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scandinavian business magazine

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editorial

NORDICUM
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Baltic Sea dynamism will continue

Helsinki is located in the heart of the most dynamic economic area of Europe. The economies of the Baltic countries and St Petersburg region are growing at a rate close to 10%, while it is estimated that Finland's GDP growth will reach 5.5% in 2006 – a figure well above the European average rate.

The Helsinki region has done particularly well – the “Daughter of the Baltic” has been ranked among the top three regions or cities in Europe, whether it is about safety, competitiveness or its innovative environment. In a recent study by Sheffield University the Helsinki region (Uusimaa Province) was ranked number two after Brussels. All of Finland's other regions also figured significantly in the rankings, so the Helsinki region is not getting wealthier at the expense of other Finnish regions.

Stockholm and Copenhagen also did well in these statistics.

Helsinki, Stockholm and Tallinn have also been ranked as Europe's top “mobile cities”. Not many people know that Skype's Tallinn branch had an important role in developing this new communication and messaging system.

Helsinki has taken the challenge of being a “digital city” in earnest through its Forum Virium and Arabianranta projects. The neighbouring city of Espoo is also known for its high-tech environment (Nokia's head office, Helsinki University of Technology etc). Meanwhile, Vantaa's “Aviapolis” is known as the airport city, and this is attracting plenty of international and domestic ICT companies.

According to various surveys, Finland is also the world's least corrupt country. Doing business is transparent, decisions are done in an orderly manner and information is readily provided by the authorities.

Finland's position in the northern part of the Baltic Sea region is absolutely crucial. When it comes to logistics, southern Finland has developed its services strongly. In Nordicum we introduce some spearhead projects in Turku and the Helsinki region.

In the second half of 2006 Finland held the rotating EU Presidency. The period included some gains, but also some disappointments. The EU negotiating process with Turkey slowed down considerably in spite of Finland's well-grounded compromise suggestions. A partnership agreement with Russia was not renewed partly because of Poland's stubborn policies.

On the other hand, maybe the time was not right for a new Russia-EU partnership agreement, which lasts till the end 2007 – Russia's politics has lately been quite unstable towards foreign investors as the Sakhalin and other energy projects have shown.

And the attitude of the Russian leadership towards the media and liberal voices in general is worrying. A strong stand taken by the Western media towards Russia's lack of freedom has been a welcome phenomenon.

Russia's WTO membership is almost sealed. Russia just cannot afford to lose the trust of foreign investors. At the moment the best way to enter the Russian market is to create good relations with Russians at a regional level – like Finns have done in St Petersburg, and not to rush with investment decisions. This does not mean that one should not make new plans about Russia – on the contrary, it is a good time for international companies to consider their strategies in Russia and the Baltic Sea region – these areas will remain among the most dynamic in Europe, whether it comes to GDP growth, creativity in the ICT sector or tourism. ●

Klaus Susiluoto

NORDICUM publication schedule 2007

Issue:	Date of publication:	Themes:
1/2007	January	Transportation & Logistics
2/2007	March	Pulp & Paper, Automation, Forestry
3/2007	May	Energy & Environment, Biotechnology
4-5/2007	August	Cruise & Shipping, Travel
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1/2007	August	Energy and Pulp & Paper
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Publisher

PubliCo Ltd
 Palkkaneentie 19 A
 FI-00510 Helsinki
 Finland
 Phone +358 9 686 6250
 Fax +358 9 685 2940
 info@publico.com
 www.nordicum.com

Editor-in-Chief

Klaus Susiluoto

Editorial Coordinator

Mirkka Ryttilahti

Project Manager

Paul Charpentier

Contributors

Sami J. Anteroinen
 Tage Erikson
 Anders Lindgren
 Jouni Koistinen

Language Editor

Andrew Draper

Art Director

Leena Turtia

Ad Sales

Finland

Mr. Risto Valkeapää
 Phone +358 9 6866 2532
 Fax +358 9 685 2940

Sweden

Mr. Johan Lindberg
 Phone +46 8 615 2537
 Fax +46 8 615 2655

Germany

Mr. Lutz Ehrhardt
 Phone +49 40 367 311
 Fax +49 40 365 993

Subscriptions

Phone +358 9 686 6250
 Fax +358 9 685 2940
 subscriptions@publico.com

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Ericsson and Intel co operate on mobile platform

Ericsson and Intel accelerate deployment of services and applications on mobile PCs, powered by Ericsson's mobile broadband and IMS solutions and Intel Core Microarchitecture for mobile clients and servers.

The joint effort aims to accelerate the market uptake of mobile broadband and multimedia services usage, through a more convenient and attractive experience for consumers and enterprises. Both companies will work together on integrating solutions for mobile operators, enabling them to provide attractive mobile broadband service packages for both enterprises and consumers using the mobile PC. This includes a convenient, fast and seamless broadband experience, a secure and fully managed PC environment - improving enterprise IT efficiency, next generation high definition multimedia communication, entertainment and web services on the move.

These integrated solutions will be based on Ericsson's HSPA platform for mobile broadband and IMS platform for convergence with Intel's Mobile technology, providing best user experience, security and reliability.

The collaboration also includes marketing and technology enabling programs for Independent Software Vendors (ISVs) to develop, validate and bring to market multimedia applications for mobile networks. In order to speed up time to market for new applications the two companies will provide the software community with development tools, early access to systems, training and validation support at global solution centers.

Bert Nordberg, Executive Vice President, Ericsson, says: "The mobile PC with embedded mobile broadband represents an exciting and strong revenue opportunity for mobile operators, both for access and services. We feel very pleased to announce this joint initiative with Intel, in which end user convenience is the key deliverable to create opportunity for a mobile broadband mass-market."

Gordon Graylish, Vice President and General Manager EMEA, Intel, says: "We are very excited about working with Ericsson on enabling rich and easy-to-use multimedia services on the go, working seamlessly over different wireless technologies." ●

www.ericsson.com

Internet changed by mobile phone faster than expected

In Nokia's vision for the future of the mobility industry, the Internet would become the key driving force in a market it expects to reach 4 billion global subscriptions during 2010. The comments were made in a speech by Nokia CEO and President, Olli-Pekka Kallasuvo, to more than 2,000 people from the mobile and internet industries attending the Nokia World 2006 conference.

"Mobile communications is once again changing even faster than many of us have predicted, and we are still far away from this being a mature market," said Kallasuvo. "The Internet has transformed the way we live our lives and communicate with each other, and we expect it to play a key role in the next phase of Nokia's growth. The next wave of the internet will be to make it truly mobile, creating new ways for people to connect to others and find information from wherever they are. Nokia intends to be at the forefront of this new era and be the company that truly merges the internet and mobility."

At the two-day event, Nokia said growth in the mobility industry was accelerating faster than predicted earlier, and that it now expected the industry to reach the milestone of 3 billion mobile subscriptions globally in 2007. Nokia also gave its new forecast of 4 billion global mobile subscriptions during 2010.

Music, mobile TV and navigation services will play a key role in driving this growth, both in advanced and emerging markets where in the latter increasing numbers of people are accessing the internet for the first time on their mobile rather than on a PC. Reflecting this, Nokia said it estimates that the replacement market will account for about 65 per cent of the global market this year and that this figure is expected to rise to over 80 per cent by the year 2010.

Nokia also said that it expected more than half of the growth in mobile subscribers to come from emerging markets in the Asia Pacific region, including China and India. ●

www.nokia.com

TietoEnator and Nokia develop workplace management

TietoEnator and Nokia, a world leader in mobile communications have announced that the two companies are increasing their cooperation in the enterprise mobility area with the launch of next-generation mobility services aggressively focusing on return on investment (ROI) delivery. Itself a user of the Intellisync Mobile Suite from Nokia, TietoEnator has enjoyed the flexibility of providing wireless email, calendar and device management capabilities to its own employees, and now will extend those capabilities to its customers.

The new mobility services move beyond email and Personal Information Management (PIM) to focus on

improving ROI from enterprise system investments such as Customer Relationship Management, Supply Chain Management and Enterprise Resource Management systems. ROI improves as the operative responsiveness of the whole organisation increases; employees and systems are more accessible. TietoEnator is using Intellisync Mobile Suite from Nokia as a key component of this global service platform. The new offering is a part of TietoEnator's Digital Workplace management concept. ●

www.tietoenator.com

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Photo: Pertti Nisonen



"Helsinki is aiming to maintain and develop its position as one of the most innovative and competitive metropolises in Europe," says City of Helsinki Mayor Jussi Pajunen. **Pages 6-7.**



Photo: Levi Travel

Lapland ski resorts and other travel operators have started several large investment programmes, but intimate desolate choices will also be an option. **Pages 18-24.**

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Photo: Kuvakori.com



Aviapolis is one of the most dynamic developments in the whole Helsinki region. Regarded as a go-ahead 'airport city', which surrounds the award-winning Helsinki-Vantaa Airport.

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Photo: Kuvakori.com



With the metro line Finland's leading innovation cluster of Keilaniemi-Otaniemi-Tapiola have more effective traffic connections to the Helsinki city centre. **Pages 34-45.**

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Mayor Jussi Pajunen: HELSINKI - WORLD-CLASS INNOVATION ENVIRONMENT

Helsinki, the "Daughter of the Baltic", is changing possibly more quickly than any other capital city in Europe. "There will be huge building projects in the next 10-15 years. But even more profound change is to be seen in people's attitudes," says City of Helsinki Mayor Jussi Pajunen. "Helsinki is aiming to maintain and develop its position as one of the most innovative and competitive metropolises in Europe."

Photo: Mauritz Hellström



Helsinki has been ranked among the top three regions or cities in Europe, whether it is about safety, competitiveness or innovative environment," says Mayor Pajunen.

Helsinki is located in the heart of the most dynamic economic area of Europe. The economies of the Baltic countries and the St Petersburg region are growing at a rate close to 10 per cent, while Finland reached GDP growth more than 5% in 2006 – a figure well above the European average.

Jussi Pajunen says that the Helsinki region counts for more than a third of Finland's GDP.

"And GDP in the Helsinki region is well above the EU average. What is even more encouraging is that for the past few years Helsinki has been ranked among the top three regions or cities in Europe, whether it is about safety, competitiveness or innovative environment."

Mayor Pajunen points out that one should not view the region only from a Helsinki viewpoint.

"We will also have to take into consideration neighbouring cities and municipalities. There are 1.3 million people in the Greater Helsinki region. This is one of the most dynamic areas in the whole of Europe," he says.

GDP figures and competitiveness surveys bear out what he says. In a study by Sheffield University the Helsinki region (Uusimaa Province) was ranked number two after Brussels. All of Finland's other regions also figured significantly in the rankings.

"According to various surveys, Finland is also the world's least corrupt country," says Pajunen.

"In Helsinki's business development we emphasize transparency, smoothness and our attitude to service."

In his earlier career, Pajunen was an entrepreneur working for family businesses including grocery stores and public saunas.

Grocery chain Alepa was sold to a larger retail chain.

"Saunas were no longer a business proposition, since there was no need for public saunas when apartment blocks and, later, even almost all individual apartments had their own saunas. But I am glad that Finns have learnt how to market their sauna equipment and sauna culture for tourists," he says.

As an ex-entrepreneur, Pajunen understands obstacles that small and medium-sized enterprises may confront.

"We have put a lot of effort into an advisory service for emerging companies," says Pajunen.

Important international networking

Like any modern metropolis, Helsinki relies on international networking. The most important partner cities for Helsinki have been Tallinn and Stockholm, but St Petersburg will take on an increasingly important role, believes Pajunen.

"In the beginning of the 1990s I keenly observed politics in Estonia. That was a very interesting time. We were able to give them valuable advice, but today EU newcomers like Estonia are actually sparring with us older members."

In August 1991 Estonia regained its independence. Estonia's economic progress has been very rapid since then.

"It has been interesting to witness their economic success. The huge GDP growth of the Baltic countries has been beneficial to Finland too. Many Finnish companies have invested in the Baltic countries – in retail, real estate and subcontracting, for example.

"Finns can utilize their expertise to further expand operations there, alone or with an international partner," says Pajunen.

There have even been plans to connect Helsinki and Tallinn by a tunnel – the distance between the two cities is about 85 km.

"In the short term this is not realistic, but in a couple of decades the situation might be different," says Pajunen.

"At the moment Helsinki is observing how road and rail connections are developing between Russia and Germany. Part of these routes could pass through the Baltic countries, and this would also benefit the Helsinki region. For example, there is a RailBaltica plan to connect St Petersburg and Berlin through the Baltic countries. If some day this is realised, the tunnel from Tallinn to Helsinki could then be an option. From Helsinki the line could continue to St Petersburg. At the moment, however, the volume is not big enough."

"At the moment Helsinki already has very strong ferry links to Sweden and ropax links to Germany. And there is just no comparison in the traffic between Tallinn and Helsinki. There are no capital cities in the world with such high frequency ferry connections as between the Finnish and Estonian capitals."

To Russia by train

Helsinki also has extensive co-operation with Moscow and St Petersburg. "When targeting tourists, it is essential to co-operate more and more with St Petersburg. Travellers who come to the Baltic Sea region, particularly from outside Europe, want to see more than one country or city. Already, many tourists take a ferry from Helsinki to Tallinn or Stockholm, or vice versa," he says.

"On the Helsinki-St Petersburg route the rail connection plays an important role. Today this route takes just over five hours, and in the future we will be able to reach Russia's second city in not much more than three hours," says Pajunen. "This makes tourism easier and boosts business relations."

Jussi Pajunen says that St Petersburg and Moscow are both interested in Finland's successful innovation policy. "We have also been building good relations with cities in the Far East. For example Beijing has been an important partner. In July 2006 the Mayor of Beijing, Wang Qishan, visited Helsinki, where the two mayors signed the agreement to twin their cities. Also in the Far East R & D research between companies and research institutes will have an important role to play."

More tall buildings

So how should a star performance in growth and innovation be maintained?

"The main issue is to be able to attract talented people to Helsinki. The Helsinki region has top level universities and research institutes. The University of Helsinki has gained a good international ranking. Helsinki University of Technology is also highly expert in many fields."

Pajunen admits that there are, of course, also potential bottlenecks in the development of Helsinki.

"For example, the availability of a skilled workforce must be secured. I am confident that we are able to increase the amount of places of work. But we also need more apartments for new employees."

"In the former port areas we will have new, high class, residential areas in Kalasatama and Jätkäsaari with a maritime feel.

"Creating attractive residential areas is of the utmost importance to Helsinki. There are already good examples, like Ruoholahti and Herttoniemenranta. We have emphasized making Helsinki's great waterfront areas even more attractive. There are plans to connect some of the sea-side suburbs with bridges or ferries."

Urban researcher Panu Lehtovuori has even suggested floating buildings to strengthen Helsinki's maritime feel, but no decision has been made about this.

"I have not studied the issue of floating buildings or house boats. But when it comes to tall buildings I believe we will have more tall buildings. Naturally we do not want to destroy the silhouette of Old Helsinki, but Pasila and possibly a couple of other areas could be suitable for high-rise buildings."

In all likelihood, the highest buildings in Pasila would be around 20-25 – even 30 storeys – high. Detailed zoning decisions are to be made within a couple of years.

Vuosaari gives a boost

One of the biggest building projects in Helsinki is that of the port of Vuosaari, which when finished will be the most modern seaport in Europe.

"When ready in 2008, Vuosaari will boost Helsinki logistics. I hope that the Finnish government will understand the role of connecting roads to and from the harbour. There should be further improvements to the road connections."

The eastern part of Helsinki has been developing quite rapidly in recent years. A problem has been a lack of land for zoning. Helsinki has thus been negotiating with

the neighbouring town of Sipoo to obtain more land for development into a mainly residential area.

Decisions will be taken by the Finnish government and Parliament during 2007. Helsinki has prepared its own proposals. An independent advisor has presented a plan under which Helsinki would get some 30 sq km of land from Sipoo.

The latter is against being annexed, but it remains a fact that Helsinki has far more resources than a small municipality like Sipoo. Residents in Sipoo have been worried about the possibility of over-concentrated building projects. Helsinki's Deputy Mayor, Pekka Korpinen, however, has suggested the creation of "an archipelago of garden cities" in a new Sipoo-Helsinki area. That is, no large concentration of apartment blocks, but instead plenty of green, spread out residential areas.

"I totally agree with Korpinen. If an amalgamation is realized, we naturally want to create pleasant living conditions for future residents."

Booming travel industry

Helsinki's tourism and conference promotional activities were recently reorganised to become part of the economic development office. Pajunen says that Helsinki expects more international visitors in the near future.

In fact, this is already happening. In 2006 Helsinki broke its own record in terms of visits from recreational and business travellers. In the first month of 2006 there were 1.2 million overnight hotel stays by people from outside Finland.

Pajunen's own favourite cities besides Helsinki are Paris and Geneva.

"I have visited Paris often. It is always a marvellous city. Swiss cities I like because they have four seasons, as we also have in Helsinki."

Some have even called Helsinki the city of Winter Wonderland.

"In the winter time it is great to walk on the sea when it is covered with ice. But naturally most like Helsinki in the summertime, when thousands of boats cruise along Helsinki's long seashore."

Pajunen himself lives close to the sea, in a large but quite old log house.

"The house is not that luxurious or big, but architecturally it is possibly an interesting wooden architecture. My Japanese guests said it would even suit the Emperor of Japan – I think that was a nice compliment." ●

Klaus Susiluoto

Forum Virium Helsinki

– Digital media city taking shape

Picture: Chio Zaccchi Architeti



Architect's view of the future Pasila.

Forum Virium is a concept with which companies are developing digital services and content in the Helsinki region.

Led by the City of Helsinki, a number of Finnish and Finland-based companies that utilize digital products of services have joined together to Forum Virium Helsinki,” says Jarmo Eskelinen, director of this spearhead project that may some day into a digital city.

Eskelinen presented his Forum Virium thoughts in a property seminar in Aulanko in November 2006. This PIP - Property Investments Prospects - seminar took place in association with the Annual Convention of Finnish Real Estate, financing and construction industries, which gathers together all major Finnish players. The participants represent institutional investors, property companies, banks, private foundations, developers, management companies, law firms, end-users and service providers. Eskelinen was invited to PIP to tell about the future digital city of Forum Virium, which

at the moment still is more like a project.

“Forum Virium has operated only since the beginning of 2006. It remains to be seen if it will emerge as a real cluster and/or a digital city,” Eskelinen commented.

The anchor companies in the cluster are Digita, Elisa, Nokia, TeliaSonera, Finnish Road Enterprise, TietoEnator, Veikkaus, WM-data, YIT-Group and the Finnish Broadcasting Company. The public sector is represented by the City of Helsinki, SITRA

(The Finnish National Fund for Research and Development), TEKES (National Technology Agency of Finland) and VTT (Technical Research Centre of Finland).

Project partners also include branches of large international players like IBM, Hewlett Packard and Siemens. Eskelinen says that there is a strong interest from abroad as well.

“We naturally aim to attract foreign companies here in Helsinki. But we also do partnerships. For example, just some time ago in December (2006) Shanghai Media Group and their Tristar living lab became part of the Forum Virium networks.”

At the moment 20 companies have joined the Forum Virium project. “I would rather speak of the spearhead project, which aims to create a real digital cluster. In the initial plans, we will be in operation for 10 years, but first evaluations are made in late 2008, when the Forum Virium building will be ready.”

Forum Virium has six themes on traffic, learning, health care, retail trade, the digital home and multi-channel event media.

“For example, health care will be a huge challenge to the ICT sector, municipalities and state, as the population is getting older fast. Cities and municipalities (which in Finland take care of much of the health care), could benefit from innovations that combine digital and health care solutions,” believes Eskelinen. ●

Kista in Stockholm awarded

Also Swedes are eagerly developing the digital city of Kista in Stockholm. In December 2006 the Wireless Internet Institute awarded Kista Science City's Mobile and Broadband Showcase the best practice award for Technology Innovation at the prestigious W2i Digital Cities Convention in Philadelphia. Winners were selected according to their exemplary efforts in realizing the promise of broadband-wireless solutions for their communities.

Kista Mobile and Broadband Showcase, using Appear's context-aware software infrastructure, demonstrates the benefits of intelligent mobile solutions to consumers and employees in Kista's Shopping Mall. (Appear is the leading provider of context-aware software infrastructure designed to power the next generation of mobile applications and service). Context-awareness means that information is intelligently distributed to the right person at the right time in the right context. For example, maintenance workers in the shopping mall have the possibility to receive specific task notifications, whilst retailers can receive sales information. An important application is the security alert that can instantly inform employees of theft or potential dangers to the public. Consumers can also receive information on the latest product offers, restaurants and entertainment within the mall. Contributing to Stockholm's reputation as the IT capital of Europe, the solution in Kista Science City can provide a platform for intelligent mobile solutions for local governments in other European cities.

“The award is proof of how innovative mobile technologies, such as Appear's context-aware software platform, can help to create truly intelligent mobile environments, particularly in the retail sector. This international recognition inspires us to strive even harder to remain the leader in our use of technology,” says Tomas Bennich, project leader for Kista Mobile and Broadband Showcase. ●

www.kistashowcase.se

Learning from Japan's urban challenges

Also journalist and researcher

Teppo Turkki foresees huge increase in issues like creativity and innovations.

In this light Helsinki's strategy to put emphasis on Forum Virium and creativeness in general seems to be a right decision.

Turkki has published articles on the issue. In SITRA report he argues that Japan is facing urban challenges in a unique way.

"...it is not really surprising that the next phase in the evolution of the information society in developed countries, the ubiquitous network society, is well under way in Japan," writes Turkki.

In its White Paper released in December 2004, Japan's Ministry of Internal Affairs and Communication published the country's new ICT strategy for 2010. The Ministry's policies are based on the view that ICT structures should be developed and utilised to an increasing extent to improve people's quality of life and strengthen the national economic performance. The ICT infrastructure should form the foundation for the new-generation services, the nervous system for the ubiquitous network society. "Technologically, the core for the development of the Japanese ubiquitous network society is formed by from various trends of convergence development as well as new products and business models. One of the most important convergence developments is taking place between communications and television networks, which are in the process of merging. Tokyo shops already stock multi-tasking flat-screen television sets, providing an interface both for television and Internet browsers."

It is interesting to see, how the future Forum Virium and Helsinki can handle the similar challenges as described by Teppo Turkki in Japanese context (Turkki worked in Japan's Waseda University; today he steers Helsinki University of Arts and Design, to study relationships between media, design, communication, all which also affect innovations and even city structure).

Digital cities are developed in many parts of the world. Seoul for example has very ambitious plans for its digital city (DMC, <http://dmc.seoul.go.kr>). ●

Enterprise-friendly approach

Director of Helsinki Business Development, Mr Eero Holstila confirms that Forum Virium is an essential part of Helsinki's innovation strategy, which aims at making the Helsinki region a world-class innovation environment.

"The strategy is easy – to push innovative ideas into business and to make Helsinki one of the most important digital cities in Europe. Helsinki already has a strong ICT sector," says Holstila.

There is an important focus on business development with Forum Virium. "The City of Helsinki Business Development department hosted a development programme as part of the Forum Virium Helsinki (FVH) cluster project. The programme, called Forum Virium Helsinki Growth Programme (FVH GP) was intended for growth companies in the digital services and content sector," says Holstila.

The goal for the programme was to ensure the growth of the 12 selected SMEs. The Forum Virium Helsinki growth programme was started in May 2006 and it ended in December 2006.

"We had concrete results from this programme, when Nokia and two SMEs started negotiations for partnership agreement," says Holstila. "Forum Virium will be a meeting place for large and small companies, as can already be seen. In most cases, it is a win-win situation for everyone."

Living labs

Forum Virium also co-operates with research institutes and development companies. Regional development company Culminatum has a centre of expertise for digital media, content production and learning services. Diges is a national association for the development of the digital content industry in Finland.

Forum Virium also participates in the European Network of Living Labs that was officially launched in November 2006 in the Dipoli Congress Centre in Espoo, Finland.

Eero Holstila says that the European Network of Living Labs is an important step towards a new European innovation infrastructure. The Network includes, in the initial phase, 20 actors from 15 European countries.

"From Helsinki there are two living labs involved, one is our Forum Virium in Pasila and the other is Arabianranta," says Holstila.

"Arabianranta is also an important spearhead project for Helsinki. The aim is to make this area the leading centre of art and design in the Baltic area. The term used in Arabianranta is Helsinki Virtual Village." In Arabianranta Art and Design City Helsinki Ltd (ADC Ltd) is responsible for implementing the visions and goals in co-operation with the City of Helsinki and other area owners.

With Arabianranta and Forum Virium Helsinki is thus strong in developing living labs concept:

"The living lab network involves more than 100 active researchers and a representative group of innovative European companies," says Holstila.

The Living Labs network concentrates on the development of new information society services, businesses, technologies and markets.

"This helps to achieve globally competitive European innovations and to create products and services facilitating the everyday life of people and businesses." ●



Photo: Vesa Heino

Mr. Eero Holstila

New properties stimulate Stockholm downtown

In the fifties and sixties the central parts of Stockholm went through an intensive process of demolition and construction. Old blocks and milieus disappeared and a modern city based on car traffic and underground was created. For decades people have debated the pros and cons of the city makeover and Stockholm got close to a phase of stagnation, when nobody dared to do anything. Now the need to develop the inner city has led to a couple of bold plans – this time with a human touch.

Stockholm – The Beauty on Water – has a very narrow waist. The lake Mälaren rules the communication between the south and the north. The Main Central Station is the place where the heartbeat can be felt, trains to Copenhagen, Sundsvall and Gothenburg mix with commuter trains to the suburbs and Arlanda airport, coaches depart for almost any destination, the underground lines cross and the clear red local buses try to find their way among all taxis and private cars in the almost constantly jammed traffic at Vasagatan. Land is rare and expensive in the absolute city – how can one find more space?

The solution is to create land where there is no land – in the air! North of the World Trade Centre is a part of the city nobody had invented for use, a gas station, a former bus station, some narrow straits between the rails and the street, and of course: all the space above the railway yard.

The clever architects replaced the gas station at the square Norra Bantorget with the largest hotel in Stockholm in number of available rooms and still found space for a large office building, partly hanging over the trains. They even managed to create some flats with this absolute urban atmosphere of being in the middle of everything.

A couple of Sweden's leading construction companies are involved in the venture. NCC is working on an office building at Kungsbron 2, a total of 15 581 office square meters and 212 car parking lots under street level. The construction work is extremely complex. The high voltage cables



Picture: Sven Tideman, animation Wester+Elser

A new element will be added to the Stockholm skyline to be viewed by travellers arriving by the airport express train Arlanda Express. The new office and hotel blocks left and above the tracks will stimulate this downtown location, which is right on the pulse of the city.

are located just under the floor of the new building and the trains will keep on running all the time, almost 24 hours a day.

"Despite the challenges we are still on time. We believe that the first tenants can move in early 2009", Andreas Andersson at NCC Property Development, says.

