

05

# 1

## OVERVIEW



# 2

## PRIME LOCATION & OUTSTANDING COMMUNICATIONS



Location & accessibility 10  
Development of CBD 15

# 3

## THE PROPERTY



Building specifications 19  
Legal information 25

# 4

## A DEVELOPMENT OPPORTUNITY



Current zoning plan 26  
The zoning process 27

# 5

## MARKET INFORMATION



The Capital of Scandinavia 30  
An attractive office market 35

# 6

## PROCESS



Sales process 38  
Contact 39



### MARKETING ROOM

The full Marketing Package, including the Information Memorandum and additional information about the Property, is available in the marketing room hosted by CBRE. Please contact a member of the CBRE sales team to be provided with log in details.

→ <https://cbreprojects.se/o5>



# OFFICE DEVELOPMENT OPPORTUNITY

OVERVIEW

Stockholm CBD office property ready for development. The asset is situated in the core of Stockholm, next to the entrance to Sweden's largest railway station. Nearly 25,000 people are passing the property every day. Current lease is let on short terms, expiring in October 2020.

**STOCKHOLM CBD**  
**OUTSTANDING COMMUNICATIONS**  
**HIGH STREET**  
**C. 2,700 SQ M**

#### Key facts

Property designation	Orgelpipan 5
Address	Klarabergsgatan 37
Tenure	Leasehold
Type code	325
Site area, sq m	1,076
Lettable area, sq m	2,666
Building year	1959
Distance from Stockholm central station	0 min

Open in  
Google  
maps





# PRIME LOCATION & OUTSTANDING COMMUNICATIONS



## LOCATION & ACCESSIBILITY

Orgelpipan 5 is situated in the heart of Stockholm, with convenient proximity to all transportation means and the extensive service offering that the capital has to offer. The closest metro station, T-Centralen, is neighbouring the property. The station is the hub for all metro lines in Stockholm, in addition to commuter trains, national trains, buses as well as the newly built city tramway. Easy access to Sweden's largest airport is secured through the fast railway train, just two minutes walk from the building.

Approximately 250,000 people (boarding passengers) are commuting through T-Centralen every day, a number estimated to increase after the completion of the two new metro lines in 2026.

The property is situated on Klarabergsgatan, a street which during the last three years has undergone a major transformation. This part of the street is today car-free, with access only for pedestrians and public transportation.

### STOCKHOLM CENTRAL STATION

High-speed trains depart every hour to Copenhagen, Gothenburg and Malmö. Two direct services daily to Oslo.

Commuter and Express trains to Arlanda Airport. The fastest way of transportation to Arlanda Airport. From early morning to midnight there is approximately one departure every 15 minute and takes 20 minutes to arrive at the destination.

Access to Stockholm City Station and T-Centralen.

### CITYTERMINALEN

A hub for the bus transportation system in Sweden. From here, you can travel to all of Sweden as well as to a large part of Europe. Every day 30,000 people and 800 buses pass the terminal.

Airport Bus Coaches to and from Arlanda Airport, Bromma City Airport and Skavsta Airport.

### STOCKHOLM CITY STATION

Commuter rail and access to Underground lines.

### T-CENTRALEN

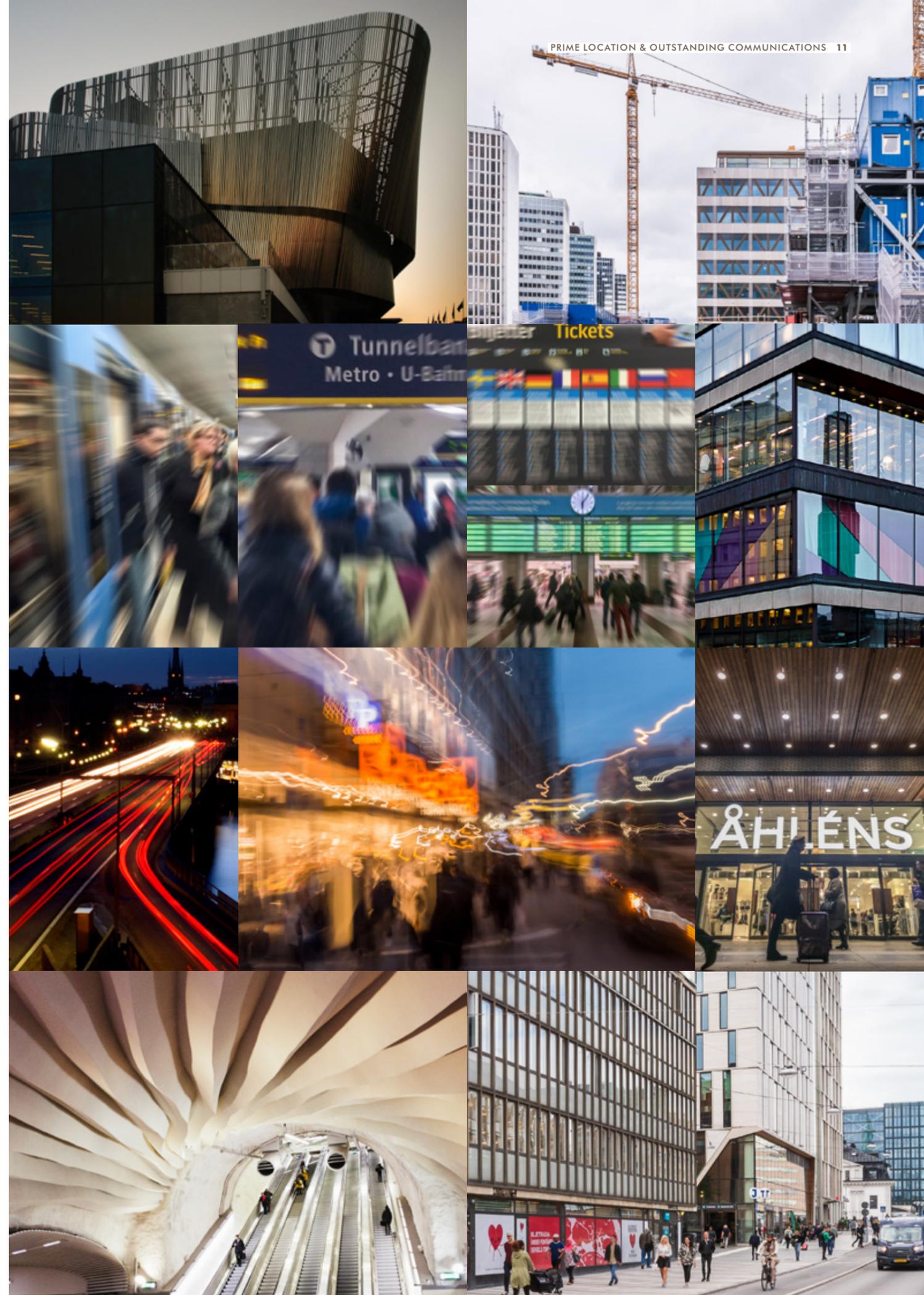
All underground lines in Stockholm pass T-Centralen.

