

REPORT OFFICE MARKET

ESSEN

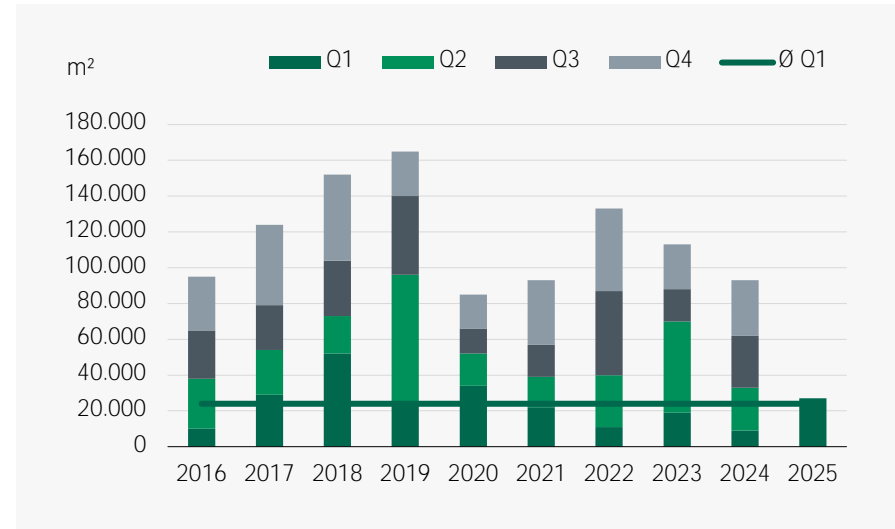
Q1 2025



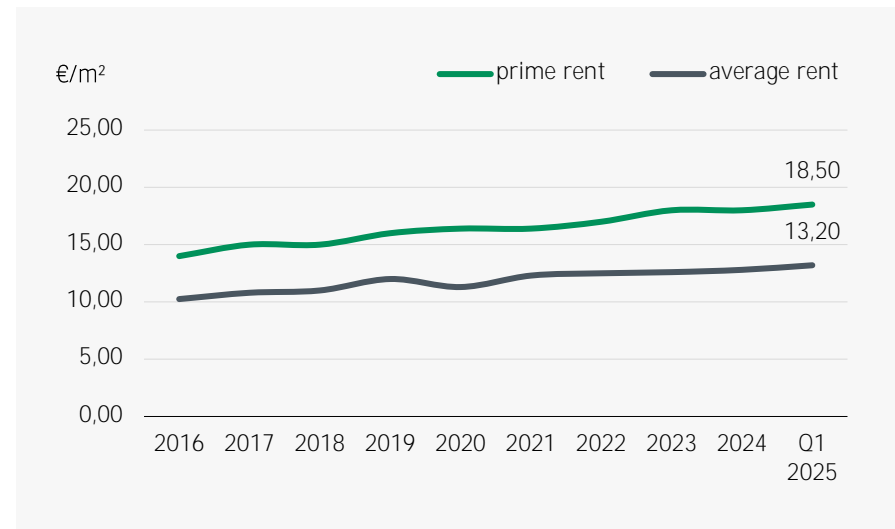
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Development of take-up



