

# DEVELOPMENT OVERVIEW

CHIEF DEVELOPMENT OFFICER ERIK LENNHAMMAR

STOCKHOLMS  
STADSMISSION  
/Second hand

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STADSMISSION  
/Second hand

## ERIK LENNHAMMAR – CHIEF DEVELOPMENT OFFICER 08/2019 ->



### Career history

- Nuveen, Head of Asset Management, 2014-2019
- Steen och Ström Sverige AB, various positions of which latest Development Director, 2006-2014
- NCC Construction, various positions of which latest Business Manager, 1998-2006

**1.**  
**CITYCON'S KEY  
INVESTMENT  
CRITERIA**

**2.**  
**OVERVIEW OF  
ON-GOING  
DEVELOPMENT  
PROJECTS**

**3.**  
**OVERVIEW OF  
POTENTIAL  
DEVELOPMENT  
PROJECTS**



# CORE ASSET AND DEVELOPMENT CRITERIA FOR CITYCON

NRI POTENTIAL OVER 5 YEARS

TOP 1 OR 2 CITY IN THE COUNTRY

VALUE-ADD POTENTIAL

IRREPLACEABLE LOCATION

CAPEX REQUIREMENTS

AREA DEMOGRAPHICS

MINIMUM SIZE

DOMINANT CENTRE WITHIN ITS  
CATCHMENT AREA

TENANT MIX

CONNECTION TO PUBLIC  
TRANSPORTATION

## DEVELOPMENT CRITERIA

PROFITABILITY: 150 BPS OVER REQUIRED VALUATION YEILD

LEASING: >60% PRE-LEASING RATE

# ISO OMENA IS AN EXCELLENT EXAMPLE OF WHAT WE WANT TO OFFER IN THE FUTURE

OUR CRITERIA	ISO OMENA
Urban locations in capital or major cities	Location in Espoo, Finland's second largest city. 15 minutes from central Helsinki.
Strong population growth and natural footfall to the asset	Espoo's population to increase by 16% or 45,000 people by 2030. 20 million visitors p.a.
Connected to public transportation	Integrated to new metro line. Metro station with 30,000 users daily
More than retail only	Non-retail income 37% (e.g. Public Service Square, seven screen Cinema, extensive F&B offering)
Necessity-based and dominant in the asset's catchment area	4 grocery stores accounting for 25% of the GLA; services account for 18 % of the GLA
Value creation potential in the future	Possibilities to capitalize on significant footfall
Size > ~20,000 sq.m.	GLA 100,900 sq. mt.




# IT IS ALSO A GREAT EXAMPLE OF OUR DEVELOPMENT CAPABILITIES



# MÖLNDAL GALLERIA OPENED IN SEPTEMBER 2018

OUR CRITERIA	MÖLNDAL GALLERIA
Urban locations in capital or major cities	Great location in the growing municipality of Mölndal.
Strong population growth and natural footfall to the asset	> 6,000 homes in the area under zoning
Connected to public transportation	Public transportation hub close to the shopping centre
More than retail only	Diversified tenant mix, F&B and grocery comprise 1/3 of GRI.
Necessity-based and dominant in the asset's catchment area	Mölndal has established its position as the local community hub, ~20 percent sales and footfall growth from Q1/2019 -> Q2/2019
Value creation potential in the future	Area under significant development; new offices planned next to Mölndal Galleria
Size> ~20,000 sq.m.	GLA 26,400 sq.m



4 million visitors expected in 2019, 6 million when centre is stabilized

# WE WILL FOCUS ON MIXED-USE DEVELOPMENTS IN THE FUTURE

- Extension projects in the future will combine many different asset classes (retail, offices, hotels, residential) to further strengthen our retail locations and to provide further footfall
- We will expand our development teams' competences based on future needs
- We are currently mapping the residential potential in our portfolio



