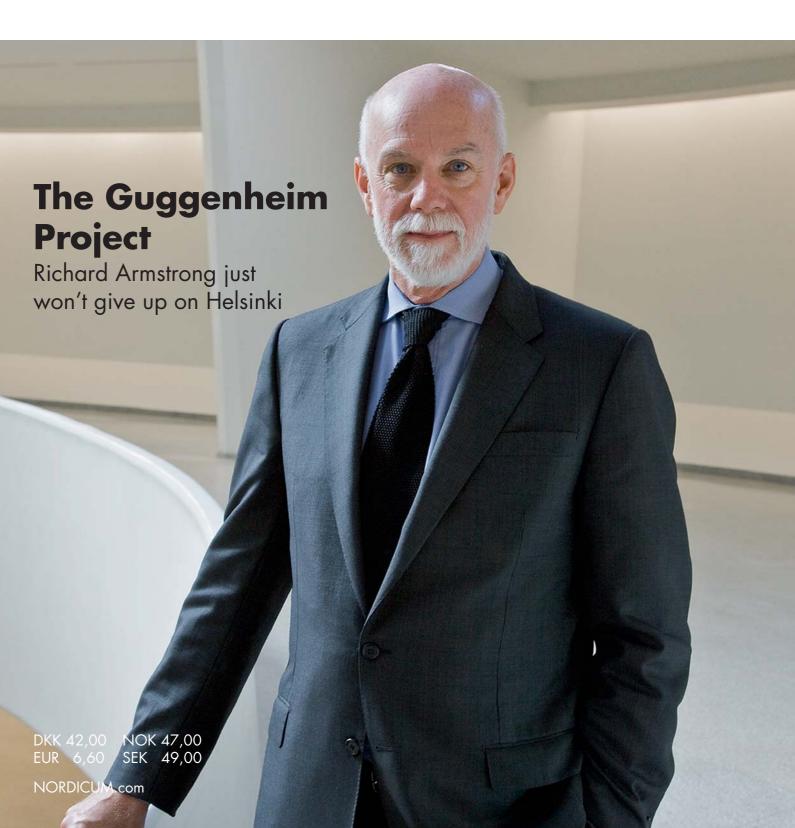


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## editorial

#### Putting the FUN in 'functional'

What makes a star city? While not everybody would agree on the true characteristics of a great city, there are still some features that are deemed attractive to both companies and people. Helsinki, for instance, is no longer "the best kept secret in Europe" – and neither has it been for quite some time. "The pocket-sized metropolis" has used savvy, not size, to capture the hearts and minds of a global audience. The banner year 2012 cemented Helsinki's reputation as a World Design Capital and the momentum is only increasing.

In this issue, the head of Guggenheim museum Richard Armstrong explains why he is adamant about launching a new world-class museum in Helsinki – and nowhere else. He marvels that even as he has been to Finland almost a dozen times by now, he runs into something new and exciting whenever he visits here.

Still, Guggenheim is not the only 'G-force' making headlines in Finland. Google recently announced that it is doubling the size of its original investment in Hamina in Southeast Finland. With a price tag of EUR 450 million, the expansion of the Google data centre is the single biggest foreign investment in Finland – ever.

More praise for Finland and Helsinki came from Australian Professor Peter Newman who is a pioneer in sustainable urban planning, and the transport specialist on the IPCC. Newman visited Helsinki after 20 years and was impressed how public transportation has developed, with low CO2 emissions and great accessibility topping the cake.

Furthermore, Newman noted that Finland is committed to changing with the times. He used the Garden City of Tapiola – located in Espoo – as an example of a concept that is in need of an upgrade. According to Newman, the coming metro line will take Tapiola back to its roots as there will no longer be a need to own a car.

The west-bound metro connection – currently the biggest infrastructure project in the land – has great significance in revitalising existing communities, but that is only a part of the true meaning of the metro. The new metro stations will launch a new wave of development in the vicinity of the stations and contribute to a more cohesive urban structure.

That is not to say that "Fun & Functional" is something that can be only found in the Helsinki Metropolitan Area. All around Finland one discovers cities with a progressive mindset that are using urban planning as a strategic tool. Often anchored in unique Finnish nature, there certainly are new solutions out there that merit a closer look.

Sami J. Anteroinen Editor-at-Large



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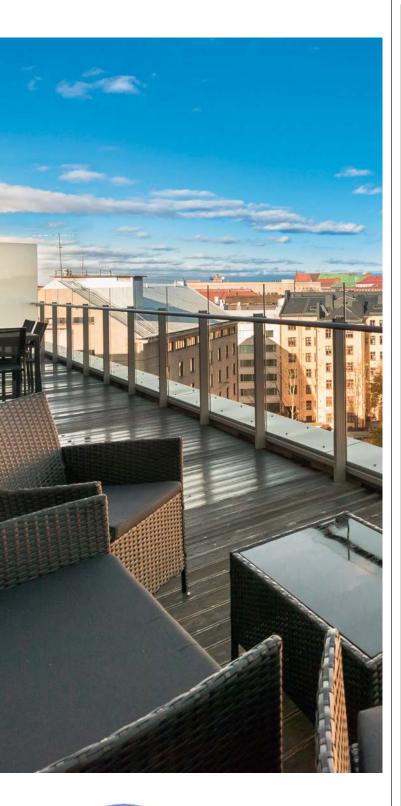
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sold

a medical centre property in Helsinki

to



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#### NOKIA

sold

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for € 170 million to



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Shopping centre Ainoa opened its doors in October 2013, energising the Tapiola commercial Centre. Ainoa promises to become a real meeting place for the local community - and a key piece of the puzzle in giving Tapiola the beauty treatment she deserves. Pages 50-51.

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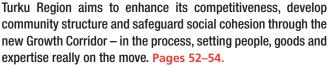
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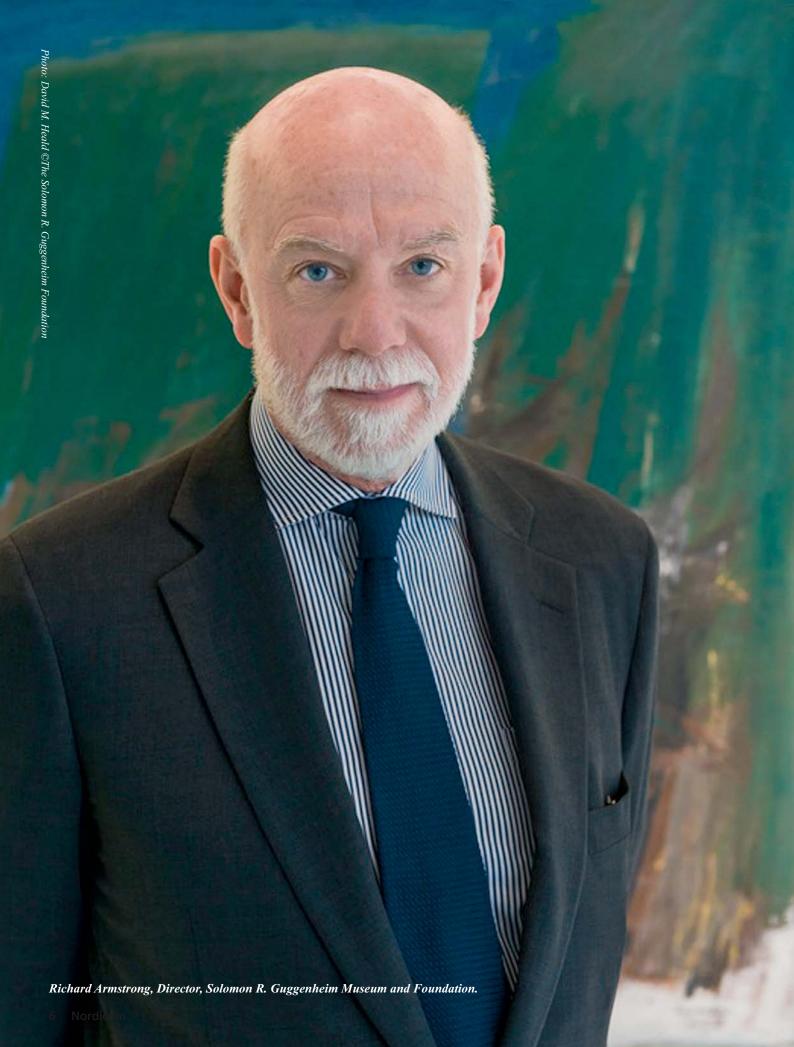






Despite troubled economy, many experts feel that there is light at the end of the tunnel. Funding is becoming available, many funds have been able to raise new capital and the market sentiment is improving. What will 2014 hold for the real estate investment market? Pages 66–67.

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## **Working on a Dream**

## Richard Armstrong wants to build a new Guggenheim museum in Helsinki

– and he will only take 'Go!' for an answer

Helsinki, the Daughter of Baltic, has had her share of suitors in the past. This time around, there is a very persistent admirer at her doorstep. Guggenheim, the most brandilicious museum franchise on the planet, wants to build its next high-profile, pull-all-the-stops museum right here – despite being turned down once already.

couple of years ago, bringing Guggenheim to Helsinki had the full support of the City's top politicians, but the venture faced a rather sceptical public. The introduction of Guggenheim to Helsinki's shorelines was viewed as a pet project of the Finnish elite and even the Minister of Culture voiced concerns about the American invasion. This coincided with a zeitgeist that found Finns turning inwards, frowning upon foreign influence, in the wake of the Parliamentary elections.

But that was then and this is now. Richard Armstrong, the Director of the Solomon R. Guggenheim Museum and Foundation, is ready for the second round, claiming that he's not frustrated about how things turned out the first time around:

"I fully understand that people have their reservations, I'm a sceptical person myself. When I make decisions, I want to see all the facts, too."

#### Drive & Dialogue

Armstrong goes as far as to say that the wave of public opinion and the rise of activism that sank the first attempt is, in fact, one of the things Guggenheim finds so appealing about Finland. This is a nation where dialogue is encouraged and expected and people do have their say. Still, Armstrong admits to being "concerned" that Guggenheim may not get a fair shake:

"We must make sure that there is transparency and dialogue. Whatever the decision may be, we must move together, in a coordinated way." The second offer – which was made in September – is "even more alluring" than the first one, Armstrong promises. Instead of the Kanavaterminaali plot in Katajanokka, the new proposed location is close by at Makasiiniterminaali in Eteläranta.

The foundation promises to launch an open, international architectural competition for the museum - and be responsible for gathering the funding to support it.

#### Money & Love

Guggenheim is now saying that attendance could be as much as 550,000 patrons each year and maintains that with a price tag of EUR 130 million, the museum would be a worthwhile investment for both Helsinki and Finland. According to Guggenheim's calculations, the museum would bring the state and local municipalities around EUR 8 million in tax gains every year, while the museum would take five million to run on the annual level. Helsinki would also need to fork up a franchise fee of one million euros each year.

Guggenheim has gone to great lengths to sweeten the deal which makes you wonder – what is it about Helsinki that Guggenheim won't take 'no' for an answer? Armstrong replies by saying that the more he learns about the city, the more he keeps falling in love with it.

"The city has a really special character that is slowly revealing itself in all its aspects," he says, adding that during the summer, his eyes were opened in a brand new way as he visited the Helsinki archipelago.

Taking in the city from the sea was quite an experience.

"This city holds amazing possibility and a lot of the appeal has to do with the local nature that is unique and unspoiled," he marvels.

#### Long Romance

In this "green city", Armstrong sees something for all ages, but believes that especially the younger audiences will come to treasure Helsinki more and more in the years to come.

"I've become even more respectful of Helsinki – and more attracted to it – than I was a couple of years ago," Armstrong admits, sounding very much like a man smitten

That is not to say that there isn't history between Helsinki and Armstrong. He recounts having visited the city already in

"It was summer and I was there to do a job interview," he recalls. Little did Armstrong know that he would be coming back again – and again and again. He has visited Helsinki perhaps nine or ten times by now and shows no signs of growing tired of the place. In fact, Armstrong says that he gets an enormous kick out of hopping into a tram and going around the downtown, observing the rich layers in architecture.

"You get to take in two centuries of tremendous architecture and the panorama, the combination of architecture and social interaction is unusually beautiful."

#### **Brain Power**

Armstrong says that he is in awe of the intellectual and creative capital inherent in the pocket-sized metropolis and is especially glad that the "innovation university" Aalto is off to a great start. Named after the Finnish architect-designer icon Alvar Aalto, the new-comer has caused quite a buzz internationally as well.

"The Aalto University is a great model for all the world in the arena of higher education," Armstrong describes the entity combining design, business end engineering prowess. He believes that Aalto has managed to cut through so much red tape in order to establish a real blueprint for creativity.

"It is a fantastic experiment that is constantly looking forward."

Armstrong sees Guggenheim as a natural continuation of this branching-out process. He says that it is no longer news to anyone that Helsinki is among the world leaders when it comes to cutting-edge innovation and thinking way out of the box, but there is still so much more Helsinki could accomplish:

"Helsinki has given the world such dominant visions in the fields of architecture and design and the impact of all that has been huge. Now it is possible to take another step," he argues, calling Helsinki extremely well-positioned to take full advantage of the emerging opportunities.

#### **Get Competitive**

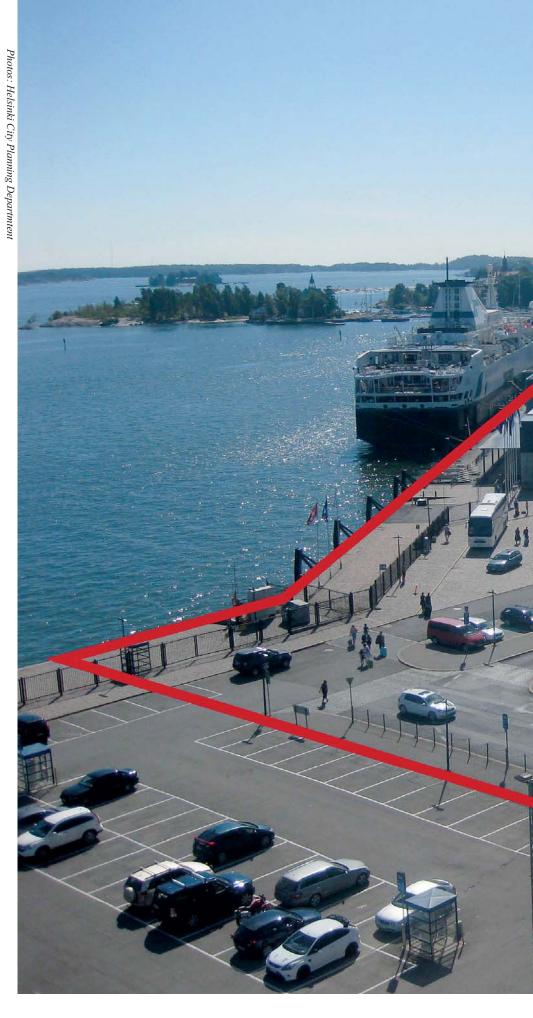
And while trying its very best to win the Helsinki decision-makers over, Guggenheim threw in a carrot that proved to be impossible to resist: a world-class architectural contest. That carrot was made especially tempting as starchitect Frank Gehry expressed an interest in participating in the contest – even though the maestro has shown an aversion for open contests as such.

The man who created perhaps the most brilliant Guggenheim building – the titanium-covered Guggenheim Museum in Bilbao – is obviously held in high regard by the organisation. Armstrong has a long-standing relationship with the 84-year-old architect and confirms that Gehry has a special place for Finland in his heart.

"Part of that probably has to do with him growing up in Toronto, with a lot of Finnish immigrants in the neighbourhood," Armstrong believes. Gehry himself has said that he saw Alvar Aalto give a lecture while still in high school and that was a life-altering experience for him. "The Finnish Connection" has only strengthened along the years, as Gehry has become great friends with composer Esa-Pekka Salonen.

#### May the Best Man Win

But how does the prospect of having the legendary architect attend the Guggenheim







Helsinki architectural contest sit with Armstrong? Armstrong goes as far as to call Gehry "the heir apparent" to Aalto's legacy, making no secret that he would be a good man for the job. Nevertheless, Armstrong insists that the playing field is level in the competition and the best work will come out on top.

"Frank Gehry is welcome to participate in the open architectural contest," he only says.

Having become the head of Guggenheim in 2008, Armstrong finds himself in an unusual situation with the elusive Finns. After all, with Guggenheim's empire expanding and growing in popularity, more and more cities show up at Armstrong's doorstep, asking to become a member of the international Guggenheim network.

"During the last five years, there have been requests from two dozen cities," Armstrong says, adding that most of these hopefuls are considerably bigger than Helsinki. Still, Armstrong has his sights set on one candidate and one candidate only.

"Right now, we are busy realising the Abu Dhabi museum and then it is time for one more. I want to build Guggenheim Helsinki and that would be it. Any other expansion I leave for my eventual successor."



Sami J. Anteroinen



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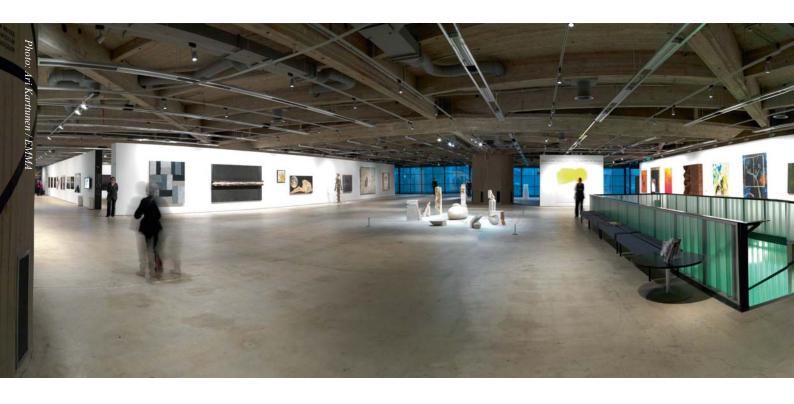
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### **Culture Club**

#### Culture drives cities, cities push culture

In metropolises around the world, there is a thirst for all things cultural. Culture is no longer a fringe player in the big boys' game: it is a full-fledged economic sector which impacts urban environment on various levels, ranging from direct and indirect expenditure to employment generation.

ultural flagships such as Rotterdam's waterfront redevelopment or Vienna's Museum Quarter are often visited by politicians from near and far and the quest is on for pretty much every major city to secure a cultural attraction worthy of praise.

But what is it that makes these cultural havens tick? And is it possible to "manufacture" culture-based success stories as you would manufacture cars or mobile phones? According to researchers Jan van der Borg and Antonio Paolo Russo, it is good to keep in mind that cultural industries are typically labour-intensive; their organisation model is rather the network interaction of micro and small producers than the supply chain hierarchy of Fordist industries.

#### The Urban Connection

Moreover, cultural production is highly contextual and idiosyncratic. For these reasons, city centres are privileged spaces for cultural production, providing ideal workspace for artists and cultural managers. Eventually, the local economy comes to thrive off it, establishing a symbiotic relation with culture.

Erasmus University Rotterdam researchers Van der Borg and Russo note that culture generates substantial "intangible" economic effects. It has a "soft function" of animation and enhancement of the quality of life, which is an increasingly important element of a city's competitiveness. It stimulates human creativity, and the capacity to innovate.

New symbolic meanings and values become inputs to innovative production concepts and processes. A city can market itself as an ideal location for people and firms, and a preferred cultural destination for tourists. And whether you're talking about New York's loft living or Berlin's underground art scene it is clear that a truly unique, original cultural mix can become a recognisable brand—and brands mean money.

#### **Culture Boosts Business**

Furthermore, culture may contribute to a more balanced and sustainable urban development. Culture has been deployed successfully in urban revitalisation projects in degraded urban areas throughout the developed world. It also serves as an equalizer, providing a formidable opportunity for personal development and social interaction among weaker groups.

Van der Borg and Russo argue that in the multi-cultural city, culture can be a lever that stimulates pride, personal development, and self-fulfillment for minorities, and at the



same time it can be a common language, a bridge between different groups. For this reason cultural development and planning are regarded as valuable strategies to accelerate processes of urban growth or regeneration.

Cities invest in cultural facilities and events, and in the preservation of their historical heritage, to make their transition to a post-industrial economy based on advanced services, sustainable functional mixes, and a high quality of the urban environment.

Around the world, cultural clusters have become catalysts of a wholesome creative economy, involving a higher attractiveness for tourists, talent, and, ultimately, knowledge intensive enterprises in search of an innovative climate and high quality of life. Richard Florida said it first: information age workers attach a high value to a stimulating cultural climate. Often times, the very competitiveness of a city hangs in the balance, as the creative class is always poised to vote with their feet.

#### **Driven by Design**

Helsinki is one of the up-and-coming cultural cities on the international radar; spurred on by World Design Capital 2012 honours, the pocket-sized metropolis is now considering whether a Guggenheim museum would be a good addition to the celebrated waterfront. Of course, the city already has a thriving museum scene; amongst it, we find esteemed Amos Anderson Museum which is the largest privately funded museum in town.

Communications officer Timo Riitamaa says that there is still room for growth on the private side – especially for museums that can realise interesting exhibitions and get the message out. Still, Riitamaa says that whether a museum is funded privately or publically is not really an issue from the patron's perspective:

"Museums depend on each other kind of like restaurants; the more quality restaurants you have in town, the more people there are going out to eat," he offers a comparison.

