

Press release

23 december 2019

Heimstaden Bostad AB acquires 599 residential units in Germany

Heimstaden Bostad AB announces the acquisition of a German residential portfolio consisting of 25 assets with 599 residential units, 48 commercial units and 36 parking spaces. The properties are located in the cities of Berlin and Bielefeld and comprise a total lettable area of 44,650 sqm.

The agreed purchase price of 1.32 bSEK will initially be financed through existing cash, and subsequently, mortgage financing will be taken out for a part of the purchase price.

The acquisition roughly doubles Heimstadens current footprint in Germany's dynamic capital by number of units and at the same time represents the first step towards the ambition of a more geographically diversified German portfolio.

Upon completion of the acquisition, Heimstaden will surpass 1,000 residential units in Germany.

"We appreciate the strong fundamentals of the German market and are happy to increase our exposure here, becoming one step closer to reaching a critical scale that can justify more insourcing of operations, which is a clear target for us. While there has been a lot of discussion on the tightened lease regulation in Berlin, we are cautious underwriters and acknowledge that the return profile of our Berlin exposure is not necessarily on par with our unregulated markets, it still offers us a strong risk-adjusted return basis and diversification benefits", says Christian Fladeland, CIO of Heimstaden and continues: "As a long-term oriented owner, we are committed to making the necessary investments to improve and maintain the quality of the portfolio so that our tenants feel comfortable in their homes".

Heimstaden was advised by Bottermann::Khorrami (legal), BRL Boege Rohde Luebbehusen (tax) and Reelab (technical) on the transaction.

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Heimstaden Bostad is a leading real estate company in Northern Europe with focus on acquiring, refining, developing and managing residential real estate. Through our values, thoughtfulness, innovation and authenticity, we create values for our owners and caring homes for our tenants. Heimstaden Bostad owns approximately 41,300 apartments and a property value of approximately SEK 90 billion. The head quarters is located in Malmö, Sweden. For more information visit www.heimstadenbostad.com
