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Bruce Katz:

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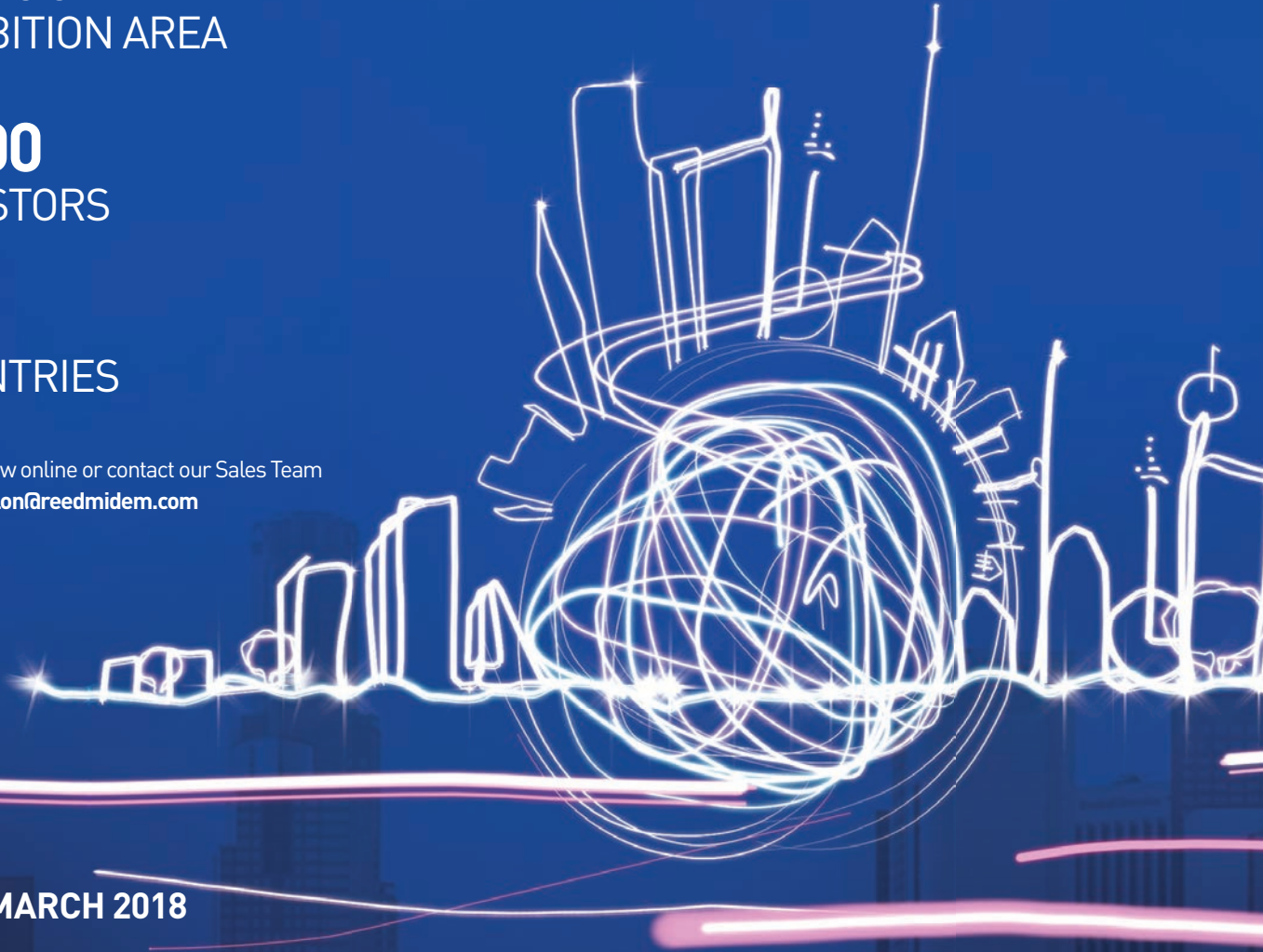
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The Metropolitan Movement

The time of the cities is now. It is noteworthy that cities are on the rise at a scale and speed that is quite unprecedented in human history. Pioneering cities have become the true engines of national economies, as well as champions for a smarter, low-carbon lifestyle, for instance.

Researcher Bruce J. Katz from the American Brookings Institution (see the interview on p. 8–15) argues that cities sit on the front lines of disruptive forces such as population migration, demographic transformation, economic restructuring, income inequality, and climate change. Since many national and state governments are mired in gridlock, Katz fully expects cities to step up and take the helm in issues such as policy innovation and problem-solving.

According to studies, sustainable urbanisation reflects one of the most critical areas for urban solutions today. While half of the world's population now lives in cities, more than 70 per cent of carbon emissions originate in cities. Henceforth, the solutions should also come from the cities, as is recognised by the 2015 Paris climate agreement and the UN's recent Sustainable Development Goals.

Katz talks about "major interventions" that are needed for the cities to get their sustainable groove on. Greener, smarter ways of doing things are direly needed in e.g. transport, buildings and energy sector.

Transport and buildings constitute the bulk of greenhouse gas emissions in cities, and cities consume over two-thirds of the world's energy, primarily through non-renewable sources. Katz points out that the technologies for changing this reality – such as state-of-the-art mass transit, energy efficiency, and distributed renewable energy – already exist. The challenge lies in deploying these technologies at scale across cities with radically different regimes of government and governance.

In these trying times, the cities need leaders with vision. Katz is of the opinion that city mayors may very well emerge as the game changers in the new urban reality. In order to succeed in this, mayors and other city leaders need to stay grounded and learn to govern more effectively. The lessons learned from mayors solving problems and making progress – in spite of constraints on their formal powers and available resources – need to be taken to heart.

As the gulf between urban policy preferences and state and federal priorities keeps widening, mayors also face mounting pressure from many sides. Nevertheless, the power base of the city leaders is growing as well – the megatrend of urbanisation is not going anywhere.

Sami J. Anteroine
Editor-at-Large

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Finland fast facts

64° 00' N 26° 00' E

Finland was ranked 10th in the annual Global Competitiveness Report 2017, produced by the World Economic Forum (WEF).

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

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).

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).

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

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

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

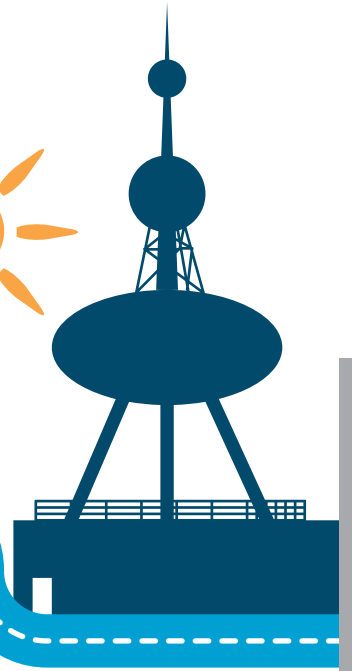
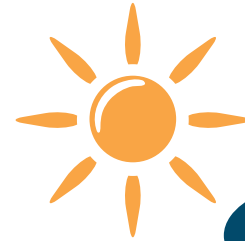
Finland was – again – the most attractive Nordic country for securing foreign direct investment (FDI) projects with 133 ventures commenced in 2016.

Finland was again at the very bottom place of the Fragile State Index (FFI); as the comparison comprises 178 states, Finland's ranking is 178th.

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



The biggest infrastructure project in the country, the western metro connecting Helsinki and Espoo, was launched on 18 November, 2017.



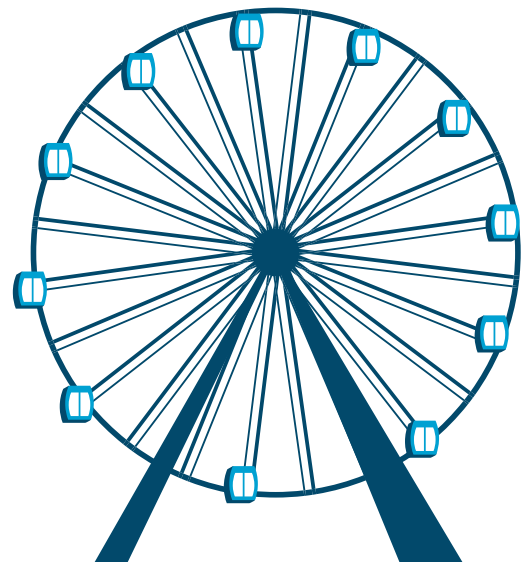
Finnish game series Angry Birds has been downloaded more than three billion times, making it the most downloaded freemium game series of all time.



The Corruption Perceptions Index 2016 placed Finland third on the list of world's least corrupt nations (Transparency International).

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

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



Suomi Finland 100

Finland turned 100 years
on 6th December 2017.

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

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.

Finnish startup spirit is personified by
super tech-event **Slush**, described as
"Burning Man meets TED", organised
every November/December.

Finland received the top score in
the 'Freedom in the World 2017'
index, with also Norway and
Sweden receiving the maximum
score of 100.

Finland was ranked third overall in
Global Sustainable Competitive-
ness Index 2016 (SolAbility).

Helsinki is the third most welcom-
ing city in a list of 100 cities from
around the world (TravelBird)
Finland claimed the fifth spot in the
annual IMD World Talent Ranking
(2017). Finland also placed fourth
in terms of digital competitiveness
globally.

Finland has the safest banks in the
world, according to a survey that
drew on the World Economic
Forum's Global Competitiveness
Survey (2017).

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



Oulu

Biggest Cities:

Helsinki 642 045
Espoo 277 375
Tampere 230 537
Vantaa 221 821
Oulu 201 124
Turku 188 584
Jyväskylä 139 260
Lahti 119 395

Tampere

Hämeenlinna

Pori

Rauma

Uusikaupunki

Turku

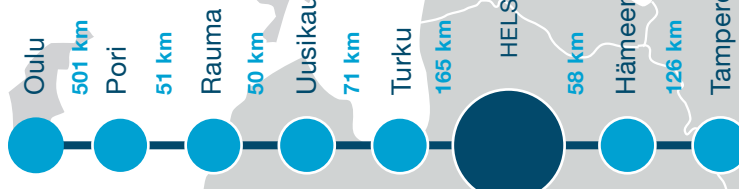


St.Petersburg

Tallinn

Stockholm

Oslo



Growth Corridors Going Strong

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



Copenhagen

contents



Photo: Riku Pihlanto

Helsinki – the pocket-sized metropolis – is decidedly on the growth path, reclaiming shores and former industrial areas alike. Both citizens and companies are on the move to create Helsinki 2.0.

Pages 20–22.



Photo: YIT

YIT is building Tripla, “the new heart of Helsinki”, in the Pasila superhub. Tripla promises to be a unique combination of office, commercial and residential premises – complete with the services to make the everyday life easier. **Pages 24–27.**

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Photo: SRV / Studio Libeskind

SRV is set to realise ambitious Deck and Arena project in Tampere, introducing a new type of hybrid block construction to the core of the city featuring housing, commercial premises and sports & events arena. **Pages 40–41.**



Photo: City of Oulu

Known for its hi-tech muscle, Oulu is also active on a variety of other fronts. The City is seeking to retool urban development, healthcare, education, tourism and logistics – and make the Northern Lights shine that much brighter. **Pages 42–43.**

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Urban Domination

Bruce Katz says that cities
are in the driver's seat now
– and they're not afraid
to floor it



Power is shifting in the world: downward from national governments and states to cities and metropolitan areas. Add to that, a horizontal push from the public sector to networks of public, private and civic actors; and, finally, the global circuits of capital, trade and innovation. The end result here is obvious – we are witnessing the century of the cities.