#### Get to the Core

Timo Riitamaa maintains that the significance of culture is great in people's lives – and this has been the case for quite some time now. The reason: culture gives people deeper, more lasting experiences. Riitamaa says that there are signals that people are getting tired of the superficial fluff and look for deeper meanings in various areas – including culture.

"One can look for intense experience in sports or arts or just about any thing which requires that you really concentrate and focus on it."

For Amos Anderson, the volume of experiences appears to be growing, as there were 40 000 visitors in 2013, but quite possibly 50,000 patrons this year.

"If we get to build a new art museum in connection to Lasipalatsi we could conceivably hit 100,000 visitors mark," he says. If the plans for new museum are realised, the new entity could open its doors in 2017.

At the end of November, the City of Helsinki Real Estate Board gave their blessing for the project; next stop is City Council. The new museum is estimated to cost EUR 50 million and it would be funded by culture foundation Konstsamfundet. Proximity with Kiasma, Tennispalatsi and art hall Kunsthalle would help create a powerful culture cluster in downtown Helsinki.

#### Art Attack!

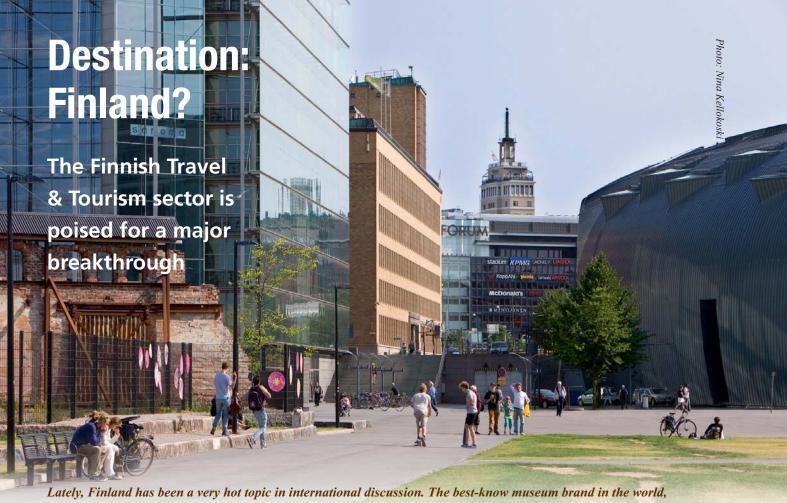
Pilvi Kalhama heads EMMA museum in the neighbouring city of Espoo. She agrees with the assessment that the significance of culture has grown in the recent years:

"Especially the significance and values of visual culture are now recognised better than was the case previously."

She observes that art is fully integrated to our everyday lives, not some separate entity out there. When art lives up to its full potential, it impacts both society and individual:

"Art includes the experience aspect, but at the same time, art is more than just the experience. Via art, it is possible to address important, current issues which have relevance on the personal level," she says, adding that art is very much about bringing people together, enriching their lives.

The attendance for EMMA is about 100,000 visitors a year, with international patrons constituting about 8 percent of the total. Kalhama says that the plan is to increase both the number of international and domestic visitors in the future.



Lately, Finland has been a very hot topic in international discussion. The best-know museum brand in the world, Guggenheim, is keen on launching operations here – despite being turned down once already. And then in October, Google announced that it will double the size of its data center in Hamina – which, by the way, is the biggest single foreign investment in Finland to date.

uija Tommila and Hanna Lankinen from Invest in Finland know full-well that Finland has been the "talk of the town" for a while now, and Helsinki, for one, keeps placing on top in various 'best cities in the world' competitions. Still, Tommila and Lankinen insist that there's at least one area which has been overlooked: travel and tourism.

As it stands, the Finnish Travel and Tourism sector offers everything required for doing successful business: a dynamic business climate, a clean and unique environment, and a society that is both safe and internationalised.

"Especially from the point of view of foreign investors, it is very important that the business environment is stable – and Finland, as one of the few remaining AAA-ranked countries in the EU, is exactly what the investors are looking for," says Hanna Lankinen who serves as Senior Director at Invest in Finland.

#### Going Up

The experts at Invest in Finland have cause for optimism, since the number of foreign visitors in Finland has increased significantly during recent years. Tuija Tommila, Director for Investment Consulting, points out that according to forecasts by the World Travel Tourism Council (WTTC), the total demand for travel in Finland will grow by 33.7 percent between 2006 and 2016.

"There is still a lot of untapped potential left in various areas," she says, providing the numbers to back up the claim: right now, the travel sector comprises only 2.4% of Finland's GDP while the EU average is 6%. Furthermore, the Finnish sector has been growing more rapidly than her counterparts in other Nordic countries recently.

Lankinen and Tommila quickly run down the list – what is it that could make Finland the 'Next Big Thing' in travel? It all starts and ends with the unique and unspoilt nature with four distinct seasons. For example, Lapland with its many wonders is already making waves in the global television and movie industry: spectacular scenery, wonderful light and cost-effective locations have attracted the likes of BBC and NBC to shoot in Santa Claus Land.

#### **Investor Heaven?**

Finland also has the infrastructure in place which enables even big investments: easy transport connections to and from east, west and south are very important from the viewpoint of travel & tourism. And, finally, there

are excellent business opportunities in many business areas – so the investors can really have their pick.

"Whether we're talking about ski resorts, hiking, fishing or spa operations, there are intriguing possibilities out there, as the interest level and the volumes are growing in various areas," Tommila says. Lankinen adds that there are totally new services emerging as well.

"For example, health-related travel is becoming more popular as people are coming to Finland to receive first class treatment." Even football icon David Beckham had his knee operation right here.

#### State Support

Lankinen and Tommila are especially pleased that the government is now becoming more active in its efforts to promote the sector: in the service industries, there aren't many other sectors that have such alluring prospects for the future. To fully explore the inherent opportunities, the state has placed intense strategic focus on Travel & Tourism.

"Seeing the government take action sends a strong signal to investors, also," Lankinen says. Already, benefits such as governmental and regional investment incentives are available for foreign players.

#### THE ANGLE

By Hannu Penttilä The writer is Deputy Mayor of the City of Helsinki

### **Culture Boosts Helsinki to New Heights**

The appeal of cities is based on their role as meeting places. In the city, different ideas and thoughts emerge, spearheading creativity. The city fascinates us especially due to its unique urban culture which can not be copied. Culture has surpassed the significance of raw materials in the growth of the cities, as the evolution of competitive factors has meant a transition from simply manufacturing goods to knowledge-intensive industries.



ny city should have a soul of its own. This, however, does not happen overnight; a city is a tour de force of generations and centuries. Travellers turn to a new city looking for its true substance, the story which belongs to that city alone. As the various identities of metropolises clash, cities hoping to add new production and population should have their own message out there.

Urban culture does not blossom on anyone's say-so. Urban culture grows from democracy and local creativity. Models plagiarised from somewhere - or force-fed from above - have a habit of producing failed phantom towns.

Urban culture is, first and foremost, culture for the every-day: a quick stop at a café in the morning, the feeling of spring in the city, a moment of triumph on a sports field or a memorable glance during rush hour. Human-scale city planning gives us opportunities to participate in the making of this every-day culture. It also allows us the choice to assume the role of the outsider, should we so desire.

The significance of cities as enablers of urban culture is great. As cities are planned, we can use subtle means to enhance the spirit of the place and usher in also new experiences. In this task, the high-quality planning and implementation of public space is crucial. Streets, squares and parks are key areas in enabling urban culture.

Aiming for urban perfection will only serve to destroy the citizens' own creative impulses; it makes sense to let life - in its various guises - leave its mark on the environment. We rarely thoroughly enjoy ourselves in an environment designed by others. We, too, want to leave our fingerprint in the centuries-spanning history of the cities. Every city needs its rough edges.

Strongly linked to culture, there is also the chance to experience something for the first time, something that is both dynamic and innovative. The city itself – as well as the people who live there – are the most important resources here. In addition, we need also special meeting places: libraries, theatres and museums. When they are successful, these cultural anchors offer up a brilliant manifestation of the city dwellers' values and talents.

We Finns are proud of our nation's literary tradition and cultural legacy. We are building a central library in a high-profile downtown location, to serve as a hub of information and arts. Various new museums communicate our values through visual and conceptual arts. We extend an invitation to all our international friends to come to Helsinki and get acquainted with this new decade of Finnish culture.

Culture in Helsinki is a potent resource of a new era; like the ultimate magic machine Sampo of ancient Finnish mythology, culture has the power to spread well-being to everyone.



The number one draw in Finnish tourism, in many regards, is Lapland, home of Aurora Borealis, countless herds of reindeer and, of course, Santa Claus. Skiing resorts have been a strong calling card for Lapland for a long time, offering a variety of before-and-after ski services for nature lovers. The crown jewel in this network of skiing resorts is Ylläs which offers, arguably, the best and the most versatile slalom in the land.

owever, the one criticism that has been directed at Ylläs in the past has involved the service package. While a heaven for hard-core skiers, the total offering, say, for families with small children leaves something to be desired. The main land owner in the area, Metsähallitus, wants to change all that. Metsähallitus is the state enterprise administering more than 12 million hectares of state-owned land and water areas.

"We feel that in many ways Ylläs has been underdeveloped and that there is a great deal of untapped potential there, just waiting to be harnessed," says Aimo Oikarinen, Director of Metsähallitus Laatumaa which is the business arm of the organisation, responsible for developing real estate assets.

#### **Double Action**

Metsähallitus is looking to push through a two-part attack. First, there is the expansion of the existing resort village in Iso-Ylläs area; second, there is the brand new resort village to be raised in neighbouring Äkäslompolo. Taken together, the initial plans call for 500,000 floor square metres of new construction. Partners for Iso-Ylläs area are the municipality of Kolari and Iso-Ylläs Ltd; for the new village, the partners are municipality and Lapland Hotels.

"The new village in Äkäslompolo could feature as much as 330,000 floor square metres and would be able to accommodate 13,000 hotel patrons. The remaining 170,000 square metres would boost the existing capacity at Iso-Ylläs side and add around 8,000 patrons in terms of capacity," Oikarinen says. Right now, there is room for only 2,000 patrons in the Iso-Ylläs village.

Metsähallitus is fully aware of the great responsibility that comes with the territory – after all, Ylläs is the pride of all Lapland and a known travel destination around the world.

"We want to get it right the first time," Oikarinen says.

#### Only Natural

In order to make sure of this, Metsähallitus and Lapland Hotels announced an architectural competition a couple of years ago to fish out the best ideas for development. Around twenty high-level entries participated in the contest, and the final selection was made between five finalists. Tengbom Eriksson Architects came out on top with their master plan which demonstrated high regard for the surrounding nature.

Aimo Oikarinen confirms that nature values are paramount in the project: the new resort village must be fully integrated to its surroundings.

"We are taking utmost care to make sure that the core character of unique Lapland nature is preserved. The master plan by Eriksson Architects reflects this goal very well indeed," he says.

According to Oikarinen, all finalist entries in the contest featured intriguing ideas which were utilised in the making of the fi-





nal version. The process involved a lot of discussions as to what are the key guidelines which will steer the development in the years and decades to come.

"One has to keep in mind that a project of this magnitude could be 40 years in the making. We needed to make sure that the foundation is solid."

#### **Anchoring Success**

Finally, three things surfaced as "anchors" for the development project. First, there is the scenic element: the majestic scenery of Ylläs that every patron must be able to experience, regardless of their choice of lodgings.

Second, the neighbourhood also features two authentic villages where the natives have been living for ages, giving the area roots and sense of tradition.

"In total, the villages of Ylläs and Äkäslompolo feature about 1,000 residents and they continue to be active, vibrant local communities," Oikarinen says, adding that the planning effort will respect this and safeguard the continuity aspects.

Third issue on the list is energy efficiency: as the villages are to be built relative high-up, above the tree level, they are exposed to the sometimes fierce winds of the fell. Optimal positioning of the building masses will go a long away to make sure that wind chill does not mean a spike in the heating bills.

"For heating purposes, we are looking for a modern, centralised solution," Oikarinen says, adding that thermal heating is one potent option, but it's too early in the game to say anything certain yet.

#### Killer Concept

It is clear that Metsähallitus has spared no effort to create a solid concept for Ylläs. But what kind of perks are expected to woo the patrons in the future, then? Oikarinen reveals that there is a golf course in the works, as well as a bigger spa to complement the existing, smaller spa operation at Iso-Ylläs.

"The new spa is a good example of the synergy power of the concept: by itself, a spa has a hard time turning profit, but as a part of a greater whole, it is an important piece of the puzzle and is able to thrive."

As it stands, the first zoning plan for the new village is in the works, and the first 20,000 square metres worth of building rights are to be verified in 2014. On Iso-Ylläs side, the zoning plan process is under way for the whole area and it will be verified one piece at a time, as need be.

"We are following the master plan in

this and letting the market situation drive the schedule," Oikarinen says.

#### **Start Your Engines**

In recent years, the level of investments in Lapland has not exactly been in the throughthe-roof category, so Metsähallitus is waiting for more favourable economic winds to kick-start the mega-project.

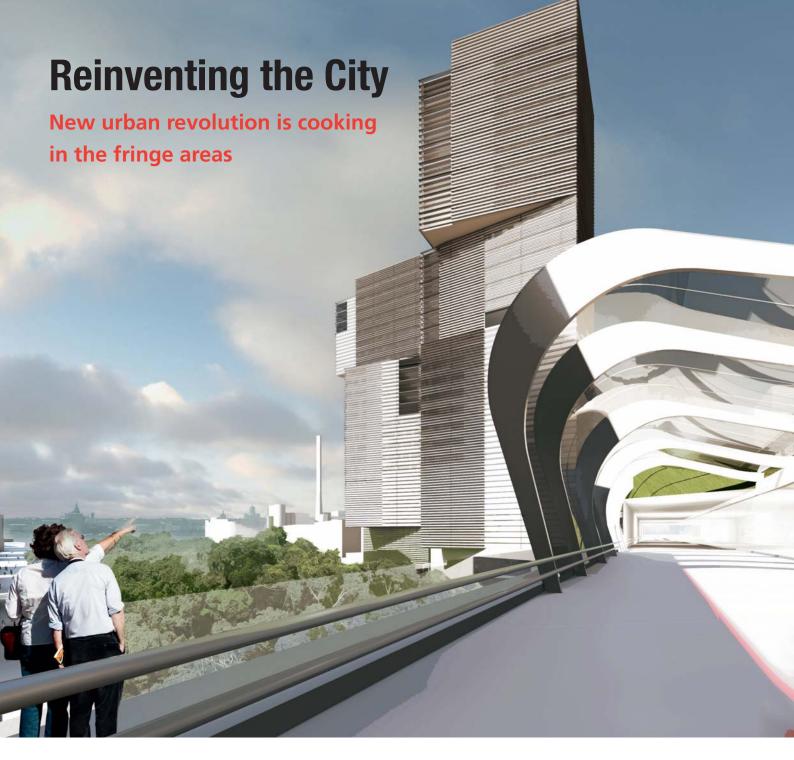
"But when the market is ready, we are going to be ready as well. We have that capability to move forward when the time comes," Oikarinen says. The projections made for Ylläs area in 2020, for example, predict intense growth and Oikarinen sees no reason whatsoever why Ylläs shouldn't be among the winner travel destinations of the future, as well.

"For Lapland – and, in wider context, Finland – Ylläs is just about the best thing we have to offer in terms of pure nature and pure experience," he believes.

### Metsähallitus Laatumaa

aatumaa is a business unit of Metsähallitus, which sells and leases plots located in a variety of areas, ranging from tourist centres to shore landscapes. Laatumaa offers around 1,000 personal plot options across Finland, from south to north. In addition to plots for holiday homes, Laatumaa sells forest properties large and small as well as cosy lodges in the wilderness.

The organisation – which employs 50 professionals – also offers planned sites in several tourist centre areas, even for extensive tourist service concepts. In addition, Laatumaa is engaged in project development in the wind power business.



Urban regions have undergone significant changes in the past few decades – and the speed is only increasing. To try and predict some of these changes, one needs concrete data and top-notch research. In this regard, Finland is quite fortunate as the northern nation possesses some of the most detailed data on urban form and spatial structure in the entire world. Senior Research Scientist Mika Ristimäki from Finnish Environment Institute SYKE says that there are numerous trends impacting the urban regions right now that are quite significant – but have not been discussed in public nearly enough.

nternationally, it is clear that various cities are in open competition for the best performing companies and talent, as well as major attractions and other leisurely pursuits. The situation in Finland is not any different: cities are trying to put their best foot forward to attract excellent tax-payers – both the corporate and flesh-and-blood variety – to the neighbourhood.

#### City for Life?

Mika Ristimäki subscribes, in part, to Floridian theory of increasing the appeal of the cities with buzz and perks (ranging from rich cultural offering to quality nightclubs) but he feels that the downtown is not the only game in town.

"Instead of the city centre, we should pay more attention to the urban region which enables various things in different phases of life," he says, meaning for example that while a young professionals would rather die than venture far from downtown lights, those very same people do change their minds when there's kids in the picture. "In the city core, it is a good idea to have those places where people get together," he says, adding that culture, for one, does



have the power to get the creative juices flowing.

"But moving out to the suburbs, it's all about making the every-day life as smooth as possible. And when there are no major bumps in the road that is good for innovation, too."

#### **Striking Distance**

The wild card in all of this may well be periurbanisation which is Ristimäki's special area of expertise, having spent six years of his career making the rounds in European "fringe communities". "It is a fact that the most intense development at the moment is coming from this area," he believes. While often dismissed as "satellites" of the big city, now the value and potential of the surrounding communities is recognised better.

Ristimäki says that it is very important to establish how land use and transport systems should be reconciled in urban areas, peri-urban areas as well as in rural areas, in order to render communities more sustainable. Sustainability means creating a smooth environment for our daily life, which benefits residents, trade and industry - and nature.

In fact, according to Ristimäki, one of the most significant planning challenges in recent years has been the integration of land use and transport. The harmful and beneficial effects of different planning solutions are not always sufficiently analysed, he believes.

#### Feed the Growth

Mika Ristimäki notes that in Finland, the problem very often involves the differing interests of the municipalities - while the local politicians keep arguing, the urban region fails to live up to its full potential. He is in favour of a concept which identifies "growth corridors" between communities and focuses development efforts there. But isn't that what everybody is after, anyway? - Ristimäki replies by saying that regrettably, there are many communities in the works that are simply far too removed from the city centre and the services.

"Existing assets should be utilised much better than is the case presently." The research conducted by Ristimäki and his colleagues has revealed many projects which rely heavily on private car use and only add to urban congestion. "The city has the power to raise these communities in the wrong places and then they expect the government to come quickly and build new roads when the old ones simply don't do it anymore," Ristimäki says.

#### **Motor City No More?**

Is the "Age of the Automobile" slowly drawing to a close then? Ristimäki says that cars still have their uses, but with regards to retail, for example, it's not motorisation that is calling the shots anymore. While previously huge shopping centres could be planted on remote fields and the consumers would soon drive over there - armed with plenty of gas and purchasing power - the big retail units are not in fashion anymore.

"We see the appeal of big retail units located on the fringe decreasing, and the focus turns to the city's internal service network," Ristimäki says, adding that the new optimal retail units are smaller, but still wellequipped for every-day needs - and they are conveniently located as to welcome also pedestrian and cyclist patrons. Shopping, in a sense, is going back to its roots: close to where the consumers live their lives. "Stores need to be just a small drive away and, more and more, these stores are centres for on-line shopping which keeps on getting stronger."

#### Rise of the Senior City

SYKE's research has exposed other areas of no small significance as well. One global megatrend which is especially potent in Finland is the ageing population. Results indicate that over 74-year-olds are looking to live in city centres and subcentres - and in some subcentres in the Tampere urban region, for instance, those aged over 74 already constitute up to one-quarter of the inhabitants.

"For the time being, this change in age structure has not been sufficiently taken into account in the planning of urban regions," Ristimäki argues. This means more than just putting lifts in apartment buildings – there's a whole range of accessibility and quality of life issues to be addressed here.

"Around the world, the ageing trend is something that the investors are already looking into," Ristimäki points out, suggesting that something should be done in Finland as well.

#### **Bottle-Neck Blues**

Looking at the rate and scope of development around Finland, Ristimäki has come to realise that the laws of cause-and-effect are still very much alive. Case in point: the Vuosaari Harbour which took a long time to materialise. Too long, says Ristimäki.

"The plans for developing Jätkäsaari and Kalasatama and other places - which were left vacant by the exiting port operations - had to be put on hold. As a consequence, development started in areas far removed from city centre."

Finally, as the City of Helsinki is pushing hard to develop new communities along the shores, Ristimäki wonders what will become of the new communities on the outskirts.

"It could be that their development is cut short as attention is diverted elsewhere."

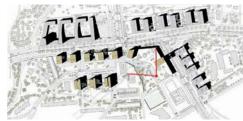
#### **Hidden Treasures**

All and all, Ristimäki sees tremendous potential in the areas located just outside the city core - mixed use areas featuring industry and residential functions may be overlooked now, but a lot hinges on their development in the future.

"It makes sense for cities which are on the growth path to place resources there."

But what about communities which are not as appealing and losing residents and businesses? Ristimäki's advice is simple: "When resources are limited, one should fix up the city centre and make sure that it remains vibrant."





Niittykumpu metro centre.

