

STOCKHOLM CONSTRUCTION & INFRASTRUCTURE REPORT

PLANNED INVESTMENTS
IN THE STOCKHOLM REGION
2024–2040





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EXECUTIVE SUMMARY

This report of planned construction and infrastructure projects within the Stockholm region shows a total investment volume of €115 billion until the year 2040. This is a steady increase since 2019, when the investments were worth €111 billion. The largest investment share is in housing, with an investment volume of €59 billion, followed by infrastructure investments in railway, subway and light rail, with an investment volume of €18 billion.

Although the total investment volume is larger than in our last study, the economic conditions with high inflation, rapidly rising interest rates and even higher construction costs have led to a cooling down of the growth of new housing constructions in Sweden. The housing investments presented in this report, although large, are lower than in our previous report. On the upside for the construction industry however, there is an increase in investments in premises, properties, and facilities. Taken together with rising infrastructure investments, Stockholm region shows an increase in investment volume in total.

While construction projects are being planned throughout the whole region, there is a concentration of projects in central Stockholm. The expected volume of construction over the coming years largely exceeds what can be accomplished with the existing regional working force. The Stockholm County alone will be in need of approximately 30-40 000 construction workers in mostly manual labor trades. The large volume of investment in construction projects and the shortage of labor force provide great opportunity for international investors and construction companies to enter the regional market.

115

**STOCKHOLM REGION SHOWS
A TOTAL INVESTMENT
VOLUME OF €115 BILLION
UNTIL THE YEAR 2040**

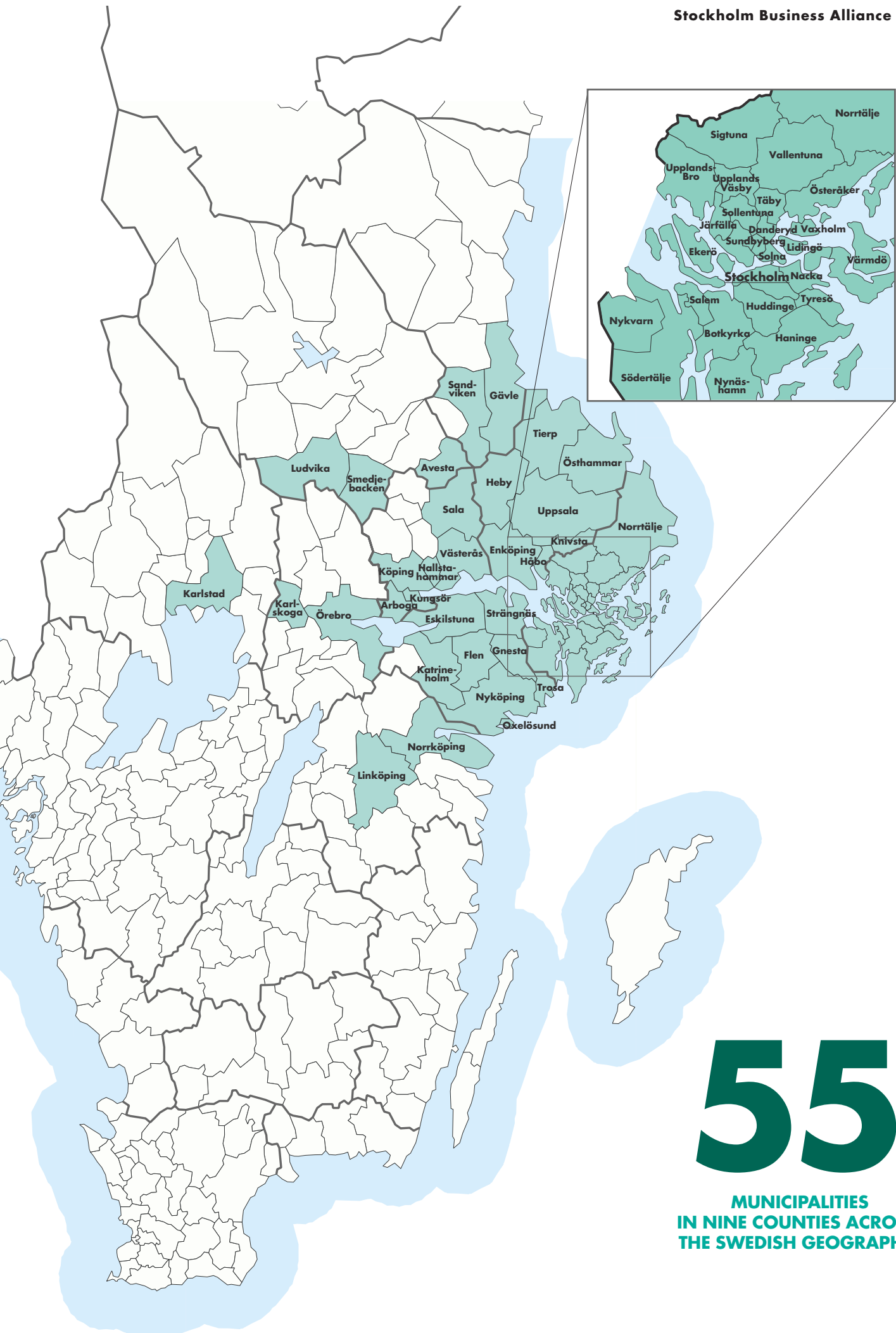
About the report

Investments are financial resources that increase the real capital in society. The growth of real capital is an important factor behind the rapidly rising material standard in industrial countries over the past few centuries. To a large extent, today's welfare is a consequence of yesterday's investment. Therefore, investments made today are the prerequisite for the growth and productivity of tomorrow. This report aims to provide an overview of the most important future investments within the Stockholm region. This report, commissioned by Stockholm Business Region and written by WSP AB, summarizes the most interesting and largest construction and infrastructure projects in the Stockholm region in the coming years. The report is updated every two years.

STOCKHOLM BUSINESS ALLIANCE

Stockholm Business Alliance (SBA) is a partnership between 55 municipalities in nine counties which focuses on attracting foreign investment to the region. Its common vision is to maintain the position as Europe's leading sustainable growth region. Stockholm Business Alliance is run by Stockholm Business Region. The municipalities within SBA will be referred to as the Stockholm region in this report.





55

**MUNICIPALITIES
IN NINE COUNTIES ACROSS
THE SWEDISH GEOGRAPHY**

BIGGEST STAKEHOLDERS: WHO IS WHO IN THIS REPORT?

Other than Stockholm Business Alliance there are a number of important stakeholders mentioned in this report, mainly in connection to in depth project presentations.

Four main types of stakeholders are frequently mentioned:

Regional authorities such as Region Stockholm, Region Uppsala and so on. Regional authorities are responsible for all publicly financed healthcare and public transport in their respective geographical areas. The Region Assembly is also responsible for other overall issues within the county, such as regional planning of infrastructure and regional housing planning.

Swedish Government agencies such as the Swedish Transport Administration (Trafikverket), the governmental agency responsible for the long-term planning of the transport system in Sweden.

Municipal/City authorities such as the City of Stockholm, the City of Uppsala and so on. Municipal authorities work to provide the citizens of their respective municipality with services such as local transport, housing and education among other things.

Real estate investors: The Swedish real-estate market in general consists of a mixture of different types of investors which are divided into categories. These categories have different purposes and goals with their investments and in many cases different financial structures. The main investor categories are listed property companies, private real estate companies and real estate funds, but there are also significant public and institutional investors. Below is a list of Members of the Stockholm Business Alliance real-estate network and a short-list of the biggest public real-estate owners in Stockholm. In coming chapters of this report, more detailed lists of the largest property owners in the largest cities of the SBA region are presented.

