This is a summary of a comprehensive report on how the real estate sector, which understood the value of being involved in the green transition at an early stage, is now entering the area of social sustainability. The full report in Swedish can be downloaded from PwC’s website. References are also available there.

The report has been written by Sophie Nachemson-Ekwall, Doctor of Business Administration, with the assistance of Andrea Wilsgaard, Nina Théen and Johan Sverker. All participants work with social sustainability at PwC. The responsible partner is Helena Ehrenborg, Real Estate Leader, PwC Sweden.
Five key insights

The real estate sector is taking a lead as Sweden steps up its work with social value creation.

More and more real estate businesses are producing social risk assessments and social road maps and communicate their social activities in compliance with upcoming Corporate Sustainability Reporting Directive (CSRD). One-third of all real estate and construction companies express an ambition to integrate social sustainability with their business activities.

This is a win-win for society and the real estate companies.

The social engagement complements what is already being done by the public sector and civil society.

Four themes stand out in this year’s report:

• The real estate sector is becoming better at describing the significance of its social engagement.
• The strategic work with socially sustainable road maps is growing.
• Commitment to place-based social collaborations is highlighted.
• Financial institutions, banks and institutional investors express a growing interest in social finance.

Efforts are taking place across all themes to select relevant initiatives that can be measured and reported.

The KPIs defined include:
1. security and satisfaction
2. employment
3. affordable and accessible housing,
4. health and well-being
5. socio-economic mobility.

PwC gives seven recommendations for how the real estate sector could further refine its focus on social sustainability.

These range from basic hygiene requirements for social responsibility to the value of communicating, following up social initiatives and third-party validations.
Introduction

The report is based on a review of how 63 well-known construction and real estate companies, as well as real estate funds, work with social matters, and how this is presented in their sustainability reporting and financial instruments, and how it is measured and evaluated. What is important here is to highlight how these companies respond to challenges within the Swedish social fabric, that have both changed and become more complex in a few decades.

The material reveals the contours of emerging transformative real estate actors. These are developing leadership that creates long-term value growth, while simultaneously resting on a foundation of responsibility, social impact and cross-sector collaboration. It is PwC’s belief that this is a type of new behaviour that is needed to ensure that investments in social initiatives are system-changing and leaving no one behind, in line with the aims of the European Green Deal.

The report follows up last year’s review of social sustainability in 34 real estate companies. Several of the companies that were at the forefront then still hold this position today. That is logical, since social mobility is the result of a long-term process. At the same time, the report was compiled during a period of macro-economic challenges for the industry, with high interest rates, a slowdown in construction of new buildings and difficulties in increasing residential rents in particular. PwC believes this makes it even more important to promote best practice in Sweden when it comes to social sustainability in construction of new buildings and property management.
UN Sustainable Development Goals, various sector standards and the EU’s Corporate Sustainability Reporting Directive

The amount of regulations that now govern – and support – the real estate sector’s work with social sustainability can be divided into three parts: The 17 Sustainable Development Goals (SDGs), voluntary standards and certifications, and the EU’s Corporate Sustainability Reporting Directive (CSRD).

UN’s social SDGs
Most of the industry’s actors (85%) align their business with at least one of the social SDGs. That figure was less than 60% in the previous report. Most of the companies align their business strategies with Goal 11: Sustainable cities and communities. Goal 8 is also popular:

Decent work and economic growth, which relates to employees in the value chain. About 40% include the employees of sub-contractors and suppliers. Goal 8 also relates to tenants and the local community.

The SDGs are gaining ground
More and more companies are highlighting the challenges associated with Goal 16: Peace, justice and strong institutions, and Goal 17: Partnerships for the goals, including community collaborations.
Standards and sector specific certifications

More than half of the real estate actors apply the Global Report Initiative (GRI), which is a voluntary standard for sustainability reporting. The key performance indicators (KPIs) reported are based on materiality and companies can also include their own KPIs. Fabege is one example of a company that reports its own KPIs, such as collaborative initiatives and security measures.

