



SVENSKA BOSTÄDER'S  
Annual Report 1998

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## ON THE ORGANISATION OF THE ANNUAL REPORT

This Annual Report is largely structured in line with the company's instruments for operational control – a method known as The Complete Balance Sheet (CBS). The method is based on the fact that the majority of companies have hidden assets over and above those presented in the balance sheet. CBS focuses on the following five "capitals" in order to describe a company's worth and developmental capacity:

**Social capital**  
**Customer capital**  
**Human capital**  
**Structural and organisational capital**  
**Financial capital**

The company's operations are reported on pages 10-33 in line with these five categories. Sorting the contents into the five categories is not a completely straightforward process, and we have actually deviated slightly from the strict breakdown principles. We have, for example, reported the residential and non-residential letting markets under Customer capital, whilst the property market is reported under Financial capital. The aim in both cases is to make life easier for the reader.

We hope that the way we have organised this Annual Report will give you, the reader, an even better picture of our company's objectives, strategies and results.

# From technology to service

**AB SVENSKA BOSTÄDER** was formed in 1944 by Baltzar Lundström, Master Builder. The company was bought by the City of Stockholm in 1947 and a decision was also taken that year to launch the company's own construction operations, using its own personnel. Work began on the construction of 869 apartments and a shopping centre in Kärrtorp the following year. After additional construction work in Tallkrogen and Björkhagen, among others, by the 1950s, it was time for work to begin on Vällingby, a town built in accordance with the ABC principle of Arbete, Bostad and Centrum (Work, Housing and Shopping and Service Centre). Hässelby, Bredäng and Skärholmen are other examples of suburbs where Svenska Bostäder has played a prominent role.

**THE CONSTRUCTION ACTIVITIES GREW** gradually until they comprised a substantial, and indeed dominant part of the company's activities, with the majority of the employees involved in new construction work. During the late 1960s and 70s, Svenska Bostäder built in excess of 1,000 apartments per annum using its own personnel, and many others using contractors. Areas built during this period include Östberga, Tensta, Hjulsta, Husby and Akalla. Svenska Bostäder also built in some of Stockholm's peripheral municipalities, such as Salem, Tyresö and Huddinge, in an attempt to satisfy the huge demand for housing.

**BY 1981**, the company had built and acquired a total of approximately 50,000 apartments - the same number owned now, in 1999, after a variety of new construction projects, purchases and sales.

**A PARLIAMENT DECISION** put a stop to our in-house construction work. As of 1 July 1979, government loans could not be used on new, in-house construction work. A municipal construction company, known as Kommunbygg i Stockholm, was formed and approximately 1,200 of Svenska Bostäder's employees were transferred to the company. This shift marked the start of the company's transformation into an out and out management company.

The aims now were to provide better service for the tenants and to achieve greater efficiency. The actual construction work concentrated more on renovation work (particularly in the city centre areas) and on housing for people with special needs, such as the elderly.

**IN THE 1980s**, the administrative organisation was decentralised to bring us closer to the tenants, and 1986, for example, saw the launch of tenant-controlled apartment maintenance. Environmental measures became an increasingly important aspect of the company's operations, and the "Svenska Bostäder – Environmental Care" concept was coined.

**IN 1991**, Svenska Bostäder bought 91% of the shares in AB Stadsholmen, which manages approximately 1,500 apartments in listed buildings in Stockholm.

**THE 1990s** have first and foremost been characterised by additional customisation of the operations, by environmental issues, and by the sale of those parts of the property holding that lay in Stockholm's peripheral municipalities. A 24-hour service guarantee was introduced in 1992, and regular customer surveys – the Service Barometer – also began that year.

## Svenska Bostäder in brief

**AB SVENSKA BOSTÄDER** is the parent company of the Svenska Bostäder Group. Svenska Bostäder owns and manages 49,558 residential apartments and has around 100,000 residents. The company also owns 5,666 non-residential premises with a total area of 853,123 m<sup>2</sup>, including the shopping and service centres in Skärholmen and Vällingby, along with eight neighbourhood shopping and service centres. All of the properties (with the exception of a few individual objects) are located in Stockholm City. The company has just under 800

full time employees and a turnover in 1998 of SEK 3.4 billion. The book value of the properties is SEK 12.7 billion. The company is wholly owned by the City of Stockholm through the Stockholms Stadshus AB municipal group of companies.

Svenska Bostäder's prime objectives are:

- to be the best landlord in Stockholm, with long-term relationships with the tenants and their children;
- to contribute to Stockholm's development by creating lively and attractive neighbourhoods.



# The year's events

## JANUARY

- The first apartment is rented out via our new Internet home page.
- The "Stockholm – Cultural Capital of Europe 98" year begins, and the company organises a number of culturally orientated events.
- Trials of a new management organisation with building managers begin in Järvafältet.

## FEBRUARY

- Four groups of employees share the company's staff environmental prize.
- An apartment environmental declaration agreement is reached with the Greater Stockholm Tenants Union.
- Rents are reduced in several newly built and renovated properties as a result of the Board's decision to lower rents in the S:t Erik area.

## MARCH

- Three environmental enthusiasts share the environmental prize for Svenska Bostäder's tenants.

## APRIL

- 33 children's day care centres are sold to the City of Stockholm.

## MAY

- Tensta Art Hall is inaugurated.
- For the first time, Svenska Bostäder awards the Albert Aronson prize of SEK 50,000 to Göran Cars, professor at the institute for regional planning at the Swedish Royal College of Technology.

## JUNE

- The company arranges an international conference in Tensta on new strategies for the improved integration of the neighbourhood into the Stockholm region.
- A new computer system for purchasing, projects and finance is bought.

## JULY

- Just over 400 young people are given summer jobs with the company.

## AUGUST

- The "Vällingby – vision and reality" exhibition is inaugurated at the Trappan culture centre in Vällingby Centrum.
- Just over 2,000 cyclists take part in the Stockholm Recycling environmental race through Ekoparken, where Svenska Bostäder is the main sponsor.
- Stadsholmen and Samfundet S:t Erik award cultural building prize scholarships to Master Painter, Börje Larsson and Master Builder, Sven Erik Sihlberg.

## SEPTEMBER

- 14 properties with 1,534 apartments in Husby, Solna and Sundbyberg are sold to Bostads AB Förstaden.
- A victory by the non-socialist bloc in the Stockholm local elections leads to a new majority in the City Hall, who state their intention to allow tenants to buy their apartments from the municipally owned housing companies.

## OCTOBER

- The Technical Staff function is formed through a merger of the Administrative Services and Technical Staff functions.
- A decision to build 44 pensioner's apartments in Mälarhöjden is taken.
- Tenants are given a rebate on their October rents of 10% (totalling SEK 21 million), corresponding to the reduction in property tax for 1998.

## DECEMBER

- A new Board of Directors is appointed for Svenska Bostäder.
- Those tenants who have chosen to postpone planned maintenance work receive a combined total of SEK 16 million in refunds.
- A general agreement is reached on rent calculations etc., for the 13 service houses owned by Svenska Bostäder and rented by the City of Stockholm.
- This year's Christmas present to the tenants is a book about the artwork in Svenska Bostäder properties.
- The properties owned by the Burspråket and Lodet subsidiaries are integrated into the company's regular management organisation at the turn of the year.

### KEY RATIOS

	1998	1997
Profit after net financial items	SEK 412 m	SEK 666 m
Capital gain/loss on properties sold	SEK 222 m	SEK 500 m
Equity/Assets ratio	23.4%	20.7%
Shareholders' equity	SEK 3,234 m	SEK 2,953 m
Balance Sheet total	SEK 13,817 m	SEK 14,251 m

### FINANCIAL INFORMATION

Svenska Bostäder will issue the following information during the year:

**Annual Report in March**

**Interim Report in August**

**Environment Account**

**Property List**

The Annual Report is a translation from the Swedish original.

All financial information can be ordered from: Svenska Bostäder, Box 95, S-162 12 Vällingby, Sweden. Tel: +46 8 759 86 00.

e-mail: svenska.bostader@svebo.se Home page: www.svebo.se







# Managing Director's comments

1998 has seen Svenska Bostäder working towards the goals formulated by our owners and to influence the factors for success that we have defined in partnership with our Board. We have achieved several of these goals and the work aimed at realising the factors for success has continued, so in this respect, we can look back on a successful year.

The process of selling off our properties in suburban municipalities which has been in progress for a number of years is moving towards its conclusion, and following the sales of properties in Solna and Sundbyberg in 1998, only a few individual properties now remain.

A capital gain of SEK 222 million from the sale of properties means that we have achieved our financial goals by a substantial margin. SEK 200 million of the pre-tax profit of SEK 412 million is derived from the ongoing results of property management activities.

Looking back over the past five years reveals that housing operations in Stockholm have been characterised by low increases in revenue coupled with dramatic increases in various costs. On the political front, the rapid winding up of the interest subsidies would not have been feasible without the pronounced decline in borrowing rates.

Given this scenario, we are aware of the importance of increasing the business' cost effectiveness. The challenge lies in achieving this aim whilst simultaneously retaining a high standard of service. It is vital that our tenants feel that the products and services we offer give value for money, and the lodestar of our quality work, SB 2000, is consequently "continuous improvements".

We believe that in our building managers, we have found a management form that can be adapted to local conditions, without pushing up costs, and thereby ensure a high standard of service for our customers.

Rapid adjustments are being made to new conditions on the technical front. The company's technical resources are being coordinated within a single organisation, and we are attempting to review the potential for increasing the intensity of the way our property holding is used by means of, for example, converting difficult to let non-residential premises into residential ones.

We have employed a deliberate strategy of trimming ongoing maintenance costs for a number of years, with the aim of transferring additional resources to the maintenance side of operations, as the need for renovation and conversion of both older and younger premises is still considerable. We do, however, anticipate being able to retain the company's traditionally high volume of maintenance work.

We are closely following the changes taking place in the world around us and the way in which our customers' values are affected, at the same time as we focus on internal development work. We believe that we must, in future, increasingly offer our tenants a more differentiated range of products, coupled with

greater potential for personalised housing. This Annual Report contains several examples of ongoing development projects dealing with customer values, environmental issues, IT in the home, integration and segregation.

The influx of people into Stockholm has exceeded housing production for a number of years now. In 1998, the population of Stockholm increased by almost 8,000, at the same time as the net increase in housing units was a mere 1,650. At the turn of the year, Svenska Bostäder had no vacant apartments, and we believe that the dramatically reduced rate of turnover last year was the result of a long-term trend that could rapidly develop into a severe shortfall situation.

The construction industry's capacity, which has been shrinking over a number of years, is already showing a level of overheating unlike anything we have seen since the end of the 1980s, with only moderate increases in orders. Newly built apartments are expensive to produce, and given the current lower level of governmental support and the existing system for setting rents, the potential for lower rents is limited. At the same time, demographic figures are indicating that housing segregation is increasing.

This is reflected in the trend in Stockholm, which is largely due to massive changes nationally. Certain towns and regions are being depopulated, whilst Stockholm continues to be a growth region, albeit one experiencing increased competition from other countries. The discussions of where to locate our headquarters shows that the Stockholm region's position in a global economy is by no means a given one.

Taking this into account, it is therefore no surprise that Stockholm's politicians are unanimously stressing the importance of Stockholm, and emphasising that the city must be an attractive place to both live and work. I believe that an in-depth discussion is needed around the role to be played by the municipal housing companies in the region's development. Statements to date by the owner indicate that the impending housing shortage will primarily be solved by other players. But don't we need the efforts of all men of goodwill?

We also need to discuss the municipality's need for municipally owned housing, and of where this housing should be located. How, for example, can we work together to counter housing segregation etc.?

We welcome and are keen to participate in promoting awareness of these issues and a debate on their importance!



Charlotte Axelsson  
Managing Director

# Business concept, strategy and objectives

## Svenska Bostäder's most important objectives are:

- to be the best landlord in Stockholm, maintaining long-term relationships with its tenants and their children;
- to contribute to Stockholm's development by the creation of living and attractive neighbourhoods.

**BUSINESS CONCEPT** Svenska Bostäder shall offer a varied range of attractive housing and non-residential premises at competitive prices, and improve its quality and service by working together with its tenants.

- Customer capital
- Human capital
- Structural and organisational capital
- Financial capital

**MARKET** Svenska Bostäder competes against other players in the Stockholm residential and non-residential premises markets. Virtually all of Svenska Bostäder's 50,000 or so residential properties are located in the City of Stockholm, corresponding to a market share of approximately 12%. Svenska Bostäder, with its 850,000m<sup>2</sup> or so of lettable non-residential premises area, is also the biggest individual player in the Stockholm non-residential premises market.

**OWNERS' REQUIREMENTS** Svenska Bostäder is owned by the City of Stockholm and is a part of the Stockholms Stadshus AB Group. Stockholm City Council and the Board of Stockholms Stadshus AB lay down the owners' requirements. The company produces a three year plan, presenting the most important objectives and strategies for the period, on the basis of these requirements.

**THE COMPLETE BALANCE SHEET** Most companies have hidden assets in addition to those accounted for in the balance sheet, such as market position, staff expertise, commitment to the environment etc. In recent years, methods have been developed by which a company's hidden assets (or liabilities) may be measured, accounted for and developed. For a number of years, Svenska Bostäder has employed a method known as "the Complete Balance Sheet", or CBS, in its operational control activities. CBS focuses on the following five type of "capital" in order to describe a company's value and developmental potential:

- Social capital

The company's three year plan adheres to this structure, and a summary account of success factors and objectives for the various types of capital is presented below.

**SOCIAL CAPITAL** Social capital reflects the social benefits generated by the company and its effect on the environment.

The most important social benefit objective for Svenska Bostäder is that the company contributes to Stockholm's development, by the creation of living and attractive neighbourhoods.

One specific social benefit aspect highlighted by the city in recent years has been the aim of combating the rapidly growing segregation in Stockholm.

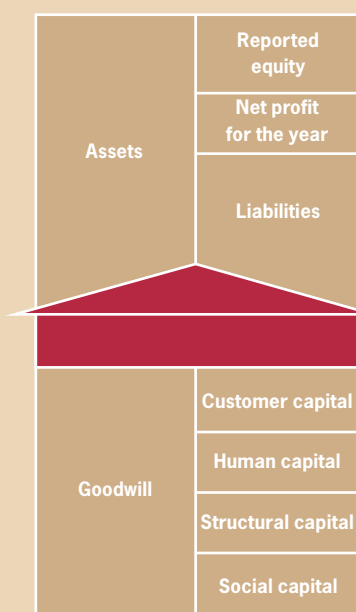
As far as Svenska Bostäder is concerned, this is first and foremost a matter of creating good living conditions, even in the more vulnerable areas. Increasing the stability of residential areas with high turnover rates is an important secondary objective, and the company can achieve even more in this area by cooperating with other players in the field. Neighbourhood committees and administrations are important partners in this work.

Environmental work has long played a central role in Svenska Bostäder's operations. The work is based on a review of the company's environmental impact, and is run in line with an environmental management system.

Please see pages 10–11 for more on our social capital.

**CUSTOMER CAPITAL** The customer capital reflects the customer benefit generated by the company.

The Complete Balance Sheet





Important factors for success in this area include ensuring that tenants always feel that the company offers value for money alternatives and generates the preconditions for personally influenced housing. Pages 12–19 detail objectives and results in this sphere in greater detail.

But customer capital is not simply a matter of the people who already live in or rent non-residential premises from Svenska Bostäder. The way in which potential customers perceive the company is an equally important aspect. Image surveys carried out in recent years show that Svenska Bostäder has the best reputation among the public and private Stockholm-based housing companies. Preserving this leading position is naturally one of our aims.

**HUMAN CAPITAL** Human capital represents the collective expertise and experience gathered within the organisation, as well as the potential for further development and the commitment of our staff.

Factors for success in this area are that Svenska Bostäder has committed, responsible and active staff, and that they excel in their particular field. It is also vital that our staff come from different backgrounds, that there is a good age range, and that both men and women are well represented in the different sectors.

Our staff's values and attitudes are measured regularly in frequent "Staff Barometers". The overall objective for the next few years is for a gradual improvement in these measurements.

Please see pages 20–21 for further details of the human capital.

**STRUCTURAL AND ORGANISATIONAL CAPITAL** Structural and organisational capital reflects the effectiveness of the company's organisation and support systems. The property holding's rental structure is another important structural factor in a property company.

Factors for success in this area include:

- a customer-orientated, decentralised organisation
- efficient and secure administrative systems
- that housing rents are set at reasonable and fair levels and that rents for non-residential premises are competitive.

See pages 22–23 for further details.

**FINANCIAL CAPITAL** The financial capital is reported in the Balance Sheets and Income

Statements, on the basis of which documents and economic factors are then combined to generate various key ratios. These key ratios are useful, both as management tools and in evaluating the operations.

The company has laid down the following financial objectives for the period 1999–2001 in its three year plan, on the basis of the owners' required return.

	2001
Profit after net financial items, SEK million (ex. capital gains)	350
Return on shareholders' equity, %	6.7
Equity/assets ratio, %	27.0

These objectives are partly based on the assumption that rent increases will be on a par with inflation in 2000 and 2001. The plans are also based on an assumption of unchanged maintenance volumes, renovation work volume of approximately SEK 370 million per annum, and on the new construction of 660 apartments during the three year period.

Svenska Bostäder's most important financial capital is, of course, the properties owned by the company. Their maintenance status, coupled with their geographic and age-related composition, is crucial to the value of the holding. The aim is to achieve a varied and well-maintained property holding in the various areas of Stockholm, with attractive residential and non-residential premises.

The new majority in Stockholm's City Council, since the adoption of the three year plan has, stated that primary responsibility for the new production of housing rests with private and cooperative property owners. This means that the volume of new construction work within Svenska Bostäder will be reduced.

See pages 24–33 for further details of the financial capital.

## THE SOCIAL CAPITAL

# Society and the environment

The social capital reflects the company's benefit to society and its effect on the environment.



**OBJECTIVES** The most important social benefit objective for Svenska Bostäder is that the company contributes to Stockholm's development, by creating living and attractive neighbourhoods. This is a particularly important task in all of the outer suburban areas where Svenska Bostäder is a major property owner. One specific social benefit aspect highlighted by the city in recent years has been the aim of combating the rapidly growing segregation in Stockholm. The overall aim of the environmental work, meanwhile, is to contribute to the creation of an ecologically sustainable society.

**SOCIETY** As far as Svenska Bostäder is concerned, the integration efforts are first and foremost a matter of developing its work within the company's traditional areas of responsibility – housing service and the maintenance of properties and housing environments. And a matter of working together with residents and other interested parties to find new ways of making the areas even more attractive.

The housing environment must be perceived as calm, secure and safe by residents if they are going to want to continue living there and be actively committed to their neighbourhood. A good housing environment is, like a good school, fundamental to the success of our integration efforts.

Svenska Bostäder began to introduce the role of building manager in parts of Järvafältet and in Östberga in 1998. The building managers have greater authority than the old style caretakers, and also have overall responsibility for the properties they manage. The aim behind the building manager scheme is to bring us closer to tenants.

Evaluations of the building managers' work report extremely pleasing results. The tenants are more content, and contact between the company and the residents has also improved. The staff feel more committed, and take greater pleasure in their work. In January 1999, the company decided to successively introduce building managers throughout the company.

In June 1998, Svenska Bostäder arranged an international conference in Tensta aimed at generating new strategies for improving our ability to integrate the area into the Stockholm region. The conference's conclusions and recommendations, specified in the report entitled "Tensta from a European perspective" can also be applied in other suburbs, which suffer from similar problems.

Other efforts to create living and attractive neighbourhoods focus on developing the suburban shopping and service centres owned by the company, to give the residents a high standard of local commercial and public sector services. Competition from large discount stores constitutes a real threat to the small clusters of shopping and service centres.

Svenska Bostäder owns ten or so suburban shopping and service centres (e.g. in Tensta, Rinkeby, Hässelby Strand and Kärntorp) as well as ten or so smaller suburban market squares (e.g. in Grimsta and Östberga). This makes the company a key player in the creation of good local services for many of the residents of the municipality's outer suburbs.

The planning work for suburban shopping and service centres and local service centres is based on improving the range of services provided, accessibility, physical environment, marketing and centre management, along with building service and security.

The Customer Capital section on pages 18-19 present the major work done on the suburban centres in 1998.

**THE ENVIRONMENT** In the mid-1980s Svenska Bostäder decided to prioritise the environment in every sphere of its operations. The company's environmental policy was adopted in 1995, and 1997 saw the introduction of a new environmental organisation. An environmental management system was also introduced in 1998 to generate more efficient methodologies, and to ensure that the environmental objectives are met.

A considerable amount of work has gone into environmentally-adapted procurement in 1998. Svenska Bostäder now makes environmental demands on its suppliers and contractors when procuring products and services, where traditional selection criteria are rated equally alongside the degree of environmental adaptation of products and services.

Saving energy and water resources is vital in both environmental and monetary terms, and is given top priority in the company's environmental evaluation efforts.

Carbon dioxide emissions from the transport sector in Stockholm are considerable, and Svenska Bostäder has accordingly inventoried the emissions from its own fleet of vehicles. This has resulted in a faster transition to electric vehicles and electrically powered tools.

In 1998 the company offered its residential tenants and non-residential tenants in shopping and service centre facilities the chance to sort their waste into even more categories.

Svenska Bostäder also concluded an agreement with the Greater Stockholm Tenants' Union whereby the company will produce environmental declarations for all residential apartments.

An awareness of the effect of buildings on the environment is vital if we are to be able to handle environmentally hazardous waste optimally when renovating or demolishing properties. The company has accordingly begun to inventory the environment in its properties.

Svenska Bostäder awards environmental prizes worth SEK 50,000, and in 1998 for the third year running, these went to employees and residents who initiated local environmental projects.

The environmental work is presented in greater detail in the company's 1998 Environmental Report.

**The Environmental Report includes both key ratios and results.**





THE CUSTOMER CAPITAL

# Customers and markets

The customer capital reflects the social benefit generated by the company.

## Housing

**THE HOUSING MARKET** In all, there are just over 400,000 residences in the City of Stockholm, of which 40,000 are self-contained houses, 90,000 are tenant-owner apartments and approximately 270,000 are in multi-dwelling blocks let with right of tenancy. Approximately 120,000 of the residences are owned by the municipal housing companies.

Svenska Bostäder's holding comprises 49,558 residential apartments, corresponding to a reduction of just over 1,500 sold since the turn of last year. Of the city's 735,000 residents, almost one in every seven live in Svenska Bostäder's properties. This makes Svenska Bostäder the largest player in Stockholm's housing market by some margin, while Svenska Bostäder's two associated companies, Stockholmshem and Familjebostäder take up second and third position.

A large number of private landlords and other forms of tenure, that is, tenant-owner and owned apartments also compete for tenants.

that one residence is usually needed for every two people moving into the city.

There has, however, been very little new housing construction work throughout the 1990s (in 1998 only a net 1,650 new tenant-owner apartments were built) and forecasts for the period 1998–2002 put the figure for annual new constructions in the city of Stockholm at around 1,300 per year.

The imbalance between supply and demand will, therefore, probably increase over the next few years.

The housing market in Stockholm is, however, strongly differentiated. Demand in the inner city area is largely unlimited, but is considerably weaker in some of the suburbs. This difference has, however, declined over the past year as the temperature of the market has risen. Demand now exceeds supply in virtually all of Stockholm's suburbs.

At the turn of 1998/99, Svenska Bostäder had no unlet apartments, in comparison with 29 apartments the previous year.

