

# Office Market Trends

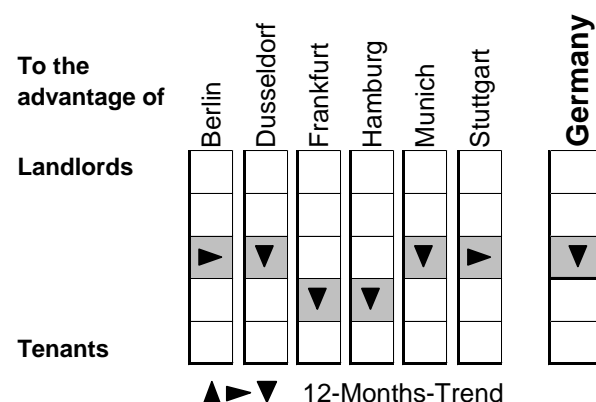
# Germany

Q4 2008

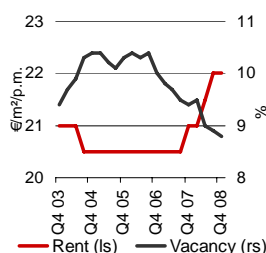
## Overview

German office markets held up fairly well until the end of 2008 with take-up for the total year above the long year average and rents having increased or remained stable. However, weakening demand in Q4 2008 points to a downswing of the office markets. The downward trend is likely to intensify in 2009 due to the very negative economic environment resulting in rising vacancies and declining rents in the months to come. This will be most distinct in the volatile markets Frankfurt and Munich. Consequently, incentives will widen and the volume of sub-lettings will increase. New space being delivered in 2009 will exceed last year's level, although the average amount of new space is to be assessed as moderate compared to the last cycle and close to some 50% is already pre-let. Nevertheless, this will put pressure on the letting market via addition of non-occupied new space to the vacant stock or existent space left as a result of relocation. All in all the upcoming correction is clearly underway, but should be contained by the mostly limited pipeline and the little dynamic of the last upswing.

## Office Market Conditions

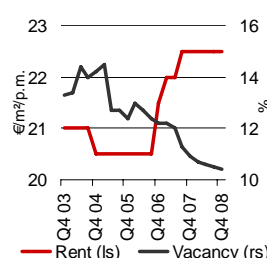


### Berlin



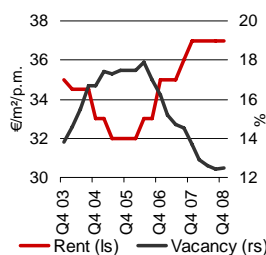
Prime Rent	22.00	€/m <sup>2</sup>
Vacancy Rate	8.8	%
Vacancy	1,467,000	m <sup>2</sup>
Take-up	468,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.50	%
Completions		
2009	124,200	m <sup>2</sup>
2010	125,300	m <sup>2</sup>

### Dusseldorf



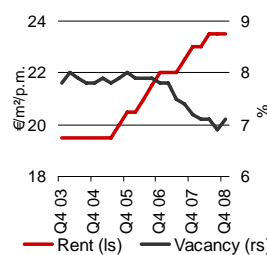
Prime Rent	22.50	€/m <sup>2</sup>
Vacancy Rate	10.4	%
Vacancy	893,000	m <sup>2</sup>
Take-up	427,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.40	%
Completions		
2009	296,000	m <sup>2</sup>
2010	297,000	m <sup>2</sup>

### Frankfurt



Prime Rent	37.00	€/m <sup>2</sup>
Vacancy Rate	12.5	%
Vacancy	1,463,000	m <sup>2</sup>
Take-up	502,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.40	%
Completions		
2009	200,000	m <sup>2</sup>
2010	234,000	m <sup>2</sup>

### Hamburg



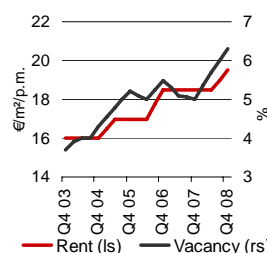
Prime Rent	23.50	€/m <sup>2</sup>
Vacancy Rate	7.1	%
Vacancy	1,001,000	m <sup>2</sup>
Take-up	546,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.30	%
Completions		
2009	226,000	m <sup>2</sup>
2010	397,000	m <sup>2</sup>

### Munich



Prime Rent	30.50	€/m <sup>2</sup>
Vacancy Rate	8.6	%
Vacancy	1,664,000	m <sup>2</sup>
Take-up	779,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.25	%
Completions		
2009	300,000	m <sup>2</sup>
2010	354,000	m <sup>2</sup>

### Stuttgart



Prime Rent	19.50	€/m <sup>2</sup>
Vacancy Rate	6.3	%
Vacancy	451,000	m <sup>2</sup>
Take-up	189,000	m <sup>2</sup>
<i>(12-Months Moving Average)</i>		
Prime Yield	5.60	%
Completions		
2009	75,000	m <sup>2</sup>
2010	80,000	m <sup>2</sup>

## ZRP RAC Research

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