

## Office Q4 2021

	YoY Chg	12-Mo. Forecast
<b>9.14%</b> Vacancy Rate	▲	▲
<b>94.7K</b> Take-Up sqm	▲	▬
<b>2,000 DKK</b> Asking Rent, PSM	▲	▬

Source: Ejendomstorvet & C&W I RED

### ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
<b>942K</b> Copenhagen Employment	▲	▼
<b>3.90%</b> Copenhagen City Unemployment Rate	▼	▼
<b>3.30%</b> Denmark Unemployment Rate	▼	▼

Source: Statistics Denmark

### OVERVIEW

The last quarter of 2021 once again showed a significant investor interest and 2021 ended with the all-time highest transaction volume in the Danish real estate market with a total volume of DKK 120 bn. Once again, the residential segment was the by far largest segment (share of 55%) and the office segment was the second largest (share of 15%). The activity in the logistics segment increased to an all-time high in 2021 (share of 13%), and the segment reached a transaction volume close to that of the office segment and more than double the volume of the retail segment (share of 6%).

### OCCUPIER FOCUS

In the current market, office tenants have realized that the hybrid is here to stay. Therefore, in 2022 we do not expect that the tenants' relocation decisions will be driven by a desire to optimize or minimize the number of square meters but rather by the tenants wanting to have the right solution with the right interior and location. We continue to see an increasing focus on both location, flexibility and sustainability from the tenants.

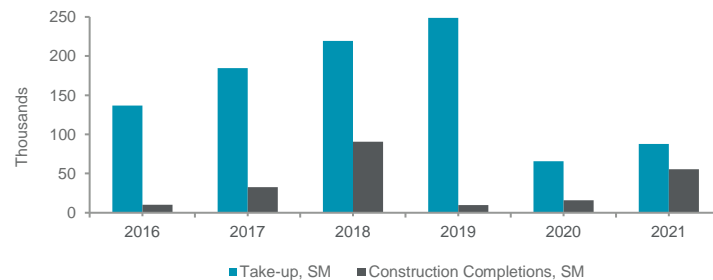
### INVESTMENT FOCUS

In 2021, the transaction volume increased by more than 50% from 2020 and thus reached DKK 18.4bn. Nevertheless, the office segment only accounted for 15% of the total Danish transaction volume. This relatively low share is due to an extremely limited supply of the safest assets, prime office properties located in central Copenhagen. Thus, the investor demand continue to be high, and as a result we continue to witness record low yield levels at around 3.00%. In Q4 the largest office sale ever recorded in the Danish market was completed, as Ørsted's head office was sold to a consortium of investors at a price of almost DKK 2.5bn.

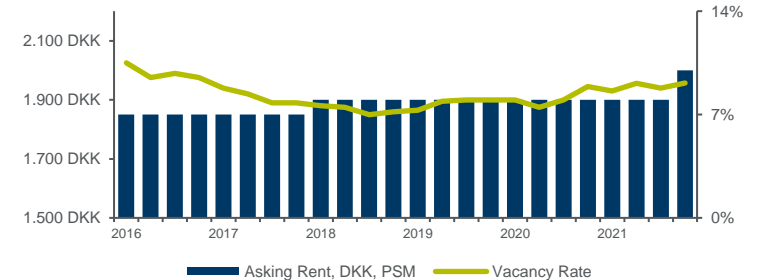
### OUTLOOK

The tenants' increased focus on having the right lease at the right location implies that we expect to see an increasing spread in the primary and secondary rent levels. For the most well-located unique and/or modern leases that live up to tenants' demands for sustainability, we expect to see decreasing vacancy and upward pressure on rent levels in 2022. Conversely, we expect the vacancy rate and rent level for the less well-located older office properties to stay more or less unchanged in 2022. On the investment market, we expect a continued high interest for the most attractive office properties located centrally in Copenhagen. Therefore, the investment activity with these prime properties is solely expected to be limited by a lack of supply. However, we generally expect the yield level for office properties to be unchanged or only marginally lower than in 2021.

### 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	4,793,800	472,400	9.90%	24,109	87,790	-	2,000 DKK	3.00%
- Copenhagen	3,873,100	320,000	8.30%	105,271	389,215	-	-	-
- Northern Copenhagen	1,085,700	63,200	5.80%	-	-	-	1,300 DKK	4.50%
- Eastern Copenhagen	523,500	23,700	4.50%	-	-	-	1,100 DKK	6.50%
<b>Copenhagen TOTALS</b>	<b>10,276,100</b>	<b>879,300</b>	<b>9.14%</b>	<b>129,380</b>	<b>477,005</b>	<b>1,184,996</b>	<b>2,000 DKK</b>	<b>3.00%</b>

\*Rental rates reflect a net level

## KEY LEASE TRANSACTIONS Q4 2021

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
Teglhølmegade 1	Copenhagen SV	Danish Building and Property Agency	8,872	New lease
Ørestad Boulevard 108	Copenhagen S	Confidential	7,726	Renegotiation
Borups Allé 43	Copenhagen N	Københavns Ejendomme & Indkøb	7,449	New lease

## KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M	PRICE / DKK P SQ.M
Ørsted HQ	Gentofte	ATP Ejendomme / Pensam, AIP, and Artha	84,437	2,475M / 29.3K
50% of AP Pension's new HQ	Copenhagen E	AP Pension / KanAm Group	37,500	1,595M / 42.6K
CPH Highline	Copenhagen SV	Skanska / Aviva	21,852	918M / 42.0K
Neroport	Copenhagen S	Genesta / Castellum	31,763	778M / 19.8K
Europa Plads	Aarhus	Danica / HKI Holding	19,115	750M / 39.2K

## KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	OWNER / DEVELOPER
HUB One	Copenhagen S	NA	50,000	KLP Ejendomme / Hoffmann A/S
Woods Augusthus	Copenhagen S	ZeroNorth	24,000	NREP / NREP
CPH Highline	Copenhagen SV	Global Connect / SAS Institute	21,500	Aviva / Skanska Øresund
Østerport II	Copenhagen E	DLA Piper	17,000	Commerical Real Estate Denmark / Fokus Asset Management
Østre Landsret (High Court)	Nordhavn	High Court	16,000	High Court / A. Enggaard A/S

## LOCAL MARKET RESEARCH LEAD

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