

## BUSINESSES WARN OF OFFICE SHORTAGE

### THE STOCKHOLM CHAMBER OF COMMERCE IS PROPOSING:

- The expansion of Stockholm's central business district (CBD) by adding value to blocks just outside the center.
- To maximize land use in the CBD-area by for example increasing building heights where possible.
- To consider the development of a second CBD. This would require a whole-hearted, courageous initiative that pushes the limits.
- To consider relocating some central government authorities to free up desirable office premises.
- To accelerate the zoning plan work for the Central Station area.

# SUMMARY

## AND CONCLUSIONS

**The sole focus on how many homes Stockholm needs has eclipsed the question of where jobs are to be created. Our latest Stockholm Barometer, which reads economic sentiment, reveals that more businesses view the shortage of offices as the most serious obstacle to growth.**

In this Report, we illustrate how the situation is especially severe in the city center. We interviewed 200 businesses located at central addresses. Their responses state that it's crowded, expensive and fully occupied. Over half see little potential to grow in existing premises, which is starting to have an impact. Worryingly, one in ten businesses say they have refrained from hiring due to the physical constraints they face. Meanwhile, location is considered decisive to their brands for attracting talent. Accordingly, locating offices outside the city center isn't an option.

Demand pressure and limited new supply of premises in city center locations raise the question of how to

solve this equation. There is a risk that highly qualified jobs that are not created in this limited area will instead appear in cities like Copenhagen or Berlin – rather than in a central suburb or other Swedish city.

These strained conditions require a variety of measures. The city needs to grow vertically where that's possible. Our CBD should expand simultaneously with us considering developing new, world-class environments just outside the city limits, where CBD quality can be achieved. There is also cause to review how parts of the desirable premises in Stockholm are utilized. Over 70 government authorities are located in the city's epicenter. Many of them need central locations, but others probably don't.

With this Report, we want to get decision-makers and city planners to understand that something needs to be done. The center of Stockholm is the whole of Sweden's powerhouse, and it can't lose momentum.