

The Office Market

With an existing office space inventory of almost 3.5 million m² gross floor area, Essen has the largest office space market in the 'Metropolitan Ruhr'. The sum of real estate capital investments coming to Essen at present and in the next few years is also quite unique. In total, this investment will exceed the sum of €1.8 billion. It includes real estate projects such as the new headquarters of E.ON Ruhrgas AG and of ThyssenKrupp AG, the Administration Building of Stadtwerke Essen AG, the new University Quarter and the conversion of the university hospital which, with its international orientation, provides an excellent example for successful structural change. Meanwhile almost 40,000 people work in the medical and health sectors in Essen.

In the last two years the Essen office space market has achieved record figures. The total size of the office space turnover reached around 158,000 m² in 2007. The success of the previous year was repeated in 2008 when the office space turnover was 152,100 m². This value is 51 % higher than the mean value over recent years. The large number of major companies in Essen provides for a traditionally high share of owner-occupiers in office space take-up. In 2008 the rate of own use was approx. 39%, representing approx. 59,900 m² of the total turnover.

By the end of 2008 the office space still under construction will reach a total usable office space of approx. 147,000 m², a large proportion of which is, however, already reserved.

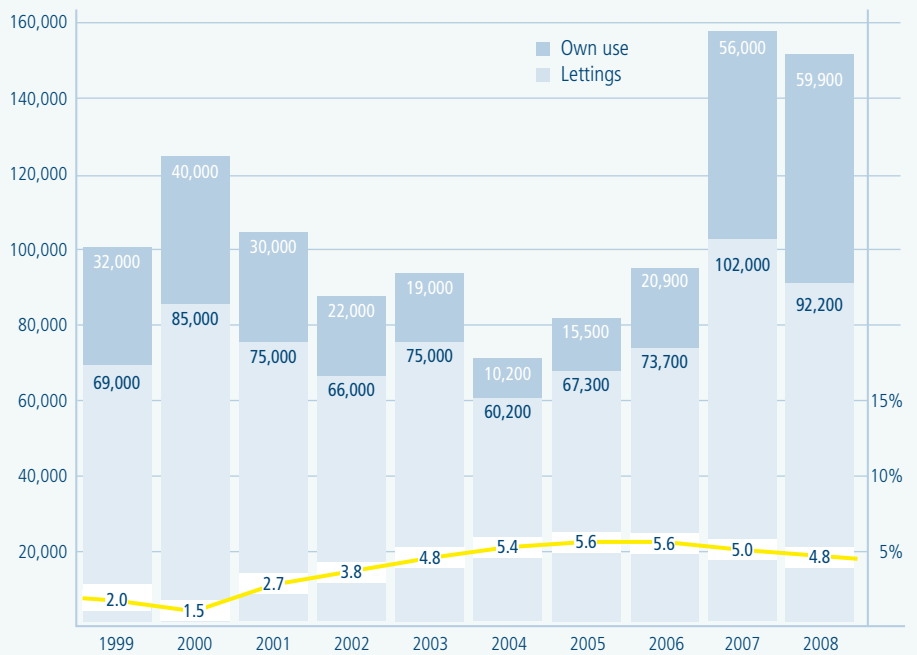
The rise in demand and the tight supply situation ensure that the top rent value in 2008 is 13.20 €/m².

The positive net absorption continuing in 2008 has caused the vacancy rate to drop to 4.8%.

Office space take-up / vacancy rate

Office space take-up in m²

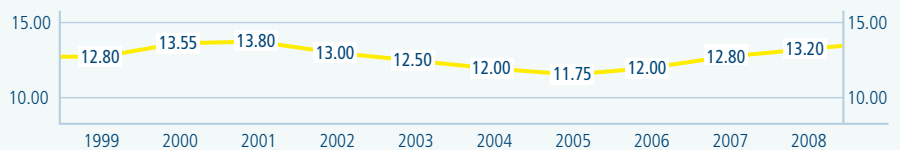
vacancy rate in %



Status: 01/2009

Source: Own survey by EWG

Top rents (euro/m²/per month)



Status: 01/2009

Source: Own survey by EWG

The market forecast

The current recession is also likely to cause adjustments in the Essen office space market. However, the Essen economy - with its broadly based range of sectors - will continue to ensure a certain stability in the office space market. Moreover, during crisis periods in the past the Essen office space market has already proven to be far less volatile than the markets in other major cities. The office space take-up in 2009 will settle on a stable level. In contrast to the so-called 1a-locations, a significant rise in vacancies and a drastic decrease in rents is not to be expected in Essen. The very high advance reservation rate for the projects

still under construction does not give rise to an expectancy of any significant increase in the rate of vacancies. In 2009 the rents realized for office space in Essen will show a stable development in the case of new buildings and a slight downward trend for existing buildings.

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