Office Market Report
Ruhr Area
Essen  Dortmund  Duisburg

2011
Foreword

From the real estate business point of view, 2010 was a tough year as well. However, we were allowed to crown our company jubilee – five years CUBION Immobilien AG – with the best business year so far. In the areas of letting as well as investment we were once more able to increase our turnover significantly. For this we would like to thank our business partners, clients and friends of the company most sincerely.

The positive result of our work is caused by the relative stability of the office property markets in the Ruhr Area, too. The decline of space take-up was rather within its limits of usual market fluctuations. Catastrophic market decreases due to a crisis, however, did not occur until today; to some extent respectable annual results were presented.
Also in 2010 we have taken a leading position in the office markets being of importance to us and have even developed these to some extent immensely. In the largest office market of the Ruhr Area, in Essen, we have accompanied three of the six largest lease contract conclusions as a broker and consultant. Brokers did not arrange the three remaining contracts. Our letting performance far exceeded the result of the runner-up competitor.

Within our corporate management we follow the mentality of the region. We are committed to continuity, sustainability and stability. Organic growth with visual judgement – also in the alleged boom years 2007/2008 – led to the fact that we were able to extend our business fields in a weaker environment (or maybe actually because of it). The expansion of our business did not occur due to increased volume but significantly by the gaining of prior-year market shares of the competition.

Also in 2011 we strive to follow our customers’ aims consequently. With successful lease contract conclusions at the beginning of the year, we are on the right path.

Stefan Orts

Markus Büchte MRICS
Our market worldwide.

More than 325 offices worldwide in 55 countries.

All business is local – if not, we have strong partners.

**Germany – NAI apollo.**

We are exclusive network partners of NAI Apollo. Almost nationwide we offer well-founded expertise to our customers in the areas of consultancy and agency, investment, valuation, research as well as asset management, property management and construction management.

NAI Apollo belongs to the market leaders on the brokerage of commercial properties in the Rhein-Main area, one of the most important property markets in Germany. Nationwide round 100 staff members work at the locations Frankfurt, Berlin, Munich, Stuttgart, Düsseldorf, Essen, Cologne, Mülheim/Duisburg, Dresden and Leipzig.

**Worldwide – NAI global.**

The network NAI operates successfully since 1978 and is the only worldwide network, which is an owner-operated real estate organisation of this size. In the year 2009 NAI Global concluded transactions of the amount of more than 32 billion $ and manages more than 18 million square metres of commercial spaces. Customers of NAI Apollo are among others the fortune 1,000 companies and institutions, which are serviced in this network. With headquarter in Princeton, New Jersey, the NAI Global network consists of about 5,000 staff members in 325 offices in more than 55 countries.

NAI Global belongs to the Top 5 real estate broker agencies worldwide according to NREI’s Brokerage Survey 2009 and ranks first among all owner-operated networks worldwide (status 08/08).

**NAI Global zum „Global Broker of the Year“ gekürt**

The Private Equity Real Estate Magazine – PERE has awarded NAI Global as “Global Broker of the Year” at the annually PERE Awards. Therewith the only worldwide network of owner-operated real estate organisations relegated CB Richard Ellis on rank two and Jones Lang LaSalle on rank three.

“2009 was a year in which the world of private investors of real estates experienced frightening turbulences. All the more it is a great award, currently being elected by our readers at this year’s award – this also mirrors the confidence of our readers in the future of NAI Global. This honour is a proof for the quality and the commitment of NAI Global and its experts in the areas of private equity and finance around the globe”, says Jeffrey M. Finn, NAI Global president & CEO.
Many years of market experience
Since five years from now on we are successfully operating in the region and beyond. Within this time we became firmly established for commercial properties. Our team leaders dispose of more than 85 years professional experiences on the whole and several millions of arranged square metres in that time.

Market research
We do not copy, we do not invent, but take our task as deliverer of information for important real estate decisions very seriously. Therefore you may expect detailed and examined research from us. We know the figures behind the figures – also this distinguishes us from others. Rarely we are the first who publish figures, but those with profound researched figures. This is how we understand research.

Our customers benefit from very large market transparency we are able to offer by our long lasting detailed research.

