

# Velkommen til

## Konference om ejendomsmarkedet 2024

# Agenda

09:00 **Velkomst**

*v. Søren Thorvaldsen Svane Keller, Partner, PwC*

09:05 **Præsentation af rapporten “Emerging Trends in Real Estate in Europe 2025”**

*v. Lisette van Doorn, CEO, Urban Land Institute Europe*

09:50 **Det danske perspektiv på rapporten**

*v. Christian Støtt Hansen, Partner, PwC*

10:15 **Pause & networking**

11:00 **“Den gode transaktion i en svær tid”**

*v. Peter Gill, Partner & Head of CapMan Real Estate Denmark*

11:20 **ESG-rapportering**

*v. Jens Pultz Pedersen, Partner, PwC & Henrik Kyhnav, Partner, PwC*

11:40 **Refinansiering**

*v. Jacob Kjær, Partner & Head of Denmark, Nordanö*

12:00 **Frokost & networking**





# Indlæg

Præsentation af rapporten:

**“Emerging Trends in Real Estate in Europe 2025”**

*v. Lisette van Doorn, CEO, Urban Land Institute Europe*



2025

Europe

# EMERGING TRENDS IN REAL ESTATE®

CHARTING NEW HORIZONS





2025

Europe

# EMERGING TRENDS IN REAL ESTATE®

CHARTING NEW HORIZONS

Report Highlights



Lisette van Doorn  
CEO  
ULI Europe



# Emerging Trends in Real Estate

#ETRE25

- Joint publication by  **Urban Land Institute** 
- Published annually since 2003
- Reflects the views of thousands in the real estate and land use industry
- In-depth workshops, roundtables and interviews
- Key indicator of sentiment in real estate investment and development trends



# Charting New Horizons – key themes for 2025

#ETRE25

#1 Cautious optimism

#2 Capital availability rising, but...

#3 Calibrating the climate emergency

#4 Sectors & cities to watch

# Charting New Horizons – key themes for 2025

#ETRE25

**#1 Cautious optimism**

**#2 Capital availability rising, but...**

**#3 Calibrating the climate emergency**

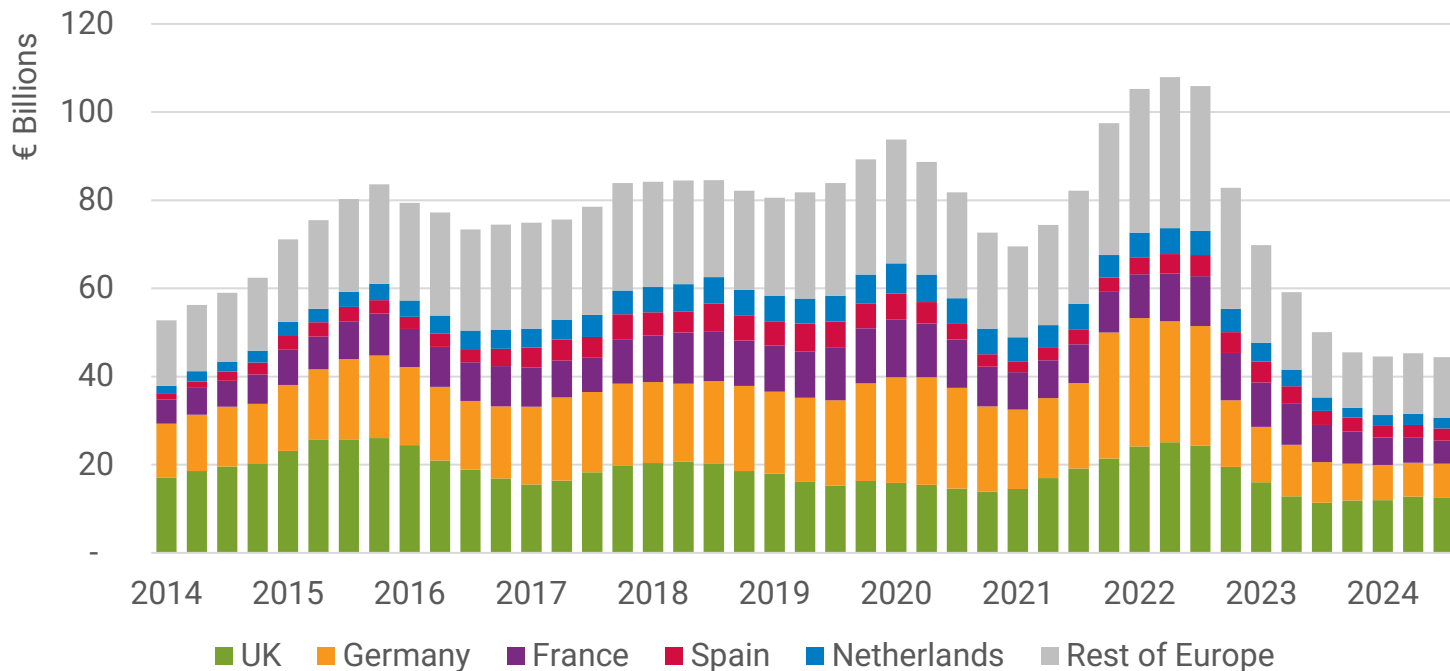
**#4 Sectors & cities to watch**



# Market stasis: investment activity remains sluggish

#ETRE25

European Real Estate Quarterly Transaction volumes in 2024 compared to previous years  
(rolling annual average up to Q3 2024)



“ Valuations are not reflecting the market price, as there is no benchmarking due to lack of deals. ”

Chief Investment Officer of a  
pan-European real estate firm

Source: MSCI

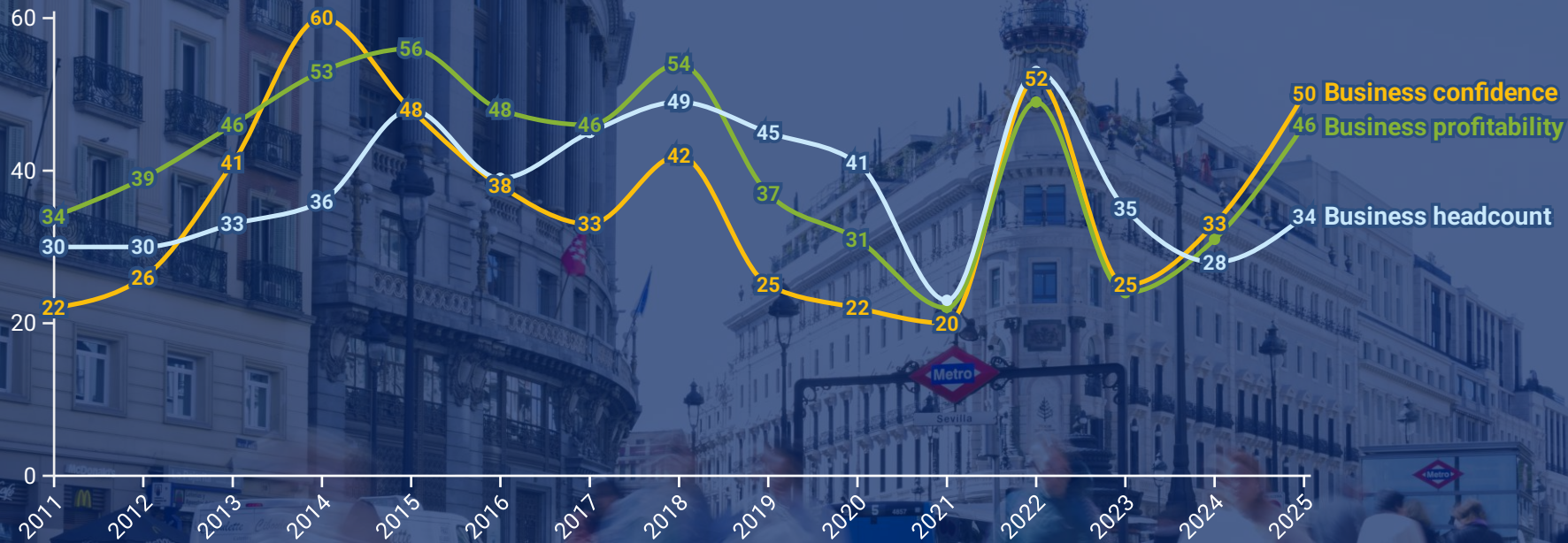
Emerging Trends in Real Estate Europe 2025 | Charting New Horizons

# However, real estate business sentiment significantly more positive

#ETRE25

Expected increase in real estate business since 2011

% increase



Source: ULI/PwC Emerging Trends in Real Estate Europe 2011-2025

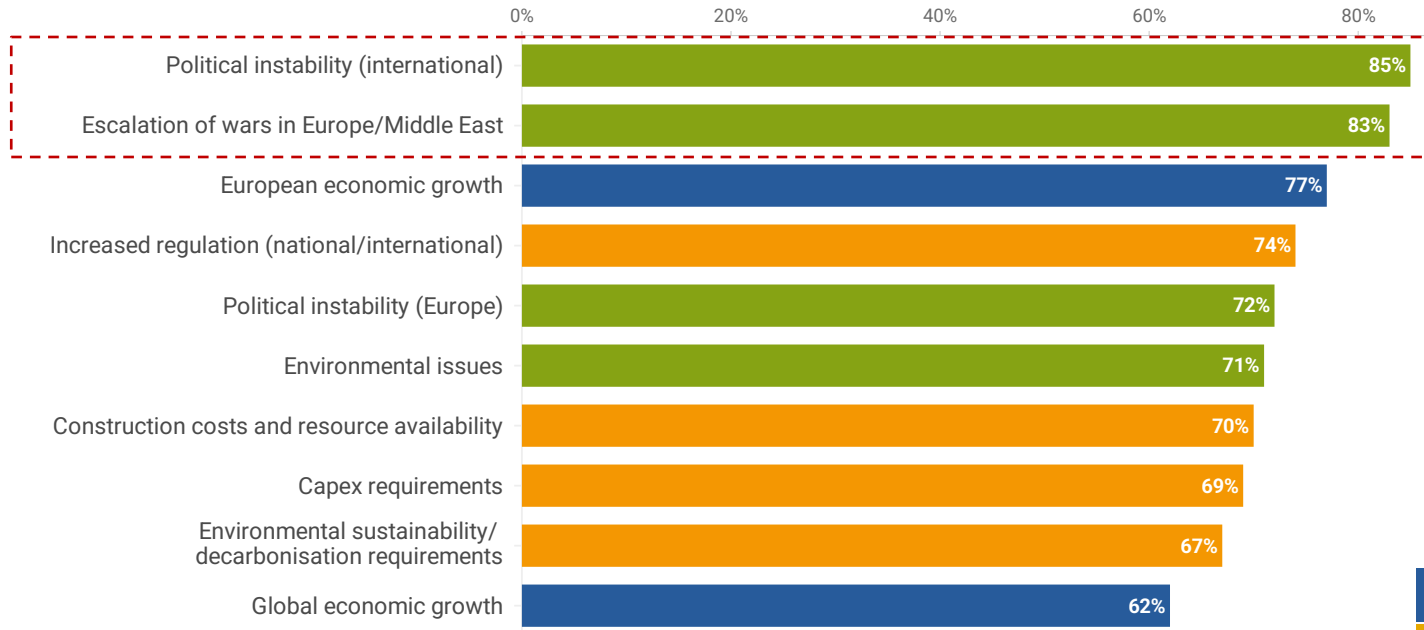
Emerging Trends in Real Estate Europe 2025 | Charting New Horizons



# Geopolitics and fragile economic growth clouds the outlook

#ETRE25

## Key issues causing concern for the real estate industry (overall % concerned)



“ *Geopolitics has been a concern for the last decade and is here to stay. It's a kind of new constant.* ”

Head of European real estate  
at a major institutional investor

Economic/financial issues

Real estate/development issues

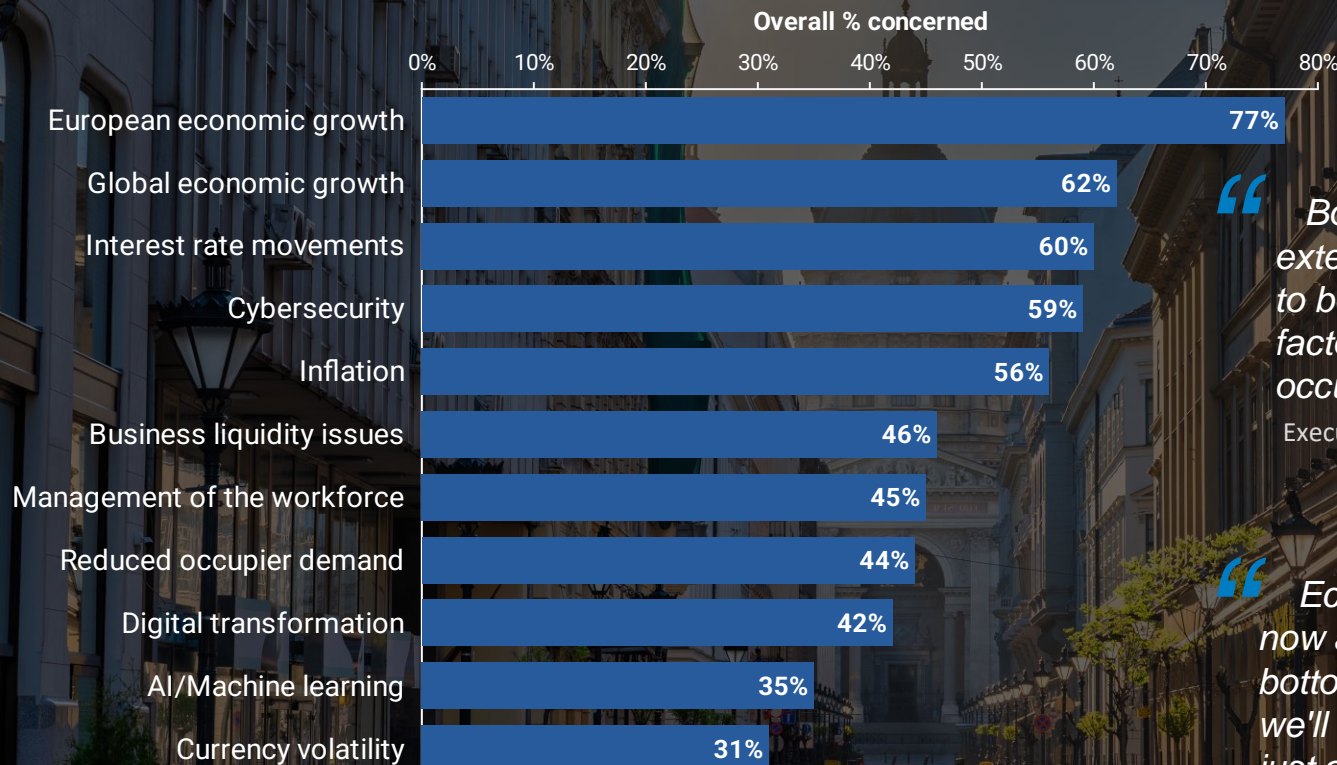
Social/political issues

Source: ULI/PwC Emerging Trends in Real Estate Europe 2025

Emerging Trends in Real Estate Europe 2025 | Charting New Horizons

# Current concerns – business environment

#ETRE25



“ Both in Europe, and to some extent the US, growth continues to be the single most important factor that is going to drive occupational markets. ”

Executive at a private property company

“ Economics-wise, it feels to me now as though we're at the bottom of the cycle, and I think we'll bump around there for a bit just as we did post GFC. ”

Fund manager



# Monetary environment more benign, but concerns over economic growth

#ETRE25

Economic issues causing concern for the real estate industry (overall % concerned)





# Current concerns – business environment

#ETRE25

	Concerned in 2025	Concerned in 2024
European economic growth	77%	76%
Global economic growth	62%	66%
Interest rate movements	60%	86%
Cybersecurity	59%	55%
Inflation	56%	83%
Business liquidity issues	46%	51%





# Longer-term concerns – business environment

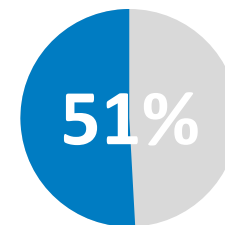
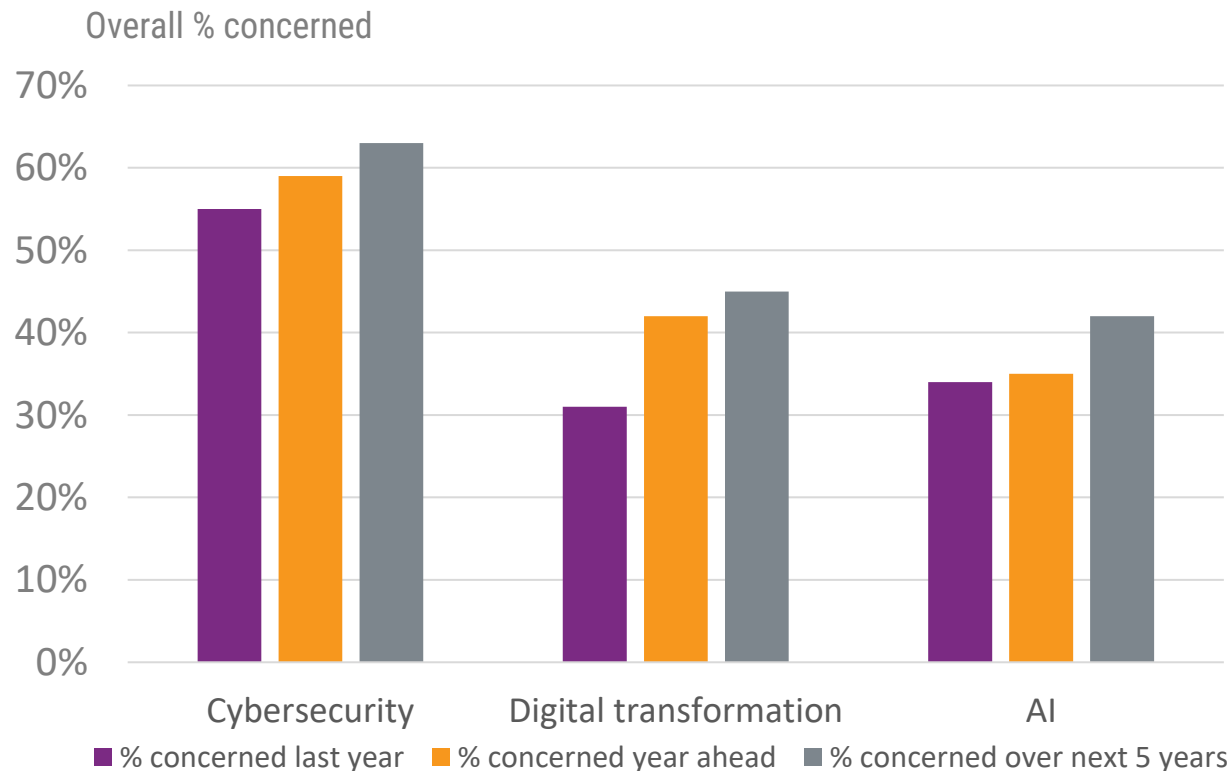
#ETRE25

	Concerned in 2025	Concerned in the next 3-5 years
European economic growth	77%	76%
Global economic growth	62%	60%
Interest rate movements	60%	58%
Cybersecurity	59%	63%
Inflation	56%	54%
Business liquidity issues	46%	46%



# Rising concerns – Cybersecurity, digital transformation, AI

#ETRE25



Have used AI to assist in real estate activities in the past 12 months



# Current concerns – real estate business

#ETRE25



“  
There’s a disconnect  
between Brussels and  
what we want to achieve.  
”  
Institutional investor

“  
It is a great market today for  
people who understand real  
estate. Those who don’t  
understand it are relying on  
financial volatility to create value.  
”

Real estate head, private markets  
firm

# Current concerns– real estate business

#ETRE25

	Concerned in 2025	Concerned in 2024	
Increased regulation (national/international)	74%	63%	↑
Construction costs and resource availability	70%	79%	↓
Capex requirements	69%	67%	↑
Environmental sustainability/decarbonisation requirements	67%	67%	→
Availability and/or cost of (re)finance	61%	65%	↓
Market liquidity issues	60%	65%	↓
Asset obsolescence	56%	53%	↑



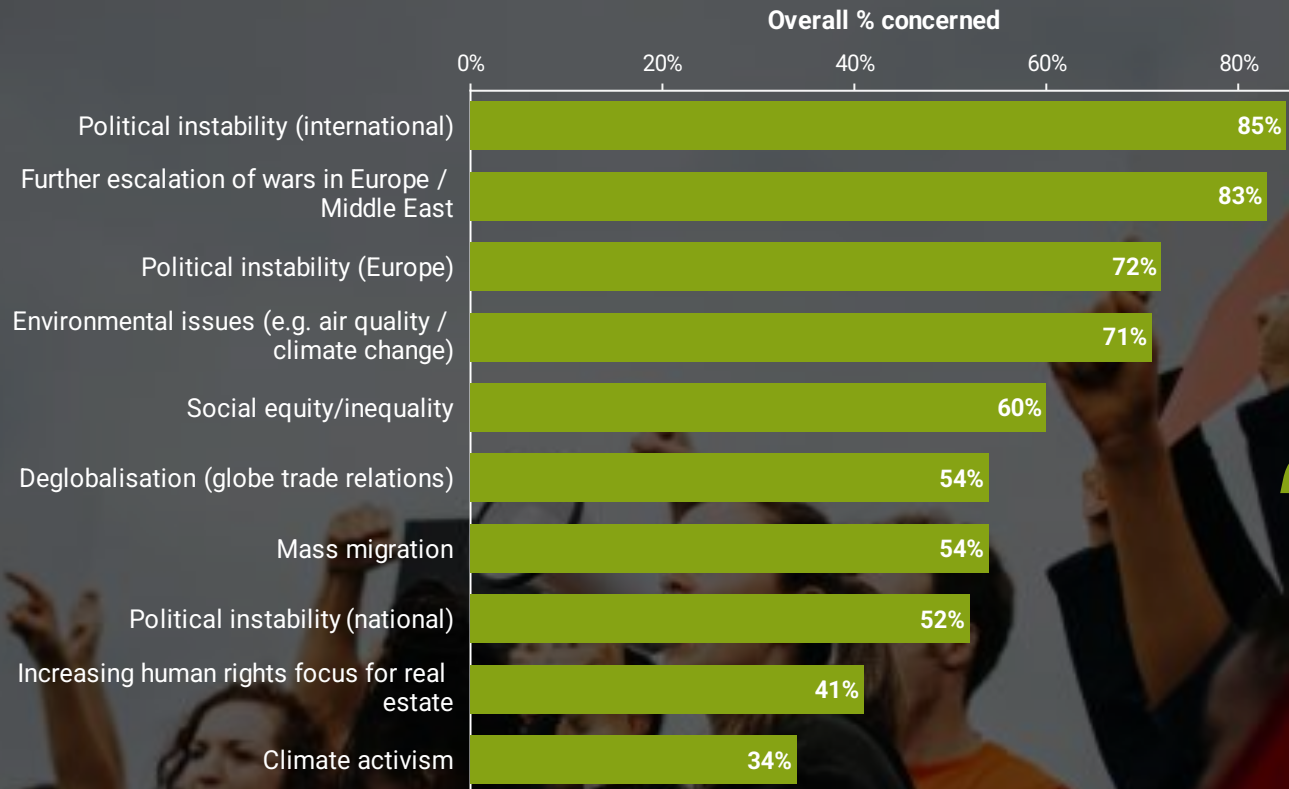
# Longer-term concerns – real estate business

#ETRE25

	Concerned in 2025	Concerned in the next 3-5 years	
Increased regulation (national/international)	74%	77%	↑
Construction costs and resource availability	70%	68%	↓
Capex requirements	69%	66%	↓
Environmental sustainability/decarbonisation requirements	67%	70%	↑
Availability and/or cost of (re)finance	61%	56%	↓
Market liquidity issues	60%	55%	↓
Asset obsolescence	56%	61%	↑

# Current concerns – Social and political issues

#ETRE25



“Geopolitics is top of the agenda.”

