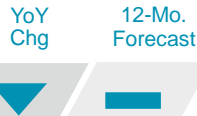


Office Q2 2022

6.7%
Vacancy Rate



125K
Take-Up sqm



2,100 DKK
Asking Rent, PSM



Source: Ejendomstorvet & C&W | RED

ECONOMIC INDICATORS Q2 2022

951K
Copenhagen Employment



3.10%
Copenhagen City Unemployment Rate



2.40%
Denmark Unemployment Rate



Source: Statistics Denmark

OVERVIEW

Despite current market and economic uncertainties from rising inflation and interest rate hikes, the second quarter of 2022 has seen higher investment activity than Q1 of 2022 and the transaction volume is on level with the same period of 2021. The residential segment remains the largest segment in Q2 with a share of 42% of the total volume. For the first time, both the retail, logistics and office segments account for approx. 15% of the total transaction volume. The fact that the office segment was only on level with both the retail and logistics segment is primarily caused by a limited supply of prime office properties, a large demand for logistics properties and a few large transactions that drove the activity in the retail segment.

OCCUPIER FOCUS

In the current market, office tenants have realised that the hybrid is here to stay. Therefore, in the remaining part of 2022 we expect the high level of activity to continue as the economic uncertainties impact the occupier market less than the investment market. 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.

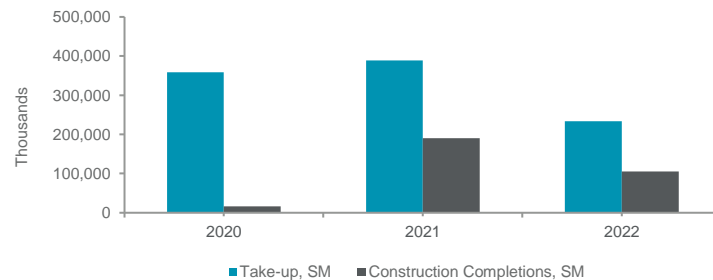
INVESTMENT FOCUS

In 2021, the transaction volume increased by more than 50% from 2020 and thus reached DKK 18.4bn. In 2022 YTD we have seen a more limited investment activity, which is due to a combination of economic uncertainties and an extremely limited supply of the safest assets, prime office properties located in central Copenhagen. Despite the uncertainties, investor demand in Copenhagen continues to be high, and as a result we continue to witness record low yield levels at around 3.00%.

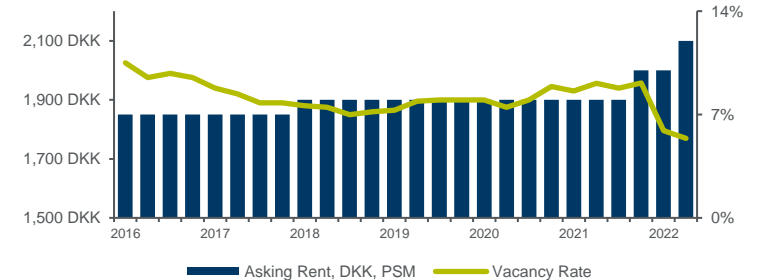
OUTLOOK

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 the remaining part of 2022. Conversely, we expect the vacancy rate and rent level for the less well-located older office properties to stay more or less unchanged. For 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 primarily expected to be limited by a lack of supply. However, we generally expect the yield level for office properties to be unchanged which is also caused by the current uncertainty in the market.

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	6,252,000	424,300	6.79%	43,898	64,884	-	2,100 DKK	3.00%
- Greater Copenhagen	10,598,500	706,700	6.67%	125,001	233,123	-	-	-
- Northern Copenhagen	1,320,800	53,100	4.02%	-	-	-	1,650 DKK	4.50%
- Eastern Copenhagen	584,900	21,700	3.71%	-	-	-	1,100 DKK	5.25%
Copenhagen TOTALS	12,504,200	781,500	6.25%	168,899	298,007	343,632	2,100 DKK	3.00%

*Rental rates reflect a net level

KEY LEASE TRANSACTIONS 2021-2022

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TYPE
Strandgade 3	Copenhagen C	Netcompany A/S	23,906	New lease
Gl. Køge Landevej 59	Valby	Genmab	15,890	New lease
Teknikerbyen 26-40	Virum	Hottinger Brüel & Kjær	11,500	New lease
Gamle Carlsbergvej 3	Copenhagen W	Boston Consulting Group	9,010	New lease
Kampmannsgade 2	Copenhagen W	Ordnung ApS	8,903	New lease

KEY SALES TRANSACTIONS 2021-2022

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 SW	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 2021-2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	OWNER / DEVELOPER
HUB One	Copenhagen S	N/A	50,000	KLP Ejendomme / Hoffmann A/S
Carlsberg Byen Dahlerups Tårn/Caroline Hus	Copenhagen W	N/A	36,000	Carlsberg Byen P/S
Woods Augusthus	Copenhagen S	ZeroNorth	24,000	NREP / NREP
CPH Highline	Copenhagen SW	Global Connect / SAS Institute	21,500	Aviva / Skanska Øresund
Carlsberg Byen Emil Christans Hansens Hus	Copenhagen W	Visma	19,800	Carlsberg Byen P/S

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