All and all, the western expansion will introduce eight stations, Koivusaari and Lauttasaari in Helsinki, and once the metro crosses over to Espoo, there are six stations like pearls on a string: Keilaniemi, Aalto University, Tapiola, Urheilupuisto, Niittykumpu and Matinkylä.

atti Kokkinen, CEO of Länsimetro Oy, reports that excavations are now 99% complete – and final stretch will be covered in January 2014. In the construction projects at the coming metro stations, retaining wall elements have been in-

stalled over a stretch of seven kilometres by this time. Construction is proceeding in parallel in the metro tunnels and at four stations, and soon all stations will be under construction.

"The Aalto University station is coming along very nicely and the Keilaniemi station is not that far behind", says Kokkinen. Tapiola and Matinkylä are following suite and the stations at Urheilupuisto and Niittykumpu are still waiting in the wings, waiting for a bidding contest.

Niittykumpu is a special enough case, since it was only a tentative addition to the lineup – until the final green light for the station was received at the end of October 2013.

"From the start, we had been preparing to feature Niittykumpu along the line and are glad that it's official now," Kokkinen says.

#### As Big As They Come

The metro project has been a long time coming and quite some time in the works, too – but it's very satisfying to see the fruit of all that hard labour finally taking shape. After all, this is the single biggest infrastructure project in Finland right now – and not likely to be eclipsed very soon, says Olavi Louko, Deputy Mayor for the City of Espoo.

"Projects of this magnitude and impact don't surface very often. We've taken



nels with a length of 14 km each. But the tunnels are easy enough, if look at the level of details involving the stations. For example, the stations will be fitted with 56 different electrical systems, from lighting to track power supply and smoke detection systems.

In addition to the stations, excavation work has been carried out for fifteen vertical shafts designed for emergency exit, pressure equalisation, ventilation and smoke extraction. Nine work tunnels have been designed for construction and maintenance work. The last eight months of the project have been reserved for the test drives, with the metro line's external areas, such as escalators, platform areas, station buildings etc. being completed simultaneously.

#### **Energising Espoo**

The aim is to have the metro stations standing by and all ready to go by the summer of 2015, says Kokkinen. And come the end of the year, the good people of Espoo can hop on the metro and go do their Christmas shopping, if everything goes as planned.

Nevertheless, the impact of metro goes way beyond smooth logistics. All six stations on Espoo side will be deployed - in one way or other - to spearhead the local development effort. Olavi Louko comments that the City of Espoo is expecting for the metroline to add a "dynamic element" to the communities nearby the metro station - and also have a strong positive impact on areas which are a little further off. The new Suurpelto community, for example, will be only a five-minute bus ride away from Niittykumpu station. Electrically charged e-buses can be used to handle the feeder traffic, making sure that green edge is maximised every step of the way.

But what should one expect, taking the metro under the sea and arriving to the shores of Espoo in Keilaniemi – and travelling beyond, too, until the end of the line? Well, the first stop is the corporate neighbourhood of Keilaniemi which is about to add the very first residential towers to its already prominent line-up. In addition, the shoreline will be opened up to the public more and more.

Moving on to Otaniemi, which is home to "innovation university" Aalto, one can expect to see more good things. Aalto University is building an ambitious new heart to its sprawling campus area - and once the metro gets going, the students, as well as the local hi-tech companies, have easy access to the metro and are only minutes away from downtown Helsinki.

#### **Garden City Comeback**

The next stop, Tapiola, is undergoing a major beauty treatment, as the legendary "Garden City" will be returned to its former glory. The remaking of the community revolves around the extensive renovation effort of Tapiola Commercial Centre. This process is in fine form, as confirmed with the successful launch of the shopping centre Ainoa.

After Tapiola, the next stop heading west is Urheilupuisto station (formerly called Jousenpuisto Station) which will be situated in Niittymaa, on city-owned undeveloped land south of the local tennis halls. The station will be characterised by the proximity of the sports park and versatile sporting opportunities ranging from tennis and floorball halls to an indoor iceskating ring.

Presently, the surroundings of the station are quite raw, offering a wealth of op-

extra care to deliver the best possible metro," Louko says.

The metro promises to bring totally different kind of cohesion to the regional rail transport system of Southern Espoo. It is estimated that over 100,000 passengers will use the metro daily and around 60,000 will cross the border between Helsinki and Espoo every day. According to estimates, the busiest stations are likely to be Tapiola, Matinkylä and Lauttasaari.

#### Automatic for the People

The west metro will also run as an automatic right from the beginning. The Helsinki metro will go automatic even before the completion of the western expansion. The automatic system will make train traffic safer and faster, with increased frequency (the shortest interval between trains will be 2.5 minutes). The entire metro ride from Matinkylä to Ruoholahti will take 16 minutes.

As it stands, the total length of the metro tunnels of the western expansion line is 28 kilometres – or rather, there are two tun-



The new Stockmann department store in Tapiola Commercial Centre opens in the beginning of 2016.

portunities for the development and further construction of the area. The station designs also allow for construction on top of the metro station. With residential and business-oriented construction – as well as parking considerations – there could be as much as 50,000 square metres of new construction here.

Then there's Niittykumpu which was developed already some 50 years ago, and is today a peaceful and sleepy neighbourhood, and a centre of commercial car businesses. The Master Plan of the new centre of Niittykumpu has recently been approved, and construction of Niittykumpu metro station is about to be realised. Car business will move further away, and Niittykumpu will accommodate a new small commercial centre and about 200,000 square meters of new residential construction. The area will receive about 5,000 new inhabitants along with improved municipal services, parks and playgrounds.

And, finally, we arrive at Matinkylä, the last stop. The dominant feature here is the shopping centre Iso Omena, the fifth biggest shopper's paradise in the land. Matinkylä station will be located on the empty lot at the southern end of the shopping centre.

Since Matinkylä is the end of the line, it is a crucial feeder traffic hub which is estimated to be used by over 30,000 passengers daily. In fact, based on passenger forecasts, it will be the busiest station of the new line.

#### Maximum Matinkylä

The block where the station will be located is owned by the City, and is expected to witness a boom in complementary construction. The plan for the block allows the

placement of commercial services, offices or even residential buildings. The arrival of metro is expected to attract both new businesses and residents here.

And at the very core of things, NCC Property Development and Citycon are making a genuine "metro centre," conveniently linking the metro station, bus terminal and the shopping centre. Markus Saari, the Project Manager for Matinkylä, says that the top level of the new metro centre will be reserved for municipal services.

"The City will have as much as 6,000 square metres of public services here." Al-



Matinkylä metro centre.





so, the environs of the station will be developed into a services and wellbeing park which will feature a lot of "grey power".

"We are making solutions that will make the area enjoyable to especially senior citizens," Saari says. For instance, the new Tynnyripuisto (Barrel Park) promises to combine leisure and services in a novel way. "In the Suomenlahdentie area, on the other hand, there will be a very diverse residential offering."

There's been talk of a swimming hall in Matinkylä for years, too, and according to Saari, there are plans to that effect already: "We are looking for players who could realise the concept."

#### **Big on Personality**

Looking at the string of stations from Keilaniemi to Matinkylä, Kokkinen and Louko are confident that the stations will deliver a totally new type of metro experience.

"Each station will have a personality of its own," Kokkinen promises. It is no secret that even flashy personalities are welcomed here, since a range of renown artists has been hired to work on their own designated stations - with artist Jaakko Niemelä coordinating the over-all effort.

Coming off a successful World Design Capital 2012 banner year, partner cities Helsinki and Espoo want to take the visual experience to a new level, while preserving functionality: the stations promise to deliver "instant recognition". This means that you can be sitting in the train and you need only to glance at the station you're on and know immediately where you are.

Obviously the lighting of the stations plays a big role in the eventual user-experience. Therefore natural light will be exploited whenever possible and lighting solutions are aimed to promote accessibility and to prevent glare.

The over-all guiding vision here is "metro station as a meeting place" – but how this objective is reached, depends a lot on the nature – the spirit – of the given station. In any case, Kokkinen and Louko promise that the metro will be a memorable experience that will transcend the basic need for transportation.

"It all starts with the strong identity of

Keilaniemi will soon feature four housing towers with 27–35 storevs each.



the stations and that particular neighbourhood. We have solutions that have been tailored for that specific community and are confident that they will work well," says Louko.

#### Run for the Border

Still, Kokkinen and Louko feel that they are only half way into the project. The men are eager to extend the line further on west. According to plans, this would mean adding a stretch of seven kilometres to the line, all the way to municipal border. Along the way, five new metro stations will be realised: Finnoo, Kaitaa, Soukka, Espoonlahti and Kivenlahti.

Conventional wisdom would decree that it makes sense to continue the project on-the-fly, since there is labour, expertise and equipment available. Having to stop now and pick up the pieces, say, five years from now, would be costly.

Olavi Louko says that the momentum should be preserved: "We want to keep going, and we're talking with the Ministry of Transport to see, if we can go all the way," says Louko. The City of Espoo is asking for the State to pay 30 % of the investment, but not right away. The government money should come in around 2017–2018.

"Instead of a handout, we are simply asking for a green light, a commitment from the State." The Government has outlined that in infrastructure projects of this scope, the State will participate only after "case-by-case" deliberation.

#### Go or No-Go?

In early December, it was reported that the deliberation will not be yielding any fruit just yet: the Minister of Traffic Merja Kyllönen is taking the issue to be decided by the entire Government. Prime Minister Jyrki Katainen's Government will look at the extension proposal – as well as other major infra projects – in the spring.

The building of the Finnoo-Kivenlahti line could have more far-reaching impact than just helping out commuters in West Espoo. For one, additional construction would give Helsinki time to get their plans for their own, eastern metro expansion ready. This means that after the bonus stretch west is up and running, the construction crews could head east and start work in east Helsinki.

Under this scenario, there would be plenty of work for metro construction professionals in the Helsinki Metropolitan Region until 2030 – which, in turn, should make the situation attractive for also international players who don't want to commit to short-term projects.

Nevertheless, even if the Government wouldn't look favourably upon Espoo's request, Finnoo station can be added to the western end of the metroline without much difficulty. At present, this seaside neighbourhood is home to only few people, as it

is underdeveloped due to wastewater treatment activities and other secondary use of the area. Now, as the wastewater treatment plant is shifting operations elsewhere, there will suddenly be more room for development – in many fronts.

#### The Ultimate Shoreline

Olavi Louko, speaking in behalf of the City, says that Finnoo is something really special. "It's the very last significant seaside area open for development," he says, adding that the City is committed to making this "last shore" truly great.

Project Director Kimmo Leivo from the City of Espoo knows that he is in charge of a very important development effort: ultimately, Finnoo could accommodate as many as 17,000 residents

"Presently, there are old industrial zones in Finnoo and a lot of vacant areas that are used for no specific purpose at all," he says. "This means that we are able to do things very sustainably from day one; we can be very efficient in the implementation."

According to the plan, the northern part of Finnoo will be largely defined by the coming metro station and its surroundings. There are plans which allow high-rise construction by the metro station: the highest of these towers could reach 30 storeys.

"Finnoo could feature as many as 10,000 apartments by 2040," Leivo says, adding that most of the residential buildings would be ready by 2030.

#### Marina Appeal

The new-and-improved Finnoo is also looking to fully explore its access to the sea in the south. Presently, there is already an active boat harbour – accommodating 1,100 boats, it is the largest of its kind in the metropolitan area – and the harbour concept will be fine-tuned, as well.

"We are zoning a marina-type housing arrangement, a high-quality, vibrant area, with a fly-bridge cruise through channel surrounded by broadwalks with restaurants and cafés – and even an artificial island with condominiums. We will really make the Marina area into something which hasn't been seen in Finland before." The actual boat harbour could double its current boat capacity to nearly 2,000.

Espoo Mayor Jukka Mäkelä has promised that the new Finnoo will become a "sustainable, green maritime city of international standard" for all Espoo inhabitants. The City is also most eager to promote pedestrian and bicycle traffic, as well as energy efficiency and carbon neutral practices.

"We are inspecting a LEED or BREEAM certification for the area to make sure that we leave no stone unturned in our quest for a green city," says Leivo. In addition to the super shoreline, Finnoo has other natural assets in its disposal, too: there will



be nature sanctuaries, outdoor tracks and lush parks.

#### Western Promises

As the Espoo City officials are hopeful that the Finnoo-Kivenlahti extension will eventually materialise, there are more than tentative plans for the development of the communities along the metroline. The interest level is clearly rising in, for example, Kaitaa which is the station right after Finnoo.

Each of the planned stations holds intriguing possibilities for development: for example Espoonlahti is already home to shopping centre Lippulaiva and could conceivably attract a lot more residential construction, if the metro shows up on the scene. The new end-of-the-line station Kivenlahti will pull in feeder traffic from far and wide – also outside Espoo.

According to Olavi Louko, each of the proposed stations could be the centre for a community of about 30,000 residents.



Finnoo will become a sustainable, green maritime city of international standard.

### **Under Construction**

etro was introduced to the Helsinki Metropolitan Region in 1982 which was the year the original metroline started operations. Running from west to east, the line has been expanded many times since.

The extension of the metroline to Espoo has been on the table from the very beginning, and the development of the public transport system from Helsinki to the west has been studied on numerous occasions over the years. Still, nothing happened for a quarter of a century.

Finally, the project planning for the west metro was launched in 2007 and completed in 2008. The Espoo City Council ap-

proved the proposal for the underground city plan enabling construction in January 2009 and Helsinki decided on the underground plan in November 2009.

Construction of the west metro began in Ruoholahti in November 2009, where a metro plan extending from Ruoholahti to Salmisaari shore already existed. An existing maintenance tunnel in Ruoholahti was used for excavation towards Salmisaari.

Excavation work began in Espoo and in Lauttasaari in Helsinki in the summer 2010. The excavation was concluded in late 2013, and the focus has shifted to the building of the stations and the laying of the track. Testing of the system will take place in 2014

and the west metro will open for traffic at the end of 2015.

The end of the line in the present scenario is Matinkylä, but the City of Espoo is hoping to continue westward and add five extra stations. The first of these, Finnoo, could be realised even if the additional construction never takes place.

The metroline is likely to grow in the east as well. The City of Helsinki has been planning to extend the eastern metroline all the way to the neighbouring municipality of Sipoo. This project could conceivably take place right after the western project is complete.



Combine business savvy with design expertise, add a healthy dose of science excellence and what do you get? Sounds like the "Power Triangle" of East Espoo: namely, Tapiola, Otaniemi and Keilaniemi. Each of these neighbourhoods are stars of their own right, having shot to international prominence a long time ago. But when you put them together, you have a true superstar.

ith the emergence of the metro line in 2015, the three neighbours will be linked together like never before — and synergies are overflowing. But what can we expect from this innovation powerhouse?

Well, the triangle is already the most international science and innovation area and the largest technology area in Northern Europe – and where else could you find 5,000 researchers, 110 nationalities and 8,000 jobs in ICT industry within a 15-minute walk?

The success of Otaniemi, Tapiola and Keilaniemi drives pretty much the entire country when it comes to the competition for knowledge-intensive businesses and jobs. Recognising the inherent opportunities here, the City of Espoo has composed a T3 strategy – signifying 'science', 'art' and 'economy – which seeks to make the most of this perfect marriage.

The City is also willing to invest heavily on the triangle: the renewal of Tapiola, Otaniemi and Keilaniemi will be the largest single construction project in the history of Espoo. In the coming years, massive investments to the tune of 4-5 billion euros will pour into the area.

#### Winning Ways

Project Director Antti Mäkinen is in charge of the T3 Triangle Development Project and very much excited about the project:



"We have the opportunity to accomplish something remarkable here, not only from a national perspective, but from an international one, as well," he says, adding that innovation and creativity are in the very DNA of these areas, and the City wants to play a significant part in enabling future success. The nesting grounds of Angry Birds, for example, can be found right here – and there's more power players coming along as we speak.

Historically, the best-known of the Big Three is Tapiola, the legendary "Garden City" which celebrated its 60th birthday last year. Acknowledged globally as an iconic blueprint for urban living in a natural setting, the area features, as its core, a

commercial centre that pioneered the field in Finland. The community is internationally known as a groundbreaking effort in city planning and construction; architecturally speaking, the area is held in very high esteem, receiving lavish praise also for its versatility.

#### Tapiola: Back to the Future

In recent years, however, it has become clear that the Garden City is in need of a serious beauty treatment. In fact, the entire Tapiola Centre will go over a complete transformation by 2020 – spurred on by the arrival of the metro in 2015. Great care will be taken in the renewal to preserve the architectural-

ly significant centre designed by the architect Aarne Ervi.

The next chapter in the evolution of Tapiola Centre calls for a multifaceted urban centre with modern mass transportation terminals, well-organised parking and maintenance arrangements, a wide variety of services as well as pleasant pedestrian areas and meeting places.

Antti Mäkinen says that the objective here is to strengthen the very best values of Tapiola, uphold the quality of the environment and find guidelines for Tapiola's new success. "Tapiola 2.0" will see a new wave of development that will introduce one million square metres of construction. Residential use — which has always been a strong element here — should encompass about 400,000 square metres; office construction will add another 400,000 and the rest will be divided between trade, education and service premises.

"What we will see here is the biggest construction project in Espoo for 20–30 years," Mäkinen puts it all in perspective.

The new Tapiola will also be even greener than the old one with dedicated focus on sustainable development. For example, as the Tapiola Centre is planned as one entity from the beginning, there are considerable energy savings to be achieved. The area will also feature a mass district cooling system – first of its kind in Espoo.

Mäkinen says that the Tapiola Centre will be a real haven for pedestrians – and, in fact, the biggest of the sort in Finland. With underground parking, cars won't even be visible. And with the metro, the need for cars is minimised.

#### **Aalto: Dream Campus**

Right next to Tapiola, we find Otaniemi which boasts the Finnish version of Silicon Valley, combining higher education with research and business. As Aalto University decided to place its main campus in Otaniemi, the significance of the area rose even higher. Dubbed as the "innovation university", Aalto is the perfect example of the type of collaboration between business, hi-tech and design that the entire T3 triangle is all about.

Established in 2010, the Aalto University was created from the merger of three Finnish universities: The Helsinki School of Economics, Helsinki University of Technology and The University of Art and Design Helsinki. With engineering students as the anchor at Otaniemi, also the design and business students are joining them on campus grounds – which will be transformed as well.

In October 2013, a winner was declared in the open international architectural design competition Campus 2015, arranged by Aalto University Properties Ltd. The competition jury selected the entry Väre, designed by the Finnish firm Verstas Architects as the first prize winner.

According to the jury, this scheme most successfully solved the challenges and conflicting demands of the competition. The jury described Väre as a strong and convincing entry, which has been developed positively and has managed to answer most of the queries posed by the jury after the results from the first phase of the competition.

#### Tribute to the Master

The layout offers its own structural DNA matrix as the organising principle for the new buildings; it forms this pattern based on two of the principal coordinates taken from the nearby old main building of the former Helsinki University of Technology and the main library, which were designed by legendary Alvar Aalto himself.

According to the jury, the winner's approach is fresh: the simple basic module produces a convincing variety of spatial arrangements, and it is adaptable and flexible but with a clear and distinct architectural character. The spatial concept has also found a fitting form, in which users move from the general public areas upwards towards more private and intimate places or from interdisciplinary to more specialised activities, a mode of operation completely in tune with the expressed aims of the university.

President Tuula Teeri from Aalto University comments that Aalto, as a new university, wants to pay respect to the originality of all the founding schools as it sets out to build the central campus in Otaniemi.

"The winning entry reflects well our shared values and respects the existing environment, while it also has a clear vision of what the future university will look like," says Teeri. The new building and its surroundings are examined as part of the university's broader campus programme, with a goal to strengthen the operational preconditions for research, artistic activity and teaching.

#### **Beyond Campus**

As the heart of Otaniemi is re-energised, there is action elsewhere, too – for example, residential construction will be kicked off in southern Otaniemi, says Olavi Louko, Deputy Mayor for the City of Espoo.

"The development of Otaniemi is just getting started," says Louko. "The introduction of metro to the area will provide many opportunities here also."

There is also a great platform to build on: at present, Otaniemi is the biggest hitech hub in Northern Europe with its 32,000 people and 800 companies – meaning, for example, that students don't have to look very far for jobs. In fact, more and more of them are starting their own companies while still in school.

Otaniemi creates between 40 to 70 new start-ups every year, pumping new blood in-



to the Finnish business scene. According to experts, nowhere in the Nordic or Baltic States can one find a "brain concentration" to rival that of Otaniemi.

#### Keilaniemi Goes Residential

The final piece of the "innovation puzzle" is Keilaniemi, the corporate engine for the entire country. High-rise buildings are pretty much the norm here – with headquarters of such companies as Nokia, Kone and Fortum in attendance, offering a spectacular skyline to those driving to Espoo from Helsin-ki. The hi-tech corporate neighbourhood is waiting for the metroline to make the lives of the employees easier, but the metro extension is expected to spark residential construction as well.

According to the master plan, Keila-

niemi will soon feature four housing towers with 27–35 storeys each, reaching 100 metres. The area in question will include almost 80,000 square metres of residential building volume, and will add a completely new element to the area, revitalising also the shoreline with activities and services. Furthermore, Tapiola will be linked to Otaniemi in an unprecedented manner as a "green deck" is used to cover Ring Road I.

Figuring out the traffic arrangements with metro and the new buildings, all at once, is no small challenge, but Antti Mäkinen is confident this will be achieved in a satisfactory manner.

"Working out a viable solution for infrastructure is the anchor for everything we do here," Mäkinen says, adding once the metro is up and running, its impact will be felt here, too – in a variety of ways.



