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Clarion Call

Arthur Buchardt
declares his love
for Helsinki

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Northern Lights Shine the Brightest

Speeding up the growth path, Oulu is set to capitalise on a wealth of opportunities in Arctic Europe

To paraphrase an adage from the Old West: “Go North, young man!” Oulu’s population is the youngest of all European cities and, even more importantly, it is the fastest growing city in the Nordics. In September 2016, the City of Oulu reached 200,000 citizens, and the Oulu Region now boasts a quarter million people. Hailed as the “Capital of Northern Scandinavia,” Oulu is poised to be one of those pioneering European cities that are pushing the boundaries of technology, creating innovative business models in the wake of engineering prowess.

OULU

oulu Capital
of Northern
Scandinavia



Seija Haapalainen, Senior Adviser in BusinessOulu points out that Oulu has benefited from Nokia’s strong presence in town in mobile phone and mobile networks businesses. During the company’s heyday as a mobile phone giant, Oulu shouldered the load for some of the most innovative R&D on the planet. As Nokia pulled the plug on the handset operations in the city, Nokia mobile network operations continues on the full speed and at the moment Nokia with large local ecosystem is working on 5G development. The accumulated brain power of mobile handset did not become obsolete – far from it, actually.

“Nokia and its successor Microsoft had facilities totalling 90,000 square metres. Now, instead of having just one big company, 126 smaller companies have taken over the same space, employing as many as 4,300 people,” Haapalainen says, adding that it comes as no surprise to the natives that such a comeback was in the cards – but the rapid ascension of so many formidable players has been quicker than many experts predicted.

These companies, rooted on top-notch ITC expertise, have found that the Northern ecosystem keeps creating one opportunity after another – for those willing to venture outside the box.

“As a consequence, we have a rejuvenated corporate base and also international companies are establishing operations here since they are eager to explore the local synergies.”

Builder’s Paradise

And it’s not like ICT is the only game in town. Also the construction business is booming: the City of Oulu’s Building Supervision Committee has estimated the market value for green-lid construction in 2016 at approximately EUR 1.5 billion.

Building permits during Jan-Sept

WHERE WE ARE

Thanks to direct flights, location by the sea as well as efficient railroad and highway networks, Oulu is extremely well connected to other major cities and market areas.



HELSINKI	55 MIN
FRANKFURT	3:20 HOURS
LONDON	3:55 HOURS
PARIS	3:55 HOURS
BEIJING	9:00 HOURS
NEW YORK	10:50 HOURS

**Oulu,
Finland**

2016, were granted for more than 270,000 m² of floor space, showing a 46% increase. The rise in the number of building permits for housing was even higher (68%), with the city centre attracting plenty of new residential buildings right now. Building permits granted for office construction showed a tremendous 53% increase, too, as new office, industrial and storage facilities are required all around town.

The need for new business facilities – as well as the confidence in local business prospects – is reflected also in the exceptionally high number of reservations for industrial building sites. The reservations just hit their highest peak in years, having doubled from previous year.

Sustainable Success

Oulu is not flying blind in its quest for urban growth, either. The general plan of New Oulu – already partly in effect – is built around the idea of a “Sustainable Northern City”. The general plan focuses very strongly on building compact and diverse urban environments, making provisions for an increase of 30,000 new residents and 15,000 new jobs by 2030. The general plan also provides a number of options for retail, offices and industry as where to set up shop – Oulu is big on variety and wants each and every company to find the optimal location for their operations.

Just a couple of examples from these trends: the new visions of northern university campus and Kontinkangas Campus for Health Care and Social Welfare Services allow for not only public but private services and business facilities, as well. In addition,



in the future the northern artery, the Kemintie road leading to the city centre, could be turned into a city boulevard where ample supplementary building and new services would be located along a tramway.

Mighty Wings

And that's not to say that the current level of connectivity is poor. Domestically speaking, the Oulu airport is second only to Helsinki and saw a record-breaking number of passengers in 2016.

“The airport reached one million passengers in 2016, with a 5.4 percent increase from the previous year,” confirms Pauliina Pikkujämsä, Head of Marketing and Communication in BusinessOulu. Oulu Airport's perfect year was capped off by its selection as the Airport of the Year in the summer and the decision to further improve the airport to the tune of EUR 14 million.

“The airport's annual capacity already stands at 1,5 million passengers, as many upgrades have been performed in recent years,” she says. Passengers can choose from 100 weekly flight options between Oulu and Helsinki, and, furthermore, there are easy flight connections to Luleå in Sweden and Tromsø in Norway.

Call of the Wild

Interestingly enough, it seems that the planes touching down on the airport tarmac are jam-packed with foreign investors. Recently, Oulu-based companies have been attracting more than EUR 50 million of venture capital investments each year, points out Minna Jokisalo, Project Manager in BusinessOulu.

“Hot investment areas right now include 5G development, IoT, MR, Health Solutions, Printed Intelligence, Gaming and Cleantech,” says Jokisalo.



Furthermore, Oulu is a proud host to such startup events as Polar Bear Pitching and Midnight Pitch Fest, where some of the most promising startups and investors meet. In addition, BusinessOulu organises investor events – such as Oulu Investor Days – and BusinessOulu’s experts are often the very first contact in Oulu Region’s VC activities.

“We’re also sparring startups with their presentations and hosting pitching coaching events which provide valuable tips to the startups,” says Jokisalo, adding that BusinessOulu has worked with dozens of companies that are trying to find their “voice” and is constantly matchmaking between entrepreneurs and investors. One tool is different kind of projects:

“Companies participating in a project have received €12,7 million of funding so far,” Jokisalo says.

Seaside Strategies

A big part of the local identity, of course, is the sea which has offered connections to the world for centuries. The Port of Oulu has a long tradition of success and a fresh banner year under its belt: a new record was reached in foreign exports in 2016. In addition, the number of ships visiting the Port totalled 588, which marks a new high for the Port after it became a public utility (and subsequently a limited company). The total volume of transports via the Port (3.558 million tons) also came very close to an all-time high.

According to Marko Mykkänen, CEO of Port of Oulu, the strong result bodes well for the future. But there’s also work ahead: The Port’s customers (both existing and future ones) as well as the upcoming major projects to be implemented in the North all call for a deeper channel to Oulu.

“The deep channel project is a necessity in order to ensure a cost-effective transportation route for northern industry to the global market via Europe,” says Mykkänen. ●

Eye for Architecture

One example of the forward-looking mentality in Oulu is presented by the surroundings of the railway station which are about to go through a real beauty treatment. An architectural contest, aimed at retooling the area, is presently in its last phases.

“We had 30 participants in the competition and five were selected to create the final contest entries,” explains Matti Matinheikki, Director for Urban & Environmental services for the City of Oulu. The entity, comprising 75,000 floor square metres, will feature mostly residential construction, but there is room for various hybrid solutions, as well.

“The winner of the contest is announced on 18th January.”

Shortly after this, the City is expected

to release its architecture master plan which will add cohesion and strategic reach to the urban development effort. In addition, Oulu’s City Centre Vision 2040 is almost complete, too.

“Our vision is a study of various things that we can do to increase our appeal and functionality in the years and decades ahead.”

The new Central Station will finally bring to life what has been talked about for so long around town: a truly modern hub for all traffic. Matinheikki sees the project as a great chance to make “a positive push” into the future.

“There are some very inspiring ideas among the entries and we are hoping to turn the best ones into reality.”

All five entries view the Central Station as a kind of a “gateway to the city” – and with good cause, too: annually, 600,000 – 800,000 passengers enter Oulu through here.

Still, the most high-flying visions may not be able to take off very easily, since the City is not the only concerned party in the project. State-owned VR and Senaatti own most of the land in the area, and they naturally will have their say on what is to come.

The emerging new plans are a continuation of the previous efforts, such as the 2015 idea contest for the development of the Market Square, located at the waterfront. In addition, various opportunities to raise residential construction in Hollihaka Park and Raatinsaari shoreline have been surveyed with care.

“We look at areas such as Market Square and Hollihaka Park as great candidates for future development. There is a lot we can still achieve,” Matinheikki says. ●





Embrace the Arctic

Behind the proud designation, “the Capital of Northern Scandinavia,” there is a lot of collaboration in the fields of e.g. academics, logistics and industry. The most northernmost parts of Finland, Sweden and Norway have learned to pull together and this has led to, for instance, new flight routes between the Northern cities. With Arctic industries including e.g. energy production, transport, and mining, there is need to seek synergies wherever possible.

Leading the way in many regards are the “Arctic universities” in Oulu, Luleå, Tromsø, and Rovaniemi which are working together to develop an action plan for the Arctic Europe by 2020. The plan, titled the Arctic Agenda, is a comprehensive action plan involving numerous dimensions ranging from culture and technology to sustainable development, with each of the universities focusing on issues that suit most its particular expertise and competence.

Looking into the future, it is clear that new emerging fields – such as development of sustainable energy and data networks – will also benefit from high-level scientific research. Juha Ala-Mursula from BusinessOulu says that Arctic Europe requires input from many sectors:

“Universities are focusing research into this area and there are also cultural exchanges. Business needs and logistics are also a key part of the big picture.”

Ala-Mursula believes that the University of Oulu is one of the forerunners of the entire “Arctic attitude” – the university understood the vast potential of the Arctic a long time ago and has taken decisive steps to promote the cause.

“In the future, we will see a trend where the Arctic areas will become even more relevant,” Ala-Mursula says. Case in point: there are already talks about connecting the London Stock Exchange with its counterparts in Shanghai and Tokyo with a high-performance data cable that would run via the Arctic areas.

“Security issues could be improved tremendously due to Northeast cable access,” Ala-Mursula points out. In the similar vein, the Oulu Region is eager to add data centers into its already impressive roster, since the entire “knowledge-intensive package” is readily available here:

“We can offer cost-effective solutions rooted on safety, energy access and convenient construction.” ●

North Star Calling

The Oulu Region is proving to be real wild card in the Travel & Tourism sector. For many international visitors, Oulu offers a great mix of safety, nature and urban comforts. Jyrki Kemppainen from BusinessOulu says that tourists have flocked to the North in increasing numbers of late.

“Especially the local hotel market is showing great development.” In Oulu city center average hotel room occupancy rate from Jan-Oct 2016 has been over 65%.

Nevertheless, most of the hotel patrons are still Finns – Kemppainen estimates the share of international guests at 20%. “While there has been decline in the number of Russian guests, it has been more than made up by the increase in the number of guests from Central Europe and Sweden.”

According to Kemppainen, recent marketing moves in the Central European market have certainly given a boost to Oulu’s hotel business – and various other businesses of the sector. “The idea is to showcase Oulu as the most versatile travel destination in Finland,” he says.

Whether it’s skiing, hiking, fishing, shopping or fine dining – all of these things are readily accessible in the region. “Today, Oulu is a very competitive alternative for today’s travellers.”

And yet, there are plans to expand that offering considerably. Located four kilometres from the City Centre, Nallikari travel centre is one interesting “work in progress” with EUR 100 million investments being planned for the area. “Offering beautiful seaside nature, Nallikari could really be something in the years to come,” Kemppainen believes.

Already, there is the Nallikari Holiday Village, a year-round holiday resort that has made a name for itself as the “Riviera of the North”. But that’s just for starters:

“According to the plans, the area could accommodate an amusement park, an activity arena and hotels.” ●

Office = Culture

Remote working keeps spreading, as more and more professionals book 'home days' on their calendars – or, perhaps, go to an inspiring downtown café to finally write down that report that's over-due. The employers are no dummies: they've noticed that a warm body by the desk is no guarantee of peak productivity. Instead of counting heads, smart organisations measure results – who cares where the employee sits, if he/she gets the job done in time?

The designers of the "future office" concepts are taking notice of the workforce that is increasingly as mobile as the technology they wield – but how exactly can you compete with this trend?

It is true that the Taylorist principle of the 1920's still prevails in many an office – and you will see modern-day worker bees in rows, punching the keys of their type writers, sorry, computers. However, the zeitgeist is strongly favouring things like modern ergonomics and Activity Based Workplace (ABW). We are witnessing a development where more and more companies are starting to really think about their office spaces. Why do we have them? What is it that we actually DO at the office? In the wake of these questions, we start to change the role of the office.

Connectivity is the game-changer; there is no need to go to the office at all, unless it somehow benefits the work. The office – as depicted in the visions of so many experts today – is a social hub where you can connect with your colleagues: share a coffee, start a conversation and get inspired by something that you never thought of before. It may be that the office is no longer the place where you are the most productive, either. So what's the point of having an office?

Actually, companies big and small are already noticing that remote working comes with its drawbacks. For example, if your people are all spread out in the world, it's just a bunch of individuals, with no real corporate identity. Now, more than ever before, we need the office to establish, promote and maintain your company culture. It's the office becoming personal.

Simply put: office is a way of showing ourselves and our business partners who we are. You could even say that it's a window into the soul of the company. And it's up to us to make sure that window doesn't get fogged up from all the hype.

Sami J. Anteroine
Editor-at-Large

NORDICUM

Real Estate Annual Finland

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Cover Photo

Ari Talusen

Printed by

PunaMusta, January 2017

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ISSN-L 1236-3839
ISSN 1236-3839 (Print)
ISSN 2242-9603 (Online)
www.nordicum.com

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Photo: YIT

YIT wants to reinvent today's offices – in a big way. Tripla Centre, located in Pasila, Helsinki, is offering us a glimpse into the future of work. **Pages 22–24.**



Photo: Helin & Co Architects, Voima Graphics Oy

SRV is pushing retail and residential into higher gear in Kalasatama, Helsinki. Shopping & Experience Centre REDI stands poised to deliver the goods. **Pages 32–33.**

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Photo: Niklas Lähemäki, the City of Hämeenlinna



Photo: Meyer Turku Oy

Located along the Helsinki-Tampere corridor, Hämeenlinna is keen on developing its beautiful waterfront – with strong emphasis on citizen participation. **Pages 42–43.**

The major cities of Southwest Finland are pursuing unprecedented collaboration. Turku, Uusikaupunki, Rauma and Pori are exploring synergies and building momentum – with great results. **Pages 44–45.**

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Finland fast facts

64° 00' N 26° 00' E



Helsinki placed second (after London) in the Financial Times' FDI Intelligence European Cities of the Future 2014/2015 ranking which measures the ability of areas and cities to attract foreign direct investments (FDI).

Newsweek Magazine has ranked Finland as the world's best country on the basis of criteria emphasising the environment, education and quality of life.



Finland has the highest Research & Development intensity of all 28 European Union member states (Eurostat).

According to the Social Progress Index (maintained by Social Progress Imperative), Finland was the most socially progressive country in the world in 2016.

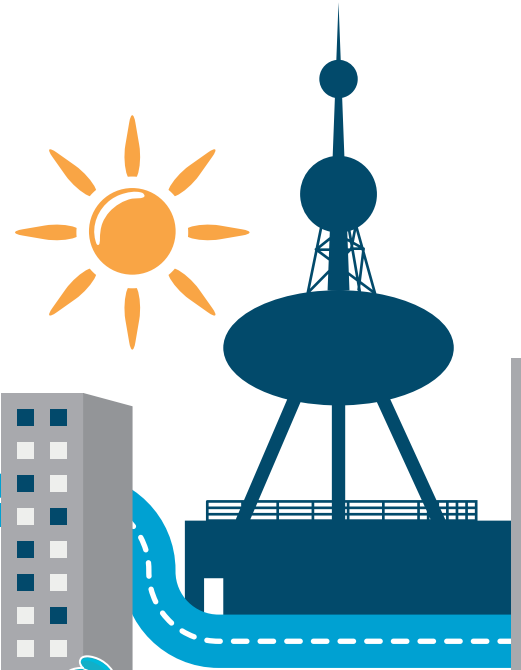
Helsinki is ranked third (behind New York and London) in the global CITE Index 2015 which studied governmental support of entrepreneurs among cities.

