Status & Forecasts

December 2022

Exchange rates and markets

	Last	y-o-y chg. %
USD/NOK	9.82	-8.2 %
EUR/NOK	10.43	-2.4 %
SEK/NOK	95.67	3.7 %
Oil price (Brent)	82.69	11.9 %
Oslo Stock Exch.	1197.91	3.8 %

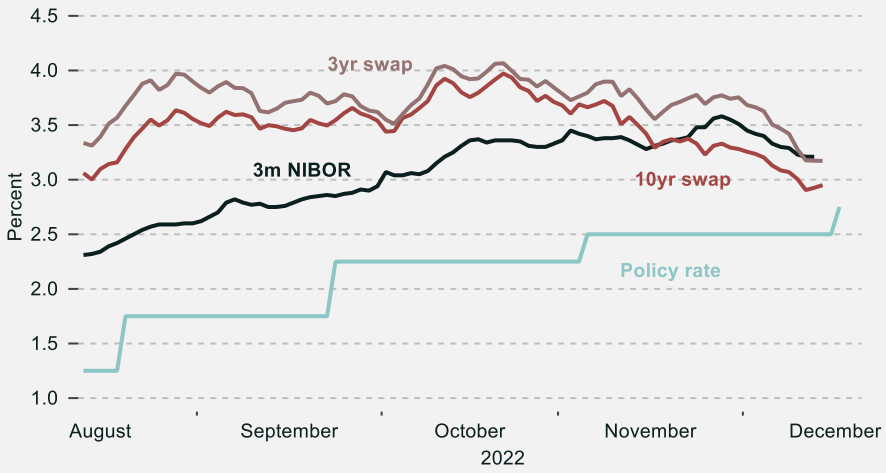
source: Bloomberg

Interest rates

	Last	y-o-y chg. bp
Policy rate	2.50 %	250
3M NIBOR	3.21 %	245
5yr swap Norway	2.99 %	134
5yr swap US	3.69 %	166
5yr swap Sweden	2.65 %	119

source: Bloomberg

Norway: Interest rates

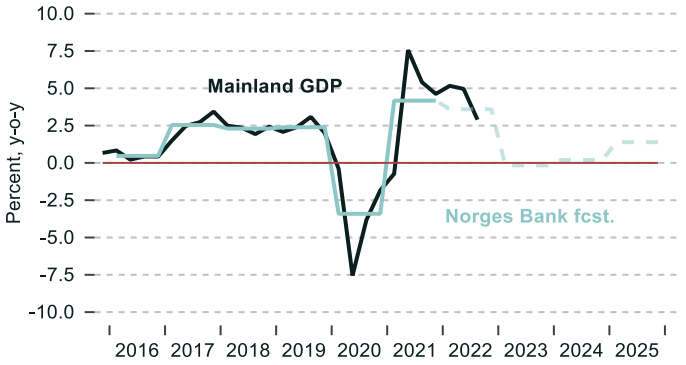


Source: Macrobond

Market commentary

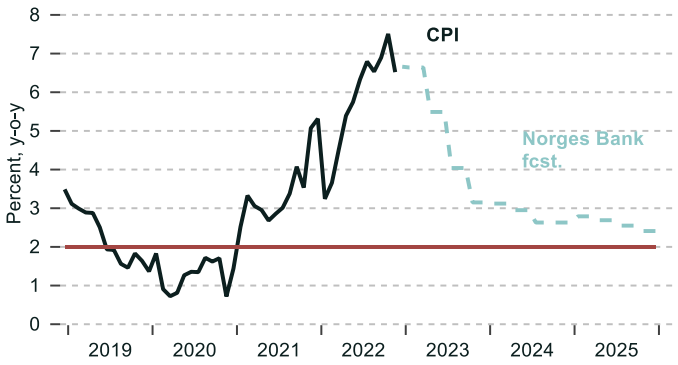
- CPI inflation has likely peaked and fell from 7.5% y-o-y in October to 6.5% in November. The central bank expects an average CPI of 4.8% next year.
- GDP growth has held up better than expected over the past few months. Norges Bank has revised its expectation for next year slightly up.
- Norges Bank still expects the policy rate to peak at 3% by March 2023, and expects the first rate cut in 2024.
- Market interest rates have continued to fall both internationally and in Norway over the past weeks, and recession fears have increased.
- Read the complete report in Market Views here

