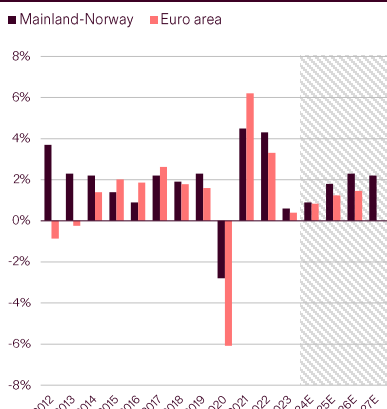


Malling has been appointed as the exclusive sell-side advisor for a portfolio consisting of seven large retail assets. These are state-of-the-art buildings constructed in 2022/2024. The properties are leased to tenants such as Felleskjøpet, Byggmakker, Europris, and E.A. Smith AS (Bygger'n), with a WAULT of 10 years. Total GLA is 15 553 m² and a total annual rent of MNOK 25.6

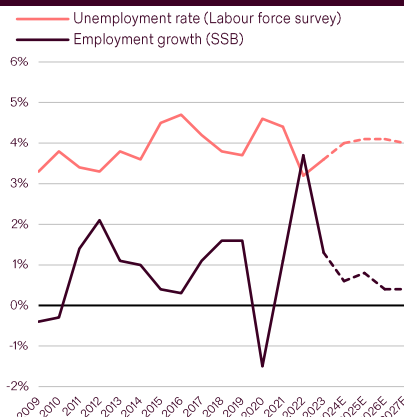


GDP: Mainland Norway vs. Euro area



Source: Statistics Norway Outlook (December 2024), IMF WEO (October 2024)

Labour market Norway



Source: Statistics Norway (December 2024)

Economic Outlook

- Donald Trump was inaugurated on 20 January. The market remains cautious following his speech, with volatility expected from signalled tariff and trade policy changes.
- In Dec., the U.S. job market showed strength, with nonfarm payrolls exceeding expectations and the unemployment rate dropping to 4.1%. Consequently, the FED is likely to make only modest adjustments to the interest rate this year. The current U.S. overnight borrowing target rate is 4.25% to 4.50%
- Following the release of job market data, the U.S. 10-year Treasury yield increased, surpassing the 3-month NIBOR rate for the first time since October 2023.
- Norges Bank (NB) anticipate three policy rate cuts in 2025, with the first expected in March. In week 3, the market is pricing in a 59.5% prob. of a March cut. The two most likely cumulative outcomes for the final decision in Dec. 2025, at 3.75% and 4.00%, now have prob. of 28.8% and 28.3%, respectively.
- The Norwegian Consumer Price Index (CPI) for Dec. 2024 fell from 2.4% to 2.2%, below Norges Bank's forecast of 2.8%. The CPI-ATE decreased to 2.7%. The decline in CPI is attributed to lower prices for imported goods and services, as well as energy, while domestic goods and services are contributing to an upward push in CPI.
- In its latest MPR/4 24, NB highlighted an uptick in GDP activity and revised its GDP growth trajectory upward, supported by stronger private consumption and government spending.
- Nominal wage growth for 2024 is projected at 5.2%, while NB expects a modest decline in the growth rate for 2025, forecasting it at 4.2%.
- The OSEBX index is near ATH levels, and Brent Crude Oil has risen by 11% since the beginning of Dec., currently trading at 80 USD/bbl.

Office vacancy per Jan. 2025 (Jan. 24) and Indicative Office Rents (Jan. 25) in Greater Oslo

Cluster	Vacancy	Normal rent*	Prime rent**	Typical project asking rent***
Asker	9% (10%)	1 800 – 2 000	2 400	3 200
Sandvika	6% (13%)	1 900 – 2 400	2 800	3 200
Fornebu	12% (9%)	2 000 – 2 500	2 700	3 200
Lysaker	6% (4%)	2 400 – 2 800	3 200	3 500
Skøyen	7% (7%)	3 100 – 3 800	4 300	4 500
Forskningsparken/Ullevål	1% (2%)	2 200 – 2 800	3 200	3 500
Majorstuen	3% (1%)	3 000 – 3 500	4 300	4 500
Vika/Aker Br./Tjuvholmen	8% (5%)	4 500 – 5 500	6 500	7 000
Kvadraturen	6% (7%)	3 200 – 4 000	4 900	5 100
Inner City	8% (7%)	3 400 – 4 000	5 000	5 000
Inner City East	7% (7%)	3 000 – 3 600	4 300	4 400
Bjervika	1% (0%)	4 000 – 4 800	5 500	5 600
Nydalen	8% (8%)	2 300 – 2 800	3 200	3 400
Økern	11% (8%)	2 000 – 2 500	2 600	3 200
Helsfyr/Ensjø	13% (9%)	2 200 – 2 600	2 900	3 300
Bryn	13% (16%)	2 000 – 2 500	2 650	2 900