Head of European real estate at an institutional investor

“The social aspect is an underestimated theme within the industry. We see a lot of runway left for that in all sectors.”

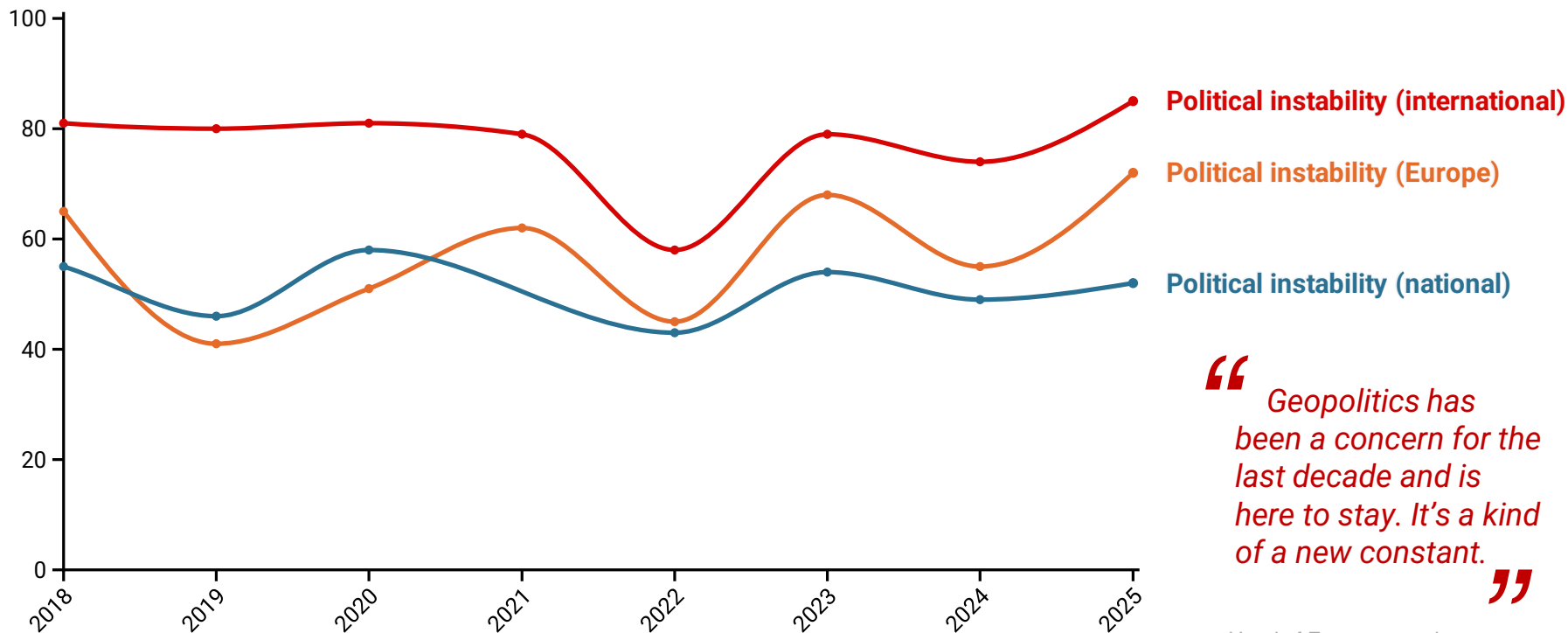
CEO of a global investment manager



# Geopolitics clouds the outlook

#ETRE25

Overall % concerned



Source: ULI/PwC Emerging Trends in Real Estate Europe 2018-2025

“ Geopolitics has been a concern for the last decade and is here to stay. It’s a kind of a new constant. ”

Head of European real estate at a major institutional investor

# Current concerns – Social and political issues

#ETRE25

	Concerned in 2025	Concerned in 2024
Political instability (international)	85%	74%
Further escalation of wars in Europe/Middle East	83%	-
Political instability (Europe)	72%	55%
Environmental issues (e.g. air quality/climate change)	71%	73%
Social equity/inequality	60%	62%
Mass migration	54%	48%
Deglobalisation (global trade relations)	54%	31%





# Longer-term concerns – Social and political issues

#ETRE25

	Concerned in 2024	Concerned in the next 3-5 years
Political instability (international)	85%	84%
Further escalation of wars in Europe/Middle East	83%	80%
Political instability (Europe)	72%	78%
Environmental issues (e.g. air quality/climate change)	71%	72%
Social equity/inequality	60%	61%
Mass migration	54%	58%
Deglobalisation (global trade relations)	54%	57%



# Charting New Horizons – key themes for 2025

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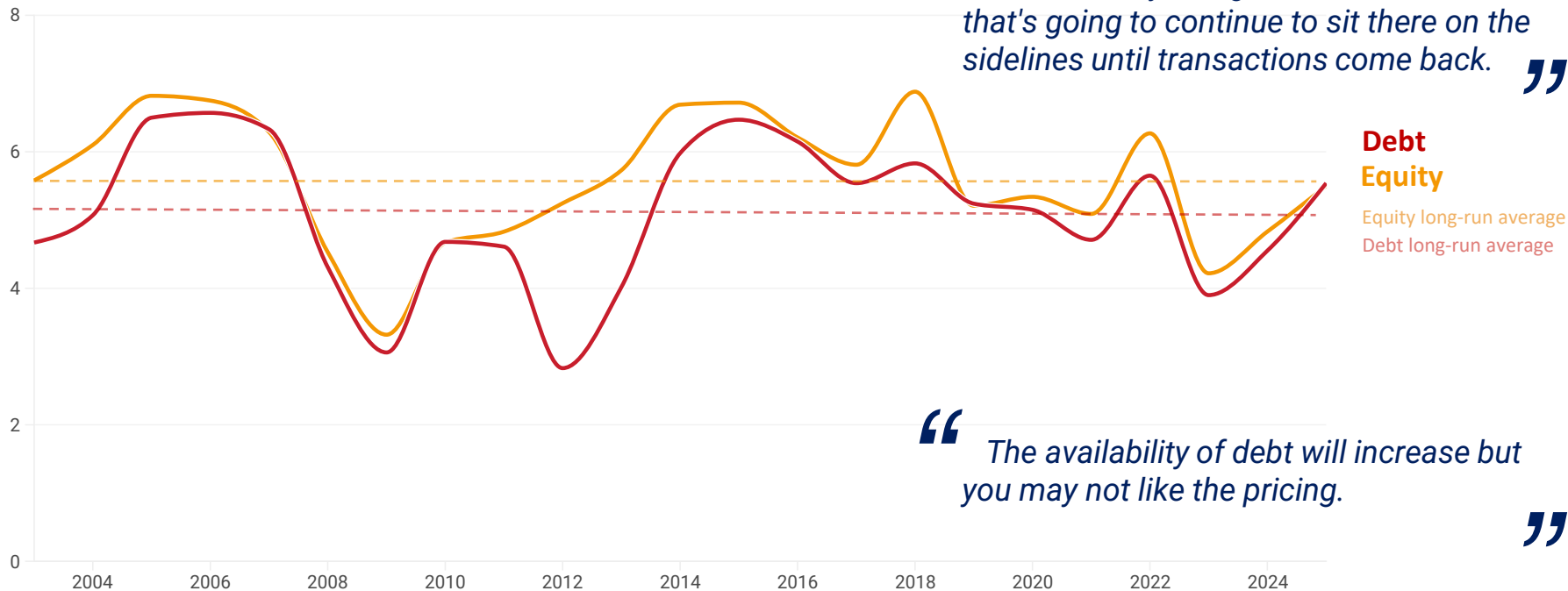


# Availability of capital increasing, but deployment not so easy

#ETRE25

## Availability of debt and equity in European real estate markets

Based on a scale of 1-10, 1 being the least available



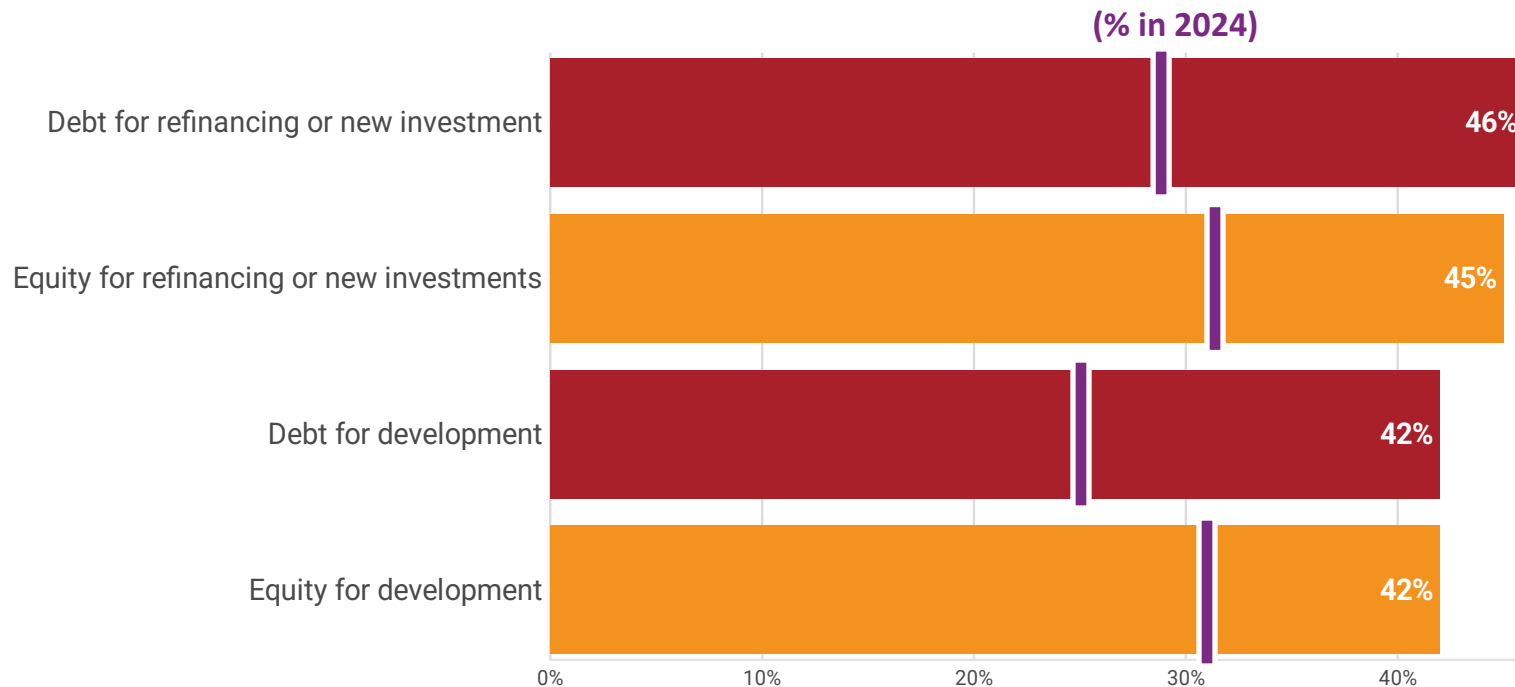
Source: ULI/PwC Emerging Trends in Real Estate Europe 2003-2025

Emerging Trends in Real Estate Europe 2025 | Charting New Horizons

# Rise in expectations of the availability of debt and equity

#ETRE25

Availability of debt and equity in 2025 (% believing it will increase)





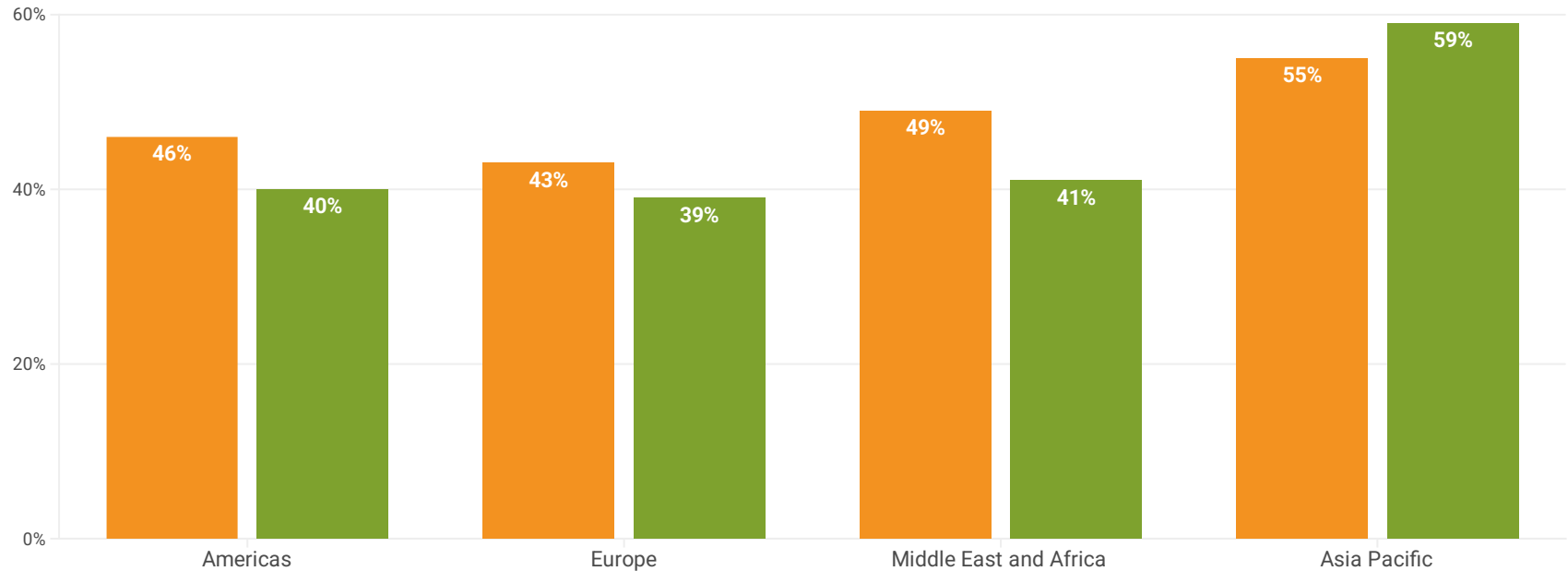
# Capital flows to European real estate

#ETRE25

Expected change in capital flows into European markets (% increase y-on-y)

2025

Long-run average (2017-2024)



Source: ULI/PwC Emerging Trends in Real Estate Europe 2017-2025

# Charting New Horizons – key themes for 2025

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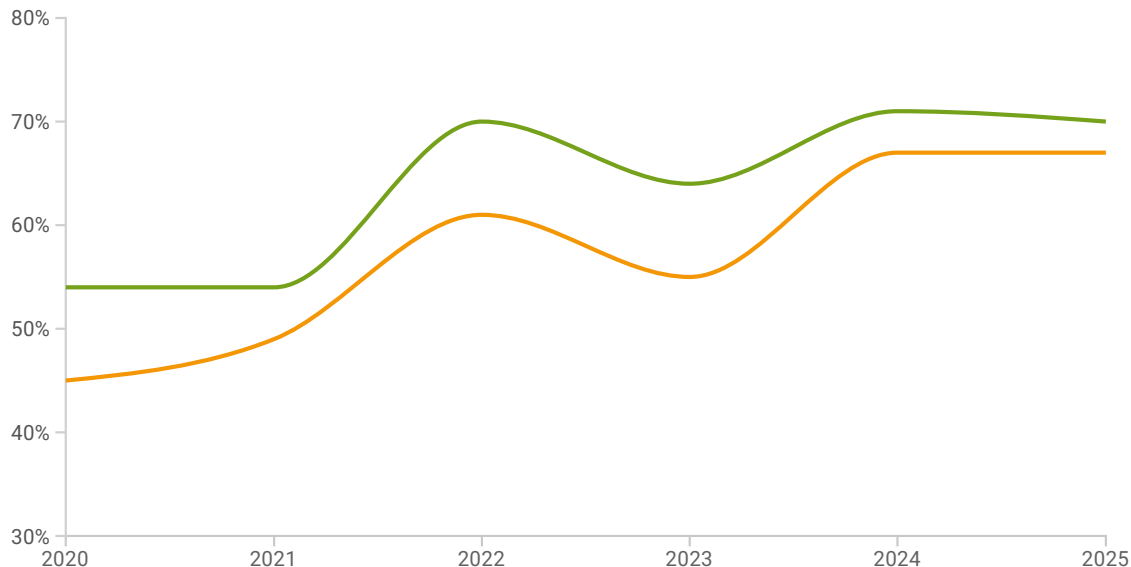


# The ESG elephant in the room

#ETRE25

Environmental, sustainability and decarbonisation issues causing concern in the real estate industry

Overall % concerned



\*Survey only began tracking 'Environmental sustainability / decarbonisation requirements for real estate businesses' from 2020 onwards.

Source: ULI/PwC Emerging Trends in Real Estate Europe 2020-2025

Emerging Trends in Real Estate Europe 2025 | Charting New Horizons

Environmental sustainability/ decarbonisation requirements for real estate businesses (next 3-5 years)

Environmental sustainability/ decarbonisation requirements for real estate businesses (in the year ahead)

“

*Is there a backlash against ESG? Some firms are trying to avoid the term altogether.*

”

“

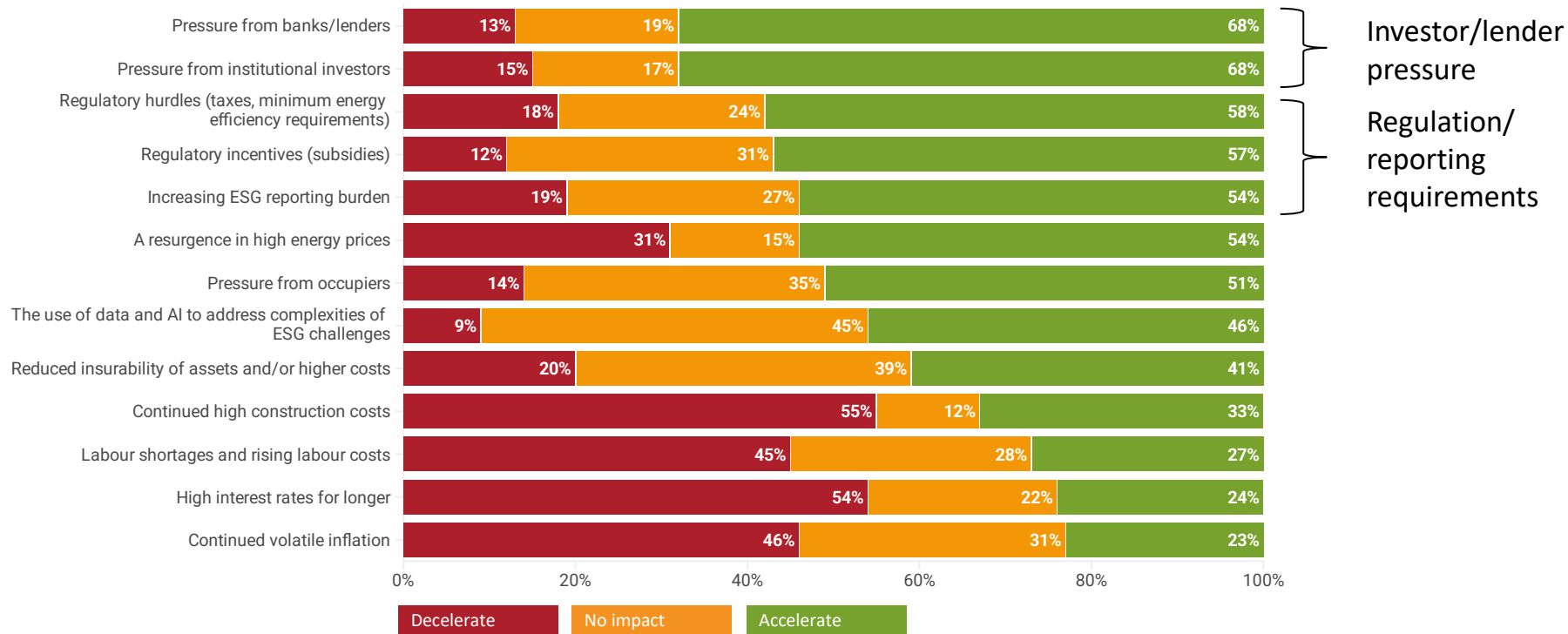
*ESG is critically important. We have a sustainability portion on every investment committee memo now.*

”

# Investors and lenders increasingly driving the implementation of ESG

#ETRE25

## Factors impacting the implementation of ESG





# Calibrating the transition to net zero and climate risk

#ETRE25

## Importance for access to/cost of finance

(proportion indicating factor as important/very important)

Energy efficiency

96%

Decarbonisation

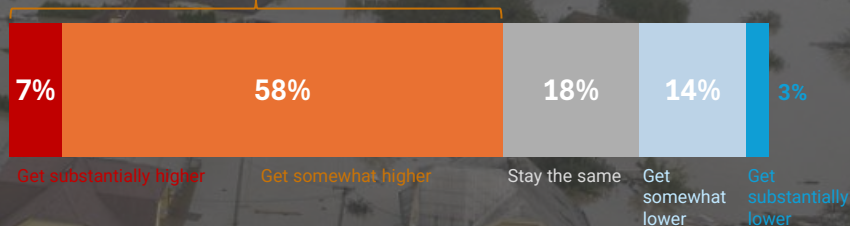
88%

Physical climate risk

75%

## Expected prospects for cost of insurance in Europe over the next 3-5 years

65% expect higher insurance costs



88%

expect capex and financing requirements for the transition to net zero to be a key factor in the financing of real estate



85%

expect regulatory hurdles (taxes, minimum energy, efficiency requirements) to be a key factor in the financing of real estate

# Charting New Horizons – key themes for 2025

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# Key themes that will drive investment decision making

#ETRE25

## Top 10 factors for selecting a city for investment or development



Note: Percentage ranking it within their top three criteria  
Emerging Trends in Real Estate Europe 2025 | Charting New Horizons

## Top 5 themes which will drive real estate investment decisions and strategic planning





# Sectors to watch

#ETRE25

## Top 10 sectors for Investment and Development Prospects in 2025

Data centres

1



New energy infrastructure

2



Student housing

3



Logistics facilities

4



Private rented residential

5



Self-storage facilities

6



Retirement/assisted living

7



Co-living

8



Education-related real estate

9



Serviced apartments

10



Storage-related real estate  
(e.g. data, energy, warehouses)

Residential real estate  
(e.g. student, senior, private rental, co-living)

Education-related real estate  
(e.g. lab / research spaces, education facilities)

# Growing Prospects in Living Sectors

#ETRE25

## Half of Top 10 sectors in residential

Student  
housing

3



Retirement/  
assisted living

7



Private rented  
residential

5



Co-living

8



Serviced  
apartments

10



“ Fundamentally, we need more housing at every level, whether it's to rent, to sell, we need more affordable and we need accommodation for senior living. I don't think there's any shortage of potential institutional demand to come into the living sector. ”

CEO of a large pan-European developer

“ Our higher conviction is global living across all the different cohorts [...] The push towards more residential renting is supporting the market pretty much everywhere. ”

CEO of an investment management firm



# City Rankings 2025: Investment and Development Prospects

#ETRE25

## Top 10 cities

1. London



6. Amsterdam



16. Copenhagen



2. Madrid



7. Milan



3. Paris



8. Frankfurt



4. Berlin



9. Hamburg



5. Munich



10. Lisbon



Went up



Went down



No Change





# A closer look at Copenhagen

#ETRE25

	Rank in 2025	Rank in 2024	Movement in ranking on last year
Investment	16	19	▲
Development	16	20	▲
Rent	16	20	▲
Capital values	16	20	▲
Overall	16	18	▲

“ The Nordics have always been more forward-thinking, focused on sustainability, livability, and creating a future for the next generations. ”

Director at a logistics platform

“ Turmoil in the markets, higher interest rates, less financing and various regulation have contributed to dampen the transaction volume in the Danish property industry in 2023 and 2024 so far. (...) the focus has been on customer satisfaction, flexibility and net leasing. ”

Director at a real estate company

## Transaction volumes

€1.5bn  13% increase from last year

Q4 2023 – Q3 2024

## Real GDP growth p.a.

+3.3% 

Forecast 2025 - 2027

## Population growth p.a.

+0.9% 

Forecast 2025 - 2027

# A closer look at the Nordics

#ETRE25

ETRE 2025 Rank

ETRE 2024 Rank

16 Copenhagen (18) ▲

20 Stockholm (21) ▲

25 Helsinki (27) ▲

27 Oslo (29) ▲

▲ Went up ▼ Went down — No Change





# Key issues for Copenhagen

#ETRE25

Copenhagen powers ahead with leading growth supported by strong trade, transport, urbanisation trends, and a highly-educated workforce.

