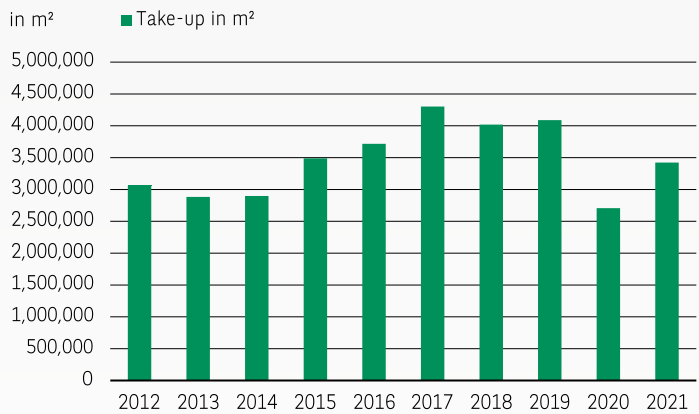




At a Glance **Q4 2021**

OFFICE MARKET GERMANY

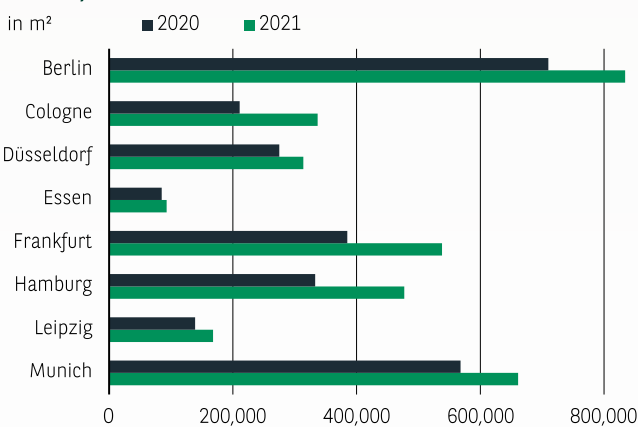
Total take-up of selected office centres*



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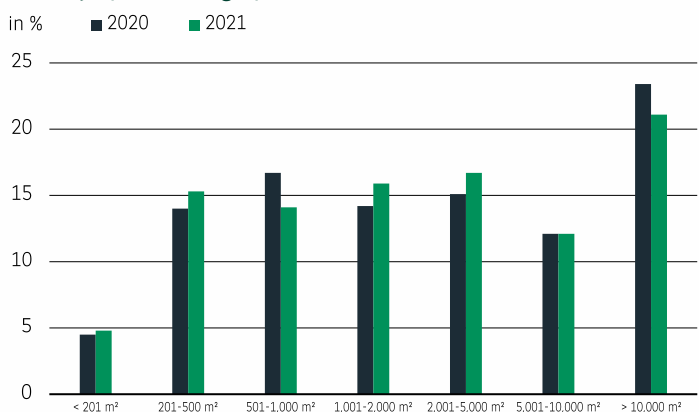
* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

Take-up in 2020 and 2021



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Take-up by size category



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OFFICE MARKETS BACK ON TRACK

Although the Corona pandemic is still present, the economic recovery stalled in the fall and there is still uncertainty in many management floors regarding the future use of remote working, the major German office markets appear to be on the road to recovery overall. All major real estate centres recorded a significant increase in take-up in the second half of the year, and in many markets the final quarter was characterized by the traditional year-end rally, despite the Omicron wave. With take-up of around 3.4 million m², the previous year's result was exceeded by a substantial 26.5% and the outcome is roughly on a par with the 10-year average (3.5 million m²).

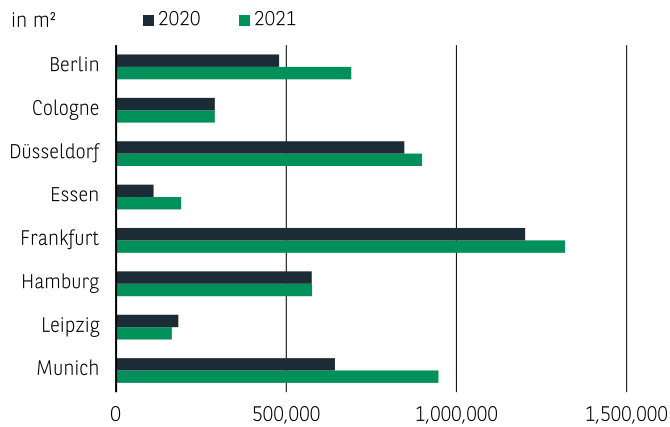
BERLIN CONTINUES TO PLAY IN ITS OWN LEAGUE

Once again, Berlin has been able to take the lead by a wide margin among Germany's locations. With a brilliant year-end rally, a total annual take-up of 834,000 m² and thus a plus of 17.5% compared to 2020 was achieved. Munich, the capital of Bavaria, recorded take-up of 661,000 m² or an increase of a good 16% year-on-year. Frankfurt took third place with an impressive year-end rally (Q4: 209,000 m²). The banking metropolis can report a take-up of 538,000 m² and thus growth of just under 40% compared with the previous year. Hamburg's office market is on a similar recovery path, with a total annual take-up of 477,000 m² or an increase of a good 43% year-on-year. Cologne (337,000 m²; +60%), Düsseldorf (314,000 m²; +14%), Leipzig (168,000 m²; +21%) and Essen (93,000 m²; +9%) also reported significant growth.

