

Denmark Real Estate Investment Volumes Q3 2023

Investment into Danish real estate totalled EUR 3bn in Q1-Q3 2023, down 68% compared to the same period of 2022. Investment volumes for Q3 2023 (EUR 0.8bn) decreased by 73% compared to Q3 2022. Although the total investment volume in 2023 is projected to be significantly below 2022, Q4 2023 could surprise on the upside. Several large property and portfolio sales are in active market stage, with projected closing time by year-end. This will provide evidence of a new market equilibrium in the months ahead. Furthermore, with refinancing being imminent for numerous real estate loans, this could potentially create additional investment opportunities.

Tightened financial conditions and challenging capital availability continue to dominate the narrative in the market. Recovery is likely to be uneven, with investors showing more appetite at present for logistics and residential assets. However, pricing would adjust to reflect the higher interest rate environment. Liquidity in the office segment remains limited, with secondary assets proving to be challenging to transact.

Foreign
Capital



Domestic
Capital

-72%

Y-on-Y Change Q3

-61%

Y-on-Y Change TTM

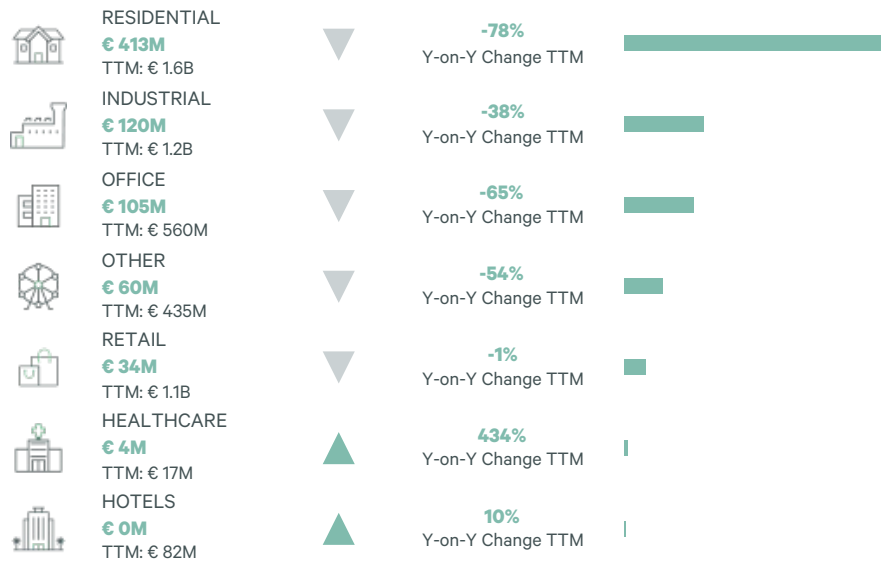
Nr. of Transactions

392

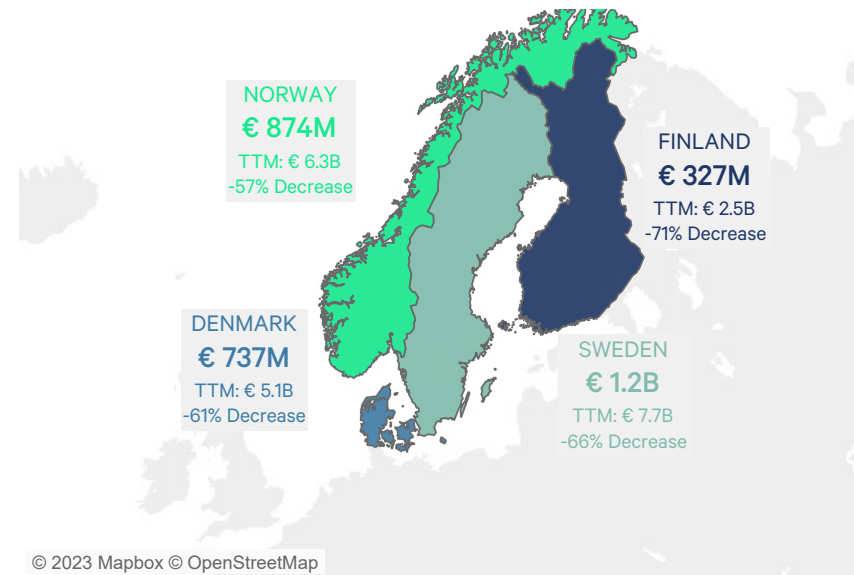
1,321 TTM

Y-on-Y: Year on Year
TTM: Trailing Twelve Months

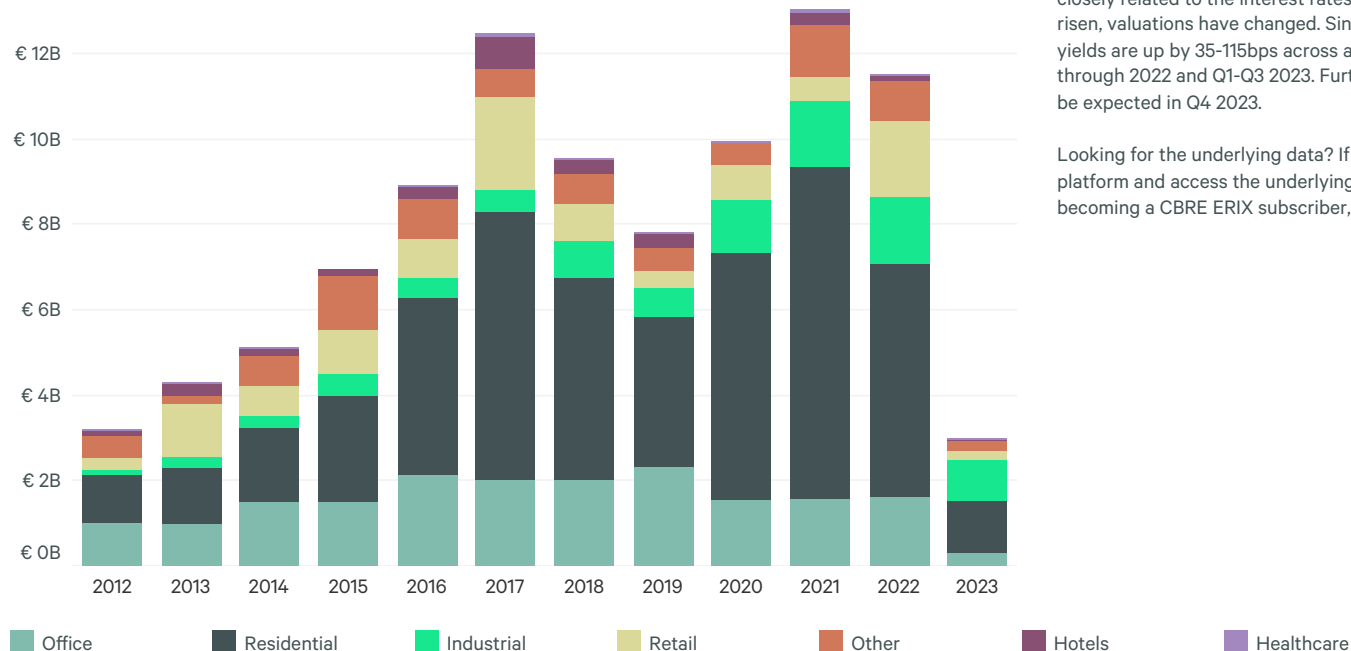
Investment Volumes by Sector (Denmark)



Investment Volumes in Nordics region



Investment Volumes Annual by Sector (Denmark)



Note: 2023 annual numbers account till 9/30/2023

The ongoing yield shift has hit values and returns for investors. As the cost of capital, closely related to the interest rates of central banks and therefore the inflation, have risen, valuations have changed. Since bottoming out in late 2021 and early 2022, prime yields are up by 35-115bps across all property types, translating to a decline in values through 2022 and Q1-Q3 2023. Further expansion of prime yields, though limited, could be expected in Q4 2023.

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