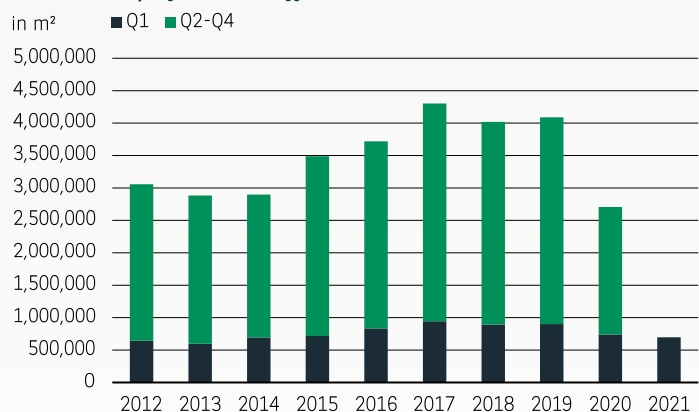




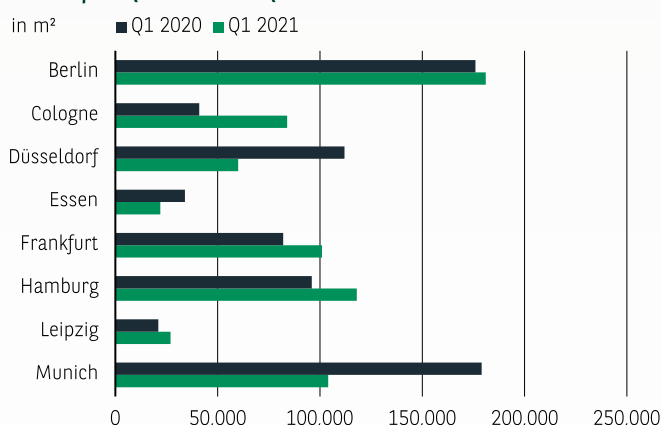
At a Glance **Q1 2021**

OFFICE MARKET GERMANY

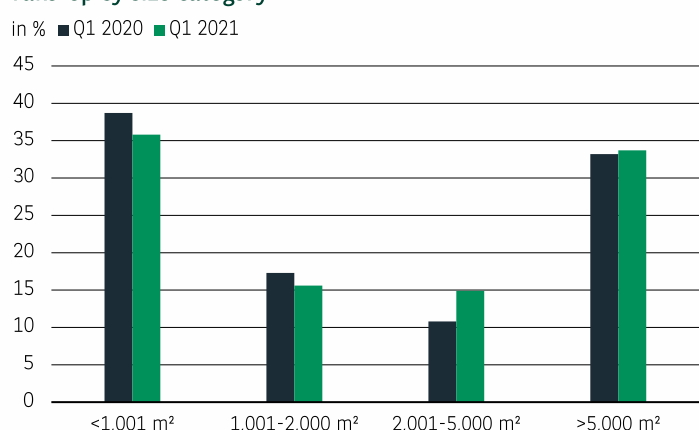
Total take-up of selected office centres*



Take-up in Q1 2020 and Q1 2021



Take-up by size category



➤ SOLID START INTO THE YEAR

The major German office markets remain stable in the first quarter of 2021. Despite the ongoing lockdown and only slight easing of contact restrictions, take-up in Germany's top eight office markets Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig and Munich was around 697,000 m² in the first quarter of 2021. Thus, the previous year's result was only missed by just under 6%. This is even more noteworthy because the first quarter of 2020 was hardly affected by the Corona pandemic until March. The current result is a clear sign of restored confidence of corporate decision makers. The rise in vacancies continued at a reduced pace in the first quarter. The vacancy rate is currently above 5% only in Frankfurt and Düsseldorf. The prime rent remained constant in all locations.

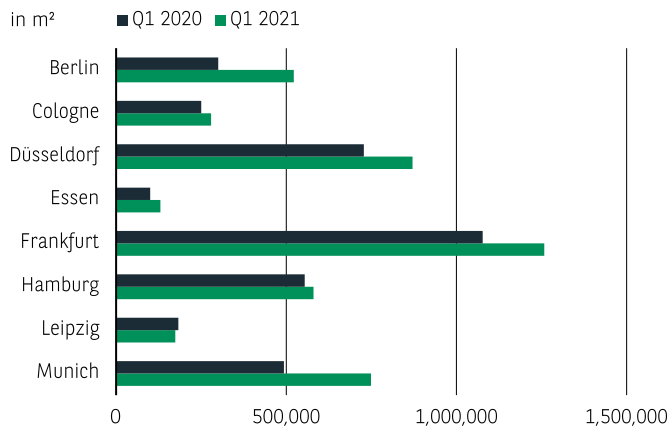
➤ MOST LOCATIONS WITH INCREASES OF TAKE-UP

Germany's office metropolises have started very differently. The range extends from a 105% increase of take-up year-on-year in Cologne to a 46% decline in neighbouring Düsseldorf. However, in the majority of locations take-up rose compared to the previous year. Take-up in Berlin, for example, climbed by 3% to 181,000 m². The capital thus once again leads the ranking of the top locations. An increase of 23% to 118,000 m² was reported for second-placed Hamburg. Munich currently occupies third place: The take-up of 104,000 m² missed the previous year's figure by -42%. Increases of the letting volume were also registered for Frankfurt (+23% to 101,000 m²), Cologne (+105% to 84,000 m²) as well as Leipzig (+29% to 27,000 m²). With results of around 60,000 m² and 22,000 m² respectively, Düsseldorf and Essen remained well below the previous year's level.

