RESEARCH

MARKET IN MINUTES

Residential Market 2026 Q4

Residential Market – Denmark – Q4 2026

savills

Transaction volume in the Copenhagen suburbs surpass Copenhagen City

Transaction volumes for residential investment properties in the Copenhagen suburbs have surpassed those in Copenhagen City, reaching a record high. This reflects a combination of availability of investment opportunities and expectations of rental growth. Competition for newer residential investment properties has driven yields down by 25-35 bps over the past 18 months, although rising interest rates are putting pressure on the development. The pipeline for new residential construction in Copenhagen and the Copenhagen suburbs for 2027-2028 has increased by 27% compared to the estimate made last year.

KEY FIGURES

3.75 %→3.5 %
YIELD COMPRESSION IN COPENHAGEN'S RESIDENTIAL SECTOR

700,000 SQ M
RESIDENTIAL DEVELOPMENT PIPELINE IN COPENHAGEN AND THE COPENHAGEN SUBURBS

67 %
OF THE TOTAL TRANSACTION ACTIVITY COMES FROM THE RESIDENTIAL SECTOR IN Q1-Q3 2026

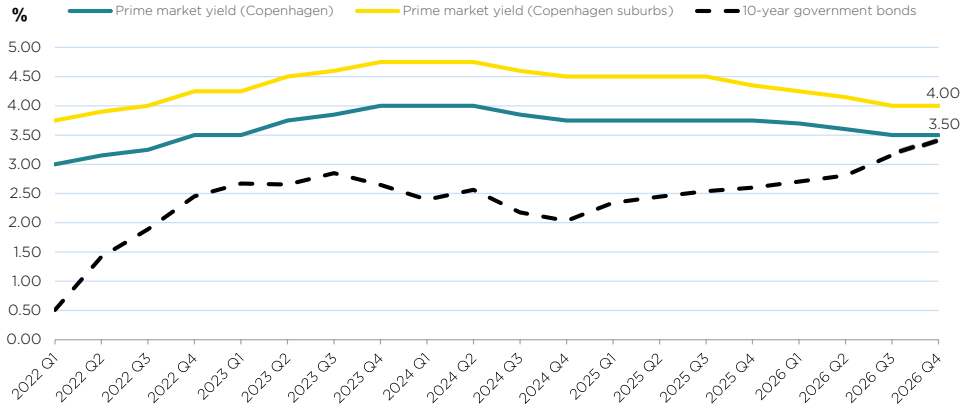
152 %
INCREASE IN TRANSACTION VOLUME IN THE COPENHAGEN SUBURBS

YIELDS HAVE COMPRESSED BY 25-35 BPS, BUT RISING INTEREST RATES POSE A CHALLENGE

The investment case for newer residential investment properties in the Capital Region of Denmark has been exceptionally attractive since 2022. This has attracted considerable interest from well-capitalised domestic and international investors. As a result, a few transactions have been completed at initial yields below 3.0%, driven by the potential for rental growth and privatisation.

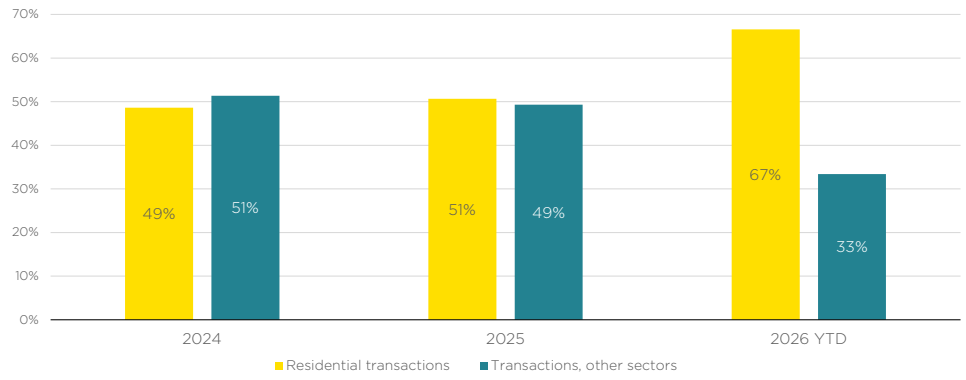
The underlying strength of the investment case is largely attributable to the low level of residential construction since 2022, which has met only approx. 40% of the estimated demand. This has created a growing need for housing, contributing to substantial rental growth and exceptional price increases in the owner-occupied housing market. Over the past 18 months, yields have compressed by 25-35 bps, with increased competition more than offsetting the narrowing spread between property yields and interest rates. Interest rate increases in 2026 may put downward pressure on property values if the conflict in the Gulf continues, resulting in persistently high energy prices and increased inflationary pressures.