An honest word
Likewise our customers do benefit from our consequent honesty regarding marketability of their projects. We do not promise anything we cannot keep. Of course we reject marketing contracts of which we are not convinced to be successful.

Advantage of an owner-operated company
We count on values and forties of an owner-operated company. Every action arises from our business-minded personality and therefore is focused on a long-term nature and sustainability. For the benefit of our clients and at the same time for our own.

Working together as partners
The development of a long-lasting partnership cooperation has priority to any possibility of a “fast business”. This philosophy determines our action – its success is confirmed almost every day.

Chartered Surveyors
Since three years Cubion is authorised by the Royal Institution of Chartered Surveyors to hold the title Chartered Surveyors. This award additionally is a guarantor for confident and ethical work for you.
The 5 largest cities of the Ruhr Area

- Dortmund: 581,308 inhabitants
- Essen: 576,259 inhabitants
- Duisburg: 491,931 inhabitants
- Bochum: 376,319 inhabitants
- Gelsenkirchen: 259,744 inhabitants

(status 10/2010)

**CUBION offices locally:**
- Essen
- Mülheim / Duisburg
The metropolis Ruhr

area* approx. 4,435 km²
population (2009)* approx. 5.25 mn
employees (2008)* approx. 2.2 mn
thereof in the service sector* approx. 80 %
annual purchasing power (2006)* approx. 92.4 mn EUR

unemployment rate (January 2011)
North Rhine-Westphalia approx. 8.6 %
Metropolis Ruhr approx. 11.1 %
Federal Republic of Germany approx. 7.9 %

Sources: Regional Bureau for Data Processing and Statistics; RVR
*according to current publication of RVR

THE METROPOLIS RUHR & THE TOP OFFICE MARKETS

The 25 top-selling companies of the metropolis Ruhr
- ordered by turnover -

1. Aldi North/South Mülheim/Essen 53.0 bn
2. RWE AG Essen 47.7 bn
3. ThyssenKrupp AG Essen 40.6 bn
4. Deutsche BP AG Bochum 32.4 bn
5. Franz Haniel & Cie. GmbH Duisburg 24.5 bn
6. HOCHTIEF AG Essen 18.2 bn
7. Evonik Industries AG Essen 13.1 bn
8. Unternehmensgruppe Tengelmann Mülheim 11.3 bn
9. Brenntag Holding Mülheim 6.4 bn
10. GEA Group AG Bochum 4.4 bn
11. Karstadt Warenhäuser Essen 4.0 bn
12. Klöckner & Co. AG Duisburg 3.9 bn
13. HAVI Global Logistics Essen 3.6 bn
14. Deichmann-Gruppe Essen 3.4 bn
15. NOWEDA eG Apothekergenossenschaft Essen 3.1 bn
16. Ferrostaal AG Essen 1.6 bn
17. DSW 21, Stadtwerke Dortmund 1.5 bn
18. MEDION AG Essen 1.4 bn
19. Elster SE Essen 1.3 bn
20. WAZ Mediengruppe Essen 1.3 bn
21. Alltours Gruppe Duisburg 1.2 bn
22. Xella International GmbH Duisburg 1.2 bn
23. Ineos Phenol GmbH Gladbeck 1.2 bn
24. Roller Gruppe Gelsenkirchen 1.1 bn
25. Deutsche Annington Bochum 1.0 bn

Figures rounded up, measured relative to on-site accounted turnover, dependent subsidiaries and branches not considered

