



FASTIGHETSSVERIGE

PORTRAIT

NREP's Rickard Svensson-Dahlberg
on the success of teamwork

SWEDEN TODAY

The possibilities and threats to
a booming property market

RETAIL

Trend's from the Swedish retail market



Extra
magazine
inside!

THE LEADING PROPERTY MAGAZINE IN THE NORDIC REGION

Posttidsning B

Avs. Fastighetssverige

Hot market in the cold north

AT THIS TIME of year, it is almost inhumanely cold here in furthest northern Europe. And it is dark too.

» Here, the transaction volume has been almost as big during the first three quarters of the year as during the whole of 2015.«

BUT ONE VERY clear lightsource is the property market, which is approaching new record volumes entirely on a par with the record years before the financial crisis in 2008. And the market for trading property is no exception – here, the transaction volume has been almost as big during the first three quarters of the year as during the whole of 2015. Not to mention all the international chains that are choosing to establish shops in Stockholm, Gothenburg and Malmö.

SO EVERYTHING POINTS to an exciting Mapic this year too, not least as far as Sweden and the Nordic countries are concerned. As a preparation ahead of this year’s fair, you can read our full-to-bursting trading theme in the magazine you are holding.

HAPPY READING!



Editor-in-chief // Eddie Ekberg

4 2016 // Year 12

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Axel Ohlsson



On the cover // Rickard
Svensson-Dahlberg
Read the interview on page 22.

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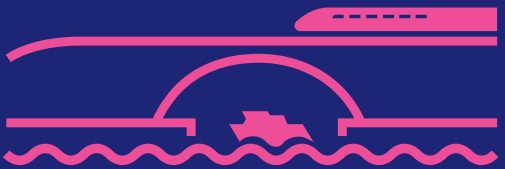
€95+ billion investments in the Stockholm region by 2025



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



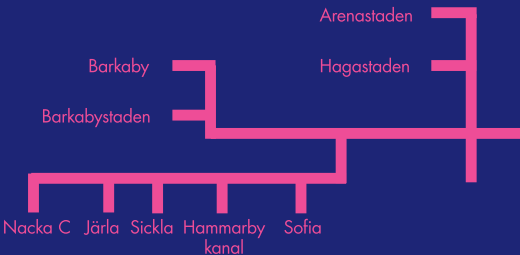
€1.5 billion – Harbours



€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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How has the enormous shopping mall effected the retail business in Stockholm during its first year?



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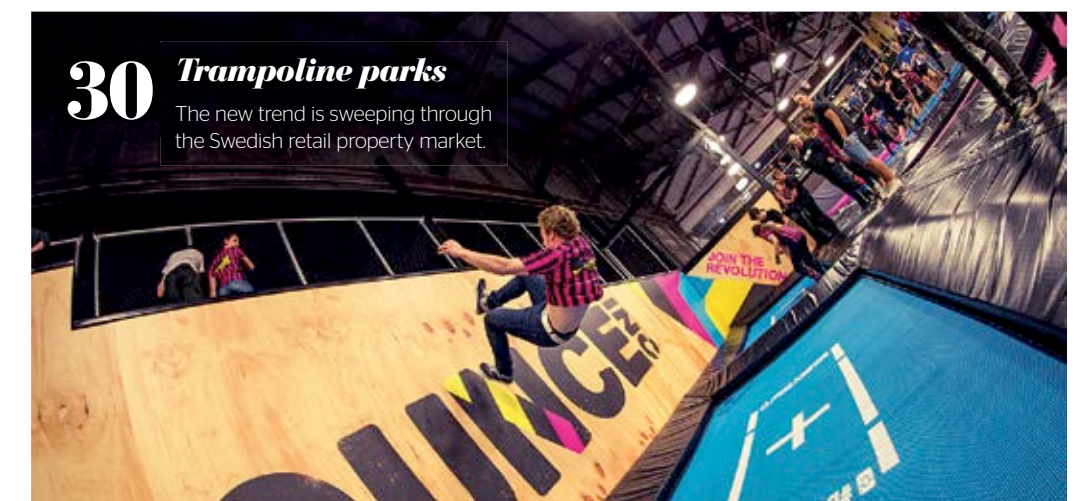
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Daniel Gorosch, MD of JLL Sweden, on the threats and possibilities of the Swedish property market.

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Trampoline parks

The new trend is sweeping through the Swedish retail property market.



Time to slowly approach a less extreme monetary policy

The Swedish economy is in a very unusual situation – growth is great, although it has fallen a bit since the heights at the end of 2015, the labour market continues to be reinforced by new jobs and lower unemployment rates, yet the repo interest rate continues to be negative, the krona is at record weakness and still the Riksbank signals that it is ready to increase stimulation if required. This very unusual recuperation in which we have found ourselves, properly speaking since the financial crisis, has placed many of our fundamental ideas about the economy on their heads. Criticism against our monetary policy has been massive; first that we did too little, and then that we did too much. And we continue to be faced with situations that just a few years ago we would not have thought of as even possible.

SWEDEN IS A SMALL and open economy, and our growth is strongly dependent upon demand from the rest of the world, and how well our exports are doing. In recent times, our focus on dependency on the world around us has shifted slightly, however. Growth has primarily been driven through strong domestic demand, in other words, domestic consumption and investments. So while demand in the world around us has been weak, the Swedish economy has continued to be able to grow strongly. In our normal models, this strong growth should have been able to create a strong and rising inflationary pressure. However, inflation has been conspicuous by its absence. A new dependency on the world around us has thus become clear; despite strong growth, we are unable to create the level of inflation we want by

LIKES RUNNING

Name: Anna Öster.

Age: 38.

Family: Husband and two children.

Lives: Bromma.

Title: CFO.

At Länsförsäkringar since: 2013.

Former employers: National Institute of Economic Research, Ministry of Finance, Nykredit.

Leisure interests: Reading, running, spending time with family and friends.

ourselves. The question then is: How can we relate to the inflation goal policy when we are not able to control inflation entirely ourselves?

THIS SITUATION HAS FORCED the Riksbank to pursue an extremely expansive monetary policy. The long recuperation of the global economy since the financial crisis has meant that inflation has been too low for too long. Nor has the strong demand in recent times created the inflationary pressure we expected. In total, this has means that confidence in the inflation target has eroded over time, and the Riksbank therefore has felt obliged to sympathize until it breaks – and today we have a key interest rate that is at a record low of minus 0.5 per cent. The Riksbank is also supportively buying government bonds, which has pushed down interest rates on long maturity bonds.

But we are not alone in buying up securities for support purposes. The measure should more rightly be seen as a reaction to the world around us, where central banks are largely buying securities as a form of support, and where the Riksbank is highlighting the ECE in particular as the central bank to which we must relate.

USING IRON FISTS while inflation expectations fell and inflation was at bottom levels might have been necessary, but today I think a completely different attitude is needed. The Swedish economy is at, or at least pretty close to, a peak in the economic cycle. Unemployment is primarily concentrated at weaker groups on the labour market, and cannot be expected to fall without structural measu-

LÄNSFÖRSÄKRINGAR

The Länsförsäkringar Group consists of 23 local and customer-owned county insurance companies and the jointly owned Länsförsäkringar AB. Via their local county insurance company, customers can obtain a full range of banking and insurance services. Via Agra Animal Insurance, customers are offered animal and crop insurance, via Länsförsäkringar Fastighetsförmedling they are offered all-in solutions for secure property deals and via Wasa Kredit financing services, they are offered services in areas such as leasing, repayment and loans.

»The Swedish economy is at, or at least pretty close to, a peak in the economic cycle.«

res, inflation is still low but long-term inflation expectations are once again on a par with the inflation target. Continuing with the extremist monetary policy in this situation is not a good idea. In my opinion, the Riksbank should therefore conclude its purchase programme. Continuing to supportively purchase government bonds, although the Riksbank already owns a considerable part of all available nominal government bonds does seem unwise and short-sighted in my opinion. Here, Sweden is in a special situation, as our small government debt limits the amount of the supportive purchases of government bonds the Riksbank can make.

