



PORTRAIT

Ola Serneke - full speed towards the top

SWEDEN TODAY

"Population growth and urbanization is Sweden's potential"

THE HOUSING MARKET

Glorious times for housing developers



Extra
magazine
inside!

THE LEADING PROPERTY MAGAZINE IN THE NORDIC REGION

Sweden's property market is red-hot

SUMMER 2016 in Sweden was relatively poor, at least in weather terms. Rain and cold dominated the month of July, at least in large parts of Sweden, and many Swedes therefore sought sun and warmth abroad.

» A promising start as far as Sweden is concerned for this year's Expo Real.«

AND WE ARE ALSO seeing several new – and not so new – investors doing business in Sweden again.

EXCITING, AND A PROMISING start as far as Sweden is concerned for this year's Expo Real.

WHATEVER HAPPENS, Fastighetssverige will be at the centre of all discussions at Expo Real, ready to pick up the choicest bits and deliver them to our readers. We will also be on display in all the magazine racks, visible in the press stand and in general have great exposure ahead of, during and after the fair.



Editor-in-chief // Eddie Ekberg

SEE YOU AT EXPO REAL!

BUT THE SWEDISH property market is anything but cold – it is red-hot instead! All consultants are united in talking about a transaction volume well on par with the record years before the financial crisis of 2008. And the forecasts indicate that when 2016 is summed up at the beginning of next year, this year will break the record for transactions in Sweden.

3 2016 // Year 12

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On the cover // Ola Serneke
Read the interview on page 24.

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Soaring to new heights in sustainability!



For the tenants of Portland Towers in Copenhagen, this peregrine falcon is a symbol of the building's dedication to sustainability. With a welcoming nesting box set 59 meters up in the old cement silos we converted into offices, the falcon embodies a green mindset – a way of working that not only makes employees, customers and partners proud, but also boosts profitability. Visit ncc.dk to learn more about how the offices we develop can help build people, brands and better business.

Photo: Getty Images

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“The global currency war is far from over”

■ A currency war is being waged between the countries of the world. A weak currency makes it easier for companies to raise prices and increase profits. The countries that have recovered strongly since the global financial crisis are generally more dynamic economies, but they’ve also managed to keep their currencies relatively weak and create profit-driven growth. So far Sweden is one of the winners of the currency war. But the global currency war is probably far from over, according to Handelsbanken’s new chief economist Ann Öberg.

Major fluctuations in global capital flows, especially in emerging markets, have led to greater fluctuations in currency prices. The situation is reminiscent of a currency war, with competing devaluations where central banks are “forced” to cut interest rates when other central banks do in order to prevent their own currency from strengthening. One example is the sequence similar to a currency war, where quantitative easing measures were first implemented in the US and subsequently introduced in Japan and the eurozone as well.

Why did central banks around the world move to a policy resembling a currency war after the 2008–09 global financial

crisis? One important reason was the high level of indebtedness. Fiscal policy simply doesn’t have enough ammunition to stimulate the economy. Moreover, once the acute crisis had passed and the economic outlook improved, many households lacked the financial strength to increase their consumption. Households’ pent-up consumption needs were a strong driving force during many previous economic recoveries, especially in the US. In practice, monetary policy was the only powerful economic stimulus instrument available to stimulate the economy. First the Federal Reserve, the US central bank, cut benchmark interest rates to nearly zero. Then the Fed further stimulated the economy by implementing a series of securities purchase programmes.

ONE CHANNEL FOR monetary stimulus was that a weak dollar made it easier for American companies to raise prices, which increased profits while wages were kept down by high unemployment. This created profit-driven growth, which was slower than the growth after the recessions of 1990–91 and 2001, which were primarily driven by a combination of fiscal policy and pent-up demand in the household sector.

The downside was that other currencies such as the Japanese yen and the euro were strong, making it difficult to create good conditions for growth – not just profit-driven growth – in these economies. Japan and the eurozone also tried to weaken their currencies through quantitative easing, which resulted in something resembling a global currency war. All countries can’t win a currency war at the same time, per definition.

The countries that have recovered strongly since the 2008–09 global financial crisis succeeded in keeping their currencies relative-



PICTURE: HANDELSBANKEN

ENJOYS SKIING

Name: Ann Öberg.

Age: 42.

Family: Married, three children.

Lives in: Vaxholm.

Title: Chief Economist at Handelsbanken.

At Handelsbanken since: Spring 2016.

Former employers: Swedish Ministry of Finance, Swedish National Institute of Economic Research, Swedish Fiscal Policy Council and The Confederation of Swedish Enterprise.

Leisure interests: Skiing, and renovating old houses.

HANDELSBANKEN

Handelsbanken is a full-service bank with nationwide office networks in Sweden, the UK, Denmark, Finland, Norway and The Netherlands. The bank views these six countries as its home markets. Handelsbanken was founded in 1871. Today it has nearly 12,000 employees and operates in a total of 25 countries.

ly weak and creating profit-driven growth, such as Sweden, the US, the UK and Germany. (The euro was not too strong for the dynamic German economy.) On the other hand, the countries that lost the currency war were stuck with currencies that were too strong and they failed to create profit-driven growth. These countries are still at roughly the same GDP levels as before the global financial crisis. Examples are Japan and the eurozone excluding Germany.

THE EU REFERENDUM in the UK, where Brexit was the victor, has probably further exacerbated the situation. The British pound was immediately weakened when the result of the referendum was announced. At the beginning of August the Bank of England eased its monetary policy in order to alleviate the effects of an anticipated recession. The stimulus measures were more extensive

than expected, comprising both interest rate cuts and programmes for new securities purchases.

Brexit weakened the Swedish crown versus the euro and the dollar, thus improving our competitiveness. However this doesn't mean that Brexit is good for the Swedish economy. The UK is one of Sweden's most important trading partners, and increased financial uncertainty will probably decrease willingness to invest within the UK. Consumer confidence has declined sharply as well.

The incentives for having a weak currency remain in most countries, even if conflicts among them may diminish somewhat if the Federal Reserve raises the benchmark interest rate further. If the Swedish crown strengthens as most economists believe it will, this will slow down company profits in Sweden. The global currency war is far from over. ■



DRIVES MERCEDES

Name: Max Barclay.

Title: CEO of Newsec's Swedish advisory service.

Age: 45.

Lives in: Gothenburg and Stockholm.

Family: Wife, two children and four stepchildren.

Leisure interests: Golf (handicap 5.4) and tennis.

Watches on TV: Not often, but currently watching "Tyrant".

Reads: Ann Rosman's books about Marstrand.

Drives: Mercedes, but ideally my Goldfish boat.

Dream travel destination: Cuba.

Great potential in population and urbanisation

■ Continued low interest rates and a Swedish transaction market that is heating up. Max Barclay sees great potential in the present day: population growth and urbanisation.

"In my view we will continue to see high population growth, a high birth rate and a relatively high level of immigration - which is extremely positive for Sweden and the Swedish real estate market," says the CEO of Newsec's Swedish advisory service. **By:** Axel Ohlsson

THIS IS AND HAS BEEN of great interest for Swedish properties. In the first half of 2016 the transaction volume amounted to SEK 87 billion (EUR 9.2 billion), versus SEK 58 billion (EUR 6.1 billion) during the corresponding period last year.

This is partly due to the enormous transaction where Castellum acquired Norrporten for close to SEK 22 billion (EUR 2.3 billion), which may set new record highs even if increased sales are deducted.

"Our estimate is between SEK 140 and 160 billion (EUR 14.8 and 16.9 billion). But there's the potential that we will set a transaction record this year," says Max Barclay, CEO of the Swedish advisory service at Newsec, which is by far the largest real estate consulting firm in the Nordic region.