FIGURE 1: PRIME MARKET YIELDS (RESIDENTIAL) VS. 10-YEAR GOVERNMENT BOND



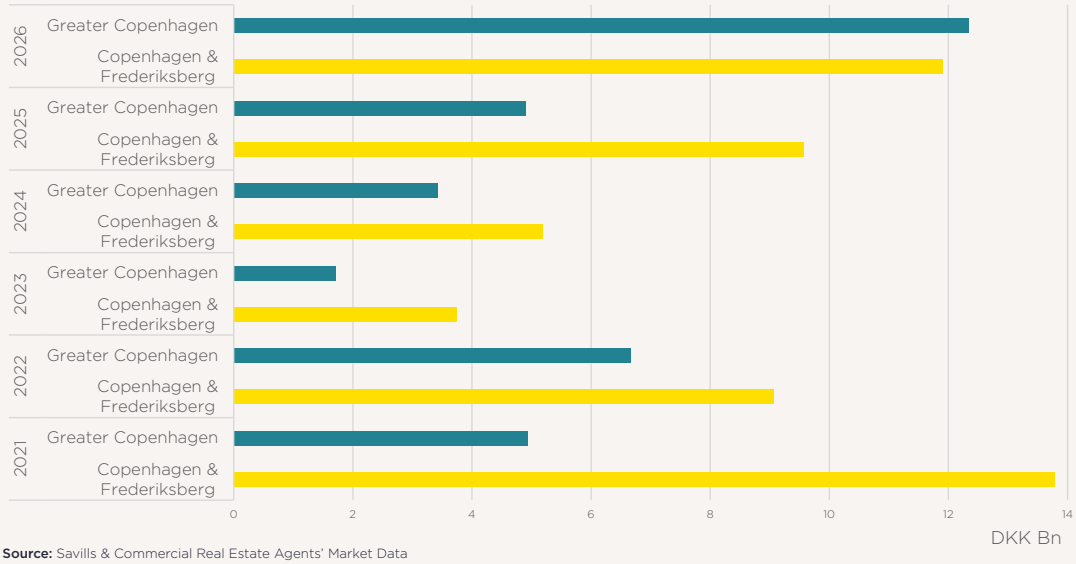
Note: Prime yield is defined as the first year's stabilised yield based on an NOI at market level. Q4 is calculated as an average of the daily exchange rates over the period 01.10.2026-20.10.2026.
Source: Savills & Statistics Denmark