THE FACT THAT several members of Riksbanken continue to signal that we must relate to the ECB I hope is just a way of communicating that they continue to be ready to act in case of any unforeseen circumstances. They should always have that preparedness, but the time is now ripe to show that the Swedish economy is strong, and that it is time to slowly approach a less extreme monetary policy. ■



PICTURE: LÄNSFÖRSÄKRINGAR



Here are the **20** most read articles at nordicpropertynews.com since August 22nd, 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

PICTURES: SKANSKA



1 Skanska Invests in New Office Project in Helsinki

Skanska invests EUR46M in a new office project in Helsinki, Finland, with a gross leasable area of 12,000 sqm. The new building is located in Lintu-lahti area close to the sea and less than two kilometers from the Helsinki city center. It is within easy reach by both public transport and car. In the area, industrial

history meets a modern urban environment, where living, working, and leisure are simultaneously present, creating a new kind of urban culture. The multi-tenant office building is designed to meet the demands of the Leed environmental certification process.

The construction works of the office building will

commence immediately and the building will be completed during the spring 2019.

Skanska Commercial Development Nordic has so far completed four office projects in Finland. The latest completed project is Aviabulevardi I in Aviapolis, Vantaa, close to the Helsinki airport. **2016-09-16**

4 Tristan Fund Buys Swedish Retail Portfolio

The EPI Special Opportunities 4 opportunity fund, advised by pan-European real estate investment manager Tristan Capital Partners, has acquired four local shopping centres in the Greater Stockholm region and a retail park in northern Sweden for a total of around MSEK 900 (EUR 94 million) from a fund managed by Aberdeen Asset Management.

The four shopping centres and the retail park acquired by the EPIISO 4 fund include:

- Viksjo Centrum, Stockholm (11,600 sqm lettable area, 29% of portfolio rental income).
- Ekerö Centrum, Stockholm (11,000 sqm lettable area, 28% of income).
- Salem Centrum, Stockholm (6,250 sqm lettable area, 9% of income, leasehold).
- Rondellen, Stockholm (4,700 sqm lettable area, 9% of income).



• Östersund (26,700 sqm lettable area).
"The acquisition of this portfolio of local convenience shopping centres, primarily located in Stockholm, offers a strong platform to benefit the increasing buying power of the Swedish consumer," says Daniel Harris, Managing Director for the Nordic and CEE Regions at Tristan Capital Partners. **2016-09-16**

2 Nordic Property Transactions Reach New Record in First Half of 2016

NORDIC Transaction volumes in the Nordic property market were EUR 18.6 billion in the first half of 2016, according to new figures from Pangea Property Partners. This is an increase of 6 percent from the first half last year and a record first half in the Nordic market.

Growth was mainly driven by the Swedish market, which saw a transaction volume of EUR 9.9 billion in the first half, which is 44 percent higher than first half 2015. The Finnish and Danish markets also had solid increases in transaction volumes. Norwegian volumes were down from a very strong first half last year. **2016-09-08**

5 Niam Sells Shopping Center for EUR 98M

Varma, Capman Nordic Real Estate Fund and Cavendo have purchased Heron City, the 49,400 sqm landmark retail centre located in Kungens Kurva, Stockholm from Niam for SEK 930 million (EUR 98M). Kungens Kurva is 15 minutes South of

Stockholm's city centre and is the busiest retail area in the Nordics with approximately 20 million visitors a year. The area is anchored by the largest IKEA store in the world and the catchment area includes 1.5 million people within a 30-minute drive. **2016-09-01**

12 New CEO and Board for Rikshem

Sophia Mattsson-Linnala, currently CEO at the municipal real estate company Huga Fastigheter AB, has been elected as Rikshem's new CEO.

Sophia Mattsson-Linnala has years of experience from leading positions in the real estate business. She has previously been the CEO at Sollentunahem and Botkyrkabyggen as well as Finance and Economy Manager at Sabo.

Meanwhile Rikshem's owner, AMF and the AP4 fund announ-

ced that they intend to elect a new board for the company as well.

Rikshem is one of Sweden's largest private real estate companies. The company owns about 25,300 residential apartments to a value of approximately SEK 29 billion (EUR 3.1 billion). **2016-08-25**



Sophia Mattsson-Linnala.

6 NREP ACQUIRES MORE THAN 600 APARTMENTS IN FINLAND

NREP Nordic Strategies Fund II has signed agreements to acquire more than 600 apartments in Helsinki and main growth centers in Finland.

The properties will be constructed by SSR Uusimaa Oy, Pohjola Rakennus Oy Keski- ja Itä-Suomi and JM Suomi Oy. **2016-08-25**

7 SIRIUS ACQUIRES PORTFOLIO FOR EUR 60M

An affiliate of the Finnish real estate investment manager Sirius Capital Partners (Sirius) has acquired a portfolio of nine daily consumer goods retail properties for approximately EUR 60M from a group of private investors. The combined lettable area of the portfolio is approximately 50,000 sqm and the assets are anchored by Tokmanni and Kesko. **2016-09-01**

13 HOSPITAL AREA IN HELSINGÖR TO BECOME APARTMENTS FOR EUR 202M

The area surrounding the old hospital area in Helsingör might be transformed into an attractive apartment area.

Even if the detail plan for the area surrounding the old hospital is just in the process of being drafted a change is already underway according to Carsten Rasmussen, development manager at Freja, owner of the property.

He counts on investing up to DKK 1.5 billion (EUR 202M) in the building of 200-300 new apartments in the area and a new health center in parts of the old hospital area, that will be the focus of the project. **2016-08-25**



PICTURE: FREJA

NORDIC NEWS

10 OLAV THON ACQUIRES SHOPPING CENTER IN NORWAY
Olav Thon Eiendomsselskap has signed letters of intent with Nordea Liv Norge AS and Steen & Strøm AS regarding the acquisition of the company Åsane Storsenter in Bergen, Norway, for approximately NOK 2 billion (EUR 220M).
2016-09-09

14 BLACKSTONE TO ACQUIRE LARGE STAKE OF D CARNEGIE
In July, Blackstone announced that agreements regarding 32 percent of the share capital and 40 percent of the voting rights in D Carnegie had been reached.
Now, the conditions set out in the agreements have been filled.
The sellers are three of D. Carnegie & Cos largest shareholders; Kvalitena AB, Svensk Bolig Holding AB and Frasdale Int. BV.
The share price is SEK 100 (EUR 10.39). **2016-08-25**

9 FIVE PURCHASES FOR SBB
Ilija Batljan's Samhällsbyggnadsbolaget invests heavily. During the end of August and the beginning of September they've made five purchases – among them the company's first purchase in Gothenburg. **2016-09-02**

18 LARGE HOTEL DEAL IN OSLO
Storebrand Eiendomsfond Norge purchases Scandic Fornebu from Koksa Eiendom and Utstillingsplassen Eiendom.
The purchase price for the hotel is MNOK 660 (EUR 27M), and it encompasses approximately 25,000 sqm.
The hotel was erected in 2012.
2016-09-30



PICTURE: THAM & VIDEGÅRD ARKITEKTER

16 Humlegården Launches Large Solna Project

Arbetsförmedlingen, Sweden's Public Employment Agency, will relocate their headquarters in 2019 to a newly built Humlegården project in Solna Strand. Arbetsförmedlingen rents 18,000 of the Grow project's 25,000 sqm.
Today Arbetsförmedlingen's headquarters are spread out on four addresses. With the move 1,200 employees will be gathered under one roof, in the Grow project in Solna Strand.

The construction start will be this fall.
Humlegården is the largest private real estate owners in Solna Strand and the establishment of office buildings with the name Grow, drawn by Tham & Videgård Arkitekter, is the company's second largest construction ever, after the erection of Swedbank's headquarters, inaugurated in 2014.
2016-09-14

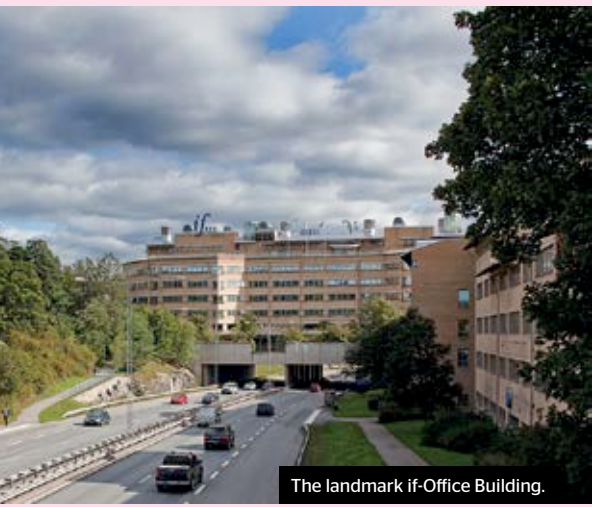
15 Large Klöver Share Divestment

Arvid Svensson Invest, who prior to this deal was the largest shareholder in Klöver, divests B shares for approximately MSEK 900 (EUR94M).
Arvid Svensson Invest sold 80 million B shares. Prior to the deal Arvid Svensson owned scarcely 133 million B shares. In addition to this Arvid Svensson owns 13.3 million A shares and 685,000 preference shares.

