DESIGN VERSUS ECONOMY: 
ON PREQUALIFICATION IN DEVELOPER COMPETITIONS

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ABSTRACT
This paper presents results from a research project studying prequalification for restricted developer competitions aimed at housing in Sweden. The methodology includes an inventory of competitions, case studies, document reviews, and interviews with members in the organizers’ selection committees. The case studies comprise three restricted developer competitions in Danderyd, Nacka, and Trelleborg organized by the respective municipalities.

The design teams are selected by prequalification in restricted competition. The organizer starts prequalification by inviting candidates to the competition. The organizer’s invitation contains a short description of the competition task, the aim of the competition and the conditions, submission requirements, and criteria for the evaluation of applications. The essential demands are general and based on Swedish law on public procurement. The evaluation criteria are experience-based and reflect professional merits for the competition.

The three developer competitions generated a total of sixteen applications from candidates, teams of constructors, and developers in cooperation with architect firms. The lead applicant was the constructor or developer – not the architect firm. Eleven design teams were invited to the developer competitions after prequalification.

Winners in developer competitions receive building permits and can implement their proposal, either by purchasing the land or acquiring the leasehold. Building costs (economy) and design quality (aesthetics) are key factors for organizers. The invited teams generally take part in the developer competitions at their own expense. This was the case for two of the competitions studied here, while in one the invited teams each received 50,000 SEK for their design proposals, which is very low compensation for design proposals as compared with architecture competitions.
The organizers were pleased with the information in the candidates’ applications and the selection committees were easily able to choose teams for the competitions, which can be explained by the low number of applications. According to the selection committees, the prequalification process worked well, although the organizers had expected wider interest from the building sector and more applications from constructors and developers.

KEYWORDS
Developer competitions, prequalification, selection, organizer

INTRODUCTION
Prequalification in developer competitions (real estate competitions) is a form of competition used by municipal authorities in Sweden to enable builders, construction companies, and real estate managers to procure publicly owned land. These developer competitions give companies access to property for the planning of new buildings and constructions, the location of enterprises, and the development of areas. The municipal authorities regulate development through detailed plans, which are drawn up in connection with the competitions. Without building permits, the sites concerned are of no interest for housing.

Property use in Sweden is regulated in the Planning and Building Act (Plan- och bygglagen).¹ There is no law specifically for developer competitions. The Law on Public Procurement (Lag om offentlig upphandling, LOU)² is therefore used for choosing companies in developer competitions and for the implementation of designs. The winning design proposal is controlled by an agreement between the municipal authority and the prizewinner. Municipal authorities define the land allocation in a common way. For example, Sollentuna, in the Stockholm region, describes the concept 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.³

The Swedish Agency for Public Management⁴ notes that it has become increasingly common for municipal authorities to draw up their own policy documents for land allocation, approved by the municipal council, technical council, or real estate board. These target and steering documents contain a
series of general goals. Sollentuna wants to: a) become competitive, b) meet municipal and societal needs, c) consider the effects on the environment and climate, and d) create diversity by land allocation. Similar statements of intent can be found in documents from other municipal authorities. According to the land allocation policy for the municipality of Sollentuna, developer competitions should be used in special cases “where the place or purpose so demands”\(^5\) A project is taken as an example where architecture, new thinking, technical development, economics, and a challenging topography are important. Another motive is the desire for a landmark. However, there is no detailed discussion of the competition form in Sollentuna municipality’s policy document, e.g. invited or open developer competition. Practice must therefore be created in the specific use of the competition instrument.

**Research Overview**

The organizer initiates the competition 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 whereby some candidates must be deemed to be more suitable than others. This is the basic problem, common to all competitions with a limited number of participants.

This study examined three invited developer competitions, organized by the municipalities of Danderyd, Nacka, and Trelleborg in Sweden. 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 in this study attracted twenty-one applicants. Of those, sixteen design teams were invited to participate in the competition. It is that selection (prequalification) process which is examined in this study.

A general model (Figure 1) was constructed on competitions as a research field, in order to put the investigation into context.

The specific subject of this investigation was developer competitions. This special kind of competition is marked in blue in the general competition model depicted in Figure 1. The developer competitions in Danderyd, Nacka, and Trelleborg were all organized as restricted competitions on a national level. They were project competitions orientated towards implementation. A
A typical feature of national competitions in Sweden is a language demand in the invitation for the brief to be written in Swedish and the design proposals to be presented in Swedish. There is sometimes also a demand in the invitation for knowledge about the Swedish building codes.

