



### **PORTRAIT**

Kungsleden's new CEO  
could just as well have  
been an author

### **SWEDEN TODAY**

CBRE Sweden's CEO  
on investment opportunities

### **PROPERTY FUNDS**

Swedish property funds with  
significant amounts of ready cash



Extra  
magazine  
inside!

THE LEADING PROPERTY MAGAZINE IN THE NORDIC REGION

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# Attractive Sweden at hot Expo Real

WHEN I GOT BACK after the holidays in early August and went through all my emails (1,983 of them), I quickly became aware of the fact that something positive is going on in the Swedish property market. We are hearing from many different areas that a recovery is on the

» This bodes well from a Swedish perspective for this year's Expo Real.«

cards in Europe in 2014, greater confidence in the future among property companies, increased transaction volume, higher transaction turnover and an increasing interest from international players to invest in Sweden. There is also talk of investors from new countries such as South Korea and Malaysia who are going to find

their way here already this autumn. This is exciting, and it bodes well from a Swedish perspective at this year's Expo Real.

WHATEVER HAPPENS, Fastighetssverige is going to be right in the centre of the discussions at Expo Real, ready to pick up the goodies and deliver them to you our readers. We will also be visible in all the magazine racks, we will be present in the press booths and we will deliver daily newsletters with the latest news, interviews and photo



Editor-in-chief // Eddie Ekberg

slideshows directly from the show. In short, anyone who wants to, will be updated on what's happening at this year's Expo Real through one of our channels.

SEE YOU AT THE FAIR!

3 2013

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On the cover // Biljana Pehrsson

Read the interview on page 32.

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## WHAT DO YOU REALLY NEED AN OFFICE FOR?

That may sound like a strange question coming from us, but it's actually quite a relevant and important issue to ponder. Office development is business development. In our industry, we know this to be true. Together, we can change the perception of what an office is and how it is used. It's not just about cost and square meters. An office is a tool for change. We've tested this theory ourselves and now we work in an activity based office that is sustainable right down to the smallest details.

Based on our experience, we help guide our customers to offices that will help them achieve their goals. We've noticed that several of our competitors are also thinking along such lines and we encourage more to do the same! Only by working together can we change the perception of what an office is and how it is used. And, at the same time, we can offer smarter solutions to our customers!

# VASAKRONAN

Välkommen till en bättre värld



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could just as well have  
been an author.

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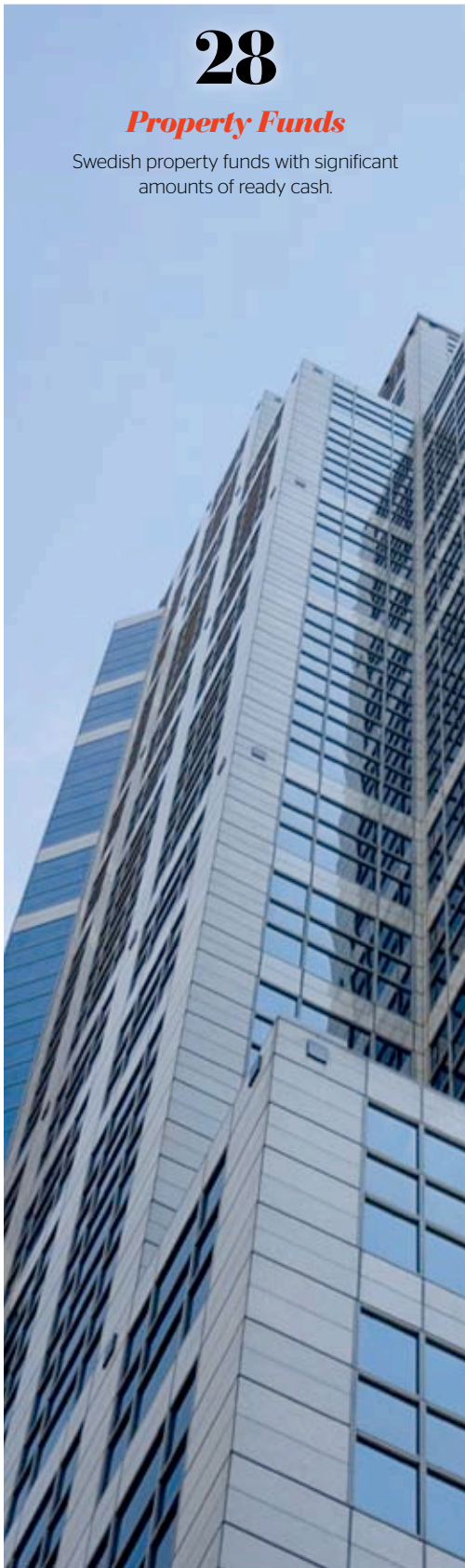
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***Property Funds***

Swedish property funds with significant amounts of ready cash.



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***Winner***

She is the most powerful woman in the Swedish property industry.



# The world economy is

## – but the risks should not be underestimated

■ In recent months we have seen more and more signs that the aggressive and unconventional crisis policy implemented mainly by the world's advanced economies has begun to yield results. However, this has taken time. For major economies such as the UK, France and the Netherlands their GDPs are still below the levels of 2007. In the USA and Germany, growth in the past five years has averaged less than one per cent. In other words, there's a long way to go before one can begin to regard the economic situation as normal.

**THE TREND IN THE** American economy has been sound in recent months. Although the fiscal austerity is expected to make a negative contribution of just over one and a half percentage points, a growth rate of just below two per cent is nevertheless projected for 2013. Consequently, there is a strong underlying force in the American economy. This has been confirmed by positive economic data, even though there are some signs of weakness. On the plus side, labour market trends indicate that more new jobs are being created and unemployment is decreasing. This, together with rising house prices, has strengthened household sentiment, which underpins continued positive consumption.

In light of this development varying statements from the American central bank, the Federal Reserve, have resulted in volatility in the global markets. After the meeting on 19th June the Federal Reserve indicated that its bond purchases are likely to be reduced before the end of the year and ended by the middle of next year.

Stronger economic indications, primarily from Germany, imply that the recession in the Eurozone seems to have ebbed in the second quarter, and that growth could show slightly positive figures for the rest of 2013. The purchasing managers index (PMI) rose in



**LOOKING BRIGHTER.** Swedbank's Head of Economic Forecasting, Magnus Alvensson sees strong economic indicators all pointing in the same direction - brighter prospects for Europe. However, he says, there's a long way to go before one can begin to regard the situation as normal.



# stabilising

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*»In this environment, the Swedish economy is developing relatively well.«*

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both Germany and France, and has even shown a slight increase in southern Europe. Household consumption rose during the first quarter, and led by strong confidence in Germany, both among consumers and businesses, this trend looks set to continue. Rising risk premiums in the wake of the increased volatility in the financial markets may however increase the cost of funding in southern Europe. With limited monetary stimulus and subdued lending it is likely that the economic recovery will take some time.

**THE RISKS IN EUROPE** are now mainly political. The social pressures in southern Europe following the exceptionally high levels of unemployment may lead to further political discontent and this will inhibit the opportunities to pursue economic austerity policies. Furthermore, it remains uncertain whether Greece in particular, but also to some extent Portugal, will manage without further assistance from the EU and the IMF, or alternatively through debt write-downs. If this does not happen, uncertainty may again spread to other countries and markets.

The greatest risks to the global economy will however come from the emerging economies, and in particular from China. After a long period of rapidly expanding credit giving from so-called shadow banking, (institutions, often linked to banks but which do not fall under the same regulatory system) risk sentiment rose sharply at the beginning of the year. Uncertainty about the degree to which the Chinese authorities guaranteed these loans became widespread and interbank rates soared. In the latter half of June, the Peoples' Bank of China played a key role in mitigating this increased risk sentiment, but at the same time made it clear that it

intends to continue its efforts to reduce lending and thus contribute to the new government's commitment to reducing dependence on investments as a growth engine. Moreover, the Chinese authorities have made it clear that China's growth will slow down in the future. From having been a stable source of exports from the rest of the world, China's role will decrease, although it will continue to be substantial. At the same time there is a risk that the increased uncertainty and increasing volatility in the Chinese markets can spread globally.

**IN THIS ENVIRONMENT**, the Swedish economy is developing relatively well. The high level of growth in the Swedish economy in the first quarter weakened in the second, and underlying data has provided no clear indications that growth is improving. Companies' stockpiles increased, possibly due to an overestimation of demand, and the will to invest appears to continue to be weak. Household consumption was also somewhat cautious; the rise in the first quarter can be explained to some extent by the cold weather. Nevertheless, there are several positive indications. The rise in unemployment in March and April was broken in May, and household finances remain strong. In addition, the somewhat unexpected weakening of the Swedish crown can contribute to some extent to the competitiveness of Swedish export industry. In the short-term export demand remains to be the most important factor for the Swedish economy, and consequently trends in the surrounding environment will be the most important factor to follow. **F**

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## LIKE THE TOUR DE FRANCE

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**Name:** Magnus Alvesson.

**Age:** 49 years old.

**Occupation:** Head of Economic Forecasting at Swedbank.

**At Swedbank since:** 2009.

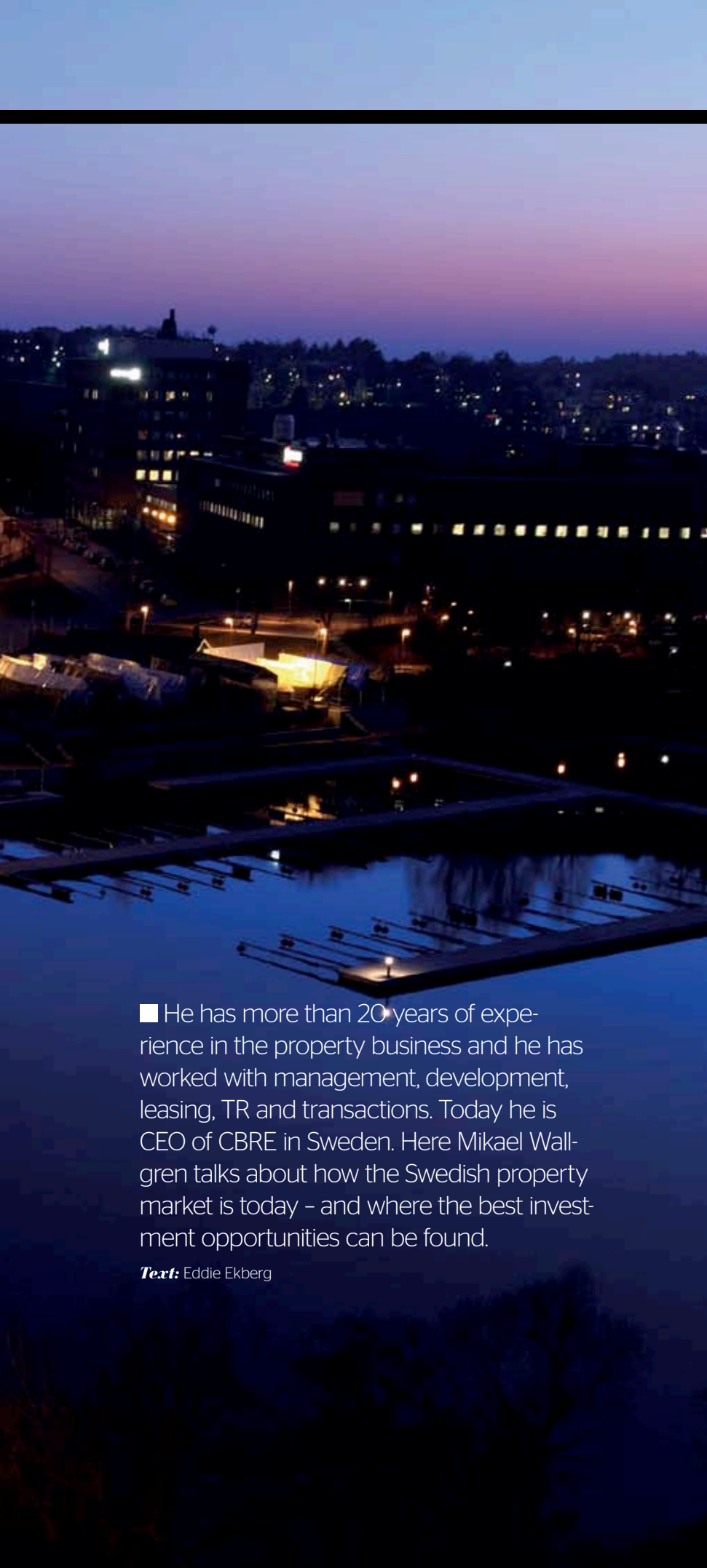
**Leisure:** "Tour de France fan, both in practice and on the side lines."

**SAFE AND HEALTHY.** The Swedish property market is safe, easy to understand and offers good investment opportunities. In addition, the consulting business is extremely reliable and ready and willing.

