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The most interesting Expo Real for many years

All kinds of things can change extremely quickly. A football match can move from defeat to victory in just a couple of minutes, the weather can change from sunshine to thunderstorm in a moment, and life can take an unexpected turn from one day to the next. What we have learned in recent months is that even whole economies can change with dramatic speed. In the wake of the residential mortgage crisis and the credit crunch, the property market too has begun to experience a time of reduced interest from investors and greatly increased caution from banks and credit institutes.

WE ARE SURE that this will be a focus for debate at Expo Real, together with the issue of how carbon dioxide emissions should be managed and what responsibility the property sector should bear. All this is likely to make this year's Expo Real exhibition the most exciting and interesting for a very long time, and we will be there to monitor what is happening so that we can then report it with full accuracy.

Many of you will already be familiar with Fastighetssverige, not least because we have attended Mipim and Expo Real many times before. It gives us great pleasure to be



here every day at the heart of the property market, not just in Sweden but in the rest of the world. Our aim has always been, and remains, to give our readers thorough, interesting and stimulating reporting of what is going on in the property industry.

We hope very much that you will find this special issue interesting, and perhaps entertaining too. We would also like to take the opportunity to invite you to come to us with your information and ideas about interesting events and news. Through our e-mail newsletter and our news website we reach the Swedish property industry – every single day.

WE ARE ALREADY looking forward to 2009 and to meeting again in March... on the French Riviera, at the Mipim property exhibition.

But before that we will see you in the exhibition hall here!

With all good wishes Eddie Ekberg Editor-in-Chief

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- Expertise in both the private and public markets,
- A range of strategies across the risk/return spectrum.

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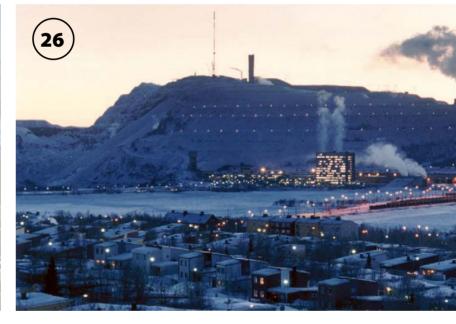
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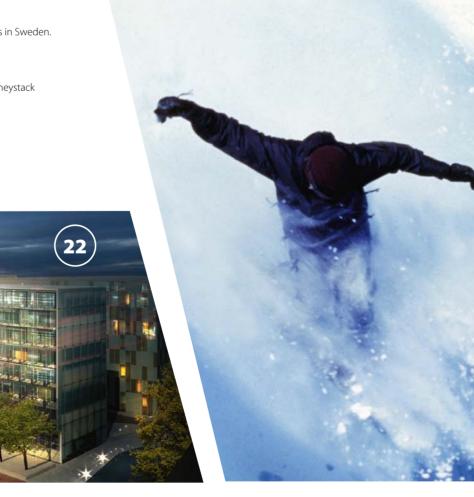
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From 2001 to 2007 all graphs pointed firmly upwards on the Swedish property market. Transaction volumes increased steeply every year as a result of very strong economic development, growth and ever-rising employment levels, in combination with relatively low interest rates. During these years foreign interest in the Swedish market also increased more and more. This culminated in the autumn of 2007 when foreign investors were involved in transactions that represented 60 per cent of the total turnover.

But then, of course, the celebrations were silenced by the global financial crisis that followed the collapse of the American residential mortgage lending institutes. The growth of the Swedish economy was severely set back (the IMF estimates that growth in Sweden will be about 2 per cent this year, compared with 2.7 per cent last year, and that it will fall to 1.7 per cent next year) and interest rates have risen. Higher energy and food prices are pushing up inflation: this summer the Swedish Consumer Price Index recorded the highest recorded rate of inflation since 1993.

DESPITE THE STORM CLOUDS the Swedish property market has remained relatively stable, however, although it is clear that it is taking longer to complete deals, that the banks have become considerably more restrictive in their lending, and that property values have been written down.

In the first half of 2008 the total transaction volume in Sweden amounted to 52 billion kronor, which is a reduction of 16 per cent compared with the equivalent period in the record year of 2007. The corresponding figures for the whole European market are a transaction volume of EUR 69 billion (equivalent to SEK 650 billion), which is a reduction of 46 per cent. On the three largest markets – Britain, Germany and France – transaction volumes fell by more like 60 per cent.

Despite the weakening, Charlotte Strömberg, Managing Director of Jones Lang LaSalle in the Nordic area, takes a positive view of the Swedish market.

– We have an extremely liquid market. The reason that Sweden has fared better than the large European markets in



Charlotte Strömberg, Managing Director of Jones Lang LaSalle.



ECONOMIC KEY DATA

GDP 2007 (%, change p.a.):2	2,7
GDP 2008 (F, %, change p.a):2	2,4
Inflation 2007 (% change p.a.):2	2,2
Inflation 2008 (F, % change p.a):3	3,5
Unemployment rate	
(% seasonly adj.)5	5,1
Number of employees (million):	1,7
Employment growth 2007	
(% change p.a):	2,2
Employment growth 2008	
(F % change p.a):	0,8
3-month rate (%):	1,19
5-year bond yield (%):2	1,70
Typical lease length (years):3	3-5
Property tax (%):	0,5–1,0
Capital gains tax (%):3	
VAT (%):2	25,0
Stamp duty (%):3	3,0
Corporation tax (%):2	28,0

Source: The Riksbank/ Jones Lang LaSalle, 2008-06-30

SWEDEN'S MAJOR EXPORT SECTORS:

Machinery	16 %
Automotive products	14 %
Electrical products & telecom	13 %
Chemicals & pharmaceuticals	12 %
Minerals	12 %
Forest products	11 %
Other mechanical	6 %
Energy products	5 %
Other	11 %

Source: Statistics Sweden, Jan-oct 2007

INTERNATIONAL INVESTOR PRESENCE

A selection of foreign owners with property holdings in Sweden Acta (Norway) AXA Real Estate Investment Managers (France) Bank of Ireland Private Banking (Ireland) Blackstone Group (US) Boultbee (UK) CGI (Germany) CGS (Germany) Citycon (Finland)

Credit Suisse Asset Mgmt (Germany) DnB Nor (Norway) Ejendomsinvest (Denmark) GE Real Estate (US) GIC Real Estate (Singapore) GPT Halverton (UK) ING Real Estate (Netherlands) Investea (Denmark) MEAG (Germany) Northern European Properties (UK) Northern Logistic Property (Norway) Oppenheim Immobilien (Germany) Orion Capital Managers (UK) Orkla (Norway) ProLogis (US) Teesland iOG (UK) Unibail-Rodamco (France) Vital (Norway)

SWEDEN'S LARGEST COMPANIES

Turnover, 2007, EUR	
Volvo AB, automotive	30,1
Ericsson, mobile systems	19,8
Vattenfall, energy	15,1
Skanska, construction	14,6
Sony Ericsson, mobile communications.	12,9



Volvo Cars, cars	11,2
SCA, pulp & paper	
Electrolux, household appliances	
Telia Sonera, telecommunications	10,2
Sandvik, engineering	8,9

Source: Nordic Netproducts

PROPERTY DEBT PROVIDERS

A selection Aareal Bank (Germany) Bank of Scotland (UK) Barclays (UK) Calyon (France) Danske Bank (Denmark) Deutsche Bank (Germany) DnB Nor (Norway) Eurohypo (Germany) Handelsbanken (Sweden) HSH N Bank (Germany) Hypo Real Estate (Germany) Kaupthing (Iceland) Nordea (Sweden) Royal Bank of Scotland, RBS (UK) SBAB (Sweden) SEB (Sweden) Swedbank (Sweden)

Source: Catella, Leimdörfer/ ISA

INVESTOR ORIGIN

2006, share of total investment market, %
Sweden44
Norway16
UK15
Denmark5
US4
Global Investors3
Ireland3
Other countries10

Source: Jones Lang LaSalle/ISA

TYPE OF PREMISES

2007, share of total acquired area
Office3
Mixed2
Retail14
Residential12
Industrial1
Hotel2
Other2

Source: Jones Lang LaSalle/ISA

TYPE OF INVESTORS

2007, share of total investment market	
# Listed companies	41
# Unlisted	24
# Unlisted property companies	10
# Institutions	9
# Private	9
# Government	2
# Other	5

Source: Jones Lang LaSalle/ISA

FACTS Sweden

TRANSPARENCY

High transparency level (1-1,5)

1. Canada	1,17
2. Australia	1,20
2. United States	1,20
4. New Zealand	1,21
5. United Kingdom	1,31
6. Netherlands	1,33
7. France	1,34
8. Sweden	1,43
9. Belgium	1,48

Jones Lang LaSalle's Real Estate Transparency Index survey portrays transparency development in more than 80 global real estate investment markets. The 2008 survey covers 82 markets, and included five categories of transparency:

TRANSACTION PROCESS

1. France 1.00 10. Sweden 1,43

PERFORMANCE MEASUREMENT

- 1. Australia, New Zealand and United Kingdom 1,00
- 4. Sweden, Canada, France, United States 1,14

LISTED VEHICLES

1. Sweden, Canada, Denmark, Finland, Ireland, Netherlands, South Africa, Switzerland, United States 1,00

MARKET FUNDAMENTALS

1. Australia, United States 1,00 16. Sweden 2.00

LEGAL AND REGULATORY ENVIRONMENT

1. Finland, Hong Kong, Singapore 1,00

6. Sweden 1,27

Source: Jones Lang LaSalle 2008



- recent times is that the Nordic bank system has shown itself to be much more stable than banks elsewhere in Europe or round the world. No Nordic bank has reported a loss. I should perhaps add 'so far'.
 - Even though the banks have become more cautious and demand higher surcharges for risk, they are still willing to lend money for property transactions in Sweden. And the fact that the transaction volume fell by only 16 per cent in the first half of the year shows that we have a market that is working well. If we then add the two very large transactions that were completed and financed after the end of June – Vasakronan worth 41 billion kronor and Steen & Strøm worth 22 billion kronor – the picture is even stronger."

What else do you think distinguishes the Swedish property

- Something that often comes up when talking to international clients is that people trust the Swedish players. If you look each other in the eye and shake hands, the deal is done. Swedes are seen as honest and reliable.
- As regards the market, we have high transparency. Sweden has risen steadily in Jones Lang LaSalle's world transparency index since the start of the millennium and now holds a consistent position at the highest level of transparency. It would be fair to say that foreign investors' interest in Sweden grew in step with the transparency level. But the foreign investors have become more cautious since the market began to cool,

and they were involved in only 30 per cent of turnover in the first half of the year.

- The opportunistic investors have left the market and - to generalise - the majority of this group were among the non-Swedish investors, Charlotte Strömberg continues.

How does the Swedish market compare with the other **Nordic markets?**

– In the first place the Swedish market is bigger. It is bigger than the others put together. Foreign investors are also more interested in the Swedish market, and in recent years the Finnish market too. In Norway it is hard to gain a foothold, for two reasons. One is a culture that makes for very quick transactions in Norway: they don't worry so much about due diligence. The other is that there is a huge amount of domestic capital in Norway. And the Danish market is less liquid, which means that the internationals find less to invest in there.

- There are a number of Danish and Norwegian companies that invest heavily in Sweden, but the Swedes are far more cautious about investing abroad.

Why do you think that is?

- One explanation may be that decision-makers in the Swedish companies are so old that they were there back in the early 1990s, when Sweden created a property crisis that was exported to Belgium, London and elsewhere. That remains fresh in the memory, and these things are often governed more by psychology than mathematics.

How do the Swedish and the European markets differ?

- More things unite them than differentiate them. These days Sweden is an integrated part of the European market. But one thing is that Sweden has a lot of property companies listed on the stock exchange - which is not the tradition in many other countries – and that leads to greater publicity and openness.

What will happen on the Swedish market in the immediate

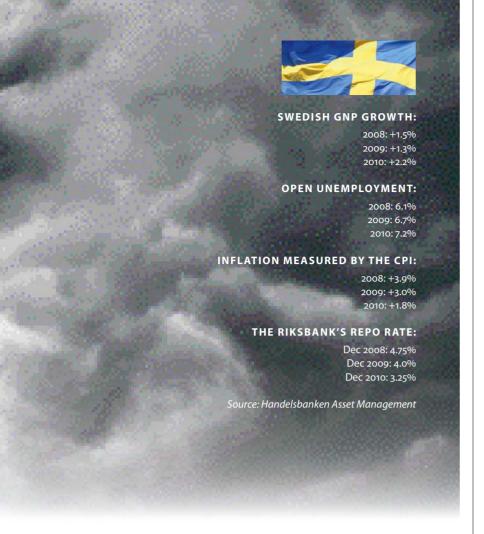
- In many parts of Europe direct yield requirements have risen extremely rapidly, but this has progressed more slowly in Sweden. But it will now accelerate until some way into 2009.



DARK CLOUDS

in the Swedish economic sky

As everyone knows, the economic situation in Europe is strained, to say the least. And although we in Sweden have been relatively unaffected so far, we are now in what is designated a recession. But how serious is the situation and when will it turn round? We have sought the help of an expert in the field who gives her views on the subject.



Reports on the state of the Swedish economy are pouring in. And they are not cheerful reading. Their content revolves round low growth and high inflation and concludes with terms like 'economic crisis'. Even though the economic situation in Sweden was spared the worst of the monumental financial crisis that hit the USA and Europe too, most people now agree that the severe chill seen over there is now producing at least a head-cold here in Sweden.

We are thus heading towards a recession, and the judgment of most experts is that it may be a long one. It will involve higher unemployment and lower growth.

To gain a better understanding of the situation, we talked to Hanna Norström, who is Senior Economist at Handelsbanken Asset Management.

Describe the economic situation in Sweden at the present time.

– We have now passed the peak of the economic cycle and are on the way down. The labour market is still pretty strong but there are signs of weakening, as shown for example by the number of firms issuing redundancy notices. The economy as a whole is significantly weaker than we previously expected. People's expectations of their own personal financial future are also significantly more negative than in previous recessions. This weak level of confidence may reinforce the existing downward trend.



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just passed the

peak of an eco-

nomic cycle and

are on the way

down.

REVIEWING THE ECONOMY. Hanna Norström is Senior Economist at Handelsbanken Asset Management. She confirms the view that Sweden is now in recession and says that we can expect a recovery no earlier than after next summer.

How serious is the situation?

- It will become worse this autumn - there's nothing to indicate otherwise. It would very clearly be good if the US position turned round. This is a consumption-led downturn and they are usually less deep though on the other hand they may be longer-lasting.

What can we expect in the way of economic trends over the next year?

- I believe that the whole autumn and winter will be marked by the downturn and that spring will probably be weak too. It is also important that inflation should be checked during the coming months so that the Riksbank can introduce a period of interest-rate reduction some time next year."

How is the current position affecting foreign investment in Sweden?

- The general economic situation is naturally pulling down the amount of investment. Money is volatile and seeks to move to where the growth opportunities are greatest. And our generally high pressure of taxation and high payroll levy are no help at all."

How do you think that inflation will develop during the remainder of 2008?

It will continue to be high. I believe that we will reach the peak in September-October and the rate of growth will then fall back.

The prices of oil and other raw materials play a major part here. If the oil price continues to fall in the future, inflation pressure will fall further.

How do you think the repo rate will move during the remainder of 2008?

We don't expect a further rise after the September hike. Our opinion is that the Riksbank has already raised it too far and risks intensifying the downturn by doing so. **II** We have

How high 'should' the Riksbank raise it? Is five per cent too high?

Yes, five per cent is too high in the present situation. We are seeing economic activity slowing so strongly that this will dampen future price improvements. The Riksbank's target is that inflation should be 2 per cent in two years' time, and given significantly lower demand coupled with falling oil and food prices, the

inflation rate should be below that target in two years.

