In the third quarter, the office markets maintained the momentum already apparent in the first half. At 2,41 million m² take-up so far is 20% higher than in the same period in 2014 and represents the best result of the past four years. It is also 9% above the ten-year average. The third-quarter performance was especially pleasing. Whereas last year, take-up had been held back by the duller economic climate, the July-to-September period this year brought space turnover of 858,000 m² nationwide – 37% higher year-on-year. The considerably more positive state of the economy and the generally good prospects (despite a few worries) have been reflected by the way important sentiment indicators have evolved in recent months and have definitely impacted on the office markets. The fact that almost all locations have benefited from the upturn shows that this is a stable and broadly based phenomenon.

The highest take-up of all the cities under review was registered by Berlin with a new record of 537,000 m² (+37%). The German capital is continuing its sharp upward trend and in its role as a hot spot for start-ups is profiting for instance from the growing digitisation of business. It once again relegated Munich, with 501,000 m² (+23%), to second place. Then, bunched closely together, came a group comprising Hamburg with 357,000 m² (-4%), Düsseldorf with 344,000 m² (+33%) and Frankfurt with 319,000 m² (+16%). So Hamburg was one of just two locations which failed to improve their prior-year results; it succeeded only in more or less stabilising its prior-year total. The biggest relative rise (around +48%) was posted by Essen with 96,000 m².

Growth in Cologne, where turnover amounted to 191,000 m², was just under 18%. The only more sizeable decline was that of 17.5% registered by Leipzig.

Just like last year, the proportion of take-up generated by large leases upwards of 5,000 m², at just over 24%, was well below the long-term average of around one third. In contrast, demand in the mid-range size segment of between 200 m² and 5,000 m² has been very lively, accounting for about 70% of total turnover so far, which is more than seven percentage points above the long-term average. What is notable is that all four of the size categories in this segment generated more or less equal shares of between 16% and 19%.

### Positive Development in Almost All Cities

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### Strong Activity in Mid-Range Size Segment

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Vacancy has continued to decline. In the past twelve months the aggregate volume has fallen by nearly 7% to 6.51 m². The reduction extends to all the locations under review, indicating that this is a general trend. The sharpest drops in vacancy have been noted in Cologne (-15%) and Munich (-14%). But the volume of ready-to-rent space also fell moderately in Berlin (-7%), Düsseldorf (-6%), Leipzig (-5%), Essen (-4%), Frankfurt (-3%) and Hamburg (-2%).

Prime rents still developing differently
The considerably better turnover has not yet been reflected everywhere by higher prime rents. In fact, only two cities have posted year-on-year increases in top rents: Berlin (+7%) and Munich (+4%). In contrast, Düsseldorf and Cologne saw their prime rents fall slightly, by around 2% in each case. One reason for this has been an insufficient supply of high-grade premium-located newly built premises of the kind which command higher rents. Prime rents in all the other cities remained stable compared with the same time last year.

Outlook
There are many reasons for expecting the basically positive development of space take-up to continue. Admittedly, several current factors hold the potential for disruption, especially in regard to the overall mood, but it is still uncertain whether they will in fact impact on the way economic output develops. Against this background, we anticipate that take-up in 2015 as a whole will definitely exceed the prior-year total and should pass the 3 million square metre threshold again for the first time since 2012.