# »In central Stockholm, you can always make good investments«

CBRE CEO's guide to a successful transaction in Sweden





■ He has more than 20 years of experience in the property business and he has worked with management, development, leasing, TR and transactions. Today he is CEO of CBRE in Sweden. Here Mikael Wallgren talks about how the Swedish property market is today – and where the best investment opportunities can be found.

**Text:** Eddie Ekberg

#### LIKES SKIING

**Name:** Mikael Wallgren.

**Age:** 44 years old.

**Family:** Partner and son.

**Occupation:** CEO.

**Car:** Toyota Land Cruiser and summer car.

**Resides:** Vasastan in Stockholm.

**Leisure:** Enjoys golfing, hunting/ countryside and skiing, supports AIK football team, and is very involved in his son's activities.



BILD: CBRE

**DURING MUCH OF** the 80's and 90's CBRE's Swedish CEO Mikael Wallgren worked in the ski resort of Åre, where he was responsible for, among other things, the management of holiday flats and was site manager for a major tour operator. Over the past fifteen years however, he has been stationed in Stockholm and has worked at RM Estate, Jones Lang Lasalle and for the last three years at CBRE, where he is now CEO of Sweden (but later this autumn, he will step down to his old position as vice CEO, when Patrik Kallenvret will become the new CEO of CBRE Sweden). Obviously, he has good insight into the Swedish market and is thus a very fitting guide for international players who are interested in the Swedish property market.

› **How has the Swedish property business evolved in recent years?**

– I think it has become more and more professional and in the past few years we have seen a lot more expertise coming into the business. Consulting firms have understood the importance of involving skilled people in their organisations; considerably higher demands are being placed on consultants today, which I think is good. Investors are much more informed when it comes to what they're looking for nowadays and can thus demand higher standards of service. We can also see a greater degree of internationalisation within the consulting sector.

› **How do you think the Swedish property market has evolved in recent years?**

– We are seeing new faces on the Swedish market. It's not just the Germans and Americans that are the international investors; they now also come from Canada and countries in Asia for example. We may not have seen so many transactions carried out by these players as yet, but it's only a matter of time. After London and Paris, it's now the turn of the big German cities and Stockholm.

› **How is the financial situation in Sweden compared with the rest of Europe?**

– We are well equipped and we are financially sound. This is ›



➤ one of the strongest advantages we have when investors compare different countries in which to invest. Although Sweden is perceived as relatively expensive, investment here is still interesting thanks to our stable economy.

➤ **How healthy is the Swedish property market compared to the rest of Europe?**

– Given that it’s ailing considerably in many parts of Europe, the Swedish market is in relatively good shape. It resembles the German market in some ways, and it is doing extremely well just now. The German market is secure, safe and a little boring and that basically describes the Swedish market as well right now.

➤ **Which segments do you think that foreign investors will be looking into in Sweden next?**

– They will continue to look at what they are already following, namely retail, offices in Stockholm and logistics. We’ll possibly see some more players looking a little beyond the prime segment, although it will hardly be an opportunistic approach but more of core-plus character.

➤ **Why?**

– Stable yields with strong cash flow and

»One can safely rely on Swedish consultants when doing business.«

low assessed risk. The reason why investors will possibly be looking more beyond the most expensive segment is pricing together with the fact that they still consider such investments to be relatively safe in comparison to alternative investments in Europe.

➤ **How can the Swedish institutions have missed these segments?**

– They haven’t really missed them, even if the Swedish institutions’ direct investments are very focused on offices in the major cities, primarily in Stockholm and Gothenburg. Many of the Swedish institutions are involved in one way or another in the players who have moved beyond this segment through more indirect

investments or through other companies.

➤ **How will investors’ risk propensity change over the next few years?**

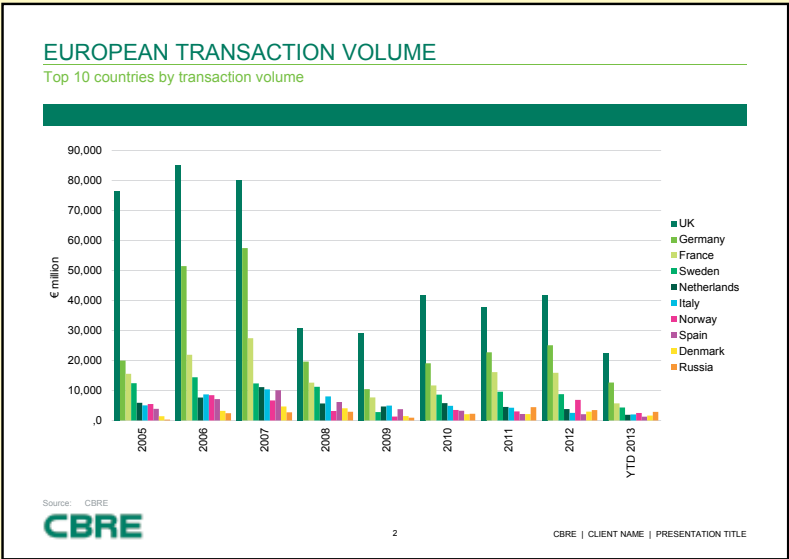
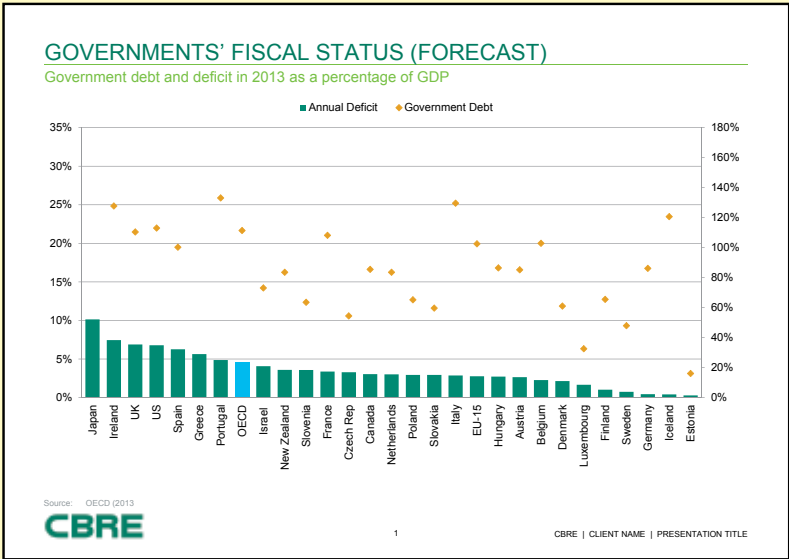
– I think they will continue to be relatively conservative, even though we have many Swedish investors who are extremely active in all segments. I think things will continue in this way unless major changes occur in the global economy.

➤ **Where, primarily, will the investments in the Swedish property market be coming from?**

– Swedish players will continue to dominate the scene. So far this year, only about five per cent of the transaction volume has comprised of international players and even if this figure is significantly higher for the year as a whole they will continue to have difficulties in competing in the segments in which they prefer to invest. However, I think we will see foreign buyers involved in some major retail and logistics transactions.

➤ **What potential investors have missed Sweden so far?**

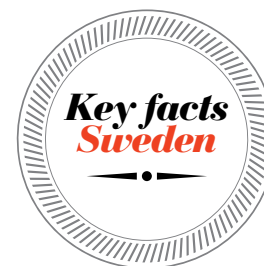
– We have still not seen Asian investors, with a few exceptions. This will increase but it is hard







PICTURE: EDDIE EMBERG



- Official name:** The Kingdom of Sweden.
- Political system:** Constitutional Monarchy, with parliamentary government.
- Head of State:** King Carl XVI Gustaf.
- Prime Minister:** Mr Fredrik Reinfeldt (Moderate Party).
- 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.
- GDP growth:** 0.9 percent.
- Largest cities:** Stockholm (capital), Göteborg, 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

to find investment prospects that are suitable and that are large enough.

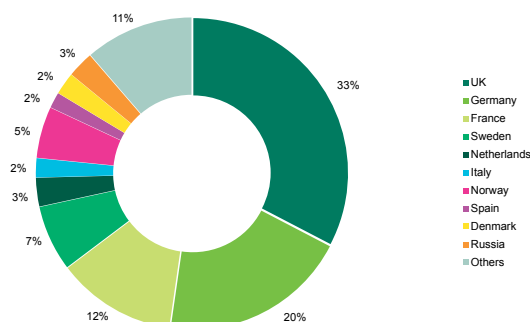
› **What are the challenges facing the property business in Sweden in the near future?**

– The business is well positioned but I think we will see an even greater niche focus in the future. As investors' demands increase, it's constantly all about being able to offer added value in every transaction. This is a natural evolution that is largely following that of the industry in Europe and other parts of the world. ➤

**EXPERIENCED PROPERTY CEO.** Mikael Wallgren has more than 20 years of experience in the property industry in Sweden. He argues, among other things, that really good suburban locations around Stockholm provide very good investment opportunities.

## EUROPEAN TRANSACTION VOLUME

Top 10 countries share of the total European transaction volume 2012



Source: CBRE

CBRE

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CBRE | CLIENT NAME | PRESENTATION TITLE

## EUROPEAN TRANSACTION VOLUME

Top 10 cities by transaction volume 2012

Nr.	Market	Turnover (€m)	Change on 2011	% of European Market*
1.	London	22,770	47%	21.3
2.	Paris	11,021	-12%	10.3
3.	Berlin	4,193	92%	3.9
4.	Stockholm	3,812	14%	3.6
5.	Munich	3,561	26%	3.3
6.	Moscow	3,200	-3%	3
7.	Frankfurt	3,042	5%	2.8
8.	Oslo	2,154	17%	2
9.	Copenhagen	2,075	26%	1.9
10.	Hamburg	1,918	-9%	1.8

\* Excluding invisible multi-city portfolios

Source: CBRE

CBRE

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CBRE | CLIENT NAME | PRESENTATION TITLE



*»But there will always be room for competent small consulting firms with good local knowledge who adopt the right niche.«*

➤ **What characterises the people working in Swedish consulting firms?**

– If you buy a service from a Swedish consultant you can usually rest assured that you'll get what you've asked for, and perhaps more than that. Swedes are talented, hardworking and accountable and they take their job very seriously. This is also the case when it comes to consulting firms; they are extremely reliable. One can safely rely on Swedish consultants when doing business.


➤ **If you were to bring an international investor to Sweden and advise them on a couple of really good investments, where would you go?**

– To Stockholm, you can always make good investments there. Stockholm continues to grow, so I believe in really good suburban locations requiring a little work in terms of leasing activity and development. I don't think that the difference in price between good suburbs and

the CBD reflects today's reality.

– I believe that logistics in good, high quality locations with short, low rental contracts will be a really good investment. Logistics is moving more and more towards short-term contracts where flexibility is crucial and this is something the tenants are willing to pay for. In my opinion, we have too great a discrepancy in yield between long and short contracts in the best locations today.

➤ **Finally, what do you think of the consulting market in Sweden, is it saturated or is there room for more?**

– I think the major international consulting firms will become even bigger and gain bigger market shares at the expense of one or two local players, but there will always be room for competent small consulting firms with good local knowledge who adopt the right niche. 





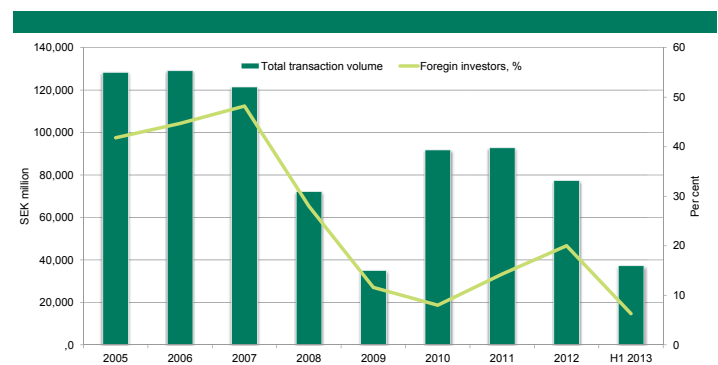
### Three tips

to international investors who are considering investing in the Swedish property market:

- 1** Stockholm is growing. I believe in really good suburban locations needing a little bit of work in terms of leasing activity. I don't think that the difference in price between good suburbs and the CBD reflects today's reality.
- 2** I believe that logistics in good, high quality locations with short, low rental contracts will be a really good investment. Logistics is moving more and more towards short-term contracts where flexibility is crucial and this is something the tenants are willing to pay for. In my opinion, today we have too great a discrepancy in yield between long and short contracts in the best locations.
- 3** Use advisors/consultants.