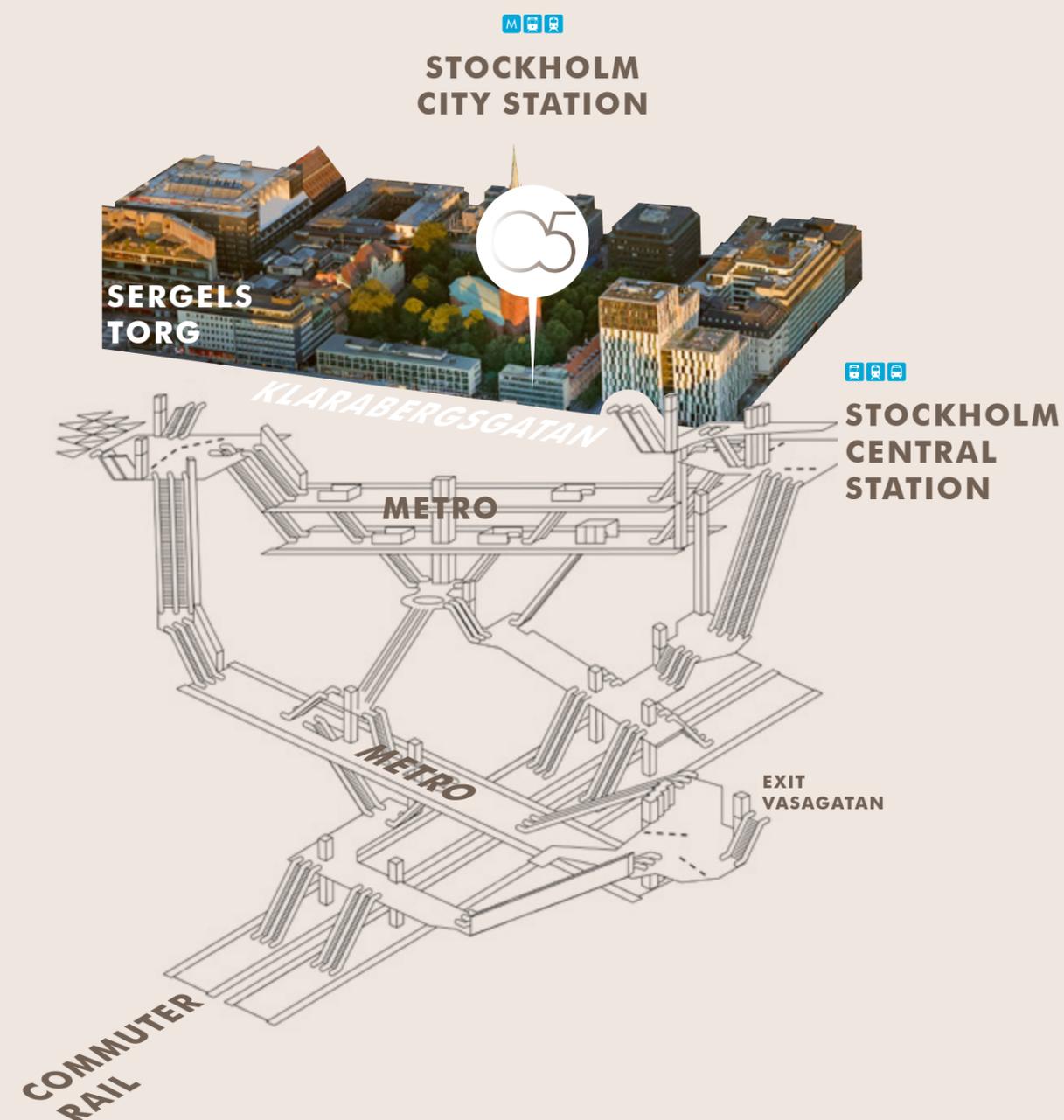
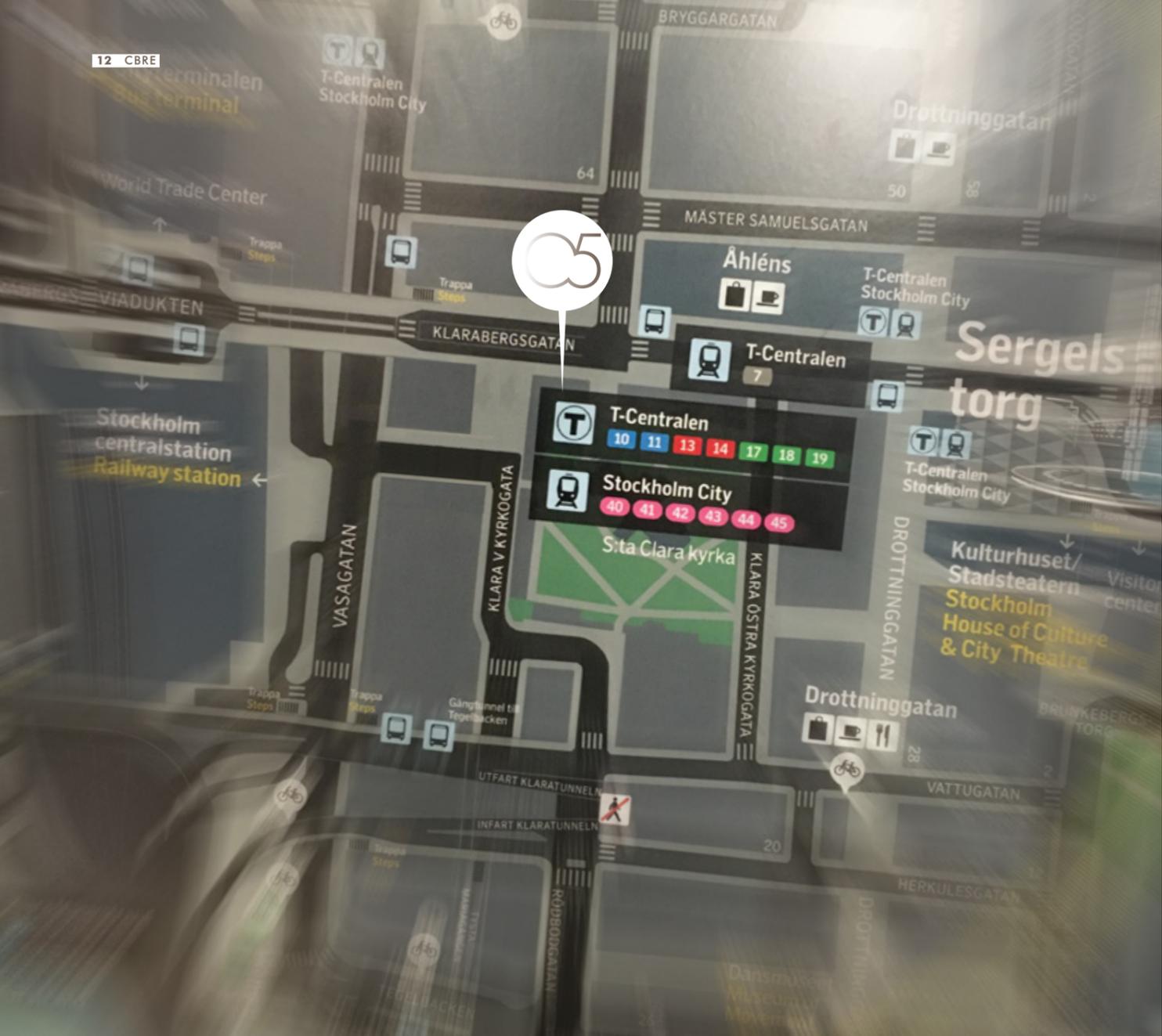
### CITY TRAMWAY