The real estate sector also has its own standards and certifications. Health is included as a social category in all of these. However, the focus is on the indoor environment, such as air quality and daylight, and security aspects. BREEAM is the most popular certification in the real estate sector and used by just over 30% of the companies. This is followed by GRESB (approx. 26%) and LEED (just over 10%). All of these are mainly linked to green KPIs. It is not clear whether they are linked to social KPIs.

Construction company Skanska as well as Castellum and Fabege, two large companies with commercial properties, use certifications to support their social sustainability initiatives. None of the seven municipality owned housing companies report in accordance with international standards or certifications. (note: Sweden lacks public housing but has a system of rent regulation and social contracts. Municipality-owned rental houses are open for all citizens.)

Sustainability reporting progressing towards CSRD

The real estate sector is affected more than most other industries by the social dimension of the EU’s Corporate Sustainability Reporting Directive (CSRD). Housing is something that concerns everyone’s daily lives. Consequently, the real estate sector is affected more than most industries as CSRD is expected to be norm-setting.

The EU influence divides, in simplified terms, the “S” into three levels: Hygiene requirements. These are based on the UN Guiding Principles on Business and Human Rights (UNGP), OECD’s updated Guidelines for Multinational Enterprises on Responsible Business Conduct and the International Labour Organization (ILO). These form an integrated part of the CSRD’s materiality analysis. They are also part of the taxonomy regulation’s requirements for minimum safeguards (Article 18 in the taxonomy) and the Sustainable Finance Disclosures Regulation (SFDR). All of these also include governance matters related to corruption, taxes and anti-competitive activities.

Thereafter, is the company’s management of own workers and temporary workers as well as impact in the value chain, all this in congruence with the forthcoming Corporate Sustainability Due Diligence Directive (CSDDD). The third level addresses customers and local community engagement. This includes issues such as security, good standard of housing at affordable prices and long-term partnerships with civil society.

The real estate sector is affected more than most other industries by the social dimension of the EU’s Corporate Sustainability Reporting Directive (CSRD). Even companies that do not need to report are affected given that CSRD is expected to be norm-setting.
Most construction and real estate companies, 80%, conduct materiality and stakeholder analyses. 20% of the companies have revised their analyses in 2022 and a further 15% are planning to conduct a revision in 2023. **CSRD raises requirements by introducing a double materiality assessment.** The entity must then report both where they have the greatest impact on the environment and the financial impact the environment has on the company.

A handful of real estate companies include material social risks in their financial risk analysis. Examples are Rikshem, a rental housing owner, which refer to both increased gang-related crime and a general lack of safety and security and Vacse, owner of social infrastructure, which refers to the code of conduct in the supply chain. Einar Mattsson, a private property developer and owner, mentions that residents and employees may experience a feeling of insecurity in light of increased violence and incidents in parts of the Greater Stockholm area.

To summarise, with relationships to a large group of societal stakeholders, the real estate sector is affected by all new requirements in the area of social sustainability. At the same time, standards and certifications are insufficiently specified. Notably, the EU has not yet developed a social taxonomy, which similar to the green taxonomy, identifies activities that must be addressed. As a means of providing an overview of what is nevertheless being done in the sector, we have divided activities into four themes.

### Double materiality assessment and CSRD

For a real estate company, a double materiality assessment is about obtaining a clear overview of own workers, workers in the value chain, tenants and citizens that spend time in the neighbourhood.

Targets are to be set and mobility documented for each area where the entity's activities have an impact and implications. A transparent and established process should be in place that is linked to the entity's strategy and business model.

This must be reported in the short, medium and long term (longer than five years). Sustainability reporting becomes part of the entity’s overall strategy and goals.
Theme 1
Industry’s social responsibility

Social responsibility linked to human rights, criminality and the right to one’s own home is becoming an integrated part of the real estate sector’s work with sustainable value creation.