Development Roadblocks: High demand meets planning delays, rising construction costs, and housing affordability woes.

Capital crunch: rising costs and low deals push investors toward local, value-add opportunities.

Residential and logistics shine as top investment choices, offering stability amid market uncertainty.

Sustainability drives retrofit-first approach, stricter climate regulations, and growing emphasis on the social aspects of ESG.



# Concluding points

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#ETRE25

More positive sentiment tempered by a complex landscape

(Fragile) economic growth prospects & regulation most tangible concerns

Relative value of real estate still a challenge for (core) investors

“New Horizon” in sight but still charting the course to get there

New investment constructs, capabilities, partnerships and platforms

# Thank You

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# Indlæg

Det danske perspektiv på rapporten:

## **“Emerging Trends in Real Estate in Europe 2025”**

*v. Christian Støtt Hansen, Head of Deals Real Estate, Partner, PwC*





# Temperaturmåling - Det danske ejendomsmarked

Overall city prospects				
City	ETRE ranking (2025)	ETRE ranking (2024)	Change	Overall prospects score
London	1	1	—	2.72
Madrid	2	3	▲	2.12
Paris	3	2	▼	2.07
Berlin	4	4	—	1.95
Munich	5	7	▲	1.93
Amsterdam	6	5	▼	1.75
Milan	7	6	▼	1.71
Frankfurt	8	9	▲	1.63
Hamburg	9	11	▲	1.53
Lisbon	10	8	▼	1.43
Barcelona	11	10	▼	1.41
Warsaw	12	14	▲	1.26
Vienna	13	15	▲	1.19
Brussels	14	12	▼	1.17
Zurich	15	16	▲	1.16



Zurich	15	16	▲	1.16
Copenhagen	16	18	▲	1.07
Dublin	17	13	▼	0.94
Luxembourg	18	20	▼	0.92
Rome	19	19	—	0.91
Stockholm	20	21	▲	0.91
Manchester	21	17	▼	0.86
Athens	22	23	▲	0.75
Prague	23	25	▲	0.72
Birmingham	24	22	▼	0.69
Helsinki	25	27	▲	0.65
Edinburgh	26	24	▼	0.64
Oslo	27	29	▲	0.59
Lyon	28	26	▼	0.49
Budapest	29	28	▼	0.48
Istanbul	30	30	—	0.33

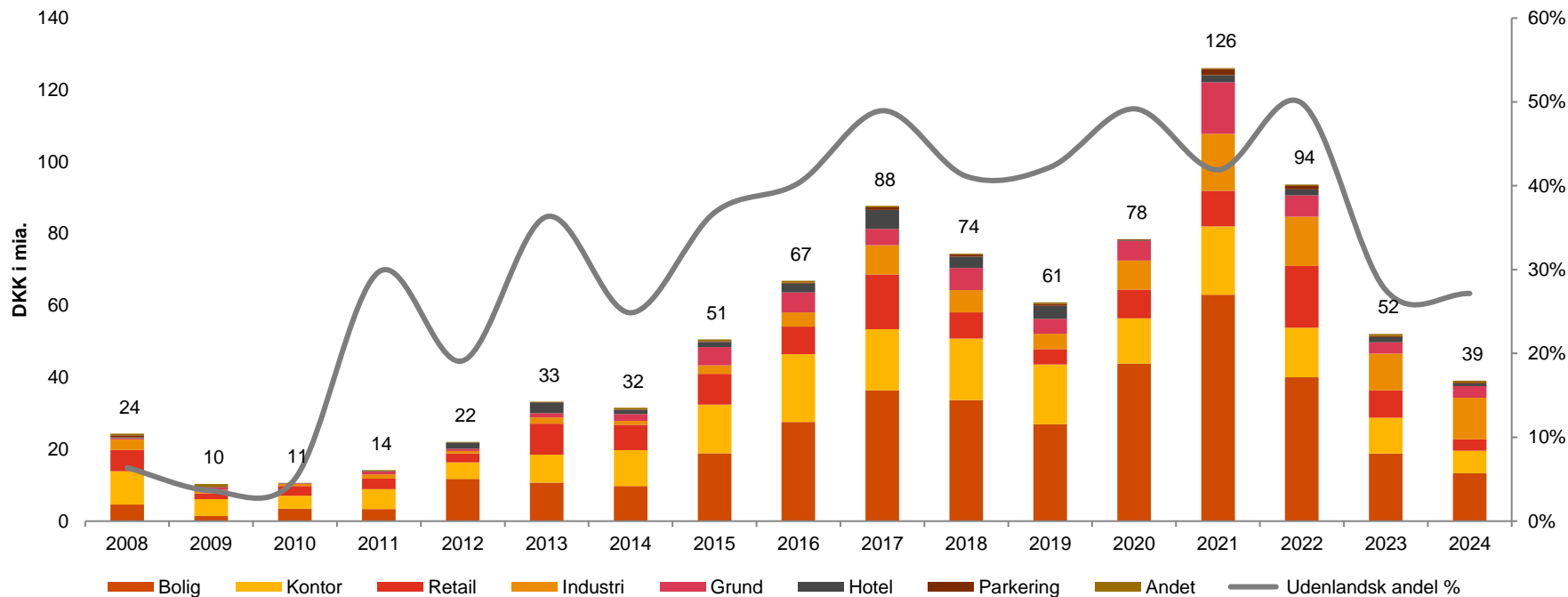


DK avancerer med 2 pladser til en 16. plads – Nordic lead!



Ratingen understøtter stigende investeringsinteresse fra udlandet

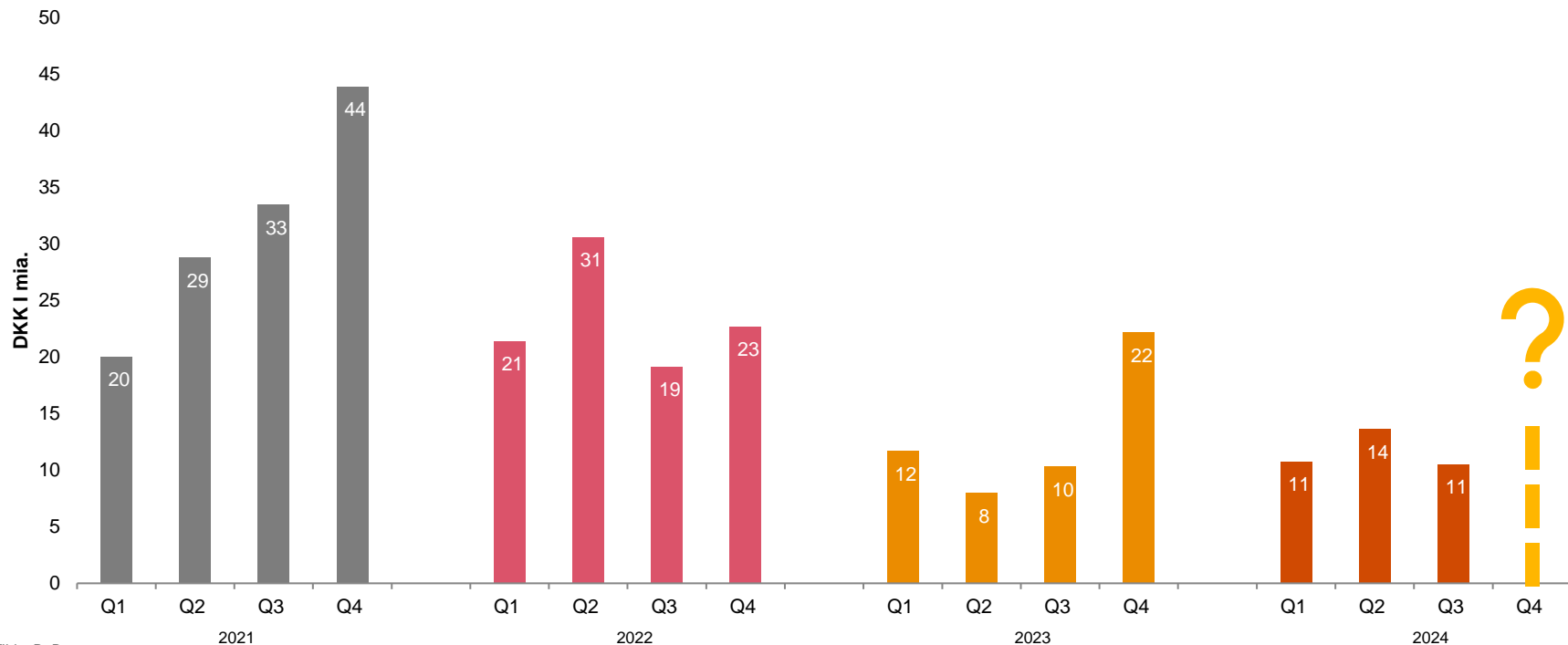
# Udvikling i transaktionsvolumen – Danmark



Kilde: ReData

PwC

# Kvartalsvis transaktionsvolumen – Danmark





# Tidslinje, YTD24 landmark deals – Danmark

CBS Porcelænsbåsen  
Kontor, DKK 590m

Tidl. Nykredit domicil,  
Kontor, DKK 550m

Elmehuset og Poppelhuset  
Bolig, DKK 550m

Sale and lease back, DSV  
Logistik, DKK 450m

Enghave Brygge  
Grund, DKK 1.200m

Viga køb i Greve  
Bolig, DKK 305m

Velkomn køb  
Bolig, DKK 1.325m

Tidl. Bech-Bruun  
domicil  
Kontor, DKK 325m

DSV logistikcenter  
Logistik, DKK 3.300m

Stor pipeline af  
transaktioner i  
vente inden  
nytår

Januar

Februar

Marts

April

Maj

Juni

Juli

August

September

Oktober

November

Catena køb i Hvidovre  
Logistik, DKK 420m

North Star køb i Vejle  
Logistik, DKK 390m

Coop Byen  
Logistik, DKK 562mm

KBH kommune køb i NV  
Kontor, DKK 318m

The Mark  
Bolig, DKK 625m

Hørkær Have  
Bolig, DKK 737m

Frederiksberggade  
Kontor, DKK 325m

Lemvig-Müller køb  
Logistik, DKK 330m

Englandsvej 51  
Bolig, DKK 360m

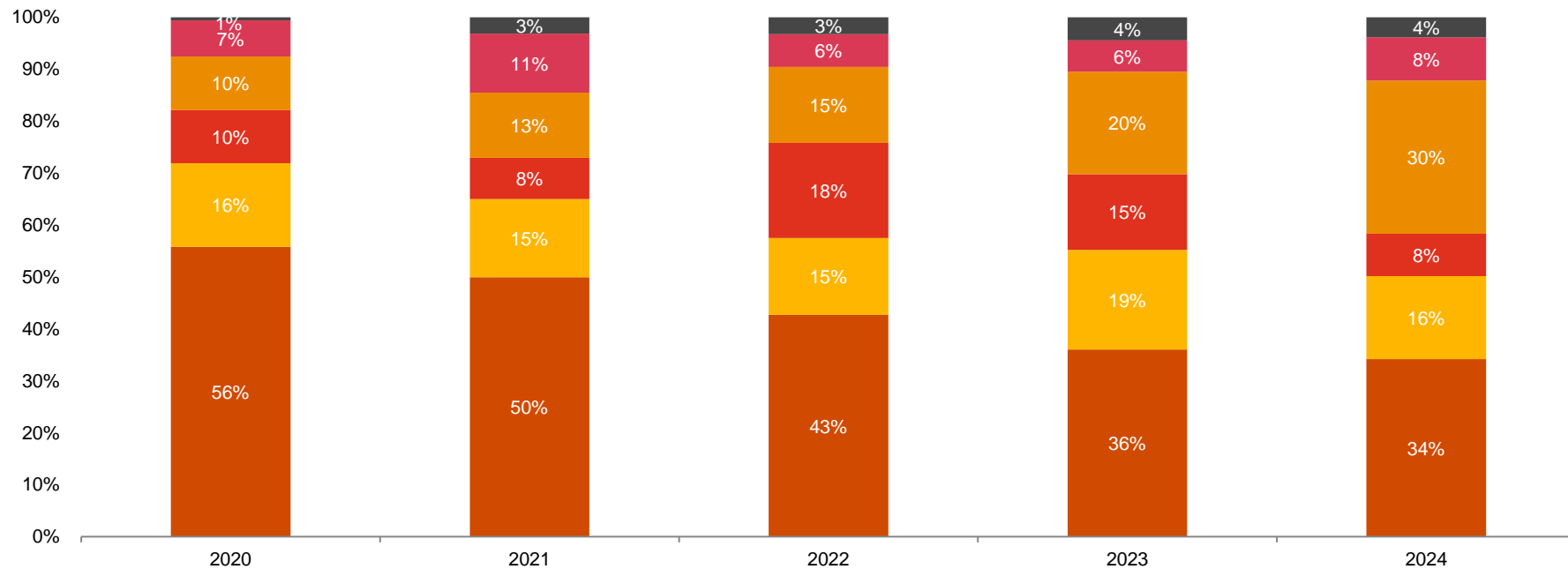
KKR køb på  
Kornmarksvej  
Logistik, DKK 400m

Kalvebod Huse  
Bolig, DKK 560m

Tidl. Sølvghades  
Kaserne  
Bolig, DKK 950m

Brunswick/Pictet  
logistikportefølje  
Logistik, DKK 600m

# Segmentfordeling – Danmark

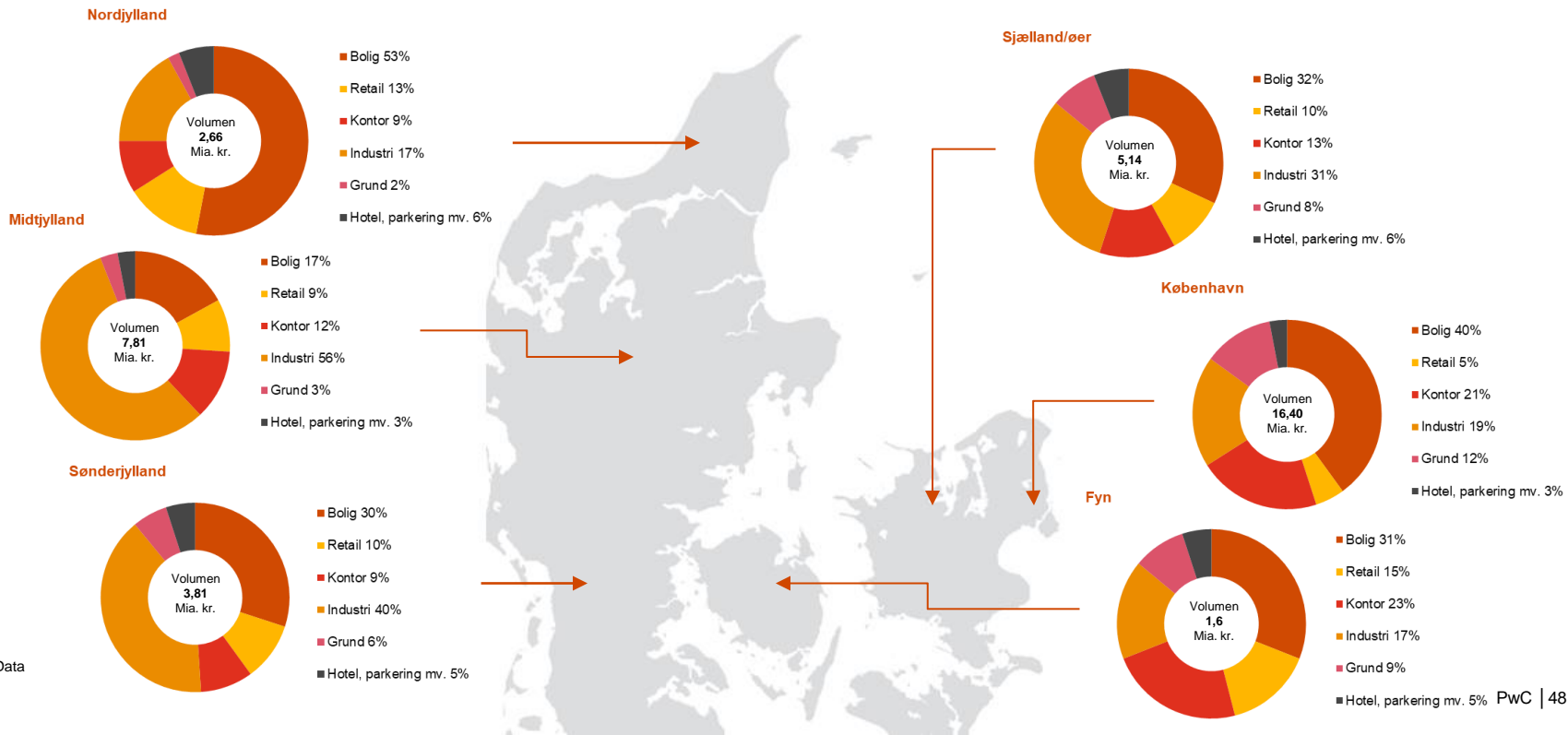


Kilde: ReData

PwC

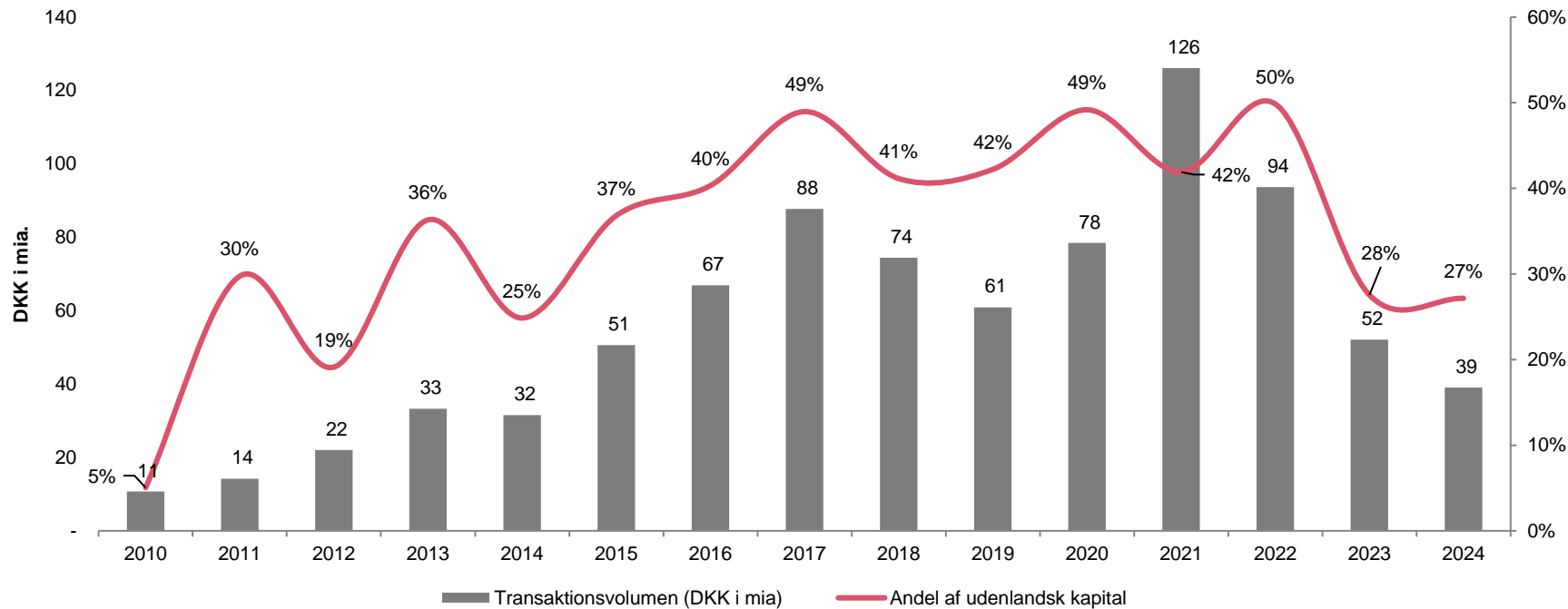
■ Bolig ■ Kontor ■ Retail ■ Industri ■ Grund ■ Hotel, parking, etc.

# Geografisk fordeling, YTD24 – Danmark

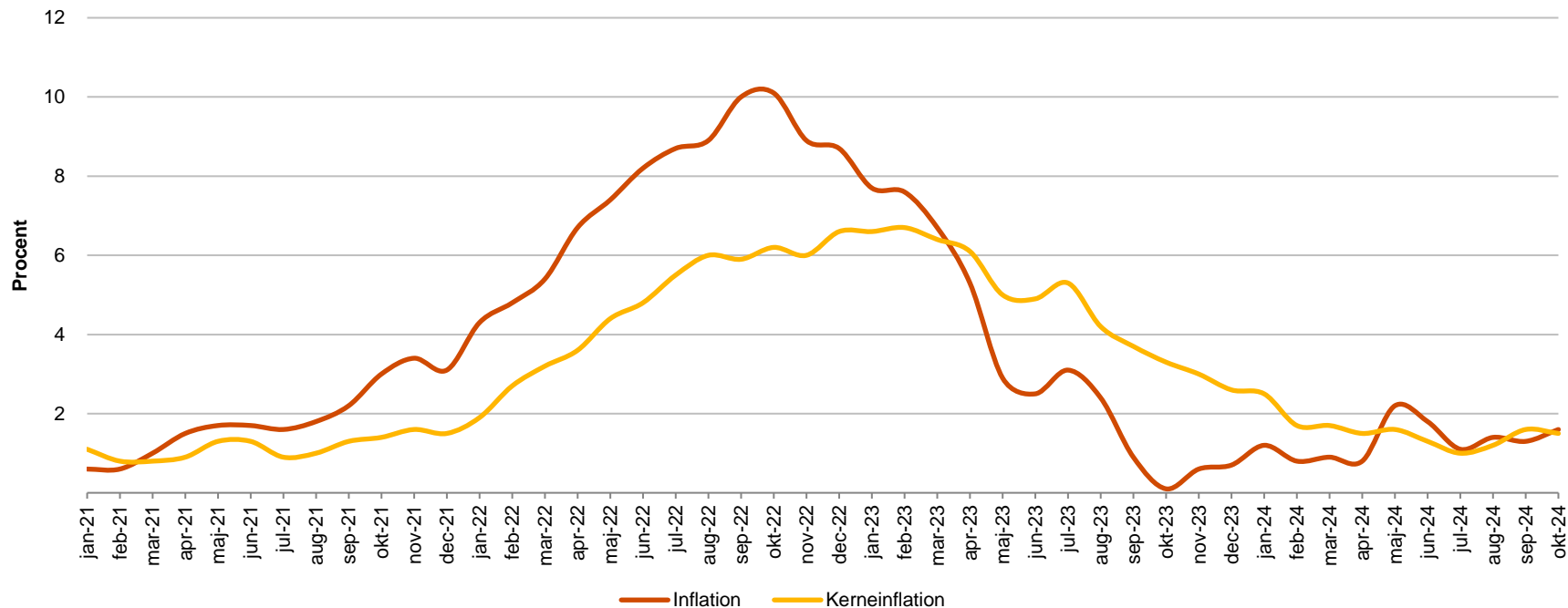




# Udenlandsk kapital – Danmark



# Inflation og kerneinflation – Danmark



Kilde: Danmarks Statistik

PwC

# Overskrifter for 2024

**Kalibrering**  
- Fortsatte i 2024

Ro på **inflationen** og **rentenedsættelser**

**APV < FMV** - Er regnskabsværdier fastsat korrekt?

**H1 vs. H2**  
- Skift i markedsdynamikker

**Udenlandsk kapital**  
- Q4 viser måske vejen

**“Broken deals”**  
- Kom på markedet igen

**Fire sale**  
- Kom vist aldrig

**Lange og omfattende processer**

Fokus på **underliggende NOI**





# Perspektiver på 2025

## På rette vej?

- Tone-angivende Q4

## Sheds & Beds

- Vil fortsat dominere

## Inflation

- Stabiliseret

## Renter

- Stabile eller falder?