Connecting Klarabergsgatan with Djurgården. An extension to Ropsten and Lidingö is planned.

### LOCAL BUSES

The area is serviced by a number of local and regional bus lines.







**SERGEL CITY**



**URBAN ESCAPE**

**NEW VASAGATAN**  
**CENTRAL STATION AREA**

# DEVELOPMENT OF CBD

The City of Stockholm has during the latest years adopted a vision for the most central parts of the capital. The vision for City, also named the Klara district, proposes a development with a mixed functional content including offices, culture, retail and housing in blocks where ground floors are open, facing to the public space. Below are a couple of ongoing developments illustrated.



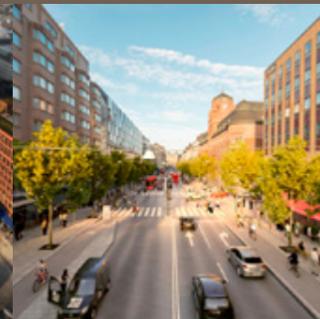
## URBAN ESCAPE

Urban Escape is the name of the great development project around the block between Hamngatan, Regeringsgatan and Brunkebergstorg. A total of 95,000 sqm space will increase to 130,000 sqm of which 62,000 sqm relates to offices, 29,000 sqm to hotel and conference, and 38,000 sqm to restaurant and retail premises. Construction start was 2015 and the project has now entered its final stages with the completion of Gallerian. Illustration by AMF Fastigheter.



## SERGEL CITY

The area is renovated, and additional office, retail and hotel space is created in the most central plot (Hästscon 12) in Stockholm. Zoning plan gained legal force in 2016 and the project is expected to be completed in 2021–2022. The property, including several buildings, represents the extensive 1960s transformation of Stockholm city, and is today undergoing adjustment for future demands. Illustration by Vasakronan.



## NEW VASAGATAN

The City of Stockholm is rebuilding one of the busiest streets in Stockholm Vasagatan, to meet today's and future needs. The project includes wider sidewalks, new bike lanes, more trees, more seating and a new street lighting system. The project is to be completed in 2022. Illustration by Municipality of Stockholm.



## CENTRAL STATION AREA

Zoning works for the area surrounding the Central Station, including the northern and southern railway stations (the track area from Centralbron in the south to Kungsbron in the north) have commenced. The ambition is to make the area a more integrated and vibrant part of the city centre. The project includes covering of the track area, which enables creation of new buildable land, for offices, retail, residential and green areas. Illustration by Alessandro Ripellino Arkitekt.

THE PROPERTY





## BUILDING SPECIFICATIONS

The building was erected in 1959, designed by the Swedish architect Lennart Tham and the Norwegian architect Leif Olav Moen.

