



**PROPERTY REPORT
OFFICE MARKET
GERMANY
2012**



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Executive Summary

Office space take-up almost 18 % higher – Third-best result ever registered

In 2011, turnover of office space in the nine most important German office locations – Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich and Stuttgart – totalled around 3.67 million m². That was almost 18 % higher than the already good prior-year result.

Take-up grows in almost all locations

- ▶ The biggest take-up was once again posted by Munich, with 883,000 m² (+ 47 %), giving the city its second-best result of all time. The same applies to second-placed Berlin, with 550,000 m² (+ 7 %).
- ▶ Two other cities also reported turnover in excess of half a million square metres: Hamburg, with 536,000 m² (+ 6 %) and Frankfurt, with 525,000 m² (+ 2 %).
- ▶ Only Düsseldorf recorded a year-on-year decline; its take-up, of 362,000 m², was 5.5 % lower than in 2010, but that year's total was heavily influenced by the out-of-the-ordinary Vodafone D2 deal (90,000 m²).

Aggregate supply continues to fall

- ▶ The downward trend in the overall supply of office space continued in 2011, with the total falling by nearly 6 % in the course of the year to 9.5 million m² at present.
- ▶ Vacancy has also declined appreciably; at 8.7 million m², it is now 5 % lower than at the end of 2010.
- ▶ Considerably sharper was the reduction in the volume of modern vacant premises, with a year-on-year fall of 14 % to 2.57 million m².

Upward trend in top rents

- ▶ The strong demand, combined with shrinking supply, particularly in the market segment of modern premises, has led to a general upward tendency in the rents for high-grade office units.
- ▶ This is reflected for instance in the development of prime rents: viewed across all locations, they rose by an average of 3 % in 2011.



COMMENTS

Take-up comprises space let under new lease agreements concluded by 31.12.2011, irrespective of when tenants actually occupy their new premises. It does not include space let under lease agreements that have simply been renewed or extended, nor does it include the exercising of previously agreed options. Take-up by owner-occupiers is included in line with the definition laid down by the German Society for Property Business Research (gjf).

The **rent levels** given refer exclusively to agreements concluded in 2011 and represent the nominal net rent per square metre of lettable space per month.

Vacant space is unoccupied office space available for letting in existing buildings which will be ready for occupying by 31.03.2012. This also includes space without contractual ties registered by 31.12.2011 as well as unlet new space which has to be developed for tenants. Premises that have not been let at all since completion are classified as newly built vacant space for a period of up to 18 months.

Available space is calculated as follows:

$$\begin{aligned} & \text{Unoccupied space} \\ + & \text{ Available space under construction} \\ = & \text{ Available space} \end{aligned}$$

Planned space is space where a building permit has been issued or a permit is likely to be issued on application.

Overview of the German office locations

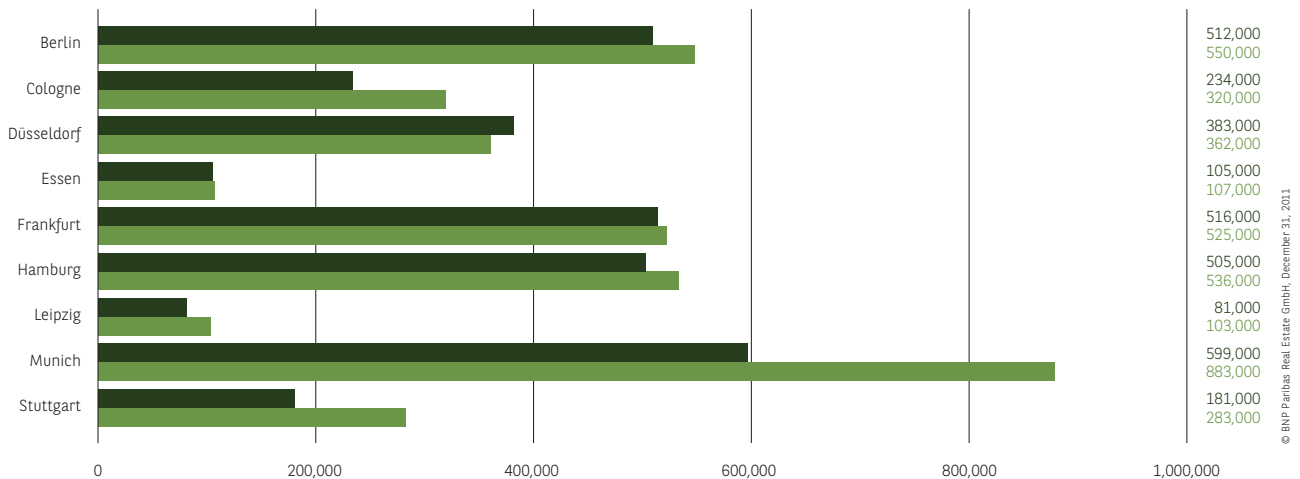
THIRD-BEST TURNOVER EVER REGISTERED

In 2011, take-up of office space in the nine most important German office locations – Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich and Stuttgart – totalled around 3.67 million m². This not only bettered the already good prior-year figure by nearly 18 % but was also the third-best result ever registered. Only in 2000 was take-up significantly higher, while in 2007 it was just slightly up on last year’s figure. Even though an appreciable growth in turnover had been anticipated, the result exceeded the expectations

voiced at the beginning of the year. What is particularly remarkable is that despite the financial and currency crisis and the downward forecasts for further economic development, the rental markets lost none of their momentum in the second half of 2011 but in fact surpassed the result for the first six months to achieve a share of nearly 54 % of aggregate take-up for the year as a whole. One key reason for this is that the situation of most business firms remains positive and amazingly stable despite the clouds gathering on the economic horizon.

Take-up in 2010 and 2011

■ m² in 2010, total 3,116,000 m² ■ m² in 2011, total 3,669,000 m²



It is especially gratifying to note that the dynamic rise in turnover was accomplished without any increase in the number of large-scale deals. Overall, new leases for premises upwards of 10,000 m² accounted for just under 18 % of the total (prior year: 20 %). In Berlin, Düsseldorf, Frankfurt and Hamburg, the incidence of large lettings was in fact considerably lower than in 2010. Only in Cologne and, in particular, Munich, did this size category post any marked increase. In contrast, there was marked growth in the turnover generated in particular by the mid-range size categories between 1,000 m² and 5,000 m². So the good overall performance is fuelled by broadly based demand. This indicates a healthy and stable market structure which should also impact positively on how things develop in the future.

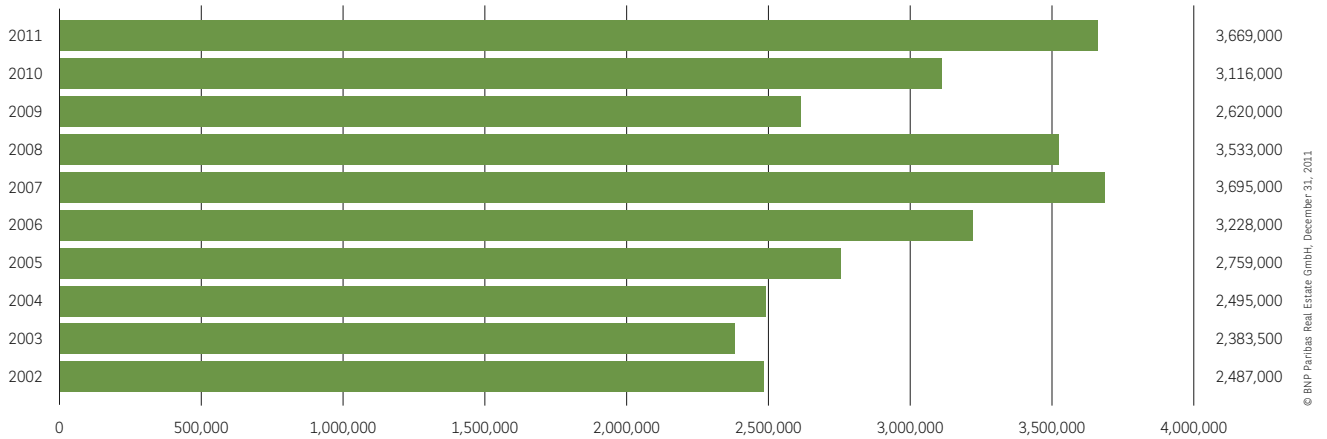
The only city to report a fall in take-up was Düsseldorf. Its total, 362,000 m², was 5.5 % down on the prior-year figure,

but that had been heavily influenced by the out-of-the-ordinary Vodafone deal (90,000 m²). Essen stepped up its turnover only moderately, by 2 % (107,000 m²), but all the same passed the 100,000 m² threshold for the fifth year in succession. The highest take-up was once again achieved by Munich, with 883,000 m², (+47 %); this was the second-best result it has ever registered. That also applies to Berlin, which finished in second place with 550,000 m² (+7 %). Other cities to report take-up in excess of half a million square metres were Hamburg, with 536,000 m² (+6 %) and Frankfurt, with 525,000 m² (+2 %). Extremely good performances in terms of the relative year-on-year increase were reported especially by Stuttgart, with a rise of 56 % (283,000 m²), Cologne, with 37 % (320,000 m², which was also a new record for the city), and Leipzig, with 27 % (103,000 m²). This indicates that the pleasing result was driven by a broad basis of demand rather than simply by just a few outliers.

Total take-up of selected office centres from 2002 to 2011

Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich, Stuttgart

■ in m²



AGGREGATE SUPPLY REMAINS IN DECLINE

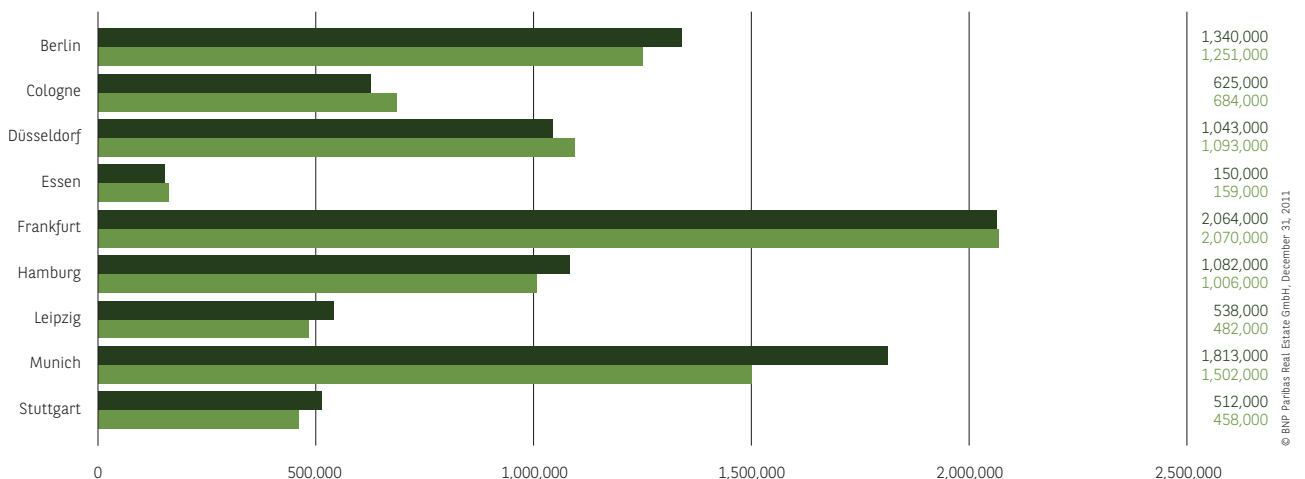
The trend towards a reduction in overall supply was maintained in 2011. In all, it fell in the course of the year by almost 6% to 9.5 million m² at present. However, the situation varied between the individual locations. Contrary to the general trend, there was a slight growth in supply in both Frankfurt (+1%) and Düsseldorf (+5%). In Essen, available space actually expanded by 18% (but there, the base-line is still at a low level). In Cologne, the volume remained unchanged. All the other cities posted falls, in some cases in the double-digit

range. The reduction in the supply of space was particularly marked in Munich (-18%), Leipzig (-14%) and Stuttgart (-10.5%).

Vacancy, the most important constituent of total supply, has also fallen considerably. At 8.7 million m², it is now 5% lower than at the end of 2010. The reduction in vacant space picked up quite considerably in the second half of 2011 in line with the livelier level of demand. The decline in the volume of modern vacant premises – which in view of tenant prefer-

Vacant space in 2010 and 2011

■ m² in 2010, total 9,167,000 m² ■ m² in 2011, total 8,705,000 m²



ences forms the most important component – was far more substantial, with a year-on-year fall of around 14 % to 2.57 million m². This means that less than 30 % of aggregate vacancy now comprises high-grade premises. However, vacancy failed to decline everywhere. Cologne (+9 %), Essen (+6 %) and Düsseldorf (+5 %) actually posted higher levels than before, due among other things to sizeable completions.

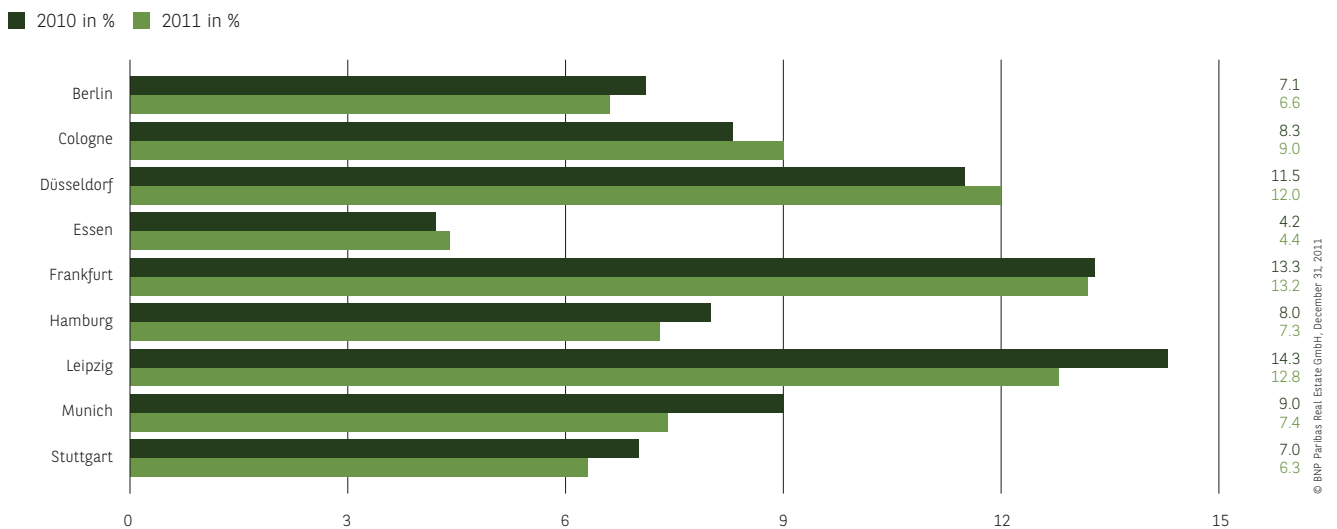
Unlike vacancy, the volume of space under construction hardly changed at all. At 2.02 million m², this is on more or less the same scale as at the end of 2010. Most of this space, though, will not be completed until 2013 or later. In several cases, the premises involved are large owner-occupier projects which do not impact on the ratio between supply and demand in the marketplace. From the market angle, the decisive factor is the volume of available space under construction; this has fallen significantly, by about 12 %, to just 816,000 m² at present,

equivalent to 40 % of the total volume. But there were differences between the individual cities. Availability rates of less than 30 % were registered in Frankfurt (29 %), Berlin (28 %), and Cologne and Leipzig (each 24 %). In contrast, in Munich (56 %), Hamburg and Stuttgart (each 61 %), over half of the space under construction has not been let yet.

PRIME RENTS WITH UPWARD TREND

The good demand situation combined with falling supply (especially in the market segment of modern premises) has led to a general upward tendency in the rents for high-quality office units. This is reflected for instance in the way prime rents have developed; viewed across all the locations, these rose by an average of 3 % in 2011. By far the biggest increase was that registered in Munich, where prime rents have climbed from 30 €/m² (end of 2010) to 33 €/m² (+10 %) at present. This was

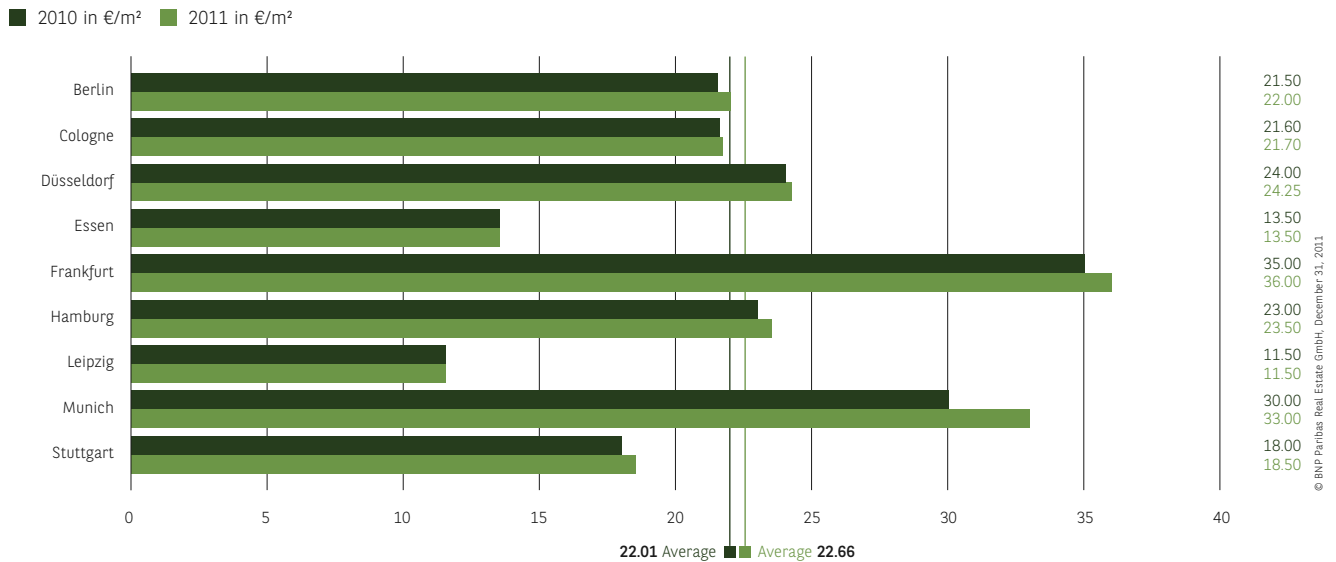
Vacancy rates in 2010 and 2011



due chiefly to the appreciable decline in the supply of modern vacant premises. Other cities where prime rents have risen were Frankfurt, to 36 €/m², and Stuttgart, to 18.50 €/m² (just under 3 % in each case), and Berlin, to 22 €/m² and Hamburg, to 23.50 €/m² (each just over 2 %). Just slight increases, of around the 1 % mark, were posted by Düsseldorf (24.25 €/m²) and Cologne (21.70 €/m²). The only locations where top rents stayed the same were the two smaller markets of Essen (13.50 €/m²) and Leipzig (11.50 €/m²). Just as with prime rents, there was also an upward movement in many office

market zones in the field of average rents for modern and new premises. On the other hand, in the segment of older stock offering less in the way of fit-out quality, there have still been no notable changes in the level of rental prices.