**Stockholm Municipality's 10 biggest property owners**  
Refers to multi-dwelling blocks and commercial properties, not specialist properties.

	m <sup>2</sup> floor area
1 Svenska Bostäder	4 104 676
2 Stockholmshem	2 448 459
3 Familjebostäder	2 131 616
4 Vasakronan	742 000
5 Drott	689 040
6 Allmänna Pensionsfonden, 1st, 2nd and 3rd Fund Boards	688 000
7 Wihlborgs	543 354
8 Livförsäkrings AB Skandia	534 136
9 Trygg Hansa Livförsäkrings AB	484 102
10 Stockholms Kooperativa Bostadsförening (SKB)	455 797

Source: Catella

**RAPIDLY INCREASING POPULATION** Of all the country's regions, Greater Stockholm has experienced the most rapid population growth in recent years. The population of the city of Stockholm alone increased by approximately 8,000 people in 1998. This influx is, furthermore, expected to continue at a high level, and the population of Stockholm is expected to grow by approximately 4,700 a year between now and the year 2006. Calculations show

**ALL KINDS OF TENANTS** Almost 100,000 people live in Svenska Bostäder properties, corresponding to one in every seven Stockholmers. The tenants include representatives of every level of society and every size of household, with senior citizens comprising just over 18% – a figure exceeded slightly by children under the age of 16 (20%). Two thirds of the residents are thus aged between 16 and 65.

In terms of size, half of Svenska Bostäder's apartments are 3 rooms or more, and a kitchen, and families with children consequently make up many of our tenants. The tenants' socio-economic classification does, however, vary widely between different neighbourhoods.

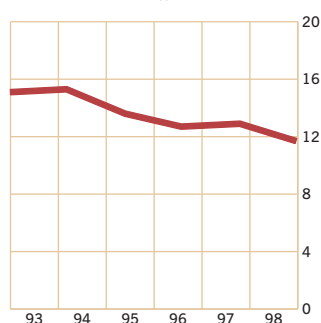
**CORNERSTONES OF THE HOUSING SERVICE** Providing high quality, satisfactor housing services to the wide group of tenants, which Svenska Bostäder serves, is a challenge. The service is, therefore, formulated slightly differently, depending on the neighbourhood, type of building and tenant composition in



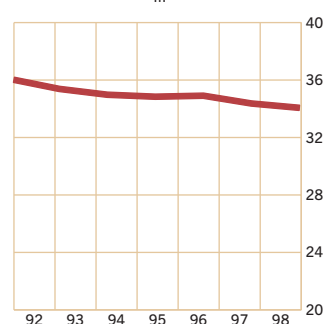
question. The cornerstones of the company's service are, however, the same throughout:

- 24 hour service guarantee
- the option of swapping apartments
- freedom of choice in accommodation
- focus on environmental issues
- tenant involvement
- decentralised organisation.

**Tenant turnover**  
%



**Floor area/resident**  
m<sup>2</sup>



**OBJECTIVES** The most important objective for Svenska Bostäder is that the company is appreciated by its tenants in particular and Stockholmers in general. Svenska Bostäder shall be the best landlord in Stockholm, with long-term relationships with the tenants and their children. The company's three year plan for the period 1998–2000 also contains various overall objectives:

- the service barometer's grades for maintenance and security shall be at least 3.5 and 4.0, respectively, in all areas by the year 2000
- the grades awarded by tenants to renovation work shall continue to be high
- the market position shall be strengthened (follow-ups will include corporate image measurements)
- the leading position in the Satisfied Customer Index (SCI) for housing customers shall be retained, and the company's SCI rating shall be improved
- the opportunities for user influence shall be improved.

**THE SERVICE BAROMETER** In the Service Barometer, a random sample of tenants, representing approximately 10% of the total number, are asked to rate Svenska Bostäder in terms of cleaning, the service-mindedness of staff, security and contentment. The scale is from one to five, five being the highest. The most recent survey was carried out in October 1998.

Svenska Bostäder received an average rating of 3.7 for its maintenance and servicing work. There are, however, four residential areas (of the 32 measured) where the rating is still below 3.5, which is the goal set for all areas by the year 2000.

Room for improvement also exists with regard to security issues. The aim for the year 2000 is a rating of 4.0 in all areas. In October 1998, the average rating was 3.94, with only one third of areas achieving a rating of 4.0.

**BETTER SERVICE AND SECURITY** A new management organisation, involving building managers, has been undergoing trials since November 1997 (see page 10). The aim is to bring us closer to the tenants, and through

this, to generate greater security and feeling of homeliness in the residential area, at the same time as we ensure that maintenance and service work is more in line with residents' requirements. In January 1999, Svenska Bostäder decided to introduce building managers successively throughout the company.

Projects aimed at generating security are in progress in several residential areas. In Breddäng, for example, passes are now required to gain admission to entrance halls, cellars and garages etc., in 18 apartment blocks. The remaining 8 apartment blocks in the area will be affiliated to the system during 1999, therefore providing increased residential security for approximately 6,000 residents.

In Vasastan, Svenska Bostäder is working with the local police on a project with the aim of making the area the safest residential area in Stockholm. The measures include both better gates and locks, and the provision of training and information for personnel and tenants.

Amongst the 100,000 tenants who live in Svenska Bostäder's properties, there may sometimes be the odd one who is perceived as a nuisance by their neighbours. The company has three nuisance ombudsmen who handle this kind of problem. Svenska Bostäder, in partnership with various other housing companies, also has a nuisance duty office who can respond to calls and sort out acute nuisance problems at night and during weekends.

**RENOVATION SURVEYS** The renovation surveys carried out after renovation work and stack changes in numerous residential areas show that the majority of tenants are satisfied with the measures and their implementation.

**CORPORATE IMAGE** Svenska Bostäder did not carry out a corporate image measurement in 1998. In the measurement carried out by TEMO in 1997, however, Svenska Bostäder was the housing company with the most positive perception rating amongst Stockholmers. Svenska Bostäder usually carries out the survey every other year, which means it is time for a new one in 1999.

A market survey of housing companies in the Greater Stockholm region was also conducted in 1997 by Svensk Hyresvärd Kvalitet AB. This survey revealed that of 23 companies – both privately and municipally owned – Svenska Bostäder enjoyed the best reputation.

**SATISFIED CUSTOMER INDEX** In 1998, Svenska Bostäder took part for the third time



in the Fastighetsbarometern (Property Barometer) survey of rental housing. The idea behind the survey is to measure customer satisfaction and the factors that influence this. Five of the major housing companies in Sweden took part in the survey.

250 randomly selected tenants from each company were interviewed. Svenska Bostäder came joint third, with a SCI rating of 71, which is two points down on the result in 1997. The industry average was 70.

It is evident that the company has not achieved its goals of retaining its leading position and of raising its SCI figure for 1998.

**INDIVIDUAL APARTMENTS** The company's maintenance system for apartments offers the tenants considerable potential to exert influence over these activities. Every apartment has a maintenance plan that specifies when carpets are to be changed, when repainting and wallpapering is to occur, and when stoves and refrigerators are to be changed. The tenants decide for themselves whether to follow the maintenance plan.

A tenant who requests that the maintenance work be brought forward pays a surcharge on their rent, whilst if a tenant elects to postpone the planned maintenance, they receive a rent rebate instead. In December 1998, tenants who had elected to postpone the maintenance work received a combined total rebate of SEK 16 million.

Svenska Bostäder's tenants can also influence their housing in terms of décor features and household appliances by means of so called optional add-ons, e.g. by having the bathroom refitted.

At Hornsgatan 58 in Stockholm, there is an exhibition hall where tenants can get inspiration for the rejuvenation of their homes and place orders.

**SELF MANAGEMENT AND RESIDENT INFLUENCE** Svenska Bostäder's residential influence agreement with the Greater Stockholm Tenants' Union gives tenants a greater opportunity to take over part of the maintenance and servicing of their building. Interest amongst the tenants in this scheme is, however, relatively weak. In some of the company's properties, however, the residents are responsible for all or part of the garden maintenance and stairwell cleaning work. This is first and foremost the case in the multiple dwelling houses, and in some of the listed ones. The tenants are repaid at cost for their work. In some of Svenska Bostäder's properties, the

tenants handle large parts of the building maintenance work, and overall, just over 300 households are now involved in some form of self-management.

Other forms of resident influence are more widespread in the company's property holding, and take the form, for example, of shared autumn clearing in courtyards, garden planning in consultation with the tenants, composting groups, and in-depth consultations in conjunction with renovation work etc.

**HOUSING DEPARTMENT** The Stockholm City Council has decided that the municipal housing companies must hand over two thirds of their vacant apartments to the municipal housing department, Bostad Stockholm. The remaining third is let by Svenska Bostäder through its own housing agency, in accordance with the points system that takes length of residence and queuing time into account.

The strategy employed in leasing the vacant apartments at the company's disposal through







its own agency is to favour loyal tenants. Hence, for example:

- tenants who have lived in Svenska Bostäder properties for at least three years are given preference in the allocation of vacant apartments, and long-term tenancy is rewarded;
- children over the age of 18 still living at home, and who are the children of tenants, are given preference for small apartments when they leave home;
- Svenska Bostäder also has a separation queue for tenants who are getting divorced.

In 1998, 1,496 tenants were allocated a different Svenska Bostäder apartment through the company's internal agency.

**SUMMER KIDS** In 1998, as in previous years, Svenska Bostäder has employed a number of tenants' children as summer workers. This year, just over 400 young people gained practical experience of working life, at the same time as they earned a bit of cash. The young people have mainly worked in their own residential area on garden and building maintenance duties.

**STOCKHOLM – CULTURAL CAPITAL OF EUROPE 98** Svenska Bostäder arranged a number of activities during the "Stockholm – Cultural Capital of Europe 98" year. These activities had two aims: firstly, to attempt to offer as many of the company's tenants as possible the chance to get involved in cultural activities at an advantageous price, and secondly, to shift the focus to the suburbs as far as possible. Exhibitions, theatrical performances, neighbourhood rambles, grass sculptures and books were just some of the popular activities organised.

**RENTS** The Board of Svenska Bostäder decided, in response to a request from Stockholm's local authority, not to raise residential rents in 1998. An equivalent decision was taken by the Boards of the two other municipal housing companies in Stockholm. Negotiations between Svenska Bostäder and the Great Stockholm Tenants' Union have led to the five year rental agreement concluded in 1995 having ceased to apply.

Svenska Bostäder and the Greater Stockholm Tenants' Union have, as a result of the Board's earlier decision to reduce the rents in the St. Erik's area, agreed rental reductions of between 10 and 20% in other newly built and renovated properties.

An agreement was also reached during the year, involving a rent rebate as a result of the

reduced level of property taxes in 1998. The amount was paid as a one-off deduction from the October rent of 10%.

Residential rents will also remain unchanged in 1999, as a direct result of an agreement reached between Svenska Bostäder and the Greater Stockholm Tenants' Union. 1999 will also see tenants compensated for reductions in property taxes by a 10% rebate on their monthly rental charge for July.

## STRATEGIES AND MEASURES IN THE SLIGHTLY LONGER TERM

Svenska Bostäder has taken part in the SABO (Swedish Association of Municipal Housing Companies) Future Study, part of which study concerned customer strategies. The ideas and conclusions concern the need for a company to differentiate its processes in relation to the customers. Customers differ and have differing preferences, requirements and needs. Product and service pricing and offers are of the utmost importance. Without differentiation and adaptation in line with different customers' requirements and preferences, there is a considerable risk that some tenants will perceive the service they receive as excessive, whilst others' requirements will be unfulfilled. The tenants must be provided with a more differentiated service, with a lower basic level and the option of ordering additional services required in return for payment.

Svenska Bostäder's Internet homepage is a good platform for communication with the tenants and for services that do not require verbal contact with the company's personnel. Internal housing department facilities and fault reports will be introduced on to the homepage during 1999.

### Optional add-ons, Top 10

Product	Number
Refrigerator/Freezer	16 513
Security door	9 866
Kitchen extractor fan	5 347
Glazed balcony	5 346
New cupboard doors/kitchen	3 077
Stove with ceramic hob	3 071
Washing machine	2 075
Exclusive wardrobe doors	1 532
Parquet floors	1 479
Dishwasher	1 310
<b>Total since 1986</b>	<b>64 846</b>
<b>In 1998</b>	<b>4 183</b>



# Non-residential premises

## The five biggest tenants

Tenants	Income (SEK m)
City of Stockholm	277
Stockholms County Council	34
The Post Office	8
D-gruppen	7
Åhléns	7
<b>Total</b>	<b>333</b>

## Facts and figures, SB Lokaler

SEK million	1998
Rental income, net	715
Investments, construction and renovation	22
Vacancy level, % of gross income	4.1
No. employees, turn of the year, 98/99	45
No. non-residential premises, turn of the year, 98/99	5 666
Floor area, m <sup>2</sup> , turn of the year, 98/99	853 123

## Duration of the contracts

Turn of the year 98/99

Contracts expire	No. contracts	Contracts rents at 1998 levels (SEK m)
1999	2 541	283
2000	1 127	158
2001	1 128	174
Later	192	107
Unlet and others	678	32

**SVENSKA BOSTÄDER** owns and manages 5,666 non-residential premises (5,736) with a total floor space of 853,123 m<sup>2</sup> (882,441). The difference in relation to last year is primarily due to the sale of children's day care centres to the City of Stockholm, and due to the sale in 1998 of other buildings that included non-residential premises. With a few exceptions, all of the non-residential premises are located in the City of Stockholm, and the company is one of the capital city's biggest letters of commercial premises. The Non-Residential Premises Division is responsible at Svenska Bostäder for handling the company's commercial properties and shopping & service centre holdings. The name used in marketing contexts is SB Lokaler.

The non-residential premises are located adjacent to the company's residential areas. The high percentage of stores and offices is due to the fact that the company has been responsible for the expansion of stores, municipal service buildings and offices in many of Stockholm's neighbourhood shopping and service centres from the 1950s, 60s and 70s. The shopping and service centres, of which Vällingby and Skärholmen are the largest, account for 35% of the company's gross income from non-residential premises.

Svenska Bostäder's non-residential premises are primarily located within three segments of the non-residential market in Stockholm:

- inner city non-residential premises
- shopping and service centre facilities
- other non-residential premises on the outskirts of town

The company's varied holding of non-residential premises means that customers can be offered everything from desirable stores and offices to simple non-residential premises throughout virtually the whole of the city of Stockholm. The majority of the non-residential premises are located in well-maintained buildings.

The fact that municipal and county council customers are so predominant – they account for around one third of revenues – involves certain complications, in that their activities currently undergo review on a fairly regular basis. Many of the non-residential premises are also customised to comply with the requirements of children's day care centres, libraries and health centre activities.

## THE NON-RESIDENTIAL PREMISES MARKET

The vacancy level for the company's inner city non-residential premises is virtually zero, and this, too, has led to rising rent levels.

The letting situation for store premises in the company's shopping and service centre facilities is also excellent. Only a few store premises in the smallest centres of this kind are currently standing empty. The only significant letting problem comprises a few larger office premises in Skärholmen and Hässelby Gård, which account for approximately half of the drop in income for unlet premises.

One problem currently being experienced by the region's suburban shopping and service centres is that the range of services in older suburban shopping centres have been negatively affected by Stockholmers' changed purchasing patterns, which include taking the car and doing a big shopping once or twice a week. This shopping pattern has been encouraged by new, massive superstores areas, such as Kungens Kurva, Sickla and Barkarby – and this form of retailing is currently expanding. Rationalisation in the public sector – such as that seen in post offices, pharmacies, and the State alcohol retailing monopoly – has led to larger and fewer retail outlets or service units, which means a poorer range of services and hence the reduced attractiveness of the smaller centres close to residential areas.

In spite of a weak, but nonetheless positive turn around in the demand for other non-residential premises in the outskirts of the city, finding tenants for some non-residential premises is still a problem. Certain non-residential premises that are proving difficult to let were converted to a total of 24 residential apartments in 1998.

**OBJECTIVES** One of Svenska Bostäder's most important objectives is to create living and attractive neighbourhoods. The company owns ten or so suburban shopping and service centres in addition to Vällingby and Skärhol-

## Non-residential premises holding, January 1999

	No. non-residential premises	Area (1,000m <sup>2</sup> )	Gross income (SEK m)	Vacancy level (%)
Studios	158	9	7,8	0.46
Stores	930	188	215	1.39
Offices	1 114	203	198,6	6.7
Leisure facilities, schools etc.	91	61	60,9	0.86
Medical centres, health centres	121	48	50,1	6.1
Crafts, industry	171	29	15,7	5.34
Day care centres for children & the elderly	240	134	145,3	0.5
Storage, garages, warehouses	2 230	135	36,8	9.28
Other	611	46	23,4	5.4
<b>Total</b>	<b>5 666</b>	<b>853</b>	<b>753,6</b>	<b>3.48</b>

men, such as Tensta, Rinkeby, Bredäng, Hässelby Gård and Kärrtorp, along with commercial properties in nine smaller suburban squares, such as those in Grimsta, Fagersjö and Östberga. Svenska Bostäder aims to contribute to providing the residents with a good standard of commercial and public sector local services in their own areas by developing these suburban centres and squares.

Another of the company's objectives involves increasing the letting frequency – by the end of 1998; the percentage of unlet non-residential premises was to be below 4%. The operations shall be conducted in a commercial fashion and shall contribute to the company's profits in both the short and the long-term.

**STRATEGIES** When choosing which action to take to develop the shopping and service centre facilities, the company focuses on the following factors for success:

- range of services (commercial, social and cultural)
- accessibility (parking, good reception, signposting etc.)
- physical environment (furnishing, façades, entrance halls etc.)
- marketing/centre management
- maintenance and service (cleaning, climate, patrols)
- security (guarding, alarms etc.)

The measures are focused on where the potential for improvement is greatest.

No corresponding assessments are conducted for those non-residential premises not located in shopping and service centre facilities; rather the focus is on adapting the premises in line with individual customer's requirements and an assessment of the local market.

**RESULTS AND ACTIONS, 1998** Gross rental income for 1998 was SEK 745 million (SEK 769 m) which, less SEK 30 million in unlet premises, yielded a net income of SEK 715 million (SEK 735 m). The vacancy level for 1998 as a whole was 4.1% (4.5%), whilst at the turn of the year, 1998/99, it had fallen to 3.5%. The company's project, part of the Suburban Investment programme provides examples of the measures being taken to promote living neighbourhoods:

- In Hässelby Gård Centrum, Svenska Bostäder concluded its share of the renovation of the environment around the square in 1998.
- Husby Träff, which is a key meeting place for the neighbourhood's societies and inhabitants has been improved.

- An art hall has been established in Tensta Centrum to attract both friends of the arts and a new, local audience.

- The work on rejuvenating Skärholmsterassen progressed throughout 1998.

Other renovation projects have been carried out, in addition to the company's work as part of the Suburban Investment programme:

- The physical environment has been improved in Vällingby Centrum and Skärholmen Centrum, and in many of the smaller facilities. The goods delivery systems and customer parking facilities have, for example, been improved and sorting at source of waste has been introduced in several facilities.
- In Björkhagen, several tenants have been moved, and a small building is to be demolished as part of a larger rejuvenation project.
- In Rinkeby Centrum, the service centre has been improved by the establishment of a new bank.
- An investment is being made in centre management within the Järva area to encourage the retailers to engage in shared marketing, and to strengthen their partnerships. This work began in Husby Centrum, and has now developed to include Rinkeby Centrum and Tensta Centrum as well.

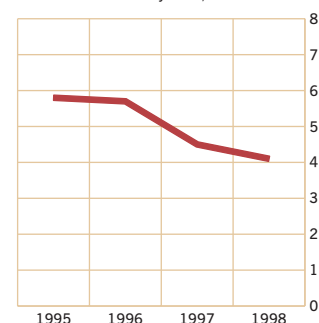
**PLANS FOR 1999** The vacancy level for non-residential premises is now so low that only marginal improvements can be achieved. Special resources will, however, be invested in letting the large office premises in Skärholmen and Hässelby Gård. Resources will also be invested in improving customer services for the non-residential tenants.

Many rental agreements for non-residential premises in good locations expire in the year 2000. Analyses will be carried out with the aim of raising rental levels for non-residential premises in all attractive locations.

Svenska Bostäder is hoping that by partnering Vällingby district council, it will be able to advance the planning work that has been in progress for some years now, and which is aimed at revitalising Vällingby Centrum. A package of measures will be generated for improving Tensta Centrum.

The environmental work will focus on reducing the need for cooling in all buildings, so that environmentally hazardous CFCs can be eliminated totally by the year 2000. The experiences gained in the shopping and service centres practising sorting at source will be evaluated and measures developed.

**Unlet non-residential premises**  
Vacancy level, %





## THE HUMAN CAPITAL

## Staff

The human capital represents the collective expertise and experience gathered within the organisation, as well as the potential for further development and the commitment of our staff.



**NUMBER OF EMPLOYEES** The number of Group employees at the year-end was 811 (839). 424 of this total were salaried workers and 387 were employed under collective bargaining agreements. Approximately 420 (430) young people were employed during the summer as holiday staff.

**STAFF TURNOVER** Staff turnover during the year was 8.0% (4.6%), which Svenska Bostäder deems to be a good level in the long-term. The average age of employees is relatively high, with 38% (37%) over the age of fifty. This should be viewed in the light of the fact that a massive 15% (16%) have been employed for twenty or more years by the company. The average age of company employees at the year-end was 44.8 (44.8), and the average duration of employment was 11.4 (11.4) years.

**SICK LEAVE** Days of sick leave for the year totalled 5.8% (5.5) of the overall number of working days; this being a moderate increase and corresponding with trends in the labour market in general. Days lost to long-term sick leave accounted for 3.8% (3.6%) of this total.

**OBJECTIVES** The overall objective, as regards human capital, is to successively improve the results yielded by the Staff Barometer annual staff surveys. The company's three year plan for the years 1998–2000 also contains certain overall objectives:

- to meet the demand for skills development among the staff because of the introduction of the building manager system and increased self-management, among others
- to increase the company staff mix with regard to age, sex, background etc., and to produce a plan for this work
- to develop the potential for individual wage setting and local wage formation
- to specify additional objectives for the human capital.

**THE STAFF BAROMETER** New demands and preferences expressed by tenants and other



interested parties means that Svenska Bostäder has to constantly adapt the way it works. The willingness to change, along with motivated and competent personnel, are, therefore, one of the company's most important capital resources. The staff surveys that have been carried out every year for the past three years, most recently in spring 1998, show that many of the company's employees are satisfied and loyal. They have also shown that some employees are dissatisfied with the information provided and are insufficiently aware of the company's overall objectives. The results of these surveys are followed by different kinds of activities at each workplace.

The three staff surveys carried out to date have been laid out slightly differently and it is thus not possible to give comprehensive answers to the question of whether the objective of improving the results yielded by the surveys have been achieved. The survey technique must be refined, and the surveys will, in future, be conducted every other year, in order to allow more time for follow-up work on the results.

**DIVERSITY** The company's lodestars, in conjunction with the recruitment and composition of working groups are achieving a good balance in terms of the employees' age, sex, education, experience and cultural background. The process of developing a diversity plan was initiated in 1999.

**INDIVIDUAL WAGE SETTING** Wages are one of the company's instruments for steering and improving operations. Given this, for a number of years Svenska Bostäder has been implementing individual wage setting for all employees. The nature of the employee's work and its degree of difficulty, together with qualifications and performance shall influence wages within the framework of collective bargaining agreements.

The salaried employee agreement concluded in 1998 implements local wage formation over the next three years, which means that trade unions and companies negotiate the margin available for pay increases locally.

**SKILLS DEVELOPMENT** Trials of a new management organisation with building managers have been in progress since 1997 (see pages 10–11). Individual training plans have been produced for building managers, and implemented after personal tests. SB 2000, the company's investment in total quality, continued throughout 1998 with training for all new employees. This continuous training gives all

employees a shared approach to quality and shared methods of quality development.

Developments within the IT sphere are proceeding apace, and the need for training is therefore always high. At the turn of the year, 1998/99, the company introduced new finance, project management and purchasing systems. This led to a further training requirement. 482 (273) employees have been trained at the company's own computer centre in 1998, where capacity doubled during the year. Voluntary after-work computer training has also been organised, in addition to the regular training provided.

The company's total training cost in 1998 was just over SEK 7 million.

**HOME PCS** As part of the company's efforts to boost its IT skills, every employee has been offered the opportunity to borrow computer equipment for private use in return for a monthly gross salary deduction. Just over 200 people took up the offer.

**LOOKING TO THE FUTURE** In January 1999, the human resources and organisation staff function was split up into a human resource staff function and an IT and organisation staff function. A more functional, unified human resources function will be better able to focus on the development of staff-related tasks.

