



PORTRAIT

Cecilia Fasth takes the helm
at Stena Property

SWEDEN TODAY

Nordanö's Sven Dahlin on
the Swedish market trends

COWORKING

Helio's Patrik Åström
on the development of
Swedish coworking



Extra
magazine
inside!

THE LEADING PROPERTY MAGAZINE IN THE NORDIC REGION

Posttiding B

Avs. Fastighetssverige

Hot property autumn after red hot Swedish summer

IT FEELS LIKE it was yesterday I sat down in my editor's chair after the summer holiday. This summer was the best summer in Sweden in more than hundred years. Yet the memory of leisurely and sunny days have faded, along with the colour of my skin, and by now I am completely immersed in work again.

» The Swedish property market is also red hot!«

market during the first half of 2018. A listing meaning that residential is the largest segment in volume, ahead of offices that accounted for 23 percent and retail at 17 percent.

WE ARE ALSO seeing several new – and not so new – investors doing business in Sweden again. Exciting, and a promising start as far as Sweden is concerned for this year's Expo Real.



Editor-in-chief // Eddie Ekberg

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

AND LIKE THE fantastic Swedish summer the Swedish property market also is red hot! Several consultants are talking about a transaction volume almost on par with the record years. And the hottest sector of them all seems to be residential.

RESIDENTIAL HAS ACCOUNTED for 32 percent of the volume on the Nordic

3 2018 // Year 14

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
Axel Ohlsson,
axel@fastighetssverige.se
Maria Olsson Årilaht,
maria@fastighetssverige.se
Vedrana Sivic,
vedrana@fastighetssverige.se
Nicklas Tollesson,
nicklas@fastighetssverige.se

LAYOUT AND PRODUCTION

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

GUEST AUTHORS

Robert Boije
and Linda Lövgren.

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 // Cecilia Fasth
Read the interview on page 22.

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.

No wonder Niam has developed into the leading private equity real estate firm in the Nordics.

Everything we do is about development.

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 who 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.



Contents // 3 2018



22 Cecilia Fasth leads Stena Property's new development.



6

Macro analysis

SBAB's Robert Boije on possible problems for the Swedish economy.



8

Sweden today

Nordanö's Sven Dahlin on the foreign interest in Swedish real estate: "It is easy to do business in Sweden."



14

News

The latest news from the Swedish real estate market.



Coworking

Helio's CEO Patrik Åström looks back at the development of Swedish coworking – and what's to come. ~18~



ROBERT BOIJE

Age: 49.
Lives: Sollentuna.
Family: Married, two children.
Title: Chief economist at SBAB and PhD in economics.
At SBAB since: January 2018.

Past employers: Swedish Finance Department, The Riksbank, Finansinspektionen, Riksrevisionen and Saco.
Interests: Golf, running, the summer house and the boat.



■ The Swedish economy is doing well at the moment. But appearances may be deceptive. An ultra-expansive monetary policy contributes to artificial respiration while major socioeconomic problems knock on the door, writes Robert Boije, chief economist at SBAB.

Big problems come a-knockin’

Many economic curves point in the right direction in the short term. We are at the top of a boom. The employment rate is the highest any single EU country has measured in the 21st century. Public finances are good. Sweden has a low government debt compared to many other EU countries. In international surveys, Sweden is placed in the absolute top of living standards and welfare. In other words, the Swedish economy seems to do very well right now. But how does it really look if we scratch a bit on the surface and look a little further? I mean that it does not look quite so bright.

ULTRA-EXPANSIVE MONETARY POLICY. Even though we are in a boom and have had good GDP growth for several years, the Riksbank’s repo rate has been negative. The reason is that the Riksbank wants to ensure confidence in the inflation target, since inflation until recently has fallen below the inflation target of two percent over a long period. This ultra-expansive monetary policy simultaneously contributes to artificial respiration of the real economy. It remains to be seen how the real economy is affected when the interest rate situation is normalized.

RIISING HOUSING PRICES. Housing prices have been running free for many years in Sweden, apart from last year. The Riksbank has called for more macro-prudential measures from Finansinspektionen, such as the amortization requirement, but also government fiscal measures, such as reduced tax deductions for interest rates, to limit the sharp rise in household debt that went hand in hand with rising housing prices. At the same time, it is precisely

the very low interest rates caused by the ultra-expansive monetary policy, which has greatly contributed to the rise in both housing prices and household debt.

POLARIZED HOUSING MARKET. A deeply dysfunctional housing market has created insiders and outsiders. The rising housing prices and new credit regulations, like the amortization requirement, have contributed to the fact that young people and many low income households find it difficult to enter the housing market. In the places with the greatest housing shortage housing prices are also the highest, and there is also no functioning rental market. It takes many years in the queue for a rental or student apartment. More and more young people live longer at their parents house because there are simply no options.

