



### **PORTRAIT**

Anders Nordvall leads the new Cushman & Wakefield

### **SWEDEN TODAY**

Catella's Johan Ericsson on the Swedish market trends

### **ANALYSIS**

What are JLL Tenzing, CBRE and NAI Svefa's views on the future?



Extra  
magazine  
inside!



# The #1 Property Media House in the Nordic Region

**Lokalnytt** [lokalnytt.se](http://lokalnytt.se)

[LokalerGöteborg.se](http://LokalerGöteborg.se) [LokalerÖresund.se](http://LokalerÖresund.se) [LokalerStockholm.se](http://LokalerStockholm.se)



**Lokalknadsdagen**  
**Fastighetsmarknadsdagen**  
**Fastighetskvinnan**



# Sweden's Real Estate Market is Sizzling Hot

WHEN THE MAJOR consultants summarised the Swedish transaction volumes of 2014 it was pleasantly evident that we were back at the record levels of 2008 – according to DTZ, the volume amounted to a total of SEK 156 billion, one billion over the record from 2008.

» Add strong macro economic fundamentals and you get an attractive Swedish investment market.«

weak transactional month, we can see that this year's transaction volume amounted to SEK 16 billion in the Nordic region. Add strong macro economic fundamentals and you get an attractive Swedish investment market, guaranteeing further large real estate deals in the future.

CONSIDERING THIS WE ARE even more excited to meet the international industry at Mipim in Cannes – currently with 17 degrees and sunshine. Lets hope this indicates that this year's Mipim will offer glowing business opportunities and heated real estate discussions.

FOR OUR PART, we will be especially visible at this year's Mipim; as the first Nordic real estate media, we will launch an international newsletter (and news site) with Nordic property news. You can already sign up for a subscription, completely free of charge, at [nordicpropertynews.com/newsletter](http://nordicpropertynews.com/newsletter), to keep up to date on all the latest news on the Nordic real estate market.



Editor-in-chief // Eddie Ekberg

DOMESTIC BUYERS REMAIN dominant but many testify to the growing interest of international investors. It is especially evident that these international investors make larger deals than the domestic, once they strike: In 2014 the Swedish investors averaged their deals at SEK 250 million, while the international investors averaged SEK 900 million.

AND EVERYTHING POINTS to this transaction trend persisting this year, and next year as well. Viewing January's activity, which normally is a

SEE YOU IN CANNES!

1 2015 // Year 11

PUBLISHER

Rolf Andersson, [rolf@fastighetssverige.se](mailto:rolf@fastighetssverige.se)

PUBLISHING COMPANY

Fastighetssverige AB, Trädgårdsgatan 1,  
SE-411 08 Göteborg, Sweden  
Phone: +46 31 13 91 16  
e-mail: [info@fastighetssverige.se](mailto:info@fastighetssverige.se)  
[www.fastighetssverige.se](http://www.fastighetssverige.se)

EDITORIAL STAFF

Eddie Ekberg,  
[eddie@fastighetssverige.se](mailto:eddie@fastighetssverige.se)  
Henrik Ekberg,  
[henrik@fastighetssverige.se](mailto:henrik@fastighetssverige.se)  
Rasmus Thedin,  
[rasmus@fastighetssverige.se](mailto:rasmus@fastighetssverige.se)  
Nicklas Tollesson,  
[nicklas@fastighetssverige.se](mailto:nicklas@fastighetssverige.se)

LAYOUT AND PRODUCTION

Lokalförlaget i Göteborg AB  
Joanna Juteborn,  
[joanna@fastighetssverige.se](mailto:joanna@fastighetssverige.se)  
Eva Møllergårdh Wernersson,  
[eva@fastighetssverige.se](mailto:eva@fastighetssverige.se)

GUEST AUTHOR

Håkan Frisen

ADMINISTRATION

Claudia Peters, [info@fastighetssverige.se](mailto:info@fastighetssverige.se)

ADVERTISING SALES

Rolf Andersson, [rolf@fastighetssverige.se](mailto:rolf@fastighetssverige.se)

PRINTING

Billes Tryckeri AB

DISTRIBUTION

Posten and CityMail

COVER

Pixprovider



On the cover // Anders Nordvall  
Read the interview on page 32.

It's authorised to quote from Fastighetssverige's articles if you adequately site the source. The permission from the publisher is required if you wish to reproduce articles or illustrations in full. The magazine is not responsible for received material, which has not been ordered.

# NIAM

IS NORDIC REAL ESTATE

## PARTNER OF CHOICE

Largest real estate private equity firm in Northern Europe with a strong local presence and offices in Stockholm, Helsinki, Oslo and Copenhagen

## DIRECT REAL ESTATE INDUSTRY EXPERIENCE

Fund management team averaging 20 years of direct real estate experience from leading European property companies

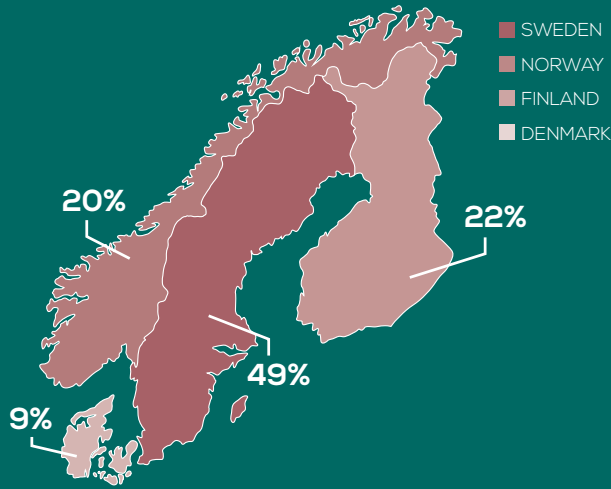
## EXCEPTIONAL PERFORMANCE

Net IRR of 17% on €5.3 billion of invested capital (Niam Funds I-V)

## DUAL STRATEGY PLATFORM

Opportunistic and Core-Plus investment strategies

### GEOGRAPHICAL DISTRIBUTION



### REAL ESTATE TYPE



[www.niam.com](http://www.niam.com)  
Founded in 1998



# Contents // 1 2015



Seven former Catella employees  
build new Cushman & Wakefield  
- led by Anders Nordvall.

32



8

## Macro analysis

Håkan Frisén at SEB: The recovery  
is truly on its way.



24

## Largest net buyer

Jens Engwall's Hermfosa grew the most  
in Sweden in 2014.



26

## News

The latest news from the Swedish  
real estate market.



48

## Swedish trend

Real estate companies, possessing only  
one property, being listed.



44

Index International lists  
American housing project on  
the Swedish stock market.



10

Catella's Johan Ericsson on  
international investors' struggle  
to break into the market.



# The Silver Lining

SEB's forecaster detects signs of a stable recovery

PICTURE: SEB



**SOLID GROUND AND BRIGHT PROSPECTS.** SEB's forecaster Håkan Friséén predicts continued GDP and employment growth these upcoming years, while rates remain at record low levels. This combination indicates a favourable economic climate for the real estate fragment - despite storm clouds being present.

■ The recovery of the world economy has been slower than anticipated. But we are now on our way back to solid ground and we can see the silver lining. Håkan Friséén, Head of Economic Forecasting on SEB, paints a bright picture of the macroeconomic situation.

IN THE PAST 3–4 YEARS, economists' hopes of a solid recovery in the world economy have been put to shame. Blossoming debt crisis in Europe, Japanese natural disasters, American budget battles or extreme weather has taken the blame for an absent lift. However you might ask yourself if the underlying conditions have been favourable for a stable recovery. Historically speaking a recovery process of a significant balance crisis usually takes 6–8 years.

Yet it feels like the recovery is on its way to solid ground for real, as we look forward to 2015. It is especially clear in the US. Households have a brighter view of the future when the number of jobs is on a rapid incline, the stock market and house prices rise and the purchase power increases in the tracks of decreased oil prices. The world economy is also supported by oil prices being reduced to half in just six months.

THE EUROPEAN CENTRAL BANK (ECB) having delivered the long since announced quantitative easing program (QE-program) also changes the playing field. ECB surprised financial markets by announcing larger purchases than expected (60 billion euros per month), but also by not declaring an end parenthesis and promising further purchases until the inflation reaches desirable levels. ECB following in the footsteps of central banks of America, Japan and England will also support the stagnated economy in the Euro zone. The aim is to create favourable credit ratios through QE purchases, lower the real interest rate by increasing inflation expectations as well as weaken the currency. Other countries' experiences are mixed, but Euro banks being stress tested and in many cases getting capital injections increases the prospects of the credit market loosening up. A major stimulans effect through the currency channel is also on the horizon. The euro has already

»It feels like the recovery is on its way to solid ground for real, as we look forward to 2015.«

weakened considerably compared to the US dollar and the American economic strength indicates that the trend will remain. If the US economy can carry a stronger dollar and the central bank can avoid involvement in the current currency battle, the traction for the rest of the world and Europe will be especially strong. Not to mention the German industry's opportunity to act as motor in a later recovery phase.

SWEDEN IS BECOMING AN increasingly good example of how inflation targeting can have paradoxal consequences. The Riksbank has become more clear about the importance of the exchange rate in the inflation process, which means that they are prepared to pay back the central banks in the same coin and therefore venture into the currency battle with monetary politics as a weapon.

At the same time it is clear that the Swedish economy is relatively strong in many aspects. A decline in inflation, due to decreasing oil prices results in a purchase power injected into households leading to decent economical growth these upcoming years. As a

PLAYS CHESS

**Name:** Håkan Friséén.

**Age:** 54 years old.

**Profession:** Head of Economic Forecasting.

**At SEB since:** 2001.

**Hobbies:** Summer resort in Småland, chess and table tennis.

result the credit market functions well and the residential market is rather characterised by a risk of overheating. The Riksbank is also pressing that Finansinspektionen carries through measures within macro prudential regulations with the mortgage caps and amortisation requirements being settled.

CHANGES IN THE INFLATION targeting has been discussed at times, but so far the trend has clearly implied an increased inventiveness of central banks due to the greater asset purchases and increased negative rates rather than loosening the inflation targets. In this climate it is improbable that a small country like Sweden would be capable of fronting a process where inflation target policies are reevaluated. This in turn means that we can count on rather good GDP and employment growth in Swedish economy these upcoming years while rates remain at a record low level. It comes across as the perfect combination for the real estate industry. Furthermore all we can do is to hope for a happy ending to this special economic-political experiment. ■





# “Domestic demand is huge”

Catella’s Johan Ericsson on the Swedish real estate market

■ Historically low interest rates makes the Swedish real estate market hot – during 2014 the transaction volume reached record high levels.

However, international investors struggle to compete with the purchasing power of the Swedish investors.

Johan Ericsson from Catella shares his views on the Swedish real estate market.

By: Nicklas Tollesson

**DURING 2014 TRANSACTIONS** in Swedish commercial real estate reached close to SEK 160 billion. An increase of approximately 50 percent compared to the previous year and above earlier record highs from 2007 and 2008.

The big difference today compared to the years prior to the financial crisis is that domestic purchasers now dominate the market. International investors accounted for less than 20 percent of the volume, and within those 20 percent close to half are from the neighbouring Scandinavian countries.

“There is a huge domestic demand, driven by historically low interest rate levels. The Riksbank (the Swedish national bank) ➤

PICTURE: NICKLAS TOLLESSON



**BACK.** Johan Ericsson has been at Catella from the start in 1992. Now he is back as head of real estate advisory in Sweden.



**Official name:** The Kingdom of Sweden.

**Political system:** Constitutional Monarchy, with parliamentary government.

**Head of State:** King Carl XVI Gustaf.

**Language:** Swedish.

**Population:** 9.5 million (85% live in urban areas).

**Area:** 450,000 sq.km = 174,000 sq.mi.

**Time zone:** GMT + 1 hour.

**Currency:** 1 krona = 100 öre.

**Largest cities:** Stockholm (capital), Gothenburg, Malmö.

**Noteworthy memberships:** EU since 1995, WTO, OECD.

**Most important export industries:** Mechanical engineering, automotive, information and communication technology, pulp & paper, power generation, pharmaceuticals, iron and steel, transport services and tourism.

**Most important import goods and services:**

Foodstuffs, raw materials and fuels, chemical products, machinery, electrical equipment, information & communication products and services, road motor vehicles, textile products & apparel, tourism.

