# Norway’s sovereign wealth fund returns with £1bn West End property spree after six-year pause



Since November 2024, Norway’s sovereign wealth fund, officially known as the Government Pension Fund of Norway and managed by Norges Bank Investment Management (NBIM), has made significant inroads into London’s West End real estate market, ending a six-year hiatus from major new investments in the British capital. These purchases have amounted to nearly £1 billion, marking one of the fund’s most active periods in London since 2018, according to Jayesh Patel, NBIM’s head of UK real estate.

This renewed activity reflects a strategic decision after years of market instability and challenges around pricing. Mr Patel explained that patience and a long-term, financially driven perspective were essential in navigating the complex property landscape. “Sometimes that takes years before there is a potential transaction,” he noted. The Norwegian fund’s commitment to partnering with owners who share a similar long-term outlook has been central to these deals.

Among the key transactions is an increased stake in the Pollen Estate in Mayfair, where NBIM raised its share to 68% by acquiring an additional 10% interest for £81 million, valuing the estate at £794 million. This was followed by a £306 million investment in a joint venture with Grosvenor, the Duke of Westminster’s property company, securing a 25% stake in a diverse Mayfair portfolio valued at around £1.2 billion. Grosvenor continues to control and manage this mix of office, retail, and residential properties, which includes 175 buildings on prime streets such as Mount Street and Grosvenor Street.

Perhaps most headline-grabbing was NBIM’s £570 million acquisition of a 25% stake in Shaftesbury Capital’s Covent Garden portfolio, valued at £2.7 billion. This estate, comprising over 220 buildings around the Piazza, Market Buildings, and Seven Dials, has benefited from a post-pandemic surge in tourism and rising rental rates. Shaftesbury retains 75% ownership and management control, with the capital injection poised to bolster the company’s expansion plans within Covent Garden and Soho. The portfolio generates a healthy £104 million in annual income at a yield of 3.6%, underscoring the strength NBIM sees in the West End’s commercial property sector.

NBIM’s real estate portfolio extends beyond these London landmarks. The fund, one of the world’s largest sovereign wealth funds with assets worth approximately £1.3 trillion as of March 2025, holds nearly 2% of its investments in unlisted real estate globally. About half of these real estate investments are in the US, with the UK accounting for a fifth. The fund has diversified within the UK by adding logistics facilities, a life sciences development in Cambridge, and full ownership of Sheffield’s Meadowhall shopping centre, acquired last summer after purchasing the remaining 50% stake from British Land for £360 million and assuming its £426 million debt. Despite the decline in valuation of Meadowhall to £720 million from £1.5 billion in 2012, Patel remains cautious but optimistic about retail and office sectors, emphasising a selective approach focused on properties with lasting fundamentals.

London continues to be a primary focus given its unique ability to attract both human and financial capital, as well as the scale of opportunities available. Supporting this focus is the appointment of NBIM’s new global head of real estate, Alex Knapp, who has relocated from New York to London, signifying the city’s centrality to the fund’s long-term strategy.

While government policies aimed at easing investment processes are considered, Patel emphasized that investment decisions hinge primarily on specific opportunities rather than broader foreign direct investment initiatives. The Norwegian fund’s approach reflects a cautious yet committed re-engagement with London’s prime property market, signalling confidence in the city’s resilience and growth prospects amid evolving economic conditions.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2), [[2]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2)
* Paragraph 2 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2)
* Paragraph 3 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2), [[5]](https://www.ft.com/content/9d949778-2d8d-4df2-a90f-243cc2d8d834), [[6]](https://www.reuters.com/markets/europe/norway-sovereign-wealth-fund-buys-25-stake-london-property-2025-01-22/)
* Paragraph 4 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2), [[3]](https://www.ft.com/content/a36a2c28-0b05-4d8c-925e-33d25ec65091), [[4]](https://www.theguardian.com/business/2025/mar/20/norway-sovereign-wealth-fund-buys-london-covent-garden), [[7]](https://www.standard.co.uk/business/shaftesbury-covent-garden-norge-west-end-sovereign-wealth-fund-b1217782.html)
* Paragraph 5 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2), [[2]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2)
* Paragraph 6 – [[1]](https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2)

