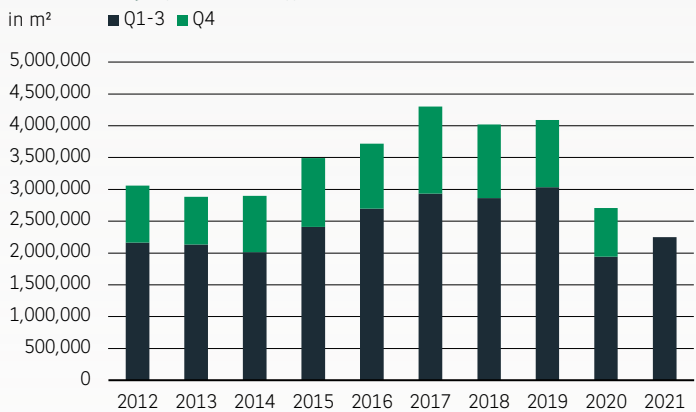




At a Glance **Q3 2021**

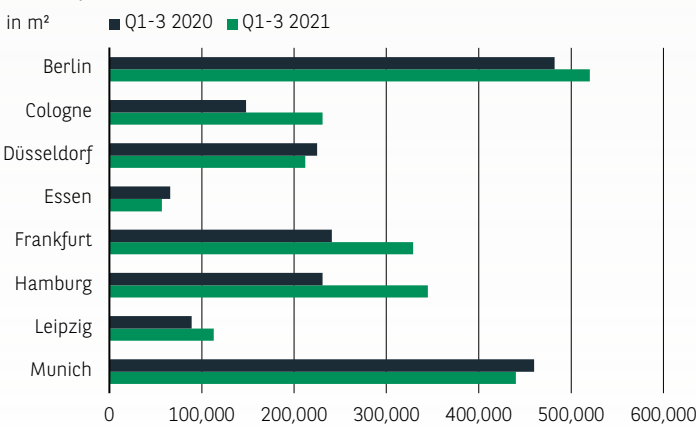
OFFICE MARKET GERMANY

Total take-up of selected office centres*

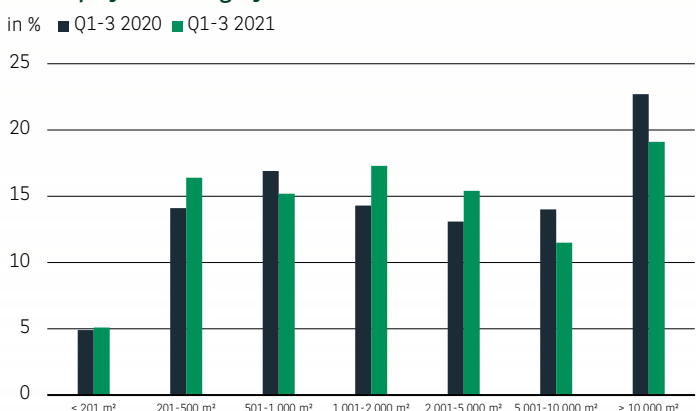


* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

Take-up in Q1-3 2020 and Q1-3 2021



Take-up by size category



TAKE-UP SIGNIFICANTLY ABOVE PREVIOUS YEAR'S LEVEL

The German office markets are in recovery mode, and the upward trend picked up further in the third quarter. Overall, take-up of just under 2.25 million m² was registered in the first three quarters, representing an increase of almost 16%. At midyear, the year-on-year increase was only just under 5%. The increasing dynamic of demand is particularly evident if only the third quarter is considered. At 891,000 m², not only the prior-year result was exceeded by 38%, but also the ten-year average by 4%.

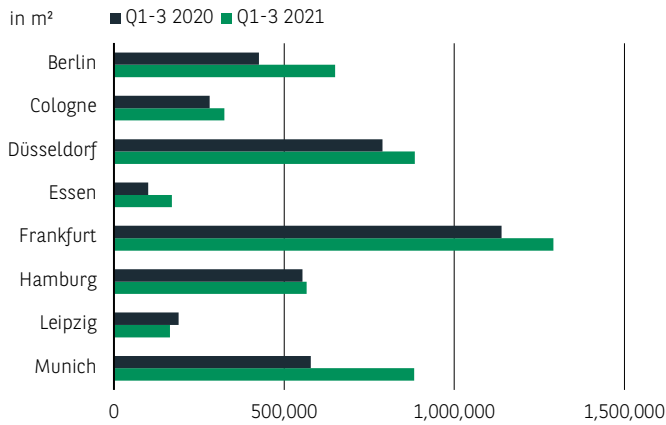
MANY CITIES WITH LARGE INCREASES OF TAKE-UP

The broad-based recovery in the office markets is underpinned by the fact that the majority of locations are reporting significant increases in take-up. Of the A-locations, only Düsseldorf with 212,000 m² (-6%) and Munich with 440,000 m² (-4%) recorded slightly lower take-up year-on-year. In both cities, this is mainly due to a below-average share of large deals above 10,000 m². Berlin once again leads the field with 520,000 m² (+8%), which is close to the capital's ten-year average. Hamburg ranks third with take-up of 345,000 m², representing an increase of over 49%. The Frankfurt market also recorded strong growth (329,000 m², +37%). However, the Cologne office market was the most dynamic, with an upturn of over 56% to 231,000 m², the best result in the past four years. In Leipzig, take-up of 113,000 m² (+27%) even sets a new record for the first three quarters. The situation is different in Essen, where a comparatively moderate take-up of just 57,000 m² (-14 %) was recorded due to a lack of major deals.