Sources: Wirtschaftsblatt, CUBION RESEARCH
Office market data Germany

Office markets Germany 2010
Overview

<table>
<thead>
<tr>
<th></th>
<th>inventory in m²</th>
<th>Vacancy in %</th>
<th>Vacancy in m²</th>
<th>Letting in m²</th>
<th>Top rent in EUR/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>18,900,000</td>
<td>7.0 %</td>
<td>1,340,000</td>
<td>510,000</td>
<td>21.50</td>
</tr>
<tr>
<td>Dortmund</td>
<td>2,863,000</td>
<td>6.2 %</td>
<td>178,000</td>
<td>69,000</td>
<td>13.20</td>
</tr>
<tr>
<td>Duisburg</td>
<td>2,060,000</td>
<td>3.3 %</td>
<td>68,000</td>
<td>62,000</td>
<td>14.00</td>
</tr>
<tr>
<td>Düsseldorf</td>
<td>9,070,000</td>
<td>12.0 %</td>
<td>1,043,000</td>
<td>340,000</td>
<td>24.00</td>
</tr>
<tr>
<td>Essen</td>
<td>3,456,000</td>
<td>4.2 %</td>
<td>146,000</td>
<td>124,000</td>
<td>13.50</td>
</tr>
<tr>
<td>Frankfurt</td>
<td>12,600,000</td>
<td>14.0 %</td>
<td>1,760,600</td>
<td>500,000</td>
<td>39.00</td>
</tr>
<tr>
<td>Hamburg</td>
<td>13,525,000</td>
<td>8.0 %</td>
<td>1,082,000</td>
<td>505,000</td>
<td>23.00</td>
</tr>
<tr>
<td>Cologne</td>
<td>7,530,000</td>
<td>8.0 %</td>
<td>625,000</td>
<td>270,000</td>
<td>21.50</td>
</tr>
<tr>
<td>Munich</td>
<td>20,144,000</td>
<td>9.1 %</td>
<td>1,813,000</td>
<td>600,000</td>
<td>30.00</td>
</tr>
<tr>
<td>Stuttgart</td>
<td>7,315,000</td>
<td>7.3 %</td>
<td>512,000</td>
<td>180,000</td>
<td>18.00</td>
</tr>
</tbody>
</table>

Sources: Cubion Research (Ruhr Area), NAI apollo (other cities)
Economic data Germany

Consumer Price Index
Germany 2001 - 2010

Qualities of the vacancy
Dortmund, Duisburg, Essen
2010

Net absorptions
Essen, Dortmund, Duisburg
2001 - 2010
The metropolis Ruhr at a glance – The cities by comparison.

Office rents history
Dortmund, Duisburg, Essen
(2001-2010 in EUR/m²/monthly)

Letting performance
Dortmund, Duisburg, Essen
(2001-2010 in m²)

Sales performance
Dortmund, Duisburg, Essen
(2001-2010 in m²)
Supply reserve history in %
Dortmund, Duisburg, Essen
(2001-2010 in m²)

Vacancy development in m²
Essen, Dortmund, Duisburg
2001 - 2010

New building activity history
Dortmund, Duisburg, Essen
(2001-2011 in m²)
Already one year ago we have expected the special structures on supply and demand side on the office market in Essen to be a guarantor for stability in 2010 as well. Our forecast was to that effect completely confirmed that the office market in Essen did not have to survive a crisis scenario. The stability of the market is expressed by an almost unchanged good office space take-up of 124,000 m² (prior year 126,500 m²) as well as a steady lease price level. While the top rent is still at about 13.50 EUR, the weighted average rent was even able to increase from 8.50 EUR to 9.24 EUR what is the result of the conclusions of large volume lease contracts in the high quality segment.

With some pride, CUBION may once again claim to have raised the largest contract conclusions mediated by brokers (8,600 m² in the Büropark Bredeney, 6,600 m² Gildehofstraße 1 and 4,400 m² in Gildehofstraße 1, too). In 2010 CUBION again has let the most office spaces – and by a greater margin – within the commercial consultancy companies in Essen.

With a significantly lower vacancy rate from 4.8 % to 4.2 % in the course of 2010, the emergency of quality we already called for several times has got even worse. In the meantime, not only the choice of good large volume spaces is low. In case new quality and modern office units are searched for, the offer of all size classes needs to be described as insufficient.

<table>
<thead>
<tr>
<th>Structure data</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>inhabitants (10/2010)</td>
<td>576,259</td>
</tr>
<tr>
<td>employees subject to social insurance contribution in the area of service</td>
<td>about 80.0 %</td>
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<tr>
<td>unemployment rate (01/2011)</td>
<td>about 12.1 %</td>
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<th>Tax rates</th>
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<tbody>
<tr>
<td>trade tax collection rate (2010)</td>
<td>480 %</td>
</tr>
<tr>
<td>base tax collection rate (2010)</td>
<td>590 %</td>
</tr>
</tbody>
</table>
Essen, ThyssenKrupp Headquarter (established and moved in 2010)
Office market Essen 2010.