Top rents in 2010 and 2011



OFFICE MARKETS IN 2012: GOOD PROSPECTS OVERALL BUT LOWER TURNOVER

The outlook for German office markets in 2012 is influenced by differing basic tendencies. On the one hand, there is the foreseeable slow-down in general economic growth. Even though all the currently available indicators suggest that the possibility of a recession can be excluded, there will be no chance of matching the rates of increase registered in the past two years. This is likely to have a somewhat adverse effect on the demand for space. On the other hand, a good many factors point to ongoing good overall market prerequisites. These factors include the unchanged positive mood and healthy order books of business firms, the fact that unemployment will continue to decline in 2012, and the anticipated increase of around 2.5% in disposable incomes. All this suggests that domestic demand can become an important mainstay of the German economy in 2012. So in combination with the scale of existing enquiries and the upbeat basic mood of many market players, the outlook for the German office markets in 2012 appears good overall. One precondition, though, is that the politicians succeed in getting a grip on the not-to-be-underestimated residual risks (in particular the currency and financial crisis) and, in the medium term, manage to regain the confidence of the financial markets and the real economy. Against the background of these considerations, the prospects can be summed up as follows:

- ▶ Despite the ongoing good general conditions, which currently point to a slow-down in economic growth rather than to a recession, and encouraging mood indicators, even the German economy will be unable to entirely escape the impact of the problematic European and global situation. In view of this, take-up in 2012 is likely to be lower than last year's. At the moment, though, there are no signs of any appreciable slump being imminent, and so it seems realistic to expect a result above the long-term average.
- ▶ In 2012, aggregate vacancy will probably again decline only moderately, since a substantial proportion of the total now forms part of the bedrock of unoccupied premises which are difficult to market. However, the faster pace of vacancy reduction in the field of office units with modern specifications looks likely to continue.
- ▶ The way in which prime rents develop will probably be influenced by opposing trends: On the one hand, the somewhat duller economic climate will have a braking effect; on the other, the steadily declining supply of modern office premises will generate upward pressure on the rents for attractive units. So the most likely scenario from today's viewpoint is that prime rents will rise only by a modest extent.

Office market indicators

Rents (€/m ²)	Take-up (m ²)	Vacant space (m ²)						Space under construction (m ²)				Space on offer (m ²)		
		total	modern	normal	unrefur- bished	finished	total	available	available	projected				
Top rent*	2011	total	of this, since completion	total	of this, since completion	2012	from 2013	2012	from 2013	2012	from 2013	2012	from 2013	
1	2	3=(4+6+8)	4	5	6	7	8	9	10	11=(9+10)	12	13=(3+12)	14	
Berlin	22.00	550,000	1,251,000	320,000	27,000	777,000	0	154,000	60,000	253,000	313,000	88,000	1,339,000	1,672,000
Cologne	21.70	320,000	684,000	167,000	25,000	507,000	3,000	10,000	96,000	65,000	161,000	38,000	722,000	857,000
Düsseldorf	24.25	362,000	1,093,000	291,000	71,000	768,000	2,000	34,000	78,000	170,000	248,000	81,000	1,174,000	1,281,000
Essen	13.50	107,000	159,000	37,000	18,000	87,000	0	35,000	23,000	26,000	49,000	18,000	177,000	487,000
Frankfurt	36.00	525,000	2,070,000	829,000	196,000	1,199,000	20,000	42,000	77,000	351,000	428,000	126,000	2,196,000	2,216,000
Hamburg	23.50	536,000	1,006,000	261,000	126,000	470,000	0	275,000	172,000	206,000	378,000	229,000	1,235,000	945,000
Leipzig	11.50	103,000	482,000	207,000	1,000	170,000	0	105,000	12,000	46,000	58,000	14,000	496,000	166,000
Munich	33.00	883,000	1,502,000	406,000	160,000	1,068,000	23,000	28,000	181,000	60,000	241,000	136,000	1,638,000	860,000
Stuttgart	18.50	283,000	458,000	49,000	28,000	268,000	0	141,000	62,000	78,000	140,000	86,000	544,000	241,000
Total 2011	3,669,000	8,705,000	2,567,000	652,000	5,314,000	48,000	824,000	761,000	1,255,000	2,016,000	816,000	9,521,000	8,725,000	
Total 2010	3,116,000	9,167,000	2,981,000	875,000	5,150,000	93,000	1,036,000	904,000	1,119,000	2,023,000	925,000	10,092,000	9,411,000	
Difference	553,000	-462,000	-414,000	-223,000	164,000	-45,000	-212,000	-143,000	136,000	-7,000	-109,000	-571,000	-686,000	
Changes in %	17.7 %	-5.0 %	-13.9 %	-25.5 %	3.2 %	-48.4 %	-20.5 %	-15.8 %	12.2 %	-0.3 %	-11.8 %	-5.7 %	-7.3 %	

* The top rent given applies to a market segment of 3–5 % in each case.

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Berlin

SECOND-BEST TAKE-UP EVER REGISTERED

With take-up of 550,000 m², the Berlin office market achieved its second-best performance of all time, bettering the already good prior-year total by more than 7%. Only in 2006 was the result even higher, but it was heavily influenced by a very large deal by the Federal Intelligence Service for premises of 120,000 m². In 2011, in contrast, the only transaction of more than 20,000 m² was a 26,700 m² deal in Kreuzberg/Friedrichshain concluded by Daimler AG. Overall, turnover was fuelled by very strong demand across all size classes. Demand was also broadly based in terms of business sectors. The positive framework had a favourable influence on the prime rent, which has risen to 22 €/m².

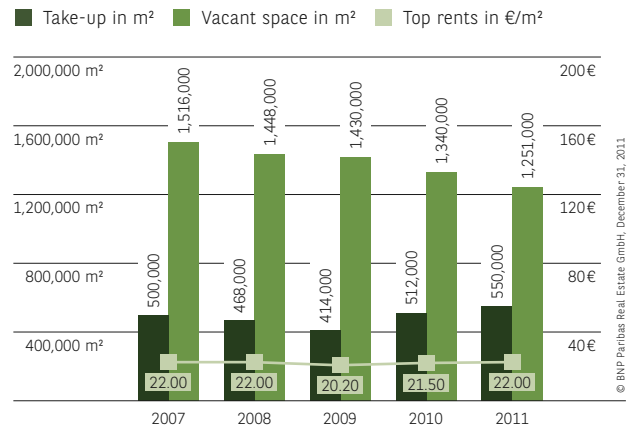
BUOYANT DEMAND FOR TOPCITY PREMISES

Where the geographical distribution of take-up is concerned, the Topcity areas did better in 2011. In particular, Topcity West and Topcity East experienced significantly stronger demand, posting year-on-year increases of 69% and 52% respectively and lifting their contributions to 29,500 m² and 60,000 m². The biggest shares of turnover were generated by the city centre submarkets, even though their total was slightly down on the year before. Particularly worthy of mention are Charlottenburg, with 62,000 m², the Government District, with 45,000 m², and Hackescher Markt, with 35,000 m². Thanks to a number of large transactions, the centre fringe zone of Kreuzberg/Friedrichshain posted take-up of 70,500 m², and thus made the largest contribution among the individual submarkets, with a share of 13%. The subcentres also enjoyed livelier demand and together contributed around 13% to the result.

BROAD BASIS OF DEMAND

In contrast to 2010, which benefited substantially from deals upwards of 5,000 m², in 2011, the relevant size segments accounted for only just over 30% of the total (-20.5 percentage points). In the size categories between 501 m² and 5,000 m², on the other hand, there was quite a lot more activity. The biggest turnover was generated by premises of between 2,001 m² and 5,000 m², which produced a share of over 21%. Then came the 1,001-2,000 m² segment, with just under 19%, which was some 11 percentage points more than in 2010. Lettings of between 501 m² and 1,000 m² contributed almost 16%. The second-smallest size class also performed slightly better than the year before, achieving a share of just over 11%.

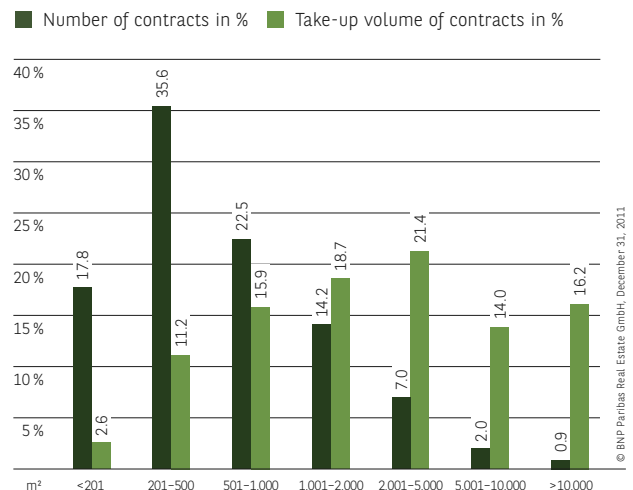
Development of take-up, vacant space and top rents in Berlin



Major contracts in Berlin

OMZ	Company	m ²
3.1	Daimler AG	26,700
2.5	Technische Universität Berlin	16,200
2.1	Cura Seniorenheim	16,100
2.1	GKV	16,000
2.5	TU Technische Universität Berlin	14,400
3.1	Coca Cola Erfrischungsgetränke AG	9,600
1.2	Amazon	8,300
4.1	Finanzamt Lichtenberg	7,500
1.2	Groupon GmbH	7,300

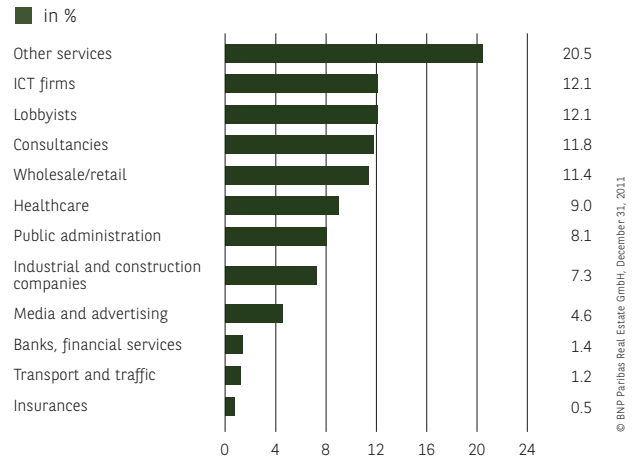
Take-up according to size categories in Berlin



OTHER SERVICES STRONGEST SOURCE OF DEMAND

Distribution of take-up according to business sectors was considerably more uniform in 2011 than the year before. Other services, a traditionally strong sector in Berlin, moved into first place in the ranking, with a share of 20.5%. Then, a long way behind, came ICT firms and lobbyists; they shared second place with just over 12% each. Consultancies and wholesale/retail firms also generated significant demand, contributing just under 12% and just over 11% respectively to the total. Healthcare companies were also quite active and accounted for 9% of all take-up. Public administration lost its leading position of the year before but nevertheless produced a share of more than 8%.

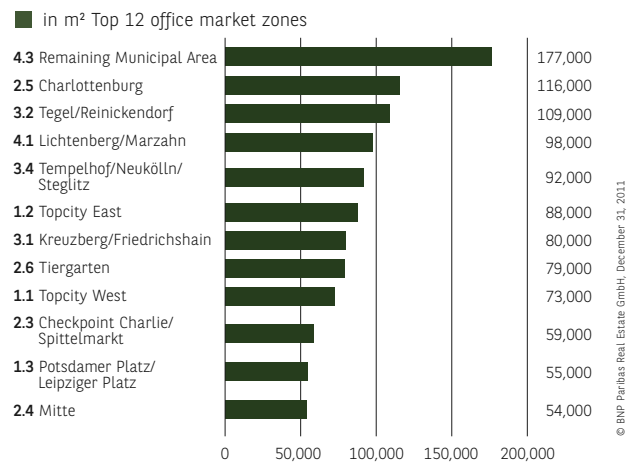
Take-up according to sectors in Berlin



FURTHER REDUCTION IN VACANCY

2011 saw a continuation of the steady reduction in vacancy. The year-end total of 1.25 million m² was almost 7% lower than the year before. The trend towards an even faster decline in the favoured segment of modern vacant space has also continued in recent months. Despite the completion of several projects conceived for the rental market, supply in this segment has fallen by over 9% to 320,000 m². This has produced a further fall in the ratio between modern premises and aggregate vacancy to just under 26% at present. The biggest reduction in vacancy was in Topcity East, where the total fell by 32% to 88,000 m². This means that the submarket with the biggest stock of unoccupied premises is now the city centre area of Charlottenburg, with 116,000 m². The vacancy rate has fallen accordingly, to 6.6%.

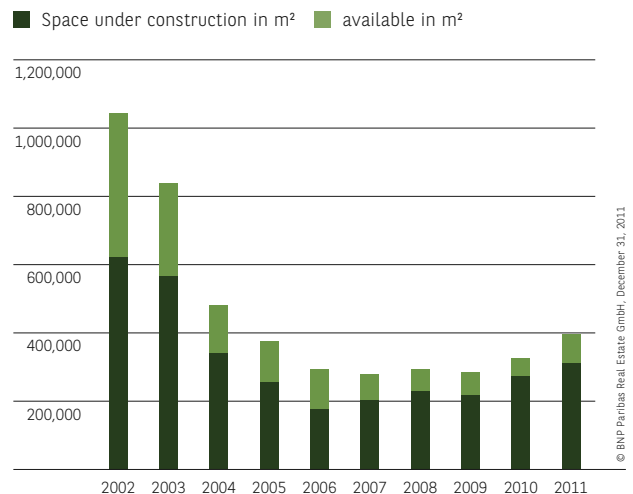
Vacant space according to location in Berlin



SOMEWHAT MORE SPACE UNDER CONSTRUCTION AVAILABLE

Space under construction expanded in the course of the year by just over 13% to 313,000 m². Since there were also isolated cases of speculative projects being commenced, the growth in the still-available proportion of this space has been considerably greater and it now totals 88,000 m² (+73%). All the same, it is still at a relatively low level. Most of the available space under construction is in the Hackescher Markt area (26,000 m²) and in Topcity West (23,000 m²). But there is also a total of 20,000 m² of as-yet-unlet space in projects in the other parts of Berlin. As a result of the decline in vacancy, the aggregate available supply of space (vacancy plus available premises under construction, see P.4) has fallen year-on-year by 4% to 1.34 million m² at present.

Space under construction in Berlin



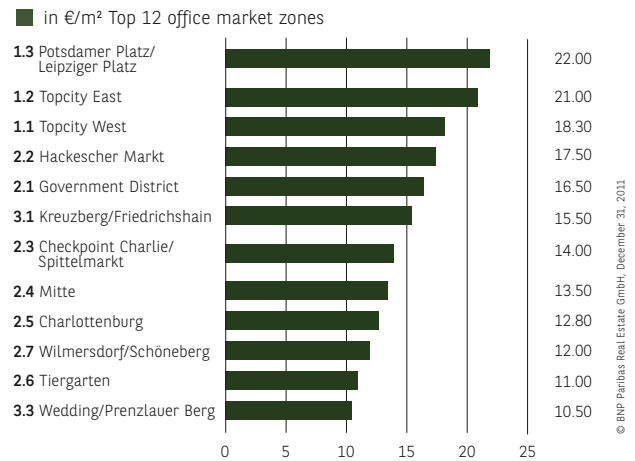
ANOTHER SLIGHT INCREASE IN THE PRIME RENT

As a result of the generally buoyant demand across the entire market area, the prime rent has risen once again. At the end of 2011, it was 22 €/m², up by just over 2 % on the prior-year level. As before, it is achieved in the Topcity area of Potsdamer Platz/Leipziger Platz. Almost without exception, rents in the other submarkets have also developed positively, with in some cases quite substantial increases. In the city centre, top rents in the different submarkets vary between 11 €/m² and 17.50 €/m² and are thus somewhat higher overall than in 2010. In the meantime, though, premises under construction in the centre fringe zone of Kreuzberg/Friedrichshain are also commanding top rents of up 15.50 €/m². In addition, average rents have also moved higher, sometimes considerably, for instance with a rise of 11 % to 17.50 €/m² in Topcity East.

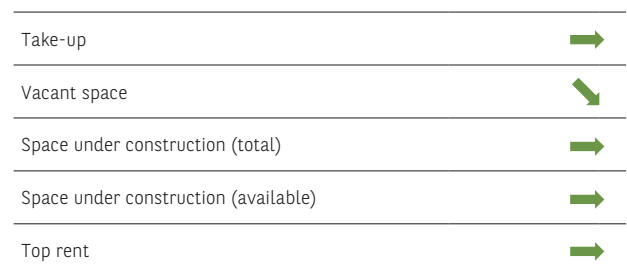
2012 ALSO LIKELY TO PRODUCE GOOD LEVEL OF DEMAND

The Berlin office market emerged from 2011 largely unscathed by the financial and currency crisis, with positive end-of-the-year figures. Judging by the scale of existing enquiries, this present year also looks likely to exhibit buoyant demand and so a result once again exceeding the 500,000 m² mark appears possible. In view of the uncertainty regarding the way the economy will progress, developers will probably be more reticent about launching speculative projects. The still limited availability of space under construction should impact positively on the reduction in vacancy. The modern office units favoured by potential tenants are likely to become increasingly scarce, but against the background of the still unsettled economic climate, it remains to be seen whether this will enable top rental prices to be raised. From today's viewpoint, consolidation at the present level is the most probable scenario.

Top rents according to location in Berlin



Trends in important market indicators in Berlin



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Key indicators Berlin

Rents (€/m ²)		Take-up (m ²)	Vacant space (m ²)						Space under construction (m ²)			Space on offer (m ²)				
Top rent*	Average		total	modern	normal	unrefurbished		finished	total	available	available	projected				
		2011	total	of this, since completion	total	of this, since completion		2012	from 2013							
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15		
1	Topcity															
1.1	Topcity West	18.30	13.70	29,500	73,000	42,000	5,000	29,000	0	2,000	13,000	17,000	30,000	23,000	96,000	81,000
1.2	Topcity East	21.00	17.50	60,000	88,000	67,000	9,000	20,000	0	1,000	0	0	0	0	88,000	65,000
1.3	Potsdamer Platz/Leipziger Platz	22.00	16.00	29,500	55,000	45,000	6,000	5,000	0	5,000	0	2,000	2,000	0	55,000	44,000
2	City Centre															
2.1	Government District	16.50	14.30	45,000	19,000	13,000	6,000	5,000	0	1,000	0	76,000	76,000	2,000	21,000	302,000
2.2	Hackescher Markt	17.50	15.00	35,000	19,000	9,000	1,000	9,000	0	1,000	14,000	36,000	50,000	26,000	45,000	61,000
2.3	Checkpoint Charlie/Spittelmarkt	14.00	11.00	24,000	59,000	22,000	0	24,000	0	13,000	0	0	0	0	59,000	79,000
2.4	Mitte	13.50	12.30	20,000	54,000	2,500	0	48,500	0	3,000	0	0	0	0	54,000	286,000
2.5	Charlottenburg	12.80	10.80	62,000	116,000	22,000	0	89,000	0	5,000	9,000	0	9,000	0	116,000	145,500
2.6	Tiergarten	11.00	9.60	16,000	79,000	32,000	0	44,000	0	3,000	0	76,000	76,000	8,000	87,000	49,000
2.7	Wilmerdorf/Schöneberg	12.00	10.30	25,000	54,000	3,000	0	43,000	0	8,000	0	0	0	0	54,000	29,500
3	Centre Fringe															
3.1	Kreuzberg/Friedrichshain	15.50	13.00	70,500	80,000	21,000	0	54,000	0	5,000	0	46,000	46,000	7,000	87,000	425,000
3.2	Tegel/Reinickendorf	8.00	6.90	14,000	109,000	20,000	0	87,000	0	2,000	0	0	0	0	109,000	0
3.3	Wedding/Prenzlauer Berg	10.50	8.80	29,500	50,000	1,000	0	44,000	0	5,000	4,000	0	4,000	2,000	52,000	5,000
3.4	Tempelhof/Neukölln/Steglitz	8.50	6.90	19,000	92,000	4,500	0	61,500	0	26,000	0	0	0	0	92,000	0
4	Subcentres															
4.1	Lichtenberg/Marzahn	6.50	5.50	15,000	98,000	12,000	0	57,000	0	29,000	0	0	0	0	98,000	0
4.2	Spandau	6.50	5.00	4,500	29,000	0	0	11,000	0	18,000	0	0	0	0	29,000	0
4.3	Remaining Municipal Area	10.50	5.80	51,500	177,000	4,000	0	146,000	0	27,000	20,000	0	20,000	20,000	197,000	100,000
Total				550,000	1,251,000	320,000	27,000	777,000	0	154,000	60,000	253,000	313,000	88,000	1,339,000	1,672,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Cologne

TAKE-UP REACHES ALL-TIME HIGH

In 2011, the Cologne office market broke through the 300,000 m² threshold for the first time ever to achieve a new record turnover of 320,000 m². That was nearly 37 % higher than the prior-year figure and more than 31 % up on the ten-year average. A substantial contribution was made by two large deals concluded by RheinEnergie AG and LANXESS AG; together these amounted to around 83,000 m². But the number of new leases was also somewhat higher than usual and demand was spread broadly across all the size categories – thus underlining the healthy state of the Cologne market. In terms of demand by business sectors, the headquarters of industrial companies, with a share of nearly 27 % of take-up, finished well ahead of consultancies (around 17 %) and other services (just over 13 %).