This is the world according to Bruce J. Katz, Centennial Scholar at the Brookings Institution, where he focuses on the challenges and opportunities of global urbanisation. Having co-authored *The Metropolitan Revolution* (with Jennifer Bradley) five years ago, Katz is one of the most outspoken protagonists for the modern-day city.

“Cities are the leading forces in the world today, because they don’t only rely on traditional forms of government power. They also have market power – the agglomeration of assets that drive economies – and civic power meaning the concentration of networks of institutions and also leaders that solve problems through integrated rather than compartmentalised solutions,” he argues.

More recently, Katz teamed up with researcher Jeremy Nowak for *The New Localism: How Cities Thrive in the Age of Populism*. In this upcoming book, the duo puts forth their thesis that cities now form that key level of society that must address the challenges which are characteristic of modern societies: economic opportunity, social inclusion, a renewed public life, the challenge of diversity and the imperative of environmental sustainability. Katz and Nowak call this trend “The New Localism”.

Push Smarter, Not Harder

According to Katz, it is the cities that drive policy innovation and problem-solving globally. He sees a group of “vanguard cities” that are creating new norms of growth, governance and finance that are being adapted by other cities around the world.

For example in the U.S., Pittsburgh is catalysing innovative growth by using its advanced research universities to invent and deploy new industries and technologies; and Indianapolis is co-governing its city and metropolis through a network of public, private and civic institutions and leaders.

In Europe, Katz has been impressed by Copenhagen’s use of its publicly owned assets – and a publicly owned, privately managed corporation – to spur the redevelopment of its waterfront and finance a city-wide transit system.

“The 21st century demands new institutions and instruments that are built by and for cities,” he says.

Risk & Reward

Still, Katz concedes that there are forces out there that could, conceivably, stop or slow down the urban uprising. “The rise of nationalism and populism could undermine the short-term economic performance of certain cities. Witness the impact of Brexit on London and the Catalan independence crisis on Barcelona,” Katz points out.

“These cities, however, have many assets which enable them to transcend their nations and excel in the long term.”

Katz’s newest discovery is Helsinki. Having visited the city for the very first time in September 2017, he recalls the visit fondly – and is planning to become a frequent visitor. “Helsinki is a distinctive city with a special culture and innovative focus,” he says.

One of the places that Katz visited during his brief stay was Kalasatama, Helsinki’s “city district for the future” that is currently taking shape by the seaside, just a five-minute metro ride from downtown. As Brookings Institution has studied waterfront development around Europe, the visit held special significance for the scholar.

“I am very impressed by the redevelopment underway in Kalasatama and its elevation of citizen engagement as a key element of the process,” he says, adding that the redevelopment of urban waterfronts is a “critical part” of sustainable and inclusive growth.

Empowering Citizens

Helsinki likes to think of itself as “smart city” with strong community orientation and great public transportation – but how does Katz view the “pocket-sized metropolis”? – Katz responds by saying that Helsinki has a deserved reputation as a community







Photo: Helin Co Architects, Vonna Graphics Oy



Photo: Helin Co Architects, Vonna Graphics Oy

that views technology as a tool for citizen empowerment.

“This focus is desperately needed in a world where populism is exploiting the growing disaffection of large numbers of citizens due to economic insecurity and cultural anxiety.”

Katz is also very intrigued by Helsinki’s aspiration to be the best global test bed for Smart and Clean Solutions. “Helsinki is not only trying to create and grow companies but attempting to change the world and grapple with the existential threat of climate change. The ambition is compelling!”

Breaking Free

“Ambition” is apparent also in the machinations of Helsinki’s new Mayor, Jan Vapaavuori, who gathered the leaders of Finland’s 21 largest cities into a “C21” summit in October. As a consequence, the cities issued a joint statement calling for changes to the Finnish government’s flagship reform introducing elected regional governments. One obvious concern for the cities is sufficient autonomy on deciding e.g. administration and commerce issues on their own.

Vapaavuori is of the opinion that it is hardly fair for the government to be making the biggest reforms in Finnish history, while the biggest cities’ perspectives are not heard at all. Furthermore, the Helsinki Mayor acknowledged urbanisation as global megatrend to be reckoned with and accused the Government of refusing to understand the significance of urban growth as the primary engine of regional development.

United We Stand

Granted, some of the participants have only about 50,000 inhabitants, so it is clear that some of the cities are, in fact, more like glorified towns. Having met Mayor Vapaavuori during his Helsinki visit, Katz applauds his effort in the matter.

“I think cities of disparate sizes share many common challenges, particularly if they are located in the same metropolitan area. The focus must be on what unites cities rather than what divides them.”

And what advice would Katz give to the C21 network? – Katz points out that successful networks meet to decide rather than just meet to discuss – so the sense of urgency and purpose must be there.

“The key is to prioritise initiatives and projects that have appeal across cities of disparate sizes and are organized to design and deliver real change. The Denver metropolis is a good example of a network of cities that collaborates to act.” ●

Sami J. Anteroinen

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sold

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in Helsinki

to

AberdeenStandard
Investments

Advisor to the seller

Oct 2017

Fennia

sold

a prime CBD office
in Helsinki

for €41 million to

VARMA

Advisor to the seller

June 2017

VR GROUP

sold

its head office property

for € 55 million to

exilion

Advisor to the seller

May 2017

Kesko, Rakauskas family
and Zabolis Partners

sold

a portfolio of retail
properties in the Baltics

for € 174 million to

**CPA:17
GLOBAL**

Advisor to the sellers

Jan 2017

VVO Group plc

sold

a portfolio of over
1,300 apartments

to

AVANT
CAPITAL PARTNERS

Advisor to the seller

Dec 2016

VARMA

sold

an office portfolio

for € 130 million to

TRISTAN
CAPITAL PARTNERS

Advisor to the seller



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Kiinko

Photograph: Pekka Rousi

Photograph: Pekka Rousi



Bruce Katz's Favorite Cities TOP3

"I would pick Copenhagen for its incomparable quality of life and commitment to sustainable urbanization.

Then add Tel Aviv for its infectious energy and vitality.

And, finally, London for its unique blend of art, culture, history and physical beauty. I attended the London School of Economics, so my London vote is a bit biased!"

Bruce Katz

Bruce Katz is the inaugural Centennial Scholar at the Brookings Institution and the co-author of *The New Localism: How Cities Can Thrive in the Age of Populism*. As Brookings's only centennial scholar, Katz and his team collaborate with experts throughout Brookings and beyond to develop new models of finance, growth, and governance in cities and nations.

The Big 100

The Finns went all out for their special centenary

Photo: Eskais Finland Oy Ab





Photo: Suomi 100 / Leena Koskela

Finland turned 100 years on 6 December 2017. Already during the months leading to the main event, the Finns were busy – perhaps uncharacteristically so – celebrating their native land.

Earning their freedom from Russia, independence was a dream long cherished by these Northern people. In the wake of the Russian Revolution, the Soviet leader Lenin had bigger concerns and gave away the western vassal almost as an afterthought. However, it was clear during the Winter War (1939–1940) and the Continuation War (1941–1944) that the mighty neighbor wanted Finns back into the fold.

Finland survived her trial by fire. Nevertheless, the rebuilding years after the war were filled with toil and sacrifice and the political situation remained shaky for decades to come. Eventually, this dirt-poor Nordic country would take its place among the wealthiest nations in the world.

And the secret behind this historical climb? In things great and small, Finns have worked best when they work together for a common goal. Therefore, the theme of Finland's centenary celebration year was easy to pick: 'Together'.

Photo: Suomi 100 / Savi-Tuuli Kunkkauppi







Photo: Jaakko Jaskari

year, with hundreds of companies involved within the framework of commercial and non-commercial cooperation. According to Timonen, the centenary year is also a “celebration of Finnish entrepreneurship”.

Planning the Course Ahead

Mikko Kosonen, President of the Finnish Innovation Fund Sitra, sums up Finland’s 100-year success story: it’s simply a tale of a small, agile and capable country whose prosperity is based on mutual trust and cooperation. As for a blueprint for the future, Kosonen argues that the future cannot be built in isolation, either; now, more than ever, the Finns must put themselves in other people’s shoes and come up with new ways to engage in a constructive dialogue.

According to Kosonen, the centenary festivities take place in trying times, as we are called upon to be responsible and show resolve in our actions. Faced with global megatrends such as digitalisation, the sustainability crisis and the transformation of the labour market, the time has come for Finns to make choices and decisions. What should Finland do? Can the welfare state cope by simply tweaking the existing system or are bold changes in order?

The next 100 years should be interesting to watch, as well. ●

Sami J. Anteroine

Aiming High, Going Deep

The centenary emphasises Finland’s strengths – such as equality and democracy – and offered Finns and friends of Finland diverse and international centenary programme in Finland and abroad. The centenary year has provided ample opportunity to better understand the past, experience the Jubilee together and set the course for Finland’s future success.

The Prime Minister’s Office established the ‘Finland 100 Years’ organisation which put together the programme that reaped a lot of praise for its inclusiveness and earnest effort to celebrate different facets of Finnish life.

During the year, we have seen people samba and build snow castles in celebration; photos have been taken of the Northern Lights by a satellite; Finland100 menu was composed, complete with recipes; refugees have been encouraged to startup businesses...

No Office Party

One of the key areas amongst all this is, of course, the Finnish business sector. The country that gave the world texting and Angry Birds has always had a vibrant business scene – and this is not likely to change any time soon.

General Secretary Pekka Timonen, who heads the Centenary Year Secretariat at the Prime Minister’s Office, was delighted to find out that Finnish companies more than pull their own weight during the special year. In fact, businesses became, in many regards, the very architects of the centenary

Suomi
Finland
100

Photo: (c) Helsinki Marketing



Helsinki Reigns Supreme

Photo: Aleksi Poutanen

Helsinki is one of the fastest growing cities in Europe, with many of the continent's biggest urban development projects currently underway. The City has an ambitious "reclaim the shores" agenda which calls for the redevelopment of former industrial areas along the shoreline – and the results, so far, are quite promising.

Furthermore, the Helsinki Metropolitan Region is known as a world-class hub of the knowledge-based economy. For example, Helsinki is a pioneer in 'Smart Government', supporting the advancement of Open Data and the local start-up scene in a major way. In fact, Helsinki was one of the first cities in the world to realise that the default setting for all public information should be: open.

This is highly relevant since the City of Helsinki has 800+ information systems which produce vast amounts of data on the annual level. Local developers are readily using that data to create services which have the power to effect great change in society.

Start Me Up

The business opportunities are considerable, too, as Helsinki has witnessed an emergence of a remarkable startup ecosystem in the city. In addition to local data prowess, the entrepreneurial community also benefits from "we're all in the same boat" mentality; the Helsinki business scene speaks volumes about the power of networks.