Arvid Svensson Invest has entered a lock-up agreement meaning that they will not divest more ordinary shares in Klöver in the next 90 days.
Rutger Arnhult purchases shares for MSEK 150 (EUR 15.7M), which corresponds to approximately 13.6 million shares.
Prior to this Arnhult owns 86 million B shares, 12.5 million A shares and 685,000 preference shares. **2016-09-16**

8 Capman Sells Landmark Office Building in Stockholm

Capman Nordic Real Estate fund has agreed to sell Bergshamra Bro in Solna, Northern Stockholm, to Solnaberg Property AB, a company established by Catella. The price is MSEK 858 (EUR 89M).
Bergshamra Bro is a 31,325 square-meter office building in a highly visible location spanning over and alongside the E18 road in Stockholm. The property consists of four interconnecting office buildings and its main tenant is If P&C insurance.
CapMan Nordic Real Estate fund invested in Bergshamra Bro in 2014 and this transaction is the fifth exit of the fund. The focus of the EUR 273M fund is to acquire mainly of-fice, retail and residential properties located in established submarkets of major Nordic cities. The fund was established in 2013.
"We are very happy to have reached our objective of introducing new long term tenants to the property alongside If in order to create full occupancy and a more institutional product," comments Ed Williams, Senior Partner at Capman Real Estate. **2016-10-03**



PICTURE: CAPMAN

3 Round Hill Capital Acquires Nordic Portfolio for EUR 180M

NORDIC Round Hill Capital, a leading European specialist real estate investment and asset management firm, announces today that it has acquired, in partnership with StepStone Group Real Estate LP, a Nordic logistics and industrial portfolio for a total purchase price of approximately USD 200M (EUR 180M).
The portfolio comprises six aggregated portfolios holding 18 well located assets spanning approximately 326,000 sqm

across Norway, Sweden and Denmark, providing geographic and tenant diversification and strong covenants across a diversified mix of industries. The portfolio was acquired from a group of companies of NLI Eiendomsinvest AS, a real estate investment company based in Oslo, Norway.
The acquisition marks Round Hill Capital's entry into the Nordic region. **2016-09-02**

11 Balder Acquires Properties For More Than SEK 4 billion

Fastighets AB Balder has entered into an agreement to acquire all the properties in the LA Hedin Fastighet AB group from Anders Hedin Invest AB. The agreed value of the properties will amount to SEK 4150 billion (EUR 434M) after completion of ongoing new and re-constructions.
The lettable area amounts to 290,000 square meters and is fully leased primarily to the Hedin Bil group on triple net lease agreements. The average maturity of the leases is in excess

of eleven years and the initial annual rental income amounts to MSEK 276 (EUR 29M).
Balder has also resolved to carry out a direct share issue of 3,000,633 Class B ordinary shares at a subscription price of SEK 230 (EUR 24) per share. Through the Issue, Balder will receive proceeds amounting to approximately MSEK 690 (EUR 68M). **2016-09-20**



Erik Selin, CEO of Balder.

19 FACEBOOK BUILDS GIANT CENTER IN ODENSE
Facebook has purchased land in Tietgenbyen in Odense, where the Internet giant will build a 184,000 sqm computer center, according to Fyens Stiftstidende.
The building will contain three large server rooms, two of 26,500 sqm and one of approximately 39,000 sqm. Each building will consist of four computer centers, all with their own cooling and emergency power system.
In addition a few technical building will be erected, corresponding to approximately 54,000 sqm.
The investment is expected to create 1,200 jobs during the construction of the facilities, that a British construction company responsible for. Therefor thousands of sustainable jobs will be directly and indirectly created. **2016-10-06**

20 SLUSSGÅRDEN ACQUIRES PROPERTY IN STOCKHOLM CITY FOR EUR 35M

Slussgården continues to grow as the company acquires a 6,900 sqm property in the Södermalm area in central Stockholm.
The is commonly known as Hantverkshuset and consists of commercial spaces, mainly offices. The property is acquired for MSEK 329 (EUR 34.7M).
Early this year Slussgården also acquired the building next door. **2016-09-08**



PICTURE: SLUSSGÅRDEN

“We’re looking at a good long stew, which is going to turn out really tasty”

■ The strong trend on the Swedish property market is continuing. But while low interest rates and a strong investor appetite are pointing upwards, you simultaneously have to be on your guard.

“Right now, all lamps are flashing green – and that’s when you have to start being careful and start navigating correctly,” says Daniel Gorosch, MD of JLL in Sweden. **By:** Axel Ohlsson

THE SWEDISH PROPERTY market is continuing its march from strength to strength. The low interest rate and the lack of alternative investment opportunities have created a development that is moving towards record transactions.

“The Swedish economy is seeing good growth. In Stockholm in particular, and also in Gothenburg, which in turn is driving a good rental development. This is partly based on the strong economy, but also on the supply shortage that exists. Vacancies are record low in Gothenburg, lower than three per cent in CBD, and we have around four per cent in Stockholm. That is almost borderline too low, so low that it creates imbalances. It’s an incredibly strong rental market,” says Daniel Gorosch.

“On the transaction side, we are seeing record-breaking appetite ➤



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



FOREIGN INTEREST. While companies are being careful about investing in the UK after Brexit, a lot of interest is directed towards Sweden.

PICTURE: ISTOCKPHOTO

➤ for investment in property. This is driven by the low interest rate, which we see as facilitating profitable deals, but also by the low returns achievable from alternative investments. Bonds or interest-bearing securities pay nothing, or even negative interest rate. There is a great hunt for returns, and then property ends up very high on the list of priorities seen from a risk perspective.”

“We will continue to live in a low-interest environment. With low interest rates and growth in the economy that cause rents to take off. Then it is still good to own property.”

➤ **Which segment is the strongest?**

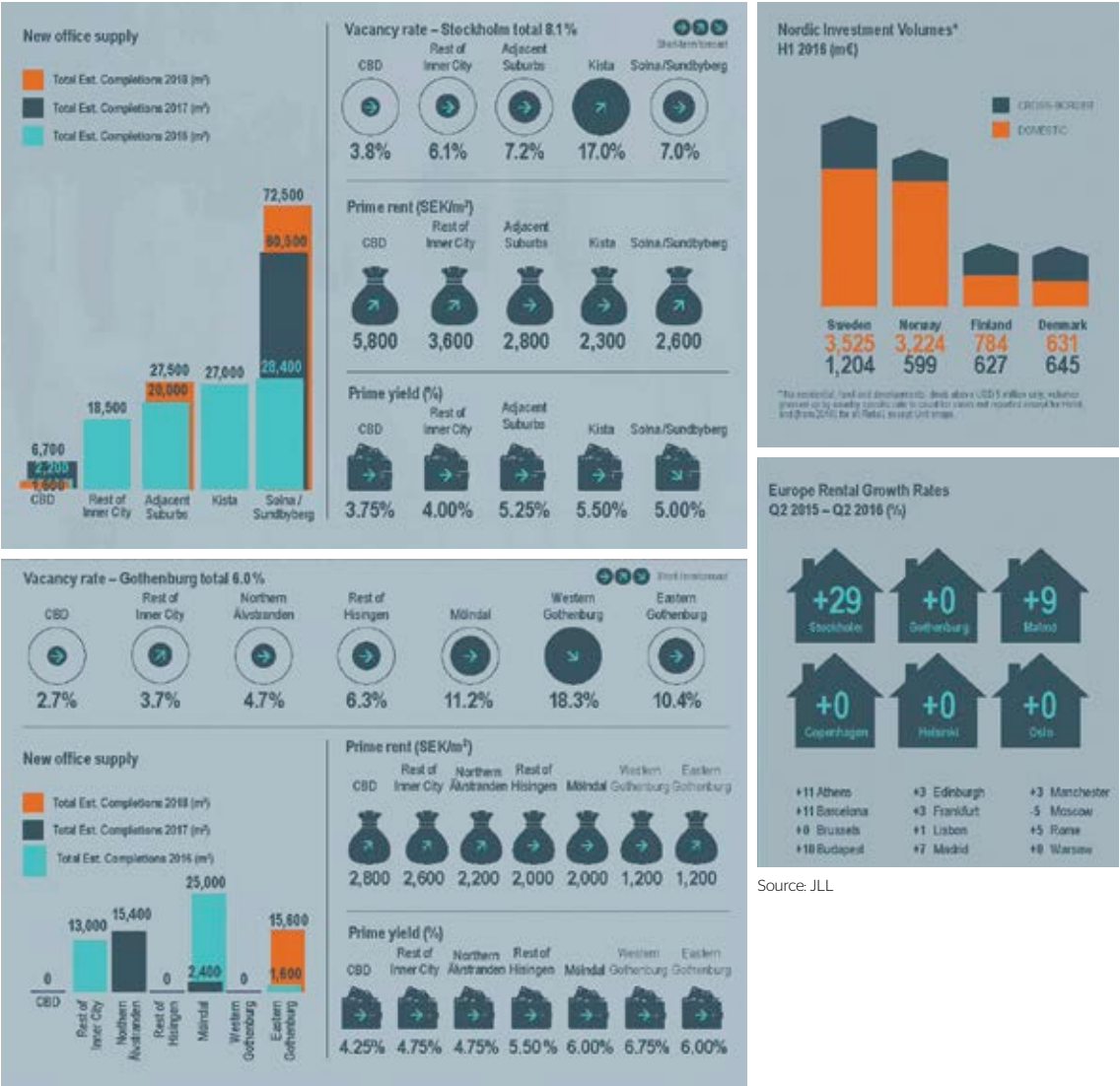
“From an investment perspective, office property has been the motor during the first six months of this year, driven really by the large Norrporten-Castellum deal. Because of that, office space has made up 40 per cent of the total volume. If you discount that deal, you get down to more normal levels. Then office space makes up

