

Serneke sells building rights in Karlastaden for approximately SEK 200 million to Tosito

Serneke sells approximately 15,000 square meters of building rights in Karlastaden to property company Tosito, mainly for housing development. The purchase price amounts to approximately SEK 200 million, corresponding to a building rights value of approximately SEK 13,000 per square meter. The sale is expected to have a positive impact on earnings of approximately SEK 80 million in the fourth quarter. The parties have also signed a contracting agreement for an estimated value of SEK 300 million.

“This sale is proof of the values that exist in Karlastaden. We have seen substantial interest in our building rights for some time now, but many have been waiting to see what first happens with the Karlatornet project. Now that we have made progress with Karlatornet we see the beginning for a number of upcoming divestments,” says Ola Serneke, CEO of Serneke Group.

Karlastaden comprises some 200,000 square meters of total buildings rights, divided into eight blocks. The building rights that are now being sold cover a total area of approximately 15,000 square meters, situated in the Capella block. Serneke has previously sold building rights in the same block to Hemsö. With Serneke as the turnkey contractor, premises for a school and other community functions are currently under construction there.

The sale of building rights to Tosito is expected to have a positive impact on earnings of approximately SEK 80 million in the fourth quarter. The purchase price of approximately SEK 200 million will be paid in stages as the project progresses and the cash effect for the fourth quarter is estimated at approximately SEK 80 million.

In connection with the transaction, Serneke and Tosito will also sign a construction agreement. The construction agreement comprises two suborders, the first commencing in the first quarter of 2021 and the second in the fourth quarter of 2021. The value of the agreements totals approximately SEK 300 million, with the order amounts to be included in the quarter in which the suborder is effectuated.

The plan is to construct some 180 homes on the property, both rental and tenant-owned apartments. These will be contained in two buildings, an eight-story staircase entry block and a 17-story highrise. The homes will be constructed in accordance with the Nordic Eco label certification. The ground floors will offer commercial premises.

“It is highly exciting that Karlastaden’s development towards our vision of a dense mixed-use development is really gaining momentum now. Alongside Karlatornet, our collaboration with Tosito will initiate an exciting process of development, bringing much-needed housing to central Gothenburg, at the heart of a dynamic technology development and education cluster,” says Ola Serneke, CEO of Serneke Group.

Tosito is already an established partner of Serneke and a property company focused primarily on Jönköping to date.



“It is gratifying and exciting to initiate our venture in Gothenburg with a housing project in Karlastaden together with Serneke. As companies, we take a shared approach, focusing on people and society. The opportunity to be involved in building and developing part of Karlastaden was something we could not refuse, and it will be very exciting to watch one of Sweden’s most attractive areas grow over the upcoming years,” says Tommy Fritz, CEO of Tosito.

The groundwork for the project has commenced and construction above ground will begin once the necessary building permits have been granted, which is expected after the summer of 2021. The project is expected to be completed in stages from late 2022/early 2023 until the summer of 2023.

Serneke is now continuing the process of completing the development for the rest of the district, which includes intensified dialogues with potential investors and partners.

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Serneke is a growing corporate group active in contracting and project development. The Group was founded in 2002 and today has income of nearly SEK 6.7 billion and approximately 1,200 employees, organized into three business areas: Serneke Sweden, Serneke Invest and Serneke International. Through novel thinking, the Company drives development and creates more effective and more innovative solutions for responsible construction. The Company builds and develops housing, commercial buildings, industrial facilities, public buildings, roads and civil engineering projects, and other infrastructure. The company's customers consist of both public and commercial clients. The Company's Swedish units operate nationwide and are organized into five regions: South, West, East, Central and North, and are headquartered in Gothenburg. The Company's Series B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.

Further information about Serneke Group AB is available at www.serneke.se