Studies agree that Helsinki is decidedly entrepreneurially-minded: the city was ranked third (behind only New York and London) in the global CITIE Index 2015 which studied governmental support of entrepreneurs among cities.

Stay Mobile

Helsinki has a reputation as the "pocket-sized metropolis": not too big, not too small, just right. Helsinki is all about human-scale. Public transportation is world-class, and receives a significant boost from digitalisation: for example, the tram stops feature e-infoboards and the prize-winning route app Reittiopas gets you connected in a flash.

A stunning majority of Helsinki citizens (89%!) are very satisfied with the Helsinki Metropolitan Area public transportation system. The city has also placed spectacularly well in the international comparisons regarding public transportation. Other



Photo: Helin & Co Architects, Veinla Graphics Oy, SRV



Photo: The Central Library



Photo: Anni Pulkkinen



Photo: Työväen Urheiluseura
K28 ja NRT

local trends driving design include walkability and bicycling.

Take Action!

And it certainly seems that the natives are happy. The European Quality of Life in Cities barometer reveals that the citizens of Helsinki are more satisfied with their quality of life than anybody else in Europe. The locals are especially pleased about their own lives, exercise/sporting opportunities and residential areas.

What's more, the natives are big on citizen activism. Such international phenomena as Restaurant Day and Cleaning Day originate from Helsinki, having been created by ordinary citizens who want to achieve great things together.

Helsinki Superhub

Great connectivity transcends borders. For a number of years, Helsinki Airport has successfully pursued the strategy of becoming the principal hub for European travel to Asia and vice versa. As a result, connections with the major European cities are numerous, frequent and punctual. In addition, the airport prides itself on the quality of its service offering, widely considered to be among the very best in Europe.

Helsinki constantly ranks among the TOP 20 congress cities in the world according to UIA (Union of International Associations), reaching the 15th spot in the 2016

international ranking. Helsinki is now the most popular congress city in the Nordic region and the 10th most popular in Europe.

Education Edge

Finland prides itself on its education system, which has become a benchmark for other leading nations in this sector. One of its hallmarks is its accessibility in terms of language, with English and other

foreign-language schools being popular alternatives.

From an international perspective, Helsinki is an attractive location in which to seek employment. The vast majority of major Finnish companies have long since adopted English as a working language. Gender equality is at an excellent level, and the market for skilled workers offers much potential, particularly in technology, media and the sciences.



Photo: City of Helsinki



Photo: Amos Andersonin museo

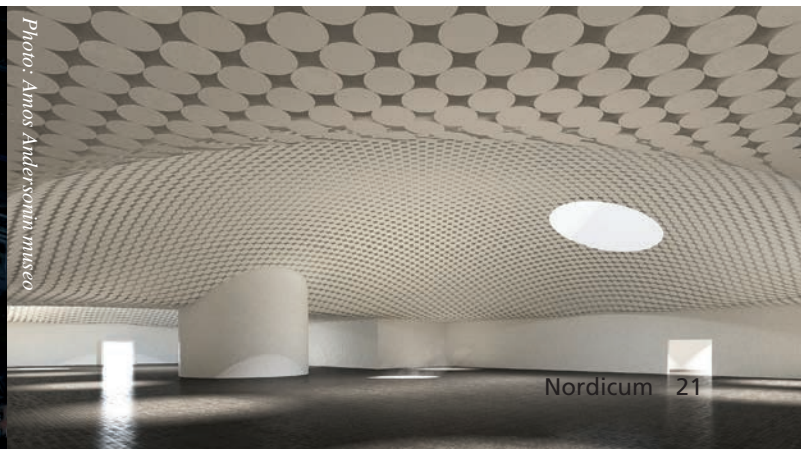


Photo: Amos Andersonin museo



Photo: Riku Pihlanto



Photo: Lauri Rokka

Kalasatama – Smart City

Kalasatama – Helsinki’s model district for Smart City solutions – is perhaps the best example of Helsinki’s commitment to try out new things. By the beginning of the 2040s, Kalasatama district will offer a home for approximately 25,000 residents and jobs for 10,000 people. Located on the seashore mere minutes away from downtown, Kalasatama features great metro, tram and bus connections.

Kalasatama is a new type of urban innovation platform which is aimed at co-creating smart urban infrastructure and services – and, as a consequence, several cutting-edge companies have taken an interest on the area. Kalasatama will be vertical, as well: REDI Shopping Centre will entail eight tower blocks which will feature 20–35 storeys (the highest tower reaching 132 metres).

Kruunuvuorenranta – City of Light

Kruunuvuorenranta makes the most out of the sea. This totally new neighbourhood is presently under development in a magnificent maritime location, overlooking the Helsinki city centre across a bay. The district, with housing for 13,000 residents, will be completed by 2030.

According to the master plan, Kruunuvuorenranta will be the “District of Light,” with numerous works of art which utilise light to be showcased on public premises, plots and buildings.

Jätkäsaari – Superport

Jätkäsaari is all about getting connected. Overlooking the open sea, the district is currently under intense construction on a southern peninsula recently vacated by a cargo port – only minutes away from the centre of Helsinki. By 2030, Jätkäsaari is estimated to have 18,000 inhabitants and 6,000 jobs.

The local Länsisatama harbour is a lively passenger port. The route between the “twin cities” Helsinki and Tallinn is one of

the busiest in the world, and could conceivably hit 9 million passengers by 2030.

Pasila – Second City Centre

Pasila is the “all access” district. Located in the main intersection of public transportation in the Helsinki Metropolitan Area (and the whole country, for that matter), Pasila

is a 21st century travel hub in the making. Eventually, 47 million people will go through here annually.

With ambitious Tripla centre being raised in place of the old Pasila railway station, the neighborhood will be completely transformed. By 2040, the neighbourhood could encompass as much as 30,000 inhabitants and 50,000 jobs. ●



Photo: Antti Pulkkinen



Photo: Kuutio Oy

Senate Properties pursues ambitious redevelopment in Helsinki – and beyond

The real estate sector in Finland encompasses both the urban and the rural, the large scale as well as small. Owned by the State, Senate Properties has a good handle on real estate across the country, since the company manages the government's property assets and their efficient use. Senate is also responsible for the sale and development of properties no longer used by the government.

Real Estate Development Manager Minna Aarnio comments that real estate is currently a "hot ticket" in the investor circles and also international players are expressing interest in various properties. However, the market continues to be rather polarised, since prime real estate in the Helsinki Metropolitan Area tends to be a lot more attractive than properties located away from growth centres and the hottest business buzz.

Presently, one of the most high-profile projects of Senate is the remaking of Central Pasila, the transportation hub located just north of Helsinki downtown. The Helsinki High Rise design-build competition sought out companies to plan and raise ambitious high-rise architecture in the area, and in October 2017 it was reported that the Final Four has been chosen in the race.

Winner Takes All

The players advancing to the final round are Sponda Oy; YIT Rakennus Oy; collaboration by Fira Oy, Bonava Suomi Oy and NREP Oy; and collaboration by Skanska Talonrakennus Oy, Skanska CDF Oy and Sato-Rakennuttajat Oy.

"We're engaging in dialogue with the finalists and they are very excited about this



The new Regiment Park in Tuusula.

project," says Aarnio at the end of November.

Senate is the largest landowner in the area, with a strong motivation to push the project along. "We're looking to make the final decision by the end of 2018."

Over all, the redevelopment of Central Pasila will mean 30,000+ new inhabitants and it will have a big solidifying impact on the city structure. "What's happening in Pasila during the next years will be a dramatic shift for the better," believes Aarnio.

Reinventing Otaniemi

Another key area where Senate has lots of land and major plans is Otaniemi – the home to innovation university Aalto. While Aalto University Properties manage the actual campus properties, Senate holds sway over

many research and office premises in the area. Real Estate Development Manager Emmi Sihvonen says that the idea here is to rationalise and diversify land use.

"The main goal is to boost residential solutions in Otaniemi," she says, adding that so far, basically only Aalto students call the neighbourhood home – but there's room for so much more. Along with housing, also an upgrade in the service level is needed.

"We want to see a more mixed environment making residential developments and areas alive, where there are restaurants, shops and cafes in the area utilising the recently opened subway connection," she says.

Big Plans for Tuusula

In the Greater Helsinki Region, there's strong development also in Tuusula. Case in point: Senate Properties and the municipality of Tuusula are looking to take an old garrison property and use it to anchor a vibrant new neighbourhood.

"The new, central district could encompass as many as 15,000 people, which makes it one of the major urban developments in the Greater Helsinki Region," says Real Estate Development Manager Otto Virenius.

Senate has plots for sale in the area to the tune of 170,000 floor square meters for now and more coming later. The goal here is to create an urban, modern community with a strong emphasis on nature.

"The new Regiment Park and the surrounding areas will take more than ten years to take shape, but, over time, the development effort will definitely change Tuusula in a big way." ●

Central Pasila and The Helsinki High Rise design-build competition area in Helsinki.





Find a better working life

At Tripla, just about anybody can build a location for themselves in which it is easy to live and work.

The new heart of Helsinki is being constructed in Pasila, a neighborhood at the junction of Finland's major traffic connections. At the heart of Pasila is Tripla, a unique combination of office, commercial and residential premises that also offers a range of services that make daily life easier.

PHOTOS: ARI TALUSÉN, YIT, ADOBE STOCK

The City of Helsinki has great plans for the Pasila area. As it is now, more than 10,000 people live in the area and more than 23,000 commuters work there. However, over the course of the next 20 years or so, the number of residents in Pasila will triple and more than 25,000 new jobs will be created.

In the new Central Pasila, jobs will be concentrated around the railway station. It is exactly in this area that YIT is building Tripla. Tripla is a huge complex encompassing three blocks that amount to 183,000 square metres in floor area, including a shopping mall, a parking hall, public transport, apartments, a hotel, and offices.

Furthermore, offices will not comprise just standard cubicles in which stressed out

workers tap away at their workstations while fluorescent lamps blink in the ceiling above them. Tripla is a huge project when measured by sheer numbers alone, but even more impressive are the new opportunities to work that are being incorporated into the complex.

Tripla Workery, including its office premises, is designed for people and changing situations. The range of services that will grow around them will also open up entirely new opportunities for people and companies working there in creating an ideal working environment for themselves.



“Tripla will truly combine work and life in the most flexible way possible,” comments **Tuula Klemetti**, Sales Director at YIT.

New service concepts facilitate daily life

Tripla's new service concepts offer excellent examples of how daily life can be flexibly combined with work. Among other things, Tripla will be a hub for the most accessible bicycle route network in Finland, providing for more than 2,000 indoor parking places for bicycles, including social premises, rental and repair services for cyclists, all of which support people's



“Tripla will truly combine work and life in the most flexible way possible”

work satisfaction and physical fitness all year round.

“Tripla’s Handyman refers to a handyman who is only one call away in situations where, for example, an electric height adjustable desk is stuck or perhaps you need to hang up a painting on a wall. Should a sudden need to use a car arise, shared cars are available for people working at Tripla. A grocery bag service ensures that you don’t need to spend a weeknight standing in a queue at the supermarket,” says Klemetti, presenting the opportunities.

All of this is coupled with the services that the approximately 250 shops at the Mall of Tripla can offer.





