



MARKET
IN
MINUTES

Savills Research

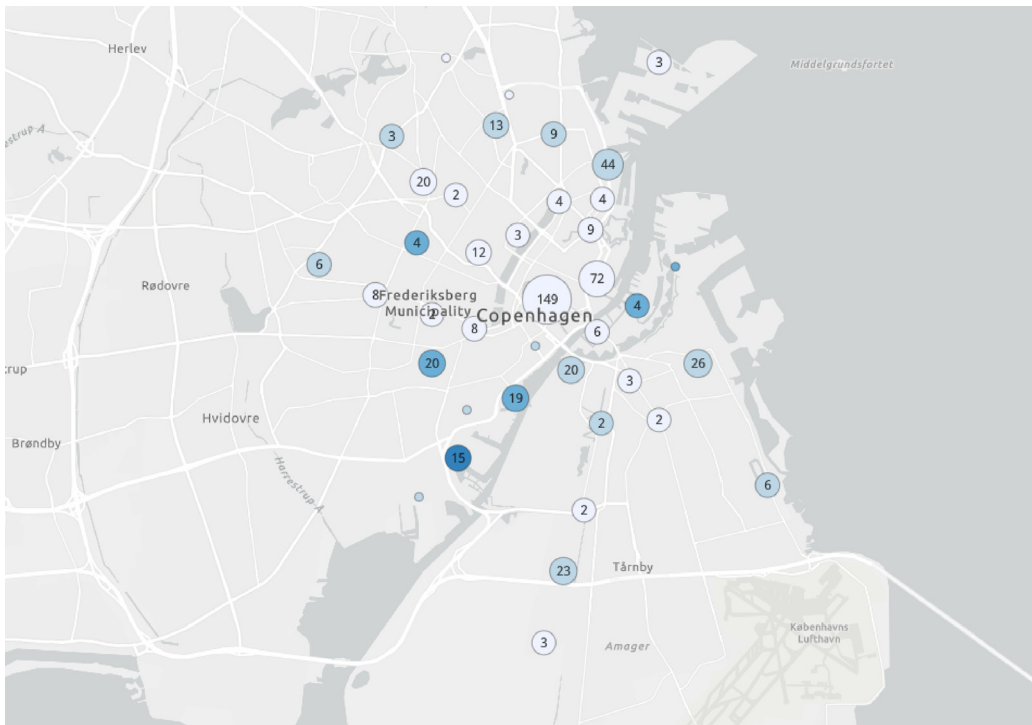
Office

COPENHAGEN & FREDERIKSBURG - 2025 Q2



The Copenhagen office market is demonstrating resilience. This is reflected in lower vacancy rates, higher prime rents and increasing capital values. In 2025 office vacancy has dropped significantly and is currently below the national average, following several years of elevated vacancy levels driven by new office development and changing working patterns. Demand is primarily focused on new, sustainable Grade A offices, which is putting upwards pressure on prime gross rents, approaching DKK 3,000 psm per year and widening the rental spread between the top and bottom levels. The investment market is showing early signs of recovery, with increasing capital values and lower prime yields following interest rate cuts and renewed investor optimism.

FIGURE 1: Geographical distribution of available office space in Copenhagen



Note: All office units available to let in postcodes 1000-2450 per 20 June 2025. The circled numbers indicate the number of units in the area. Darker colours represent larger units (sq m per unit).