## INVESTMENT MARKET TURNOVER IN SWEDEN

2008 excl. Vasakronan c. SEK 41 billion



Source: CBRE

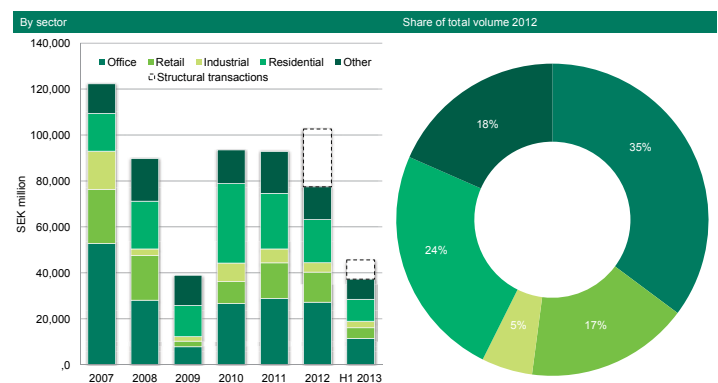
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## INVESTMENT MARKET TURNOVER IN SWEDEN

2008 excl. Vasakronan c. SEK 41 billion



Source: CBRE

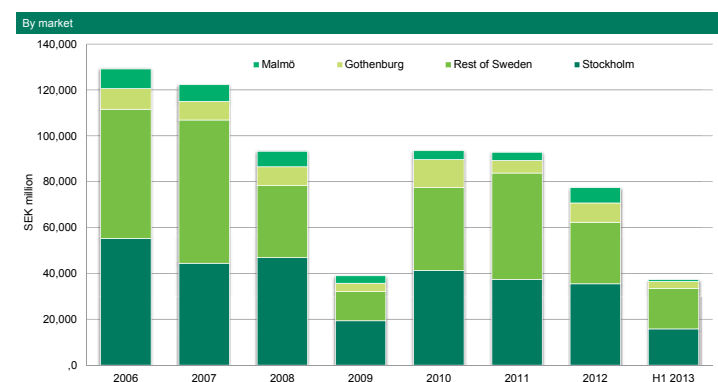
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## INVESTMENT MARKET TURNOVER IN SWEDEN

2008 excl. Vasakronan c. SEK 41 billion



Source: CBRE

CBRE

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CBRE | CLIENT NAME | PRESENTATION TITLE



# How will the market

■ What is happening to the rates, the vacancies and the yield levels on the Swedish market? In short, how is the market affected by the financial situation? We asked three experts on the field to give their opinions. **Text:** Eddie Ekberg

PICTURE: DTZ



**KARIN WITALIS**  
Head of Research, DTZ Sweden

› **How is the steering interest rate (repo rate) going to evolve over the next year?**

– The Swedish economy shows a gradual recovery. However, the Riksbank has cited concerns about keeping interest rates too low for too long, as this could fuel further growth in household debt. On the other hand, the repo rate needs to stay at a low level for a longer period of time to support the recovery to ensure that inflation rises towards the target. In weighing these factors, the most likely scenario is for the Riksbank to keep rates unchanged at 1 per cent until mid 2014, followed by a gradual increase.

› **How will the vacancy rates evolve in the coming year?**

– Employment forecasts for Sweden points at a modest 0.5 per cent growth in 2013 and 2014. Stockholm's labour market may well perform stronger, being the engine of growth. Occupier demand is focused mainly on high quality space in good locations. This

speaks in favour of falling vacancy rates in the inner city and in attractive suburban locations. Across Greater Stockholm outdated offices are turned into residential and this helps keeping the overall vacancy rate from rising.

› **How will rents evolve in the coming year?**

– The outlook for rental growth for Stockholm, and the CBD in particular, is good. The vacancy rate peaked in 2010 at a level below those of previous cycles. Construction activity will return over the coming years, but since a fairly large amount of office space is taken off the market, the net new supply in 2013–2015 is low. Provided no new macro shocks, prime office rents may well rise in the year to come. However, demand is very patchy and in less attractive locations rents are more likely to remain stable than rise.

› **How will yield levels develop in the coming year?**

– Debt lending is again possible and alternative financing is also available. There are currently more buyers than sellers. Prime assets are in short supply, and as a result we expect investors to be increasingly willing to consider stock with more active management potential, at least in the core markets. We expect prime yields to remain broadly stable but yields on good secondary stock to come in.

› **How will international investments develop in the coming year?**

– When the world economy is insecure, as today, it is natural for investors to increasingly target their home market – the market they know best – instead of going abroad. For this reason we do not expect any large wave of foreign money into Swedish real estate in the near future, even though Sweden's economy looks far healthier than many others.

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*»The outlook for rental growth for Stockholm, and the CBD in particular, is good.«*

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# develop in the coming year?

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*»Prime yields are at historically low levels  
and have now bottomed out.«*

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**ARVID LINDQVIST**  
Chief Economist at Newsec

› **How is the steering interest rate (repo rate) going to evolve over the next year?**

– The big question is whether the Riksbank will cut interest rates further? In recent years

Sweden has pursued a contractionary monetary policy in relation to the surrounding world. During this time, the Riksbank has justified the relatively high repo rate on the grounds of the level of household debt, which has been seen to be too high. Meanwhile, over the last decade, the Riksbank has remained significantly below the inflation target, with an average rate of inflation in both CPI and CPIX of about 1.4 per cent. The repo rate will probably remain unchanged in the coming year.

› **How will the vacancy rates evolve in the coming year?**

– Employment in Sweden is expected to increase by about 0.5 per cent per year from 2013 to 2014. Meanwhile, we have considerably stronger development in the Stockholm region, which together with limited new production means that office vacancies in the Stockholm CBD will remain stable at historically low four per cent. Vacancies are expected to be stable in the Gothenburg CBD while they are expected to increase slightly in Malmö, due to the significant volume of new construction in the city. The trend where tenants are demanding efficient premises with access to good public transport facilities continues, which means that the vacancy rate is significantly higher in older and less attractive office properties.

› **How will rents evolve in the coming year?**

– The limited volume of new construction in Stockholm and Gothenburg means that the rental trend correlates strongly with the growth in employment. Since employment growth is expected to be strong in Stockholm and the demand for modern office space in the Stockholm CBD is large thanks to access to good public transport facilities, we will have an average rental growth of 3–4 per cent per year over the next five years. General economic anxiety in combination with a number of major tenants leaving the city has led the market to overreact negatively and we will have zero growth in 2013. In the Gothenburg CBD, we expect rental growth of almost two per cent in the coming year while the significant increase in supply means that we will end up around one per cent in the best locations in Malmö.

› **How will yield levels develop in the coming year?**

– Prime yields are at historically low levels and have now bottomed out. During the first half of 2013, we saw virtually no CBD transactions at all. Investors have instead begun to focus on more high-yield secondary office and retail locations, as well as good housing property in regional cities. In the coming year we expect to see a slight reduction in the yield rate for commercial properties outside the prime locations, and for housing in the inner suburbs of the big cities and the best locations in regional cities.

› **How will international investments develop in the coming year?**

– Up until May 2013 there were virtually no foreign investments at all in the Swedish property market. This was largely due to the highly valued Swedish crown and the internationally low prime yields. However, we have now seen a lot of interest from foreign players, and during the summer there have been a number of ›



- › transactions. Our currency is a major factor, and it has weakened slightly during late spring. We will probably see more foreign transactions during the second half of 2013, but it is very doubtful that we will exceed the foreign investor's share in recent years of 10–20 per cent of the market.



PICTURE: JOAKIM VIKING

#### ÅSA LINDER

Head of Research, Jones Lang Lasalle

#### › How is the steering interest rate (repo rate) going to evolve over the next year?

– The inflation level will remain at a low level. Consequently, we believe that the steering interest rate will remain unchanged in the coming year.

#### › How will the vacancy rates evolve in the coming year?

– The vacancy rate in Stockholm is around 9.5 per cent, which is about one percentage point lower than a year ago. Vacancies have fallen in virtually all market segments. The volume of newly built office space is still very limited this coming year and that which will be completed is basically fully leased already. Even if demand were to slow down somewhat, we believe that vacancies in the coming year will remain between 9 and 10 per cent. In Gothenburg, vacancies have dropped by about 1 percentage point compared to last year and they are now at a level of 6.3 per cent. We believe that the combination of low future projects volumes together with continued strong demand will result in vacancies in Gothenburg continuing to decline slightly. In Malmö/Lund, vacancies are at the same level as a year ago. The volume of new offices being built on speculation has decreased and we believe that the vacancy rate for the coming year is likely to remain at the current level.

#### › How will rents evolve in the coming year?

– Cost awareness has increased among the tenants. At the same time, many people are reviewing their way of working. By adapting the way of working, one can continue to sit in attractive locations if the premises are modern and efficient and thereby lower the rental cost per employee. Proximity to public transportation is still

very important and this benefits inner-city locations and well-located office workplace areas outside of the most central parts. We believe that premises in properties in Stockholm and Gothenburg that meet the above criteria can see some positive rent growth in the coming year. We believe in continued stable levels in Malmö/Lund, due to a relatively wide range of well-located new premises.

#### › How will yield levels develop in the coming year?

– For some time we have had a steady development of stabilising yields for prime property – this trend is also expected to continue in coming years. For office property in Stockholm, prime yield is currently at about 4.75 per cent, which is well below the historical average of about 5.5 per cent. As debt financing becomes more available, we see a marked increase in interest in secondary property and properties in secondary locations, which will likely mean that the yield rate for this type of property for the first time in a long time will decrease.

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*»We see continued strong interest from international investors.«*

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#### › How will international investments develop in the coming year?

– We see continued strong interest from international investors and here we see retail property at the top of the agenda. There is also interest in prime office space, but competition from domestic investors is too hard with price setting that they cannot match. In summary, there is a very strong underlying demand and great interest in Sweden among foreign investors and many see Sweden as an attractive destination to invest their capital in, which is promising in terms of favourable conditions for good transaction activity by foreign investors during the coming year. ■





VALPARAISO, NORRA DJURGÅRDSSTADEN, STOCKHOLM

# It's what we *do* that counts

As community builders, we have a great responsibility for what the future city will look like. Therefore, NCC focuses on developing new technologies and on reducing the carbon footprint during the entire life of its projects. This means that we develop buildings that allow the next generation to continue to contribute towards a better environment, even after our work is completed.

The ambition to reduce climate impact continuously leads us onto new exciting paths. At present, for example, we are developing Valparaiso, a multifunctional hub for working, living, tourism and shopping at Norra Djurgårdsstaden, the new green urban district of Stockholm. This project is focusing on satisfying some of the world's most meticulous demands in terms of life-long energy efficiency, healthy environments and recycling.



**POWERFUL.** Akademiska Hus' CEO Kerstin Lindberg Göransson has been voted the industry's most powerful woman by the readers of Fastighetssverige. For her, power is about the ability to influence, something she does on a daily basis in her professional capacity.

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#### **GREW UP IN HUDIKSVALL**

**Name:** Kerstin Lindberg Göransson.

**Age:** 57 years old.

**Family:** "Yes."

**Grew up in:** Hudiksvall.

**Lives:** House in Täby and overnight apartment in Gothenburg since February this year.

**Car:** Volvo V60.

**Studies:** Studies in Sundsvall (which was then a part of Umeå University) Degree in Economics from Umeå 1979.

**Career highlights:** FFV Aerotech 1982-1991 (assistant project manager in the JAS project and later CFO), CFO Becker Industrial Coatings 1991-1992. CFO Scandic Hotels 1992-1998, CFO Telia IT-Service 1998-99, Airport Director at Stockholm-Arlanda Airport from 1999 to 2011. Since the autumn of 2011, CEO Akademiska Hus.

**Reads:** Newspapers, Fokus magazine, business newspapers and food magazines, and lots of fiction.

**Watches on TV:** News, and QI on the BBC.



# *Most powerful woman*

## in the Swedish property industry

**Akademiska Hus' CEO is the winner of the premiere award to the industry's most powerful woman.**

**– I feel proud and honoured, says Kerstin Lindberg Göransson.**

*Text:* Eddie Ekberg // *Picture:* David Schmidt/Pixprovider



**K**erstin Lindberg Göransson has been CEO of Akademiska Hus for two years. Prior to that she was Airport Director for twelve years at Stockholm Arlanda Airport, which is owned by Swedavia, a company she was actually involved in forming from Luftfartsverket (the Swedish Civil Aviation Administration). During the Swedavia period, she was also chairman of the board of Capona and a member of the board of Tornet. She also worked quite a bit with the property side of things during her tenure as Deputy CEO and CFO at Scandic Hotels, both in Sweden and elsewhere in Europe. This work included her involvement in the establishment of Scandic Hotels' property company Hotellus. She is now back in the industry, for the latest two years she has been CEO of Sweden's second (after Vasakronan) largest property company - Akademiska Hus. And now

 I feel proud and honoured.«

she has been voted the industry's most powerful woman by Fastighetssverige's readers.

› **How does it feel to be at the top of this ranking?**

– A little unexpected but obviously a lot of fun.

› **Why unexpected?**

– Since Akademiska Hus might, in relation to our size, perhaps be perceived as a somewhat anonymous company in the eyes of the general public. Akademiska Hus is a large company that is engaged in important activities creating knowledge environments for education, research and innovation. However, more than unexpected

it feels gratifying and I feel a little proud. I have been at Akademiska Hus for almost two years and it really is a fantastic company. During this time I have seen a change take place in how we are perceived, for instance when looking at where students want to work. We have taken a step forward in various rankings concerning where they would consider working. This is most likely due to the fact that we have probably become more visible.

