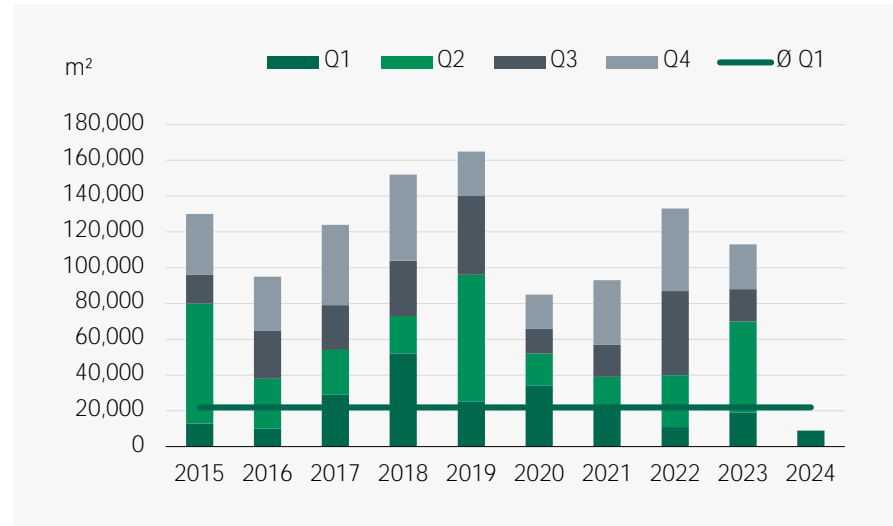


ESSEN

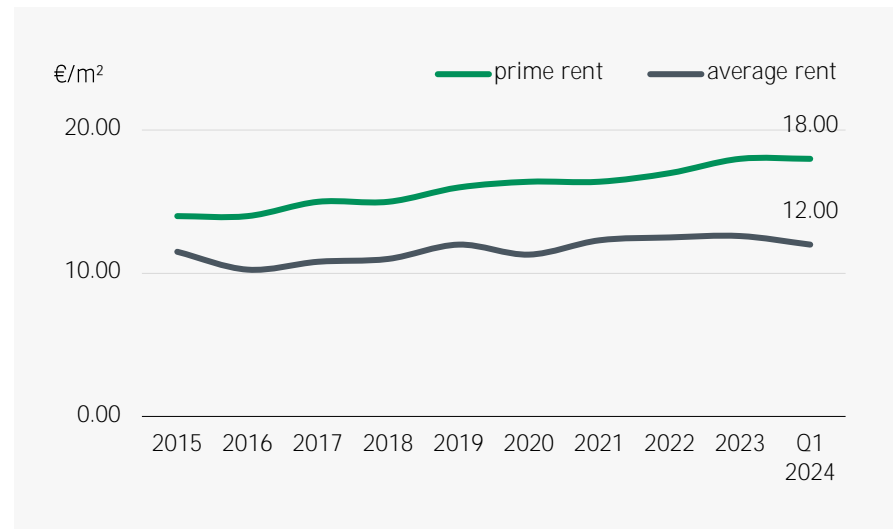
REPORT OFFICE MARKET

Q1 2024

Development of take-up



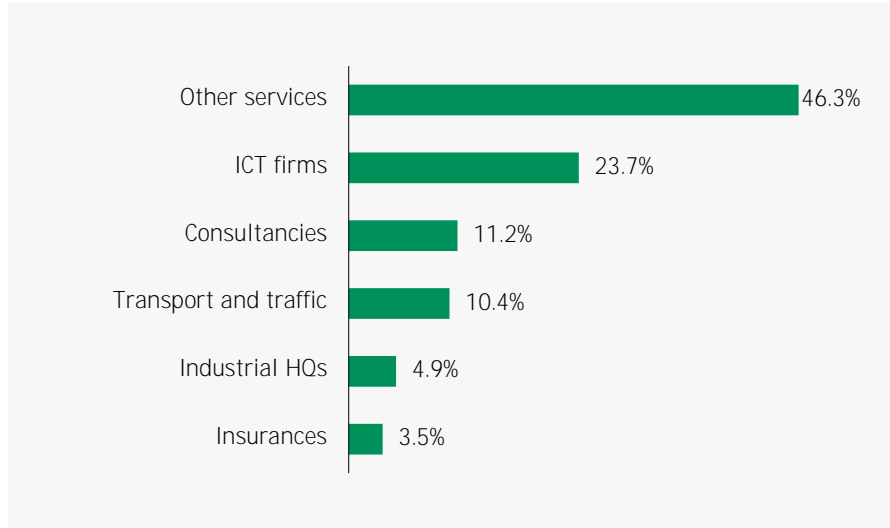
Prime and average rents



WEAK START INTO 2024

- With a take-up of just 9,000 m², the Essen office market recorded its weakest start into the year for twenty years achieving only just under half of the previous year's result. Particularly in smaller office markets, in which the overall result is often determined by a few large lettings, occasional weak quarters are not unusual, and should rather be seen as a snapshot. For example: 83% of take-up in 2023 was achieved in the last three quarters of the year.
- It is not uncommon for the Essen market to have a very subdued start to the year with significantly below-average take-up. In 2015 and 2016, for example, very little space was taken up in the first quarter and yet good to very good annual results were achieved.
- The largest deals to date were concluded by an IT company with 1,700 m² in the submarket of the remaining city area and the HR service provider Hays with 1,400 m² in the city centre. In addition, the deals were mainly in the small-scale space segment, which explains the low total take-up.
