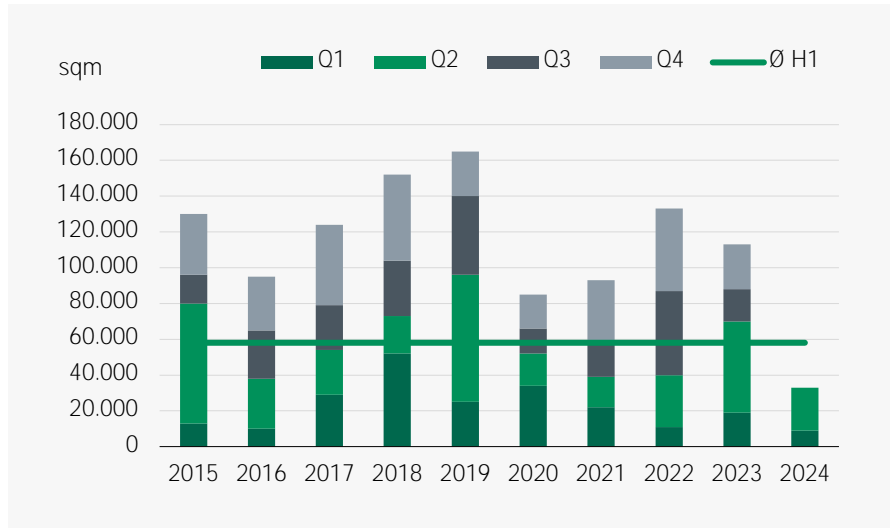


ESSEN

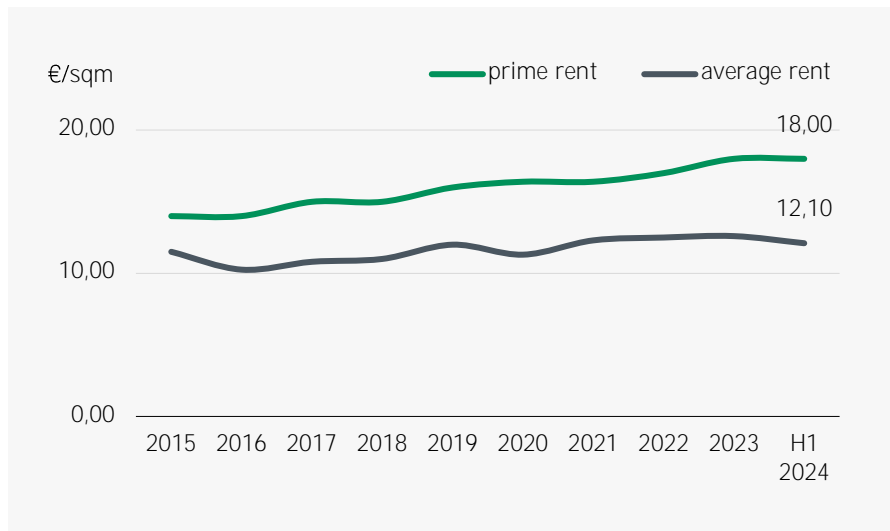
# REPORT OFFICE MARKET

H1 2024

## Development of take-up



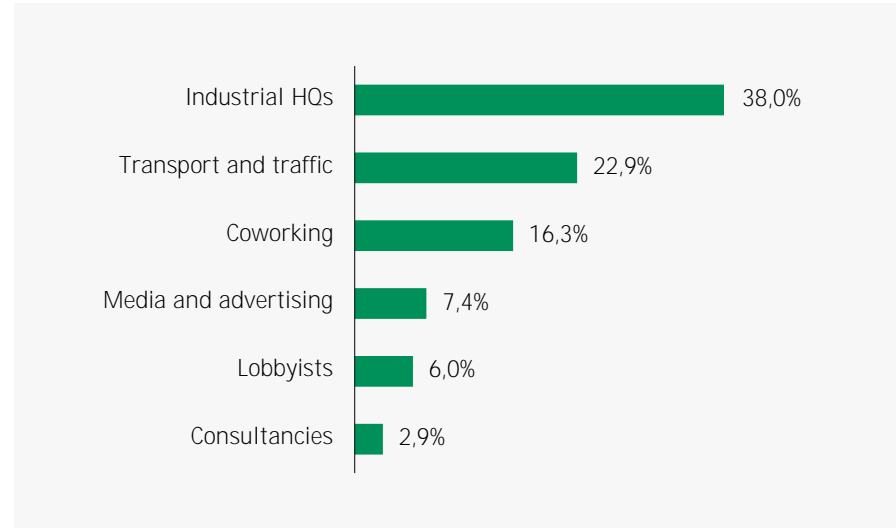
## Prime and average rents



## MODERATE HALF-YEAR RESULT LACK OF MAJOR CONTRACTS NOTICEABLE

- In the first half of 2024, market momentum on the Essen office market was generally subdued. With take-up of 33,000 sqm, the good half-year result from the previous year (70,000 sqm) was missed by almost 53% and the long-term average by around 43%. Encouragingly, the letting momentum picked up significantly in q2 after a very weak start to the year. In the second quarter 24,000 sqm of take-up was generated.
- With only one contract for more than 5,000 sqm, the larger contracts typical of Essen in recent years were almost non-existent in H1 2024, resulting in below-average take-up for large deals. In contrast, the market for medium-sized contracts of between 2,001 and 5,000 sqm was quite lively, and with a market share of just under 22% respectively a take-up volume of a good 7,000 sqm, the result in this segment was well above average. It is worth noting that all contracts above the 2,001 sqm mark were concluded in q2 and that momentum in the small segment between 501 and 1,000 sqm also accelerated in the spring.