If we are to achieve our diversity objective, both new recruitment and staff development must focus more on social skills and not simply on purely occupational quality requirements.

Developing individual wage setting presupposes a new system for evaluating positions. A clear and easily accessible wages policy is a precondition, and hence one of the most important tasks facing the company.

Skill development must also develop and the company's participation in SABO's Future Study among others, benefited from suggestions and ideas on how to build up a "learning organisation".

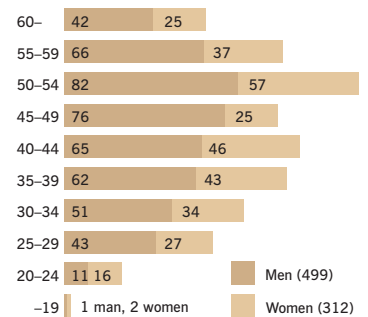
Additional objectives will be specified in greater detail for the human capital during 1999.

Number of employees, 31st December 1998



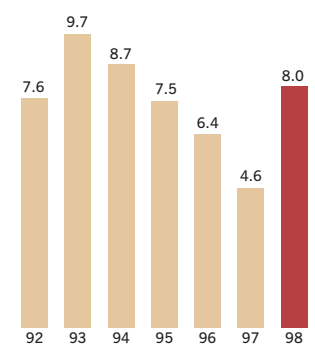
Age structure

Age groups, no. employees



Staff turnover

Employed until further notice, %



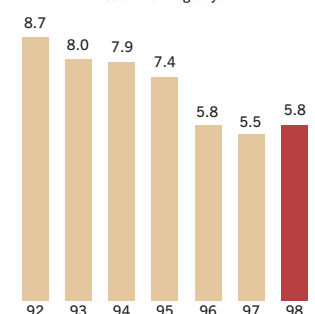
Length of service

Employed until further notice, %



Sick leave

% of working days



## THE STRUCTURAL CAPITAL

# Organisation and systems

**The structural capital reflects the effectiveness of the company's organisation and the support systems in place, together with the rental structure of the property holding.**

**ORGANISATION** The operations are divided into four Divisions, namely North, City and South Divisions for residential accommodation, and the Non-residential Premises Division. The City Division includes AB Stadsholmen, which owns and manages buildings of cultural and historical value, primarily in the Stockholm city centre area.

The residential Divisions – with 525 employees – are divided up into 16 management areas, with area offices that are the bases for management and customer service activities. Several of the management areas also have service desks in residential areas located some way from the area office.

The Non-residential Division – with 45 employees – has letting offices in Vällingby Centrum, in the Södermalm district of Stockholm, and in Skärholmen.

The head office in Vällingby is home to a shared secretariat for the Divisions, and to staff functions with specialist skills.

## OVERALL STRUCTURAL CAPITAL OBJECTIVES

- Management shall be conducted in a way which is closer to the customer.
- The administrative systems shall be efficient and secure.
- A moderate rental differentiation shall be implemented in stages to achieve a reasonable and fair rental structure.

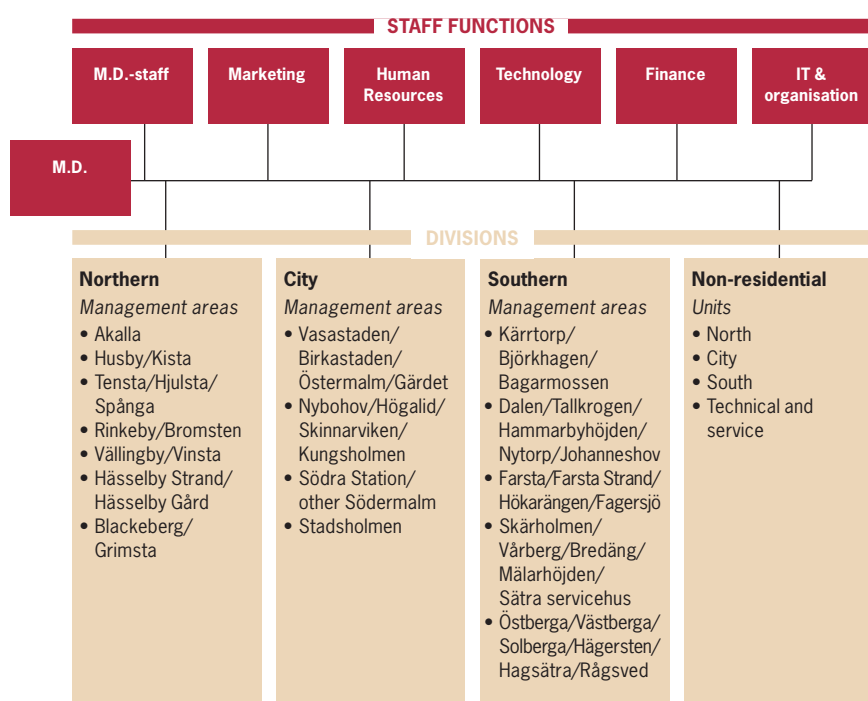
**FOCUS ON TENANTS** One of the company's lodestars for a number of years has been to maintain a close-to-the-customer organisation that provides a high standard of service. As a result, Svenska Bostäder has – unlike many other housing companies – a centralised organisation, which largely uses its own staff for customer contacts and the day-to-day maintenance of the properties. The service includes a 24 hour service guarantee and generous opening hours at the company's offices.

The 16 management areas have offices in the residential areas. Every area is responsible for between 1,500 and 4,300 apartments, and in order to bring the management closer to the customers, we are now successively introducing building managers in all of the residential areas (see page 10).

**QUALITY DEVELOPMENT – SB 2000** The company is working on quality improvements within the framework of SB 2000, a quality system developed by P. Crosby, and which is a version of TQM. SB 2000 shall be a natural part of the daily work of all employees, who have consequently been trained in the methods used.

The company's quality policy involves reaching service agreements with the customer, and reaching separate agreements with our suppliers in terms of our requirement of doing the right thing from day one – at the right time, and the right cost!

A number of quality improvement projects have been conducted within the company in 1998, and have resulted in savings/improvements being implemented. Example: reviews of maintenance planning, changes to notifica-



tion routines for area premises, following up on OVK-measures (statutory inspections of building ventilation systems) etc.

**COMPUTER SYSTEM SUPPORT OF OPERATIONS** Over the years, Svenska Bostäder has developed a number of computer systems designed to support its day-to-day operations. The systems support the following activities:

- apartment swap queues with voice mail
- fault reports
- debiting/requests for payment
- loan administration
- electronic forms
- staff administration
- key administration
- register of properties
- external communication.

**THE NEW MILLENNIUM** The efforts designed to ensure Svenska Bostäder's ability to handle the millennium changeover with regard to electronic systems is being conducted on three fronts:

- large, business critical IT systems, where nine of the ten systems have been thoroughly Y2K-proofed. All systems will be Y2K-proofed by July 1999;
- computer platforms with hardware and software, IT communication, radio links and telephony;
- embedded systems used to control and monitor the operation of lifts, alarms, and the control and regulation equipment for water and heating etc.

The work is being conducted in partnership with suppliers, the City of Stockholm, and other municipal companies. Readiness plans for the transition to the new millennium will be drawn up in early 1999. The aim is for all equipment to be Y2K-proofed no later than the end of June 1999.

**"STYR 98"** In 1997, the company approved a project aimed at improving the company's financial control and follow-up work within the framework of the SB 2000 quality work. The project, known as STYR 98 (Control 98), comprises the introduction of an integrated standard system for purchasing, projects and finance.

A procurement process was implemented in the spring of 1998, and, at the request of the company, the final two candidates built prototypes. Once the evaluation process was complete, the supplier chosen was IFS. The contract comprises the supply of finance, purchasing

and project sections, together with a number of company specific adaptations. Intensive work has been conducted during the autumn with both internal and external resources in order to bring the system successively on line during 1999. The financial system and the project management modules were in production, as at the turn of the year, whilst purchase management, together with electronic invoice processing and allotment accounting etc., will be introduced during 1999.

A new modernised chart of accounts will be in place as part of the project from the turn of the year, and a comprehensive training programme, triggered by the changes, will be implemented.

#### ENVIRONMENTAL MANAGEMENT SYSTEM

The company introduced an environmental management system in 1998, with the aim of creating more efficient methodologies within the environmental work framework, and in order to ensure that the environmental objectives are fulfilled. For a more detailed presentation of the system, please see Svenska Bostäder's Environmental Report.

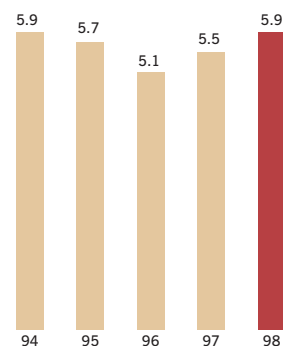
**RENTAL STRUCTURE** The starting point for a rental structure should be, in the opinion of Svenska Bostäder, that equivalent residential apartments with the same residential value (utilisation value) shall incur the same rental charge. Differences in residential value in line with the tenants' values shall incur corresponding differences in rental charges.

Surveys, turnover and the demand noted by the company's Housing Agency show that the rental structure within Svenska Bostäder fails to reflect the residential values of the tenants. There are residential areas and properties where the rents are too high, and there are others where the rents are relatively low.

The Greater Stockholm Tenants' Union shares the company's perceptions, to a degree, and negotiations have been conducted on an on/off basis over the past two years with the aim of bringing about a slightly different rental structure. The negotiations have not, as yet however, reached any successful conclusions.

The rents for the non-residential premises that the city rents to public welfare institutions are determined using a cost price principle. Rents for other non-residential premises are set freely on the open market for commercial premises in Stockholm.

**Outstanding unpaid rents**  
% of total debited



Average for the year, measured on the sixth working day of every month, and the third, as of 1998.



## THE FINANCIAL CAPITAL

# Properties, financing and analysis of the results

The financial capital comprises a traditional-style report of the way in which a company's development, results and position are measured in financial terms. The "formal" Annual Report, which begins with the Directors' Report and ends with the Auditors' Report (pages 38–55) are relatively formalistic, but even other information contained in this section, such as key ratios etc., are controlled by the recommendations of the Swedish Society of Financial Analysts etc.

## The properties

**THE PROPERTY MARKET.** Property prices continued to rise in Stockholm in 1998, and there are several reasons for this, the main ones being continued falls in nominal interest rates, coupled with a high level of demand, although an extremely limited amount of new construction work has also played its part.

The growing interest amongst tenants of residential properties in the city centre area in acquiring properties for reformation as tenant-owner association properties has also led to a general increase in price levels. Several private property owners have sold properties to their residents at prices considerably higher than those previously noted for sales to investors. The price of properties outside of the city centre area are rising, and the focus of people's interest is moving outwards as vacancy levels in these areas are heading towards zero.

Sales to residents dominate for residential properties in attractive inner city areas, and prices in excess of SEK 15,000 per m<sup>2</sup> have been noted. The yield on these transactions is below 3%. The pricing level for sales to property companies in these areas is around SEK 10,000/m<sup>2</sup> and the yield is around 4%. The more attractive areas include Östermalm and Gärdet, but also include parts of other areas, such as those near water.

The prices for sales to property companies for other inner city areas are around the SEK 9,000/m<sup>2</sup> mark, with a yield of around 4.5%. In the outer areas, the prices range from around SEK 3,000 to SEK 6,000/m<sup>2</sup>, depending on the age and location of the properties. The yields here vary between approximately 7 and 8%.

The pricing trend over the next few years will depend largely on how interest rates develop. The demand for residential apartments



will continue to be high, as the net influx of people into Stockholm is expected to continue.

**THE PROPERTY HOLDING** Svenska Bostäder owns 1,071 properties, with 49,558 residential apartments and 853,123m<sup>2</sup> of non-residential premises, all of which are, with a few exceptions, located in the city of Stockholm. 12,622 (25.5%) of the apartments are located in the city centre area, with 36,936 (74.5%) located in the suburbs.

To the north of the city centre, the company's property holding is concentrated on Västerort and Järfvafältet. The majority of the properties in Västerort were built during the 1950s, whilst those in Järfvafältet were built during the years of the "Million Programme" (Government programme to build one million apartments between 1965 and 1974).

The age and character of the inner city properties vary greatly, ranging from listed buildings from the 1600s to buildings built as part of the "Million Programme". The company's properties to the south of the city boundaries range from those built in the 1940s to those built in the present day.

For further information on the properties, please see the Property Holdings table on pages 58–59, and Svenska Bostäder's list of properties, which is issued annually as a complement to the Annual Report.

**OBJECTIVES** The company's three year plan specified the following objectives for 1998:

- the property holding shall be restructured to reinforce the inner city and inner suburban holdings, and to reduce the holding in areas where the company is overly dominant;
- properties outside of the City of Stockholm are to be sold;
- the property holding's high technical status shall be maintained. Renovation work shall be carried out using great care and with a view to good long-term finances.

Since the adoption of the three year plan, the new political majority in the Stockholm City Council decided, in 1999, that:

- all tenants of the City's housing companies

shall be offered the opportunity to buy out their apartments;

- the company's investment funds shall be concentrated on the areas where they do the most good. For the housing companies, this means the continued upgrading of run down residential areas and measures designed to create a more secure environment;
- as part of the strategy aimed at reducing the municipally owned property holding, the companies shall cease to acquire properties. Primary responsibility for the new construction of housing rests with private and cooperative property owners;
- properties outside of the Stockholm city boundaries shall be sold as soon as possible. The companies should concentrate their operations by selling larger central boiler plants and garage facilities, together with shopping and service centres. This will focus the operations on the things the companies do best, namely owning and managing housing.

**SALES** The Stora Tallkrogen 4 property in Sköndal was sold in February, along with part of the Överkikaren 34 property in the Södermalm area of Stockholm in March. Both properties were owned by the Stadsholmen AB subsidiary.

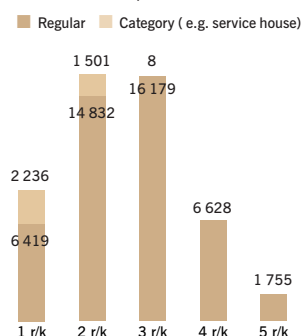
On 1 September, 14 properties were sold to Bostadsaktiebolaget Förstaden. Ten properties were owned by Svenska Bostäder, seven of which were located in Husby and three in Solna. Four properties were owned by the Fastighets AB Burspråket subsidiary, two of which were located in Solna and two in Sundbyberg. The deals comprised a total of 1,534 homes.

33 detached children's day care centres were also sold in 1998, to the City of Stockholm Real Estate and Housing Management Department.

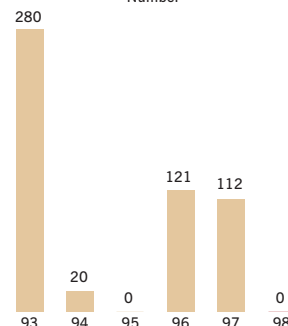
Svenska Bostäder sold a combined total of 16 properties, comprising 1,540 apartments and 33 children's day care centres in 1998. No properties were acquired during the year.

**INVESTMENTS** No new construction work was carried out in 1998. The investments in renovation work and other fixed assets total-

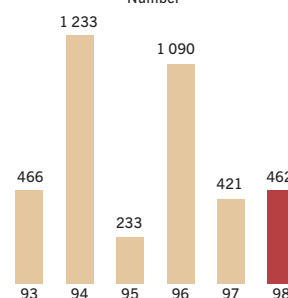
**Apartment composition**  
No. apartments



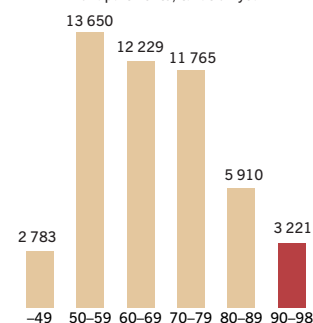
**Newly built apartments**  
Number



**Renovated apartments**  
Number



**Residential holding, year built**  
No. apartments, taxation year



led SEK 294 million. Properties to a book value of SEK 335 million (specified above) were sold during the year.

A total of SEK 261 million (SEK 372 m) was invested in renovation and improvement work in 1998.

The improvement of the company's apartments in buildings dating from the 1940s and 50s continues. The measures principally involve changing the stacks, renovating bathrooms, and, in some cases, kitchens. Projects have mainly involved the Vällingby, Hässelby and Hagsätra areas during the year.

The difficulties involved in reaching agreements with the tenants' associations have, however, limited the volume of investment in 1998. The potential for carrying out the necessary improvement work in 1999 in a spirit of mutual understanding with the tenants is, however, adjudged to be good.

SEK 23 million has been invested in improvements within the framework of Stockholm's investment in the outer regions.

Investments in non-residential premises in 1998 totalled SEK 22 million. SEK 13 million of this total refers to measures taken in shopping and service centre facilities, and SEK 9 million to tenant adaptations to the rest of the non-residential properties holding.

A number of non-residential premises that were proving difficult to let have been converted into residential apartments. These properties were located in Farsta, Skärholmen, Östberga and Enskededalen, where 24 new residential apartments have now been created.

The tenant can also choose to boost or complement the standard of the equipment in

their apartment through so-called optional add-ons. SEK 30 million has been invested in this way over the year.

**INVESTMENT PLANS** The new ownership directive for 1999–2001 means that the company's resources will be more heavily focused on the renovation and improvement of the existing holding. The projects involve inner city properties, the holding dating from the 1940s and 50s, and properties built as part of the "Million Programme". The suburban properties involved are in areas such as Vällingby, Hässelby, Grimsta, Nybohov, Hagsätra and Kärntorp.

The new construction of three buildings in Mälarhöjden comprising a total of 44 senior citizens' apartments is planned for 1999. New construction work is planned in two town blocks in Hammarby Sjöstad, giving a total of 255 apartments. They are scheduled to be ready for occupation by 2001.

**MAINTENANCE** The technical status of the company's properties is good because maintenance has been prioritised by the company for many years. Over the last three years, the maintenance expenditure level has been an average of SEK 150/m<sup>2</sup>, very high for the industry as a whole.

A large part of the property holding is of an age where the volume of maintenance and renovation work required has become substantial in recent years. Annual, partial "caring" renovation work is also carried out, involving stack changes and bathroom renovation for approximately 500 apartments. In most cases, the tenants do not have to move out whilst the work is in progress.

Every Svenska Bostäder apartment has a maintenance plan that specifies when carpets are to be changed, when repainting and wall-papering is to occur, and when stoves and refrigerators are to be changed. The tenants decide for themselves whether to follow the maintenance plan. A tenant who requests that the maintenance work be brought forward pays a surcharge on their rent, whilst if a tenant elects to postpone the planned maintenance, they receive a rent rebate instead.

**PROPERTY VALUES** An interim valuation of the property holding is, as in previous years, carried out on the closing date. This valuation is carried out with three specific aims in mind, as presented below. The valuation of Svenska Bostäder's properties can be broken down into three categories:

District	Property	Investments		Investment in 1998 (SEK m)
		No. apartments	Measures	
Blackeberg/Grimsta	Various		Supplementary insulation, ceiling and attics	17
Farsta	Various	12	Converting non-residential premises to residential	10
Gullmarsplan	Tuscheteckningen 1	20	Final invoices, new construction, 1997	10
Hässelby	Various	176	Stack changes/bathrooms	22
Hässelby	Gemaket 3	100	Bathrooms	13
Skärholmen centrum	Various		Tenant adaptation, non-residential premises	11
Vasastaden	Vilan 9 and 10	110	Total renovation	26
Vällingby	Bokpapperet	147	Stack changes/bathrooms	45
Vällingby	Kontorsskylten 5/Kartritaren		Office/tenant adaptations	12
Other	Various	398	Measures <SEK 10 m/object	98
All areas	Various		Tenants' optional add-ons	30
Total apartments		963		
<b>Gross investments</b>				<b>294</b>
<b>Total sales</b>				<b>-560</b>
<b>Net investments</b>				<b>-266</b>









- valuation designed to determine the write down requirement
- valuation designed to assess new and supplementary investment requirements
- valuation designed to present the estimated true value.

**WRITE DOWN REQUIREMENT** The Swedish Annual Accounts Act (1995:1554) specifies that a fixed asset which, on the closing date, has a value that is lower than the book value, shall be written down to the lower value if it may be assumed that the decline in value is a lasting one. The FAR (Swedish Institute of Authorised Public Accountants) recommendation no. 3, Tangible fixed assets, states that the value shall be determined by means of a discounting of the asset's future surplus.

The valuation takes place in three stages. Actual operating net, including vacancies with what are, for Svenska Bostäder, average operating and maintenance costs, have been capitalised at relevant yield levels, as shown in the table below. Any interest subsidies are valued at 2.5 times the 1998 level. The values obtained thereby are compared with the relevant book values. Complete cash flow valuations using the principles specified below are drawn up for those properties which, using this analysis, report a negative discrepancy in excess of 10%. A special study of vacancies, rental levels, condition and standard is carried out for those properties that still report a negative discrepancy of more than 10%. Where relevant (primarily in connection with shopping and service centres), a degree of collective valuation is applied. The possibility of booking any expenditure on improvement work during the year, to the extent that it is compatible with generally accepted accounting practice, is then investigated for those properties still reporting a negative discrepancy. These procedures have resulted in SEK 17 million being charged to the profit.

No property subsequently, as of 31 December 1998, reported a need for a writing down.

**INVESTMENT CALCULATIONS** Investment calculations are drawn up using a cash flow model that entails the discounting of future capital flows. The first nine years are valued individually on the basis of rental and cost trend forecasts. The operating net is normalised in year 10 and capitalised in perpetuity using relevant yield levels, as shown below, and the present value is then calculated in the same way as for each of the nine individual years. A current interest rate corresponding to

the weighted capital cost is used as the discounting factor. External interest is calculated using a current borrowing rate for nine years, whilst the dividend requirement for shareholders' equity includes a surcharge of approximately 4% for inflation and risk.

Surplus parts are booked as costs for improvement and renovation projects to the extent that this is compatible with generally accepted accounting practice. The write down requirement for new construction work is assessed in accordance with the methods specified in the preceding paragraph.

**ASSESSMENT OF ACTUAL VALUE** A presentation of key ratios based on the adjusted values for return and financial measurements presupposes an assessment of the actual value. An adaptation to the recommendations of the Swedish Society of Financial Analysts, which states that the term, actual value, should be taken to mean "The properties' estimated sales value" (Recommendation for property companies, 1996), has been affected this year.

The change essentially entails a normalisation of operating and maintenance costs. The difference between this and actual costs, which totals approximately SEK 65/m<sup>2</sup>, refers primarily to Svenska Bostäder's extremely high standard of maintenance. The yield requirement has also been reduced in 1998.

The valuation has been conducted internally as of 31 December 1998, using the 1998 full year figures as a starting point. Capitalisation is effected using the yield requirement, as shown below. The average yield requirement used is 5.9%. Interest subsidies are calculated at 2.5 times the 1998 level. Full cash flow valuations are used instead, where they exist.

The estimated actual value is SEK 28.9 billion, corresponding to SEK 6,834/m<sup>2</sup>. With an actual total operating surplus, the yield obtained is 4.5%. The book value is SEK 12.7 billion, which yields a surplus value before deferred tax of SEK 16.2 billion.

