

GLOBAL SPOTLIGHT

Copenhagen, Denmark



Copenhagen is a center for business and science, not only in Denmark, but also in the Oresund Region and Scandinavia.

- The Danish real estate market is influenced by Icelandic investors who have completed major deals in Copenhagen during the past few years. Prices have stabilized or slightly decreased. Demand for properties is still strong; however, investors are now more cautious primarily due to the rise in interest rates.
- The demand for Class A office properties has kept the yield stable even though the interest level has increased. A lower vacancy rate in 2008 will lead to an increasing rent cost in prime areas. Developers are building office space on a speculative basis as the need for office space in the larger cities is still growing.
- Prime locations along major highways and attractive facilities in the industrial market are becoming harder to find. As a result, demand has driven increasing rent costs. With a low vacancy rate in the greater Copenhagen area, industrial properties have enjoyed significant demand from investors and tenants.
- The retail market is very strong with a significant new number of projects in the pipeline. The availability of high-street retail space is extremely limited in Copenhagen. Several shopping centers and retail parks are being redeveloped or expanded. Investors are converting upper floors into retail. Investment in retail is led by huge domestic demand, but international investors are also active.
- The market for investment properties is strong with demand for retail, industrial and office. Yields in general have stabilized. Institutional investors, real estate companies and private investors are active in the market. Significant players such as I/S EjendomsInvest, Property Group and Kristensen Propertie, are still looking across the border for investments, especially in Germany and the Nordic countries.

Copenhagen At A Glance

Population	1,825,814 (metro area)
Location	Capital and Largest City in Denmark
GDP	\$258 billion (2006 est.)
Inflation	1.9% (2006 est.)
Interest	4.36% European Central Bank- 10 yr
Unemployment	3.8% (2006 est.-Denmark)
Conversion	1 USD = 5.2476 DKK

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$17.70	\$30.10		4%
Suburban Office Class A	\$16.82	\$20.36		5%
Industrial Bulk Warehouse	\$6.20	\$8.85		2%
Retail Downtown	\$61.96	\$336.37		1.2%

NAI Denmark offers local market expertise in Denmark, primarily Copenhagen and Sealand.

About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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