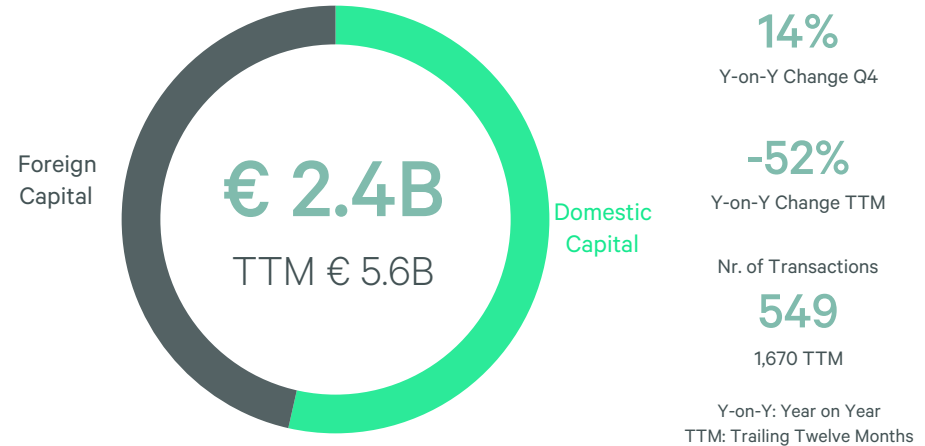


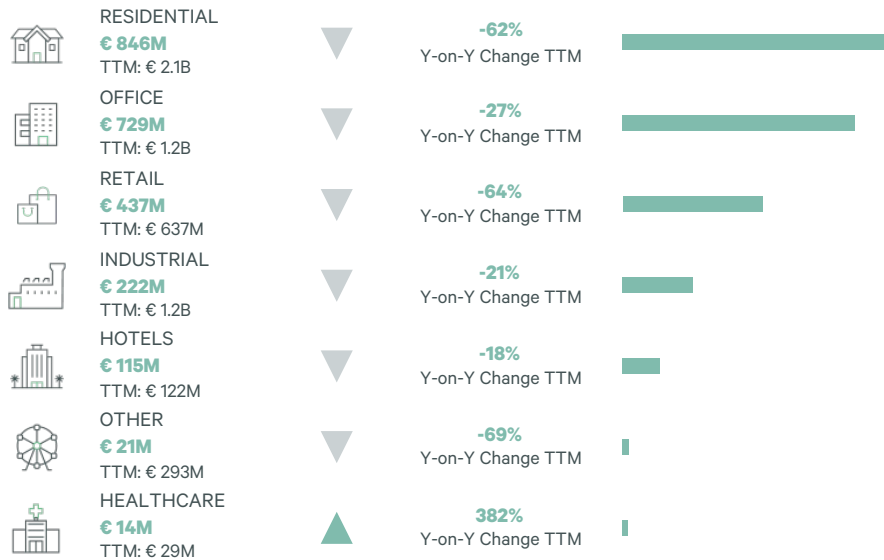
Denmark Real Estate Investment Volumes Q4 2023

Investment into Danish real estate totalled EUR 6bn in 2023, down 47% compared to 2022. Investment volumes for Q4 2023 (EUR 2.4bn) increased by 14% compared to Q4 2022. As interest rates are believed to have peaked in late in 2023, Danish real estate market should see prime capital values bottoming out. However, substantial differences between sectors and geographies are to be expected.

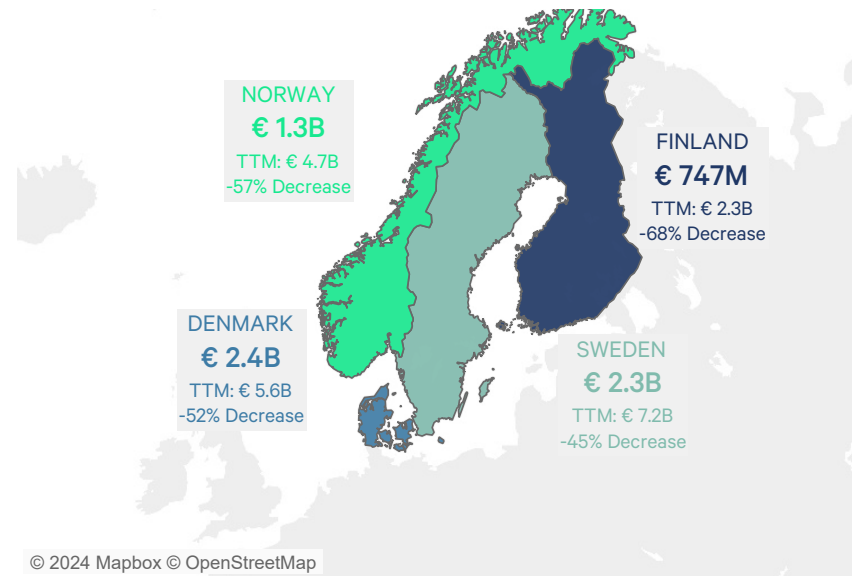
Logistics has seen the quickest repricing but is now also the first sector to see values bottom out. Part of the repricing has been offset by rental growth. The office sector has seen substantial yield shifts, as higher interest rates have softened pricing. The sector is also facing uncertainty arising from changes in occupiers' workplace strategies, and this combination is causing yields to soften further as investors reassess income growth prospects. We expect office yields to reach a peak in 2024. Provided interest rates remain flat or contract, no further yield expansion in multifamily housing is expected.