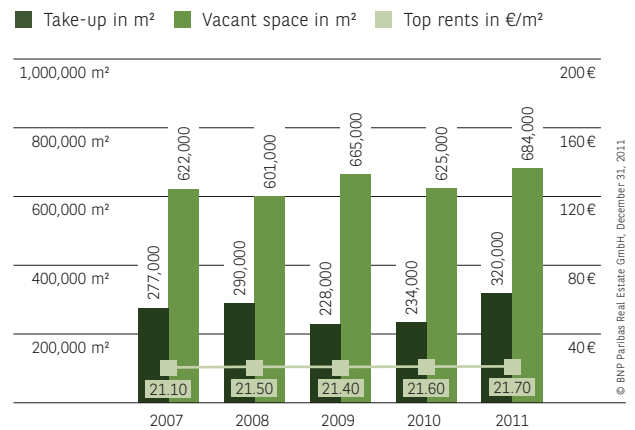
DEMAND STRONGEST IN THE CITY CENTRE

The central office market zones were particularly in demand in 2011, and so all the City Centre and Centre Fringe areas were able to step up their turnover compared with the year before. The inner city re-emphasized the leading role it had already established in previous years, and generated the strongest demand. With take-up of 101,300 m², it was responsible for almost 32 % of all take-up. Thanks to the new RheinEnergie building in Ehrenfeld/Braunsfeld, this Centre Fringe area moved up into second place, with some 64,000 m² (around 20 %). Also notable is the good result achieved by the right-bank district of Deutz: with a share of over 16 %, it took an excellent third place and – quite apart from the large LANXESS lease – enjoyed lively demand. With 21,700 m², Bayenthal/Marienburg also turned in a very good performance.

MAJOR DEALS HEAD SIZE RANKING

Thanks to the two large deals, premises upwards of 10,000 m² convincingly headed the distribution of turnover according to size categories, with a share of 25.5 %. Apart from the next-smaller class, of between 5,001 m² and 10,000 m², which generated just over 11 %, all the other size brackets also posted higher turnovers than in 2010. This underlines the generally broad basis of demand in the Cologne office market. By themselves, lettings of up 500 m² – which represent a reliable factor in Cologne – posted a share of around 23 %. But the categories 501-1,000 m², 1,001-2,000 m² and 2,001-5,000 m² also made a considerable contribution to the result, with shares of between just over 12 % and just under 15 %.

Development of take-up, vacant space and top rents in Cologne



Major contracts in Cologne

OMZ	Company	m ²
2.1	RheinEnergie AG	45,000
1.2	LANXESS AG	38,000
3.2	unitymedia GmbH	9,300
1.2	GÖRG Partnerschaft von Rechtsanwälten	6,500
1.1	GESIS – Leibniz Institut für Sozialwissenschaften	6,400
1.1	Ernst & Young AG	5,600
1.1	IQWiG – Institut für Qualität und Wirtschaftlichkeit im Gesundheitswesen	5,400
3.5	Jobcenter	4,600
1.1	WDR	4,100

Take-up according to size categories in Cologne



HEAD OFFICES TOP TURNOVER RANKING

The two large deals also exerted a strong influence on the demand-by-business-sector ranking. With a share of about 27 %, the administrative units of industrial companies finished well out in the lead, after achieving only just under 5 % in 2010. In second place, with nearly 17 %, came consultancies. The prior-year leader, other services, generated far less turnover than before, despite a large number of individual lettings, and finished in third place, with around 13 % of all take-up. The sectors media and advertising and information and technology companies each contributed just over 9 % to the total. The only other sector to achieve more than 5 % was public administration, with about 8 %.

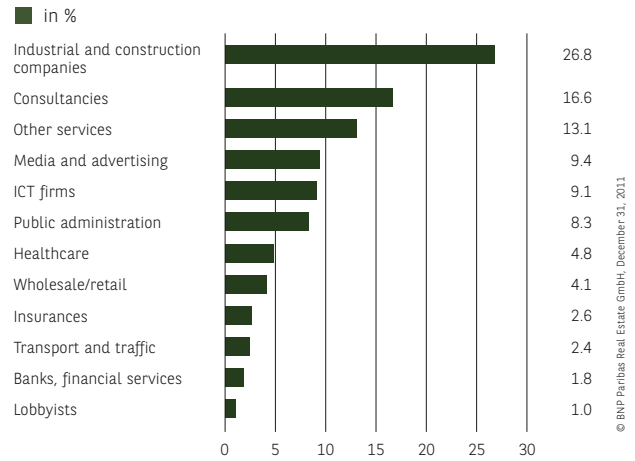
INCREASE IN VACANCY

Vacancy at the end of 2011 totalled 684,000 m², equal to a year-on-year increase of over 9 %. Although office premises offering modern specifications were the chief focus of demand, vacancy in that field also rose, but only by a more modest 3 %. This followed the completion of buildings containing some still-unlet space. The modern-premises share of total vacancy is now about 24 %, while the largest proportion of vacancy (74 %) comprises space of just ordinary standard. At 197,000 m², the biggest stocks of unoccupied office units are to be found in the City Centre, which is, though, the zone that is most in demand. Ehrenfeld/Braunsfeld follows, with more than 13 % of the vacancy total, ahead of the subcentre Cologne West (also about 13 %) and the Centre Fringe area of Bayenthal/Marienburg (nearly 12 %). By the end of the year, the vacancy rate had risen to 9.0 %.

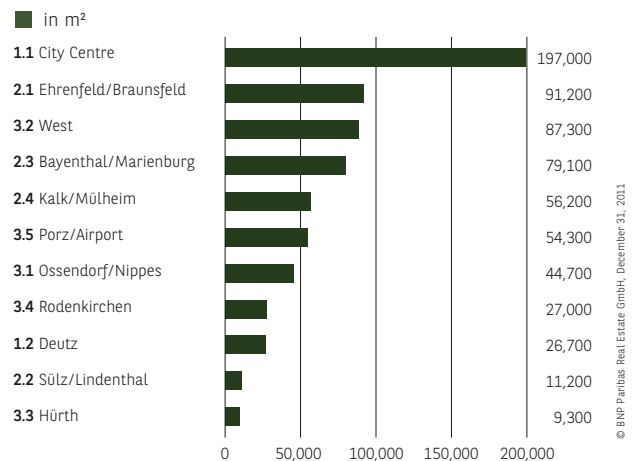
AVAILABLE SPACE UNDER CONSTRUCTION FALLS SHARPLY

Although space under construction – at 161,000 m² – was around 20 % higher than the year before, the volume of this which is still available to the market has actually fallen by almost 61 % during the same period. Only around 24 % of the space currently being created is now available for renting. The biggest reserves of such available space are in the office market zone City Centre, with 17,000 m², but only the smaller part of this total is expected to be completed in 2012. There are only three other submarkets with available premises under construction. As a result of the growth in vacancy on the one hand and the reduction in available space under construction on the other, the overall available supply of space (vacancy plus available premises under construction, see P. 4) remains unchanged at 722,000 m².

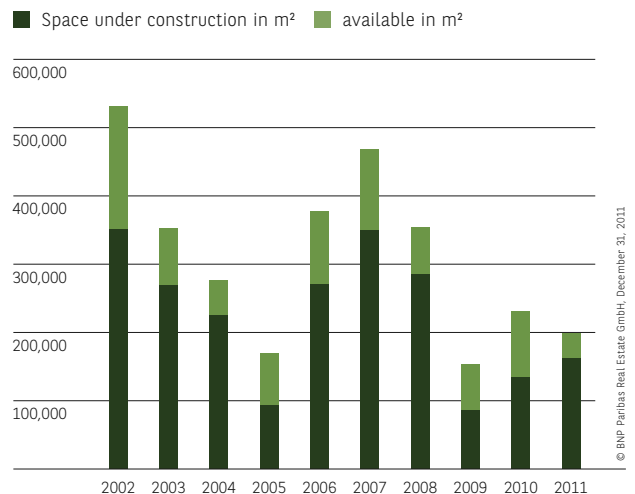
Take-up according to sectors in Cologne



Vacant space according to location in Cologne



Space under construction in Cologne



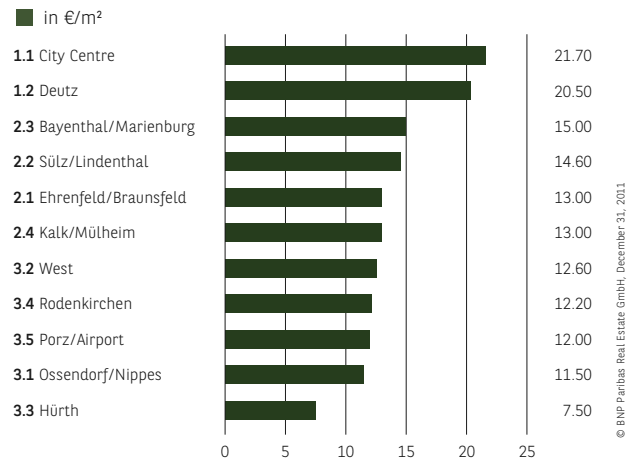
PRIME RENT CLIMBS SOMEWHAT

The prime rent in the Cologne office market at the end of 2011 was 21.70 €/m², thus revealing a slight upward tendency. As before, it is achieved by modern premises in very good parts of the City Centre. The Deutz office market zone continues to develop very positively and towards the end of the year, the prime rent there climbed once again, to 20.50 €/m², equivalent to a year-on-year increase of almost 14 %. Extensive deals in the segment of high-grade premises have also caused a rise in average rents. The Centre Fringe area of Kalk/Mülheim has also benefited from lettings involving high-quality office units and as a result the top rent there has now increased to 13 €/m². Rental prices climbed somewhat in most of the other office market zones as well. Only in the submarket of Hürth was there any notable decline in top rents.

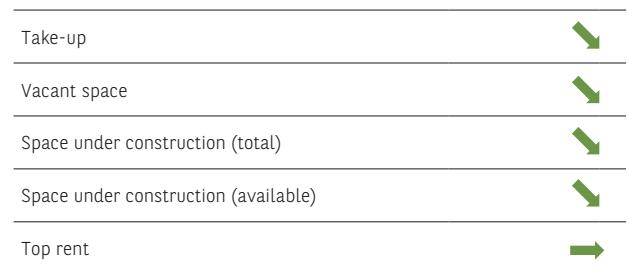
DEMAND SET TO REMAIN AT HIGH LEVEL

The Cologne office market has just completed an excellent year, with take-up well above the previous level. In view of this positive development and the scale of existing enquiries, 2012 can be expected to produce turnover on a par with that of recent years (around 260,000 m²). This will depend, though, on whether the result is again boosted by some large deals. It also remains to be seen just how the currency and financial crisis impacts on the German economy and thus also on demand for office premises. On the supply side, vacancy is likely to decline further during the course of this year. Since there has already been a marked reduction in available space under construction, and since no extensive speculative projects are likely to be commenced, demand will have to be met largely from vacant stock. Although there is a possibility that top rents may exhibit a further moderate increase, they are initially more likely to stabilize at their present level.

Top rents according to location in Cologne



Trends in important market indicators in Cologne



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Key indicators Cologne

Rents (€/m²)		Take-up (m²)	Vacant space (m²)						Space under construction (m²)			Space on offer (m²)				
Top rent*	Average		total	modern	normal	unrefurbished	finished	total	available	available	projected					
		2011	total	of this, since completion	total	of this, since completion	2012	from 2013								
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15		
1 City Centre																
1.1	City Centre	21.70	13.40	101,300	197,000	87,000	8,500	108,000	0	2,000	20,000	10,000	30,000	17,000	214,000	149,500
1.2	Deutz	20.50	18.90	52,300	26,700	20,000	6,000	6,700	0	0	52,000	0	52,000	8,000	34,700	262,000
2 Centre Fringe																
2.1	Ehrenfeld/Braunsfeld	13.00	10.30	63,800	91,200	5,800	4,100	81,100	0	4,300	0	45,000	45,000	0	91,200	127,000
2.2	Sölz/Lindenthal	14.60	12.20	16,400	11,200	5,300	0	5,900	0	0	0	10,000	10,000	0	11,200	0
2.3	Bayenthal/Marienburg	15.00	11.20	21,700	79,100	25,100	3,800	54,000	0	0	0	0	0	0	79,100	83,000
2.4	Kalk/Mülheim	13.00	9.80	18,600	56,200	0	0	52,500	0	3,700	19,500	0	19,500	10,500	66,700	36,500
3 Subcentres																
3.1	Ossendorf/Nippes	11.50	9.10	5,000	44,700	9,600	2,600	35,100	0	0	0	0	0	0	44,700	24,000
3.2	West	12.60	8.90	18,100	87,300	1,000	0	86,300	0	0	2,000	0	2,000	0	87,300	50,000
3.3	Hürth	7.50	7.10	1,700	9,300	0	0	9,300	0	0	2,500	0	2,500	2,500	11,800	0
3.4	Rodenkirchen	12.20	9.90	7,900	27,000	1,000	0	26,000	1,000	0	0	0	0	0	27,000	17,000
3.5	Porz/Airport	12.00	9.40	13,200	54,300	12,200	0	42,100	2,000	0	0	0	0	0	54,300	108,000
Total				320,000	684,000	167,000	25,000	507,000	3,000	10,000	96,000	65,000	161,000	38,000	722,000	857,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Düsseldorf

TAKE-UP SLIGHTLY LOWER THAN YEAR BEFORE

With take-up totalling 362,000 m², the Düsseldorf office market achieved one of its best results in recent years, bettering the ten-year average by around 14 %. All the same, the figure was slightly down (-5 %) on the prior-year result, which had benefited substantially from the 90,000 m² Vodafone D2 deal in Seestern. In 2011, in comparison, the very good scale of demand ranged across all size categories and was based on a high overall number of new leases. The only size brackets with just single-digit percentage shares of the total were the biggest, of over 10,000 m², and the smallest, of up to 201 m². Demand was also broader in terms of the contribution by the different business sectors. The prime rent exhibited a further modest rise, to 24.25 €/m².

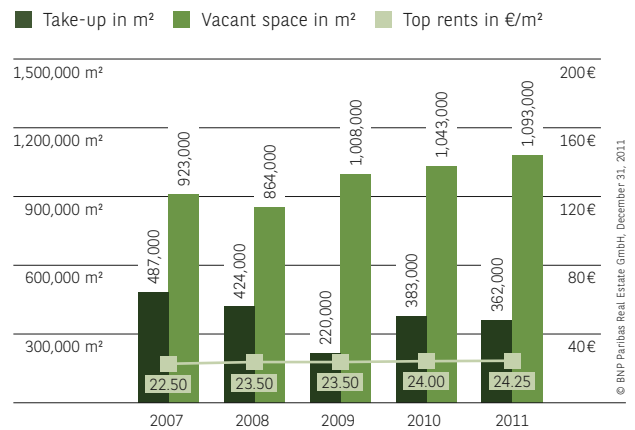
EVEN DISTRIBUTION OF TURNOVER

As a result of the low number of large deals, there were no big bumps in the spread of take-up across the municipal area. Led by Kennedydamm, which registered several sizeable deals to achieve the biggest turnover (43,000 m²), take-up was spread relatively evenly across the various office market zones. In second and third places came the Inner City, with 36,000 m², and Seestern, with 34,000 m². With a total of 30,000 m², Derendorf contributed just over 8 % of aggregate turnover; with 27,000 m², the Banking District added around 7 %. Overall in 2011, less space was let in the Office Centres, and more in the City Centre, Centre Fringe, subcentres and peripheral areas.

ALL SIZE CATEGORIES IN DEMAND

Whereas in 2010, the biggest contributions to turnover were made by the largest size bracket, of over 10,000 m², and the second-smallest, of between 201 m² and 500 m², take-up in 2011 was spread fairly evenly across the different segments, with the exception of the largest and the smallest. All the other brackets achieved shares of between 16 % and 20 %. The 2,001-5,000 m² category performed considerably better than the year before, with a rise of over 11 percentage points, while deals upwards of 10,000 m² fell year-on-year by 17 percentage points to achieve a share of just under 7 %, in line with the lack of major new leases.

Development of take-up, vacant space and top rents in Düsseldorf



Major contracts in Düsseldorf

OMZ	Company	m ²
2.5	RE:SOURCEC Germany GmbH/Vivaki Service GmbH	11,800
2.3	KPMG	9,500
4.1	Vallourec & Mannesmann AG	9,000
5.1.1	LG Electronics	9,000
2.4	Adecco Germany Holding SA & Co.	8,000
2.3	LEG	7,100
5.2.1	Novar	7,000
2.4	Siemens Enterprise Communications GmbH & Co. KG	5,500
2.6	Mercer Deutschland GmbH	5,200

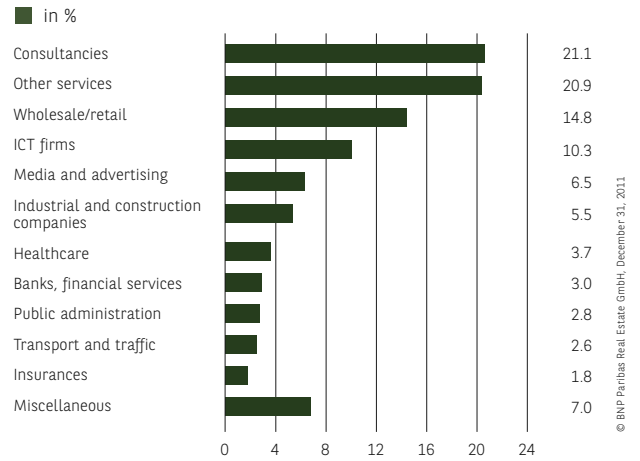
Take-up according to size categories in Düsseldorf



CONSULTANCIES AND OTHER SERVICES OUT IN FRONT

The first four places in the demand-by-business sector ranking were occupied by the same sectors as the year before, albeit with slight shifts. Consultancies and other services both generated considerably greater demand than in 2010, and with shares of just over and just under 21 % finished more or less equal. Wholesale/retail also upped its share somewhat to finish in third place with nearly 15 %. ICT firms, which had headed the list in 2010 thanks to the Vodafone D2 deal, last year came only fourth, but nevertheless also made a double-digit contribution, with slightly over 10 %.

