

# Government Pension Fund Global

Real estate investments  
2018





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2018

No. 04

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# 7.5%

Investments in  
unlisted real estate  
returned 7.5 percent  
in 2018

**106**  
billion kr  
2014

**180**  
billion kr  
2015

**191**  
billion kr  
2016

**219**  
billion kr  
2017

**246**  
billion kr  
market value  
2018

**9.3** billion kr  
net rental income

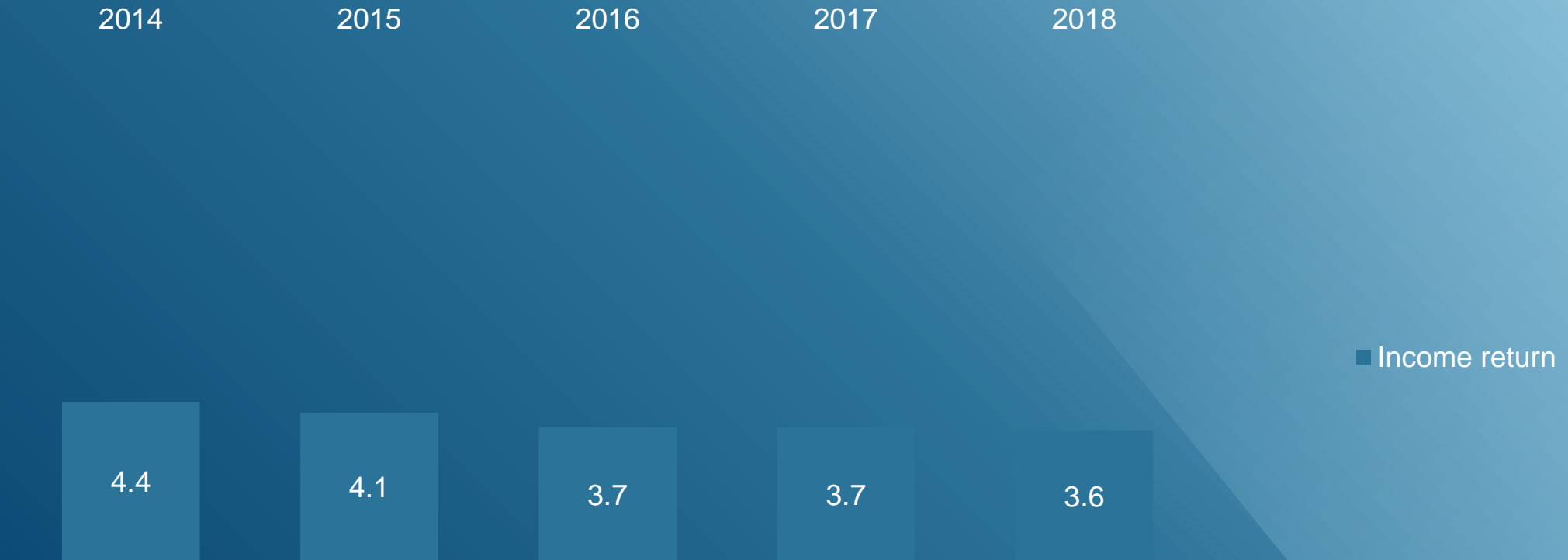
**3.0** percent  
of the fund

**737** properties  
in portfolio

# RESULTS

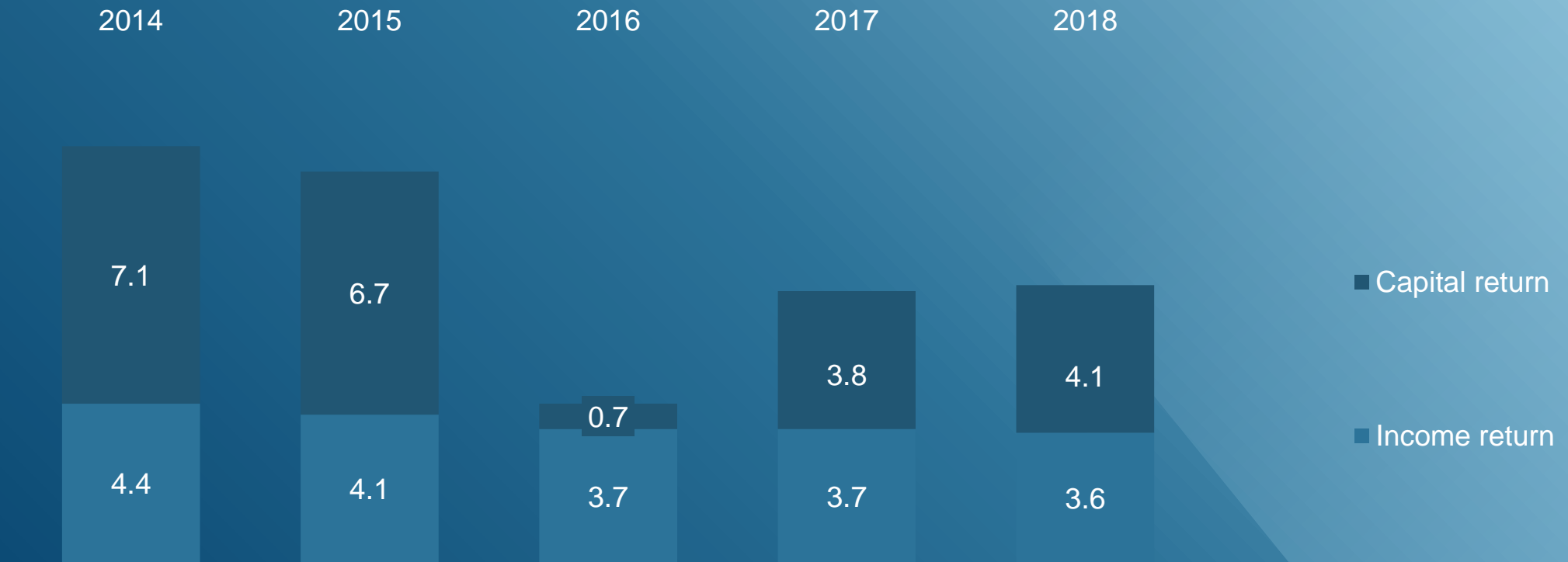
# Annual return on real estate investments