around 20 per cent, housing between 25 and 30 per cent and retail between 15 and 20 per cent. Those three segments dominate.

SWEDEN IS SEEN AS an easy market to learn about, in particular as transparency is high. This has meant that foreign investors often look this way. After the Brexit vote and the subsequent uncertainty in London, interest has increased.”

“There has always been great interest in Sweden and the Nordic countries, they have been considered a politically secure and stable environment to invest in, and a property market that is stable and that has good transparency and good liquidity.”

“This feeling has been reinforced in times of unrest – after the Brexit vote – where people have left England and London. You start by looking at which region you believe in and do the analysis, and then you very quickly end up in Stockholm, as it is the largest



and most liquid market in the Nordic countries.”

“Then you want to invest in something that you understand, and then you often end up with retail, as it is easy to understand consumption behaviour and what drives consumption. That is why retail investments have been dominated by international actors for a long period. We are now also seeing that many of the major retail portfolios being created are created by international major investors.”

“Moreover, they are also good a timing. When the big guys like Blackstone and Starwood are going into a market in a big way, then you know that yields are on their way down. They are extremely good at predicting this. These actors can go for a broader range and look at both offices and warehouses and industrial units.”

“But retail is the first stop, and given that you believe in a positive yield development, you can look at platform investments even in other asset classes.

➤ **Where is the wisest place to invest?**

“Yields are beginning to get close to the floor in Stockholm’s city centre, but we believe there is yield development remaining in suburban areas. The difference between the yield just now in Stockholm’s CBD and the yield in the suburban areas is a bit too big right now.”

“I think we will see a double effect on the value outcome for properties in the inner suburbs. We are seeing both a continued rental development, and yields that may creep a bit lower still.”

“So, if I was given a sack of money now, I would invest in offices in the suburbs of Stockholm.”

BUT NOW THAT SO MUCH is pointing upwards, there is reason to be on your guard a bit – but against what is currently hard to foresee. ➤



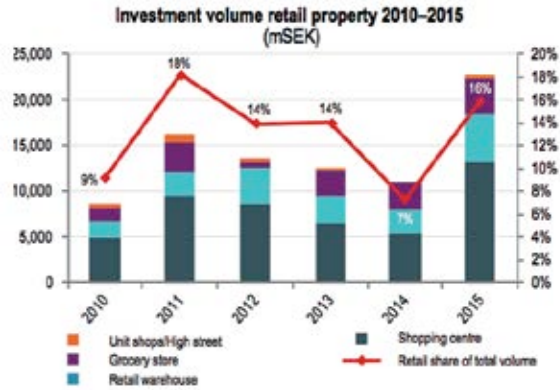
DANIEL GOROSCH

Age: 45.
Lives: In central Stockholm.
Family: Wife and three children.
At JLL since: 2008.
Former employer: GE Capital Real Estate, HQ, Alfred Berg Fondkommision.
Leisure interests: Family, travel, exercise and adventures. "I climbed Mount Kilimanjaro last winter."

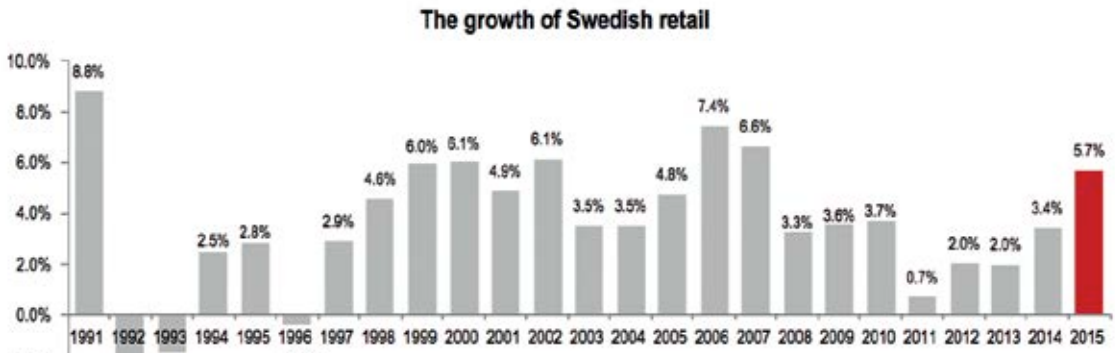
GOOD PROSPECTS. "We will continue to live in a low-interest environment. With low interest rates and growth in the economy that cause rents to take off. Then it is still good to own property."

➤ **"RIGHT NOW, ALL LAMPS** are flashing green – and that's when you have to start being careful and start navigating correctly."
"But we can't quite see yet what could change this picture. We are expecting strong rental development to continue, up towards ten per cent in Stockholm, and will continue in Gothenburg. We aren't really seeing any threat of interest rates rising either, instead we think we will live in a low interest environment for another good long while."
"But then you have to navigate correctly to be prepared for things that might happen. I think that if anything happens, it will be something that nobody could have foreseen. Something that is like a cold shock, that creates a total world catastrophe."
"You ask yourself: Will things boil over? We prefer to believe it is a long-term pot, that is simmering along quite well. Then whether that stew will taste good... well, I think it will at least, with the ingredients we see before us. This is a bit how we look at

it: We're looking at a good long stew, which is going to turn out really tasty."
BUT ONE SOLID CLOUD is visible on the skyline: the credit market. Something that has created a new financing trend.
"The banks have been forced to put the thumb-racks on, due to increased demands from the Swedish Financial Supervisory Authority to maintain higher capital cover.
It is more difficult to access lending, and the margins are creeping up, so that it is becoming more expensive to borrow. This leads to us having a new kind of capital market. Previously, banks were responsible for nearly all types of financing. New, new types of financing opportunities are creeping out of the woodwork: institutions, insurance companies and other types of funds which are lending money in order to bridge the gap."
➤ **For how long has the new financing market been advancing?**



Source: JLL



Source: SCB & HUI Research

"Banks became more restrictive after last summer. Around the world and in Europe, banks have typically covered 80 per cent of the ordinary financing until quite recently. In the latest survey we did, 55 per cent comes from the traditional banking system, with the rest coming from new sources of finance.
"If you own a property, your risk is at the top. But as an insurance company or an institution, you can get good returns by owning 50 to 80 per cent instead, which is extremely more secure, as you are then protected against a drop in value.
"That is the strongest trend. Where you see many large global insurance companies, such as Allianz and Axa, are seeking exposure to the property market. But they do this in differing ways; it might be through ownership or by lending money in various ways."
"There is talk about the 'wall of money' in the property sector. In global terms, capital is still under-allocated towards property, in particular if you look at Japan, where not a single yen from the

pension system has been invested in the property sector."
"At the same time, we are getting calls from China, where they want to come and look at Europe and Sweden and the Nordic countries. There is great net flow of money into Europe – and there Sweden is high up in the ranking. There are of course all the old "usual suspects" too, but at the same time a lot of new actors we are talking to."
➤ **For how long has this been so?**
"It's been at the rate at which people have decided that property should be part of a person's investment options. The last few years, I would say, and in more concrete terms during the last six months, when London has become less interesting from a short-term perspective – but then afterwards capital will of course be looking towards London again. But just now, people are trying to find alternatives, and then Stockholm crops up early, just after Paris, Munich and Frankfurt. 📍



■ Here are the largest transactions within the retail segment from october 2015 upto and including september 2016.
The data has been produced by Newsec.

