



Nalapolo Group

Facts and Figures

Office Investment and Office Lettings Market
Germany 2022





One partner – all services – all asset categories

Learn more about the varied opportunities offered to you by the NAI apollo group and its owner-managed partner companies across Germany. Contact us at any time for a personal discussion about the additional benefits our network can provide. We look forward to hearing from you! We are represented across Germany with offices in Berlin, Frankfurt am Main, Hamburg, Munich, Dusseldorf, Cologne/Bonn, Stuttgart, in the Ruhr area, Mannheim and Ulm. As a partner of NAI Global, we offer our customers access to more than 5,100 real estate specialists in than 300 partner offices worldwide.

Strong partnership – throughout Germany

NAI apollo group is the leading network of independent real estate consultancies in Germany. For more than 30 years our active partners have been successfully advising national and international companies. The service range of our group encompasses sales, lettings, valuation, research, corporate finance, healthcare, investment management and asset management.

NAI apollo group – your partner for Germany

Berlin/Brandenburg – BBI Berlin Brandenburg Immobilien

Hamburg – NAI apollo

Munich – NAI apollo

Frankfurt am Main – NAI apollo

Dusseldorf – imovo

Stuttgart – Immoraum Real Estate Advisors

Cologne/Bonn – Larbig & Mortag Immobilien

Ulm – Objekta Real Estate Solutions

Ruhr Area – CUBION Immobilien

Mannheim – STRATEGPRO Real Estate



NAI APOLLO GROUP – WHO WE ARE

apollo real estate GmbH & Co. KG

For more than 30 years we have been firmly established on the Frankfurt, Hamburg and Munich markets as an owner-managed and independent real estate service provider with a high-performance team. The highest standards of professional ethics are part and parcel of our everyday business, which is always oriented towards the customer and not controlled by cash flow. We are your professional partner for all real estate matters, from purchasing, letting, restructuring and expansion through to management, valuation and sales. Together with our NAI partners we have established excellent networks in all economically strong locations throughout Germany.

Our team covers the entire spectrum of services relating to real estate matters. NAI apollo operates across Germany as part of the NAI apollo group and also functions as the central location of this high-performance network. NAI apollo, which was founded in 1988 and is run today by its owners, has access to over 5,100 real estate specialists worldwide through its role as the exclusive partner of NAI Global in Germany.

BBI Immobilien GmbH

Here at BBI, we are passionate about linking innovative and digital working concepts. Over the last 25 years, BBI has grown into one of the leading property agencies in Berlin. Standing still is not an option for us. We are always looking ahead to the next thing. Owing to the latest technologies and based on our vast experience, we are able to support our customers in every way. Whether you want to buy or sell, we can help you navigate Germany's most important property market. Of course, digitisation is not an end in itself. Rather, we believe it enables us to provide the best possible consulting service that is also completely transparent. Over the years, we have never lost our focus on the most important aspect: the people behind the business; our buyers and sellers. The 35 members of our team are as individual as our national and international clientele. We are happy to assist our customers in an open and approachable way, and always on an equal footing.

CUBION Immobilien AG

For 17 years, we have been offering the traditional range of services in the field of business real estate. Our office letting performance consistently amounts to between 60,000 sqm and 80,000 sqm of office space, and we have become an industry benchmark for this segment as a result. On the sales side, we have established confidential working relationships with (very) wealthy private investors as well as with domestic and foreign investors. Our transaction volume is in the three-digit-million range, and most of our transactions are not publicly announced. We think like entrepreneurs, act ethically and provide robust statements. Our team consists of young performers and industry veterans, which is evidently the right mix for our continued success.

imovo GmbH

“We don't want to do everything differently, just better.” imovo was founded based on this philosophy. In contrast to brokerage companies that are driven by sales in terms of how they work, think and act, our approach is to work on a solutions-oriented basis. When you choose imovo, you gain the support of a strong team that acts as adviser and problem solver on equal terms. You benefit from both our way of working as well as our experience. Our many years of activity on the property market ensure that we are a competent and reliable transaction consultant in the fields of office and showroom letting, investment as well as residential and private real estate. In addition to all of the above, we offer extensive market research services.

Immoraum GmbH Real Estate Advisors

Immoraum GmbH Real Estate Advisors was founded in 2012 and has developed into a leading service provider on the commercial real estate market in Stuttgart. The philosophy of the four founders was to create a real estate consulting company with its own personality and the "extra" of service. Above-average commitment to each individual and his needs prompts our clients to enter into close business partnerships with us. We provide tailor-made solutions for the buying and selling process. Regardless of whether it is a question of market-oriented analyses, excellent preparation of documents, transparent or active approach to potential investors. Our highly qualified and motivated employees work in a team and draw on a wealth of experience and property-specific knowledge. Combined with local expertise, we offer high quality advice and meet the highest standards in both sales and letting.

Larbig & Mortag Immobilien GmbH

Our real estate consultancy work covers the entire value chain of a commercial property in the office lettings segment, commercial investment and retail lettings in secondary locations. Our services extend from market analysis and property valuation through to marketing concepts for existing buildings and new building projects (lettings and sales). Since 2008, our customers have been able to rely on our strengths including market penetration, innovative and targeted consulting, and long-term, personal support. Our structure as an owner-managed consultancy firm ensures that we are able to act locally and independently, and we are now one of the leading real estate consultancies in the Cologne/Bonn/Leverkusen region. We have built up a broad knowledge base through the negotiation of over 1,600 lease contracts, and are more than happy to share this knowledge with our customers.

OBJEKTA Real Estate Solutions GmbH

We are one of the leading real estate service providers in the Stuttgart – Ulm – Augsburg and Lake Constance region with a registered office in Ulm and other branches in Stuttgart / Filder und Göppingen. Our philosophy: individual and performance-based strategies and concepts for owners, investors and users. Our highly qualified and multilingual team offers a mix of experience, market knowledge, creativity and innovative thinking and provides consultancy services in the areas of marketing, the development of building strategies, the optimisation of income, investment and property management.

STRATEGPRO Real Estate Solutions GmbH

We are an owner-managed company specialising in real estate consultancy and brokerage in the Rhine-Neckar metropolitan region. Our focus is on the marketing of commercial property. Our many years of experience on the Mannheim, Heidelberg and Ludwigshafen sub-markets have given us a deep knowledge of the market and a strong network of partners. With our assistance you gain a transparent overview of the market - one of the basic requirements for a correct and successful property strategy. We take a holistic approach to property, putting the focus on you and the agreed strategy. We firmly believe in the statement that "only when the customer succeeds will we also succeed."

WELCOME

Dear ladies and gentlemen, business partners and friends of the NAI apollo group,

After two years of the pandemic, an end to the related restrictions seems to be in sight. But there can be no talk of peace. We have all seen the grim images from Ukraine — the tragic climax of a global political escalation that has been smouldering for years.

Since we don't have a crystal ball, our only option is to look back to 2021 — and this provides some grounds for cautious optimism. In 2021, gross domestic product rose again after the dampening effect of the coronavirus pandemic — and by a strong rate of 2.8 %. According to preliminary calculations, around 45.1 million people were employed in Germany in December 2021. On a seasonally adjusted basis, that's 475,000 more people in employment than in December 2020.

This recovery is also becoming apparent in the office property markets. Particularly at the beginning of the pandemic, the requirement to work from home sparked a heated debate about how much office space will be needed in future, and caused a corresponding level of uncertainty.

Yet in 2021 the investment market saw something of a revival with 8.0 % growth to €29.9 billion, and also the 13 cities in our Partner Report also experienced an upturn. For example, take-up on the offices lettings markets totalled around 3.74 million sqm, representing an increase of 27.5 %. In the secondary cities, growth in this sector was as high as 51.1 %. It is true that the trend toward remote working will not disappear completely. But we are certain that the office as a communications centre will remain important for Germany's economy. Therefore, we expect to see a further increase in demand for space.

In line with the market, the NAI apollo group achieved a 72.8 % increase in lettings to 503,000 sqm, and in investment transac-



tions we again surpassed the billion euro mark. For this achievement we again owe a debt of gratitude to our partners, without whom these good results would not have been possible.

Let us hope that the cautious yet perceptible optimism is maintained, even if new and previously unthinkable developments are currently taking place with the Russian war of aggression against Ukraine, which will also have an impact here in Germany. However, these have not yet been factored into this Partner Report.

If you would like to go into more detail on individual aspects or have general questions, then please do not hesitate to contact us. You can continue to rely on our expertise in this challenging year.

All that remains for us to say is that we hope you find this report an interesting and informative read.

Stay healthy. Stay optimistic.

Andreas Wende FRICS
Managing Director
apollo real estate GmbH & Co. KG

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FACTS & FIGURES

	Berlin	Hamburg	Munich	Frankfurt	Stuttgart	Dusseldorf	Cologne	Bonn	Ulm	Dortmund	Essen	Mannheim	Heidelberg
Population (30.09.2021)	3,667,506	1,853,049	1,490,607	756,932	625,324	618,634	1,071,567	331,807	126,675	586,133	579,629	311,301	157,753
Change to 30.09.2020 (in %)	0.2 %	0.2 %	0.3 %	-1.1 %	-1.0 %	-0.3 %	-1.3 %	0.7 %	0.3 %	-0.2 %	-0.6 %	0.4 %	-0.7 %
Purchasing Power Index (Ø Germany = 100) (2022)	93.1	107.4	130.5	110.7	111.2	115.6	105.3	109.1	110.2	91.0	95.1	98.6	96.4
Change Y-o-Y (in Points)	+0.7	-0.9	-2.3	-0.9	-1.3	-0.4	+0.3	-0.9	+1.0	-0.2	-0.3	-0.5	-0.6
Unemployment Rate (01/2022)	9.1	6.8	4.4	6.1	4.5	7.1	8.8	7.3	3.5	10.9	10.2	6.9	4.6
Change Y-o-Y (in %-Points)	-1.5	-1.3	-0.9	-1.2	-1.1	-1.4	-1.1	-0.7	-1.1	-1.1	-1.2	-0.9	-0.8
Employees subject to Social Insurance Contributions (06/2021)	1,582,539	1,008,635	908,457	603,149	427,401	435,317	591,408	183,450	98,054	250,972	255,006	191,633	94,398
Change Y-o-Y (in %)	2.8 %	1.1 %	1.2 %	0.2 %	1.0 %	1.4 %	2.0 %	2.0 %	3.0 %	1.7 %	0.3 %	1.2 %	3.2 %

Source: Federal Employment Office, GfK GeoMarketing GmbH, State Statistical Offices, NAI apollo group

Economy & Population

Despite the ongoing coronavirus pandemic and the supply and material bottlenecks that emerged during the year, the German economy increased its gross domestic product (GDP) by 2.8 % when adjusted for price and calendar effects in 2021 compared to the previous year, according to calculations by the Federal Statistical Office. Almost all business sectors experienced growth here. Once again, the public sector proved to be the mainstay of economic development. The first quarter was clearly impaired by the lockdown at the turn of 2020/2021, which caused economic output to decline. The two quarters in the middle of the year were boosted by catch-up effects and achieved more significant GDP growth compared to the previous year. In the fourth quarter, the new wave of the pandemic and the related tightening of measures to contain it caused growth rates to flatten again. In line with the economic recovery, the labour market also witnessed growth in 2021. The unemployment rate (annual average; based on all civilian employees) fell again in 2021 along with a noticeable increase in employment. The rate in Germany was 0.2 percentage points below the 2020 level at 5.7 % on average for the year.

The population of Germany has not grown at all in the past two years and stood at around 83.1 million at mid-year 2021. Compared to the beginning of 2021, the population fell by around 26,000 people, after a decline of almost 12,000 inhabitants was recorded during 2020. The key reasons for this development are related to the pandemic. On the one hand, immigration from abroad has fallen sharply, while on the other hand the number of deaths has increased. Net migration remained positive, but in contrast to previous years it was only able to compensate for the natural population decline. As the effects of the pandemic recede, we can expect to see the situation return to more normal levels. For example, immigration has been rising continuously again since May 2021. According to an initial estimate by the Federal Statistical Office, the population will have increased to 83.2 million people again by the end of the year. This would then roughly correspond to the levels seen at the end of 2020 and 2019.

Office Property Market in 2021

	Berlin	Hamburg	Munich	Frankfurt	Stuttgart	Dusseldorf	Cologne	Bonn	Ulm	Dortmund	Essen	Mannheim	Heidelberg
Office Stock (in sqm)	19,450,000	14,100,000	20,900,000	11,495,000	8,200,000	7,350,000	8,200,000	4,000,000	900,000	3,082,000	3,181,000	2,125,000	1,077,000
Change Y-o-Y	↗	↗	↗	↗	↗	↘	↗	↔	↗	↗	↘	↘	↗
Take-Up (in sqm)	841,000	482,000	653,000	449,000	154,000	284,800	300,000	140,900	28,000	169,000	95,000	96,000	51,000
Change Y-o-Y	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗
Prime Rent (in €/sqm)	41.50	32.00	42.00	46.00	25.00	28.50	27.63	22.53	17.50	16.50	16.40	18.90	16.80
Change Y-o-Y	↗	↗	↗	↔	↘	↔	↗	↗	↔	↗	↗	↔	↔
Average Rent (in €/sqm)	27.60	18.20	23.30	22.60	16.00	16.32	14.38	12.99	11.00	11.63	11.42	14.30	14.40
Change Y-o-Y	↘	↗	↗	↘	↘	↗	↗	↗	↗	↗	↗	↗	↔
Vacancy Rate	3.3	3.8	4.3	8.8	3.2	7.6	3.2	1.9	4.2	2.9	7.6	6.1	4.6
Change Y-o-Y	↗	↗	↗	↗	↗	↗	↘	↘	↗	↗	↗	↗	↗
Prime Yield (in %)	2.40	2.60	2.50	2.70	2.80	2.80	2.85	3.45	4.10	3.85	3.80	3.70	3.90
Change Y-o-Y	↘	↘	↘	↘	↘	↘	↘	↘	↘	↘	↘	↘	↘
Transaction Volume Office (in m €)	6,350	2,020	5,800	5,030	1,490	1,360	1,770	n/a	n/a	Ruhr area 980		n/a	n/a
Change Y-o-Y	↗	↘	↗	↘	↗	↘	↗	n/a	n/a	↗	n/a	n/a	n/a

Source: NAI apollo group

OFFICE INVESTMENT GERMANY

A traded volume of €29.9 billion was recorded on the transaction market for office properties in Germany in 2021, which is the fourth best annual result ever recorded. Higher volumes have only previously been registered in 2007, 2018 and 2019. Last year's figure therefore surpasses the previous year (€27.69 billion) by 8 % and almost attains the average of the last five years (2016-2020: €30.04 billion). A year-end rally also took place in 2021, with around €12.4 billion in office investments recorded in the fourth quarter of the year. This result is not only around a third higher than in the same quarter of the previous year (Q4 2020: €9.36 billion), but also represents one of the strongest quarterly performances ever.

Last year's trend, whereby single-asset sales proved to be the main engine of growth, was maintained in the last months of 2021. Overall, single-asset transactions were responsible for around €25.8 billion in the year as a whole, which corresponds to a year-on-year increase of around one fifth. Portfolio transactions, on the other hand, fell by around 30 % year-on-year to €4.1 billion. The market share of portfolios therefore decreased from 21.2 % in 2020 to 13.9 %.

A large number of properties in the "€100m – €500m" and ">€500m" categories fuelled the increase in single-asset deals. The majority of these deals also took place in the top-7-cities, where 80 % or around €23.8 billion of the office transactions took place. The top-7 thereby expanded both their market share and absolute volume.

