

FIGURES | DENMARK OFFICE | Q2 2023

Office Yield Gap to remain historically low

OFFICE INVESTMENT MARKET KEY FIGURES H1 2023

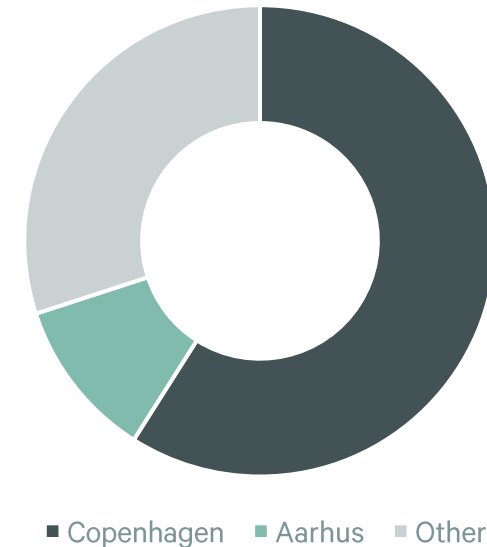


Note: Arrows indicate change y-o-y, except for Prime yield (q-o-q)

Office investment market

- The office sector accounted for an estimated DKK 1.5bn or 10% of the total H1 2023 investment volume in Denmark, being thus significantly behind the result recorded in H1 2022.
- With transactions including large deals being non-existent, the general declining trend in terms of number of transactions persisted.
- Despite the weakening of the general sentiment in the office market, prime office assets are showing signs of resilience. The slowdown in the leasing activity is particularly visible in larger assets with secondary locations.
- Prime Office Yield is expected to move further out in Q3 2023 by at least 10bps. The gap between the prime office yield and the 10-year government bond will therefore remain historically low in the short term, comparable to the levels the market has seen back in 2009.

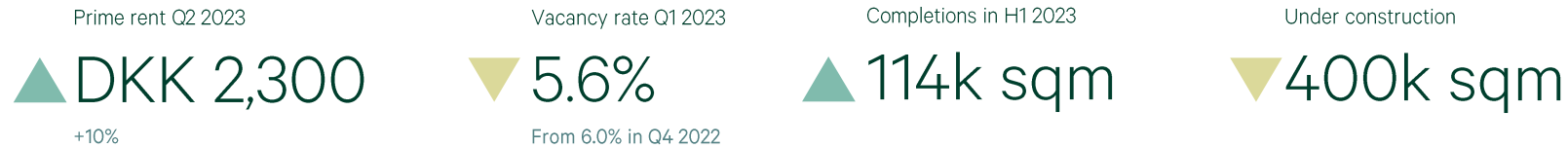
OFFICE TRANSACTION VOLUME



Source: CBRE Research

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COPENHAGEN CITY OFFICE OCCUPIER MARKET KEY FIGURES



Note: Arrows indicate change q-o-q

Office occupier market

- Occupiers are exploring possibilities for downsizing, consolidation, and driving efficiency and cost improvements from existing assets. A growing focus on space quality is one consequence. Secondary space remains therefore under increased scrutiny.
- The current period of adjustments indicates the start of a new cycle. This, coupled with a generally weakening sentiment in the office market will be reflected in subdued leasing activity in the short term.
- ESG considerations are gaining in importance. While accessibility is one of the defining location strategies, sustainability is driving building selection.

SELECTED LEASING ACTIVITY, H1 2023

PROPERTY	SUBMARKET	SIZE (SQM)	LANDLORD
Ørestads Boulevard 41	Copenhagen City, other	6,000	Skanska
Havneholmen 25	Inner Harbour	1,900	Castellum 5 i København ApS
Kuglegårdsvej 13	CBD	1,700	D Studio - Copenhagen ApS
Kampmannsgade 1	CBD	1,250	RESCO ApS
Lindevangs Allé 8-12	Frederiksberg	1,200	Lindevangs Allé 8-12 ApS
Østbanegade 121-125	Østerbro	1,150	Pensam via Fokus Asset Management
Gammel Kongevej 60	Frederiksberg	980	Kløvern Gammel Kongevej ApS
Frederikskaj 4	South Harbour	900	Ase Lønmodtager

Source: CBRE Research

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