There is a lack of research about prequalification for developer competitions, which is surprising considering the popularity of these competitions. In fact, there are more developer competitions organized in Sweden than architecture competitions, but the literature appears to contain only one study focusing directly on developer competitions and how they produce architecture and urban design. This study, a conference article by Leif Östman, examines developer competitions in Finland and describes a significant case study in Helsinki. Prequalification for architecture competitions is also a neglected area of knowledge, but there have been some studies on restricted architecture competitions in Denmark, Sweden, and the Netherlands.

The material available on developer competitions in Sweden is dominated by documents from government agencies, research reports, and university ex-
amination papers, but prequalification does not play a leading role in any of these items. Instead, the focus is on land allocation agreements in municipalities and procurement, and the material rarely mentions whether an invited or open developer competition is used for land allocation agreements. This is a troublesome omission. Thus, the present study aimed to contribute new information that is important for understanding developer competitions and their specific conditions.

Cost and quality are two important factors in developer competitions. The winner in Danderyd was able to purchase property at the market price, which in this case is the best offer, and therefore the economic aspect was focused on during the judging of competition proposals. The price of the land appeared 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 of these cases, the land was 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 agency investigated land allocation in six municipalities: Stockholm, Gothenburg, Malmö, Västerås, Linköping, and Uppsala. According to its reports, direct order is the most common method used by municipal authorities to allocate land for housing. Developers in those studies preferred direct order, because calls for tender and competitions were considered to be unpredictable and costly. The picture is not clear-cut, however. Companies who wish to establish themselves in Stockholm are positive to developer competitions, which have enabled some companies to establish themselves in cities. The Swedish Agency for Public Management is cautiously positive and thinks that municipal authorities should use “developer competitions periodically to open up the market”.

In 2012, The Swedish Agency for Public Management continued to map land allocation in sixteen municipalities. It noted that Linköping municipality has used developer competitions extensively since 2010. Criticism from developers and constructors involve competition costs, vague evaluation criteria, and the price of land having too great of an impact. At the same time, construc-
tors, builders, and real estate managers 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”. Only developer competitions with clearly defined evaluation criteria can guarantee that companies are treated equally, but the planning process is then “longer and more expensive”. According to The Swedish Agency for Public Management, there is a risk that candidates with fewer resources may not participate in the competition. 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) has reviewed land allocation in thirteen municipalities. According to its report, smaller constructors are critical of developer competitions, which they see as an instrument that requires resources to create good housing. A closer look reveals the source of this information to be a Master’s dissertation from the KTH Royal Institute of Technology in Stockholm, in which thirteen informants from private companies were interviewed. However, the criticism of competitions was not as great as claimed in Boverket, since a “clear majority felt a call for tender and developer competitions were acceptable”. 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 an agreement giving the building company the exclusive right to negotiate with the municipal authority on realization of the project, either through land purchase or leasehold. Therefore, only the winner of the developer competition can expect to cover their costs for the competition from future income. Prequalification is a way to limit the costs of competitions for the competing design teams. Economic compensation for the competitors would partly solve the problem of high costs for the development and design of the competition proposals. It is a dilemma for both organizers and competing design teams.

Aim and Research Questions
The investigation reported in this paper was of an explorative nature and dealt with the selection process in prequalification for three developer competitions organized by the municipal authorities of Danderyd, Nacka, and Trelleborg. The research concentrated on the invitation, application, and selection of participants (design teams) for the developer competition. The aim
was to acquire knowledge about prequalification, from the organizer’s decision about the competition and the review of applications to the final choice of the winner. The relationship between design and economy was taken to be illustrated in the prequalification of design teams. This analysis was based on evaluation criteria listed in the initial invitation to potential candidates.

Theory and Method
The theoretical frame for collecting and processing data can be summarized as follows:

- **Inventory**: The study began with an inventory of the developer competitions organized during the period from 2010 to 2012. The search concept was prequalification and housing. The inventory showed that most of the land allocation competitions were organized as open competitions. The opposite is true in architecture competitions.\(^{17}\)

- **Case studies**: The inventory resulted in selection of developer competitions with housing provision as the competition task. Three of these competitions were chosen as case studies. By questioning the organizers, it proved possible 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 “exterior” of the prequalification process and were used in two ways: partly as a source of knowledge about the choice of candidates for the competition, and partly to identify the organizer’s informants who participated in the evaluation of applications. Further scrutiny of the documents provided information on the process from the invitation to the final choice of candidate.

