



# CONSTRUCTION INVESTMENT IN THE STOCKHOLM REGION 2015 - 2025



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### Contributors

Buyer: Stockholm Business Region  
Development AB

Contact person: Erik Krüger

Commission manager: Robin Svensén

Quality reviewer: Sarah Bragée

### Tyréns AB

118 86 Stockholm  
Visiting Address: Peter Myndes Backe 16

Phone: + 46 (0)10 452 20 00  
[www.tyrens.se](http://www.tyrens.se)

Domicile: Stockholm  
Corp. reg. no. 556194-7986

Author: ROBIN SVENSÉN, CARL LJUNG

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Document reviewed by: SARAH BRAGÉE

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## Summary

The 54 partner municipalities of the Stockholm Business Alliance plan a total of SEK 880 billion in building investments to the year 2025. This is a significant increase from 2012 when the same study was last conducted, when investment levels were SEK 500 billion.

Investment in residential and infrastructure projects are the largest portion of the investment volume for 2015, increasing the most since 2012.

The largest single location for this investment is in the City of Stockholm, followed by central Uppsala. Next come municipalities in Stockholm County: Nacka, Solna, Huddinge and Sigtuna. Other larger cities where significant investments are planned include Norrköping, Gävle, Nyköping, Örebro and Eskilstuna.

Stated in terms of employment, the planned investment for these years next equals 499,000 annual work units – if all the planned projects become reality.

The largest single planned projects include include *Ostlänken (Bypass motorway)*, double rail track between Gävle-Sundsvall, *Förbifart Stockholm (Stockholm Bypass)*, *expansion of the Stockholm Metro*, and *expansion of terminals 5 and 2 at Arlanda Airport*.

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## 1 Background

In 2012, Tyréns conducted a survey of planned investment in the Stockholm region (as defined below) to 2020. That study used statistics from *Sverige bygger* (Sweden Building) as well as telephone interviews and data from Statistics Sweden.

In February and August 2014 Tyréns made a simpler update of this information from *Sverige bygger*. On reviewing several construction projects, Tyréns found that the average size of these had changed in these two years. The rate of change was used to estimate the total investment volume – which included projects with unspecified costs that were assigned standardised values.

## 2 Implementation

Tyréns is now now conducting a broader review using the same methodology as originally in 2012. For this, Tyréns first supplemented the *Sverige Bygger* database with interviews of project managers in the municipalities, and then estimated investment volumes using standard values. The use of standard values for this was also more advanced than the method used for the less detailed updates from 2014. Finally, Tyréns judged how many *jobs* these construction investments could bring.

## 3 Delimitations

Tyréns used statistics from *Sverige bygger* and took excerpts from partner municipalities in Stockholm Business Region, which we combine in the designation 'the Stockholm Region' (see Table to the right). Tyréns has delimited their analysis to projects up to and including 2025.

Stockholm Business Alliance Partner Municipalities		
Arboga	Kungsör	Strängnäs
Botkyrka	Köping	Sundbyberg
Danderyd	Lidingö	Surahammar
Ekerö	Ludvika	Södertälje
Enköping	Nacka	Tierp
Eskilstuna	Norrköping	Trosa
Flen	Norrtälje	Tyresö
Gnesta	Nykvarn	Täby
Gävle	Nyköping	Upplands Väsby
Hallstahammar	Nynäshamn	Upplands-Bro
Haninge	Oxelösund	Uppsala
Heby	Sala	Vallentuna
Huddinge	Salem	Vaxholm
Håbo	Sigtuna	Värmdö
Järfälla	Smedjebacken	Västerås
Karlskoga	Sollentuna	Örebro
Katrineholm	Solna	Österåker
Knivsta	Stockholm	Östhammar