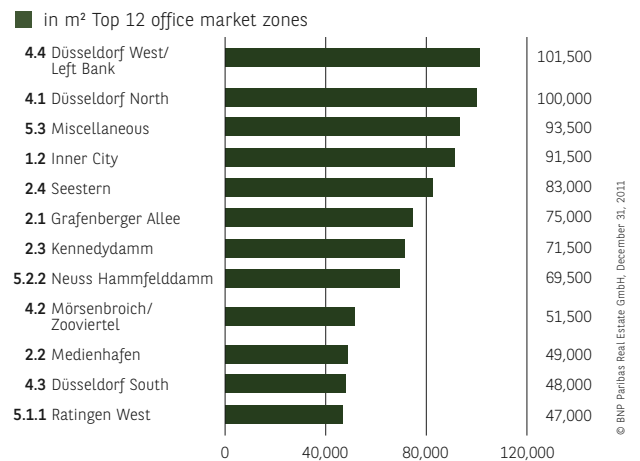
Take-up according to sectors in Düsseldorf



VACANCY SHOWS DOWNWARD TENDENCY

In the course of the year, some building completions initially produced a moderate increase in vacancy in the Düsseldorf market area, but then, towards the end of the year, the strong demand for modern premises made it fall again. All the same, at 1.09 million m², the total volume of unoccupied premises is now nearly 5 % higher than at the end of the previous year. The volume of modern vacant space actually increased somewhat more, by almost 11 % in fact. However, the ratio of modern vacant premises to total vacancy is still at a low level, of less than 27 %. Just like the year before, the biggest stocks of vacant premises are to be found in the subcentres, in the zones Düsseldorf West/Left-Bank (101,500 m²) and Düsseldorf North (100,000 m²), and in the Inner City (91,500 m²). Year-on-year, the vacancy rate has risen slightly; it is now 12.0 % in the market area and 10.7 % within the municipal boundaries.

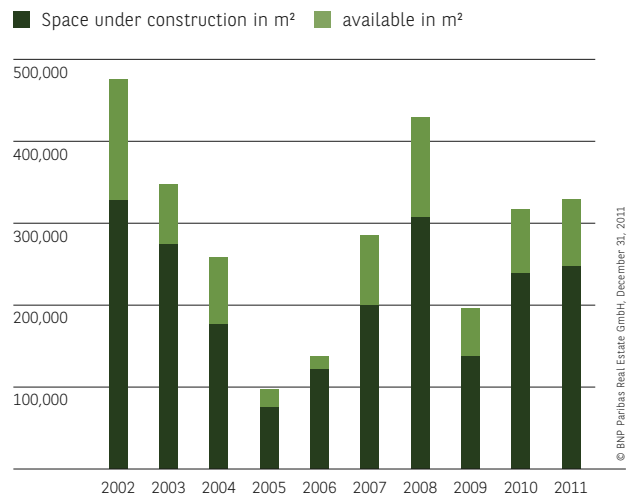
Vacant space according to location in Düsseldorf



SPACE UNDER CONSTRUCTION HIGHER DESPITE COMPLETIONS

Even though several projects were completed in 2011, the volume of space under construction has risen slightly further, expanding by around 4 % to 248,000 m² at present. The available proportion of this space has also increased by a similar extent (to 81,000 m²). This means that one third of the space currently being built is still available to the market. More than half of the premises concerned (52,500 m²) are in the City Centre, in the Banking District. The aggregate available supply of space (vacancy plus available premises under construction, see P.4) has risen accordingly, to 1.17 million m² (+5 %).

Space under construction in Düsseldorf



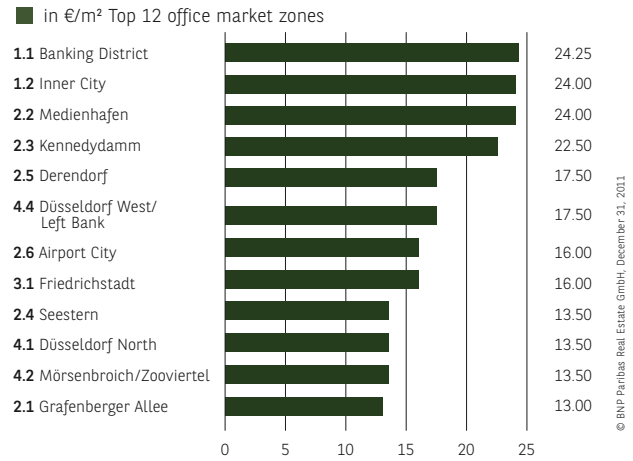
FURTHER MODERATE INCREASE IN PRIME RENT

Since bottoming out at the beginning of 2009, the prime rent has steadily recovered. Following the rise already registered in 2010, it has continued to climb during the past twelve months. This puts the Düsseldorf office market in line with the nationwide trend. At the end of 2011, the top rent actually reached a new record level, with 24.25 €/m². As before, the prime rent is achieved in the Banking District. Top rents also rose considerably in the Medienhafen and the Inner City, to 24 €/m² in both cases. The development of average rents varied considerably between the different office market zones in the course of the year, but overall they are exhibiting a modest upward tendency.

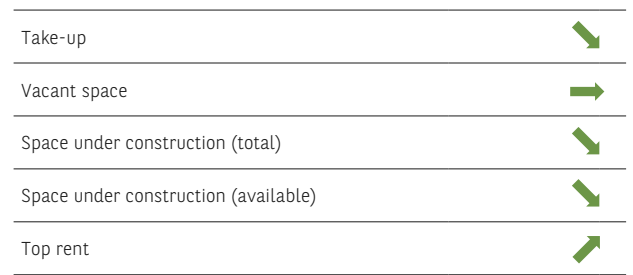
PROSPECTS FOR 2012 REMAIN POSITIVE

In spite of the ongoing uncertainty regarding the future development of the economy, both the scale of present enquiries and the mood among business firms point to a fundamentally positive framework for the Düsseldorf office market in 2012. Demand looks set to stay strong, but at a somewhat lower level than last year. All the same, there is a realistic chance that the 300,000 m² mark can be passed once again, producing a final result which is above the long-term average. However, this is unlikely to be reflected in any significant decline in overall supply. Aggregate vacancy will probably fall only slowly at first. This supposition is based both on upcoming completions of buildings with as-yet unlet space and also, more importantly, on the fact that 2012 will see firms moving into projects due to be finished in the course of the year, thus releasing significant quantities of space which will probably initially boost vacancy. At the same time, though, supply in the particularly favoured segment of modern premises will remain limited and in fact probably even shrink somewhat more, so that further modest rises in top rents are at least a possibility.

Top rents according to location in Düsseldorf



Trends in important market indicators in Düsseldorf



Key indicators Düsseldorf

Rents (€/m²)		Take-up (m²)	Vacant space (m²)						Space under construction (m²)			Space on offer (m²)			
Top rent*	Average		total	modern	normal	unrefurbished		finished	total	available	available	projected			
		2011	total	of this, since completion	total	of this, since completion		2012	from 2013						
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15	
1 City Centre															
1.1	Banking District 24.25	22.20	27,000	40,000	19,000	6,000	20,500	0	500	2,500	50,000	52,500	52,500	92,500	23,500
1.2	Inner City 24.00	12.20	36,000	91,500	14,000	6,500	75,000	0	2,500	0	0	0	0	91,500	38,000
2 Office Centres															
2.1	Grafenberger Allee 13.00	12.00	10,500	75,000	28,500	0	46,500	0	0	1,500	0	1,500	0	75,000	120,000
2.2	Medienhafen 24.00	18.70	24,500	49,000	37,000	17,500	12,000	0	0	0	0	0	0	49,000	49,000
2.3	Kennedydamm 22.50	16.20	43,000	71,500	30,000	20,000	41,500	0	0	9,500	12,500	22,000	11,500	83,000	52,500
2.4	Seestern 13.50	11.50	34,000	83,000	21,500	0	57,000	0	4,500	0	86,000	86,000	0	83,000	37,500
2.5	Derendorf 17.50	14.80	30,000	29,500	15,500	0	14,000	0	0	33,500	0	33,500	3,500	33,000	51,000
2.6	Airport City 16.00	15.00	6,500	0	0	0	0	0	0	0	0	0	0	0	129,500
3 Centre Fringe															
3.1	Friedrichstadt 16.00	12.90	16,000	39,500	0	0	39,500	0	0	0	14,000	14,000	0	39,500	0
3.2	Centre East 12.50	11.80	2,500	31,000	2,500	0	24,500	0	4,000	30,000	0	30,000	10,000	41,000	0
4 Subcentres															
4.1	Düsseldorf North 13.50	10.80	21,500	100,000	24,000	3,000	69,000	0	7,000	0	0	0	0	100,000	249,000
4.2	Mörsenbroich/Zooiertel 13.50	10.20	14,500	51,500	5,500	0	41,500	0	4,500	0	0	0	0	51,500	178,000
4.3	Düsseldorf South 12.50	10.70	16,500	48,000	15,500	0	27,500	0	5,000	0	1,500	1,500	1,500	49,500	30,500
4.4	Düsseldorf West/Left Bank 17.50	10.70	25,500	101,500	38,000	0	58,500	0	5,000	1,000	6,000	7,000	2,000	103,500	38,500
Total Düsseldorf			308,000	811,000	251,000	53,000	527,000	0	33,000	78,000	170,000	248,000	81,000	892,000	997,000
5 Periphery															
5.1.1	Ratingen West 10.50	8.60	16,500	47,000	5,000	0	42,000	0	0	0	0	0	0	47,000	133,000
5.1.2	Ratingen East 12.80	10.70	7,000	25,500	4,000	3,000	21,500	1,000	0	0	0	0	0	25,500	30,000
5.2.1	Neuss 10.00	6.60	10,500	46,500	1,000	0	45,500	0	0	0	0	0	0	46,500	33,500
5.2.2	Neuss Hammfelddamm 9.50	8.30	8,000	69,500	22,000	15,000	47,500	0	0	0	0	0	0	69,500	62,500
5.3	Miscellaneous** 11.50	9.00	12,000	93,500	8,000	0	84,500	1,000	1,000	0	0	0	0	93,500	25,000
Total Periphery			54,000	282,000	40,000	18,000	241,000	2,000	1,000	0	0	0	0	282,000	284,000
Total			362,000	1,093,000	291,000	71,000	768,000	2,000	34,000	78,000	170,000	248,000	81,000	1,174,000	1,281,000

* The top rent given applies to a market segment of 3-5 % in each case.

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** The office market zone Miscellaneous comprises towns like Erkrath, Hilden, Meerbusch, Monheim and Langenfeld.

Essen

TAKE-UP AGAIN OVER 100,000 m²

At 107,000 m², take-up in Essen in 2011 passed the 100,000 m² threshold for the fifth time in succession. The result, which was about 8 % higher than the long-term average, represents a slight year-on-year increase of around 2 %. So it seems that the Essen office market has now established itself firmly at this higher level. The excellent result was fuelled especially by lettings in the mid-range size class and also by one large 12,000 m² lease. As already evident at the half-year point, activity was dominated by public administration and the headquarters of industrial companies, and in the year as a whole, each of these contributed 28 % to total turnover. The prime rent has remained stable at 13.50 €/m².

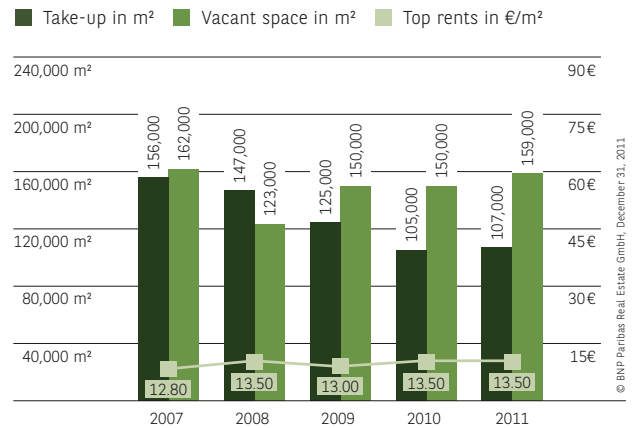
STRONGEST DEMAND GENERATED BY CORE CITY

In terms of the distribution of take-up across the different office market zones, the list was headed by Core City, with a share of some 34 % (36,000 m²). The Centre Fringe zone of Rüttenscheid/Bredeney registered a decline in take-up compared with 2010; it fell by nearly 16 % to 24,000 m². So following the neck-on-neck race between Core City and Rüttenscheid/Bredeney the year before, 2011 brought a decision in favour of the central area. An important contribution to this result was the large deal in the City Centre concluded by health insurance organization AOK Rheinland. In third place, just like last year, came the Remaining Municipal Area, with a share of about 16 % (17,000 m²). The Südviertel, in the Centre Fringe office market area, also put in a good performance, with around 11 % (12,000 m²).

STABLE DEMAND IN MID-RANGE SIZE CLASS

In 2011, office tenants in Essen were interested chiefly in medium-sized premises, of between 1,001 m² and 5,000 m². This size class accounted for around 58 % of all new leases. But demand for smaller units, in the size brackets up to 1,000 m², was also lively, and they achieved a share of around 30 %. This confirms the ongoing stability of demand in the Essen office market. As a result of the big AOK Rheinland deal, the largest size category (upwards of 10,000 m²) contributed more than 12 % to aggregate turnover. The second-largest category (5,001-10,000 m²), which the year before had generated some 33 % of total take-up, registered no deals at all in 2011.

Development of take-up, vacant space and top rents in Essen



Major contracts in Essen

OMZ	Company	m ²
1.1	AOK Rheinland	12,400
1.1	ThyssenKrupp	4,900
2.5	Landesbetrieb Straßenbau NRW	4,800
2.2	Evonik Industries (F&E Zentrum)	4,000
2.2	Tego GmbH (F&E Zentrum)	4,000
2.3	Konzerngesellschaft	3,800
2.4	Jobcenter Essen	3,500
2.5	Energieunternehmen	3,500
3.1	Landschaftsverband Rheinland	2,500

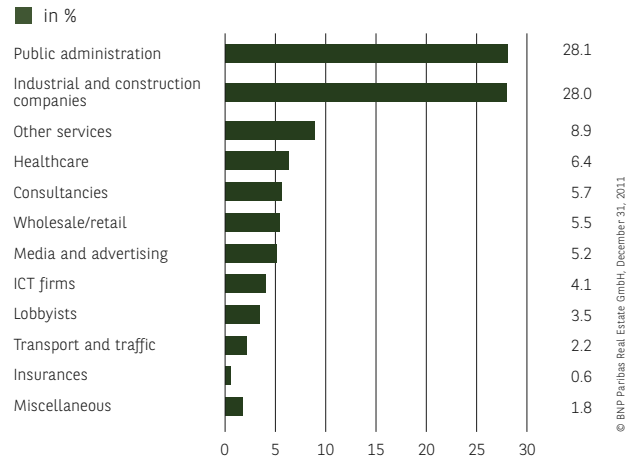
Take-up according to size categories in Essen



TWO BUSINESS SECTORS WELL OUT IN FRONT

There were some shifts in the distribution of turnover according to the different sources of demand. The prior-year leader, the headquarters of industrial companies, last year had to share first place with public administration. Each of these sectors accounted for 28 % of the total. For public administration, this represented a jump of 22 percentage points, with the AOK Rheinland lease playing a major role in the rise. Then, well behind, came other services, with just under 9 %, which was 10 percentage points less than in 2010. Information and communications technology firms also lost ground (minus 13 percentage points), achieving a share of just 4 %.

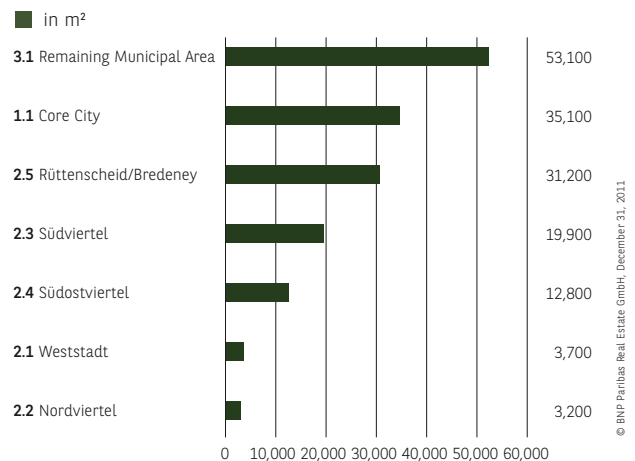
Take-up according to sectors in Essen



VACANCY SOMEWHAT HIGHER

After remaining steady at 150,000 m² for a period of two years, vacancy rose by about 6 % towards the end of 2011 to a total of 159,000 m². It is gratifying to note, however, that the volume of vacant space of modern quality has fallen, by approximately 10 % to 37,000 m². In geographical terms, the largest reserves of space are to be found – as in 2010 – in the Remaining Municipal Area, where they total 53,100 m². That figure represents a year-on-year increase of nearly 46 %. The additional volume consists primarily of unrefurbished premises vacated by tenants who have moved into new offices. Although the vacancy rate remains above the 4 % mark, at 4.4 % it is still very low by nationwide standards.

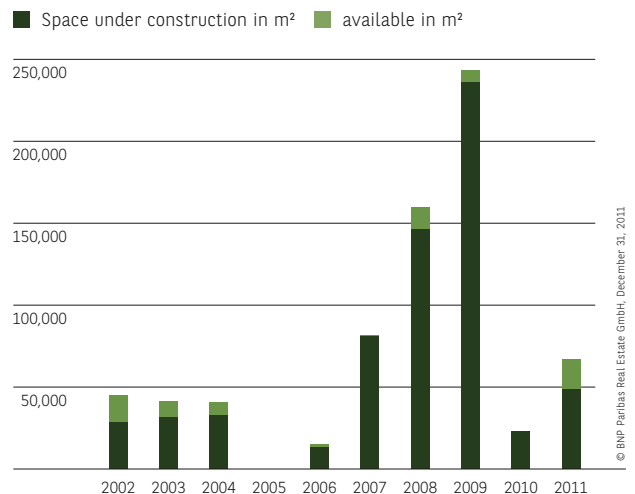
Vacant space according to location in Essen



SPACE UNDER CONSTRUCTION NOW AVAILABLE AGAIN

Space under construction has more than doubled compared with the year before, and at the end of 2011 totalled 49,000 m². It is spread across the office precincts Remaining Municipal Area (17,000 m²), Südviertel (14,000 m²), Core City (12,000 m²) and Rüttenscheid/Bredeney (6,000 m²). A large proportion of this space is destined for owner-occupation or has already been let, but unlike the year before, some of it – 18,000 m² in fact – is now available to the rental market. One key reason for this is the commencement of a large project in the Centre Fringe zone of Südviertel, which is scheduled to be completed in 2013. The overall available supply of space (vacancy plus available premises under construction, see P.4) has risen accordingly, by 18 % to 177,000 m².

Space under construction in Essen



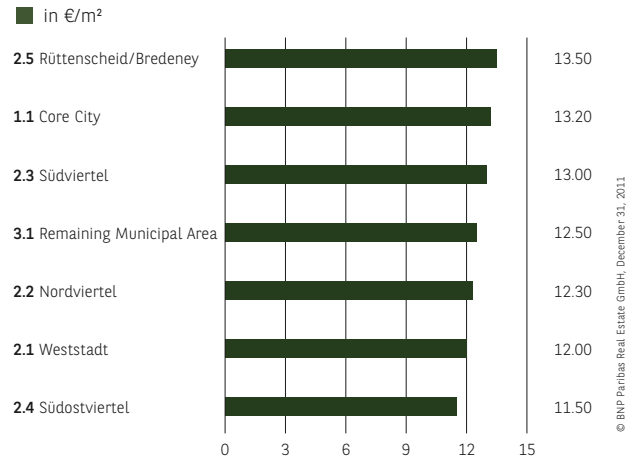
PRIME RENT STAYS STEADY

Just as in 2010, the prime rent has remained stable at 13.50 €/m² and, as before, is obtained in the Centre Fringe zone of Rüttenscheid/Bredeney. In some office areas, though, there have been changes in top rents. In Core City, for instance, the top rent has risen by around 6 % to 13.20 €/m² at present, due among other things to the strong demand for premises offering modern specifications. Südostviertel also registered a climb in the top rent, from 10.50 €/m² to 11.50 €/m² (plus 10 %). On the other hand, there were moderate falls in top rents in the office market zones Weststadt (12 €/m²) and Südviertel (13 €/m²). Average rents have risen somewhat compared with the previous year.