- **Interviews**: Experience-based data from the “interior” of the informal prequalification were 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. These data provided information about prequalification from the organizer’s point of view.
Informants/Sources
A total of ten informants from the organizers recounted their prequalification experiences in the interview guide. There was an equal gender representation among the sources. The response frequency was good, and ten of the twelve individuals who participated in choosing candidates for the competitions answered the questions in the interview guide. Of those, two were politicians and eight were municipal employees.

A group of experienced individuals, most aged over forty and with at least ten years of professional experience, reviewed the companies’ applications and shortlisted candidates for the developer competitions. The professional qualifications of these individuals were of an interdisciplinary nature, with roots in planning, architecture, and care of the ageing. There are no grounds for criticism of the informants’ collective competence for the task.

CASE STUDIES
A short description of the three cases is provided below, based on the organizers’ invitation to prequalification for developer competitions and the organizers’ decision to invite design teams after evaluation of their applications.

Case 1: Senior Housing in Danderyd
Danderyd municipality issued an invitation in 2011 to a developer competition for senior housing. Interested companies were invited to consult the municipal authority’s website for further information. The municipality also sent out a special circular to fifteen construction companies and real estate managers in Greater Stockholm. According to the invitation, three to six constructors would be invited to participate in a developer competition. The municipality had two main goals for the competition: i) to sell the land to the winner; and ii) to obtain suggestions for around thirty-five senior apartments suitable for the needs of the elderly. The building had be two to four stories high and 50 per cent of the apartments had to have a quiet side facing the common courtyard, to minimize noise pollution from traffic in the area. The municipality 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.

The invitation stated that a selection committee of three individuals would evaluate the companies’ applications and reduce the number from three to six. The development manager would then review the companies regarding
agreements and technology, the city architect would judge the design references, and a representative from social services would examine the documents describing the housing. The committee reported that the invitation generated six applications from companies, all of which met the application demands and matched the maximum number of places in the competition. For this reason, all applicants proceeded to the competition. The following six design teams from companies were invited to the developer competition by the organizer:

- Bonum Seniorboende; representing a major developer.
- NCC Construction; representing a major constructor.
- RCC Stockholm; representing a regional constructor.
- Seniorgården; representing a developer.
- Skanska; representing a major constructor.
- Strabag Projektutveckling + Turako Fastighetsutveckling + Conara representing a major international constructor with a Swedish branch, in cooperation with two small Swedish developers.

Case 2: Rental Apartments in Nacka

In 2010, Nacka municipality invited companies to participate in prequalification for a housing development competition. According to the invitation, five design teams with constructors or real estate managers and architects would be asked to participate. The purpose was to designate a builder to construct apartment houses with their own long-term management. The invitation stated that the new housing would serve as a model, and that economic, social, and environmentally sustainable construction would be preferred. The area was deemed suitable for a block of thirty to fifty apartments. At the same time as the competition was being prepared, the urban planning work began to make the site accessible for housing purposes. The municipality decided to sign a land allocation agreement with the winner, in which the property would be granted a leasehold. Detailed planning of the new property usage would be made in cooperation with the winner.

The invitation also stated that the organizer planned to invite three to five companies to take part in the competition. A selection committee of three individuals from Nacka municipality would choose the participants for the competition. The municipality received seven applications, from which five design teams were chosen. The committee that made the selection consisted of the municipal authority’s technical and property director, the city ar-
The municipal authority’s project leader was present at the selection meeting, together with an external consultant acting as secretary. After examining the applications, the following teams were invited to participate in the competition:

- Botrygg Gruppen + Erséus Arkitekter; representing a developer in cooperation with an architect’s office.
- Bygg Vesta Bo + White Arkitekter / Johan Kirsh; representing a developer in cooperation with a major architect’s office and a small architectural firm.
- Peab Bostad + Engstrand och Speek; representing a constructor in cooperation with an architect’s office.
- Stockholms kooperativa Bostadsförening / kooperativa hyresgästförening + Kjellander och Sjöberg Arkitekter; representing a regional developer in cooperation with an architect’s office.
- Wallenstam + Semrén & Månsson; representing a developer in cooperation with an architect’s office.