Return measured in the fund's currency basket. Percent



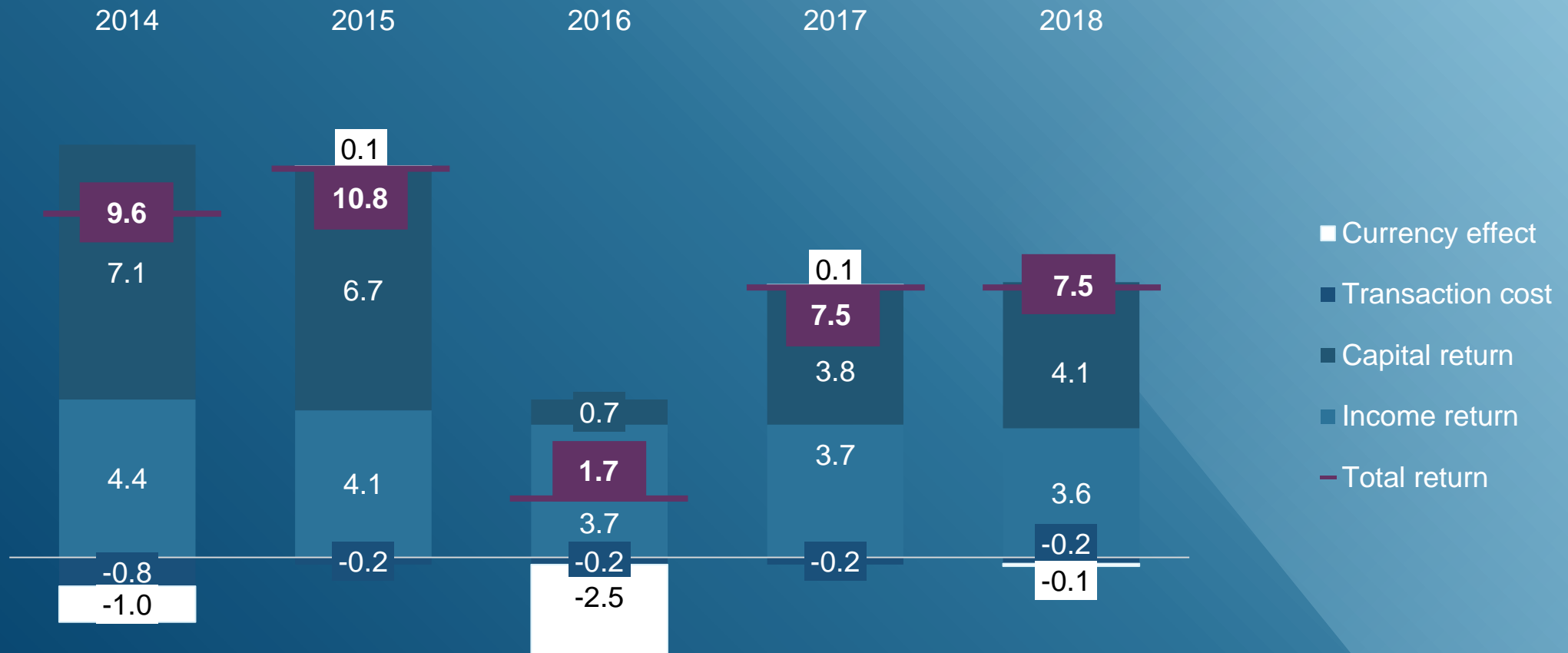
# Annual return on real estate investments

Return measured in the fund's currency basket. Percent



# Annual return on real estate investments

Return measured in the fund's currency basket. Percent



# Annual relative return

Table 5. Return on unlisted real estate and funding return, measured in the fund's currency basket. Percent

	2018	2017	2016	2015	2014
Return unlisted real estate	7.5	7.5	1.7	10.8	9.6
Funding portfolio	-2.1	6.8	4.2	0.6	7.6
<b>Return difference to funding portfolio</b>	<b>9.6</b>	<b>0.7</b>	<b>-2.5</b>	<b>10.2</b>	<b>2.0</b>



Note: Funding portfolio was fixed income until 2016 and a mix of equities and fixed income thereafter.



