

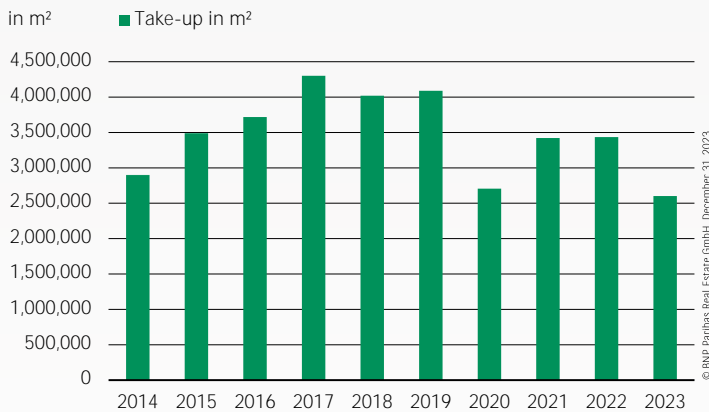


**RESEARCH**

At a Glance **Q4 2023**

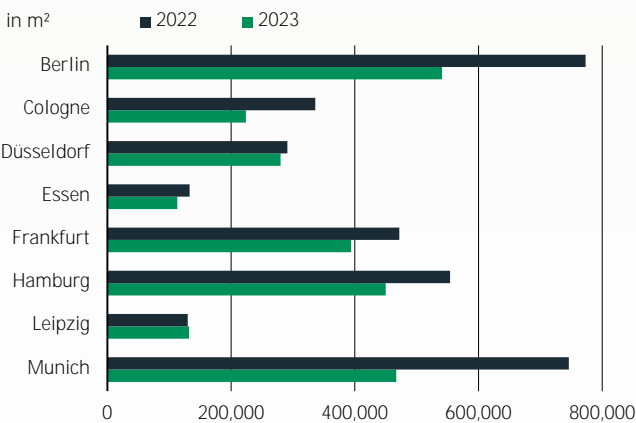
# OFFICE MARKET GERMANY

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

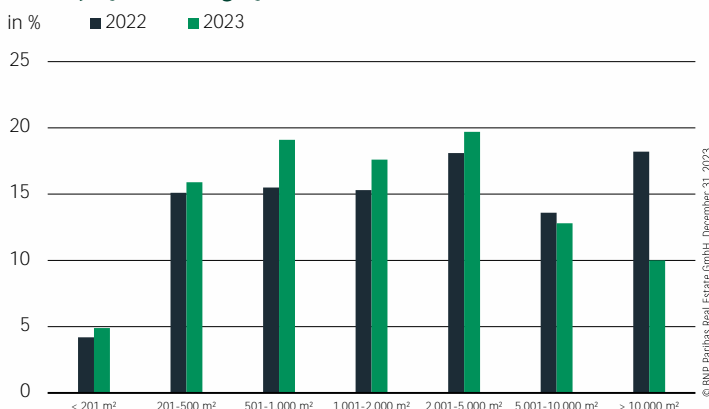


\* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

### Take-up in 2022 and 2023



### Take-up by size category



### GERMAN OFFICE MARKETS UNDERPERFORMING IN 2023

As expected, the weak economic development has left its mark on the German office markets in 2023. Take-up in the eight locations of Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig and Munich totalled around 2.6 million m². This fell short of both the previous year's result and the 10-year average by around a quarter. Although the typical year-end rally failed to materialise at the end of 2023, an increase of almost 12% can be reported compared to the previous quarter. In many markets, the fourth quarter was by far the strongest of the year in terms of take-up, despite the continuing challenging conditions. The market appears to be slowly stabilising.

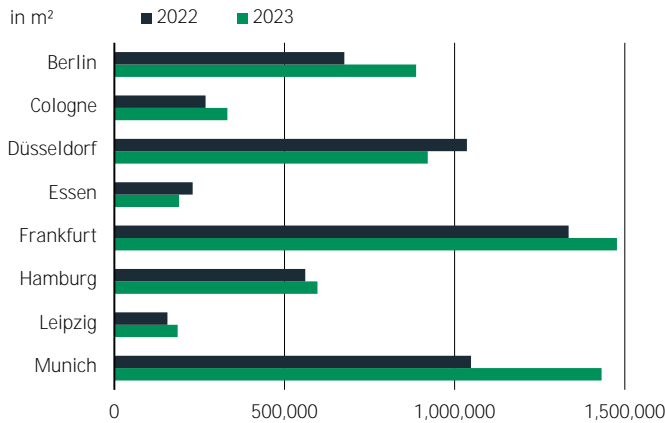
### BERLIN REMAINS THE UNDISPUTED NO. 1

The primary constant in the market is the ranking of markets with the highest take-up. Berlin is currently leading as the top office market. Take-up amount to 541,000 m² in 2023, falling short of both the previous year's result and the 10-year average by around 30%. Munich is once again in second place with a take-up of 467,000 m². Both the long-term average and the 2022 level were undercut by around 36%. In both markets, the lack of large contracts is responsible for the overall weak performance. In contrast to this Hamburg, for instance, were able to successfully conclude four lettings with more than 10,000 m² of rental space each. No other location registered more major contracts, and with annual take-up of 450,000 m², the Hanseatic city was the closest Big Six location to the long-term average (-12%). In Frankfurt, take-up (394,000 m²) fell just short of the 400,000 m² mark (-25%).