Skanska is busy erecting the new hotel for Norwegian investor Arthur Buchardt. The hotel will offer 500 rooms at 25 000 m², a substantial addition to Stockholm's city hotel scene. Wingårdhs, a well renowned architect's office, has designed the hotel, which will restore the feeling of a city square to the deserted part of the inner city. Clarion Hotel Sign will be operated by the Norwegian chain Clarion Hotels. The budget lands at half a billion SEK (55 MEUR).

Skanska will also invest a total of 620 MSEK (67 MEUR) into an office building and new apartments at Norra Bantorget. Fredrik Wiridenius, CEO of Skanska Commercial Development, says that the project contains 14 000 sq m office space and 80 flats.

"This is one of the largest office properties in central Stockholm in many years.

There will also be 700 sq m commercial space at street level."

The office building is expected to be completed in 2008 and the flats in 2009.

Stockholm expands to the west

Every square inch is a cost factor when developing a modern city. Luckily Stockholm still has some old industrial sites to exploit for modern dwellings and office space. The main project is located on the north-western part of the district Kungsholmen, facing towards the Ulvsunda Lake. The plans for the area are ambitious. The City of Stockholm wants to create a new district as an extension of the inner city.

"The ambition is to combine residential houses, new offices and premises for sports and other leisure activities", Peter Jacobsson from the Stockholm City Planning Office, declares.

"We will emphasise the green zones and the environmental values of Kungsholmen, replacing a worn industrial estate with a modern and spacious urban structure. The promenade along the shoreline will be completed with a pier and a café. A park and a

playground separate the office blocks from the dwellings. I feel that it is important to create life around the clock in the area.”

Almost 4 000 new flats are planned to be built in the new district and new space for several thousand office workers will be offered.

Lindhagensgatan, an esplanade bordered by modern office buildings, will be the future artery of the new blocks. All the main property and construction companies are well represented in the area, which holds a number of leading Swedish and foreign companies, e g Electrolux, Inspecta and Pfizer Health.

“The communications are excellent thanks to the new roundabout connecting the local streets with the main road E 4 Essingeleden. The underground station is located a few minutes walk away from the new office buildings and we plan premises for shops and service providers. There will also be a shopping centre in a former bakery”, Charlotte Holst, project manager at the City Planning Office, says.

NCC is erecting a new office building, Västerport, including space for 1.400 people just a few meters from the constant flow of cars and trucks on the motorway.

“You will hear almost no noise from the road thanks to the sophisticated layout of the building. The western façade looks a bit distant with just a few windows. The purpose is to shelter the interior from the frequently used highway. On the other side the building opens up towards the light and you can even imagine people having a garden party in the green yard between the four separate buildings”, Marie Berger NCC Property Development says.

The project is a part of the Green-Building initiative launched by construction companies to meet the directives of the European Union.

“Our goal is to produce a building consuming 30 % less energy than a corresponding conventional office estate. When finished in late 2007 Västerport will fit well into the green profile of Stadshagen and Kungsholmen.”

Skanska has already completed several office buildings along the central parts of Lindhagensgatan, ideal for the future centre of this new district.

“The communications are really an advantage, but parking is still complicated due to the ongoing construction work and all new roads that will connect the motorway with the new blocks.”

Inner city enlarges its boundaries

Stockholm was built on a dozen islands. Many of them are lush idylls, but impos-

sible to exploit for new buildings. The city cries for new land and the only way to find sites for new houses is to pass the bridges connecting the inner city with the mainland. Liljeholmen is one example of the strategy to expand the inner city. The waterfront along Årsta bay has attracted a large number of companies thanks to excellent communications – underground, tram, motorways and even boats. Now Liljeholmen is becoming a more complete centre for people in the south-western parts of Stockholm thanks to a new shopping-centre. Other interesting projects close to Stockholm downtown is the biotech city north of Norra Stationsgatan, a highly ambitious attempt to bridge over both the railway and the motorway and connect the Karolinska research institute with the 19th and early 20th century blocks of the inner city.

When completed, a traditional urban milieu will be created, where today wild rabbits feed themselves in the no man's land between abandoned sheds and concrete

traffic routes. The plans are still far in the future, but doubtlessly one of the most fascinating ideas besides the Kungsholmen project.

On the other side of Stockholm the port is planning to move the container and bulk traffic to a completely new harbour, Norvik, not far from Nynäshamn. As a consequence highly attractive sites at the waterfront will be released for apartments, hotels and offices in Värtan, an area now used for heavy shipping.

The real estate company Positionen AB is expecting a formidable boom once the plans start to realise. The new blocks are very close to the inner city and can be reached by underground from the Central Station in 6-7 minutes. Stockholm's future lies in restructuring the land earlier used for industrial and infrastructural purposes. Few cities can offer so many waterfront sites. ●

Tagge Erikson



Picture: BAU Arkitektur

Kungsholmen is a district undergoing a huge transformation, from an industrial wasteland to an integrated part of the inner city of Stockholm. Västerport is a modern and well designed office property in the pile of cards of NCC Property Development.

PERSONAL FINANCE & INVESTING

Are the Happy Days over?

Save your stock market gains from the bear

BULL AND BEAR MARKETS

A bull market is a prolonged period of time when prices are rising in a financial market faster than their historical average. A bull market tends to be associated with increasing investor confidence.

A bear market is a prolonged period of time when prices are falling, accompanied by widespread investor pessimism.

Source: Wikipedia

The last four years have been good for investors. Stocks have recovered from the post-millennium bear market in many market sectors and stock indices are hitting record highs. All western markets have been positive and emerging markets have been particularly hot.

The big news on 3 October was the Dow Jones Industrial Average hitting an all-time high, closing at 11,727.34 and bypassing its previous record close of 11,722.98 on 14 January, 2000. After the news, some popular market commentators warned about an impending market correction and a forthcoming bear market. Since then the Dow has risen well past the 12,000 mark.

Should you be alarmed over the new highs? Looking at the evidence, probably not. Often the stock market rallies substantially after recovering from an all-time high. However, investors seem to act irrationally and find stocks more attractive at higher prices. After the latest all-time high, there might also be less selling pressure. There are not many investors with stock losses

left who are eager to sell when they break even.

Fortunately, stocks are currently much more sensibly valued relative to expected corporate earnings than they were during the late 90s' bubble. US stocks (S&P 500) are trading about 15 times higher than their expected earnings, compared to early 2000 when most were valued over 30 times expected earnings. In fact, US stocks were more expensive then than the market craze just before the Great Depression:

Note again that there was an enormous spike after 1997, when the [P/E] ratio rose until it hit 47.2 intraday on March 24, 2000. Price-earnings ratios by this measure had never been so high. The closest parallel was September 1929, when the ratio hit 32.6.

[Shiller uses the 10-year average of real earnings for the denominator]
Robert J Shiller, *Irrational Exuberance*
(Princeton University Press)

There are also pitfalls in a simple analysis of stock market time series. One should analyse inflation-adjusted real values instead of nominal ones. The New York Times points this out in the article, 'Dow Closes at Record High' (Vikas Bajaj, 3 October, 2006):

By some measures, the Dow still has some ways to go before it can be said to have reclaimed its previous heights. On an inflation-adjusted basis, the average would have to reach 14,104.97 points for it to match its January 2000 peak.

While the stock market may not be levelling out just yet, the happy hour is most certainly over and we are likely to witness more modest gains in the near future. When does the downhill start? Well, no-one really knows, but the market will eventually head south. The question is how to protect your stock market gains or even profit from the forthcoming bear market.

Is your investment portfolio ready?

The basic protection for your investment portfolio is proper asset allocation and

diversification. The single most important investment decision is the asset allocation – how the assets are divided between different asset classes (money market, bonds, domestic stocks, international stocks).

You must make sure that the asset allocation matches your personal risk tolerance. Most investors find asset allocation of 50/50 to 80/20 (stocks/bonds) suitable for long holding periods.

If you feel that you might have too much weight on stocks, you may want to take some "money off the table". A money market fund is the right safe harbour for the proceeds. You must also diversify your stock holdings well; in growth stocks, value stocks, small caps, large caps and international. Take extra care that you have value stocks in your portfolio. Good old dividend-paying value stocks offer a better protection during down markets than high-flying growth stocks.

Making money on the way down

Short selling is one way to make money on a bear market and it can also be used to protect your investment portfolio.

Short selling, meaning selling something that you do not own, can be financed by borrowing a security and selling it. A short seller anticipates that the price of the security will decline. He can later buy the security back at a lower price and pocket the difference. If the security moves against the short seller, he is eventually forced to buy it back at a higher price to cover his short position, resulting in the loss of difference between the sell and buy back prices (plus a premium paid to the security lender).

Shorting stocks can be a dangerous game. As there is no upside limit for a stock price, short selling can, in theory, open a door for an unlimited loss. Some major financial fiascos are results of short positions.

In finance, being short on a security means any position that increases in value when the value of the underlying security (long position) decreases. Short selling, as described above, is just one way to hold a

short position. Usually a short position is created using derivative instruments like options, futures contracts or warrants. All of these tools can be used to speculate on market movements or for portfolio protection.

With derivatives you can short just about anything: stocks, bonds, exchange rates, commodities, market indices or even weather conditions. However, while some derivatives are relatively simple to understand, others are extremely complex to master. If you desire to use derivatives for portfolio hedging or trading, you should take time to learn them first and start with small stakes.

Bear funds

Many individual investors are put off by derivatives and short selling, because the tools are more complex than plain stocks and mutual funds. The mutual fund industry has noticed this and offers mutual funds that do the shorting for you. These are called shorting funds or "bear funds".

Bear funds aim to create positive returns on a bear market and are prone to losses on a bull market. Just like normal mutual funds, there are managed bear funds and index funds that short the whole index. Managed bear funds try to avoid great losses in a bull market and index bears just track the index with an opposite sign mark. These types of funds are relative newcomers although there are already a few in the Nordic markets (for example Mandatum Kontra, a managed bear fund in Finland and XACT BEAR, an exchange-traded fund in Sweden).

You can use bear funds to profit from down markets or as part of your portfolio to increase downside protection. However, shorting through bear funds comes with a price tag. Managed bear funds usually have an expense ratio (total costs of owning a fund) of 2% or more. There may also be fund sales charges and exit fees.

Bear funds are, of course, expected to underperform the market most of the time. You certainly do not want to put a large part of your assets in bear funds or hold them all the time. But investing a part of your stock portfolio in bear funds can soften the landing in turmoil markets.

Bear funds have only a limited use for portfolio protection; they are costly, tie up capital and moreover, a covariance with one's stock portfolio is difficult to know. If a stock portfolio goes down by 20%, the exact opposite short position should go up by 20% and offset the loss.

The corresponding relationship between your stock portfolio and a bear fund is usually unknown. It is difficult to estimate how much you should invest in the bear fund to be adequately protected, but many individual investors go by intuition. If they feel that the market is levelling out, they start to increase their short position. Unfortunately, that gut feeling might just be over-optimism about one's own ability to anticipate market movements.

There is an ambiguous line between protecting a portfolio and guessing market movements. Timing the market – moving between long and short positions according to one's expectations – is not usually a profitable strategy. Those who do this can easily get bitten by sudden market movements and end up with a position in the red. ●

Jouni Koistinen
jouni.koistinen@investori.com

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Portugal's golf coast has many pearls to choose from

Portugal's Algarve gold courses are very popular among Nordic players. Thousands of Swedes and Finns come here, usually in late autumn and early spring, when conditions in Scandinavia are still harsh. But it is not only because of great weather. Golf courses in Algarve, especially in Vilamoura, are just great and support services function well.

In Algarve one can play golf 12 months a year. Vilamoura has good international reputation in terms of championships. The Portugal Masters 2007 is scheduled to be hosted at Vilamoura's Victoria Golf Club, on The Algarve Coast.

The oldest course in Vilamoura is named – not surprisingly the Old Course. Its designer, legendary Frank Pennink wanted to create a course in the Algarve that would remind players of those beautiful, challenging inland British courses. Old course was completely refurbished in 1996, when several improvements were done and a new clubhouse built. This is a very attractive course with a great variety of holes.

The Old Course is renowned for the way the designer skillfully utilized the natural contours of the land, maintaining the native vegetation, consisting mainly of pine-woods. The Par 3 holes are all different and visually very beautiful, representing the toughest challenge on the course. They require careful selection of irons and near-perfect ball control. Over the rest of the course, trees play a decisive

role, lining the doglegs and punishing any careless strokes.

The Pinhal Golf Course dates back to 1970s. Also this course was designed by Frank Pennink. In 1985 Robert Trent Jones introduces several modifications. The course is surrounded by pine trees, where the word Pinhal also refers to.

The Laguna Golf Course is a par 72 course, with a length of 6121 meters. Laguna comprises holes of widely varied playing conditions, a typical trait of the American designer Joseph Lee. Unlike the other Vilamoura courses, Laguna is located on relatively flat, open terrain. The basis of its modern design is strategic placement of bunkers and water hazards, which demand accuracy of play. Water indeed is here a very predominant hazard. Wide fairways with far fewer trees than on the other courses, invite the big hitters to show off their prowess. About 1500 palm trees have been planted in the golf course area, mainly between fairways.

As its name suggest, the Millennium was opened in the first year of the new mil-

lennium, in April 2000. The second phase of the course was designed by English golf architect Martin Hawtree. The Millennium is one of the most attractive courses in Portugal, if not the whole of Europe. Its layout offers variety and interest for the golfer.

The Victoria Clube de Golfe is the most recent golf course project of Arnold Palmer in Portugal. According to many estimates, Victoria is one of the best and sophisticated golf courses in Europe – a quite an achievement for less than 3-year old course! Within little more than a year from its opening it hosted the World Cup already.

Every care has been taken to ensure the preservation of the wetlands, the typical vegetation of carob, olives and almond trees, and several ponds. With its wide fairways, extensive water obstacles and well-positioned bunkers it is a pleasure to play here. No wonder Victoria Clube de Golfe has been named number one course in Portugal. Victoria also has an excellent driving range and a large putting green of around 2500m². ●

www.vilamouragolf.com



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ADVIVUM

Recent real estate transactions

<p>NOV 2006 </p> <p> MINISTRY OF FINANCE Finland</p> <p>sold Kapiteeli Oyj to</p> <p>Sponda</p> <p>for € 1.3 billion</p> <p>Advisor to the seller</p>	<p>JUN 2006 </p> <p> KAPITEELI</p> <p>sold a hotel property portfolio to</p> <p>norgani</p> <p>for € 306 million</p> <p>Advisor to the seller</p>
<p>JUN 2006 </p> <p>EDVARD PAJUNEN OY JIPEST OY KESKO OYJ</p> <p>sold the Malmin Nova shopping center to</p> <p> CapiMan</p> <p>Advisor to the sellers</p>	<p>JUN 2006 </p> <p> Tradeka</p> <p>sold a retail property portfolio to</p> <p> IXIS AEW Europe</p> <p>Advisor to the seller</p>
<p>MAY 2006 </p> <p>SRV Group</p> <p>sold the Trigora office properties to</p> <p> Acreal Asset Management</p> <p>for € 55 million</p> <p>Advisor to the seller</p>	<p>FEB 2006 </p> <p>KESKO</p> <p>sold a retail property portfolio to</p> <p>NIAM and CROWN ASSET MANAGEMENT</p> <p>Advisor to the seller</p>

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Perfect marriage of form and function: Finnish sauna is building on the rich legacy of Scandinavian design.

Customising sauna

The entire concept of sauna is being re-evaluated by the Finnish sauna-makers. The evolution of sauna has taken the fine art of sweet heat from smoke stove to electric stove and from the countryside to the city. The sauna of the new millennium emphasises design, multitasking and digitalisation.

Managing Director Raimo Huusko of the Jyväskylä-based Sun Sauna believes that it is possible to upgrade the people's entire approach towards sauna, even though sauna itself is an age-old invention; the first wooden saunas in Finland could have been built as early as the 5th century.

Huusko's master plan involves differentiating saunas according to the living situation: it makes a big difference whether we are talking about a smoke sauna, cottage sauna, small house sauna, apartment sauna or public sauna.

All of these saunas have their own unique characteristics which can be devel-

oped further. These features can be crystallised into genuine Finnish sauna brands, says Huusko.

The 1990's saw the advent of smaller saunas which could be fitted into a closet even. Huusko believes, however, that true sauna lovers dream of a roomy, relaxing environment, which features comfortable lighting, colours and materials.

With regards to design, sauna has been sadly neglected for ages. It is only now that people are starting to realise that the visual and aesthetic side is a vital part of the sauna experience. Or as Huusko puts it: sauna is not just about hygiene, it is about maximising the experience itself.

Space invaders

What can world-class design add to the perfect sauna experience then? One answer was delivered by Helsinki-based Pentagon Design as they launched the Hot & Cool - Intelligent Leisure Sauna concept. The futuristic concept seeks to merge living room with sauna to achieve unprecedented functionality.

Originally a competition entry, the Hot & Cool concept has evolved successfully. It has received the first prize in the Intelligent Furniture - Intelligent Space competition in 2004 as well as the prized Red Dot Award in October 2005.

Photos: Saunatec



Powerful, smooth stoves please the eye as well as the heat-craving sauna enthusiasts.

Hot & Cool - Intelligent Leisure Sauna is a space for well-being and relaxation, where heat and light are utilised to create enjoyable experiences. In addition, the main objectives of the design included accessibility and the improvement of the utilisation rate of an apartment sauna through increasing spatial versatility.

The solution makes use of new technology and applied traditional solutions in novel ways in order to create an attractive, functional and safe space unit for pleasant experiences. Hot & Cool aims to illustrate the development potential of an apartment sauna and to provide an inspiring example for actual development projects.

Sci-fi sauna

Hot & Cool consists of a new kind of leisure and sauna space for apartments and integral intelligent furniture. The new intelligent furniture are a flat stove embedded in the

floor, temperature-adjustable divan-like levels for sitting and lying down, complete with lighting modules embedded in the panels and floating wooden floor elements.

The stove enables the heat of a traditional sauna, while the steam unit guarantees steam even at lower temperatures. The integrated heat elements of the divans can be used for heating the benches even when the space is otherwise at regular room temperature. Lighting is adjustable and controllable. The lighting panel can be fitted with flat screens and hi-fi elements in order to create the desired audiovisual ambience.

The spatial solution pays attention to accessibility and safety: the stove is taken down to the floor level by utilising the space underneath the assembly floor, and the ceiling is lowered. The space is heated from the bottom upwards, thus making traditional sauna benches redundant. There is no need to climb on the benches, which adds to safety.

New spatial and furnishing solutions enable more versatile uses and increase the utilisation rate, which in a regular apartment sauna tends to be rather low. In addition to traditional sauna uses, the space is suitable for relaxation after exercise or washing, children's water play, or even for reading or watching TV. These multitasking features should come handy especially in cramped urban apartments.

Digisauna

With over 90 percent of the world's saunas equipped with an electric stove, new digital control systems have emerged, replacing the traditional on/off switch. Utilising the controls it is possible to achieve a wide variety of sauna climates, ranging from hot and dry to warm and humid.

Especially in Finland the so-called EverReady stoves are very popular because the stove is always on and there is no separate warming-up period. EverReady stoves may also contain up to 100 kilos of sauna stones which is 4-5 times the normal amount – bringing the heat of the sauna to another level completely.

Since the volume of the stones is in direct relation to the quality of the steam, Finnish innovators want to pack in more stones into the stove. For instance, Saunatec Group, the world's leading manufacturer of sauna and steam products, recently launched Cava stove which combines soapstone and regular sauna stones while increasing the number of stones.

In the new innovation, soapstone is a part of the stove's outer cover while regular sauna stones are still contained within.

Remote control

Harvia is another Finnish sauna giant with exports to over 60 countries. In Finland,

Harvia is the market leader in the sauna stove industry with approximately 40 percent market share.

One of the new innovations of the company is the wireless Fenix remote control unit which is used to control a variety of factors including the sauna's temperature, humidity, light therapy options, ventilation and music. All this by a touch of a button from the comfort of the living room sofa, if one so desires.

Yet someone is still keeping the flame alive in the old wood stoves as well. Kastor is the oldest stove manufacturer in the world, and the third biggest stove-company in Finland. The trademark wood-burning stoves are manufactured utilising high-quality raw materials and with precise attention to the external form.

All stoves in the company's Karhu (Bear) Series utilise the patented Coanda air-circulating system.

In the Coanda system, there are air ducts in the Kastor stove which, upon warming, lead the heat directly to the stone place. Therefore it is possible to achieve efficient heating with a single wood load.

As the fire dies out, the system guides the air current away from the stone place and into the fringe ducts of the stove. This way the stone place remains warm even after the fire goes out. ●

Sami J. Anteroinen



The traditional approach is still visible in many of the sauna products of today. Pictured Kirami hot tub.



Photo: Levi Travel Ltd.

Levi magic with marketing efforts

According to one's taste and activities, one can argue, which of Lapland's tourist resorts is the most attractive. One thing, however, is for sure. Levi resort has for years been the best-marketed resort.

As many as 17 people work in Levi Travel. Some of them work in Levi info (giving advice to travelers), some in central booking office and some in research and marketing. Levi's future plans are ambitious, says Jussi Töyrylä, Managing Director of Levi Travel Ltd.

"By the year 2020 we want to have 30 000 - 35 000 beds in the area. Revenue from visitors could increase from recent 120-130 million euros to 300 million. The share of international guests would rise in our scenario from a little more than 20 % to almost 50 %."

If realized, these figures are amazing indeed. Levi started co-marketing earlier than most other resorts.

Explains Jussi Töyrylä:

"It all started back in 1960s when Kittilä municipality got mayor Arne Nikka with a broad view on tourism. At the same time some local individuals understood the potential of beautiful surroundings in attracting visitors. I doubt, however, if anyone could foresee such huge amounts of travelers."

In the year 1962 Levi had a mere 7 beds to offer – today the figure is close to 20 000, if private accommodations (company and private cottages) are included! The real start for larger-scale tourism came with the airport that started operations in 1982.

"The first real hotel was Hotel Levitunturi, which was steered by Pekka Sammatti. During his time the hotel expanded, and

today Spa Hotel Levitunturi is still one of the backbones of Levi tourism."

In the 1990s there were also over optimistic plans like Levi Magic mega hotel to be built on top of the Levi's Koutalaki. The attempt did not realize – in all likelihood this was a good thing. Now there will be much modest congress centre built by the Kassiopeia Oy group and the municipality of Kittilä. A nature center could be built in connection to the 3000m² centre. The project is worth 6 million euros. Later on, a hotel is planned to be constructed next to the centre.

Total investments in the Levi surroundings will be up to EUR 120 million within a couple of years. The largest is a

208 room Sokos Hotel with the value of EUR 50 million.

Darkness as resource

Just a couple of decades ago desolateness, coldness and darkness of wintertime Lapland were seen as negative issues, says Töyrylä.

“We managed to turn these negative things into victory – actually darkness is exotic, snow is a wonderful element and Lapland is not that far away by airplane, yet distant enough to appeal to strong associations.”

During the busiest winter days even 9000 guests arrive to the Kittilä Airport – a huge amount to a small yet modern airport.

“Flight ticket prices should possibly be a little cheaper to attract even more visitors,” hints Töyrylä.

(Finnair dominates the Kittilä flights, so his finger points to that direction).

In the winter time there are direct flights from Bristol, Manchester, Birmingham and London, as well as from Zürich and Paris.

Jussi Töyrylä believes that one reason for Levi's success is that much effort has been put to families with children.

“For example, Levi is a safe place for children to try out winter sports, especially in Kid's Land. However, during the high season the Levi village is quite busy and in the evenings after-ski celebrations can be intense.”

Golfing with reindeers

Jussi Töyrylä tells that Levi has succeeded in creating activities for all seasons.

“Summer tourism, however, still lags behind. Our best months are December, February, March and April, while May is quiet. The Ruska time is getting better and better every year, but this period, when the ground and tree leaves turn into glowing colors, it lasts only 2-3 weeks. Most hotels are fully-booked during the Ruska period, at least during weekends.”

“For summers we have developed new products like cycling packages and paddling, which have increased popularity. Now we are working on making fishing more attractive.”

The biggest positive surprise has been the popularity of Nordic walking.

In Germany alone there are an estimated 25 000 certified Nordic walking experts.

“Levi also has a good golf course. There are not many places on earth where you can play golf with reindeers. There is even a local club rule that if you hit the reindeer, you can have a free drop.” ●

Klaus Susiluoto

Immel Estate

– sauna, snow mobile safaris and much more

Immelkartano (Immel Estate), on the shores of Immeljärvi (Lake Immel), is one of the most innovative family-run businesses in the Levi region of Lapland. The company has a large sauna that is built on a raft and equipped with two boat motors. When there is no ice, this makes it possible to go out on the open lake and relax with swimming and a sauna. Immelkartano provides accommodation and catering services, as well as adventure experiences such as snowmobile rides in the wilderness.

More than 90% of Immeljärvi's customers are companies. “We can accommodate 10-15 people,” says Saija Rantakokko, co-founder of Immelkartano. “We have eight bedrooms; five upstairs and three downstairs. For families with children we can even provide 20 beds.”

The Immelkartano main building is 280 sq m and includes full kitchen equipment, a washing machine and an electric sauna, as well as audiovisual equipment and an Internet connection for meetings.

In addition to accommodation, the company arranges snow mobile safaris and skiing opportunities. In the summer safaris on ATVs or all-terrain vehicles are popular. “In cooperation with our partner companies, husky and reindeer safaris are an option,” says Rantakokko. “You can also go fishing on Lake Immel.”

Sauna and catering services

Immelkartano staff provide the catering services themselves, offering genuine Lappish food. But the real pearl of Immelkartano is the sauna service. “We

are ready to give advice when it comes to sauna traditions,” explains Esko Takkunen, Saija's husband.

In the beginning, some people are afraid of the cold and the idea of being naked. “Surprisingly, in the end many international guests dare to jump into the cold water, even in the winter. A hole is made in the ice and people can literally ‘enjoy’ the ice-cold water,” says Esko Takkunen.

Esko goes on to describe the benefits of Immelkartano's sauna. “If it is dark, the small section of open water is well-illuminated and we can even cover the swimming area if there is a snow storm. In the summer, the water is quite warm by Lappish standards – somewhere between 15-20 degrees. At that time you can swim for several minutes instead of just seconds (as in the winter). We also have the opportunity for hot water baths in every season,” he says.

According to Esko Takkunen, one of Levi's positive points is its location. “A huge advantage of Levi for us is that we are located only 15 minutes from the airport. We also provide services so that people can see other places near Levi.” ●

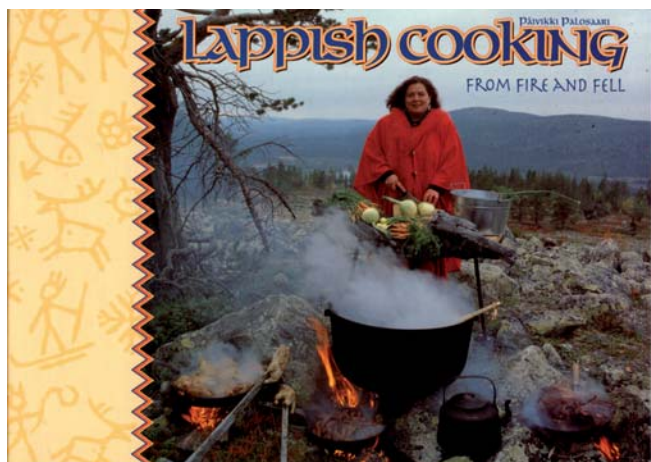


Sauna on a raft, unique of its kind at Levi.

