

Norway Investment Figures Q2 2024



YTD Volume
kr 42.1bn
Year-1: kr 28.6bn

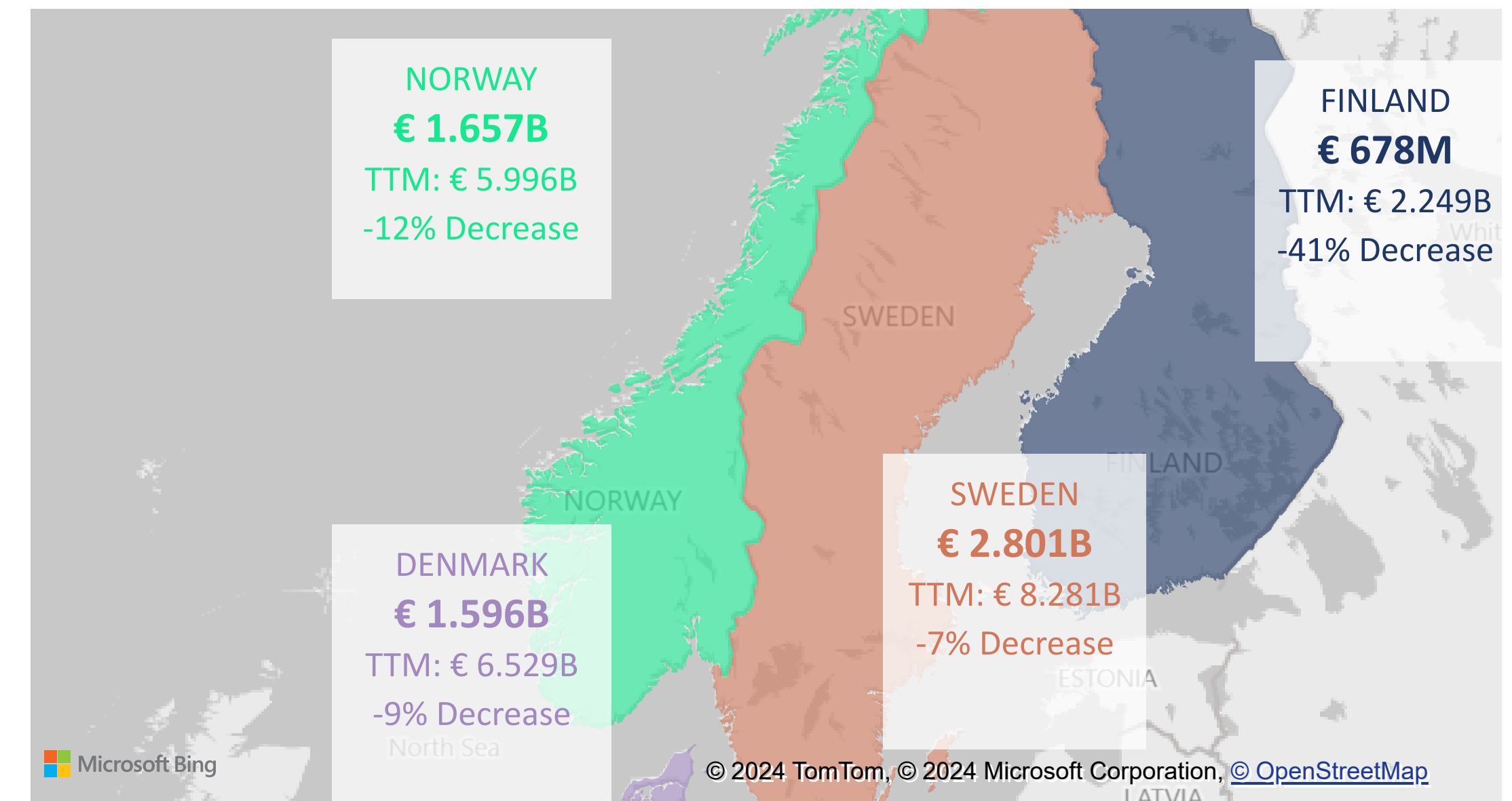
No. Transactions
110
Year-1: 138

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.

