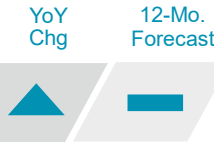


## Office Q4 2020

**8.90%**  
Vacancy Rate



**65.8K**  
Take-Up sqm



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



Source: Ejendomstorvet & C&W | RED

### ECONOMIC INDICATORS Q3.Q4 2020

**915K**  
Copenhagen Employment



**5.70%**  
Copenhagen City Unemployment Rate



**4.40%**  
Denmark Unemployment Rate



Source: DST

### OVERVIEW

With a total transaction volume of DKK 34.3 bn Danish CRE experienced the largest volume ever tracked in a single quarter in Q4 2020. This was driven by the completion of the largest investment ever made in Danish CRE on DKK 12.1 bn. As a result, the total transaction volume reached DKK 73.2 bn in 2020, which is equivalent to an increase of 19% from 2019. Despite a 40% decrease in the activity in the office segment, the segment continued to be the second largest segment.

### OCCUPIER FOCUS

The activity at the office occupier market continued to be high in Q4 2020 and the prime market rent remained stable despite covid-19 uncertainties. The vacancy rate for prime office properties increased to 8.90% in Q4 2020 (partly explained by a change in the methodology used). As many larger tenants will move to new offices the vacancy is expected to increase further in 2021. Following uncertainties regarding the future, we continue to see an increasing focus on flexibility from the tenants in the form of relatively short non-termination periods, break options before the end of the non-termination period, right to sub-let and right to assign.

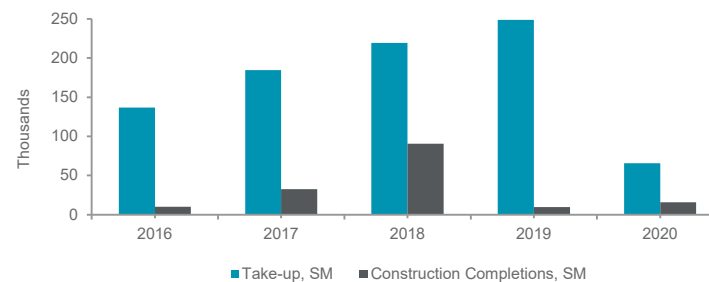
### INVESTMENT FOCUS

The figures for Q4 2020 show that the transaction volume in the office segment reached DKK 2.99 bn. With a share on 75% of the total transaction volume the office segment was dominated by Danish investors, which is due to a limited supply of attractive office properties located in Copenhagen which is the type of property the foreign investors primarily demand. In total the office segment reached a transaction volume of DKK 11 bn in 2020, which is equivalent to a decrease of 40% compared to 2019. A decrease in investment activity was expected due to the uncertainties following covid-19 and the limited supply of attractive office properties. The prime yield is expected to remain at approx. 3.30-3.50% in 2021, which indicates a strong investment market.

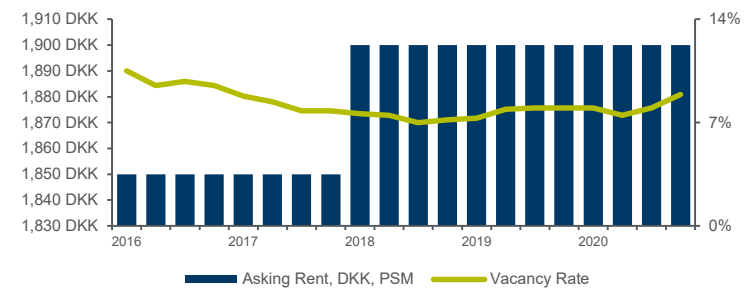
### OUTLOOK

We are continuing to experience a reasonable demand for office leases in central Copenhagen. However, vacancy rates are expected to increase in 2021, and thus there will be increased competition for the tenants. Despite the fact that we expect significant increases in the office rent levels over the next 5-10 years, our expectation is that the rent level in central Copenhagen will remain unchanged in 2021 due to the increasing vacancy rate. In recent years, the yield levels for offices has been declining. However, we anticipate that the yield levels will be unchanged in 2021 or only marginally lower, primarily due to a rising vacancy rate in CBD and the expected adoption of mark-to-market taxation.

### 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*
<b>Copenhagen (Greater Copenhagen incl. Centre)</b>								
- Copenhagen City Centre	4,793,800	440,000	9.20%	16,392	65,826	-	1,900 DKK	3.30%
- Copenhagen	3,873,100	341,500	8.80%	-	-	-	1,700 DKK	4.50%
- Northern Copenhagen	1,085,700	94,600	8.70%	-	-	-	1,300 DKK	4.75%
- Eastern Copenhagen	523,500	35,000	6.70%	-	-	-	1,000 DKK	6.50%
<b>Copenhagen TOTALS</b>	<b>10,276,100</b>	<b>911,000</b>	<b>8.90%</b>	<b>16,392</b>	<b>65,826</b>	<b>456,950</b>	<b>1,900 DKK</b>	<b>4.50%</b>

\*Rental rates reflect a net level

## KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TYPE
Gl. Køge Landevej 59	Valby	Genmab	15,890	New lease
Teknikerbyen 26-40	Virum	Hottinger Brüel & Kjær	11,500	New lease
Borups Allé 43	Copenhagen N	Københavns Ejendomme & Indkøb	7,449	New lease
Industriparken 39-43	Ballerup	Thales Denmark A/S	5,400	New lease
Bredgade 6	Copenhagen K	Ordnung	4,550	New lease

## KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M	PRICE / DKK P SQ.M
Danske Bank HQ	Copenhagen K	Aberdeen / Ärzteversorgung Westfalen-Lippe	49,000	Est. 2,100M / 42.5K
Portland Towers	North Harbour	Hines / ATP, Pension Danmark & PFA	13,749	700M / 50.9K
Project Epsilon Portfolio	Greater Copenhagen	Niam / NREP	32,627	648M / 19.8K
Accura HQ	North Harbour	Project North Holding Partnerselskab / Velliv & Industriens Pension	13,180	610M / 46.3K
Gl. Køge Landevej 39 & 45	Valby	P+ / Schroder Real Estate	32,213	580M / 18.0K

## 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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