

# Akershus Eiendom - Newsletter

September 2021

## Capital markets

- As per time of writing, the Norwegian transaction volume is approaching NOK ~ 90 billion, including deals under offer. The market still echoes high liquidity and volumes may well surpass the 2015 record of NOK 120 billion.
- Norwegian Property (NPRO) has been delisted on 31 August 2021 following John Fredriksen's buyout of the remaining shares. NPRO owns a total of 122,000 sq. m of property on Aker Brygge, most of which are prime offices.
- Castellum acquired an additional 11.8% of the shares in Entra at a price of NOK 210 per and now holds 55,810,650 shares, corresponding to 30.6% of the shares and votes in Entra.
- Cross boarder activity makes up ~ 25% of the 2021 volume, with Swedish investors having been particularly active. As travel restrictions are being lifted, we again see increased interest from foreign capital sources.
- Several logistics assets are currently being marketed. Strong investor sentiment and record high capital allocation to the segment suggest further yield compression.
- Akershus Eiendom have several investment opportunities coming to market within most sectors – please feel free contact us for more info on current pipeline.

### Office prime cap rates

Oslo 3.30 % ▲ 0 bps

Regional 4.00 % ▲ 0 bps

Change last quarter

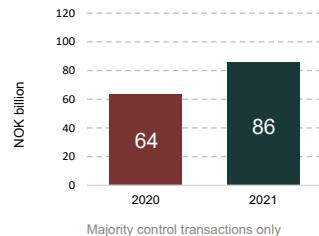
### Segments prime cap rates

Logistics 4.13 % ▲ 0 bps

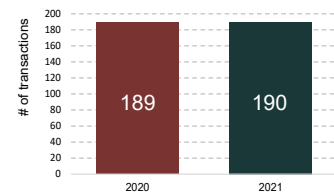
Retail 3.75 % ▲ 0 bps

Change last quarter

### YTD Transaction volume (BNOK)



### YTD # Transactions



## Selected transactions - last quarter

Asset	Status	Quarter	Asset type	Location	Area (sq. m)	Gross property value (MNOK)	Cap rates	Purchaser	Vendor
De Nye Grønlandskvartalen	Under offer	Q3 2021	Office	Oslo city centre east	8 100	480	4.65%	DNB Markets	Realkapital
Lagårdsveien 46	Closed	Q3 2021	Office	Stavanger	20 000	700	Not disclosed	Storebrand eiendomsfond	SPV by Pareto Securities
Delitoppen 3	Closed	Q3 2021	Logistics	Vestby	16 000	n.a.	n.a.	Pareto Eiendomsfelleskap	Fonc Holding
Rosenborgveien 15	Closed	Q3 2021	Office	Grorud, Oslo	10 000	402	4.85%	SPV by Carnegie	SPV by Arctic Securities
Scandza portfolio	Closed	Q3 2021	Logistics/Industrial	Multiple locations	47 000	674	5.9%	SPV by Pangea Project Finance	Scandza
Green Mountain (data centres)	Closed	Q3 2021	Logistics/Infrastructure	Stavanger, Rjukan, Enebakk	Not disclosed	7 600 <sup>1</sup>	Not disclosed	Azrieli Group	Smedvig
Veterinærhøgskolen	Closed	Q2 2021	Social Infrastructure	Oslo	59 000	1350	N/A	Oslo Municipality	Statsbygg
Billingstad - Floberg	Closed	Q2 2021	Retail	Slependen - Billingstad	43 279	1600 (+ earn-out)	N/A	Pareto Securities	Floberg Holding
Public properties	Closed	Q2 2021	Office / Social Infrastructure	Multiple locations	18 500	n.a.	5.4% - 6.4%	Arctic Sec set-up	Various
Aurora/Steen & Strøm	Closed	Q2 2021	Retail	Multiple locations	109 000	4 800	6.10%	Aurora Eiendom	Steen & Stram

1) Enterprise value

## Macro

- The centre-left won the parliamentary elections in Norway by a solid margin, gaining 100 seats to 68 for the centre-right on 13th September.
- Key policy rate hike expected this month (next meeting: 23 September)
- Statistics Norway: GDP for mainland Norway increased by 1.4 % in the second quarter. In June, GDP for mainland Norway was at the same level as before the pandemic hit in March last year
- Opinion: The Consumer Confidence Index (CCI) indicates that Norwegian consumers are a little less optimistic about the economy than earlier this summer. In August, the index fell to 5.1 points, after a sharp rise to 8.4 points in July, the highest level recorded since 2009.
- Statistics Norway: Debt growth rate in Norwegian households is unchanged at 5.2 % on an annual basis in July. Debt development usually follows changes in the housing market, but with a time lag. In recent months, housing prices have also levelled out.

