

22 December 2021

Allianz and Heimstaden Bostad form joint venture

Allianz Real Estate, on behalf of Allianz companies, invests SEK 7.9 billion in Heimstaden Bostad's portfolio in Sweden with properties recently bought from Akelius, forming a joint venture (JV) on the SEK 30.4 billion portfolio centrally located in Malmö and Stockholm.

Commenting on the acquisition:

Annette Kröger, CEO North & Central Europe for Allianz Real Estate:

"We are very pleased to enter into this joint venture covering such a well-diversified, sizeable portfolio. Our renewed interest in the residential sector is a deliberate adjustment to our investment strategy; the sector's stability makes the sector highly attractive to long-term investors. The fundamentals in the Nordics are strong, the residential market is well-established, and we have actively targeted growth in this region."

Nicole Pötsch, Head of Acquisitions & Sales North & Central Europe at Allianz Real Estate:

"We are excited to launch this partnership with Heimstaden Bostad AB, a leading, best-in-class residential operator, and we look forward to this transaction being the start of a strong venture. We very much appreciate Heimstaden's entrepreneurial approach and tenant-centricity combined with a joint view on ambitious ESG targets that we would like to realize for this portfolio."

CEO at Heimstaden, Patrik Hall:

"We are pleased to partner with Allianz, which is a global and reputable long-term investor with significant experience within the real estate sector. Their substantial investment and long-term commitment show trust and confidence in our platform and operational expertise, and we look forward to building a strong and lasting partnership."

Deputy CEO and Head of ECM at Heimstaden, Magnus Nordholm:

"Allianz shares our evergreen perspective and customer-centric mindset, and this partnership is a testament to our strategy of responsible growth with a scalable operational platform. Allianz is the fourth investor to partner with Heimstaden Bostad in 2021, further strengthening our capital structure and our position as a leading European residential real estate company."

Properties and sustainability

The 99 properties are part of the portfolio recently acquired by Heimstaden Bostad from Akelius with 3,377 homes in Malmö and 5,932 in Stockholm, making the JV one of the largest private residential owners in the Swedish capital. All residential properties have regulated rent with an economic occupancy rate of ~99% and provide stable cash flows and attractive yields on a risk adjusted basis.

The joint venture adopts Heimstaden Bostad's sustainability programme and has committed SEK 1.2 billion towards energy-optimising measures to reduce greenhouse gas emissions in line with the Paris Agreement.

Structure and financing

The transaction will be completed in January 2022. The JV will be funded with equity, including Allianz’ SEK 7.9 billion investment, as well as a debt facility from Heimstaden Bostad.

The shareholders will hold a combination of preference and common shares with different rights to dividends and voting. Heimstaden Bostad will hold a higher ratio of common shares, and the joint venture will be fully consolidated into Heimstaden Bostad.

Joint venture ownership structure

	Capital share, %	Voting share, %
Heimstaden Bostad	43.75	50.15%
Allianz	56.25%	49.85%
Total	100.00%	100.00%

Heimstaden Bostad was advised by PwC and DLA Piper. Allianz Real Estate was also advised by PwC, as well as by CMS, Vinge, and Deloitte.

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About Heimstaden Bostad

Heimstaden Bostad is a leading European residential real estate company that 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 150,000 homes with a property value of SEK 290 billion. Read more at www.heimstadenbostad.com.

This information is such that Heimstaden Bostad AB (publ) is required to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact persons, for publication on 22 December 2021 at 22:30 CET.

About Allianz Real Estate and PIMCO

Allianz Real Estate is a PIMCO Company, comprising Allianz Real Estate GmbH and Allianz Real Estate of America and their subsidiaries and affiliates. It is one of the world's largest real estate investment managers, developing and executing tailored portfolio and investment strategies globally on behalf of a range of global liability driven investors, creating long-term value for clients through direct as well as indirect investments and real estate financing. The operational management of investments and assets is performed out of 18 offices in key gateway cities across 4 regions (West Europe, North & Central Europe, USA and Asia Pacific). For more information, please visit: www.allianz-realestate.com. PIMCO is one of the world's premier fixed income investment managers. With its launch in 1971 in Newport Beach, California, PIMCO introduced investors to a total return approach to fixed income investing. In the nearly 50 years since, the firm continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. PIMCO has offices around the world and 3,000+ professionals committed to delivering superior investment returns, solutions and service to its clients. PIMCO is owned by Allianz SE, a leading global diversified financial services provider.

Source: Allianz Real Estate, data as at 30th September 2021.

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