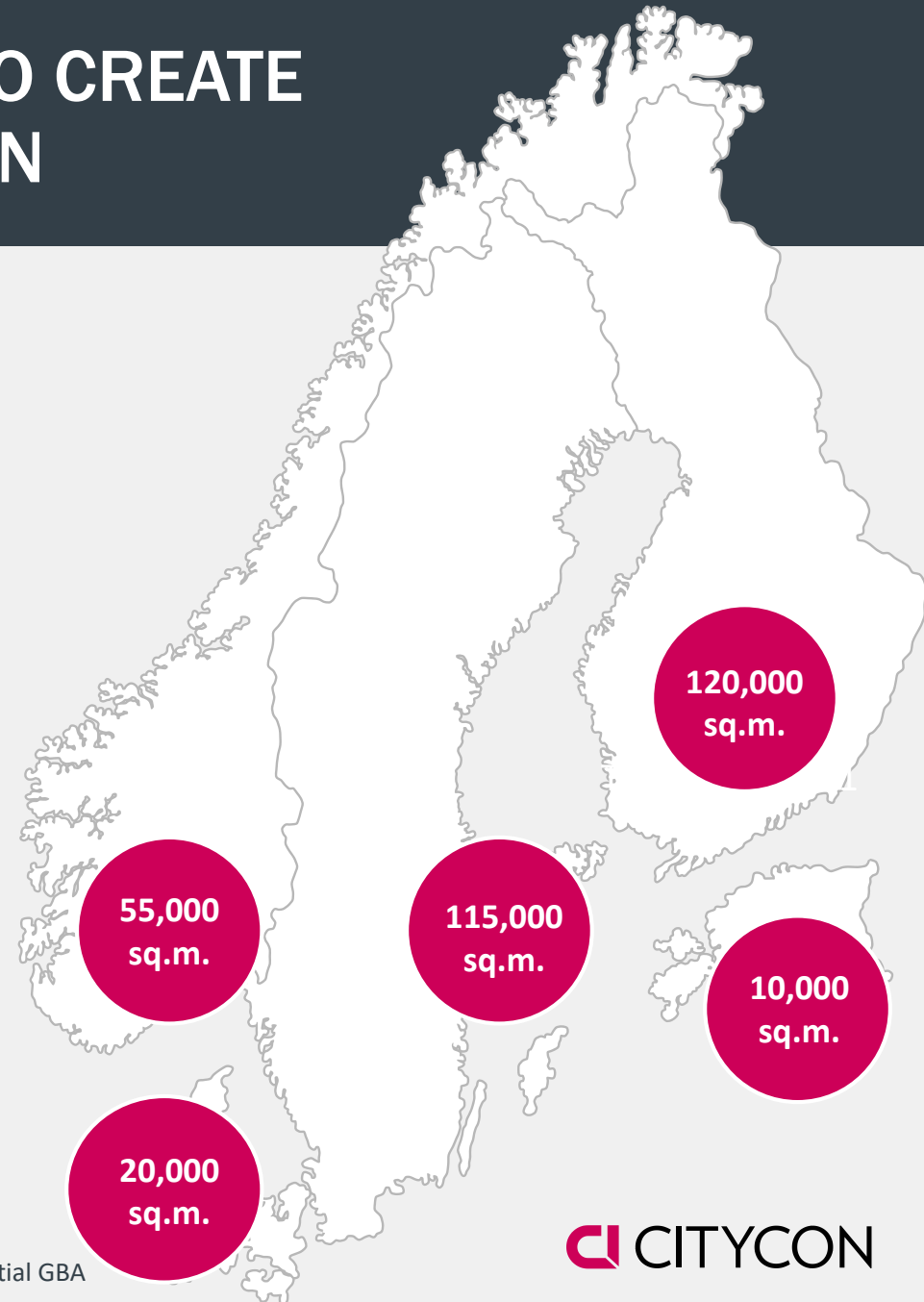
# WE HAVE SIGNIFICANT OPPORTUNITIES TO CREATE FURTHER VALUE THROUGH DENSIFICATION

## CURRENT RESIDENTIAL EXPOSURE

	SWEDEN	NORWAY	FINLAND	ESTONIA	DENMARK	TOTAL
Total GLA	~18,500	~400	~1,100	0	0	~20,000
Number of Units	539	3	28	0	0	570

## POTENTIAL RESIDENTIAL EXPOSURE

	SWEDEN	NORWAY	FINLAND	ESTONIA	DENMARK	TOTAL
Potential Gross Building Area (approx.)	~115,000	~55,000	~120,000	~10,000	~20,000	~320,000
Number of potential Units if developed as apartments*	~1,560	~500	~2,000	~150	~300	~4,500



POTENTIAL GBA CAN EITHER BE DEVELOPED AS RESIDENTIAL OR OFFICES DEPENDING ON DEMAND AND MARKET SITUATION

# OUR DEVELOPMENT PROJECT IN LIPPULAIVA IS A PROTOTYPE OF DENSIFICATION EFFORTS

## Status update Q2/2019:

- Foundation and steel structure works are progressing as planned
- Negotiations with general constructor candidates on-going

- Leasable area 44,000 sq.m, which is double compared to the old, demolished Lippulaiva
- 8 residential towers with around 450 apartments planned around the centre
- About 80 stores and services with a strong focus on everyday needs and services (e.g. three grocery stores)
- Appr. 60 % leasing rate, estimate 70 % by the end of 2019
- Grocery comprise 34 %, cafés and restaurants 13 % of GRI
- Non-retail tenants over third of GLA
- Extension of metro line and bus terminal will be integrated in the centre; over 1,300 parking spaces
- Strong residential growth in the catchment area
- Opening: spring 2022



# SIGNIFICANT DEVELOPMENT PIPELINE



**KISTA GALLERIA**  
Stockholm, Sweden



**LILJEHOLMSTORGET**  
Stockholm, Sweden



**TREKANTEN**  
Asker, Norway



**OASEN**  
Bergen, Norway

# LILJEHOLMSTORGET – MIXED-USE DENSIFICATION POTENTIAL

## LILJEHOLMSTORGET

Superb location, close to Stockholm city center in a growing and highly affluent catchment area

Public transportation hub; direct connection to the metro line, several tram lines and bus terminal