### Interest rates

	Latest	m-o-m change	3 m change	y-o-y change
3y swap	1.30%	8%	10%	141%
5y swap	1.45%	9%	0%	116%
10y swap	1.61%	10%	-9%	68%
Key policy rate	0.00%	0.00%	0.00%	0.00%
3m NIBOR	0.43%	30%	105%	65%

### Exchange rates

	Latest	m-o-m change	3 m change	y-o-y change
USD/NOK	8.80	0.0 %	4.5 %	-3.7 %
EUR/NOK	10.43	0.6 %	2.8 %	-3.1 %
SEK/NOK	102.13	1.3 %	1.8 %	-1.2 %
DKK/NOK	140.30	0.5 %	2.8 %	-3.1 %
KRW/NOK	0.76	0.3 %	1.1 %	-1.8 %

### Macroeconomic indicators

	2021E	2022E	2023E	2024E
GDP mainland Norway	3.6 %	3.8 %	2.6 %	2.2 %
CPI	1.9 %	2.2 %	1.9 %	2.0 %
Employment	0.7 %	1.4 %	0.8 %	1.1 %
Unemployment	4.7 %	4.4 %	4.2 %	3.9 %

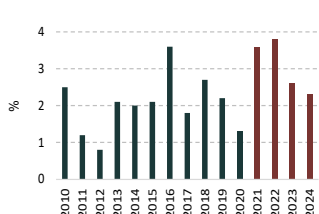
Source: Statistics Norway. Latest update: September 3rd 2021

### Other indicators

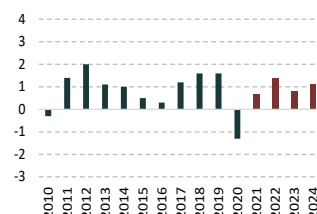
	Latest	m-o-m change	3 m change	y-o-y change
CCI	4,2	-0,2	1,4	5,2
PMI	50,3	-11,7	-9,7	9,1
Oil price	69,2	-8,0 %	7,3 %	64,7 %
Residential Oslo (NOK / sq. m.)	86 007	-0,2 %	-1,2 %	9,4 %
Residential Norway (NOK / sq. m.)	48 650	-1,1 %	-0,3 %	8,5 %

Source: Eiendom Norge, Krogsvveen, Opinion

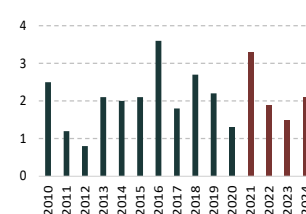
### GDP change (%)



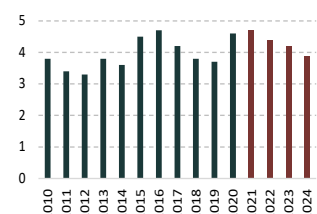
### Employment change (%)



