Restricted developer competitions – three cases in Sweden

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This text is discussing developer competitions (real estate competitions). It is a new type of competition in Sweden that has increased during the last years and is now more common than architectural competitions.

I have discussed this research on competitions on architecture and urban design in two seminars and workshops. I first presented the report at The 6th Nordic Planning Research Symposium (PLAN NORD) on “Scandinavian experiences of planning for sustainability” in Reykjavik, Iceland, August 18-21, 2013. Thereafter I presented the findings at The 5th Swedish Workshop on Competition Research (SWCR) in Stockholm, Sweden, December 5, 2013.

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Associate Professor
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Abstract
This paper presents results from a research project studying prequalification in restricted developer competitions aimed at housing in Sweden. The methodology includes an inventory of competitions, case studies, document reviews and interviews of members in the organizers selection committees. The case studies are three restricted developer competitions organized by the municipalities. The design teams are appointed by prequalification in these competitions by the organizers selection committees.

The developer competition is a real estate competition organized by the public sector. The organizer's invitation contains a short description of the competition task, the aim of the competition and presentation of conditions, submission requirements and criteria for evaluation of applications. Sustainability is treat in different ways in the invitations by the organizers. The must-have demands are general and based on the law on public procurement. Evaluation criteria are experience founded and reflect professional merits for the competition.

The three developer competitions have generated a total number of 16 applications from candidates. The lead applicant is the construction company in these competitions. The selection committees have invited 11 candidates to the developer competitions after prequalification.

Winners in developer competitions receive building permission and can implement their design proposal, either by purchase of the land or through leasehold of the site. Building costs and design quality are key factors for the organizers in these competitions.

The invited teams take part in the developer competitions at their own expense. This is the case in two of the competitions. But in one of the three competition in the study, the six invited teams got 50 000 SEK each for their design proposals. This is a very low compensation for design proposals compared to architectural competitions and did not attract more teams than the other two competitions.

The organizers are pleased with the information in the candidates’ applications and the selection committees could easily choose teams for the competitions, which can be explained by the low number of applications. According to the selection committees, the prequalification works fine, although organizers had expected a wider interest from the construction industry and was expecting more applications from companies.

Key words: Developer competitions, prequalification, selection, organizer.
1. INTRODUCTION
This paper presents results from a research project which studies prequalification in developer competitions (real estate competitions). This is a competition form used by municipalities in Sweden enabling builder, construction companies and real estate manager to procure public owned land. Developer competitions give companies access to property for the planning of new buildings and constructions, location of enterprises, and the development of areas. Municipalities regulate development through detailed plans, which are drawn up in connection with the competitions. Without building permits the site is of no interest for housing.

Property use is regulated in the Planning and Building Act (Plan- och bygglagen) (2010:900). There is no law specifically for developer competitions. The Law on Public Procurement (LOU) (2007:1091) is therefore used for choosing companies in developer competitions and implementation. The realization of the winning design proposal is controlled by an agreement between the municipality and the first-prize winner. Municipalities define the concept of land allocation as follows:

*Land allocation means the right of a party, during a limited amount of time, and in accordance with a predetermined set of conditions, to cooperate with a municipality to build or develop a project within a specified land area owned by the municipality.* (Land allocation in Sollentuna, 2012, p. 3)

The Swedish Agency for Public Management (Statskontoret, 2012) notes that it has become more and more common for municipalities to draw up their own policy documents for land allocation, approved by the municipal council, technical council, or real estate boards. These target and steering documents contain a series of generalized goals. In Solluntuna for example the municipality a) strives to become competitive, b) meet municipal and societal needs, c) consider the effects on the environment and climate, d) create diversity, e) consider the earlier performances of companies. Similar statements of intention are found in other municipalities. According to the land allocation policy in Sollentuna, developer competitions should be used in special cases “where the place or purpose so demands” (Land allocation in Sollentuna, p 5). A project is taken as an example where architecture, new thinking, technical development, economics or a challenging topography is important. Another motive is the desire for a landmark. However, there is no detailed discussion of the competition form in the municipality’s policy document; invited or open developer competition. Praxis must therefore be sought in the specific use of the competition instrument.

![Fig 1: Land allocation policy in Sollentuna, Stockholm and Gothenburg.](image)

**Research area**
Three developer competitions organized by the Swedish municipalities of Danderyd, Nacka,
and Trelleborg are examined in this paper. The design teams were chosen by prequalification, which is a selection process. The number of applicants reflects how attractive the competition task is for the building sector and how tough it is for the competing design teams to gain a place in the competition. The three competitions attracted 21 applicants. Of those, 16 design teams became invited to participate in the competitions at Danderyd, Nacka and Trelleborg.

There is a lack of research about prequalification in developer competitions, which is surprising considering the extent of the competitions. When consulting the available literature I only found one study. That was by Leif Östman who, in a conference article, examined developer competitions in Finland describing a significant case study in Helsinki. Prequalification in architectural competitions is also a neglected area of knowledge that needs research (Kreiner & Gorm, 2008, 2009; Volker & Lauche, 2008; Volker 2010; Krose, Meijer & Visscher 2009; Rönn 2011, 2012, 213)

Literature about developer competitions in Sweden is dominated by investigations from government agencies, research reports and university examination papers. But prequalification did not play a leading role in any of these investigations. Focus is on land allocation agreement in municipalities and procurement. Authors rarely describe if it is an invited or open developer competition that is being used for land allocation agreements. This is a troublesome omission. Thus, my study contributes new knowledge that is important for the understanding of competitions and their specific conditions.

Cost and quality are two important factors in developer competitions. The winner in Danderyd will be able to purchase property at the market price. Thus, an economic aspect was focused on in the judging of the competition proposal. The price of the land appears to be more important than the project’s architectural merits. The second way to determine the selling price is to set the value of the land ahead of time. This would encourage the companies to compete on quality instead of property price. Trelleborg municipality used this approach. In both cases the land is sold at market value. These two principles for determining property value are important for the impact of quality on developer competitions.