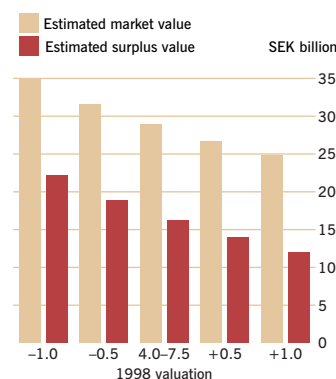
	Yield requirement	Estimated actual value	Surplus values
1997	5.25–8.75 %	23.1	10.0
1998	4.00–7.50 %	28.9	16.2

#### Tenant-controlled apartment maintenance (HLU), 1998

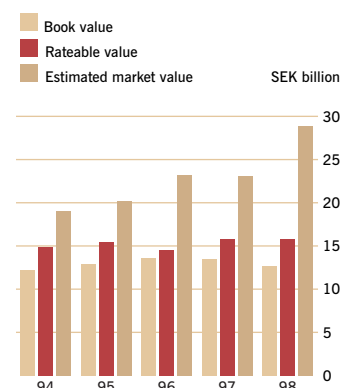
Measure	No. units	Cost, SEK thousand
Painting/Wallpaper	15 255	54 369
Stoves/refrigerator units	8 170	36 732
Parquet floor polishing	1 196	3 234
Changing carpets	5 231	11 634
<b>Total</b>	<b>29 852</b>	<b>105 969</b>

Value area	Yield requirement, %	
	1997	1998
Östermalm	5.25	4.00
Inner city, other	5.50	4.50
Inner suburb, north	6.25	6.50
Inner suburb, south	6.75	6.50
Outer suburbs	7.25	7.50
Commercial premises	8.75	7.50

#### The property holding's value, given different yield requirements



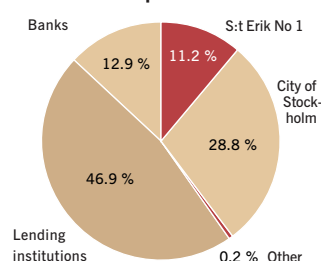
#### Property values





## Financing

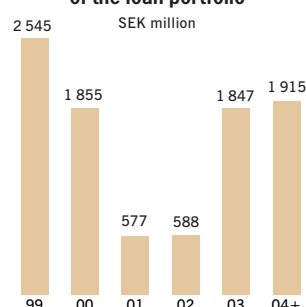
The composition of the loan portfolio



Loan portfolio

SEK million	1998	1997
Mortgage institutions	4 378	5 456
The City of Stockholm	2 690	1 890
Banks	1 200	1 200
S:t Erik No 1	1 045	1 045
Overseas borrowing	0	0
Insurance companies	13	32
Others	1	3
Total	9 327	9 626

The maturity structure of the loan portfolio

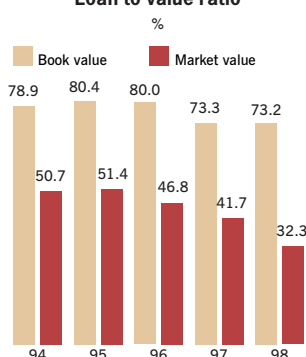


Forecast of trend in the current portfolio 1999–2003.

Interest rates as at 1st January 1999

SEK million	-99	-00	-01	-02	-03
Interest-cost	599	576	551	545	534
Interest-subsidy	-64	-22	-10	-8	-7
Net	535	554	541	538	527

Loan to value ratio



**TOTAL DEBT** An amortisation of the Group's total debts has proved possible over the year, due largely to the sale of properties in Husby, Solna and Sundbyberg, which yielded a liquidity surplus of approximately SEK 486 million. The fixed interest term was cut considerably during the year, short-term interest rates have stabilised at a low level, and the outlook for the immediate future is adjudged good. The company is, however, maintaining a high level of readiness ensuring its ability to extend the loan periods in the event of a rapid and unforeseen upturn.

### OBJECTIVES

1. Merge smaller loans to create larger volumes, thereby reducing both the margins and the administration
2. Reduce interest rate risk exposure through a more even maturity structure
3. Maintain the variation in borrowing forms and lenders
4. Always use the borrowing rate of the government as a benchmark
5. Use derivative products to reduce risk exposure
6. Continue to reduce the City's guarantee commitment

**THE LOAN PORTFOLIO** The Group's total loan portfolio is SEK 9,327 million (SEK 9,626 m), divided between a number of lenders and borrowing forms.

Redemptions and restructuring have led to a reduction of 205 in the number of loans, which totalled 422 (627) at the year end. 156 (161) of these were interest- and amortisation-free loans used for, among others, listed building renovation by the AB Stadsholmen subsidiary, and loans used for underpinning work by the parent company. The total debt arising from these loans at the turn of the year was SEK 302 million (SEK 312 m). The aim for 1999 is to reduce the total number of loans to below 300.

**LOAN TO VALUE RATIO** The average lending level at the end of 1998 was 73% (73) in relation to the book values of the properties, 58% (61) in relation to rateable values, and 32% (42) in relation to estimated market values.

**COLLATERAL** 45% (48) of loans have mortgages as collateral and 29% (32) have a municipal guarantee. Internal financing through the City of Stockholm, without the requirement of

separate collateral, accounts for 26% (20). Mortgages in the custody of the company amount to SEK 1,202 million. The fee for the municipal guarantee was SEK 4.5 million (SEK 5.5 m). No new mortgages were raised during the year. Efforts are currently being made to abolish all physical mortgage deeds and replace them with computer-held mortgage deeds, held in the Board of the Central Office of the National Land Survey database.

**MATURITY STRUCTURE** As can be seen from the bar chart alongside, the maturity structure is relatively unevenly distributed over time. (Uncertainty regarding Sweden's membership of the EMU has been taken into account for the years 2001–2). There is no connection between loan maturities and the length of rental contracts as the Group's main line of business is the letting of apartments.

The average duration of loans in the portfolio has fallen sharply in comparison with 1997, and a more even maturity structure will be sought in 1999.

**INTEREST RATE MARGINS** The average gross and net interest rate levels in the portfolio were 6.78% (7.77) and 5.12% (5.99) respectively, calculated as a financial cost, less interest subsidies received. The margin to government borrowing in connection with the refinancing of converted loans was 30–35 (40–50) points. No new borrowing has occurred during the year.

**INTEREST SUBSIDIES** The Group received SEK 109 million (SEK 185 m) in interest subsidies from the Swedish government in one form or another in 1998, corresponding to SEK 32/m<sup>2</sup> (51) of residential floor area. This figure is considerably lower than the average for the country's housing companies.

The reduced interest ceiling on subsidies – the average during the year was 5.22% (6.34) – has resulted in a drastic reduction in the size of the subsidy. The interest subsidy ceiling in force at the turn of the year was 4.41% (6.13).

The forecasts for 1999 and the year 2000 show an interest subsidy of SEK 64 million and SEK 22 million, respectively.

**CURRENCY EXPOSURE** No borrowing in foreign currencies took place during the year. There are no loans with currency risks in the portfolio.

**CASH FLOW AND LIQUIDITY** The cash flow from the operations after sales made, acquisitions and other investments was SEK 715 million (SEK 952 m). To ensure freedom to manoeuvre in property deals – and in connection with the refinancing of the major maturities in the portfolio during 1999 – and in an attempt to eliminate the interest rate risks which may then arise, Svenska Bostäder has reached an agreement with three of its creditors on currently unused credit lines of approximately SEK 2,000 million. Unused, agreed short-term credits amounted to SEK 545 million (SEK 479 m). Furthermore, the Group has provisions for loans of SEK 500 million with the City of Stockholm.

**DERIVATIVES** In line with good accounting practice, the nominal values are not reported as assets or liabilities, respectively, in the Balance Sheet.

The Group's aggregate nominal value of derivative instruments (interest swaps) was SEK 878 million (SEK 578 m) at the year end.

In the accounts, only expenses and income in respect of the 1998 accounting year, have been booked.

**SENSITIVITY ANALYSIS** 23% of the loans in the portfolio that mature in 1999 will be converted during the first quarter, 4% in the second, 0.5% in the third and 0.5% in the fourth. The positive interest rate trend we have seen over the year, and which will hopefully stabilise in 1999, has led to the company increasing its percentage of variable rate loans, which has, in turn, led to a cut in the fixed interest term.

The percentage of loans with short fixed interest periods – under 30 days – was 4.2% (2.0), and may not, in accordance with the company's financial policy, exceed 5%.

The average fixed interest period in the portfolio is 2.7 (3.7) years, and shall, according to the policy, fall between 2 and 5 years. A 1% increase in market interest rates would yield an increase in costs of SEK 20 million (SEK 14 m) in 1999, whilst a reduction on the same scale would yield a saving of just over SEK 18 million (SEK 5 m), as the decline in interest subsidies would then eliminate a large part of the effect.

If market interest rates stabilise at the levels which applied at the end of January/-beginning of February 1999, interest subsidies will be virtually halved (from SEK 32/m<sup>2</sup> to

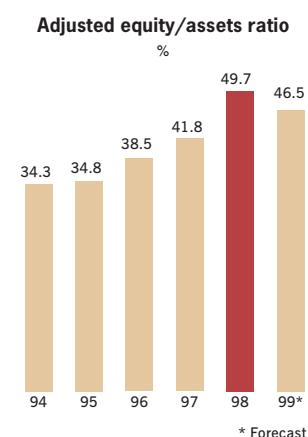
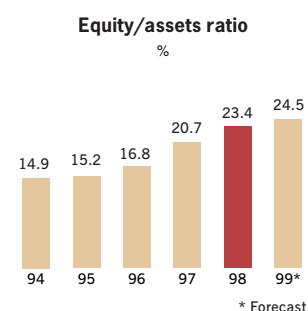
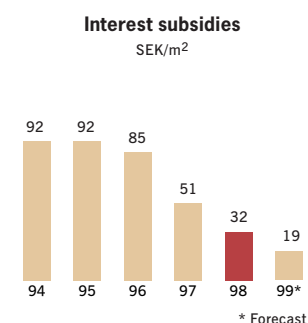
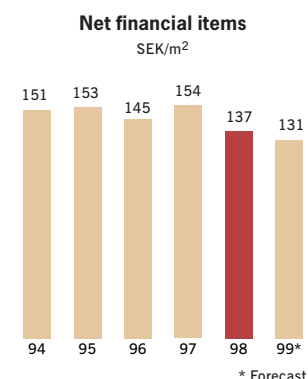
SEK 19/m<sup>2</sup>) over the coming year, and that trend will continue throughout 2000 and 2001. The forecasts for these years suggest SEK 6/m<sup>2</sup> and SEK 3/m<sup>2</sup>, respectively. Interest expenses will, at the same time, slowly fall, which, due to our low dependence on subsidies, will yield a net effect with very small fluctuations over the next few years. Conversions of the subsidies during the year 2000, with ceilings from 1995 when interest rates were high, will, by contrast, have a negative effect on this year's net financial items.

**MARKET TRENDS** As a result of the trend towards closer union with European markets for the financing of housing, amongst other things, borrowing will tend to take the form of structured, large portfolios that are rated. Direct borrowing against strong balance sheets may also occur. This will increase the demands made on companies' results, position and risk management if they are to achieve the optimum rating from the credit rating institutions.

The euro will not become relevant as a borrowing currency until Sweden has joined the EMU. Given current prices, borrowing – admittedly at lower interest rates than on the domestic market – will become slightly more expensive, as the borrowing will require currency hedging.

The municipal housing group, Framtiden i Göteborg, has issued a debenture loan through a Swedish special purpose vehicle (SPV), and in accordance with Swedish legislation. (Previous securitisations have required a foreign SPV). The loan portfolio was awarded a AAA-rating.

Svenska Bostäder believes that Swedish banks still have scope for credit expansion without additional capital cover. This will mean that even traditional loans will be available on extremely favourable terms.



## Analysis of the results

**THE PROFIT** The profit before allocations and taxes was SEK 412 million (SEK 666 m). The profit includes non-recurring items totalling SEK 212 million (SEK 483 m), which refer primarily to the sale of properties. The profit excluding non-recurring items was thus SEK 200 million (SEK 183 m), corresponding to an increase of SEK 17 million. It is important that a number of additional factors are also taken into account when assessing this change:

- maintenance was brought forward in 1997 as a result of a directive issued by the owner (SEK 150 m);
- the accounting principles for maintenance have been successively adapted in 1998 in line with the shared principles for the Stockholms Stadshus AB Group, which process has led to an increase of SEK 70 million in costs;
- the operating net for 1998 is approximately SEK 50 million lower than in 1997 as a result of the sale of properties;
- an actuarial change to the calculation of pension liabilities was effected in 1998, leading to an increase in costs of SEK 20 million;
- the introduction of new IT systems for purchasing, project and financial activities has entailed non-recurring costs of SEK 20 million in 1998.

**INCOME** Income totalled SEK 3,396 million (SEK 3,564 m). Income has fallen in comparison with last year primarily as a result of the sale of properties for approximately SEK 130 million.

The central rental agreement means that residential rents have remained unchanged since 1997. A non-recurring payment of SEK 21 million was, however, made to the tenants in the autumn as a result of the reduction in property taxes. Minor adjustments only have otherwise been made to the residential rents.

Non-residential premises' rents have fallen from 1997 levels due largely to renegotiated rents for premises with cost price contracts rented from the municipality, reduced rents for service houses, and the sale of 33 children's day care centres to the City of Stockholm.

The vacancy level has fallen, both for residential and for non-residential premises, and by the turn of the year, the figures were 0% and 3.5% for residential and non-residential premises, respectively. The vacancy level for parking spaces was 24%.

**OPERATING COSTS** Operating costs totalled SEK 1,128 million (SEK 1,128 m), and break down as follows:

	1998	1997
Building maintenance	286	283
Charge-related costs	620	638
Local administration	157	148
Other operating costs, incl. depreciation of fixtures and fittings	65	59

Costs in connection with building maintenance and charge-related costs have not, as yet, fallen to the degree justified by the sale of properties. The costs of local administration are increasing primarily as a result of the new IT systems that has been introduced.

Other operating costs have been negatively affected by non-recurring costs for terminated construction projects.

**MAINTENANCE COSTS** Maintenance costs totalled SEK 647 million (SEK 780 m). Maintenance work at a cost of SEK 150 million was brought forward in 1997 in response to directives issued by the owner.

The accounting principles employed for maintenance work were adapted at the end of the year in line with conventional methods. This has led to an increased percentage of the expenditure on maintenance being booked as a cost (SEK 70 million).

Tax reductions for building work, corresponding to 30% of the labour costs for external services, have been reported under maintenance costs. These total approximately SEK 70 million (SEK 39 m).

### LAND CHARGES AND PROPERTY TAX

Property tax related costs totalled SEK 202 million (SEK 211 m).

The reduction is mainly due to the reduction in the basis for calculating property tax from 1.7% to 1.5% of the tax assessment value.

Land charges (leasehold charges and ground leases) totalled SEK 126 million (SEK 120 m). This is largely due to renegotiated contracts triggering an increase in costs.

**CENTRAL ADMINISTRATION AND SALES COSTS** Central administration and sales costs totalled SEK 166 million (SEK 136 m).

An actuarial change to the calculation of pension liabilities in 1998 has led to an increase in the cost of SEK 20 million over last year. Non-recurring costs derived from the invest-



ment in new IT systems have also been charged to the 1998 results.

**NON-RECURRING ITEMS** Non-recurring items total SEK 212 million (SEK 483 m). SEK 222 million (SEK 500 m) of these comprise capital gains on the sale of properties. The remainder comprises the write down of fixed assets totalling SEK 10 million (SEK 17 m).

**SENSITIVITY ANALYSIS** An account of the way in which the results are affected by a change in certain factors follows.

The result increases by SEK 37 million if rental levels increase by SEK 10/m<sup>2</sup>.

If interest levels rise by 1%, interest expenses increase by SEK 20 million.

#### Change in pre-tax profit

Factor	Change	Result SEK m
Rental level (*)	+/- SEK 10/m <sup>2</sup>	37
Vacancy level (*)	+/- 1%	32
Operating and maintenance cost	+/- 5%	87
Property tax, residential premises	+/- 0.2%	23
Interest levels (**)	+/- 1%	20

\*/Residential premises and non-residential premises where the contract expires in 1999

\*\*/Interest sensitivity for the next 12 months.

**ACCOUNTING PRINCIPLES** An adaption process designed to bring the accounting principles in line with Group-wide ones for booking as assets and depreciation began during the year. It is estimated that the change will bring about a reduction of approximately SEK 100 million in the results in 1999. The change is also being made to provide incentives for operating net changes and in order to facilitate increased comparability with the industry as a whole.

A change in depreciation principles has entailed an additional SEK 30 million in costs. Buildings, including tenants' optional add-ons, were previously depreciated at 2%. Buildings are now depreciated at 2%, whilst the optional add-ons are depreciated at 10%.

**TAX SITUATION** The properties in the parent company, AB Svenska Bostäder, are classified for taxation purposes as fixed assets. The majority of the properties were acquired before 1991, which means that when they are sold, the index rules may be used when calculating capital gains. The potential for utilising the index rule in combination with Svenska Bostäder's long-term ownership means a very

low tax burden when the properties are sold. The index rule will probably be abolished as of the year 2000, which means that the tax burden in conjunction with the sale of properties will increase.

For Svenska Bostäder's largest subsidiaries, Lodet and Burspråket, the property holdings are classified for tax purposes as stock in trade. This means that when they are sold, the difference between the sale price and the acquisition value paid by the company is taxed. Upwards adjustment of the acquisition value permitted in conjunction with the index rule (c.f. the parent company) is not permissible.

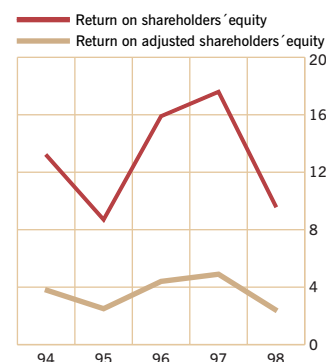
There are no significant differences within the Svenska Bostäder Group between depreciation effected in the bookkeeping and the depreciation for which deductions are claimed in the tax declaration.

Provision for deferred taxes on Group surplus values has been made in the sum of SEK 43 million in conjunction with the acquisitions by Svenska Bostäder of subsidiaries. The deferred tax liability is calculated as the discounted value of the additional taxes that the consolidated surplus values entail, in comparison with a direct property acquisition.

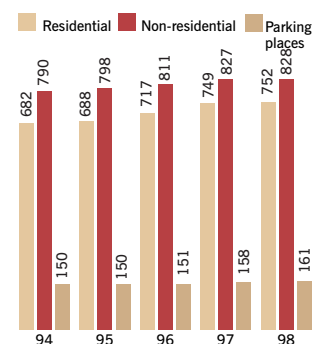
The Lodet Group has tax loss carry-forwards of SEK 64.5 million. The loss may only be utilised by Lodet. When the acquisition analysis was drawn up for Lodet, a deferred tax receivable resulting from existing carry-forwards deductions was calculated. The deferred tax receivable on 31 December 1998 was SEK 13.1 million.

**FORECAST, 1999** It is estimated that the results for 1999 (excluding non-recurring items), changed asset booking principles notwithstanding, will be on a par with that for 1998.

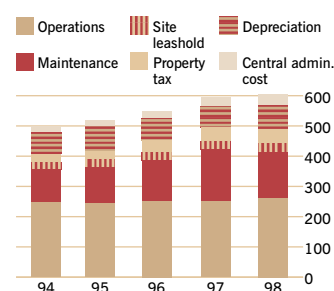
#### Return on shareholders' equity



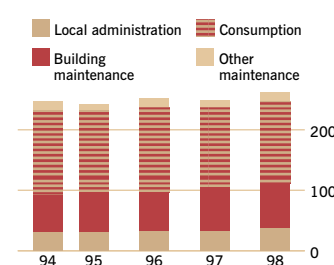
#### Income



#### Operating costs



#### Maintenance costs



# Five year summary

THE GROUP	1998	1997	1996	1995	1994
<b>INCOME STATEMENT (SEK M)</b>					
Residential rents	2 594.2	2 727.7	2 655.0	2 517.3	2 494.0
Unlet residences	-6.7	-9.7	-9.0	-4.4	-11.8
Non-residential rents	745.5	769.2	756.0	734.0	716.9
Unlet non-residential premises	-30.8	-34.4	-43.1	-43.7	-34.2
Parking spaces	76.6	80.5	83.5	85.1	84.6
Unlet parking spaces	-20.4	-22.2	-23.5	-24.4	-24.0
Other income	37.6	52.5	35.3	60.8	55.7
Net operating income	3 396.0	3 563.7	3 454.1	3 324.7	3 281.0
Operating costs	-1 128.4	-1 128.0	-1 149.9	-1 099.2	-1 108.7
Maintenance costs	-647.1	-780.0	-613.1	-545.6	-501.5
Site leasehold charges	-125.8	-119.6	-117.5	-109.5	-98.7
Property tax	-202.2	-210.6	-185.2	-134.1	-127.0
<b>Total management expenses</b>	<b>-2 103.4</b>	<b>-2 238.2</b>	<b>-2 065.7</b>	<b>-1 888.4</b>	<b>-1 835.8</b>
Operating net	1 292.6	1 325.5	1 388.4	1 436.3	1 445.3
Property depreciation	-338.1	-312.6	-328.8	-356.9	-319.1
<b>Gross profit</b>	<b>954.5</b>	<b>1 012.8</b>	<b>1 059.7</b>	<b>1 079.4</b>	<b>1 126.1</b>
Central administration and sales costs	-165.6	-136.2	-108.6	-93.1	-90.6
Non-recurring items	212.4	482.6	209.0	-55.7	-18.2
Other operations net	-	-	2.1	4.2	7.6
<b>Operating profit</b>	<b>1 001.4</b>	<b>1 359.3</b>	<b>1 162.3</b>	<b>934.8</b>	<b>1 024.9</b>
Profit on the sale of fixed assets	-0.9	63.9	13.1	5.3	40.8
Other interest income and similar profit/loss items	38.9	41.7	49.2	47.3	45.0
Interest subsidies	109.0	184.8	314.3	336.9	333.3
Interest expenses and similar profit/loss items	-736.3	-983.4	-1 030.2	-1 075.8	-1 102.6
<b>Profit/after financial items</b>	<b>412.2</b>	<b>666.3</b>	<b>508.6</b>	<b>248.5</b>	<b>341.2</b>
Tax	-53.2	1.0	-87.8	-97.6	-110.4
Minority holdings	-0.2	-0.1	-0.2	-0.2	-0.5
<b>NET PROFIT FOR THE YEAR</b>	<b>358.8</b>	<b>667.2</b>	<b>420.6</b>	<b>150.7</b>	<b>230.4</b>

THE GROUP	1998	1997	1996	1995	1994
<b>BALANCE SHEET (SEK M)</b>					
Properties	12 741.4	13 133.2	13 567.5	12 942.0	12 217.3
Other fixed assets	748.3	742.5	571.8	419.2	421.8
Current assets	190.1	177.1	242.9	221.0	327.0
Liquid assets	136.8	198.7	500.2	334.4	263.2
<b>Total assets</b>	<b>13 816.6</b>	<b>14 251.5</b>	<b>14 882.4</b>	<b>13 916.5</b>	<b>13 229.3</b>
Shareholders' equity	3 234.0	2 952.8	2 489.6	2 118.2	1 975.0
Minority holdings	1.7	1.8	9.9	1.2	1.0
Deferred tax liabilities	39.9	25.8	28.0	7.2	3.1
Non-interest bearing liabilities	1 506.7	1 952.4	1 723.7	1 728.5	1 532.7
Interest bearing liabilities	9 034.3	9 318.7	10 631.1	10 061.4	9 717.4
<b>Total shareholders' equity and liabilities</b>	<b>13 816.6</b>	<b>14 251.5</b>	<b>14 882.4</b>	<b>13 916.5</b>	<b>13 229.3</b>
<b>CAPITAL</b>					
Reported shareholders' equity	3 234	2 953	2 490	2 118	1 975
Adjusted shareholders' equity	14 914	10 129	9 425	7 374	6 871
Capital employed	12 270	12 273	13 131	12 181	11 693
<b>PROPERTY DETAILS, 31 December</b>					
No. apartments	49 558	51 097	53 731	54 541	52 914
of which multi-dwelling blocks	49 092	50 631	52 815	53 624	51 997
of which terraced houses	466	466	916	917	917
No. non-residential premises	5 666	5 736	5 714	5 519	5 219
No. parking spaces	23 467	24 172	27 131	28 196	28 011
<b>Total letting objects</b>	<b>78 691</b>	<b>81 005</b>	<b>86 576</b>	<b>88 256</b>	<b>86 144</b>
Residential floor area 1,000 m <sup>2</sup>	3 378	3 474	3 703	3 733	3 628
Non-residential floor area 1,000 m <sup>2</sup>	853	882	885	889	862
Parking spaces floor area, 1,000 m <sup>2</sup>	349	349	390	406	403
<b>Total floor area, 1,000 m<sup>2</sup></b>	<b>4 580</b>	<b>4 705</b>	<b>4 978</b>	<b>5 028</b>	<b>4 893</b>
Buildings	11.8	12.2	12.6	12.0	11.5
Land	0.9	0.9	1.0	0.9	0.7
<b>Total book value, properties (SEK bn)</b>	<b>12.7</b>	<b>13.1</b>	<b>13.6</b>	<b>12.9</b>	<b>12.2</b>
Estimated actual value (SEK bn)	28.9	23.1	23.2	20.2	19.0
<b>INVESTMENTS, book value (SEK bn)</b>					
Property acquisitions including land	0	115	819	909	45
New construction work	0	79	183	58	31
Refurbishment and extension work	261	372	300	136	342
Other investments	32	17	30	22	69
<b>Total investments</b>	<b>294</b>	<b>583</b>	<b>1 332</b>	<b>1 125</b>	<b>487</b>
Property sales	335	645	249	6	57
<b>STAFF</b>					
Full-time	785	805	822	959	996
Staff turnover, (%)	8.0	4.6	6.4	7.5	8.7
Sick leave, (%)	5.8	5.5	5.8	7.4	7.9