Photo: Klaus Susiluoto

Päivikki raises standards of Lappish culinary scene

Hullu Poro is one of the legends in Lappish tourism industry. The company is a true specialist in creating great culinary experiences. With a large array of restaurants Hullu Poro aims to keep its position as number one provider in the Fell Lapland. The company also has accommodation services and the largest night club of Finnish Lapland.



With her restaurants Päivikki Palosaari has improved culinary standards of Lappish cooking. In the "Lappish Cooking - from Fire and Fell" she gives recipes and tells about different seasons of Lapland.

The name "Hullu Poro" means Crazy Reindeer. Although the name is humoristic, sometimes reindeers can indeed be pushy. There are true stories about berry-pickers in woods who have escaped reindeers. Usually these northern Christmas messengers are afraid of people.

"But just be careful when driving a car in Lapland, reindeers do not always know which way they take when on road or by the road side," advises Päivikki Palosaari, Managing Director and owner of Hullu Poro.

When we visited the Hullu Poro, "Taivas" (The Sky) restaurant was just about to open its doors. Päivikki was busy supervising decoration work of the Sky – the ceiling is covered with stars, hence the name.

"I like to participate in designing interiors of our restaurants," she says.

Päivikki also plans graphics of menus and also has her say in how menu portions should be constructed. In larger terms she has outlined the whole graphic appearance of the Hullu Poro concept. She even has her own architectural office.

"I feel I can fulfill my visions better in this way," she explains.

She founded her first own restaurant in 1988-89. As a devoted Lappish woman – her childhood home was in Kōngäs near the fell Levi – she wanted to create something original.

"Before the restaurant I had started with a grill kiosk called Poro – I knew from the beginning that it is the Lappish exotic I wanted to offer the visitors and locals as well."

One evidence of Päivikki's talent is that she was awarded to manage the six restaurants of Sokos Hotel, which is being built and opened up in 2008.

Hullu Poro restaurants

At the moment Hullu Poro manages her own restaurants in Levi and Kemi, the city famous for its ice breaker excursions on icy sea.

"Taivaanvalkeat" in Kōngäs, Päivikki's home village, is an excellent place for group tours. So-called "Heavenly Feast" is arranged for 20-200 persons under the Midnight sun in summer or under stars and Northern Lights in winter time.

Taivaanvalkeat can also provide accommodation for 28 persons. A small wellness centre, snow restaurant, Lappish hut in Indian tiipii style, horse stall, "Wanha Hullu Poro" (Old Crazy Reindeer) is the original part of Hullu Poro complex. In the daytime good basic food, in the evening karaoke and intense atmosphere with small groups celebrating in Lappish after-ski style. Here you can find a good mixture of locals and tourists.

"Valkea vaadin" (White young reindeer) is a gourmet type of restaurant with relatively short but excellent wine list. A quiet, even romantic place, refined culinary experiences. What is also nice is that one gets plenty of information on the menu.

In spite of its name "Pihvipirtti" (Beef hut), this is an excellent venue for fish dishes. A very good value for money is to have cold fish dishes as starters and a filet of reindeer, beef or lamb as main dish.

"Kammi" also arranges feasts for groups and individuals alike. In real Lappish traditions food is prepared on open fire and there is plenty of it. Musical performance can be combined with the dining feast. ●

www.crazyreindeer.com

Crazy about Lapland and Lithuania

In Finnish language there is a saying that you can become "Lapland crazy", so intense are Lapland fans that it is close to maniac – in a positive sense of the word. But it can also be the other way round. The Lappish woman from Kōngäs became crazy about the country of Lithuania, when she visited the southern-most of the three Baltic countries.

"I had seen Lithuanian people in Helsinki's famous travel fair "Matka". I got to know them better and was delighted. They were very polite, pleasant acquaintances. Partly different from us Finns, and partly they share same values like patriotism and deep respect for arts and music. Lithuanians have preserved their talent in handicrafts very well," analyses Päivikki.

"I was also impressed by Vilnius culture and spa opportunities of Druskininkai town. Naturally I also invited Lithuanians to visit Lapland. I would not underestimate their potential as tourists, but for me Lithuanians are much more than that," explains Päivikki who was awarded to become honorary consul of Lithuania in Finland in 2005. ●

Klaus Susiluoto



Photo: Klaus Susiluoto



Hullu Poro Hotel

Hullu Poro Group also has a hotel, which is located in the center of Levi village. The 157-room hotel has grown step-by-step. The most recent extension was done in 2006. A total of 45 rooms, new meeting facilities and new reception were part of renovation. Restaurant Taivas "Sky" was built in the upper floor of the hotel complex.

The hotel is usually almost fully-booked in December and then in February-April. In December Brits are the biggest group, but central and south European as well as Russians and Japanese have found the Hullu Poro accommodation. Finns are naturally the biggest group. Norwegians also like to use Hullu Poro services.

Hullu Poro is one of Levi's conferencing venues. Hullu Poro hotel has 320 m² of meeting facilities. The space can be divided in five separate rooms. Audiovisual technology is of the highest class. All in all, Hullu Poro arranges 50-60 meeting each week, most of which are quite small.

Hullu Poro Hotel has two sauna departments with Jacuzzis, cold water plunge pool, steam baths, David-gym, ski maintenance room and Internet terminals, all of which are free of charge for hotel guests. For extra cost solarium, an energy sauna, massage, cosmetician, hair and beauty salon are provided.

Hullu Poro Arena can house 600 conference participants. In the evenings the Arena is 1500 seated entertainment restaurant and a night club with top performers of Finnish music. Hullu Poro has also excellent restaurant services (see related article) plus smaller-scale accommodation facilities than the main hotel, you can browse choices at

www.hulluporo.fi

Spa Hotel Levitunturi – in the heart of Levi

The Spa Hotel Levitunturi is located right in the heart of Levi, a couple of hundred metres from the ski slopes and tracks. This legendary hotel has a large range of services - it is Lapland's most versatile holiday, spa and conference hotel. There are 9 conference rooms for 10-400 persons, from cozy rooms with a fireplace to large facilities with latest audiovisual and Internet technology.

As its name suggests, Spa Hotel Levitunturi also offers spa and wellness services. Sauna department is of high-quality and hotel guests can use swimming pool free of charge. Sports facilities are good: tennis, badminton, basketball, volleyball and floor hockey are some of the options. There is also a small golf simulator. Children's World ensures some peace to parents and joy to kids.

Spa Hotel Levitunturi, often referred to as just "Levi Hotel" also has new and renovated restaurants of 1500 seats in total for dining and dancing. Something about Levi's well-earned reputation as party place is that there is live dance music every night! Taika (Magic) dancing restaurant is a new restaurant wing. Luppö Cafe & Bar is a refurbished lobby restaurant. "Joiku" (meaning Lappish song) is a Karaoke Bar. Also bearing a Lappish name, the "Seita" is a night club in genuine Levi style.

Most of Spa Hotel Levi is built of wood, which brings warm feeling to this great venue that had an important role in creating Levi world-class ski resort. ●

www.hotellilevitunturi.fi

Booking to Levi

Levi booking Office can arrange just an accommodation or build a larger package for individuals as well as for groups. There are 750 cottages, holiday apartments and hotel rooms plus several conference centres and countless adventure programs to choose from. On request a full service with linen, cleaning and catering services is available for every holiday apartment. With local operators, the central booking office can organize tailor-make for conference and events. For example, company team-building trips on your behalf are possible - in line with your requirements. You can also reserve varied programs for groups, from husky, reindeer and snow mobile safaris to fishing, paddling, hunting, Lappish traditions etc.

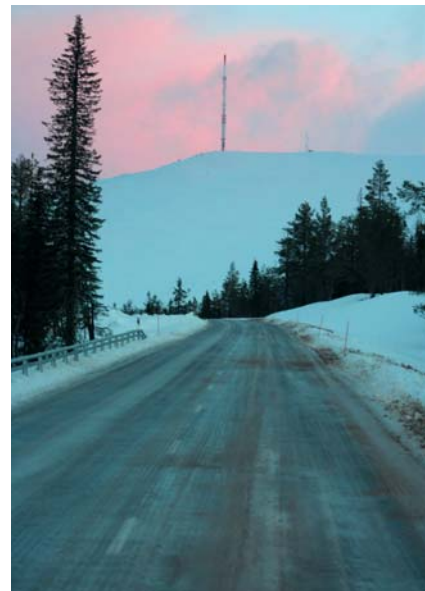
Before bookings one can see Levi services at www.levi.fi, where you can also download Levi's 7 Seasons brochure and other materials.

One of the few minus sides of Levi is that you should book your accommodation and flight tickets at an early stage, at least if you want to spend time in Levi at peak seasons (December and Christmas/February-April). Also the center does not have 5 star hotels to offer in Levi, but 5 star luxury chalets can be booked via Levi Booking Center, and there are plenty of 3-4 star accommodations. If hotel rooms are not available, you can ask for cottages, which often have genuine Lappish feeling but are usually well-equipped with electric saunas, showers, dish-washing machines etc. Also wilderness huts with less facilities are an option. ●

www.levi.fi



Snow Village is one of the greatest attractions in Ylläs region. There are two restaurants in the huge snow and ice complex, and one can even spend night in this wonderful construction (www.snowvillage.fi).



The scenic road connects two ski resorts of Ylläs.

Ylläs and seven fells' scenery

Ylläs area consists of seven fells, of which Ylläs is the highest with 718 meters. This does not sound much compared to the Alps of some other resorts, but the altitude difference of 463 meters at its best and plenty of snow offer very good conditions for downhill skiing and other winter activities. Ski resorts of Ylläs are on the way of becoming sports resorts, since new summer and autumn activities like Nordic walking and cycling are becoming more and more popular.

Ylläs has started in earnest to promote this great area. Nina Forsell, Managing Director of Ylläs Travel Association, tells that there are 144 companies that are now members of the association which markets both sides of the Ylläs fell, the Ylläsjärvi and Äkäslompolo.

"Ylläs Travel Association also arranges events and takes care of Nordic ski and snow mobile network. Slopes are managed by ski resorts, which are among our biggest members."

"Our winter season usually lasts from the beginning of December until the first week of May. Sometimes you can ski already in late October or in November. Although we develop summer activities, this time of the year is the backbone of tourism industry here," explains Nina.

December brings mainly Christmas tourists from Britain and elsewhere in Eu-

rope; Russians have their Christmas feast in the first half of January. The best season for skiing starts a little later in February.

"However, our British and Russian guests who come in December-January are crazy about practicing skiing. It is an advantage of Ylläs that we have slopes from very easy to black (most difficult) ones."

"By February-March 2007 we can offer several new slopes to our customers. Bigger renewals will follow in the next season. But already now Ylläs is number in Finland in terms of the number and length of slopes," Nina reminds.

"We also have Finland's largest integrated cross-country ski trail network, that is 330 kilometers."

After the EUR 20 million investments Ylläs will have as many as 60 slopes and 30 lifts in the winter 2008," tells Nina Forsell.

"There will also be a new gondola lift for eight persons in one cabin. In the wintertime it takes skiers up on the hill in 7 minutes. In the summer time you can take a scenery tour or bring along bicycles – the cabins have places for those too."

A new chair lift also serves customers in the summer time. "Summer and autumn also offer a variety of holiday and incentive opportunities," says Nina.

Spring in Lapland is short yet strong with snow melting rapidly and rivers

showing their power by crashing ice covers away.

Nina Forsell believes that tourism in Ylläs will grow in all seasons. Volumes will increase and the share of foreigners rises.

"Of our 267 000 registered nights about 24 % were by foreigners in 2005. I could foresee that 30-40 % share of international guests is realistic in the near future."

Ylläs is not that difficult to reach, says Nina. "Distance from the Kittilä airport is only 35-50 km depending on which side of Ylläs you are heading. – in all cases less than one hour. Train also arrives close to Ylläs. A mere 30-45 minutes is needed from the train station to your Ylläs destination."

The scenic road which became ready in September 2006, boosts interaction between the two villages of Ylläs.

How about competition then between two ski resorts?

"There is no conflict of interest. People just want to ski on both sides of Ylläs fell. The Free motion ticketing system ensures smooth traffic in lifts."

In the mid-winter Ylläsjärvi side is more popular, since slopes give to the south. In the spring time, in March-April, Äkäslompolo slopes are doing just as well, especially after the western slopes are opened in February 2007. ●

See pages 58-59 on investments in Ylläs



Lapland Hotels Olos is located some 60 km from Ylläs.

Lapland Hotels – most varied choices

Lapland Hotels chain has as many as 1100 hotel rooms and apartments altogether - about 600 of those with private sauna! The company also owns part of Lapland Safaris, which ensure varied adventure, incentive and other services.

Lapland Hotels units have different profiles. For example, "Riekkonlinna" in Saariselkä and "Olos" in Muonio are popular among congress guests. "Olos" is a prestigious resort that provides luxury for holidays and meetings. Auditorium is for 800 persons and the six meeting rooms for 5-100 persons are of highest quality. At Olos 10 different downhill slopes are at guests' use. Also Lapland Hotel Riekkonlinna is known as a good conferencing place, appreciated also by EU meeting decision makers.

"Sky Ounasvaara" is a premium venue as well having 71 hotel rooms, locating on top of Ounasvaara hill just next to the city of Rovaniemi on the Arctic Circle. The hotel has a highly appreciated panoramic restaurant for 250 diners.

Äkäshotelli and Ylläskallio are both located in Ylläs. In addition to hotel rooms there are high-standard holiday apartments to offer. One of Lapland's most legendary dancing restaurants, "Pirtukellari", is in Äkäshotelli. Wellness services are also provided. Lapland Hotel Sirkantähti is located in Levi, only 300 meters from ski slopes.

Possibly the most genuine (in terms of Sámi and Lappish culture and nature) are Lapland Hotels "Pallas", "Kilpis" and "Hetta. In "Kilpis" you can arrange small meetings and ski even in the beginning of summer in June. "Pallas" is also small and idyllic, with great fell views. ●

Ylläs also has excellent Snowpark areas, Super-G slope, Off-piste slopes and the longest runs in Finland. For snowboarders Ylläs is a dream come true with many possibilities. It is also one of the most popular places among telemark skiers and off track skiers with several fells of untouched snow. Ylläs also has two ski schools, one in both villages. The ski schools provide slalom, cross country skiing, telemark skiing, off-piste skiing and snowboarding lessons. Equipment can be rented either from the ski centers or some shops. ●

Picture on right: There will be a new gondola lift for eight persons in one cabin. In the wintertime it takes skiers up on the Ylläs in 7 minutes. Gondola will be taken into use in the season 2007-2008.



Style in stone, unmatched fell view

Hotel Ylläs Saaga is one of the stylish hotels in Lapland. Stone elements are used in a skillful way in construction and interior decorations. The hotel is also superbly located on the slopes of Ylläs fell. One plus side is that the hotel is new, it has operated since 2003.

Ylläs Saaga has 84 rooms. The studio rooms have pitched roof windows. A large terrace restaurant "SaagaTango" offers great fell view. The spa section has Jacuzzis and steam saunas. The fitness center is well-equipped and one can have wellness treatments.

Ylläs Saaga is a ski-in-ski-out hotel. You can almost ski out of the hotel - start your cross-country skiing adventure after a couple of meters from the outdoor. And the nearest slalom slope is only 100 meters away! Connected to Ylläs Saaga are chalets - apartment-type of accommodation in well-equipped facilities with two or three rooms.

Hotel Ylläs Saaga is owned by trade unions, but the municipality of Kolari and the ski resort Iso-Ylläs Oy also have shares in the hotel. Iso-Ylläs operates the down-hill slopes at this side (Ylläsjärvi) of Ylläs. It is thus not surprising that the hotel can offer ski packages, which include ski equipment rent, lift tickets and accommodation plus other optional services.

At Hotel Ylläs Saaga one can also combine business and pleasure. Meetings can be arranged up to 150 people. ●

www.yllassaaga.com



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One of the landmark's of Helsinki-Vantaa's airport city will be the Aviapolis Tower, which will be erected just next to Jumbo shopping centre. Building possibly starts in 2007. The winning proposal was done by Helsinki-based Davidsson Architects.

Number one airport in northern Europe – Helsinki-Vantaa

Finavia, which manages the airports and air navigation system in Finland, will invest about EUR 143 million in Helsinki-Vantaa Airport with an enlargement of the non-Schengen terminal and renewal of the baggage handling systems. The field areas next to the terminal will be upgraded. The reason behind this investment decision is mainly the strong increase in traffic to and from Asia. There are already dozens of departures to Asia from Helsinki-Vantaa each week.

Helsinki-Vantaa's biggest airline is Finnair, which carries more than one million passengers to and from Asia every year. Asian traffic also helps to boost European traffic. There are more international direct flights from Helsinki than from Stockholm or Oslo. Connections to Europe are frequent and traffic to Asia is among the busiest in Europe.

In addition to the investments in the terminal and baggage handling system, the Helsinki airport area will be redeveloped as a business centre. In March 2006, Finavia's subsidiary Lentoasemakiinteistöt and SRV Viitokset announced a project to build the Greater Helsinki area's second and Finland's third World Trade Centre (WTC).

The new WTC Helsinki-Vantaa Airport provides a unique setting – both in terms of location and prestige – for companies operating internationally. SRV Viitokset, which will develop and construct the trade centre, has launched the marketing campaign to search out end-users for the first phase of the new WTC.

WTC Helsinki-Vantaa Airport will be a highly functional business centre – there are not too many centres like this, from where you can check in to your flight from your workstation literally in a couple of minutes!

The WTC will also improve the conferencing opportunities at Helsinki-Vantaa Airport. There are already quite good meeting facilities in the

main terminal by Helsinki Airport Congress, with nine different areas and excellent catering services.

According to Samuli Haapasalo, Finavia's director, the company's finances are in good shape. "About two thirds of the turnover comes from airline companies and one third from shops, parking facilities and other functions," he says.

"Finavia can offer space for rent at Finnish airports. Through our subsidiary company Lentoasemakiinteistöt we can also provide larger real estate solutions on airport land.

"In addition to these investments, the larger Helsinki airport area will also be redeveloped."

Finavia participates in the "Aviapolis" project, which is a

brand name for an airport city covering 42 sq km in the surrounding area to Helsinki-Vantaa Airport. The City of Vantaa and development and construction companies are also part of the Aviapolis network.

Recreation and shopping close to the airport

Finland's biggest pension fund, Varma, acquired the major leisure centre in the Aviapolis area that was previously known as Jumbo Park. The 84,000 sq m centre will comprise retail outlets, a hotel, cinema complex, spa and fitness centre. It is estimated that the leisure centre will open to the public in late 2008. There is already a large shopping centre next to



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the leisure centre. The location is thus attracting people through the shopping centre alone.

The leisure centre is a development by SRV Viitaset, and the total building cost is some EUR 140 million. It has been estimated that the centre will be mainly used by locals, but Finnish and international travellers arriving from Helsinki-Vantaa Airport will also use the recreation centre's facilities.

One of the airport city's landmarks will be Aviapolis Tower, a 16-storey office building of the future. Construction work on the tower will begin in 2007. There will be approximately 10,000 metres of floor space. Architecturally, the tower will be interesting. Towards the top, the tower will widen slightly, and it will provide a light and airy environment. The winning proposal was named Kolibri (Hummingbird) and was submitted by Davidsson Architects of Helsinki.

Vuosaari Harbour links with the airport

One of the strengths of Helsinki-Vantaa Airport and the associ-

ated airport city of Aviapolis is that they will be integrally linked to Helsinki's ultra modern new Vuosaari Harbour.

The logistics area of Vuosaari is about 35 ha. Around 130,000 sq m of buildings could be put up in the area, including as much as 75,000 sq m in the first phase. The smallest units could be 2,500 sq m. The value of the investment exceeds EUR 100 million. The actual port area is about 150 ha, of which 90 ha has been taken from the sea.

Air cargo volume is increasing and logistics areas close to the airport mean that road traffic between Vuosaari and the airport city are considerably on the rise too. One concern has been whether Ring Road III from Vuosaari to the airport area will be good enough to handle the increasing amounts of traffic. Ring Road III is the main artery in the Helsinki region and also serves the whole of Finland.

The Finnish government has been slow to make a final decision on this matter, but the City of Vantaa has been active. Director of Communication Kai Ovaskainen said in the Aviapolis

magazine that Vantaa could pay for the renovation project costs, and the government could pay the money back to Vantaa later. The transportation and communication ministry has suggested improvements between the Hämeenlinna motorway and Pakkala.

Aviapolis is among Vantaa's top priorities, so it is evident that there will be a resolution to this issue. ●

www.helsinki-vantaa.fi
www.aviapolis.fi
www.finnair.com
www.jumbo.fi

INNORAIL DEVELOPING RAILWAY SERVICES

The Innorail development programme is investing in the development of international railway transport between East and West.

Innorail has evolved into a significant cooperation and development forum for actors in the railway field. Kouvola's rapidly developing Innorail Business Park is already the largest railway business service centre in Finland. In few years the business park based on railway transport is developed in

Kouvola which, in addition to its terminal investments, is set to include investments in the requirements of both commercial and technology-based enterprises. Investments include ChinaCenter, which is specialised in Chinese products, and the Inno-food-Center, concentrated on food services. Facilities for technology service centre are being planned. Modern new facilities have also been built in the area for the Finnish Customs. ●

AVIAPOLIS

Airport city with a huge drive

The City of Vantaa, Helsinki's northern neighbour, is rapidly evolving into a modern, internationally oriented area. The city's central area includes the airport, which is why the development has been named Aviapolis.

Investments are being made in Aviapolis at a fast pace. Projects involving 400,000 sq m of floor space are being planned for offices alone. A new Hilton hotel is being built at Helsinki-Vantaa Airport, and the airport itself is undergoing an extensive redevelopment. The EUR 143 million extension to the international terminal will open in 2009.

A new World Trade Centre (WTC) will also be built just next to the domestic and international terminals, and the first phase of the building should be completed in spring 2008. The WTC is the joint project of SRV Viitotset and Lentoasemakiinteistö, a subsidiary of Finavia (formerly the Finnish Civil Aviation Administration). The area already has very good conference and congress facilities, which will be further improved by this project.

In addition, NCC, Technopolis, YIT and Palmberg have office developments near the airport.

Pleasant residential areas

As part of the Aviapolis development, a large residential building scheme is being managed. "In this respect we differ from most other airport cities, which do not usually have new residential buildings," says Mari Peltomäki, Project Manager of Aviapolis. "There are low noise areas very close to the airport where air traffic causes surprisingly little disturbance. The City of Vantaa has thus prepared plans for zoning a residential

Along with the port of Vuosaari, Aviapolis is one of the most dynamic developments in the whole Helsinki region. Regarded as a go-ahead 'airport city', which surrounds the award-winning Helsinki-Vantaa International Airport, it will benefit from continuing property projects worth hundreds of millions of euros.



Kartanonkoski is a new residential district in the heart of Aviapolis. It has won several prizes for its design and is one of the most favoured new residential areas in Finland.

area between Ring Road III and the airport."

This residential area, known as Veromies, is being planned to accommodate 5,000-7,000 inhabitants. "There are good examples of successful residential areas near the airport. Today thousands of people live in pleasant suburbs of Pakkala, Tammisto and Kartanonkoski, which have also won architectural awards. Unique to Aviapolis is also the fact that the residents are close to nature. The River Vantaa runs through the area where you can fish. There are not many airport cities in the world where you can go fly fishing and catch a salmon," says Peltomäki.

"The attraction of Aviapolis is also reflected in its job opportunities," says Peltomäki. "The area boasts the greatest job growth in the entire Helsinki region and there are already almost 40,000 people working there. Thousands of new jobs will be created within the next few years.

Excellent connections

Aviapolis is one of the most central areas in all the Nordic countries and Helsinki-Vantaa Airport has more international direct flights scheduled than Stockholm and Oslo airports. Growth is most vigorous in Asian traffic, with Finnair operating the EU's fastest direct

Asian flight connections. "Companies benefit not only from the airport, but also from the central location in the Helsinki region," says Peltomäki.

"Railways and roads lead directly to Helsinki city centre. The E18 highway links Aviapolis to Turku and St Petersburg, as well as to the port of Vuosaari which is to be completed in 2008."

Ring rail

As well as air and road traffic, the area will benefit from the planned train route that will link Helsinki-Vantaa Airport with the main and local train lines. The ring rail, known as Kehärata, will create a quick connection to central Helsinki as well as suburban parts of the capital and nearby cities. "The ring rail helps in creating further new jobs in the Aviapolis area," says Peltomäki.

According to Peltomäki, the Aviapolis philosophy is not only about building new areas and creating commercial services. Effort is also being put into education and training, together with the City of Vantaa. For example, the Aviapolis area boasts an international school that is funded by the City of Vantaa and therefore has no tuition fees.

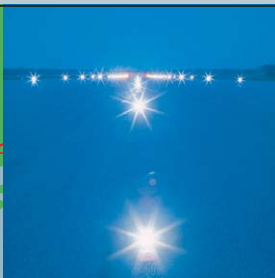
"There is also Vantaa's high tech programme, which supports the international aspirations of Aviapolis," she says. "Its International Centre provides companies setting up business in Finland with a 'soft landing' in the form of training, networking support and consultancy on Finnish legislation and financial practices."

In addition, there are plans for a Welfare Centre where different public and private services linked to welfare would be gathered. The first phase of the 12,000 sq m centre could be in use by the end of 2008. ●

Photo: Aviapolis



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New development projects ensure Helsinki-Vantaa's successful future

Finland's Helsinki-Vantaa is one of the best performing and modern airports in Europe. It is the flagship airport in Finavia's (formerly the Finnish Civil Aviation Administration) network, the body that manages Finland's airport network and navigation system.

With 13 million passengers in 2006 and several large investment programmes, Helsinki-Vantaa is no longer a mid-size airport but one of Europe's most important, in particular in terms of traffic between Asia and Europe.

Samuli Haapasalo, Finavia's President and CEO, says it is of the utmost importance that services at Helsinki-Vantaa Airport continue to be developed. "In the competition between airports in Europe we have done exceptionally well, and will continue to do so in the future," says Haapasalo. He adds that through its services and excellent infrastructure, Finavia, which manages a total of 25 airports, creates the prerequisites for competition among Finnish companies and international companies based in Finland.

One of the most important cornerstones in securing increased passenger amounts of Helsinki-Vantaa Airport is the enlargement of the non-Schengen part of the international terminal. At a cost of EUR 143 million, the new part of this terminal will be in use in 2009. "This is our biggest investment ever," says Haapasalo.