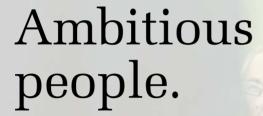
When will things turn? When can we begin to see an economic recovery?

Some time next year, probably after the summer of 2009. What will drive the recovery will probably be increased demand from abroad. This will allow companies to increase their activities again and as part of that gradually begin to recruit new employees.



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The key transactions of 2008





Buying co.	Sales co.	Object	Purchase price
Property Group	Annehem	45 properties in Malmö, Lund, Hässleholm and Hörby	SEK 708 million
German investment fund (name undisclosed)	Skanska	An ongoing retail project in Burlöv	SEK 585 million (investment amount)
МКВ	Hagman Esping Fastigheter AB	9 properties containing 301 apartments in Malmö	SEK 340 million

KAPPAHL BUYS ITS OWN HEAD-OUARTERS

London & Regional has sold the property Hästägaren 3 in Mölndal in Gothenburg to KappAhl. London & Regional acquired the property immediately before the sale from NR Nordic & Russia Properties in what was judged to be a 'technical' deal since London & Regional is a major shareholder in NR Nordic & Russia Properties. KappAhl bought the property, which contains its own headquarters, for 447 million kronor. The property has a total of about 10,000 m2 of office space and 38,000 m2 of warehouse and logistic space.

SISJÖ ENTRÉ IN GOTHENBURG **SOLD TO A GERMAN FUND**

The German fund DEFO-Deutsche Fonds für Immobilienvermögen GmbH has acquired the retail centre Sisjö Entré in Gothenburg from Nordic Real Estate Partners (NREP). The property, whose formal address is Kobbegården 6:8, has been priced at an underlying property value of 350 million kronor. Sisjö Entré has undergone rebuilding and extension in recent years and now totals around 13,600 m². Notable tenants include Toys R Us, Expert Stormarknad, Rusta and Micro.

DEALS BETWEEN VASAKRO-NAN AND FASTIGHETSVERKET **FINALISED**

Vasakronan is buying the property Uggleborg 12, which stands on Vasagatan iust opposite Stockholm's Central Station. from Statens Fastighetsverk. The purchase price amounts to 1,304 million kronor. The property contains 35,700 m2 of lettable area, mostly offices. The largest tenant is Försäkringskassan (the social security office). At the same time Vasakronan is selling four properties to Statens Fastighetsverk for 626 million kronor - the properties Atomena 1, Kungliga Myntet 1, Cepheus 2 & 3 and Ladugårdsbron 14, which have a combined lettable area of around 14,800 m².

ASPLUNDS FASTIGHETER IN ÖREBRO SOLD

Castellum's subsidiary Aspholmen is buying nine properties from Asplunds Fastigheter. The properties are located in central Örebro and the purchase price is

Ton three Malmö 2008

properties in Örebro but mainly on the outskirts of the city. The stock now being acquired totals about 50,000 m², mostly offices but including small proportions of hotel, commercial and industrial space. In another transaction, three local companies, Melins Fastighetsförvaltning AB, Fastighets AB Umato and Byggfirma Lund AB, are buying 18 properties from Asplunds. The purchase price has not been disclosed. The greater part of the nearly 68,000 m² consists of homes but there is also some commercial space. The remainder of Asplund's property stock was purchased by Behrn Fastigheter in May with the acquisition of the centrally located office property Längan 20.

WHOLE OF VASAKRONAN **ACQUIRED BY AP FASTIGHETER**

After speculation throughout the spring, it was finally AP Fastigheter that bought Vasakronan. In the deal made public at the start of July, the underlying property value amounted to 41.1 billion kronor. Vasakronan's 172 properties are located in Stockholm/Uppsala, Gothenburg and Malmö/Lund. The properties contain a total of nearly 1.9 m² of lettable area. Direct yield on the transaction is estimated at 5.3%. Following the purchase, AP Fastigheter will change its name to Vasakronan.

ATRIUM LJUNGBERG AND HUMLE-**GÅRDEN BUY AT NORRA STATION**

In a joint acquisition, Atrium Ljungberg and Humlegården have bought the office property Blästern 6 at Stockholm's Northern Station. The seller is Alecta and the purchase price 614.8 million kronor. The building totals 24,600 m2 and the current vacancy is around 10%. The property also has 215 parking places. Atrium Ljungberg's share of the price is 307.4 million kronor and Humlegården's the same. Atrium Ljungberg also co-owns, with Länsförsäkringar Liv, the properties Blästern 11 and Blästern 13.

NIAM PURCHASES PARTS OF VASAKRONAN

At the beginning of July AP Fastigheter bought the whole of the property company Vasakronan. A total of 172 properties were included in the deal. Subsequently, 40 of these properties and one other property

Top ten Sweden 2	2008		
Buying co.	Sales co.	Object	Purchase price
AP Fastigheter	Vasakronan	The whole of Vasakronan including 172 properties	SEK 41,1 billion
Klépierre and ABP	Canica AS	Swedish part of Steen & Strøm	SEK 7,8 billion
Niam	AP Fastigheter	41 properties in Stockholm, Goth- enburg, Malmö, Uppsala and Lund	SEK 7 billion
Pembroke Real Estate	Cardinal Capital Partners	The properties Hästen and Putten 15 in Stockholm CBD	SEK 4-5 billion
Valad Continen- tial Partners	Alecta	A property portfolio containing 34 properties in south and central Sweden	SEK 2,4 billion
Special fastig- heter	Vasakronan	Försvarets Materielverk and Rådhuset	SEK 2,32 billion
Akelius Fastig- heter	Diligentia	AB Täbyhus including 17 residential properties with 2300 apartments	SEK 2,3 billion
Aberdeen Pro- perty Investors' Pan-Nordic fund	Niam Fund III and Whitehall	8 office properties in Marievik in Stockholm	SEK 2,1 billion
Two housing cooperatives	Boultbee	922 rental apartments in Stockholm	SEK 1,9 billion
Wallfast AB	Svenska Bostäder, Stockholmshem and Familjebostäder	30 properties with 2,116 rental apartments in Stockholm	SEK 1,6 billion

were acquired by Niam in August. The 41 properties total 427,700 m² and the property value of the transaction amounted to 7 billion kronor. This transaction can be viewed as part of AP Fastigheter's purchase of Vasakronan and it was completed at the same price level as AP Fastigheter paid for the properties in July. The properties are located in the cities of Stockholm, Gothenburg, Malmö, Uppsala and Lund.

STAMPENGRUPPEN SELLS **TO KUNGSLEDEN**

Several different companies in Stampengruppen, one of Sweden's largest newspaper owners, are selling eight commercial

properties to Kungsleden. The purchase price, including transaction costs, amounts to 365 million kronor. The properties are located in six towns and include the editorial offices of the newspapers Nerikes Allehanda in Örebro, Norrtelje Tidning in Norrtälje and Västmanlands Läns Tidning in Västerås. The total lettable area is 52,000 m2, which gives a price per square metre of about 7,000 kronor. 37% of the space consists of offices and 56% of production areas. The biggest tenant is the Nordic region's largest printing group, V-TAB. The average remaining length of lease is 6.5 years.

Source: Newsec Advice AB

Top 10 transactions so far in 2008

WHOLE OF VASAKRONAN **ACQUIRED BY AP FASTIG-**

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STEEN & STRØM SOLD **FOR NEARLY 26 BILLION KRONOR**

The French property company Klépierre, one of Europe's largest owners of shopping centres, and the Dutch pension fund ABP have bought the Norwegian shopping-centre company Steen & Strøm for just under 26 billion kronor. Klépierre acquired a 56.1% share and ABP the remaining 43.9%. The seller was the Norwegian company Canica AS, controlled by Stein Erik Hagen. The lettable area amounts to 780,000 m2, over 96% of which is let. The deal also included Steen & Strøm's project portfolio and the company's management of a further 26 shopping centres in Norway and Denmark. The Swedish value of the deal is estimated at around 7.8 billion kronor.

NIAM PURCHASES PARTS OF VASAKRONAN At the beginning of July AP Fastigheter bought the whole of the property company Vasakronan. A total of 172 properties were included in the deal. Subsequently, 40 of these properties and one other property were acquired by Niam in August. The 41 properties total 427,700 m² and the property value of the transaction amounted to 7 billion kronor. This transaction can be viewed as part of AP Fastigheter's purchase of Vasakronan and it was completed at the same price level as AP Fastigheter paid for the properties in July. The properties are located in the cities of Stockholm, Gothenburg, Malmö, Uppsala and Lund.

NORDEA PORTFOLIO ACOUIRED BY PEMBROKE IN BILLION-KRONOR DEAL In July it was announced that

Pembroke Real Estate had purchased 12 office and retail properties located in Stockholm, Oslo and Helsinki. The purchase price is not official but the total lettable area amounts to 190,000 m². In Stockholm, two office and retail properties Hästen and Putten 15, located close to Kungsträdgården and Sergels Torg, were sold. They comprise nearly 90,000 m². The total area in Oslo is 40,000 m² and in Helsinki 60,000 m². The present seller, Cardinal Capital Partners, bought the portfolio for a million US dollars from Nordea in 2004.

ALECTA AND VALAD IN MULTI-BILLION-KRONOR DEAL

The occupational-pension company Alecta sold properties to Valad Continental Partners in a deal worth 2.4 billion kronor. The property portfolio concerned consists of 34 properties located in nine cities and towns in south and central Sweden. They contain mostly office and warehouse premises and the lettable area totals about 258,000 m2. More than half the total area is in Stockholm.

SPECIALFASTIGHETER'S **BILLION-KRONOR PURCHASE FROM VASA-**KRONAN

Vasakronan sold two properties in Stockholm to Specialfastigheter. The properties, whose addresses are Tre Vapen 4 and Fruktkorgen 1, are the buildings of Försvarets Materielverk (the Swedish defence procurement agency) on Gärdet and the Stockholm Court House on Kungsholmen. The aggregate purchase price was over 2.3 billion kronor, split between 1,135 million kronor for Försvarets Materielverk and 1,185 million kronor for the Court House. The National Judiciary Administration is a tenant at the Court House.

DILIGENTIA AND AKELIUS IN HUGE DEAL Akelius Fastigheter bought AB Täbyhus from Diligentia. The deal concerned 17 residential properties with about 2,300 apartments in the municipality of Täby north of Stockholm. The property value of the stock totals 2.3 billion kronor and the total lettable area is 162,500 m². In conjunction with the deal, Täby council and Akelius signed a partnership contract concerning homes for old people and the

disabled. Entry to the properties took place at the end of June.

NIAM AND WHITEHALL SELL IN MARIEVIK

Aberdeen Property Investors' Pan-Nordic Fund bought eight properties in Marievik in Stockholm.

The sellers were Niam Fund III and Whitehall Street Real Estate Funds. The properties have a total of around 70,000 m2 of lettable area, about 90% of it offices. The value of the transaction amounted to 2.1 billion kronor.

BOULTBEE SELLS APARTMENTS FOR NE-ARLY 1.9 BILLION KRONOR

When Boultbee purchased CentrumKompaniet from the City of Stockholm last year, it acquired some 1,200 rental apartments. In the spring of this year, Boultbee then disposed of 534 apartments located in Fältöversten on Östermalm and 388 apartments located in Ringen on Södermalm, all in Stockholm. The buyers were two newly formed housing cooperatives. The underlying property value amounted to 1.9 billion kronor. In order to be able to implement the sale of the apartments, three-dimensional registration of the property parcels was used since there were retail areas at street level in each property. The total area involved was about 88,000 m², of which about 3,600 m² were commercial premises.

CITY OF STOCK-**HOLM UNDERTAKES RESIDENTIAL SALES** In three separate

transactions Wallfast, Ikano Fastigheter and Stena Fastigheter bought a total of 4,224 rental apartments in Stockholm. The sellers were the three municipal housing companies Svenska Bostäder, Familjebostäder and Stockholmshem, all of which are owned by the City of Stockholm. Ikano acquired 1,451 apartments in Högdalen and Rågsved for 940 million kronor, Stena bought 657 apartments for 328 million kronor in Hägersten, Sätra and Vårberg, while Wallfast bought 2,116 apartments in Hässelby for 1,605 million kronor. A number of requirements were imposed on the purchasers: long experience of residential management, responsible longterm ownership, clear focus on customers, explicit interest in contributing to the development of the whole district, and a stable financial position.



We look after your interests in Sweden

The Swedish Property Federation is a highly pro-active trade organization promoting a very efficient real estate market in Sweden. Our 20,000 members represent the entire spectrum of the property industry, owning or managing premises and rental apartment buildings, industrial properties and tenant-owners' associations.

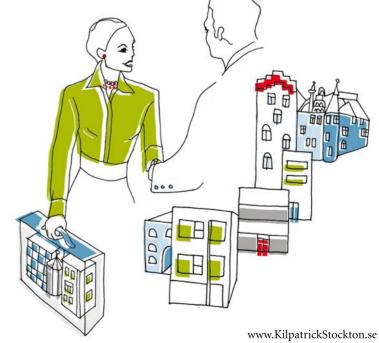
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The Legal 500 Europe, 2008

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THE PROJECT DIRECTOR. Lennart Persson is Director of NKS-förvaltningen, whose task is to carry out the PPP procurement of Nya Karolinska Solna. He will also be reviewing the hospital's medical activities and creating conditions to make the whole project as good as possible.

Time for **PPP**

Sweden's first true large-scale Public/Private Partnership (PPP) project, Nya Karolinska Solna, is just being launched. The total investment is estimated at over 14 billion kronor and the total floor area at 335,000 square metres. We have discussed it with the Project Director, Lennart Persson.

PPP projects (known as OPS, 'Offentlig Privat Samverkan', in Sweden) have been common elsewhere in Europe for some years, especially in Britain which has pioneered them. But in Sweden







FACTS ABOUT NYA KAROLINSKA SOLNA:

- The first medical activities are planned to start in December 2015.
- There will be 800 beds in total, including a patient hotel.
- Estimated patient throughput: 1,600 patient visits a day, including about 175 acute cases.
- The hospital is expected to have 6,000 staff plus around 1,000 researchers and students.
- The gross floor area is estimated at 335,000 m² including existing laboratories, with options for expansion.
- The investment cost is estimated at 14.1 billion kronor including construction, the Council's development costs, credit costs, demolition etc. The total does not include hospital equipment. (All figures at 2007 monetary values.)

projects in Sweden

they have been slow to take off. At least, until last spring when the Stockholm County Council decided to give the go-ahead for private financing of the Nya Karolinska Solna (NKS) university hospital. The project covers more than just a new hospital; it involves creating a whole new district of the city. The total investment in the hospital is estimated to amount to 14.1 billion kronor. Preparations for the PPP procurement are now in hand. On I March this year it was also decided to set up a new administrative organisation, NKS-förvaltningen, with the task of taking responsibility for the subsequent work of building a new university hospital.