Members of the Stockholm Business Alliance real-estate network

AMF Fastigheter
Atrium Ljungberg
Bergsundet
Bonnier Fastigheter
Brabo Stockholm AB
Castellum
Einar Mattsson AB
Fabege
Fastighetsägarna Stockholm
Index Residence
JM
K2A
Maxera Bostad
Skanska Fastigheter Stockholm
Stena Fastigheter Stockholm
Titania
Vasakronan
Vectura
Wallenstam

The biggest public real-estate owners in the Stockholm area

Stockholmshem
Svenska bostäder
Familjebostäder
SISAB

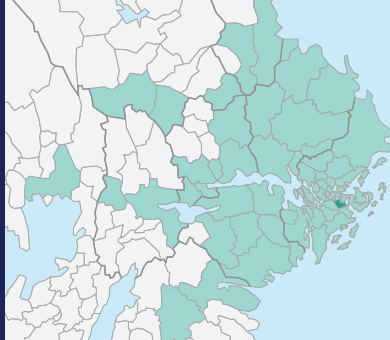


"THE DYNAMIC LANDSCAPE OF STOCKHOLM'S DEVELOPMENT, AND THE CANVAS OF OUR URBAN FUTURE UNFOLDS WITHIN THE INVESTMENT VOLUME TOTTALLING €115 BILLION BY 2040. WITH AN ESTIMATED 30-40,000 CONSTRUCTION WORKERS NEEDED, PREDOMINANTLY IN MANUAL LABOUR TRADES, WE ARE NOT MERELY BUILDING STRUCTURES BUT FOSTERING LIVELIHOODS, SHAPING COMMUNITIES, AND NURTURING THE ESSENCE OF OUR CITY'S GROWTH."



Staffan Ingvarsson
CEO Stockholm Business Region AB

PROJECT: STOCKHOLM WOOD CITY



Project type: City district development

Investment volume: €1 billion

Location: Sickla, Nacka Municipality

Phase: Planning phase

Stakeholders: Atrium Ljungberg



CREDIT: HENNING LARSEN



CREDIT: HENNING LARSEN

Stockholm Wood City is a project to be built in Sickla, which is located in Nacka municipality south of central Stockholm. The area extends over 250,000 square meters and is thus the largest known urban wood construction project in the world.

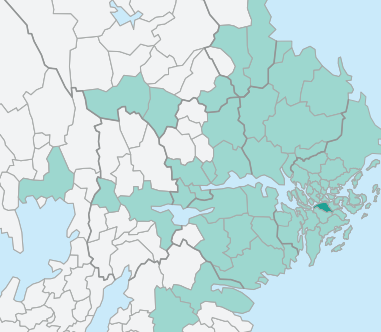
The area will offer a vibrant, urban environment with a mix of workplaces, housing, restaurants, and shops. Through innovative design, technology and a strong collaborative culture, a new standard is set for sustainable construction.

The new area houses additional 7,000 office spaces and 2,000. The first sod is planned to be turned in 2025 and the first buildings are expected to be completed in 2027.

Stockholm Wood City marks a new era for sustainable architecture and urban development. The advantages of wooden buildings include both environmental aspects as well as a positive impact on individual well-being. Previous studies shows that wooden buildings provide better air quality, reduce stress, increase productivity and store carbon dioxide throughout the time they are in use.

PROJECT: STOCKHOLMSHUSEN

1
 €
billion



Project type: City district development

Investment volume: €1 billion

Location: Stockholm

Phase: Under construction and in planning phase

Stakeholders: City of Stockholm, Stockholmshem, Svenska Bostäder and Familjebostäder



ILLUSTRATION: NYRÉN'S ARKITEKTKONTOR



CREDIT: GUSTAV KAISER

Stockholmshusen is one of Stockholm City's largest development projects with the goal of building thousands of new rental apartments. Approximately 3,300 new tenancies are to be created, divided into 25 different projects.

The aim of Stockholmshusen is to save time and reduce costs by repeating the design, building serially and working with overlapping processes. The houses are built with high demands on sustainability and efficient energy supply. The serial production of the houses, combined with the large volume, creates repetition effects and economies of scale that reduce costs over time and enable lower rental levels than new production in general.

The concept is in harmony with Stockholm's building tradition and incorporates smart new solutions, such as green roofs or the use of photovoltaic roofing.

STOCKHOLM – A MACROECONOMIC OVERVIEW

Among the fastest growing metropolises in Europe

Seen over the (pre-pandemic) period 2003-2019, Stockholm's gross domestic product (GDP) grew by an average of 3.7 percent per year. This makes Stockholm having one of the fastest growing economies among the 20 most competitive metropolitan regions in Western Europe, second only to Dublin – the fangs of the "Celtic Tiger" – and side by side with Berlin, a regional economy still strongly fueled by the tremendous amounts of public investments and private firm re-establishments that took place in the wake of the German reunification.

Projection: Stockholm maintains its top position

Among the 20 metropolitan regions in our comparison, Stockholm is expected to have the second highest population growth until the year 2040. Since long-term employment growth is determined by population growth, this implies that Stockholm has an important component in place to guarantee continued rapid economic growth.

You can get a rough prognosis of future GDP growth by combining expected future population growth and historic productivity growth. With this approximate forecasting method, Stockholm is projected to maintain its top position among the 20 most competitive metropolises in Europe, once again second only to Dublin.

Annual GDP growth 2003–2019

%, current prices (€), in the 20 most competitive metropolitan regions in Northern, Southern and Western Europe¹

Pos.	Metropolitan region	GDP
1	Dublin	5,8
2	Berlin	3,8
3	Stockholm	3,7
4	København	3,7
5	Bruxelles / Brussel	3,5
6	Helsinki	3,5
7	Amsterdam	3,5
8	München	3,4
9	Madrid	3,3
10	Antwerpen	3,2
11	Wien	3,2
12	London	3,1
13	Paris	3,0
14	Hamburg	2,6
15	Köln	2,6
16	Stuttgart	2,5
17	Milano	2,4
18	Düsseldorf	2,3
19	Frankfurt am Main	2,1
20	Roma	1,6
Mean value		3,1

Projection: Annual GDP growth 2022-2040

%, current prices (€)

Pos.	Metropolitan region	GDP
1	Dublin	4,6
3	Stockholm	3,1
3	Copenhagen	3,0
4	Brussels	2,9
5	Madrid	2,7
6	Paris	2,7
7	Amsterdam	2,7
8	Helsinki	2,6
9	Antwerp	2,5
10	Berlin	2,3
11	Vienna	2,2
12	Munich	2,1
13	London	1,9
14	Stuttgart	1,8
15	Milano	1,6
16	Cologne	1,4
17	Hamburg	1,4
18	Düsseldorf	1,2
19	Frankfurt am Main	1,2
20	Rome	0,5
Mean value		2,2