The expansion of the non-Schengen terminal will provide space for eight new wide-hull planes and a completely new luggage handling system. It will also involve upgrading the older terminal buildings and runways close to the terminal. The luggage handling system will be one of the most modern in the world, fulfilling the strictest security requirements. "With the enlargement of the non-Schengen terminal we ensure, first of all, preconditions for strongly

growing Asian traffic," says Haapasalo.

Genuine airport hotel

Another large project at Helsinki-Vantaa Airport is the construction of the Hilton Hotel, which has progressed quicker than planned. The hotel, located just next to the international terminal and runway, will be open to the public in late 2007. Skanska Finland is the contractor of the hotel project, which is being financed by Lentoasema-inteistöt, a subsidiary of Finavia, and Hilton.

"There is direct access from the non-Schengen terminal into the new Hilton hotel. We can thus speak of a genuine airport hotel." Parking facilities at Helsinki-Vantaa Airport have also been developed. The seven-storey parking building, to be finished in 2008, can accommodate as many as 2,530 cars. "After this investment we will have more than 10,000 parking spaces for airport customers, plus plenty of parking for people working at the airport," says Haapasalo.

Passenger growth at Helsinki-Vantaa Airport has been around 10%, a growth rate that Haapasalo believes could continue for a couple of years. "In 2006 we had more than 13 million passengers," he says. "In the future our growth figure will possibly be 4-5%." An increase of one million



Mr. Samuli Haapasalo

Photo: Mauritz Helström

passengers means that every day about 3,000 more people pass through Helsinki-Vantaa Airport's terminals than a year before, bringing the daily total to around 35,000. "In spite of these huge figures, customer satisfaction ratings have been at their highest," says Haapasalo.

Helsinki-Vantaa has reasonable tariffs

Several Finnish infrastructure projects will also help to support Finavia's corporate strategy. The so-called Marja Rail or Ring Line railway line will connect the airport and two main railways from Helsinki to north Finland. "Ring Line will be an 18km long track, 8km of which is in tunnels. The tunnel stations will be Helsinki-Vantaa Airport, Aviapolis and Ruskeasanta," says Haapasalo.

Haapasalo stresses that Finavia's approach to investment is a practical one. "One success of Helsinki-Vantaa Airport and

Finavia in general has been the ability to have excellent timing of renewals and expansions," he says. "Our strengths also lie in the fact that we have high quality infrastructure and can offer smooth transfers and inexpensive tariffs. Compared to other airports of the same size, our airport fees and taxes are the third cheapest in Europe."

The only charge that will be raised in 2007 is what is known as the security fee, which will increase from EUR 3.14 to EUR 4.5 per passenger. According to Haapasalo this is due to increased security expenses as a result of new regulations.

Helsinki-Vantaa is by far the largest of Finavia's 25 airports, but Haapasalo says he has been positively surprised about the potential of some other Finavia airports as well. "Kittilä airport in Lapland has attracted dozens of new charter flights and new premises in Kittilä will ensure that growth can continue." ●

EASTERN INNOVATION

Lappeenranta brings together expertise on Russia, forest industry excellence and energy solutions

Lappeenranta is the centre of the South Karelia region in South-East Finland.

The eleventh-largest Finnish city by number of inhabitants, Lappeenranta is renowned for its easy-going Karelian character and beautiful nature.

Furthermore, the commercial prospects of the city have never looked better.

Tom Hultin, CEO of Lappeenranta City Holding Company, says that there is a lot of untapped potential just over the border. There is a distance of 213 kilometres to St. Petersburg which boasts a population of five million and a fiercely growing consumer power base.

"Lappeenranta is simply a great base for Finnish companies as well as international companies who want to do business in the St. Petersburg region. There is easy access from the side of European Union to St. Petersburg which is the fourth biggest city in all of Europe," says Hultin, himself a long-time veteran of Russian relations.

Thanks to the efficient and diverse connections it is possible to set a base of operations in the Lappeenranta region and visit St. Petersburg even daily, if need be.

"There are more and more companies now which have operations in Russia but the management lives in Finland for the most part. Especially for small and medium size companies this is a reliable and safe way of doing business in Russia," Hultin explains.

One quarter of Russian imports pass through the three

border stations in the Lappeenranta region. In the national tax free statistics, Lappeenranta is the runner-up after Helsinki.

"One could make the argument that Lappeenranta is the most Russian city in the land – there are about 3,000 people who speak Russian here," Hultin says.

Reinventing forest industry

In addition to Russian expertise, Lappeenranta region has traditionally featured a lot of forest industry know-how, having all the largest forest companies and their R&D centres in its region. The Finnish Government has designated Lappeenranta as the national forest industry cluster coordinator.

The present programme of the Centre of Expertise in South-east Finland combines the various competencies of the unique forest industry group in Southeast Finland: pulp and paper plants and sawmills, machinery manufacturers, systems and service providers, education and research institutes.

The project aims to sustain Southeast Finland's position as the world's leading centre of forest industry research, education as well as product and business development.

Jukka-Pekka Bergman, Managing Director of Lappeenranta Innovation Ltd, reports that the Centre of Expertise programme will be updated in January 2007. The new agenda includes four key areas which will shape the future of forest industry.

"The four areas are Fibre, Energy and Life Cycle; Forest-based Chemistry; Fibre-based Composites; and Functional Packages," Bergman lists. The programme is supposed to run from 2007 to 2013.

"During the next six years, the idea is to pursue a dynamic innovation environment and select projects also from outside the so-called core businesses of the companies," Bergman says, adding that many companies have already launched research projects, in collaboration with Lappeenranta University of Technology.

"For instance, Stora Enso is starting a very broad functional packages research," Bergman says.

Furthermore, Technology Business Research Center, operating in connection to the University, launched research project TALIKKO in the spring of 2006. The focus of TALIKKO is on creating new business concepts in the intersection of industries, such as electricity networks and generation, ICT and forest industries. TALIKKO is a TEKES funded two-year research project with multiple forest, energy, and ICT companies participating.

"The idea is to stop doing things like we always have in the past, but instead to look for completely new ways of operating," Bergman explains.

Energy efficiency

Energy is a key issue when searching for new innovation in the Lappeenranta region. Jarmo Partanen from the Lappeenranta University of Technology says that local waste management plants are one way to achieve energy savings.

"We can now link small heat plants into the power grid more economically and in a technically improved way," Partanen explains.

The new combustion techniques allow for better efficiency, and the concepts are being developed further.

"In Lappeenranta, we have been focused on electricity engines and control devices in order to cut down on consumption. The potential energy savings from electricity engines alone would be equal to a nuclear power plant's annual production," Partanen compares.

Another winning Lappeenranta-based green energy venture is wind turbines which have clearly become more popular of late. Arctic Windpower Project, a Finnish electrical consortium, supplied electrical systems for the Norwegian ScanWind AS for their 3 MW wind turbines in 2004.

When measured by the generated electricity, Scanwind's 3 MW wind turbine is the world's largest. The development effort for the gearless, permanent 3 MW magnet generator was carried out by Lappeenranta-based Rotatek Finland Ltd. The engineers in charge of R&D at Rotatek are graduates from the Lappeenranta University of Technology.

As a whole, the Lappeenranta region can be seen as one of the most intensive R&D regions in the field of distributed energy generation in Finland and Northern EU. ●

Sami J. Anteroineen



LogiCity launched – relocating in Turku

Photo: Pilot Turku



In October 2006, Pilot Turku launched a new real estate development based in Finland's Turku region. Known as "LogiCity", the project is aimed at strengthening the area's logistical position.

The project's slogan, "Where Scandinavia meets East and West", reveals a lot about the business approach of the development. "LogiCity is a logistically attractive business location that is being built in the immediate vicinity of Turku Airport," says Ari Niemelä, Managing Director of Pilot Turku. "It is a concept based on logistical efficiency and Turku's unique position between Scandinavia and the East."

Turku is superbly located for markets in Scandinavia, Northern Europe, Russia and China, he says. "Turku is part of the central transport corridors of Northern Europe, such as the

Nordic Triangle that links the Scandinavian capitals and St Petersburg," says Niemelä. "The Turku region offers Finland's best connections to Scandinavia. The only Finnish train ferry connection goes via Turku to Germany and Sweden."

The region's main strength comes from the fact that air, road, rail and sea transportation links are combined in a compact way. The ports of Turku and Naantali, for example, are only 15 minutes from Turku Airport, which is in the central area of LogiCity. As a result, Turku region's logistical infrastructure forms a functioning, integral cluster for all modes of transport. "We have studied ways to improve the effectiveness of intermodal transport chains. More and more, there is a need to combine different modes of transport," says Niemelä.

One million sq m of redevelopment

According to Niemelä, LogiCity is particularly designed

for companies seeking greater process efficiency through logistics. "Companies seeking value-added logistics, distribution centres, warehouses and wholesale operations could find a base in LogiCity. In the first phase the building permits cover 400,000 sq m of terminals, warehouses and other premises in LogiCity."

Turku city planners have approved this phase, and planning for LogiCity phase two is already in progress. When zoning is completed for the whole region, including the northern part of the airport, as much as one million sq m could be developed. The Turku region has a population of about 300,000, but LogiCity may benefit other parts of Finland through distribution centres and further value-added logistics.

"When the new 50 km part of the Turku-Helsinki motorway is ready in autumn 2008, Turku could actually be a distribution centre for large parts of southern Finland, even parts of the Helsinki region," says Niemelä. "Plus, we have the best ferry connections to Scandinavia, which enables us to be a bridgehead to the rest of Northern Europe."

According to Niemelä, Pilot Turku is also studying the "big picture", and adds: "We have carefully monitored the situation in Russia and the Far East too. A clear and strengthening trend is that a bigger and bigger part of world trade is taking place in Asia and Russia."

Turku is starting up a new container train route that runs through Moscow and on to Beijing. Niemelä believes this will enable the area to become an important connection for Chinese goods traffic, with freight going through it from other Nordic countries. "It is important to note that Finland's transport corridors are congestion-free, unlike in the vicinity of European metropolises," he says, "and our turnaround times are shorter than in large cities. Customs formalities run smoothly and

the Finnish customs authority is very effective."

Air freight developments

The area where LogiCity will be built is situated next to Turku Airport, providing it with excellent air connections. The E18, the main European road linking Scandinavia and St Petersburg, also passes through this area. "The rail network from Turku goes all the way to the Russian border; to the west, railway carriages can be loaded onto a train ferry bound for Sweden and Germany after a bogie change," says Niemelä.

Finland is already a very important air freight hub between Asia and Europe, thanks to Helsinki-Vantaa Airport and the national airline Finnair. As air transportation grows, Niemelä believes Turku will receive a share of this market. "There is a daily freight connection from Liege through Turku to the Estonian capital Tallinn, operated by TNT Express. The Boeing 737-300 can take 17 tonnes of cargo. In the future there could be long-haul air freight from Asia through Turku to the Americas."

Flexible zoning

A further strength of the Turku region is the fact that real estate, housing and labour costs are lower than in more metropolitan regions. The Finnish real estate market is comparatively transparent and zoning usually proceeds quickly. "In the LogiCity area we can offer companies sites with flexible zoning," says Niemelä.

There are already some warehouses based in LogiCity and it looks as if the region will undergo significant growth in the future. "If your company needs logistical value added, Pilot Turku is your partner and LogiCity your potential location," says Niemelä. ●

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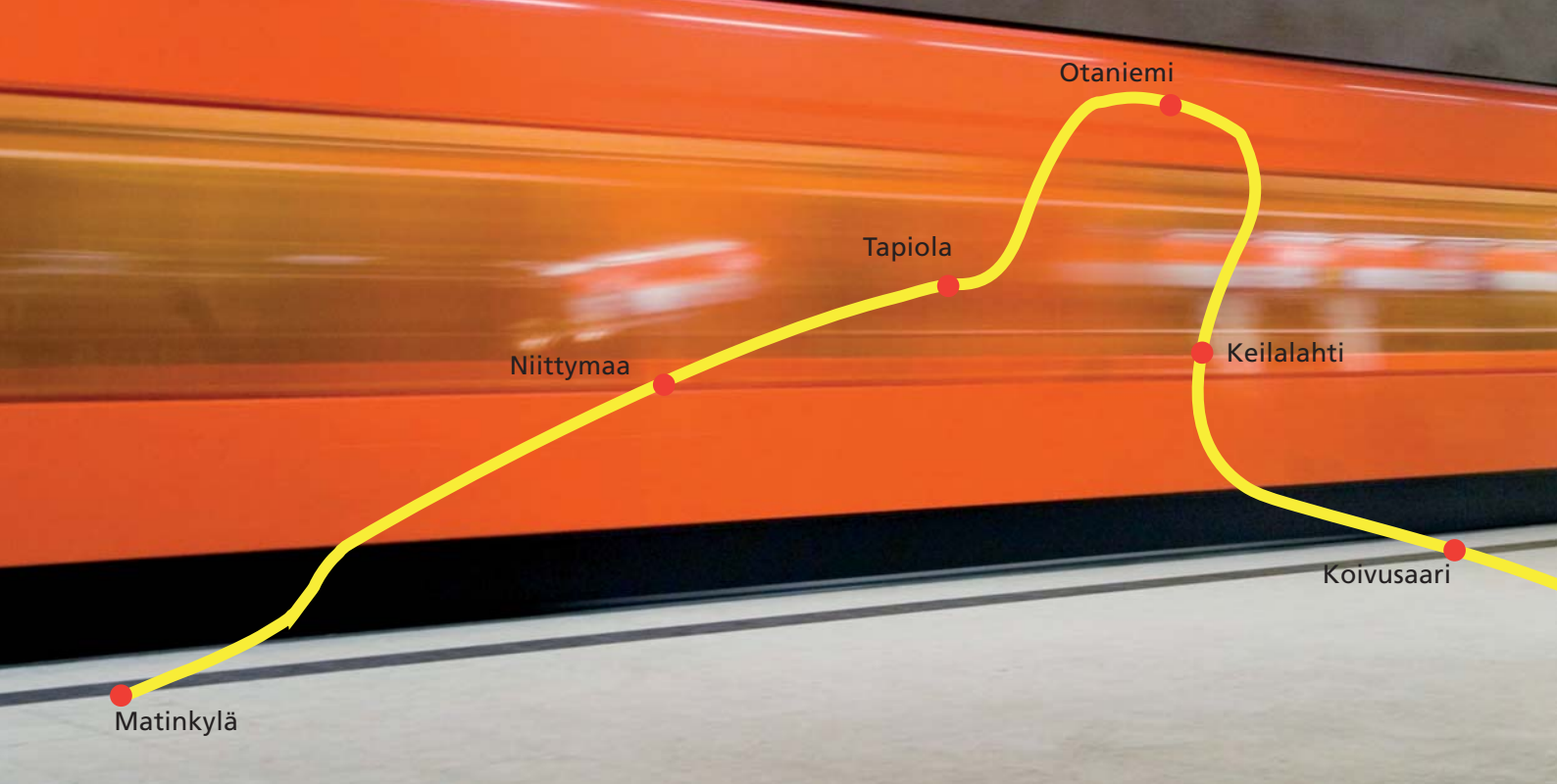
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Espoo goes underground

AFTER YEARS OF DEBATE, THE PEOPLE AND BUSINESSES OF ESPOO CAN FINALLY LOOK FORWARD TO TAKING THE METRO

The verdict is in: Espoo will build a metro line.

On 25 September 2006, the Espoo City Council made the official decision to construct a metro line. The result was 45 votes to 19 in favour of the metro. The construction of the metro is set to begin as soon as possible.

Espoo insists that planning for the second stage of the line must also be started. The first stage of Länsimetro (Western metro) is expected to be completed around 2013. The proposed metro line is an extension of the current single metro line from Ruoholahti metro station to the Espoo districts of Tapiola and Matinkylä, running via Lauttasaari in western Helsinki.

After years of debate, Espoo finally decided to build a metro connection – citing the growing demands of Espoo’s businesses as a key reason. In order to fully develop the corporate climate in Espoo, an efficient mass transportation system is required.

The continuous traffic jams on the Länsiväylä – the only motorway between southern Espoo and central Helsinki – are proof that alternatives are direly needed. The City is also keenly aware of the national importance of the corporations which reside in Espoo and the competitiveness issues of the entire capital region – and the nation – weighed in on the ultimate decision.

Linking innovation

Mayor Marketta Kokkonen has remarked that it is vital to connect the country’s leading

innovation and technology cluster Keilaniemi-Otaniemi-Tapiola into the capital region with efficient traffic connections. Director Olavi Louko from the City of Espoo Technical and Environmental Services adds that metro is simply a must from the perspective of the Espoo traffic system and the capital region.

“It is especially important, from the point of view of the nation also, to link the Keilaniemi-Otaniemi-Tapiola hi tech campus into downtown Helsinki, and other areas such as the Helsinki-Vantaa International Airport,” Louko says.

“If we look at the ways to develop Espoo, especially from the perspectives of industry, metro is of crucial importance. After metro, and also running concurrently to its construction, there are a great number of other traffic projects as well,” Louko says, adding that the current urban structure of Espoo and

the capital region traffic system call for a metro line which runs entirely underground.

“What the metro will mean for Espoo in practise is that the city can receive new companies in fine office and business premises as the traffic connections improve. Also the effects on living arrangements are positive ones and the securing of labour resources becomes easier,” Louko lists.

Long time coming

Metro certainly did not get the green light over night. First suggestions for Länsimetro were made as the Helsinki metro system was in its initial planning stages in the 1950s, but the idea was rejected at the time. Ruoholahti station became the end of the line in the west.

In recent years, light rail transport was often cited as an alternative to the metro exten-

Photo: Kuvakori.com



Proposed metro line will improve traffic connections.

sion. The proponents of the light rail argued that it would be cheaper, faster to build and more environmentally friendly. However, an inquiry carried out by the Espoo City Council in 2002 suggested that the metro system would be the better choice.

Four years later, after a thorough debate, the City Council finally said "Yes" to metro in a marathon session which adjourned at quarter past midnight. The Council wants to realise a Ruoholahti-Matinkylä metro line which runs in a tunnel for its entire length. The Council did, however, list 12 conditions which need to be fulfilled in order for the project to proceed.

First of all, the Council insists that the State participates in the funding of the metro line with 30 per cent of the total cost – in the initial phase and also with regards to the second phase, the Matinkylä-Kivenlahti line. The total cost of the first stage of the project is estimated to be around € 500 million.

Also the other traffic projects, such as the continuation of the city rail to Espoo Centre, improvements on Ring I and continuation of Ring II are

to be carried out without delay according to plan.

Star stations

The Council also demands that the quality of the metro stations is of high standard and that they are modern, comfortable and safe environments. Olavi Louko says that the City will make a special effort to invest in the five metro stations.

"We want to establish the best possible stations – from the perspective of city structure, business interests and people's comfort level," Louko promises. The stations will also feature sufficient parking spaces.

Another important consideration is the modernisation of the metro trains. There are plans to order new trains in four years.

"While acquiring new metro trains, we want to get modern, safe trains of highest standards," Louko says.

In addition, the City Council wants to eliminate the creation of future traffic bottlenecks by insisting that feed traffic into the five stations has sufficient regional scope and functions without obstacles.

The long list of demands has raised some eyebrows, especially in the neighbouring Helsinki, but Louko doesn't believe that the terms themselves pose any problems.

"There is nothing in the set conditions that is not based on previous decisions and discussions," Louko assures.

Metro schedule

Louko estimates that the first metro train will arrive to Espoo in 2012, at the earliest. If there are bumps on tracks, the grand opening will be pushed back to 2015 – but that is the ultimate deadline.

"There is nothing that we can currently perceive that would stop us from building the metro by 2015, at the latest. Of course, there may be some unpredictable delays along the way," Louko says, pointing out that it is always difficult to predict the future.

In order to finance the project, Helsinki and Espoo will establish a joint enterprise.

"We have already started the talks on setting up the company," Louko confirms.

"Private funding is one realistic alternative. It can be channelled via the company or independent of the company." The Lahti motorway, for example, utilises a private funding scheme.

The giant effort gets underway with intense planning. Louko reports that different general planning offices are already submitting offers to win the contract. The initial planning phase is estimated to run approximately a year, after which a more detailed building planning phase kicks in. Again, the City will ask for offers to be tendered by industry players.

Under the sea

The construction phase will get started in 2008 or 2009, with the digging of the metro tunnels.

"The digging phase will take around three years," Louko estimates.

He believes that the digging process will cost around 100 million. It remains to be

seen, if it is more cost-effective to perform all digging operations all at once or to approach the issue gradually, and dig tunnels in phases. According to Louko, the cost of digging is very sensitive to price fluctuations so the City can save money by keeping her options open.

Another costly element of the project is construction of the rails which is expected to swallow € 50-70 million of the budget. In addition to laying miles and miles of steel rails, the project requires extensive electrical work.

Olavi Louko does not foresee any major risks which relate to the construction, but admits that no tunnel which is built under the sea level is without some degree of risk. With regards to funding, the project is a huge undertaking, but Espoo, Helsinki and the State can iron out the wrinkles, Louko believes.

"We are looking to engage in a very close collaboration with the other two parties," he says.

Government on board

Minister of Finances Eero Heinäluoma has given assurances that the Government will fork up at least the required 30 per cent of the costs – the east-bound Vuosaari metro extension received the same share. Heinäluoma stated that the metro could help Espoo as well as the entire capital region to grow and develop and will be beneficial for the business climate.

Susanna Huovinen, Minister of Transport and Communications, is also pleased with Espoo City Council's decision.

"We have been waiting for this decision for a long time," Huovinen stated upon hearing of the Council's September decision, adding that the Espoo metro is one of the keys to developing public transport in the Helsinki metropolitan area.

"The Government has stated several times that there is a need for this project, and that the Government is ready to take part in meeting the costs," she promised. ●

Sami J. Anteroineen

Reinventing Tapiola

THE LEGENDARY COMMERCIAL CENTRE IS REVAMPING ITS IMAGE

Tapiola is a part of Finnish cultural heritage, featuring a totally new approach to living, services and environment. Combining the best elements of urban and rural lifestyles, Tapiola was a true revelation for the Finns in the 1950's. As the Tapiola Garden City was launched, the natives were in for something altogether different.

In the following five decades Finns would come to see plenty more commercial paradises, but the Tapiola commercial centre remained the national blueprint for user-friendly shopping. Evolving and growing through the years, the Tapiola commercial centre has remained popular despite the advent of bigger commercial centres such as (also Espoo-based) Sello and Iso Omena.

Kyösti Pätynen, Managing Director of Tapiola Development Ltd, says that Tapiola commercial centre has survived throughout the years due to its strong identity. The entire Tapiola area has a reputation of being a dynamic community, with a long-standing tradition of doing things together. Various other elements come into play also: the excellent location, considerable purchasing power, fluid traffic arrangements as well as diverse public, commercial and cultural services.

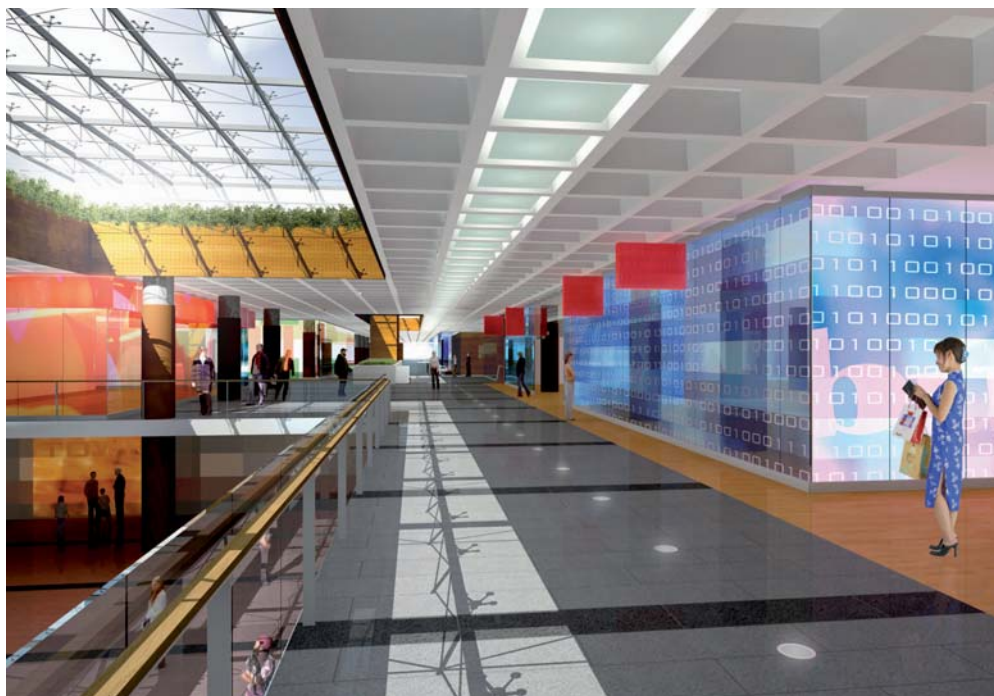
City of Espoo Project Manager Lauri Niemi agrees with Pätynen – Tapiola still has a lot to offer, even though it can no longer boast being the only shopper's delight in the neighbourhood.

"The competitive situation in Espoo alone is tough, but Tapiola commercial centre has still managed to gradually grow, as the expansions of the department stores Stockmann and Sokos have shown us. Also, this neighbourhood featuring Tapiola-Otaniemi-Keilaniemi, complemented by Westend and Haukilahti, is probably number one in Finland when it comes to purchasing power," Niemi says.

Metro fever

According to Niemi, Tapiola has always been a clear favourite of people and businesses alike.

"Tapiola is modern and successful and it needs to be



An old service street upgraded. Länsituulentie offers high-quality shopping on two floors in an environment that combines modern design with the best of 1950's and 1960's architecture.

developed further," Niemi says, adding that the current parking arrangements are outdated, for example.

Now the City of Espoo as well as the local entrepreneurs look for metro to re-energise the legendary shopping complex.

Kyösti Pätynen says that the Tapiola businesses are really hungry for the metro which is expected to bring more customers to the commercial centre.

"It is clear that good mass traffic connections help commercial centres tremendously. The metro will make Tapiola centre more competitive," Pätynen says.

The plans for integrating metro into the total picture have already been drawn up. The general plan from 2005 has designated the depth of the metro line and the exact location



Comfortable sitting areas and warm wooden surfaces in the gallery create an oasis for busy metro travellers and shoppers alike.

of the metro station. There are plans to build a shopping gallery where a street (Länsituulen-

tie) is presently located. Metro station would go under the new Shopping Gallery.

"There would be access from the metro station to Gallery's east and west wings. Above the metro, there would be underground parking facilities for 3,000 cars. Under the metro station, there would be room for the central maintenance which serves the real estate owners," Pätynen explains the master plan.

Project Manager Lauri Niemi confirms that the general plan to realise the metro has been outlined in considerable detail already with regards to Tapiola commercial centre.