## 4 Methodology

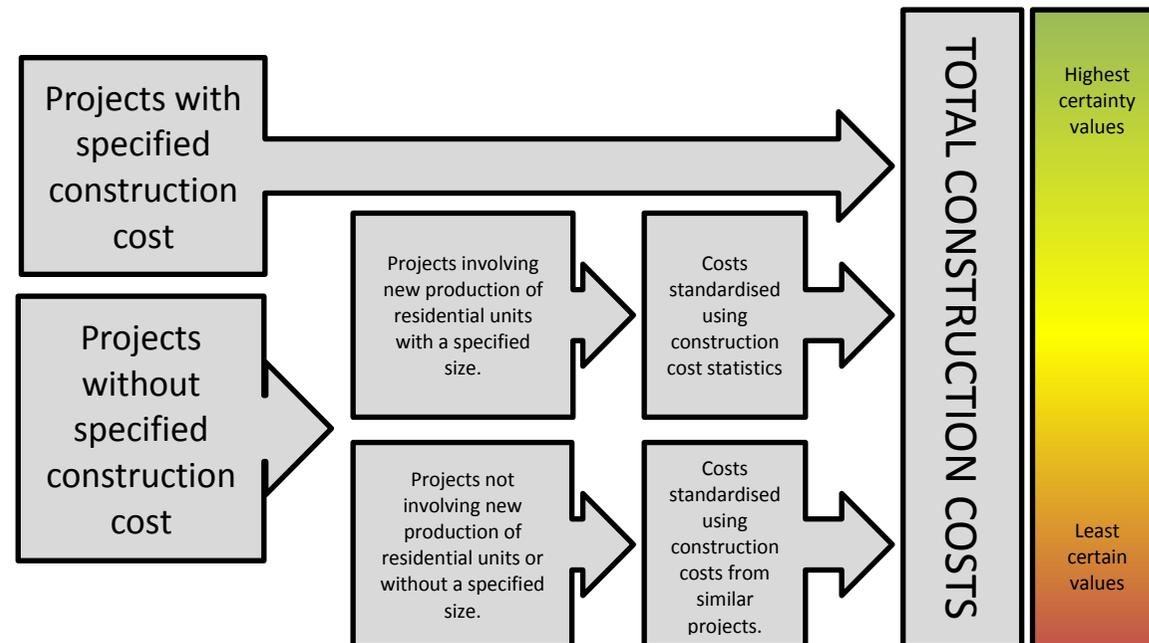
This analysis is based on statistics from the *Sverige Byggers* database of planned construction projects in the Stockholm Business Alliance partner municipalities to the end of 2025, covering 8,447 items.

Of these building projects, 5,666 (67%) items involve stated construction costs. Those items without stated construction costs were supplemented by interviews with project managers, and checking with municipal business representatives. Remaining projects for which construction costs are unavailable were estimated using standard values as illustrated in the flow chart to the right.

In a first step, residential investments with specified size were standardised from construction cost statistics.

Other projects were standardised from costs in similar projects.

Data obtained directly from the developer or the municipal



business representative are deemed certain. Standardisation based on project size is deemed somewhat certain. Standardisation based on similar projects is deemed the least certain.

### 4.1 Supplemental interviews

Tyéns has been careful to obtain correct construction cost data for projects that lack specified construction costs, but based on their description appear very large or near in time, through these telephone interviews with

the project managers of each. However, these interviews involved a low rate of response, but the values obtained were used instead of the standardised values in these projects.

#### 4.2 Reference to business representatives

Tyréns has also checked on each municipality's projects with the business representative in each. This way, 13 municipalities provided corrections. Find more on this in the appendix.

#### 4.3 Standard values for residential units

Of the projects that still lacked specified construction costs, 352 involve residential investments and have a stated size in number of flats or homes. These projects were standardised using data from Statistics Sweden for construction costs of standard housing units as in the table above. Building costs per flat were

Type of housing	Type of municipality	Type of Developer	Construction cost per flat (SEKBn)
Multiple unit housing	Metropolitan municipality	Private developer	2.0
		Commonhold association	3.5
		Public developer	2.1
	Municipality outside the metropolitan region	Private developer	1.6
		Commonhold association	2.8
		Public developer	1.7
Single family homes	Metropolitan municipality	Private developer	4.4
		Commonhold association	4.1
		Public developer	4.6
	Municipality outside the metropolitan region	Private developer	3.0
		Commonhold association	2.6
		Public developer	2.4

The table lists building costs per flat related to type of building, geography, and developer Source: SCB.

then simply multiplied by the size of the project.

Developers were categorised as private or public, and commonhold builder, and the municipalities were categorised as metropolitan or those outside the metropolitan region.

Residential investments that were not new production used weighted values

from Statistics Sweden based on the standard values in the table to right.

Primary type	Weight
Interior maintenance	0.15
New construction	1.00
Rebuilding	0.50
Demolition	0.85
Extension	0.86
Interior maintenance	0.04

The table shows weighting of each type of residential investment Standard values are based on the average relationships between each type of primary type in the Sverige Bygger database.