### **Be True to Your School**

## Aalto University is building a true heart for its historic main campus

Aalto University – the new academic entity hailed as "the innovation university" – is looking to build a true main campus. Fittingly, the existing campus in Otaniemi, Espoo, was designed by the man who gave his name to the university – one Alvar Aalto, the legendary architect/designer. But having Aalto design the campus turned out to be a "kiss of death", so to speak, for future development: no one dared to meddle with this holy ground. After years of preparation, however, there are plans to build a true core to the campus area – while making sure that Aalto's original work is not compromised in any way.

alto University Properties Ltd. put together a high-profile architectural competition to find a vision that would complement that of Aalto – and international entries came pouring in like rain. As many as 189 entries entered the competition which is an extremely high number given the tight guidelines of the contest, says Kari Kontturi, Managing Director of Aalto University Properties.

Open Innovation House in Otaniemi.

"From a cultural historic perspective, this competition featured its share of challenges," he says, adding that a concept was needed here that the entire community could be proud of and fully commit to its realisation.

#### **Setting the Standard**

Finally in November, a winner was declared for the competition: Väre, designed by the Finnish firm Verstas Architects and its team of architects, Väinö Nikkilä, Jussi Palva, Riina Palva and Ilkka Salminen, walked away with the first prize. According to the jury, this scheme most successfully "solved the challenges and conflicting demands of the competition".

All along, the university was looking for a unique solution and a usable learning environment for the new building and its immediate surroundings. The quality of the architecture as well as cost efficiency and ecological sustainability were among the assessment criteria.

The jury described Väre as a strong and convincing entry. Dean Helena Hyvönen, chairperson of the competition jury, remarked that the jury expects this winning entry to set a "new standard" for future university learning environments, not only in Finland, but also within the international arena.

Kari Kontturi seconds the motion: "The entire process, and especially the level of interaction therein, has been world-class," he believes, emphasising that this project has been all about "true dialogue".

#### **Driven by Metro**

And, of course, the expectations are only heightened by the introduction of metro into the campus in late 2015; the metro traffic is likely to energise various forms of development in the area.

But when can we expect to see the ul-



Kari Kontturi, Managing Director of Aalto University Properties.



Lobby of Otakaari 1 (formerly main building of The Helsinki University of Technology) in Otaniemi.

timate "end product" of the process? Kontturi says that the new main building could open its doors by the end of 2016, if everything runs smoothly. He admits that there are some obstacles in the way, most of them linking with zone plan alterations.

"Nevertheless, in the end we will get something that has the power to bring people together," he says.

The new building and its surroundings are examined as part of the university's broader campus programme which seeks to strengthen the operational preconditions for research, artistic activity and teaching.

#### **Campus Facelift**

There is also a massive renovation programme underway: the extensive retooling needed in the campuses is expected to swallow & 230 million by the year 2020.

"We are looking to add new buildings, but also get rid of some old premises," Kontturi says. More and more, the focus of the university is turning to new ways of learning:

"Various co-working concepts are certainly worth looking into," Kontturi says, adding that collaboration with especially SMEs is likely to increase in the neighbourhood.



Espoo wants to be in the forefront of developing the communities of the future. A perfect example of this attitude is Suurpelto, which combines Garden City appeal with hi-tech edge. Located along Ring Road II, the new community is now getting started in earnest.

n Suurpelto, all the important things are near: schools, daycare, parks, services, jobs and homes are right there. This way, you have more time to focus on the things that matter the most, says Project Director Pekka Vikkula.

"Many of the visions we had for Suurpelto are being realised in a big way," he says. One of the driver concepts is "service lobby" which brings services (ranging from groceries to library books) straight to the residents – and thanks to a new pop-up mentality, these types of things are very much in demand by the citizens and easier to carry out.

"We have the infrastructure and network in place and are ready to develop the service offering onwards," he says. Right now, there are already info screens in the lobbies where the residents can acquire the information they need – be it bus schedules or weather concerns – by just glancing at the screen.

#### Light on the Hill

Even more important for the spirit of the emerging community is the kick-off of the construction of Opinmäki school (Learning Hill). At the end of November, work finally started on Opinmäki which is the biggest and most ambitious school project in the history of Espoo. The school comes with price tag of EUR 50 million and it is scheduled for completion in summer 2015.

Rooted on a unique concept, the premises of Opinmäki will be available for various functions of the community outside school hours, making it a great meeting place and the true heart for Suurpelto.

The City is looking to take the same success formula to the new neighbourhood of Kera – with some extra ingredients, of course. The rather run-down industrial area of Kera is lacking in appeal right now, but connectivity is right on the money: Kera is located in the middle of Espoo, with an ex-

isting train stop. Leppävaara city centre is mere minutes to the east of here – even by bicycle.

#### Kera: Best Kept Secret?

Olavi Louko, Deputy Mayor for the City of Espoo, says that if one is looking to improve urban cohesion, it is hard to beat Kera. As industrial players have, one by one, exited the area, the field has been left wide open for redevelopment – and the City wants to do it right:

"Kera meets every criteria of sustainable community development we can think of. There are even existing jobs in the area, but not much in the residential side."

That is about to change in the coming years: the City envisions that Kera could feature as many as 10 000–15 000 residents and become a real banner-bearer for green development.

"Kera could be an urban, modern community that really focuses on traffic solutions tailored for pedestrian and bicycle traffic," Louko says.

The future will show, if Kera is to become an almost "car-free" neighbourhood, but it certainly has the makings of a superstar community.



Bob Dylan had it right: The times they are a-changin'. Helsinki is in the middle of a transformation that is unprecedented in Finland – and noteworthy also on the international level. As all port operations exited from central city areas to a new location in castam Vuosagni, the field opened up for ambitious viaterfront countries on As a consequence large areas.

location in eastern Vuosaari, the field opened up for ambitious waterfront construction. As a consequence, large areas are now under redevelopment: residential, commercial and office construction is kicking off along the shores. Beyond the shoreline, there is plenty of action as well, as the City is taking full advantage of also inland opportunities.

ccording to the City's redevelopment strategy, the goal is to create compact city sections. The development is carried out on the "mixed-use principle": jobs are mixed with many types of housing for different income groups, to avoid segregation along income lines and long commutes.

Of course, the downtown area is not left to its own devices amidst all this change. Project Manager Marko Härkönen says that the downtown is quite attractive as it is, and the new projects will serve to add to the appeal:

"We are renovating the city centre area, for example, around Keskuskatu street and gradually putting more and more of the maintenance and logistics functions underground, which is helpful in fighting congestion," Härkönen says.

#### Walk This Way

Marko Härkönen talks about "increasing walkability" which means making sure that downtown is increasingly enjoyable from the pedestrian viewpoint.

"We also want to encourage 'temporary use' practices which is evident, for example, in the upcoming Katajanokka carnival wheel," Härkönen says, adding that various pop-up elements are a part of truly dynamic city scene.

In addition, there is something really special cooking right in the heart of the city, just off the railway station and the new Music Centre. Last summer, the architectural competition for the new Helsinki Central Library finally came to its completion. All and all, there were 544 entries of high quality in the race. The winner? – An entry by the name of Käännös (Turn), submitted by ALA Architects.

The jury described Käännös as "impressive and casually generous" and this seems to be exactly what the doctor ordered: an excellent starting point, when it comes to developing new kinds of library functions.

#### Ready for the Party?

Furthermore, the jury emphasised that the building – made, in part, out of wood – has every chance of becoming a true landmark. Käännös was also one of the public's favourites.

Härkönen comments that the building is a great fit for the downtown:

"It's the final piece of the Finlandia Park, so to speak," he says, adding that despite the fact that the plot in question is rather narrow, Käännös certainly makes the most of the opportunities therein.

Originally intended as a birthday present for Finland – who celebrates her

centennial in 2017 – the central library is on track for completion around 2018, says Härkönen.

"In the construction effort, one could break ground in 2015 and have enough of the building ready in time for a centennial ceremony in 2017," Härkönen envisions.

#### Olympic Park: Making Of

Moving up slightly northwest from the library-to-be, we find the proud Olympic Stadium, venue for the 1952 Olympic Games. At the time, it was a strong symbol of a young nation – still recovering from brutal wars – but in the years to come, that legacy may well receive an interesting new chapter.

"The entire Stadium will receive a full modernisation, with renovations to kick-off in early 2016. The upgrade should be finished by 2018," says Härkönen, adding that while the Stadium is the center piece here, also the surrounding areas will go under development. There's a real "sports cluster" in the making:

"We want to realise a real Olympic Park which supports and adds to the appeal of a modern new stadium." According to the plans, the City Garden will assume a more dynamic role, and activities in Swimming Stadium will be boosted also. There's also talk of putting a full-fledged icehockey are-



City of Helsinki wants to realise a real Olympic Park which supports and adds to the appeal of a modern new stadium.

na here, even though the plans are only tentative at this point.

#### West Harbour 2.0

But let's get back to the shoreline for a moment. The City organised an open international ideas competition in 2011 in order to envision how to best develop Helsinki's South Harbour – and there were some intriguing ideas that came out of the process. Even the mighty Guggenheim wants to put their new museum right here.

But no matter what sort of development is to take place in South Harbour, one has to proceed with extreme caution, since the shoreline is a national treasure all in itself. The harbour – or the western part of it – is also a very active hub for passenger traffic.

In fact, the West Harbour passenger port is a competing entry at MIPIM Awards 2014 competition. Project Manager Outi Säntti explains that the growing passenger port at the West Harbour urban development area will strengthen the Helsinki – Tallinn 'Twin city' concept.

"By 2030, the port will serve ten million ferry passengers and the West Harbour will feature 22,000 new residents and 10,000 new jobs," Säntti lays down the plan.

According to the plans, the new-and-improved West Harbour will have 100,000 square metres of hotels and offices. A brand new landmark – the Wave Hotel – will connect the old passenger terminal with the new one.

The modernisation of the old terminal will kick off in 2015–2016 and should take a couple of years. There were three consul-





tancies that were deployed in making the best possible blueprint for the area, as Finland's biggest passenger harbour deserves some special attention.

Naturally, the fact that the city centre is only a javelin's throw away is an important attraction for tourism. The City believes that the new urban passenger port will enable high quality services as part of the diverse and colourful Helsinki.

#### Jätkäsaari Gains Momentum

Moving west from here, we find Jätkäsaari, a new urban area located just 10 minutes from the city centre. Schools, day-care centres, a social centre, a public library and a sports centre are all in the cards for this new neighbourhood. The new seaside community promises to be an interesting mix of urban and marine environments.

Green ideology is very much in the DNA of Jätkäsaari, as the area is planned according to the principles of sustainable development. An effective public transport network, incorporating both trams and the metro, will service this compact urban structure. Also, the commitment to light traffic runs to the core here – quite literally, too. The bicycle route Baana uses an ancient railroad canyon to speed cyclists straight to downtown in mere minutes. Outi Säntti says that Baana has been very well received by the locals:

"People are very happy that West Helsinki has been linked to downtown in such an effective way," she says, adding that thousands of cyclists utilise the "Low Line" daily in the summer months.

Jätkäsaari is also home to the 'City Block for Sustainable Construction' project where SRV and VVO are developing energy-efficient, innovative solutions for lowcarbon or even carbon neutral urban design and construction.

In the same vein, the waste management of the entire Jätkäsaari area is carried out using the innovative and environmentally friendly technique of automated vacuum collection. This system involves separating different types of waste and then transporting it at high speeds through underground pipes.

#### Kalasatama: Smart City

In addition to Jätkäsaari, the other former port area which is now open for redevelopment is Kalasatama. Located along the eastern shores of the core city area, Kalasatama is just minutes away from downtown. Again, there is the beautiful maritime milieu and Project Manager Hannu Asikainen is convinced that, upon completion, Kalasatama will be an amazing area for everyone. Effective public transport (spearheaded by the Kalasatama metro station) and the central location make Kalasatama an alluring prospect for residents and companies alike; there will be, for example, a six-kilometre promenade by the shore.

Yet there is something that distinguishes Kalasatama from other waterfront development projects. TEKES (The Finnish Funding Agency for Technology and Innovation) has chosen Kalasatama to be the very first pilot in its national Smart Cities programme. Implemented by the City of Helsinki, the project will develop Kalasatama into a model district of smart urban development – with open data as one key driver.

Deputy Mayor Hannu Penttilä says that Smart Kalasatama will put the "best practices of the future" into a test in real life.

"We will have a compact area here.

where you can get acquainted with new, every-day technology," he promises.

#### **Advancing on All Fronts**

Various smart development activities have been planned for Kalasatama or have already been started in the district. Among them is a smart energy systems project carried out by Helsingin Energia, ABB and Fingrid. The district will become a model for ambitious smart grids, meaning, among other things, that residents can produce energy themselves – and ultimately, sell it, too.

"In addition, the use of electric cars is encouraged here," says Hannu Asikainen, adding that Kalasatama is also a testbed for new solutions with regards to smart transportation and traffic. In line with the green ideology, Kalasatama also features an underground waste collection system that is identical to that of Jätkäsaari.

Veera Mustonen from Forum Virium is the Project Manager charged with boosting Kalasatama's IQ. She says that Kalasatama will differ from similar international projects in that the district will not rely on a single technology or scheme – such as a smart power grid or renewable energy – but, instead, the pilot seeks to develop Kalasatama comprehensively into a smart city district on a broad basis.

"We have 20 pilots being launched in the spring," she reveals, adding that a lot of the projects deal with increasing people's health and wellbeing. "The wishes and needs of the residents give us the platform for action."

#### Get Involved!

According to Mustonen, the idea is to move quickly to create projects that are often de-



fined by their temporary and inexpensive nature. This way, it doesn't take long to figure out what works and what doesn't. The key lies in open participation: getting the residents involved in developing smart solutions which improve the quality of life for all.

Hannu Penttilä points out that Smart Kalasatama is no vision: it is about taking action and making a difference. "We're building a real city district with real people – and using real smart solutions to do it," he sums up. The development of the Kalasatama district will continue to the 2030's, and, eventually, the district will become home to 20,000 residents and 8,000 jobs. Today, Kalasatama is already home to about 1,500 residents.

Kalasatama will also feature highrise construction of unprecedented verticality: The Kalasatama Centre will consist of eight tower blocks which will feature 20–33 storeys (the highest tower reaching 126 metres). The towers will be complemented by a versatile commercial centre – which is to include a world-class mall – and a social and healthcare centre.

#### Kruunuvuorenranta: Light City

Slightly removed from Kalasatama and Jätkäsaari, there is something equally exciting in the works, as well. A new seaside district, Kruunuvuorenranta, will be built during the next decade opposite the city centre, on the eastern shore of Kruunuvuorenselkä open sea. Project Manager Kari Pudas can't say enough of the project: "It's the perfect development project with a perfect location," he says, adding that the distance to downtown is only three kilometres, over the waves.

This close-to-the-nature residential area will be built in an area to be vacated by oil tanks – and in fact, the oil tanks have

a role in raising the profile of the neighbourhood, too. An art project, using light in an innovative way – called Oil Container 468 – has been lighting up the neighbourhood-to-be for a while now. The light installation provides an ample symbol for the area, since the idea is to turn Kruunuvuorenranta into "Light City". This means, for instance, integrating lighting art to all residential plots in a novel way. The over-all lighting principles of the area were developed via an international design contest.

#### Marine Magic

In addition, the profile of the area is very much about the nature – there are impressive forests here and even the last remaining nature-state pond in Helsinki. It is clear that the location of the district in an archipelagian seascape – on a peninsula projecting into the sea – is of exceptional beauty. The presence of the sea can be sensed everywhere and the shore can be reached by foot in a matter of minutes.

And there is rich history to build on, too: Kari Pudas points out that there is an old silver mine in the neighbourhood and an old mansion community. "We want expand on this legacy to build a great new community."

And the construction effort is in full swing: ground was broken in spring 2013 as the street and infrastructure network started to take shape. "The residential construction will start in April 2014," says Pudas.

#### **Wanted: Social Anchors**

According to the Kruunuvuorenranta vision, the neighbourhood could well become a spa area for the metropolitan area, complete with a great beach. In order to make that dream come true, the beach may well materialise before the houses themselves. After all, if you're going to build an area for

15–20 years, it makes sense to create "social anchors" to make the neighbourhood better known.

Another interesting feature is the "Canal City" which is being planned for the southern Koirasaari area: the City is looking to create a genuine marina-type atmosphere here, with landscape planning and visual aspects taking top priority.

One key concern for Kruunuvuorenranta is getting connected to the downtown Helsinki via a bridge. There are plans to build a bridge from Kruunuvuorenranta to Sompasaari via Korkeasaari – and according to initial plans, this would be tram-bicycle-pedestrian bridge only. An extremely high level international competition was organised for the bridge, and the visually striking Gemma Regalis won the contest. The winning entry was submitted by British-Finnish team assembled by WSP Finland.

"We have no investment decision yet for the bridge, but it is included in our investment programme," says Pudas, adding that conceivably the construction of the new bridge could start in 2017.

#### Pasila Reinvented

Pushing inland from the shores, we find Pasila, the key traffic hub in the nation. All the trains stop here and trams and buses very much congregate in the area, making Pasila – in essence – a second city centre 3.5 kilometres removed from the old city centre. Still, as potent as Pasila already is there are plans to make it much more impressive: the idea here is to turn Central Pasila into a new kind of urban centre for business, service and housing. This will be conducted in collaboration by the City of Helsinki, the state and construction company YIT.

In September, it was announced that YIT will develop the Central Pasila area. This means, in essence, that a new traffic/

commercial hub – called Tripla Centre – will be built in the railway yard area freed up in the Central Pasila area. Building rights of approximately 183,000 square metres will be zoned in the area, and the total value of the project is approximately EUR 1 billion.

Niina Puumalainen, the City Project Manager for Pasila, says that Tripla promises to be a very innovative centre. "The trains will run through here, as well as trams and buses, and we also have a strong focus on pedestrians and cyclists," she promises. There is even a reservation for a metro line here. "In addition, there will be a new rail in Pasila which makes it possible to add train connection to and from Pasila," she says.

#### **Delivering the Total Package**

The construction of the Tripla project will begin when the local plan is confirmed, which is estimated to take place in 2015, and it will be implemented in phases over a period of six years.

The new diverse Tripla Centre, which is designed to be comfortable in terms of functionality and landscape, will feature offices, shops and a conference centre, housing, hotel, multipurpose arena and a terminal for public transport. The centre is located in a logistics traffic node, with the area bor-

dering Ratapihantie, Pasilansilta and Pasilankatu.

"The Pasila station and its surrounding areas will be totally transformed. Central Pasila will become a modern meeting place, with, for instance, a shopping centre – one of the biggest in Finland – and a conference centre as well as business head-quarters. Also, the multipurpose arena will deliver something really special, making it possible to host concerts and athletic events, too," Puumalainen says.

The architectural concept for Tripla was created by the Dutch architects Office for Metropolitan Architecture (O.M.A.). The Finnish architect and main designer of the project is Architects Soini & Horto.

#### Green List

Ecological criteria were a key requirement in the implementation and design competition. Environmental friendliness and energy efficiency have been the starting points in the planning, says Puumalainen.

"We want to launch a new, greener Pasila and as one sign of this approach, green roofs will cover one third of the total roof area." The energy efficiency of Tripla will be significantly improved from the norm. Ecological transportation is supported by parking places for over 3,400 bicycles

and charging stations for over 400 electric cars.

"We will also have a public park for the residents, located in the middle of the area."

Furthermore, waste collection will be realised using a central vacuum waste delivery system. A sustainability co-ordinator will be responsible for the realisation of the criteria in all of the project phases.

#### Pasila Goes Vertical

Beyond Tripla, Central Pasila will also feature ambitious high-rise construction. "There are plans for as many as ten towers in the area," says Niina Puumalainen, adding that the towers will feature both offices and residential space. Hybrid buildings are what the City would prefer to have in this setting, but other kinds of solutions can be deployed as well.

According to Puumalainen, companies are very excited about Pasila – in fact, it is among the few places in the metropolitan area where you don't have to consider, whether the location is good or not. In a commercial sense or from office viewpoint, Pasila offers simply superb location and connections: "Pasila sends an international, high-quality message," she says.

The new traffic/commercial hub - called Tripla Centre - will be built in the railway yard area freed up in the Central Pasila area.





There is a massive undertaking about to be launched in the very heart of Helsinki. Pasila railway station and its surrounding areas will experience a total makeover in the coming years, as YIT sets out to realise its ambitious Tripla concept. The centre is located in a logistics traffic node, with the area bordering Ratapihantie, Pasilansilta and Pasilankatu.

he Pasila District has been the subject of various development plans over the years, since there are great quantities of land available for construction here. However, the rail traffic has had monopoly on the use of land and progress has been minimal. The new Tripla Centre promises to change everything: the tracks will go under the centre, freeing space for development.

Director Tapio Salo from YIT explains that the Tripla Centre will be built in the soon-to-be-vacant railway yard area, connecting East and West Pasila in the process.

"We will considerably add cohesion in the urban structure," he promises. The Tripla concept was created by the Dutch architects Office for Metropolitan Architecture (O.M.A.) and the Finnish architect and main designer of the project is Inter-Arch Architecture.

#### Going for a Billion

Building rights of approximately 183,000 square metres will be zoned in the area, and the total value of the project is approximately EUR 1 billion. The construction of the project will begin when the local plan is confirmed, which is estimated to take place in

2015, and it will be implemented in phases over approximately eight years.

