

Magnolia Bostad has sold a community service property in Borlänge to SBB

Magnolia Bostad has sold a community service property to Samhällsbyggnadsbolaget i Norden AB (SBB). The property includes a residential care home of 54 apartments, care housing consisting of 47 apartments, premises for day care, an office for home services and a nursery school with room for 120 children. In total, the project comprises around 10,000 m² of GFA. The estimated property value at completion will be around SEK 335 million.

The sale will be a corporate transaction and relates to the Gyllehemmet 2 property in Borlänge. Revenue recognition will take place during Q2 2020. The property has a zoning plan in force and four 20-year lease agreements signed at the end of 2019 with Borlänge municipality. The property will assemble municipal operations under the same roof where there is the opportunity for the various businesses to use joint functions such as catering, a gym and a sauna. The building will have double lifts, an assembly room and a Spa section for the elderly.

"We look forward to deepening our already strong collaboration with Borlänge municipality, with whom we have done several business deals before, and to further develop our collaboration with Magnolia Bostad. The property with a 20-year municipal lease fits neatly into our portfolio of community service properties, where around 90% of rental income is financed by the Nordic welfare states. We see the combination of residential care homes, nursery schools, care housing and home care, as an effective solution to the major future needs of public care," says Oscar Lekander, Business Development Manager at Samhällsbyggnadsbolaget i Norden.

"We welcome SBB as the buyers of Gyllehemmet. This is our first sale to SBB, which feels very satisfactory and we are really looking forward to our collaboration. SBB is a strong, local player with a solid management organization. We have a very good dialogue with Borlänge municipality, and we want to continue to develop and build in more places there. We believe in the concept of several important social functions in one building as it provides sustainable, area-effective solutions for our partners," says Catrin Viksten, Head of Community Service Property at Magnolia Bostad.

A turnkey contract has been signed with PEAB and building is scheduled to start in the autumn of 2020, with estimated completion in the latter part of 2022. Magnolia Bostad has a project management agreement with the buyer, which runs until occupancy. The project management agreement is invoiced, and revenue will be recognized on an ongoing basis.

Wigge & Partners has acted as legal advisor to Magnolia Bostad. Bernström & Partners has acted as advisor in the transaction.

For more information, please contact:

Catrin Viksten, Head of Community Service Property at Magnolia Bostad
+46 70 161 05 92, catrin.viksten@magnoliabostad.se

Marita Björk, IR and Financial Media Manager
+46 72 720 00 06, marita.bjork@magnoliabostad.se

Magnolia Bostad AB, CIN 556797-7078, is a leading urban developer that develops new residential properties, including rental apartments and tenant-owned apartments, community service properties and hotels, in attractive locations in Sweden's growth areas and major cities. Our work is based on a holistic approach where the operations are conducted in a way that promotes long-term, sustainable urban development. Magnolia Bostad's shares (MAG) are listed on Nasdaq Stockholm. More information is available at www.magnoliabostad.se