



FASTIGHETSSVERIGE

PORTRAIT

Ulrika Hallengren
- Leads Wihlborgs forward

SWEDEN TODAY

"Still development potential
and with the possibility of
high returns"

NORDIC ANALYSIS

How will Nordic real estate
develop in 2019?



Extra
magazine
inside!

THE LEADING PROPERTY MAGAZINE IN THE NORDIC REGION

Posttiding B

Avs. Fastighetssverige

We look forward to meet the industry

SOON IT'S TIME for the high point of the year for many of us in the real estate industry – Mipim. This is the perfect time and place to start new relationships and lay the groundwork for future business. For us Scandinavians, who have just survived yet another bitterly cold winter, it's also a delicious foretaste of spring and summer.

» It looks as everyone working in the real estate sector can look forward to good times for a long time to come.«

times for a long time to come. With these good tidings we are naturally looking forward to meeting the international industry at Mipim even more than usual – we hope and believe that this year's Mipim will offer outstanding business opportunities and lively real estate discussions, just as in previous years.

DON'T MISS our international newsletter (and website) with news from the Nordic property world. Should you not yet have your own free subscription, please sign up for it here www.nordicpropertynews.com/newsletter and we will keep you up to speed on what's going on in the Nordic property market.



Editor-in-chief // Eddie Ekberg

SEE YOU ALL IN CANNES!

1 2019 // Year 15

PUBLISHER

Rolf Andersson, rolf@fastighetssverige.se

PUBLISHING COMPANY

Fastighetssverige AB, Trädgårdsgatan 1,
SE-411 08 Göteborg, Sweden
Phone: +46 31 13 91 16
e-mail: info@fastighetssverige.se
www.fastighetssverige.se

EDITORIAL STAFF

Eddie Ekberg,
eddie@fastighetssverige.se
Victor Friberg,
victor@fastighetssverige.se
Anthon Näsström,
anthon@fastighetssverige.se
Axel Ohlsson,
axel@fastighetssverige.se
Sebastian Sandström,
sebastian@fastighetssverige.se
Nicklas Tollesson,
nicklas@fastighetssverige.se

LAYOUT AND PRODUCTION

Lokalförlaget i Göteborg AB
Eva Møllergårdh Wernersson,
eva@fastighetssverige.se

GUEST AUTHORS

Lena Fahlén
and Camilla Käll.

TRANSLATION

Witalis Real Estate Consulting AB
Katrin Berndt

ADMINISTRATION

info@fastighetssverige.se

ADVERTISING SALES

Rolf Andersson, rolf@fastighetssverige.se

PRINTING

Billes Tryckeri AB

DISTRIBUTION

Posten and CityMail

COVER

Axel Ohlsson



On the cover // Ulrika Hallengren
Read the interview on page 32.

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

pbb

DEUTSCHE
PFANDBRIEFBANK

Your plans are perfect.
And your financing?

Visit us at MIPIM
Stand R7.G17



For your ambitious plans you are looking for a first-class financing partner, which can meet your high expectations. We are a leading bank for commercial real estate and public investment financing and offer bespoke and intelligent solutions. We combine in-depth knowledge whilst keeping the big picture in mind with ingenuity and working with transparent credit processes and decision making. You can count on our tailor made solutions and working with you in a pro-active partnership.

www.pfandbriefbank.com

Contents // 1 2019

32

Ulrika Hallengren leads
Wihlborgs forward.



16



News

The latest news from the Nordic real estate market.

20



Housing

Blocc's Camilla Käll on Sweden's next exporting success.

24



Mipim

Director Ronan Vaspert gives his advice for a successful Mipim.

Sweden Today

CBRE's Patrik Kallenvret sees development potential and possibility of high returns. ~s~



Nordic analysis

Linus Ericsson, JLL, Janne Eriksson, Cushman & Wakefield, Bård Bjølgerud, Pangea, and Dragana Marina, CBRE, on 2019 in Nordic real estate. ~28~



The world economy is looking shaky

■ How is the global growth developing in 2019 – and what effect does it have on the World Banks? Lena Fahlén, Head of Economic Research at Handelsbanken, gives her analysis.

Although 2018 appears to have been the strongest year since 2011 in terms of global economic growth, there are now signs that the cycle may have peaked. Large uncertainty about both the economic and political environment combined with concerns about rising interest rates has caused volatility on the world's equity markets. The World Index – as well as the Swedish stock market – went down around 10 percent last year.

LOOKING AHEAD, 2019 will most likely be characterised by uncertainty. The macroeconomic statistics continue to come in weaker – not least from the euro area, where forecasters are now downgrading their growth predictions. But also the previously strong US economy is beginning to show signs of a slowdown. Sentiment in the industry has fallen considerably, albeit from elevated levels. Furthermore, interest-sensitive parts of the economy – such as the housing market – have slowed recently. The Chinese economy is becoming increasingly important for the global economy and measures to dampen a sharp rise in indebtedness and to address the environmental problems have contributed to a weaker than expected growth. All in all, most indicators indicate that global growth has now peaked, and that growth should slow both this year and next. This follows a long period of relatively strong growth that is now causing bottlenecks in several parts of the world – for example, severe labour shortage is occurring in many countries and sectors. In the US, higher interest rates have also contributed to dampen growth, and the US fiscal policy will be tightened next year. However, it is important to state that we are not seeing any dramatic slowdown in the world economy. Unemployment remains at low levels, in the US at the lowest level since 1969 and in the euro area at levels not seen since before the financial crisis.

WHEN IT COMES to financial markets, the US central bank has come a long way in normalising monetary policy and recently

the Bank expressed concerns about the development, and thereby deviated from the strategy of one increase each quarter – incoming data will determine whether there will be further uplifts. The European Central Bank has finished its large bond purchasing program, but will they be able to raise the policy rate at all this year – we doubt that.

Apart from concerns about the economic development, geopolitical tensions are also causing great distress. The trade war between, primarily, the US and China, as well as the talks around the Brexit negotiations, is worrying. When it comes to Brexit, we think it will most likely be postponed and that we either get a new election or even a new referendum. In the spring, there is also an election to the European Parliament where populist parties are expected to move forward, which means even more uncertainty. Although none of these political risks should overturn the world economy, they enhance the insecurity which in turn could put a brake on investment and consumption.

FOR SWEDEN, THREE ISSUES have dominated the agenda this autumn and winter – the turbulent government formation process, the housing market and the Riksbank's monetary policy. Regarding the housing market, we expect prices to stabilise, at least for existing homes, since strong employment and rising incomes should outweigh a greater housing supply and higher interest rates. But at the same time, many residential development projects will be completed in 2019, which poses a risk of a new drop in prices. For the economy as a whole, however, these risks are still considered to be limited.

In December, the Riksbank chose to raise the key rate to -0.25 per cent. The Riksbank signals that the next increase will take place in the second half of 2019. We expect that there will be not more than one interest rate increase this year and that the repo rate will thus reach 0 per cent by the end of 2019/20. Regarding

the new administration, it will be a weak minority government, meaning that no major reforms are likely regarding the housing market, the labour market or tax policy. In the long run, the lack of reforms is challenging economic growth. In the short perspective, however, the months of gridlock before the government formation do not appear to have affected either the economy or the financial markets. Strong public finances in combination with a high level of confidence in the financial policy framework have contributed to this.

HOWEVER, SWEDISH GROWTH is also expected to slow down in the future – construction activity is dropping relatively sharply, and weaker global economic growth is having a negative impact on a small open economy like Sweden.

To conclude the outlook for 2019, global growth is now slowing, and the world's central banks will therefore proceed very carefully with monetary policy. The political risks are likely to remain critical and we can expect a further turbulent time in the financial markets. ■

LENA FAHLÉN

Age: 44.

Lives: Kungsholmen, Stockholm.

Family: Husband and two daughters.

Title: Head of Economic Research at Handelsbanken.

At Handelsbanken since: 2001.

Leisure interests: A lot of sports and outdoor activities, like running, skiing and mushroom picking.

PICTURE: HANDELSBANKEN



“Still and development potential with the possibility of high returns”

■ A continuing strong and stable market with growth potential and the possibility of high returns. The Swedish real estate industry remains in good health as it steps into a 2019 where digitalisation is shaping the landscape and the interest from overseas remains robust, but where one should keep an eye on the levels of speculative new construction.