Human rights
30% of the actors’ surveyed mentioned that they comply with ILO, OECD’s guidelines for multinational enterprises or UNGP. 40% stated that they have joined the Global Compact. Three link their work with human rights to minimum safeguards: the real estate fund Areim, construction company NCC and the owner and social infrastructure company Vacse.

70% of the companies and funds state that they have a supplier code of conduct. Of these, nine say they are aiming to raise their ambitions. Only a handful state that they also monitor supplier compliance with the code of conduct, in line with the OECD’s six step model. It will become mandatory for those that must report according to the Corporate Sustainability Due Diligence Directive (CSDDD) as well as minimum safeguards. None of the municipality owned residential housing companies are included here.

A third of the actors link the work with their code of conduct to responsibility efforts to Swedish industry initiatives.

The right to one’s own home
Compliance with the various sustainability directives will force the real estate sector to address the challenge of housing shortages and homelessness in communities where they operate. Homelessness is addressed in the UN Sustainable Development Goal 11, the Universal Declaration of Human Rights, Convention on the Rights of the Child, CSRD and the taxonomy regulation’s minimum safeguards.

Swedish agreements to promote sound construction and development

- **Håll nollan (Zero accidents)** (Akademiska Hus, Bonava, Jernhusen, John Mattson, NCC, Specialfastigheter, Vacse, Vasakronan)
- **FIHL (Real estate sector’s initiative for a sustainable supply chain)** (AMF Fastigheter, Atrium Ljungberg, Corem, Fabege, Huvudstaden, Humlegården)
- **Rättvist byggande (Fair construction and development)** (Atrium Ljungberg, Familjebostäder, Lejonfastigheter, MKB, Svenska bostäder, Uppsalamem)
- **Nöjd Beställar Index (Client satisfaction index)** (JM)
- **SÅKU (Safety culture network)** (Bonava)
- **Bankinitiativet för en hållbar byggbransch (Bank initiative for a sustainable construction and development industry)** (Riksbyggen)
- **Fastighetsägarnas uppförandekod för leverantörer (Swedish Property Federation’s Supplier Code of Conduct)** (Heba, Humlegården)
- **Byggföretagens uppförandekod (Swedish Construction Federation’s Code of Conduct)** (Byggvesta)

This is a challenge in Sweden that has a history of housing shortage in the large cities. Real estate actors give a mixed picture of how they interpret responsibility for homelessness. 12 real estate companies work with social contracts or eviction prevention measures together with the municipalities. Two companies refer to initiatives linked to domestic violence. 11 real estate companies state that they collaborate with Stadsmissionen, the Swedish City Missions.

The UN sustainable urban development programme (UN Habitat) highlights the importance of neighbourhoods that offer a mixture of affordable housing and ownership. Attention is called to this by companies that construct and develop property in socio-economic weak suburbs areas with a large share of rental units.

Another challenge is the difficulty faced by young people seeking housing and migrants to enter the residential market as they often lack financial resources to buy an apartment or house, and lack a place in the long queue for rental apartments. Some companies have developed financing instruments with loans linked to various lease-purchase models (including Riksbyggen, Obos and Bosam, all using cooperative models).
Real estate companies in the forefront have drawn up a social road map. This highlights strategic sustainability activities that deliver social value for customers, tenants and “life between the houses”. One third link the materiality assessment to work in urban development, social risk assessments and place-based analyses.

Three building blocks must be in place if the social road map is to act as an integrated linkage to the entity’s strategy and business model: (1) social risk analysis, (2) theory of change and (3) impact measurement.

None of the real estate companies in the report have a complete social road map in place. Several are conducting activities without using the term road map. As a result, a great deal of work is in progress but as this is not described in a coherent manner it is not perceived by external readers.

A social road map highlights strategic sustainability activities that yield social value for customers, tenants and “life between the houses”.