A balanced growth path

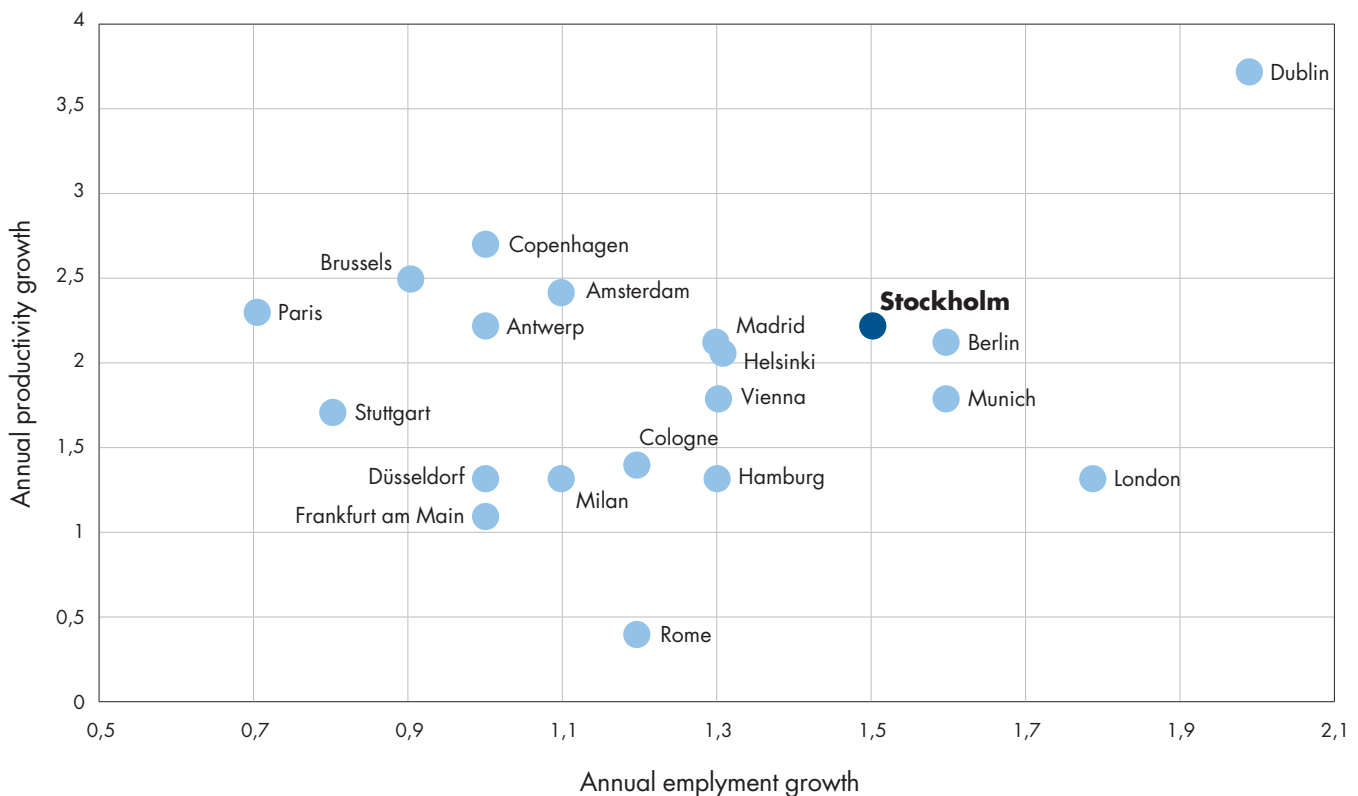
An economy can grow in two ways; either by increasing the number of hours worked or by having each employed person produce more per hour, i.e. through increased labor productivity.

Stockholm exhibits a good balance between these two sources of economic growth. From 2003 to 2019, employment grew by an average of 1.5 percent per year, while annual productivity growth amounted to an average of 2.2 percent.

An economy characterized by both high productivity growth and high employment growth tends to offer a less bumpy ride along the business cycle. If productivity growth for some reason suddenly falls sharply, the high underlying employment growth works as a cushion for the regional economy – and vice versa.

Annual productivity² and employment growth 2003-2019

%, in the 20 most competitive metropolitan regions in Europe



¹ The 20 most competitive regions in Northern, Southern and Western Europe have been identified based on (1) population, (2) level of productivity, and (3) whether the region encloses a capital city. The table excludes the region of CEE which in general has had a larger growth during the period but come from a starting point with lower economic prerequisites.

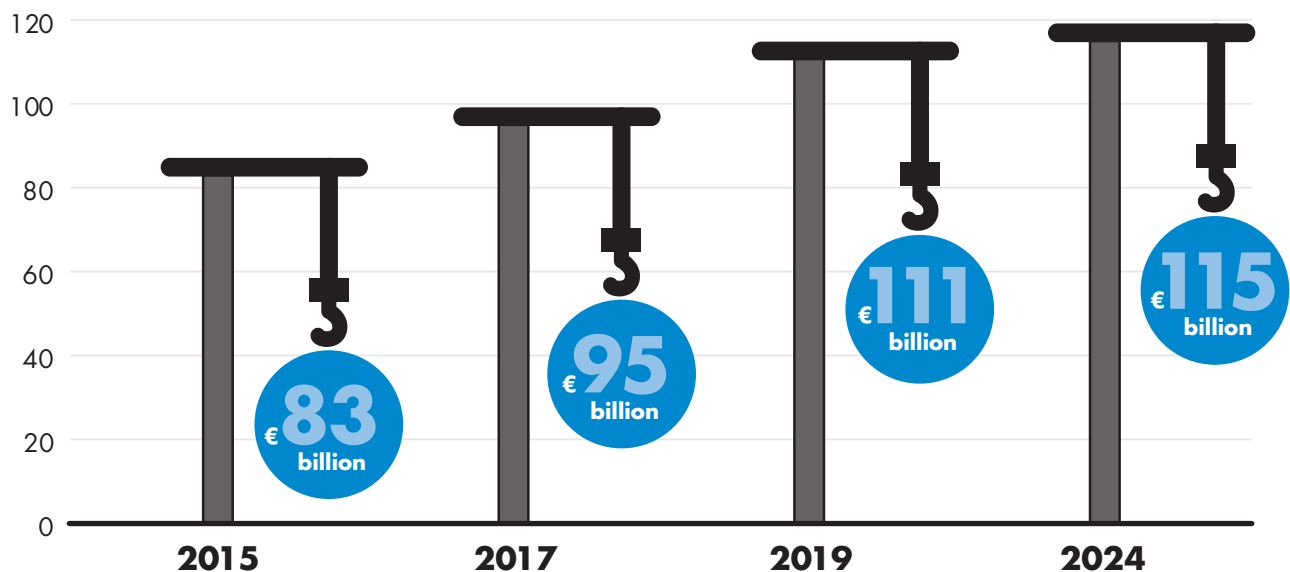
² Productivity is measured as GDP in current prices (€) per employed person.

"STOCKHOLM WOOD CITY IS THE BEGINNING OF A NEW ERA FOR SUSTAINABLE ARCHITECTURE AND URBAN DEVELOPMENT THAT WILL INSPIRE OTHERS, NOT ONLY IN SWEDEN BUT GLOBALLY."

Annica Ånäs
CEO at Atrium Ljungberg



A growing region



It's been said that one can measure the growth of a region by counting the number of construction cranes seen across the skyline and in Stockholm there are many. Stockholm is not only the largest metropolitan area in Sweden, it's also the fastest growing. With a rapid growth of people and businesses the need for new infrastructure, housing and workplaces is large.