#### 4.4 Other standard values

The database includes 2,388 projects for which interviews were not possible, do not have specified building costs, or are not a residential project with a set number of housing units. Tyréns used standardised values for these.

Tyréns has used the following methodology.

Tyréns has removed all projects that have specified construction costs. The projects were categorised based on the combination of **primary category** and **primary type**.

The primary categories are types of building projects -- such as Office building, Shopping centre/Mall, Civil engineering, and Rail or Light Rail, and so on. The primary types assigned were: Interior maintenance, New production, Rebuilding, Demolition, Decontamination, Expansion and Exterior maintenance.

Tyréns then combined interior and exterior maintenance, demolition and decontamination to an **Other** category.

In the next step, Tyréns excluded 'outliers' to exclude the highest and lowest value within each combination of primary category and primary type.

The average building investment in each combination of primary category and primary type, excluding the highest and lowest values therefore constitutes the standard valued for that combination.

*An investment categorised as 'rebuilding energy facility' has therefore been standardised to what an average rebuilding project has cost (excluding the least and most expensive).*

Investments where standard values could not be determined have been standardised based on their primary category,

This way, the most information possible was used in all standardised figures.

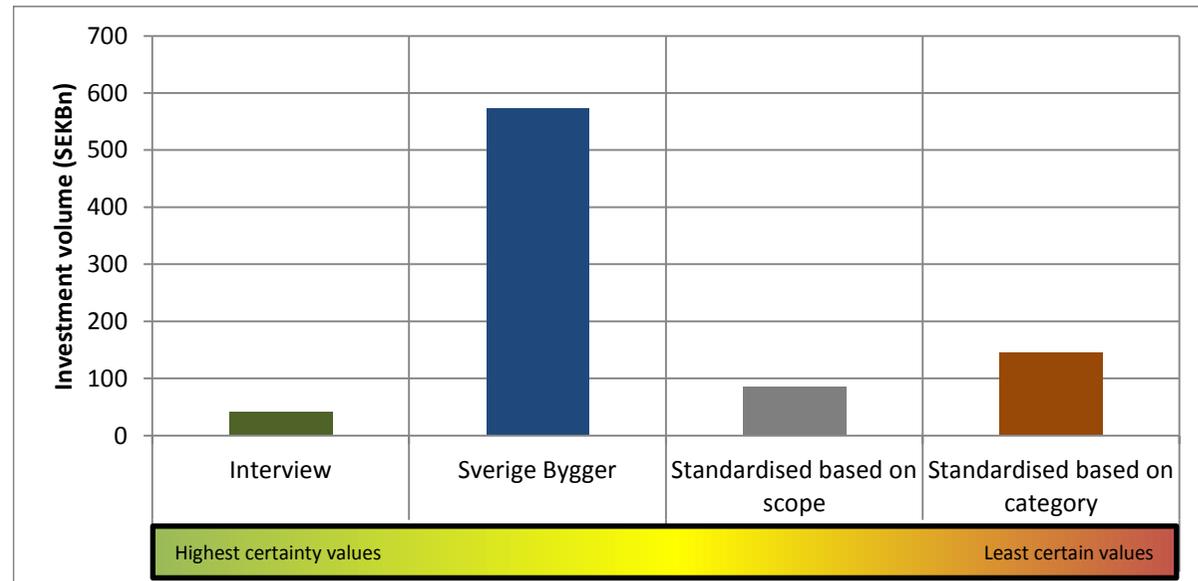
## 5 Investment volume

The total investment volume for the partner municipalities in the Stockholm Business Alliance is SEK 880 billion.