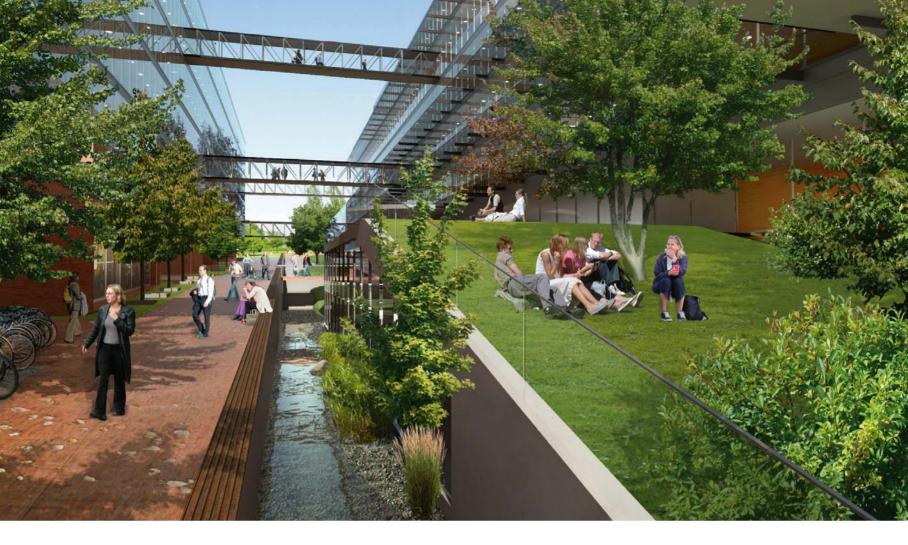
Lennart Persson is Director of NKS-förvaltningen and he talked to us about what will happen now and the advantages of handling it as a PPP project.

What is the background to Nya Karolinska Solna?

- It's very simple: the hospital today is in poor condition and is built on outdated principles. The hospital's activities are currently carried out in 40 different buildings scattered over a very large site. The logistics are dreadful since there are masses of different activities in different buildings. Overall it represents a poor working environment and an unsatisfactory patient environment. With the new hospital we can regain control of all these things.

What is your role in all this?

- I am Director of NKS-förvaltningen, which will be implementing the PPP procurement. But I shall also be reviewing the



hospital's medical activities and creating conditions to make them as good as possible.

Why is Karolinska suitable to be handled as a PPP project?

- There are several reasons. One is that it is a very large project, and it's important to have some predictability. Another is that it is a complicated project. PPP increases the chances of achieving the targets. International experience shows that PPP produces a more efficient project.

What are the advantages of a PPP project?

- Large building and urban development projects in Sweden have had a tendency to become more expensive and run later than scheduled. Analysis of our experience shows that PPP projects are generally completed before the set time and keep to their budgets. The risks are also reduced because risks are divided between the commissioning body and the PPP company. In our case the County Council is focusing on running the health service and not on implementing building projects.

How will Stockholmers become aware that they have a PPP project?

- They will get Sweden's most modern hospital with a superb standard of care. Among other things, all patients will have sing**II** PPP projects are generally completed before the set time and keep to their budgets.

le rooms. Later they will notice too that there is new city district centred on the hospital as its hub. And the building itself will be very beautiful.

What is the next stage in this project?

- We are currently working to describe the hospital in functional terms. We are drawing up a tender document which is expected to be ready in March 2009.

Do you think that Nya Karolinska Solna will open the way for more similar projects in Sweden?

- Yes, I firmly believe that it will. This is the first true large-scale PPS project in Sweden and I am sure that it will be followed by many similar large projects. These may be other hospitals, prisons and other major projects.

Who will be doing the building?

- I don't yet know that. We shall be going out to tender in March 2009. But it is a level playing field for everyone and they will be judged against criteria that are defined in advance and transparent. So the process will be fair. The crux of it is that whoever can best fulfil our goals will get to do the building.

Sweden is far from China, Tanzania and India.

Still people in these countries choose to work with us.



A whole city in Northern

In the north of Sweden a city development project on a gigantic scale is in progress. It involves moving large parts of the city of Kiruna. In many ways this is a completely unique undertaking which is giving everyone concerned the opportunity to build anew the city they want to live in in the future.

When Kiruna was built the first time it was a civic project that attracted a lot of attention. Everything then revolved about creating the right conditions for ore mining. Just as in the great gold rush in America, a society grew up around a lucrative business. But the great difference was that Kiruna was created to controlled designs and with the vision of becoming a show city. More than a hundred years later the chance has arisen again.

- This time the planning of the city will be the other way round, says Christer Vinsa, Kiruna City Council's Project Manager for the city's transformation project. "We are currently constructing the infrastructure first. It is absolutely vital that the new railway extension is completed in 2012, and the new extension to the

We want to create a spectrum of alternative styles for residences, workplaces and services.

E10 highway is expected to be ready in 2014. These are the most important items, together with discussion of the ideas put forward about how we want our new city to appear. People travelled to the moon back in 1969, so moving house from one place to another is not a big deal.

BEFORE IT IS POSSIBLE to start building new houses and moving from the old ones to the new, all parties must plan how the new residential areas and the city centre are going to look. Kiruna's City Council therefore decided at the end of 2004 that the Council should produce a new city plan for the central part of Kiruna. In the late winter of 2007 the City Council decided to adopt the new in-depth survey plan, and this will be the primary reference document when the new districts are built.

- We have already built Show City 1, Vinsa says. Now we have the chance to build Show City 2 and at the same time take advantage of all the opportunities that it offers. The mining company LKAB remains immensely important to us but we need to find new opportunities too. It is crucial that we can offer people something that makes them stay up here in the north. We need to have more cornerstones than LKAB to stand on. We already have a well developed space industry, and the tourist industry is another source of income. Now that we have the opportunity to plan anew, it is important that we also find places for other businesses that may be interested in setting up in Kiruna.

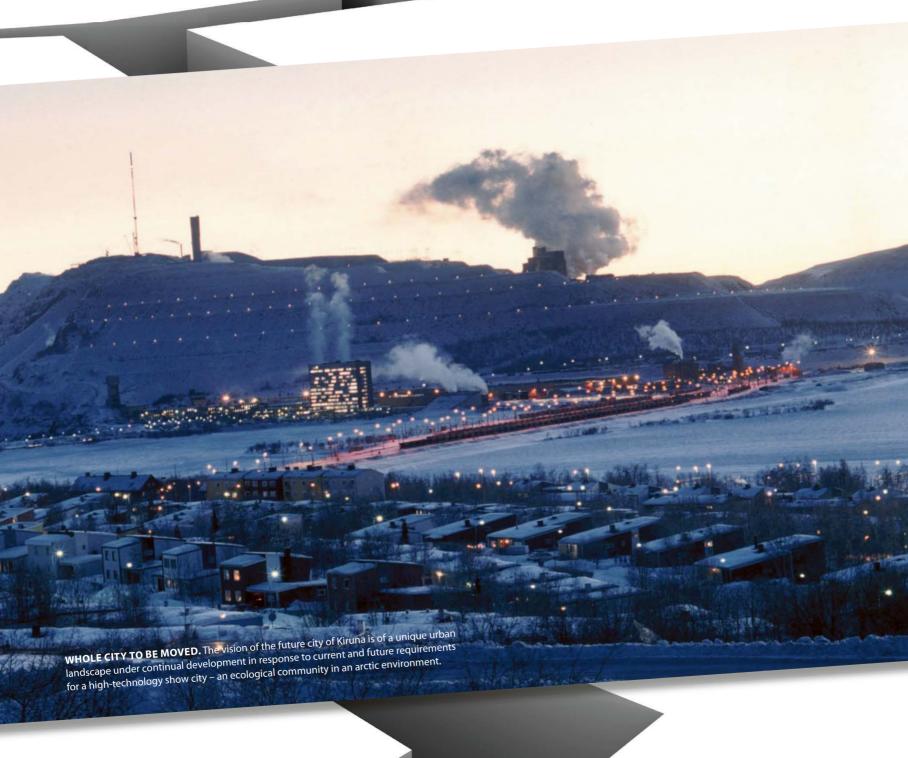
WHEN KIRUNA WAS CREATED over a hundred years ago, it was based on the first true city plan to take account of the arctic climate and unique geographical circumstances. That was a major event in its time; now the new development is world news that is attracting visitors from all corners of the earth.

- We have had visitors from pretty well all parts of the world, Christer Vinsa says. And the one thing common to them all is that their main interest is not how we are going to progress it purely practically. What everyone is most interested in is how we are setting about it. And the opportunities are truly fantastic. We are not just developing the city to suit the geographical conditions. We must build a society for the future. So everyone involved must be offered a lot of choices. There must be different places for different types of establishment, varying according to ideas and taste. We want to create a spectrum of alternative styles for residences, workplaces and services.

IT MAY SOUND DRAMATIC that cracks are slowly but surely creeping towards the city, but up to now Kiruna's buildings have not been overhanging a gaping hole. On the industrial estates just outside the city it is possible to see cracks in the ground, but this is not part of the citizens' daily life. The cracks are spreading in an easterly direction towards the city and will progressively D



Sweden to move







reach the railway, buildings and roads. LKAB's company hotel, part of the E10 highway and Hjalmar Lundbohmsgården will be affected between 2013 and 2017, and the first families from the 150 apartments in the Ullspiran district, plus a dozen people living in villas, must also be found new homes in the same period. Then the fire station and City Hall will be involved. After 2023 another couple of hundred apartments, some villas, the LKAB company school and Hjalmar Lundbohm School will be affected. During this decade it looks as if a large number of homes, together with places such as the Lombia sports ground and Kiruna church, will become affected. It is estimated that by 2033 a total of some 3,000 people will have to move to new homes outside the crack zones.

IT MAY SEEM that there is plenty of time before any encroachment occurs that directly affects the city's population. But since there is no guide to how things will progress, it is important that the process should allow time. And although a survey plan exists, it is important that flexibility for future changes should continue.

- A vision is always a vision. It is not possible to foresee everything that will happen, says Lennart Thelin, Managing Director of the property company Fastighets AB Malmfälten. What is indisputable is that the railways and the E10 highway must be moved and rebuilt. We also know that the time will come to move a number of the properties that we own. We have more than 1000 apartments with about 2500 tenants who will be affected by the transformation of the city. Some of these tenants will also be among the first to move.

Fastighets AB Malmfälten is owned by LKAB and is a major property owner with external tenants, most of whom rent apartments. LKAB will naturally be involved in finan cing large parts of the forthcoming city transformation.

- It is obvious that when ore-mining operations have an impact on our natural environment and the city, damages occur that must be compensated. And any harm that we cause we must naturally put right in some way, Thelin says. In terms of transporting our ore it is naturally of the greatest importance that the railway is operating. But the railway is also a communication link to the outside world. So when the new extension is completed a new travel centre will also be built. At the same time it is important that we play an active part in closing down the areas that are affected while also helping to create fertile soil for the new city.

But just as when trying to foretell how the market will develop, it is equally difficult to know exactly when the times will come when the physical removals take place. Some investments in the future infrastructure have already been made in the form of new floodwater channels, and plans for new water and sewage pipes are in hand. It is clear that LKAB will go on mining iron ore, but no one really knows how the economic outlook will appear in the future.

- We are earning good money at the present time and have made comprehensive investments for the future, Lennart Thelin concludes. And our involvement in working with the new Kiruna depends, of course, on our continuing to mine ore. But LKAB's financial future is governed by the external situation in the world.

KEY CONCEPTS IN THE CITY TRANSFORMATION:

- · An ecologically responsive community of the future.
- A modern show city based on Hjalmar Lundbohm's ideas - a city that sets out to live up well to the requirements of the age, especially in terms of environmental sensitivity, new technology, energy systems and sustainability.
- Good indoor climate control.
- Environmental assets such as lakes and watercourses close to built-up areas
- A goal of clean air, so that known emission sources are eliminated.
- · A harmonious city environment with a mixture of residences, services and workplaces well served with infrastructure for good access, with a network of streets, pedestrian and cycle ways and public transport systems.



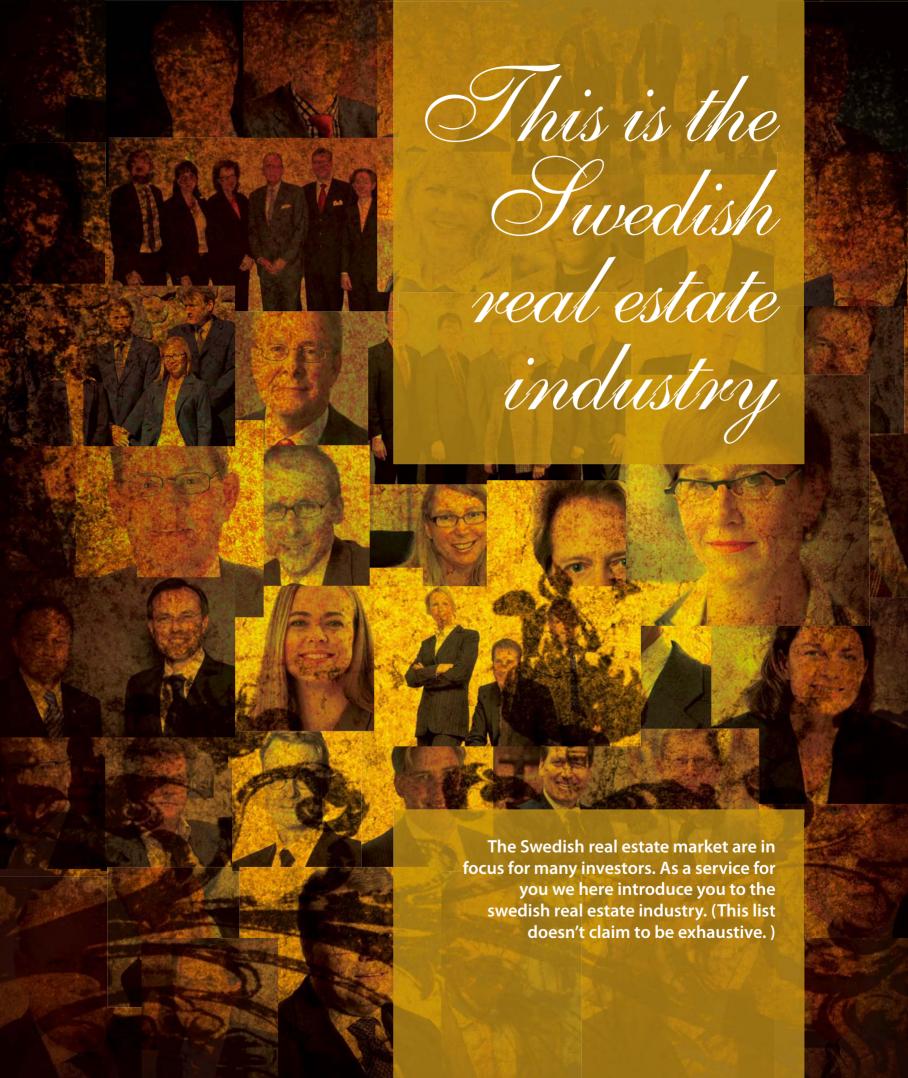
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REAL ESTATE CONSULTANTS



Management team

DTZ is a leading global real estate adviser. In Sweden, 70 persons in 3 offices deliver valuation, capital markets, and occupational and development services. The company was ranked the best workplace for Camaraderie in 2007 by Great Places to Work. Additionally, the managing director, Agneta Jacobsson, was named Real Estate Woman of the Year by Fastighetsägarna Stockholm.

During 2007 DTZ was involved nationally in approx. SEK 25 billion worth of transactions. Examples of transactions include advising on the acquisition of Centrumkompaniet's portforlio of 10 retail properties for Boultbee and a disposal for DB Real Estate Investment

The valuation team carried out SEK 325 billion worth of valuations. The management team is Agneta Jacobsson, MD; Jan Rosengren, Head of Investment Acquisition; Sven Erik Hugosson, Head of Valuation; Fredrik Lidjan, Head of Investment Coverage; Mikael Holmström, Head of Investment Sales: Thomas Källström, Head of Occupier Services; Maria Krumlinde, Head of Office Agency.

Catella



Catella is the leading provider of advisory services on the Swedish market as regards property transactions and property-related

services within equity capital markets. We provide all of the expertise required for implementing complicated transactions. Our sixty-strong staff is located at offices in Stockholm, Gothenburg and Malmö. Catella's clients are primarily

listed property companies, property funds, institutional owners, municipal and private property owners, as well as major property users. In Sweden the Catella property team is lead by Lennart Schuss, MD at Catella Corporate Finance. An example of a successful transaction was when Catella in January 2008 advised Niam and Whitehall in the selling of the office portfolio Marievik to Aberdeen. The purchase price was approximately SEK 2.1 billion.



