

# REPORT OFFICE MARKET

ESSEN

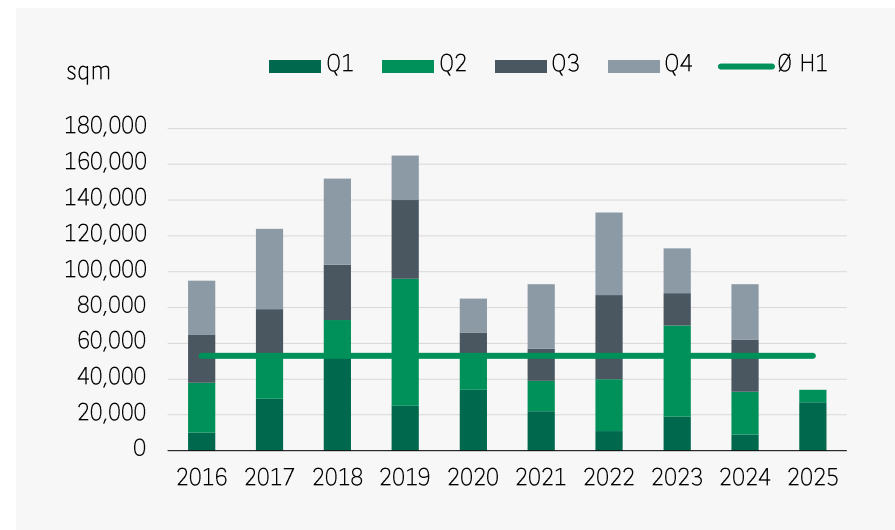
H1 2025



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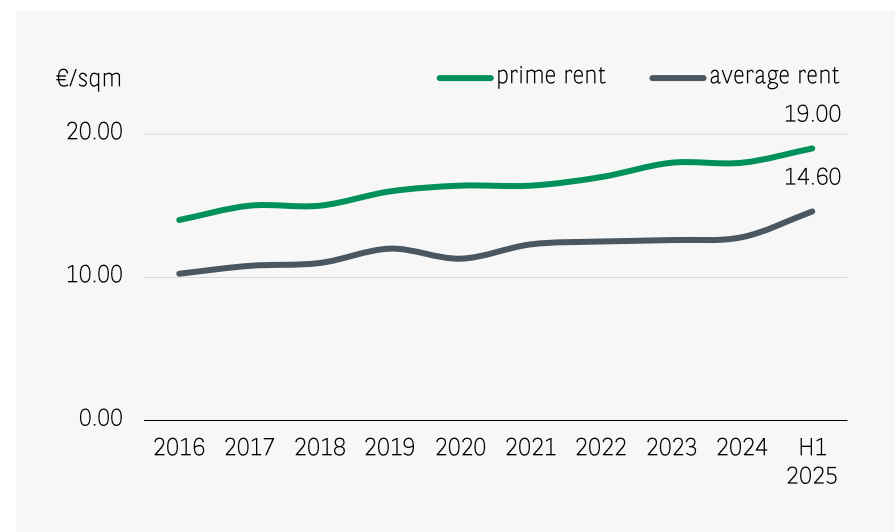
## Development of take-up



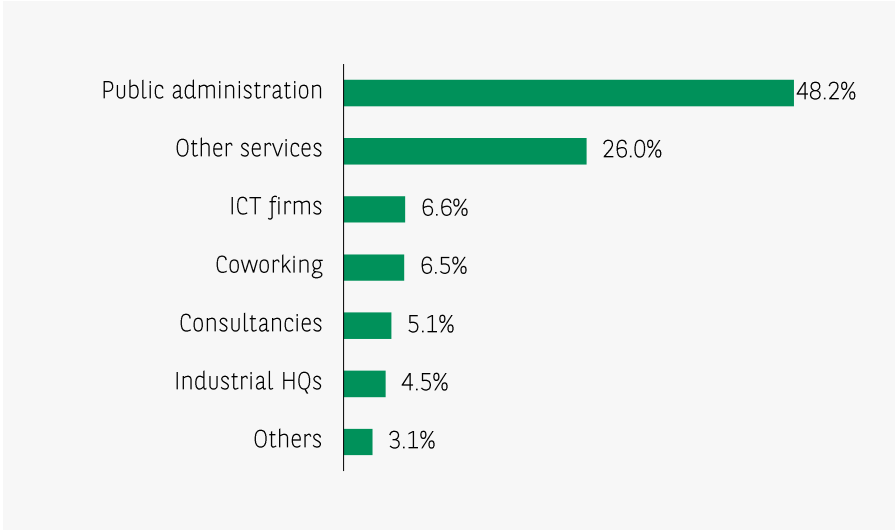
## SUBDUED FIRST HALF YEAR, MOST LETTINGS BETWEEN 1,000-2,000 SQM