- The prime rent has remained unchanged at €18/sqm per sqm since the third quarter of 2023. It is achieved in the city center for office space in good locations with modern fit-out quality. The traditionally more volatile average rent is currently registered at €12.10 per sqm. This corresponds to a slight decline of around 4% compared to the previous year.

## Take-up by sector H1 2024



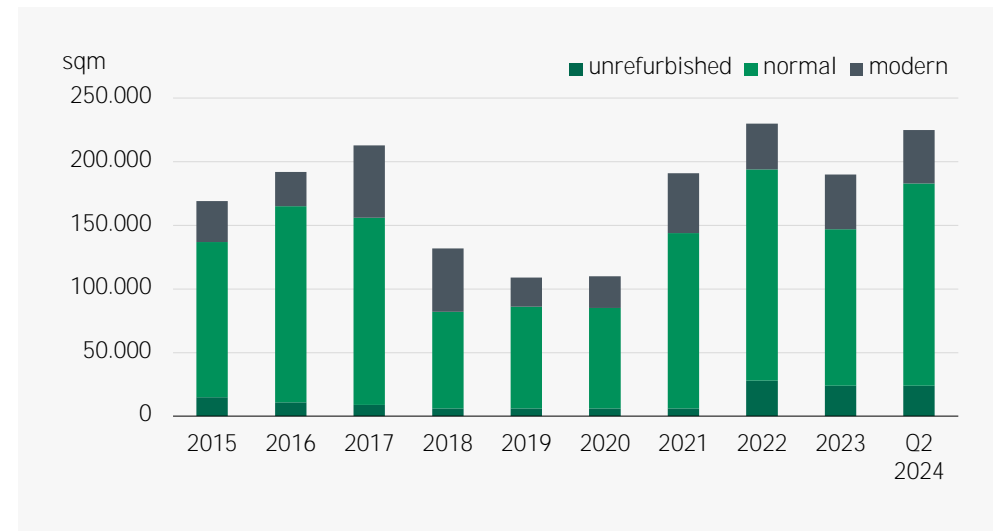
## Major contracts H1 2024

Quarter	Sub-market	Company	sqm
Q2	3.1	KFZ Zulassungsstelle Stadt Essen	6.800
Q2	1.1	Stadt Essen Standesamt	4.000
Q2	2.3	Beratungsgesellschaft	3.100
Q1	3.1	IuK-Technologien	1.700
Q2	3.1	EUZIEL International	1.600
Q1	1.1	Hays	1.400

## CONTINUING LOW LEVEL OF MODERN VACANCIES

- Public administration leads the sector distribution with a market share of approximately 38%, in particular due to the two largest contracts concluded by the City of Essen to date. The collective category "other services" ranks second (23%) relegating consulting firms (16%) to third place.
- At the end of H1 2024, office vacancy amounts to around 225,000 sqm indicating little change so far in 2024. The vacancy rate stood at 7.1% at the end of June.
- The vacancy for highly sought-after office space with modern fit-out quality remains unchanged at around 42,000 sqm. The lack of modern space in Essen's prime location, the city center, where only around 2,000 sqm of this quality is available at short notice, is particularly striking. There is a complete lack of new-build first-occupancy space in Essen's market area.