The largest transactions with retail properties

Top 5 // October 2015–September 2016

1 Trophi is buying
SEK 3.1 billion - SEK 20,931/square metre

The Redito company Trophi completed a gigantic deal when it bought five Swedish trading places from Starwood for SEK 3.1 billion. The properties are located in strong trading areas, such as Arninge in Täby, Bäckebol in Gothenburg and Boländerna in Uppsala. Other locations included are Malmö, Eskilstuna and Landskrona. The total area amounts to 148,103 square metres. Following the acquisition, Trophi has a portfolio of just over 800,000 square metres of retail area and a property value of SEK 12 billion. This makes the company one of the largest focusing on retail in the Nordic countries.

2 Backaplan - KF to Skandia
SEK 1 billion - SEK 36,000/square metre

In January, Skandia Fastigheter bought two properties at Backaplan in Gothenburg from KF Fastigheter. The purchase price amounted to around SEK 1 billion. Backaplan is part of the Norra Älvstaden vision, which is Europe's largest city construction project, where an area of 4.6 million square metres will be built on by 2035. Skandia Fastigheter took over Backa 170:1 and Backa 172:1 in February 2016. Backa 172:1 currently includes the shopping centre Backa 2, with a Coop Forum and around 45 shops.

3 Niam sells Heron City
SEK 930 million - SEK 20,248/square metre

In September, Niam concluded its fourth fund and sold the shopping centre Heron City in Sweden's largest trading area: Kungens kurva in Stockholm. The purchase price amounted to SEK 930 million, and the buyer was a company co-owned by Varma, Capman Nordic Real Estate and Cavendo.

4 Aberdeen is selling five properties
SEK 900 million - SEK 14,619/square metre

Aberdeen Fastighetsfond Sverige sold six trading properties (Ekerö Centrum, Salem Centrum, Viksjö Centrum, Rondellen Centrum in Upplands Väsby and Storsjö Torg trading area in Östersund) to a fund managed by London-based Tristan Capital Partners LLP for SEK 900 million. The total lettable area amounts to around 60,000 square metres, of which 75 per cent consists of retail space. The purchase is a development of the Nordic acquisitions Tristan has made earlier in Sweden and Norway.

5 Agora buying in Västerås
SEK 850 million - SEK 20,663/square metre

During the summer, Agora bought the malls Punkt (Mats 5) and Gallerian (Loke 24) in central Västerås from Carlyle. The properties were acquired in company format with an underlying property value of SEK 850 million in total. The two malls together have around 40,000 square metres of lettable area, and a garage with 1,500 parking spaces. The properties have an estimated rental value of around SEK 98 million and an occupancy rate of around 85 per cent. Punkt and Gallerian are located in direct contact with centres already owned by Agora.



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Aarhus, Denmark.
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*The 2015 Preqin Alternative Assets Performance Monitor



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Digitisation requires great bravery

■ “E-commerce is growing by twenty per cent annually, and soon every second purchase will be made digitally. Unfortunately, there is a risk that a major part of the growth ends up with foreign companies, as legislation, our politicians and trade unions are stuck in the ‘old-world.’” So writes Jonas Ogvall, who is the MD of Svensk Digital Handel and who wants a plan for how we can make all our 40 to 50-year-olds in our workplaces continue to be employable.

E-commerce is growing at record rates (19 per cent in 2015), and already represents a large part of total sales. Around 15 per cent of all purchases of goods bought infrequently are today done on the Internet, and there are no signs of this trend weakening.

And it is not just clothes and shoes that are bought using a computer, a mobile or a tablet. Food purchases via the Internet increased by around 40 per cent compared to last year. The building sector increased by 38 per cent in one year. And the sale of children’s articles on the Internet doubles every year. Just to mention a few examples.

There is good reason to expect that every second purchase will be made digitally within ten years.

THE OPPORTUNITIES ARE endless for companies and individuals who want to be part of this development, but as consumers do not care where they buy from, competition will become much more global than before. International trade is fundamentally good, of course, and has contributed to increasing our wealth, but only if the competition is on equal terms. And this is unfortunately not the case for our Swedish companies selling their goods and services on the Internet.

ONE IN EVERY FOUR purchases made by Swedes are from abroad. And we are just now seeing that foreign actors are growing rapidly on the Swedish market. Making a delivery from a warehouse in Hamburg, for example, is “geschwint”, and just means a couple of hours on a truck before it reaches the Swedish border. We must use the competitive edge that consists of having our warehouse in Sweden, and quite simply being better and quicker at delivering the goods.

We need a plan for all 40 to 50-year-olds on the labour market.

One obstacle to Sweden being globally competitive is the supply of skills and skills matching on the labour market. In a survey among MD’s of companies operating within e-shopping, every second one stated that they had a recruitment need. Worryingly, they also expressed a difficulty of finding the right competency, and only two in ten considered that the education sector fulfilled the needs of business. And this applies not just to e-shopping, but to all Swedish companies within all sectors.

IN ORDER NOT TO MISS the opportunities now that the growth train is leaving the station, and to ensure Sweden is a leader within the digital economy of the future, massive educational input is now needed. Not just for our youngsters, who

are preparing for working life at colleges and universities, but also for all of those who are already part of the labour market but who must adapt their skills to suit the future. There are hundreds of thousands of employees who are in the middle of their working lives, and who consequently have many years left to work before retirement.

FOR THESE PEOPLE, full-time courses lasting six months or a year are usually not needed, but instead shorter courses or an intensive course in digital communication, for example, goes a long way. But it is really right – and wise – for businesses and organizations to take responsibility themselves and also pay for these readjustments?

The measures required can have a good pay-back in the form of increased competitiveness and making people able to work to a more advanced age. Perhaps it could be possible to introduce some kind of government grant, or perhaps an educational allowance for all 40-plussers, who want to future-proof their skills?

Many of the changes required to make Sweden competitive in the ever sharper international competition will be uncomfortable, and they will make many people hurt. But not making these adjustments is even more painful. ■



JONAS OGVALL

Jonas Ogvall has been the MD of Svensk Digital Handel for four years. The starting point is that every second purchase will be made digitally. An important task is to work to ensure suppliers, traders and societal planners understand the importance of working together. It is also Jonas’ task to highlight the digital revolution that is happening in society, and to point out problems and opportunities for strengthening the sector and Swedish business.

SVENSK DIGITAL HANDEL

Svensk Digital Handel, (“Swedish Digital Trading”) is Sweden’s interest organization for digital trading in goods and services, and has the task of future-proofing the digital businesses of its members. The organization continually monitors the national and international development of digital trading. Svensk Digital Handel is part of Svensk Handel. For further information, please see www.dhandel.se

PICTURE: NICKLAS TOLLESSON

Team player

He has both been part of founding and of developing NREP to be one of the leading Nordic players on the property market. But instead of blowing his own trumpet, **Rickard Svensson-Dahlberg** wants to emphasize the teamwork.

“The success rests on the shoulders of many,” he says. *By:* Axel Ohlsson



Rickard Svensson-Dahlberg has just had time to shake hands and welcome me to NREP’s Swedish office, which has wonderful roofscape views across Hötorget in Stockholm, before he repeats what he said on the telephone before the interview:

“For me, it is important to highlight that the company is built on many individuals, and on teamwork. What makes us differ from many others is that we are a partnership, where we have built up a structure with skills from different backgrounds, and where no-one has the same importance as an MD in a traditional company.”

So that is where we start.

Rickard Svensson-Dahlberg, who was one of the founders of the company in 2005 after having left GE Capital Real Estate, picks up NREP’s company presentation and flicks to the page where the company’s twelve partners are listed. He sweeps his finger over the two Danes, who are listed on the far left.