Marie Bucht

Newsec is The **Full Service** Property House in Northern Europe with 18 offices in 7 countries. Newsec offers services to property investors

as well as corporate clients who lease or own premises for their own use. The company has over 600 professionals and has recently been advisors in transaction deals with a value of over 9 billion euro. Annually Newsec valuates properties for more than 65 billion euro and manages over 1000 properties with a total value of 10 billion euro. During the last twelve months, Newsec has launched two new branches, Newsec Energy and Newsec Corporate Finance. Newsec Energy has built a unique solution to reduce the cost of energy in a property by 60-80 per cent, thus increasing the value of the property. The solution uses heat pumps configured to serve both heating and cooling needs. It builds on traditional heat pump technology that for long has been available for private homes but is further developed to suit commercial buildings. In addition to the heat pump technology the company also installs advanced control systems to optimize performance. The combination of these technologies is unique in the market.

Newsec Corporate Finance is a financial services company which delivers capital market services to the Stronghold Group's broad network of clients within the real estate industry.

The company operates within three market segments; real estate, infrastructure and energy. The clients are primarily located in the Nordic region and include public and private companies, financial investors and government-related entities. Newsec Corporate Finance has advised on transactions

with a combined transaction volume in excess of SEK 50 billion to date.

Jones Lang LaSalle



Charlotte Strömbera

Jones Lang La-Salle is the Nordic region's leading real estate service firm with 150 specialists offering expertise in all areas of the real

estate industry. For owners, investors and occupiers who strive to succeed in their business, Jones Lang LaSalle offers a wide range of services and expertise: the Swedish teams headed by Daniel Gorosch, Capital Markets; Mikael Wallgren, Agency Leasing; Ken Strand, Tenant Representation; Graham Howat, Asset Management and Retail Development. In 2007, we leased out more than 100,000 sgm and acted as an advisor in transactions to a value of more than SEK 8 billion. Jones Lang LaSalle has approximately 1,000,000 sqm of property under management of which about half is retail property. With our international network and local specialists, Jones Lang LaSalle uses its vast access to knowledge and powerful analysis tools to ensure that the real estate players are always one step ahead of the markets. Charlotte Strömberg is the CEO of Jones Lang LaSalle in the Nordic region.



Martin Tufvesson

Savills Sweden AB's team of highly experienced professionals provides a wide range of expertise to both local and inter-

national clients. They offer advanced advisory services including property sales, investments, corporate finance, valuation, analysis and due diligence. Savills Sweden AB is the Swedish subsidiary of Savills plc, listed on the London stock exchange. Savills plc is a leading property advisor with businesses in Europe, US, Asia and Australia and through partnership in Africa. Being part of the international Savills Group facilitate the business to draw upon advice relating to property investors from rest of the world, and provides a broad client base to support the services in Sweden. Additionally, our Swedish clients can benefit from the vast knowledge of the property market that has been accumulated in Savills over the past 150 years. Savills have about 18 000 employees around the world and currently 19 in Sweden. The management team is Martin Tufvesson Managing Director, Greger Hedlund Head of Sales and Investments, Jonas Winter Project Manager, Ulf Nilsson Head of Corporate Finance and Lars Rickardson Head of Valuation & Analysis.



Johan Elfstadius

Colliers International is one of the world's largest property consultants present in 57 countries, with 267 offices. In

Sweden we have offices in Stockholm, Göteborg and Malmö with 50 property advisors engaged in increasing value for investors, property owners and tenants in the commercial property market. Johan Elfstadius is the Managing Director based in Stockholm.

Colliers specialises in commercial properties and premises in the markets retail, office, residential and logistics & industrial. In all markets we work integrated between our service lines and offer expertise that is locally deep and globally wide. Our service lines are property sales, property acquisition, development & leasing, asset management and retail brokerage.

Examples of Colliers unique crossborder organization are Nordic Land's retail portfolio of approximately SEK 740 million where Colliers identified an off-market investment opportunity and later was given the management and leasing assignment. Other successful examples, but not off-market investment opportunities, have been with AXA REIM and Standard Life. Recently Colliers advised Credit Suisse in the acquisition of the office property Hilton 6 in Solna outside of Stockholm. The property consists of 5 300 sq.m. and is fully let to SJ, Sigma, Epsilon and Swedbank. Also Colliers Logistics & Industrial advised KF Fastigheter in selling two logistic properties of 55,000 sq.m. in Växjö. Seven industrial properties in Stockholm have been sold on behalf of an anonymous seller consisting of approximately 38,000 sq.m. to a value of SEK 300,000,000.

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NAI Svefa



NAI Svefa is one of Sweden's leading property consultants with 18 offices throughout the country. Through membership in

NAI Global (consisting of 8000 professionals working out of 350 offices in 55 countries throughout the world), NAI Svefa can also offer a vast array of services on the international property market. Over the past few years NAI Svefa has widened their activity and offer today a broad range of consultancy services on the real estate market. NAI Svefa consists of approximately 120 employees and the Operating Managers are: Lennart Weiss (CEO & Transactions), Per Wieslander (Valuation&Analysis), Marianne Carlbring (Property Development), Peter Möller (Digital Services) and Joachim Bozorgnia (Corporate Real Estate Services).

TP Group



TP Group is an independent consultancy company offering services to operators and owners within the Real Estate industry.

Characterized by staying receptive to the clients needs and by identifying creative and long-term solutions, TP Group keeps the commission in focus while working in partnership with the client. Each commission is unique, and TP Group's services are tailor-made with the projects specific prerequisites in mind. Profound knowledge of the strategic, cultural, technical and commercial aspect of the Real Estate industry places TP Group's consultants at the forefront, enjoying extensive experience of both large and small scale clients, as well as local and global markets. Through continuous strategic expansion, as well as the acquisition of strong brands, and by connecting valuable key individuals to the team, TP Group comprises today of 120 consultants based in three countries, managing projects throughout the Nordic and Baltic region.

The owner of TP Group is NIRAS, one of Denmark's most highly respected consulting engineering companies.



Leimdörfer is a leading Nordic investment bank specialised on property transactions. Founded in 1992, the company has

more than more than 80 employees with offices in Stockholm, Helsinki and Oslo. Leimdörfer offers property related financial and strategic advisory services within four business areas: Transactions, Corporate Finance, Financing and Strategic Advisory. In 2007, Leimdörfer executed more than 50 property transactions with an aggregate value of approx. €3 billion. Notable transactions included e.g. the €330 million divestment of prime shopping centre Iso Omena in Helsinki for Doughty Hanson and the €430 million divestment of a Swedish logistics portfolio for Kuwait Finance House. Leimdörfer has a particularly strong market position in public transactions as lead financial adviser in 10 of the latest 18 public-to-private property transactions on the Swedish stock market. In April 2007, Leimdörfer and Norwegian property adviser Glitnir Property Group (former Union Group) merged.



Aberdeen Property Investors is the specialist property division of Aberdeen Asset Management PLC, a global investment ma-

nagement group listed on the London Stock Exchange, which manages around €140 billion of assets in equities, fixed income and property.

Aberdeen Property Investors manages over €30 billion of property assets in Europe, Asia and North America through property funds and separate account mandates, making it one of the top 10 global property investment managers.

Clients are solely third party clients and primarily institutional investors, such as life insurers and pension funds. They are served by more than 800 professionals at offices in 11 European countries, as well as in Singapore, Hong Kong and Sydney. Their mission is to facilitate domestic and international investment exposure to property by offering a comprehensive range of investment products and services. These are all supported by a rigorous investment process, best-in-class research and local active management.

ISS Property Services



Anders Borggren

ISS Property Services can provide a long list of services that help the investors to reach their goal to optimize the yield. Leave the

daily business, the property management, to them and focus on the asset management questions. Their services range from building and technical service, landscaping, construction, architects, accounting, real estate law and project management. The services can be combined in order to fit the needs of the customers. From single services or as a complete solution focused on resource optimization. Scalable solutions that help the investors to move fast on a turbulent market.

Investors that have properties, or seeking investments, in the Nordic countries, can turn to them. ISS Property Services has large activities in Finland, Norway and Denmark apart from Sweden. One single point of contact and a homogenous way of reporting the activities. Their reporting platform is somewhat unique for the business. During the last two years ISS Property Services has invested ina modern business intelligence platform based on the Microsoft technology.



Magnus Ungmark

CB Richard Ellis is the global leader in real estate services with more than 350 offices in over 50 countries worldwide. With approximately 50

specialists in Sweden CB Richard Ellis provides real estate owners, investors and occupiers through offices in Stockholm and Gothenburg offering services within Agency, Capital Markets, Corporate Services, Research, Retail and Valuation Advisory. Each year, thousands of successful assignments are completed with clients

from the gamut of industries. This volume creates market knowledge that allows seizing opportunities, speeding the business process and creating the most thorough, precisely accurate picture of global commercial real estate conditions and trends. Every day, in markets around the globe, CB Richard Ellis' specialists apply their insight, experience, intelligence and resources to help clients make informed real estate decisions. CB Richard Ellis does not exist without their clients - and will never lose sight of this fact.

CB Richard Ellis is the only commercial real estate Services Company named one of the 50 "best in class" companies by BusinessWeek, and was also named one of the 100 fastest growing companies by Fortune. Magnus Ungmark is the Managing Director in Sweden.



Håkan Söderavist

Forum Fastighetsekonomi (Real Estate Economics) is one of the leading real estate valuation and advisory companies in

Sweden. They are over 20 consultants (education at least at level of Master of Science). Forum is one of the founder of International Property Partners (IPP). The offices are located in Stockholm, Nyköping, Östersund, Norrköping, Göteborg and Malmö. They are certified appraisers.



Maanus Lanae

Cushman & Wakefield assist clients in every stage of the real estate process, representing them in the buying, selling, financing,

leasing, managing and valuing of assets, and providing strategic planning and research, portfolio analysis, site selection and space location, among many other advisory services. By continually seeing past the immediate "deal" and instead determining the highest and best use of property in every situation, in every corner of the world, they provide the greatest maximum opportunity for owners, occupiers, and investors, as well as their communities and society as a whole.

CONSULTANTS - RETAIL

Centrumutveckling*



Fric Lind

Centrumutveckling is fee based property development consultants for shopping centres, and work from initial

concept to project completion with total project management, concept development, letting, architecture, design and administration. They are also a management and specialist consultancy that can contribute their considerable specialist expertise in sub-projects, and offer investment advice when buying and selling shopping centres. Centrumutveckling have a staff of 80 specialists including the management team of, Eric Lind, Helena Liljedahl, Inger West and Patrik Schöldström. Centrumutveckling's head office is in Stockholm with subsidiaries in Gothenburg, Malmö, Moscow and Kiev. Centrumutveckling have close to 40 assignments and projects in Scandinavia, the rest of Europe incl. Russia, Ukraine, as well as Asia.

*Their offices in Moscow and Ukraine are branded as Centrum Consultants.

NCM Donaldsons



NCM Donaldsons is a group of companies active in Sweden, Norway and Denmark. The group is part of Donald-

sons Europe with approximately 800 consultants in 14 countries. NCM Donaldsons has 35 years of experience of retail and shopping centre development as well as property management.

NCM Donaldsons generally refer to themselves as executive consultants. By this they mean that they not only offer theoretical consultancy services but also facilitate the practical operations for the implementation of each assignment. Their four areas of business are Development Consultancy, Asset Management, Property Advice and Tenant Representation.

NCM Donaldsons have in Sweden

35 employees, and the management team is Christer Larsson, Stefan Lindqvist, Marie Hallberg, Marie Hedlund and Lars Toll.



Anders Ekwall

RSD assists property owners with strategic consultancy for the succesful and secure asset management of retail properties.

They focus on creating Retail experience to optimize the value of the property. RSD illuminate the hidden values with project developments. RSD have a staff of 11 persons and are currently invoved in a recruiting process for all their ongoing projects. The leading consultants at RSD is Anders Ekwall and Eva Hanslin. RSD have recently assisted Standard Life in their second acquisition in Sweden with Neighbours II.

AUDITING BUREAUS



Andreas Adolphson

Deloitte is one of Sweden's leading professional services firms, employing 1 000 people in 30 offices throughout

Sweden. Deloitte deliver worldclass assurance and advisory, tax, and consulting services. Some of Deloittes prominent advisors are Joachim Agrell, Eva Lindberg and Andreas Adolphsson. Deloittes turnover concerning the real estate market last year was approximately 100 millions Swedish kronor. Recent real estate transaction clients of Deloitte include amongst others The Carlyle Group and GE Real Estate.

KPMG



Björn Flink

KPMG Sweden is one of the countrys leading professional services firms in the area of financial information. As a member of KPMG International they are part of one of the leading global networks of Audit, Tax and Advisory professionals, KPMG aim to turn knowledge into value for their clients by offering professional services that meet the highest demands in the marketplace today. KPMG have some 123 000 employees in 145 countries. In Sweden they are 1500 co-workers at 60 offices spread throughout the country. KPMG Sweden's long lasting and strong presence in the real estate industry is manifested by the fact that KPMG audit major swedish property companies such as Balder, Castellum, Hufvudstaden, Kungsleden and Stena Fastigheter, and that during 2007 KPMG Sweden also advised a number of leading domestic and international real estate investors on transaction-oriented issues. Through KPMG's strong international network they have instant access to the most current information on important international industry development issues such as the development of REIT regimes and the evolving property derivatives markets.



Henrik Steinhrecher

Öhrlings PricewaterhouseCoopers is Sweden's leading professional services firm, with 3,000 staff members in 125

offices spread across the country. This ensures a geographical coverage and range of expertise that few can match. In addition to auditing, our services include accounting, risk management, tax advisory services, corporate finance and advisory services. Our Real Estate Industry Group offer some of Sweden's most experienced specialists within the areas of financial analysis, valuation, deal support, real estate economics and strategy development advisory services. Our integrated industry approach ensure you to stay one step ahead when it comes to complex transactions and decision-making in local or international business environments. Across our network, more than 140,000 people in 149 countries share their thinking, experience and solutions to develop fresh perspectives and practical advice in order to create added-value for their clients.

LEGAL FIRMS



Klas Wennström

Mannheimer Swartling has the ambition to be the leading firm as regards real estate transactions and related

legal issues in Sweden. By gathering more than 50 lawyers in the real estate group, we provide a combined knowledge of all relevant legal areas. thereby giving our clients acsess to a team of lawyers with a clear focus on creating business value. The number of transactions we advise on year after year is a guarantee that the lawyers are updated on all the latest developments and challenges in the Swedish real estate market. We also have a strong presence in other European real estate markets, such as the German and the Russian markets. Our client base include major real estate companies, real estate developers, real estate funds and financial owners, states, municipalities and many more. The real estate group is lead by Klas Wennström (Stockholm), Jesper Prytz (Göteborg, chairman of the group), and Johan Granehult (Malmö).

During 2007 Mannheimer Swartling advised on real estate transactions to a value of SEK 58 billion. Two highprofile transactions were

- 1) the disposal of two real estate portfolios to Sveareal AB, owned mainly by Orkla Finans Kapitalförvaltning ASA in Norway, Property value (4 750 MSEK) and the number of properties (82 commercial properties in Sweden) made this transaction one of the highlights of 2007. Partner in charge of the transaction at Mannheimer Swartling was Klas Wennström.
- 2) the creation of a new real estate company, Platzer Fastigheter, on behalf of Länsförsäkringar, Brinova Fastigheter and Ernströmgruppen. The three owners set up this joint venture as a basis for further expansion. The initial property value amounted to SEK 3,5 billion. Partner in charge at Mannheimer Swartling of the transaction was Jesper Prytz.