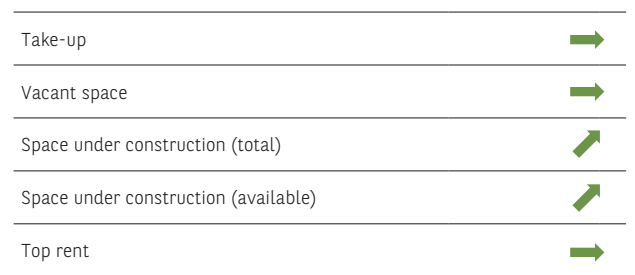
STABILIZATION AT PRESENT LEVEL POSSIBLE

Even though 2012 is expected to bring a marked downturn in overall economic growth, there is a realistic chance that that the Essen office market will be able to turn in a performance comparable with that achieved in 2011. The consolidation of take-up in recent years – despite sometimes difficult conditions – indicates a structurally stable basis of demand. Against this background, it seems quite feasible that the 100,000 m² threshold can again be reached. Fortunately, the volume of available space under construction has expanded considerably since the third quarter of 2011 and since this trend looks set to continue during this coming year, an additional stock of modern premises will come onto the market. Given ongoing buoyancy in demand, the extra space can fundamentally be expected to bring about consolidation at the level which has now been achieved rather than to boost vacancy. The way in which top rents develop is likely to be influenced by differing trends. On the one hand, the economic slow-down could have a curbing effect, while on the other hand, the still low supply of modern office premises could exert upward pressure on top rents. So the possibility of a moderate rise in the prime rent cannot be entirely excluded.

Top rents according to location in Essen



Trends in important market indicators in Essen



Key indicators Essen

Rents (€/m²)		Take-up (m²)	Vacant space (m²)						Space under construction (m²)			Space on offer (m²)		
Top rent*	Average		total	modern	normal	unrefurbished		finished	total	available	available	projected		
		2011	total	of this, since completion	total	of this, since completion		2012	from 2013					
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15
1 City Centre														
1.1	Core City													
	13.20	11.10	36,000	35,100	5,100	1,000	22,600	0	7,400	0	12,000	12,000	0	35,100 125,000
2 Centre Fringe														
2.1	Weststadt													
	12.00	10.60	2,500	3,700	2,800	0	900	0	0	0	0	0	0	3,700 95,000
2.2	Nordviertel													
	12.30	9.90	8,500	3,200	0	0	3,200	0	0	0	0	0	0	3,200 0
2.3	Südviertel													
	13.00	10.60	12,000	19,900	1,000	1,000	16,500	0	2,400	0	14,000	14,000	14,000	33,900 50,000
2.4	Südostviertel													
	11.50	8.70	7,000	12,800	0	0	8,100	0	4,700	0	0	0	0	12,800 30,000
2.5	Rüttenscheid/Bredeney													
	13.50	10.20	24,000	31,200	16,600	9,900	9,900	0	4,700	6,000	0	6,000	4,000	35,200 83,000
3 Subcentres														
3.1	Remaining Municipal Area													
	12.50	7.70	17,000	53,100	11,500	6,100	25,800	0	15,800	17,000	0	17,000	0	53,100 104,000
Total			107,000	159,000	37,000	18,000	87,000	0	35,000	23,000	26,000	49,000	18,000	177,000 487,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Frankfurt

MODEST YEAR-ON-YEAR RISE IN TAKE-UP

Take-up of office space in the Frankfurt market area in 2011 totalled 525,000 m². This was nearly 2 % higher than in 2010. In the narrower market area, as defined jointly by the big market players, take-up came to 428,000 m², representing a fall of about 9 %. It is notable that the turnover volume was achieved despite what was – by normal Frankfurt standards – only a small proportion of large deals. Transactions upwards of 5,000 m² accounted for just 32 % of the overall result, as against 45 % the year before. Taking into consideration the substantial number of existing lease contracts which were extended after tenants had examined possible alternatives (such extensions are not included in the turnover total), the overall level of market activity in Frankfurt must be considered lively. Demand was especially strong in the mid-range segment.

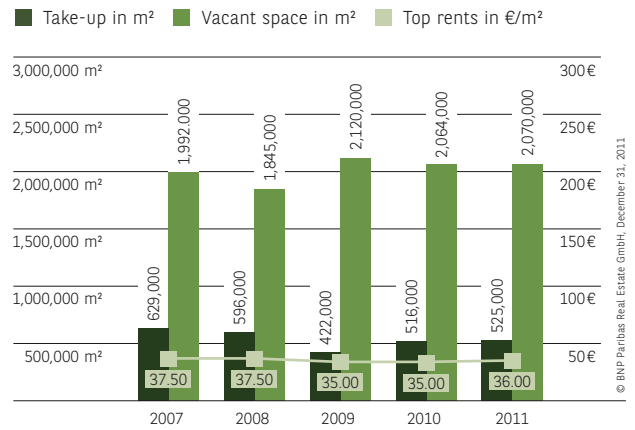
TENANT INTEREST FOCUSED ON CITY CENTRE AND SUBCENTRES

The distribution of take-up across the market area reveals that demand focused particularly on two locations. On the one hand, this was the City Centre, which generated 36 % of aggregate turnover. Here, first place was taken by the office market zone Inner City, with 80,000 m². It was followed by Westend (59,800 m²) and the Banking District (42,500 m²). The second main focus was on the subcentres, which were together responsible for a high – 39 % – share of all take-up. This result was fuelled among other things by several owner-occupier deals (e.g. Fraport, Lufthansa, WISAG). In particular, the office market zones Airport (58,000 m²), Neu-Isenburg (46,000 m²) and Niederrad (43,000 m²) benefited from large new leases. In contrast, the peripheral areas of Frankfurt last year accounted for only just under 10 % of turnover.

STRONG DEMAND IN MID-RANGE MARKET SEGMENT

The mid-range size brackets between 501 m² and 5,000 m² played a disproportionately large role in generating turnover, accounting altogether for more than 52 % of the result (prior year: 43 %). Small lettings of up to 500 m² accounted for a respectable share of just over 16 %. On the other hand, the significance of large deals of over 10,000 m² – a size category which is traditionally a key factor in Frankfurt – fell appreciably, with just under 23 % as against around one third of the total in 2010.

Development of take-up, vacant space and top rents in Frankfurt



Major contracts in Frankfurt

OMZ	Company	m ²
4.1	BAFin Bundesanstalt für Finanzdienstleistungsaufsicht	24,200
4.5	Lufthansa AirPlus Servicekarten GmbH	21,200
4.7	Fraport	20,000
4.7	Deutsche Lufthansa AG	18,400
4.4	WISAG Facility Service Holding	13,300
4.5	Arrow Central Europe GmbH	12,000
4.7	DB Schenker Deutschland	11,800
1.3	DB Fuhrpark Service	8,900
1.1	Deutsche Bundesbank	8,700

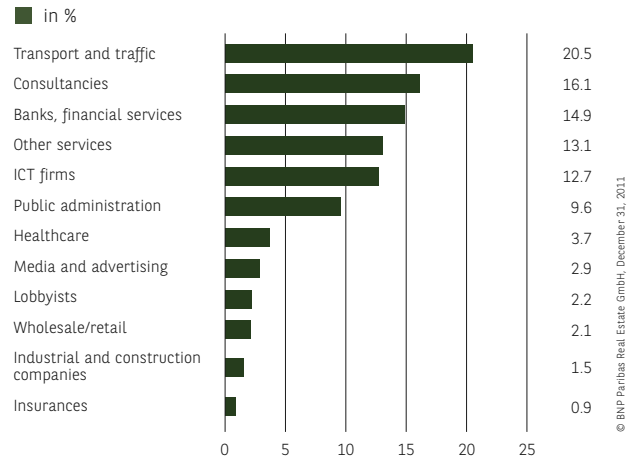
Take-up according to size categories in Frankfurt



DEMAND BY BUSINESS SECTOR MORE WIDELY SPREAD

In contrast to many other years, in 2011 banks and financial services failed to dominate market activity; the distribution according to business sectors was extremely diverse, with six sectors achieving double-digit percentage shares of take-up. First place was taken by transport and traffic, with a very good 20.5%. A considerable proportion of this was due to the positive development of Frankfurt Airport, with its associated businesses. Then came consultancies, traditionally strong in Frankfurt, with 16%, ahead of banks and financial services, with 15%. Sizeable shares were also posted by other services and by information and communications technology companies (each with 13%) and by public administration, with just on 10%. All the other sectors played only a subordinate role.

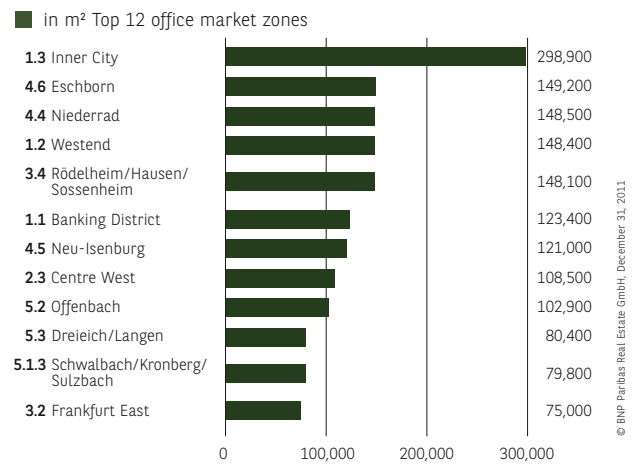
Take-up according to sectors in Frankfurt



VACANCY LARGELY UNCHANGED

In spite of the generally pleasing scale of take-up, there has been hardly any change in overall vacancy in the past 12 months, although it was subject to some slight fluctuations during the course of the year. Total vacancy in the Frankfurt market area at present amounts to 2.07 million m², but only 40% of this (corresponding to a volume of 829,000 m²) falls into the category of modern space, which is the prime focus of demand. Sizeable stock of vacant premises are to be found mainly in the City Centre zones Inner City (175,500 m²), Banking District (76,500 m²) and Westend (59,500 m²), where demand is usually strong. But there are also considerable volumes of modern vacant space in Centre Fringe zones like Centre West (88,100 m²) and areas on the Frankfurt borders such as Rödelheim/Hausen/Sossenheim (73,200 m²). The vacancy rate in the market area as a whole is 13.2%; in the more narrowly defined municipal market area it is 13.5%.

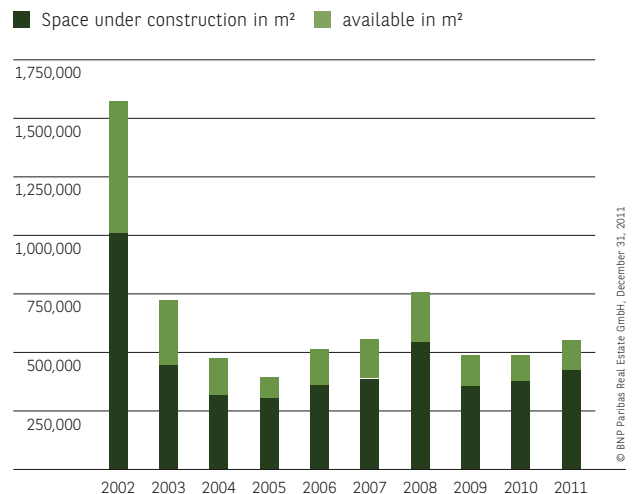
Vacant space according to location in Frankfurt



GROWTH IN SPACE UNDER CONSTRUCTION

Although some 235,000 m² of office premises reached completion in the course of 2011, space under construction has increased year-on-year by 12% to 428,000 m², while the volume of this which is still available to the rental market has also risen slightly, to 126,000 m². Nevertheless, only around 29% of all the space currently being built has not been let yet, and about 90% of this is in the highly favoured office market zones of Banking District and Inner City, where demand is generally lively.

Space under construction in Frankfurt



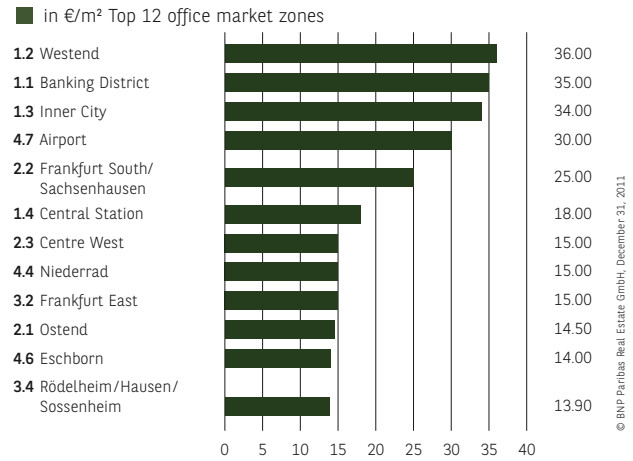
PRIME RENT CONTINUES MODEST CLIMB

In Frankfurt, just as in the other German locations, top rents have risen in the past 12 months. Since the end of 2010, the prime rent – achieved in the Westend district – has increased by nearly 3% to 36 €/m². Only slightly lower than that are the top rents in the Banking District (35 €/m²) and the Inner City (34 €/m²). A similar upward movement in top rents was also apparent in many other areas last year. A key reason for this is the marked concentration of tenants on high-quality premises which naturally command higher rents. One up-and-coming area is the Airport zone, where the top rent – at 30 €/m² – is not far behind the level being obtained in the prime inner-city areas. This is due to the fact that that this zone now contains The Squire, an attractive, ultra-modern complex which can achieve top rents.

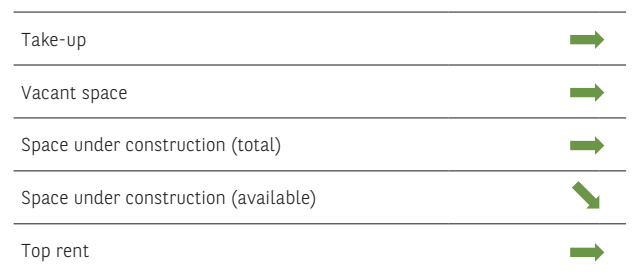
DEMAND UNLIKELY TO FALL SIGNIFICANTLY IN 2012

In view of the ongoing uncertainty regarding the way the economy will develop, the Frankfurt office market performed very well in 2011. This is particularly so given the difficult situation still facing the key Frankfurt business sector, banks and financial services. But the other business sectors were able to compensate impressively for the resultant decline in demand. Against this background, there are many signs that there will be no significant fall in take-up in this present year. Although the possibility of a slightly lower result than in 2011 cannot be excluded, there is a realistic chance that the 500,000 m² threshold can again be surpassed. On the supply side, though, the situation will not change much, since, seen from today’s angle, vacancy will probably fall only modestly. The same applies to space under construction, although the available proportion of this space will probably decline. In view of the foreseeable development of supply in combination with a cooling-off in the general economic climate, prime rents look more likely to remain stable in 2012 than to climb any further.

Top rents according to location in Frankfurt



Trends in important market indicators in Frankfurt



Key indicators Frankfurt

Rents (€/m ²)		Take-up (m ²)	Vacant space (m ²)						Space under construction (m ²)				Space on offer (m ²)		
Top rent*	Average		total	modern	normal	unrefurbished		finished	total	available		available	projected		
		2011	total	of this, since completion	total	of this, since completion		2012	from 2013						
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15	
1 City Centre															
1.1	Banking District 35.00	22.40	42,500	123,400	76,500	16,700	46,900	0	0	0	73,000	73,000	60,000	183,400	122,500
1.2	Westend 36.00	22.10	59,800	148,400	59,500	8,400	88,900	0	0	31,000	0	31,000	2,000	150,400	204,300
1.3	Inner City 34.00	19.60	80,000	298,900	175,500	70,600	122,900	3,500	500	0	110,000	110,000	53,000	351,900	201,700
1.4	Central Station 18.00	12.20	6,500	67,400	8,500	0	58,900	0	0	0	0	0	0	67,400	5,400
2 Centre Fringe															
2.1	Ostend 14.50	11.80	15,100	50,800	22,300	18,100	27,500	2,900	1,000	12,000	104,000	116,000	4,000	54,800	214,900
2.2	Frankfurt South/Sachsenhausen 25.00	14.00	24,000	63,800	22,000	5,400	41,800	0	0	0	0	0	0	63,800	30,200
2.3	Centre West 15.00	11.40	7,700	108,500	88,100	2,000	20,400	0	0	0	0	0	0	108,500	56,000
3 Stadtrand															
3.1	Frankfurt North 13.00	12.50	3,400	5,100	1,000	0	4,100	0	0	0	0	0	0	5,100	19,900
3.2	Frankfurt East 15.00	7.10	11,000	75,000	19,900	0	51,800	7,300	3,300	0	0	0	0	75,000	0
3.3	Frankfurt West/Gallusviertel 11.00	8.70	4,100	57,100	1,500	0	43,700	0	11,900	0	0	0	0	57,100	112,100
3.4	Rödelheim/Hausen/Sossenheim 13.90	11.40	16,000	148,100	73,200	5,000	74,900	0	0	0	0	0	0	148,100	144,300
4 Subcentres															
4.1	Heddernheim/Mertonviertel 11.00	9.30	34,100	62,900	47,500	0	15,400	0	0	0	0	0	0	62,900	0
4.2	Nieder-Eschbach 9.00	7.60	1,900	32,000	4,100	0	27,900	1,000	0	0	0	0	0	32,000	15,500
4.3	Kaiserlei 12.00	10.60	1,700	29,300	19,500	2,400	9,800	0	0	0	0	0	0	29,300	74,800
4.4	Niederrad 15.00	11.10	43,000	148,500	46,600	6,200	81,200	1,300	20,700	0	0	0	0	148,500	154,400
4.5	Neu-Isenburg 13.00	11.90	46,000	121,000	40,000	2,000	81,000	1,000	0	0	33,000	33,000	0	121,000	125,000
4.6	Eschborn 14.00	12.40	19,200	149,200	21,500	1,200	125,100	0	2,600	7,000	6,000	13,000	4,000	153,200	209,700
4.7	Airport 30.00	23.00	58,000	48,600	40,800	40,000	7,800	0	0	22,000	23,000	45,000	3,000	51,600	48,300
Total Frankfurt			474,000	1,738,000	768,000	178,000	930,000	17,000	40,000	72,000	349,000	421,000	126,000	1,864,000	1,739,000
5 Periphery															
5.1	Vordertaunus														
5.1.1	Bad Homburg 13.10	10.80	21,400	46,000	14,100	0	31,900	0	0	0	0	0	0	46,000	34,600
5.1.2	Oberursel 10.00	10.00	500	22,900	2,500	0	20,400	0	0	0	0	0	0	22,900	109,800
5.1.3	Schwalbach/Kronberg/Sulzbach 12.00	10.30	9,900	79,800	7,800	1,100	72,000	0	0	0	0	0	0	79,800	111,700
5.2	Offenbach 12.00	10.10	12,800	102,900	34,200	15,300	66,700	3,000	2,000	5,000	2,000	7,000	0	102,900	1,900
5.3	Dreieich/Langen 12.00	9.00	6,400	80,400	2,400	1,600	78,000	0	0	0	0	0	0	80,400	219,000
Total Periphery			51,000	332,000	61,000	18,000	269,000	3,000	2,000	5,000	2,000	7,000	0	332,000	477,000
Total			525,000	2,070,000	829,000	196,000	1,199,000	20,000	42,000	77,000	351,000	428,000	126,000	2,196,000	2,216,000
Narrower market area: Municipal area + Eschborn + Kaiserlei + Airport															
			428,000	1,617,000	728,000	176,000	849,000	16,000	40,000	72,000	316,000	388,000	126,000	1,743,000	1,614,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Hamburg

EXCELLENT RESULT

With take-up totalling 536,000 m², the Hamburg office market again produced an outstanding performance and was able to exceed its already very good prior-year turnover by 6%. The second half of the year was especially lively, outstripping the long-term average by around 20%. Even though 2011 once again featured some out-of-the-ordinary deals, the increase in take-up was fuelled mainly by broadly based demand across all size classes and by a very large number of new leases. Just as in 2010, the business-sector distribution of demand was headed by other services (over 19%), ahead of public administration (16.5%) and consultancies (over 16%).