German investors were also the more active players and increased their invested capital by 20 % compared to the previous year. With a total of around €20 billion euros, they were responsible for more

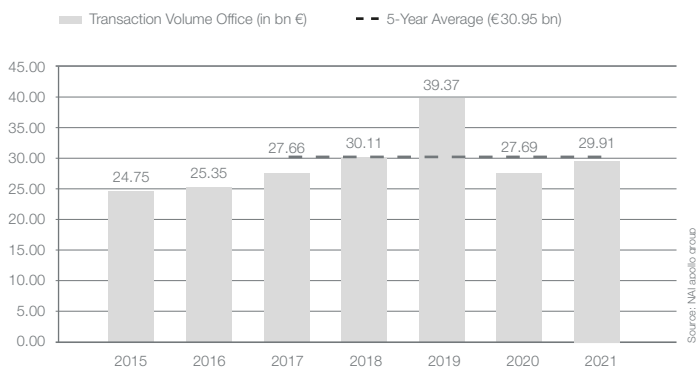
than two-thirds of the transaction volume. Foreign players, on the other hand, invested almost €9.9 billion in German office properties, which was about 8 % less than in the previous year. Leading foreign investor nations include the USA, Luxembourg, Austria, Switzerland, France and Italy.

Among the investor types, "asset / fund managers" and "open-ended funds / special funds" represented the strongest buyer groups, and together were responsible for almost half of the market activity. The allocated capital of "insurances / pension funds" increased significantly, rising by more than 40 % to about €4.8 billion.

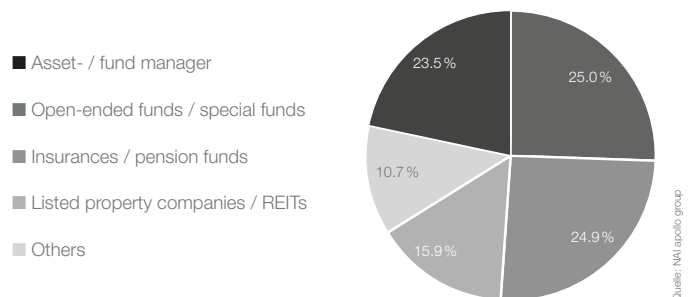
The sustained investor interest in office properties caused the prime yields in the top-7-locations to fall further at the end of 2021. The average of the seven cities is currently only 2.66 %, which means it fell by a further 16 basis points over the course of 2021. Berlin continues to offer the lowest prime yield in Germany at 2.40 %. It is followed by Munich with 2.50 %, Hamburg with 2.60 %, Frankfurt with 2.70 %, Düsseldorf and Stuttgart with 2.80 % each and Cologne with 2.85 %. Prime yields in secondary locations range from 3.45 % in Bonn to 4.10 % in Ulm, which means they have fallen by up to 15 basis points.

The outlook is favourable for 2022 because of the positive sentiment among users as a result of anticipated economic growth, historically low financing conditions, continuing investor demand for the office asset class and a well-filled marketing pipeline. Accordingly, an office investment volume in the range of €25 billion to €30 billion appears achievable again at the present time. At the same time, a further slight reduction in yields is likely in the coming months.

Office Transaction Volume in Germany



Office Transaction Volume by Investor Type 2021



OFFICE LETTINGS & OWNER-OCCUPIERS IN GERMANY

The coronavirus pandemic continued to affect market activity in the office lettings markets in Germany during 2021. Especially at the beginning of 2021, office markets recorded only moderate growth and saw noticeable restraint among users. However, along with the increasing economic recovery, the German office market has been able to partially shake off the effects of the pandemic since the summer. In almost all markets, users have become more willing to rent again. Thus, all the 13 cities with NAI apollo group locations that are considered in this report exhibit positive take-up. In total, take-up of 3.74 million sqm by tenants and owner-occupiers was recorded for 2021. Although this result is slightly below the average of the last 10 years (2011-2020: 3.85 million sqm), it is also almost 28 % above the previous year (2020: 2.94 million sqm). Among other things, a large number of lettings by the public sector helped shore up this market recovery.

In a comparison of the city clusters, the increase in take-up was somewhat weaker within the top-7-locations (Berlin, Hamburg, Munich, Frankfurt am Main, Cologne, Dusseldorf and Stuttgart). Here, take-up was 23.9 % higher compared to 2020 (2.55 million sqm) at 3.16 million sqm. The other six cities, Bonn, Essen, Dortmund, Mannheim, Heidelberg and Ulm, produced a cumulative take-up of around 580,000 sqm, which represents an increase of 51.1 %. An analysis of the individual cities also reveals that take-up growth took place across the board. In Berlin, Munich, Dusseldorf, Stuttgart, Essen and Heidelberg the increase was below 20 %. In Dortmund and Ulm, on the other hand, the volume more than doubled. The other cities achieved take-up growth of 35 % to about 50 %.

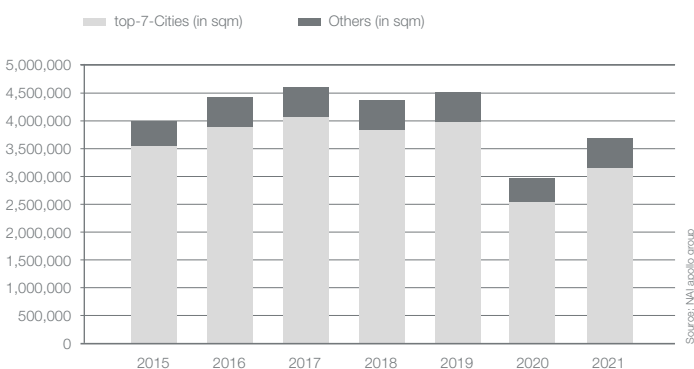
The Bavarian capital Munich (including the surrounding area) remains the largest office market in Germany, with office stock of 20.90 million sqm (gross floor space) at the end of 2021. Ber-

lin (19.45 million sqm), Hamburg (14.10 million sqm), Frankfurt (11.50 million sqm), Cologne and Stuttgart (8.20 million sqm each) and Dusseldorf (7.35 million sqm) rank behind it in terms of gif MF-G. The two cities in the Ruhr region, Essen and Dortmund, have a combined stock of 6.26 million sqm. Bonn has 4.00 million sqm of office space while Mannheim and Heidelberg (Rhine-Neckar) together have 3.20 million sqm and Ulm 0.90 million sqm.

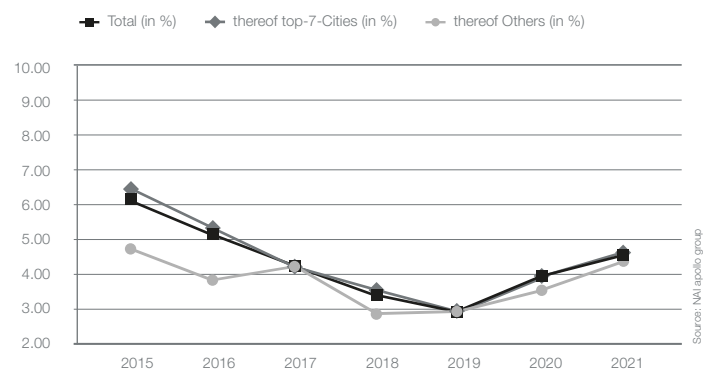
The recovery in the lettings market has been unable to fully compensate for the high increase in space availability in 2021, partly due to the rise in sublet space. The vacancy rate for all markets increased to 4.6 %, which represents the highest value of the last five years and corresponds to absolute vacancies of around 4.80 million sqm (2020: 4.00 million sqm). For the top-7-cities, vacancies amount to 4.17 million sqm or 4.7 % (2020: 3.9 %). For the secondary locations, the vacancy rate has risen to 4.3 % from 3.6 % in the previous year.

Till the start of the war in Ukraine, it could be assumed that office markets in Germany will continue to grow in 2022, boosted by the further economic recovery, the increase in employment and an expected rise in office employees, new workplace requirements based on experiences gained during the pandemic, and a significant increase in searches for space. However, with the outbreak of the war in Ukraine, the conditions may change, which in turn complicates precise forecasts. In the absence of a recession or as is currently expected a slackening of economic growth, the assessment remains, that the majority of office markets will experience a stabilisation or a decline in available space, respectively. Together with this development and also driven by rising construction costs, a moderate increase in rental prices is likely to ensue.

Space take-up in Partner Cities



Vacancy Rates in Partner Cities





**BERLIN
BRANDENBURG
IMMOBILIEN**

**EIN UNTERNEHMEN DER
NAIapollo**

**BERLIN/
BRANDENBURG**



OFFICE INVESTMENT BERLIN

Transaction volume and yields

There was a real run on the Berlin office investment market in 2021, resulting in the second-highest volume ever recorded. Compared to 2020, the volume increased by 12 % to €6.35 billion and far exceeded the average of the last 10 years (2011-2020: €3.41 billion). On the other hand, the figure was almost 16 % below the record result of 2019 (€7.52 billion). The supply shortage prevented another record from being attained. Standout transactions include the “Fürst” project development, which was sold to Aggregate, or the “Victoriastadt Lofts”, purchased by Signa for around €425 million.

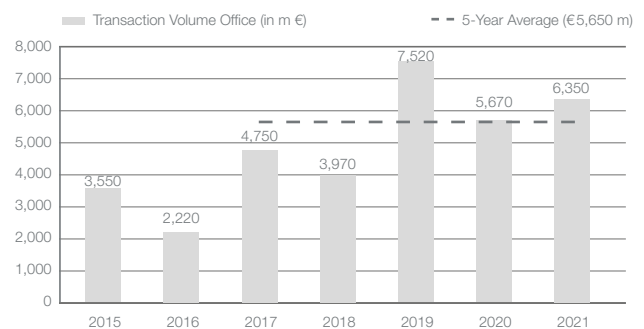
Investors remain extremely interested in Berlin, in part because of the strong growth of the lettings market in combination with a very high proportion of public sector tenants — currently a sought-after category of office users. However, this has further driven up prices for Berlin office properties. Accordingly, the prime yield for Berlin office properties fell by an additional 0.20 percentage points during 2021 to 2.40 %.

Investor type & origin

German players have recently dominated Berlin’s office investment market with a share of almost 53 % or €3.3 billion. Compared to the previous year, this represents an increase of more than a third. Foreign investors were responsible for office investments of €3.10 billion, which is in line with the previous year. In terms of investor types, the most active groups in 2021 were “property companies”, “asset / fund managers”, “open-ended property funds / special funds” and “insurances / pension funds”.

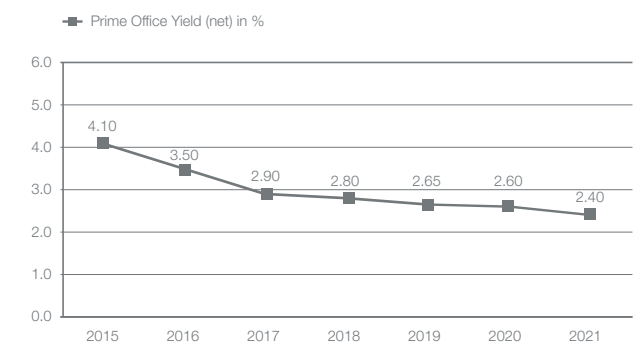
Investor confidence in the Berlin office market remains undiminished, which is also underpinned by its performance. Berlin offices remain at the top of investor shopping lists and this means that demand will continue to outstrip supply in 2022. Yields will fall again as a result. To that effect, the office investment volume in Berlin is again very likely to reach an above-average level in 2022.

Transaction Volume



Source: NAIapollo group

Prime Yield



Source: NAIapollo group

Top 3 Transactions

1. Fürst Berlin
by Aggregate Holdings S.A.
2. Portfolio "Optimum Evolution Funds 2"
by Blackstone
3. Victoriastadt Lofts
by Signa

OFFICE LETTINGS & OWNER-OCCUPIERS BERLIN

Space take-up

The Berlin office market appears to have put the coronavirus pandemic behind it and achieved a marked recovery in 2021. In the year as a whole, space take-up by tenants and owner-occupiers increased 16 % year-on-year to 841,000 sqm (2020: 725,000 sqm). The result was therefore almost back to pre-pandemic levels and also far exceeded the average for the past 10 years (752,000 sqm). The strong year-end rally made a significant contribution to this performance. In the last three months of 2021 alone, take-up amounted to 310,000 sqm.

The main factor behind the positive overall result was the large number of deals above 10,000 sqm. The rental of 34,900 sqm by Deutsche Kreditbank (DKB) in the "Upbeat" project and the lease contracts signed by the Institute for Federal Real Estate (BlmA) in Berlin-Mitte for more than around 21,500 sqm in the former Vattenfall headquarters and over 19,400 sqm in "New Courts" on Gerichtsstrasse were still among the year's biggest deals. As a result, Mitte was by far the strongest sub-market in terms of space take-up. Besides the public sector, which carried out a large number of deals and accounted for a 15.7 % market share, a broad mix of sectors is active in Berlin. For example, "trade", "communications & IT" and "banking, financial services & insurances" all secured double-digit market shares.

Supply & demand

Despite the higher take-up, vacancies also increased because of the large number of completed office projects. In 2021, the vacancy rate grew by 1.0 percentage point compared to 2020 to 3.3 % by the end of the year. The well-filled pipeline of high-quality office space will further boost supply, even though most space is already spoken for by users. Nevertheless, this will help ease the situation in the city centre where space is at a premium.

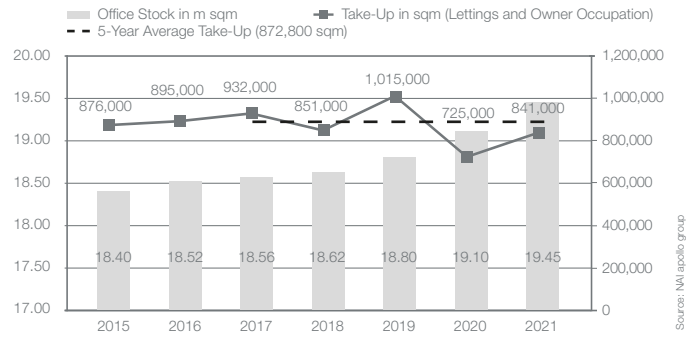
Rents

As a result of lettings in high-quality new offices combined with a shortage of space, the prime rent increased by €1.00/sqm year-on-year and reached a record high of €41.50/sqm. The average rent fell slightly by €0.50/sqm compared to the previous year and now stands at €27.60/sqm. However, there were also signs of an increase during the year. In the third quarter of 2021, the average rent was still only €27.10/sqm. A further increase in lettings in project developments is likely to cause an additional increase in rents.

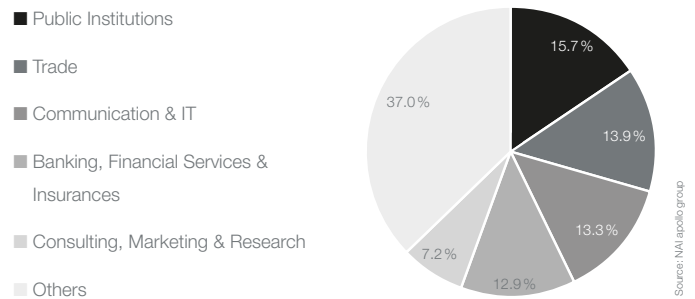
Outlook

The positive office market recovery is expected to continue. Demand for modern and flexible buildings in central locations remains strong, with the tech industry and the public sector remaining very active. The high number of projects under construction is also conducive to meeting the demand for modern space. As a result, we are forecasting office take-up of 850,000 sqm for 2022.