› **Why do you think that you came out on top in this ranking list?**

– I think maybe it is linked to the fact that we have become more visible thanks to our extensive project portfolio. Akademiska Hus has a project portfolio of about SEK 25 billion, containing, among others, projects such as Hagastaden in Solna and Albano in Stockholm, where we are involved in developing an entirely new district and a university campus. ›



#### NEW INDUSTRY AWARD

The industry's most powerful woman is a new award/ranking in the property business, established by Fastighetssverige. During a period of two weeks in late May and early June Fastighetssverige's readers have been able to vote for the industry's most powerful woman directly on the news site [www.fastighetssverige.se](http://www.fastighetssverige.se).

A total of 861 votes were cast – each person could only vote for one alternative.

**Here are the 18 most powerful women in the industry, and the number of votes they received:**

- |  |   |
|--|---|
| 1. Kerstin Lindberg Göransson (CEO Akademiska Hus) – 139   | 11. Caroline Arehult (CEO Skanska Fastigheter i Stockholm) – 36 |
| 2. Ingall Berglund (CEO Atrium Ljungberg) – 94   | 12. Sofia Ljungdahl (Head of Division Peab Bostad) – 33         |
| 3. Christel Armstrong Darvik (CEO Stena Fastigheter) – 82  | 13. Biljana Pehrsson (CEO Kungsleden) – 28                      |
| 4. Carola Lavén (CEO NCC Property Development) – 81  | 14. Louise Lindh (Deputy CEO Lundbergs) – 25                    |
| 5. Agneta Jacobsson (CEO DTZ Sweden) – 60  | 15. Marita Loft (CEO Storebrand Fastigheter) – 22               |
| 6. Anette Frumerie (CEO Besqab) – 49   | 16. Eva Halvarsson (CEO Andra AP-fonden) – 19                   |
| 7. Åsa Hedenberg (CEO Huga Fastigheter) – 46   | 17. Kerstin Hessius (CEO Tredje AP-fonden) – 16                 |
| 8. Siv Malmgren (CEO John Mattson Fastighets AB) – 42  | 18. Eva Landén (CEO Corem) – 13                                 |
| 9. Charlotte Strömberg (Chair of the Board of Castellum and board member of Swedbank, among others) – 39 |   |
| 10. Kristina Alvendal (CEO Airport City) – 37  |   |



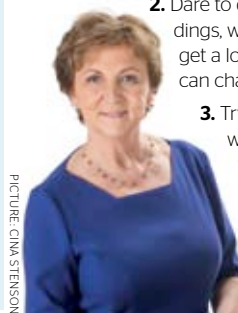
PICTURE: CIMBA STENSON

#### KERSTIN LINDBERG GÖRANSSON'S TOP THREE TIPS TO ACHIEVE A SUCCESSFUL CAREER

**1.** Remember to first and foremost choose a profession that you feel happy and inspired by, that's number one. Remember that you should »say yes« to your job every day.

**2.** Dare to question and challenge your surroundings, with relevant and creative ideas. I myself get a lot of energy from creative people who can challenge things in a constructive way.

**3.** Try to have a pretty clear picture of what you want to accomplish with your whole life. Try to find out what it is that motivates you. In that way you will have a better chance of finding the right job, and most importantly; choose the right company!



PICTURE: CIMBA STENSON

#### ➤ What does this kind of award mean to you?

– I think it might mean that we will become even more visible and perhaps may get the opportunity to participate in more debates and discussions on issues where we can make a contribution. Which is something my colleagues and I are more than happy to do, not just for the sake of being there, but where our presence can make a difference and where Akademiska Hus and I can make a contribution.

#### ➤ What is your view regarding your power?

– For me, it is very much about being able to have influence. That is my driving force. For example, when it comes to sustainability issues,

which are essential for Akademiska Hus and all the other companies that I am passionate about. Akademiska Hus as a company is large enough to be involved in developing industry issues such as sustainability, work environment and many other different questions, we are large enough to be listened to, it's a great way to use one's power.

#### ➤ Why do you think there are so few women, relatively speaking, in CEO positions in the property business?

– I think it is to do with the fact that the industry is, by tradition, a relatively masculine one. However, it seems that this is changing

quite significantly. Generally speaking, there are many more women in leadership positions now than even just a decade ago. I work a lot with mentoring mainly together with young women and I coach them in the process of stepping into operational positions.

#### ➤ How do you work at Akademiska Hus to promote women in leadership positions?

– We strive to find both male and female candidates for senior posts within the company, even if it is the individual's competence that ultimately decides who gets the job. We have made progress here, but there is still a great amount of work to be done. **E**



# NIAM

Partner of Choice

## **Strong local presence**

Niam is the largest real estate private equity firm in Northern Europe with a strong local presence and network with offices in Stockholm, Helsinki, Oslo and Copenhagen

## **Direct real estate industry experience**

Fund management with both opportunistic and core-plus strategies averaging 20 years of real estate experience from leading European property companies

## **Exceptional performance**

Realized gross leveraged IRR of 30% on a total of €6.5 billion in invested capital from fund holdings and operating partnerships since inception in 1998

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



# NEWS IN BRIEF

by Eddie Ekberg

PICTURE: NCC

## KLP makes acquisition for 1.6 billion in Stockholm



**TRANSACTIONS** NCC sells office and commercial property Torsplan in Hagastaden in Stockholm for SEK 1 618 million. The buyer is the Norwegian pension giant KLP Fastigheter AB and the provisional accession date is at the end of the fourth quarter of 2013.

NCC will continue to be responsible for leasing the remaining space for another three years.

The total rentable area is approximately 30 000 square metres of which the office space is approx. 22 000 square metres and the commercial space is

approx. 8 000 square metres and there is a garage with nearly 280 parking spaces.

Altogether, the occupancy rate is 84 per cent.

NCC was advised by Mannheimer Swartling in the transaction.

PICTURE: PIXPROVIDER



Johan Åström.

## Henderson to merge with American pension fund

**CORPORATE** Henderson and the American pension giant TIAA-CREF are merging their property-related businesses in Europe and Asia. The new company - to be called TIAA Henderson Global Real Estate - will have a management portfolio of approximately SEK

450 billion, which makes the alliance one of the largest property managers in the world.

- This will definitely have a positive impact on our already good investment opportunities in the Nordic countries, says Johan Åström, Swedish Country Manager.

Henderson made its first property investment in the Nordic countries in 2005 and opened an office in Stockholm in 2012. Today, Henderson manages property valued at approximately two billion Swedish crowns in the Nordic countries for four different fund structures.

We know the property market

**NAI Svefa**  
Kompetens som får värden att växa



## New big corporation formed – property value of SEK 2.9bn

**TRANSACTIONS** Heimstaden invests a portion of its stock in a new company and brings in more partners. The new company's property value is SEK 2.9 billion.

Alecta together with Ericsson's and Sandvik's pension funds invests in the new company.

Alecta becomes the largest shareholder with a share of about 40 per cent. Heimstaden retains about 30 per cent, Ericsson's and Sandvik's pension funds together own about 30 per cent.

The portfolio comprises centrally located residential properties in southern Sweden and Uppsala. It includes over 4,500 apartments in 148 properties. The property value is approximately SEK 2.9 billion.

## Alecta acquires office building in Stockholm

**TRANSACTIONS** Alecta acquires office building Västerport on Kungsholmen in Stockholm, comprising 21,600 square metres.

The seller of Lustgården 10 and Lustgården 18 is the CS Euroreal fund managed by Credit Suisse.

NCC sold Västerport to the Credit Suisse fund already during the planning stages in 2007. The purchase price then was SEK 658 million.



PICTURE: NCC

## The Nordic countries' tallest building

**CONSTRUCTION/ARCHITECTURE** Plans are in full swing right now for a 201-metre tall skyscraper in Gothenburg. If these plans become a reality it will be the tallest building in the Nordic countries. The total cost of the project is estimated at around SEK two billion.

It is the Swedish construction company Sefa with CEO Ola Serneke at the helm that is behind these high-flying plans.

The tower will be 60 storeys and 201 metres high, that is eleven metres higher than the Turning Torso. The bottom ten floors will contain rental apartments, offices, retail and service. Everything above these floors will be condominiums; approximately 300 apartments.

It is estimated that construction could be completed in five years, and by the year 2021 at the latest. In total, the planned area will be 32,000 square metres and will comprise 1,200 homes. The total cost of the project is budgeted at around SEK two billion.

### RUTGER ARNHULT BUYS INTO CONSTRUCTION COMPANY

**CORPORATE** Via his company M2 Group, the Swedish real estate billionaire Rutger Arnhult becomes co-owner in the construction company Wäst-Bbygg AB, which owns among others Logistic Contractor.

It is Patrik Ivarsson, CEO and majority owner of the Järngrinden Group (Wäst-Bbygg) who is selling his shares in the company to Rutger Arnhults M2.



Rutger Arnhult.

### AREIM CLOSES SEK 2.8 BILLION FUND II

**CORPORATE** Areim closes its second property fund. The fund has equity of SEK 2.8 billion and a total investment volume of around SEK 6-7 billion.

The latest investors are Riksbankens Jubilee Fund and Kåpan, pensions for government employees, who now go in as fifth and sixth investors in Areim's property fund, Areim Fund II, with a total investment of SEK 550 million.

### NCC LAUNCHES NEW RESIDENTIAL PROJECT IN RUSSIA

**CONSTRUCTION** NCC is launching a new residential project with 95 apartments located in the St. Petersburg region.

– The Gröna Lund project is NCC's third residential project in Russia and the St. Petersburg area. In all our Russian projects, we utilise our experience of building residential property in other countries, says Joachim Hallengren, Business Area Manager of NCC Housing.

### WHITE TO THE FINALS IN NEW YORK

**ARCHITECTURE** The Swedish architectural firm, White, has reached the finals in an international architectural competition about how New York should be protected from storms and climate change in the future. The winning proposal will form the basis for the development of the borough of Queens that was hit hard by Hurricane Sandy in 2012.

– This is proof that we are one of the leading international architecture offices when it comes to sustainable urban development. Our knowledge in this field is in demand even outside Scandinavia and I see great opportunities for us and other Swedish companies to increase the export of services related to urban development, says Monica von Schmalensee, CEO of White Architects.



Monica von Schmalensee.

### BALDER ACQUIRES THE KANOLD BUILDING IN GOTHENBURG

**TRANSACTIONS** Balder acquires the Kanold Building in Gothenburg next to Liseberg in Gothenburg from Aberdeen for approximately SEK 190 million. The property comprises approximately 9,200 square metres of rentable space and a parking garage with almost 400 parking spaces.

– We welcome the Kanold building with its interesting history and fine prospects to Balder, says Balder's CEO Erik Selin.

MAQS and Catella have been Aberdeen's adviser on the sale of the Kanold building.

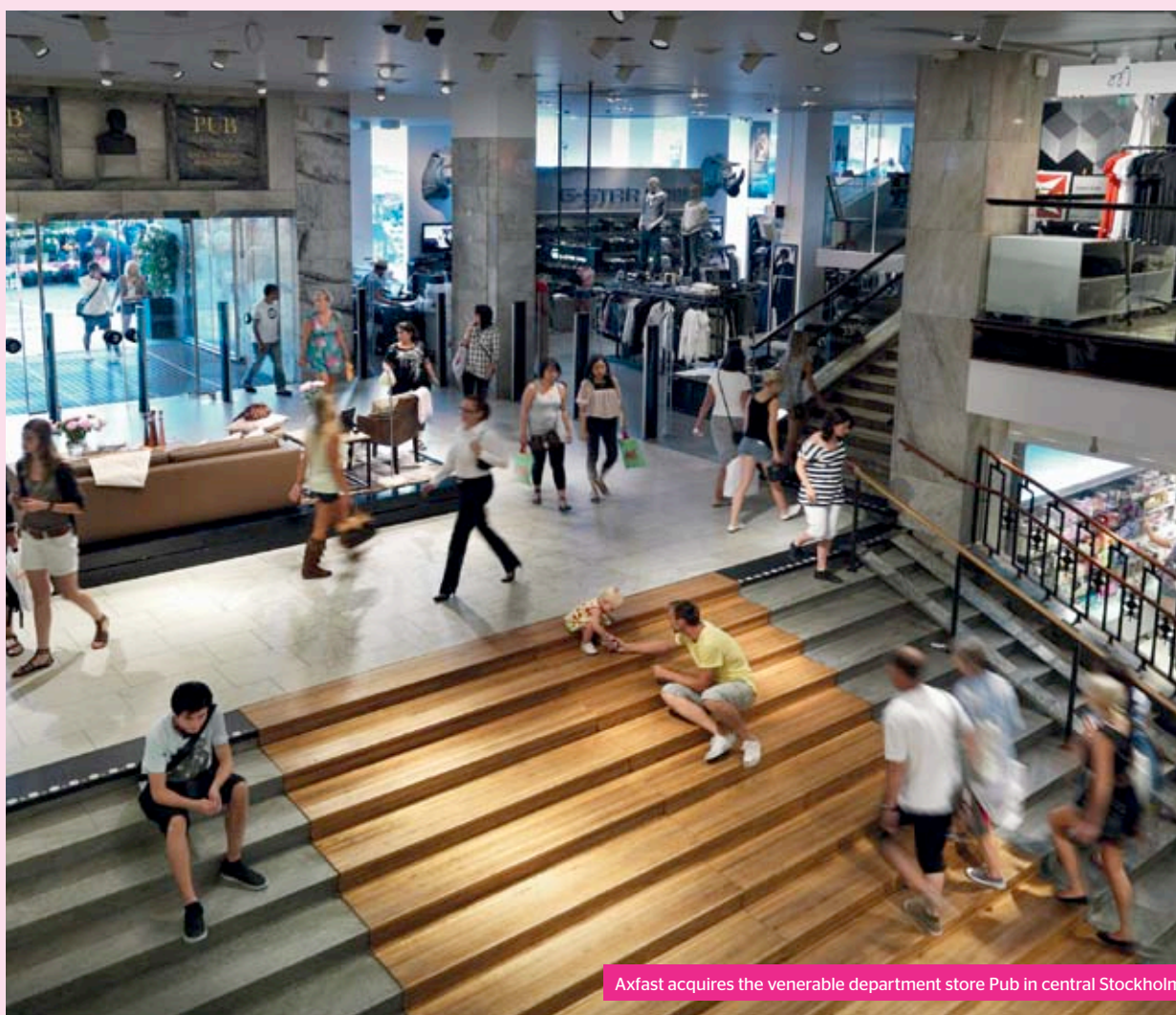
# Billion deal in Stockholm

**TRANSACTIONS** Listed company, Atrium Ljungberg, sells the venerable department store Pub at Hötorget in Stockholm to Axfast. The purchase price is based on a property value of SEK 980 million, before deduction of deferred taxes.