“Low interest rates and rental growth have put many property owners in a favourable state,” says Patrik Kallenvret, Managing Director of CBRE Sweden. **By:** Axel Ohlsson // **Picture:** CBRE

THE SWEDISH REAL ESTATE MARKET continues to be a promising place for investments. A stable economic environment with low interest rates and a buoyant leasing market has left many property owners well-off.

“Generally, the Swedish real estate industry is in a good mood with only a few exceptions. The market is considered stable, but still with development potential and with the possibility of high returns. Low interest rates and strong rental growth have made many property owners prosperous,” says Patrik Kallenvret.

“There are certain retail properties and condominium development projects that are facing a tougher situation than before. But there are big differences between various locations and segments. As a result, there is an increasing demand for consulting service and advice.”

► **What is your view of the 2018 that has just ended?**

“The year has been characterised by a moderation in transaction volumes and a very mixed

investor sentiment depending on sector, and with a rental market that has performed significantly. Overall, the investment market has been characterised by high liquidity, but with a lack of investment objects in the core segment. The capital market has continued to grow as a source of financing and offer an alternative to traditional bank loans.”

THE SWEDISH TRANSACTION MARKET hit new records in 2016 and 2017 but saw investment volumes decline slightly in 2018. For 2019, Patrik Kallenvret foresees a healthy market with a transaction volume of around SEK 100 to 120 billion and a continuing buoyant rental market.

“2019 will most likely be a decent year, but probably not as strong as the record years 2016–2017. If one should guess, the transaction volume could end somewhere between SEK 100–120 billion. For the leasing market we expect yet another strong year.”

► **How do you think the real estate industry will develop in 2019?**

“The key risk factors for 2019 are geopolitical uncertainties, the outcome of Brexit and the elections to the European Parliament.” ►

Patrik Kallenvret, Managing Director of CBRE Sweden.

➤ “I think the digitalisation of the real estate industry will continue, and I expect foreign influences on the sector to persist. For example, I think we are going to get further queries about co-working, and I expect to see South Korean investors making major direct investments in the Nordic region. So far, we have only advised them on indirect investments.”

➤ **It has long been questioned when the interest rate will be raised. What is your view on the interest rate going forward?**

“The ECB says it will end its bond-buying program at year-end. This gives the Riksbank greater opportunity for raising the Swedish repo rate. However, ECB’s decisions give a defined roof for how much the Swedish rate can be raised. This is because the ECB will not change its interest rate until after the summer of 2019 at the earliest. The Riksbank cannot move away too far from the ECB without risking a much stronger Swedish krona.”

IN THE SWEDISH MARKET, several property segments produced good returns in 2018. In particular office, residential and logistics property. However, certain retail properties and condominium development projects have had a tougher time. The already strong segments are expected to continue to perform well and Patrik Kallenvret also sees a restart for a certain part of the residential segment in 2019.

“In 2018, primarily office, retail and logistics have developed strongly, and there are many reasons to believe that this trend should continue also in 2019. A market that has been calm in 2018

but could gain momentum in 2019 is the market for residential building rights. Now, when this market has stabilised, buyers and sellers should yet again be within each other’s reach.”

➤ **Many residential developers have gone through a turbulent time, what do you think the future holds for these players?**

“For some of them next year will also be tough when their bonds need to be converted, or rolled over. We expect to see a consolidation of this sector, where smaller players and projects are purchased by larger ones. We may see some projects being converted into rental apartments when the detailed plan can be adjusted and when the economic calculations allow this.”

THE SWEDISH PROPERTY MARKET has not only been favoured by the domestic players. For many years, foreign investors have also allocated capital to the Swedish market. The interest from abroad is expected to continue in 2019, believes Patrik Kallenvret.

“We expect the foreign interest for Swedish property to continue. We have a stable and transparent market with good financing conditions and with potential to perform better than many other markets. This is because Sweden’s GDP is expected to grow stronger than, for example, the euro area over the next five years. As a transaction market, Sweden is Europe’s sixth largest, which provides liquidity.”


➤ **Where and what does foreign investors look for?**

“Logistics is particularly hot right now, not only in Sweden but

globally. This follows the rapid growth in e-commerce and should guarantee a structural growth going forward. The logistic assets, however, must meet all the requirements of a modern logistic asset in terms of ceiling height, quality and durability of the floor, sufficient number of ports and so on.”

“Since there is such a breadth of foreign investors, they basically look at everything. For an advisory firm, it’s about understanding the investment criteria of each single investor.”

AS FOR CBRE they have just entered a new year with high expectations. There is a solid demand for property consultancy services and CBRE have a strong portfolio of consulting assignments.

“To us the year 2019 looks very promising. Advisory services is in high demand and our portfolio of consulting assignments as we enter the new year looks unusually good. In particular we have many high-quality assignments that we are working on, and this applies to all our business lines,” concludes Patrik Kallenvret. 

»I think the digitalisation of the real estate industry will continue, and I expect foreign influences on the sector to persist.«



Official name: The Kingdom of Sweden.

Political system: Constitutional Monarchy, with parliamentary government.

Head of State: King Carl XVI Gustaf.

Language: Swedish.

Population: 10 million (85% live in urban areas).

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

Time zone: GMT + 1 hour.

Currency: 1 krona = 100 öre.

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

Noteworthy memberships: EU since 1995, WTO, OECD.

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

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

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

Source: Invest Sweden

PICTURE: ISTOCKPHOTO

The Largest Nordic Transactions in 2018

The data has been collected by Pangea Property Partners. *By:* Axel Ohlsson

Topp 10 // Swedish Transactions

1 Vonovia acquires Victoria Park
Buyer: Vonovia.
Seller: Starwood and others.
Object: Victoria Park.
Price: Approximately SEK 171 billion (EUR 1.66 billion).
* Property value of the entire company according to the Q2 report.

2 Kildare buys Technopolis
Buyer: Kildare Partners.
Seller: Several.
Object: Technopolis.
Price: Approximately EUR 1.6 billion.
* Property value of the entire company according to the Q3 report.

3 Danica purchases SEB
Buyer: Danica.
Seller: SEB.
Object: SEB Pension Denmark.
Price: DKK 6.2 billion (EUR 830M).
* Properties included in a larger company acquisition.

4 Heimstaden restructures
Buyer: Heimstaden Bostad.
Seller: Heimstaden.
Object: Several residential portfolios.
Price: SEK 8.4 billion (EUR 820M).
* Adjusted to ownership prior and post the transaction.

5 Pareto launches Cibus with a bang
Buyer: Pareto-owned Cibus.
Seller: Sirius.
Object: 123 grocery stores.
Price: EUR 0.8 billion.

6 Morgan Stanley fund acquires Itis
Buyer: Morgan Stanley.
Seller: Wereldhave.
Object: Itis.
Price: EUR 0.5 billion.

7 Victoria Park buys major residential portfolio from Akelius
Buyer: Victoria Park.
Seller: Akelius.
Object: A residential portfolio of 2,340 apartments.
Price: SEK 4.7 billion (EUR 459M).

8 Asset Buyout Partners purchases Mongstad Group
Buyer: Asset Buyout Partners.
Seller: EQT Infrastructure.
Object: Mongstad Group.
Price: Approximately NOK 4 billion (EUR 403M).

9 Klöver picks up Agora
Buyer: Klöver.
Seller: Agora.
Object: Agora.
Price: SEK 3.9 billion (EUR 380M).
* Property value of the entire company according to the Q3 report.

10 Fusion between Scala and Salto
Buyer: Scala Retail Property.
Seller: Salto Eiendom (Schage).
Object: Salto Eiendom (fusion).
Price: Approximately NOK 3.5 billion (EUR 352M).



Everything we do at Niam is about adding value.

PROPERTY DEVELOPMENT – For over 20 years we have worked with a long-term perspective on our properties. We specialize in project development and management of commercial and residential real estate.

SOCIAL DEVELOPMENT – Together with municipalities, property managers, project developers and tenants, we develop our real estate based on a genuine understanding of our customers' needs and the priorities of the local community.

VALUE DEVELOPMENT – Niam is a stable, long-term investor that continuously strives to improve the properties we invest in. The properties are developed to their full potential, simultaneously increasing in value.