- The prime rent has remained unchanged at €18/m² since September 2023 and continues to be achieved for high-quality space in prime locations in the city centre. By contrast, the generally more volatile average rent has fallen slightly. It currently stands at €12/m² (-4% compared to the previous year).

Take-up by sector Q1 2024



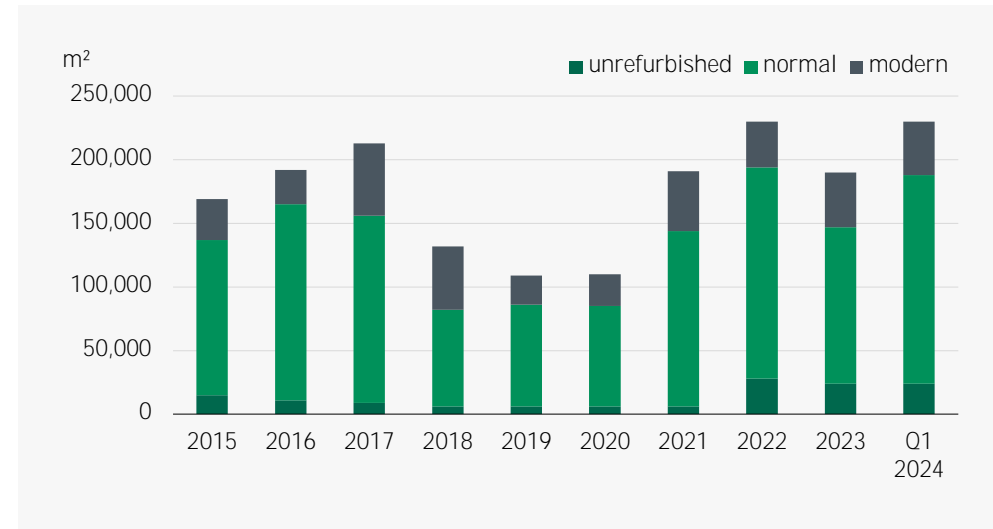
Major contracts Q1 2024

Sub-market	Company	m ²
3.1	ICT-firms	1,700
1.1	Hays	1,400
2.3	MCE Consult	900
2.5	Transport and traffic	800
3.1	Team Strahltech	500

VACANCY VOLUME INCREASES AGAIN

- The volume of vacant space has risen again in the last three months and is currently at 230,000 m², roughly the same level as last year. The space with modern fit-out quality that is in particularly high demand from a tenant perspective currently totals 42,000 m², which corresponds to around 18%. The vacancy rate in Essen stands at 7.2% and is therefore above the fluctuation reserve of 5%. In a nationwide comparison, Essen has the third-highest vacancy rate behind Düsseldorf and Frankfurt.
- The volume of space under construction stood at 50,000 m² at the end of March 2024, an increase of 22,000 m² year-on-year. The category of space still available to the letting market, which is important from a market perspective, has also increased, albeit only marginally by 4,000 m² to a total of 12,000 m². The pre-letting rate is therefore a high 76%.

