

Press release

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NCC and Platzer agree on major transaction in Gårdå and Mölndal

Today, NCC and Platzer have signed agreements for a transaction whereby they will jointly develop a project in Gårdå and are intending to implement a property deal in central Mölndal.

NCC and Platzer have today signed an agreement to jointly develop Platzer's property on Drakegatan in Gårdå (Gårdå 16:17, which includes the "Canon building") through a jointly owned company. Currently, the project comprises an existing building of approximately 16,000 square meters and additional development rights for about 30,000 square meters of office space in an attractive location near the "Ullevimotet" junction.

The building will form a distinct entrance to the area with a 25-storey office building that will be joined to the existing building.

The transaction in Gårdå will be carried out in the form of a company transaction where the parties have today agreed that NCC will acquire 50 percent of the property-owning company from Platzer when the detailed development plan gains legal force at an underlying property value of approximately SEK 300 million as well as a supplementary purchase consideration of about SEK 45 million upon completion.

The parties also agreed that Platzer will repurchase NCC's 50-percent share when the property is completed. Construction is scheduled to start in the first quarter of 2018 with completion estimated for the fourth quarter of 2020. The transaction requires that the detailed development plan gains legal force.

"This transaction is a good example of how we want to increase the pace of our project development and together with Platzer we will manage and develop an attractive project in Gårdå. I am also delighted that Platzer has the ambition to be a long-term property owner in central Mölndal, where we will remain an active urban developer," says Carola Lavén, Business Area Manager, NCC Property Development.

The transaction also entails that Platzer is planning to acquire future NCC's projects in central Mölndal. NCC has a prior agreement with Mölndal Municipality to acquire two central properties with estimated additional development rights for about 30,000 square meters near the new galleria and SCA's offices. Work on the detailed development plan has begun and is scheduled to be complete in 2018. According to the agreement signed by the parties today, Platzer has an option to acquire the properties upon completion.

“We look forward to working together with NCC on the development of a new skyscraper in Gårdå. The agreement and partnership enable us to achieve many goals within the scope of one transaction. We can accelerate our project development activities and can offer newly constructed premises to tenants in an area where demand is high. Meanwhile, we can offer our existing tenants even better conditions in the form of a more attractive entrance, enhanced service offering and expansion opportunities. Furthermore, it allows us to take the step into Mölndal city center, which represents a prioritized growth area for us and where our aim is to be a long-term property owner,” says P-G Persson, President of Platzer Fastigheter.

Construction of NCC’s project in central Mölndal is expected to commence in the fourth quarter of 2018 and be completed in stages in 2021-2023.

NCC’s objective is to minimize its environmental impact and add value for customers and society. With environmentally certified buildings, attractive workplaces and inclusive urban environments, the development of Gårdå and Mölndal will play an important role in achieving the long-term ambition of having a positive net effect on the environment.

The project is being carried out by the NCC Property Development business area.

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This is the type of information that NCC could be obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on June 20, 2017, at 13 p.m. CET.

About NCC. Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in construction, infrastructure and property development in the Nordic region, with sales of SEK 53 billion and 17,000 employees in 2016. The NCC share is listed on Nasdaq Stockholm.