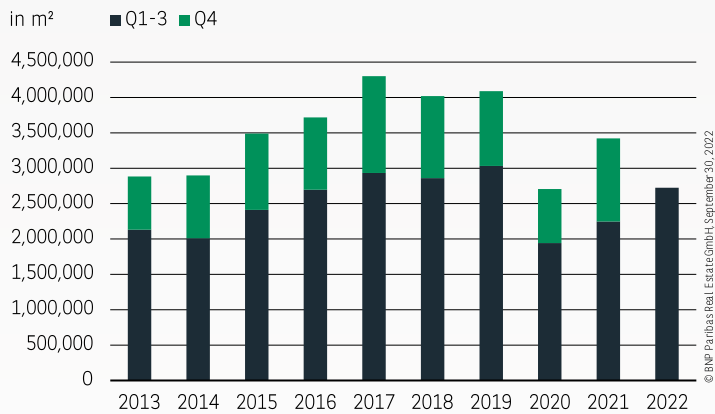




At a Glance **Q3 2022**

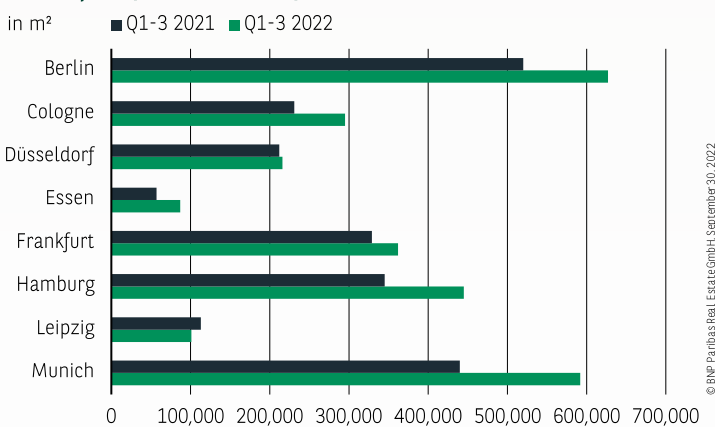
# OFFICE MARKET GERMANY

### Total take-up of selected office centres\*

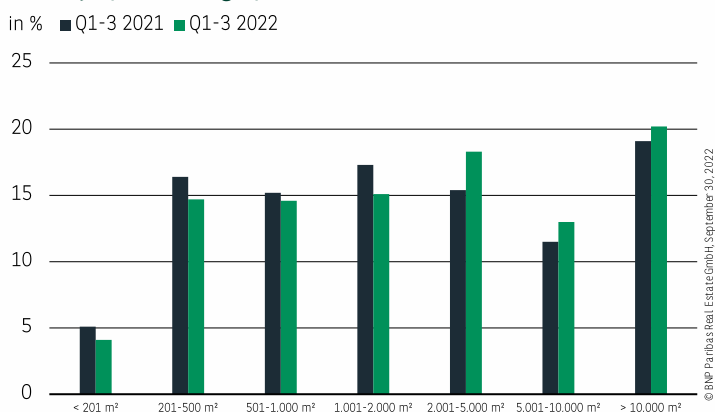


\* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

### Take-up in Q1-3 2021 and Q1-3 2022



### Take-up by size category



### ➤ ABOVE-AVERAGE TAKE-UP

Despite all the adversities, the German office markets stayed on course in the third quarter, and in many markets letting activity even increased further during the summer months. Overall, take-up in the eight locations of Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig and Munich totaled 2.7 million m² by the end of September. This exceeded the result for the same period last year by a good 21% as well as the 10-year average by 3%. It is particularly noteworthy that, despite the further deterioration in the economic outlook in the summer months, letting activity in the third quarter rose by 2% compared with Q3 2021 and still passed the 900,000 m² mark.

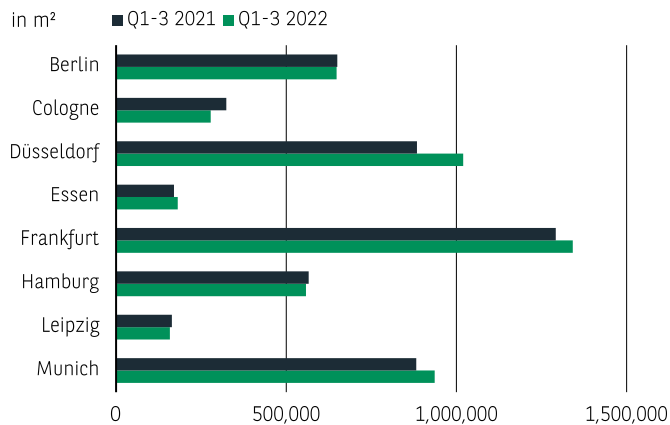
### ➤ ABOVE AVERAGE TAKE-UP IN MOST OFFICE MARKETS

With take-up of 627,000 m², Berlin once again leads the field of major office markets. The German capital thus reported a result which is a good 13% above the long-term average. In the third quarter, take-up of 263,000 m² was registered in the federal capital. Munich ranks second totalling 592,000 m² and, after the weak years of 2020 and 2021, can thus report a result that is a good 12% above the 10-year average as well as 34.5% above the previous year's result. Hamburg ranks third with a take-up of 445,000 m². This represents an increase of 29% on the previous year and 19% on the long-term average. The quarterly result of Frankfurt in fourth place with 120,000 m² is stronger than in the previous quarter. The banking metropolis can report a total volume of 362,000 m² for the current year. Thereby the result is in line with the long-term average and 10% above that of the previous year. Market activity in Cologne was also well above average at 295,000 m² of take-up (+32% compared with the 10-year average; +28% compared with Q1-Q3 2021).