"The objective is to create a compact entity which combines metro, other traffic, commercial centre and parking arrangements in a sensible way," Niemi says, adding that the plans get more concrete as there is interaction between the partners.

Bus terminal renovation

The report on significant expansion and supplementary construction of the Tapiola commercial centre came out in October 2005 and the next more detailed planning outline will be completed in January 2007, Niemi says.

"With regards to the bus terminal, there are three phases that we are looking to implement in 2007-2008," he says. The first phase involves traffic arrangements which aim at conquering space from cars for customer use.

"The second phase is improving the lighting conditions around the commercial centre. This involves painting the surfaces with appropriate light colours to achieve an aesthetically sound environment," Niemi describes the process. The lighting system will be realised in collaboration with Fortum.

The third target for improvement is the bus terminal waiting facilities which will become heated and more comfortable after the renovation. Accessibility around the terminal is a major consideration but also the visual elements are emphasised: there is a cultural theme which runs from the bus

terminal to the commercial centre and beyond.

The bus terminal is a key concern because two million people get off the bus at Tapiola annually.

"That's 17,000 passengers daily, along with 2,000 buses," Niemi provides the numbers. Around 16,000 cars pass through Tapiola bus terminal every day also.

"Once the bus terminal renovation is complete, the passengers will feel that they are in a pleasant, safe urban environment that features proper guiding systems, regardless of whether it is early morning or late at night," Kyösti Pätynen adds.

Parking goes underground

In addition to the bus terminal, there are other major projects under works as well. The objective is to build new underground parking facilities and also implement the first phase of the commercial centre renovation, consisting of basic renovation and expansion of Heikintori in the near future. The new parking facilities will be drilled into rock under the commercial centre, making it possible to convert present parking cellars or parking houses into premises for a variety of uses ranging from corporate to cultural.

Kyösti Pätynen feels that the Heikintori renovation will introduce new service offerings in the area, significantly strengthening Tapiola's role as the "capital city" of Espoo.

"Centralised underground parking enables Heikintori area to be almost doubled. The current Heikintori parking house will be taken down and new business facilities will be built in its place," Pätynen says.

"Underground parking will free up tens of thousands of square meters – which are presently used for parking – for new use. We should have the capability to make significant investments in the area as we move closer to the turn of the decade," Pätynen estimates.

Lauri Niemi reports that the city plan for the area is in its final stages and construction

can begin as soon as the plan takes effect.

Combining resources

Tapiola Development Ltd was founded in 2000 and Managing Director Pätynen feels that the collaboration between various parties has improved over the years.

"Developing projects and getting real estate pools together has become more standard. This means that we can achieve more than previously, and get things done in a fast and efficient manner," Pätynen believes. During the six year period entrepreneurial collaboration has expanded and diversified.

"We are building a city centre which features the very best characteristics of a commercial centre. At the same time, we want to have an organic city centre that is known for its strolling boulevards and alleyways; the connection with nature will remain strong," Pätynen says, noting that in Tapiola, one can always observe the changing seasons, as shopping does not mean isolation from the world around us.

Lauri Niemi points out that the City of Espoo has made considerable culture investments in the area – the new and improved WeeGee Exhibition Centre being one example. There is a

theatre in the works also, and an international architectural contest will be held in order to secure a world-class venue for the City theatre. The theatre itself will be complete early on in the coming decade, at the earliest, Niemi says.

Living history

Tapiola commercial centre has been able to change and grow with the times. The construction of the commercial centre was completed in 1961 and hailed as the first modern pedestrian commercial centre in Finland. In the 1980's, the new shopping wing was realised with towers equipped with apartments. At the same time, the outlook became more modern and people started to talk about the "old side" and the "new side."

The latest renovation process concluded in 2003, as the central pedestrian area was fully upgraded. The biggest change in the renovation was installing heating for the sidewalks, says Lauri Niemi.

"This also marked the first time that street heating was used in Espoo," Niemi says. The investment was paid by the community real estate owners and the City together, but the real estate owners cover the running expenses. ●

Sami J. Anteroinen

TAPIOLA DEVELOPMENT LTD

- founded in 2000
- development organisation
- represents Tapiola commercial centre real estate owners
- aims to develop Tapiola centre as a dynamic, commercially attractive city centre
- works in collaboration with other interest groups, such as Tapiola Toimii ry (Tapiola Event Marketing Association)
- Current partners:
Citycon, Wereldhave Finland, Nordea Life Assurance Finland, Tapiola Group, Sponda, Stockmann

Otaniemi vision

COLLABORATION, CREATIVITY, COMMUNITY

The Otaniemi Model

*– combining hi tech business savvy with scientific R&D excellence –
is recognised the world over.*

*However, Jouni Honkavaara CEO of Otaniemi Marketing insists
that the best is yet to come.*

Otaniemi is the leading technology hub in the Nordic countries, located within the Helsinki metropolitan area. Otaniemi features a unique mix of top-level research organisations, academic institutions and technology businesses. Otaniemi offers technology professionals, students, companies and other organisations an inspiring environment that provides unrivalled possibilities for multidisciplinary collaboration.

The community of over 31,000 people includes 15,000 students of the Helsinki University of Technology as well as 16,000 technology professionals, of which 6,000 are employed by research organisations and 10,000 by technology companies.

However, Jouni Honkavaara, the new Managing Director of Otaniemi Marketing, believes that the Finnish hi tech hub is just getting started. Otaniemi has the potential to rival any technology cluster in the world, he believes.

“The key to Otaniemi’s present and future success is the long tradition of co-operation

which has yielded tremendous results in the past,” Honkavaara says.

Brain power

Helsinki University of Technology (TKK) and VTT Technical Research Centre of Finland form the scientific core for Otaniemi. Other Otaniemi-based organisations include the pulp and paper industry research company KCL; CSC, the Finnish IT centre for science; the Geological Survey of Finland (GTK); and Culminatum, the Centre of Expertise of the Helsinki region.

Technology centre Innopoli commercialises the research and knowledge-intensive ideas of Otaniemi and functions as a business generator. There are approximately 230 companies operating in Innopoli out of the over 600 companies in the area.

The corporate headquarters of such international powerhouses as Nokia, Kone and Fortum are located in South Otaniemi, along the high-rising Keilaniemi shoreline. The Espoo-Vantaa Institute of Tech-

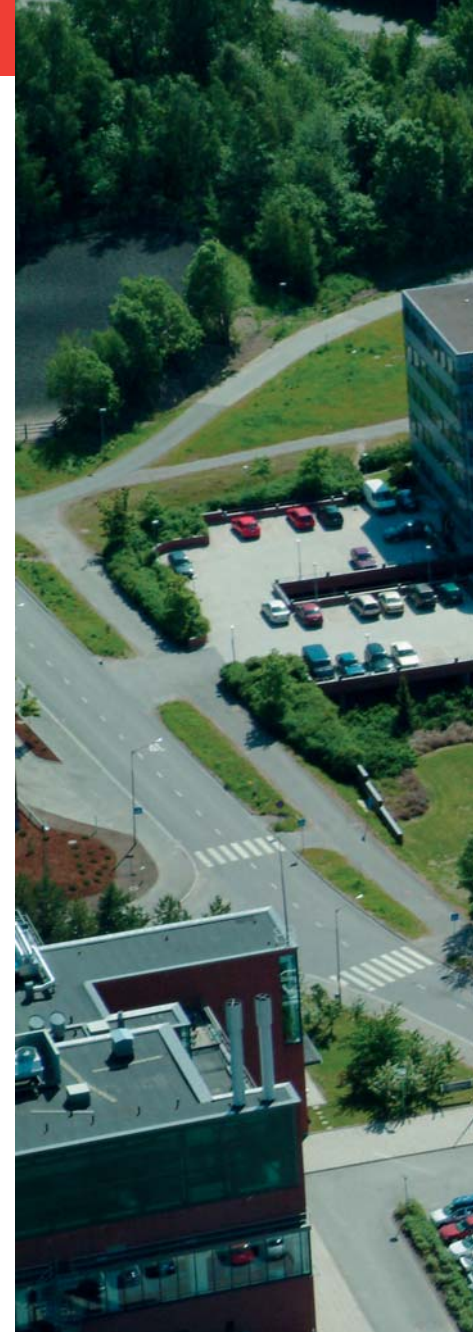
nology (EVTEK) and Laurea Polytechnic are also located nearby.

“At the heart of Otaniemi, there is science and research and development. Collaboration and networking with the corporate world comes very naturally here, with little regard for hierarchies,” Honkavaara describes the essence of the “Otaniemi Spirit”.

Global pull

International visitors flock to Otaniemi to find out what keeps the engines of Finnish innovation firing on all cylinders. In 2006, Otaniemi Marketing has hosted 1,400 international guests.

“If we look at the total number of foreign visitors to the area, this is only a small fraction,” Honkavaara says. According to him, the visitors are frequently surprised by the high level of co-operation between research institutes and companies. Also the high number of new companies – 60-80 businesses get started annually – is guaranteed to raise some eyebrows.



But there is still room for Otaniemi to get bigger and better. With this in mind, the key players of the Otaniemi area formulated a common vision in autumn 2006 in order to develop Otaniemi as an appealing technology hub that – in addition to investments – attracts students, researchers and highly educated professionals.

Leading the way

Within five years, Otaniemi and its surroundings will be



Innopoli 1 Centre

the leading European centre for high-level technological research, education and entrepreneurship, Honkavaara believes. He sees Otaniemi as a true pathfinder: the Otaniemi hi-tech cluster can turn information and expertise into jobs, investments and prosperity.

The perfect recipe involves a new kind of commitment to community and creativity. The Otaniemi vision calls for Otaniemi Campus to join with Tapiola and Keilaniemi. In order to build

a more coherent environment, the Ring I perimeter road is scheduled to go underground. There is also a political decision now to build a metro connection to Espoo, with Keilaniemi and Otaniemi as scheduled stops.

“Integration of Tapiola and Keilaniemi into Otaniemi is a key element in the Otaniemi vision,” Honkavaara adds.

According to estimates, 15,000 new jobs will be generated in Otaniemi by 2030 and new facilities need to be constructed

to the tune of 300,000 square metres. The top professionals can also enjoy quality living close to work; today, there are around 4,000 people living in the area and plans to increase the number of residents to 6,000.

True superstar

Honkavaara admits that there is still work to be done before the vision will become a reality. The Asian corporate and science centres, for instance, are getting

ready to take the world by a storm. In the global game today, one needs a winning strategy and flawless execution in order to make it.

However, the Finns, with their history of hi tech excellence and ability to pool resources together, are in a fine position to develop Otaniemi into an international superstar.

“We have the necessary ingredients, but we must now rise to the next level,” Honkavaara assesses. ●

Photo: Otaniemi Marketing



Otaniemi hi tech hub stands poised to make the transition to another level.



Otaniemi

UNIQUE ARCHITECTURE, GREAT RESEARCH FACILITIES

Otaniemi is home to Helsinki University of Technology TKK and VTT Technical Research Centre of Finland. Both institutions enjoy cutting-edge technological facilities which are provided by Senate Properties. The Senate Properties Managing Director Aulis Kohvakka reports that VTT and TKK utilise very large facilities which total around 400,000 square metres. The Senate Properties has been involved in Otaniemi since the very beginning: Senate Properties, or rather its predecessor National Board of Public Buildings, started the initial construction of the area.

During 1950's and 60's, the city plan was created and the core of Otaniemi was born. A new phase in the development of the area started in 1990's and the powerful expansion carried to the early 21st century.

According to Kohvakka, the intense development of information technology was one of the main reasons for the 1990's construction boom. Currently, renovation effort is underway in order to keep the buildings and environments up-to-date.

"The operative environment of research institutions has changed a great deal in recent times. As a result, there have been significant changes in the strategies and operative methods of organisations and also the nature of facilities and demand for those facilities," Kohvakka analyses.

Preserving legacy

He says that in the development of Otaniemi the Senate Properties want to safeguard the operations of the research play-



*The Senate Properties
Managing Director
Aulis Kohvakka*

ers while honouring the spirit of the original city plan and the original buildings of the area. New buildings have been fitted into the environment with great care, using expert planners.

“In the architecture and visual look of the area one can see, on the one hand, history and tradition, but also new international trends,” Kohvakka says.

The architectural integrity of Otaniemi is preserved at all times. Potential new construction falls under tight scrutiny and must be in accordance of the land use plan which is continuously updated. The renovation and alteration work conducted on the buildings designed by Alvar Aalto is planned in tight collaboration with Alvar Aalto Foundation and the City of Espoo Building Control Centre.

“In 2006, Otaniemi Campus was one of the most significant architectural entities in the capital region and the importance of the area is recognised widely abroad as well,” Kohvakka remarks. This is also one of the key reasons why the area attracts so many visitors.

In addition to Aalto, the area has been shaped by the vision of Heikki and Kaija Sirén as well as Reima and Raili Pietilä. ●

Sami J. Anteroineen

TKK DIPOLI

Radical innovations and super productivity

The tradition of lifelong learning is strong in Otaniemi. Operating as part of Helsinki University of Technology (TKK), Lifelong Learning Institute Dipoli offers a wide range of continuing education programmes for Finnish engineers. Annually, there are 20,000-40,000 professionals participating in the courses and congresses.

TKK Dipoli Director Markku Markkula claims that TKK Dipoli is the number one in the entire country as an innovative learning environment and meeting point for top experts.

“Our strength in corporate training is combining the newest research data and the newest business solutions: applying multidisciplinary information as well as efficient management of knowledge,” Markkula states.

“Our customers need innovativeness and tools to help increase productivity. We can deliver the total package with professional customer relationship management,” Markkula promises. The competitiveness of the institute, he says, is based on effective collaboration networks.

With regards to providing education services for engineers, Lifelong Learning Institute Dipoli is the biggest university level continuing education provider in Europe. TKK Dipoli makes sure that the skills and know-how of Finnish engineers are more than upgraded – the advanced teaching methods and tools of the institute take the adult students to another level entirely.

Continuing professional development

TKK Dipoli offers training in the fields of technology, professional competence and leadership, to name just a few. Markkula says that the rationale for the rich programme and course offerings is to keep abreast with fresh and interesting subjects.

One such a blockbuster course is Radical Innovations which consists of three two-day modules and a project work. It has been arranged 10 times in two years.

“If you want to distinguish yourself from the crowd, you need radical innovations and super productivity,” Markkula describes the idea of the course.

Currently, there are many courses which fill up very quickly. “One of our strengths is knowledge management applied to various sectors and clusters,” TKK Dipoli Director says.

According to Markkula, the market wants more and more company-specific education services. TKK Dipoli responds to the growing demand by linking education and learning with the development of work processes.

Markkula insists that the key to success is to increase personal competence together with organisational competencies. The best companies are able to link these with processes development and renewal capital.

“However, every organisation needs outside help in order to achieve this. The institute helps companies to rise up to the challenges,” Markkula says, adding that one of the advantages to individuals is to expand continuing education studies into a Helsinki University of Technology degree.

According to Markkula, there is a tremendous demand in the corporate world to improve competence. One needs quality training which lays the groundwork for the learning and evolution of the key personnel.

“Successful companies have realised this a long time ago.” ●

Sami J. Anteroineen



TKK Dipoli Director Markku Markkula.

Reach for the sky

With Life Science Center almost complete, Hartela wants to add another high-rise to the Keilaniemi skyline

Pictures: Hartela



Preparations for the construction of the highest office building in Finland are currently underway.

The most impressive corporate skyline in Finland is to receive a new addition to the line-up. Preparations for the construction of the highest office building in the nation are currently underway.

The ultra-modern 26-storey landmark will soon rise on the horizon of Espoo's Keilaniemi district, next to Otaniemi. The new K9 premises, constructed by Hartela, will tower a remarkable 106 metres above sea level, providing the final piece of the high-profile puzzle on the shoreline.

Hartela Real Estate Director Heikki Levo says that the plan proposal has been approved by the City of Espoo's Technical Administration and the project is to receive a stamp of approval from the City Board at the turn of the year.

"We are planning to start actual construction in 2007," Levo says. With this schedule in mind, the building could be finished in 2010.

"The challenge is to combine the best elements of urban construction, nature and existing buildings in the implementation," Levo says. The K9 is unique in the sense that the shoreline giant is in direct proximity to the sea and nature.

"One can even sail to work," Levo says, half-serious.

Tall order

Project Manager Tomi Mäkinen points out that the construction of a skyscraper by the open shoreline is no easy task.

"The sea winds can be very strong in Keilaniemi and every precaution must be taken when dealing with a project of this magnitude. It is for this reason that we are using two structural consultants in the project, one is planning and the other one verifying the designs," Mäkinen describes the process which is quite rare in Finland.

The construction will begin with a headlong dive into

the bedrock, as K9 reaches five storeys underground. This space is meant to be used mainly as parking area, but also some technical features will be fitted underground. There will be four separate buildings – or "masses" as Levo and Mäkinen rather say.

K9 is the new kid on the block in a rather fancy neighbourhood. To the south, the proud headquarters of Nokia, Kone and Fortum are already standing tall. What kind of a company could fit into this crowd?

Big fish

Levo and Mäkinen agree that the K9 is an ideal headquarters for an international elite corporation.

"A big enough global player could acquire the entire building complex. But K9 can also be divided up between a number of smaller players too," Levo says, reporting that the K9 project has attracted a lot of attention in the business community.

"We have had a high number – I would characterise it as surprisingly high – of inquiries ever since the planning effort began."

One indication of Hartela's desire to tailor the complex to the needs of a major league player is the fact that the ten highest storeys can be used as living quarters, if one so wishes.

"Internationally speaking, the top corporations are favouring this trend with their headquarters," says Levo.

The K9 project has been very well received by the City of Espoo. In fact, the municipal decision-makers had remarked a long time ago that the Keilaniemi shoreline seems to be missing something – that there is room for one more. Levo gives full credit to the City officials for their vision and progressive mindset:

"It is obvious that projects of this magnitude could not be taken forward if the City did not have a very favourable approach

to development. With K9, the City encouraged us to be active in this case as early as 2001," Levo says.

Science of life

City of Espoo and Hartela have recently collaborated on another big project which is now nearing completion. The Life Science Center's first two office buildings were completed in November 2003, the third in spring 2005, and the fourth building in June 2006. The fifth building, now under construction, will be ready in December 2007.

The Life Science Center provides a dynamic business community for companies involved in state-of-the-art technology in the life sciences. The business concept behind the Life Science Center is to offer the companies within the cluster with efficient premises that promote creativity, further enhanced with staff comfort and wellbeing, while continuously developing up-to-date facilities and user services.

Heikki Levo says that without the Life Science Center concept, there would not be high-flying K9 plans either.

"The Life Science Center and K9 are clearly part of the same chain, two examples of the same commitment to service-orientation," Levo says.

Finnzymes, Rintekno, CSC and Schering are the main tenants of the first four buildings, and the fifth house will be run by Huhtamäki. All the buildings are owned by Etera.

Common ideology

The Life Science Center seeks to distinguish itself with its sharp focus and functional customer-first approach. As the name suggests, the Life Science Center represents a kind of miniature cluster for innovative operators in the fields of biotechnology, process design, pharmaceuticals, welfare technology, ICT and other branches, which are defined as being closely related to or a part of life sciences.



The fifth, 11-storey building of Life Science Center in Keilaniemi, Espoo, will be completed by the end of 2007. The maintenant will be Huhtamäki.

Hartela did not want to provide the companies with just four walls and basic services. The company tailored all services according to the specifications of the customers. Sophisticated Intranet solutions serve as a portal to services provided by Life Science Center and Intranet services also include some services outside the business park, such as timetable information of commuting traffic and Helsinki-Vantaa Airport. Tomi Mäkinen says that this type of attention to the customer's needs is a necessity in the business:

"Our client companies represent the very elite of their respective industries in the world. They are known for their quality-orientation, and they do expect that same level of excellence from their partners too."

Mäkinen admits to being a bit surprised by the strong demand for premises. More than traditional marketing efforts, word-of-mouth and good reputation have helped the Life Science Center to find its rhythm.

In the field of life sciences, up-to-date, functional

and contemporary premises are of utmost importance. The City of Espoo believed that life sciences would benefit from a world-class cluster, located in Otaniemi, and Hartela jumped at the chance to help create something completely new.

Long and winding road

Hartela commenced the construction for the first building in 2002, despite a relative slowing down of the property market. Six years down the road, there are plenty of smiles in Hartela's camp.

"We knew that if we work real hard and do the right things in the right order, we will cross that finish line some day," Project Manager Tomi Mäkinen says, drawing comparisons to a marathon. He admits, however, that the beginning of the project was a difficult one, with 18 months spent in a virtual limbo, not knowing if the project could continue or not. Now the outlook is quite different:

"We have raised four buildings and the premises are

packed. Furthermore, we have a pretty good idea of what companies want – and we know we can deliver," Mäkinen says.

According to Mäkinen, one key to Life Science Center is the unorthodox layout.

"This layout is ideal for team work as the distances are small," he says. The employees of the Life Science Center companies can access a variety of services on the in-house boulevard which is a natural place for top professionals to meet. Also the security issues are well taken care of.

"We are glad to note that the Life Science Center will receive maintainants in accordance to the original concept. This will no doubt yield synergy benefits," Heikki Levo says.

Saving the best for last

But the time for champagne is not quite yet. The completion of the fifth and final building is still a year away – but Heikki Levo promises that the last instalment to the Life Science Center will be worth noticing.

"Size-wise, it will be one-and-a-half times bigger than the other towers. It can accommodate as many as 500 employees," Levo says. Presently, there are around 1,000 people working in the four already operational towers.

Looking at the future of Otaniemi, both Levo and Mäkinen feel that the hi-tech area is second to none in the entire country.

"The area can give the companies so much, and the recognition of the Keilaniemi shoreline is world-class. Otaniemi area can provide any company with a great foundation to build on," Levo analyses.

Rest assured then that also Hartela will find new and exciting projects in the area, even after K9 is all complete.

"With Life Science Center and K9, we have established a new and powerful concept, which has been embraced by the market. We will certainly follow with something similar," Levo hints. ●

Sami J. Anteroinen

Great expectations

A brand new High Tech Center (HTC) is under works in Keilaniemi, Espoo. The construction effort got started in the beginning of 2006 and will continue for three years, confirms Project Manager Tuomo Poutiainen from SRV Viitoset. He was also the project engineer for the neighbouring sister project, HTC Helsinki.

The Keilaniemi project has kicked off with the construction of Neste Oil headquarters. In addition to the two Neste Oil towers, there will be four HTC buildings on the site. The project will be realised in three phases where each phase consists of two buildings (some 14,000 m²).

Poutiainen reports that everything is running smoothly with regards to the project.

"We have finished the excavation work on the Neste Oil buildings and the first HTC building. The on-site casting is presently under way. We will get to structures right on schedule during this year."

The acclaimed High Tech Center concept is about to land on the shores of Espoo. Featuring six towers, HTC Keilaniemi will be completed by 2009.

The Neste Oil headquarters is scheduled to be completed by the end of 2007. The first two HTC buildings will follow suite in 2008.

"The third building will be finished in autumn 2008 and the fourth and final one in early 2009," Poutiainen adds.

High Tech Center Keilaniemi builds and expands on the tradition of HTC excellence. At HTC Keilaniemi, interaction between the new technology operators can work freely, yielding top-level results. HTC Keilaniemi offers a setting where optimal location, modern architecture and physical building solutions of good quality are combined with the facilities and services required by demanding users.

The place to be

The most cherished mantra among real estate agents is "location, location, location". With this in mind, HTC Keilaniemi seems destined for great things – lining up on the same legendary shoreline which already features the formidable towers of Nokia, Kone and Fortum.

The Project Development Manager Jouko Pöyhönen from SRV Viitoset says that the recently-made decision to build a metro connection to Keilaniemi and Otaniemi will only highlight the status of the shoreline.

"Close proximity to the Helsinki University of Technology is very significant from the perspective of the companies," Pöyhönen adds.

It is no wonder then that the phones have been ringing with delightful frequency at SRV.

"The interest shown by companies has been very positive. The marketing for future tenants is firing on all cylinders, especially now that the office premises market has improved," Pöyhönen reports.

Keilaniemi is in a league of its own also from the perspective of the City of Espoo. Olavi Louko, Director of Technical and Environmental Services for the City, has remarked that Keilaniemi is a fine representative of Espoo, the capital region and all of Finland in the international circles. Louko believes that Keilaniemi is the only area in the country which is able to portray an international hi-tech image through its architecture.

Tuomo Poutiainen agrees with Director Louko, adding that HTC will bring something new and exciting into the mix.

"HTC Keilaniemi will put the finishing touches on the Keilaniemi profile. Furthermore, the new HTC will form a link between the Otaniemi science community and the corporate hi tech headquarters area," says Poutiainen.

Missing link

HTC Keilaniemi will be built in the north end of Keilaniemi on the last sea-side lot, thus connecting the entire area with the academic community of Otaniemi in a natural way. Even at the international level, Otaniemi is a significant centre of science, research and technology. All in all, Otaniemi employs 16,000 technology experts.

According to Poutiainen, the entire project got started as it became obvious that there is a clear demand for an office complex which combines hi-tech companies and research units. Upon completion, the 7-storey buildings will be connected through the ground floor and two basement floors. The



The new High Tech Center Keilaniemi will be completed by 2009.

first floor will feature a joint restaurant, meeting room and reception services.

"There are already talks concerning the restaurant operator," Poutiainen confirms.

Each of the buildings has its own, street-level entrance, and there will also be ample parking space.

The two underground parking halls and ground parking lots can accommodate more than 1,000 cars. According to Poutiainen, hassle-free parking is something that is simply a must in a modern office complex. To further speed things along, there is a direct elevator connection from the parking facilities to the corporate offices.

The total floor area of the buildings is some 42,300 m². The buildings can accommodate close to 2,000 employees. HTC Keilaniemi will be a significant landmark, which features marine-influenced architecture and sophisticated attention to detail.

"After the Neste Oil towers, the first HTC building on site will be realised as an 11-storey tower. This building will be an appropriate business card for the entire area, as people will see it first while entering the area," Poutiainen says.

Balancing the skyline

HTC Keilaniemi is designed by Gullichsen Vormala Architects. Timo Vormala was charged with the demanding task of orchestrating the design for the new corporate powerhouses. Vormala feels that HTC Keilaniemi is a great fit to the line-up, since its volume and height are on the level with Nokia's buildings and it will balance the skyline by positioning on the opposite side of the vertical masses of Kone and Fortum.

The office floors of each building have 1,000 square metres of office space which can be divided up to four independent entities. The only solid structures between the floors are the vertical connection block and the pillars. Maintenance facilities will be positioned next to the vertical block, so the rest of the floor is readily available office space, to be furnished as the companies see fit.

There is room for 56 work stations on each floor. However, if an open office approach is used, there can be more than 80 work stations per floor.

Poutiainen says that flexible and innovative use of space is very important for the total concept.

"The clients appreciate cost-effective use of work space. With HTC Keilaniemi, we will be able to implement working spaces which both motivate and increase productivity at the same time," Poutiainen promises.