### LACK OF LARGE DEALS CLEARLY NOTICEABLE

The analysis of take-up by size category once again shows the current high level of dynamism in the small and medium-sized market segment. While the segment over 5,000 m² recorded a decline of almost 46% compared to the previous year and the long-term average, a slightly above-average result was recorded for deals in the size segment up to 5,000 m² with a share of a good 77%. Particularly noteworthy are the size categories between 500 and 1,000 m² and 2,000 to 5,000 m², which are performing well above average with a good 19% of take-up in each case and will also generate the most take-up in 2023.

**Vacant space in 2022 and 2023**



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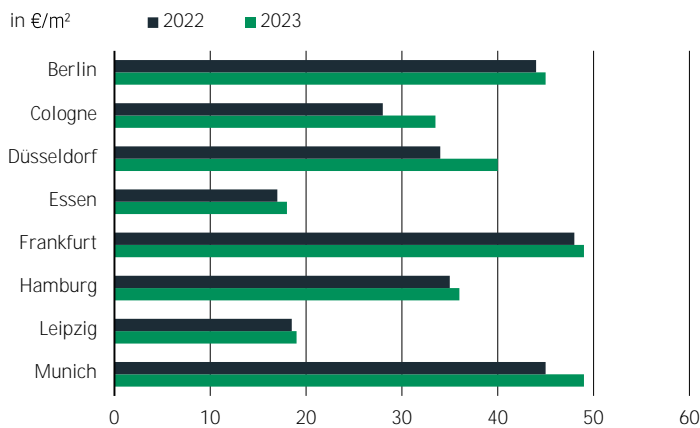
**➤ VACANCIES CONTINUE TO TREND UPWARDS**

The increase in vacancies continued at the end of the year, although the pace slowed further in the majority of markets. At the end of 2023, the vacancy volume totalled 6 million m² (+13.4% year-on-year). Despite the increase, vacancy rates in the analysed markets are below the peaks recorded in previous periods. Berlin (4.1%), Hamburg (4.1%), Cologne (4.1%) and Leipzig (4.7%) remain below 5%. Munich (6.3%), Essen (6.0%), Düsseldorf (9.4%) and Frankfurt (9.5%) recorded significantly higher vacancy rates.

**➤ PRIME RENTS UP IN ALL OFFICE MARKETS**

An increase in prime rents is registered for all top office markets in 2023. While rents in Frankfurt have remained stable at €49.00/m² since the middle of the year, rental growth in Munich has recently accelerated. For the first time, prime rent has reached €49.00/m² (+9%) in Munich office market. Prime rents in both Frankfurt and Munich are heading towards the €50/m² mark.

**Top rents in 2022 and 2023**



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**➤ OUTLOOK**

The general conditions for the office markets are likely to remain challenging, particularly in the first half of 2024. However, the German economy is expected to gain momentum from the summer months onwards and increasingly send out signals of growth. As known from previous cycles, the office markets are likely to react positively with a slight delay. Take-up should therefore move back towards the long-term average. At the same time, vacancy levels and the total volume of available space should continue to stabilise. Due to the high demand for premium space, prime rents will continue their upward trend.

**Office market indicators 2023**

	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
		2023	4	5	6	7	8	9	10 = (4 + 9)	11	
Berlin	45.00	541,000	887,000	519,000	38,000	4.1%	852,000	617,000	1,504,000	3,653,000	
Cologne	33.50	224,000	332,000	87,000	3,000	4.1%	181,000	81,000	413,000	432,000	
Düsseldorf	40.00	280,000	921,000	317,000	39,000	9.4%	290,000	119,000	1,028,000	618,000	
Essen	18.00	113,000	190,000	43,000	0	6.0%	58,000	10,000	200,000	176,000	
Frankfurt	49.00	394,000	1,477,000	825,000	46,000	9.5%	650,000	408,000	1,885,000	514,000	
Hamburg	36.00	450,000	597,000	161,000	23,000	4.1%	354,000	154,000	751,000	861,000	
Leipzig	19.00	132,000	186,000	96,000	23,000	4.7%	126,000	61,000	247,000	542,000	
Munich	49.00	467,000	1,432,000	651,000	226,000	6.3%	765,000	319,000	1,751,000	2,872,000	
<b>Total</b>		<b>2,601,000</b>	<b>6,022,000</b>	<b>2,699,000</b>	<b>398,000</b>	<b>6.1%</b>	<b>3,276,000</b>	<b>1,769,000</b>	<b>7,779,000</b>	<b>9,668,000</b>	

\* 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 2023](#)

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