Let's talk about what we can develop together.
Read more at www.niam.com





“Hot Investment Trend in 2019”

■ Vonovia bought Victoria Park, EQT Partners made a bid for Stendörren, and Klövern bought both Tobin and Agora – corporate acquisitions have become a trend. Mikael Söderlundh, Head of Research and Partner at Pangea, tells Nordic Property News why the trend will continue in 2019. **By:** Axel Ohlsson

ONE OF THE MOST notable transactions 2018 was when German Vonovia acquired Victoria Park after the bidding war with Starwood. But it was far from the only corporate transaction that was made. At the beginning of the year, Hembla purchased the majority of the properties in Byggmästare Anders J Ahlström, during the fall Klövern purchased both Tobin Properties and Agora, and in November EQT Partners placed a bid for Stendörren. Even in Finland, the trend became noticeable as Blackstone's major purchase of Sponda in 2017 was followed by Kildare Partners' bid for Technopolis.

“I think that the acquisitions will continue as long as it is more expensive to buy real estate on the direct market. It is more interesting to look at purchasing entire companies at a discount. The crisis among housing developers can also be a trigger,” says Mikael Söderlundh.

EVEN THOUGH SEVERAL companies disappear from the stock market through purchase, Mikael Söderlundh believes that the investment model will stay strong.

»There is a record amount of property and construction companies in the Nordic countries.«

“New companies are being added. In particular, listings of smaller companies on First North, that then move to the main list. Stendörren was an example. Nyfosa and Kojamo was two major new entrants on the stock exchange during last year.”

“There is a record amount of listed property and construction companies in the Nordic countries, and they are relatively cheap so we should be able to look forward to a hot investment theme in 2019 as well. Not least, if the high interest from foreign investors persists.” **F**

GOTHENBURG AT MIPIM

12-15 MARCH 2019
BOOTH P-1.J24



Scandinavia's largest urban development project is happening right now. **€100 billion will be invested.** Meet us at Mipim to learn more.

www.gothenburgatmipim.com

gothenburg



Here are the **20** most read articles at nordicpropertynews.com since October, the numbers represent the most read-rating. Please visit the site and register for the only newsletter dedicated to the Nordic property market to receive the latest news – five times a week. **By:** Axel Ohlsson

PICTURE: YIT

Tripla Office Properties.

17 YIT Sells All Tripla Office Properties

FI YIT has sold the Tripla's Workery offices, being built in Pasila, Helsinki, as a whole to an international investor. Tripla's Workery offices, called Workery East and Workery West, are developed, constructed and owned by YIT. Their leasable area is approximately 50,000 square metres.

The deal is the single largest office property transaction in YIT's history. The purchase price will be paid based on the percentage of completion: YIT will receive the first instalment in 2018 and the remainder will be paid in instalments according to the percentage of completion.

Tripla is a three-block complex to be completed in Central Pasila in stages during 2019 and 2020. It includes the Mall of Tripla shopping centre, a parking facility, public transport hub, apartments, a hotel and the offices that were now sold. **2018-12-28**

2 Here Are the Markets NCC Exits After Major Loss in Q3

NORDIC PLUS NCC presented severe losses in Q3. To straighten the ship going forward NCC has decided to vacate several Nordic markets.

The quarter was charged with provisions for claims and warranties, revaluation of development properties and impairment losses totaling SEK 1,565 billion (EUR 151M). Operating profit for the third quarter is estimated to amount to approximately negative SEK 1,108 billion (EUR 107M).

To come to grip with the situation going forward NCC has done revaluations and identified three Nordic mar-

kets that they have decided to exit and stop developing in: Norwegian Stavanger, the office market in suburban Helsinki and the Danish retail property market.

NCC's CEO Tomas Carlsson elaborates: "The real estate market in Stavanger, Norway, where we have one finished office that we started when oil prices were really high and ended when oil prices were really low and the real estate market in Stavanger has basically gone away. That is half of our revaluations."

"The remaining half has two explanations. One is Finland where we have made the decision not to develop

offices in suburban Helsinki, but rather focus on the more urban parts of Helsinki, where we think it is a better market going forward."

"Third, We do not find retail properties in Denmark as a focus area and we have decided to divest wherever development projects for retail that we have in Denmark." **2018-10-17**

PICTURE: NCC

Tomas Carlsson.

1 "A Threat Against Stockholm"

SE PLUS Tomas Hermansson, CEO of Bonnier Fastigheter, tells Nordic Property News why the office shortage poses a threat to the Stockholm market.

The major office shortage in Stockholm is causing companies to choose other European cities when looking at offices. Tomas Hermansson, CEO of Bonnier Fastigheter, believes something needs to be done before it is too late.

"A major concern today is the lack of overall and or long-term vision of the development of the city and the lack of effective coordination. The Exploitation Office has one mission, city construction has another and traffic is a third. It is no wonder that the processes often run and take a long time. This obviously creates a frustration for us property developers when we cannot offer the market what the

market is looking for," he tells Nordic Property News.

Bonnier Fastigheter plans to develop a new office cluster in the new district of Värtahamnen, a project that has been delayed for at least one year.

"The vacancy rates are so low now that it is becoming a threat to Stockholm. Some companies seeking offices choose to establish themselves in Copenhagen, Berlin or in some similar European metropolitan area. This is something politicians need to handle now otherwise we will lose competitiveness and hence growth." **2018-11-05**



Tomas Hermansson.

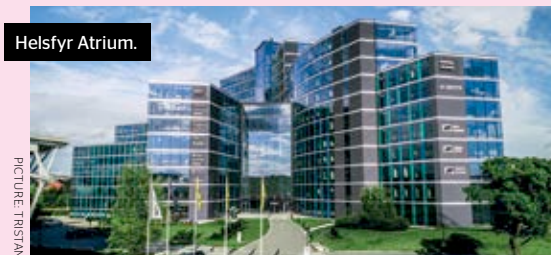
7 "Oslo Will Continue to Experience Positive Effects"

NO PLUS Anne-Jan Jager, Director at Tristian Capital Partners, tells Fastighetssverige of the company's view on Oslo and the Norwegian market.

Tristan completed a major purchase with the acquisition of a landmark Grade A office building in Helsfyr, Oslo from Starwood.

► **What future do you see for Helsfyr and Oslo in general?**

Helsfyr Atrium.



PICTURE: TRISTAN

"We believe that Oslo will continue to experience the positive effects of further economic recovery, urbanization, population and employment growth. With limited grade A supply in CBD, increasing rental levels and very low Grade A office availability in the CBD and West Oslo, we believe Helsfyr will continue to be an attractive location, providing Grade A quality office space with great public transportation links."

The purchase is made on a Norwegian market where Tristan feels the economy has started to recover after a downturn.

"The downturn in the Norwegian economy reached its bottom in Q1-2016. Since the end of 2015 Tristan has successfully closed on the acquisition of 13 assets in Norway. We feel the economic recovery will continue, resulting in further positive effects in the Oslo real estate market."

► **How do you view the Norwegian market at large?**

"Strong fundamentals are creating an interesting real estate investment environment." **2018-10-19**

15 Why Pareto Focuses on Finland over Sweden

SE PLUS Pareto continues to make large investments. They have purchased two logistics properties from Axfast, through the newly founded company Halmslätten. Stefan Gattberg, Head of Investment Banking and Project Finance and Partner at Pareto, tells Nordic Property News about the transaction, why they have focused on Finland rather than Sweden in 2018 and their view on the coming year.

With just a few weeks left of 2018, Stefan Gattberg can look back at an intense year for Pareto, where focus has been directed more towards Finland than Sweden.

"It has been a very interesting year. We have had a very

active year where we have done more in Finland than in Sweden. We were prepared for this when the year began because we saw more interesting opportunities there."

"The transaction volumes are not as high as the year before, but they are continuously high. We have been very careful and have not made so many transactions in Sweden because we find that it has become increasingly expensive. We have chosen the opportunities we thought were good enough." **2018-12-17**



Stefan Gattberg.

12 GOOGLE INVESTS EUR 600M IN DATA CENTER

DK High-quality digital infrastructure and support for renewable energy production are two factors that makes Google invest EUR 600M in a new data center outside Frederica, in western Denmark.

In Fredericia, Google believes they have found a great business community and a location with existing infrastructure that fits what they are looking for when they set out to build an efficient, modern data center.

