



Property regulation plan for Åbo Akademi University

Åbo Akademi University's property strategy was discussed by the Board on 13 December 2021 and will be discussed for the second time at the Board meeting on 2 February 2022. The property strategy provides broad outlines for Åbo Akademi University's property objectives for the years 2022–2030.

The property regulation plan must specify the lines drawn in the property strategy in more detail. The plan will be considered by the Board on 2 February 2022, with the goal of it being approved at the Board meeting on 24 March 2022. The property regulation plan can be considered to correspond to the long-term plans of real estate companies. The property regulation plan can be treated as an appendix to the budget each year.

Objectives for the property regulation plan

The total area of property will decrease by 20 percent, but expenses will nevertheless increase by 2.83 million euro during the years 2020–2030. The reason for the increase is the annual 1% index increase in property costs, as well as the combination of higher rental costs for the new Aurum building that was taken into use in 2021 and the fact that Gadolinia, which ÅAU relinquished at the beginning of 2022, was gratuitous. The estimated value of Gadolinia's rent was 1.35 million euro in 2021, but ÅAU did not benefit from such savings due to the building being gratuitous. In total, this means that Aurum constituted an additional cost for ÅAU of approximately 1.6 million euro. Åbo Akademi University's property costs will increase if nothing is done.

In order to achieve savings in property costs, a more comprehensive change must take place. The property strategy presents the scenario **a more radical change**. This plan is based on this scenario.

The plan entails more concentrated campuses in both Turku and Vaasa in a way that creates university environments that better meet the needs described in the property strategy's environmental and future analysis. The solution also means a renewed form

of cooperation in terms of property and finances between the Åbo Akademi University Foundation and ÅAU. The goal is for the new model to be as cost-neutral as possible while giving the university access to modern physical university environments. This means that costs, including the annual index increase of 1%, will remain at the current level, or at least will not increase significantly.

At the same time, the pandemic has forced us to adapt our activities more quickly than expected to the opportunities and threats of digitalisation, showing the advantages and disadvantages of remote learning and working. All this contributes to the fact that we must be able to adapt our operations and our premises to new challenges and opportunities.

In order to be able to respond to the challenges of the future regarding modern, adapted and appropriate premises, investments must be made in renovations, new buildings and relocations. In this way, activities can be adapted to the new challenges.

Since Åbo Akademi University is not the owner of its properties, discussions and agreements with different property owners are required, principally with the ÅAU Foundation and The University Properties of Finland Ltd, but also with the actors with whom ÅAU shares spaces, those chiefly being Novia and the University of Turku.

In Turku, the property strategy involves an investment in the Stjärnan quarter and in the area around Piispankatu, which requires the willingness to relinquish premises that may have a historical emotional value but which do not correspond to current and future needs. The Foundation for Åbo Akademi University would like for ÅAU to relinquish premises in larger sections, i.e., whole quarters. This is especially true of the quarter including Domvillan and Tyckerihuset, a quarter with a number of unused building rights.

According to the property regulation plan, Åbo Akademi University would relinquish Agora when the lease expires in 2026, as well as ASA, Domvillan, Gripen, the main building (FÄ), Kosmorama and Tryckerihuset when the Stjärnan quarter is completed. This means that Boktornet must also be renovated so that the Stjärnan quarter forms a modern, appropriate whole for the functions that will be placed there. The Foundation's vision that entire quarters form wholes can also be discussed here.

In connection with the introduction of new working methods, the administration has the potential to significantly streamline its use of space, and Humanisticum, for example, can be rearranged so that space is provided for more administrative functions in the building.

Depending on the solution for the biosciences, Biocity can also be relinquished if this proves to be beneficial. Discussions with the other partners are ongoing.

Outside of the planning period, ÅAU will also relinquish the ICT building, the lease for which expires in 2031.

Allegrò in Pietarsaari will be relinquished in 2027 when the lease expires.

The board has already decided that the rooms of the Vaasa training school's upper secondary school will be concentrated in the current quarter and that the comprehensive school currently has appropriate spaces. Towards the end of the planning period, however, the premises of the comprehensive school should be evaluated and modernised. The other activities in Vaasa are concentrated at Academill, and the premises should also be modernised to better meet future needs. In this context, the number of square metres can also be reduced by about 30%.

Schedule for the property regulation plan

The schedule for the property regulation plan must be seen as a guide. The schedule can be adjusted annually according to any changes caused by government decisions or for construction reasons.

To get the plan started, a decision should be made in the spring of 2022 on the location of the biosciences and a decision on the need for space in the Stjärnan quarter. Detailed planning will be done inclusively with staff and students as well as important partners. This planning will begin as soon as possible.

The first concrete construction projects include Spektrum at the teacher training school in Vaasa, the demolition of which will start in July 2022, and the demolition of the current Gadolinia in 2022.

Cost development and square metres

If no major changes are made, Åbo Akademi University's rental costs, according to the current collaboration model with the Foundation for Åbo Akademi University (excluding gratuitous premises), will increase by approximately 1.5 million euro during the period 2022–2030, which corresponds to approximately 11%. If market rent is taken into account for the gratuitous premises, the increase is approximately 1.9 million euro, or 10.5%.

Changes in the property regulation plan along with a new property economic cooperation model with the Åbo Akademi University Foundation would lead to different results. The new model means that ÅAU will pay rent for all properties and the Foundation will instead increase its support to the university in other ways. Compared with the development that would take place if no changes were made, a cost increase of about 3.5% or about 0.5 million euro is very low.

In the cost development, only rental costs have been taken into account. A reduced area will also result in reduced costs for cleaning, electricity, etc. Currently, the amount for other property costs is estimated at approximately 3.50€/square metre. If the total area decreases by about 38,000 square metres, it can be estimated that property costs will decrease by an additional 200,000 euro per year.

In 2021, Åbo Akademi University had a total of 117,473 square metres of space, including the Vaasa training school. If no changes are made, the total area will be reduced by about 22,000 square metres (Axelia, Gadolinia and Allegro) or about 18%.

According to the property plan, the amount of space in 2030 would be about 80,000 square metres. This figure can be adjusted depending on the final number of square metres in the premises to be built or renovated. The current estimate is based on the current number of square metres and any potential building rights. This means a reduction of about 32% of the square metres during the strategy period.