Σ



Ian Lithorn

The Stockholm office of Glimstedt, led by managing partner Jan Litborn, has specialized in real estate transactions

since for many and that makes Glimstedt one of the foremost and dependable firms in this area of practice. The legal firm Glimstedt is, with its twelve offices in Sweden and three in the Baltic States, proudly one of the leading business law firms in Sweden. Their overall objective being to continuously supply their clients with appropriate and efficient advice based on the client's specific needs in order to arrive at constructive and useful solutions, leading to successful business deals. Glimstedt has a total of 215 employees including 30 specialising within the real estate area. During 2006 financial year they were involved in transactions valuing SEK 52 billion. One of the more prominent cases was the stock exchange quotation of Din Bostad from the acquisition of Tripep AB, valued at SEK 4 billion. Glimstedt assisted Din Bostad on this occasion.



Stefan de Hevesy

Vinge's property and environmental law group is considered one of the most prominent in Sweden. Their clients include Swedish

and international property companies, traditional industrial companies, and governmental authorities. They also represent several international investment funds and parties, including financial institutions, rating institutes and others. Vinge have a total of 330 lawyers, with around 30 being specialised in the property and environment field. The leading lawyers of this group is Stefan de Hevesy and Patrick Forslund. During 2007 Vinge was involved in assignmnets valued at SEK 68 billion. Some primary representations that Vinge has been involved in during 2007/2008

· advising Stockholm Stadshus AB on the sale of the shares in Centrumkompaniet i Stockholm AB.

- advising Government of Singapore Investment Corporation on the acquisition of Kungshuset in Stockholm.
- advising Eurocommercial Properties on the acquisition of the shopping centre 421 in Högsbo outside Goth-
- · advising Sveareal AB on the acquisition of a large property portfolio from Kungsleden AB.
- advising the German fund CS Euroreal, managed by Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, on the acquisition of part of the property Solna Hilton 1 from Mengus.
- · advising Klépierre and ABP Pension Fund on the acquisition of Steen & Ström.



Cederquist is a leading business law firm in Sweden and is consistently acknowledged as being a top tier legal service

provider. Over the past years, the firm's real estate practice has acted for vendors and investors in several of the largest real estate deals. The real estate practice works in close cooperation with the firm's banking and finance group, which holds an unparalleled position as legal adviser in the market for real estate finance and real estate securitisations. The firm comprises approximately 75 lawyers, of whom about a dozen constitutes the real estate practice. The leading lawyers for the practice are Erika Åslund, head of the group, and Martin Rosell. During the last 12 months Cederquist has been involved in property deals to a value of SEK 73,388,000,000 and and real estate financings to a value of SEK 40,180,000,000, respectively. Cederquist acted for example as legal advisers to Boultbee in its acquisition from Stockholms Stadshus of CentrumKompaniet, holding ten shopping centres in Stockholm, and as counsel the Swedish Government in its divestment of Vasakronan, Sweden's largest commercial real estate company.



Patric Olofsson

MAQS Law Firm is a groundbreaking and dynamic full service firm within the field of business law. Their integrated and

tailored teams provide concrete total solutions that develop and protect the business affairs of both Scandinavian and international companies. At MAOS there are more than 220 people working in Denmark, Estonia, Poland and Sweden. MAQS offices are located in Copenhagen, Gothenburg, Malmo, Stockholm, Tallinn and Warsaw. In Sweden there are 145 employees, with 90 of them certified lawyers. The leading real estate lawyer of the firm is Patric Olofsson. Last year MAQS Law firm Acted in three of the six largest property transactions and was involved in transactions to a value of SEK 51 billion.

Amongst them being where MAQS and Ashurst in London acted for London & Regional on the AIM-listing of a group of Swedish, Finnish, Danish and Lithuanian property companies. Market value SEK 10,5 billion.

MAOS also acted for a IV between GE Real Estate and London & Regional in their sale of logistics properties to Northern Logistics Properties. SEK 4,8 billion. Furthermore, MAQS acted for Locellus in the restructuring and reverse takeover of the listed company Din Bostad Sverige. SEK 4,1 billion.

Kilpatrick Stockton Law Firm



Fredrik Ahlavist

The Stockholm office of Kilpatrick Stockton has established a position as a leading firm for Real Estate M&A and

Construction, Institutions and large corporations, including several global investment banks and property funds, retain our transactional services on a regular basis. Kilpatrick Stockton pride themselves in staffing their project teams with knowledgeable and experienced lawyers who actively participate throughout the transaction process. There are a total of 35 employees at the Stockholm office, 18 of them specialised within Real Estate M&A and Construction. According to

The Legal 500 Europe, the firm received "some of the most glowing client testimonials of any firm in Scandinavia in any discipline." Last year, the Stockholm office was involved in transactions in the real estate market to a value of SEK 30 billion. This year, the representation by the Stockholm office includes clients such as AXA IM. Credit Suisse, MEAG, Niam Fund IV, RREEF, Schroders and Sveafastigheter.



Rolf Johansson

Linklaters is a leading premium global law firm which specialises in advising on cross border transactions and mergers and acquisi-

tions for many of the world's leading companies, financial institutions and governments. They work in integrated global teams with both Nordic and international clients supporting them in transactions in or out of the Nordic region, 100 lawyers work in integrated practice teams in the Stockholm office to provide legal advice in all areas needed for successful transactions.

The leading property lawyers are Magnus Lidman and Björn Winström. Linklaters has acted on some of the most complex deals in the Swedish market during the past year. Linklaters has for example advised Union Investment, John Mattson Fastighets AB on its sale of three landmark properties in central Stockholm and one property in Stockholm CBD and Morley on its acquisition of property in Kista and Sundsvall. Linklaters also acted in relation to the Vasakronan sale.

Ashurst Law Firm AF



Karim Sahibzada

Ashurst Stockholm opened in January 2007 when AJB Bergh advokatbyrå AB, merged with Ashurst. There are current-

ly 40 lawyers including five partners at Ashurst Stockholm. Jonas Bergh is head of the Stockholm office. The office specializes in company law, Mergers&Acquisitions, private equity, real estate, commercial and corporate, IP/IT, competition/antitrust, employment, banking, leveraged and structured finance, project finance, litigation and arbitration. The real estate department, headed by Karim Sahibzada advises listed and unlisted Swedish and international clients (sellers, buyers or financial backers) on all aspects of real estate transactions. They professionally provide clients with all the legal advice that a real property owner may require, including lease law and other rights of use, planning issues, easements and land subdivision. Ashurst Stockholm continously assist ICA and Kungsleden AB (publ), amongst others, with their acquisitions and divestments.



Lennart Ernstson

Founded 1915, Wistrand is one of the leading law firms on the Swedish market. Wistrand is a full-service

business law

firm covering all areas of law with an emphasis on M&A, Corporate, Real Estate, Dispute Resolution, Energy & Environment and Banking & Finance.

The firm has more than 170 employees in its three offices in Sweden: Stockholm, Gothenburg and Malmö.

The firm's international client list consists of multinational corporations, international banks and other financial institutions.

Wistrand holds a strong position and advises Swedish and international clients on real estate transactions. Their real estate practice offers full-service legal advice covering transactions, due diligence and financing, construction and real estate development, commercial lease issues as well as conflict resolution and other legal issues relating to the acquisition, ownership and transfer of real estate. Their clients vary from listed real estate companies, banks, other financial institutions and investors to real estate entrepreneurs. Lennart Ernstson is responsible for real estate in Stockholm.

Baker & McKenzie



Mauritz Silfverstolpe

Baker & McKenzie Sweden, part of one of the world's leading and most internationally diverse law firms with

a unique global perspective. Among their clients are many of the leading Swedish and international companies, banks and organisations, as well as public institutions. They are part of an extensive European network, linking with offices spanning six continents to provide their clients with a peerless combination of local and global expertise.

Baker & McKenzie Sweden offers the benefit of working with local lawyers who have a strong international outlook, operating within an organisation with a distinctive, business friendly culture and a reputation for quality across the world.

Their Global Real Estate Practice includes more than 175 locally experienced, globally knowledgeable lawyers familiar with all aspects of property development, sales, acquisitions, leases, and the provision of security in commercial, retail, industrial, residential and mixed-development markets.



Eva Westberg

Foyens lawyers regularly assist in real estate transactions concerning individual property units as well as entire real estate companies

and large portfolios. They have a vast experience representing clients in substantive real estate transactions, which gives them knowledge and experience that is important also when assisting in matters regarding smaller objects.

Foyen represent clients not only with acquisitions but also in restructuring real estate portfolios within corporate entities and groups of companies. The advice in such matters do not only comprise agreement negotiations but also financial issues, service agreements, take-overs, employed staff, legal issues regarding tenancy rights, dealing with securities and mortgages, contracts with authorities etc. This makes FOYEN a long-term valuable partner for improving real estate business.



Benat Kärde

Lindhs DLA Nordic is one of the largest fullservice law firms in Sweden. The Stockholm office employs

approximately 100 people, of which 70 are lawyers. They provide a full range of services in commercial law, such as real estate, M&A, corporate, construction, banking and finance. Lindhs DLA Nordic also has specialist lawyers in IT, intellectual property, tax, private equity, litigation, insurance, regulatory, insolvency and employment. The lawfirm is part of DLA Piper Group, an exclusive alliance of international law firms with over 4000 lawyers in 38 countries in Europe, USA, Asia, Australia, Africa and the Middle East. Consistently ranked as the world's top real estate practice by leading industry research firms, DLA Piper Group continues to diversify its real estate practice by expanding is global capabilities through the addition of leading practitioners throughout the world. With more than 550 real estate lawywers throughout the world, the firm provides a full range of transactional and advisory services to real estate-related firms, such as developers, investors, lenders and asset managers. The firm also provides advice relating to acquisitions, dispositions, financing, leasing, entitlements, economic incentives, corporate facilities and related legal services to its clients.



Magnus Björkander

Magnusson has expanded its real estate capabilities with the arrival of partner Magnus Björkander, who is heading the

Firm's real estate practice in Sweden. Magnus Björkander, ranked in Chambers Europe 2007 and 2008 in the area of real estate, has extensive experience advising on a wide range of real estate matters. Also joining Magnusson's real estate team is associate Maria Mastej, with experience in commercial rent and leasing law. Magnusson's real estate department in Stockholm advises listed and unlisted Swedish and international clients on all aspects of real estate transactions including, Real estate acquisition, Development and construction, Leasing and operation, Financing, Litigation and arbitration, Environmental protection and Comprehensive tax advice relating to real estate projects.

With offices in Copenhagen,

Moscow, Stockholm and Warsaw Magnusson offers top-flight legal services for clients operating in the real estate industry in the Baltic Sea Region. Our lawyers are prepared to offer any legal service that may be required in specific real estate transactions, based on our client's needs and expectations.

ARCHITECTURAL FIRMS



Maanus Mever

Tengbom is the third largest architectural firm in Sweden and one of the leading architectural offices based in Scan-

dinavia. Tengbom employs some 180 architects and architectural engineers at offices in Stockholm, Gothenburg, Malmö, Helsingborg, Umeå and Kalmar. The firm is one of the oldest architectural firms in Europe, and has since it's inception in 1906 held its place in the manuals of contempory architectural form as well as on the modern scene.

Tengbom offer a broad spectrum of services; ranging from urban master planning, healthcare and research facilities, offices, retail, commercial, residential and industrial buildings to landscape architecture and interior design and layout. They have great experience dealing with complex schemes and solutions for a variety of clients with a wide array of architectural requirements. Many of these clients are internationally renowned companies such as Astra Zeneca, Ericsson and Canon. Tengbom work also in conjunction with a large number of governmental institutions and authorities including amongst others the Foreign Ministry of Sweden. The Tengboms MD is currently Magnus Meyer. Tengbom has a strong international focus and has recently been involved in a series of complex architectural and urban planning projects in various parts of Europe, Africa and China.



White is one of Scandinavia's leading architectural companies, with 530 employees working at 10 offices in Gothenburg, Stockholm,

Malmö, Linköping, Halmstad, Örebro, Uppsala, Umeå, Copenhagen and Naestved. White has to its credit also one of the strongest brands in the industry.

White see themselves as a large, employee-owned ideas factory. Their owner system acts as an engine, a dynamo, a stabiliser and a direction indicator, all at the same time. Shared ownership means a shared commitment to excellence.

Whites entire range of expertise embraces architecture, urban planning, landscaping, interior design, the environmental settings and project management. Whites CEO is Anders Svensson. A few of the projets White recently work with is a new visitor centre at Läckö castle, residential buildning "Silo" in Gothenburg, a retail area in Gothenburg - Bazaar, the new university hospital at Karolinska, Stockholm, a new architecture school in Umeå and Stockholm Water Front, a new congressbuilding.



Annica Carlsson

Equator is an architectural firm that combines regional as well as international experience with a strong business focus. Their office

gives clients individual advice and ideas throughout the entire design and building process; from initial programming analysis to completed building. With employees coming from all parts of the world, those with exceptional experience, knowledge and creativity, they aim to achieve commonly established goals. With this strong gathering of creative diversity, they are well prepared to meet demands of local and international clients. The results are architecturally successful projects with optimised value for their clients.

Equator Stockholm works with complex projects, always in close collaboration with their clients and con-

sultants, and is well suited to manage complex and large-scale projects with mix-used functions. Currently, Equator Stockholm is refurbishing an existing office building in central Liljeholmen, Stockholm, with newly designed and integrated shopping mall, apartments, and underground parking area. The vision is to infuse more commerce and housing into the neighbourhood to make it livelier and more desirable for the urban dwellers

Adherent to our Equator network philosophy, they also collaborate with Equator Paris on the investment firm East Capital's expansion to Paris, with whom they have designed offices for in Stockholm and Moscow.



LINK signatur is one of northern Europe's largest architecture companies and is a unique alliance. WSP Sweden AB

and Multiconsult AS in Norway are shareholders in LINK, enabling the new company to offer complex and integrated consultancy services. LINK architecture combines large scale projects with fine detail work: from urban planning to interior design, from airports to kindergartens, from hospitals to residential and from general outlines to business relocation.

LINK architecture has a unified staff of around 300 professionals in Sweden, Norway and Denmark.

The size of the new company and depth of their knowledge enables them to handle large scale, advanced projects, whilst their 16 regional offices also work independently for the local market. This increases the variety and quality of work offered by LINK as a group. They see the cooperation between WSP Sweden and Multiconsult Norway as a great opportunity to work in multidisciplinary teams, delivering edge competence in, for instance, the increasingly important fields of energy and climate.

LINK architecture will work with architecture, interior design, landscape design and urban planning. Their working area will cover the whole society but also focus on advanced medical care, schools, residences, offices, interior design, urban planning and project management. All their current Swedish offices will be maintained in Stockholm, Umeå, Skellefteå, Lidköping, Falköping and Trollhättan.



Gert Wingårdh

Wingårdh Arkitektkontor AB is one of the five largest architect's offices in Sweden today with 130 employees in

two offices, Göteborg and Stockholm.

It has grown from Gert Wingårdh's business, which began in 1977. After a number of minor interior projects and houses, Wingårdh designed the partially sunken building at Öijared's Country Club in Lerum outside of Gothenburg in 1986. The clubhouse attracted considerable attention and Wingårdhs was selected for an extension of the premises of the pharmaceutical company Astra Hässle (now Astra Zeneca). Beside Astra Zeneca, the electronics company Ericsson soon emerged as one of the key clients. Numerous awards and frequent publicity confirms Wingårdhs status as artistically leading.

Wingårdhs have had several major buildings finished lately, as Clarion Sign Hotel at Norra Bantorget and K:fem fashion centre, both in Stockholm, and a visitors centre in Germany. In the Lund-Malmö area several business and leisure facilities are under planning, together with a concert hall and smaller delights.