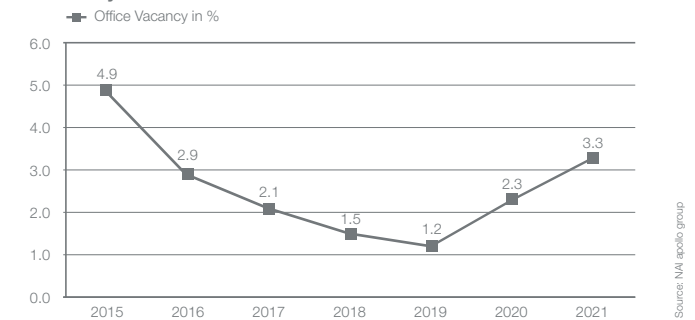
Office Stock & Take-Up



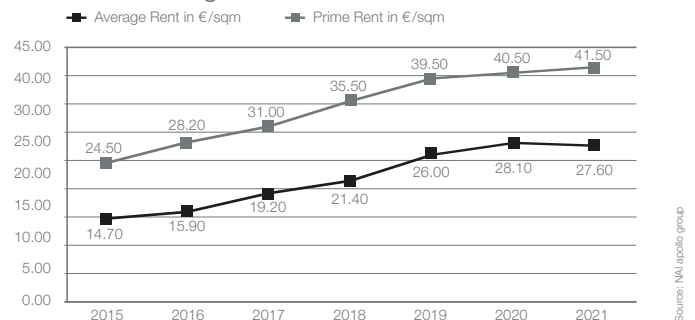
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Upbeat Berlin, Am Nordhafen / Perleberger Straße / Heidestraße by Deutsche Kreditbank AG (DKB) for 34,900 sqm
2. Former Vattenfall HQ, 2-6, Zinnowitzer Straße / Chausseestraße 23 by Federal Real Estate Agency (BlmA) for 21,500 sqm
3. New Courts, 48 - 51, Gerichtstraße by Federal Real Estate Agency (BlmA) for 19,400 sqm



OFFICE INVESTMENT HAMBURG

Transaction volume & yields

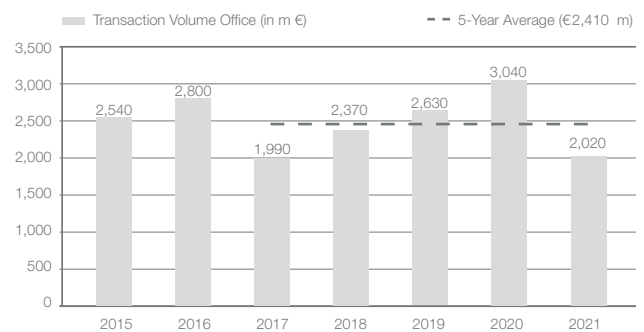
Although the Hamburg office investment market continued to register strong demand in 2021, it was less dynamic than in previous years due to lower product availability. Accordingly, a total volume of €2.02 billion was reported for 2021, which is a third below the previous year's record volume but remains in line with the average of the last 10 years. In 2021, only a fraction of the office portfolio volume of the previous year was recorded, while major deals above €200 million were also absent. The largest transactions included the sales of the Marquard & Bahls headquarters to J.P. Morgan for around €180 million and Multimedia Centre Rotherbaum to Values Real Estate for around €170 million. It was also the case in Hamburg that the very high demand for prime properties coupled with limited availability led to a further decline in prime office yields. The yield fell 20 basis points over 2021 to 2.60 %.

Investor type & origin

In 2021 the Hamburg office investment market was firmly in the hands of German investors, which accounted for 74.7 % or €1.48 billion of the volume. The absolute volume was almost in line with the previous year's level. Investors from the USA, France, Switzerland and the UK were the most active foreign buyers. The dominant investor groups are the "open-ended funds / special funds" and "asset / fund managers", which together accounted for over 80 % of the office investment volume.

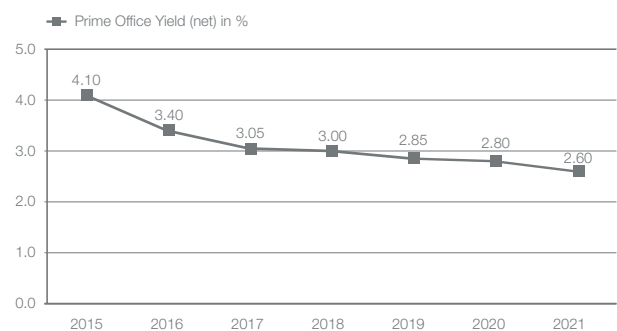
Investor interest in the Hamburg office market remains undiminished. Office market indicators were still robust in 2021. Although a slight increase in vacancies is likely, investor demand is at a significantly higher level in Hamburg. Based on the current marketing pipeline, it is already possible to predict that the office transaction volume will be in the range of the 2021 figure.

Transaction Volume



Source: NAI Apollo group

Prime Yield



Source: NAI Apollo group

Top 3 Transactions

1. Marquard-&Bahls-HQ by J.P. Morgan
2. Multimedia Centre Rotherbaum by Values Real Estate
3. Generali, 101, Norderstraße by B&L Gruppe

OFFICE LETTINGS & OWNER-OCCUPIERS HAMBURG

Space take-up

The Hamburg office lettings market was extremely active throughout 2021. In the year as a whole, office take-up by tenants and owner-occupiers totalled 482,000 sqm, which was almost 43 % higher than the previous year (2020: 338,000 sqm) and around 6 % below the average for the last 10 years (2011-2020: 510,700 sqm). It was once again demonstrated that the office market benefits from a broad user base in Hamburg.

The market recovery was driven partly by a noticeable increase in deals for small offices and partly by the resurgence of deals above 10,000 sqm. The latter cluster registered take-up of over 100,000 sqm from seven deals. The largest rental contracts in 2021 were signed by Berenberg Bank with 19,200 sqm, the City of Hamburg with 17,600 sqm and the Techniker Krankenkasse with 14,800 sqm (owner-occupier project), among others. Accordingly, "banking, financial services & insurance companies" were ranked in first place with 12.1 % of take-up, ahead of "traffic, transport & logistics" with 11.2 % and "public institutions" with 8.0 %.

Overall, in Hamburg, as in most other office markets, occupiers' demands for quality and flexibility of space have increased, partly as a result of the Corona pandemic. The office is increasingly being positioned as a location to meet and exchange ideas. This trend is reflected by the pooling and centralisation of office space by large corporates in the Hanseatic city.

Supply & Demand

The rise in office vacancies in Hamburg slowed over the course of 2021. At the end of the year, short-term vacancies stood at around 540,000 sqm, bringing the vacancy rate to 3.8 %. Compared to 2020, space availability has increased by about 81,000 sqm or 0.5 percentage points due in part to an increase in sublet offers. Since the development pipeline is well filled for the next two years and a large number of the planned spaces are still vacant, vacancies are expected to increase further in the medium term.

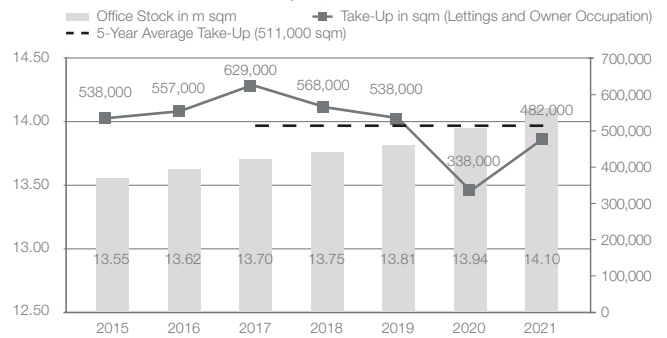
Rents

Rental prices reflect the heightened user focus on modern and more centrally located office space, combined with a greater requirement for flexibility and sustainability. The average rent, for example, has now risen to €18.20/sqm. Compared to the previous year, this represents an increase of 4.6 % or €0.80/sqm. The prime rent reached a new high of €32.00/sqm at the end of 2021, which is 4.9 % above the 2020 figure (€30.50/sqm). As more office space becomes available, rents are expected to stabilise in the medium term.

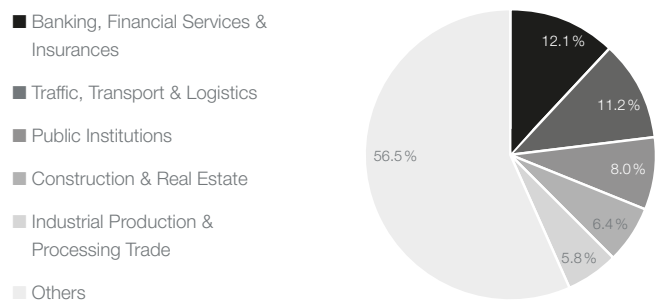
Outlook

As the economic recovery takes hold, market sentiment in Hamburg has also improved further. This is reflected by the high number of searches, including those for large office spaces. Many companies prefer modern and centrally located offices as new workplace models and office space requirements evolve. As a result, take-up of more than 500,000 sqm is a realistic target for 2022 as a whole.

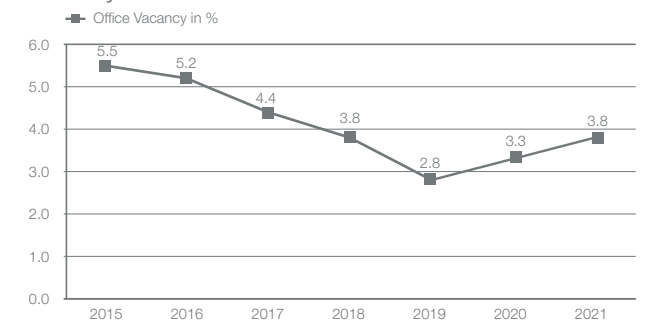
Office Stock & Take-Up



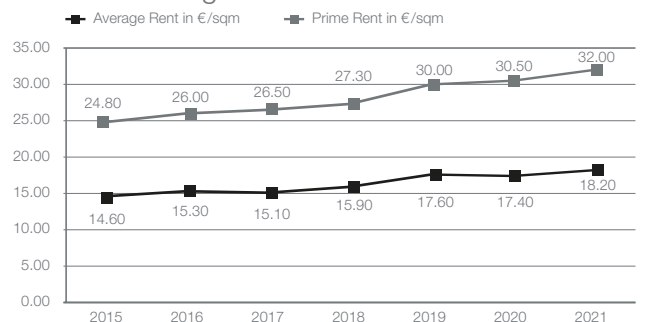
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Ipanema, 30, Überseering / Sydneystraße by Berenberg Bank for 19,200 sqm
2. Michaelis-Quartier, 11-17, Ludwig-Erhard-Straße / Gerstäckerstraße by City of Hamburg (Public prosecution) for 17,600 sqm
3. Extension TKK, 160, Bramfelder Straße by Techniker Krankenkasse for 14,800 sqm



OFFICE INVESTMENT MUNICH

Transaction volume & yield

The Munich office investment market registered an extremely positive performance in 2021. As a result of a large number of major deals, investments were well above average at €5.80 billion and exceeded the previous year by almost 90 % and the average of the last ten years (2011-2020: €3.79 billion) by more than 50 %. An expanded supply base was able to meet the high demand. Notable transactions included the “Highlight Towers”, which was sold for €700 million to Imfarr and SN Holding. Union Investment was responsible for two of the largest deals, buying “MediaWorks Munich” together with Hines for about €650 million and the “PANDION Soul” for about €600 million.

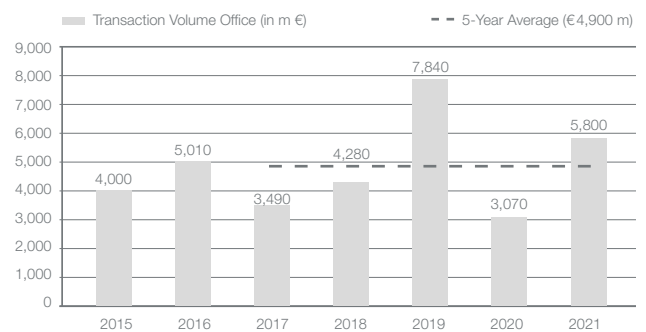
The Munich office lettings market remains in a very healthy state and is still one of the preferred targets of both German and foreign investors. Demand is consequently at a high level. This was reflected by a further reduction in the yield by 15 basis points over 2021. At the end of the year, the office prime yield in Munich stood at 2.50 %. In 2022, this trend is likely to continue, albeit at a slower pace.

Investor type & origin

German investors dominated the Munich office transaction market and accounted for two-thirds of the capital invested, which means they were able to increase by more than €1.5 billion compared to the previous year. However, office investments by foreign investors grew twice as much (+150 %) as those by domestic players. Among the investor types, “open-ended funds / special funds” and “asset / fund managers” accounted for a combined 66 % of the volume.

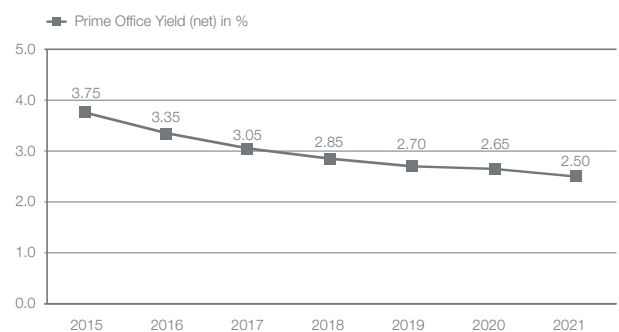
The Munich office investment market will remain vibrant in 2022 because of the broad user base. Products will not struggle to find new owners. In this respect, an above-average office investment volume can also be forecast for 2022.

Transaction Volume



Source: NAI Apollo group, including surrounding Communities

Prime Yield



Source: NAI Apollo group

Top 3 Transactions

1. Highlight Towers
by Imfarr / SN Holding
2. MediaWorks Munich
by Union Investment / Hines
3. PANDION Soul
by Union Investment

OFFICE LETTINGS & OWNER-OCCUPIERS MUNICH

Space take-up

The Munich office market was characterised by a positive development in 2021, primarily owing to a particularly strong second half. In the year as a whole, take-up by tenants and owner-occupiers amounted to 653,000 sqm. The figure was 16.2 % above the year-ago level but 12.3 % below the average for the past 10 years.

This development was particularly driven by small to medium-sized lettings, which accounted for almost 50 % of take-up. In addition, users continued to focus on central locations. As a result, the Munich centre sub-market accounted for the highest take-up. In 2021, only five new lettings for more than 10,000 sqm were registered. Here, the largest deals included the rental of over 45,000 sqm by the German Patent Office in Pandion Soul, the signing of a lease by Wacker Chemie in Gisela-Stein-Straße for 17,800 sqm and the rental of 11,900 sqm by Versicherungskammer Bayern in the “Micro City” property in Unterschleißheim. In terms of the distribution of take-up by sector, “industrial production & processing trade” came out on top in 2021 with a share of 18.0 %, followed by “communications & IT” companies with 16.8 % and “public institutions” with 12.9 %.

Supply & demand

Vacancies on the Munich office market increased further during 2021. The vacancy rate stood at 4.3 % at the end of the year and was 0.9 percentage points higher compared to the previous year. In addition to the high completions volume, the main reason for the increase was the disproportionate rise in vacancies on the outskirts of the city. In the more central sub-markets, on the other hand, space remains in short supply. Currently, around 1 million sqm of office space is under construction, of which slightly more than half is still available. This will help ease the tight supply situation in the central submarkets.

