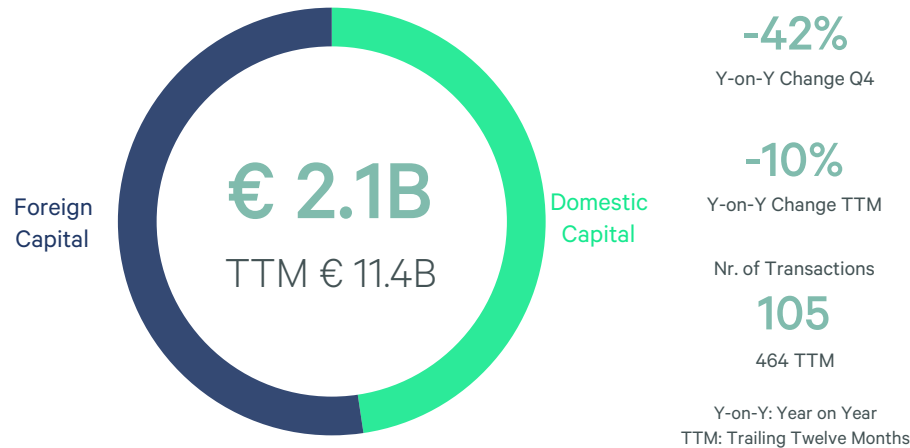


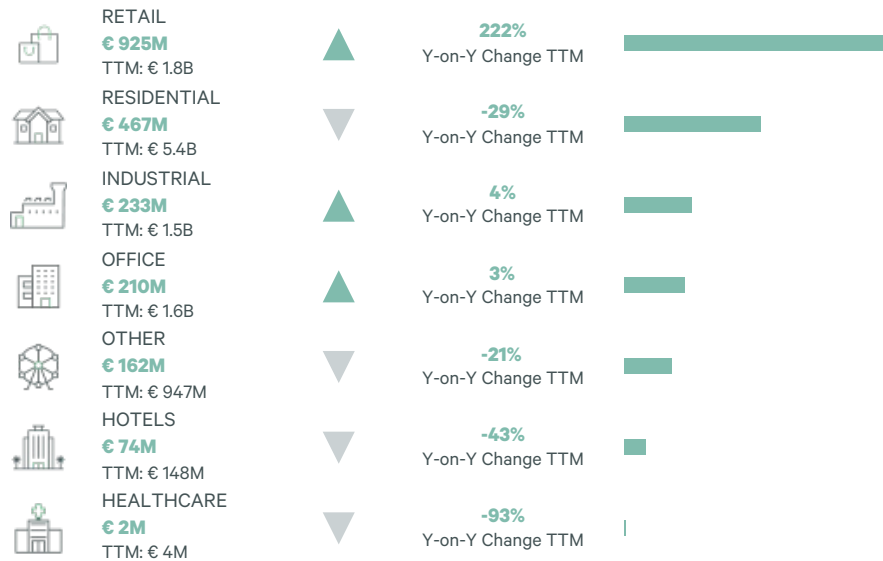
Denmark Real Estate Investment Volumes Q4 2022



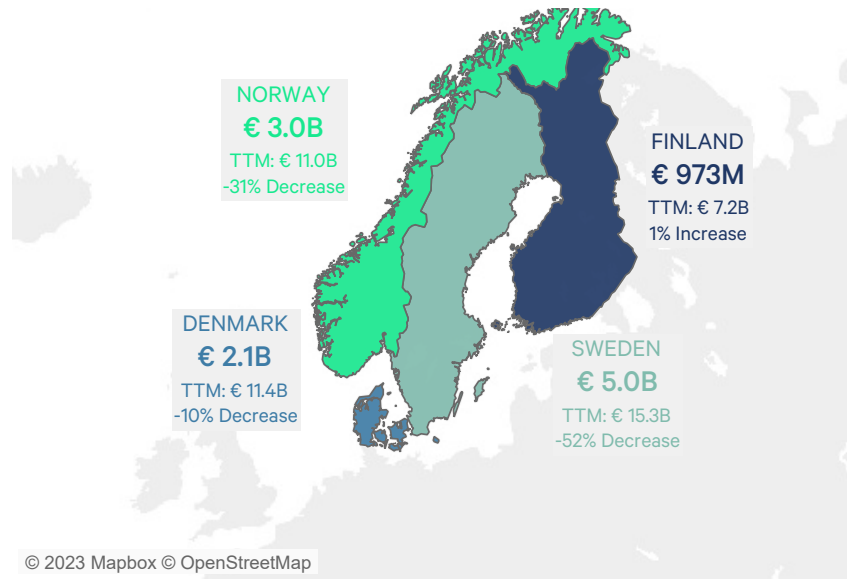
Investment into Danish real estate totalled €11.4bn in 2022, down 10% as a consequence of the slowdown experienced in the final quarter. Investment volumes for Q4 2022 (EUR 2.1bn) decreased by 42% compared to Q4 2021. The decline in 2022 was expected as a result of increased borrowing costs and strong platform activity throughout 2021.