Norway: GDP, actual and expected



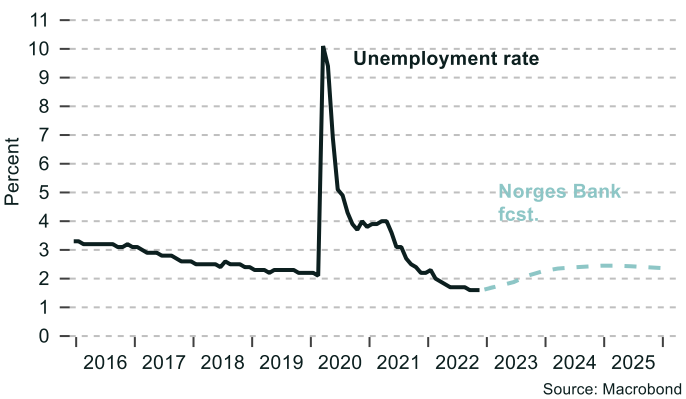
Source: Macrobond

Norway: CPI, actual and expected



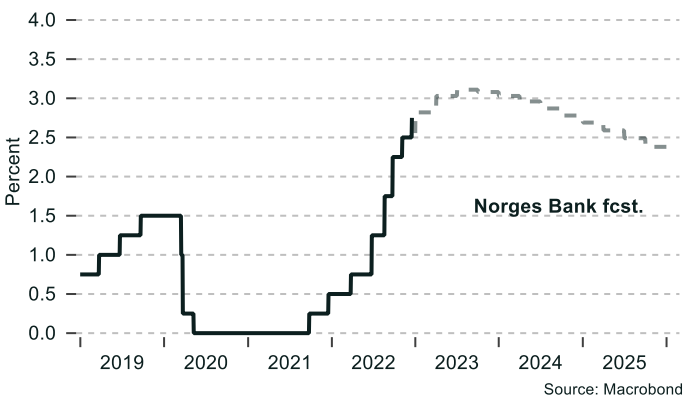
Source: Macrobond

Unemployment rate, s.a. (NAV)