**Case 3: Apartment/Housing Block in Trelleborg**

In 2011, Trelleborg municipality invited companies to the prequalification for a competition on housing with space on the ground floor for commercial activities. The competition was advertised both on the municipal authority’s website and through direct contact with twenty-four companies. The municipality described two purposes for the developer competition: i) to invite five teams of construction companies and architecture firms to take part in the competition; and ii) to sign a land allocation agreement with the company behind the winning proposal, which would be the basis for continued planning, design, and implementation. According to the invitation, the municipality was seeking a design team with a strong interest in taking on the future of the Trelleborg city centre. The development had to have innovative architecture, communicate the quality demands of town building, and be environmentally sustainable. The price of the land was set by the municipality at 2,000 SEK per m². The cost for development of the site would be entirely the responsibility of the company behind the winning competition proposal.

The invitation also stated that five design teams would be chosen for the competition. A jury would make the selection in Trelleborg (not a specific selection committee as in the other two cases). Four members from the competition jury would evaluate the applications and choose design teams.
for the developer competition. The invitation resulted in eight applications from construction companies in cooperation with architecture firms. The following five competition teams were invited to participate by the organizer:

- **JM / Seniorgården + Plan och byggnadskonst i Lund**: representing a constructor in cooperation with a local architect’s office.
- **Peab Sverige + Grotmij**: representing a Swedish constructor in cooperation with a department in a major architectural and engineering firm.
- **+ Arkitektlaget Skåne**: representing a developer in cooperation with an architect’s office.
- **TrelleborgsHem + White Arkitekter**: representing a local developer in cooperation with a major architect’s office.
- **Veidekke Bostad + Metro Arkitekter**: representing a constructor in cooperation with a department in a major architectural and engineering firm.

**INVITATION**

The invitations in all cases contained (a) general regulations, (b) requirements (must-haves) that applications from design teams had to meet, and (c) criteria that the organizers intended to use for evaluating the applications. Based on this information, together with a short description of the task, the design teams had to produce a competitive application for the competition. Similarities and differences between the organizers’ invitations are summarized in Table 1.

Following prequalification in all three cases, only three to six design teams were invited (Table 1). This kind of limitation is typical in restricted competitions in architecture and urban design, at least in the Nordic countries. Danneryd was an exception in that there were no architects in the invited teams, just developers and constructors. Nacka and Trelleborg demanded both developers (constructors) and architect’s firms in the design teams. However, the allocation agreements were negotiated only with representatives of the developer (constructor), which reflected a power dimension in the construction of design teams driven by the organizers.

How developers would gain access to the site was one economic issue in the general regulations (Table 1). In Danneryd, the developers in their applications also had to indicate the (cash) value of the land and its building permit. The price of the land competed with design in this case. In Nacka, the organizer
focused on rental level and not on selling the site to the highest bidder. The organizer in Trelleborg set the price of land ahead of time in order to promote competition by design instead of economy. Another important aspect is compensation for the design proposals. The design teams participated at their own expense in Danderyd and Nacka. In Trelleborg, the organizer tried to attract applicants by offering 50,000 SEK to design teams for approved design proposals. However, this is very low compensation compared with that awarded in architectural competitions for the same task.  

The language demands in the invitation reflect the national character of the three competitions. Nacka and Trelleborg requested Swedish as the competition language. There was no specific demand on this point from Danderyd, but all the information about the competition was issued in Swedish, including the invitation and the brief. It is obvious that the organizers were not looking for foreign companies or to facilitate their participation in the local construction sector.

According to Table 2, the concept design appears as design ideas and architectural design in reference projects. Economy from the organizers’ perspective is a question of the developer’s financial status and proof of taxes paid. The requirements are a combination of professional practice and rules in LOU, the Law on Public Procurement.

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Danderyd</th>
<th>Nacka</th>
<th>Trelleborg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of teams to be invited and their competence</td>
<td>3–6 constructors (no architect’s firms).</td>
<td>3–5 design teams (constructors / developers + architects).</td>
<td>3–5 design teams (constructors / developers + architects).</td>
</tr>
<tr>
<td>Benefit to the winner</td>
<td>The winner receives a land allocation agreement.</td>
<td>The winner receives a land allocation agreement.</td>
<td>The winner receives a land allocation agreement.</td>
</tr>
<tr>
<td>Compensation for design</td>
<td>No compensation for the design proposals. The winner is offered the chance to buy the site.</td>
<td>No compensation for the design proposals. The winner is offered the chance to lease 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>
<tr>
<td>Economic value of land</td>
<td>Indication of price and its building permit.</td>
<td>Indication of rental level for the planned building.</td>
<td>The price of the land was determined in advance.</td>
</tr>
</tbody>
</table>

