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Fabege signs an agreement with Bilia and begins the development of Haga Norra

The new agreement with Bilia means that Fabege can now begin with the development of the Haga Norra district, featuring 900 apartments and 70,000 sqm of commercial space that have already been planned. Bilia, which has been present in the area since 1968, will remain, but now with completely new and modern full service facilities.

- "We are very pleased with the solution we have identified together with Bilia, as a result of which they will remain in a location that has become increasingly attractive over the years as a result of the proximity to Arenastaden, Hagaparken and the expanded public transport options at Solna station, as well as now being in a brand new and vibrant city district with both residential and commercial properties," says Klaus Hansen Vikström, Vice President at Fabege.

The planned development of Haga Norra is ambitious and includes six residential blocks and two office buildings, with a wide selection of service and retail outlets on the ground floors. Fabege does not intend to develop the properties itself but will join forces with property developers that want to help create an attractive neighbourhood in this urban area.

The green rental agreement with Bilia lasts 20 years and has an annual rent of SEK 57m. Fabege's investment is estimated to approximately SEK 1.1bn including an evacuation- and investment contribution to Bilia. The new full service facilities are expected to be ready in 2020 and will mean that Bilia leaves its office at Fabege on Dalvägen in Arenastaden. The total net lease effect will amount to SEK 30m.

When the building rights now are released for sale and exploitation, Fabege will evaluate the building right on the property. The combined effect amounts to about SEK 700m and will be reported as an unrealized change in value in the third quarter.

Fabege AB (publ)

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See also: www.haganorra.se

This information is of the type that Fabege AB is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted, through the provision of the above-mentioned contact person, for publication on 29 September 2017, at 4 pm CET.

Fabege is a property company that focuses on urban development and commercial properties. We work with strategic partners to develop attractive and sustainable city districts with modern offices, residential units and a wide range of services. We adopt a long-term perspective and approach to ownership, and we are passionate about creating the right conditions for everyone who lives, works and spends time in our areas. We are present in a select number of fast-growing sub-markets in the Stockholm area. The Fabege share is listed on Nasdaq Stockholm, in the Large Cap segment. For additional information, please see www.fabege.se