Source: Macrobond

Policy rate (folio), Norway: CPI, actual and expected

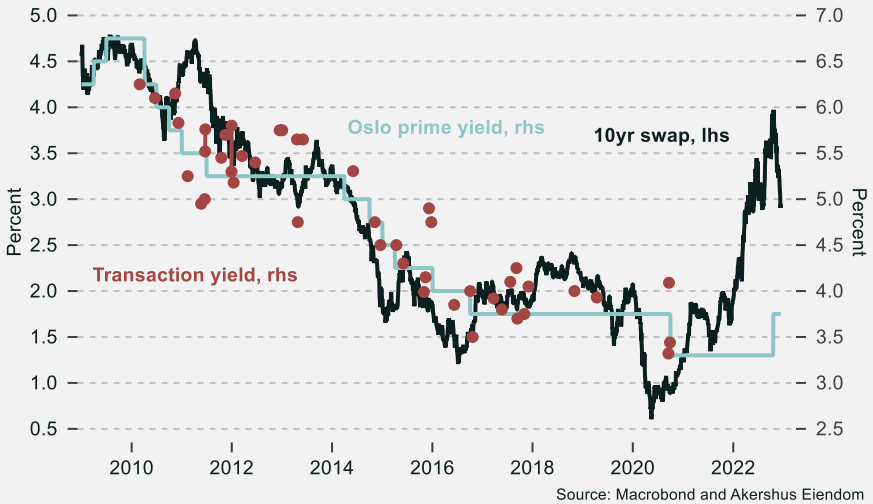


Source: Macrobond

Selected transactions – last quarter

Property	Type	Location	Area (sqm.)	GPV MNOK)	Buyer	Seller
Social infrastructure portfolio	Social infrastruc	Multiple	291 000	8 300	Brookfield	SBB
Sommerogata 17	Office	Oslo	4 228	n.a.	Höegh Eiendom	Private investors
Rådhusgaten 4	OFfice	Oslo	2 900	n.a.	Vestenfjeldske Eiendom	Bara Eiendom
Brennaveien 20B	Logistics	Nittedal	17 000	n.a.	Logicenters	Furuholmen Eiendom
Prof. Dahls gate 18	Residential	Oslo	n.a.	225	Eiendomsspar AS	Karl Otto Haraldsen
Tw o shopping centres	Shopping centre	Vestfold	n.a.	1 250	Citycon	Scala Eiendom

Long rates vs Prime yield Oslo

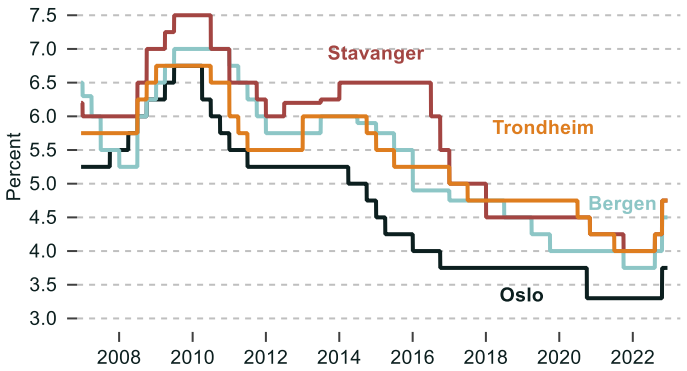


Source: Macrobond and Akershus Eiendom

Market commentary

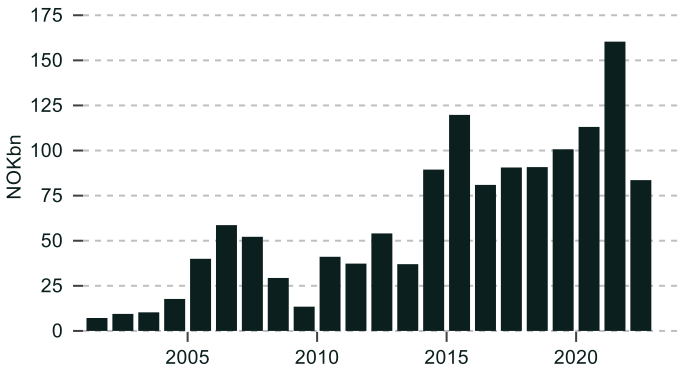
- Total transaction volume has risen to NOK 84 billion following a number of transactions including Brookfield's acquisition of SBB's social infrastructure portfolio (49% share). We are on track to reaching the estimate of NOK 100 billion in 2022
- We estimate prime yield to be 3.75 per cent. In the long term we expect to see prime yields in the range of 3.75–4.25 per cent, based on normal long-term interest rates.
- Limited office supply and high demand for office space have resulted in falling office vacancies throughout 2022.
- Low vacancy rates and strong activity growth this year has resulted in increasing rental levels for office in Oslo.

