsinki on Eteläesplanadi, which is one of the most prestigious addresses in the city. The central location also guarantees high visibility and excellent transport links. Eteläesplanadi runs on the south side of the Esplanade Park, which lies between the Market Square and Mannerheimintie and is one of the city's most loved spots among tourists and locals alike.

There are tram stops within 300 metres of the property in the Market Square, on Aleksanterinkatu and on Erottaja. The nearest entrance to the University of Helsinki metro station is approximately 400 metres away. The distance to Helsinki Central Station and bus terminal is approximately 600 metres.

In addition to the prestigious address and excellent transport links, the central location brings with it easy access to a wide range of services. There are, for example, three shopping complexes, two department stores and numerous museums, theatres, restaurants, corporate headquarters and government offices in close proximity to the property. The area is also well known for hosting events: both the Espa Stage in the Esplanade Park and Helsinki Railway Square are popular places for people to congregate.





Kamppi
(shopping complex)

Lasipalatsi
(restaurant complex)

Sokos
(department store)

Helsinki
Central Station

Ateneum
(art museum)

Entrance to
Helsinki metro

Kluuvi
(shopping complex)

Senate Square

Stockmann
(department store)

Forum
(shopping complex)

Hotel Tornii

Swedish
Theatre

Hotel Kämp

16
ETELÄESPLANADI 16

Examples of nearby
amenities and
landmarks.



PROTECTION STATUS



The Finnish Government decided on 18 September 1980 to protect the property under the Decree on the Protection of State-owned Buildings (278/1965, later 480/1985).

The protection order does not specify a protection classification for the property and provides no detail on the scope of protection. Protected buildings cannot be modified or used in a way that could damage their cultural or historical value without first seeking permission from the Finnish Heritage Agency. The details of any planned repairs or modifications also need to be approved by the Finnish Heritage Agency ahead of time.

The buyer must agree not to seek compensation under the Finnish Act on the Protection of Built Heritage (498/2010), as the costs arising from protection orders will be factored into the sale price.

Whenever the Finnish Government decides to sell a building that is protected under a Government Decree, the competent Centre for Economic Development, Transport and the Environment (ELY Centre) starts proceedings to ensure the continued protection of the property. This means reviewing the protection order on the property in accordance with the Finnish Act on the Protection of Built Heritage. The protection status of the building will then be renewed either on the basis of a protection order issued by the ELY Centre under the Act on the Protection of Built Heritage or through zoning pursuant to the Finnish Land Use and Building Act.

The property also lies partially within the nationally significant built cultural heritage site of the Esplanade Park. The Finnish Government has adopted the Finnish Heritage Agency's inventory of built cultural heritage sites as an inventory within the meaning of the national land use objectives established pursuant to the Land Use and Building Act. The cultural heritage sites identified in the inventory must be taken into account in land use planning.



OFFICE OF THE PERMANENT SECRETARY, PHOTO FROM 2008. SAMI HEIKINHEIMO, ARK-BYROO OY.



SONCK HALL, PHOTO FROM 2008. SAMI HEIKINHEIMO, ARK-BYROO OY.



The building consists of seven stories and a basement. There is also a courtyard on the property, with parking for five cars. The most significant interior spaces are described briefly below.

Floor 1 (ground floor)

- Two entrances into the building from Eteläesplanadi and a gateway providing vehicular access to the courtyard
- Sonck Hall (former banking hall)
- Conference rooms in the courtyard-facing wing (former trading hall)
- Café

