Company	Arco Vara AS
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Title   Arco Vara starts the construction of two new development projects

Subsidiaries of Arco Vara AS have signed construction and financing contracts for two new residential development projects.

In Tallinn, Kodulahe OÜ has started the development of the III stage building of the Kodulahe quarter at Soodi 4 in Merimetsa district. The building will have 50 1-5-room apartments with a total GSA of 3400 m2. The building was designed by KAMP Arhitektid OÜ, is constructed by RAMM Ehituse OÜ and is financed by Coop Pank AS. The building will be ready in early 2021 and the expected net revenue of the project is nearly 8 mln euros.

In Tartu, Kodukalda OÜ has started the Kodukalda development project, which consists of four buildings at Oa street in Supilinna district. 30 apartments with a total GSA of nearly 2000 m2 will be built by the end of 2020. The buildings were designed by Agabus Arhitektid OÜ, are constructed by Tesron Ehituse OÜ and are financed by Bigbank AS. The expected net revenue of the project exceeds 4 mln euros.

The CEO of Arco Vara, Tarmo Sild comments: ?We go along with market demand. Pre-bookings in Estonia are sufficient for commencing simultaneously two developments in Tallinn and in Tartu. Both projects suit us well, as they represent us in the market segment where the prospective buyers put main emphasis on the quality and on the whole living environments that we create. Those developments are also the foundation for our sale results and profit expectations at end of 2020 and during 2021. While the profit margins in Estonia have decreased, we consider those sufficient to justify the risks taken.

Speaking of general financing perspectives in the real estate development sector, it is a pleasure to see new Estonian banks acting on the market. Arco Vara has not had any cooperation with Coop Bank and Bigbank before."