Prime yield Oslo vs regions



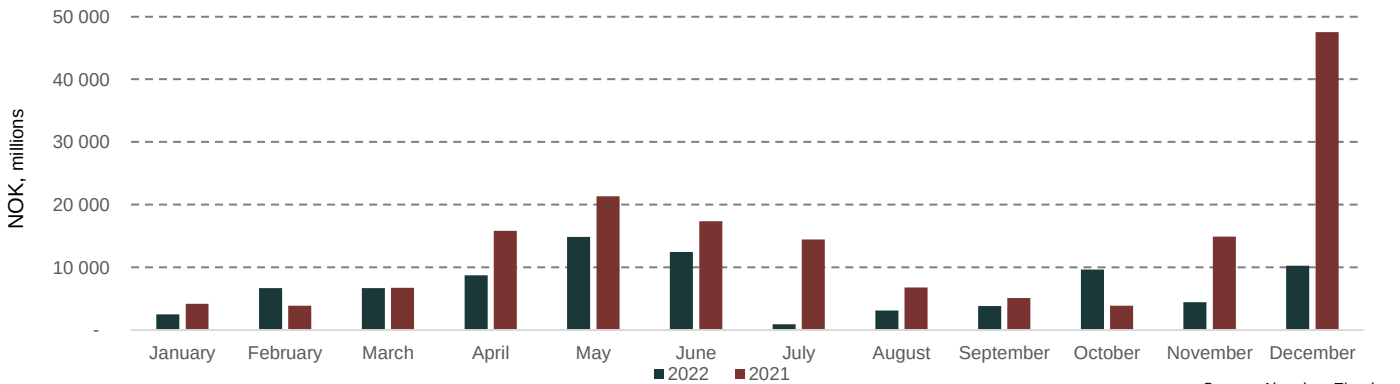
Source: Akershus Eiendom

Transaction volume CRE, Norway



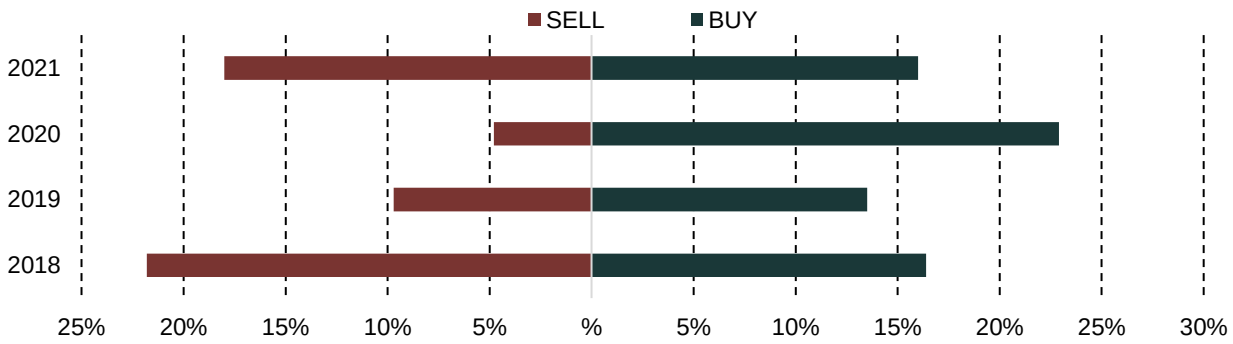
Source: Akershus Eiendom

Monthly transaction volume, Norway



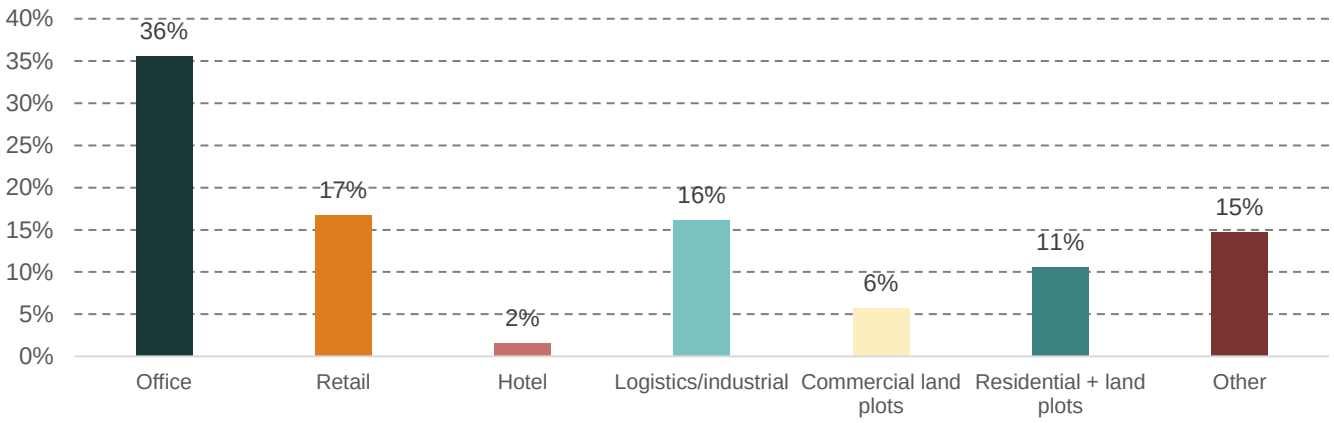
Source: Akershus Eiendom

Foreign capital share of market



Source: Akershus Eiendom

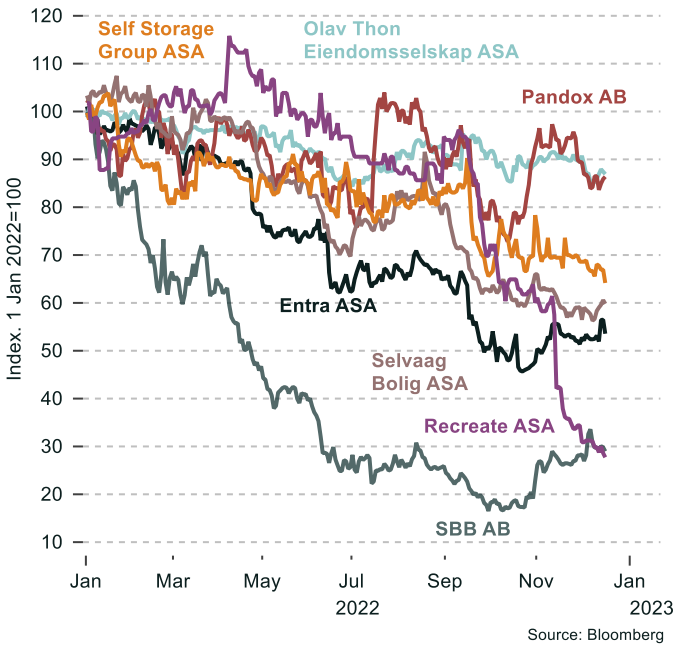
Share of transaction volume by segment (2022 YTD)



Source: Akershus Eiendom

Stock market – Real Estate

Price development (local currency)



Source: Bloomberg

Selected Nordic equities

	Last	-1 week %	chg. YTD%
Entra	106.20	-3.5 %	-46.4 %
