



**DENMARK  
MULTIFAMILY MARKET  
Q1 2021**

CBRE RESEARCH  
**NORDICS REAL ESTATE  
MARKET SNAPSHOT**

**CBRE**

# MULTIFAMILY MARKET KEY FIGURES

## STRONG MARKET

Danish multifamily investment activity has remained strong in Q1 2021 driven by investor confidence in the sector's fundamentals. The investment volume in the first quarter of 2021 was around DKK 8bn, already over 20% of last year's multifamily total, which was the strongest year on record.

While some investors may shift toward other product classes, multifamily continues to offer an attractive option for both private investors and institutions seeking protection from economic storms. An accelerated move toward suburban areas might become the most striking shift sparked by the pandemic.

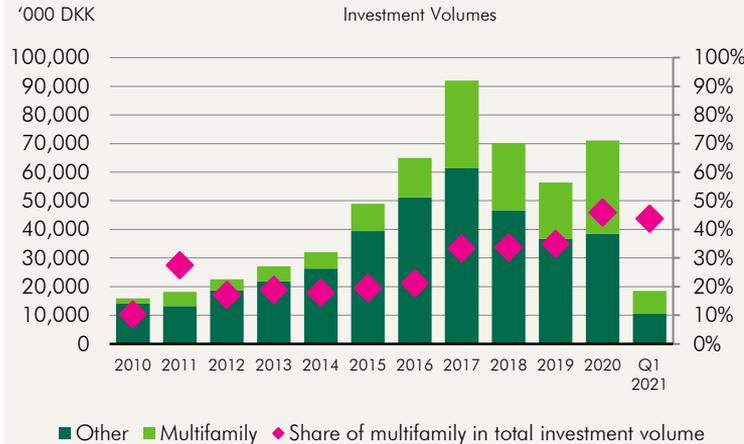
## Investment volume TTM

# DKK 38bn

Q1 2021(y-o-y)

▲▼ 185%

TTM = trailing twelve months



Cross-border investments  
**DKK 24bn**



Share of total investment volume  
**51%**



Number of transactions  
**214**  
▲▼ 98%



Largest single transaction  
**DKK 12bn**



Prime yield<sup>1</sup>  
**3.25%**

Source: CBRE Research

## THE INVESTMENT MARKET DURING THE QUARTER

Some of the largest transactions were the sale of the MFH portfolio in Jutland to NIAM; NREP's acquisition of MFH project The Residence in Copenhagen and JV deal between DSB and Danica Pension on the residential part of Postterminalen project in Copenhagen CBD. 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 3.25%, being thus 25bps below the prime office yield. The trend being strong, further revision of the prime yield in Q2 by 15bps is possible. One of the main considerations for investors is expected to be around real rental growth prospects.

### SELECTED DEALS DURING Q1 2021

Property	City/Region	Buyer	Seller
Portfolio	Jutland	NIAM	Birch Ejendomme
The Residence	Copenhagen	NREP	NRE
Postterminalen – residential part (JV)	Copenhagen	Danica Pension	DSB
Amager Strandvej 48-50	Copenhagen	Mitsubishi Europa Capital	Gefion
Portfolio	Zealand	DADES	Coller Capital Partners
Trongården	Kongens-Lyngby	Blackrock	Elf Developemnt
Dronningens Tværgade 37-45, 46-50	Copenhagen	Catella Investment Management	Patrizia Nordics
Frimærket	Herlev	AXA Investment Managers	Elf Development

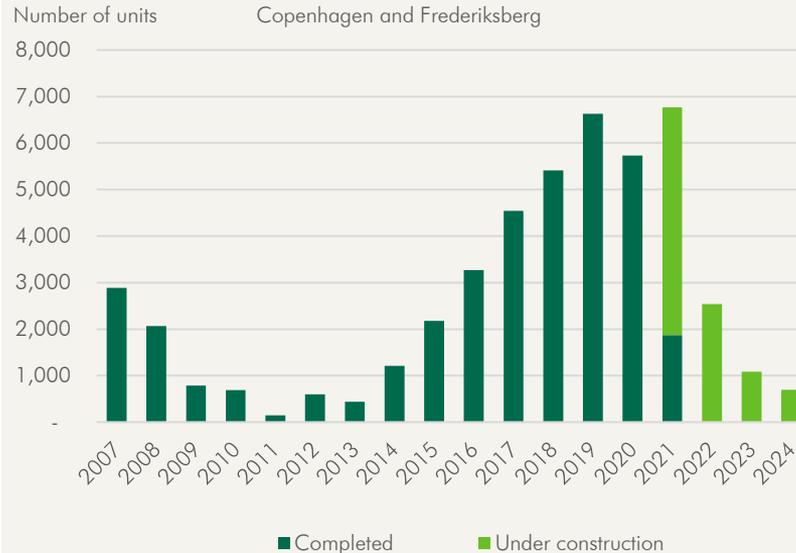
# THE COPENHAGEN MULTIFAMILY MARKET

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.

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



2020 Q4  
Copenhagen and Frederiksberg  
Key Figures  
Y-o-Y Change



Construction Starts

**696 units**

▲▼ -99%



New Completions

**2,142 units**

▲▼ 14%



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

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

▲▼ +/- 0%



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

**DKK 45,653/m<sup>2</sup>**

▲▼ 11%

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

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



**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

© Copyright 2021 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.

Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE.