

# Residential sector supports solid property returns in Denmark

## MSCI Index reveals 6.7% total return in 2016

**Stockholm – February 27, 2017** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics, and ESG research, announced today that the [IPD Denmark Annual Property Index](#) recorded a total return of 6.7% for Danish property in 2016.

The Residential sector in Copenhagen continued to lead the market, returning 11.0% for the year, similarly to 2015 when it returned 12.0%. The Office sector as a whole performed close to the overall market level, driven by offices in Copenhagen CBD, which posted a 7.5% total return. Industrial lagged the other sectors, its total return declining by 100bps since 2015 to 5.4%.

In 2016, capital growth in Denmark stood at 2.1%, following the 2.5% gain seen in 2015. For the five years prior to this, capital growth in Denmark had either been negative or flat. Rental growth, combined with continued yield compression, were the key drivers of value growth in the Danish market during 2016. Supported by lower vacancy rates, rental growth in the Residential and Retail sectors outpaced the overall market and the Office sector, despite particularly strong growth for offices in Copenhagen CBD.

**Erik Nyman, Executive Director, MSCI**, said “The 2016 result reflects a continuation of the solid growth trend that emerged in 2015. The results show a consistently strong picture across the market, with the Residential sector continuing to perform well. The Office sector in Copenhagen has also performed well, particularly in the CBD, but higher vacancy in other parts of the market is limiting rental growth.”

MSCI will host a [live event](#) on the results of the Index in Copenhagen on Wednesday, March 1, at 08:30 CET.

The [IPD Denmark Annual Property Index](#) measures unlevered total returns of directly held standing property investments from one valuation to the next. The index tracks performance of 534 property investments, with a total capital value of DKK 88.3 billion as at December 2016.

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at [www.msci.com](http://www.msci.com).

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