# Annual relative return

Table 6. Property returns measured against MSCI Annual Global Property Index, measured in local currency. Percent

	2018 <sup>2</sup>	2017	2016	2015	2014
Property return on unlisted real estate investments	7.9	8.4	5.6	10.6	11.4
MSCI Annual Global Property Index <sup>1</sup>	n/a	8.3	7.7	10.9	10.1
MSCI Annual Global Property Index, portfolio weights	n/a	8.6	6.9	11.6	11.4
<b>Return difference to MSCI Global</b>	<b>n/a</b>	<b>0.1</b>	<b>-2.1</b>	<b>-0.3</b>	<b>1.2</b>
<b>Return difference to MSCI Global, portfolio weights</b>	<b>n/a</b>	<b>-0.2</b>	<b>-1.3</b>	<b>-1.0</b>	<b>0.0</b>

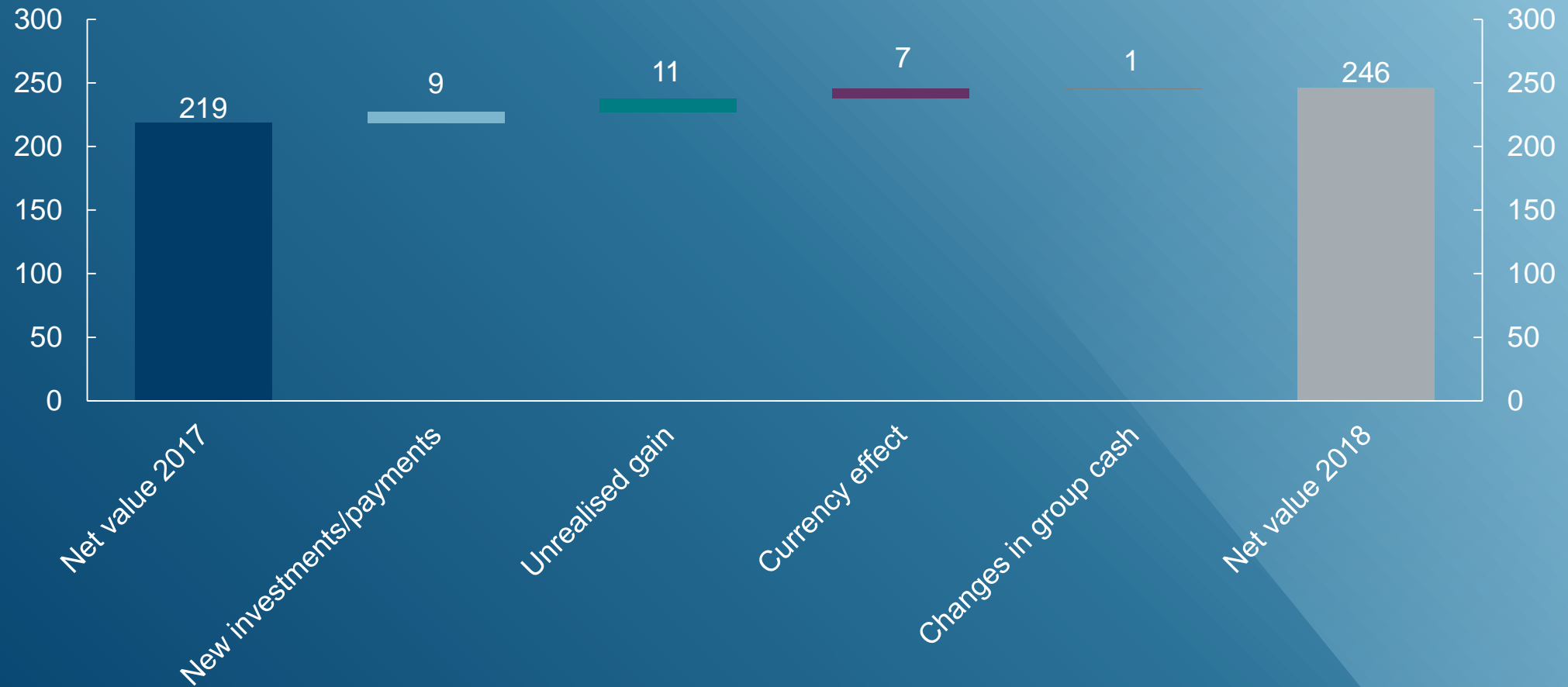
<sup>1</sup> Adjusted for transaction costs

