

Magnolia Bostad sells 360 homes in Sundsvall

Magnolia Bostad sells the first phase of the Norra Kajen project in Sundsvall to Heimstaden Bostad. The project involves the development of around 360 residential units of around 21,000 GFA. The estimated property value upon completion will be around SEK 670 million.

The sale concerns part of the Norrmalm 3:18 & 4:2 properties in Sundsvall and is part of the framework agreement with Heimstaden, which was signed in June 2018. The project will be developed into a new residential area in Sundsvall. The zoning plan for the entire project came into force in January 2019. A turnkey contract was signed earlier with Serneke. Construction of the first phase is expected to start in autumn 2020 with the first occupancy planned in the spring of 2023. After the sale and exit from the project, Magnolia Bostad has a project management agreement with the buyer, which runs until occupation. The project management agreement is invoiced and revenue is continually recognized.

“These will be the first apartments we own in Sundsvall which we are very glad about. Additionally, the good cooperation with Magnolia Bostad and Serneke will result in a top-quality construction that gives us the conditions to finance the project through the EIB, (the European Investment Bank)” says Patrik Hall, CEO of Heimstaden.

Norra Kajen is Sundsvall's major urban development project where historic industrial land is being transformed into an attractive part of the inner city. In the western part of Norra Kajen, just north-east of Stenstaden, Magnolia Bostad plans to develop more than 900 apartments when the entire project is completed. The buildings will consist of varied apartments ranging from studios to 3-bedroom apartments and will mainly be rental properties. The project is in the Central Sundsvall area and is a three-minute walk to the centre of Sundsvall. There is good access to public transport and also a close, easy connection to the E4 motorway.

“It's really enjoyable that we are signing another sale of residential units within our framework agreement with Heimstaden. Norra Kajen is one of our larger projects and means that we are developing a whole new residential area,” says Björn Berman, Eastern Regional Director at Magnolia Bostad.

Wistrand Advokatbyrå has acted as legal advisor to Magnolia Bostad

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