



	YoY Change	12-Month Forecast
6.6% Vacancy Rate	▲	▲
1.54 m m² Take-up (cum.)	▼	■
162.7 Prime Rental Index*	▲	▲

ECONOMIC INDICATORS

	YoY Change	12-Month Forecast
-0.68% Germany GDP growth (Q3 2023 vs. Q3 2022)	▼	▲
5.7% Germany Unemployment Rate (Sep 2023)	▲	■
95.8 Germany Ifo Employment Barometer (Sep 2023)	▼	■

* (Q4 2010=100)

Sources: Moody's Analytics, Federal Employment Agency, Ifo Institute

30% LESS TAKE-UP

In the German Top-5 office markets, around 546,000m² of office space was let or assigned to owner-occupiers in Q3 2023, making it the quarter with the highest take-up of the current year so far. In the first three quarters of 2023, take-up amounted to 1.54 million m² (-30% compared to the same period last year). For 2023, C&W expects a full-year result of just over 2 million m². Compared to the first three quarters last year, all of the Top-5 markets recorded a decline in take-up. Frankfurt faced the smallest decline, of 7%, Munich the largest, at 47%. Berlin (430,000m²) and Hamburg (327,000m²) have the highest take-up in the current year. At 700, the number of deals in Q3 2023 was significantly higher than in the previous quarter (630) and is only 14% below last year's equivalent figure. This is due to the fact that numerous smaller deals were concluded. In Q3 2023, there were only twelve deals in the size category of 5,000m² and more. Although this is three more than in the previous quarter, it is still far less than the average since the beginning of 2020. The less than 1,000m² category, on the other hand, has continued to stabilise. In Q3, there were even more deals than the average since the beginning of 2020.

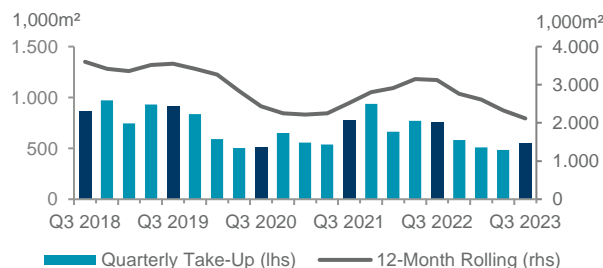
VACANCY: 5 MILLION M² MARK EXCEEDED

Office vacancy in the Top-5 markets stood at 5.15 million m² at the end of Q3 of 2023. This corresponds to a vacancy rate of 6.6% and is 1.2 percentage points higher than twelve months ago. A further increase in vacancy is expected for the coming quarters. The reasons for this are the unlet spaces in the completions and the mostly smaller spaces in new lettings compared to companies' respective previous locations. Subletting has risen further to just under 600,000m². This corresponds to almost a doubling compared to the same quarter of the previous year. In Q3, 246,000m² of office space was completed, bringing the cumulative total for the first nine months of 2023 to 987,000m². 60% of this was already let or assigned to owner-occupiers at the time of completion. The construction volume at the end of Q3 is 4.1 million m² - of which around half is still available. Here, too, the largest proportions are in Berlin (1.7 million m²) and Munich (818,000m²).

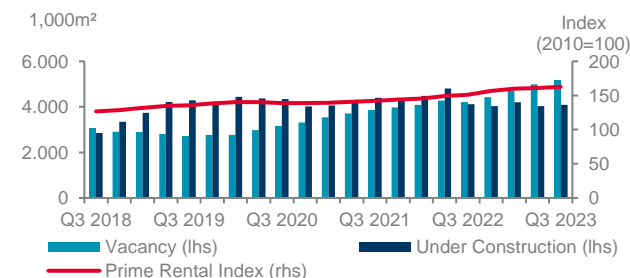
UNEVEN PICTURE REGARDING RENTAL PRICE DEVELOPMENT

In the quarter under review, prime rents remained stable with the exception of Düsseldorf – where they rose by €2.00/m²/month. The prime rent index for the Top-5 markets stood at 162.7 points (2010=100) at the end of Q3. This represents an increase of almost 8% in the 12-month period. A further increase is expected to the end of the year. Average rents are down in three of the five markets compared to the end of Q2. Rent-free periods in prime city centre locations are at 7.2%, based on a five-year lease across all Top-5 markets.

TAKE-UP TOP-5 MARKETS



VACANCY / UNDER CONSTRUCTION / PRIME RENT TOP-5





MARKET STATISTICS

Market	Stock (m²)	Vacancy (m²)	Vacancy Rate (%)	Take-up (m²) YTD	Completions (m²) YTD	Under Construction (m²)	Prime Rent* (€/m²/month)	Prime Yield* (%)
Berlin	20,531,200	1,248,200	6.1	430,700	361,000	1,746,700	44.50	4.40
Düsseldorf	9,306,900	904,300	9.7	183,400	8,400	447,700	40.00	4.75
Frankfurt	11,712,700	1,085,500	9.3	270,700	90,800	517,600	48.00	4.35
Hamburg	15,213,300	706,000	4.6	327,000	167,800	560,900	33.00	4.40
Munich	21,539,400	1,208,700	5.6	325,800	359,100	818,300	44.50	4.20
Total	78,303,500	5,152,700	6.6	1,537,600	987,100	4,091,200	-	4.42

*Rental /Yields rates reflect achievable values

SELECTED TAKE-UP TRANSACTIONS Q3 2023

Property	Market	Submarket	Tenant	m²	Type
BKA B3	Berlin	Innecity East	Bundeskriminalamt	~25,000	Owner-occupier
KAZWEI	Hamburg	City Nord	Aviation and aerospace	12,500	Subletting
Schellingstraße 1, 4	Berlin	CBD Potsdamer Platz	Berlinovo	9,900	Re-letting

SELECTED SALES TRANSACTIONS Q3 2023

Property	Market	Submarket	Vendor / Buyer	m²	Price (€ million)
LAIM290	Munich	City Centre-West	LaSalle / Values Real Estate	10,700	~50
Eckenheimer Landstraße 240-246	Frankfurt	North	Deutsche Bank / Stadt Frankfurt	37,000	~35
Munich South West	Munich	Periphery-West	Serone Group / Kriton Immobilien	12,600	~30

SELECTED CONSTRUCTION COMPLETIONS Q3 2023

Property	Market	Submarket	Major tenant	m²
Am Tacheles – Gebäude Scape	Berlin	Hackescher Markt - Alexanderplatz	Autodoc, Pfizer, K+L Gates LLP	30,700
BEAM	Berlin	Hackescher Markt - Alexanderplatz	CBRE, Snapchat	20,300
Schönhauser 9	Berlin	Innecity East	Forto	14,500
LEIQ BT 1	Frankfurt	Offenbach-Kaiserlei	Danfoss	11,100

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