

The Stockholm-based advisory firm was founded just before the recession but still managed to keep fees rolling in because of the Swedish market's resilience. The firm is now launching a retirement housing vehicle

Tenzing

Swedish advisory firm Tenzing celebrated its two-year birthday this month. In retrospect, the Stockholm-based firm could have picked a better launch date than April 2008, coming just months before real estate took a dramatic turn for the worse.

However, the Swedish market has not been as affected by the global downturn as other countries have and the Nordic region has remained less affected than other parts of Europe.

"It wasn't that bad a time to start, actually. Most people were focusing on their internal problems," says Tom Lindahl, Tenzing's founder and managing director. "It meant we could simply concentrate on doing deals. The market didn't stop and we managed to do deals in what were difficult conditions."

In the first six months of Tenzing's existence, the company advised on around SKr2bn (€206m) of property transactions, resulting in advice on a total of SKr3bn of assets in 2008. Last year, Tenzing advised on a total of around SKr5bn of transactions.

"We expect the market to be better again this year, with improvement of around 50%," says Lindahl. "However, it is still not an easy market. Deals are taking longer to complete."

An exodus of Catella managers

Tenzing was started by a group of former Catella managers, including Lindahl, who left Catella in December 2007. He was followed out of Catella's Stockholm office by several colleagues, including Staffan Svensson, Göran Hagbarth, Martin Schollin and Anders Eliasson. In April 2008, Tenzing was launched by its 12 partners and at the time employed a total of 21 staff.

Swedish family-run investment group Arvid Svensson Invest is a minority shareholder of Tenzing, with around a 15%

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Tom Lindahl, Tenzing

stake. Stefan Persson, chairman of fashion retailer H&M and son of H&M founder Erling Persson, also has a similar-sized stake in Tenzing. The remaining 70% of Tenzing shares is held by the advisory's partners.

Retirement housing fund to launch

As *EuroProperty* went to press, Tenzing was putting the finishing touches to the creation of a new retirement housing fund, backed by three Swedish pension funds. The company has raised funds for a vehicle that will invest around SKr2bn in a sector which Lindahl says offers "good, safe returns" over a 15-20 year period and will ease pension funds' move into the retirement home sector.

The residential sector has also provided work for Tenzing, with tenants buying their properties from their landlords, often through tenant-owner associations.

Listed Swedish property company Fabege has been advised by Tenzing, as has Swedish pension fund Alecta on its sale of several office assets in Stockholm. Tenzing has also advised UK retail investor Boulton and has also advised developer Skanska on the SKr576.2m (€59m) sale of a 14,500 m² office scheme in Stockholm to Deka property fund WestInvest ImmoValue. The advisory's initial activities were aimed at the Swedish sector, but it had a plan to expand to cover the Nordics within three years.

"Nordic investors increasingly want to invest in Nordic countries, while non-Nordic investors regard the region as one market," says Lindahl.

This month, the company will open a Helsinki office. Former Cushman & Wakefield Finland director Markku Gylling will be in charge of Tenzing's Finnish operation, which will employ three to four additional staff.

"Our main business will be to serve Finnish investors with Finnish assets," says Lindahl. "We want to create synergies between assets in Finland and clients in Sweden. There are around 10 to 12 owners of Finnish assets based in Stockholm."

As well as advising on deals for single assets and portfolios, Tenzing has also advised on indirect deals through the stock exchange, such as IPOs taking quoted companies private, and mergers and acquisitions.

"Swedish companies are valued correctly at present, so we are seeing more work in the area of structured finance – equity funding and debt advisory loans renegotiation, for example."

Tenzing has a team of three working on financial advice, but, says Lindahl, the team expands and contracts depending on the type of work on offer.

Financial advisory focus

"We have the capacity to focus around a third of our business on financial advisory," he says. "When we started, our activity was primarily brokerage, but that has changed and continues to vary."

By early next year, Lindahl says, Tenzing will have opened an office in Oslo to cover the Norwegian market. The company, which was given a top grade 5 in December last year by a Gallop survey of the property sector, will recruit more staff, around one person every quarter this year.

"Staff could come from investment firms or banks and not necessarily from brokerage backgrounds," says Lindahl.

<http://tenzingab.se/>