2018-11-21

5 "SWEDISH COMPANIES ACT TOO COWARDLY"

SE PLUS Why does Rutger Arnhult head towards the American market and why does he believe Swedish companies act too cowardly?

The Swedish real estate mogul Rutger Arnhult has had an active 2018. After acquiring Tobin Properties with Klövern and making an offer for Agora he has also become the largest owner of Swedish listed Castellum.

Parallel to this Klövern are aiming for the US. The company has projects on Manhattan worth SEK 2 billion (EUR 193M).

"I want to achieve some diversification. We have two projects, totaling approximately 20,000 sqm, in Manhattan where we will build for SEK 2 billion. So in 24 months when New York is built, we will – if we have not made more acquisitions – have SEK 6 billion of our 52 abroad. This should be positive thing," Rutger Arnhult says.

He elaborates: "At Kungsholmen in Stockholm the top rent is SEK 6,000 per sqm and that is in a building that you acquire for the price of SEK 100,000 per sqm. When we invest SEK 2 billion in the US, we get 20,000 sqm on Broadway for SEK 100,000/sqm. And the top rent in the neighboring houses is close to SEK 12,000 per sqm."


"Then interest rates are higher in the US, but how long will we have this low interest rate here? Apart from the interest rate, it is a given to me to invest there." **2018-10-15**



Rutger Arnhult.

NORDIC NEWS

10 CASTELLUM AND LILIUM IN MASSIVE SWAP TRANSACTION

 Castellum has completed an exchange transaction with Fastighetsaktiebolaget Lilium, wherein Castellum will acquire six properties in Linköping, and sell twenty properties in Sundsvall. The value of the transaction is SEK 5.2 billion (EUR 506M). Vacancy/Occupancy dates occur March 1, 2019. The six properties in Linköping comprise 67,000 sq.m. of office space, centrally located in the vicinity of Castellum's existing office buildings in the city. Acquisition price amounted to MSEK 1,638 including costs and assessed deferred taxes of MSEK 87.

Sales price for the Sundsvall properties, which comprise 157,400 sq.m. of office space, amounted to MSEK 3,321 after deduction for costs and assessed deferred taxes of approx. MSEK 135. Underlying real estate price thereby amounted to MSEK 3,456, in line with the most recent valuation. "This deal signifies that we're concentrating our portfolio to stronger growth sectors and areas. Castellum's portfolio continues to comprise the largest listed Offices portfolio, and one of the absolute biggest Logistics portfolios in Sweden. It's a cornerstone of our long-term strategy to continue to grow and enhance the quality and density of our portfolio through projects as well as acquisitions", says Henrik Saxborn, Castellum CEO.

4 HOW ARE THE NORDIC REAL ESTATE COMPANIES LEVERAGED?

NORDIC PLUS How are the loan-to-value situation for the listed Nordic companies? Fastighetssverige has the list of how leveraged the companies are. Figures for loan-to-value rate, last years figures for the same period in parentheses. **2018-11-26**

1) Jeudan	73 percent	(73.6 percent)
2) NP3	61.3 percent	(60.9 percent)
3) Klövern	60 percent	(58 percent)
3) Stendörren	60 percent	(56 percent)
5) Hemfosa	58.7 percent	(56.8 percent)
6) Catena	58 percent	(57.6 percent)
7) Corem	55 percent	(56 percent)
8) Diös	54.6 percent	(57.8 percent)
9) Platzer	54 percent	(57 percent)
10) Technopolis	53.6 percent	(52.4 percent)

See the full list at nordicpropertynews.com




PICTURE: CASTELLUM

Henrik Saxborn.



PICTURE: SOM

16 NREP Sells Back Karlastaden to Serneke

 NREP sells its 50 percent share of the Karlastaden development project in Gothenburg back to Serneke.

NREP announced the disposal of its 50 per cent interest in the Karlastaden real estate development project in Gothenburg to its joint venture partner Serneke AB for MSEK 600 (EUR 58M).

The Karlastaden real estate development project encompasses approximately 240,000 sqm building rights for residential, retail and office space in Gothenburg, the second largest city in Sweden.

"During the last 2.5 years NREP and Serneke have in joint venture progressed the Karlastaden project past key milestones. It was now the right time for NREP to exit and let Serneke take the project forward", comments Rickard S. Dahlberg, Partner at NREP in Stockholm. **2019-01-02**

NREP sells back their stake in Karlastaden to Serneke.

9 Why Cibus Replaces their CEO

 **PLUS** The Pareto company Cibus has had a very successful start since the giant acquisition of grocery stores in Finland. Despite this they have now chosen to replace their CEO. Chairman Patrick Gylling tells Nordic Property News about the change in CEO.

The Pareto company Cibus Nordic launched in conjunction with a giant acquisition of 123 grocery stores in Finland for EUR 735M earlier this year. A few month later they are now replacing their CEO.

Lisa Dominguez Flodin leaves her position and the board member Jonas Ahlblad steps in as acting CEO until the position has been filled. Patrick Gylling, Chairman of the Board, explains the decision to replace the CEO.

"We are entering a new phase after the first financial year where we are looking forward and must continue the company's development. To achieve this we need a

full-time CEO that is completely focused and slowly but surely will be able to build their own organization. Lisa has a lot of projects on her plate that don't go hand in hand with this. We agreed that she will focus on her other commitments going forth and now is a natural time to make this change in the company."

➤ **Why did Lisa Dominguez Flodin step down straight away and was replaced by an acting CEO rather than keeping her until her replacement had been found?**

"It was a joint decision once we had come to the conclusion that this is how it has to be, we all agree that it was better to make the switch right away. It was not caused by anything in particular." **2018-10-31**



Patrick Gylling.

PICTURE: SIRIUS

3 Cowi Acquires Arkitema: "It Does Not Stop Here"

NORDIC PLUS Cowi strengthens their position by acquiring Arkitema Architects. Lars-Peter Søbye, CEO of the Danish powerhouse, tells Nordic Property News of the acquisition, Cowi's new position and the possibility of acquiring more companies going forward.

Cowi has entered into an agreement to acquire Denmark's biggest architectural practice for a three-digit MDKK amount. The aim is to develop even better, more aesthetic and integrated solutions within urban development, liveability, climate and sustainability.

After having focused on engineering since the company's start in 1930 Cowi now adds another leg to their offer: Architecture.

"This is great step into the future for the company," Cowi's CEO Lars-Peter Søbye tells Nordic Property News. "That means that we have the possibility to introduce

and deliver integrated solution designs on a level we have never been able to before. I think is going to be a huge advantaged in the market as well as for our clients."

➤ **Have you felt a demand for this from your clients?**

"Yes. With megatrends like urbanization there is a lot of pressure on the cities and things are becoming increasingly complex.

To cope with this - and to be a frontrunner - you need to deliver an integrated design where you have a combination of engineering and architecture services." **2018-11-30**



Lars-Peter Søbye, CEO of Cowi, and Peter Hartmann Berg, CEO of Arkitema Architects.

14 The Strenghts of Turku

 **PLUS** Trevian invests in Turku. Amalia Pöyry, Fund Manager, tells Nordic Property News what makes Turku interesting to Trevian and the company's future in the city.

Trevian keeps up the acquisition rate by purchasing three properties in Raisio, Turku, through thuir Special Investment Fund Trevian Finland Properties I.

Fund Manager Amalia Pöyry shares her view of what makes Turku an interesting real estate city.

"Turku is Finland's third largest city region and its economy is doing well driven by declining unemployment and Meyer's shipyards record-high order book. Supportive economic environment has also had a positive impact on the property market as well. Also, the City of Turku has several development projects ongoing in the city which will have large influence on the vitality of area. We see the Turku region as highly interesting investment location." **2018-11-05**



PICTURE: TREVIAN

6 Wereldhave Sells Itis for EUR 516M and Exits Finland

 Wereldhave sells the shopping center Itis in Eastern Helsinki to a fund advised by Morgan Stanley Real Estate Investing for EUR 516M. With the divestment Wereldhave exits Finland.

Wereldhave has reached agreement to sell the Itis shopping centre in Helsinki to a fund advised by Morgan Stanley Real Estate Investing (MSREI). With this transaction, Wereldhave has made a large step in realising its strategic agenda to focus on convenience centres, whilst improving its risk profile and strengthening the balance sheet. **2018-10-22**

13 Unibail-Rodamco-Westfield Adds Keyplayer

NORDIC PLUS Unibail-Rodamco-Westfield continues to gear up in the Nordics. The new Director of Operations will be Martin Lindgren formerly of JLL.