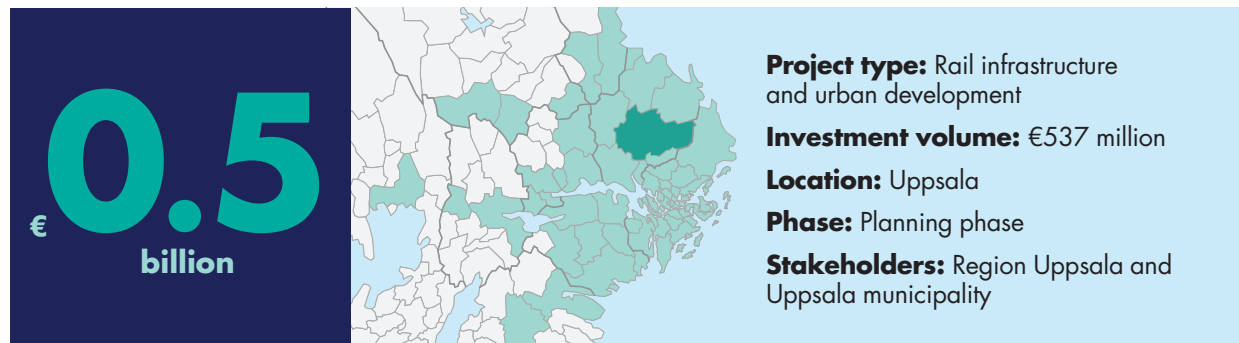
How large? A new study shows that the sum of the planned construction investments in the Stockholm region is worth €115 billion. Last time the study was conducted, in 2019, the sum was €111 billion, in 2017 it was €95 billion and in 2015 €83 billion. The region is not just growing, it's also growing fast.



"THE CONSTRUCTION OF NEW HOMES IS A PREREQUISITE FOR STOCKHOLM TO CONTINUE TO GROW, DEVELOP AND ATTRACT TALENT. AT LEAST 70,000 HOMES ARE TO BE BUILT IN THE COMING DECADE."

Oscar Lavid
Special Coordinator of Urban Development

PROJECT: UPPSALA LIGHT RAIL



CREDIT: WHITE ARKITEKTER



Vision of light rail in Uppsala

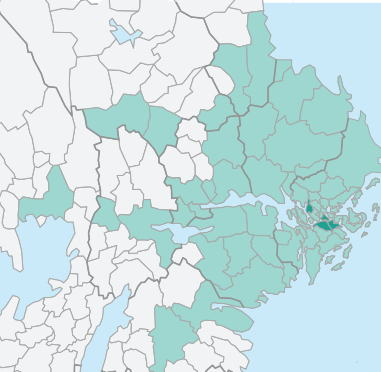
Commissioned by Uppsala City and Region Uppsala, **the light rail** is part of "Uppsalapaketet" which also includes two new railway tracks between Uppsala and Stockholm and new residential areas in the southern parts of the city. The route will be approximately 17 kilometers long and will have 22 stops including Uppsala Centre and Uppsala South. A modern light rail accommodates many passengers, is environmentally friendly and offers comfortable travel. It connects Uppsala's larger residential areas with large workplaces, provides a shorter journey time and a quieter urban environment. The amount of daily travelers is expected to be 80,000 at its future peak when the new residential areas are completed.



CREDIT: UPPSALA MUNICIPALITY

PROJECT: SUBWAY EXTENSION IN STOCKHOLM

5
billion



Project type: Subway extension in Stockholm

Investment volume: €4.8 billion³

Location: Stockholm

Phase: Under construction and in planning phase

Stakeholders: Region Stockholm, Trafikverket, the municipalities of Solna, Nacka, Stockholm and Järfälla



CREDIT: REGION STOCKHOLM

The subway extension consists of 18 stations and three miles of new tracks. The new subway enables the construction of 130,500 new homes for over 300,000 people.

In addition to extensions of the existing lines, a new line (yellow) is currently in the planning phase. The new subway line will stretch between Fridhemsplan and Älvsjö and connect the central and southern parts of Stockholm. This enables 48,500 new homes with

sustainable communications to be built. The line will provide new travel opportunities with flexible public transport hubs while reducing traffic on existing routes. The yellow line will consist of six new stations and travel time between the end stations is estimated to be 10 minutes. The start of procurement is set for 2025 and the line is planned to be completed and opened for traffic by 2034.

³ The investment volume is calculated at the price level from year 2016.

THE STOCKHOLM REAL ESTATE MARKET

Long term total returns clearly above average

Real estate market can be viewed as one of the ground pillars in a modern, competitive urban economy.

For the period 2003-2019, real estate total returns in Stockholm are estimated to be 9.4 percent p.a. This is clearly above the mean value of the 20 European metropolises included in our comparison.

Empirical literature reveals strong links between economic fundamentals and long term returns on real estate assets. Population and productivity growth (i.e. GDP-growth) tend to be the two main drivers that underpin the long-term development on the regional real estate market. In the light of this, and when considering the forecasted rapid GDP-growth, there are strong reasons to have high expectations on the real estate market in Stockholm.

Average real estate total returns

%, p.a. 2003-2019⁴

Pos.	Metropolitan region	Annual total returns
1	Berlin	11,3
2	Dublin	11,1
3	Bruxelles / Brussel	10,6
4	Hamburg	10,5
5	Roma	9,8
6	Milano	9,5
7	Stockholm	9,4
8	Paris	9,2
9	Köln	9,0
10	Düsseldorf	8,8
11	Antwerpen	8,7
12	Frankfurt am Main	8,6
13	London	8,5
14	Stuttgart	7,9
15	Helsinki	7,6
16	Wien	6,8
17	Amsterdam	6,7
18	København	6,5
19	Madrid	5,1
20	München	4,1
	Mean value	8,5

Source: Author's own calculations based on data from Eurostat and Office for National Statistics (UK)

The housing market and forms of accommodation

Most homes in Sweden are in apartment buildings, which in turn are primarily divided into two groups. Rental apartments (hyresrätt), mainly provided by public investments, and condominiums (bostadsrätt), mainly provided by private investments.

The main difference between a rental property and condominiums is that in the former, apartments are rented from a property owner (public or private), whereas in a condominium the property is jointly owned by those who live in the building via a condominium association (bostadsrättsförening). In a condominium building the association sets the fee-level. The rents for rental apartments on the other hand are set through negotiations between owners and the association of tenants and regulated by law, namely The Swedish Rental Agreement Regulations (Hyresregleringen).

Most rental properties are found in Stockholm County, where 21 percent of all Swedish rental properties are located. Similarly, most condominiums are also found in the Stockholm County where 39 percent of all Swedish condominiums located here. The City of Stockholm's ambition is to plan future housing construction as a 50/50 division between rental apartments and condominiums.