The Torgvågen 7 property comprises a total of 16 800 square metres of rentable space, half of which is retail and restaurant space and half consists of hotel operations.

– Pub has a long history in our company; it is a well-known brand and has a strong location adjacent to one of Stockholm's main shopping streets. The sale of Pub frees up capital and resources and allows us to continue to develop our project portfolio and our comprehensive environments, says Atrium Ljungberg's CEO Ingalill Berglund.

– With the acquisition of the Pub, we are taking yet another step towards achieving our long-term investment plan. We carried out two major property acquisitions in central Stockholm last year and via Pub, we are continuing on our route of acquiring separate, strategically important commercial properties in select locations, said Erik Lindvall, CEO of Axfast.



PICTURE: CHRISTOPHER EDLING

Axfast acquires the venerable department store Pub in central Stockholm.

PICTURE: UNIBAIL-RODAMCO



Lars-Åke Tollemark.

## New Nordic Head of Unibail-Rodamco

**CAREER** Lars-Åke Tollemark has been appointed Regional Director Nordic for Unibail-Rodamco. He succeeds Olivier Coutin, who after five years at the Nordic head office returns to the company's operations in France.

Lars-Åke Tollemark assumes the position with immediate effect. He will also be part of Unibail-Rodamco's General Management Team in which the company's Group executive Board and each region's CEO are members.

– Unibail-Rodamco is in an expansion mode in the Nordic countries and we have many exciting projects ahead of us. I am very pleased with the confidence shown in me to lead the company into the future, says Lars-Åke Tollemark.

We know the property market



## CBRE recruits new CEO from DTZ

**CAREER** CBRE recruits its new CEO, Patrik Kallenvret, from DTZ. Current CEO Mikael Wallgren returns to his old role of Deputy CEO.

Patrik Kallenvret has been Deputy CEO of DTZ's Swedish operations since 2010. He previously worked at Catella Corporate Finance. He has also previously worked at CBRE, then as Nordic Investment Manager and also as Deputy CEO in Sweden. In these roles he has been involved in many different areas within the property sector, such as advisor to both investors, property developers and tenants.

– CBRE's Swedish operations have gone from strength to strength in recent years. The opportunity to lead an innovative team, both to consolidate its position and to support the business in its next stage of growth, is an exciting challenge, says Patrik Kallenvret.

## Fastpartner makes billion purchase

**TRANSACTIONS** Listed company, Fastpartner acquires 14 properties from a Valadfond. The properties are located in Stockholm, Gothenburg, Malmö and Växjö.

Seller of the 14 office, industrial and warehouse properties is NAPF Sweden AB, a property fund managed by Valad.

– The transaction can be seen as an important step towards reaching the objectives communicated to the market i.e. those of achieving a year on year rolling management profit of SEK 400 million at the end of 2014. Fastpartner has further strengthened its financial position by issuing preference shares in June 2013. The fact that the capital market shows strong confidence in the company is crucial for the implementation of this type of transaction, and this in turn creates the conditions necessary for achieving the company's goals, says Fastpartner's CEO Sven-Olof Johansson.

Catella acted as advisor to the seller.



Sven-Olof Johansson.

## AMF makes acquisitions for half a billion in Stockholm

**TRANSACTIONS** AMF Property acquires Tobaksmonopolet 6, on Rosenlundsgatan in Stockholm from Aberdeen's pan-Nordic fund. The office building comprises approximately 13,600 square metres and the underlying property value is approximately SEK 520 million.

– The acquisition strengthens our position in this attractive area of Södermalm. Tobaksmonopolet is located near Södra Station and Mariatorget accessed by rail bound traffic, which is an important factor for us when we invest, says Mats Hederos, CEO of AMF Property.

AMF Property accedes the property on 1st October 2013. Seller is Aberdeen Property Funds SICAV-FIS Pan Nordic.



Mats Hederos.

### REGIONAL DIFFERENCES ARE AMPLIFIED

**SWEDEN** According to Fastighetsägarna's (the Swedish Property Federation) Sweden Barometer, there has been an apparent slowdown in the property market this spring. In particular, the survey points to regional differences.

Low interest rates along with stable vacancies and rents in recent years have all sustained profitability in the Swedish property companies. During the spring, however, signs of a slowdown have begun to emerge. This is most evident in the Malmö region where the property sector is burdened by the weak Danish economy. The Gothenburg and Stockholm regions remain stable, but it is taking longer to lease premises and rent increases are relatively small. This is apparent in the latest Sweden barometer.

### NORRKÖPING RANKS HIGHEST IN SWEDEN IN PROLOGIS REPORT

**LOGISTICS** Prologis Inc. has released a report on Europe's most sought after logistics locations. The Norrköping area ranks highest in Sweden, and is in 62nd place.

The Stockholm area is in 70th place, the Gothenburg area is in 72nd place and the Jönköping area is in 83rd place.

### ERNST & YOUNG IS NOW EY

**CORPORATE** On 1st July, Ernst & Young changed its brand name to EY. At the same time Mark Weinberger became the company's new global chairman.

– We have shortened our name to EY to create uniformity throughout the world. The initials "EY" and "E&Y" have been used synonymously with "Ernst & Young" both within and outside the organisation. We have also redesigned our logo to reflect our new name, says Ulrika Wass, Head of Nordic Marketing and Communication.

EY has also changed its tagline to "Building a better working world".

### JESPER GÖRANSSON BECOMES GROUP CEO OF PEAB

**CAREERS** Jesper Göransson, who since March has been acting CEO/Group CEO of the construction company Peab, has now been appointed permanent Group CEO.

Jesper Göransson takes on this position with immediate effect. He has worked at Peab since 1996 and has, among other positions, been Deputy CEO and Member of the Executive Management since 2006. Since taking over as acting Group CEO, Jesper has demonstrated the decisiveness that Peab needs. A good example of this is the forceful programme of action published today. Together with Alumni in Malmö, Peab's board has carried out an extensive search process and concluded that Jesper, with his expertise and experience, is the best candidate to lead the Group in the future, says Peab's Chairman Göran Grosskopf.

### KLÖVERN MAKES ACQUISITIONS FOR SEK 215 MILLION

**TRANSACTIONS** Klöverne acquires three properties in Jordbro Business Park in Haninge outside Stockholm from Systembolaget for approximately SEK 215 million. The occupancy rate is 99 per cent and the average lease term is approximately nine years. The total area is approximately 28,000 square metres, of which approximately 25,000 square metres consists of warehouses.

# Swedish funds with plenty of scope for investment

■ The Swedish and Nordic property fund managers have well-filled wallets – the eight companies you will find facts about here have a total investment capacity of approximately SEK 35 billion (EUR 4 billion).

With 719 million euros in equity, Niam's new fund is the largest property fund in the market.

The company's CEO Johan Bergman gives his view on the Nordic markets, trends from the perspective of investors, and on the competition with the newer fund managers.

**Text & picture:** Nicklas Tollesson



**NIAM LAUNCHED ITS FIRST FUND** in 2000 – a smaller residential fund, which was wound up in 2004. Currently Niam is on both sides, it is selling via Funds III and IV and it is acquiring via Fund V and Nordic Core +.

Fund V has an investment capacity of nearly SEK 20 billion. To date, about 40 per cent of the fund has been invested, in residential property in Denmark, shopping centres in Norway, offices in Sweden, and offices in Finland.

– So far, the investments are evenly distributed between our four geographic markets, but this is not a goal in itself. Right now, I think Finland and Denmark look the most interesting, especially Helsinki and Copenhagen. Norway is the least interesting, simply because things are going so well for Norway, there is a great deal of domestic money in the country. In 2012 we were large net sellers in Norway, we sold for a total of SEK twelve billion, of which eight was in Norway, says Johan Bergman.





## JOHAN BERGMAN

**Age:** 49 years old.  
**Lives:** Bromma.  
**Family:** Wife and two children.  
**Hobbies:** Tennis, running and golf.  
**Background:** Became CEO of Niam in 2006, was previously at Skanska for 16 years, final position held there was as one of four Deputy CEOs.

› You were the first in Sweden, now there are a number of property fund managers, how do you perceive the competition with the newer ones?

– We are not conscious of any such competition; there are enough investors who want to expose their money on the Nordic property market. It's not as if we have had to change our terms and conditions on account of the increase in number of players in the market. Since we work a lot with North American and Asian ›

## OTHER PROPERTY FUND MANAGERS



Göran Bengtsson

### Aberdeen Asset Management

Listed in London, Head of operations in Sweden Göran Bengtsson.

Property value: In Sweden, approximately SEK seven billion, in Scandinavia around SEK 50 billion through Aberdeen Funds, which are mostly not controlled from Sweden.

#### Examples of funds:

- **Aberdeen Property Fund Pan-Nordic.** Semi open-ended value added fund, managed from Denmark. Has a current property value of approximately EUR 700 million and a target size of around EUR 1.5 billion.
- **Aberdeen Property Fund Sweden.** Started in 2006 as a semi open fund, closed in 2012 with a maturity of 7 +2 years. Has a current property value of about SEK two billion and a target size of about SEK 3-5 billion.



Therese Rattik

### Areim

CEO Therese Rattik who recently succeeded Leif Andersson.

#### Funds:

- **Areim Fund I.** Value added fund with equity of SEK 2.1 billion. Started in 2007. Is now at the beginning of the liquidation phase.
- **Areim Fund II.** Value added fund with equity of SEK 2.8 billion. Eight year life span, started in 2013. Is now in the investment phase. Has bought a portfolio of over 20 retail properties. Focusing primarily on office property with development potential in Stockholm.



Henric From

### Mengus

CEO Henric From.

#### Funds:

- **Mengus 2005** – originally eight year life span has been extended to 2018 at the latest. Is in the liquidation phase, has sold Core Stockholm, owns part of Solna One and all of Solna Gate.
  - **Mengus 2011** with an eight year life span. Has recently made its first investment.
- Focus:** Value added-funds (12-17 per cent return), specialising in office property with development potential in Stockholm.

**Equity:** SEK 660 million (2005) and SEK 860 million (2011).



## NIAM

**Property value:** Approximately SEK 30 billion, of which SEK 15 billion in Sweden.

### The largest funds:

**Nordic Fund IV**, with equity comprising EUR 670 million. Opportunistic fund focused on commercial property in the Nordic region. Has an eight-year life span, starting in 2008. Is in the liquidation period, with about 40 per cent left to sell.

**Niam Fund V**, with equity comprising EUR 719 million. Opportunistic Fund, focused on commercial property in the Nordic region. Has an eight-year life span starting in 2012. Forty per cent is invested to date.

› investors we are compared more with Goldman Sachs, Morgan Stanley and Blackstone.

**NIAM DOES NOT PROVIDE** information concerning which investors it has (however Johan Bergman does say that they have three of the five largest pension funds in the world) but in Fund V about 50 per cent of the investments come from North America, 30 per cent from Asia and 20 per cent from Europe.

– The North American share is more or less constant, but compared to fund IV, we do see an increase from Asia and a decrease from Europe.

In Niam's latest fund, Nordic Core +, which was launched in 2012, the European investors clearly dominate.

– We have entirely different investors here compared to the



Rickard S Dahlberg



Tobias Alsborger

### Nordic Real Estate Partners - NREP

CEO Mikkel Bülow-Lehnsby.