POLARIZED LABOUR MARKET. The labour market is also characterized by insiders and outsiders. Large groups have difficulty entering the labor market. Although the employment rate of people with a foreign background is not low in an international perspective, it is very low in relation to that of native-born. Low educated people also have big difficulties in getting a job. Competence problems. While large groups find it hard to enter the labor market, some sectors are in big need of labor, not least the public sector. A summary based on SCB Trends and Forecasts 2017 shows that in 2035 it appears there will be a shortage of no more than 250,000 people in the municipal sector. Add to that the difficulties to recruit policemen and personnel to the defense. Low productivity growth. Sweden, like many other countries, has had a weak productivity increase in recent years. This could be explained by a slower technological development. But a good guess

SBAB

SBAB’s business idea is to offer loans and savings to private individuals, housing associations and real estate companies in Sweden with innovative thinking and consideration. SBAB was established in 1985 and is owned by the Swedish state. The number of customers amounts to approximately 350,000 and the number of employees to approximately 600.

is that also the ultra-expansive monetary policy has contributed to this. The extremely low interest rate situation has contributed to the companies’ profitability requirements being achieved without increased investments and increased productivity.

Contract model under pressure. The Swedish contract model in which industrial wages have been normative will be pressed hard in the future. If the public sector is to attract the labor force that will be missing over the next ten to fifteen years, wages must be raised significantly for large groups of public servants. This means that wages for these groups must be allowed to increase more than for other groups.

PUBLIC FINANCES UNDER PRESSURE. Municipal expenditure is expected to increase by a total of SEK 200 billion by 2030 only as a result of demographic changes. The latter corresponds to an increase in the average municipal tax rate of 5.5 percentage points. A weak productivity increase in the municipal funded welfare services combined with increasing demand for such services when household income increases, also pushes the municipal tax rates upward. This is probably an explanation of why the average municipal tax rate is increasing over time. The major competence supply problems in public sector thereby risk pushing up wages and thus public spending sharply upwards.

IN OTHER WORDS, although the Swedish economy is in a good state at the moment, there are a number of significant problems that knocking on the door. These problems do not have quick simple solutions but are likely to require broad political cooperation to be managed. An initial important step is to pay attention to them on time. ■

“Easy to do Business in Sweden”

■ The Swedish real estate market continues to be a good market for investments. Not least to foreign investors who continue to venture here.

“Foreign investors feel that it is easy to do business in Sweden,” says Sven Dahlin, Partner at Nordanö. **By:** Axel Ohlsson

FOR THOSE WHO DEAL IN real estate, a couple of favorable years in Sweden have recently passed. The trend continues with a strong market and a wide interest.

“In general the Swedish market is doing well. The liquidity is good and there is a broad interest from both Swedish institutions and foreign investors, which is a good sign,” says Sven Dahlin.

“You can say that the market is a bit divided. We have worked with quite a few assignments regarding prime real estate in Stockholm, the market that may have been the strongest. If you are working with transactions in regional cities, you may have another view.”

“**WHAT IS REALLY ATTRACTIVE** is very hot and the rest is in a more normal mode. Some time back, it was full speed ahead everywhere. I do not think this has shown in yields yet, but nevertheless there is a change to the past as we experience it. Personally I feel that secondary properties provide an interesting risk adjusted return.”

› **Do you see that the change is due to something special?**

“I think investors have become somewhat more prudent. But risk appetite has fallen in a number of different markets, not just the real estate market in Sweden.” ›



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



SVEN DAHLIN

Age: 46.

Family: Wife Lena and children Marc (11) and Paula (7).

Lives: Stockholm.

Title: Partner at Nordanö.

At Nordanö since: 1999.

Interests: Music, travel, skiing and motor sport.

STOCKHOLM OFFICE MARKET AT A GLANCE

One of the strongest office markets globally

Stockholm is one of the world's most preferred head office regions. Houses 23 group head offices, surpassing several leading business regions.

GLOBAL HEAD OFFICES PER CITY⁽¹⁾

Rank, city	No. of HQ's		
1. Tokyo	132	12. Osaka	19
2. London	57	13. Sydney	17
3. Hong Kong	57	14. Singapore	17
4. New York	54	15. Riyadh	17
5. Beijing	50	16. Bangkok	17
6. Seoul	47	17. Dublin	17
7. Paris	45	18. Toronto	16
8. Taipei	29	19. Moscow	16
9. Houston	25	20. Shanghai	16
10. Stockholm	23	29. Helsinki	12
11. Mumbai	21	59. Copenhagen	10
		60. Oslo	8

Notes: (1) Global headquarter of Forbes 2000 companies
Sources: Stockholm Business Region

➤ **FOR A PROSPEROUS SWEDISH** market there is another aspect which can serve as a hedge for continued good times.

“We have a very special situation where both Swedish and foreign institutions see themselves as very under weighted in real estate. If the institutions are to move from the exposure to real estate which they have today to the one they say they want to achieve within a reasonable time, then the real estate market will be strong for a long time, at least for the properties that fit the need of the institutions.”

The institutions have traditionally focused on office properties in top locations. Office is one of the strongest segments in the market at the moment, in Sweden in general and in Stockholm in particular. But that is not the only segment doing well.

“There is, for instance, a great interest in social properties, partly from institutions and partly from investors backed with institutional capital. The increased interest in social properties is a trend.”

“Logistics is also doing very well. And there is a huge interest in housing, both from Swedish and foreign investors. This can be seen that in the large deals with D. Carnegie and Victoria Park.”

HOWEVER RETAIL PROPERTIES are seeing tougher times.

“The retail that investors like as well as the one less exposed to competition from online shopping is doing well, while the retail that is not so competitive might be the market where you may feel that it has become weaker. Should you point to one market

where interest has decreased, this is: ‘less good retail’, where there is competition from e-commerce.”

