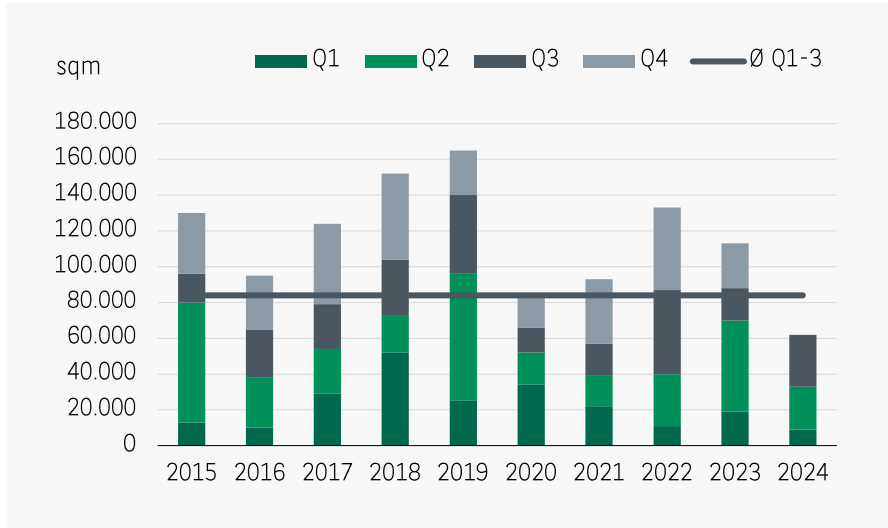


ESSEN

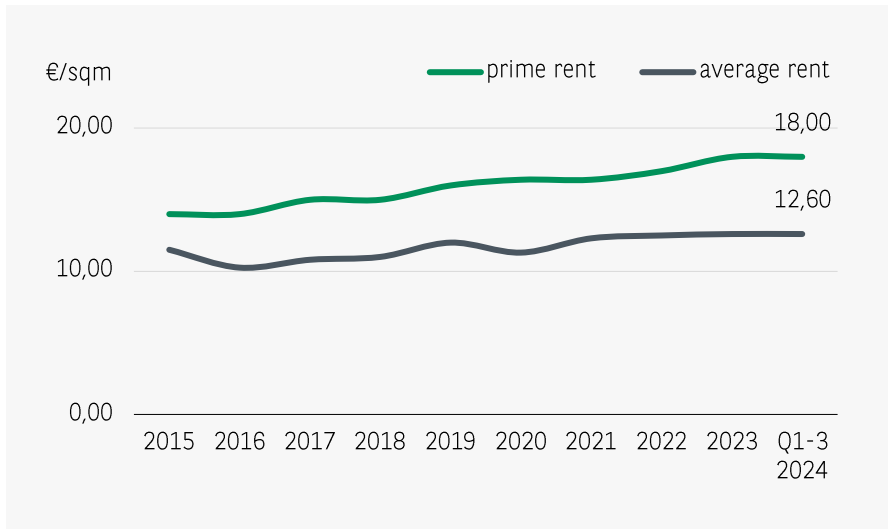
REPORT OFFICE MARKET

Q1-3 2024

Development of take-up



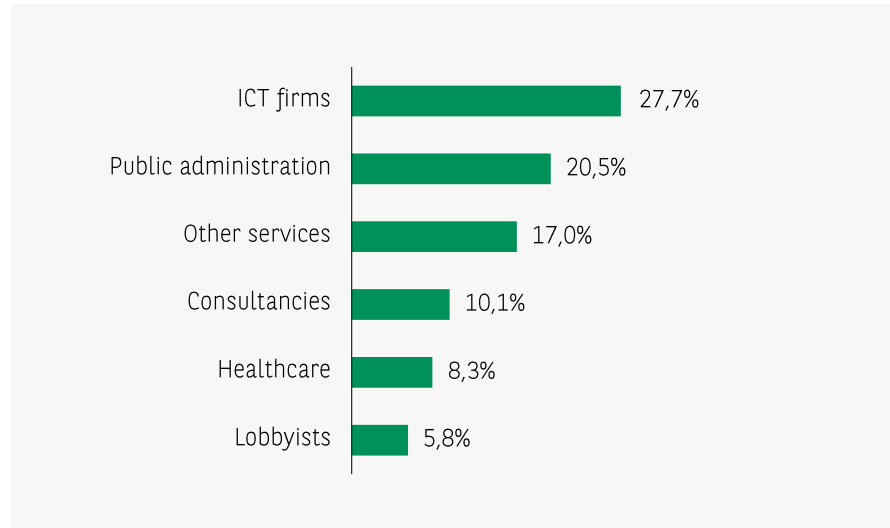
Prime and average rents



TAKE-UP WELL BELOW PREVIOUS YEAR'S LEVEL

- Although the market momentum in Essen has increased from quarter to quarter over the course of 2024, the result achieved by the end of September is disappointing. At around 62,000 m², office space take-up in Essen is significantly below the comparable result for the previous year (-30%) and is also around 26% below the long-term average.
- This is primarily due to the fact that only two major deals of 5,000 m² or more have been registered to date. Telus International is taking almost 11,000 m² in the Südviertel and the City of Essen will use around 7,000 m² of office space for the municipal vehicle registration office. In smaller markets in particular, the lack of these agreements very quickly results in noticeably lower take-up. More than two thirds of take-up is currently based on smaller and medium-sized lettings of up to 5,000 m².
- The strongest submarket in terms of take-up is currently the Südviertel, which accounts for around 23,000 m² or a good 37% of the volume to date. The secondary locations also make a notable contribution of a good 18,000 m² (29% share).
- There is little movement in the rent development. The prime rent for space with modern fit-out quality in the city center moved sideways in q3 and currently stands at €18.00/m². The more volatile average rent has fallen slightly over the course of the year and currently stands at €12.60/m² (-1.6% compared to Q3 2023).

