

NORWAY

Q4 2020

CBRE RESEARCH

**NORDICS REAL ESTATE
MARKET SNAPSHOT**

CBRE

INVESTMENT MARKET OVERVIEW

SECOND STRONGEST QUARTER EVER

Following the downturn triggered by COVID-19, investment activity really came back in Q4, resulting in the second highest quarterly investment volume on record and the third highest quarterly deal flow. It is worth noting that the top 5 deals accounts for a third of the total volume this quarter. This extraordinary Q4 brought the annual investment volume to NOK 116.6 billion in 2020, 15 percent up from 2019, making 2020 the strongest investment year in Norway since 2015.

Office and logistics prime yields are continuing to compress. Office prime yield is fell 35 bps to 3.25%, an all-time low, while logistics prime yield compressed 10 bps to 4.40%. We also expect further yield compression going forward.

COMMERCIAL REAL ESTATE INVESTMENT

NOK 116.6 bn TTM
NOK 42.8 bn Q4/2020

▲ +34% Y-o-Y



OSLO
NOK 27.9 bn
▲ +258% Y-o-Y

REGIONAL
NOK 14.9 bn
▼ -38% Y-o-Y

INVESTMENT BY SECTOR Q4 2020

HOTEL
NOK 0.06 bn
▲ +100%

MIXED USE
NOK 3.0 bn
▲ +20%

ALTERNATIVE*
NOK 3.4 bn
▼ -28%

RETAIL
NOK 4.1 bn
▲ +156%

RESIDENTIAL
NOK 4.7 bn
▲ +147%

INDUSTRIAL
NOK 8.0 bn
▲ +208%

OFFICE
NOK 19.1 bn
▲ +235%

* The category Alternative includes, among other things, land, infrastructure and assets that do not fit into the other main segments.

PRIME YIELDS AND SELECTED TRANSACTIONS

| PROPERTY/ PORTFOLIO | TYPE | BUYER | SELLER | ESTIMATED PROPERTY VALUE |
|---------------------------------------|------------------|--|--|-----------------------------|
| Snarøyveien 30, Fornebu | Office | Norwegian Property | Telenor | NOK 5.5 bn |
| Vilbergvegen 130, Jessheim | Industrial | NREP | Møller Eiendom (60%) & Stokke Industri (40%) | NOK 3.1 bn |
| Kongens gate 21, Oslo | Office | Arctic Securities syndicate | Tristan Capital Partners (80%), Malling Eiednom (10%) & Vedal (10%) | NOK 2.3 bn |
| Urban development at Furuset, Oslo | Development land | Lerka Eiendom, Wahl Eiendom & Linstow | Clarksons Platou Real Estate & Søylen Eiendom | NOK 2.0 bn |
| Jonsvollgaten 2, Bergen | Office | KLP Eiendom | Sparebanken Vest | NOK 1.6 bn |
| “Trekanttomten” land plot, Oslo | Development land | Ferd | Statsbygg | NOK 1.5 bn |
| Middelthuns gate 29, Oslo | Office | Skb Eiendom AS | NRP Finans | NOK 1.4 bn |
| Grensesvingen 2-20, Oslo | Office | Arctic Securities syndicate | Nordea Liv Eiendom | NOK 1.2 bn |

PRIME YIELDS

OFFICE – OSLO

3.25 %

▼ -35 bps

OFFICE – MAJOR PROVINCIAL

3.75 %

▼ -50 bps

RETAIL – HIGH STREET

4.00 %

Unchanged

RETAIL – SHOPPING CENTRES

4.90 %

Unchanged

INDUSTRIAL – LOGISTICS

4.40 %

▼ -10 bps

INDUSTRIAL – MANUFACTURING

6.25 %

Unchanged

HOTELS – LEASE

4.75 %

Unchanged



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