**Most important export and import markets:** Europe, North America and Asia.

Source: Invest Sweden

## LIKES PARIS

**Name:** Johan Ericsson.

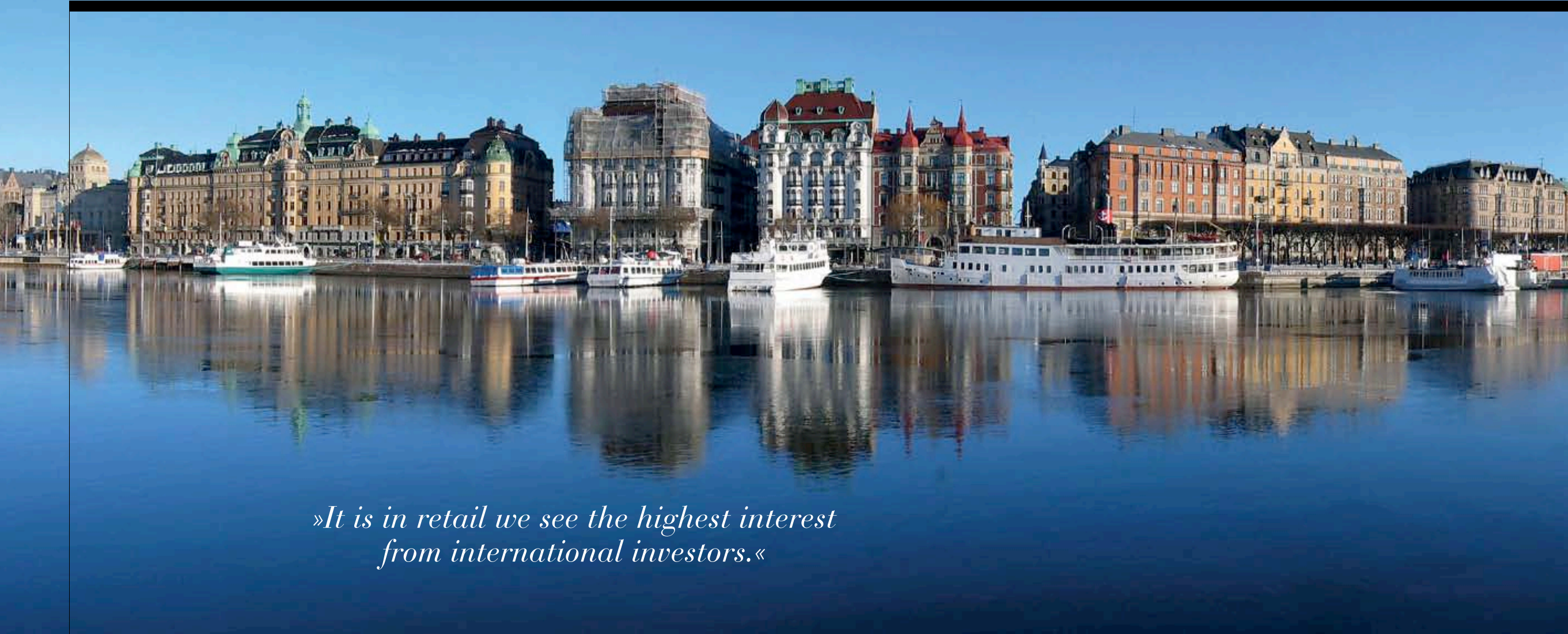
**Age:** 63 years old.

**Family:** Wife, two children, 23 and 20 years old.

**Lives:** Stockholm's inner-city.

**Hobbies:** Art, literature – and Paris. “I have for a long time liked Paris. I worked there 30 years ago, we got married there 25 years ago and we purchased a residence in Paris’ inner-city a couple of years ago. Not the perfect timing, it was 2007 when everyone believed in an eternal rise ...”





»It is in retail we see the highest interest from international investors.«

»dropped the repo rate to zero, and everything points to that the interest rate level will remain extremely low. Despite rising prices, there is a historically large yield gap between property yields and the risk-free interest rate. As a result Swedish institutions choose to allocate more capital to real estate,» says Johan Ericsson, head of real estate advisory at Catella, Sweden, the market leader in real estate sale advisory services who brokered close to 25 percent of the transactions volume that involved sale advisors in 2014.

ALSO THE FINANCING situation is different today than it was during the previous peak. “The relations with the banks hold a greater meaning today. The banks want long-term business relations and it is therefore difficult for an investor who is entering the market to get beneficial terms, which makes it even more difficult to compete with domestic investors. Prior to the financial crisis there were several international banks that worked with international investors.” While the international investors struggle to break into the

market, there is a great interest in Sweden due to the stable fundamentals – not to mention the capital of Stockholm that is showing a significant growth.

AT THE SAME TIME there are international parties that have successfully made acquisitions in Sweden. The latest big international entry is the American company Starwood Capital. At the end of 2013 it purchased seven retail parks from Coop Fastigheter at a value of SEK 3.9 billion and at the end of 2014 followed up with the acquisition of Sveareal (who mainly targets relatively high yielding commercial and industrial properties) and Norwegian Fortin for a total of SEK 11.5 billion.

The fact that the first big acquisition in Sweden was in the retail segment is nothing that surprises Johan Ericsson. “Retail is one of few segments where you can benefit from acting in multiple countries – you can for example negotiate with major chains concerning establishment in several countries at once. It is in retail we see the highest interest from international investors.”

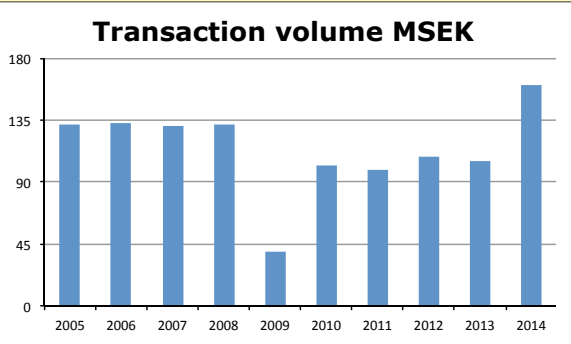
ANOTHER TREND THAT has emerged in Sweden the last couple of years is the high inflow of niche investors that focus on segments such as community service properties, logistic properties or grocery stores – or a certain geographic market, like the north of Sweden.

“This has also restricted international investors from breaking through. The competition within these segments is fierce.”

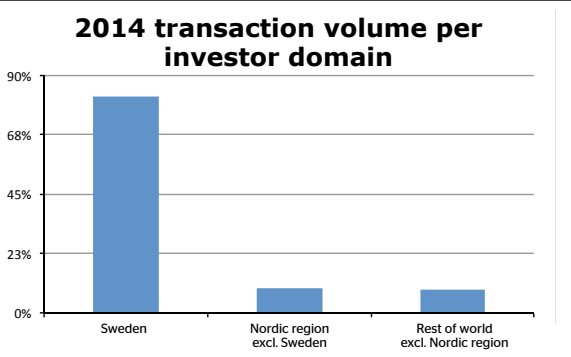
»Can you spot any “gaps”, any segments that have yet to be filled by a specialised investor?

“Big box retail properties in districts outside of the metropolitan areas. There you can find opportunities to purchase properties at favourable yield levels, often above eight percent. I believe an investor with substantial retail knowledge and financial muscles would be able to build a strong company within this segment. Surely there are companies that purchase these kinds of properties, but so far none have built great volume.”

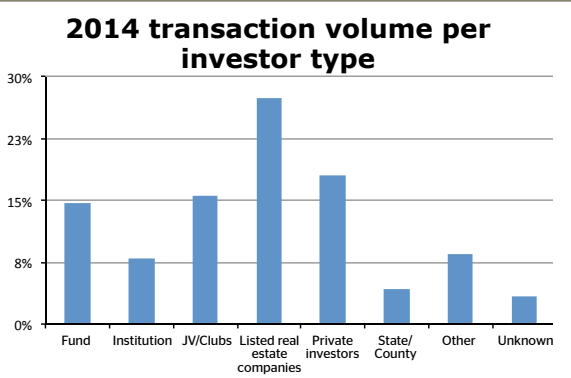
There is currently a trend on the Swedish market of investors pooling together – generally wealthy private individuals and »



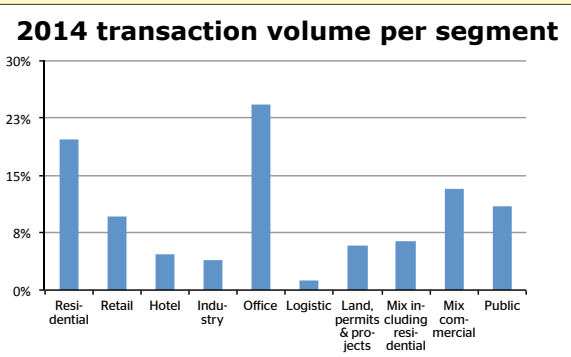
Source: Catella, Datscha.



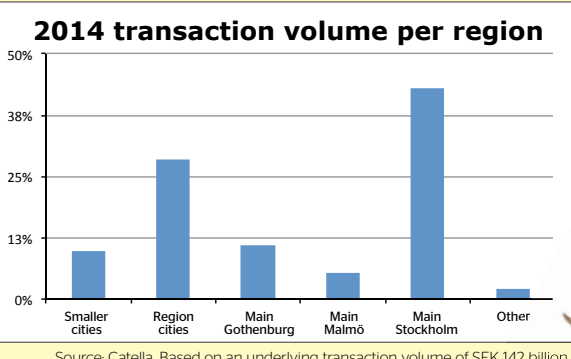
Source: Catella. Based on an underlying transaction volume of SEK 142 billion.



Source: Catella. Based on an underlying transaction volume of SEK 142 billion.



Source: Catella. Based on an underlying transaction volume of SEK 142 billion.



Source: Catella. Based on an underlying transaction volume of SEK 142 billion.



CATELLA

- Catella provides a wide range of services and property expertise, as well as financial expertise with a focus on transaction advisory services in the property and financing markets.
- Catella provides services in three main segments: Sales and Acquisitions, Capital Markets and Strategy and Research.
- Catella has some 500 employees in twelve countries around Europe.

› families, as well as smaller institutions who make a joint effort to buy individual properties with stable tenants on long term leases to later list them on the stock market. The shares then generate a relatively high dividend paid quarterly.

Pareto and Catella are the only two who, so far, have established these kinds of companies.

“So far we have made one deal, Volvo PV’s headquarter in Gothenburg, which is now owned by the company Torslanda Property Investment. The investors are attracted by the high and stable cash flow. We have several projects of this variety that we are currently looking into.”

› What do you believe will characterise the real estate year of 2015 in Sweden?

“A continued high demand creates a great transaction volume. The extremely low interest rate levels will remain and the companies will continue to present strong profits, which enables continued growth.”

› What threatens the positive development?

“There is a proposal – from ‘Företagsskattekommittén’ (the business tax committee) – that suggests a cap on the interest charge deduction right. If this is implemented the real estate business in Sweden will take a hit. However, personally I am doubtful if it will be implemented. Sweden is in great need of additional development of residential properties and this would take a major hit from the proposition.”

“Other threats are of course stagnated growth and troubled world politics.”

THE LARGEST LISTED REAL ESTATE COMPANIES IN SWEDEN, RANKED BY PROPERTY VALUE

Rank	Company	Value MSEK
1	Castellum	38
2	Balder	34
3	Klövern	30
4	Fabege	29
5	Hemfosa	28
6	Atrium Ljungberg	28
7	Wallenstam	27
8	Hufvudstaden	27
9	Wihlborgs	24
10	Kungsleden	21

»The extremely low interest rate levels will remain and the companies will continue to present strong profits, which enables continued growth.«



# “Properties will continue to attract capital”

■ How will the Swedish real estate market develop in the coming year? Three experts give their point of view.



**Åsa Henninge**  
Head of analysis  
NAI Svefa



**Tom Lindahl**  
Head of JLL Tenzing  
Capital Markets



**Cecilia Gunnarsson**  
Responsible for research  
CBRE

› The Swedish real estate market's transaction volume reached record high levels (nearly MSEK 160) in 2014. Will 2015 be as intense?

**ÅSA HENNINGE:** “My assessment is that properties will continue to attract capital during 2015, both through indirect investments on the stock market as well as direct investments in properties. The gap between properties' yield and the low interest rate, the low interest rates in general and secure real value cash flows with anticipated values coherent with increased growth makes commercial properties very attractive. A shortage of residential properties in a growth market makes residential investments hot and the market for community service properties has had a minor breakthrough in 2014, which for the public owner's challenges, should just be the start.”

**TOM LINDAHL:** “2014 became an exceptionally strong transaction

year with higher turnover than the record levels in 2006–2008. This was due both to an extreme demand and low interest rates but also the closing of several major portfolio transactions. Some of these portfolio deals have been pending a couple of years awaiting the right market conditions. In recent years, turnover has fluctuated just above SEK 100 billion, and our belief is the transaction market will continue to be strong but normalize somewhat. SEK 125 billion?”

**CECILIA GUNNARSSON:** “2014 wrapped up as the strongest transaction year ever, with a 60 percent increase on 2013's transaction volumes. We predict that 2015 will continue as a strong transaction year, with high demand for investments considered safe. Promoted by a positive market sentiment, available capital (both equity and debt) and continued extremely low interest rates, we expect an increased demand also for higher yielding assets in more secondary markets offering high income returns as well as for objects

considered more opportunistic in nature which will increase market liquidity and put pressure on secondary yields. Something that might dent transaction volumes this year is perhaps the lack of prime products on the market.”

› There has been a value rise and yield decline. Last time the transaction volumes were at a similar level, a global financial crisis followed. Are we at risk of seeing a “bubble” on the Swedish real estate market? What red flags should we keep an eye out for?

