

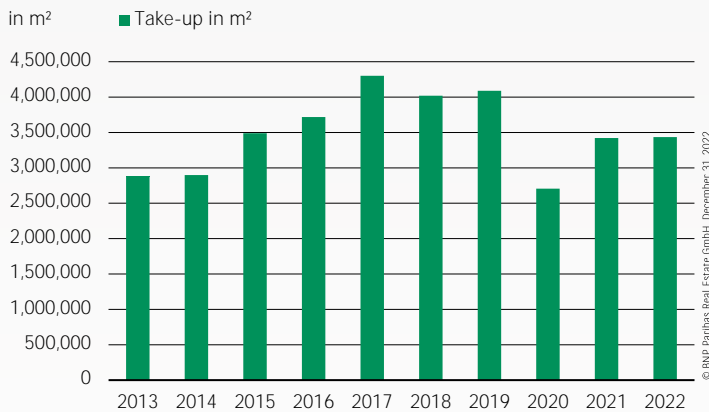


RESEARCH

At a Glance **Q4 2022**

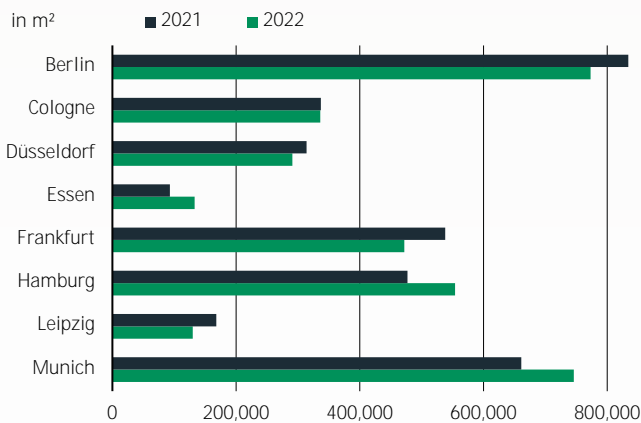
OFFICE MARKET GERMANY

Total take-up of selected office centres*

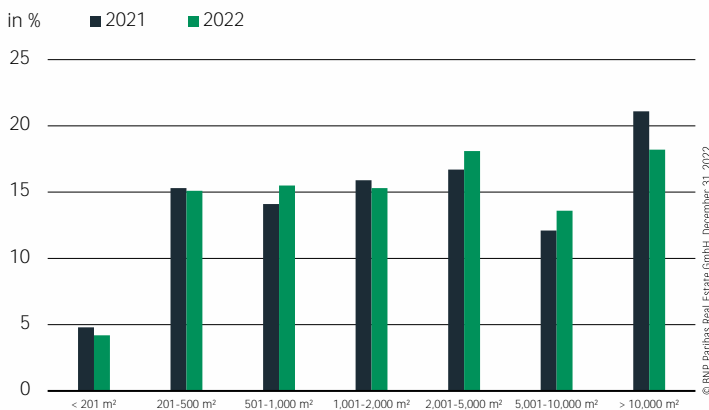


* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

Take-up in 2021 and 2022



Take-up by size category



TAKE-UP AT PREVIOUS YEAR'S LEVEL

The German office markets held their ground convincingly in a difficult environment in 2022. Take-up in the eight locations Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig and Munich amounted to a good 3.4 million m² at the end of the year. The previous year's result (also 3.4 million m²) was thus matched and is in line with the long-term average also. At the end of the year, however, the office markets were not able to evade the influence of the clearly cooling economic development. With the exception of Düsseldorf, where leasing activity accelerated again significantly at the end of the year, all major locations had to register in partly noticeable declines in take-up compared to the previous quarter.

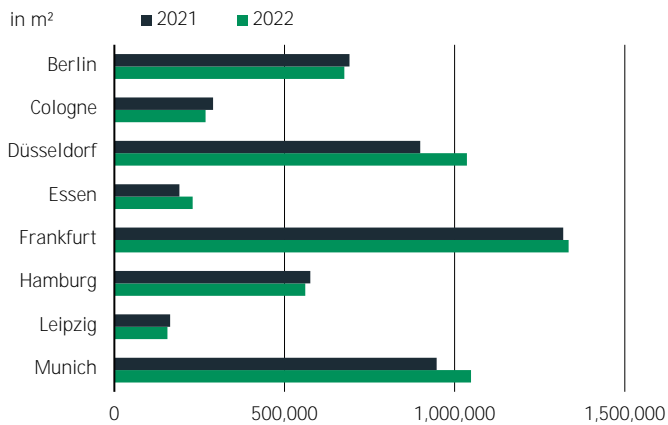
TAKE-UP MOSTLY ABOVE AVERAGE

For the fourth time in a row, the German capital Berlin leads the field of large office markets with a take-up of 773,000 m². Although the very good result of the previous year was missed by 7%, the market is still within the long-term average (779,000 m²). Munich ranked second with a letting volume of 746,000 m², which is on a par with the long-term average. The Hamburg market has also been driven by great market momentum. At the end of the year, a very strong result of 554,000 m² was recorded (+16% compared to the previous year). With a take-up of 472,000 m², Frankfurt missed the previous year's result by 12% as well as the 10-year average by 13%. However, the banking and financial metropolis has shown great consistency overall over the year, and although there have been increasing signs of a presumably weak recession for some months, the pace of lettings hardly slowed in the fourth quarter with 110,000 m² (-8% compared to Q3).