"Ordinarily the transaction market tends to be larger during the second half of the year. So from a purely statistical standpoint, there may be a potential to exceed SEK 200 billion (EUR 21.1 billion) this year, which actually seems like an unbelievable figure."

"In any case we will experience a good 'transaction year.' I'm sure it will be among the top five in any case."

According to Max Barclay, the Swedish property transaction market is in excellent shape thanks to strong growth, continued low interest rates and a lack of other attractive investment alternatives.

"We don't see any major changes in interest rates coming in the next year. Instead, we expect interest rates to inch upwards towards the end of 2017. This will affect the market and may cause it to cool off somewhat, but otherwise it's difficult to see what factors could cause dramatic changes in the market."

"Of course you always keep 'black swans' in mind. If you can identify them they aren't black swans any more, but Brexit is causing uncertainty in Europe, and the political situation in the world ➤

RECORD POTENTIAL. Transaction volumes during the first half of the year. Sweden may be on the way to a new record high: "There's the potential that we will set a transaction record this year," says Max Barclay.

PICTURE: DAVID SCHMIDT/PROVIDER



»In any case we will experience a good ‘transaction year.’ I’m sure it will be among the top five in any case.«

POPULATION GROWTH. “If a certain number of children are born, it’s extremely easy to predict the effects this will have on the need for housing, child care, schools etc,” says Max Barclay.

➤ with war-torn areas and terrorist attacks may result in impacts that are difficult to predict.”

➤ **Have you seen any such tendencies in Sweden after the Brexit vote?**

“No, not directly, even if investors who are financing their activities in British pounds have naturally become more cautious. However it seems as though financing possibilities have generally been tightened and that requirements for customers are increasing.”

The very good economic situation has caused many of the foreign investors who pulled out after the financial crisis in 2009 to return to the Swedish market, even if they have had a hard time competing with domestic investors so far.

“Many players are back, but relatively few of them are actually doing deals. Several of the major German and American players are

analysing the market, but quite a few new players are trying to do deals as well.”

“In the last few years we’ve seen several major players invest in the Swedish and Nordic markets, such as Starwood, Grosvenor and Blackstone.”

HOWEVER LOW INTEREST RATES and a busy transaction market are not the primary advantages of the Swedish market. Max Barclay instead points to a trend that affects all of Swedish society as the primary reason that the real estate market is likely to flourish in the future.

“There is a much stronger trend and issue that affects the Swedish real estate market: the fact that we are in a situation where we are experiencing historically high population growth.

Over two percent, which is a high figure.”

“This is happening at the same time that we have the strongest urbanisation trend in the Western world, with around 45,000 people moving to Stockholm every year. Moreover we have extremely high immigration to Sweden. These factors will result in a growing need for housing, community service properties and offices. Of course this is extremely positive for people involved with properties in one way or another.”

“There is enormous pressure on housing units and community service properties, which affects the market. This means that property owners don’t need to worry about vacancies, and that rent levels are rising.”

“This is a long-term trend, and it’s difficult to see how it would cause us any major disadvantages. I believe that we will continue to ➤



Official name: The Kingdom of Sweden.

Political system: Constitutional Monarchy, with parliamentary government.

Head of State: King Carl XVI Gustaf.

Language: Swedish.

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

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

Time zone: GMT + 1 hour.

Currency: 1 krona = 100 öre.

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

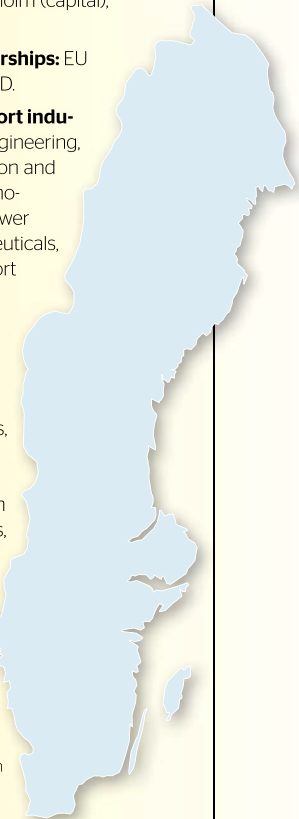
Noteworthy memberships: EU since 1995, WTO, OECD.

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

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

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

Source: Invest Sweden





PICTURE: DAVID SCHMIDT/PROVIDER

»I often think that people are looking at the major metropolitan areas too much. There are numerous regional cities that are of interest as places to invest.«

➤ experience high population growth. We have a high birth rate in Sweden with lots of new children being born – which is extremely positive for both the national economy and the real estate market.”

“If a certain number of children are born, it’s extremely easy to predict the effects this will have on the need for housing, child care, schools etc.”

“If you compare this with trying to forecast office rents or yield levels, they are much more volatile and they depend on many more factors.”

“The Swedish National Pension Funds have obviously identified these trends as well, and they have chosen to invest heavily in the Swedish real estate market via several different companies, both public and private.”

THIS MEANS THAT there are major opportunities, but some inhibiting factors may also arise along with the opportunities.

“We have a shortage of construction capacity, so there is a risk that construction prices will take off. In addition, the decision

processes connected with planning issues are a bottleneck where the processes involved in getting from the concept to a finished building takes much too long.”

“Hypothetically, if you could solve these two challenges it would be a challenge for the Swedish banking system to finance the enormous volumes that are needed.”

STOCKHOLM, GOTHENBURG AND MALMÖ should not be the only cities that interest foreign investors, according to Max Barclay.

“I often think that people are looking at the major metropolitan areas too much. There are numerous regional cities that are of interest as places to invest. Clearly there is pressure on yields, primarily in Stockholm and Gothenburg but in Malmö as well. But when it comes to larger and medium-sized regional cities, they still have real estate markets that function extremely well, where the investment opportunities quite simply offer different yield levels.”

“Here is one piece of advice for international investors: Don’t forget to look at regional cities and university cities.”



Transactions >= 100 MSEK

TRANSACTION VOLUME, MSEK

	Stockholm	Gothenburg	Malmö	Other major cities	Rest of Sweden	Total
2012	47 649	11 225	10 893	18 831	18 393	106 991
2013	39 519	9 829	4 212	18 825	19 793	92 177
2014	69 089	15 673	9 368	28 192	26 668	148 991
2015	58 428	9 791	6 183	28 451	31 477	134 329
H1 2016	24 575	6 663	7 709	30 382	17 828	87 157

SEGMENTS, SEK BN

	2012	2013	2014	2015	H1 2016
Other (hotel, land)	7,2	6,2	14,8	13,5	7,8
Logistic	10,7	12,0	17,8	17,9	4,7
Properties for community services	17,3	4,8	21,6	6,5	4,2
Retail	13,3	13,7	15,5	24,4	14,9
Office	38,4	25,7	43,7	42,5	35,4
Residential	20,1	29,7	35,6	29,6	20,1
Total	106,9	92,2	149,0	134,3	87,2

TRANSACTION VOLUMES, SWEDEN, TRANSACTIONS >= 100 MSEK

Period	Volume MSEK	Foreign investors
H1 2012	51 431	17 %
H2 2012	55 560	21 %
H1 2013	42 815	8 %
H2 2013	49 363	19 %
H1 2014	60 389	14 %
H2 2014	88 601	20 %
H1 2015	57 937	22 %
H2 2015	76 393	32 %
H1 2016	87 157	12 %



■ Åsa Henninge, Chief Analyst at NAI Svefa, about the red-hot housing developer sector.