**ÅSA HENNINGE:** “I see no risk of a bubble on the Swedish real estate market in the near future. Swedish economy is relatively strong and prospects for Swedish growth these coming years exceed both the Scandinavian countries as well as the Euro-zone. We find ourselves in an incipient boom with a rising turnover volume, great capital seeking property investments with more buyers than sellers as well as decreasing yields which are all signs of good market conditions, or a warning if you like to look at it as if we are closing in on a market correction. With decreasing yields comes an increased risk appetite among investors. The investment strategies expand in the pursuit of yields and investors turn to submarkets and secondary properties. The banks' willingness to fund property investments is increasing as well as the LTV. With each step we climb the economic ladder, getting closer to the top, and the downhill on the other side.”

**TOM LINDAHL:** “At the time of the financial crisis the financial leverage was considerable higher than today and the property owners had financing costs of 5–6 percent. The property sector is much better prepared for a set back today. Although we also do

see disturbing warning signals: Rising LTV's, an unhealthy flood of preference shares (which are a cloaked addition to the LTV), an unquenchable thirst for bonds and high market premium valuations of the listed companies.”

**CECILIA GUNNARSSON:** “At present, we do not foresee any obvious risk to the Swedish property market like the one we experienced 2008–2009, thanks to the rather limited volume of new buildings being completed. Apart from the obvious external threats, including for example continued turbulence in the Middle East, political fallout in Ukraine, falling oil prices and deflation in wider Europe, borrowing rates are expected to increase over the medium term which would squeeze the level of investor's returns from property.”

› Lately, investors have been withdrawing from the most central locations in Stockholm's inner-city, taking a greater risk in the pursuit of higher yields. Will this trend persist? Within which segments/geographic areas do you believe we will see lower yields this year?

**ÅSA HENNINGE:** “My assessment is that we will see a continued great demand on the Swedish real estate market. The metropolitan markets are growing rapidly and we will most likely continue to see decreasing yield in multiple segments, especially in Stockholm. ›

*»I see no risk of a bubble on the Swedish real estate market in the near future.«*



➤ During 2014 we have seen an increased will to invest in retail properties, community service properties and hotels where the interest in the later will with great probability result in a continued decrease in the yield, for hotels in Stockholm and community service properties in all of Sweden. In previous rises we have witnessed the investment interest rise in industrial properties, which I do not believe that we will see this time around, excluding well-situated modern logistics properties.”

**TOM LINDAHL:** “The increased interest for properties outside the central areas is mainly due to an excess demand with few sellers and fierce competition in the core markets. This induces many interested buyers to search new types of properties and geographies. Also, many investors believe CBD properties to be too expensive. Hence the interest for suburban properties will continue to rise and yields contract.”

**CECILIA GUNNARSSON:** “As there is a lack of prime objects within the market, CBRE predicts that this trend will continue in 2015. We believe in further yield compression for good retail parks (Big Boxes), as well as prime offices where we expect to see accelerating rental growth across many core markets. Geographically, we forecast falling yields in markets considered secondary for example the northern parts of Sweden.”

➤ Sweden has a troublesome parliamentary situation and 2014 ended with prime minister Stefan Löfven being exceedingly close to proclaiming a re-election. Then the December-agreement was forged and the situation stabilised. What effect does the current government and the parliamentary situation have on the Swedish real estate market?

**ÅSA HENNINGE:** “No effect in particular, there are no major differences. The real estate market thrives from growth and in the absence of export driven growth the government’s ability to continuously stimulate the private consumption and the investment in public consumption will be essential in terms of demand on the real estate market.”

**TOM LINDAHL:** “A minor issue, mainly for international investors. Sweden has in recent years enjoyed the reputations for political stability and solid state finances, which both are now being dented. The current major Swedish concern is the suggested tax legislation aimed directly at the property sector. The political turmoil might rather hamper the intents to put this new tax legislation in place.”

**CECILIA GUNNARSSON:** “As the situation is today, we don’t believe that this has affected the Swedish property market adversely – to date. However, if the new coalition government chooses to implement some of the tax policies currently being discussed within the coalition parties, this could have a negative effect on the market as it will affect both corporate Sweden as well as private person’s ability to consume. We see Sweden continuing to be a leading country in an economic perspective and that the real estate market will be solid providing investors with attractive risk-adjusted returns. Low interest rates continue to improve investment capacity for property companies and low bond returns encourage increased allocation to property for the institutions.”

*»We believe there will be an increased interest from international investors 2015.«*

➤ The international investors’ fraction of the transaction volume remains low (approximately 15 percent of the invested capital in 2014). What are your views on the international interest in Sweden? How will it develop?

**ÅSA HENNINGE:** “I believe that there is a great international interest in investing in the Swedish real estate market and therefore I predict an increase in foreign investors these upcoming years. However, compared to other domestic markets, the yield requirements are pressed and the Swedish buyers are prosperous which results in a great demand and competition over a small supply of objects for sale.”

**TOM LINDAHL:** “We believe there will be an increased interest from international investors in 2015. At the end of the year we saw major new investors from abroad and this has continued this year with a lot of international capital looking for property investments in the Nordics, primarily Stockholm. Many investors, not only European and American but also Asian investors, have had Sweden on surveillance for some years and we will probably see a couple of new international investors making their first acquisitions.”

**CECILIA GUNNARSSON:** “Interest from international capital sources in the Swedish property market continues to be very strong.

Foreign investors have a long track record of investing in Sweden and consider it a relatively safe market. Furthermore, they are familiar with the transparency of the market and the ease of doing business. Restraining the international proportion of Sweden’s transaction volume is the volume of transactions within segments (residential) and geographics (outside Sweden’s top 5 cities) that generally are not of highest interest for international investors but also from the fact that the market in general is highly competitive. However CBRE predicts new entrants during the quarters ahead and a strong net buying trend for the non-Swedish investors, both in core and in the more value add segments. We also believe in an increase in the proportion of international debt sources.”

➤ What will be the greatest challenges for the property industry this year?

**ÅSA HENNINGE:** “There are challenges on the residential market in regards to several growth markets where the lack in residential properties in the long run becomes an obstacle for growth and development in the industry. To satisfy the growing population’s need of residences is and will remain a challenge in multiple submarkets. In many cases the bigger public property owners will struggle due to the population growth and changes in the population’s composition and a great maintenance debt in the property portfolio. The need for capital and difficult balance between investing in properties or core businesses is a challenge for multiple municipalities and counties. In the submarkets we currently see an increase in modern, flexible and area efficient office spaces, the property owners of older stocks will face challenges that will call for re-investments.”

**TOM LINDAHL:** “Access to cheap capital is ample which favours the property market. Should there be another credit crunch, the hay days are of course promptly over. Wrongly handled, the Greek turmoil may cause swift and harsh consequences with a plummeting euro and financial crash. An escalated Ukraine conflict may have global effects which are impossible to predict. On a Swedish level, the mentioned tax alterations will hit high leveraged property companies hard and the continued political meltdown might affect important infrastructure investments as well as lead to a relinquished responsibility regarding the national budget discipline.”

**CECILIA GUNNARSSON:** “The lack of prime products on the market and the desire of Swedish institutions to focus on core markets, particularly Stockholm CDB could be having a restraining effect on the market as well as the threats from the possible implementing of new tax reforms.” ■

PICTURE: EMMA BEX





# Largest Transactions in 2014 and January 2015

(The figures are provided by Newsec)

## Top ten Sweden 2014 + January 2015

1

**Buyer:** Starwood Capital Group.  
**Seller:** DNB.  
**Property:** Part in a larger transaction where DNB divested Swedish Sveareal and Norwegian Fortin. Sveareal's portfolio comprises of 79 properties which at mid-year 2014 were valued at SEK 6.8 billion.  
**Price:** SEK 6,800 million.\*

2

**Buyer:** D. Carnegie & Co.  
**Seller:** Obligo.  
**Property:** Obligo-owned Hyresbostäder i Sverige II AB (HSB II) merges with D. Carnegie & Co, leaving the company at a property value of close to SEK 10 billion.  
**Price:** SEK 6,560 million.

3

**Buyer:** Klövern.  
**Seller:** Carlyle Group.  
**Property:** Klövern acquired Globen City and Startboxen 3 in Solna. The total of approximately 140,000 sq. m leasable area largely consists of office areas.  
**Price:** SEK 3,800 million.\*

4

**Buyer:** Heimstaden.  
**Seller:** Henry Ståhl Fastigheter.  
**Property:** Heimstaden, owned by Norwegian Ivar Tollefsen, acquires the shares in Henry Ståhl Fastigheter AB that comprise of 334,000 sq. m residential and commercial properties in Norrköping, Linköping and Örebro.  
**Price:** SEK 3,700 million.\*

5

**Buyer:** Grosvenor Fund Management.  
**Seller:** Centeni (RBS).  
**Property:** British Grosvenor Fund Management expands their Swedish activity through the acquisition of Stockholm city's largest shopping mall Skärholmen Centrum, from Centeni (RBS).  
**Price:** SEK 3,500 million.\*

6

**Buyer:** Hemfosa Fastigheter.  
**Seller:** Hemsö.  
**Property:** The transaction results in an acquisition of 60 community service properties at a combined value of approximately SEK 3.3 billion for Hemfosa, as well as the divestment of the Life Science property Novum in Huddinge to Hemsö, at a value of approximately SEK 1.1 billion.  
**Price:** SEK 3,266 million.

7

**Buyer:** Olav Thon Gruppen.  
**Seller:** Steen & Ström.  
**Property:** Olav Thon acquires Sollentuna Centrum, Mirum Galleria in Norrköping, Mitt i City gallerian in Karlstad, Etage in Trollhättan and Familia in Helsingborg, with a total of 123,000 sq. m leasable area.  
**Price:** SEK 3,250 million.

8

**Buyer:** Stenvalvet (fd Lönnbacken).  
**Seller:** Consortium.  
**Property:** Stenvalvet acquires the company Roxanne, containing 34 community service properties. The trust contains Kåpan Pensioner, Folksam Ömsesidig Sak, KPA Pension, GE Real Estate and the Swedish Institute for Strategic Research.  
**Price:** SEK 3,000 million\*.

9

**Buyer:** Akelius Fastigheter.  
**Seller:** Dödsbo (Hugo Åbergs Fastigheter).  
**Property:** Hugo Åberg Fastigheter contains a total of 2,075 apartments. The portfolio also contains Kronprinsen, which is one of Malmö's most known landmarks with its 27 floors and mosaic facade.  
**Price:** SEK 2,800 million.

10

**Buyer:** Areim.  
**Seller:** Trygg-Hansa.  
**Property:** Trygg-Hansa's headquarters in Kungsholmen, Stockholm, covers 37,000 sq. m.  
**Price:** SEK 2,350 million.\*

\* The purchase sum is estimated by Fastighetssverige.

Source: Newsec



PICTURE: STARWOOD CAPITAL

■ Starwood's acquisition of Sveareal and Norwegian Fortin Properties valued at approximately SEK 11 billion is the single largest real estate transaction in Scandinavia this past year.

"We have our sight set on continued expansion in Sweden and Scandinavia," says Zsolt Kohalmi, head of European acquisitions at Starwood Capital Group.

By: Nicklas Tollessen

## “Our aim is continued expansion”

SINCE ZSOLT KOHALMI ASSUMED his post at Starwood two years ago, he has had his sight set on Sweden.

"We have been underrepresented in Europe. Previously we focused mainly on the UK and Ireland, but we wanted to expand in the rest of Europe. Sweden has always been an attractive market: Despite Sweden being a relatively small country, its real estate market is liquid. The country has also shown an impressive stability in a volatile time. Sweden has a stabil GNP-growth and we see potential in the rental growth as well."

Starwood made their first acquisition in Sweden by purchasing seven retail parks from KF/

### STARWOOD

- Starwood Capital Group has carried over USD 30 billion in equities since the start in 1991.
- The company currently manages properties at a total value of approximately USD 38 billion.
- Starwood's headquarters are located in Greenwich, Connecticut, USA. The company has twelve office locations in six countries. In Europe Starwood is headquartered in London

Coop Fastigheter in late 2013, at a total value of SEK 3.9 billion.

In late 2014 they followed up by purchasing Norwegian Fortin Properties and Swedish Sveareal (the companies were related through the

head owner, Norwegian DNB Nor), for a value of approximately SEK 11 billion.

» Do you have plans for bigger changes in the company structure, a merger for example?

"We have not come a long way in regards to the managing strategy surrounding these acquisitions, but there is nothing that currently points towards us merging the companies."

Zsolt Kohalmi has his mind set on Starwood's continued growth in Scandinavia.

Usually when we make company acquisitions, the goal is for the companies to grow. Despite not having come very far in the planning for these companies, I don't see that they would be exceptions. »



»Our aim is continued expansion through our current portfolio and through new acquisitions.«

► “Our aim is continued expansion through our current portfolio and through new acquisitions. However, I cannot currently say within which sector or geographical area the next deal will be carried through.”

► International investors have accounted for a relatively small fraction of the Swedish transaction volume in the last couple of years. It has been said that it is difficult to break into the market, due to among other things the bank’s preferred lengthy relationships with existing customers. What is your opinion on this?

“You need patience to be able to break into the Scandinavian market and you need to create a substantial understanding of how it works. In the case of loans, there are both Swedish and international banks willing to approve loans for stable and attractive properties. Besides, we are one of the biggest loan takers in Europe which I feel gives us great credibility on the market, and I do not feel like we would receive less beneficial terms compared to Scandinavian investors.”