Hemmaplan’s social road map

Hemmaplan owns central properties in socio-economic vulnerable neighbourhoods such as Rosengård in Malmö and Gottsunda in Uppsala. The most important issues concern security and satisfaction. Hemmaplan’s initiatives aim to improve health, security and safety, education, the labour market, democracy and inclusion.

Hemmaplan’s social road map is divided into three levels, inspired by the green taxonomy’s division of impact as Scope 1, 2 and 3.

Social Scope 1: Activities that are within the company’s direct control to instigate, such as lightning
Social Scope 2: Impact through contracts and regulated agreements with other parties. Relates to tenants and suppliers.
Social Scope 3: Partnerships and collaborations. Voluntary initiatives that are important for operations but where it is not easy to enter into a regulated partnership or agreements.

EXAMPLES
Examples

Areim and social due diligence

Areim, a manager of real estate funds, owns 90 properties valued at approximately SEK 30 billion. Areim includes social perspectives in its due diligence process in conjunction with investments. In 2022, a strategic decision was taken to work with impact creation. The programme includes five steps: what initiatives contribute to security and sense of community in new investments, for whom, how much, clarification of what is additionally (that would not have been carried out otherwise) and what the risk profile is.

Building block 1: Social risk analysis

A social risk analysis is the very starting point of the road map. It is based on reports, studies, research and theories involving social links to explain complex social challenges and in what way the entity can contribute to a social progression.

The theories include models to create crime prevention environments. This includes Crime Prevention Through Urban Design (CPTED), which was developed as a criticism of post-war large-scale suburbs of rental housing complexes that in Sweden was symbolised in the Million Programme. Modern CPTED also includes social prevention and is then linked to collective ability, feminist urban planning and safe scaping. In Sweden, Stiftelsen Tryggare Sverige (Safer Sweden Foundation) embraced these activities through the BoTrygg2030 initiative. Some ten companies in the report are partners.

Other theories include ABCD, which highlights civic engagement to mobilise an area. “Eyes on the street” addresses the role of property owners and shopkeepers in social control. The Broken windows theory explains the link between run-down neighbourhoods and rising crime.

Real estate companies that mention that they have social road maps and conduct due diligence in conjunction with acquisitions include Stena Fastigheter, Arwidsro, Sveafastigheter, Willhem, Regio, Vacse and several real estate funds.
For the real estate sector, the theory of change can highlight the company’s work with social matters in the CSRD sustainability reporting.

Building block 2: Theory of change

The report reveals growing interest from the real estate sector to structure, document and communicate a theory of change related to activities that are expected to enhance a positive social mobility. For a real estate company, this could relate to enhanced perceived safety for residents, or changing the attractiveness of an area. This is often referred to as impact. To measure and follow up activities, these should be quantified, which is often referred to as outcomes. In addition, it is important that governance is linked to metrics (KPIs) for the different steps in the theory.

For the real estate sector, the theory of change can highlight the company’s commitment to social investments in the CSRD sustainability reporting. For example, the reporting includes requirements regarding the presentation of KPIs that are used to assess the outcome and impact of activities that affect material areas, which is the precise purpose of the theory of change.

Please note that the terms used to describe the different steps may vary between companies as there is currently no established standard. The terms used are not important, rather that the logic is clear and measurable and possible to evaluate.
Building block 3: Impact measurement

Impact measurement aims to show the extent to which an activity leads to a real social impact. It is important to distinguish this from the change in itself (outcome). The impact is only the part of the change that was due to the activity and that would not have occurred anyway. There needs to be clear systematics in how the data is selected and collected in order to measure/estimate the impact of the company’s initiatives.

It is mainly municipal real estate companies that use more systematic methodology to measure the impact of initiatives. While working with the report, we also identified a handful of private real estate actors that describe how collaboration with civil society is followed up through impact measurement. The Swedish Institute for Standards (SIS) is developing a national standard for impact measurement.