“What is popular on the retail side is retail offering its customers some type of experience. The retail that does not meet the requirements and is not in the right position will be difficult to sell.”

“Looking at the United States, the decrease in the number of stores due to e-commerce has gone quite far, we are not there in Europe yet. In Sweden, we also see a trend that points in the opposite direction due to our rapid population increase.”

“If we disregard population growth, the amount of square meter retail per inhabitant is likely to go down – the question is only where it will happen. I think there is an A and a B segment.”

THE CONTINUED STRONG interest in Swedish real estate is also shown in the transaction volumes which, after a few record years, declined slightly, but are still at a high level.

“The figures from the first half of the year are somewhat lower than the ones from the previous year, but the difference is small. It is not larger than what can be recaptured if the second half of the year is strong. And we have been pleasantly surprised by how much movement there has been so early after the summer, compared with previous years. Despite the trend in later summer holidays, I think we are seeing great activity already in August. Meetings are booked and players are interested in doing things ➤

› in a way that you would normally have expected to start much later.”

“To sum up the first part of the year, the transaction volume has been a bit lower than in the peak years, but there is still a very high transaction volume historically.”

WHEN IT COMES TO foreign investors, they still have a soft spot for Sweden.

“It has been like that for a long time. It accelerated in the early 2000s, when some German funds bought prime and some opportunistic investors bought, among other things, listed companies. After that it has continued,” says Sven Dahlin and continues:

“Many investors have bought, sold and bought again. Just like German Allianz did when they came back to the Swedish market. They bought Jericho in the early 2000s, then sold it, and now they bought again.”

“Many foreign investors act like this. This also contributes to the liquidity. The fact that the liquidity is high in Sweden attracts

investors who are in need of liquidity. Investors that are buying and selling – help increase the liquidity even further.”

“I usually say it is like a self-playing piano after a while. Liquidity generates liquidity because it attracts investors whose exit rely on liquidity.”

The Swedish market has continued to be stable even in the years of the financial crisis when neighboring markets in the Nordic countries dipped. Only in recent years foreign investors showed up in Norway, Denmark and Finland, while they have been a constant in Sweden.

“IT IS DUE TO THE LIQUIDITY. But also because it is easy to do business in Sweden. There is a lot of public information available, many advisors and transaction costs are low. All in all, this combination has created and increased the foreign interest.”

› **Do you think the foreign interest will continue to be strong?**

“Looking at 2017, the proportion of foreign buyers was high. It has been swinging in a span over the past ten years, a little higher

or a little lower but always at a constant high level – not as in other markets where there were much weaker in some periods, as in Finland for example.”

“Based on history, it seems that the foreign interest will remain in Sweden, both in stronger and weaker times.”

THE SITUATION IS STILL looking bright for the Swedish real estate market. But even in times of prosperity it is important to keep an eye on clouds which might loom on the horizon.

“External factors are probably the biggest threat. Such as a crisis in the euro area because of Italy, if the US-China trade war is stepped up further.”

“Another storm cloud could be the interest rate development.”

› **Do you think there is a risk that the interest rate will start to rise?**

“The interest rate curve is leaning upwards so the expectation is that they will rise – because it cannot sink much lower than now – but at a fairly slow pace. That is probably the most likely scenario.

Had I had a completely different opinion, I would have been an interest trader,” says Sven Dahlin and laughs.

IN THE STRONG REAL ESTATE market, also Nordanö is performing very well.

“It has been a very good year so far. Compared to the second half of 2017, the first half of 2018 has actually been better for us. It feels like we have taken market shares, especially in Stockholm. With regard to transactions in central Stockholm, we have had a huge market share.”

› **You renamed your advisory services, from Brunswick to Nordanö, earlier this year. How has the name change been?**

“It has been very undramatic. We were prepared for a lot of questions but as far as we have understood it has been a non-question. It is the same company, same partners and the same way to work as it was at old Leimdörfer. In the end, the advisory side is very much about people and our clients like our way of working and know us.” ■




Here are the **20** most read articles at nordicpropertynews.com since May, 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 – three times a week. **By:** Axel Ohlsson



Sthlm 04.

PICTURE: SKANSKA

6 Skanska Invests in Office Building in Stockholm

 Skanska invests about EUR 54M in the office building Sthlm 04 in Stockholm with a total leasable area of about 12,000 square meters.

The office building is part of Skanska's investment in the Hammarby Sjöstad area and with its eight floors, about 1,750 square meters per floor, it will provide a good complement to the Sthlm 01 high rise building. In total, the office area Sthlm New Creative

Business Spaces will consist of 100,000 square meters of office and accommodate more than 6,000 workplaces. Here you will find a good selection of restaurants and other services, close proximity to the area Södermalm, as well as good transport connections.

First up in Sthlm New Creative Business Spaces were the two office buildings Stockholm Seaside and

Sthlm 03, both of which are fully let and divested to Vasakronan and Aberdeen. At the beginning of 2017, the construction of the high rise building Sthlm 01 began, which, with its 27 floors, will be a new landmark in Stockholm.

