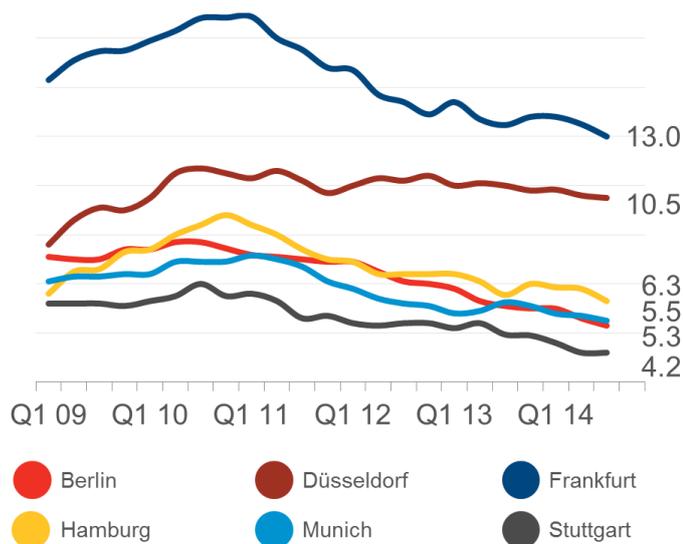
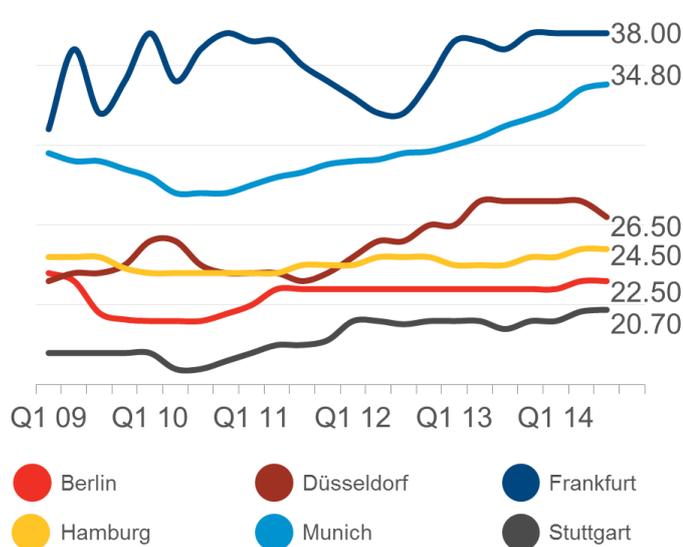


### Comparison of vacancy rates (in %)



up by Marquard & Bahls, net leasing performance fell just short of previous year levels. Results in Stuttgart were similar. Owner-occupiers like Daimler were responsible for the city generating take-up levels similar to the previous year at 193,300 square meters; without them, the city would have recorded a year-on-year drop.

### Comparison of prime rents (in €/m<sup>2</sup>)

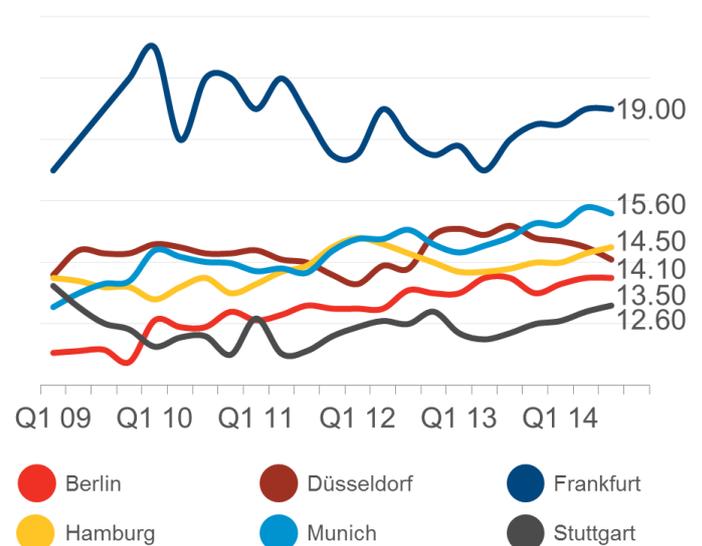


Although there is a number of larger-scale potential tenants looking for space on the Düsseldorf and Frankfurt office markets, considerably fewer than in the previous year had decided to actually sign a new lease agreement by the end of Q3, particularly in the large space segment. Owner-occupiers held back as well. Altogether, this translates into a 20 % decrease in Frankfurt with 263,200 square meters in take-up and an even more significant 30 % drop in Düsseldorf to 186,000 square meters.

## Speculative project developments on the rise due to ongoing drop in vacancy

Office space available for immediate tenancy was down year over year by almost half a million square meters at the end of Q3. A total of almost 5.7 million square meters reflects an average vacancy rate of 7.0 %. Although take-up levels have been average for several quarters now, vacancy in the top cities experienced another drop. This might sound contradictory at first, but this development can be attributed to the fact that, on the one hand, several vacated properties were renovated and therefore were not available for immediate tenancy and, on the other, vacant space was taken off the market because of repurposing or tear-down and rebuild projects. In addition, tenants consistently snapped up the vacant space that was available.

### Comparison of average rents (in €/m<sup>2</sup>)



Completion volumes in the top cities remain low at a projected volume of slightly less than 2.6 million square meters by the end of 2016. However, we are seeing a slow rise in the number of active project developers who are starting to take more chances with speculative project developments without pre-leasing due to the scarcity of available high-quality office space in some submarkets.

## Rent trends on the rise in almost all top cities

With one exception, prime and average rent in the German real estate hubs recorded a year-on-year increase, which was significant in some cities. This development can be attributed to high-priced leases in central locations combined with a scarcity of such space in those areas. The hesitation of potential