Glorious times for housing developers

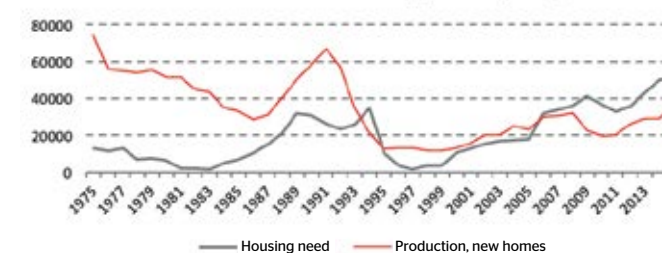
– but who will be building the housing that is in demand?

FALLING INTEREST RATES since the late 1990's has entailed over-consumption on the private housing market in Sweden. Many households have been able to afford ever more attractive objects in terms of size and location, which has entailed great pressure on housing in attractive locations and an increase in the number of square metres available to affluent households. The price of housing in Sweden as a whole has increased by around 300 percent over the last 20 years, at the same time as the 5-year list interest rates of the major banks have moved in the opposite direction. Together with a strong urbanisation trend and housing construction at a considerably lower rate than justified by population growth, this development has resulted in a lack of housing in growth areas in general, and in our major cities in particular, as well as glorious times for housing developers.

THE NATIONAL BOARD OF HOUSING, Building and Planning makes continuous forecasts of future housing needs. In its housing need forecast based on Statistics Sweden's population forecast from May 2015, a need for 461,000 new homes is forecast for the period 2015–2020, and 244,000 for the period 2021–2025. For the entire period 2015–2025, this adds up to an overall need for 705,000 homes. The housing need is primarily concentrated on the FA regions, including Stockholm, Gothenburg and Malmö. In order to cover the need, the production rate needs to double for Sweden as a whole, and triple in the major city regions.

In addition to managing the strong future growth, the Board calculates that there is an accumulated shortfall of

housing, caused by a low rate of house building in relation to the population growth. Since the property crisis in the 1990's, house building has been at a historically low level, with an annual average of around 20,000 homes completed, compared to around 45,000 homes per year on average during the years 1960 to 1992. This has led to an accumulated housing shortage, which over the last ten-year period amounts to just over 64,000 homes in greater Stockholm, around 13,000 in greater Gothenburg and 15,000 homes in greater Malmö.



DEMAND AND THE OPPORTUNITIES for house builders on the Swedish property market thus appear to be endless. Need and demand are, however, two very different things, and the big challenge is probably not quantitative or organisational, but financial – to make those who need homes also able to demand these, and to make the market actors build the homes that can be demanded by everybody. For example, in its forecast the Board states that “It is not certain, or perhaps even probable, that housing demand will be as great as the forecast need. The size of the demand is dependent

upon household finances and a number of other circumstances ... The new homes that are needed will become reality only if these homes can also be demanded at the prevailing price and cost levels. If there is no demand at prevailing market prices, house building will not happen.” The relatively low number of house completions over the last 20 years exemplifies the challenge. Since the early 1990's, the major city regions have been responsible for an ever greater percentage of the new homes, with just over 50 percent of new house construction, and the makeup of the production has also changed, with the number of tenant-owner flats increasing significantly. In Stockholm, Gothenburg and Malmö, the rate of new production has increased by 66 percent since 1991, and the increase is almost entirely attributable to increased construction of tenant-owner flats, while construction of rented flats has been fairly constant and construction of single-family homes has fallen over the period.

SO WHO IS TO BUILD the homes that can be demanded by all? Where is the capital that wants to finance new construction projects and prioritise the development and production of inexpensive homes before what for a long time has been the lucrative and ever-increasing production of tenant-owner flats in attractive major city locations? For a housing developer who is able to construct inexpensive homes, most indicators point to a very good market over the next few years.

THE NEW SEGMENTS and actors that have emerged to date in recent years have contributed to rate of house construction that is now the highest in 25 years. Institutional capital is an active buyer category within new-production rental flats, and there are ➤



»For a housing developer who is able to construct inexpensive homes, most indicators point to a very good market over the next few years.«

➤ a number of examples of joint ventures between pension providers and major construction companies, with an express focus on new production rental flats, such as Bygg-Fast – Balder – Third Public Pension Fund, Convea (Veidekke and Alecta), Grön Bostad (ByggVesta and Afa Fastigheter), Skanska – Folksam/KPA Pensionsförsäkring and Tornet (Riksborgen, Folksam, Peab and Balder). A number of actors have also emerged within the relatively new segment that functions as an intermediary and develops rental flats without having any in-house production for the benefit of financial investors, which to date has consisted of pension capital.

THE ADDITIONAL HOMES continue to be fairly homogenous, though, and consist of relatively exclusive homes in attractive locations. The more financial perspective on property of institutional capital and its relatively limited property organisations also makes the capital more flighty, and any trend interruption in the good historical returns carries a risk of a general reallocation from property. So the big question remains.

THE NEED FOR INEXPENSIVE HOUSING places demands on increased competition among contractors, but also on large scale

and an increased degree of standardised or industrial construction. It also places demands on access to land and building rights where the price is not a result of the willingness to pay for anything else than that which is to be constructed. A change to the Planning and Building Act to permit control of the form of tenure would probably increase the supply. The fact that available land for housing construction largely is owned by municipalities also means that municipalities clearly have a key role to play in the development of new, financially feasible detailed area plans, and that municipal housing companies can be active participants and contribute to a more varied range of new housing. Given the legislation and systems for detailed area planning, land allocation and rent-setting that exist today, it will not be possible to build less expensive housing than exists in the current housing stock, and the future additions will probably not correspond to the additions justified by population growth and population composition. In order to succeed with the challenge of building new housing that can be demanded by all, access to land priced according to the market value of the finished housing must increase, and the prerequisites created for large-scale, standardised or industrial housing production. ■

RESULTS that matter



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OUR PLATFORM provides leading global institutional investors access to the Nordic property market through top-performing opportunistic and core-plus private equity real estate funds

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www.niam.com

Nora 11, Malmö, Sweden



PICTURE: WILLHEM

■ Here are the ten largest housing transactions in Sweden from Q3 2015 through Q2 2016. (Data produced by Newsec.) *By:* Nicklas Tollesson

