

COPENHAGEN

Key Investment Trends

Transaction volumes in Greater Copenhagen reached Kr. 50 bn in 2017, which is Kr. 5 bn above transaction volumes in 2016. International investors remain very active, accounting for 55% of real estate investments in 2017, versus 50% in 2016. Yields have been trending down across the board. Net initial yields for prime high street retail in Copenhagen are down to 3%. Prime office yields in Copenhagen are now down to 4%.

Investors are on the lookout for modern and new properties, and shifting their attention away from city centre locations, where the availability of such assets is very limited, and where prices are high. Appetite for industrial assets and portfolios continues to grow, as does the sale and leaseback market, which is becoming more popular, attracting larger, and financially stable occupiers. The hotel and residential markets also continue to attract investors with several large single and portfolio deals in 2017.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
10	Stuttgart	3.79	-22
11	Dusseldorf	3.90	-43
12	Dublin	4.05	-21
13	Oslo	4.06	-16
14	Stockholm	4.16	5
15	Copenhagen	4.18	-14
16	Cologne	4.22	-42
17	Milan	4.26	0
18	Rome	4.42	0
19	Utrecht	4.55	-35

Note: Lowest scoring yield ranks highest.

Yield Outlook

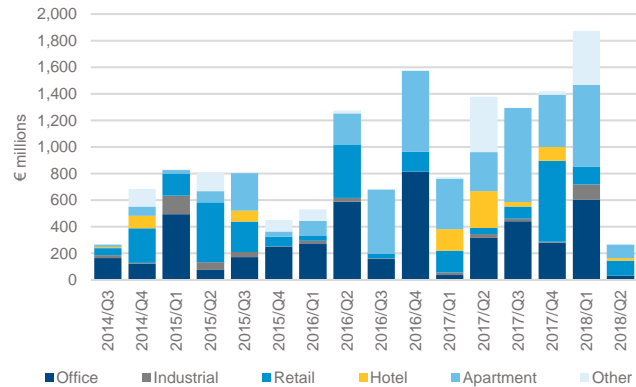


Sectors to watch out for in the next 12M

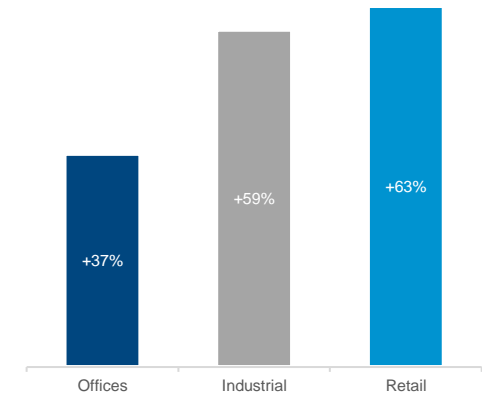


Source: Colliers International, Real Capital Analytics, Oxford Economics.

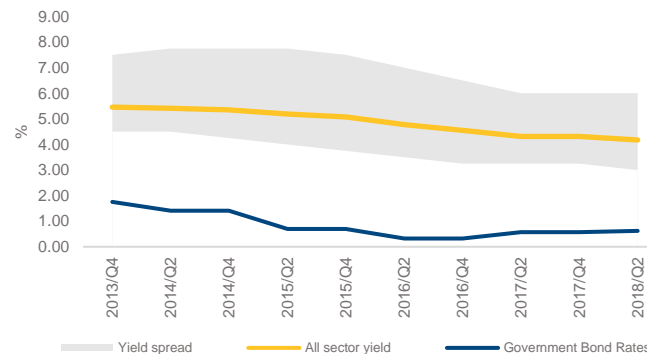
Quarterly investment volumes by sector (City & catchment)



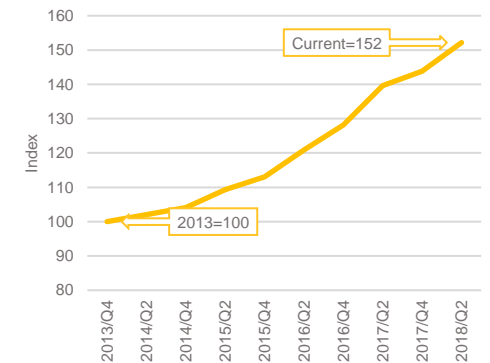
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

