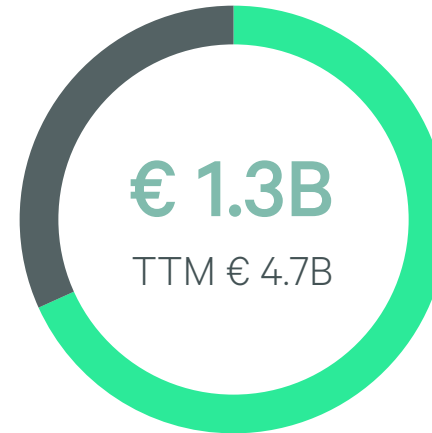


# Norway Real Estate Investment Volumes Q4 2023

The stability of the Norwegian commercial real estate (CRE) investment market remained consistent throughout 2023, with a quarterly investment volume fluctuating between NOK 10-15 billion. However, the total investment for Q4 experienced a 53 percent YoY decline, settling at NOK 14.7 billion. Overall, the cumulative investment for 2023 decreased by 51.7 percent compared to 2022, amounting to NOK 53.9 billion.

The fourth quarter saw the Alternative (NOK 5.0 bn) and Office (NOK 5.0 bn) sectors emerging as the largest contributors, accounting for over two-thirds of the total volume. Throughout the year, the Office sector led with NOK 14.5 bn, followed by the Residential sector (NOK 10.0 bn) and the Industrial & Logistics sector (NOK 9.2 bn). Retail assets experienced the largest drop of any sector, more than 70 percent from the previous year, aggregating to NOK 6.5 billion. Key transactions in the fourth quarter included Nuveen's purchase of Self Storage Group, NPRO's acquisition of Telegrafren in Oslo for NOK 1.6 billion from an Arctic Securities syndicate, and Entra's sale of Cort Adlers Gate 30 for close to NOK 1.0 billion to Endre Glastad.

