

Malling

Market report
Summer 2025

Prevailing financial uncertainty

Our previous report released November 2024 delved into the repercussions of sustained interest rate hikes on real estate investments. Well into 2025, the global economic landscape has undergone substantial shifts, heavily influenced by US President Donald J. Trump's transformative policies during his first months in office. His unexpected geopolitical reorientations, aggressive tariff measures, and divisive public statements have generated significant volatility across key economic indicators, including inflation expectations, interest rates, and asset pricing. This is likely to have consequences for Norway's commercial real estate market.



Anders Berggren
CEO

While the IMF's projections suggest that Europe and Norway may experience relatively mild impacts compared to other regions during escalating trade tensions, Norway remains vulnerable. As a small and open economy, Norway faces risks tied to external turbulences such as global financial market volatility, declining oil and gas prices, and slower growth amongst its key European trading counterparts. For Norwegian real estate investors, two major concerns are evident: elevated interest rates despite economic deceleration and below-trend employment growth projections.

The Quarterly National Accounts for Q1 2025 show modest, seasonally adjusted employment growth of 0.4 % nationwide compared to Q4 2024. Growth in public sector industries, defence, health, hospitality, industrial, and petroleum, has supported employment numbers, though with limited impact on driving office space demand or rental increases. Meanwhile, employment growth in Oslo's private sector remains fragile, with the four-quarter growth of wage earners hanging just above zero. Furthermore, municipalities, including Oslo, face budgetary pressure from elevated interest rates and rising operating costs. This could contribute to slow employment growth in the public sector at the municipality level. The tightening of Norway's key policy rate over recent years is beginning to impact the job market, albeit with a delayed effect.

Despite the weak employment growth, Oslo's office rental market surprised with a marginal all-time high in signed office rents for Q1 2025. However, a considerable rise in the vacancy rate for spaces under 2 500 m² signals a market shifting towards a tenant-favourable market. Softer employment forecasts dampen growth in demand for office space, but we

expect the strong job creation from previous years to act as a demand stabiliser. The hospitality sector has shown remarkable resilience, with strong growth not only in Oslo but also across other cities, particularly Tromsø, which leads with the highest Revenue Per Available Room.

In the investment market, low yield spreads and persistent long-term interest rate volatility continue to be key defining factors. Equity-heavy or low leverage buyers dominate the current investment market, while professional real estate firms utilise opportunities to rebalance portfolios strategically, remaining mostly net sellers. Prime office yields have stabilised at approximately 4.50 %, and we anticipate no major shifts in the coming year, though with a modest upside risk. Encouragingly, transaction activity is gradually recovering, and the year-to-date number of deals has surpassed the 2024 level. However, sentiment amongst interest rate-sensitive investors remains cautious.

At Malling, we remain firmly committed to offering expert strategic investment advice, ensuring robust support for both existing and prospective real estate assets. We continue to offer market updates on Bergen, provided by our regional contact WPS, along with insights on Stavanger, Drammen and Trondheim. Moreover, we offer comprehensive services across the commercial real estate spectrum, including transaction support, tenant representation, development consultancy, energy and environmental advisory, research services, leasing management, valuations, technology consultancy, and full-scale property and asset management.

Explore opportunities with Malling, and count on our insights during these uncertain market conditions.

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Macro – Global

Tariffs taking their toll on global growth. Or maybe not...

The financial markets experienced a sudden shift in sentiment following U.S. President Donald J. Trump's announcement of reciprocal tariffs on all countries and territories. The scale of the tariffs and the methodology behind their calculation caught markets off guard. Reciprocal tariffs represent a tit-for-tat approach designed to equalize tariff levels between trading partners. However, the metrics used to justify these tariffs were questionable, and the rates imposed were so steep that markets reacted with alarm. Stock prices plummeted, and yields on U.S. government debt surged, leading Trump to enact a 90-day "pause" on most tariffs.

At the time of writing, trade negotiations between the U.S. and major trading partners were underway, adding to the uncertainty. Looking ahead, the economic outlook for 2025 and 2026 remains highly unpredictable. Additionally, the ongoing war in Ukraine continues to strain relations between Europe and the U.S.

Tariffs Trigger Turbulence: IMF Slashes 2025 Growth Forecast Amid Rising Global Uncertainty

While stock markets recovered significantly from their April lows, uncertainty persists at the time of writing. Reflecting this uncertainty, the International Monetary Fund (IMF) has revised down its global growth forecast for 2025, cautioning that the world economy is entering a period of heightened volatility and fragmentation. In its latest World Economic Outlook (WEO), the IMF projects global GDP growth to slow to 2.8 % in 2025 (down from its January projection of 3.3 %), with only a modest rebound to 3.0 % anticipated in 2026. These figures are notably weaker than the historical average of 3.7 % from 2000 to 2019.

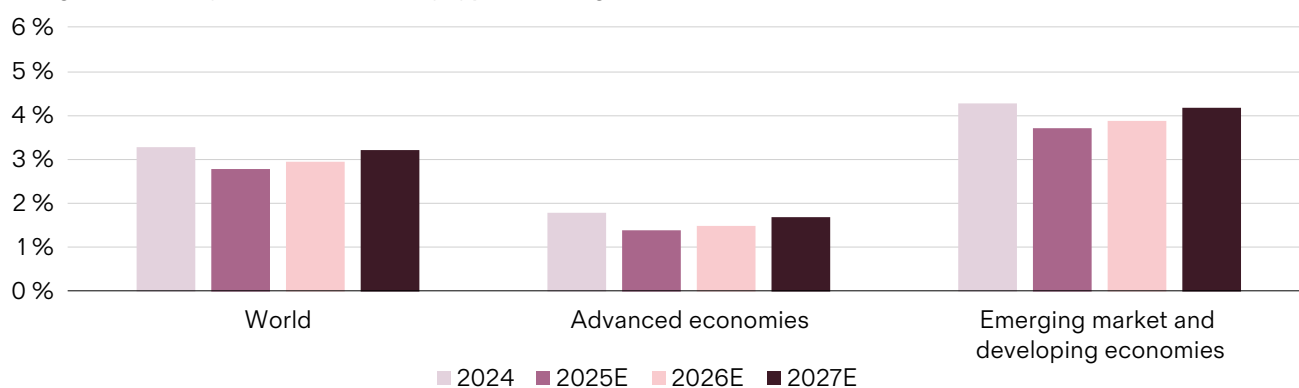
The revised projections largely result from a series of new tariffs imposed by the United States in early 2025 and retaliatory actions from trading partners. The IMF expects global trade growth to decline by 1.5 percentage points in 2025 as a result. Rough estimates from the IMF suggest that if the U.S. were to impose 10 % tariffs on all non-commodity imports, followed by similar retaliatory tariffs from other nations, global output could shrink by approximately 0.3 % within three years. Additionally, global inflation could rise by an average of 0.4 percentage points annually.

The revised outlook is especially stark for the United States. The IMF in its WEO in April forecast U.S. GDP growth to slow from 2.8 % in 2024 to just 1.8 % in 2025, before further declining to 1.7 % in 2026. While signs of a slowdown were evident prior to the tariff announcements, the heightened uncertainty surrounding the policy amplified the downturn. Many economists now believe the likelihood of a U.S. recession has increased due to pessimism among investors and consumers. The Economist Intelligence Unit, in its May update, has joined this sentiment, predicting a 0.1 % GDP contraction for the U.S. in 2025, a marked downgrade from its pre-tariff forecast of 1.4 % growth.

Similarly, advanced economies are forecast to grow by a mere 1.4 % in 2025, with the euro area projected to expand by just 0.8 %, according to the IMF. The European Commission offers a slightly brighter outlook, projecting 1.1 % GDP growth for the EU and 0.9 % for the euro area in 2025. Emerging markets and developing economies face their own challenges, with growth expectations now lowered to 3.7 %. China, in particular, remains vulnerable to U.S. tariffs, despite ongoing negotiations between the two superpowers, which have shown progress but remain inconclusive.

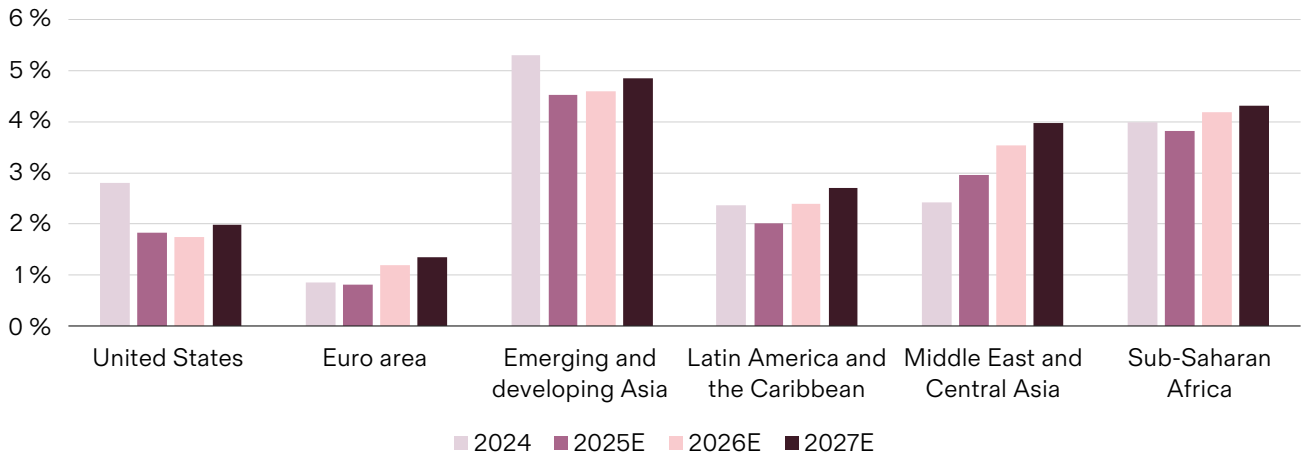
Overall, risks to the economic outlook remain tilted to the downside, according to the IMF. Escalating trade tensions and heightened asset-market uncertainty pose significant threats to global growth. However, there is a glimmer of optimism: de-escalation of trade barriers, such as those observed in mid-May, has temporarily improved sentiment and may stimulate growth prospects if sustained.

GDP growth rate, by world and economy type, % change



Source: IMF WEO (April 2025)

GDP growth rate projections, by region, % change



Source: IMF WEO (April 2025)

Labour Market Pressures Mount as Global Growth Slows and Trade Tensions Rise

The April 2025 World Economic Outlook from the IMF underscores mixed conditions in global labour markets, highlighting increasing pressure amid policy uncertainty and slowing economic growth. Throughout much of 2024, labour markets displayed unexpected resilience in the aftermath of pandemic and energy crisis disruptions, with unemployment rates in many nations returning to pre-pandemic levels.

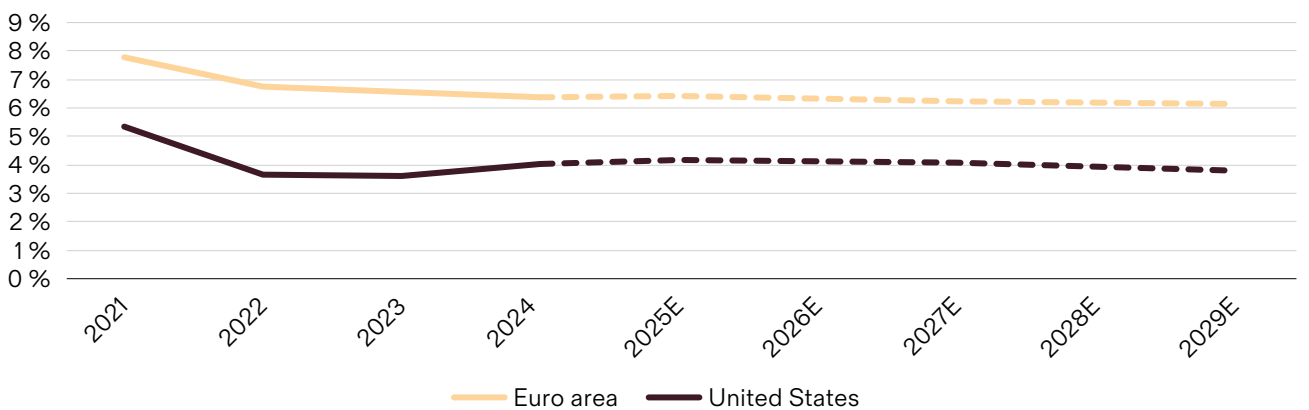
However, this stability began to erode in early 2025, particularly following the escalation of U.S.-initiated trade tensions and the imposition of widespread tariffs in April. Recruitment activity has slowed across numerous economies, while layoffs have risen. In the U.S., waning consumer and business confidence has translated into softer private spending.

As of April 2025, the U.S. unemployment rate stood at 4.2 %, remaining within a stable range of 4.0 % to 4.3 % throughout 2024. This suggests a relatively tight labour market. While nonfarm payroll employment saw an unexpected increase in April, the growth pace was still slower than the average observed over the prior year, signalling a potential cooling in labour demand.

Similarly, the euro area is grappling with employment challenges due to subdued domestic demand, persistent uncertainties, and weak manufacturing activity. Despite these headwinds, the European Labour market remains resilient. Unemployment rates in both the euro area and the broader European Union are at historically low levels. As of March 2025, the unemployment rate in the euro area was seasonally adjusted at 6.2 %, the lowest level since the euro's introduction in 1999. Across the entire EU, the unemployment rate stood at 5.8 %. These figures reflect a robust job market overall, although employment growth has begun to moderate.

Emerging markets and developing economies face additional pressures in their labour markets. High debt burdens, tighter financial conditions, and reduced external demand are expected to constrain job creation in these regions.

Unemployment rate, %



Source: IMF WEO (April 2025)

Global Inflation Eases, but Stubborn Price Pressures Linger

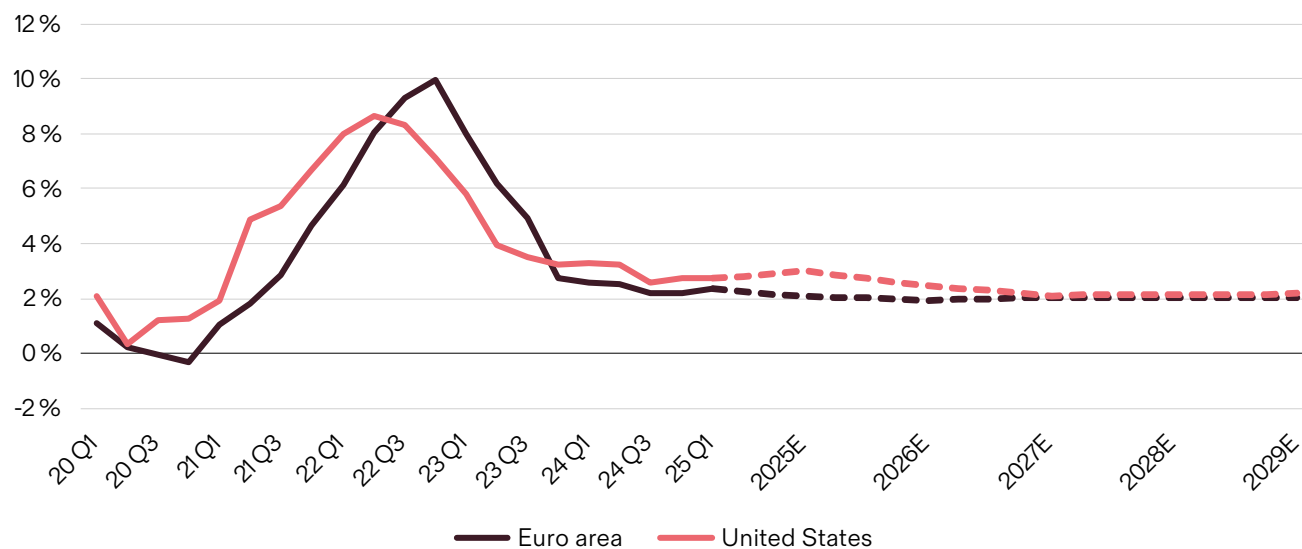
Although global inflation is generally easing, it remains stubbornly persistent. According to the IMF's latest projections, global headline inflation is forecast to reach 4.3 % in 2025, slowing to 3.6 % in 2026. However, this deceleration is expected to be slower than initially anticipated, with the IMF highlighting sticky services inflation and a renewed rise in core goods inflation in some countries.

In the OECD region specifically, year-on-year inflation continued its downward trend into March 2025, falling to 4.2 % from 4.5 % in February and 7.2 % a year earlier. Of the 38 OECD member countries, inflation declined in 18 but rose in 7. Notably, Finland and Sweden reported headline CPI growth below 1 %, reflecting a dramatic cooling of price pressures. This widespread decline in inflation across several countries, some reaching rates of 2 % or below, is creating conditions for potential interest rate cuts in the near future.

Within the euro area, year-on-year inflation declined slightly to 2.2 % in March, down from 2.3 % in February. This drop was largely driven by falling energy prices and slowing core inflation, although higher food inflation partially offset these trends. Eurostat's flash estimate for April indicates that headline inflation remained stable overall, with energy inflation falling to -3.5 %. However, core inflation is estimated to have ticked up to 2.7 %.

Turning to the G20 economies, inflation remained steady at 4.2 % in March, nearly unchanged from 4.3 % in February and down significantly from 7.2 % a year ago. In China, inflation was virtually flat, registering at -0.1 % in March, while South Africa also saw a decline. In contrast, Japan recorded an increase in consumer prices, with inflation rising to 3.6 % in March, or 3.2 % when excluding more volatile components like food and energy.

Headline inflation forecasts, %



Source: ECB, FED, IMF WEO (April 2025)

«The IMF warns that services inflation remains sticky, and core goods inflation has begun rising again in some countries».

Rate Roulette: Central Banks Weigh Growth Gloom Against Price Pressures

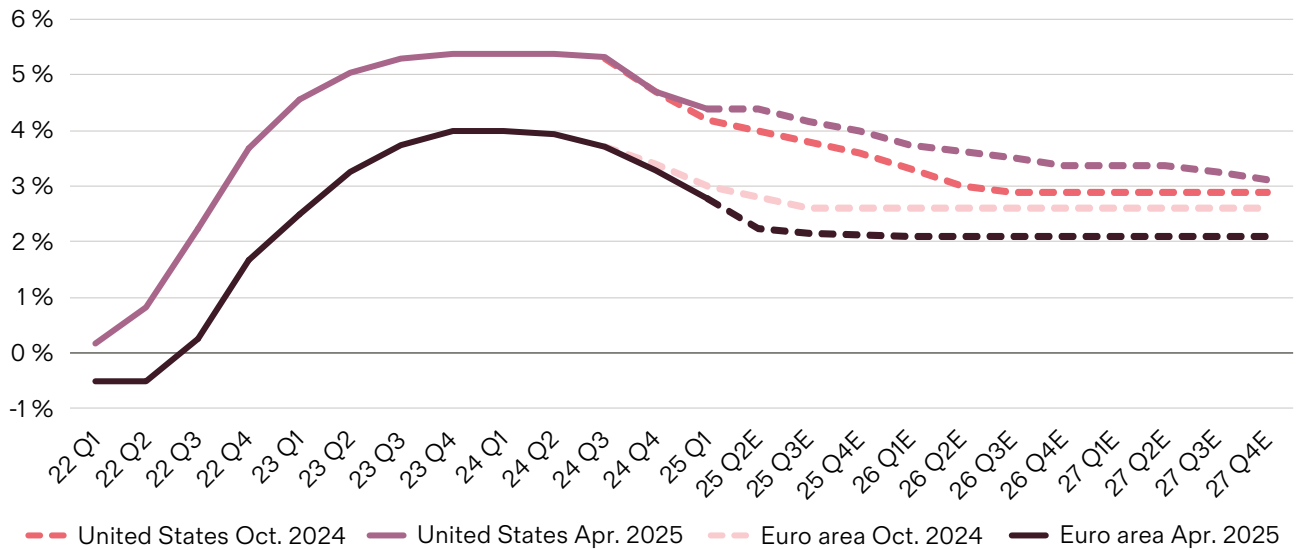
The outlook for interest rates is mixed and varies significantly across regions. While slower economic growth often leads to lower interest rates, the introduction of tariffs in the U.S. could drive up consumer prices, potentially limiting the scope for rate cuts. Conversely, in other parts of the world, goods diverted away from the U.S. may lower prices, supporting rate reductions in those regions. In the U.S., interest rate projections have been revised upward compared to a year ago, while in the euro area, rates are trending downward.

In the United States, the Federal Reserve has kept the federal funds target range at 4.25 % - 4.50 % since December 2024. Despite inflation easing to 2.3 % year-over-year in April 2025 and initial de-escalation in U.S.- China trade tensions, the Federal Reserve remains cautious. It has emphasized a "wait-and-see" approach, requiring clearer economic signals before adjusting its monetary policy. Market participants, however, are anticipating possible rate cuts as early as September.

In the euro area, the European Central Bank (ECB) lowered its policy rates in April 2025, reducing the Deposit Facility rate to 2.25 % from 4.00 % in June 2024. The decision reflects weaker economic growth and declining inflation. Further rate cuts are expected, potentially lowering the Deposit Facility rate to below 2 %, especially if deflationary pressures persist. Factors such as continued energy price declines and ongoing trade tensions are likely to influence the ECB's monetary policy decisions in the coming months.

Meanwhile, conditions in Japan present a contrasting picture. The Bank of Japan (BoJ) raised its short-term interest rate to 0.5 % in January 2025 despite a significant economic contraction of 0.7 % in Q1 2025, attributed to weak consumer spending. Inflation, however, has surged, with annual consumer price growth hitting 3.4 % in March. While the BoJ has scaled back its growth forecasts, it is likely to delay any further rate hikes until the broader economy shows sustained signs of recovery.

Key policy rates, %



Source: IMF WEO (April 2025)

«In the US, outlook for interest rates have been raised compared to a year ago, while the opposite is true for the euro-area».

Fiskebrygga, Oslo



Illustration: Vivid-vision, A-lab

Malling Leietakerrådgivning has advised Statkraft on the signing of a new lease agreement at Fiskebrygga in Oslo. The new 26 000 m² office will accommodate 1 500 Statkraft employees starting in 2028. In addition, Malling Leietakerrådgivning has been appointed as project manager for the office fit-out to ensure a successful fit-out and relocation.

Akersgata 51, Oslo



Photo: Nyebilder

Malling Investments has acquired Akersgata 51 from NREP on behalf of Malling Core Plus II – a centrally located 18 000 m² office building in Oslo, housing the headquarters of Rystad Energy. A sustainability due diligence was conducted by Malling & Co Energi og Miljø AS.

Macro — Nordics

Nordics Face Uneven Landscape with Mixed Growth, Cooling Job Markets, and Varied Policy Approaches

Economic growth across the Nordic countries varies considerably, influencing labour markets that are showing signs of cooling or weakening. While inflation remains largely contained across the region, notable differences persist, particularly in Norway. These varied economic conditions underpin the region's divergent monetary policies.

In Sweden, economic activity is slowing, although less severely than in neighbouring Finland, which is experiencing more pronounced challenges. Denmark, on the other hand, saw strong GDP growth in 2024, driven by rapid expansion in its pharmaceutical industry. However, growth in Denmark is now moderating as international competition intensifies.

Nordic Economies Show Varied Performance as Sweden Slows While Finland Recovers and Denmark Moderates

The Nordic region presents a varied picture in terms of economic growth. While Sweden is experiencing a slowdown, it is performing slightly better than its eastern neighbour, Finland. Meanwhile, Denmark saw strong GDP growth in 2024, driven by its thriving pharmaceutical industry, but growth is now moderating due to intensifying international competition.

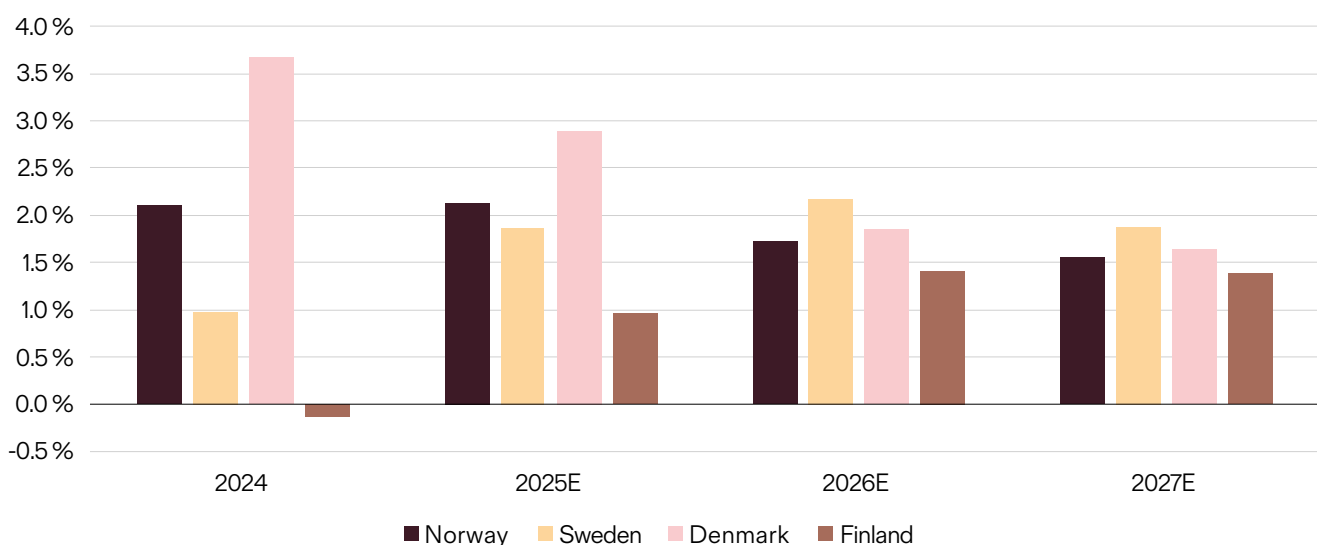
The Swedish economy is growing sluggishly and is flirting with recession. According to the Swedish Central Bank's Monetary Policy Update (May 2025), the country's economic growth is slowing more than previously anticipated. Year-over-year GDP growth for Q1 2025 was 1.1%, compared to 2.4% in the same period in 2024. This deceleration is attributed to heightened global uncertainty, weaker household sentiment, and growing pessimism among businesses.

Denmark's economy appears to be in a neutral cyclical position, with no indications of overheating or recession. GDP growth rebounded to 0.6% in March 2025 after contracting in January and February. According to the Danish Central Bank and the IMF, Denmark's GDP is projected to grow by 2.9% in 2025, but this figure includes two one-off factors: the reopening of the Tyra gas field and strong performance in Danish companies' foreign production. Excluding these factors, underlying growth is estimated at a more moderate 1.4%. The IMF predicts growth will slow further to 1.8% in 2026 and 1.6% in 2027.

Overall, the Danish Central Bank characterizes the Danish economy as fundamentally well-balanced, with favourable prospects for solid growth, continued high employment, and low, stable inflation in the coming years. However, the recent decline in Novo Nordisk's share price has raised concerns about the country's overreliance on a single industry. That said, Denmark's reasonably diversified economy and prudent fiscal management support its longer-term growth trajectory.

The Finnish economy is gradually recovering from its 2024 recession, driven by domestic demand. However, Finland continues to face significant challenges, including a high unemployment rate of 8.4% (with particularly high levels among youth) and structural vulnerabilities in key industries. The Finnish Central Bank projects GDP growth of 0.8% in 2025 and 1.8% in 2026, slightly differing from the IMF's forecast of 1.0% and 1.4%, respectively.

GDP growth rate projections, by country, % change



Source: IMF WEO (April 2025)

Nordic Labour Markets Face Mild Headwinds

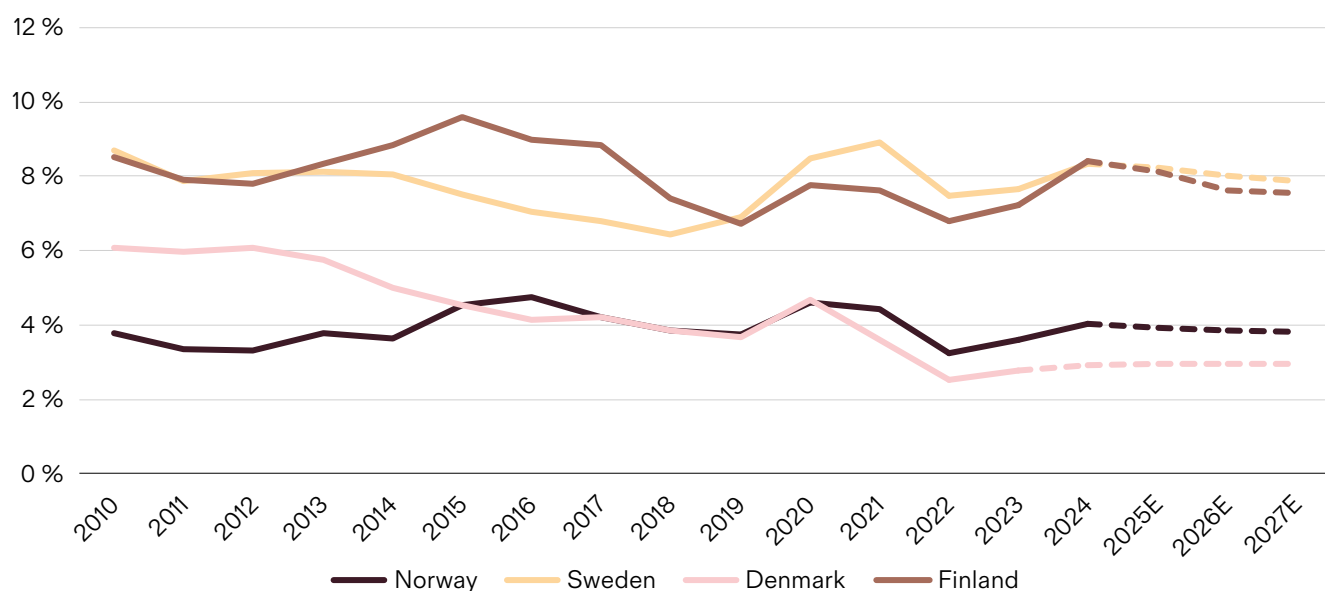
According to the Swedish Central Bank's Monetary Policy Update - May 2025, Sweden's labour market outperformed expectations in the first quarter of the year. Employment increased while the unemployment rate fell to 8.1 % in March, down from 8.9 % in February, lower than forecasted in the Swedish Central Bank's March projections. Despite this improvement, the central bank cautions that weaker growth prospects could lead to higher unemployment in the near future. Rising global economic uncertainty, driven by trade tensions and declining household confidence, is expected to dampen exports and investment, which may negatively impact labour demand.

Data from the Swedish Labour Force Survey (LFS) for Q1 2025 paints a mixed picture: employment and labour force participation grew, but unemployment simultaneously rose, signalling a cooling labour market. This suggests that while more individuals are entering the workforce, the economy is currently unable to create enough jobs to absorb this growth.

Finland's labour market weakened during the first quarter of 2025. According to Statistics Finland's Labour Force Survey, the number of employed persons fell by 28 000 compared to the same quarter in 2024, while the number of unemployed persons grew by 38 000. The unemployment rate climbed sharply to 9.3 % in April, up from 8.2 % a year earlier, underscoring continuing challenges for Finland's economy.

Denmark's labour market remains fundamentally strong, although growth is slowing gently. Recruitment challenges persist in sectors like ICT and healthcare, but broader labour market pressures are easing. The European Commission estimates Denmark's unemployment rate to rise slightly to 6.2 % in 2025 and 6.3 % in 2026. Wage growth is expected to moderate, reflecting easing labour shortages, yet real wages are likely to increase, supported by low inflation forecasts of just 1.6 % in 2025 and 1.5 % in 2026.

Unemployment rate, %



Source: IMF WEO (April 2025)

«The European Commission estimates Denmark's unemployment rate to rise slightly to 6.2 % in 2025 and 6.3 % in 2026».

Nordic Inflation Mostly Contained, Norway Remains an Outlier

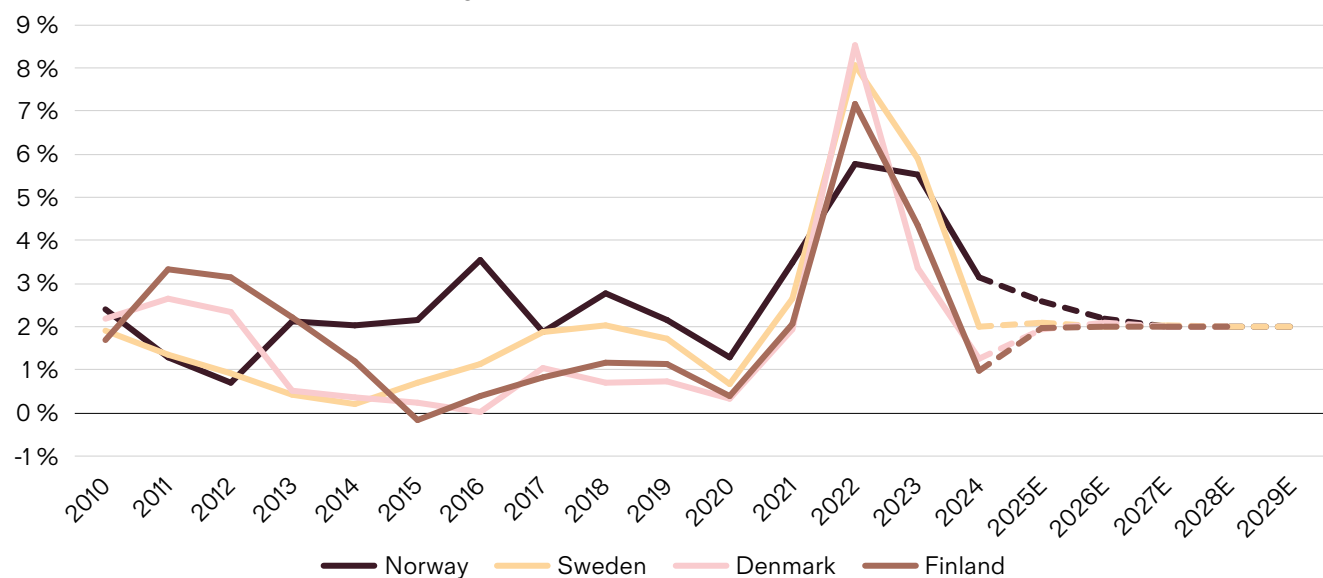
Most Nordic countries, with the exception of Norway, have successfully reduced inflation to or below their central banks' target of 2 %. Norway's expansionary fiscal policy, however, may hinder efforts to return to the 2 % inflation target in 2025 and 2026.

In Sweden, inflation remains slightly elevated but mostly aligns with previous forecasts from the Swedish Central Bank's Monetary Policy Update (May 2025). The annual inflation rate, measured by the Consumer Price Index with a fixed interest rate (CPIF), was steady at 2.3 % in April, unchanged from March. This stability indicates that underlying inflationary pressures persist. While firms continue to maintain elevated pricing plans, producer price inflation is slowing, and market participants' inflation expectations remain anchored at the 2 % target, according to the Swedish Central Bank.

Finland's inflation rate reflects the country's sluggish economic growth. Year-on-year headline CPI inflation stood at 0.5 % in April, unchanged from March. Although prices for cigarettes and hospital fees increased, lower electricity maintenance prices and lower interest rates exerted downward pressure on overall inflation. Consumer prices are projected to rise by 1.9 % in 2025, partially driven by adjustments to indirect taxes, before slowing to 1.6 % in 2026. A slight increase to around 1.7 % is expected by the end of the forecast period in 2027.

Denmark continues to experience inflation well below the official 2 % target, with a year-on-year rate of 1.5 % in April. The core CPI index, which excludes energy and food, grew slightly, rising by 1.7 %. Inflation in Denmark remains largely contained, leading to significantly less pressure on its central bank compared to the challenges faced by the Norwegian Central Bank in Norway. The International Monetary Fund (IMF) forecasts Danish inflation to gradually approach the 2 % target during 2025 and 2026.

Consumer Price Index (CPI), annual change, %



Source: IMF WEO (April 2025)

«Most Nordic countries, with the exception of Norway, have successfully reduced inflation to or below their central banks' target of 2 %».

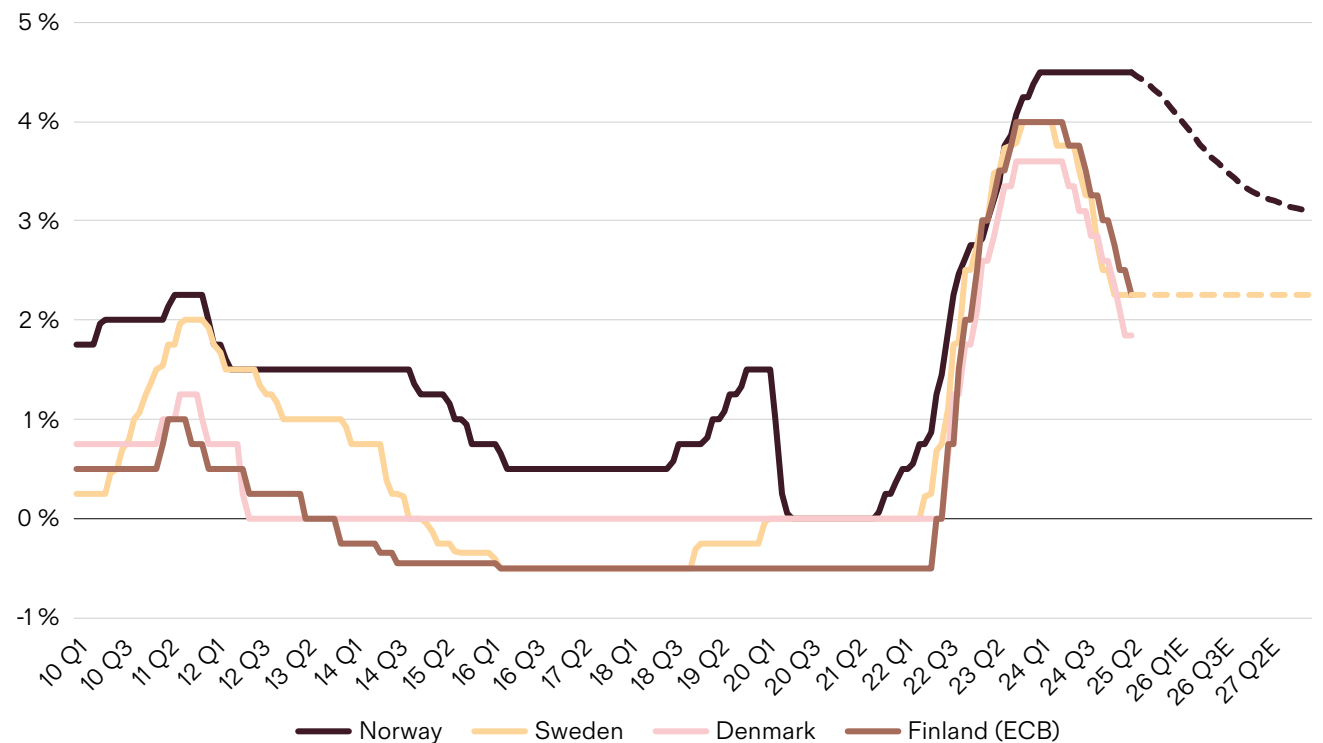
Denmark Cuts Rate Following ECB, Sweden Holds While Signalling Potential Future Easing

At its May 2025 meeting, the Swedish Central Bank decided to hold the policy rate steady at 2.25 %. This decision reflects the central bank's assessment that the current rate is appropriate given prevailing economic conditions and the considerable uncertainty in the global economic environment. The central bank emphasized the need to wait for clearer economic signals before making any monetary policy adjustments. However, it suggested that if inflationary pressures continue to ease and the economic outlook deteriorates, a more accommodative monetary policy could be warranted in the future.

On 22 April 2025, the Danish Central Bank reduced its key interest rates by 0.25 percentage points to 1.85 %, aligning with a similar 0.25 percentage point cut in the European Central Bank's (ECB) deposit facility rate. Despite this adjustment, the monetary policy interest rate spread between Denmark and the euro area remains unchanged, consistent with Denmark's pegged exchange rate system tied to the euro.

Finland's economy is gradually recovering from a recent recession. As a member of the euro area, Finland adheres to the monetary policy set by the European Central Bank, which governs interest rate decisions across the union.

Key policy rates and interest rate path, %



Source: ECB, the Norwegian Central Bank, the Swedish Central Bank, the Danish Central Bank

Current policy rate

	May 2025
Norway	4.50 %
Sweden	2.25 %
Denmark	1.85 %
Finland (ECB)	2.25 %

Source: ECB, the Norwegian Central Bank, the Swedish Central Bank, the Danish Central Bank

«The Swedish Central Bank emphasized the need to wait for clearer economic signals before making any monetary policy adjustments».

Campus Ullevål, Oslo



Illustration: 3D Estate

Campus Ullevål - Malling & Co Næringsmegling assisted Aspelin Ramm and NGI with the negotiation of the letting agreement to Sykehusbygg HF, which is renting approximately 3 300 m² in Campus Ullevål.

Wergelandsveien 15, Oslo



Illustration: 3D Estate

Malling Leietakerrådgivning has advised Brækhus Advokatfirma on the signing of a new lease agreement at Wergelandsveien 15 in Oslo. The new 3 400 m² office space will accommodate their 75 employees from 2027. In addition, Malling Leietakerrådgivning has been appointed as project manager to ensure a successful office fit-out and relocation.

Macro — Norway

Steady Course in Storm-Tossed Seas

The Norwegian economy entered 2025 on relatively solid footing after two sluggish years in 2023 and 2024. However, uncertainty persists as global trade tensions, particularly the threat of new tariffs, weigh on the international outlook. For Norway, which heavily depends on exports to Europe, slower global growth presents a significant risk.

In light of these challenges, the government has revised its 2025 growth forecast for mainland GDP downward to 1.8 %, from the 2.3 % projected in last autumn's budget. Despite this, employment growth remains stable, with unemployment expected to hover near 2 %.

Consumer sentiment has weakened following U.S. tariff hikes and the subsequent financial market turbulence in April. While Norwegians remain optimistic about their personal finances, overall confidence has halved compared to the previous quarter. Nonetheless, low unemployment and expectations of real wage growth continue to provide a degree of support. According to Finans Norge's Forventningsbarometer, fewer consumers now believe it is a good time to make major purchases, reflecting an increase in caution.

Real wages grew by 2.4 % in 2024, and with nominal wage growth forecast at 4.4 % and CPI inflation projected at 2.8 % in 2025, households are set for another boost in purchasing power. This is expected to drive private consumption, which is projected to grow by 2.1 % this year, up from 1.2 % in 2024, as households recover from restrained spending following the late-2023 interest rate shock.

Norwegian Economy Gradually Rebounds on Increased Purchasing Power and Lower Interest Rates

Economic uncertainty remains unusually high at the time of writing, driven primarily by the unclear scope and timing of new trade tariffs. This uncertainty presents a risk to economic growth by dampening investment and consumption while fuelling volatility in financial markets.

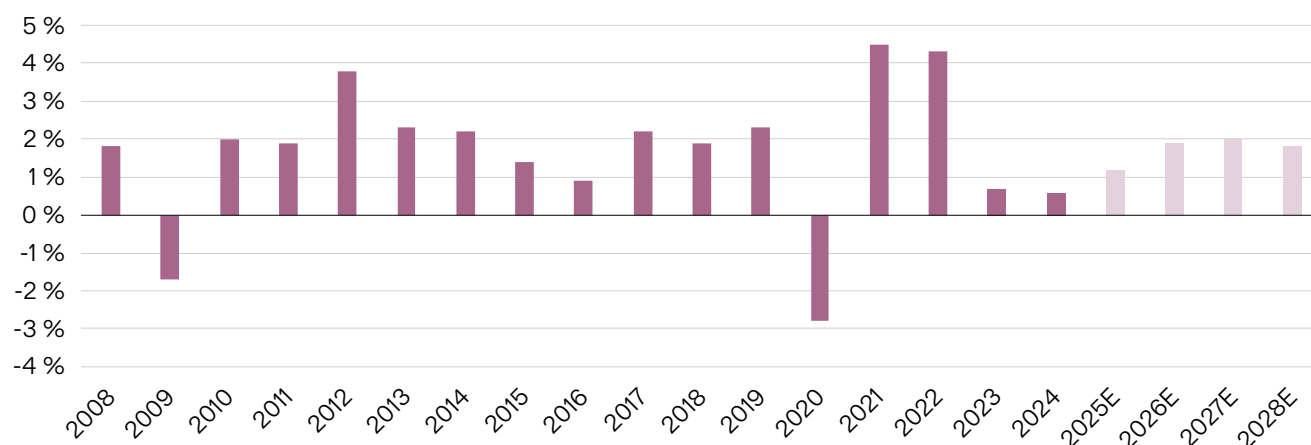
Norway's mainland GDP grew by a stronger-than-expected 1.0 % in Q1 2025, rebounding from a 0.4 % contraction in the previous quarter. The positive surprise was largely attributed to high electricity production, though household consumption and retail sales also contributed. Goods purchases by households rose by 1.6 % compared to Q4 2024.

Statistics Norway (SSB) now forecasts mainland GDP growth of 1.2 % in 2025 and 1.9 % in 2026. These projections reflect improving real wage growth, with SSB estimating average annual real wage growth of 1.5 % from 2024 to 2027, supported by strong corporate profitability. Expectations of lower interest rates are also anticipated to boost consumption.

The Treasury, in its Revised National Budget published in May, presents a slightly more optimistic outlook, forecasting mainland GDP growth at 1.8 % in 2025 and 1.6 % in 2026. Although this marks an improvement from the subdued growth of the past two years, the projections broadly align with the median growth rate observed between 2008 and 2024.

Following a sharp decline in housing investment in recent years, a recovery is expected towards the end of 2025. Key contributing factors include falling interest rates and regulatory adjustments, particularly the reduction of the required mortgage down payment ("egenkapitalkravet") from 15 % to 10 %. This recovery is expected to reignite activity in the construction sector, according to SSB.

Mainland GDP, %



Source: Statistics Norway

Labour Demand Remains Strong, Supporting Real Wage Growth in 2025

Despite broader economic challenges since 2022, employment in Norway has grown by 0.4 %. The registered unemployment rate (NAV) declined to 2.0 % in April, down from 2.1 % in March, matching the level from April last year. This rate remains lower than any month recorded between the financial crisis of 2009 and the start of the pandemic in 2020.