Take-up by sector Q1-3 2024



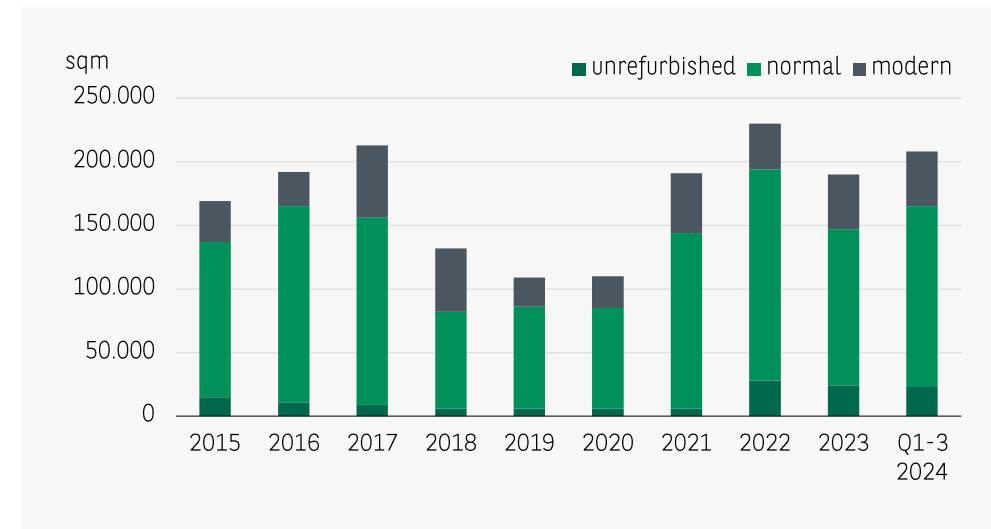
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q3	2.3	Telus International	10,700
Q2	3.1	KFZ Zulassungsstelle Stadt Essen	6,800
Q2	1.1	Stadt Essen Standesamt	4,000
Q3	2.3	Emschergenossenschaft/Lippeverband	3,400
Q3	2.3	11880 Solutions AG	3,300
Q2	2.3	Luther Rechtsanwälte	3,100

SLIGHT DECLINE IN VACANCY VOLUME

- The broad demand base from very different user groups is pleasing: Four sectors hold shares in the double-digit percentage range. The ICT sector leads the ranking, not least thanks to the major contract signed by Telus International. Compared to the previous year, it recorded high growth of a good 19 percentage points and thus achieved an above-average 28% of the result. Public administration follows in second place with a share of around 21% of take-up.
- At 208,000 m², the current vacancy volume is around 8% below the comparable figure from the previous year. The share of modern space in the vacancy volume has increased slightly (+7.5% compared to Q3 2023). In relation to total vacancy, however, this still only corresponds to a low 21%. The rise in modern vacancy is mainly driven by new-build space which has recently been completed but is not fully absorbed yet. The vacancy rate remains slightly above the fluctuation reserve of 5% and currently stands at 6.5%.

