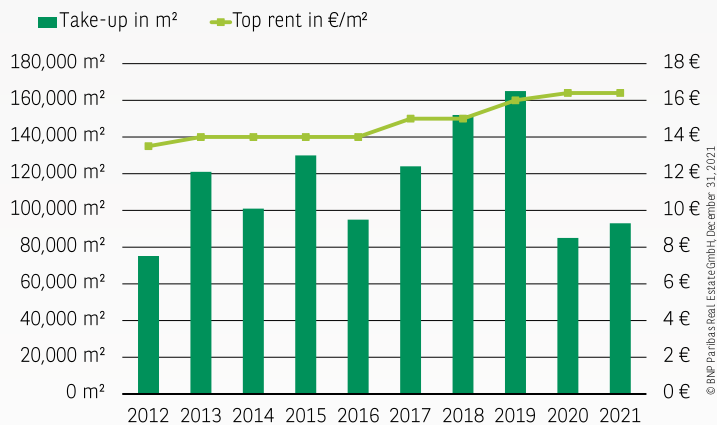




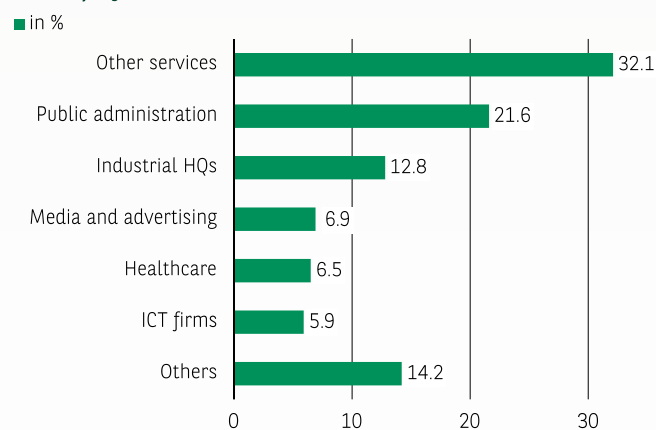
At a Glance **Q4 2021**

OFFICE MARKET ESSEN

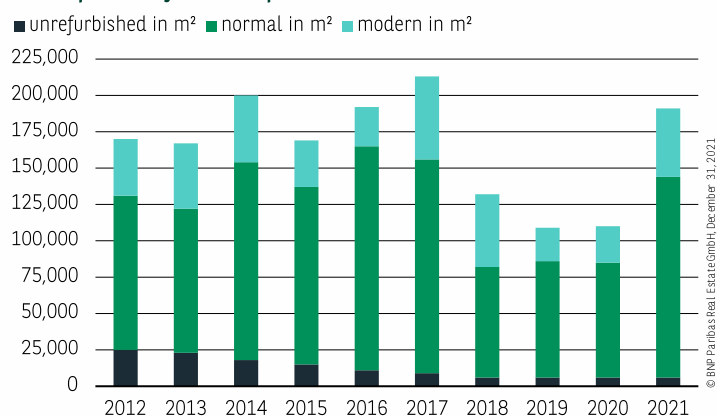
Development of take-up and top rents



Take-up by sector 2021



Development of vacant space



➤ CLEARLY INCREASING DYNAMIC IN THE 4TH QUARTER

The Essen office market faced a challenging year overall in 2021. The first three quarters were each characterized by below-average take-up of between 17,000 m² and 22,000 m². It was not until the end of the year that market momentum increased significantly. In the final quarter of the year, take-up of 36,000 m² was registered, resulting in a total annual take-up of 93,000 m² (including owner-occupiers). Although this exceeded the pandemic-related weak result of the previous year by a good 9%, the latest figure falls short of the 10-year average by 18.5%. The outcome for deals between 2,000 and 5,000 m² is pleasing, with an increase of 153% compared to 2020 and a result in line with the long-term average. The above-average volume in the segment below 1,000 m² also confirms that the market has picked across different size categories. There is still a lack of deals above 10,000 m². For the second year in a row, there is no such deal in Essen.

➤ PUBLIC ADMINISTRATION ESPECIALLY STRONG

With a market share of a good 32%, other services lead the ranking of the sectors by a wide margin. In second place is the public administration, which achieved a take-up of around 20,000 m², 139% above the previous year's figure and an impressive 68% higher than the 10-year average. Finally, it was the public administration sector that concluded the largest deal of the year with 9,100 m². Although the take-up by the third-placed administrations of industrial companies almost doubled compared to 2020 with almost 12,000 m², it nevertheless remained 50% below the 10-year average. Deals in the smaller and mid-sized segment are responsible for this result.

➤ NOTICEABLE INCREASE IN VACANCY, BUT ONLY 6.1%

The overall weak letting activity since the start of the Corona pandemic, combined with slightly higher construction completion figures in the speculative new-build segment, has led to a significant increase in vacancies in recent months. Over the course of 2021, vacancies have risen by almost 74% to a current level of 191,000 m². The growth in vacancy is particularly significant for space with a normal quality standard. Nevertheless, the overall vacancy rate is moderate at 6.1%. It is also true for Essen that high-quality space in the strongly demanded Core City continues to be in very short supply.

Major contracts

Sub-market	Company	m²
2.1	Public administration	9,100
2.1	Vonovia	8,700
3.1	Optek-Danulat	4,000
2.3	Regionalverband Ruhr RVR	3,400
3.1	City of Essen	3,300
2.3	Educational institution	2,600

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Trends in important market indicators

	2020	2021	Trend 2022
Take-up	85,000 m²	93,000 m²	↗
Vacant space	110,000 m²	191,000 m²	↗
Space under construction (total)	70,000 m²	36,000 m²	↗
Space under construction (available)	9,000 m²	10,000 m²	→
Top rent	16.40 €/m²	16.40 €/m²	↗

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CONSTRUCTION VOLUME DROPS SHARPLY

Project developers are currently acting with great caution in the Essen market area. They are reviewing new projects very closely against the background of generally weak demand. Accordingly, the volume of space under construction in 2021 has fallen by almost 49% to just 36,000 m². Most of this space has already been absorbed by the market. Due to the very limited supply of modern space overall, particularly in the Core City and in Subcentres, project developers are likely to continue to scout the Essen market for opportunities and to be very selective in initiating new projects. There is currently no space under construction for the years after 2023.

RENT LEVEL STABLE

The development of average and top rents clearly reflects the shortage of modern space in this preferred space segment. As in the previous year, the top rent stands at 16.40 €/m². Despite the moderate take-up and the comparatively extensive increase in vacancies, the average rent has risen by almost 9% since 2020. It is now at 12.30 €/m². This is a clear sign that demand in the Essen market area is currently focused on modern space.

OUTLOOK

Essen's office take-up should pick up significantly in the course of 2022 due to a further recovery in the German economy and the expected catch-up effects on the user side. Therefore the 100,000 m² mark should be surpassed again. The level of vacancies has probably not yet peaked, but rents, particularly for modern space, should remain unaffected overall. In the Core City, an increase in prime rents certainly is possible.

Key indicators 2021

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	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	11,500	44,200	7,700	3,200	10,000	10,000	54,200	71,000
2 Centre Fringe	12.70	- 16.00	46,100	75,500	34,500	0	5,000	0	75,500	151,500
3 Subcentres		15.00	35,400	71,300	4,800	1,800	21,000	0	71,300	30,500
Total			93,000	191,000	47,000	5,000	36,000	10,000	201,000	253,000

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

** The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2021](#)

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