- In the first half of 2025, the Essen office market recorded a total take-up of 34,000 sqm, marking a modest 3% increase compared to the previous year. However, the still-muted letting activity is reflected in a significant 36% decline compared to the long-term average of 52,900 sqm. After a relatively strong first quarter with approximately 27,000 sqm of take-up, market momentum slowed noticeably in the second quarter, with only 7,000 sqm of leases signed.
- The take-up in the first quarter was largely driven by a major contracts from the City of Essen (13,000 sqm). The largest letting in the second quarter, measuring 2,200 sqm, also involved the City of Essen. A positive development is the market active in the mid-sized segment between 1,000 sqm and 2,000 sqm, which accounted for 21% of total take-up—well above the 10-year average of 14%. The high dynamic of small and mid-sized lettings remains a defining feature of the Essen office market.
- The excess demand for modern space has led to a significant increase in rents. The prime rent has risen by 6% year-over-year to €19.00/sqm, currently achieved for premium space in the Südviertel district. The more volatile average rent has jumped to €14.60/sqm, representing a 21% increase compared to the same period last year.

## Prime and average rents



Take-up by sector H1 2025



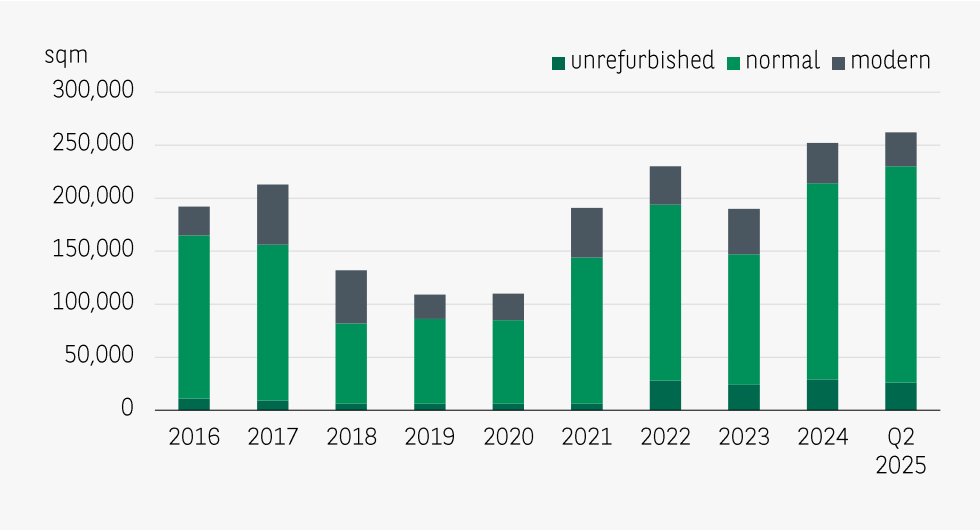
Major contracts H1 2025

Quarter	Sub-market	Company	sqm
Q1	2.1	Stadt Essen	13,000
Q2	3.1	Stadt Essen	2,200
Q1	2.1	Bryck	2,000
Q1	3.1	BKK Firmus	1,620
Q1	2.1	Bildungsträger	1,500
Q2	1.1	Vitronet Gruppe	1,200

DECLINE IN MODERN VACANCY

- Almost half (48%) of total take-up was attributable to the public sector, far exceeding the 10-year average of 19%. This is primarily due to the two major lettings signed by the City of Essen. The collective category “Other Services” followed with a similarly above-average share of 26%.
- At mid-year, the Essen office market reported a vacancy volume of around 262,000 sqm, reflecting a 16% increase year-over-year. However, modern vacancy has decreased by approximately 24% to 32,000 sqm. As a result, only 12% of total vacancy has modern fit-out quality. The current vacancy rate stands at 8.2%.
- Currently, about 35,000 sqm of office space is under construction, a 29% decline compared to the previous year. The pre-letting rate is remarkably high at 94%.

