

# Norway - Oslo

## Key Performance Indicators (Q4 2021)

Prime Yield

3,25%

Expected Investment Returns  
Change YoY: 0,00% pts

Prime Rent

5 600kr

Yearly, per sq m  
Change YoY: -1,79%

Average Rent

2 428kr

Yearly, per sq m  
Change YoY: 3,09%

Take Up

238K

Square Meter  
764K Annual2Date

Vacancy Rate

6,11%

Percentage of Stock vacant  
Change YoY: -0,82% pts

Typical Lease Terms

3-5 years

Typical Rent Free Period  
0-6 months

Completions

26K

Square Meter  
177K Annual2Date

Total Stock

10 167K

Square Meter  
9 546K Occupied Stock

Forecast Completions

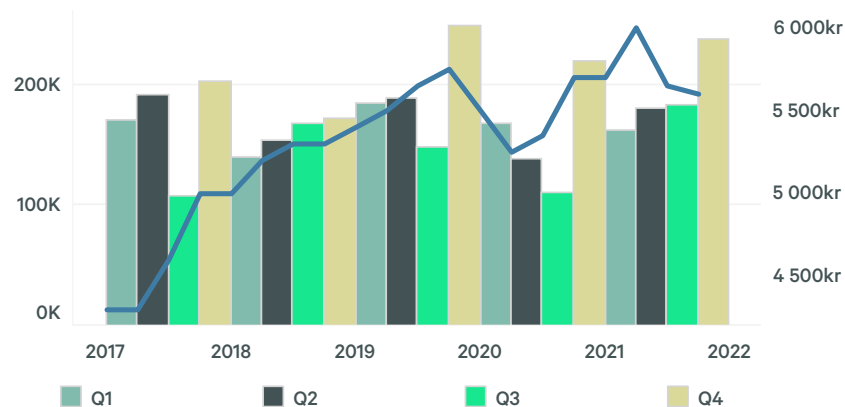
144K (2022)

Square Meter  
207K (2023) // 144K (2024)

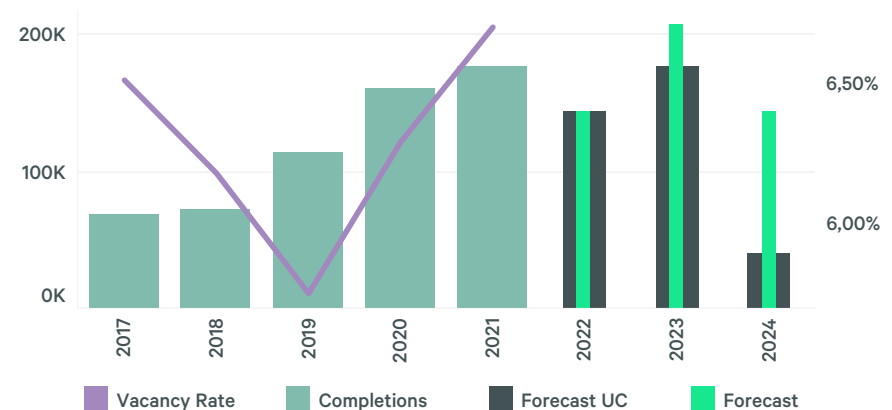
The Oslo office market continued the positive trend from Q3, with the highest number of leases signed since the last quarter of 2012. Take-up increased with 8.4 percent YoY in Q4 and 20.4 % YoY for 2021 combined. Leasing activity has picked up significantly during 2021, posting activity and take-up figures on par with pre-COVID levels. It is worth noting that we have and continue to observe that occupiers' requirements of the office are changing with regards to quantity and type of space. As organizations determine their future working practices, they become increasingly focused on higher-quality assets offering flexibility, technology and wellness features.

The rental market growth continued at a slower pace in Q4, but is still up 3.2 YoY. Prime rent has been volatile throughout 2021, and comes in at NOK 5,600, down 1.8 percent YoY. Average rent only slightly increased 0.3 percent to NOK 2,428 /up 3.2 percent YoY). Office vacancy in Oslo decreased 50 bps from 6.6 to 6.1 percent in Q4. With this, the vacancy has been reduced by 100 bps since Q2, when it peaked after the outbreak of COVID. The trend is forecasted to continue, but it is worth keeping an eye on the significant pipeline of speculative development completions coming into the market going forward. 185,000 sqm of new office space was completed in 2021, with the VIA development in CBD being the largest project (42,000 sqm). We forecast that completions will fall to 144,000 sqm in 2022, where about 49 percent are pre-let. New completions will rise in 2023, currently forecast to more than 200,000 sqm.

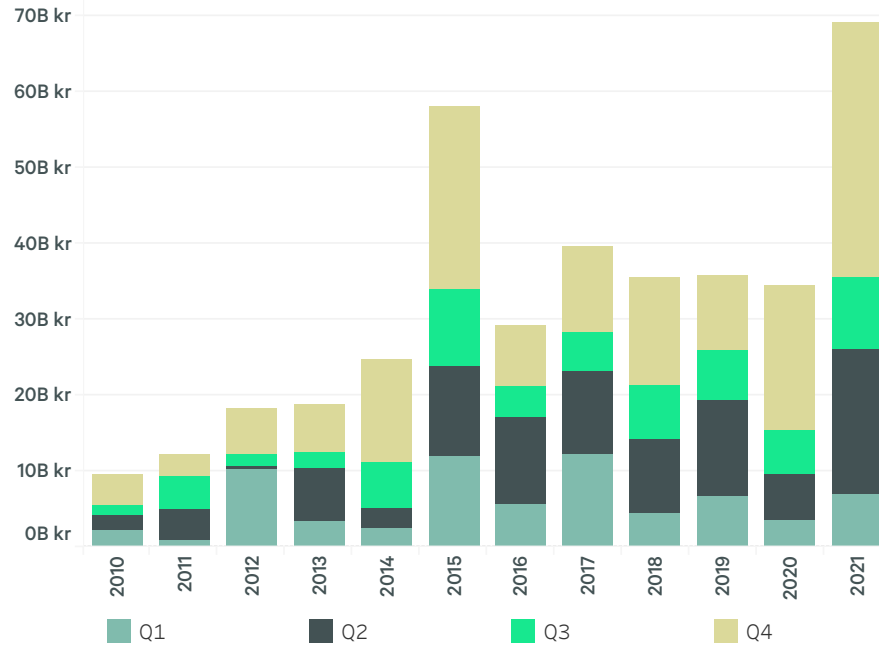
### Market Trend (Take-Up | Prime Rent)



### Development Activity



Norway Office Investment Volumes



Following up on what started to look like a record year after Q3, the Norwegian CRE investment volume reached all-time high levels in Q4. Office investments had a strong Q4 in last year, hence an increase of 76 percent YoY was above expectation for 2021. Inevitably, 2021 office investment volume became the highest ever with NOK 69.2 billion. The number was boosted by several platform deals, most notably, Entra's acquisition of Oslo Areal for NOK 13,55 billion.

Both investors and occupiers are sharpening the focus on Environmental, Social and Governance (ESG) considerations throughout all stages of the investment and leasing processes. Occupiers' preference for sustainable, 'future-proofed' office buildings will reflect in investors' interest. Going forward, this trend will be substantial.

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