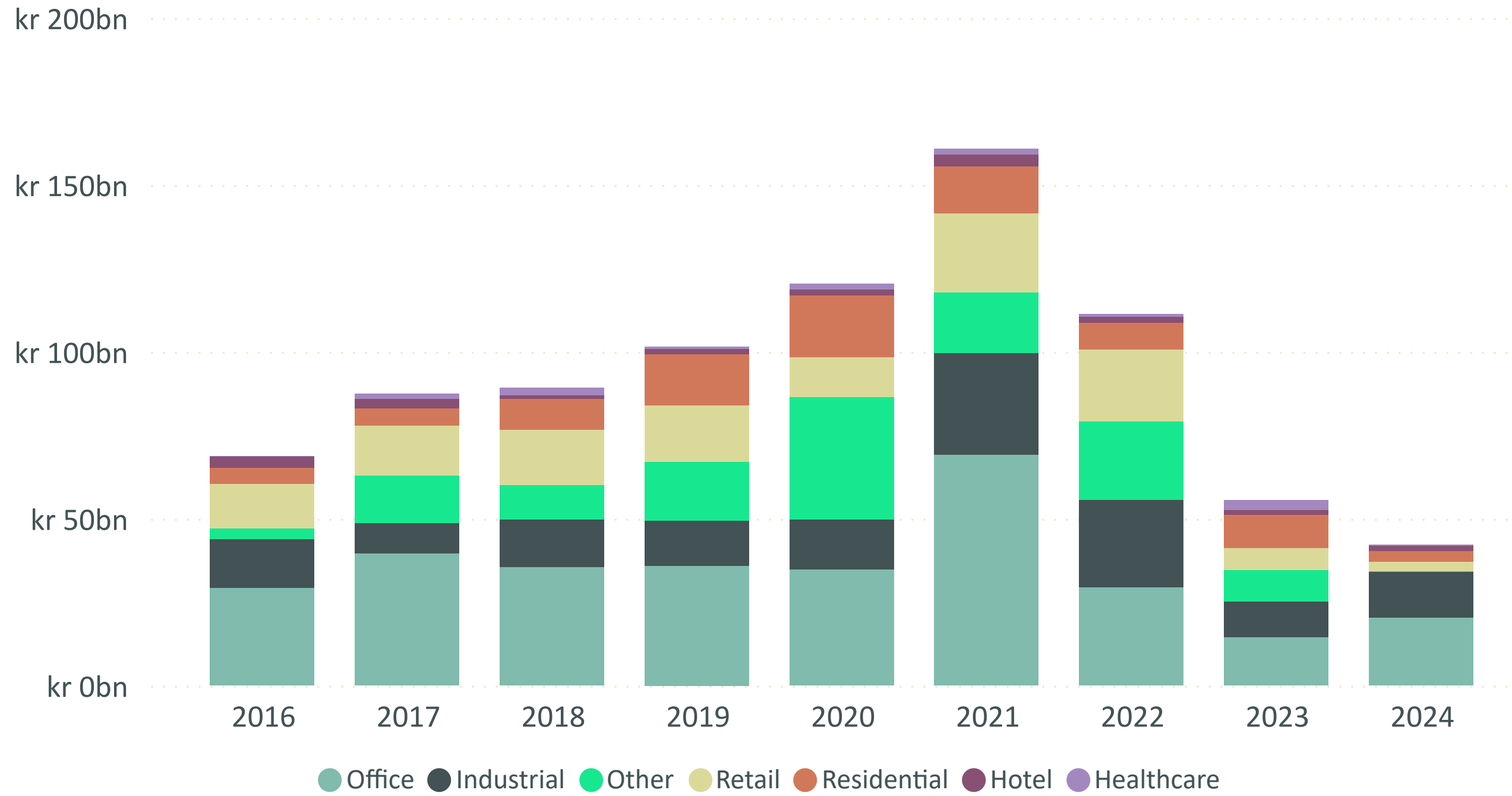
The market has primarily been driven by Office and Industrial & Logistics (I&L) deals, accounting for a combined volume of NOK 34.1 billion, constituting approximately 80 percent of the total investment volume this year. Notable transactions in the second quarter included the merger of KMC Properties & 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 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.

Lars Haugen

Senior Analyst,
Research Norway
+47 473 76 525
lars.haugen@cbre.com

Jussi Niemisto

Head of Research,
Finland & Nordics
+358 405375760
jussi.niemisto@cbre.com

Md Mohaiminul Islam Emon

Research & Data Analyst,
Data Intelligence Norway
+47 462 46 932
mdmohaiminulislam.emon@cbre.com

© 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.