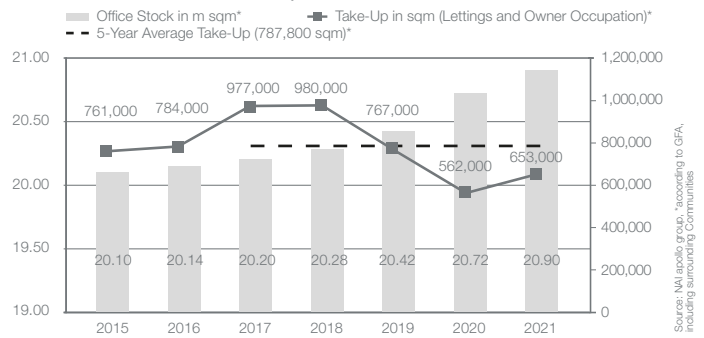
Rents

Munich office rents have picked up considerably owing to a large number of deals in new office space and projects. As of Q4 2021, the average rent stood at €23.30/sqm, which corresponds to an increase of €1.90/sqm within 12 months. Compared to the previous year, the prime rent increased by €2.50/sqm in absolute terms to €42.00/sqm. More contract signings in new projects, combined with the shortage of modern space and strong demand, are expected to further drive up prime rents.

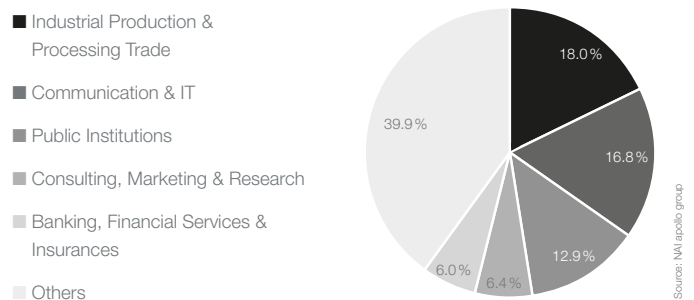
Outlook

The Munich office market is characterised by growing demand for office space as a result of the economic recovery. As a consequence, we should see the lettings market begin to make up lost ground, also aided by the increase in construction activity. In addition, rents are likely to rise further. For 2022, office space take-up in the region of 700,000 sqm currently appears to be a realistic forecast.

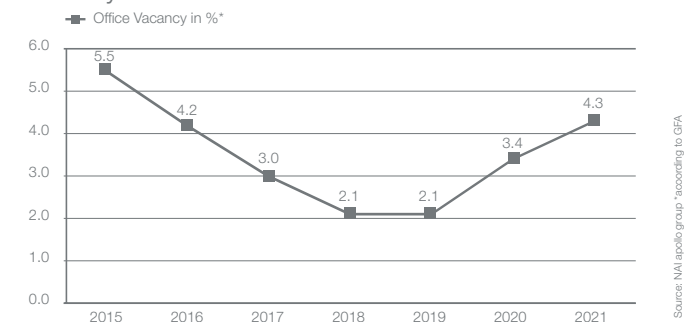
Office Stock & Take-Up



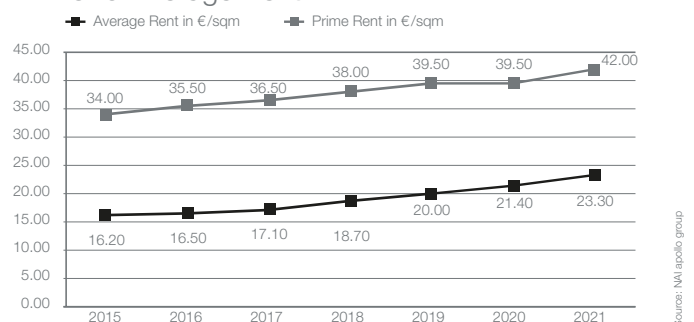
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Pandion Soul, 23-29, Anzinger Straße by German Patent and Trade Mark Office for 44,700 sqm
2. HQ Wacker Chemie, Speicherstraße, 4, Gisela-Stein-Straße by Wacker Chemie for 17,800 sqm
3. Micro City, 1, Konrad-Zuse-Straße Unterschleißheim by Versicherungskammer Bayern for 11,900 sqm



OFFICE INVESTMENT FRANKFURT

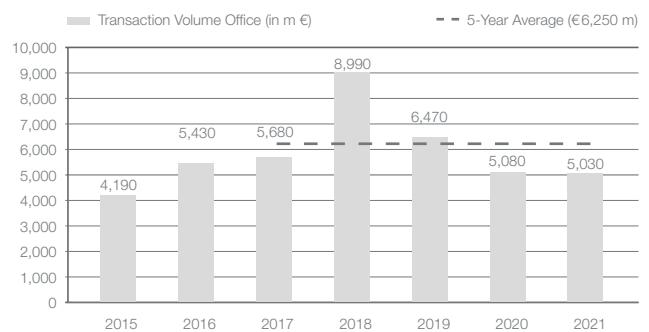
Transaction volume & yields

The Frankfurt office investment market registered positive transaction activity in 2021, but as in the previous year fell short of expectations. While the 2021 figure ranks well above the average of the past 10 years at €5.03 billion, it lags behind the very strong years of 2017 to 2019. The market still lacks big-ticket deals, although this is primarily determined by supply. Although the around €1.4 billion paid for “Four-T1” by Allianz and Bayerische Versorgungskammer was the highest price ever recorded for a single property, large transactions were scarce. Apart from “Four-T1”, only one other transaction stands out: the “Skyper”. This was sold to Ampega Asset Management for around €550 million. All other deals achieved significantly lower purchase prices. The strong investor focus on core properties caused the Frankfurt prime yield to fall further in 2021. At the end of 2021, the rate stood at 2.70 % for Frankfurt office properties, indicating that the prime yield fell by 10 basis points over the 12-month period.

Investor type and origin

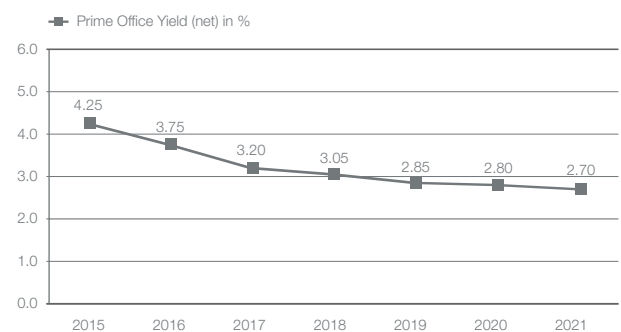
The Frankfurt office investment market was dominated by German investors in 2021. Local players invested well above €4.0 billion and thus came more to the table compared to the previous year. The two major transactions certainly made an important contribution here. Among the foreign investor nations, France and Switzerland stand out. In terms of the types of investors that were most active, the top positions in 2021 were occupied by “insurances / pension funds” as a result of the biggest deal, as well as “project developers / contractors”, which among other things secured some refurbishment properties in the CBD. Investor interest in Frankfurt office properties remains strong. Although some large properties are being marketed, the current pipeline can be described as moderate, which is holding back transaction activity. As a result, a slightly below-average result is forecast for the Frankfurt office transaction market in 2022 at the present time.

Transaction Volume



Source: NAI apollo group, including Eschborn and OF-Kaiserslautern

Prime Yield



Source: NAI apollo group

Top 3 Transactions

1. Four - T1
by Allianz / Bayerische Versorgungskammer
2. Skyper
by Ampega Asset Management
3. Sparda-Bank Tower
by Sparda-Bank

OFFICE LETTINGS & OWNER-OCCUPIERS FRANKFURT

Space take-up

The Frankfurt office market, including Eschborn and Offenbach-Kaiserlei, experienced a veritable year-end rally in 2021 that surpassed the already positive development of the previous quarters. Over the year as a whole, the Frankfurt office market registered take-up of 449,000 sqm, which is only around 9 % below the ten-year average (2011-2020: approx. 494,000 sqm) and 36 % above the 2020 level (329,200 sqm). The positive year-end result is largely attributable to the return of large deals to the market. In the 10,000-sqm-plus segment, for example, a total of seven deals generated a volume of around 110,000 sqm. The largest deals in 2021 included the rentals of 21,400 sqm of office space by the Federal Real Estate Agency (BlmA) for the Federal Office of Economics and Export Control in the first construction phase of "Börsenplatz Eschborn", around 20,000 sqm by Nestlé in the "Kreisler" project, and around 15,400 sqm by Worldline Global in the Atricom.

In terms of the different industry sectors, "banking, financial services & insurances" were ranked in first place in 2021 with a 20.4 % share, followed by "public institutions" with 16.7 %. Among the sub-markets, the Niederrad Lyoner Quartier generated the highest take-up of 58,200 sqm owing to three large lettings above 10,000 sqm and a number of deals in the mid-sized segment. The otherwise dominant banking district was only just behind with 58,000 sqm.

Supply & demand

As of 31 December 2021, market-active vacancies on the Frankfurt office market amounted to around 1.017 million sqm, which equated to an increased vacancy rate of 8.8 %. Compared to the end of 2020, vacancies grew by 203,000 sqm or 1.7 percentage points. In 2021 as a whole, around 193,200 sqm of new office space was completed in Frankfurt, of which more than 80 % has already been allocated. As things stand, around 170,000 sqm of new space is expected to come onto the market in 2022 with a current pre-letting quota in excess of 60 %.

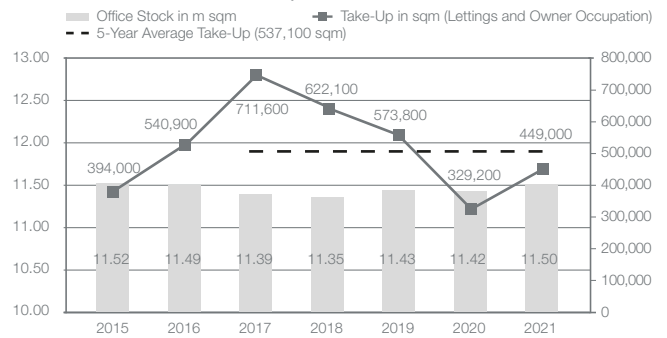
Rents

As a result of major deals in the office centres, the average rent on the Frankfurt office space market fell by €0.20/sqm to €22.60/sqm during 2021. The prime rent, on the other hand, has remained stable at €46.00/sqm. With expected lettings in new, centrally located projects, the prime rent is likely to increase again slightly in the coming months.

Outlook

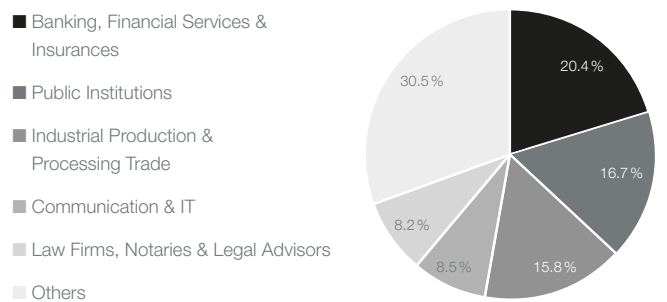
There are signs of a further recovery on the Frankfurt office market in 2022. Companies are more confident about the future and have recently shown themselves to be more willing to rent office space. Accordingly, a further increase in take-up is quite possible with a simultaneous reduction in vacancies.

Office Stock & Take-Up



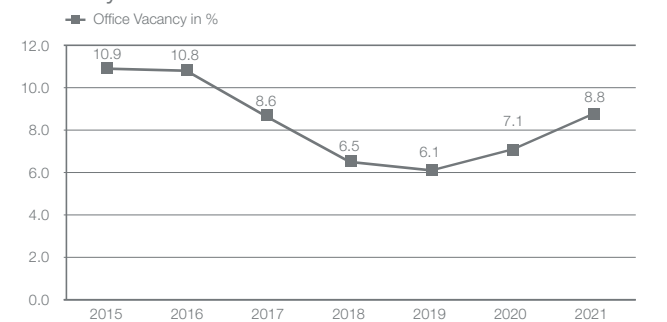
Sources: NAI apollo group, including Eschborn and Off-Kaiserlei

Take-Up by Industry



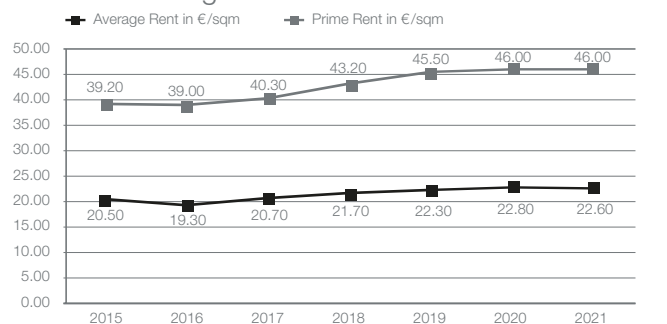
Sources: NAI apollo group

Vacancy Rate



Sources: NAI apollo group

Prime- & Average Rent



Sources: NAI apollo group

Top 3 Take-Up

- 1st CP Börsenplatz Eschborn, 26-36, Mergenthalerallee Eschborn by Federal Real Estate Agency (BlmA) for 21,400 sqm
- Kreisler, 46-48, Baseler Straße / 80-82, Gutleutstraße by Nestlé for 20,000 sqm
- Atricom, 15, Lyoner Straße by Worldline Global for 15,400 sqm



OFFICE INVESTMENT STUTTGART

Transaction volume & yields

The Stuttgart office investment market achieved a new record as a result of a year-end rally. The €1.49 billion that was recorded represents almost a doubling of the volume both compared to the previous year and to the average of the last 10 years. A number of major deals fuelled the strong performance including the “Office Campus Stuttgart”, which HanseMerkur bought for around €370 million, and the “Degerloch Office Center”, which a new owner acquired for a three-digit million amount. The third largest deal was carried out by Corestate with “Vision One” at a price of about €160 million.

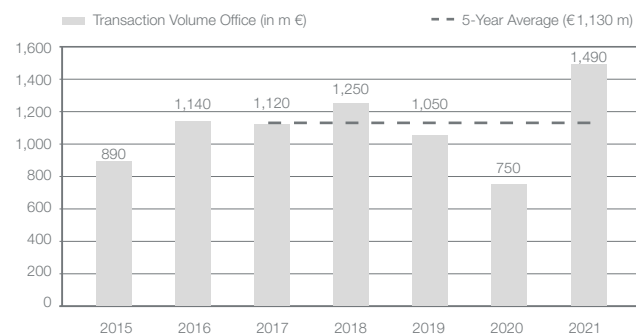
The high demand for prime properties in the top-7-cities is also evident in Stuttgart. The strong investor interest in properties in good locations with a long-term secured cash flow has driven up prices to new levels. Accordingly, the prime yield for office properties in Stuttgart fell by 15 basis points to 2.80 % in 2021.

Investor type & origin

Office investment activity in the Stuttgart market was largely dominated by German investors. This is in line with the situation in the other top-7-cities. The most active foreign investor nations include the UK. The distribution by investor type is somewhat more homogeneous. The three strongest investor groups, “insurances / pension funds”, “asset / fund managers” and “open-ended funds / special funds”, account for around 89 % of the transaction volume.

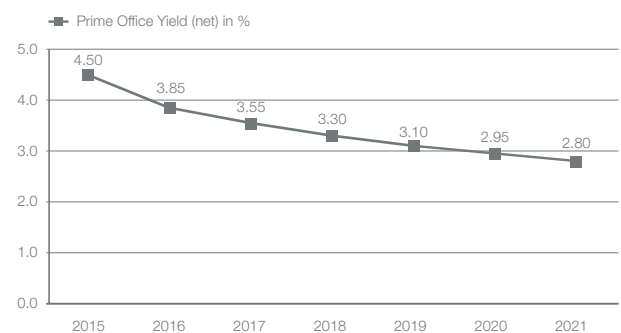
The robust KPIs for the Stuttgart office market and the continuing high demand for office assets also point to strong investment activity in 2022. Although the record figure from 2021 is unlikely to be repeated, an office transaction volume in the region of €1,25 billion currently appears achievable.

