

Magnolia Bostad and Heimstaden develops homes in Skellefteå

Magnolia Bostad signs an agreement to sell the Västra Erikslid project in Skellefteå municipality to Heimstaden Bostad. The project involves the development of approximately 300 residential units of 21,000 sq.m. GFA. Estimated property value at completion is about SEK 475 million.

The sale concerns part of the Skellefteå 5:1 property in Västra Erikslid, in which Magnolia Bostad won a land allocation competition in March 2020. The project has a zoning plan in force and turnkey contract is signed with Derome.

The sale takes place as a company transfer with estimated occupancy at the end of 2022. 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 recognised.

"We are very pleased to have started our first project in Skellefteå and to contribute to the municipality's expansive growth. Together with Heimstaden Bostad and Derome, early in the planning, we ensured that the project will have a consistently high standard of sustainable and environmentally friendly building materials", says Björn Bergman, Eastern Regional Director at Magnolia Bostad.

"With Västra Erikslid, we are expanding our property portfolio in Skellefteå where we are already a locally established property owner and long-term manager of people's homes. The project complements our own development of new real estate and, moreover, we continue to invest in our portfolio to create thoughtful rental housing that is in line with our values "Care, Dare och Share"', says Patrik Hall, CEO, Heimstaden Bostad

The project is located in Västra Erikslid about 1 km north of central Skellefteå. The area has a very favourable location with direct proximity to both the outdoor area Vitberget and Erikslid's centre. Västra Erikslid is the first to be developed for Skellefteå's new large residential area with apartment buildings.

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