"We are looking to start the construction of the new Pasila bridge in the autumn 2014 and also add an extra rail at the same time," Salo says, pointing out that the kick-off for the centre itself could be in the cards for autumn 2015. The project will employ almost 900 people per year at the site at most, with an average annual workforce of 400 people.

But what makes Tripla so special, then? Salo starts his reply by pointing out to the location:

"Nobody would argue that we have the number one location in the entire country for this type of project. We are in the middle of an economic zone that features 1.5 million people and have the best connections in the land," he says.

#### Size Does Matter

As a consequence, the "critical mass," so to speak, is here – and it enables a variety of things.

"We have, for example, the opportunity to introduce new activities that have not been seen in Finland before, and bring

forth services that nobody has been able to deliver yet."

The extremely diverse Tripla centre – which is designed to be comfortable both in terms of functionality and landscape – will feature offices, shops and a conference centre, housing, hotel, multipurpose arena and a terminal for public transport.

"The shopping centre alone will be something to see – with 57,000 square metres of retail space it will be among the largest in Finland," Salo says. And then there's an activity square and the multipurpose arena that will totally push the boundaries of what people can do and experience in a commercial centre.

"People have taken to shopping centres as places where you go to enjoy yourself and spend some time. We want to take that idea a little bit further and bring people together in different settings."

#### Business Park 2.0

For companies, the concept provides plenty of HQ appeal – YIT believes that many companies would be interested in making their home here, right in the heart of the metropolis. The contrast with fringe area business parks is notable:

"Looking out the office window, you will see the city all around you - and all the services and all the action is just down below from where you work," Salo envisions. The highest of the office buildings will reach 17 storeys.

Realising the giant project is no small feat, even for a company with YIT's sturdy shoulders, Salo admits.

"What the company is doing here has unprecedented scope in the whole country," he says, pointing out that the nearest comparison is probably nuclear power plant construction. Carrying out a huge project in the super-urban neighbourhood takes some serious planning and flawless execution, but YIT is ready for the big responsibility.

"We have the chance to build something truly great here and we're going to do it right."

#### Shoulder the Responsibility

YIT will purchase the building rights planned for the area in phases as the construction progresses, which means that the funding need is moderate. The actual property transaction will be completed once the local plan has been confirmed.

"With a price tag of one billion euros, the construction of Tripla will make about 10 % of the projected revenue of the company for many years," comments Salo.

Kari Kauniskangas, President and CEO of YIT, has characterised the project as "huge, technically demanding and diverse" – but YIT also has solid experience in large projects and comprehensive competence from exactly this kind of projects. YIT is excited about the possibility to implement the most important urban development project in Central Helsinki, not daunted by it. Still, every due caution is being observed, starting with proper design and risk management.

#### Pasila Goes Green?

And while Pasila has a (somewhat earned) reputation as a grey and dull neighbourhood, the City and YIT are aiming to introduce a green heart to the community. Park areas will abound here, and green roofs will cover one third of the total roof area.

"The look of the centre will be very vibrant," Salo promises.

In addition, environmental friendliness and energy efficiency have been key starting points in all planning efforts. Green transport is supported by parking places for as many as 3,400 bicycles and there are charging stations for almost 400 electric cars. For waste collection, there will be a central vacuum waste system; for heating and cooling purposes, the centre will drill deep into the bedrock below.

"Tripla will be a model for green construction in all regards," says Salo, adding that the centre will acquire some sort of environmental certification further on down the road.

#### **Right Next Door**

During the last eight years, YIT has also been building the neighbouring new Vallilan Konepaja district in Helsinki. The plan is to construct approximately 1,300 residential units, of which 480 are completed, for a total of 2,500 residents. With the Central Pasila project, YIT continues the reform of cen-

tral Helsinki in a smart way. There is even a reservation made for a potential metroline:

"Tripla will feature appropriate space for a metro station, but as that project is decades away from becoming a reality, we will find other ways to use that area."



## The Perfect Cut

## Skanska's new workplace concept cuts down on square metres and boosts productivity to a new level

Emerging from the recession, more and more companies are looking at their ways of working with a critical eye. While strong trends such as remote and mobile working challenge conventional thinking, a race is on to update the entire concept of today's office.



mong the pioneers in this field, we find Skanska, an organisation which maintains that the offices of the future will be central nodal points at which coworkers can get together in different constellations – find ways of working that suit their organisation, themselves, and their families at that precise moment.

Jorma Lehtonen, Managing Director for Skanska Commercial Development Finland, says that it is high time that companies recognise how dramatically the ways of working have changed over the years.

"Companies must abandon the old philosophy of simply having people sit by the desks. It is much more effective to provide workers with different types of space that they can utilise." This means, for instance, that an office should feature silent rooms for work that requires intense focus, livelier rooms for teams and projects, phone booths and "hot desks" for someone just popping in and out.

#### Wanted: Dynamic Space

Adding a good degree of flexibility into the office is not exactly a new idea. In fact, the evolution of the office has herded people from individual rooms to cubicles and towards more open pastures. All the while, the number of square metres has diminished – along with the satisfaction of the employees. Skanska is looking to change all this:

"Under our Activity Based Working (ABW) concept, the space is simply used more effectively and more creatively – and this will bring savings to the company as there are less square metres. Furthermore, giving the employees the premises and tools to do their work in a fun way will boost employee satisfaction and productivity," Lehtonen says.

The numbers are impressive enough: according to research, work satisfaction increases by 20–30 % when moving from conventional office to ABW. At the same time, when there is a designated space for every function, the productivity of the work can increase as much as 20 %. And the bottom



Eero Ojala, Marketing and Leasing Manager for Skanska Commercial Development Finland.

line: taken together, the efficient use of space and the increase in productivity can bring in savings to the tune of 40 %.

#### Rooted on Inspiration

The concept of Activity Based Working was launched already 20 years ago, and Skanska has consistently upgraded the concept as tools such as cutting-edge information technology have taken hold in the workplace. ABW addresses architecture and space, but places significant focus on other things – ranging from strategic thinking on HR and technology issues – as well.

At the core of ABW, there is the desire to create an inspiring environment based on individual needs; to facilitate meetings and innovation in contrast to the "flexioffice" where as many employees as possible are crammed into the smallest possible space. Marketing and Leasing Manager Eero Ojala says that in the workplace today, it's often a tug of war between the need to collaborate and the need to work independently without distractions.

"Presently, we find that there are a lot of poor compromises out there," he says, adding that employees rarely get the most out of their working day. Ojala observes that as mobile revolution continues, some will work from home, others will be almost constantly on the road – and few will remain by their desks.

#### "Anyone Using This Chair?"

Nevertheless, international research suggests that if you look at offices around the world – regardless of size or industry – you will find that the chairs by the desks are used

only 35% of the time. This means that workers are already voting with their feet – and spend almost two-thirds of their office hours away from their desks. Skanska believes that the time is right for forerunner companies to step away from the idea of designated desks and embrace the new type of work flow.

But what about remote working? Could the "Office 2.0" become obsolete very soon, as everybody wants to work from home or a trendy café? Ojala says that this is an important question since one can already see that companies are responding in different ways to this challenge.

"There are those companies who want their employees at the office and they find ways to regulate remote working to such a degree that it becomes inconvenient. That's certainly one way to do it. But wouldn't it be smarter to make your office so attractive that the employees really want to come there?"

"Making work more fun" is an important element of activity-based thinking. Ojala speaks about the various possibilities that the modern office holds: it can be a "basecamp" where you have everything you need or a "showroom" where you can bring clients and dazzle them with some of the things you have going on.

#### Bet on the Best

Jorma Lehtonen is convinced that what the market wants now is quality offices: either to use the offices as tenants or to buy them. With extensive background in real estate investment, Lehtonen knows that when times get tough, investors bet on premium real estate. One of the strong selling points is environmental issues and Skanska has accomplished a lot in this field, having almost sin-

gle-handedly introduced LEED certification in Finland, for instance. But the nature of the work itself – and the spatial solutions that support it – that's a stone that remains unturned, for the most part.

"Activity Based Working has been a big hit in Sweden and it's only now that Finland is catching up," Lehtonen says. Skanska's ambitious new projects – such as the 10,000 square metre Aviapolis – will be built using ABW, Lehtonen promises.

"For companies, ABW provides a valuable strategic tool. Furthermore, it symbolises the mindset and commitment of the company."

#### No Short-Cuts

That commitment must run more than skindeep, caution Lehtonen and Ojala. Since every ABW project is one of a kind, the customer company needs to invest a lot of time and energy to really figuring out, how they want to work in the future.

"You can't simply copy somebody else's office and run with it. But when you do the work, you get the office that is just right – for your organisation," Lehtonen says.

Then, of course, there is the matter of finding the right partner. Skanska is poised to usher in the age of the "New Office", since the shoulders of the international company are certainly wide enough to carry the load.

"We are a truly global player in the Finnish real estate sector and we have extensive networks available to us, all for the benefit of our customers. We are used to handling the responsibility," Lehtonen sums up.

#### **THE ANGLE**

By Kari Kauniskangas The writer is CEO of YIT

## Back to the original urban idea

Urbanisation is a global phenomenon which keeps advancing also in Europe. The urbanisation rate is expected to climb from the present 73 % to 82 % by the year 2050. While elsewhere in the world, it is especially the cities with millions of residents that keep growing, in Europe the majority of people will live in cities with less than 500,000 inhabitants.



emands for a quality urban environment keep increasing everywhere. One element in an enjoyable urban environment is the every-day dynamic, meaning easily accessible public and private services and highly functional public transportation. All of these elements support also the aims of sustainable development. In fact, the environmental problems of the world will be solved in the cities.

The transition in the workplace, which is taking people from the factory floor to the studios, will mean that various functions will vacate the current industrial areas and move back to the city. Many tasks which require special expertise will break away from a designated workplace and work will be done in different places with the capability to inspire – for example, cafés, parks, leisure apartments and, of course, offices which support the various phases of the specialist's work process better.

Also the future residential demands are different, as family types and lifestyles become increasingly diversified. It's not about the type of housing, square metres or ownership model so much anymore; the key issues here are functionality and compatibility of environment and lifestyle. Some people just want a "pit-stop" near downtown for sleep and maintenance, others want to invest

in the home's aesthetic appeal and are hoping that the surrounding environment is in tune with this.

Add to this, the decline of car traffic due to improving public transport, new light traffic options, the sharing economy and robot cars, and we are on our way back to the original idea of the city: everything is closeby and accessible.

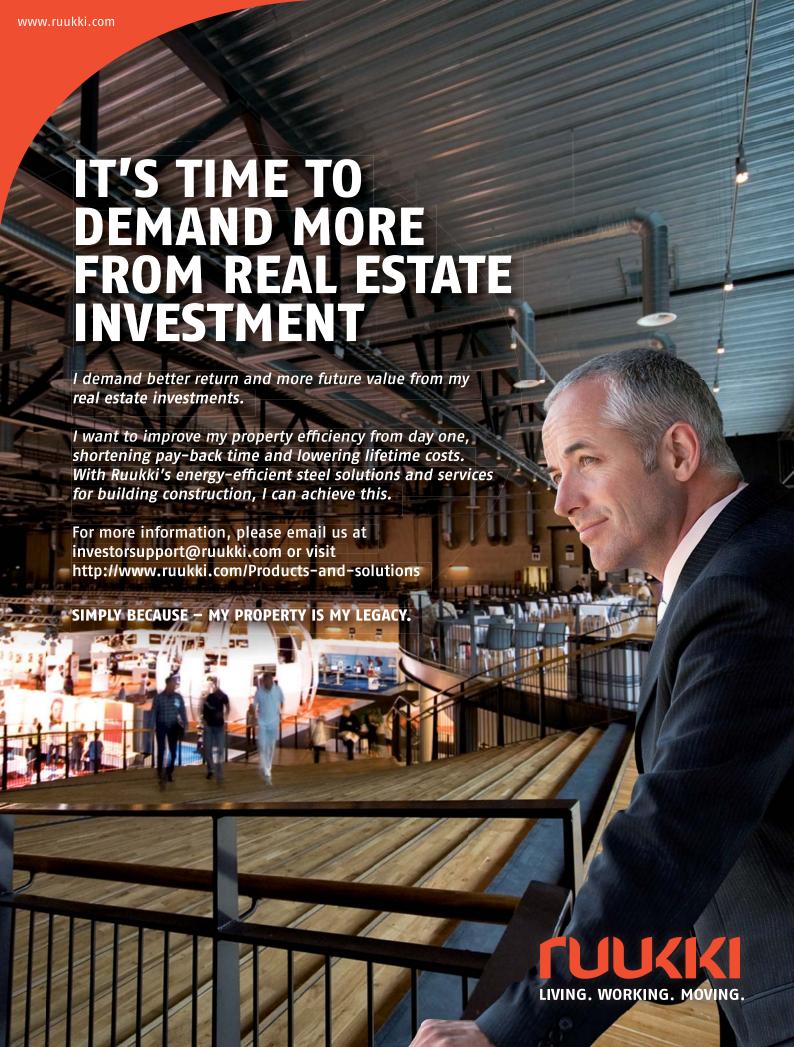
The Internet economy is changing the structure of retail in a radical manner and shopping centres will become, more and more, spaces of social interaction where showrooms allow people to get acquainted with the products and where also public services have an increasing presence. Public services are a good fit for shopping centres due to accessibility issues and rising costconsciousness in the public sector. Retail, cultural services, public services and residential all come together in new kinds of mixed-use projects; the Tripla Centre project, carried out by YIT in Pasila (the second city centre of Helsinki), is one example of this approach.

In Europe, the flights between cities have been reasonably functional, but now they are being challenged by convenient, fast train connections which link cities, and, gradually, also countries. From the perspective of the specialised workforce, this means

that there are more job opportunities within reach, especially as both mobile and remote working become more common. In the future, the European mid-size cities will seek competitive edge via the quality of residential arrangements and services.

A recent study analysed the reasons behind specialists and managers moving someplace else in 13 European urban regions (ACRE project). The study showed that in many cities (e.g. Helsinki, Milan, Birmingham and Barcelona) the most important reason for moving had to do with personal networks – meaning, among other things, friends, family and education history. As connections improve, also cities of relatively small size can become homes for these internationally minded professionals, as long as there are existing networks for them to tap into.

In the final analysis, it is the consumer that is the end customer in all business. Responding to the diverging needs of the consumers – involving, say, retail, services, living or the urban habitat – calls for a markedly better collaboration and joint development between companies, urban designers, public service providers and users. Traditional planning or production orientation will not be able to create places with the desired appeal.





Will on-line shopping spell doom for shopping centres around the world? According to recent estimates, as much as 90 percent of retail sales growth in Britain, France and Germany between 2012 and 2016 is expected to be online, leaving the off-line players to fight for scraps. Are the shopping centres at the end of their rope?

espite the warnings from e-crazed consultants, shopping centres are still the place to be. Nevertheless, the great public is fickle and old favourite needs to keep reinventing itself in order to survive

Recently, Nielsen reported that U.S. consumers still do most of their shopping at actual, physical stores. In the long run, however, shopping centres must morph into

social centres, employment hubs and places for entertainment.

#### Wanted: Social Edge

In its recent *Brick by Brick: The State of the Shopping Center* report, Nielsen examines the trends affecting the size and shape of the shopping center industry, as well as some of the shifting consumer factors affecting the

strategic direction of this retail sector. As the U.S. population has diversified, the lines have blurred between shopping, entertainment, and community – and herein lies new opportunity for shopping centres.

This blending of experiences makes it possible for retail to strengthen social ties within communities looking for communal experiences. Lifestyle centres, for example, blend traditional retail tenants with upscale leisure uses that offer shoppers a place to buy as well as an experience. Moreover, a lifestyle centre is "a place to gather", which is something that people have been keen on since the days of hunting mammoths.

Nielsen observes that this trend is most visible at the regional level, where operators



are shifting away from the traditional enclosed mall and opting for smaller, specialty lifestyle centers. Lifestyle centres tend to be more heavily concentrated in urban areas, while the larger regional and super-regional centres tend to be more heavily concentrated in suburban and rural areas.

#### You Can't Do That Online

How about the situation in Europe, then? According to Reuters, European mall owners are countering the rise of e-commerce European mall owners by including services that can't be replicated on the web like hospital care and government offices. If shopping centres become more like full-service

community centres, they have a shot for the future, experts believe.

Traditionally, mall owners have increased the number of restaurants and cinemas at the premises to persuade shoppers to stay longer - but now it could be worthwhile to focus on healthcare services, given the fact that the European population is ageing so fast. And shopping centres can go digital, too: there are already promotions to reward frequent shoppers who can be tracked via their mobile phones.

Furthermore, there are wild ideas coming from developing markets such as Dubai and China where centres are part of wider mixed-use developments where people live or include open spaces where they spend leisure time. Internet shopping can't be the "be-all, end-all" of retail shopping. The consumer patterns are never etched in stone for very long.

#### Big on Experience

Shopping centres also have a "boots on the ground" mentality that e-business can't match: innovative stores will connect with senses and emotions to make the sale. For example, the German outdoor clothing and equipment store Globetrotter has a climbing wall and cycle track in its Frankfurt store so you can try out the products.

Another innovator is Adidas which has successfully turned shop windows into touch



screens. The result: a real "hands-on" experience with 24/7 access. So it seems that the shopping centres can go "e", too: E for experience.

Juha Tiuraniemi, Managing Director of the Finnish Council of Shopping Centres, believes that the shopping centre is enduring as a service concept: services are found under the same roof and they are conveniently accessible.

"The business mix changes constantly according to customer needs. Business proprietors are able to operate ecologically and in a socially responsible way, at the same time gaining from the advantages of the mix," he says, adding that goods flows can be optimised from the environmental viewpoint and recycling can be pioneered together.

#### **Heart of the Community**

Tiuraniemi agrees with international experts that shopping centres can be so much more: the public space in shopping centres is currently finding more frequent and increasingly diverse uses for promotions, events and participatory functions.

"The role of shopping centres has gained strength as the beating hearts of communities and as a living room and meeting place for people."

Tiuraniemi also talks about regeneration which is a rising trend, both in Finland and in other parts of Europe. Investments in shopping centres have been the driver in redeveloping provincial city centres during the past few years in many towns, including Jyväskylä, Vaasa, Lahti, Joensuu, Seinäjoki, Salo and Rovaniemi, to mention only a few.

#### **Energise the City Centre**

In the Eastern city of Mikkeli, for example, new shopping centres Stella and the Akseli have brought about a broadbased renewal of the city centre, with underground parking beneath the market square. In the south in Hämeenlinna, a shopping centre has been raised over a motorway, linking the formerly divided city centre together.

Furthermore, there have been rather sizeable additions to the ranks, with shopping centres Veturi (Kouvola) and Matkus (Kuopio) both placing in the TOP10 in terms of square metres.

Still, it is the Helsinki Metropolitan Area that leads the way with three new shopping centre projects which were completed in late 2013. The third phase of shopping centre Kaari was completed in the Kannelmäki area in Helsinki. Kaari has a retail area of 46,500 sqm, making it the ninth largest shopping centre in Finland.

Shopping centre Ainoa, on the other hand, is part of larger redevelopment of the Tapiola centre in Espoo (retail area 10,000 sqm). Also in the Suomenoja area in Espoo, the redevelopment project of shopping centre Liila (formerly known as Martinsilta) was completed in November, adding 20,000 sqm to the local offering.

And there's more: the venerable old Itäkeskus, the largest shopping centre in the

Nordic countries, is about to be reborn. Rebranded as Itis in 2012, the 114,000 square metre shopping centre is currently under a complete make-over, which is scheduled for completion in 2014.

#### **Born Urban**

Tiuraniemi points out that shopping centres are significant investments with long term impacts, and the most natural location for them is as part of a community structure in which convenient accessibility, housing and services mutually support each other. In terms of numbers, 96 per cent of Finnish shopping centres are located in city centres or builtup areas – and rightfully so, Tiuraniemi argues.

"This gives the customer the freedom to choose according to his or her needs an ecological form of transport of all the main transport and vehicles available. It is natural for services to focus where people live and move," he says.

According to recent shopping centre barometer by the Finnish Council of Shopping Centres, the markets are expected to pick up somewhat in 2014. Emerging victorious from the recession, the barometer finds cafés and restaurants, while decorating and fashion have taken hits in tough times. Tiuraniemi points out that environmental issues drive the business already today, with such trends as digitalization and ageing waiting just around the corner.

Sami J. Anteroinen

#### THE ANGLE

By Markus Laine The writer is Director, Real Estate Transactions and Investors of SRV Group Plc



## **Shopping Centres** keep evolving

Shopping centres have proven to be surprisingly resistant to trying times. While the image of the shopping centre as "the citizens' living room" or "meeting place for all" sometimes links with booming economy, that image doesn't ring quite true. Even when the economy is not doing so great, people still want to go to shopping centres - and, in some cases, the tougher the times get, the more people want to go there.

n many regards, the shopping centre is simply the place to be: a natural setting for spending some time and money. There is also the historical continuation: in place of market squares, where everybody would go for purposes as much commercial as social, we have shopping centres - modern market places - where even the rain can't spoil the day.

Finding the optimal slot in the urban structure remains a high priority for players in the field. Helsinki and its surrounding municipalities earn special consideration in this regard, since 30 % of Finnish shopping centres are located in the Helsinki Metropolitan Area – with sales equalling 49 % of the whole shopping centre market in Finland. The well-know challenge here involves finding sufficient space to launch new shopping centres, but it can be done, as is the case with SRV's REDI Shopping Centre in Kalasatama.