* / ** / *** / **** For explanation, please see Link

Rents are quoted as NOK/m²/yr. Source: Malling

Key Facts: Real Estate (Office, Oslo)

	Jan. 2025	Jan. 2024
Prime Yield	4.50%	4.70%
Normal Yield****	6.10%	6.00%
5Y SWAP (COB 18.01)	4.04%	3.72%
10Y SWAP (COB 18.01)	3.98%	3.60%
EUR/NOK (COB 20.01)	11.77	11.41
CPI 12-month change (December 2024)	2.2%	4.8%
Average Rent Top 15% (Q4 24)	4 690	4 790

Rents are quoted as NOK/m²/yr.

Source: Malling/Eikon/Arealstatistikk/SSB

Latest Lease Contracts

Tenant	Address/ Cluster	Size (m ²)
Siemens	Construction City/ Økern	~ 9 000
Bouvet	Sørkedalsveien 6/ Majorstuen	~ 6 200
Advania	Tollbugata 32/ Kvadraturen	~ 6 000
Høegh Evi / Autoliners Mgmt	Drammensveien 134 /Skøyen	~ 4 700

Source: Malling

Latest Transactions

Address	Buyer	Size ¹ (MNOK)
Scandic Ørnen	Rica	Conf.
Cort Adelers gate 33	Nordea Liv	785
Torggata Bad	NIAM	Conf.
Ruseløkkveien 6	KS	Conf.

¹Deal size may be rounded due to confidentiality. Source: Malling

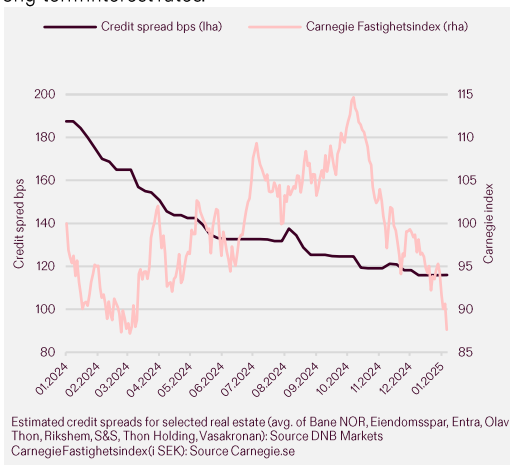
Special topic: Real Estate Prefer Bonds

The typically incredulous bond market has shown more enthusiasm for commercial real estate than either the equity or direct property markets lately. Credit spreads for leading Nordic real estate companies narrowed significantly throughout 2024, indicating heightened demand. Conversely, real estate equities experienced a sharp downturn in the fourth quarter, with the Carnegie Fastighetsindex declining by over 20 % following the rise in long-term interest rates.

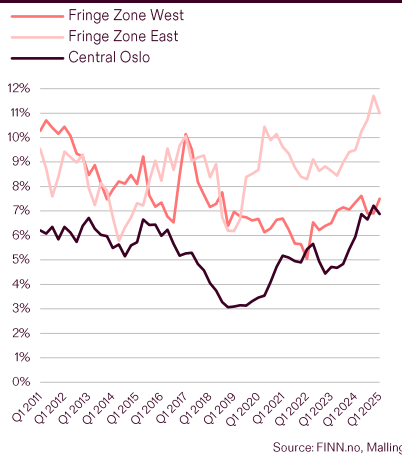
Meanwhile, activity in the direct property market gained momentum in the same period, maintaining cautious optimism as we head into 2025. Is the bond market seeing something that equity investors are missing? Perhaps—but there could also be other factors at play:

- Bond funds experienced substantial inflows, particularly in Sweden, toward the end of 2024.
- Real estate bond issues have been heavily oversubscribed as global investors poured capital into both traditional funds and, more recently, private credit funds, all in pursuit of attractive yields. This demand has compressed spreads on investment-grade bonds across Europe to near all-time lows.

