

FIGURES | DENMARK MULTIFAMILY | Q4 2021

The MFH sector dominated the investment market

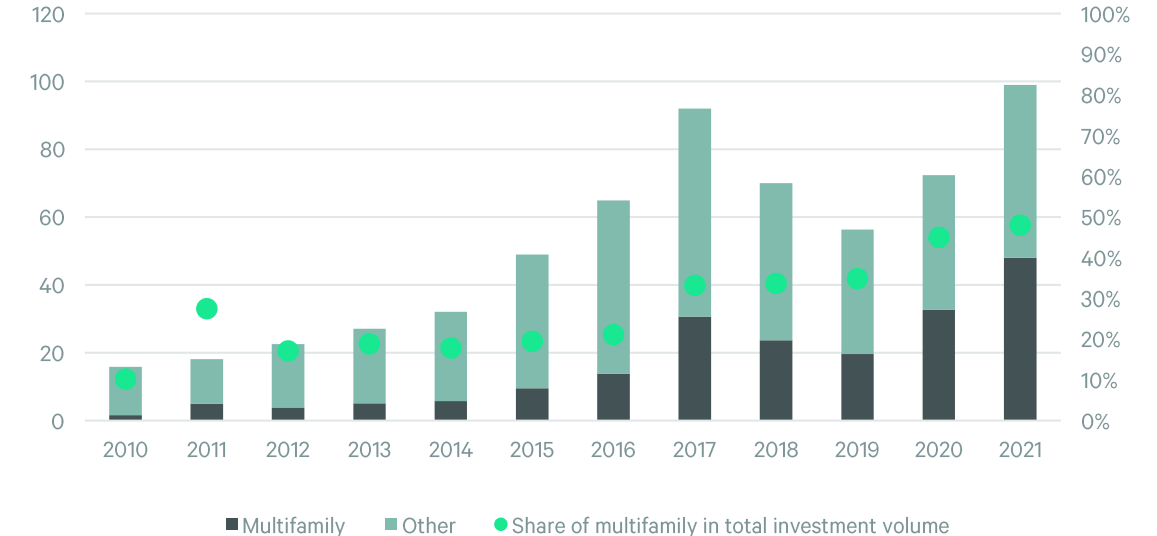
MULTIFAMILY INVESTMENT MARKET KEY FIGURES Q1-Q4 2021



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

- Danish MFH sector remained robust, with potential to continue growing in 2022, both in volume and as a share of the total investment volume.
- 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.
- Growing investor interest in secondary cities is expected. This is driven by a demand for more affordable accommodation and a lack of available land.

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 (the entire deal was EUR 9.1 billion worth); 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.

MFH market is expected to remain strong in 2022. However, it may be difficult to match an exceptional 2021, which was driven by very large portfolio deals.

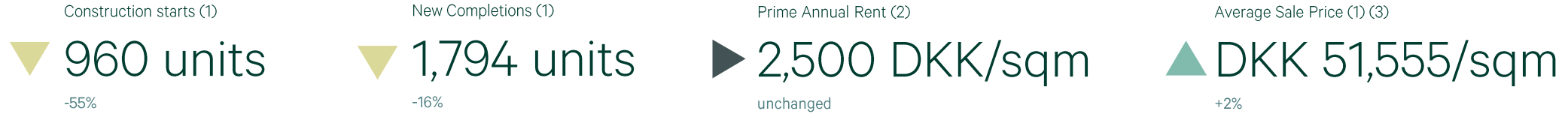
The prime net yield has sharpened on a quarterly basis to 2.80%, being thus 60bps below the prime office yield. One of the main considerations for investors is expected to be around real rental growth prospects.

SELECTED DEALS DURING Q1-Q4 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	Copenhagen, Aarhus	Catella Residential Investment Management	Formupleje
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

DENMARK MULTIFAMILY

COPENHAGEN AND FREDERIKSBERG KEY FIGURES Q4 2021



(1) Q3 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

Competition for prime located development sites or completed assets that are coming on the market is likely to remain strong. Investor intentions indicate that potentially more capital will be allocated to the MFH sector. There are though limits to the available MFH investment stock, encouraging investors to consider forward-funding purchases, as well as mergers and acquisitions.

After several years with an upward trend in construction activity, the pipeline for 2022 (Copenhagen and Frederiksberg) is below the 5Y average. On the other hand, construction activity in Copenhagen Suburbs is strong, with almost 10,000 units scheduled for completion in the next three years.

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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