Top real-estate owners in the Stockholm region's largest cities

STOCKHOLM MUNICIPALITY	Number of properties	Total assessed value €
1 Stockholms kommun	2 164	14 076 607 674
2 Vasakronan	60	4 848 797 694
3 AMF Fastigheter	23	3 001 105 877
4 Hufvudstaden	34	1 922 942 204
5 Stockholms kooperativa bostadsförening	141	1 759 197 694
6 Afa Fastigheter	33	1 336 349 523
11 Olov Lindgren	115	1 265 256 420
8 Faberge	36	1 225 452 207
9 SEB	42	1 160 410 912
10 Castellum	59	1 137 220 758

Source: Property Intel (tidigare Datscha)

Top 10 reale-estate owners in:

ÖREBRO MUNICIPALITY	Number of properties	Total assessed value €
1 Örebro kommun	1 546	2 113 991 572
2 Castellum	47	320 633 400
3 Lokalhusman Förvaltning AB	45	260 798 048
4 Behrn Fastigheter	64	236 227 811
5 Förvaltnings AB Enen	37	151 191 927
6 Asplund Fastigheter	20	128 786 605
11 LG Söderberg Fastigheter	19	112 437 614
8 Fastighetsbolaget systrarna Ekström	45	108 925 083
9 Nyfosa	17	74 417 742
10 Karaffen Förvaltnings AB	46	73 091 861

NORRKÖPING MUNICIPALITY	Number of properties	Total assessed value €
1 Norrköpings kommun	1 099	1 105 128 499
2 L E Lundbergföretagen	58	723 100 998
3 Alecta	48	341 003 593
4 Rikshem	38	311 573 298
5 Victoriahem	7	186 695 764
6 Eklöf Fastighets AB Norrköping	61	159 891 062
11 Castellum	21	105 078 465
8 HSB Östra	44	100 721 579
9 Magnentus	18	93 955 023
10 Lantmännen	14	80 179 552

VÄSTERÅS MUNICIPALITY	Number of properties	Total assessed value €
1 Västerås kommun	864	1 081 086 272
2 Castellum	41	350 502 462
3 Ikea	2	135 817 254
4 Rikshem	21	108 310 135
5 Ikano Bostad	17	108 253 892
6 SBB	35	63 865 602
11 Bostjärnan AB	27	63 851 763
8 Erik Selin Fastigheter	9	60 725 216
9 VS-hus AB	21	59 819 916
10 Bostadsstiftelsen Aroseken	26	59 387 980

UPPSALA MUNICIPALITY	Number of properties	Total assessed value €
1 Uppsala kommun	1 379	2 374 115 857
2 Rikshem	100	578 183 810
3 Vasakronan	25	465 243 735
4 Atrium Ljungberg	6	244 100 954
5 Alecta Fastigheter	25	213 655 711
6 Gustavianska stift vid Uppsala akademi	68	194 162 165
11 Skandia Fastigheter	9	175 155 112
8 Castellum	27	171 258 106
9 Stena Fastigheter	10	145 003 593
10 Stiftelsen Västmanland-Dala nations studentbostäder	5	116 285 207

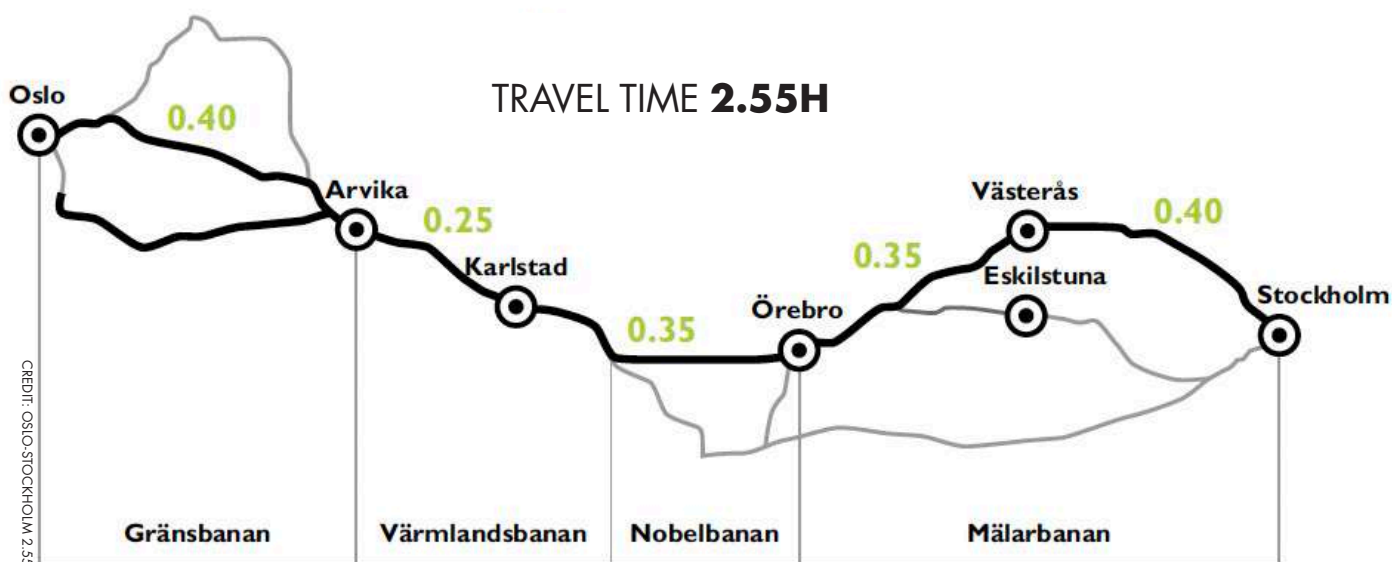
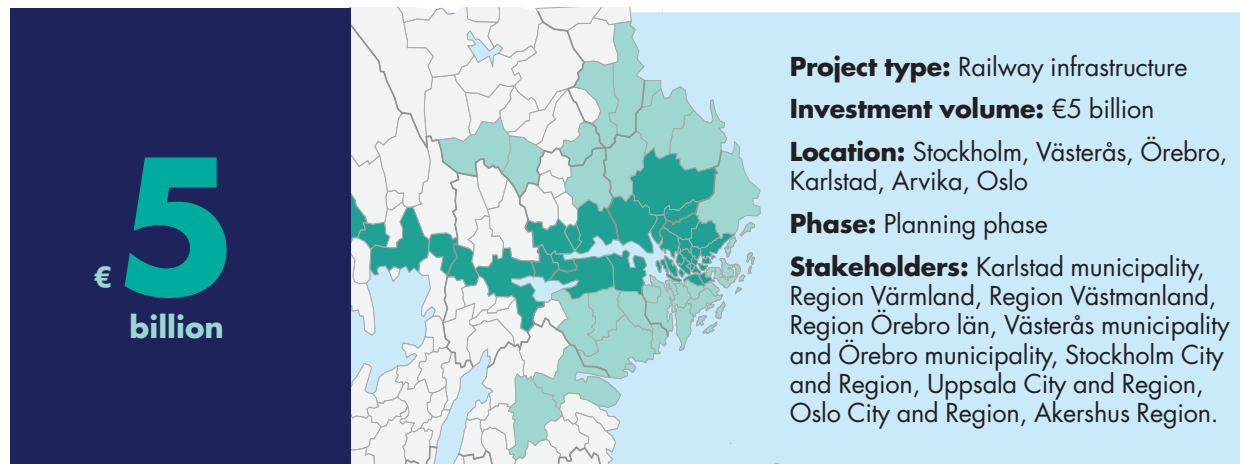
LINKÖPING MUNICIPALITY	Number of properties	Total assessed value €
1 Linköpings kommun	1 234	2 038 506 542
2 Willhem	30	330 773 120
3 L E Lundbergföretagen	14	257 043 690
4 Castellum	25	193 528 853
5 Botrygg	60	184 938 301
6 Vonovia	2	164 917 277
11 Alecta	37	146 789 709
8 Mannersons Arkadien	46	144 871 235
9 Investor AB	2	129 870 836
10 HSB Östergötland	19	128 631 980

SOLLENTUNA AND UPPLANDS VÄSBY MUNICIPALITY	Number of properties	Total assessed value €
1 Sollentuna kommun	930	679 685 873
2 Upplands Väsby kommun	306	474 315 458
3 Alecta	6	142 133 511
4 Brf Solhjulet	26	66 575 915
5 Brf Platån	14	60 494 833
6 Grosvenor	1	54 220 448
11 Stena Fastigheter	6	51 732 269
8 Brf Töjnan	11	51 310 712
9 Rikshem	6	45 129 741
10 HSB Smedby i Upplands Väsby	8	42 317 587

Source: Property Intel (tidigare Datscha)

⁴ The estimation is based on Regional Economic Accounts data for the corresponding NUTS 2-region, with a break down on NACE industry level, in this case "L; Real Estate activities". Total returns have been calculated by combining regional and in some case national data on value added, compensation of employees, gross fixed capital formation and depreciation rate.