Olav Thon	170.00	-3.4 %	-13.1 %
Pandox (SEK)	125.50	-8.7 %	-14.0 %
Selvaag Bolig	30.45	-0.5 %	-40.3 %
SBB (SEK)	19.26	6.5 %	-71.0 %
Self Storage Group	23.10	-7.6 %	-35.8 %
Recreate ASA	7.90	-34.7 %	-72.3 %

Source: Bloomberg

Leasing Market - Office

December 2022

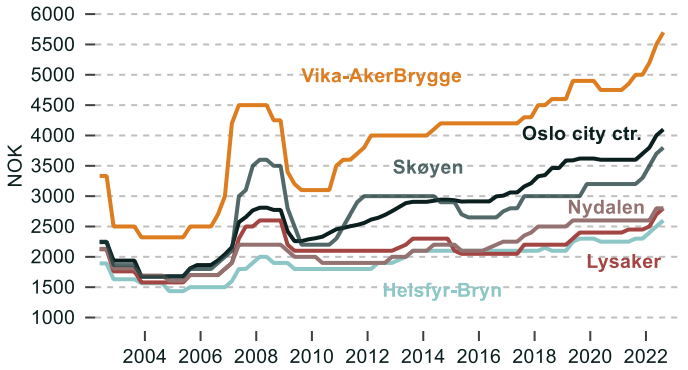
New supply - Office

Project	Area m²	Completion	Area	Owner
Drammensveien 126	11 300	Dec 22	Skøyen	Fram
Aker Tech House	30 000	Jun 23	Fornebu	Aker Property Group
Vertikal	5 000	Aug 23	Nydalen	Avantor
Valle Vision	20 000	Mar. 23	Helsfyr	Valle Eiendom
Grenseveien 82	13 500	Jul 24	Helsfyr	Bunde
Vollsveien 9-11	15 000	Mar 25	Lysaker	Mustad