Zsolt Kohalmi has visited Stockholm and Oslo 30–40 times in the past 18 months.

“I feel quite at home in Sweden and Norway now, I even understand a fair bit of the language.”

PICTURE: SVEAREAL



**SVEAREAL**

- Owns 79 properties around Sweden, encompassing a total of approximately 838,000 sqm leasable area.
- 49 percent of their portfolio consists of offices, 37 percent of industrial/logistics, 7 percent of hotels and 6 percent of retail.
- Mid-year 2014 the property value was estimated at SEK 6.8 billion.
- Claes Malmkvist is the CEO.

**KISTA, STOCKHOLM.** Starwood’s acquisition of Sveareal and Fortin is the largest real estate transaction in Scandinavia during 2014.



We don't  
build  
offices.  
We build  
business  
results.

We want you and your co-workers to feel good at work. People who enjoy their workplace perform better, have lower rates of absence, and generates better results for the company.

This is the basis for our research-based concept *Future Office by NCC®*. With your input, we map your organization’s needs, based on factors such as location, communications, and finishes. With a modern, customized office, built just for your operation, you will be able to attract and maintain the right competences, strengthen your brand, and develop the company in the right direction.

Get in touch for more information on the office of the future.



■ Hemfosa, led by Jens Engwall, was with SEK 8.1 billion the largest net buyer on the Swedish real estate market in 2014. These are the ten largest net buyers. (Data compiled by Newsec.) *By:* Nicklas Tollesson

# Largest Increase for Hemfosa in 2014

## Top 10 // Net buyers, 2014

**1 Hemfosa fastigheter**  
**CEO:** Jens Engwall.  
**Volume:** SEK 8.1 billion.  
It was communicated in November that Hemfosa and Hemsö implemented a deal resulting in property acquisitions at a value of approximately SEK 3.3 billion for Hemfosa and approximately SEK 1.1 billion for Hemsö. Hemfosa acquired 60 community service properties in eleven cities in Sweden. The acquired properties encompass a total of approximately 275,000 sq. m leasable area. At the same time Hemfosa divested the life science-property Novum, in Huddinge.

**2 D. Carnegie & Co**  
**CEO:** Ulf Nilsson.  
**Volume:** SEK 8.0 billion.  
In June D. Carnegie & Co signed an agreement with owners of Hyresbostäder i Sverige II AB, managed by Obligo Investment Management, to merge their existing property portfolios. In conjunction D. Carnegie & Co became the biggest listed streamlined residential real estate company in Sweden, with a property portfolio of approximately MSEK 9,500. D. Carnegie & Co were listed on Nasdaq OMX First North in April 2014.

**3 Starwood Capital Group**  
**CEO:** Barry S. Sternlicht.  
**Volume:** SEK 6.8 billion.  
In December, American Starwood Capital Group acquired Swedish Sveareal and Norwegian Fortin. The transaction included Sveareal's 79 properties in Sweden. The portfolio's 838,000 sq. m comprises mainly commercial and logistic properties. At mid-year 2014 Sveareal's portfolio was valued at SEK 6.8 billion. Starwood Capital Group entered the Nordic market during 2013 when seven large retail parks valued at SEK 3.9 billion, were acquired from KF Fastigheter.

**4. Rikshem**  
**CEO:** Jan-Erik Højvall.  
**Volume:** SEK 4.3 billion.  
In November Nacka county divested properties to Rikshem at a value of SEK 1.8 billion, after an exclusive process. The portfolio was mixed and comprised of schools, senior residences and pre-schools. As a part of the transaction Rikshem undertook construction of 500 rental units. This results in a total investment for the company, when the units are completed, of almost SEK 3.5 billion.

**5. Klöver**  
**CEO:** Rutger Arnhult.  
**Volume:** SEK 4.1 billion.  
2014 commenced with a transaction of the larger variety when Klöver, a big net buyer the past couple of years, completed yet another acquisition. The Carlyle Group divested Globen City, situated just south of Stockholm's inner-city, as well as the Startboxen 3 property in Solna, with an assessed selling price fixed at SEK 3.8 billion. The property portfolio encompasses a total of approximately 140,000 sq. m leasable area.

**6. Heimstaden**  
**CEO:** Patrik Hall.  
**Volume:** SEK 3.9 billion.  
In November Heimstaden went public with their purchase of Henry Ståhl Fastigheter, with a portfolio of approximately 350,000 sq. m of residences and premises.

**7. Balder**  
**CEO:** Erik Selin.  
**Volume:** SEK 3.5 billion.  
In April, Balder acquired 14 hotel properties from Pandox at a value of SEK 2.2 billion. The portfolio encompasses 127,000 sq. m distributed on 2,400 hotel rooms. More than 40 percent of the property value was located in the Stockholm region and the remaining value in medium sized cities.

**8. Stenvalvet (former Lönbacken)**  
**CEO:** Magnus Edlund.  
**Volume:** SEK 3.3 billion.  
In September Stenvalvet, then Lönbacken, purchased all shares in Roxanne Fastighetsfond AB and expanded the ownership structure with Kåpan Pensioner and the Swedish

Foundation for Strategic Research. The property value amounted to approximately SEK 3 billion.

**9. Olav Thon Gruppen**  
**Group CEO:** Dag Tangevald-Jensen.  
**Volume:** SEK 3.3 billion.  
Norwegian Olav Thon Gruppen accounted for a major break through on the Swedish market when they in June 2014 acquired five Swedish shopping malls from Norwegian Steen & Ström. The portfolio selling price was fixed at SEK 3.3 billion.

**10. Fastpartner**  
**CEO:** Sven-Olof Johansson.  
**Volume:** SEK 2.8 billion.  
The majority property value of Fastpartner's acquisitions during 2014 comprises of commercial properties in attractive locations in Stockholm and Solna. In late November it was communicated that the Hilton 2 property, just north of central Stockholm, had been acquired from Deka Immobilien.

The compilation relates to transaction above or equal to MSEK 100 per transaction. Source: Newsec



PICTURE: HEMFOSA

# Sweden's top net Buyer – now Aiming for Norway

■ With their SEK 8.1 billion, Hemfosa was the largest net buyer on the Swedish real estate market in 2014 and continued on this path in the beginning of 2015 – but now mainly in Norway.  
CEO Jens Engwall explains that the biggest hesitancy came from being alone seeing the opportunities in Norway.  
“We thought: Why has no one else noticed this? What have we missed?” *By:* Nicklas Tollesson

**HEMFOSA HAS CURRENTLY** made three deals in Norway, at a value of approximately SEK 3 billion.  
“We have looked into other markets – Finland and Norway – for about a year, due to Sweden being so hot. Our conclusion was that Norway is looking very good – good yield levels, good interest rates and no significant cultural or legal differences. We are only investing in community properties in Norway, and there are no industrial investors there. The existing ones are financial; the commonly Norwegian – smaller investors and private individuals who jointly purchase a property. There is an opening for bigger real estate companies with a focus on community properties. As a comparison, it might be more interesting for a tenant to have us as landlords. Otherwise in the event of a reconstruction, it will rely on the smaller investors having the money for it at that time.”

“It is strange that so few Swedish investors have entered the Norwegian market. It was not a walk in the park to convince our board either, simply due to no one else having seized the opportunity. However we have met a few Swedes in Oslo this year, so more Swedish investors are on their way.”  
► The Norwegian currency value has dropped

**significantly. Has this had an affect?**  
“No it has not. But it has indeed had a positive effect, the calculations look even better now.”  
► How much do you believe you will grow in 2015?  
“We want to grow substantially in Norway and we aim for a continued growth in Sweden as well. Perhaps five or six billion altogether this year. But the competition is fierce, especially in Sweden – the interest rate levels are low, there is good access to capital and plenty of buyers.”  
► You have looked into Finland, what is your view on that market?  
“We are monitoring it, but have noticed a few disadvantages. We do not know how Finland will be affected by the financial turbulence. The liquidity is not optimal either, with few investors on the market, the insurance companies dominate at an almost oligopoly position.”  
While Hemfosa is growing in community properties they are also refining the company in other segments. For example they recently divested logistic properties at a value of MSEK 900 to Estancia.  
“We will be divesting properties that do not fit the current stock. The speed partially depends on our growth rate. If we perhaps purchase for a value of two billion, we divest for one.”



# NEWS IN BRIEF

by Nicklas Tollesson

PICTURE: ÅKE GUNNARSSON

## 2014 – New Record on the Real Estate Market



During 2014 the transaction volume on the Swedish real estate market amounted to SEK 156 billion, according to DTZ. One of the large deals in Stockholm last year was the Mentorn 1 property – with DTZ and Google amongst others as tenants. DNB Nor sold the property to AMF Fastigheter at a purchase price of MSEK 1,560.

In 2014 the transaction volume on the Swedish real estate market amounted to SEK 156 billion, according to DTZ, which exceeds the previous record year of 2008 with one billion.

"The real estate market is characterised by favourable capital access with low interest rates, low vacancies and stable cash flows. The yields are higher than what is motivated by the interest rate levels. Everything points to properties, which have generated higher turnovers during 2014. Not much contra-

dicts a continued positive development in 2015," says Agneta Jacobsson, CEO at DTZ in Sweden.

The most active purchase categories this year have been listed and unlisted real estate companies, followed by institutions and funds. Real estate companies and funds have also been active in divestment aspects. The listed real estate companies were the largest net purchasers. Nationality speaking the Swedish investors have been continuously overrepresented with nearly 85 percent of the invested capital

and close to 80 percent of the divestment volume.

"The percentage of Swedish buyers is continuously high, but we detect an increased international interest, especially when larger deals appear on the market. This year the Swedish investors have had an average deal size of MSEK 250, while foreign investors averaged on MSEK 900," says Karin Witalis, Head of Research, DTZ Sweden.



Agneta Jacobsson.

PICTURE: BYGGFAST



Peter Bellevik.



Bengt Johansson.

## Forsen Projekt and Bygg-Fast Merger

Forsen Projekt merges with Bygg-Fast and becomes one of Sweden's largest companies in construction project management.

The new group will have sales of approximately SEK 300 million and approximately 200 employees at seven locations in Sweden. The property development in Bygg-Fast will be a part of the new group as its own company to continue the ongoing expansion.

Among the larger project management assignments you find

amongst others Swedbank's new headquarters in Sundbyberg, Ikea department stores, the new Textilhögskolan in Borås, the Central Station in Stockholm and hospital projects of the larger variety.

The new group will consist of a project management company lead by Bengt Johansson, currently CEO at Forsen Projekt AB. The property development conducted by Bygg-Fast will be a part of the new company group lead by Peter Bellevik, current CEO at Bygg-Fast.

## Erséus new Property Manager at Ericsson

For seven years, 2006–2013, Thomas Erséus was CEO at listed company Kungsleden. He has now assumed the position as manager of the global Swedish communication company Ericsson's real estate division. Erséus responsibilities include all real estate related issues within Ericsson across the globe.

"It is very exciting and I am proud of the confidence they have given me," says Thomas Erséus.

Prior to Erséus becoming Kungsleden's CEO, he was the CEO of WSP Europe.

Since leaving Kungsleden Erséus has become chairman at Forsen Projekt, Bengt Dahlgren, Göteborg and Chalmersfastigheter.



Thomas Erséus.

## Örebro Property Nominated in Mipim Awards

Sweden saw great success during last year's Mipim Awards, with both Emporia (architecture by Steen & Ström and Wingårdhs) and Max IV (Fastighets AB ML 4 – owned by Wihlborgs and Peab and architecture by Fojab and Snøhetta) winning their categories.

One Swedish entry, Würth Sweden's building in Örebro, is nominated in this year's Mipim Awards in the category "Best industrial & logistics development". Architecture by White. The property is described as following:

"The headquarters of Würth Sverige live up to its location as an iconic gateway building to the city of Örebro in the heart of Sweden. The building is home to a highly efficient automated warehouse system, a shop and the headquarters for office workers. The building merges the vernacular colour of Falu red which is embedded in Swedish culture with the colours of Würth. Falu red adorns many of the vernacular buildings in Sweden and seen here in a new contemporary context."

Two Belgian projects are competing for the title.

The Nordic countries have seven nominations in total.



PICTURE: WÜRTH SWEDEN

Würth's headquarters in Örebro are nominated for a Mipim Award in the category "Best industrial & logistics development".

### STUDENT HOUSING FINISHED IN RECORD TIME

Eight months after the idea was born, and three months after the construction start, 25 student apartments were ready for occupation at the municipal Studentbostäder in Linköping.

The apartments were constructed using modules and have received a building permit with a time limit, meaning that the apartments will exist at a maximum of 15 years. The module provider is Flexator.

"The module properties are delivered as finished pavilions which enables us to rapidly produce new student apartments. They will be ready for occupation at the end of the year," says Simon Helmér, CEO at Studentbostäder in Linköping.

PICTURE: ÅKE ESSON LINDMAN



### CIVIC CENTER VÄVEN WINNER OF ANNUAL KASPER SALIN AWARD

The Kasper Salin award is Sweden's most prestigious architecture award. White and Norwegian Snøhetta won this year's award for Umeå's civic center Väven. With its 25,000 sq. m Väven is Sweden's second largest civic center.