“Daily life is a great deal easier to organise if you can use services, both at work and leisure, that you find in the same block.”



Farewell to the rat race

Klemetti emphasises that a human approach and smooth everyday life will play a key role at Tripla. Such qualities are required if people are to remain efficient, motivated and creative at work.

If people feel that they must continuously carry out both work and leisure activities according to a tight schedule, they will become stressed. As a working environment, Tripla will provide people working there with better opportunities for keeping stress levels low.

“Daily life is a great deal easier to organise if you can use services, both at work and leisure, that you find in the same block.”

Corporate culture is born out of people and lives in people

The future office and the changing working environment are often discussed in terms of their ability to reflect a company’s values,

strategy and growth. At Tripla, a great deal of attention has been paid to the modifiability and functionality of the premises and the application of the most recent technological solutions.

“While companies are in a constant state of change, the offices that Tripla offers also meet the requirements set by future work. Tripla offers companies a breeding ground that will enable them to create their own future and find the best partners and experts,” comments Klemetti.

In connection with this, she also emphasises that even in new operating environments it is ultimately the personnel of a company that creates the result. This is why the design process of premises that support targets, culture and a good working community must be guided by people’s needs.

“If people are motivated, corporate culture will thrive, contributing positively to work efficiency, the flow of information and the feeling of togetherness and promot-

ing networking. It is a great deal easier for people to remain motivated if work and other daily life can be seamlessly combined.”

Lease and exert influence

The working environment offered by Tripla has aroused a great deal of interest among many companies. The first long-term lease agreement was signed in October 2017 with Otavamedia, a company specialising in periodicals, customer magazines and book clubs. The lease agreement covers over 6,000 square metres on four different floors.

“The fact that a lease agreement has been signed this early, over two years before construction is complete, provides the company with the ideal circumstances to customise the spaces and services to serve their needs and reflect their image,” Klemetti remarks. ●

Jukka Holopainen



Pasila – the most accessible location in Finland

Tripla offers companies and their personnel commercial and office premises that will facilitate their daily life. The key aspect of Tripla's appeal is its location.

Pasila is the logistical hub of Helsinki and easily accessible using just about any means of transport. It brings tracks, roads, cycling lanes, bus service and the connections to the airport together in a single location.



“Tripla’s location at the junction of major railways and near the most important airport in the country will ensure that there will be tenants in the premises twenty years from now. However, this is only a small part of the whole appeal of the premises,” remarks **Teemu Haataja**, Sales Director at YIT.

Demand is moving towards Tripla

Mall of Tripla offices will be complete in spring 2020. YIT is currently seeking tenants for this modern working environment encompassing around 50,000 square metres. The prospective tenants are expected to be willing to build a good everyday life and to exhibit strong growth in order to be able to enter the national or international market.

“Tripla is a unique working environment not only in the metropolitan area but also in the whole Finland. There is no other operating environment that has such a central location in terms of growth and that combines every imaginable daily service with such a superb location and opportunities for networking,” Haataja comments.

In his assessment, the decision that Otavamedia made in October is an excellent indication of the appeal of Tripla’s premises. At the same time, it is a good example of how the demand for business premises is shifting from the city centre to the northern downtown area with excellent transport connections.

Jukka Holopainen

Tripla in brief

- features offices, a shopping centre, apartments, hotels
- completed by 2020
- gross floor area 350,000 m² – which is equal to 50 football pitches
- over 50,000 m² of office space
- 7,000 jobs
- over 400 new homes
- 430 hotel rooms
- Mall of Tripla has 100,000 m² of commercial space (appr. 250 stores)

Take a Ride!

The Espoo metro line is now 'GO'

The western metro line – connecting Helsinki and neighbouring Espoo – is finally complete and open for business. Traffic on the line started on 18 November, bringing the biggest infrastructure project in the country across the finishing line.





The stations along the 14-kilometre metro line are located in Lauttasaari and Koivusaari on the Helsinki side, and in Keilaniemi, Aalto University, Tapiola, Urheilupuisto, Niittykumpu and Matinkylä in Espoo.

Originally scheduled to start operations in August 2016, the metro project ran into problems as the compatibility of the various metro systems became an issue. It turned out that the finetuning of the massive project was more difficult than the builder organisation, Espoo-owned Länsimetro Oy, had expected. With only a dozen people on the payroll, Länsimetro was also woefully understaffed and had to rely on subcontractors in too many things.

Making Money

However, even if the delay of the metro became somewhat of a punchline in Finland, there's no denying it's impact. Already it is clear that a powerful investment wave has hit Espoo, largely due to the better connectivity guaranteed by metro.



Photo: Maija Wiman

Lauttasaari

Koivusaari



Photo: Hein & Co Architects



Keilaniemi

Aalto-yliopisto





Tapiola

Photo: HKL / Timo Ojala



Photo: Maija Wirtman

Tapiola



Photo: Arkkitehtitoimisto HKP Oy

Urheilupuisto



Photo: HKL / Timo Ojala

Niittykumpu



Photo: Matja Wiman

Matinkylä



Photo: Janne Lehtinen

Matinkylä

The game plan for the metro line has been – all along – to view the project as “the great enabler”. As the plans for the new stations were drawn up, the surrounding communities received a boost as well. For instance, the venerable Tapiola Centre is getting a total makeover and added a new shopping centre; shopping centre Iso Omena received a big expansion in Matinkylä. New services and apartments have been built along the tracks.

Green Rails

Launching of the metro also shows that Espoo is serious in pursuing a more compact urban structure that is based on rails. The City expects that development and redevelopment efforts near the metro stations will continue to be very active for years to come, providing real estate investors and developers many possibilities to participate.

The metro extension is a good fit for state’s Climate Change agenda, too. Finland is committed to bringing down the volume of CO₂ emissions and two big culprits in this arena are traffic and living. By building a “green to the core” mass transportation system and launching smart, sustainably-oriented communities around the metro stations is an environmental move, as well. As a city, Espoo fits the green bill well, being the first city in Finland to join the Society’s Commitment to Sustainable Development in 2015.

Phase II Making Progress

But with all the hoopla surrounding the Grand Opening, one may forget that the job is not done yet. The construction crews have long ago pushed past Matinkylä – the current end-of-the-line – and are looking to add seven kilometres to the metro line. Reaching all the way to the municipal border, the Matinkylä–Kivenlahti stretch of the west metro will introduce five new stations to the metro system: Finnöö, Kaitaa, Soukka, Espoonlahti, and Kivenlahti.

The Matinkylä–Kivenlahti section is currently being excavated; in fact, the excavation work began already in 2014. More than 90 per cent of the tunnels have been excavated so far.

According to plans, the entire line from Matinkylä to Kivenlahti will be completed in 2020 – at the earliest. However, not many Finns are holding their breath with regards to that timetable. Still, during the next decade metro will re-energise five new neighbourhoods in Espoo. For example, Espoonlahti – a key station along the extension line – is already a city centre of 55,000 residents and expected to benefit tremendously from better connectivity. ●

Sami J. Anteroineen



AINOA Aims High

Metro gives boost to Tapiola's redevelopment in Espoo

Tapiola is known as the iconic “Garden City” of Espoo. The heart of the community is the Tapiola Centre which dates back as far as the 1950s and 1960s. However, for the longest time, 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 metro line, 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.

Soon enough, LocalTapiola was making significant investments in the Tapiola Centre. In time, other investors followed – and now, as the economy is growing again, the situation in also Tapiola is looking very positive indeed. And, finally, the long-awaited metro is up and running too, having started operations on 18 November 2017.

Retail Renaissance

“The crown jewel” in all of this is the new shopping centre AINOA, owned by Tapiola KR III Real Estate Fund. Having opened its doors in October 2013, the shopping centre opened its expansion on 16 March, 2017. With Phase II now completed, AINOA features 30,000 square metres and 50 stores. In 2017, almost five million patrons visited the shopping centre, with sales in excess of EUR 100 million.

“With the launch of the expansion, also the stores of Phase I has increased their sales,” says Kirsi Borg, AINOA Commercial Director.

With the completion of the second phase, the shopping centre has expanded over Merituulentie street. The expansion includes, for example, premises for the department store Stockmann, another leg-end in its own right.

Phase III Kicks Off

Already, a third phase is under way, with premises of approximately 20,000 square metres in the pipeline; after that, AINOA will cover over 50,000 square metres and include 100–120 shops.

“The third phase of AINOA will be completed by October 2019,” says Borg, commenting that AINOA will not be the biggest shopping centre in the country then, either, but size isn’t the biggest issue here.

“Commitment to service and quality are the drivers behind everything we do.”

Borg points out that AINOA – and surrounding Tapiola, for that matter – is located in the national “sweet spot” where the purchasing power of the citizens is better than anywhere else in Finland.

“This also means that the customers insist on great service, so one has to keep developing operations constantly to meet the high expectations.” In line with this thinking, AINOA has launched – together with Stockmann and Q-Park – a pick-up service where visitors can have their purchases delivered to their cars while they shop.

Customer First

At AINOA, there is attention to detail that you’d be hard-pressed to find elsewhere: the

parking facilities, for example, represent new kind of “smart parking” where the registration plates of incoming cars are read upon entry and this data can be accessed by shopping centre visitors to locate their vehicles.

Inside the shopping centre, one can immediately spot the emphasis on food and restaurants. Borg comments that while once the common formula for a shopping centre called for 5 % of the operations to be restaurants, AINOA wants to do things a bit different:

“11% of our stores leasable area is covered with cafes and restaurants, and we might increase that share further, too,” she says.

And then there’s the sustainability angle. In June 2017, AINOA’s expansion received a LEED Platinum certificate, racking up more points than any other Finnish shopping centre to date. According to Borg, hitting platinum consists of a “total effort” where you do a multitude of things well (such as utilisation of both remote heating and remote cooling), but one issue was paramount:

“Land use is the key here, since we were able to integrate services, retail and residential in the same location in an energy-efficient manner.”

Living It Up

That “residential element” is something to see, since a completely new type of residential area has been built on top of the shopping centre. Featuring five apartment buildings, the area is intended also for the pub-

lic, offering an attractive living environment in the heart of Tapiola. The area – going by the name Kirjokansi – already features 127 apartments, with another batch to follow soon. Eventually, there will be as many as 330 apartments.

Kim Särs, CEO of LocalTapiola Real Estate Capital Funds, points out that for Tapiola, this is, quite literally, “the next level”. The views from the apartments to the neighbouring park and beyond are tremendous – there are, for instance, green roofs in place that really pay tribute to the spirit of the Garden City.

“The legacy is carried on in a modern way,” adds Särs.

Banking on Tapiola

Vesa Immonen, Managing Director of LocalTapiola Real Estate Asset Management, says that the company already owns more than a dozen properties in the Tapiola Centre to the tune of EUR 600 million. The “Tapiola Portfolio” represents the biggest real estate investment in the history of the company.

Tapiola is also the home base of LocalTapiola, as the company has over 1,500 employees here. It’s no wonder, then, that LocalTapiola shares the name with the neighbourhood (Tapiola is the name of the ancient forest kingdom of Finnish lore).

“We feel, in many ways, that Tapiola is making a strong comeback,” Immonen says, referring to launch of the metro and

the kick-off of the brand new bus terminal at the start of 2019.