PROJECT: OSLO-STOCKHOLM 2.55



Oslo-Stockholm 2.55 is Scandinavia's most profitable railway project. The project is about strengthening the connection between two capitals in Scandinavia at a distance of just over 40 miles – a route through Sweden's most populous area where nearly 3.5 million people live and a link between two of Europe's currently fastest growing cities, uniquely connected in trade, business and culture.

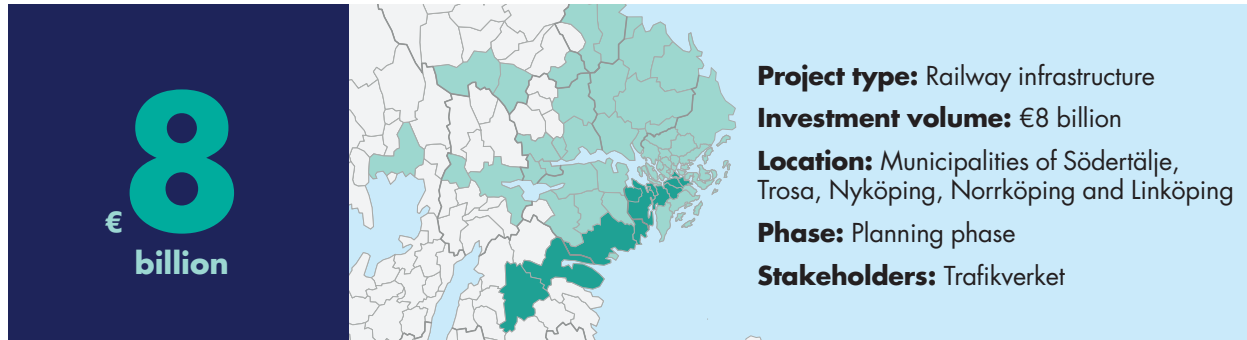
With improvements of today's infrastructure and a couple of new links, a journey time of 2 hours 40 minutes could be achieved. With four or five stops along the way, a regular train with a speed of up to 250 km/h manages a journey time of under three hours. Improvements of the infrastructure would also improve the possibilities for freight traffic on the route.

"THE INVESTMENT IN A FASTER CONNECTION BETWEEN OSLO AND STOCKHOLM IS THE RAILWAY PROJECT WITH THE GREATEST COMMERCIAL POTENTIAL IN SCANDINAVIA."

Jonas Karlsson CEO
AB Oslo-Stockholm 2.55



PROJECT: THE EAST LINK



The East Link is an approximately 16 km long new double track railway between Järna and Linköping. With large cities such as Nyköping, Norrköping and Linköping along the route, existing tracks are being used to their full capacity today while the needs from growing commuter numbers and the logistics sector are rising. The East Link will enable more trains and contribute to larger labor market regions, smoother work commuting and regional development.

The maximum travel speed on the new railway will be 250 km/h and 25 percent of the rail track will run on bridges or in tunnels. In total over 200 new bridges and 30 tunnels of various length are planned along the route.

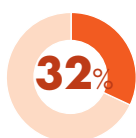
The project planning for most of The East Link is ongoing. Construction is scheduled to start in 2024 and the railway will open to traffic in 2035.

A COMPARISON BETWEEN MUNICIPALITIES

60%

**THE CONSTRUCTION
PROJECTS IN THE
EIGHT MUNICIPALITIES
DESCRIBED MAKE UP
ABOUT 60% OF THE TOTAL
PLANNED CONSTRUCTION
INVESTMENTS IN THE
REGION WHICH IS
WORTH €115 BILLION**

Construction projects are planned throughout the whole Stockholm region. While the largest chunk unsurprisingly is in the regional center, Stockholm City, large parts of the infrastructure investments span from Stockholm to the outskirts of the region and large development projects are planned in all of the larger cities. Some of them are connected through the railway projects presented earlier in this report.



Stockholm – €37.3 billion

Stockholm attracts almost a third of the region's total investment. There are both large residential projects as well as infrastructure projects planned in Stockholm. Among other important investments, large parts of the Subway Extension (page 14) are located in Stockholm City.



Uppsala – €6.1 billion

Uppsala, the fourth largest city of Sweden, has the second largest planned investment volume in the region. This is to a great extent the result of large development projects, such as the Uppsala Light Rail project (page 11) and the residential areas built in connection to it.



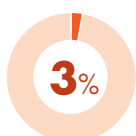
Norrköping – €6.2 billion

Norrköping, a medium sized town south of Stockholm, has big plans for residential development. Large part of The East Link railway run through the city and its suburbs and a new station with surrounding residential areas and office building are in the planning phase.



Huddinge – €3.8 billion

Huddinge, a municipality just south of Stockholm, has the third largest planned investment volume in the region. Part of "Railway South", a new light rail line, will run through its area.



Västerås – €3.7 billion

Västerås, a medium sized town west of Stockholm is growing rapidly and is planning for more housing units, such as the "Mälärporten" project worth €264 million.



Karlstad – €3.0 billion

Karlstad is a medium sized town in-between Stockholm and Oslo, the capital of Norway. The city is an important hub in the development of the Oslo-Stockholm 2.55 railway.



Örebro – €3.0 billion

Örebro, also a medium sized town in-between Stockholm and Karlstad (above) on the route to the capital of Norway (Oslo) is also linked to the Stockholm-Oslo:2.55 project on page 18.



Järfälla – €2.6 billion

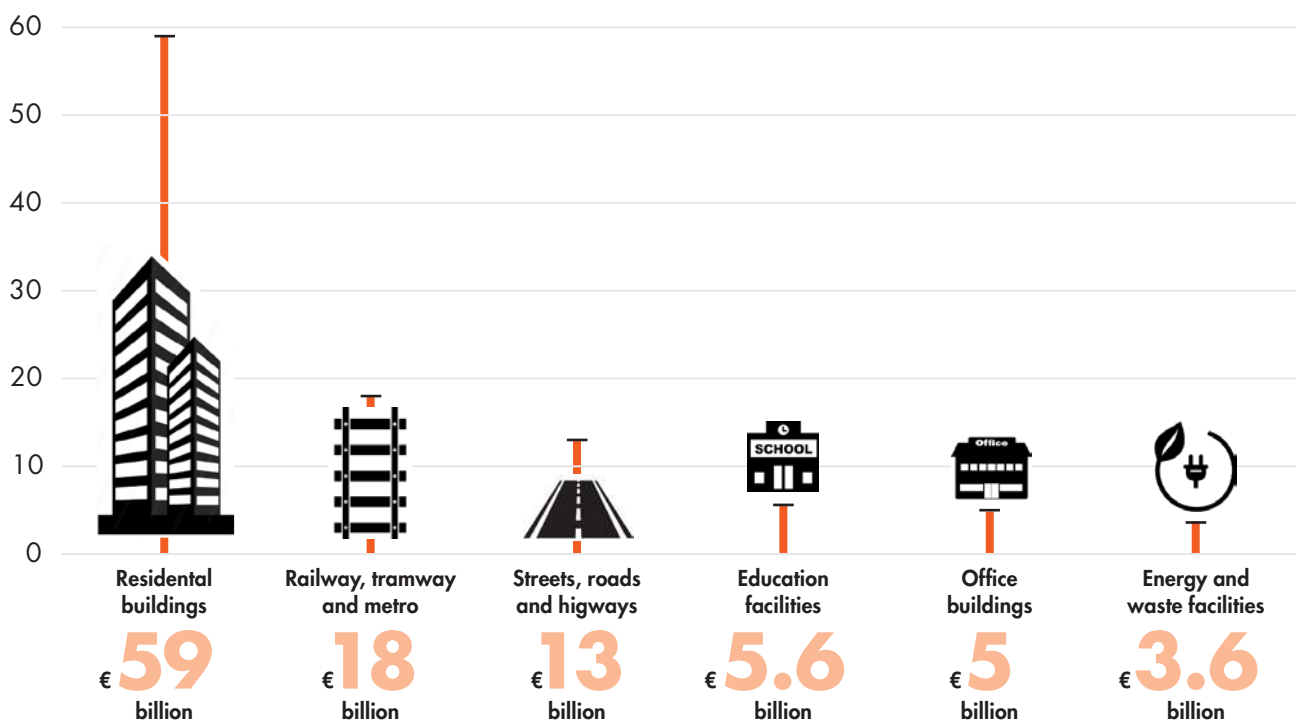
Järfälla, a municipality north of Stockholm, has undertaken a huge residential development project, putting it among the region's top municipalities regarding investment volume. A new end station for the Stockholm subway is planned here.