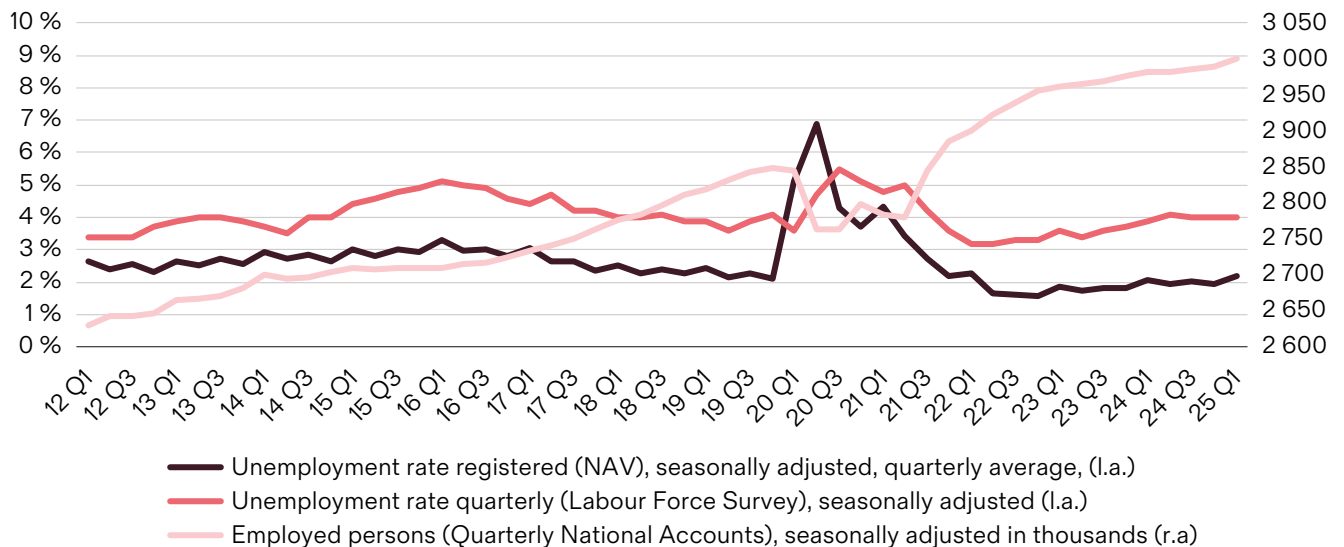
In early 2025, Norwegian firms expressed moderate optimism about hiring, according to the Norwegian Central Bank's "Forventningsundersøkelsen". However, increasing global uncertainty, intensified by new U.S. tariffs, may dampen hiring sentiment in the coming months.

Currently, there is no clear trend in unemployment. NAV's seasonally adjusted quarterly average showed a slight increase in Q1 2025, though the overall rate remains near a 10-year low. Meanwhile, Statistics Norway's Labour Force Survey (AKU) continues to hold steady at around 4.0 %. Although both surveys use similar definitions of unemployment, their results often diverge, with only about one-sixth of individuals classified as unemployed appearing in both datasets.

The labour market remains supported by strong activity in export-focused industries. The oil and gas sector continues to benefit from domestic incentives provided by the 2020 petroleum tax package, while the construction sector faces constraints from high interest rates. The Norwegian Central Bank's Regional Network survey (Q1 2025) indicates a balanced employment outlook overall, with slightly more firms planning to expand than reduce staffing levels. However, employment growth in the Oslo area is notably weak, and the survey predates the renewed uncertainty surrounding tariffs.

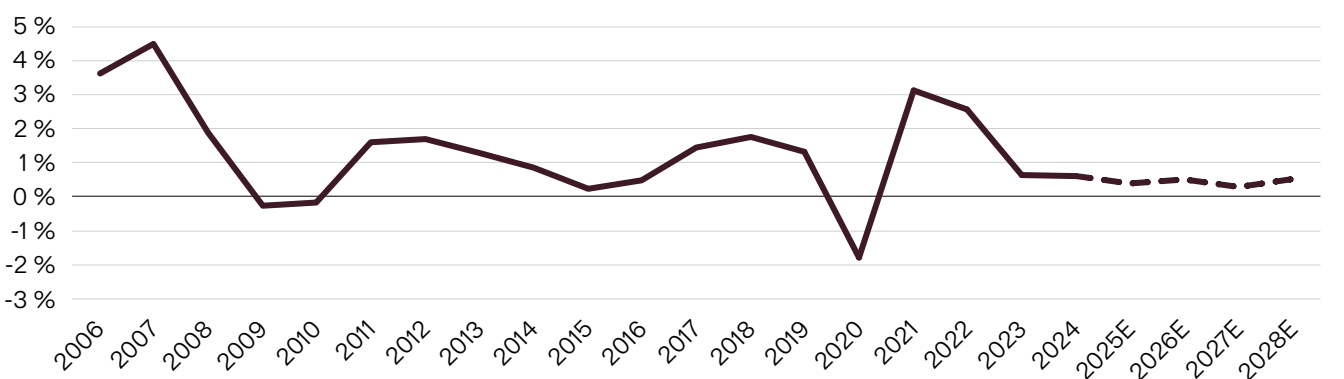
Early in 2025, activity among oil service providers remained high, driven by solid global demand and domestic tax incentives. However, capacity constraints are preventing further expansion, and the sector's outlook is clouded by falling oil prices. As of May, oil prices had dropped to USD 60 per barrel following a production increase by Saudi Arabia. This decline has heightened caution about future activity within the sector.

Unemployment rate – registered (NAV) and Labour Force Survey (LFS), and employed workforce (QNA)



Source: NAV (Norwegian Labour and Welfare Administration), Statistics Norway

Growth in registered employment Q4/Q4 and employment growth from national accounts, Norway, with forecasts



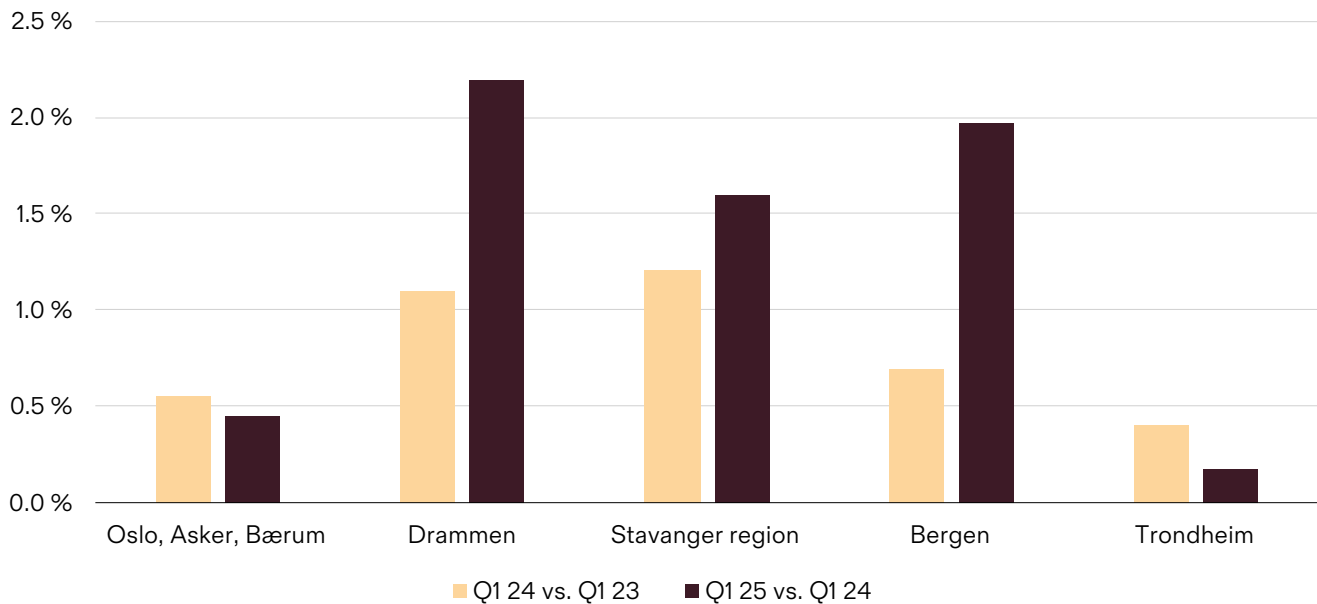
Source: Statistics Norway, Malling

Employment Growth in all the Major Cities except Oslo

The favourable impact of the oil tax package, introduced in 2020 to address low oil prices, continues to bolster strong labour market conditions along Norway's west coast. In Bergen, the number of wage earners increased by 2.0 % year-on-year in Q1 2025, up significantly from 0.7 % during the same period last year. Stavanger also experienced accelerated growth, with employment rising by 1.6 % compared to 1.0 % in Q1 2024.

In contrast, labour market performance in eastern and central Norway has been notably weaker. In the Greater Oslo region (Oslo, Asker, and Bærum), employment growth slowed to 0.4 % in Q1 2025, down from 0.6 % in the same quarter the previous year. Trondheim saw even more subdued growth, with employment increasing by just 0.2 %. The rolling 12-month change in wage earners has turned negative for the first time since the COVID-19 lockdown in 2020.

Four-quarter change in wage earners per city-area (%-change)



Source: Statistics Norway

12-months rolling change in wage earners Norway, %



Source: Statistics Norway

Mixed Signals in Norwegian Inflation as Domestic Pressures Offset Global Cooling

Although Norway has not implemented new tariffs, rising global trade barriers risk increasing import prices and adding to inflationary pressures. As of May 2025, the inflation outlook is shaped by a complex interplay of domestic cost growth and international uncertainty.

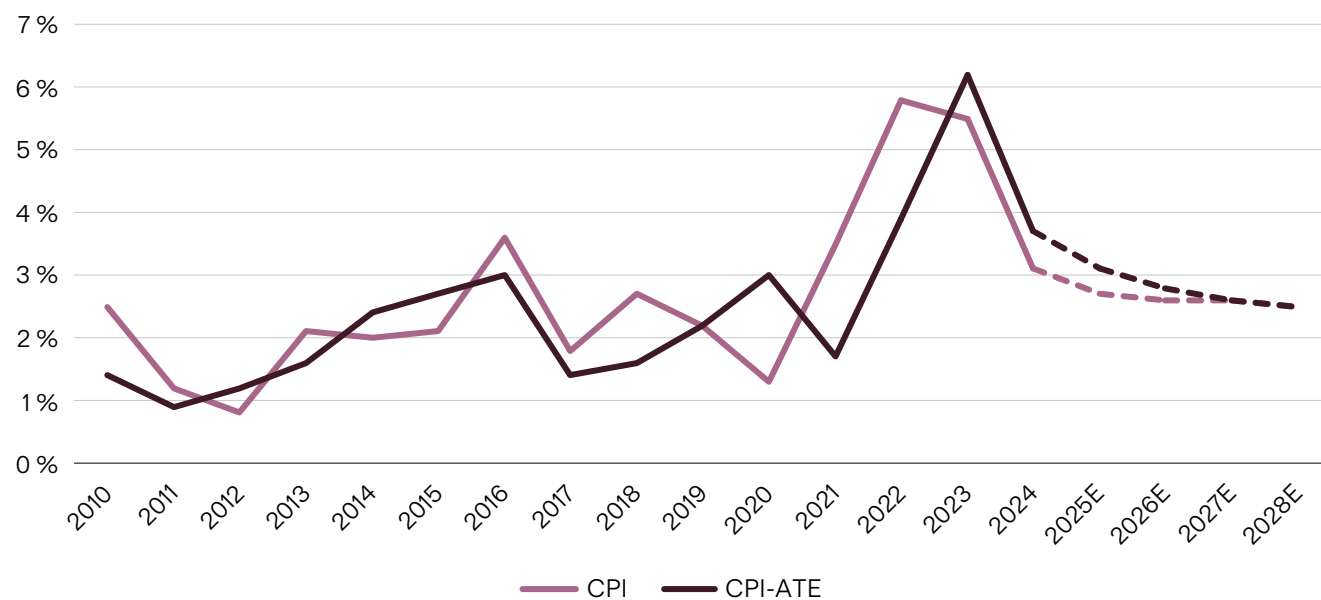
Following a period of decline, inflation rose unexpectedly in early 2025. Core inflation (CPI-ATE) reached 3.4 % year-on-year in both February and March, significantly exceeding the Norwegian Central Bank's 2 % target and earlier forecasts. The increase was primarily driven by higher food prices and strong wage growth, with average wages rising by 5.6 % in 2024.

In response, the Norwegian Central Bank held its key policy rate steady at 4.5 % in March and postponed a previously anticipated rate cut in June, stressing the importance of not easing prematurely given persistent underlying inflationary pressures.

By April, inflation began to moderate. Headline CPI fell to 2.5 %, while CPI-ATE eased to 3.0 %. However, these figures remain 0.3 - 0.4 percentage points above the central bank's late-2024 projections. Domestic service prices continue to rise at around 4 % annually, indicating persistent internal cost pressures.

Inflation, as measured by change in CPI, forecast to average 2.8 % in 2025 and 2.6 % in 2026. While the moderation in inflation has not led to higher unemployment, there remains significant uncertainty regarding how quickly inflation will return to the central bank's target.

CPI and CPI-ATE, annual change, %



Source: Statistics Norway

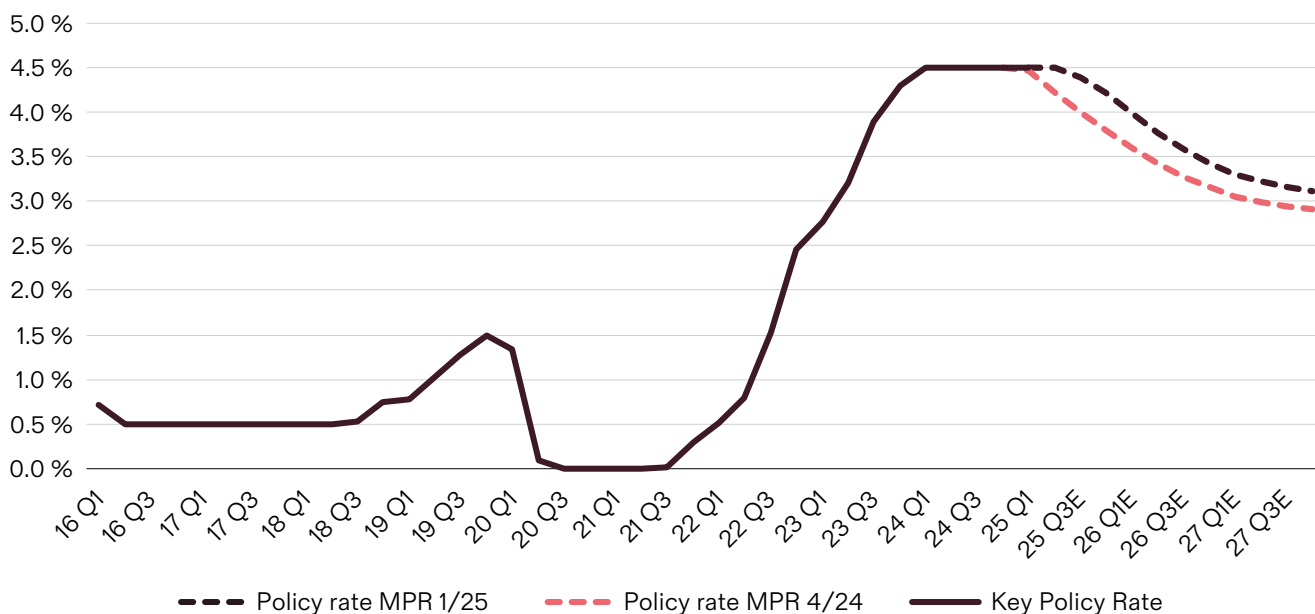
«The inflation outlook is shaped by a complex mix of domestic cost growth and international uncertainty».

The Norwegian Central Bank Holds Firm on the Key Policy Rate Amid Weak NOK and Persistent Core Inflation

The Norwegian Central Bank, has kept its key policy rate steady at 4.5 % since December 2023. Despite ongoing expectations of rate cuts, persistently high inflation and a weak currency have prevented the central bank from lowering the rate. In its monetary update in May, the central bank reaffirmed the current rate, citing inflation levels above its 2 % target. It also cautioned against cutting interest rates prematurely, warning that such a move could trigger further rapid price increases. Market expectations now point to a 25 basis-point cut at the September meeting and another 25 basis-point cut in December.

Norwegian long-term interest rates have experienced significant fluctuations owing to global trade developments. On April 2, five-year swap interest rates fell sharply to 3.8 %, down from 4.1 %, following President Donald Trump's announcement of a tariff plan. However, rates rebounded above 4.0 % in May after Trump reversed course on implementing extreme tariffs. As of mid-May, the yield curve remains relatively flat from the five-year mark onward. The five-year forward five-year swap rate (5Y5Y) stands at approximately 4.0 %, indicating that, if the Norwegian Central Bank successfully returns inflation to its 2 % target relatively soon, long real rates will stabilize at around 2 %, up from near zero prior to the COVID-19 pandemic. This shift represents a headwind for commercial real estate but could see improvement if confidence in the central bank's ability to combat inflation strengthens.

The Norwegian Central Bank's key policy rate



Source: The Norwegian Central Bank. MPR 1/25

«In its monetary update in May, the Norwegian Central Bank maintained the current rate citing an inflation above the 2 % target and simultaneously warned against cutting interest rates too early as this could cause prices to continue rising rapidly».

Norwegian Krone Caught Between Global Volatility and Domestic Stability

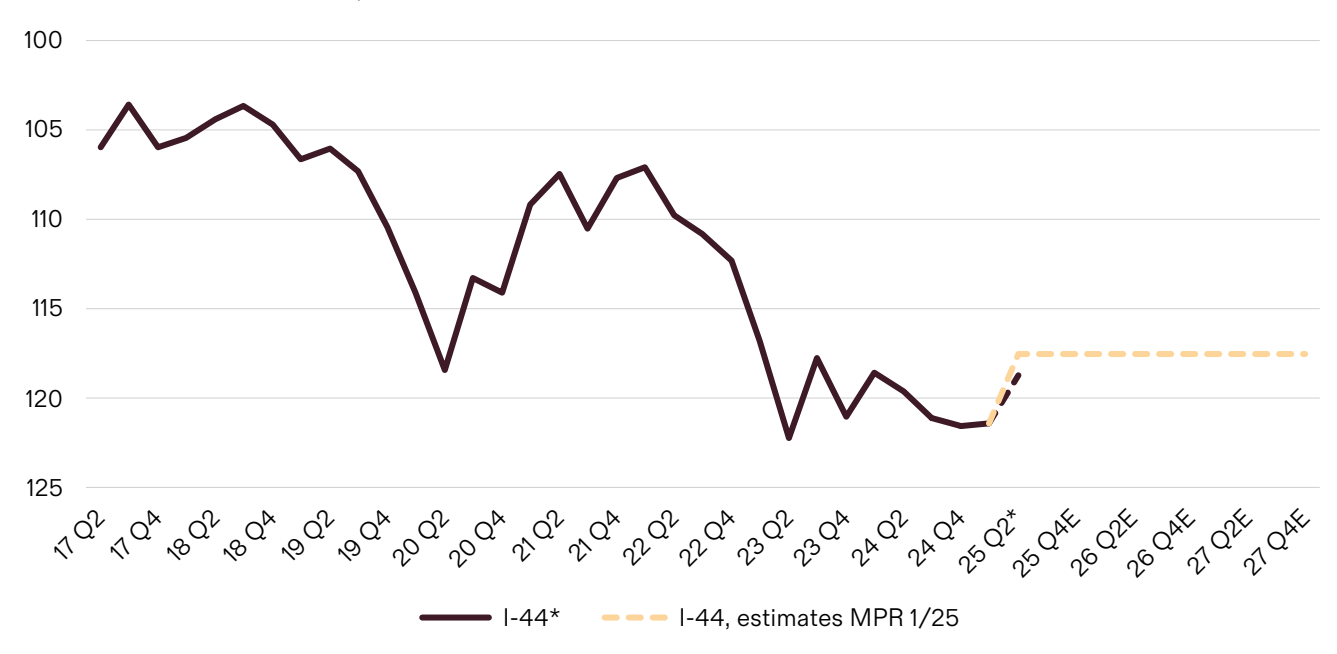
The Norwegian krone (NOK) fluctuated in the first half of 2025, reflecting a balance between domestic economic dynamics and volatile global financial conditions. Overall, the NOK has shown little change against the euro compared to 2024. However, over a longer timeframe, the NOK remains below its historical average, not just against the dollar and euro, but also relative to most trading partners as measured by the trade-weighted currency index (I-44).

Several factors have been suggested to explain the depreciation of the NOK. Earlier, the interest rate differential, especially against the dollar, was considered a plausible explanation. With the euro area policy rate at 2.25 % and the Norwegian rate at 4.50 %, however, this argument holds less weight. Other potential contributors include unpredictable tax policies and low productivity growth. Historically, global uncertainty weakens the NOK, a pattern evident this spring. Falling oil prices and escalating global trade tensions have also fueled demand for safe-haven currencies, further pressuring the NOK.

Although Norway has not raised tariffs, rising global trade barriers are affecting the NOK by reducing external demand and increasing market volatility. Structural challenges, such as the krone's limited liquidity, also contribute to its vulnerability to sudden swings.

Looking ahead, a sustained recovery of the NOK will likely depend on the stabilization of oil prices, a resolution of global uncertainty, and careful monetary easing by the Norwegian Central Bank. For now, the krone's weakness appears to reflect global factors more than domestic ones.

I-44 with estimates from MPR 1/25



*25 Q2 at 15 May 2025.

Source: The Norwegian Central Bank. MPR 1/25

«Looking ahead, a sustained recovery of the NOK will likely depend on the stabilization of oil prices, a resolution of global uncertainty, and careful monetary easing by the Norwegian Central Bank».

Landbrukskvartalet, Oslo



Illustration: Helen & Hard, Tegmark

Malling & Co Næringsmegling assisted Aspelin Ramm, Bondelaget and Vedal with the negotiation of the letting agreement to Intility, which is renting approximately 4 000 m² in Landbrukskvartalet.

Victoria Terrasse, Oslo



Statsbygg has appointed Malling & Co Corporate Real Estate as its transactions advisor for the forthcoming sales processes of several properties. Among these is Victoria Terrasse, a significant historic building complex encompassing 39 000 m², located in the Vika district within Oslo CBD.

The Investment Market

A Busier Investment Market Driven by Volume and Buyer Diversity

The investment market has continued its recovery throughout 2024 and into 2025, driven by an increased number of transactions, more active buyer segments, and shifting investor preferences. While average deal size has decreased compared to previous years, total activity has remained robust, particularly in the metropolitan regions. Investors continue to pursue assets in established markets, especially in segments offering predictable cash flows or long-term value creation. Notably, syndicates, life insurance firms, and equity-rich investors have expanded their presence. Prime office yields have seen moderate downward revisions in select locations. Global trends reflect similar dynamics, with residential assets emerging as a key focus across regions.

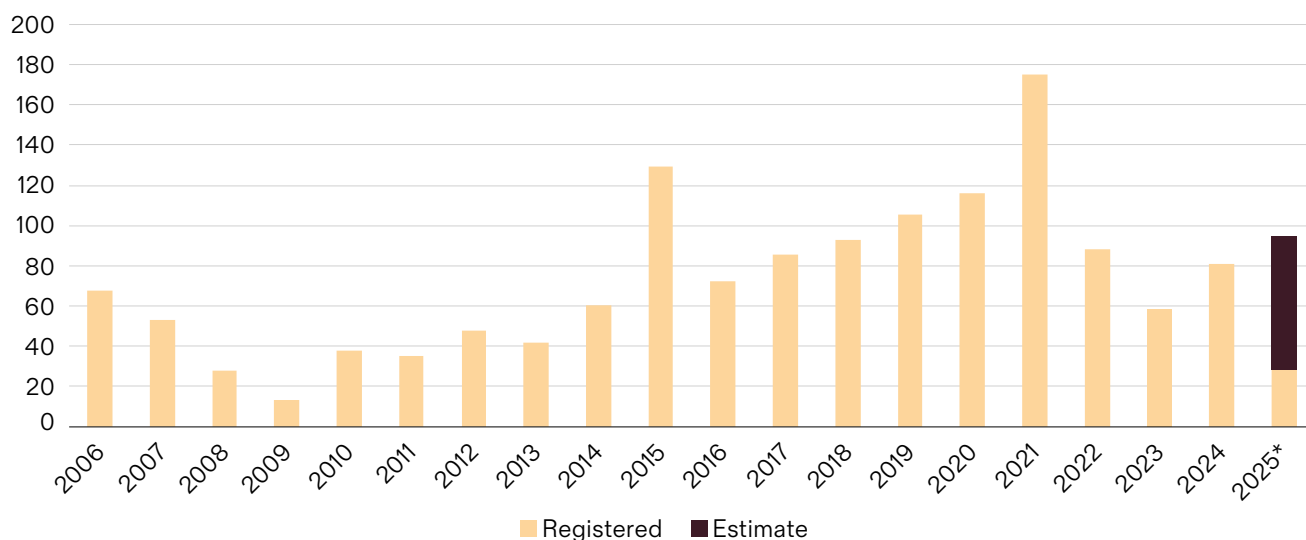
Activity Levels in the Investment Market Continue to Move in a Positive Direction

The investment year 2024 ended with a total volume of just over NOK 81 billion, representing a significant increase from NOK 59 billion in 2023. Market activity picked up gradually over the course of the year, with a clear upward trend beginning in summer 2024.

By mid-May 2025, the investment volume stands at just under NOK 29 billion, approximately the same level as mid-May 2024. However, the number of transactions has increased substantially, from just under 60 by mid-May 2024 to 90 by the same time in 2025. While more transactions are being completed, the average deal size is smaller. The number transactions above NOK 1 billion have declined from 12 by May 2024 to eight by May 2025. Among the largest transactions recorded so far in 2025 are CapMan's acquisition of the Midstar Fästigheter hotel portfolio, Malling's purchase of Pilestredet 35, and Public Property Invest's acquisition of the TRG (Røkke) portfolio.

Based on developments so far this year and current market outlook, we estimate that the total investment volume for 2025 will reach approximately NOK 95 billion.

Volume development in NOK billion (transaction volume larger than NOK 50 million)



*As of 15 May 2025.

Source: Malling

«By mid-May 2025, the investment volume stands at just under NOK 29 billion».

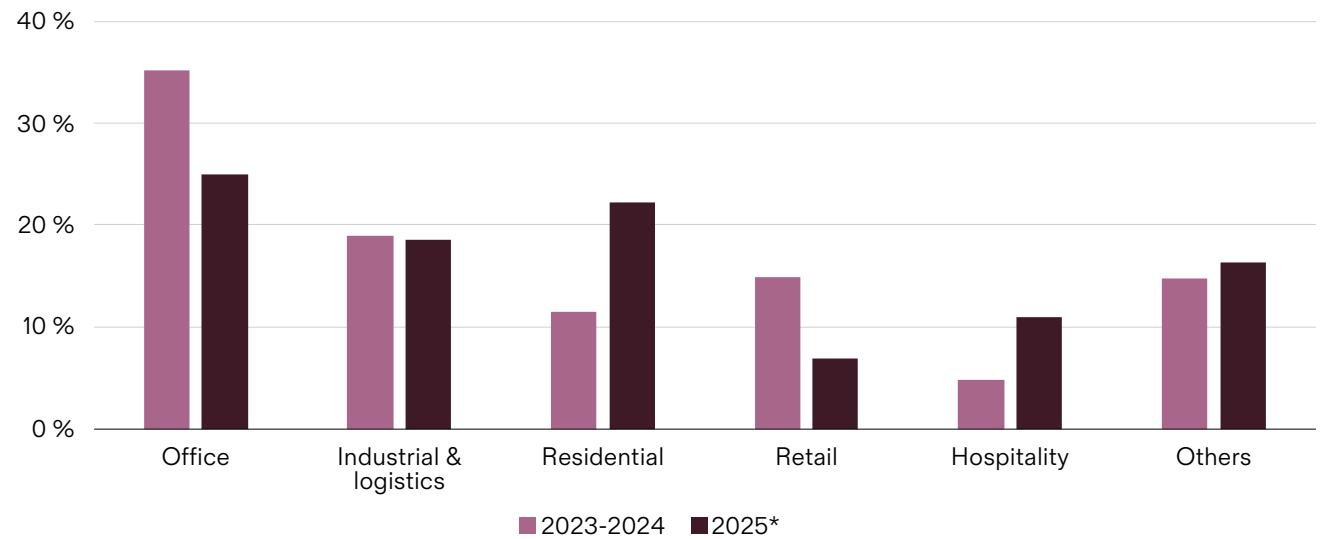
Equity-Backed Investors are Dominating the Investment Market

In recent years, the Norwegian investment market has shown a stable segment composition, in line with long-standing historical patterns. Between 2023 and 2024, the office segment was by far the largest, accounting for 35 % of the total investment volume, followed by logistics at 19 %. Retail and residential followed with 15 % and 11 %, respectively, while hospitality made up 5 % of the market.

In 2025, however, we have seen a clear deviation from this pattern. Residential has been the main outlier, with significantly higher activity than in previous years, accounting for 23 % of the total investment volume so far. At the same time, both retail and office have seen somewhat lower shares compared to previous years, while logistics has remained relatively stable. Hospitality has emerged as a strong performer, representing 9 % of the volume by mid-May. This is largely driven by a small number of large individual transactions, and we observe increasing demand for this type of asset, especially from international investors.

There have also been notable shifts in buyer composition. From 2023 to 2024, professional real estate companies dominated the market, accounting for nearly 50 % of total acquisitions, while other investor categories remained at around 10 %. In 2025, this picture has changed significantly. Syndicates increased their share from 10 % in 2023 and 2024, to 25 % as of May 2025. Similarly, life insurance companies increased their share from 7 % to 23 %. Professional real estate companies, on the other hand, have been considerably more cautious so far this year.

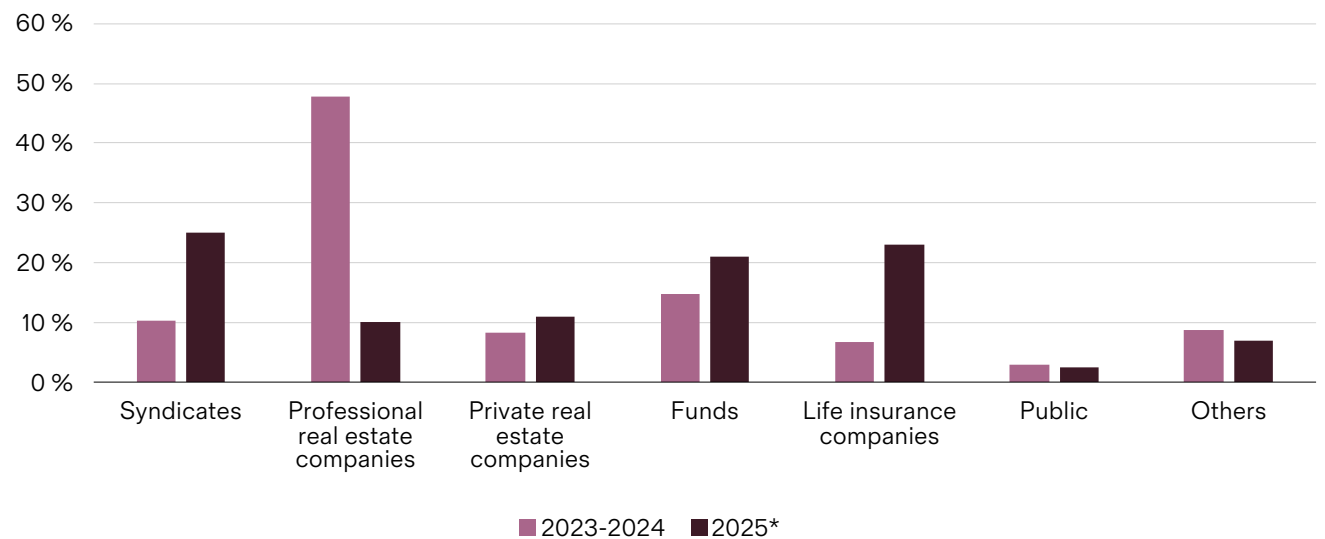
Segment share of total investment volume



*As of 15 May 2025.

Source: Malling

Investor share of total investment volume



*As of 15 May 2025.

Source: Malling

Investors are Moving Toward Cities to Avoid Unnecessary Risk

In our previous market report, we noted that the share of acquisitions in the largest metropolitan regions had increased from 68 % in 2023 to 80 % in 2024. So far in 2025, this trend has continued, with investors remaining focused on assets located in the largest cities, where they perceive the market to be more stable and liquid. Greater Oslo has seen strong activity, accounting for 53 % of the total investment volume, an increase of 4 percentage points compared to 2024. Among the other major cities, the distribution is relatively even, with Bergen slightly ahead of Trondheim and Drammen.

Prime office yields have remained relatively stable across most cities since the previous report. In Bergen, Stavanger, and Trondheim, yields have stayed unchanged at 5.25 %, 5.20 %, and 5.50 %, respectively. However, our house view has been revised downward in both Oslo and Drammen. In Oslo, the prime office yield in the CBD is now 4.50 %, while Drammen has been adjusted downward by 20 basis points, from 5.90 % to 5.70 %.

Prime yield (net) in Norway per May 2025

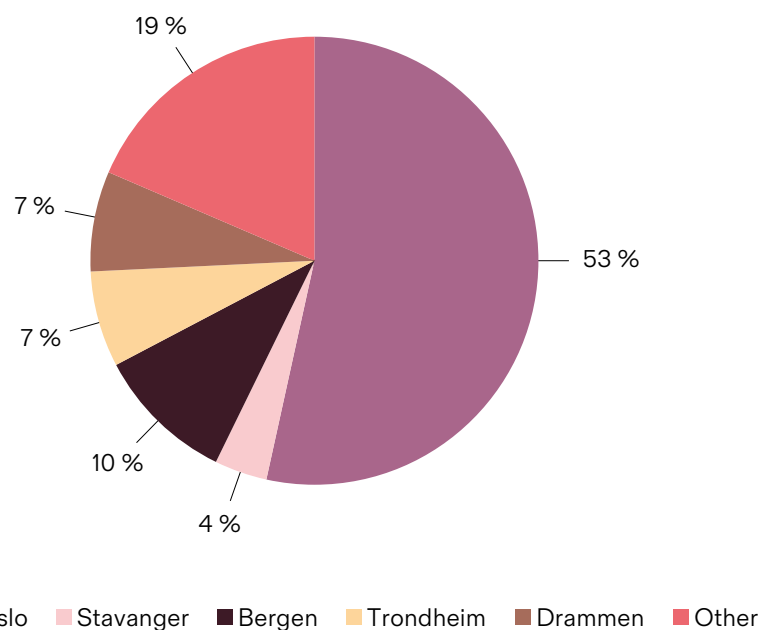
City	Prime yield (office)	Δ from last report
Oslo	4.50 %	▼ -15 bps
Stavanger	5.20 %	— +0 bps
Bergen*	5.25 %	— +0 bps
Trondheim	5.50 %	— +0 bps
Drammen	5.70 %	▼ -20 bps

*WPS Næringsmegling.

Source: Malling

«The investors remaining focused on assets located in the largest cities».

Regional split of the investment market 2025* by volume



*As of 15 May.

Source: Malling

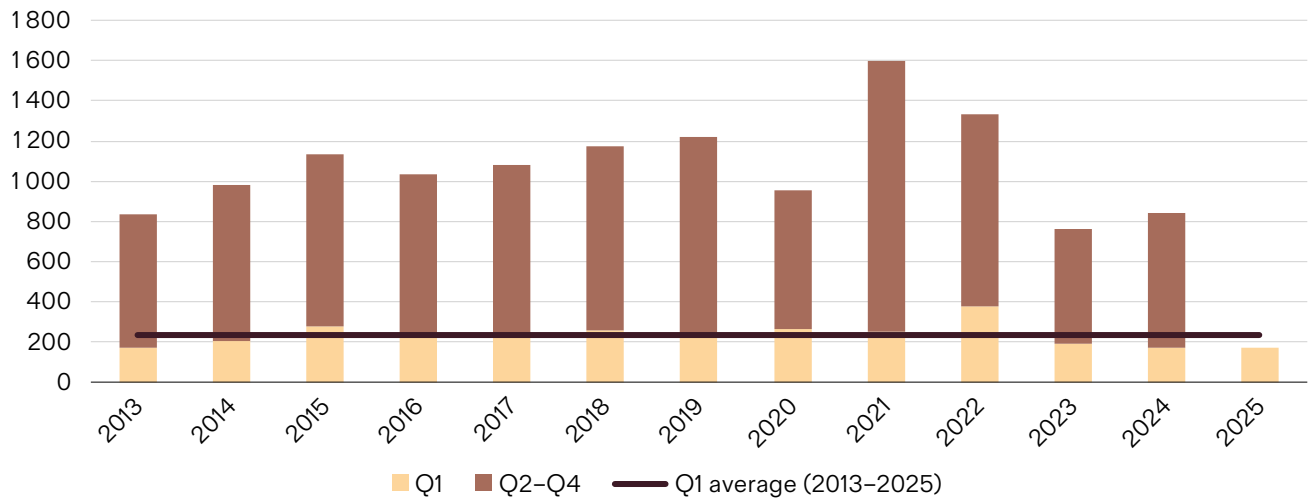
Residential Is the Fastest-Growing Segment Globally

The global investment market experienced a similar upswing in the second half of 2024, mirroring the trend observed in Norway. However, in Q1 2025, activity declined slightly. The global investment volume in Q1 2025 amounted to USD 171 billion, 1 % lower than in Q1 2024.

In Q1 the residential segment, somewhat surprisingly, emerged as the largest, accounting for 25 % of global transaction volume. Residential investment rose by 24 % year-on-year, marking a notable shift in investor preference. In contrast, the office sector recorded the sharpest decline, with volumes falling 21 % compared to the same period in 2024. Other segments remained broadly stable over the year. Globally, equity-backed investors have remained the most active buyers, and their share has continued to grow. Institutional capital has also increased its share in Q1 2025, up by 1 and 3 percentage points compared to 2024 and 2023, respectively.

There has also been an increase in average deal size, indicating that investors are becoming more comfortable executing larger transactions. For the residential, retail, and logistics segments, average deal size in Q1 2025 exceeds levels seen in 2019. There is still significant “dry powder” globally waiting to be deployed, and Q1 2025 was no exception. The gap between buyer expectations and seller pricing means many investors are still waiting for more attractive entry points, leading to high volumes of pending capital. Global dry powder is currently estimated at approximately USD 750 billion.

Total global real estate volume, USD billion



Source: Savills, Malling

«Globally, equity-backed investors have remained the most active buyers».

Prime yield (net) in Europe per Q1 2025

City	Prime yield (office)	Δ from last report
London	3.75 %	▼ -25 bps
Stockholm	3.90 %	▼ -10 bps
Copenhagen	4.00 %	▼ -15 bps
Munich	4.20 %	— +0 bps
Milan	4.25 %	— +0 bps
Paris	4.25 %	— +0 bps
Oslo	4.50 %	▼ -10 bps
Amsterdam	4.60 %	— +0 bps

Source: Savills, Malling

A Growing Spread Between Prime and Normal Yields

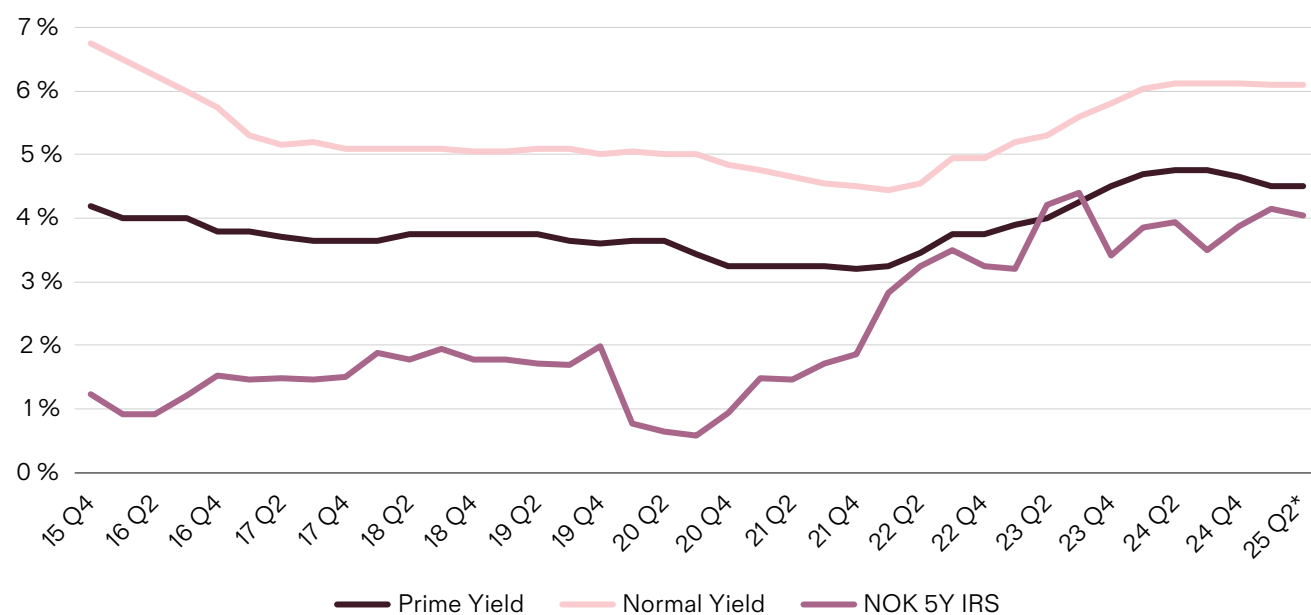
In our November market report, our house view for prime office yields was 4.65 %, with the expectation of a further decline. The forecast proved accurate: before the end of 2024, we revised our house view down to 4.50 %. Several transactions completed over the past six months support this view.

Now, the average yield for normal office properties in Oslo stands at 6.10 %, 5 basis points lower than our house view in November. The yield spread between prime and normal office properties has widened slightly compared to what we observed last summer. The spread is now at 160 basis points, 20 basis points higher than a year ago. Even so, this spread aligns with the average range from 2015 up until the pandemic. Considerable uncertainty remains as to how long current yields will hold before easing further. We expect prime yields to remain unchanged for the rest of the year and believe that no further yield compression will occur until a reduction in the key policy rate is announced.

High yields, combined with high financing costs, have reduced demand for typical yield properties. Still, we now see that demand for such assets has increased compared to last year, as several funds and life insurance companies have mandates to invest in real estate. As mentioned, this is also reflected in the shift in buyer composition, where both funds and life insurance companies have increased their market share compared to recent years.

Bank margins have remained relatively stable over the past year, and banks are generally working in partnership with investors. This is especially true for foreign banks, which in some cases have also been willing to offer interest-only financing. As we noted in our previous report, there remains a gap between the buyer's willingness to pay and the seller's desired asking price. For transaction activity to increase further, the difference between asking prices and buyers' willingness to pay must shrink. The market is still characterised by a reluctance to sell at a loss, creating a wait-and-see dynamic.

Yield development



*As of 15 May.

Source: Thomson Reuters, Malling

«There remains a gap between the buyer's willingness to pay and the seller's desired asking price».

Investor Expectations of Yield Compression Have Almost Disappeared

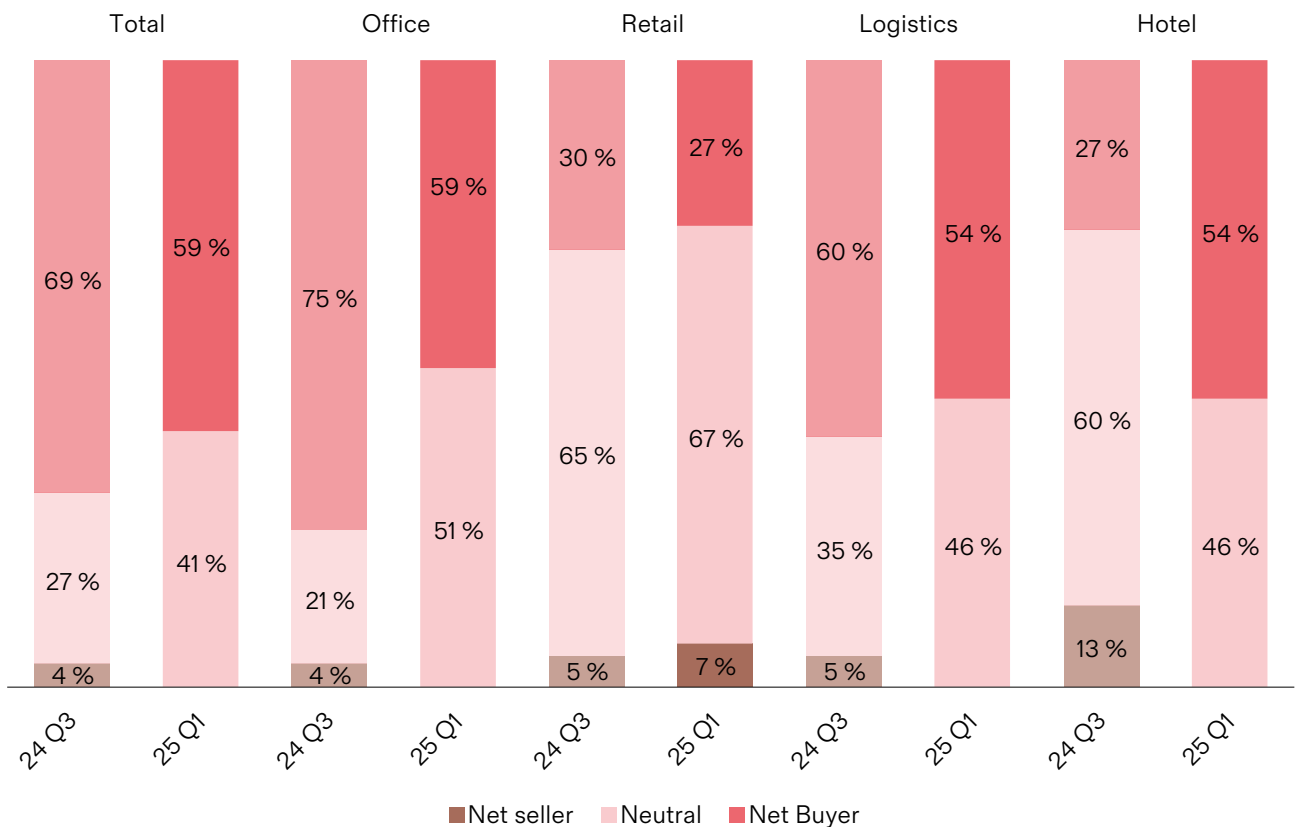
In our most recent investor sentiment and yield survey from Q1 2025 (with the survey period concluding on Friday, 4 April), 59 % of respondents indicated that they intend to be net buyers of commercial real estate over the next 12 months. This represents a decrease of 10 % compared to our previous market report from November 2024. At the same time, the proportion of net sellers has dropped since the Q3 2024 survey, from 4 % to 0 %, the lowest level recorded since Q3 2021.

There are significant differences across segments, which reflect broader market conditions. Office and logistics properties remain the top picks among investors, with 59 % and 54 % of respondents, respectively, identifying as net buyers. The hospitality segment has also become one of the most popular, with 54 % net buyers, a doubling since our previous report in November. Meanwhile, the proportion of net buyers for retail properties has declined by 3 percentage points to 27 %. Notably, the share of net sellers is zero across almost all segments, apart from retail, where it is 7 %.

The average investor view of CBD prime office yield in our latest survey is 4.55 %, 5 basis points higher than our in-house view of 4.50 %. Investor expectations have been relatively aligned over the past two quarters, with consensus that yields will remain between 4.50 % and 4.55 %, about 20 basis points lower than the range observed from Q4 2023 to Q3 2024.