With the arrival of the metro, about 30,000 passengers are using the Tapiola station every day. The bus terminal, on the other hand, will handle about 24,000 passengers every day.

“The bus traffic will involve as many as 100 buses per hour,” says Kirsi Borg. 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.

Roots Run Deep

Tapiola certainly has a firm place in the

hearts of the Finns – and many international fans, as well. The neighbourhood 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.

Immonen believes that this Tapiola “core brand” remains, for the most part, unchanged, and that the Centre is well on its way to becoming great once more. In Immonen’s view, what makes Tapiola Centre unique is that it opens outwards, not just inwards like a regular shopping centre does. This makes for an inviting, engaging setting – and, in fact, the new Tapiola Centre is the largest pedestrian centre in Finland.

“You can find the whole package here,” he says. ●



Downtown Dynamite

Hämeenlinna is seeking to redefine and reinvent its shoreline – and give a big boost to the city centre

Photos: Arkkitehtipalvelu Oy



Retrofitting the city centre is very much on the agenda of many cities, but Hämeenlinna has an ace up its sleeve: the largely undeveloped shorelines. The beautiful Vanajavesi Lake is located right in the middle of the city and provides plenty of opportunities for ambitious waterfront construction.

Timo Kenakkala, Mayor of Hämeenlinna, says that the future success of the city hinges on downtown development: as the appeal of city centre increases, the entire community benefits. The crown jewel, so to speak, in all of this involves redeveloping the shores.

“What is crucial in this process is that we are actively engaging in a dialogue with various stakeholders in order to develop the shores,” Kenakkala says, adding that the main idea is that all the partners commit to the effort and make sure that the dream becomes a reality.

“As a result, we expect to get a unique, attractive package that boosts the appeal of the Hämeenlinna city centre as well as the surrounding city.”

Get Connected

According to Kenakkala, Hämeenlinna already has important “selling points” such as inexpensive housing, solid municipal services and great leisure-time activities that people appreciate. “Located along the Helsinki-Tampere corridor – in fact, right in the



middle of Finland's prime growth corridor – Hämeenlinna also offers great accessibility and connections," he adds.

Deputy Mayor Juha Isosuo comments that as Hämeenlinna was founded in 1639, it was very much built around the town square and the lake was not in a major role for a long time. Later on, various industrial pursuits blossomed along the shorelines, but little value was seen in them otherwise.

"Finally, as a focus in urban planning has turned to issues such as residents' quality of life, nature values and aesthetic concerns, the value of the waterfront has been fully recognized," he says.

Engelinranta Emerging

An important piece in the City's waterfront plans is the development of Engelinranta area. Located right in the downtown area, the Engelinranta shoreline holds 90,000 floor square metres that is available for development.

The first project in the pipeline is the so-called bus station quarter (appr. 15,000 square metres) and a planning competition was hosted to gather ideas for its development. Rakennuskartio Oy of Lehto Group won the competition with its entry 'Lohkot' (Blocks).

Kristiina Koskiahio, Managing Director of City development company Hämeenlinnan Eteläranta Oy, says that the plan is to preserve the old bus station and build new residential office premises in the area, along with a new hotel.

"In the two-phase competition, citizen participation was used in an unprecedented way. About 500 Hämeenlinna residents were involved in the process and hundreds of comments were given to the companies in the contest," she says, adding that residents' input was also visible in the final competition entries.

"The bus station quarter will be the very first project of this magnitude that features such strong co-creation with residents." Functionally, the development of the area will improve the cityscape to the south. "This is a great kick-off for the development of the shoreline and the city centre," she believes.

Make It Beautiful

Hämeenlinna wants to encourage a certain atmosphere of experimentation in its "reclaim the shores" strategy. One example of this approach was the inclusion of public art in the competition parameters: the competition participants had to come up with ways to spice up the neighbourhood via aesthetics, too.

Koskiahio comments that the buildings themselves will feature high-level architecture – that's given – but there also needs to be something extra:

"In this project, we're looking for a high-quality, visual outcome that is a good fit for the city's development strategy."

Koskiahio says that the level of the competition entries was very convincing, sending a signal that Hämeenlinna is seen as a promising community. She believes that the city is quite attractive especially to those real estate players who are looking for alternatives outside the Helsinki Metropolitan Area and Tampere.

"It is clear that Hämeenlinna has a lot of potential that remains untapped."

Floating Future

Talking about the waterfront, the City is apparently quite flexible with regards to the types of buildings that could be raised by the shoreline: residential construction is the priority, but also business premises can be included in the proposals. The wild card in the deck is "floating city": Engelinranta could feature as much as 5,500 square metres of construction off-shore, built on floating islands.

Koskiahio points out that floating

Do the Water Dance

Photo: Bluet Ltd



Managing Director and Co-Founder Tytti Sirola from Bluet Ltd believes that floating construction will be a big international phenomenon, because cities, companies and citizens are strongly gravitating towards waterfront areas. "As a result of this, the land areas that can be developed are in short supply. However, when you utilise floating construction solutions you can do so much more."



According to Sirola, there are really no limits to what you can accomplish with floating construction. For example, sports and leisure centres, utility buildings, offices, restaurants, nightclubs, shopping centres and private homes can be constructed "off-shore".

Actually, you can even make swimming pools and put them on the water. Case in point: the Allas Sea Pool marine spa which opened next to the Market Square in Helsinki in the autumn of 2016. The idea was to open more of the capital's precious shoreline to the public via an innovative concept which allows for year-round use.

"As Allas was launched, we received a lot of positive feedback. It gives a great boost to the entire shoreline," Sirola says, adding that Allas has attracted interest in the other Nordic countries, and globally, for instance, Australia is "in the loop" as well.

For Sirola's company, leisurely pursuits remain the number one application for floating construction, with residential solutions coming in second. However, as people get more comfortable with the idea of living on the water – and there are experiences to be shared – the trend may catch on quick.

For Sirola and her team, the core in all of the work lies in the needs of the customers and the end-users. "We want to create solutions which improve the usability



ity of the waterfront areas in a variety of ways. Through this, both residents and visitors gain access to new activities and experiences." ●



construction is a growing trend worldwide and clearly a powerful element that could increase the appeal of the shoreline.

“Looking at residential solutions, for instance, it is clear that people appreciate diversity and new types of options,” she says.

The First floating operation, however, will be a café. Managing Director Tytti Sirola from Bluet Oy says that the “hunt is on” for an entrepreneur to run a floating café in Engelinranta.

“The idea is to bring more action and people into the shoreline. In a sense, floating construction can also open up the waterfront in new ways,” Sirola says.

The Offshore Option

Bluet has been involved in various floating development projects and has seen, first hand, what kind of transformation they can bring.

“Looking at the situation in Finland, there are plenty of waterfront areas, but, so far, we have seen little evidence of ambitious planning and execution,” says Sirola.

Sirola and her company have been in dialogue with the City of Hämeenlinna since 2015 and share the same vision of a diverse,

dynamic shoreline. Floating apartments may not be in the cards immediately, but by early 2020s, the situation may change.

“The shoreline could accommodate all types of urban, floating residential solutions, ranging from large to small. The know-how is there to make it happen.”

Park Life

In addition to a serious shoreline upgrade, the City has taken a critical look at the local parks – and decided to do something. That’s not to say that there’s something wrong with the parks as such – quite the opposite. Hämeenlinna features beautiful, well-groomed green areas, but the problem is that they are not very exciting as such.

Kristiina Koskiahio explains that the City wants to make its parks more dynamic by introducing all kinds of action into the green areas. “Before, we thought of parks as places to go for a walk or have a nice picnic with your family. Now, we want to think also in terms of experiences and activities,” she says.

With this in mind, the City is adding games and playgrounds into the parks in an

effort to push the park visitor into a more active mode – and make the entire experience more memorable.

“There’s a lot we can do in this regard – and it’s another useful tool in our disposal as we seek to boost the attractiveness of the city centre. When people go downtown, they should have a lot of great options to choose from.”

Army Appeal

The downtown dynamic can be enhanced also via the reinvention of former military garrisons which are located in the city. Juha Isosuo points out that there are four old garrisons in town, mainly red-brick buildings dating back to the Russian rule of 100 years ago.

“There are no longer military operations in any of these garrisons, so they can be used for residential and other purposes,” Isosuo says, adding that the venerable old buildings bring something special to the table:

“There are former garrisons all over the country, but these are really centrally located – and hold a lot of promise for redevelopment.” ●



At Sello shopping center, digitalization saves costs and enables new revenue models

Shopping centers are in the merge of reinventing themselves. From being a place to shop goods, the role is changing more into service providers. Real estate plays an important role in providing great customer experience. In perfect places, there are never too warm or cold. The conditions are perfect.

In addition to adjusting right temperature and lighting, digitalization of buildings minimizes the energy consumption. The Sello shopping center in Espoo, Finland partnered with Siemens in order to benefit from digitalization. The data is gathered and evaluated from 1,500 energy and HVAC data points by Navigator – the cloud-based energy and sustainability platform. Using smart data visualization and automated reporting, the collected data is used as efficiently as possible. As a result, Sello's maintenance and operational costs have grown less than 10 percent since 2010 when in average the growth is 20 percent.

"Sello has always been a responsible operator. Environmentally friendly solutions have been taken into account since the very

beginning," says Sello shopping center manager Marjo Kankaanranta. "This progressive project will lead the way how shopping centers can be involved in climate economies, and can work for the good of the environment and society as a whole."

Digitalization is a key factor in finding new revenue models. In Sello, data is not only used to enable perfect conditions and cut down energy costs but making it possible to participate in the electricity reserve market. Sello will be the first significant property complex in Finland to be part of the electricity reserve market by having its own power plant. The energy consumption of the property is automatically regulated by purchasing, storing and consuming energy.

"When there is oversupply of electricity, Sello adds its energy consumption or stores it and conversely it adjusts electricity consumption if there is too much consumption on the national level. By participating in the electricity reserve market, Sello has another revenue model to the more traditional services", explains Head of Sales Mikko Aalto from Siemens Osakeyhtiö.

Sello is a game changer in the market but the solution can be used also in other facilities. Fingrid's electricity reserve market in Finland enables Sello's new role. When this solution becomes more widespread, it will bring considerable savings to society by reducing the need to invest in backup power.

"The role of shopping centers is changing in environmental matters and we want to work with world class pioneers like Siemens. This cooperation is a great example of a new kind of cooperation, which also requires professional shopping center management," says Vice President Juha Tiuraniemi from Realprojekti, Oventia Group. Realprojekti is the leading shopping center manager in Finland.

Participation to the electricity reserve market can change earning logics in the real estate market. When the building itself is a source of income, the rent could be lowered or tied to the energy consumption of the tenant. The real estates' role changes and they are becoming a significant part of electricity reserve market in the future. ●



Get to the Core

SRV is set to raise the long-awaited Deck and Arena in Tampere

Photo: SRV / Studio Libeskind



For years, there have been plans to solidify the city structure of Tampere by building a deck above the railway tracks downtown. The idea is to join east and west Tampere with a new type of hybrid block combining housing, commercial pursuits and a state-of-the-art sports and event arena. The ambitious undertaking is known as the Deck and Arena project. According to the project schedule, the entire project will be completed in 2023.