HIGH ACTIVITY IN THE MID-SIZED MARKET SEGMENT

In contrast to the first pandemic year, the analysis of take-up by size class shows high market momentum in the small to mid-sized market segment. The size classes 1,000 to 2,000 m² and 2,000 to 5,000 m² were able to increase significantly compared to the previous year. Likewise, more deals were registered in the small-scale segment below 500 m². Irrespective of this, the category of large deals with a volume of over 10,000 m² is responsible for the highest share of the annual result at 21%.

Vacant space in 2020 and 2021



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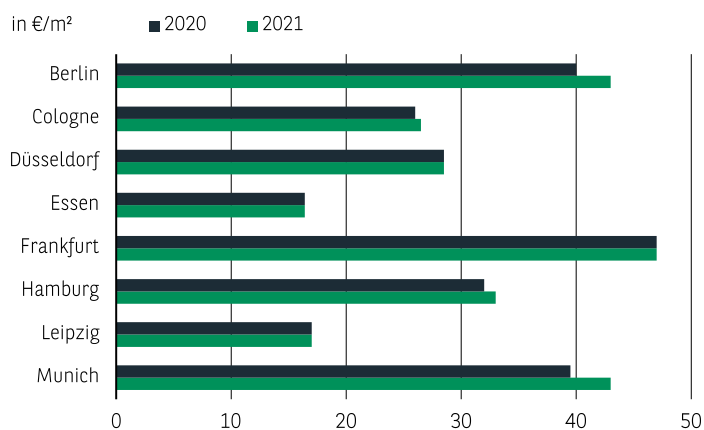
➤ **VACANCY RISES AT A SIGNIFICANTLY REDUCED PACE**

In view of the continuing high level of construction activity and the subdued level of office take-up for much of the year, it is hardly surprising that the vacancy volume rose by 17% year-on-year to around 5.1 million m² in the analyzed markets. However, the pace of vacancy growth has slowed significantly in all locations over the past three months. For Cologne, a decline of 10% compared to Q3 can even be reported.

➤ **RENT LEVELS STABLE TO RISING**

Prime rents remained stable over the course of the year, with an upward trend. With the exception of Cologne, where an increase in rents to a still valid 26.50 €/m² was already recorded in the second quarter of the year, the upward trend was particularly apparent in Munich (43 €/m²; +3.50 €/m²), Hamburg (33 €/m²; +1 €/m²) and Berlin (43 €/m²; +3 €/m²) in the latter half of 2021.

Top rents in 2020 and 2021



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➤ **OUTLOOK**

The year 2022 is also likely to be greatly influenced by the Corona pandemic. In the first few months of the year in particular, the Omicron wave will most likely have a noticeable impact on the German economy and probably also on large sections of social life. It remains to be seen to what extent rental activity in the first quarter will be unaffected by this. However, the second half of 2022 in particular is likely to see a sustained revival in take-up and the full-year result should follow up on the strong years prior to 2019. There are signs of a further slowdown in the rise in vacancy rates.

Office market indicators 2021

| | Top rent* (€/m²) | Take-up (m²) | Vacant space (m²) | | | Vacancy rate | Space under construction (m²) | | Space on offer (m²) | |
|--------------|---------------------|------------------|----------------------|------------------|----------------|--------------|----------------------------------|------------------|------------------------|-------------------|
| | | | 2021 | total | modern | | of this, since completion | total | available | available |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 = (4 + 9) | 11 |
| Berlin | 43.00 | 834,000 | 691,000 | 284,000 | 98,000 | 3.4% | 1,283,000 | 671,000 | 1,362,000 | 4,015,000 |
| Cologne | 26.50 | 337,000 | 290,000 | 94,000 | 1,000 | 3.6% | 170,000 | 74,000 | 364,000 | 490,000 |
| Düsseldorf | 28.50 | 314,000 | 899,000 | 237,000 | 31,000 | 9.2% | 218,000 | 53,000 | 952,000 | 882,000 |
| Essen | 16.40 | 93,000 | 191,000 | 47,000 | 5,000 | 6.1% | 26,000 | 0 | 191,000 | 253,000 |
| Frankfurt | 47.00 | 538,000 | 1,319,000 | 621,000 | 84,000 | 8.5% | 619,000 | 388,000 | 1,707,000 | 1,329,000 |
| Hamburg | 33.00 | 477,000 | 576,000 | 107,000 | 15,000 | 4.1% | 450,000 | 174,000 | 750,000 | 901,000 |
| Leipzig | 17.00 | 168,000 | 164,000 | 44,000 | 0 | 4.3% | 107,000 | 39,000 | 203,000 | 408,000 |
| Munich | 43.00 | 661,000 | 947,000 | 345,000 | 106,000 | 4.3% | 984,000 | 572,000 | 1,519,000 | 2,628,000 |
| Total | | 3,422,000 | 5,077,000 | 1,779,000 | 340,000 | 5.2% | 3,857,000 | 1,971,000 | 7,048,000 | 10,906,000 |

* 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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