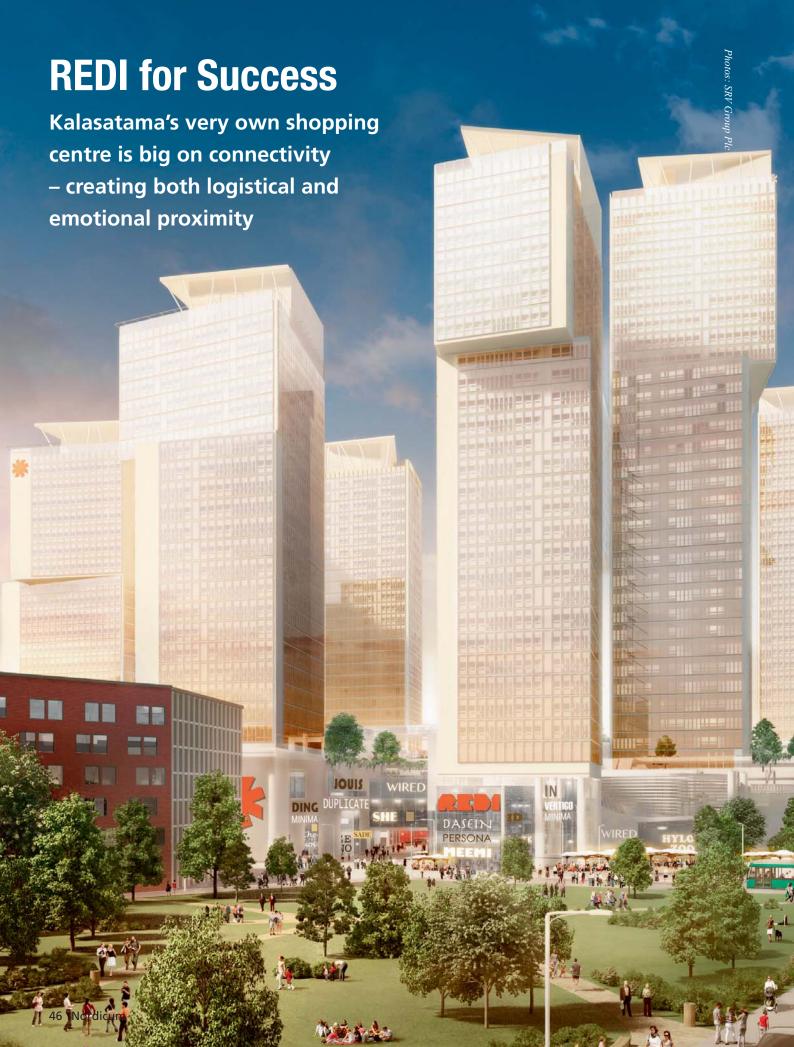
The curious thing about the shopping

centres located in the Helsinki Metropolitan Area is that they are more spread out, removed from the core city structure, than their counterparts elsewhere in Finland. REDI, however, will definitely boost urban cohesion, since it is directly integrated into the Helsinki core centre - there is even a convenient metro connection inside the shopping centre.

SRV has a lot of experience in creating urban logistical hubs, among them the shopping centre Kamppi which has received international praise for its functionality. Kamppi is also a good example of a shopping centre that is highly attractive to the investors as well: in December 2013 it was announced that Cornerstone Real Estate Advisers' Nordic Retail Fund has sold 50 % of Kamppi to Allianz Real Estate, making it the year's single biggest real estate deal in Finland. However, with accessibility from three vertical levels, REDI will be even more functional.

SRV has also more recent references: in the fall 2013, SRV opened 48,000 square metre Pearl Plaza Shopping Centre in St. Petersburg and started construction on the Okhta Mall (75,000 sq m).

The demand for shopping centres in Helsinki is great, as more and more people flock to the metropolis. At the same time, players of the sector have to think long and hard about the demographics: who will form the consumer base in the 2020s, for example? The vision for REDI is to engage the youthful minded city dwellers, and take into consideration the various wishes of many different age groups. One interesting age group is formed by the senior citizens, as the baby boomers are now retiring in record numbers. In connection to REDI, there will be convenient residential services for all age groups as well as a social and health centre among other services which will make everyday life even more convenient.



SRV is looking to upgrade the concept of a modern shopping centre – just in time for Finland's centennial celebration in 2017. The new REDI Shopping Centre is the company's most ambitious shopping centre project to date – with over 60,000 square metres of retail space, it promises to be almost two times bigger than the shopping centre Kamppi, SRV's previous success story in the field.

ia Svensk, Director of Retail Concepts for SRV, says that REDI will be something special. She is of the opinion that the very best shopping centre in Helsinki might not have been built yet and is confident that REDI will be a contender for that top spot.

The reason for this optimism is simply that the location with superb connections is great and SRV has done its homework very well indeed and has spent years in preparation to take on this challenge.

"As a consequence, REDI will be a dynamic destination offering retail and leisure, unique merchandising mixes, emotion, and entertainment attractions. It will also be a great place to meet other people and have a good time," she says.

#### Closer to the Heart

Benchmarking of international success stories has yielded insights into such issues as customer flow and guidance techniques, but the most important lesson is, in fact, a matter of the heart. Pia Svensk believes that what is needed more to the Finnish shopping centres at the moment is emotion – many shopping centres come off as sterile places of business, with no real feel to them at all. She talks of "cold space" which should be brought to life through various means.

She points out that in the best international shopping centres, when you go in, you immediately feel immersed in colour, sound and scent.

"You are being whisked away into a different world – and that's where the experience lies," she says, adding that instead of a "shopping centre" it is something akin to "experience centre" that SRV is aiming to accomplish in Kalasatama.

#### **Destination REDI**

What does all this mean in practice? According to SRV, REDI will be "an Authentic Lifestyle Destination". REDI will be an urban landmark welcoming and attracting people.

"REDI will represent the celebration, enjoyment and easiness of life," defines Svensk.

As a former Department Store Direc-

tor, Svensk has plenty of experience from communicating with demanding customers on an emotional level. Svensk leads the development and design of the retail concepts as well as the renting of retail premises in REDI – and couldn't be more excited about her job:

"Introducing a whole new city district to the Helsinki inner-city area is something that doesn't happen every day – and REDI will be the driving force of that new community."

What's more, REDI will also bring about a new age of high-rise towers in the metropolitan area — with as many as eight towers reaching for the sky.

#### **Vertical City**

This octet of towers will be built around the Itäväylä highway and the Kalasatama metro station. All and all, there will be six residential towers, one office tower and one hotel tower, with the highest of the pack rising up to 126 metres. Consequently, Itäväylä and the metro will be covered with an expansive green deck, allowing for smooth traffic flow.

"This project offers great opportunities and it will, among other things, change the silhouette of the entire city," she says, discussing the impact of the high-rise buildings.

Markus Laine, Director of Real Estate Transactions and Investors for SRV, observes that SRV is now engaging in highrise construction on a scale that is unprecedented in Finland. This type of construction simply hasn't been done yet – by anyone, he points out.

While REDI is already drawing comparisons to Kamppi – hailed as a success story by also international experts – Laine comments that the logistical challenge at Kamppi was bigger, since the construction took place right in the downtown area. This time around, SRV is confident that there won't be traffic jams to contend with.

#### **Even Flow**

Also, as Kamppi is a logistics hub with thousands of people simply passing through the centre, the action concentrates largely on the ground levels. Going up, there are less people. Kalasatama will be built differently and three/four floors of the shopping centre will have equal status with regards to people flow. To make sure of this, each level has been dedicated to a certain mode of traffic: starting from the bottom, there is a level reserved for car parking, one level for buses, trams and pedestrians and one for the metro and eastern highway bus traffic.

"As many as 100,000 cars will drive through here every day," Laine says, adding that the metro link-up is very well designed, too: the metro line actually goes through the shopping centre, so when you get out of the metro, you are already right there, at the core of the shopping centre.

But what kinds of goods and services will REDI entail, then? According to the





plans, there will be food, fashion, leisure, activities and attractions, cafés and restaurants...everything you need for quality every-day life. The 150 stores and restaurants of the shopping centre should be able to oblige even the most demanding customers.

#### **Expect the Unexpected**

Pia Svensk promises that REDI will respond to the daily needs of the consumers – and offer a little bit of luxury on the side as well. Her challenge is to make sure that REDI provides something for everyone:

"The moment you walk in, we want to be able to deliver that 'Wow!' factor. Each patron should feel that this is something strictly for me," she defines the objective.

In Svensk's mind, the new shopping centre must be "easy and versatile" with big emphasis on enjoyable every-day life. For the primary target group, she envisions youthful-minded city dwellers who enjoy a wide range of services and activities.

With a crystal-clear concept in hand, it is sometimes hard to remember that REDI won't open its doors for another three years. Nevertheless, the project is running along smoothly: the initial construction work for REDI started in August 2011 and the key green light for construction was received in June 2013 as the zoning plan went into effect.

"Right now, we have the appropriate zoning plan in place and are able to proceed with the project," says Laine, while adding that no major obstacles lie in the path of the process now. The shopping centre should open in 2017, around the same time as the first residential tower. Rest of the REDI project will be completed in phases by 2023. It

is estimated that the megaproject will contribute about one billion euros to SRV's revenue over a period of ten years.

#### Engage, Don't Exhaust

When discussing the visual aspects, the attention turns quickly to the eight towers, but there also other elements in the architecture and design that merit a closer look. For instance, the architectural solutions will make sure that the customers find their way easily – REDI will be realised in a manner that will optimise customer flow and create a dynamic atmosphere.

"We want to put the customer in the driver's seat," Svensk promises, saying that thematic floors will assist the customers in finding what they want without unduly legwork. At REDI, there will be an easy edge to the shopping experience – while that experience still remains engaging, delighting, and surprising the customer. SRV also recognises that the needs and preferences will differ for each customer, especially for the weekend and holiday visitor.

"We are drawing from the history of Kalasatama – industrial history, maritime and islands – and using that for our inspiration," she says. In fact, "inspiration" is a key word for the entire shopping centre:

"REDI is a place where you can go and be inspired," she envisions. According to Svensk, the best shopping centres in the world are also travel destinations in their own right – and from the looks of it, REDI will fit the bill rather nicely.

"The aim is to create something here that will cause a definite buzz – and people simply have to come over and check it out for themselves."

#### **International Attention**

Right now, however, there is a different sort of buzz going on. Markus Laine reports that his phone has been ringing quite a lot lately:

"There is definitely a lot of interest from the investors in this project, both near and far." Understandably, some big international players are looking at REDI as a great opportunity to enter the Finnish retail market – and existing players are keen on expanding operations there.

"As we are able to offer a more detailed picture of what's to come, there are more and more inquiries," Laine says.

It is no wonder that this cross between a shopping centre and a city centre – in the middle of a catchment area of 1.2 million people – has attracted a lot of attention, even this early on in the game. Laine points out that in REDI it all starts and ends with the perfect location:

"There are half a million people living with a 15 minutes' car ride from REDI," he offers an example. Even the international airport is located conveniently nearby.

#### **Enter: REDIverse**

In addition to shopping splendour, about 2,000 people will also be able to call REDI their home, as the super-diverse entity will feature a strong residential element – complete with breathtaking seaviews, of course. REDI will also include public premises, for example a social and healthcare service facility for the City of Helsinki.

"Kalasatama will emerge as the new, powerful centre for the Helsinki core area in the east – with REDI as the beating heart of local community, business and services," Laine sums up.

#### THE ANGLE

By Tero Estovirta The writer is Managing Director of NCC Property Development Oy

## What is City Development?

## Facing today's challenges and tomorrow's visions of City **Development**

Understanding City Development requires an appreciation of the broader context. It all starts with the global location, continues to the city, the specific area and down to the plot or real estate and all in this order. It is like the question: "What is the purpose of existence?"



oday's world's versatile know-how is the only way to manage sustainability and liveability. All information needs to be shared. Success is measured by people's ability to co-operate and combine versatile know-how information. It is not about finding totally new innovations, but, rather, about combining existing ones in a more creative way.

Timing and narrow-minded thinking are the basic challenges. Trust and confidence are the key success factors. Instead of looking at only people's technical competences, we should also start looking for innovations and co-operation skills. The likelihood to get through issues that you deem important, rises when your ability to co-operate is high.

The problem with timing is not overestimated. As we have seen, market situations vary faster and faster. For example, the zoning process, which usually takes years to complete, can mean that opportunities will pass in a rapidly changing economic environment. Some say that the best opportunities need time. This is true, but when is the right time? New opportunities will arise every day. We should be able to perform throughout the summer and the winter, what are we waiting for? All decisions are made with the best possible information available at the time; no one deliberately wants to make bad decisions.

Long-term planning is where all City Development starts. We should put efforts into defining frames and then stick to them. This is how resources can be effectively allocated. Another problem is that we jump into the fine details immediately. That also takes away the possibilities to develop things during the time given.

For example, zoning plans that are too detailed may already be old by the time they become valid. In Finland, the legislation gives us more opportunities than we even realize, it's all about us (people) and how we interact.

Dense Cities are proven to be more efficient environments for several reasons. Productivity will increase substantially in dense environments. Also economic efficiency and sustainability are other important factors which will be most positively affected.

Problems to be solved in city development are complex. One fact today is that old ordinary solutions will not stand anymore. There are expectations to provide high quality in every aspect. Lack of development possibilities is always the issue. Decentralized ownerships can block great ideas or at least greatly slow down the development. Mixed use solutions are still coming. Complex decision-making processes that start from zoning right through to investment decisions are massive processes. What needs to be recognized is that infrastructure and land use development will create order and economic efficiency.

Decisions and requirements are easy to recognize, if one takes responsibility of all these. I am highlighting versatile knowhow, as we do not require something which we cannot connect to its implications. Every one of us should take responsibility for his/her own actions. In the broader context, co-operation is the key factor to success in City Development.

## **Spearheading Change**

Shopping centre Ainoa is the latest piece of the puzzle in the reinvention of the legendary Tapiola Centre



Tapiola, the iconic "Garden City" of Espoo, is going through a serious beauty treatment – and there are a lot of exciting things going on at its very core, in the Tapiola Commercial Centre. As shopping centre Ainoa opened its doors in October, yet another step was taken on the road to fully return Tapiola to her former glory.

wned by Tapiola KR III Real Estate Fund, the newcomer is still relatively small – with 10 000 square metres and 30 shops – but the aim is to expand the shopping centre significantly in the years to

come, says Kirsi Borg, head of new entity Promote Tapiola.

"We are looking to have 40,000 square metres and 100 shops by 2017, if everything goes according to plans," she says, adding

that the launch of the first phase has surpassed all expectations.

"We are very excited about a great start and are confident that Ainoa will become a real meeting place for the local community."



#### Hit the Wallet

According to Tapiola's studies on the neighbourhood, there is plenty of volume in the area: in fact, 200,000 people live within a 10 minute car ride from the shopping centre. Also, the purchasing power in this particular area is second to none in the entire country, so one can forecast a great future for a shopping centre that features a youthful approach and dedicated focus on leisure.

Vesa Immonen, the Managing Director of LocalTapiola Real Estate Asset Management, says that the development of Tapiola Commercial centre is a high priority for the company. "Likewise, expanding our expertise with regards to shopping centres is very important to us," he says.

Tapiola is near and dear to the hearts of all Finns and widely regarded as a natural treasure; upon its birth 60 years ago, Tapiola was a shining example of a modern garden city. The first-built parts of Tapiola Commercial Centre from the 1950s and 1960s still form a valued architectural landmark.

#### Take a Stroll!

As the Helsinki metro line extends to Tapiola in 2015, the blocks to the south of the original centre will be renewed according to the same urban sociological principles that first created the Garden City - and the complexion of the centre will become that much brighter and stronger. "The new Tapiola centre will become the largest pedestrian centre in Finland," Immonen points out.

The level previously in use for private car traffic (Merituulentie, Länsituulentie) will feature retail spaces and a pedestrian area. There will be plenty of parking space for bikes in the vicinity of the metro station. New plazas and pedestrian streets will appear in Tapiola Centre, and the roof area will be green and well-groomed.

The real game-changer here is the metro: with 30,000 passengers using the Tapiola station every day, the volumes are sufficient to usher in a completely new chapter in the development of the neighbourhood.

#### **Back in the Game**

The over-all aim is to create a lively, multifaceted urban centre with modern mass transportation terminals, well-organised parking and maintenance arrangements. When all these things come together - building on a great legacy - there will be no stopping Tapiola's comeback: "There is no place quite like it in the entire country," Immonen says, adding that the foundation is solid and well-known and future development will only add to the appeal of Tapiola.

Kirsi Borg adds that Tapiola has always been known as a cultural powerhouse and more and more culture and sports players flock to the neighbourhood. The City of Espoo theatre, for one, is already here and there's talk of realising a brand new City theatre right here, too.

But what was it that caused Tapiola to miss a step or two - why is the commercial appeal of the centre in need of a rescue in the first place? Borg comments that the fragmented ownership of the Tapiola Centre didn't exactly help in the development of the area and that the last decade has seen the emergence of strong rivals in the form of new shopping centres.

"Tapiola centre has not been a really

respected, dynamic commercial centre for at least ten years. Now, however, we are confident that a united, strong effort will bring the consumers back," Borg outlines the strategy.

#### Stockmann Support

A big part of the attack plan is Stockmann which will form a major anchor for Ainoa in the coming years. The department store will move from its previous location to Ainoa when the Phase II kicks in around 2016. "We are collaborating with Stockmann to make the most of the transition," says Borg.

For LocalTapiola Real Estate Asset Management, development of Tapiola is but one area where the company has shown a dynamic mentality of late. As a matter of fact, while the real estate market remains extremely tough, the company has performed very well: "There is demand for quality service in this field, especially when times are hard," Immonen comments. When the going gets tough, there is often "back-to-basics" attitude among tenants, owners and investors. In such a scenario, attention turns to premium real estate.

"More and more, there is demand for modern premises with solid energy efficiency," Immonen says, while pointing out that not all "green" measures deliver notable results. "If the energy-efficiency aspects are thoroughly integrated in the planning, and the construction performed well, one can really make a difference – but it does require commitment and focus."

#### **Green Cool**

Ainoa, for one, is clearly a shopping centre where the environmental approach is not mere words – the centre, for example, features the first remote cooling system in Espoo. In addition, the entire waste management process has been fine tuned – and, eventually, the shopping centre will utilise an automatic waste transportation system where waste is whisked away by a pneumatic tube. "We already have that capacity built-in, but the system will be deployed on a later date," confirms Kirsi Borg.

LocalTapiola Real Estate Asset Management is eager to use Ainoa as a pilot project to learn all about the shopping centre business - and then fortify that portfolio with other modern shopping centres. Vesa Immonen says that despite the low transaction activity there is a definitely a "good vibe" taking foothold in the market.

"There's always enough going on that you can find opportunities in the market," Immonen says, pointing out that some foreign investors, for example, have returned to the Finnish market which should spark things up a bit. "We are coming off a record-breaking year, but we see no reason why growth shouldn't continue in the future as well."



## **Maximising Momentum**

#### New Growth Corridor strategy takes Turku to another level

There is a strong Growth Corridor emerging along E18 motorway from Turku to Helsinki and onwards to St. Petersburg. The key hub in the master plan is Turku, centrally located on the southwest coast, which has great connections to both Stockholm (via sea) and Helsinki. New growth contract with the State – first of its kind – will help focus appropriate resources to the development of the Growth Corridor.

ouko Turto, Director of Turku Municipal Property Corporation, points out that the growth contract with the State represents a significant strategic move:

"The growth contract is the only agreement of this kind that is launched under present Government's reign," he says, pointing out that the contract goes way beyond mere logistics in its scope:

"The Growth Corridor means that we have people, goods and expertise on the move – and real estate development is used as a tool to strengthen the corridor."

#### Competitive Edge

Under the Growth Contract, Turku Region aims to enhance its competitiveness,

develop community structure in a sustainable way and safeguard social cohesion. The set targets will be achieved in collaboration with the State and neighbouring municipalities.

Both the City of Turku and the Government recognise that the full potential of the Growth Corridor will require some retooling with existing infra and city structure. For the City, there is a stated interest to keep developing the role of key industries – such as biotech / Life Sciences, ICT and marine – and get the universities and research organisations to commit fully to the master plan.

According to the vision, the Growth Corridor is to become a platform which will allow companies to explore innovations – ranging from digital media to cleantech –

and create market opportunities through pilot projects and cooperation.

#### Perfect Timing

Jouko Turto believes that the timing for the Growth Corridor strategy is an excellent one, since there are various underdeveloped areas within city limits that are being freed from former activities — and can now be utilised to launch innovative, diverse business. But it's not only business interests that matter here:

"We want to promote the cause of urban culture, recreation and versatile residential solutions, as well. All these things are linked in a variety of ways," he says, pointing out that the City has a strategy to use the European Capital of Culture (2011) momentum to advance cultural pursuits on all fronts. One of the fruits of this labour is the culture superhub known as Logomo, located just off the railway station.

"Our commitment to culture is not a thing for a year or two – it is an on-going, long-term commitment."

#### **Total Package**

But what does the Growth Corridor mean in practice, if one is to look at urban development in Turku? Turto replies by saying that there are various elements that come together under the plan: there is the Turku Science Park, the linking Itäharju area, railroad yard, Logomo and soon-to-be-realised city districts Linnakaupunki and Skanssi.

