

PRESS RELEASE

Stockholm, September 27th, 2019

Heimstaden Bostad to receive SEK 3 billion EU financing for the construction of affordable and energy efficient housing

The European Investment Bank (EIB) has signed a SEK 3 billion (approx. EUR 300 million) financing facility agreement with Heimstaden Bostad AB. The Swedish residential company will develop eight residential properties in five cities in Sweden, resulting in about 3,300 new affordable homes to rent. The project is backed by the Juncker Plan's [European Fund for Strategic Investments \(EFSI\)](#).

The investments will support the large-scale construction of affordable housing, thus addressing the severe shortage of residential units in Sweden's main cities. Part of the investments include community services such as a new library, as well as homes dedicated to elderly care. The new affordable housing units will also benefit from high-energy performance standards.

Alexander Stubb, Vice-President of the EIB, commented: *"We must not underestimate the importance of energy-efficient housing in fighting climate change; our homes and office buildings are the biggest emitters of CO₂, bigger even than cars. With the demand for affordable housing continuously on the rise in Sweden, I am glad that the EIB can contribute towards alleviating the issue – and doing so with sustainable housing units."*

European Commission Vice-President **Valdis Dombrovskis**, responsible for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said: *"Providing financial support for the construction of affordable homes underlines the importance of the Juncker Plan's social impact. Heimstaden Bostad will also ensure that these homes highly energy-efficient in line with our climate action objectives, so this is a win-win."*

"As a long term investor, to develop and manage affordable housing with high-energy performance standard is part of our DNA. This project will create value both from a social as well as from an environmental aspect and it is with great pleasure we proceed with this important project in cooperation with the EIB." said **Patrik Hall**, CEO of Heimstaden.

The demand for social infrastructure, including housing, is on the rise in Sweden, not only for demographic reasons, but also because of ongoing urbanisation: Swedish cities are among EU's fastest growing cities. The project supports national and European targets for energy efficiency and contributes to CO₂ emission reduction, thus supporting climate change objectives as well as diversification of energy supply objectives in the EU.

The EIB will provide the SEK 3,000m financing facility on an unsecured basis, available under a period of three years. Each loan will have a tenor of up to ten years, currency in Swedish krona or euros, floating or fixed rate.

Background Information

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. In 2018 alone, the Bank made available a record [EUR 1.37 bln](#) in loans for Swedish projects in various sectors, including research & development, industry, nearly-zero-energy-buildings and telecommunications.

The EIB is the European Union's bank; the only bank owned by and representing the interests of the [European Union Member States](#). It works closely with other [EU institutions](#) to implement EU policy and is the world's largest multilateral [borrower](#) and lender. The EIB provides finance and expertise for sustainable investment projects that contribute to EU policy objectives. More than 90% of its activity is in [Europe](#).

Heimstaden Bostad is a leading real estate company in the Nordics, with focus on acquiring, refining, developing and managing housing premises. Through our values, thoughtfulness, innovation and authenticity, we create values for our owners and caring homes for our tenants. Heimstaden Bostad has about 40,700 apartments and a property value of approximately SEK 86 billion. The head office is located in Malmö, Sweden. For more information, see www.heimstadenbostad.com

This agreement has been made possible thanks to the support of **the European Fund for Strategic Investments (EFSI)**. The EFSI is the pillar of the [Investment Plan for Europe](#), known as the Juncker Plan. Its support increases the EIB Group's capacity to finance investment projects that, in line with the Juncker Plan's criteria, fosters the EU competitiveness and create new jobs. The Juncker Plan focuses on boosting investment to generate jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The EFSI provides first loss guarantees, enabling the EIB to invest in more projects that often come with greater risks. The [projects and agreements](#) approved for financing under EFSI are expected to mobilize EUR 433.2 billion in investments, including EUR 13.4 billion in Sweden. The Plan is currently supporting 972,000 SMEs in the 28 Member States. More information on the results of the Investment Plan for Europe is available [here](#).

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