



**DENMARK  
MULTIFAMILY MARKET**

Q4 2020

CBRE RESEARCH

**NORDICS REAL ESTATE  
MARKET SNAPSHOT**

**CBRE**

# MULTIFAMILY MARKET KEY FIGURES

## STRONG MARKET

Multifamily has cemented its position as the largest market segment in 2020, largely on back of the DKK 12bn worth Heimstaden deal. Cross-border investors dominated the segment, being responsible for roughly 60% of the total investment activity. Swedish investors were particularly active, both on the buyer and the seller side.

Investors have been taking different approaches – while some were pursuing strategic investments in portfolios outside their core and capital regions with sociodemographic development potential, others have chosen market entry through project development and forward deals.

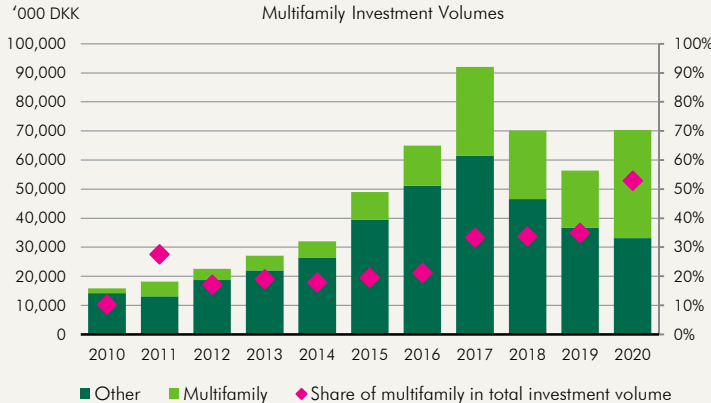
## Investment volume TTM

# DKK 38bn

Q4 2020 (y-o-y)

▲▼ 200%

TTM = trailing twelve months



Cross-border investments

## DKK 23bn



Share of total investment volume

## 54%



Number of transactions

## 230

▲▼ 14%



Largest single transaction

## DKK 12bn



Prime yield<sup>1</sup>

## 3.40%

Source: CBRE Research

## THE INVESTMENT MARKET DURING THE QUARTER

Much of the growth of the Danish transaction volume in 2020 has happened on the back of strong investment activity in multifamily segment. Indeed, we have seen multifamily growing to be the largest property sector in the Nordics for the first time ever. And because of the defensive characteristics of the sector through better long-term returns, stable income streams and counter-cyclical characteristics supported by long term socio-demographic trends, the sector is likely to see continued interest from investors' side.

Going forward, investor appetite for commercial real estate in general is expected to remain strong, supported by the spread on the risk-free rate and low long-term interest rates.

### SELECTED DEALS DURING 2020

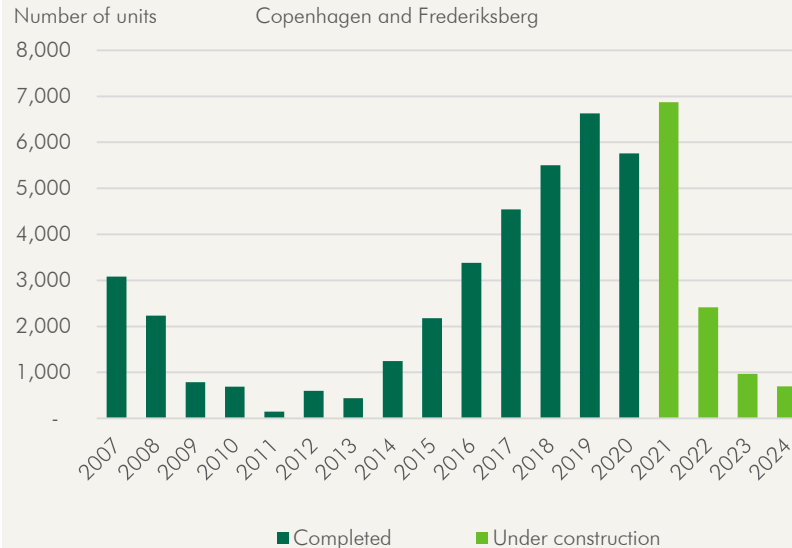
Properties	City	Buyer	Seller
Portfolio	Nation-wide	Heimstaden AB	Niam AB
Portfolio	Nation-wide	Industriens Pension/Velliv	NREP
Portfolio	Jutland	Goldman Sachs/Rubik Properties	Birch Ejendomme
Portfolio	Nation-wide	Axa Investment Managers	SF Management
Søndre Ringvej	Brøndby	Universal-Investment-Luxembourg 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

# THE COPENHAGEN MULTIFAMILY MARKET

Urbanisation seems to have dropped down a gear during 2019 and 2020, since Copenhagen has been experiencing one of the lowest population growth rates since 2008. The decline can largely be attributed to the fact that there are fewer people moving from abroad to Copenhagen.

The latest population projection from Statistics Denmark points to that, not surprisingly, the trend for urbanisation will continue over the next many years. The population is expected to grow by around 20% in Copenhagen towards 2045 (10%, or some 42,000 new inhabitants, if taking only the 25-65 age group into account).

## APARTMENTS UNDER CONSTRUCTION AND COMPLETED



2020 Q3  
Copenhagen and Frederiksberg  
Key Figures  
Y-o-Y Change



Construction Starts

**394 units**

▲▼ -42%



New Completions

**1,537 units**

▲▼ 132%



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

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

▲▼ +/- 0%



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

**43,560 DKK/m<sup>2</sup>**

▲▼ +7%

**DRAGANA  
MARINA**

Head of Research  
CBRE Denmark

+45 35 25 51 42

DRAGANA.MARINA  
@CBRE.COM

**CHRISTIAN  
BRO JANSEN**

Head of Capital  
Markets

CBRE Denmark  
+ 45 31 40 38 63

CHRISTIAN.JANSEN  
@CBRE.COM

**CHRISTOPHER  
BAILEY**

Head of Valuation  
CBRE Denmark

+ 45 28 87 12 39

CHRISTOPHER.BAILEY  
@CBRE.COM

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