Selected leases – last quarter

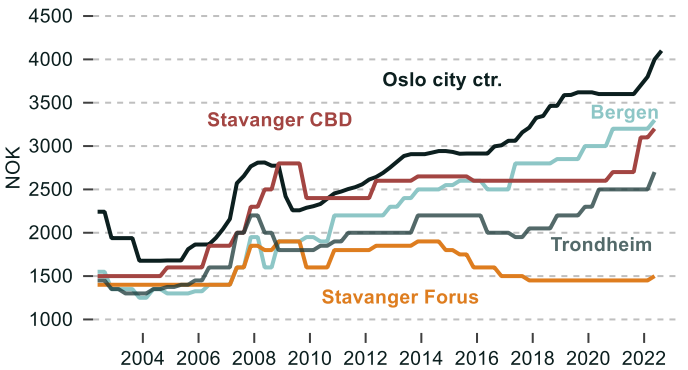
Location	Type	Area (sq.m)	WALT (year	Tenant
Prof. Kohts vei 5-9	Office	2 639	5	1881
Nils Hansens vei 10	Storage	1 450	5	Lucid
Sjølyst plass 1-3	Office	7 200	10	Kredinor
Økern Portal	Office	5 000		OPF
Tjuvholmen Allé 1-5	Office	2 400	10	Marketer
Oslo K, Kværnerbyen	Office	4 400		NAV