## Yield gap

- Ligevægt etableres?

## Udenlandsk kapital

- Vender tilbage

## Udviklingsprojekter

- Vender tilbage

## Exit readiness

- Nu endnu vigtigere

## Geopolitisk udvikling

- Er jokeren...



Pause



Vi ses igen kl. 11:00



# Indlæg

“Den gode transaktion i en svær tid”

*v. Peter Gill, Partner & Head of CapMan Real Estate Denmark*





A decorative teal wavy graphic that flows from the bottom left towards the top right, framing the central text.

CapMan

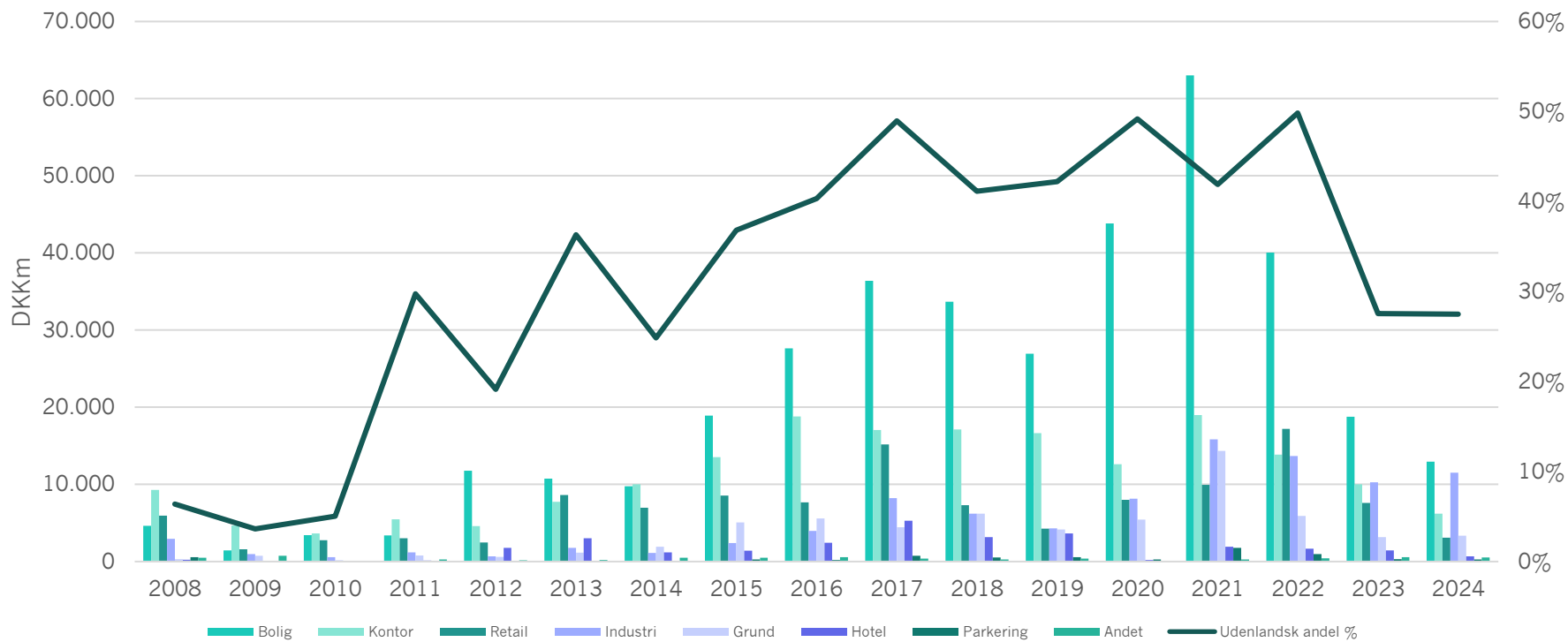
# Den gode transaktion

**PwC Ejendomskonference 2024 – Den gode transaktion i en svær tid**

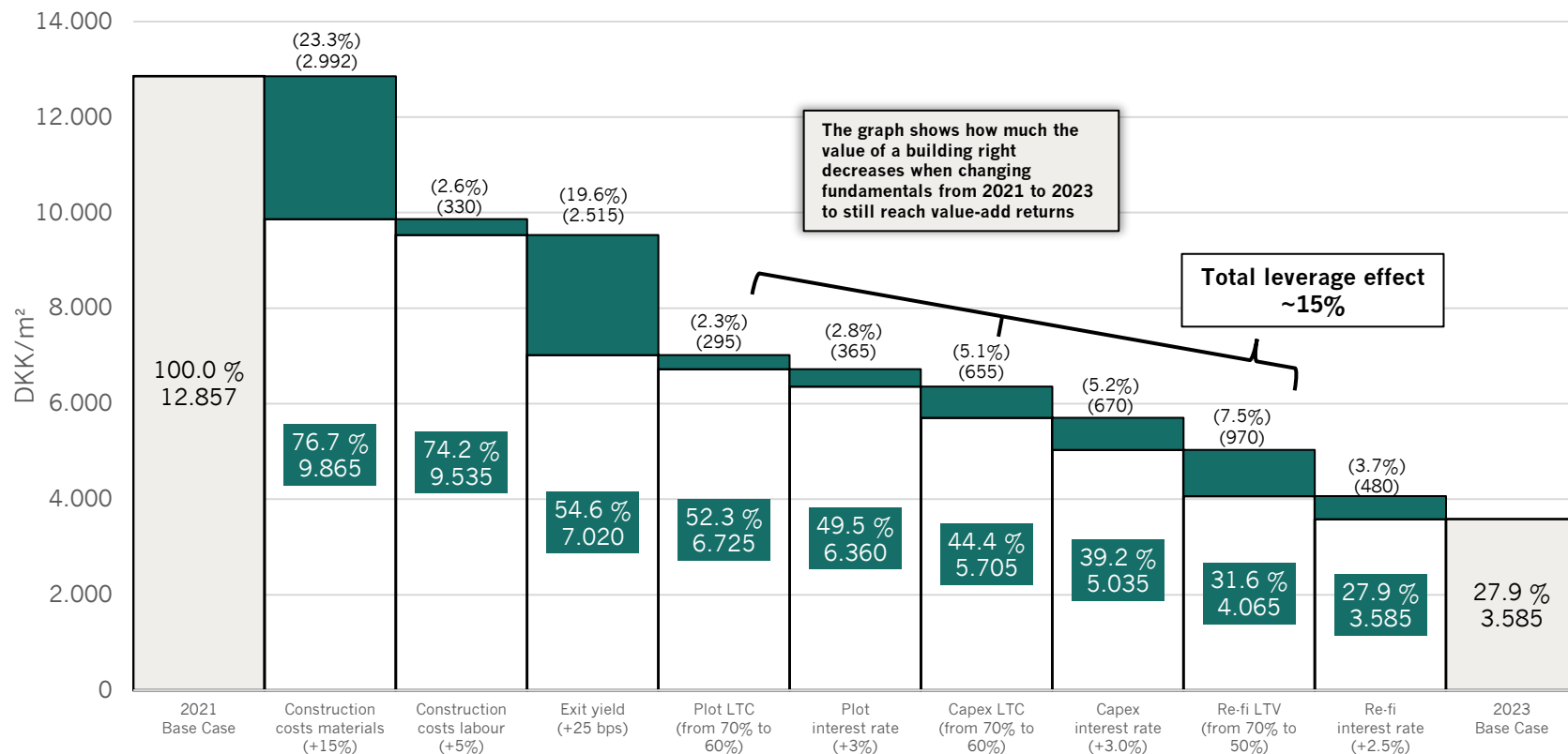
Peter Gill, Partner, Head of CapMan Real Estate Denmark

26<sup>th</sup> of November 2024

# Transaktionsvolumen



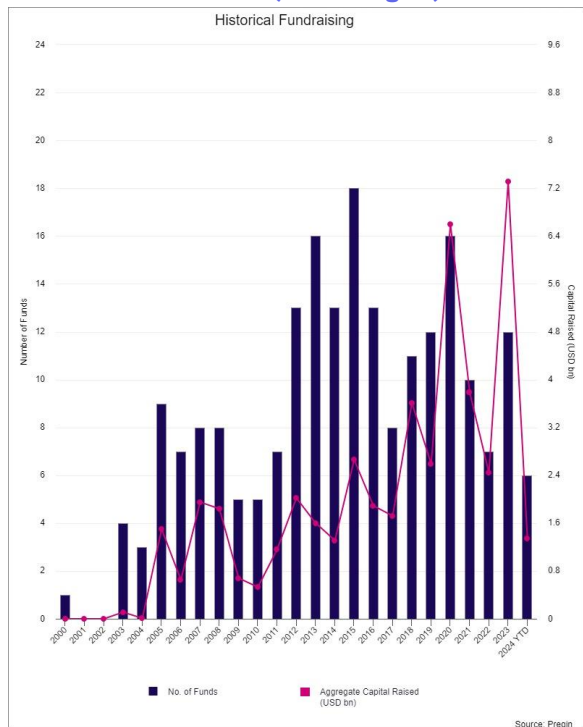
# 2021 vs. 2023 – Value of Building Rights



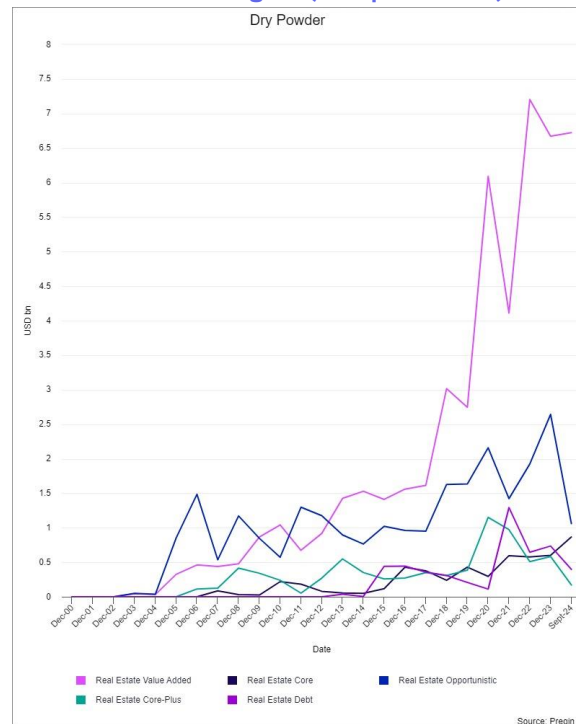


# Fund raising and dry powder in the Nordics

Nordic (all strategies)



Nordic managers (Europe focused)



# Investment prospects

## Største fald:

- Central-city office og suburban office har de laveste vurderinger i både 2023 og 2024, hvilket viser en fortsat svag interesse i kontorsegmentet.

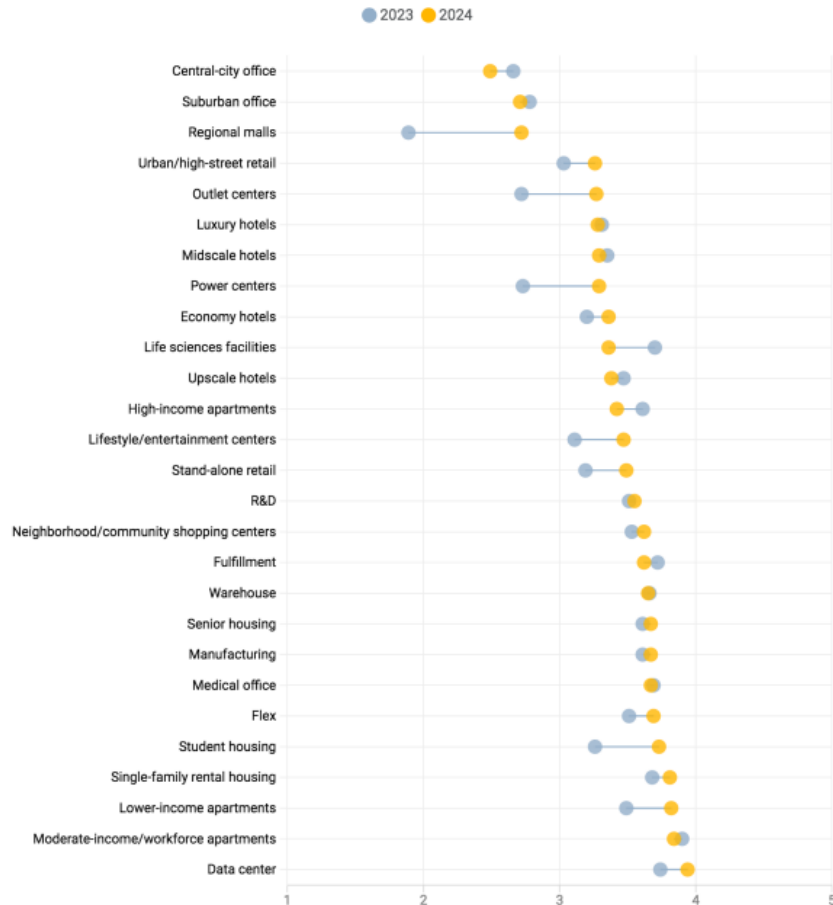
## Stabile eller forbedrede segmenter:

- Data centers, moderate-income/workforce apartments, og lower-income apartments klarer sig bedst med høje vurderinger for begge år. Dette afspejler stærk interesse for ejendomssegmenter relateret til teknologi og overkommelige boliger.
- Senior housing, student housing, og single-family rental housing opretholder gode udsigter og viser stabil efterspørgsel.

## Prospects for Commercial/Multifamily Subsectors, 2024 versus 2023

### Investment prospects

1–Abysmal 2–Poor 3–Fair 4–Good 5–Excellent



Source: Emerging Trends in Real Estate surveys.

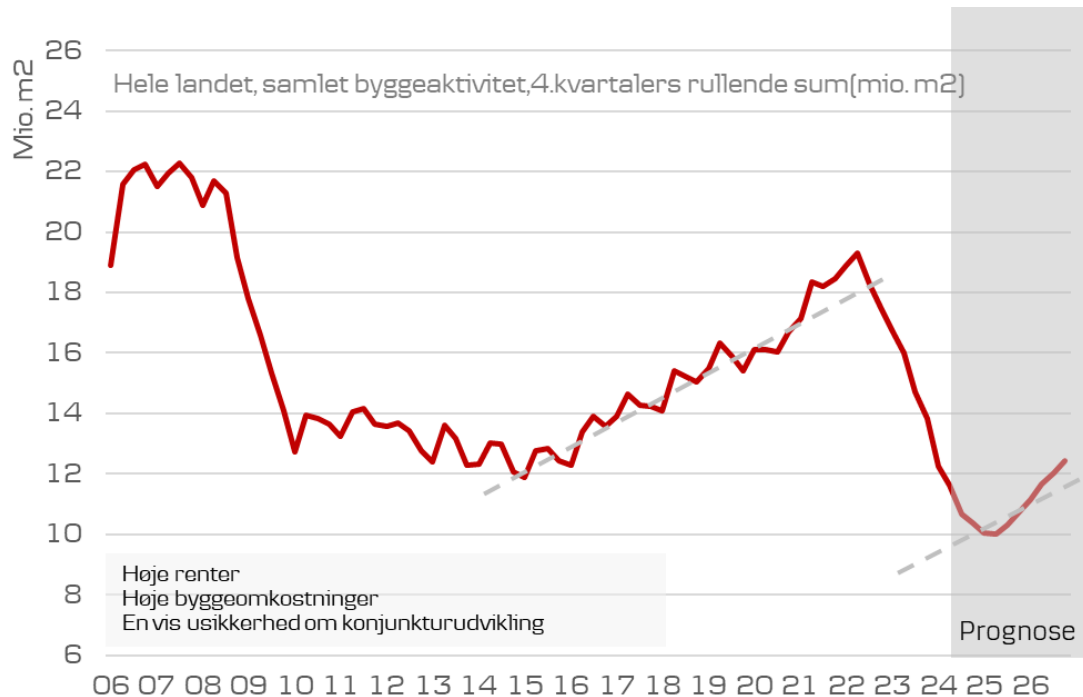
Note: Based on U.S. respondents only.

*Når det går  
nedad, tager vi  
elevatoren. Men  
når vi skal op  
igen, må vi tage  
trappen.*