Orgelpipan 5 has since construction been used as office and bank premises. The building comprises eight floors in total, with five floors above ground. Three stairwells are serving the ground floor, of which one serves the whole building and two stairwells are serving basement floors. Ground floor access is granted through three entrance doors at Klarabergsgatan.

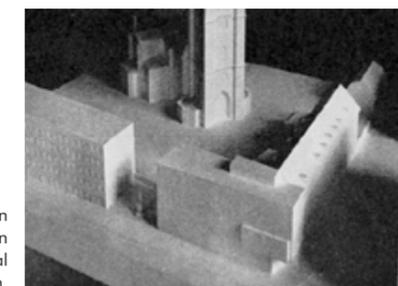
The building is connected to the municipal water and sewage system and is equipped with district heating and ESX-ventilation (Sw. FTX-ventilation). Two lifts are originally constructed, one cargo-lift between the basement floors and one passenger lift serving the whole building. The building is in need of technical upgrades.

The three bottom floors located below ground are used for storage and technical areas. The basement floors are wider in floor plates than the upper floors, extending to some extent outside of the façade and beneath Klarabergsgatan. The lower basement (-3) constitutes of

technical areas and storage, and has access to the neighbouring garage (not part of the Property). The middle basement (-2) has premises for storage, dressing rooms with showers, and one internal staircase connecting to the upper basement (-1). Upper basement has open storage premises and dressing rooms as well as smaller technical areas. Emergency exit is granted through an access door to neighbouring property.

Ground floor (0) is divided into one unit, currently used as office. A smaller mezzanine floor is constructed between ground floor (0) and upper basement (-1) containing bank vaults.

Floor 1-4 are all similar in fit-out, currently used as office premises. A rear, external, emergency staircase is built for floor 0-2. Emergency exit for the upper floors 2-4 is secured by an internal staircase between floor 3-4. An additional level is constructed on the roof of floor 4, which consists of technical area for ventilation.



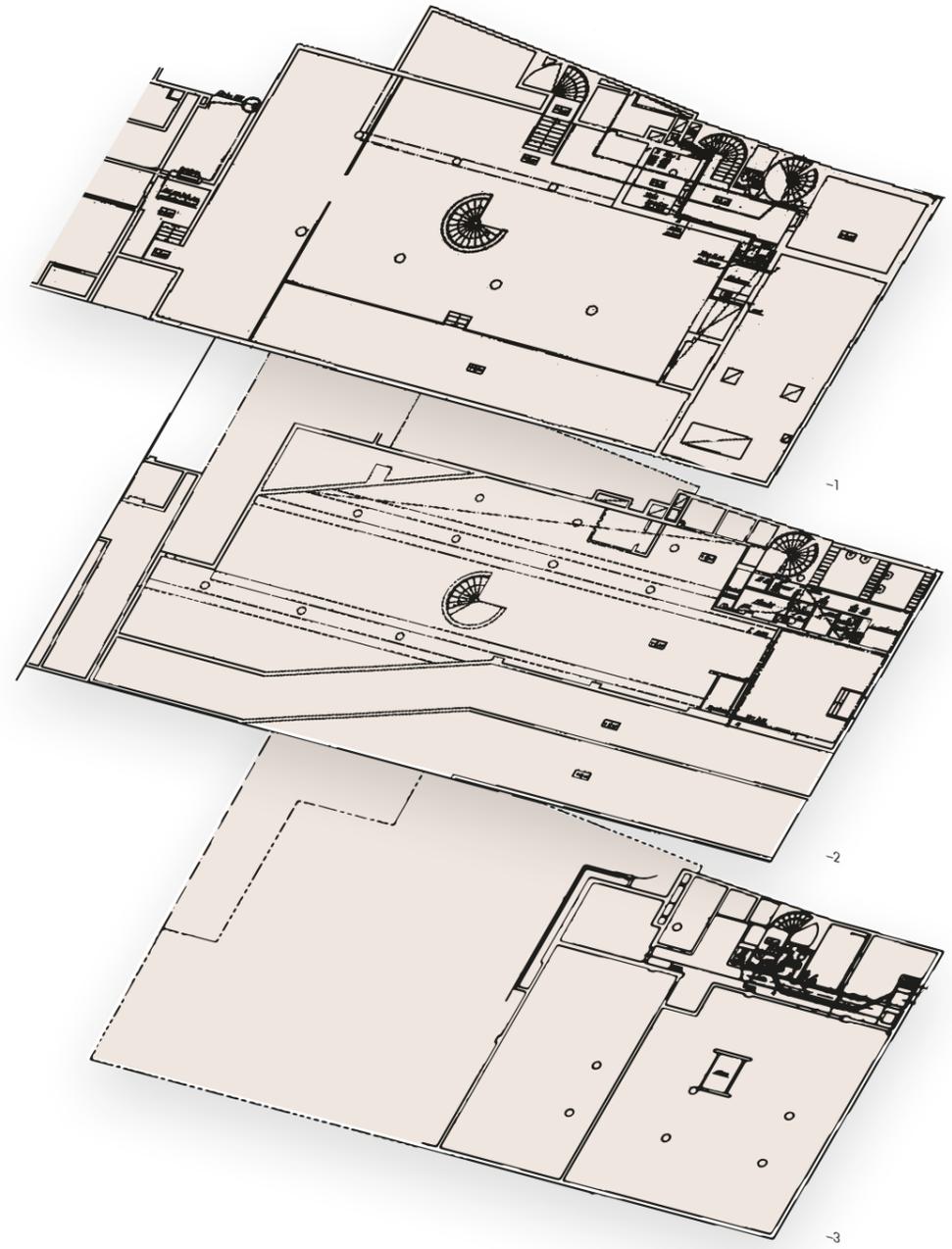
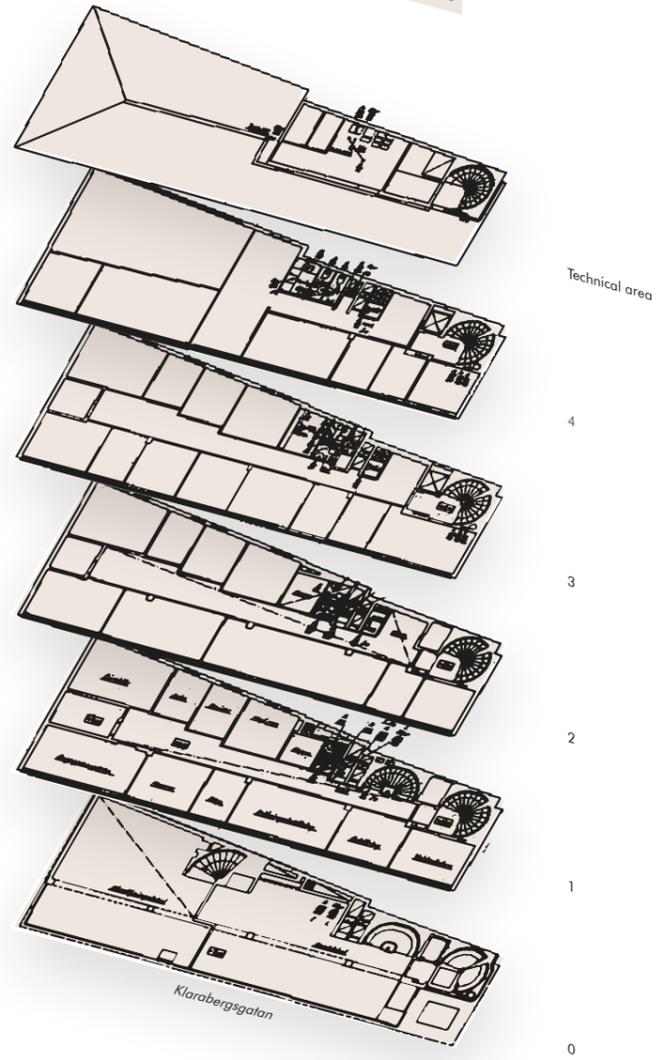
The winning design of Tham and Moen in a 1959 architectural design competition.

