

FIGURES | DENMARK MULTIFAMILY | Q3 2021

# The MFH sector drove investment volume growth

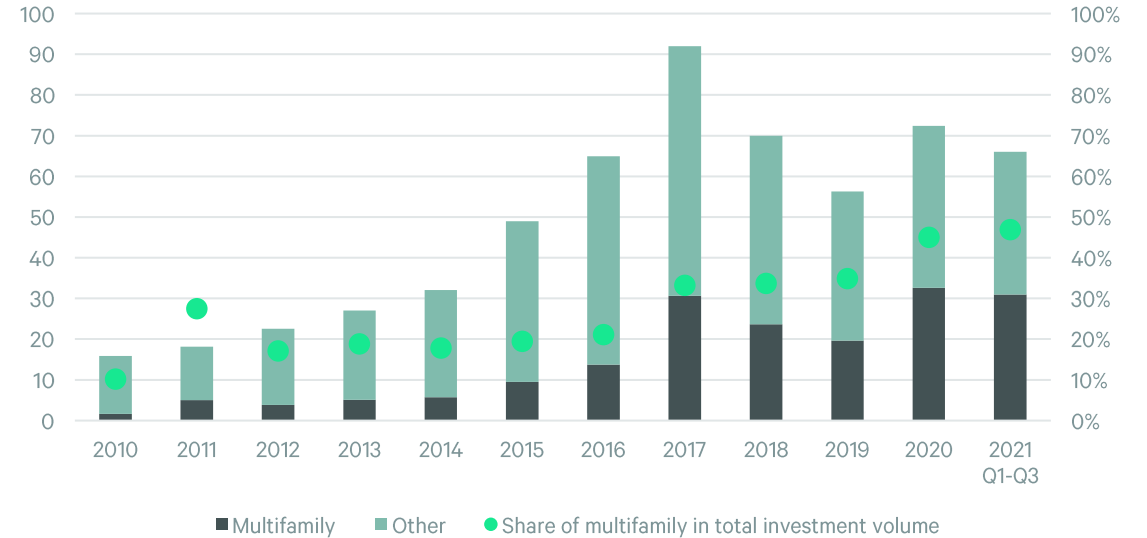
MULTIFAMILY INVESTMENT MARKET KEY FIGURES Q1-Q3 2021



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

- The economic reopening has restored investor confidence and returned Danish investment volume to its pre-COVID trend.
- Investor interest in the multifamily sector significantly drove investment volume growth in Q3. Multifamily investment volume in first nine months of 2021 grew by 195% over the same period in 2020.
- With investors confident in performance, pricing is expected to remain firm at a minimum. Prime markets can experience increased pricing and compressed yields.
- According to CBRE’s 2021 Global Investor Intentions Survey, EMEA investors ranked multifamily the second most preferred investment asset class for 2021; for 26% of investors, it is the most preferred property type.

INVESTMENT VOLUME (DKK billion)



Source: CBRE Research

Some of the largest transactions were the sale of properties being part of the Nordic portfolio that Heimstaden acquired from Akelius in a EUR 9.1 billion deal; Axer Eiendom's acquisition of MFH portfolio in Jutland; the sale of recently completed MFH buildings in Copenhagen S to Orange Capital Partners and Patrizia Nordics; NIAM's acquisition of the MFH portfolio in Jutland; Patrizia Nordics' sale of Marmorvej 19-49 in Copenhagen's Northern Harbour and NREP's acquisition of MFH project The Residence in Copenhagen.

Due to limited availability of product, some investors are seeking to increase their exposure in the sector through forward funding deals.

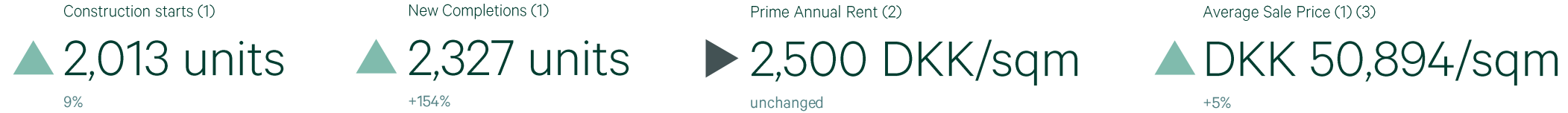
The prime net yield has sharpened on a quarterly basis to 3.00%, being thus 45bps below the prime office yield. One of the main considerations for investors is expected to be around real rental growth prospects.

## SELECTED DEALS DURING Q1-Q3 2021

PROPERTY/PORTFOLIO	CITY/REGION	BUYER	SELLER
Part of Nordic portfolio	Copenhagen	Heimstaden AB	Akelius Residential Property AB
Portfolio	Jutland	Heimstaden AB	Selmer Gruppen
Portfolio	Jutland	Axer Eiendom	Lipa Holding
Bellakvarter – 2 projects	Copenhagen	Orange Capital Partners	Sampension/ Akademikerpension
Portfolio	Jutland	NIAM	Birch Ejendomme
Bellakvarter – 2 projects	Copenhagen	Patrizia Nordics	Sampension/ Akademikerpension
The Residence	Copenhagen	NREP	NRE
Marmorvej 19-49	Copenhagen	CBRE Global Investors	Patrizia Nordics
Postterminalen – residential part (JV)	Copenhagen	Danica Pension	DSB

DENMARK MULTIFAMILY

COPENHAGEN AND FREDERIKSBERG KEY FIGURES Q3 2021



(1) Q2 2021;  
 (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

We expect the competition for prime located development sites or completed assets that are coming on the market to remain strong. Investor intentions indicate that potentially more capital will be allocated to the MFH sector.

While much of the investment growth is happening on the back of strong activity in the multifamily segment, there are limits to the available CRE investment stock. We therefore expect to see a spill over effect, with investors targeting other market segments.

COVID-19 has not slowed down construction activity, with the 2021 pipeline being the strongest year on record.

The recently agreed corporate tax for investment properties, due 2023 – which assesses through an ongoing mark to market principle, rather than disposal value - doesn't appear to have dampened investor's enthusiasm for this sector.

APARTMENTS UNDER CONSTRUCTION AND COMPLETED



Copenhagen and Frederiksberg; Source: CBRE Research

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