The largest residential transactions

Top 10 // Residential transactions

<div>1</div> <div>Buyer: Willhem Seller: Akelius Purchase price: MSEK 5.000 SEK/sqm: 15,772 Object: 119 properties Area: 317,023 sqm Location: Various locations</div> <div>The properties are located in the Gothenburg area, Borås, Skövde, Trollhättan, Lysekil and Karlstad. The largest share of flats are in Borås (about 1,500) and the Gothenburg area (about 1,000). The portfolio varies in size and age. Willhem will also take on Akelius's staff in the locations concerned.</div>	<div>2</div> <div>Buyer: AP3 and Balder Seller: Aberdeen Purchase price: MSEK 2.000 SEK/sqm: 28,076 Object: 71,000 sqm residential portfolio Area: 71,234 sqm Location: Stockholm (Sollentuna, Midsommarkransen), Södertälje, Helsingborg, Malmö, Lund, Kävlinge</div> <div>The properties have a total area of 71,000 square metres, and they comprise approximately 200 flats located in Stockholm and the Öresund region. A large portion of the properties are newly built or newly renovated housing units. The acquisition is the first by the new joint venture for investments in residential properties formed by Balder and the Third Swedish National Pension Fund.</div>	<div>3</div> <div>Buyer: Rikshem Seller: Akelius Purchase price: MSEK 1.878 SEK/sqm: 15,661 Object: 47 residential properties Area: 119,912 sqm Location: Haparanda, Östersund, Umeå</div> <div>Rikshem is buying 1,700 flats from Akelius in Haparanda, Umeå and Östersund. The transaction encompasses 47 residential properties with a total area of 120,000 square metres.</div>
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<div>4</div> <div>Buyer: Heimstaden/Akelius Seller: Heimstaden/Akelius Purchase price: MSEK -1.700 SEK/sqm: -19,000 Object: 1,200 flats Area: 90,000 sqm Location: Stockholm, Trelleborg</div> <div></div>	<div>6</div> <div>Buyer: Willhem Seller: Wallenstam Purchase price: MSEK 1.300 SEK/sqm: 51,501 Object: Oskar II 11, Pål Ibb 21, Vildvinet 1, 3, 4 & Skäran 1 Area: 25,242 sqm Location: Helsingborg</div> <div></div>	<div>8</div> <div>Buyer: Rikshem Seller: Värmdö kommun Purchase price: MSEK 1.004 SEK/sqm: 14,343 Object: 49 percent of Värmdö Bostäder Area: 70,000 sqm Location: Värmdö</div> <div></div>	<div>10</div> <div>Buyer: Stena fastigheter Seller: Landskronahem Purchase price: MSEK -1.000 SEK/sqm: -12,000 Object: 1,225 flats Area: 82,354 sqm Location: Landskrona</div> <div></div>
<div>5</div> <div>Buyer: Rikshem Seller: Lulebo AB Purchase price: MSEK 1.600 SEK/sqm: 12,092 Object: 1,498 flats and 213 care flats Area: 132,324 sqm Location: Luleå</div> <div></div>	<div>7</div> <div>Buyer: Rikshem Seller: Östersundshem Purchase price: MSEK 1.144 SEK/sqm: 8,569 Object: 28 residential properties Area: 133,507 sqm Location: Östersund</div> <div></div>	<div>9</div> <div>Buyer: Unknown Swedish institution Seller: Magnolia Purchase price: MSEK 1.000 SEK/sqm: - Object: Part of Kungsängen 25:1 Area: - Location: Uppsala</div> <div></div>	

NOT A BIG DEAL

NORDIC REAL ESTATE PARTNERS IS NOW NREP



'Isbjernet',
Aarhus, Denmark.
Acquired by NREP in 2014

Not a big deal you might say, and you would be right. After ten years of delivering the most consistently outperforming PERE returns in Europe*, we intend to continue doing exactly that. No change - just a simpler name.

NREP is a leading Nordic private equity real estate firm. It was established in 2005 and has since inception raised 9 funds and executed over 190 property acquisitions and developments in the Nordic region, of which 80 have been exited. Currently, NREP has total assets under management of €3 billion and employs more than 70 professionals who work from our four offices in Copenhagen, Stockholm, Helsinki and Oslo. NREP is fully owned by its partners.

*The 2015 Preqin Alternative Assets Performance Monitor

Value realised.
nrep.com






Here are the **20** most read articles at nordicpropertynews.com since the middle of March, the numbers represent the most read-rating. Please visit the site and register for the newsletter, and you will get the latest news about the Nordic property market every Friday – free of charge! **By:** Axel Ohlsson

PICTURE: CF MÖLLER



The new Lego headquarters.

③ Lego to build new headquarters

 The danish toymaker Lego – that employs more than 17,000 people around the world, of which more than 4,000 work in Denmark – will build a new 52,000 sqm headquarters in Billund. The new building is drawn by the architect CF Møller.

An integral part of the new office building is Lego

People House; an area housing facilities for various activities, all based on input from Lego employees. As such, the new office building will serve as both workspace and play space for Lego employees.


"We want a distinct office building that clearly conveys the Lego values, and which truly expresses the

creative, innovative culture of our company. I am very excited that we can now present our vision for this new building, both to our employees and to the community," says Claus Flyger Pejstrup, Senior Vice President at the Lego Group, and responsible for the Lego Group Headquarters in Denmark. **2016-07-07**



P-G Persson, CEO
Platzer Fastigheter.

⑥ Platzer's first acquisition on Lindholmen


 Gothenburg company Platzer has for a time had the goal of acquiring in the Lindholmen district. The first acquisition is now completed; an

office property encompassing 9,700 sqm for MSEK 373 (€40M).

The seller is a German fund, CBRE was the seller's advisor. The property Lindholmen 30:2 is more or less fully leased.

"Lindholmen is a very interesting area for us at Platzer Fastigheter, with its exciting mix of high technological services and large research and development projects," says P-G Persson, CEO at Platzer Fastigheter. **2016-06-23**

⑦ AART Architects to design Viking Age Museum

 Danish AART have signed a contract with Norwegian Statsbygg for the design of the new Viking Age Museum in Oslo.

With its unique Viking Age collection, including the world's oldest and best preserved Viking ships, it is one




The new Viking Age Museum in Oslo.

of Norway's most visited and one of the world's most important cultural and historical museums – acknowledged by The Times as one of the world's 50 best museums.

The new Viking Age Museum will comprise 13,000 sqm. **2016-07-07**

⑧ PFA purchases large portfolio in Copenhagen

 PFA Ejendomme has purchased a property portfolio from the Resolution Property Fund for DKK 1.45 billion (€95M).

The portfolio contains 16 properties, 500 apartments, with a combined leasable area of 68,000 sqm. The properties are located in Copenhagen, on Fredriksberg and in Gentofte.


"It is primarily an apartment investment with a great

development potential. It is a part of our strategy to invest more in city locations," says Michael Bruhn, CEO at PFA Ejendomme.

The initial yield amounts to 3.22 percent, but PFA believes that through modernizing the properties they can increase the rents and thereby increase the yield to approximately five percent.

Sadolin og Albæk has brokered the deal. **2016-05-27**

②① Hemfosa appoints Joacim Sjöberg as Executive Vice President

 Hemfosa Fastigheter has appointed Joacim Sjöberg Executive Vice President. This appointment is an additional step in the company's efforts to strengthen its Executive Management Team and ensure long-term, controlled succession planning following the

departure of Jens Engwall, who plans to step down from his operational role prior to the end of 2017.


Joacim Sjöberg currently serves as Head of Corporate Finance at Swedbank and plans to assume his new position in October 2016. **2016-07-07**

PICTURES: ALMA PROPERTY PARTNERS




Ideapark Oulu in Oulu.

⑭ ALMA AND AVANT ACQUIRE SHOPPING CENTER

 Avant Capital Partners and Alma Property Partners acquire a 30,000 sqm shopping center in Oulu, Finland.

Avant Capital Partners, together with Alma Property Partners I AB, a fund managed by Alma Property Partners, have acquired a shopping center located in Ritaharju, Oulu, from Sukari Group. The asset is known as "Ideapark Oulu". It has approximately 30,000 sqm gross area, and it has been let to multiple high-profile tenants like H&M, Lindex, Cubus, Dressmann and Stadium. **2016-08-19**

⑨ BALDER AND AP3 ACQUIRE FROM ABERDEEN

 Balder and the Third Swedish National Pension Fund's joint venture purchases a portfolio with 21 apartment properties from Aberdeen.

The properties have a total leasable area of 71,000 sqm and encompass approximately 1,200 apartments located in Stockholm and the Öresund region. The purchase price is approximately SEK 2 billion (€212M).

"This portfolio fits well with our long term investment in apartments, together with the Third Swedish National Pension Fund," says Balder's CEO Erik Selin. **2016-07-08**



Erik Selin, CEO Balder.

⑩ VICTORIA PARK PURCHASES FOR €190M

 Victoria Park purchases an apartment property portfolio of a total of 1,938 apartments, with a leasable area of approximately

138,000 sqm, located in Malmö and Karlskrona.

The acquisition has an underlying property value of SEK 1.8 billion (€190M), corresponding to SEK 13,000 per sqm.