The Swedish Agency for Public Management (Statskontoret) has been asked by the government to describe and evaluate municipal land allocation for housing. In 2006 The Swedish Agency for Public Management investigated land allocation in six municipalities: Stockholm, Gothenburg, Malmö, Västerås, Linköping and Uppsala. The Swedish Agency for Public Management notes that the municipalities use three methods for land allocation:

1. Tender
2. Direct assignment
3. Developer competition

According to The Swedish Agency for Public Management direct assignment is the most common in municipalities to allocate land for housing. Promoters preferred direct assignment. Calls for tender and competitions were considered to be “unpredictable and costly”. (The Swedish Agency for Public Management, 2006, p 37). The picture however is not clear-cut. Companies who wish to establish practice in Stockholm are positive towards developer competitions. They “enabled companies to establish themselves in Stockholm” (Ibid, p 38). The Swedish Agency for Public Management is cautiously positive and thinks municipalities should use “developer competitions periodically to open up the market” (Ibid, p 13).

The Swedish Agency for Public Management continued 2012 to map land allocation in 16
municipalities. They note that Linköping municipality has used developer competitions extensively since 2010. Criticism from promoters concerns competition costs, vague evaluation criteria and the price for land having too great an impact. At the same time, constructor, builder and real estate manager point out that carefully prepared developer competitions are the “best way to provide all interested parties with the possibility of establishing themselves in a municipality under equal and open conditions” (The Swedish Agency for Public Management, 2012, p 105). Only developer competitions with clearly defined evaluation criteria can guarantee that companies are treated equally. But planning will be “longer and more expensive” (Ibid 130). According to The Swedish Agency for Public Management there is a risk that “promoters with lack of resources may not participate in the competition” (Ibid, p 130). However, the empirical evidence for competitions resulting in longer planning and building procedures is very weak.

The Swedish National Board of Housing, Building and Planning (Boverket, 2005) has reviewed land allocation in 13 municipalities. According to The Swedish National Board of Housing, Building and Planning, smaller promoters are critical towards developer competitions. They see competitions as an instrument, which requires resources to create good housing. A closer look reveals the source to be a master’s dissertation from KTH from 2003. In this study 13 informants from private companies were interviewed. But the criticism against competitions is not as great as The Swedish National Board of Housing, Building and Planning claims it to be since a “clear majority felt call for tender and developer competitions were acceptable” (Norman and Remnäs, 2003, p 33). One reason why it is costly to participate in public developer competitions is that they are carried out at the participant’s own expense. This makes the competition a risky investment for the future. The prize is the agreement giving the building company the exclusive right to negotiate with the municipality about the realization of the project, either through land purchase or leasehold. Therefore, only the winner of the developer competition can expect to cover his costs for the competition from future income. The other participants compete for free. Prequalification is a way to limit the costs of competitions. Economic compensation for the competitors would solve the problem of high costs for the development and design of the competition proposals.

Research aim
This paper is explorative. The selection process in three developer competitions organized by the municipalities of Danderyd, Nacka and Trelleborg is investigated. The research revolves around the invitation, application and selection of participants (design teams). The aim is to acquire knowledge about prequalification, from the organizer’s decision about the competition and the review of the applications to the final choice of the winner. The research question focuses on how selection committees choose candidates in restricted developer competitions.

The organizer initiates the process with an invitation to prequalification. The companies who wish to participate in the competition reply by sending in their application. If there are more applicants than places in the competition the organizer must make an evaluative selection. Some candidates must be seen to be more suitable than others. This is the basic problem, common for all competitions with a limited number of participants.

Theory and method
The theoretical frame for collecting and processing data may be summarized as follows:

• Inventory: The study began with an inventory of the developer competitions organized during 2010-2012. The search concept was prequalification and housing. Through Internet
homepages at cities and municipalities in Sweden became examined. This inventory showed that most of the land allocation competitions were organized as open competitions. This is just the opposite from architectural competitions (Rönn, 2012).

- **Case studies**: The inventory resulted in a selection of developer competitions with housing environment as the competition task. Three of these competitions were chosen as case studies for strategic reason. By questioning the organizers I was able to obtain access to the invitation, applications from the selected candidates and internal competition documents from the selection procedure.

- **Document review**: The competition documents describe the “outside” of prequalification and have been used in two ways. Partially as a source of knowledge about the choice of candidates for the competition and partially to identify the organizer’s informants who participated in the evaluation of applications. By “close reading” of the documents I have obtained information of the process from the invitation to the final choice of candidate.

- **Interviews**: Experience-based data from the informal prequalification “inside” was obtained by interviewing individuals who participated in the selection and judged the applications. The interviews were based on an interview guide with open questions about the competition background, competition form, judging process and reviewers’ experience from prequalification. The response frequency was good. 10 of the 12 persons who participated in choosing candidates for the competitions answered the questions in the interview guide. Of those, two are politicians and 8 are municipal employees.²

**Model**

A basic theoretical assumption in the study is that organizers have two fundamental principles for steering the competition process: *ex-ante* and *ex-post*. *Ex-ante* means that organizers try to control the competition process “ahead of time” through the competition task, the competition conditions and the choice of competing firms/design teams by organizing restricted competitions. Central to this steering is the *invitation* to prequalification. *Ex-post* means that the competition is steered “afterwards” by the design and the jury’s assessment of the competition design proposals.