<sup>2</sup> MSCI figures for 2018 were not available at the time of print



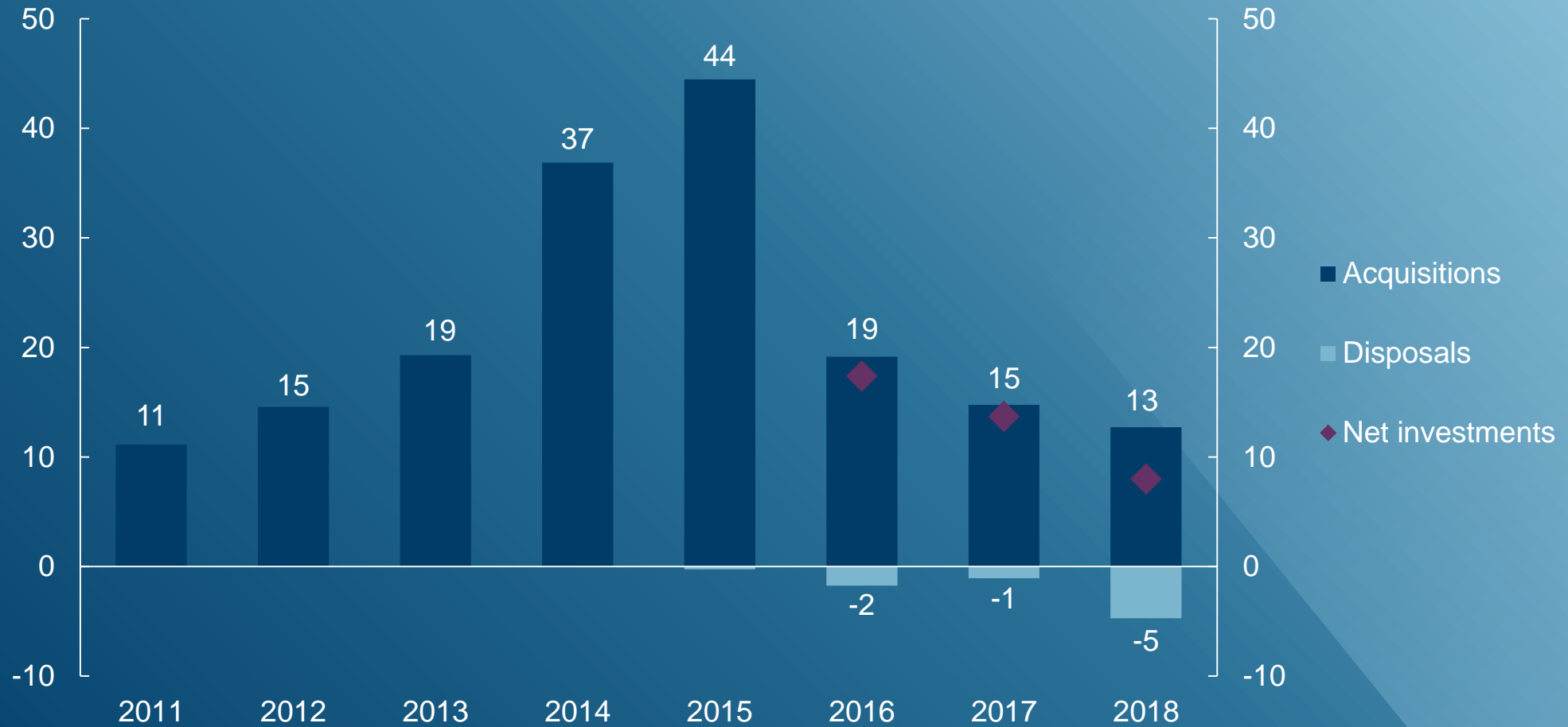
# Change in market value

Chart 8. Billions of kroner



# Annual real estate investments

Chart 9. Billions of kroner

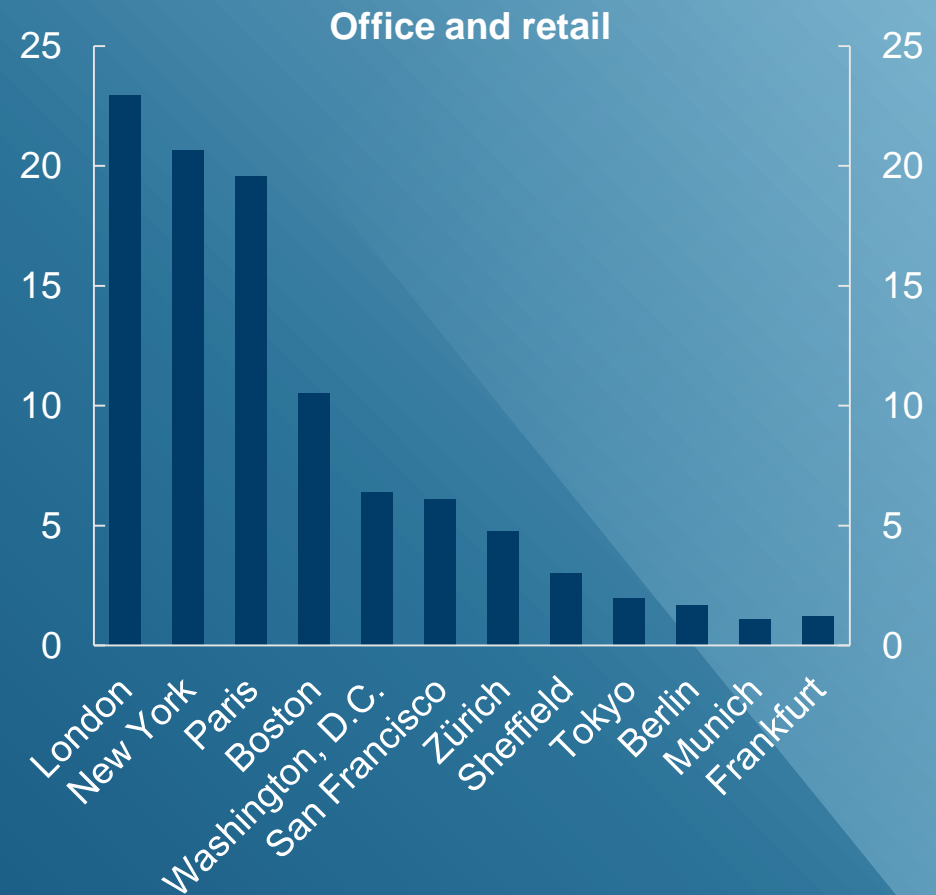


# THE INVESTMENTS



# The real estate portfolio at 31.12.2018

Chart 1 and 2. Percent