Floor 2

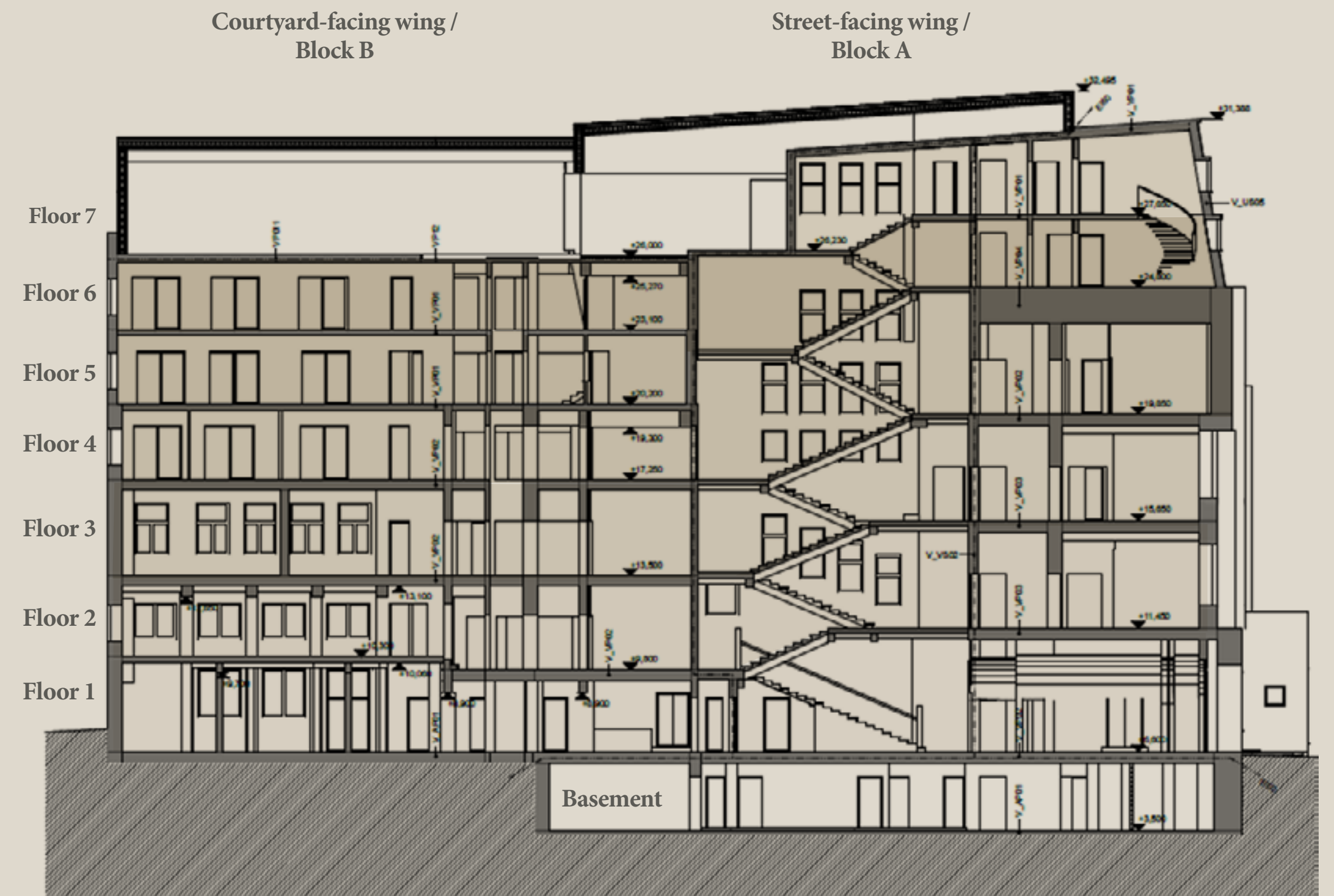
- Offices
- Former customer reception hall (formerly the office of the Minister of Transport)
- Management’s conference room (formerly the office of the Permanent Secretary)

Floors 3 to 7

- Mostly offices

Basement

- Technical premises, staff break areas and storage





Technical information

Gross area*	~5,777 m ²
Floor area*	~4,910 m ²
Year of completion	1909, 1956, 1965–1967
Stories	7 + basement
Lifts	3
Heating	District heating
Ventilation	Mechanical, with heat recovery
Air conditioning	Mechanical cooling
Building material	Solid brick
Façade	Stone, plastering and copper
Roof	Gable roof, copper
Windows	Triple-glazed openable wooden windows

* Municipal Register of the City of Helsinki, planning permission and building information.
The figures are unverified.



TECHNICAL CONDITION



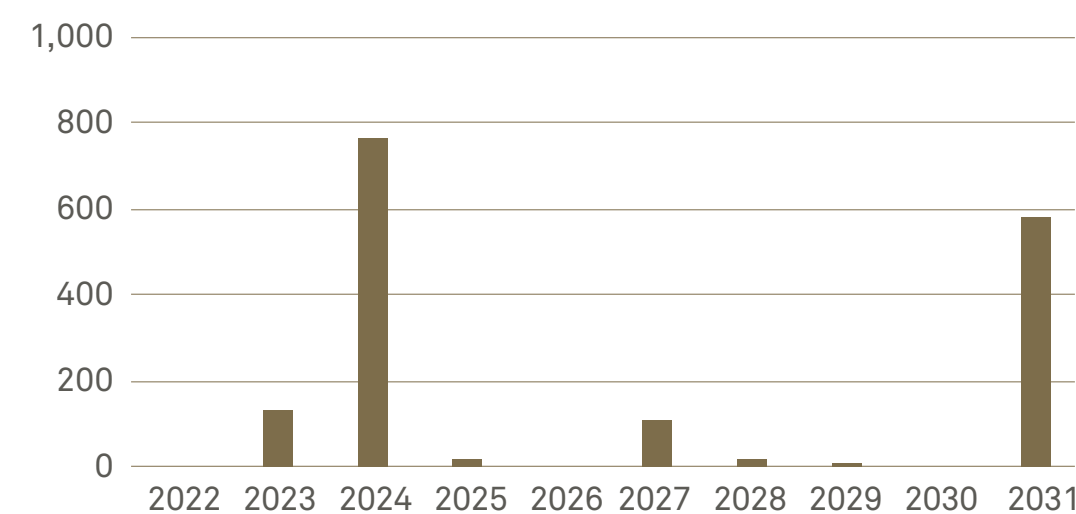
The building was most recently renovated in 2009/2010. Insinööri Studio has prepared a summary of repairs carried out in the building in 2020 and 2021, which can be found in the project bank.