![Figure 1: Model over implementing principals in restricted competition (Rönn, 2012, 2013)](image)

The model shows the two fundamental principles for steering in competitions when design proposals have to be presented anonymously to the jury: *ex-ante* and *ex-post*. These two principles of steering are combined in competitions in architecture and urban design. My intention

² It is experienced persons who have selected candidates. The majority has turned 40. Most, 8 out of 10 informants, have at least 10 years of professional experience. Their professional merits are of an interdisciplinary nature with roots in planning, architecture and care for the aging. There are no grounds for criticism of the informants’ collective competence for the task.
is to highlight prequalification, which is a fundamental step in the restricted competitions. For this reason a model has been constructed to illustrating steering in competition processes.

The model presents a theoretical framework. I want to understand how steering “ahead of time” works in a specific form of competitions; the restricted competitions with prequalification of candidates. This is why I am investigating how selections committees, pointed out by the organizers, choose design teams to restricted developer competitions.

Fig 2: Invitation on the homepage in Danderyd and as special documents (invitations) in Nacka and Trelleborg.

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3 The two competition forms in developer competitions are open and restricted competitions. Both are project competitions aiming for implementation. In architectural competitions the organizer can choose between open and restricted competitions, ideas competition, project competitions and two-steps competitions, usually an open ideas competitions followed by a restricted project competition.
2. CASE STUDIES
Here is a short description of the cases. These are based on the organizers’ invitation to developer competitions. This is the information companies use to decide if they will form a design team and apply for prequalification.

Case 1: Senior housing in Danderyd
Danderyd municipality issued an invitation in 2011 for a developer competition for senior housing. Interested companies were invited to consult the municipality’s homepage for further information. The municipality also sent out a special circular to 15 construction companies and real estate managers in Greater Stockholm. According to the invitation 3-6 constructors would be invited to participate in a developer competition. The municipality has two main goals for the competition. First, the municipality will sell the land to the winner. Second, the municipality wants to receive suggestions for ca. 35 senior apartments suitable for the needs of the elderly (www.danderyd.se). The building should be 2-4 stories. 50 % of the apartments should have a quiet side facing the common courtyard to minimize noise coming from traffic in the area. The municipality will set up a land allocation agreement for realizing the winning proposal with an option for the winner to directly negotiate the purchase of the property. (Land allocation agreement, KS 2010/03 00).

The general conditions in the invitation are:

- **Competition form**: Invited developer competition followed by land allocation agreement.
- **Number invited**: 3-6 building contractors or real estate managers.
- **Compensation**: The competition is held at the expense of the participants. The winner is offered the chance to purchase the property with the building permissions.
- **Language**: Not specified in the invitation.

Must-haves to be met in the application:

- **Company presentation**: Presentation of the company and its experience in building senior housing.
- **Building program**: Presentation of a general program for housing design and equipment to facilitate use by the elderly. Principal/standard design solutions should be included.
- **Quality of life**: Presentation of program with activities to create a rich social life on the property. Principal/standard solutions should be provided.
- **Design ideas**: Sketches presenting the design ideas for the housing and the plot.
- **Reference project**: Summary of references for similar projects by the team that have been carried through by the company at hand.
- **Economic value**: An indication of the value of the site and its building permission.

The invitation does not specify any criteria for evaluating the applications. The organizer seems to be free to choose design teams for the competition. According to the development manager at Danderyd the intention was to use the same criteria for choosing the candidates and the judging of design proposals in the competition. From this statement the evaluation criteria for selecting candidates may be described as follows:

- **Interior design**: The apartment layouts and common areas may bring an additional value for a maximum of 10 % of the property value. The added value is in relation to the other applications.
- **Architectural Design**: The reference project’s architectural design may generate an added value of 10 % of the property value. The added value is for design as compared with the other reference projects.
• *Environmental goals*: The architectural design of the reference project, environmental program and heating can bring an additional value of maximum 15%. The added value is accorded for low energy homes and solutions that have a passive construction.

A selection committee of three persons will evaluate the companies’ applications. The development manager reviews the companies regarding agreements and technology, the city architect judges the design references and a representative from the social services should examine the documents describing the housing.

The invitation generated 6 applications from companies, all of which fulfil the application demands and fill the number of places in the competition. All companies proceeded to the competition (Report 2011-05-19). The following 6 companies were invited to the developer competition:

• Bonum Seniorboende
• NCC Construction
• RCC Stockholm
• Seniorgården
• Skanska
• Strabag Projektutveckling + Turako Fastighetsutveckling + Conara

![Fig 3: Winning design in the competition at Daneryd. Perspective and indoor illustration. Winner: Strabag projektutveckling + Turako Fastighetsutveckling + Conara. Illustrations by Total Arkitektur och Urbanism.](image)

**Case 2: Rental apartments in Nacka**

In 2010 Nacka municipality invited companies to participate in a prequalification competition for housing development (Report 2010-03-09). According to the invitation 5 design teams with constructors or real estate managers and architects would be asked to participate. The purpose is to designate a builder to construct apartment houses with their own long-term management. The new housing should serve as a model and favour an economic, social and environmentally sustainable construction. At the same time as the competition is being prepared the urban planning work begins to make the site accessible for housing purposes. The area is deemed suitable for a block of 30-50 apartments. The municipality intends to conclude a land allocation agreement with the winner. The property will be awarded with leasehold. Detail planning of the new property usage is going to be made in cooperation with the winner.

The general requirements in the invitation are:

• *Competition form*: Invited developer competition regulated by LOU, chap. 14, (project competition) followed by land allocation agreement with the winner.
• *Number invited*: 3-5 design teams (contractors, builder or real estate managers in cooperation with architectural firms).
• *Compensation*: The design teams participate at their own expense. The winning company
(main applicant) will be granted land allocation for constructing the housing with leasehold for the site. The agreement will be concluded when the detail plan is established.

- **Language**: Competition and project language is Swedish. Applications must be in Swedish. Appendices such as publications, articles and jury statements may be in English.