Furthermore, it is possible to place working and banquet facilities, as well as sauna facilities, on the seventh floor. The ventilation engine rooms are located above these premises. There are two fast, spacious elevators, capable of carrying 1,000 kg/13 people between floors, servicing the HTC workforce.

Open access

HTC Keilaniemi will be, in part, open for public as well. Tuomo Poutiainen reports that there are general access areas in the ground floor lounge, including the restaurant.

"There will also be an all-access boulevard at the shoreline and a small boat harbour is in the works, as well." The City of Espoo will implement the harbour as an individual project separate from the HTC Keilaniemi schedule. At this time, there is still no confirmation about the harbour operator.

HTC Finland is a unique chain of technology centres in which the first two links are HTC Helsinki and HTC Lahti. The centres share the same business idea and operational strategy. Within this framework, each HTC defines its own position and synergetic model.

According to Poutiainen, the most important thing each HTC offers is the composition of the work community, an active operational environment, and a balanced mix of business. The same synergetic pool contains both small and medium sized companies as well as units from corporations, research institutes and universities. The dynamic and open community provides all the participants with added benefits and sustainable competitive advantage.

As the hit concept is about to make its mark on the shores of Espoo, Poutiainen is confi-

dent that the formula will prove a success here as well:

"We have a concept that works exceptionally well and we have been working hard to perfect it."

Searching for synergy

With regards to future tenants, Poutiainen says that SRV Viito-set does not want to impose very strict limits to the sectors of the tenant companies and units, since it is very difficult to predict technological development and – especially – the progress of profitable business ventures. According to him, one example of dynamic synergy is HTC Helsinki which features just the right balance of corporate and scientific muscle.

According to the HTC philosophy, the ultra-modern office facilities offer functionality and comfort that meet modern requirements. The HTC partnership ideology is based on flexible and individually tailored space solutions, which means that tenants just pay for what they require at their different stages of growth. ●

Sami J. Anteroine



Seaside success story. The Keilaniemi corporate shoreline is unique in Finland.

Citycon goes shopping around the Baltic Sea

There are only a few real estate companies at the Helsinki Stock Exchange. But, quantity and quality are not congruent – the select group has proven to be both active and focused. Citycon Oyj, a property investment company, quoted on the main list of the exchange since 1988, has found its niche: retail premises in the Baltic Sea region.

"Citycon has gone international in just two years, but the process has been fast because we have done our homework well in the domestic Finnish market," Petri Olkinuora, CEO of Citycon Oyj since 2002, says. "Citycon evaluated its strategy in 2004 and a decision was taken to broaden the basis for our operations to the neighbour countries, mainly Sweden and the Baltic republics."

Today the Citycon Empire contains 33 shopping and retail centres; 19 in Finland, two in the Baltic Rim and 12 in Sweden. The company's property portfolio consists also of 52 supermarkets and shops located in Finland.

"Our strategy is to invest in retail properties and grow, provided that good investment or development opportunities arise. In 2005 and 2006 Citycon has hundreds of millions euros abroad, in Stockholm and Gothenburg areas as well as in Vilnius and Tallinn," Hanna Jaakkola, Investor relations Officer, adds.

In Finland Citycon is the largest owner of shopping centres and the company has recently acquired the mid-sized shopping centre Columbus in Eastern Helsinki and the full ownership of Myyrmanni shopping centre in Vantaa. The total market value of its property portfolio is around EUR 1.400 million.

"Myyrmanni is our largest shopping centre with a GLA of 42 000 sq. m. and a total sales of around 160 million euros in 2005. Columbus, our most recent acquisition in Finland, comprises around 20.000 square meters. Among the tenants in this fast growing district of Vu-

osaari we find the hypermarket Citymarket and a range of well known fashion brand retailers", Petri Olkinuora continues.

The other properties of Citycon in Finland are spread almost all over the country. In addition to the properties in the Helsinki Metropolitan area, Citycon also holds substantial interests in other parts of the country such as Tampere (Koskikeskus, Tullintori, Duo), Jyväskylä (Forum and Jyväskeskus), Pori (Isokarhu) and Lahti (Trio), to mention the largest. The company holds a wide range of retail properties in all major cities in Finland, with the exception of the city of Turku.

"Our business strategy is based on constant development of the portfolio and active property management. During the third quarter of 2006, we disposed a portfolio of 75 so-called non-core properties in Finland and we are clearly focused on retail properties. Citycon wants to be a long term property owner and we will acquire shopping centres and retail premises with a good potential for future development, starting from 5.000 square meters and up. Most of our properties range between 10.000 and 25.000 sq m.", Petri Olkinuora explains.

Neighbourhood centres in neighbour countries

Looking at the international acquisitions of Citycon during the last two years the scope of shopping centres is wide. In Estonia and Lithuania Citycon has invested in shopping centres, for example Rocca al Mare in Tallinn and Mandarinas in Vilnius, while the retail centres acquired in 2005 in Lindome,



Mr. Petri Olkinuora

Photos: Citycon

Backa, Hindås, Landvetter and Floda in the Greater Gothenburg have a more local profile. As is the tradition of Sweden, some of the properties include apartments and retail centres as a part of everyday life.

"In Sweden we talk about 'neighbourhood centres', which have a strong local position with a leading food market like ICA or COOP as the main attraction. Stenungs Torg, 39.100 sq. m., located north of Gothenburg, which was acquired in September 2006, strengthens our position as a retail service provider in the Gothenburg area," CEO Olkinuora says.

The shopping centres in Stockholm divide into two groups: Åkermýntan, Kallhäll and Fruängen focus on local shoppers while Åkersberga and Jakobsberg attract a larger clientele, thanks to the diversity of stores as well as Liljeholmen after the on-going development project.

"Liljeholmen is a very interesting investment. There

is rarely an opportunity to develop a completely new shopping centre close to downtown Stockholm, with an excellent growth potential, thanks to the development of both office space and new dwellings. The favourable communications increase the competitiveness of Liljeholmen, which will be one of the most attractive locations in the near future. The aim of the City of Stockholm is to connect Liljeholmen to the inner city."

In figures the retail area will be around 25 000 sq. m. and the property will also include modern apartments. Liljeholmen will definitely strengthen Citycon's position in Stockholm.

Jakobsberg is located in the centre of Järfälla municipality within a few kilometres from Barkarby, the stronghold of IKEA in north-western Stockholm.

"Jakobsberg with its focus on daily commodities completes the supply of Barkarby, which is focused on hardware and consumer goods, but not on



food or fashion or other services. Jakobsberg is one of the busiest stops of local trains in the Stockholm urban transport network as well as a major hub for other traffic. The number of visitors in the shopping centre will probably exceed 6 million in 2006. ”

Åkersberga, north-east of Stockholm, has a very strong development potential. Today’s gross leasable area of 33 000 sq. m. (including apartments) will be increased by an extension of 9000 square meters of retail space, an investment of 250 million Swedish crowns (app. euro 27 million).

In the Baltic Rim Rocca al Mare, acquired in 2005 for 62,1 million euros, is by far the largest unit with its 29 000 sq. m. and enough development potential, which is currently being thoroughly examined.

“Rocca al Mare has a strong image in Tallinn thanks to the constant flow of visitors. The Estonian market is less liquid and transparent than the Nordic markets, which is also true for the other Baltic countries. But, Citycon sees a rapid progress in the retail market of the Baltic Rim and our acquisition of Mandarinas in Vilnius follows our vision to take a strong position in urban growth areas in our neighbouring countries, implying of course that the investments are financially feasible.”

Retail opportunities

Citycon is not only an investment company, which owns retail properties. The company is also managing, leasing and developing shopping centres and plans and supervises the construction of new retail premises.

Petri Olkinuora is happy with the organisation and its skills.

“Citycon’s backbone is competence. Around 50 of our people are responsible for the daily operations of shopping centres and our organisation is strong. As an involved shopping centre operator we engage ourselves in the retail-property business throughout the entire ownership chain from planning, facility and property management, leasing, marketing to development of properties. We also put an emphasis on cooperation with the local entrepreneurs and store chains in our shopping centres in order to strengthen the position of the shopping centre.”

Citycon has also established local organisations in Sweden and in the Baltic countries.

“The Swedish portfolio is interesting. Sweden is the most developed market for shopping centres in Scandinavia with around 320 centres and 0,55 sq.

m. per inhabitant according to the Nordic Council of Shopping Centres.”

Petri Olkinuora says that there are just few real estate companies, which have invested in the retail sector in the other Nordic countries.

“Citycon has experienced that we have a good opportunity of acquiring and developing centres in the nearby markets. In Sweden we look at all major cities, in Lithuania and Estonia we have maybe five interesting targets and we are currently investigating the possibility of entering the Latvian market, meaning predominantly Riga.”

International ownership

Citycon was listed in Helsinki in 1988. The company held a portfolio consisting mainly of office properties. In 1998 the focus was changed into retail while the office portfolio was divested. In 2003 the ownership base was changed dramatically.

“Our main owners at the time decided to sell their shares. The Finnish real estate market had undergone substantial changes during the bank crisis in the nineties and many properties had been transferred to state and other public sector-owned holding companies, now being sold out.”

Around 74 % of the Citycon shares were sold at the market and today about 93 % of Citycon’s shares are in foreign hands and registered under the nominee register. The largest publicly announced owners are Gazit-Globe Ltd and Fidelity International Investment Ltd. Furthermore, four of the eight members of board are foreign citizens.

In the real estate business large sums of money play a remarkable role and therefore financing and cash flow are essential parts of Citycon’s operations.

“Our growth has been strong. For example, net rental income during the last nine month reporting period increased by 25.9 per cent.” Petri Olkinuora concludes.

Other figures: Market capitalisation on 14. December 2006 was app. EUR 760 million. The interest bearing net debt was EUR 878 million, mainly in fixed rate hedges and in EUR and SEK. In July the company launched a convertible bond of 110 million euros directed to international investors. Citycon is also included in international indices of property investment companies, e.g. the EPRA/NAREIT Global Real Estate Index. ●

Tage Erikson



Ideas and experiences from Ideapark

Three hectares for fashion and beauty. Another three hectares for furniture, interior design and construction. An Old Town made up of small stores and handicraft workshops, in the shade of fountains and trees. Restaurants and an events arena around the central square and a

children's cultural centre. All these and much more can be found inside the huge covered space that is Ideapark.

Retail city

Located only 10 minutes from Tampere, the largest inland city in Scandinavia, this is no ordinary shopping centre. "Our 'retail city' is a truly unique concept," says Toni Virkkunen, Managing Director of Ideapark. "With more than 180 outlets and easy access, Ideapark will be a commercial success."

Covering 104,000 sq m, Ideapark is built around the themes of building and housing, interior decorating, fashion and leisure time. It also provides

a variety of restaurants and other services. Virkkunen expects customers to spend an average of three hours visiting Ideapark, twice as long as the average shopping centre visit.

The shopping centre, which Virkkunen terms a 'retail city', has a solid potential customer base. "Within half an hour of the city we have half a million people, but our catchment area of one and a half hours includes two thirds of the Finnish population of 5.2 million," says Virkkunen.

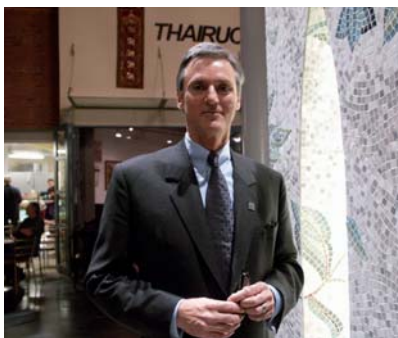
The grand opening of Ideapark on the first of December 2006 attracted about 150,000 visitors within the first three days; people were clearly enthusiastic about Ideapark's premises and its stores. "The comments were really positive," says Virkkunen. "One of the most enjoyed elements has been our large central square, which is the largest of its kind

in a shopping centre, at least in the Nordic countries."

Easy access, lots of parking

Shopping in Ideapark is made easy, but there are also many non-commercial activities. "When entering Ideapark, you do not have to rush from one shop to another," says Virkkunen. "You can do everything in the same place. In Ideapark everything is well arranged and compact, yet spacious enough to display large items like furniture and even construction materials like windows, walls and sauna elements."

Virkkunen believes this is a big plus from the customer's point of view. "The largest concentration of retail shops on Ring Road III in the Helsinki region is quite diversified. You cannot get everything in one place, but have to shuttle here



Mr. Tomi Virkkunen.



and there. I believe that shopping there is not as pleasant as with us, where you can get everything in one place, under the roof in warm premises.”

Superb location and easy access

Situated just next to the Helsinki-Tampere motorway, Ideapark is connected to the road with several new interchanges. The Marjamäki interchange also connects the retail city to the regional road.

At peak time on Saturdays there could be as many as 1,200 cars an hour entering the park and the same amount leaving. This amount of traffic could be a problem, but an extended parking area ensures efficient parking. Ideapark is also part of the public bus network. Service traffic travels between the highway and the Ideapark building, so it does not disturb customer traffic flows.

Goods distribution within the huge Ideapark complex is done in such a way that customers rarely see goods

traffic. “Products are taken to terminals, from where they are taken to shops and other outlets before or after opening times. There are four electrically-powered ‘trucks’ which distribute goods. Normally two of these are in use at the same time,” says Virkkunen.

City feeling

Compared to most shopping centres, Ideapark has a kind of real city feeling, which is partly thanks to its variety of passageways. “Ideapark has 1.2 km of pedestrian streets. I would like to stress the word street, since we wanted to get rid of the corridor-like feeling,” says Virkkunen.

One part of the centre, the Old Town, has streets that are very narrow. Buildings in this area are made of brick, according to guidelines set by Architect Taina Väisänen.

The Old Town is made up of two streets; Gourmet Street and Handicrafters’ Street. Art, design and handicrafts are essential parts of this area, but there

are also nostalgic stores such as a cheese shop, bakery, grocery shops, restaurants and a café.

Central square with a map

At the heart of Ideapark is the central square, which is located just next to the Old Town. The floor of the square boasts an excellent map of Europe and an even more detailed one of Finland. “The central square functions as an events square and a centre for active operations with its changeable stage,” says Virkkunen.

The highlight of the square, also called central park, is the mass of roof-windows that can be opened on warm, sunny days. The central square also functions as an events arena for concerts, large gatherings or even sports events. According to Virkkunen, the events arena, which can house up to 3,000 spectators, is the “continuously changing heart of the Ideapark retail city.”

Not far from the central square there is also an independent cultural centre for children.

“Children’s culture has been taken seriously, and the children’s centre is even a part of Taikalamppu [Magic Lamp], which is steered by the Ministry of Education,” says Virkkunen.

Ideapark is certainly spacious, and since the background noise is relatively quiet, it does not feel as claustrophobic as some smaller shopping centres. “In every aspect, we aimed at comfortable surroundings,” says Virkkunen. “For example, we wanted to have an atmosphere that in the dark resembles some nice town in evening lighting. In the summertime, on the other hand, we can open up part of the window roof.”

Lempäälä benefits from Ideapark

Virkkunen gives credit to Lempäälä’s municipal development company, through which Ideapark could acquire the land plot needed for the retail city. “They understood the vast importance of Ideapark to a small municipality,” he says. “Ideapark brought hundreds



of jobs to Lempäälä. In total, about 1,000 people work in our retail city.”

Ideapark is in fact part of the larger project to develop the Marjamäki industrial area into a more varied entity. “Ideapark is just marvellous, and there is more to come,” says Virkkunen. “A large rescue shelter, ski tunnel and swimming pool will be ready in late 2007. However, these are managed by the municipality of Lempäälä, not by us.”

Ideapark continues to co-operate with the municipality. “Together with the Business Development Centre Lempäälän Kehitys, we work in the fields of education, recruitment, logistics, waste disposal, real estate and marketing. For example, an Internet and mobile-based traffic direction system has been implemented at the Marjamäki business centre and at Ideapark. Day-care services are also planned for the children of Ideapark employees.”

Ideapark’s own personnel pool helps with finding contract or other temporary employees.

Ideapark Visa card

According to Virkkunen, Ideapark will not only be a retail city but a tourist attraction. “I believe we also catch people that used to go shopping to Tallinn or Stockholm.”

One way to make shopping more effective and pleasant is to introduce credit cards and customer loyalty programmes. “As the first in Europe, Ideapark in-

troduced a special Visa card with an RFID function. This enables automatic registration when visiting and using a service. Bonus points are collected by paying admission fees, for example to the swimming pool or ski tunnel. One also gets cheaper petrol and customer benefits with the card in two service stations. Through a protected Internet connection, one can monitor one’s usage of Ideapark Visa.”

Ideapark concept taken abroad?

A proof of Ideapark’s success is that even before December’s grand opening people were asking about future developments: “I responded to them that we first want to launch the retail city. We will have to see how operations go.”

Although Ideapark has 50,000 sq m of unused building permit, Virkkunen says the exact plans for future enlargements are not yet certain. The developments, which will likely start at the end of 2009 at the latest, include a 17-storey hotel. “There is clearly a need for a new hotel in the Tampere region,” says Virkkunen. “Naturally we will choose as good an operator as possible. We have no exact plans, but the hotel could have around 250 rooms.”

Virkkunen also believes that the Ideapark concept could be taken abroad. “There are large shopping centres almost everywhere in Europe, but Ideapark combines things in a special

way,” he says. “For example, housing, building and interior solutions are very easily available in Ideapark stores, which is not the case in most shopping centres. I believe this kind of

covered mega-centre could be a success in northern Europe or Russia. It is no secret that we are ready to have talks about another Ideapark based outside Finland.” ●

SOME FACTS ABOUT IDEAPARK

- Less than ten minutes from Tampere, about 1 hour 45 minutes from Helsinki, 1 hour 30 minutes from Ring Road III and 25-30 minutes from Hämeenlinna.
- Ideapark is Finland’s second biggest shopping centre, covering about 104,000 sq m. This is equal to 15 football pitches.
- 17,000 cu m of concrete was used for construction, which equals 3,000 truckloads.
- The construction was project managed by SRV Viitoset. Schauman Architects had the most important role in designing the premises. The Old City and cultural centre for children, Pii Poo, was designed by Taina Väisänen.
- Ideapark has 1.2 km of pedestrian streets. The building complex is 650 m long and 215 m wide. At any one time it can accommodate about 5,000-5,500 customers.
- The total expenditure on Ideapark was about EUR 100 million. The owners are Toivo Sukari (77%), Jarmo Viitala (20%) and Toni Virkkunen (3%).
- Ideapark will create about 1,000 new jobs; indirectly up to 2,370.
- Ideapark estimates that 6-8 million visitors will visit the retail city during its first year of operation.

Helsinki

Metropolitan Area

Europe's

Magnetic

North



Aviapolis is the fastest-growing concentration of business in the Helsinki metropolitan area. It is a dynamic centre of international trade emerging around the Helsinki-Vantaa International Airport. Its excellent logistics make it an unparalleled location for companies that require proximity to the best transport connections. For more information: www.aviapolis.fi



Forum Virium Helsinki is a co-operation cluster focusing on the development of new customer-driven digital services and contents. Forum Virium Helsinki was founded by the initiative of many significant players in the sector of digital services and the role of Forum Virium is to act as the neutral matchmaker between the partners. For more information: www.forumvirium.fi

OTANIEMI.FI*

Located in the Helsinki metropolitan area, Otaniemi is the leading technology hub in the Nordic countries featuring a unique mix of top-level research organizations, academic institutions and technology businesses. Otaniemi is a community of over 31,000 people that includes 15,000 students of the Helsinki University of Technology and 16,000 technology professionals. For more information: www.otaniemi.fi

Solutions for new challenges: www.helsinkiiregion.com
jari.tammisto@cchelsinki.com



Enter the creative age through Helsinki region

"Finland appears to be particularly well positioned to compete in the 'Creative Age' with a high level of overall creative competitiveness and rapid growth in its creative capabilities. Finland is particularly advantaged in creativity with high scores in both the ECI (The Euro-Creativity Index) and the Trend Index, which has tracked national performance in key dimensions of creativity since 1995. Finland also tops the Scientific Talent Index."

- Europe in the Creative Age, by Richard Florida and Irene Tinagli

The Helsinki region is an area of 1.3 million people. The core area of this region consists of the cities of Espoo, Helsinki, Vantaa and Kauniainen, which account for nearly one million people. Managing director of Helsinki Region Marketing, Jari Tammisto, says that one can speak of a metropolis, which is particularly strong in innovation and competitiveness.

"Anyone visiting the Helsinki region can see the huge drive going on here. Businesses and industries are varied. Spearhead industries include telecoms, biotech, shipbuilding, to mention just a few," says Tammisto.

"I would like to emphasize the role of service industries. Even though Helsinki is renowned for its expertise in the ICT sector, trade and services are very important in terms of foreign investments in the region."

Tammisto has extensive experience in ICT and the mobile telephony business. He has previously worked as the managing director of Mobile-Zoom, a company specialising in the development of e-commerce and business processes, and he is a co-founder of RosettaNet Telecom Council, a joint venture by the ICT and mobile business companies such as Nokia, Ericsson and Siemens.

In addition, he has expanded the MobileMonday concept, which originated in Finland, to almost 40 mobile development centres in Asia, Europe and North America. The original founder of the Mobile

Monday movement was Vesa-Matti "Vesku" Paananen, who nowadays is "Mobility Evangelist" at Microsoft Finland.

Jari Tammisto continues with MobileMonday, although his main job is now to market the Helsinki region in general.

"Mobile Monday is an extremely important actor in the field of creating mobile networks. It benefits dozens of cities, not just Helsinki. Every month at least a couple of new cities or regions enter the Mobile Monday – or MoMo – network, as we call it," says Tammisto.

In the autumn of 2006 Shanghai, Istanbul, Sao Paulo and Düsseldorf joined the Mobile Monday network, as did Sweden.

May 2007 brings thousands of journalists to Helsinki

A Global Summit of Mobile Monday will take place in Finland on 7 May, just before the Eurovision Song Contest is held in Helsinki.

"There will possibly be 2,000-3,000 journalists in Finland at that time," says Tammisto.

"It is an excellent opportunity to make Mobile Monday and the Helsinki region known."

The first Mobile Monday Global summit had participants from three countries; in 2006 as many as 21 were present.

"In 2007 we will possibly have participants from 50 countries", foresees Tammisto.

"Mobile Monday is one cornerstone in developing Hel-

sinki as a hub for mobile businesses. In a recent survey Helsinki was ranked number two as European mobile cities (mWatch Europe study). Surprisingly, Tallinn was number one. This just says something about the dynamism of these regions.

"Estonia has expertise in Skype and wireless networks. In Finland public and private sectors do good development work, and naturally we have the Nokia card to be used."

East and west

ICT and mobile solutions are really important areas that raise interest abroad. Helsinki's location alone provides prerequisites for businesses.

"Helsinki is not the only city in Europe that claims to be the middleman between East and West. But we have lots of concrete examples to prove our strong position. For example, on most routes Helsinki is the first major stop when one enters Europe from Asia. It takes only seven hours from Beijing to Helsinki and a little more than six hours from Delhi in India."

At the time of this interview Jari Tammisto was just about to visit Hong Kong, an important partner for Mobile Monday and Helsinki.

"In telecom circles in Asia, Finland is surprisingly known, mainly because of Nokia, but many other Finnish high-tech companies have a presence there as well.

"We are naturally aiming to get Asian investments in Fin-



Mr. Jari Tammisto

land as well. And I believe that e.g. China and India could similarly use the strong brand that is Finland for aiming at the Western markets," says Tammisto. In marketing the Helsinki region, Jari Tammisto is also looking also to Russia. "It is also very natural for Finland to act as neighbouring Russia's gateway to the West.

I would particularly emphasize the role of St Petersburg. There is much potential talent there, and Finns on the other hand have expertise in relations with Russians."

International meetings to Helsinki

Jari Tammisto says that he is interested in Helsinki as a brand.

"Brand is not a static word. We could also use the term

Photo: Klaus Sustiuto

FORUM VIRIUM



LARKAS & LAINE OY
 ARKITEHTITOIMISTO
 Kivisaankatu 21 FIN-00210 Helsinki
 tel +358-9-4242 5600 fax +358-9-4242 5656
 ark.tato@larkasaine.com www.larkasaine.com

‘reputation’. For example, on the international scene Helsinki is known for its ability to make quick decisions which are immediately carried out. We will be continuing this strategy.

“The truth, however, is that in some aspects Copenhagen and Stockholm are still better known than Helsinki. When it comes to international seminars and congresses, Copenhagen has been a leading city in Scandinavia.

“We in Helsinki are good at arranging meetings and events. The year 2006 was specifically important for Helsinki and Finland in terms of international meetings. This was to a great part due to the fact that Finland held the EU presidency in the second half of 2006.

“We also have a ‘Helsinki happens’ theme which means arranging events for city residents. They are enjoyable events which also attract non-residents.” ●

FORUM VIRIUM BUILDING

Forum Virium Helsinki is due to have its own building in Pasila, Helsinki. The project, known as Forum Virium Centre, will be a building of about 34,000 sq m situated in western Pasila, north of the area occupied by YLE, the Finnish Broadcasting Company. The parties involved in the building project are YLE Pension Fund (40%) and property investment company Sponda (60%).

Jarmo Eskelinen says that centre’s premises will be designed according to the Forum Virium philosophy: “We foresee the needs of companies specialising in the development of digital services and content. Forum Virium Helsinki is actively involved in the design process.”

Eskelinen says that the objective is to create an environment that will offer opportunities for interaction and dialogue between companies in the sector and to build a positive operating environment open to innovation and creative work. “The Forum Virium Centre will bring together important players in the digital services sector. The Forum Virium Helsinki cluster’s office will move into the new building and members and partners of the cluster will also relocate some of their operations there.”

It is also planned to incorporate facilities for SMEs developing digital content in the building. “The core of Forum Virium Helsinki’s activities is co-operation and personal interaction based on different kinds of expertise. The Forum Virium Centre will create a framework for the rapid building, testing and refining of prototypes. To design an operating environment suitable for open innovation, we are bringing together a team consisting of the best available resources in the fields of developing operating concepts and designing work environments,” says Eskelinen. The construction work on the Forum Virium Centre will begin in autumn 2007 at the earliest, and the estimated completion date is 2008. The total investment in the project is about EUR 95 million. ●

Kerca will bring together road, rail, maritime and air transportation

Kerca, or the Kerava Cargo Centre, will be an inland logistics centre of the Vuosaari port area. The 130 ha area is being developed by SRV Group and the municipality of Kerava.

"Kerca complements the services of Vuosaari harbour and thus increases competitiveness and capacity of the new super-modern port that will be in use in late 2008. Kerava Logistics Centre will be among the most cost effective of its kind," says Kimmo Alaharju, project development manager of Kerca.

In planning Kerca's rail-way yard and connected terminals, the requirements of container traffic from the port of Vuosaari is taken into account. Vuosaari's capacity to handle containers will be huge, possibly up to 700,000-800,000 TEU per year, depending on what kind of loading/unloading systems operators build, how large the final container fields will be, etc.