Krook & Tiäder



Stefan Tjäder

Arkitekterna Krook & Tjäder AB is a prominent architectural firm with offices in the three largest cities in Sweden -

Stockholm, Gothenburg and Malmoe. Krook & Tjäder has had a remarkable development over the last few years and is now one of the largest architectural firms in the country with altogether more than 90 employees. The office was founded twenty years ago, in 1988.

Arkitekterna Krook & Tjäder work within all fields of architecture, ranging from city planning to interior design. They always aim to give their projects a contemporary and edged design based on each projects unique

Among their clients you find property and development firms such as Hendersson, Landic, Teesland, Midroc Property Development, Jones Lang LaSalle, SkansTornet, Aberdeen Property Investors, construction firms like Skanska, JM and NCC and hotel operators like Hilton, Radisson, Choice and Scandic. They also work outside the private sector with universities, city councils and government.

BANKS & CREDIT INSTITUTIONS

Aareal Bank AG



Aareal Bank specialises in financing real estate and is active on the international scene in more than 25 countries, with presence in the Nordic Region since mid 1990's. Although Aareal is based in Wiesbaden, Germany, about 80 percent of new loans are nowadays granted to borrowers outside Germany. The first Representative Office in the Nordic Region opened in Denmark in 1996, followed four years later by an office in Stockholm. Jonas Lindholm has the position of General Manager for the Nordic Region with offices in Stockholm, Copenhagen and Helsinki. Nordic Region also covers business in Norway and the Baltics.

In June 2008, Aareal Bank financed SG Nord Holding A/S' and Sjælsø Gruppen A/S' construction and investment of two towers located near by City centre of Copenhagen. The office tower has been designed by Foster + Partner and the Hotel Tower designed by Dissing & Weitling will be operated as a four star Crown Plaza hotel. The project consists of approx 60.000 m₂ and has an estimated market value of € 300 million.

The project in Copenhagen is one of three large development projects currently under construction and financed by Aareal Bank's Nordic offices. The two others are office development Stockholm Waterfront in Sweden (25.000 sam, market value € 225 million) and cultural and retail centre Solaris in Estonia (35 000 sgm. market value € 100 million).



SBAB, with its 370 employees, is wholly owned by the Swedish Government. The owner s mandate to SBAB is to act

to ensure diversity and competition in the Swedish residential mortgage market whilst obtaining a return on investment in line with market rates. SBAB's market share is about 10 percent within the mortgage market. In 2007 SBAB launched its competitive deposits to private customers. SBAB also provides corporate clients with loans and credit facilities for the purpose of residential and commercial property financing. Per O. Dahlstedt, Head of Corporate Lending, manages a team of account managers, credit analysts, valuers and laywers in Stockholm, Gothenburg and Malmö offering clients specialized expertise, a lean and speedy organisation and tailor made solutions. SBAB has been instrumental in many of the major swedish property transactions in recent years.



Hypo Real Estate Bank International AG provides its customers with the complete spectrum of commercial real estate lending

products. The bank's product offering is primarily geared to internationally active, medium and large real estate investors and developers.

Sweden, Norway, Finland and Denmark are all served by our Stockholm branch, where experienced professionals in structured real estate finance solutions advise real estate investors who wish to invest in these markets. The Stockholm branch has a total 11

employees and is headed by Anders Tägt.

In June 2007 Hypo Real Estate Bank International AG announced that it had provided senior acquisition financing of SEK 6 billion (EUR 640 million) to the listed Swedish property company SAGAX. The financing was provided to facilitate a combined refinancing and acquisition financing of SAGAX's property holidings in Greater Stockholm and Finland.

A designated team of 8 people from our Munich branch covers the Baltic region as well as Russia / Eurasia.



Ronald Lausch and Stefan Silfve

RL Nordic AB is a member of, and wholly owned by, the Raiffeisen Banking Group of Austria. The strategy is to offer renting solutions for real estate, leasing of property and project development in the Nordic region. The target group is corporate clients, government and municipal councils. Since 2006 the company operates throughout all of the Nordic region while the head office is in based in Stockholm. In summer 2007 a subsidiary, RL-Nordic OY, was established in Helsinki. RL Nordic AB has 6 employees and the MD is Ronald Lausch. Transaction volume since 2006 has been around EUR 220 mio. in Sweden, Finland and Norway. A jointcompany was established in 2007 with Skandrenting AB, RL-Skand AB.



Ove Juvén

DnB NOR is Norway's largest financial services group with total assets comprising more than NOK 1,400 billion. The Group

includes the strong brands DnB NOR, Vital, Nordlandsbanken, Cresco, Postbanken, Salus Ansvar and Svensk Fastighetsförmedling. Sweden is defined as core market. DnB NOR have over 600 employees in Sweden alone covering the business areas: corporate

customers, retail, banking, life and pensions insurance, asset management and leasing products. Ove Juvén is the Head of Real Estate Financing in Sweden. DnB NOR have expressed high ambitions to increase the activity within Sweden.



As a one-stop financial service provider with an extensive product and service range HSH N Bank offers customised

business solutions worldwide tailored to the clients' individual needs. Real Estate Nordic Area comprises the Baltics, Denmark, Finland, Norway and Sweden, 28 specialists are placed locally in Stockholm, Helsinki and Copenhagen and the Nordic Area is fully integrated in HSH Nordbank's international real estate division. Our local Origination Team in Stockholm is responsible for Swedish and Norwegian clients and comprises five persons all with solid financial and real estate related backgrounds. Contact: Erik Visteus, Head of Origination Sweden/Norway or Kristian Orrbeck, Client Executive.



Gunnar Widenfelt

SEB is a leading Northern-European banking group and partner for corporations and financial institutions. Its activi-

ties comprise mainly banking services, but SEB also carries out significant life insurance operations. SEB's 20,000 employees serves more than five million private individuals and some 400,000 corporate customers and institutions in the Nordic and Baltic countries, Germany, Poland, the Ukraine and Russia as well as via strategic locations in all of the world's financial centres.

The real estate market is becoming increasingly international. SEB has today a considerable presence in Northern Europe, with real estate activities focused around the Nordic countries, Germany, Poland and the Baltics. SEB offers financing and other SEB products to proffesional real estate clients in SEB's home markets.



Håkan Johansson

For commercial real estate finance requirements Eurohypo is a major port of call. Their products range from standard fixed-rate lo-

ans and structured financing packages to real estate investment banking and capital market products.

In accordance with the companys motto "all business is local" they provide their clients with a first class, one-stop service in their own locality covering advice, finance and support.

Eurohypo identify the best solution for their client's needs and their local contact will advise on all aspects of real estate, arrange tailor-made finance and, where necessary, bring in product specialists.

REAL ESTATE COMPANIES



Fredrik Wirdenius

AP Fastigheter is one of the largest property owners in Sweden with property holdings valued at SEK 38 billion at the end of 2006. The company's core activities involve owning and managing commercial properties and residential buildings in selected growth areas within Sweden - in Stockholm, Uppsala and Gothenburg.

Approximately 70 percent of the portfolio is situated in Stockholm. These wellplaced Stockholm areas includes Kista, Nacka Strand, Telefonplan and Värtahamnen. In Gothenburg, AP Fastigheter predominantly owns retail properties but also office buildings, in the city center.

The Uppsala portfolio gravitates towards residential buildings, among these Studentstaden, but also consist of some centrally situated commercial properties including the Uppsala

☐ Science Park. The management team is Fredrik Wirdenius, Lars Johnsson, Sven-Göran Svensson, Christer Nerlich. Peter Östman, Sheila Florell, Cecilia Söderström and Krister Larsson.

AP Fastigheter acquired Vasakronan during 2008 and since September 1, 2008 Vasakronan is a part of AP Fastigheter. In the autumn of 2008, work will commence to create the new company that will be called Vasakronan.



Diligentia, one of Sweden's largest real estate companies, develops, manages and rents properties throughout Sweden's three

growth regions: Stockholm, Gothenburg and Malmö. They focus on three distinct business areas - Office space, Retail/Commercial properties and Residential buildings – each of which demands its own specialized knowledge and expertise. Though they run these business segments independently to accommodate their specialized demands, the end result is a unique combination of property portfolios that complement and balance one another. Diligentias mission is to contribute to their commercial customers' business success and ensure a safe and comfortable living environment for all their residential tenants. Diligentia supplies about 1 400 000 m2 of commercial space as well as 6000 attractively situated flats. The management team is Per Uhlén, Göran Langer, Markus Pfister, Torbjörn Hugosson, Bo Jansson, Sven-Åke Persson, Helena Lundborg, Jan Thelander, Michael Wessel and Marita F Hellsten.



Christian Hermelin

Fabege is one of Sweden's leading property companies, focusing on commercial properties, and a significant property development

player. Its operations are concentrate strongly on a small number of submarkets with a high rate of growth in the Stockholm region. Fabege manages and improves a well-positioned property stock, while the property portfolio is constantly developed through sales

and acquisitions. Under Fabege's improvement strategy, acquired properties are to have better growth prospects and greater future potential than existing managed properties.

Fabege has a staff of 140 persons, the management team is Christian Hermelin, President and CEO, Roger Johansson, Deputy CEO and CFO, Anders Hörnqvist, Deputy CEO and Director of Properties, Mats Berg, Director of Communications. Market value of the property stock year 2006 was SEK 27,2bn. The transaction volume for year 2006 amounted to SEK 28 bn, of which sales totalled SEK 12 bn and purchases SEK 16 bn. As of December 2006 Fabege acquired Orgeln 7, a 27,000 sq.m property in central Sundbyberg in Stockholm for SEK 370 m. In September 2006 Fabege sold 46 properties mainly in Kista and Täby for SEK 4 bn.



Gustaf Hermelin

The listed property company Klövern shall with commitment meet the customer's needs of premises and services in

Swedish growth regions. The business is organized in ten units. Klövern's business model emphasises orientation toward the development of community strength. Klövern has a vision of creating the communities of tomorrow. Klövern's personnel work according to the motto of "making the customer's day easier every day". Klövern's ten units ensure the day-to-day management of the properties. These units are located in different parts of Sweden based on the geographic location of the properties with the aim of being in close proximity to the tenant. The market value of Klövern's properties was at the end of June 2008 SEK 12.2 billion and the company comprise a staff of 129 co-workers. Klövern's management team is headed by Gustaf Hermelin, Britt-Marie Einar, Thomas Nilsson, Mattias Rickardsson, Per-Gunnar Sabel and Caesar Åfors.

Kungsleder



Thomas Frséus

Kungsleden is a Swedish property company that views returns as more important than property type and

geographical location. Operations encompass property trading and property management. Kungsleden's strategy is to create high, sustainable returns from its property holding. Its goal is to achieve satisfied customers through the active management and enhancement of its properties. Its care, school and retirement home property types have special requirements, where Kungsleden has evolved into a leading player. Kungsleden has a flexible organization with secure local support and substantial property transaction skills. Since its initial public offering in 1999, Kungsleden has enjoyed robust growth of its property portfolio and profits. End of June, 2008 Kungsleden had 609 properties with a book value of SEK 28,7 billion. Its growth property types are commercial properties, care properties, schools, retirement homes and modules. The management team is Thomas Erséus, Johan Risberg, Lars Thagesson, Eskil Lindnér, Göran Linder, Åke Theblin, Cecilia Gannedahl, Per Johansson and Albrecht von Malortie.



Håkan Brynaelson

Vasakronan is the leading property company in Sweden. Its strategy is to focus on satisfied customers and develop its pro-

perty portfolio, which is concentrated to Stockholm, Göteborg, Malmö, Lund and Uppsala. Vasakronan owns and manages a total of 172 commercial properties with a combined area of 1,850,000 m2. Vasakronan has Sweden's largest project portfolio with development projects valued at approximately SEK 10 billion. Many of the properties are situated in clusters and the business model offers supplementary services through Vasakronan Service Partner. Vasakronan has the property industry's most satisfied tenants according to the Satisfied Customer Index (NKI).

AP Fastigheter acquired Vasakronan during 2008 and since September 1, 2008 Vasakronan is a part of AP Fastigheter. In the autumn of 2008, work will commence to create the new company that will be called Vasakronan.



Hufvudstaden has long experience of preserving and developing properties. The company was founded back in 1915 and was

listed on the Stockholm Stock Exchange in 1938. From the very outset the Stockholm region has always been a principle market and in 1940 the company owned a total of 68 properties, of which 60 were in Stockholm and the remaining eight located in different provincial towns. The involvement with Gothenburg commenced in 1967 with the acquisition of three centrally located properties.

International expansion with an initial focus on Tokyo commenced in 1970, followed by further acquisitions in Paris, London and Berlin. Foreign interests were divested in 1997. NK Cityfastigheter AB was acquired in 1998 and in 1999 the operating focus was the central parts of Stockholm and Gothenburg. Hufvudstaden's business idea states that in premises in central Stockholm and central Gothenburg offer successful companies high-quality office and retailing premises in attractive marketplaces.

By mid-year 2008 the value of Hufvudstadens properties was SEK 20,1 billion. Hufvudstadens currently have a staff of cirka 100 co-workers with the CEO being Ivo Stopner.

Landic Property



Landic Property specializes in leasing services of real estate property to public and corporate customers. Landic Property offers

to let prime location office and retail premises from one of the largest property portfolios in the Nordic countries. Landic Property is one of the largest property companies in the Nordic countries. The company has substantial market shares in Sweden and Denmark and is the market leader in Iceland. Landic Property has six business units:

- · Four geographical real estate management units in Sweden, Iceland, Denmark and Finland.
- Landic Investment Mediation of investment properties in Northern Europe.

- Landic Funds Offering investment opportunities in real-estate for institutional investors
- Landic Property was formed in July 2007 when the property company Stoðir, founded in 1999 by Baugur Group and Kaupthing Bank, acquired Keops A/S - a Danish listed property company from 1998 until 2007. Stoðir already owned the property company Atlas Ejendomme which was acquired in January 2006.
- The company has approx. 200 employees and roughly 500 properties in Sweden, Denmark, Iceland and Finland.
- The property portfolio totals 2.6 million square meters of rental space and more than 3,400 tenants.



Håkan Hellström

Castellum is one of the major listed real estate companies in Sweden operating solely in this sector. The properties are

owned and managed by six subsidiaries with strong local roots in their respective markets. The Castellum share is registered on OMX Nordic Exchange Large Cap.

Castellum holds a real estate portfolio with a fair value of approx. SEK 29 billion and a total lettable area, mostly commercial premises, of approx. 3.1 million square metres.

Operations focus on cash flow and earnings growth, which provide the preconditions for good, long-term growth in the company, while shareholders can be offered a competitive dividend.

ORGANISATIONS



Management team

IPD is a global information business, dedicated to the supply of independent market indices and portfolio benchmarks to the property industry. IPD collects full portfolio records from over 500 major property investors across 21 countries - in a database capturing over 50,000 properties with a market value of almost € 2,000bn. IPD's system is then used to deliver benchmarking and portfolio analysis services to real estate investors and asset managers. In 2002, IPD Norden was set up as a subsidiary of IPD in Stockholm. It offers a full range of comparative products to clients, including standard and bespoke benchmark reports. IPD has more than 60 clients in the portfolio analysis service in Sweden, Denmark and Norway. IPD's Pan-Nordic services include Nordic Index with a Nordic overview and a Pan-Nordic Portfolio Analysis Service. In Sweden IPD offers a specialized tool for private and municipal holders of residential portfolios. It provides a detailed analysis of property income and costs to report internally and externally. IPD coordinates around ten events in the Nordic countries each year. The type of events held varies from conferences, valuations seminars, briefings, training courses and launches. IPD Norden has a team of seven in Stockholm. The MD for the Nordic Region, based in Stockholm is Christina Gustafsson.