Construction work begins immediately and the premises in Sthlm 04 are expected to be ready for occupancy in the fourth quarter 2020. **2018-05-15**

7 EQT Partners' Plans to Become an Important Player in the Nordics

NORDIC PLUS EQT Partners completed their second Swedish acquisition last week when they acquired a building in Stockholm from Folksam. Henrik Orrbeck, Director at EQT Partners, tells Nordic Property News of how they look to become a big Nordic player and where they are looking for new acquisitions.

Through investments like this EQT looks to strengthen their position further on Nordic markets

in need of new office stock.

"We are actively looking for this kind of renovation objects, mainly in Stockholm, Gothenburg and Malmö. Outside of Sweden we are actively looking in Oslo, Copenhagen and Helsinki as well, looking at the entire Nordic market."


"By taking project risks we are trying to minimize the liquidity risk by focusing on the capital regions."

➤ **How big are you looking to become in the Nordics?**

"We will continue to have a very positive growth in the Nordics. The first fund we have is at EUR 430M. The fund is Pan-European, so we invest in the Nordics, Germany, France and England."

"When this fund is fully invested we will start looking at the next fund. So over time we hope to be a rather significant player up in the Nordics." **2018-05-14**

2 Why Wallenstam Believes a Housing Crash is Coming

 **PLUS** Several real estate profiles believe that Sweden is on its way to a housing crash. Hans Wallenstam tells Nordic Property News why he believes this is the case, as well.

In a debate article in Svenska Dagbladet the real estate profiles Göran Collert, Sverker Lerheden and Roland Petersson write that Sweden could be on its way to a housing crash. According to the authors it is about time to start increasing interests and limiting foreign lending before the government and politicians are forced to deal with a financial crisis.

Hans Wallenstam is on the same track.

"It will most likely end up in a large crash. We have had a low interest environment for years now and one of the lowest interests in the world, which is not sustainable in the long-run," he says.

But when the crash will take places is more difficult to predict.

"It could take 10-20 years," says Hans Wallenstam.

While Gothenburg's city center expands he also encourages caution.

"We need to be careful with the city and the availability in the city center so that consumer patterns don't change, ending up in a dead city when it is finished. We have done way too little considering the housing situation we have in Sweden. Way too little for many years. Other than housing, we also need more offices. If there are no offices people cannot move here."


2018-06-11



PICTURE: WALLENSTAM

Hans Wallenstam.

3 "It's Like Selling Air!"

 **PLUS** Outraged attorney looks to take Swedish developers and buyers has blown up in Sweden. In several cases in Stockholm, people who bought apartments through pre-contractual agreements sued residential developers and mean that it is entitled to cancel their agreements.

Jörn Liljeström, attorney at Creo Advokater, has also reacted strongly to the housing developers' comments that it is mainly so-called speculation buyers who encounter problems when the dates of entry are postponed.

"It is incredibly dishonest and unserious to first break the agreement by postponing the access for more than half a year and sometimes up to a year, then dismissing the af-


fected buyers with the first best negative label, calling them speculative buyers," he says.

➤ **How many of today's actors are unserious?**

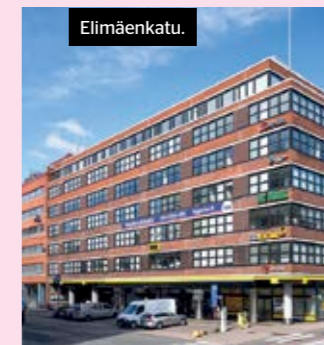
"My definition of unserious is that you violate an entered agreement and then do not take responsibility but instead blame contractors."

"If you are a serious developer but still have to postpone access, you simply say something like: 'Unfortunately, we have to postpone access but we will cover your additional costs, are you okay with that?' and so far I have not seen anyone say that. Instead, some people are trying to trick buyers to sign a lease agreement with threat of damages." **2018-05-23**

12 WHY CROMWELL CHOSE FINLAND OVER SWEDEN

 **PLUS** After purchasing the Omega portfolio together in 2017, Cromwell and Goldman Sachs continue to do business together in Finland. They now purchase 27 properties from IVG Polar for EUR 108.5 million. Tomas Beck, Head of Nordics at Cromwell, tells Fastighetssverige why he currently has a hard time seeing Sweden as an attractive investment alternative.

"Sweden is difficult and expensive. We have a large listed sector that at least previously has seen very tightly priced companies on the stock market which has resulted in a large acquisition capacity since more or less everything they purchase sees an increase in value momentarily, considering that they implicitly have a higher valuation on the stock market compared to individual properties. I think the Swedish market – apart from foreign capital – also has been driven in a different way of the listed sector than what is the case in the other Nordic markets," he says. **2018-07-02**



Elimäenkatu.

PICTURE: CROMWELL

11 AMERICAN GIANT INCREASES NORDIC FOCUS WITH NEW INVESTMENTS

 **PLUS** American real estate investor Hines acquired two properties in Copenhagen CBD from Freja for EUR 113M. James Robson, MD of Hines Nordics Real Estate, tells Nordic Property News of the company's Nordic focus.



James Robson.

"We find the Danish market to be a great place to work. To date we have focused on Copenhagen, which we will continue to do. We believe the Copenhagen market is going through structural change, investors are becoming more international, tenant demands are ever changing and the rise in the working age population is changing the real estate sector dramatically. Further, the economic stability of Denmark means that we believe Copenhagen will remain an attractive location for us in the long term," says James Robson.