Finnish startup spirit is personified by super tech-event Slush which again brought together 17,500 attendees in Nov-Dec 2016. Described as "Burning Man meets TED", the event also racked up one million live stream viewers.

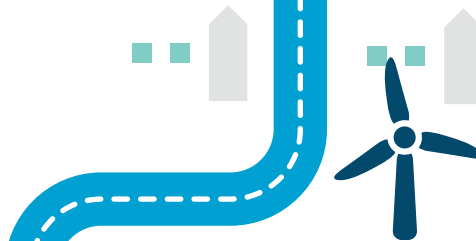
When countries were viewed according to their expenditure on R&D as a percentage of GDP, Finland was the fourth on the list in 2016 (Unesco Institute for Statistics).



Corporation tax was lowered to 20% at the beginning of 2014 (from 24,5%).



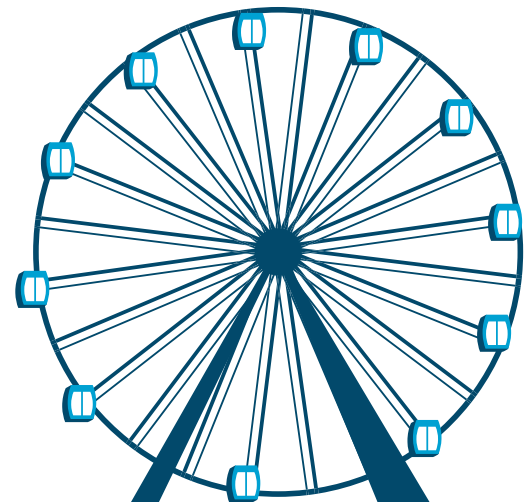
Finnish game series Angry Birds has been downloaded more than three billion times, making it the most downloaded freemium game series of all time.



Labour costs are lower in Finland compared to the other Nordic countries.

Finland ranked third overall in Global Sustainable Competitiveness Index in 2016 (SolAbility).

Finland has the best availability of scientists and engineers in the world (WEF's Global Competitiveness Report 2014–2015).



Finland was third in the global Rule of Law Index 2016, which measures how the general public experiences the rule of law in everyday situations. (The World Justice Project).

The Corruption Perceptions Index 2015 placed Finland just behind Denmark as the world's least corrupt nation (Transparency International).

According to World Economic Forum (2015), Finland is the highest ranking country in the world in terms of human capital.

Oulu is the fastest growing city of "Arctic Europe", with over 500 startups launching operations during the last three years.

Linchpin of the Helsinki-Tampere Corridor, Hämeenlinna is a prime example of great potential in the mid-size city range.

Already the builder of the world's greatest cruise ships, Turku is also exceptionally strong in ICT and Life Sciences.

Tampere is investing up to 10 billion EUR by 2030 in order to become a world-class Smart City.

Labour costs are lower in Finland compared to the other Nordic countries.

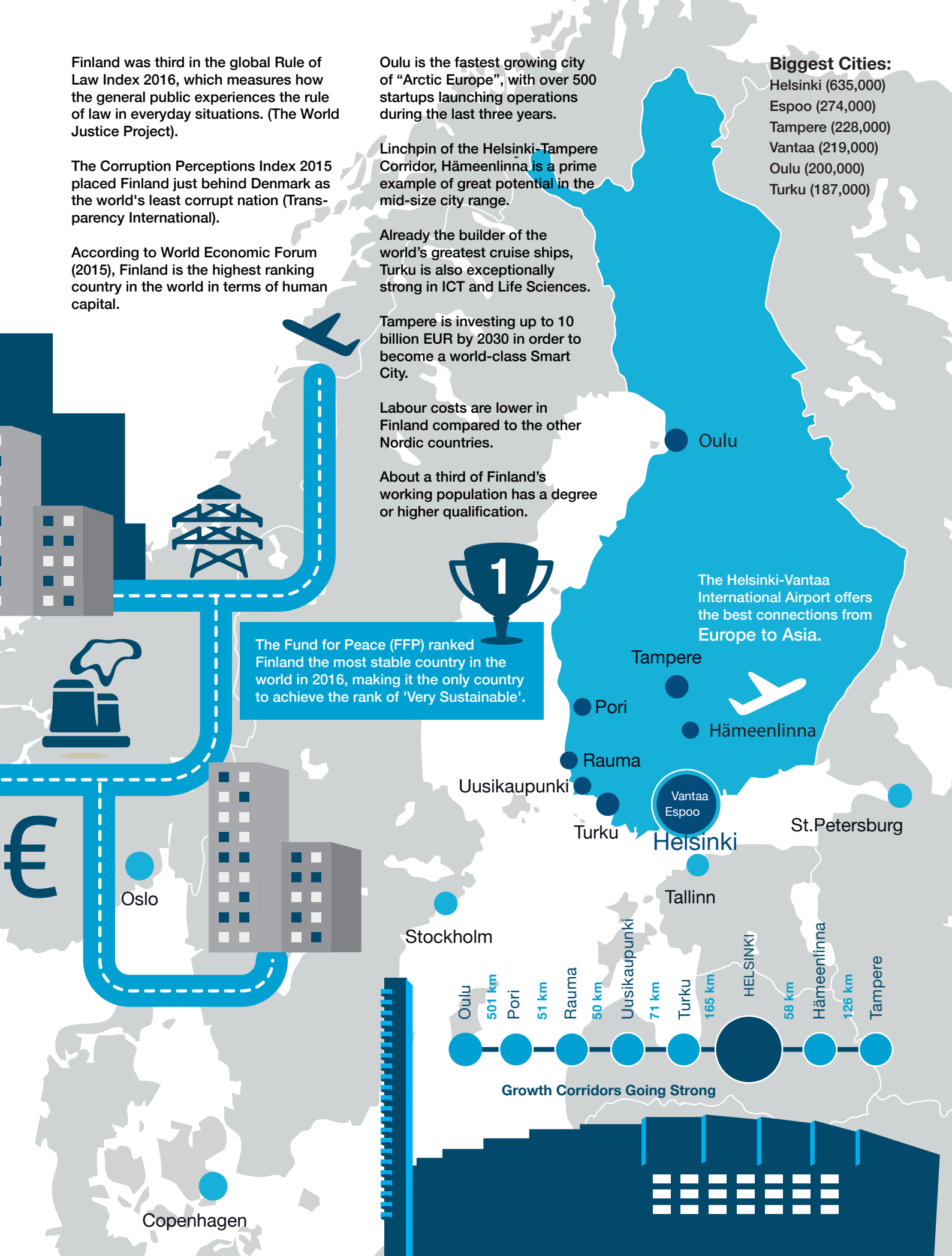
About a third of Finland's working population has a degree or higher qualification.

Biggest Cities:

Helsinki (635,000)
Espoo (274,000)
Tampere (228,000)
Vantaa (219,000)
Oulu (200,000)
Turku (187,000)

The Fund for Peace (FFP) ranked Finland the most stable country in the world in 2016, making it the only country to achieve the rank of 'Very Sustainable'.

The Helsinki-Vantaa International Airport offers the best connections from Europe to Asia.



Reach for the Sky

The lure of Helsinki proved irresistible
for hotel mogul Arthur Buchardt





When real estate investor Arthur Buchardt came to Helsinki for the first time – 30 years ago – he fell in love with the city and its people. Hailing from Norway, he found that the Finns were kindred spirits – oft-times shy straight-shooters who say and mean the same thing.

“Also, I thought that Helsinki was exotic as well, located as it is between west and east.”

And then there was the architecture which left Buchardt speechless. Since he was a teenager, one of his most prized possessions was a chair designed by the Finnish master Alvar Aalto – and here Buchardt was in Helsinki, taking in all the architectural hallmarks designed by Aalto.

“Everything about Aalto seemed very attractive to me: the clear, timeless design and the natural materials really made an impression,” he looks back. Aalto’s simple design style appealed to Buchardt because, under his own admission, “so am I”.

“Also, I look at Aalto’s work now and I see that it embodies the Finnish way to be. Somehow it’s honest and natural and simple to read.”

No Place Like Helsinki

As a consequence of that first 1980’s visit, Buchardt has been coming back so frequently that you’d think he’s lost count of those visits a long time ago. That’s not the case:

“I’ve been to Helsinki 140 times,” he says.

Nevertheless, as much as Buchardt was loving Helsinki it sure took a while before “the Daughter of the Baltic” heard the calls of the persistent pursuer. Having established a string of hotels in Norway and Sweden, Buchardt thought the time was ripe to expand his hotel empire to Helsinki during the 00’s. The origins of the venture were positive enough: Buchardt had talks with Mirkku Kullberg, CEO of Artek, the caretaker of Aalto’s legacy, and Pekka Korpinen, Helsinki Deputy Mayor, around 2006.

“I had just launched Clarion Sign Hotel in Stockholm and started talking with the City officials from Helsinki, whether it would be possible to build a hotel in Katajanokka, in the downtown area.”

Swiss, No Swish

Buchardt enlisted the aid of superstar architect agency Herzog & de Meuron to come up with a plan for the Katajanokka plot. The Swiss architects designed a hotel shaped like a cross which paid tribute to its marine surroundings. The plan attracted a lot of criticism, however, despite the fact that the architects seemed to be quite in tune with the values of the locals, declaring, for instance, that Helsinki’s greatest natural asset is its water.

In the end, the five-star design hotel with 200 guest rooms never came to be. While the City’s public servants were very much on board, the political will was not there and the City Council rejected the plan.

Waiting for four-and-a-half years for a flat-out ‘No’ hardly seems ideal, but Buchardt claims that the process bolstered his belief in the Finnish process: he found that the Finnish administrators were positive, constructive and very honest and open about the project.

“They never promised something that was beyond their power. I understood all along that these types of decisions are political.”



Photo: Kuivaniemi Kuivio Oy



Get Ready for Round Two

So, despite being turned down, Buchardt was far from discouraged. He asked the City officials if some other site would be more appropriate for a hotel. Pretty soon, another high-profile plot by the sea materialised: the Jätkäsaari waterfront, similarly close to downtown Helsinki.

"I remember talking with Mayor Jussi Pajunen and city planning director Tuomas Rajajärvi who both contributed a great deal to the new project." The latter also provided a shortlist of Finnish architects who could take on such a project – and the rest was proverbial history.

"I met with architect Aki Davidsson and was quickly convinced that we shared the same mindset with regards to the possibilities." As a result, Davidsson envisioned a proud 33-storey tower upon the shoreline. At the time, the City of Helsinki was slowly beginning to appreciate high-rise construction more and more – but City Council had, yet again, a different opinion. After 18

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Selected references per year:

2016



sold

six office properties
in the Helsinki area

for over € 160 million to



Advisor to the seller

2015



established

a € 652 million
joint venture company

with



Advisor to the seller

2014



sold

the Sanoma House

for € 176 million to



Advisor to the seller

2013



sold

its global headquarters
property

to



Advisor to the seller

2012



sold

its head office property

for € 170 million to



Advisor to the seller

2011



acquired

the Fennia Quarter

for € 122 million from



Advisor to the buyer



months, the City Council said that the hotel – with 113 meters – was too high.

Sweet Sixteen

The setback was not fatal, however, as Buchardt learned that the existing City Plan would allow for a construction of a 16-storey building. Davidsson went to work to revise

the designs and finally the project received the much-awaited green light.

“We finally broke ground on the site on June 17, 2014,” Buchardt says.

With Clarion Hotel Helsinki finally opening its doors on October 17th, 2016, it is easy to agree with Mayor Pajunen who called the hotel a “city landmark” which will, for its part, set the tone for the further

developments in the growing Jätkäsaari District. Contributing not one, but two prominent towers to the Helsinki Skyline, the hotel also encompasses a conference centre with an unusual backstory: the building was designed by famous architect Lars Sonck in the 1930’s and was an important part of the puzzle here:

“In all my hotel projects, I like to



Next Stop: Hakaniemi?

Davidsson is also a member of Buchardt's "dream team" that was asked to come up with ideas for the next project, an 8-storey hotel in Hakaniemi, just north off Helsinki downtown.

Swedish Gert Wingårdh, Norwegian Snøhetta and Danish Juul/Frost are the other agencies in competition for the new hotel. Buchardt says that, as an environment, he wants the Hakaniemi hotel to be as open as Clarion where anybody can come in from the street and enjoy a drink.

"I see the Hakaniemi hotel as a meeting place, for two people, for 1 000 people, and for all the people in between," he smiles. When asked about what new design delicacies the newcomer could entail, Buchardt says that he's got a pretty good idea of what's to come – but he's not telling.

"At this point, I can only promise that there will be a Finnish signature." Listening to Buchardt, you'd think that this is almost mandatory: after all, the man claims that Fin-

land is the "only country in the world" with its own, unique design signature.

"And that is one of the reasons so many foreigners come here, because they recognise and have come appreciate that signature."

Live Forever

With 19 hotels already under his belt, Buchardt says that he doesn't go for trends, but, instead, looks for a certain timeless quality. He enjoys Finnish architecture and design so much because he can see that's clearly something that will live on and on, for decades.

"Trends are not interesting. I look for long-term impact and quality." The aesthetic appeal is a big anchor is his business philosophy:

"I enjoy art and design. Building hotels, I get to combine my passion with business," he grins. ●

Sami J. Anteroinen

include a conference centre in there. If a convention has 800 guests, 400–500 of them stay at the hotel," Buchardt says. At Clarion, there are 10 conference rooms (with largest being 700 m²), located in the existing Sonck-building.

"I think Aki Davidsson really did a unique job in contacting the new and the old," Buchardt credits the architect.



Photo: Kuvatoimisto Kuutio Oy

Disruption Hits Shopping Centres



Shopping centers are facing a big challenge as digitalisation is changing the face of retail as we know it. What's the point in going to a shopping centre, if you can find what you're looking for online with a few clicks of a mouse?

Shopping centres are coping with the situation by emphasising the experience and by developing a more personal relationship with the patrons. In this effort, shopping centres are using also digital tools.

Retail is far from dead, if you look at the new retail space that is being built in and around Helsinki, for instance. At the end of September 2016, approximately 150,000 sqm of new retail space was under construction in Helsinki Metropolitan Area (HMA).

Additionally, many new projects – the largest of which is YIT's 85,000 sqm Mall of Tripla – will begin in the near future. Still, the KTI Market Review for Autumn 2016 points out that the amount of vacant retail space should remain rather stable during the next year.

Eye on the Horizon

The local property market professionals expect that retail rents will remain stable in the city centres of Jyväskylä and Turku, for instance, but to decrease in Tampere, where

many retail premises are currently vacant. One of the challenges in the Tampere central area is the increasing supply, especially due to the development of over 50,000 sqm Ratina shopping centre, due for completion in 2018.

In 2018, the REDI shopping centre will also open its doors in Kalasatama, close to Helsinki inner city. REDI promises to be one-of-a-kind shopping centre and landmark in Finland, with a 60,000 sqm of retail space. Helsinki's largest downtown shopping centre will feature eight tower buildings – one of them Majakka (Lighthouse), Finland's tallest residential tower (132m).