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## Bibliography

1. <https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2> - Please view link - unable to able to access data
2. <https://www.fdiintelligence.com/content/194196e0-d2da-4a9b-910f-1dd51557ebb2> - In June 2025, fDi Intelligence reported that Norway's sovereign wealth fund, the Government Pension Fund of Norway, has invested nearly £1 billion in mixed-use properties in London's West End since November 2024, ending a six-year hiatus on new deals in the British capital. Jayesh Patel, head of UK real estate at Norges Bank Investment Management (NBIM), which manages the fund, noted challenges with pricing and market offerings during this period. The investments include increasing NBIM's stake in the Pollen Estate, Mayfair, to 68% by acquiring a 10% interest for £81 million, valuing the estate at £794 million. Additionally, NBIM invested £306 million into a joint venture with Grosvenor, acquiring a 25% interest in a £1.2 billion Mayfair portfolio, and £570 million to purchase a 25% stake in Shaftesbury's Covent Garden portfolio. Patel emphasized the importance of patience and long-term financial perspectives in these transactions. The Norwegian fund, valued at NKr18,524 billion (£1.3 trillion) as of March 31, 2025, has diversified its unlisted real estate investments, with 50% in the US, 20.1% in the UK, 14.8% in France, and smaller allocations in Germany, Switzerland, and Japan. The fund has also invested in logistics, a Cambridge life sciences development, and Sheffield's Meadowhall shopping centre, with potential future investments in life sciences and student housing considered.
3. <https://www.ft.com/content/a36a2c28-0b05-4d8c-925e-33d25ec65091> - In March 2025, the Financial Times reported that Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM), acquired a 25% stake in London's Covent Garden estate from Shaftesbury Capital for £570 million, valuing the portfolio at £2.7 billion. This investment underscores NBIM's confidence in London's resilience and potential. The deal brings NBIM's investment in London to over £875 million, marking its first significant acquisitions in the city since 2018. The fund also holds stakes in other prominent London estates, including Regent Street and investments outside the capital, such as Meadowhall shopping centre in Sheffield. The recent deal reflects an optimistic outlook on the commercial property sector, with Shaftesbury's properties benefiting from a surge in tourism and rising rental rates, thus increasing their value. Shaftesbury plans to utilize the proceeds from the deal to manage debt, improve current properties, and expand its West End holdings.
4. <https://www.theguardian.com/business/2025/mar/20/norway-sovereign-wealth-fund-buys-london-covent-garden> - In March 2025, The Guardian reported that Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM), acquired a 25% stake in London's Covent Garden estate from Shaftesbury Capital for £570 million, valuing the portfolio at £2.7 billion. The estate includes more than 220 shops at the heart of London's West End, which have benefited from a rebound in tourism since the pandemic. The deal comes just two months after NBIM acquired a £306 million stake in London's Mayfair district from the Duke of Westminster's property company, Grosvenor, and brings the Norwegian fund's investment in the capital city to £875 million. The fund is also a shareholder in Shaftesbury, holding a 25% stake in the company. Outside London, Norges became sole owner of the Meadowhall shopping centre in Sheffield last year, after striking a £360 million deal with British Land.
5. <https://www.ft.com/content/9d949778-2d8d-4df2-a90f-243cc2d8d834> - In January 2025, the Financial Times reported that Grosvenor, the Duke of Westminster's property company, sold a £306 million stake in its historic Mayfair estate to Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM). The fund acquired a 25% stake in a new joint venture valued at approximately £1.2 billion, which includes 175 buildings in prime London locations such as Mount Street and Grosvenor Street. Grosvenor will maintain control and management of the portfolio. This deal marks the largest sale to external investors in the Mayfair estate and represents the first significant London investment by the Norwegian fund since 2018. The proceeds will be reinvested into Grosvenor's UK residential development lending business and help fund its £1.3 billion 10-year development pipeline. The joint venture consists of a diversified mix of office, retail, and residential spaces.
6. <https://www.reuters.com/markets/europe/norway-sovereign-wealth-fund-buys-25-stake-london-property-2025-01-22/> - In January 2025, Reuters reported that Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM), acquired a 25% stake in a property portfolio located in London's Mayfair district for £305.7 million ($376.53 million). The 2.3 million square feet portfolio primarily consists of office and retail assets around Grosvenor Street and Mount Street. Grosvenor, the real estate group which sold the stake, retains a 75% interest and will continue to manage the properties. The entire property portfolio is valued at £1.223 billion. This investment marks NBIM's continued expansion into London's prime real estate market, following its previous investments in Regent Street and other West End properties.
7. <https://www.standard.co.uk/business/shaftesbury-covent-garden-norge-west-end-sovereign-wealth-fund-b1217782.html> - In March 2025, the Evening Standard reported that Shaftesbury Capital sold a 25% share in its Covent Garden estate to Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM), for £570 million. The estate includes 220 buildings over 1.4 million square feet in and around the Piazza and Market Buildings, as well as at nearby Seven Dials. Shaftesbury Capital will retain 75% ownership and management control over the estate. The funds will give Shaftesbury a significant capital boost for acquiring further properties in the Covent Garden area as well as in Soho. The Covent Garden portfolio generates annual income of £104 million on a yield of 3.6%. This deal underscores NBIM's confidence in London's real estate market and its long-term investment strategy.