“Rasmus Nørgaard had a background with McKinsey. In that role, he carried out an assignment for Nordea looking at their indirect

» I have wanted to start my own company in some way since I was little.«

investment strategies, and did it so well that he was later recruited by Nordea Liv to run the department that was responsible for global investment in property funds. There he found that there were very few to invest in with a Nordic base, and that there was a very interesting niche in which to be a pan-Nordic player.”

“He knew Mikkel Bülow-Lehnsby, who has a background in investment banking. They started talking, felt it was very interesting, and quickly realized that they needed someone who has wholly Swedish – considering that that is the largest Nordic market – and someone with a pure property background.”

THAT IS WHERE Rickard Svensson-Dahlberg fits into the picture.

“I have wanted to start my own company in some way since I was little. Dad was a carpenter and worked for a small company, and I thought fairly early on that it was fun to build and create something.”

The route led via the Royal Institute of Technology and then on to Cass in London.

“A very good friend had managed to find a course in property investment at Cass. The emphasis was on financial analysis and portfolio theory, but also on properties in a mixed asset portfolio. There I realized that property investment was incredibly interesting.”

WHEN RASMUS NØRGAARD and Mikkel Bülow-Lehnsby were looking for a partner in Sweden, they were directed to Rickard Svensson-Dahlberg, and the childhood dream of having something of his own began to look like reality.

“When the chance came to be part of starting NREP, I thought it was an incredibly interesting opportunity. Of course I wasn’t on my own, but ➤

LISTENS TO P3 STAR IN POD FORMAT

Name: Rickard Svensson-Dahlberg.

Age: 43.

Family: Wife and two children.

Lives: Birkastan, Stockholm.

Grew up: Ulvsunda, Stockholm.

Earns: “Quite OK”.

Education: Engineer from Royal Institute of Technology, Masters from Cass Business School, London.

Drives: BMW.

Reads: “The book at my bedside that I’ve read recently was Flash Boys by Michael Lewis.”

Watches on TV: “Not very much, it is more play services when I watch, but Narcos on Netflix was a real top note.”

Listens to: P3 Star in pod format.

TEAM PLAYER.

“For me, it is important to highlight that the company is built on many individuals, and on teamwork. Success rests on the shoulders of many.”



FAMILY MAN. “A bit later in life compared to many others, I have managed to get two children, who are four and one-and-a-half. That colours what you busy yourself with in life just now.”

»I’m far from any kind of master chef, but I find it incredibly relaxing to cook.«

› I could see that our differing skills would be incredibly valuable.”

“I brought with me Tobias Alsborger, who I had worked with at DTZ (now Cushman & Wakefield), and we four discussed things for nearly a year, and felt and prodded each other quite a lot to see if we would work together as persons, and whether it would be fruitful. After quite a lot of meetings and personality testing, we felt we made a bloody good team, with three main categories in consulting, investment banking and the more traditional property part.”

“Then we decided from the start – as opposed to many of our competitors – that we were to have a presence throughout the Nordic countries and be a Nordic company and not just a Swedish, Danish or Finnish one.”

During the eleven years the company has existed, it has grown from the four who started it to twelve partners, who reach joint decisions. In total, the company has around 80 employees, global institutions are investors and it manages SEK 35 million.

“Some of the reasons why we have succeeded so well I think is the mix of different skills, and that we have tried to find segments that not that

many focus on; like logistics, which we did from the start. We have managed to retain the same DNA of values, and how we do things from being three-four people to our current 80 persons; it is based a lot on us focusing incredibly hard on the recruitment process and getting the right people to join us. We function very much as a collective in the way we run the company – the success rests on the shoulders of many.”

› **So what are the goals for the future for NREP?**

“We are definitely planning on continuing to grow. Of course you can add a few strategies to what we are already doing, and in this way broaden the market.”

But growing doesn’t necessarily mean that you have to double the number of persons or having presence in eight countries – instead, you can continue growing by delivering good risk-adjusted returns to our investors over and above what we do today, also by building up long-term operational platforms, such as Logicentres and Umeus.

› **Has it always been the case that you don’t want to put yourself forward, but to show how important everyone is?**

“Someone else should really answer that ques-

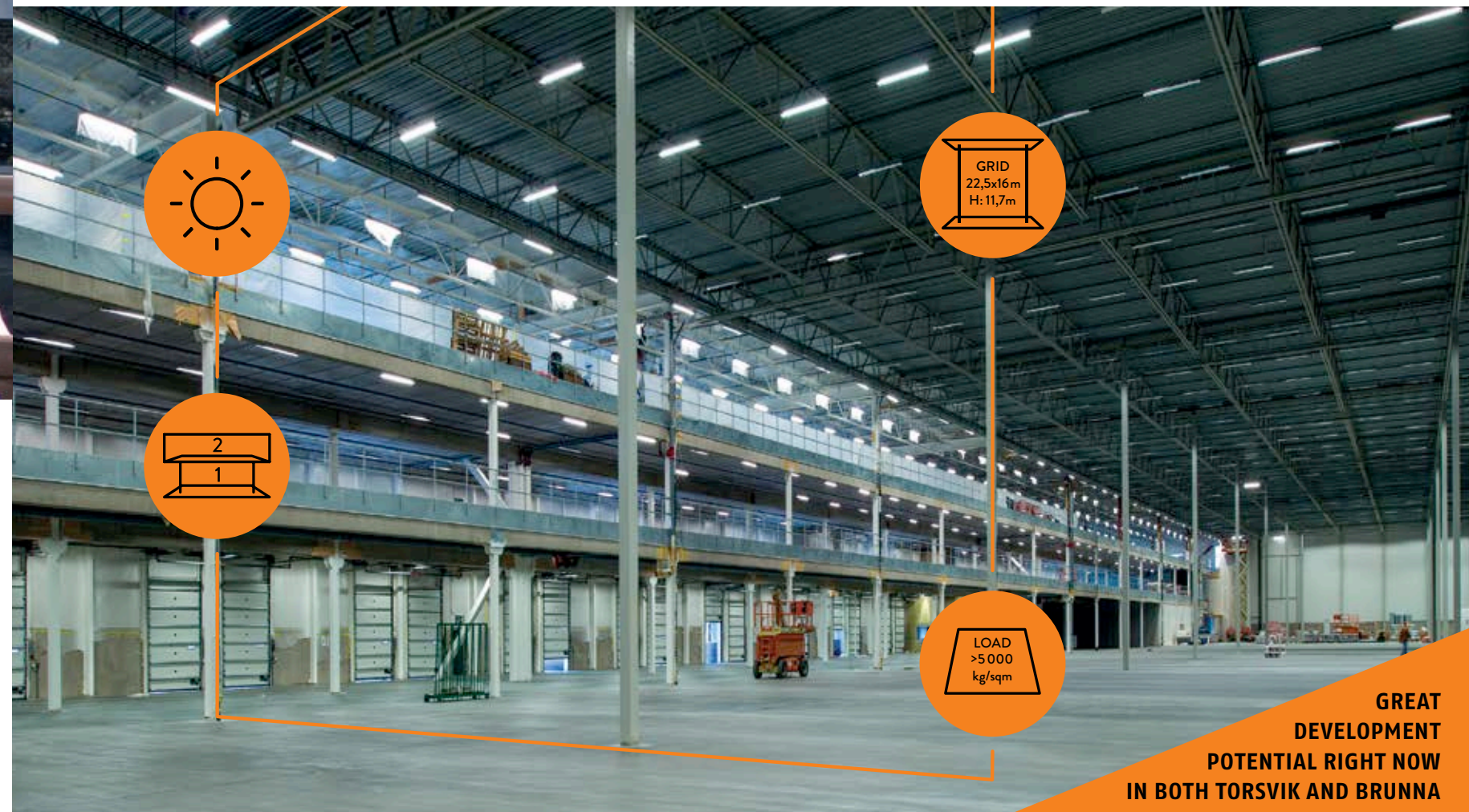
tion. I believe, or at least I would like to believe, that I care for everybody in a group feeling good and feeling that they have their own place and work together – rather than there being an individual focus.”

› **What is your life like outside work?**

“I have a wife called Karin, who makes me whole. We complement each other really well and have been married for five years, which also means that a bit later in life compared to many others, I have managed to get two children, who are four and one-and-a-half. That colours what you busy yourself with in life just now. There is a lot of focus on the children. I think teams are important privately as well. Both family and friends you see, who you feel have the same values.”