Rent levels, Oslo



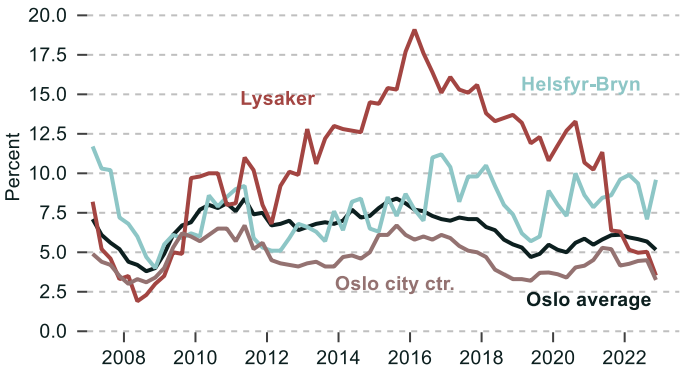
Source: Akershus Eiendom

Rent levels, Oslo vs. regions



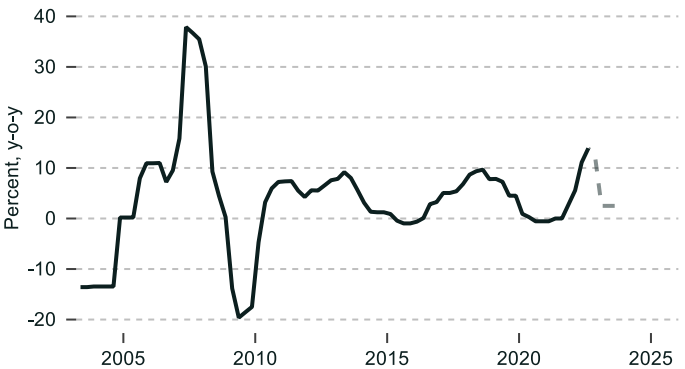
Source: Akershus Eiendom

Office vacancy Oslo



Source: Akershus Eiendom

Rental growth, Oslo city centre, incl AE forecast

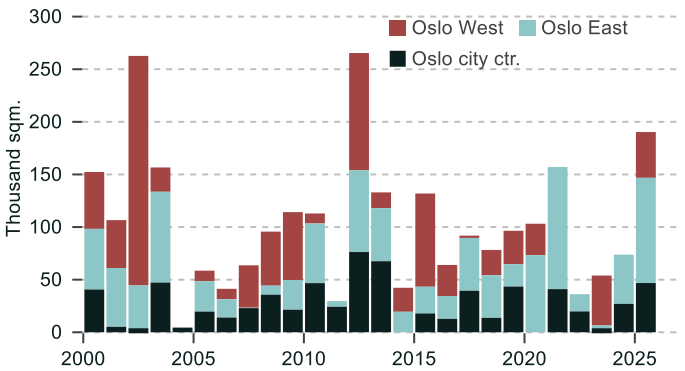


Source: Akershus Eiendom

Office vacancy Oslo incl. AE forecast

Source: Akershus Eiendom

New supply of office space, Oslo

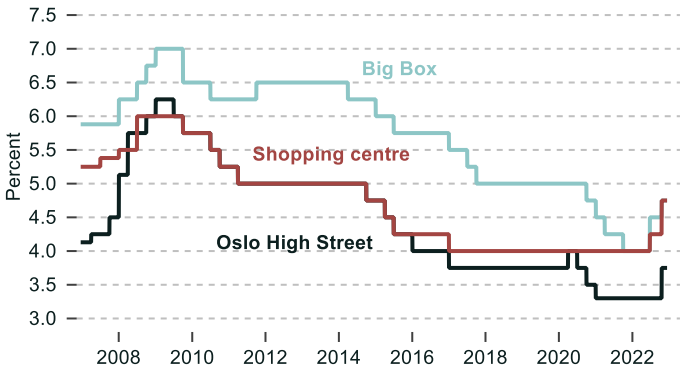


Source: Akershus Eiendom

Other segments

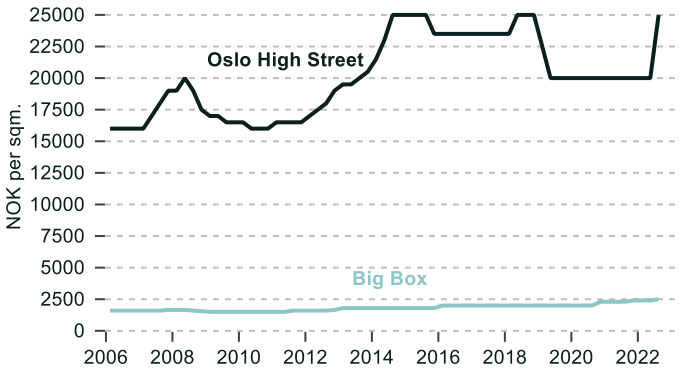
December 2022

Retail | Prime yield