Take-up.

In 2010 office space with the volume of 124,000 m² were transacted in Essen. In this figure 13,500 m² are included which owner-occupiers have taken. Hence, take-up has turned out lower by almost 2 % compared to the prior year. Only looking at the letting performance (turnover without owner-occupiers), an increase by almost 6 % can be observed. The owner-occupier rate with only 11 % is at its lowest level as never before in Essen. In the average of the last ten years, this rate is at round 25 % in the “city of large enterprises”.

The letting performance was both characterized by a few large conclusions and also by a large volume of smaller ones.

By this way six contracts in the dimension of “more than 4,000 m²” have been concluded. Otherwise 75 lease contracts have been let in the size of “250 to 1,000 m²”.

CUBION was able to record the three largest conclusions mediated by brokers. As a clear market leader on the office market in Essen, CUBION has mediated a lease contract of round 8,600 m² in the office park Bredeney to a conglomerate. Moreover, CUBION has arranged 6,600 m² in the Gildhofstraße 1 to RWE Service GmbH and further 4,400 m² in the same building to an energy provider. Therewith, as commercial broker CUBION has let, as already in the prior year, again with a great margin the most office spaces in Essen.
Locations

The office market area “Citykern” was with almost 25 % relative share of the letting performance the most popular location. Followed by the “Büropark an der Ruhrallee” with round 18 % und the again strengthened “Rüttenscheid” with 14 % (prior year only 8.8 %). For detailed information regarding office market areas and the usual lease prices, please refer to www.cubion.de interactively by means of aerial photographs.

Sectors

In the analysis of sectors the captain of the prior year “commerce, trade and transportation companies” extended its lead once again to 40 %. Followed by “EDV, IT and telecommunication” as well as “consulting services” with each round 19 %.

Vacancy

The vacancy rate including available sub-lease spaces declined from 4.8 % to 4.2 % within the period of one year. Therewith the available spaces in the area of first use in new buildings have declined immensely – as a consequence the quality of supply reserve continues to decrease.

Space quality

The “emergency of quality” on the office market in Essen has intensified further. Meanwhile not only the choice of good large volume spaces is low. In case new quality and modern office units are searched for, the offer of all size classes needs to be described as insufficient.
### Development demand sectors

#### Essen 2006-2010

- Gewerbe, Handel, Verkehr
- EDV, IT, Telekommunikation
- unternehmensbez. Dienstleistungen
- sonstige Dienstleistungen
- Finanzdienstleister

### Lease contract conclusions taken by locations (in %)

#### Essen 2010

- Public sector
- Financial services
- Media, Publishing
- EDP, IT, Telecommunication
- Consulting companies
- Other services
- Commerce, trade and transportation companies
- Other sectors

### Letting turnover taken by sectors (Top 5)

#### Essen 2010

<table>
<thead>
<tr>
<th>Sector</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce, trade and transportation companies</td>
<td>19,63</td>
<td>15,60</td>
</tr>
<tr>
<td>EDP, IT, telecommunication</td>
<td>6,61</td>
<td>5,11</td>
</tr>
<tr>
<td>Consulting companies</td>
<td>5,07</td>
<td>3,77</td>
</tr>
<tr>
<td>Other services</td>
<td>18,10</td>
<td></td>
</tr>
<tr>
<td>Financial services</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Other sectors</td>
<td>3,37</td>
<td></td>
</tr>
<tr>
<td>City centre</td>
<td>11,36</td>
<td></td>
</tr>
<tr>
<td>Bredeney</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Rüttenscheid</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Office Park Ruhrallee</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Office Park Bredeney</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Commercial park M1</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Weststadt</td>
<td>14,34</td>
<td></td>
</tr>
<tr>
<td>Other locations</td>
<td>14,34</td>
<td></td>
</tr>
</tbody>
</table>