The must-haves in the invitation that the application must fulfill are:

- **List**: The application must contain a list of all the enclosed material.
- **Company information**: Name, registration number of the company, address, telephone, e-mail, Webb address and affidavits for the company’s structure should be included for each company on the team.
- **Financial status**: Affidavit describing the company structure and its financial status. The applicant must be a registered company and never been the object of bankruptcy or insolvency (LOU, 10 chap., §2). The applicant must have a minimum rating of 3 on the UC (Business and Credit Information) credit scale. The certificate may not be more than three months old. The municipality has the right to obtain additional rating certificates to control the information. Foreign companies shall present the equivalent information.
- **New companies**: Newly started companies shall submit a certificate from a bank or verify their economic situation by other means (LOU, 11 chap., § 7). Guarantee from main owner behind the company is accepted.
- **Taxes**: Completed form from the Swedish Tax Authority not older than three months.
- **Reference project**: 3-5 reference projects, demonstrating the applicant’s ability and ambitions to produce climate-smart buildings with low energy use and good adaptation to the site.
- **Company strategy and management**: Planned management organization for the coming rental apartments including reference objects for the property management.
- **Project organization**: Organization for the design proposals. CVs for the key persons who will participate in the competition and their respective roles. Key persons should be experienced in Swedish norms and regulations.
- **Quality assurance and environmental management**: Applicants’ system for managing quality and environmental objectives.
- **Rental levels and directions**: Statement of the rental levels for the reference object and the direction and ambitions for rental levels in the design proposals in the competition.

The company’s application will be evaluated according to the following criteria:

- **Housing management**: Experience in long-term facility management, preferably for rental housing.
- **References**: Relevant reference objects, preferably rental properties, rental blocks in hilly terrain and energy-efficient housing.
- **Financial status and facility organization**: Economic standpoint, project organization, future property management and rental levels for the competition project.

A selection committee of three persons from Nacka municipality will choose the participants for the developer competition. The municipality received 7 applications. 5 design teams were chosen. The selection committee that made the choice consisted of the municipality’s technical and property director, the city architect and the head of the environmental office. The municipality’s project leader is present at meetings together with an external consultant acting as secretary (Protocol 2010-05-20). After examining the applications 5 teams are chosen for the competition:

- Botrygg Gruppen AB + Erséus Arkitekter
Case 3: Apartment/Housing block in Trelleborg

In 2011 Trelleborg municipality invited companies to prequalification for a developer competition for housing with space on the ground floor for commercial activities (Invitation, Trelleborg municipality). The competition was marketed both on the municipality’s home page and through direct contact with 24 companies. The municipality described two purposes for the developer competition. First, to invite 5 teams of construction companies and architectural firms to take part in the competition. Second, the municipality would sign a land allocation agreement with the company behind the winning proposal, which will be the basis for continued planning, design and implementation. According to the invitation, the municipality is seeking a design team with a strong interest in taking on the future of Trelleborg City center. The development should have innovative architecture, communicate the quality demands of town building and be environmentally sustainable. The price of the land has been set by the municipality at 2 000 SEK per m². The cost for development of the site is entirely the responsibility of the company behind the winning competition proposal.

The general conditions in the invitation are:

- **Competition form:** Invited developer competition followed by land allocation agreement and sale of land.
- **Number of invitations:** 5 design teams of construction companies and architectural firms.
- **Compensation:** 50 000 SEK for each proposal submitted. The winner is offered to by the property at a price that has been fixed in advance.
- **Language:** Applications and competition proposals are to be in Swedish.

Must-haves to be included in the application:

- **Listing:** The application must include a listing of the contents of the application
- **Company information:** Description of the construction company with contact information for representatives.
- **Collaborators:** Information about the collaborating architectural firms, responsible architects at the architectural firm.
- **Reference project:** List of references from 2 projects with similar competition tasks that
have been carried out by the construction company and architectural firm applying. Time, extent and role of the applicant in the reference project should be described.

- **Financial status:** Credit rating from the central credit authority should be provided on the applicant. It may not be more than three months old.
- **Taxes:** The tax authority form showing paid taxes. This document may not be more than three months old.

The applications will be evaluated according to the following criteria:

- **Professional merits:** Competence, experience and design teams’ references.
- **Long-term facility qualities:** Organizational and economic capacities as well as stability of the constructor/developer.
- **Urban design ability and creativity:** Ability to solve complex real estate and urban assignments requiring creative solutions in all phases: from sketch to implementation of architecture and urban design projects.

The competition jury made the selection in this case. Four persons from the jury evaluated the application proposals and pointed out the design teams for the developer competition.

The invitation resulted in 8 applications from construction companies in cooperation with architectural firms (Protocol 2012-02-27). The following 5 competition teams were invited to participate:

- JM/ Seniorgården + Plan and byggnadkonst i Lund
- Peab Sverige + Grotmij
- Riksbyggen + Arkitektlaget Skåne
- TrelleborgsHem + White Arkitekter
- Veidekke Bostad + Metro Arkitekter

![Fig 5: Winning design in the competition at Trelleborg. Perspective and plan. Winner: Riksbyggen + Arkitektlaget Skåne.](image)
3. RESULT
In summary the three developer competitions resulted in a total of 21 applications (see Table 1). 16 of 21 applicants (76 %) were invited to the competition by the organizers. 5 to 6 participants were invited by the public organizers. There is good chance for applicants in developer competitions to become invited. Compared to architectural competition developer competitions generate few applicants. From this point of view the relation between attracting candidates into the competition and organizers gatekeeping by demands on the applications seems to mismatching in the building sector.