Table 1 General regulations in the invitations to prequalification in the three case studies
The other demands can be seen as a search for safety from the client horizon, but these requirements have a downside and do not promote competition as a professional laboratory for innovation and experimental arena. New thinking is a risky business, and the traditional architecture competition has introduced special procedures to deal with surprising design solutions. The developer competitions were more orientated towards safety than innovation in the case studies because of the demands and prequalification of applicants. Requirements such as an implemented reference project, relevant for the

<table>
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<tr>
<th>Specific Demands</th>
<th>Danderyd</th>
<th>Nacka</th>
<th>Trelleborg</th>
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</thead>
<tbody>
<tr>
<td>List of enclosed material</td>
<td>No demands.</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 programme</td>
<td>Design ideas, general programme for housing, principal standard and equipment for elderly.</td>
<td>No demands in the invitation.</td>
<td>No demands in the invitation.</td>
</tr>
<tr>
<td>Quality of life</td>
<td>General programme for activities/social life.</td>
<td>No demands.</td>
<td>No demands.</td>
</tr>
<tr>
<td>Company strategy and collaboration</td>
<td>No demands.</td>
<td>Presentation of property management + references.</td>
<td>Presentation of collaborating companies + architects.</td>
</tr>
<tr>
<td>Reference project</td>
<td>Similarly implemented projects by the design team (housing for senior citizens).</td>
<td>3–5 implemented projects demonstrating the applicant’s ability.</td>
<td>2 similar implemented projects by the applicant + the role of the design team in these.</td>
</tr>
<tr>
<td>Project organization</td>
<td>No demands in the invitation</td>
<td>Organization for the design team + CV for key persons and their role.</td>
<td>Professional qualifications of design team members.</td>
</tr>
<tr>
<td>Financial status and economic issues</td>
<td>An indication of the value of the site and its building permits from the constructors.</td>
<td>Ambitions for rental. Document showing financial status. Minimum rating of 3 on the credit scale.</td>
<td>Document showing credit rating from credit authority.</td>
</tr>
<tr>
<td>Taxes</td>
<td>No demands (the organizer conducts tax control).</td>
<td>Show paid taxes through document from tax authority.</td>
<td>Tax payment documents from tax authority.</td>
</tr>
</tbody>
</table>

Table 2 “Must-haves” in invitations for prequalification in the three case studies
competition task, excluded all new firms and young candidates. This had a negative impact on the competition as a professional laboratory for developing innovative design solutions to meet future-orientated challenges in society. The renewal of the construction sector was thus reduced and the competition potential as an experimental arena was limited.

As Table 3 shows, the organizers intended to choose design teams based on “soft” criteria. Design in the prequalification was understood as an ability to find creative solutions, design in reference projects, and capacity to add value by interior and architectural design. Economy was used as tool for attracting and finding developers with financial stability and a long-term interest in facility buildings. Design and economy stood out in the invitations as the two most important criteria in the final selection of candidates.

The evaluation criteria were based on professional practice and were adjusted to the competition task. They were of a very different nature compared with the “hard” must-haves and can only partly be measured in a meaningful way. In Danderyd, the organizer tried to convert the soft criteria into numbers for design, but it was impossible to do this in a fair way in the invitation, which

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Danderyd</th>
<th>Nacka</th>
<th>Trelleborg</th>
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</thead>
<tbody>
<tr>
<td><strong>Design</strong></td>
<td>Interior design and architectural design could bring 10% + 10% added value.</td>
<td>Design references (preferably rental houses at complicated sites).</td>
<td>Ability to solve assignment and find creative solutions in all phases from design to implementation.</td>
</tr>
<tr>
<td><strong>Professional merits</strong></td>
<td>No specific evaluation criterion.</td>
<td>No specific evaluation criterion.</td>
<td>1) Competence  2) Experience  3) References</td>
</tr>
<tr>
<td><strong>Environmental goals</strong></td>
<td>Environmental design and construction + programme for heating could bring 15% added value.</td>
<td>Energy-efficient housing.</td>
<td>No specific evaluation criterion.</td>
</tr>
<tr>
<td><strong>Housing management and economic standpoint</strong></td>
<td>No specific evaluation criterion.</td>
<td>Long-term facility management, rental level, economic and project organization.</td>
<td>Economic and organizational capacity + the developer’s stability.</td>
</tr>
</tbody>
</table>

Table 3 Evaluation criteria in invitations to prequalification in the three case studies
provided no guidelines. The organizers used soft criteria to separate candid- dates and rank the applications from the organizers’ perspective. That was the whole point, as soft criteria are constructed for assessing qualities – not quantities – and this requires good judgment, experience, and professional competence on the part of selection committees.