Foreign  
Capital



Domestic  
Capital

**-58%**

Y-on-Y Change Q4

**-57%**

Y-on-Y Change TTM

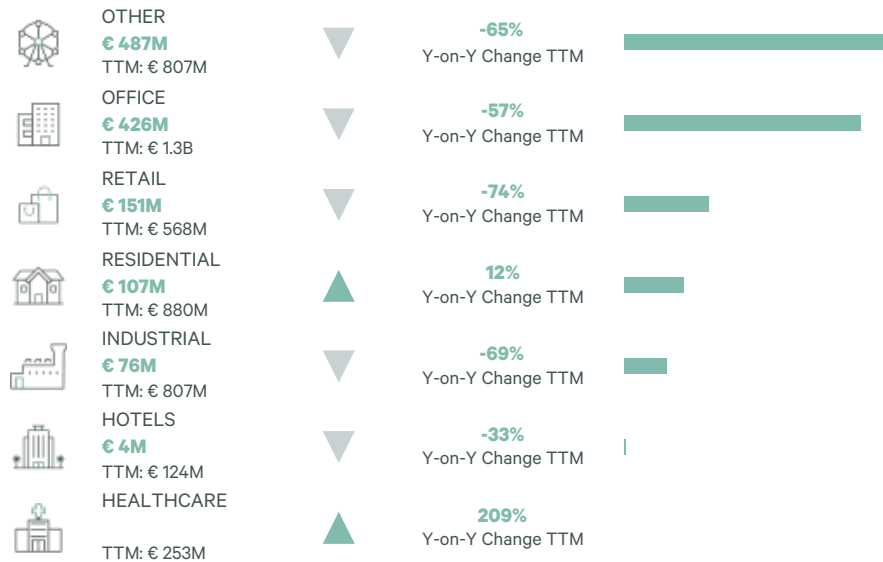
Nr. of Transactions

**50**

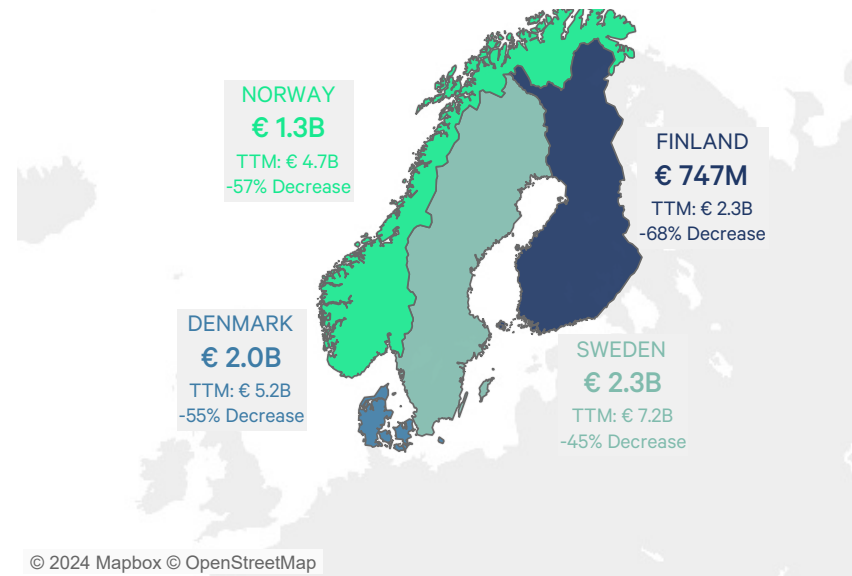
233 TTM

Y-on-Y: Year on Year  
TTM: Trailing Twelve Months

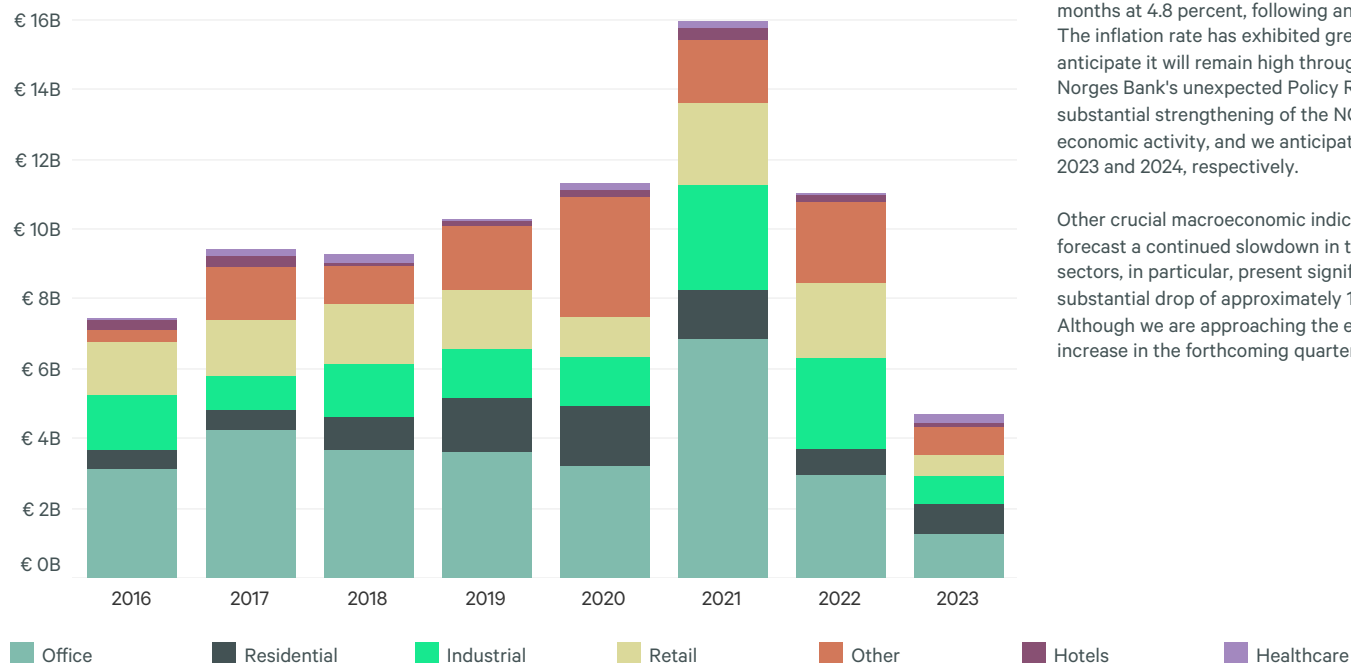
## Investment Volumes by Sector (Norway)



## Investment Volumes in Nordics region



### Investment Volumes Annual by Sector (Norway)



Note: 2023 annual numbers account till 31.12.2023

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The Consumer Price Index (CPI) inflation concluded the year with two successive months at 4.8 percent, following an unanticipated drop to 3.3 percent at the end of Q3. The inflation rate has exhibited greater persistence than initially forecasted, and we anticipate it will remain high throughout 2024 as well, averaging around 4 percent. Norges Bank's unexpected Policy Rate hike in December to 4.50 percent led to a substantial strengthening of the NOK. This stringent monetary policy has tempered economic activity, and we anticipate that mainland GDP will expand by 1.0 and 0.4 in 2023 and 2024, respectively.

Other crucial macroeconomic indicators, such as Norges Bank's regional network, forecast a continued slowdown in the forthcoming quarter. The Construction and Retail sectors, in particular, present significantly weak outlooks. Long swap rates saw a substantial drop of approximately 100 bps in Q4, thereby reducing the cost of debt. Although we are approaching the end of the yield softening, we anticipate a further yield increase in the forthcoming quarters.

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