FIGURE 2: RESIDENTIAL TRANSACTIONS' SHARE OF THE TOTAL TRANSACTION VOLUME

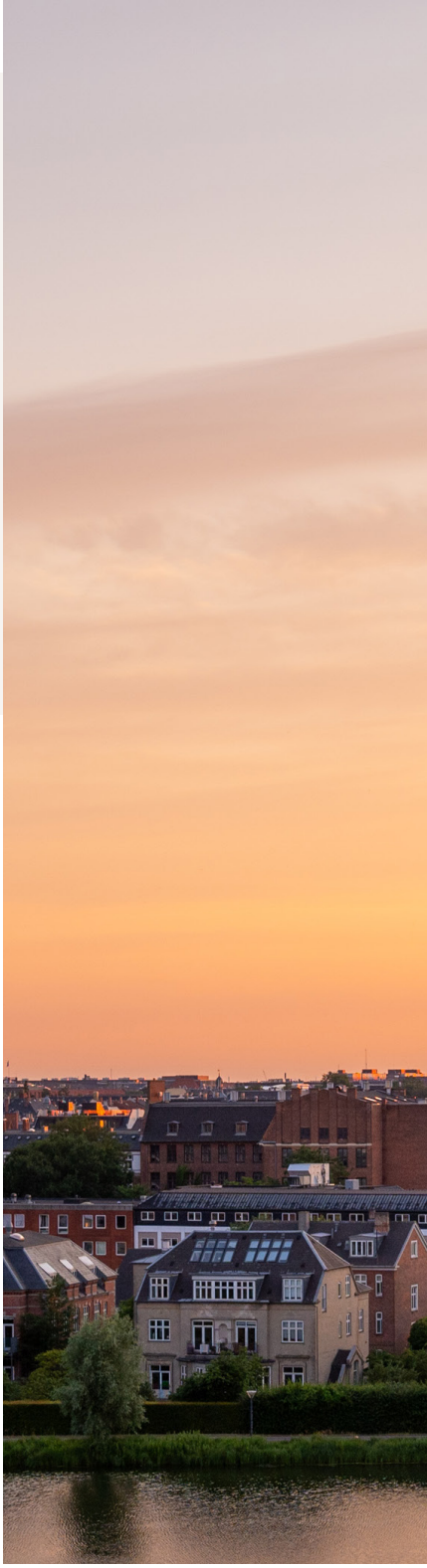


Source: Savills & Association of Commercial Real Estate Agents' Market data

FIGURE 3: TRANSACTION VOLUME, RESIDENTIAL INVESTMENT PROPERTIES, JANUARY 2021 TO SEPTEMBER 2026



Source: Savills & Commercial Real Estate Agents' Market Data



THE COPENHAGEN SUBURBS SET A NEW RECORD AND RESIDENTIAL PROPERTY DOMINATES TRANSACTION ACTIVITY

In 2026, the residential sector dominates the investment market, accounting for 67% of the total transaction volumes. Particularly since May 2026, the residential sector has represented a clear majority of transactional activity nationwide, with a share of approx. 72%. Accordingly, the residential sector's share of the total transaction volume during the first three quarters of the year was approx. 31% higher than in the corresponding period last year, and 37% higher than in 2024.

For the first time in the past six years, transaction volumes in the Copenhagen suburbs have exceeded those in Copenhagen city in the period January-September. Transaction volumes in Copenhagen and Frederiksberg increased by approx. 24%, while volumes in the Copenhagen suburbs have increased by 152%.

The significant increase in transactional activity in the Copenhagen suburbs does not in itself indicate that investor interest has shifted away from Copenhagen towards the surrounding municipalities.

Rather, the development should be viewed in the context of availability of investment opportunities. A greater number of residential assets have been brought to market in the Copenhagen suburbs, whereas the supply in Copenhagen remains limited. This is also reflected in current transactions in Copenhagen, where investors are demonstrating considerable willingness to pay at levels not seen over the past four years. Consequently, some of the demand that cannot be accommodated in Copenhagen is increasingly being directed towards the Copenhagen suburbs, where greater availability of residential investment properties currently provides investors with more opportunity to deploy capital.

The largest transaction recorded so far this year is Banehaverne in Glostrup, acquired by M&G Real Estate for approx. DKK 2.1 billion. The property comprises 667 rental homes consisting of flats and terraced houses. The increasing significance of the Copenhagen suburbs within the capital's residential investment market is further underlined by the six largest transactions of the year, three of which have been completed in the Copenhagen suburbs.

FIGURE 4: THE LARGEST INDIVIDUAL RESIDENTIAL TRANSTIONS IN 2026 IN COPENHAGEN AND THE COPENHAGEN SUBURBS

ID	Property	City	Sales year	Constr. year	Area sqm	Price		Buyer
						mDKK	DKK/sqm	
1	Marmorvej 21A	CPH Ø	Sep-26	2015	13,969	N/A	-	Niam
2	Banehavestien 30 m.fl.	Glostrup	Jun-26	2024	56,497	2,093	37,046	M&G Real Estate
3	Hørkær 8A m.fl.	Herlev	Aug-26	2024	34,295	1,465	42,718	Ikano Bolig A/S
4	Emma Gadsvej 5 m.fl.	CPH S	May-26	2021	18,441	1,055	57,209	Lærernes Pension
5	Nordre Teglkaj 12-46	CPH SV	May-26	2016	12,559	690	54,941	KLP
6	Else Sørensens Vej 25-35	Rødovre	Apr-26	n/a	16,870	675	40,012	Tishman Speyers
Average					**25,439**	**1,196**	**46,385**	

Note: ID1: Initial yield below 3.0%. ID 3: The transaction is structured as a property exchange. Ikano Bolig acquires the property at Hørkær 8A et al.. at the stated value.
ID 6: The transaction is a forward purchase agreement between Tishman Speyer and Heimstaden. The property is expected constructed in 2027.
Source: Savills, Commercial Real Estate Agents' Market Data & Estate Media