c. 192 sq m	Office	4
c. 195 sq m	Office	3
c. 204 sq m	Office	2
c. 202 sq m	Office	1
c. 184 sq m	Office/retail	0
c. 710 sq m	Upper basement	-1
c. 532 sq m	Middle basement	-2
c. 447 sq m	Lower basement	-3

Technical area

Nils Ferlins torg

Klara Västra kyrkogata





Stockholm City Museum has a commission to identify buildings of cultural and historical value in Stockholm. The subject property is classified with a yellow classification, meaning the building is perceived to have a cultural and historical value to some extent. The building classification system is a knowledge base used to support the daily work within the municipal administration in conjunction with for example zoning

plans and building permits processes. A blue label is the highest degree of classification of cultural and historical value, followed by a green label, while the yellow label is the lowest degree of classification.

Orgelpipan 5 is located within an area which is identified for its ancient remains (Sw. fornlämningar); however, the subject property is not directly affected.



#### MODERNIST ARCHITECTURE

Modernist architecture is a style from the 1930s to the early 1960s, characterised by an emphasis on volume, asymmetrical compositions, and minimal ornamentation and is associated with an analytical approach to the function of buildings, a strictly rational use of materials, and structural innovation. Architects Walter Gropius (1883–1969) and Le Corbusier (1887–1965) were the pioneers of the movement.

# LEGAL INFORMATION

## TENURE

Leasehold. The lessor is Stockholms Kommun (Exploateringskontoret). A Swedish site leasehold (Sw. Tomträtt) is a property owned by the municipality, the lessor. The leaseholder (Sw. Tomträttshavaren) has the exclusive right to use the land in return for a leasehold fee, a ground rent, (Sw. Tomträttsavgäld) to the property owner. The ground rent is renegotiated every ten years as determined by the Swedish law. The fee shall equal the interest rate on the market value of the undeveloped land. The fee is currently (2020) at 3.00–3.25% for Swedish leaseholds. However, for new ground rents (Sw. vid nyupplåtelse), the fee is at 4.50%. This rate is to be renegotiated after the first period.

## GROUND RENT

The leasehold has a ground rent period of ten years, after which the ground rent is negotiated to market level. The ground rent in the leasehold agreement is set to SEK 2,759,000 per annum, based on a gross floor area (Sw. BTA) of 3,162 sq m. If the use (office) or total area of the building is changed, the ground rent will be adjusted to reflect the new use and or area. Please refer to the leasehold agreement, available in the marketing room.

## TAX ASSESSMENT VALUE

The tax assessment value (2019) for the property is SEK 46,400,000 whereof SEK 35,000,000 is for land and SEK 11,400,000 for building.

## ZONING PLAN

The property is covered by the zoning plan (Sw. Stadsplan): *Kvarteret Orgelpipan m.m (f.d. kv. Svanen)* from 1963, and partly covered by the zoning plan *Klockstället mm* from 1979.

Orgelpipan 5 is also covered by a change of zoning plan (Sw. Ändring av

Detaljplan) *Citybanan i Stockholm* from 2008. All zoning plans in areas affected by Citybanan are covered by this plan. However, the change of zoning plan does not affect Orgelpipan 5 directly.

The property is covered by a railway plan (Sw. Järnvägsplan) *Spårväg city förlängning T-Centralen Kungsträdgården* from 2016, which enabled the extension of the city tramway to Klarabergsgatan, with a stop just outside the property.

Please see zoning plan and excerpt from the land register for further information.

## EASEMENTS

Four easements (one beneficial and three burden) are registered on the property. Orgelpipan 5 the right to access to emergency exit area (Sw. utrymningsväg). The property is burdened by two easements regarding railway facility and burdened by one utility easement (Sw. ledningsrätt) regarding transportation pipes for water.

