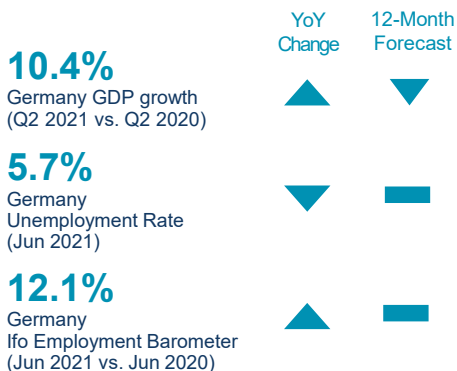


ECONOMIC INDICATORS



Source: Moody's Analytics, Federal Employment Agency, ifo institute

Economic mood brightens further

Office letting market sentiment is improving in summer: the lower incidence rate and the rising vaccination rate are showing a light at the end of the "COVID-19 tunnel" despite the threat of the Delta variant. The economy continues to brighten and the signs from the labour market in particular suggest that demand is expected to not only continue but also catch up. The ifo business climate and the ifo employment barometer rose significantly in June. Although many users are still uncertain about their space solutions for the post-COVID period, ever more are addressing these issues proactively.

Office space take-up at previous year's level - aggregate vacancy rate rises to 4.8%

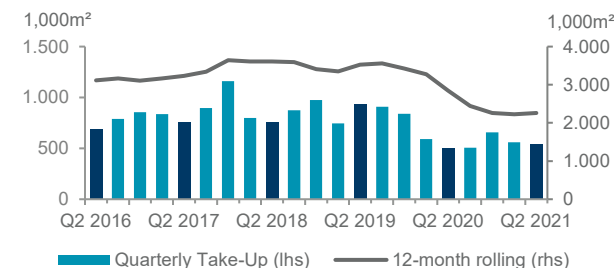
In the first half of 2021, take-up in the top-5 office markets amounted to 1.1 million sqm. This corresponds to the level of the comparable period of the previous year, but is around 25% below the H1 five-year average. For 2021 as a whole, take-up is expected to reach 2.5 million m². The highest level of office take-up was recorded in Berlin, with around 375,000 m². This is followed by Munich with 236,000 m² and Hamburg with 210,000 m². The largest year-on-year increase was recorded in Frankfurt (+57%). Of the total of 17 deals involving more than 10,000 m² of office space, Berlin alone accounted for nine.

Vacancy grew to 3.7 million m² in Q2. Among the markets, Frankfurt has the highest vacancy, with 950,000 m² or a vacancy rate of 8.1%. By the end of the year, a further slight increase in vacancy is expected in all markets despite stabilising take-up, ranging between 0.1 percentage points in Düsseldorf and 0.4 percentage points in Munich. In the first half of 2021, around 530,000 m² of new or refurbished office space was completed. For 2021 as a whole, a total of 1.8 million m² of newly-completed office space is expected and for 2022 around 2.5 million m². Currently 4.25 million m² is under construction. A good half of this is already let or for owner-occupation. The highest level of construction activity is currently in Berlin (1.7 million m²) and Munich (1.3 million m²).

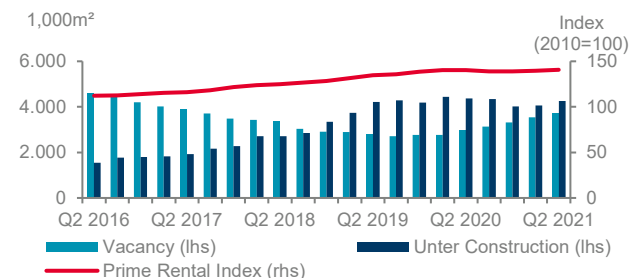
Prime rents in Berlin and Munich have risen

In Berlin the monthly prime rent has risen over the course of the quarter by 1.00 euro to 39.00 euro per m² and in Munich by 0.50 euro to 40.00 euro. In the other three top-5 markets it remains stable. The prime rent index for the top-5 markets stands at 140.8 points (2010=100) at the end of the second quarter of 2021. In the past three months, prime rents have risen by an average of 0.9%. A further increase of a similar magnitude is expected by the end of the year. The average rent index is slightly higher at 147.4 points. The reason for this is that average rents have risen more strongly than prime rents since summer 2019.

TAKE-UP TOP-5 MARKETS



VACANCY / UNDER CONSTRUCTION / PRIME RENT TOP-5



MARKET STATISTICS

Market	Stock (m ²)	Vacancy (m ²)	Vacancy Rate (%)	Take-up (m ²) current Quarter	Take-up (m ²) YTD	Under Construction (m ²)	Prime Rent* (€/m ² /m)	Prime Yield* (%)
Berlin	19,453,200	662,500	3.4%	176,300	374,800	1,711,900	39.00	2.60
Düsseldorf	9,212,100	652,400	7.1%	55,600	104,200	242,700	28.50	2.90
Frankfurt	11,754,100	949,900	8.1%	87,900	171,500	485,800	46.00	2.75
Hamburg	15,015,900	635,000	4.2%	84,000	210,000	516,900	30.00	2.80
Munich	21,584,000	806,400	3.8%	132,000	235,900	1,294,900	40.00	2.50
Total	77,019,200	3,706,200	4.8%	535,800	1,096,400	4,252,200	46.00	2.76

*Rental /Yields rates reflect achievable values

SELECTED LEASE TRANSACTIONS Q2 2021

Property	Market	Submarket	Tenant	m ²	Type
Kreislser	Frankfurt am Main	Station Area	Nestlé Deutschland	20,000	Pre-lease
NEW COURTS	Berlin	Berlin North	BIMA Bundesanstalt für Immobilienaufgaben	19,400	Pre-lease
FRANK 206	Berlin	Berlin East	BIMA Bundesanstalt für Immobilienaufgaben	14,800	Pre-lease
Werksviertel MK 7	Munich	City Centre East	Wacker Chemie	14,100	Pre-lease

URSULA NEISSER

Head of Research Germany

Tel: +49 69 50 60 73 140

ursula-beate.neisser@cushwake.com

HELGE ZAHRT MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrt@cushwake.com

SELECTED SALES TRANSACTIONS Q2 2021

Property	Market	Submarket	Seller / Buyer	m ²	Price (€ million)
MediaWorks Munich	Munich	City Centre East	Blackstone / Union Investment	96,000	~660
Hightlight Towers	Munich	City Centre North	Commerz Real / Imfarr	85,800	~650
O2 Tower & Campus C	Munich	City Area North-North West	GIC / DIC Asset AG	61,500	~635

SELECTED CONSTRUCTION COMPLETIONS 2021

Property	Market	Submarket	Major Tenant	m ²	Owner / Developer
Olympus Campus - Europazentrale Olympus	Hamburg	City South	Olympus, Design Offices	47,300	Ärztevereinigung Westfalen-Lippe; Hines / Zech Immobilien
CUV - Cuvryhöfe	Berlin	Central Office Locations MediaSpree	Various	32,400	Nieto / Terra-Contor
Junghof Plaza	Frankfurt am Main	Banking District	Various	23,400	Versorgungswerk / FGI, PGIM

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