# Norway’s sovereign wealth fund resumes nearly £1 billion London property spree after six-year break



Since November 2024, Norway’s Government Pension Fund, the country’s sovereign wealth fund, has ended its six-year pause on new property acquisitions in London’s prime West End, investing nearly £1 billion in mixed-use real estate. This strategic move marks a cautious return to the capital’s highly competitive market amid ongoing global economic uncertainties. Jayesh Patel, head of UK real estate at Norges Bank Investment Management (NBIM), the arm managing the fund’s assets, explains that the fund had previously grappled with valuation challenges and market offerings in an unstable environment, which delayed its re-entry.

Some of the fund's most significant recent investments include increasing its ownership in the Pollen Estate, Mayfair, to 68% through a £81 million acquisition, which values the estate at £794 million. Following this, the fund entered a £306 million joint venture with Grosvenor to secure a 25% stake in a £1.2 billion Mayfair portfolio. The largest of its recent deals is a £570 million investment for a 25% interest in Shaftesbury’s Covent Garden asset portfolio. Patel emphasises that NBIM prioritises relationships with property owners who share its long-term, financially disciplined outlook, noting that such transactions often take years to materialise. “We are hopefully considered a stable partner,” Patel said, underscoring the fund’s patient investment philosophy.

The Government Pension Fund is one of the world’s largest sovereign wealth funds, with assets totalling approximately £1.3 trillion as of March 2024. Real estate makes up a modest portion of its portfolio, with unlisted real estate investments capped at 7%. Currently, NBIM holds a diversified real estate portfolio distributed mainly across the US (50%), the UK (20.1%), and parts of Europe and Asia including France, Germany, Switzerland, and Japan. The fund has a history of investing in various sectors, including logistics, life sciences, student housing, and retail. For example, last summer the fund acquired full ownership of the Meadowhall shopping centre in Sheffield by purchasing the remaining 50% stake from British Land for £360 million and assuming its £426 million debt, despite the asset’s diminished valuation from £1.5 billion in 2012 to £720 million. Patel remains optimistic about retail and office sectors, stressing the need for selectivity focused on assets with sustainable fundamentals rather than writing off entire segments.

London remains a critical focal point for NBIM due to its ability to attract both human and financial capital, alongside the scale of investment opportunities available. The fund has recently appointed Alex Knapp, previously with Hines, as its new global head of real estate, and he will be based in London to deepen the fund’s engagement with the market. While government policies and investment climates are taken into account, Patel emphasises that NBIM’s investment decisions are primarily driven by specific market opportunities rather than broader government initiatives aimed at attracting foreign direct investment.

This renewed activity by Norway’s sovereign wealth fund signals a vote of confidence in London’s property market at a time when many investors remain cautious. The fund’s strategic approach balances a long-term view with prudence in asset selection, reflecting its broader mandate to safeguard Norwegian wealth for future generations by investing across varied and stable sectors globally.

### 📌 Reference Map:

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