Flinor Fors

Scandinavian International Property Association is an exclusive organization for major property investors with interests in the

Nordic countries and was established in 1989. SIPA offers a unique network, combining the members' outstanding knowledge of the property markets and the excellent experience from the members' investments across the

The Association is exclusive and open only to those that through their size or their activity type can play a essential role on the North European property markets.

SIPA offers a unique gateway for those that are interested in the dynamic property markets in the Nordic countries.

The Association and its members

works for a more property friendly climate on their respective homemar-

Throughout the years SIPA has developed to be a natural partner for foreign investors to find their way into the Nordic property markets.

The SIPA members represent the largest and most important property actors on the Nordic markets. The majority of the members are coming from Denmark, Finland, Norway and Sweden. The total property value represented by the majority of SIPA's members exceeds EUR 60 billion. SIPA have 46 members. SIPA's MD is Elinor Fors.



Invest in Sweden Agency (ISA) is the government agency promoting business and investment opportunities in Sweden to foreign investors.

Professional guidance is guaranteed since most of the staff have corporate backgrounds and extensive expertise in the investment process.

With a staff of 70, ISA provides services to investors from its offices in Sweden, the US, Japan, China and India. Throughout the world, ISA cooperates with Swedish embassies and consulates.

Head of the Real Estate project is Susanne Roglar.



ULI-the Urban Land Institute is a non-profit research and education organization supported by its members. Founded in

1936, the institute now has more than 34,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

Members say that ULI is a trusted idea place where leaders come to grow professionally and personally through sharing, mentoring, and problem solving. With pride, ULI members commit to the best in land use policy and practice.

ULI Sweden was founded 2005 with the purpose to offer a powerful and interesting forum for discussions in the society and real estate area.

The chairman of ULI is Max Barclay. Head of Communications and International operations på Stronghold.

The Swedish Property Federation



The Swedish **Property** Federation is an interest based organization and trade association that promotes a smoothly

functioning real estate market. Our 20,000 members - organized in one of Sweden's 7 regional property associations – are owners of premise and apartment rental buildings, industrial properties and tenant owners' associations. We are by far the largest property owners' organisation in Sweden. This means we can both assist the individual members and have the ability to influence the society to promote private property ownership. The objective of the Federation is to make management of property in private ownership a more efficient and generally better reputed line of business, that offers improving service to tenants. The Federation represents the private property owners' interests by means of contact with politicians and the mass media, courses, conferences and furthered by giving advice on economic, legal and technical issues. One of the primary tasks for the Federation is to educate and improve the members so that they are well prepared for their business. The Federation also initiates and supports research and development activities within the property field. The Swedish Property Federations MD is Per-Åke Eriksson.

Sweden's star architect talks about Swedish architecture

"We build for functional

Swedish architecture does not stand especially high in the rankings in architectural circles in the rest of Europe – but it is valued more highly by property owners. Here Gert Wingårdh, Sweden's most successful architect of recent years, gives his views on Swedish architecture's advantages, downsides – and problems.

The countries whose architects get the most publicity in the major European architectural magazines are Switzerland, Holland, England, Spain and Austria. Swedish architecture lies low on the list. Gert Wingårdh smiles wryly as he says that Sweden as an architectural country may well rank somewhere "a tad ahead of Moldavia".

Wingårdh is in a class apart as the most successful architect in Sweden of the last 20 years, and the only one to have achieved celebrity status outside architectural circles. If you ask an ordinary Swede in the street if he can reel off some Swedish architects he will almost certainly answer 'Gert Wingårdh' first and will stop there.

When Wingårdh won the most recent Kasper Salin Prize – the leading Swedish architecture prize - for the Swedish embassy in Washington, the 'House of Sweden', it was the fifth time that he had secured the Prize. And two of the four buildings nominated this time were signed Wingårdh.

But even though he is by far the brightest star in the Swedish architectural firmament, he still has low - if indeed any - status elsewhere in Europe.

- No, none at all, he says laconically.

His low standing in architectural circles is due to the fact that Swedish architecture normally avoids the spectacular.

- This is not viewed with much favour among architects, but it carries greater respect in property-owning circles," Gert Wingårdh says. "The strength of Swedish architecture is that we build for functional and economic efficiency. We produce reliable designs with a clarity of form. Our weakness is that we seldom undertake the real top-of-the-line projects that are visually striking. That's because it's unusual for Sweden to commission properties that are going to cost more than 20 000-25 000 kronor per square metre. One exception is Turning Torso in Malmö, which cost three times as much as most other Swedish buildings. And the result is wonderful!

One area where Swedish architecture is in the top class is in working environments.

- We are well in contention when dealing with large companies like Astra Zeneca, Ericsson ad Volvo. Our way of organising workplaces in a social manner is exceptional. More and more large international groups are discovering that we have qualities in this field that the USA, for example, cannot match. When we undertook Astra Zeneca's first laboratory in the USA in 2001, with a lot of areas for informal meetings, we immediately won the 'Laboratory of the Year' award.

But workplace buildings are rarely particularly spectacular and consequently attract no attention or publicity in the architectural magazines.

Gert Wingårdh says that Swedish architecture is advancing and there are many interesting projects in Sweden, but that not enough is being done to reach out into Europe.

- We are too poor at making Swedish architecture visible. There is no natural culture of marketing here. When an interesting building is produced elsewhere in Europe a book is always printed describing the building and its architecture. In Sweden it is not an obvious move to do this, even for the most outstanding projects. We lag a long way behind here.

- There are a lot of good projects in Sweden that gain no credit. □

and economic efficiency"



GERT WINGÅRDH

Age: 5

Homes: An apartment in central Gothenburg and a villa outside Kungälv

Family: Married to Karin for the last 18 years. Two children from his first marriage, one from the second, and two stepchildren

Started his own architectural practice: 1977

Architectural heroes: Jacques Herzog & Pierre de Meuron and Peter Zumthor (all from Switzerland).

Internationally best-known work: 'House of Sweden' – the Swedish embassy in Washington

The work he is most pleased with: The Universeum science centre in Gothenburg and the control tower at Stockholm's Arlanda Airport

SPECTACULAR WINGÅRDH PROJECTS:

Dalsland Lodge. A spectacular 60-room hotel on a bridge over a lake inlet in Dalsland.

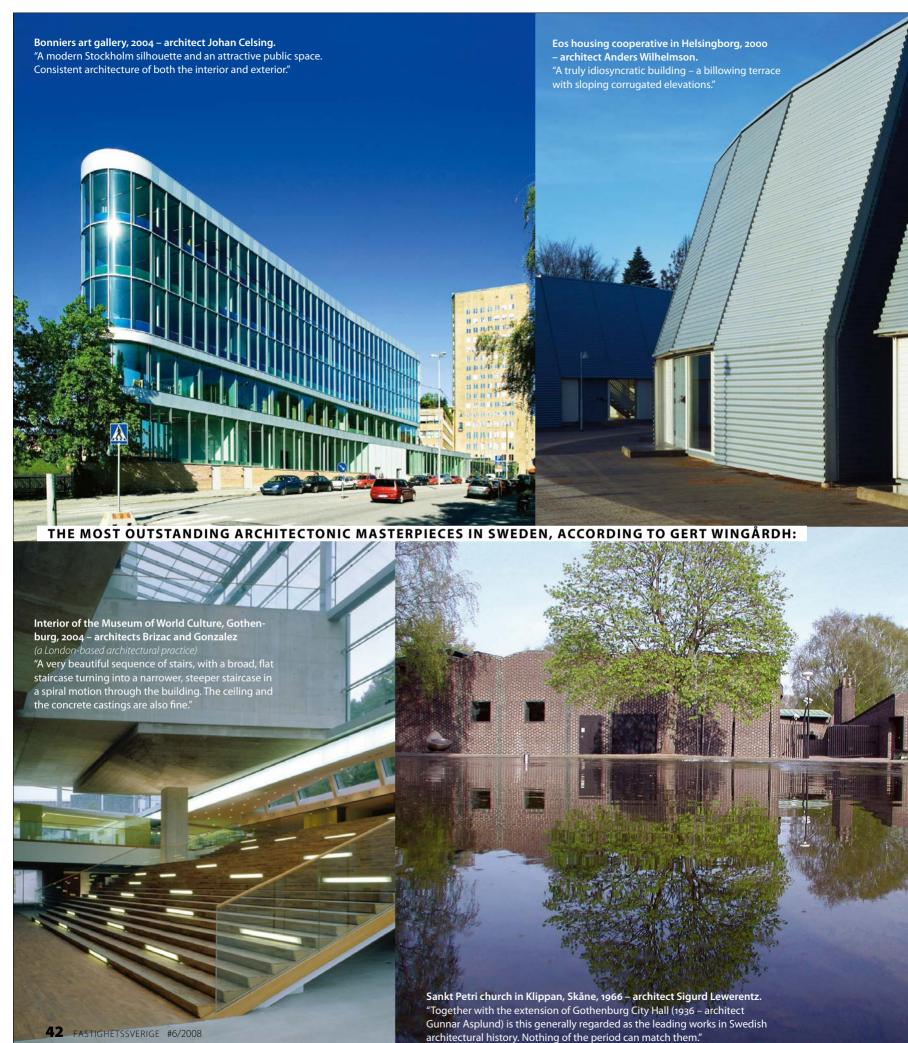
The idea is for the combination of detached luxury and convenient access by train and boat from the airports at Gothenburg and Oslo to attract an international clientele for a short but exclusive vacation. The lodge contains about 60 rooms, bars and a restaurant. Focus is put on water sports. As an image of this, water encloses the visitor. The wet building merges with the lake outside. The transparent bottom of the aquarium is the restaurant's ceiling. On top of this is a pool from which water keeps pouring over the edge and down the windows.

Björntanden. A hotel and conference centre on the Östberget mountain in Jämtland.

The mountain will be enhanced by large teeth shining in every direction. Placed in the existing ravine on the ridge are a hall and arena with seating for 3000 people to enjoy concerts, sports events or opera. Other parts of the building will involve a science centre, a Lapp centre, exhibitions and activities, set on the natural terraces of the mountain. A wide roof spans it all, in the summer grass-clad, in winter a snowy point of departure for the mountain's extensive ski-slope system. Organically shaped lanterns protrude through the roof, lighting up the interior below. The highest glass peak is a hotel with 200 rooms, providing a view of the country for miles.

Citadellbadet. A swimming complex in Landskrona.

Sky and pools are mirrored in the running water. The wet glazing of the facades glitters in shades of blue, suggesting the shimmering light of the sea. The sea is glimpsed through slits in the building, and the tapering media tower alludes to the city's distinctive water tower.





Gert Wingårdh is far-and-away Sweden's most successful architect of the last 20 years. But his international standing is negligible. "In Sweden we find it hard to put across what is happening here," Wingårdh says. But he thinks that a lot is going on in Sweden and that the country's reputation among European architects is on the rise. I don't know how large a circulation the Swedish architectural magazine has abroad, but there is one magazine in each of the Nordic countries. It might be easier to reach out with a Nordic joint venture and one large Nordic magazine. And I don't think the Swedish magazine 'Svensk Arkitektur' would be the obvious choice here.

How do you feel that Europeans view Swedish architecture?

– I feel they know very little about it. It has not received enough publicity to make them take a look. But when I give lectures all over Europe – for example when I was in Hamburg and Munich recently – people often react by saying "That was interesting. Why did

we know nothing about it before?" And that's the point. A lot of interesting things are happening in Sweden but we find it hard to put that across."

Which projects excite the Europeans when you talk about them?

– Dalsland Lodge, Björntanden and Citadellbadet (see the panel) always provoke interesting discussions.

How do you view your Swedish colleagues?

– There are a lot of young architects who are currently doing good things, like Bolle Tham and Martin Widegård Hansson, who have designed the Kalmar Art Museum for example and are about to undertake the School of Architecture in Stockholm. They work with clarity and a graphically distinctive look. There is also a new generation at the architects White, who won the competition for the Victoriahuset natural heritage visitor centre on Läckö and who achieve elegance and clarity in what they do.

Gert Wingårdh believes that interest in Swedish architecture and the Swedish market is on the way up.

We can see a clear sign that the bar has been raised if we look at the competition to develop the Slussen area in Stockholm, which includes two true world figures, Jean Nouvel and Norman Foster. It is something new for two names such as these to be interested in Sweden.

The winning design for Slussen will be announced in October. The world names are fighting against three adversaries for the honour of developing Slussen – and one of the three is Gert Wingårdh.



What do 2.6 million square metres, 635 thousand light bulbs, 220 thousand doors, 215 thousand parking spaces, 3,200 rental spaces, 730 elevators, 190 employees and 4 countries have in common? A single company, Landic Property, links all of these. Landic Property's main business is in Iceland, Sweden, Denmark and Finland, and the company specialises in renting out office and retail premises.

The tax authorities, the law courts, the police and Stockholm County Council are the largest tenants in Sweden. We also have the Swedish big businesses Telia, Sonera, Ericsson, Swedbank and Nordea Bank amongst our clients.

As might be expected, our properties vary in age. Some of Landic Property's assets are only a few months old, while some are still at the design stage or exist only as an idea in the imagination of an employee. Other assets date from hundreds of years ago and are historic buildings.

While we run operations in four countries, the goal is always the same: excellent service to our tenants and the continuing growth of the company.

Where assets are concerned it is easy to get lost in statistics. The catalogue of Landic Property's assets is, however, to demonstrate that, although like all companies we started small, today we are huge.

Of course, most of the things we do are based around concrete, steel, glass, bricks, timber and paintwork. But what concerns us most at Landic Property are the thousands of individuals, office workers, civil servants, trades people, policemen and hotel guests who fill our buildings with life every day. They, along with nearly two hundred creative and energetic employees who ensure the continuation and reputation of the company, are the key to successful teamwork.







GUSTAV BENNDORFJones Lang LaSalle

How will the interest rate develop in the autumn and winter of 2008/2009?

We follow interest-rate predictions closely but do not publish our own forecasts. As inflation pressure ebbs away, so the scope increases for the Riksbank to follow central banks in

other countries and start to lower the rate. Most analysts estimate that this may happen in spring 2009.

Vacancies will continue to fall to some degree during the autumn before then starting to rise slowly in 2009.

How will vacancies develop in the autumn and winter of 2008/2009?

Vacancies will continue to fall to some degree during the autumn before then starting to rise slowly in 2009. But we won't see any large fluctuations. Once again it will be unmodernised premises in isolated locations that will be worst hit.

How will yields develop in the autumn and winter of 2008/2009?

Direct yield requirements will continue to rise in all property segments and on all submarkets. According to Jones Lang LaSalle's forecast, higher direct yield requirements, especially for secondary properties, are to be expected during 2008 in conformity with previous signs of economic decline.

How will international investments into Sweden develop in the autumn and winter of 2008/2009?

The proportion of cross-border transactions has fallen in 2008 compared to 2007. The probability is that the international investors as a group will adopt a wait-and-see attitude, which is not preventing many of them from actively seeking investments. Sweden remains high on the list for interesting investment opportunities.



PER WIESLANDERNAI Svefa

How will the interest rate develop in the autumn and winter of 2008/2009?

We expect that the Riksbank will decide during the autumn to let the reporate remain unchanged for the rest of this year. In the course of next year we forecast that the rate will be lowered in

response to steadily falling inflation. Our expectation is that we will see several reductions of the rate during the coming year.

How will vacancies develop in the autumn and winter of 2008/2009?

We expect the past fall in vacancy rate to level out during the autumn and that we will see moderate increases in vacancy rate early next year.



How will yields develop in the autumn and winter of 2008/2009?