➤ **How do you view the other Nordic markets?**

"We view each of the Nordic markets very differently. Whilst there are obvious similarities between each of the markets, the differences can be stark. What is clear is that each country has a well-run, balanced economy and we believe will demonstrate long term stability. Within that framework we see demand for each of the asset classes providing very different opportunities."

2018-05-18

4 LARGEST NORDIC TRANSACTIONS OF H1 2018

NORDIC PLUS An intense first half of 2018 is in the books. The Nordic countries are on pace to set a new transaction record. Nordic Property News has listed the ten largest transactions. The data has been provided by Pangea Property Partners.

1. Swedish Victoria Park sold to Germans and Americans after bidding war
2. Heimstaden makes internal affair
3. Danica acquires SEB Pension in Denmark

2018-07-05

See the complete list at NordicPropertyNews.com

NORDIC NEWS

18 HERE ARE ANTILOOPPI'S FOCUS AREAS IN HELSINKI

 **PLUS** Antilooppi acquired two Helsinki office buildings from Cromwell for EUR 43M. CEO Tuomas Sahi tells Fastighetssverige what Helsinki areas Antilooppi focuses on. "In Antilooppi we have identified submarkets in Helsinki that benefit from the growth of Helsinki and are either underdeveloped or benefit from current or future infrastructure developments in the area. Both Leppävaara and Vallila are such areas. Our main investment areas are the downtown areas just outside the Helsinki CBD in eastern inner city and western inner city. We also invest into Leppävaara, Pitäjänmäki and Aviapolis in Vantaa," he says. **2018-06-25**

16 TK DEVELOPMENT APPOINTS NEW CEO

 Struggling TK Development has appointed Søren Kempf Holm as new CEO to replace Frede Clausen. Søren Kempf Holm leaves the position as CEO of Topdanmark Ejendom and will begin at TK Development no later than December 1st. **2018-06-01**

15 PARETO ACQUIRES IN SKI

 Anthon B Nilsen Eiendom sells Berggård Amundsen-built in Ski Municipality to Pareto Eiendomsfelleskap. Pareto Eiendomsfelleskap has a total assets of NOK 3.8 billion and owns an extensive portfolio of warehouse/logistics properties along the inlet years into Oslo. **2018-05-28**

13 AEW MAKES EUR 108M ACQUISITION FROM STOCKMANN

 Stockmann has signed an agreement to sell the iconic retail and office property known as the Book House. The purchaser is the AEW Europe City Retail Fund. The purchase price is EUR 108.6M. **2018-05-11**



5 Peab's Model to Solve Residential Development

Jesper Göransson.


 **PLUS** Residential development in Stockholm is seeing tough times. Several smaller developers are struggling to stay afloat but also the big dragons have to adapt and find new solutions. Jesper Göransson, CEO of the Swedish giant Peab, tells Nordic Property News of the company's plans to solve the situation.

After several years of nothing but sunshine and blue skies for residential developers in Stockholm times have changed in the last year. Developers like Oscar Properties and Tobin Properties have had to halt projects and have seen their stocks dive. Even larger companies like Peab have felt the tougher times. This summer, the company had to lay off 180 employees on the housing side in Stockholm. According to the CEO Jesper

Göransson, the residential market in Stockholm is the big challenge going forward. "It is a well-known problem that there is an oversupply in the more expensive price segment. The big question now is where we are going to build and in what ways people can afford to live in and own their apartments," he tells Nordic Property News.

» **How do you work to solve the issue?** "We are looking at another type of standardization. We will have our strategies and models for it. It is about finding cost effective methods with a little less add-on choices, but it is also about finding land with the right input value and building what is requested." **2018-08-20**

8 Why the Finnish Transaction Volume is Decreasing

 **PLUS** Finland continues to be smoking hot on the real estate market. Despite this, the transaction volume has decreased by 48 percent compared to the first half of 2017. Mikael Söderlundh, Head of Research at Pangea Property Partners, tells Nordic Property News why the numbers are decreasing despite a continuously attractive market.


Finland has during the first half of 2018 been a hot market for investors all across the globe. Multiple large deals have been completed, most recently through Cromwell and Goldman Sachs purchasing a portfolio of 27 properties for EUR 108,5 million from IVG Polar.



Mikael Söderlundh.

Despite the continued interest and a rising market, the transaction volume decreases significantly during the first half of 2018. The reason behind this is the Sponda deal. "You are comparing to a very special half year in Finland since the Sponda transaction was completed in June last year, with properties worth approximately EUR 3.8 billion," says Mikael Söderlundh. There is still a lot of intensity on the transaction market in Finland, and it is primarily driven by foreign investors. The proportion of foreign investors amounts to 66 per cent in the first half of 2018. The Finnish economy has a positive momentum that draws attention, furthermore, the yield requirements in the real estate market are higher than in the rest of the Nordic countries. **2018-07-05**

1 Chaos in Swedish Company – Board Fired and CEO Quits

 **PLUS** The municipality of Halmstad wants the city council to release all board members of Halmstads Fastighets AB one year in advance. At the same time, the company's CEO, Marie Thelander Dellhag, has resigned. The municipality of Halmstad is not satisfied with how the board of Halmstad Fastighets AB handled a question of property sales and land purchases. As a result the board has been relieved of their duties one year in advance. A crashed deal with Tornet was the straw that broke the camel's back. "We, the collective political leadership, had already commissioned HFAB to look at how we could sell 700-1000 homes to finance and hurry up the construction in the municipality, even before there was a possible deal to be made with Tornet," says

