



**DENMARK  
MULTIFAMILY MARKET  
Q3 2020**

CBRE RESEARCH  
**NORDICS REAL ESTATE  
MARKET SNAPSHOT**

**CBRE**

# MULTIFAMILY MARKET KEY FIGURES

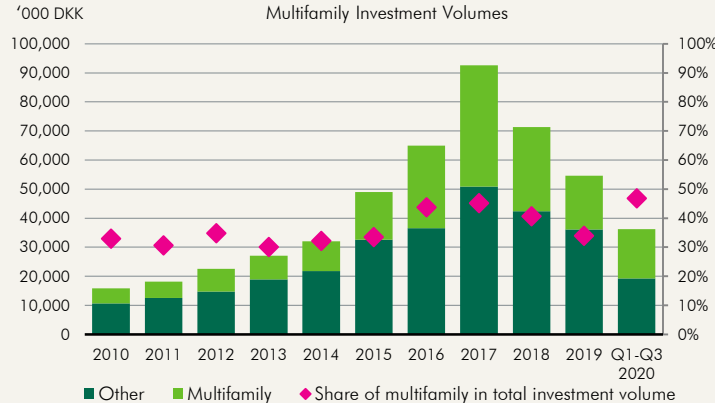
## STRONG MARKET

Transaction volume in the first three quarters of 2020 was supported by acquisitions of core and core plus properties through larger deals. Among the most active players were equity driven investors with insurance and pension fund backgrounds as well as those seeking to diversify their portfolios.

Due to a scarcity of available properties, multifamily investors cannot satisfy their appetite for core income-producing properties, leaving them to seek forward deals and/or funding.

## Investment volume TTM DKK 25bn

Q3 2020 (y-o-y)  
▲▼ 151%  
TTM = trailing twelve months



Cross-border investments  
DKK 12bn



Share of total investment volume  
42%



Number of transactions  
240  
▲▼ 53%



Largest single transaction  
DKK 1.4bn



Prime yield<sup>1</sup>  
3.40%

Source: CBRE Research

## THE INVESTMENT MARKET DURING THE QUARTER

Investment in the Danish multifamily market has traditionally been driven by domestic buyers, but in recent years cross-border activity has picked up strongly. The trend is expected to continue, as some major European fund managers are currently looking for ways to increase their market shares while expanding in different or new market segments. Because of the defensive characteristics of the sector through stable cashflows, the multifamily sector is likely to remain attractive going forward.

The anticipated regulatory changes (the so-called paragraph 5.2) have been adopted. Despite the negative reaction to the changes, clarity over adoption of what the regulations entail has been positive for the market.

### LARGEST DEALS DURING Q1-Q3 2020

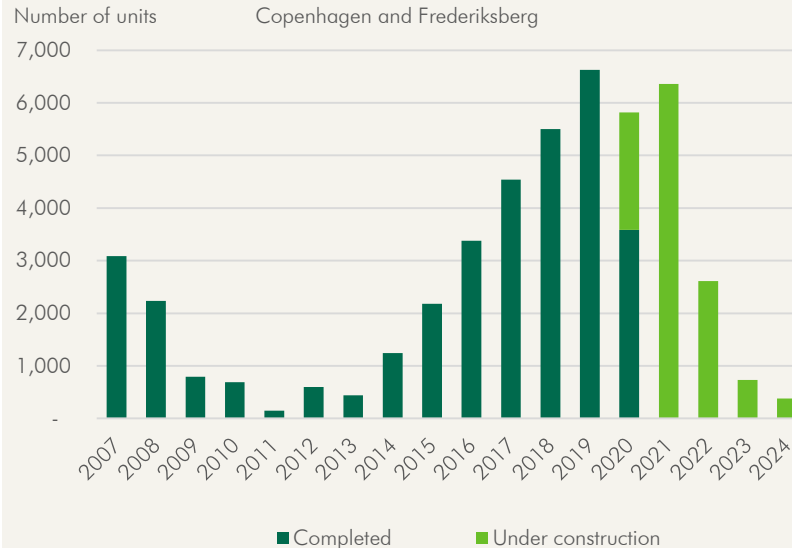
Properties	City	Buyer	Seller
Portfolio	Nation-wide	Axa Investment Managers	SF Management
Søndre Ringvej	Brøndby	Universal-Investment-Luxembourg via Capman	Casa
Amager Strandvej	Copenhagen S	Europa Capital	Gefion Group
Enghaven Risskov	Risskov	Heimstaden AB	Konstruk
Tirsbæk Bakker city houses	Vejle	Niam AB	Omnia Invest A/S
Kirkebjerg area	Brøndby	Tristan Capital Partners/Keystone	Casa
Trikotageparken	Copenhagen Ø	Hines pan-European Core Fund (HECF)	Bonava
PH Park Hørsholm	Hørsholm	Sampension	Calum

# THE COPENHAGEN MULTIFAMILY MARKET

Due to a further increase in urbanisation and a rise in apartment prices, it is expected that young individuals and households will be increasingly opting to rent instead of buying.

The limited growth in the number of newly developed smaller units, combined with the strong growth in the number of one-person households, has resulted in market imbalance. The local government has therefore decided to revise the requirements related to the average size of the newly constructed units, allowing for smaller units to be developed. The demographic projections for Copenhagen are supportive of this trend.

## APARTMENTS UNDER CONSTRUCTION AND COMPLETED



2020 Q2  
Copenhagen and Frederiksberg  
Key Figures  
Y-o-Y Change



Construction Starts

**576 units**

▲▼ -56%



New Completions

**1,318 units**

▲▼ -40%



Prime Annual Rent<sup>1)</sup>

**2,500 DKK/m<sup>2</sup>**

▲▼ +/- 0%



Average Sale Price<sup>2)</sup>

**42,000 DKK/m<sup>2</sup>**

▲▼ +4%

1) Rental apartment buildings, Copenhagen and Frederiksberg. No conversions to co-ops.

2) Subregion Copenhagen City; Transaction price realized, owner-occupied flat.



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