There is construction debris under some of the intermediate floors of the building, and the ground slab contains liquid asphalt in places. The third and fourth floors of the street-facing wing were pulled up and the space underneath cleared in 2021, but the parquet flooring and doors, for example, have not been installed. The project bank contains survey reports concerning the intermediate floors, a project plan as well as a summary of works that have already been carried out. The enclosed repair cost estimate by Ramboll Finland Ltd does not cover breaking up concrete on the upper floors and removing the organic material currently found in the intermediate floor structures. The aforementioned repairs and surveys are based on technical evaluation, and they don't take into account the possible change of the buildings intended use. There have not been any negotiations regarding changing the current use of the building with the authorities.

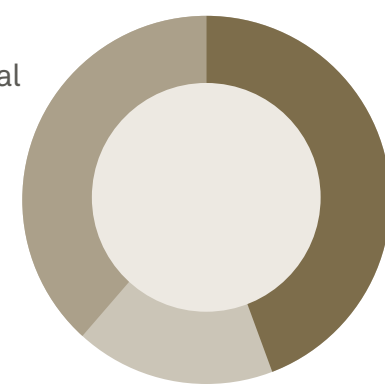
Ramboll Finland Ltd conducted a technical condition survey on the property in November 2022. The report concludes with a cost estimate of repairs to be carried out between 2022 and 2031, which comes to EUR 1,633,000 in total, excluding value-added tax (EUR 2.36 per gross square metre). The survey report can be found in the project bank. The project bank also contains other reports concerning the property as well as a summary of surveys carried out in the past.

The seller cannot be held responsible for the accuracy of information contained in reports drawn up by third parties.

Repair cost estimate for 2022–2031 (EUR 1,000) *



Electrical
38%



Structural
44%

Mechanical and
automation systems
17%

*Ramboll Finland Ltd, November 2022, excl. VAT, costs at 2022 prices.





MAINTENANCE COSTS



The maintenance costs of the building that are given here do not include the current owner's property management costs and liability insurance. All amounts are exclusive of value-added tax. The property is currently vacant with the exception of an antenna site / technical room leased to Elisa for EUR 1,778 per year (+ VAT). The lease is tied to the cost-of-living index (2012:8). Elisa also pays a portion of the electricity bill for the property, based on estimated consumption (approximately EUR 1,200 for the year in 2023). The lease agreement with Elisa can be found in the project bank. According to the real estate tax review made in 2022 the real estate tax for the property has been approximately 33,000€ too low when compared with the tax decision from spring 2022. The real estate tax review can be found from the project bank (Ramboll 2022).

Maintenance costs (EUR)

	2020	2021	2022
Occupancy and upkeep	-62,900	-60,200	-49,600
Outdoor maintenance	-500	-1,200	-1,600
Heating and cooling	-49,500	-64,500	-62,800
Water and sewage	-4,600	-1,800	-2,400
Electricity	-41,800	-41,500	-28,100
Waste management	-19,600	-16,700	-6,500
Property tax	-62,000	-61,500	-66,600
Repairs	-147,800	-55,200	-11,300
Other	-1,400	-2,700	-1,600
Total maintenance costs	-390,100	-305,200	-230,500

The maintenance costs of the building that are given here do not include the current owner's property management costs and liability insurance. All amounts are exclusive of value-added tax.



The current zoning plan for the property dates from 23 August 1836 and lacks all zoning regulations that are customary today (such as those relating to permitted and prohibited uses, protection status, planning rules and parking). The property has been subject to a no-construction order due to ongoing rezoning since 1961. The old zoning documents for the area are currently being reviewed and updated to reflect the as-built reality and to factor in functional zoning objectives. The current no-construction order expires on 11 October 2024. The City of Helsinki Planning Department estimates that the rezoning of the Kaartinkaupunki district, where the property is located, will be completed in 2026.

The property lies within an area that has had designated functional zones since 2016. Eteläesplanadi 16 is located in the heart of Helsinki's commercial district and zoned as 'C1: General Commercial', allowing for a variety of uses ranging from governmental, residential, recreational and cultural to public services, offices, retail, sports and green spaces. The street-facing ground floors of buildings are generally reserved for commercial purposes. The area is largely pedestrianised. It stands out from the rest of central Helsinki for its high density and wide range of services. The City of Helsinki Planning Department wants to keep the volume of commercial and office space in the area at least at the current level. Any plans to change the use of buildings or parts of buildings must factor in the need to preserve the mixed-use character of central Helsinki. These kinds of decisions can have implications much further afield, which also needs to be taken into consideration.

