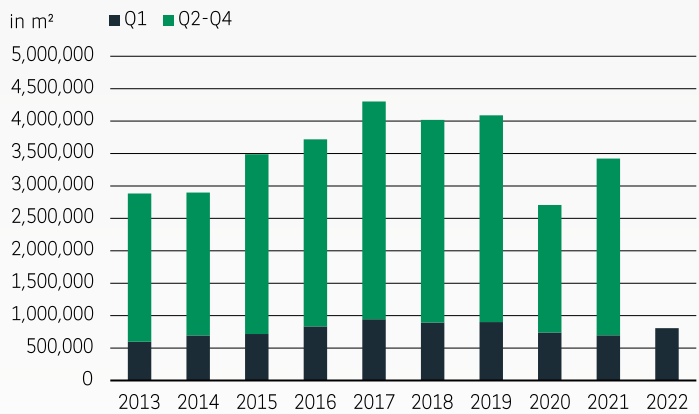




At a Glance **Q1 2022**

OFFICE MARKET GERMANY

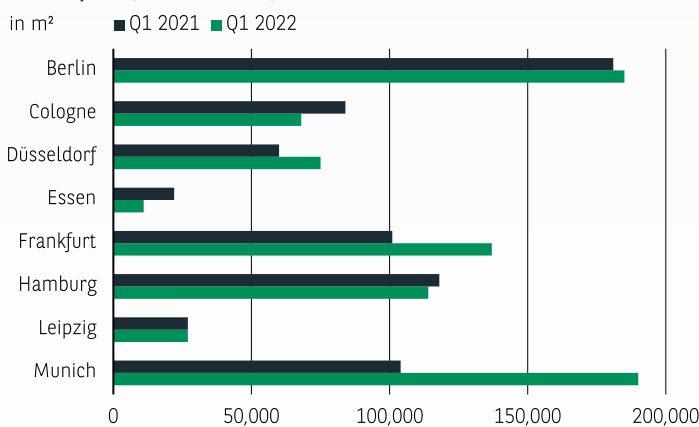
Total take-up of selected office centres*



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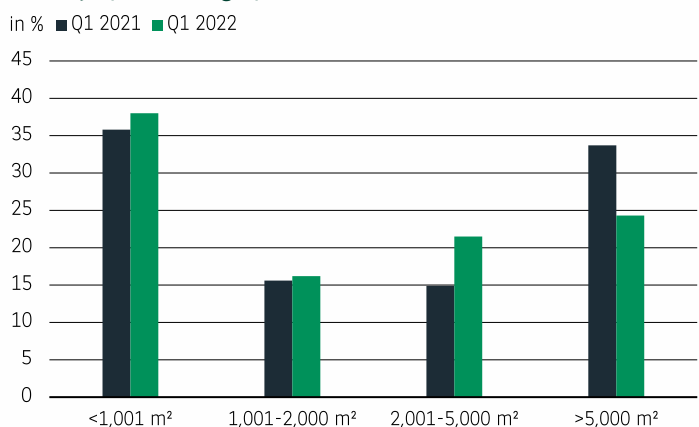
* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

Take-up in Q1 2021 and Q1 2022



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Take-up by size category



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➤ TAKE-UP ABOVE PRIOR-YEAR LEVEL

Although the beginning of 2022 was marked by extensive restrictions in the wake of the Corona pandemic, above all the home office obligation, and the start of the war against Ukraine is associated with many uncertainties, 807,000 sqm of office space was transacted in the eight German locations of Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig and Munich. This exceeded the previous year's result by almost 16%. Analyses of the long-term comparison show that the leading locations of Berlin, Munich and Frankfurt in particular have entered calmer waters, missing the 10-year average by just under 3%. The current snapshot shows that companies were and are once again prepared to make location and space decisions. The pace of vacancy growth has slowed further and the vacancy rate is only above 5% in Essen, Düsseldorf and Frankfurt. Prime rents were stable to rising at the start of the year.

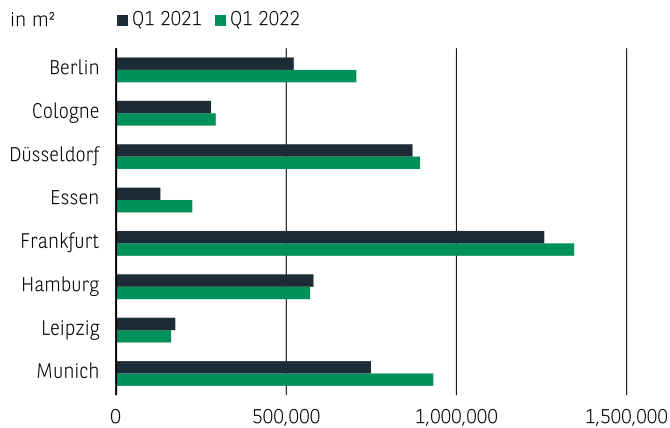
➤ GROWING TAKE-UP IN MAJORITY OF CITIES

The majority of German office metropolises started the year with growth in take-up. Munich led the field with 190,000 sqm. The weak result of the previous year was exceeded by an impressive 83% and the latest result is around 4% above the 10-year average. Berlin is stable at a high level with 185,000 sqm and the financial metropolis Frankfurt can report one of its top results of the last decade with 137,000 sqm. Leipzig got off to a good start with a precision landing of 27,000 sqm, and Düsseldorf also got off to a dynamic start to the year (75,000 sqm). Hamburg was solid overall with 114,000 sqm of take-up. As expected, Cologne was unable to match its brilliant start to 2021. With a current value of 68,000 sqm, the previous year's result was missed by 19%, but market activity is still above the long-term level (+8%).

