

Office Market Trends

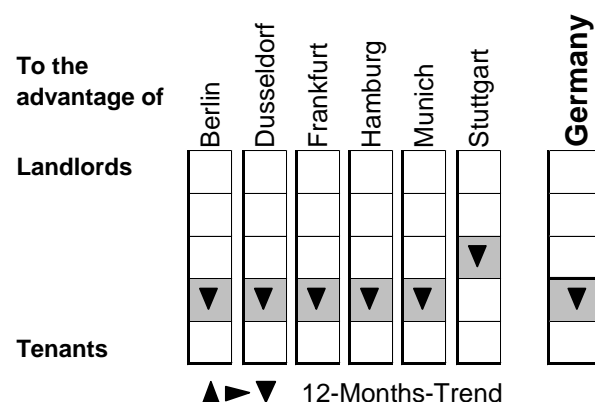
Germany

Q2 2009

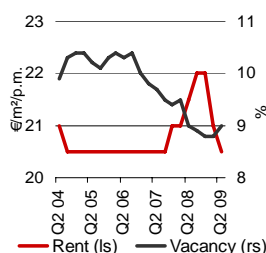
Overview

With the severe economic crises peaking during H1 2009, take-up across the six largest German office markets reduced markedly compared to the same period previous year. Dusseldorf suffered most with a halving of the letting turnover, while Berlin and Frankfurt performed comparably better with a reduction of "only" 20%. Although economic outlook for the second half 2009 was already revised to the better, the worst on the office markets is still ahead following the economic cycle with a time-lag of several months. Particularly, deteriorating labour markets bear risks of a further significant decline in demand. As re-location and space optimization rather than expansion are expected to characterize letting activity in the short term, negative net-absorption will lead to rising vacancies which remained comparatively firm over the last six months. Release from shrinking pipelines cannot offset these negative impacts. Pressure on prime rents is increasing. Additionally, incentives gain importance indicating that by year-end 2009 all big German office markets are expected to show distinct characteristics of a tenant's market.

Office Market Conditions

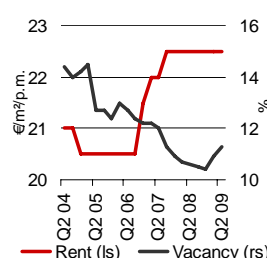


Berlin



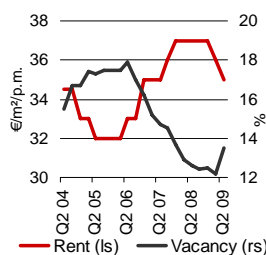
Prime Rent	20.50	€/m ²
Vacancy Rate	9.0	%
Vacancy	1,515,500	m ²
Take-up	429,400	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.50	%
Completions		
H2 2009	61,000	m ²
2010	115,000	m ²

Dusseldorf



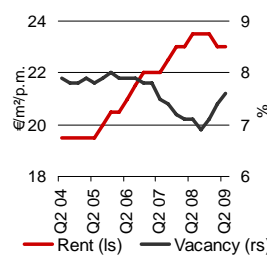
Prime Rent	22.50	€/m ²
Vacancy Rate	11.3	%
Vacancy	969,900	m ²
Take-up	319,500	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.50	%
Completions		
2009	233,000	m ²
2010	172,000	m ²

Frankfurt



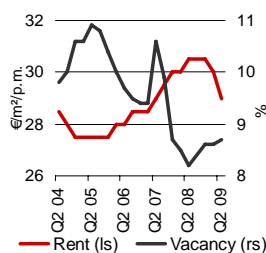
Prime Rent	35.00	€/m ²
Vacancy Rate	13.5	%
Vacancy	1,595,000	m ²
Take-up	445,800	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.50	%
Completions		
H2 2009	115,000	m ²
2010	127,000	m ²

Hamburg



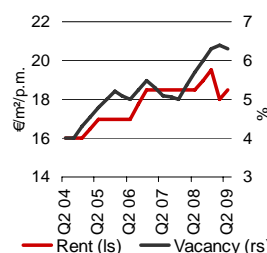
Prime Rent	23.00	€/m ²
Vacancy Rate	7.6	%
Vacancy	1,073,900	m ²
Take-up	458,900	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.35	%
Completions		
H2 2009	87,000	m ²
2010	331,000	m ²

Munich



Prime Rent	29.00	€/m ²
Vacancy Rate	8.7	%
Vacancy	1,670,000	m ²
Take-up	652,400	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.25	%
Completions		
H2 2009	144,000	m ²
2010	338,000	m ²

Stuttgart



Prime Rent	18.50	€/m ²
Vacancy Rate	6.3	%
Vacancy	455,000	m ²
Take-up	151,000	m ²
<small>(12 Months cumulative)</small>		
Prime Yield	5.60	%
Completions		
2009	13,000	m ²
2010	71,000	m ²

ZRP RAC Research

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