PERSONAL EXPERIENCES

Why did the municipalities organize restricted developer competitions? The informants from Danderyd, Nacka, and Trelleborg put forward different kind of motives behind this decision. The explanations are connected to ideology, economy, and the site itself. First, they referred to the political goal of using market solutions and competitions for housing. The second reason was economic: developer competitions are seen as a good way to achieve competitive prices in the area. The third explanation was the strategic location of the site in the municipality. The location raised architectural ambitions, even if good architecture was not obvious as a motive for the developer competitions. Illustrative interview responses from reviewers of applications were:

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 kind of building it wanted and at the same time give the actors the possibility to present their ideas on an equal basis.28

The political administration in charge was positive (towards competitions). 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.

(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 …

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.

Invitation and Communication
The municipal authorities advertised the competitions on their websites and via electronic databases. In addition, direct mailing was used to contact companies. The invitations were the object of internal consultations among officials. The invitation was drawn up early in the competition process and outlined the competition conditions for the companies. In spite of the document’s strategic importance, the informants viewed formulation of the invitation as a practical assignment, a question of using the regulations in the LOU and following the practice of the building sector.

Only Nacka municipality stated already in the invitation to prequalification that one of the demands was a sustainable community building. The other two municipalities – Danderyd and Trelleborg – described general goals for sustainability and developed the theme later on in the competition process as programme demands for environmentally friendly solutions with low energy consumption. The invitation from Nacka municipality had a three-page appendix with energy requirements for the planned housing, with follow-up before the agreement and leasehold and after two years in operation.

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

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

The invitation was drawn up by a group of officials, which includes 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. As project manager, I oversaw the invitation. The must-haves were ar-
rived 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.

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 specializing 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 competition was advertised through companies that cover the building market for constructors and consultants.

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

The project is rather small so you could not expect any huge contribution of 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”. 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 architecture or project competition, so no compensation was offered.

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.

Information in Application
The invitation from the organizers resulted in applications filled with information from applicants. Only at the final judging did a municipal reviewer request additional information from a single design team. The informants were generally satisfied with the contents of the applications. The following two replies illustrate the information in the applications:
There was enough information about the companies. I didn’t have any contact with the company in connection with the competition.

We found the two reference projects to be sufficient for selecting the participant. In many cases, the reference projects were already known to us, as well as the other contributing constructors and architectural firms.

Judging Procedure

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. However, in spite of local differences and the lack of common regulations, developer competitions have a judging process similar to that of architecture competitions. However, it is much easier for selection committees to identify design teams in developer competitions because of the smaller number of applicants.

The choice of participants was made in two steps. First, there was an initial check of the companies’ applications to determine whether they met the application demands and could proceed to the next step in the process. Second, there was an evaluation of the candidates’ professional qualifications for the competition task. The final choice of company was made at a single meeting in three competitions. Only one of the competitions used a protocol from the selection with a clear motivation to legitimize the decision. Two petitions lacked protocols for ranking the candidates and summarizing 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 selection/evaluation of constructors’ applications … It must be remembered that, above all, this is a developer competition where the highest prize wins, not an architecture competition … I don’t think there are any notes from the meeting which took place when the applications were evaluated.

The judging in Danderyd was simplified due to receiving so few applications. Only six teams sent in applications and therefore 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 the other two municipalities – Nacka and Trelle-
Olof Borg – the judging process included an evaluative selection of design teams. There were more applicants than number of places in both competitions, but here, too, the choice was described as simple and uncomplicated. Only a few candidates had 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.

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 the architecture firm.

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 centred 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 therefore looked for reference examples which reflected this type of challenge.

Selection Principles
The selection of design teams was made by three to four individuals. The organizers in Danderyd and Nacka both used an expert model for the selection. A selection committee of municipal officials with expert knowledge in the fields of architecture, economy, and negotiating led the choice of participants in the developer competitions. There was no influence from laymen. On the other hand, in Trelleborg the choice of design team was made by a competition jury, which included a number of local politicians. The choice in that competition was based on a democratic model used in architecture competitions in Sweden. The thought behind this is that the interested parties should be represented in the decisions concerning the areas that involved them.

In Danderyd and Nacka, the municipal officials and property manager administration organized the competitions, supported by the architecture of-
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 organized its competition through the community planning office, with a jury appointed by municipal politicians. The members of the jury selected both the competition team and the winning design proposal. This competition was highly influenced by laymen, with eight 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. One informant described the choice of participants in Trelleborg in this way:

There was a clear wish for politicians to 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 set time.