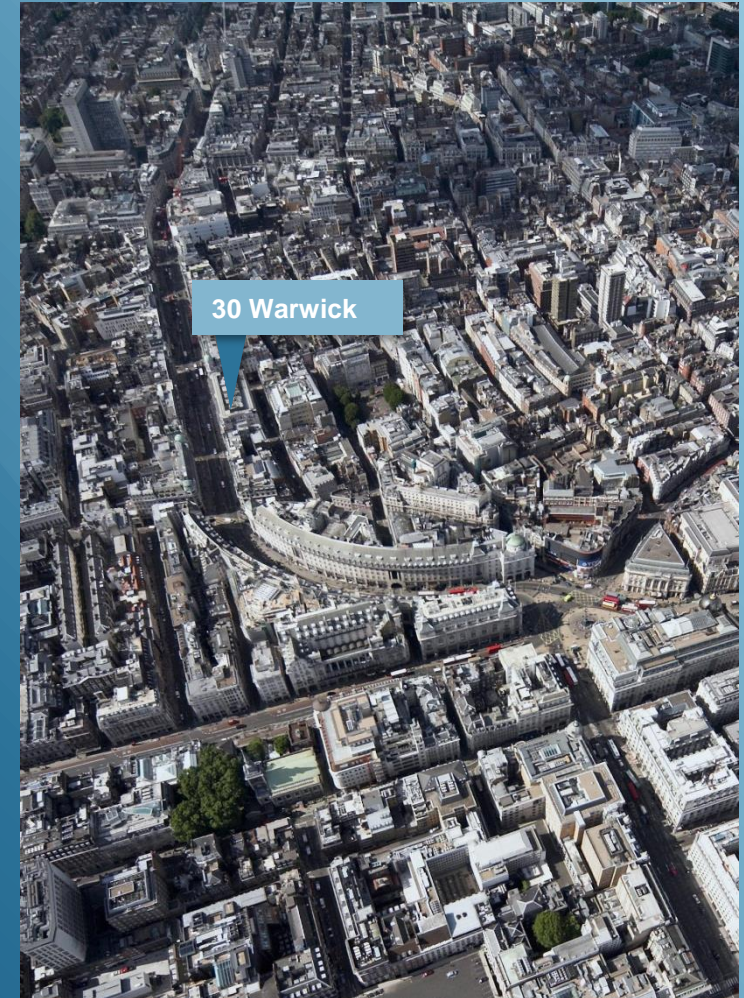
# 2018 Acquisition Europe

## 30 Warwick Street, London

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Sector	Office
Ownership	25%
Invested capital	28.8 million pounds
Area	7,000 sqm

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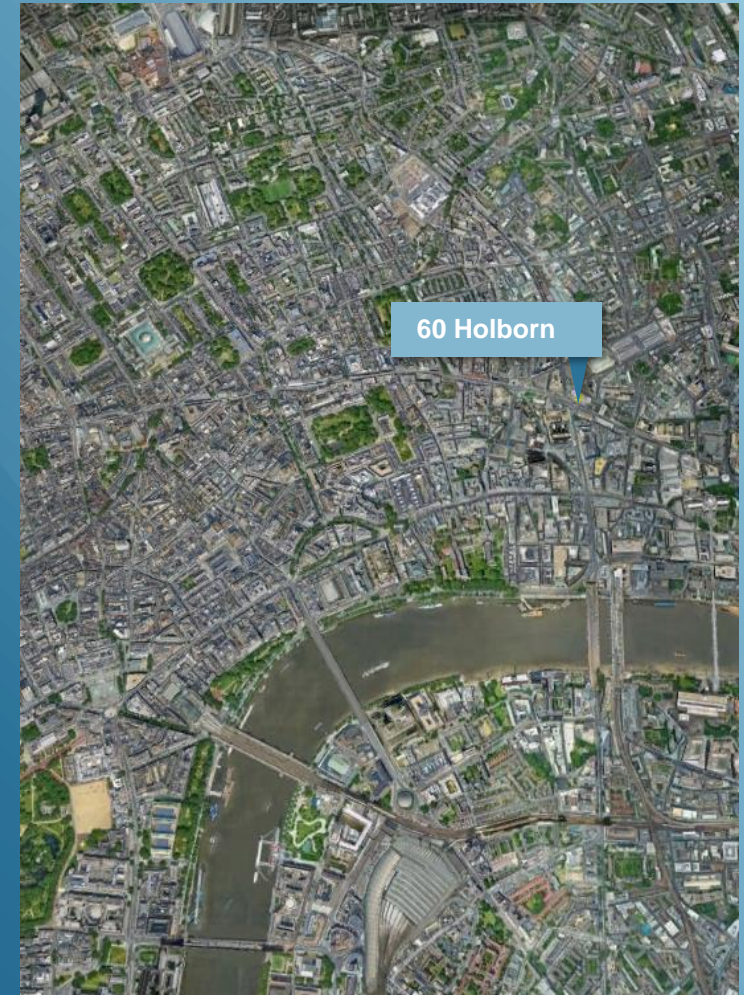
# 2018 Acquisition Europe