According to the Shopping Center Barometer of the Finnish Council of Shopping Centers, the outlook for shopping centres seems more positive than, say, one year ago. Two thirds of the barometer respondents expect that retail sales and the number of visitors will increase in the shopping centres. The majority of shopping centre market professionals believe that due to growing population and consumer demand, the future

Photo: SRV





Photo: YIT

development of shopping centres will be positive in HMA, despite the increasing supply.

Vote with Your Feet

Positive development is also being witnessed in the KTI indices commissioned by the Finnish Council of Shopping Centres. According to the indices, comprising 38 shopping centres in Finland, the number of visitors and retail sales in shopping centres increased by 5.9% and 6.0% in the third quarter of 2016 compared to the previous year. In the Helsinki Metropolitan Area, retail sales grew by 5.4%, while elsewhere in Finland the growth was as high as 6.9%. The cumulative figures for the previous 12 months showed an increase of 4.5% in the number of visitors, and the increase of 3.3% in retail sales compared to the previous 12 months.

According to KTI, you should expect especially the large shopping centres in HMA to emerge as winners in the tightening competition. About half of the Shopping Center Barometer respondents believe that rents will grow and occupancy rates will increase during the next three years. However, in the smaller shopping centres in HMA, as well as in the shopping centres elsewhere in Finland, the rents and occupancy rates are expected to remain stable or decrease. Nevertheless, the outlook is more

positive compared to previous year's survey across Finland.

Diversification Takes Hold

According to the KTI report, the supply of shopping centres is also evolving. The importance and market share of traditionally large business fields such as fashion and department stores are decreasing in shopping centres. Meanwhile, the importance of, for example, restaurants, health and beauty, leisure and public services keeps increasing.

One example of the way shopping centres are coping with the times is Forum, located in downtown Helsinki, which was selected as Finland's best shopping centre by the Nordic Council of Shopping Centres (NCSC) in October, 2016. Having gone through a three-year renovation project, the new-and-improved shopping centre was fully launched in autumn 2015 and has performed very well ever since.

Originally founded in 1985, Forum was one the first shopping centres in the land and has thrived largely due to great location and diverse offering (140 stores). With the €50 million renewal project, Forum not only added 8,000 sqm of retail space, but also tightened its hold on the key demographics. For example, the friends of fashion, sports and leisure activities are sure to enjoy their time here.





Digital Dynamite

Still, the retail experts insist that shopping centres can really reach new heights, if they're willing to steal a trick or two from the digital world. This could mean a more engaging visit to your favourite store, for example, with your smartphone app earning you VIP points for just spending time there. And as the app learns what you enjoy, there will be plenty of special offers, promotions and the like – the best of both worlds, digital and physical, all rolled into one.

Heli Marjanen, Professor for the University of Turku, says that online shopping

is such a strong phenomenon that almost all retail players are now busy trying to “go digital”. Nevertheless, Marjanen points out that according to numerous studies brick-and-mortar stores are not going anywhere.

“And neither are shopping centres,” she adds.

Change You Must

That doesn't mean that the shopping centres can remain the way they are, however. Having studied shopping centers for many years, Marjanen is puzzled by the fact that

most shopping centers still lack a solid presence online.

“Nobody is really providing the kind of specific, localised information that the shopping center patron is interested in,” she says.

Then there are the more advanced concepts, such as gamification, which are causing waves in retail industry. Marjanen observes that introducing games into the shopping centre environment holds definite potential: going on a store-to-store treasure hunt, for instance, would allow the patron to get better acquainted with the offering.

“Simply walking around the shop-



ping centre could earn you an e-coupon, for instance. Shopping centres could come up with new ways to communicate with the customers.”

Sooner or later, Marjanen expects to see applications which build profiles of the patrons and use that data to suggest routes via the shopping centre.

“Knowing what the patron likes and does not like will become increasingly important.” ●

Sami J. Anteroine



Photo: Paul Charpentier

Farewell to ‘9-to-5’?

Researcher Kiti Müller from Nokia Technologies is one of the experts who believes that ‘9 to 5’ is very much a thing of the past. “Especially in the creative industries one can go “full steam” for about four hours, or six hours at the most,” she says.

The employers, however, are largely playing the old game, where you pay for a warm body in the office chair, instead of results. On the other hand, many employees are going through the motions as well – nobody is really challenging the status quo at the office.

“It would be useful to identify the way you yourself like to work and pursue that,” she says, adding that companies are not stupid, and, for instance, the role of seemingly never-ending in-house meetings has been questioned in many places.

Müller believes that in the future smart organisations recognise the importance of “just hanging out”. “When people get together in a more spontaneous context, new ideas may emerge. They can’t be forced,” she points out.

Still, “hanging out” is a luxury few can afford. For those struggling to keep up with the beeping calendar, Müller offers this piece of advice: learning how to prioritise – via a semi-ruthless process of elimination – will help in managing the every-day chaos.

But here’s another problem: if your brain is spinning like roulette wheel, it’s hard to take the time to assess what things are important and what are not. Müller says that the inability to focus may be a sign of serious fatigue, and should be dealt with accordingly – by finally slowing down.

Hitting the brake instead of the gas, of course, is rarely desirable from the perspective of productivity. Müller champions the notion that both pedals are needed:

“I am sick and tired of mantras that say ‘be creative and effective’ or something to that effect. It’s impossible to be both creative and effective, because you need a degree of idleness to get to that creative stage in the first place.”

Müller allows that good ideas may grab you even during a hectic work phase, but you rarely have time to follow up on them. “The ideal situation would be that you have some time to develop ideas also during the execution phase,” she says, adding that no day should be “air-tight” – there must always be at least some room left for creativity.

Müller has a track record of almost 25 years of researching into the nature of work. Looking back, she names digitalisation as the single biggest thing that has shook up the foundations of companies, nationally and globally.

“It took a while for information technology to really get going – but once it did, it was suddenly everywhere,” she points out. ●

Sami J. Anteroine



Futureproof Your Office

As the ways of working keep evolving, YIT wants to reinvent today's offices – starting with Pasila's Tripla

The future of offices may well be on display in Pasila, Helsinki – in just a couple of years. The Tripla Centre which is currently being built in Pasila will also change the way we look at work, believe Tuula Klemetti and Teemu Haataja from YIT.

YIT, the developer in the ambitious project, is of the opinion that the Tripla Centre will reinforce Pasila's position as a crucial area of office construction as well as a dominant business district. As downtown Helsinki keeps expanding north – functionally speaking – Pasila is fast evolving into the de-facto centre of the new, urban Helsinki. Spearheading this urban development, Tripla will become a compact super-hub of headquarters, offices and hotels.

"We are set to launch three office buildings with a total volume of 50,000 square metres," says Tuula Klemetti, Sales Director for YIT.

"The first office building will be completed by the summer of 2020, with two more to follow the next year," she lays down the timeline.

Platform Mindset

Tripla's office facilities are designed to stand the test of time. Ranging from world-class headquarters to small and medium sized offices, the Tripla offices will be built to

meet the challenges of the hard-driving business world. In the planning effort, special attention has been given to the concept of work itself.

"In the future, we believe that technology will form the platform for the various needs of companies, enabling a great variety of things," says Klemetti.

As expert work is steadily increasing and the significance of time and place keeps decreasing, offices are playing a growing role as social spaces; the 'new office' is a place where employees meet, exchange ideas, review common goals...and, hopefully, have fun together, too.

"By introducing multispace solutions, we can find more personalised ways of working and become more effective in the workplace," says Teemu Haataja, Sales Director for YIT.

Diversity Wins the Day

Haataja talks about a workplace where there is a wide range of different spaces that accommodate the task at hand – and match the mood of the worker, even.

"Using different apps, people can for example know where their co-workers are, if their favorite work station is available – and what's 'today's special' at the cafeteria," he adds.

YIT is developing the offices at Tripla under the guiding principle that all space must adjust to the changing needs of the companies. This means, for instance, that floor plan changes can be made quickly

Photo: Ari Tahusen



(From left to right) Tuula Klemetti, Sales Director for YIT and Teemu Haataja, Sales Director for YIT.



and easily. Tripla's offices can accommodate companies of all sizes – all and all, there is room for approximately 5,000 people in the three office buildings.

According to Klemetti and Haataja, the new Tripla offices are likely to convince a couple of “heavy hitters” to move their headquarters here. Without going into more detail, they confirm that negotiations are currently underway with a number of large companies who feel the pull of Tripla.

“We’ve had a lot of companies contact us, even if we haven’t been very active in marketing the offices yet – and this bodes well for the future,” Klemetti says, adding that the forerunner companies are clearly thinking about upgrading their offices right now.

Superhub in the Works

And then there is the unbeatable connectivity. Tripla is easy to access from any direction with any means of transportation and the new Ring Rail Line offers business travelers an easy connection between Pasila and Helsinki-Vantaa airport.

In addition to trains, trams and buses, also new pedestrian and bicycle pathways are in the cards for Tripla. And for those insisting on driving a car, there is ample parking space, too.

Klemetti and Haataja view the development of Tripla and the surrounding Pasila District as one strong signal that urbanisation is upping the ante also in the Finnish capital.

“Building offices and other functions by active rail connections is a powerful trend that will only intensify in the future,” Teemu Haataja believes.

The Perfect Mix

According to the YIT duo, ‘mixed use’ ideology is very much present in just about everything at Tripla: you can work here, live here and do your shopping and go to a nice restaurant here...

“When it comes to real estate development, Tripla is an important showcase for the entire nation – and beyond,” adds Tuula Klemetti. While international benchmarks such as Mall of Scandinavia (Stockholm) and La Defence (Paris) have been utilised in the planning process, Tripla is – first and foremost – its own entity, a proud package brimming with potential.

The times, to quote a recent Nobel-winner, they are a-changin’, and Tripla means to make the most of this opportunity. Klemetti notes that in the past, the way of doing things in the office construction business was simple enough: you raise a building and expect companies to cram their operations inside.

“Now, you work with the companies, assess their values, brand and strategy and create an office concept that is rooted on those. The key element in all of this is embracing a certain dynamic mindset: you must meet the needs of the customer today, and anticipate the needs of tomorrow.”

Boost the Flow

YIT is pushing a concept where there is not one “right way” of doing things, but, instead, flexibility rules. “For example, project teams may need extra space and resources at one time and, later on, they might want to scale back. It is important to have the space solu-





tions that consistently support the work flow,” says Teemu Haataja.

Both Haataja and Klemetti talk about space solutions that boost the wellbeing of the people in the office: it’s a competitive factor and crucial for the success of the company in the long run. Also, as remote working has meant that more and more experts of the Information Age work from home or a café, offices need to reinvent themselves if they want to regain their appeal in the eyes of the millennials.

“There is already a global trend where the tide of remote working is being reversed and people are returning to work in the offices – but not just any office will do. Employees want modern offices with social interaction and smooth communications; everybody wants to be connected to the culture of the workplace and you can’t do that from home,” Klemetti says.

Bottom Line

Teemu Haataja adds that in the office work of today, the focus is shifting from simply putting in the hours to delivering the desired results. “It’s the performance and the quality that count the most. From the perspective of the employer, the trick is in figuring out how to best support your people in their work.”

Tuula Klemetti adds that offices still have a lot of untapped potential left: if you’re working with, and not against, the

digital world, there’s a whole range of innovations that can be achieved.

“We are more than monitoring this movement – we want to be in the forefront,” she says. Klemetti points out that the evolution has gone from ‘smart buildings’ to ‘smart working’ as people are questioning the old ways, and trying some new things. “Previously, the talk was mostly on energy-efficiency of the real estate, and now the scope involves also what’s really happening in the work community.”

Be Well!

Along with culture, wellbeing of the personnel is a core concern – and companies are ready to invest in these things because they know that they’re getting more than their money’s worth in return.

“Productivity will improve tremendously, when people are set free, so to speak – also in the workplace,” Klemetti says.

New, global concepts have emerged which focus on harnessing the creative power and synergies of people – and co-working is probably the best known new “buzz word” in this regard. Still, Klemetti and Haataja feel that the various issues surrounding co-working are not that new, even if the term itself is. More importantly, they believe that co-working mentality is sure to take root if the framework is set up right.

“When you really design and imple-

ment offices in a smart, fulfilling way, co-working practices are encouraged and enabled almost automatically,” Klemetti says.

“At the heart of also co-working, you have people who are interacting with each other on various levels, in various settings during the day. Making sure that the interaction is beneficial from the viewpoint of the individual, the team and the company is no small task – but the new offices are equipped to handle that challenge,” Haataja concludes. ●

Tripla Centre

- features offices, a shopping centre, apartments, hotels
- completed by 2021
- gross floor area 350,000 m² – which is equal to 50 football fields
- over 50,000 m² of office space
- 5,000 jobs
- 400–500 new homes
- 400 hotel rooms
- Mall of Tripla has 100,000 m² of commercial space (appr. 200 stores)

Eversheds Finland:

Transactions Hit Record Numbers

The Finnish real estate is red hot. According to the statistics of KTI, transaction volume in the Finnish property market reached its new annual record level with approximately EUR 6.4 billion in December 2016. The former record, dating back to 2007, was EUR 6.29 billion.

Residential portfolios were the most traded property sector in 2016, accounting for about 40% (EUR 2.5 billion) of the total volume. Foreign investors account for 28% of the total volume.

Saara Raitala, Attorney-at-Law, Partner, at Eversheds Attorneys Ltd says that the mood in the real estate market has been upbeat for a long time now – and she doesn't expect the strong positive trend to die down anytime soon.

"The market is very active, with a lot of transactions in the works," she confirms.

Energising the Field

Heading the Eversheds Transactions team, Raitala has a pretty good handle of what's happening in the industry. Right now, the spirit and sentiment in the real estate negotiations is very "can-do" and deals can materialise also quite quickly. Of course, there are also those deals where there are a lot of "moving parts" and will simply take more time to complete, no matter what.

"Also, in the past we've seen situations where negotiations keep stalling or hit a dead end – but presently, there are plenty of options in the market for the players to explore. This means that the marketplace is a very dynamic one."

In addition, the recent trend where one or more of the negotiating parties comes from abroad keeps getting stronger. Raitala observes that international players have

done their homework well and are looking – more often than not – for the long-term benefits.

"It appears that international players want to commit to the market and want to stay here for a while. One-time deals are not very common now," she says, adding that the role of Finland – and the Nordics – as a stable business environment certainly carries a lot of weight in the post-Brexit world.

Cut to the Chase

As the negotiations are getting increasingly cultural – there are both corporate cultures and national cultures to consider – Raitala lists the Finnish way of doing real estate business as a definite asset: Finnish real estate legislation is rather straightforward and moderate in its approach. Working under the US legislation, for instance, the documentation involved tends to gather bulk considerably more.

Legal experts are also needed, since a growing number of transactions involve joint investments – and the "paper footprint" can be rather large in those cases, too. Raitala points out that there are Finnish com-

panies partnering up with foreign companies as they're seeking investment opportunities abroad – and, also, foreign companies who are entering the Finnish market with a local partner.

Full Scope

Eversheds has done a solid job in negotiating the deals – or, at least one would think so looking at the latest customer satisfaction survey. According to the survey results of autumn 2016, 98 % of the company's clients are likely or very likely to recommend the company. The secret of success at Eversheds Finland lies in the expertise: at the Helsinki office, there are almost 20 lawyers focusing on real estate.

"The scope of real estate includes – in addition to transactions – also construction, land use, environmental issues and taxation," Raitala explains, adding that the company wants to practice "hands-on" law. In the field of real estate, understanding the agreement is one thing, but Eversheds wants to help the client to understand also the big picture behind an individual deal, she says. ●



Next Level

LocalTapiola is leading the revitalisation of legendary Tapiola Centre



Finnish economy seems to be emerging from hibernation, with the construction sector leading the way. One development project of also national significance is Tapiola, the iconic “Garden City” of Espoo. With the first parts of the Tapiola Centre dating back as far as the 1950s and 1960s, it is long overdue to give the Centre the beauty treatment it deserves.