### TOP 5 lettings 2010

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Letting Turnover</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.ON Gastransporte</td>
<td>Ruhrallee 307-309</td>
<td>10,800 m²</td>
<td>-without broker-</td>
</tr>
<tr>
<td>conglomerate</td>
<td>Hatzpersstr. 30 (Büropark Bredeney)</td>
<td>8,600 m²</td>
<td>-CUBIONI-</td>
</tr>
<tr>
<td>Atos Origin GmbH</td>
<td>Messeallee (Gruga-Carree)</td>
<td>7,500 m²</td>
<td>-economic promotion-</td>
</tr>
<tr>
<td>RWE Service GmbH</td>
<td>Gildehofstr. 1</td>
<td>6,600 m²</td>
<td>-CUBIONI-</td>
</tr>
<tr>
<td>Opta data Gruppe</td>
<td>Bamlerstraße</td>
<td>5,300 m²</td>
<td>-without broker-</td>
</tr>
</tbody>
</table>
Completions

A marginal contingent of only 850 m² of the 100,000 m² completed office space in 2010 is still available in the market. Anyway, just less than 2% of the new building volume being in the market was at the tenants’ disposal, the lion’s share was determined for the owner-occupiers.

Rents

The top rent (highest value) in 2010 was still at round 13.50 EUR/m² and is achieved in the area of the office market zone Rüttenscheid. The weighted average rent increased significantly from 8.50 EUR to 9.24 EUR what is caused by large volume contracts in the high quality segment.

Rents in the single office market areas (extract)

For all relevant office market areas in Essen, Cubion publishes a detailed rent index. The map "office market areas Essen 2010/2011" is available for free on www.cubion.de or request as print at our office.
Prospects 2011.

A repeated office space take-up beyond 100,000 m² seems to be not realistic today in view of the quality structure of the current vacancy as well as the supply reserve becoming available in the course of the year. Furthermore, veritable space occupations by owner-occupiers are not to be expected in 2011.

A few larger contract conclusions, which are foreseeable already today together with a variety of smaller contracts, will lead to a satisfactory annual result. However, the period of records will be stopped in 2011.

The vacancy rate will significantly decline in the course of the year and achieve an alarming level in the office market in Essen. We already referred to the special problem regarding available quality.

Rents will remain steady both on the top and in average. By trend the weighted average rent will give in slightly as inevitably more spaces of medium quality and therefore within a lower price level are let.

Hope remains that investors and developers understand the shortages of the office market Essen as a chance and especially enrich the supply variety by revitalisations of existing properties.
Brief overview.

A “year-end rally”, a relative large space take-up by owner-occupiers as well as two interim rentals caused a take-up of prior year level in Dortmund. While we can be satisfied with the total turnover, the letting performance being below average could not fulfill the expectations in the year 2010.

Due to the large number of single conclusions the result may be called as sustainable on a wide base even though owner-occupiers and interim rentals had visible influence. For most tenants a favourable lease price was in the foreground of decisions for a lease contract conclusion. At the B1 again more turnovers could be recorded than in the prior year. This is a trend reversal, which we ascribe to the supply and less to the demand preferences. To some extent supply can also create demand or rather lacking supply can divert the demand.

The supply reserve increased clearly to 6.2 % by the end of the year what was foreseeable among others due to the completion of the almost untenanted “Westfalentower” at the B1. However there is no reason to worry as the rate may be judged as healthy for the market.

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</table>
DORTMUND

Rheinische Straße 1, project of Kölbl Kruse GmbH (established in 2010)
Office market Dortmund 2010.

Take up

As already forecasted during the period, a top-selling fourth quarter has saved the annual result in Dortmund. With 69,000 m² of take-up, Dortmund after all almost achieved the prior year result (71,500 m²) and approached the five-year-average value (71,800 m²). The pure letting performance, however, with 50,500 m² remained 26% below the prior year value and was moreover supported by the larger interim lettings.

Despite the low letting performance compared to the prior year, the number of recorded relevant lease contracts has increased from 89 in 2009 to 95 in 2010. Already from this can be concluded that the availability of smaller units regarding lettings were more important. Almost three quarter of all lease contracts were related to lease units below 500 m² office space in 2010.

The large owner-occupier rate of almost 27% (18,500 m²) which is above average for Dortmund is mostly caused by the new building of the AOK at the "Stadtkrone Ost" which is integrated with more than 12,000 m² in the statistics in the fourth quarter. For classification: on average of the previous five years, the owner-occupier rate was only at round 13%.