In both Q4 2024 and Q3 2024, investors expected yields to fall over the following 12 months. However, these expectations have since moderated. In Q1 2025, investors expect the prime CBD yield to stand at 4.50 % in 12 months. By comparison, in Q4 2024, investors expected this yield to fall to 4.40 %. This shift suggests that expectations of further yield compression largely have disappeared, and this view is consistent across all segments.

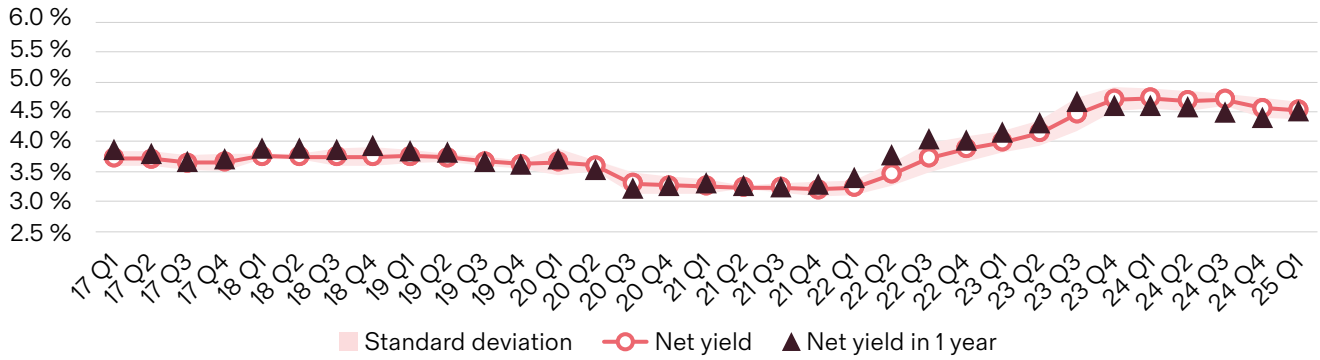
Desired exposure towards commercial real estate next 12 months



Source: Malling Investor Yield and Sentiment Survey

Disclaimer: All graphs on page 29, 30 and 31 are results from the quarterly investor survey, and do not necessarily reflect the official views of Malling Research and Valuation.

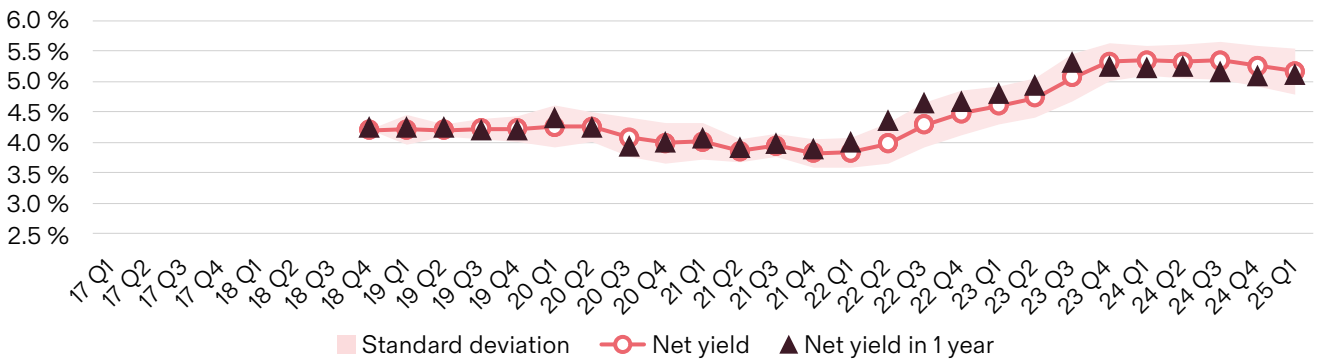
Prime office yield, CBD



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

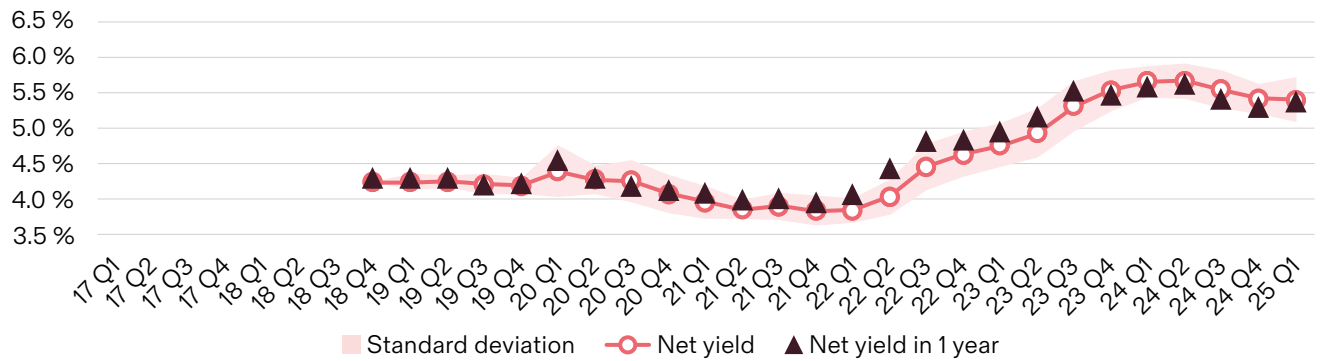
Normal office yield, CBD



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

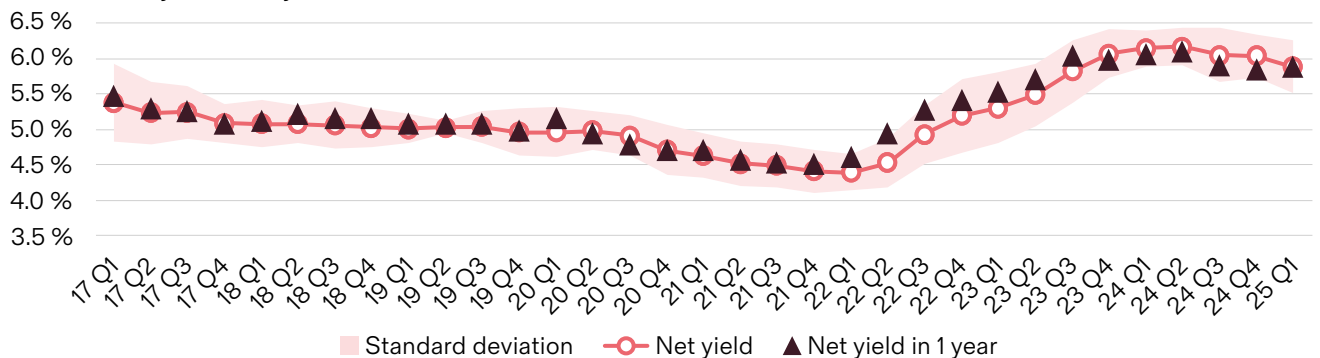
Prime office yield, Helsingfors



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

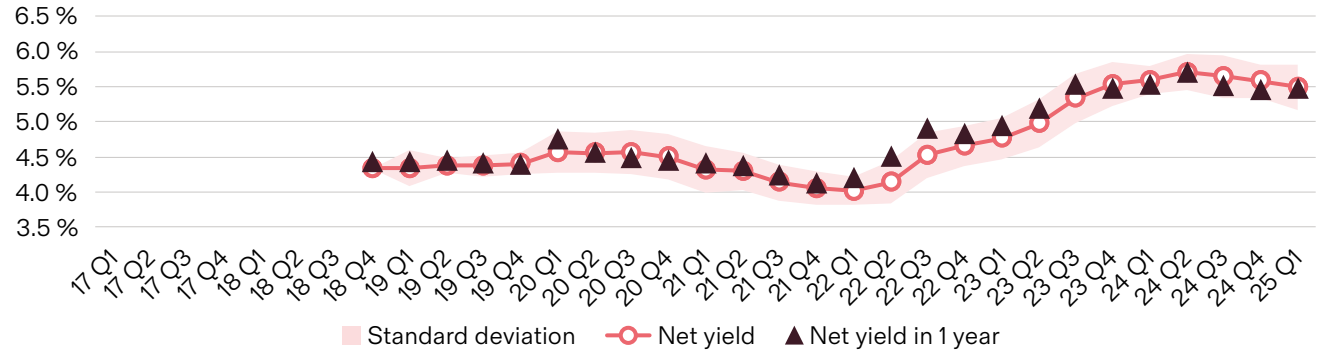
Normal office yield, Helsingfors



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

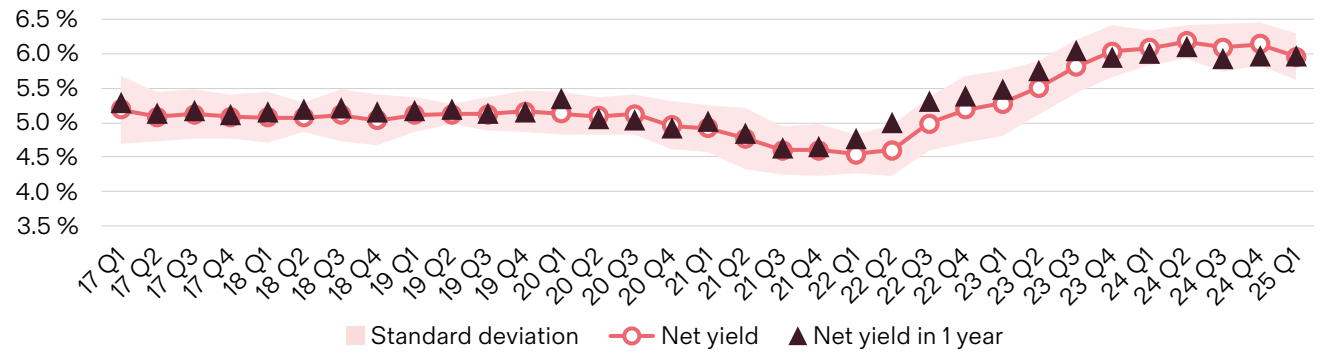
Prime office yield, Lysaker



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

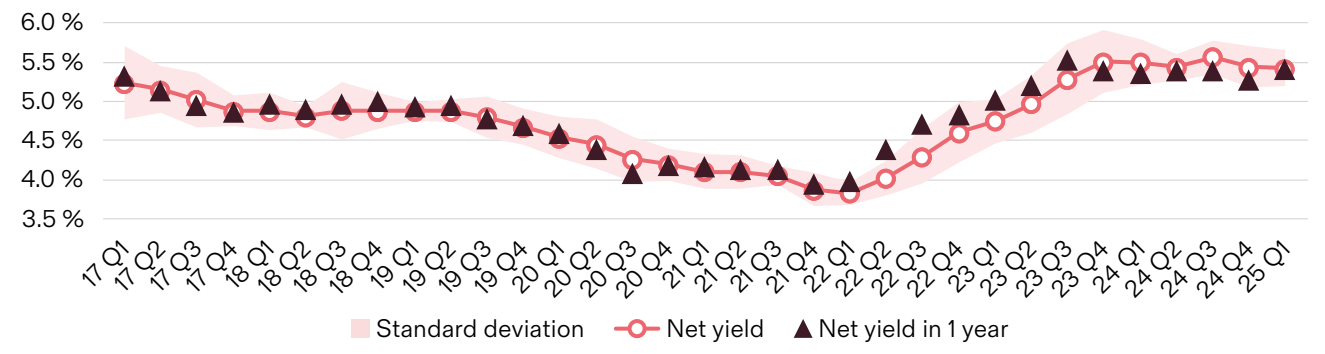
Normal office yield, Lysaker



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

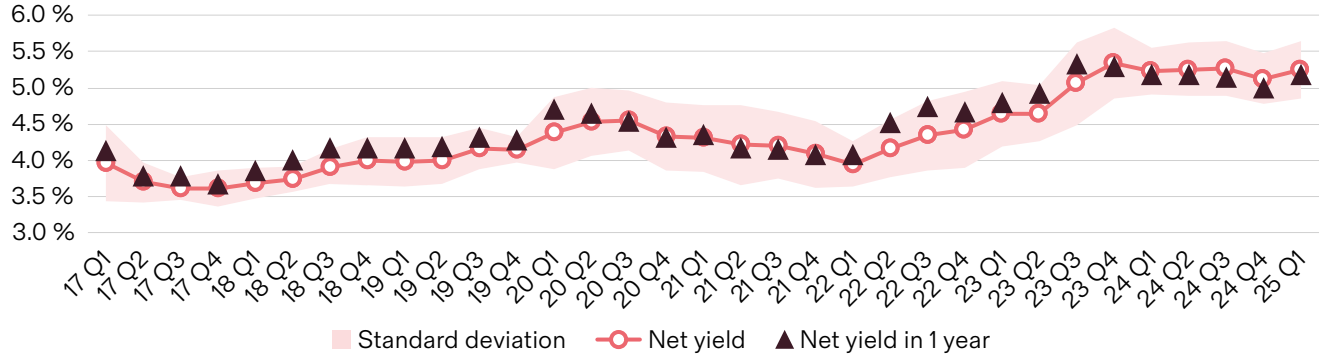
Prime logistics yield, Berger



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

Prime retail high street yield, Egertorget



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

The Office Market

Office Rental Outlook: Short-Term Headwinds in the Rental Market

In this section, we examine key market indicators and their anticipated impact on future rental growth in Greater Oslo.

Demand Side

- In its March 2025 Monetary Policy Report, The Norwegian Central Bank reported moderate employment growth and a small drop in the unemployment growth. Looking ahead, the Norwegian Central Bank predicts marginal employment growth (0.8 % in 2025), below the anticipated mainland GDP growth for 2025, implying a moderate short-term rental growth.
- In Greater Oslo's private sector, year-over-year employment growth has remained near zero over the past years, reflecting a cooling office market, with tenants being cautious about relocating to new office premises.
- Within Malling's defined clusters, overall year-over-year employment declined by 0.4 % as of May 2025. The city centre registered -0.8 %, while the fringe zones showed flat development with 0.1 % in the east and 0.3 % in the west. This softening suggests a moderate to negative short-term impact on the tenant market, potentially posing a headwind going forward.
- Residual pent-up demand from the post-pandemic period remains a significant factor, continuing to support a moderate, steady level of demand, expected to evolve over the next seven years as contracts expire.
- Search activity for office space, measured in m² year-to-date in 2025, declined by 12 % compared to the same period in 2024, despite a 5 % increase in the number of searches. In terms of search volume, the highest demand for office space is within +10 000 m² size category, with a total search volume of 30 500 m², with two searches.
- As of Q1 2025, office signing volume over the past four quarters was 684 150 m², a decrease from 793 090 m² in Q1 2024, and 984 020 m² in Q1 2023 resulting in a 19.4 % decline, as reported by Arealstatistikk. This is slightly below the 10-year average of 709 700 m².
- We observe a growing gap in tenant demand, with strong interest in office over 10 000 m², and a slowdown among tenants seeking under 5 000 m².
- Looking forward, we expect Oslo's sluggish employment market to persist with the negotiation power toward tenants, keeping rents flat until 2026.

Supply Side

- New office space completion in 2025 is projected at 225 000 m², driven primarily by two major projects: Construction City and Regjeringskvartalet part 1, together contributing approximately 165 000 m² of the total new office supply. Looking ahead to 2026, the expected completion volume is around 142 000 m², with three projects accounting for nearly 85 % of the total pipeline. However, we observe

increasing project uncertainty and delays, suggesting potential challenges in meeting planned timelines and delivering future volumes as predicted.

Market Balance and Conclusion

- Vacancy levels in Malling's office clusters have risen notably since May 2023, with an increase of approximately 170 000 m², translating to a 1.8 percentage point rise.
- We estimate the vacancy rate to stabilize below 8 % in 2025, with a gradual decline through 2029. Our model estimates vacancy rates of 7.8 % in 2026, 7.4 % in 2027, 5.7 % in 2028, and by early 2029, to just below 5 %.
- Despite a headwind in employment growth, pent-up demand from previous growth periods is projected to keep momentum on the demand side in the office rental market. However, these trends are sensitive to assumptions around space utilisation and pent-up demand dynamics.
- Over the next 12 months, we forecast nominal rents in Greater Oslo to remain flat until the employment market and global sentiment improves. However, select central clusters may benefit from local demand pressure and a rental backlog, potentially fuelling some rental growth.
- Looking ahead 12 to 36 months, we anticipate a wider range of rental growth between 5 - 15 %, with the majority occurring towards the end of the period. Variations in rental growth will largely reflect local vacancy rates and differentiated demand across specific clusters. Once again, the forecast has been adjusted slightly down from the previous report.

Comments and Remarks

Office rents in Greater Oslo have stabilised over the past year, with select clusters exhibiting upward trajectories, as indicated by Malling broker consensus. A growing divergence between prime and normal rents is apparent, supported by Arealstatistikk data. The two-quarter moving average rent rose by 2.1 % from Q4 2024. The top 15 % of lease agreements hit new heights, while average registered rents declined in six out of ten clusters. Clusters situated near the city centre continue to see rental growth, while fringe zones face increasing challenges. The softer labour market and moderate economic outlook are expected to dampen the near-term activity. In the western fringe zone, which previously saw strong employment growth due to countercyclical industries, we can now observe a more moderate development in rental prices.

Despite geopolitical tensions and modest employment growth, we expect the Greater Oslo office market to remain neutral through 2025. Over the next 36 months, we project rental growth of approximately 10 %, with regional variations. This outlook depends on assumptions about space absorption per employee, which will influence tenant utilisation and market adaptability.

- Normal rents reflect the interval in which most contracts are signed in the specific area.
- Prime rent is the consistently achievable headline rental figure relating to a new, well located, high specification unit of a standard size within the area. The prime rent reflects the tone of the market at the top end, even if no leases are signed within the reporting period. It is important to note that prime rents do not signify the breakeven rents required to initiate a project; rather, they reflect the actual achievable rent in the market. One-off deals that do not represent the market are discarded.
- Project asking rent represents the typical rent that landlords ask to initiate a new building project on their plot or to refurbish an existing building. These project rents reflect the market for newly constructed office spaces, considering plot values and total project costs. It is important to note that these rents do not indicate what the market is willing to pay for the property; instead, they indicate the actual rent developers need to achieve to start projects. One-off instances, such as landlords building on speculation or taking a loss on the plot, are excluded.

Office rent forecast

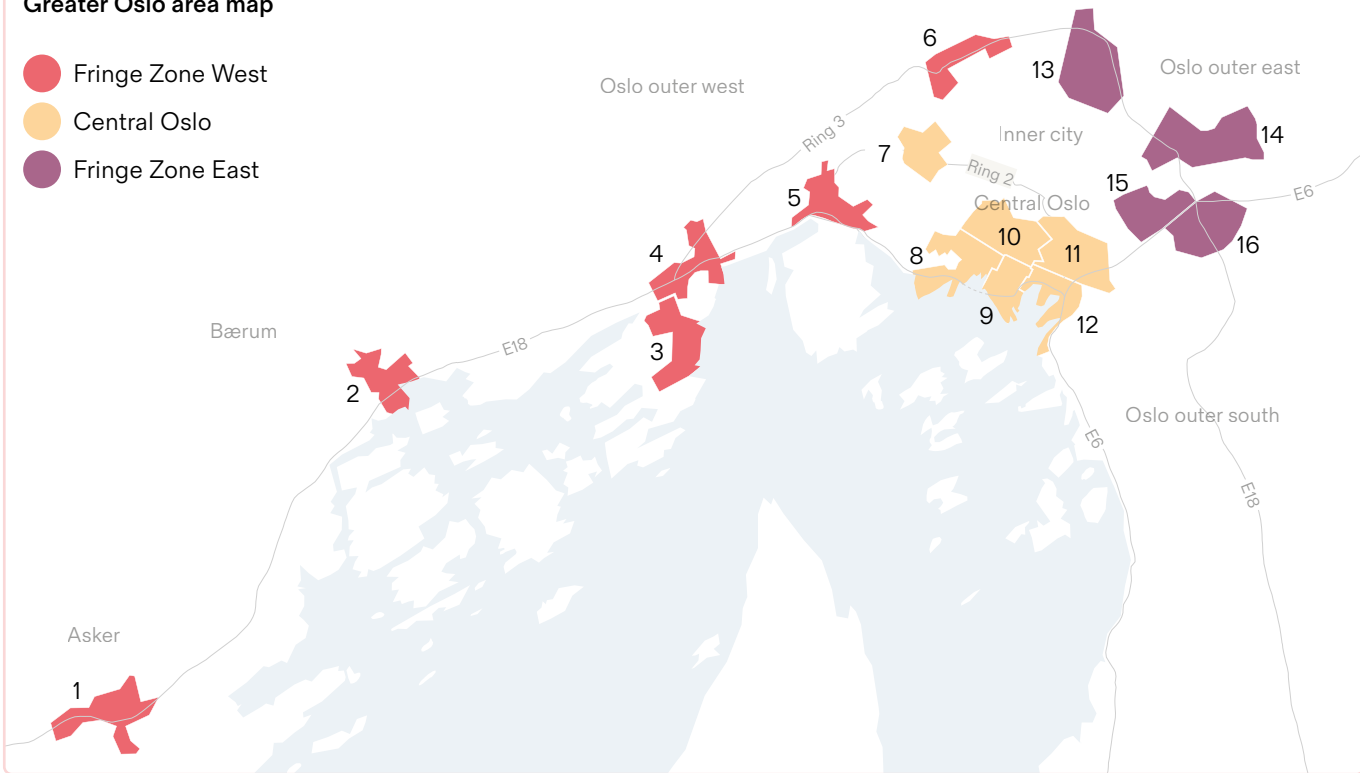

Office cluster	Change Q2 2025 – Q2 2026	Change Q2 2025 – Q2 2028
Asker	0 %	5 %
Sandvika	0 %	5 %
Fornebu	0 %	10 %
Lysaker	0 %	10 %
Skøyen	0 %	10 %
Forskningsparken/Ullevål	0 %	10 %
Majorstuen	5 %	15 %
CBD	0 %	10 %
Kvadraturen	0 %	10 %
Inner city	0 %	10 %
Inner city east	0 %	15 %
Bjørvika	5 %	15 %
Nydalen	0 %	10 %
Økern	0 %	5 %
Helsfyr/Ensjø	0 %	10 %
Bryn	0 %	5 %
Oslo total	0.3 %	10 %

A selection of the latest lease contracts

Tenant	Moving to address Office cluster	Moving from address Office cluster	Space m ² (rounded)
Statkraft	Fiskebrygga Bjørvika	Lilleakerveien 6A Lysaker	28 500
NVE (renegotiation)	Middelthuns gate 29 Majorstuen	Middelthuns gate 29 Majorstuen	12 400
YARA (renegotiation)	Drammensveien 131 Skøyen	Drammensveien 131 Skøyen	11 200
Siemens	Construction City Økern	Østre Aker vei 88 Outer city east	9 000
Wikborg Rein & Co (renegotiation)	Dronning Mauds gate 11 CBD	Dronning Mauds gate 11 CBD	8 600
Kvale (renegotiation)	Haakon VII's gate 10 CBD	Haakon VII's gate 10 CBD	6 000
Advania	Akersgata 13-15, Tollbugata 32 Kvadraturen	Pilestredet 33 Inner City Center	6 000
Höegh Evi / Höegh Autoliners Management	Drammensveien 134 Skøyen	Drammensveien 134 Skøyen	4 700
Intility (renegotiation)	Schweigaards gate 39 Inner city east	Schweigaards gate 39 Inner city east	3 995
Space Norway	Karenslyst Allé 20 Skøyen	Drammensveien 165 Skøyen	3 900

Greater Oslo area map

- Fringe Zone West
- Central Oslo
- Fringe Zone East

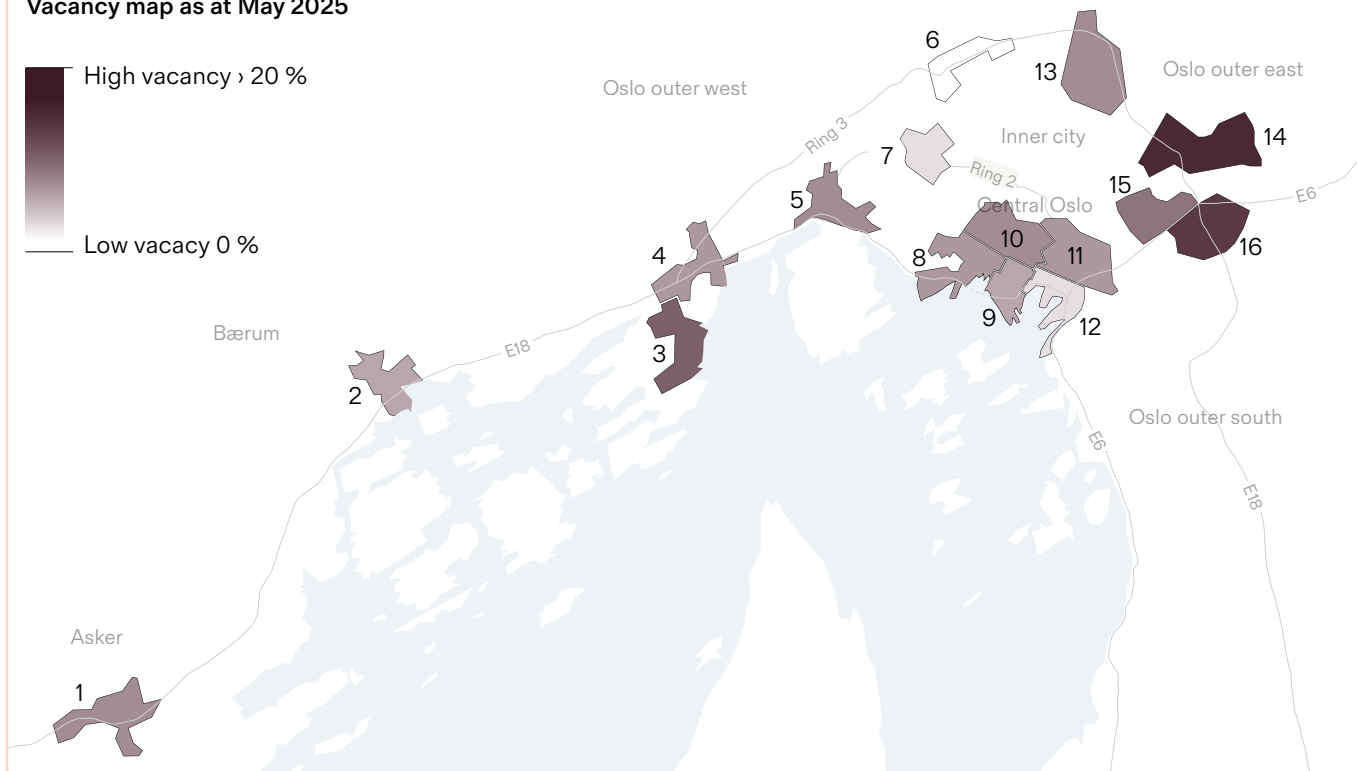


Office rents — Malling consensus (NOK/m²/yr)

	Office cluster	Typical project asking rent*	Prime rent*	Past 12 months change (prime rent)*	Normal rent*	Past 12 months change (normal rent)*
1	Asker	3 200	2 400	0 %	1 800 – 2 000	0 %
2	Sandvika	3 200	2 600	-7 %	1 900 – 2 200	-5 %
3	Fornebu	3 200	2 700	0 %	2 000 – 2 500	0 %
4	Lysaker	3 500	3 200	0 %	2 400 – 2 800	0 %
5	Skøyen	4 500	4 300	0 %	3 200 – 3 800	1 %
6	Forskningsparken/ Ullevål	3 500	3 200	0 %	2 200 – 2 800	0 %
7	Majorstuen	5 000	4 800	12 %	3 000 – 3 700	3 %
8	CBD	7 000	6 500	0 %	4 500 – 5 500	0 %
9	Kvadraturen	5 300	5 000	4 %	3 200 – 4 000	0 %
10	Inner city	5 300	5 000	0 %	3 400 – 4 000	0 %
11	Inner city east	4 500	4 300	2 %	3 000 – 3 600	0 %
12	Bjørvika	6 200	6 000	9 %	4 500 – 5 000	8 %
13	Nydalen	3 500	3 200	0 %	2 300 – 2 800	0 %
14	Økern	3 400	2 600	0 %	2 000 – 2 500	0 %
15	Helsfyr/Ensjø	3 500	2 900	0 %	2 200 – 2 600	0 %
16	Bryn	3 000	2 650	0 %	2 000 – 2 500	0 %

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

Vacancy map as at May 2025



Vacancy and new construction

	Office cluster	Vacancy	Past 12 months change (vacancy)	New construction: 2025-2027 pipeline (confirmed)
1	Asker	8 %	0 %	-
2	Sandvika	6 %	-8 %	18 478
3	Fornebu	12 %	5 %	-
4	Lysaker	7 %	2 %	-
5	Skøyen	8 %	1 %	-
6	Forskningsparken/Ullevål	0 %	0 %	109 202
7	Majorstuen	2 %	0 %	3 696
8	CBD	7 %	0 %	1 087
9	Kvadraturen	6 %	-2 %	682
10	Inner city	8 %	0 %	68 916
11	Inner city east	7 %	-2 %	5 885
12	Bjørvika	2 %	0 %	6 156
13	Nydalen	8 %	-3 %	-
14	Økern	18 %	7 %	114 014
15	Helsfyr/Ensjø	10 %	-2 %	26 304
16	Bryn	16 %	1 %	19 728

Source: Finn.no, Malling

Indicators for Office Demand

Stable Demand Outlook for Office Space, With a Potential Surge from 2026

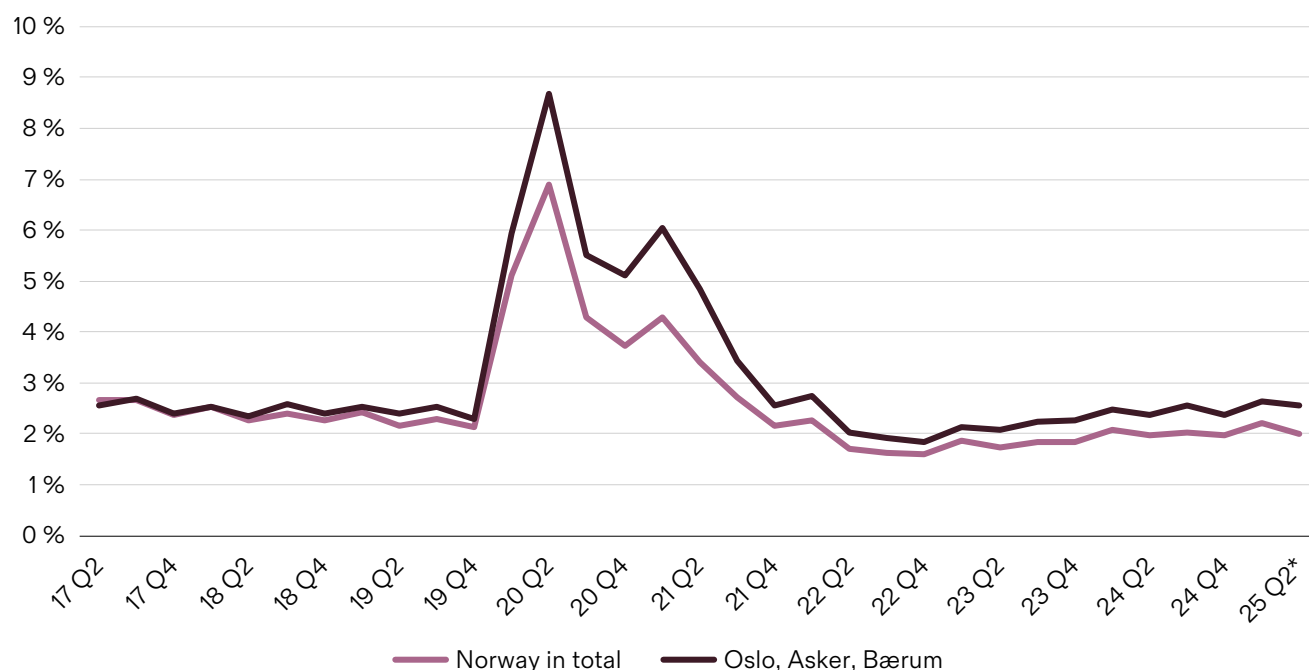
Employment growth in Norway has slowed, mirroring a pronounced economic deceleration. Nonetheless, projections from Statistics Norway (SSB) suggest that growth will remain positive. Greater Oslo is anticipated to align with this national trend, although regional growth may initially exhibit greater fluctuations and surpass the nationwide average. Historically, Greater Oslo has outperformed the rest of Norway during periods of employment growth, while experiencing more pronounced declines during downturns. Currently, pent-up demand in Oslo is expected to significantly shape office space demand in the medium to long term. Notably, search activity for office space has decreased, with a nearly 12 % reduction in square metres sought, despite a 5 % increase in the number of individual searches year-to-date compared to the same period in 2024. Collectively, these dynamics underpin expectations that demand for office space will remain steady moving forward.

Continued Stable Unemployment in Greater Oslo, With Regional Differences

Since the fourth quarter of 2021, the unemployment rate in the Greater Oslo region has closely mirrored the national average. As of Q2 2025, the population-weighted unemployment rate in Greater stands at 2.6 %, which is 0.6 percentage point higher than the national level. The relatively stable trend in Oslo aligns with broader national patterns, as outlined in the "Macro - Norway" section of this report. Nationally, the sectors most affected by unemployment include construction and engineering (3.4 %), tourism and transport (2.9 %), and service professions and miscellaneous occupations (2.6 %) as of April 2025.

It is also worth noting that the unemployment rate in Oslo municipality is higher than the combined average for Oslo, Asker, and Bærum, at 2.7 % compared to 2.1 %. According to Norwegian Labour and Welfare Administration (NAV), there were 11 100 unemployment individuals in Oslo at the end of April 2025, an increase of nearly 760 compared to the same period last year. Additionally, certain districts in Oslo stand out with unemployment rates well above 3 %, including City Centre, Søndre Nordstrand, Stovner, and Alna. In contrast, district such as Nordre Aker, Vestre Aker, and Ullern report the lowest unemployment rates, at or below 2.0 %. Despite these regional disparities, unemployment in Oslo has remained stable over the past year and is still relatively low from a historical perspective. Moreover, labour demand remains strong, with more than 9 900 job vacancies reported in April, according to NAV.

Registered unemployment in Greater Oslo and Norway (incl. temporary lay-offs), %



*As of April 2025.

Source: NAV (Norwegian Labour and Welfare Administration)

Slow Employment Growth Continues to Weigh on Greater Oslo's Office Market

According to the Norwegian Central Bank, employment growth in Norway is expected to remain positive, albeit at modest levels compared to the historical 20-year average of 1.3 %. Projected national growth rates are 0.8 % in 2025, 0.5 % in 2026 and 0.7 % in both 2027 and 2028. Notably, the 2026 estimate has been revised down from 0.7 % since our previous market report. For further details, refer to the “Macro-Norway” section regarding employment outlook. Focusing on the greater Oslo region, comprising Oslo, Asker and Bærum, our analysis indicates that employment growth may exhibit greater volatility than the national average, with larger year-on-year fluctuations. Based on national growth estimates and the Greater Oslo's historical performance, we calculate a more optimistic regional year through forecast: 1.5 % for 2025, 0.5 % for 2026, and 1.4 % for both 2027 and 2028.

While our model is based on historical correlations between region and national employment trends, it draws heavily on projections from the Norwegian Central Bank. However, given the macroeconomic moves since these forecasts were published in March 2025, and the increased uncertainty noted by the Norwegian Central Bank, we approach them with caution. Notably, Q1 2025 figures from SSB and the national accounts already show 0.4 % growth from previous quarter seasonally adjusted, indicating that half of the projected annual increase has occurred in just one quarter. As a result, we interpret the current projections with caution.

At the subregional level, our analysis of employment across defined office clusters reveals divergent trends. Using data on the number of employees per company registered in these clusters from May 2024 to May 2025, we found that the western fringe zone was the only area to experience growth, although only marginally at 0.3 %. In contrast, the city centre saw a decline of 0.8 %, while the eastern fringe remained effectively flat at 0.1 %. When compared the previous year's period (May 2023 to May 2024), the western fringe zone had recorded a much stronger 3.3 % growth, highlighting a 3-percentage point drop. The city centre saw a 1.0 % increase, while the eastern fringe zone showed no change in either period. This analysis suggests that the demand for office space, particularly in the city centre, will be modest to negative if the trend in employment growth continues. For detailed information on the composition of different areas, refer to our overview of office rents and vacancy by office clusters.

Growth in registered employment Q4/Q4 and employment growth from national accounts, Norway, with forecasts



Source: Statistics Norway, Malling

«Based on national growth estimates and the Greater Oslo's historical performance, we calculate a more optimistic regional year through forecast: 1.5 % for 2025, 0.5 % for 2026, and 1.4 % for both 2027 and 2028».

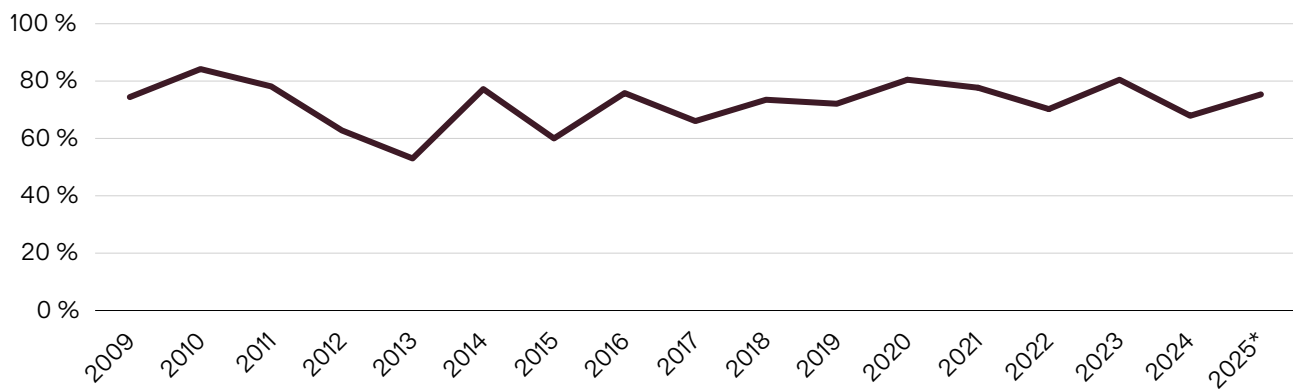
Modest Search Activity for 2025 So Far, With Potential in the Largest Size Segments

So far in 2025, search activity for office in Greater Oslo has started at a slower pace than in any of the past five years, continuing the trend observed in last year's summer report. Q1 search volumes totalled just under 45 000 m², representing a decrease of 15 000 m², 33 000 m², and 38 000 m² compared to the same period in 2024, 2023, and 2022, respectively. Although 2024 saw a rebound with above-normal April figures, this trend has not carried over into 2025, as April volumes reached only 22 000 m², down from 36 000 m² the previous year. Looking ahead, Q2 is expected to be relatively strong, with early May figures indicating increased activity. However, compared to the 10-year average of 219 000 m², and considering that most lease searches typically occur in the first six months, 2025 is likely to underperform.

Examining size categories, the distribution is generally consistent with patterns from the past five years, showing similar averages in terms of the number of searches across size intervals. However, signs of increased activity are emerging in the larger size segments, particularly for spaces exceeding 10 000 m². Notably, as of mid-May 2025, the total search volume for office premises exceeding 10 000 m² is only around 15 000 m² lower than the corresponding figure for 2024. Specifically, the average size of individual searches in 2025 is 2 300 m², nearly identical to figures from the past three years: 2 300 m² in 2024, 2 340 m² in 2023, and 2 350 m² in 2022.

As highlighted in previous market reports, it was anticipated that economic pressures, particularly high interest rates and inflation, would prompt more tenants to consider fringe areas as a means of reducing rental costs. This trend was clearly visible in 2024, when only 68 % of lease searches targeted Central Oslo clusters, down from 81 % in 2023 and below the 10-year average of 73 %. However, this trend appears to have reversed in 2025, with 75 % of lease searches now directed toward Central Oslo. While one might expect this shift to reflect a broader geographic search strategy, the opposite trend is observed in the fringe zones where only 39 % of tenants are targeting the western fringe zone, and just 27 % the eastern fringe, both significantly below their respective 10-year averages of 60 % and 42 %. These developments raise questions about the outlook for demand in these areas.

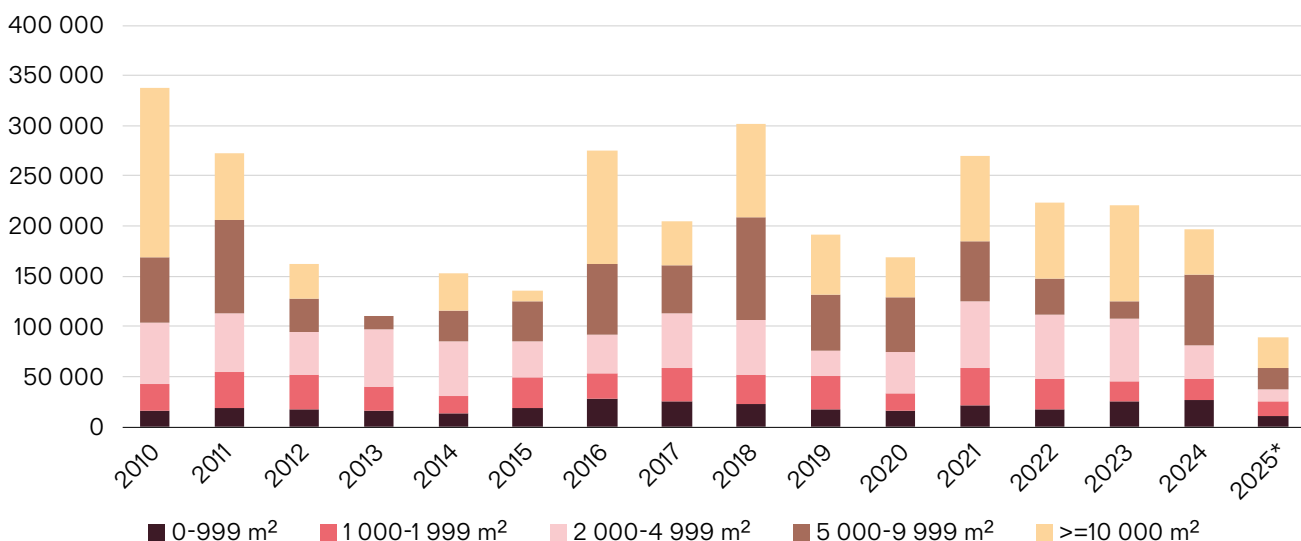
Share of demand for central Oslo office clusters (2009–2025*)



*As of 15 May 2025.

Source: NEMeet, Malling

Office searches registered in Greater Oslo (2010–2025*)



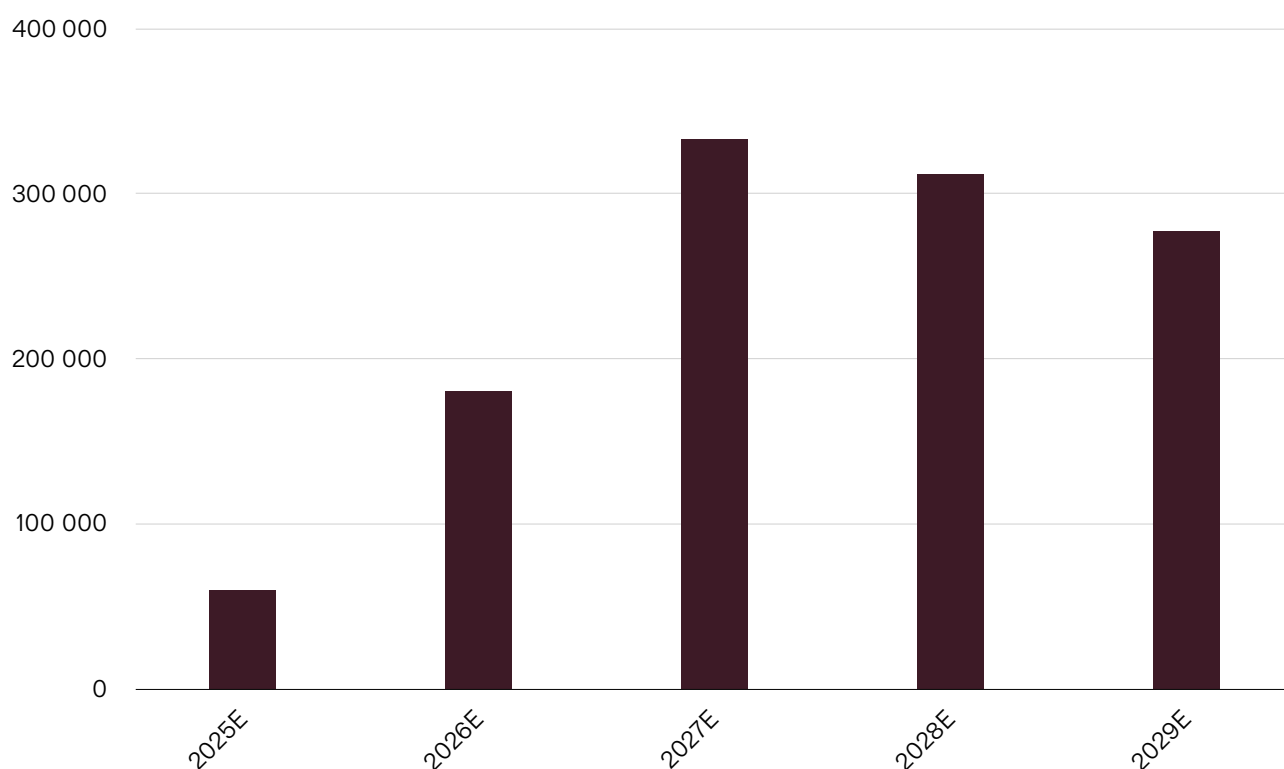
*As of 15 May 2025.

Source: NEMeet, Malling

High Number of Undecided Lease Expiries for Larger Office Space in Greater Oslo in 2027 and Onwards

Aggregated undecided lease expiries for office premises exceeding 5 000 m² in Greater Oslo are expected to increase rapidly in the coming years, peaking at 330 000 m² in 2027. Projected undecided lease expiries stand at approximately 60 000 m² for 2025 and 180 000 m² for 2026. These estimates are derived from lease expiration data for tenants active in the market, based on insights from our lease database. In this context, undecided lease expiries refer to tenants with upcoming lease expiries who have neither renegotiated their current contracts nor signed leases at alternative locations. Historical data indicate that larger tenants (5 000 m² and above) typically initiate searches at least two years ahead of their planned move-in date. Consequently, the lower volume of undecided lease expiries projected for 2025 is largely due to a significant share of contracts having already been signed well in advance of expiration. In comparison, the average annual undecided lease expiries for the entire projection period are approximately 230 000 m², making the 2027 figure notably high. This surge is primarily attributed to a particularly high lease expiry profile in 2027. Following 2025, undecided lease expiries are expected to increase by 120 000 m² to 180 000 m² in 2026, then further increase to 330 000 m² in 2027, and gradually stabilizing between 310 000 and 280 000 m² in the following years. It is also important to note that these figures may shift as lease agreements are signed closer to the respective target years.