## Five year summary, continued

THE GROUP	1998	1997	1996	1995	1994
<b>KEY RATIOS (%)</b>					
<b>Profitability</b>					
Profit margin	37.4	36.3	39.6	42.1	43.1
Property yield	9.7	9.5	10.2	10.9	11.3
Return on shareholders' equity	9.6	17.6	15.9	8.7	13.2
Return on adjusted shareholders' equity	2.4	4.9	4.4	2.5	3.8
Return on capital employed	9.4	13.0	12.2	11.1	12.3
Total return on capital	8.2	11.3	10.7	9.8	10.9
<b>Financing</b>					
Equity/assets ratio	23.4	20.7	16.8	15.2	14.9
Adjusted equity/assets ratio	49.7	41.8	38.5	34.8	34.3
Interest cover margin (multiple)	1.56	1.68	1.48	1.23	1.31
Loans-to-value ratio, book value	73.2	73.3	80.0	80.4	78.9
Loans-to-value ratio, estimated actual value	32.2	41.7	46.8	51.4	50.7
Cash flow (SEK m)	506	448	545	599	599
Cash flow after investments (SEK m)	715	952	-292	-487	234
Self-financing ratio	100	100	65	55	100
<b>Interest subsidies</b>					
Interest-subsidy dependence	4.0	6.3	10.6	11.8	11.8
Interest-subsidy exposure of the profit	57	186	111	145	124
Interest subsidies, SEK/m <sup>2</sup>	32	51	85	92	92
<b>Management</b>					
Vacancy level, residential	0.3	0.4	0.3	0.2	0.5
Vacancy level, non-residential	4.1	4.5	5.7	5.9	4.8
Vacancy level, parking spaces	26.6	27.6	28.1	28.7	28.4
Relocations, residential	11.7	12.9	12.7	13.6	15.3
Rental losses	2.2	2.4	2.6	2.6	2.2
Residential rent, SEK/m <sup>2</sup>	754	752	720	689	685
Non-residential rent, SEK/m <sup>2</sup>	864	866	860	849	830
Maintenance costs, SEK/m <sup>2</sup>	150	173	134	121	111
Operating costs, SEK/m <sup>2</sup>	262	250	252	243	246
<b>Service barometer (1-5)</b>	<b>Oct -98</b>	<b>Nov -97</b>	<b>Nov -96</b>	<b>Nov -95</b>	<b>Oct -94</b>
Cleaning and external care	3.70	3.69	3.71	3.70	3.75
Staff service-mindedness	4.31	4.32	4.37	4.33	4.40
Security	3.94	3.95	3.93	3.91	–
Contentment	4.31	4.30	4.29	4.31	4.34

# Definitions

## Adjusted equity/assets ratio

Adjusted equity/assets ratio including minority as a percentage of adjusted Balance Sheet total, i.e. Balance Sheet total plus surplus value, properties.

## Adjusted shareholders' equity

Reported shareholders' equity, including estimated surplus value, properties, less deferred tax on estimated surplus value.

## Cash flow

Operational cash flow, less tax, excluding changes in operating capital.

## Cash flow after investments

Operational cash flow, plus payment received from the sale of fixed assets, less investments.

## Capital employed

Balance Sheet total less non-interest bearing liabilities and deferred tax.

## Equity/assets ratio

Reported shareholders' equity, including minority holdings, as a percentage of the Balance Sheet total.

## Estimated actual value

Internal estimate based on current required returns, actual rental income, normalised operating and maintenance costs, current vacancy levels and the winding up of interest subsidies. For 1997 and previous years, operating and maintenance costs were based on the Group average.

## Full-time

Calculation of the number of employees in terms of full-time employees using weighted annual working hours.

## Interest cover margin

Profit before appropriations and tax, plus financial expenses and exchange rate losses, as a percentage of financial expenses and exchange rate losses.

## Interest subsidy dependence

Interest subsidies as a percentage of rental income plus interest subsidies.

## Interest subsidy exposure of the profit

Interest subsidies as a percentage of the profit before appropriations and tax, less capital gains.

## Interest subsidy per m<sup>2</sup>

Interest subsidy, divided by weighted residential floor area.

## Loans-to-value ratio, book value

Property loans as a percentage of book value, property.

## Loans-to-value ratio, estimated actual value

Property loans as a percentage of estimated actual value, property.

## Maintenance costs SEK/m<sup>2</sup>

Maintenance costs, divided by weighted total floor area, excluding parking spaces.

## Non-residential rent SEK/m<sup>2</sup>

Non-residential rents, divided by weighted non-residential floor area.

## Operating cost SEK/m<sup>2</sup>

Operating cost, divided by weighted total floor area excluding parking spaces.

## Profit margin

Net operating surplus, less other income as a percentage of net rental income.

## Property yield

Operating net, less other income as a percentage of average book value for the properties.

## Rental losses

Rental losses, including unlet for residential, non-residential and parking spaces, as a percentage of total rental income.

## Reported shareholders' equity

Shareholders' equity plus untaxed reserves less 28% deferred tax.

## Residential rent SEK/m<sup>2</sup>

Residential rents, divided by weighted residential floor area.

## Return on capital employed

Profit before appropriations and tax, plus financial expenses and exchange rate fluctuations, as a percentage of average capital employed.

## Return on adjusted shareholders' equity

Profit before appropriations and tax, less minority holdings, after deduction of 28% standard-rate tax, as a percentage of adjusted shareholders' equity.

## Return on shareholders' equity

Profit before appropriations and tax, less minority holdings after deduction of 28% standard-rate tax, as a percentage of reported shareholders' equity.

## Self-financing ratio

Cash flow as a percentage of net investments.

## Service barometer

Based on surveys of a random selection of approximately 5,000 residential tenants. The tenant awards a rating on a scale from very good (5) to very poor (1).

## Total return on capital

Profit before appropriations and tax, plus financial expenses and exchange rate fluctuations, as a percentage of the Balance Sheet total average.

## Tenants turnover

The number of relocations in residential holdings as a percentage of the number of residential units excluding service houses.

## Vacancy level, non-residential

Unlet non-residential premises as a percentage of non-residential rental income.

## Vacancy level, parking spaces

Unlet parking spaces as a percentage of parking-space income.

## Vacancy level, residential

Unlet residential units as a percentage of residential rental income.

# Directors' report

**The Board of Directors and the Managing Director of AB Svenska Bostäder hereby present the report for the financial year of 1998.**

**OPERATIONS AND ORGANISATION** AB Svenska Bostäder (publ.), company registration number 556043-6429, is owned by the City of Stockholm and is a part of the Stockholms Stadshus AB Group.

Operations comprise the letting of residential and non-residential premises in Stockholm, and are organised in three geographically-based residential divisions, and one division for non-residential premises. Subsidiaries' operations are arranged along divisional lines.

Data refers to the Group, unless otherwise indicated.

**THE MARKET** The number of unlet apartments in the Stockholm municipality has been very low during the year at 14 apartments (45), representing less than 0.03% (0.09) of the total number of apartments.

No general increase in rents for residential apartments was implemented in 1998.

Apartment turnover during the year totalled 11.7% (12.9), excluding service houses. 4.5% (5.0) of this figure referred to relocation within Svenska Bostäder. 7.2% (7.9) of tenants thus left Svenska Bostäder.

There were a total of 49,558 (51,097) residential apartments at the year end, comprising a total floor area of 3,378,178m<sup>2</sup> (3,473,676).

The letting situation has improved somewhat during the year for non-residential premises, which account for 21% of the total rent income. The vacancy level at the turn of the year was 3.5% (4.0).

Holdings of non-residential premises comprised 853,123m<sup>2</sup> (882,441) at the year end, divided among 5,666 (5,736) objects.

**INCOME AND COSTS** Total operating income for the Group was SEK 3,396 million (SEK 3,564 m). SEK 5 million (SEK 15 m) of this amount referred to sales within the Stockholm Stadshus AB Group. SEK 3,358 million (SEK 3,511 m) of the Group's net turnover referred to rental income. The fall in rental income is primarily due to the loss in rental income in conjunction with sales. A non-recur-

ring payment of SEK 20 million was also made to the tenants in the autumn as a result of the reduction in property tax.

Operating costs totalled SEK 2,607 million (SEK 2,687 m). SEK 103 million (SEK 474 m) of the amount referred to costs within the Stockholm Stadshus AB Group. The reduction in costs is primarily due to reduced maintenance costs and the sale of properties.

Write down of fixed assets has been charged to the profit in the sum of SEK 10.1 million (SEK 17.8 m).

Profits on the sale of properties totalled SEK 222 million (SEK 500 m). A total of 16 (43) properties, comprising 1,540 (2,984) apartments, were sold during the year.

The Group's operating profit totalled SEK 1,001 million (SEK 1,359 m).

The profit on the sale of other fixed assets totalled SEK 0 (SEK 66 m).

Interest subsidies totalled SEK 109 million (SEK 185 m). The reduction is primarily due to lower subsidy interest levels, and to a reduction in ordinary and extraordinary interest subsidies.

Interest expenses totalled SEK -736 million (SEK -983 m). The reduction is mainly due to loans having been redeemed and to substantially lower market interest rates in conjunction with conversions.

The Group's profit after appropriations and financial items was SEK 412.2 million (SEK 666.3 m), and the net profit for the year was SEK 358.8 million (SEK 667.2 m).

The profit for the Parent Company after financial items totalled SEK 432.0 million (SEK 362.8 m), and the net profit for the year was SEK 381.0 million (SEK 347.5 m).

## ACQUISITIONS AND SALES OF PROPERTIES

14 properties comprising a total of 1,534 apartments were sold on 1 September. Seven of the properties, comprising 960 apartments, are located in Husby, whilst the other seven are located in Solna and Sundbyberg.

On 1 April, 30 or so children's day care centres, in the form of buildings, facilities and site leaseholds, were transferred to the City of Stockholm.

Two smaller residential properties owned by the Stadsholmen subsidiary were also sold during the year.

The combined capital gain on these sales is SEK 222 million.



**OTHER INVESTMENTS** No investments were made in new construction work (SEK 79 m) or property acquisitions (SEK 115 m) during the year. SEK 261 million (SEK 372 m) has been invested in renovation work, and SEK 32 million (SEK 17 m) in fixtures and fittings/other.

Investments made during the year totalled SEK 294 million (SEK 583 m).

No apartments were completed as part of newly produced properties during the year.

**Y2K ACTIVITIES** The work aimed at adapting and securing equipment and routines ahead of the impending millennium change-over is being conducted on three fronts:

- large, business critical IT systems, where nine of the ten systems had been Y2K-proofed by the turn of the year. All systems will be Y2K-proofed by July 1999;
- computer platforms with hardware and software, IT communication, radio links and telephony;
- embedded systems, i.e. the systems used to control and monitor the operation of lifts, alarms, and the control and regulation equipment for water and heating etc.

The work is being conducted in partnership with suppliers, the City of Stockholm, and other municipal companies. Readiness plans for the year changeover will be drawn up in early 1999. The aim is for all equipment to be Y2K-proofed no later than the end of June 1999.

**RESEARCH AND DEVELOPMENT** The company is conducting development projects in a number of areas, including the following:

A project designed to cut production and administration costs in conjunction with the construction of 44 apartments for senior citizens is being conducted in cooperation with the Building Cost Delegation and Arcona.

In June 1998, Svenska Bostäder arranged an international conference in Tensta with the aim of generating new strategies for improving our ability to integrate the area into the Stockholm region. The conference's conclusions and recommendations, specified in the report entitled "Tensta from a European perspective" can also be applied in other suburbs with similar problems.

Östberga is the area selected within Sweden as part of an EU project studying segregated residential areas in nine countries. The aim is to determine the factors that result in a negative development by the residential areas, what the residents think in these areas, and which methods are most effective in rescuing the residential areas from their negative spi-

ral. In Östberga, the effects of cooperation between different interested parties on an area on a downward slide are being studied.

Development work is in progress in Vällingby designed to introduce information technology into the home. The aim is to develop effective new methods of providing existing services within the housing management sphere, and developing new services within both housing management and other service activities, aimed at the residents. The objective is for these services to collectively comprise a shared technical infrastructure for information and communication. The project is being conducted in partnership with Ericsson, the Swedish Tenants' Union etc.

Svenska Bostäder is involved in a development project for quality assurance on indoor environments, in cooperation with the National Board of Housing, Building and Planning, Sundbom Projekt AB, and the housing company, Poseidon i Göteborg. The aim is to develop a quality assurance model for indoor climates in multi-dwelling buildings.

In Husby, Svenska Bostäder has insulated cellar foundations with the help of the area's unemployed. The work has been conducted in the form of a partnership project with Kista District Committee (Kista labour market office), with work supervision provided by Kungsfiskaren. Not only has the project improved the unemployed individuals' potential for establishing themselves in the labour market, Svenska Bostäder has also reduced the annual energy costs by approximately SEK 1 million.

Svenska Bostäder's tenants generate approximately 59,000 tons of bulky waste per annum. Before the expansion of the sorting at source programme, the total quantity was approximately 73,000 tons per annum. The majority of this bulky waste has previously ended up on tips (landfills), and the company has, accordingly, implemented a project in cooperation with RagnSells in 1998, showing that 95% of Svenska Bostäder's bulky waste can be processed in an environmentally acceptable manner. As a result, only 5% needs to be dumped.

**VALUATION OF PROPERTIES** Write down is effected in conjunction with a lasting decline in value. An internal yield valuation of the Group's properties was effected as of 31 December 1998. No write down requirement is deemed to exist.

A so-called housing loan item in the AB Stadsholmen subsidiary attributable to government housing loans has, however, been written down by SEK 10 million to SEK 0.

**EQUITY/ASSETS RATIO** The reported equity/assets ratio at the year end was 23.4% (20.7). Taking into account surplus values in accordance with the internal valuation and deferred tax, the adjusted equity/assets ratio is 49.7% (41.8).

**LIQUIDITY** The Group's liquid funds at the year end totalled SEK 137 million (SEK 194 m). Short-term investments totalled SEK 0 million (SEK 0 m). Available, unused construction loans and overdrafts totalled SEK 545 million (SEK 479 m).

#### PROSPECTS FOR 1999

The budgeted results for 1999 fall short of the 1998 results. The deterioration in the results is mainly due to the fact that we had not budgeted for any capital gains.

The local authority has decided, in the city budget for 1999, that:

- all tenants of the city's housing companies shall be offered the opportunity to buy out their apartments. To date, 40 or so applications indicating their interest have been received from tenants, representing approximately 1,500 apartments;

- the company's investment funds shall be focused on the areas where they can do the most good. For the housing companies, this means the continued upgrading of run-down residential areas and measures designed to create a more secure environment;
- as part of the strategy aimed at reducing the municipally owned property holding, the companies shall cease to acquire properties. Primary responsibility for the new construction of housing rests with private and cooperative property owners;
- properties outside of the Stockholm city boundaries shall be sold as soon as possible. The companies should concentrate their operations by selling larger central boiler plants and garage facilities, together with shopping and service centres. This will focus the operations on the things the companies do best, namely owning and managing housing.

#### ANNUAL GENERAL MEETING

The Annual General Meeting will take place on 24 March at 5.30 p.m. in the Local Finance Board session hall of Stockholm's City Hall.

## Proposed appropriation of profits

**GROUP** Allocations to restricted reserves are not required. According to the reported Consolidated Balance Sheet, the funds available for distribution by the Group total SEK 2,085,919,000.00.

#### PARENT COMPANY

The following funds are at the disposal of the Annual General Meeting:

Profit brought forward	1 693 073 958.86
Profit for the year	380 996 848.78
Total	2 074 070 807.64

The Board of Directors and the Managing Director propose that the profits be appropriated as follows:

Dividend to shareholders	4 550 000.00
carried forward	2 069 520 807.64
Total	2 074 070 807.64

# Income Statements

SEK 000s	Note	Group		Parent Company	
		1998	1997	1998	1997
Rental income	1	3 358 426	3 511 105	3 088 324	3 157 891
Other management income	1	37 569	52 548	34 871	50 107
<b>NET OPERATING INCOME</b>		<b>3 395 995</b>	<b>3 563 653</b>	<b>3 123 195</b>	<b>3 207 998</b>
Operating costs	2	-1 128 367	-1 128 017	-1 051 238	-1 022 297
Maintenance costs	3	-647 056	-779 963	-566 391	-710 506
Site leasehold charges		-125 834	-119 566	-115 070	-107 049
Property tax		-202 155	-210 618	-182 238	-186 686
<b>OPERATING NET</b>		<b>1 292 583</b>	<b>1 325 489</b>	<b>1 208 258</b>	<b>1 181 460</b>
Depreciation on properties	4	-338 051	-312 644	-296 661	-262 423
<b>GROSS PROFIT</b>		<b>954 532</b>	<b>1 012 845</b>	<b>911 597</b>	<b>919 037</b>
Central administration and sales costs	5	-165 577	-136 192	-165 577	-136 192
Significant non-recurring items	6	212 399	482 646	236 701	210 786
<b>OPERATING PROFIT</b>	7	<b>1 001 354</b>	<b>1 359 299</b>	<b>982 721</b>	<b>993 631</b>
Share in profit/loss of Group companies	8	-	-	-	19 861
Share in profit/loss of associated companies	9	-907	-2 478	-	-
Profit/loss on other financial fixed assets	10	-	66 397	-	61 265
Other interest income and similar profit/loss items	11	38 933	41 682	42 856	50 102
Interest subsidies		109 033	184 822	99 762	160 126
Interest expenses and similar profit/loss items	12	-736 254	-983 397	-693 349	-922 214
<b>PROFIT AFTER FINANCIAL ITEMS</b>		<b>412 159</b>	<b>666 325</b>	<b>431 990</b>	<b>362 771</b>
Appropriations	13	-	-	-9 791	11 477
<b>PROFIT BEFORE TAX</b>		<b>412 159</b>	<b>666 325</b>	<b>422 199</b>	<b>374 248</b>
Tax on the profit for the year	14	-38 998	-	-41 202	-26 782
Deferred tax	14	-14 195	979	-	-
Minority holdings		-173	-72	-	-
<b>PROFIT FOR THE YEAR</b>		<b>358 793</b>	<b>667 232</b>	<b>380 997</b>	<b>347 466</b>
<b>TAXES PAID</b>					
Property tax		202 155	210 618	182 238	186 686
Income tax		38 998	-	41 202	26 782
Other taxes	36	298 624	298 527	273 988	284 879
<b>TOTAL</b>		<b>539 777</b>	<b>509 145</b>	<b>497 428</b>	<b>498 347</b>



# Balance Sheets

		Group		Parent Company	
SEK 000s	Note	1998	1997	1998	1997
ASSETS					
Fixed assets					
Tangible fixed assets					
Buildings	15	11 817 110	12 196 050	10 161 094	10 325 786
Land	16	924 284	937 128	733 108	728 836
Machinery & Equipment	17	54 423	47 035	53 570	45 802
New construction and renovation work in progress	18	249 053	286 469	231 101	263 230
Total tangible fixed assets		13 044 870	13 466 682	11 178 873	11 363 654
Financial fixed assets					
Shares in Group companies	19	–	–	1 041 103	1 062 664
Receivables from Group companies	20	–	–	38 695	28 890
Shares in associated companies	21	518	518	51	51
Receivables from associated companies	22	135 200	135 200	135 200	135 200
Other long-term securities holdings	23	12 271	11 373	4 836	3 618
Other long-term receivables	24	296 785	261 899	290 212	253 307
Total financial fixed assets		444 774	408 990	1 510 097	1 483 730
Total fixed assets		13 489 644	13 875 672	12 688 970	12 847 384
Current assets					
Stock in trade		–	2 136	–	2 136
Current receivables					
Rent receivables		16 725	15 153	15 019	13 285
Accounts receivable		3 314	14 444	2 820	13 896
Receivable from Stockholms Stadshus AB		12 000	–	12 000	–
Short-term part of loan receivables		35 638	1 959	35 634	1 959
Other receivables	25	5 306	12 577	4 748	10 259
Prepaid costs and accrued income	26	117 155	130 834	106 125	120 046
Total current receivables		190 138	174 967	176 346	159 445
Short-term investments					
Clients' trusts		–	4 656	–	4 656
Cash and bank		136 814	194 065	136 797	191 869
Total current assets		326 952	375 824	313 143	358 106
TOTAL ASSETS		13 816 596	14 251 496	13 002 113	13 205 490

		Group		Parent Company	
SEK 000s	Note	1998	1997	1998	1997
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	27				
Restricted shareholders' equity					
Share capital 9,530,000 shares at nom. value of SEK 100		953 000	953 000	953 000	953 000
Restricted reserves/statutory reserve		195 070	216 807	190 788	190 788
Total restricted shareholders' equity		1 148 070	1 169 807	1 143 788	1 143 788
Unrestricted shareholders' equity					
Unrestricted reserves/Profit brought forward		1 727 126	1 115 757	1 693 074	1 436 260
Profit for the year		358 793	667 232	380 997	347 466
Total unrestricted shareholders' equity		2 085 919	1 782 989	2 074 071	1 783 726
Total shareholders' equity		3 233 989	2 952 796	3 217 859	2 927 514
Untaxed reserves	28	–	–	15 506	5 715
Minority holding in					
– restricted shareholders' equity		688	988	–	–
– unrestricted shareholders' equity		964	773	–	–
Provisions					
Provisions for pensions and similar undertakings		186 965	169 360	186 965	169 360
Provisions for deferred tax		39 939	25 793	–	–
Reserved share in profit on sale to associated companies		55 731	55 731	–	–
Total provisions		282 635	250 884	186 965	169 360
Long-term liabilities					
Property loans	29	8 214 641	9 374 882	7 048 922	8 109 310
Liabilities to Group companies	30	–	–	599 466	458 782
Liabilities to associated companies	31	10 038	14 065	9 082	11 587
Other long-term liabilities	32	5 801	4 690	5 801	4 690
Total long-term liabilities		8 230 480	9 393 637	7 663 271	8 584 369
Current liabilities					
Current part of long-term liabilities		1 112 227	251 033	1 058 496	237 240
Client trusts	–	4 656	–	4 656	–
Accounts payable		209 150	342 418	189 873	322 824
Liability to Stockholms Stadshus AB		–	129 000	–	129 000
Tax liabilities		10 998	–	10 998	–
Other current liabilities	33	31 848	75 155	30 714	74 572
Rent paid in advance		247 610	289 910	224 692	263 134
Accrued costs and other prepaid income	34	456 007	560 246	403 739	487 106
Total current liabilities		2 067 840	1 652 418	1 918 512	1 518 532
TOTAL SHAREHOLDERS' EQUITY AND LIABILITY		13 816 596	14 251 496	13 002 113	13 205 490
Pledged assets					
Property mortgages					
Pledges for property loans and current part of long-term liabilities	35	6 907 329	6 972 826	5 818 342	5 894 576
Contingent liabilities					
Other guarantee undertakings		79 021	88 027	79 021	88 027
Liability amount, Fastigo		3 777	3 637	3 777	3 637
Culture House fund		322	322	–	–
Pensions commitments		2 500	2 500	–	–
Guarantee undertakings		–	–	359 697	359 697

# Funds Statement

SEK 000s	Group		Parent Company	
	1998	1997	1998	1997
<b>FUNDS SUPPLIED INTERNALLY</b>				
Profit before appropriations and tax	412 159	666 325	431 990	362 771
Depreciation charged to this profit	360 279	330 176	318 482	279 562
Write down charged to this profit	10 063	7 714	0	0
Capital gain on fixed assets	-223 341	-556 596	-202 727	-282 661
Tax cost	-38 998	0	-41 202	-26 782
Adjustment for other, non-liquidity affecting items	7 890	8 552	10 215	7 316
<b>Total funds supplied internally +, used –</b>	<b>528 052</b>	<b>456 171</b>	<b>516 758</b>	<b>340 206</b>
<b>OPERATING CAPITAL</b>				
Increase–, decrease+ in stock	2 136	194	2 136	194
Increase–, decrease+ in current receivables	-10 515	379 408	-12 245	368 726
Decrease–, increase+ in current liabilities	415 422	-335 166	399 980	-307 482
Change in current assets due to subsidiary sold	0	18 641	0	0
Change in current liabilities due to subsidiary sold	0	-9 379	0	0
<b>Total funds supplied +, used –</b>	<b>407 043</b>	<b>53 698</b>	<b>389 871</b>	<b>61 438</b>
<b>INVESTMENTS</b>				
Investments in shares and participations	-1 218	-388	20 343	-12 674
Investments in new construction work in progress	37 416	-25 872	32 129	-23 394
Investments in equipment	-30 676	-16 419	-30 612	-15 744
Investments in buildings	-298 866	-517 180	-313 712	-481 545
Investments in land	-502	-22 849	-5 295	-19 040
Total gross investments	-293 846	-582 708	-297 147	-552 397
Payment received from sale of fixed assets	559 869	1 249 039	376 301	541 614
Change due to subsidiary sold	0	-382	0	0
<b>Total net investments</b>	<b>266 023</b>	<b>665 949</b>	<b>79 154</b>	<b>-10 783</b>
Capital surplus+, capital requirement –	1 201 118	1 175 818	985 783	390 861
<b>FINANCING</b>				
Dividends and other capital refunds made	-77 600	-204 000	-90 652	120 820
Increase–, decrease+ in long-term receivables	-34 886	-204 310	-46 710	95 089
Change in long-term receivables due to subsidiary sold	0	15 003	–	–
Decrease–, increase+ in long-term liabilities	-1 145 601	-731 795	-903 493	-568 591
Change in long-term liabilities due to subsidiary sold	0	-8 601	0	0
Decrease–, increase+ in minority capital holdings	-282	-8 258	0	0
<b>Net financing</b>	<b>-1 258 369</b>	<b>-1 141 961</b>	<b>-1 040 855</b>	<b>-352 682</b>
Increase+, decrease– in Cash and bank	-57 251	33 857	-55 072	38 179
<b>OPERATING CAPITAL, THE GROUP</b>	<b>1998</b>	<b>1997</b>	<b>Increase</b>	<b>Decrease</b>
Cash and bank	136 814	194 065	0	57 251
Current receivables	190 138	179 623	10 515	0
Stock in trade	0	2 136	0	2 136
Total current assets	326 952	375 824	0	48 872
Current liabilities	-2 067 840	-1 652 418	415 422	0
<b>Operating capital</b>	<b>-1 740 888</b>	<b>-1 276 594</b>	<b>0</b>	<b>464 294</b>



# Supplementary information

The company is a subsidiary of Stockholms Stadshus AB, company no. 556415-1727, and has its registered office in Stockholm.