It consists of an s-shaped body with four stories in front of the 13 story tall hotel towering over the city. The colony is elegantly weaved between existing properties that are integrated in Väven with an attractive light well bridging eras. Terraces facing the river create new urban spaces, accessible to the public twenty-four seven.



Pål Ahlsén.

### AKELIUS ON NEW MARKETS

Akelius has since long owned residential properties in Sweden and Germany. In later years they have also entered Toronto and London. This fall the company purchased their first properties in Paris and Montreal. Next step is the US, where they are currently exploring possibilities.

"We do not currently have anything in the pipeline. I am hoping for a first acquisition this year, but it will probably take some time," says CEO Pål Ahlsén.

The current cities in question for Akelius are New York, Chicago, Washington and Boston.

Akelius owns properties at a total value of approximately SEK 55 billion.

### NEW TEAM TO BUILD CUSHMAN & WAKEFIELD

Cushman & Wakefield's Swedish division has acquired new management, consisting of former Catella employees.

"Sweden is gaining attention from international investors and we see great possibilities of becoming a leading company in the Nordic transaction activity. We look forward to working with new, exciting business opportunities together with our colleagues at Cushman & Wakefield. We are counting on a continued high activity on the transaction and capital market during 2015 and we will make new requires to further strengthen the team in the upcoming months," says Anders Nordvall, CEO in Cushman & Wakefield's Swedish division.

Cushman & Wakefield's new capital market team: Thomas Persson, Daniel Anderbring, Anders Nordvall, Per Hagman and Niklas Zuckerman.



PICTURE: CUSHMAN & WAKEFIELD

Read more about Anders Nordvall and Cushman & Wakefield on page 32.

We know the property market

**Naisvefa**  
Kompetens som får värden att växa

www.naisvefa.com

**Naisvefa**  
Kompetens som får värden att växa



NEWS IN BRIEF

CONTINUED LARGE INVESTMENTS IN SHOPPING MALLS

Shopping malls and retail parks in Sweden are increasing in numbers, area and turnover.

There are currently 40 active projects encompassing more than 700,000 sq. m. The largest growth occurs in external retail areas and region centers in the outskirts of large cities. This is apparent in a mapping conducted by NCSC, HUI Research and Datscha.

The report indicates a continued stock expansion of shopping malls and retail parks which to date amount to a total of 358.

PICTURE: NEWSEC



Sverker Eriksson.

Sverker Eriksson is the new CEO, partner and senior advisor in Public Affairs at Newsec Communication. He has worked for the Moderate Party in Stockholm under four different party leaders and has contributed to large amounts of the renewal process the party has undergone the latest decade.

"Newsec Communication is a young and dynamic company undergoing heavy development, at the same time as the real estate industry is important for Swedish growth. With a focus on properties and with great competence within the company and group it is exciting to contribute to the continued development going forth," says Sverker Eriksson.

Former CEO Niklas Alm is now executive chairman.



PICTURE: BENGT HÖGLUND

Arcona's office, shared with Exengo, won Fastighetssverige's contest Sveriges Snyggaste Kontor (Sweden's Finest Office).

This is Sweden's Finest Office

Construction and property development company Arcona's office, shared with Exengo, is the country's finest. At least according to the jury in the contest Sveriges Snyggaste Kontor (Sweden's Finest Office), organised annually by Fastighetssverige and sister magazine Lokaltidningen.

"This means a great deal to us. We ourselves work with office development which is why it is important for us to have a representative office space as well. This is why it feels extra good to have received this award," says Björn Lindahl, Vice President at Arcona.

Arcona shares the office with Exengo Installationskonsult at Rehnsgatan 11 in Stockholm, in the Taktäckaren 2 property, owned by Axfast.

Arcona architects, BSK Arkitekter (which is a part of the Arcona group) and Exengo Installationskonsult have jointly created the 1,230 sq. m office.

The office is a mixture of an activity based office with elements of fixed workstations and provides a cloud based IT solution enabling a flexible operation.



PICTURE: EXPROVIDER

Björn Lindahl, Peter von Essen and Cecilia Jakobson from Arcona and Cilla Pettersson from BSK Arkitekter received the prize.

Kungsleden Purchases Areim's Kista Portfolio

Areim is selling four properties in Kista to Kungsleden at a value of approximately SEK 2 billion. The total leasable area amounts to approximately 73,000 sq. m.

All properties are newly reconstructed and modernised. Two of the properties are Leed Gold certified and two Green Building certified. With this acquisition, Kungsleden becomes the third

largest property owner of commercial properties in Kista, with 100,000 sq. m.

"Kista Science City is one of Stockholm's most interesting and established office markets and we have wanted to strengthen our presence there for a long time," says Biljana Pehrsson, CEO at Kungsleden.



Kungsleden purchased the property Borgarfjorden 3 in Kista, amongst other.

PICTURE: KUNGSLEDEN

Planning work for Sweden's Tallest Building Initiated



Karlavagnstornet will be approximately 230 meters tall.

PICTURE: SKIDMORE OWINGS & MERRILL

The planning work for Karlavagnstornet in Gothenburg, aiming at a height of approximately 230 meter making it Sweden's tallest, has started.

"This means that the project is following the schedule we made. That the municipality has made this decision is vital for the project and it is both gratifying but also important that they view this development in a positive light," says Ola Serneke, CEO at Seneke, erecting the tower.

"Phase 1, including the skyscraper, will be finished in 2019."

The American architecture firms Skidmore Owings & Merrill and SOM, are currently working on the finishing design for the skyscraper together with Nordic partners Entasis and Semrén & Månsson.

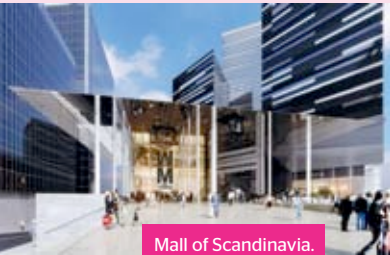
World Class Fashion Brands to Mall of Scandinavia

This fall Mall of Scandinavia, the biggest Nordic shopping mall filled with 100,000 sq. m of shopping, will open. A big variety of attractive fashion and lifestyle brands have already signed for Mall of Scandinavia, Victoria's Secret, River Island, Peak Performance, Tiger of Sweden and Foot Locker are the most recent. Brands such as Inditex, J Lindeberg, Åhléns City, Hugo Boss, Mango, Björn Borg, Volt, Toys R Us and Disney are previously confirmed.

The restaurant chain O'Learys makes their biggest investment yet with a total of 6,000 sq. m. The unit holds state of the art family entertainment with bowling lanes, sport simulators, adventure golf, billiards and games.

Even the gym chain Sats will open a state of the art exercise center with more than 2,200 sq. m of the latest in health and fitness.

"We are very proud and impressed by the growing list of brands making Mall of Scandinavia Stockholm's top shopping and entertainment destination," says Lars-Åke Tollemark, Managing Director Nordic at Unibail-Rodamco, owners of the mall.



PICTURE: BENNY ARCHITECTS/BAU

Mall of Scandinavia.



Anna-Karin Hatt.

PICTURE: CASTELLUM

FORMER MINISTER TO CASTELLUM'S BOARD

Anna-Karin Hatt, former IT and energy minister, joins the board of directors at Castellum, Sweden's largest listed real estate company.

Anna-Karin Hatt was the IT and energy minister in the Swedish Allians government between 2010 and 2014. Prior to that she was the Secretary of State at the Cabinet Office and staff manager for the Center Party's leader staff between 2003 and 2006. Charlotte Strömberg remains as chairman at Castellum, owning properties at a value of almost SEK 38 billion, through six fully owned daughter companies.



PICTURE: ÅKE ESSON LINDMAN

ABBA-BJÖRN PURCHASES ABBA-MUSEUM

The Abba member Björn Ulvaeus purchases, together with two co-owners, the property with Abba: The Museum and Melody Hotel on Djurgården in Stockholm.

"The property has been for sale for some time and to assure that the Swedish Music Hall of Fame and Abba: The museum would be a stable and long-term tenant with understanding of the business I decided to become an owner. I am doing this together with Conni Jonsson and Pelle Lindberg who contribute with priceless hotel and restaurant knowledge as well as financial strength and creativity. Our goal is to further develop the vision of a Musikens Hus (Music's House) in Stockholm," says Björn Ulvaeus.

The building – encompassing 4,250 sq. m leasable area – is sold by the construction and property development company Arcona AB who together with PN Invest AB acquired the leasehold in the fall of 2007.

Newsec was advisor to the seller.



Stefan Attefall.

PICTURE: KRIST DEMOKRATERNA

ATTEFALL CHAIRMAN IN MUNICIPAL COMPANY

Stefan Attefall, former minister for public administration and housing in Sweden has been elected chairman in the municipal real estate company Vätterhem in Jönköping.

"It is an honor being elected as chairman in such a vital company for Jönköping. Vätterhem is essential in the development of new residential properties and in giving tenants good service. I hope to contribute with my residential politic experience," says Stefan Attefall, KD (The Christian Democrats).

PAN-EUROPEAN FUND DIVESTS AT VALUE OF MSEK 1,100

Atrium Ljungberg purchases commercial property Point Liljeholmen in Stockholm – encompassing a total of approximately 40,000 sq. m leasable area – at a value of MSEK 1,100.

Seller is a pan-European fund which on a European basis is co-managed by Lasalle Investment Management and Aviva Investors and locally by Genesta. Ian Williamson, Head of Core Funds (Continental European) at Lasalle comments:

"The divestment of Point Liljeholmen attracted a great interest from different investors and points to the benefits of the fund's Core plus strategy. Point Liljeholmen has a good location and we have the opportunity to add value through active management with an experienced team."



Point Liljeholmen.

PICTURE: ATRIUM LJUNGBERG





■ Fastighetssverige now launches the first newsletter covering Nordic property news.

“Nordic Property News is the Nordic market’s display window towards the world and a new opportunity for the world to take part in what is happening in the Nordic region,” says Rolf Andersson, CEO at Fastighetssverige. **By:** Nicklas Tollesson

# Nordic Property News - the Latest news from the Nordic Market



**NEW LAUNCH.** Fastighetssverige now launches the Nordic region’s first newsletter with real estate news. “This is the Nordic market’s display window towards the world and a new opportunity for the world to take part in what is happening in the Nordic region,” says Rolf Andersson, CEO at Fastighetssverige.

FOR TEN YEARS, Fastighetssverige has issued the magazine you are currently holding in your hand. Fastighetssverige has since 2008 posted daily news about the Swedish real estate market on the website fastighetssverige.se and issued a related newsletter.

FASTIGHETSSVERIGE NOW TAKES the next step in monitoring the real estate market.

“We are aware that investors all over the world see the Nordic region as a market of great interest. In the new Nordic Property News, which is sent out every Friday, we cover the biggest news stories in the industry and help our readers analyse the markets in Sweden, Norway, Denmark and Finland. The investors now, for the first

time, get an overall picture of the Nordic real estate market,” says Fastighetssverige’s CEO Rolf Andersson.

THE NEWSLETTER – which is in English – is initially distributed to approximately 10,000 recipients across the world and registering as a new subscriber is an easy process through the website nordic-propertynews.com. Just like Fastighetssverige’s Swedish newsletter (with close to 25,000 recipients) Nordic Property News is completely free of charge.

Nordic Property News is also an opportunity for companies on an around the Nordic market to advertise towards the whole world.

“This is something that our customers have been requesting, a new opportunity to show your existence and your interest in working with international investors. Naturally we have examined the market thoroughly and the interest is significant,” says Rolf Andersson. **F**

FOYEN  
– part of your industry –



Lawyers dedicated to the construction and real estate industry.

[www.foyen.se](http://www.foyen.se) / [www.foyen.no](http://www.foyen.no)



# Coach dad and Consultant CEO

Anders Nordvall has a passion both for his children’s activities and for business

Anders Nordvall’s childhood in Gävle was largely characterised by skiing and an ice hockey career in Brynäs. These days the skates have been (more or less) left on the shelf. But the athlete within has been a part of the *team building* at Cushman & Wakefield. *By:* Eddie Ekberg // *Picture:* Pixprovider

We meet at Cushman & Wakefield’s office in one of the buildings on Hötorget in early February. Cushman & Wakefield’s new CEO is remarkably calm despite having worked extremely hard on implementing the company’s new strategy lately.

When the offer came last fall, to take the lead in Cushman & Wakefield’s Swedish division, he didn’t hesitate to leave his position of 15 years at Catella.

“It was a new beginning. A fantastic opportunity to freely construct a strong team and successful business in Sweden, with a great international backing from the company,” says Anders Nordvall.

THE FIRST TIME AS CEO has consisted of among other things recruiting new employees and finding new premises for the growing business. And everything needs to be finished

» I do not think I will ever completely leave the real estate industry.«

in the second quarter of this year. Busy days in other words. And meanwhile the business needs to roll in. Fact is that they completed their first sales deal only two days before our interview. He cannot go into details however. It is obvious that Anders Nordvall and his team has their sights set high with the “new” Cushman & Wakefield.

“Our ambitions are absolutely high. We aim to grow in all three departments; transactions, leasing and val-uations. We have for example never existed on a rank of the largest transaction

consultants. In three years we will have a nice placing on that rank. And it is the team that is going to make that happen.”