"This is our largest acquisition ever and it is satisfying to carry it through in an effective way without a wide auction," says CEO Peter Strand. **2016-08-11**



Peter Strand, CEO
Victoria Park.

⑬ ENTRA IN LARGE PURCHASE IN OSLO

 Entra has signed an agreement to buy three high quality office properties at Skøyen in Oslo from Norwegian Property ASA for approximately NOK 2.5 billion (€269M). The portfolio comprise about 61,000 sqm gross area, of which around 43,100 sqm office and 2,700 sqm retail.

The transaction is structured as an acquisition of five legal entities that own three properties. The transaction does not involve any employees. **2016-06-02**

NORDIC NEWS

16 NEW NORDIC INVESTMENT MANAGER AT PATRIZIA

 Jacob Smergel-Krog has been appointed new Investment Manager of German Patrizia's Nordic investments. Jacob Smergel-Krog came to Patrizia in 2013 and has previously worked for the Thylander Group and the Investment Bank Gudme Raaschou. **2016-06-03**



Jacob Smergel-Krog.

17 SKANSKA BUILDS THE NEW REGIONENS HUS IN GOTHENBURG

 Skanska has signed a contract with Västfastigheter for the second phase of the construction of the new Regionens Hus in Gothenburg, Sweden. The contract is worth about MSEK 580 (€61M). The agreement includes the construction of a new 22,000 sqm building.

Skanska also has an option on the redevelopment of the old Bergslagen Line station of 5,500 sqm. The contract will be implemented in extended collaboration with the client, so-called partnering.

The purpose of the new regional building is to co-locate parts of Region Västra Götaland's 15 operations in Gothenburg. The project has high environmental standards for energy consumption and environmental impact and will be classified as Green Building Gold.

Construction will begin immediately and the building is expected to be ready for occupancy during the spring 2019. **2016-07-07**



The new Regionens Hus in Gothenburg.




The Statoil Office Complex in Oslo.



PICTURES MADISON

1 Madison completes sale of Statoil Office Complex in Oslo


 Madison International Realty, a New York based investment company, announces that it has completed the sale of the Statoil Office Complex in Oslo, Norway for NOK 3.9 billion (€419M) to a club of local investors established by Arctic Securities, representing a 5.4 percent cap rate.

Madison has agreed to a sale of the property for NOK 3.9 billion to a club of local investors advised by Arctic Securities, representing one of the largest transactions in the Norwegian market this year. Per the terms of the transaction, Arctic Securities

will also assume the existing NOK 2.24 billion (€241M) bond. The seller was advised by Akershus Eiendom and JLL.

The award-winning, 65,768 sqm (721,000 square foot), nine story Class A asset was constructed for, and is let in its entirety to Statoil ASA until 2027, a leading energy and gas production company. Located in the popular Fornebu sub-market of Oslo, the asset benefits from its proximity to a number of other domestic and international blue-chip company corporate headquarters. **2016-07-05**

2 Redito purchases from Starwood for €330M

 Starwood Capital Group, a leading global private investment firm, and Vencom, through separately controlled affiliates, sells six retail parks and shopping galleries in Sweden to Trophi Fastighets AB, a company managed by Redito and owned by the Swedish Pension Fund AP3.


The assets being sold are majority owned by Starwood Capital Group, while Vencom is a minority investor and operating partner of the properties.

The transaction, which is expected to close in September

2016, is valued at approximately SEK 31 billion (about €330M). The assets in the sale include Arninge in Täby, Bäckebol in Göteborg, Boländerna in Uppsala, Jägersro in Malmö, Tunapark in Eskilstuna and Weibullsholm in Landskrona.

"We are pleased that these retail assets have benefited from the steady growth of the Swedish economy and strong retail sales, as projected in our investment thesis," says Richard Vaaje, Vice President at Starwood Capital Group. **2016-08-10**

5 Intea closes huge deal with Blackstone and Areim

 Intea purchases social properties from Blackstone/Areim in Linköping and Östersund, for approximately SEK 3 billion (€323M).

Intea purchases Garisonen in Linköping and Campus Östersund from Regementsfastigheter R Holding AB, a company indirectly owned by property funds managed by Blackstone and Areim.

The properties were included in the Obligo acquisition last year.


The combined leasable area in the acquired properties Smedstad 1:21 in Linköping and Artilleristen 1 in Östersund amounts to 132,600 sqm.

Fastighetssverige assesses the purchase price to approximately SEK 3 billion (€323M). **2016-06-03**



The new shopping center.


4 EXPANDING FREDRIKSTAD CITY CENTER

 Shopping center company Scala Retail Property and the local property developer Værste AS invests NOK 2 billion (€217M) in Fredrikstad city center.

The duo is going to build a 20,000 sqm shopping center, 6,000 sqm street-based trading, 250 apartments, 10,000 sqm offices and 700 underground parking spots.

The shopping center and the first apartments will be ready in time for Christmas shopping 2019. **2016-06-10**

15 OSCAR PROPERTIES PURCHASES THE SWEDISH PATENT AND REGISTRATION OFFICE'S PROPERTY

 Oscar Properties purchases the Uppfinnaren 1 property - The Swedish Patent and Registration Office - on Östermalm in Stockholm, from Vasakronan for MSEK 650 (€70M).

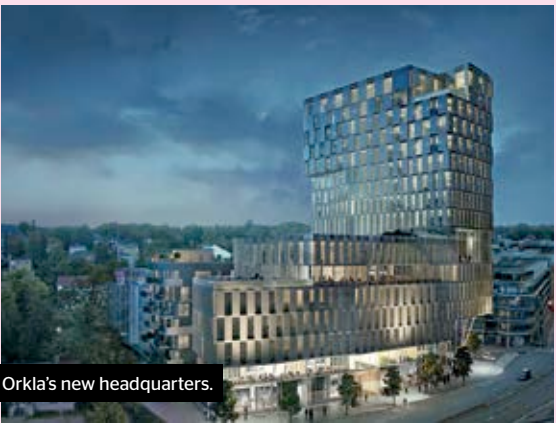
The property was erected in the 1920's for the Patent and Registration Office and encompasses 16,000 sqm office buildings, distributed on a main building of 13,200 sqm and two annexes of 1,400 sqm each.

Oscar Properties plans to in a first stage convert the vacant parts of the property to housing when a zoning change enters into force. **2016-06-26**


19 SAGAX ACQUIRES TWO PROPERTIES IN FINLAND

 Swedish Sagax has acquired two industrial properties in the Helsinki Metropolitan area. The acquisition comprises a 3,700 sqm property in Vantaa, and a 1,400 sqm property in Helsinki. The total transaction price was approximately MSEK 48 (€5.2M). **2016-05-27**

12 Skanska and Orkla to build Orkla's new headquarter in Oslo



Orkla's new headquarters.


 Skanska has signed a contract to build Orkla's new headquarter in Oslo. The client is Drammensveien 149 Nybygg, a wholly owned subsidiary of Orkla Eiendom. The contract is worth MNOK 530 (€57M).

The project consists of an office building with 19,500 square meters of usable floor area, 1,600 square meters of apartments and a parking garage. The main building will consist of seven stories with an additional 16-story high tower.

The project has high environmental ambitions and will upon completion be certified according to BREEAM NOR Excellent.

Construction will start in October 2016. The office part of the project will be completed at the latest in October 2018, while the apartments will be ready for occupancy in December 2018. **2016-06-30**

11 Swedish fund ranked in World Top

 Swedish Sveafastigheter has been ranked as the Most Consistent Performing Opportunistic Closed-End Private Real Estate Fund Manager on a shared first position out of 34 firms and 184 funds fulfilling the selection criteria.