"It has been estimated that Kerca terminals and container fields would be able to handle 150,000 TEU a year. In the first phase the volume will be smaller, but the figure tells you that there is huge capacity with Kerca."

Kerca will be a hub of considerable size. There are about 130 ha of land in the area. Up to 200,000-250,000 floor metres of terminals, warehouses and offices could be built. The first buildings could be in use in late 2008, but the whole construction period will possibly take another 5-8 years, being ready in approximately 2013-16.

"There is also space for support services. For example, a container repair centre and truck services are planned within the Kerca service palette."

Containers will arrive in Kerca mainly by rail from Vuosaari and continue by lorry, but



other options are of course also possible. The Helsinki-Lahti E4 motorway will be the other main transportation route besides the rail connection.

Plans shaping according to customer needs

The master plan for the Kerca area is ready, but it is continuously being reshaped and developed according to negotiations with the end users. More detailed plans will be drawn up during the spring of 2007. The preceding logistics feasibility study was made by Ramboll Finland.

"If we reach agreement with a logistics company quite soon, the first buildings could be ready in late 2008," foresees Alaharju.

"It is very evident that there will be international as well as Finnish companies. Kerca serves rail and road logistics. Companies established in Kerca can acquire their own premises or lease those."

The core of the logistics centre is the container field, the



rail yard, terminals and container handling.

"Just outside the area there will also be a service station and a waiting area for trucks. There will be an information display, where the driver can see when to enter the gate to the Kerca area."

One of Kerca's strengths is that there is no oncoming traffic in the area.

"It is also good that there are no residential buildings in the immediate vicinity. There will be only minimal disturbance to neighbouring residents,

who are hundreds of metres away, but naturally we use noise walls and other solutions to reduce disturbance, since a little further on there are a couple of residential areas. To the north of Kerca is the Myllynummi industrial area."

Excellent distribution centre

Kerca's location is just excellent, says Alaharju.

"Kerca is located in the place where trains will come out from the 13.5 km tun-

nel. Kerca actually is the first place after the tunnel where it was possible to construct a logistics centre. The distance to the port of Vuosaari by rail is just 20 km.

"In addition to the best rail connections, the E 4 motorway from Helsinki to Lahti is just a few hundred metres away. By road it is only 25-30 km to Helsinki city centre. To the Helsinki-Vantaa airport the distance is about 15 km. The new Koivukylä road, due to be completed in the summer of 2008, means that one will not have to use Ring Road III on the way to the airport."

Kerca will be one of the most important distribution centres for Uusimaa province, believes Alaharju.

"At the same time, it is a logistics hub to all of Finland. And further away, through rail connections, Kerca will serve as a gateway between northern Europe and Russia, the CIS countries, even the Far East."

Kimmo Alaharju foresees that Kerca can even be a distribution centre for goods from the Far East to northern Europe.

Alaharju says that material flows in Finland, northern Europe, Russia and Asia were carefully studied before the Kerca project was launched.

"In Finland the amount of container traffic has more than doubled in 10 years. When seeing the figures from Asia and transit figures from Finland to Russia, the figures are even more imposing."

Finland has realistic opportunities to further strengthen its position in trade between East and West, believes Alaharju.

"A huge amount of cargo already comes by ship from the Far East to Finland, and then on to Russia by road or rail. But also the TSR rail route from the far east of Russia and further on, China, offers the potential to build a route from there to Finland and on to Europe."

Boost to Uusimaa province

The port of Vuosaari will bring a great boost to the logistics networks in the southern part of Finland. Especially the greater

Helsinki and Uusimaa province will benefit from the new port and distribution centres linked to it. It is estimated that almost two thirds of freight that will pass through Vuosaari harbour will end up in different locations in Uusimaa province.

The competitive position of rail traffic will improve through a new "port rail" from Vuosaari to Kerava.

A so-called road traffic centre has been functioning as intermediary warehouse on the way to and from the ports.

"The situation is about to change now. Kerca will be much more efficient and cost-effective than the existing centre."

A new junction to the Helsinki-Lahti motorway will be built to make Kerca road traffic even smoother.

Kerava to strengthen its logistics position

Kerca is an important project – or, rather, set of projects – for the municipality of Kerava. In all likelihood, Kerca will bring hundreds of new jobs. Estimates by the city of Kerava puts the figure at 1,000. The city will get revenue from rents and the sale of land for building, as well as through property and land taxes, plus other taxes. New traffic connections serve the Kerca logistics centre, but also local residents.

"All in all, Kerava's position as one of the main logistics centres of southern Finland will strengthen. In spite of the strong Vuosaari-Kerava connection, companies that will be in Kerca in the future can tailor-make countless other transport chains. For example, the cities of Tampere and Oulu could benefit from Kerca solutions. For example RoLa transportations to northern city of Oulu."

Together with the Vuosaari harbour area Kerca is intensifying competition in the field of logistics. At the same time, Kerava will benefit from Kerca.

"Although there were no concrete plans for the Kerca area, it now seems that the site was just made for logistics – the area is big enough, it is just next to Finland's main railway and it is also the first place after the tunnel." ●



FIRST OF ITS KIND

Architect Harri Koskinen who participated in shaping the master plan for the Kerca area, says that the site was challenging.

"The Kerca site is located in a visible place, which can be seen from the E 4 motorway. In the south, in the area belonging to neighboring city Vantaa, there are residential buildings. In addition to these factors, the port railway from the Vuosaari Harbour comes out of the tunnel right here. This naturally makes the area extremely attractive from the logistics point of view."

To combine so many elements and functions required continuous re-evaluation during the planning process, says Koskinen.

"Even large issues had to be changed from the original vision. Naturally there were some permanent things like outer borders of the site, within which we had to operate and which could not be changed."

One challenging part of the project came from altitude differences in the ground.

"Naturally the rail field must be very even. The right form and location of the motorway interchange was found in a creative process in co-operation with participants of the this part of the project."

Koskinen also says that it was necessary to have a distance long enough from residential units:

"We also wanted to carefully take into account recreational aspects near the Kerca site. Part of these things were defined in the general plan, but we wanted to do more than that."

All in all, creating the master plan proceeded in many phases. The prerequisite for success was the continuous co-operation between the developers, the city of Kerava, others involved like road administration and consultants.

"Master plan was thus a process, where solutions were found in good spirit and with profound devotion to the project. This was the first of this kind of a project in Finland," concludes Koskinen. ●

Other projects by Larkas & Laine include Panorama Tower office centre in Leppävaara, EU's Chemical Authority in Helsinki, Technopolis technology centers in Helsinki and Vantaa as well as the Kuninkaanportti (King's Gate) retail trade area in Porvoo, also in cooperation with SRV Viitoset. ●

For more information, see www.larkaslaine.com

HYY REAL ESTATE

A small town in mid-city Helsinki

"We are a different real estate company", Yrjö Herva, Director of the HYY Real Estate Group, says "Our mission is not to maximise short term profit to please stock holders, but to produce a stable income to secure the activities of the Student Union of the Helsinki University. This philosophy makes us very customer-orientated, since we like tenants to stay with us. I would like to say that we have created a family atmosphere, where customer service is number one."

"Our properties are managed, rented and maintained by Kaivopiha Ltd. The commercial estates are located in Helsinki mid-city, in the block between the Central Railway Station and the main streets Mannerheimintie and Aleksanterinkatu. In terms of Helsinki life this means that we are able to offer office space and shop locations where the action is," Anna Sarpola, rental manager of the HYY Real Estate Group, emphasises.

On average more than 50 000 pedestrians are passing by every day, even 350 000 weekly visitors during the pre-Christmas time.

"We are saying that 'downtown acts', since the multitude of services and functions in our properties is interacting with the large crowd of people visiting the heart of Helsinki every day in order to get things done," Kirsti Kaskikari, development manager of the HYY Group, explains.

An international touch

The attraction of the HYY city block is obvious. In 2005 the rental occupancy rate of the 32 000 square metres available was 96 %. But, the pulse of business life is fast and there is always a limited offer of space, even in the HYY Estates.

"At present we can offer around 2.000 square metres,

Many Finns have a secret dream - to live in a small red cottage in the city centre of Helsinki. But, in the bustling life of the 21st century Finnish capital, there is no space for tranquil idylls of the past. Still, you can get quite close to the small-town feeling in the properties of HYY Real Estate, a part of the HYY Group owned by the Student Union of the Helsinki University. The diversity of services and office space in the absolute heart of Helsinki is rather unique.



A magnificent facade towards Mannerheiminkatu, the main passage of central Helsinki. The new student's house from 1910 is one of the flagship properties of HYY Real Estate.

from a small office space of 90 sq m up to 765 sq m. The customer can in many cases choose between open space offices and traditional cell offices. I would especially like to mention the unique 504 square metres in an open space configuration at the top floor office in the Citytalo, ideal for a creative company," Anna Sarpola says.

The mix between mid-city business life and the student world is attractive to many kinds of companies.

"International companies looking for premises with an excellent location in the business centre of Helsinki, next to all kinds of communications and services, should definitely have a closer look at our offers," Yrjö

Herva suggests. "The main bus and railway stations are around the corner, the airport bus departs less than five minutes away, the tram and city buses pass by on each side and taxis are always available. And, we have our own parking garage under the street level. If you want to have an efficient office space and if you want your landlord to listen to your wishes we will be a good and faithful partner."

The records of former and present customers of HYY Real Estates contain an interesting mixture of global brands, top notch domestic companies and small, very local service companies like a dentist, a shoemaker or a bingo hall. The

central location has attracted many international banks in the eighties and nineties, e.g. UniBank A/S, Chase Manhattan and Nordbanken. Deutsche Bank Helsinki Branch now represents the banking sector. The Finnish defence group Patria Industries is well known among investors and Lindorff, the international debt-collecting group, has found its city location here.

"Our turn-key solution has been the determining factor for the financial companies. The time elapsed between signing the rental agreement and moving in the first computers has been very short. HYY Group Kaivopiha Ltd. was among the first to offer our customers flexible services, both regarding renovating and adapting the premises, and we have always kept a tight control of the facility management of our estate", Yrjö Herva declares.

Relax or party?

There are also numerous shops, for example Suomalainen Kirjakauppa, one of the leading bookstores of Finland, a tenant since 1937, and Finland's most well known pharmacy, Yliopiston Apteekki, has a first class location at Mannerheiminkatu. The travel business is also strong. Kilroy Travel is a subsidiary of the HYY Group and Finland's number one in charter travel; Aurinkomatkat – Sun Tours is moving into the block, where you already find Air China, Czech Airlines and Aeroflot.

Although we cannot talk about a Finnish version of Quartier Latin, it is true that the yard of the Old Student's House was the first real pedestrian zone in Helsinki. The sheltered walkways and nine restaurants attract people who either want to relax or to have some fun. The pub Zetor, originally established in early nineties by members of the Finnish mega-rock band



The inner courtyard of the pedestrian zone behind the Old Student's house is surrounded by restaurants and one of the main water holes for busy bees in Helsinki nightlife and a popular oasis in the downtown summer heat.



The leading operational force behind HYY Real Estate. From left to right Anna Sarpo, Yrjö Herva and Kirsti Kaskikari.

Leningrad Cowboys together with Virgin Oil Co. are the flagships of Kaivopiha, the courtyard, which in the summer is one of the main waterholes in downtown Helsinki, surrounded by cafés and pubs.

"We at HYY have a different approach to the market. We analyse each customer's situation and needs and try to find a solution that is feasible. It is important to us that the tenant is able to pay the rent and make his living. With our experience we can suggest a location and a space that will work. This way of thinking is reflected in our high position in the Finnish CSI (Customer Satisfaction Index) survey. HYY has almost 110 years of traditions and we know how to deal with different companies and their needs, provide service from a personal point of view, yet still not forget the commercial aspects", Yrjö Herva concludes. ●

Tage Erikson



FROM A WRITER'S COTTAGE TO URBAN RHYTHMS

HYY, the Student Union of the Helsinki University, is a unique organisation. The young students have proved to be clever businesspeople throughout the years. It all started with the erection of the Old Student's House, designed by Hampus Dahlström, at the Three Smiths' Square in 1868-70. Many of Finland's leading intellectuals and politicians have spent their pastime in the 'Vanha', the building's nickname in Finnish. In 1968 many young students occupied the building and proclaimed revolutionary ideas. Today many of the rebels are highly respected and well-known society members, ministers, top managers and intellectuals.

But, HYY grew and decided to expand by building a new Student's House in the neighbourhood. The magnificent building, inaugurated in 1910, was designed by Armas Lindgren and Wivi Lönn. To finance the project, commercial space was made available in the street level. The famous cinema Adams, later renamed Bio-Bio, attracted the attention of the city inhabitants.

In 1910 HYY received a donation. The late descendants of the famous play-writer Aleksis Kivi, who died at the age of 38, left a small cottage outside Helsinki. The wooden house is still a part of the HYY Group.

As the city of Helsinki expanded around the Student Houses, the value of the sites increased. The site at Kaivokatu facing the railway station was transformed into a modern office and business building, Kaivotalo, in 1955. With 19 850 square meters it was a huge addition to the busy student organisation. The next step was to reorganise the inner parts of the block by establishing two large buildings, a complex venture, which was pushed by the construction of Helsinki's first metro station. The new buildings, Citytalo and Hansatalo, were designed according to modern trends, with double façade glass windows and equipment for the disabled. Both buildings were taken into use in 1981.

The restaurants have been very important to the HYY Group. Classical names like Hungaria and Hansa have been followed by the very popular cellar restaurants Vanhan Kellari, Zetor and Mr. Pickwick Pub. The income from the lease of the restaurants has contributed strongly to the finances of the Student's Union. The HYY Group operate its own restaurants under the supervision of Oy UniCafe Ab, serving two million lunches annually.

Today the Real Estate Funds of HYY own 100 % of the business operations of the HYY Group Ltd, including the real estate companies, a publishing house and more. The Funds control 83 % of Kilroy Travel International A/S. The net sales of the HYY group was 169,7 MEUR in 2005, the main share, 142 MEUR, generated by Kilroy. The net sales of the real estate companies was 12,2 MEUR and of the UniCafe group 10,6 MEUR. ●



Large investments are taking place in Ylläsjärvi.

Ylläs in Finnish Lapland

COUNTLESS PROPERTY OPPORTUNITIES

Tourism in the Finnish region of Lapland is growing faster than the European average. To ensure they have the prerequisite conditions for an increased number of visitors, Lapland ski resorts and other travel operators have started several large investment programmes.

Possibly the biggest increase in potential tourism can be found in Ylläs, where the municipality of Kolari, two ski resorts and the state enterprise Metsähallitus have cooperated in terms of land usage and development work.

State-managed Metsähallitus is the largest landowner in Finland, and has extensive holdings in Lapland. Through its business unit, Laatumaa, Metsähallitus develops land plots and participates in zoning with local municipalities and companies. Laatumaa leases and sells sites for companies and private use, mainly in the field of tourism.

“There is strong development work in the travel industry in Lapland,” says Antero Luhtio, Director of Laatumaa. “In the vicinity of the Ylläs fell, Laatumaa has for a long time cooperated with local hotel and ski operators, and the results have been good.”

“In Lapland, the winter season generates most of the year’s revenue, so it is little wonder that ski resorts have had a crucial role in developing tourism. “In the future, these resorts will increasingly change from ski into sports resorts, which indicates that new services are being created for a short spring, light summer and colourful autumn,” says Luhtio.

However, according to Luhtio it is natural that at first the backbone winter activities are being strongly developed. The 2003 Ylläs master plan outlined the building of a whole new village of new premises on the southern side of the Ylläs fell. The northern side, near the village of Äkäslompolo, is also developing strongly.

“At Ylläs, Laatumaa has good relations with both ski re-

sorts, Iso-Ylläs and Ylläs-Ski,” says Luhtio.

The Finnish municipality of Kolari has an important role in terms of zoning. The ski resorts and Laatumaa have land lease arrangements that can also benefit potential developers and investors. “In spite of large investment programs, there is room for further property development growth,” says Luhtio, “but local entrepreneurs have understood that before building accommodation services must be developed.”

Scenic road combines two areas of Ylläs

One of the ski resorts in Äkäslompolo is called Iso-Ylläs, or “The Big Ylläs”. “We have ambitious plans at Ylläs,” says Osmo Virranniemi, Managing Director of Iso-Ylläs. “In the first phase it is important to upgrade the fell slopes, lifts, service buildings and restaurants and to create greater accommodation capacity.”

“In terms of the length of slopes and great scenery, Iso Ylläs is Lapland’s number one ski



Mr. Antero Luhtio

resort. The highest peak stands at 718 m. What is more important is that there is up to 463 m of altitude difference, which ensures excellent conditions for slalom,” says Virranniemi.

Ylläs is divided into two parts. The northern Äkäslompolo is currently much larger in terms of accommodation and other services. The other part, “Ylläsjärvi”, which is mainly managed by Virranniemi’s company, is situated on the southern side of the large fell.

"A couple of years ago the distance between the two resorts was almost 40 km," says Virranniemi. "In autumn 2005, a new scenic road essentially shortened the distance between the two resorts, which is now a mere 10 km. This makes co-operation between the resorts much easier."

More than 200 000 m² option for development

Both sides of Ylläs provide excellent opportunities for property development. At the moment, Hotel Saaga, which was completed in 2003, is the most central building at Ylläsjärvi. YIT, Finland's largest construction company, has been active in developing chalet-type premises in Ylläsjärvi. The third phase will be completed in August 2007, when there will be a total of 125 chalets. "Hotel Saaga and the YIT chalets, plus some smaller cottages, provide accommodation for about 1,000 visitors," says Virranniemi. "The already approved local plan makes it possible to have three times more and the master plan even more."

One example of this development is the expansion of the Ylläs chalet apartments during 2007-13. "The value of the chalet investment is a total of EUR 50 million, making it the largest ongoing investment in the Ylläs area," says Virranniemi. "In the long run, we could have as many as 10,000 beds. The master plan allows more than 200,000 sq m of premises."

"However, at this stage, from mid-2006 to the end of 2007, new investments in Ylläsjärvi will be around EUR 13 million. On top of this there are other investments running to millions of euros. Our focus is on creating better skiing conditions. Later on, the figures could be many times this."

When considering both the Ylläsjärvi and Äkäslompolo areas, the number of beds could increase from 19,000 to 50,000, a figure that includes private cottages.

The largest individual piece of investment in Ylläsjärvi in 2007 will be the main service building of the ski resort. "This will be the centre of Sport

Resort Ylläs," says Virranniemi, "The building is 3,100 sq m and includes a restaurant, ski rentals and ski shop, plus some meeting and accommodation facilities. The value of the building project is EUR 6.5 million. The new service and restaurant centre is also a place where the gondola lift starts up to the peak."

Varied investments

The second ski resort in Äkäslompolo is known as Ylläs Ski. It is owned by the Lapland Hotel group, which is the largest hotel operator in Lapland. The group has nine hotels in Lapland and a 30% share in Lapland Safaris. In Äkäslompolo, Lapland Hotels owns both the Ylläskaltio and Äkäshotelli hotels.

Pertti Yliniemi, Managing Director of Lapland Hotels, describes the variety of their investments. "In connection with Äkäshotelli we have built 48 time-share apartments. These are two-storey luxury apartments with saunas, fireplaces and fully equipped kitchens. The value of the investment was close to EUR 5 million."

Lapland Hotels group is building a restaurant called Y10 at the height of 650 m, which can take 800 diners. On the downhill slope an extension of the ski service building and restaurant will be erected.

Ylläs Ski is also investing in improved skiing conditions. A new four-person chair lift, 'Ylläs Sun Express' is being installed in 2006-2007 and will be serving skiers in March 2007. New slopes will also be in use in late winter-early spring 2007. "Of these the most popular will probably be the 'Aurinkokuru', which goes to the west and thus enlarges Äkäslompolo's slope offerings," says Yliniemi.

According to Yliniemi, Lapland is increasing in popularity as a travel destination. "As the biggest local travel operator we are making an effort to attract more international travellers," he says. "There is a great demand for winter tourism in Europe as well as in Asia. That is the reason we have quite large investment plans, running to tens of millions of euros within the next few years." ●



Restaurant Y 10 will be located at the height of 650 meters.

BUILDING POTENTIAL, LANDSCAPE ISSUES SECURED

Metsähallitus is the largest landowner in Finland. It manages 120,000 sq km of land, most of which is either made up of nature reserves or is for industries such as forestry. Part of this land can be used for property development purposes.

Laatumaa ("Premium Land") is a leading seller of sites for holiday purposes. Laatumaa has on-lake sites for private use, mainly in southern Finland. In the north, with areas like Ylläs, Saariselkä, Ruka and Levi, Laatumaa offers much potential for the tourism industry.

"We foresee that international developers, operators and investors are grasping Lapland's potential," says Luhtio. "It is no secret that Laatumaa is ready to negotiate about cooperation in developing Lappish resorts with Finnish, as well as international, companies."

Luhtio emphasises that ecological and landscape issues will receive increased attention from the forestry units of Metsähallitus in areas important for tourism. "The already extensive ecological network of protected areas and other sites of high biodiversity will be further improved," he says. "The scenic areas will be increased in western Lapland by approximately 21,000 hectares and in eastern Lapland by 10,000 hectares. Valuable landscapes will receive more attention, particularly in areas important for tourism, and the service facilities in these areas will also be further improved."

One example of this is the Pallas-Ylläs National Park, which is located just next to the Ylläs ski resorts. "There will be no building activities in this huge 100,000 hectare area," says Luhtio. "The place is reserved for recreational activities like hiking and skiing." ●

www.laatumaa.com

Best locations for retail and logistics

Whether it is offices, retail or logistics premises, Skanska is one of the foremost business partners in Finnish real estate. Risto Linnankoski, Vice President, Accounts, says that the goal is to improve the productivity of the customer and create comfortable premises for end-users with long-term commitment.

Photo: Skanska



Vice President Risto Linnankoski.

"Skanska is active throughout the value chain – everything from small building service contracts to assuming total responsibility for identifying and solving the customers' long-term needs for construction-related services," says Linnankoski.

He adds that Skanska is continuously observing new trends in retailing and logistics practices and is always searching for the best locations.

"There is something of a boom in developing logistics premises in Finland, especially in southern Finland due to the new harbour in Vuosaari and also because of continued strong GDP growth. Russian transit trade has also progressed well, which has resulted in a lot of demand for logistics premises and services."

Logistics centres are often slightly away from ports because land in port areas is

expensive and also because there is just not enough space. More and more, the unloading of containers is being done at logistics centres.

The other reason for the popularity of logistics centres is that they can offer lower costs. Especially smaller companies benefit from support services like vehicle maintenance and effective ICT connections. In central Europe there are already close to 100 new logistics centres. It has been estimated that in Finland there are around 10 serious developments for logistics centres.

"And in logistics development and construction projects, Skanska is also capable of providing our customers with the entire service cycle, from the purchase of the site to the finalised premises and use of space," says Linnankoski.

Typically, logistics centres require large plots of land, from dozens of hectares up to a couple of hundred. But we must keep in mind, that there is also a need for smaller logistics, warehouse or production premises as stand-alone buildings, he adds.

"In this respect the Free-way Logistic City is certainly among the best in the whole of Finland. There is enough space, solid soil to build upon and a clear vision of the future of the centre."

Retail premises

Skanska also has long experience of developing and building shopping centres and other retail units, both in Finland and abroad. Risto Linnankoski says that Skanska continuously monitors developments in the retail business.

"Tomorrow's retail and shopping centres must be clearly distinguishable from their competitors. The centres should look

Picture: KSQ Arkkitehtuuria Tino Virta



Lentola shopping center in Kangasala.

good and provide their customers with a satisfying shopping experience.”

In Finland Skanska has many interesting retail projects with its partners and municipalities. Skanska's share in the project will consist of the MAXX retail concept in cooperation with the Citycon property investment company.

In all, the retail and commercial concentration in Tampere will be about 40-50 ha. Development of this area has begun, but real planning can be launched when new road connections to this area have been built.

MAXX will be located just 5 km from Tampere, the largest inland city in Scandinavia.

In Kangasala Skanska has stated to build the Lentola shopping centre, which will be owned by Citycon, the investor. The anchor tenant is Tokmanni.

Skanska has many new developments and it is actively looking for new sites and retail premises for possible investment. Ongoing developments are in Espoo (Laajalahti), Kirkkonummi, Vantaa (Petas and Koivukylä), Lapua Novapark while other potential projects are subject to negotiation. These projects mainly depend on city planning processes.

Reliable partner of Kukkola Group

Skanska is also a contractor in the largest shopping centre in Finnish Lapland. In Rovaniemi a 30 000 gross sq m retail complex is under construction by Skanska. About 21 000 sq m is reserved for 40 or so shops. The Arina retail chain, part of S Group, is acting as an anchor.

All 600 parking plots are covered – an important detail in northern Finland. The investor is Kukkola Group, whose CEO Seppo Kukkola says that Skanska has performed very well in building the Revontuli (Northern Light) centre, which will open in December 2007.

“Rovaniemi is already Lapland's commercial and cultural centre. I hope Revontuli makes it even more dynamic,” says Kukkola. ●



FREEWAY – A SPECIAL LOCATION IN SIPOO

The Port of Vuosaari has attracted new logistics developments in the surrounding municipalities. One of the most ambitious developments is in the municipality of Sipoo, where a large site is reserved for “Freeway Logistic City”. Skanska has a central role in this project, along with the municipality of Sipoo and developer-construction company Palmberg.

Freeway Logistic City is an excellent location. The Kerava junction of the Helsinki-Lahti motorway is just 2 km from the future logistics concentration.

What is more, the site is extremely well suited to building logistics solutions. The ground is solid and easy to build upon, and there are very few residential buildings in the vicinity.

The area covers some 170 ha. In the first phase about 30 ha will be taken into use. All in all, a stunning 300,000 sq m of floor space premises could be built in Freeway Logistic City.

Sipoo's Director of Planning, Pekka Normo, says that the future size of Freeway Logistic City is partially open.

“However, the first phase of construction will commence in autumn 2007, if zoning goes to plan. Some firms could begin their operations as soon as in 2008-2009 at the time when the Port of Vuosaari is completed,” says Normo.

“The municipality of Sipoo owns most of the land in the Freeway area and there are practically no residential buildings, so zoning can in all likelihood be done smoothly and flexibly.

“We are happy that we could get Skanska and Palmberg as our partners. Zoning is now underway, and Sipoo is ready to

bring municipal engineering in the area before too long.”

Normo says that the Freeway area could also be a base for manufacturing companies.

“However, in all likelihood logistics will play a crucial role,” Normo concludes.

Added value to logistics

Freeway's connection to the new Vuosaari harbour is smooth and fast. The drive along highway 4 to the Ring Road III is just 15 km. From the ring road it is only 10 km to the port. The connecting Satamatie road is under construction, and will link Port of Vuosaari with Ring Road III.

Skanska Vice President Risto Linnankoski, says that the company took an interest in Freeway at an early stage.

“The location of Freeway Logistic City is excellent. Actually the whole road network of southern Finland is easily accessible from the new logistics city.