**Swedish partners:** Rickard S Dahlberg and Tobias Alsborger.

**Property value:** Approximately EUR one billion.

#### The largest funds:

##### • Logistics

Start 2010 with a life span of 6 +2 years. Has equity of SEK 1.6 billion. Target return on equity: 16 per cent. Expected return is currently 20 per cent. Investment level is 97 per cent, has not sold anything.

##### • Nordic Retail 2

Started 2012 with a life span of 8+2 years. Has equity of SEK 170 million. Target return on equity: 13 per cent. Investment level is 25 per cent.



Staffan Olsson

### Profi

CEO Staffan Olsson.

Has three funds Profi I, II and III, each with equity of approximately SEK one billion. All are value-added funds with a focus on mixed-use properties in Sweden's three largest cities.

• **Profi I** started in 2005, has been extended to a ten year life span. Today has a property value of approximately SEK 1.5 billion. Is in the liquidation phase, approximately half has been sold.

• **Profi II** started in 2009 with a 5-8 year life span. Today has a property value of approximately SEK three billion. Is the investment phase, can invest a further billion.

• **Profi III** started in 2013. Today has a property value of almost SEK two billion. Owns and is developing Infra City in Upplands Väsby, comprising approximately 190,000 square metres.



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*»We deliver the highest possible risk-adjusted returns and we are way above our competitors.«*

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other funds, investors with a different view of risk and return. This fund is a great way for Niam to grow, there's plenty of money that is attracted to this segment and there's good business to be done, and we are better placed to do this business than many others. We have both the structures and processes in place as well as a very shrewd organisation.

**NIAM DOES NOT PUBLICISE** how much they achieve in terms of yield but the funds are opportunistic, which implies a target return on equity of over 20 per cent.

– We deliver the highest possible risk-adjusted returns and we are way above our competitors. All say this of course, but we have been included in a survey in which an independent consultant has compared 55 companies and we came out on top.

– The fact that investors come back means that they are happy. One hundred per cent of the investors in Fund III also invested in Fund IV, together with a lot of new investors. The situation for Fund V is a little different, the Lehman crash influenced things there and changed the conditions somewhat. At the same time, we did get even more money into Fund V.

› **What is the secret of your success?**

– In addition to our employees, I think it's about us working throughout all the Nordic countries, and we have offices in all four capitals. This allows us to quickly shift focus when the macroeconomic conditions change. At the same time, we can be there swiftly if potential business arises in a market that otherwise looks pretty poor. **F**

PICTURE: SVEAFASTIGHETER



Patrick Gylling

#### **SVEAFASTIGHETER**

CEO Patrick Gylling recently succeeded Simon de Château.

##### **The largest funds:**

- **Fund II**, started in 2006. 14-year life span. Equity of SEK 1.2 billion. Opportunistic fund focusing on high-yielding properties in the Nordic and Baltic countries, primarily Sweden and Finland.

Target return on equity: 18 per cent. Is fully invested, has sold more than a third. The current property value is approximately EUR 500 million.

- **Fund III**, started in 2010 with an eight year life span. Equity of EUR 317 million. Opportunistic fund focusing on the Nordic and Baltic countries, mainly Sweden and Finland.

Target return on equity: 20 per cent. Is in the investment phase, has a property value of approximately EUR 600 million.

PICTURE: GENESTA



David Neil

#### **GENESTA**

CEO David Neil.

Has one fund, **Genesta Nordic Baltic Real Estate**, started in 2007, the planned exit is 2016. Equity of EUR 176 million. Value added-fund focusing on properties with development potential in the Nordic and Baltic countries.

Target return on equity: 10 to 12 per cent. Is fully invested, but has not started to divest. The property value is approximately EUR 400 million.

# »A big step in my career«

She became a CEO for the first time the age of 32 and has now taken over the CEO position at one of Sweden's largest listed property companies. Meet **Kungsleden's new CEO** Biljana Pehrsson – an outgoing and inquisitive person who could just as well have been an architect or an author.

*Text & picture:* Eddie Ekberg



**J**ust turned 43 years of age Biljana Pehrsson has taken over after Thomas Erséus as CEO of one of Sweden's largest property companies – Kungsleden. Previously, she has been CEO of consulting firm Centrumutveckling, and she also established East Capital's property department.

› 43 years and CEO of Kungsleden – quite a feat, can one call it a meteoric career?

– No, absolutely not. I have worked in the industry for 20 years, but a series of fortunate circumstances, and hard work has meant that I ended up here. It's a great assignment and a big step in my career.

› But is it a goal you have achieved now?

– No, not that either. I don't set goals in that way. I am 43 years old and have plenty of challenges left in my career.

» I am 43 years old and have plenty of challenges left in my career.«

› If you had to choose another profession?

– Then I would have become an architect. Or an author. In fact, I applied for the architectural programme at KTH, but I was not accepted.

› An author?

– Yes, why not? I have tried to write quite a bit and I think it's really fun. But as things are right now, there is not enough time. But when I stop

working operatively, far ahead in the future, it might be something to consider then.

› Did you need to think for long when you were asked about the CEO position at Kungsleden?

– No, the CEO of Kungsleden is a really great assignment and I'm very happy that I was asked, so I never hesitated. Furthermore, it was also a recruitment process with several candidates in which I became the final candidate.

› How will it be apparent that you have become CEO of Kungsleden?

– What I want to be apparent is our new strategy that I have been instrumental in developing on the board. I was elected to the board of Kungsleden in 2011. The strategy is that we shall own and manage properties long-term in growth areas. In about three years, we will have achieved ›





**GETS DREAM JOB.** Kungsleden's new CEO says that it is a dream job she has got. But she emphasises that she does not intend to remain until retirement, and when the visions have been fulfilled - then it's time to move on.



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## Three voices on Biljana Pehrsson

1

PICTURE: PIXPROVIDER



### Håkan Bryngelson

professional board member, including position as former Chairman of Kungsleden.

- I got to know her as a very talented board member of Kungsleden. She possesses all the qualifications a good CEO should have: she is fearless, has a high degree of integrity, good analytical skills and is very communicative. She was, by far, my favourite to succeed Thomas Erséus.

2

PICTURE: KUNGSLEDEN



### Göran Larsson

Chairman of Kungsleden.

- Biljana is a new acquaintance for me; I got to know her in connection with the recruitment of a new CEO after Thomas Erséus in which I was involved. She has a broad and good background and has worked in the industry for many years and furthermore at many different levels and in different segments. She is very energetic and enthusiastic which means that she gets her employees 'on board' with ease. She is a happy and strong person who is also single-minded and she has great analytical skills. Altogether, she is a perfect choice to implement Kungsleden's vision.

3

PICTURE: EAST CAPITAL



### Peter Elam Håkansson

founder and President of East Capital.

- I have worked with Biljana for a number of years and am very impressed by her. She shows good leadership in all different kinds of situations and she is also extremely energetic. Furthermore Biljana is a good negotiator and she has a good understanding of what makes a good investment.



**TO THE NEW JOB.** On 1st September, Biljana Pehrsson took over the CEO's chair at Kungsleden. The first thing she is going to do is to get to know all the employees and the organisation.



➤ the objectives of the new strategy, and it will be a tough journey to get there, filled with challenges.

➤ **What will be the difference, for you, compared to your previous assignment at East Capital?**

– If you look at it from a market perspective, the Swedish market is more mature, so in that way it will be easier. But for my part, probably the biggest difference is that there will be far fewer air miles and hotel nights, which will be good.

➤ **How long will you stay at Kungsleden?**

– I am happy to stay as long as it's enjoyable, and the company develops. However, it's of no interest to me to sit as CEO for 25 years without anything happening in the company – that would not be good for me or for Kungsleden.

➤ **Any other dream job in the industry?**

– I think I just got a dream job. But of course there are others, both in Sweden and internationally.

#### LIKES LONG WALKS

**Name:** Biljana Pehrsson.

**Age:** 43 years old.

**Family:** Husband, three children and a dog.

**Grew up in:** Stockholm.

**Lives:** Central Stockholm.

**Car:** "Yes."

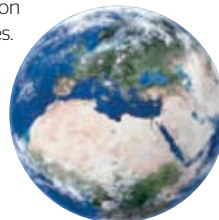
**Studies:** Engineering from KTH.

**Career highlights:** Centrum Invest, Centrumutveckling, East Capital and Kungsleden. Board member of Vasallen, Kungsleden (leaves her position on the board when she takes over as CEO), and ICSC (International Council of Shopping Centers).

**Reads:** Facebook's COO Sheryl Sandberg's book, Lean In. Currently reading a lot of non-fiction books, otherwise likes most genres.

**Watches TV:** News occasionally.


**Leisure:** Travels a lot and likes to go for long walks.



➤ **What is important to keep in mind for the healthy development of the Swedish property market?**

– That there is a balance, without sudden fluctuations in supply and demand. It is also important to maintain varied demand and clear rules. Sweden is in the top four in Europe among property markets, which is fantastic considering the fact that it is a small country. The reason of course is that international investors think that Sweden is a good market in which to invest. And here we all have a collective responsibility to maintain these favourable conditions.

➤ **What will you do when you leave the property industry?**

– I probably won't leave it altogether but will probably have a senior role and board assignments when the time comes. But as I said, I'm tempted to try my hand at writing and making music when I have more time. 

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# World unique multisport facility in Gothenburg

■ To break even, the school project had to be extended to accommodate more tenants. It resulted in a world unique multi-sport facility with a large sports hall, open all year round – for cross-country skiing.

– Änglagården will be a topic throughout the sports community in Europe, says Sefa's CEO Ola Serneke. **Text:** Nicklas Tollessen // **Picture:** Okidoki Architects

**THE CONSTRUCTION OF ÄNGLAGÅRDEN** next to the barracks at Kviberg's old regiment in Gothenburg is in full swing. The facility will be ready in the summer of 2015 – just in time for the Gothia Cup, the world's largest youth football tournament. A facility with a total focus on sports and health – but nevertheless with a very diverse content. The explanation for this is Ola Serneke: builder, great IFK Göteborg fan – and skier.

– **IT ALL BEGAN WHEN** Roger Gustafsson (who coached IFK during its heyday in the 90s and is now responsible for its youth activities) and I discussed building a new school for Änglagårds-



**SKIER.** Ola Serneke is interested in cross-country skiing and has competed in the Vasaloppet race, the world's largest ski race, several times. The construction of Änglagården is in full swing and will be ready for occupancy in the summer of 2015.

skolan, a school with a football focus and run by IFK Göteborg. But to get the sums to tally, we needed to build more than just a school, the costs quite simply needed to be distributed over more square metres, says Ola Serneke, who had the idea when he was training for Vasaloppet (the world's largest ski race) in the ski tunnel in Torsby in Värmland.

– **IT'S COMPLETELY ILLOGICAL** to have a ski tunnel there where there is after all, relatively speaking, a fair amount of snow but no people. It must be better to have it in Gothenburg, which is actually a skiers' city. Every year, IK Stern is the biggest Vasaloppet Club. Early on I put ➤





**UNIQUE MIX.** Änglagården will among other things include a full-sized football pitch with stands for 1,500 spectators – and a 9,500-square-metre hall for indoor skiing. The loop, of 1.1 kilometres, will be available all year round, day and night.



**MULTISPORT FACILITY.** The large facility will be 46,000 square metres, and will include both an elementary school with a football focus and a sports college.

- together a business plan for an indoor facility and there was no problem getting the financial support required given the strong interest that exists in western Sweden.

Änglagården will now comprise a full-sized football pitch, two sports halls, classrooms, a restaurant, conference facilities, an injury clinic, accommodation, an Intersport shop, club rooms, a large fitness centre and a ski resort.

**THE INVESTMENT AMOUNTS** to approximately SEK 800 million. This summer Sefa sold half of the project to the finance company, Prioritet Finans. It is, just like Sefa, a major sponsor of IFK Göteborg – and it is now making its first property investment.

– Our plan has always been to bring investors into the project. In the longer term we don't intend to own the facility, we are not property managers.

➤ **How has the collaboration with the banks been?**

– This is a very special project; nothing similar to it has been done before, so it's been a little dif-

#### ÄNGLAGÅRDEN'S UNIQUE MIX

- Football pitch – with stands with seating for 1,500 spectators. Rented primarily by IFK Göteborg.
- Two gymnasiums – rented by the City of Gothenburg and the schools.
- School Premises – Aspero sports college (upper secondary school) and Änglagården School (comprehensive school with a football focus).
- Restaurant – run by Sodexo.
- Conference facilities – run by Sodexo.
- Injury Clinic – IFK clinic.
- IFK Academy – for the training of football players with Roger Gustavsson in charge.
- Accommodation – a sports hotel, 130 rooms with 300 beds. Run by Sodexo.
- Intersport store.
- Premises for local sports foundation, Grunden Bois.
- Gym, 3,200 square metres, run by Nordic Wellness.
- Ski Hall, 9,500 square metres, run by Nordic Wellness.
- Possible wind tunnel for skydiving.

ficult to make the calculations. At the same time, we have stable tenants and long leases. It's gone well, but we've obviously had to make a large equity investment.