The list was compiled by Preqin in the 2016 Global Real

Estate Report - the most comprehensive global review of the real estate industry.

Swedish Niam is on a shared fifth place on the ranking. **2016-06-30**



Johan Tengelin, partner and CEO Sveafastigheter.

18 WORLD CLASS FRENCH FASHION HOUSE TO STOCKHOLM

 The world famous French fashion house Céline opens a store in Bibliotekstan in Stockholm.

Hufvudstaden owns the property on Mäster Samuelsgatan 5 where the store will be the new neighbor of Chanel,

Louis Vuitton, Stella McCartney, Gucci, Marc Jacobs, Michael Kors, Prada and others.

JLL Retail Tenant Representation has represented Céline in the establishment. **2016-06-23**

Ola Serneke

– stubborn construction boss heading for world-class

Goal-orientation has taken him to the top, but Ola Serneke is now **aiming even higher**. Meet the stubborn company leader who relaxes by pedalling 90 kilometers on his bike.

By: Axel Ohlsson // Picture: David Schmidt/Pixprovider



A rain-drenched weekend has just passed in Gothenburg. Ola Serneke has managed to avoid this. Instead, he has toiled 90 kilometres on his bike during the Bicycle Vasa Race between Sälen and Mora. Despite equipment problems, he made the finish in three hours and 17 minutes.

“It was OK actually,” says Ola Serneke.

› **What does sport and exercise mean to you?**

“I’ve always been very keen on sport throughout my life. You feel better, you sleep better and you are more satisfied with yourself. It’s important for personal satisfaction. It unites you a lot when you meet in that way.”

THE INTEREST IN SPORT and health are not the only things that have been with Ola Serneke since his upbringing in Alingsås – his interest in construction has too.

The interest in construction took him to Gothenburg, where he studied at Chalmers University of Technology. After graduating as a chartered engineer in the mid-1990’s, he started work at Peab. Ola Serneke remained at the company

» It’s really only determination that creates it.«

until 2002, when he started his own company, which is now one of the major ones in Sweden.

JUST LIKE HIMSELF, the company’s roots are in western Sweden.

“It’s my own backyard, and I know nearly everything about the sector here. You know your own patch in a different way, you know what is right and what is wrong in different places, what to build here,” says Ola Serneke and turns to point across the river towards Hisingen and the area where the company will be building a new city neighbourhood: Karlastaden, with the 240 meter tall tower Karlatornet.

“When I bought the first properties out there, people thought I was completely mad. But I said that I had just looked at the map, and

at where I thought Gothenburg would grow.”

› **Have you always had a good eye for seeing potential?**

“We’ve been successful so far. But you have to work hard at it as well. It’s really only determination that creates it. You have to fight and toil and work through everything.”

Stubbornness, directness and fearlessness of conflicts has made Ola Serneke both a strong profile and to some extent controversial in the industry.

“I have always been like that. It’s probably from my parents; my mother in particular was just like that. But in exchange it delivers a lot too. You have to be direct and say it as it is, and if you think something is wrong, that is right to discuss from a business point-of-view, then you have to say it. I think that is important.”

› **Does everybody accept that?**

“No, of course not. But you just have to explain to people that if we are to move forward, then we have to bring up matters that may cause a disturbance.”

“Some don’t like it, others think it is great. But more than anything, I think most people think ›



FLEXIBLE. “I think it’s important to be able to change speed. One moment it’s all serious, the next you have to be able to laugh. If you have fun now and then, then problems don’t worry you as much,” says Ola Serneke.



Portrait

HAS EIGHT CARS

Name: Ola Serneke.

Age: 44.

Family: Wife and three daughters.

Lives: Gothenburg and Alingsås.

Grew up in: Alingsås.

Earns: “Three-to-four million Swedish crowns per year roughly.”

Education: Chartered engineer.

Drives: Usually a Mercedes S63 or GL63. Has a total of eight cars.

Reads: Mostly magazines and newspapers.

Watches on TV: Discovery Channel.

Listens to: Pearl Jam.

AIMING FOR THE TOP. Having reached the start-up goals Ola Serneke aims higher. By 2030 the company wants to be one of the top 30 in the world.

»I try to get away and do something all the time. Not just sit at home in the sofa and watch TV.«

› it is good afterwards, when the matter has been solved. And then I think it’s an advantage that people know you are that type of person, then you usually get an exchange.”

› **How much of yourself as a youngster is still there in you as a company leader?**

“Quite a lot, I think. I think it’s important to be able to change speed. One moment it’s all serious, the next you have to be able to laugh. I’m the same as I was in those days. If you have fun now and then, then problems don’t worry you as much.”

THE SERNEKE COMPANY is facing an eventful autumn. They are aiming for stock market introduction – and hoping for an injection of somewhere between MSEK 500 and 750 (EUR 52.8M and 79.2M) – which they hope is a step towards the top in the world.

› **What is your vision for the future for the company?**

“By 2020, we shall have sales of at least SEK 10 billion (EUR 1.06 billion), and by 2030 we want to be in the top 30 around the world. Then I’ll be 59, and considering the medications that are around, you’re still a youngster at that age,” says Ola Serneke and laughs.

› **Is something special needed for you to get there?**

“That is continued expansion, in particular in the major city regions, with new cities to be added, and in a few years we’ll also go abroad.”

› **What steps will you take abroad?**

“We are looking at countries where we can work, with the same attitude, morals and ethics as we have in Sweden. There are a number of countries where there is a fit. The closest are of course the Nordic countries, and Germany, United Kingdom and Poland.”

The fact that Poland is included on the list is because “it’s a country with 40 million inhabi-

tants, who are beginning to have money and have adopted Western views”. But the country also has a special importance for Ola Serneke, as his wife Joanna Liszowska comes from there and is a major profile in the country.

“Of course I have parts of my family there, which is always a contributory factor of knowing more about the country.”

› **What are you like at home, as a father and husband?**

“I’m probably fairly intense and energetic even at home. I don’t sit still at all, instead I’m rather pushy and want things to happen.”

› **How do you relax when you are not working?**

“Exercise and see my children, those are the best things. Then I try to get away and do something all the time. Not just sit at home in the sofa and watch TV, but to go away somewhere, irrespective of whether just briefly during the day or the evening, or weekend trips. I think that is great.” 📌

€95+ billion investments in the Stockholm region by 2025



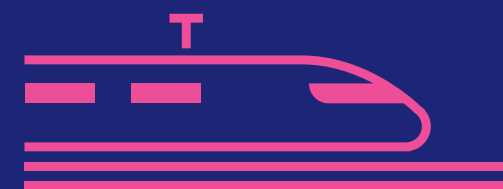
€45 billion – 230,000 new dwellings are being built in the Stockholm region



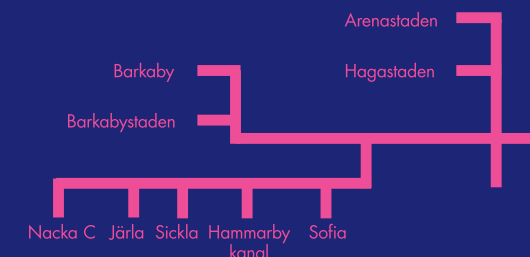
€1.5 billion – Harbours



€1 billion – The “Slussen” project



€13 billion – Railway and tramways



€1.7 billion – Subway systems



€2.1 billion – The Stockholm Bypass



€1.4 billion – Extension of terminals at Arlanda airport

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EXPERIENCED. Charlotta Wikström, a board member of Kungsleden, has become a bit of a guru within mentorship in Swedish business life. She thinks that the most common mistake of a mentor is to talk instead of listening. "A mentor shall not give a lecture, but listen, absorb and offer advice. It can be difficult, lots of us like to talk a lot. But you mustn't forget that the focus is on the adept."

