

Norway Investment Figures Q3 2024



YTD Volume
kr 54.5bn
Year-1: kr 39.2bn

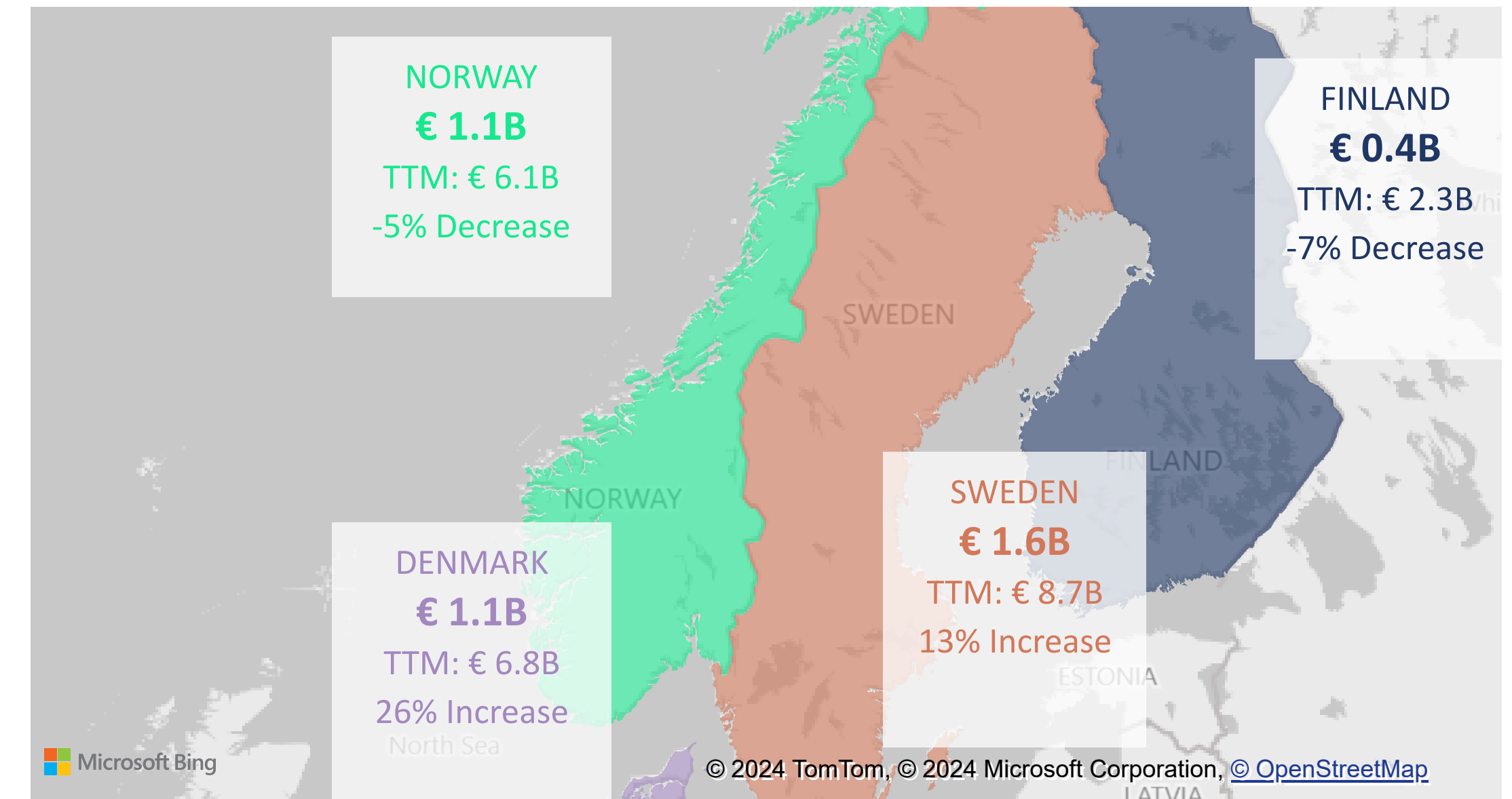
No. Transactions
158
Year-1: 187

Norwegian commercial real estate (CRE) investment activity experienced a slight slowdown in the previous quarter, which was anticipated, as the third quarter is typically the weakest. The total investment volume of NOK 12.3 billion represents a 15.8 percent increase YoY, although volume fell from NOK 19.2 billion in Q2. Investment volumes for the initial three quarters of 2024 reached NOK 54.5 billion, an increase of 38.9 percent YoY.