Locations

Again the "Citykern" with round 31% relative letting share was the most demanded location even though a declining trend seems to be noticeable (2009: 39% / 2008: 43%). From our point of view, this development is however caused less by the changed preference of the tenants. In fact, in the city insufficient spaces are available. The office boulevard B1 performed with 15% on the prior year level (13%).

Sebrathweg 20 (round 850 m² leased by CUBION in 2010)
For demand in Dortmund it is almost not possible to determine a specific sector focus what is again underlined by the comparison of the results in 2009 and 2010. The sector leader of the prior year „EDP, IT, telecommunication“ with 23 % relative share reached only 9 % in 2010 and is therefore on rank 6. In 2010 the “financial services” with almost 25 % relative share were the sector with the largest space consumption while in 2009 it was only on rank 6 with just 8 %.

For Dortmund’s standards, the vacancy rate has significantly increased within the period of the year from 4.7 % to 6.2 % but causes only a few reasons to worry. Large volume new building completions, especially the almost untenanted „Westfalentower“, have led to a soaring increase of the supply reserve. Both regarding the volume and concerning the quality structure, the supply reserve in Dortmund within the Ruhr Area conducts soonest to an efficient office market.

Rents in the single office market areas (extract)
Dortmund 2006-2010.
Development demand sectors

Dortmund 2010.
Lease contract conclusions taken by locations (in %)

Dortmund 2010.
Letting turnover taken by sectors (Top 5)

TOP 5 lettings 2010

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerzbank AG (interim use)</td>
<td>Kampstr. 45</td>
<td>7,700 m²</td>
</tr>
<tr>
<td>Stadt Dortmund Versorgungsamt</td>
<td>Untere Brinkstr. 80</td>
<td>3,840 m²</td>
</tr>
<tr>
<td>Verlag Lensing Wolff (interim use)</td>
<td>Kampstr. 42</td>
<td>2,000 m²</td>
</tr>
<tr>
<td>Westcom Broadcast Services GmbH</td>
<td>Westfalenkamm 87</td>
<td>1,600 m²</td>
</tr>
<tr>
<td>LDC Lead Discovery Center</td>
<td>Otto-Hahn-Str. 15</td>
<td>1,300 m²</td>
</tr>
</tbody>
</table>
Space quality

Including the new buildings, the available spaces in new building quality and other spaces with a large utility value have a share in the total vacancy of at least 25%. Compared to Essen and Duisburg this is a comfortable value. Otherwise in square metres this corresponds to less than an annual letting performance and large parts of new building spaces unfortunately are in locations less preferred by tenants. High quality in the “Citykern” location is still not available in abundance.

Completions

With 81,500 m² completed office space after 2005, the second highest figure has been achieved in Dortmund. As with the “Westfalentower” also a large speculative property without pre-letting has been established (23,000 m²), due to expectations this has influence on the vacancy regarding quantity and quality in the course of the year. Further large new buildings were the head quarter of the Volkswohl bund (20,000 m²) at the Südwall as well as the office project for the federal health insurance of skills (19,000 m²) in the Rheinische Straße 1 at the foot of the “Dortmunder U”. For 2011 again a low volume of completions by 15,000 m² is expected.

Rents

The price level in Dortmund may be specified as absolutely constant. The top rent, which for some time now is at about 13.00 EUR/ m², does hardly move. The realised top value was also – like in the prior year – at round 13.20 EUR/ m² and has been achieved at the office boulevard B1. The average rent remains steady by 8.50 EUR/ m².
Office rent development.
Dortmund 2001 - 2010 (EUR/m²)

Prospects 2011.

We are only able to observe the prospects for the office-letting year 2011 in Dortmund cautiously optimistically. Large office space demands coming to conclusions are currently not on the market. If a wide variety of smaller conclusions — demand is basically there — will lead to a respectable result, needs to be awaited. However, Dortmund cannot expect such a high owner-occupier share this year like in 2010. In total we expect a turnover volume between 50,000 m² and 60,000 m², which shall fall below the medium and long term average turnovers.
DUISBURG

Duisburg, view from the H2-Office (1,100 m² let by CUBION in 2010)
Brief overview.