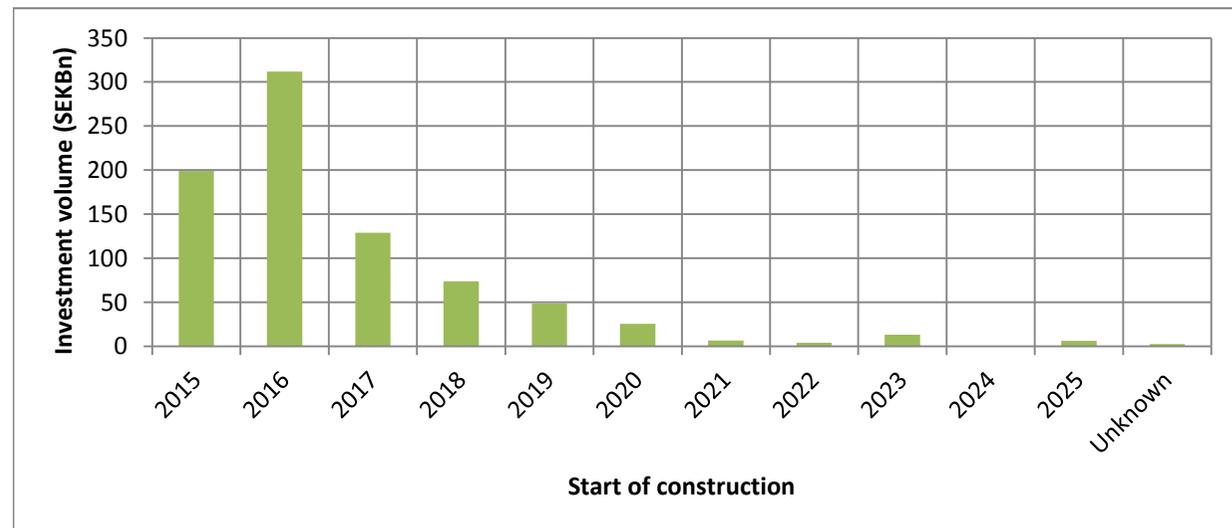
The majority (73%) of these investments are 'certain', to the extent the source is an interview with a project manager or the municipal business representative (5%), or can be found in the *Sverige Bygger* database<sup>1</sup> (68 %). The 'less certain' values are those standardised based on scope (10%) and category (17%).

Most investments are near in time to being made. Next year, projects for a total of SEK 312 billion are expected to be started. The 2017 figure is SEK 129 billion.

<sup>1</sup> which were also based on project manager interviews.



The graph illustrates the share of investment volumes coming from the various sources, ranked according to the reliability of the source.



The graph illustrates the investments allocated over time.

## 6 Primary categories

The SEK 880 billion are allocated among the Stockholm Business Alliances Partner municipalities as shown in the table to the right.

The undoubtedly largest investment item is for multi-family residential housing for SEK 737 billion. Next comes Railway and Light Rail at SEK 118 billion.

Other large items include single-family homes (48 billion); Office buildings (40.5 billion) and Roads, Streets and City squares (38 billion).

*The table shows investment volume and number of projects per primary category.*

Main category	Investment volume (SEKBn)	Number of projects
Waste Management facility	9,355	69
Day nursery	6,382	284
Concrete and Stone	4,815	6
Car and bus facilities	109	45
Car service shops	885	35
Car repair workshops	385	17
Bridges	4,242	86
Buildings for water sports	2,088	39
Buildings for winter sports	914	20
Veterinary care	2	1
Power lines	994	61
Energy production facilities	6,159	87
Energy water storage	227	26
Multiple unit housing	373,827	2,435
Airfields, and similar	11	2
Administrative buildings	290	13
Garage and parking	4,185	78
Harbour facilities	14,551	72
Hotel/Lodging house	10,661	109
Farming/Forestry	211	21
Railway and Light Rail	118,038	89
Chemicals Industry	7	3
Office building	40,508	321
Power stations	2,072	41
Prison	32	2
Cultural/Entertainment	6,344	92
Church buildings	1,059	172
Shopping centres/Malls	10,931	196
Warehouse and Storage	6,694	138
Grocery stores	1,439	26
Food industry	253	5

Main category	Investment volume (SEKBn)	Number of projects
Long-term care	2,235	41
Civil engineering project	9,177	427
Dining rooms/kitchens	610	60
Public multi.purpose premises	549	55
Recreational areas	471	78
Restaurants	564	51
Pipes	5,815	183
Hospitals and healthcare	24,533	112
Healthcare	1,519	26
Schools and education	21,475	462
Vacation homes	672	21
Single family homes	48,217	628
Sports and Recreational	1,700	104
Sports and Recreational	4,862	163
Fencing and walls	1,007	66
Dental care	0	1
Movie and other theatres	7,729	10
Telecom/TV facilities	8	7
Telecom/TV buildings	25	15
Wood Products Industry	18	1
Tunnel, Underground facilities	18,458	46
Waterways and facilities	1,624	12
Water sports facility	75	11
Winter sports facility	375	12
Roads, Streets, City squares	38,380	771
Terminals/Waiting area	24,456	49
Elderly residential	6,703	182
Other industrial	10,783	201
Other shops	132	17
Other workshops	1,866	29

## 7 Comparison for each municipality

The SEK 880 billion are allocated among the Stockholm Business Alliances Partner municipalities as shown in the table to the right.

