

NORWAY
OFFICE MARKETVIEW SNAPSHOT

Q3 2020

CBRE RESEARCH

NORDICS REAL ESTATE
MARKET SNAPSHOT

CBRE

OFFICE INVESTMENT MARKET OVERVIEW

SIGNS OF RECOVERY

Office investment was down "only" 14% in Q3 2020, and though most of the summer was very quiet, since late August there have been promising signs from the market even though this is not super visible from the transactions data yet. However, it is worth noting that two landmark office deals in Oslo CBD were closed in Q3: Canica's purchase of Tjuvholmen allé 1-5 from Eiendomsspar and Ferd's purchase of Hieronymus Heyerdahls gate 1 from CBRE Global Investors.

It is also noteworthy that after having decompressed in Q1-Q2 due to negative sentiment, office prime yield has compressed significantly again towards the end of Q3, down 40 bps QoQ to 3.40%, an all-time low.

OFFICE INVESTMENT VOLUME

NOK 25.2 bn TTM
NOK 5.7 bn Q3/2020

▼ -14% (Y-o-Y)



OSLO
NOK 3.5 bn
▼ -35% (Y-o-Y)

REGIONAL
NOK 2.3 bn
▲ +78% (Y-o-Y)

KEY FIGURES

OFFICE INVESTMENT MARKET

Last 12 months

5 YR SWAP RATE
0.65 %

CROSS BORDER INVESTMENTS
NOK 0.3 bn TTM

SHARE OF TOTAL ALL-SECTOR VOLUME
24% TTM

NUMBER OF TRANSACTIONS
74 TTM

LARGEST SINGLE TRANSACTION
NOK 1.9 bn

OSLO OFFICE OCCUPIER MARKET OVERVIEW

WEAKNESS CONTINUING

Leasing activity continues to be constrained by occupier uncertainty related to COVID-19. It primarily was small contracts that were signed in Q3 2020, as larger tenants are postponing processes that involve taking on new commitments.

We are generally seeing weakness across the board in all Oslo submarkets except the CBD and the city centre, where recent leases at least are showing signs of resilience, and perhaps recovery.

Vacancy increased from 6.2% to 6.5%, which is a relatively significant change in just one quarter. This trend is expected to continue for the coming quarters, and we are therefore forecasting that vacancy will rise above 7% before the market stabilises.

KEY FIGURES Q3 2020

OFFICE OCCUPIER MARKET

PRIME RENT PER M² P.A.
NOK 5350

AVERAGE RENT PER M² P.A.
NOK 2340

VACANCY RATE
6.5%

NET ABSORPTION
-46,140 m²

LEASING ACTIVITY

TENANT	PROPERTY	SIZE	SUBMARKET
NorgesGruppen	Karenslyst allé 12-14	15,900 sqm	Skøyen
Oslo municipality	Hagegata 22-24	10,100 sqm	Inner city east
Skuld	Rådhusgata 27	5,000 sqm	City centre
NENT Group	Karvesvingen 7	5,000 sqm	Outer east



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