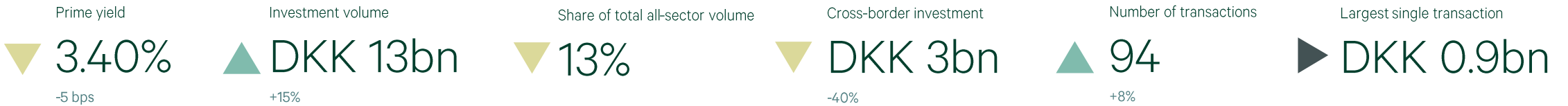


FIGURES | DENMARK OFFICE | Q4 2021

Hybrid way of working and a flight to quality

OFFICE INVESTMENT MARKET KEY FIGURES Q1-Q4 2021

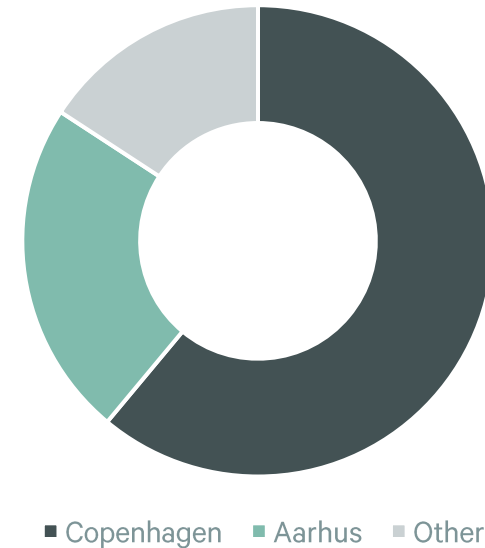


Note: Arrows indicate change y-o-y, except for Prime yield (q-o-q)

Office investment market

- Office investment volume reached DKK 13bn in 2021, being thus above the level recorded in 2020. The sale of Ørsted HQ is not included into the 2021 volume, as the approval from the competition authorities is needed.
- Strengthening occupational demand and limited stock for prime office assets will further fuel investor demand. Rental growth and lower yields across office sector could be seen in 2022.
- Our most recent Cap Rate Survey (Q2 2021) indicated that investors are willing to bid-up prime office assets. On the other hand, mismatch in pricing expectations can be the largest obstacle to closing deals in the value-add office segment.
- Corporates’ adoption of new working patterns is clearly not a one-year process, so we expect to see clearer signals in this area in 2022. While home-based working represents a headwind for office demand, our most recent indicators (EMEA Occupier Survey 2021) show occupiers focussing on the physical office to a degree that seemed unlikely at the start of the pandemic.

OFFICE TRANSACTION VOLUME



Source: CBRE Research

FIGURES | DENMARK OFFICE | Q4 2021

COPENHAGEN CITY OFFICE OCCUPIER MARKET KEY FIGURES



Note: Arrows indicate change q-o-q

Office occupier market

- Clearer evidence is emerging in corporates’ intended shift towards hybrid working policies. Occupiers are evaluating the role and suitability of their assets in this light. High-amenity buildings that support wellness and sustainability goals look favoured.
- There is an evident flight to quality in the office market, with the higher quality space which has strong ESG credentials commanding higher rents. As a result, we are beginning to see a polarization in the rental market, which is a trend we expect to become more visible in the coming months.
- Flexible offices are becoming increasingly important, both as a response to demand uncertainty and to satisfy occupiers’ needs around workplace strategy, and employee choice.

SELECTED LEASING ACTIVITY, Q4 2021

PROPERTY	SUBMARKET	SIZE (SQM)	LANDLORD
Teglholmegade 1	København SV	8,900	TDC A/S
Bredgade 43	København K	4,700	Danica Ejendomsselskab ApS
Fristrup Hus	København V	1,700	Carlsberg Byen P/S
Langebrogade 1-3	København K	1,200	C.W. Obel Ejendomme
Rosenborggade 15	København K	1,200	Ejendomsselskabet Rosenborggade 15-17
Borgmester Christiansens Gade 50	København SV	980	Sampension KP Danmark
Lyngbyvej 2	København Ø	980	Topdanmark Ejendom A/S
H. C. Andersens Boulevard 18	København V	890	DI

Source: CBRE Research

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