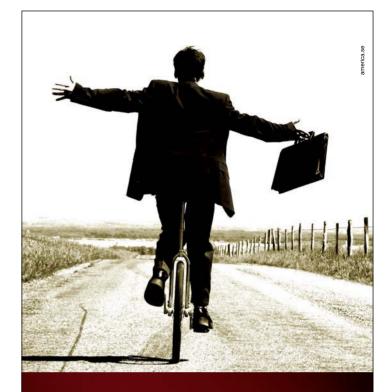
Our judgment is that yields will continue upward, partly because of higher interest rates but also because of impaired borrowing opportunities and aversion to risk among investors. We will also see the largest yield increases for poorer properties in poorer locations while the changes will be smaller for properties in better locations in particular.

High-leveraged investors have largely disappeared from the market.

How will international investments into Sweden develop in the autumn and winter of 2008/2009?

Our prediction is that international interest will remain strong but that the number of transactions completed will not reach the levels seen in recent years. We note that the proportion of foreign investors has fallen dramatically during the first half of the year compared with last year. High-leveraged investors have largely disappeared from the market and in their place other investors and institutions with a large proportion of their own capital have been active during the first half-year.





When investing in the Nordic region

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JAN ROSENGREN

How will the interest rate develop in the autumn and winter of 2008/2009?

In general DTZ does not make its own forecasts or judgments on how interest rates, GNP or employment will develop. Our forecasts for the property market (both the rental and

investment markets) are based on a consensus of forecasts from banks and forecasting institutes. Most analysts are confident of an interest-rate reduction in 2009, and this forms the basis for our property-market predictions.

How will vacancies develop in the autumn and winter of 2008/2009?

The rental markets in the major cities have continued to advance during the year. Employment in the office-intensive sectors is continuing to rise. For at least the remainder of 2008 we expect demand to be well-matched to future supply, with vacancy rates continuing to fall. Although the demand for offices comes mainly from domestic companies, we are now seeing that the global downturn in the economy is causing many companies to hesitate to expand their office space. In the next few years we expect vacancy rates to rise as new office projects are completed at a time when employment growth in the office-intensive sectors will be relatively low.

How will yields develop in the autumn and winter of 2008/2009?

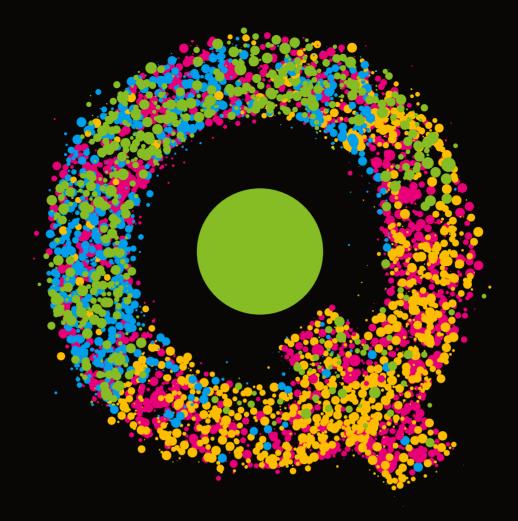
Yields have been rising on several markets since a year ago, and more generally since the start of 2008. Even though underlying interest rates may be reduced during 2009, lenders will continue to be restrictive and their interest margins high. Together with lowered expectations of rental growth this will lead to yields continuing upwards during the autumn and winter of 2008/2009, and probably for several more years.

How will international investments into Sweden develop in the autumn and winter of 2008/2009?

A majority of the investors on the Swedish market have stated

that they would like to increase their property holdings in Sweden. This applies to both Swedish and international investors. However, the difficulties of the credit market mean that many of the previously active foreign opportunistic buyers no longer have the capability to acquire properties. We can also expect some of them to reduce their property holdings. On the other hand we are seeing that new international capital from the Middle East, Asia, Australia and even the USA and Canada is showing interest in property investments in Sweden. Uncertainty about where the market is heading means that many are still biding their time, though. In the short term, therefore, it will be Swedes - mainly institutions and other buyers with a high contribution of their own capital – who dominate on the buying side.





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EUROPE'S LARGEST PROPERTY DEAL OF 2008

41.1 billion kronor. That is what AP Fastigheter paid for the state-owned company Vasakronan in Europe's largest property transaction of the year so far and the largest transaction ever in the history of the Swedish property market.

The sale of Vasakronan really began on Sunday 17 September 2006 when the four-party centre-right coalition (the Moderate Party, Christian Democrats, Liberal People's Party and Centre Party) won the Swedish general election.

Whether the state should run businesses that could instead be run by private enterprise is an issue that politicians of the left and right blocks have argued about for generations, and when the Social Democrats were defeated in the polls, it was soon made clear that the Swedish state was preparing to sell a number of state-owned companies.

IT WAS THE CHRISTIAN Democrat Mats Odell, in his capacity as Minister of Local Government and Financial Markets, who found the issue of sales on his desk. In December 2006 the Government announced that it intended to reduce its level of ownership in the bank and capital manager Nordea, the OMX stock exchange, the residential mortgage lender SBAB, the telephone operator TeliaSonera, the alcohol giant Vin & Sprit - and Vasakronan.

The argument put forward by the Government and Mats Odell was simple:

- The state should be devoting itself to things other than distilling spirits and leasing offices.

Naturally economic considerations were also involved. The Government's purpose has always been to use the money that comes in to pay down the national debt. Vin & Sprit was sold at the end of March for 55 billion kronor. Although this was a highly



Mats Odell.

profitable company that gave a large payback to the state, a lot of money was saved by selling it.

- The 2007 dividend from Vin & Sprit was the largest we have ever received - 800 million kronor. But now that we have sold it and can pay down the national debt we are reducing the state's costs by 2.2 billion kronor a year. That's how it should be viewed, said Minister for Financial Markets Odell in an interview with Fastighetssverige last spring.

At the start of the process it was not clear how the sale should be handled: whether the whole company should be sold as one, whether it should be split up and sold in parts or whether it



should be launched on the stock exchange. When Håkan Bryngelson was recruited to the post of Managing Director of Vasakronan in 1996, one of his assignments was to bring the company to the stock market. In many respects, too, the company was ripe for a stock market launch – but the plans were dashed when the economic situation weakened dramatically in the wake of the US credit crisis. Quoted property companies on the Stockholm stock exchange fell, and share prices soon lay well below the companies' intrinsic value. The stock-exchange dreams for Vasakronan were abandoned in autumn 2007.

THE TIMING OF THE sale has been discussed - had it been carried out a year earlier when the market was still at its peak; had (presumably) more bidders succeeded in getting finance on better

BRIEF FACTS ABOUT THE DEAL:

- AP Fastigheter is buying Vasakronan in a deal that values its property stock at 41.1 billion kronor.
- The purchaser will assume net debt and other obligations valued at a total of 16.5 billion kronor.
- Payment for the shares is 24.6 billion kronor, including interest from 1 January 2008 to the acquisition date of 1 September.
- The state is selling its shares in Civitas Holding AB, which is the parent company of Vasakronan AB.
- The state intends to use the purchase price to pay down the national debt.
- The acquisition is fully financed by equity capital and a number of Nordic banks.
- JP Morgan were the state's financial advisers, Cederquists Advokatbyrå their legal advisers and Öhrlings PricewaterhouseCoopers their advisers on accounting matters.
- MAQS Advokatbyrå were legal advisers to AP Fastigheter and Lenner & Partners their financial advisers.

terms ... Early in 2008 interest rates rose and the banks became more restrictive in their lending. In the end there were now 'only' two interested parties left: an American consortium consisting of Blackstone, Whitehall and Areim, and the Swedish property company AP Fastigheter, owned by Swedish National Pension Funds AP 1-4.

THE DEAL TOOK LONGER to finalise than was first expected, but on 3 July this year the 'pre-race favourite' AP Fastigheter was announced as the buyer of Vasakronan. The purchase price of 41.1 billion kronor was viewed by most people as a price-tag clearly acceptable to the state in present circumstances, even though the market value of its properties in March this year totalled 46.1 billion kronor.

- We can announce a deal that is good for Vasakronan and good for the Swedish economy, Mats Odell commented. AP Fastigheter is a serious long-term owner. They put in an offer that by general judgment is the best, and that represents the higher price of the two final offers. The deal also means that the AP funds are improving their investment profile, to the benefit of present and future pensioners.

We have high ambitions and the best possible circumstances to develop Sweden's best property company.

Fredrik Wirdenius



and well-managed property company with professional staff and a property stock that is in line with our own location strategy, said Lennart Nilsson, Chairman of AP Fastigheter. The combination of AP Fastigheter and Vasakronan, now with long-term Swedish owners, is good for tenants, business, society - and for our owners, which means all of us whose pension capital is managed by the AP funds.

To take advantage of Vasakronan's well-known and respected brand name, AP Fastigheter will change its name to Vasakronan.

MANAGING DIRECTOR OF the new enlarged company will be AP Fastigheter's Managing Director Fredrik Wirdenius, who joined AP as recently as the start of this year after being recruited from Skanska.

- We have high ambitions and the best possible circumstances to develop Sweden's best property company, Fredrik Wirdenius

AP Fastigheter has both virtues and downsides as a buyer of Vasakronan. On the political front, opponents of state sell-offs



Fredrik Wirdenius.

view AP as a good buyer, since it is owned by the state pension funds. On the other hand, the same fact is open to criticism: it can appear that the state has just moved Vasakronan from one pocket to another – the

state selling to the state. Another objection is that AP Fastigheter obtains an enormously dominant position in many parts of Sweden. However, the Competition Authority's scrutiny of the deal resulted in unconditional approval.

After the deal, AP Fastigheter sold part of Vasakronan's property stock to Niam for 7.1 billion kronor.

- This transaction can be viewed as part of the acquisition of the whole of Vasakronan, although it was not a condition from our side, Fredrik Wirdenius said. During the bidding process we received an interesting proposal from Niam which we



Håkan Bryngelson.

have crystallised once the main deal was done. The sale gives us the opportunity to reduce our portfolio to some degree, and the properties sold off were not those that we gave top priority to in our purchase of Vasakronan.

Work to build up the new company is now in progress. After the sale to Niam it owns 327 properties with 3.4 million square metres of commercial and residential space. The stock is worth around 80 billion kronor.

HÅKAN BRYNGELSON WILL remain Managing Director of Vasakronan until the end of October this year but will not take on any new operational assignments.

- I will support Fredrik Wirdenius in his work initially, but in the longer term I will not be staying at Vasakronan, Bryngelson says, adding that he is pleased with the choice of AP as buyer.
 - I couldn't be more pleased. It was the best solution.

Vasakronan officially became part of AP Fastigheter on 1 September. The business will initially be managed as two separate companies but the aim is to integrate both companies into a joint company under the Vasakronan name.

 The accumulated knowledge and experience of our employees, in combination with the property stock that we now have, gives us a fantastic launching pad to build Sweden's best property company by far, Fredrik Wirdenius says.

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*According to Euromoney Liquid Real Estate Awards



CHIMNEY-SWEEP'S BOY becomes Regional Director

He was born into a chimney-sweeping family but decided to become a lawyer when he was only ten. Now he is the Regional Director for Northern Europe at GE Real Estate. Meet Lennart Sten, a Managing Director with a passion for hunting – and roses.

Lennart Sten has a rather unusual background for one of the leading figures in the property industry. As a child he lived in Biskopsgården, a suburb of Gothenburg that later became one of Sweden's worst problem areas. His father was a chimney-sweep, as was his grandfather and his great-grandfather. At the age of eight Lennart Sten moved with his family to Tynnered at the other end of Gothenburg, and when little Lennart was only ten years old he decided to become a lawyer.

– I don't really know how it came about, but I made the resolution then. I've come to realise of course that it is very unusual to be determined on something so early and then to achieve it. My youngest lad will soon be ten and he has really decided nothing yet, Lennart Sten muses.

He did indeed work as a lawyer before joining GE in 1997, where he became Managing Director a couple of years later.

After a move to Fabege – which was bought by Wihlborgs – Lennart Sten was lined up for the post of Managing Director of Niam at the end of 2004.

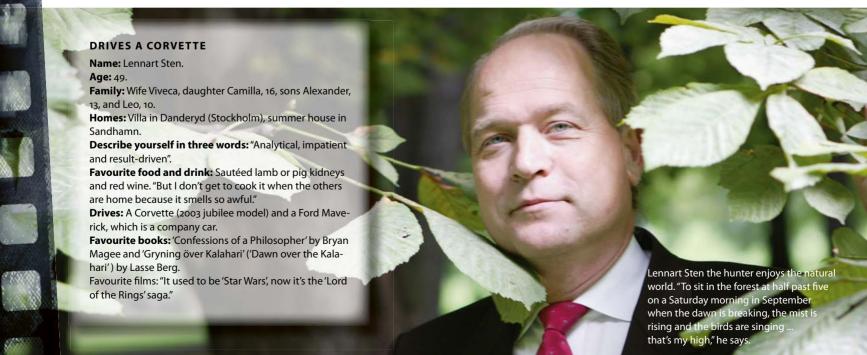
But the tsunami tragedy in Asia intervened. GE Real Estates' then Managing Director Lennart Weinz was one of the 543 Swedes who lost their lives.

– When it became clear that he had died, GE contacted me. I had a good discussion with Niam's President Urban Edenström and GE's European chief Olivier Piani, and things were soon resolved.

What was it like to take on the Managing Director's post considering the special circumstances?

– What happened to Lennart Weinz was a huge loss for me personally. I worked with him when I was a lawyer back in the 1990s. We were hunting friends and spent a lot of time together privately. For me, returning to GE after he met with his accident was only a small part of what his loss meant.

Up to a couple of months ago Lennart Sten was Director of GE's Nordic business, but he is now in charge of the Northern Europe Region, which is practice means the Nordic area, Britain and Central Europe.



for the Nordic area and Britain

- GE has reorganised and divided the world into five regions outside the USA, so I am the Regional Director for Northern Europe. It's enjoyable an exciting challenge. In Britain we are nearly four times as big as here. Our stock there is worth 55 billion kronor, compared with 14 billion kronor here.
- So I spend at least half my time in Britain now. But I am not moving there permanently. I'll continue to live in Sweden.

How much do you work?

- 60 hours a week, sometimes more, seldom less. But it depends on how you look at it, of course. If I'm sitting in an aircraft, am I working? I'm working if I sit and read a report, but if I'm watching a film ...?

Lennart Sten's main leisure interests are hunting, tennis and literature.

 I enjoy typical Swedish hunting – duck, pheasant, wild boar, elk, deer ...

What's the fascination in hunting?

– For me the tranquillity, I suppose. One thing people don't realise about hunting is how rarely you actually shoot. Much more of it is waiting. You see an enormous number of animals but for most of them the encounter ends undramatically. They are facing the wrong way or they move a long way off, but you get to see them in their natural habitat and that is marvellous.

Lennart shares his interest in literature with his wife Viveca

Sten, who has written several legal textbooks and recently made her detective-story debut with 'I de lugnaste vatten' ('In the Stillest Water')

– It's been wonderful for her. The book has sold 30,000 copies and she's now working on the next one.

What do you read yourself?

– I read almost anything, but a lot of history. At the moment I am reading 'Revealing the Hidden Bloodline of Jesus'. There is a huge amount you can read about the origins of the Christian faith and I would recommend everyone to read Lena Einhorn's 'What Happened on the Road to Damascus?'. In parallel I am reading Ian Rankin's 'Tooth & Nail'.

How do you see the future? What will you be doing in ten years' time?

– I'll be on the point of leaving my last executive job and going in more for directorships and consultancy. But it won't be long then before I take my pension completely.

When you finally do that, how will you occupy yourself?

- I don't know - grow roses perhaps. I have eight different varieties at our summer house and around 40 in the city. Roses are fascinating, because you are not automatically successful with all of them, but they are not extremely difficult like orchids. And they are fantastically beautiful, of course. ■



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