Lease expiries to be decided >5000 m²*



*Estimates based on known lease expiries and BRREG data.

Source: BRREG, Malling

«Following 2025, undecided lease expiries are expected to increase by 120 000 m² to 180 000 m² in 2026, then further increase to 330 000 m² in 2027, and gradually stabilizing between 310 000 and 280 000 m² in the following years».

Construction Activity in Greater Oslo

High Volume of Newbuild Project Completion in 2025 and 2026

Driven by a Few Large Projects

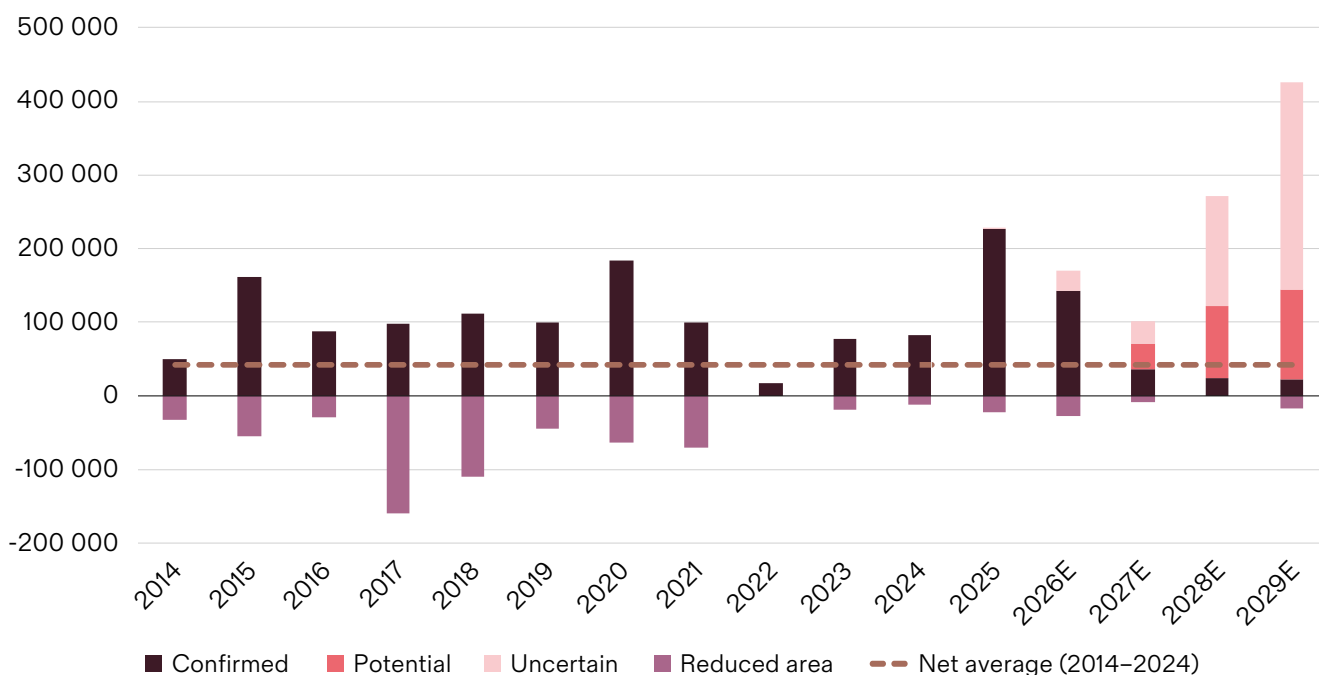
Compared to our last market report, we have observed notable changes in the office construction pipeline in the Greater Oslo during the period 2025-2029. The total construction volume is approximately 440 000 m² of confirmed new office space, with 225 000 m² in 2025, 142 000 m² in 2026, 35 000 m² in 2027, and 24 000 m² in 2028. Notably, the total volume is driven mainly by 2025 and 2026, with 2027 and onwards all falling below the 20-year average. It is important to note that the further out a project is planned, the higher the degree of uncertainty, meaning that the reliability of longer-term estimates on certain projects is inherently limited. The high volume in 2025 is particularly influenced by a few large projects, such as Construction City and Regjeringskvartalet part 1, accounting for almost 165 000 m² of new office construction. Similarly, the 2026 total is largely driven by just three projects, which together comprise approximately 85 % of the year's total volume. As a result, the overall new construction pipeline appears limited. This is primarily due to increased project uncertainty, delays, and a lack of new projects being added in the near term.

An Overview of New Construction in Greater Oslo

In 2024, the total construction of new office space amounted to 83 000 m², with total conversion and demolition of approximately 12 000 m², resulting in a net addition of 70 000 m². This is above last year's estimates and the 10-year average of 43 000 m², largely due to a reduction in the volume of space removed from the market. Moving to 2025, the total reduction is expected to reach 23 000 m², driven by a residential conversion in the fringe zone. However, with above-average new construction volumes for 2025, the net addition amounts to approximately 200 000 m². This trend is also evident in 2026, where the net addition is estimated at 115 000 m².

In 2028 and 2029, construction activity could potentially increase notably, with total construction volumes, including potential and uncertain projects, amounting to approximately 270 000 m² and 425 000 m², respectively. However, this is largely attributed to potential and uncertain projects that have been postponed or put on hold from previous years. The observed stagnation can be explained by the previous surge in financing and construction costs, coupled with increased uncertainty surrounding office demand and broader economic growth. Referring to the "Typical project asking rents" and "Prime rent" columns from page 34, this trend becomes even more evident. These indicators provide insight into the gap between achievable rents for existing prime offices and the rental levels typically required to justify new developments. Compared to our last report, this gap has widened further, suggesting that current "break-even rents" remain too high, contributing to increased uncertainty in the construction pipeline.

Historical and estimated new office construction, conversion and demolition in Greater Oslo, total m² (GLA)



Project definitions: Confirmed volume includes all new constructions that are zoned and will be initiated either because they have secured a sufficient tenant base or because they will build on speculation. The potential volume includes all projects that are zoned and which we deem likely to be able to secure tenants. The uncertain volume includes all remaining projects in the pipeline, including projects that are currently in zoning or at planning/idea stage. These projects are therefore highly uncertain and subject to major change. The reduced area in 2025 is based on the confirmed reduction, while the forecast includes confirmed, potential and uncertain projects.

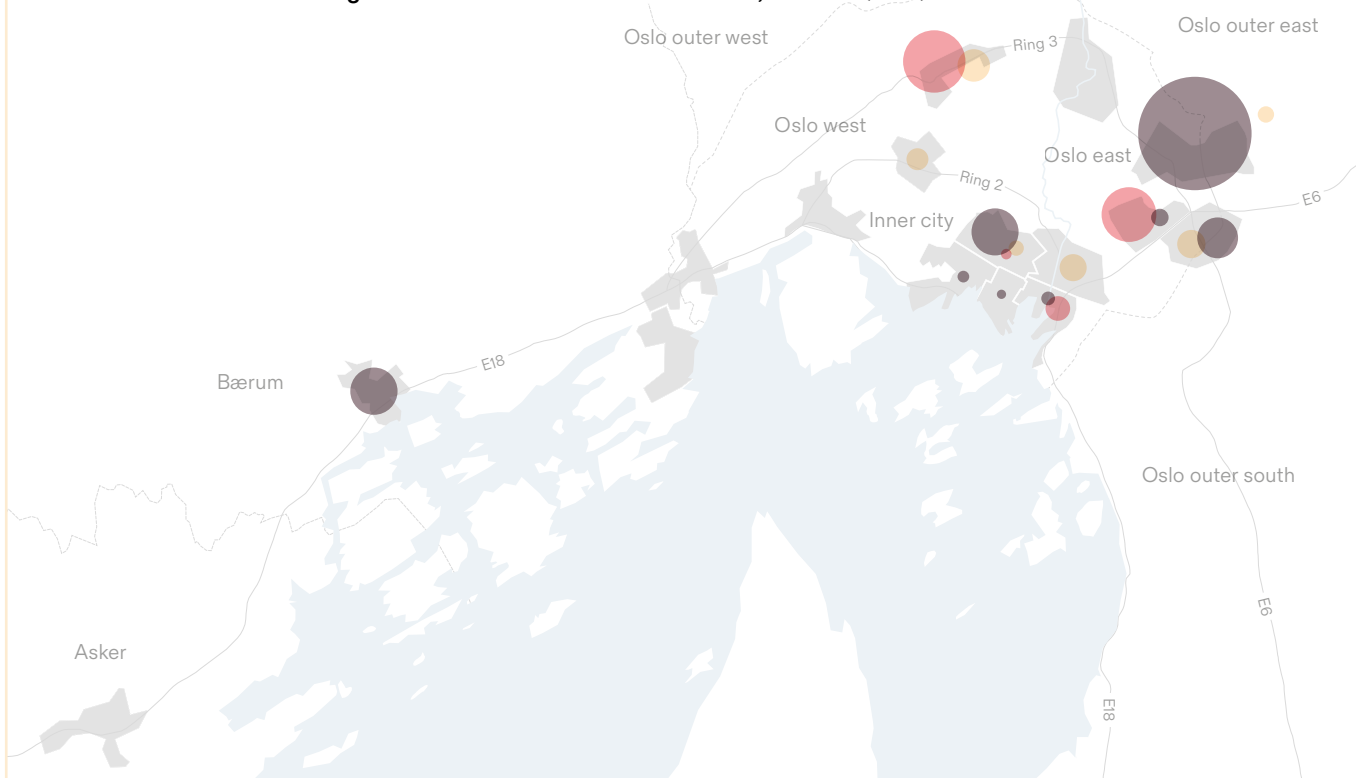
Source: PBE, Byggfakta, Malling

A selection of the largest confirmed projects

*Office space, rounded. Source: Malling

Address	Size*	Cluster	Project type	Completion	Developer
Ulvenveien 82 E	103 000	Økern	Newbuild	2025	OBOS, AF Gruppen, Betonmast
Hagaløkkveien 28	32 400	Asker	Rehabilitation	2025	Oslo Pensjonsforsikring
Regjeringskvartalet - Blokk D	29 500	Inner City	Newbuild	2025	Statsbygg
Regjeringskvartalet - Blokk A	17 300	Inner City	Newbuild	2025	Statsbygg
Regjeringskvartalet - Blokk H	15 300	Inner City	Rehabilitation	2025	Statsbygg
Sannergata 2-4	18 600	Outer Centre East	Rehabilitation	2025	Ragde Eiendom
Rådmann Halmrasts vei 5-9	18 500	Sandvika	Newbuild	2025	Andenæs Eiendom
Akersgata 51	17 500	Inner City	Rehabilitation	2025	NREP
Nils Hansens vei 27	13 600	Bryn	Addition	2025	Pecunia
Problemveien 25-29	70 200	Forskningsparken	Newbuild	2026	Statsbygg
Sognsveien 72	30 600	Forskningsparken	Newbuild	2026	NGI, Aspelin Ramm
Fredrik Selmers vei 2	23 900	Helsfyr/Ensjø	Newbuild	2026	Malling
Tollbugata 32	16 800	Kvadraturen	Newbuild	2026	Linstow
Brynsengfare 6	15 200	Bryn	Rehabilitation	2026	Entra
Stenersgata 1-3 A-F	17 200	Inner City	Rehabilitation	2027	Entra
Rådhusgata 1-3	10 900	Kvadraturen	Rehabilitation	2027	Clemens Eiendom
Forskningsveien 1B	8 500	Forskningsparken	Newbuild	2027	SINTEF

Confirmed new office buildings that will be finalized in 2025–2027, total m² (GLA)

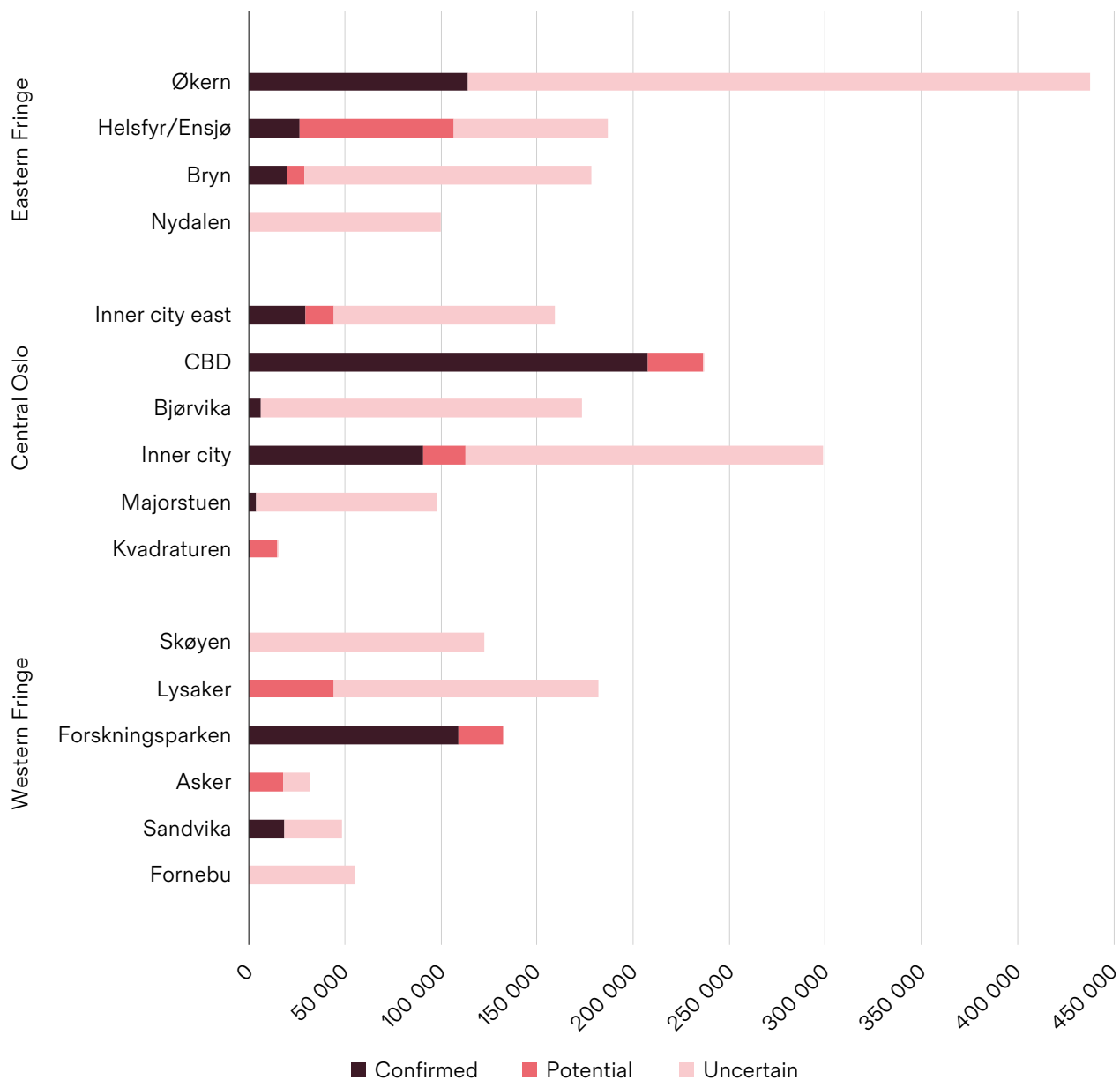


2025	2026	2027	
			15 000 m ²
13 % Vacant*	24 % Vacant*	77 % Vacant*	The size of the bubble represents the volume of new office buildings in each office cluster.

*Share of total yearly construction volume vacant.

Source: PBE, Byggfakta, Malling

Estimated new construction in Greater Oslo from 2025 split by cluster and status, total m² (GLA)



Source: PBE, Byggfakta, Malling

«With limited demand and increasing supply, coupled with rising vacancy rates, several projects have been delayed or put on hold. Additionally, many of the larger uncertain developments are part of broader mixed-use projects, which further amplifies the uncertainty».

Long-Term Construction Activity

For the longer term, we summarize the full pipeline of construction activity for newbuild projects in Greater Oslo from 2025 onwards. Based on our database, this amounts to approximately 2.45 million m². Notably, this represents a reduction of approximately 150 000 m² from our last report, further highlighting the difficulties landlords face in making projects financially viable.

Fringe Zone East: For the eastern fringe zone, approximately 72 % of all projects remain uncertain, and only 18 % are confirmed. Among the confirmed projects, Construction City accounts for more than half of the total area, making the zone predominantly uncertain. Among the uncertain projects (awaiting zoning), the most significant are Økern Sentrum, Brynje, and Økern S/Park, each accounting for more than 60 000 m². However, with limited demand and increasing supply, coupled with rising vacancy rates, several projects have been delayed or put on hold. Additionally, many of the larger uncertain developments are part of broader mixed-use projects, which further amplifies the uncertainty.

Central Oslo: Among the major areas, Central Oslo stands out with the highest share of confirmed projects, at approximately 35 %, primarily driven by the Filipstad development, which accounts for approximately 206 000 m². However, the project timeline remains highly uncertain, with completion not expected before 2040 at the earliest. As for uncertain projects, Grønlikaia, Oslo Galleri, and Marienlyst (the current NRK headquarters) are the largest, comprising about 72 000 m², 71 000 m², and 50 000 m², respectively. Although these developments carry a high degree of uncertainty, their estimated completion dates are not until the mid-2030s, indicating limited new office construction within the current decade. As noted in previous reports, the newly adopted high-rise building strategy allows buildings to reach up to 70 metres near public transport hubs and up to 125 metres near Oslo Central Station. However, several significant challenges accompany high-rise development, with elevated construction costs standing out as the most critical. As a result, we expect delays in most high-rise projects.

Fringe Zone West: In the western fringe zone, approximately 22 % of the full pipeline is confirmed, with 85 % of this located in Forskningsparken. Uncertain and potential projects account for 63 % and 15 %, respectively, with Lysaker and Skøyen representing the largest shares. As with the eastern fringe zone, several projects remain highly uncertain, as low office rental levels, limited demand, and zoning challenges pose significant obstacles. Additionally, uncertainty surrounding infrastructure projects such as Fornebubanen, Poulssons Kvarter, and the E18 Vestkorridoren further amplifies this. Completion of these initiatives could significantly strengthen the area, particularly in and around Lysaker and Fornebu.

Office Vacancy

Flat Development Before Declining Vacancy in 2027

Compared to our previous two reports, we have observed a slight uptick in the vacancy rates in Greater Oslo, currently at 8.0 %. While this figure nearly aligns with estimates from the last report, there are substantial disparities between areas. Vacancy in the eastern fringe zone now stands at 12.4 %, significantly higher than both Central Oslo and the western fringe zone, at 6.4 % and 7.9 %, respectively. Despite muted activity in the employment market, the office market has been supported by a relatively modest supply of construction volumes, maintaining the office market at neutral levels.

Revising our estimates, our model now predicts a flat to downward trajectory for vacancy rates through 2027, followed by a slight decline. Although construction volumes are expected to be relatively high over the next two years, there is still unmet demand carried over from previous periods of strong employment growth, demand that we expect to be absorbed in the coming years. Factoring in new supply dynamics, evolving demand patterns, and employment trends, our model suggests vacancy rates over the next three years will range between 7.9 % and 4.7 %.

Greater Oslo Vacancy Sees to Find a Resistance Level Around 8 %

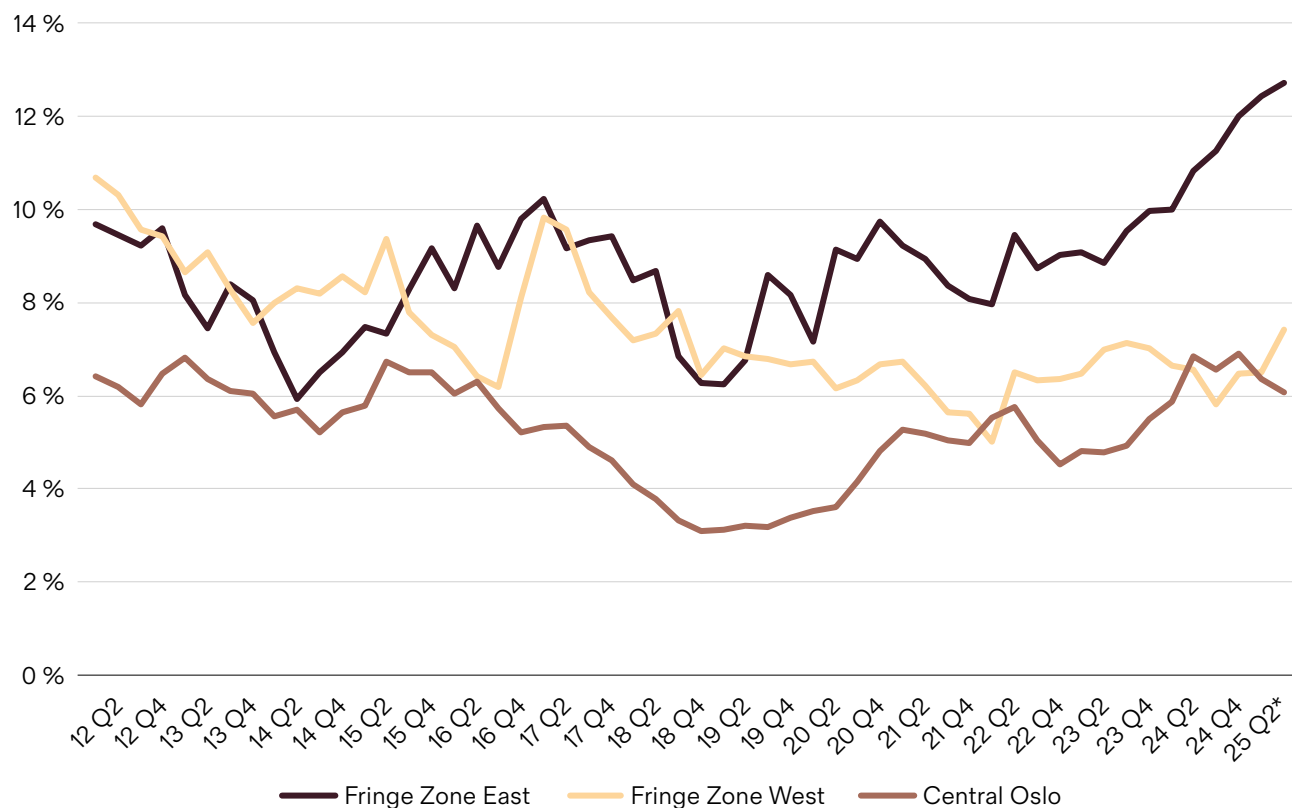
The vacancy rate in Greater Oslo has seen an upward trajectory since Q4 2022, rising from 5.9 % and levelling off at 7.7 % in Q2 2024. Over the past year, the vacancy rate has shown signs of stabilisation, with an uptick in May 2025, recording at 8.0 %. Although the vacancy rate for greater Oslo seems to be finding a resistance level around 8 %, significant discrepancies persist among office clusters. The vacancy rate for Oslo city centre is registered 6.4 %, with the western fringe zone at 7.9 %. In contrast, the eastern fringe zone observe larger difficulties with a vacancy rate of 12.4 %, up 0.7 pp. compared to a year ago, and 3.9 pp. compared to two years ago.

Unlike most other areas, the eastern fringe zone stands out as one of the few with clusters that have seen new office projects completed in recent years. Our analysis shows that tenants are mainly relocating within the same clusters, moving from older premises into new buildings. As a result, their former spaces are left vacant. This internal movement is a key factor behind the sharp increase in vacancy levels across clusters in the eastern fringe zone.

An important factor contributing to the increased vacancy level during 2024, and the uptick in the vacancy rate for May 2025, is the inclusion of shared office space in the vacancy metrics. In May 2025 we observe that the shared office space providers again are listing their entire premises as a single ad, rather than specifying smaller office spaces available for more typical shared-office tenants. This strategy has emerged to attract larger tenants and demonstrate their capacity to accommodate companies requiring premises from 1 000 m² to above 5 000 m². Conversations with management team members from office providers within the shared-space category reveal this tactic as part of a broader effort to appeal to larger businesses and showcase their ability to handle sizable tenants. However, they are not necessarily ready to move into at short notice, although their ads clearly state ready to move in immediately. The inclusion of total area from shared office spaces has also affected the level of subletting. As of May 2025, we observe a subletting level of 10 % of the total vacancy, a level that has remained stable- or marginally higher- over the past year.

«The vacancy rate for Oslo city centre is registered 6.4 %, the western fringe zone at 7.9 %, but the eastern fringe zone observe larger difficulties with a vacancy rate of 12.4 %».

Historical vacancy in Central Oslo, Eastern and Western fringe zones, %



How we measure vacancy and supply: - When analysing the supply side of the rental market, we want to describe what is actually available for prospective tenants, not only vacant space. Therefore, we split the total amount of offered office space into two definitions: supply and total listing. Total listing includes all vacant space, regardless of delivery date, while vacancy comprises only existing space or new constructions available within 12 months from the date of measurement. In other words, we define total listing as all office space that is available in the market, including existing buildings and new constructions. Projects offered in specific processes to tenants looking for space, but which are not available on the online marketplace Finn.no, are not included in the figures. Normally, these projects end up at Finn.no in the end. This means that potential total listing is even higher than what is reported in these figures. Vacancy is however a more exact measure. Including a measure of available new office projects explains possible discrepancies in a simple supply/demand relation compared to only looking at rents and vacancy.

*As of May.

Source: Finn.no, Malling

Selected properties with ads affecting the vacancy as of May 2025

Adress	Cluster	Area (m ²)	Provider of shared office space
Snarøyveien 30	Fornebu	24 000	No
Martin Linges Vei 33	Fornebu	13 700	No
Snarøyveien 20	Fornebu	13 000	No
Økernveien 119	Økern	12 500	No
Innspurten 15	Helsfyr	11 500	No
Munkedamsveien 45	CBD	9 400	No
Drammensveien 144	Skøyen	8 500	No
Ulvenveien 82E	Økern	8 500	No
Økernveien 94	Økern	8 000	No

Source: Finn.no, Malling

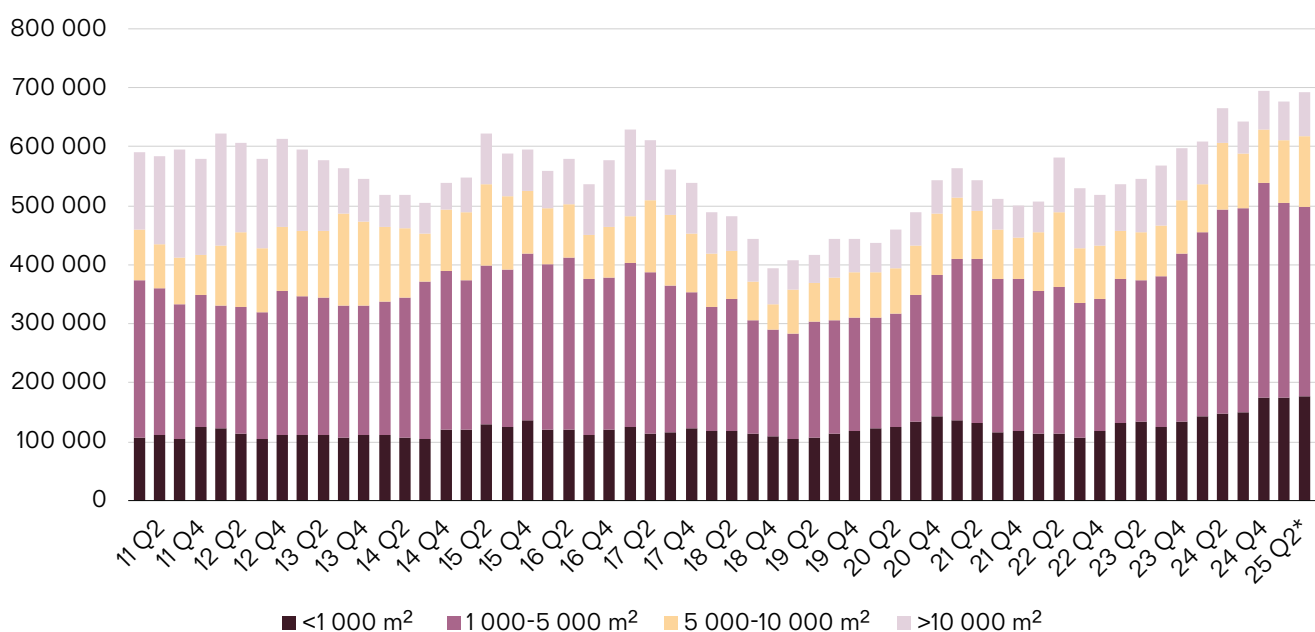
Significant Growth in Smallest and Largest Size Segments

The total volume of vacant office space in Greater Oslo, measured in square metres, has seen an upward trajectory, approaching the all-time-high levels. In Q2 2025, total advertised office space reached 693 300 m², representing a modest increase of 4 % compared to Q2 2024. A closer look at specific size categories, however, reveals notable shifts. For premises exceeding 10 000 m², there has been a sharp increase of 24 %, to 75 000 m² from 60 000 m². Similarly, the supply of premises under 1 000 m² increased to 177 000 m² from approximately 148 000 m², a 20 % rise. Conversely, for the largest category in terms of total vacancy, 1 000 to 5 000 m², an 8 % decrease was observed from around 346 000 m² to 320 000 m². However, there are clear disparities within this range: premises sized 2 500 to 5 000 m² grew by 2 %, while those in the 1 000 to 2 500 m² range decreased by 14 %. Lastly, the 5 000 to 10 000 m² segment experienced an increase from 113 000 m² to 121 000 m². Compared to Q2 2023, we observe a 33 % to 46 % increase in vacant office space across the 0–1 000 m², 1 000–5 000 m², and 5 000–10 000 m² size categories. In contrast, the 10 000+ m² category saw a 17 % decline in available space.

The overall trend for total vacant office space remains near record-high, and our findings show a substantial increase in premises under 1 000 m². This aligns with observations from our previous report, reinforcing the notion that the so-called “bread and butter” segment is facing intensified competition, as tenants remain passive, possibly in response to ongoing market uncertainty. Interestingly, in the top segment, we have also observed a slight increase in available office space, however, when looking at the data, it becomes clear that this is only driven by office spaces in the fringe zones, with Fornebu alone accounting for 68 % of all office space above 10 000 m².

To clarify, our report distinguishes between two terms: “vacancy”, which refers to space available within the next 12 months, and “total listing”, which includes all advertised space, including that which becomes available beyond the 12-month horizon. As of May 2025, the vacancy in Greater Oslo was measured at 715 000 m², while the total listing stood at 876 000 m². In recent years, we have observed a narrowing of the gap between the two figures, in response to lower levels of construction and rehabilitation. Looking back twelve months, signs of stabilisation began to emerge; however, we are now seeing a renewed widening of the gap, driven by a project pipeline with completion dates in 2027 or 2028. Compared to May 2024, the gap has widened from 18.8 % to 22.5 %. As projects have become more difficult to make financially viable, newbuilds are increasingly being advertised earlier to avoid speculative construction.

Vacant office space split by size interval, total m²



*As of May.

Source: Finn.no, Malling

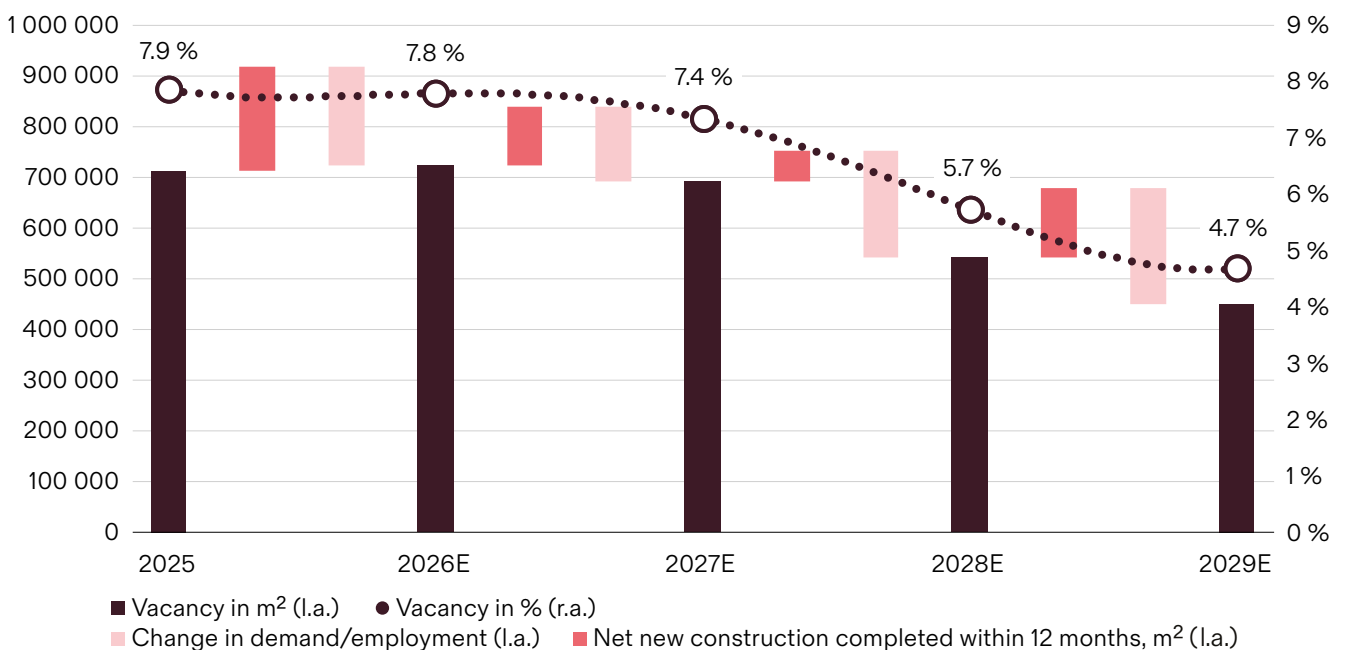
Vacancy Levels Expected to Peak in 2025 and Decline in Coming Years

Looking back at our previous market report, vacancy levels have developed largely in line with expectations, with 2025 vacancy tracking just below 8 %. A slight decline is expected by 2027, followed by a further decrease to around 6 % in 2028. Following a revision of our model, the outlook has improved slightly for the years 2026 through 2028, however, we still project vacancy in Greater Oslo to remain at 4.7 % at the start of 2029.

Our model estimates vacancy based on two main components: the net new supply of office space entering the market and the change in demand for office space. Net new supply accounts for the construction of new office buildings as well as the demolition or conversion of existing office space that we consider confirmed and/or highly likely to occur. On the demand side, the model incorporates two key elements. First, we apply employment growth estimates, using historical data to project office space take-up. As change in employment do not immediately translate into change in office demand, the model factors in both a historical dependency (lag of up to seven years) and a one-year delay before employment growth materialises as increased demand. In addition, the model includes pent-up demand generated by strong employment growth after 2020, which we expect will continue to be absorbed in the coming years. While the model represents a simplification of market dynamics, we believe it provides valuable insight into how vacancy rates may evolve.

As discussed in the section “Construction Activity in Greater Oslo,” significant new office construction is expected in 2025 and 2026. While this would typically lead to higher vacancy, our model, which accounts for employment growth and pent-up demand, still projects a decline in vacancy. This projection contrasts with concerns raised by several clients, who fear that high construction levels in 2025, particularly from projects like Construction City and Regjeringskvartalet Part 1, will trigger a sharp rise in vacancy. Interestingly, the net effect may be smaller, as premises vacated by relocating tenants are not immediately returned to the market. Many are planned for major rehabilitation, and some will even be removed entirely, spreading the impact over several years. While uncertainty remains, the actual net new supply may be lower than expected, further contributing to a decline in vacancy rates.

Estimated vacancy trend in Greater Oslo, year start



Source: Finn.no, the Norwegian Central Bank, SSB, Malling

«Vacancy levels have developed largely in line with expectations, with 2025 vacancy tracking just below 8 %. A slight decline is expected by 2027, followed by a further decrease to around 6 % in 2028 and 4.7 % in 2029».

Industrial & Logistics

Industrial and Logistics Market Shows Signs of Stabilisation Amid Uncertainty

The industrial and logistics segment remains in a subdued phase in 2025, a trend that began in 2024 following a period of rapid rental growth, elevated construction activity, and strong investor demand from 2021 to 2023. Tenant demand has since cooled, and new development has slowed accordingly. Vacancy have stabilised after a period of increase, and investor interest remains high. Key indicators such as leasing activity, yield expectations, and construction activity point to a market that remains cautious, yet resilient on high construction costs and macroeconomic uncertainty. Caution prevails, as both developers and tenants continue to take a wait-and-see approach.

Increased Foreign Interest in Norwegian Industrial and Logistics Properties

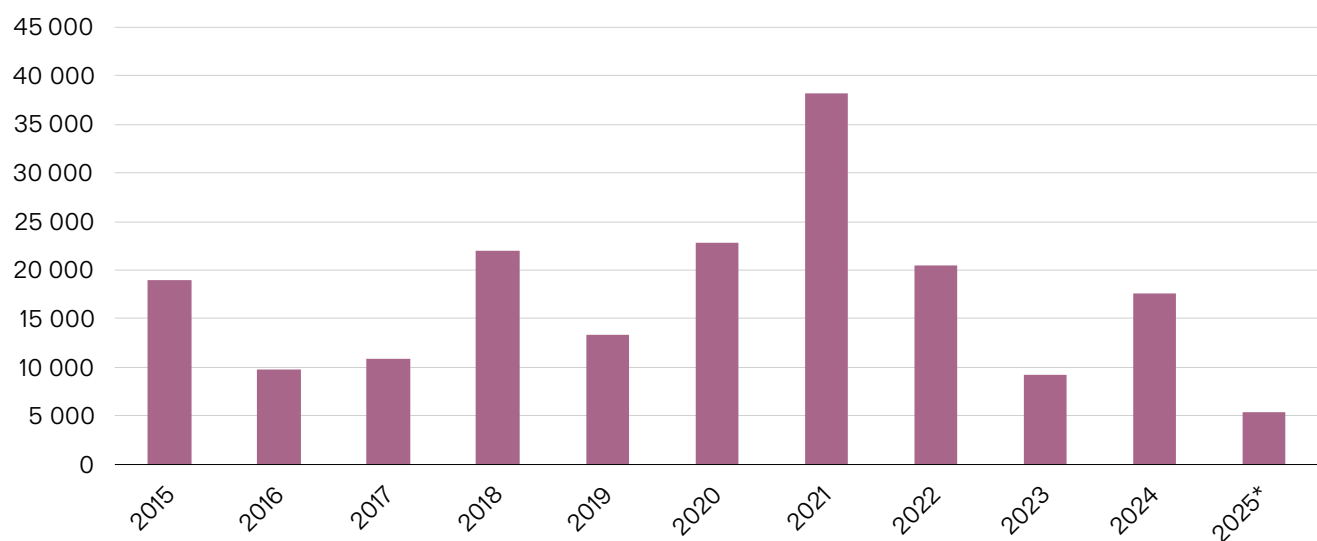
The total investment volume for industrial and logistics properties is NOK 5.1 billion year to date, spread across 21 transactions. At the same time last year, the transaction volume for industrial and logistics properties was NOK 8.4 billion. However, it is worth mentioning that this was spread across 17 transactions, indicating that the early last year were characterised by fewer, but larger transactions. There have also been some larger transactions so far this year, with Public Property Invest's purchase of TRG's portfolio being the most significant.

As of May, industrial and logistics transactions accounted for 19 % of the total transaction volume. Compared to previous years, this is broadly in line with 2024, when the share was 21 %, and slightly higher than 2023, when the share was 16 %.

Professional real estate companies have been the most active buyers of industrial and logistics properties so far in 2025, accounting for 65 % of the investment volume in the segment. In 2025, the investor categories with the highest level of disposals in the industrial and logistics properties are private real estate companies, as well as "other companies," often referred to as owner-occupiers who engage in sale-leaseback transactions.

Foreign companies have also shown increased interest in Norwegian industrial and logistics properties in recent years, particularly Nordic investors. From 2019-2023, the average share of foreign buyers of industrial and logistics properties in Norway was 21 %. However, in the last 12 months, share of foreign buyers of industrial and logistics purchases has risen to 39 %. At the start of 2025, our European partner, Savills, conducted a survey asking investors which segments they wanted to invest in. Interest in office and retail properties has significantly decreased since a similar survey in 2019. The interest in residential properties, and industrial and logistics properties, has remained at levels similar to 2019.

Transaction volume development in NOK million (transactions larger than NOK 50 million)



*As of 15 May.

Source: Malling

Many Development-Ready Plots Awaiting Tenants

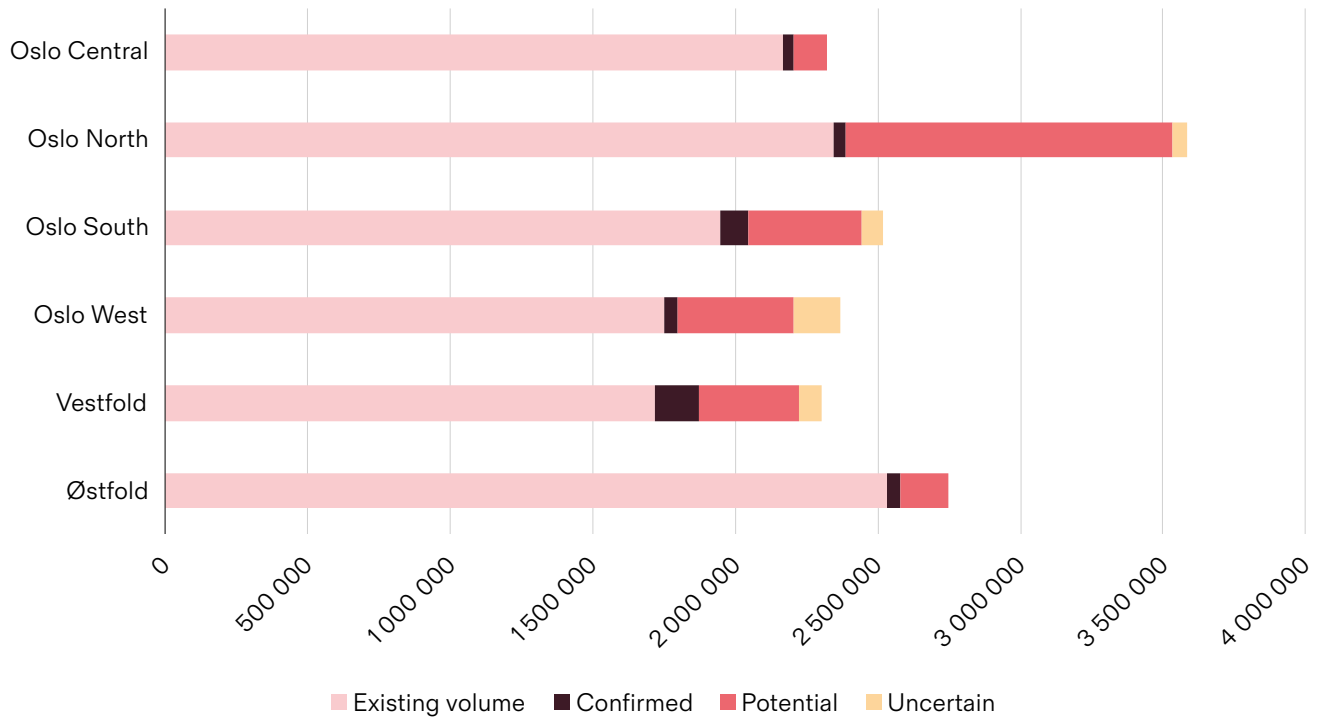
The industrial and logistics market has historically been characterised by limited new construction, but in recent years, high-quality properties have been developed at scale, particularly in the Greater Oslo Region. Despite the current slowdown in the rental market and elevated construction costs, there is still ongoing development activity.

Approximately 425 000 m² of confirmed new-build industrial and logistics space is currently under construction in the Greater Oslo Region. The largest share of this volume is located in Vestfold, primarily driven by the ongoing development of the Kopstad freight terminal. In addition, around 100 000 m² of new space is under construction in South Oslo, with rapid progress being made in both Vestby and Frogn. In Østfold, West Oslo, North Oslo and Central Oslo, each area has just under 50 000 m² of confirmed new development.

Looking further ahead, there is a substantial amount of zoned land with development potential. In the Greater Oslo Region alone, there is close to 3 million m² of development-ready land. A significant share of this land, much of which is currently on hold due to a lack of tenants, includes areas such as Gardermoen, Fiskumparken, Danebu, and Enebakk. Particularly along the North Oslo corridor, there are large plots in Gardermoen that are ready for development. In addition, we have identified 370 000 m² of land owned by industrial and logistics developers, which is currently neither zoned nor prepared for construction.

Given this theoretical supply, there is substantial potential for new development. However, actual construction remains limited, and with signs of a cooling market, we do not expect any significant increase in development activity in the short term.

Industrial construction volume 2025-, m² per region, by probability of completion



Source: Matrikkelen, Byggfakta, Malling

«There is a substantial amount of zoned land with development potential».