## GENERAL ACCOUNTING POLICIES

Assets and liabilities have, apart from the exceptions specified below, been valued at the acquisition value. Receivables have been valued at the acquisition value or the amount which they are expected to yield.

## AMENDED ACCOUNTING POLICIES

### *Group contribution*

The company reports Group contributions and shareholders' contributions in accordance with a statement by the Swedish Financial Accounting Standards Council Emergency Group, concerning Group contributions and shareholders' contributions.

Shareholders' contributions made for the purposes of tax minimisation are treated analogously with Group contributions (no fiscal effect is, however, reported).

Group contributions are reported in accordance with their financial import. In that the Group contribution hence does not constitute payment for services rendered, it is reported directly against profits carried forward. The results and shareholders' equity from comparison years have been adapted in accordance with this principle.

## DEFERRED TAX

The Parent Company reports untaxed reserves totalling SEK 15,506,000 (SEK 5,715,000). The deferred tax liability for these allocations totals SEK 4,342,000 (SEK 1,600,000), assuming a tax rate of 28%.

There are no other significant differences between the book and fiscal residual values.

## GROUP ACCOUNTS

The Group accounts comprise AB Svenska Bostäder and all companies in which the Parent Company held more than 50% of the voting rights at the year end. Associated companies are reported in the Group using the equity accounting method.

SEK 5 million (SEK 15 m) of the Group's total net turnover refers to sales within the Stockholms Stadshus AB Group. Equivalent sales for the Parent Company total SEK 5 million (SEK 9 m). SEK 103 million (474) of the Group's operating costs refer to costs within the Stockholms Stadshus AB Group. The equivalent costs for the Parent Company total SEK 98 million (SEK 446 m).

The accounts for the AB Svenska Bostäder Group have been drawn up in accordance with the acquisition method, taking into account the recommendation of the Swedish Financial Accounting Standards Council RR 01:91. This means the acquisition value of shares in subsidiaries have been eliminated against the shareholders' equity of each company at the time of acquisition. Subsidiaries' profits have been included in shareholders' equity for the Group for the period after which the subsidiary was acquired only. When eliminating untaxed reserves, they have been divided into two parts, one of which is reported in the accounts as deferred tax. The remaining part is reported as shareholders' equity among restricted reserves, that is non-distributable reserves.

Deferred tax has been calculated at 28%. For Group surplus

values in respect of buildings and land, deferred tax has, in connection with the purchase of Lodet, been calculated at 28% of the net current value of annual depreciation plus 2% of this surplus value on buildings. This deferred tax liability has been reduced using deferred tax receivables in respect of unused tax loss carry-forwards in Lodet, giving a net deferred tax liability of SEK 25.5 million.

A deferred tax liability of SEK 8.7 million has been booked for consolidated surplus values in respect of buildings in the Burspråket Group in 1998, in accordance with the same principle as that employed for the Lodet Group.

The difference between the acquisition value of the shares and subsidiaries' shareholders' equity has been deemed to comprise surplus values for buildings and land. The surplus value of buildings will be depreciated according to plan by 2 or 5% per annum, respectively, depending on the remaining economic life of the building.

## PROPERTIES

The acquisition value of properties has been divided amongst buildings and land in proportion to the corresponding division of the tax assessment value.

## NEW CONSTRUCTION AND REFURBISHMENT WORK IN PROGRESS

All costs carried forward as new construction and refurbishment work in progress are expected to be booked as assets during 1999, or thereafter. Estimated interest (subsidy interest type b) will be charged to the item, from the date when construction work commenced until the completion date.

## POLICIES FOR FIXED ASSETS REGARDING BOOKING AS ASSETS AND DEPRECIATION

As of 1994, a component-depreciation model is applied for refurbishment. This means that the original investment is divided into different components for each property that is refurbished. For components affected by a refurbishment, the remaining residual value is written off. The full cost of the refurbishment is then booked as an asset.

An adaption process designed to bring the principles in line with Group-wide principles for booking as assets and depreciation began during the year, and conventional methods have thus been applied for the latter half of the financial year. Expenses for measures designed to bring about an increase in value have been booked as assets, whilst expenses in connection with maintenance work have been booked as expenses.

Buildings are depreciated according to plan at 2% per annum, with the exception of the tenants' optional apartment add-ons, which as of 1998, are depreciated at 10% per annum.

Write down is effected in conjunction with a lasting decline in value. An internal yield valuation of the company's properties was conducted as of 31 December 1998. No write down requirement is deemed to exist.

Machinery and equipment is depreciated at 20% per annum.

# Notes

SEK 000s		Group		Parent Company	
		1998	1997	1998	1997
<b>NOTE 1</b>	<b>TURNOVER AND NET TURNOVER</b>				
	Turnover totalled	3 409 390	3 576 475	3 136 590	3 220 820
	of which production for own management	13 395	12 822	13 395	12 822
	<b>Net turnover</b>	<b>3 395 995</b>	<b>3 563 653</b>	<b>3 123 195</b>	<b>3 207 998</b>
	<b>Specification of net turnover</b>				
	<b>Rental income</b>				
	Residential	2 594 242	2 727 740	2 409 314	2 468 741
	Non-residential	745 453	769 199	655 791	674 054
	Parking spaces	76 625	80 474	73 520	75 305
	Less unlet units				
	Residential	-6 712	-9 721	-4 921	-7 577
	Non-residential	-30 830	-34 358	-26 060	-31 930
	Parking spaces	-20 352	-22 229	-19 320	-20 702
	<b>Total rental income</b>	<b>3 358 426</b>	<b>3 511 105</b>	<b>3 088 324</b>	<b>3 157 891</b>
	<b>Other management income</b>				
	Service income	36 605	51 319	34 010	49 146
	Other management operations income	287	624	216	459
	Capital gain on sale of equipment	677	605	645	502
	<b>Total management income</b>	<b>37 569</b>	<b>52 548</b>	<b>34 871</b>	<b>50 107</b>
<b>NOTE 2</b>	<b>OPERATING EXPENSES</b>				
	Servicing of property	149 139	149 873	144 597	140 193
	Repairs	136 551	133 425	119 619	115 811
	Water rates	104 378	107 322	98 081	98 062
	Electricity and gas	107 659	110 286	98 713	101 595
	External waste collection	33 965	38 783	31 605	34 869
	Heating costs	374 303	380 966	349 737	347 654
	Local administration	157 049	148 124	145 567	133 996
	Other operating expenses	47 959	49 641	46 362	40 912
	Other management operations expenses	216	355	216	355
	Depreciation, equipment	13 358	9 242	12 951	8 850
	Developer costs	3 790	–	3 790	–
	<b>Total operating expenses</b>	<b>1 128 367</b>	<b>1 128 017</b>	<b>1 051 238</b>	<b>1 022 297</b>
<b>NOTE 3</b>	<b>MAINTENANCE COSTS</b>				
	Maintenance for the year	717 133	818 842	630 683	748 330
	Tax relief for construction work	-70 077	-38 879	-64 292	-37 824
	<b>Total maintenance costs</b>	<b>647 056</b>	<b>779 963</b>	<b>566 391</b>	<b>710 506</b>
<b>NOTE 4</b>	<b>DEPRECIATION</b>				
	Properties, according to plan	338 051	312 644	296 661	262 423
	Equipment, see Notes 2 and 5	22 228	17 531	21 821	17 139
<b>NOTE 5</b>	<b>ADMINISTRATION AND SALES COSTS</b>				
	Human Resource functions	43 423	41 359	43 423	41 359
	Marketing and information	29 295	27 856	29 295	27 856
	Joint ADP costs	24 392	20 135	24 392	20 135
	Joint administrative costs	59 597	38 553	59 597	38 553
	Depreciation, equipment	8 870	8 289	8 870	8 289
	<b>Total administration and sales costs</b>	<b>165 577</b>	<b>136 192</b>	<b>165 577</b>	<b>136 192</b>

SEK 000s	Group		Parent Company	
	1998	1997	1998	1997
<b>NOTE 6 SIGNIFICANT NON-RECURRING ITEMS</b>				
Profit on the sale of properties	222 462	500 479	199 068	220 905
Write-down of fixed assets	-10 063	-17 833	-	-10 119
Merger profits	-	-	37 633	-
<b>Total extraordinary items</b>	<b>212 399</b>	<b>482 646</b>	<b>236 701</b>	<b>210 786</b>
<b>NOTE 7 EMPLOYEE AND STAFF COSTS</b>				
No. employees	811	839	811	839
Of whom, women	312	324	312	324
No. employees calculated as full-time employees	785	805	785	804
<b>Salaries, other remunerations and payroll overhead</b>				
Salaries and remunerations	190 811	194 566	190 744	193 800
Payroll overhead	111 321	91 524	110 978	90 719
(of which, pension costs)	35 726	15 034	35 405	14 787
SEK 3,009,000 (SEK 4,146,000) of the Parent Company's pension costs refer to current and former Managing Directors and Deputy Managing Directors. The company's outstanding pension undertakings to these individuals total SEK 10,262,000 (SEK 9,875,000).				
SEK 3,269,000 (SEK 4,393,000) of the Group's pension costs refer to current and former Managing Directors and Deputy Managing Directors. The company's outstanding pension undertakings to these individuals total SEK 12,762,000 (SEK 12,375,000).				
<b>Salaries and other remunerations, divided between Members of the Board, and other employees</b>				
Board, MD and Deputy MD	1 456	1 921	1 389	1 601
Other employees	189 355	192 645	189 355	192 199
<b>Salaries and terms for the Board and MD</b>				
<b>Chairman of the Board</b>				
Stockholm City is liable for all remunerations and pension undertakings on behalf of the Chairman of the Board of the Parent Company. The Parent Company paid SEK 42,000 (SEK 47,000) to the City for the same.				
<b>Other Members of the Board</b>				
Fees to Board Members totalled SEK 110,000 (SEK 110,000) for the Parent Company, and were divided between the Members, excluding the Chairman. Fees and remunerations to the Board totalled SEK 177,000 (SEK 184,000) in the Group.				
<b>Managing Director</b>				
The MD, Charlotte Axelsson, received a cash salary of SEK 825,000 (SEK 344,000). Subsidised lunches and free car have been included. Pensions are paid in accordance with the PA-KL provisions. The MD is entitled to resign with a guaranteed pension after 12 years as MD, no earlier, however, than their 60th birthday. The period of notice is 24 months on the part of the company and 6 months on the part of the MD.				
<b>Other senior executives</b>				
The pension provisions regulated in central agreements between the labour market parties are applied with regard to other senior executives. An allocation to pensions of SEK 2,000 per executive and month is also made for certain senior executives. The period of notice is 12 months and the redundancy payment varies between the equivalent of 6 and 24 months' salaries, depending on the age of the executive.				



# Notes, continued

SEK 000s	Group		Parent company	
	1998	1997	1998	1997
<b>NOTE 8 SHARE IN PROFITS OF GROUP COMPANIES</b>				
Dividend	–	–	–	19 861
<b>NOTE 9 SHARE IN PROFITS OF ASSOCIATED COMPANIES</b>				
Share in operating profit for the year	–907	–2 478	–	–
<b>NOTE 10 PROFIT ON OTHER FINANCIAL FIXED ASSETS</b>				
Profit on sale of shares	–	55 523	–	55 523
Share in profits of subsidiaries	–	10 874	–	5 742
<b>Total profit from other financial fixed assets</b>	<b>–</b>	<b>66 397</b>	<b>–</b>	<b>61 265</b>
<b>NOTE 11 OTHER INTEREST INCOME</b>				
Interest income, Group companies	–	–	4 113	8 812
Interest income, other	38 933	41 682	38 743	41 290
<b>Total interest income</b>	<b>38 933</b>	<b>41 682</b>	<b>42 856</b>	<b>50 102</b>
<b>NOTE 12 INTEREST EXPENSES</b>				
Interest expenses, Group companies	–	–	35 367	46 361
Interest part of this year's pension costs	6 610	5 827	6 610	5 827
Other interest expenses	726 661	961 788	648 421	854 476
Less: construction and renovation work in progress charged	–1 489	–9 865	–1 489	–9 646
Sub-total	731 782	957 750	688 909	897 018
Change in exchange rate: property loan	–	20 100	–	20 100
Costs derived from mortgage deeds and sureties	4 472	5 547	4 440	5 096
<b>Total interest expenses</b>	<b>736 254</b>	<b>983 397</b>	<b>693 349</b>	<b>922 214</b>
<b>NOTE 13 ALLOCATIONS</b>				
Difference between book depreciation and depreciation acc. to plan				
Equipment	–	–	29	–222
Change in tax allocation reserve	–	–	–9 820	11 699
<b>Total allocations</b>	<b>–</b>	<b>–</b>	<b>–9 791</b>	<b>11 477</b>
<b>NOTE 14 TAX ON PROFIT FOR THE YEAR</b>				
Current tax	–28 000	–	–30 204	–26 782
Tax paid	–10 998	–	–10 998	–
Deferred tax	–14 195	979	–	–
<b>Total tax on profit for the year</b>	<b>–53 193</b>	<b>979</b>	<b>–41 202</b>	<b>–26 782</b>
Current tax corresponds to the fiscal effect of Group contributions and shareholders' contributions made and received. The reporting complies with a statement by the Swedish Financial Accounting Standards Council, Emergency Group.				

SEK 000s	Group		Parent company	
	1998	1997	1998	1997
<b>NOTE 15 BUILDINGS</b>				
<b>Accumulated acquisition values</b>				
Year opening	14 955 761	15 238 992	12 907 453	12 663 072
New acquisitions, renovation and extension work	298 866	515 439	298 151	482 054
Mergers	–	–	15 468	–
Sales and retirement	–408 489	–798 670	–261 400	–237 673
Reclassifications	–1 574	–	–	–
<b>Year end</b>	<b>14 844 564</b>	<b>14 955 761</b>	<b>12 959 672</b>	<b>12 907 453</b>
Interest expenses booked as assets, 1988-1998	282 252	280 673	281 622	280 133
<b>Accumulated depreciation acc. to plan</b>				
Year opening	–3 185 508	–3 049 105	–3 004 740	–2 821 438
Sales and retirement	95 511	163 371	82 235	67 948
Mergers	–	–	–281	–
Reclassifications	–	255	–	–
Year's depreciation acc. to plan on acquisition values	–328 856	–300 029	–287 841	–251 250
<b>Year end</b>	<b>–3 418 853</b>	<b>–3 185 508</b>	<b>–3 210 627</b>	<b>–3 004 740</b>
<b>Accumulated write-up</b>				
Year opening	433 511	490 766	423 073	459 835
Sales and retirements	–15 140	–44 640	–2 204	–25 590
Year's depreciation acc. to plan on amount written up	–9 195	–12 615	–8 820	–11 172
Year's depreciation on amount written down	–10 063	–	–	–
<b>Year end</b>	<b>399 113</b>	<b>433 511</b>	<b>412 049</b>	<b>423 073</b>
<b>Accumulated write-down</b>				
Year opening	–7 714	–83 278	–	–
Sales and retirements	–	83 278	–	–
Year's depreciation	–	–7 714	–	–
<b>Year end</b>	<b>–7 714</b>	<b>–7 714</b>	<b>–</b>	<b>–</b>
<b>Residual value acc. to plan at year end</b>	<b>11 817 110</b>	<b>12 196 050</b>	<b>10 161 094</b>	<b>10 325 786</b>
<b>Tax assessment values</b>				
Buildings	12 923 000	12 858 531	11 568 131	11 409 283
Land	814 088	831 786	655 817	664 223
Site leaseholds	2 054 246	2 061 992	2 048 304	2 040 640
<b>Total tax assessment values</b>	<b>15 791 334</b>	<b>15 752 309</b>	<b>14 272 252</b>	<b>14 114 146</b>
<b>NOTE 16 LAND</b>				
<b>Accumulated acquisition values</b>				
Year opening	937 128	970 087	728 836	730 219
New acquisitions	–	22 849	–	19 040
Mergers	–	–	5 670	–
Sales and retirement	–13 346	–55 808	–1 398	–20 423
Reclassifications	502	–	–	–
<b>Year end</b>	<b>924 284</b>	<b>937 128</b>	<b>733 108</b>	<b>728 836</b>
<b>Residual value acc. to plan at year end</b>	<b>924 284</b>	<b>937 128</b>	<b>733 108</b>	<b>728 836</b>

# Notes, continued

SEK 000s	Group		Parent company	
	1998	1997	1998	1997
<b>NOTE 17 EQUIPMENT</b>				
<b>Accumulated acquisition values</b>				
Year opening	222 020	215 155	217 652	207 273
New acquisitions	30 676	16 363	30 585	15 744
Group adjustments/Mergers	133	-316	133	-
Sales and retirement	-39 663	-9 182	-38 876	-5 365
<b>Year end</b>	<b>213 166</b>	<b>222 020</b>	<b>209 494</b>	<b>217 652</b>
<b>Accumulated depreciation acc. to plan</b>				
Year opening	-174 985	-165 615	-171 850	-159 432
Group adjustments/mergers	-103	63	-103	-
Sales and retirement	38 573	8 098	37 850	4 721
Year's depreciation acc. to plan on acquisition values	-22 228	-17 531	-21 821	-17 139
<b>Year end</b>	<b>-158 743</b>	<b>-174 985</b>	<b>-155 924</b>	<b>-171 850</b>
<b>Residual value acc. to plan at year end</b>	<b>54 423</b>	<b>47 035</b>	<b>53 570</b>	<b>45 802</b>
<b>NOTE 18 NEW CONSTRUCTION AND RENOVATION WORK IN PROGRESS</b>				
Year opening	286 469	260 597	263 230	239 836
Year's investments	615 181	603 678	578 963	583 883
Investments booked as costs	-378 982	-170 960	-336 405	-163 546
Depreciation	-	-10 119	-	-10 119
Transferred to buildings	-273 615	-396 727	-274 687	-386 824
<b>Book value at year end</b>	<b>249 053</b>	<b>286 469</b>	<b>231 101</b>	<b>263 230</b>



SEK 000s				Parent company	
				1998	1997
<b>NOTE 19 SHARES IN GROUP COMPANIES</b>					
<b>Accumulated acquisition values</b>					
Year opening				1 062 664	1 055 508
Purchases				461	11 906
Sales				–	–4 750
Mergers				–22 022	–
Year end				1 041 103	1 062 664
<b>Book value at year end</b>				<b>1 041 103</b>	<b>1 062 664</b>
<b>Specification of the Parent Company's and Group's holdings of shares and participations in Group companies</b>					
Subsidiary company/Company no./Reg. office	1998	1998	Nom.		
	Participation%	Participation			
Bostads AB Salem–Stockholm 556055–0211 / Stockholm				–	11 822
AB Stadsholmen 556035–1511 / Stockholm	91	45 501	4 550	19 585	19 585
Fastighets AB Burspråket 556021–5336 / Stockholm	100	100 000	10 000	479 912	479 912
Burspråket Boendeservice AB 556190–7543 / Stockholm	100	100	100		
SB Service AB 556468–3281 / Stockholm	100	1 000	100	2 900	2 900
Hyreshus i Stockholm AB 556018–7618 / Stockholm				–	10 200
Lodet Fastighets AB 556090–0572 / Stockholm	100	48 464 440	96 929	538 706	538 245
Härolden Fastighets AB 556102–5916 / Stockholm	100	1 000	100		
HB Hvilan–Siljan 916581–9807 / Stockholm	100	1	0		
Enåborg AB 556275–5537 / Stockholm	100	2 000	200		
<i>The share as a percentage refers to the share of capital/votes.</i>					
<b>NOTE 20 RECEIVABLES FROM GROUP COMPANIES</b>					
<b>Accumulated acquisition values</b>					
Year opening				28 890	328 333
Changes during the year				9 805	–299 443
<b>Book value at year end</b>				<b>38 695</b>	<b>28 890</b>