Anders Nordvall often comes back to the team building and competitiveness. The step from chasing goals in an ice hockey rink to closing sales deals is not that big.

“I can definitely see a connection between sports and business. I have always enjoyed team sports and I have always been fond of real estates. It is important to me that you win and lose as a team – regardless if it is an ice hockey game or real estate deal.”

ANDERS NORDVALL HAS “real estate blood” through his great grandfather’s construction and real estate company (Söderman & Söner), in Sandviken, and his mother being a community planner. So his career choice was simple.

“I have always had an interest in properties and architecture and I cannot remember ever >

**DREAM JOB.** Cushman & Wakefield’s CEO in Sweden, Anders Nordvall, has for as long as he can remember been interested in real estates and never dreamed of working with anything else.

## DRIVES A HYBRID

**Name:** Anders Nordvall.

**Age:** 42 years old.

**Family:** Wife, three children.

**Grew up in:** Gävle.

**Lives:** Nacka, outside of Stockholm.

**Drives:** Mitsubishi Outlander rechargeable hybrid.

**Education:** Construction engineering at Gävle University, property accountant at KTH and Corporate Finance at London Business School.

**Brief career:** Catella 1999–2014, with the exception of a year at Areim 2007–2008. CEO at Cushman & Wakefield in Sweden since January.

**Reads:** Biographies and fact books.

**Watches on TV:** Ice hockey, slalom skiing and news.





**COMMITTED CEO.** Apart from the job as CEO, Anders Nordvall is also very committed to his children's sports, and coaches his son's ice hockey team and one of his daughters' slalom skiing club. Additionally he skis himself as much as he can and plays ice hockey weekly.

»It is important to me that you win and lose as a team – regardless if it is an ice hockey game or real estate deal.«

› wanting to do anything else.”

He has not completely let go of sports however, being the coach of both his son's ice hockey team and his daughter's slalom skiing club. And every once in a while the skates are laced as he hits the ice with some friends.

“It's not a serious effort anymore, just veteran hockey, no series. But we have a great time with people from the finance and real estate industry.”

› **Describe your road to the real estate industry?**

“I attended university in Gävle at first, and got a construction engineering education. When I finished in 1994 the crash left us with basically no jobs, so I was hired at the Swedish rail administration and drew bridges and rail roads until 1996. It was not the best job I have had, so I applied to KTH in Stockholm and was accepted. I finished in 1999 and that fall I started my work

at Catella. I stayed at Catella until now, with the exception of a year at Areim 2007 to 2008. During my time at Catella I worked in London just shy of a year. And since mid-December I have been here at Cushman & Wakefield.”

› **How has your first time as CEO been?**

“Intense with long days. But also very inspiring and great fun. It is almost like getting to start a new company. We are currently creating the team and new business and it repays a lot of energy to be present during a journey like this. And the backing from Cushman & Wakefield internationally is fantastic.”

› **Is it a personal goal you have reached by becoming an advisory CEO?**


“No, you can partially say that I was earlier as well, as manager of Catella's Corporate Finance in Stockholm. Also I do not really think that

way, my motivation is building a strong team and a successful business.”

› **Can you describe Cushman & Wakefield's strategy going forth?**

“Briefly our goal is to be a leading consultant within all our business fields, and we will also see substantial transaction growth.”

› **Last year, new transaction records were set in Sweden – what do you think 2015 will be like?**

“Everything points towards a continuously strong transaction market. There has been two great transaction years in fact, if you look at the past 19 months, the volume is at approximately SEK 240 billion, which is really good. And underlying factors such as low interest rates, access to capital and competitive yields, compared to London and Paris for example, all indicate that this situation will remain.” 



Generating superior risk adjusted returns in the Nordics  
by working with focused investment strategies  
and hands on asset management

...with consistent success since 2005



*Isbjerget, Århus, Denmark - In 2014, NREP invested a total of EUR 850 million in 21 transactions, including the acquisition of Isbjerget.*

nrep.com



# Mipim

## Big Focus on the Digital Revolution

■ A great appetite for new investment opportunities.  
Big focus on the digital revolution's impact on the real estate industry.  
Wear comfortable shoes!  
Mipim director Filippo Rean shares this year's news and gives his best advice for a successful Mipim. **By:** Nicklas Tollesson // **Picture:** Reed Midem

› **How does the economic situation in the world affect this year's Mipim?**

"The positive sentiment of international investors who seem to enjoy a greater appetite for new investment opportunities and a higher level of risk in 2015, is good news for the industry and therefore for Mipim. The attendance of major new international investors this year such as insurance companies Ping An Trust (China) and PFA Pension (Denmark), the Canadian pension funds Healthcare of Ontario Pension Plan (HOOPP), and the Italian pension fund Poste Vita, confirms this appetite for new opportunities. This year at Mipim, we can notice a significant growth of exhibitors and participants from European countries such as Germany, the UK, the Netherlands, Portugal, Denmark, Belgium but also from other regions such as the USA, Canada and the Middle East. We expect 21,000 participants from about 90 countries this year, including 4,500 investors."

› **There is a big focus on the digital revolution's impact on the real estate sector?**

"Mipim is the world's leading property market and one of its key

objectives in 2015 is to be more than ever at the forefront of future trends, to look at the perspectives of the real estate industry in the coming years. Therefore this year, Mipim will explore the Digital Revolution – big and open data, sharing economy, crowdfunding – its challenge and opportunities for the real estate community. The property business needs to consider how it too can adapt to major social trends. New players from the digital industry are now emerging in the real estate business. For example the storage and analysis of massive quantities of data, also known as Big and Open Data, can now provide businesses with increasingly sophisticated digital tools. This is clearly an opportunity for real estate companies to boost their turnover thanks to a better knowledge and understanding of their clients' needs. Our ambition is to present Mipim participants all the opportunities that this evolution may generate."

"Crowdfunding is also a movement which is emerging in the real estate business. For example, Fundrise, a US real estate crowdfunding and investment platform, has recently announced that individuals could have a chance to invest in the 3 World Trade Center in New York. Mipim participants will have the opportunity to listen >

**INCREASE.** Mipim Director Filippo Rean thinks there will be around 21,000 participants from 90 countries at this year's Mipim.



Free the capital  
in your property.

Maximise the  
actionability  
of your company.

Skandrenting offers bespoke rental solutions for existing properties as well as for new productions.

Our clients resides all over the country, within the public and the private sector.

Contact us to learn more about what we can do for you. Welcome.

 **Skandrenting**

skandrenting.se · 08-406 75 80





## CORPUS SIREO REAL ESTATE

# REAL ESTATE INVITATION TO TENDER RESIDENTIAL PORTFOLIO IN NORTHERN GERMAN CITY

**Data:** >500 residential units, very well-maintained, non-fragmented portfolio, settlement character

**Type of sale:** Structured, two-phase bidder procedure

Please submit written notification of intent to the exclusive manager of the sales process:

**CORPUS SIREO Makler GmbH**  
**Investment Division**  
**Aachener Straße 186**  
**50931 Köln**

**Your contact:**  
**Michael Schmidt**  
**Telephone +49 221 4737701**  
**Telefax: +49 221 47379701**  
**michael.schmidt@corpussireo.com**

THE REAL ESTATE PEOPLE®

› to one of the founders of this company in a session entitled The power of the crowd – a game changer in commercial real estate.”

› How do you view the Swedish participation at Mipim?

How important are the Swedish visitors for Mipim?

“Sweden has been present at Mipim since the first edition and ever since, it has always been very well represented at Mipim. Sweden is the 5th most represented country at Mipim in terms of the number of companies and all the key players of the Swedish real estate industry will be present to showcase their projects and expertise. Major Swedish cities such as Stockholm, Malmö and Gothenburg, will bring together on their stands public and private companies such as the cities of Nacka, Uppsala, Örebro as well as the companies. The Mipim Awards 2015 will put Nordic countries in the spotlight with seven finalists projects taking part in the competition, including the project Würth Svenska AB in Örebro competing in the ‘Best industrial & logistics development’ category. I’d like to add that for the second consecutive year, Olle Zetterberg, CEO of the Stockholm Business Region is member of the jury of the Mipim Awards.”

› There is quite a lot of property people coming to Cannes during Mipim, without paying the entrance fee. What’s your opinion on this?

“It is true that there are a certain number of companies and individuals who come to Cannes to benefit from the existence of Mipim, by conducting business during the event, but who do not register for Mipim. This is clearly unfair for the thousands of companies who do register for the event and clients have expressed their concern about the situation. Reed Midem’s responsibility is to safeguard the interests of our bona fide clients. Our priority approach with those companies that are not registered is to explain to them the benefits they will receive by being legitimate members of the Mipim community. By registering they not only have direct access to business opportunities but also benefit from the extensive conference programme and numerous networking activities. Our priority is to persuade non-registered companies to register. As a final resort and only as a final resort, Reed Midem reserves the right to take legal action against this behavior because under French law this activity is considered illegal.”

› Finally, which are your three best tips to the Mipim fair visitors? How do they get the most from the fair?

“Preparation, preparation, preparation! It really is the key to getting the most out of Mipim. Every company needs to understand what its goals are as it heads to Mipim and spend the weeks before the event preparing the best way to reach those goals. If a company wants to raise brand awareness then it should be looking at setting up press and networking events. If a city is searching for international investors then they should be identified and contacted well before Mipim to set up meetings – and this can be done using the Mipim online database. Then there is how to get the most out of what happens during Mipim. Obviously there is the business side of the event, great networking opportunities and a vast number of subjects being discussed in the conference programme. Once again, timely preparation will allow a company to make sure it has a representative taking notes at the conference sessions in which it is interested. With so many major industry trends being examined, this approach can provide invaluable information for future business. Finally, wear comfortable shoes!”





PICTURE NASDAQ OMX

**RINGING IN NORTHERN SWEDEN.** In early December, Andreas Nelvig rang in NP3 on the Stockholm stock exchange. Nelvig has led the company since the start in 2011.

# “I have always felt like I’ve been the youngest”

■ When Andreas Nelvig rang the bell on December 4th, he became one of the youngest CEO:s on the Stockholm stock market - but it is nothing he pays too much attention to.

“No, I have always felt like I’ve been the youngest, no matter what I’ve been doing. At some point I guess I will grow out of it,” the CEO for NP3 Fastigheter laughs.

**By:** Nicklas Tollesson

**DESPITE THE FACT** that he has yet to reach his 35th birthday – March 28th – Andreas Nelvig is an experienced business leader. Already during his school years he started the construction company Tre Jonsson Bygg AB with his brother and father (the name Nelvig came with marriage).





The construction company grew and one of the big customers was Lars-Göran Bäckvall and his real estate company Norrlands-pojkarna.

“Lasse and I had a lot to do with each other and he asked if I wanted to work for him. I declined a few times before finally accepting the offer,” says Andreas Nelvig.

At the age of 28 he became the CEO for Norrlandspojkarna. At this point he decided to end his political career, which consisted of a position in the local government (where he was the youngest member as well) for the Moderate party. ➤

# NORDIC TRANSACTION POWER

## EXAMPLES OF SOME OF OUR COMPLETED TRANSACTIONS IN 2014

 <p>Acquisition of 106 properties in Sweden and Norway <b>Seller:</b> DNB NOR Eiendomsinvest I</p> <p>SEK 11.5bn</p>	<p><b>VASAKRONAN</b></p> <p>Sale of ~42,000 residential building rights on Lilla Essingen, Stockholm <b>Buyer:</b> Oscar Properties</p> <p>SEK 920m</p>	 <p>Acquisition of 14 hotel properties in Sweden <b>Seller:</b> Pandox</p> <p>SEK ~2.2bn</p>
 <p>Sale of ~65,000 m² building rights in Marievik, Stockholm <b>Buyer:</b> JM</p> <p>SEK 815m</p>	<p><b>SLÄTTÖ™</b></p> <p>Fund raising and acquisition of residential project in Linköping, ~4,700 m², and in Karlstad, ~10,000 m² <b>Seller:</b> Peab &amp; SPG</p> <p>SEK ~400m</p>	 <p>Sale of residential portfolio (1,100 apartments) in Skellefteå <b>Buyer:</b> Nordhalla</p> <p>SEK ~600m</p>

*“Pangeas deep knowledge of the property markets in the Nordics, as well as their transaction and corporate finance capabilities, were crucial for the success of this complex transaction.” – Zsolt Kohalmi, Starwood Capital Group.*

**PANGEA PROPERTY PARTNERS** is an independent Nordic corporate finance and transaction advisory firm focusing on the real estate sector. The company has offices in Stockholm and Oslo with some 30 employees, of which 8 are partners. In 2014, Pangea executed almost 60 transactions with an underlying property value exceeding SEK 25bn. The mandates include divestments and acquisitions of single assets and portfolio as well as large development projects, corporate transactions and capital raisings.

en.pangeapartners.se





BOARD MEMBER OF THE FOOTBALL TEAM GIF SUNDSVALL

**Name:** Andreas Nelvig (born Jonsson).  
**Age:** 35 on March 28th.  
**Lives:** Sundsvall.  
**Family:** Common-law wife. Two daughters, 7 and 3 years old, from an earlier marriage.  
**Education:** Graduate Economist, Mittuniversitetet.  
**Background:** Started Tre Jonsson Bygg AB 2002 together with his father and brother. Became CEO for Norrlandspojkarna in 2008. Became CEO for NP3 when the company was started in 2011. Was at the same time CEO for Norrlandspojkarna until late 2011.  
**Hobbies:** Family, music, sports. Board member of the football team GIF Sundsvall.  
**Watches on TV:** "Nothing in particular."  
**Drives:** A BMW-combi.



