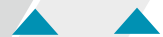


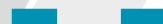
Office Q4 2022

YoY Change 12-Month Forecast

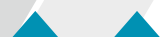
5.7%
Vacancy Rate



2.76 million m²
Take-up (cum.)



156.5
Prime Rental Index*



ECONOMIC INDICATORS

YoY Change 12-Month Forecast

0.88%
Germany GDP growth
(Q4 2022 vs. Q4 2021)



5.4%
Germany Unemployment Rate
(Dec 2022)



99.5
Germany Ifo Employment Barometer
(Dec 2022)



* (Q4 2010=100)
Sources: Moody's Analytics, Federal Employment Agency, ifo institute

WEAK TAKE-UP IN THE FOURTH QUARTER REVERSES GROWTH TREND

In the top-5 office markets, take-up totalled 2.77 million m² in 2022 as a whole - on a par with the previous year. In Q4 take-up totalled 581,000 m², down 23% on the previous quarter and down 38% on Q4 2021. There were only four large deals of 10,000 sq m or more in the final quarter (full year 2022: 25). The reason for the decline in take-up is a reluctance on the part of office users that has been evident since late summer. The poor economic outlook is causing them to hesitate - especially when it comes to large space requirements. Against the backdrop of multiple crises (Covid pandemic, inflation, war in Ukraine, energy supply), the office letting market is surprisingly robust. No new growth impetus is currently foreseeable, but neither is any decline. For 2023 as a whole Cushman & Wakefield expects take-up to remain at the 2022 level..

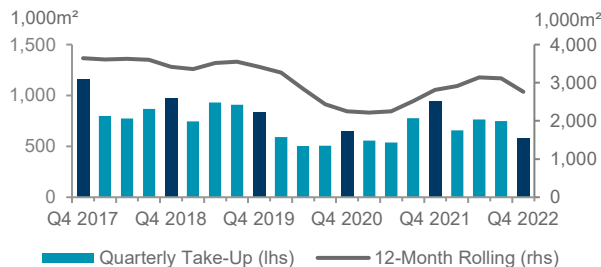
VACANCY RATE RISES – COMPLETIONS DOUBLE IN 2023

Office vacancy in Germany's top-5 locations is quoted at 4.4 million m² at the end of Q4 2022 (vacancy rate 5.7%; +0.5 percentage points over the course of the year). Vacancy is expected to rise further to around 5 million m² in 2023. This is due to subdued take-up momentum and the high number of expected completions. 230,000 m² of office space was completed in Q4, bring total completions for 2022 as a whole to around 1.15 million m² - three quarters of which was already let or assigned to owner-occupiers at the time of completion. The completion volume is 13% below the previous year's figure, but 15% above the 5-year average. As in the past, Berlin (510,000 m²) and Munich (250,000 m²) were the major contributors to the total. In 2023, the completion volume will double to around 2.2 million m². Of this, 38% is still available. At the end of 2022, construction volume stands at 4.0 million m², 7% below the figure of a year earlier, with Berlin (1.7 million m²) and Munich (976,000 m²) again the major contributors.

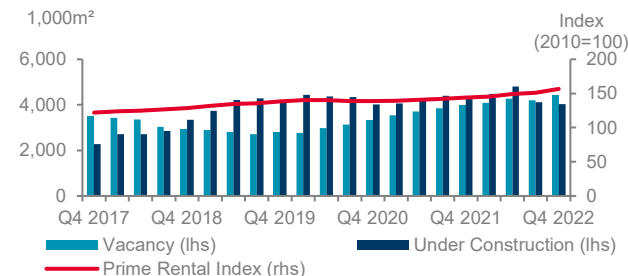
RENT LEVEL CONTINUES TO RISE

With the exception of Frankfurt, the achievable prime rent rose in all of the top-5 markets over the quarter, in Berlin, Munich and Hamburg by €0.50/m²/month in each case. In Düsseldorf, the achievable prime rent jumped by €5.00/m²/month (+17%) in the final quarter alone to €35.00 by the end of 2022. The prime rent index for the top-5 markets stood at 156.5 points (2010=100) at the end of Q4 2022 (+8.5% over the 12-month period). Further growth is expected in 2023. Compared with a year earlier, average rents have risen, in some cases significantly, in all markets with the exception of Berlin (where they remained static).

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	Completions (m ²) YTD	Under Construction (m ²)	Prime Rent* (€/m ² /m)	Prime Yield* (%)
Berlin	20,242,300	946,900	4.7	177,000	778,300	509,100	1,669,800	43.50	3.60
Düsseldorf	9,323,400	753,200	8.1	78,900	284,100	113,600	376,500	35.00	3.50
Frankfurt	11,762,300	954,500	8.1	82,400	374,000	120,200	468,600	47.50	3.35
Hamburg	15,124,000	665,000	4.4	87,000	562,000	161,500	541,400	33.00	3.35
Munich	21,193,500	1,111,500	5.2	155,700	766,500	249,200	976,100	43.50	3.30
Total	77,645,500	4,431,100	5.7	581,000	2,764,900	1,153,600	4,032,400	-	3.42

*Rental /Yields rates reflect achievable values

SELECTED TAKE-UP TRANSACTIONS Q4 2022

Property	Market	Submarket	Tenant	m ²	Type
KISS	Munich	City Areas West - North West	Bayerisches Rotes Kreuz	13,900	Pre-let
Double U	Düsseldorf	Kennedydamm	Public Administration	12,900	Reletting
Marsstraße 31-33	Munich	City Centre West	IT-company	11,600	Reletting
Überseering 2	Hamburg	City North	Generali Versicherung	10,200	Subletting

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SELECTED SALES TRANSACTIONS Q4 2022

Property	Market	Submarket	Vendor / Buyer	m ²	Price (€ million)
Scala West	Frankfurt	City West	Deka Immobilien / Conren Land	21,200	Confidential
Leopoldstraße 4 und 6	Munich	City Centre North	Swiss RE / RFR Holding	13,900	Confidential
The Loom	Berlin	MediaSpree	PGIM / ehret + klein	12,500	~65

SELECTED CONSTRUCTION COMPLETIONS Q4 2022

Property	Market	Submarket	Major Tenant	m ²	Owner / Developer
VoltAir	Berlin	Hackescher Markt - Alexanderplatz	N26, Seven Senders, TomTom Location Technology	27,000	Gädeke & Sons / ABG-Gruppe
iCampus (i2, i3 Rhenania)	Munich	City Centre East	PTC, WTS	18,000	Rohde & Schwarz
Landsberger Allee 52	Berlin	City Centre East	Bundesagentur für Arbeit	16,700	Values Real Estate / Centrum Gruppe

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