Table 1: Applicants, participants and winners

<table>
<thead>
<tr>
<th>Invited developer competition</th>
<th>Number of applicants</th>
<th>Invited Candidates</th>
<th>Winning teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011, Developer competition, Danderyd</td>
<td>6</td>
<td>6 (100%)</td>
<td>Strabag Projektutveckling</td>
</tr>
<tr>
<td>2012, Developer competition, Nacka</td>
<td>7</td>
<td>5 (71%)</td>
<td>Wallenstam + Semrén &amp; Månsson</td>
</tr>
<tr>
<td>2012, Developer competition, Trelleborg</td>
<td>8</td>
<td>5 (63%)</td>
<td>Riksbyggen + Arkitektlaget Skåne</td>
</tr>
<tr>
<td>Total:</td>
<td>21</td>
<td>16 (76%)</td>
<td></td>
</tr>
</tbody>
</table>

The applications for the competition are evenly distributed. The prize award for the company is a land allocation agreement with the building permission, either through the winner purchasing the land or the land being made available by leasehold of the site. The competition is at the cost of the participants in Danderyd and Nacka, which is praxis for developer competitions. The municipality of Trelleborg is trying to attract candidates to the competition through economic compensation for the development of a proposal. The amount is in total 300 000 SEK. However, the better economic conditions offered in Trelleborg have not resulted in an increased interest; the number of applications generated is still weak.

In Nacka and Trelleborg two large Swedish construction companies won with well-known architects as partners. The winner in Danderyd is Strabag projektutveckling, which is part of an international construction company active in Europe. The goal for Strabag projektutveckling is to “increase turnover from 2 billion to 6 billion (SEK) in Scandinavia” (Application 2011-05-13). A determining factor in the award in Danderyd is that Strabag projektutveckling offered a price for the purchase of land, which was much higher than the competitors’. The developer competition turned out to be a price-competition. There was no architectural firm in the design teams applying for the competition for senior housing in Danderyd.

Table 2: General requirements in the invitation

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Danderyd</th>
<th>Nacka</th>
<th>Trelleborg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number invited teams</td>
<td>3-6 building constructors. (No architects firms)</td>
<td>3-5 design teams. (constructors + architects firms)</td>
<td>3-5 design teams. (constructors + architects firms)</td>
</tr>
<tr>
<td>Compensation</td>
<td>No compensation for the design proposals. The winner is offered to buy the site.</td>
<td>No compensation for the design proposals. The winner is offered to leasehold the site.</td>
<td>50 000 SEK per invited team. The winner is offered the property at a fixed price.</td>
</tr>
<tr>
<td>Language</td>
<td>No specification.</td>
<td>Swedish as application and competition language.</td>
<td>Swedish as application and competition language.</td>
</tr>
</tbody>
</table>

Table 2 show that the investigated competitions are the same and therefore can be compared in a credible way. In the restricted developer competitions 3 to 6 design team have been invit-
ed. The general conditions vary between the competitions when it comes to the construction of design team. Danderyd stands out with no architects in the team.

The design teams participate at their own expense in Danderyd and Nacka. Trelleborg tries to attract applicants by offering 50 000 SEK to design teams for approved design proposals. This is a very low compensation compared to architectural competitions. Nacka and Trelleborg request Swedish as competition language. There is no specific demand in this point from Danderyd, but all the information about the competition is in Swedish including invitation and brief.

Table 3: Must-haves in invitations

<table>
<thead>
<tr>
<th>Specific demands</th>
<th>Danderyd</th>
<th>Nacka</th>
<th>Trelleborg</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of enclosed material</td>
<td>No demand.</td>
<td>A list of documents in the application.</td>
<td>A list of documents in the application.</td>
</tr>
<tr>
<td>Company presentation/Information</td>
<td>Presentation of the company (applicant) and its experience.</td>
<td>Presentation of companies in the design team.</td>
<td>Presentation of constructor including contact information.</td>
</tr>
<tr>
<td>Design ideas and building program</td>
<td>Design ideas, general program for housing, principal standard solution and equipment for elderly. No demand in the invitation.</td>
<td>No demand in the invitation.</td>
<td>No demand in the invitation.</td>
</tr>
<tr>
<td>Quality of life</td>
<td>General program for activities/social life.</td>
<td>No demand.</td>
<td>No demand.</td>
</tr>
<tr>
<td>Company strategy and Collaboration</td>
<td>No demand.</td>
<td>Presentation of property management + references</td>
<td>Presentation of collaborating companies + responsible architects.</td>
</tr>
<tr>
<td>Reference project</td>
<td>Similar implemented projects by the design team (housing for senior citizens) 3-5 implemented projects demonstration the applicant’s ability</td>
<td>2 similar implemented projects by the applicant + the role of the design team in these.</td>
<td></td>
</tr>
<tr>
<td>Project organization</td>
<td>No demand in the invitation</td>
<td>Organization for the design team + CV for key persons and role.</td>
<td>Professional merits for members of the design teams.</td>
</tr>
<tr>
<td>Financial status and economic issues</td>
<td>An indication of the value of site and its building permits from the constructors.</td>
<td>Ambitions for rental. Document showing the financial status. Minimum rating 3 at the credit scale.</td>
<td>Document showing credit rating for invited form credit authority.</td>
</tr>
<tr>
<td>Taxes</td>
<td>No demand. (The organizer conduct tax control)</td>
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The must-haves are a combination of professional praxis and rules in LOU, the law on Public Procurement. The demands can be seen as a search for safety from the client perspective through design teams with high professional merits and good financial status. But these requirements have a downside on society level. New thinking is a risky business and the traditional architectural competition has introduced special procedures to deal with surprising design solutions and winners in open competitions.

Must-haves such as implemented reference project, relevant for the competition task, excludes all new firms and young candidates from the design task. This gives a negative impact on the market and the competition as a professional laboratory for developing innovative design solutions to meet future oriented challenges in the society. The renewal of the construc-

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4 In an architectural competition the compensation (prize money) for this task would be around 300 000 SEK per design team for approved design proposal.
The evaluation criteria in the invitation are based on a professional praxis and have been adjusted to the competition task. They are of a very different nature compared to the “hard” must-have demands and can only partly be measured in a meaningful way. The criteria are used to separate candidates and rank the applications. That is the whole point. “Soft” criteria are constructed for assessing qualities – not quantities – and this requires good judgment, experience and profession competence from selecting committees.