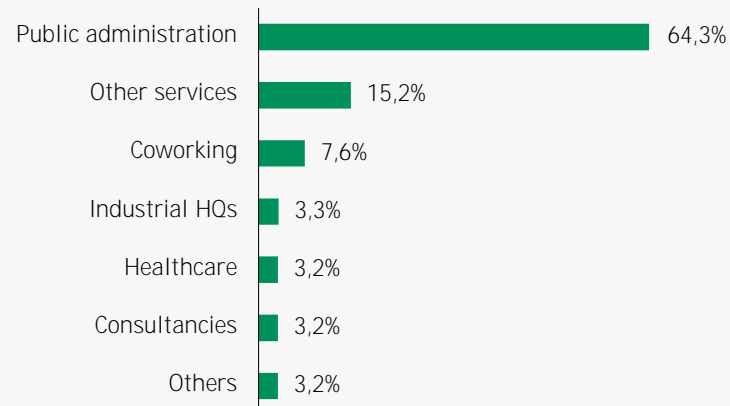
Prime and average rents



ABOVE-AVERAGE FIRST QUARTER MORE MOMENTUM THAN SAME QUARTER LAST YEAR

- The Essen office market recorded take-up of 27,000 sqm after the first three months of 2025, exceeding the long-term average by 13% (24,000 sqm) and the very weak prior-year result.
- The Essen market, which is usually characterized by medium-sized and small lettings, was already able to report a major contract of 13,000 sqm. Consequently the large-volume segment of over 10,000 sqm recorded significantly above-average market share of 48% (10 years: 22%). The size category of medium-sized spaces between 1,000 sqm and 2,000 sqm also made an above-average contribution to the overall result, at 20% or around 5,300 sqm in both relative and absolute terms. However, the smaller and medium-sized segments contributed somewhat less than usual to take-up, at least in absolute terms. After only three months, however, this is more of a snapshot.
- High demand and the limited supply of modern, high-quality space in central locations have led to an increase of 3% in prime rents to now €18.50 per sqm. It is being achieved for high-quality space in the Südviertel. The generally more volatile average rent has also risen by 3% and currently stands at €13.20 per sqm.

Take-up by sector Q1 2025



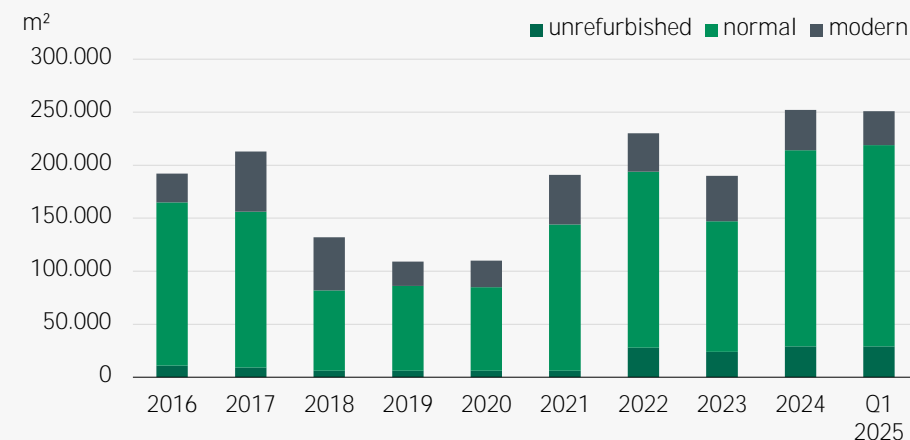
Major contracts Q1 2025

Sub-market	Company	m²
2.1	Stadt Essen	13,000
2.2	Feuerwehr -Stadt Essen	2,300
2.1	Bryck	2,000
3.1	BKK Firmus	1,600
2.1	Other services	1,500

PUBLIC ADMINISTRATION IN 1ST PLACE

- Public administration clearly leads the sector ranking with 64%, due to the major deal signed by the city of Essen. Coworking, in third place with a good 7%, achieved a very high take-up for the Essen market with more than 2,000 sqm. Apart from other services, the other sectors only have market shares in the low single-digit percentage range.
- Compared to the previous quarter, the vacancy volume remained almost constant at 251,000 sqm. It is pleasing to note that the vacancy for space with modern fit-out quality, which is potentially the most in demand by users, has fallen significantly by 16% to 32,000 sqm. This corresponds to only around 13% of the total vacancy.
- Space under construction declined significantly by 14% in the last twelve months to currently 43,000 sqm. The pre-letting rate has risen sharply to 91%, meaning that only 4,000 sqm of space under construction is still available on the market.