### ➤ GREAT DYNAMISM IN THE MEDIUM MARKET SEGMENT

The analysis of take-up by size class highlights the current strong momentum in the mid to large market segment. While a decline of 3% compared to the previous year can be registered in the small-scale segment below 200 m², a significant increase is recorded for the other size classes. Particularly high percentage increases were recorded for lettings between 2,000 to 5,000 m² (+44% compared with the previous year) and 5,000 to 10,000 m² (+37% compared with the previous year). Nevertheless, the category of large letting over 10,000 m² is responsible for the highest share of take-up with a contribution of a good 20%.

**Vacant space in Q1-3 2021 and Q1-3 2022**



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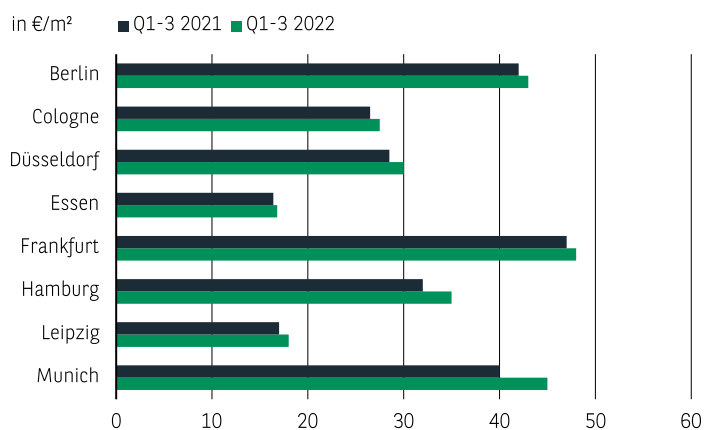
**➤ VACANCIES REMAIN STABLE**

Currently, the vacancy volume in the eight major office locations totals 5.1 million m² and is thus almost unchanged compared with the previous quarter (-0.5%). The level is therefore moderately higher (just under 4%) than at the end of September 2021. In the majority of markets, vacancy decreased or is stable in the third quarter of 2022. The exceptions are Düsseldorf (10.5%) and Cologne, where the office vacancy rate has risen once again. Berlin (3.1%), Hamburg (3.9%), Cologne (3.4%), Leipzig (4.1%) and Munich (4.2%) are still below the fluctuation reserve of 5%. In Frankfurt and Essen, the vacancy rate fell to 8.6% and 5.7%.

**➤ PRIME RENTS STABLE TO RISING**

In Q3 2022 the prime rents in all office markets are stable to rising at a high level. The financial metropolis of Frankfurt continues to lead the field, with a rise in prime rent of 1.00 €/m² to now 48.00 €/m² for Q3. Prime rent growth was even stronger in the top segment in Munich (+2.00 €/m² to 45.00 €/m²). The average rent increased in almost all office locations. Sideways movements are registered for Essen and Hamburg.

**Top rents in Q1-3 2021 and Q1-3 2022**



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**➤ OUTLOOK**

The German economy is heading for a challenging winter. In particular, the energy crisis and the further development of inflation will keep companies on guard. This development will hardly bypass the German office markets, so that the result of traditional year-end rally in 2022 will probably be weaker than usual. Nevertheless, we expect take-up for the entire year to be significantly higher than in 2020.

**Office market indicators Q1-3 2022**

	Top rent* (€/m²)	Take-up (m²)	Vacant space (m²)			Vacancy rate	Space under construction (m²)		Space on offer (m²)	
			Q1-3 2022	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	627,000	648,000	328,000	116,000	3.1%	1,596,000	1,036,000	1,684,000	3,362,000
Cologne	27.50	295,000	278,000	87,000	0	3.4%	222,000	128,000	406,000	357,000
Düsseldorf	30.00	216,000	1,020,000	285,000	29,000	10.5%	355,000	225,000	1,245,000	865,000
Essen	16.80	87,000	181,000	41,000	3,000	5.7%	33,000	9,000	190,000	157,000
Frankfurt	48.00	362,000	1,342,000	655,000	87,000	8.6%	678,000	416,000	1,758,000	1,209,000
Hamburg	35.00	445,000	558,000	103,000	33,000	3.9%	295,000	105,000	663,000	935,000
Leipzig	18.00	101,000	158,000	37,000	1,000	4.1%	200,000	81,000	239,000	427,000
Munich	45.00	592,000	936,000	320,000	85,000	4.2%	876,000	392,000	1,328,000	2,554,000
<b>Total</b>		<b>2,725,000</b>	<b>5,121,000</b>	<b>1,856,000</b>	<b>354,000</b>		<b>4,255,000</b>	<b>2,392,000</b>	<b>7,513,000</b>	<b>9,866,000</b>

\* 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".

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