For a long time, however, the owners in the Tapiola Centre were reluctant to do much in the neighbourhood, since it would mean considerable investments. Then the decision was made by the City of Espoo to build the western metroline, with Tapiola as a key station. Metro promised fresh momentum for the revitalisation project and one of the local owners, LocalTapiola, really took the lead. Pretty soon, LocalTapiola was making hefty investments in the Tapiola Centre. In time, also other investors followed – and now, as economy is heating up again, the situation is looking very positive indeed.

Comeback: The Making Of

Kim Särs, CEO of LocalTapiola Real Estate Capital Funds, observes that LocalTapiola is

in a great position to take advantage of the turning tide. He looks back at the woeful year of 2014 when metro plans were stalling and so was the land usage agreement with the City of Espoo (not to mention the struggling economy, too).

“In a couple of years, we’ve made an almost total turnaround. The era for growth is about to begin,” he says.

“LocalTapiola is certainly doing its part – as it has been doing for a number of years now,” Särs points out. Already owning more than a dozen properties in the Tapiola Centre, the company’s local investment is expected to reach EUR 600 million, representing the biggest real estate investment in the history of the company.

But what’s so special about Tapiola? Well, the neighbourhood itself has been regarded as a natural treasure since its birth

over 60 years ago: a shining example of a modern community rooted in natural values. Upon its completion, Tapiola Centre formed a highly valued architectural landmark for the “community of tomorrow” that attracted also international attention.

Walkability First

To this day, the Tapiola “core brand” remains unchanged, but a lot can be done in the upgrade department. According to the plans, the new-and-improved Tapiola Centre will, in fact, become the largest pedestrian centre in Finland.

Through the years, Tapiola Centre has been unique in the sense that it opens outwards, not just inwards like a regular shopping centre does. The Centre has an inviting, engaging quality that not everyone can match.

LocalTapiola shares the name with the neighbourhood (Tapiola is the name of the ancient forest kingdom of Finnish lore), and has made its home in the area, too. The company has over 1,500 employees here, and, actually, it’s hard to imagine the company headquarters being located anywhere else.

“Tapiola is part of who we are,” Särs comments.

Waiting for Metro

The western metro project has been delayed from its August 2016 launch, but the metro line should be up and running sometime in 2017, as Finland celebrates its centennial. As the metro kicks off this year, more than 20,000 passengers will be using the Tapiola station every day. Looking at those types of volumes, it is easy enough to picture that a completely new chapter in the development of the neighbourhood is about to begin. With modern mass transportation terminals, well-organised parking and maintenance arrangements, Tapiola seeks to do more than just recapture its former glory.

The blocks to the south of the original Centre will be renewed according to the same urban sociological principles that created the Garden City. As a consequence, the Tapiola Centre will be totally transformed. For example, the level previously in use for private car traffic (Merituulentie,) will feature retail spaces and a pedestrian area; there will be plenty of parking space for bikes in the vicinity of the metro station; and new plazas and pedestrian streets will appear in Tapiola Centre, and the roof area will be green and well-groomed.

Ainoa Grows Up

And then there is the shopping centre Ainoa (owned by Tapiola KR III Real Estate Fund) which is ushering in a new era for local shopping. Having opened its doors in October 2013, the newcomer is still relatively small but gaining ground:

“The big date ahead is 16 March, 2017, as we open the expansion of Ainoa,” says Kim Särs. With Phase II completed, Ainoa will feature 30,000 square metres and 50 stores – and demand for retail space is exceptionally high right now. At the time of the interview in early December, the occupancy rate was 99%.



“Rest assured, we will be fully booked by the time the doors open.”

The second phase of the development will see the shopping centre expanding over Merituulentie. The expansion will include, for example, premises for the department store Stockmann, another legend in its own right.

Phase III Kicks Off

After the second phase is completed, the third phase will start by demolishing the building where Stockmann was previously situated and constructing new premises. The demolished building will be replaced with premises of approximately 20,000 square metres, and after that Ainoa will cover over 50,000 square metres and include 100 shops.

“Third phase of Ainoa will be completed by 2019,” Särs says, adding that Ainoa is not in the market to compete with size, but, instead, with quality.

“We’ve seen the trend where ‘big is beautiful,’ but for today’s consumers, it’s more about the content and service.” At Ainoa, there is attention to detail that

you’d be hard pressed to find elsewhere; for instance, the already completed parking facilities (accommodating 2,000 cars) were specifically designed to be a part of the shopping experience, instead of a “mandatory” logistical arrangement.

“The parking cave is very special with its signature blue colour, and also glass and wood have been used to give the cave a genuine look.”

Residential Renaissance

Ainoa is also strengthening the residential element in Tapiola since a completely new type of residential area is now being built on top of the shopping centre. Featuring five apartment buildings, the area is intended for the public, offering an attractive living environment in the heart of the Garden City. The area – going by the name Kirjokansi – will feature about 330 apartments.

“For Tapiola, this is literally the next level. The views from all the apartments to the neighbouring park and beyond will be tremendous. In all this, the Garden City is truly being reborn,” Särs says. ●





Photo: 3D Render / City Planning Department Helsinki

Ready for Big Time

**Powered by Vision 2050,
Helsinki's new city plan is a strong
enabler for growth**

In October 2016, the Helsinki City Council approved the new city plan after a heated six-hour discussion – during the night, the councillors took the floor nearly 150 times. But, as the dust settled, there was a brand new city plan which promises to steer the development of Helsinki far into the future.

The purpose of the plan is to provide the preconditions for growth, housing production and economic development. The reservations made in the plan enable Helsinki to grow to at least 860,000 residents and 560,000 jobs by 2050.

But why is the city plan subject to such intense debate? Well, the Helsinki city plan is a comprehensive, general plan for future land use, laying out the guidelines and basis for zoning. Every detailed plan is drawn in an interactive process and requires approval

by the City Council. This city plan map and its markings guide city planning until approximately 2030, or until a new city plan is drawn up.

Also, the city plan does not exactly materialise overnight. This particular proposal was prepared for over four years under the guidance of the City Planning Committee. Along the way, Helsinki residents participated in the preparation at various events and meetings and by giving feedback in the form of opinions and commentary.







European Plan

Marja Piimies, Master Plan Architect, Head of Master Plan Unit, comments that the new city plan is very much in tune with present European and global city development:

“The city plan emphasises the kind of a sustainable city that is becoming the standard internationally,” Piimies says.

The other key issue is safeguarding growth: Helsinki wants to welcome new residents and new companies (and to make sure they enjoy themselves). “Growth is the starting point for everything else,” she says, adding that proper “urban framework” for growth is a big priority, also in the eyes of international investors.

The solutions of the city plan are based on a vision of Helsinki as a modern “network city”. According to this Vision 2050, Helsinki will be a decidedly international city, and the robust urban centre of the metropolitan area. Urban life is born out of encounters between people, for which the city offers spaces and opportunities. In the Helsinki-to-be, the city and urban space are given much more weight.

Ride the Rails

The targeted urban structure model revolves around extensive rail transport network. All parts of the city have become more compact by 2050 – but, especially, this development

will hit the areas around rail transport stations, junctions and important stops. Suburban centres of today will have become urban centres. These compact, urban conglomerations of services, jobs and housing feature a variety of functions.

According to the Vision 2050, the dynamic rail network will generate also new centres in the years and decades to come. This network city has both regional and international dimensions: in addition to being the number one city in the region, Helsinki is also a part of the network of major European cities.

The network city will rely on commuter trains and the metro to offer fast rail connections between the central areas and



Photo: 3D Render

adding that pushing these areas onwards sends a “strong message” that the city wants to pursue districts with specific growth potential.

“There will be also other interesting, strongly developing areas under the city plan – the key here will be the use of rail to accommodate for smooth logistics.”

Human Touch

Vision 2050 states that Helsinki is “a city with a human scale”. Urban spaces will be designed on terms that suit pedestrians, allowing for unprecedented walkability. In the future, people will flock to cities that are pleasant to live in, where everyday life runs smoothly, and where the range of opportunities is ever-expanding for people and businesses alike.

The City of Helsinki acknowledges that achieving this vision requires a great deal from the planning process. After all, practices tied to the increasingly strict set of norms (and the consideration of sometimes conflicting values) easily lead to compromises that serve no purpose at all.

Vision 2050 determines a clear-cut target state which can be reached, but not without some tough choices about values. However, the City feels that these choices have to be made, since the decentralisation of the region’s community structure, increasing traffic congestion, and housing prices ballooning to a level beyond the reach of regular wage earners is to no one’s advantage.

Solid City

According to the new city plan, one-third of the new construction planned for the next few decades will be fill-in construction, solidifying the urban structure. Another

one-third of the new floor space allowed by the city plan will be focused on city boulevards as the inner city expands. Large motorway-like access roads will be turned into city boulevards. The primary goal is to improve the city structure rather than to come up with traffic and transport solutions only. The new boulevards will allow whole new city districts to be built as extensions of the current inner city.

“We look at the city boulevards as something which enables growth in many places which have been, possibly, overlooked until now,” adds Piimies.

The remaining one-third of the new construction will consist of large new areas, the main one of which is the Malmi airport area, which can be re-developed into homes for 25,000 residents.

Draw Up the Timeline

According to Piimies, the city plan process has already advanced to its next phase – the making of the execution plan. “In 2017, we’re composing the execution plan in order to come up with a schedule for everything we need to accomplish.” In addition to this effort, also regular zoning operations are carried out as usual.

The Helsinki city plan is also integrated with plans for the entire Helsinki Region and its municipalities. The city plan relies on a joint plan for a traffic and transport system and land use as well as on a joint housing strategy. Rapid growth is, after all, a reality not only in Helsinki but in the entire Helsinki Region, as the Helsinki Metropolitan Area (HMA) serves as the premier economic engine of the nation. ●

Sami J. Anteroine

other parts of Helsinki. The light rail network will further complement this highly effective traffic system. The city will be concentrated along the traffic arteries, the expanding centres and in what are currently highway-like areas.

Hub Excellence

The city plan acknowledges that there are special “hot zones” for growth in the city – such as the “power triangle” of Pasila – Valvila – Kalasatama.

“With the development of these three neighbourhoods, Helsinki will gain another hub for business and services in addition to the downtown area,” Marja Piimies says,

Photo: Helin & Co Architects, Voima Graphics Oy





REDI for the Big Time

SRV is creating the perfect marriage of retail and residential in Kalasatama – with extra emphasis on experience

Shopping centres are reinventing themselves in a big way – and REDI, located in Kalasatama, Helsinki, aims to be among the pioneers of the new era. Implemented by SRV, REDI is expected to open its doors in autumn 2018.

The REDI shopping and experience centre promises to take Finland's shopping centre scene to the next level, serving up not only a comprehensive retail offering but also new and surprising leisure-time options. The REDI shopping centre will, for example, provide opportunities to experience the thrill of flying as well as a 7D virtual theatre that stimulates all the senses and where movie action is made real through virtual glasses and motion simulators.

SRV's Pia Svensk, Director of Retail Concepts for REDI, points out that a major change is taking place in Finland's shopping centre market. "Shopping centres are increasingly becoming meeting places where visitors want to have fun and stay longer," she says, adding that people are also seeking memorable experiences and entertainment there.

Learning to Fly

Henceforth, REDI will teach its patrons to fly. The experience of flying at REDI will be offered by the free-fall simulator FÖÖNI, where you can fly and move in a stream of air using your own body.

The project is unique due to its convenient shopping centre location; while it is true that similar simulators do exist around the world, they are often located far from city centres. With the launch REDI shopping centre, this gravity-defying activity will be within everyone's reach. And what's more, the passers-by in the shopping centre will also be able to follow the flyers in action through a glass wall.

Similarly exciting is the new climbing centre, featuring a 1,000 square metre training area and a 20-metre high climbing wall. Since Finland has around 50,000 climbing enthusiasts, the REDI climbing centre is expected to be a big hit, attracting as many as 100,000 visits per year.

Shop, Eat & Drink

While dedicated to delivering the Big Experience, there's also some heavy-duty shopping to be done at REDI: the shopping centre will feature over 200 shops and restaurants and is expected to reach up to 12 million visitors in its first full year of operation.

According to Pia Svensk, the leasing of REDI's coffee and restaurant facilities has gone extremely well. The shopping centre's 38 restaurants, cafés, bars and take-away points, representing a total of up to 3,500 customer places, have already been reserved. Svensk comments that SRV hasn't had trouble filling the vacancies, since restaurant owners value the shopping centre's central location, solid transport links and large customer streams.

REDI can also provide a real culinary innovation: the "fast-casual" dining area lines up ten restaurants side-by-side, offering dishes to suit all tastes. Each restaurant in the area will have in its disposal around 100 square metres of hall and kitchen facilities. In the restaurant offering, there will be a strong emphasis on street food.

At the same time, the leasing of the shopping centre is proceeding according to plan. Around 50 % of premises have been leased on binding agreements or letters of intent. Active negotiations are also presently under way with other players.

Going Vertical

Still, REDI is so much more than a shopping and experience centre. Using the shopping centre as base, so to the speak, SRV will build a real "mini-Manhattan": there will be as many as eight towers (six of them

residential) that will definitely shake up the Helsinki's eastern skyline.

Juhani Katko, SRV's Project Director for REDI, says that the entire concept of REDI is something quite unique in Finland – and abroad, too.

"We are bringing together retail, services, leisure activities and high-profile residential solutions in a way that hasn't been done before." Furthermore, thanks to great logistics – for instance, the metro makes its stop at REDI's third floor about 500 times a day – connectivity is of world-class quality here.

"The beautiful location in the core Helsinki area, right by the sea, with superb connections to downtown – that's really a package that's hard to match," Katko says.

Let the Light Shine

Taking in those spectacular sea views is especially nice if you're a guest at the REDI hotel – or, better yet, own an apartment in one of the residential towers. Occupants will be able to move into the first REDI apartments in late 2018 or early 2019.

"Majakka will be Finland's highest residential building, creating a new standard for both quality living and

support services in the residential field," Katko says. This means, for instance, introducing new types of community facilities in the towers and a concierge service that is (also) something quite unheard of in the land.

"We want to make the everyday life of the residents as easy as possible and believe that REDI can certainly deliver the goods," he adds. The buzz around Majakka is already considerable, with about 90% of the apartments reserved.

Creating the "WOW"

Nevertheless, bringing all these plans into fruition takes some time. Juhani Katko comments that the construction effort is proceeding on schedule, with work being done on the shopping centre, the towers and the parking facility. SRV is also building the Kalasatama health & wellbeing centre right next to REDI, so there is certainly a lot of going on in Kalasatama.

SRV is also "digging deep" to find new creative things for REDI. In September 2016, the company organised a five-day #REDIHACK, seeking innovative concepts for living and shopping in the future. At this first-ever #REDIHACK

event, startups developed out-of-the-box digital solutions for REDI, trying to understand service users even better and develop flexible solutions for urban lifestyles. The solutions were presented at the demo day.

Digital Edge

The winner of #REDIHACK was Get Jenny, an AI solution developed to facilitate the daily lives of both REDI residents and shopping centre visitors. The solution works on existing instant message services and is integrated into the everyday lives of the users.