DYNAMIC DEVELOPMENT IN THE MID-SIZE MARKET SEGMENT

The analysis of take-up by size category highlights the current strong momentum in the small to mid-sized market segment. All categories up to 5,000 m² recorded higher take-up than in the previous year and accounted for around 70% of the total volume. The percentage increases were particularly high for deals of 1,000 to 2,000 m² (3 percentage points) and 2,000 to 5,000 m² (2.3 percentage points). Despite this, the category of large deals over 10,000 m² was responsible for the highest share of take-up, with a contribution to total take-up of a good 19%.

Vacant space in Q1-3 2020 and Q1-3 2021



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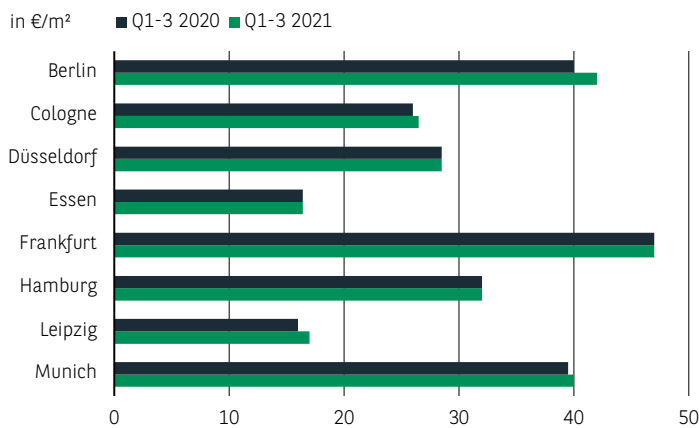
➤ VACANCIES HAVE CONTINUED TO RISE SLIGHTLY

With a total volume of just over 4.9 million m², vacancy rates rose noticeably by almost 22% year-on-year. However, the increase lost momentum over the course of the year and amounted to just 3% in the last three months compared to the previous quarter. Even in a long-term comparison, the level of vacancies is still rather moderate and lower than prior 2018. The current vacancy rate across all locations is 5.1%.

➤ RISING RENTS IN ALMOST ALL CITIES

The development of rents demonstrates that, despite an increase in vacancies, the office markets still have a generally healthy supply/demand ratio. Year-on-year, prime rents have increased in half of the cities analyzed. One of the main reasons for this is the greater supply of modern space, which is the focus of many tenants' search.

Top rents in Q1-3 2020 and Q1-3 2021



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➤ OUTLOOK

For the final quarter, which is traditionally often the strongest in terms of take-up, there are also signs of a further upward trend. On the one hand, this is due to the progressing normalization of economic activity and, on the other, to the large number of deal requests currently in the pipeline. However, the recovery in demand is not quite as dynamic as hoped for at the end of last year. Nevertheless, the upward trend took off and will continue to be very noticeable in the final annual figures for the year 2021. At present, everything points to office take-up in 2021 being considerably above the 3 million m² threshold. This would clearly exceed the previous year's result.

Office market indicators Q1-3 2021

	Top rent* (€/m²)	Take-up (m²)	Vacant space (m²)				Vacancy rate	Space under construction (m²)		Space on offer (m²)	
			Q1-3 2021	total	modern	of this, since completion		total	available	available	projected
1	2	3	4	5	6	7	8	9	10 = (4 + 9)	11	
Berlin	42.00	520,000	650,000	270,000	72,000	3.2%	1,311,000	743,000	1,393,000	3,751,000	
Cologne	26.50	231,000	324,000	120,000	5,000	4.0%	172,000	73,000	397,000	459,000	
Düsseldorf	28.50	212,000	884,000	192,000	31,000	9.2%	273,000	61,000	945,000	849,000	
Essen	16.40	57,000	170,000	45,000	6,000	5.5%	60,000	0	170,000	238,000	
Frankfurt	47.00	329,000	1,292,000	584,000	79,000	8.3%	694,000	412,000	1,704,000	1,311,000	
Hamburg	32.00	345,000	566,000	106,000	15,000	4.0%	454,000	187,000	753,000	887,000	
Leipzig	17.00	113,000	164,000	45,000	1,000	4.3%	92,000	35,000	199,000	357,000	
Munich	40.00	440,000	882,000	304,000	72,000	4.0%	953,000	580,000	1,462,000	2,585,000	
Total		2,247,000	4,932,000	1,666,000	281,000		4,009,000	2,091,000	7,023,000	10,437,000	

* The top rent given applies to a market segment of 3-5 % in each case.

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

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