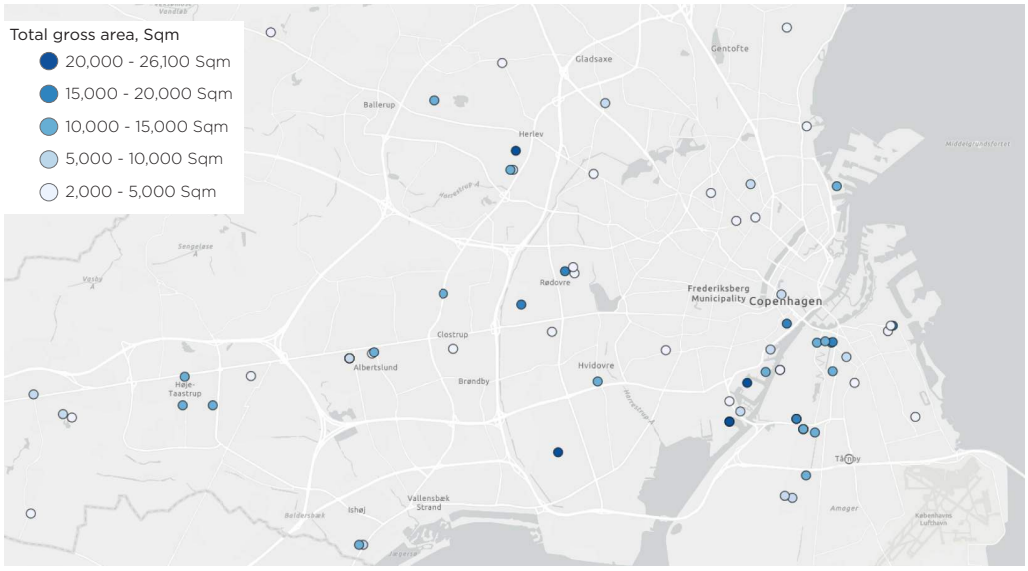
INCREASING RESIDENTIAL DEVELOPMENT

The expected pace of new residential development is increasing significantly in both Copenhagen and the Copenhagen suburbs. The current development pipeline for 2027-2028 amounts to approx. 700,000 sqm, representing an increase of 27% compared to the corresponding pipeline for 2026-2027, estimated one year ago. Copenhagen accounts for approx. 354,000 sqm comprising 5,169 units. This represents an increase of 28% compared to last year's pipeline and is 2.5 % higher than the approx. 346,000 sqm expected in the Copenhagen suburbs.

A significant proportion of the anticipated development in Copenhagen relates to major projects scheduled for completion in 2028, including Fælledby, Bryggens Bastion and Stejlepladsen, where former natural and industrial areas are being transformed into new residential neighbourhoods. The stronger growth in Copenhagen's development pipeline compared with the Copenhagen suburbs challenges the expectation that limited access to development land will increasingly shift residential construction towards surrounding municipalities. However, Copenhagen's continued appeal means that new development opportunities within the city attract considerable interest from both developers and investors whenever political decisions permit residential development.

