

WEDNESDAY 11.00-17.00

SEMINAR 8



THEME: INVESTMENT PART I

# Sweden and the Nordics – low risk and high returns

The high standard of technical innovation and the substantial need for investment in residential housing, commercial property and infrastructure in Sweden, indicate that there is demand for investment in the country. It is a case well worth considering. The steady economic growth and overall stability of the Nordics have provided the promise of high returns on investment with low risk for a long time. Furthermore, while global politics currently are in a state of turmoil, the Nordic countries are stellar examples of political stability. Welcome to a seminar giving you the big picture of the Swedish economy and an introduction to state of the real estate sector in the Nordics.

**Moderator:** Tomas Ernhagen, Chief Economist, Fastighetsägarna Sverige

## SELECTED SPEAKERS:



**Tomas  
Ernhagen**



**Martin  
Wolf**



**Lars  
Trädgårdh**



**Christopher  
Flensburg**



**Louis  
Landeman**

### 11.00 A global economic balancing act - joint session with seminar 1

While we can now safely assume that the Great Recession is behind us, the global economy has not recovered completely from its consequences. Economic growth has not picked up, inflation is low and interest rates as well. The effects of the transition into a new technological paradigm, digitalization, are still difficult to comprehend and potential phenomena like "new normal" and "secular stagnation" confuse many economists. Add to that the global political uncertainty in the wake of Brexit, the American presidential election and the situation in North Korea. Welcome to an economic world tour with one of the planet's most influential economists.

Martin Wolf, Economics editor, Financial Times

### 12.00 Lunch and time for networking

#### 14.00 Swedish macro – how robust is the economy?

While the Riksbank has applied an extremely loose monetary policy for a long time, the mantra of the Swedish government, has been to maintain a tight fiscal policy stance, focusing on low public debt. Consequently, infrastructure investments have been neglected as well as investments in housing. A small, open, economy, Sweden is affected by the global economic currents, and an external shock to the economy, could have severe consequences for the economy. The question is, how well the Swedish economy is equipped to absorb such a shock? Would the government be willing, and able, to invest massively in real asset projects; infrastructure and real estate, in order to stave off a potential new crisis and maintain the economic stability that has been the trademark of the Swedish economy for a long time?

Pär Magnusson, Fixed income strategist, Swedbank

#### 14.30 Political stability for a century

The global political environment seems to more unstable now than it has been for decades. Constituents in many of the world's most powerful nations have been voting with their feet as a clear manifestation of disappointment in the apparent inability of political leaders to live up to campaign promises and solve different issues. Donald Trump in the USA, Emmanuel Macron in France, Brexit in the UK, all are examples of foot voting. In this volatile political environment, the Nordic countries stand out as the posterchildren of political stability and have done so for the past century or so. Why is the region so stable, and what could possibly upset that?

Lars Trägårdh, professor of history

#### 15.00 Coffee and time for networking

#### 16.00 The financing paradox: lower market rates – higher financing costs

A consequence of the monetary policy, the cost of capital has been almost negligible and Swedish real estate companies have been able to finance themselves at very low rates. This, in turn, has pushed up property prices and attracted a big number of new players into the market. Subsequently, the banks have become more reluctant to increase lending to the sector and the Swedish corporate bond market is also becoming crowded. What does the financing situation for the Swedish real estate sector look like? Do they need to raise new equity to a greater extent or are there other options available, like the euro market?

Joakim Nirup, National Director, Debt & Financial Advisory, JLL  
Louis Landeman, Head of Credit Analysis, Danske Bank Markets

#### 16.30 The green wall of money

In 2013, Vasakronan launched the world's first green bond and raised capital dedicated to financing sustainable projects. Ever since then, Swedish real estate companies have been forerunners in raising green capital and benefitted from the growing awareness of global investors about sustainability issues. Cost of green capital is now lower than that of funds allocated to non-green investments and thus the incentives for companies operating in a capital-intensive sector to invest sustainably. Some companies even have the goal of becoming all-green. Is that a realistic goal, is the lower cost of green capital sustainable and, will the supply of green money decrease when global interest rates start rising again?

Christopher Flensburg, Head of Climate & Sustainable Financial Solutions, SEB  
Martin Lindqvist, CFO, Atrium Ljungberg

#### 17.00 Business Arena afterwork

THURSDAY 11.00-14.30

SEMINAR 16



THEME: INVESTMENT PART II

# The Swedish and Nordic markets: Why to invest there?

In 2016, the transaction volume in the Swedish property market amounted to a record 218 billion SEK, a level that might just be surpassed in 2017. It is one of Europe's most well-developed commercial property markets and the most liquid one, in terms of turnover velocity. Returns are high and risk is low. Yet, there are, of course, challenges to face and problems to solve, e.g. in the regulatory framework. In the other Nordic countries, the market is growing and developing fast. In this seminar, competent speakers guide you through the Swedish market. Who is who in the market, which are the most important (market shaping) deals and, most importantly, why should you invest in the Nordics.

**Moderator:** Tomas Ernhaben, Chief Economist, Fastighetsägarna Sverige

## SELECTED SPEAKERS:



**Tomas  
Ernhaben**



**Arvid  
Lindqvist**



**Viktor  
Sandberg**



**Max  
Barclay**



**Mikael  
Söderlundh**



**Ian  
Harcourt**

### 09.00 Historically loose monetary policy – for how long?

For the past decade, it has mainly been the task of the Riksbank to steer the economy through the waves caused by the financial crisis. Low inflation, deflationary tendencies, negative policy rates and quantitative easing have become daily topics of discussion and Sweden will soon enter its fourth year of negative interest rates, while a whole generation of asset managers have barely experienced inflation. How has the loose monetary policy affected asset prices, e.g. real estate, and when can we expect "normal" levels of inflation and interest rates?

Arvid Lindqvist, Head of Research & Partner, Catella Corporate Finance  
Ian Harcourt, Fellow of the Royal Institution of Chartered Surveyors (FRICS)

### 09.30 Tax issues – how will they affect international investment?

Recently, a government commission issued its report on the taxation of the Swedish real estate sector. They found that while the sector is not undertaxed, it is appropriate to alter the taxation system such that real estate transaction carried out as corporate transactions should be considered as real estate transactions. Therefore, they should be subject to a stamp duty. How will the proposed change, if it takes effect, affect the sector and how will the transactions market react? How will international investors seeking to invest in Sweden be affected? Which other tax issues are important for international investors?

Viktor Sandberg, Managing Partner, Svalner

### 10.00 Coffee and time for networking

### 11.00 **A significant market in Europe**

In a European context, the Nordic region is a very active market. All four countries are not only among the ten most active markets, in terms of transactions, they are also among the ten most liquid market in terms of turnover velocity. However, Sweden stands out as the by far largest market. Acting as your tour guides, local market analysts will efficiently guide you through the Nordic market for commercial property, giving insight into the market shaping deals, the who's who and the most important underlying parameters, such as the rental market.

Max Barclay, Managing Director, Newsec Sweden  
Mikael Söderlundh, Head of Research, Pangea Property Partners

### 12.00 **Lunch and time for networking**

### 13.30 **Why invest in the Nordics?**

Capital flows are free across the globe and although the Nordics may present a good case for investment, the market is fiercely competitive and capital invested in one region cannot be employed elsewhere at the same time. So, the question is, given the global environment, why should you invest in the Nordic region? What parameters should be considered and how decisive is the appetite for risk as a determinative factor? Is indirect investment in the Nordic real estate market a better option?

Lina Alvmur, Fund Manager, Aberdeen Asset Management

### 14.30 **End of international seminar**