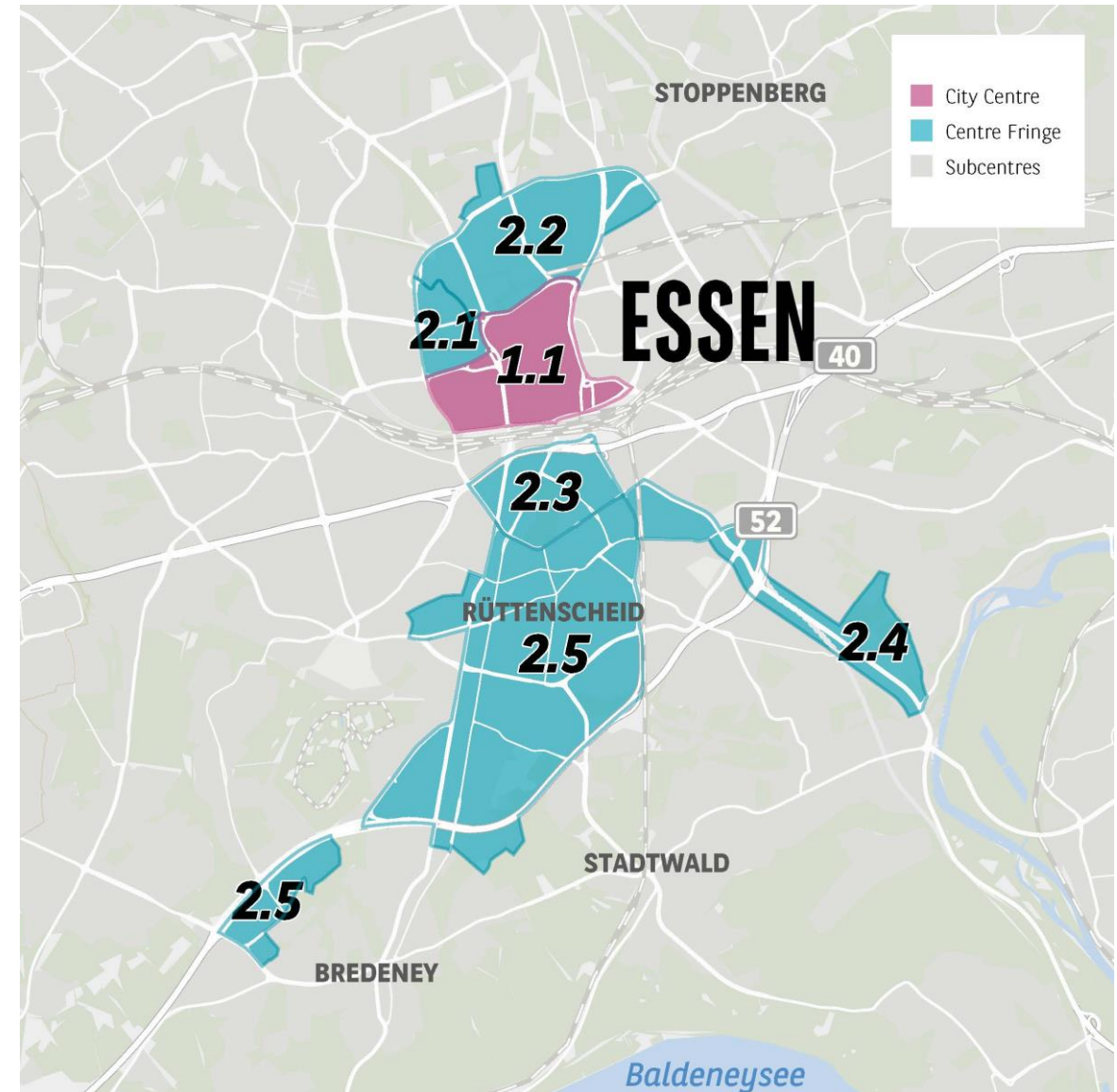
Development of vacant space



## OUTLOOK

- The Essen office market has experienced a two-part first half of the year: while letting activity was vibrant in the first quarter – particularly in the mid and larger size segments – momentum slowed noticeably in the second quarter. As a result, the half-year take-up remains below average, though the healthy volume of small deals under 1,000 sqm provides a stable foundation for Essen.
- The market is currently sending cautious but positive signals, as reflected in the year-on-year increase in total take-up. There are growing indications of a broader market recovery beyond the small-unit segment. Given the anticipated economic tailwinds in Germany, the outlook for letting performance remains optimistic. However, it remains to be seen whether the momentum will be strong enough to reach a full-year total of around 100,000 sqm. Large-scale leases could play a decisive role in achieving this target.
- On the supply side, only little relief is expected in the coming months, especially for modern space. Construction activity continues to decline, and most of the space currently under construction has already been absorbed by the market. A slight increase in vacancy among older properties cannot be ruled out, while modern and ESG-compliant spaces are likely to remain in short supply.
- The limited availability of high-quality space, combined with persistently strong demand, will continue to exert upward pressure on prime rents. A further increase toward the €20.00/sqm mark appears likely.

## Office submarkets Essen



## Key indicators office market Essen

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)		VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	H1 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		18.50	2,500	37,500	2,300	0	5,900	2,000	39,500	32,100
2 Centre Fringe	14.00 -	19.00	25,500	122,600	3,700	0	15,100	0	122,600	146,500
3 Subcentres		15.70	6,000	101,900	26,000	1,000	14,000	0	101,900	1,400
<b>Total</b>			<b>34,000</b>	<b>262,000</b>	<b>32,000</b>	<b>1,000</b>	<b>35,000</b>	<b>2,000</b>	<b>264,000</b>	<b>180,000</b>

\* 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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