Transaction Volume



Source: NAI Apollo group

Prime Yield



Source: NAI Apollo group

Top 3 Transactions

1. Office Campus Stuttgart, by HanseMerkur Grundvermögen AG
2. Degerloch Office Center by Union Investment
3. Vision One, Leinfelden-Echterdingen by Corestate

OFFICE LETTINGS & OWNER-OCCUPIERS STUTTGART

Space take-up

Office users remained broadly cautious on the Stuttgart office market in 2021. Take-up by tenants and owner-occupiers totalled 154,000 sqm, which represents a slight increase of 6.2 % from the weak result in the previous year (2020: 145,000 sqm). The slight increase was largely owed to a good final quarter, in which the highest three-month result of the last two years was achieved with 66,000 sqm.

The fact that market activity remains at a moderate level is again mainly owing to the absence of large deals over 5,000 sqm, of which only four were concluded in the whole year. On the one hand, this reflects the hesitancy of companies because of the pandemic, combined with the structural change in industry. On the other hand, there is an insufficient supply of modern large spaces to meet demand. Accordingly, the lettings market in 2021 was primarily driven by a large number of small office lettings. The largest deal of the year was recorded in the final quarter with the rental of 11,100 sqm on the Urbanic Campus by BlmA. This was followed by the 9,500 sqm extension (Z4) of office space on the Züblin Campus by Züblin.

The bigger deals also influenced how take-up was distributed among the different industries. For example, "public institutions" were responsible for the biggest share of take-up with 22.7 %, followed by the "construction & real estate" with 15.6 % and "consulting, marketing & research" with 12.3 %.

Supply & demand

Vacancies on the Stuttgart office market continued to increase at a moderate rate owing to the modest rise in take-up. The vacancy rate at the end of 2021 stood at 3.2 % and was 0.2 percentage points higher than in 2020. In the next two years, around 275,000 sqm of office space will be completed, of which more than half has already been let. Since most project developments are on the city outskirts, a further increase in the availability of space is to be expected here.

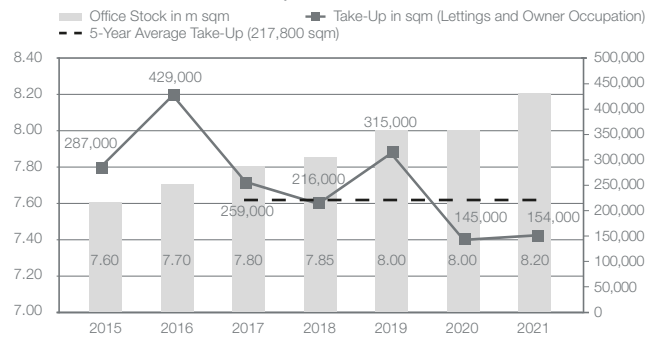
Rents

As a result of the shortage of space in the city centre, more deals took place on the outskirts of the city. Accordingly, rents fell slightly in 2021. Both the average rent and the prime rent fell by €0.50/sqm to €16.00/sqm and €25.00/sqm respectively during 2021. However, higher rents are still sometimes paid for offices in the city centre. Potential tenants for premium space continue to show a high willingness to pay.

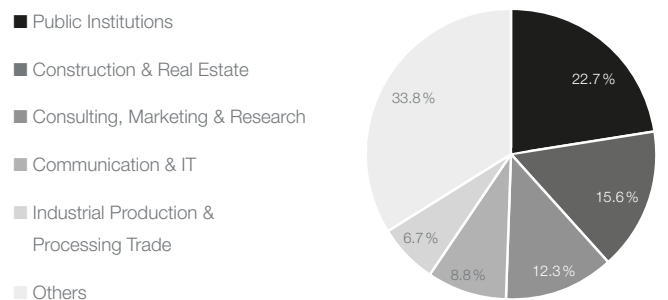
Outlook

The strong lettings activity for small offices in Stuttgart is regarded as a positive sign for the future. As the economy continues to recover, and office users resume relocation plans, large corporates will also be more willing to rent space and hence spur market activity. This dynamic, combined with the continuing shortage of high-quality space, should be reflected by rising rents. It is therefore estimated that take-up in the region of 200,000 sqm could be achievable for 2022.

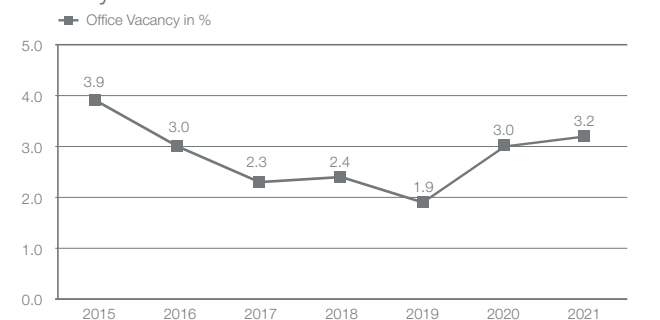
Office Stock & Take-Up



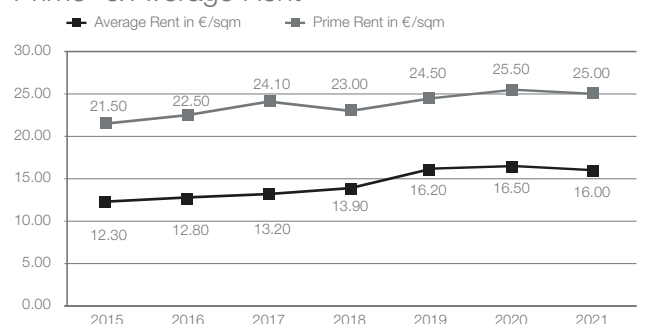
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Urbanic Campus, Schwieberdinger Straße by Federal Real Estate Agency (BlmA) for 11,100 sqm
1. Z4 - Züblin Campus, 10, Albstadtweg by Ed. Züblin AG for 9,500 sqm
2. Am Wallgraben 119 by Internationaler Bund for 8,000 sqm



OFFICE INVESTMENT DUSSELDORF

Transaction volume & yields

Activity on the Dusseldorf office investment market was very restrained in 2021, although the situation improved in the final quarter. The invested capital of €1.36 billion was around 50 % below the previous year's record volume (2020: €2.79 billion). Several factors prevented a higher transaction volume from being achieved: a noticeably lower proportion of portfolios, fewer deals overall and no deals above €200 million. It was also the case in Dusseldorf that a bigger supply would have found buyers because of the high demand. The most striking deals included the sale of the former HSBC Bank headquarter with 20,000 sqm at 21, Königsallee in Dusseldorf to a joint venture of Momeni, Wirtgen Invest and Black Horse Investments. The "Smart Office" property at Dusseldorf Airport was purchased by HanseMerkur Grundvermögen for approximately €110 million. Other sales in excess of €100 million euros were not recorded.

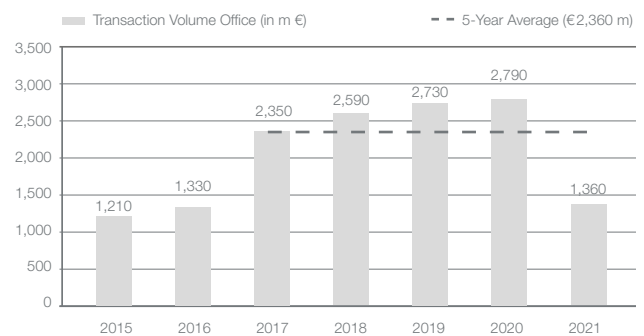
The widespread investor interest in Dusseldorf office properties, coupled with the limited product availability, caused the prime yield to fall further in 2021. At the end of 2021, the rate stood at 2.80 %, down 0.20 percentage points from the previous year.

Investor type & origin

In 2021, Dusseldorf's office transaction activity was once again dominated by German investors, with a share of almost 76 %. No fewer than five investor groups invested amounts in the triple-digit million range. These included "open-ended funds / special funds", "project developers / contractors" as well as "asset / fund managers" and "insurances / pension funds".

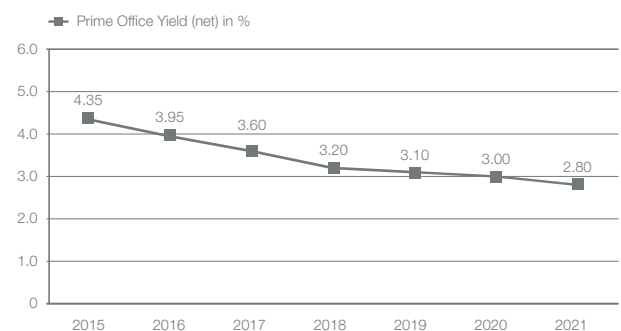
The Dusseldorf office market remains an attractive market for investors. There is a clear trend towards prime locations as well as properties occupied by tenants with strong credit ratings, such as the public sector. The office investment market is likely to pick up momentum again in 2022 and is on track to exceed last year's transaction volume.

Transaction Volume



Source: IMI, Apollo group

Prime Yield



Source: IMI, Apollo group

Top 3 Transactions

1. Former HSBC-HQ by Momeni / Wirtgen Invest / Black Horse Investments
2. Smart Office by HanseMerkur Grundvermögen
3. Toniq I by DIC Asset AG

OFFICE LETTINGS & OWNER-OCCUPIERS DUSSELDORF

Space take-up

The Dusseldorf office market is gradually recovering and achieved a satisfactory result last year. In 2021, office take-up by tenants and owner-occupiers amounted to 284,800 sqm in total, up 19 % compared to the previous year (2020: 239,000 sqm). However, the effects of the coronavirus pandemic are still evident. For example, the 2021 result was 15 % below the 10-year average. More encouraging was the fact that the number of signed leases increased by 50 % year-on-year to 455 contract signings.

Offices up to 1,000 sqm in size proved particularly popular. For example, take-up of units smaller than 500 sqm increased 82 % to 83,400 sqm compared to the previous year. Larger companies are still tending to hold back and both the number and volume of deals for units bigger than 5,000 sqm fell below 2020 levels. The largest deals of the year were the rental of 12,600 sqm by the BlmA for the main customs office in "TONIQ I" and the start of owner-occupier projects by AOK Rheinland/Hamburg, which is building "TONIQ II" with around 26,000 sqm, and Alltours with the construction of its new 10,600 sqm headquarters at 2 Mannesmannufer. Among the different sectors, "health care" accounted for the biggest market share of 15.7 % because of the start of the AOK project, followed by "services" (15.0 %) and "trade" (8.8 %).

Supply & demand

The vacancy rate in the Dusseldorf city area stood at 7.6 % by the end of 2021 and increased by 0.5 percentage points over the year. However, the situation varies considerably depending on the location. Central areas have a shortage of high-quality and flexible space. In the CBD, the vacancy rate is only half that of the entire market. In contrast, more peripheral locations offer a much bigger supply of space.

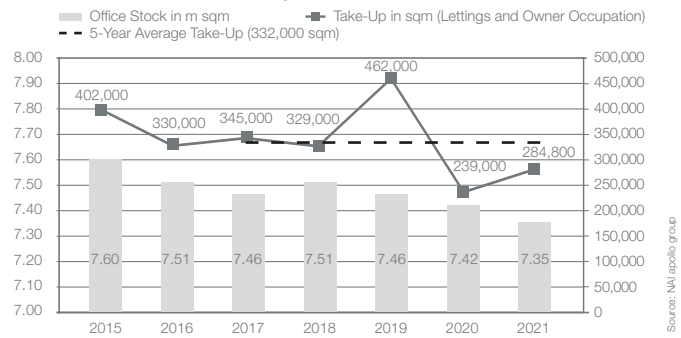
Rents

In 2021 the prime rent in Dusseldorf was unchanged compared to the previous year's level and remained at a consistently high level of €28.50/sqm. As before, prime rents are attained in the König-sallee/banking district sub-market. The average rent increased by €0.60/sqm to €16.32/sqm compared to the prior year owing to more lettings of high-value, smaller spaces.

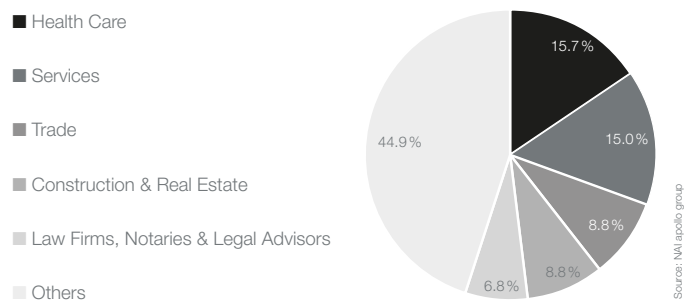
Outlook

The higher demand and increased lettings activity, especially in the small office segment, signal that the Dusseldorf office market will be able to maintain its momentum. However, large companies remain cautious and are currently more likely to reduce the amount of office space they use. Based on these factors, we expect to see reasonably solid take-up of up to 300,000 sqm.

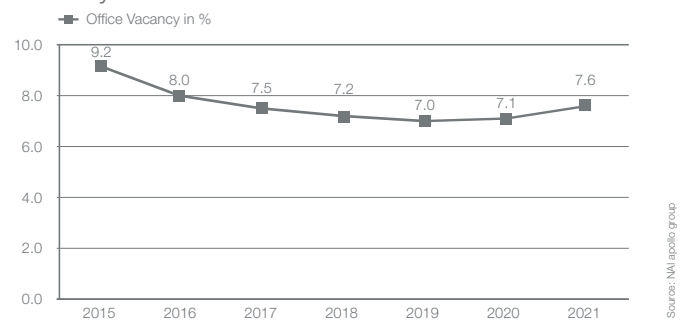
Office Stock & Take-Up



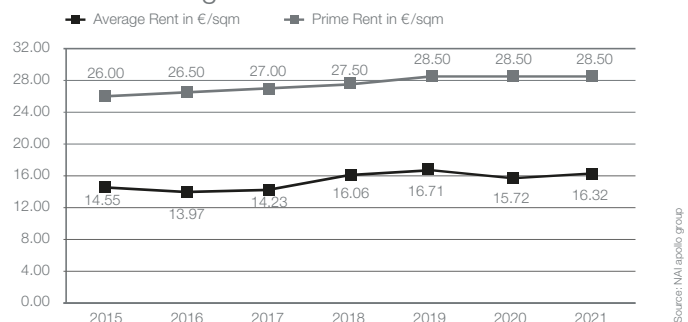
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. TONIQ II by AOK Rheinland / Hamburg (owner-occupier) for 26,000 sqm
2. TONIQ I by Federal Real Estate Agency (BlmA) for 12,600 sqm
3. Alltours-HQ Mannesmannufer by Alltours (owner-occupier) for 10,600 sqm



OFFICE INVESTMENT COLOGNE/BONN

Transaction volume & yield

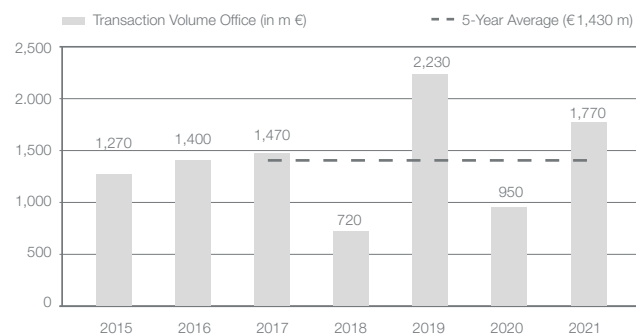
The office investment market in Cologne produced a remarkable result in 2021. Although the office transaction volume of €1.77 billion was significantly below the record of 2019 (€2.23 billion), it is nevertheless the second-best result ever recorded. It even exceeded the volume from the previous year by 90 %, and the average of the last 10 years by almost 80 %. This outcome was largely owing to a phenomenal year-end rally with several deals in the triple-digit million range. The acquisition of a former Oppenheim fund played a significant role in generating this record result. This was sold to RFR Holding for more than €600 million and includes parts of the trade fair, the Rheinpark and the Rheinhallen in Cologne-Deutz. In addition, US financial investor TPG Real Estate Partners sold its portfolio in the Technology Park in Cologne-Braunsfeld to DIC Asset AG (Forum, Neues TechnologieZentrum, Office Center) for around €267 million. The strong focus of investors on the top-7-cities and thereby also on Cologne, combined with unchanged excess demand, also caused yields to fall further in the cathedral city. At the end of 2021, the prime yield for office properties stood at 2.85 %, 15 basis points lower than 12 months earlier.