Please see excerpts from land register for further information.

## MORTGAGES

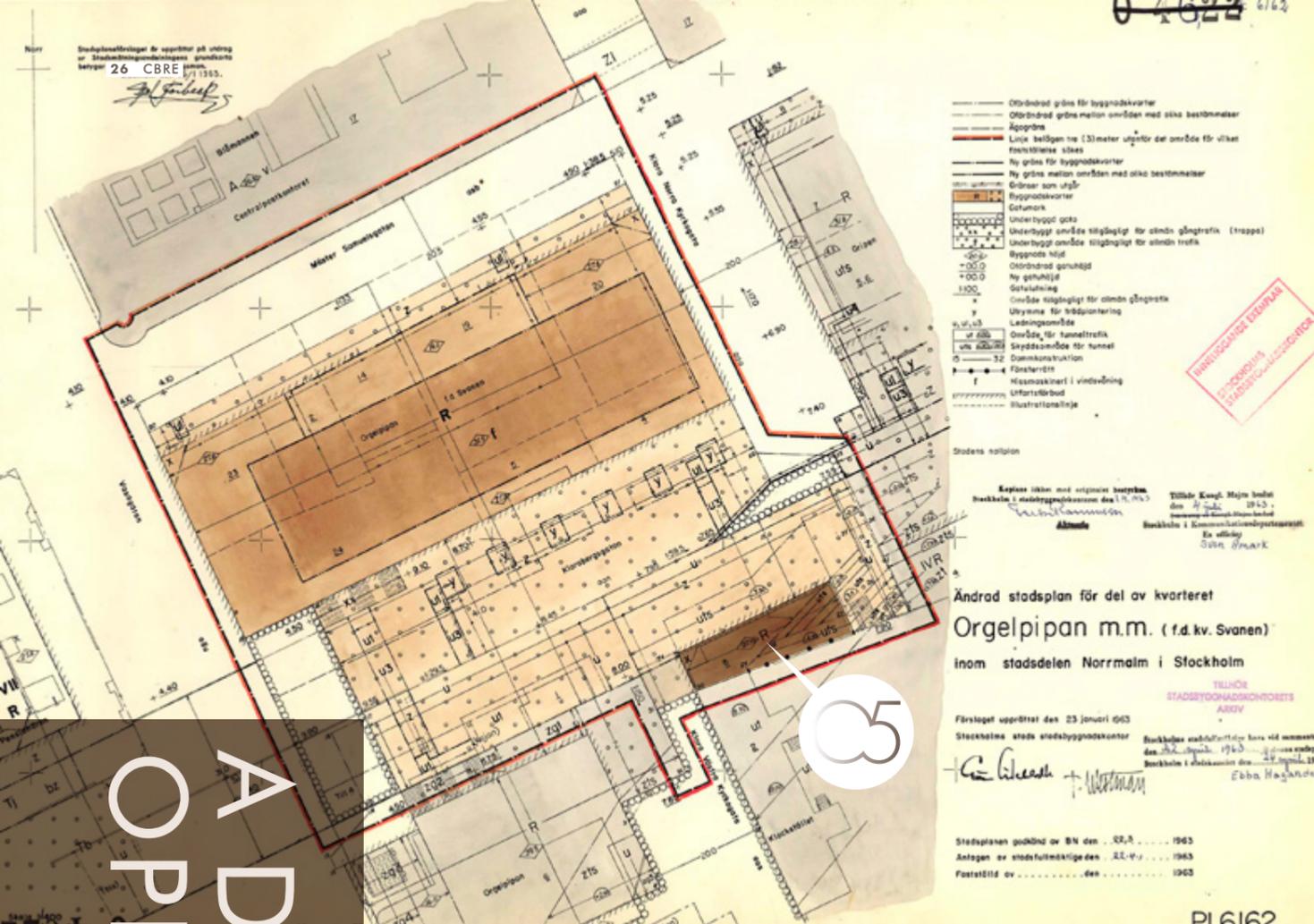
The property has one mortgage registration, totalling SEK 4,000,000.

Please see excerpt from land register for further information.

## OTHER AGREEMENTS

There is an agreement between the property owner and Trafiknämnden (department within Stockholm municipality) regarding heating of the pavement wintertime (15th of November to 15th of April). Trafiknämnden has a facility with heating coils in connection to the property. Costs related to this pavement heating is to be paid by the property owner of Orgelpipan 5. The fee amounted to SEK 28,440 in August 2017 and is annually adjusted. Please refer to the agreement in the marketing room.





A DEVELOPMENT OPPORTUNITY

## CURRENT ZONING PLAN

Current zoning plan dates 1963 and admits commercial use (R) which is office, retail or similar use. An appendix dated 2007 extends the use to entrance premises for a railway facility, an appendix which enabled an entrance hall for the construction of Citybanan.

The building height is limited to a maximum of 22.75m within Orgelpipan 5.

The zoning plan also has a limit in building depth, which is limited to a deep of 6.5m. The limit is due to the metro tunnel in the south eastern part of the property.

The zoning plan is available in the marketing room.

## THE ZONING PROCESS

Pursuant to the Planning and Building Act (PBL), the municipalities have the main responsibility for spatial planning in Sweden. The Swedish planning system consists of the regional plan, the comprehensive plan, the area regulations and the detailed development plan (zoning plan). Solely the detailed development plan is legally binding.

The zoning plan process starts with a request from a developer or the land owner to develop the area and may lead to a Plan Decision (Sw. Planbesked) that planning works will be initiated. Following the Plan decision, the municipality elaborates a Plan Proposal (Sw. Planförslag), which will be disclosed to stakeholders (affected property owners, neighbors, tenants, public organs etc) at a formal Consultation (Sw. Samråd).

