

General:

The market for new developments (sold off-plan) in the Stockholm area continues to be challenging, construction financing from banks is harder to obtain. Some positive market trends after the summer. The Lilleby concept (in co-owned Smallville AB) is very well received and expected to be less sensitive to an economic downturn.

Further discussions with municipalities for future land allocations (“markanvisningar”), a sign that our hard work and track record is starting to pay off.

Project overview:

Ekerö / Träkvista

Mixed use project; residential (rental (“hyresrätter”) and condominiums (“bostadsrätter”)), commercial, care home, etc. of up to 23 000 kvm BTA in final phases of re-zoning. High demand for commercial space from tenants. Properties acquired. Initial expectation was that the project would have commenced during 2018, but have been delayed, which is a normal business risk in early stages. We now expect re-zoning to be completed/approved during Q1 2020 and construction to commence late 2020. Project turnover ca 1 000 MSEK.

Skokloster / Englamarken

Ongoing construction of 44 semi-detached houses (“parhus”). Sold out project. Estimated completion Q4 2019/Q1 2020. Project turnover ca 150 MSEK.

Täby Park

Mixed use project; (residential (rentals (“hyresrätter”) and condominiums (“bostadsrätter”)), commercial, care home, hotel, etc) of ca 40 000 kvm BTA. New zoning plan approved January 2018. Initial infrastructure and ground-works ongoing/commenced during May 2019, expected completion Q1 2020. Circa 70% of commercial space let to strong tenants. Advanced discussions reg. partnership or outright sale of project with several parties (necessary to build project).

JV projects

Ongoing construction in Nacka and Huddinge in two smaller JV-projects.

Smallville / Lilleby (49% minority stake)

2 projects, Mariefreds Strand and Mälarvyn (in total ca 140 homes) expected to start sales and construction during Q4 2019/Q1 2020.

Re-zoning process for major project “Skokloster Slottsby” expected to commence during Q4 2019.

Further positive, ongoing discussion with several counties reg. land allocation agreements for Lilleby concept.

Filed applications for 2 land allocations for the Lilleby concept.

Co-operation agreement signed with Swedish national horseracing association (Svensk Galopp) regarding development of land they own (new to new stadium) based on the Lilleby concept, re-zoning expected to commence shortly.

Strategic partnership

Long term framework cooperation agreement negotiated and agreed (agreement expected to be executed during October) with large real estate fund reg. care homes (Vårdboenden) and apartments for seniors (Trygghetsboenden).