Unibail-Rodamco has during the past year taking big leaps forward in the world through the acquisition of Westfield. They now continue with their Nordic venture by recruiting the former JLL employee Martin Lindgren as the new Director of Operations.

For the man of the hour, this meant that he landed a dream job after leaving JLL in August.

"I now return with fully charged batteries - it is a dream job for me to sink my teeth into. It will be great to join such a strong team in Sweden and in the world."

➤ **What attracted you about Unibail?**

"Mainly two things. Partially the opportunity to work with retail and properties full time - which is my passion. And furthermore, their position as world leaders in the development of shopping centers." **2018-11-30**




PICTURE: UNIBAIL-RODAMCO-WESTFIELD

Martin Lindgren.

8 URBAN INVESTMENT ACQUIRES URBAN ENVIRONMENT HOUSE


 The Helsinki City Board has decided to sell the Urban Environment House in Kalasatama, now under construction, to Union Investment Real Estate GmbH of Germany. The City of Helsinki intends to lease the property for the use of the City's Urban Environment Division with a long-term lease agreement once the property is completed. **2018-10-03**

11 MAJOR RESIDENTIAL TRANSACTION IN NORWAY

 Selvaag Gruppen acquires all of the company Utleiebolig AS for NOK 3 billion (EUR 310M), buying out eight other shareholders, with the ambition is to become Norway's leading owner of modern residential rental units.

Pangea Property Partners has been the sole advisor in the transaction. **2019-01-21**


18 VASAKRONAN SELLS TO STENA

 Vasakronan sells properties in Lund to Stena Fastigheter for MSEK 370 (EUR 35.7M).


The sale concerns the properties Replagaren 31, Galtén 25 and Apotekaren 12 in Lund. The transaction is based on a property value of MSEK 370 (EUR 35.7M).

The three properties are located in Lund and mainly houses offices, but also housing, retail and a cinema. **2018-12-03**

19 CAPMAN LEASES LARGE RETAIL AREA IN CENTRAL OSLO

 Capman Nordic Real Estate II fund has let approx. 1,800 sqm of retail space at Lille Grensen 5 to Power, the large and well-known pan Nordic electrical retailer. **2018-10-29**

20 TROPHI ACQUIRES FINNISH PORTFOLIO

 Trophi has acquired a property portfolio with a property value of MSEK 460 (EUR 45M) from Elite Kiinteistökehitysrahasto I Ky.

The portfolio comprises 16 properties in southern and central Finland. The properties comprise 35,500 square meters and are fully leased to the market-leading food retailers Kesko and S-Gruppen as well as the leading discount store chain Tokmanni. The portfolio has an average lease length of more than eight years and rental income of MSEK 40. **2019-01-02**

Housing – Sweden’s next export success



PICTURE: BLOOC

■ Sweden has all the conditions required to turn housing into the country’s next export success – and this is the way to move forward, writes Camilla Käll, co-founder and marketing manager at Blooc.

CAMILLA KÄLL

Age: 32.

Title: Co-founder and Marknadschef at Blooc AB and committed for Samhällsbyggarna’s Young Professionals.

Lives: Jarlapan, Stockholm

Won the award “Clarence Moberg of the Year 2018” and was noticed for Blooc Podcast, where Camilla invited 10 of the most influential women in the industry to talk about the industry.

my secret weapons can turn Swedish housing production into the country’s next export success.

I BELIEVE IN SWEDEN. And I’m not alone. Aside from Swedish politics, friends and other people I meet at dinner parties appear to be very proud of all the success stories that are being created by Swedish industry. International press highlights Sweden as one of the world’s number one start-up scenes and life style magazines publish long articles about Swedish design, world class dining experiences and the clean air.

One could say that we have a good national self-confidence when it comes to music, design and tech. Another national characteristic is that we have a huge interest in the housing market – and making a housing career has almost become a sport of the masses. But when it comes to our national self-confidence in this matter, it varies to say the least. I’ll give you some examples.

Blooc was started in 2011 and launched its first newly built residential area with 20 semi-detached houses in Värmdö in 2012. Those of us who were in the market at that time can recall that there were no such things as tent queues or advanced housing selectors. Instead, 2012 was one of the worst years for new production in a very long time. Property developers had to roll up

their sleeves, work hard and develop the right housing product to be launched in the right place and at the right price. They had to carefully and patiently approach the right target group and, through well-executed traditional broker crafts, sell one dwelling at a time. This market situation lasted for a while and confidence was not very high in the industry.

AS YOU REMEMBER, the situation changed a lot in 2015–2016. Those years were the heydays for new production with tent queues, highly leveraged housing associations and spectacular municipal seminars. The housing factories were fully subscribed for many years to come and the contractors changed their price lists every month, upwards. Self-confidence in the industry could not be much higher, and it felt like this situation would last forever.

First there were the “Attefall buildings” and then came 2017.

And self-confidence dropped straight down to the bottom. From a situation where both home buyers and developers bragged about all the advantages of new production, things changed almost overnight. Nothing could be sold on drawing anymore, and the media was not late in understanding that there was a gold mine here. Because no matter how much the national self-confidence associated with the housing market had fallen, there was still a huge interest in the housing market, and the media understood how to make use of it.

NOW WE WRITE 2019 and no one knows for sure how the housing market will develop this time. Experts talk about an on-going recession, but at the same time, there is still an acute need for more housing. This is nothing new, but for a market analyst with a longer time perspective than 2–3 years, this soaring demand for ➤

RENTAL SOLUTIONS FOR THE PUBLIC AND PRIVATE SECTOR

Free the capital in your property. Maximise the actionability of your business.

The European Spallation Source (ESS) is a research facility with a 600-meter proton accelerator, which is being built just outside Lund. Here, researchers will be able to study different materials at the level of atoms. The neutron source will be the world’s most powerful and will produce up to 100 times stronger neutron beams than other plants can produce today.

The construction of the entire plant started in 2014 and is in full operation in 2025.

Skandrenting finances the construction of the Campus area which is ready in 2021.

 **Skandrenting**
www.skandrenting.se

PICTURE: ISTOCKPHOTO



PICTURE: ISTOCKPHOTO

»Only in a few other places in the world, you can find houses of our high level of quality.«

➤ “somewhere to live” should be quite interesting. For an innovative, broad minded market analyst, it may not be enough to focus on the housing needs in Sweden. The world’s population continues to grow and after reading Hans Rosling’s book Factfulness, we know that the world’s middle class is rapidly growing. Therefore, there should be a huge demand for “somewhere to live” not only in Sweden but globally. This type of insights should spur a stronger Swedish self-confidence.

I am convinced that the Swedish industry has lots of knowledge of housing development that we can offer to other countries. Housing production doesn’t have to be local or regional. We can make use of everything that we know in Sweden and be able to offer the world’s best housing globally.


There are many reasons why we should try to turn Swedish housing into our next export success. An extended market means risk spreading and greater growth opportunities, which should result in rising employment and higher tax revenues. This should make every politician happy. But let me describe the prerequisites for success.

WE HAVE A LONG TRADITION in Sweden of building, constructing and planning homes. We build with high quality because of our harsh northern climate. We have some of the world’s best

BLOOC

Founded in 2011 and headquartered in Stockholm. Residential developer that, since the start in 2011, has developed 13 residential areas in Stockholm and Uppsala. Blooc develops residential areas with houses, apartments and rental apartments made by wood and is since 2017 jointly owned by Deromegruppen, which is one of Sweden’s largest wood industries with annual sales of SEK 75 billion.

architects, designers, constructors, factories and suppliers. Only in a few other places in the world, you can find houses of our high level of quality. We have a design that is internationally recognized and desirable globally and one of the most sustainable raw materials for developing homes – wood. And the forests have never been bigger. For each tree taken down, two new shoots are being planted. In recent years, large sums have been invested in industrial production facilities and efficient logistics systems, which means that we can largely produce homes almost entirely in a factory. Delivering 5,000 articles in loose packages to a construction site in the Netherlands is doomed to fail, but delivering more or less completed wooden housing on a super-trailer to the Netherlands with a trained assembly team. That is the future.