The largest amounts of planned investments are for the City of Stockholm (205 billion) and then Uppsala (64 billion).

Several municipalities in Stockholm County also have significant investments planned: Nacka (43 billion), Solna (36 billion), Huddinge (32 billion) and Sigtuna (26 billion).

Other larger Swedish cities with significant investment volumes include Norrköping (34 billion), Gävle (29 billion), Eskilstuna (12 billion), Nyköping (23 billion), and Örebro (24 billion).

Municipality	Investment volume (MSEK)	Number of projects
Arboga	1,713	36
Botkyrka	18,284	137
Danderyd	7,946	66
Ekerö	16,742	82
Enköping	9,085	136
Eskilstuna	11,922	283
Flen	1,588	51
Gnesta	1,412	53
Gävle	29,466	418
Hallstahammar	861	32
Haninge	13,250	162
Heby	2,571	34
Huddinge	31,708	194
Håbo	4,648	40
Järfälla	14,196	168
Karlskoga	1,119	52
Katrineholm	2,172	128
Knivsta	4,347	90
Kungsör	405	15
Köping	3,427	69
Lidingö	6,436	121
Ludvika	8,258	122
Nacka	42,932	185
Norrköping	33,675	282
Norrtälje	13,223	155
Nykvarn	2,788	50
Nyköping	23,043	161

Municipality	Investment volume (MSEK)	Number of projects
Nynäshamn	8,072	84
Oxelösund	4,318	44
Sala	1,959	77
Salem	785	40
Sigtuna	25,661	128
Smedjebacken	1,170	41
Sollentuna	14,036	150
Solna	36,409	120
Stockholm	205,104	1,849
Strängnäs	5,055	104
Sundbyberg	14,996	134
Surahammar	512	24
Södertälje	21,081	186
Tierp	2,500	113
Trosa	2,383	52
Tyresö	7,700	78
Täby	13,778	156
Upplands Väsby	12,455	121
Upplands-Bro	9,832	78
Uppsala	64,234	548
Vallentuna	9,062	87
Vaxholm	1,718	43
Värmdö	11,107	170
Västerås	22,309	291
Örebro	23,890	298
Österåker	15,522	118
Östhammar	3,094	92

## 8 Employment

The investment volume of SEK 880 billion is for the period from 2015 to 2025 - a period of 10 years. A majority of these investments are, of course, planned in the near future and the total investment volume decreases each year to 2025. Next year planned investment totals SEK 312 billion.

The total national production within 'construction', according to national accounts for 2014 were SEK 205 billion, which indicates that many planned investments generally are not started. In 2014, the construction industry employed a total of 328,000 individuals. This means that the annual productivity per employed for 2014 was SEK 626,000.

Applying this measure to the planned investment volumes in coming years, the planned investments mean a total of 499,000 annual work units – if all the projects are turned into reality.

## 9 Comparison with previous years

As previously stated, Tyréns conducted a broad study of investment volumes for 2012 followed by two less comprehensive updates in 2014. Comparisons with the smaller updates are incomplete as the methodology is not entirely equal.

The ranges of uncertain investments was estimated in 2012, but the middle value of the range is comparable with the estimates in this report.

The planned investments for 2012 also covered 10 years, but for only 51 municipalities (excluding Sala and Norrköping) and totalled SEK 500 billion)

The less detailed update in 2014 indicated that investments has increased from two years previous, which is not confirmed in this reports. The greatest differences involve significant increases in investment volumes in infrastructure, as with Rail and Light Rail: Roads, Streets and City

squares; Tunnel and Underground, and Terminals and Waiting areas. Residential investments have also increased, for both multi-family and for single-family units.

The number of primary categories that have decreased since 2012 are Civil engineering, Warehouses and storage; Shopping Centres/Malls and Chemical Industries.

The share of certain sources was approximately the same as in 2013

## 10 Large projects

Here, Tyréns lists several of the largest construction projects. This leading listing can be created using differing methods. Tyréns has chosen to select the whole project for the year's top listings, rather than separate building investments. Tyréns has also chosen to include only certain values, as the standard values are assessed as unsure.

The largest project for 2025 is the *Ostlänken* (35 billion). Next is the double rail track between Gävle-Sundsvall (25 billion) and *Förbifart Stockholm* (Stockholm Bypass) (20 billion).

Several larger city construction projects are also included: *Slussen* (central Stockholm) and *Kungshatt* in nearby Ekerö (8 billion each).