“Then I like boats and the archipelago; being out in nature. And spending time with friends and cooking. I’m far from any kind of master chef, but I find it incredibly relaxing to cook. I can – which is not particularly popular with my wife – spend an hour in a food shop, just because I like finding things. It’s a bit like meditation to do so and then go home and cook whatever it is you are cooking.” 🍳

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■ It opened with a big splash in November 2015. One year later, Mall of Scandinavia has exceeded its own expectations – but how has this really impacted on shopping in Stockholm?

By: Axel Ohlsson // Picture: Mall of Scandinavia

How has Mall of Scandinavia affected the market?

THERE WERE SCENES THAT Sweden wasn't really used to seeing that played out in Solna when the Mall of Scandinavia opened its doors to the general public on 12 November 2015. Thousands of people queued for hours to get in and visit the 100,000 square metre large shopping centre. In the end, the pressure became so great that they were forced to close down any new entrants.

It was not just during the opening that people were making pilgrimages to the Mall of Scandinavia. By the end of November, visitors had already passed the million mark.

NOW THAT THE shopping centre is nearing its first anniversary, this is a one-year-old that is looking back at a year that has offered more than anybody had dared to hope for – among them being elected “Stockholm’s favourite shopping centre” in an Evimetrix survey.

“Mall of Scandinavia has had a fabulous first year. The development has certainly exceeded our already high expectations,” says Louise Bergqvist, Centre Manager for Mall of Scandinavia.

“We have had more than twelve million visitors over just short of eleven months, and sales are also in line with that development.”

Even during the usually tougher summer months of July and August, Mall of Scandinavia managed to maintain its popularity.

“What I can see, and think is great, is that we had a fantastically good summer in July and August. July in particular is often a more quiet month in shopping centres, but at Mall of Scandinavia, the very opposite was true. We had incredibly strong visitor and sales figures.”

»This means that Mall of Scandinavia really has become a visitor attraction.«

“This means that Mall of Scandinavia really has become a visitor attraction. That we have managed to attract quite a lot of tourists, many Swedish but also foreign ones, who hadn't had time for a visit before, but did so during their holidays.”

» Do you think this development will continue?

“I believe and hope it will. We are seeing more and more loyal visitors.”

“Telia has moved its head office out here, and SEB is doing the same thing in the spring, which is good for the working day flow of customers. Then we have the Friends Arena as our neighbour, so it is a really good destination mix.”

SO HOW HAVE the surroundings then been affected by the opening of Mall of Scandinavia? How do city centre shopping and the other shopping centres in Stockholm handle the new competition? This matter has been looked into by the research and consultancy company HUI Research in their report Köpcentrumsbarometern (“Shopping Centre Barometer”).

“We put together 17 centres in the city and northern suburbs of



CROWDED. Already in the first two weeks of opening, Mall of Scandinavia had one million visitors. After having been open for eleven months, the twelve million visitor mark has been passed.

Stockholm, primarily northern suburbs, and investigated what had happened,” says Tobias Rönnerberg, consultant at HUI Research.

“Everyday goods, restaurants and services were fairly unaffected – we had expected that. On the other hand, there was an effect on goods bought more rarely. The 17 shopping centres fell by 5.7 percent for goods bought more rarely. That is an effect we thought was fairly strongly linked to Mall of Scandinavia.”

“We saw that the city centre wasn't that much affected, instead it was the centres in the north suburbs who were mostly affected.”

The trend for trade in the city centre to remain strong while the nearby shopping centres in the northern suburbs suffered was expected according to Tobias Rönnerberg.

“We expected this. It was great news value when it opened, in particular as Christmas shopping happened to begin with.”

“We expected an effect on goods bought more rarely. The segment that fell most in the other centres in the survey was home



› and leisure. That was a bit surprising, as shopping centres and malls often have a strong focus on fashion.”

› How much has Mall of Scandinavia been helped by having Friends Arena next door?

“It has absolutely helped. There are large visitor numbers when there are events at the Arena, and they stream through the centre. Then you get quite a lot of flow as a side effect.”

› What has it done to the interest, being first with such a large shopping centre?

“It probably did quite a lot, with the news value and having the profile it has. 100,000 square metres of shopping is available in many places, but in this format it is totally unique.”


THE SHORT-TERM EFFECT of Mall of Scandinavia was noticeable. In the longer run, Tobias Rönnerberg thinks that things will even out however – much because of the population

growth that Stockholm is expecting over the coming years.

“Right now, it is the northern suburbs that will be affected over the coming years. But over time, the effect will reduce because of population growth and the drop in news value.”

AT MALL OF SCANDINAVIA, however, they are not just sitting around and waiting for what will happen in the future. The plans for how the shopping centre is to be developed are already underway.

“Lots will happen. The plan is to continue welcoming new brands. At the same time as other things are happening. For example, we will have completely new Christmas decorations that will be something quite out of the ordinary. I can't say anything more about them, they really have to be experienced on the spot,” says Louise Bergqvist.

“We are continuing with the range we have, but will clarify it and communicate it even more. Now that people know about Mall of Scandinavia as a whole, you can start drilling down to details and explain the concepts of the concepts.” 



CONTENT. Louise Bergqvist, Centre Manager for Mall of Scandinavia, is looking back at a successful first year.



DARLING. During its first year, Mall of Scandinavia has already been named as “Stockholm's Favourite Shopping Centre” in a survey by Evimetrix.

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New trend bounces in

■ Play lands have grown into a permanent feature among Swedish retail properties. Now, a new trend in the same spirit is attempting to capture the visitors who have grown too old for the play lands: Trampoline parks.

By: Axel Ohlsson // **Picture:** Bounce Holding

THINGS ARE IN FULL SWING inside the premises where builders are busy developing 4,200 square meters at Kungens Kurva into the company Bounce's first trampoline park in Sweden. A trampoline park that will be equipped with trampolines, slam dunk, ninja warrior pitch and a parcours track.

"It's a bit of a flagship for Scandinavia. A couple of Swedish entrepreneurs are behind bringing the idea to Scandinavia. My task is to start 10–12 parks in Scandinavia over a period of five to

six years. Trampoline parks have existed in the US for ten years and are well known there, and they are becoming established in Europe," says Bounce Scandinavia's MD Daniel Dersén, when he shows us around the premises dressed in a helmet, high-vis waistcoat and safety boots.

ACTIVITIES IN SHOPPING AREAS are nothing new. Play lands have been in place for a long time, and have become well-established features in shopping centres as they have become more successful.

"We are seeing a trend where retail is moving more towards being experience-focused. In order to attract people and make them spend more time and money in a certain location, it is no longer enough just to have shops, there must be something more – or else you go into town instead," says Bojan Tivic, Director of CBRE, and continues:

"The fantastic thing about retail is that you are really working

with peoples' psyches. You have to understand in which direction individuals are moving, and which trends are on their way in and which on their way out." For example how digitization is affecting things.

"Experiences are something you cannot – at least not yet – consume on the internet. Then it is natural for part of retail to move towards something that you cannot offer in another location."

THE EMERGENCE IS linked to the effects of the most recent financial crisis.

"It is because, after the last financial crisis, there were a number of premises in boxes that have been empty and difficult to let. Then play lands have grown up organically, where they have been able to achieve fairly low rents. Then they became a big thing, as they captured a latent need.

"It is really exciting. I think there are good revenue opportunities on the market, by buying boxes with a trampoline tenant at a

slightly higher yield and trusting that the yield will fall once they have become established tenants, just like the play lands have done."

"It could take three–four years, but if they then turns out they are good tenants, they will survive. Then the direct return requirements will also fall for that type of tenant, as the risk also reduces."

Trampoline parks have started to crop up in several places around Sweden, but they are still an untested card.

"The trampolines are totally new, and we don't know how they will work or if they will be able to pay the rents. But I really don't think there is any reason to believe that they won't work – possibly that the number of actors is slightly too large," says Bojan Tivic. ➤

PSYCHOLOGISTS. "The fantastic thing about retail is that you are really working with peoples' psyches. You have to understand in which direction individuals are moving, and which trends are on their way in and which on their way out."



SYMBIOSIS. "A play land isn't a direct competitor of a trampoline park, but instead more of a complement", says Daniel Dersén.

PICTURE: AXEL OHLSSON

FLAGSHIP. The trampoline park at Kungens Kurva is planned to be a flagship when Bounce opens in 10-12 locations around Scandinavia.