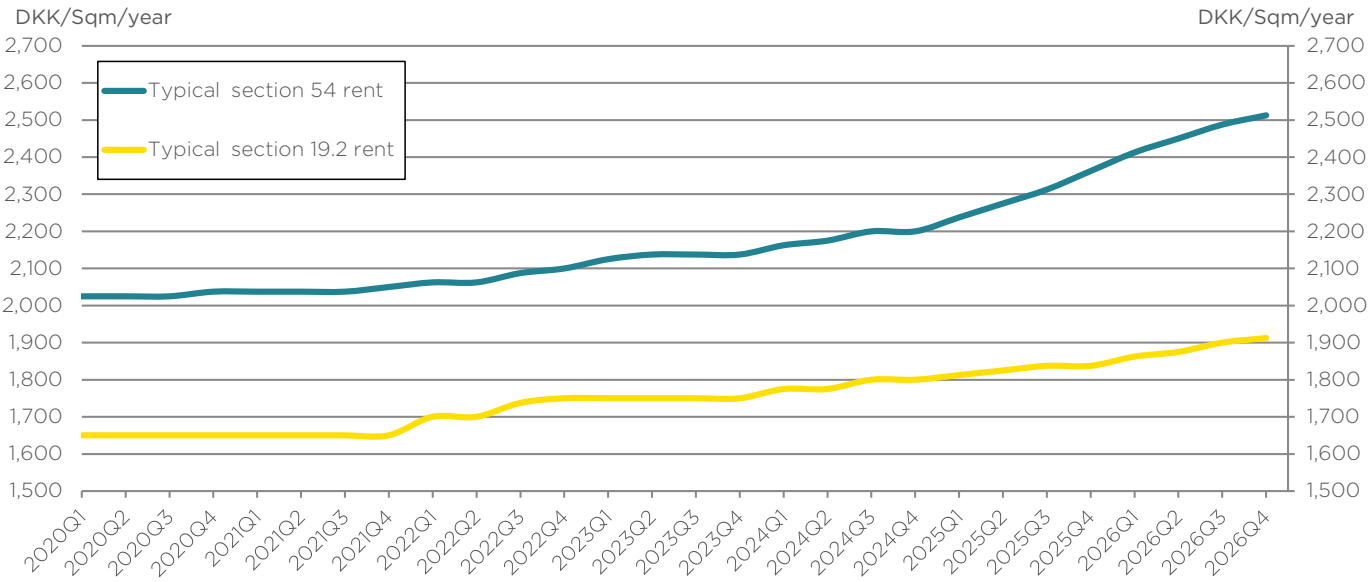


FIGURE 5: GEOGRAPHICAL OVERVIEW OF RESIDENTIAL PIPELINE IN COPENHAGEN AND THE COPENHAGEN SUBURBS IN 2027 AND 2028



Source: Byggefakta.dk

FIGURE 6: TYPICAL RENT LEVELS (MARKET RENT AND SECTION 19.2) COPENHAGEN CITY (APPROX. 90 SQM FLAT)



Note: (1) Section 19.2 Modernised rental value is regulated by the Danish rent tribunal and not directly determined as market rent. The graph illustrates the typical rent level for mid-sized modernised flats but cannot be interpreted as representative of specific flat levels, which vary higher or lower. (2) In general, the unit size significantly impacts the rent per sqm.
Source: Savills

RENT LEVELS CONTINUE TO RISE

Residential market rents increased across all Copenhagen districts and in the Copenhagen suburbs during 2026, with growth ranging from 1% to 11%. The central districts retain their position as the most attractive locations, commanding the highest market rents, with prime rent levels of up to 3,800 DKK/Sqm/year for smaller flats and 2,700 DKK/Sqm/year for larger flats. Across flat sizes, prime market rents in Frederiksberg and the Copenhagen districts CPH K, CPH Ø, CPH V and CPH N increased by 8.81% in 2026, representing the strongest rental growth across the Copenhagen districts. In Ørestad, rental growth has been more moderate at 4.39%. This should be viewed in the context of the area's ongoing residential development and the continuous addition of new housing units.

Rental growth has generally been strongest among smaller flats. In the Copenhagen suburbs, market rents for smaller flats recorded the highest increase at 9.18% across the prime and secondary segments. By comparison, market rents for the largest flats have increased by an average of 2.68% across the districts. The stronger rental pressure on smaller flats may reflect the fact that high rents for larger homes limit the options available to a wider group of tenants, thereby increasing demand for smaller homes with lower overall monthly rental costs.

RECOMMENDED READING:

Market in Minutes – PBSA Q3

FIGURE 6: TYPICAL RENT LEVEL (MARKET RENT AND SECTION 19.2) IN COPENHAGEN CITY (APPROX. 90 SQM FLAT)

Residential newbuild rental levels		Smaller than 60 Sqm		Between 60 og 80 Sqm		Between 80 og 100 Sqm		Larger than 100 Sqm	
		Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary
		(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)	(DKK/sqm/year)
Frederiksberg, CPH K, CPH Ø, CPH V & CPH N	2026 Q4	3,800	2,800	3,400	2,500	3,000	2,400	2,700	2,100
	2026 Q3	3,700	2,750	3,300	2,450	2,950	2,350	2,650	2,075
	2026 Q2	3,600	2,700	3,200	2,425	2,850	2,300	2,600	2,050
	2026 Q1	3,500	2,650	3,100	2,400	2,700	2,200	2,550	2,025
CPH NV, CPH SV & Valby	2026 Q4	3,400	2,650	3,100	2,200	2,600	2,050	2,350	1,900
	2026 Q3	3,350	2,625	3,100	2,175	2,550	2,025	2,350	1,900
	2026 Q2	3,250	2,550	3,000	2,150	2,500	2,000	2,325	1,875
	2026 Q1	3,200	2,500	2,900	2,100	2,450	1,975	2,325	1,875
CPH S & Ørestad	2026 Q4	3,000	2,500	2,800	2,100	2,350	1,900	2,100	1,750
	2026 Q3	2,950	2,450	2,775	2,075	2,300	1,875	2,100	1,725
	2026 Q2	2,850	2,400	2,750	2,050	2,300	1,850	2,075	1,725
	2026 Q1	2,800	2,350	2,675	2,000	2,275	1,800	2,050	1,700
Copenhagen suburbs	2026 Q4	2,750	2,100	2,300	1,800	2,025	1,600	1,900	1,400
	2026 Q3	2,700	2,050	2,275	1,800	2,000	1,575	1,900	1,375
	2026 Q2	2,600	2,000	2,250	1,775	1,975	1,550	1,875	1,350
	2026 Q1	2,550	1,900	2,225	1,775	1,950	1,525	1,875	1,325

Source: Savills

Savills Research

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