Spearheaded by construction company SRV and the City of Tampere, the project features a hotel, restaurants and other entertainment premises – such as only the second Veikkaus casino in the entire nation. With a price tag of over EUR 500 million, the project is a “huge undertaking” for SRV, says Project Director Henrik Eklund.

“Our company is known for its expertise in developing city centres, and we feel that there’s a lot we can achieve in Tampere,” he says. “For example, the sports and event arena in question will be the biggest in the land, with a capacity of approximately 13,000 people.”

According to Eklund, SRV is eager to boost the urban evolution in Tampere – the largest inland city in all of Scandinavia – and has been talking with the City since summer 2016 to develop this project onwards.

Hybrid Excellence

According to the plans, the first phase of the project is to involve covering the south-

ern railway yard with a deck on which the arena, a hotel and two towers will be built. The second phase will encompass the northern deck and three towers. An estimated one thousand new homes will be built by the project as a whole, says Eklund.

“As is the case in many of our new projects, we are going hybrid with this one, integrating leisure, residential and office elements.”

In October, the Deck and Arena project took one important step closer to being realised, as SRV and the project’s investment partners, LocalTapiola and OP Financial Group’s insurance and pension insurance companies, signed a joint venture agreement. At the same time, SRV signed a shareholder agreement for the multi-purpose arena with the City of Tampere. The project’s investment partners will become shareholders in the project company once the final investment decision has been made.

The following month the project received more good news as the Finnish Parliament granted a state subsidy of EUR 18 million for the arena. According to

Eklund, the Deck and Arena is a project of also national ramifications, since it creates a powerful logistical hub.

“We are pleased to have the State onboard with this and are hoping to finalise the details of the project soon,” he says.

Kings of the Ice

Already the first operator and cooperation agreements have been signed for the Deck and Arena project: the Finnish national hockey league teams Tappara and Ilves will play their home games in the new arena and Lapland Hotels will run the adjoining hotel. The contract was also signed with Restamax for the multi-purpose arena’s restaurant services.

“This is the first time in Europe where we see a fully integrated hotel in connection to an arena,” Eklund says, revealing that some hotel rooms will have their own private balconies which allow the guests to watch a game or a show.

Toni Kankare, Account Director at SRV, adds that it is also true that no other arena in Finland can rival the “total enter-

tainment package” that the Tampere project will eventually deliver. “In addition, most Finnish arenas do not have a very central location, but at Tampere, you will be exactly where all the action is – and that makes you want to stay longer, too.”

Great Partnership

According to Kankare, SRV feels that it is moving forward with a very like-minded partner, because the City of Tampere is very committed to the project – and has been since early 2000s.

“Tampere has had the vision and resolve to keep pushing this thing onwards, even through some tough economic times,” Kankare gives credit to the City decision-makers.

SRV wants to begin construction work on the southern deck and arena as soon as possible. “We are already engaged in preparatory work in the railway yard, such as the modification of rail electrification and test piling,” says Eklund. Naturally, working in such a way that the rail traffic is not disturbed poses a bit of a challenge, but Eklund is confident that neither the train passengers nor the local residents will suffer unduly.

“We strive to ensure that all preparatory work causes the least possible disturbance to the neighbourhood,” he promises. Since the project deploys a deck structure, there is less excavation and removal of land masses which the more ‘traditional’ projects often require.

“The parking facilities will need some excavation, but that’s really the only major issue.”

Lessons from Kalasatama

According to Toni Kankare, increasing the appeal of city centres is something that SRV is very keen on. “We have a track record of taking on big projects such as Kalasatama, which takes a modern, sustainable approach to solidifying the urban structure,” he says,

Photo: SRV / Studio Libeskind



referring to the “model district for the future” that is being built in Helsinki. SRV’s REDI Centre – the heart of Kalasatama – just won the Worksite of the Year Award.

“In addition, there is always something you learn along the way that you can utilise later on. In Tampere and Kalasatama, high-rise expertise is needed as both feature prominent towers.”

Kankare and Eklund note that SRV

is consistently on the lookout for projects which involve smooth mass transportation, such as rails. Hence, the western metro – which kicked off on 18 November – is a great fit for the company’s plans.

“We have been developing the communities surrounding the new metro stations for years now and will continue to do so,” Kankare says. The company has been very active in, for example, Niittykumpu where the highest building has 24 floors.

“These types of projects are also teaching us a lot about hybrid construction, when you have residential and commercial elements linked with transportation issues”, adds Eklund.

Eastern Promises

Both men view the metro as the “great enabler” which has the power to revitalise old communities and to launch entirely new ones – and there are still opportunities along the tracks in places you may not first suspect.

“If you take the metro-east from downtown Helsinki, you see stations such as Herttoniemi and Siilitie featuring quite inefficient functionality near the stations. There’s a lot that can be done to upgrade these neighbourhoods,” Kankare believes. ●

Photo: SRV / Aihio Arkitehti Oy





More Than Just Hi-Tech

Oulu has ambitious plans for urban development, healthcare, education, tourism and logistics – and that's just for starters

Oulu is the “hi-tech heaven of the North”, but the City is eager to take it to the next level. In April 2017, the City Council approved the new ‘City Centre Vision 2040’ which will guide the development onwards over the coming years and decades.

“Boosting the vitality of the community is the big goal here,” says City Master Plan Manager Paula Paajanen. She adds that it is especially positive about the Vision that it lists actual actions.

“We move straight on to making them reality,” she says.

One such project is the revitalisation of the railway station quarter. Director Mauri Sahi from the state-owned Senate Properties says that the area in question holds a lot of potential:

“The excellent location in the city core provides plenty of opportunities to boost the appeal and vitality of the city,” he believes. Senate and VR Group are the main landowners in the area and committed to building something great.

“We’re proceeding with the winning entry from the recent planning contest to see how to develop the area in the best possible way,” Sahi says, adding that the zoning process could kick off in spring 2018.

Power of Partnerships

Marko Lind, head of Technopolis Oulu, says that the business climate of the city is in fine form – and keeps improving. Technopolis leases premises to companies and has noticed, to its delight, that the market is heating up in the North.

Lind explains that as Nokia ramped down its local operations a few years ago, the hi-tech professionals formerly employed by the mobile phone giant hit the ground running – almost literally – starting their own companies and forging partnerships.

“Now we can see that via collaboration, the seeds for all kinds of opportunities were sown,” Lind says. In addition, the planning for Phase II of Technopolis’ Sepänkätu premises – totalling 9,000 square metre – is presently underway.

“Demand for office space in the city centre looks good and several leasing negotiations are currently going on.”

CEO Heikki Hiltunen from iLOQ says that out of the company’s 100 employees, the majority works at the Oulu headquarters. “Our research & development, logistics and administration are all there,” Hiltunen says.

iLOQ is a maker of next-gen smart locking systems that are very much in demand right now – and the company is

constantly looking for fresh talent to join its ranks. “We are getting quality applications, but we have to work hard at recruiting since there are other hi-tech companies interested in these experts, too.”

In addition to stellar work force, Hiltunen praises the local mindset of doing things together. “iLOQ was founded in Oulu, and we feel the city has a well-earned reputation as a hi-tech city where various forms of cooperation can be explored.”

Hospital of the Future

“The Capital of Northern Scandinavia” has a lot of top-notch expertise in healthcare and life sciences. In 2012, there was a renewal programme – by the name of Hospital of the Future 2030 – that kicked off to upgrade healthcare-related real estate and their functions for the new century. The programme will require investments to the tune of EUR 500 million in the coming years.

On November 30, 2017, the project took a significant step as the contract to build the first part of the programme – a hospital for women and children as well as the core hospital itself – was signed by alliance partners.

Hospital of the Future 2030 Programme Director Kari-Pekka Tampio says that both new operative models and modern hospital technology require new premises. This first phase of the programme encompasses 46,000 square metres and comes with a price tag of EUR 164 million.

“Finally, we can go ahead with the construction effort,” Tampio comments the project. Demolishing is already underway and actual construction should start by autumn 2018, at the latest. The hospital should be up and ready to go by the end of 2021, giving a great start to the Hospital of the Future 2030 programme.

Education Edge

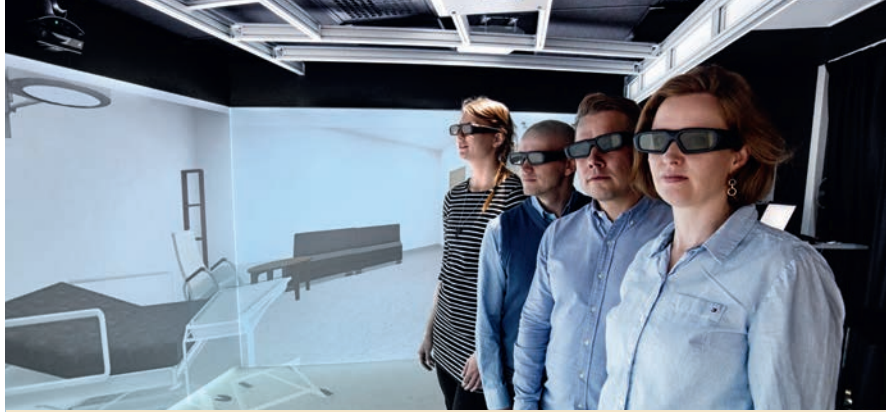
Another “super project” in the works is the joint campus for the two local academic powerhouses, University of Oulu and Oulu University of Applied Sciences. According to the plans, the Linnanmaa Campus – home of the University of Oulu – will feature both universities in 2020, meaning about 20,000 students.

Oulu Mayor Päivi Laajala says that the creation of one of Europe’s biggest indoor campuses will require the City to consider issues such as land use, zoning and traffic arrangements to make sure that the new education formula works.

“We also want to make sure that the city centre and the campus fully interact and support each other. Furthermore, we expect this move will add to the appeal of the local education cluster and will enhance also the links to business,” Laajala says, adding that the campus project is very much about “creating an ecosystem” where higher learning, research and companies work in unison.

Jouni Niinimäki, Rector of University of Oulu, and Jouko Paaso, Rector of Oulu University of Applied Sciences, state that the idea is to start something special – unique, even – at Linnanmaa.

“Using the same premises, we can



1st	in ICT R&D investments in Finland
250,000	people live in Oulu metropolitan region
1/3	with university degree
38	years is the average age
120	different nationalities
2nd	busiest in airport in Finland
300–400	million EUR to be spent on city center development projects
710	million EUR to be invested in infrastructure development by the City

focus on adding new services on campus and advance also, for instance, the mobility for students and teachers,” says Niinimäki, pointing out that the Linnanmaa Campus will also be a digital campus, or even a virtual one.

“In a sense, we are creating a genuine ‘education city’ that has a very strong focus on the future. The possibilities really are quite endless,” adds Paaso.

Northern Lights

Oulu is also a tremendous city from the perspective of travel & tourism. Jyrki Kempainen from BusinessOulu says that the region offers a great mix of nature, safety and urban comforts – and people are catching on to this.

“The local hotel occupation rate for 2017 is over 65% and new capacity is required to fulfil the growing needs of the visitors,” Kempainen says.