Mixed-use extension plans incorporating retail, offices, leisure and residential

Zoning estimated to be approved in 2021



# KISTA GALLERIA – SEAMLESS INTEGRATION TO PUBLIC TRANSPORTATION

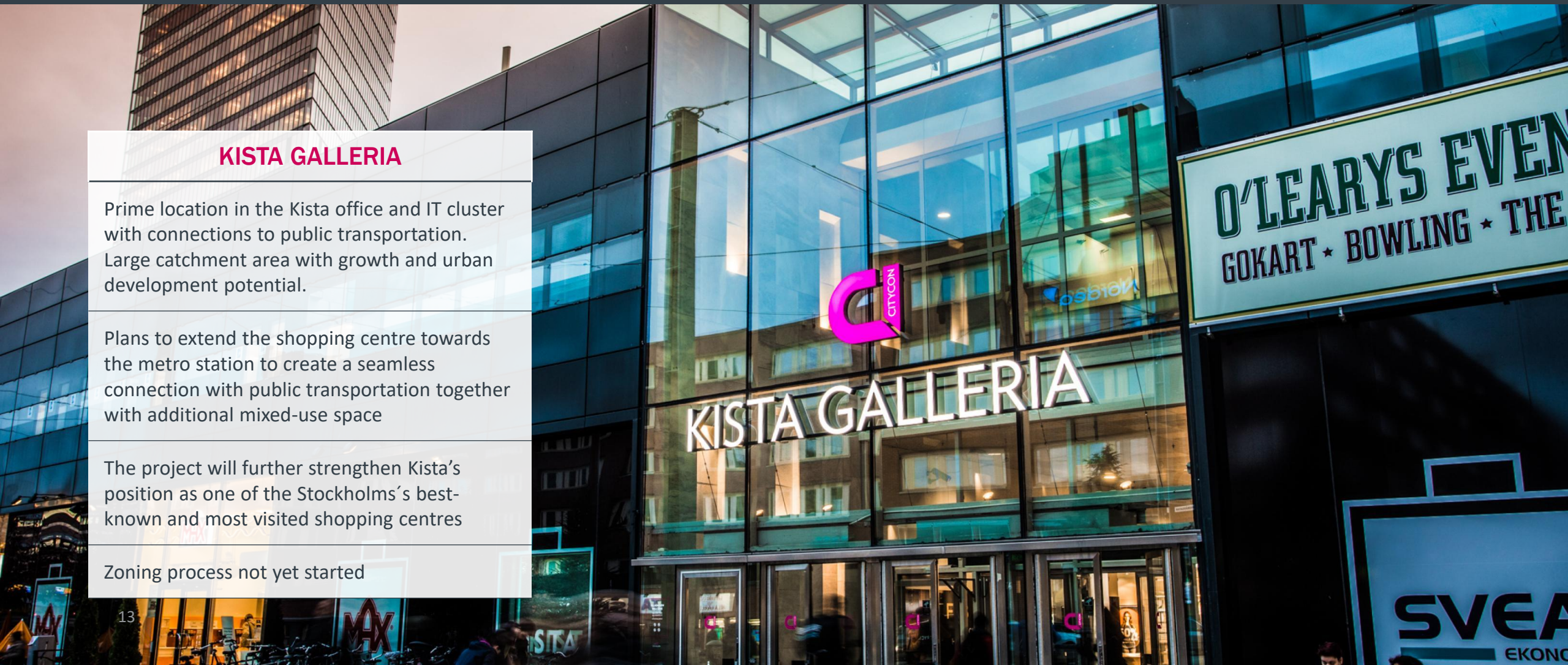
## KISTA GALLERIA

Prime location in the Kista office and IT cluster with connections to public transportation. Large catchment area with growth and urban development potential.

Plans to extend the shopping centre towards the metro station to create a seamless connection with public transportation together with additional mixed-use space

The project will further strengthen Kista's position as one of the Stockholm's best-known and most visited shopping centres

Zoning process not yet started



# TREKANTEN – UTILIZING THE POTENTIAL OF HIGHLY AFFLUENT ASKER

## TREKANTEN

Excellent location in the city center of the municipality of Asker (in the Oslo area) - highly affluent and growing catchment area

Excellent connections to the 5<sup>th</sup> busiest transportation hub in Norway

Extension plans aim to create a new urban street cityscape in the centre of Asker and improve the circulation at the shopping centre

Zoning process on-going



# OASEN – A MULTI-FUNCTIONAL DEVELOPMENT OPPORTUNITY IN A GROWING AREA IN BERGEN

## OASEN

Unique location in the growing neighbourhood of Fyllingsdalen in Bergen. Fyllingsdalen's population expected to grow by 50% by 2040.

New light rail line expected to run in 2022 from Oasen to Bergen City Center will make Oasen the transportation hub of the area and create natural footfall

Extension plans will make Oasen the city centre of Fyllingsdalen by incorporating mixed-use elements with retail, residential and offices.

Zoning process on-going



**THANK YOU.**