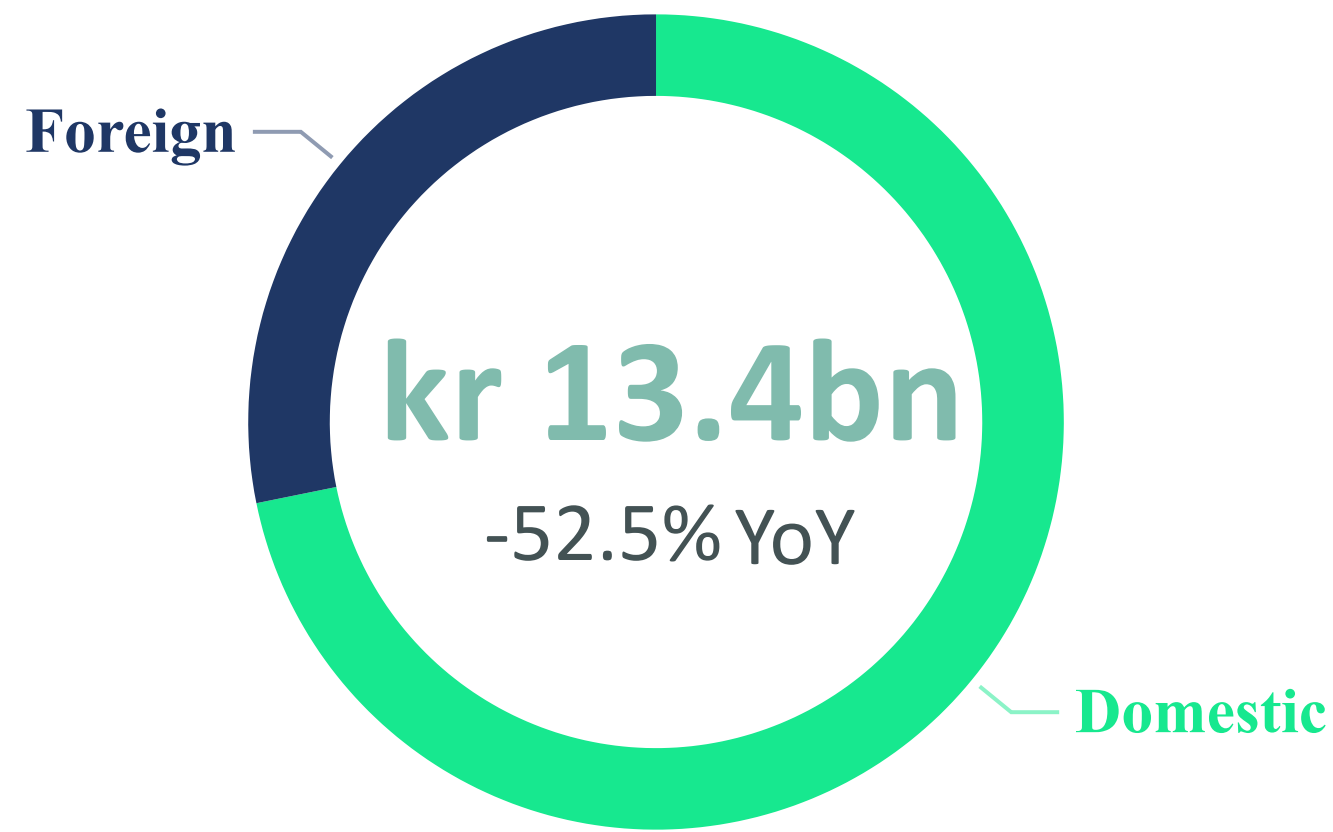


Norway Real Estate Investment Volumes Q2 2023



YTD Volume
kr 26.9bn
Year-1: kr 67.4bn

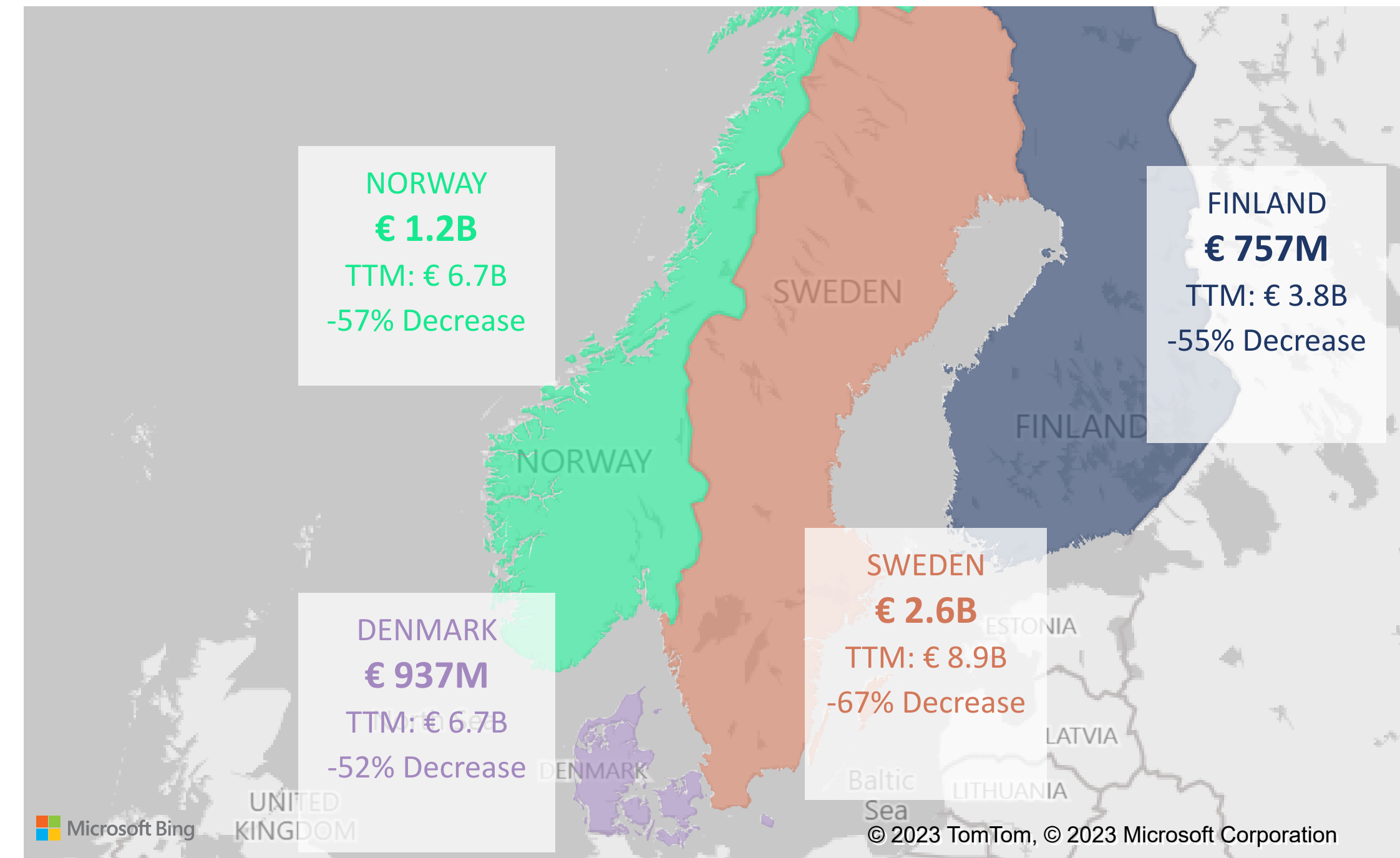
No. Transactions
134
Year-1: 318

Investment volumes in the Norwegian commercial real estate (CRE) market have declined from the exceptional levels seen in the last few years, but there is still a fair amount of trading activity in the market. Total investments of NOK 13.4 billion in Q2 2023 were comparable to Q1, but down 52.5 percent YoY. Investment volumes in the year's first half reached NOK 26.9 billion, down 60.0 percent YoY.