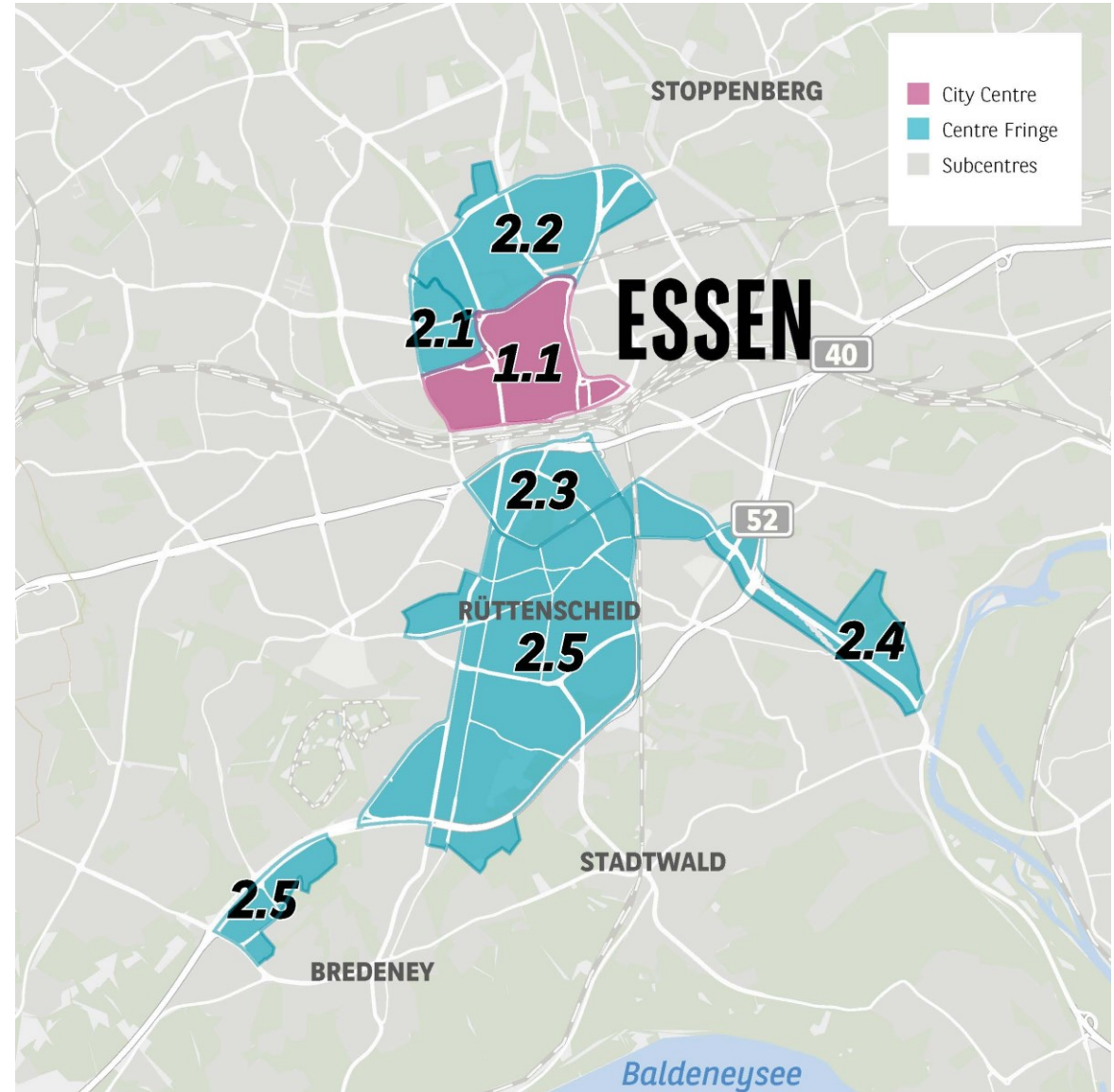
Development of vacant space



OUTLOOK

- Essen's office market performance was moderate in the first nine months of 2024. Despite an increase from quarter to quarter, the current result misses the long-term average. Market momentum in the larger space segment in particular continues to be subdued. To date, only two deals above the 5,000 m² mark have been registered. Nevertheless, the slight upturn in market momentum, supported by higher take-up dynamics in the small and medium-sized segment up to 5,000 m², should prevail in the final quarter. Whether a result at the previous year's level (113,000 m²) can be achieved remains to be seen for the time being.
- On the supply side, a sideways movement is the most likely scenario for the further development of the office vacancy in the coming months. However, a further moderate vacancy rise especially in the segment of older buildings cannot be ruled out. Meanwhile, modern space in the most popular locations is likely to remain in short supply. At the same time, the persistently challenging conditions for project developers will lead to a decline in construction activity.
- Triggered by the unbroken demand for prime office space and the limited supply in this segment, a further rise in prime rents is on the horizon. Accordingly, the €20.00/m² (+) mark is within reach in the Essen office market.

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	Q1-3 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	13,000	20,900	2,500	0	16,000	9,800	30,700	27,000
2 Centre Fringe	13.00 -	17.80	31,000	85,800	13,900	0	13,800	2,200	88,000	147,000
3 Subcentres	15.50 -	15.50	18,000	101,300	26,600	0	22,200	0	101,300	2,000
Total			62,000	208,000	43,000	0	52,000	12,000	220,000	176,000

* 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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