Lars Püss (M), chairman of Halmstads Rådhus AB. "There is an urgent need for new properties, and as we have large unrealized values in HFAB, we were looking to get a solid decision base for a possible sale." When Tornet presented its business proposal, HFAB initially announced that it would take a standstill until they had a proper basis. But in the beginning of May, HFAB suddenly turned down the offer. "That's where things have gone completely wrong, in a remarkable way. HFAB should have said, 'Thank you for your interest, we will get back to you,' and then get a proper overview of the situation. With transactions of this size, you would want invite more potential buyers in the process," says Lars Püss and adds: "This decision came way too fast." **2018-05-21**


10 Why Allianz Looks for More in the Nordics

 **PLUS** Allianz Real Estate acquires a Stockholm office building from AMF for approximately EUR 175M. Nicole Pötsch, Head of Acquisitions North and Central Europe, tells Nordic Property News of what lies ahead in the Nordics for the German company. The acquisition is the third direct equity investment in the Nordics (the previous two includes an office asset in the Helsinki CBD and 50 percent of the Helsinki shopping center Kampipi) for Allianz and they are looking for more. "We will continue to actively monitor the Nordic markets for suitable investment opportunities as we ideally want to expand our exposure there. Given the attractive fundamentals, we are looking to increase our exposure further," says Nicole Pötsch. **2018-08-06**




Gångaren 11.

9 TRE KRONOR ON NORWEGIAN ENTRY AND THE DIFFERENCES BETWEEN NORWAY AND SWEDEN

 **PLUS** The Swedish interest in the Norwegian market remains at a high level. That latest company to go west is the Catella company Tre Kronor Property Investment. Tre Kronor Property Investment was launched by Catella in the fall of 2017 with a major purchase from Granen. During the summer Tre Kronor widened their horizon and entered the

Norwegian market through an acquisition of 13 properties. "Norway has a strong purchasing power all over the country which makes the grocery business interesting. Furthermore it lies within Tre Kronor's plans to grow and through this acquisition we have created a strong platform for the future," says Michael Johansson, CEO of Tre Kronor Property Investment. **2018-08-08**

14 "WE EXPECT OFFICE RENTS IN STOCKHOLM TO OUTPERFORM PERFORM PEER CITIES"

 **PLUS** Barings Real Estate completed a major purchase in Stockholm by acquiring Fleming 7 from Mengus for approximately EUR 107M. With the acquisition in hand Gunther Deutsch, Head of Real Estate Transactions Europe at Barings,

tells Nordic Property News of their view of the Stockholm market. "Barings sees Stockholm as one of the key core cities in Europe." **2018-06-04**

20 SPG PURCHASES DEVELOPMENT PROPERTY OUTSIDE OF OSLO

 Scandinavian Property Group (SPG) has purchased a development property of 125,000 square meters in Bærum municipality approximately 20 minutes west of Oslo city center. Construction is expected to encompass approximately 130,000 - 160,000 BTA and the seller is Franzefoss Utvikling. **2018-05-14**

19 KLÖVERN MAKES EUR 99M ACQUISITION IN COPENHAGEN

 Klövern has acquired four office properties in Copenhagen for an underlying property value of MDKK 735 (EUR 99M). The properties have a total lettable area of around 36,600 sq.m. and are almost fully let. Among the largest tenants are the Municipality of Copenhagen, IBM, G4S, Nestlé, Regus and Q8. The rental value amounts to DKK 41 million per year, the economic occupancy rate is 99.7 per cent and the average remaining lease contract period is around 3 years. **2018-06-08**



Rutger Arnhult.

17 ROUND HILL ACQUIRES FIRST FINNISH RESIDENTIAL PORTFOLIO

 Round Hill Capital acquires a residential portfolio in Finland, comprising 3,263 units from Avant Capital Partners. The portfolio consists of 106 well located properties across the south of Finland as well as the Helsinki Metropolitan area. This is Round Hill's first transaction in Finland, a geography which exhibits positive investment fundamentals, favourable housing demand/supply dynamics and robust economic performance. **2018-06-04**

■ Coworking has become one of the hottest trends on the office market. Still, this is just the beginning. Patrik Åström, CEO of Helio, sees great potential ahead.

“Coworking will be normalized,” he says. **By:** Axel Ohlsson

The new norm

A LOT HAS HAPPENED since Helio opened the doors to Sweden's first coworking in 1998. At that time, the concept of coworking was not invented and the companies gathered at the workplace were dominated by the dotcom era.

“We opened a place that was about high-speed internet, nice people, fun and interesting environments, a lot of startup companies in the dotcom era, and then beer on Fridays,” says Patrik Åström.

“We put it on the 17th or 18th floor in Stockholm with a view of the city so that you could sort of see what you were defeating. It worked very well, it was a lot of fun and it grew exciting businesses. The biggest one was probably Letsbuyit.com that grew and went from nothing to 40–50 people only there.”

“So it was coworking, even though the concept itself was not coined yet. We probably did not have a real title on it, but we were just doing fun things.”

SINCE THEN, THE COMPANIES have changed, high-speed internet has stopped being a selling point and beer on Fridays is not as important. One thing, however, is still a cornerstone of coworking.