# Notes, continued

				Group		Parent company	
SEK 000s				1998	1997	1998	1997
<b>NOTE 21 SHARES IN ASSOCIATED COMPANIES</b>							
<b>Accumulated acquisition values</b>							
Year opening				518	493	51	26
Changes during the year				–	25	–	25
<b>Book value at year end</b>				<b>518</b>	<b>518</b>	<b>51</b>	<b>51</b>
<b>Specification of the Parent Company's and Group's holdings of shares and participations in associated companies</b>							
Associated company/Company no./Reg. office	1998 Participation%	1998 Participation	Nom.				
<i>Directly owned</i>							
Fastighets AB Centrumhuset i Vällingby 556203–5559 / Stockholm	50	500	50	51	51	51	51
<i>Indirectly owned</i>							
Centrumhuset i Vällingby KB 916637–1469 / Stockholm	50	1	5 000	467	467	–	–
<b>NOTE 22 RECEIVABLES FROM ASSOCIATED COMPANIES</b>							
<b>Accumulated acquisition values</b>							
Year opening				135 200	138 064	135 200	123 061
Changes during the year				–	–2 864	–	12 139
<b>Book value at year end</b>				<b>135 200</b>	<b>135 200</b>	<b>135 200</b>	<b>135 200</b>
<b>NOTE 23 OTHER LONG-TERM SECURITIES HOLDINGS</b>							
<b>Accumulated acquisition values</b>							
Year opening				11 373	56 276	3 618	48 522
Assets acquired				1 218	745	1 218	743
Assets disposed of				–320	–45 648	–	–45 647
<b>Book value at year end</b>				<b>12 271</b>	<b>11 373</b>	<b>4 836</b>	<b>3 618</b>
<b>Specification of the Parent Company's and Group's holdings of other shares and participations</b>							
Shares/Company no./Reg. office	1998 Participation%	1998 Participation	Nom.				
SABO Byggnadsförsäkring AB 516401–8441 / Stockholm		130	130	130	130	130	130
Husbyggnadsvaror HBV förening upa 702000–9226 / Stockholm		8	80	4 706	3 501	4 706	3 488
Brf Gurkan 1–3 716416–4480 / Solna		25	–	7 435	7 742	–	–
<b>NOTE 24 OTHER LONG-TERM RECEIVABLES</b>							
<b>Accumulated acquisition values</b>							
Year opening				261 899	69 728	253 307	61 092
Receivables acquired				72 539	217 174	72 539	217 174
Receivables settled				–37 653	–25 003	–35 634	–24 959
<b>Book value at year end</b>				<b>296 785</b>	<b>261 899</b>	<b>290 212</b>	<b>253 307</b>
<b>NOTE 25 OTHER RECEIVABLES</b>							
Receivable, VAT				3 890	11 816	3 818	9 912
Various other receivables				1 416	761	930	347
<b>Book value at year end</b>				<b>5 306</b>	<b>12 577</b>	<b>4 748</b>	<b>10 259</b>

SEK 000s	Group		Parent company	
	1998	1997	1998	1997
<b>NOTE 26 PREPAID COSTS AND ACCRUED INCOME</b>				
Accrued interest subsidies	20 999	30 077	18 613	26 981
Supplier's invoices for coming year	8 226	9 136	7 305	6 520
Tax reduction for construction work	44 150	24 785	40 079	24 146
Other	43 780	66 836	40 128	62 399
<b>Book value at year end</b>	<b>117 155</b>	<b>130 834</b>	<b>106 125</b>	<b>120 046</b>
<b>NOTE 27 SHAREHOLDERS' EQUITY</b>				
<b>Share capital</b>				
Year opening	953 000	953 000	953 000	953 000
Year end	953 000	953 000	953 000	953 000
<b>Restricted reserves/statutory reserve</b>				
Year opening	216 807	219 669	190 788	190 788
Transfer between restricted and unrestricted capital	-21 737	-2 862	-	-
Year end	195 070	216 807	190 788	190 788
<b>Unrestricted shareholders' equity/Carried forward and profit for the year</b>				
Year opening	1 782 989	1 316 895	1 783 726	1 315 440
Transfer between restricted and unrestricted capital	21 737	2 862	-	-
Dividend in accordance with AGM ruling	-5 600	-7 000	-5 600	-7 000
Report of Group contribution made directly against shareholders' equity	-100 000	-197 000	-107 870	-294 521
Report of Group contribution received directly against shareholders' equity	-	-	-	127 820
Report of shareholders' contribution made directly against shareholders' equity	-	-	-7 386	-
Tax effect of Group contribution made	28 000	-	30 204	26 782
Profit for the year	358 793	667 232	380 997	347 466
Year end	2 085 919	1 782 989	2 074 071	1 783 726
<b>Total shareholders' equity at year end</b>	<b>3 233 989</b>	<b>2 952 796</b>	<b>3 217 859</b>	<b>2 927 514</b>
<b>NOTE 28 UNTAXED RESERVES</b>				
<b>Accumulated difference between book depreciation and depreciation acc. to plan</b>				
Machinery and equipment				
Year opening	-	-	5 715	5 493
Changes during year	-	-	-29	222
Year end	-	-	5 686	5 715
<b>Tax allocation reserve</b>				
Allocated in 1996 year of assessment	-	-	-	11 699
Lifted in 1998 year of assessment	-	-	-	-11 699
Allocated in 1999 year of assessment	-	-	9 820	-
Year end	-	-	9 820	0
<b>Book value at year end</b>	<b>-</b>	<b>-</b>	<b>15 506</b>	<b>5 715</b>
<b>NOTE 29 PROPERTY LOANS</b>				
<b>Building loans and overdrafts</b>				
Credit limits granted	555 000	505 000	555 000	505 000
Unused part	545 329	479 084	545 329	479 084
Unused credit facilities	9 671	25 916	9 671	25 916
<b>Other property loans</b>				
Maturity date, 1-5 years from closing date	6 299 353	6 073 697	5 289 964	5 145 096
Maturity date, more than 5 years from closing date	1 915 288	3 301 185	1 758 958	2 964 214
<b>Book value at year end</b>	<b>8 214 641</b>	<b>9 374 882</b>	<b>7 048 922</b>	<b>8 109 310</b>
<b>NOTE 30 LONG-TERM LIABILITIES TO GROUP COMPANIES</b>				
Year opening			458 782	483 052
Changes during the year			140 684	-24 270
<b>Book value at year end</b>			<b>599 466</b>	<b>458 782</b>

# Notes, continued

SEK 000s	Group		Parent company	
	1998	1997	1998	1997
<b>NOTE 31 LONG-TERM LIABILITIES TO ASSOCIATED COMPANIES</b>				
Year opening	14 065	–	11 587	–
Changes during the year	–4 027	14 065	–2 505	11 587
<b>Book value at year end</b>	<b>10 038</b>	<b>14 065</b>	<b>9 082</b>	<b>11 587</b>
<b>NOTE 32 OTHER LONG-TERM LIABILITIES</b>				
Year opening	4 690	4 002	4 690	2 217
Changes during the year	1 111	688	1 111	2 473
<b>Book value at year end</b>	<b>5 801</b>	<b>4 690</b>	<b>5 801</b>	<b>4 690</b>
<b>NOTE 33 OTHER CURRENT LIABILITIES</b>				
Group account	9 670	25 913	9 670	25 913
Employees with holding taxes	7 013	5 647	7 013	5 647
Management assignment	13 850	43 194	13 850	42 791
Various other current liabilities	1 315	401	181	221
<b>Book value at year end</b>	<b>31 848</b>	<b>75 155</b>	<b>30 714</b>	<b>74 572</b>
<b>NOTE 34 ACCRUED COSTS AND PREPAID INCOME</b>				
Provision for heating, maintenance etc.	215 309	242 684	203 295	224 340
Accrued interest	199 961	232 580	161 444	188 870
Holiday pay liability	22 458	21 337	22 458	21 337
National Insurance contributions	5 758	4 657	5 758	4 657
Property taxes	12 521	58 988	10 784	47 902
<b>Book value at year end</b>	<b>456 007</b>	<b>560 246</b>	<b>403 739</b>	<b>487 106</b>
<b>NOTE 35 PROPERTY MORTGAGES</b>				
<p>The City of Stockholm has signed a guarantee commitment for property loans raised during the period 1987-1992. In addition, the City acts as a guarantor for certain short-term credits. The company has undertaken to the City not to draw and raise loans on such mortgage deeds as would have been used as collateral had a guarantee commitment not been made. As per 31 December 1998, the guarantee commitment amounted to SEK 2,406,481,000 in the Group and SEK 2,349,046,000 in the Parent Company. The City also acts as a guarantor for pension allocations in KPA. As per 31 December 1998, the guarantee commitment was SEK 182,153,000 in the Group and SEK 182,153,000 in the Parent Company. Furthermore, the company has pledged not to draw any further mortgage deeds, in excess of the agreed collateral volume, in the properties which have been placed as collateral for the bond loan issued by S:t Erik Securities of SEK 1,045,924,000 (SEK 1,045,924,000) as well as loans issued by ABN-Amro totalling SEK 1,200,000,000 (SEK 1,200,000,000).</p>				
<b>NOTE 36 OTHER TAXES</b>				
Non-deductible input VAT, calculated assessment	266 606	271 192	242 577	258 737
Withdrawal taxation of the company's salaries	24 892	24 650	24 348	23 457
Tax on returns from pension fund and special employers contribution	7 126	2 685	7 063	2 685
<b>Total</b>	<b>298 624</b>	<b>298 527</b>	<b>273 988</b>	<b>284 879</b>

Stockholm, 16 February 1999

H G Wessberg Chairman

Stella Fare

Dag Larsson

Mia Nikali

Helena Bonnier

Lennart Rydberg

Ann Mari Engel

Charlotte Axelsson MD



# Auditors' Report

To the general meeting of the shareholders of AB Svenska Bostäder.  
Registered Number 556043-6429.

We have audited the parent company and the consolidated financial statements, the accounts and the administration of the board of directors and the managing director of AB Svenska Bostäder for 1998. These accounts and the administration of the Company are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the financial statements and the administration based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards in Sweden. Those Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director, as well as evaluating the overall presentation of information in the financial statements. We examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the possible liability to the Company of any board member or the managing director or whether they have in some other way acted in

contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

In our opinion, the parent company and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act, and, consequently we recommend

*that* the income statements and the balance sheets of the Parent Company and the Group be adopted, and

*that* the profit of the Parent Company be dealt with in accordance with the proposal in the Administration Report.

In our opinion, the board members and the managing director have not committed any act or been guilty of any omission, which could give rise to any liability to the Company. We therefore recommend

*that* the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 15 March 1999

Bo Ribers  
*Authorised Public Accountant*  
KPMG

Börje Linder  
*Accountant appointed by the*  
*Stockholm City Council*

# The Board of Directors, and Auditors...



Back row: Thord Franzén, H G Wessberg, Jan Gauffin, Ann Mari Engel, Lennart Rydberg, Jenny Lindahl, Ebba von Schéele, Inga Lindås, Owe Belin, Helena Bonnier.  
Front row: Charlotte Axelsson, Mia Nikali, Jan Lord, Jan Demuth, Sven Oscar Stjernström, Stella Fare, Dag Larsson.  
Not shown: Ingvar Snees och Erik Nilsson.

## APPOINTED BY THE STOCKHOLM CITY COUNCIL FROM 1 JANUARY 1999

**MEMBERS**

*H G Wessberg* (m) Chairman, born in 1952  
*Dag Larsson* (s) Deputy Chairman (previously Board Member see below)  
*Helena Bonnier* (m), born in 1939  
*Ann Mari Engel* (v), born in 1947  
*Stella Fare* (sp), born in 1958  
*Mia Nikali* (s), born in 1970  
*Lennart Rydberg* (fp), born in 1942

**DEPUTY MEMBERS**

*Ebba von Schéele* (m), born in 1944  
*Jan Demuth* (mp) (previously Board Member see below)  
*Jenny Lindahl* (v), born in 1972  
*Jan Lord* (m), born in 1934  
*Erik Nilsson* (s), born in 1965  
*Ingvar Snees* (m), born in 1944  
*Sven Oscar Stjernström* (kd), born in 1929

**AUDITORS**

*Bo Ribers*                      *Artur Burup* (m)

**DEPUTY AUDITORS**

*Björn Flink*                      *Börje Linder* (s)

**EMPLOYEE REPRESENTATIVES**

*Inga Lindås*                      *Owe Belin*

**DEPUTIES**

*Thord Franzén*                      *Jan Gauffin*

**MANAGING DIRECTOR**

*Charlotte Axelsson*

**DEPUTY MANAGING DIRECTOR**

*Sven Belfrage*

## APPOINTED BY THE STOCKHOLM CITY COUNCIL 1998

**MEMBERS**

*Annika Billström* (s) Chairman, born in 1956, member of the board 25 May 1992–1 November 1998  
*Carl-Erik Skårman*, (m) Deputy Chairman, born in 1939, Member of the Board from 1 January 1992 to 31 December 1998 (Chairman from 2 November to 31 December 1998).  
*Dag Larsson*, (s) born in 1960, Member of the Board from 1 January 1995, Vice Chairman from 19 October 1998.  
*Bo Bladholm*, (m) born in 1942, Member of the Board from 1 January 1995 to 31 December 1998.  
*Carin Jahn*, (s) born in 1951, Member of the Board from 1 January 1992 to 31 December 1998.

**DEPUTY MEMBERS**

*Per Holm*, (s) born in 1964, 1 January 1995 – 31 December 1998  
*Cornilla von Plomgren*, (m) born in 1962, 23 September 1996 – 31 December 1998.  
*Jan Demuth*, (mp), born in 1951 1 January 1995 – 1 April 1998  
*Kerstin Åslund*, (fp) born in 1925, 1 January 1995 – 31 December 1998  
*Lars Ohly*, (v) born in 1957, 1 January 1997 – 31 December 1998

**AUDITORS**

*Bo Ribers*                      *Börje Linder* (s)

**DEPUTY AUDITORS**

*Björn Flink*                      *Ulf Brönnegård* (m)

# ... and Management.



Back row: Gillis Edholm, Bjarne Siösteen, Torbjörn Dacke, Roger Hammerin, Carl-Erik Augustsson, Christer Osslind, Sven Belfrage, Göran Tillberg.

Front row: Britt von Schéele, Charlotte Axelsson, Mona Finnström.

## MANAGING DIRECTOR

*Charlotte Axelsson*, VD, born in 1948, employed 1997

## DEPUTY MANAGING DIRECTOR

*Sven Belfrage*, Deputy Managing Director, born in 1949, employed 1985

## DIVISIONAL MANAGERS

*Gillis Edholm*, Northern Division, born in 1942, employed 1980

*Roger Hammerin*, Southern Division, born in 1949, employed 1975

*Göran Tillberg*, City Division, born in 1950, employed 1989

*Christer Osslind*, Non-Residential Premises Division, born in 1947, employed 1992

## GROUP EXECUTIVE MANAGEMENT

*Carl-Erik Augustsson*, Technology Department, born in 1947, employed 1998

*Sven Belfrage*, Executive Department, born in 1949, employed 1985

*Torbjörn Dacke*, Financial Department, born in 1955, employed 1998

*Mona Finnström*, Human Resources Department, born in 1959, employed 1999

*Britt von Schéele*, Marketing Department, born in 1943, employed 1964

*Bjarne Siösteen*, IT and Organisational Department, born in 1935, employed 1961

# Property holdings, as per 31 December 1998, SEK 000s

DIVISION	RESIDENTIAL AREA	Acquisition cost	Depreciation	Residual book value	T A X   A C C E S S M E N T   V A L U E		
					Total	<sup>1)</sup>	Buildings
NORTHERN	Bromma	76 564	15 617	60 947	68 988	s	65 862
	Blackeberg	249 069	50 708	198 361	218 110	s	169 861
	Vällingby	471 388	99 129	372 259	424 687	x	331 958
	Grimsta	265 759	60 136	205 623	274 975	s	210 374
	Hässelby Gård	380 832	79 565	301 267	273 106	s	206 546
	Hässelby Strand	146 795	36 147	110 648	130 910	s	99 812
	Vinsta/Solhem	161 660	26 812	134 848	109 326	s	97 602
	Spånga	22 698	17 602	5 096	18 174	x	13 858
	Nordöstra Bromsten	99 953	16 464	83 489	63 261	s	56 253
	Fristad collective dwellings	75 920	9 298	66 622	46 720	o	40 900
	Tensta	194 758	55 360	139 398	209 013	x	161 724
	Hjulsta	222 071	54 645	167 426	189 373	x	147 490
	Rinkeby including service houses	269 309	59 209	210 100	238 788	x	189 845
	Husby including service houses	485 432	124 012	361 420	427 463	x	344 699
	Akalla	349 861	83 145	266 716	319 533	x	256 251
	Kista terraced houses	73 081	18 179	54 902	53 766	s	32 861
	Other properties	183 712	66 385	117 327	11 828	x	7 818
	<b>Total, Northern Division</b>	<b>3 728 862</b>	<b>872 413</b>	<b>2 856 449</b>	<b>3 078 021</b>		<b>2 433 714</b>
SOUTHERN	Johanneshov	287 460	31 788	255 672	216 013	x	191 098
	Björkhagen	183 269	47 638	135 631	231 756	s	190 748
	Kärrtorp	137 848	47 661	90 187	305 025	s	229 821
	Tallkrogen	110 588	31 019	79 569	181 159	s	139 727
	Nytorp	99 559	22 520	77 039	125 783	x	101 378
	Bagarmossen	108 932	46 615	62 317	213 966	s	160 746
	Farsta	122 482	37 159	85 323	241 228	s	181 061
	Farsta Strand	160 587	46 601	113 986	291 489	x	223 857
	Fagersjö/Hökarängen	192 129	44 355	147 774	223 417	x	169 546
	Dalen	882 443	258 504	623 939	575 744	x	485 193
	Bagarmossen terraced houses	33 868	6 786	27 082	33 286	s	20 161
	Hägersten	59 468	12 870	46 598	47 032	x	40 413
	Midsommarkransen	24 975	537	24 438	22 030	ä	19 180
	Västberga	75 553	19 301	56 252	78 526	x	58 964
	Bredäng	285 945	78 673	207 272	466 933	x	366 528
	Skärholmen/Vårberg	158 080	42 184	115 896	224 438	s	176 356
	Skärholmen C, house H	12 076	3 168	8 908	29 416	o	24 670
	Mälärhöjden	158 372	21 659	136 713	114 993	s	103 288
	Hagsätra/Rågsved	272 762	66 289	206 473	351 344	x	263 137
	Östberga	201 930	50 955	150 975	336 476	s	265 140
	Solberga/Årsta	220 904	33 392	187 512	249 799	s	213 967
	Other properties	105 245	61 722	43 523	30 494	s	25 648
	<b>Total, Southern Division</b>	<b>3 894 475</b>	<b>1 011 396</b>	<b>2 883 079</b>	<b>4 590 347</b>		<b>3 650 627</b>
CITY	Skinnarviksbergen	50 747	16 012	34 735	109 368	s	86 571
	Barnängen	81 551	17 172	64 379	118 139	s	94 538
	Högalid	242 414	68 677	173 737	433 578	x	345 487
	Skåneparken	55 476	13 207	42 269	103 849	s	81 306



	Södra Station	634 281	72 838	561 443	512 480	s	453 990
	Södra Station collective dwellings	44 663	6 532	38 131	45 238	s	39 476
	Pyramiden	130 159	23 351	106 808	140 941	o	110 431
	Piskan	81 408	15 618	65 790	75 654	x	60 839
	Södermalm, other	791 829	125 230	666 599	737 239	x	604 558
	Riddarsporren	232 882	52 481	180 401	240 610	s	193 277
	Vasastan, other	652 094	92 752	559 342	644 446	x	505 541
	Trasten	49 615	11 103	38 512	56 363	o	40 408
	Östermalm, other	252 766	45 176	207 590	243 189	x	183 364
	Kungsholmen	163 453	12 213	151 240	119 692	x	102 999
	Gärdet	297 941	34 483	263 458	270 256	x	205 575
	Rio collective dwellings	77 620	12 677	64 943	60 588	o	48 600
	Nybohov including service houses	215 262	55 457	159 805	320 727	x	258 057
	Trekanten collective dwellings	46 338	7 588	38 750	42 926	s	38 240
	AB Stadsholmen	774 774	139 330	635 444	734 756	x	732 402
	Fast. AB Burspråket (Group)	533 359	29 149	504 210	402 335	x	319 693
	Lodet Fast. AB (Group)	757 323	65 541	691 782	372 315	o	295 278
	Other properties	38 505	4 636	33 869	0		0
	<b>Total City Division</b>	<b>6 204 460</b>	<b>921 223</b>	<b>5 283 237</b>	<b>5 784 689</b>		<b>4 800 630</b>
NON-RESIDENTIAL PREMISES	Vällingby C	146 406	58 934	87 472	198 791	s	180 042
	Hässelby Gård C	76 393	30 456	45 937	101 188	s	89 400
	Tensta C	90 946	26 665	64 281	72 494	x	64 879
	Rinkeby C	74 424	17 397	57 027	30 980	s	26 400
	Skärholmen C	492 139	162 328	329 811	523 202	s	487 000
	Bredäng C	36 862	15 401	21 461	52 308	s	46 320
	Other properties	65 399	41 688	23 711	61 102	s	37 776
	<b>Total, Non-Residential Premises Divisions</b>	<b>982 569</b>	<b>352 869</b>	<b>629 700</b>	<b>1 040 065</b>		<b>931 817</b>
	Category housing						
	NORTHERN						
	Hässelby service house	54 137	10 633	43 504	47 960	o	39 600
	Tensta service house	45 010	16 391	28 619	40 153	o	32 100
	Akalla service house	37 604	10 343	27 261	45 183	o	36 400
	Kista service house	77 833	13 897	63 936	109 044	s	91 260
	Fristad service house	142 875	25 426	117 449	74 660	o	64 700
	Edö service house	46 481	11 223	35 258	50 930	s	42 150
	Dalen 13 incl. service house	112 325	29 681	82 644	140 970	s	122 490
	Hammarbyhöjden service house	100 209	13 184	87 025	70 053	s	63 750
	Skärholmen service house	24 166	7 781	16 385	34 307	o	28 600
	Frösätra service house	50 906	10 669	40 237	58 236	o	48 498
	Vasen service house	21 376	4 771	16 605	33 973	s	26 934
	Riddarsporren service house	67 359	15 161	52 198	81 565	s	66 240
	Vaduren service house	69 836	12 546	57 290	68 718	o	58 530
	Rio service house	98 770	16 367	82 403	73 230	o	60 630
	Skinnarviken service house	161 824	30 985	130 839	128 688	o	112 830
	Hornstull service house	213 173	32 522	180 651	167 202	o	146 880
	Trekanten service house	77 835	13 722	64 113	73 340	s	64 620
	<b>Total, Category housing</b>	<b>1 401 719</b>	<b>275 302</b>	<b>1 126 417</b>	<b>1 298 212</b>		<b>1 106 212</b>
	Unappropriated	905	38 393	-37 488	0		0
	<b>TOTAL</b>	<b>16 212 990</b>	<b>3 471 596</b>	<b>12 741 394</b>	<b>15 791 334</b>	<b>0</b>	<b>12 923 000</b>

<sup>1)</sup> S=site leasehold rights, O=ownership rights, X=site leasehold rights and ownership rights