Impact measurement shifts the assessment of a social initiative from the provision of an activity or service (homework) to an outcome (exam passes in the ninth grade). Investors and examiners must answer a number of questions:

- What is the challenge? What can we change and for whom?
- Is there evidence-based or other studies that support the initiative?
- Starting point. Where is the baseline?
- What kind of activity is it? (Job training)
- How do we know that the activity was successful? This separates outputs (number of hours in job training), result (number of jobs created), outcome (how important is this particular job training in creating jobs) and impact (how great a share of job creation that may have contributed so that rent can now be paid).
- Is it within our power and control to influence the outcome of the initiative? What control and ownership does the real estate company have over the activity?

EXAMPLES

Safety and security surveys

- 40 companies state that they conduct initiatives such as “night walks”, of which 19 carry out initiatives in the physical environment, such as lighting, renovation of basements and courtyards.
- Two work to combat illicit letting.
- 17 companies highlight collaboration and partnerships with the police, municipality, NGOs and industry colleagues to create safer and more secure neighbourhoods.
- Nine companies use a safety and security index to monitor tenants’ sense of security in and around the property.
Societal and business benefits

To calculate societal value and commercial value, the impact must be measured in economic terms. The most common method used is Social Return on Investment (SROI). The reliability of the calculations is improved if impact indicators are obtained from established frameworks, such as IRIS+. During the review, we identified a handful of companies that refer to calculations of the social value of initiatives performed together with stakeholders from civil society.

In other countries, real estate companies have begun experimenting with calculation models that highlight the link between the social value and commercial value of social investments. These instruments include Impact Weighted Accounts (IWA), Shared Value and Hybrid Metrics. None of the real estate actors refer to calculations of their overall commercial and societal value.

EXAMPLES

Collaboration with civil society

K-fastigheter is partnering with OV Helsingborg HK in the Handbollsskola för alla (Handball for all) initiative, a collaboration that includes handball training, homework assistance and other social activities for Helsingborgshem. The initiative reaches out to children aged 7–10 who live in socio-economically weak areas in Helsingborg. The societal value of the initiative has been estimated at SEK 29.5 million per year.

Fastpartner supports non-profit organisations that offer activities close to its property portfolio. Fastpartner offers, for example, summer traineeships for young people and sponsors the Fryshuset foundation’s activities for young people. The impact of Fryshuset’s activities are measured using evidence-based methodology.

In other countries, real estate companies have begun experimenting with calculation models that highlight the link between the social value and commercial value of social investments.
Theme 3
Strategic partnership and collaboration

The social challenges are complex, need a range of different solutions, associated with a particular location and it is unclear what the result of initiatives may be. Tackling these often requires cross-sector collaboration, between public and private sectors and civil society’s actors where everyone contributes their different perspectives.

Three parts are central to integrate social value into a cross-sectoral collaborative business logic for the real estate sector:

1. **What was previously philanthropy transitions to social co-creation.** This capitalises on the fact that real estate companies can, by collaborating with other, create local added value that would otherwise not have been reachable.

2. **The market liberal business logic is changed from competition to collaboration.** For real estate companies, this means they profit from collaborating with others on social objectives.

3. **Long-term approach.** Initiatives that yield short-term benefits do not create lasting changes. For this reason, strategic partnerships built on long-term commitments are part of the business logic.

Models for collaboration that change the company’s business model include Shared Value and Collective Impact models. Social partnership – Collaborative Value – highlights the importance of flexible leadership.

EXAMPLES

**Place-based community collaboration**

*Samverkan i Huddinge (Collaboration in Huddinge)* is a non-profit organisation inspired by the BID model. The objective is to create a platform for a safe and secure living environment through place-based development, lighting projects, operation/maintenance and a 24/7 presence. Real estate companies include Fabeg, Balder, Hemsö, Huddinge Municipality, Huge Bostäder, Huddinge Samhällsfastigheter, Magnolia Bostad, Niam, Nordisk Renting AB, Stena Fastigheter and Victoriahem.