Industrial & logistics rents (>6 meters ceiling height) – Malling consensus (NOK/m²/yr)

Office cluster	Typical project asking rent*	Prime rent*	Past 12 months change (prime rent)*	Normal rent*
Alnabru/Groruddalen	2 450	2 000	0 %	1 700 – 1 850
Rud	1 700	1 600	0 %	1 350 – 1 475
Gardermoen	1 600	1 450	-3 %	1 250 – 1 350
Kløfta	1 600	1 500	0 %	1 300 – 1 400
Lindeberg	1 600	1 550	-3 %	1 350 – 1 450
Berger	1 700	1 550	-3 %	1 350 – 1 450
Gjelleråsen/Skytta	1 700	1 500	0 %	1 300 – 1 400
Hvam	1 600	1 550	-3 %	1 350 – 1 450
Lillestrøm	1 600	1 550	-3 %	1 350 – 1 450
Heia	1 300	1 050	-9 %	800 – 925
Lørenskog	2 200	1 900	0 %	1 650 – 1 800
Langhus	1 600	1 550	-3 %	1 350 – 1 450
Vinterbro	1 700	1 550	-3 %	1 350 – 1 450
Frogn	1 400	1 150	-8 %	950 – 1 050
Ski	1 600	1 550	-3 %	1 300 – 1 425
Enebakk	1 300	1 050	-9 %	850 – 925
Vestby	1 400	1 100	-8 %	900 – 1 000
Liertoppen	1 800	1 600	0 %	1 350 – 1 475
Lierstranda	1 800	1 450	-3 %	1 250 – 1 350
Åssiden	1 650	1 400	-10 %	1 100 – 1 200
Røyken	1 400	1 300	-7 %	1 100 – 1 200
Kobbervikdalen	1 700	1 600	0 %	1 300 – 1 400
Kongsberg	1 600	1 400	-3 %	1 100 – 1 200
Hanekleiva	1 650	1 300	-7 %	1 100 – 1 200
Horten	1 300	1 000	-5 %	800 – 925
Tønsberg	1 000	1 000	-5 %	800 – 925
Stokke	1 500	1 050	-5 %	850 – 950
Fokserød	1 500	1 050	-9 %	850 – 950
Danebu	1 300	1 000	-5 %	800 – 925
Larvik	1 300	1 000	-5 %	800 – 925
Spydeberg	1 200	1 050	-9 %	800 – 925
Moss	1 400	1 000	-9 %	800 – 925
Fredrikstad	1 300	1 000	-9 %	800 – 925

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

Source: Malling

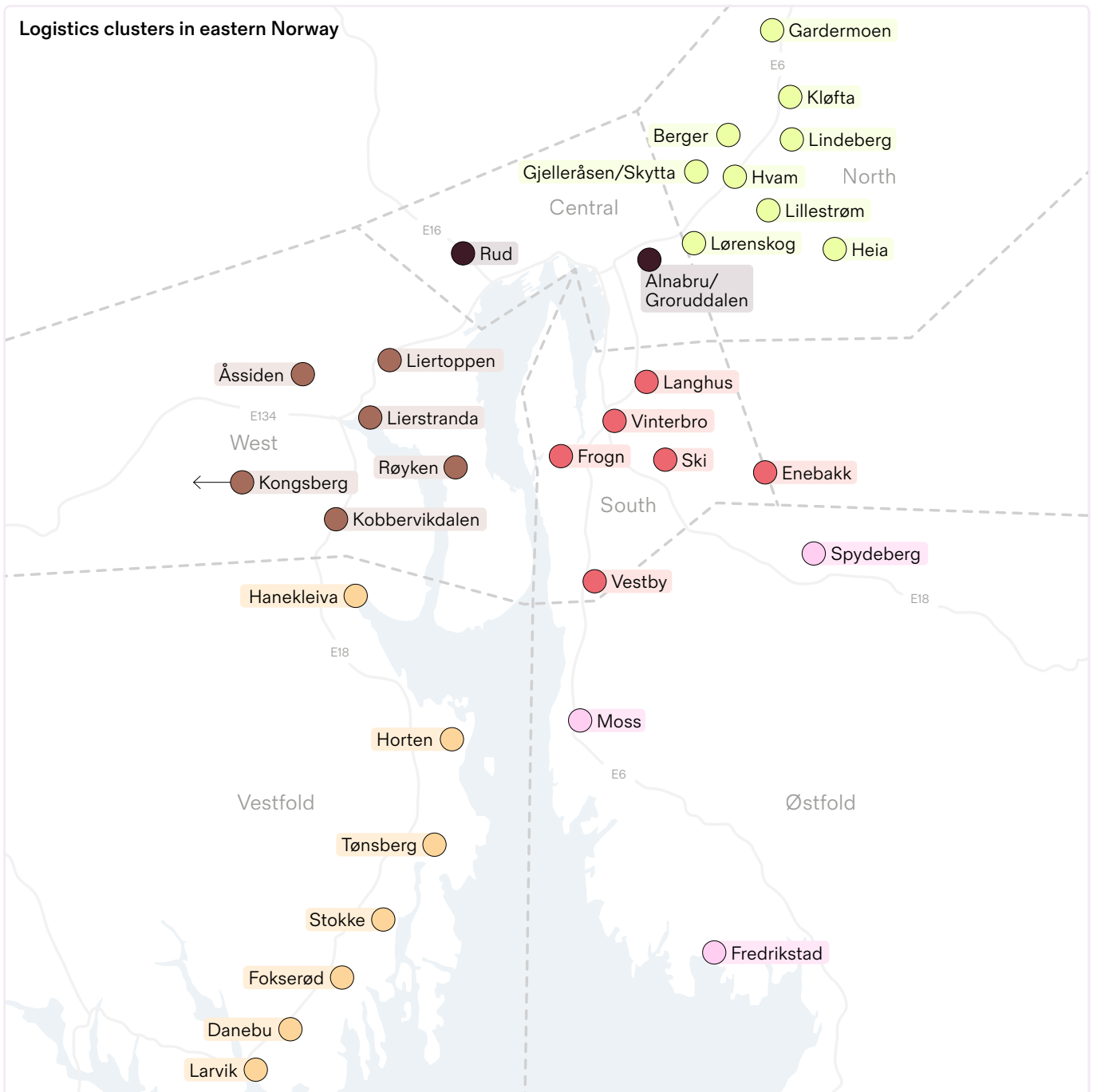
Weaker Rental Market, but Rental Prices Have Bottomed Out

In our winter report, we noted early signs of stagnation in the industrial and logistics markets as tenant demand began to soften. As a result, we revised down our consensus rental levels across several clusters shortly before year-end.

The rental market has not strengthened since our previous report, but the downward trend we observed before the turn of the year has not yet materialised in the same manner. As a result, we have kept rental levels unchanged across all clusters for now. See tables on page 50 and page 52 for a full overview of our consensus rents for each cluster in Eastern Norway. One clear indication of the weak rental market is the significantly low number of lease contracts being signed, with many tenants hesitant to make major decisions due to the current economic uncertainty. In the last-mile segment in central Oslo, rental levels remain stable, with prime rents at 2 000 NOK/m²/year in the Alnabru/Groruddalen area, excluding specific fit-outs that may influence pricing. In the few cases where values indicate a rent increase, this is due to historical corrections rather than actual growth over the past 12 months.

Following the decline in rental levels over the past six months, observed in almost all clusters, we now expect rents to remain flat or a modestly decrease over the next 12 months. Thereafter, we forecast rental growth of 5-10 % through end of 2028.

Logistics clusters in eastern Norway



Market rent: Indicates the amount for which a vacant property may be let, or re-let when the existing lease terminates, for a standard logistics building with no extra investments in equipment or custom fit-out. Market rent is not a suitable basis for the amount of rent payable under a new construction where the definitions and assumptions specified in the lease have to be used to derive at a rent that satisfies the required return for a developer to realize a project.

Source: Malling

Industrial & logistics rents (4–6 meters ceiling height) – Malling consensus (NOK/m²/yr)

Office cluster	Typical project asking rent*	Prime rent*	Past 12 months change (prime rent)*	Normal rent*
● Alnabru/Groruddalen	2 450	2 000	0 %	1 700 – 1 850
● Rud	1 700	1 500	0 %	1 250 – 1 375
● Gardermoen	1 600	1 350	-4 %	1 150 – 1 250
● Kløfta	1 600	1 400	0 %	1 200 – 1 300
● Lindeberg	1 600	1 450	-3 %	1 250 – 1 350
● Berger	1 700	1 450	-3 %	1 250 – 1 350
● Gjelleråsen/Skytta	1 700	1 400	0 %	1 200 – 1 300
● Hvam	1 600	1 450	-3 %	1 250 – 1 350
● Lillestrøm	1 600	1 450	-3 %	1 250 – 1 350
● Heia	1 300	950	-10 %	700 – 825
● Lørenskog	2 200	1 800	0 %	1 550 – 1 700
● Langhus	1 600	1 450	-3 %	1 250 – 1 350
● Vinterbro	1 700	1 450	-3 %	1 250 – 1 350
● Frogn	1 400	1 050	-9 %	850 – 950
● Ski	1 600	1 450	-3 %	1 200 – 1 325
● Enebakk	1 300	950	-10 %	750 – 825
● Vestby	1 400	1 000	-9 %	800 – 900
● Liertoppen	1 800	1 500	0 %	1 250 – 1 375
● Lierstranda	1 800	1 350	-4 %	1 150 – 1 250
● Åssiden	1 650	1 300	-10 %	1 000 – 1 100
● Røyken	1 400	1 200	-8 %	1 000 – 1 100
● Kobbervikdalen	1 700	1 500	0 %	1 200 – 1 300
● Kongsberg	1 600	1 300	-4 %	1 000 – 1 100
● Haneleiva	1 650	1 200	-8 %	1 000 – 1 100
● Horten	1 300	900	-5 %	700 – 825
● Tønsberg	1 000	900	-5 %	700 – 825
● Stokke	1 500	950	-5 %	750 – 850
● Fokserød	1 500	950	-10 %	750 – 850
● Danebu	1 300	900	-5 %	700 – 825
● Larvik	1 300	900	-5 %	700 – 825
● Spydeberg	1 200	950	-10 %	700 – 825
● Moss	1 400	900	-10 %	700 – 825
● Fredrikstad	1 300	900	-10 %	700 – 825

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

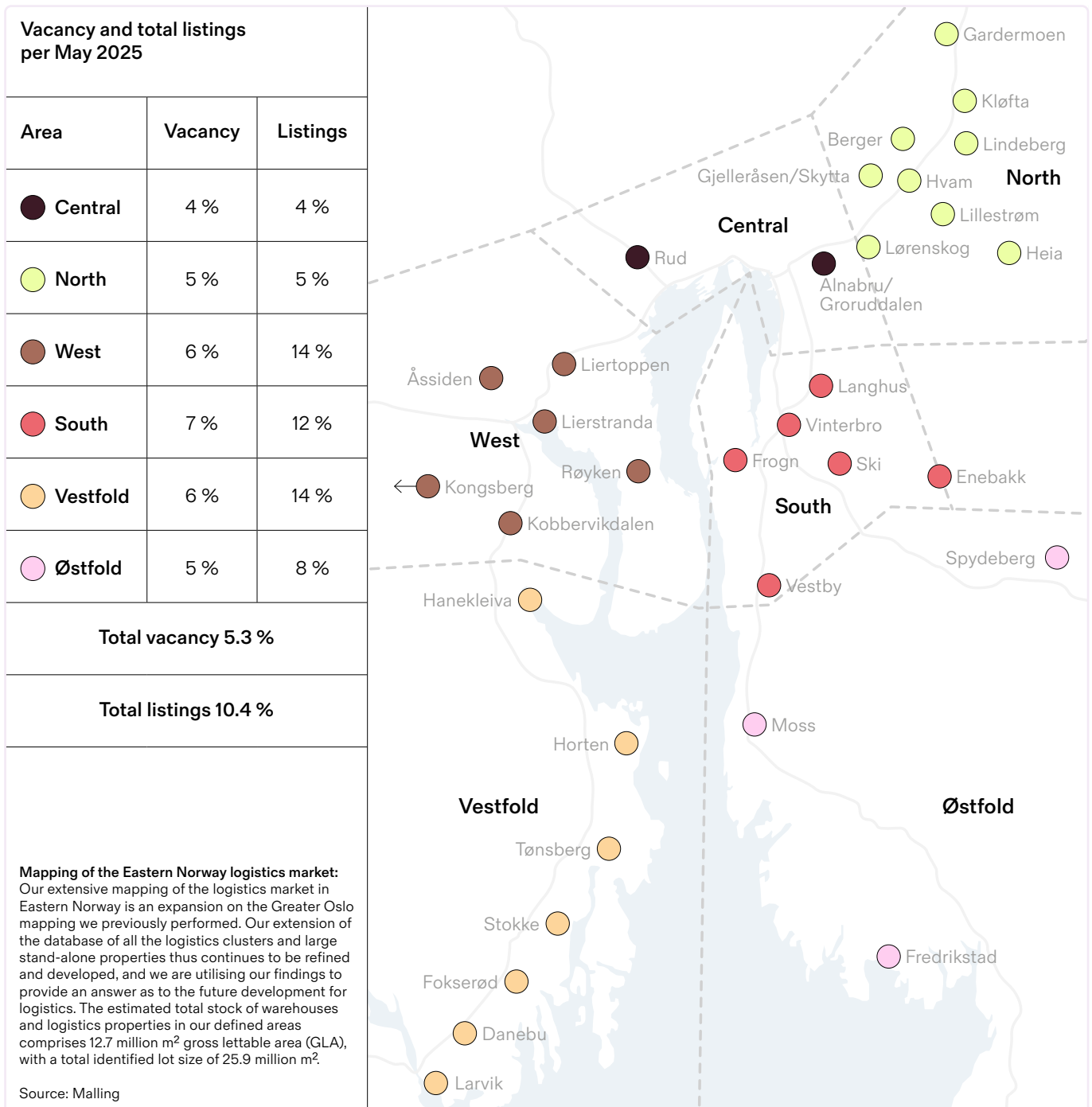
Source: Malling

Vacancy Has Stabilised After a Period of Increase

After a steady upward trend beginning in early 2023, which carried on through 2024, vacancy levels in the industrial and logistics market appear to have stabilised over the past few quarters. As of May, the vacancy rate stood at 5.3 % across Greater Oslo, Østfold, and Vestfold. Vacancy has remained within a relatively narrow range of 5.0 % to 5.5 % since September 2024, peaking at 5.5 % in March 2025. For centrally located last-mile properties, the vacancy rate was measured at 4.1 % in May, a 30 basis points decline since our market report in October 2024.

There have been no major changes in vacancy across the various submarkets in Eastern Norway over the past six months. The most notable development has occurred in Greater Oslo North, where the vacancy rate fell from 6.8 % in October to 4.6 % in May, the lowest level recorded in this region in over a year. In contrast, vacancy in the southern axis increased from 5.8 % to 6.9 %. In the western axis, Vestfold, and Østfold, vacancy has risen by 40, 50, and 30 basis points respectively over the same period.

The total supply in Greater Oslo, Østfold, and Vestfold reached 10.4 % in May, an 80 basis points jump from October 2024. This is primarily due to new shovel-ready development plots, where construction has been put on hold until a lease agreement is in place. Higher construction costs, cautious tenants amid uncertain market conditions, and asking rents remain relatively high compared to bidding rents, all contribute to restrained development activity.



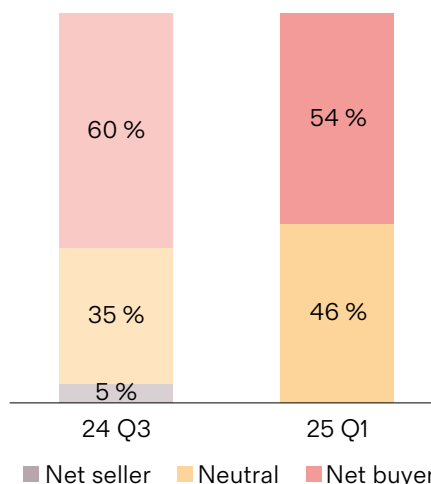
Investor Demand for Industrial and Logistics Properties Remains High

The results from our Q1 2025 investor yield and sentiment survey show that most investors intend to be net buyers of industrial and logistics properties over the next 12 months. A total of 54 % of respondents indicated they wanted to be net buyers, while 46 % were neutral. No investors in the survey stated they would be net sellers.

Compared to the Q3 2024 survey, the last survey before the winter market report, the share of net buyers and net sellers has decreased by 6 and 5 percentage points, respectively with a corresponding increase in neutral category. It is also noteworthy that since Q4 2024, the share of net buyers has risen from just 51 %. However, when excluding the responses from syndicates, the figure share of net buyers drops significantly, down to 38 %.

Overall, we observe that many are interested in buying industrial and logistics properties in the upcoming 12 months, but very few want to sell. This also reflects how we have experienced the industrial and logistics transaction market in the first few months of 2025.

Desired exposure towards logistics properties next 12 months



Source: Malling Investor Yield and Sentiment Survey

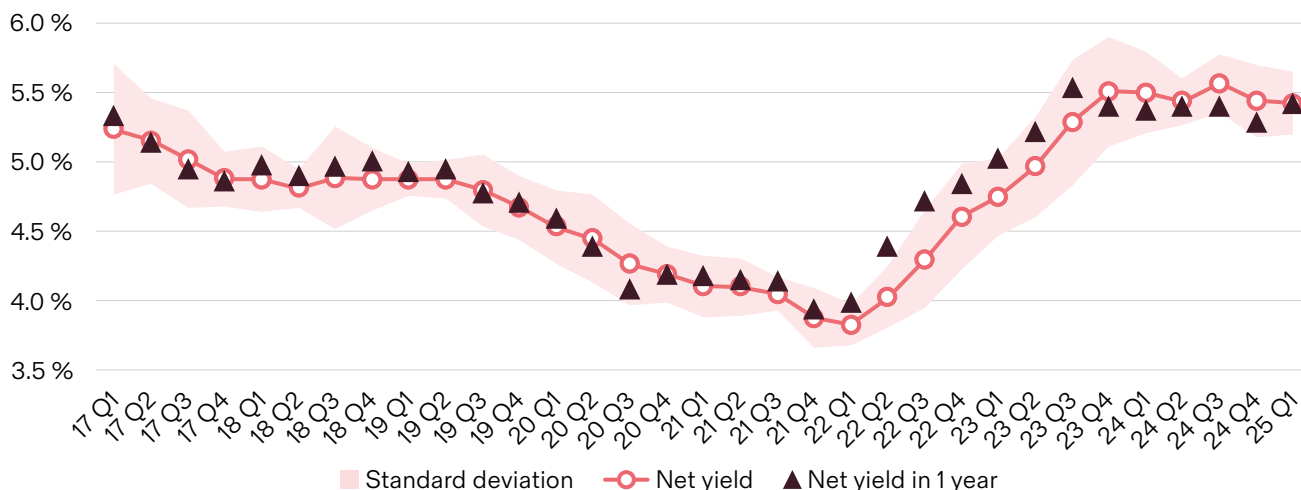
Weakened Expectations of Yield Decline

Yields rose significantly in 2022 and 2023, and the industrial and logistics market was no exception. From Q1 2022 until the end of 2023, investors in our investor sentiment and yield survey believed that the prime yield for industrial and logistics in Greater Oslo, as we have defined it for Berger, would increase by as much as 170 basis points, from 3.80 % to 5.50 %.

Throughout 2024, yields stabilised, with some fluctuations from quarter to quarter. In our market report from November 2024, we recorded the highest yield so far, when investors assumed the prime yield was 5.55 %. However, over the past two quarters, investors have perceived a slight decline in yields, with consensus in both Q4 2024 and Q1 2025 indicating a prime yield of 5.45 % for industrial and logistics properties. This trend is also reflected across other risk classifications within the segment.

What is striking in the Q1 2025 survey is that expectations for further yield declines have nearly disappeared. Since Q4 2023, when investors believed the prime yield was 5.50 %, they had anticipated a decline over the next 12 months. In Q4 2024, investors predicted a decline over the following 12 months, from a prime yield of 5.45 % to 5.30 %. By Q1 2025, expectations for a yield decline had nearly disappeared. Although investors responded that the prime yield remained unchanged, they expected only a modest 5 bps decline over the next 12 months, to 5.40 %. This pattern holds across all risk classifications, where expectations for a yield compression have weakened, with only a marginal decrease of 0 to 5 bps anticipated.

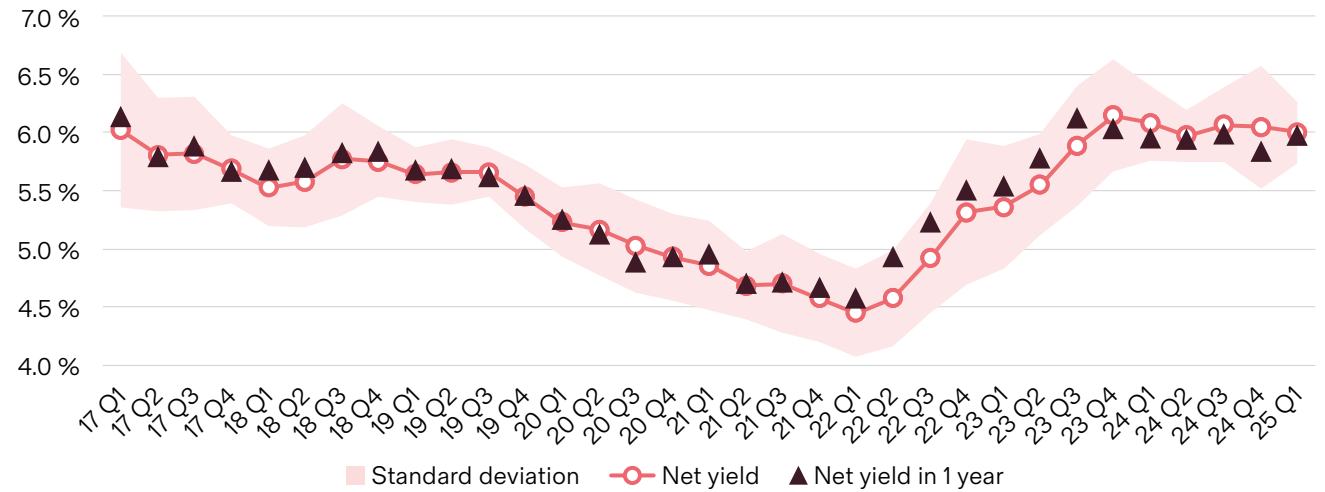
Prime logistics yield, Berger



Net yields on market rent.

Source: Malling Investor Yield & Sentiment Survey

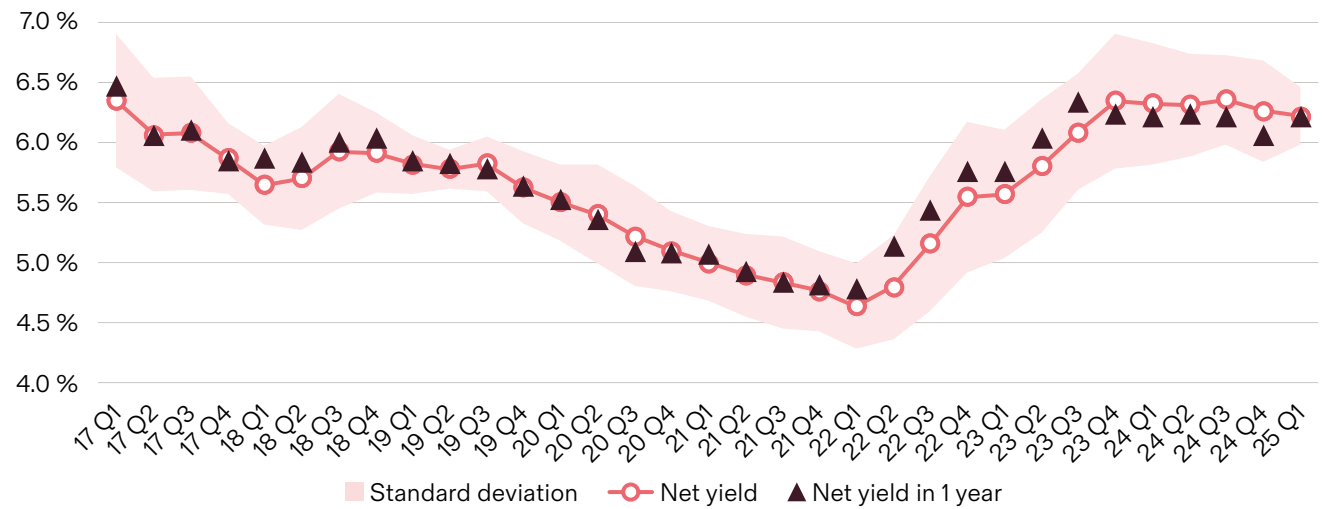
Normal yield, Kløfta



Net yields on market rent.

Source: Malling Investor Yield & Sentiment Survey

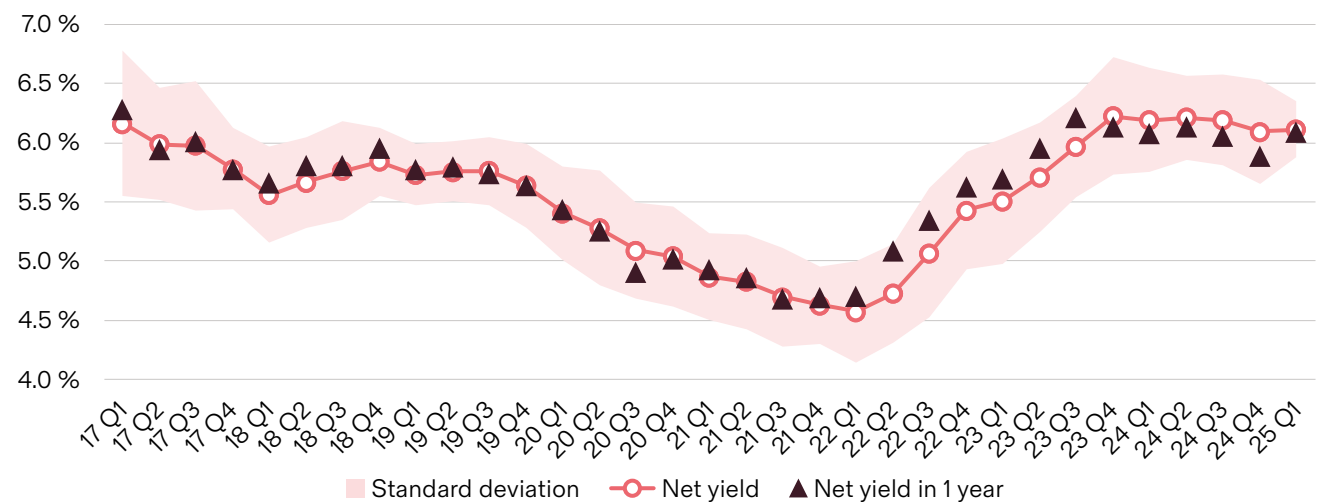
Normal yield, Lier



Net yields on market rent.

Source: Malling Investor Yield & Sentiment Survey

Normal yield, Vestby



Net yields on market rent.

Source: Malling Investor Yield & Sentiment Survey

Cort Adellers gate 16, Oslo



Malling & Co Corporate Real Estate has been engaged as advisor in the sales process of Cort Adellers gate 16, an office property centrally located in the Vika district, Oslo, of approx. 4 000 m².

Smalvollveien 46 , Oslo



Malling & Co Næringsmegling has assisted Fram Eiendom/Neaco with letting 3 300 m² workshop space to Autoin.

Retail

Resilient Retail Performance With Localised Upside

The Norwegian retail property market demonstrated stable performance in early 2025, supported by steady consumer demand and solid sales trends. Retail trade volumes continued their gradual recovery, with a 1.5 % increase in Q1 compared to the previous quarter. Growth was broad-based, particularly driven by grocery sales and e-commerce. Fuel sales also contributed positively in March after years of decline, while sectors such as pharmacy and beverage retail saw modest declines in late 2024. Turnover in food and beverage services remains significantly above pre-pandemic levels, with revenue around 40 % higher than in 2021. However, the number of bankruptcies remains elevated, reflecting persistent cost pressure and margin challenges across the sector. In Q1 2025, 98 bankruptcies were registered, up from 92 in the same quarter last year and 84 two years ago.

Retail rents in Oslo have largely remained stable, though selected areas have seen upward adjustments. Prime and high rents increased in Bogstadveien and Grünerløkka, supported by strong footfall and renewed tenant demand. Karl Johans gate continues to be the most expensive high street retail area. Investor sentiment has softened slightly, with fewer respondents expecting to be net buyers in Q1 2025 compared to the year before. Retail yields remain above pre-COVID levels, but the narrowing gap between prime and normal yields suggests improving stability across the segment.

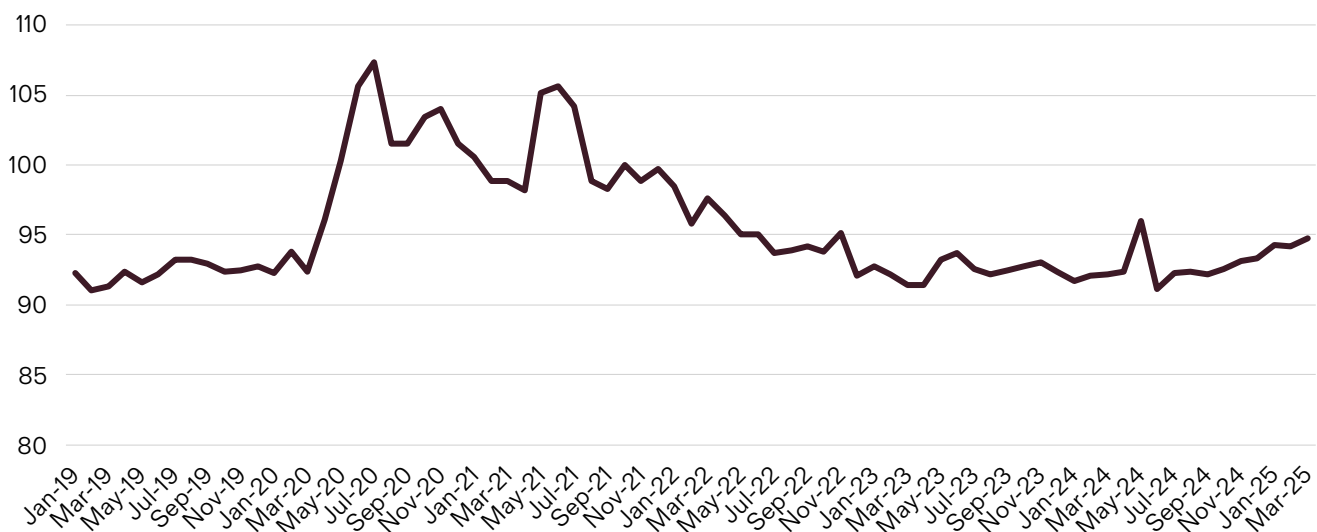
Gradual Recovery and Stabilisation in Retail Activity

Retail trade in Norway has shown a stable upward trend since June 2024, following a 5.1 % drop that month after an unusually strong May 2024. From July onwards, volume recovered gradually, with a series of modest monthly increases that continued into this year. Q1 2025 recorded a 1.5 % increase compared to the previous quarter, reflecting a continuation of this recovery.

Growth has been broad-based, with particularly strong contributions from grocery stores and e-commerce. Grocery sales increased by 6.9 % in 2024, reaching NOK 238.3 billion, remaining the largest retail segment. Online retail sales performed well through late 2024 and early 2025, especially during key shopping periods such as December. Fuel sales also showed a turnaround, contributing positively again in March after several years of decline. Other categories such as furniture and sporting goods added notably to growth in January, while pharmacy and beverage stores saw slight declines at the end of 2024.

Since June 2024, volatility has been limited, and retail volumes have remained within a narrow band. Unlike earlier periods characterized by sharp fluctuations, the current trend reflects a more balanced and resilient market environment. This relative stability supports cautious optimism and aligns with a broader pattern of steady but moderate private consumption.

Retail trade (excl. motor vehicles and motorcycles) in Norway, volume index seasonally adjusted (2021=100)



Source: Statistics Norway

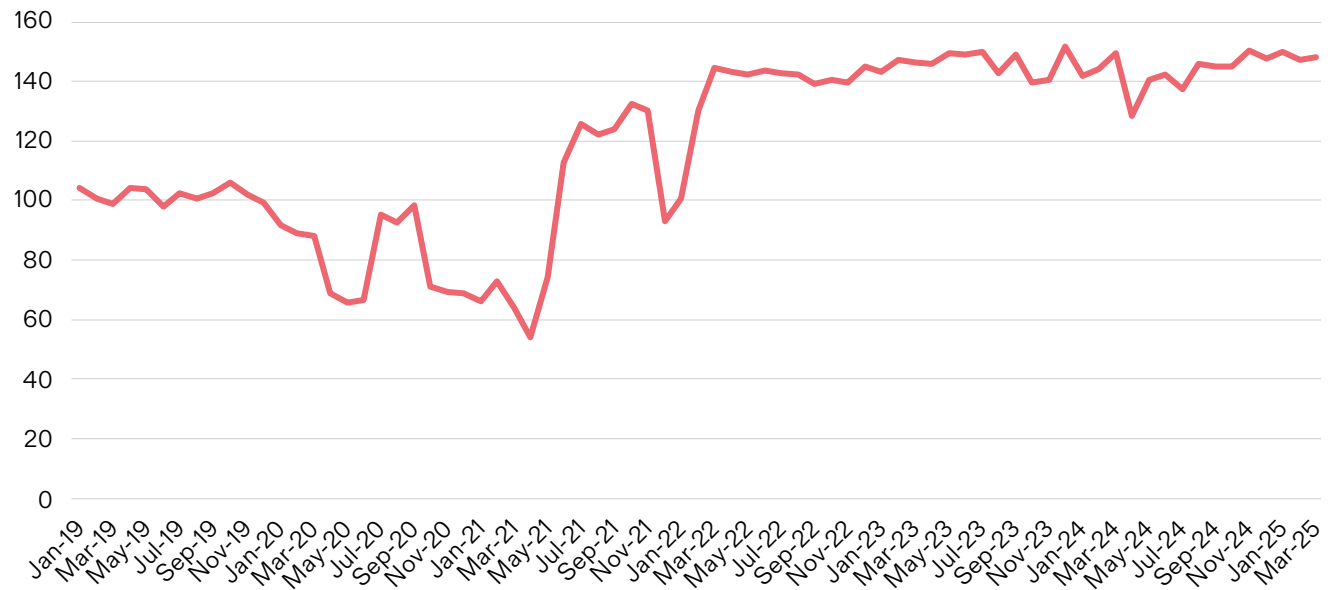
High Revenue Levels Mask Underlying Vulnerabilities

Turnover in the food and beverage service sector has remained elevated and stable since early 2022. After a strong recovery following the end of pandemic restrictions, revenue increased rapidly and has since been between 35 % and 45 % higher than the level in 2021. Monthly fluctuations have been modest, suggesting that demand has normalised at a high level.

At the same time, the number of bankruptcies has remained relatively high. The four-quarter rolling total rose sharply throughout 2022 but fell short of the 2019 peak, the highest level recorded since 2010. From early 2023, the trend has moved sideways, yet remains above levels seen for much of the past decade.

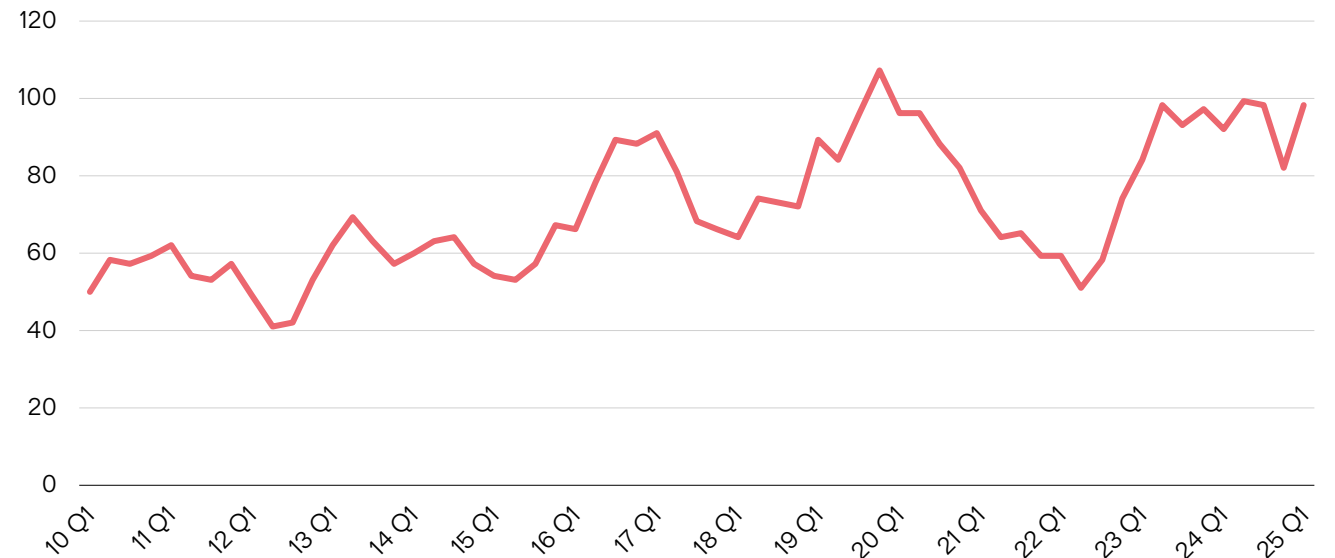
The contrast between strong turnover and elevated bankruptcies highlights continued margin pressure. While revenue has recovered, many businesses still face high input costs, staffing challenges, and limited financial buffers. Smaller and independent operators appear especially exposed. Together, these figures highlight a sector with stable demand, but uneven financial strength, where revenue recovery has not secured long-term sustainability for all players.

Turnover index for food and beverage service activities in Norway, seasonally adjusted (2021=100)



Source: Statistics Norway

Number of bankruptcies in food and bereage service activities in Oslo, 4-quarter rolling numbers



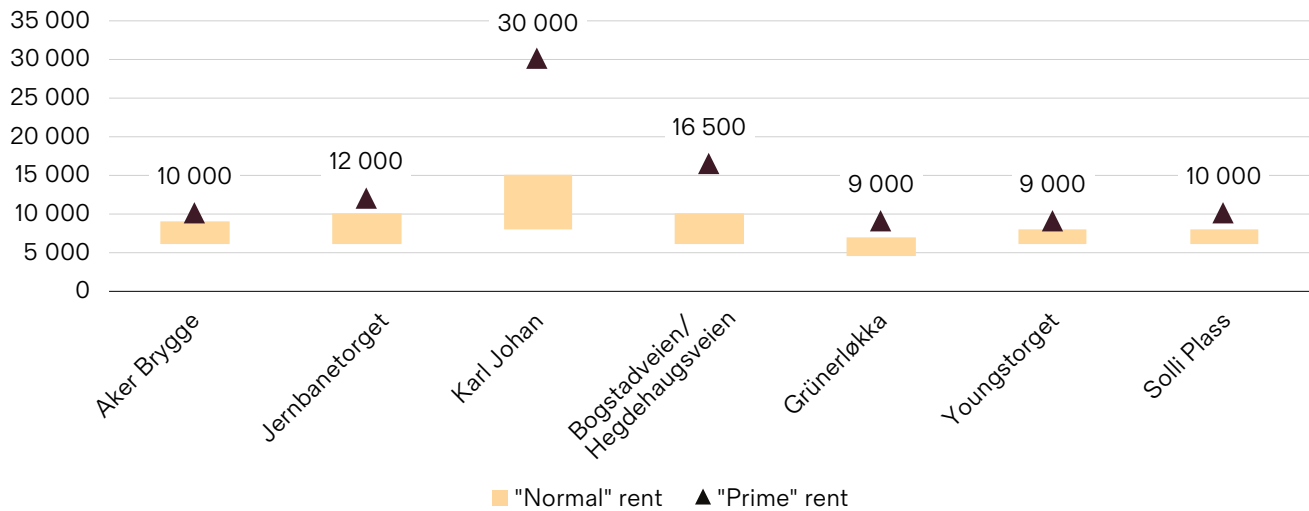
Source: Statistics Norway, Brønnøysundregisteret

Overall Stable Rents with Local Prime Increases Driven by Strong Tenant Demand

Retail rents in central Oslo have remained stable since our market report in November 2024, with notable increases in selected areas. In Bogstadveien and Hegdehaugsveien, prime rents have increased from 15 000 to 16 500 NOK/m²/year, while high rents rose from 9 000 to 10 000 NOK/m²/year. This reflects continued strong footfall and visibility in central parts of Bogstadveien. On Grünerløkka, both high and prime rents increased to 7 000 and 9 000 NOK/m²/year, driven by growing demand for retail and food and beverage concepts.

Karl Johans gate remains the most expensive high street location, with prime rents steady at 30 000 NOK/m²/year. Aker Brygge, Jernbanetorget, Solli Plass and Youngstorget saw no rent changes. Rent levels around the Grensen-Akersgata intersection have moved up a tier, reflecting improved accessibility and rising tenant interest. We expect rents across this area to remain flat going forward. However, in the area around Akersgata 26-30, rents are likely to increase once ongoing street works are completed following recent fire damage.

Indicative retail rents in Oslo high streets (NOK/m²/yr)

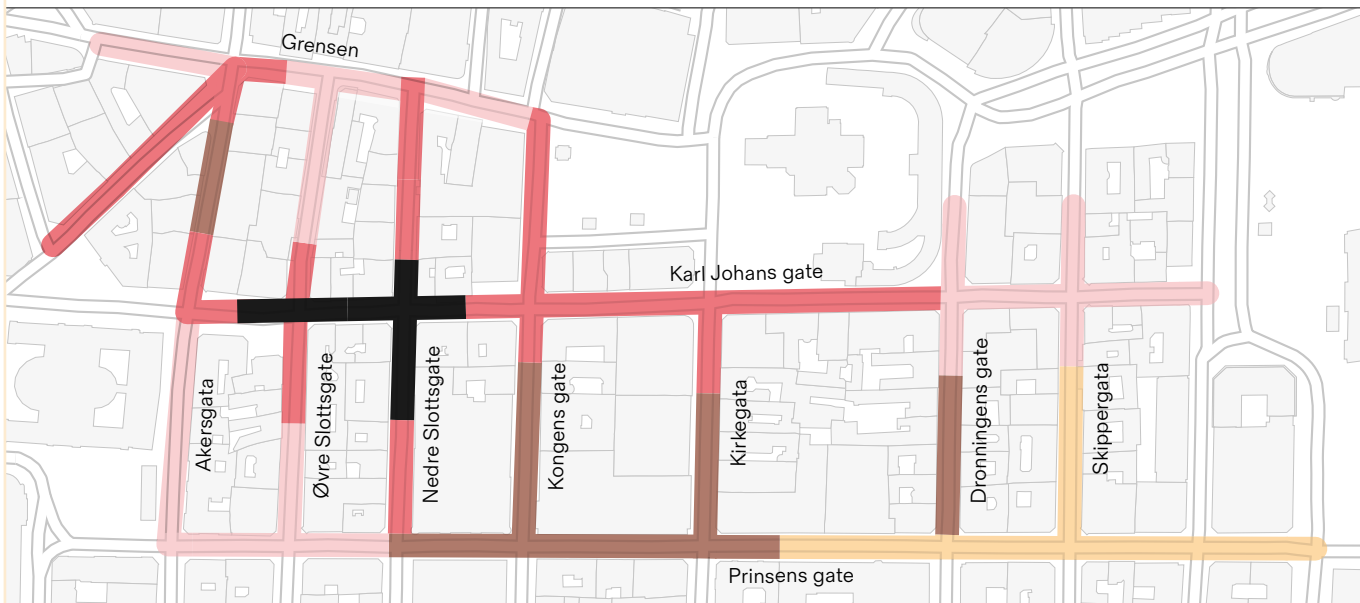


See definition of prime and normal rent on page 32.

Source: Malling

Indicative high street retail rents in and around Karl Johans gate (NOK/m²/yr)

Source: Malling



Area category	●	●	●	●	●
From	15 000	10 000	6 000	3 500	2 500
To	30 000	15 000	12 000	8 000	3 500

Investor Appetite Softens as Caution Replaces Optimism

Investor sentiment toward retail property has softened over the past year. In Q1 2024, 40 % of respondents stated they would be net buyers, while only 4 % were net sellers. By Q1 2025, the share of net buyers had declined by 13 percentage points to 27 %. At the same time, neutrality rose from 56 % to 67 %, a notable increase of 11 percentage points, while the number of net sellers grew slightly to 7 %.

This shift shows a clear reduction in the willingness to actively invest in retail, replaced by a more cautious, wait-and-see attitude. Although retail fundamentals have stabilized, long-term uncertainty related to e-commerce penetration and changing consumer behaviour continues to temper investor appetite. The developing neutral stance suggests that while few are looking to exit, even fewer are ready to increase exposure.

Desired exposure towards high street retail next 12 months



Source: Malling Investor Yield & Sentiment Survey

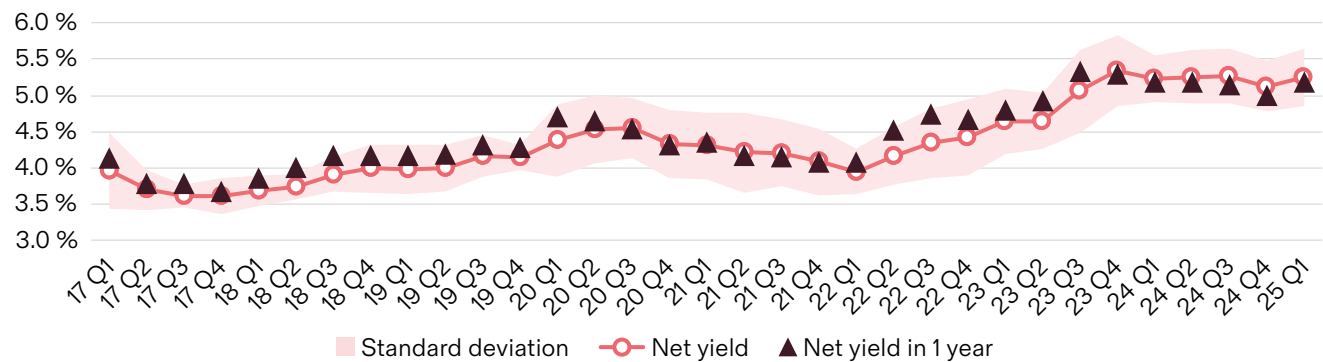
«Retail sentiment has shifted notably, with only 27 % of investors planning to buy and 67 % choosing a wait-and-see approach».

Narrowing Yield Spread Suggests Repricing of Retail Risk

Net yields for both prime and normal retail properties shifted slightly in Q1 2025 compared to the same quarter the year before. Prime retail yield was 5.25% in Q1 2025, marginally up from 5.20% in Q1 2024. Normal retail yield fell more notably, from 6.20% to 6.00%. Despite this movement, both yields remain well above pre-COVID levels. In Q1 2019, prime yields stood at 4.00%, while normal retail was at 5.30%.

The current yield spread between prime and normal retail has narrowed to 0.75 percentage points in Q1 2025. This is the lowest recorded spread in the time series going back to 2017, suggesting a slight repricing of risk in the secondary retail segment. While caution toward non-core retail continues, the reduced gap may reflect more stable market conditions or narrowing risk aversion among investors.

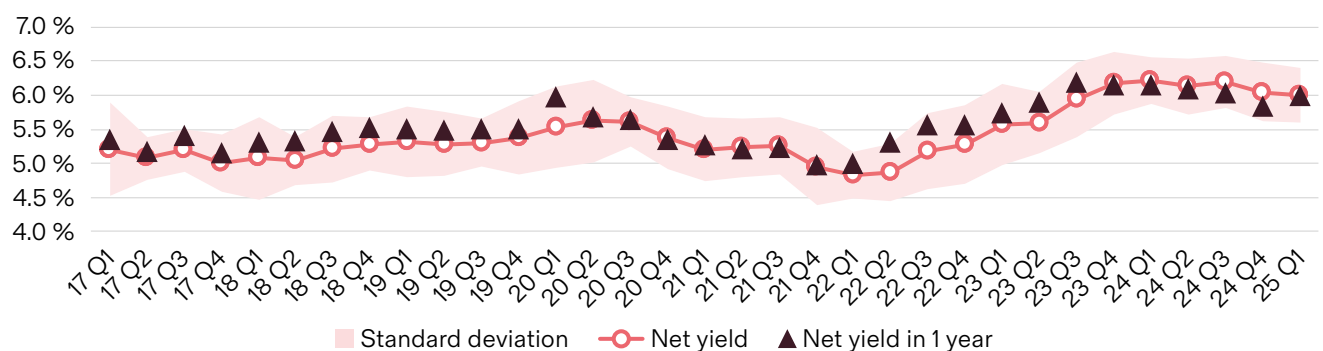
Prime retail high street yield



Net yields on market rent.

Source: Malling Investor Yield and Sentiment Survey

Normal retail high street yield



Net yields on market rent.

Source: Malling Investor Yield & Sentiment Survey

«With the prime-normal yield spread at its lowest recorded level, investors may be recalibrating risk in the retail market».