After implementation of potential amendments or changes, the plan will be disclosed again for examination (Sw. Granskning) for a period of two weeks minimum, before the approval of the plan. If not subject to any appeals during a three weeks period, the plan gains legal force.

The standard zoning plan procedure ranges from 2-7 years, depending on the location, the complexity of the project and the municipality's capabilities.

For leaseholds, as Orgelpipan 5, a development request from the leaseholder must be in agreement with the legal landowner, the lessor (the municipality of Stockholm/Exploateringskontoret), if the development requires change of zoning plan.

Illustration by Brunenberg & Forshed architects.

# MARKET INFORMATION



# THE CAPITAL OF SCANDINAVIA

## EXCELLENT INFRASTRUCTURE

As the nation's capital, Stockholm benefits from excellent transportation infrastructure including first class road and railway connections, a well-established urban public transportation network and the country's largest airport, Stockholm Arlanda. Besides Arlanda, Stockholm offers one additional airport for domestic and international visitors; Bromma Airport. Stockholm will further benefit from significant infrastructure projects over the short, medium and long term.

## POPULATION GROWTH

Stockholm is one of the fastest growing cities in Europe with a population growth rate of almost 2% p.a. Almost 2.3 million people live in Stockholm County representing over a fifth of Sweden's population. This makes Stockholm County the most densely populated county in Sweden with around 350 inhabitants per sq km. The growth is expected to continue, reaching 3.1 million by 2045.

The region is also one of the strongest in terms of education and employment, with an unemployment rate 1.1%-points below national average.

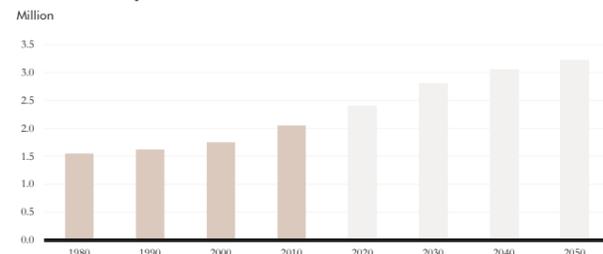
## THE POWERHOUSE OF SWEDEN

Stockholm is Sweden's economic and political centre, as well as the economic powerhouse of the Nordic region, generating over 30% of the Swedish economy. The city has the highest gross regional product in Scandinavia, and consistently ranks among the top cities in the world to do business in.

## INNOVATION

Besides well-established transportation, stable population growth and high GRP per capita, Stockholm is one of the most innovative cities in Europe regarding tech start-ups. Brands like Spotify, Skype, SoundCloud, Klarna and iZettle demonstrate the recent Swedish tech success stories.

Stockholm Population forecast





**BANGÅRDSPOSTEN 2**  
KLP

**BANGÅRDSPOSTEN 1**  
MEAG

**TERMINALEN 3**  
Alecta

**PENNFÄKTAREN 12**  
KLP

**ORGELPIPAN 6**  
Jernhusen

**BLÅMANNEN 21**  
Statens fastighetsverk

**UGGLEBORG 12**  
Vasakronan

**UGGLEBORG 5**  
Ramactor

**ORGELPIPAN 7**  
Hufvudstaden

**KLOCKSTÄLLET 2**  
Stockholms domkyrkoförsamling

**DUVAN 6**  
Folksam

**KLOCKAREN 1**  
Stockholms domkyrkoförsamling

**ORGELPIPAN 10**  
Stockholms domkyrkoförsamling

**GRIPEN 12**  
Ramsbury Property

**BLÅMANNEN 20**  
Vasakronan

**SVALAN 9**  
AMF

**ORGELPIPAN 4**  
Klövern

**HÄGERN STÖRRE 10**  
Brf Hägern Större 10

**HÄGERN STÖRRE 9**  
Svenska läkaresällskapet

**HÄGERN STÖRRE 14**  
AFA Försäkring

**HÄGERN MINDRE 6**  
Brf Nya Klara

**HÄGERN STÖRRE 16**  
Stena Fastigheter

**SPORREN 17**  
Ramsbury Property

**HÄGERN MINDRE 7**  
Fabege

**SKANSEN 23**  
Stockholms kommun

**SPORREN 16**  
AxFast

# AN ATTRACTIVE OFFICE MARKET

Favorable supply-demand relationship and the fastest growing prime office rents in Europe.

## INCREASING RENTAL LEVELS AND DECREASING VACANCIES

The Stockholm office market has experienced exceptional rental growth in recent years. Prime rents in CBD have the latest years (2010–2019) experienced an impressive growth rate of 95% confirming the increasing attractiveness of modern, centrally located offices in Stockholm. The prime rent in CBD was estimated to 8,000 SEK/sq m in Q4 2019, while top rents close to 10,000 SEK/sq m have been noted in the best locations in CBD.

Vacancies have continued to decline in 2019, and the average rate is as low as c. 1.6% in CBD and at 2.7% in the rest of the inner city excluding CBD.

The average prime office rent in CBD is forecasted to grow with 2.4% per annum in 2020–2024, reaching close to an average figure of 9,500 SEK/sq m in 2024.

The rental growth is expected to continue to grow at the steady rate of slightly above 2% mainly driven by a high demand, low level of speculative completion, low vacancy rates and the strong Swedish economy. The favourable supply-demand relationship will consequently further fuel growing rents in the best locations in Stockholm.

## LIMITED OFFICE SUPPLY

Although the occupational market is record strong, the pipeline of new office supply in Stockholm is historically low, with a 4% supply growth until 2023.

Construction started projects with office space to be completed in Stockholm between 2020–2023 amount to 423,000 sq m. The pipeline for CBD is small, with c. 70,000 sq m added until 2023 whereof c. 50% is pre-let. Same pattern is found in inner city excluding CBD, where the pipeline amounts to 134,000 sq m until 2023, whereof the majority (+60%) is pre-let.

New office space in the CBD is often preceded by a demolition of the old building, thus decreasing the net addition of new space.