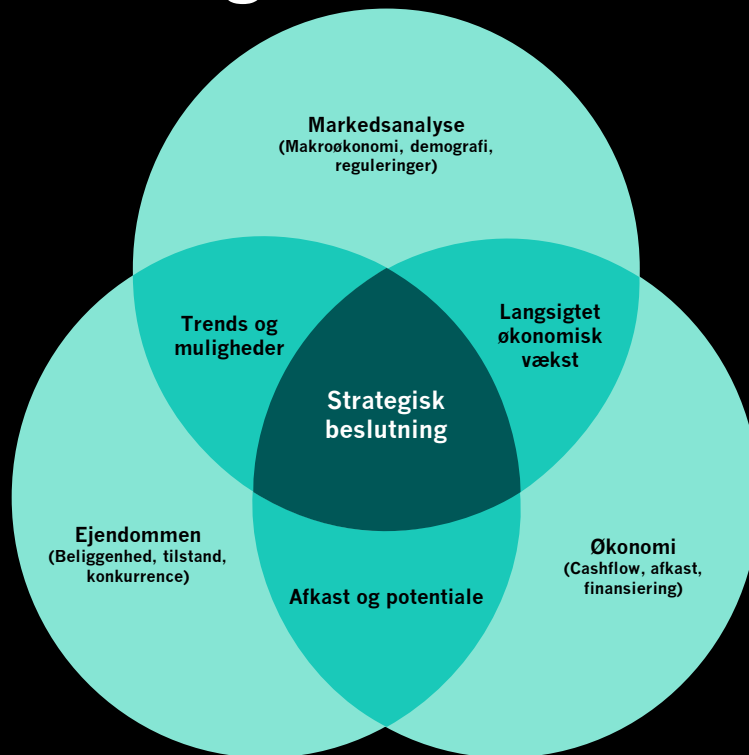




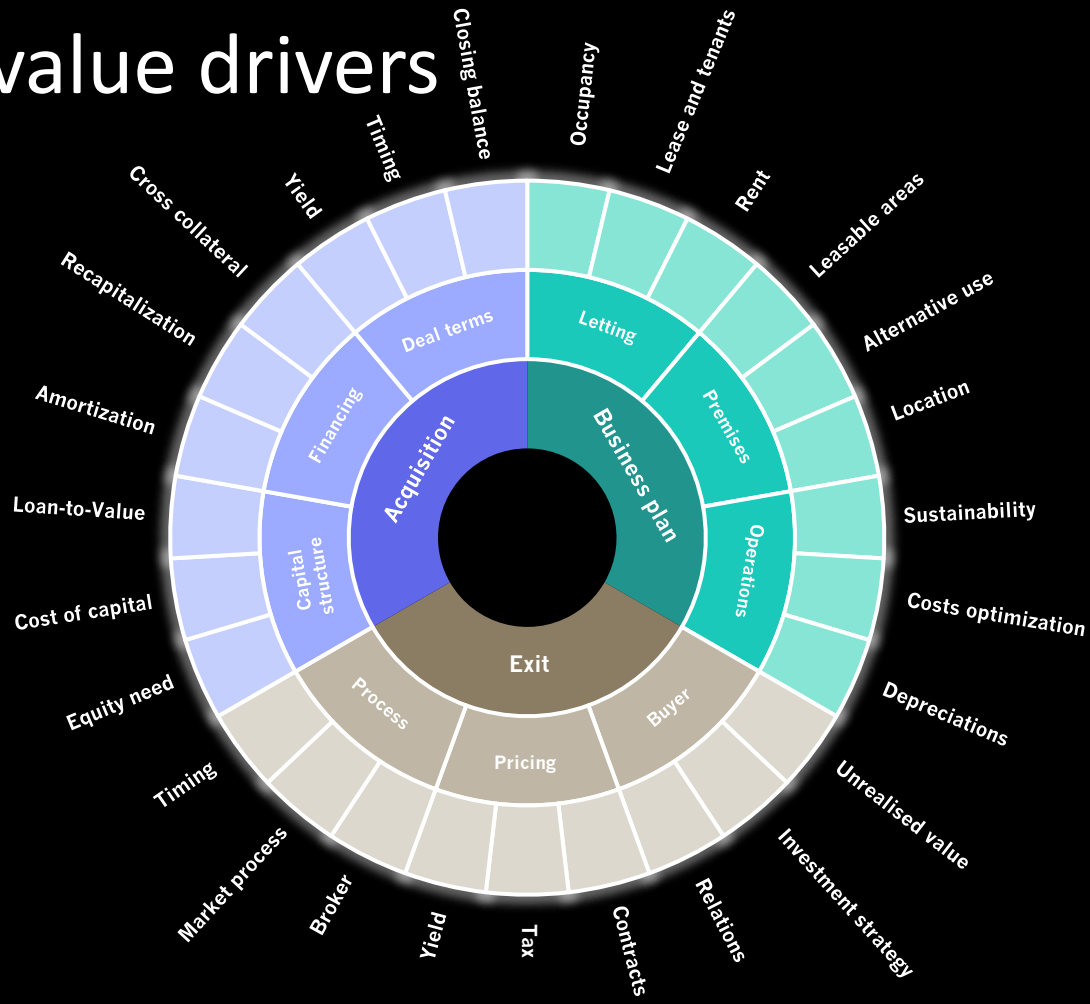
# Bunden af markedet



# Strategisk beslutning

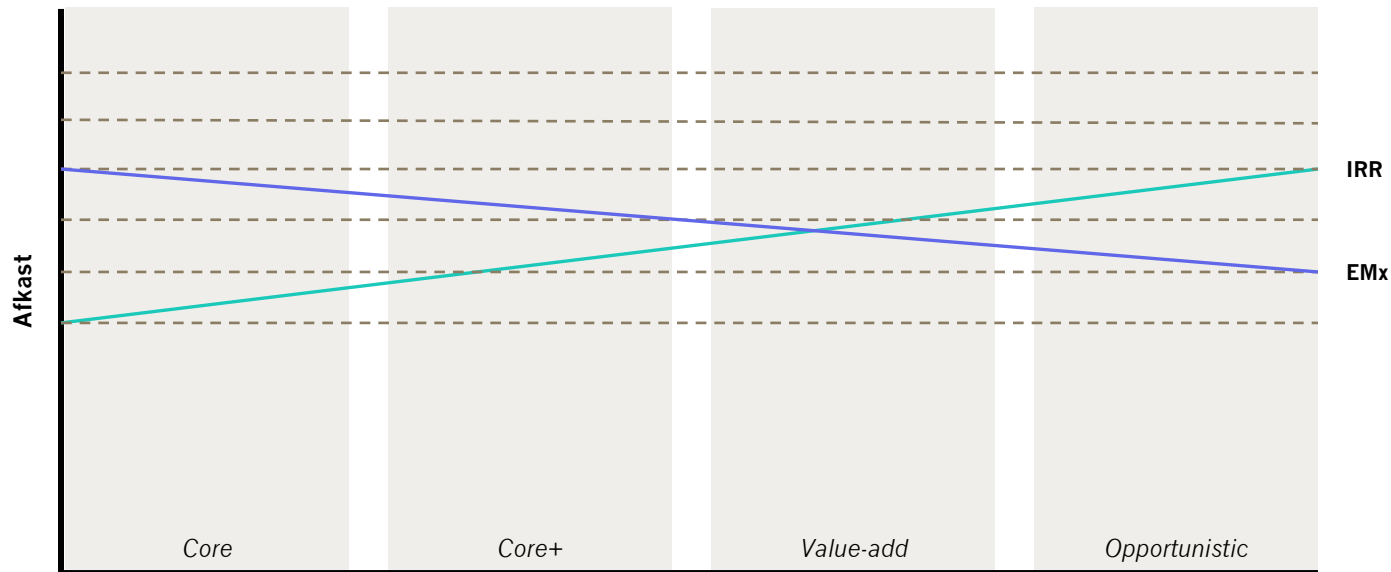


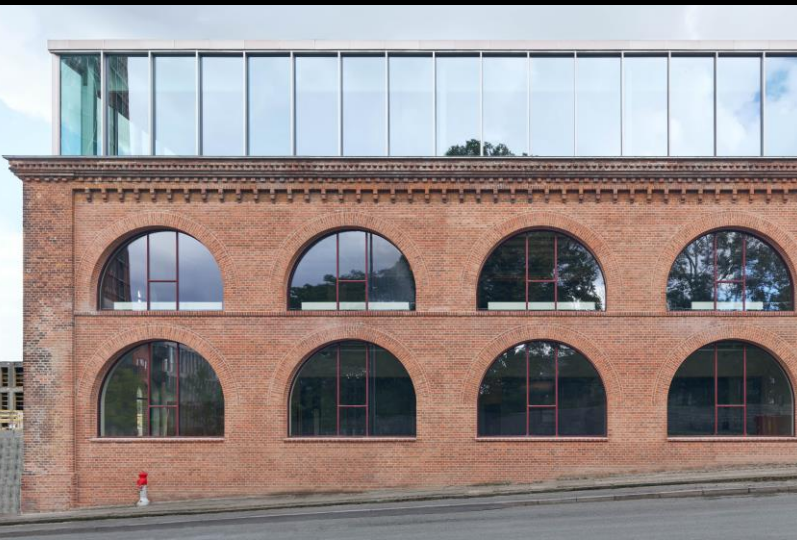
# Extract of value drivers



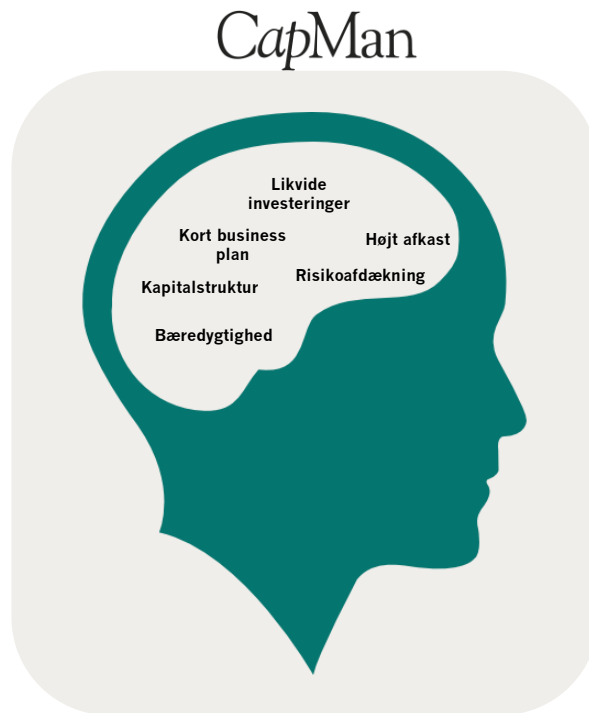


# Dealstruktur: Drivere, Risiko og Afkast

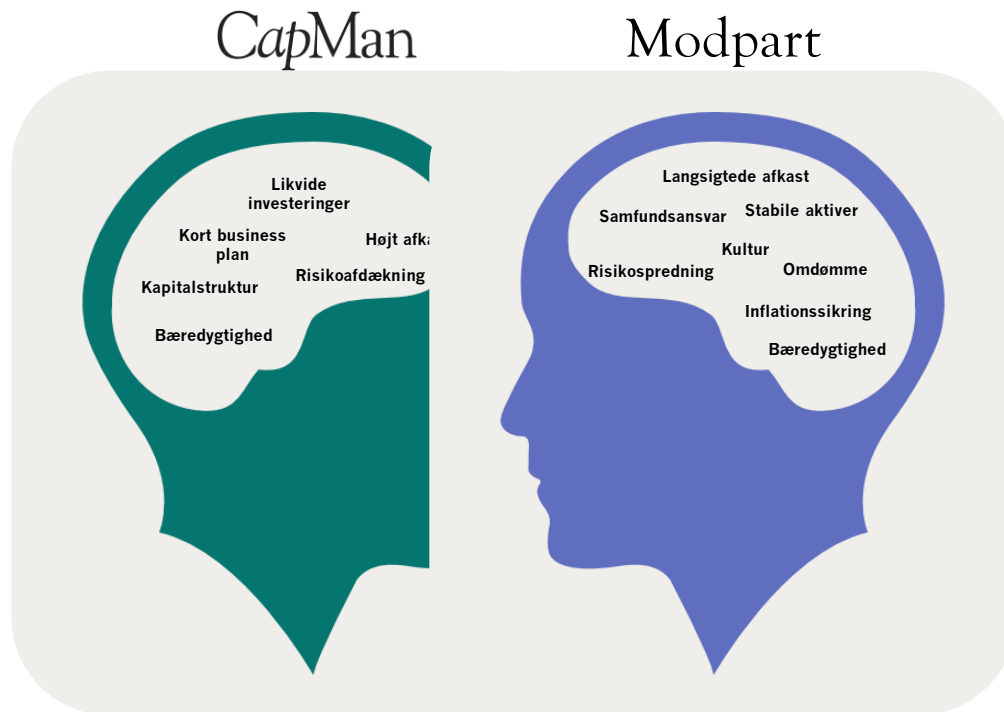




# Kend din handelspartner

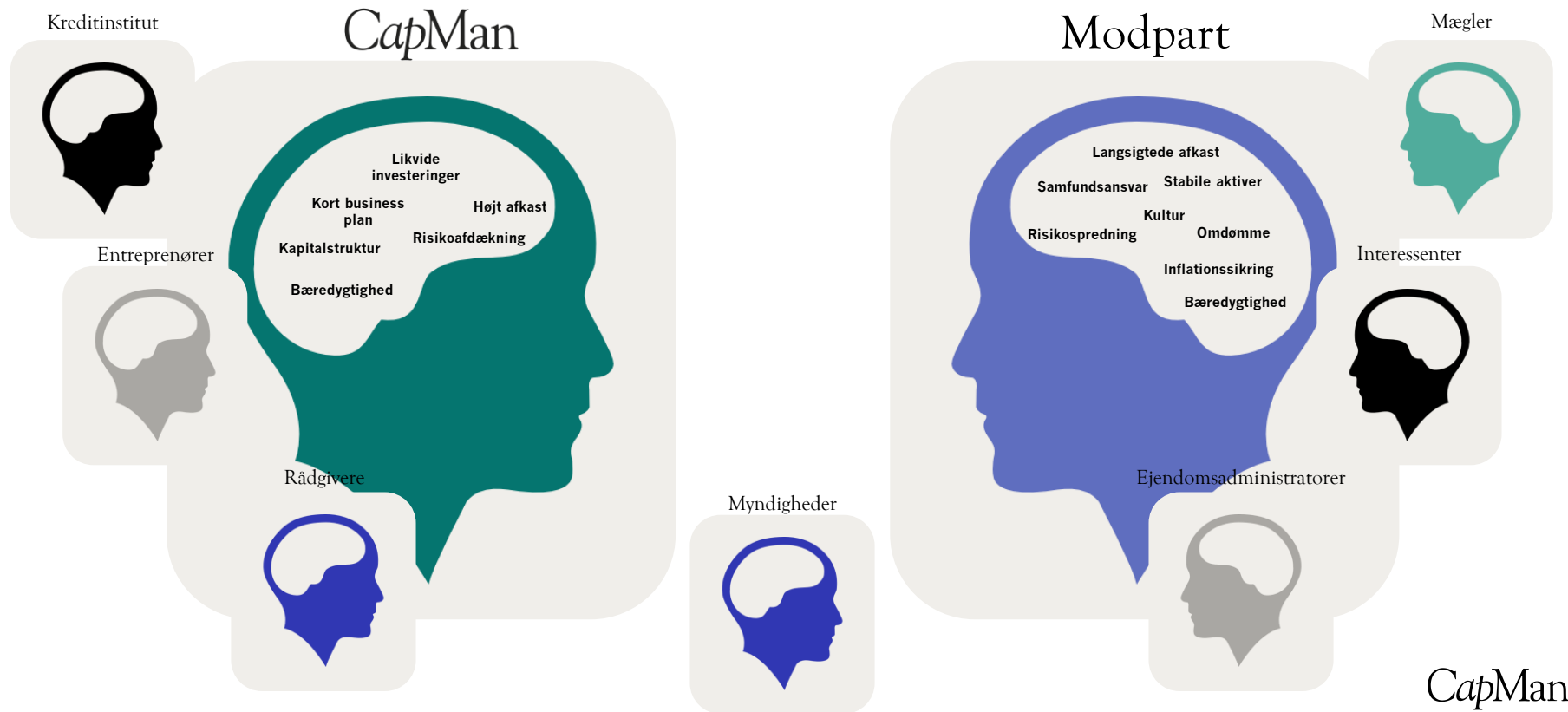


# Kend din handelspartner





# Kend din handelspartner





# Værdier og kultur

## 1. Troværdighed og integritet

- Ærlig og respektfuld adfærd lægger grundlaget for et stærkt samarbejde.

## 2. Fleksibilitet og tilpasningsevne

- Evnen til at tilpasse sig forandringer åbner op for nye løsninger.

## 3. Løsningorientering

- Fokus på at finde løsninger frem for at hænge fast i problemer skaber muligheder.

## 4. Kvalitetskommunikation

- Klar og løbende kommunikation sikrer, at alle er informeret og føler sig trygge.

## 5. Langsigtet perspektiv

- At tage både kortsigtede og langsigtede mål i betragtning skaber stabile og bæredygtige aftaler.

# Key takeaways

1. **Markedsforståelse**: Vi er i bunden – udnyt muligheden strategisk.
2. **Åben kommunikation**: Vær ærlig og transparent.
3. **Forstå value drivers**: Identificer de vigtigste værdi-faktorer.
4. **Informerede beslutninger**: Basér valg på data og indsigt.
5. **Stå fast på det essentielle**: Vær klar over, hvornår du skal forhandle hårdt og være fleksibel.

*CapMan*



CapMan

A stylized graphic of teal smoke or smoke-like wisps rising from the bottom and swirling around the text "CapMan". The smoke is a vibrant teal color and has a soft, ethereal quality, blending into the black background.

# Indlæg

## ESG-rapportering

*v. Jens Pultz Pedersen, Partner, PwC & Henrik Kyhnav, Partner, PwC*







# Sustainability in Real Estate

November 26th, 2024



# Agenda

- 01** ESG regulation and international guidelines
- 02** CSRD Reporting requirement
- 03** EU Taxonomy reporting
- 04** ESG Governance
- 05** Next Steps





# 01

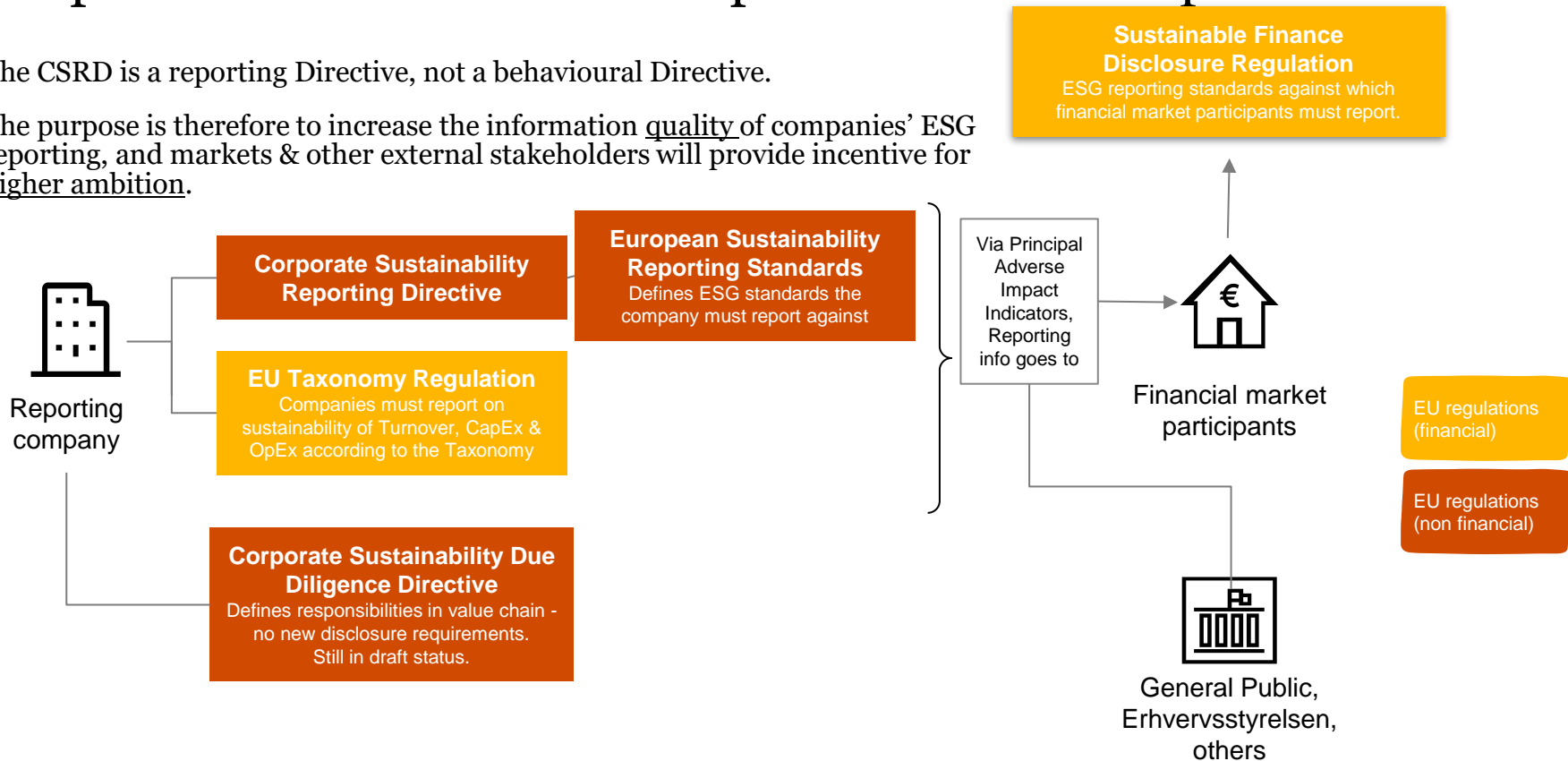
## ESG Regulation and international guidelines



# The purpose of new regulations is to increase quality of companies' ESG information & promote flow of capital

The CSRD is a reporting Directive, not a behavioural Directive.

The purpose is therefore to increase the information quality of companies' ESG reporting, and markets & other external stakeholders will provide incentive for higher ambition.



# ESG reporting and the landscape of international guidelines relevant to the Real Estate sector

Annual reporting to meet:

- Legislative requirements
- Investor and other stakeholder demands



Annual/  
Sustainability  
reporting

Leadership  
commitment  
reporting

Benchmark  
reporting

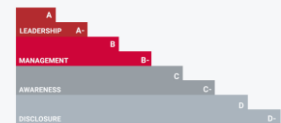
UN Global Compact: Communication on Progress 2019	
10/12/19	1. Human Rights
10/12/19	2. Labour
10/12/19	3. Environment
10/12/19	4. Society
10/12/19	5. Anti-Corruption
10/12/19	6. Sustainable Development Goals
10/12/19	7. Stakeholder Engagement
10/12/19	8. Reporting
10/12/19	9. Governance
10/12/19	10. Leadership
10/12/19	11. Policies
10/12/19	12. Risk Management
10/12/19	13. Stakeholder Engagement
10/12/19	14. Risk Assessment
10/12/19	15. Targets
10/12/19	16. Tenants & Community
10/12/19	17. Building Certifications
10/12/19	18. Data Monitoring & Review
10/12/19	19. Waste
10/12/19	20. Water
10/12/19	21. GHG
10/12/19	22. Energy



UN Global Compact:  
Communication on  
Progress 2019



CDP SCORING BREAKDOWN



# 02

## CSRD reporting requirements





# Large companies face significant ESG reporting requirements



## Corporate Sustainability Reporting Directive (CSRD)

### Main changes

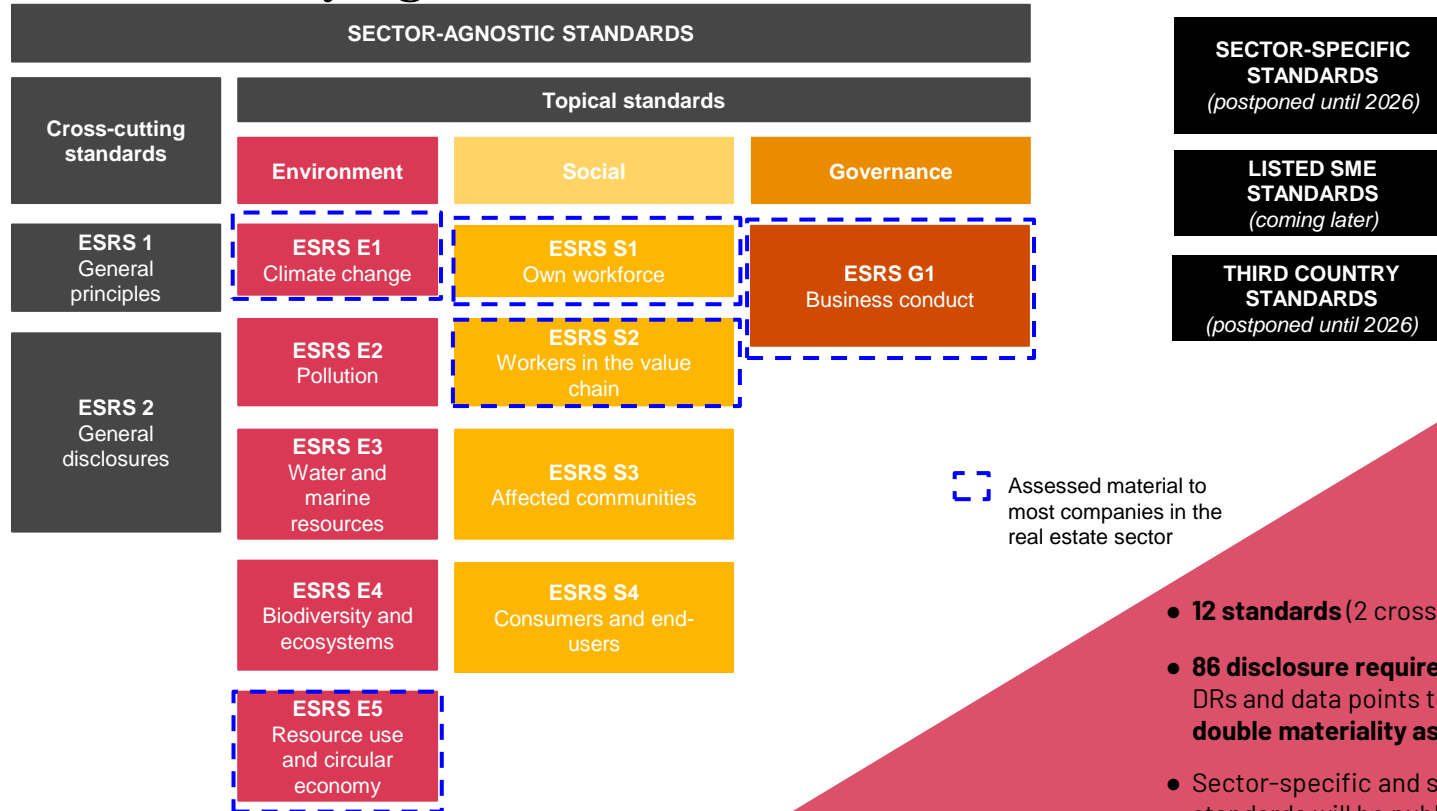


Who?	Significant <b>extension of the scope</b> of sustainability reporting
What?	<ul style="list-style-type: none"><li>• <b>Expanding the content</b> of sustainability reports</li><li>• EU has created own reporting <b>standards (European Sustainability Reporting Standards)</b></li></ul>
Where?	Sustainability report mandatory integrated component of the (consolidated) <b>management report</b> together with the financial reporting
How?	<b>Electronic format</b> and <b>tagging</b> of sustainability reports mandatory - timing for implementation is pending
Responsibility?	Responsibility of management and Board of directors and <b>new oversight role of the audit committee</b>
Enforcement?	Clear responsibilities for <b>preparation, oversight and enforcement</b>
Assurance?	<b>Mandatory assurance</b> of sustainability reports starting with <b>limited assurance</b>