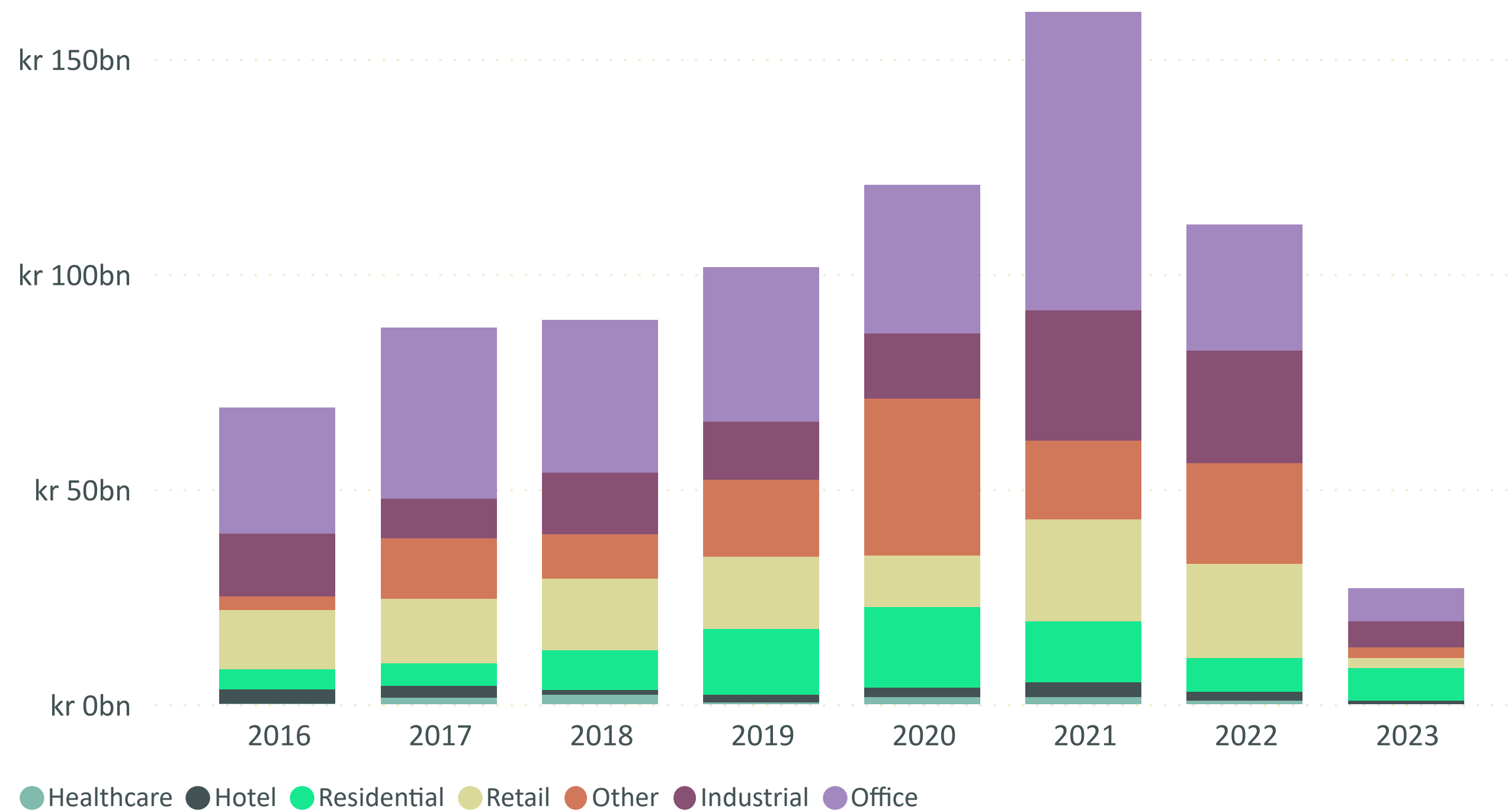
Industrial & Logistics (I&L), Office, and Residential accounted for about 80 percent of the total volume in H1. Residential investments have doubled from 2022, totaling NOK 7.6 billion, while Office and I&L investments decreased by 56 percent and 70 percent to NOK 7.6 billion and NOK 6.2 billion, respectively. The most notable transactions in Q2 were Union's acquisition of Bonava, NREP's acquisition of Akersgata 51 & Tordenskiolds gate 6, and AXA's purchase of two logistics properties in Moss, all at approx. NOK 1.5 billion.

			QoQ change	YoY YTD change
OTHER		1.7bn YTD: kr 2.5bn	▲	-56.5%
OFFICE		3.7bn YTD: kr 7.6bn	▼	-53.2%
RETAIL		0.8bn YTD: kr 2.2bn	▼	-86.3%
INDUSTRIAL		3.9bn YTD: kr 6.2bn	▲	-21.7%
RESIDENTIAL		3.2bn YTD: kr 7.6bn	▼	73.5%
HEALTHCARE		(Blank) YTD: kr 63.8M	▼	N/A
HOTELS		224.5M YTD: kr 776.1M	▼	-81.7%

Investment Volumes in Nordics Region



FIGURES | INVESTMENT | Q2 2023



Consumer price inflation (CPI) has continued to exceed expectations, remaining at an elevated level of 6.4% in June. In response, Norges Bank raised the Key Policy Rate (KPR) by 75 bps in Q2 2023, to its current level of 3.75%. The Norwegian krone (NOK) depreciation also contributed to the decision to raise KPR.

We expect CPI inflation to average 5.8 % in 2023, gradually decreasing toward the end of the year. The 5-year NOK swap rate has continued to rise in Q2, reaching levels above 4.2%. This has put upward pressure on financing costs and yield levels. The current macroeconomic climate has left investors cautious, and the price expectation gap between buyers and sellers remains wide. Yield levels are still softening with prime office yield now at 4.20% and we expect further softening in the coming quarters.

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