➤ MEDIUM-SIZED SPACE SEGMENT WITH STRONG GAIN

Despite the ongoing Corona pandemic, a high level of market activity can be recorded in the space segment above 5,000 m². With a take-up of around 235,000 m², the result is not only in line with the long-term average, but the previous year's level was only missed by 4.5%. In the more narrowly defined segment above 10,000 m², the figure was even on a par with the ten-year average (139,000 m²) and a slight decline of 3% year-on-year. The most important take-up drivers in the first quarter were the deals between 2,001 and 5,000 m². Compared to the previous year, the result rose by almost 30% to around 104,000 m².

Vacant space in Q1 2020 and Q1 2021



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VACANCY RATES STILL BELOW AVERAGE

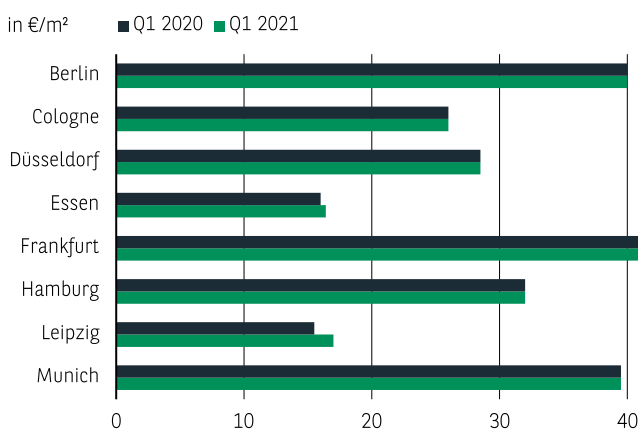
Although the volume of vacant space in the office markets, except for Leipzig (-5%), increased noticeably year-on-year (+24% to 4.6 million m²), the vacancy rates in the majority of the cities remain at below-average levels. This applies in particular to the strongest markets of Berlin and Munich, where the vacancy rate of 2.6% and 3.4% respectively is well below the fluctuation reserve. The situation is similar in Cologne (3.4%), Hamburg (4.1%), Essen (4.2%) as well as Leipzig (4.6%). The vacancy rates in Düsseldorf (9.0%) and Frankfurt (8.1%) are at a higher level. However, for both markets this is quite a characteristic condition.

PRIME RENTS STABLE

Prime rents in the major markets have all remained stable over the course of the year. This applies to the cities of Frankfurt (47.00 €/m²), Berlin (40.00 €/m²), Munich (39.50 €/m²) and Hamburg (32.00 €/m²) as well as to Düsseldorf (28.50 €/m²) and Cologne (26.00 €/m²). Essen and Leipzig stand out positively, reporting a year-on-year increase of 2.5% to 16.40 €/m² and almost 10% to 17.00 €/m² respectively.

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Top rents in Q1 2020 and Q1 2021



OUTLOOK

Given the foreseeable acceleration of the vaccination campaign as well as an expected easing of contact restrictions, letting activity is likely to speed up further. This also applies to those markets that have so far had a below-average start to the year and where the important large deals are often still missing. From today's perspective, a take-up above the previous year's level is likely. Exceeding the 3 million m² threshold is also within the range.

Office market indicators Q1 2021

	Top rent* (€/m²)	Take-up (m²)	Vacant space (m²)				Space under construction (m²)		Space on offer (m²)	
		Q1 2021	total	modern	of this, since completion	Vacancy rate	total	available	available	projected
1	2	3	4	5	6	7	8	9	10 = (4 + 9)	11
Berlin	40.00	181,000	522,000	196,000	27,000	2.6%	1,261,000	755,000	1,277,000	3,666,000
Cologne	26.00	84,000	279,000	106,000	1,000	3.4%	188,000	79,000	358,000	467,000
Düsseldorf	28.50	60,000	871,000	196,000	32,000	9.0%	250,000	68,000	939,000	706,000
Essen	16.40	22,000	130,000	27,000	4,000	4.2%	76,000	10,000	140,000	243,000
Frankfurt	47.00	101,000	1,258,000	553,000	97,000	8.1%	576,000	279,000	1,537,000	1,443,000
Hamburg	32.00	118,000	580,000	126,000	19,000	4.1%	468,000	226,000	806,000	841,000
Leipzig	17.00	27,000	174,000	48,000	3,000	4.6%	82,000	39,000	213,000	232,000
Munich	39.50	104,000	749,000	250,000	80,000	3.4%	938,000	573,000	1,322,000	2,383,000
Total		697,000	4,563,000	1,502,000	263,000	4.7%	3,839,000	2,029,000	6,592,000	9,981,000

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* The top rent given applies to a market segment of 35 % in each case.

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