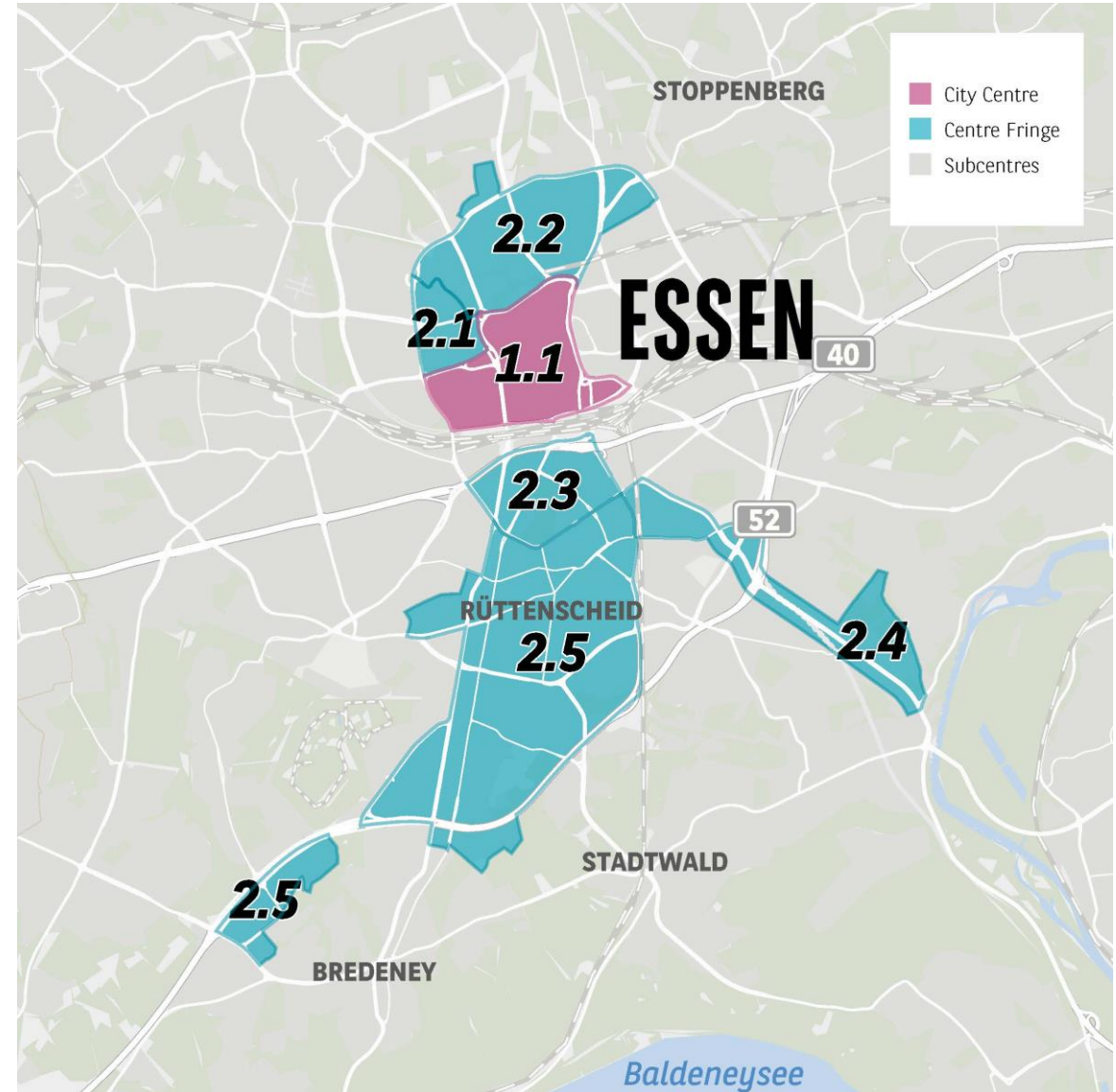
## Development of vacant space



## OUTLOOK

- The Essen office market reflects a split first half 2024. In the first quarter, market momentum was noticeably below average, particularly in the medium-sized and larger space segment. During the second quarter, the situation changed: The first deals above 2,000 sqm were successfully negotiated and provided a significant boost to the market, supported by additional momentum in the segment between 500 and 1,000 sqm.
- The current signals sent out by the Essen office market are still very cautious but certainly positive. There are many signs that market activity is increasing again - also across the breadth of the market and beyond the important background buzz of small lettings. Given that the German economy is very likely to develop increasing growth forces in the coming months, a continuation of the recent upward trend in letting performance is likely. Whether the momentum will be sufficient to achieve an annual result of around 100,000 sqm remains to be seen for the time being. Large deals, which are still in short supply on the Essen market, could ultimately make the difference here.
- A sideways movement in vacancy is expected in the coming months. Modern space in prime locations is forecast to remain scarce.
- The limited supply of high-quality and ESG-compliant space coupled with continued high demand will keep pressure on prime rents high. A renewed rise towards the €20.00 per sqm mark is possible.

## 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 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	8.500	21.600	2.000	0	15.600	9.800	31.400	27.000
2 Centre Fringe	13,00 -	16,80	9.000	105.700	14.200	0	10.400	2.200	107.900	146.800
3 Subcentres	13,00 -	13,00	15.500	97.700	25.800	0	23.000	0	97.700	2.200
<b>Total</b>			<b>33.000</b>	<b>225.000</b>	<b>42.000</b>	<b>0</b>	<b>49.000</b>	<b>12.000</b>	<b>237.000</b>	<b>176.000</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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