“Community, inspiration, exchange and context still work very, very well: the social context of going to work. Companies change over time, but the importance of creating relationships with other individuals does not change. Sometimes you meet and solve new amazing things together. Sometimes you just get a new friend.”

“We spend even more time on that today.

We learned it back then and spend a lot of time on it now 20 years later – creating spaces that are very social and inspiring, events that make people

»Companies change over time, but the importance of creating relationships with other individuals does not change.«

meet and learn from each other and get to know each other.”

► **How does the work you do now differ from what you did then?**

“Today we take it much more seriously. And we have much higher demands on what it means to get together. You might say that if you served beer during the dotcom era we had fun together. Today, there are different demands on what it means to have fun together. Often you want to combine it with learning or inspiration and to see something new. So we put a lot more effort into creating content that inspires and moves people where they meet each other.”

“I think we are one of the few companies that have a full-time Head Curator who only deals with creating such things; collaborations, inspiration, events for people together.”

PATRIK ÅSTRÖM SEES three mega trends that drive the development of coworking forward: digitization, globalization and urbanization.

“To us, digitization means that everything moves much faster. It drives faster behaviors, companies open faster, grow faster, change faster – everything moves a lot faster in the digital society. Real estate stuck with old rigid office solutions fits very badly in a digitized society while coworking, and Helio, fit very well into it. We sign flexible leases so that it is easy to grow, decrease and ►

NEW CLIENTS. The clientel has changed at Helio since the start in 1998.

PICTURE: HELIO

Patrik Åström.



PICTURE: MATTIAS HAMREN

PICTURE: HELIO

WIN-WIN. Efficient use of office spaces, enables more people to work in the city center and leads to increased long-term real estate value.

› change: it is possible to do the day here with us.”

“Looking at globalization, the structure of companies changes and you get colleagues from around the world. You can work at a big company and be the only employee located in Stockholm – and then you need some place to work that does not equal sitting at home staring into the wall.”

“And everyone wants to be in the same place: in the heart of the city where fun things happens. At Helio we do two things to meet that demand. First of all we are very public, we have cafes and bars, street-level entrances and enrich the city. We spend a lot of time creating nice experiences for our members so they always feel easy to enter. The second thing is that if everyone wants to be in the same place, we need to be much more efficient at using those places. And we are very good at sharing real estate. We believe that we at Helio can be about twice as efficient compared to a traditional office and then more people can work in the place where everyone wants to be. This often leads to an increased long-term real estate value, a win-win.”

“We believe those three megatrends have a lot of influence on offices and real estate – and we try to offer a solutions to them.”

› What demands does this development put on the actual physical buildings you are in?

“There will be requirements for built-in flexibility. And I do not mean that there should be open plan solutions, but it is about

being able to do a lot of things in the building. You should be able to relax, maybe even sleep.”

“Before you went to the office and then you went home, today you live with your work. This means that the building must be able to handle your life, not just your work. I think that is a pretty big difference.”


ALTHOUGH COWORKING IS becoming increasingly established, the phenomenon is still young. Patrik Åström sees a development where coworking is becoming a common thing.

“I think it will be a normalized behavior to work in a coworking place. Looking at Stockholm or Gothenburg today, it is small portion of the total area – maybe four to five percent – which is a coworking offer, and you should keep in mind that coworking is a pretty white concept.”

“But if you are looking at what is being rented out, it is a much bigger percentage that becomes coworking in some form. So I think it will be normalized. In five years, it will be completely normal for all types of companies to use coworking places.”

“That trend feels quite clear to me. Looking internationally, it is already very clear in cities like New York, San Francisco, Berlin and London.”

› What does the development look like for you on Helio?

“For Helio, it is just about continuing to be relevant and good for our members. Then we will get more members, we will have very satisfied members and then good things will happen to Helio.” 



We create room for growth.

With our financing solutions.

Real Estate Finance. Offering the best in bespoke financing, we are your experts for national and international markets. With solutions tailored to suit your needs, a lean organization, and fast decision making, we are a partner you can count on for your projects – today and for many tomorrows to come. www.helaba.com

Visit us at
EXPO REAL
Stand C1.432

Helaba | 



LIKES TO WATCH SPORTS

Name: Cecilia Fasth.

Age: 45.

Family: Husband and two sons.

Lives: Gothenburg.

Drives: Volvo.

Reads: "Right now Louise Boije af Gennäs."

Watches: "I like to watch sports."

Listens to: "I like a lot of Swedish artists."

NEW POSITION.
Cecilia Fasth started at
Stena Property at the turn
of the year.

Cecilia Fasth

Leads Stena Property forward

The interest in building was there from the start and brought her from Vänersborg via London and large listed companies to Stena Property. Now Cecilia Fasth is ready to continue the *development of the Gothenburg cornerstone.* "We will take a much bigger role in urban development," she says.

By: Axel Ohlsson

As early as July 2017, it was announced that Cecilia Fasth would leave the position as CEO of Castellum Region Väst and instead take over as CEO of Stena Property when her predecessor, Christel Armstrong Darvik, retired. Cecilia Fasth started at her new position at the turn of the year and has experienced eventful months on the new job.

"It has been great months. I have got to know all my new colleagues and we are an incredibly well-balanced and good team. There is a good mood and we have a lot of fun projects running."