**Place-based collaboration**

A place-based collaboration is a geographical area in which the local businesses have voted to invest together to improve their environment. In Sweden this often includes cross-sectoral partnerships.

There are roughly a hundred active partnerships for place-based collaboration across Sweden. More than half of the real estate companies describe an active participation in collaboration according to the more structured Business Improvement District (BID) model. Other models mentioned include Centrum för AMP (Centre for Business, Citizens, Location) and City i samverkan (Collaborating City).

In parallel, municipalities are engaged in cross-sector collaboration. This includes the Idéburet Offentligt Partnerskap (Value-based Public Sector Partnership), a collaborative platform through which collaborations develop between civil society and different municipality administrative units. Another example is CTC, a process of collaboration between different administrations and civil society, residents and business.
Regardless of the model, there are common parameters for a successful collaboration:

1. A clearly formulated shared agenda.
2. Common measurement methods, where social activities may need to run for 5-10 years to have a lasting effect.
3. A backbone organisation. Resources are needed in the form of money and personnel who can move the collaboration forward.
4. Civic dialogue and collaboration with civil society. This must be used early in the process, be structured, and possible to follow up.
5. Ability to attract a mix of large and small stakeholders. Real power and long-term change require a broad range of stakeholders.

We can see an increasing desire from real estate companies and banks that standards are drawn up for goals and KPIs that are linked to place-based collaboration.

Collaboration with civil society and their organisations

Some 40 real estate actors in the report highlighted collaboration with civil society organisations. Some describe this as an integrated part of the business, where the purpose of the engagement is to contribute to positive social development in the area. Work with impact measurement is beginning to take effect here. Examples include the real estate company Einar Mattsson, which has a strategy to support various activities near to its own neighbourhoods. Several of these monitor and measure the impact of their initiatives.
Theme 4
Financing

There are 17 known real estate bonds and loans with social objectives, an increase of 50% in one year. In addition, there are roughly 20 loans connected to 14 municipality owned companies with financing linked to social goals via Kommuninvest, a cooperative society working as the Swedish local governments' debt office. There are several challenges. The social goals both lack the green targets’ equivalent to Science Based Targets as well as standards that can facilitate comparisons. However, it is clear that the market for loans with social objectives is nevertheless growing.

To date, seven real estate companies have issued bonds with social objectives (Atrium Ljungberg, Hemsö, SBB, Studentbostäder i Norden, Swedbank, Trianon and German Vonovia with Victoriahem). Swedbank, a large retail bank with cooperative roots, is the first Nordic bank to prepare a framework for social bonds that includes loans for properties. Three issuers have published frameworks but are yet to issue bonds (Kommuninvest, City of Malmö and Titania).

All Swedish sustainability bonds issued in Sweden comply with the principles prepared by the International Capital Market Association (ICMA) (such as the Social Bond Principles (SBP)). Work with social initiatives is to be followed up and validated by one of the established independent reviewers of sustainability frameworks (such as Sustainability) or an audit firm.

The rapid increase in interest rates in 2022-2023 has changed conditions for real estate companies in the bond market. This has led to an increase in the number of companies taking loans directly with the bank where there is an interest to create a link to social finance. This is normally welcomed by the banks that are themselves interested in broadening their lending to include more than only investments linked to the green transition.

EXAMPLES

Bonds and loans linked to social objectives

Titania is a residential developer in the Million Programme areas. Titania has a framework for social and green financing. There is a theory of change linked to social mobility. This includes building mixed housing, both rental units and tenant-owner units (bostadsrätt, a Swedish cooperative housing model with tenants owning the apartment), that allow residents to climb the housing ladder and encourages more stable tenants to move in.

