



Press Release

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Arion Bank: Blikastaðaland ehf. and Mosfellsbær sign partnership agreement on development of land at Blikastaðir

Blikastaðaland ehf, a company owned by Arion Bank hf. and managed by Stefnir hf., have today signed a partnership agreement with the municipality of Mosfellsbær on the development of land at Blikastaðir in Mosfellsbær. The agreement is an important milestone in a long process of planning and development in this area and it stipulates that Blikastaðaland ehf. will participate in the cost of developing infrastructure by making direct financial contributions and by handing over certain assets.

The land at Blikastaðir is the largest undeveloped plot of land in the Reykjavík area. The total planning area covers approximately 90 hectares, and the total area to be developed into a residential area is approximately 80 hectares. The area is on the municipal boundaries of the city of Reykjavík and is bound by the Mosfellsbær Golf Course to the north, the roads Korpúlfsstaðavegur and Vesturlandsvegur to the south, the current built-up area of Mosfellsbær to the east and the river Úlfarsá to the west.

The key points from the agreement include:

- a. A total of 3,500 to 3,700 new residential properties in a mixture of single family houses and apartment buildings, plus 150 apartments for residents aged 55 and over. Approximately 20% of the number of properties are expected to be single family houses. Commercial property is planned to be 66,000m² but this may be reduced in order to accommodate apartments designed for people aged 55 and over. It is planned to build schools and sports facilities in the area.
- b. Blikastaðaland ehf. is paying the municipality of Mosfellsbær ISK 6 billion for construction rights which will be spread out proportionally over the total number of residential units in the area when the building licence for each phase is issued. The company will also contribute ISK 1 billion to Mosfellsbær for the development of sports facilities in the area, a sum which will be spread out over the construction period.
- c. Blikastaðaland ehf. will hand over to the municipality of Mosfellsbær 40 building lots for single family houses under an arrangement set out in more detail in the agreement. The company will furthermore hand over 80% of the selling price of certain lots for commercial property and 60% of the selling price of lots for apartments for residents aged 55 and over to Mosfellsbær. In other respects, construction rights and attached building lot rights will belong to Blikastaðaland ehf.



- d. Blikastaðaland ehf. will carry out the renovation, as far as is possible, of older buildings at Blikastaðir 1 for the benefit of residents of the area and Mosfellsbær.
- e. Mosfellsbær will acquire the entire area of land free of charge as the development of the area progresses, including basic ownership rights of all lots.
- f. Blikastaðaland ehf. will be responsible for the construction of roads, open areas, playgrounds, streetlighting, sanitation and water supply systems in collaboration with Mosfellsbær. The company may at its own discretion waive this obligation and in such case will pay a street construction fee to Mosfellsbær in accordance with terms set out in more detail in the agreement.

The book value of the land at Blikastaðir on the balance sheet of Arion Bank was ISK 5.1 billion on 31 March 2022 and this figure will remain unchanged until more information on the progress of the planning phase and the construction timeline is forthcoming. It is hoped that the general zoning plan will be completed in 2022 and the secondary land use plan for the first phase of development in the next two years.

There is a considerable need for residential property at the moment and it is therefore desirable to use this attractive area of land as soon as possible. All parts of the design process will take into account the UN Sustainable Development Goals, and every effort will be made to create a high quality, environmentally friendly and people friendly living environment. The project is closely aligned with Arion Bank and Stefnir's goals on responsible investments which have a positive impact on the environment and society.

For any further information please contact:

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Attachments

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