Colosseum Park, Oslo



Malling & Co Corporate Real Estate acted as sell-side advisor on behalf of Vatne Capital in the sales process of Colosseum Park, approx. 6 000 m² retail and commercial space located in Majorstuen, Oslo.

Hospitality

Norwegian Hotel Market Continues With Record-Breaking Performance

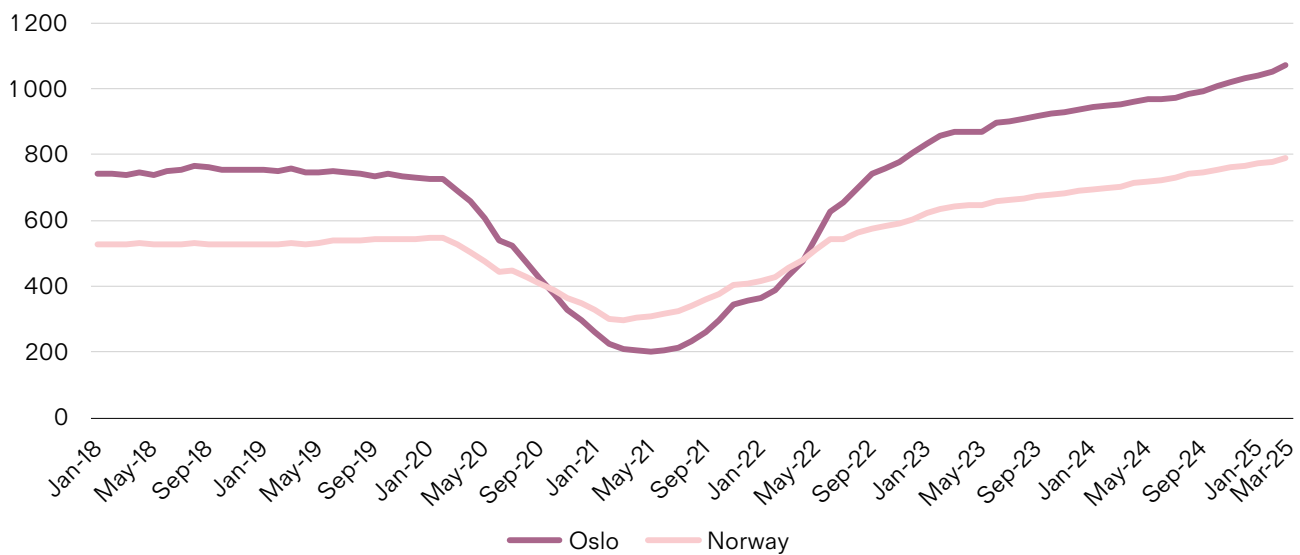
The Norwegian hotel market continues its strong performance, with 2024 marking yet another record year both nationally and in Oslo. Total revenue reached NOK 24.54 billion, representing a 12 % increase from 2023 and a remarkable 50 % increase compared to pre-pandemic levels in 2019. While occupancy rates have remained relatively stable since 2019, the main driver behind this growth is the significant increase in room prices. Key contributing factors include a weaker Norwegian krone, which has made Norway a more attractive destination for international visitors, while also encouraging domestic tourism as outbound travel becomes more expensive for Norwegians. In addition, inflation has contributed to price growth across the sector. Leisure travel has been the dominant demand driver, with business-related stays recovering more gradually. These market dynamics have sparked investor interest in the Norwegian hotel segment. However, despite the increased appetite, transaction volumes remain low due to a limited number of available investment opportunities. Notably, the latest investor survey shows that no investors are considering becoming net sellers as of Q1 2025.

Record High Levels of Revenue Per Available Room

Norway: The Norwegian hotel market entered 2025 with strong momentum. From April 2024 to March 2025, the 12-month average revenue per available room (RevPAR) reached NOK 787, supported by an average daily rate (ADR) of NOK 1 399 and an occupancy rate of 57 %. These figures mark the highest national performance recorded to date, with both rate and occupancy surpassing pre-pandemic levels. In the first quarter of 2025, RevPAR increased by 14 % compared to Q1 2024, reaching NOK 701. ADR rose by 9 % to NOK 1 375, while occupancy improved from 49 % to 51 %. For the first time since the pandemic, national occupancy for the full calendar year 2024 exceeded levels seen in 2019. This reflects a market that has regained pricing strength, where elevated rates are being maintained without undermining demand. Nationally, total hotel revenue amounted to NOK 5.46 billion in Q1 2025, up 17 % from the previous year. ADR remained well above 2019 levels throughout 2024 and, as of March 2025, was 46 % higher in Norway, confirming a strong pricing across the Norwegian hotel market.

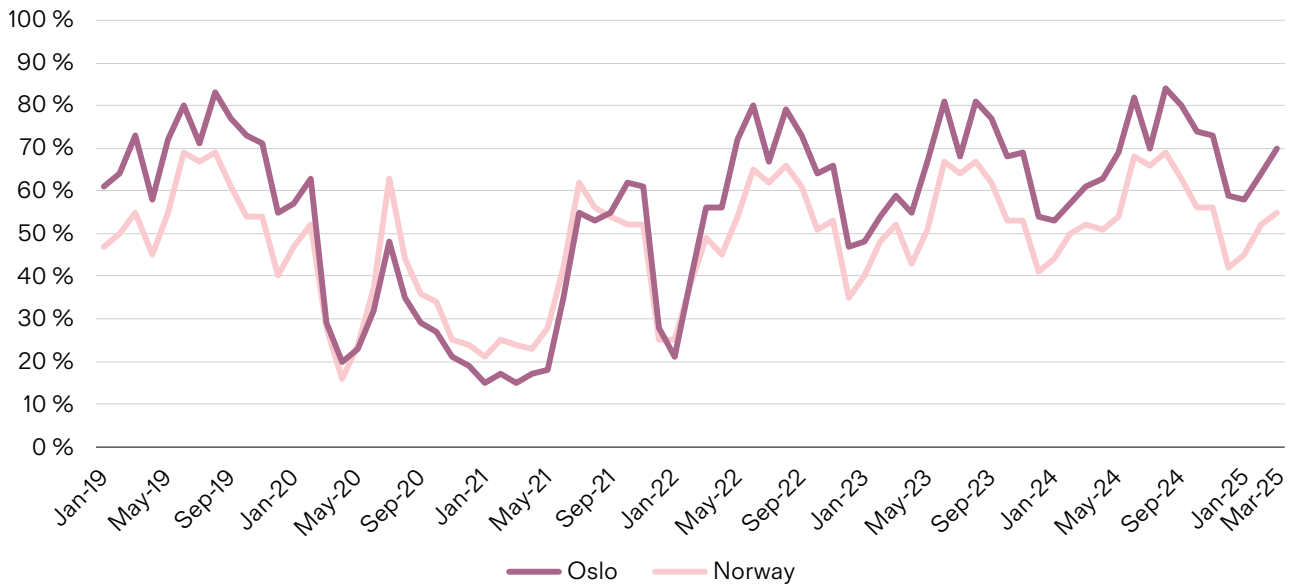
Oslo: Oslo continues to outperform the national market, reaching new highs across all key revenue indicators. For the 12-month period from April 2024 to March 2025, RevPAR averaged NOK 1 074, driven by an ADR of NOK 1 519 and an occupancy rate of 71 %. These figures confirm Oslo's position as one of the most profitable cities in the hotel market in Norway. In Q1 2025, RevPAR increased by 22 % year-over-year to NOK 868. ADR rose to NOK 1 361, while occupancy climbed from 57 to 64 %. For the first time since the onset of the pandemic, Oslo's annual occupancy in 2024 surpassed pre-COVID levels, reflecting strong and sustained demand in a supply-constrained market. Total hotel revenue in Oslo reached NOK 1.14 billion in Q1 2025, up 21 % compared to Q1 2024. Oslo's ADR has remained right above 40 % higher than 2019 levels across most months, reinforcing its solid pricing position.

Revenue per available room (RevPAR), 12-month rolling average, NOK



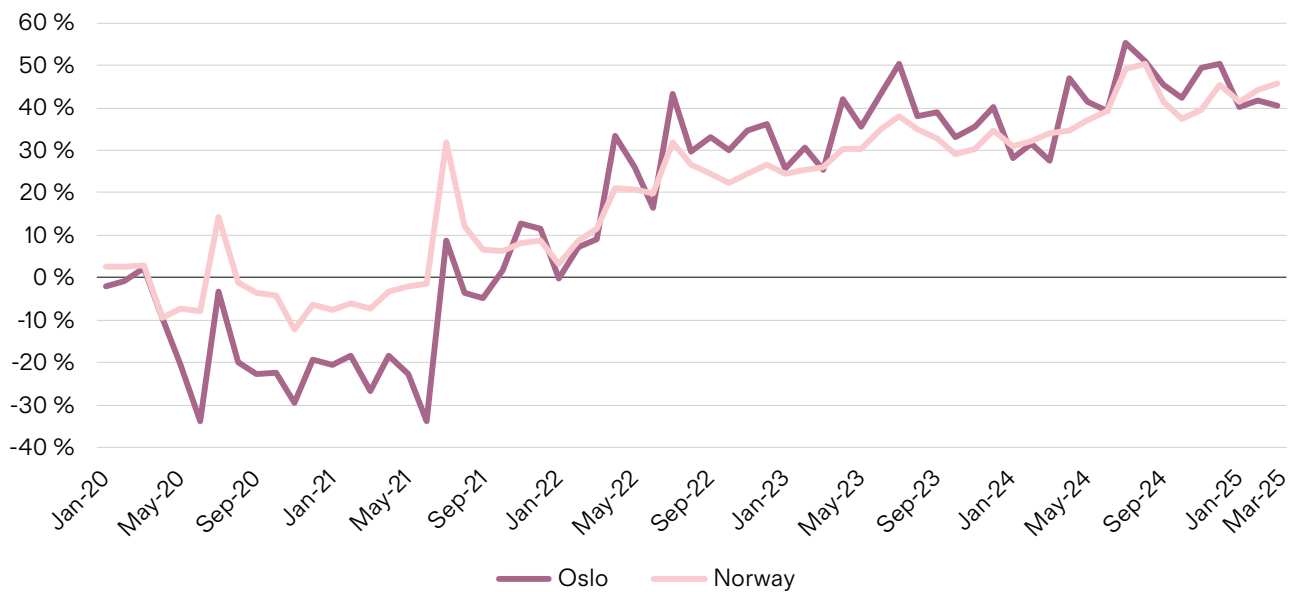
Source: Statistics Norway

Occupancy (%) per month



Source: Statistics Norway

Average day rate (ADR) per month, NOK, relative to 2019



Source: Statistics Norway

«Norway's hotel market has regained full strength, with rising room rates and increasing occupancy driving total revenue to record levels».

Key figures	Oslo			Norway		
	Q1 2025	Q1 2024	2025 vs. 2024	Q1 2025	Q1 2024	2025 vs. 2024
Total revenue NOK 1 000	1 142 678	947 706	21 %	5 460 762	4 686 948	17 %
Average RevPAR NOK	868	709	22 %	701	616	14 %
Average ADR NOK	1 361	1 246	9 %	1 375	1 265	9 %
Average occupancy %	64 %	57 %	12 %	51 %	49 %	4 %
Total # of guest nights	1 206 640	1 095 133	10 %	5 630 321	5 296 008	6 %
Norwegian guest nights	784 546	738 338	6 %	4 024 369	3 912 873	3 %
Foreign guest nights	422 094	356 795	18 %	1 605 952	1 383 135	16 %

Source: Statistics Norway

«All hotel KPIs showed solid year-over-year growth in Q1 2025, with Oslo leading on both revenue and occupancy gains».

Leisure Travel and International Demand Drive Market Composition

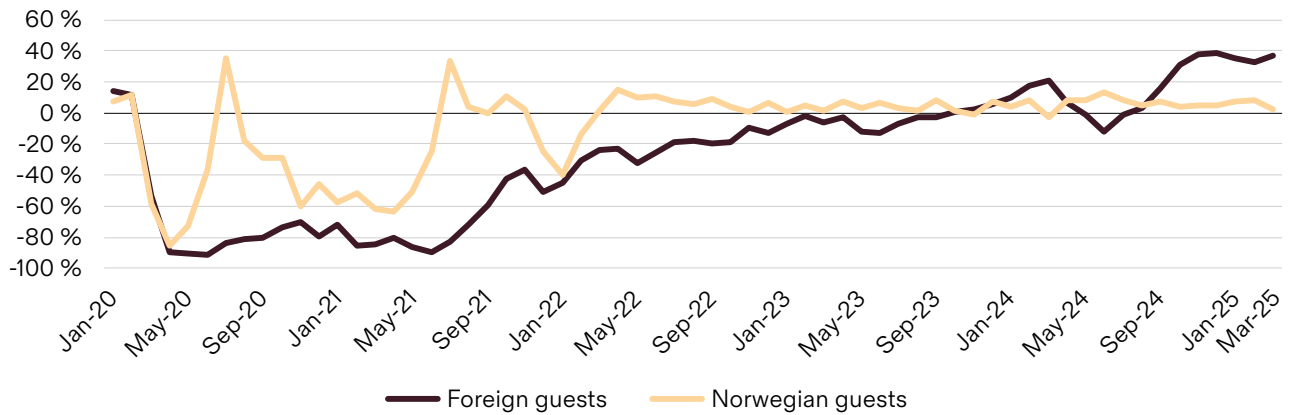
International demand has been a key driver of hotel market growth over the past 12 months. From April 2024 to March 2025, international guest nights accounted for 29 % of all hotel stays in Norway and 38 % in Oslo. This represents a year-over-year increase of 2 percentage points nationally and a slight decline of 2 percentage points in Oslo, reflecting stronger growth in domestic travel within the capital.

When comparing the 12-month average to the previous period, the total number of guest nights increased by 6 % in both Oslo and across Norway. The number of international guest nights rose by 13 %, contributing significantly to the overall market uplift. The weak Norwegian krone remains a key driver behind this trend. It has made Norway a more affordable destination for foreign travellers while simultaneously discouraging Norwegians from traveling abroad, thereby reinforcing domestic tourism.

Looking at travel purpose, holiday and leisure demand remains the dominant segment. Over the past 12 months, Norwegian hotels recorded on average 1.32 million monthly holiday-related guest nights, up 5.2 % from the previous year. Occupational travel nights averaged 715 000 per month, a modest increase of 1.1 %. In contrast, conference and meeting-related stays declined by 4.7 %, averaging 223 000 guest nights per month. This suggests a continued lag in business-related group travel, likely influenced by hybrid work patterns and reduced corporate travel budgets.

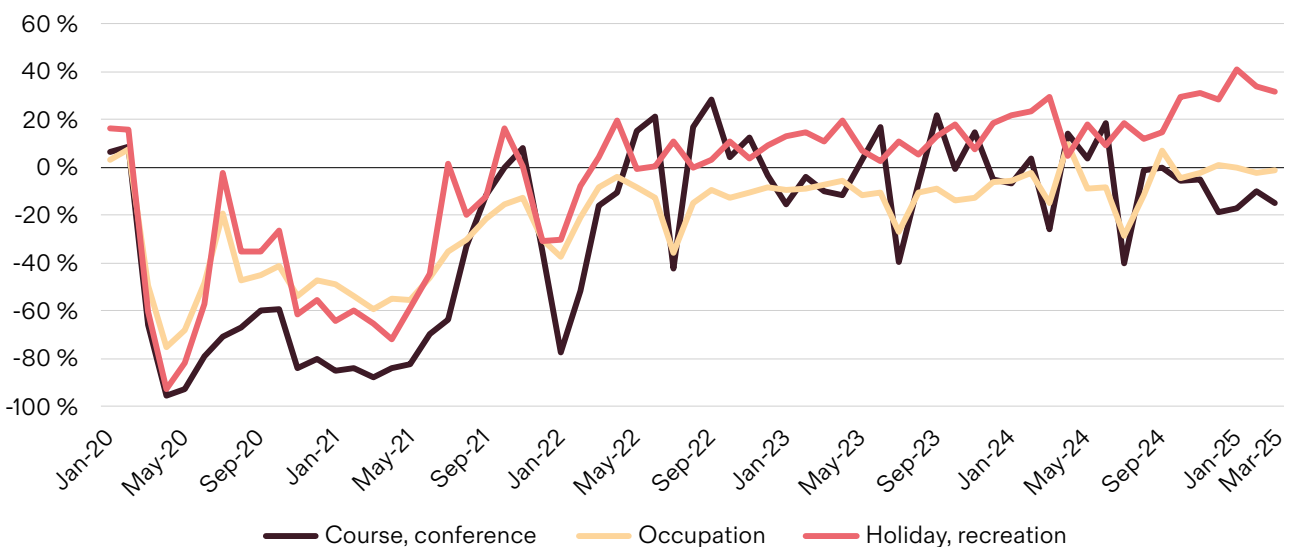
Among international visitors, the United States accounted for the largest share of guest nights the past 12 months, followed by Sweden and Germany. The strong presence of American travellers reflects both currency effects and broader long-haul travel recovery trends. Overall, the composition of hotel guests continues to shift toward leisure-oriented travel, supported by favourable exchange rates and stable domestic demand.

Number of nights in Norway per month by Norwegian and foreign guests, relative to 2019



Source: Statistics Norway

Guest nights related to conference, occupation and holidays in Norway, relative to 2019



Source: Statistics Norway

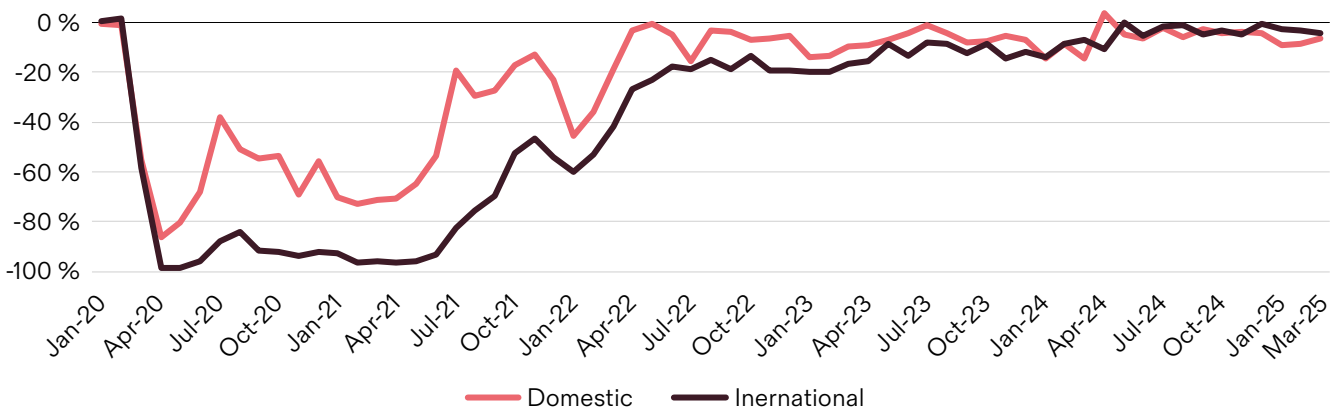
Gradual Air Traffic Recovery and Improved Market Sentiment

Passenger figures at Norwegian airports show that both domestic and international air traffic have largely recovered compared to pre-pandemic levels. The figures represent monthly changes relative to the same months in 2019. Throughout 2024 and into early 2025, international air travel has steadily approached the same level as domestic travel. After lagging significantly behind in 2021 and 2022, international passenger volumes have grown consistently and are now close to a full recovery. Domestic air traffic remains relatively stable and has hovered around or just below 2019 levels for several months.

From Q1 2023 to Q1 2024, domestic travel increased by 5 %, while international travel grew by 7 %. This growth is supported by a weaker Norwegian krone, which, as noted above, has made Norway a more attractive destination for international visitors, while simultaneously reducing outbound travel among Norwegians. In 2024, the five largest airports in Norway, Oslo, Bergen, Trondheim, Stavanger and Tromsø, together, accounted for 85 % of total terminal passenger traffic. As these five airports dominate overall volumes, changes at these locations largely explain the national trends seen in the terminal passenger graph. Oslo Airport alone handled 52 % of all passengers, underscoring its dominant position in the national network. International traffic at Oslo Airport increased by 8 %, while domestic traffic declined by 1 %. Tromsø recorded the strongest international growth, with a massive 113 % increase from 2023. This development corresponds with Tromsø having the highest RevPAR of any major Norwegian city. For most international guests, air travel is the only practical way to reach Tromsø, making the airport essential for tourism.

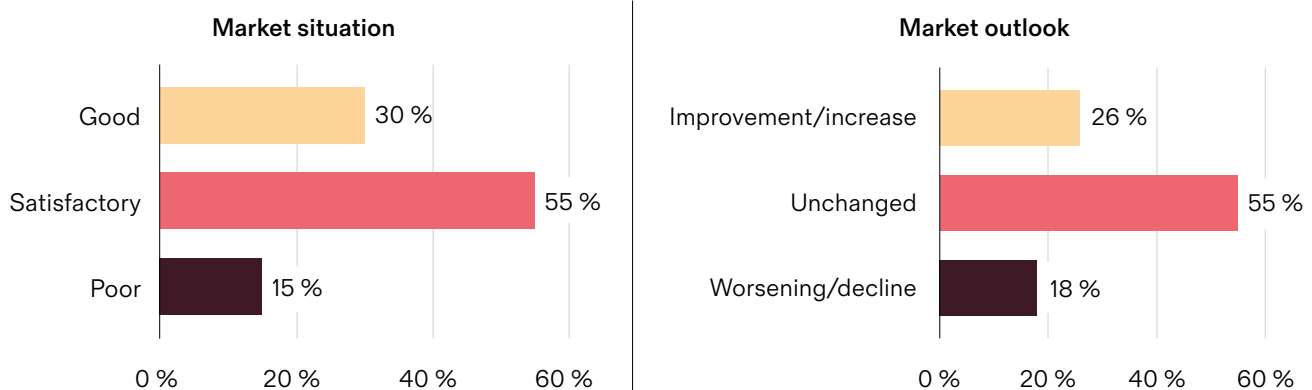
The NHO Hospitality market survey from May 2025 provides a snapshot of current sentiment in the tourism and hospitality sector. A majority of respondents, 55 %, described the market situation as satisfactory, which is an increase from 52 % in May 2024. The percentage viewing the situation as good also rose from 26 % to 30 %, while the proportion rating conditions as poor declined from 20 % to 15 %. These shifts suggest a modest improvement in overall sentiment compared to a year ago. Regarding the short-term outlook, 55 % expected conditions to remain unchanged. This is a notable increase from 27 % the year before. The share anticipating improvement dropped from 51 % to 26 %, while the proportion expecting worsening conditions declined slightly from 20 % to 18 %. The results point to a more cautious and measured outlook. Optimism has softened, although fewer respondents now expect deterioration.

Terminal passengers at Norwegian airports per nationality, relative to 2019



Source: Avinor

Responses from the Norwegian Hospitality Association member survey, May 2025



Not all respondents answer the question. The proportions among the three response categories do not add up to a full 100 %. Source: NHO Tourist and Travel's member survey

Investor Confidence Returns Supported by Strong Hotel Performance and Limited Supply

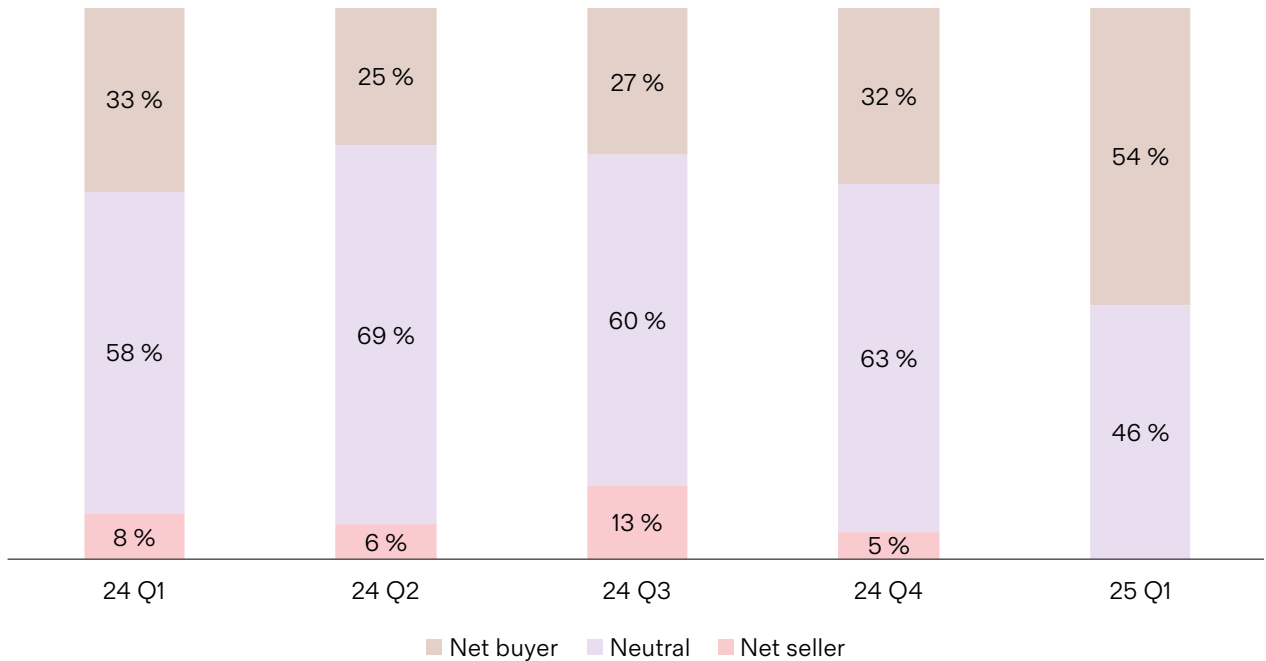
Investor sentiment toward hotel properties in Norway has improved notably over the past year. In Q1 2024, 33 % of investors identified as net buyers, while 8 % were net sellers. Through the rest of 2024, the share of net sellers fluctuated between 5 % and 13 %. This cautious tone has now shifted.

In Q1 2025, no investors reported plans to reduce their exposure. Instead, 54 % positioned themselves as net buyers and 46 % as neutral. This is the first time since Q4 2022 that the net seller category has disappeared entirely. The shift reflects strong performance in the hotel sector, with high RevPAR, solid ADR growth and stable occupancy driving renewed confidence.

So far in 2025, as of May, three hotel transactions above NOK 50 million have been recorded. One of them involved CapMan acquiring a portfolio of eight hotels. The total transaction volume from these two deals reached NOK 3.15 billion. This marks a significant increase from the same period in 2024, when three transactions totalled just NOK 580 million. While activity remains selective, investors are clearly prepared to act when quality assets are available.

Interest in acquiring hotel properties remains strong among both domestic and international investors. However, supply continues to be limited. The lack of available properties for sale is a key reason why transaction volume remains moderate despite clear market appetite. Combined with strong operating performance, this imbalance is likely to support pricing levels going forward. In addition, the hotel pipeline varies by region. Oslo has limited new supply planned, while Tromsø, currently the country's top-performing market in terms of pricing, is seeing several new hotels under development. Overall, demand is expected to exceed supply, supporting further price growth over the next year.

Desired exposure towards hotel properties next 12 months



Source: Malling Investor Yield and Sentiment Survey

«With 54 % of investors planning to buy and none planning to sell, confidence in the hotel market is stronger than it has been in years».

Pilestredet 35, Oslo



Malling Investments has acquired Pilestredet 35 from a core plus fund managed by Union, on behalf of Malling Core Plus II – fully let to the University of Oslo. A sustainability due diligence was conducted by Malling & Co Energi og Miljø AS.

Residential assets, Oslo



Malling Investments, together with Zetland Capital and Midgard Partners, have since Q4 2024 acquired a total of 12 residential assets comprising 262 apartments in Oslo city centre. Malling Investments and Midgard Partners are acting as buy-side advisor, asset manager and joint venture partner on behalf of Zetland Capital.

Residential

Strong Start to 2025 in a Supply-Constrained Residential Market

The Norwegian residential market began 2025 with strong momentum, supported by reduced equity requirements for housing loans and expectations of falling interest rates. By April, housing prices had increased by 6.7 %, reflecting broad demand in the residential market and positive buyer sentiment.

Sales activity has been particularly strong, with nearly 36 500 homes sold and over 38 000 listed for sale between January and April. At the same time, the average time to sell has declined to 47 days, highlighting strong market liquidity. These trends point to robust demand despite higher supply volumes. Statistics Norway (SSB) forecasts a 7.0 % increase in housing prices for the full year, though with much of that growth already realised, further upside may be constrained unless interest rates fall faster than expected.

On a regional level, Stavanger has led the market with an 11.1 % rise in prices year-to-date, while Oslo has seen more moderate growth. Limited new construction and stable demand continue to place upward pressure on prices, especially in urban areas. New home sales in Norway have fallen by nearly 50 % over the past few years, reflecting a significant slowdown in residential construction. While the start of 2025 showed signs of recovery, with a 20 % increase in sales compared to the same period last year, activity declined again in April, down 20 % from April 2024. This highlights the continued challenges facing the new-build market and indicates limited overall growth.

Strong Start to 2025, Helped by Decrease in Equity Requirements for Housing Loans

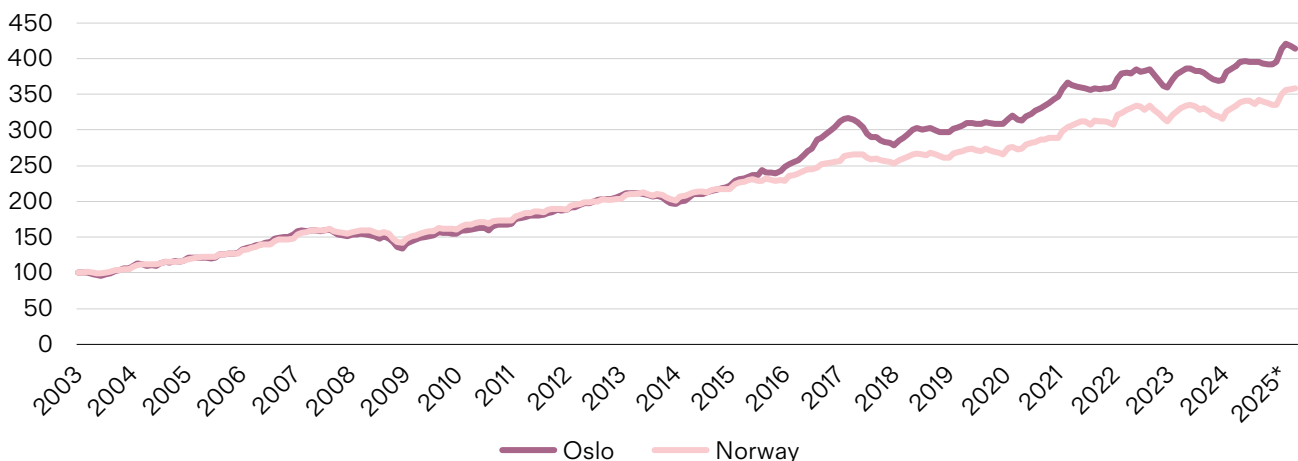
The Norwegian residential property market began 2025 on a strong note, with a 4.4 % increase in housing prices. This was largely driven by the reduction in equity requirements for housing loans from 15 % to 10 % combined with expectations of a key policy rate cut in March 2025. January to April, housing prices have risen by 6.7 %, slightly above the January-April average of the past three years. According to SSB, projections presented on the following page, this implies only a 0.3 % increase for the remainder of the year, suggesting a decline in real housing prices when adjusted for inflation.

In Oslo, the market followed a similar trajectory, with monthly price increases of 4.5 % in January and 1.9 % in February, slightly outperforming the national average. However, price declines in the following two months brought the year-to-date increase to 4.6 %, indicating potential upside for the rest of the year.

According to the Norwegian Central Bank, banks reported a slight increase in household loan demand in Q1 2025, driven by higher activity in first-home loans after regulatory easing. Lending margins declined slightly, while competition increased, particularly for corporate loans. Credit access for households eased somewhat, while businesses faced stronger price pressure and tighter margins.

Looking back, both the Norwegian and Oslo housing markets have seen notable nominal growth in recent years. Yet, a closer look at real developments reveals a different picture. Since 2020, real housing prices have risen by approximately 7 % in Norway and 8 % in Oslo. From 2021 onward, however, these figures drop to 0.0 % for Norway and 0.4 % for Oslo, reflecting a slight real decline in the capital. Looking ahead, based on SSB's housing price forecasts and the Norwegian Central Bank's CPI projections, real price growth is expected to resume.

Residential property prices in Oslo and Norway, nominal, index (2003=100), monthly figures



*As of April.

Source: Eiendom Norge

Robust Price and Sales Growth in Early 2025

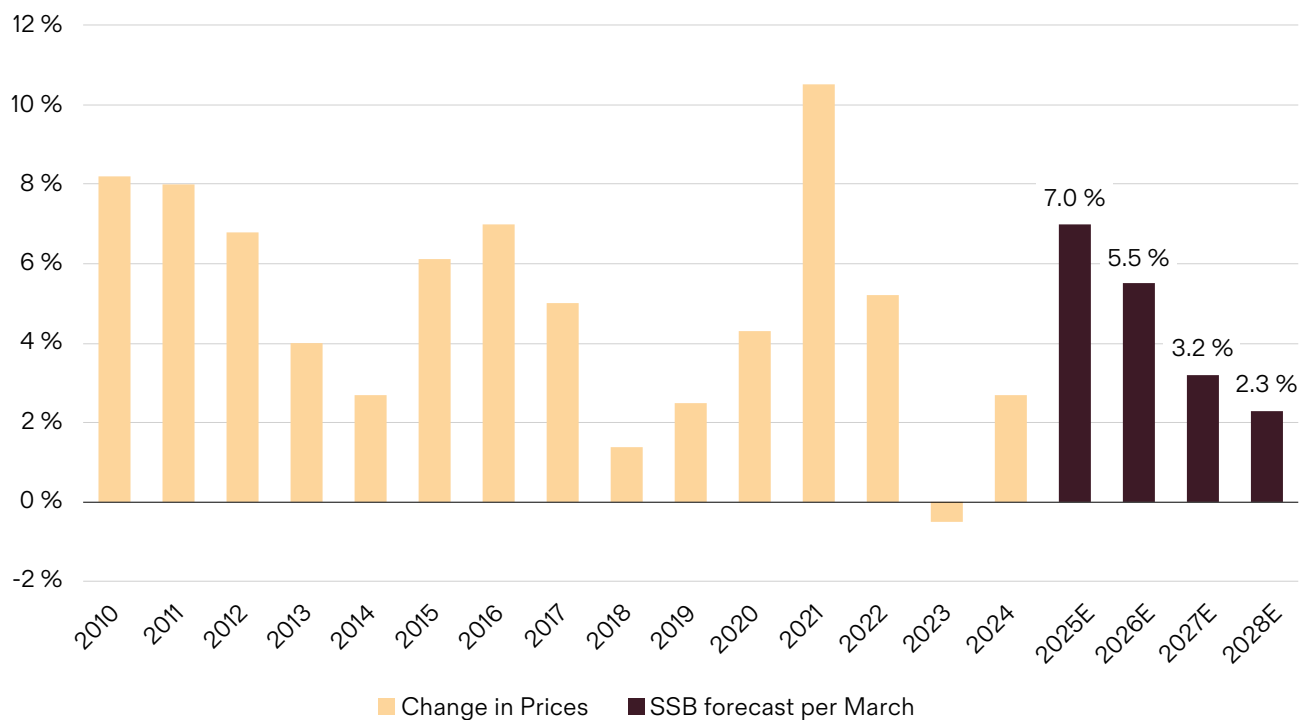
After a decline of 0.5 % in 2023, the Norwegian housing market returned to growth in 2024, with prices increasing by 2.7 %. So far in 2025, the momentum has strengthened further. By the end of April, prices had risen by 6.7 %, despite a small seasonally adjusted drop of 0.2 % in April alone. Market activity remains high, and key indicators point to a very strong start to the year.

Nearly 36 500 housing units were sold between January and April 2025, an increase of 18.6 % from the same period last year. More than 38 000 units were listed for sale, up 18.7 %, also from the same period last year. This represents the highest sales and listing volumes recorded in this four-month period in the available time series, partly driven by a notable increase in secondary homes being put up for sale. Despite the large supply, the average time to sell a home has decreased to 47 days, reflecting continued strong buyer interest.

Statistics Norway expects housing prices to increase by 7.0 % for the full year 2025. However, with most of that growth already realised, the Norwegian Central Bank's forecast of 8.1 % may be more accurate. The Norwegian Central Bank also projects further growth in the coming years, with 7.8 % in 2026, 6.5 % in 2027, and 5.1 % in 2028. Altogether, this amounts to a projected price increase of 30.4 % over four years.

Regionally, price growth has been strongest in Stavanger, with an increase of 11.1 % so far this year. Oslo and surrounding areas have seen more moderate growth, likely reflecting already high price levels, tighter regulation, and sluggish labour market. Overall, high turnover, steady demand and limited new construction point to continued upward pressure on housing prices.

Historical and estimated development in residential property prices, Norway, y/y



Source: Statistics Norway

«Despite recent moderation, housing prices are up 6.7 % so far in 2025, with solid buyer interest and limited new supply keeping upward pressure on the market».

Rising Rents and Falling Investor Ownership in Oslo's Rental Market

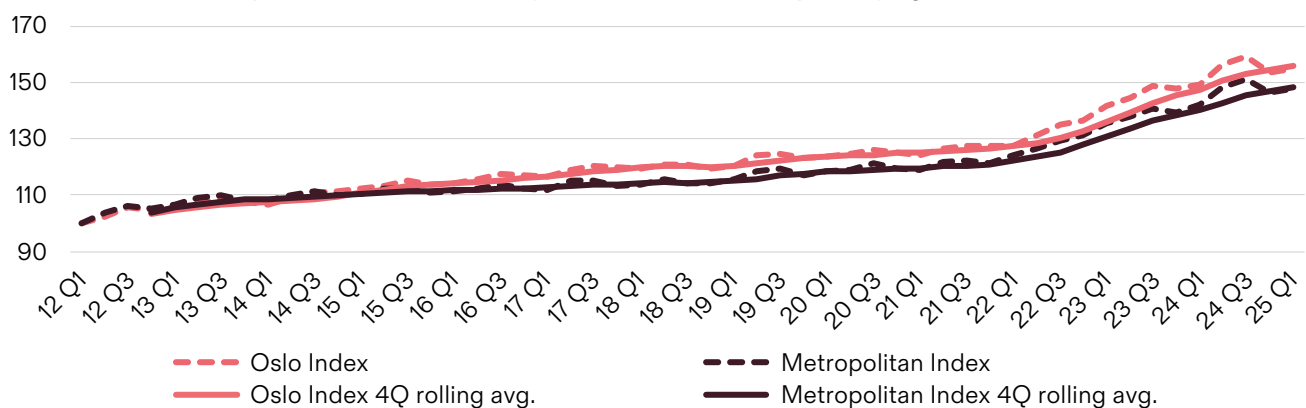
Rental prices have risen markedly in recent years, particularly in Oslo and the other three largest cities in Norway: Bergen, Trondheim, and Stavanger/Sandnes (metropolitan areas). From Q1 2025 to Q1 2025, the Oslo rental index increased by 9.4 %, while the combined index for the four largest cities rose by 9.3 %. Growth slowed toward the end of 2024, with Oslo experiencing a 3.5 % decline in rental prices from Q3 to Q4, and the metropolitan index falling by 2.9 %. While both indices rose again in Q1 2025, levels remained below the Q3 2024 peak, indicating that market pressure persists but at a slightly reduced intensity.

Oslo has shown a more pronounced long-term increase than the other major cities. The four-quarter rolling average confirms this trend, with the gap between Oslo and the metropolitan average widening in recent years. Meanwhile, the share of secondary homes in Oslo has decreased steadily over time, from 17.4 % in Q4 2019 to 13.8 % in Q1 2025. For Norway as a whole, the development has been far more stable, with only a modest decline from 15.3 % to 14.3 % over the same period. A notable shift occurred most recently, from Q4 2024 to Q1 2025, when Oslo's share dropped by 0.5 percentage points in a single quarter. This divergence may reflect tightening regulatory pressure or altered investment incentives specific to the capital.

Interestingly, despite the declining share, the number of new listings for secondary homes in Oslo has increased significantly. Listings on Finn.no in Oslo increased by 15.4 % year-on-year, from 6 711 in Q1 2024 to 7 745 in Q1 2025. This suggests that more landlords may be entering the rental market in response to elevated rent levels, even as the relative ownership share among investors is falling. Rising rents, fewer investor-owned homes, and more rental listings suggest that demand remains strong in big cities like Oslo, putting pressure on affordability.

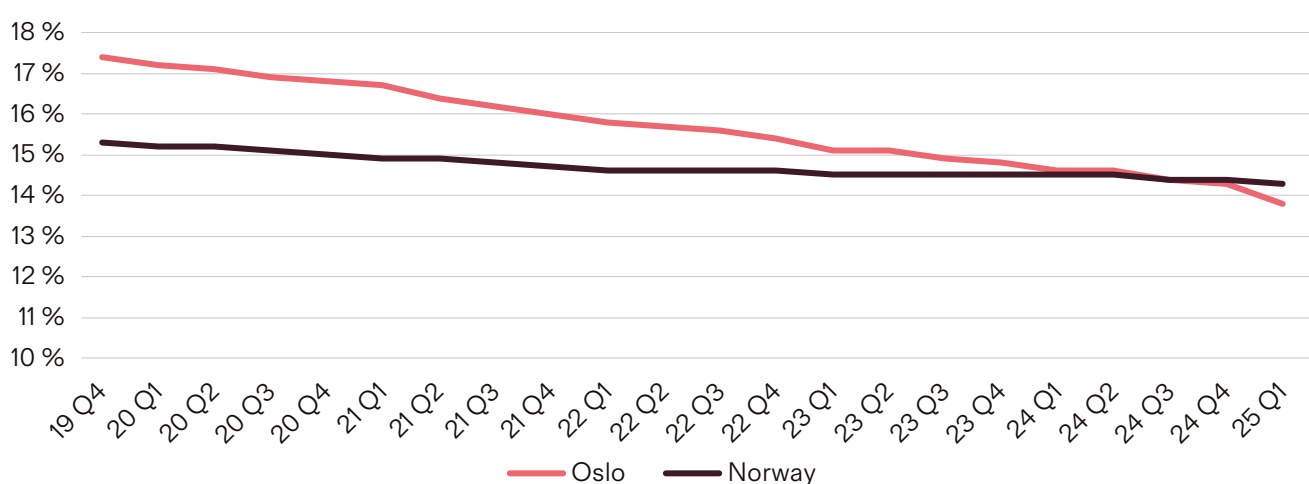
Looking ahead, the government has requested feedback from the housing sector on how to revive construction activity. The growing focus on costly regulations reflects concern that current requirements are hindering supply in an already strained and increasingly unaffordable market. Lowering construction costs and accelerating planning procedures are viewed as essential steps to stimulate new housing supply.

Residential rent development in Oslo and Norway, index (Q1 2012=100), quarterly figures



Source: Eiendom Norge

Share of secondary residences in Oslo and Norway, quarterly figures



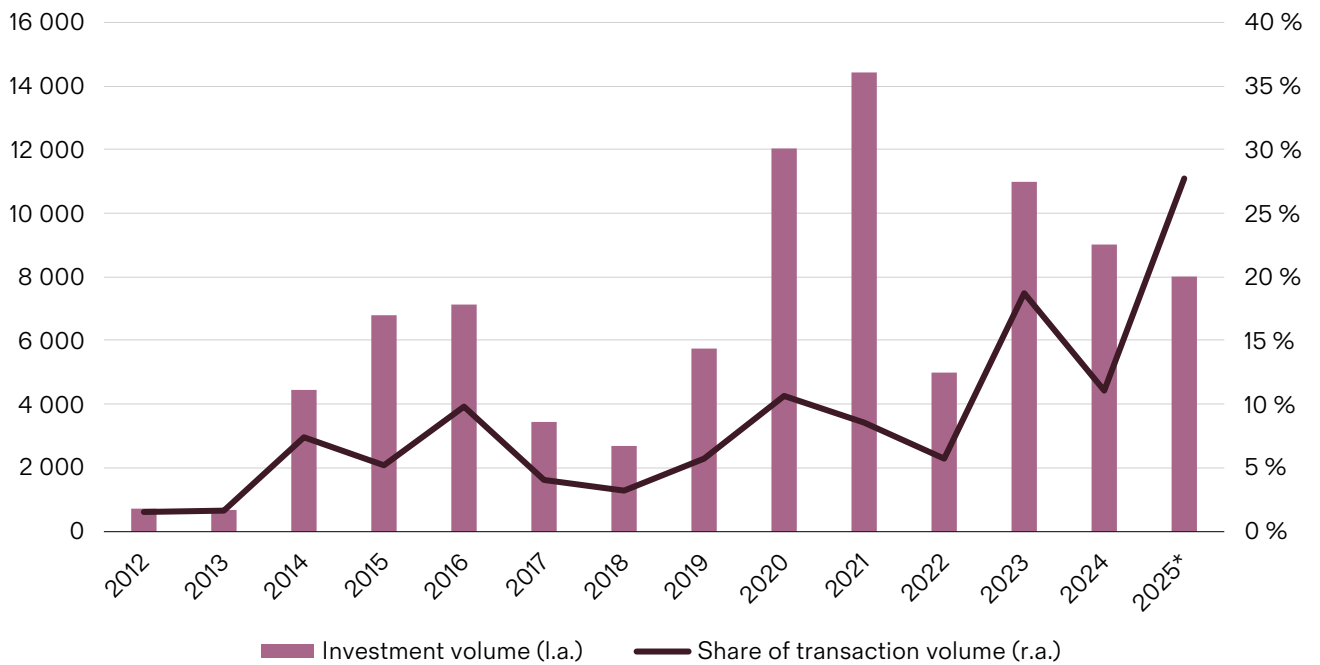
Source: Norges Eiendomsmeglerforbund, Ambita

Residential Transactions Surge in Early 2025

The commercial residential transaction market in Norway starts the year off with significant activity, accumulating a total volume of approximately NOK 8 billion as per May 15th. Notably, this accounts for 28 % of the total transaction volume, well above the 10-year average of 8 %. If the current activity continues, 2025 has the potential to surpass record levels reached in 2021, behind only NOK 6.5 billion as of May 15th. This trend highlights growing appeal of residential assets among investors, with residential yields, for most areas, experiencing a decline the recent quarter.

Key transactions include KLP's NOK 3.3 billion acquisition of 1 000 apartments from Selvaag, spanning Greater Oslo, Jessheim, Drammen and Bergen. Another confirmed deal is KLP's purchase of a residential property from Ulven Boligutleie in Økern for NOK 1.05 billion, covering approximately 19 000 m². While domestic investors continue to dominate the market, interest from international buyers is on the rise. These investors typically target newer, larger and environmentally sustainable buildings with value growth potential, aiming to scale portfolios with profitable, well-located assets. A notable emerging trend is the strategy of acquiring entire buildings or portfolios and then selling units individually. Given current yields and rising demand from private buyers, this approach may be more financially attractive than long-term rental operations.

