Norway - Oslo

Key Performance Indicators (Q3 2024)

Prime Yield
4.75%
Expected Investment Returns
Change YonY: 25 bps

Prime Rent
6,500kr
Yearly, per sq m
Change YonY:

Average Rent
2,873kr
Yearly, per sq m
Change YonY: 3.61%

Take Up
125K
Square Meter
469K Year2Date

Vacancy Rate
6.44%
Percentage of Stock vacant
Change YonY: 8 bps

Typical Lease Terms
5 years
Typical Rent Free Period
0-6 months

Completions
22K
Square Meter
79K Year2Date

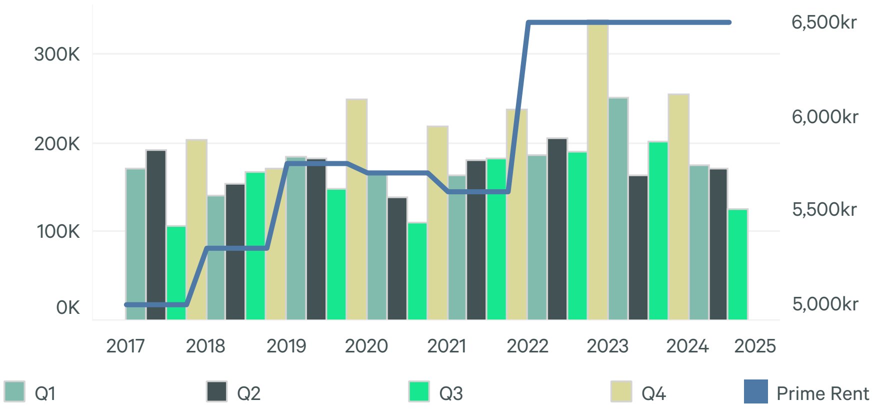
Total Stock
10,253K
Square Meter
9,592K Occupied Stock

Forecast Completions
142K (2024)
Square Meter
182K (2025) // 159K (2026)

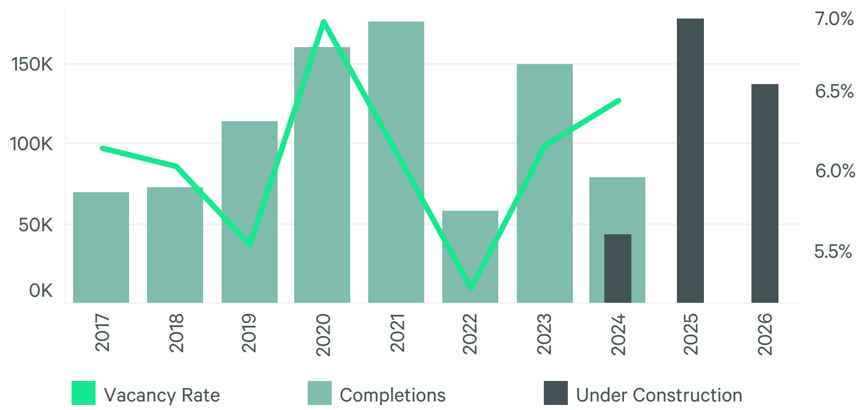
The activity level in the Oslo office market continued to soften as the third quarter once again proved to be the most challenging throughout the year. Office take-up in Oslo reached 124,540 sqm in Q3, totaling 468,790 sqm for the first three quarters—a 23.8% decrease from the same period last year. According to CBRE's latest European Office Occupier Sentiment survey, workplace effectiveness and office attendance are key focus areas, with 75% of companies reporting some form of attendance policy, leading to a rise in attendance from last year.

The average office rent in Oslo has risen by 3.6 percent over the past year, with most sub-markets experiencing positive growth. Notably, Bryn-Helsfyr has seen a significant annual increase of over 12 percent, likely driven by contracts signed for new office development projects in the area. The office vacancy rate remains stable at 6.4 percent, consistent with previous quarters. Development activity is low, with approximately 75,000 square meters of new office space expected to be completed this year. However, completions are projected to rise to 155,000 square meters next year, primarily due to the expected completion of Construction City and the first stage of the new Government quarter. The forecasted completions in the table include redevelopment.

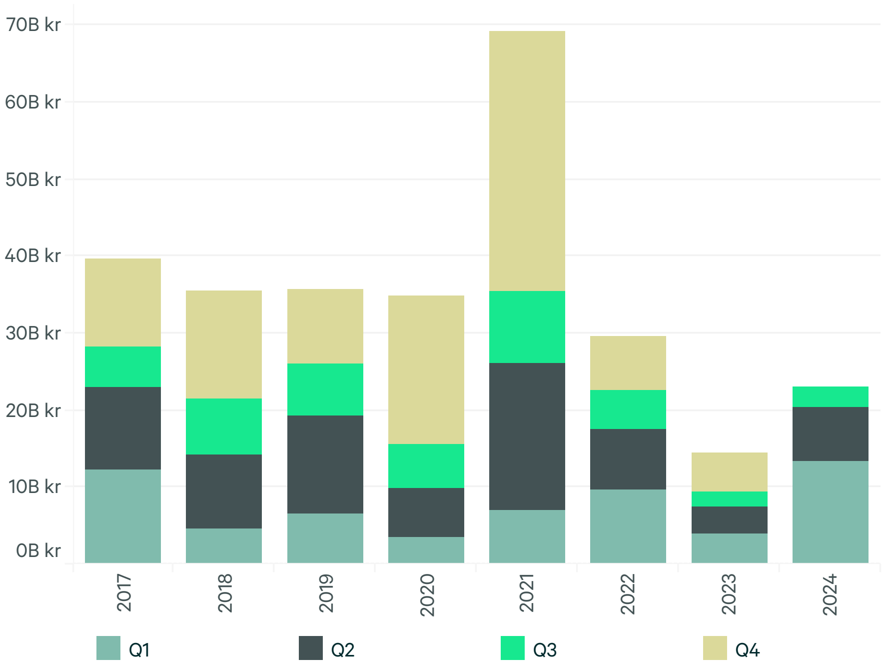
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Norway Office Investment Volumes



Note: 2024 annual numbers till 9/30/2024

The office investment market has experienced a significant increase in transaction volume this year; however, activity was more subdued in the third quarter. In Q3, total office investment volume reached NOK 2.5 billion, reflecting a 31 percent YoY increase but a decrease from NOK 7.0 billion in the previous quarter. Year-to-date, total office investment volume for 2024 has risen by 142 percent compared to the same period last year. Prime office yields have been slightly adjusted based on market observations, now standing at 4.75 percent.

No major portfolio or single-asset deals exceeding NOK 1 billion were recorded in the third quarter. However, the Oslo market remains attractive to investors, with notable transactions including Malling Core Plus 2023's acquisition of Parallell from Skanska for NOK 632.5 million, and Höegh Eiendom's purchase of Kirkegata 20 from a Malling syndicate for an undisclosed fee.

Contacts

Lars Haugen
Senior Analyst
(+) 47 47 37 65 25
lars.haugen@cbre.com

Jussi Niemistö
Head of Research Nordics
+358 40 537 57 60
jussi.niemisto@cbre.com