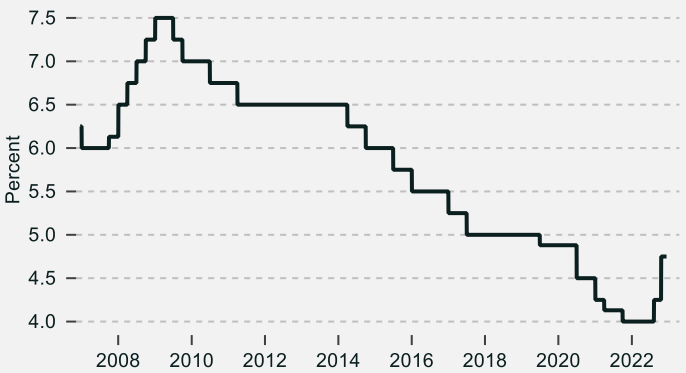
Source: Akershus Eiendom

Retail | Prime rent levels



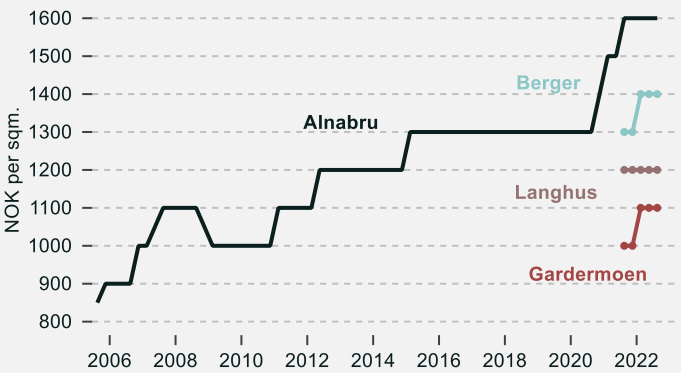
Source: Akershus Eiendom

Logistics | Prime yield



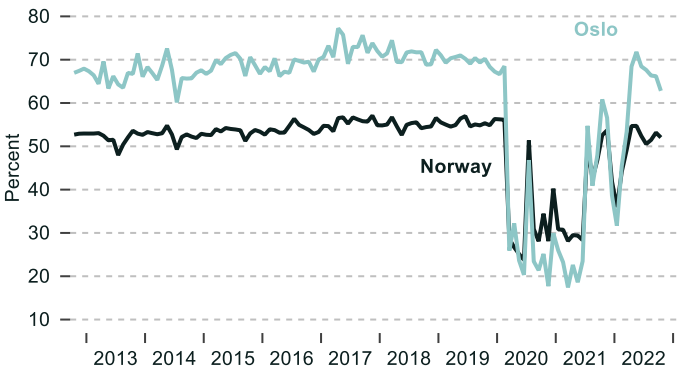
Source: Akershus Eiendom

Logistics | Rent levels



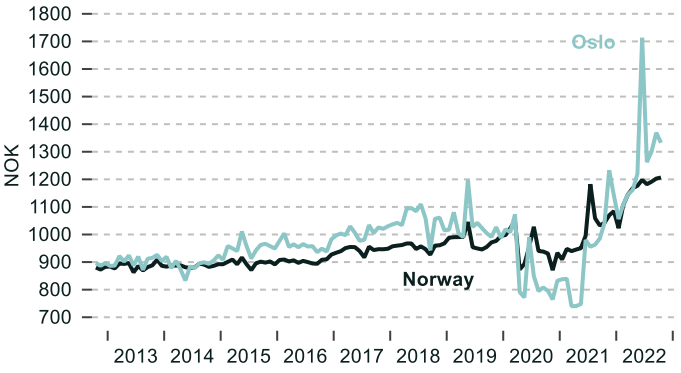
Source: Akershus Eiendom

Hotels | Utilisation of rooms



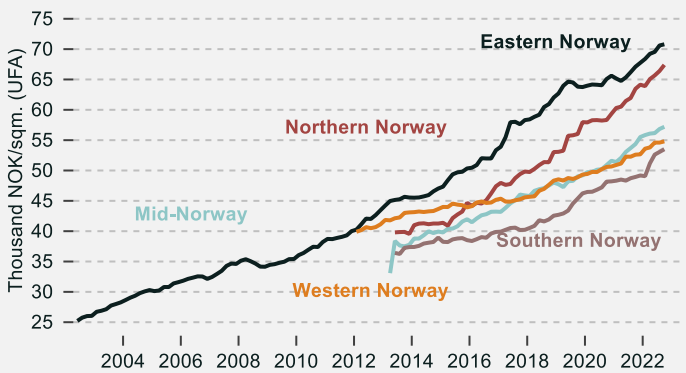
Source: Macrobond

Hotels | Price per room



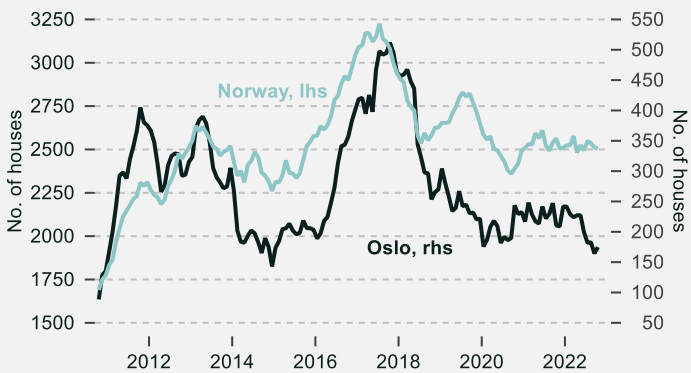
Source: Macrobond

Residential | New housing prices, regions



Source: Econ

Residential | Housing starts, no. of houses



Source: Macrobond