

DETERMINATION OF MERGER NOTIFICATION - M/22/038 – GLENVEAGH / HARMONY TIMBER AND GMP

Section 21 of the Competition Act 2002

Proposed acquisition by Glenveagh Properties plc, of the entire issued share capital and, thus, sole control of Harmony Timber Solutions Limited and GMP Developments Limited.

Dated: 22 August 2022

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1. On 3 August 2022 in accordance with s18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of the proposed acquisition whereby Glenveagh Properties plc, via Glenveagh Contracting Limited (“Glenveagh”) would acquire the entire issued share capital and, thus, sole control of Harmony Timber Solutions Limited (“Harmony”) and GMP Developments Limited (“GMP”) (the “Proposed Transaction”).¹
 2. The business activities of the undertakings involved are:

Glenveagh:

- Glenveagh is registered and headquartered in Ireland and is listed on Euronext Dublin and the London Stock Exchange. Glenveagh is active in the development and supply of residential property which it delivers across three business segments, namely, Suburban, Urban and Partnerships.
- The Suburban segment consists primarily of the development of housing with some low-rise apartments with demand coming from private buyers, approved housing bodies, the State and institutions. The Urban segment consists of the development of apartments to be delivered primarily to institutions. In relation to the Urban segment, Glenveagh is primarily focused on the Greater Dublin Area (“GDA”) and Cork but also on sites adjacent to some significant rail transportation hubs. The Partnerships segment typically involve

¹ The parties have confirmed that the proposed acquisition of Harmony and GMP are being acquired simultaneously as part of the one transaction in accordance with the terms of the SPA.

Glenveagh partnering with the Government, local authorities or state agencies who contribute land into a development agreement with Glenveagh.

- Glenveagh has invested in a timber frame production and manufacturing facility in Dundalk, Co. Louth. Glenveagh does not operate the facilities itself and has leased it to one of its existing timber-frame suppliers, Keenan Timber Frame Limited (“KTF”). [...]

Harmony:

- Harmony is based in County Wicklow. Harmony supplies structural timber products, which consist of timber frame units, roof trusses and open metal web joists (also referred to as posi-joists), to the construction industry, that is to developers, self-builders and specialist builders for building or development projects. Harmony is not active in the supply of non-structural timber products.

GMP:

- GMP was incorporated in the State in March 2021. GMP owns an undeveloped site that adjoins Harmony Timber Solutions Limited’s property. GMP has no other activities in the State.

3. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since: (i) Glenveagh is not active in the same product or geographic markets as Harmony; and, (ii) Harmony is active in markets which are potentially upstream to markets in which Glenveagh is active, but both Harmony and Glenveagh estimated shares of supply in each market is less than 25%.

4. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

5. In the notification form the parties notified Clauses 9.1.1 to 9.1.5 of the SPA as containing ancillary restraints. Clauses 9.1.1 to 9.1.5 of the SPA contains non-compete and non-

solicitation obligations on the seller. The duration, [...],² of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission,[...].³ The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction as far as they relate to the State.

Determination

6. The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisitions whereby Glenveagh Properties plc, via Glenveagh Contracting Limited, would acquire the entire issued share capital and, thus, sole control of Harmony Timber Solutions Limited and GMP Developments Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah
Director
Competition Enforcement and Mergers

²[...]

³ In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)