Investor type & origin

“Asset / fund managers” went on something of a shopping spree in Cologne during 2021. As buyers, they represented almost half of the total commercial transaction volume. In terms of investor origin, the investment market was almost equally divided between German and international investors.

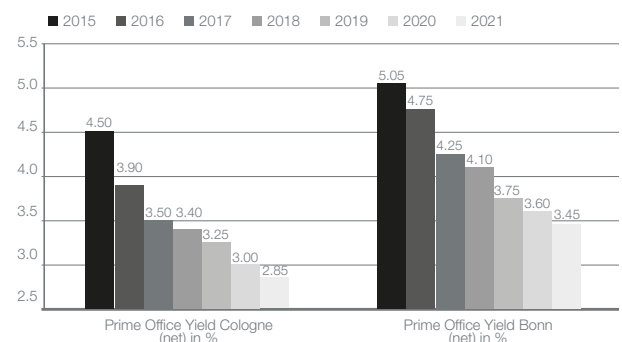
The outlook appears positive for the Cologne office investment market this year. With demand remaining at a high level, especially in the core product segment, there is little to stand in the way of 2022 also being a successful year. Accordingly, growth can be expected and the office investment volume in 2022 should be above the five-year average.

Transaction Volume



Source: NAI Apollo group

Prime Yield



Source: NAI Apollo group

Top 3 Transactions

1. Fund shares: Messe (trade fair), Rheinpark & Rheinhallen by RFR Holding
2. Partial sale TechnologiePark-Portfolio by DIC Asset AG
3. Cäcilium by Union Investment

OFFICE LETTINGS & OWNER-OCCUPIERS COLOGNE

Space take-up

The Cologne office market made an unexpected return to form in 2021. In the year as a whole, total take-up by tenants and owner-occupiers amounted to 300,000 sqm, which not only exceeded the previous year's figure by almost 40 % but also surpassed the average for the past 10 years (2011-2021: 290,600 sqm). This result is largely owing to lease contracts signed by the "public sector", which accounted for a 36 % share. This sector also carried out five lettings above 10,000 sqm, which alone contributed 82,500 sqm to the overall take-up. Another large deal concerned the start of a 12,800 sqm owner-occupier project by the Association of Statutory Health Insurance Physicians. In addition to the noticeable recovery in large deals — there were only three lettings here in the previous year — smaller office lettings also picked up again. The number of contract signings in the 2,000 sqm-5,000 sqm segment increased from eight deals covering 28,400 sqm in the previous year to 15 lettings covering 53,000 sqm. However, this should not blind us to the fact that searches by the private sector for large offices remain scarce on the Cologne office market.

Supply & demand

After rising consistently because of the coronavirus pandemic and the measures taken to contain it, vacancies on the Cologne office market are decreasing again because of the strong letting activity. The vacancy rate fell for the first time in one and a half years and stood at 3.2 % by the end of 2021, equating to 262,000 sqm of office vacancies. Compared to the previous year the rate was 0.4 percentage points lower. The decline in the vacancy rate could lead to excess demand or an extremely limited supply in some parts of Cologne, such as the Innenstadt or city centre. It should also be noted here that searches in Cologne for offices larger than 5,000 sqm are met with a very limited supply of space that is available at short notice.

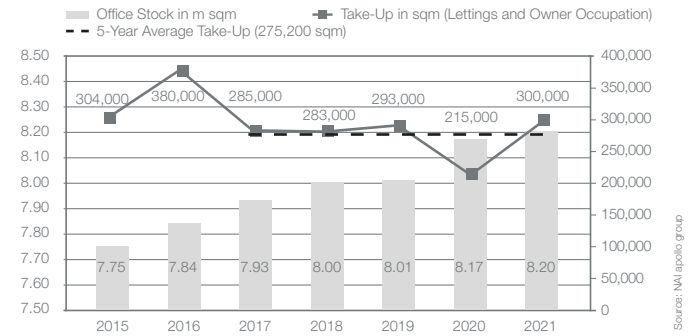
Rents

Rents in all areas climbed to record levels at the end of 2021. The average rent exceeded €14.00/sqm for the first time after rising to €14.38/sqm and was 8.0 % above the previous year's level. The prime rent also reached a new all-time high of €27.63/sqm, exceeding the previous record of €27.14/sqm that was achieved in 2019. High-priced lettings in the area of Rudolfplatz and Kaiser-Wilhelm-Ring particularly contributed towards this positive development. The higher rental prices are also partly attributable to increased building and material costs, which drove up prices in new developments.

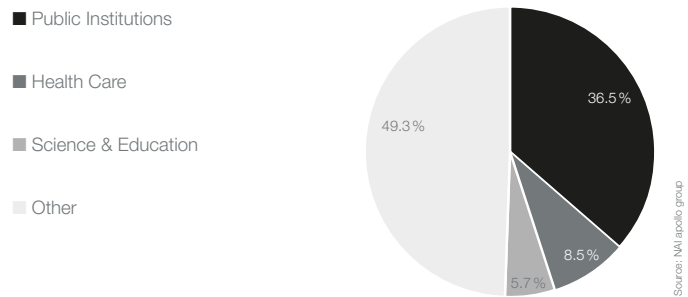
Outlook

Further major lettings by the public sector are likely to take place in 2022, some for up to 40,000 sqm of office space. The private sector is also starting to send out some positive signals. Accordingly, office take-up in the region of 300,000 sqm is expected for 2022.

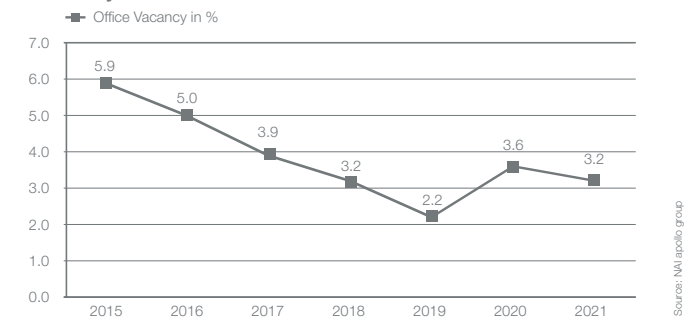
Office Stock & Take-Up



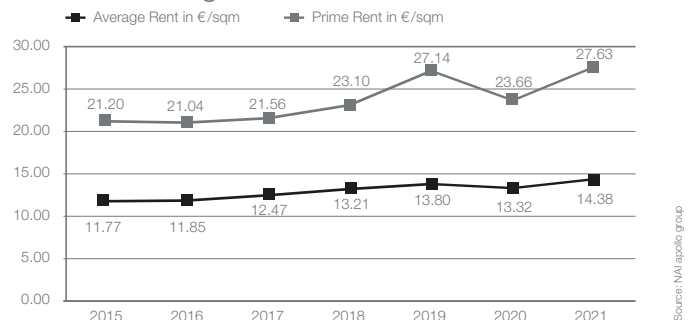
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. BlmA, Ehrenfeld/Braunsfeld for 20,000 sqm
2. BlmA, Holweide for 18,000 sqm
3. BlmA, Ehrenfeld/Braunsfeld for 16,500 sqm

OFFICE LETTINGS BONN

Space take-up

The Bonn office lettings market was reassuringly stable in the second year of the pandemic. Indeed, the best result since we started collecting data in 2013 was recorded last year, with take-up by tenants amounting to around 141,000 sqm. Compared to the previous year, this represents an increase of around 45,000 sqm or 47 %. A higher number of deals for more than 5,000 sqm as well as three large deals over 10,000 sqm were primarily responsible for this result. Two sectors were at the forefront of market activity: “public institutions”, a traditionally strong sector in Bonn, accounted for a market share of 50.4 % with 71,000 sqm, while the “science & education” sector generated 35,200 sqm. These user groups were also responsible for the biggest deals. The University of Bonn, for example, signed the largest single lease for 22,000 sqm of new office space in the centre of Bonn. In addition, the BlmA rented 18,600 sqm in the “Bundesviertel” and 17,700 sqm in “Nordstadt”. The most sought-after sub-market in Bonn was the “City” with a letting performance of about 77,100 sqm of office space and a market share of around 54.8 %. “Bundesviertel” (22.6 %) and Bonn-Beuel (7.8 %) were next.

Supply & demand

The vacancy rate on the Bonn office market stood at 1.9 % by the end of 2021. This corresponds to around 75,000 sqm of office vacancies. The sharp reduction in the vacancy rate compared to the previous year (2020: 2.7 %) was owed to the extremely positive letting performance and the simultaneously low level of speculative construction activity on the Bonn office market. The supply situation is also not expected to ease in the short and medium term either. Although construction activity is at a high level, most new projects are already let or will not be ready for occupation until 2023. In addition, several searches for office spaces in excess of 5,000 sqm are currently in final contract negotiations. Take-up that will result from this alone will further exacerbate the scarce supply of vacancies on the Bonn office market during 2022.

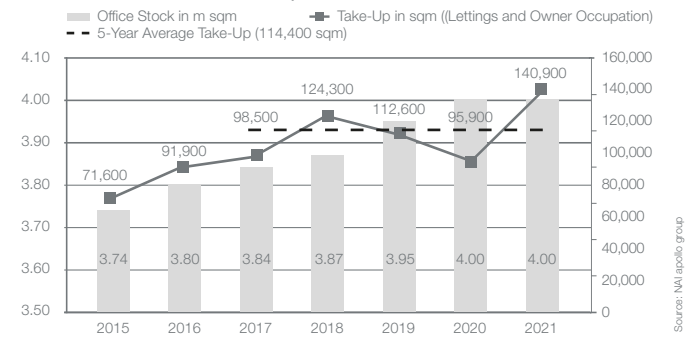
Rents

Rents came under more pressure during 2021. The average rent grew by €0.50/sqm to €12.99/sqm. This was a consequence of the pandemic as well as the related rise in requirements for technical facilities in buildings and the heightened focus on high-quality office space. The prime rent has also increased significantly due to contract signings in the “Bundesviertel” and “Bonn-Beuel” sub-markets, rising by €0.92/sqm to €22.53/sqm compared to 2020 (€21.61/sqm).

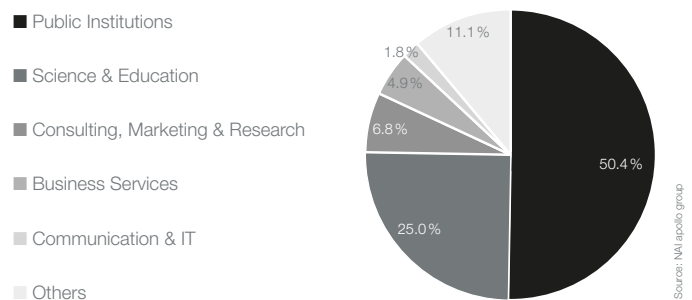
Outlook

The situation has clearly improved on the Bonn office market despite the recent uncertainties. A certain amount of catching up is now to be expected, as many users seeking new spaces only renewed their existing leases for a short period. Office take-up of 100,000 sqm therefore seems realistic for 2022.

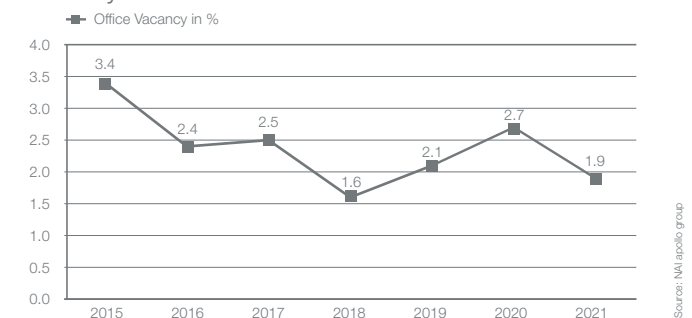
Office Stock & Take-Up



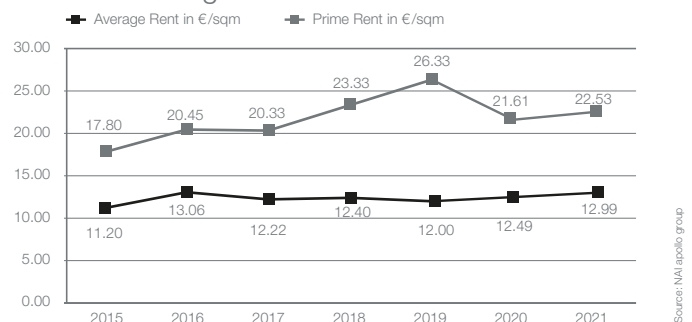
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Rheinische Friedrich-Wilhelms-Universität Bonn for 22,000 sqm
2. Federal Office for Information Security for 18,600 sqm
3. Customs General Directorate for 17,700 sqm



OFFICE LETTINGS & OWNER-OCCUPIERS ULM

Space take-up, stock & supply

After a weak performance in the previous year, the Ulm office market registered a significant upturn in 2021. Office take-up by tenants and owner-occupiers reached 28,000 sqm, which was only just shy of the peak level achieved in 2019. It should be emphasised that the lion's share of take-up is attributable to owner-occupiers and built-to-suit solutions. For example, the companies "Bosch Rexroth" and "Transporeon" each accounted for about 7,000 sqm and "Nvision" for a further around 2,000 sqm. A listed security technology company leased about 2,700 sqm and the International University (IU) also rented around 1,000 sqm, while numerous leases were signed for units between 200-600 sqm. Office stock increased significantly during 2021, as several new construction projects were completed. A further increase in office stock is expected in 2022, although this is likely to be at a more moderate level. Following the insolvency of key tenant "Scanplus", which will not be moving into its new 7,000 sqm office, the vacancy rate in the Ulm office market has risen to 4.2 %.

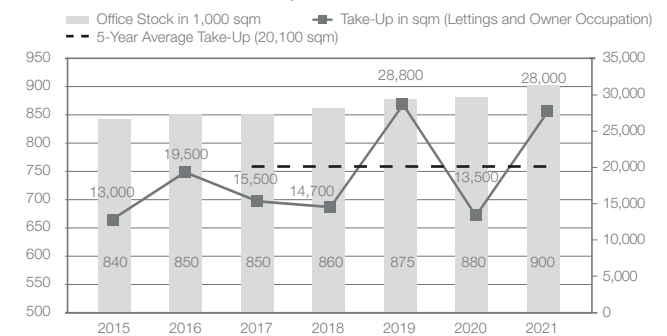
Rents

A noticeably higher number of lease agreements concluded in new projects caused the average rent in 2021 to climb back to the pre-crisis level of €11.00/sqm. This represents an increase of 3.8 % compared to 2020. As these new lettings are mostly in less expensive satellite locations, the prime rent has remained stable at €17.50/sqm and is expected to hover around this level in 2022.