CONTINUED HIGH DYNAMISM IN THE MID-SIZE SEGMENT

The analysis of take-up by size class once again shows the current high dynamism in the mid-sized segment. While a decline of 12% compared to the previous year can be registered in the small segment below 200 m², an increase is recorded for many other size classes. The largest percentage growth was registered for transactions between 5,000 and 10,000 m² (+13% compared to the previous year) and 2,000 to 5,000 m² (+9%). However, the share of take-up in the size category above 10,000 m² fell by just under 13% compared to the previous year, but the most of take-up was still generated here in 2022.

Vacant space in 2021 and 2022



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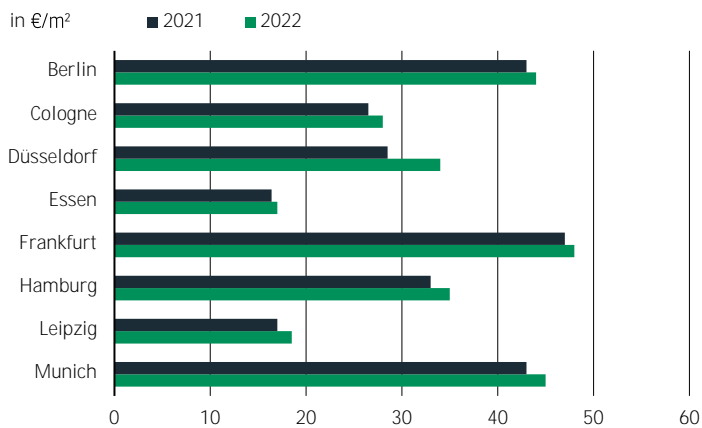
➤ VACANCY RATES INCREASED

The vacancy volume in the eight major office locations currently totals 5.3 million m² (+5% compared to the previous year). However, the development of vacancies in the large office markets is heterogeneous. The vacancy rate is below the fluctuation reserve of 5% in Berlin (3.2%), Hamburg (3.9%), Cologne (3.3%), Leipzig (4.0%) and Munich (4.7%). In Frankfurt it remains at 8.5%. For Essen and Düsseldorf there are increases to 7.3% and 10.6% respectively.

➤ RENTS INCREASED IN ALL MARKETS

Rising prime and average rents can be reported across all locations for 2022. Frankfurt continues to lead the field of top locations with 48.00 €/m² at the peak. Düsseldorf takes a stand-out position. Driven by a special combination of factors, some properties were already successfully let for 38.00 €/m² by the end of the fourth quarter, which corresponds to an increase of 33% in rents in the absolute top segment on the Düsseldorf market. The realised prime rent calculated according to "gif" is currently quoted at 34.00 €/m².

Top rents in 2021 and 2022



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➤ OUTLOOK

The outlook for 2023 is cautiously optimistic. The German economy and also the German office markets have remarkably demonstrated their resilience in the Covid years 2020/21 as well as in the difficult year 2022. In the slipstream of the expected economic recovery, a significant increase in market momentum is expected in the course of the year, with rent levels continuing to rise. The pace at which the individual office markets can return to their long-term levels should already become clear by the end of the first half of the year.

Office market indicators 2022

	Top rent* (€/m²)	Take-up (m²)	Vacant space (m²)				Vacancy rate	Space under construction (m²)		Space on offer (m²)	
			total	modern	of this, since completion	total		available	available	projected	
		2022	4	5	6	7	8	9	10 = (4 + 9)	11	
Berlin	44.00	773,000	676,000	386,000	119,000	3.2%	1,491,000	985,000	1,661,000	3,494,000	
Cologne	28.00	336,000	268,000	80,000	0	3.3%	238,000	82,000	350,000	333,000	
Düsseldorf	34.00	291,000	1,036,000	282,000	35,000	10.6%	343,000	226,000	1,262,000	954,000	
Essen	17.00	133,000	230,000	36,000	0	7.3%	32,000	9,000	239,000	157,000	
Frankfurt	48.00	472,000	1,335,000	670,000	55,000	8.5%	675,000	482,000	1,817,000	1,063,000	
Hamburg	35.00	554,000	561,000	106,000	28,000	3.9%	274,000	105,000	666,000	932,000	
Leipzig	18.50	130,000	156,000	43,000	1,000	4.0%	165,000	65,000	221,000	445,000	
Munich	45.00	746,000	1,048,000	416,000	121,000	4.7%	958,000	380,000	1,428,000	2,772,000	
Total		3,435,000	5,310,000	2,019,000	359,000	5.4%	4,176,000	2,334,000	7,644,000	10,150,000	

* The top rent given applies to a market segment of 3-5 % 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 2022](#)

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