“It is incredibly inspiring to see people grow”

■ Becoming a mentor is a way of accepting responsibility for skills development in the industry, a way of helping young talent to blossom – and at the same time developing yourself.

“It is incredibly inspiring to see people grow,” says the mentor guru Charlotta Wikström. **By:** Nicklas Tolleson

CHARLOTTA WIKSTRÖM HAS long management experience, primarily from sales and marketing with a number of companies of differing size within Swedish business life. Today, she works as a consultant, mainly within talent management, and at the same time runs the family company Floréna Fastigheter. She is also a board member of Kungsleden and Forsen Projekt.

The first time she was asked to become a mentor was when she was sales and marketing director of the Stockholm stock exchange, around the turn of the millennium.

“**I THOUGHT THIS WAS** flattering, the adept was a younger copy of myself, from an external company. We met for a year. She was really happy, but I was uncertain whether I had done the right thing. I tried to find out what was expected of a mentor, but didn't find any good literature. So then I decided to write a book about it myself.”

This resulted in “Vinnande mentorskap” (“Winning mentorship”) which was published in 2004. Since then, the book has become one of the most used tools for mentorship within Swedish business life, and a sixth edition is about to be published.

At the same time, Charlotta Wikström has grown into a bit of a guru within mentorship. She believes that many experienced leaders within the property sector both want to and could be good mentors, which are also needed in these days, when skills supply and competency development are two of the most discussed issues in the sector.

› **Who can become a mentor?**

“The word comes from a character in Greek mythology, Mentor was an older adviser to Odysseus. I would say that is about experience. If you have experience and want to share it, you can be a mentor. Mentorship is a new form of apprenticeship. A coach is quite another thing – you can become a football coach without being great at football yourself.”

› **Why would you become a mentor? In most cases you aren't paid anything?**

“There are exceptions, it depends on the level, but usually it is an entirely non-profit occupation.”

“I would say that mentorship gives you a lot in return. I was once the mentor of a guy who was a manager at a large, engineer-intensive company. He was a techie, but had great difficulty ›



LIKES TO TRAVEL

Name: Charlotta Wikström.

Age: 57 years.

Lives: In central Stockholm.

Family: Married, two adult children.

Background: MBA and DIHR are the foundation. Worked for 15 years within SAS in various roles, among them as product and marketing manager within SAS Trading's retail operation and as a consultant for shop development in Hong Kong and Barcelona. Marketing manager at Comhem, vice president Sales & Marketing at OMX Stockholm-börsen, communications director at Mannheimer Swartling and HR manager at Eniro. One of the founders of Ellen AB (today listed on First North), which manufactures a pro-biotic tampon. Consultant at Stardust Consulting and MD of the family company Floréna Fastigheter.

Board positions: Member of Kungsleden and Forsen Projekt.

Leisure interests: "I like to travel, occupational injury from 15 years with SAS. I like the natural world and am a readaholic. At the moment I am reading The Mountain Shadow by Gregory David Roberts, the continuation of Shantaram, really addictive good books."

➤ leading others. He wanted a female mentor aged above 40, who knew nothing about technology, so I fitted perfectly! After a year, evaluations showed that he had become the most appreciated manager within the whole company. I was so pleased I had tears in my eyes. I felt that I had really made a difference there."

"IT IS FUN AND VERY educational to meet people with the same interests, but from another generation. The mentorship also leads to a special relationship, you talk about things that they perhaps don't talk about with anyone else, it sometimes becomes a bit therapeutic."

➤ What does the top manager say about a manager at a slightly lower level who is a mentor and perhaps spends working hours on a person who doesn't work for the company?

"A good manager thinks this is great, as a mentorship really develops you and provides special and valuable experience. Of course it mustn't be done at the expense of work, but it shouldn't do that if done properly."

➤ How do you think a first meeting should be done?

"The most important thing is for the adept to be clear about the purpose. 'Why do I want a mentor?' On this basis, you can then

proceed. It is important that the mentorship doesn't just become nice coffee breaks."


"But the mentor chats usually concern the same type of things – different situations you have been in, leadership issues, discussions with the manager, life-work balance, conflict management and so on."

➤ What are the most common mistakes a mentor makes?

"Talking instead of listening. A mentor shall not give a lecture, but listen, absorb and offer advice. It can be difficult, lots of us like to talk a lot. But you mustn't forget that the focus is on the adept."

➤ How many adepts do you have yourself?

"I have had 15–20 over the years. At the moment I have three. Some of the old ones get in touch now and then, often when they are worried ahead of changing jobs. It's great fun to follow the careers of old adepts."

"Often, it's very valuable to a young talent to hear an older person saying "it will sort itself out". I have spent some time at the Royal Institute of Engineering, and there the students have 14 different specialisations to choose from, and there and then they think their entire lives depend on making the right choice. And that isn't really so ..." 

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■ The advance of e-commerce and consumers' ever increasing choosiness are developing the real estate market. Savills' chief analyst Peter Wiman discusses the impact of e-commerce.

“Industrial land will be a scarce commodity”

When e-commerce is discussed in the context of real estate, the most frequently discussed issue is the effects that rapidly growing e-commerce may have for physical retail. We've already been able to observe certain effects for the real estate market: a reduced need for premises in certain sectors; stiffer competition which has resulted in lower profitability; and tenants' willingness to pay rent, to name just a few. Moreover, essentially all players with physical shops have been forced to adapt to the new reality, and today they offer their customers the ability to shop online. I intend to focus on a few aspects and illuminate them from a property perspective.

“HAS E-COMMERCE reached its peak?”


A couple of years ago there were suggestions that online commerce would decline, but it's now clear that e-commerce is growing steadily, with annual growth figures between 15–20 percent, and that more and more retail segments are facing competition from online retailers. In Sweden we often perceive ourselves as being on the cutting edge when it comes to adapting to new technology, but when it comes to e-commerce this is not the case. In Sweden e-commerce makes up about seven to eight percent of total retail business, versus just over 15 percent in the UK and just below 12 percent in Germany. First and foremost grocery retail is relatively modest in Sweden, but it is growing strongly. Thus there are strong indications that we will continue to see strong growth figures in coming years.

“IS PHYSICAL RETAIL AFFECTED by continued growth in e-commerce?”

We've already noted that certain physical retailers are leasing smaller premises when establishing new shops and reducing the size of their premises when they renegotiate. For example, the traditional hypermarkets have been increasingly transformed into

large grocery stores with a small element of durable goods, and even the electronics superstores are growing smaller. These are two examples of concepts being scaled down. More and more players are offering their customers in-store pickup for products they've ordered online. This is a small change at first sight, but in the long term it can cause a great deal of problems for sales-based leases, since in the retailers' opinion these sales should not be included in the physical shops' sales. Even if it is relatively uncommon to see an impact on sales, sales may decline in the physical shops in the long term. At the same time some retail firms are attempting to change over to completely sales-based leases where only actual physical sales are counted, which entails a larger risk for the property owner.

“HOW IS THE NEED FOR premises changing with the growth of e-commerce?”

As the volume of e-commerce grows, the need for warehouse and logistics properties is growing alongside it. Consumers' delivery expectations are currently being exceeded, but it's clear that consumers expect ever faster deliveries, especially younger consumers who are also those who shop online most frequently. Consumers will probably have completely different demands in a few years, which will require more efficient deliveries, new shipping methods and warehouse and logistics properties located closer to the consumer (last-mile logistics). One example is the service launched by Amazon in London, where goods are delivered within an hour of the order being placed. This places completely different demands on warehouse and delivery solutions. At the same time, a large share of the industrial areas located close to cities and suitable for this type of logistics facilities are being transformed into residential areas, which means that centrally located industrial land will become a scarce commodity in some large cities in just a few years. 