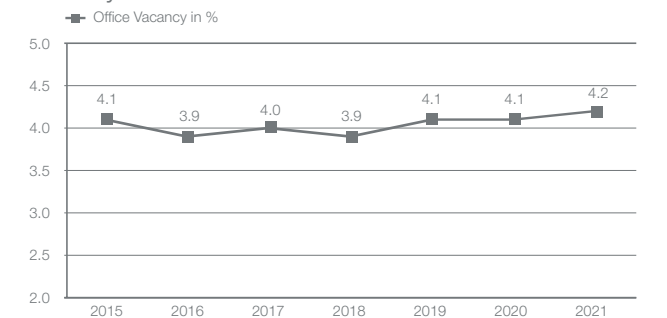
Outlook

The Ulm office market will continue to register brisk demand in 2022. However, the availability of adequate space particularly in the new-build segment will prove to be a bottleneck. In this respect, above-average office take-up is expected for 2022, but will be below the result for 2021.

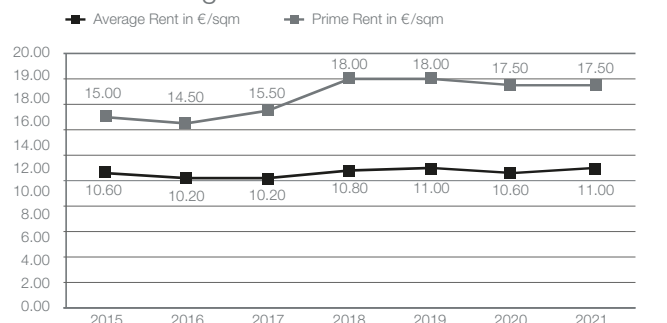
Office Stock & Take-Up



Vacancy Rate



Prime- & Average Rent





OFFICE INVESTMENT RUHR AREA

Transaction volume & yield

The office transaction market in the Ruhr region picked up again in 2021 and registered stronger demand overall. The transaction volume of €980 million was 18.1 % higher compared to 2020 (€830 million). The number of deals increased by an even stronger rate – rising by 43 % to 52 office property sales. The largest transactions included the sale of oil company BP’s headquarters, the “Bochum Prime”, for which Union Investment paid around €85 million on behalf of the special fund “Urban Campus Nr.1”. The robust letting markets in the Ruhr region, combined with continuing high demand for office investments, caused yields to fall further in 2021 with prime yields reaching new record levels. For instance, office prime yields in Essen and Dortmund each fell by 15 basis points to 3.80 % and 3.85 % respectively.

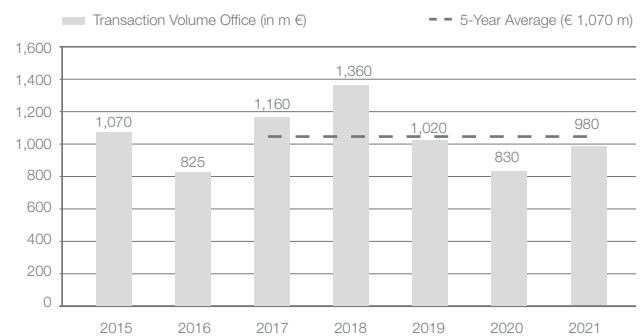
Investor type & origin

A familiar situation prevails on the office investment market with domestic investors accounting for the bulk of the volume. German players took a share of 72.4 %, which was above two-thirds of the volume and remained within the range of previous years. Only 2020 proved to be an exception here due to large purchases by foreign investors.

“Open-ended funds / special funds” and “asset / fund managers” were particularly active in the “€25m - €50m” and “€50m - €100m” categories. As a result, these two groups together accounted for almost 58 % of the office transaction volume.

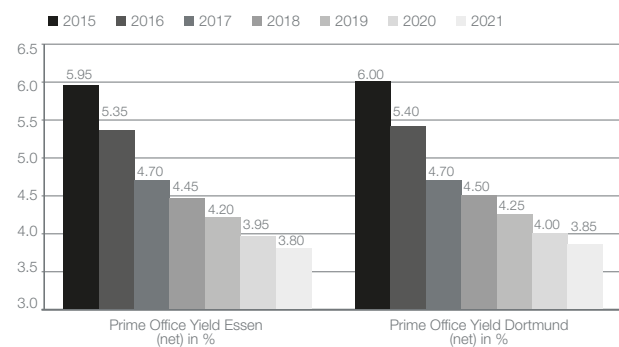
Cities in the Ruhr region remain some of the preferred investment destinations outside the top-7-office locations. The robust office market combined with higher interest rates compared to the top-7 is fuelling excessive demand in these secondary markets. Depending on product availability, an office transaction volume in the range of the medium-term average appears realistic in 2022.

Transaction Volume



Source: NAI Apollo group

Prime Yield



Source: NAI Apollo group

Top 3 Transactions

1. Bochum Prime, Bochum by Union Investment / Investa Capital Management
2. 92-96, Ruhrallee, Dortmund by Continentale
3. 220, Alfredstraße, Essen by Catella Real Estate

OFFICE LETTINGS & OWNER-OCCUPIERS ESSEN

Space take-up

The Essen office market visibly recovered during 2021, but take-up by tenants and owner-occupiers of 95,000 sqm still fell short of the 100,000-sqm mark for the second year in succession. On the other hand, lettings were up 25 % at 80,000 sqm compared to the previous year. The share of owner-occupiers was broadly in line with the long-term average at 16 % (15,000 sqm). Positive factors are that lettings proved to be the driving force for take-up, while momentum increased particularly at the end of the year. Two large lease signings also took place, unlike in the previous year. Both were for space in the speculative Max & Moritz project in Weststadt. CUBION arranged the letting of around 8,000 sqm to Vonovia SE, which secured the entire Moritz building section at 40-44, Frohnhauser Straße. A government-owned company rented the somewhat larger building called Max with around 9,100 sqm of office space at 50, Frohnhauser Straße. In terms of the different sectors, “trade-, traffic- & transport” companies were in first place as is traditionally the case, although they accounted for a particularly high share of 44 % in 2021. “Business services” were next with an 18 % share, followed by “other services” with around 14 %.

Supply & demand

Net absorption on the Essen office market again reached an all-time low in 2021. Sub-lettings by various corporations that were going through some form of restructuring played a key role here. The vacancy rate therefore increased from 4.0 % to 7.6 % within the year. That in turn meant short-term available space increased massively by around 111,000 sqm to 240,500 sqm. Included are around 39,000 sqm of sub-let office space that is still contractually committed but no longer required. Although an above-average amount of new office space was completed in 2021 with 48,000 sqm, it is almost completely occupied.

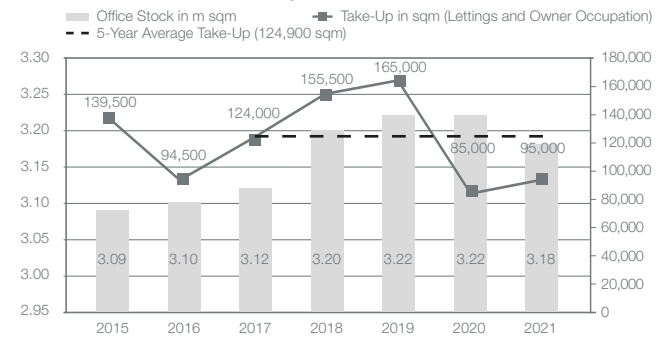
Rents

Neither the significant increase in supply nor the pandemic caused rents to fall in 2021. On the contrary, both average and prime rents continued to rise. The prime rent in Essen reached €16.40/sqm, and was significantly above the previous year's value of €14.90/sqm. The weighted average rent rose from €10.01/sqm to €11.42/sqm. If rental contracts in new buildings are excluded, the weighted average rent in existing office stock is nominally €10.09/sqm and also increased slightly from the €9.97/sqm that was recorded in the previous year. In general, a prime rent of up to €19.00/sqm could be achievable. Rents are at this level because of the extreme rise in building costs in high-quality segments and could be obtained in the best locations within the city centre, on the southern edge of the centre and in Rüttenscheid.

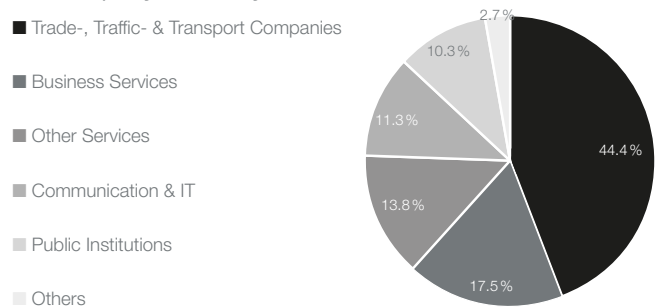
Outlook

For 2022, as the coronavirus pandemic recedes, we expect the recovery on the Essen office market to pick up pace amid ongoing market stabilisation. In this respect, office take-up is expected to be in the region of the 2021 figure.

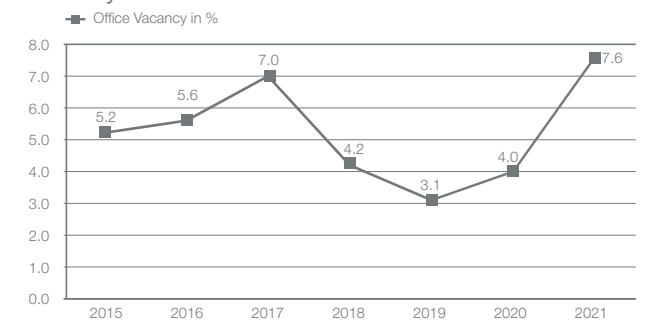
Office Stock & Take-Up



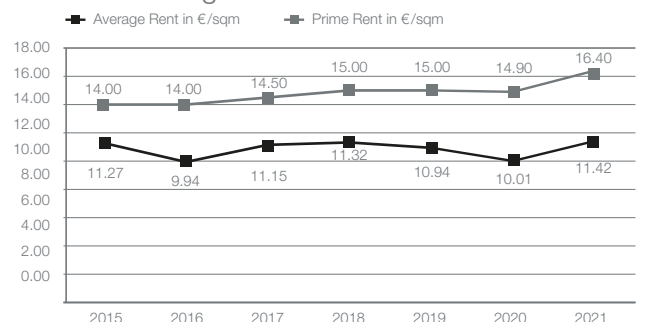
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

- 50, Frohnhauser Straße (Max) by an Entity of the Federal Republic of Germany for 9,100 sqm
- 40-44, Frohnhauser Straße (Moritz) by Vonovia SE for 8,000 sqm
- Owner-occupier development Emscherbruchallee 2 by optek-Danulat GmbH for 4,000 sqm

OFFICE LETTINGS & OWNER-OCCUPIERS DORTMUND

Space take-up

In 2021, tenants and owner-occupiers generated a record take-up volume of 169,000 sqm on the office market in the Dortmund economic region (including the Airport office market zone in Holzwickede). Take-up in Dortmund normally only reaches half this amount on average per year. Around 100,000 sqm of office space was rented while 69,000 sqm was occupied by owners, which was also a record. A total of 121 lease agreements were signed, with strong momentum in all size segments (previous year: 98). A third of the contracts related to offices with less than 250 sqm. A further 31 contracts fell into the 500 sqm to 3,000 sqm category. Large office contracts that also had a decisive influence on the market took place in new developments. The biggest lease contract was signed by adesso SE for more than 11,300 sqm at 385 Freie-Vogel-Straße. A new, 6,000 sqm building was constructed for Dortmund police at the airport. However, an owner-occupier was responsible for the biggest deal of the year. Continentale Versicherung began the construction of its new Dortmund department on Stadtkrone Ost and is building a complex that will provide around 34,500 sqm of office space. In terms of the different sectors, “communications & IT” was in the lead with 35 % of take-up, followed by “trade-, traffic- & transport” with 23 % and “public institutions” with 20.5 %.

Supply & vacancies

Office space in Dortmund remained in very short supply at the end of 2021. Although space that was available at short notice increased by around 6,000 sqm over the year to 90,500 sqm, equating to a vacancy rate of around 2.9 %, the supply of high-quality space was still limited. In 2021, around 38,500 sqm of new office space was completed. Around 4,500 sqm is still available to the rental market, but the space is largely reserved. A completions volume of 39,000 sqm is expected for 2022, of which only around 4,700 sqm is still vacant.

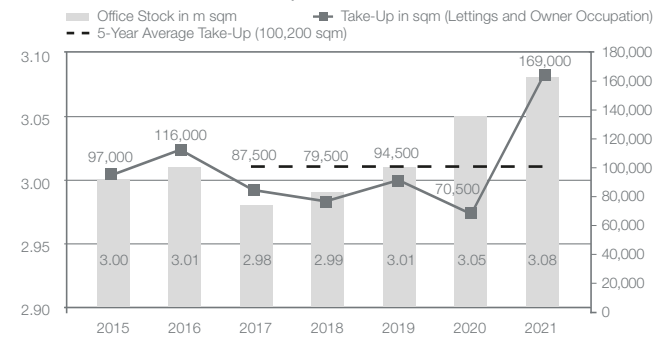
Rents

Both the average and the prime rent increased in 2021. This was not to be expected otherwise given the low supply of space and certain high-value project developments. The weighted average rent for the entire market now stands at €11.63/sqm (previous year: €11.25/sqm). However, when calculating the weighted average rent for office stock – excluding contract signings in new buildings – the rental level fell from €10.25/sqm in the previous year to €9.45/sqm by the end of 2021. This is explained by the fact that large deals were also signed in the very low-priced segment. The prime rent in 2021 amounted to €16.50/sqm and was 6.8 % above the 2020 figure.

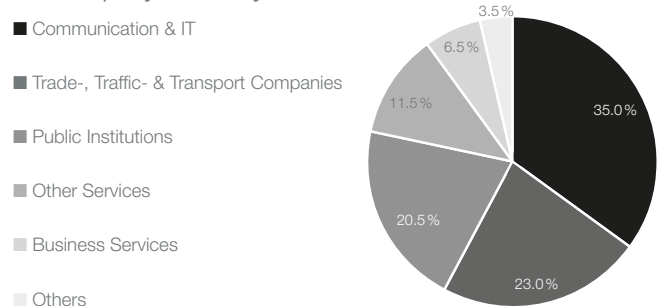
Outlook

After the historic record in 2021, office space take-up is expected to fall back to a more normal level in 2022. As such, office take-up in the range of 80,000 sqm to 90,000 sqm is a realistic forecast for 2022.