The fact that supply of new office space will be limited in the next few years, further fuel the rent development.

## URBAN CITY DEVELOPMENTS

Major developments and refurbishments in CBD have the recent years added new hotels, restaurants and additional retail and office space to the city centre. Among these projects are Urban Escape (AMF Fastigheter) and Sergelstan (Vasakronan).

Furthermore, the infrastructure investments in the Stockholm underground including the extension of the blue metro line from Kungsträdgården to Nacka, will significantly boost demand for commercial space in both existing and newly developed areas of the city.



# SALES PROCESS

## BACKGROUND

Stockholms kommun/Exploateringskontoret, (Exploateringskontoret) has decided to divest Orgelpipan 5 ("the Leasehold") located in Stockholm, Sweden. Exploateringskontoret (the "Seller") is the department within Stockholm municipality responsible of land and properties owned by the city of Stockholm. CBRE Sweden AB ("CBRE") has been engaged as exclusive advisor in connection with the sale of the Leasehold.

## SALES PROCESS

Potential buyers are invited, on the basis of this Information Memorandum, to submit indicative bids for the Leasehold. The sales process is described in below.

The sale of the Leasehold will take place through the transfer of ownership of the Leasehold. A potential buyer is to be held responsible for associated stamp duty.

In submitting an indicative bid, a potential buyer should assume that:

- the sale will take place through a sell of the Leasehold;
- stamp duty for title is thus required
- any costs for obtaining new mortgage deeds shall be borne by the purchaser

- the condition of the Leasehold accords with what can be reasonably expected in light of the age and use of the Leasehold as well as the description provided in this sales memorandum
- the purchaser will be offered opportunity to inspect the Leasehold before a final sale and purchase agreement is executed.

The indicative bids will form the basis for final negotiations with the bidder or bidders submitting the bids most favorable for the Seller. The party or parties selected to take part in final negotiations will be invited to carry out confirmatory due diligence and will receive more detailed information regarding the Leasehold.

Furthermore, a draft sale and purchase agreement will be presented. It should be noted that the sale and purchase agreement will contain a limited set of warranties.

It should be noted that the Seller is not obliged to accept any submitted bids. The Seller and CBRE reserve the right to discontinue the sales process or modify the guidelines described above at any time whatsoever prior to the execution of a binding sale and purchase agreement. Irrespective of the reason for the discontinuation or modification of the sales process, each bidder shall bear all of its costs incurred in connection with the evaluation of the Leasehold.

## BID LETTER

A decision on the preferred purchaser will be based on the level of indicative pricing and the robustness of the terms within the offer. We therefore ask you to include the following details in the bid letter:

**Identity of the purchaser:** Information on the purchaser and its owner(s), including any joint venture partner if planned.

**Purchase price:** An indication of the underlying property value. All offers should be denominated in SEK.

**Financing:** Details of any conditions included in respect of financing.

**Due diligence:** Details of any due diligence that you would expect to undertake.

**Timing:** Please provide details on the expected time required to complete due diligence and sign an unconditional sale and purchase agreement.

**Approvals:** Any expected conditions to the legal effectiveness of a definitive sale and purchase agreement, and any approvals needed before signing a sale and purchase agreement.

**Assumptions:** Assumptions regarding future development and use of the Leasehold the potential buyer has made, as well as other factors relevant to value that cannot yet be fully quantified but that could have a financial effect on the purchase price.

**Other information:** Information of any condition precedents that you have and any other information that might be considered relevant to the Seller in evaluating your indicative offer.

## INDICATIVE BIDS

Indicative bids must be submitted no later than 17:00 on 11 December, 2020 to:

## CBRE SWEDEN AB LISEN HEIJBEL

by e-mail: [lisen.heijbel@cbre.com](mailto:lisen.heijbel@cbre.com)

## TIMETABLE

Indicative bid	11/12/2020
Due diligence	Jan 2021
Signing	Feb 2021
Closing	tbd



# CONTACT

Enquiries concerning the Property may be addressed to any of the persons below at CBRE. Under no circumstances may the employees of the Seller or tenants in the Property be contacted without CBRE's consent.

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## DISCLAIMER

CBRE has on behalf of and for the Seller of the Leasehold given notice that:

- This Information Memorandum sets out as a general outline only for guidance to potential purchasers, and do not constitute any part of an offer or contract.
- Except as otherwise set out in the Information Memorandum, the memorandum is based on information received from the Seller of the Leasehold. Neither CBRE nor the Seller can be held liable for any change in the information.

## MARKETING ROOM

The full Marketing Package, including the Information Memorandum, drawings and additional information about the Property, is available in the marketing room hosted by CBRE. Please contact a member of the CBRE sales team to be provided with log in details.

→ <https://cbreprojects.se/o5/>

## PROPERTY TOUR

To arrange viewings of the Property, please contact a member of the CBRE sales team at your convenience. Neither the Seller nor the tenants may be contacted directly at any time.

## CBRE

CBRE Sweden AB  
[www.cbre.se](http://www.cbre.se)

## STOCKHOLM

Jakobsbergsgatan 16  
SE-111 44 Stockholm, Sweden

- Whilst CBRE and the Seller uses reasonable endeavours to ensure that the information in this Information Memorandum is materially correct, any potential purchasers or third parties should not rely on them as statements or representations of fact, but must satisfy themselves by thorough due diligence including inspection, searches, enquiries, surveys or otherwise as to their accuracy. CBRE and the Seller as such cannot be held responsible for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss of profits resulting from direct or indirect actions based upon the content of this Investment Memorandum. It should also be noted that any forecasts, projections and forward looking statements in the Information Memorandum are dependent inter alia on the validity of the assumptions on which they are based and that no responsibility is accepted by either the Seller or CBRE for the realization thereof.

- No person in the employment of CBRE has any authority to make any representation or warranty whatsoever in relation to the Leasehold.

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