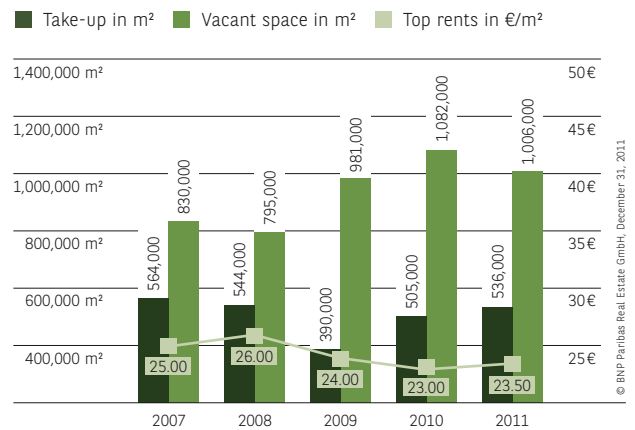
CENTRAL AREAS IN DEMAND

The City Centre was once again the office market zone generating the strongest demand and it accounted for more than 30% of all turnover. With a total of 163,000 m², representing a year-on-year increase of around 38%, it also posted its highest level in the past ten years. Hafencity also again produced a very good result, but its total, of 53,000 m², was down on the prior-year figure. The same applies to the also strongly favoured submarket of Centre South, which produced take-up of 45,000 m². In contrast, the Alster Precincts reported a marked increase, with 33,000 m². The high turnovers posted by the collective categories of Extended Inner City (52,500 m²) and, especially, Remaining Municipal Area (115,000 m²) reflect just how broadly take-up was spread across the Hamburg office market as a whole.

STRONG DEMAND IN ALL SIZE CLASSES

The renewed increase in take-up was fuelled not just by large deals upwards of 10,000 m² but also by generally lively demand. In fact, the size category of over 10,000 m² was the only class where turnover fell year-on-year (-41%). All the other size brackets produced higher totals than in 2010. The biggest turnover was generated by the mid-range size segments. In the lead, with almost 23% of the total, were leases for premises of between 1,001 m² and 2,000 m². Then came the size categories 501-1,000 m² (19.5%) and 2,001-5,000 m² (nearly 19%). The biggest increase in relative terms was achieved by lettings of between 5,001 m² and 10,000 m², with a share of over 11%. So overall, take-up was distributed fairly evenly between the different size classes.

Development of take-up, vacant space and top rents in Hamburg



Major contracts in Hamburg

OMZ	Company	m ²
3.7	Behördenzentrum	45,000
2.3	Universität Hamburg	14,000
1.1	Bundesanstalt für Immobilienaufgaben (Zoll)	10,000
1.1	BDO Deutsche Warentreuhand AG	10,000
1.1	Ebner, Stolz, Mönning, Bachem	7,100
1.3	Kühne Logistics University (KLU)	7,000
1.3	Esche Schümann Commichau	6,700
2.1	Deutsche Bank AG	6,000
1.3	HIH Hamburgische Immobilien Handlung GmbH	5,700

Take-up according to size categories in Hamburg



OTHER SERVICES AGAIN OUT IN FRONT

In terms of the business-sector distribution of turnover, there was little change among the leaders compared with the previous year. Other services (a term which includes property-related services, private educational establishments and temporary job agencies) were able to maintain their first place, with a share of more than 19%. In 2011, public administration again concluded some large-unit leases and defended its second place with almost 17%. Consultancies also generated buoyant demand again and stepped up their share of the total by nearly 6 percentage points to over 16%. Information and communications technology firms accounted for 10% and the media and advertising sector for just under 9%.

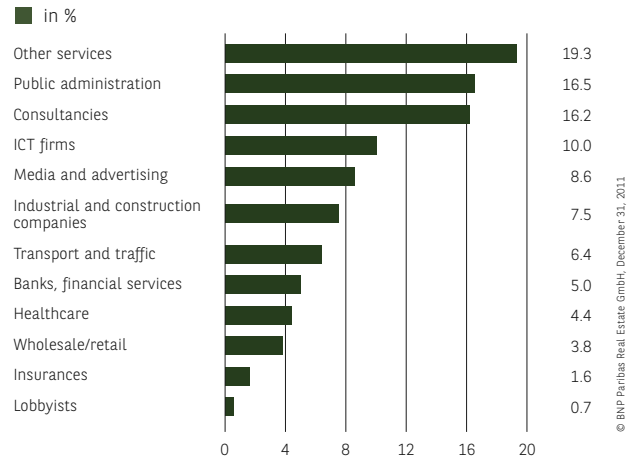
VACANCY LOWER IN ALMOST ALL SUBMARKETS

In the earlier part of the year, vacancy exhibited a renewed rise but then towards the end of the year it fell again, to post a total at present of around 1 million m². The decline was particularly marked (-15%) in the field of modern vacant premises, which is the segment attracting the most demand. Its share of aggregate vacancy has fallen further, to just over one quarter. The most extensive stocks of vacant space are to be found in the office market zones City Centre (163,000 m²) and Centre South (131,000 m²). There are also sizeable reserves of unoccupied space in the two collective categories of Remaining Municipal Area (179,500 m²) and Extended Inner City (136,500 m²). It is especially gratifying to note that vacancy was reduced in almost all the individual submarkets. The vacancy rate has also fallen appreciably, to 7.3%.

MARKED FALL IN SPACE UNDER CONSTRUCTION

The high volume of space under construction in Hamburg was reduced by nearly 19% in the course of the year and at 378,000 m² is now at its lowest level since autumn 2007. The volume of this which is still available to the market declined by over 15% to 229,000 m². The proportion of the space being built on a speculative basis is still high, at almost 61% of the total, but only the smaller part of this is expected to be completed in 2012. The biggest quantities of space under construction are in HafenCity (90,500 m²) and the Inner City (66,500 m²). The total available supply of office space (vacancy plus still available premises under construction, see P.4) has fallen by nearly 9% to 1.24 million m² at present. At the end of the year, projected space totalled around 0.9 million m².

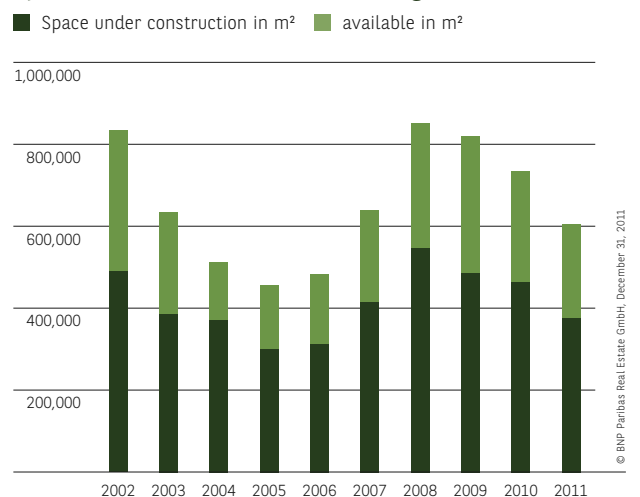
Take-up according to sectors in Hamburg



Vacant space according to location in Hamburg



Space under construction in Hamburg



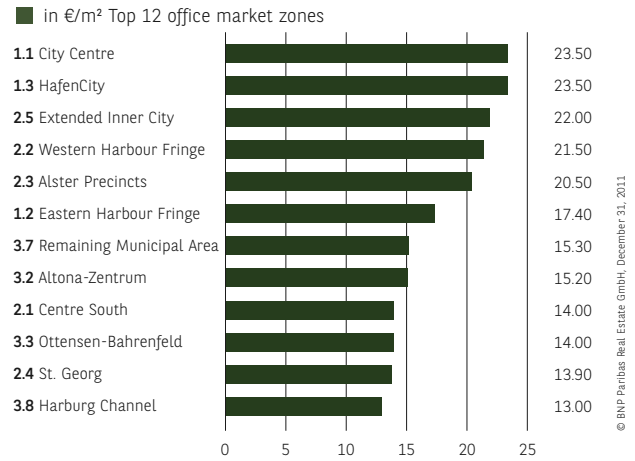
PRIME RENT ACHIEVED IN CENTRE AND HAFENCITY

In the second quarter of 2011, the prime rent in the Hamburg office market rose slightly, by 2 % to 23.50 €/m², and has remained stable at that level since then. It is obtained both for modern premises in very good inner-city areas and now also in HafenCity once again. In other areas, especially those close to water, top rents are upwards of 20 €/m². That is the case, for instance, in the office market zones Extended Inner City (22 €/m²), Western Harbour Fringe (21.50 €/m²) and Alster Precincts (20.50 €/m²). Slight falls in the top rent were registered in the submarkets St. Georg and Bahrenfeld West. Overall, average rents in particular enjoyed a modest year-on-year increase in several submarkets; in some centre fringe areas, however, they declined slightly.

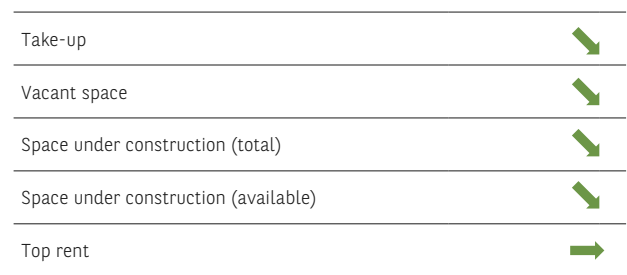
POSTIVE PROSPECTS OVERALL FOR 2012

The lively scale of market activity and the level of existing enquiries indicate that take-up in Hamburg in 2012 is again likely to be high. It will probably be up on the long-term average, with a total for the year as a whole in the region of 450,000 m² to 500,000 m². However, in view of the currency and financial crisis, it remains to be seen just how the economy develops and whether the present uncertainty increasingly prompts business firms to postpone their decisions. On the supply side, only few new building projects are to be expected in the coming quarters, and so a further decline in space under construction can be expected. The buoyant demand for office premises of modern quality will make the volume of newly built space continue to fall. The scale of vacancy is also likely to go on declining, but probably in a way that is slow and steady rather than sharp and fast. Where the prime rent is concerned, no significant changes are to be expected; initially, at any rate, it will presumably stabilize at its present level.

Top rents according to location in Hamburg



Trends in important market indicators in Hamburg



Key indicators Hamburg

Rents (€/m²)		Take-up (m²)	Vacant space (m²)				Space under construction (m²)			Space on offer (m²)					
Top rent*	Average		total	modern	normal	unrefurbished	finished	total	available	available	projected				
		2011	total	of this, since completion			2012	from 2013							
1	2	3	4=(5+7+8)	5	6	7	8	9	10	11=(9+10)	12	13=(4+12)	14		
1 City Centre															
1.1	City Centre	23.50	17.50	163,000	163,000	65,000	29,000	67,000	31,000	50,000	16,500	66,500	32,000	195,000	100,000
1.2	Eastern Harbour Fringe	17.40	15.50	3,000	32,000	1,500	1,000	7,000	23,500	0	0	0	0	32,000	0
1.3	HafenCity	23.50	18.50	53,000	62,000	45,500	36,000	14,000	2,500	19,000	71,500	90,500	77,500	139,500	140,000
2 Centre Fringe															
2.1	Centre South	14.00	11.80	45,000	131,000	31,000	9,500	79,000	21,000	25,000	0	25,000	0	131,000	100,000
2.2	Western Harbour Fringe	21.50	17.90	13,500	34,000	21,000	18,000	9,000	4,000	20,000	0	20,000	11,000	45,000	30,000
2.3	Alster Precincts	20.50	17.20	33,000	22,000	6,000	2,500	5,000	11,000	15,500	38,500	54,000	44,500	66,500	30,000
2.4	St. Georg	13.90	13.20	6,500	29,500	14,000	9,000	10,500	5,000	0	17,000	17,000	17,000	46,500	30,000
2.5	Extended Inner City	22.00	13.00	52,500	136,500	26,500	6,000	64,000	46,000	25,500	0	25,500	7,000	143,500	130,000
3 Subcentres															
3.1	Wandsbek-Markt	12.20	10.20	4,000	35,000	1,000	0	14,500	19,500	0	0	0	0	35,000	20,000
3.2	Altona-Zentrum	15.20	11.20	4,500	30,000	1,000	1,000	15,000	14,000	0	5,000	5,000	4,500	34,500	30,000
3.3	Ottensen-Bahrenfeld	14.00	12.50	12,000	32,000	2,500	2,000	16,000	13,500	0	25,000	25,000	22,000	54,000	40,000
3.4	Bahrenfeld West	9.00	8.70	1,500	23,000	0	0	23,000	0	0	0	0	0	23,000	10,000
3.5	Centre North	11.50	10.20	10,500	46,500	2,500	0	15,000	29,000	0	0	0	0	46,500	70,000
3.6	Airport	9.90	9.20	7,000	39,500	0	0	25,000	14,500	0	0	0	0	39,500	15,000
3.7	Remaining Municipal Area	15.30	11.50	115,000	179,500	40,000	11,000	101,500	38,000	12,000	20,500	32,500	3,500	183,000	180,000
3.8	Harburg Channel	13.00	12.70	12,000	10,500	3,500	1,000	4,500	2,500	5,000	12,000	17,000	10,000	20,500	20,000
Total				536,000	1,006,000	261,000	126,000	470,000	275,000	172,000	206,000	378,000	229,000	1,235,000	945,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Leipzig

TAKE-UP OVER 100,000 m²

With take-up of 103,000 m², the Leipzig office market was able to achieve one of its best results of recent years. Demand was well above the prior-year level (+27 %) and impressively reflects the positive development of this market. It is also notable that the high turnover was based on very lively market activity in the small and mid-range size segments, without any deals at all in the categories upwards of 5,000 m². The predominant source of demand in 2011 was the healthcare sector, which moved up into first place following a large number of deals concluded by biotech companies and physicians. The prime rent, which had risen towards the end of 2010, has been consolidating at that level.

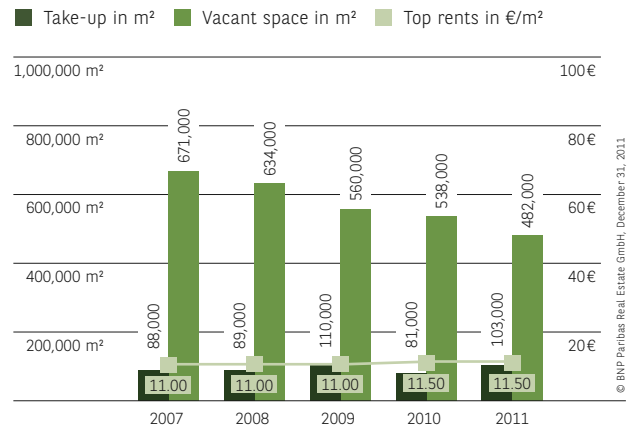
LOCATION PREFERENCES SIMILAR TO 2010

Just like the year before, the submarkets most in demand were Graphisches Viertel/Prager Strasse in the Centre Fringe/Centre Relief area, with 30,000 m² (share: over 29 %), and the City Centre, with 14,000 m² (almost 14 %). Thanks to several sizeable new leases, the subcentre Leipzig South/Karl-Liebnecht-Strasse contributed 13,000 m² to the turnover total, which was considerably more than in 2010. The buoyant demand extended to all the other precincts throughout the market area; with just a few exceptions, all the submarkets posted a higher take-up than the year before. This includes the subcentres of Leipzig West and Leipzig North/Northwest/Eutritzsch, which also made considerable contributions to aggregate turnover, with 8,600 m² and 7,000 m² respectively.

DEMAND FOR ALL SIZES UP TO 5,000 m²

In contrast to 2010, last year brought no deals in the large size categories. Instead, take-up was spread broadly and relatively evenly across all the other size brackets. Premises of up to 1,000 m² traditionally attract strong demand in the Leipzig market and this was again the case in 2011, with the relevant categories generating more than two-thirds of all turnover. However, the smallest segment, of up to 201 m², contributed a somewhat lower share than before, with just over 18 %. The biggest turnovers were in the size classes 201 m² to 500 m² (nearly 27 %) and 501 m² to 1,000 m² (over 24 %). Deals in the 2,001-5,000 m² range accounted for about 20 %, those of between 1,001 m² and 2,000 m² for just under 11 %.

Development of take-up, vacant space and top rents in Leipzig



Major contracts in Leipzig

OMZ	Company	m ²
3.2	Arbeitsgemeinschaft Leipzig (ARGE)	3,500
3.1	Publity AG	3,500
1.1	Mercateo AG	1,500
2.1	Ernst Klett Verlag	1,400
1.1	Ipoque GmbH	1,300
3.1	Deskcenter Solution AG	1,300
1.1	Goldschmidt-Thermit GmbH	1,000
2.5	UniCredit Family Financing Bank	1,000
3.5	WIBU Sanitätsbedarf	1,000

Take-up according to size categories in Leipzig



HEALTHCARE GENERATES STRONG DEMAND

In terms of the distribution of demand between the different business sectors, there were some year-on-year shifts. Although other services and information and communications firms were again among the top three, with shares of almost 21 % and 15 % respectively, their contributions were lower in relative terms than the year before and so they had to concede the No. 1 spot to the healthcare sector. Thanks to a large number of deals involving physicians and biotech firms, this sector generated nearly 23 % of aggregate turnover. A lot further down the list came consultancies, with just over 7 %, and – clumped together – banks and financial services, the head offices of industrial and construction companies, and the sector media and advertising, each with shares of around 6 %.

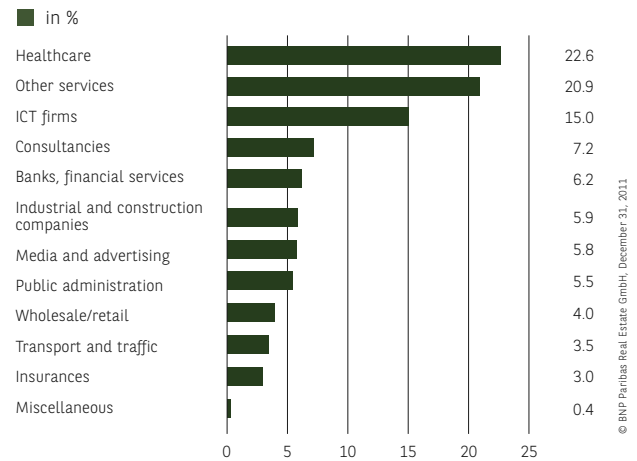
MARKED FALL IN VACANCY

The steady reduction of vacant space which has been a feature of the Leipzig market in recent years continued in 2011 and in fact speeded up somewhat. At the end of the year, the volume of unoccupied premises was more than 10 % down on the prior-year figure. At about 11 %, the fall in modern vacant space was on a similar scale. The biggest stocks of empty office units are in the City Centre, with a volume of 101,500 m², and the Ringlage, with 96,200 m². In the City Centre, though, the proportion of modern vacancy, at less than 7 %, is extremely low, whereas the volume in the Ringlage, at 75,200 m², is the largest stock of modern vacant space in the whole of the market area. The vacancy rate has fallen significantly, to 12.8 % at present.