SO NOW WE ONLY NEED COURAGE. Courage to follow the steps taken by housing companies such as Boklok and Bonava that have started to show the way. Because I think we have a small gold mine here without really knowing about it. We’ve done it before, and we can do it again. Sweden should have all the conditions available to become the world’s best country to produce and export housing. Shouldn’t this give us a little better self-confidence in the future? 

Receive
**THE FIRST
NEWSLETTER**
covering the Nordic
real estate market

Sign up for your subscription at
www.nordicpropertynews.com



Follow us on Facebook, LinkedIn and Twitter: @NPN_Online



The younger generation



PICTURE: REED MIDEM

Ronan Vaspart.

By: Axel Ohlsson

► This is the 30th edition of Mipim. Will there be any celebrations?

“We will have an amazing ceremony on Thursday night but we decided this year to open the event on Tuesday with a fantastic keynote from the former Secretary-General of the United Nations, Mr. Ban Ki-moon. It is amazing for us to be able to welcome such a prestigious personality and to be able to share this

■ As Mipim heads into its 30th edition Ronan Vaspart, Director of Mipim, tells Fastighetssverige about the celebrations, the themes and gives his best advice to the visitors.

“Connect and interact – this is the reason why Mipim exists,” he says.

with our delegates who will have the opportunity to listen to him in the Palais.”

“Of course we want to celebrate this 30-year anniversary and there will be celebrations – but the objective is not to look backwards but to be able to anticipate what will happen in the 30 years to come.”

“So the main theme of this year’s Mipim is to engage the future. Because our objective is to see what the best strategies for long-term benefits and long-term investments will be the heart of this Mipim. We have three main pillars for engaging the future: social, societal, sustainable.”

► What is new at this year’s Mipim?

“It is important for us to incorporate the young leaders and the new generation. The real estate industry is long-term and the decisions of today will impact the future. So we have created a new summit called ‘The Young Leaders Summit’. The idea is to be able to listen to their expectations and to challenge the decision makers of today to integrate the requests of the new generation. This will be really important.”

“In addition we have a dedicated summit about the family funds and their investments. And another called ‘Health & the City: Ageing in the City’ that is focusing on how people of today will live when they are retired. Senior communities will be at the heart of this event.”

► Do any countries make their Mipim debut?

in focus

»The main theme of this year’s Mipim is to engage the future.«

“We are more than happy to welcome two new major countries from outside Europe: Egypt and South Korea.”

“The Egypt exhibit will showcase the project New Cairo, the city that is being built in the desert south of Cairo and what impact it will have on the capital.”

“South Korea has two exhibits. One is SH (Seoul Housing & Communities Corporation) that is showcasing their new smart city project Magok District which is both a town of green innovation and a self-contained town of high-tech convergence.”

“The other one is K-Water (Korea Water Resources Corporation) that is promoting their smart city project Busan Eco Delta Smart City which has been awarded as a National Smart City Pilot Project by the Korean Government.”

► How do you view the Swedish participation?

“Sweden has always been a really important country for Mipim. We are more than happy for the Swedish participation. We have some specific content for this: networking events for Sweden and ►

INTERACTIONS. Taking the opportunity to connect and interact with people from other parts of the world is beauty of Mipim, according to Ronan Vaspart.

PICTURE: S. CHAMPREUX - IMAGE & CO





Mipim
2019



PICTURE: S. CHAMPEAUX - IMAGE & CO

NEW COUNTRIES. South Korea and Egypt are new countries at this year's Mipim.



PICTURE: S. D'HALLOY - IMAGE & CO



PICTURE: S. CHAMPEAUX - IMAGE & CO



PICTURE: S. D'HALLOY - IMAGE & CO

› more widely the Nordic countries, and a few conferences and a breakfast.”

› Yet again, it is impossible to disregard the situation in the US and Donald Trump. Will he be a big point of discussion this year as well?

“In general business is not too enthusiastic about uncertainty, so in terms of investments in the United States it is clearly a question mark. So of course there will be some discussions.”

“But more than that we have the United Kingdom, that is a very important market for Mipim, that have a very special situation with their exit from the European Union that is to take place just weeks after Mipim.”

“There will be some conferences dedicated to the UK and to the UK investment opportunities and of course on Brexit. So I am certain that there will be some interesting Brexit discussions.”

› From the outside it has seemed like France has been in somewhat disarray with the Yellow Vests movement and the violent protests this winter. How do you work to prevent this from affecting the Mipim Fair should it happen in Cannes in March?

“The national debate has calmed the situation and I am confident that Mipim will take place without any incidents.”

“The safety of our clients is our first priority so we are in constant contact with the French authorities to make sure that our clients can conduct their business in a safe environment.”

»The beauty of Mipim is to welcome more than 100 countries.«

› What should visitors think of before going to Cannes?

“I always say the same thing to any client in any country: prepare, prepare, prepare and prepare.”

“We had 26 000 visitors last year, so if you do not prepare your appointments, what conferences you would like to be in etcetera, you will not have a successful Mipim. If you want to target investors, architects, city leaders or anyone else, everything have to be prepared in advance. It is very big, which is always surprising for first-timers. You will feel much more at peace if you have secured some meetings before you come.”

› What highlights do you personally look forward most to this year?

“Having the privilege to organize an anniversary is an excitement for me and my team.”

“But apart from this, the two main things for me will be to

welcome the keynote speaker Mr. Ban Ki-Moon, because I am sure it will have an impact on the real estate community and I will be more than proud to welcome him and to have a conversation with him.”

“A really big thing for me is everything about young leaders. My objective is to be able to mix the young leaders with the pioneers and the leaders of today.”

“For me this is the beauty of Mipim, you have all countries and all generations together. And being able to network together will create and decide amazing things for the world of tomorrow. Being able to give the mic to young leaders in a lot of panels is something vitally important, because they are part of the real estate community and they will be the ones leading the real estate community in the coming years.”

› Finally, do you have any parting words for the readers of Fastighetsverige?

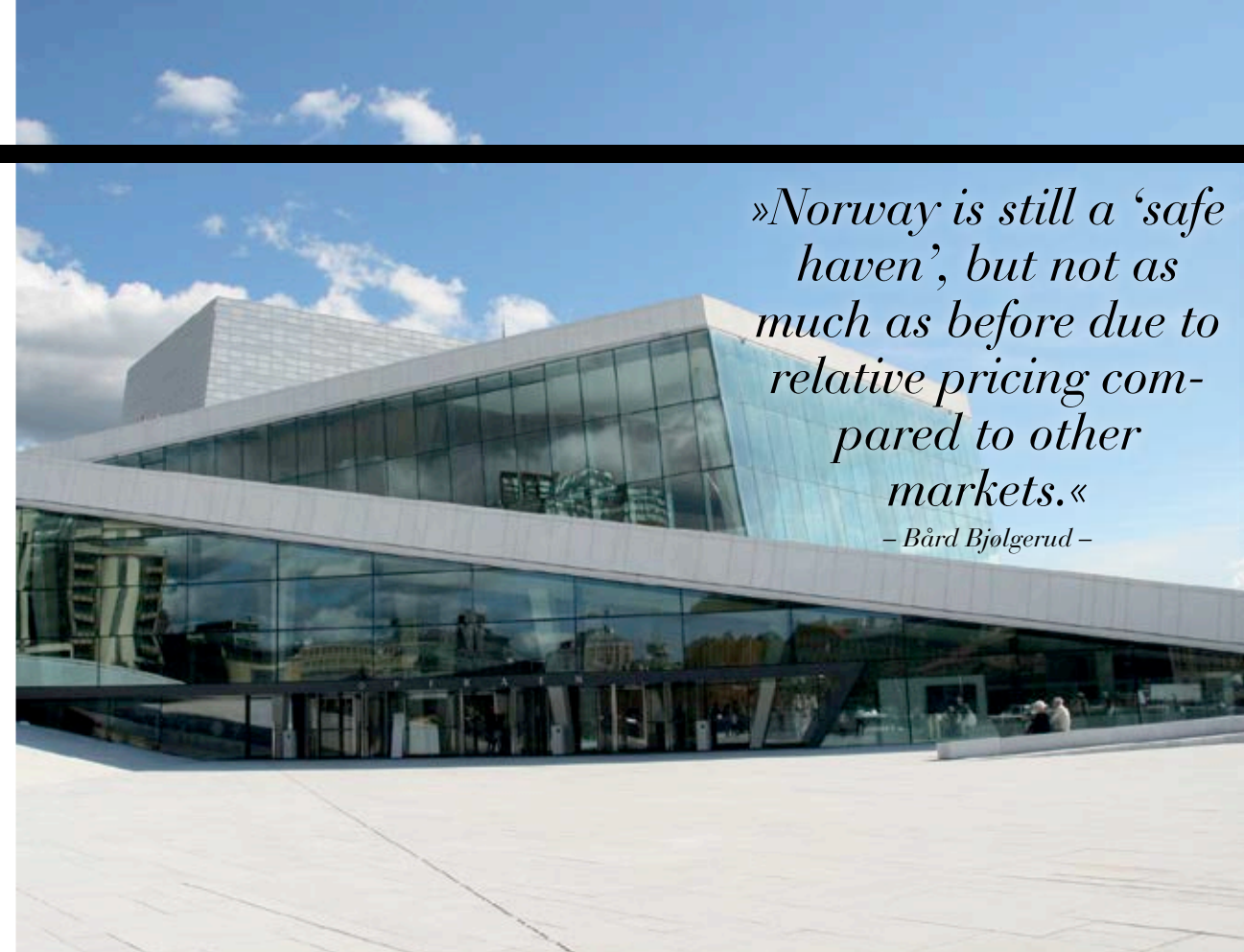
“What I see a lot is that people from the same countries stay together and network together and are happy together, this goes for Swedes, Frenchmen, Brits, Italians etcetera. The beauty of Mipim is to welcome more than 100 countries. So what I say to clients is to use this opportunity to network and connect with the entire world and not only with the people sharing the same nationality and same language.”

