

YoY Chg 12-Mo. Forecast

6.8%
Vacancy Rate



141K
Take-Up sqm



2,100 DKK
Asking Rent, PSM



Source: Ejendomstorvet & C&W I RED

ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

989K
Copenhagen Employment



3.40%
Copenhagen City Unemployment Rate



2.70%
Denmark Unemployment Rate



Source: Statistics Denmark

OVERVIEW

Current market and economic uncertainties driven by the high inflation and interest rate hikes has resulted in a significantly lower investment activity in the third quarter of 2022 compared to both Q1 and Q2 of 2022. With a share of 53% of the total volume in Q3 the residential segment remains the largest segment. The office segment has regained its position as the second largest segment with a share of 18%. The office segment is followed by the logistics segment (share of 10%) and the retail segment (share of 9%). The slowdown in the activity in Q3 is primarily caused by the uncertainties in the market, which has resulted in the investors being nervous and transactions being put on hold with demands for downward adjustments in the price levels if the transactions are to be completed.

OCCUPIER FOCUS

In the current market, office tenants have realized that the office 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 still impact the occupier market less than the investment market. In the near future, we expect that the tenants' relocation decisions will be driven by the tenants wanting to have the right solution with the right characteristics in terms of interior, location, flexibility and sustainability. It should be mentioned, that the very possible recession might result in a decreasing demand on the occupier market going forward.

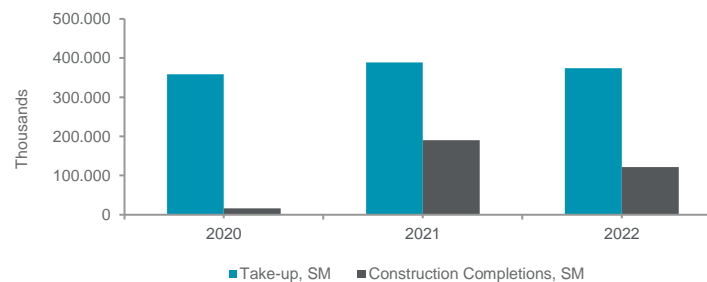
INVESTMENT FOCUS

In 2021, the office transaction volume reached a record high of DKK 18.6bn. In 2022 YTD we have seen a more limited investment activity, especially in Q3, 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. Investor demand in Copenhagen continues to be high and yields low, but the uncertainties has put a slight upward pressure on the prime yield level, which is now at around 3.25% for prime office properties.

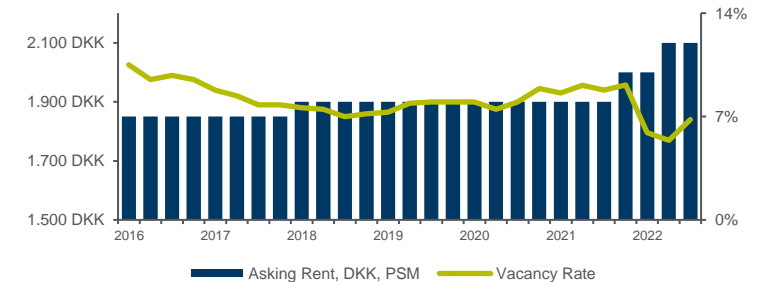
OUTLOOK

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 and primo 2023. 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 in the remaining part of 2022. However, due to the more limited access to capital, we expect the investment activity to decrease in 2023. As a result of the uncertainties in the market, we expect the yield level to be increasing slightly in the coming time.

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	6,287,129	468,294	7.45%	22,428	87,311	-	2,100 DKK	3.25%
- Greater Copenhagen	10,632,210	719,695	6.77%	141,232	374,355	-	-	-
- Northern Copenhagen	1,315,585	51,548	3.92%	-	-	-	1,650 DKK	4.50%
- Eastern Zealand	609,200	19,967	3.28%	-	-	-	1,100 DKK	5.25%
Copenhagen TOTALS	12,557,000	791,210	6.42%	163,660	374,355	421,557	2,100 DKK	3.25%

*Rental rates reflect a net level

KEY LEASE TRANSACTIONS 2021-2022

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TYPE
Strandgade 3	Copenhagen C	Netcompany	23,906	New lease
Axel Torv 2	Copenhagen W	Gorrißen Federspiel	16,009	New lease
Trekronergade 36	Valby	H. Lundbeck	14,545	New lease
Rentemestervej 3	Copenhagen NW	Bygningsstyrelsen	14,472	New lease
Sundkrogsgade 7-9	Copenhagen E	A.P. Møller – Mærsk A/S	9,489	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
Svanemølleholm	Copenhagen E	AP Pension / KanAm Group	74,000	1,595M / 21.6K*
CPH Highline	Copenhagen SW	Skanska / Aviva	21,852	918M / 42.0K
Neroport	Copenhagen S	Genesta / Castellum	39,332	824M / 21.0K
Fadet 14	Copenhagen W	Carlsberg Byen / ATP Ejendomme	18,083	818M / 45.2K

*Only 50% of the property is bought why the real DKK pr. SQ.M is expected to be double

KEY CONSTRUCTION COMPLETIONS 2021-2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	OWNER / DEVELOPER
HUB One	Copenhagen S	Multi-tenant property	50,047	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	21,852	Aviva / Skanska Øresund
Carlsberg Byen Emil Christans Hansens Hus	Copenhagen W	Visma	19,800	Carlsberg Byen P/S

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