# Occupancy and space as per 31 December 1998

		Year of completion,	No. apartments,	No. occupants,	Children under 16 as a percentage of C	Persons 65 and over as a percentage of C	No. room units per apartment,	No. occupants per room unit	No. occupants per apartment,	Tenants moving out as a percentage of B,
DIVISION		A	B	C	D	E	F	G	H	I
NORTH	Bromma	1942–46	148	234	14.96	20.94	3.32	0.48	1.58	13.5
	Nockeby	1992–93	16	36	25.00	25.00	3.75	0.60	2.25	6.3
	Blackeberg	1950–52	1 144	1 879	14.10	25.76	3.40	0.48	1.64	10.2
	Blackeberg, Björnssonsgatan	1996	72	148	10.81	17.57	3.88	0.53	2.06	20.8
	Vällingby	1951–56	2 505	4 012	13.41	27.04	3.33	0.48	1.60	11.6
	Vällingby Centrum	1991–92, 1997	112	225	31.11	9.33	3.93	0.51	2.01	17.0
	Grimsta	1953–54, 1957–58	1 577	2 965	18.52	17.84	3.41	0.55	1.88	14.1
	Grimsta, new construction	1993–94	77	131	11.45	49.62	3.48	0.49	1.70	6.5
	Hässelby Gård	1954–58, 1993–94	2 034	3 325	16.57	19.34	3.26	0.50	1.63	20.7
	Hässelby Strand	1957–59	1 009	1 620	10.74	30.68	3.16	0.51	1.61	12.7
	Vinsta/Solhem	1985–86, 1988	259	679	35.05	6.19	3.87	0.68	2.62	12.4
	Spånga	1932, 1963	112	190	9.47	34.74	3.25	0.52	1.70	15.2
	Nordöstra Bromsten	1987–88	170	458	31.22	5.02	3.67	0.73	2.69	17.1
	Fristad collective dwellings	1983–84	135	331	38.37	3.32	3.72	0.66	2.45	19.3
	Tensta	1968–70	1 021	3 540	35.42	5.11	4.00	0.87	3.47	11.9
	Hjulsta	1979–83	1 118	2 953	27.77	4.74	3.60	0.73	2.64	11.8
	Rinkeby	1970–72	1 075	3 427	28.74	8.08	3.77	0.84	3.19	11.8
	Husby	1974–77, 1993	2 029	5 374	28.62	7.74	3.63	0.73	2.65	15.9
	Akalla	1974–76	1 721	3 544	22.91	9.06	3.28	0.63	2.06	12.8
	Kista, terraced houses	1971–79	229	1 068	35.49	1.69	5.00	0.93	4.66	8.3
	<b>Total, Northern Division</b>		<b>16 563</b>	<b>36 139</b>	<b>23.62</b>	<b>13.57</b>	<b>3.49</b>	<b>0.63</b>	<b>2.18</b>	<b>13.8</b>
SOUTH	Johanneshov	1944,46, 1993–94	232	346	6.36	29.48	3.24	0.46	1.49	6.9
	Björkhagen	1947–49, 54–56, 93–94	617	1 134	16.93	22.22	3.60	0.51	1.84	6.5
	Hökarängen	1948, 1993–94	96	198	25.25	26.77	3.88	0.53	2.06	13.5
	Kärrtorp	1948–52	1 326	2 275	15.60	27.69	3.51	0.49	1.72	8.5
	Tallkrogen	1950–51, 1987–88	793	1 327	13.26	24.94	3.41	0.49	1.67	10.0
	Nytorp	1950–51	451	818	21.88	17.48	3.45	0.53	1.81	8.4
	Bagarmossen	1953–54, 1969	1 101	1 812	15.34	19.15	3.35	0.49	1.65	9.2
	Farsta	1957–59	1 014	2 099	19.91	22.34	3.81	0.54	2.07	9.8
	Farsta Strand	1960–61, 1963–64	1 251	2 506	20.99	16.96	3.60	0.56	2.00	11.4
	Fagersjö	1961–62	817	1 761	24.13	12.32	3.88	0.56	2.16	12.7
	Dalen	1979–82, 1991	1 493	4 031	31.70	9.25	4.19	0.64	2.70	13.9
	Hammarbyhöjden	1991–92	248	689	37.01	6.24	4.12	0.67	2.78	14.5
	Bagarmossen terraced houses	1955–56	115	369	30.89	13.55	5.98	0.54	3.21	0.9
	Hägersten	1942, 45, 51, 78, 81, 88	224	417	13.91	13.19	3.13	0.59	1.86	13.4
	Hägersten, new construction	1992–93	184	542	37.45	4.06	4.34	0.68	2.95	17.4
	Västberga	1946, 1978–82	405	617	8.10	15.72	3.23	0.47	1.52	12.1
	Bredäng	1963–65	2 014	4 550	22.46	17.27	3.84	0.59	2.26	11.5
	Skärholmen/Vårberg	1964–67	942	2 316	26.08	11.49	3.90	0.63	2.46	14.0
	Mälarhöjden	1988–89	216	671	34.13	3.58	4.26	0.73	3.11	13.4
	Hagsätra/Rågsved	1958–60, 1966–67	1 669	3 407	21.93	15.38	3.82	0.53	2.04	13.5
	Östberga	1967–69	1 171	2 884	27.67	8.56	4.08	0.60	2.46	15.1
	Solberga	1969–70	412	1 021	28.80	7.35	3.95	0.63	2.48	12.9
	Skärholmen C, House H	1974	124	160	3.13	5.63	2.08	0.62	1.29	19.4

	Total, Southern Division										
CITY	Skinnarviksbergen/Barnängen	1965, 1967–68	16 915	35 950	23.03	15.41	3.76	0.56	2.13	11.7	
	Högalid (Sö)	1966–67, 1972–73	1 167	2 227	15.00	25.86	3.98	0.48	1.91	5.6	
	Skåneparken (Sö)	1968–68	283	589	15.11	25.47	4.26	0.49	2.08	6.7	
	Södra Station (Sö)	1987–88, 1991–92	735	1 761	27.09	8.18	3.92	0.61	2.40	9.8	
	Pyramiden (Sö)	1931, 1975–78, 80–81	342	767	21.25	9.65	3.71	0.60	2.24	7.0	
	Tumstocken (Sö)	1978–79	182	428	23.13	10.05	4.01	0.59	2.35	9.9	
	Piskan (Sö)	1980–83	195	231	16.45	6.93	3.38	0.35	1.18	12.3	
	Södermalm, other	Various	1 493	2 925	13.98	18.56	3.26	0.60	1.96	9.2	
	Riddarsporren (Va)	1978–82	352	775	15.10	26.45	4.07	0.54	2.20	5.4	
	Vasastan/Kungsholmen	Various	1 436	2 723	15.24	11.64	3.35	0.57	1.90	9.3	
	Dalagatan, young person's housing (Va)	1967–89	231	269	0.37	0.74	2.11	0.55	1.16	16.0	
	Östermalm, other	Various	568	1 104	14.22	15.40	3.70	0.52	1.94	8.6	
	Gärdet	1933, 35, 43, 63	250	348	7.76	36.21	3.02	0.46	1.39	12.8	
	Kampementet (Gä)	1962–63	160	289	5.88	60.21	4.20	0.43	1.81	3.8	
	Skvadronen (Gä)	1992	166	361	24.93	15.79	4.00	0.54	2.17	6.0	
	Nybohov	1925, 1960–62	982	2 012	11.28	31.86	3.82	0.54	2.05	9.6	
	Rio collective dwellings (Gä)	1982–83	110	216	14.35	25.93	4.05	0.49	1.96	7.3	
	Trekanten collective dwellings	1986–87	78	184	32.61	5.98	3.90	0.61	2.36	9.0	
	Södra Station collective dwellings (Sö)	1987–89	63	191	41.36	1.05	4.08	0.74	3.03	9.5	
	Stadsholmen	Various	1 525	2 632	13.26	14.67	3.46	0.50	1.73	7.2	
	Burspråket	Various	691	1 189	14.13	14.21	3.43	0.50	1.72	12.6	
	Lodet	Various	669	1 100	12.18	15.00	3.46	0.48	1.64	13.8	
	Total, City Division		12 335	23 398	15.36	19.10	3.59	0.53	1.90	8.8	
Category housing	Total		45 813	95 487	21.37	15.62	3.62	0.58	2.08	11.7	
	Hässelby service house	1972–73	274	249	0.00	97.59	2.36	0.38	0.91	22.7	
	Tensta service house	1969–70	149	165	1.21	70.30	2.11	0.52	1.11	20.1	
	Rinkeby service house	1971–72	123	98	0.00	85.71	2.08	0.38	0.80	18.7	
	Husby service house	1974–76	120	114	0.00	93.86	2.34	0.41	0.95	18.3	
	Akalla service house	1975–77	180	266	1.13	60.53	2.29	0.64	1.48	15.0	
	Kista service house	1977–78	297	267	0.00	98.50	2.42	0.37	0.90	21.9	
	Fristad service house	1982–84, 1991	175	187	0.00	95.72	2.50	0.43	1.07	28.0	
	Edö service house	1975–77	243	230	0.00	99.57	2.41	0.39	0.95	22.2	
	Dalen service house	1979–80	282	294	0.00	99.32	2.44	0.43	1.04	21.6	
	Hammarbyhöjdens service house	1988–89	95	117	0.00	86.32	3.08	0.40	1.23	21.1	
	Skärholmens service house	1968–70	179	177	0.00	97.74	2.59	0.38	0.99	19.6	
	Sätra service house	1971–73	274	225	0.00	96.44	2.29	0.36	0.82	19.3	
	Nybohov service house	1960–62	85	78	0.00	93.59	2.49	0.37	0.92	32.9	
	Vasen service house (Va)	1974–75	101	88	0.00	98.86	2.33	0.37	0.87	16.8	
	Riddarsporren service house (Va)	1979–80	191	129	0.00	97.67	2.53	0.27	0.68	19.9	
	Vaduren service house (Va)	1979–81	130	113	0.00	97.35	2.43	0.36	0.87	21.5	
	Skinnarviken service house (Sö)	1980–82	163	160	0.00	96.88	2.64	0.37	0.98	19.6	
	Rio service house (Gä)	1982–83	143	140	0.00	98.57	2.55	0.38	0.98	17.2	
	Hornstulls service house (Sö)	1982–84	156	195	0.00	100.00	2.60	0.48	1.25	12.2	
	Trekanten service house (Liljeh.)	1986, 1991–92	100	109	0.00	98.17	2.60	0.42	1.09	16.0	
	Residential hotel <sup>1)</sup>	Various	285	279	0.00	0.00	2.02	0.49	0.98	*	
		Total, Category housing		3 745	3 680	0.14	85.76	2.41	0.41	0.98	20.3
		TOTAL, ALL APARTMENTS		49 558	99 167	20.58	18.22	3.53	0.57	2.00	13.6

1) Let by another property manager. \* No figure available.

# Residential rents

rooms). Total rents (heating incl.) as per 1 January 1999. Per no. rooms (Half-rooms and additional rooms count as whole

DIVISION	RESIDENTIAL AREA	One room and kitchen/smaller			Two rooms and kitchen			Three rooms and kitchen			Four rooms and kitchen			Five rooms and kitchen/larger			All apartments		
		Number	m <sup>2</sup>	SEK/m <sup>2</sup>	Number	m <sup>2</sup>	SEK/m <sup>2</sup>	Number	m <sup>2</sup>	SEK/m <sup>2</sup>	Number	m <sup>2</sup>	SEK/m <sup>2</sup>	Number	m <sup>2</sup>	SEK/m <sup>2</sup>	Number	m <sup>2</sup>	SEK/m <sup>2</sup>
NORTHERN	Bromma	18	41	717	70	56	913	54	72	874	6	72	666	0	–	–	148	61	868
	Nockeby	0	0	–	8	73	1 151	4	106	1 024	4	87	1 112	0	–	–	16	85	1 101
	Blackeberg	144	36	817	504	58	736	405	69	706	79	98	661	12	120	631	1 144	63	720
	Blackeberg, Björnssonsgatan	0	–	–	36	63	987	18	83	951	9	99	950	9	121	925	72	80	960
	Vällingby	455	31	803	1 009	58	732	814	73	701	202	90	688	25	118	659	2 505	61	720
	Vällingby Centrum	5	43	1 150	51	63	1 015	18	93	900	23	108	870	15	135	834	112	86	922
	Grimsta	292	36	827	557	62	743	558	76	703	128	97	681	42	128	646	1 577	67	723
	Grimsta senior tenant housing <sup>1)</sup>	0	–	–	61	59	995	2	105	645	7	105	645	7	105	645	77	68	884
	Hässelby Gård	455	28	945	798	57	765	616	72	731	125	89	723	40	121	737	2 034	58	767
	Hässelby Strand	288	33	995	343	59	795	320	75	730	40	85	700	18	120	706	1 009	58	792
	Vinsta/Solhem <sup>2)</sup>	2	57	859	99	71	829	88	83	815	70	96	781	0	–	–	259	82	809
	Spånga	33	34	770	32	61	714	35	76	684	10	97	671	2	155	567	112	62	699
	Nordöstra Bromsten	12	47	953	74	64	873	42	82	831	42	108	765	0	–	–	170	78	829
	Fristad collective dwellings	4	41	1 074	50	61	940	62	78	882	18	98	830	1	103	829	135	74	893
	Tensta	34	59	748	254	69	682	425	85	663	299	96	653	9	118	644	1 021	84	665
	Hjulsta	91	46	757	501	58	718	287	75	682	239	88	663	0	–	–	1 118	68	695
	Rinkeby	49	37	742	404	61	666	363	76	652	259	90	647	0	–	–	1 075	72	657
	Husby <sup>4)</sup>	135	40	875	790	59	718	793	81	678	304	93	672	7	125	754	2 029	72	697
	Akalla <sup>3), 4)</sup>	572	48	759	272	59	735	710	74	708	165	91	704	2	136	677	1 721	65	724
	Kista terraced houses	0	–	–	21	60	953	44	84	809	78	102	778	86	127	752	229	104	780
	<b>Total, Northern Division</b>	<b>2 589</b>	<b>37</b>	<b>822</b>	<b>5 934</b>	<b>59</b>	<b>741</b>	<b>5 658</b>	<b>76</b>	<b>700</b>	<b>2 107</b>	<b>93</b>	<b>683</b>	<b>275</b>	<b>121</b>	<b>704</b>	<b>16 563</b>	<b>67</b>	<b>726</b>
SOUTHERN	Johanneshov	41	37	979	99	56	912	87	65	847	5	105	1 187	0	–	–	232	57	902
	Björkhagen	27	33	803	322	59	790	172	73	782	65	87	715	31	106	642	617	67	766
	Hökarängen	0	–	–	42	58	946	24	65	943	30	82	885	0	–	–	96	67	922
	Kärntorp	90	30	759	618	58	696	486	71	660	117	86	651	15	111	630	1 326	64	677
	Tallkrogen	107	39	780	339	57	687	270	69	656	72	89	659	5	121	681	793	62	679
	Nytorp	49	36	746	189	58	717	173	74	718	40	89	700	0	–	–	451	64	717
	Bagarmossen	185	30	772	447	56	698	371	70	666	94	83	651	4	95	642	1 101	59	686
	Farsta	126	30	788	182	60	702	546	75	666	74	99	648	86	123	634	1 014	72	671
	Farsta Strand	215	31	796	266	58	715	591	79	669	158	96	663	21	137	636	1 251	69	685
	Fagersjö	46	40	733	225	56	696	416	76	648	41	88	639	89	120	621	817	74	655
	Dalen	14	59	1 069	348	66	812	587	85	774	423	102	749	121	126	746	1 493	88	771
	Hammarbyhöjden	20	49	1 020	35	62	991	125	88	907	31	107	882	37	111	836	248	87	901
	Bagarmossens terraced houses	0	–	–	0	–	–	1	87	752	0	–	–	114	113	765	115	113	765
	Hägersten	43	35	918	122	55	876	46	74	751	12	89	714	1	125	751	224	57	833
	Hägersten, new construction	22	47	1 060	36	68	948	36	84	907	38	98	861	52	112	876	184	87	902
	Västberga	108	38	792	111	49	745	175	64	689	8	92	675	3	129	653	405	54	721
	Bredäng	34	26	770	568	59	687	1 100	80	661	304	100	651	8	118	659	2 014	76	666
	Skärholmen/Vårberg	0	–	–	305	59	703	427	85	668	210	88	667	0	–	–	942	77	677
	Mälärhöjden	0	–	–	48	63	824	79	78	786	74	93	779	15	104	827	216	82	793
	Hagsätra/Rågsved	109	43	735	479	59	682	746	73	691	267	92	657	68	97	622	1 669	71	680
	Östberga	0	–	–	390	64	689	391	83	665	298	95	656	92	104	652	1 171	81	667
	Solberga	0	–	–	105	62	688	222	88	670	85	104	665	0	–	–	412	85	672
	Skärholmen C, House H	114	32	819	10	41	771	0	–	–	0	–	–	0	–	–	124	33	814
	<b>Total, Southern Division</b>	<b>1 350</b>	<b>34</b>	<b>804</b>	<b>5 286</b>	<b>59</b>	<b>725</b>	<b>7 071</b>	<b>77</b>	<b>691</b>	<b>2 446</b>	<b>95</b>	<b>689</b>	<b>762</b>	<b>115</b>	<b>703</b>	<b>16 915</b>	<b>72</b>	<b>705</b>



CITY	77	39	880	204	57	753	307	80	717	30	91	711	39	109	692	657	70	734
Skinnarviksbergen/Barnängen	177	35	785	303	62	733	139	82	722	464	91	717	84	126	706	1 167	76	724
Högalid (Sö)	23	38	841	48	62	793	71	81	734	115	92	719	26	129	682	283	83	731
Skåneparken (Sö)	26	45	1 205	244	63	973	279	78	918	132	101	878	54	132	807	735	80	915
Södra Station (Sö)	63	38	821	68	59	765	129	80	745	68	99	709	14	132	733	342	74	745
Pyramiden (Sö)	0	–	–	48	59	825	89	81	781	41	101	753	4	110	751	182	80	780
Tumstocken (Sö)	21	41	927	87	57	832	79	73	787	8	97	740	0	–	–	195	63	812
Piskan (Sö)	477	35	896	450	60	825	327	83	793	178	105	776	61	145	722	1 493	66	810
Södermalm, other	6	48	872	101	62	818	152	80	792	48	97	757	45	106	764	352	80	788
Riddarsporren (Va)	412	40	991	400	59	884	382	83	859	198	99	846	44	121	776	1 436	67	880
Vasastan/Kungsholmen	208	26	1 083	22	38	1 027	0	–	–	1	101	977	0	–	–	231	27	1 074
Dalagatan, young person's housing <sup>4)</sup>	85	37	814	184	60	811	162	85	786	88	112	752	49	162	686	568	80	769
Östermalm, other	109	36	967	61	62	799	51	83	692	24	94	683	5	150	663	250	60	788
Gärdet	0	–	–	32	65	786	80	85	734	32	113	687	16	111	695	160	89	725
Kampementet (Gä)	11	45	1 238	50	61	1 138	42	75	1 076	54	97	1 007	9	107	997	166	78	1 063
Skvadronen (Gä)	68	33	856	298	57	735	376	74	688	224	90	679	16	125	640	982	70	701
Nybohov	1	39	1 031	33	63	908	42	75	890	28	85	852	6	102	821	110	75	879
Rio collective dwellings (Gä)	3	42	1 039	29	65	905	25	71	904	15	86	858	6	101	823	78	73	888
Trekanten collective dwellings (Liljeh.)	1	38	1 124	17	65	953	22	72	953	22	98	879	1	107	870	63	79	921
Södra Station collective dwellings (Sö)	308	35	911	559	55	905	390	78	874	179	100	858	89	129	785	1 525	66	874
AB Stadsholmen	163	36	935	252	58	856	151	78	782	65	107	728	60	178	654	691	72	786
Fastighets AB Burspråket	241	32	836	122	61	790	155	83	771	61	114	760	90	180	752	669	76	776
Lodets Fastighets AB	2 480	35	900	3 612	59	837	3 450	80	795	2 075	97	769	718	139	731	12 335	71	806
Total, City Division	6 419	36	849	14 832	59	759	16 179	77	718	6 628	95	713	1 755	125	715	45 813	70	740
TOTAL																		
Category housing																		
NORTHERN																		
Hässelby service house <sup>4)</sup>	175	34	842	99	55	767	0	–	–	0	–	–	0	–	–	274	42	807
Tensta service house	132	47	803	17	51	740	0	–	–	0	–	–	0	–	–	149	48	795
Rinkeby service house <sup>4)</sup>	113	40	779	10	55	736	0	–	–	0	–	–	0	–	–	123	41	774
Husby service house <sup>4)</sup>	79	38	841	41	51	790	0	–	–	0	–	–	0	–	–	120	42	820
Akalla service house <sup>4)</sup>	127	37	909	53	50	837	0	–	–	0	–	–	0	–	–	180	41	883
Kista service house	171	39	927	126	55	824	0	–	–	0	–	–	0	–	–	297	46	874
Fristad service house	88	47	944	87	60	880	0	–	–	0	–	–	0	–	–	175	53	908
Edö service house <sup>4)</sup>	144	38	918	99	54	789	0	–	–	0	–	–	0	–	–	243	45	855
Dalen service house	158	37	910	124	59	847	0	–	–	0	–	–	0	–	–	282	46	875
Hammarbyhöjdens service house	0	–	–	87	58	976	8	62	990	0	–	–	0	–	–	95	58	977
Skärholmens service house	74	43	759	105	58	745	0	–	–	0	–	–	0	–	–	179	51	750
Sätra service house <sup>4)</sup>	194	38	819	80	56	780	0	–	–	0	–	–	0	–	–	274	43	804
Nybohov service house	43	29	774	42	42	744	0	–	–	0	–	–	0	–	–	85	35	756
Vasen service house (Va) <sup>4)</sup>	68	41	908	33	54	855	0	–	–	0	–	–	0	–	–	101	45	888
Riddarsporren service house (Va)	90	47	903	101	56	850	0	–	–	0	–	–	0	–	–	191	52	873
Väduren service house (Va)	74	43	1 031	56	53	929	0	–	–	0	–	–	0	–	–	130	47	982
Skinnarviken service house (Sö)	58	46	973	105	56	913	0	–	–	0	–	–	0	–	–	163	52	931
Rio service house (Gä)	65	44	995	78	61	908	0	–	–	0	–	–	0	–	–	143	53	941
Hornstulls service house (Sö)	63	47	1 013	93	61	942	0	–	–	0	–	–	0	–	–	156	55	966
Trekanten service house (Liljeh.)	40	44	1 038	60	57	970	0	–	–	0	–	–	0	–	–	100	52	993
Residential hotel <sup>5)</sup>	280	19	–	5	32	–	0	–	–	0	–	–	0	–	–	285	19	–
Total, category housing	2 236	40	889 <sup>6)</sup>	1 501	56	852 <sup>6)</sup>	8	62	990	0	–	–	0	–	–	3 745	47 <sup>6)</sup>	871 <sup>6)</sup>
TOTAL, ALL APARTMENTS	8 655	37	859 <sup>6)</sup>	16 333	59	767 <sup>6)</sup>	16 187	77	718	6 628	95	713	1 755	125	715	49 558	68 <sup>6)</sup>	746 <sup>6)</sup>

1) Senior tenant housing and a holding comprising 16 terraced houses. 2) Including 18 terraced houses. 3) Including 91 terraced houses. 4) Household electricity included in the rent at SEK 33.50/m². 5) Let by another property manager, rent excluding heating and hot water, and with self-management. 6) Excluding residential hotels.

# Addresses

## HEAD OFFICE

Postal address: Box 95, SE-162 12 Vällingby, Sweden  
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 Telephone: +46 8 759 86 00  
 e-mail: svenska.bostader@svebo.se  
 Homepage: www.svebo.se

## AREA OFFICES

	Address	Telephone	Manager
<b>Northern Division</b>			
Akalla	Sibeliussgängen 16	620 51 30	Kjell Lundmark
Husby	Oslogatan 3	620 51 00	Tore Olsson
Spånga	Tenstagängen 49	620 51 50	Johan Zetterberg
Rinkeby	Rinkebytorget 1	620 51 70	Lillemor Klockare
Vällingby	Duvedsvägen 9	759 86 90	Jonas Erkenborn
Hässelby	Hässelby Torg 12	759 87 30	Krister Jern
Blackeberg/Grimsta	Kanngjutargränd 4	759 87 90	Stig Pettersson
<b>Southern Division</b>			
Kärntorp	Lågskärsvägen 3	681 48 00	Lennart Ström
Dalen	Åsgärdevägen 5	680 31 60	Anders Markie
Farsta	Kristinehamnsgatan 63	681 48 30	Margareta Andersson
Skärholmen	Måsholmstorget 16	680 30 40	Lars Larenus
Östberga	Östbergahöjden 14–16	680 30 80	Johan Mannersjö
Hagsätra	Glanshammarsgatan 16	680 30 50	Johan Mannersjö
<b>City Division</b>			
Vasastan/Östermalm	Frejgatan 59	681 16 90	Berit Nilsson
Nybohov/Högalid	Hornsgatan 121	681 16 60	Ingela Sedin-Nilsson
Södermalm	Högbergsgatan 30	681 16 80	Thomas Lundmark
Stadsholmen	Högbergsgatan 30	681 47 30	Christina Lillieborg
<b>SB Lokaler's letting offices</b>			
Northern	Vällingbyplan 2	759 89 00	Stefan Sjölund
Southern	Storholmsgatan 16	759 89 00	Carl-Gustaf Petersén
City	Hornsgatan 66	759 89 00	Carl Gunnar Norberg

A map of Svenska  
Bostäder's property  
holdings  
1 January 1999