Timo Kokkila, SRV's member of the board who served as the chair of the jury, commented that the winning solution appealed to the jury due to its ease of use and the fact that it combines all of the functions of REDI – living, people flow, enjoyment and shopping.

Kokkila also stated that, on the whole, the calibre of the event was very high. Among the solutions there was e.g. Lunchie, which combines a wide range of lunch services and food waste solutions, and Vint, which provides flexible and personalised storage solutions. ●



Photo: Helin & Co Architects, Voima Graphics Oy

The artist's vision



Reinventing Vallila

Vallila District is looking for change – in a major way

Re-energising existing neighbourhoods is a big challenge in urban development. The key to success lies often in “digging deep”: one must get to the core of the identity of the community, and find the strengths therein.

The Vallila District, located just east off the Pasila railway station, is a prime example of a neighbourhood that has been doing some soul-searching of late. Pressed between Pasila and the new city district Kalasatama, Vallila needed to find a road map to a future that would allow for growth and prosperity.

Due to this concern, the local real estate owners set a task force to work on Vallila Vision: an agenda for the future development of the district. With the new city plan emerging, the property owners considered it vital to take stock of the local assets and come up with a strategy that would take the neighbourhood forward.

Boosting Businesses

The starting point is a good one: the new city plan has marked Vallila down as a significant zone for businesses and services, calling for consistent development to push this enterprising mentality onward. There’s simply a lot going on: the city plan acknowledges that Vallila has what it takes to be a real hot spot for productivity, since it has a great location just off downtown Helsinki, great connectivity and also a diverse mix in place when it comes to residential/business/commercial assets.

In the local business profile, ICT and health & life sciences industries have a strong foothold. With GE Healthcare tak-

ing the lead, there’s even a dynamic “Health Innovation Village” for healthcare startups located in Vallila. The Health Innovation Village is a great example of the local progressive mindset: smaller companies benefit from being in the vicinity of the big industry players as networking and joint projects become easier.

Vision Quest

Vallila Vision came to exist as a joint effort by the local property owners and the city, with WSP serving as consultant. Project Manager, Architect Timo Metsälä from WSP says that the commitment level was



Photo: copyright WSP Finland Oy

high from the beginning and the project even picked up momentum along the way. Vallila Vision was pushed into motion in late 2015, and the finished “product” was launched in September 2016.

“In the background, we had the principles laid out in the new city master plan. Therefore, we had the basis to make a vision for a hybrid neighbourhood that is mostly business premises, but with some residential elements in the mix,” Metsälä explains.

Both Sides of the Story

Key arteries to the area are Mäkeläkatu and Teollisuuskatu streets of which the latter is the “main street” for eastern core city, uniting Kalasatama, Vallila and Pasila. In addition to various offices complexes, there is the Konepaja area which emphasises residential solutions.

“The identity of Vallila has two sides in the sense that there are both new office buildings and older properties as well,” Metsälä says, adding that there is a certain roughness and robustness to the neighborhood which is appealing to many companies and citizens.

For the Vallila brand, the team envisioned an area that is known for its versatile and around-the-clock services. Metsälä admits that “24/7 Vallila” is not a reality quite yet: after the offices turn off the lights in the afternoon, there isn’t much action going on. Still, new pilots such as pop-up events during the summer time have already started to change the status quo.

United Front

Development Manager Minna Maartola from the City of Helsinki says that the



Photo: Paul Charpentier



Photo: City of Helsinki



Photo: Paul Charpentier

Vallila Vision was developed using “the best method” – which means that the entire process was driven by like-minded property owners.

“The City serves as a facilitator in these types of projects, but it’s the owners that call the shots. It was really nice to see all the owners coming together on this,” she says.

Another important thing about the process was “building from strengths”: the city master plan recognises that the area already has a great number of successful companies and it is a real hotbed for innovation also in national sense. The Vallila Vision took that solid foundation and proceeded to expand on it.

“There were issues to consider along the way, such as conserved buildings and zoning issues, but over all, there are certainly many, many things one can do to boost the appeal and energy of the neighbourhood,” she says.

Street Credibility

According to Timo Metsälä, Vallila is a meeting place for not only history and future, but also for hi-tech and street culture. The neighbourhood has the bohemian quality that can, conceivably, attract millen-

nials by the droves – if the total package is working out.

“Key to success is coming up with more diverse services and linking the residential side more closely to work,” he says, pointing out that in an ideal situation you could both live and work in the area and have needed services within walking distance.

From the perspective of existing real estate, the emerging new ideas require a good degree of flexibility. Co-working solutions are becoming more common and some companies may only need space for a limited time – and hence, making sure that Vallila can accommodate such wishes is a big priority.

“Also, there are accessibility and lighting issues of the public areas that can be improved. One goal is to bring people in from surrounding residential areas to core Vallila,” adds Metsälä.

The Power of Three

Minna Maarttola believes that Vallila has a great shot of forging an identity apart from Pasila and Kalasatama: she points out that these three areas have their own, distinct profiles and speak to different target groups.

“From the perspective of the City, we are very happy with the way the ‘Growth

Triangle’ is turning out – there are various options to choose from for both companies and citizens. In encouraging the desired level of diversity, such a mix is simply crucial.”

For Vallila, this could mean, for instance, that more and more enterprising startups flock to the area where the rents are relatively cheap and where there already are plenty of ICT wizards.

All Together Now

Timo Metsälä believes that a wide range of things is certainly possible for “Vallila 2.0,” but the best way to proceed is through collaboration.

“In the discussions with the owners, it became very clear that no single player has the muscle to effect change all by itself. Therefore, getting together and searching for synergies that benefit everybody is the most viable method to develop the area,” he says.

The elements for smart urban design management and co-operation between the city and property owners are already there, he believes. “Vallila can clearly develop into a more vibrant neighbourhood that attracts both economic and social capital.” ●

Sami J. Anteroineen

Make It Compact

Supplementary construction is one of the methods for creating compact city structures. Especially in Helsinki there are areas which would benefit from a more comprehensive approach in supplementary development. With this in mind, consultant agency WSP set out to create “the total package” for supplementary construction.

Architect Teemu Jama, Unit Manager for Urban Architecture at WSP, says that a more holistic approach is attractive especially from the perspective of the property owners:

“We’re able to deliver all the services under one concept, making it easier for the housing companies, for instance.”

In Vallila, Jama observes that the existing, strict separation of residential and business premises is rather outdated – and a more mixed-use approach would be more beneficial for modern, urban development.

“Zoning practices could use a dose of courage, and trying out new things should be encouraged,” Jama says, adding that the City

officials seem to share, for the most part, these concerns, but that legislation can hinder new, creative solutions in zoning.

The need for supplementary construction is great and growing outside Helsinki, too. Jama points out that around the country there’s countless apartment buildings raised in the 1960’ and 70’s, with big plots and generous ground level parking.

“From the perspective of supplementary construction, it is clear that there is big potential there, just looking at the size of the plots,” he says, pointing out that in many cases, new buildings can be constructed on top of existing properties, too.

Mika Matikka, WSP’s Business Area

Director, Renovation, is equally convinced of the potential inherent in supplementary construction. “In solidifying city structures, it makes sense to utilise the existing infrastructure. There are plenty of urban areas which could use some retooling,” he says.

Looking at Vallila, Matikka observes that there are a lot of old industrial properties which are not utilised very effectively right now. The message Matikka wants to communicate to the property owners is simple: there is definite value even in aging real estate, you just have to find the best way to access that value.

“We see collaboration to be the best method to succeed in this.” ●

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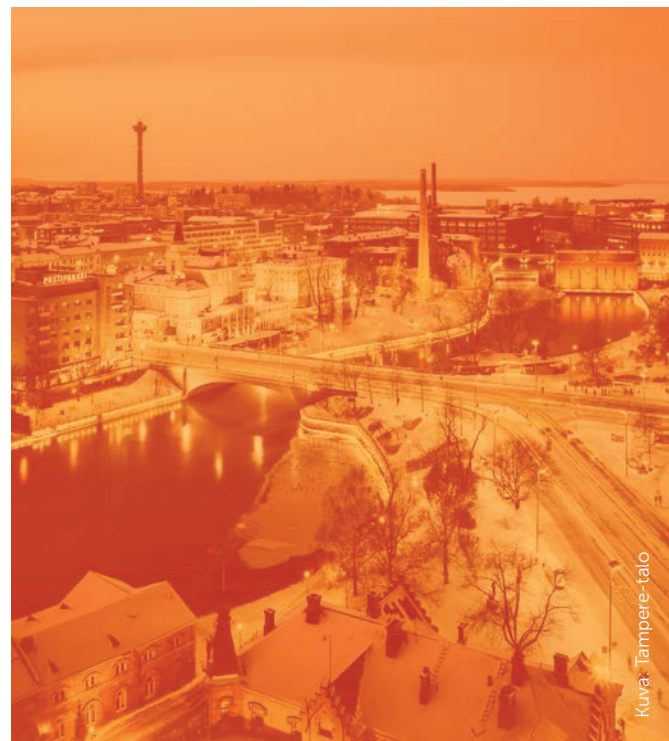
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Out of the Shadow

Green and growing, Espoo and Vantaa are proving to be a lot more than Helsinki's sidekicks

The Helsinki Metropolitan Area is a lot more than just Helsinki. To the west, there is Espoo, Finland's second largest city, and on the northeastern side one finds Vantaa, the fourth largest city in the land. Both of the cities are vital in developing the metropolitan area.

The strong performance of the “Big Three” did not go unnoticed by the Financial Times in its European Cities and Regions of the Future 2016/17 rankings. Uusimaa Region, consisting of Helsinki, Espoo and Vantaa and some smaller municipalities, impressed as the top-placed mid-sized European Region of the Future and also came up on top in the Economic Potential category.

Uusimaa Region was ranked second in Human Capital and Lifestyle, and came forth in the Northern European Region of the Future listing. Overall, Uusimaa was deemed to be the 10th-placed European Region of the Future. In the study, data was collected from a total of 481 locations, including 294 cities, 148 regions and 39 local enterprise partnerships.

Enterprising Espoo

The profile of Espoo is getting greener by the day. The city is building a sustainable future through mobility, construction and energy solutions – and the launch of the new western metroline (from Helsinki to Espoo) is very much a part of the low-carbon plan.

There's already a great platform to build on: According to a EU study completed in 2016, Espoo is the most sustainable city in Europe. The study shows that, as measured by indicators for financially, socially and ecologically sustainable development, Espoo has managed to maintain sustainable urban development in the midst of powerful growth. As much as 35 % of Espoo's land area is covered with forest, and the city was also recognised as a genuine “green city” in the study.

Overall, Northern European cities scored highest on sustainability in Europe, with Stockholm and Munich trailing Espoo. Scoring high in safety, education, social and economic participation, Espoo distinguished itself for its economic knowledge, too.

Green Edge Success

Espoo was also the first city to join the Finnish Society's Commitment to Sustainable Development, which is dedicated to building a more sustainable Finnish society. Via greener practices, Espoo wants to create also new business activities and make the population's everyday life easier and more comfortable.

Construction of new, sustainable residential areas is very much part of this pic-



Photo: City of Espoo /
The City Planning
Department



ture. Home of the original Garden City, Tapiola, Espoo has a great track record of promoting low carbon living. The latest initiative in this regard is Kera, which aims to be a climate-friendly, bustling neighbourhood that will attract also new business activity, thanks to its high-level connectivity.

There is already a rail connection, with Kera station sitting in the very centre of the 230-hectare area which was previously in industrial use. Under the new plans, Kera will be transformed into a diverse new neighbourhood for living and working, providing housing for at least 14,000 residents along with some 10,000 jobs.

Showcasing the Future

Pekka Vikkula, Project Director at the City of Espoo's Technical and Environment Services, believes that Kera offers absolutely first rate potential.

"It will be possible to create a brand new "Kera Valley" residential area complete with local services. Thanks to the excellent public transport links, we will be able to pursue high-density urban development, particularly in the immediate vicinity of the station, where we will really focus on catering for pedestrians and cyclists," Vikkula lays out the battle plan.

Ville Ahvikko, Urban Planner for the City of Espoo, calls Kera a "truly unique opportunity" for development within the Greater Helsinki area.

"We have the chance to design truly inspiring and sustainable residential solutions fit for a new era. At Kera, we can cre-

ate a co-ordinated and holistic new neighbourhood," Ahvikko says.

Vantaa Takes Off

Vantaa is no different in its determination to build new, sustainable communities – that, by the way, are also located by the rails. The recently launched Ring Rail Line – which connects downtown Helsinki to Vantaa airport – has kicked off several developments around the railway stations.

While introducing five new stations – Vehkala, Kivistö, Aviapolis, Airport and Leinelä – the Ring Rail offers Vantaa plenty of opportunities to solidify the urban structure. Ring Rail is giving 200,000 potential residents and 200,000 potential commuters convenient access top-notch public transport.

With Vantaa's population growing at record speed, the City has need for new districts for new residents. The City of Vantaa also has plenty of international flavour, thanks to Aviapolis, the Airport City, located in the immediate vicinity of the airport along the Ring Rail Line and Ring Road III. As it stands, Aviapolis is the strongest growing business area and employment centre in the metropolitan area, hosting 1,000 companies which employ as many as 35,000 people.

Eye on Tomorrow

The City of Vantaa wants to capitalise on the international angle, drawing up an ambitious master plan for the future development of Aviapolis. According to Hannu Penttilä,

Deputy Mayor, this "Airport City of tomorrow" will be a human-scale community where walkability is a big element.

"Our dream is that the Airport City will be ecologically and culturally sustainable – and a true travel destination in its own right." According to the plans, by 2025 the entire Aviapolis area will house up to 23,000 people.

"What we want to do here is to build the best airport city in the world," says Penttilä, who believes that Vantaa can deliver the "total package" that can eclipse international rivals such as Schipol and Zürich.

"All the required services are available, the distances are short and logistics are world-class. What's more, we can offer the most convenient access to Asia in all of Europe."

Driving Diversity

There's life outside the airport, too: Vehkala, for instance, which is situated along the Ring Rail Line and Ring Road III, is planned to become a hub of as many as 10,000 jobs. The City – which owns 100 hectares in the area – is grooming Vehkala especially for the needs of the SME sector. The area is most suited for planning, service and production businesses – and it has already made a name for itself as a fashion centre.

"Vehkala is a good example of our drive to build something great. We expect to see 20,000 housing units and jobs in Vantaa during the next ten years," says Penttilä. ●

Sami J. Anteroineen

Smart Moves

From the waterfront to high-rise construction and public transport, Tampere is taking bold steps into the future

Tampere is on a mission to “grow smart together”. Tampere Region, Finland’s second biggest city region, has hit a development groove that is quite impressive: the Region is investing € 6-10 billion by 2030 in order to build an internationally attractive Smart City. What this means is that digital solutions will amplify the quality of life for citizens as well as boost the local business ecosystem.

Photo: City of Tampere / COBE Aps ja Lunden Architecture Oy 2014



Tampere Travel and Service Centre

Tampere is set to launch several high-profile projects that aim for innovation, new business models and enhancing communities. The City of Tampere offers more and more open data for anyone to use, free of charge – and this includes traffic data, location data, built environment data, tourism information, as well as city budget and procurement information.

The City’s ‘Smart Tampere’ economic policy wants to make sure that the local investments are used to build a smarter city and to secure economic growth. The city itself has multiple roles in this new way of city development; for instance, the city can act as a testing ground, bring the right parties to work together and/or find creative new solutions through city planning. ‘Community driven’, ‘experimental’ and ‘sustainable’ are the watch words that are heard more and more in the Region.