HOUSING AND INFRASTRUCTURE AT THE TOP OF THE AGENDA

With an increasing population and expanding labor market, infrastructure investments and planning of residential construction has been high up on the agenda. So high, that the government of Sweden has made a deal with local authorities to invest heavily in regional infrastructure in exchange for large scale planning of new residential areas at a local level. The results of this deal are visible in the quantity and size of the region's investments in urban development projects. More than half of total investments are in residential buildings. Slightly more than one fourth of the planned investments are in transportation, logistics and infrastructure, such as the extension of the subway system, extension and capacity increase of the railway system and several large highway projects. The last part is made up of investments in industrial complexes, office buildings and workplaces as well as public services, public space and commercial buildings to service the growing population.

Planned investments until 2040

Division into categories



SKILLS SUPPLY PROFESSIONS AND OCCUPATIONS FORECAST

The planned construction projects require a workforce that is larger than what the region can supply. According to forecasts made by Statistics Sweden, almost 30,000 new workers from construction-related disciplines will be needed by 2035. The largest deficit is for engineers with an estimated shortage of almost 12,000 by 2035. The forecasts predict a deficit of more than 11,000 construction workers in Stockholm County by 2035.

Supply, demand and deficit year 2035

Forecast made by Statistics Sweden

Profession	Supply 2035	Demand 2035	Difference
Construction workers	28,856	40,279	-11,423 (-28 %)
Electricians	36,875	38,410	-1,535 (-4 %)
Transport workers	28,048	30,561	-2,513 (-8 %)
Heating, ventilation, sanitation etc./ Operation, maintenance and energy technology	7,471	8,706	-1,235 (-14 %)
Architects	3,253	3,586	-333 (-9 %)
Engineers	123,008	134,669	-11,661 (-9 %)



PHOTO: FONDAFOND



Construction workers

Statistics Sweden predicts a demand deficit of 11,423 construction workers in the region by the year 2035. The forecast predicts a supply of less than 30,000 construction workers while more than 40 000 will be needed in total. The construction sector is one of the largest industries in the county and the demand will increase even further in the future, according to Region Stockholm⁵. Despite investments in labor training in the construction sector, i.e. through adult education and vocational training, the supply of construction workers is not expected to meet the demand in the future. Demand is estimated to increase by 60 percent until the year 2035⁶.



Electricians

The rapid growth of electricity intensive industries (i.e. with establishment of Microsoft in Gävle and Sandviken and Hitachi in Ludvika leading the way), is increasing the competition for skilled electricians in the region. Statistics Sweden predicts a demand deficit of 1,535 electricians in the Stockholm region; the difference between supply and demand is 4 percent. The supply is expected to increase by 5 percent and at the same time the demand is forecasted to increase with 15 percent, therefore, the forecast predicts a risk of a continued shortage in 2035.



Transport workers

A growing region and economy creates a large demand for transportation of both goods and materials. The large investments in construction and infrastructure in the region themselves generate a huge demand for transportation services. Statistics Sweden predicts a demand deficit of 2 513 transport workers and a predicted supply and demand deficit of 8 percent. Already today there is a shortage of transport workers and the supply is not expected to increase, further widening the gap.



Heating, ventilation, sanitation etc. Operation, maintenance and energy technology

The quantity and size of the region's investments in urban development projects and housing will spur a demand for skilled labor within facility operations and maintenance. Statistics Sweden predicts a demand deficit of 1,236 people working in the heating, ventilation and sanitation sectors or in operation, maintenance and energy technology. The predicted difference between supply and demand is 14 percent.



Architects

Statistics Sweden also predicts a demand deficit of 333 architects. This is in relative numbers a much smaller group compared to others, however the predicted supply and demand deficit is almost 10 percent.



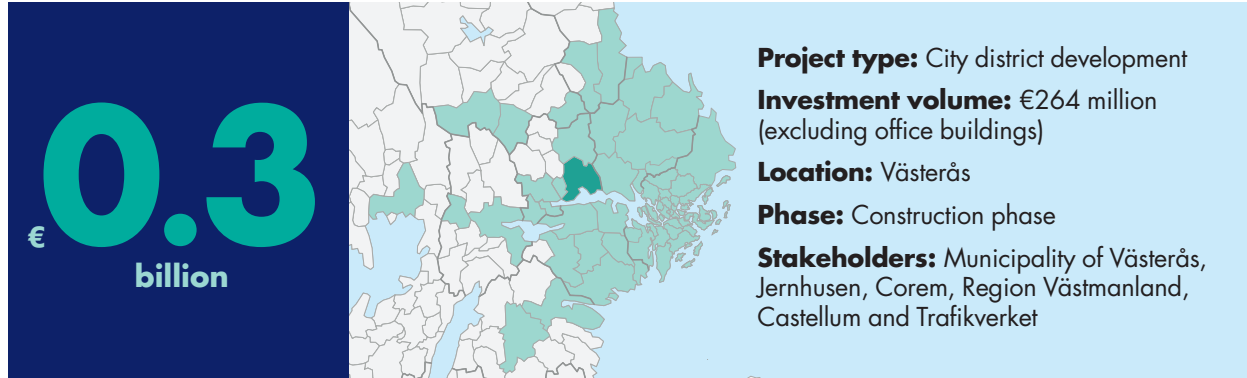
Engineers

The combination of large infrastructure, residential buildings and energy and waste facility investments will affect the demand for engineers from a wide range of specializations. The infrastructure and construction sector is a large employer of engineers and Statistics Sweden predicts a demand deficit of almost 12,000 engineers, including several types of engineers such as civil, industrial and electrical engineers. A total supply and demand deficit of 9 percent for engineers seen as a whole group is expected by 2035. There are large differences between different types of engineering; with a supply and demand deficit of 31 percent for those engineers with a BEng degree.

