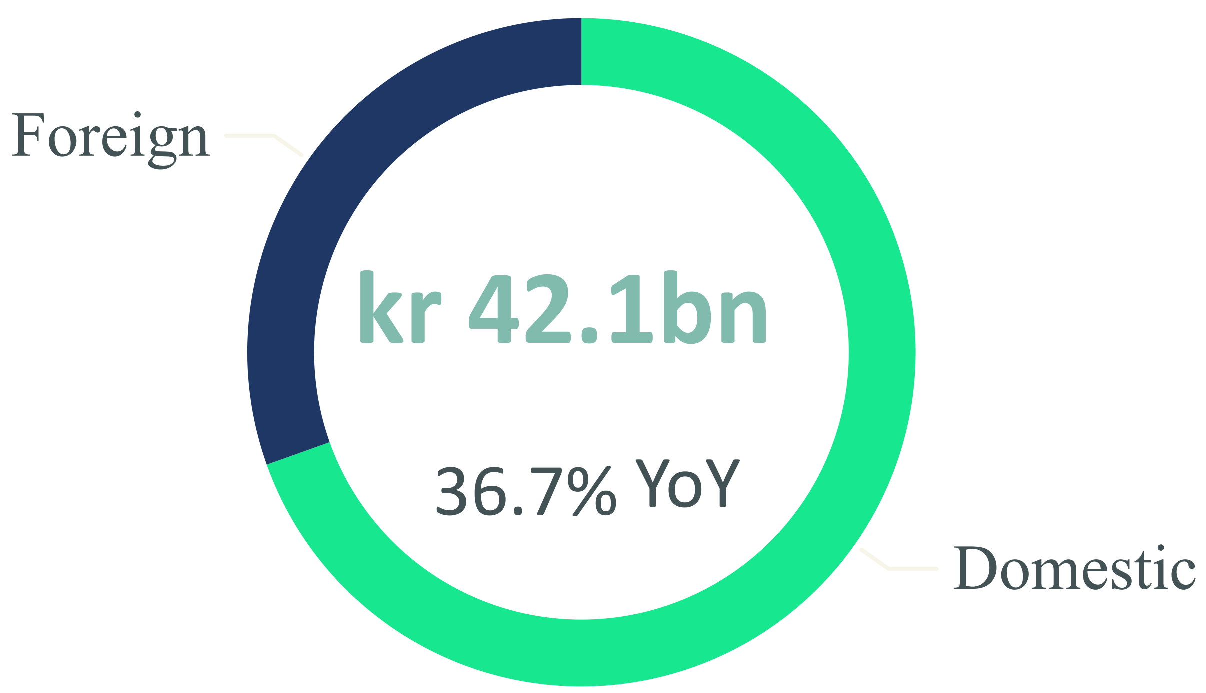
CBRE

Norway Investment Figures Q2 2024



YTD Volume

kr 42.1bn

Year-1: kr 28.6bn

No. Transactions

110

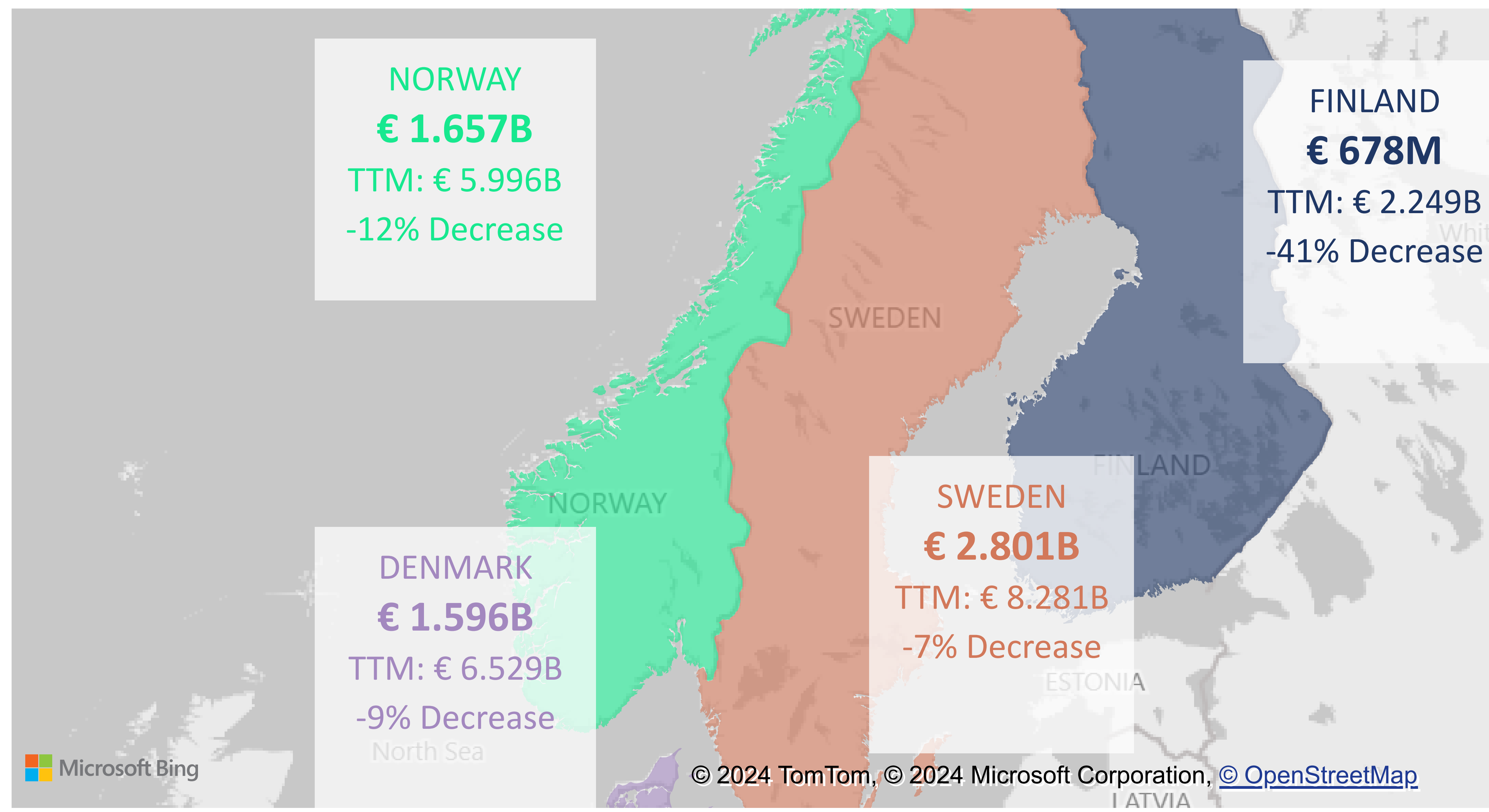
Year-1: 138

The positive trend in the Norwegian commercial real estate (CRE) investment market continued in the second quarter with several notable deals. Total investment volume in the first half of 2024 is estimated at NOK 42.1 billion, an increase of 47.4 percent YoY. CBRE's latest European Lender Intentions Survey underscores this positive outlook, with two-thirds of lenders signaling an intent to increase their activity, which bodes well for future investment momentum.