The turbulent year 2010 for the city of Duisburg – in a negative sense – did not have an effect on the office market. The office space turnover remained very steady at 62,000 m² and is therefore on the prior year level (64,000 m²). The result was however supported by the owner-occupier rate of 31 %, which was large for Duisburg’s standards. As a consequence, the pure letting performance with only about 43,000 m² cannot be valuated as satisfactory. It missed the long-term 10-year average by 20 %.

Hence, a quiet office-letting year lies behind Duisburg in which especially large volume lettings failed to appear completely. The largest contract just achieved 3,850 m². Surveyed positively, this is evidence of a larger number of contract conclusions in the smaller space segment, which explains a basically remaining demand for office spaces in Duisburg. The demand exists, however there is still a lack of a short-term available choice of adequate large volume connected lease units in good quality.

This nowadays symptomatically problem for Duisburg might be transferred from short-term availability of office spaces to interested parties being capable for projects in the future. After the inner harbour is almost completely established and anyway a lot interested parties do focus on the city centre as a location, hope was in the site of the „Duisburger Freiheit“ directly at the main station. Here the aim was to establish an attractive mix zone on which large areas for future office use was planned. The largest part of the plot has been sold relative surprisingly in 2010 and planned mostly with a furniture centre.
Duisburg, Silberpalais (credit bank expanded by 1,700 m²)
Office market Duisburg 2010.

Take-up

The letting performance remained steady at round 28 % behind the result of the prior year; the total turnover however is only 3 % below the prior year level due to an above-average owner-occupier rate. The medium and long-term average values in 2010 have not been achieved both in letting and in the total turnover (letting average: 5 years: 67,000 m²; 10 years: 53,500 m² – turnover average: 5 years: 75,000 m²; 10 years: 64,500 m²). Positively underlined, however, can be the fact that the net absorption of office spaces has increased despite weaker turnovers compared to the year before. While the net absorption in 2009 was only 6,500 m², in 2010 21,000 m² was achieved what almost corresponds to the average value of the last 5 years.

The number of relevant analysed lease contracts was reduced to 109 (2009: 126; 2008: 117). However the number underlines a wide and solid basis on which the office market Duisburg is established meanwhile.

Locations

By far in 2010 most offices have been let within the city centre. The relative share of the letting performance here was round 36 %. The inner harbour has only gained strength from 10 % to now 13 % and was even behind the office market zone Ruhrort that recorded unusual 14 % for this location. Though, the letting of the local health authority in the Medical Centre Ruhrort predominantly causes this.

Sectors

The most demanding sector with 25 % was the “public sector”, followed by the “other services” with 22 %. A lot of fluctuations in the market for medical practices and health centres spurred on the result 2010 in this segment. The prior year leader, companies coming from “commerce, trade and traffic”, fell back with only 13 % to the fourth rank.
The availability of new building spaces and spaces of a large utility use has fortunately increased and therefore create a good supply reserve for the year 2010. This development shall however not hide the fact of a very low vacancy rate in total of only 3.3 %, which indeed increased from 2.9 % within a year but is still a problem for the office market in Duisburg.

The supply just in the city is mostly small-sized and if at all of medium quality. In the popular office market zone city most lease contracts have been concluded in 2010. Hence it can be explained that the supply reserve in the area of the medium quality segment declined from 29,000 m² in the prior year to currently 21,000 m². By further completions at the inner harbour (H2-Office) then again the supply of high quality spaces has improved. But comparable space qualities are missing in the city centre.

For all relevant office market areas in Duisburg, Cubion publishes a detailed rent index. The map “office market areas Duisburg 2010/2011” is available for free on www.cubion.de or request as print at our office.
Duisburg 2006-2010.
Development demand sectors

Duisburg 2010.
Lease contract conclusions taken by locations (in %)

Duisburg 2010.
Letting turnover taken by sectors (Top 5)

TOP 5 lettings 2010

<table>
<thead>
<tr>
<th>Sector</th>
<th>Location</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gesundheitsamt Stadt DU</td>
<td>Medical Center Ruhrtort</td>
<td>3,850 m²</td>
</tr>
<tr>
<td>Universität Duisburg-Essen</td>
<td>Keetmannstraße 3-9</td>
<td>2,000 m²</td>
</tr>
<tr>
<td>Kreditbank (expansion)</td>
<td>Am Silberpalais 1-3</td>
<td>1,700 m²</td>
</tr>
<tr>
<td>Moore Stephens Wirtschaftsprüfer</td>
<td>Kuhlenwall-Karree</td>
<td>1,600 m²</td>
</tr>
<tr>
<td>Acoreus AG</td>
<td>Schifferstraße 166 (Looper)</td>
<td>1,500 m²</td>
</tr>
</tbody>
</table>
Completions