Among the new projects, there is, for instance, Nallikari travel centre. Located

four kilometres from downtown, Nallikari has EUR 100 million investments being planned for the area. 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”.

“Nallikari offers beautiful seaside nature and could really be something spectacular in the coming years,” Kempainen believes. “According to the plans, the internationally attractive area could accommodate an amusement park, an activity arena and hotels.”

Port Upgrade

As it is located upon the Baltic Sea, Oulu has long relied on its capable port operations. The port of Oulu is the largest general port in the Bothnian Bay; Port of Oulu and Oritkari logistics area provide a gateway to the northern areas of Finland, Sweden, Norway, and Northwestern Russia. Furthermore, Port of Oulu has shown a very positive trend recently with the total cargo volume of the port increasing for three straight years.

Marko Mykkänen, Managing Director of Port of Oulu Ltd, says that there’s even more good news: the State has promised to build a deeper, 12.5 metre channel for the port.

“The deep channel project will ensure a cost-effective transportation route for northern industry to the global market via Europe,” says Mykkänen. With dredging expected to commence in 2018, the total cost of the project, EUR 30 million, is to be paid by State, City and Port.

The Port of Oulu will also expand its land area by 100 hectares and an entirely new access road to the Port is under construction. In addition to the Port’s own investments, over EUR 50 million will be invested in the logistics properties along the access road. ●



Vision Quest

Turku seeks to improve its urban appeal via downtown upgrade

Photos: Lunden Architecture Co



Turku is firing on all cylinders. The various hi-tech industries are in fine form, there's a strong focus on expertise and learning, and the city keeps growing – proportionally speaking – faster than any other city in Finland. Nevertheless, there's work to be done as Turku plots its way into the future. A new ambitious vision, Turku 2050, calls for a major “beauty treatment” for especially the downtown area.

The vision states that as the commercial centre expands, the old town will turn into an “European oasis for encounters” and the eastern bank of the River Aura – with a view to the evening sun – will function as a vivid platform for a new kind of combination of culture, restaurants and work.

According to the vision group that has been considering the future of the downtown, it is possible for Turku to become a globally important city whose exceptional archipelago nature and developed infrastructure create the prerequisites for comfortable living and a vivid economy and culture.

Core Attraction

Markku Wilenius, Professor of Future Studies at the University of Turku, notes that the image of a city develops through the city centre – and Turku downtown with its riverside appeal do have “unique points of strength”. However, Wilenius feels that there

is also plenty of potential that has not been harnessed as of yet.

To become a truly significant player also on the global stage, changes are required. Presently, competition between cities has shifted from national level to global level, with cities fighting over inhabitants, businesses and know-how. At the same time, the rise of the urban lifestyle has raised the level of expectations in terms of the quality of public spaces. Urban planning is decidedly more human-scale, and this is also a key message of the Vision 2050.

And it all starts with taking a good, hard look at the city centre: what works, what doesn't, and what can be done to upgrade downtown into an “experience hub” during the coming years and decades.

Going Strong

Jouko Turto, Director of Turku Municipal Property Corporation, says that Turku is

in a great position to build something truly unique here, since the city presently enjoys powerful, positive momentum:

“There is structural change as old industries are reinventing themselves and the results have been tremendous. The local business climate is a real honey jar,” Turto describes the attractiveness of the city.

According to Vision 2050, the centre is “a manifestation of the European Turku” and the most important location of work, trade and culture in western Finland. The key idea of the vision is the considerable expansion of the city centre core and a supporting user-oriented traffic system that enables growth. This way development and investments are steered towards the centre more and more.

Ready for Big Time

Director of Urban Planning Timo Hintsanen notes that the structure of the city of Turku is largely influenced by the grid plan designed by Carl Ludvig Engel at the end of the 19th century. After that time, the development has been influenced by the rising number of cars and the major commercial projects of the recent years that have shifted the focus of commercial activity outside the centre.

“At the same time, the most commercially attractive centre area of the city has remained narrow,” says Hintsanen. “What is needed now is to fully develop that beating heart of the city to boost competitive edge.”



The vision includes the expansion of the commercial centre from the surroundings of the Market Square towards the riverfront and the harbour. The Market Square will become a multipurpose meeting place and a diverse centre of events, with plants and permanent structures increasing its attractiveness. The quarters surrounding the Market Square will form a united network of city malls and new business premises and other spaces are built in the quarters of the centre.

“The plan for the Market Square is based on already existing plans and two thirds of the surface area will remain in market use,” Hintsanen says.

Streamlining Logistics

For example, the overcrowded spot of public transportation of Aurakatu and Eerikinkatu will be transformed into new city terminals, enabling the development of the Market Square into a great meeting place for the residents of Turku. The scale of the Market Square will become smaller by building terraces and stairs to sit on; events and activities will become possible also outside the operating hours of the market sales.

Hintsanen comments that the centre will become more accessible and moving inside the centre will be made more convenient by clarifying the traffic system and use of street space. New city terminals of

public transport will make the centre hubs more vivid and guide the flow of people to an area wider than before.

“This will, in turn, allows the commercial core of the centre to expand. New street sections will gradually shift towards focus on walking and cycling, in accordance with international trends and in the interest of reducing the carbon footprint.”

Business Hub

Central to the plans is the emergence of the new Design & Finance District. Hintsanen and Turto point out that creating prerequisites for business is crucial for the vitality of the city. The Market Hall area will be developed into an active business hub that houses a variety of workplaces, ranging from small-scale design and craft businesses, galleries and cafés to high-profile office spaces for large companies and organisations.

“The Design & Finance District could encompass 150,000 square metres of new commercial space and 300,000 square metres of new offices in the city centre,” Hintsanen says.

“Already, we have built a concept that emphasises extreme flexibility. This means, for instance, that companies on the growth path can secure space solutions that fit their needs right away,” adds Turto.

According to Hintsanen, the vision work is opening up new kinds of

development opportunities. The most important observation is that controlled growth – or, in accordance with the vision, even remarkable growth – can help increase the attractiveness of the centre and to improve its functionality.

Thousand Islands

Just like in many other developed harbour cities – in Copenhagen and Hamburg, for example – also in Turku the centre will be expanding to the river delta and the harbour. In addition, the Turku of the future will further expand to the archipelago and the centre will manifest more features related to the archipelago.

“We feel that the Turku archipelago is the most beautiful archipelago in the world – and it’s largely an asset that, so far, has not been linked to the development of the city,” Hintsanen says.

The work of the vision group is more about guiding development towards the right direction on a large scale than single actions as such. “What we are doing is looking at the big picture and choosing the way we need to take for the evolution of the city,” adds Hintsanen.

Furthermore, Turku recognises its roots as a European city and wants to reinforce that rather unique profile. “Out of all Finnish cities, Turku is the one with the most European identity,” Hintsanen says. ●



Big on Experience

In the coming years, Turku's rail yard and train station area may well become home to Finland's largest experience and event centre. The Turku Rail Yard project is an ambitious urban development concept for the 2020s, combining top-level technology and service design to create world-class experiences and events as well as boost the wellbeing of the citizens. The total cost for the project is estimated to be approximately €480 million.

The preparatory survey for Turku Rail Yard project was concluded in summer 2017. The aim of the project is to create a domestically and internationally attractive experience and event concentration in Turku.

"The new project is perfectly in line with the current trends that focus on experience and entertainment, adding to the 'soft' attraction of the city," says Jouko Turto,

Director of Turku Municipal Property Corporation.

The core of the plans is formed by an eye-popping experience centre and a new, 10,000 seat multipurpose arena. The experience centre will support family-holiday tourism, and the plans include an indoor amusement park and a playground; the multipurpose arena will be the heart of the event organisation and host domestic and international events, such as concerts, business events, eSports, festivals and ice sports events. The plans also include a tower hotel in the area to support tourism.

The project has gained a lot of exposure since it has an impressive list of backers, featuring Ilkka Paananen and Mikko Kodisoja from Supercell and NHL legend Saku Koivu. The trio has commented that they want to be part of developing Turku as an attractive centre for business and trade,

housing, culture and tourism. Hailing from Turku, they also see the project as an excellent opportunity for the comprehensive development of their home city.

The original push for the project came from national railway operator VR Group. Currently, much of the area in question is no longer in VR Group's use, and various options have been discussed with the City on how the rail yard could be developed. VR Group is eager to move forward with the plan which will also be heavily based on Turku's visions on how the city should be developed.

The project's preparatory survey will function as the development plan which will initiate the concrete discussions between the different parties involved in realising the project. When the city centre expands into Turku's rail yard, it will also create a new neighbourhood of approximately 1,000 residents. ●

Real Estate Goes Tampere

RE Finland – formerly known as the Annual Convention of Property Investment Prospects – was hosted on 9-10 November at Tampere.



The “biggest annual event for the Finnish real estate business” did not disappoint this year either: the one-and-a-half-day seminar served up a full plate of industry goods, ranging from investment and financing to construction and services. The bigger perspective was there as well, with Fredrik Reinfeldt, former Prime Minister of Sweden, delivering the keynote speech to kick off the convention.

With hundreds of participants flocking the halls of Tampere House, it was also clear that networking was very much a part of people’s agenda. In addition, this year’s main topic – customer-orientation – caused a big buzz among the guests.

Brand is Everything

Laura Tarkka from Kämp Collection Hotels provided insights into the mind of a customer who is keen on quality. According to Tarkka, today’s customers are looking for personalised experiences – and this is where thoughtful branding comes in. The Kämp Collection, for instance, features nine hotels which all have their own, strong brands which resonate strongly with the patrons.

“As the hotel market keeps growing, it’s all about the engaging your customers,” Tarkka said, adding that customers want “bigger meaning” now.

Tarkka remarked that when it comes to empathy, Finns don’t do very well according to international studies – but this is something all organisations can work on. “A good indicator of employee’s level of empathy is the amount of additional sales he or she is able to generate.”

Getting your “troops” in fine form is, naturally, a key part of all this. Tarkka revealed that Kämp Collection uses a special “On Fire” Index to see who’s really doing a great job with the patrons.

Feel the Difference

Tuula Uitto from Telia Finland argued that customer insight is something that is, simply put, everybody’s business. According to Telia’s research into the matter, customers want service that is smooth and individual.

“In customised service, the customer gets the feeling that there is a constant improvement and you’re getting better and better service as a result. Eventually, via the use of data and analytics, one can anticipate the customer’s needs and act accordingly.”



One of Telia’s breakthroughs in the customer feedback process was turning the attention to feelings – one of the key indicators now is ‘joy’.

“Understanding where the customer is coming from emotionally is more and more relevant.” According to Uitto, with new digital tools, there is no shortage of data out there, but the personal touch is still the most important thing.

Running Free

On the second day, the big “headliner” was a man accustomed to performing to as many as 250,000 people. Bruce Dickinson – known for his long stint as the lead singer of the heavy metal band Iron Maiden – is also a commercial pilot, brewmaster, business angel, entrepreneur... Dickinson provided a feisty lecture on the power of creativity to close the convention with style.