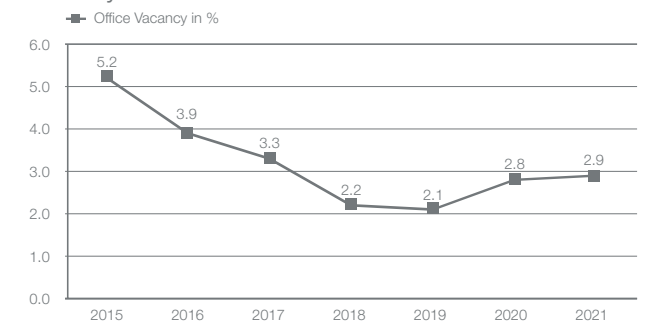
Office Stock & Take-Up



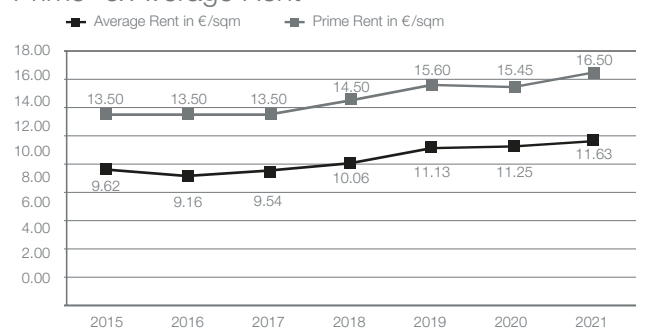
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Owner-occupier development Freie-Vogel-Straße/ Tiranaweg by Continentale for 34,500 sqm
2. Owner-occupier development 7, Robert-Schumann-Straße by Amprion for 15,600 sqm
3. 385, Freie-Vogel-Straße by adesso SE for 11,300 sqm



OFFICE INVESTMENT RHINE-NECKAR

Transaction volume and yields

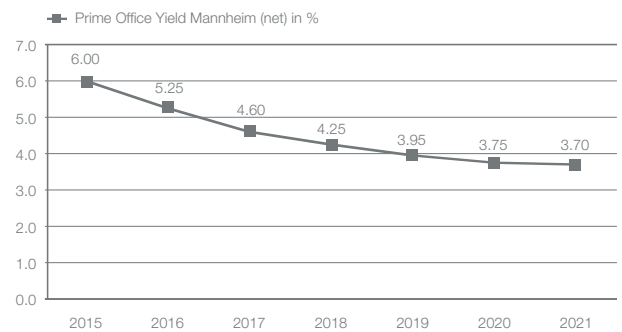
Continuing strong demand for commercial real estate in the Rhine-Neckar metropolitan region contributed to another year of impressive results on the investment market. The attractiveness of the investment location is reflected by falling yields and a transaction volume that is far above average. The region's commercial property transaction volume amounted to about €1.252 billion (2020: €1.295 billion) in 2021. The figure was only 3.3 % below the annual high recorded in 2020. As in the previous year, offices proved to be the strongest asset class in the commercial property market, ahead of logistics properties, and accounted for investments of around €600 million (2020: €370 million). The shortage of potential investment opportunities prevented a higher transaction volume from being realised in 2021.

Prime yields in the regional centres of Mannheim and Heidelberg fell slightly again in line with national trends, albeit at a somewhat slower pace than in previous years. Mannheim, which is the largest office market in the region, registered a slight decline in the prime yield to 3.70 % (2020: 3.75 %). The prime yield in Heidelberg fell by 10 basis points to 3.90 % (2020: 4.00 %). Thus, the prime yields in the two major centres remain about 0.85 to 1.50 percentage points above the comparative values for the top-7 locations.

Investor type & origin

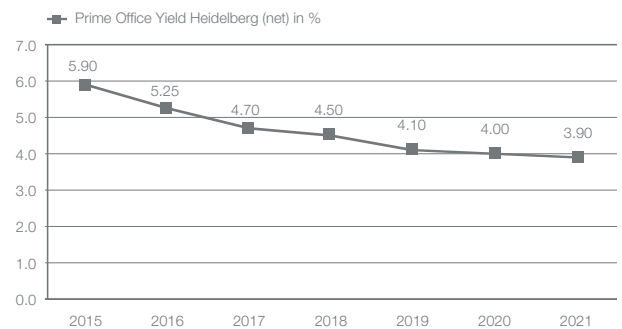
The more risk-averse and security-oriented investor groups were less active last year due to the shortage of supply as well as local developers, who also tended to hold back from buying refurbishment properties and development sites in the past year. Germany-wide trends, such as ESG on the one hand or the search for a safe haven in the interests of inflation protection on the other, will ensure that demand for core products remains at a high level this year. However, the supply in Germany's office strongholds will be unable to meet this demand. The general shortage of products in the core segment is likely to further drive down prime yields in the Mannheim and Heidelberg investment markets over the year 2022.

Prime Yield Mannheim



Source: NAI apollo group

Prime Yield Heidelberg



Source: NAI apollo group

Top 3 Transactions

1. Victoria-Turm, Mannheim by GLORAM
2. CONVECS, Heidelberg by Patrizia
3. Health care centre Bahnstadt Heidelberg by Swiss Life

OFFICE LETTINGS & OWNER-OCCUPIERS MANNHEIM

Space take-up

In 2021 office take-up by tenants and owner-occupiers reached a new record figure of 96,000 sqm in Mannheim despite the effects of the pandemic. Compared to the previous year, this represents an increase of 35 % (2020 take-up: 71,000 sqm). Lettings accounted for 63,000 sqm of office space, which was slightly below the year-ago level (2020: 71,000 sqm). The total take-up volume was driven by the start of new owner-occupier projects, which had completely disappeared from the market in 2020. Highlights included new projects by ABB (20,000 sqm) and BAUHAUS (12,000 sqm), which boosted total owner-occupier take-up to 33,000 sqm (2020: 0 sqm) and in turn contributed to the overall record figure. In addition to the start of owner-occupier projects mentioned above, a lease contract signed by Siemens for more than 10,000 sqm also counted among the biggest deals. The company rented space in a new building at 8-10, Hans-Thoma-Straße. In spite of the record take-up, demand remained subdued in the mid-size office segment (400 sqm to 1,000 sqm).

Supply and demand

A slight reduction in office stock was identified in 2021. This was in part owing to the removal of buildings (including the demolition of the Technical Town Hall/Collini Center) as well as to a reduced completions volume, as was forecast at the beginning of the year. In 2021, only 13,000 sqm of office space was completed, rising to an expected 26,000 sqm in 2022. The vacancy rate increased to 6.1 % (2020: 4.9 %) over the year, equating to total office vacancies of about 130,000 sqm (2020: 105,000 sqm) by the end of the year. At the same time, there is still strong demand for well-equipped offices in central locations that are available at short notice. The Mannheim office market is therefore in good shape despite the increase in vacancies, especially since most of the unoccupied offices are located in industrial parks.

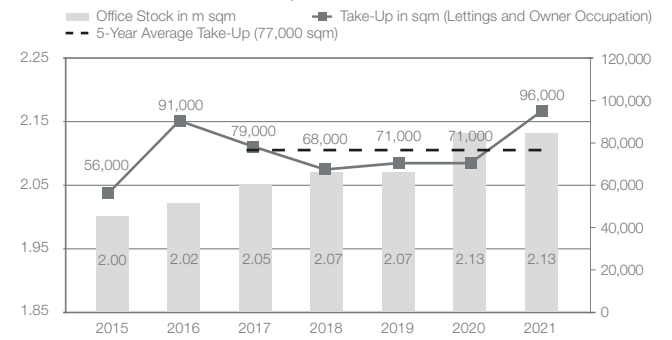
Rents

Large lettings in new buildings and upmarket revitalisation projects were responsible for a significant increase in the average rent in 2021. After a slight reduction in the previous year (2020: €13.40/sqm), the rate increased by 6.7 % to €14.30/sqm and therefore reached a new record level in 2021. The maximum rent achieved stabilised at last year's high level of €18.90/sqm. As in previous years, prime rents were attained in new buildings around the Mannheim central railway station.

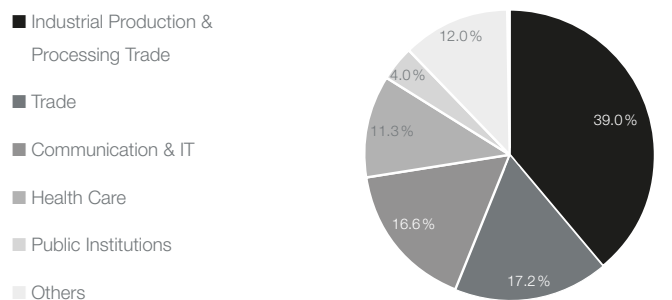
Outlook

Demand for office space in Mannheim remains at a high level. In 2022, a pick-up in the demand for offices in certain size categories should have a positive impact on the overall market development. The high-quality, centrally located office buildings that are currently under construction are expected to appeal to a broad user base, which in turn will boost take-up. It is therefore the case that above-average space take-up can also be expected for 2022, with rental prices continuing to rise.

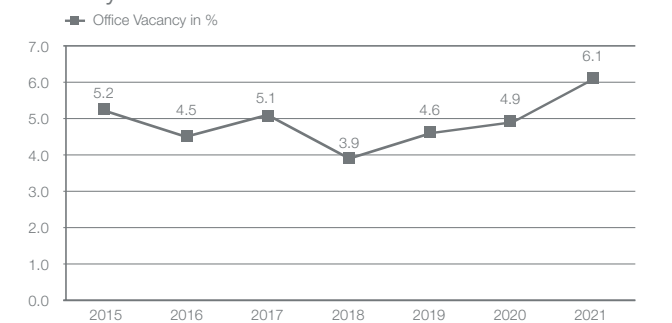
Office Stock & Take-Up



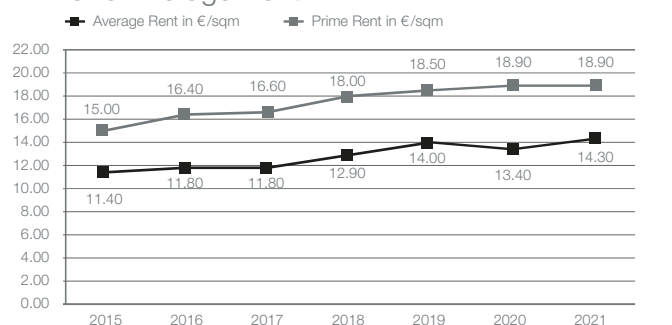
Take-Up by Industry



Vacancy Rate



Prime- & Average Rent



Top 3 Take-Up

1. Owner-occupier development 1, Kallstadter Straße by ABB AG for 20,000 sqm
2. Owner-occupier development 21, Gutenbergstraße by BAHAG AG (BAUHAUS) for 12,000 sqm
3. Development 8-10, Hans-Thoma-Straße by SIEMENS AG for 10,000 sqm

OFFICE LETTINGS & OWNER-OCCUPIERS HEIDELBERG

Space take-up

The Heidelberg office market performed in line with the long-term average in 2021. Take-up by tenants and owner-occupiers amounted to 51,000 sqm, which matched the five-year average (51,400 sqm) and was also slightly above the previous year's result (2020: 48,000 sqm). A strong rental market compensated for much lower take-up in owner-occupied properties, which played a rather minor role in the past year. Lettings accounted for around 48,000 sqm (2020: 36,000 sqm), while take-up by owner-occupiers was significantly lower at around 3,000 sqm (2020: 12,000 sqm) compared to previous years.

The largest deals in 2021 included the rental by Technologiepark Heidelberg GmbH of 4,400 sqm in a new building on Speyerer Straße and the lease signing for 4,300 sqm by the Federal Real Estate Agency (BlmA) for the main customs office in the building "Im Breitspiel 13". In addition, constaff GmbH secured around 3,500 sqm in a new building on Czernyring/Galileistraße. Overall, the strongest demand on the Heidelberg office market came from the "communications & IT", "educational & social institutions" and "healthcare" sectors.

Supply & demand

Vacancies on the Heidelberg office market fell again during 2021 and stood at around 50,000 sqm by the end of the year. This corresponds to a vacancy rate of 4.6 %, which is 0.9 percentage points below the previous year's rate. More than half of the vacancies identified are located in commercial areas (Wieblingen and Rohrbach-Süd) and outside the city centre, while available office space in locations close to the city centre and the main railway station remains scarce. The completion of around 23,000 sqm of office space increased the stock to 1.077 million sqm. A further 59,000 sqm is expected to be completed in 2022. The development focus remains on the city's conversion areas (Campbell Barracks and hip - Heidelberg Innovation Park on the site of the former Patton Barracks) and on the southern areas near the main railway station (Bahnhof and station forecourt).

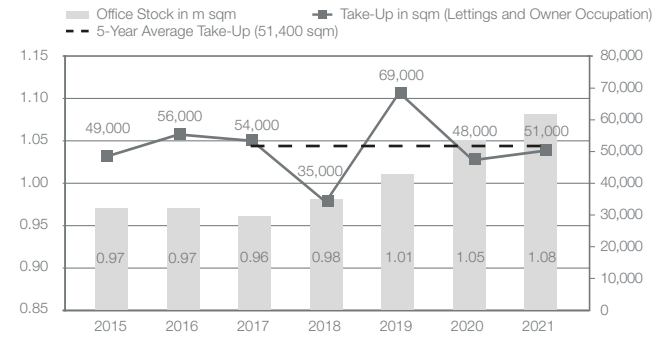
Rents

Rents on the Heidelberg office market remained stable in 2021. The average rent was unchanged at €14.40/sqm, while the prime rent is still €16.80/sqm. Due to the upcoming increase in the supply of attractive and high-priced new office space around Heidelberg's central railway station, a further rise in prime and average rents on the Heidelberg office market appears realistic.

Outlook

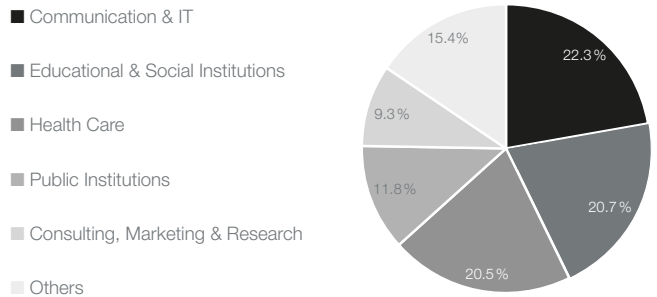
The Heidelberg office market continues to experience high demand, which in turn is driving up the supply of new office space. As a consequence, take-up is likely to increase noticeably in 2022. At the same time, the increase in supply could create more available space, while lease signings in new buildings are likely to drive up rents.

Office Stock & Take-Up



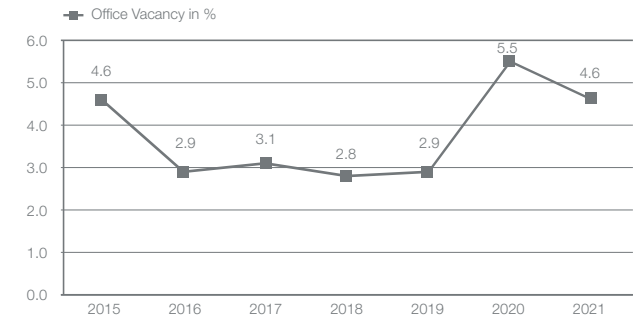
Source: NAI apollo group, gfi e.v.

Take-Up by Industry



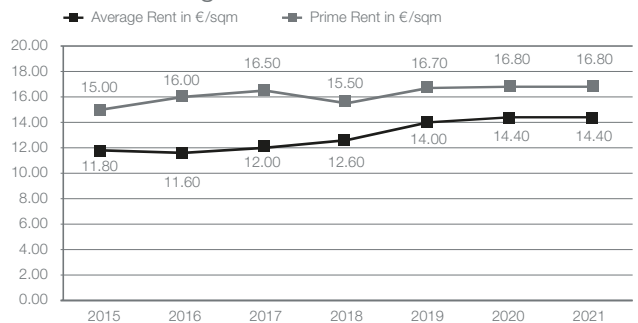
Source: NAI apollo group

Vacancy Rate



Source: NAI apollo group, gfi e.v.

Prime- & Average Rent



Source: NAI apollo group, gfi e.v.

Top 3 Take-Up

1. Development Speyerer Straße by Technologiepark Heidelberg GmbH for 4,400 sqm
2. 13, Im Breitspiel by Federal Real Estate Agency (BlmA) for 4,300 sqm
3. Development Czernyring/Galileistraße by constaff GmbH for 3,500 sqm

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