SAVILLS

Savills is a leading global real estate consulting firm. Savills has a global network with 700 offices and 30,000 employees. The company has had a branch in Sweden since 2004, offering services in the areas of Management, Transactions, Leasing, Valuation and Project Management. Savills has nearly 100 employees in Sweden, and it is represented through offices in Stockholm and Gothenburg.

PETER WIMAN

Title: Chief Analyst.

Age: 40.

Lives in: Södermalm, Stockholm.

Family: Partner.

At Savills since: Since the foundation of the Swedish branch in 2004.

Former employer: EY.

Leisure interests:

“Music. I periodically buy way too many vinyl albums and the volume is growing despite multiple attempts to clean them out.”

Unique instant information on the debt market

■ After over five years with a web-based treasury solution, Nordkap is taking the next step and launching a sharing service – featuring information on transactions taking place – that will provide users with unique information about ongoing trends in the debt market.

“This is a good negotiation tool when the property companies are about to negotiate with the banks,” says Nordkap’s CEO Rikard Hjelm.

By: Nicklas Tolleson

THE NEW BENCHMARKING PLATFORM will resemble a Facebook feed that is continually updated. As soon as a deal is recorded, it is visible to other users – in anonymised form.

“Those who choose to share and receive information will receive data on amounts, instruments, interest rates and so on. The various users are divided into different rating groups, which will be a good way for users to benchmark themselves against others in the same group,” says Hjelm.

He has worked at Nordkap for five years. Until two years ago he and development manager Sofia Holgers were the only ones at the company, which has now grown to seven employees.

THE INITIAL CONCEPT was to create a web-based service to manage, understand, analyse and report on various debt instruments, primarily loans, interest-rate derivatives, certificates and bonds.

“The background is that 60–80 percent of a property company’s costs are related to financing, and typically people used various types of Excel calculations designed by and dependent upon individuals to keep track of the enormous sums. We developed a cloud-based user-friendly solution instead, and it has had a large impact. Today many of the major property companies use our system.”

»Our vision is to become a marketplace for different sources of financing – to become part of the transaction.«

Naturally the amount of information in the system has increased along with the number of users, and today Nordkap’s treasury system covers over SEK 1 trillion in different types of financing, and they will be launching the benchmarking service this autumn as a result.

› **How willing are the property companies to share information?**

“The companies are generally quite positive. Naturally they have complete control over what they want to share and the information will be totally anonymous. This type of transparency is only beneficial to the companies. In the past they had to rely on their bank contact person, or perhaps compare notes with a handful of banks. Now they can go to their bank and show them



ENTREPRENEUR. Rikard Hjelm is the CEO of Nordkap, which was founded in 2011. The company has grown rapidly, and Nordkap is now moving ahead and launching a new information service.

in black and white: These are comparable terms.”

“One sector that may benefit hugely from this is tenant-owner associations, whose treasurers are often laypeople who don’t stay abreast of the interest rate market at all. With this instrument they can see exactly where the levels are.”

› **What are the banks saying?**

“Three or four years ago they had difficulty accepting this type of service. Traditionally, banks have not liked transparency. But I presented the service to several banks, and they understand it better now. It’s 2016, and they have to accept that this type of service is coming.”

› **How are you paid for this service?**

“We charge a licensing fee based on how many users a company has and which services they use. Benchmarking will simply be a new add-on service.”

So far Nordkap only has a presence in Sweden and Norway, but they are planning a geographic expansion, as well as development of the service itself.

“Our vision is to further develop our current treasury and benchmarking services, as well as to become a marketplace for different sources of financing – to become part of the transaction.” **F**



■ Lennart Weiss, Commercial Director at Veidekke, discusses the changed debate about social housing.

*The **Red** Team opening for will be social housing?*

Social housing, or providing “accessible” housing via subsidised rents and needs assessment, has long been the real “f-word” in Swedish housing debate.

There are probably several reasons for this, but the most important one is that Sweden has developed a welfare model that differs from that of the rest of continental Europe. The so-called “Swedish model” is based on three load-bearing elements: the party model on the labour market, where strong trade unions have prevented the growth of a low-wage proletariat, a social insurance system based on the loss of income principle, and a well-developed public sector, financed by relatively high tax.

THE GOVERNING PRINCIPLE, which has to date been defended staunchly by social democrats and social liberals, is that it should be possible for everybody to make their own class journey, and that birth

and social origins shall play a lesser role.

In slightly simplified terms, the continental model is based on basic security. Taxes are lower and therefore also the range of subsidised social services (not least care of children and the elderly) and, furthermore, it is mainly own savings that protect against long-term illness or unemployment.

COMPLETELY LOGICALLY, HOUSING policy has also developed in a different direction. In Sweden, the social democrats chose to develop the public housing sector as their main thrust. With favourable tax and tax deduction terms as well as state-backed credit guarantees, the idea was to build away the lack of housing and provide good housing for all, without any capital input requirement.

Even if housing was constructed with significant subsidies, it was in the nature of things that high standards also resulted in higher rents than in older housing stock. However, most people were able to pay these, as even people with little education had reasonable incomes and social security via the public welfare system. The housing policy was therefore a logical part of a larger whole.

If anyone were to question the basic tenets of Swedish housing policy, it would therefore be more natural that this happened from the “right”; from those who for ideological reasons always had argued for lower taxes and more personal responsibility.

FOR THIS REASON, it is interesting to note that it is primarily people from the “red team” who have chosen to lift the lid on the issue in recent years. First, it was architects who had been to Holland, but who (typically) has stopped at analysing the external form. Then academic experts could be heard saying that “there are good and bad examples of social housing”. And now we can see how “non-political” civil servants at the National Board of Housing, Building and Planning are openly pleading the case, arguing that “something has to be done after all to produce inexpensive homes”. You don’t have to have strong glasses to see where political sympathies lie for the majority.

BUT THIS WOULD BE of less importance if it was the case that the social democrats and their supporters in the Swedish Union of Tenants, at Sabo and the Swedish Association of Local Authorities and Regions (SALAR), kept staunchly to the traditional view. But I have started to doubt this.

It is, of course, a fact that heavy-weights, such as Kurt Eliasson, retiring MD of Sabo, has shown convincingly that social housing is a blunt and expensive form of social policy that creates a social lock-in effect. But a new generation is now taking over. Politics are created in the present, and with not insignificant links to people’s own separate interests.

Those who attended one of Sabo’s conferences in the spring concerning the report “Nyttan med allmännyttan” could quickly

establish that the Sabo sphere is fighting serious phantom pains following the introduction of the Swedish Municipal Housing Companies Act. This Act prohibits the companies from subsidising new construction, which makes the social mandate diffuse, and what is their role then really meant to be...?

In the same way, it can be noticed that SKL is looking for strategies that may provide the municipalities with effective tools for managing the refugee crisis and the need for housing of financially weak households. And what are the thoughts of the Union of Tenants, which despite any investment contributions is starting to realise that newly constructed (and newly renovated) rented flats will become the expensive housing form in the future?

IN OUR CULTURE, WE LIKE to think that politics is predominantly controlled by rational considerations, but we then also forget that motives of organisational politics also have a rational character. It is an interesting thought that it might be bureaucratic structures with links to the “red team” that will open Pandora’s box.

If this happens, it will of course have significant political consequences. And that means that the “red team” will deliver the perfect argument, free of charge, for a different welfare model and a labour market with considerable elements of pure low-wage jobs. This is a pity, because with just a little reflection, they should see the advantages of creating a new own-you-own-home movement and a social housing policy based on owner-occupied homes. ■



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