Botkyrkabyggen is a municipality-owned housing company with rental flats in several socio-economically weak and disadvantaged areas. Botkyrkabyggen has been granted loans for social sustainability from Kommuninvest of approximately SEK 3.8 billion. Botkyrkabyggen is to follow up and report indicators such as changes in satisfaction and security, rent levels and tenancy relationships as well as school results.
Sustainability-linked bank loans
Banks are in parallel shifting from traditional project financing (of a property or portfolio) to linked loans. This is a result-based instrument linked to the company’s sustainability activities. The report includes seven sustainability-linked bank loans.

In PwC’s review of all loans and bonds with social objectives, a picture emerges of what social sustainability means in the Swedish real estate market:

1. **Two categories of investments appear:**
   - ROT investments (reparations, renovations and extension) or new construction linked to disadvantaged areas. Three objectives are clear:
     » Affordable and accessible housing
     » Satisfaction and security for residents
     » New jobs and employment growth in the neighbourhood
   - Social infrastructure. In this case, it is the physical building that qualifies for a social loan.

2. Several of the borrowers describe how they work with a theory of change and with cross-sector collaboration.
3. The social initiatives are measured and followed up in a variety of ways.
   All of the social investments are linked to scientific studies or public inquiries. However, no one has yet estimated the benefit to society.
4. Evaluations by independent parties vary.
   All companies’ that have issued bonds in compliance with the ICMA principles have also published a second party opinion. Only two of the bank loans are, however, validated by a third party, the City of Gothenburg and Framtidenkoncernen (E&Y) as well as Atrium Ljungberg (PwC).
5. Long-term and stable ownership and strong balance sheet highlighted.
   This particularly concerns the banks sustainability-linked loans. Examples include Stena Fastigheter and John Mattson.
The review of 63 real estate actors indicates a greater focus on social initiatives and collaboration that supports economic value creation. Work is sometimes, but not always, linked to reporting, standards and certifications. Consequently, the report contradicts concerns that the reporting requirement mostly fuels costs and administration. The larger publicly listed companies have progressed further in reporting in line with the various regulations and standards and the municipal companies are more active in highlighting social road maps. Private owners are better at highlighting the value of a long-term approach.

The report has refrained from ranking the best actors. The companies are good at different things and are active in different sub-markets. Instead, 15 companies and real estate funds are highlighted that together provide a basis for best practice:

- Atrium Ljungberg (validated KPIs such as safety and compliance with the code of conduct in the supply chain)
- Botkyrkabyggen (social loans with Kommuninvest)
- Brunswick Real Estate (KPIs and due diligence)
- Fabeg (Place-based community collaboration and BIDs)
- Fastighets AB Framtiden (activities with residents and several partnerships)
- Heimstaden (housing at affordable prices and programmes for homelessness)
- Hemmaplan (social sustainability as integrated part of strategy)
- Hemsö (loan financing linked to social infrastructure)
- John Mattson (Collaboration with municipality and civil society)
- Rikshem (integration of social issues in the CEO statement and financial risks)
- Stena Fastigheter (Theory of change and long-term approach)
- Sveafastigheter (social road map and materiality analysis with social KPIs)

In autumn 2023, the real estate sector is facing challenges from more expensive loans, soaring construction costs, removed investment support, a sharp downturn in new production, difficulties in raising rents for households and an uncertain outlook beyond 2024. PwC is of the opinion that this should not be seen as a hindrance to sustainability; rather, it speeds up the sector’s need to create a business logic that integrates social and business value creation.

PwC offers seven recommendations to real estate actors and stakeholders who wish to ramp up social sustainability efforts:

1. Safeguard hygiene requirements, such as the right to housing and law enforcement
2. Integrate a social road map into the company’s strategy
3. Allocate resources for the theory of change and impact measurement.
4. Integrate cross-sector collaboration, strategic partnerships and place-based collaboration into the business strategy.
5. Establish values for social and financial value creation.
6. Link social indicators to the financing of real estate companies.
7. Communicate, follow up social initiatives and validate using a third party.
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