Seemingly large projects given standard values, but therefore not listed include Ulleråkersområdet in

50 of the largest projects in the region					
Project:		Invest.vol (SEKBn)	Project:		Invest.vol (SEKBn)
1	Ostlänken (The Eastern link, high speed rail way Stockholm-Linköping)	26,1	26	Mälarsjukhuset Hospital in Eskilstuna	2,0
2	Ostkustbanan (East Coast Line, Double rail track Gävle-Sundsvall)	25,0	27	Railway link Solna-Universitetet (Early phase)	2,0
3	Förbifart Stockholm (Stockholm Bypass)	21,0	28	Railway Alvik-Kista-Sthlm North (Early phase)	2,0
4	Expansion of the Stockholm Metro	19,5	29	Railway Alvik - Kista - Stockholm North	1,9
5	Expansion Arlanda airport (Terminal 5, 2, and more)	13,0	30	Emergency room and more, Södersjukhuset Hospital	1,8
6	Expansion of Mäljarbanan (The Mälaren Line)	8,4	31	Residential area and offices Nobelberget, Sickla	1,7
7	Rebuilding Slussen, Central Stockholm	8,0	32	Residential area in Fyrklövern, Upplands Väsby	1,7
8	Residential area Kungshatt Ekerö, (Visionary project)	8,0	33	Nitric acid factory Yara, stage 2, Köping (Early phase)	1,7
9	Spårväg Syd (railway south) (Early phase)	7,5	34	Residential area Vega, Haninge (Early phase)	1,7
10	E4/E20 Motorway Fittja -Södertälje South (Early phase)	5,5	35	Offices at Pyramiden 4, Arenastaden, Solna	1,7
11	Henriksdals Wastewater Treatment Plant	6,0	36	Residential area and more at Galoppfältet, Täby (Early phase)	1,7
12	Residential area in Bergs Oil harbour, Nacka municipality (Early phase)	4,5	37	Reopening mine in Blötberget, Ludvika (Early phase)	1,6
13	Housing skyscrapers Norra Tornen (Northern Towers)	4,3	38	Reopening mine in Håksberg, Ludvika (Early phase)	1,6
14	Tvärförbindelse Södertörn (Road construction)	4,0	39	Karlholm strand, Tierp	1,5
15	Harbour facilities, Norvik, Nynäshamn	3,9	40	Widening and deepening the Södertälje Canal	1,5
16	Residential area, Bårstafältet Södertälje (Early phase)	3,0	41	Offices in Solna United	1,5
17	Reconditioning of railway 'Getingmidjan', central Stockholm	2,6	42	Reconditioning of Örebro Travel Centre and Örebro South travel centre (Early phase)	1,5
18	New Travel Centre in Butängen, Norrköping	2,5	43	Residential area Lommarhöjden, Norrtälje municipality (Early phase)	1,5
19	New city section in Butängen, Norrköping	2,5	44	Natural gas terminals, Oxelösund (Early phase)	1,5
20	Residential area and more at Mörby Centrum, Danderyd (Early phase)	2,5	45	Bålsta city centre, stages 2-9 (Early phase)	1,5
21	New residential area Tegelhagen, Upplands bro	2,5	46	Tekniska Nämndhuset, Stockholm (Early phase)	1,4
22	Karolinska University Hospital, CHOPIN (Early phase)	2,4	47	New meat packing district, Larsboda, Farsta (Early phase)	1,4
23	Hovsjö 2020, Södertälje (Visionsprojekt)	2,3	48	Commercial, business, residential area Norrboda-Brunna, Täby	1,3
24	Karolinska University Hospital, Patient hotel and more Riksten Friluftstads (Recreation facility), Tullinge (Early phase)	2,2	49	Residential area, "The inner harbour" Östra Saltängen, Norrköping	1,3
25		2,1	50	Residential area Arninge-Ullna, Täby	1,3

Uppsala and Kanalstaden in  
Österåker.

## **APPENDIX: Responding municipalities**

The following municipalities responded to and  
commented on the Tyréns listing of  
investments.

Botkyrka

Ekerö

Flen

Gnesta

Gävle

Hallstahammar

Haninge

Lidingö

Nacka

Nyköping

Sala

Salem

Smedjebacken

Solna

Trosa

Upplands-Bro

Uppsala

Värmdö

Örebro

Österåker

Östhammar

(Norrköping was not included in the original report, and  
was therefore not among the municipalities asked.)