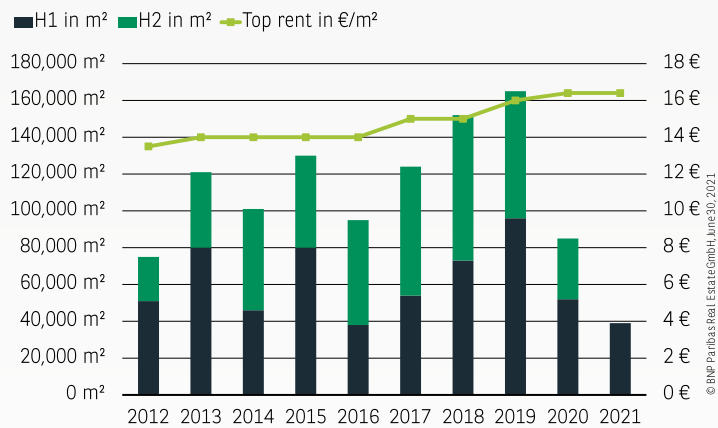




At a Glance **Q2 2021**

OFFICE MARKET ESSEN

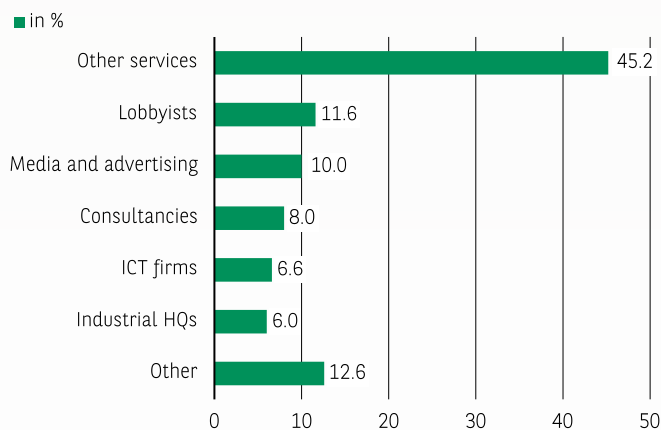
Development of take-up and top rents



MODERATE OUTCOME FOR THE FIRST HALF OF THE YEAR

In the first half of 2021, the Essen office market recorded a rather restrained level of market activity. With a take-up of 39,000 m², the previous year's result was missed by a quarter and the long-term average by around 36%. The moderate volume can be explained by two factors: On the one hand, due to the lockdown that was in place for a long part of the second quarter, companies were still cautious about investment decisions and postponed their planned leasing activities once again. On the other hand, the low supply of office space available at short notice is also a limiting factor. This is the reason why some company requests cannot be met at present. This applies particularly to the space segment from 5,000 m² upwards. However, with the vaccination campaign clearly gaining momentum and the related prospect of a return to the office in the near future, the office market outlook for the remaining months of 2021 is way more optimistic.

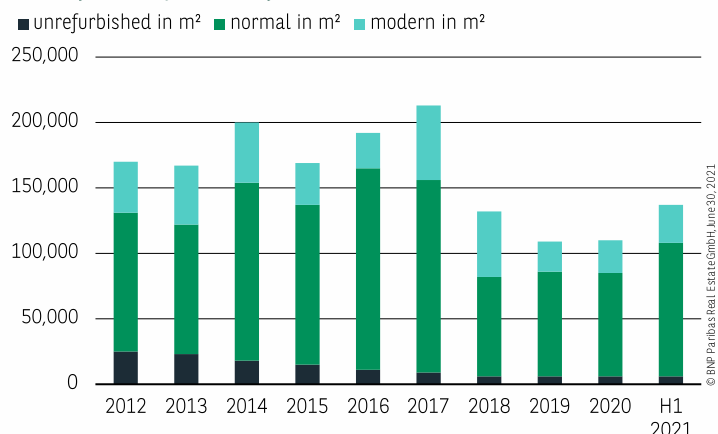
Take-up by sector H1 2021



OTHER SERVICES WELL AHEAD

Take-up in the first half of the year was significantly influenced by the category of other services. With a share of around 45%, this sector dominates the market. Next in line, with double-digit results, were lobbyists (12%) and the media and advertising sector (10%). The fact that Essen achieved a rather lower letting volume in a long-term comparison can also be attributed to the fairly restrained leasing activity in Essen's traditionally strong sectors so far. The administrations of industrial companies accounted for 6% of market share only and ICT another 7%.

Development of vacant space



VACANCY STILL LOW DESPITE INCREASE

As in almost all German office locations, vacancies in Essen increased over the past 12 months. At the end of the second quarter of 2021, 137,000 m² of office space are available in the short term (+33% compared to the same time last year). In the course of the year, however, the rise in office vacancy has already slowed down considerably, so that an increase of only around 5% was recorded since the end of the first quarter. The vacancy rate of 4.4%, which is still well below the long-term average, underlines the low vacancy level in Essen.

Major contracts

Sub-market	Company	m²
2.1	Vonovia	8,700
2.3	Alex & Gross	2,200
1.1	Foundation	1,600
3.1	DICON	1,100
1.1	City of Essen	1,100
3.1	Watanabe	1,000

© BNP Paribas Real Estate GmbH, June 30, 2021

Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	52,000 m²	39,000 m²	↗
Vacant space	103,000 m²	137,000 m²	→
Space under construction (total)	77,000 m²	70,000 m²	↗
Space under construction (available)	9,000 m²	0 m²	→
Top rent	16.30 €/m²	16.40 €/m²	↗

© BNP Paribas Real Estate GmbH, June 30, 2021

➤ NO AVAILABLE SPACE UNDER CONSTRUCTION

Compared to the previous year, the volume of space under construction in the Essen office market has only decreased slightly by around 9%. At present, it amounts to around 70,000 m². It is remarkable that all new construction space has either been built by owner-occupiers or has already been pre-let, so that there is currently no new office space available on the rental market. This demonstrates the fundamentally high demand for modern office space, which is currently matched by an insufficient supply. A look at the projected space reveals that construction activity is likely to increase again somewhat in the coming quarters.

➤ RENTS RISE SLIGHTLY

Driven by the low supply level, a further slight increase in office rents was recorded even despite lower market activity. Within the last 12 months, the prime rent increased by about 1% and is now at 16.40 €/m². At the same time, the average rent rose by almost 1% and reached 12.10 €/m² at the end of the second quarter.

➤ OUTLOOK

Even though the half-year result on the Essen office market was restrained, an optimistic forecast for the second half of the year seems realistic. This is due to the vaccination campaign gaining considerable momentum and the associated outlook for a return to the office in the near future, as well as the overall economic upswing, especially among industrial companies. Against this background, some catch-up effects on the demand side can be expected in the further course of the year. The low level of supply remains the key factor for rents. From today's perspective, a slight increase in rents in the next two quarters appears not unrealistic.

Key indicators H1 2021

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	H1 2021	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
Submarkets**										
1 City Centre										
1.1 Core City		16.40	5,600	35,100	7,800	3,400	0	0	35,100	65,000
2 Centre Fringe	12.50	- 16.00	24,300	46,000	13,500	0	13,000	0	46,000	142,500
3 Subcentres		14.50	9,100	55,900	7,700	2,600	57,000	0	55,900	30,500
Total			39,000	137,000	29,000	6,000	70,000	0	137,000	238,000

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

** The relevant office market zone can be found on our website under "Research".

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2021

Further Information BNP Paribas Real Estate GmbH | Branch office Essen | Telephone +49 (0)201 820 22-2 | www.realestate.bnpparibas.de