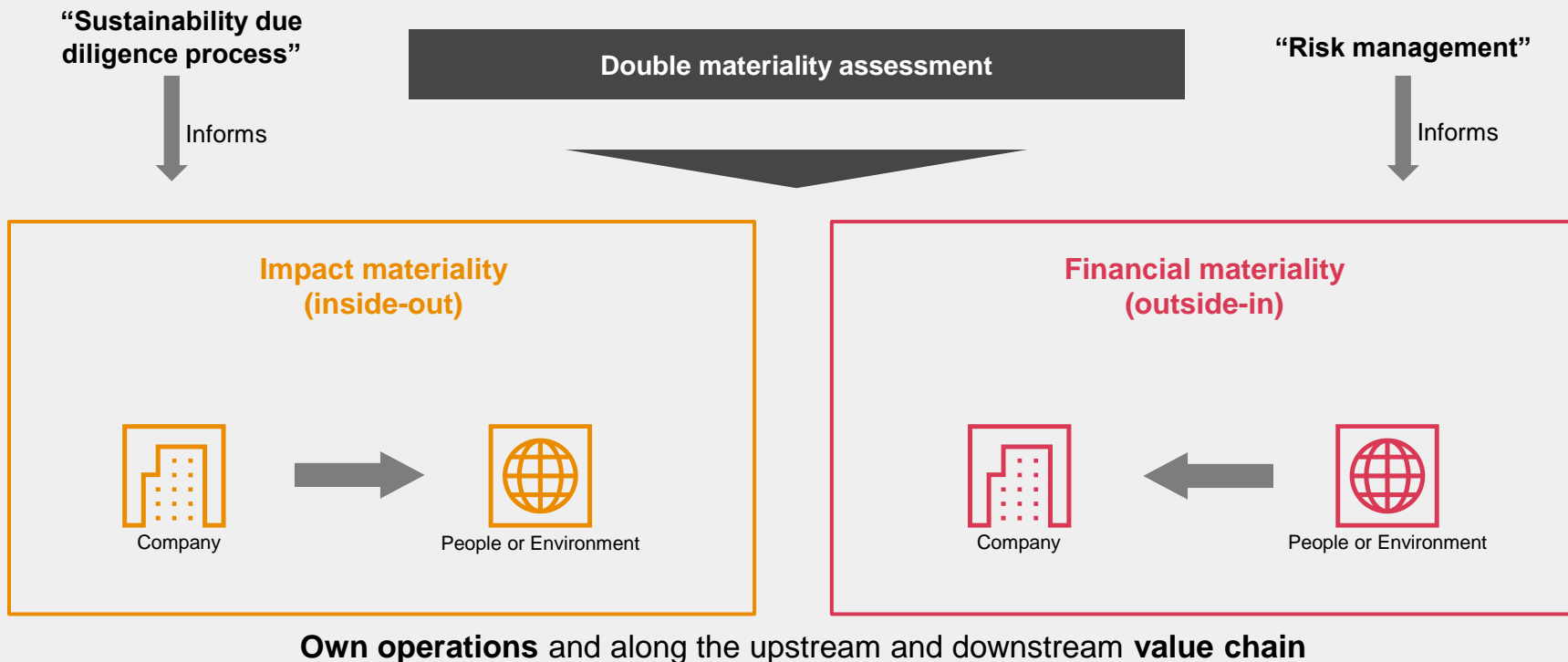
# Architecture of ESRS

- 12 underlying standards

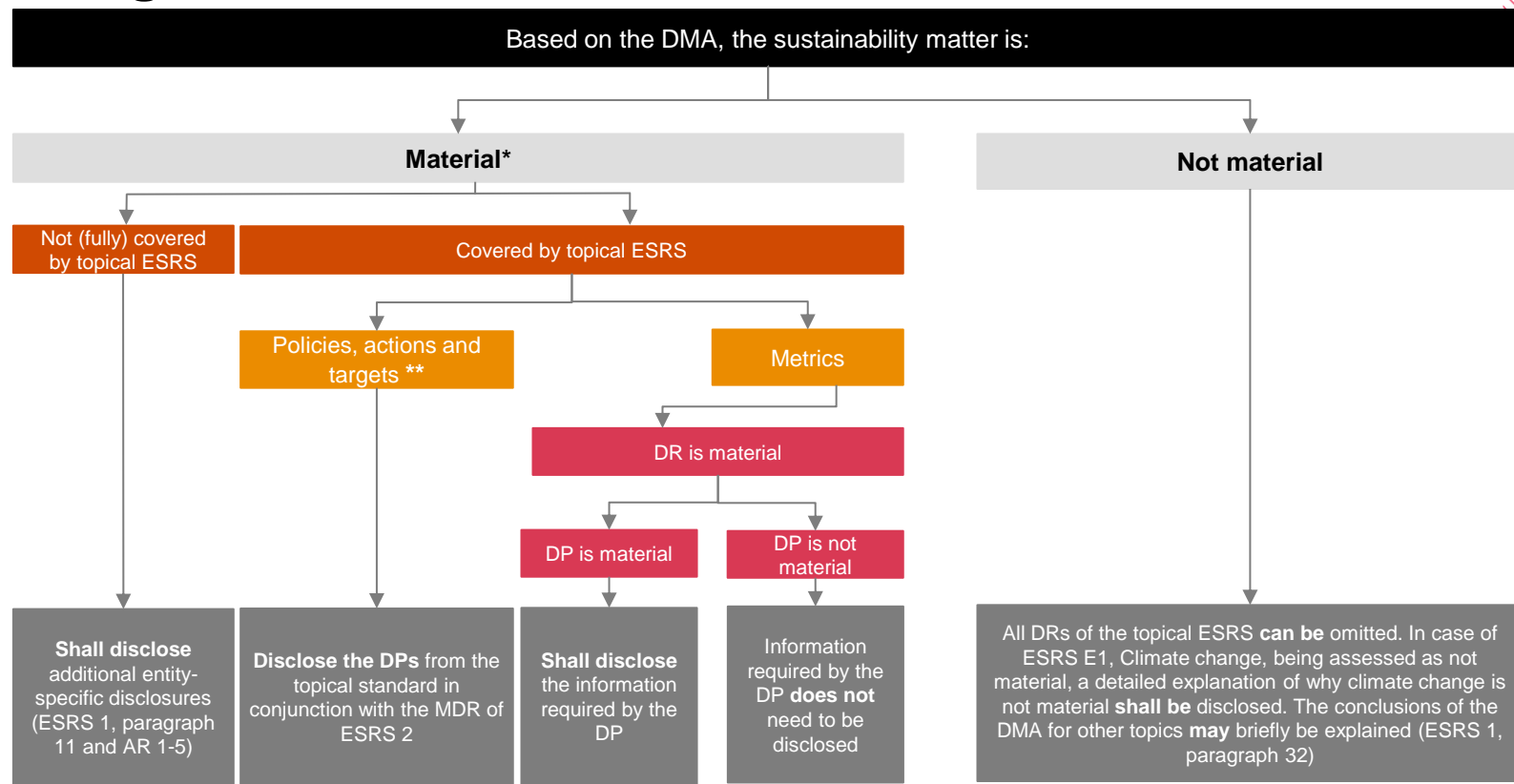


- **12 standards** (2 cross-cutting + 10 topical);
- **86 disclosure requirements** (DRs). The final amount of DRs and data points to be reported on is subject to a **double materiality assessment**;
- Sector-specific and small- and medium enterprise standards will be published and adopted later (**postponed until 2026**).

# The concept of double materiality



# Reporting disclosure tree



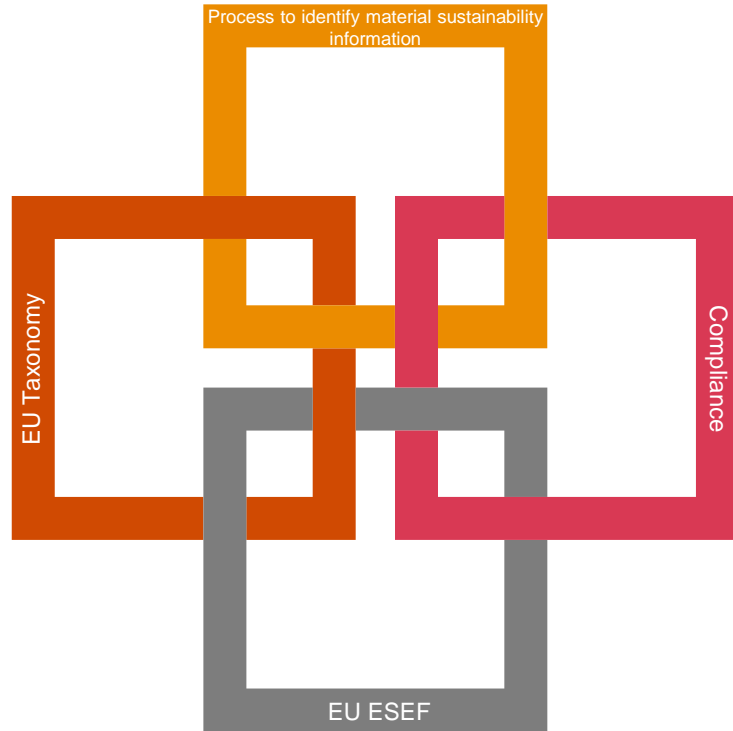
\*A matter is material, if its materiality is above the agreed double materiality threshold for the group. NB: a relevant or interesting topic does **not** imply it is material.

\*\* If policies has not been adopted, actions not implemented or targets not set related to the matter, this **shall** be disclosed to be the case. A timeframe in which these will be in place **may** be reported (ESRS 1, paragraph 33).



# Corporate Sustainability Reporting Directive

Our conclusion on the Sustainability Statement covers the following four matters\*\*:



- **Process to identify material sustainability information:** Limited assurance on whether your process to identify the information to be included in the Sustainability Statement is aligned with the requirements under ESRS 1 and with the description in the Sustainability Statement (Double Material assessment (DMA)).
- **Compliance:** Limited assurance on whether material disclosures identified according to the DMA have been presented in accordance with European Sustainability Statement Standards (ESRS).
- **EU Taxonomy:** Limited assurance on whether the EU Taxonomy disclosures are compliant with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).
- **EU ESEF:** As part of the limited assurance engagement, we are also to conclude on the tagging of the Sustainability Statement in accordance with the ESEF sustainability taxonomy\*\*.

\* The limited assurance opinion for CSRD reporting is a compliance opinion thus we are required to perform assurance procedures covering all disclosures under the areas described above and review that this is in compliance with the CSRD and ESRS requirements.

\*\* The EU Commission has not made the necessary updates to the ESEF regulation including the determination of the ESEF sustainability taxonomy and possible transitional arrangements. We will plan for this accordingly.

# 03

## EU Taxonomy reporting



# The core components of the EU Taxonomy framework

## Six environmental objectives

The Taxonomy has identified a range of economic activities that have the potential to make a substantial contribution to one of six environmental objectives. Currently, only activities for the two first objectives have come into force, where the remaining are expected later this year.



Climate change mitigation



Climate change adaptation



Sustainable use and protection of marine resources



Transition to a circular economy



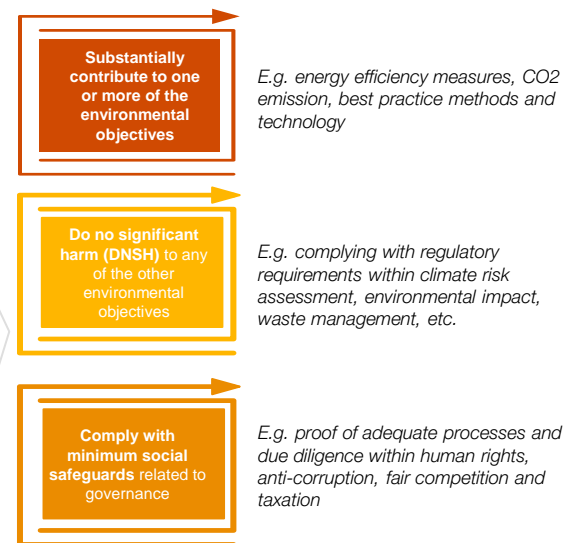
Pollution prevention and control



Protection and restoration of biodiversity and ecosystems

## Criteria for classification as sustainable

When classifying an economic activity as sustainable, the activity has to live up to a specific set of criteria or thresholds. These are divided into three types of assessments:



## Showing transition to environmental sustainability

The share of sustainable activities is expressed as the proportion of turnover, total investments (CapEx) and operational expenditures (OpEx) related to assets or processes listed in the Taxonomy. It shows both the potential and achievement of classifying a company's activities as environmentally sustainable.

### Eligibility

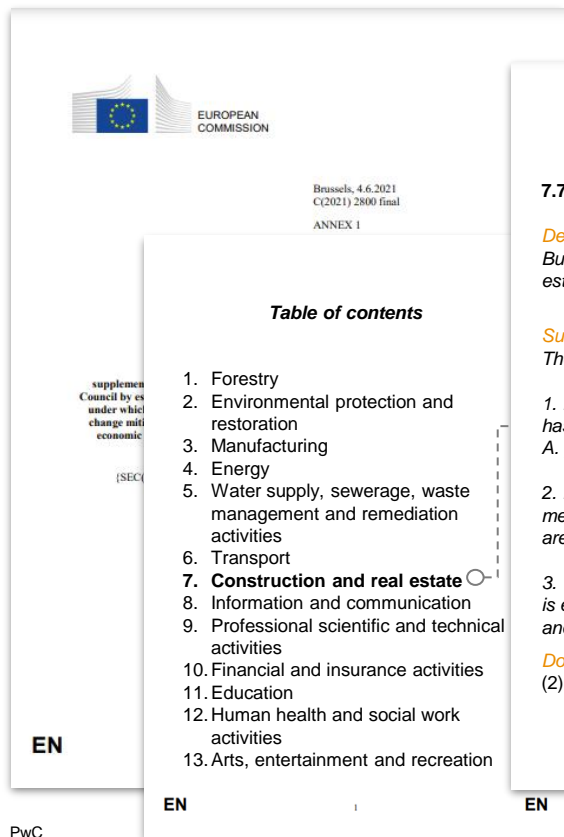
Eligibility means that the activity is covered by the Taxonomy regulation and thus have the potential to be environmentally sustainable

### Alignment

Alignment means that the activity live up to the criteria for being classified as environmentally sustainable

	Turnover	CapEx	Opex
Total EUR	...EUR	...EUR	...EUR
Proportion of Taxonomy alignment activities			
• Activity 1	..%	...%	...%
• Activity 2			
Proportion of Taxonomy eligible not but aligned activities			
• Activity 1	..%	...%	...%
• Activity 2			
Proportion of Taxonomy non-eligible economic activities	...%	...%	...%

# Assessing eligibility and alignment using the technical annexes to the climate delegated act



## Eligibility assessment

### Eligible activities

The company shall assess whether it has any eligible activities for the six environmental objectives. An activity is eligible if it falls under the description provided in the Annexes to the Climate Delegated Act of the Taxonomy Regulation. The NACE codes system (industry classification system used in the EU), can be used in combination with the activity description to identify activities within the industry.

## Alignment assessment

### Substantial contribution criteria

The company shall assess and document whether the activity substantially contribute to one or more of the six objectives, by living up to the minimum threshold criteria as defined in the "substantial contribution" section.

### Do no significant harm criteria

The company shall to assess and document that the activity do not harm any of the remaining environmental objectives, by living up to all of the "do not significant harm" criteria.

### Minimum social safeguards compliance

The company shall to ensure and document that all activities are carried out in line with minimum social safeguards as laid out in the UN Guiding Principles and OECD guidelines, etc.



# 04

## Timeline and approach



# Sustainability reporting

## Illustrative timeline 2024

Company

PwC

### Assessment of datapoints

- Ensure comprehensive evaluation of datapoints to report on based on assessment of material sustainability information (DMA)

### Election of sustainability auditor

- Select an auditor with expertise in sustainability metrics

### Double Materiality Assessment

- Understand Business model and parameters, value chain, key stakeholders
- Identify key impacts, risks and opportunities
- Shortlisted disclosures/data points

### EU Taxonomy

- Assessment of eligibility and alignment

### AC/ BoD endorsement of DMA

- Formal approval of shortlisted sustainability disclosures/data points

### Gap assessment against reporting requirements

- Comparing shortlisted disclosure / data points based on DMA and current sustainability reporting scope, accounting policy and available data
- Prepare plan for closing the gap

### Accounting policy

- Preparation of accounting policy on short listed disclosures / data points

### Systems of internal control

- Establishing systems of internal control in accordance with COSO's achieving effective internal control over sustainability reporting (ICSR)

### EU Taxonomy

- Ensure robust internal processes for collecting and documenting data in compliance with EU Taxonomy requirements

### Develop reporting structure and process for qualitative and quantitative datapoints

- Establishing a comprehensive framework and streamlined process for gathering data
- Evaluating and reporting qualitative and quantitative data following the requirements on ESRS's

2023 . . . . . 2024 . . . . .

Q2

Q3

Q4

2025 ►

### Preparation for CSRD limited assurance

Agree with client if any procedures could be relevant to perform in 2024

### Check in

- Engage in collaborative discussions with client on refining and aligning DMA process and EU Taxonomy assessment

### Check in

- Engage in collaborative discussions with client on addressing identified gaps, establishing accounting policy, and implement internal controls through sparring and alignment sessions

### Review process for Double Materiality Assessment

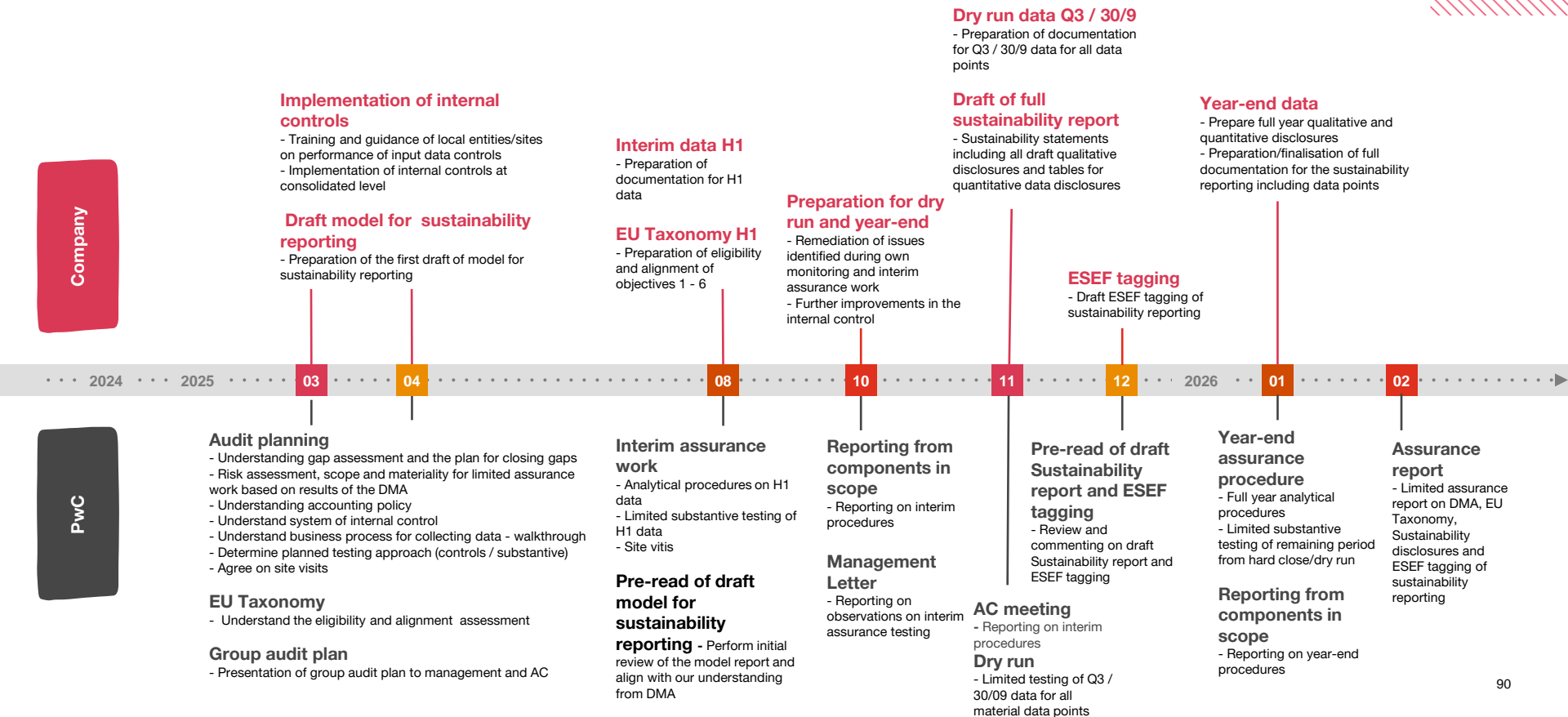
- Conduct interview to understand the Company's DMA process
- Review documentation for the process and conclusion

### Check in

- Engage in collaborative discussions with the client to refine the data gathering and reporting framework

# Sustainability reporting

## Illustrative timeline 2025



# CSRD Governance is key

- what we see in other companies

1

Anchoring of CSRD in BoD, Audit Committee and top Management is key

2

Many companies have anchored responsibility for ESG Accounting and Reporting in Finance. Responsibility for Policies, Actions and Targets are often anchored in a Group Sustainability function

3

CSRD reporting is not a central excise - it needs to live in the organisation. As with financial reporting, roles and responsibilities need to be clearly defined throughout the organisation



# Next steps in getting ready for CSRD Reporting and Assurance



1

DMA (Double Materiality Assessment) must be finalised

2

Material Disclosure Requirements (DR)/ Data Points (DP) for your company to report on must be identified

3

Assessment of EU Taxonomy Eligibility and Alignment

4

ESG Accounting manuals on material Metrics for your company to report on must be identified

5

Strategic approach to reporting on Policies, Actions and Targets (PAT)  
- Where would your company like to be able to report on PAT? - and where would it be acceptable to report that your company does not yet have PAT within the specific area?

6

Planning of the entire CSRD reporting and assurance process is crucial. Crucial to front load the CSRD reporting and assurance processes to minimise the risk of modified audit opinion. Audit trail is crucial

# Thank you!



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Partner,  
Audit

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Partner,  
Sustainability Advisory & Assurance Services

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# Indlæg

## Refinansiering

*v. Jacob Kjær, Partner & Head of Denmark, Nordanö*





An aerial photograph of a city, likely Stockholm, with a blue overlay. The image shows a mix of old and new architecture, including a large modern building with a green roof in the foreground. The text is overlaid on the image.

# Optimisation of capital structure in real estate

26 November 2024

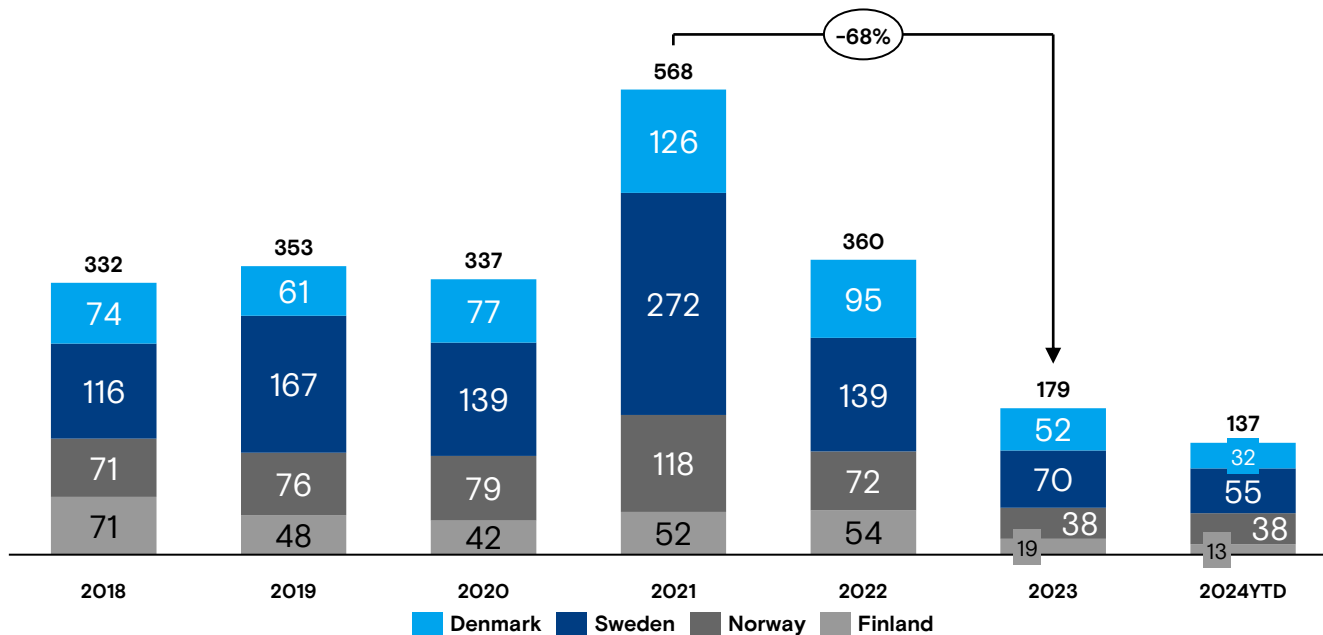


An aerial photograph of a waterfront cityscape. In the foreground, a large body of water is dark blue with gentle ripples. A single white sailboat with a single mast is sailing towards the bottom center. To the left, a cluster of modern, multi-story buildings with prominent red-tiled roofs and large windows sits on a small peninsula or pier. The buildings have a mix of red and white facades. In the background, a dense urban landscape stretches across the horizon under a clear blue sky with a few wispy clouds. A tall, thin industrial chimney is visible on the right side of the background. The text "Market overview" is overlaid in white, bold, sans-serif font in the lower-left quadrant of the image.