Due to expectations, the volume of completions compared to the two prior years, has doubled to 30,000 m² office space in 2010. With the H2-Office at the inner harbour and a new building at the Neumarkt in Ruhort moreover properties have been established from which the free market benefits as there is no pre-letting. In the end of 2010, 12,000 m² have been available from the 30,000 m².

Lease prices

Furthermore the office market in Duisburg attests a steady price level. The average rent for medium space qualities in city locations is at 7.50 €/m² on a very moderate but also steady level. The top rent increased from 13.00 €/m² to 14.00 €/m² and is exclusively achieved in the inner harbour.
Prospects 2011.

Deliberately we can repeat our text from the prior year prospects 2010. This has mostly happened and we assume the exact repetition very possible in 2011: “Bit by bit, little by little”. After 2010 this shall be Duisburg’s slogan for the office market year 2011, too. Again we expect the focal point of demand in the smaller segment from 250 to 350 m² and below. A few contract conclusions by 1,500 m² will enrich the result in the course of the year. Unfortunately there are no respectable deals in the pipeline. An absolutely insufficient offer for attractive office spaces in generally and especially in the city centre does not ease the situation.

A large number of small and medium lease contracts shall however underline the in the meantime existing relative stability of the Duisburg office market and in total lead to a letting performance corresponding to the prior year result. Again it will not be easy to achieve the average turnover of the last 10 years (2001-2010: 66,600 m²).

Office rent development.
Duisburg 2001 - 2010 (EUR/m²)
<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letting</td>
<td>All published contract conclusions of a calendar year are registered in the letting performance; the date of conclusion is relevant, not the time of occupancy.</td>
</tr>
<tr>
<td>Conditions</td>
<td>Contract extensions or conclusions with modified conditions are not regarded as letting performance. Rental spaces below 200 m² are recorded all-inclusive as far as they are not known.</td>
</tr>
<tr>
<td>Owner-occupier/Owner-occupancy</td>
<td>Owner-occupiers are companies/institutions etc., which do not lease a building but purchase it for own purposes. Time of purchase is considered, but not time of occupancy.</td>
</tr>
<tr>
<td>Total take-up</td>
<td>Amount of letting performance plus amount of owner-occupiers.</td>
</tr>
<tr>
<td>Rental prices</td>
<td>All rental prices are considered as base rent (rent exclusive heating costs). The nominal rent is valid as far as the warranted incentives do not cause a market distortion (example: nominal rent /m²/monthly 14.00 at a rent-free period of 12 months and a 5 year contract with /m²/monthly 11.29 will be evaluated). Rent-free times of to 3 months or corresponding monetary counter value will not be considered.</td>
</tr>
<tr>
<td>Supply reserve/Vacancy</td>
<td>Vacancy includes all rental spaces, which are ready for occupancy within 3 months. Spaces to be reconstructed or spaces, which are not available to the market short-term, are not considered. Sub-lease spaces are included in the supply reserve as these spaces are market relevant as well and reflect in the turnover in case of successful letting.</td>
</tr>
<tr>
<td>Spaces</td>
<td>The rental spaces are adopted in the contract as a stated figure (usually space calculation MF-G of gif = Gesellschaft für Immobilienforschung). Office space inventory and completions are indicated in m² GFA (gross floor area). The determining factor is not the time of the first letting performance, but the building completion.</td>
</tr>
</tbody>
</table>
| Net absorption             | Used calculation method: Spaces appearing new on the market minus the outflow of office spaces (demolition, rededication etc.) and the difference between vacancy at the end and at the beginning of the examined period. The net absorption is the change of the used office spaces during a specific period within a defined market zone. | (Simplified example: Client A moves from building 1 to building 2 and expands his space from 1,000 m² to 2,500 m². The space turnover is 2,500 m², the net absorption just 1,500 m².)
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