➤ ONLY MAJOR DEALS WITH MODERATE MARKET ACTIVITIES

There was a significant upturn in leasing activity across all size categories, with only one exception being leases for more than 10,000 sqm, where the result was down on the previous year and the 10-year average (by around 45% in each case). It should be noted here that the first quarter generally represents a snapshot and large-volume contracts are often not concluded until later in the year. The strong result for deals between 2,001 and 5,000 sqm with around 174,000 sqm (+67% year-on-year and +23% in a long-term comparison) should be highlighted.

Vacant space in Q1 2021 and Q1 2022



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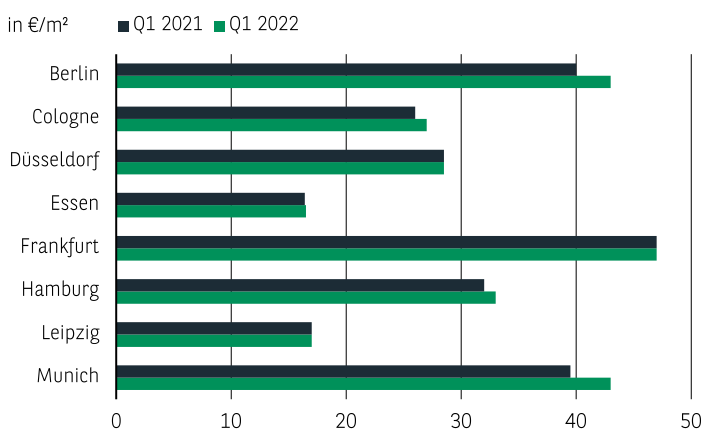
➤ VACANCY GROWTH CONTINUES TO LOSE PACE

The rise in vacancy rates that has been observed since the start of the pandemic has lost further pace. Although the vacancy volume rose by around 12% year-on-year across all locations analyzed to around 5.1 million sqm, the increase since the end of 2021 has only amounted to 1%. The analysis at city level shows that Düsseldorf, Hamburg, Leipzig and Munich have recently recorded moderately declining vacancy rates, ranging from -0.7% in Düsseldorf to -1.6% in Munich. The vacancy volume in Leipzig (+1%), Hamburg and Berlin (both +2%) remained virtually stable.

➤ PRIME RENTS STABLE TO RISING

The prime rents continued their stable to rising trend. There is an above-average year-on-year growth of just under 9% and 7.5% respectively is recorded for Munich and Berlin. In both metropolises, they are now quoted at 43.00€/sqm. The Prime rents have also risen in Cologne (+4% to 27.00 €/m²), Hamburg (+3% to 33.00 €/m²) and Essen (+1% to 16.50 €/m²). Stable values are reported for Düsseldorf (28.50 €/m²), Leipzig (17.00 €/m²) and Frankfurt. With 47.00€/sqm the banking city remains the undisputed leader.

Top rents in Q1 2021 and Q1 2022



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➤ OUTLOOK

Even if the dynamic is likely to slow somewhat compared with expectations at the beginning of the year due to the current difficult environment, there are many indications that a good annual result can be expected, which is likely to be in line with the average of the last ten years. The rise in vacancy rates also appears to have peaked. Rents should tend to rise further in view of the relatively balanced supply/demand ratios.

Office market indicators Q1 2022

	Top rent* (€/m²)	Take-up (m²)	Vacant space (m²)			Vacancy rate	Space under construction (m²)		Space on offer (m²)	
		Q1 2022	total	modern	of this, since completion		total	available	available	projected
1	2	3	4	5	6	7	8	9	10 = (4 + 9)	11
Berlin	43.00	185,000	706,000	340,000	129,000	3.4%	1,286,000	724,000	1,430,000	3,982,000
Cologne	27.00	68,000	293,000	102,000	1,000	3.6%	238,000	117,000	410,000	405,000
Düsseldorf	28.50	75,000	893,000	215,000	36,000	9.2%	220,000	50,000	943,000	889,000
Essen	16.50	11,000	224,000	56,000	5,000	7.1%	28,000	10,000	234,000	153,000
Frankfurt	47.00	137,000	1,346,000	656,000	83,000	8.7%	653,000	404,000	1,750,000	1,473,000
Hamburg	33.00	114,000	570,000	105,000	15,000	4.0%	425,000	159,000	729,000	940,000
Leipzig	17.00	27,000	162,000	43,000	1,000	4.2%	145,000	44,000	206,000	368,000
Munich	43.00	190,000	932,000	336,000	90,000	4.2%	962,000	496,000	1,428,000	2,692,000
Total		807,000	5,126,000	1,853,000	360,000		3,957,000	2,004,000	7,130,000	10,902,000

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

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