# Market overview

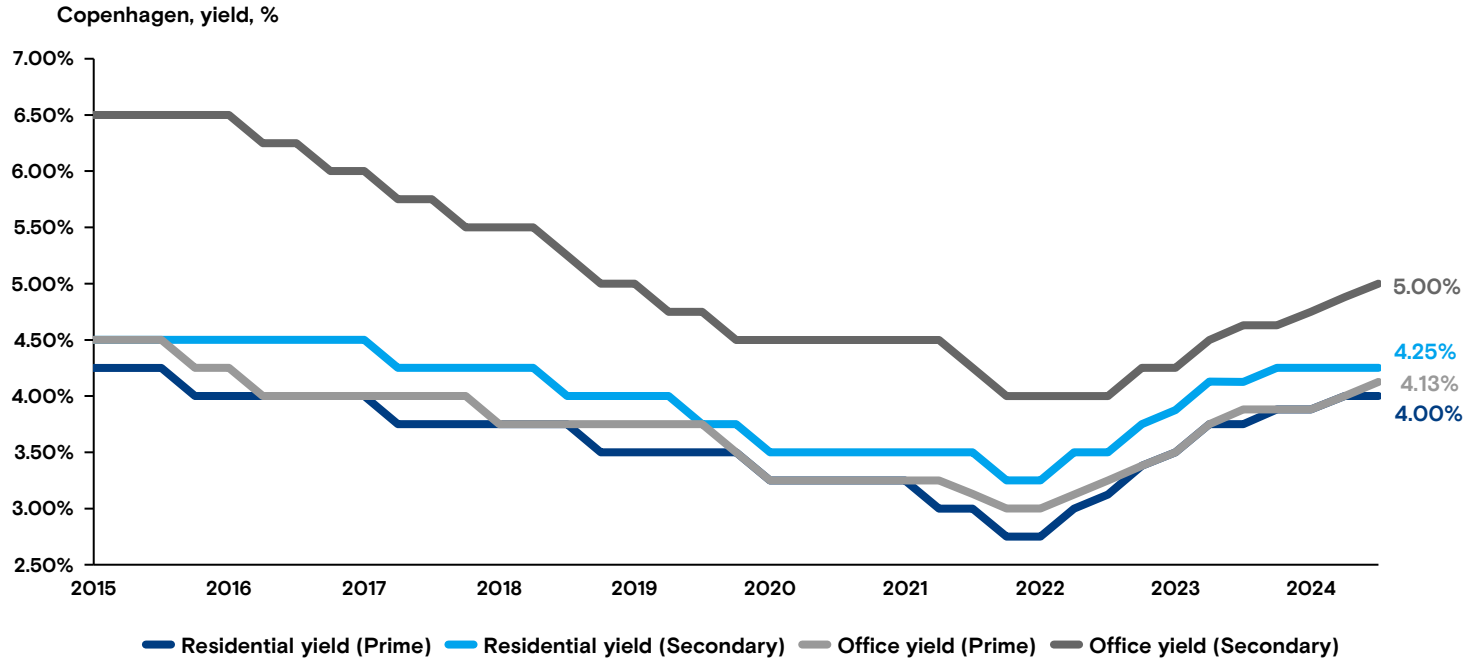
# Slow-down in Nordic transaction volume

Nordic transaction volume per country, DKKbn



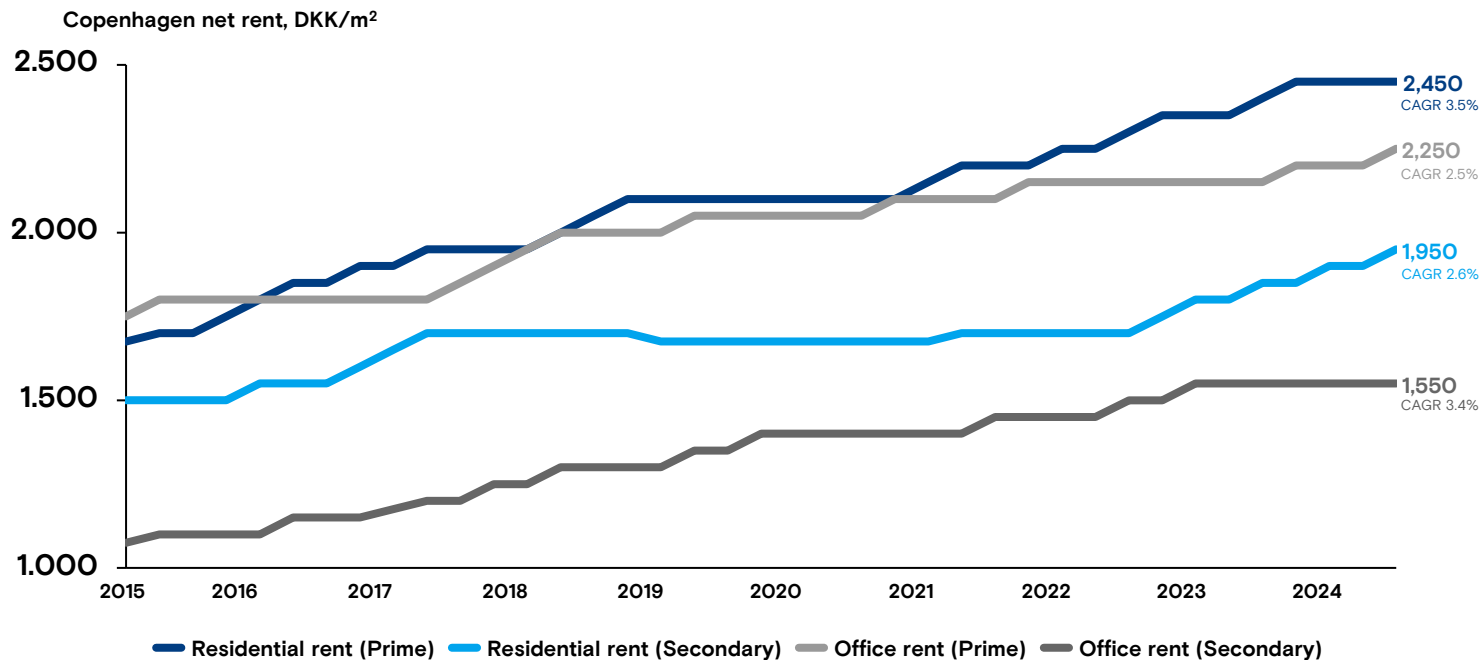
Source: Nordanö database

# Market uncertainty mirrored in increasing yields...



Source: Market reports, Nordanö database and Nordanö analysis

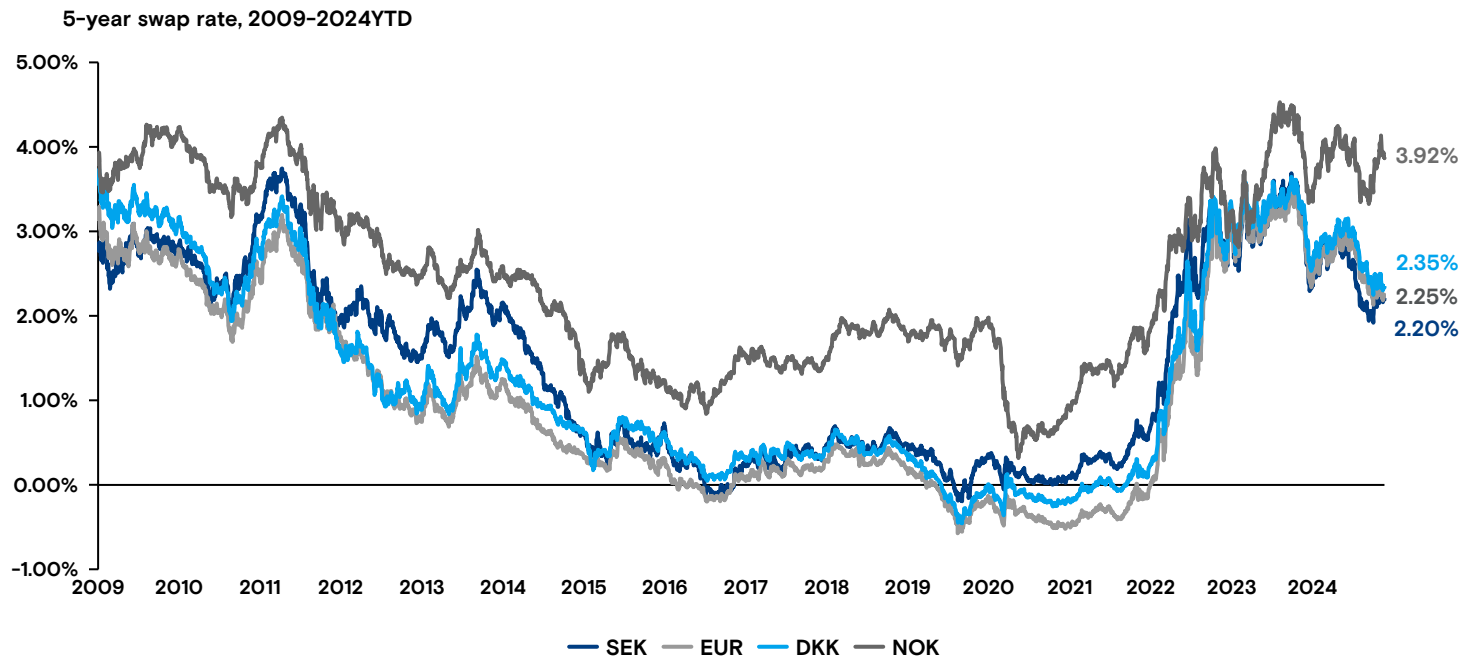
## ...but the rental market remains resilient



Source: Market reports, Nordanö database and Nordanö analysis



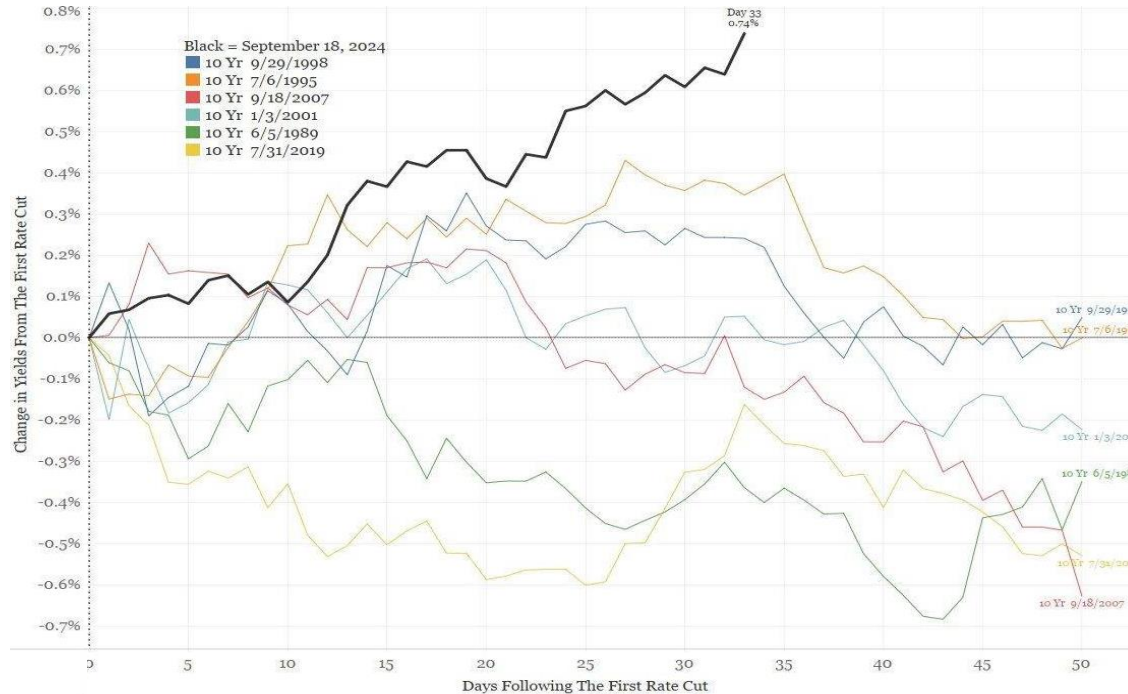
# The interest rate peak has surpassed...



Source: Factset

# ...but uncertainty remains prevalent

10-year note yield changes after first cut



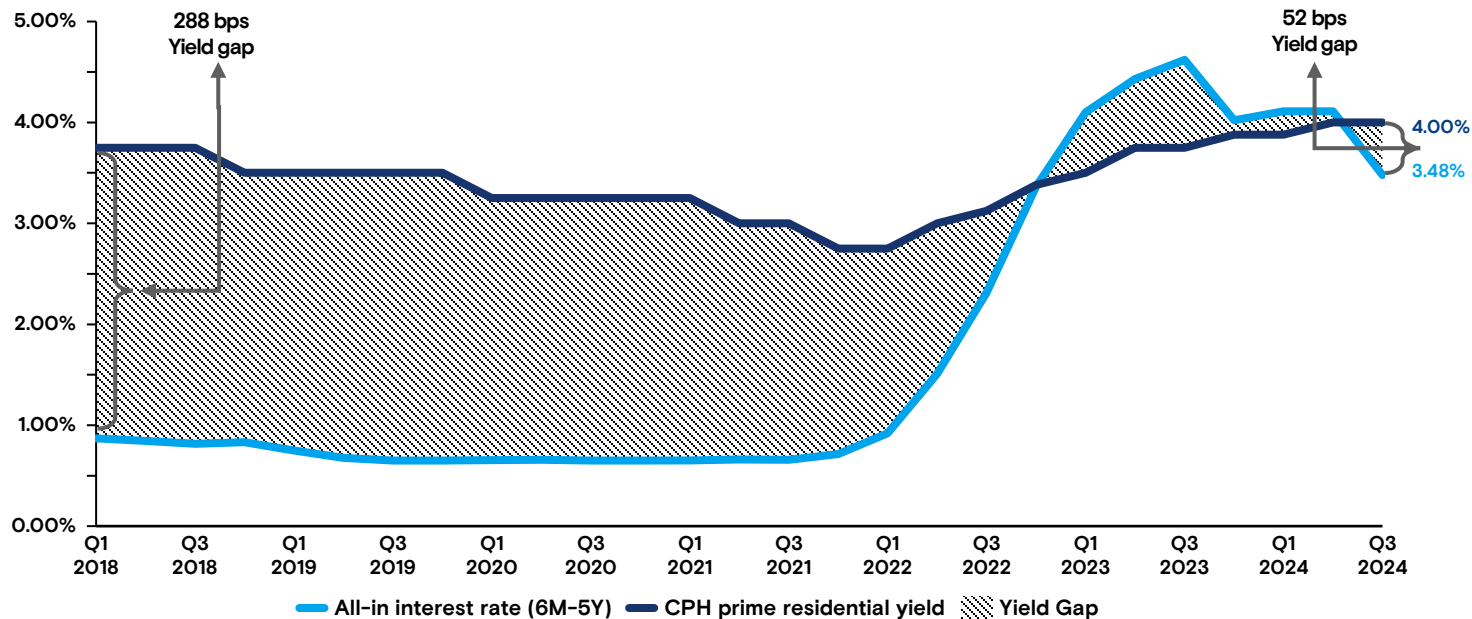
Source: Bloomberg

►► The economy is strong

►► Financial markets do not need monetary stimulus

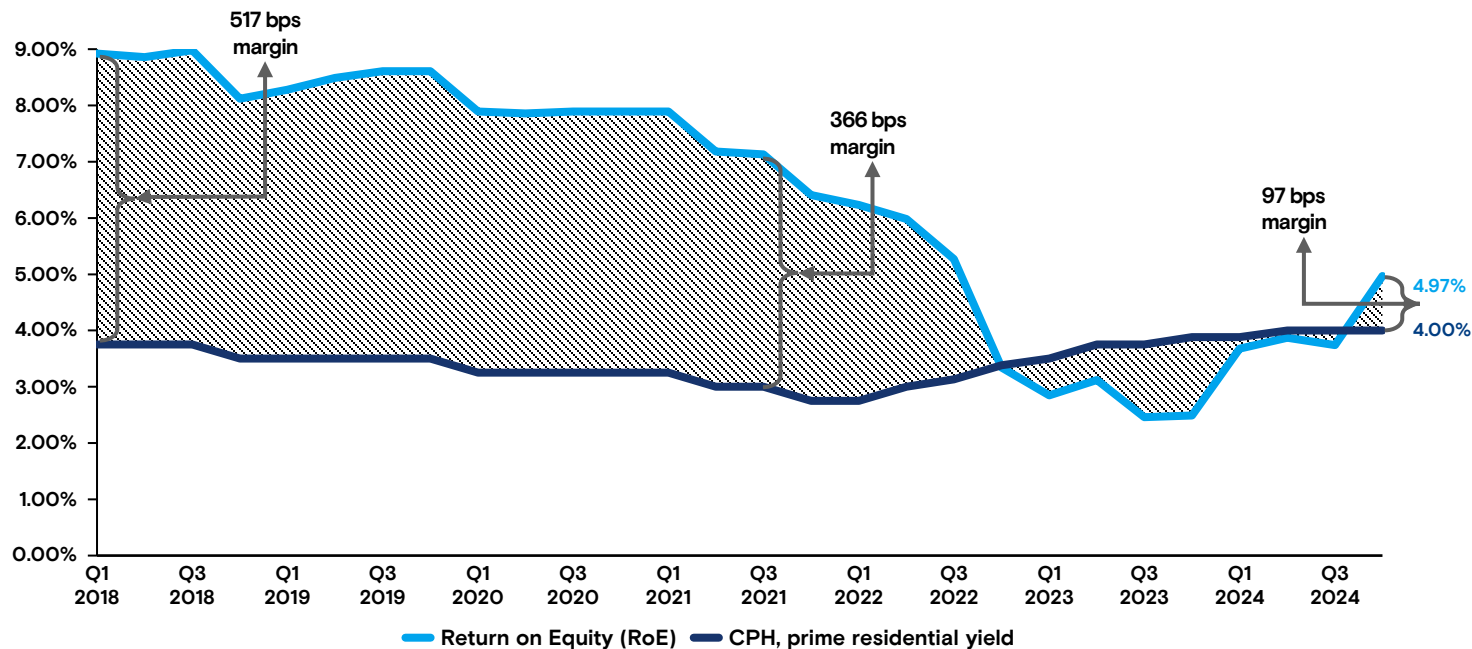
►► Inflation is not “solved” and tariffs/trade wars are inflationary

# Tightening of spread between interest rate and yield



Source: Thompson Reuters, Market Reports and Nordanö analysis

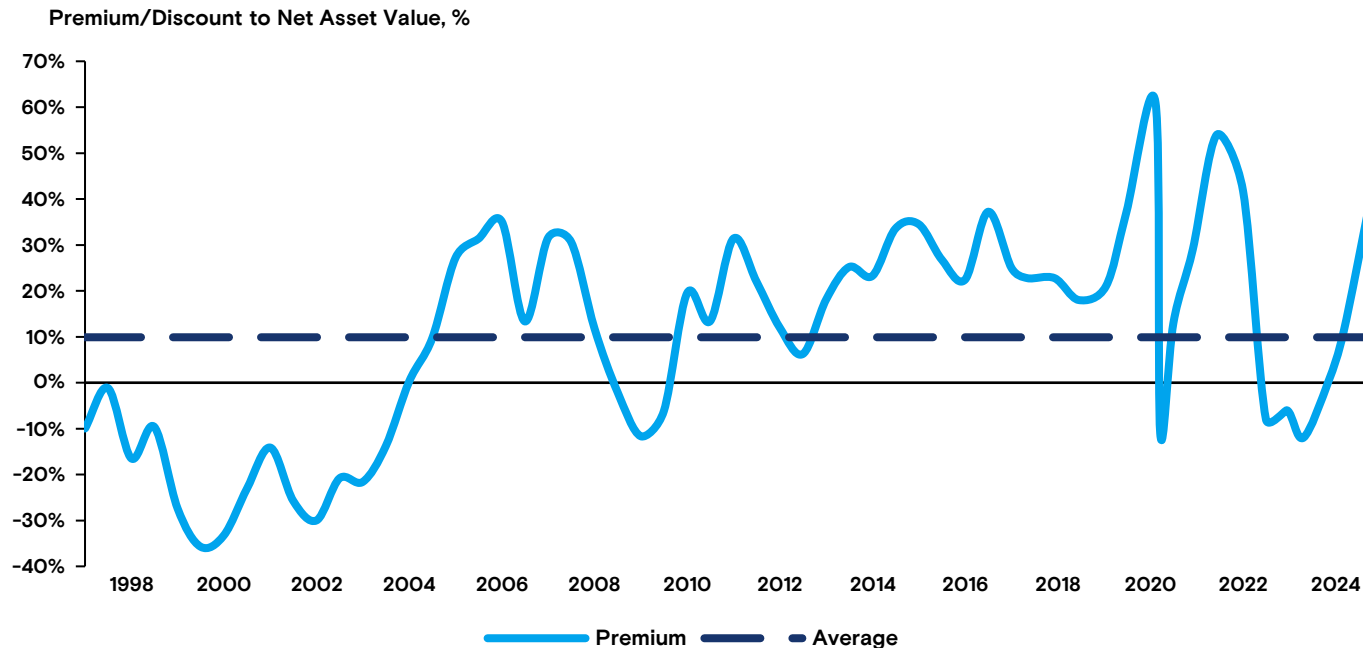
# Low Return on Equity puts pressure on pricing