Source: Ejendomstorvet.dk



5.3 %

OFFICE VACANCY IN
COPENHAGEN CITY



INCREASED FOCUS ON

ESG

-FRIENDLY OFFICES



OFFICE RENTAL SPREAD IS

widening

- THE TOP OF THE RENTAL
RANGE INCREASES FASTER
THAN THE BOTTOM

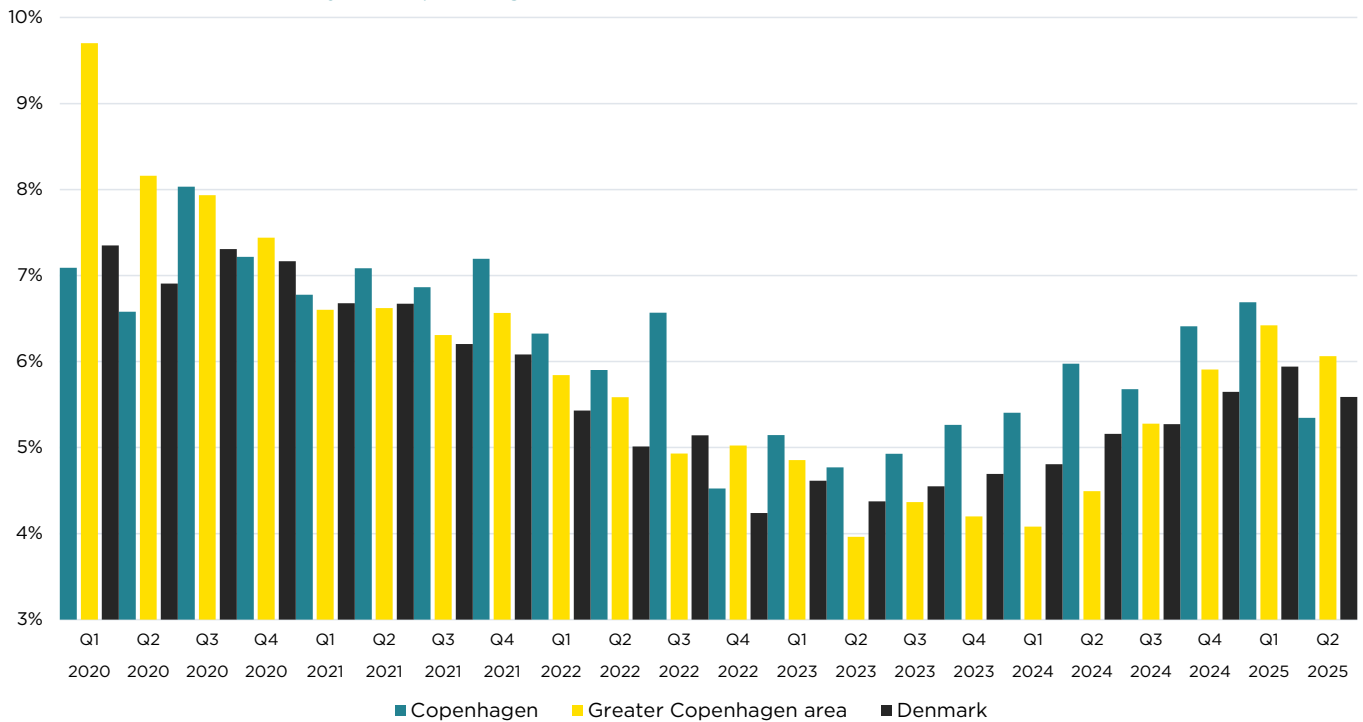
COPENHAGEN VACANCY DECLINES - NOW BELOW THE NATIONAL AVERAGE

The Copenhagen office market has changed following the high vacancy levels seen in the wake of the COVID-19 lockdowns when vacancy peaked at around 8 % during 2020. The elevated vacancy at the time was largely attributed to significant development activity and changing working patterns with the increasing prevalence of working remotely.

After the reopening of the economy Copenhagen vacancy dropped notably from approx. 8 % to around 4.5 % in Q4 2022. The decline was broadly mirrored in the national trend, though vacancy in Copenhagen City remained higher than both the Greater Copenhagen area and the national average. Since 2023 the trend has reversed with climbing office vacancy, driven by high development activity in 2021-2023. This upward trend was most pronounced in Copenhagen, where office vacancy reached around 6.7 % in Q1 2025, while the national average remained lower.

In Q2 2025, office availability in Copenhagen City has dropped significantly – by approx. 1.4 percentage points to 5.3 % bringing Copenhagen office vacancy down below the national level. This divergence can, among other factors, be explained by a distortion in demand between Grade A and Grade B offices as occupiers and investors favour energy-efficient and environmentally certified office space. Older offices without green certifications are accordingly facing growing challenges in attracting new tenants.