“The Helsinki - Vantaa Airport is just 20 km from the Freeway Logistic City,” says Linnankoski.

“The point of departure in the design of the facility is to make logistics solutions in a cost-effective manner,” he continues.

“One can have many kinds of functions in the Freeway Logistic City. It can be traditional warehousing, packing, sorting, processing, even manufacturing.”

In all likelihood, Freeway will also house all necessary support services such as maintenance and repairs, fuel distribution, restaurants and accommodation.

“Right from the start, we have thought through how to create added value to end-users of Freeway Logistic City.”

Linnankoski believes that the logistics city is also a big issue for the municipality of Sipoo.

“The logistics concentration in western Sipoo will strengthen Sipoo's position as one of the logistics centres in the greater Helsinki region. Sipoo's economy will diversify and new jobs will be created.”

Sipoo can even raise its profile as one of the logistics hubs in southern Finland. The Freeway, Port of Vuosaari and Helsinki-Vantaa Airport will guarantee excellent logistical connections.

“For example, the E18 highway between Scandinavia and St Petersburg is within easy reach, so the area also offers transit trade opportunities too.” ●

Property investments in Finland in 2006 record-high

The year 2006 was good for Finnish property market. Especially investment market again grew considerably, but also the rental index for Helsinki Central Business District increased about 4.4 %. The increase accelerated during the latter half of 2006. However, this rental demand was mainly towards high-class properties. Vacancy remains a problem for class B and C premises, whose rental levels are relatively stable.

The total transactions volume in 2006 rose to all-time high, close 5 to billion euros. The biggest deal ever in the Finnish property was done in 2006, when Sponda acquired the entire share capital of Kapiteeli Plc. The purchase price was circa EUR 850 million. The properties were valued at around 1.3 billion. The new group created one of the leading real estate companies in the Nordic countries with a portfolio of app. EUR 2.6 billion.

There were also many newcomers in the Finnish property market. AXA REIM purchased an office property from Neste Oil Pension fund. The 10 000m² property known as "Voimatalo" (Power House) is located in the Helsinki city center. Neste Oil sold 73 gas stations to Israeli Delek Real Estate Ltd. And English Princeton Investments Ltd.

The Kamppi shopping centre, located in the heart of Helsinki, was purchased by the British Boulton and the Royal Bank of Scotland for EUR 345 million. Norwegian Norgani acquired Kapiteeli's hotel portfolio of 15 hotels, most of which are located in the Helsinki region. The Danish Schaumann Group also entered Finland. The properties are located in different parts of Finland, and rented to Finnish retail chains with long-term leases. The transaction price for this 120 000 m² portfolio amounted EUR 150 million.

Finns founding funds

The examples before alone prove of the huge transaction intensity compared to quite small market. But also Finnish property investors have been active. Technopolis for example

announced it will expand to St. Petersburg faster than originally planned.

Technopolis has entered into a preliminary agreement on purchasing land in the vicinity of St. Petersburg airport.

Finnish property fund boom, which started only in 2005, continued in 2006. OKO Asset Management established a new property fund targeted for institutional investors. The fund was founded as a blind pool and has, in the first phase, an investment capacity of EUR 150 million.

Private equity investment company CapMan set up its second property fund, CapMan RE II. The fund will specialize in development properties. Fun's target GAV is EUR 800 million, and it currently, after its first closing, has an investment capacity of about EUR 275 million. The fund, which is managed by Realprojekti Oy, has seven Finnish institutions as investors. The objective of CapMan RE II fund is to develop portfolio assets for a period of some 3–7 years, after which the assets are sold to long-term investors.

CapMan's previous fund, the Real Estate I has invested in 22 commercial properties in the Helsinki. The best-known asset in the portfolio is the Bronda property located on Eteläesplanadi in Helsinki's city centre. The majority of assets comprise modern office buildings with vacancy rates below 5%.

Developments in logistics prevail

Development and construction activities are quite intense in Finland at the moment, but there is no overheating. After certain

shopping center boom (Jumbo, Sello, Ideapark etc) there is no clear focus on logistics development. One booster has been the future port of Vuosaari. Also Helsinki-Vantaa Airport enlargement has had a certain effect.

Among the developments are Kerca in Vantaa (by SRV Viitaset and Kerava town) and Freeway Logistic City in Sipoo (by Skanska, Palmberg and the municipality of Sipoo) – these both are reviewed on Nordicum pages. Both are linked to Vuosaari Harbour goods flows. Sponda is developing the logistics area directly linked to Vuosaari.

One of the largest projects is by Finnish retailer Tokmanni, who aims to build 50 000m² logistics center in Mäntsälä. This is one the biggest individual logistics projects by a private company.

Finns are also interested in Russian market. Evli's real estate fund and construction company YIT plan to build property in St. Petersburg for EUR 100 million. These include a nine-floor office building and a logistics center. With future option extensions, the value of the project may rise to EUR 180 million. The logistics center will be well-located on the ring road with directions to Moscow and St. Petersburg, close to the airport.

Established in June 2006, EPI Russia 1 Ky is Finland's first real estate fund investing solely in Russia, and also one of the few mutual funds in the world that focuses uniquely on the Russian real estate market. ●

www.capman.com
www.evli.fi
www.kti.fi



The Kamppi shopping centre, located in the heart of Helsinki, was sold to the British Boulton and the Royal Bank of Scotland for EUR 345 million.

Advium – real estate advising

"Advium's clients are typically headquartered in Finland and international companies engaging in transactions involving Finland. In the field of real estate we have been involved in major part of the largest transactions," says Janne Larma, Managing Director of Advium Corporate Finance.

Larma tells that Advium's real estate transactions include portfolio and large single-asset transactions, sale and lease-backs, real estate financing advisory, portfolio valuations and equity transactions.

"As in an M&A transaction, we see our role as the overall manager advising our client on the right course of action throughout the process."

Advium has been advisor in large single targets as well as in portfolios. For example, we assisted Sponda when they sold the Itäkeskus Shopping centre back in 2002 to Dutch

Advium Corporate Finance provides investment banking advisory services in the fields of mergers and acquisitions, large real estate and equity capital market transactions to companies.

Wereldhave. That was the first mega-class international transaction in Finland."

Later Advium has been advisor in a large number of transactions. For example we acted as advisor when the state-owned Kapiteeli sold its hotel properties to Norgani Hotels ASA.

Janne Larma says that Finnish market is transparent and rather easy.

"However, there are also some sudden changes. As local operator, we naturally have much information about market change. For example, we have seen that interest has shifted quite much to logistics and even light industry. Yields there have

not gone down as much as in some other types of property."

One can also see that areas outside of the Helsinki region are also interesting from the viewpoint of foreign investors.

Indirect property investing is in the formation phase, says Larma.

"New instruments are entering the Finnish market too. I would also foresee that the role of private investors is on the increase."

Advium evaluation process

As a first step in a real estate transaction process, Advium Corporate Finance analyses and

evaluates the optimal portfolio to be divested, says Larma.

"In parallel, the potential acquirers are identified, screened and ranked according to their financial strength and investor profile. We also make the initial contacts with potential buyers and participate in site visits. Finally, we evaluate strategies and tactics for negotiations before entering into final contract discussions."

Larma says that it is secure to do business in Finland.

"Real estate registers in Finland are very reliable, business habits are logical and there is much information. But official documentation (towards authorities) is made in Finnish and local actor knows instructions, laws and guidelines, so it is just natural that international investors use best available advisors." ●

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NCC future office expertise convinced SEB Immobilien Investment

SEB Immobilien-Investment is a Frankfurt-based asset management company with large property activities. SEB Immobilien has also invested in the Nordic countries. Just over a year ago the investment company acquired a business park property from Vantaa, in the Helsinki region. Director of SEB Immobilien, Axel Kraus, believes that the Nordic region continues to be an interesting market from an investor's point of view:

"We have been satisfied with transparency and business practices up in the North. The quality of development work and building technology is also very good," says Kraus.

A good example of Nordic expertise, according to Kraus, is cooperation with NCC Property Development and its business

parks. "The 'Allegro' building of Airport Plaza business park in Helsinki was acquired by SEB, and we have been satisfied with this decision," confirms Kraus.

NCC Airport Plaza was the first project launched in the Aviapolis area of Vantaa at the beginning of the millennium. Five office buildings have been completed and they are owned by Etera, the Finnish Paper Workers' Union, IVG, the NIAM Fund 3 and now by SEB Immobilien.

The estimated completion of the entire Airport Plaza Business Park is around 2010, when it will offer workspace for over 2,500 people.

The purchase price was approximately EUR 15 million for a 6,000 sq m building. This was SEB Immobilien's first real estate investment in Finland. Allegro became ready in December 2006 and it is the fifth building within the Airport Plaza Business Park. SEB Immobilien bought the Allegro last January, almost one year before end-users entered the facilities.

Kraus says: "Negotiations with NCC started in Helsinki in late 2004 and continued at MIPIM a few months later in March 2005. We finally reached an agreement in the beginning of 2006 – these kinds of deals always take some time but procedures in Finland are rather quick and transparent." MIPIM is the largest real estate fair in Europe, held every March in Cannes, France.

"The property business in Finland operates in a very professional way. The quality of buildings is high – I would say in most cases really good quality. Finns are also very international and open to new influences. It is no exaggeration that it was a pleasure to do business with NCC.

"Also, as far I as understand, Finns have had a very



NCC Airport Plaza building "Allegro".

important role in developing the NCC business park concept."

Axel Kraus' sentiments are echoed by NCC's own leadership, who say that Finns have done "tremendous work" in finding the best solutions for end-users, while at the same time making solutions that are attractive to investors and property management companies.

Future office

Kraus also says that SEB Immobilien has carefully observed NCC's Future Office concept. "This is quite natural, since offices form 70% of our portfolio of about EUR 5.6 billion.

"Office design by NCC and its partners is very good quality. NCC has understood that the world of work has changed profoundly. Flexibility of office space is much more than a phrase. I recall NCC people referring to offices as a meeting place. Innovative ideas can be generated, even in a coffee lounge. All office premises should actually be of a high quality and catalyse innovative attitudes.

"An office is a strategic tool for business development, without a doubt. That is the rea-

son we want to offer end-users the best possible premises."

Diversified portfolio

SEB's office portfolio is mainly in Europe and the USA.

"The share of the Nordic countries is 'only' 5%. But considering that our whole portfolio is more than EUR 5 billion, the investments are important for us. Besides, we aim to invest more in northern Europe."

SEB has its roots in Sweden, but according to Axel Kraus, this is not reflected in investment decisions.

"At the moment I would estimate that Finland is the most interesting market from our viewpoint. But that is not to say that we would not keenly observe the situation in Sweden too. I was first involved in doing investment in Sweden back in 2001. It has been a delight to see how the property market has expanded and developed there. Liquidity is now rather good."

Kraus is also satisfied with GDP growth in Finland and Sweden. "A good macroeconomic climate and GDP growth create better preconditions for investor decisions." ●



Mr. Axel Kraus

RAKLI opinion - REITs needed

The Finnish Association of Building Owners and Construction Clients, RAKLI ry, has suggested that the Finland's government motion on changing the real estate investment trust (REIT) law should not be ratified in its current form.

"The contents of the motion do not sufficiently support the development of functional and transparent real estate market. The Ministry of Finance should revise the commission given to the working group, expand its expertise and set the goal of bringing about real estate investment trust market for limited companies which are tax-wise neutral and listed into the marketplace," says managing director Jani Saarinen.

RAKLI reminds that real estate and construction business is the biggest net investor in Finland.

"Real estates and infrastructure constitute over 70 % of the Finnish national wealth, and the real estate and construction businesses employ more than 500,000 people. Functional real estate market will strengthen the competitiveness of Finland internationally and support its development into a focal point in the real estate market in Northern Europe and in the Baltic Sea area," says Saarinen.

National legislation affects global competitiveness

Maintaining the competitiveness of the real estate market requires that legislation is developed according to the globally spreading REIT models (Real Estate Investment Trust).

"The models are based on real estate investment trusts of limited and listed companies, which are only taxed once. The trusts are in public control and their taxation is based on the legislation in the target country. This system is already in use or under development in the Great Britain, Italy, France, Germany, the Netherlands, Belgium and Luxemburg, among others. In the United States, REIT legislation has been effective since

the 1960's. The current Finnish taxation practice leads capital flows into more functional REIT markets, which diminishes the competitiveness of Finland in relation to the rest of Europe," says Jani Saarinen.

Functional real estate market has positive effect like increased funds invested in real estates (apartments, office and business premises, infrastructure) and diversification and liquidation of financing and investment options. Also, increased transparency of the market and improved prerequisites for regulation, enabling small investments and supporting the prerequisites for apartment production and the housing market have been mentioned.

The management of public real estates and infrastructure, supporting structural reformations in municipalities, as funds are released into services, and improved prerequisites for and demand of services in the real estate business.

All in all, RAKLI states, with REITs there will be increased know-how in real estate and investment business in Finland. Real estate actors thus suggest that preparations for real estate investment trust legislation are expanded.

In August 2006, the organizations in the Finnish real estate business, the former ASRA ry, The Finnish Real Estate Federation, RAKLI ry (The Finnish Association of Building Owners and Construction Clients) and KTI (the Institute for Real Estate Economics) handed to minister Wideroos a proposition for cancelling and expanding the current law reformation process in order to solve the problems concerning the taxation of real estate investment trusts.

Chief Adviser of RAKLI, Mr. Jaakko Leinonen believes that REIT structure will come to Finland at by the year 2010. ●



Photo: Kuusakari.com

Investor interest towards Helsinki continues.

RAKLI IN A NUTSHELL

The Finnish Association of Building Owners and Construction Clients - RAKLI is an interest group and trade association representing the most prominent real estate owners, investors and service providers in

Finland. RAKLI represents its members in property ownership issues that pertain to legislation, taxation and common policies. In addition, support in R&D activities, networking and information transfer is

available to its members.

RAKLI provides a network for real estate professionals to discuss mutual challenges, to exchange ideas and to share experiences and knowledge. RAKLI contributes to the implementation of best practices in Asset

Management, Property Management and Facilities Management. Moreover, it promotes the application of high standards to building industry processes, real estate market information and benchmarking.

During 2006 there also were changes in Finnish building and real estate related organization. ASRA and RAKLI combined forces, and thus a new organization of almost 400 members was born. ●

*For further information, please contact:
The Finnish Association of Building Owners and Construction Clients (RAKLI)
Annankatu 24, FI-00100, Helsinki, FINLAND.
Tel: +358 9 4767 5711 or
www.rakli.fi*

European HVAC challenges

All European countries are working very hard at the moment in the field of HVAC. The implementation of the Energy Performance Buildings Directive will keep HVAC industry very busy. But there are other hot topics as well. The President of Rehva and the president of scientific committee of Clima 2007, professor Olli Seppänen has a very good overall picture of all what is happening at the moment in Europe.

The technological levels are very variable and diversified across Europe. There are many different technological levels depending on cultural background and economical situation etc. Scandinavian countries are more developed in some areas like healthy indoor environment whereas the southern Europeans are more experienced in natural ventilation. The requirements our cold climate sets for us are much more stringent than those in southern Europe for example, professor Seppänen says.

The future looks bright

Professor Seppänen says that the future looks very promising for HVAC industries and research.



Mr. Mika Halttunen

“It looks like there will be more money available for research for building sector including energy indoor environmental issues.”

“If we compare the European air quality to that of other continents, our problems are quite similar. In some areas USA is a little bit more advanced. Luckily there is a lot of scientific exchange. The building owners are very interested in technologies that enhance actual performance of buildings including operation and maintenance,” says professor Olli Seppänen.

Finland has actually done a lot in the area of performance based buildings, some results will be introduced in Clima 2007.

“At the moment northern European buildings are more advanced in matters concerning energy efficiency. In sustainability United Kingdom started very well off. Energy issues will be very topical in the future. The knowledge of these issues varies a lot in Europe and there are countries or areas that lack this knowledge,” says professor Seppänen.

They may use technologies that were used 20 years ago in Northern European countries.

“One big issue in general is peaking electricity power. For example in summertime in southern Europe air conditioning causes highest peak loads and as the consequence there are a lot of activities to develop low-energy cooling systems or

energy efficient cooling systems in general,” says professor Seppänen.

“One interesting question is also natural and hybrid ventilation. Some countries, especially in southern Europe, want to develop more defined systems but the big problem with these systems is how to control the air quality in respect of outdoor air pollutants in urban areas.”

Healthy and productive indoor climate

The hot topics today will be covered thoroughly at Clima 2007 in Helsinki, Finland. At the moment the latest research show interesting results in indoor quality and learning.

Mika Halttunen, President of the Organizing Committee of Clima 2007 and Managing Director of Halton Oy says that there is an accumulating evidence that healthy indoor air stimulates learning.

“The problem of indoor air quality- for example too high temperature or poor air quality - is huge throughout the Europe. So the issues related to indoor air quality and climate are not limited to offices only. The work in this area will continue in the Clima 2007 Congress.”

“Our next step is to figure out how to improve the air quality. We should be able to develop systems to improve indoor air quality. The situation is problematic also in hospitals. I personally know president of

a large hotel chain, who said that one of the biggest challenges he faces is the quality of indoor air.”

It has been estimated that expenses from bad indoor air are at the level in EUR 23 billion. There are more sick leaves when work conditions are bad.

Halttunen says that it is also about ergonomics.

“I believe that more and more, in the future one can tailor-make humidity, air conditioning and brightness of lights of one’s work station”

Good ventilation has positive influence on human health.

“Studies show that allergies and asthma will increase statistically significantly if the building has moisture problems or visible moisture damage. The cleanliness of the ventilations system is also very important. We have done a lot of pioneer work on this field in Finland and have set up criteria to build, maintain and clean ventilation ducts, Halttunen reminds.

“It is also good to remember that good HVAC technology increases the value of premises. Modern-day people spend even 80-90 % of their time indoors. It would thus be impossible to insist that these things would not affect us all.” ●

The Clima 2007 congress will be arranged in Helsinki in June 10.-14.th 2007. For more information, see www.clima2007.org

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Contact Persons

Mr Janne Larma, Managing Director
janne.larma@advium.fi
Mr Cami Hongell, Director
cami.hongell@advium.fi

Specialty Areas

Advium Corporate Finance, eQ Bank Ltd. is the leading advisor in major real estate transactions and one of the leading M&A advisors in Finland. Since its foundation in 2000, Advium has completed over 50 transactions worth over 4.5 billion euro..

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CITY OF VANTAA**

Asematie 7
FI-01300 Vantaa
Finland
Phone +358 50 501 6226
info@aviapolis.fi
www.aviapolis.fi

Contact Person

Mari Peltomäki, Project Manager

Specialty Areas

Aviapolis is a new international city in Vantaa, Finland. It is currently being built around Helsinki-Vantaa international airport.

The airport offers EU's fastest direct flight connections to the Far East markets with more than 60 destinations worldwide.

The Aviapolis area is 42km² with up-to-date office facilities, shopping and quality housing solutions. The nature around is also worth mentioning: you can fish just 5 minutes from the airport.

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Kiviaidankatu 2 i
FI-00210 Helsinki
Finland
Phone +358 9 4242 560
Fax +358 9 4242 5656
ark.tsto@larkaslaine.com
www.larkaslaine.com

Specialty Areas

Architecture: Office and commercial, Residential, Restauration.
Project Development. Urban Planning. Interior Design. 3D Visualisation.
Facility Management

See page 55

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Pohjoisesplanadi 35 AB
FI-00100 Helsinki, Finland
Phone +358 9 680 36 70
Fax +358 9 680 36 788
info@citycon.fi
www.citycon.fi

Contact Person

Hanna Jaakkola, Investor Relation Officer
hanna.jaakkola@citycon.fi

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Citycon is a property investment company which concentrates exclusively on retail premises. It owns, leases, manages and develops its properties and plans and commissions the construction of new premises. Citycon operates in Finland, Sweden, and the Baltic countries and it is concentrated in shopping centres and other retail premises as well as the active development of the properties. Citycon owns a total of 33 shopping and retail centres and 52 supermarkets. The fair value of the company's entire property portfolio on 30 September 2006 was EUR 1,404.5 million.

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CITY OF ESPOO

P.O. Box 42
FI-02070 City of Espoo
Finland
Phone +358 9 816 21
Fax +358 9 8162 5913
www.espoo.fi

Contact Person

Jussi Eerolainen, Chief Real Estate Officer
jussi.eerolainen@espoo.fi

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CITY OF LAPPEENRANTA

Snelmaninkatu 3 B
FI-53100 Lappeenranta
Finland
Phone +358 5 616 3400
Fax +358 5 616 3410
businessdev@lappeenranta.fi
www.lappeenranta.fi

Contact Person

Mr. Pasi Toropainen, Business Advisor
pasi.toropainen@lappeenranta.fi

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CITY OF TURKU REAL ESTATE DEPARTMENT

Linnankatu 55
FI-20100 Turku
Finland
Phone +358 2 330 000
Fax +358 2 262 4599
kiinteistolaitos@turku.fi



Contact Person
Jouko Turto, Director
jouko.turto@turku.fi

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FINAVIA



Lentäjätie 3, P.O. Box 50
FI-01531 Vantaa
Finland
Phone +358 9 82 771
Fax +358 9 82 772 090
info@finavia.fi
www.finavia.fi

Contact Person
Irmeli Paavola, Director of Communications
irmeli.paavola@finavia.fi

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P.O. Box 32 (Kaupintie 2)
FI-00441 Helsinki
Finland
Phone +358 9 755 990
Fax +358 9 7559 9121
development@hartela.fi
www.hartela.fi

Contact Persons
Lasse Johansson, CEO
Kimmo Aspholm, COO
Janne Sipilä, Director

Specialty Areas
Office and retail facilities development and construction, housing development and construction, contracting, project management, refurbishment, facilities management, asset management and building services.

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HYY GROUP, REAL ESTATE, KAIVOPILHA LTD



Kaivokatu 10 C, 3. krs
FI-00100 Helsinki
Finland
Phone +358 9 1311 4251
Fax +358 9 1311 4346
vuokraus@hyy.fi
www.kaivopiha.fi

Contact Person
Anna Sarpo, Leasing Manager, LL.M. Certified Real Estate Agent
anna.sarpo@hyy.fi

Specialty Areas
HYY Real Estate, Kaivopiha Ltd, serves commercial and office premises customers as well as offers residences and activity and association premises to students and the Student Union. Premises are located in the centre of Helsinki around the Ylioppilaskatu and Kaivopiha squares.

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Ideaparkinkatu 4
FI-33730 Lempäälä
Finland
Phone +358 400 623 974
toni.virkkunen@ideapark.fi
www.ideapark.fi

Contact Person
Toni Virkkunen, CEO
toni.virkkunen@ideapark.fi

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Käsityöläiskatu 4
FI-45100 Kouvola
Finland
Phone +358 5 371 3902
Fax +358 5 371 3958
www.innorailkouvola.fi

Contact Person
Sirkku Seila
sirkku.seila@kouvola.fi

Subsidiaries & Representatives
Innorail Shanghai office, China

Specialty Areas
Railway business park and traffic services development.

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**NCC
INTERNATIONAL OY**

Mannerheimintie 103a
FI-00280 Helsinki
Finland
Phone +358 10 507 51
Fax +358 10 507 5318
pd@ncc.fi
www.ncc.fi

Contact Person

Reijo Pääni, Senior Vice President
reijo.paani@ncc.fi

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info@otaniemi.fi
www.otaniemi.fi

Contact Person

Jouni Honkavaara, CEO
jouni.honkavaara@otaniemi.fi

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Virpi Lähde, Sales Director
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Contact Person

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Helsinki - Clear Choice is newly established company to support investments into the greater Helsinki region. Helsinki is one of Europe's most dynamic and innovative regions and we can help you to be part of it!

See pages 51 and 52

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P.O. Box 45 (Askonkatu 9)
FI-15101 Lahti
Finland
www.renor.fi

Contact Persons

Hannu Katajamäki, Executive Senior Vice President
Phone +358 207 220 821
hannu.katajamaki@renor.fi
Kari Kolu, President and CEO
Phone +358 207 220 881
kari.kolu@renor.fi

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P.O. Box 237
FI-00531 Helsinki
Finland
Phone +358 20 58 111
Fax +358 20 58 113 60
firstname.lastname@senaatti.fi
www.senaatti.fi

Contact Person

Mr. Aulis Kohvakka, Managing Director

Specialty Areas

Senate Properties is a government owned enterprise under the aegis of the Finnish Ministry of Finance and is responsible for managing the Finnish state's property assets and for letting premises.

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SKANSKA

P.O. Box 114 (Paciuksenkatu 25)
FI-00101 Helsinki
Finland
Phone +358 9 615 221
Fax +358 9 6152 2003
www.skanska.fi

Contact Person

Risto Linnankoski, Vice President
risto.linnankoski@skanska.fi

Specialty Areas

Project development (commercial and residential)
Renovation

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SRV GROUP PLC

SRV

P.O. Box 500
FI-02201 Espoo
Finland
Phone +358 20 145 5200
Fax +358 20 145 5279
info@srv.fi, www.srv.fi

Contact Person

Jouko Pöyhönen, Director, Project Development
jouko.poyhonen@srv.fi

Subsidiaries & Representatives

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See pages 44 and 54

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FI-02130 Espoo
Finland
Phone +358 50 552 11 69
www.tapiolanalueenkehitys.fi

Contact Person

Mr. Kyösti Pätynen, Managing Director
kyosti.patynen@tapiolanalueenkehitys.fi

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Fax +358 9 451 4068
www.dipoli.tkk.fi

Contact Persons

Kirsti Miettinen, Deputy Director
kirsti.miettinen@dipoli.tkk.fi
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lea.liesio@dipoli.tkk.fi

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P.O. Box 810
FI-65101 Vaasa
Finland
Phone +358 6 282 8228
Fax +358 6 282 8499
vaasaparks@vaasaparks.fi
www.vaasaparks.fi

Contact Person

Ulla Mäki-Lohiluoma, Managing Director
ulla.maki-lohiluoma@vaasaparks.fi

Specialty Areas

Oy Vaasa Parks Ab is a real estate developer organisation partly owned by the city of Vaasa. The company operates mainly in the Vaasa Airport Park area where 2,400 people are employed mostly by the energy technology industry (companies such as Wärtsilä Finland Oy and Vacon Oy). Plans are under way to establish an airfreight logistics area in Vaasa Airport Park to combine the business park and airport operations.

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P.O. Box 36 (Panuntie 11)
FI-00621 Helsinki
Finland
Phone +358 20 433 111
www.yit.fi/properties

Contact Person

Seppo Martikainen, Vice President, Transactions
seppo.martikainen@yit.fi

Specialty Areas

YIT is a service company focused on building, developing and maintaining technical structures of living environment. It is the Nordic market leader in building systems services and Finland's largest construction company and it operates locally also in the Baltic countries and Russia. YIT's annual turnover is some EUR 3,000 million and it has over 21,000 employees. YIT works for property investors as a supporting partner generating profitable investment solutions.

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