Smart 360°

‘Smart Tampere’ lays down the roadmap for years 2017-2021, bringing together business life, universities, organisations, citizens and the city government. The first seven themes of ‘Smart Tampere’ are Smart Health, Smart Education and Know-how, Smart Industry, Smart Building, Smart Infrastructure, Smart Mobility and Smart Government and Citizen.

Anna-Kaisa Ikonen, Mayor of the City of Tampere, comments that the plan here is to open up the big challenges of the city and find innovative solutions to those challenges, by working together with companies. Collaboration is crucial since, according to estimates, the population of Tampere and the surrounding region will grow by tens of thousands over the next decades.

The local Master Plan, presently in its draft phase, prepares for a population growth of 60,000 new residents in the inner city and tens of thousands of new jobs. The growth will mainly focus on the built urban areas that are already covered by plans and will be realized by infill construction.

Open for Traffic

Tampere is looking into the future with no small confidence, since the City’s latest major development just finished with a flair. The Rantaväylä tunnel was opened for traffic in November 2016, offering a largely underdeveloped waterfront area (Ranta-Tampella) up for new construction. “Now, as the Rantaväylä tunnel has taken car traffic underground, the Ranta-Tampella District will certainly reap the benefits from the logistical retooling,” says Director Tero Tenhunen from the City.

“Ranta-Tampella will be a showcase

for quality waterfront construction, with more than 3,000 residents,” Tenhunen says, adding that the location right next to downtown makes the area extremely attractive.

Get It Right the First Time

Still, Ranta-Tampella is not the only high-profile waterfront project in the making: for example, the City expects to see the same volume and even higher quality at Eteläpuisto area, just a bit south from the city centre. Then there is Hiedanranta, an old pulp factory area right on the shore of Lake Näsijärvi, that is already being hailed as “Dubai of Finland” by the local media. Hiedanranta area will offer housing for 20,000–25,000 residents and jobs for 10,000 people. The international city planning competition was solved in January. Zoning for the area will begin in 2017.

Tenhunen acknowledges that building these shorelines right is a big responsibility, but he is confident that the end-result will be something to see.

“We have a concept in place to make sure that everything is being planned and prepared for from architecture and logistics to services and parks.”

Hit the Centre

The modern travel and service centre will



Photo: City of Tampere / Studio Daniel Libeskind 2010 and 2011

construction alliance. The Tramway alliance is composed of the City of Tampere, VR Track, YIT Construction Services and Pöyry Finland.

Platform for Greatness

Tero Tenhunen believes that introducing a new form of public transportation into the community will provide a great testing ground for smart mobility solutions, as well as smart building and smart infrastructure solutions.

“It is important that we rethink public transportation, since the city is growing for years and decades to come,” he says. Indeed, Tampere is clearly on a winning streak when it comes to attracting people, companies and investments – and new decisions are made to build on that momentum.

Businesses – both big and small – have flocked to the Region, drawn by Tampere’s great location, traffic connections and versatile commercial services. Furthermore, the local universities make sure that there is sufficient brain power and international networks for the companies establishing operations here.

“Tampere is ready to help companies take their operations into the next level,” Tenhunen adds. ●

Photo: City of Tampere / COBE Aps ja Lunden Architecture Oy 2014



Tampere Travel and Service Centre

Deck and Multipurpose Arena

improve accessibility of the city centre from all distances. The new Deck and Multipurpose Arena is an ambitious development project which is to be raised on top of existing railway tracks in the heart of the city. The 110,000 square metre entity will hold a multi-purpose arena with capacity for 13,500 people, office blocks topped by residential towers, a hotel and a casino. Construction is expected to start in the spring of 2017.

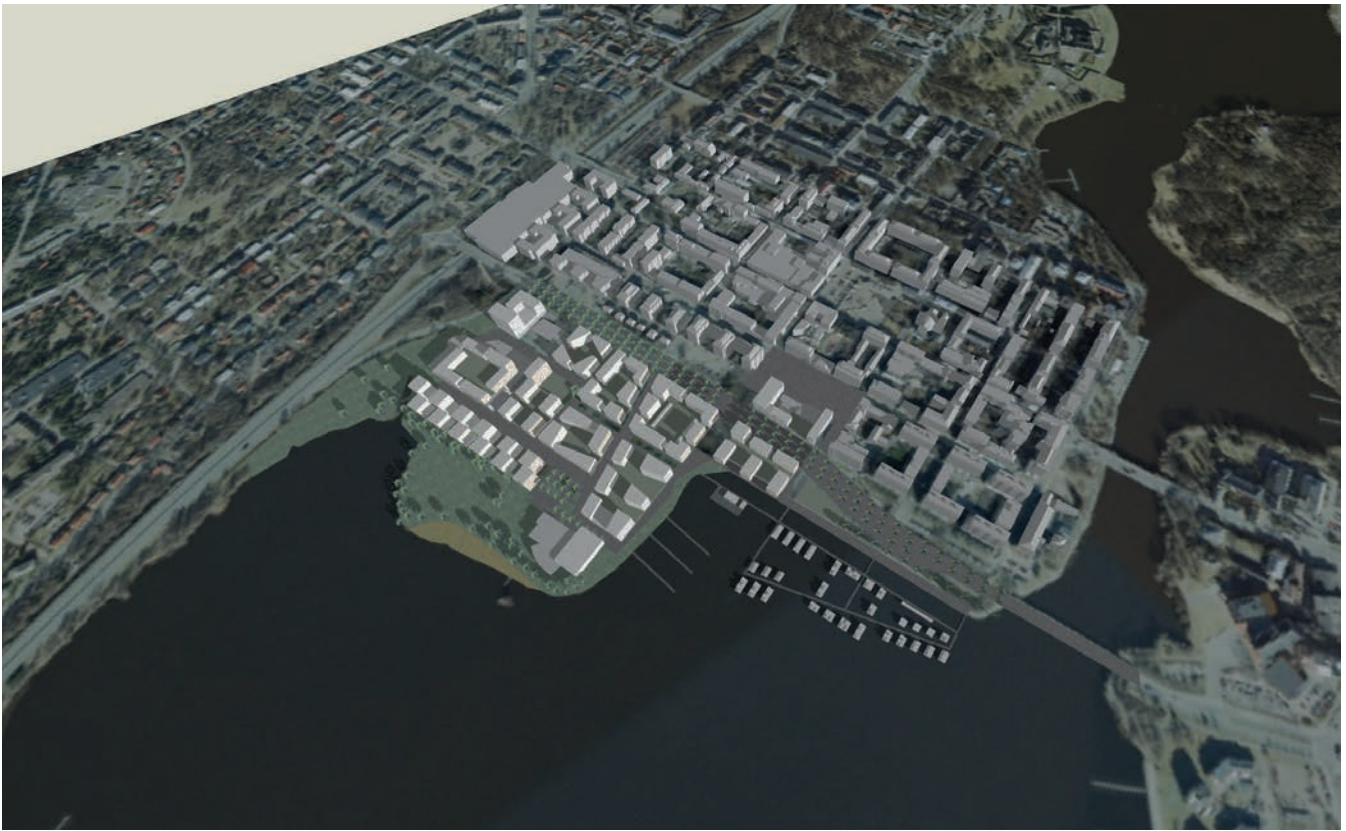
According to Tenhunen, the deck construction will bring welcome cohesion into the city structure that is now being divided by tracks. In the process, a totally new city district will emerge.

“We feel that the Travel and Service Centre will be the Ground Zero, of sorts, for this development. Hybrid construction is one of the key drivers here, since the City wants to achieve a well-balanced mix that will add diversity into the downtown area.”

Tram Plan Approved

Looking at the big development picture, Tenhunen talks about the City’s “Five Star City Centre” concept which calls for urban appeal, high quality, diversity, attraction and originality – and, from the looks of it, the City is about to add another star to the roster. On 7 November 2016, the City Council decided to build a tramline in Tampere. The first phase of the tramway infrastructure (featuring 15 kilometres of tracks) is now approved, with work to start in 2017. It is estimated that tram traffic from university, business campus and superb Hervanta to the city centre and from the city centre to the central university hospital TAYS will start in 2021.

The total budget for the first section of the tramline is € 238.8 million, with the State supporting the first construction phase with € 71 million. The target cost of the first part is a tender binding the parties of the



New Engelinranta shows lighter white by the lake Vanajavesi on the left side of the picture.

Reinventing the Waterfront

Hämeenlinna wants new real estate development which revolves around citizen participation

Located along the Helsinki-Tampere corridor, Hämeenlinna has often been overlooked as a potent hot spot for growth. However, Hämeenlinna is a vibrant community at the junction of a nationally important rail, road and waterway network – and with plenty of small-town appeal.

Founded as early as 1639 around the beautiful Vanajavesi Lake, the city has always been big on nature values; but in recent years, new emphasis has been placed on ambitious waterfront construction. Kristiina Koskiahio, Managing Director of City development company Hämeenlinnan Eteläranta Oy, says that the City has identified waterfront development as a key element in its future plans for growth.

“We have an amazing waterfront area, Engelinranta, that will be developed in phases. Located right in the downtown area, Engelinranta is something that both residents and companies appreciate.”

Plan for Success

The development of the shoreline was kicked off in earnest in November as the first phase of the planning competition for the

so-called bus station quarters was launched. This phase will come to its conclusion on 25 January 2017, with phase 2 starting on 8 February.

Koskiahio believes that the competition will be attractive to especially those real estate players who are looking for alternatives outside the Helsinki Metropolitan Area and Tampere, the largest inland city in the Nordics.

“There are many development projects going on in Helsinki and Tampere, but Hämeenlinna possesses a lot of potential that is, as of yet, untapped.”

Timo Kenakkala, Mayor of Hämeenlinna, is convinced of the city’s promise: he points out that Hämeenlinna can provide the inexpensive housing, solid municipal services and great leisure-time activities that people appreciate. “Hämeenlinna also offers great accessibility and connections. Located

in the middle of Finland’s prime growth corridor, the city is very attractive from the perspective of investors, too,” Kenakkala says.

Greenfield Appeal

“The Engelinranta shoreline alone holds 90,000 floor square metres that is available for development. The launch of bus station quarters only takes about 15,000 square metres of that total,” Kristiina Koskiahio explains.

“The zoning plan allows for the construction of the entire 15,000 square metres, but for the purposes of the competition, it is not necessary to use all of that space.”

Similarly, the City is not adamant about what types of buildings should be raised by the shoreline: residential construction is the priority, but also business premises can be included in the proposals.



The architects' view from the street in Engelinranta.

“What we want to encourage is a certain atmosphere of experimentation. Various new things can be piloted here, and successfully, too,” Koskiahio believes. One example of this approach is inclusion of public art in the competition parameters: the City wants competition participants to come up with ways to spice up the neighbourhood via aesthetics, too.

“The buildings themselves will require high-level architecture, but we want to add even more aesthetic appeal by providing art for the citizens.”

Living Lab Opportunities

The City is also willing to entertain “out-of-the-box” construction solutions such as floating apartments, city boats, robot-driven buses, Mobility as a Service (MaaS) solutions... Koskiahio believes that Hämeenlinna is just the right size – not too big, not too small – to push these initiatives forward.

“There’s a lot we can accomplish, if we pool our resources and are committed to a common goal,” she believes. A crucial part in the City’s plans for the bus station quarters is increasing citizen participation in just about every conceivable way.

“We’re requiring for citizen participation and engagement plans to be submitted by those players entering the competition,” she says, adding that the participation plans should precede the zoning operations. “This



Engelinranta, the present state.

way we get citizen engagement that is not overly regulated.”

In a sense, the bus station quarters venture is all about maximising citizenship: the people will get to voice their opinions and those viewpoints will be taken into consideration, too.

Come Together, Right Now

Koskiahio envisions a situation where citizens and companies get together to decide what kind of community they want to raise:

what is it exactly that modern residential solutions should entail?

“Having everybody on the same side of the table, so to speak, means that it’s a win-win for all,” she believes.

In addition to the residents, Hämeenlinna wants to serve also the interests of companies. The waterfront development could conceivably be a home for various business ventures that can, in turn, take the community to the next level:

“Energising the local business climate is obviously one goal.” ●

Southwest Sparkle

Industry is launching a big-time comeback on the west coast



There's something really interesting cooking in Southwest Finland. While just a couple of years ago, the Region's top industries – such as marine and automotive sectors – where struggling, now it seems that the entire Region is mounting one impressive comeback.

What's more, the leading cities in the Region are pursuing new types of opportunities presented by collaboration. The coastal towns of Turku, Uusikaupunki, Rauma and Pori signed an agreement in 2010 on the framework of regional cooperation, giving birth to LOURA – Intercity Collaboration of Southwest Coast of Finland. In 2017, LOURA intends to intensify its 'Invest In' activities, thanks to improved resources.

A great example of local prowess is the Turku shipyard which now has record-breaking ten ships in its order book; there is work at the shipyard until 2024 and need for new ship builders, both metal workers and designers, to come in and help build the new vessels. Under the ownership of the German Meyer family, the Turku shipyard is on a roll that is unprecedented in the history of Finnish ship-building.

The latest good news hit in October as Royal Caribbean Cruises and Meyer Turku shipyard signed a memorandum of agreement for two next-gen, LNG-powered cruise ships, to be delivered in 2022 and 2024.

Marine Country

Tapani Mylly, Communication Manager for Meyer Turku, says that the "regional factor" has been significant in turning the tides. "We naturally have suppliers all over Finland, but Southwest Region is clearly the focus area for marine," he says.

"Also municipalities, cities and educational institutions have recognised the importance of the local marine industry and continue to promote it," Mylly says, adding that Meyer Turku has strong ties with e.g. the City of Turku and the Turku University of Applied Sciences.

"In the beginning of 2017, we will be hosting Shipyard Day at the campus of Turku University of Applied Sciences and showcase our operations to the students," he offers one example.

New Direction for Rauma

Another strong shipyard town is Rauma, with centuries-spanning tradition of building ships. After conquering their challenges, the local marine sector got back in the game

under the name of Rauma Marine Constructions (RMC) which was formed in 2014.

Rooted on the positive outlook for small and medium sized vessels, RMC continues the strong shipbuilding legacy in Rauma with a new project-oriented and partner network approach. Presently, the Rauma shipyard is working on a 158-metre long passenger-car vessel for the Danish ferry operator Mols-Linien. The order's market value is around 68 million euros, making it the most important ship order for RMC since its founding.

CEO Heikki Pöntynen comments that the contract guarantees full employment to RMC for two years and gives the company the possibility to improve the shipbuilding industry in Rauma in the long run.

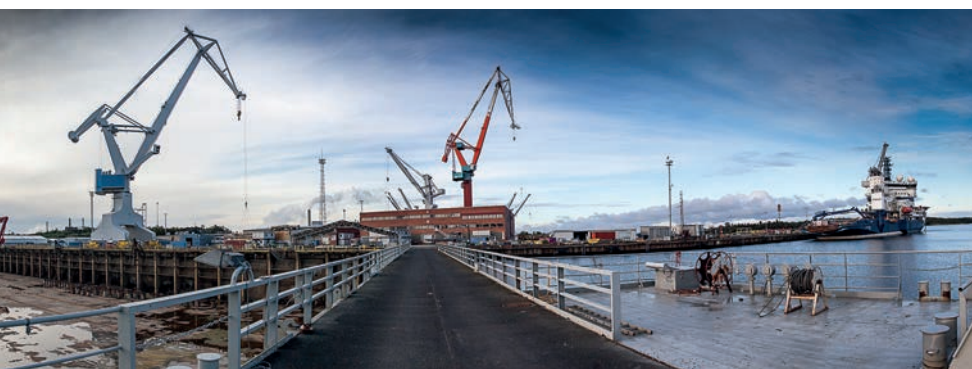
"We are making good progress with planning, and steel-cutting will start in March 2017," says Pöntynen. The vessel will be delivered in June 2018.