FIGURE 2: Office vacancy in Copenhagen and nationwide



Source: Ejendomstorvet.dk

NEW OFFICES SET THE BENCHMARK AND PUSH PRIME RENTS UPWARDS

The focused demand for office space offering superior facilities and modern layouts means that new office developments can generally be let at higher rent levels than older buildings, of which Copenhagen has a substantial stock. New-build schemes are typically of higher quality, more flexible and more sustainable than older office properties, i.e. driven by increasing ESG requirements from both occupiers and investors. This trend is reinforcing demand for new office space and contributing to upward pressure on prime rents. For older office properties, this entails that investments in refurbishment and upgrading will be necessary to remain competitive.

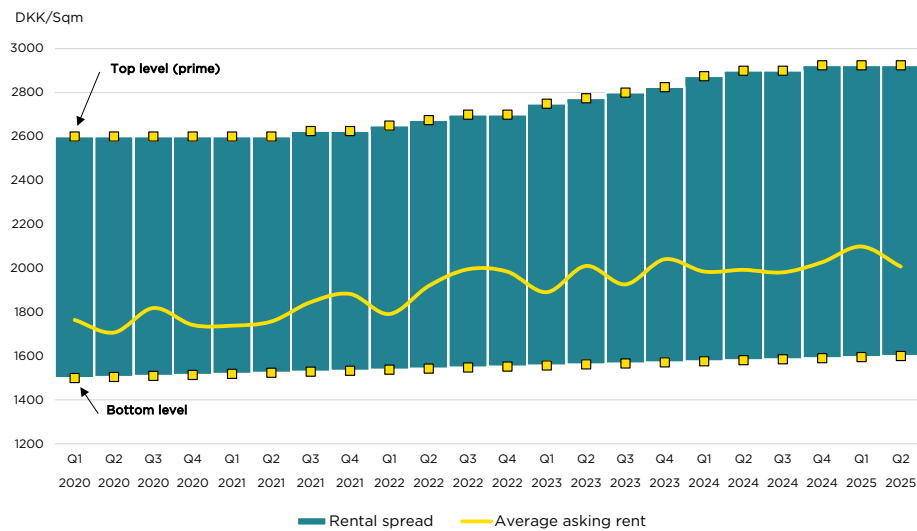
WIDENING RENTAL SPREAD IN THE OFFICE MARKET

In the Copenhagen office occupier market, the gross rental spread between top and bottom levels has widened over the past five years. The prime gross rents have increased significantly, driven by strict requirements relating to quality, location and sustainability in modern office space, and are now approaching DKK 3,000 psm per year. By contrast, the bottom end of the range has seen only modest growth, increasing from approx. DKK 1,500 to DKK 1,600 psm per year since 2020. As a result, the gap between top and bottom rents in Copenhagen has widened.

The weak growth at the lower end of the rental spectrum indicates subdued demand for Grade B offices compared to Grade A office space. The average asking rent for available units sits in the lower half of the rental range, underscoring that office supply in Copenhagen is dominated by older office space.