### 3.1 Competition form – why restricted competitions?

The decision to organize a developer competition is motivated above all in three ways by the informants from Danderyd, Nacka and Trelleborg. First, the political goal of using market solutions and competitions for housing is taken into consideration. The second reason is economical. Developer competitions are seen as a good way to achieve competitive prices for sites. The third reason is the strategic location of the site in the municipality. The location brings out architectural ambitions, even if good architecture is not as obvious a motive for developer competitions in the case studies.

Three informants point out the political motives and a desire to clarify the company’s interest as a reason for organizing developer competitions:

*We have had a number of buyers interested in purchasing the site for various ends. The competition was a way for the municipality to show what it wanted as a building and at the same time give the actors the possibility to present their ideas on an equal basis.* (Internal reviewer)

*The municipality had many inquiries… The political administration in charge was positive. The site was good… The competition form was a way to reach out and open up for constructors and administrators to apply. We were unsure as to how many could be interested and wanted to make it possible for as many as possible to show their interest without investing too much work for the first round.* (Internal reviewer)

*(The municipality) always uses competition and market solutions when possible and feasible… We had a long list of companies who had expressed an interest in land allocation… but no idea about their exact interest so an open competition was arranged. It was a pilot project to assess the interest for building rental housing*… (Internal reviewer)
One informant describes the strategic location of the site:


Since the site and location are a bit unique the municipal administration reasoned that perhaps they should go for a different configuration rather than a traditional one. Various suggestions were presented and the pros and cons weighed, but there were members of the group with good experience from this type of competition so they prevailed. (Internal reviewer)

3.2 Invitation – how are the document produced?

Municipalities advertise competitions on their homepages and via electronic databases. In addition, direct mailing is used to contact companies. According to the informants, the invitation has been the object of internal consultations among officials. The invitation is drawn up early in the competition process and outlines the competition conditions for the companies. In spite of the document’s strategic importance, the informants understand the formulation of the invitation to be a practical assignment, a question about using the regulations of the LOU and following the praxis of the building sector.

Only Nacka municipality stated already in the invitation that one of the demands was a sustainable community building. This invitation has a 3-page appendix with energy requirements for the planned housing with follow-up before the agreement and leasehold and after two years in operation. The other two municipalities – Danderyd and Trelleborg – describe general goals for sustainability and develop the theme later on in the competition process as demands in the brief for environmentally friendly solutions with low energy consumption.

The informants only briefly comment upon the must-haves in the invitation. The applicants must present documents certifying the economy, tax status and references as outlined in LOU. The criteria in the invitation for evaluating the applications on the other hand are based on experience. They are of an open nature and give the organizer a great deal of influence on the choice of design team for the competition. Leeway for negotiations has been limited mainly by the poor response from companies to the organizer’s invitation.

Three enlightening responses to the question of how organizers decided upon the application demands and criteria for evaluation of the candidates are:

The invitation is drawn up by a group of officials that included the municipal director, real estate manager, planning and building director, technical director and Vice Presidents from the municipality’s leading businesses. Requirements and criteria were decided upon by this group. (Internal reviewer)

As project manager I oversaw the invitation. The must-haves were arrived at in conjunction with the negotiating party using LOU as a model (land allocation does not come under LOU, but we chose to use this procedure since it should be familiar to the construction firms and thus ensure a broad participation). The upcoming judging group contributed to the document, which was first approved by the client… and then by the municipal board’s working committee. (Internal reviewer)

I prepared the program (invitation)… The intention was that the city architect should judge the proposals for their suitability/possibility of fitting into the plan program. The practical aspects would be judged by managers specialized in senior care services. The development manager would oversee the follow-up of companies, the financial verifications and the agreements. Everyone who expressed an interest was written to… The compe-
The project was advertised through companies that cover the building market for constructors and consultants. (Internal reviewer)

The informants describe the regulation of language and economy in the following way:

The project is rather small so you could not expect any huge contribution for competition proposals or any great international interest. Therefore we chose to limit the amount of material submitted to the absolute minimum and did not offer any prizes. Land allocation was “the prize”. (Internal reviewer)

The development manager at the time decided upon the forms. Most developers working in Sweden have Swedish as their language. This is a tender competition, which focuses on price – not an architectural or project competition so no compensation is offered. (Internal reviewer)

The municipality had good experience from similar procedures used for the development of a commercial area. That competition was used as a model. We didn’t think about the competition language. The competition prize was the land allocation. (Internal reviewer)

3.3 Information needs – do the organiser get a good picture of the candidates?

The invitation from the organizer resulted in applications filled with information from companies. The informants are satisfied with the contents of the applications. “We had enough information”, is a usual reply. Only at the final judging did a municipal reviewer, in one case, request additional information from an applicant. The following two replies illustrate the information in the applications:

There is enough information about the companies. I haven’t had any contact with the company in connection to the competition. (Internal reviewer)

We found the two reference projects to be sufficient to select the participant. In many cases, the reference projects were already known to us as well as the other contributing constructors and architectural firms. (Internal reviewer)

One competition differs from the other two. In that case, the municipal reviewer needed more information about a company on the team. The communication is described as follows:

We had some questions (to the company) after the first selection, which officials transmitted to the company for completion. The company, in its turn, had questions to the municipality, which were answered via a joint mail to all. (Internal reviewer)

3.5 Judging procedure – how are the candidates evaluated?

There are no national competition rules for developer competitions. Companies in the three competitions were chosen according to a judging process that was of a simple and informal nature. But, in spite of local differences and the lack of common regulations, developer competitions have a judging process similar to architectural competitions (Rönn, 2012). However, it is much easier for selection committees to point out design teams in developer competitions because of the lesser number of applicants.