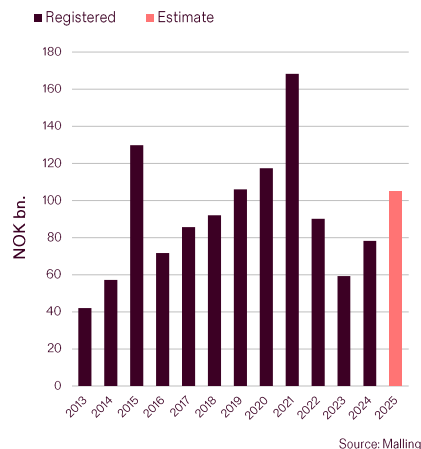
CRE-bonds still provide a modest premium in credit spreads, and demand for new loans remains robust. For those who previously considered real estate lending a good choice, the case might be even stronger now. The decrease in CRE-values due to higher interest rates over the past years seems to have come to an end, and the most exposed investors have been through a process of LTV-reductions, leaving lower risk to debt-holders. But does this mean bond investors are more optimistic about real estate's outlook than equity investors? Not necessarily. With yield spreads compressing and rental growth expectations subdued, debt investments may simply offer better risk-adjusted returns than equity. However, as we enter 2025, the gap between these two asset classes has narrowed. With credit spreads near historic lows, expected rate cuts and equity valuations elevated, direct real estate investments could again emerge as the more attractive option, fuelling direct investment activity.



Office Vacancy, Greater Oslo



Transaction Volume (>50 MNOK)



Commercial Real Estate

The Leasing Market

- The average signed office rent recorded by Arealstatistikk for Q4 2024 was 2 940 NOK/m²/yr, marking a 3.7 % increase from the Q4 2023 rate of 2 850 NOK/m²/yr.
- The top 15 % of signed leases, experienced a flat price change of - 0.42 % from 2023 to 2024 annual average.
- In Greater Oslo, the 2024 gross take-up totaled approximately 660 000 m², a - 24 % drop from the 2023 numbers of 870 000 m².
- Stavanger and Trondheim experienced growth of 7 % and 6 %, respectively, in signed office rents from 2023 to 2024, while Bergen saw a 9 % increase in office rents over the same period according to Arealstatistikk.
- Average rents for signed leases on logistics spaces in Greater Oslo marked a 6 % growth to 1 370 NOK/m²/yr in 2024 compared to 2023.
- Despite a weaker economic outlook, the leasing market remained relatively strong in 2024 on average terms, albeit with a deceleration in gross take-up and rental growth.
- Looking forward, a marginal employment growth is expected to dampen additional demand through 2025.
- Our rental forecasts for the upcoming year suggest a flat development in the nominal rents for most office clusters underpinned by the slow growth in the labor market. There are however a few exceptions in clusters with a tighter supply/demand balance.
- The anticipated completion of office project in 2025 is projected to about 230 000 m², with Construction City and Regjeringskvartalet as the dominating projects.

The Investment Market

- As of Q3 2024, the four-quarter rolling European transaction volume was approximately EUR 161 billion. This marks a gradual increase from its low point in Q4 2023, when it was EUR 149 billion. Reporting for Q4 is currently ongoing.
- For 2024, the recorded domestic transaction volume is just under NOK 80 billion, measured at the time of bid acceptance. This represents an increase of approximately NOK 20 billion compared to 2023.
- The year 2024 saw larger transactions, with an increase in average transaction size.
- As usual, the office and logistics sectors are the largest segments, comprising 40 % and 44 % of the total transaction volume, respectively.
- We estimate the transaction volume for 2025 to be NOK 105 billion.
- Our quarterly investment yield and sentiment survey, conducted from 6 to 20 December, indicates a decrease in the proportion of net buyers from 69 % to 64 %. In the survey, 21% of respondents aim to remain neutral, while 14 % plan to be net sellers.
- Office property remains the most favoured investment, with 57 % of respondents identifying as net buyers. However, there has been a notable decline in the proportion of net buyers compared to Q3 2024, when the figure was as high as 75 %.
- Our survey suggest continued expectations of further yield compression over the next 12 months. The current average estimate for prime office yield is 4.55 %, with a projection of 4.40 % in 12 months. Similar trends are seen in other segments, except last mile logistics.