FIGURE 3: Top and bottom gross rent levels for Copenhagen offices

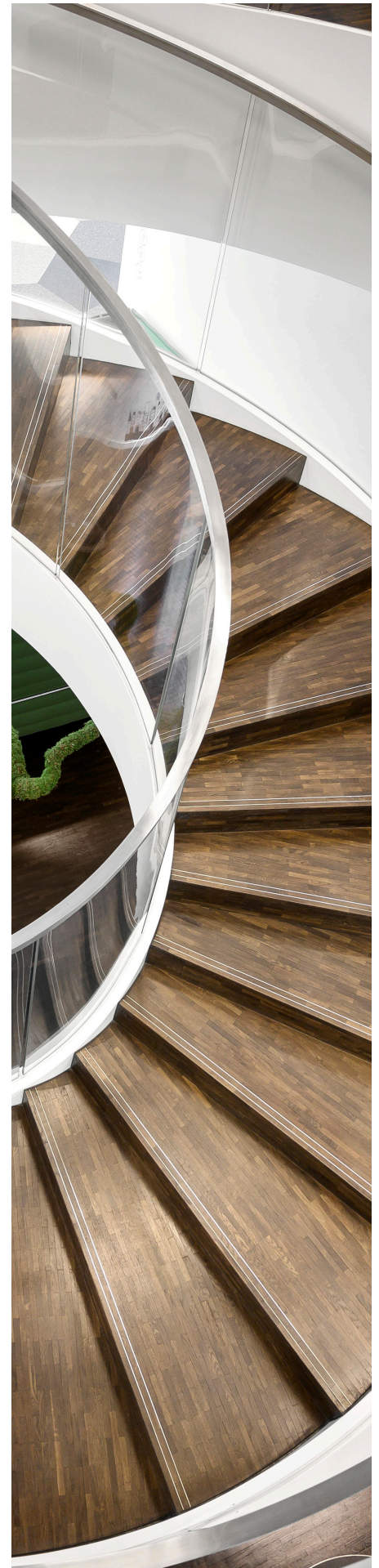


Source: Savills & Ejendomstorvet.dk

FIGURE 4: Primary and secondary gross rent levels for offices in major cities

		GROSS RENT (DKK/SQM)		INITIAL YIELD (%)		VACANCY (%)
		PRIMARY	SECONDARY	PRIMARY	SECONDARY	
COPENHAGEN CITY	2025 Q2	3,150	1,800	4.00%	5.00%	-
	2025 Q1	3,150	1,800	4.00%	5.00%	5.3%
	2024 Q4	3,125	1,775	4.15%	5.00%	6.7%
	2024 Q3	3,100	1,775	4.15%	5.00%	6.4%
LYNGBY	2025 Q2	2,250	1,450	5.25%	5.75%	-
	2025 Q1	2,250	1,450	5.25%	5.75%	4.8%
	2024 Q4	2,225	1,425	5.25%	5.75%	5.5%
	2024 Q3	2,225	1,425	5.25%	5.75%	3.1%
BALLERUP	2025 Q2	1,700	1,200	6.00%	7.50%	-
	2025 Q1	1,675	1,175	6.00%	7.50%	5.8%
	2024 Q4	1,650	1,175	6.00%	7.50%	6.2%
	2024 Q3	1,650	1,150	6.00%	7.50%	4.3%
ODENSE	2025 Q2	1,600	1,050	6.50%	7.25%	-
	2025 Q1	1,600	1,050	6.50%	7.25%	10.8%
	2024 Q4	1,550	1,000	6.75%	7.50%	11.1%
	2024 Q3	1,550	1,000	6.75%	7.50%	8.4%
AARHUS	2025 Q2	2,200	1,400	4.75%	6.00%	-
	2025 Q1	2,175	1,375	4.75%	6.00%	7.6%
	2024 Q4	2,150	1,350	5.00%	6.00%	7.8%
	2024 Q3	2,150	1,350	5.00%	6.00%	7.5%
TRIANGLE REGION	2025 Q2	1,700	1,000	6.25%	8.00%	-
	2025 Q1	1,700	1,000	6.50%	8.00%	6.7%
	2024 Q4	1,675	975	6.50%	8.00%	6.4%
	2024 Q3	1,675	975	6.50%	8.00%	5.8%
AALBORG	2025 Q2	1,450	1,150	5.75%	7.00%	-
	2025 Q1	1,450	1,150	5.75%	7.00%	7.0%
	2024 Q4	1,425	1,125	5.75%	7.00%	6.3%
	2024 Q3	1,425	1,125	5.75%	7.00%	6.1%