**ÄNGLAGÅRDEN, COMPRISING** 46,000 square metres, is already fully let.

There are currently not many loose ends left in the project – but there may be yet another exciting activity – a turbine-driven wind tunnel for skydiving.

– This is a way of experiencing weightlessness. We have looked at a similar facility in the Czech Republic, and they have it running 20 hours a day, it is very popular. We are talking to an operator at present, and it is possible that we will construct a building for them. It will, in that case, be 15 by 30 metres and 30 metres high. We'll see, it really would be pretty fantastic, says Ola Serneke.

– This mix of activities is unique in the whole world, Änglagården will really put Gothenburg on the map and it's great to be involved and to be able to give this to the people of Gothenburg. **E**



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# Sweden's funding market is looking increasingly better

■ Things are looking brighter on the Swedish funding market. This is shown in Catella's credit barometer Credi. **Text:** Eddie Ekberg

THERE ARE A NUMBER of positive parameters behind the much brighter situation in the Swedish funding market. Firstly, the banks that are active in the Swedish market are now more willing to lend money to property investments than was the case in 2012. Furthermore, a number of players, mainly German banks, have begun to be active in the Swedish market and the assessment is that their activity will continue to increase as international property investors' interest in Sweden grows and competition in their core markets increases.

This is also linked to the fact that listed Swedish property companies continued to show improvements in their financial ratios. Interest costs are falling and financial solidity is, on average, on the increase, at the same time as several players are utilising the capital markets directly to meet their financing requirements through corporate bonds and covered bonds.

– The listed property companies now have the strongest balance sheets since the end of 2007 and the average borrowing costs are below four per cent. This, combined with access to alternative financing, means good prospects for increased acquisition activity among listed companies in 2013, says Daniel Anderbring, analyst at Catella.

It is in this light that Catella's credit barometer Credi showed an increase in the second quarter of this year to its highest level since the beginning of 2012. The Sentiment Indicator rose from



PICTURE: CATELLA

Daniel Anderbring, Catella.



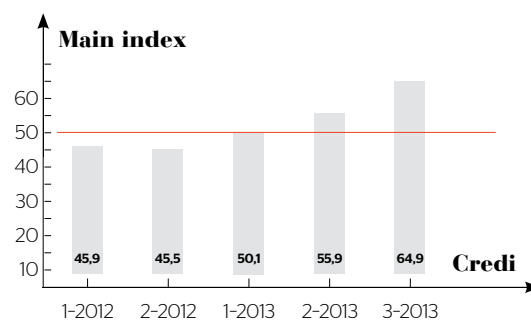
- 55.9 during the first quarter to 64.9 in the second quarter. The results are based on a survey carried out in June this year.
- The positive trend indicates continued improved access to funding during the previous and next quarter and this represents important support for the transaction market that was hesitant at the beginning of this year but was much stronger in June, says Daniel Anderbring at Catella.

**FOR THE SECOND QUARTER OF 2013**, Catella's credit barometer (Credi) also clearly indicates that the market is continuing to show great interest in bonds issued by property companies. Compared to the same period in 2012, bonds now constitute a significant percentage of the outstanding loan volume.

– For the listed companies that Credi covers, bond financing now represents more than ten per cent of the companies' total funding compared to three per cent just over a year ago. At Catella, we believe that the proportion of bonds will increase in coming years, says Daniel Anderbring at Catella.

To further enhance this bright picture, a new report published by DTZ Sweden shows that Sweden is now Europe's most liquid property market. Sweden was in first place with 9.2 per cent (liquidity, measured in turnover of its invested stock) and Norway came second with 7.6 per cent.

The United Kingdom and Germany came third and fifth and France came was in tenth place. **f**



In Credis main index the figure 50 demonstrates neutral expectations of an improved credit market, and figures below 50 indicate a shrinking market.

## EUROPE'S TEN MOST LIQUID MARKETS

(measured in turnover of its invested stock)

1. Sweden 9.2 per cent
2. Norway 7.6 per cent
3. UK 6.4 per cent
4. Poland 5.7 per cent
5. Germany 5.2 per cent
6. Luxembourg 4.1 per cent
7. Ukraine 3.9 per cent
8. Finland 3.8 per cent
9. Belgium 3.5 per cent
10. France 3.0 per cent

Source: DTZ Research



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■ Several studies show that property owners in Sweden have a very positive view of the future.

At the same time the trend is towards regional disparities – in Stockholm and Gothenburg property owners are more optimistic than in Malmö. **Text:** Nicklas Tolleson

## Positive vision of the future – but significant regional differences

**SWEDEN'S STRONG PUBLIC FINANCES**, robust private consumption and low interest rates in recent years have all contributed to good years for Swedish property owners.

According to the trade association Fastighetsägarna's (The Swedish Property Federation's) Sweden Barometer – presented this summer – almost 70 per cent of Sweden's property companies show good or very good profitability. More than 90 per cent expect at least as good profitability in the coming year – 40 per cent expect profitability to improve further.

After a period of relative restraint, mainly due to funding difficulties, many Swedish property owners are now also set to increase their property investments.

According to the Sweden Barometer, 55 per cent of property owners are planning larger acquisitions in the coming year, which is a clear increase compared with six months earlier when the majority did not plan to carry out any major acquisitions.

This picture is reinforced by PWC's survey Fastighetstempen (Property Temperature), which shows that nearly 70 per cent of the property owners that invest in residential properties are planning to increase their investments in this segment in the coming year.

The figure for office properties is almost as high – in this seg-

ment 65 per cent are planning to increase their investments.

When it comes to industrial premises, the attitude is more cautious – here every third company has plans to increase their investments.

**ONE EXPLANATION FOR** these positive signs is the fact that funding conditions are easing. The majority of property companies believe that access to loan capital will increase in the coming year. This is mainly due to the fact that the banks now have more confidence in how to apply the new banking regulations and will therefore be more willing to lend money to property investments.

– It is encouraging to note that the majority of players within the property industry are optimistic about the near future and that this can also impact on the number of new jobs that are thus expected to increase, says Robert Fonovich, partner at PWC.

The sentiment is more positive in Stockholm and Gothenburg than in Malmö. The proximity to Copenhagen and the weak Danish economy seems to have a negative effect on Malmö.

– It is expected that these regional differences will be reinforced. For example, 25 per cent of property owners in Malmö expect that the office vacancy rate will increase in the coming year. In Gothenburg and Stockholm, only five per cent share that view, says Tomas Ernhagen, Chief Economist at Fastighetsägarna Sverige (The Swedish Property Federation Sweden).

**ONLY 13 PER CENT** of the property owners in Malmö report that office rents have increased in the past year. In Stockholm, 40 per cent state that rents have risen and in Gothenburg the figure is as much as 57 per cent.

There are also significant regional differences when it comes to willingness to buy.

In Stockholm, 60 per cent of property companies are planning major acquisitions in the coming year, while the corresponding figure in Gothenburg is 45 per cent and in Malmö it is only 33 per cent.

But Sweden is more than just the three metropolitan areas. During the last year, the other regional cities accounted for almost half the volume of transactions, and this was mainly due to transactions in the residential sector. ■



Robert Fonovich, partner at PWC.



Thomas Ernhagen, Chief Economist at Fastighetsägarna Sverige.





#### PROPERTY TEMPERATURE

- A quantitative study conducted by PWC among decision makers in the Swedish property industry to gauge their views on developments in the Swedish property industry in the coming year.
- A total of 95 interviews were carried out.

#### SWEDEN BAROMETER

- Sweden Barometer is produced through a cooperation between Fastighetsägarnas' (The Swedish Property Federation Sweden) regional associations and the data consists of a web-based survey and is aimed at about 500 major property owners in 28 Swedish cities.

**POSITIVE CLIMATE.** Swedish property owners are optimistic about the near future. 90 per cent believe that the already good profitability will be just as good the next year, and more than half of the owners are planning major acquisitions.

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# *Hotel Giant that buys what others choose to reject*

■ Norwegian Pandox is Europe's largest owner of hotel properties and also tops the list of the international investors who have bought most in Sweden from 2010 until the first half of 2013. We ask Anders Nissen, CEO of Pandox, six questions. **Text:** Eddie Ekberg

› In the autumn of 2010 you acquired Nor-gani with 74 properties for almost SEK ten billion – what have you done since then?

– We have been, and still are, spending a lot of time developing the hotels included in the deal. This is an extensive development programme of about SEK two billion. We have also sold a few hotels and have negotiated a lot of new lease agreements.

› What transaction plans does Pandox have for the immediate future?

– Our focus is of course to continue to develop the portfolio we now have. But we recently acquired four hotels in Denmark and we have an interesting portfolio from which it is possible that we may sell one or two individual hotels. We are also always keeping our eyes open for good investments. However, Pandox has grown from SEK one billion to SEK 27 billion since its was established, so we feel no great need to grow further.

› Which markets is Pandox most interested in?

– I think we will see exciting market development in Central Europe, in countries such as Germany, Belgium, Holland and France. In Sweden we are most interested in regional cities where there is limited new capacity. Stockholm however, suffers from overcapacity and prices remain unchanged so I do not see quite the same potential there.

› Can you describe your transaction strategy?

– We look for underperforming hotels, ones that everyone else scoffs at. They can happily be in weak markets and be in need of renovation. Then can we go in and make profitable improvements.

» We are looking for underperforming hotels, the ones other scoff at.«

› How do you find these hotels?

– We have a large network and many times people out there contact us. People know what kind of hotels we buy, and there are not many who work the way we do. This also means that we are very agile and can carry out a business transaction in just a few months.

› What hotel is your personal favourite?

– I think that the Soho Beach House in Miami is absolutely fantastic – as soon as you get in there you become totally relaxed. When it comes to business hotels, our The Hotel in Brussels is going to become the best in Europe. In Stockholm, I think the Hilton is fantastic. ■

## 25.000 ROOMS

- Pandox has 120 hotels comprising 25,000 rooms in 59 locations in ten countries.
- There are 30 people employed at the headquarters in Stockholm. The company has 2,000 employees in Europe.
- The company is valued at approximately SEK 27 billion.
- The principal owners are the Norwegian companies Eiendomsspar AS and Sundt AS, through the wholly owned Swedish subsidiary APES Holding AB.
- Last year, Pandox had rental income of about SEK 1.9 billion plus SEK 1.5 billion from the 15 hotels that it runs under its own management.





PICTURE: PANDOX

**CEO OF HOTEL GIANT.**  
Anders Nissen, CEO of Pandox, Europe's largest hotel property owner, which tops the list of foreign investments in Sweden between 2010 and the first half of 2013.

■ Norwegian Pandox bought Norgani in August 2010 and thereby tops the list of foreign buyers in Sweden. The Swedish part of the deal amounts to SEK 4.3 billion. Then comes Norwegian KLP Eiendom with a share of SEK 3.9 billion. Below is the top ten list of foreign buyers from 2010 to 2013. (The figures were provided by Newsec.)

**Text:** Eddie Ekberg

## Double Norwegian on the buying side

**Top 10** // Foreign buyers during the period of 2010 to 2013 H1

1

### Pandox

**CEO:** Anders Nissen.

**Volume:** SEK 4,300 m.

In August 2010, Pandox acquired industry colleague Norgani. The acquisition amounted to SEK 9.7 billion and it was the largest transaction in the international hotel market in 2010. The deal created one of Europe's largest and leading companies in the hotel property market. At the time of the acquisition, Norgani's portfolio consisted of 73 hotel properties and a conference centre with a total of 12,900 rooms, located in Sweden, Finland, Norway and Denmark. During this period Pandox has also carried out a number of minor property transactions, three of four being divestitures.

2

### KLP Eiendom

**Group CEO:** Gunnar Gjørtz.

**Volume:** SEK 3,900 m.

KLP Eiendom, wholly owned by KLP, Norway's largest life insurance company, has completed four transactions in the Stockholm area during this period. The company has a stated strategy of increasing its property ownership in the Swedish market. A transaction that is not included in the total acquisition volume since it was announced during the second half of 2013 is KLP's acquisition of NCC's office and retail property, Torsplan in Hagastaden in central Stockholm. This transaction amounted to more than SEK 1.6 billion.

3

### Grosvenor Fund Management (consortium)

**CEO:** James Raynor (GFM).

**Volume:** SEK 3,600 m.

In September 2012, Burlöv Center was acquired for SEK 1,158 m from Euro Commercial by a consortium headed by Grosvenor Fund Management. Burlöv Center comprises approximately 42,000 square metres and includes 70 shops. The consortium had the same financiers as at the time of its entry into the Swedish market in April 2011. Then, it acquired Haninge Centrum, Väsby Centrum and Bålsta Centrum together with an ICA Maxi facility in Helsingborg from Unibail-Rodamco for SEK 2.4 billion.