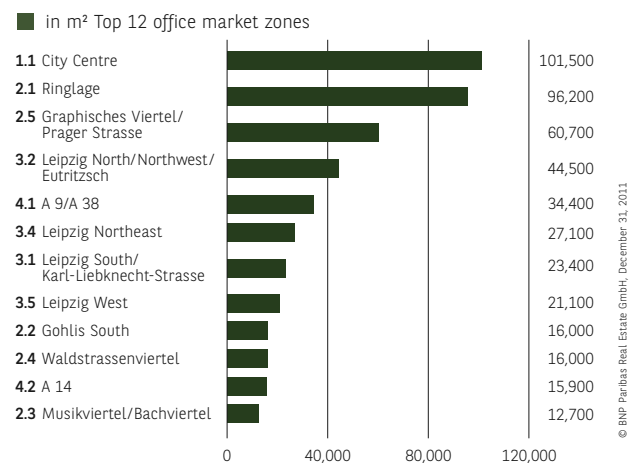
OVERALL SUPPLY ALSO LOWER

Following some building completions, the volume of space under construction has fallen appreciably. The year-end total of 58,000 m² was over one quarter lower than at the end of 2010. A large proportion of this space is in the City Centre (33,000 m²) and will not be finished until 2013. The decline in available premises under construction was quite a lot higher, at 62 %. Currently, some 14,000 m² of this space is still available to the rental market. The overall available supply of space (vacancy plus available premises under construction, see P.4) has therefore also declined, falling by 14 % to an end-of-the-year total of 496,000 m². The volume of projected space has risen slightly, to 166,000 m² (+14 %), indicating the growing confidence of developers in the Leipzig market and confirming the positive market development.

Take-up according to sectors in Leipzig



Vacant space according to location in Leipzig



Space under construction in Leipzig



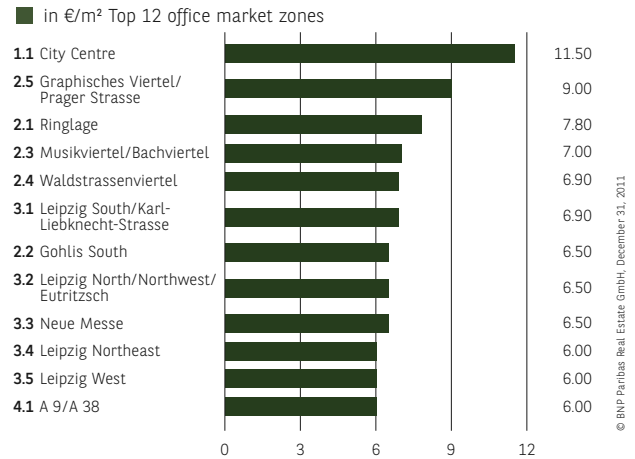
PRIME RENT FIRMS UP

Following an increase in the prime rent towards the end of 2010, this has increasingly firmed up since then. So at the end of the fourth quarter of 2011, the prime rent in the Leipzig market was unchanged at 11.50 €/m². As in previous years, it is achieved in the strongly favoured City Centre zone. As a result of the buoyant demand, modest positive tendencies in top rents were also apparent in some sub-markets in the subcentres. Overall, the top rents which can be obtained in the other office market zones range between 6 €/m² and 9 €/m². The trend in the field of average rents was also stable to fairly positive across the entire Leipzig market area.

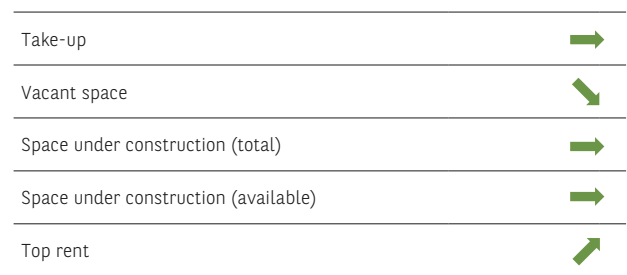
RETURN TO NORMAL LEVEL LIKELY IN 2012

Although the identifiable general conditions and the scale of existing enquiries suggest that demand will remain good, the most probable assumption for 2012 is of a slight decline in take-up. There are a good many indications that the result will slip back to the average range achieved in the years 2007 to 2010, and thus fall somewhat below the 100,000 m² level. The only year when this threshold was exceeded by a significant margin was 2009, when the result was heavily influenced by an out-of-the-ordinary deal. Since the volume of available space under construction is low and since not much is likely to happen in the near future in the field of speculative building projects, demand will go on having to be met mainly from the stock of vacant premises. This means that the now long-established steady reduction in vacancy should continue in 2012. As before, demand is set to focus primarily on modern premises, so that there is at least a possibility that the prime rent could climb somewhat in the course of this year. Whether this will actually happen, though, depends to a large extent on the overall development of the economy, and at present this is virtually impossible to predict.

Top rents according to location in Leipzig



Trends in important market indicators in Leipzig



Key indicators Leipzig

Rents (€/m ²)		Take-up (m ²)	Vacant space (m ²)				Space under construction (m ²)			Space on offer (m ²)				
Top rent*	Average		total	modern	normal	unrefur- bished	finished	total	available	available	projected			
		2011	total	of this, since completion			2012	from 2013						
1	2	3	4=(5+7+8)	5	6	7	8	9	10	11=(9+10)	12	13=(4+12)	14	
1 City Centre														
1.1	City Centre													
	11.50	8.60	14,000	101,500	7,000	1,000	69,000	25,500	0	33,000	33,000	6,000	107,500	18,000
2 Centre Fringe/Centre Relief Area														
2.1	Ringlage													
	7.80	6.50	5,000	96,200	75,200	0	13,000	8,000	0	0	0	0	96,200	52,500
2.2	Gohlis South													
	6.50	5.30	1,600	16,000	3,000	0	8,500	4,500	1,000	0	1,000	1,000	17,000	0
2.3	Musikviertel/Bachviertel													
	7.00	6.50	6,200	12,700	3,600	0	5,600	3,500	0	0	0	0	12,700	0
2.4	Waldstrassenviertel													
	6.90	6.10	2,600	16,000	3,200	0	10,300	2,500	0	500	500	500	16,500	1,500
2.5	Graphisches Viertel/Prager Strasse													
	9.00	6.20	30,000	60,700	34,000	0	11,200	15,500	3,500	6,000	9,500	2,000	62,700	47,000
3 Subcentres														
3.1	Leipzig South/Karl-Liebknecht-Strasse													
	6.90	5.60	13,000	23,400	1,000	0	15,900	6,500	7,500	0	7,500	0	23,400	3,000
3.2	Leipzig North/Northwest/Eutritzsch													
	6.50	5.50	7,000	44,500	14,700	0	15,800	14,000	0	1,500	1,500	1,500	46,000	20,000
3.3	Neue Messe													
	6.50	5.30	3,200	12,500	10,500	0	2,000	0	0	0	0	0	12,500	0
3.4	Leipzig Northeast													
	6.00	5.10	6,000	27,100	5,400	0	6,700	15,000	0	0	0	0	27,100	0
3.5	Leipzig West													
	6.00	5.00	8,600	21,100	8,200	0	5,900	7,000	0	5,000	5,000	3,000	24,100	11,000
4 Periphery														
4.1	A 9/A 38													
	6.00	5.00	3,700	34,400	29,800	0	2,600	2,000	0	0	0	0	34,400	3,000
4.2	A 14													
	6.00	5.00	2,100	15,900	11,400	0	3,500	1,000	0	0	0	0	15,900	10,000
Total			103,000	482,000	207,000	1,000	170,000	105,000	12,000	46,000	58,000	14,000	496,000	166,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Munich

SECOND-HIGHEST TURNOVER OF ALL TIME

In 2011, the Munich office market turned in an exceptionally good performance. Take-up totalled 883,000 m², which was not only 47 % more than the year before but also the second-best result ever registered. Only in 2000, at the height of the New Economy boom, was turnover in this city higher. The result once again puts Munich way out in front of all the German office locations. One reason for the strong performance was the high number of large deals of over 10,000 m²; these accounted for one quarter of aggregate turnover. Owner-occupiers also made a substantial contribution to the grand total, generating more than 72,000 m². Turnover was also higher in the other size classes as well, and in all around 850 new leases were registered. Despite the turbulence in the financial and currency markets, the fourth quarter was responsible for nearly one third of the total take-up for the year.

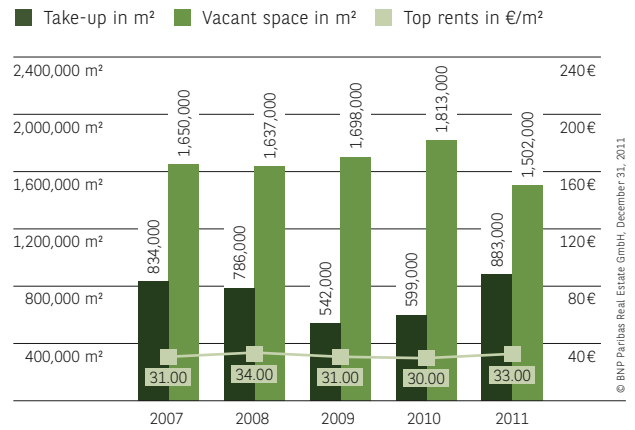
CITY CENTRE HEADS ALL OFFICE MARKET ZONES

With a share of 14 % (125,000 m²) of aggregate turnover, the City Centre was by far the most favoured office market zone. But individual zones in the centre fringe areas and on the outskirts of Munich also made exceptional contributions to the total. They include Centre Fringe South, with 95,500 m² (11 %) and Region North, with 98,000 m² (11 %). Also notable were the high shares achieved by the two subcentres of Moosach/Milbertshofen and Parkstadt Schwabing, each with over 9 %. Both these locations benefited extensively from the influx of large companies. In Parkstadt Schwabing, the major deals included two leases taken out by Osram GmbH (28,200 m²) and one by MAN Bus & Truck AG (20,500 m²). In Moosach/Milbertshofen, the BMW Group contributed more than 21,000 m² to the outstanding result. BMW was also the biggest source of demand overall, taking up a total of around 68,000 m².

BUOYANT DEMAND IN ALL SIZE CLASSES

Even though major deals upwards of 10,000 m² accounted for one quarter of aggregate turnover, all the size classes actually played a strong role. What is especially notable is the uniform distribution of take-up between these classes. With the exception of the size bracket up to 200 m² (just over 2 %), all the categories between 201 m² and 10,000 m² generated shares of between 13 % and 17 %. This provides impressive confirmation of lively across-the-board interest. At the same time, it highlights a structure of demand that is broad and healthy rather than dominated by just a few major deals.

Development of take-up, vacant space and top rents in Munich



Major contracts in Munich

OMZ	Company	m ²
3.2	Osram GmbH	28,200
3.1	BMW Group AG	21,100
3.2	MAN Bus & Truck AG	20,500
4.1	Osram GmbH	19,000
4.1	Linde AG	14,700
3.3	Allianz Management Options & Services SE	13,000
3.5	BMW Group AG	12,900
4.2	Bosch Sicherheitssysteme GmbH	12,800
4.3	Lantiq Deutschland GmbH	12,700

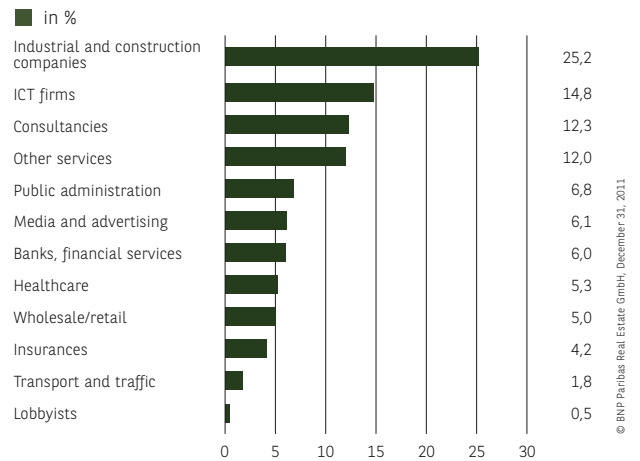
Take-up according to size categories in Munich



INDUSTRIAL COMPANIES PREDOMINATE

The administrative units of industrial companies were far and away the strongest source of demand in 2011, dominating market activity with a share of more than 25 % of total take-up. Companies such as Osram, BMW, MAN, Linde and Bosch each concluded one or more leases for premises of over 10,000 m². Next in the business-sector ranking came Munich’s old-established favourites: ICT firms secured second place with a share of almost 15 %, followed by consultancies and other services, each with 12 % of the total. Together, these four business sectors accounted for nearly two thirds of aggregate turnover. All the other sources of demand played a largely subordinate role, none achieving a share of over 7 %.

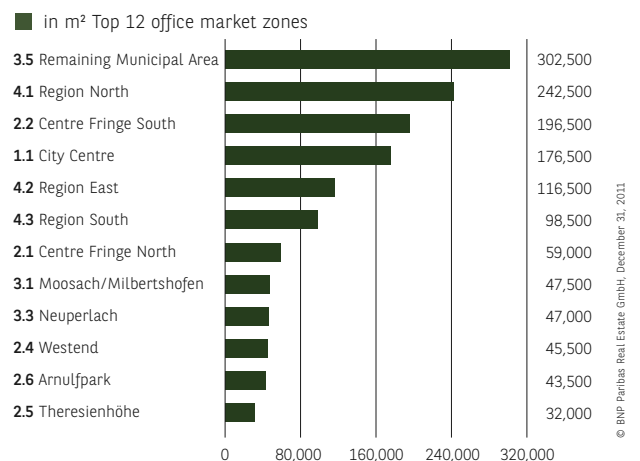
Take-up according to sectors in Munich



SIGNIFICANT FALL IN VACANCY

The extremely dynamic demand is also clearly reflected by the way in which vacancy has developed. This has declined by more than 17 % in the past twelve months, to 1.5 million m² at present. Even more important from the market angle, though, is the decline in modern vacant space, which, at just 406,000 m², is now only slightly over half of the prior-year figure (-45.5 %). This means that the volume of modern unoccupied premises now represents just 27 % of total vacancy, which is low by nationwide standards. The most extensive stocks of vacant space are to be found in the office market zones Region North (242,500 m²), Centre Fringe South (196,500 m²), City Centre (176,500 m²) and Region East (116,500 m²). In all, the peripheral areas account for about 32 % of total vacancy. In the overall market, the vacancy rate is 7.4 %; within the municipal boundaries, the figure is 6.4 %.

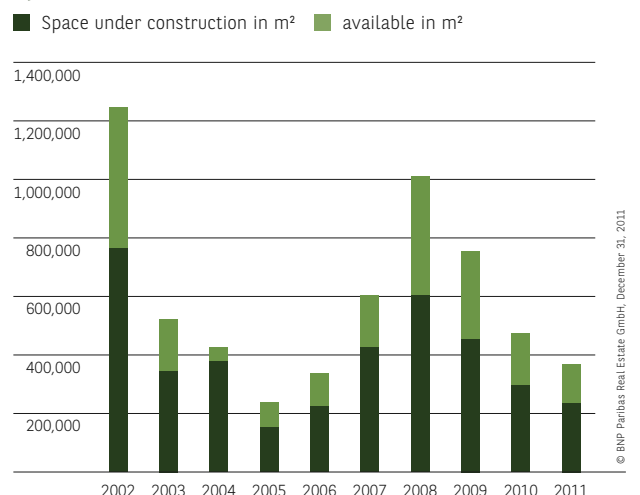
Vacant space according to location in Munich



SPACE UNDER CONSTRUCTION DECLINES FURTHER

Just like vacancy, space under construction also fell perceptibly in 2011, by 20 % to 241,000 m². The volume of this which is still available to the rental market fell in the same period by over 26 %, to 136,000 m². Even though the available proportion of the space under construction is relatively high, at 56 %, the absolute volume of such space is fairly low by Munich standards. Only four office market zones now contain more than 20,000 m² of available space under construction. They are mainly areas where at present there is also strong demand, such as the City Centre, Centre Fringe South and Moosach/Milbertshofen. It must also be borne in mind that approximately 75 % of the space now being created will be completed in the course of this present year, so that from 2013 building activity will be at a low level on a long-term comparison.

Space under construction in Munich



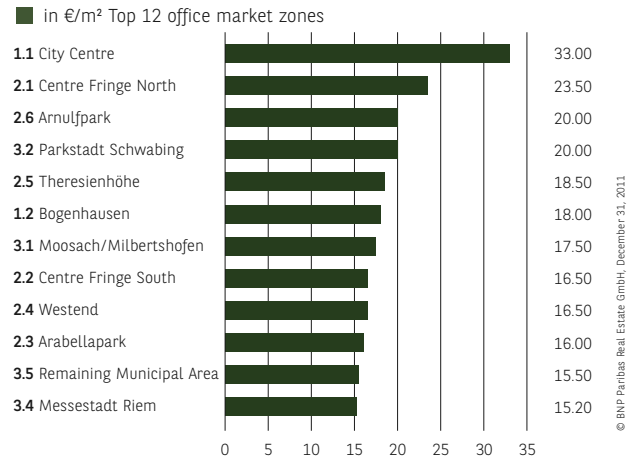
STRONG INCREASE IN PRIME RENT

Since the end of 2010, the prime rent in Munich has climbed from 30 €/m² to 33 €/m², i.e. by 10%. No other German location exhibited such a dynamic development. As in previous years, the prime rent is achieved in the City Centre. At the same time, though, top rents have also increased in many other office market zones. This upward trend is particularly evident in the centre fringe zones and the subcentres. In several areas, there has also been a rise in the field of average rents. So 2011 can definitely be described as a year in which rental price levels rose on a broad front. One key reason for this is the marked focus of tenants on high-grade premises, which naturally command higher rents. Reinforcing this is the simultaneous decline in the supply of office units with modern specifications.

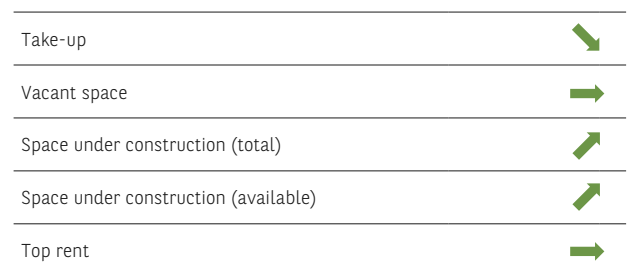
2011 RESULT UNLIKELY TO BE MATCHED IN 2012

It is unlikely that the outstanding result achieved in 2011 can be repeated in this present year. Nevertheless, the scale of existing enquiries and the general mood in the marketplace indicate that lively demand can be expected this year, too, and that the forecast slow-down in overall economic growth will not lead to any dramatic slump in take-up. Against this background, turnover on a par with the long-term average – and thus between 650,000 m² and 700,000 m² – appears quite realistic. Overall vacancy will probably be reduced only slowly, since a large proportion of the available space is now difficult to market, because it fails to conform to the demands of tenants. In the segment of modern vacant premises, on the other hand, a somewhat faster reduction can definitely be anticipated. Since building activity has fallen while demand still remains buoyant, there are good chances that 2012 may see the launching of some new projects. As a result, both the volume of space under construction and the available proportion of this may well increase again somewhat in the course of the year. Where top rents are concerned, no dynamic development of the kind seen in 2011 is likely, so that the most probable scenario is that top rents will stabilize at the level they have now reached.