PICTURE: NP3

› “At that time, the media covered people who allegedly intertwined their political careers with their civil careers. We were in opposition and it was not about us, but when I accepted the job at Norrlandspojkarna I decided not to risk ever being questioned on the subject.”

› Why did you choose to quit and take the job at Norrlandspojkarna?

“Family business are good in many ways, but there are benefits of not seeing each other every day, and instead see each other and have a good time at Christmas ... It also fit my own family situation better to work at Norrlandspojkarna.”

IN 2010, DURING THE aftermaths of the financial crisis, the framework for NP3 was formed. For a long time Lars-Göran Bäckvall had a vision of a larger real estate company in northern Sweden, with a main focus of high-yielding commercial properties. Together with the former Aberdeen profile Rickard Backlund – who has been chairman from the beginning – the company was created and five properties at a value of approximately 250 MSEK were retrieved from Norrlandspojkarna.

“The plan was initially an exit after six to eight years, with a stock exchange listing as one alternative, but at the time it was not the most likely alternative,” says Andreas Nelvig.

However, NP3 grew faster than anticipated. In four years the company grew to approximately 3,000 MSEK (property value), and due to the stock market being noticeably more favorable today, NP3 chose a listing and a reissuing where they brought in about 230 MSEK. Since the listing in early December, the share has risen by approximately 40 percent.

NP3 FASTIGHETER AB

- Started at the turn of the year 2010/2011.
- Main focus on commercial properties in northern Sweden.
- Property value of approximately 3,300 MSEK.
- Andreas Nelvig is the CEO and Rickard Backlund is the chairman. Lars-Göran Bäckvall is the largest shareholder.

› How has your time as stock market-CEO been so far?

“So far I have only noticed positive effects of the listing. We get more attention than before and it’s great that there is such an interest in our company,” says Andreas Nelvig.

The aim is still growth in the northern regions.

“We have not defined any growth goals, which is due to the business opportunities that present themselves, but a reasonable growth rate is to grow approximately 1,000 MSEK this coming year. That is achievable with the current funding, the money we brought in through the reissue in connection with the listing and the constant cash flow.”

Due to NP3’s listing, two northern real estate companies are present on the Stockholm stock exchange. Andreas Nelvig deems Diös more as colleagues than competition. Since Diös primarily aims towards city centers and NP3 seeks a higher yield – the management aims to have a yield level of 7.5 percent minimum, and today it’s just shy of 8 – outside of the city centers they rarely compete for the same object.

“On the other hand we do have a common interest in marketing the north. Despite our market making up for two thirds of Sweden’s area, there is a widespread lack of knowledge about northern Sweden, a lot of Stockholm residents barely know the geographical order of the northern provinces. But both us and Diös are good at acknowledging the strong growth here. The ten biggest cities in the north are growing, both in population and employment.”

› On which markets will you grow the most in the future?

“Our priorities today lie on Luleå, Umeå and Gävle, basically because we are still small in these cities today and we have to grow to get effective management organizations.”

HOUSEHOLD SIZES HAVE BEEN SHRINKING STEADILY IN EUROPE OVER THE PAST DECADE, BUT WHICH COUNTRY HAD THE **SMALLEST AVERAGE HOUSEHOLDS** IN 2013?

**SWEDEN** HAD AN AVERAGE HOUSEHOLD SIZE OF 1.9 IN 2013, THE ONLY COUNTRY IN EUROPE BELOW TWO.

We have the answers.

TIAA Henderson Real Estate delivers unique investment solutions today, by focusing on the structural trends that will shape real estate tomorrow. We are in touch with Tomorrow’s World.

[www.threalestate.com/tomorrows-world](http://www.threalestate.com/tomorrows-world)

This communication is for professionals only. Source: Eurostat, 2014. Issued by Henderson Real Estate Asset Management Limited (reg. no. 2137726) and Henderson Property UK AIFM Limited (reg. no. 3984658), (incorporated and registered in England and Wales with registered offices at 201 Bishopsgate, London EC2M 3BN) which are authorised and regulated by the Financial Conduct Authority to provide investment products and services.



■ Investing in American residential projects on the Swedish stock market may soon be a possibility.

“We are hoping for a listing before midsummer,” says Rickard Haraldsson, CEO at Index International. **By:** Nicklas Tollessen

# American Properties en Route to Swedish Stock Market

WE MEET ON KUNGSTRÄDGÅRD SGATAN 18 in Stockholm. The headquarters with ten employees, in a wintry Stockholm is one of the company's two offices – the second, with eight employees, is located in summery Jupiter, Florida, where Index International took advantage of the market situation that emerged following the Lehman Brothers crash.

“After a ten year presence, at that point, we made the decision to acquire property projects in Florida, US. Our plan was to acquire residential projects and build a portfolio of residential assets. The first project in our portfolio was purchased in 2010 and the market has been on a solid rise since.”

The company is fully focused on residential development and as a general rule purchases land. Today the US portfolio includes approx. 1,350 apartments, from rental, condominium and senior housing apartments.

In Sweden – mainly the Stockholm region – the project portfolio is even bigger with 1,700 apartments, among others a condominium development with approximately 500 apartments in Norrtälje harbour.

At the same time during 2015 there are properties at a value of approximately SEK 1.3 billion in the company's cash flow generating portfolio, which contains properties in Sweden (both residential and commercial) and in the US – and a biomass renewable energy facility in Canada.

“Naturally it differs slightly from our core business, but the main idea is somewhat similar to property development in regards to the development process containing long-term contracts, zoning, building permits and financing structures. We purchased a plant producing steam and hot water which we converted to a state of the art, green energy plant for 25 MW electricity generation, hot water and steam, a true co-generation facility. The facility will commence commercial operations first quarter this year. We signed a 20 year fixed price electricity contract with the province of Ontario which implicates a guaranteed fixed prices at approximately four times above the current market price. This shows the province of Ontario's commitment to environmental-friendly energy. Before long, when the plant is operative it will be a cash flow machine,” says Rickard Haraldsson.

INDEX INTERNATIONAL IS NOW working towards a listing, either on Fint North or Nasdaq OMX Mid Cap.

Backing the plan is the favourable climate of the stock market as well as the improved financial possibilities that follow a listing.

“We are a relatively small company with a growing balance sheet, which clearly makes financing a priority. So far, Index has used traditional bank financing, brought in external partners associated with certain projects as well as issuing bonds at a value ➤

## RICKARD HARALDSSON

**Age:** 45 years.

**Lives:** Täby.

**Family:** Girlfriend, a son and a daughter.

**Background:** Has worked for Index International since 2007, with the exception of a period during 2013-2014 where he invested in his own business – a grocery bag business in Toronto. “For personal reasons I wanted to try something different for a while. I knew Toronto, due to our biomass plant being located there. I still own a part of the company but I am no longer active.” Has previously worked as a transaction consultant for among others Avanza and Grant Thornton.





PICTURE: INDEX INTERNATIONAL



*»We will become a unique company on the Swedish stock market.«*

› of MSEK 375. The bonds issued are priced at Stibor's three month rate plus eight percentage points."

"We have an issue frame of MSEK 500 and are currently aiming to issue an additional MSEK 125. Being an unlisted real estate developer, the market will price our capital slightly higher than listed comparable companies. We should be able to considerably improve our terms and furthermore be able to take advantage of the alternative financing options for listed companies."

› Will you streamline the portfolio prior to the listing?

"We are looking into it, we will potentially be selling one or more assets. But the plan is basically for the whole company to be listed. However, it may be challenging for the market to correctly price the residential portfolio and the energy facility in Toronto combined. We are familiar with the underlying asset values and it largely involves a lot of information and educational initiatives to the capital market. We have a favourable track record, the company

was founded in 1998 and so far the investments have amounted to an IRR of approximately 65 percent, measured on investment level."

› How far along are you in the listing plans?

"Due to our bonds being listed we already report according to the accounting standard IFRS. But of course there is still work to be done in regards to the process of consolidated financial statements and information disclosure. We are currently in contact with various investment bankers to sign the right advisors in conjunction with the listing and fundraising. We have not reached a decision on whether we will be listed on First North or Mid Cap, despite First North's predominance in this situation. If we choose First North, a listing at midsummer is a possibility. Mid Cap takes longer, which might give us the same result first after the summer."

How comprehensive the re-issue will be is not yet determined, but the aim is for the current owners – founders Bjarne Borg and Fredrik Alma – to decrease their ownership to 60 percent after the share issue in connection to the listing.

› Personally, how do you feel about becoming a stock market CEO?

"It is very exciting. It will be very new, but I look forward to the increased contact with the capital market. We will become a unique company on the Swedish stock market, being the only residential property developers with business both in Sweden and the US." ■

# Stockholm is a leader

Stockholm, one of the world's hottest startup capitals. Take any international comparison on competitiveness, innovation, climate, entrepreneurship or quality of life.

Welcome to one of the world's most knowledge intensive regions, recognized as an international innovation powerhouse.

[investstockholm.com](http://investstockholm.com)



 **Stockholm**  
The Capital of Scandinavia





**NEW MARKET.** Stefan Gattberg and colleagues at Pareto have thus far placed three companies, in possession of one property, on First North. And there are more to come. The extremely low interest rates are a momentum.

**REAL ESTATE COMPANIES WITH ONE PROPERTY ON FIRST NORTH:**

**Delarka Holding AB**  
Created by: Pareto.  
Owns: The Postnord property in Solna (purchased from Vasakronan for SEK 1.2 billion in November 2013).  
Lease: Until April 2026.  
CEO: Sven Hegstad (Pareto Business Management)

**Kallebäck Property Invest AB**  
Created by: Pareto  
Owns: The Saab property in Kallebäck, Gothenburg (purchased from Profi for MSEK 840 in March 2014).  
Lease: Until December 2021.  
CEO: Stefan Björkqvist (Hestia).

**Saltängen Property Invest AB**  
Created by: Pareto.  
Owns: Ica's central warehouse in Västerås (purchased from Tribona for MSEK 1,075 in December 2014).  
Lease: Until September 2022.  
CEO: Stefan Björkqvist (Hestia).

**Torslanda Property Investment AB**  
Created by: Catella  
Owns: Volvo PV's headquarters in Torslanda, Gothenburg.  
Lease: Until December 2024 (the contract with Volvo encompasses 97 percent of the area).  
CEO: Caesar Åfors.

PICTURE: PIXPROVIDER

# Project Finance – an up and Coming Market in Sweden

■ Since December 2013, four real estate companies owning merely one property, have been listed on First North – and there are more to come.

“We conducted three project finance deals in Sweden during 2014 and I think we will do twice as many in 2015,” says Stefan Gattberg at Pareto. **By:** Nicklas Tolleesson

**DELARKA HOLDING, KALLEBÄCK PROPERTY INVEST, Saltängen Property Invest and Torslanda Property Investment** are all listed on First North. The three first are signed Pareto, while Catella established the Torslanda structure.

Pareto have long worked with project finance in Norway. “Already in 1985 Pareto started with classic Norwegian industries like shipping and fishing – you establish a company that purchases for example a tanker, one great asset with underlying cash flow. It was a natural early step to also do properties since the structure is very similar. In 2003, Pareto completed the first project with Norwegian capital on the Swedish real estate market,” says

*»Stable tenants, quality constructions, long leases, favourable locations.«*

Stefan Gattberg, head of the Project Finance department at Pareto Securities in Sweden.

Pareto Project Finance (PPF) has historically worked with unlisted structures on the project market – but with Delarka Holding, the first listing of an individual project was carried through.

“What determined Delarka’s listing was that a couple of the largest investors requested it. It was a large deal as well, with a property value of SEK 1.2 billion, which made the company more suitable for a listing. It is not a tradition in Norway to list single projects. A few investors in Sweden have preferred a listing which made a listing on First North a natural choice. Due to Pareto Securities’ purchase of Öhman Fondkommision and associated share and bond trading desk a few years earlier, there was experience enough in the company to carry through a listing. Pareto has extensive experience in Norway from public listings within the real estate sector, with amongst others Norwegian Property and Selvaag Bolig.”

**DELARKA’S INTRODUCTION WAS SUCCESSFUL**, both in regards to attracting investors as well as the company’s first time on the stock market. After a year on First North, the share is traded for approximately SEK 110, a SEK 10 increase from the buyers’ initial investment. Furthermore the share generates a quarterly dividend of SEK 2.00.

Pareto has since added Kallebäck Property Invest and Saltängen Property Invest to First North. In addition the Pareto company Gbg Office has purchased the ÅF-building in Gothenburg. This company will however not be listed.