## 4 The Carlyle Group

**CEO:** Thomas Lindström.

**Volume:** SEK 3,600 m.

The Carlyle Group, one of the world's largest fund managers with over USD 150 billion in assets under management, acquired Nacka Strand from Vasakronan in January 2012. The area that has been owned by Vasakronan for 20 years was sold for close to USD 3 billion in a transaction that took place "off-market". During the same period, the Punkt and Gallerian malls in Västerås were acquired and an office property in Stockholm's Vasastan was sold.

## 6 Canada Pension Plan Investment Board (CPPIB)

**CEO:** Mark Wiseman.

**Volume:** SEK 2,300 m.

The company's entry into the Swedish property market, through the acquisition of 50 per cent of Kista Galleria, resulted in a total acquisition price that is the highest ever paid in Sweden for a single property. Kista Galleria comprises 90,000 square metres of rentable space, 60,000 square metres of which is leasable retail space. The mall was completely renovated and extended in 2002 and further additions were made to it in 2009.

## 5 Citycon

**CEO:** Marcel Kokkeel.

**Volume:** SEK 2,600 m.

In December 2012, it was announced that Finnish Citycon and Canadian Canada Pension Plan Investment Board had acquired Kista Galleria from DNB Livförsäkring ASA, which is part of the DNB Group. The buyers, who will own 50 per cent each, paid a total of approximately SEK 4.6 billion for Kista Galleria. Additional property transactions during this period, both acquisitions and sales, have contributed to Citycon being ranked in fifth place on this list.

## 7 Glitnir Bank

**CEO:** Kristján Óskarsson.

**Volume:** SEK 2,300 m.

In March 2012, Icelandic Glitnir Bank's Luxembourg-based subsidiary, Glitnir Bank Luxembourg took over Bovista Invest from the Danish company Centerplan Nordic A/S in order to secure the loans issued to the bankrupt Danish company. Thus, the bank became the owner of a property portfolio of 370,000 square metres consisting primarily of residential property in southern Sweden. The transaction amounted to SEK 2.3 billion in loans and equity.

## 8 Nordic Real Estate Partners (NREP)

**CEO:** Mikkel Bülow-Lehnsby.

**Volume:** SEK 2,100 m.

During this period NREP has carried out a significant number of acquisitions in Sweden, as well as in the other Nordic countries. It is mainly through the company's fourth fund, NREP Logistics AB, that the acquisitions have taken place. In June 2013 it was announced that SPP Fastigheter had sold its 47.5 per cent in NREP Logistics AB to Danish PFA Pension. At this time, the fund was valued at SEK 3.6 billion. Pelican's acquisition of SelStor for approximately SEK 700 m has also been included in NREP's acquisition volume. In addition to NREP, M3 Capital Partners is also joint owner in Pelican.

## 9 Invesco Real Estate

**CEO:** Andy Rofe.

**Volume:** SEK 2,100 m.

In February 2010, Invesco acquired Handelsplats Lindhagen, Paradise 29, from Faberge and Peab for SEK 842 m. Following on from a small transaction in 2011 the company increased its investment pace considerably in 2012 when, in the course of two days in May 2012, it announced two acquisitions in the Swedish market which together amounted to more than SEK 1 billion. Stadium's distribution centre in Norrköping was acquired from Fortin Properties and in Barkarby, just north of Stockholm, retail property Barkarby Retail Park was acquired from Commerz Real.

## 10 Rockspring

**CEO:** Robert Gilchrist.

**Volume:** SEK 1,800 m.

British Rockspring entered the Swedish property market in November 2011. Two properties in Segeltorp, southwest of Stockholm, were acquired from Deka Immobilien. Six months later, in May 2012, Redevco divested a portfolio of retail properties in southern and central Sweden. Rockspring, along with local operating partner and co-investor Vencom were the buyers. This partnership was once again involved in a major acquisition in June 2013 when Lidingö Centrum was acquired from Vasakronan for SEK 771 m.



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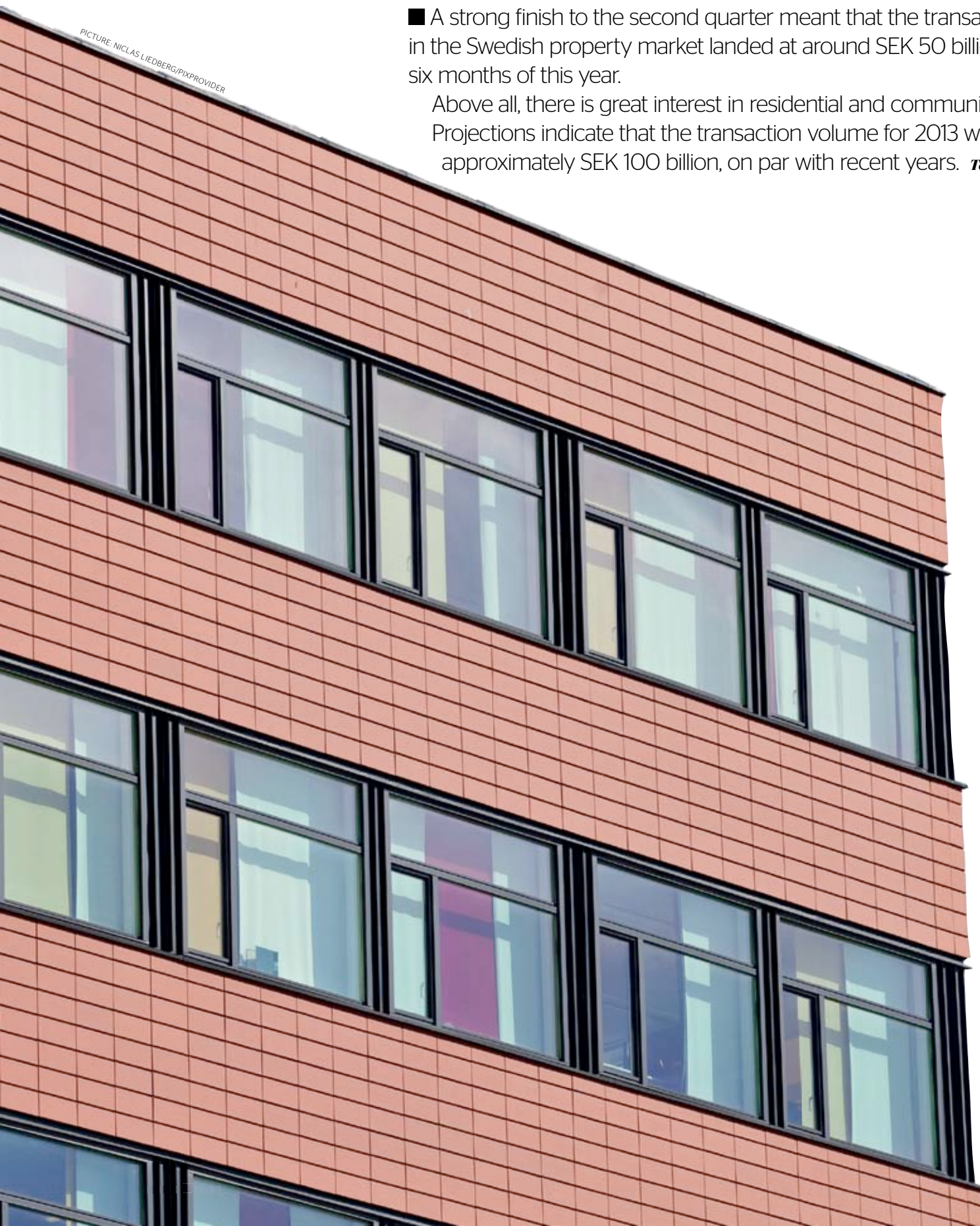
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■ A strong finish to the second quarter meant that the transaction volume in the Swedish property market landed at around SEK 50 billion for the first six months of this year.

Above all, there is great interest in residential and community properties. Projections indicate that the transaction volume for 2013 will amount to approximately SEK 100 billion, on par with recent years. **Text:** Nicklas Tollesson

PICTURE: NICLAS LIEDBERG/PIXPROVIDER





PICTURE: DTZ



Fredrik Lidjan.

PICTURE: SAVILLS



Peter Wiman.

# The trend is turning – Transaction pace is rising again

**THE TRANSACTION MARKET DURING** the first six months looked much the same as the second half of 2012; a cautious start was followed by a very intensive end of the period. In June alone, transactions worth nearly SEK 20 billion, or about 40 per cent of the total transaction volume were carried out. The total transaction volume in Q2 amounted to about SEK 30 billion.


A new trend is apparent when it comes to the number of completed transactions which, according to Savills, increased by 23 per cent in the second quarter. This implies that the negative trend of a continuously decreasing transaction pace since early 2011 has now been broken.

– **THE WEAK START OF 2013** has now been replaced by a more liquid market in which an increasing number of transactions have been completed and this better reflects the great interest that exists for property investments. Furthermore, the transaction volume would probably have been higher if the market supply had been greater. Low interest rates, an uncertain stock market and historically low yields on fixed interest investments means that property is emerging as a very attractive investment option, says Peter Wiman, Head of Analysis at Savills.

Swedish investors continues to dominate and foreign investors are finding it difficult to compete for the most attractive investment objects. Only four per cent of the total transaction volume in the first six months was foreign net purchases.

Jones Lang Lasalle believes that there is a huge pent-up demand, especially from foreign investors. JLL says that among other investors in the Swedish property market, new countries like South Korea and Malaysia are showing an interest in Sweden.

**HOUSING AND COMMUNITY PROPERTY** are the segments which, relatively speaking, are most in demand at the moment, while more caution is evident when it comes to retail property. A third of the transaction volume in the first six months was in residential.

– We have witnessed a solid start to the transaction year 2013 and the outlook for the rest of the year is, at present, looking good. Demand is strong and financing opportunities have improved compared to last year. In some situations, however, the buyers and sellers have different price perceptions, which means that the transaction process can take time, says Fredrik Lidjan, Head of Capital Market at DTZ in Sweden. 

# Stockholm – Europe's fastest growing region

■ The Stockholm region will grow by half a million people over the next 15 years. This means that the growth rate in the capital of Sweden is six times that of Paris. This places significant demands, in particular on the expansion of the city's infrastructure. **Text:** Eddie Ekberg

**NEW FIGURES SHOW THAT** the Stockholm region is expected to grow by just over half a million people by 2030. This means that the region, along with Oslo, is the fastest growing in Western Europe and the growth rate is, for example, six times that of Paris. This is an historic increase that places great demands on the development of the city's infrastructure, public transport and a functioning housing market.

– The Stockholm region's importance as Sweden's growth engine is becoming increasingly important. When the population is expected to grow by two SL buses every day between now and 2030 the need for new investments in the region increases considerably, says Maria Rankka, CEO of the Stockholm Chamber of Commerce.

– **STOCKHOLM HAS ALSO** a good age structure seen from in an international perspective. For example, the region's population growth among people of working age will increase by 17.3 per cent by 2030, which is more than double that of Copenhagen, says Maria Rankka.

Moreover, interest in visiting Sweden is on the

increase. According to the Swedish Agency for Economic and Regional Growth's latest survey, IBIS 2012, the number of foreign visits last year increased by 3.9 per cent to 16 million, while the number of visits by business travellers increased by 22 per cent.

**THE MAJORITY OF THE** visitors were from our neighbouring countries, Denmark 22 per cent, Norway 17 per cent, Finland 16 per cent.

Almost two million visitors were from Germany and consequently they made up twelve per cent of the total number of visitors. Nearly 800,000 visitors were from the UK and nearly half a million came from the USA.

– This inbound tourism is of great importance for the Swedish tourism industry in the whole country. The Swedish Agency for Economic and Regional Growth can contribute by providing increased knowledge and coordination to create favourable conditions for the sustainable development of the industry, says Anneli Sjögren, Head of Department at the Swedish Agency for Economic and Regional Growth. ■







**IS GROWING.** Stockholm is expected to grow by just over half a million people by 2030. This means that the city has a growth rate that is six times that of Paris.

# Swedes happiest in Europe

■ Sweden was in second place in the world, and first place in Europe, when the OECD graded countries according to their potential for happiness. Only Australia ranked higher. **Text:** Eddie Ekberg

**THREE NORDIC NATIONS ARE** represented among the seven happiest countries in the world – with Sweden in second place.

Sweden performs well in several areas, according to the OECD, which makes the overall level of happiness “exceptionally” high. The average disposable household income is above the OECD average, although the gap between the richest and poorest is large; the richest 20 per cent earn more than four times as much as the poorest 20 per cent.

The employment rate of 74 per cent is higher than the average in the OECD, at the same time as the Swedes work fewer hours. Only one per cent of Swedes work “very long hours”, compared with the average in the OECD, which is nine per cent.

The Swedes are better educated than the OECD average, but perform somewhat worse in mathematics and reading comprehension tests.

Life expectancy is higher in Sweden, and more people feel included in the society. In general, Swedes are also more satisfied with their lives; 85 per cent say they have more positive than negative experiences during a typical day. **G**

**HAPPIEST.** The Swedes are happiest in Europe, according to the OECD's rating of countries' conditions for happiness.







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