"All of these areas benefit from the Growth Corridor strategy and have something to contribute," he believes.

The crown jewel in the City's plans is the Turku Science Park, one of the biggest and oldest innovation parks in the land. There are plans to realise a world-class hitech campus area in the park which has a long and successful history of bridging the academic with the corporate.

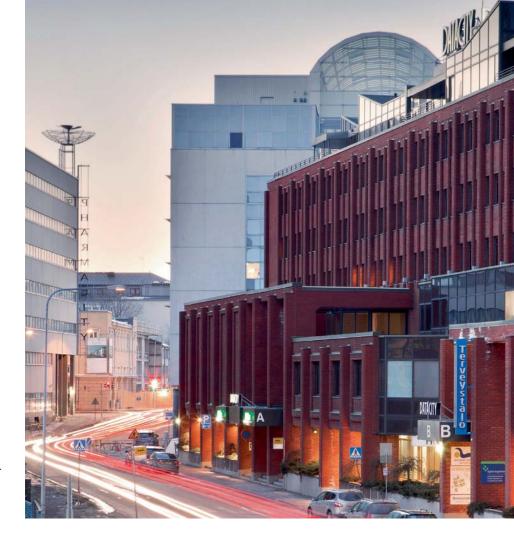
Turku Science Park Ltd, as the business development company of the City of Turku, focuses on the well-being of enterprises; developing of research-oriented and expertise-intensive business is recognised as a strong engine of success for the Turku economic region.

#### Ready for the Future

After restructuring a couple of years ago, Turku Technology Properties assumed the responsibility of taking care of the real estate development of the Science Park. Turku Technology Properties owns 95,000 square metres of existing premises – and plans to add another 75,000 to create a full-fledged innovation campus in the most central part of the park. In the entire Turku Science Park area, there are over 250,000 square metres of completed premises.

What's in the cards for the future of the park? Mikko Lehtinen, Managing Director of Turku Technology Properties, says that the plans involve transforming Itäharju, a former industrial area, into a new type of neighbourhood which combines studying, living and leisure in a brand new way. The master plan includes ambitious high-rise construction, restaurants, stores and residential development, lists Lehtinen.

"We want to turn Science Park — Itäharju area into a true city district — there should be more life and activity there. As the area is developed, and, for example, parks and sports grounds are added to the mix, it will become a place where people simply like to go to hang out and have fun."



#### **Make the Connection**

Both Turto and Lehtinen see that connectivity needs to improve in order to fulfil that promise of the new city district. A bridge across both E18 motorway and the railroad tracks would make the Science Park within easy reach – and, once that connection is established, it could conceivably utilise also a light rail solution.

Timo Hintsanen, Turku City Planning Director, agrees that the bridge is necessary to eliminate the current logistics bottleneck—thus paving way for better accessibility and genuine integration of Science Park / Itäharju into the downtown area.

"Instead of adding merely a bridge, one could deploy innovative buildings to establish the connection over the E18 and railroad," Hintsanen believes.

The new "super campus" would boost considerably the appeal of the existing Science Park area, which already features universities, numerous high-tech companies and other service providers. The secret of success has a lot to do with the local players – both big and small – cooperating in new ways, says Turto.

"It's very much about creating and utilising expertise networks in the best possible way – and quite often, the collaboration runs deep."

#### Best Practises, Best Partners

The networking runs wide, as well. For instance, Turku Science Park Ltd has a joint venture company, Biocelex, with the world-famous Swedish Karolinska Institutet. The most recent collaboration news came in during the summer, as Turku Science Park Ltd announced its co-operation with the Skolkovo technology cluster in Russia.

Turku has always been known for its excellence in Life Sciences – and the long-time anchor in the industry is drug development. Nevertheless, many people were surprised to learn the recent news that 10 percent of brand new European medicines – which have been cleared for sale by the authorities in 2013 – has actually been developed in the Turku Region. There are also exciting newcomers that will make their mark on the world stage soon enough.

There is certainly "critical mass" here, if anywhere. BioTurku® – the cluster for biotechnology actors in the Turku region – comprises around one hundred players, including companies as well as training and research centres. The cluster companies are constantly collaborating with research institutes in order to commercialise the new and accumulated know-how. The players at BioTurku® have a lot of expertise at pin-



pointing such areas – and turning raw data into globally successful products.

#### ICT Comeback

The other strong anchor at the Science Park – information and communication technology – is the second biggest business sector in Southwest Finland at the moment. But haven't the recent struggles of Nokia impacted the sector negatively? Jouko Turto says that, actually, the change has not been that bad.

"Many people who have left Nokia are starting their own companies and it is clear to see that a new kind of ecosystem has started to evolve here." Interestingly enough, many of the ICT veterans tailor their products and services for the Life Sciences industry, he adds.

The power of ICT lies largely in the fact that it is one of those sectors which can give a boost to just about any industry. At Turku Science Park, applied ICT is linked to – in addition to Bio/Life Sciences – also maritime and metal industries. Other upand-coming areas include electronics, digital media and speech and language technology.

#### **How Green Is Your City?**

Still, the City is pushing for the development of areas outside Science Park / Itäharju, as well. The strategy here is to create greenedge communities, with future city districts of Skanssi and Linnakaupunki, leading the way. The carbon dioxide emissions of these new neighbourhoods can be significantly decreased by utilising intelligent technology.

This will also increase the citizens' quality of life, and several of the solutions will soon pay for themselves.

The second phase of the strategic cooperation between the City of Turku and Siemens was launched in autumn 2012, when the sustainable urban planning project was introduced.

"We want future city districts that are innovative, ecological environments, as well as engines of economic growth," Turto lays out the game plan.

Skanssi and Linnakaupunki are still in their planning stages and they are believed to benefit from "toolkit" approach which can be used to construct city districts based on the principles of sustainable development. Siemens and the City of Turku believe that both the toolkit and the over-all approach will be useful for other cities, as well.

#### **Wanted: Real Solutions**

In the process, concrete examples of how Turku can achieve its goals of sustainable development have been identified. For example, using solar power and introducing intelligent buildings can help to significantly decrease CO2 emissions. Other solutions include an intelligent electric grid that decreases power consumption, renewable and local energy production, and shared use of cars. All in all, the project has found approximately 20 ways of decreasing energy consumption and greenhouse gas emissions.

Jouko Turto comments that the new green communities support the Growth Corridor strategy rather well.

"It is precisely these types of modern solutions that we want to promote – we are not limited to traffic by any means," he says.







## **Get Connected**

#### Fresh real estate development opportunities emerging in Lahti

Lahti is known for its great location and connections, but the City of Lahti wants to improve its urban structure and connectivity even further. There are still some "hidden treasures" out there – areas that the City is looking to develop to their fullest potential.

hile Lahti is a popular commuter city – with great access to Helsin-ki Metropolitan Area by train – it is somewhat a surprise to find out that the areas along the railroad tracks are rather underdeveloped. To rectify the situation, Lahti launched an architectural contest to sketch out a vision for the area by the tracks. The contest was one of the biggest architectural competitions organised during the World Design Capital year 2012.

In connection with the contest, there was also very active citizen participation.

The first prize in the contest went to architect agency AJAK and their competition entry 'Green Crocodile'. All and all, there were 26 entries in the race.

#### Rail Renaissance

While there are plans underway to reinvent the environs by the tracks, that is not to say that there is nothing there at the moment. For example, Renor – a Finnish real estate investment company that owns, develops and leases business premises – has big plans in mind for the historical Asko district, the heart of the area. This red-brick neighbourhood is already home to plenty of companies – and also Renor has its headquarters right here – but there is still plenty of potential left.

Timo J. Valtonen, Managing Director of Renor, says that the company has 150,000 square metres of leasable space of which 80 percent is rented out.

"There still remain construction rights for about 250,000 square metres, for all uses and purposes, including residential, offices and services, both public and private," Valtonen points out. In terms of money, there are investment opportunities totaling hundreds of millions of euros.

#### **Building on Tradition**

In fact, the idea of the city is to create a whole new city district by the tracks – one characterised, in part, by the old red-brick, industrial milieu and the dynamic vibe of the passing trains. It is clear that the historical atmosphere is one factor that draws com-

panies here: the first building was raised in 1928. Also, the key location practically right next to both the train station and Lahti city centre is a crucial element.

Still, in the 40 hectare area one could do so much more: for example, the City plans to develop the neighbouring travel centre considerably. In addition to Helsinki, also St. Petersburg is an enticing destination, thanks to the new Allegro connection that will get you to the Russian metropolis in just a couple of hours.

Valtonen points out that solidifying the urban structure is one of the big things on the table here: "We want to do our part to promote a more compact city structure."

Right now, there are 230 companies in the Asko area and the synergies are considerable.

"We have a situation here where a real community has developed, with companies – both big and small – benefiting from the established networks."





#### Exit Army, Enter Business?

With regards to urban development, the City of Lahti may well have another ace up its sleeve – or, in this case, perhaps a diamond in the rough. The Finnish armed forces are shutting down the Hennala garrison, located on the west side of the city, opening, in effect, the area for redevelopment. The land and real estate is owned by the State and administered by Senate Properties who are testing the waters to see, just how keen are the construction companies on the Henna-

Heikki Laitakari, Division Director, Business Area Development Premises, from Senate Properties says that the goal here is to find a working concept for redevelopment:

"If everything goes well, we could be looking at a brand new city district with as many as 10,000 residents," Laitakari says. There are already existing buildings with a volume of about 60,000 floor square metres, but Laitakari sees that number as only the starting point:

"The area has potential to add 200,000 or even 300,000 floor square metres of new construction."

#### **Deliver the Total Package**

Right now, Senate Properties are working closely with the City of Lahti to find the right concept that would allow the emergence of a new city district, complete with both residential and commercial offering.



"Clearly the idea is to have a solution which combines the residential side with the appropriate services," Laitakari says, adding that there is also an existing rail connection that could - conceivably - be utilised more effectively. The launch of a true Hennala station would do wonders for connectivity from the point of view of especially Helsinki-bound commuters.

"The location of the area – as well as the existing connections – are quite good," he says.

#### Handle with Care

For now, however, it is a wait-and-see game, since the garrison is still operational and will remain so until the end of the year. Inside the garrison fences, there are 75 hectares of space. A number of the military buildings are also conserved for their historic/aesthetic value, which means that any redevelopment plans must recognise that there are some areas you can't touch.

Looking ahead, Laitakari believes that some parts of the Hennala area could be utilised via a procedure which involves a lighter zoning process, but for the bulk of the redevelopment plans, the way to proceed is by taking the regular steps: first, draw up the general plan and then the city zoning plan.

"The process will take time, but projects of this magnitude are never realised overnight."



## **Bring Out the Stars**

Tampere ups the ante with downtown renaissance, high-rise construction and green-edge solutions – and develops into a world-class Innovative City

In recent years, Tampere has clearly been among the winners when it comes to attracting people, companies and investments. Businesses – both big and small – flock here because of Tampere's great location, traffic connections and versatile commercial services.

yrki Laiho, Director of Urban and Economic Development for the City of Tampere, knows that Tampere has a secret weapon – or two, actually: "The two local universities have made sure that we have sufficient brain power for companies establishing operations here."

But what separates Tampere from other academic cities is the attitude towards students: Laiho points out that student housing has been concentrated in the downtown area for years now, allowing for true integration into the community. "The students that get to know the city are more likely to stay here, too," he says.

#### **Eye on Growth**

This type of attention to detail is customary in the City's strategies. Tampere has been working hard to make the city a better place for businesses – and that work is starting to bear fruit. The recipe for success, according to Laiho, is simple enough: never mind where the people come from, just figure out where the jobs come from.

"As long as there are jobs available, everything else will work itself out," he describes the philosophy.

That's not the only thing, however: Tampere is of the opinion that if a city wants to thrive in the global competition, it must work on its IQ. In fact, Tampere is in charge of the national Innovative Cities initiative and looking to use its varied expertise to improve the lives of its citizens more and more.

"The Innovative City concept calls for smart governance, open data and smart citizens – and we're working on all of these," Laiho says. The central idea of the "Tampere Model" is to establish smart infrastructure that is sturdy enough to enable digital services and administration, for instance.

#### Movers & Shakers

Smart solutions are needed, as the population of Tampere is continuing to grow briskly: every year, the population increases by about 2,000 residents. The population of the city is nearing 220,000, and the whole urban region has a total of 360,000 residents. Laiho quotes classic city planning studies in stating that the optimum size for a city is right along those lines: 200,000 people.

"We have a city here that is not too big or too small. We have all the services available without the problems that come with a big metropolis," Laiho says.

One of the challenges, then, is managing the intense growth that is likely to come in the next two decades. During the next 20 years, there will be 90,000 new residents in Tampere Region – and, proportionally speaking, the increase is bigger than that predicted for the Helsinki Metropolitan Area.



Laiho notes that Tampere – as the biggest inland city in Nordic countries – has a catchment area that is different from, say, certain coastal capitals.

"Our catchment area forms a full circle, which works in our favour," he says.

#### **Downtown Dynamite**

Tampere is already busy building the future via considerable investments in order to respond to the city's growth and construction needs. New residential areas must be built for the newcomers, and it makes sense to build new areas that are close to existing public and commercial services whenever possible. In all of this, the vitality of the downtown area is a key target and the construction of Ranta-Tampella and the linking Rantaväylä tunnel occupy centre stage.

"We have started building the Rantaväylä tunnel and it will be completed by 2017," Laiho says. At the same time, ambitious waterfront residential construction will be launched in this area. Eventually, 3,500 residents will make their homes here, right next to the commercial services of the downtown.

Laiho describes the role of the Rantaväylä tunnel as crucial, explaining that it will eliminate traffic bottlenecks and facilitate smoother downtown logistics. Underground parking is very much in the cards, too:

"We had a successful pilot with one parking facility already and are looking to expand on this concept," he says, adding that safety and service orientation are driving the change in downtown. With cars going underground, the urban environment is transformed, leaving more room for pedestrians and bicyclists. And there's more, too: a light rail transportation system is also being planned for the city centre.

#### **Five Star City**

The city centre is experiencing a beauty treatment which has been carefully outlined in the City strategy. The "Five Star Downtown" concept calls for urban appeal, high quality, diversity, attraction and originality – and Laiho believes that Tampere has these in spades.

"The key thing here is finding the solution that works for that specific situation. High-rise construction, for example, is not something we decide upon beforehand – but sometimes you have to go up to secure enough space," he says.

The new downtown tower hotel – under construction just off the railway station – is one example of the new "Vertical Tampere", but it appears that the skyline of the city will be completely transformed in the years to come. As the train station will enter a total makeover, an ambitious deck construction will be built over the tracks – and towers will be raised upon the deck. The vision plan for the project was made by the American "starchitect" Daniel Libeskind, bringing welcome cohesion into a city structure divided by tracks.

"In the process, a totally new city district will be created," Laiho says. The development is a co-operation of NCC Development, Tampere Central Arena Ltd and the City of Tampere.

#### **Hybrid Power**

The zoning plan received a green light some time ago and now NCC is looking for the right window to realize the project. Laiho is convinced that the construction will be started sooner rather than later: "The concept is there, the potential is there and now it's just a matter of timing," he says.

Hybrid construction is the driver here: For the deck towers, the bottom one or two floors are reserved for commercial use, and storeys 3-8 for office use. On top of this, there will be some 10 storeys of residential use.

"In hybrid construction, what you're looking for is a well-balanced mix – and it appears we have that here."

#### Waterfront Comeback

Another strong element in town is the waterfront: for a community founded between two lakes, the shoreline has been rather underdeveloped so far. Laiho promises that the coming development will create more of an urban waterfront.

"We want see waterfront architecture which explores the various uses of water in the coming Etelä-Puisto architectural competition, for instance."





City centres around the world are struggling with congestion issues – but the rising green consciousness is providing urban planners with tools to combat the problem. Bicycle-minded pioneers such as Denmark and Holland have shown that bikes are extremely cool, green and hip and many cities are following their lead.

rofessor Jorma Mäntynen from Tampere University of Technology says that urbanisation is a strong global megatrend which forces all communities to consider their traffic mix.

"Cities find it useful to allow for both pedestrian and bicycle activity, since when you remove cars from downtown, the setting becomes more enjoyable – which contributes to people spending more time and money there," Mäntynen says, adding that cities have a clear motive to turn downtown areas into "pedestrian paradises".

#### Small Cities, Big Ideas

In Finland, there are a number of cities that have been rather active on this front. Helsinki, for one, has had success with the "Low Line" bicycle route Baana, which connects downtown with west Helsinki. But there are other success stories out there, too.

"Kokkola, for example, has realised a pedestrian zone along the lines of the Central European model and Oulu has a great pedestrian area and the best biking in Finland," Mäntynen says.

"Also Jyväskylä has shaped its centre from the pedestrian perspective and the City has very ambitious plans for development."

Discussing other strong trends in logistics, Mäntynen believes that intermodality will only be strengthening during the coming years. The concept relies on combining various forms of transportation to create a smooth traffic solution.

"The challenge lies in making sure that the transport chain works seamlessly," he says, pointing out that, for example, various "Airport City" concepts draw their strength from optimised intermodality. Air cargo will continue to grow; according to some estimates, the global total air cargo volume will triple by 2030. In Finland, the

volumes have grown about 50% during the last ten years.

Still, there are no real estimates as to the growth of air cargo in Finland in the future. Nevertheless, even though Climate Change poses a challenge to all air traffic, Finland occupies a "gateway" location and is quite well positioned.

#### Rock the Rail

According to Mäntynen, there is plenty of untapped potential left also in the rail traffic – both passenger and cargo. In Finland, the success of Allegro fast connection between Helsinki and St. Petersburg has created at least a partial "rail renaissance". Allegro has already had one million passengers since its launch in December 2010.

In September, the future of rail traffic was very much on the agenda at the Rail-Forum 2013 seminar in Kouvola, a key rail-



Photo: WSP Finland Ltd Tools for developing enhanced walkability are needed, in addition to true visions to promote human urbanism. Scene from WSP's Tampella Naistenlahti

area land use alternatives project.

## Wanted: Slow City

Turning the downtown area into a pedestrian's paradise is a rising trend in city planning. Tampere is one of the forerunners in this regard - in fact, the City has put together a ground-breaking programme to promote walkability issues in the city centre.

erhi Tikkanen-Lindström from WSP Finland says that there are several reasons why improving walkability is on the agenda of so many cities now: "From a commercial viewpoint, or from the perspective of culture, innovations and travel, making the city centre more accessible to both pedestrians and bicyclists makes great sense," she says. WSP serves in a consulting role also at Tampere.

Tikkanen-Lindström would like to get rid of the old thinking which states that if you're pro-pedestrian you're somehow anti-car. "Cities need integrated solutions which allow the people to come to the city centres via all possible modes of transportation," she says, pointing out that finding the right balance is the key here.

#### Walk the Talk

Reetta Putkonen from WSP believes that the "lively pedestrian city centre" is a sum of three key factors. First, the downtown must be an area where people truly enjoy themselves.

"One of the aspects here is that you can walk down the street and still carry on a conversation with a friend – there's not too much noise or any other sort of disturbance," she says.

The second thing on Putkonen's list is "the network of places" which means that the pedestrians want something visual to engage them almost constantly when they're taking a stroll. "Every 100 or 200 metres you should have something to see, for example a river, bridge, town square or variable architecture."

The third issue concerning walkability pretty much anchors everything else: safety. Putkonen points out that what matters here is the perception of safety: if the downtown is not sufficiently lit at night, are there places where people simply won't go?

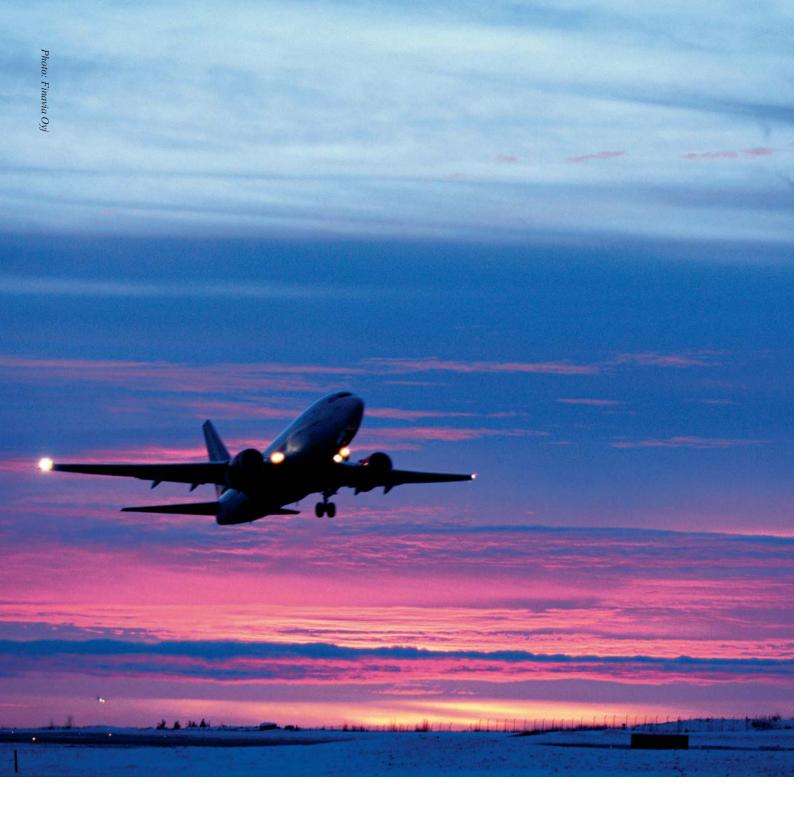
"With lighting and other kinds of design tools, and also social control, people will feel a lot safer."

way hub of its own right. Valeriy Tanaev, Chief Engineer for Russian October Railways RZD, recognised that there are bottlenecks along the feeder connections in several places and the performance level of Russian ports, for instance, suffers due to this. However, with new investments, the Russians are able to increase the capacity in Ust-Luga, for instance.