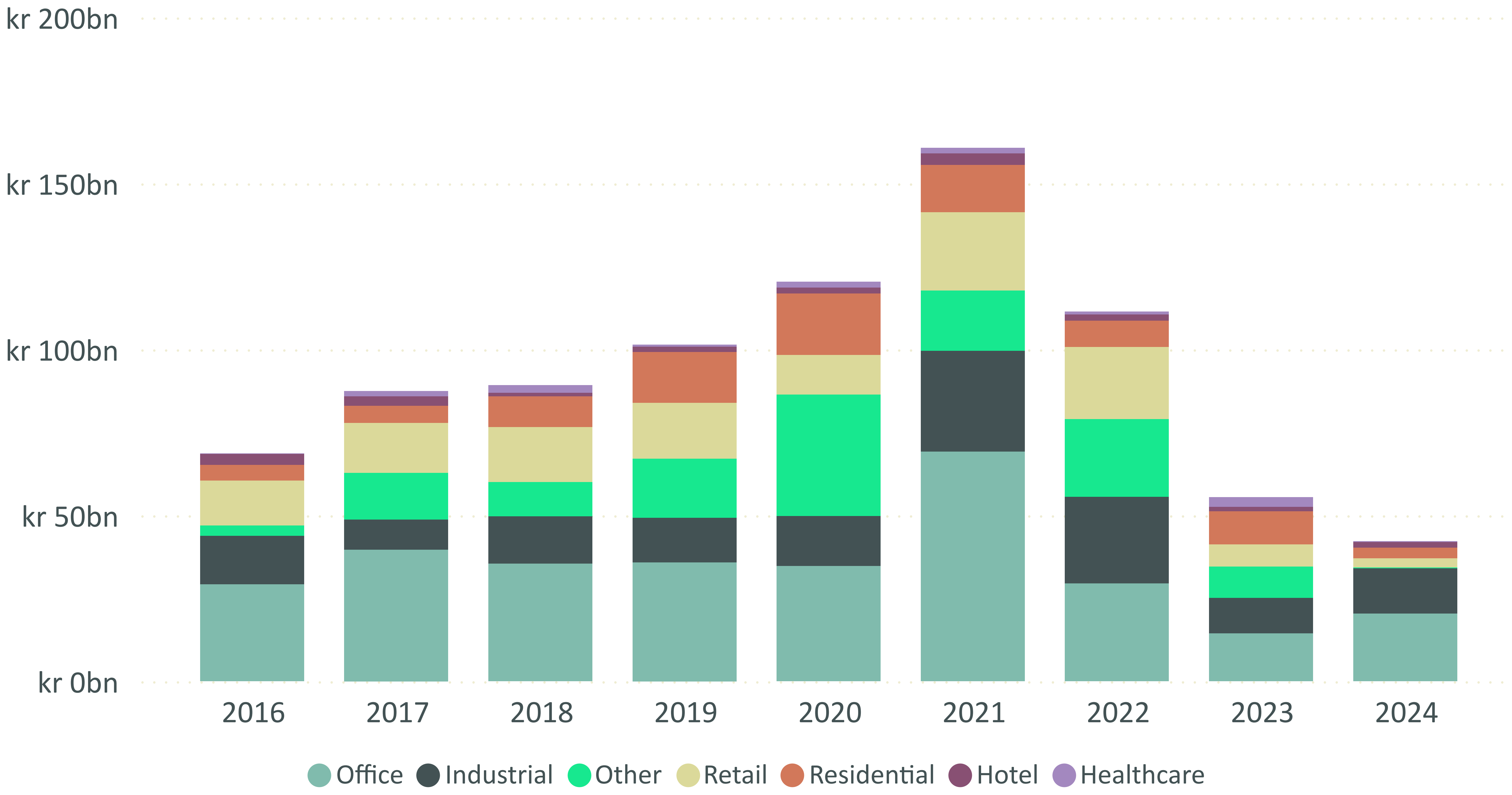
The market has primarily been driven by Office and Industrial & Logistics (I&L) deals, accounting for a combined volume of NOK 34.1 billion, constituting approximately 80 percent of the total investment volume this year. Notable transactions in the second quarter included the merger of KMC Properties & Logistea, incorporating Norwegian properties exceeding 200,000 sqm. Other noteworthy deals include Storebrand's procurement of its own office premises at Professor Kohts vei 9 for approx. NOK 1.7 billion, and Public Property's acquisition of 13 properties from SBB, valued at NOK 1.64 billion.

		QoQ change	YoY YTD change
OTHER	0.1bn YTD: kr 0.3bn	▼	-87.9%
OFFICE	7.0bn YTD: kr 20.4bn	▼	170.5%
RETAIL	1.4bn YTD: kr 2.7bn	▲	17.1%
INDUSTRIAL	7.5bn YTD: kr 13.6bn	▲	87.8%
RESIDENTIAL	2.5bn YTD: kr 3.2bn	▲	-60.4%
HEALTHCARE	(Blank) YTD: kr 0.2bn	▼	92.7%
HOTELS	0.7bn YTD: kr 1.7bn	▼	104.0%

Investment Volumes in the Nordics



Annual Investment Volumes by Sector



The Consumer Price Index (CPI) inflation has persistently surprised on the downside this year, as CPI inflation in June was registered at 2.6 percent, marking a three-year low. We currently anticipate an annual average of 3.6 percent for 2024, albeit with Te The periodic volatility. In its most recent meeting in June, Norges Bank indicated a steady policy rate for the year. The Norwegian Krone (NOK) appreciated from May until the end of Q2, but experienced a significant depreciation in early July, posing a challenge for Norway's central bank. The unemployment rate has been on a slow but steady increase, recording 4.1 percent in May, the highest since late 2021, albeit historically low.

Gross Domestic Product (GDP) growth has been relatively restrained at the outset of the year, with a modest 0.2 percent recorded in the first quarter. Significant sectoral discrepancies persist within Norges Bank's regional network; activity in oil services remains robust, while the construction sector is facing challenges. The service sector reports an uptick in household demand and maintains a positive outlook buoyed by substantial wage growth. Concurrent with the weakened NOK, long swap rates have decreased by approximately 20 basis points in early July, reducing the 10-year swap rate to roughly 3.70 percent as of mid-July.

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