In Danderyd municipality, the development manager appointed 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, and the applicants were invited to participate in the competition. In Nacka, too, the choice of participants was simple. Three municipal head employees, appointed by the property manager, were on the selection committee. To support their evaluations, the committee had access to external consultants and the municipality’s project manager. Even in this case, one meeting was enough to choose the design teams for the competition.

Experience from Prequalification
The informants were 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 architecture firms. There was no criticism of bureaucracy or excessive demands in the invitation. The organizers’ reviewers were satisfied with the information received from the companies/teams. Still, a competition is an exception and only used in special cases. Although the informants who participated in selecting 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.

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.

Two informants had previously participated in prequalification for competitions and negotiations of services and described 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.

I have extensive experience from negotiations with entrepreneurs, consultants, and real estate management agreements.

The planning and implementation of design proposals in competitions were based on a mix of legal requirements, project-targeted goals, and practice, as is routine. The surprise for organizers was that the prequalification invitations for developer competitions generated so little interest. A typical answer is:

We thought there were too few [applications], considering the location in the town, but understand that these are economically difficult times for many constructors. Otherwise, the process worked satisfactorily.

DISCUSSION AND CONCLUSIONS
The three prequalification processes resulted in a total of twenty-one applications (Table 4), of which sixteen (76 per cent) were invited to the developer competition by the organizers. There was a good chance for design teams to be invited to the developer competitions, since there were few applicants from the building sector as compared with the situation in architecture competitions. From this point of view, the relationship between attracting candidates to the competition and organizer gatekeeping by imposing demands on the applications seemed to be a mismatch for the building sector.

The prize awarded to the developer was a land allocation agreement with building permits, either through the winner purchasing the land or the land
being made available by leasehold of the site. The competition was at the cost of the participants in Danderyd and Nacka, which is common practice for developer competitions. The organizer in Trelleborg tried to attract candidates to the competition through economic compensation for the development of a proposal, but this did not result in increased interest; the number of applications generated was still weak (Table 4).

The prequalification process for the developer competitions in Danderyd, Nacka, and Trelleborg can be summarized in the following points:

- There is a lack of clear and uniform professional practice on developer competitions within the municipalities. This observation reflects a problem in developer competitions. The competition process differs when it comes to the conditions stated in the invitations. There is no common regulation on a national level, in contrast to architecture competitions.

- The developer competitions involve 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 architecture competitions and make detailed plans for sites. The developer competitions focus on the sale of land or providing a leasehold of the site, regulated in the land allocation agreement. In the formation of design teams, the results again reveal a transfer of power from architect firms to developer and constructors. The municipal authorities make land allocation agreements with building companies in the design team.

- The choice of competition form, restricted developer competition including prequalification of candidates, is motivated in several ways, such as minimizing the cost of the competition, finding out the company’s interest for sites to build on, and testing an alternative to the ordinary planning process. Informants in Danderyd and Nacka found it exciting

<table>
<thead>
<tr>
<th>Restricted Developer Competition</th>
<th>Number of Applicants</th>
<th>Invited Candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011, Developer competition, Danderyd</td>
<td>6</td>
<td>6 (100%)</td>
</tr>
<tr>
<td>2012, Developer competition, Nacka</td>
<td>7</td>
<td>5 (71%)</td>
</tr>
<tr>
<td>2012, Developer competition, Trelleborg</td>
<td>8</td>
<td>5 (63%)</td>
</tr>
<tr>
<td>Total:</td>
<td>21</td>
<td>16 (76%)</td>
</tr>
</tbody>
</table>

Table 4 Applicants to prequalification in the three case studies
to work with competitions as compared to distributing land via direct allocation and bids. Trelleborg municipality organized its developer competition in the same way as architecture competitions, awarding a competition prize in an attempt to attract more participants.

- The invitations infer internal collaboration in municipalities based on a combination of legal regulations and professional practice. The informants seemed happy with the situation. The invitations are compiled by officials from the real estate and development office, the town building office, and the 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 invitation closes the doors to potential 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 as compared with open competitions. In two cases, the organizer requested teams of constructors and architecture firms. In one case, the organizer turned solely to construction companies. Compared with architecture competitions, developer competitions give constructors, builders, and real estate managers more influence at an early stage of the planning process.