The choice of participants is made in two steps. First, there is an initial control of the companies’ applications to determine if they fulfil the application demands and can proceed to the next step in the process. Second, there is an evaluation of the candidates’ professional qualifications for the competition task. The final choice of company is made at a single meeting in
three competitions. Only in one of the competition there is a protocol from the selection with clear motivations to legitimize the decision. Two competitions are missing protocols with the ranking of the candidates and summary of the grounds for the decision. The informal nature of the judging process is evident in the following reply:

…there is no other document which regulates in more detail the must-haves, criteria or model for selections/evaluation of constructors’ applications…It must be remembered that, above all, this is a developer competition where the highest prize wins, not an architectural competition… I don’t think there are any notes from the meeting, which took place when the applications were evaluated. (Internal reviewer)

The judging in Danderyd was simplified due to so few applications. Only 6 teams sent in applications. Since the municipality promised to invite 3-6 companies, all candidates with approved applications could participate in the competition. “We realized early on that all the applications were interesting and we didn’t need to choose”, replied one informant. In two municipalities – Nacka and Trelleborg – the judging process includes an evaluative selection of design teams. There were more applicants than number of places in both competitions. Here too, the choice is described as simple and uncomplicated. Only a few candidates have to be eliminated because of the low interest from companies in the building sector. Three informers replied:

Only those who could be of interest continued on. Therefore the process was rather simple. (Internal reviewer)

The selection committee put great importance on the companies’ actual capacities to realize their project, meaning that the company had its own financial means to accomplish a building project of this nature. Another important parameter was the references from previously completed projects as well as the reputation of the contractor and architectural firm. (Internal reviewer)

Of seven applications two could be easily eliminated. The others fulfilled the demands we had established. There was no reason to eliminate any more so all five participated… The choice centered around finding a company which focused on the long-term facility management of rental housing since that would probably lead to long-term sustainable solutions. Experience in building for self-management was especially interesting information. We also had high ambitions for design since the site was difficult, and looked therefore for reference examples, which reflected this type of challenge. (Internal reviewer)

3.6 Participation and judging model – who is in the selection committees?
The organizers in Danderyd and Nacka have both used an expert model for prequalification. A selection committee of municipal officials with expert knowledge in the fields of architecture, economy and property lead the choice of participants in the developer competitions. There is no influence from laymen. On the other hand, in Trelleborg the choice of design team was made by the competition jury that included several local politicians. The choice in that competition was based on a democratic model used in architectural competitions in Sweden. The thought behind this is that the interested parties should be represented in the decisions concerning the areas that involved them.

The common factor in expert models and democracy models is that the decision takes on a collective character. 3-4 persons choose participants for competitions. In Danderyd and Nacka the municipal officials and property manager administration organized the competitions supported by the town architectural office. In Danderyd, the municipal welfare office was also
involved which can be explained by the nature of the competition task, senior housing. Trelleborg municipality organizes its competitions through the community planning office with a jury appointed by local politicians. The members of the jury select both the competition team and the winning design proposal. This competition is highly influenced by laymen with 8 politicians on the jury. Because of conflicts of interest and other hindrances only four jury members were able to participate in choosing the design team. Officials examined the applications and brought proposals for a decision to the jury for selection. Two informants describe the choice of participants:

*It was a clear wish that politicians have an active role in the jury work. Apart from six politicians, the municipal manager and community building manager were appointed to represent the officials … The evaluation group was made up of the jury excluding the external architects (who were not employed at that time). Two of the jury members declared a conflict of interest because of relationships to the competitors, two more were not able to attend at the time set.* (Internal reviewer)

The selecting is described as follows:

*The evaluation group met once, the material having been previously prepared by the civil servants on one other occasion.* (Internal reviewer)

In Danderyd municipality the development manager appoints a selection committee to evaluate the companies’ applications with the municipal executive department as the decision making authority. The members met only once. The decision was easy. All applications were approved of and the applicants were invited to participate in a competition. Also in Nacka the choice of participants was simple. Three municipal head employees, appointed by the property manager, are on the selection committee, which chooses the participants. To support their evaluations the committee has access to external consultants and the municipality’s project manager. Even in this case, it was enough with one meeting to choose the design teams for the competition.

3.7 Experience from prequalification – is the organisers pleased with the procedure?
The informants are positive towards prequalification as a selection method for developer competitions. However, they were disappointed in the lack of interest on the part of contractors and architectural firms. There was no criticism of bureaucracy or excessive demands in the invitation. The organizer’s reviewers are satisfied with the information from the companies/teams. Still, a competition is an exception and only used in special cases. Although the informants who participated in selecting of candidates were experienced and competent they had limited experience from competitions:

*This was the first time for me with this form (developer competition), but I have been involved with many other types of evaluations.* (Internal reviewer)

*This was the first time I was able to participate in this form of competition. Previously, I have only evaluated tenders for larger consulting assignments. Nevertheless, there are some similarities.* (Internal reviewer)

Two informants have previously participated in prequalified competitions and negotiations of services. They describe their experiences from the selection of companies as follows:

*I have done this several times…(I) think it is a good method for getting a good level of design in combination with a market price.* (Internal reviewer)
The planning and implementation of design proposals are based on a mix of legal requirements, project-targeted goals and praxis. This is routine. The surprise for organizers is that the developer competitions generate so little interest. “I had expected a greater number of applications,” is a typical reply in the study. One informant noted that, unexpectedly, some had not followed the competition requirements and also there was a relatively large difference in cost for the bids.