Transaction volume in NOK million and share of total transaction volume in %, residential segment



*As of 15 May.

Source: Malling

«Residential assets made up 28 % of total transaction volume by mid-May, far exceeding the 10-year average of 8 %».

Stavanger

Moderate Employment Growth and Persistent Development Pipeline

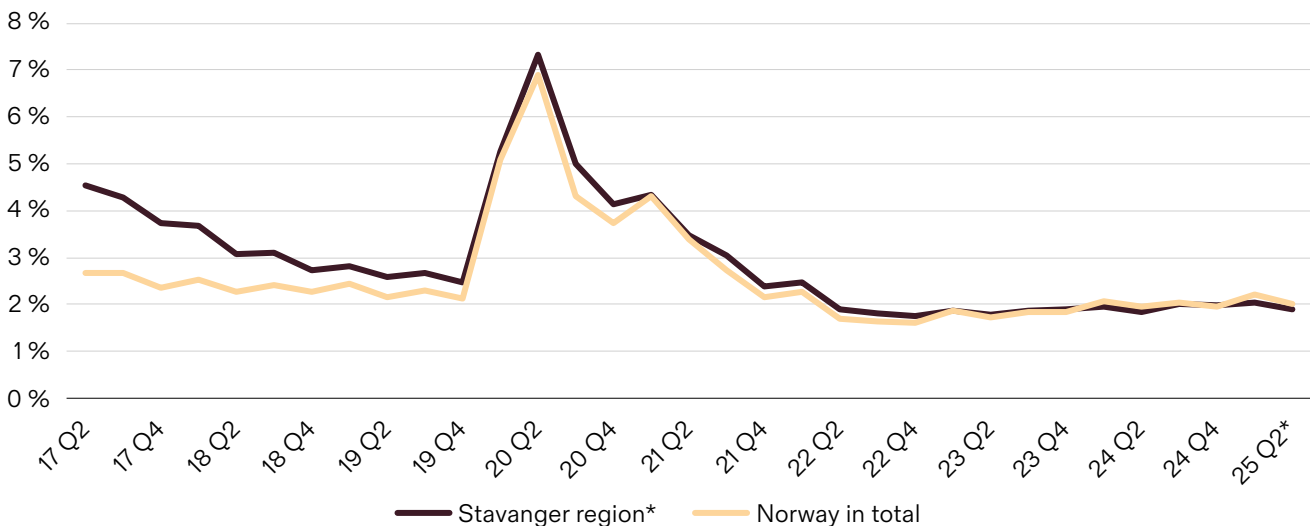
The Stavanger region, with its high exposure to the energy sector, has enjoyed robust private-sector employment growth above the national average since 2023. Complementing this, public-sector employment within the region has also outperformed national growth rates. This favourable backdrop has supported a resilient leasing market, evidenced by solid increases in average signed rental agreements in 2024 compared to 2023. Yet, looming challenges, such as fading effects of the energy boom and tax incentives, declining oil prices, low unemployment levels, and the persistent introduction of new office spaces, are steering the leasing market towards heightened competition and rising vacancy rates. Nonetheless, significant interest from major office tenants currently searching the market adds some dynamism to local prospects.

Strong Local Employment Market With Limited Growth Potential Ahead

In April 2025, the unemployment rate across the Stavanger region, encompassing the municipalities of Stavanger, Sandnes, Randaberg, and Sola, stood at 1.9 %, marginally below the national average of 2.0 %. Wage-earner growth in the region reached a healthy 1.6 % in Q1 2025 compared to the previous year's Q1, with private-sector growth measured at 1.4 %. These growth rates modestly exceed previous periods and outperform national averages, including Oslo, which saw only 0.4 % wage-earner growth in Q1 2025. Notably, public-sector employment in the Stavanger region is now increasing at a faster pace than private-sector growth, marking a shift in traditional labour dynamics.

Foreign expatriates continue to be crucial to the regional labour market, particularly within the energy-intensive Oil & Gas sector. Between 2021 and 2023, the region saw strong growth in the expat workforce; however, 2024 figures stabilised. Historically, spikes in expat hiring correlate with heightened activity in energy markets, and the recent slowdown likely reflects the broader constraints of reduced sector momentum, lower oil prices, and the end of pandemic-era tax incentives aimed at supporting the industry. Given the already high employment ratios and plateauing expat growth, the outlook for further employment gains in the Stavanger region appears limited.

Registered unemployment in Rogaland and Norway (incl. temporary lay-offs), %



*As of April 2025.

Source: NAV (Norwegian Labour and Welfare Administration)

«Given the already high employment ratios and plateauing expat growth, the outlook for further employment gains in the Stavanger region appears limited».

Rental Growth Driven by Capex and New Developments

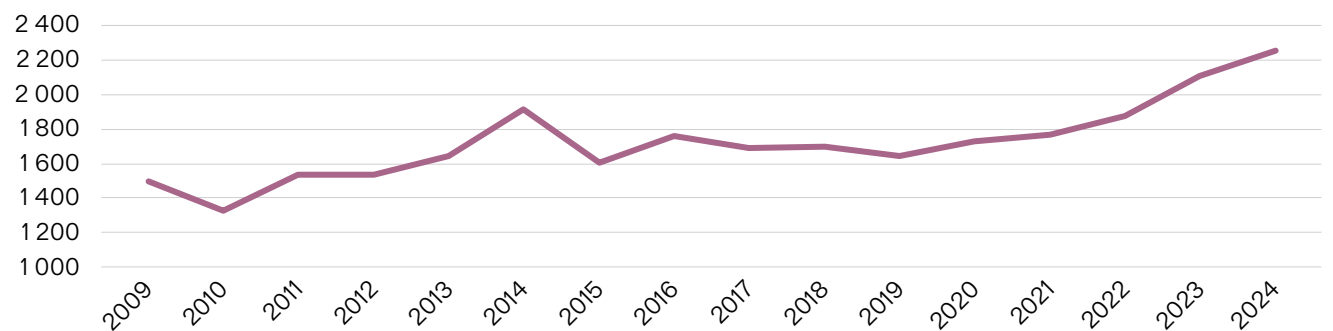
Office rents across Stavanger continue to rise, particularly in the city centre, with new developments setting high benchmarks. For instance, the K8 office tower boasts annual rents well above 4 000 NOK/m²/year, while slightly less prime locations range between 2 000 and 3 000 NOK/m²/year. Elevated construction costs and yield constraints mean that rent levels for new developments or major refurbishments remain unsustainable without premium pricing, placing pressure on developers to achieve high-quality outcomes.

According to Arealstatistikk, average signed rents increased by 7 % in 2024 compared to 2023, although this growth rate was narrower than the 13 % recorded in the preceding year. Furthermore, the Stavanger rental market is influenced by highly diversified rental evidence and significant exposure to the energy sector. Our bi-annual Estate agent consensus forecasts indicate only modest rental adjustments for 2025, while some areas face downward revisions. Top-tier rents have stabilised, or slightly increased, though further increases may be possible, dependent on high-profile developments in prime central locations. Leasing agents also report an office leasing market cooling off, marked by high uncertainty and extended decision times among decision makers. Arealstatistikk volume figures also indicate a slight cool off in terms of activity in 2024 vs. 2023, which is additionally supported by increasing vacancy rates. Industrial rental activity remains steady. Noteworthy leasing deals include EY's lease at Nytorget 1, branded 'Mediebyen,' further cementing a shift towards the city centre.

The office market in Stavanger appears poised for significant shifts over the coming year as several key tenants actively search for new lease agreements. Leading this activity is Equinor, which, as noted in previous reports, is exploring opportunities for up to 120 000 m² of office space. Equinor's considerations include newly built properties as well as the potential extension of its existing lease at Forusbein 50. In April 2025, the company released its shortlist of options, which features two seaside locations in Sandnes, Elveparken and Havneparken, in addition to Paradis and Hinna Park, as well as upgrades to its current premises.

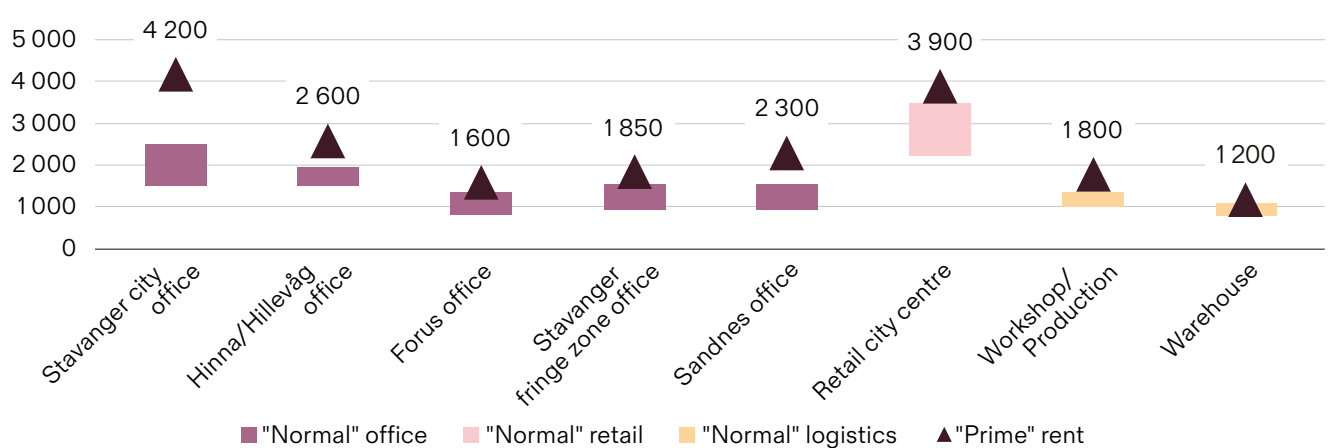
Other notable tenants currently seeking office space in the region include Vår Energi, which is searching for up to 28 000 m², and DFØ, which requires approximately 7 000 m² for a public-sector tenancy. Reflecting broader trends observed in Oslo, these tenants increasingly prioritise factors such as circular economy initiatives and reduced carbon footprints in their leasing decisions. Furthermore, proximity to public transport and central locations are becoming particularly influential in tenant preferences, positioning Stavanger's city centre as an attractive and competitive option in the ongoing hunt for premium office space.

Average of signed office rents in the Stavanger region 2009–2024 (NOK/m²/yr)



Source: Arealstatistikk

Indicative rents in the Stavanger region divided into areas and segments (NOK/m²/yr)



*See definition of prime and normal rent at page 32.

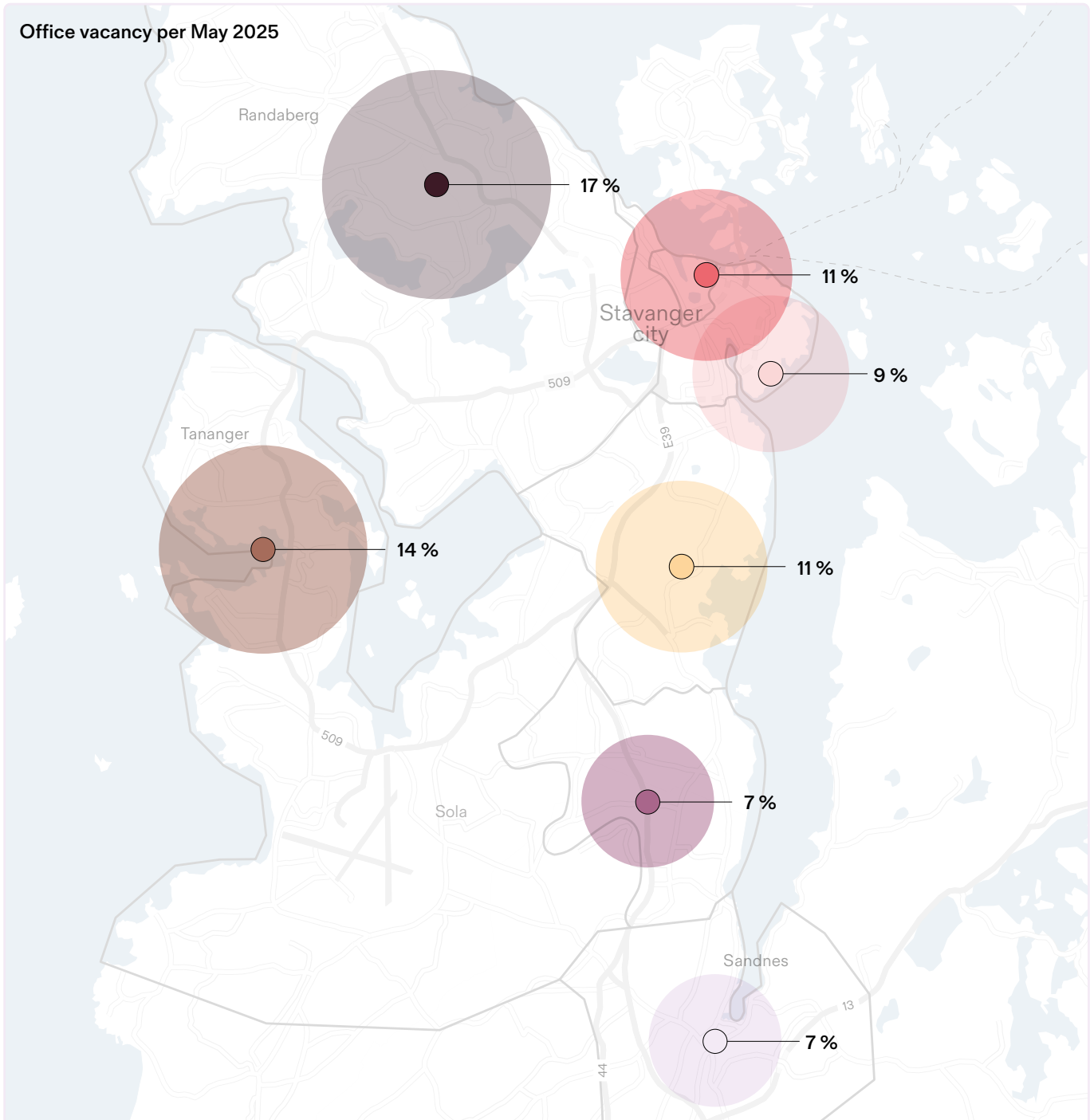
Source: Malling

Rising Vacancy Rates as Newbuilds Leave Large Premises Unleased

As of May 2025, Stavanger's office vacancy rate increased to 9.8 %, up from 9.2 % recorded in October 2024 and representing a full-year rise of 2.1 percentage points. Significant disruptions stemmed from large corporate relocations, such as Aker's move into its new "Gnist" campus (71 000 m²) at Hinna Park, resulting in the vacating 40 000 m² office space in its former building at Jåttavågveien 10. Vacancy levels at Hinna now hover around 11 %, reflecting greater availability compared to prior peaks.

The region's office stock stands at nearly 3 million m², making major relocations, such as those by Aker and Equinor, critical contributors to vacancy fluctuations. This phenomenon underscores the systemic challenges posed by large-scale tenant relocations to new developments, a trend prevalent in Stavanger's office market history.

Office vacancy per May 2025



Total office vacancy* = 9.8 %

Total listings* = 11.1 %

- Stavanger fringe zone north
- Stavanger city centre
- Stavanger city fringe
- Hinna
- Sola
- Forus
- Sandnes

*See page 45 on how we measure vacancy. Source: Malling

Ample Pipeline of Potential New Supply and Re-Developments

Stavanger's office development trajectory is increasingly focused on centrally located, sustainable projects. Recent completions, such as the K8 office tower, have reinforced demand for city-centre properties.

Selected ongoing and potential projects in Stavanger:

- **Nytorget 1:** Developed by SVG-Property, this prime, central office project replaces the former police station on the plot. Tenants include NRK, Schibsted, and EY, who have already signed lease agreements.
- **Ankerkvartalet:** SVG is planning the redevelopment of Ankerkvartalet, considered one of the most prime locations in Stavanger's city centre. Completion is scheduled for 2028.
- **Gnist Project at Hinna Park:** Aker BP has moved into the first phase of this major development, consisting of two buildings with a combined area of 71 000 m², accommodating approximately 3 000 employees. Developed by Hinna Park Utvikling, the project is set to be completed by the end of 2025.
- **Avant (Former Aker BP Office):** Situated at Jåttåvågveien, this rehabilitation project will include office space as well as a hotel in one section. The property is currently awaiting tenants.
- **Laerdal Medical Headquarters:** A redevelopment project spanning 20 000 m², located in Tanke Svilands gate 30 in the north-west of Stavanger's city centre. The completion date is set for August 2026.
- **Tinden:** Construction and demolition of the existing building will begin this summer at St Svithuns gate 5. This landmark office project, developed by Camar and K2 Stavanger, will consist of approximately 8 000 m² in a high-rise structure, located near the recently completed K8 office tower.
- **Lagårdsveien 27:** Planned by Smedvig, this project involves the redevelopment of the existing site into 11 000 m² of office space. Pre-lease agreements are being sought, with asking rents advertised at 3 000 NOK/m²/year on Finn.no.
- **Lagårdsveien 32:** The old fire station at this site will be demolished for a new office building comprising 14 000 m², developed by Stavanger Utvikling. Expected completion is in 2028.
- **The Box:** Located in Paradis, this 5 000 m² office project, developed by K2 Stavanger and Bane Nor, is currently under construction. Norconsult has leased the entire building, which is planned to open in 2026.
- **Verksgata 28-32:** A smaller development within the city centre, offering approximately 2 500 m² of office space. The project is being developed by Smedvig, with expected completion in summer 2026.

With limited availability of undeveloped land within the city centre, redevelopment is emerging as the key strategy for attracting high-value tenants. The centrally located projects are particularly well-positioned to drive future rental growth, as they align with tenant preferences for modern, sustainable, and accessible office spaces.

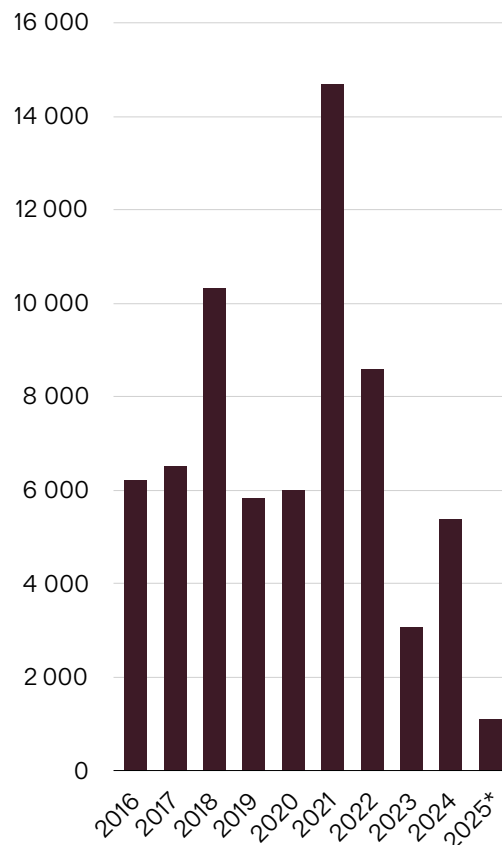
Investment Activity at Normal Levels

According to our database, the investment volume in the Stavanger region reached just under NOK 5.4 billion in 2024, representing approximately 6.5 % of the total national investment volume, a figure closely aligned with the 10-year average share. By May 2025, the recorded volume in Stavanger was slightly over NOK 1 billion, about half of the figure reported by the same time in 2024 and accounting for 4 % of Norway's total investment activity this year. Despite the lower share, transactional activity has exceeded year-to-date figures from 2024, with 8 deals (above NOK 50 million) completed in 2025 compared to 6 deals during the same period last year.

Investment activity in Stavanger continues to be driven primarily by the industrial and logistics segment, which constituted half of the completed transactions. However, similar to trends seen elsewhere in Norway, there is a persistent gap between buyer and seller expectations, particularly around pricing, that must narrow to stimulate broader market activity. Yield spreads remain too narrow to attract other than equity-heavy investors for low-risk assets. Additionally, high construction costs and the disparity between market rent and minimum feasible rent for new developments or major refurbishments are significant constraints on investment flow.

Should more prime assets become available, national core investors could play a substantial role in lifting investment volumes, bringing capital to the table. We continue to project a prime office yield level of 5.2 %, though only a few premium assets achieve this pricing, explaining the variance with other prime yield quotes in the market. Furthermore, it is worth noting that several deals in the pipeline are likely to materially boost the investment volume for 2025 beyond the year-to-date figures.

Transaction volume Stavanger in NOK million



*As of 15 May.

Source: Malling

Nye Vakåsvei, Oslo



Malling & Co Eiendomsutvikling AS is assisting Holmen Eiendomsinvest AS with the development of Nye Vakåsvei 56, 64, 78, and 80. The project involves exploring opportunities for converting office spaces into retail spaces, as well as adaptations and expansions related to the renegotiation of existing tenant agreements. Overall, this may include renovations, extensions, and additions covering a total of 10 000 m².

Grønland 55, Drammen



Malling & Co Drammen has assisted PKH in leasing approximately 3 350 m² at Grønland 55 to Husbanken.

Drammen

Positive Momentum Emerging in Drammen

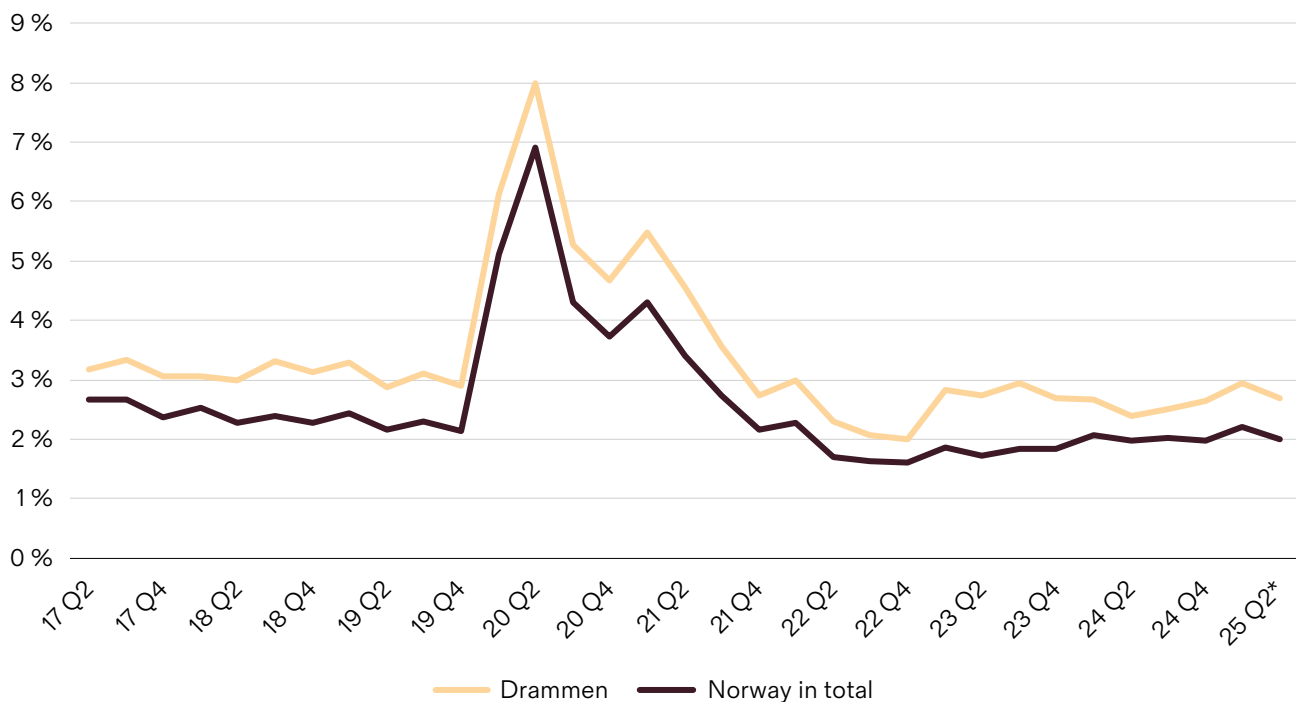
After several years of low activity, several indicators are finally beginning to move in the right direction, at least for selected segments of the market. The office market has experienced a substantial improvement in activity levels following a relatively quiet 2024. This has already contributed to a meaningful decline in vacancy rates. Additionally, the new city bridge is now close to completion and is expected to significantly improve the connection between the two main office clusters, Bragernes and Strømsø. Investor sentiment is also improving. Compared with the previous years, the investment market is now showing stronger signs of life. Our house view for prime office yields was adjusted down from 5.90 % to 5.70 % in Q1 2025, reflecting these developments.

Sharp Increase in Public Sector Employment in Drammen

According to statistics from the Norwegian Labour and Welfare Administration (NAV), the unemployment rate in Drammen currently stands at 2.7 % as of Q2 2025. This figure is higher than the national average of 2.0 %, and above the levels recorded in other major Norwegian cities, such as Greater Oslo, Trondheim, Bergen, and the Stavanger region. Historically, Drammen has consistently had a higher unemployment rate than these regions, which makes the current disparity less surprising.

From Q1 2024 to Q1 2025, the number of wage earners in Drammen grew by 2.3 %. This increase was largely driven by employment growth in the public sector. When numbers are broken down, private sector employment grew by just 0.3 %, while the public sector expanded by a significant 6.0 %. The primary driver behind the jump in public sector is the new Drammen Hospital, which is scheduled to open during the autumn of 2025 and has already begun large-scale recruitment.

Registered unemployment in Drammen and Norway (incl. temporary lay-offs), %



*As of April 2025.

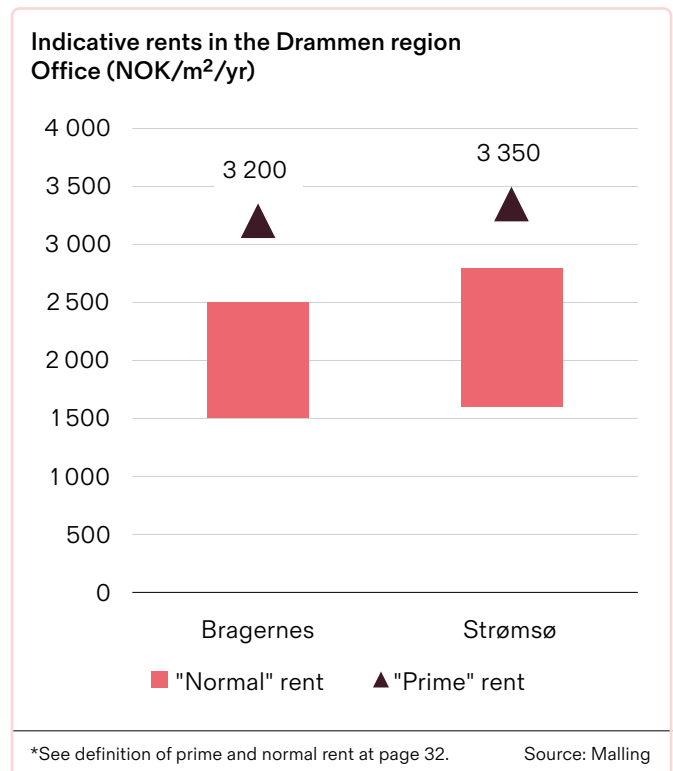
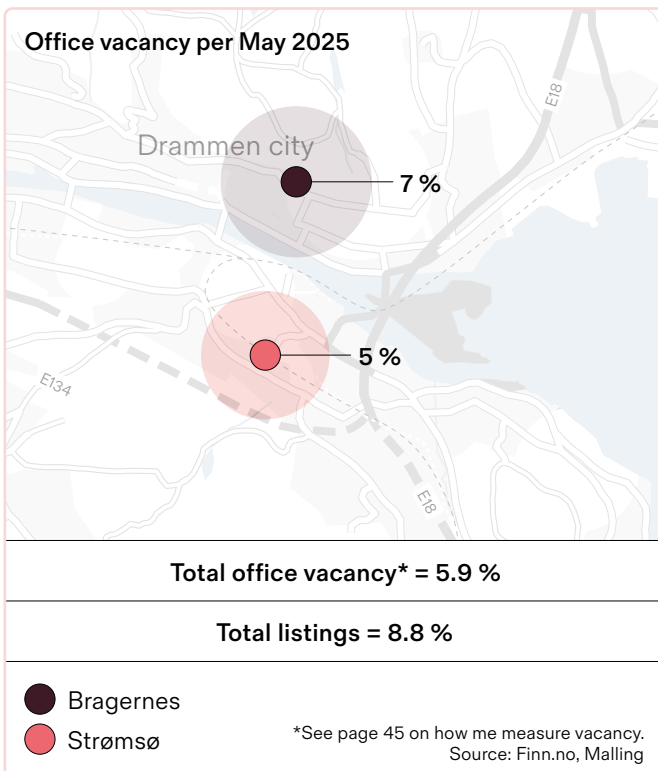
Source: NAV (Norwegian Labour and Welfare Administration)

Low Vacancy and Solid Activity in the Office Market

The office rental market in Drammen has remained relatively stable and active, even as other Norwegian cities have experienced declining demand and reduced activity. Demand for modern, high-quality office space with good facilities remains strong, and several tenants are actively searching for premises in both Bragernes and Strømsø.

As of May 2025, the office vacancy rate stands at 5.9 %, representing the lowest average for a quarter recorded since we began tracking in 2012. This is down from 6.6 % in May 2024 and 8.2 % in May 2023. In Bragernes, the vacancy rate is currently 7.3 %. While this is not particularly low by historical standards, it represents a clear improvement compared to recent years. In Strømsø, vacancy is even lower, currently at 4.8 %, and has stabilised at around 5.0 % throughout the past year, following a sharp decline since 2021 when there were several new projects in the market.

Prime rents have been slightly revised upward. In Bragernes, prime office rent is now 3 200 NOK/m²/year, approaching parity with Strømsø, where the prime rent has also been adjusted to 3 350 NOK/m²/year. Typical rents for the two sub-markets range between 1 500 and 2 500 NOK/m²/year in Bragernes, and between 1 600 and 2 800 NOK/m²/year in Strømsø. The completion of the new bridge and several planned development projects in Bragernes are expected to boost the area's attractiveness. Among recently signed leases in the segment, we can mention DNB, which is moving to Bragernes Torg 1 (Ava Eiendom), and Husbanken, which is relocating to Grønland 55 (PKH).



Office rents, Drammen - Malling consensus (NOK/m²/yr)

Office cluster	Typical project asking rent*	"Prime" rent	Past 12 months change ("Prime" rent)	"Normal" rent
● Bragernes	3 300	3 200	10 %	1 500 – 2 500
● Strømsø	3 500	3 350	3 %	1 600 – 2 800

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

Source: Malling

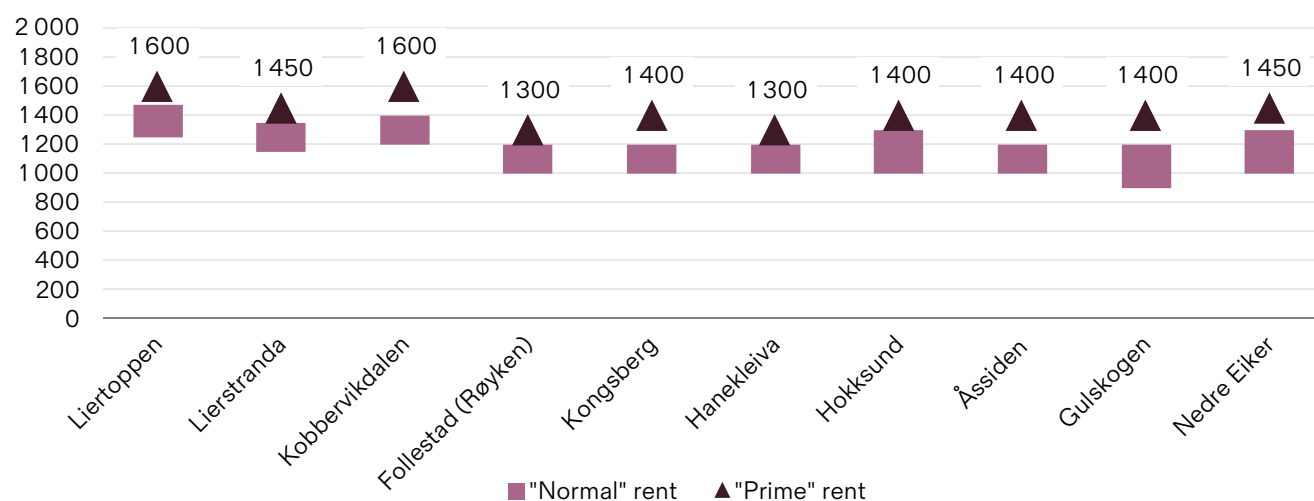
Low Activity in the Industrial and Logistics Segment

The Drammen region is dominated by mixed-use properties that combine warehouse, workshop, office, and retail spaces. Covering the corridor from Asker to Kongsberg and Hanekleiva in the south, the vacancy rate for logistics and mixed-use properties was 6.1 % in May 2025. This represents a rise from 5.3 % in May 2024, though it is down slightly from the peak of 7.0 % seen in Q1 2025. Despite this minor improvement, vacancy levels are high by historical standards. Looking more closely at the vacancy, we note that a portion consists of sublease cases where larger companies are relocating abroad, such as Prysmian and KID. This is a relatively small region, and such relocations have an impact on the data.

While vacancy rates have increased since 2022, there are now signs of stabilisation at around 6 %. The Norwegian Central Bank's regional network report for Q1 2025 showed improved expectations within both construction and retail; key tenant industries in the Drammen region. Although the construction sector still forecasts negative production growth, the overall sentiment has strengthened, supporting the view that vacancies may now stabilise.

Leasing activity in the logistics segment remains subdued, both in Drammen and across Eastern Norway. Demand is some lower compared to the same period last year. The clusters with the highest prime rents are Liertoppen and Kobbervikdalen, both at 1 600 NOK/m²/year. These are followed by Lierstranda and Nedre Eiker, where prime rents are around 1 450 NOK/m²/year.

Indicative rents in the Drammen region – Industrial (NOK/m²/yr)



*See definition of prime and normal rent at page 32.

Source: Malling

Industrial & Logistics rents, Drammen-region - Malling consensus (NOK/m²/yr)

Office cluster	Typical project asking rent*	"Prime" rent	Past 12 months change ("Prime" rent)	"Normal" rent
Liertoppen	1 800	1 600	0 %	1 250 – 1 475
Lierstranda	1 800	1 450	-3 %	1 150 – 1 350
Kobbervikdalen	1 700	1 600	0 %	1 200 – 1 400
Follestad (Røyken)	1 400	1 300	-7 %	1 000 – 1 200
Kongsberg	1 600	1 400	-3 %	1 000 – 1 200
Hanekleiva	1 650	1 300	-7 %	1 000 – 1 200
Hokksund	1 650	1 400	0 %	1 000 – 1 300
Åssiden	1 650	1 400	-10 %	1 000 – 1 200
Gulskogen	1 600	1 400	-7 %	900 – 1 200
Nedre Eiker	1 650	1 450	0 %	1 000 – 1 300

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

Source: Malling

More New Development Projects in the Pipeline

The volume of new development projects for large industrial properties in Drammen remains low. From a broader perspective, however, there are viable development opportunities in Lyngås, Hanekleiva, Kobbervikdalen, Røyken Næringspark and Fiskumparken. These areas continue to attract stable interest from investors and developers, although challenges related to construction costs and tenants' willingness and ability to pay are somewhat limiting new build activity. The pipeline remains dependent on securing the right anchor tenants to initiate construction.

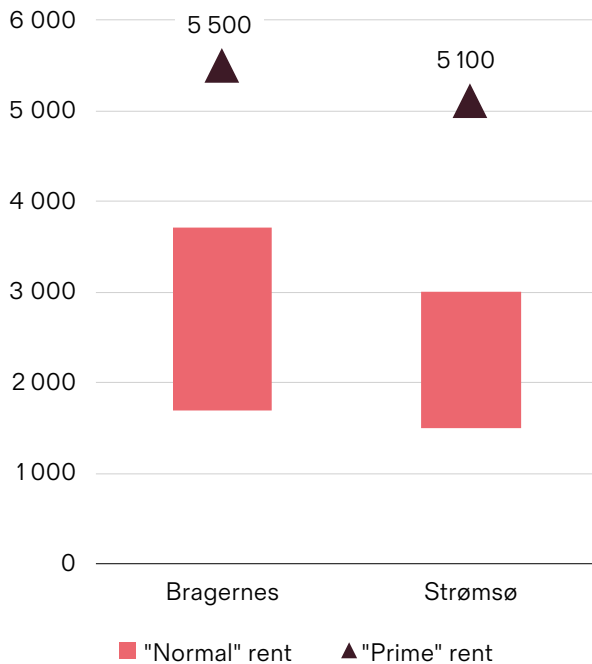
In the office segment, several projects have been postponed due to high construction costs. However, we are now seeing renewed movement in the market, with both refurbishment and new development projects progressing in Strømsø and Bragernes. These projects are expected to add much-needed modern space to the city's office stock over the coming years.

Low Activity in the Retail Leasing Market, but Rents Are Trending Upwards

The retail leasing market in Drammen remains relatively inactive. As highlighted in our last market report, there were few notable leasing deals in 2024, and this pattern has largely continued into 2025. Nonetheless, a handful of recent transactions have resulted in upward revisions of our consensus rents for prime retail space.

In Bragernes, prime retail rent has increased from 5 000 NOK to 5 500 NOK/m²/year. In Strømsø, a more substantial adjustment has been made, with prime rent increasing from 4 000 NOK to 5 100 NOK/m²/year. Although the overall level of leasing activity remains low, these new benchmarks suggest that key central retail areas are still able to command premium rents when high-quality space becomes available.

Indicative rents in the Drammen region
Retail (NOK/m²/yr)



*See definition of prime and normal rent at page 32.

Source: Malling

«The retail leasing market in Drammen remains relatively inactive».

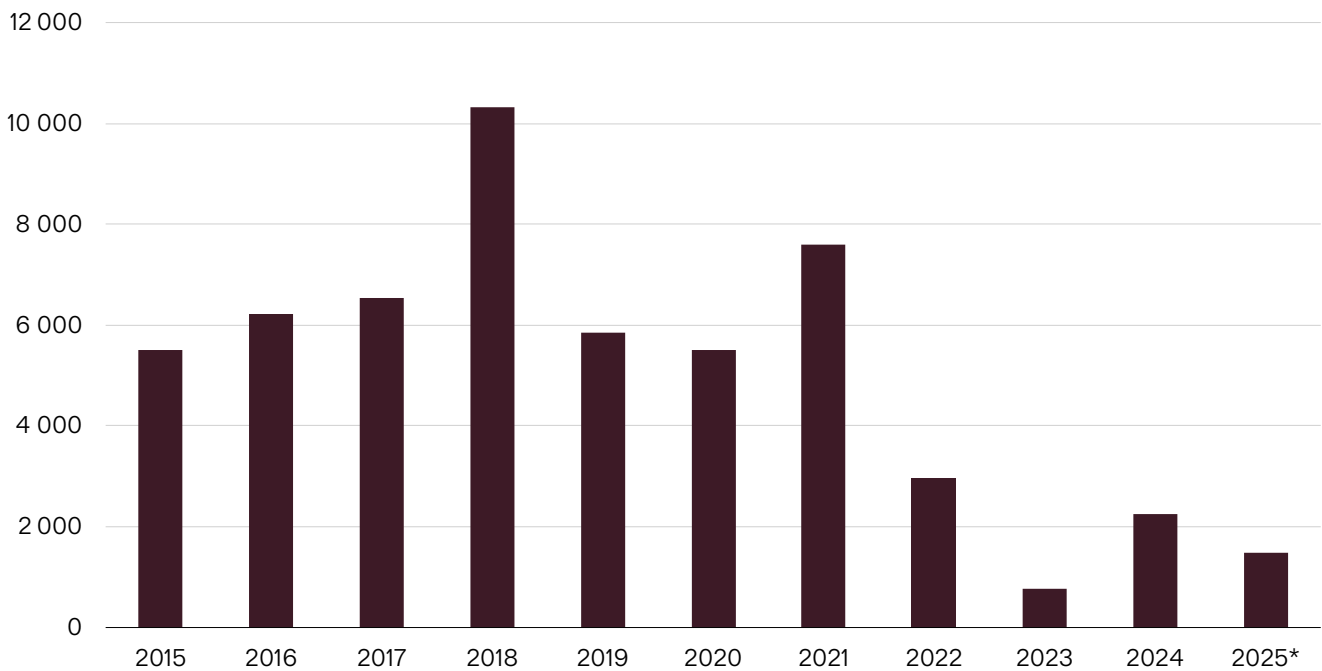
Activity in the Investment Market Is on an Upward Trend

Following a record-low transaction volume of NOK 750 million in 2023, the investment market in Drammen saw a significant recovery in 2024, with volumes exceeding NOK 2 billion. The positive trend has continued into the first half of 2025, with nearly NOK 1.5 billion in deals registered so far-up from NOK 1.2 billion during the same period last year.

Although the region has not seen many large stand-alone property transactions in 2025, several major deals have taken place as part of larger portfolios. These include the sale of both Clarion Collection Hotel Tollboden and Comfort Hotel Union Brygge, which formed part of the Midstar F stigheter portfolio acquired by CapMan. In addition, Aker's former facility in Lier was sold to PPI as part of a broader multi-asset transaction. Other notable sales include a newly built combination property at K latoppen 1 in Fiskumparken and four office/warehouse combination buildings in Kobbervikdalen.

Syndicates have been the most active buyer group so far this year, arranging several club deals. In response to stronger investor sentiment, we revised our house view for prime office yields from 5.90 % to 5.70 % in February 2025.

Annual transaction volume Drammen in NOK million



*As of 15 May.

Source: Malling

«Several major deals have taken place in Drammen as part of larger portfolios».

Bragernes Torg 1, Drammen



Malling & Co Drammen has assisted AVA Eiendom in leasing approximately 4 000 m² at Bragernes Torg 1 to DNB, Handelsbanken, Sparebanken 1 Østlandet, and NAV.

Bergen

Cautious Optimism Defines 2025 so Far

The first half of 2025 opened with a strong sense of optimism in Bergen, as investors entered the new year with a clear appetite for transactions. However, persistent geopolitical tensions and broader geoeconomic uncertainties have since softened this enthusiasm, leading to a more measured and cautious approach in the investment market. As a result, overall transaction activity has slowed compared to expectations.

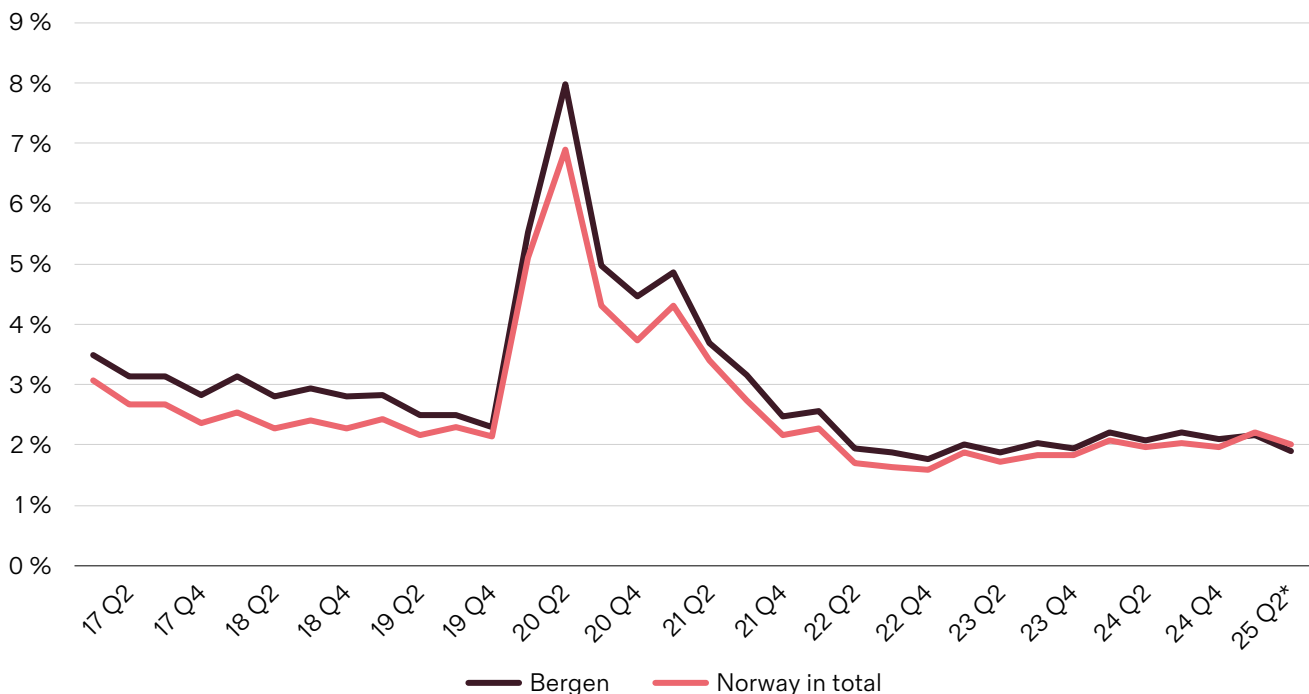
Despite the investment market cooling, the leasing side of the commercial real estate market in Bergen has remained resilient. Stable demand has been observed across key segments, with both the office and logistics leasing markets performing well. These trends are underpinned by strong employment growth in the region. Although some investors remain cautious and wait for further market clarity, Bergen has already recorded approximately NOK 3 billion in transaction volume so far this year. This has primarily been driven by large, individual transactions and the sale of national portfolios including Bergen-based assets.

Regional Employment Market - Private Sector Leads the Way

Employment figures in Bergen have shown solid improvement over the past year. From Q1 2024 to Q1 2025, total employment across all sectors in the municipality rose by 2.0 %. The private sector displayed particularly robust development, with a growth rate of 2.6 %, while employment in the public sector (municipal and state administration combined) increased by a more moderate 0.6 %.

The sharp uptick in private sector employment is largely attributable to activity in the oil and gas industry, which remains a central pillar of the local economy. This growth serves as a positive indicator for the office market in Bergen, suggesting that private companies are expanding and, in turn, increasing their demand for workspace.

Registered unemployment in Bergen and Norway (incl. temporary lay-offs), %



*As of April 2025.

