

YoY Chg 12-Mo. Forecast

7.50%
Vacancy Rate



9.4K
Take-Up sqm



1,900 DKK
Asking Rent, PSM



Source: Ejendomstorvet & C&W I RED

ECONOMIC INDICATORS Q1-Q2 2020

YoY Chg 12-Mo. Forecast

936K
Copenhagen Employment



6.20%
Copenhagen City Unemployment Rate



5.20%
Denmark Unemployment Rate



Source: DST

OVERVIEW

According to the preliminary figures, Danish CRE has experienced an overall decrease in the transaction volume during the last quarter – the transaction volume has gone down from DKK 10.7 bn in Q1 to est. DKK 6,59 bn in Q2 2020, which was expected due to COVID-19. With a total transaction volume of est. DKK 1.14 bn the office segment represents the second largest segment in the market in Q2, which was expected.

OCCUPIER FOCUS

The occupier market had almost no activity in the second quarter of 2020 due to the COVID-19 lockdown period of Denmark. At the same time the vacancy rates for prime office properties remains low and is currently at a level at 7.50% in the Copenhagen area. Moreover, we have seen a continued focus on flexibility from the tenants. This includes an increased demand for shared offices, and a higher focus on the right to sublet and so-called “break option” during lease negotiations.

INVESTMENT FOCUS

The preliminary figures for Q2 2020 show that the transaction volume in the office segment reached approx. DKK 1.14 bn. With a share on 53% of the total transaction volume the office segment continues to be dominated by foreign investors in 2020. Comparing Q2 2020 with the same period last year, the total office transaction volume has decreased with approx. 65% from DKK 3.25 bn in Q2 2019 to 1.14 bn in Q2 2020. The large decrease in transaction volume was expected due to the uncertainties of COVID-19, however the prime yields is expected to remain at a low level at approx. 3.30-3.50% throughout the year 2020, which indicates a still strong investment market.

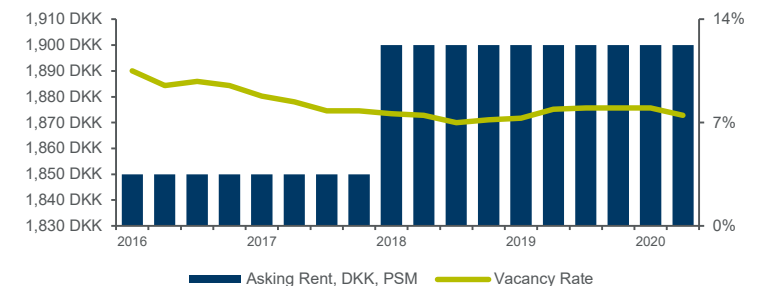
OUTLOOK

We are still seeing a strong occupier demand in central Copenhagen, and currently, vacancy rates are therefore also very low. The supply of good office properties in central Copenhagen is very limited, and we expect the occupier demand to remain strong, which presumably will keep the rent at a high level. The yield levels for offices has been decreasing in recent years, and for large prime offices in central Copenhagen we expect this trend to continue. It must be noted that the current COVID-19 pandemic will have an effect on the market. However, the effects on the office market in Copenhagen are still expected to be limited.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	BUILT STOCK (SQ.M)	AVAILABILITY (SQ.M)	OVERALL VACANCY RATE (%)	TAKE-UP (SQ.M)	YTD TAKE-UP (SQ.M)	UNDER CONSTRUCTION (SQ.M)	PRIME RENT (LOCAL CONVENTION)	PRIME YIELD*
Copenhagen City (Centre)	5,878,300	393,300	6.30%	1,884	31,170	-	1,900 DKK	3.40%
Copenhagen (Greater Copenhagen incl. Centre)	12,005,900	895,100	7.50%	9,420	161,735	503,335	1,900 DKK	4.50%
- Copenhagen	3,773,000	394,800	10.50%	-	-	-	1,700 DKK	4.50%
- Northern Copenhagen	1,626,600	92,400	5.70%	-	-	-	1,300 DKK	4.75%
- Eastern Copenhagen	727,500	37,600	6.00%	-	-	-	1,000 DKK	6.50%
Copenhagen TOTALS	12,005,900	895,100	8.0%	9,420	161,735	503,335	1,900 DKK	4.50%

*Rental rates reflect a net level

KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TYPE
Pier47	Copenhagen E	The Central Bank of Denmark	20,000	New lease
Amerika Plads 11-15	Copenhagen E	LB Forsikring	15,062	New lease
CPH Highline	Copenhagen SW	Global Connect A/S	9,250	New lease
Østerport II	Copenhagen E	DLA Piper	8,300	New lease
Borups Allé 43	Copenhagen N	Københavns Ejendomme & Indkøb	7,500	New lease

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M	PRICE / DKK P SQ.M
Danske Bank HQ	Copenhagen City	Aberdeen / Ärzteversorgung Westfalen-Lippe	49,000	Est. 2,100M / 42.5K
Kalvebod Brygge 32	Copenhagen W	Genesta / Klövern	31,700	1,420M / 44.8K
Weidekampsgade 6	Copenhagen S	Deloitte / KLP Ejendomme	38,000	1,400M / 38.0K
Weidekampsgade 12-16	Copenhagen S	Simcorp / KLP Ejendomme	27,100	1,085M / 41.6K
CONFIDENTIAL	Copenhagen W	-	8,100	373M / 46.0K

KEY CONSTRUCTION COMPLETIONS YTD 2019/2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	OWNER / DEVELOPER
Dirch Passers Allé 96	Frederiksberg	Ernst & Young	8,300	NCC Property Development

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