- Design and economy are used in invitations both to attract and exclude candidates from sending in applications. Design is included through criteria for ranking the application by design ideas, architectural design, and creative ability in the construction of the design team. The compensation paid in Trelleborg did attract only one more applicant than in Nacka because of the economic demands of good financial status and capacity for long-term management of housing. In Danderyd, “money talks” had a determining impact, and the developer competition became a price competition. The winning proposal was by Stragab, which offered a much higher price for purchase of the land than the other competitors. At that time, Stragab was planning to “increase turnover from 2 billion to 6 billion [SEK] in Scandinavia.”
The organizers were satisfied with the information in the prequalification applications and were able to select participants for the developer competition in a simple way. There was no criticism about the invitation being too complicated, too bureaucratic, or leading to unnecessary paperwork. The lack of applications and candidates was not seen as a significant problem, nor did the organizers consider the demands in the invitation and the requested professional merits to have negatively influenced the number of applications.

The selection of the companies/teams for the developer competition took place in a two-step judging process. First, the applications were checked for the must-haves in the invitation. Then, the candidates’ competence for the task was evaluated. The judging process thus went from checking 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 came into the picture later in prequalification and became a dominating factor in the judging process when the winning proposal was chosen.

The choice of participants took place in a simple and informal evaluation process. The minutes from the selection meeting were very brief. 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 have no external controls, as is the case in architecture competitions. The choice of participants in developer competitions is an internal affair for a group of municipal officials.

The organizers used two different models for making decisions in the competitions: the expert model and the democratic model. The expert model steered prequalification in Danderyd and Nacka. A selection committee, a group of experts in the municipality, reviewed the applications and chose the participants. In Trelleborg, a jury with laymen picked the design teams for the competition. The idea behind the democratic model is that those who are involved and depend upon the architecture should be represented in the judging processes. There were a surprisingly large number of politicians on the jury, a sign that the competition was of great importance to the future development of the city.
The developer competitions generated considerably fewer applications than architecture competitions. A possible explanation for such low interest from companies in developer competitions may lie in the invitation and the requirements to present implemented reference projects and to account for competence, experience, and resources. Invited developers and constructors in Daneryd, Nacka, and Trelleborg are major companies running international and national businesses or well-known regional developers. Small, newly started local companies apparently do not think they have a chance and are not attracted by the invitation. Their applications are therefore missing from the archives.

The lack of response on behalf of the building sector did not result in any self-critical comments. The informants were only disappointed that so few companies showed an interest in the competition. They were satisfied with prequalification as a method for identifying suitable design teams. This is a surprising result, which has led to a new important research question for future work: If the organizers are so positive towards prequalification, why do they not organize more invited competitions?

ACKNOWLEDGEMENTS
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NOTES

3 Land allocation in Sollentuna (Markanvisning i Sollentuna) (Sollentuna: Sollentuna kommun, 2012), p. 3.
4 Land, housing and competition (Mark, bostadsbyggande och konkurrens) (Stockholm: Statskontoret, 2012).
5 Land allocation in Sollentuna (Sollentuna kommun, 2012), p. 5.
9 Ibid., p. 28.
10 Ibid., p. 13.
11 Land, housing and competition (Statskontoret, 2012), p. 105.
12 Ibid., p. 130.
13 Land politics and municipal land prizes (Markpolitik och kommunala markpriser) (Karlskrona: Boverket, 2005).
14 Maria Remnås and Stefan Norrman, Developers cost (Byggherreknostnaderna) (Stockholm: KTH, 2003).
15 Land politics and municipal land prizes (Boverket, 2005).
16 Remnås and Norrman, Developers cost, p. 33.
17 Rönn, Prequalification – architecture competition vs developer competition.
19 Danderyd municipality, Developer competition on housing for senior citizens in Danderyd (Markavisningstävling för seniorbostäder i Danderyd), Invitation 1 April 2011, Application 13 May 2011, Land allocation agreement, KS 2010/03 00, Report 19 May 2011.
22 Ibid., Invitation, 16 March 2010.
24 Trelleborg municipality, Developer competition Bävern 1 (Markanvisningstävling Bävern 1), Invitation (no date), Protocol 27 February 2012.
25 Ibid., Protocol 27 February 2012.
26 In an architecture competition, the compensation (prize money) for this task would be around 300,000 SEK per design team for an approved design proposal.
27 Law on Public Procurement, LOU (2007:1)
28 All responses quoted in this section originate from internal reviewers.
29 Rönn, Prequalification – architecture competition vs developer competition.
30 Danderyd municipality, Developer competition on housing for senior citizens in Danderyd, Application 13 May 2011.