4. CONCLUSIONS AND DISCUSSION
An organizer of developer competitions can steer the competition process in two ways: ex-ante respectively ex-post (Rönn, 2012, 2013). Ex-ante is steering the competition “ahead of time” through the competition form, competition assignment, competition conditions and choice of competition teams. Ex-post is steering the competition “afterwards” through design and the jury’s assessment. I try to understand how steering “beforehand” works. That is why I focus on prequalification. This is as an early, crucial and a strategic phase in competitions.

This study of developer competitions may be summarized in twelve points:

- **The first conclusion** is that developer competitions lack clear and uniform professional praxis within the municipalities. The competition process differs when it comes to the condition and terms for invited design teams. There is no common regulation on a national level in contrast to architectural competitions. However, there are municipalities who have adopted local policy describing general targets when allotting municipally-owned land to constructors and real estate managers.

- **The second conclusion** is that developer competitions reflect a transfer of power in municipalities where property offices, which control the land, are seen as the key player rather than the town architectural offices, which traditionally organize architectural competitions and make detail plans for sites. The developer competition focuses on the sale of land or leasehold of the site, regulated in the land allocation agreement.

- **The third conclusion** is that the choice of competition form, restricted developer competition, is motivated in several ways. In part, as a means of minimizing the cost of the competition. In part, as a way of finding out the company’s interest for sites to build on. In part, as a political alternative to the ordinary planning process. Informants in Danderyd and Nacka think it is exciting to work with competitions compared to distributing land via direct allocation and bids. Trelleborg municipality organized its developer competitions in the same way as architectural competitions awarding a competition prize in an attempt to attract more participants.

- **The fourth conclusion** is that the invitation infers an internal collaboration for municipalities based on a combination of legal regulations and professional praxis. The informant seems happy with the situation. The invitation is compiled by officials from the real estate and development office, town building office, and negotiating parties. The must-haves in the invitation are based on legal requirements (LOU). The evaluation criteria are based on experience and give the organizer a great deal of influence on the choice of participants in the competition.

- **The fifth conclusion** is that an invitation to a developer competition closes the doors to po-
tential competition companies/teams and favours the financially strong constructors and real estate managers active in Sweden. Invited competition becomes a limiting factor in the building sector compared to open competitions. In two cases, the organizer requested teams of constructors and architectural firms. In one case the organizer turned solely to construction companies. The municipalities make land allocation agreements with these companies. Compared to architectural competitions, developer competitions give constructors, builders and real estate managers influence at an early stage of the planning process.

- **The sixth conclusion** is that the demand for sustainability is considered important mainly for the competition brief (program) and the design team’s development of solutions to the competition task. Only Nacka municipality, already in the invitation, outlined the specific demands for energy consumption in an appendix. Here is a technically-oriented sustainability concept giving precise requirements both for energy consumption in the forthcoming construction and how these demands are to be followed up during operation.

- **The seventh conclusion** is that the organizers are satisfied with the information in the applications and have been able to select participants in the developer competition in a simple way. There is no criticism about the invitation being too complicated, too bureaucratic or leading to unnecessary paperwork. The lack of more applications and candidates is not seen as a significant problem. Nor did they consider the demands in the invitation and the requested professional merits to have negatively influenced the number of applications.

- **The eighth conclusion** is that the selection of the companies/teams for the developer competition took place in a two-step judging process. First the applications were controlled for the must-haves in the invitation. Then the candidates’ competence for the task was evaluated. The judging process goes from the control of the “hard” requirements to an evaluation of the “soft” merits. Demands on energy consumption and economy in the form of land prices, leasehold, construction costs, and rent come into the picture later in prequalification and become a dominating factor in the judging process when the winning proposal is chosen.

- **The ninth conclusion** is that the choice of participants took place in a simple and informal evaluation process. The protocol from the selection is very short. One meeting was sufficient, due to the small number of applicants. Another reason for the informal nature is that developer competitions are not regulated by national rules and has no external controls as in architectural competitions. The choice of participants in developer competitions is an internal affair for a group of municipal officials.

- **The tenth conclusion** is that the organizers use two different models for making decisions in the competitions: the expert model and the democratic model. The expert model steers prequalification in Danderyd and Nacka. It was a selection committee, a group of experts in the municipality who review the applications and choose the participants. But in Trelleborg, a jury with laymen picked the design teams for the competition. This represents a democratic model in competitions. Those who are involved and depend upon the architecture shall be represented in the judging processes. There are a surprisingly large number of politicians on the jury in Trelleborg, a sign that the competition was of great importance to the future development of the city.

- **The eleventh conclusion** is that the municipalities are satisfied with prequalification as a method for identifying suitable design teams. The lack of response on behalf of the building sector did not result in any self-critical comments. The informants are only disappointed that so few companies showed an interest in the competition.
• The twelfth conclusion is that developer competitions generate much fewer applications as compared to architectural competitions. An invitation to prequalification in architectural competitions normally results in between 30-50 applications (Rönn, 2011, 2012). A possible explanation for such little interest from the companies in developer competitions may lie in the invitation and the requirements to present implemented reference projects and account for competence, experience and resources. Small, newly-started local and regional companies apparently don’t think they have a chance and are not attracted by the invitation. Their applications are therefore missing from the archives.

Acknowledgment
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REFERENCES

How does housing work? (Hur fungerar bostadsförsörjningen?), 2006. Stockholm: Statskontoret


Interviews

Ten interviews with informants who have evaluate application and chosen candidates to developer competitions in Danderyd, Nacka and Trelleborg.

Archive

**Danderyd municipality:**
*Developer competition on housing for senior citizen in Danderyd (Markavisningstävling för seniorbostäder i Danderyd).*
Invitation 2011-04-01.
Land allocation agreement, KS 2010/03 00.

**Nacka municipality:**
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Protocol 2010-05-20

**Trelleborgs municipality:**
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Protocol 2012-02-27