## 60 Holborn Viaduct, London

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Sector	Office and retail
Ownership	100%
Invested capital	321.3 million pounds
Area	22,000 sqm

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# 2018 Acquisition Europe

54-56 rue la Boétie, Paris

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Sector	Office
Ownership	100%
Invested capital	415.5 million euro
Area	20,400 sqm

---





# 2018 Acquisition Europe

## 79 Champs Elysées, Paris

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Sector	Office and retail
Ownership	100%
Invested capital	613 million euro
Area	10,300 sqm

---



# Europe

## 2018<sup>1</sup>

### Acquisitions

#### Office and retail

Total deals	4
Total assets	4
Total acquisition price	350.1m GBP 1,028.5m EUR

#### Logistics

Total deals	-
Total assets	-
Total acquisition price	-

### Disposals

#### Office and retail

Total deals	3
Total assets	3
Total disposal price	313.4m EUR

#### Logistics

Total deals	3
Total assets	23
Total disposal price	155.7m EUR

### Office and retail

#### Acquisitions

	Kroner
30 Warwick Street	0.3 billion
60 Holborn Viaduct	3.4 billion
54-56 rue la Boétie	4.0 billion
79 avenue des Champs-Élysées	6.0 billion

#### Disposals

	Kroner
Meudon Campus	1.2 billion
SZ Tower	1.2 billion
31-33 rue de Verdun	0.6 billion