Source: Savills & Ejendomstorvet.dk



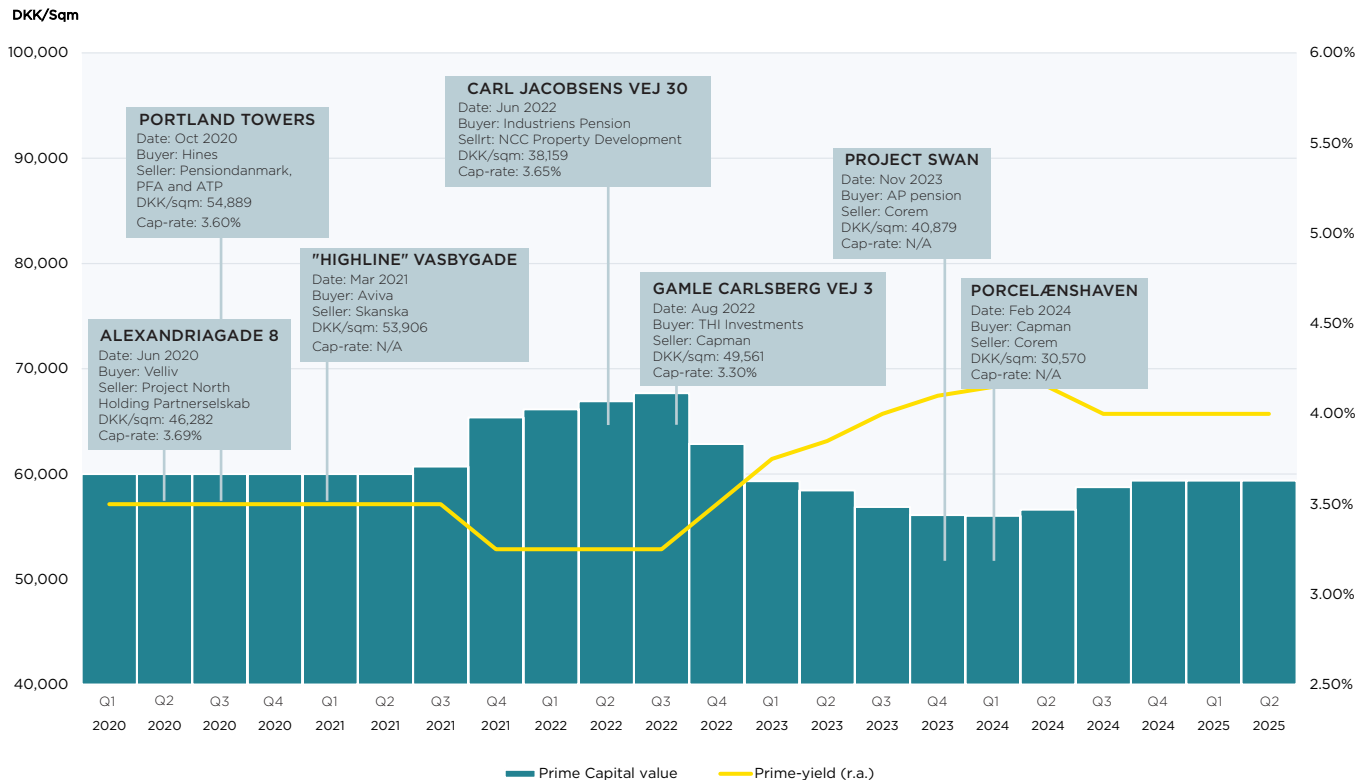
EARLY SIGNS OF RECOVERY IN THE INVESTMENT MARKET

In recent quarters, investment activity in the office market has shown a positive trend, as interest rates have been reduced several times. When interest rates were at their lowest in 2022, prime capital values peaked at approx. DKK 68,000 per sqm before dropping to a low of around DKK 56,000 per sqm in Q1 2024.

Transactions in 2022 included Gamle Carlsberg Vej 3 and Carl Jacobsens Vej 30, which were sold at approx. DKK 49,500 per sqm and DKK 38,000 per sqm, reflecting yields of 3.30% and 3.65 %, respectively. In the most recent quarters, we have observed a recovery with prime capital values reaching around DKK 60,000 per sqm and prime yields at approx. 4%. In May 2025 the sale of

Nykredit's HQ – The Svanemølleholm project in Nordhavn – was completed as a forward sale agreed in 2021 when AP Pension entered a joint venture agreement to sell a 50% stake in the company owning the office building to German KanAm Grund. The price exceeded DKK 2 billion for half of the total 75,500 sqm, making the transaction one of the most significant office deals of 2025.¹

FIGURE 5: PRIME CAPITAL VALUES AND PRIME YIELDS FOR OFFICE BUILDINGS IN COPENHAGEN



Source: Association of Commercial Real Estate Agents' Market Data & Savills





Savills Danmark

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Elements of the report are based on data from the Association of Commercial Real Estate Agents' Market Data

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