Source: Thompson Reuters, Market Reports and Nordanö analysis

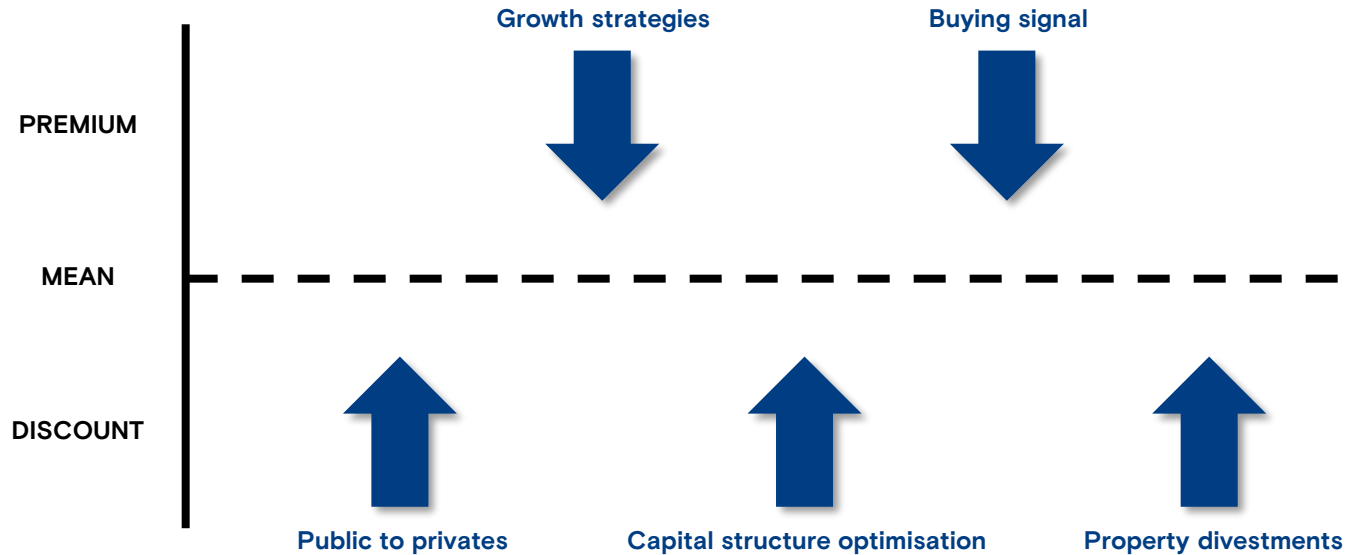


# Premium/discount of listed property companies



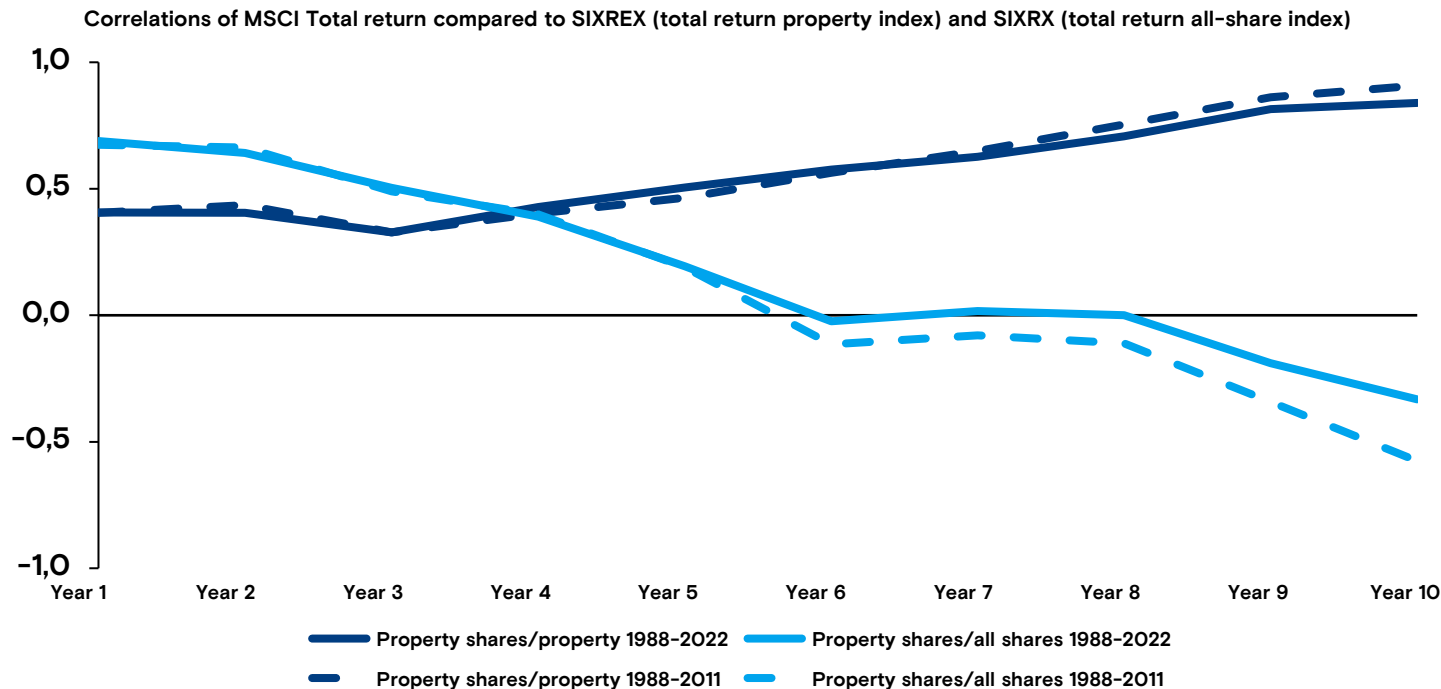
Source: Nordanö database

# Mean reversion mechanisms



Source: Nordanö database

# Are property shares a proxy for property or shares?



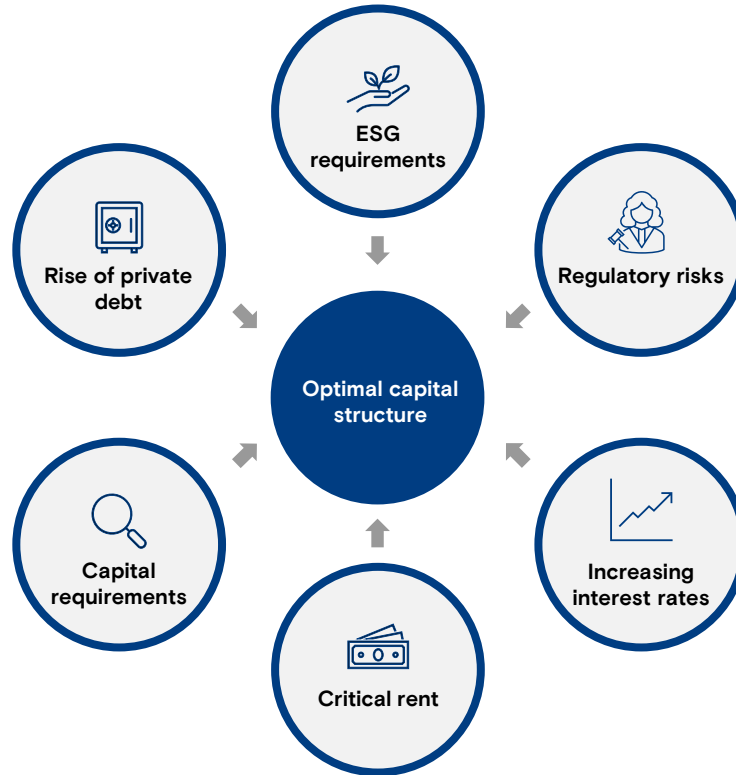
Source: Nordanö database

An aerial photograph of a city, likely Copenhagen, showing a large body of water (the harbor) with a marina filled with sailboats. A highway (E6) runs along the bottom of the image. The city is densely packed with buildings, and there are green spaces and parks scattered throughout. The text "Capital structure in real estate" is overlaid on the image in white, bold, sans-serif font.

# Capital structure in real estate



# Factors increasing demand for optimal structure



# Rise of private debt caused by tighter regulations

## Advantages of obtaining private debt



Higher flexibility



Quicker financing



Preservation of equity

## Risks of obtaining private debt



Higher interest rates



Less regulatory oversight



Covenants and restrictions from lenders

## Example of non-banking lenders currently active in Denmark

NIAM

Heimdal Nordic  
Part of Fokus Nordic

KKR

BGO

Blackstone

PALM  
CAPITAL

M  
&G

M&G Global  
Services

VELO  
Capital

VIGA  
REAL ESTATE

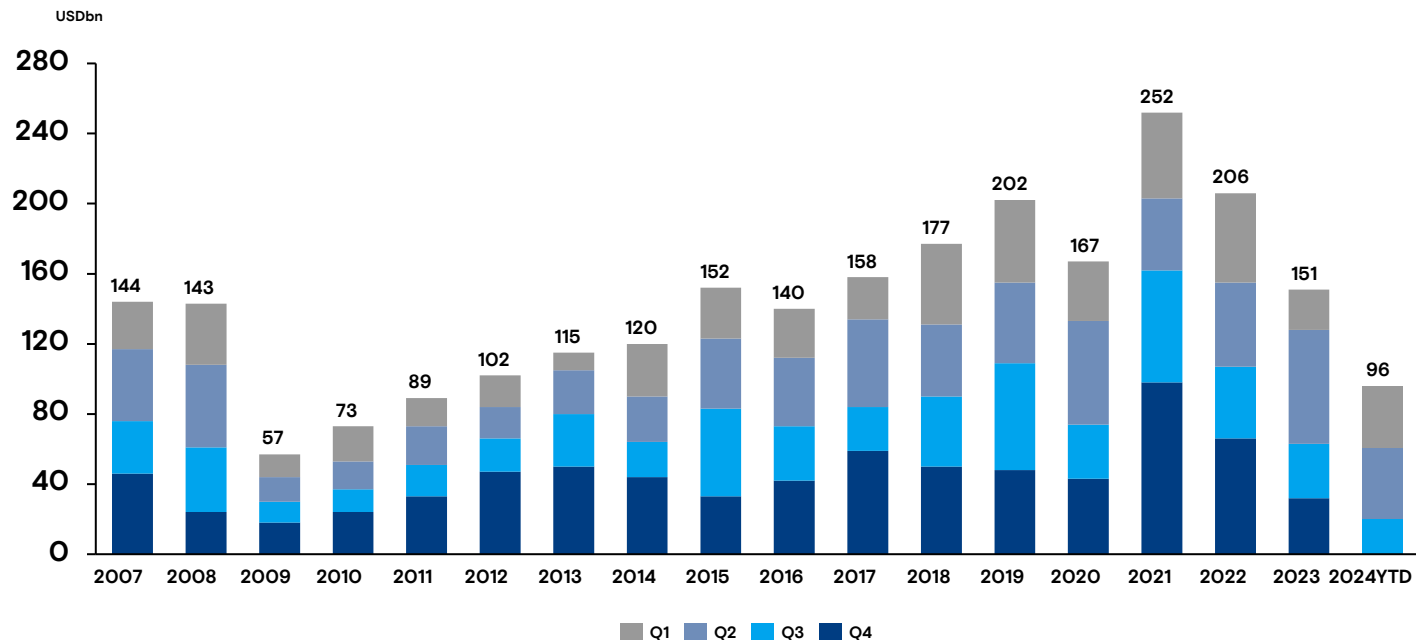
STARZ

APOLLO

Invesco

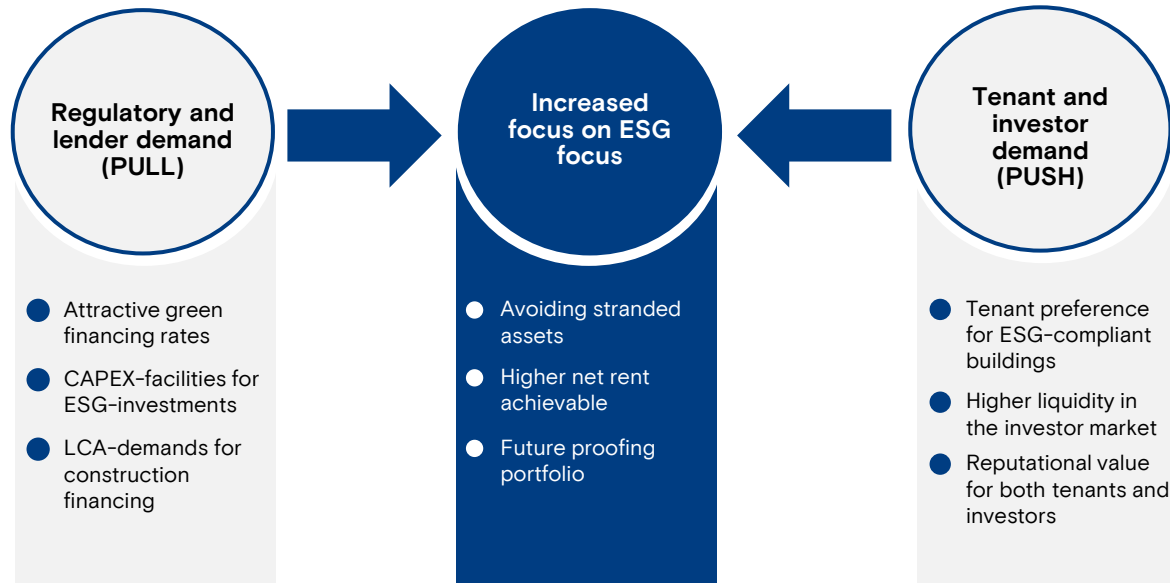
LaSalle  
INVESTMENT MANAGEMENT

# Global fundraising for closed-end funds



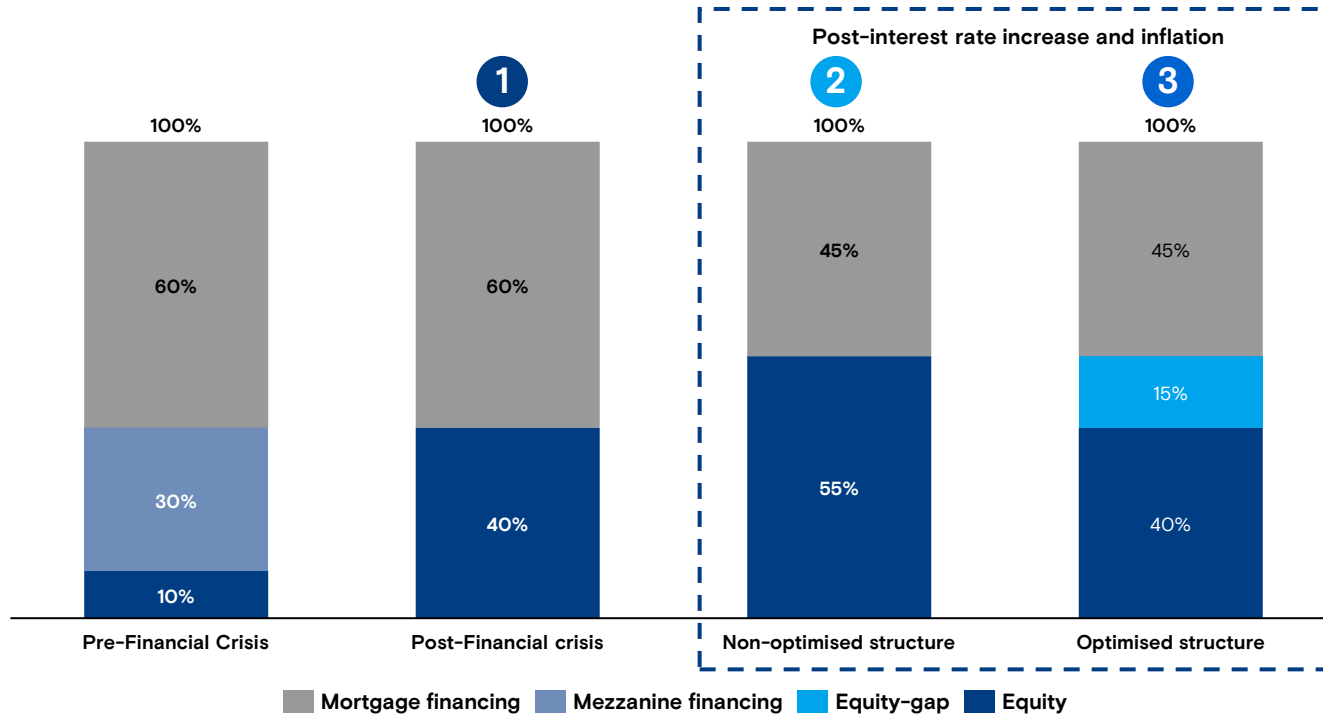
Source: JLL Research, Prequin, as of October 8, 2024

# ESG becoming important in financing decisions





# Changes in capital structure over time



## 1

# Financing post-financial crisis

Assumptions	
Loan-to-value, senior financing	60%
Interest rate, senior financing	3.00%
Yearly rental growth	5.00%
Inflation	2.00%

	FY0 (Entry)	FY1	FY2	FY3	FY4 (Exit)
<b>Acquisition / Divestment</b>	-1,000	-	-	-	1,200
Rental Income	60	63	66	69	73
OPEX	-20	-20	-21	-21	-22
<b>Net operating income (NOI)</b>	<b>40</b>	<b>43</b>	<b>45</b>	<b>48</b>	<b>51</b>
CAPEX	-5	-5	-5	-5	-5
<b>Cash-flow from operations</b>	<b>35</b>	<b>38</b>	<b>40</b>	<b>43</b>	<b>46</b>
Cash-flow from M&A activity	-1,000	-	-	-	1,200
<b>Net cash-flow</b>	<b>-965</b>	<b>38</b>	<b>40</b>	<b>43</b>	<b>1,246</b>
Cash-flow from senior financing	600	-18	-18	-18	-618
<b>Cash-flow to/from equity</b>	<b>-400</b>	<b>20</b>	<b>22</b>	<b>25</b>	<b>628</b>

Key financial metrics					
Yield (Entry / 1 <sup>st</sup> year / exit), %	4.00%	4.26%	-	-	4.27%
Unlevered IRR, %					9.56%
Levered IRR, %					15.69%
Debt Service Coverage Ratio		2.4x	2.5x	2.7x	
Cash-on-cash, %		4.88%	5.54%	6.23%	
MOIC / Equity Multiple					1.74x

## 2

# Non-optimised financing structure

Assumptions	
Loan-to-value, senior financing	45%
Interest rate, senior financing	3.00%
Yearly rental growth	5.00%
Inflation	2.00%

	FY0 (Entry)	FY1	FY2	FY3	FY4 (Exit)
<b>Acquisition / Divestment</b>	-1,000	-	-	-	1,250
Rental Income	60	63	66	69	73
OPEX	-20	-20	-21	-21	-22
<b>Net operating income (NOI)</b>	<b>40</b>	<b>43</b>	<b>45</b>	<b>48</b>	<b>51</b>
CAPEX	-5	-5	-5	-5	-5
ESG-related CAPEX		-10	-10	-10	
<b>Cash-flow from operations</b>	<b>35</b>	<b>28</b>	<b>30</b>	<b>33</b>	<b>46</b>
Cash-flow from M&A activity	-1,000	-	-	-	1,250
<b>Net cash-flow</b>	<b>-965</b>	<b>28</b>	<b>30</b>	<b>33</b>	<b>1,296</b>
Cash-flow from senior financing	450	-14	-14	-14	-464
<b>Cash-flow to/from equity</b>	<b>-550</b>	<b>14</b>	<b>17</b>	<b>19</b>	<b>832</b>

Key financial metrics					
Yield (Entry / 1 <sup>st</sup> year / exit), %	4.00%	4.26%	-	-	4.10%
Unlevered IRR, %					9.84%
Levered IRR, %					12.97%
Debt Service Coverage Ratio		3.2x	3.4x	3.6x	
Cash-on-cash, %		3.50%	4.16%	4.86%	
MOIC / Equity Multiple					1.60x

## Optimised financing structure

Assumptions	
Loan-to-value, senior financing	45%
Interest rate, senior financing	3.00%
Loan-to-value, mezzanine financing	15%
Interest rate, mezzanine financing	6.00%
Yearly rental growth	5.00%
Inflation	2.00%

	FY0 (Entry)	FY1	FY2	FY3	FY4 (Exit)
<b>Acquisition / Divestment</b>	-1,000	-	-	-	1,250
Rental Income	60	63	66	69	73
OPEX	-20	-20	-21	-21	-22
<b>Net operating income (NOI)</b>	<b>40</b>	<b>43</b>	<b>45</b>	<b>48</b>	<b>51</b>
CAPEX	-5	-5	-5	-5	-5
ESG-related CAPEX		-10	-10	-10	
<b>Cash-flow from operations</b>	<b>35</b>	<b>28</b>	<b>30</b>	<b>33</b>	<b>46</b>
Cash-flow from M&A activity	-1,000	-	-	-	1,250
<b>Net cash-flow</b>	<b>-965</b>	<b>28</b>	<b>30</b>	<b>33</b>	<b>1,296</b>
Cash-flow from senior financing	450	-14	-14	-14	-464
Cash-flow from mezzanine financing	150	-9	-9	-9	-159
<b>Cash-flow to/from equity</b>	<b>-400</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>673</b>

Key financial metrics					
Yield (Entry / 1 <sup>st</sup> year / exit), %	4.00%	4.26%	-	-	4.10%
Unlevered IRR, %					9.84%
Levered IRR, %					15.15%
Debt Service Coverage Ratio		1.9x	2.0x	2.1x	
Cash-on-cash, %		1.25%	1.91%	2.61%	
MOIC / Equity Multiple					1.74x



# Impact of optimisation of financing structure

Yield (Entry / 1 <sup>st</sup> year / exit), %		FY0 (Entry)	FY1	FY2	FY3	FY4 (Exit)
● Post-Financial crisis		4.00%	4.26%	-	-	4.27%
● Non-optimised structure		4.00%	4.26%	-	-	4.10%
● Optimised structure		4.00%	4.26%	-	-	4.10%
Unlevered IRR, %						
● Post-Financial crisis						9.56%
● Non-optimised structure						9.84%
● Optimised structure						9.84%
Levered IRR, %						
● Post-Financial crisis						15.69%
● Non-optimised structure						12.97%
● Optimised structure						15.15%
Debt Service Coverage Ratio						
● Post-Financial crisis			2.4x	2.5x	2.7x	
● Non-optimised structure			3.2x	3.4x	3.6x	
● Optimised structure			1.9x	2.0x	2.1x	
Cash-on-cash, %						
● Post-Financial crisis			4.88%	5.54%	6.23%	
● Non-optimised structure			3.50%	4.16%	4.86%	
● Optimised structure			1.25%	1.91%	2.61%	
MOIC / Equity Multiple						
● Post-Financial crisis						1.74x
● Non-optimised structure						1.60x
● Optimised structure						1.74x

# 10 key trends driving the property market going forward

1

## **Decline in Deal Activity**

Volume drop by 68% 2021-23

2

## **Fundraising Contraction**

Total private equity fundraising fell 20% in 2023

3

## **Dry Powder Accumulation**

Global dry powder reached USD 3.2 trillion

4

## **Shift in Debt Markets**

Private credit gains market share

5

## **Sector Trends:**

Technology, life science and industrial as well as ESG based strategies gain share

6

## **Exit Challenges**

Global buyout-backed exits down 44% from 2022

7

## **Liquidity Constraints for LPs:**

Slower distributions limit their ability to allocate fresh capital

8

## **Operational Value Creation**

GPs are being pushed to focus on organic growth and operational improvements

9

## **Buy-and-Build Strategies Expand**

Add-on acquisitions and bolt-on strategies increase in importance

10

## **Pressure to Innovate**

GPs are exploring novel approaches to liquidity and value creation to address rising refinancing needs and exit constraints

## Case studies



# Refinancing of last-mile logistics portfolio



The Danish last-mile logistics portfolio comprises 18 assets with a total GLA of 164,170 m<sup>2</sup> located in key Danish logistics hubs



Obtaining a whole loan of the portfolio including a CapEx financing facility supporting HighBrook's ambitions to improve the ESG metrics of the portfolio



A structured process engaging relevant lenders including mortgage institutions, banks, and private credit lenders to ensure optimal competition



A whole loan structure with KKR was negotiated to provide an attractive and flexible whole loan to support the business plan

Lender:

KKR

Investor (Client):





# Refinancing of A-House



Refinancing of a 21,200 m<sup>2</sup> residential property located in Copenhagen, Islands brygge



Seeking for senior financing and credit facility effectively supporting business plan of HighBrook



Structured refinancing process including banks, financial institutions, and private credit lenders, ensuring optimal competition and optimisation of terms



Loan agreement with Jyske Bank providing a shorter and flexible credit facility to support the business plan



# Plot, CAPEX and senior financing for Stejlepladsen



The Stejlepladsen development area is located in the Southern Harbour area of Copenhagen and will comprise 71,900 m<sup>2</sup>



The financing objective consisted of plot financing, CAPEX (construction) financing and senior financing



A structured process engaged relevant lenders including banks and mortgage institutions ensuring optimal competition and optimisation of terms



A loan agreement with Nykredit was negotiated consisting of plot financing, CAPEX (construction) financing and senior financing

Lender:

**Nykredit**

Investor (Client):

**PFA** **BY&HAVN**



# Joint Ventures: Development of Jernbanebyen



Jernbanebyen is a new urban development area comprising expectedly approx. 500,000 m² building rights



DSB, Novo Holdings, Industriens Pension, and NREP have entered into a conditional joint venture agreement



Construction to be initiated during 2025 with an expected project value of DKKbn +25



The city district will be developed for mixed use, including green areas, private residential units, social housing, institutions, commercial units etc.

Joint venture between:



(Client)



# Corporate Finance: DADES



Sale of 50.1% of the shares in DADES to Novo Holdings and TryghedsGruppen



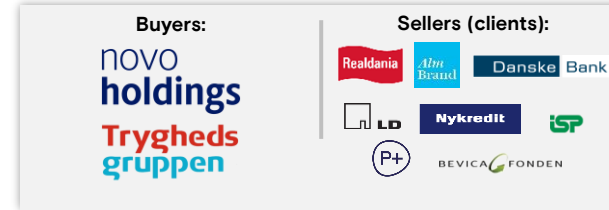
DADES is Denmark's largest privately held real estate company with a portfolio valued at DKKbn 25



The portfolio is divided between office properties, residential properties, and shopping centers



The change of ownership was combined with an undertaking from Novo Holdings and TryghedsGruppen to contribute capital to the company totaling DKKbn 1.7







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# Tak for i dag



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