⁵ <https://www.regionstockholm.se/contentassets/14bc92833a5946e3817d5bb9ceb9ab63/prognos-byggbildning-2.pdf>

⁶ <https://www.regionstockholm.se/contentassets/14bc92833a5946e3817d5bb9ceb9ab63/regional-utbildnings--och-arbetsmarknadsprognos-stockholm-2035.pdf>

PROJECT 7: MÄLARPORTEN



CREDIT: VÄSTERÅS MUNICIPALITY

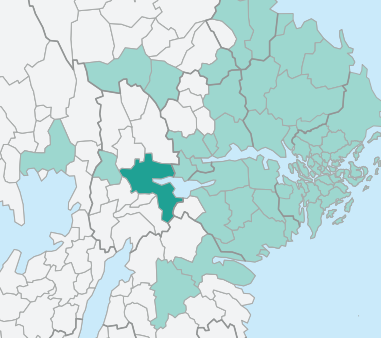
In an area of almost 100 hectares between the city and Lake Mälaren in Västerås, old industrial sites are being cleaned up to create new housing, services, workplaces and green areas. It is planned for 7,000 new homes, 10,000 workplaces, parks and green areas, preschools, schools and services. Some parts have already been built and the entire project is expected to be completed between 2045 and 2050.

Mälärporten is one of several urban development projects underway in the city. What makes Mälärporten stand out is, among other things, that it is so large and complex, and that the area is to build the city together as the surrounding neighborhoods have already been developed and established.

PROJECT 8: ÖREBRO SÖDRA

0.2

€
billion



Project type: City district development close to station

Investment volume: €194 million

Location: Örebro

Phase: Planning phase

Stakeholders: Municipality of Örebro and Trafikverket



CREDIT: ÖREBRO MUNICIPALITY

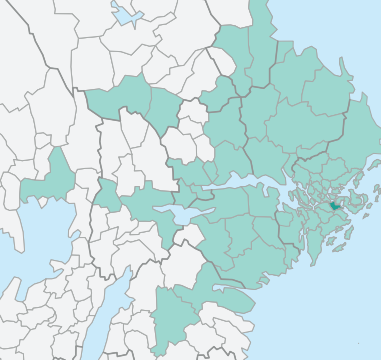


Örebro Södra is one of two railway stations in Örebro. Planning is underway for new infrastructure in the form of improved rail capacity and new connections between the west and east sides of the city. A total of approx. 45,000 square meters of commercial space can be built in the form of offices, hotels, station premises and other commercial activities. The investment volume for the infrastructure is estimated to 700 million SEK and the investment for offices and other properties are estimated to 1.5 billion SEK.

Traveling by train is expected to double by 2040, partly as a result of Oslo-Sthlm 2.55. A developed Örebro Södra will both facilitate regional travel and become the node in a new commercial center for the city of Örebro.

PROJECT 9: NORRKÖPING

0.6
 €
 billion



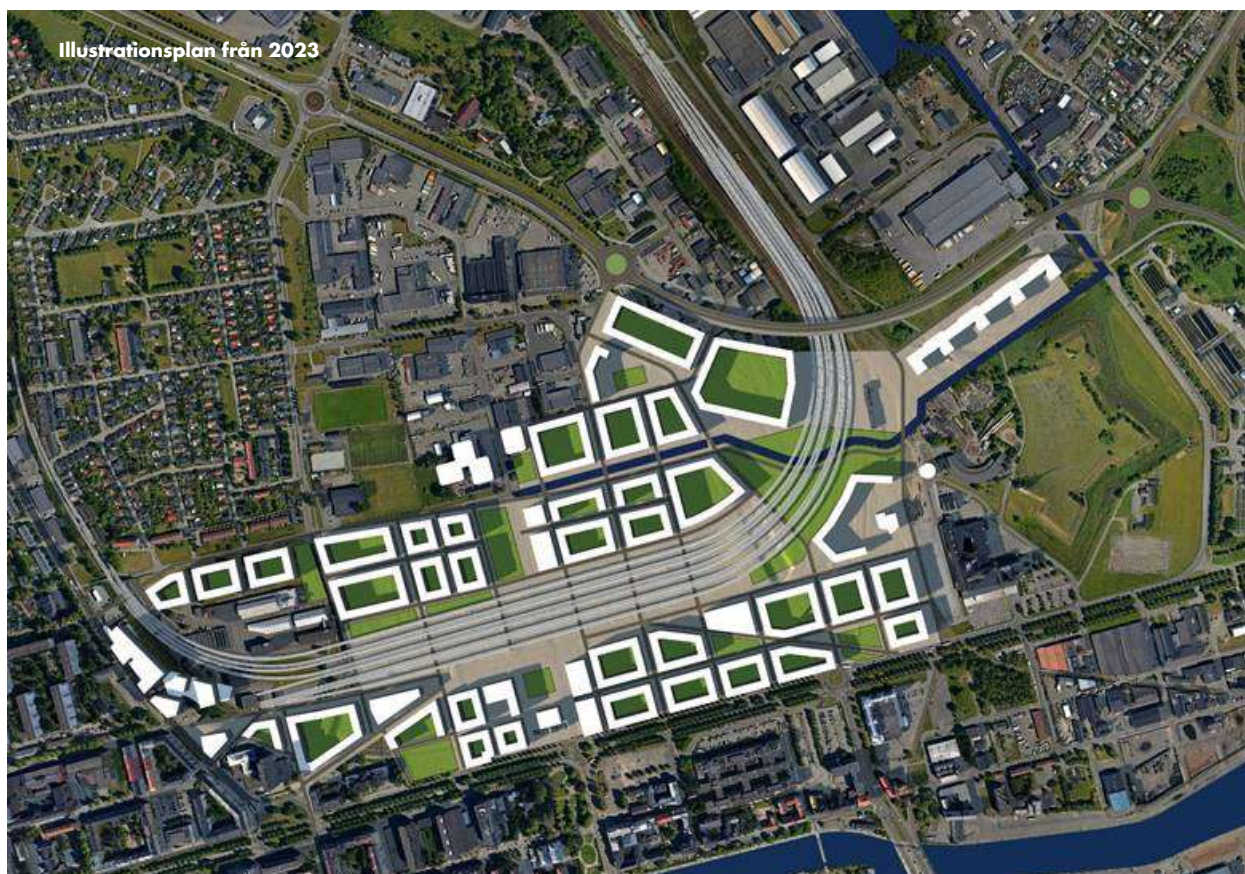
Project type: City development and new central station

Investment volume: €62 million

Location: Norrköping, Butängen and Johannisborg

Phase: Planning phase

Stakeholders: Municipality of Norrköping in cooperation with Trafikverket and Jernhusen




CREDIT: NORRKÖPING'S KOMMUN

A consolidated basis for investments that the municipality of **Norrköping** plans in connection with The East Link and urban development in Butängen. In addition to the investment items listed in the box, a lot of streets and more will be built that are connected to the development projects. Right now, both a project competition for the station and the surrounding area

and an extensive preliminary design for the surrounding district are underway. The cost estimates will be updated after the preliminary design is completed.

In addition to functions linked to the exchange point (stops and parking), the project also includes roads (car, tram and bicycle), city parks, squares and stormwater channels.



"THE CONTINUOUS INFLUX OF NEW PROJECTS REQUIRES A GROWING TALENT POOL FOR THE CONSTRUCTION SECTOR. WE ARE ACTIVELY WORKING WITH COMPANIES IN THE INDUSTRY TO MINIMIZE THE GAP BETWEEN SUPPLY AND DEMAND."

Alicia Parvin

Project manager, Talent attraction,
Stockholm Business Region

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