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NCC sells Frösunda Front office property for SEK 640 million

NCC Property Development has today sold the Frösunda Front office property in Stockholm Solna. The sales price of SEK 640 million will have a favorable impact on the NCC Group's earnings in the second quarter of 2004. The purchaser is a German real estate fund that wishes to remain anonymous for the time being.

Frösunda Front is a property-development project located in Solna, just outside the City of Stockholm. The property, whose registered name is Hilton 3, consists of three buildings with a total of approximately 18,000 square meters of office space.

"Frösunda Front has been fully leased since a month ago. Frösunda is attractive from the viewpoint of both tenants and investors. Despite the sluggish economic climate, both of these categories have shown a considerable interest and the rent levels are highly favorable," says Mats Wäppling, President of NCC Property Development.

NCC Property Development developed Frösunda Front from the purchase of land via concept development and project planning to construction and leasing. NCC Construction Sweden was responsible for construction of the property.

The price corresponds to a property yield of approximately 6.8 percent. The property yield corresponds to the net operating income on the property divided by the selling price. The purchaser will take over the property during the third quarter of 2004.

The purchase of Frösunda Front constitutes the German real estate fund's first property acquisition in Sweden. In 2003, non-Swedish investors purchased three fourths of all the commercial properties sold in Sweden.

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NCC is one of the leading construction and property development companies in the Nordic region. NCC had in 2003 sales of SEK 45 billion, with 24,000 employees.

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