› **Has it taken time to get into it?**

"No, I think it has gone quite fast. I feel like I know real estate in Gothenburg pretty well from before. Stockholm and Malmö I have had to invest a little more time in to get to know. But I think it is quite manageable."

› **How do you feel the difference at Stena compared to Castellum?**

"The biggest difference is that it is a larger geography for me. Previously, my area was Western Sweden, now I have all Sweden and will also take over our foreign activities at the end of the year. So it becomes a larger geography and more residential property, which is a big difference."

» I think I am good at building teams that work towards common goals.«

"The owner situation, with one clear owner, is different from a listed company."

"Castellum has a clear strategy so you know what to do but here you are very close to the owner. Decision are very quick at Stena and the company is very entrepreneurial, it is a lot of fun."

THE SWITCH FROM CASTELLUM to Stena Property meant not only a move within a few hundred meters in the central parts of Gothenburg. It has also meant that the position as a subsidiary CEO was changed to being the CEO of a parent company.

"There is a difference from when you report to a Group CEO. Here the board becomes my main employer and that is a big difference."

"I also have a lot less operational work in my daily life, but all subsidiary CEO's handle that

in a very good way. There is a big difference to switch to working with the long-term strategy rather than the daily operational issues."

› **Do you like that role?**

"I cannot deny that my fingers itch sometimes," Cecilia Fasth says and laughs before she continues:

"You need to let people do their job in the best way. But it is a lot of fun to be involved in transactions, that can not be denied."

"But I enjoy working on the long-term issues. In a company like Stena we have the opportunity to really be long-term. It is very exciting and very engaging now when we look at what we are going to do."

› **Has it been a career goal for you to become a CEO?**

"I do not know if the position of CEO has been a goal, but I very much enjoy leadership. And you can work with leadership in many different roles. It is fun to take responsibility and I enjoy working in a group."

› **How are you as a manager?**

"You have to ask my staff about that," she laughs.

"I think I am good at building teams that work towards common goals. I like team sports >

PIPELINE. Stena Property have many projects lined up.

› and believe in having a team that can help each other; with players with different skills that complement each other.”

“It is very interesting to listen to other talented coaches, how they work with motivation and so on.”

› **Are there any coaches in particular that you like?**

“I have played handball myself, there there are many good leaders. The former coach of the Swedish men’s national team Bengt Johansson is a very good coach. I have never met Ljubomir Vranjes but he has fantastically interesting theories in his book.”

SPORTS PLAY A MAJOR ROLE in Cecilia Fasth’s life and it has been like that since her upbringing in Vänersborg. Having grown up skiing and playing handball for many years, she has found a new passion for tennis.

In Vänersborg, the root of her interest in construction and real estate is to be found.

“I have always enjoyed working with my hands and have always thought it is fun to walk around cities looking at houses and bridges and understand how things are connected. I think that is a lot more fun than being in the woods. I understand that others think it is peaceful, but I think it is much more fun to go to cities and squeeze and feel and watch things. It has always attracted me.”

“So I already knew that I wanted to be in the

» We will take much bigger role in urban development than we have done historically.«

real estate industry. I chose construction engineering line at high school. Then I moved to Gothenburg in the early 90’s and studied at Chalmers. The reason why it became real estate ... it could just as well could have been something construction oriented. It probably had to do with my first job as a trainee at Skanska.”

THE FIRST TRAINEE SERVICE in Skanska led to more assignments, new positions, and eventually took her to London between 2011 and 2013.

“There are big differences in all dimensions. First of all, all projects are incredibly much bigger and there is very much to consider in constructions. The scale over there is impressive.”

“Then it is much more hierarchical. The construction industry in Britain has not come as far in regards to gender equality as we have in Sweden. That was another big difference.”

“The year in Britain were also quite tough with the financial crisis, but I learned a lot and it

was very exciting and fun to experience another culture.”

› **What does it mean to have the experience from working in another place?**

“It is always useful to get broader perspectives on things, whether you use it in your personal life or in your professional life. I got a completely different understanding of what it is like to start over again somewhere new; to move somewhere where you do not know a single person. You learn a lot from working in another environment.”

BACK IN GOTHENBURG, she will now lead Stena Property when the company continues to develop. And there are many things in the pipeline.

“We will take a much bigger role in urban development than we have done historically. In recent years, a great job has been done in pushing out detailed plans in our existing areas. So we have a huge palette of project opportunities and we have already gotten started on several. We started relatively many last year and will start quite a few this year as well.”

“You will see us a lot more as a city developer and that we are pulling up our sleeves even more in our relationship management. I think we in Stena are leading in social sustainability and we want to maintain and develop that position further.”

“We also have a large management portfolio and we will continue to take care of it in the best way, just as we did historically. It will be a good combination of a little bit new and a little bit old.” ■

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





FASTIGHETSSVERIGE

mapic Live
Real Discussion. Real-Time.

trends
investment MORE
retail
Cannes multichannel
awards
real estate

Follow us on: blog.mipimworld.com/mapic-live

Welcome to MAPIC

Book your ad for Mapic 2018 – now!

**Call Rolf Andersson:
+46 31 604 355**

Number 4 2018 is distributed in the beginning of November.
The magazine will also be available at the Mapic fair.