“Connect and interact – this is the reason why Mipim exists.”



»We already know that the start of the year is good.«

– Janne Eriksson –



»Norway is still a 'safe haven', but not as much as before due to relative pricing compared to other markets.«

– Bård Bjølgerud –



»The market is expected to remain strong in historical context but with possibly moderate decline in turnover levels.«

– Dragana Marina –

What will 2019 be like in Nordic Real Estate?

■ How will the transaction year be, how big is the foreign interest in the Nordic countries and what segments and areas are the hottest on the Nordic markets? Four industry profiles analyze the situation. **By:** Axel Ohlsson



Linus Ericsson, CEO, JLL Sverige



Janne Eriksson, Managing Director, Cushman & Wakefield Finland



Bård Bjølgerud, CEO, Pangea Property Partners Norge



Dragana Marina, Head of Research, CBRE Danmark

How will the transaction year be in 2019?



"The conditions look good in most segments and geographical sub-markets. In general, the market is characterized by stable supply and high demand, rents are stable or under continued growth and the proportion of speculative new production is limited."

Despite a certain interest rate increase, it is from a continued record-low level, which means that, in combination with good supply of equity, there are good conditions for a continued active and good transaction year. Developments in the credit market may result in banks finding it difficult to meet demand, which may affect the market in a negative way."



"I think it will be an active year. 2018 was very active with EUR 9 billion in transaction volume and we see no signs of cooling off. We already know that the start of the year is good and that there is very great interest for Finland among foreign investors."



"Pangea doubts that we will reach as high volumes as in 2018, but it is not impossible. The Norwegian market in 2018 and 2019 is mainly run by syndicates and various funds, especially Norwegian, but also some international PE companies, which do a lot of

transactions. We also see increased activity from life insurance companies with core capital. In general, there is good access to capital, especially for the right property product, but few sell quality items."



"A maturing property cycle, which is challenging investors in sourcing core deals combined with investors' increased perception of risks, is expected to result in a more cautious attitude going into 2019. The market is expected to remain strong in historical context but with possibly moderate decline in turnover levels."

What are the hottest segments?



"Housing, where we, among other things, see increased interest in student housing, offices and logistics. There is a continuous great interest from global investors seeking large investments in Core properties, which is a segment with limited supply."



"Office is very interesting at the moment. After that, housing have been very popular. To some extent also logistics, but the problem is that there are not many products in a rather small logistics market. So in practice office and housing are the hot segments." ➤



“Office, logistics and hotels. Infrastructure and public real estate/special properties can also be mentioned, but these are mini segments on the Norwegian market.”



“Prospects of possible downward revision of residential letting levels as well as strong development pipeline has put a cap on residential investment levels in 2018. On the other hand, strong occupier fundamentals in both Office and Industrial & Logistics segments are positively influencing the attractiveness of these market segments as investment products.”

» Which regions and cities are interesting?



“There are many interesting regions. To name a few:

- Stockholm - offices and housing
- Linköping and Lund - housing including student accommodation
- Logistics around the big cities”



“The Helsinki region is a clear front-runner, that is where investors primarily go. But also university cities such as Oulu, Tampere and Turku are interesting.”



“The main focus is still on the Greater Oslo region, but the interest is increasing for Stavanger, Bergen and Trondheim – in that order. Unfortunately, there are too few players in Norway with a focus on more than one city/region, unlike in Sweden, where a large number of players invest in several parts of the country simultaneously.”



“Although Copenhagen’s share of the total investment volume decreased y-o-y in 2018, the centralisation of the investors’ interest is still evident. The maturing of the cycle is expected to fuel demand for regional markets and Copenhagen non-central locations, as investors are becoming increasingly resourceful in

identifying ways to find exposure to real estate. In 2019, investors’ increased exposure to smaller niche sectors or acquisition of projects early in the development phase in search for higher returns is expected.”

» How will the foreign interest develop during 2019?



“Continued strong interest from international investors, who are now more likely to invest outside the traditional segments, such as, for example, housing and logistics. We also see that international investors are driven by how exchange rates and interest rates affect investments. This has led to a reduced allocation to the US and increased allocation to investment in Europe, where the Nordic region is also well positioned.”



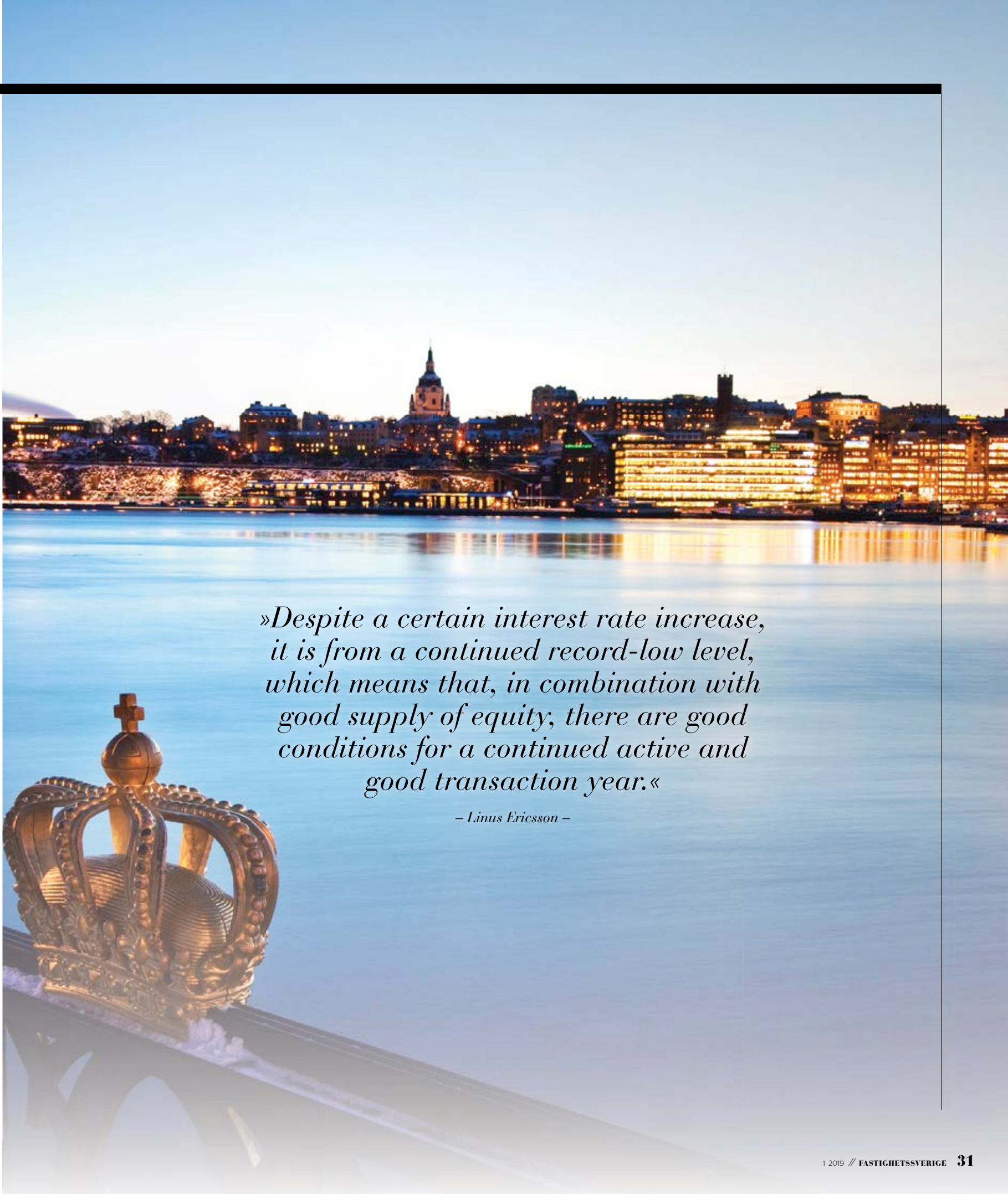
“It has been a great foreign interest for Finland in recent years and there are no signs that it would cool off, so I think it will continue to be strong. The Finnish economy is doing well and we have the lowest unemployment rate in Finland since 2007. This strengthens the demand of foreign investors.”