<sup>1</sup>Announced acquisitions and disposals

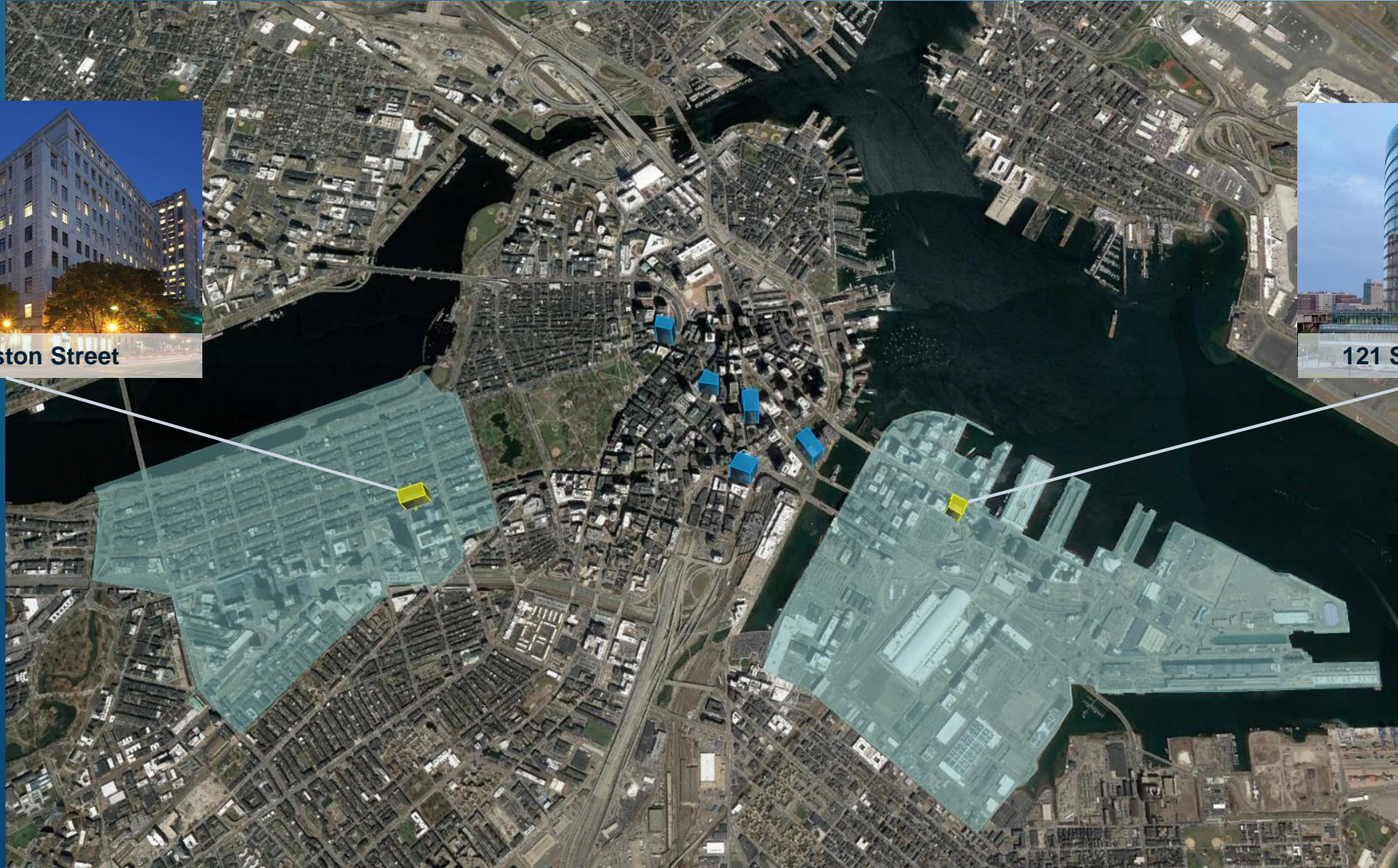


# Boston





# 2018 Acquisitions US: Boston



501 Boylston Street



121 Seaport Blvd





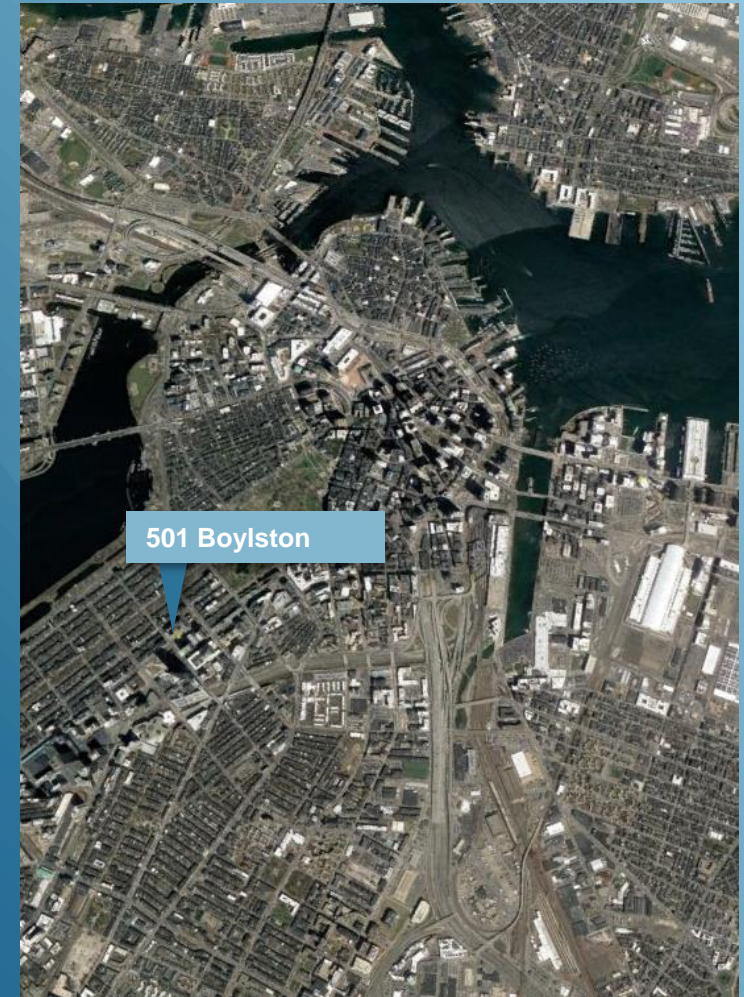
# 2018 Acquisition US

501 Boylston Street, Boston

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Sector	Office and retail
Ownership	49.9%
Invested capital	180.7 million dollars
Area	57,000 sqm

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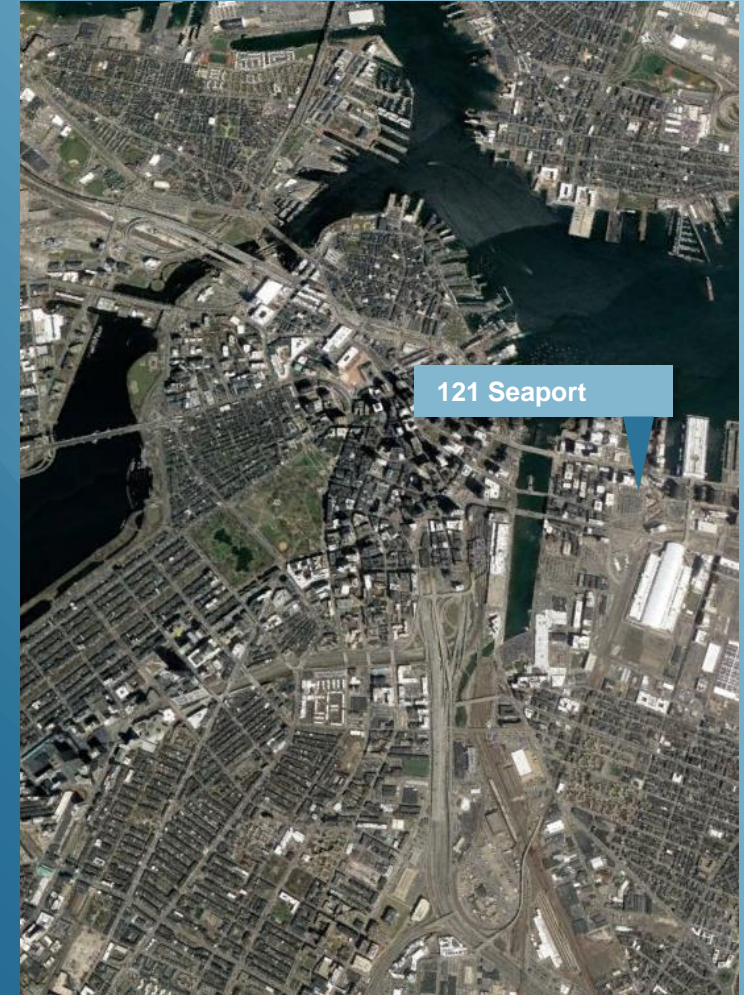
# 2018 Acquisition US

