

Press release

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NCC sells its first office project in Järva Krog for just over SEK 1.5 billion

NCC is selling its first office project, K12, in Järva Krog to Fastpartner AB for just over SEK 1.5 billion. NCC has its new head office in the property.

Transfer and receipt of the purchase consideration is expected to take place in the first quarter of 2020, yielding a positive earnings effect in the NCC Property Development business area.

Because NCC is the principal tenant of the property, approximately 40 percent of the result from the sale will be eliminated at Group level in compliance with IFRS 16. This will subsequently be recognized in income over the ten-year duration of the lease.

The leasing rate for K12 is 92 percent. NCC is pledging rental guarantees for 24 months as of the date of transfer, as well as guarantees for parking income for a period of one year following full completion of the adjacent parking facilities.

The transaction will be implemented in the form of a company divestment in the NCC Property Development business area. It is based on a property value of SEK 1,540 million after deductions for deferred tax.

“We are now selling K12, the first of a total of three office projects we are developing in the Järva Krog city district of Stockholm. In addition to the office building with 1,800 workplaces, the city district will also encompass 450 housing units, services, retail and a preschool,” says Joachim Holmberg, Business Area Manager for NCC Property Development.

The K12 office project encompasses approximately 19,800 square meters. NCC’s new head office covers nearly 17,000 square meters. In September of this year, the US multinational firm 3M signed a lease for its Stockholm office in K12.

“Fastpartner is acquiring a company of the highest quality and is thereby strengthening its position as a property owner in Solna. We are looking forward to good cooperation with NCC and the other tenants and to playing a part of the further development of the district,” says Sven-Olof Johansson, CEO of Fastpartner.

The office building has been adapted for a modern, activity-based work method and has been environmentally certified under the international BREEAM system with a rating of Excellent.

Järva Krog Kvartersstad consists of three new districts. The three office buildings – K11, K12 and K21 – encompass a total of 43,000 square meters of offices with space for 1,800 workplaces, services, retail and a preschool. The district will also include 450 housing units. Currently, NCC is building 94 of these units for the housing developer Aros.

NCC’s objective is to minimize the environmental impact and add value for customers and society with environmentally certified buildings, attractive workplaces and inclusive urban environments.

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This is the type of information that NCC AB is 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 November 25, 2019 at 16:30 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 the Nordics within construction, infrastructure and property development, with sales of over SEK 57 billion and 16,300 employees in 2018. The NCC share is listed on Nasdaq Stockholm.