“There is still a great interest in Norway among a large number of international investors, not least Swedish, but they are selective both in regard to location, yield requirements and type of property. This will keep up. Norway is still a ‘safe haven’, but not as much as before due to relative pricing compared to other markets. For example, it is more expensive to finance properties in Norway than in the EU area. Debt financing can be 100-150 percent interest rate spread higher in Norway compared to several other markets in Europe.”



“After years of substantial cross-regional capital flows, global capital is expected to become one of the important forces in the Danish market. In 2018, Denmark remained very globalised in terms of capital flows, as nearly 45 percent of all acquisitions were made by foreign buyers. While most foreign capital came from other European countries, primarily Sweden, capital from outside Europe provided additional liquidity.”



»Despite a certain interest rate increase, it is from a continued record-low level, which means that, in combination with good supply of equity, there are good conditions for a continued active and good transaction year.«

– Linus Ericsson –

Ulrika Hallengren

As a newly appointed CEO Ulrika Hallengren leads Wihlborgs forward. She tells Fastighetssverige of the start at her new position, the future of Wihlborgs and the Öresund region, and *the beauty of enduro*.

By: Axel Ohlsson



Ulrika Hallengren became CEO of Wihlborgs and succeeded Anders Jarl in May of 2018. After a few months at the position, she can look back on an eventful first period.

“Generally speaking, I think it feels better today than I had expected it would do this early, because it takes a while before things settle down,” she says.

“I also feel that we are well on our way to opening up to new ideas for how we need to prepare for the future. Because this is not a one man’s job, but something that the whole company must constantly keep in mind, that we all think broader, bigger and newer.”

» How do you feel about being the face of the company and the one in charge?

“Being a representative, the one at the front and someone who takes responsibility feels ob-

» I am convinced that it is when we manage to utilize our various competencies and our different approaches that we find the best solutions.«

vious and quite natural, I have no problem with that at all. I think I am more uncomfortable with situations where the focus is on me as a person.

Because what we deliver does not come from me as a person but from us as an organization.”

» What kind of leader are you?

“I believe very much in cooperation. I am convinced that it is when we manage to utilize our various competencies and our different approaches that we find the best solutions. Then it is important that you manage to be responsive so that even the person who sits quietly gets to provide his or her view of the matter.”

“This is something that I think about a lot and feel that I have often been in situations where people have shown appreciation because they feel they can express their opinion. It is a bit presumptuous to say that I am particularly responsive – but responsiveness is an important issue for me.”

“I do not believe in slamming doors and throwing binders, and I say that because I have met »

ULRIKA HALLENGREN

Age: 48.

Family: Husband Ulf and the children Mona, 28, and Selma, 12.

Lives: Lomma.

Drives: Ducati and Husqvarna.

Reads: “Right now ‘How I learned to understand the world’ by Hans Rosling.”

Watches: På spåret.

Listens to: Bo Kaspers Orkester.



FRESH FACE. Ulrika Hallengren took the CEO position at Wihlborgs in May of 2018.

SPREADING THE WORD.
Part of Wihlborgs mission is to inform about the strenghts of the Öresund region.

› this type of leadership not least in projects where I worked. Organizations run on fear work very badly if you want really good things done. I want to create a sense of community, a feeling of high ceilings – because I am convinced that is how we achieve the best results.”

AFTER MOVING AROUND several different places in Sweden during her upbringing, Ulrika Hallengren settled in Skåne where she arrived in 1992. At first she was set to move on but remained and has discovered the strength of being able to influence with strong local anchoring.

“I came to realize that you can make a bigger difference if you stay put and make sure to influence where you are. I have tried to do that since sometime in the mid 90’s. I think there is a great force in that. You build trust and based on that trust you can act and really influence.”

To influence where you are based is key for Wihlborgs. The company has concentrated its operations to the Öresund region and is located in Malmö, Lund, Helsingborg and Copenhagen.

“We want to continue to contribute to building this region so that we can also grow in our business. We have our property value of just over SEK 40 billion, and we expect growth there. But it is also necessary that this region does well. And us increasing our involvement in the region, I think is important both to ourselves but also to our customers.”

» Organizations run on fear work very badly if you want really good things done.«

“We try to be very focused in the investments we do. It is easier for us than for a general property company to invest in this region because this is where we have our whole heart and our entire business. There I think we can do even more and make greater contributions.”

› **How much are you planning to grow?**

“Up until now, Wihlborgs has grown on average by 10–12 percent per year. It is clear that the bigger we become, the more we need to grow to keep that percentage up.”

“For me, there is no doubt that we should be the player that is best at the market in which we exist. This is our profile: We should be able to offer the best product in the best possible location.”

“This does not mean that there are not others who can do the same. But being big on a market really provides the opportunity to be able to know the market really, really well and to know

our customers really well. We should know in which part of the city to invest, and even in which part of the neighborhood the best value lies.”

› **Do you have a figure on where you want your property value to be at the turn of the year?**

“We can have targets and stated demands, but so far we have managed to beat several of those figures all the time. So our ambition is to continue to grow in a better way than we forecast.”

› **Looking at the Öresund region, what does it need and what challenges does it face?**

“There are many good conditions such as a young and well-educated population. Compa-

nies are moving here today because they find the right people to hire here. And here, people can get both education and find good places to live at a reasonable cost. So the Öresund region has many advantages and that is what growing companies need; Access to the right people and a growing population. This, in combination with the infrastructure investments that are available here, good communications, it creates good conditions for continued growth.”

“For the region to function as a whole, you must of course work on the cooperation between Denmark and Sweden so that you really take advantage of the power of all these four million

people living here. There are 800,000 jobs within an hour’s commute from Malmö and Copenhagen but with water, cultural differences and tax rules dividing them. If you can bridge that it gives the region the power to grow.”

› **Could it be an advantage that focus is more on Stockholm and that you in a way work in the shade down here?**

“If people think that this market is a little subordinate something else and that they rather put their money somewhere else then they are free to do so, because we want to put our money here.”

“But we are also valued as a company based on the business we run and I may not think we

get full value when looking at us as a company. We do not do the valuation, but it is our business to tell and give a balanced view of this region. I think that lies in our task.”

ALTHOUGH SHE HAS been rooted in Skåne there are things that Ulrika Hallengren miss from growing up in northern Sweden – not least the snow. Something that ultimately spawned a rather unusual interest: Enduro.

“It is not always the most charming sport. You get dirty and then I go crazy when I get stuck. But it is great fun and in addition you meet lots of nice people.” ■





DREES &
SOMMER

Ihr innovativer Partner für
BERATEN
PLANEN BAUEN
BETREIBEN

Book your ad for Expo Real 2019 – now

Call Rolf Andersson:
+46 31 604 355



Number 3 2019 is distributed in Sweden in September.
The magazine will also be available at the Expo Real fair.