

Office Market Trends

Germany

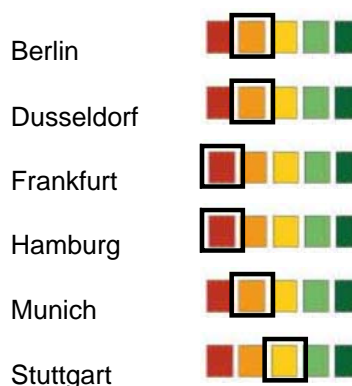
Q4 2009

Overview

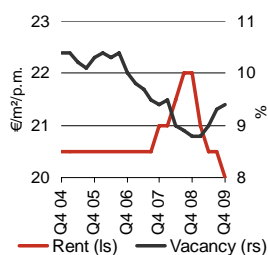
Although economic recovery started in H2 2009, the German office letting markets still have not hit rock bottom yet. In 2009, all monitored markets have been facing a significant decrease in letting activity. Particularly Dusseldorf and Munich suffered from plummeting take-up while the reduction in Berlin and Stuttgart remained comparatively moderate. The overall weakness in demand is expected to continue as the downturn on the labour market still lies ahead. New supply that has been started during the last boom is being delivered in 2009/2010 while release from postponed buildings starts will show effect only in the medium term. As a result, vacant space increased significantly and peaks throughout 2010. The difficult situation is also mirrored by decreasing prime rents which have been most significant in Berlin, Frankfurt and Munich. Additionally, incentives are increasingly playing an important role. All in all, over the next 12 months the monitored "Big 6" will be assessed as tenant's markets. However, compared to other European markets potential for steep corrections are limited as the formerly upswing was tempered.

Office Market Conditions

Situation in 12 Months

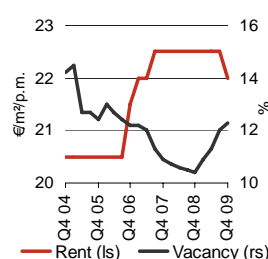


Berlin



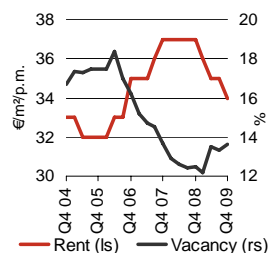
Prime Rent	20.00	€/m ²
Vacancy Rate	9.4	%
Vacancy	1,578,000	m ²
Take-up	410,200	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.50	%
Completions		
	2010	124,000 m ²
	2011	101,000 m ²

Dusseldorf



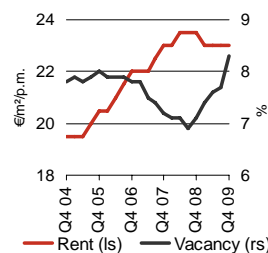
Prime Rent	22.00	€/m ²
Vacancy Rate	12.3	%
Vacancy	1,074,400	m ²
Take-up	257,600	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.50	%
Completions		
	2010	210,000 m ²
	2011	154,000 m ²

Frankfurt



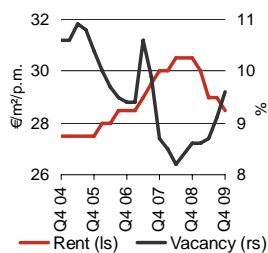
Prime Rent	34.00	€/m ²
Vacancy Rate	13.6	%
Vacancy	1,615,500	m ²
Take-up	356,600	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.35	%
Completions		
	2010	138,000 m ²
	2011	267,000 m ²

Hamburg



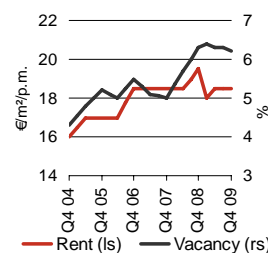
Prime Rent	23.00	€/m ²
Vacancy Rate	8.3	%
Vacancy	1,170,000	m ²
Take-up	391,800	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.20	%
Completions		
	2010	336,000 m ²
	2011	285,000 m ²

Munich



Prime Rent	28.50	€/m ²
Vacancy Rate	9.6	%
Vacancy	1,870,000	m ²
Take-up	527,200	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.25	%
Completions		
	2010	258,000 m ²
	2011	263,000 m ²

Stuttgart



Prime Rent	18.50	€/m ²
Vacancy Rate	6.2	%
Vacancy	449,000	m ²
Take-up	169,000	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.60	%
Completions		
	2010	35,000 m ²
	2011	114,000 m ²

GRM-CR-ABF-RAC Research

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