

FIGURES | DENMARK MULTIFAMILY | H1 2023

Re-entry of capital dependant on market stabilisation

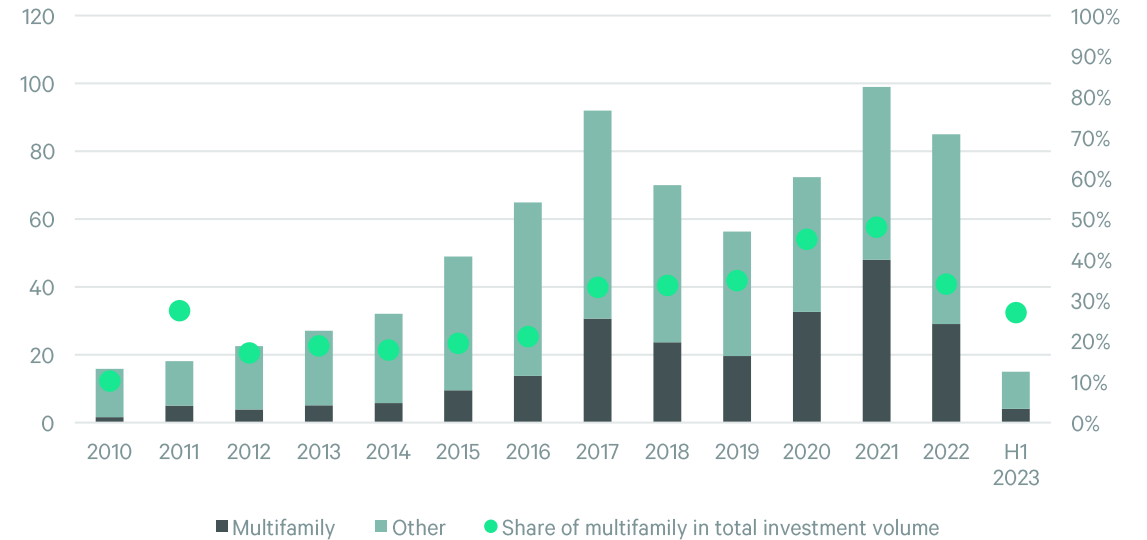
MULTIFAMILY INVESTMENT MARKET KEY FIGURES H1 2023



Note: Arrows indicate change y-o-y, except for prime yield (q-o-q); * estimate

- Investors’ interest in Danish MFH has contracted in H1 2023, resulting in total investment activity in this segment landing more than 80% below the result recorded in H1 2022. This is in line with the situation in Europe, where, on a regional level, residential investment volumes recorded a 61% contraction YoY for the Trailing Twelve Months (Q3 2022 to Q2 2023).
- Prime Yield is expected to move further out during Q3 2023 by at least 5bps. On back of this, further shift in pricing and investment volumes could be expected in the short term. As one or two more interest rate increases are expected for the Eurozone, the timing of financial markets stabilisation will be the determining factor for re-entry of capital.
- Increased construction costs and financing expenses continue to create less favourable conditions for new construction projects. As a result, construction activity has decreased, impacting thus the supply of residential units.

INVESTMENT VOLUME (DKK billion)



Source: CBRE Research

The largest transaction was Round Hill Capital Netherlands B.V. acquisition of portfolio from Pareto Securities. Properties total 13,000 sq m and are located in Tilst, a suburb of Aarhus. CBRE acted as a by-side advisor.

Other large transactions include PKA's investment in Herning+ project; ECE Group's acquisition of 111 residential units located in Njalsgade, Copenhagen S; and Sampension's investment into residential project Amalieparken in Vallensbæk, with 65 units to be delivered in 2024.

The prime net yield moved by 50 bps in Q4 2022, 20 bps in Q1 2023., and then a further 10 bps to 3.80% during the last quarter, Q2 2023.

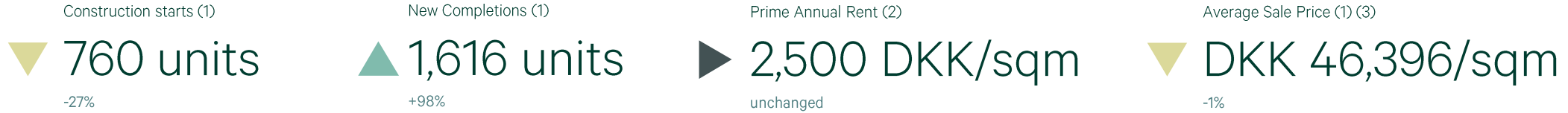
Higher borrowing costs and recent failures/stress in banking systems have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets. This may impact further with price and yield softening over the short-to-medium term.

SELECTED DEALS DURING H1 2023

PROPERTY/PORTFOLIO	CITY/REGION	BUYER	SELLER
Portfolio	Tilst/Jutland	Round Hill Capital Netherlands B.V.	Pareto Securities
Herning +	Herning/Jutland	PKA	Nordstern
Njalsgade	Copenhagen S	ECE Group	Bach Gruppen
Amalieparken	Vallensbæk	Sampension	Scandinavian Property Development
Roskildevej 33A-B	Frederiksberg	Viga Real Estate	Citybyg
Dantes Plads 1, Vester Voldgade 92	København K	HL Management A/S	/
Svanevej 6	København NV	Crescendo Invest A/S	Henrik Homilius Holding ApS
Okavangovej 1	Frederikssund	N7 Dalhaven Stenløse ApS	/

DENMARK MULTIFAMILY

COPENHAGEN AND FREDERIKSBERG KEY FIGURES Q2 2023



(1) Q1 2023;
 (2) Rental apartment buildings. No conversion to co-ops;
 (3) Subregion Copenhagen City; Transaction price realized, owner-occupied flat;
 Note: Arrows indicate change q-o-q, except for Construction Starts and New Completions (y-o-y)

Since 2011, two thirds of the newly built housing units in Copenhagen Municipality were MFH rental units. Currently, MFH units represent 30% of the entire residential stock, followed by co-operative housing (29%).

Copenhagen has grown with approx. 140,000 citizens, or approx. 80,000 families during the last 15 year. In the same period, the housing stock has increased by 43,000 units. This disbalance is clearly creating a pressure in the market.

Going forward, Copenhagen population is expected to grow by another 110,000 by 2050. On the back of this growth, Copenhagen Municipality has estimated that there is need for additional 67,000 new housing units.

APARTMENTS UNDER CONSTRUCTION AND COMPLETED



Copenhagen and Frederiksberg; Source: CBRE Research

CONTACTS



DRAGANA
MARINA

HEAD OF RESEARCH
& DATA INTELLIGENCE

dragana.marina@cbre.com



CHRISTIAN
BRO JANSEN

HEAD OF CAPITAL MARKETS

christian.jansen@cbre.com



CHRISTOPHER
BAILEY

HEAD OF VALUATION,
DENMARK AND NORDICS

christopher.bailey@cbre.com

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