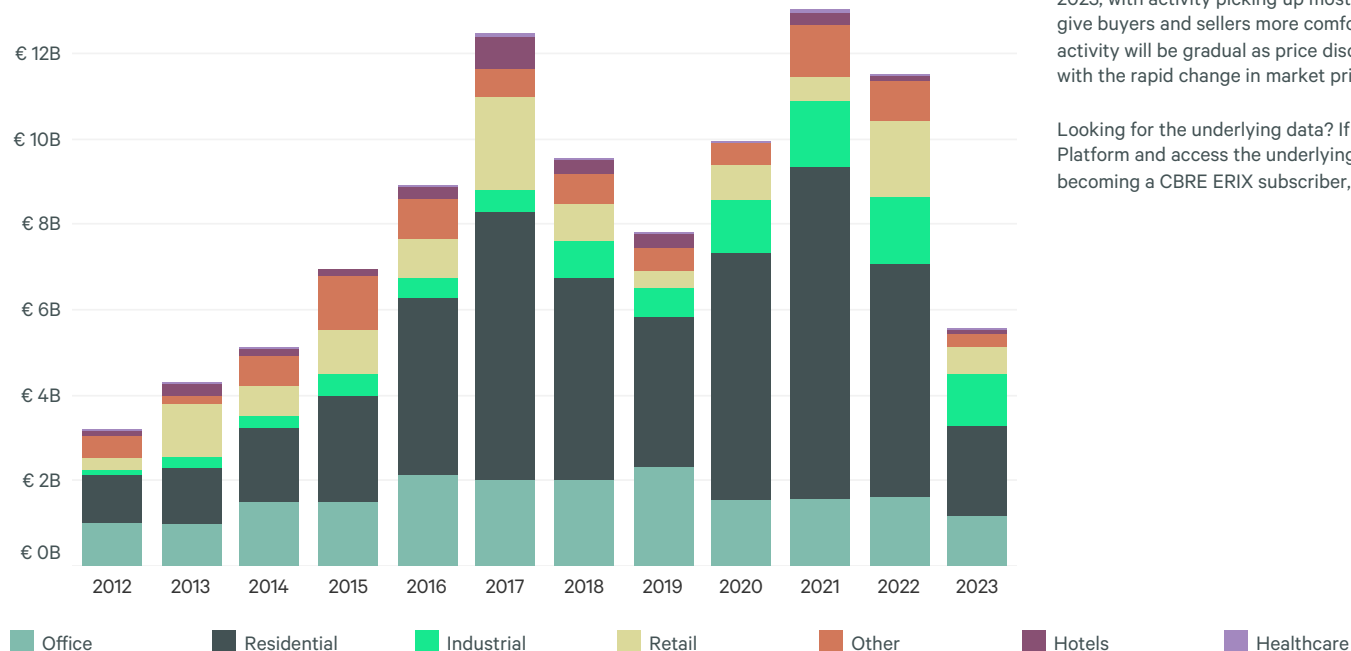
Investment Volumes by Sector (Denmark)



Investment Volumes in Nordics region



Investment Volumes Annual by Sector (Denmark)



Note: 2023 annual numbers account till 12/31/2023

We expect to see an increase in investment volume of around 10% in 2024 compared to 2023, with activity picking up mostly in the second half of the year. Stabilising values will give buyers and sellers more comfort around new price levels. That said, growth in deal activity will be gradual as price discovery continues. Meanwhile valuations will catch up with the rapid change in market pricing which will further reduce the bid-ask spread.

Looking for the underlying data? If you are an active subscriber, log into the CBRE ERIX Platform and access the underlying CBRE proprietary data. For more information on becoming a CBRE ERIX subscriber, please contact us.

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