

**8.00%**  
Vacancy Rate



**120K**  
Take-Up sqm



**1,900 DKK**  
Asking Rent, PSM



Source: Ejendomstorvet & C&W | RED

## ECONOMIC INDICATORS Q2-Q3 2020

**911K**  
Copenhagen Employment



**6.10%**  
Copenhagen City Unemployment Rate



**4.70%**  
Denmark Unemployment Rate



Source: DST

## OVERVIEW

According to the preliminary figures, Danish CRE has experienced an overall increase in the transaction volume during the last quarter – the transaction volume has gone up from DKK 6,59 bn in Q2 to est. 8.56 bn in Q3 2020. The market is nearly back to normal after the impacts of the Covid-19 lockdown with a transaction volume only 19% below the 2019 Q3 level. With a total transaction volume of est. DKK 2.63 bn the office segment continues to represent the second largest segment in the market in Q3.

## OCCUPIER FOCUS

The activity is getting stronger and the occupier market is also nearly back to normal in the third quarter of 2020, however the take-up is still not back to normal levels compared to 2019 Q3 levels. At the same time the vacancy rates for prime office properties remains low and is currently at a level at 8.00% - which is a small increase compared to the last quarter - in the Copenhagen area. Moreover, we are still seeing 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.

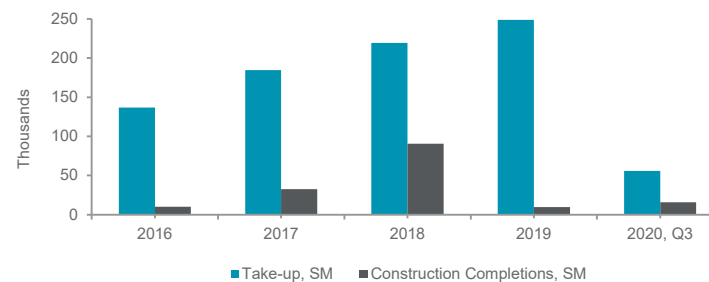
## INVESTMENT FOCUS

The preliminary figures for Q3 2020 show that the transaction volume in the office segment reached approx. DKK 2.63 bn. With a share on 63% of the total transaction volume the office segment is for the first time in years dominated by national investors which suggests that foreign investors are more cautious due to COVID-19 speculations. Comparing Q3 2020 with the same period last year, the total office transaction volume has decreased with approx. 42% from DKK 4.50 bn in Q3 2019 to DKK 2.63 bn in Q3 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.

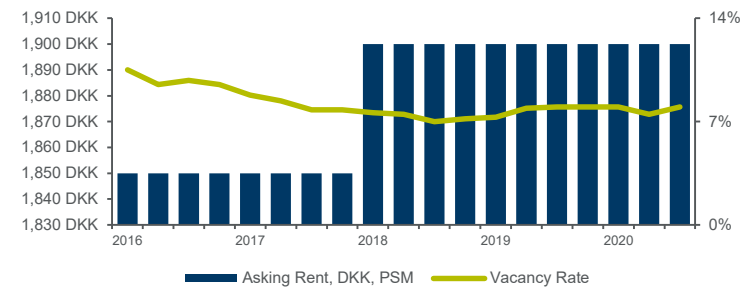
## OUTLOOK

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 - we expect to see some larger transactions at year end. The effects of the COVID-19 pandemic 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 (Greater Copenhagen incl. Centre) |                    |                     |                          |                |                    |                           |                               |              |
| - Copenhagen City Centre                     | 5,904,300          | 448,900             | 7.60%                    | 18,721         | 49,433             | -                         | 1,900 DKK                     | 3.30%        |
| - Copenhagen                                 | 3,773,000          | 355,800             | 9.40%                    | -              | -                  | -                         | 1,700 DKK                     | 4.50%        |
| - Northern Copenhagen                        | 1,626,600          | 105,900             | 6.50%                    | -              | -                  | -                         | 1,300 DKK                     | 4.75%        |
| - Eastern Copenhagen                         | 727,500            | 28,800              | 4.00%                    | -              | -                  | -                         | 1,000 DKK                     | 6.50%        |
| <b>Copenhagen TOTALS</b>                     | <b>12,031,800</b>  | <b>939,400</b>      | <b>8.0%</b>              | <b>120,126</b> | <b>258,583</b>     | <b>522,950</b>            | <b>1,900 DKK</b>              | <b>4.50%</b> |

\*Rental rates reflect a net level

## KEY LEASE TRANSACTIONS Q3 2020

| PROPERTY                 | SUBMARKET       | TENANT  | SIZE (SQ.M)     | TYPE      |
|--------------------------|-----------------|---|-----------------|-----------|
| UN City CPH, Stage 1 + 2 | Copenhagen E    | Danish Building and Property Agency           | 30,000 + 20,000 | New lease |
| Pier47                   | Copenhagen E    | The Central Bank of Denmark                   | 20,000          | New lease |
| Amerika Plads 11-15      | Copenhagen E    | LB Forsikring                                 | 15,000          | New lease |
| Nicolai Eigttveds Gade   | Copenhagen City | Nordea Investment Management AB Danish Branch | 12,000          | New lease |
| CPH Highline             | Copenhagen SW   | Global Connect A/S                            | 9,250           | New lease |

## KEY SALES TRANSACTIONS Q3 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      |
| Alexandriagade 8     | Copenhagen E    | Project North Holding Partnerselskab / Velliv og Industriens Pension | 13,180 | 610M / 46.3K        |

## KEY CONSTRUCTION COMPLETIONS YTD 2019/2020

| PROPERTY                | SUBMARKET     | MAJOR TENANT    | SQ.M   | OWNER / DEVELOPER |
|-------------------------|---------------|-----------------|--------|-------------------|
| Carlsberg Group Domicil | Frederiksberg | Carlsberg Group | 15,585 | Per Aarsleff A/S  |

## LOCAL MARKET RESEARCH LEAD

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