“A company’s listing is partially decided by the company’s size. A listing means a certain expense which requires a certain volume. Furthermore the investors’ wishes are a factor.” ➤



## When investing in the Nordic region

**Since 1994, AGL has been a partner to more than 125 real estate companies in the Nordic region in strategic and operational decision making.**

Today, AGL advises over 75 clients on treasury and financial management with portfolios in excess of €20bn and assist clients in transactions over €2bn yearly. Several of these clients have outsourced their entire treasury operations to us.

Our independence, strong access to local financial markets and use of real time market information ensure that our clients get the best financial solutions available.

By using the latest technology and simulation techniques, we can help clients to optimise their hedging strategies in currency and money markets.

To ensure that best value is achieved we support our clients with ongoing analysis, reporting and benchmarking of their portfolios.

When it comes to financing and risk management, choose AGL as your independent local partner.



[www.agl.se](http://www.agl.se)

Drottninggatan 25, 111 51 Stockholm  
+46 8 545 017 00

**AGL**





**SALTÄNGEN.** Saltängen Property Invest owns Ica's central warehouse in Västerås.



**DELARKA.** Delarka Holding owns Postnord's headquarters in Stockholm.

PICTURE: PARETO

➤ The fundamental idea of Pareto's project is for the profit to reach the owners as soon as possible.

"Naturally funds are reserved for maintenance and such, a percent or so goes towards instalments," says Stefan Gattberg.

The risk with this kind of company is obvious: You stand or fall by one major tenant.

"**WE ALWAYS LOOK FOR PROPERTIES** with stable tenants. It is the most important parameter. Stable tenants, quality constructions, long leases, favourable locations. Furthermore it is important to be proactive when it comes to management. We have a close dialogue with the tenants and discuss how the property can develop with them. We try to extend the lease early, perhaps already after half of the lease term. Other ways to minimize risks are to have long interest rate SWAP's and use so-called Triple Net agreements."

"Despite this kind of company being new on the Swedish market, Pareto has extensive experience from Norway. Pareto manages a portfolio containing property projects at a total worth of SEK 26 billion. Average lease length is approximately eleven years. In these kinds of companies, Pareto has since 1998 given investors an annual yield of ten percent."

➤ You can detect certain similarities with the Danish limited partnerships that have not had particular success on the Swedish market lately?

"We do not want to be associated with them, as you can imagine. And there is a crucial difference: They were anonymous structures, while we put the Pareto name on all our projects. We have an active management and are present in the company managements for many years."

➤ But you do not invest in the companies yourselves?

"No, never. We manage assets at a value of SEK 26 billion, and we would never have been able to be present in all investments. We see great importance in separating the roles, we make it clear that we implement the transactions and take an active management role, but never invest ourselves."

➤ Why has the project finance market started up in Sweden at this point?

"One reason is simply that we have started this now. The market might have existed earlier as well, but it is only now that someone has done something with it. The fact that Catella has entered the market is only positive in my eyes. It is great that a project finance market is created in Sweden as well."

"Adding to that it is due to the extremely low interest rates. Our investors – often smaller institutions and wealthy individuals – seek properties due to it being an asset class with good yields right now."

**PARETO IS CURRENTLY UNDERGOING** an reorganisation, resulting in a merger between the sister companies Securities and Project Finance – Project Finance becomes a part of Securities.

"For us on the Project Finance side, this results in a growth, we are initially twelve people in Sweden. We can access a greater tool box and will also have the capacity to make larger deals. Aside from the businesses we have spoken of so far, we will be able to establish and form listed companies with greater volumes, work with bonds and M&A advisory in other ways than earlier. We will simply become more active on the real estate market." ■



# ALWAYS UP TO DATE

Sweden's leading marketplace  
for vacant office space.

**lokalnytt.se**



## Rikshem's vision is a long-term owner of rental housing and community properties

Rikshem is one of the largest privately owned real estate companies in Sweden.

Rikshem owns, manages and develops rental housing as well as community properties within above all elderly care in several municipalities in Sweden.

Rikshem's ambition is to be a national "public" company by combining professionalism and social responsibility and on a long-term basis to cooperate with the municipalities regarding rental housing and community properties.

Rikshem stands for reliability, development and sustainability. Rikshem is owned by the Swedish Fourth National Pension Fund and the pension company AMF.

**rikshem**





■ The annual growth in the past 14 years exceeds 30 percent – with profit increase above 40 percent.

The growth phenomenon Collector, with a large part of the Swedish real estate industry as clients, now aims towards a public listing to facilitate further growth. **By:** Nicklas Tollesson

**GROWTH.** Åsa Hillsten and Stefan Alexandersson are bringing finance company Collector, with a great clientele in the real estate industry, to the stock market.

# Further Growth Through Public Listing

BALDER’S FOUNDER AND CEO ERIK SELIN is known for not making long-term prognoses or strategies. So when Collector’s CEO Stefan Alexandersson talks about finance group Collector, he does sound like an echo of his vice chairman of the board Selin.

“We do not really make a lot of budget prognosis. Swedish companies spend way too much time calculating and planning rather than getting down to business. We take part in all business that looks good to us.”

Balder purchased 35 percent of Collector in 2011 and has increased their ownership to 48 percent since – which has been a brilliant deal so far. Collector’s return on equity has been between 24.1 and 29.9 percent between 2010 and 2013. The numbers for 2014 are not yet calculated, but the return is “at least well above 20 percent” according to Alexandersson.

Collector offers a wide range of financial services addressing both private individuals and companies.

Collector has grown substantially within the real estate sector recently, in among other things assignment collections.

“We have approximately 60 percent of the listed real estate companies in Sweden as clients,” says Åsa Hillsten, Communication and Marketing manager at Collector.

About one and a half years ago, Collector also invested in real estate funding.

“IT HAS GONE WELL, WE HAVE issued approximately SEK 1 billion so far. It is in regards to junior funding in growth districts, often associated with transactions or some kind of development project. This is a division we believe can develop positively in the future,” says Stefan Alexandersson.

“The real estate industry is important to us and we have substantial real estate knowledge within the company, through amongst others Sven-Erik Eriksson, Head of Property Loans and on a board level through Erik Selin and Skandrenting’s CEO Johannes Nyberg.”

Collector now has their aim set on Nasdaq OMX Mid Cap – what remains before the application is submitted is their banking license – the permission from Finansinspektionen (the Swedish Financial Services Authority) granting Collector becoming a bank

## COLLECTOR

- Founded in 1999 by Lena Apler and Johan Möller.
- Provides Factoring and Corporate Financing, Debt Collection, Legal Services and Foreign Counselling as well as savings accounts.
- Provides consumers savings accounts, private loans and consumer cards.
- Has close to 300 employees, at offices in Gothenburg (hq), Stockholm, Malmö, Oslo and Helsinki.

rather than being a credit market company.

“In practice there is no significant difference, we will relocate to another department at Finansinspektionen. Mainly it makes it easier for us to communicate to the market what we do – a bank’s function is commonly known but a credit market company is more difficult to explain.”

› **Why is this the right time for a public listing?**

“It is a natural step towards further growth. We are closing in on SEK 1 billion in turn-over and a balance sheet of SEK 10 billion. The new capital adequacy requirements for banks is also an aspect. It is additionally favourable for Collector’s brand, a public listing is kind of a seal of quality.”

› **Will the current owners be selling shares in conjunction with the listing?**

“Balder will not be selling. Remaining owners will sell, giving the shares a greater free float.”

› **How substantial will the new issue be in association with the listing?**

“We do not know yet. A few hundred million.”

› **How do you explain Collector’s success thus far?**

“There has always been a strong entrepreneurial spirit within the company. The pursuing forces have owned and currently own shares in the company. You are often more careful handling your own money. The different parts of Collector have largely been run as individual companies – every product has a yield requirement and is run as a separate unit. It is only recently that we have taken advantage of the synergy effect between the different sections,” says Stefan Alexandersson.

“THE GREAT SWIFTNESS, KNOWLEDGE and flexibility in the organisation enables us to make quick, balanced decisions and initiate new investments on short notice. Real estate funding is an example of this. We detected an absence on the market, packaged an attractive product and had soon started up the business,” Åsa Hillsten adds, before Stefan Alexandersson sums it up with another explanation à la Erik Selin:

“We have been lucky as well. The market has developed in a very favourable way for us.” ■





**NEW VENTURE.** Simon de Château and Sloan Wobbeking (ex-Niam) are the leaders of the new real estate investment company Alma Property Partners.

## Simon de Château's new Venture

■ For ten years, Simon de Château personified the property fund company Sveafastigheter.

He has now founded Alma Property Partners - with a business plan largely reminiscent to that of Sveafastigheter.

"A significant difference is that Alma currently is and will be owned 100 percent by people who actively work within the business. We will not obtain any financial owners," says Simon de Château. **By:** Nicklas Tollesson // **Picture:** Pixprovider

**HE WAS A FOUNDING PARTNER** of Sveafastigheter in 2003 and was the CEO until the fall of 2013, when he left the company.

The idea of a company like Alma Property Partners has existed since spring, and after the summer they took a more solid form when Simon de Château and Christofer Lundquist (previously Hemsö, Kungsleden and Nordisk Renting) moved into the office on Engelbrektsgatan in Stockholm.

In early January Sloan Wobbeking - currently CEO at Alma - joined from Niam.

"I am a firm believer that a private equity real estate firm should be owned by the management team and employees. This model is attractive for investors because they will know that their fees remain within the group and that the management team will co-invest significant capital alongside the investors. Additionally, the ➤

# The Copenhagen-Malmö region A pool of opportunities

Easily accessed from all parts of the world.  
Home to the largest concentration of  
highly educated people in northern Europe.  
Highly ranked in terms of business climate,  
investments, science and quality of life.

City of Malmö Copenhagen Capacity and partners

COPENHAGEN  
CAPACITY



Join us at

Stand:P-1-K14  
Level 01  
Palais des  
Festivals  
MIPIM 2015



**SLOAN WOBBEKING**



- Partner and CEO at Alma Property Partners
- Has roughly 15 years experience in private equity real estate, management consulting and finance.
- Originates from the US where he worked for among others, Lehman Brothers, JP Morgan and Advent International.
- Came to Sweden in 2007. Worked at Bain & Company in Stockholm at the time. Moved on to Niam in 2010 where he was a business development and investor relations specialist.

**SIMON DE CHÂTEAU**



- Partner, Chairman and CIO at Alma Property Partners.
- Has roughly 20 years experience in transaction advisory and investments on the Nordic real estate market.
- Founded Sveafastigheter 2003 and was CEO at the company until 2013. Prior to which he took part in establishing Leimdörfer's corporate finance activities.

*»It is more important to make the right investments than becoming a big company, which constitutes no purpose of its own.«*

› partnership model is appealing for attracting the top real estate investment talent to Alma,” says Sloan Wobbeking.

“I enjoyed my work at Niam, so I needed a special opportunity in order for me to leave. I contacted Simon to hear about his plans and we had similar thoughts on how a company like this should be structured. Over a ten year period, Simon produced a net returns of over 20 percent for his investors, and there are not many who can compete with that in the Nordic real estate market. His track record is hard to beat and if there is anyone you want to start a business like this with, it is Simon.”

**THE THREE FOUNDING PARTNERS** have devoted most of their time at Alma Property Partners towards raising capital for two products:

- Alma Property Partners I, which is a close-ended, value-add real estate fund (a target of 16 percent gross IRR), focused on property investments in the Nordic Region. A minimum of 50 percent of the committed capital will be invested in Sweden. Prospective investors are domestic and international institutions.
- Akka Bostad, which is a collaboration with Möller & Partners, is described as an unlisted company focused on high-yielding – 7–8 percent – residential properties in small and medium-sized cities in Sweden. Here the prospective investors are mainly Swedish institutions.

“We have come further along with Akka, having met with investors since October. We are hoping for a closing this spring on


MSEK 500 in equity capital,” says Simon de Château, acting as executive chairman and CIO at Alma Property Partners.

“In addition we have met investors in Europe and North America that we have previously been in contact with and there is a strong interest in our broader value-add fund. Our aim is to raise 200 million euros and make an initial close this fall at approximately 100 million euros.”

**LATELY INTERNATIONAL** investors have accounted for a relatively small portion of the Swedish transaction volume, which can partially be explained by the investment by international investors into Swedish real estate funds rather than purchasing the properties directly.

“Rather than investing in funds managed by Morgan Stanley and Whitehall, they now choose fund managers with local teams with substantial knowledge of the market. The interest in the Swedish real estate market remains high.”

› **What are your long-term ambitions for Alma Property Partners?**

“We aim to be an attractive choice for investors who seek exposure towards the Nordic real estate market, mainly concerning value-add and opportunistic funds. It is more important to make the right investments than to become a big company, which constitutes no purpose of its own. We have discussed how big we wish to become and reached the conclusion that perhaps 10–12 individuals in the office is suitable.” 

Receive  
**THE FIRST NEWSLETTER**  
covering the Nordic real estate market  
– free of charge!

Sign up for your subscription at  
[www.nordicpropertynews.com](http://www.nordicpropertynews.com)

#NordicPropertyNews







# Book your ad for Expo Real 2015 – now

Call Rolf Andersson:  
+46 31 604 355

Number 3 2015 is distributed in Sweden in September.  
The magazine will also be available at the Expo Real fair.