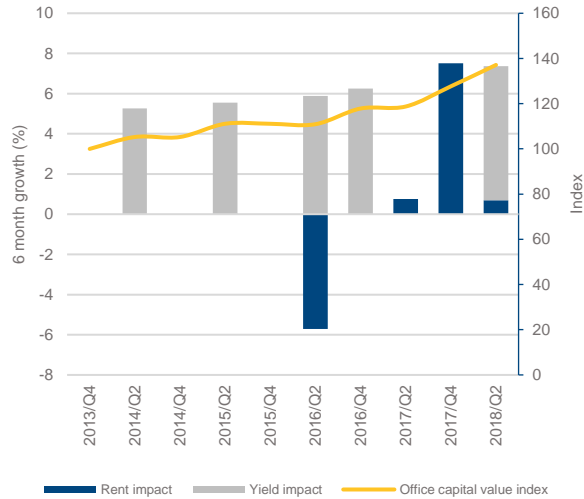


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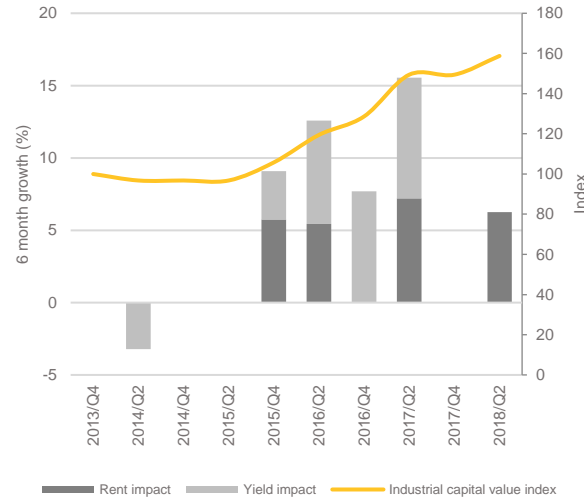
“There is strong appetite for property investments from both domestic pension funds and property companies, as well as international investors. Currently, the investment focus is shifting from residential and retail towards office and logistics due to strong occupational demand, a high level of residential supply expected to be completed in the coming 24 months, and reluctant retail investors. Yields remain stable. The weight of money and a strong occupational market (office and logistics) with increasing rents should push down yields – however, investors are preparing themselves for interest rate hikes.”

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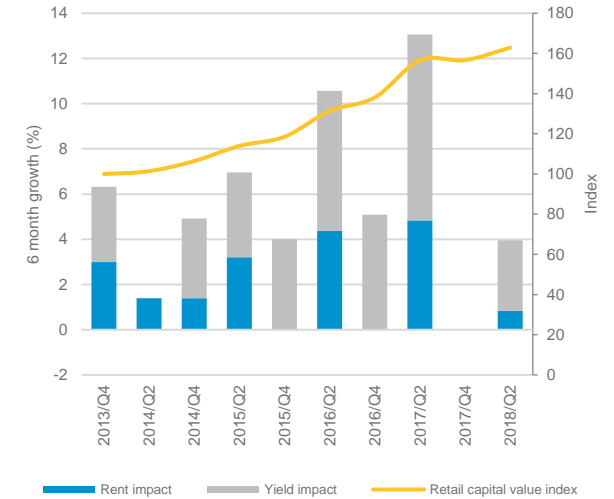
Cap. value index - rent/yield impact: Office



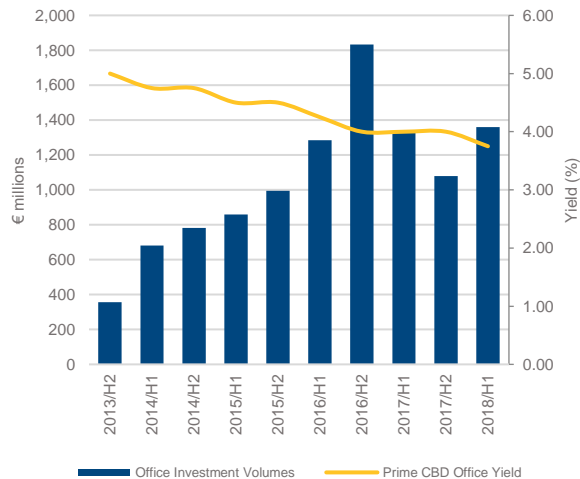
Cap. value index - rent/yield impact: Industrial



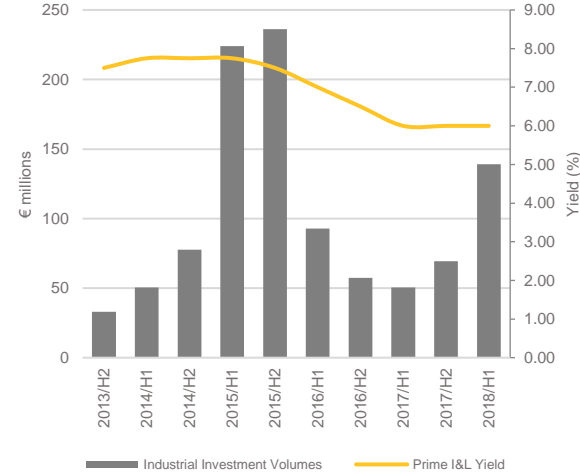
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