Top rents according to location in Munich



Trends in important market indicators in Munich



Key indicators Munich

Rents (€/m²)		Take-up (m²)	Vacant space (m²)						Space under construction (m²)			Space on offer (m²)				
Top rent*	Average		total	modern	normal	unrefurbished		finished	total	available	available	projected				
		2011	total	of this, since completion	total	of this, since completion		2012	from 2013							
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15		
1 City Centre																
1.1	City Centre	33.00	21.30	125,000	176,500	74,500	9,000	99,000	3,500	3,000	49,000	10,500	59,500	28,000	204,500	8,000
1.2	Bogenhausen	18.00	14.20	9,500	17,500	2,500	1,000	15,000	0	0	6,500	0	6,500	6,500	24,000	3,000
2 Centre Fringe (inside Mittlerer Ring)																
2.1	Centre Fringe North	23.50	14.40	40,000	59,000	2,500	2,000	55,000	0	1,500	0	2,500	2,500	2,500	61,500	26,500
2.2	Centre Fringe South	16.50	11.50	95,500	196,500	42,000	15,500	154,500	4,500	0	52,500	4,500	57,000	38,000	234,500	11,000
2.3	Arabellapark	16.00	13.00	7,500	12,000	1,000	0	11,000	6,000	0	0	25,500	25,500	25,500	37,500	0
2.4	Westend	16.50	12.60	33,000	45,500	5,500	2,000	40,000	0	0	0	0	0	0	45,500	15,500
2.5	Theresienhöhe	18.50	16.50	8,500	32,000	27,500	20,000	4,500	4,500	0	10,000	0	10,000	4,500	36,500	0
2.6	Arnulfpark	20.00	17.50	29,000	43,500	43,500	44,000	0	0	0	0	0	0	0	43,500	68,000
3 Subcentres																
3.1	Moosach/Milbertshofen	17.50	14.00	82,500	47,500	11,000	1,500	34,500	0	2,000	9,000	11,000	20,000	20,000	67,500	145,000
3.2	Parkstadt Schwabing	20.00	17.50	81,000	26,500	25,500	19,000	1,000	1,000	0	0	0	0	0	26,500	145,000
3.3	Neuperlach	12.00	10.50	42,000	47,000	0	0	47,000	0	0	0	0	0	0	47,000	66,500
3.4	Messestadt Riem	15.20	14.50	14,500	18,000	18,000	4,500	0	0	0	0	0	0	0	18,000	65,000
3.5	Remaining Municipal Area	15.50	10.90	100,000	302,500	61,500	31,500	230,500	3,500	10,500	6,000	0	6,000	2,000	304,500	199,500
Total Munich				668,000	1,024,000	315,000	150,000	692,000	23,000	17,000	133,000	54,000	187,000	127,000	1,151,000	753,000
4 Periphery																
4.1	Region North	13.00	9.70	98,000	242,500	56,500	6,000	177,500	0	8,500	36,000	0	36,000	0	242,500	50,000
4.2	Region East	12.50	11.00	47,500	116,500	31,000	500	85,500	0	0	0	0	0	0	116,500	29,000
4.3	Region South	13.50	10.00	53,500	98,500	1,000	1,000	96,500	0	1,000	0	0	0	0	98,500	23,000
4.4	Region West	13.00	11.30	16,000	20,500	2,500	2,500	16,500	0	1,500	12,000	6,000	18,000	9,000	29,500	5,000
Total Periphery				215,000	478,000	91,000	10,000	376,000	0	11,000	48,000	6,000	54,000	9,000	487,000	107,000
Total				883,000	1,502,000	406,000	160,000	1,068,000	23,000	28,000	181,000	60,000	241,000	136,000	1,638,000	860,000

* The top rent given applies to a market segment of 3-5 % in each case.

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Stuttgart

RECORD YEAR

In 2011, the Stuttgart office market set a new record, with take-up totalling 283,000 m². That was not only more than 56 % higher than the prior-year figure but also some 9 % above the previous all-time high in 2000. This unusually good performance was fuelled by a large number of major deals in the range upwards of 5,000 m². It is especially gratifying to note, though, that lettings of premises of up to 2,000 m² also generated a 40 % bigger turnover than in 2010. So overall, market activity was buoyant across all the size classes. The chief sources of demand were the headquarters of industrial companies, with more than 29 % of the total volume, and public administration, with over 26 %. Both these business sectors concluded several sizeable new leases in the course of the year.

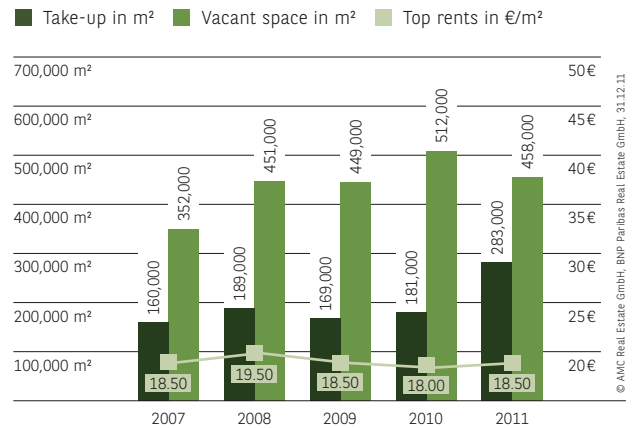
STRONG DEMAND IN PERIPHERAL AREAS TOO

Take-up in the central areas of Stuttgart totalled 190,000 m² (+51 %), thus exceeding the prior-year turnover in the entire market area. The strong demand also benefited the peripheral submarkets; with a combined volume of 93,000 m², they accounted for one third of aggregate turnover, a year-on-year rise of around 69 %. The best-performing office market zone was the Vaihingen/Möhringen submarket. Fuelled by some large deals, it generated 59,500 m², putting it ahead of the usual leader, the City Centre (55,000 m²). The office area Centre Fringe North/Heilbronner Strasse doubled its prior-year result to finish in third place with over 51,000 m². Weilimdorf and Leinfelden-Echterdingen were the only submarkets to register lower take-up than the year before.

LARGE LEASES TRIPLE TURNOVER

In terms of the distribution of turnover according to size categories, the top performer was the 5,001-10,000 m² bracket, with over 29 % of total volume. It also posted the biggest year-on-year increase, of more than 19 percentage points. Deals upwards of 10,000 m² generated nearly 9 % of all turnover. So together, these two segments tripled their prior-year take-up. The size bracket 501 m² to 1,000 m² also accounted for a substantial share, of almost 22 %. The prior-year leader, the segment of premises between 2,001 m² and 5,000 m², was the only size bracket to attract less demand in 2011, but with a share of more than 14 %, it also made a considerable contribution to the overall result. So generally speaking, last year's fine performance was based on broadly-spread demand across all size classes.

Development of take-up, vacant space and top rents in Stuttgart



Major contracts in Stuttgart

OMZ	Company	m ²
2.1	AOK	15,000
1.1	Land Baden-Württemberg	14,000
4.2	Bosch	11,000
2.1	Sparkassen Akademie	10,000
3.2	Porsche	9,600
1.1	Land Baden-Württemberg	8,400
2.1	Bosch	8,000
4.2	Cenit AG	7,500
1.1	Land Baden-Württemberg	6,000

Take-up according to size categories in Stuttgart



INDUSTRY AND PUBLIC SECTOR IN LEAD

More than half of all turnover in 2011 was generated by just two business sectors. The headquarters of industrial companies, such as Bosch and Porsche, concluded large deals to take first place with more than 29%. In second place came public administration (over 26%), whose result was fuelled chiefly by extensive leases taken out by the federal state of Baden-Württemberg. Other services dropped nearly 9 percentage points to finish in third place with more than 12%. The share posted by the ICT sector also slipped significantly year-on-year, falling by 8 percentage points to just under 10%. Consultancies were the only other sector to contribute more than 5% to the total; they achieved just over 7%.

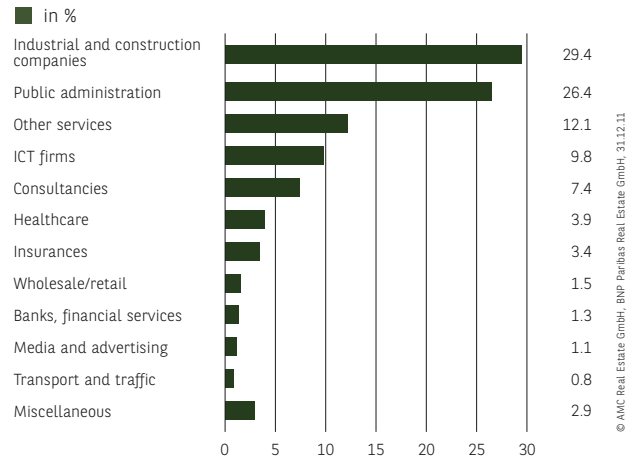
MARKED DECLINE IN VACANCY

As a result of the strong demand, vacancy fell by over 10% to a year-end total of 458,000 m². In the most favoured segment – modern-quality premises – the decline in vacancy was quite a lot sharper; it fell by 39% to 49,000 m². So the ratio between modern vacant premises and overall vacancy is now only just under 11%. As before, most of the vacant space is to be found in the peripheral areas (257,000 m²), but there, too, the total has fallen by about 10%. The biggest stock of unoccupied premises is in the office market zone of Vaihingen/Möhringen (84,300 m²). It is encouraging to note that the fall in vacancy was spread across almost all the office market zones. The vacancy rate at the end of the year was 6.3%.

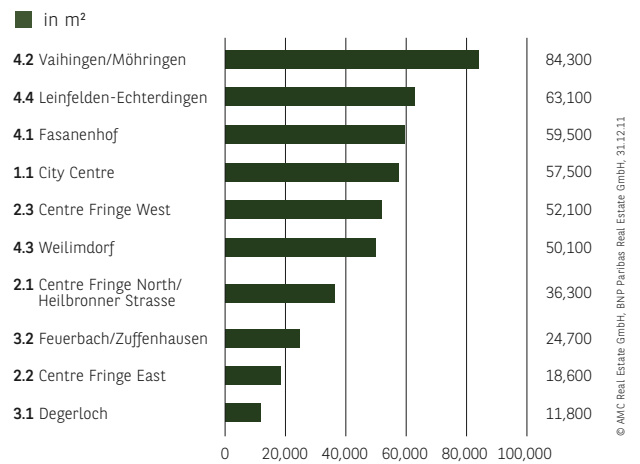
INCREASE IN CONSTRUCTION ACTIVITY

Following the start of some new projects and the postponing of several planned completions into this present year, the volume of space under construction at the end of 2011 was 12% higher than at the end of 2010, and now totals 140,000 m². At the same time, though, the volume of this space which is still available to the rental market dropped by over 10% to 86,000 m². Most of the new space being created is in the more central municipal office areas. The main focus of building activity, with around 53% of the total volume, is in the City Centre, and that is also where most of the still-available space is to be found, with over 57,000 m². The aggregate available supply of space (vacancy plus available premises under construction, see P.4) has fallen to 544,000 m² (-10.5%). Projected space reached a year-end total of 241,000 m².

Take-up according to sectors in Stuttgart



Vacant space according to location in Stuttgart



Space under construction in Stuttgart



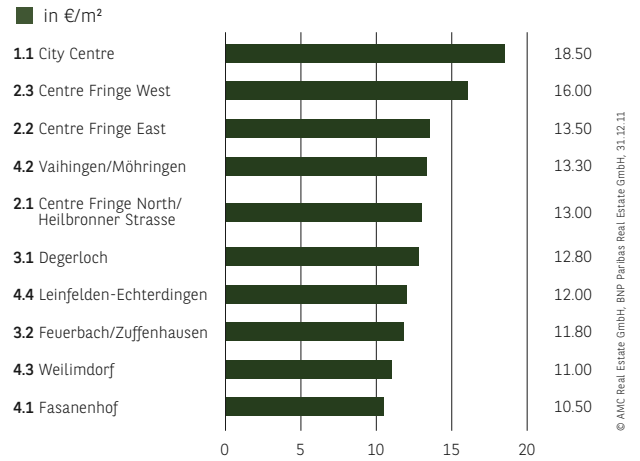
TOP RENT MOVES HIGHER AGAIN

Whereas in 2010 the prime rent underwent a slight fall, the buoyant demand experienced in 2011 has made it climb again, to 18.50 €/m² (+3%). This is the level achieved, as before, for premises of modern quality in very good parts of the City Centre. A marked increase in top rents was also posted in the submarket Centre Fringe West, with high-grade office units now commanding 16 €/m²; that is some 8% more than in the previous year. The only slight falls in top rents were registered in the peripheral area Weilimdorf (11 €/m²) and Centre Fringe East (13.50 €/m²). Average rents in the individual submarkets tended to exhibit a development contrary to that observed the year before, with declines in some office market zones and considerable increases in others. In the City Centre, in particular, they rose strongly, by 7%.

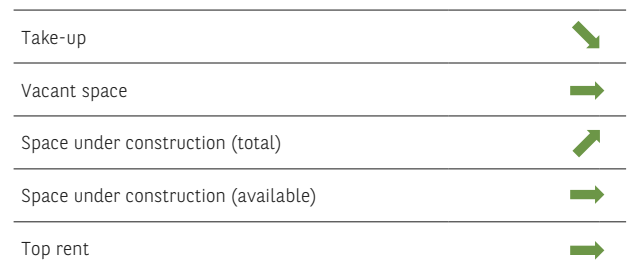
POSITIVE TREND LIKELY TO CONTINUE

The positive market development and the volume of existing enquiries suggest that take-up in 2012 will again be good. But it is likely to fall short of last year's record level. Whether or not the result will pass the 200,000 m² mark once more remains to be seen, since this will depend particularly on the scale of large-unit deals. Another factor, against the backdrop of the current currency and financial crisis, is the difficulty of forecasting just how the economy is likely to develop. On the supply side, no sizeable changes in vacancy are to be expected. This is because the coming quarters will bring a number of building completions containing premises which are still available for renting. This volume will have to be absorbed by the market before there is any reduction in the volume of space currently standing empty. Space under construction will probably increase somewhat further, but in view of prelettings and some owner-occupier projects, the still-available volume of such space is likely to remain steady. Whether the prime rent can climb somewhat further cannot be predicted with any certainty. But it will probably be able to firm up at its present level.

Top rents according to location in Stuttgart



Trends in important market indicators in Stuttgart



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Key indicators Stuttgart

Rents (€/m ²)		Take-up (m ²)	Vacant space (m ²)						Space under construction (m ²)			Space on offer (m ²)				
Top rent*	Average		total	modern	normal	unrefurbished	finished	total	available	available	projected					
		2011	total	of this, since completion	total	of this, since completion	2012	from 2013								
1	2	3	4=(5+7+9)	5	6	7	8	9	10	11	12=(10+11)	13	14=(4+13)	15		
1 City Centre																
1.1	City Centre	18.50	14.50	55,000	57,500	12,300	7,300	37,200	0	8,000	28,000	46,500	74,500	57,200	114,700	80,000
2 Centre Fringe																
2.1	Centre Fringe North/Heilbronner Strasse	13.00	11.50	51,100	36,300	3,000	3,000	29,700	0	3,600	0	0	0	36,300	50,000	
2.2	Centre Fringe East	13.50	9.00	16,100	18,600	4,000	2,000	10,100	0	4,500	8,000	16,000	24,000	8,000	26,600	0
2.3	Centre Fringe West	16.00	12.00	34,300	52,100	8,700	8,700	31,400	0	12,000	8,400	12,500	20,900	10,000	62,100	0
3 Subcentres																
3.1	Degerloch	12.80	11.00	4,300	11,800	2,000	2,000	7,400	0	2,400	0	0	0	0	11,800	13,000
3.2	Feuerbach/Zuffenhausen	11.80	9.00	29,200	24,700	2,000	2,000	4,200	0	18,500	17,600	0	17,600	10,800	35,500	72,000
Total Stuttgart																
		190,000	201,000	32,000	25,000	120,000	0	49,000	62,000	75,000	137,000	86,000	287,000	215,000		
4 Periphery																
4.1	Fasanenhof	10.50	9.00	15,800	59,500	0	0	52,700	0	6,800	0	0	0	0	59,500	0
4.2	Vaihingen/Möhringen	13.30	11.00	59,500	84,300	6,700	1,000	25,000	0	52,600	0	3,000	3,000	0	84,300	18,000
4.3	Weilimdorf	11.00	9.00	10,000	50,100	2,100	0	27,300	0	20,700	0	0	0	0	50,100	8,000
4.4	Leinfelden-Echterdingen	12.00	9.50	7,700	63,100	8,200	2,000	43,000	0	11,900	0	0	0	0	63,100	0
Total Periphery																
		93,000	257,000	17,000	3,000	148,000	0	92,000	0	3,000	3,000	0	257,000	26,000		
Total		283,000	458,000	49,000	28,000	268,000	0	141,000	62,000	78,000	140,000	86,000	544,000	241,000		

* The top rent given applies to a market segment of 3-5 % in each case.

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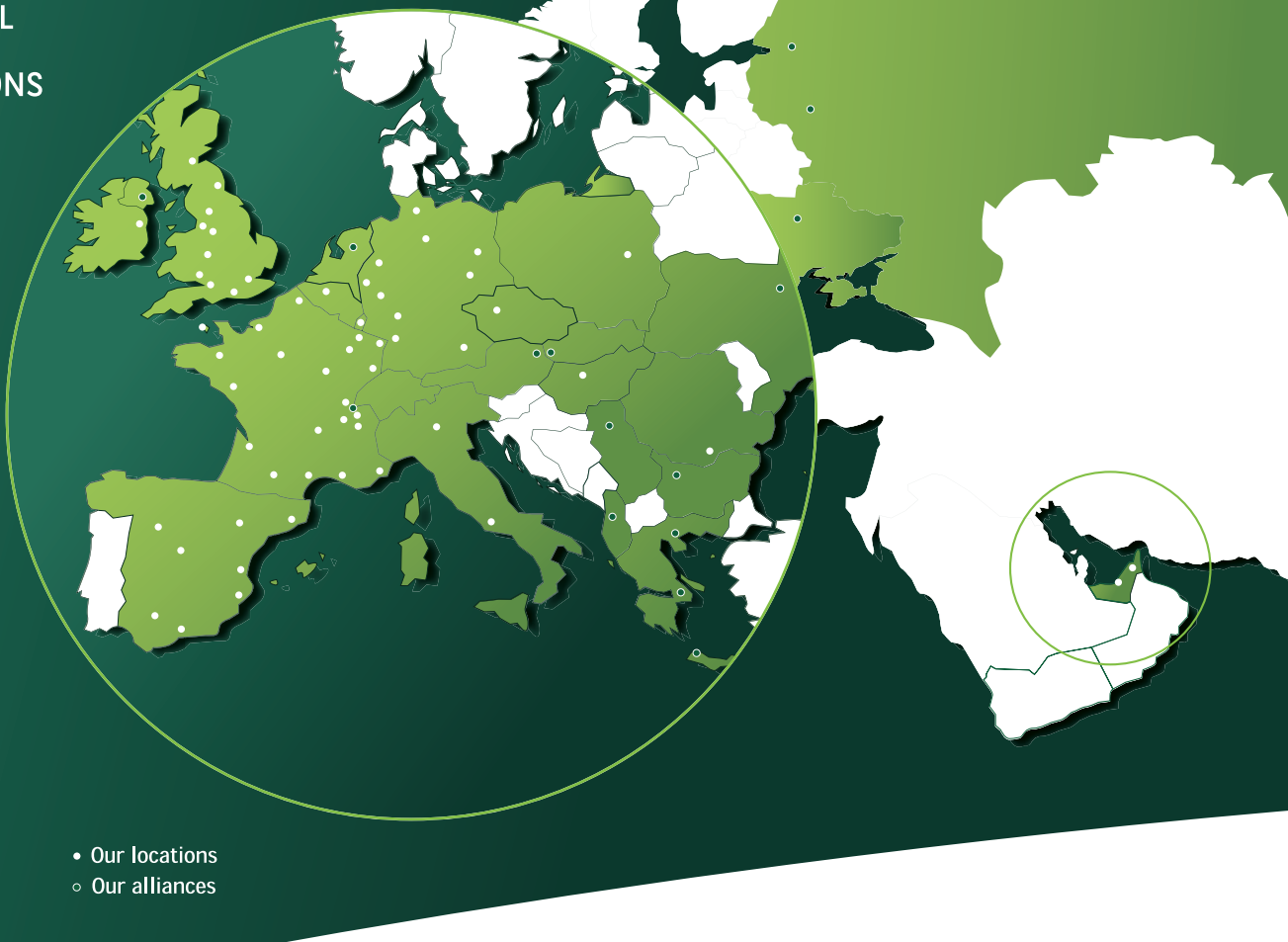
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