Boosting the Ecosystem

Pöntynen observes that RMC has benefitted greatly from the regional "network approach" – and will continue to do so in the future.

"Generally speaking, there is a pro-business mindset and good cooperation between, for instance, the City of Rauma, the Chamber of Commerce and the local companies. The ecosystem formed by the companies supports a network-based method of operating and gives the companies a good chance to specialise and develop their own operations," Pöntynen says.

Furthermore, Pöntynen is delighted to see the local schools taking an active role



in all of this, too: “The various educational institutions are supporting industry by providing, for example, expert services.”

Gaining Momentum

Kari Koski, Mayor of Rauma, acknowledges that when the shipyard received the Danish order in June 2016 this was, indeed, big news for the entire city – and the Region, as well.

“Beyond the marine, we have other local assets such as forest industry and food & beverage sector that are doing good, too.”

Koski also comments that while a couple of years ago the talk about “regional collaboration” still lacked substance, now there are a lot of exciting things going on.

“With Turku, Rauma, Pori and Uusikaupunki all showing great improvement, it is up to us to make the most of the situation,” he says, adding that there is strength in numbers and great momentum to carry the Region forward. The Mayor sees education as one key area where the local cities can accomplish a lot: by pooling in resources, the local schools can help the companies get the high-quality workforce that will allow them to maintain their competitive edge.

“I feel that the Southwest Region is just starting to make good on its promise – and that there are many great things still ahead,” Koski says.

Carbuilders Wanted

Moving over to Uusikaupunki, one can see just what Koski is talking about. The Uusikaupunki car plant will start the series production of the Mercedes-Benz GLC SUV in early 2017 – and Valmet Automotive is



Photo: City of Pori

recruiting over 1,000 new carbuilders and white collars for the plant.

Mikael Mäki from Valmet Automotive says that the company has never attempted recruiting on such a scale. “This is unprecedented for us as it is for the whole country, you could say.”

Mäki sees Valmet Automotive as one of the regional gamechangers which have taken concrete actions to put the economy back on track – and he’s happy to see that there are others, too.

Upward Spiral

According to Mäki, the local companies which have had some success of late are very much on the growth path and that “the faith is getting stronger”. All this could lead to a domino effect where the whole Region makes a rapid climb to prosperity.

“On the other hand, when things are going good, you have to be mindful of how to

keep that streak going. Already some companies are saying that it’s hard to meet their recruiting needs.”

Valmet Automotive, however, is not short on job applications. The first wave of its recruiting campaign – calling for 250 carbuilders – yielded a record number of applications (2,597). At the moment, Valmet Automotive’s personnel at the Uusikaupunki plant totals 1,550.

Copper Kings of Pori

Yet another seaside success story is Pori which also has plenty of industrial firepower under its belt. Luvata Pori Oy is one of the biggest industry employers in Pori, employing about 350 people. Manufacturing 40,000 tonnes of fabricated copper products every year, Luvata is big on exports: over 90 % of the production is going overseas.

Jussi Helavirta, Managing Director of Luvata, lists three things that contribute to the success of companies in the area, now and in the future.

“First of all, one must take care of the local industries, since they provide jobs and wellbeing to the community. Also, it is important that state, city and municipality take care of infrastructure which enables basic services to industry.”

Big part of the magic formula is collaboration. For example, Luvata’s base of operations is in Pori’s Copper Industry Park where there are many like-minded companies. “There are synergies that we are able to explore,” says Helavirta.

Port Power

International industry is supported by the Port of Pori with its deep fairways and Finland’s first LNG import terminal. City of Pori is strongly invested in these measures that are pushing the entire Region forward, says Aino-Maija Luukkonen, Mayor of Pori.

“We work in close co-operation with the Port as well as with the local industry,” Luukkonen says. ●



Photo: Valmet Automotive Inc.



Gaining Momentum

The versatile Turku Region is a hotbed of innovative industries – both old and new

Ships, ahoy! The Turku shipyard has made a new record with as many as ten vessels in the orderbook. Reborn as Meyer Turku, the shipyard is investing in new technology and hiring more and more “metal heads” to build the world’s finest cruise ships. Jouko Turto, Director of Turku Municipal Property Corporation, says that the Turku shipyard is a fine example of the local industrial prowess – but it is not the only success story around here.

“If you look at the region’s pharmaceutical industry, for example, you see that growth is on an unprecedented level there, too.” To name but one company, Bayer, the world’s third largest pharmaceutical company, has a cutting-edge production plant in Turku which serves as one of the company’s global pharmaceutical supply centers.

Similarly, trending sectors include biotech and ICT which both have a great track record with decades of innovation. But what is that secret ingredient that makes all this

local success possible? Jouko Turto believes he has some sense of the answer:

“While everybody talks about the importance of networks, Turku industries have been able to build networks that truly work. Recognising that nobody can do everything all by themselves is the starting point in all of this,” he says, pointing out that an atmosphere of trust may take years to develop – but as soon as companies embrace collaboration, great things are likely to happen.

Lifting All Boats

According to Turto, the new orders from the shipyard drive the success of subcontractor companies of the Turku Region and beyond. “Pretty soon everybody’s hiring new people,” Turto says, adding that the view to the horizon supports smooth sailing for quite some time – the shipyard’s orderbook extends to 2024.

“It’s all about the ecosystem that is being created and developed onwards. In this type of scenario, all actors are able to reap the rewards.”

The influx of workers into the area means increasing demands on residential construction. One executive of a big construction company hit the nail right on the head as he remarked that “Turku is glowing” – and that is no overnight sensation. Pekka Sundman, Director for the City Development Group, points out that over the past decade Turku’s population has been growing faster, proportionately speaking, than any other city in the land. Currently, there are about 187,000 inhabitants in town (317,000 in the Turku Region).

“We are seeing a situation where traditional, labour-intensive industries are keeping the momentum going. The present dynamic in the Turku Region has great balance, with all types of top-level expertise in the mix,” says Sundman.

Brain Power

Of course, the local academic anchor – consisting of the University of Turku, Åbo Akademi University and the Turku University of Applied Sciences – is in fine form. The powerful combination of business and science has yielded great results over the years – and, against this background, it is no wonder that the City of Turku named Campus and Science Park as one of its key spearhead projects in 2016.

The foundation certainly seems strong enough. There are as many as 38,000 higher education students in town and the campuses of the three universities are located exceptionally close to each other (as well as the city centre). In the same area, one can also find the functions of Turku University Hospital, the Turku Science Park and the most prominent cluster of office complexes in town.

Mikko Lehtinen, Managing Director of Turku Technology Properties, comments that Turku Science Park is unique in both its scope and style. He calls the Science Park “a real pearl” that is now being realised one step at a time.

The Campus and Science Park was raised to the rank of spearhead project since the City feels that exceptionally multidisciplinary strategic management and coor-

dination is needed in comprehensive city development. The intention here is to connect especially with the development of the physical and functional environments.

“Linking the worlds of higher education and business is something we want to do with great frequency, since we believe that is the best platform for winning innovations,” says Jouko Turto.

Ride the Rails

In addition to developing a world-class innovation and experimentation environment for the interlinked actors, Campus and Science Park project is aimed at delivering high quality planning and implementation of land use, housing, construction, and traffic. A central element is the logistic accessibility of the area – especially via the national One Hour Train initiative; there are plans to link Helsinki and Turku with one-hour fast rail connection.

“The state is investing € 40 million into the planning of One Hour Train initiative which concerns also the remodeling of the railway station into a modern traffic centre,” explains Turto.

One of the objectives of the initiative is linking Campus and Science Park area to the commuter belt of the Helsinki metropolitan area. Bridging the old and new capital

should yield numerous benefits and synergies, now and in the long run.

The Campus and Science Park project is one potent example of the City’s mindset which emphasises certain agility and a positive attitude towards experimenting. The chosen spearhead projects must be comprehensive, yes, but not at the price of losing their flexible nature. The success of such projects is measured by investments in the area and development of business as well as the national and international recognition of the area brand.

Time to Move!

In addition to the Turku-Helsinki fast rail, there are also plans to upgrade local traffic connections. Turku’s first electric buses hit the road in October 2016, but the e-revolution does not stop there. Turku is participating in the EU-funded CIVITAS ECCENTRIC initiative along with e.g. Munich, Madrid and Stockholm, spearheading also the pan-European ‘Mobility as a Service’ (MaaS) component of the CIVITAS collaboration. In the coming years, Turku has the ambition to implement a more interactive and participatory planning approach to traffic, as well as significantly expand its electric public transportation network. In addition, the City wants to keep growing the electric car

Photo: Jaska Poikonen



There are plans to link Helsinki and Turku with one-hour fast rail connection.



Brownfield regeneration provides interesting possibilities for developing smart and sustainable solutions in the Campus and Science Park area.

and bike (sharing) fleet, improve year-round cycling and walking conditions and introduce liquid biogas for urban freight logistics.

Next Gen Appeal

Having set of strategic goal of carbon-neutral Turku by 2040, the City of Turku is aiming to achieve a shift towards the use of more sustainable modes of transport (from 52% to 66% by 2030).

“We are exploring various ways to enable people’s movement in more modern ways,” says Jouko Turto, adding that what are needed now are “next generation traffic solutions”.

Juha Elo, Marketing Manager for the City of Turku, points out that improving connectivity becomes easier if the community is compact to begin with – as is the case with Turku.

“We have a situation where 80% of the population is located within 5 kilometres of the town square. That’s a pretty good starting point when you want to pursue carbon-neutrality,” he says, adding that “walkability” has always been one of the strong suites of the community.

Going Circular

Pekka Sundman observes that the new, greener ways hold considerable business potential. Turku is one of the forerunners of Finnish circular economy, and intends to stay that way:

“Introducing a totally new kind of business logic is never easy, but we have seen a lot of positive development in this area.”

One indication of this mentality was the launch of business incubator Bastu in 2015. Initiated by entrepreneurs in the Turku Region, Bastu concerns itself with “sixth wave” operations, meaning that it focuses on resource efficiency, constantly trying to look at familiar things in a whole new way. Bastu is also a part of a three-year collaboration effort between the national innovation agency Sitra and the City of Turku.

The Green List

And there’s more: for instance, Skanssi Residential Area, built to be an ecologically, economically and socially sustainable district;

Blue Cleantech, a marine industry business area which significantly boosts new maritime growth; Smart Chemistry Park (SCP), a growing platform/learning environment for regional players; Topinpuisto, recycling park of the future.

According to the City, these new initiatives represent something that is very central to the local business climate: willingness to try out new things and seize the opportunities wherever they may emerge.

“In Turku, it was recognised a long time ago that expertise forms the foundation for competitiveness. The City wants to support that know-how in any way it can,” Sundman sums up. ●

Showroom for Innovation

A new kind of innovation centre is in the works in Turku Science Park. With the construction kick-off in October 2016, the new innovation centre should open its doors in 2017, just in time for Finland’s centenary. The concept of the Centre is novel enough: all companies, big and small, are invited to use the Centre as a showroom, and bring their products and innovations to the limelight. There isn’t an innovation centre working under this concept in all of Scandinavia – and it’s about time that Turku got the ball rolling in this, says Pekka Sundman, Director for the City Development Group.

“Turku Region has always been strong in innovation, but previously it’s been difficult to get the word out on all the things that are going on here. Now, the visitors – both domestic and international – can get acquainted with the latest innovations very conveniently indeed.”

The Innovation Centre has already caused a positive buzz in the ranks of the local SMEs who often struggle to get worthwhile exposure for their products. The new centre should level the playing field in that regard: the best idea will win the day.

Building the Innovation Centre is a key part of the City’s Campus and Science Park spearhead project, with local universities participating in the launching of the Centre. Also numerous companies – such as PerkinElmer Inc, Teleste Oyj and Sandvik Oy – are contributing to the Centre. ●

Aulanko Goes Digital

Photos: Pekka Roussi

Futureproofing buildings, communities and cities was one of the big themes at the Annual Convention of Property Investment Prospects in Aulanko, Hämeenlinna, Finland. Hosted on 3–4 November, 2016, Finland's biggest event for the Finnish real estate business pooled the industry professionals together to talk shop and envision new, brave horizons.

Thimon de Jong, an internationally esteemed expert on future trends, got the ball rolling with key note presentation. He commented that the real estate industry is well positioned to utilise big data to provide customised environments.

"It is time to say goodbye to 'one size fits all' thinking," he said.

Nevertheless, de Jong doesn't believe that digitalisation in itself will solve all problems – in fact, it's also creating them, as people spend more time with their phones than with each other. He pointed out that the relevance of social interaction is not extinct, and that flesh-and-blood interaction is making a comeback.

"Amazon, for example, has launched physical bookstores," he said, pointing out that finding the right balance is the key here.

Urban IQ

Smart city expert Gordon Falconer was thinking along the same lines with de Jong. The question to ask now is, are we developing future-proof buildings for our children – and how, for instance, can new business models support Smart Cities development? Falconer noted that with regards to the evolution of the cities, one has to respect the current phase of development that the city is in. Smart cities are all about doing more with less – and disruption has a significant role to play in all of this, says Falconer.

But how smart is the real estate market now? Real estate is seen as a very good investment target, which has a tendency to raise the prices – and yield demands are at an all-time low. The risks in the Finnish real estate investment market are considered to be quite manageable, since the market is professional and advanced enough

to attract foreign investors. Andrew Allen from Aberdeen Asset Management considers the Finnish price level to be an attractive one, with the Helsinki Region reaping most of the benefits. Beyond the capital, however, also other cities are becoming more and more enticing.

Work 2.0

Talking about the trends shaping the industry, Allen noted that co-working solutions continue to be growing in popularity. This represents a challenge for office-makers: as the ways of working are changing, the concept of office is changing, too.

With the digital tsunami taking hold, new types of threats emerge as well. Mikko Hyppönen from F-Secure probably knows more about the digital threats than any other person in Finland. He commented that as Internet of Things is gaining ground, it's important to take a step back and evaluate, what things should be online and what things shouldn't. The fact that it is soon very inexpensive to link physical objects into the internet is not reason enough for everything to have an online presence.

Start Ups Shine

At Aulanko, many speakers shared the view that it is up to the real estate industry to create a new kind of ecosystem where data is shared and innovations are developed via partnerships. Real estate sector, though regarded as a rather conservative industry, continues to push the envelope e.g. in energy savings.

Another indication of the turning tides was Pitch Friday where five promising start ups showed their stuff. Making big data work for real estate players seemed to be one strong unifying theme in the presentations – and the winner of the pitching event was SkenarioLabs which provides property owners with forecast data to aid decision-making. ●



Make It Flow

The next wave of intelligent buildings requires some considerable IQ – already in the construction phase



Digitalisation is revolutionising the technical solutions used in buildings, starting from the design all the way to the building maintenance operations. In the past, various building systems, such as access control and elevator systems, were designed independently. Focusing on specific building systems for specific needs, this method, however, often results in a fragmented approach and rather fixed business structures within the industry. Digital disruption is already hard at work in integrating the various solutions to increase value for users and building owners.

Nevertheless, when utilising the integrated approach in building design and operations, this process requires a clear vision on customer value, says Santeri Suoranta, Head of Technology, KONE Major Projects. Suoranta explains that – in order to fully capture that vision on customer value – KONE utilises an advanced user-centric approach.