### CPI (%)

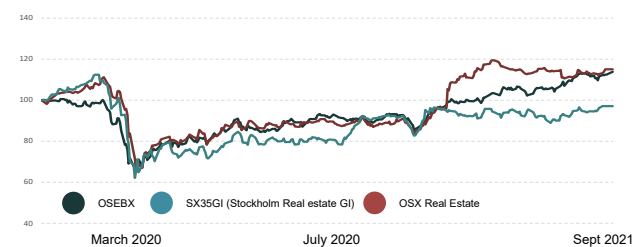


### Unemployment rate (%)



## Equity markets

### Indices



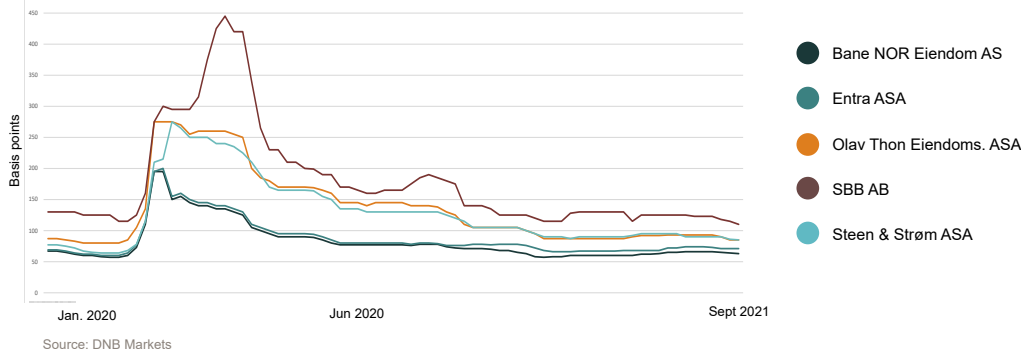
### Selected Nordic Equities

Asset	Latest	Last week (%)	Last mnth. (%)	YTD. (%)	Discount to NAV*
Entra	193	-7 %	-14 %	1 %	-3 %
Olav Thon	195	-1 %	3 %	9 %	9 %
Pandox	143	0 %	-2 %	-2 %	-16 %
Selvaag Bolig	59	0 %	-1 %	1 %	n.a
SBB	52	4 %	15 %	85 %	108 %
Solon	40	0 %	5 %	9 %	n.a
Self Storage Group	29	-3 %	1 %	10 %	n.a

\*Price/NAV is based on NAV as published in latest quarterly report by the respective companies

## Debt markets

### Credit spreads - 5Y tenor - indicative levels over 3-month NIBOR



## Leasing market

- Oslo vacancy: 5.49% (up 20 bps last quarter). Regional: Bergen slightly down (7.8%), Trondheim (11.9%) and Stavanger (10.8%) stable
- Kongsberg Næringsparkutvikling have signed a 5-year leasing contract in Lysaker Torg 35. They will occupy 6,500 sq.m.
- Statsbygg have renewed their lease contract for 9,300 sqm in Biskop Gunnerus' gate 6 in Oslo. The renewed lease contract has a duration until December 2028.

### Office prime rents

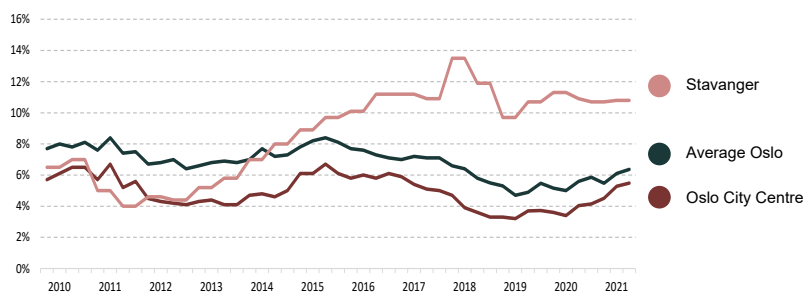
Oslo CBD	NOK 4,850	▲ NOK 100
Oslo Fringe	NOK 2,000 - NOK 3,500	
Stavanger	NOK 3,250	► NOK 0

### Segment prime rents

Logistics	NOK 1,200	► NOK 0
High-street Retail	NOK 20,000	► NOK 0

Change last quarter

### Vacancy



### Selection of new leases

Address	Tenant	Sq. m.	WALT (years)	Sub-market
Lysaker Torg 35	Kongsberg Næringsparkutvikling	8 000	5	Office
Lysaker Torg 15	Tellu lot AS	1 100	5	Office
Bulk Park Enebakk	Lettbutikk (3PL)	17 000	n.a.	Logistics
Fjordalléen 16	Spaces	4 200	n.a.	Office
Innspurten 11	Statens Vegvesen	8 000	n.a.	Office

### New supply - office

Project	Area (sq.m)	Expected completed	Area	Owner
Valle View (Innspurten 13)	22 000	Copmpleted	Helsfyr-Bryn	Valle Eiendom Holding
Ruseløkkveien 26	41 000	Aug. 21	CBD, Vikå- Aker	Storebrand/Aspelin
Drammensveien 126	11 300	Mar. 22	Skøyen	Fram Eiendom
Universitetsgata 7	19 800	Mar. 22	City centre north	Entra ASA
Oksøyveien 10	30 000	Jun. 23	Fornebu	Aker Property Group
Valle Vision (Innspurten 13)	20 000	Mar. 23	Helsfyr-Bryn	Valle Eiendom Holding
Construction City (Part 1)	85 000	Jun. 24	Alna-Ulven	OBOS

### Take-up