»Many are looking for something different to attract people to their shopping centres.«

»The play lands have become big within birthday parties. I can see a development where the trampoline parks instead become big within kick-offs and team building, for example.»

“And then there are synergy effects with other retail. If you think about a toy shop doing well by being located close to a play land, then you can imagine a sports shop selling lots of leisure articles doing well from being close to a trampoline park.”

AND THAT IS THE TREND that Daniel Dersén and Bounce want to be part of. Bounce was originally an Australian company, which currently has 17 parks around the world.

“The concept is based on doing something for the target group that comes after the play land. A play land isn’t a direct competitor of a trampoline park, but instead more of a complement – although there is some overlap.”

“It’s about having fun and enjoying yourself, of loosening up the edges a bit. They are action sports that become available for every person – an adrenaline sport that doesn’t have to be hard to access.”

Although it is a new trend, there is already an interest in trampoline parks from many property owners, according to Daniel Dersén.

“Many are looking for something different to attract people to their shopping centres. Yet another large store won’t add anything to a shopping centre, but a trampoline park – which has an even flow of people going there – we think will attract more and drive more people.”

“We are already noticing that more and more property owners are contacting us and really want this to be a feature of their shopping centre or similar, it is a complement to the shopping they have.”

“What we are looking for are locations that are commercial, close to shopping centres. It is important to be in an area where there is a natural flow of people. We often say: “I go to Bounce”, so it is something you visit regularly, instead of a Legoland, that you visit every four years.”

»What are the requirements on the premises?

“I think that 2,000 square metres is among the smallest you can contemplate. Trampoline parks have been established in Sweden that are smaller than that, but then it is difficult to have room for the things you want. Somewhere around 2,500 square metres is a good size. You want to have a bit of volume and space to make it an exciting and interesting experience.”

Just like for the play lands, children’s parties play an important role for the trampoline parks.

“They are an important part. We already have several company events booked in, where people come here for a kick-off or a conference.”

“It’s about being outside the office in a creative environment, and having fun together. Then our urban playground is a perfect place to do so. Hosting company events on the side will be a really important part of our operation.” ■

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City shopping or malls – that is the question

Retail has seen major changes over time. From specialized small shops to department stores, shopping malls and edge-of-town shopping areas. In addition, there has been mail order, which has now been replaced by Internet shopping. Retail is continuing to transform at an unchanged rate, and the different formats are ever more merging with each other. This is noticeable in particular in a stream of new combinations of physical shop and e-commerce. It is difficult to prophesy how we will be shopping in the future, and which formats will survive. But this article is about now, and what is happening in the competition between city shopping and shopping centres.


IN PROPORTION TO the number of inhabitants, Sweden is one of the most shopping centre-dense countries in the world. The lack of any statutory prohibition against shopping centres establishing outside towns and cities is part of the explanation. And a cold climate also helps to explain our love-affair with indoor shopping. However, in several places in the country, shopping centre establishment has led to a depletion of our city centres. Some consider that this competition has not wholly been a bad thing, as it has forced city centres to improve their retail content.

SEEN FROM A TRADER'S perspective, there are great advantages of being in a shopping centre compared to a city block. A shopping centre is usually owned and managed by a single actor, who often specializes solely on shopping centres. The properties in a city centre are normally owned and managed by a number of actors, and these parties do not always cooperate in a professional manner. As a shop owner, this means that you do not know what would happen if the premises next to yours become vacant, or if the neighbouring property is sold. This uncertainty disappears to some extent in a shopping centre, where one actor controls the shop mix, the location of the different shops, opening hours, marketing events, etcetera. Many city centres are trying to establish a similar coordination of opening hours, among other features, but this is difficult when so many parties are involved.

ALSO, IT CAN BE EASIER to find a shop with suitable conformation in a shopping centre than in the city centre. In a square shop, it might be enough to have one salesperson, while a differently shaped shop in an older property may need two persons to provide a full overview of the whole shop.

IN ADDITION, SHOPPING centres are usually located outside the city centre, which make possible well-dimensioned and often free car parking facilities. For car-borne customers, the city centre is felt to be much more difficult to access. For environmental reasons, the development in cities is more and more moving towards limiting car use, to the benefit of public transport, bicycles and pedestrians.

HOWEVER, CITY CENTRE shops do have a number of advantages that shopping centres do not have. They are close to housing and workplaces, and are easily accessible by public transport. And many consider that shopping centres still have a low status stamp. This is probably because the majority of shopping centres in Sweden are fairly identical in terms of both appearance and content. Moreover, a process of idealization is currently underway of city centres and urban lifestyles. It is therefore not a coincidence that many shopping centres are trying to transform themselves and in various ways model themselves on a traditional city centre, where a rich flora of shops share the space with cafés, restaurants, cinemas and other services. But the original is hard to beat. Exclusive brands play hard-to-get and only rarely want exposure in shopping centres. Small, unique shops do not have the ability to shoulder the costs entailed in maintaining the opening hours required by shopping centres. The tenants in shopping centres are therefore often the larger chains anyway.

IN SUMMARY, shopping centres are trying to ape a city environment by increasing the restaurant content and the range of exclusive and unique shops, while the city centres are trying to become like shopping centres in terms of accessibility and opening hours. Who will succeed remains to be seen. 



PICTURE: DTZ

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PICTURE: JOHANNES LILJEN

Close to a turn -around for the “million programme” housing estates

There is no evidence that persons who live in “million programme” and similar housing estates would really rather prefer to live elsewhere. Or at least, no more than normal would want to. Nor is there any evidence that nobody wishes to live there, full stop. Or that the inhabitants have no money. On the contrary. Building projects completed in the last few years have been let or sold in no time at all. The latest of many examples are the homes built at Rinkebyterrassen, where last spring people were booking a place in the queue to the sales office erected, and waited for hours, like for a pop concert.

YET A PARTICULAR ANECDOTE often crops up in conversations about building new and “different” things in million programme areas, the one about building terraced houses in Rinkeby. It was at around the turn of the millennium, and the 21 terraced houses took longer time to sell than expected, partly because the banks regarded them as “risky objects” according to the builder.

When someone tries to prove a point by using an old example, you can be fairly sure that that person’s point is not really sufficiently up-to-date to take into account.

The image of the “million programmes” as areas where it is not with investing has been well-established. And I am writing “has been”, as I am beginning to feel that it is finally beginning to become less so.

THE IMAGE OF THE LACK of purchasing power of the existing inhabitants, combined with the image of it being impossible to make people living in other areas want to move to an area so tarnished in the media, has impacted on the whole chain of housebuilding. When the banks have the idea that a deal in a “million programme area” is unprofitable, the interest rates they offer to projects in the area have been less good, which has made the deal unprofitable for the builder and the flats more expensive than necessary, resulting in them being less attractive. But what has the assumption of lower profitability been based on? Twenty-one terraced houses in Rinkeby that didn’t sell like hot cakes seventeen years ago?

» When someone tries to prove a point by using an old example, you can be fairly sure that that person’s point is not really sufficiently up-to-date to take into account.«

IN MARCH 2015, the market report “Markpriser, markbrist och byggande” (“Land prices, land shortages and construction”) from the Swedish National Board of Housing, Building and Planning, showed that for the first time, it was profitable to build anywhere in the whole of Stockholm County in principle, based on the equation construction cost/willingness to pay. This is despite construction costs, including land price, not differing between central locations and more peripheral ones.

The report confirmed results that I and my colleagues at Sweden Research (formerly Miklo) had found for many years in the

surveys we carried and still carry out repeatedly among inhabitants of “million programme” areas: there are roughly as many who want to continue living there as there are in other areas. Of those who want to move, a considerable proportion are persons who would like to continue living there, but cannot find more modern or larger housing in the areas – because no new construction has been done. And everything we have studied have also repeatedly shown that while the people with the lowest incomes in various cities often do end up living in the city’s “million programme” area, this is not the same as everybody there having a low income.

On the contrary – slightly more have a low income, and slightly fewer have average and high incomes, compared to other areas. But the vast majority are average income earners, just like everywhere else.

AND ANOTHER THING. In our surveys, we have asked both what type of housing people are dreaming about, and what type of housing those who want to move would like to move to. Terraced housing always ends up last, with at most five percent giving this as their preference. The dream? Duplex flats, rooftop flats, larger flats and flats with outside space. And houses in the country. The latter may be a bit difficult to arrange in a “million programme” area, but the rest should be perfectly possible to arrange. Good luck! ■



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