

Press release

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Heimstaden Bostad Enters United Kingdom

Heimstaden Bostad AB buys newbuild project “Soho Wharf” with 752 residential units in Birmingham for SEK 1.9 billion (GBP 160 million) from Apsley House Capital and Galliard Homes. Galliard will also act as developer for the project.

Birmingham is fast-growing and the second largest city in the UK. With six universities and more than 65,000 students, it is also the largest educational area outside London and has one of Europe’s youngest populations, 46% being under the age of 29. The area has favourable macroeconomic and demographic trends, including strong population growth and increasing average disposable income.

“An entry into the British market is in line with our strategy to expand into strong and attractive European markets. By providing high-quality yet affordable homes in an up-and-coming area, we are well-positioned to capitalise on the growing rental market in Birmingham and the United Kingdom,” said Søren Vendelbo Jacobsen, co-Chief Investment Officer at Heimstaden.

The project

Soho Wharf is located just outside the city centre of Birmingham and is part of a wider plan to expand Birmingham to the west, converting former industrial areas into new neighbourhoods with generous public landscaping and high-quality architecture.

The project consists of 752 homes, 3 commercial units and 300 parking spaces. It has a total lettable area of 48,710 sqm and an estimated gross rental income p.a. (GRI) of SEK 110 million (GBP 9.4 million). 64 homes will be offered at discounted market rents.

Development

The transaction is structured as a turnkey forward funding project with Galliard Homes as developer and contractor. Heimstaden Bostad will fund the development based on construction milestones but does not take on direct development risk. Construction has already started on site and will be completed in the period Q1 2023-Q1 2024.

Galliard Homes is one of the largest housebuilders in the UK with over 25 years of experience and a track-record for delivering high quality. Since 2016, Galliard has developed more than 4,800 homes and it currently has more than 6,900 homes under construction.

“We are excited to enter the British market and to deliver a good product that will be well received by our future tenants. With Birmingham’s population growth and positive outlook, we look forward to providing sustainable and Friendly Homes to the market,” said Patrik Hall, CEO at Heimstaden.

Heimstaden BOSTAD

KEY FACTS & FIGURES

- Acquisition price: SEK 1.9 billion (GBP 160 million)
- 752 homes (650 apartments and 102 townhouses)
- 64 homes offered at a 20% discount to market rent
- 3 commercial units (987 sqm)
- 300 parking spaces
- Residential area: 47,723 sqm.
- Total area: 48,710 sqm
- GRI p.a.: SEK 110 million (GBP 9.4million)

Heimstaden Bostad was advised by Arcadis, Clifford Chance, FTI Consulting, and KPMG.

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Heimstaden Bostad is a leading residential real estate company in Europe, which buys, develops and manages homes. Through our values Care, Dare and Share, we create value for owners and Friendly Homes for customers. We own about 114,000 homes with a property value of SEK 179 billion. Our head office is in Malmö. Read more at www.heimstadenbostad.com
