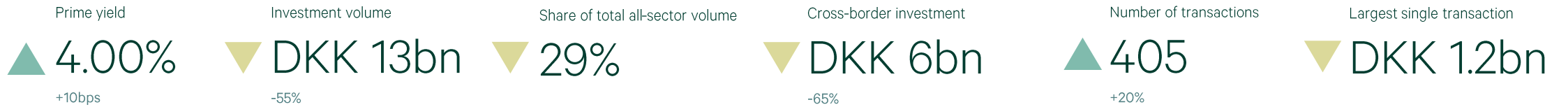


FIGURES | DENMARK MULTIFAMILY | Q4 2023

# Transaction levels well below the long-term average

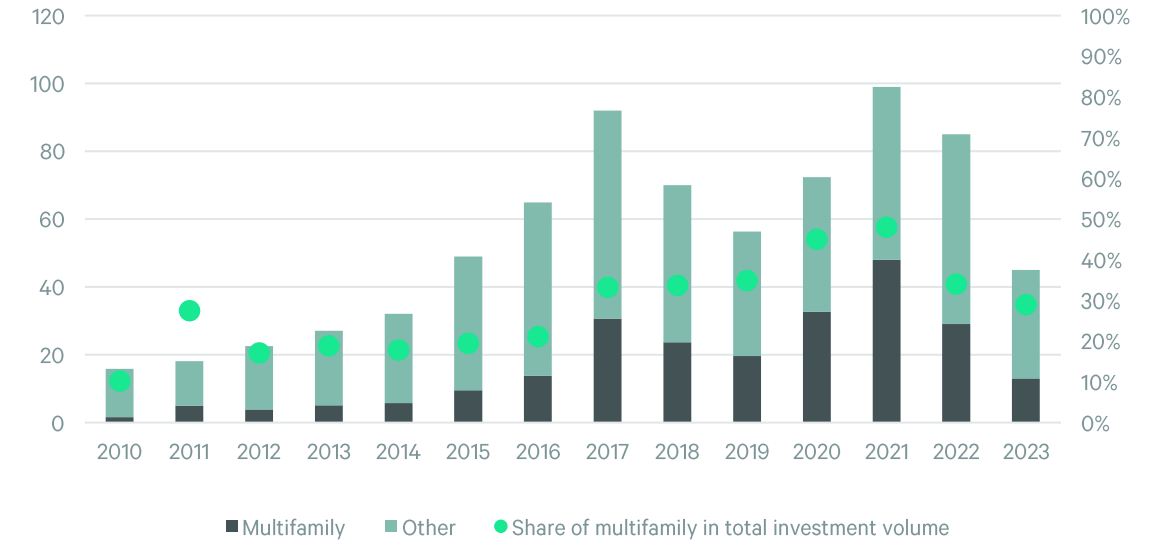
MULTIFAMILY INVESTMENT MARKET KEY FIGURES Q1-Q4 2023



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

- Investors’ interest in Danish MFH has contracted in Q1-Q4 2023, resulting in total investment activity in this segment landing more than 50% below the result recorded in Q1-Q4 2022. This is in line with the situation in Europe, where, on a regional level, residential investment volumes recorded a 46% contraction YoY for the Trailing Twelve Months (Q1-Q4 2023).
- Cross-border investment remains limited. This relates, in particular, to allocations from Swedish Listed Property Companies but also Asset Managers and Investment Funds from Germany, UK and the Netherlands.
- Recent end of year deal flow suggests that the respective price positions of buyers and sellers are more closely aligned than earlier in the year, with the yield outlook in the near future being stable. Although bid spreads have narrowed, the gap still indicates some potential volatility around pricing stabilisation, so it remains to be seen whether in this cycle we are at a yield peak.

INVESTMENT VOLUME (DKK billion)



Source: CBRE Research

The largest transaction was Capman’s investment in newly built residential property Køhlers Have, in South Harbour area. This project comprises 384 residential units and is DGNB certified.

Other large transactions include Quantum Immobilien KVG first acquisition in Denmark – comprising 196 residential units in the Carlsberg City District, Copenhagen. The project will be completed in H1 2025 and will consist of more than 20,000 sq m.

De Forenede Ejendomsselskaber A/S sold their newly developed project Kobbelvænget (361 units) to DWS Alternatives GmbH. Round Hill Capital Netherlands B.V. acquired a portfolio from Pareto Securities. Properties total 13,000 sq m and are located in Tilst, a suburb of Aarhus. CBRE acted as a buy-side advisor.

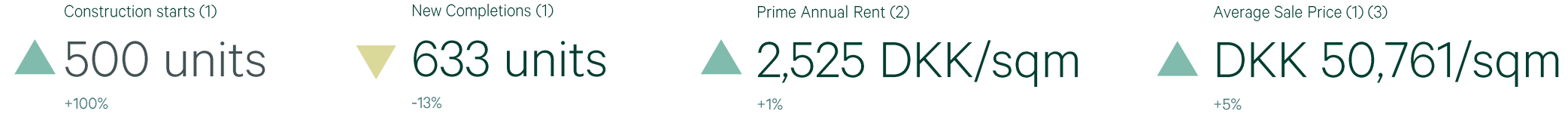
PKA invested in Herning+ project; and Sampension invested into residential project Amalieparken in Vallensbæk, with 65 units to be delivered in 2024.

## SELECTED DEALS DURING Q1-Q4 2023

PROPERTY/PORTFOLIO	CITY/REGION	BUYER	SELLER
Køhlers Have	Copenhagen SV	Capman	NREP
Beckmanns Tårn, Vilhelm Hus	Copenhagen V	Quantum Immobilien KVG	Carlsberg Byen
Kobbelvænget	Brønshøj	DWS Alternatives GmbH	De Forenede Ejendomsselskaber A/S
Portfolio	Copenhagen S	Caisse des Dépôts	Bellakvarter A/S
Portfolio	Tilst/Jutland	Round Hill Capital Netherlands B.V.	Pareto Securities
Herning +	Herning/Jutland	PKA	Nordstern
Amalieparken	Vallensbæk	Sampension	Scandinavian Property Development

DENMARK MULTIFAMILY

COPENHAGEN AND FREDERIKSBERG KEY FIGURES Q4 2023



(1) Q3 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)

The improved outlook and more stable interest rate environment is already resulting in falling mortgage rates. The available financing has also improved, with falling mortgage rates translating into higher loan-to-income ratio. However, the cost of living will remain elevated in the short term, as higher mortgage rates reduce the affordability of home ownership, and limited new rental supply forces rents upwards. Despite mounting regulatory risk, an increase in market rents is expected to support solid income growth in 2024.

Limited new supply will be one of the key theme for the multifamily sector in Copenhagen in 2024. On top of forecasted shortage of housing, the development pipeline is expected to shrink further due to a lack of development funding, high construction costs, lengthy planning procedures and uncertainty around exit values. This will exacerbate the supply-demand imbalance leading to more pressure on affordability.

APARTMENTS UNDER CONSTRUCTION AND COMPLETED



Copenhagen and Frederiksberg; Source: CBRE Research

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