According to Tanaev, Finland is the key piece in the considerations of the Russians, since 58 % of the passenger traffic is Finland-bound. The Allegro concept - featuring the in-train customs check - is such a hit that it will likely be taken to the Baltics next.

#### Mix & Match

Going back to the topic of intermodality, it remains a challenge for many Finnish companies operating in Russia. For example, Jari



Grönlund, Vice President at Kemira, said that combining various modes of transport is the biggest challenge for the company in Russia.

Nurminen Logistics, for one, has solved the problem by buying its own train wagons -1,000 of them, in fact. Since the roads can only take so much, it seems evident that the share of railway traffic is bound to grow.

At the RailForum seminar, there were also more far-reaching ideas. Riivo Sinijärv, Managing Director of Baltic Rail, suggested that trains could easily run from Mediterranean to the Baltic Sea and take goods to Russia via Finland. Sinijärv's company had already achieved success by running block container trains from Koper to Gdansk via various connections. Having started the business in 2011, Baltic Rail remains the only player operating under such concept.

#### **Northern Reach**

Angelo Aulicino from Interporto Bologna agreed that goods going from Italy to Mos-

cow could conceivably take the northern route. What is needed is flexible mix trains, management orchestration and minimising operations, Aulicino pointed out.

Lappeenranta University of Technology Professor Olli-Pekka Hilmola assessed the rail situation in the field now and in the near future. Hilmola is eager to see Finland cut the cord with regards to oil: he believes the answer to lie in trains and containers. In his view, the "Finnish love affair" with roads and trucks is getting tiresome.

#### THE ANGLE

By Olavi Louko The writer is Deputy Mayor of the City of Espoo

## On Track for Solid City



In Helsinki, and especially in her neighbouring municipalities, there is plenty of potential to solidify the urban structure. Helsinki's western neighbour, Espoo, has a great opportunity to tighten up the city structure by diversifying the traffic network - especially rail traffic. Espoo is the second biggest city in Finland with the strongest growth, proportionally speaking.

t present, Espoo and Helsinki are building a western continuation line spanning 14 kilometres – for the metro. Along the tracks there will be eight new metro stations. On top of each station and in the surrounding area there will be new commercial, office and residential construction.

The new metroline and its stations will be operational in early 2016. Already in 2014, work will commence to carry the western line onwards, all the way to the Espoo's western border. The length of this additional stretch is 7.5 kilometres and it will feature five new stations. Once the extra stretch is completed – before the year 2020 - all of Southern Espoo will be able to access the metro.

Running through Central Espoo, there is a railway connection from Helsinki to west. By building parallel rails to this connection, it is possible to enable city train traffic through Central Espoo in fluid motion, quite like the metro. This work should be completed before 2020.

After this is done, the aim is to connect the metro line and railroad with three rail connections running north-south - quite possibly trams could be utilised here. As a consequence, Espoo will come to feature a rail network with great coverage. This network is an important part of the big picture: the evolution of the rail traffic in the Helsinki Metropolitan Area.

In addition, the street and road network will be developed significantly; at the same time, the number of pedestrian and bicycle routes is increased. With regards to the metro stations, easy-access bicycle routes are created and the stations will feature quality storage facilities for the bikes. From residential areas, there will be feeder traffic buses running to the metro and train stations. In the future, the focus here will be, more and more, on electric buses.

Espoo, as a part of the Helsinki Region, will be fully integrated into the regional system. The region is developed onwards in collaboration with 13 other municipalities and the State.

The creation of this new traffic system in public transportation gives us a great chance to make the urban structure considerably more solid. This means that the value of the land will increase, attracting jobs, investors, business and new residents to the area. All services can be provided more effectively, as they are concentrated at the stations. At the same time, thanks to smooth public transportation system, the accessibility of these services is on a very high level.

With regards to the construction and usage costs of infrastructure, there will be a proportional decrease; as the value of the land goes up, projects become economically viable. In addition, a more solid city structure is also the more environmental way to go. Under this scenario, there will be less need for private cars. Nature is preserved and can be reserved, more and more, for the recreation of the citizens.





## Aulanko looks into the Future

Annual Convention of Property
Investment Prospects was once again
held in Aulanko, Hämeenlinna,
Finland, in November. For two days,
real estate professionals listened to
the presentations and networked with
their peers, talking shop and – more
and more – peering in to the future.

t seemed that this year, a crystal ball was the one mandatory item for any participant, since so many of the speeches centered around future trends. The keynote speaker John L. Casti got the ball rolling in earnest by talking about the way moods impact people and business alike.

John L. Casti.



In Casti's views, it is no accident that "futurists" of all types – including economists and political analysts – fail at prediction. They get excited at major peaks in society and cynical at major bottoms; as a result, investors take risks at major tops and pull in their horns at major bottoms – just when they should be doing the opposite.

#### There's No Going Back

Casti's work on the development of earlywarning methods for extreme events in human society has been groundbreaking, so it was no wonder that the presentation at Aulanko was met with great interest. What does the future hold for the real estate sector? According to Casti, the problem with almost all social prediction is that it is based upon the extrapolation of present trends into the future.

"And this always fails – because trends change," Casti says, adding that there has never been a useful approach to anticipating changes in social trends. He feels that all that is wrong with social prediction today is due to one simple error: the presump-

tion that "events" cause social moods and trends. This assumption, in fact, like the predictions it produces, is exactly backward, Casti argues.

An example: most people think that a productive economy makes people optimistic and that an unproductive economy makes people pessimistic. The opposite is true: Optimistic people make a productive economy, and pessimistic people make an unproductive one.

Casti admits that this concept sounds simple enough, yet no one in the social sciences has made this case before. Still, at stock markets around the world, this idea is not totally unheard of as everybody recognizes the significance of sentiment as a driver – and surely "sentiment" is not too far removed from "mood".

#### Random Success?

Casti's torch was carried on by Finnish thinkers such as Ilkka Kakko and Mika Aaltonen. Ilkka Kakko, founder of Karostech, commented that in the future, innovation management will give way to "serendipity management". Serendipity? Sometimes called a "happy accident" or "pleasant surprise"; serendipity involves running into something good or useful while not specifically searching for it.

For real estate professionals, the concept is highly useful as the need to nurture creativity is evident in the offices of future. Via various co-working solutions, for instance, people from various backgrounds can get together and something new can emerge from this.

Aalto University Professor Mika Aaltonen painted a vision of Renaissance Society to his audience, predicting a new era of individualism and creativity. Aaltonen belives that we are in verge of a new age where consumer becomes a creator: spurred on by new technology, there is very little he can't achieve.

#### Reinventing Nature

But what does this mean from real estate perspective? According to Aaltonen, one answer can be found in urbanization – as the majority of humanity now lives – for the first time ever – in cities, this will mean a reevaluation of man's relationship with nature.

"There will be a market for re-creating nature," Aaltonen says. From the point of view of the developers, this means that the focus will not be on square metres alone, but also the natural values present in the surrounding areas (or within the building itself).



Aalto University Professor Mika Aaltonen.



Photo: Sint Pennanen

The real estate sector is still experiencing its share of the uncertainties that impact the economy. The volume of transactions remains on a low level, the leasing of business premises has plenty of challenges and construction projects are slow to move forward.

anne Larma from Advium Corporate Finance argues that one problem in the market right now is the narrow investor base: the buyers in recent transactions have been domestic institutional players (along with just a few Nordic and German funds or investors). Furthermore, many players of this rather small group limit themselves to the Helsinki Metropolitan Area – and focus on clear-cut "core" targets.

"It seems rather typical that investors are turning away from all risk and looking for guaranteed income. Of course, the situation has been about the same for over four years now and there is no quick change in the future, either, even though funding issues have improved of late," says Larma.

For the construction market, he lists the non-active leasing market as a significant problem that has quieted things down in office construction very effectively indeed – if one ignores the very best locations and their high-profile projects. In residential construction and the raising of new shopping centres there is still momentum left, however, and more of a 'business-as-usual' mentality.

#### **Gaining Momentum**

Despite the apparent challenges, many experts feel that there is light at the end of the tunnel. Janne Larma shares this view: the outlook is better now than 6 or 12 months ago.

"Funding is available at terms which have improved a bit and many funds have been successful in raising new capital." Especially the new residential and healthcare funds have hit the ground running. Also, the stock market has been looking rather robust of late.

"The sentiment is better now than last spring. Even though the willingness to take risks is still weak, we feel that the next 6–12 months will be clearly more active than what we saw in 2013."

#### All Eyes on Prime?

Traditionally, the safe haven for investors in murky waters is prime targets, but this solution does not fix all problems, since there are only a limited number of targets of this quality and the yield levels are low.

Janne Larma is expecting for investors to start looking for targets outside prime as soon as they get tired of poor yields and feel that they could stomach a bit of risk. But the timing is still iffy; Larma says that higher risk is not deemed attractive at the moment,

but probably in 12-18 months investors will find their courage again.

"At the moment it is clearly visible that many European, opportunistic funds have assembled a significant volume of capital and at some point also the Finnish market can attract a share of the capital flows. On the other hand, it would be very good indeed if we finally found some investors in Finland that would recognise the excellent yields potential of the real estate market outside Helsinki," Larma says, expressing a wish that perhaps eventually a domestic fund will specialise in this segment.

#### **Too Much Office Space**

Leasing of business premises is an uphill struggle in many cases as companies are not too keen on outdated premises – with weak accessability – that are well represented in the market. There is overflowing supply which means that the customers can have their pick and often decide to go with brand new whenever they can. Janne Larma points out that the office market is not one and the same; certain areas may still enjoy nice demand (and even be lacking in appropriate premises).

"It would seem that the tenants look for high quality premises that are flexible enough for their purposes – and it should feature good connections and be located near diverse services, too," Larma lists the requirements for many tenants in the market right now.

#### **Grace Under Fire**

According to Larma, during that last 20 years the Helsinki Region has witnessed a development where a few highly attractive business centres have established themselves so well that they enjoy steady demand even when times are tough; and, at the same time, there are old premises in fringe areas which are hard-pressed to get anybody interested.

"It would be sensible – and highly recommendable – that an effort was made to turn these vacant premises with poor yields to new use, by means of modernisation or conversion," he says, adding that in recent years the sector has seen the emergence of few active players who make profit by giving new life to tired old premises.

"In the Helsinki Metropolitan Area, there is a number of such projects with solid prospects going on right now."

## **Eye on Opportunity**

Union Investment Real Estate perceives plenty of potential in Finland





Sustainability, energy efficiency and the environment remain drivers in the real estate investment sector. Philip La Pierre, Head of Investment Europe, Union Investment Real Estate GmbH, says that his company firmly believes that sustainable practice goes hand in hand with economic added value and the viability of sustainable products over the long term.

n fact, Union Investment is one of Germany's first major property portfolio managers to have conducted a comprehensive analysis of its global real estate fund portfolio according to sustainability criteria. The results were published in May 2012 in the Group's first Corporate Social Responsibility report.

"Our real estate portfolio currently comprises 37 assets with national or international sustainability certificates as LEED. BREEAM or DGNB, totalling some 4.7 billion Euros. The properties in Finland are all designed to meet the group's sustainability requirements, most of them hold BREEAM certificates," says La Pierre.

#### **Going North**

The company has been active in the Nordics – meaning, in this case, Finland and

Sweden – since 2005. Its portfolio in Finland currently comprises nine office properties and a logistics centre in Espoo, Vantaa and Helsinki, totalling some 320 million Euros. In August, Union Investment acquired the headquarters of construction company Skanska in Helsinki for its open-ended real estate fund UniInstitutional European Real Estate. Completed in January 2012, the property has LEED Platinum certification and is fully let to Skanska.

"The Skanska headquarters building exemplifies our quality-oriented investment approach. Working with dependable partners such as Skanska, we are delighted to have established an excellent portfolio in Helsinki within the space of just a few years that has attracted international attention," says La Pierre.

The "Skanska House" is part of the Manskun Rasti office complex in the inner-

city Ruskeasuo office sub-market, which enjoys direct main road access to Helsinki's city centre and commercial district. Comprising four buildings and offering around 34,219 sq m of office space, the complex is scheduled for final completion in 2015.

Another quite recent acquisition in Finland was the new Alberga B office building in Espoo which was acquired in 2012 for the company's Europe fund. The vendor was Finnish project developer NCC Property Development. That same year, the company also acquired the Eventes Business Garden, an office development already 100% pre-let on a long lease. Also, the new headquarters of Outotec Oyj, a listed technology, engineering and plant construction company with a strong credit rating, is scheduled for completion by mid-2014. Union Investment is forward funding the project by Finnish developer Peab Oy, which offers some 14,133 square metres of rental space.

"We would like to expand our high quality portfolio in Finland next year. The high-growth metropolitan region of Helsinki remains a key investment focus for us. We could also imagine investing again in project developments like we have done several times. Investments in project developments – via forward purchase – give us the chance to secure core properties which are not easy to find these days," La Pierre lays out the game plan.

#### Upgrades Available

In addition to new real estate, the company is also involved in the preservation of existing landmark buildings. Union Investment has gained a lot experience in refurbishing buildings from its existing stock. A prominent example is the repositioning of the former Unilever HQ in Hamburg which is now a multi-let building and comprises the company's Hamburg headquarters.

"The listed Emporio Tower received the LEED Platinum label for sustainable building last year. We would now like to offer the same approach to our institutional investors – a refurbishment fund with a special focus on sustainability," La Pierre says.

Union Investment Real Estate GmbH, Hamburg is one of the largest investment managers for real estate in Germany, having been active in the real estate business since 1965. It currently has assets under management of 23.3 billion euros in sixteen real estate funds. Union Investment Real Estate is Germany's largest investment management company for open-ended real estate

"Union Investment offers open-ended real estate funds designed for private investors and institutional customers," explains La Pierre.

"The solutions for institutional investors include also funds with a thematic focus as retail or budget hotel. We also provide innovative and tailored concepts for investors with special requirements, such as service mandates and multi-manager concepts. Due to the different profiles of our funds, we look for a variety of different regions and lot sizes."

#### **Global Reach**

For more than a decade now, the company has been branching out to the world very actively. Since 2002, in particular, Union Investment has greatly expanded its investment reach, entering more than 20 new national markets and adding countries such as Mexico, Singapore and Malaysia to the more traditional European locations.

Union Investment Real Estate is currently operating in 23 countries worldwide, with approximately 60 % of property assets located outside its domestic (German) market. With a share of some 42 %, the European markets outside of Germany are the main investment region. Union Investment operates through its own specialist teams in Hamburg, local offices in Paris, Madrid, New York and Singapore, and a growing network of strategic partners.



#### **Core Competence**

La Pierre reports that investments in citycentre office space and business parks are "the mainstay" of the company's investment strategy.

"In addition, Union Investment is investing in logistics properties, shopping centres and business hotels in selected locations that offer the prospect of attractive returns over the medium and long term." The company's hotel portfolio consists of 29 properties with a current market value of €1.7 billion. Some €6 billion is invested in 38 shopping centres in Europe.

"Since 2005 our average acquisition volume has been 1.7 billion EUR per year. With a focus on the strong Western European and North American countries, our investment goal for 2014 is again some two billion EUR."

Lutz Ehrhardt



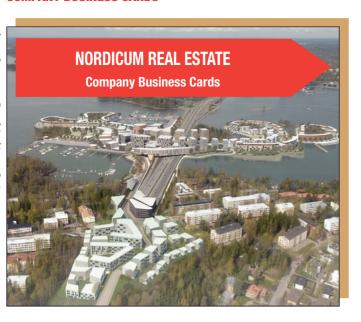
## **Great Deal to Close the Year**

nion Investment's latest investment deal in Finland is the acquisition of the prestigious UPM-Kymmene Corporation's head office in Helsinki. Announced in December, the contract covers a 15-year lease of the 12,426 square metre premises in the city centre, which Union Investment purchased for some EUR 74 million from UPM.

Philip La Pierre, head of Investment Management Europe at Union Investment, comments that the company is very pleased to have had this rare opportunity to acquire a modern office new-build which enjoys an excellent location in Helsinki's main commercial district.

"We expect rents to grow over the next few years, particularly in the central business district, with its chronic shortage of modern space," said La Pierre. The new investment adds to Union Investment's nine office and logistics properties which represent a value of EUR 320 million. The company expects to invest an additional EUR 200 million in the Helsinki region.

Lutz Ehrhardt



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Advium Corporate Finance Ltd is a leading Finnish corporate finance advisor in the major real estate transaction and one of the leading M&A advisors in Finland. Since its foundation in 2000, Advium has advised in more than 120 transactions with a deal value in excess of 9 billion euro.

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Invest in Finland is a government agency promoting foreign investments into Finland. We assist international companies in finding business opportunities in Finland and provide information and guidance required to establish a business in Finland. Invest in Finland is part of Finpro.

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JÓSEK sérves all companies in the Joensuu region, from startups to established enterprises developing their operations. The business consulting service also assists enterprises and organisations seeking to locate in the Joensuu region. We offer our services free of charge.

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LocalTapiola Real Estate Asset Management Ltd provides real estate investment and management services. Half of the company in owned by LocalTapiola General Mutual Insurance Company and the other half by LocalTapiola Mutual Life Assurance Company.

LocalTapiola Real Estate Asset Management Ltd offers real estate investment, managing and counseling services as well as manages real estate investments and fixed assets. The company also engages in rental business, marketing, house management and administration, maintenance, outsourcing and sales services.

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NCC is one of the leading construction and property development companies in Northern Europe. With the Nordic region as our home market, we are active throughout the entire value chain, creating sustainable environments for working, living and communication. This entails developing and building residential and commercial properties, constructing industrial facilities and public buildings, roads, civil engineering structures and other types of infrastructure.

In developing commercial properties, we work in close cooperation with our customers, creating unique work environments. We enhance our customers' business performance through providing inspiring, sustainable and customized workplaces. For property investors, we provide sustainable investment opportunities with a secure and stable return over time.

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Ruukki specialises in the development, production and launch of products and services to promote energy efficiency and functional modifiability of commercial and industrial buildings. We are committed to creating added value both for real estate occupiers and investors

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SRV is a leading Finnish real estate developer specialising in development, construction and commercialisation of retail and office premises, hotels, logistics and production objects, as well as residential property. SRV is aspired to improve quality of life through sustainable solutions for the built environment.

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Tredea Ltd maintains and strengthens the magnetism of the Tampere Central Region and fosters prerequisites for successful business.Tredea is a force that unites regional economic development activities and a builder of practical cooperation. Join the Tampere Business Region network - we'll get you in!

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WSP Finland is a research, planning and design consultancy operating in the construction, community and energy sectors. We offer expert services for the needs of the built and natural environment in the fields of transport, infrastructure, environment, architecture, energy, bridge engineering, industry, property and ground and rock engineering.

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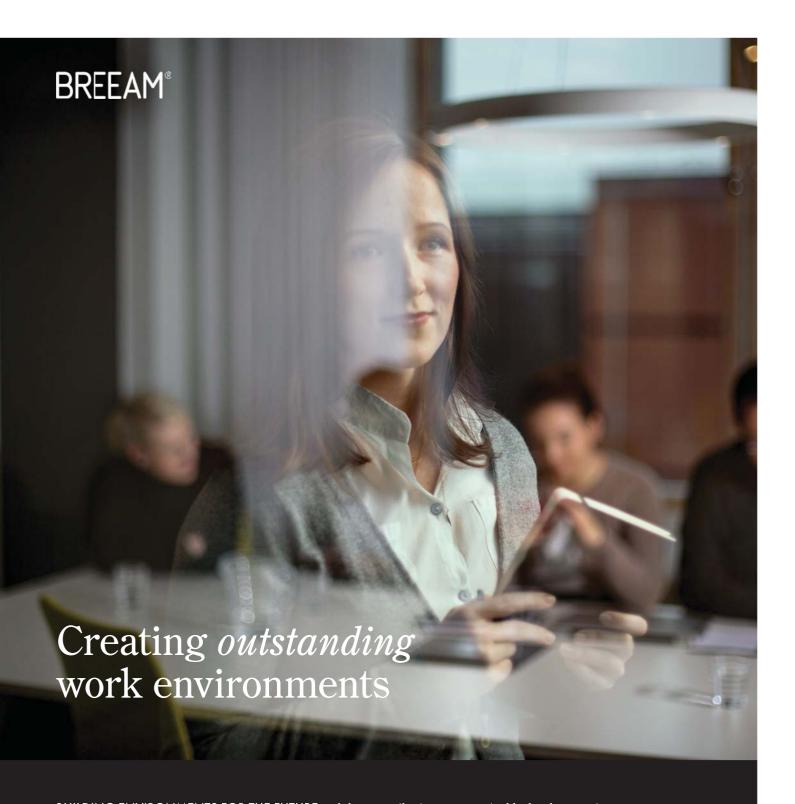
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