The use specified for the property based on zoning is incorrectly given in the cadastral system as 'A: Residential'. The project bank contains minutes of a meeting between the City of Helsinki, the Finnish Heritage Agency, the ELY Centre and Senate Properties where the balancing act between zoning objectives and the protection status of the building was discussed. Based on the discussions the property cannot be converted into residential premises. The authorities would prefer to see the building remain in official use but would also welcome a commercial operator.



**Bids can be submitted by email to**

senaatti@senaatti.fi

or by post to Senate Properties / Registry,
PO Box 237 (Lintulahdenkatu 5 A), 00531 Helsinki, Finland.

Please include the reference 'Eteläesplanadi 16, Helsinki'
in youremail or on the envelope.

Bids must be based on this prospectus and the information provided in the project bank.

Bids must contain at least the following information:

- 1. Purchase price.** Debt-free purchase price (total, in euros).
- 2. Description of the buyer.** Basic information about the buyer and its owners. If there are multiple buyers, basic information about each buyer.
- 3. Financing.** Information about the financial position of the prospective buyer. Sources of equity and liabilities and the amount to be borrowed.
- 4. Assumptions.** Assumptions on which the indicative purchase price is based and that may affect the purchase price.
- 5. Due diligence.** Scope and schedule of due-diligence checks to be performed.
- 6. Pending approvals.** Basic information about decisions (e.g. board approval) that are needed before the transaction can be completed and when these are expected.

Please note: All buyers (individual organisations or consortium members) must satisfy the following minimum eligibility criteria:

- The buyer must have the economic and financial means to purchase the property.
- The buyer must be up to date on their tax and other similar payments.
- The buyer or anyone with a controlling interest in the buyer's organisation must not be subject to sanctions imposed by the EU or the UN.

If the buyer is an entity mentioned in 1 § of the Act on Transfers of Real Estate Requiring Special Permission (470/2019 and its additions), the buyer needs the permission mentioned in the aforesaid act from the Ministry of Defence in order to acquire the property during the sales period or other set period of time announced by the seller.

PROCESS



The object of sale is open to negotiation offers.

Bidders will be responsible for their own costs.

The seller reserves the right to make corrections to the information provided in the prospectus, other documentation or verbally.

The seller cannot guarantee the accuracy of the information provided in the prospectus, other documentation or verbally to the buyer or the buyer's advisors. Senate Properties reserves the right to reject all bids and to ask bidders for more information as required.

Further information and viewings

Please contact our Sales Managers to arrange a viewing. Full details about the property can be found in the project bank. To request a username and password, please contact paivi.pulkkinen@senaatti.fi. Please make sure to include your name and email address and the name and address of your organisation.





Key terms of the sale

The sale and purchase agreement will be based on normal market terms with limited seller's liability and the information presented in this prospectus and other documents contained in the project bank.

The building is currently protected under a Government Decree. The sale and purchase agreement will include a clause whereby the buyer agrees not to seek compensation under section 13 of the Act on the Protection of Built Heritage (498/2010), as the costs arising from protection orders will be factored into the sale price.

Bids that are conditional on zoning changes will not be accepted. Any rezoning required by the buyer or processes initiated or ordered by the authorities will be the buyer's responsibility.

The use specified for the property based on zoning in the cadastral system is A: Residential'. This is incorrect.

The seller has not remeasured the floor area and cannot provide definite information about the building volume on the property. The sale price will not be based on area. The seller cannot be held responsible for mistakes in the aforementioned information.

The property is being sold as is, and the seller accepts no responsibility for the condition of the building. In view of the age of the property and the other special considerations discussed above, the seller cannot offer any guarantees regarding planning permission and other similar consents and approvals.

Should it transpire that there is contaminated soil on the property, the seller undertakes, as will be set out in more detail in the sale and purchase agreement, to cover the cost of any earthworks that are required specifically to remediate the contaminated soil to the satisfaction of the relevant authorities.

The transaction will be treated as a sale of direct real estate owning, and the transfer tax (4%) will be the buyer's responsibility.

The seller's liability is limited to 15 per cent of the sale price.

The terms of the sale and other special considerations are described in more detail in a document titled 'Information about the property and the terms of the sale' in the project bank.



Further information

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Senate Properties is the property specialist and work environment partner of the Finnish Government.

We work with our customers to create contemporary work environments taking into account the special features of their activities. We manage the state's real estate assets and maintain buildings of cultural and historical importance. Responsibility is at the heart of everything we do.

We create space for enthusiasm and success!