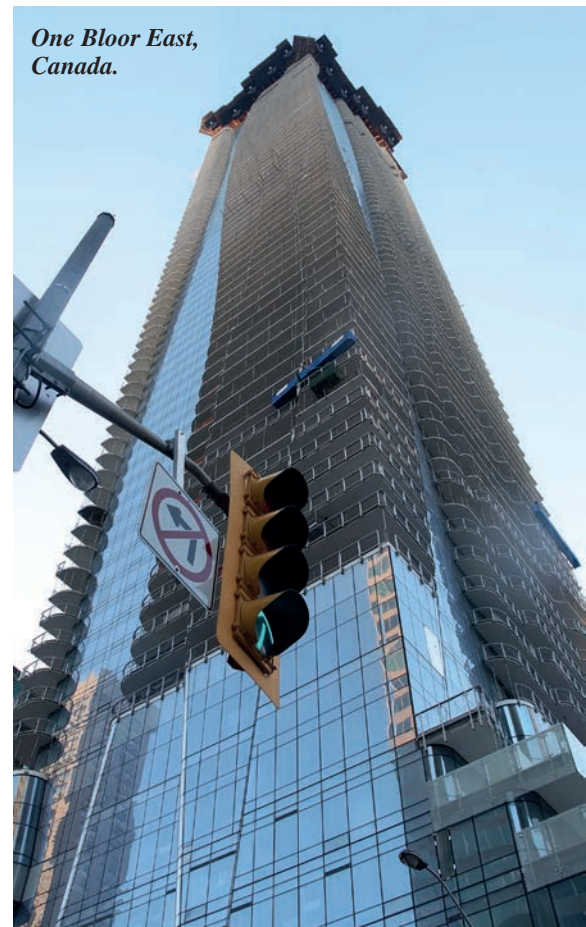
Simplify the Systems

Focusing on the user means thoroughly investigating the opportunity for new value creation with the integrated approach, while simultaneously studying ways to reduce complexity in intelligent buildings.

“Unleashing the digitalisation potential in intelligent buildings with integration requires a clear definition on what to integrate,” Suoranta says, adding that one of the present challenges is getting everybody in the construction industry to come out of their silos and embrace the new business opportunities and user benefits.

“The focus needs to shift from technology to people,” he says, giving one example: consider the user flow of a smart building, and track that flow from the building entrance to the final destination of each individual. Numerous building systems come to play here – and the integrated approach allows for the smart utilisation of the collected data.

One Bloor East, Canada.



Embracing Convergence

Santeri Suoranta points out that the digitalisation enables effective separation of control logic from physical equipment; for example, elevator control can be separated from the physical elevator or access control intelligence can be separated from the physical readers and locks.

“This trend opens up new possibilities for integration and system optimisation within and between multiple systems,” Suoranta says. One can, for instance, integrate elevator control with access control or integrate elevator lobby lighting control with elevator’s arrival in the lobby.

According to Suoranta, KONE’s approach on intelligent buildings consists of integrating the people flow in four domains: destination controls, access controls, monitoring and information systems.

“The starting point has been shifted from technology towards the key question – how to optimise the user experience. The technology here is used to enable the required solution,” he sums up.

Make Data Work for You

In order to identify the user and ensure access to the building and proper access control, smart solutions are needed. Under the KONE master concept, the elevator destination control solutions guide the users to their desired destinations easily, with minimal journey time and with optimal elevator capacity.

“During the journey, various information is shared to users via screens. Monitoring solutions are needed for the building management to ensure safe, reliable, and effective operation.”

Suoranta points out that adopting to digital change is easier to accomplish in the early stages of the design effort, working together with the different vendors in the industry. “Intelligence on buildings is possible to integrate in the design phase, but very hard to adopt afterwards.”

Rethinking Construction Sites

The same mindset of planning ahead has encouraged KONE to come up with solutions for the construction sites. Jussi Kojamo, Head of KONE Major Projects Sales, observes that in the construction industry there are often clear cases where time is being wasted – bottlenecks appear that can’t be solved on the spot, there aren’t enough resources etc.

“This waste impacts every worker, every builder and every building owner,” says Kojamo. To speed things along, KONE turned its attention to the traditional builder’s hoists that are often used to move people and goods on construction sites.

Builder’s hoists are of particular importance since on a high-rise construc-

De Rotterdam, Netherlands.



tion site workers can spend hours commuting between floors every day. Large sites can easily employ 500 to 1,500 workers, which can mean that up to 4,500 working hours per day are lost simply traveling within a building. “It goes without saying that cutting this number by half would have a huge impact on both the project schedule and cost,” Kojamo observes.

JumpLift to the Rescue

KONE decided to tackle this bottleneck by bringing in the KONE JumpLift. Having been successfully utilised in numerous high-rise construction sites around the world, KONE JumpLift is a self-climbing construction-time elevator which uses the building’s permanent hoistway.

“Workers can use the elevator while the elevator guiderails are being installed above from the self-powered installation platform. The KONE JumpLift climbs higher as the building grows taller,” Kojamo explains.

Benefits for Builders, Owners & Workers

For builders, KONE JumpLift speeds up the construction process considerably. Since the KONE JumpLift can travel 4 to 6 times faster than traditional external hoists, it can increase the traffic capacity by as much as 300% and shorten construction schedules by up to 20%.

“This means savings, for example, in both labor and hoists rental costs. JumpLift can be used to complement, or even replace entirely, external hoisting systems,” Kojamo says. As well as being faster and safer, JumpLift can also operate in all weather

conditions, in a weatherproof shaft inside the building; the work can continue regardless of the outside weather conditions.

For building owners, KONE JumpLift accelerates the whole construction schedule, meaning that the building can be completed faster and opened earlier. “Benefits for owners include enabling a faster return on investment, lower interest payments, and other indirect cost savings,” Kojamo says.

For workers, there’s considerably less time spent waiting, and they no longer need to compete for space with building materials. As a result, on-site logistics improve by leaps and bounds.

“And when you have a fully functioning elevator, compliant with the same safety standards as the completed elevator, it also significantly improves site safety,” Kojamo adds.

Worksite Flow Manager

According to Jussi Kojamo, once construction is completed, changing over to the permanent elevator is very quick and straightforward indeed.

“The KONE JumpLift machinery is replaced by the permanent elevator machinery, the car and landing door materials are finished, and the permanent signalisation is installed.”

Kojamo observes that improving the construction site flow is really just an extension of KONE’s core business. The company is a veteran of using sophisticated traffic planning tools to optimise people flow in modern high-rise buildings – and now the construction sites are able to reap the benefits of the KONE solutions, too. ●



Going Residential

When you've got your eye on an apartment, doing your homework is simply a must



Real estate investment has made a comeback in a big way – with new products, new international players and intriguing prospects. Looking at the residential side, for instance, it is easy to see that the current strong housing demand – together with abundant supply of capital – are pushing for a significant increase in the supply of rental residential dwellings.

According to the Confederation of Finnish Construction Industries RT, the construction of some 36,000 new dwellings was started in 2016 – the highest number of starts within the past decade. New construction is concentrated on apartment buildings, and within this category, there are three equally large sub-categories: owner-occupied, subsidised rental and non-regulated rental dwellings.

Nevertheless, as with any heating market, there are smart moves and not-so-smart moves. Saara Raitala, Attorney-at-Law, Partner, at Eversheds Attorneys Ltd. points out that investing in residential real estate requires that you're well aware of the nature of the investment and the realities therein.

Long Term Commitment

For instance, "going residential" is typically a long-term investment; while properties with, say, a great location may be relatively easy to get off your hands if you're a private investor, the liquidity is nowhere near that of the stock market. Raitala also observes that there is no diversification at all when you're purchasing a single apartment – for those wary of putting all their eggs in the same basket, this is definitely a red flag.

"On the other hand, if you're looking to hedge your bets by indirect investment in the form of a residential fund, for instance, you must fully understand the terms of the investment, starting with the risks and actual profits."

Eversheds deals with all legal aspects of the real estate business from land purchases, planning and land use agreements to construction and upkeep of real estate holdings. The company also serves private individuals in business related to housing corporations, dwelling and real estate sales.

Nuts & Bolts

According to Saara Raitala, it is crucial that you consider what it is that you're actually buying. Purchasing an apartment from a housing company means buying a part of that company. "If the housing company is of poor quality, your investment is probably not that great, either," she says. Furthermore, buying apartments as an investment

requires work: finding tenants, taking care of their needs, maintenance, participation in housing company administration, taxation...

Raitala says that a serious investor will do his/her homework before committing to anything – and this means crunching some numbers. First thing to consider is the cash-flow: what could be considered a realistic cashflow, taking into account, for example, changes in tenants, day-to-day maintenance costs and property renovations? Sometimes housing companies own apartments or business premises in the property which, in turn, generate revenue to the company.

“On the other hand, there may be various factors which make life tougher for the housing company, such as the expiration of land rental agreement and a new agreement which is more costly,” Raitala says.

Price of Money

Then there is the question of financing: how much of your own money are you willing to invest and how much comes from the bank? “The interest levels won’t stay at the current low levels forever,” Raitala cautions. Also taxation practices may come as a surprise (e.g. tax treatment of renovation costs).

Through all of this, Raitala points out that the investor must keep his/her eye on the big picture: instead of focusing on a single property, be mindful of the rest of your portfolio and your financial situation in general. If hefty renovations hit some key properties, there may be need for a quick exit plan with regards to other real estate assets.

When it comes to target selection, Raitala observes that many elements come into play here – but it all starts with the location. Good traffic connections are a big part of the equation as well as zoning – what’s in the cards for the neighbourhood, say, five years down the road? Also, you must consider the surroundings of the apartment, if there is frequent pollution from traffic or an active construction site next door.

“Take note of the general price development in the area. Then you can decide if you’re simply following others that have made the investment in a popular area or do you look for alternative areas that also enjoy good location.”

Get Technical

Assessing the technical condition of the investment is another must. At minimum, you must be aware of the schedule for major renovations in the building. When it comes to the apartment itself, it’s a good idea to have an expert verify its suitability.

“If you’re renovating the apartment, get bids from various companies, exercise proper caution and keep the receipts.”

When determining the desirability of the apartment, a flexible floor plan is often a smart way to go. Still, even if the floor plan

is not optimal, putting in quality materials is sure to attract tenants.

Which brings us to tenant selection. Raitala comments that outsourcing this part is always an option, but if you’re willing to find the tenant yourself, it’s not really brain surgery: the number one thing is to make sure that the tenant can handle the rent every month. Familiarising yourself with the history/recommendations of the prospective tenants should help in this process.

Taking Care of Business

According to Raitala, a smart private investor will also pay attention to the administration of the housing company. “You should participate in the decision-making of the

housing company,” Raitala says, adding that if the company has a great property manager to supervise the assets that is already half the battle.

Of course, when looking for an investment opportunity, there’s less room for emotional/soft factors that always impact you when you’re out there trying to find a home for you and your family. Raitala points out that you should always stay in the realm of rational issues – where price tags are easier to figure out.

“Having an expert by your side, a good realtor or a lawyer, can help you assess and decrease risks,” she says, adding that using quality professionals goes a long way to making sure that your investment is a winner from day one. ●



Make the Deal

Property transactions hit an all-time high in Finland in 2016 – but what will the new year bring?

Real estate is keeping it real. The year 2016 witnessed the highest property transactions volume ever in Finland. Already in early December, the transaction volume in the Finnish property market hit its new annual record level with approximately EUR 6.4 billion. The former record, dating back to 2007, was EUR 6.29 billion.

Supported by continuously low interest rates, property investments are attracting both domestic and foreign investors. Yields are being pressured by the high investment demand, which is now, increasingly, being seen also outside the Helsinki Metropolitan Area (HMA).

"In addition, the activity within real estate transactions is very high globally," notes Janne Larma, CEO of Advium Corporate Finance. The same applies to M&A volumes on a global scale: Investors are investing in those asset classes where they see attractive risk/return ratios.

"Finnish real estate is providing, both in absolute and relative terms, attractive expected returns. We have witnessed new investors in the Finnish market during the last 12–24 months. The Finnish REITs are attracting a lot of capital and they are nowadays a big investor group in Finland," Larma says. By December 2016, the share of foreign investors was about 28 per cent of all transactions.

Builder's Game

Recently, Finland has witnessed a trend where construction has become the most significant engine of the economy. The Finnish Confederation of Construction Industries RT expects construction volumes to increase by some 6–7 % in 2016. The volumes are increasing in residential, commercial and public property sectors; the residential construction volume is expected to increase by as much as 20 % for the year.

Infrastructure construction is also increasing, supported by both the development of new residential areas as well by investments in the improvement of existing traffic infrastructure. Construction is, however, already being checked by availability

of skilled workforce and delivery capacity of construction materials.

Larma strongly believes that the year 2017 will be another good year for real estate investments in Finland, from the perspective of both volume and returns. "We do not expect European Central Bank to raise short term interest rates and even though the euro government bond yields will likely increase, they will remain at a very low yield compared to real estate yields."

Urban Excellence

Janne Larma is also of the opinion that the growth centers in Finland will continue to grow – which means that the long-term outlook for real estate in these cities is good. "Having said that, there are, of course, locations and types of properties which are less attractive and will have a less rosy outlook."

"The most important thing for communities is growth," Larma points out. The population of the city must grow in order to "guarantee" a decent expected return for the real estate investment.

"In addition, your investment lot size should be proportionate to the size of the market. If you can tick both these boxes, I believe the best returns can be made in the 'second cities' in the coming two years."

Go Strong, Go Long

During 2016, several exceptionally large portfolio transactions of existing properties took place – and there are delightfully many investors out there that are playing "the long game". Larma notes that the more Finland is able to attract investors that are investing with a long-term horizon, the better it is for the Finnish real estate market. "Quite many of the new foreign investors are investing based on this strategy," he says.

"We naturally need also those investors who keep the property for 3–5 years and then sell in order to keep the market liquidity at an attractive level. Finland is attractive as our yields are higher than those of our closest peers. Our market is very transparent, the rents are at a reasonable level and the economy in the growth cities is doing well," Larma says.

The dropping office vacancy rates have been an issue in the HMA, and now the situation seems to have stabilised somewhat – and rents have increased slightly in the best areas. With many companies looking for space efficiency (and smarter space in general) also new office premises are being built continuously.

Oldies Goldies?

But what do you do with all that old office space that is no longer attractive in (almost) anybody's eyes? – Janne Larma sees various ways to deal with this issue: There are several good examples of converting or totally refurbishing old buildings to modern office space, residential or hotels. Take, for example, Brondankulma which was converted to modern office space, Bulevardi 12–14 (converted to residential use) and Yrjönkatu 13 (converted to hotel) in Helsinki.

"On the other hand, Kasarmikatu 21 is an example where an office building was demolished and a modern office building is currently being built."

According to Larma, it is quite clear that an inefficient, old office building needs to be totally refurbished in order to attract tenants. "The hard fact, however, is that outdated/inefficient office space outside city centres is not always worth the effort as the refurbishment sometimes costs close to as much as building greenfield," he adds. ●



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The City of Hämeenlinna owns the company. This enterprise develops the center of the city named Engelinranta after a german architect Carl Engel who created the very first city plan for this inland town with a medieval castle in the early 1800'ies. We are planning homes and gardens for 2 500 people by the lake Vanajavesi. These new homes will be either floating detached houses or high rise buildings. The bus station area referred in this publication is the first one. We also encourage new smart systems like parking robots, busses and other innovations to enhance the quality of life. We focus also to the participation of the citizens to the town planning.

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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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