Capital availability continues to be challenging, with lenders expected to become more active as the macroeconomic environment improves and interest rates stabilise. Increasing borrowing costs will be highly relevant for re-financing the existing loans in light of the decline of collateral values and lower LTVs. As financing costs went up, yield widening started in Q2 2022 across all sectors. Repricing of assets is a key issue in the current investment market, presenting both a challenge and an opportunity for investors. Since bottoming out in late 2021 and early 2022, prime yields are up by 50-110 bps across all property types, translating to a decline in values through 2022. Further expansion of prime yields, though limited, could be expected in 2023.

Investment Volumes by Sector (Denmark)

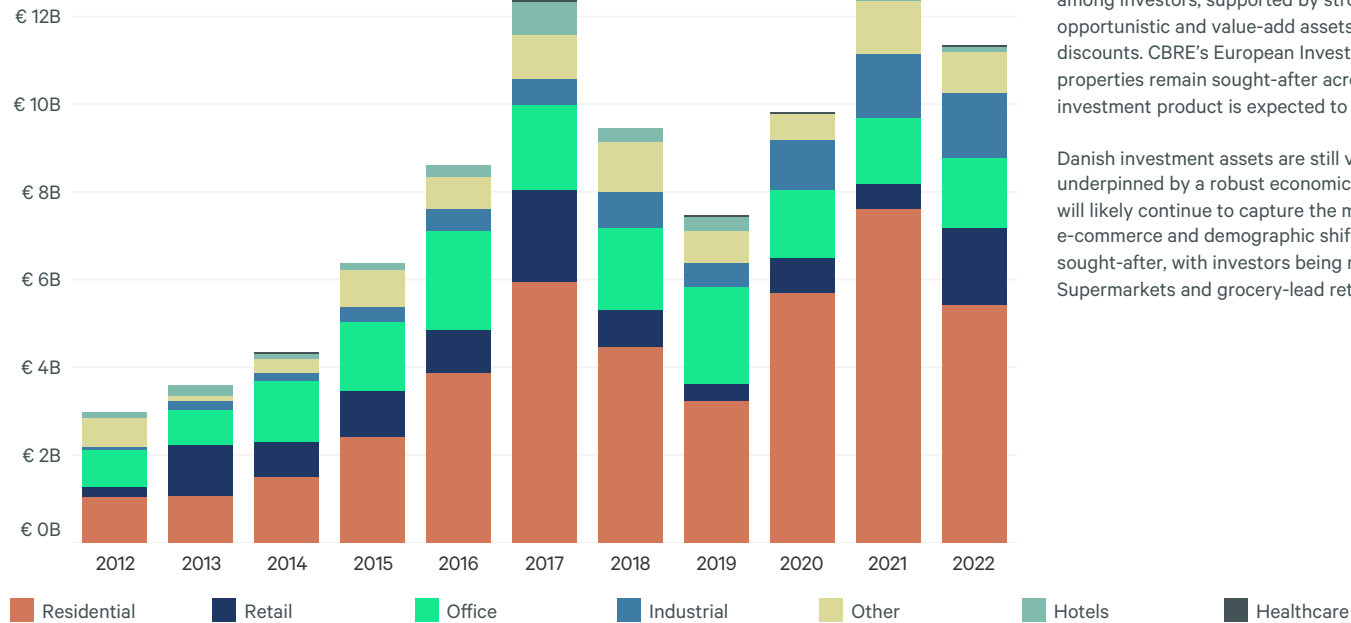


Investment Volumes in Nordics region



Investment Volumes Annual by Sector (Denmark)

2022 annual numbers account till 12/31/2022



Total investment volume in 2023 is projected to be below 2022. However, the second year half could surprise on the upside. Core and core plus strategies will remain popular among investors, supported by strong occupier fundamentals. On the other hand, opportunistic and value-add assets will offer the possibility to capitalise on pricing discounts. CBRE's European Investor Intentions Survey 2023 has shown that distressed properties remain sought-after across Europe. However, the availability of this type of investment product is expected to be limited in Denmark.

Danish investment assets are still viewed very favourably in a European context, underpinned by a robust economic outlook. Industrial/logistics and residential assets will likely continue to capture the most investor interest, given the tailwinds of e-commerce and demographic shifts. On the other hand, offices will continue to be sought-after, with investors being more strategic in selecting opportunities. Supermarkets and grocery-lead retail are also expected to stay in demand.

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