

YoY Chg      12-Mo. Forecast

**5.6%**  
Vacancy Rate



**69K**  
Take-Up sqm



**2,100 DKK**  
Asking Rent, PSM



Source: Ejendomstorvet & C&W | RED

### ECONOMIC INDICATORS Q4 2022

YoY Chg      12-Mo. Forecast

**989K**  
Copenhagen Employment



**3.50%**  
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 significant slowdown in investment activity in both Q3 and Q4 of 2022 compared to both Q1 and Q2 of 2022. With a share of 42% of the total volume in Q4 the volume in the retail segment surpassed the residential segment as the largest segment. The residential segment is the second largest segment with a share of 26% followed by the logistics segment (share of 15%) and the office segment (share of 10%). The slowdown in the activity in Q3 and Q4 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, 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.

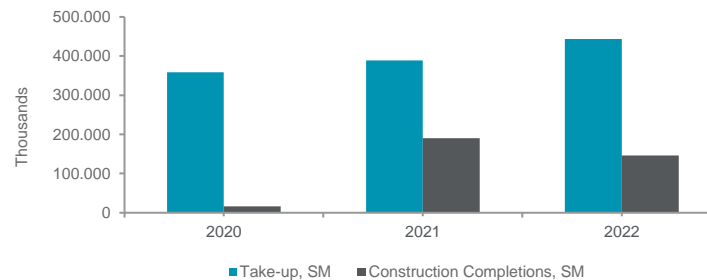
### INVESTMENT FOCUS

In 2021, the office transaction volume reached a record high of DKK 18.6bn. In 2022, we have seen a more limited investment activity, especially in Q3 and Q4, 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 an upward pressure on the prime yield level, which is now at around 3.50% for prime office properties.

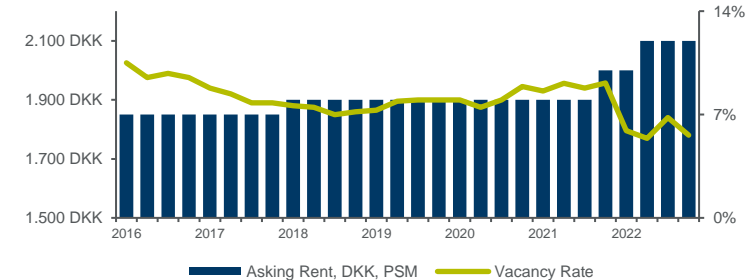
### OUTLOOK

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 stable rent levels in 2023 despite the expectations of a coming recession. Conversely, we expect the vacancy rate and rent level for the less well-located older office properties to come under a downward pressure. For the investment market we expect a continued high interest for the most attractive office properties located centrally in Copenhagen. However, due to the more limited access to capital, we expect the investment activity to decrease in 2023 – especially in the first half of the year. 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*
<b>Copenhagen (Greater Copenhagen incl. Centre)</b>								
- Copenhagen City Centre	6,299,210	340,253	5.40%	20,959	108,270	-	2,100 DKK	3.50%
- Greater Copenhagen	10,642,172	596,055	5.60%	69,271	443,626	-	-	-
- Northern Copenhagen	1,320,761	51,541	3.90%	-	-	-	1,300 DKK	4.75%
- Eastern Zealand	610,062	15,293	2.51%	-	-	-	1,100 DKK	6.50%
<b>Copenhagen TOTALS</b>	<b>12,572,995</b>	<b>662,889</b>	<b>5.27%</b>	<b>69,271</b>	<b>443,626</b>	<b>416,507</b>	<b>2,100 DKK</b>	<b>3.50%</b>

\*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*
SAS Portfolio	Copenhagen S	Wihlsborg / PFA Ejendomme	97,154	1,075M / 11.0K
Carlsberg Portfolio	Copenhagen W	ATP Ejendomme / Udviklingselskabet Carlsberg Byen	21,419	965M / 45.1K
CPH Highline	Copenhagen SW	Skanska / Aviva	21,852	918M / 42.0K

\*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

## LOCAL MARKET RESEARCH LEAD

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