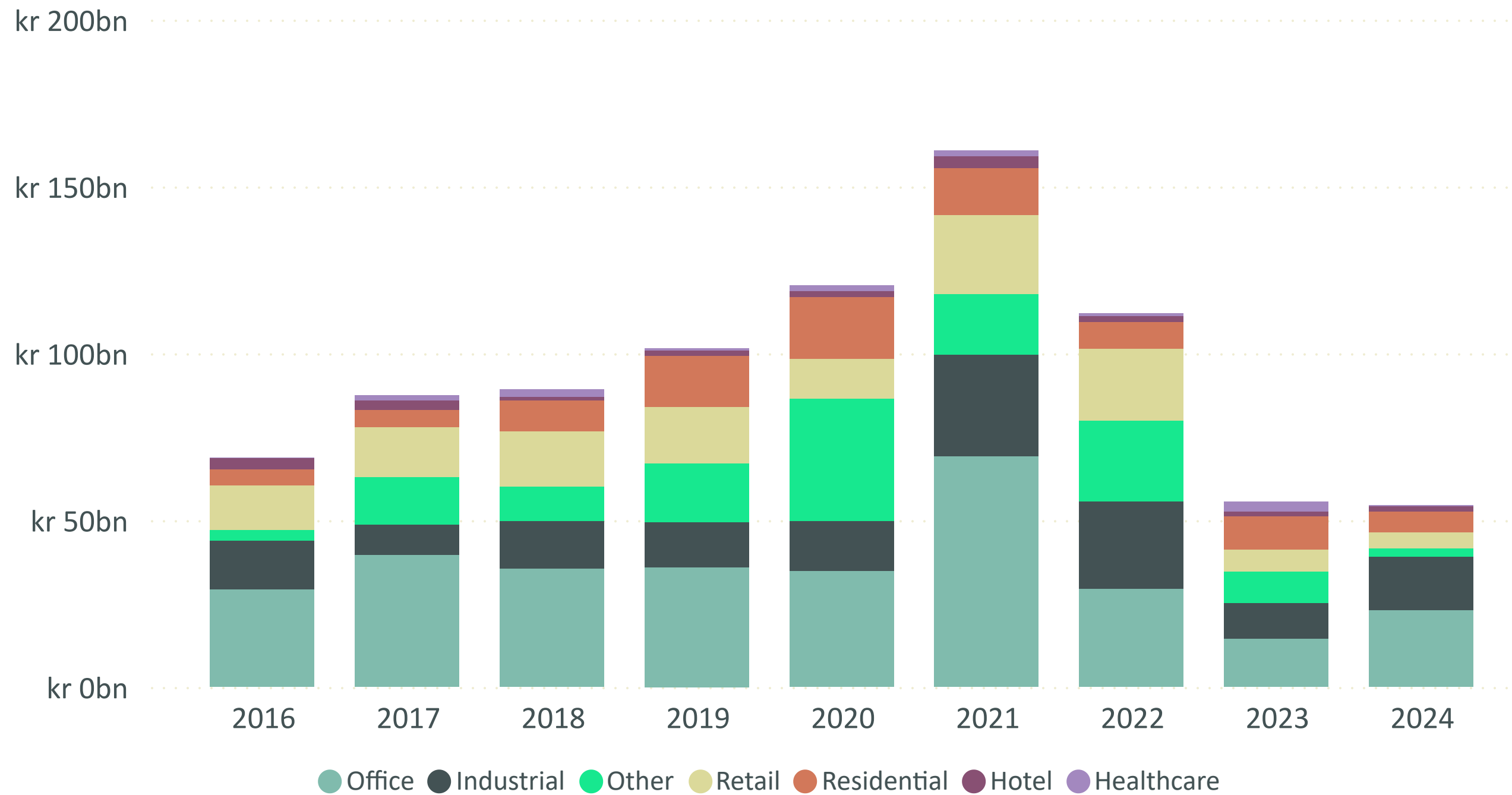
While 2024 has been primarily dominated by Office and Industrial & Logistics (I&L) deals, the third quarter saw Residential emerge as the sector with the highest investment volume, driven by Union and Gjelsten Bolig establishing Gjelsten Residential Oslo. Investment activity in Retail assets had a slow H1 but bounced back in Q3 as Scala Eiendom's acquired Trekanten Senter from Citycon for NOK 1.325 billion. Another noteworthy deal includes Nyfosa's purchase of 50% of Samfosa for NOK 1.462 billion.

		QoQ change	YoY YTD change
	OTHER 2.2bn YTD: kr 2.5bn	▲	-32.5%
	OFFICE 2.5bn YTD: kr 22.9bn	▼	142.1%
	RETAIL 2.0bn YTD: kr 4.8bn	▲	-0.7%
	INDUSTRIAL 2.5bn YTD: kr 16.2bn	▼	94.6%
	RESIDENTIAL 3.0bn YTD: kr 6.2bn	▲	-28.8%
	HEALTHCARE 0.0bn YTD: kr 0.2bn	▲	-92.4%
	HOTELS (Blank) YTD: kr 1.7bn	▼	27.6%

Investment Volumes in the Nordics



Annual Investment Volumes by Sector



The Consumer Price Index (CPI) inflation increased to 3.0 percent in September but continued to surprise on the downside. CBRE currently expects an annual average of 3.2 percent for 2024. While Norges Bank has signaled that interest rate cuts are on the horizon, they project that the policy rate will maintain its current level for the remainder of the year. The Norwegian Krone (NOK) remains a challenge for Norges Bank, exhibiting volatility in the third quarter as it fluctuated between 10.4 and 11.1 against the USD. Additionally, the unemployment rate has shown a slow but steady increase, reaching 4.0 percent in August, with expectations of rising to 4.2 percent by the end of the year.

Increased activity in the oil and gas sector contributed to a GDP growth of 1.4 percent in the second quarter, while mainland GDP exhibited a slower pace, registering a growth of just 0.1 percent. BRE forecasts total GDP and mainland GDP growth of 1.8 percent and 0.6 percent, respectively, for 2024. Significant sectoral discrepancies remain evident within Norges Bank’s regional network; while oil services show robust performance, the construction sector faces ongoing challenges. The service sector, conversely, reports increased activity driven by both businesses and households, along with a rise in tourism. Moreover, the 10-year NOK swap rate has increased by about 45 basis points since mid-September, approaching 3.8 percent in the second week of October.

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

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