“The secret lies in simply doing one thing at a time – focus on the moment and set other things aside,” he said. ●



D-Day Cometh

Disruption is only getting
started in Real Estate Sector

*Real estate is becoming more
and more digital – as well as
customer-oriented. What's more,
these two trends seem to go hand
in hand.*

Photo: Kojamo Oy







It makes sense that real estate industry is deploying digital tools to cut costs – after all, it has been estimated that real estate represents the second largest expense for most companies (with operating costs accounting for 71% of building ownership). Add to this, the rather shocking statistic that buildings worldwide consume a staggering 42% of all electricity – and you can see what the fuss is about.

Today, digitalisation is driven by data that can be gathered with growing ease from safety and security systems, HVAC equipment and controls, energy efficiency programs... Intelligent sensors, actuators and similar devices can supply a wealth of data which – up until now – has mostly been unused. Smart algorithms can easily evaluate trends and recognise patterns in user behaviour or consumption, and this is laying the groundwork for better, informed decisions, predictive strategies and continuous optimisation.

Automatic for the People

Siemens has estimated that by 2030 there will be 50 billion connected devices within the Internet of Things. With this massive





Photo: Helen

“smart wave” on the rise, it is possible to achieve truly autonomous buildings. With autonomous buildings, companies will be able to reach the utopian goal of reducing energy consumption, downtime and staff levels, but also provide service on demand and rules-based performance management.

Already, the benefits of digitalisation in terms of building performance management are being felt around the world. For example, companies are already making energy bill cuts in the neighbourhood of 10–15%; and savings of 30% are not uncommon, either.

However, the trick with new systemic technology is that you never exactly know where it’s going to go. Real estate industry is not really known for its progressive mindset, so the changes may take some time. On the other hand, once disruption does hit, it may have huge consequences.

Let the Games Begin

One potential application of the digital approach is using gaming to engage the real estate users. Verner Lehtovirta from Sweco gave a presentation at RE Finland at Tampere about a gaming application which used



the building information model of the expansion of Helsinki-Vantaa International Airport – in effect, allowing the player to drive a car around the airstrips or roam the corridors of the terminal. Encompassing 100,000 square metres, the game app is the largest of its kind in Finland.

“We have found that the game is helpful in increasing user participation, since it really gives you a good idea about what the eventual end product will be,” Lehtovirta said.

Instant Karma

Another example is rental solution Lumo, which is attempting to hijack the way apartments are rented in Finland. Put together by the company Kojamo, Lumo is a website where the customer can close the deal for a suitable rental apartment in 15 minutes, if he/she so wishes. After making the selection, the person has three days to withdraw from the transaction – or move in the next day.

“We have brought disruption to the apartment rental business which has lost sight of who the real customer is,” said Jani Nieminen, CEO of Kojamo, also appearing at the convention.

Launched in October 2015, the Lumo site now features thousands of rentals and is being used by people of all ages. According to Nieminen, decision-making online is made possible, since there are sufficient photos and information available on each rental.

“In the future, I expect that people can access these apartments via the use of virtual reality or augmented reality tools,” said Nieminen, adding that the future is very much digital, in any case. “Home is already a service platform, of sorts.”

Put People First!

It is noteworthy that many startups of today are hell-bent on putting the customer back in the driver’s seat; also in real estate sector, customer experience (CX) seems to be the new-and-improved Holy Grail.

Giving a presentation at Tampere, Jaakko Männistö, CEO of Feedbackly, argued that meeting the customer’s expectations is hard since those expectations keep rising. However, he said that “going the extra mile” is still the best way to woo the customers.

“When your business is rooted on

people, you’re on solid ground,” Männistö said.

Talk Ain’t Cheap

The flipside of things is that when people receive negative service they do talk about it – and talk, and talk, and talk about it. According to research, about 90% of consumers will tell about bad experiences – and thanks to social media, it’s not just the mailman, either.

“We have found that only a quarter of Finnish companies are really customer-oriented, even if all of them claim that they are.”

For real estate industry, Männistö provides this tip: you should draw up a model of the projected lifecycles of your customer accounts and learn to anticipate and manage change.

“The more you do it, the better equipped you will be to deal with even the unexpected.” ●

Sami J. Anteroineen



Record Year

Finnish real estate
highly attractive to
foreign investors



The year 2017 is sure to clinch a new record in transaction volume Finland. The previous record level in transaction volume – €7.4 billion reached in 2016 – was exceeded already by the end of October 2017. Contributing to the high times, there is the largest-ever property transaction in Finland: Polar Bidco acquiring the listed company Sponda, with its property portfolio of €3.7 billion. Delisting of the Sponda shares will decrease the market capitalisation of the Finnish listed property companies by more than one third.

Janne Larma, CEO of Advium Corporate Finance, is not surprised by the record year, since investing on real estate is a global trend that keeps gaining momentum. “With interest rates down, and stock market losing traction, the real estate market becomes more attractive.”

Presently, the share of foreign investors of all transactions is historically high in Finland: 73 % at the end of the third quarter. Naturally, the Sponda transaction is a large

factor in this, but there have also been many other significant transactions with foreign investors heavily involved. In 2017, more than 10 new foreign investors have entered the Finnish market.

Nordic Number One

According to KTI Property Information, the attractiveness of the Finnish market is sustained by higher yields in comparison to most other markets. Janne Larma agrees:

“In many regards, Finland is now a more attractive market than other Nordic targets or European ones, for that matter.”

Also, the improving outlook of the economy strengthens the position of the Finnish property market. As it stands, the spectrum of strategies of foreign investors is broad; both core players looking for prime properties with low but stable cash flows and opportunistic players with two-digit return expectations have been active in Finland in recent months.

However, as the future liquidity of investment targets is held in high regard by especially the foreign investors, the attractiveness of the “rural” markets remains limited.

It’s noteworthy that in addition to the “usual suspects” – Europeans and Americans – also Asian investors have shown an interest in Finnish markets. Chinese are leading the way in this, with CIC (China Investment Corporation) eyeing logistics real estate assets.

The attractiveness of property investment is also apparent in the number of new property funds being launched. In 2017, new mutual property investment funds have been founded by, for example Fennia, Trevian and CapMan.

Star Performance

The megatrend pushing property investment is urbanisation – and the largest cities in Finland are growing strongly. So far, the foreign investors target their main interest in



the Helsinki Metropolitan Area (HMA): in the three first quarters of 2017, the share of the HMA of all transactions amounted to over 70 percent. (And, if you add the runner-ups, Tampere and Turku regions, that share increases to over 80%.)

Janne Larma argues that Tampere and Turku are already well-established on investors' map, and urbanisation is constantly elevating other city centres, too, into the "big leagues".

"Still, looking at the big picture, the market will continue to be very HMA and city centre driven."

Yields Down

In the RAKLI-KTI Property Barometer survey carried out in October, property yields were assessed at lower levels than ever before. The yield for a prime office property in the Helsinki CBD was at 4.2 per cent, which shows compression of 0.35 percentages compared to the previous survey in

April. In the very best properties, yields might be clearly lower than this.

Larma predicts that the yield levels will stay – more or less – the same for the time being.

"New foreign investors will continue to enter the Finnish market, since the growth prospects are so good and political risk is minimal," he says. "Finland may not be the top pick for a foreign player, but it's certainly on the list."

In addition to the high investment demand, the outlook for office rental markets is also turning more positive. The KTI Office Rent Index for the Helsinki CBD increased by 3.5 % during the past year. Office rents have increased to record-high levels: the median rent in new agreements during March-August increased to €29.6 per sqm.

Tale of Two Cities

However, the differences between the

office submarkets in the HMA have continued to widen. For example, in the Pitäjämäki district, the median office rent for new agreements decreased to €12 per sqm, while in the Ruoholahti and Leppävaara submarkets the median levels have remained rather stable.

In Helsinki, the office occupancy rate has remained stable at 82.5 per cent. The amount of vacant space has decreased for example in the Helsinki CBD, where the occupancy rate stood at 86.5 per cent. The occupancy rate has increased in Pasila, but decreased in Vallila, for example.

The current trend is for companies to go after smaller, modern, multipurpose facilities – and sacrifice space for improved efficiency. According to Larma, there is nothing new here: as companies' needs keep changing, they are quick to make decisions about more suitable office space.

"Still, as there are different companies out there, there's need for various types of real estate in the market." ●

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Specialty Areas

Advium Corporate Finance Ltd is a leading Finnish corporate finance advisor in major real estate transactions and one of the leading M&A advisors in Finland. Since its foundation in 2000, Advium has advised in more than 170 transactions with a deal value in excess of 13 billion euro.

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BLUET OY LTD

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Specialty Areas

Bluet is a Finnish company, specialising in profitable waterfront development with special floating solutions. We offer design, consulting, project management, delivery and supervision services around the world. We create, coordinate and oversee the project in co-operation with the best local contractors. When you're considering building on water, contact us. We will make your floating idea real!

See pages 36 and 37

CITY OF HELSINKI

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Helsinki

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Specialty Areas

Helsinki is a growing, innovative metropolis, well connected to both Europe and the developing Eastern markets. In coming years, Helsinki will implement a large number of major city development projects. Some of these are located at the very centre of the city as old ports and railway yards are transformed into modern residential and business locations. This provides exciting opportunities for builders, investors and all businesses in need of modern, well-located premises. Further Information: www.uuttahelsinki.fi, www.hel.fi

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CITY OF TURKU PROPERTY MANAGEMENT DIVISION

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HÄMEENLINNAN ETELÄRANTA OY

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Specialty Areas

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

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Specialty Areas

LocalTapiola Real Estate Asset Management Ltd provides real estate investment and management services. The company is owned by LocalTapiola General Mutual Insurance Company, LocalTapiola Mutual Life Assurance Company and 20 LocalTapiola regional companies. 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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OULU – CAPITAL OF NORTHERN SCANDINAVIA

Business Oulu
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OULU | BusinessOulu

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Specialty Areas

We offer direct assistance to individuals, corporations and other organisations interested in accessing the business markets in Oulu.

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SENATE PROPERTIES

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Specialty Areas

Our portfolio encompasses everything from standard office buildings and specialist premises customised to tenants' specifications, to exclusive high-end properties. We develop properties that are no longer being used by government organisations to prepare them for sale on the commercial market.

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SRV GROUP PLC

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Specialty Areas

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

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YIT CORPORATION PLC

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Specialty Areas

YIT creates a better living environment by developing and constructing housing, business premises, infrastructure and entire areas. Our vision is to bring more life into sustainable cities. We want to focus on caring for customers, visionary urban development, passionate execution and inspiring leadership. Our growth engine is urban development involving partners.

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NOTES:



BUSINESS RESIDENTIAL SERVICES

BUSINESS LEVEL APARTMENT HOTEL IN CENTRE HELSINKI
FROM 51 EUROS/NIGHT





Volksbanken Raiffeisenbanken
cooperative financial network



Martin Schellein
Head of Investment Management Europe
Union Investment



Our response to dynamic markets: strength in depth. And flexibility that opens doors.

We take a forward-looking approach to investment.
Backed by deep market knowledge across Europe.

Increasingly diverse and dynamic markets in Europe make a reliable partner even more valuable. As a real estate investment manager with deep European roots, we are close to our markets and tailor our strategy to each country. From core to core-plus profiles, development projects and value-add investments, in gateway or secondary cities. We welcome your ideas – let's do business!

Find out more about forward-looking real estate investment:
www.union-investment.de/realestate