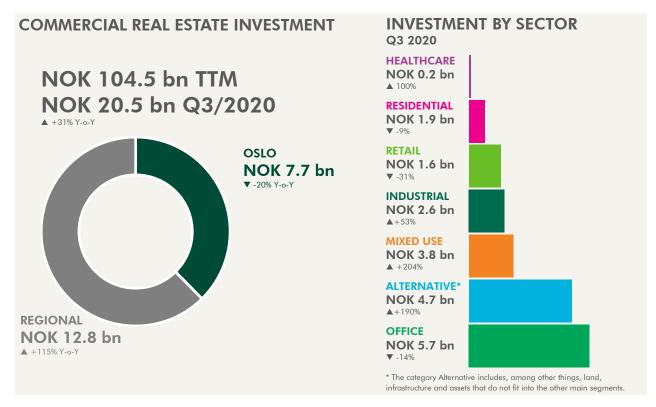


INVESTMENT MARKET OVERVIEW

A SURPRISINGLY STRONG QUARTER

Norway CRE investment volumes increased 31% in Q3 2020 vs Q3 2019, in a clear sign of the market starting to recover from the slump that began in late Q1. However, it is worth noting that portfolio and M&A-type transactions continue to be a signaficant part of the total investment volumes in Norway.

After moving out due to weak investor sentiment and fear, office prime yield is falling 40 bps QoQ to 3.40%, an all-time low, while logistics prime yield compressed 25 bps to 4.50%. Despite increasing financing margins, plummeting interest rates has allowed yields for the best properties to fall. Going forward, we expect logistics yields to continue compressing, and there also might be some room for compression for office yields too.



PRIME YIELDS AND SELECTED TRANSACTIONS

PROPERTY/ PORTFOLIO	ТҮРЕ	BUYER	SELLER	ESTIMATED PROPERTY VALUE
Portfolio of 138 Læringsverkstedet kindergarten	Education	Samhällsbyggnadsbolaget i Norden (SBB)	Læringsverkstedet	NOK 4.3 bn
Acquisition of 50% of Anthon B Nilsen Eiendom AS	Mixed use	Fastighets AB Balder	Anthonstiftelsen	NOK 3.0 bn
Tjuvholmen Allé 1-5, Oslo	Office	Vika Project Finance	Eiendomsspar AS	NOK 1.9 bn
Hieronymus Heyerdahls gate 1, Oslo	Office	Ferd	CBRE Global Investors	Undisclosed
Tungasletta 2, 8, 10, 12, Trondheim	Development land	Clarkson Platou syndicate	Lerka Eiendom, Trondheim Næringseiendom & private investors	NOK 1.0 bn
Gudbrandsdalsvegen 186, Lillehammer	Office	Njord Securities syndicate	Clarksons Platou syndicate	NOK 0.9 bn
Svelleveien 33, 2004 Lillestrøm & Engeneveien 7, Sætre	Industrial	Ragde Eiendom	Aspelin Ramm Gruppen	NOK 0.7 bn
Toveien 41, Vestby	Distribution Centre	Pareto fund	Anthon B Nilsen Eiendom	NOK 0.6 bn

PRIME YIELDS

OFFICE – OSLO

3.40 %

▼ -40 bps

OFFICE – MAJOR PROVINCIAL

4.25 %

▼ -10 bps

RETAIL – HIGH STREET

4.00 %

Unchanged

RETAIL – SHOPPING CENTRES

4.90 %

Unchanged

INDUSTRIAL – LOGISTICS

4.50 %

▼ -25 bps

INDUSTRIAL – MANUFACTURING

6.25 %

Unchanged

HOTELS – LEASE

4.75 %

Unchanged

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