Source: NAV (Norwegian Labour and Welfare Administration)

This section has been provided by WPS Næringsmegling in Bergen.
To check out more details about the CRE market in Bergen → [click here](#)

W | P | S
NÆRINGSMEGLING

Office Rental Market - Rents Climbing Steadily Across Key Segments

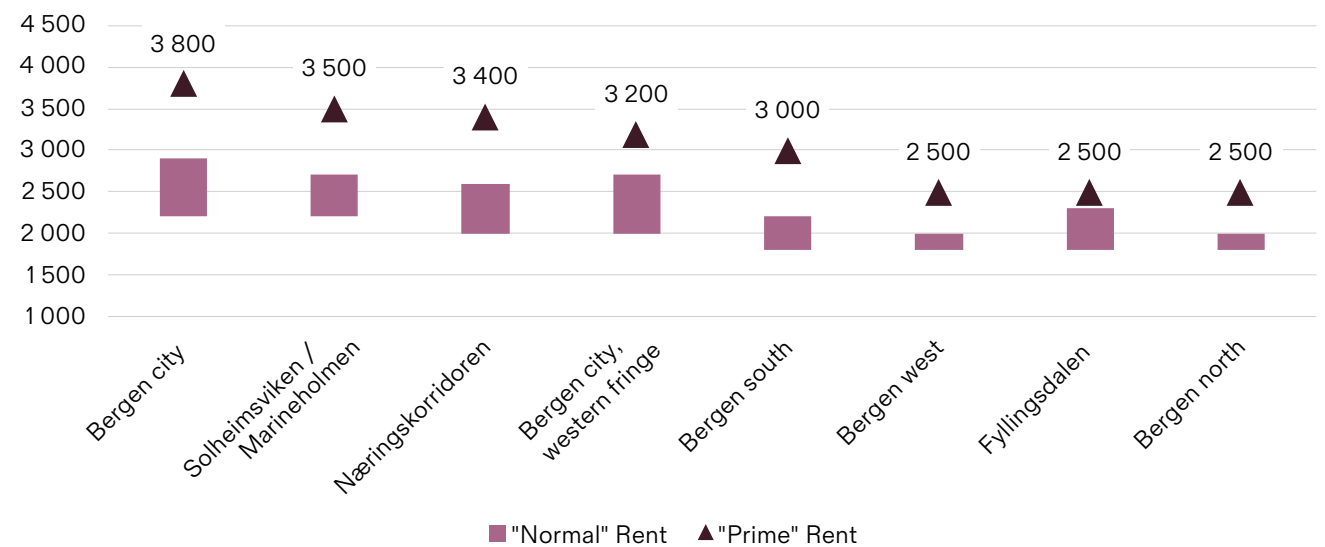
The office rental market in Bergen has gained notable traction over the past twelve months. According to data from Arealstatistikk, average nominal office rents have increased by approximately 9 %, reflecting upward momentum across multiple leasing segments. This rise is clearly visible in rental levels achieved: the top 15 % of office contracts are now reaching 3 530 NOK/m²/year, while contracts within the 50–85 % percentile average 2 750 NOK/m²/year.

This rental growth is largely driven by two interrelated factors: persistently high construction costs and a limited pipeline of new office developments. These elements are constraining supply and creating competition for quality space, especially in central areas.

Adding to this pressure is the emergence of a series of high-end, centrally located new-build projects. These developments are expected to further push up prime rents in Bergen. In fact, indicative prime rents in the city centre now stand at 3 800 NOK/m²/year, and market actors anticipate further growth towards the 4 000 NOK/m²/year threshold in the near term.

Among the most notable projects currently under development in Bergen city are Entra's Nonnesetergaten 4 and the redevelopment of Olav Kyrres gate 11, comprising "Handelens Hus" and "Sjøfartens Hus," which are owned by local industry associations. Located close to Torgallmenningen, these buildings address a long-standing shortage of modern, high-quality office space in Bergen's city centre.

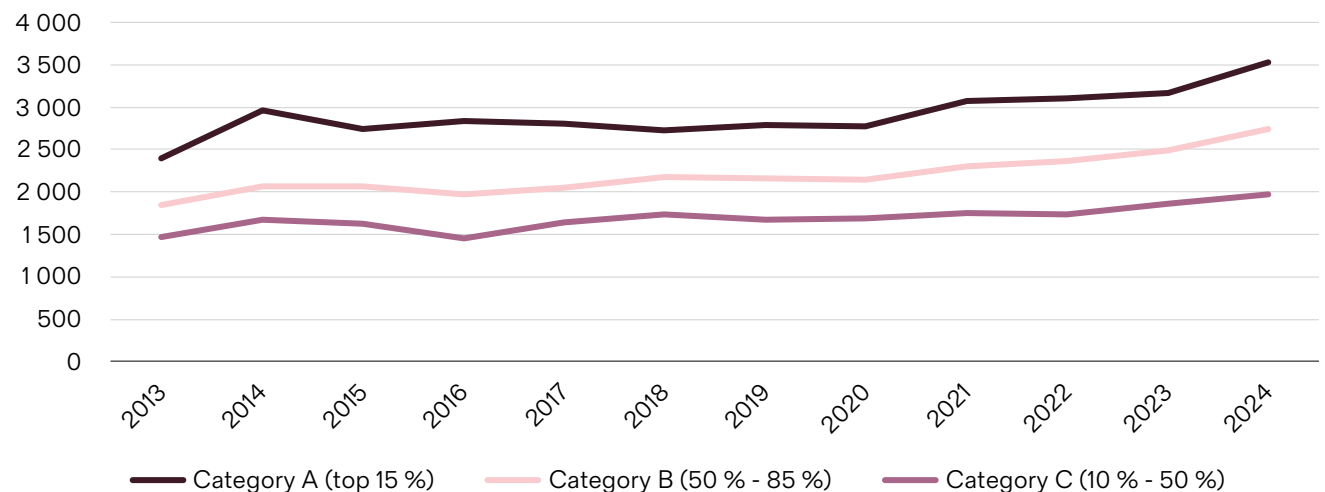
Indicative office rents in Bergen (NOK/m²/yr)



See definition of prime and normal rent at page 32.

Source: WPS Næringsmegling

Average nominal office rents in Bergen (NOK/m²/yr)



Source: Arealstatistikk

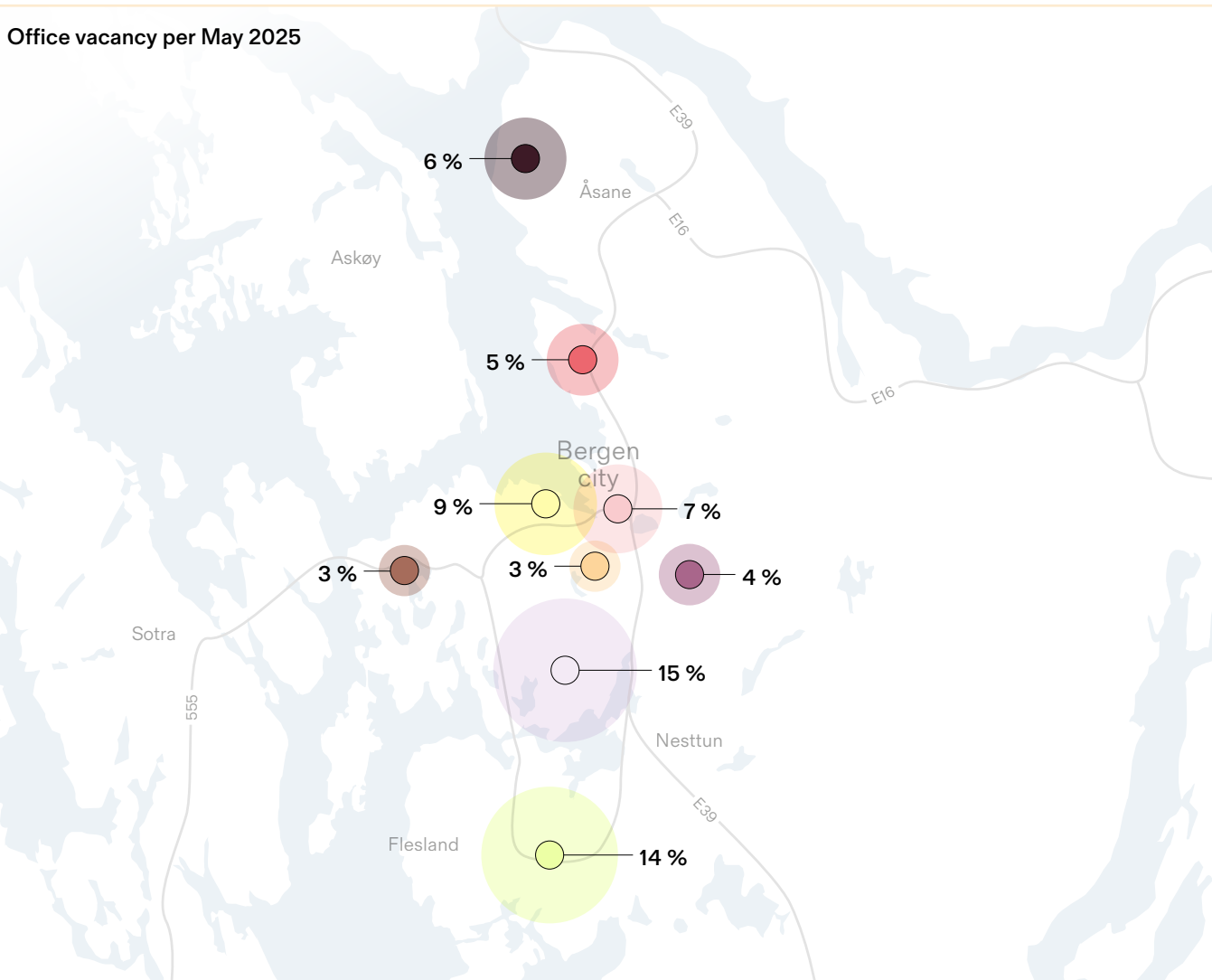
Office Vacancy - Stable Levels With Significant Local Variation

Vacancy levels in Bergen's office market remain stable. As of Q2 2025, the overall vacancy rate is measured at 8.3 %, a figure that has remained within a narrow range of 8-9 % since 2017. This long-standing stability reflects a broadly balanced relationship between supply and demand.

The strongest demand continues to be for centrally located office premises, particularly in the city centre and along the Bergen light rail line. Vacancy rates remain low in areas such as Næringskorridoren, Solheimsviken/Marineholmen, and Bergen city centre, underscoring the attractiveness of these clusters.

One of the most favourable shifts has been observed in Sandviken, where the vacancy rate has declined by approximately seven percentage points since the last reporting period. This sharp reduction is primarily attributed to NAV's confirmed relocation to Sandviksbodene 2, formerly occupied by PwC. Conversely, the western fringe of Bergen's city centre has experienced an increase in vacancy, now standing at 9.2 %. It is worth noting, however, that this area constitutes one of the smallest submarkets in terms of leasable office stock, with Frydenbø as the dominant occupier.

Looking ahead, vacancy rates in Bergen are projected to decline modestly over the next three years, gradually approaching 8 %. This forecast is supported by a combination of low construction activity and sustained tenant demand. In addition, the ongoing conversion of older office buildings, particularly in Sandsli and Næringskorridoren, into residential developments is reducing the total available office supply.

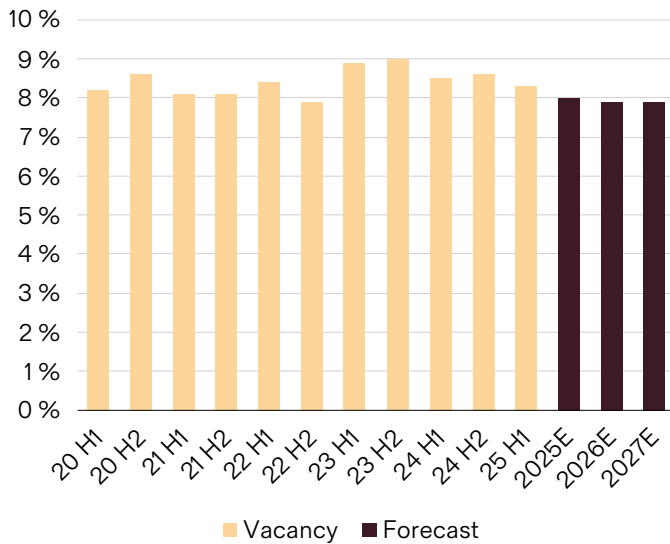


Total office vacancy* = 8.3 %

- Bergen north
- Sandviken
- Bergen city
- Bergen city - western fringe
- Næringskorridoren
- Bergen west
- Solheimsviken/Marineholmen
- Fyllingsdalen
- Bergen south

*See page 45 on how we measure vacancy.
Source: WPS Næringsmegling

Vacancy and forecast, %



Source: WPS Næringsmegling, Finn.no

«Looking ahead, vacancy rates in Bergen are projected to decline modestly over the next three years».

New Development - Modest Pipeline, Tight Supply Persists

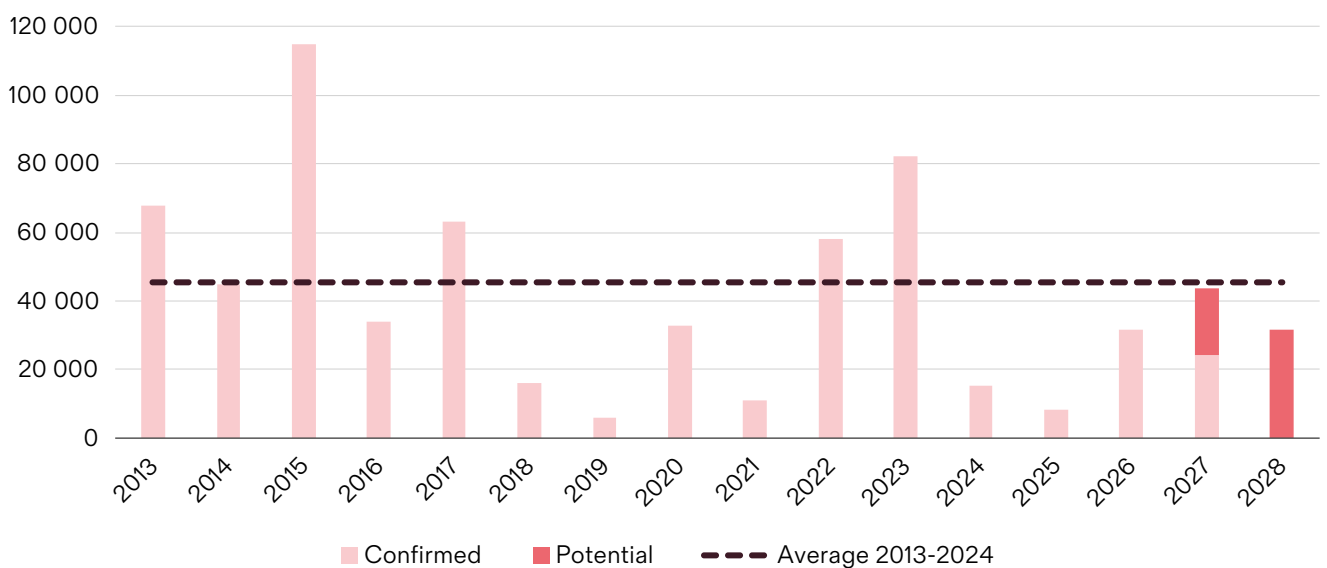
Over the next three-year period, the annual supply of new or comprehensively refurbished office space in Bergen is expected to remain below the historical average of approximately 45 000 m². Projections indicate that the market will see an annual average addition of just 26 000 m². This relatively modest figure stands in stark contrast to earlier years and reflects the growing challenges posed by increased construction and financing costs.

These constraints, combined with rising yield levels and elevated developer return requirements, have delayed or discouraged new projects, particularly speculative ones. Still, several high-end projects remain in the pipeline, primarily concentrated in Bergen city centre, with additional activity expected in Næringskorridoren and Marineholmen.

An additional factor shaping the future office stock is the planned conversion of older, functionally obsolete buildings into residential properties. Many of these buildings currently experience prolonged vacancy and will, once converted, disappear from the office inventory. This structural adjustment is expected to further support a gradual decline in the overall vacancy rate.

Despite the tight supply, tenants looking to relocate in the coming years will have access to premium new-build options. However, these spaces are expected to command absolute top-of-market rents.

Newbuilds and refurbished office space in Bergen, sum m²



Source: WPS Næringsmegling

Investment Market - National Buyers Dominate as Foreign Capital Stays Away

The transaction market in Bergen has softened in recent years. In 2024, the market registered a total volume of NOK 4.4 billion, the lowest level in recent years. So far in 2025, approximately NOK 2.9 billion in transaction volume has been recorded, spread across 12 transactions. Public Property Invest (PPI) has been the most active investor, accounting for a substantial portion of this year's deals.

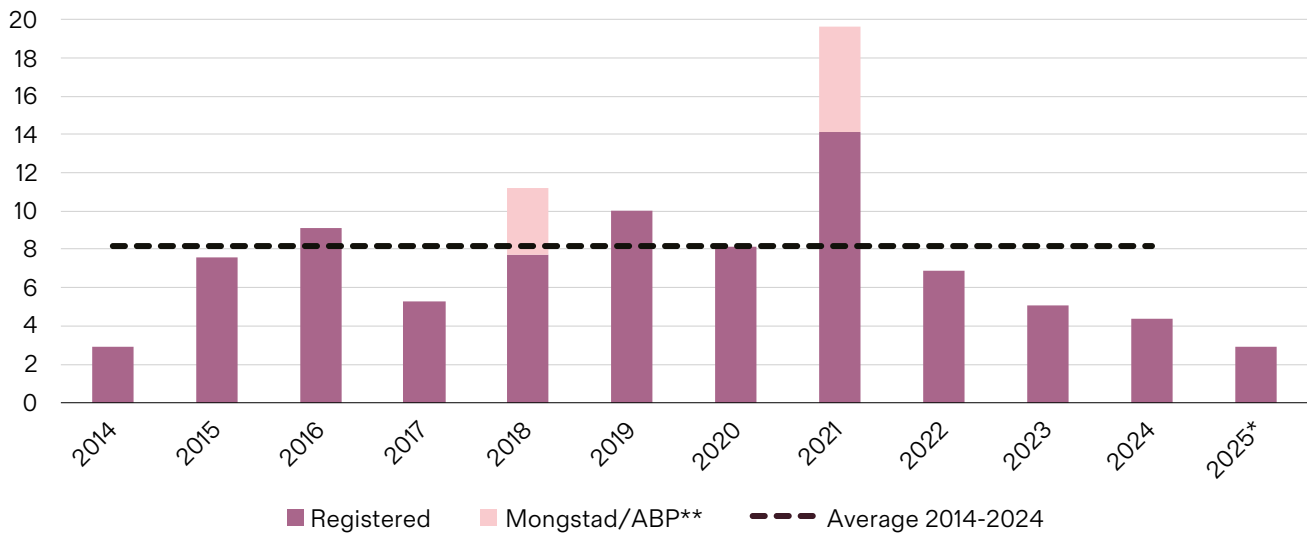
Based on current activity and the number of ongoing processes, we estimate that total transaction volume for 2025 will reach approximately NOK 7 billion. This would place the year slightly below the 10-year historical average of NOK 8.2 billion.

According to the WPS Sentiment Survey for Q1 2025, 47 % of surveyed investors expect to be net buyers of commercial real estate over the next 12 months. This marks a decline of 10 percentage points compared to Q1 2024, suggesting a more cautious approach.

Most of this year's larger acquisitions have been made by domestic property companies with strong liquidity and solid balance sheets. A common feature is that many of these Bergen transactions are part of broader national portfolio deals. Foreign capital remains almost entirely absent from the market, continuing a trend that began in 2023.

Prime office yield in Bergen is currently stable at 5.25 %. Looking ahead, yield development will be closely linked to macroeconomic conditions and changes in the Norwegian Central Bank's key policy rate. Survey responses indicate that investors expect a minor compression in prime yield to 5.15 % within the next twelve months. Furthermore, 93 % of respondents believe yields will either remain flat or fall, pointing to cautious optimism and expectations of stabilisation in pricing.

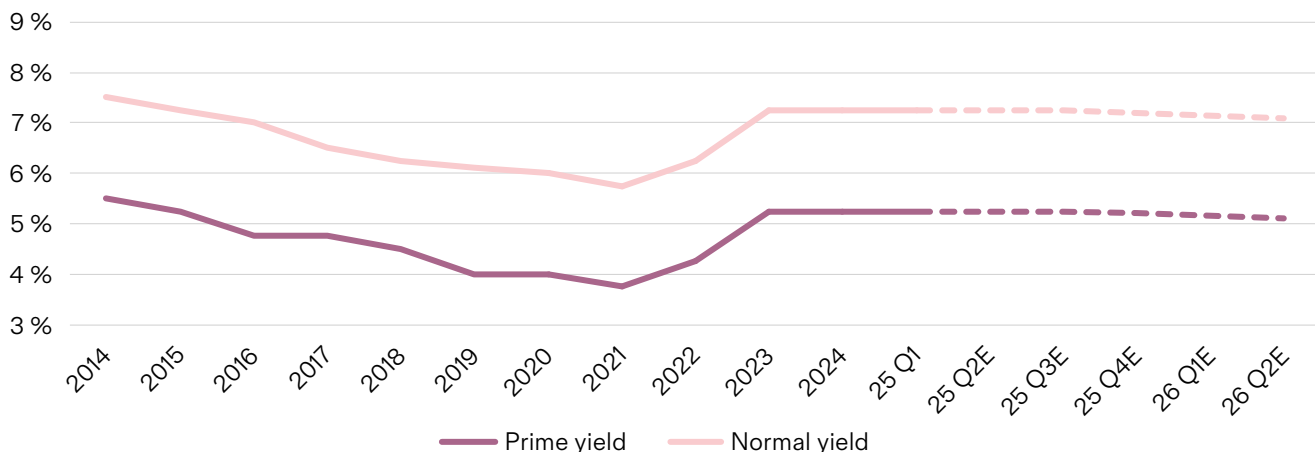
Annual transaction volumes in Bergen in NOK billion



*As of 15 May. ** 2018: Mongstad Supply Base sold from EQT to ABP (owned by HitecVision).
2021: ABP sold from HitecVision to Fastighets AB Balder (estimated region Bergen).

Source: WPS Næringsmegling

Office yield development in Bergen, %



Source: WPS Næringsmegling

Trondheimsveien 2, Oslo



Malling & Co Næringsmegling has been engaged by KLP Eiendom as broker for Trondheimsveien 2, approximately 13 000 m².

Trondheim

Stable Market Challenged by Weaker Growth

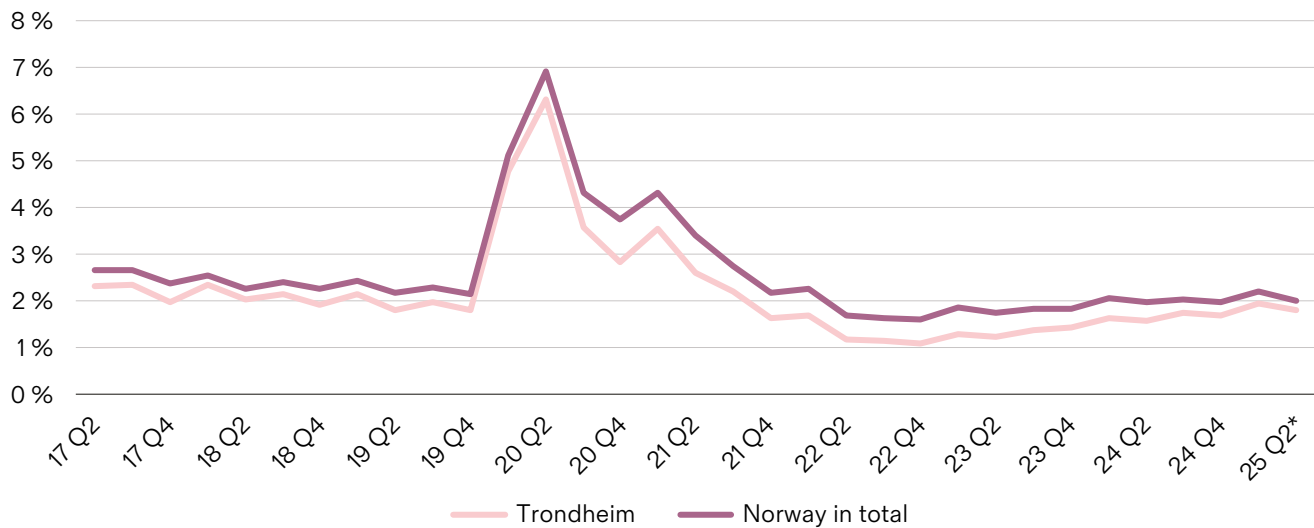
Employment growth in the Trondheim region has decelerated, cooling even more sharply than the national trend. Despite this, office vacancy rates for space available within the next 12 months remain relatively low, below 4 % across the market. However, with several new development projects set to enter the market in the coming quarters, there is a looming risk of elevated vacancy rates as the influx of new stock triggers a wave of vacant, second-hand office spaces. This dynamic points to potential challenges in absorption as the pipeline expands. Investment activity in Trondheim remains robust, although significantly lower compared to last year's levels, which were primarily driven by Entra's divestment of its entire Trondheim portfolio. Despite this decline, we anticipate steady activity throughout 2025, supported by enduring interest in the region's real estate market.

Persistent Low Unemployment but Weak Growth in Trondheim

As of April 2025, Trondheim municipality reported an unemployment rate of 1.8 %, according to NAV. This figure is notably below the national average of 2.0 % and stands as the lowest among major Norwegian cities, including Greater Oslo, Bergen, Stavanger, and Drammen. Trondheim has consistently demonstrated a tighter labour market, with unemployment rates persistently lower than both the national average and its peer cities.

Despite this strong unemployment metric, wage-earner growth in Trondheim from Q1 2024 to Q1 2025 was just 0.2 %, marking the lowest growth rate among Norway's major urban areas. The private sector showed a modest 0.3 % increase, but the public sector contracted by 0.1 %, primarily driven by a substantial 4.6 % reduction in wage earners within education, based on data from SSB. Excluding the education sector, wage-earner growth in Trondheim reached 0.8 %, aligning closely with the national average. This underscores the outsized impact of educational layoffs on broader employment trends in the municipality.

Registered unemployment in Trondheim and Norway (incl. temporary lay-offs), %



*As of April 2025.

Source: NAV (Norwegian Labour and Welfare Administration)

«Trondheim has consistently demonstrated a tighter labour market, with unemployment rates persistently lower than the national average.»

Office Rents Moving Sideways

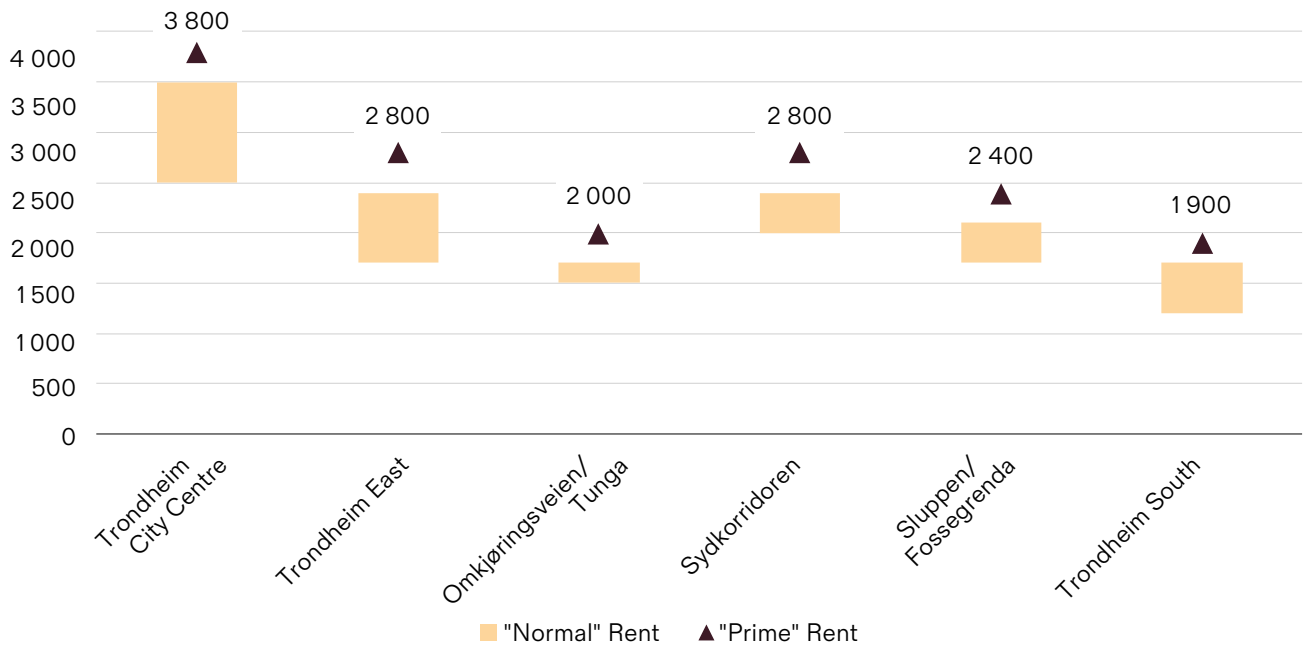
Activity in the office rental market has remained relatively stable since our Winter Report in November. Our consensus for office rents has been unchanged over the past six months, a trend that is also reflected in most other comparable cities.

According to Arealstatistikk, rental prices for the second half of 2024 showed a marginal decline relative to the first half of the year. These adjustments affected both the top 15 % of leases and those in the lower end of the market, while the middle percentile experienced a modest increase during the same period.

Our current rental benchmarks vary across the city's different clusters. The highest prime rent is observed in Trondheim City Centre, estimated at 3 800 NOK/m²/year. In both Trondheim East and the South Corridor, prime rents are estimated at 2 800 NOK/m²/year.

For this report, we have also introduced typical project asking rents for the first time. These are estimated at 4 200 NOK/m²/year in Trondheim City Centre, 3 000 NOK/m²/year in Trondheim East, and 3 200 NOK/m²/year in the South Corridor. See the table on page 96 for a complete overview of all clusters and typical rent levels per cluster.

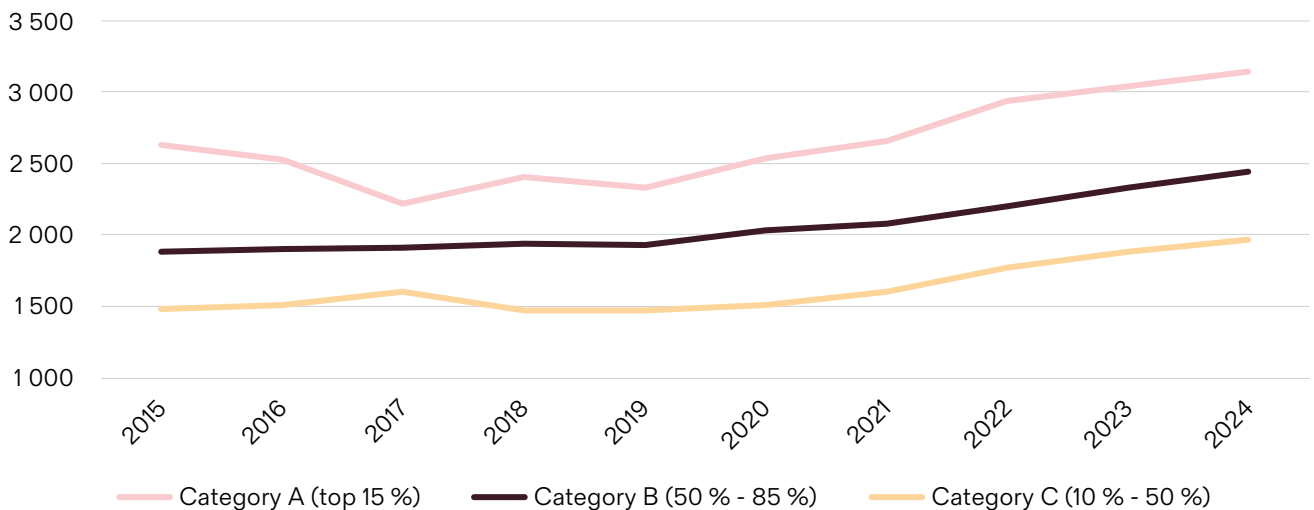
Indicative office rents in Trondheim (NOK/m²/yr)



See definition of prime and normal rent at page 32.

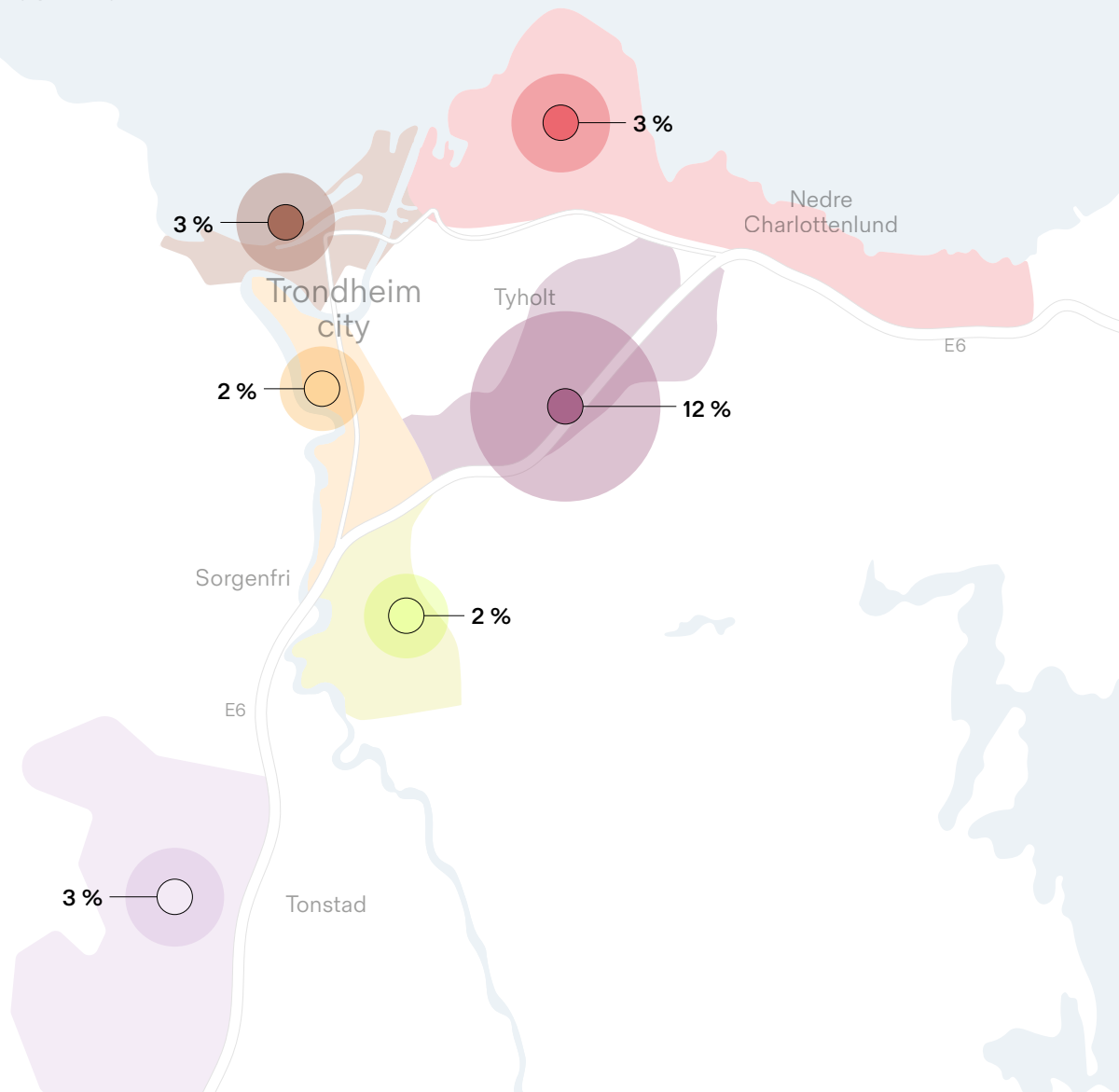
Source: Malling

Average nominal office rents in Trondheim (NOK/m²/yr)



Source: Arealstatistikk

Office vacancy per May 2025



Total office vacancy* = 3.5 %

*See page 45 on how we measure vacancy.

Source: Malling

Indicative office rents in Trondheim (NOK/m²/yr) and vacancy (%)

Office cluster	Typical project asking rent*	"Prime" rent	"Normal" rent	Vacancy
● Trondheim City Centre	4 000	3 800	2 500 – 3 500	3 %
● Trondheim East	3 000	2 800	1 700 – 2 400	3 %
● Omkjøringsveien / Tunga	2 500	2 000	1 500 – 1 700	12 %
● Sydkorridoren	3 200	2 800	2 000 – 2 400	2 %
● Sluppen	3 000	2 400	1 700 – 2 100	2 %
● Trondheim South	2 500	1 900	1 200 – 1 700	3 %

*See definition of prime and normal rents on page 32. As change figures are presented as % change in the reported average of the intervals, they may not reflect actual increase in average obtainable rents for the specific cluster.

Source: Malling

Increased Vacancy Risk

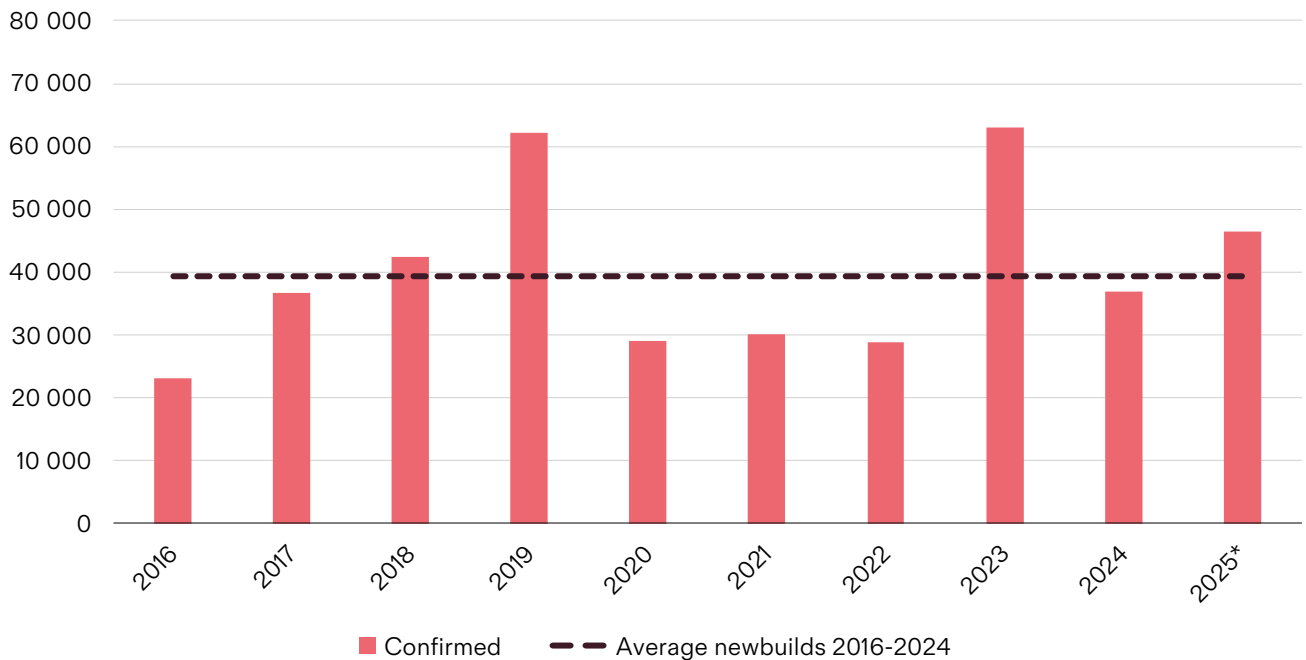
Our methodology for measuring office vacancy in Trondheim has been updated for this edition of the report, which has also resulted in adjusted historical vacancy data. As of May 2025, total office vacancy is measured at 3.5 %, a level that aligns closely with trends observed in recent years. 3.5 % is a very low vacancy rate compared to other markets and may allow for increase without affecting rents negatively.

There are, however, notable variations between clusters. Most submarkets have experienced a gradual decline in vacancy over the past two years. For example, Trondheim City Centre currently reports a vacancy rate of 2.8 %, down from 3.0 % in May 2024 and 3.4 % in May 2023.

In contrast, the Omkjøringsveien/Tunga cluster has seen a significant increase in vacancy, in part due to the status of properties such as Tungasletta 2. Some of the current vacant space can be attributed to the completion of several new development projects over the last few years. In 2023 alone, a substantial volume of office space was introduced to the market. Nevertheless, both newly completed and vacated buildings have been well absorbed, and total vacancy has not increased.

Looking forward, approximately 50 000 m² of new office space is expected to enter the market in 2025, with additional projects in the pipeline. With a total stock estimated to around 2.1 million m², these numbers are likely to affect future vacancy rates. While we do not expect difficulties in leasing new developments, backfilling vacated premises may be more challenging and could result in temporarily elevated vacancy in certain segments.

Newbuilds and refurbished office space in Trondheim, sum m²



Source: Malling

«Some of the current vacant space can be attributed to the completion of several new development projects over the last few years».

Trondheim Remains Attractive to Investors

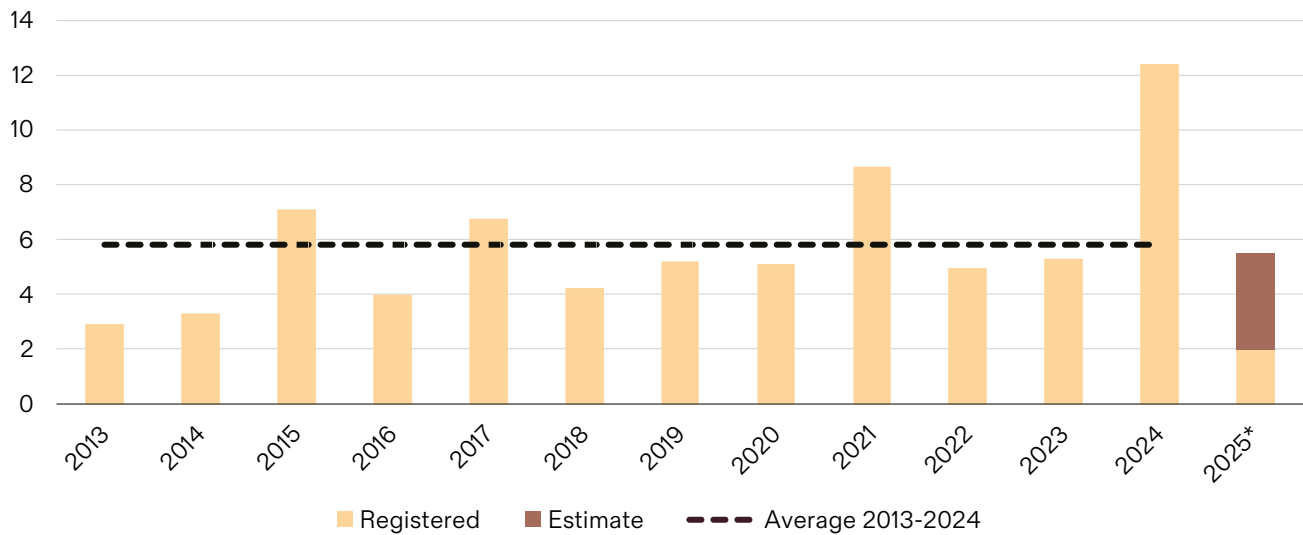
Investment activity in Trondheim was exceptional in 2024. The highest-ever annual investment volume, accounted for 15 % of the total Norwegian market, an unusually high share by historical standards. This was primarily driven by the landmark NOK 6.45 billion acquisition of Entra's Trondheim portfolio by EC Dahls Eiendom.

Although it is unlikely that 2025 will surpass last year's record, the year has started on a solid footing. As of 15 May 2025, we have registered a transaction volume of just above NOK 2 billion. While this figure is lower than the same period in 2024, it is important to note that the EC Dahls acquisition accounted for nearly the entire volume at that time. Excluding that deal, the mid-May volume in 2024 was only NOK 200 million, indicating a significant improvement in the underlying transaction activity this year.

So far in 2025, Trondheim represents 7 % of the national investment volume, a share that aligns with long-term averages. We expect this to continue throughout the remainder of the year, supported by a pipeline of medium- and large-sized transactions. Our current forecast for full-year investment volume in Trondheim is approximately NOK 5.5 billion, with potentially to surpassing NOK 6 billion subject to market developments.

Despite the increased activity, we see no reason to revise our house view on prime office yields in Trondheim, which remains at 5.50 %. The yield spread between prime offices in Oslo and Trondheim stands at a relatively high 100 basis points by historical standards. We anticipate that prime yields in Trondheim will remain stable over the next 18 months.

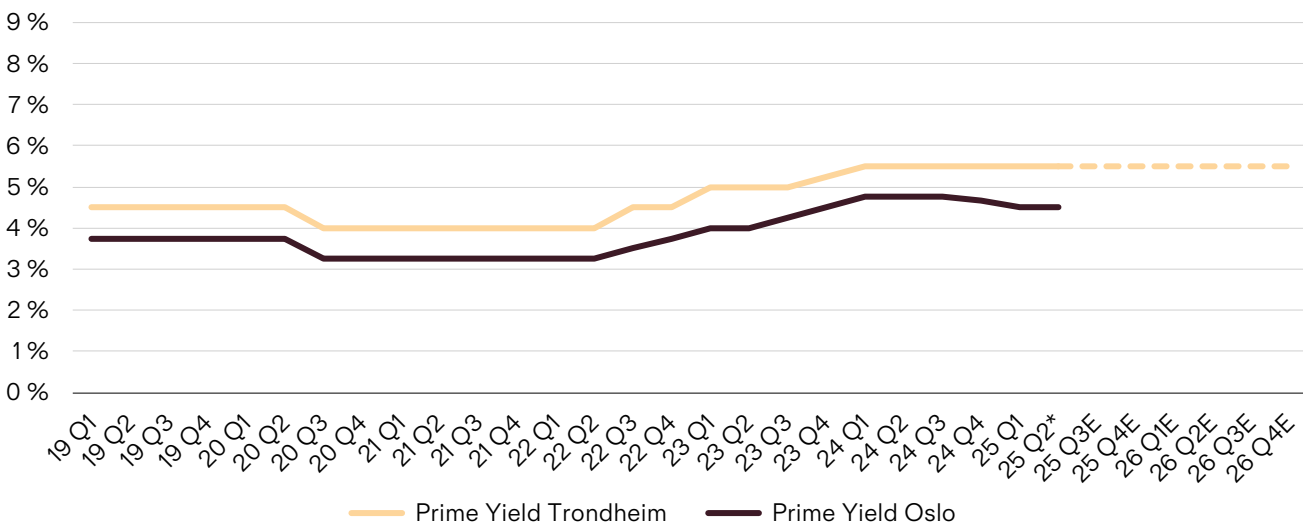
Annual transaction volumes in Trondheim, NOK billion



* As of 15 May.

Source: Malling

Office yield development in Trondheim, %



*As at 15 May.

Source: Malling

Parkveien 61, Oslo



Malling Investments has acquired Parkveien 61 on behalf of Malling Core Plus II – the Eika headquarters, located in a CBD location between Solli and Vika. A sustainability due diligence was conducted by Malling & Co Energi og Miljø AS.

About Malling

Established in 1964, Malling is the leading commercial real estate adviser in Norway. Our range of services covers all segments and the whole value chain of commercial properties.

Our most important task is simply to enable our clients to achieve the full value potential of their commercial properties. Our services cover everything from ensuring smooth operations for tenants, to getting the most from a leasing or sales process.

Our experience and expertise cover all the commercial real estate segments including office, retail, logistics, industrial, hotel and mixed-use properties.

We find that we provide the very best services when we can combine experience and expertise from several of our business areas in connection with the execution of assignments on behalf of our clients.

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