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The Annual Convention of Property Investment Prospects evaluates the Finnish Property Market



The Annual Convention of Property Investment Prospects stems from the reality of the Finnish real estate market and its themes, and focuses on following the main flow of the industry. The year 2009 was challenging for both the Convention and the market.

The volume of transactions was EUR 4 billion in 2008. It showed a decline of about 32 percent compared to the previous year. The year started briskly, but activity slowed down quite dramatically towards the end of the year. In 2009 the market remained relatively quiet and the outlook for 2010 is still uncertain and likely to decrease rather than increase in volume.

The financing of the real estate investments has traditionally been organised through Finnish banks. The last few years saw several new international specialised players enter the property finance market. However, the current crisis slowed the financing dramatically, and some of those new players reacted quickly and withdrew from the market.

Professional asset and property management services have been widely available in the Finnish property market since the early 2000s. Currently the major players are both traditional Finnish companies as well as major international companies such as Jones Lang LaSalle and DTZ.

What is the Annual Convention of Property Investment Prospects?

The Annual Convention of Property Investment Prospects is a business event for Finnish real estate, facilities and construction professionals. It is a one-and-a-half-day seminar that once a year brings together under the same roof executives and experts in investment, financing, real estate development, construction, the public real estate sector, including urban development, advisors, and service providers. Furthermore, it brings together various real estate clients who represent commercial, residential or corporate real estate sectors or occupiers.

“A successful convention programme takes up the topics and tries to find new solutions and unexpected points of view while building on the existing reality.”



Professor Kjell Nordström, Stocholm School of Economics presented his visions of real estate capitalism in the Annual Convention.

The promise and how to fulfil it

Creating the programme for the Annual Convention is always a challenge. How can one know in the spring what will be the most important topic in November? How can one make a promise that will live up to the expectations and attract the clients to make the decision and attend the Convention year after year? And even more importantly, how should one fulfil that promise in November later that year?

To ensure that the topics are relevant, the programme is planned together with a board of experts representing significant players from all the real estate sectors in Finland. The themes always arise from the

minds and experiences of the people in the core of the industry. Since the real estate market follows the capital market in general and has crossed national borders, the questions in Finland are the same as the questions occupying minds internationally. A successful convention programme takes up the topics and tries to find new solutions and unexpected points of view while building on the existing reality.

The real estate business has become more and more client-oriented, and the role of services and end-users is increasing. Instead of being just a place for owners, investors, financiers and developers discussing among themselves, the Annual Convention has also become a place where

the real estate business can be looked at more broadly. The business of our clients affects our business, so we need to listen to them carefully.

Going international

The origin of the Convention in its present form was at the beginning of the 1990s, when the big economic crash in Finland forced the institutional and commercial investors and developers to rethink the property business. During the following decade's stable growth of real estate industry and national economy the number of participants at the Annual Convention also grew significantly, from around 200 to 600 by 2008. As the national market showed high activity at all levels, the international players became interested and took over almost 2/3 of the real estate investment market. In that situation, it was only logical for the Annual Convention to go international. At the peak in 2007, there were about 100 foreign professionals attending the international programme of the Convention.

The programme in 2009

The year 2009 was different in many ways. The financial crisis was hitting the market and uncertainty dominated the estimates and economic forecasts. The main theme of the Annual Convention 2009 was to create and find answers to the main question, not just in the real estate market but in the economy in general. The industry leaders and most prominent economists brought forward the question: "Where are the sources of the new growth?"

The first part of the seminar looked into the significance of experience and business instinct for success. The second part went straight to the main theme concentrating on structural change: so far the growth has always been generated by traditional industry, be it paper, steel or machinery. The change is well on its way; heavy industry is losing its leading position as the main driver of the economy to new technology-based companies, which will hopefully follow in Nokia's footsteps.

The term Northern Dimension covers north-western Russia, Finland, and the other Scandinavian countries. It forms an economic zone with over 30 million consumers. That is why the real estate market of the area is one of the main topics at the Annual Convention as well.

Reading silent signals – the challenge of 2010

What will come after the financial crisis? Is it over yet? Is the financial support given by the central banks to the commercial banks enough to stabilise the financial markets? Or did it in fact give support to a system that did not function properly and whose structures remain unchanged?

Energy efficiency and low carbon goals are spreading through every aspect of the economy, and real estate is no exception. The new tighter regulation is affecting

the industry by forcing the development of sustainable urban and construction solutions. Is the industry ready for this so soon after the financial crisis? And are the clients ready for it? Where will the money come from? Do we need to accept the ever-rising costs or would it be possible to create alternative low-cost solutions within the real estate industry?

There are a lot of questions without proper answers. Our challenge is to create an atmosphere of real dialogue between top professionals and to open minds towards new heights where the solutions, still unknown, might exist. The Annual Convention of Property Investment Prospects 2010 needs a bold attitude and courage.

Welcome to Finland to attend the Convention and to meet Finnish professionals!

Kiinko Real Estate Education – www.kiinko.fi



Teknologiasta tuotteeksi -award seremony: Mika Halttunen, Chairman of the Board of Halton Group Ltd. hands out the award to Vallox Oy (Managing Director Rauno Mäkelä (to the right) and Director of Sales Olavi Suominen)



Annual Convention of Property Investment Prospects 2009 in brief

487 participants from Finland, Sweden, Denmark, Germany, Russia, Luxembourg and Great Britain
26 speakers from Finland, Sweden and Russia.

Networking

Networking is an opportunity for companies to present themselves to their clients in an informal and relaxing setting. It resembles a mini fair, with carefully chosen visitors. Since the facilities are quite limited, it can accommodate only 18 stands.

Themes

- How to succeed by experience and instinct
- Has the financial market the ability to support the structural change of heavy industry?
- Investing in real estate and financing it
- Sustainable development from the point of view of service providers
- Commercial trends and locations
- Sustainable and affordable housing solutions
- Investment climate in the Helsinki metropolitan area and in Russia, with focus on St Petersburg
- Real Estate Capitalism
- Visions and forecasts – the 'how' of growth