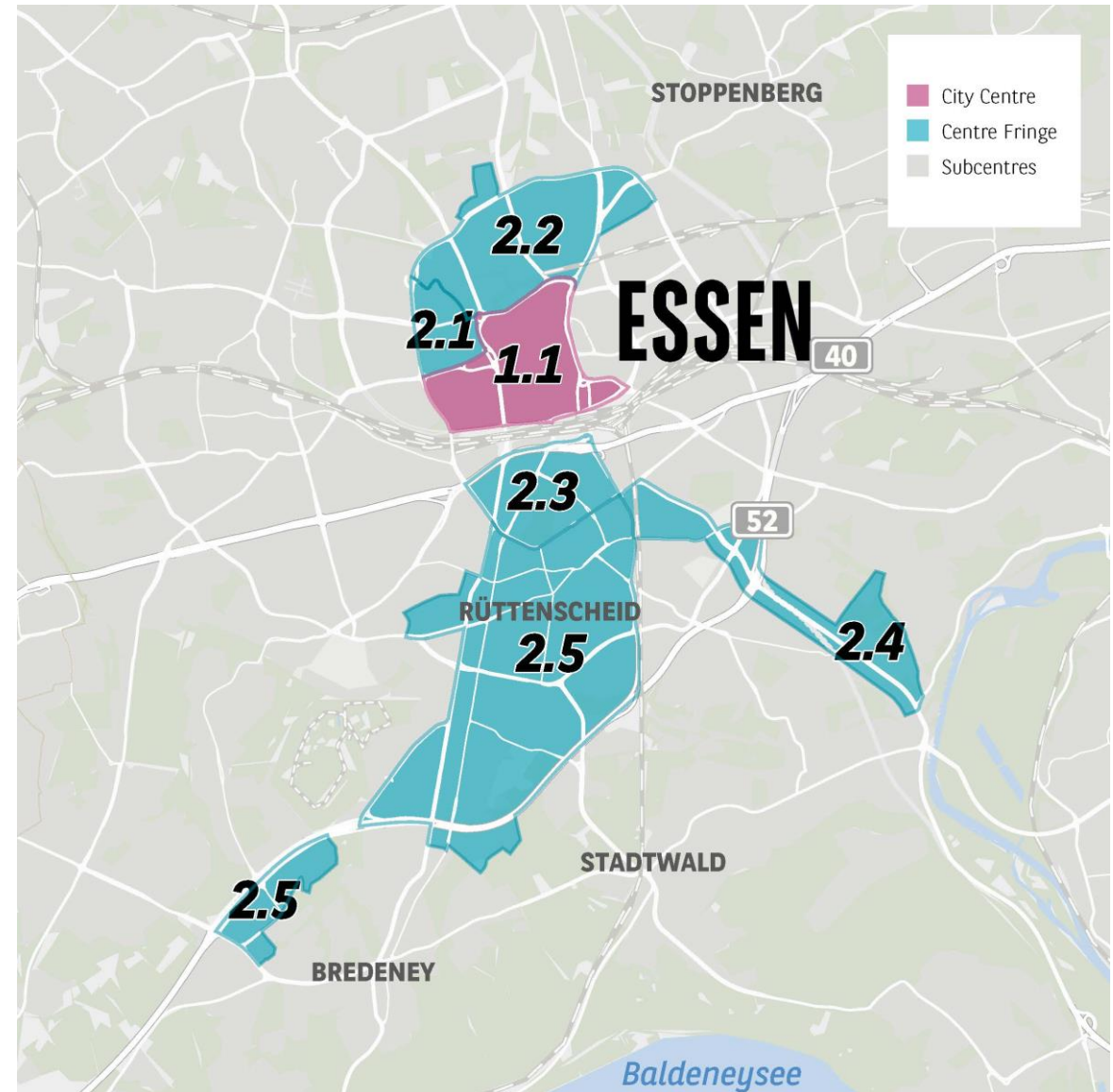
Development of vacant space



OUTLOOK

- Essen's office market has made a strong start to the year. Consequently, Dortmund is one of the small group of top markets that posted an above-average result in the first quarter. As in previous years, this indicates that Essen's office market is less affected by the changes in the general conditions for office markets due to its smaller-scale structure.
- On the supply side, only little relief is expected in the coming quarters, particularly in the modern space segment, as new construction activity has recently continued to decline and a large proportion of the space under construction has already been absorbed by the market. However, the vacancy in the older space segment, which is only marketable to a limited extent, could increase slightly.
- The recovery of the German economy is currently on a bumpy path against the backdrop of the tariff conflict with the USA and geopolitical risks. Nevertheless, the new German government's determination to push ahead with structural reforms and provide investment incentives, as well as the recently adopted infrastructure and defense package, should provide the German economy a strong boost. In line with this, the Essen office market should also benefit and demand for space should continue to rise. A good result at the end of the year with take-up more than 100,000 sqm therefore seems likely. Given the low stock of modern space in central locations and the decline in new construction activity, a further increase in prime rents can be expected.

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 2025	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	500	30,600	2,300	0	5,900	1,000	31,600	32,100
2	Centre Fringe	14.00	- 18.50	22,800	115,000	3,700	0	17,800	3,000	118,000	146,900
3	Subcentres		15.70	3,700	105,400	26,000	0	19,300	0	105,400	2,000
Total				27,000	251,000	32,000	0	43,000	4,000	255,000	181,000

* 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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