## 121 Seaport Boulevard, Boston

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Sector	Office
Ownership	45%
Invested capital	204.8 million dollars
Area	37,000 sqm

---



# United States

## 2018<sup>1</sup>

### Acquisitions

#### Office and retail

Total deals	2
Total assets	2
Total acquisition price	385.5m USD

#### Logistics

Total deals	4
Total assets	5
Total acquisition price	123.5m USD

### Disposals

#### Office and retail

Total deals	1
Total assets	1
Total disposal price	122.3m USD

#### Logistics

Total deals	3
Total assets	52
Total disposal price	323.7m USD

### Office and retail

#### Acquisitions

#### Kroner

501 Boylston Street	2.5 billion
121 Seaport Boulevard	1.7 billion

#### Disposals

#### Kroner

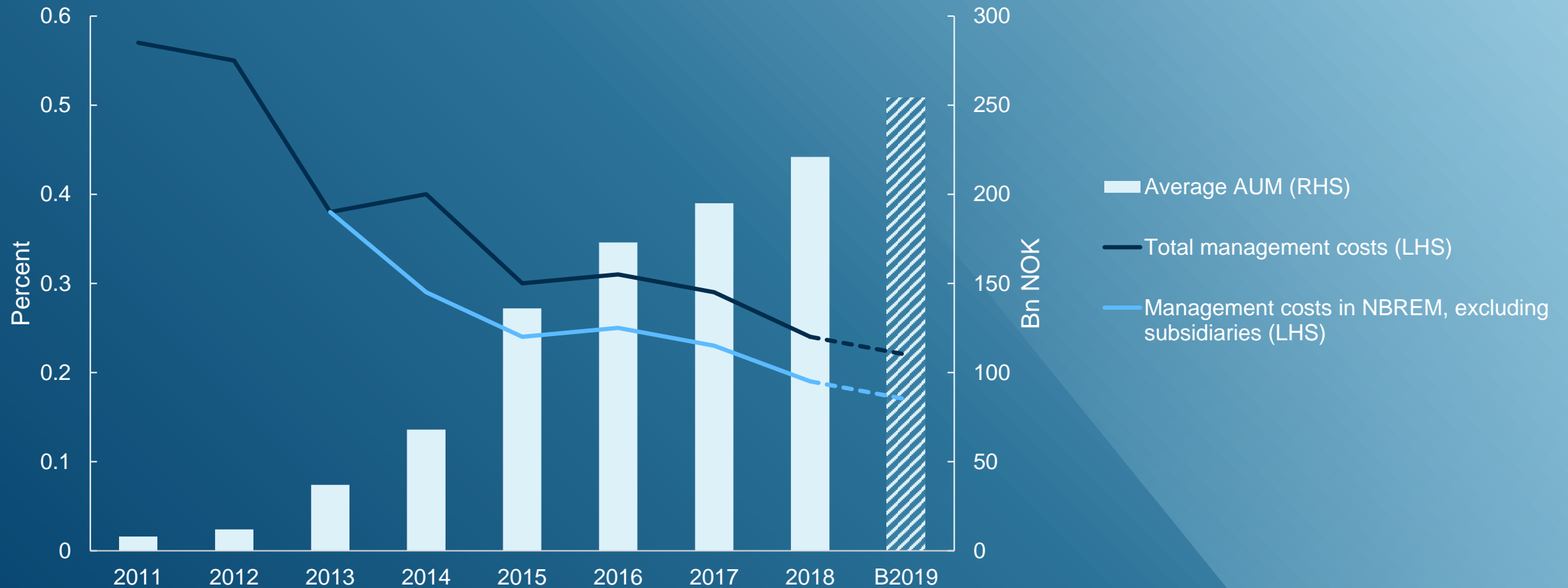
470 Park Ave. South	1.0 billion
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<sup>1</sup>Announced acquisitions and disposals

# Management costs

Costs in Norges Bank Real Estate Management and subsidiaries







**246**

BILLION KRONER  
IN UNLISTED REAL  
ESTATE



**16**

INVESTMENT PARTNERS



**9.3**

BILLION KRONER IN  
NET RENTAL INCOME



**737**

PROPERTIES



**12.7**

BILLION KRONER IN  
NEW INVESTMENTS



**95.3**

OCCUPANCY RATE

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