Norway - Oslo

Key Performance Indicators (Q1 2024)

Prime Yield	Prime Rent	Average Rent
4.90%	6,500kr	2,813kr
Expected Investment Returns	Yearly, per sq m	Yearly, per sq m
Change YonY: 80 bps	**Change YonY:**	**Change YonY: 2.18%**

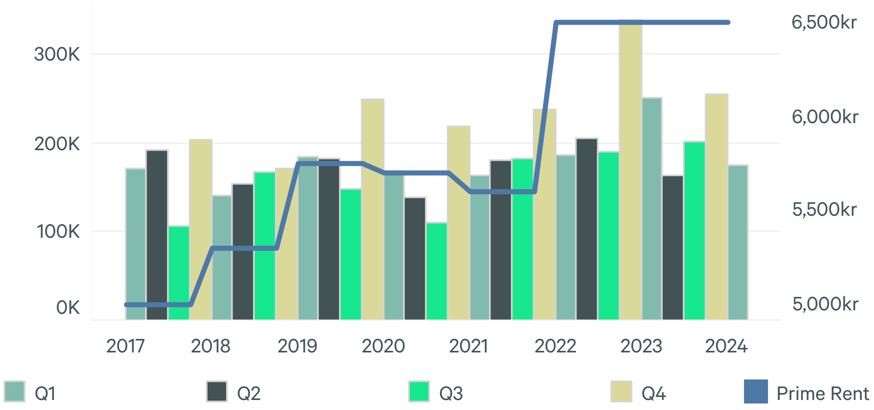
Take Up	Vacancy Rate	Typical Lease Terms
174K	6.40%	5 years
Square Meter	Percentage of Stock vacant	Typical Rent Free Period
174K Year2Date	**Change YonY: 99 bps**	**0-6 months**

Completions	Total Stock	Forecast Completions
23K	10,199K	115K (2024)
Square Meter	Square Meter	Square Meter
23K Year2Date	**9,547K Occupied Stock**	**206K (2025) // 181K (2026)**

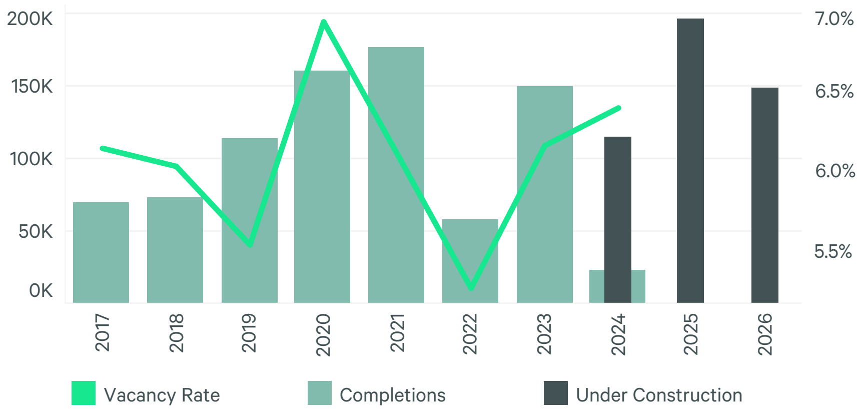
After experiencing a period of high rental growth and record take-up, the activity in the Oslo office market is normalizing, parallel with decreasing economic growth. Office take-up was registered at 174,110 sqm in the first quarter, down 30 percent compared to the first quarter of last year. Mainland GDP grew by 0.7 percent in 2023 and is expected to remain subdued, growing by 0.6 percent in 2024. CPI inflation fell to 3.9 percent in March, below the Norwegian central bank forecast. We expect inflation to continue to edge downward, averaging 3.5 percent in 2024.

The 12-month growth rate of office leases has been gradually decreasing since the end of 2022. This trend continued in the first quarter as the annual rental growth was measured at 2.2 percent, below CPI inflation. However, central locations are still performing better than the market average, exemplified by an annual rental growth of 9.8 percent and 5.0 percent in CBD and City Centre, respectively. The office vacancy rate was measured at 6.40 percent, up 24 bps from the previous quarter. Development activity is still at low levels, with about 55,000 sqm of new office expected completed this year. In 2025 completions are expected to increase to 165,000, heavily affected by the Construction City development. The forecasted completions included in the table account for redevelopment.

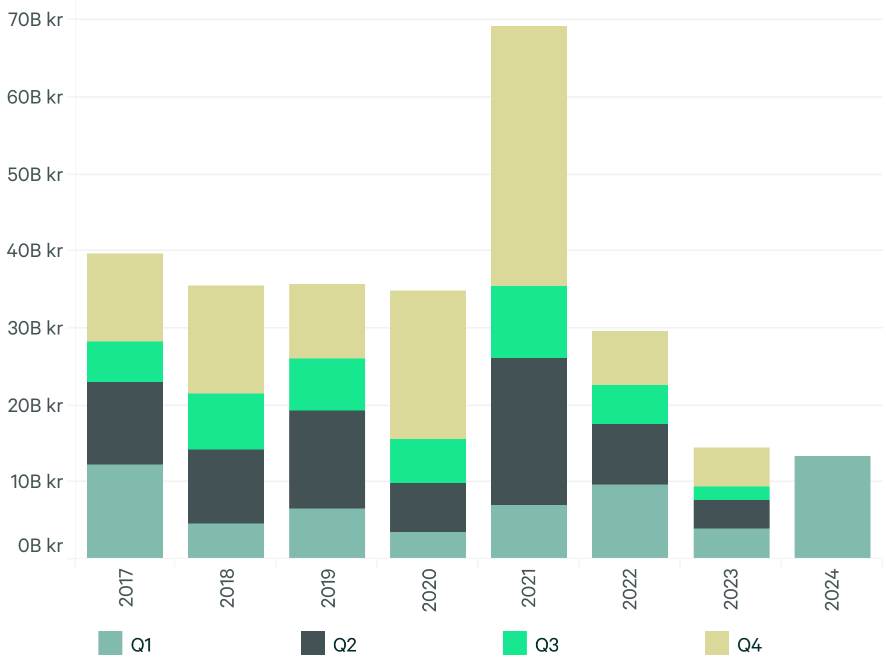
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Norway Office Investment Volumes



Note: 2024 annual numbers till 3/31/2024

Office investments bounced back in the first quarter, after a difficult 2023. With a QoQ growth of 168 percent, total office investments amounted to NOK 13.4 billion. As office investment volume amounted to NOK 14.5 billion in 2023, 2024 was close to surpassing the last year already in the first quarter. Prime office yield remained at 4.90 percent, the same level as the previous quarter. With long interest rates increasing in the first months of 2024, we see the potential for further prime yield expansion in the coming quarters.

The start of 2024 saw several large office deals. Key transactions include E C Dahls' acquisition of Entra's office portfolio in Trondheim for NOK 6.45 billion, NPRO's purchase of Martin Linges vei 33 from an Arctic Securities syndicate, and Schage Eiendom's sale of Stortorvet 7 to KLP Eiendom for NOK 2.5 billion. In total, these three transactions accounted for about 85 percent of the total office volume. Excluding the major deal in Trondheim, Oslo remains the focal point of office investments. Centrally located offices are in demand by both investors and occupiers.

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