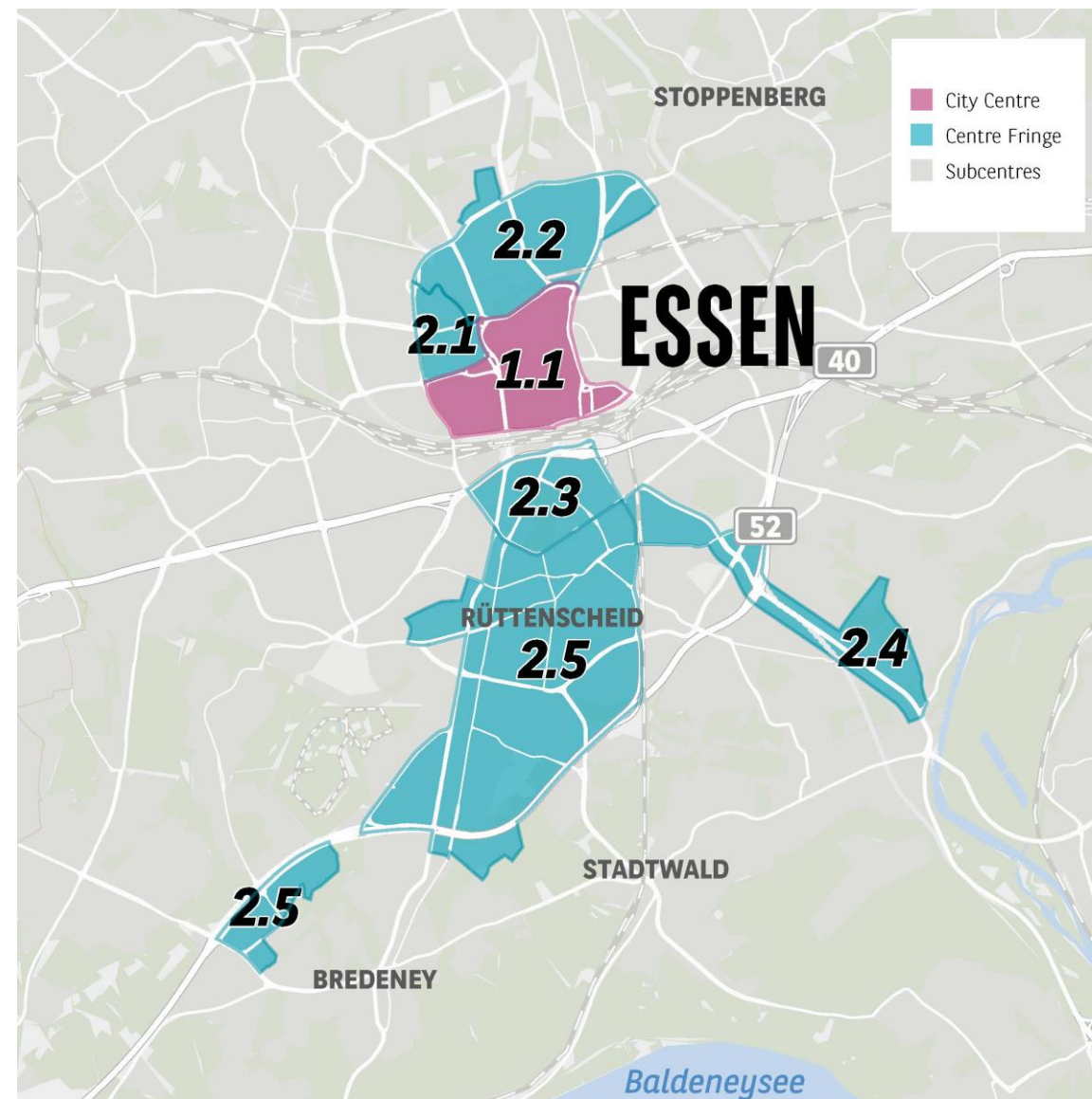
Development of vacant space



OUTLOOK

- Essen's office market got off to a very subdued start in 2024. In the first three months of this year, the Ruhr metropolis was unable to match the more dynamic letting activity of previous years. As in some other office markets, it is primarily the lack of larger contracts that has had a negative impact on the quarterly result. To date, no contracts for more than 2,000 m² have been signed.
- However, with an increasing economic tailwind, an upward trend in take-up should also emerge in Essen, so that a thoroughly respectable result is likely for the year overall. However, it remains to be seen whether the 100,000 m² mark can be exceeded again.
- The increase in vacancies is very likely to continue at a moderate pace. Above all in the segment of older and only partially marketable space.
- The shortage of supply, particularly in the high-quality space segment, is likely to persist, as there seems to be no prospect of relief from new construction activity in the medium to long term.
- In terms of rent levels, a further increase in prime rents can be expected due to the continued low supply of modern space in attractive core locations

Office submarkets Essen



Key indicators office market Essen

	PRIME RENT* (€/m²)		TAKE-UP (m²)		VACANT SPACE (m²)		SPACE UNDER CONSTRUCTION (m²)		SPACE ON OFFER (m²)	
	from	to	Q1 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 Core City		18.00	2,500	25,700	2,000	0	15,900	9,800	35,500	27,000
2 Centre Fringe	13.00 -	16.00	2,800	106,500	14,000	0	10,400	2,200	108,700	146,200
3 Subcentres		13.00	3,700	97,800	26,000	0	23,700	0	97,800	1,800
Total			9,000	230,000	42,000	0	50,000	12,000	242,000	175,000

* The prime rent given applies to market segment of 3-5 % in each case.
 ** The relevant submarket can be found on our website under „Research“.

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