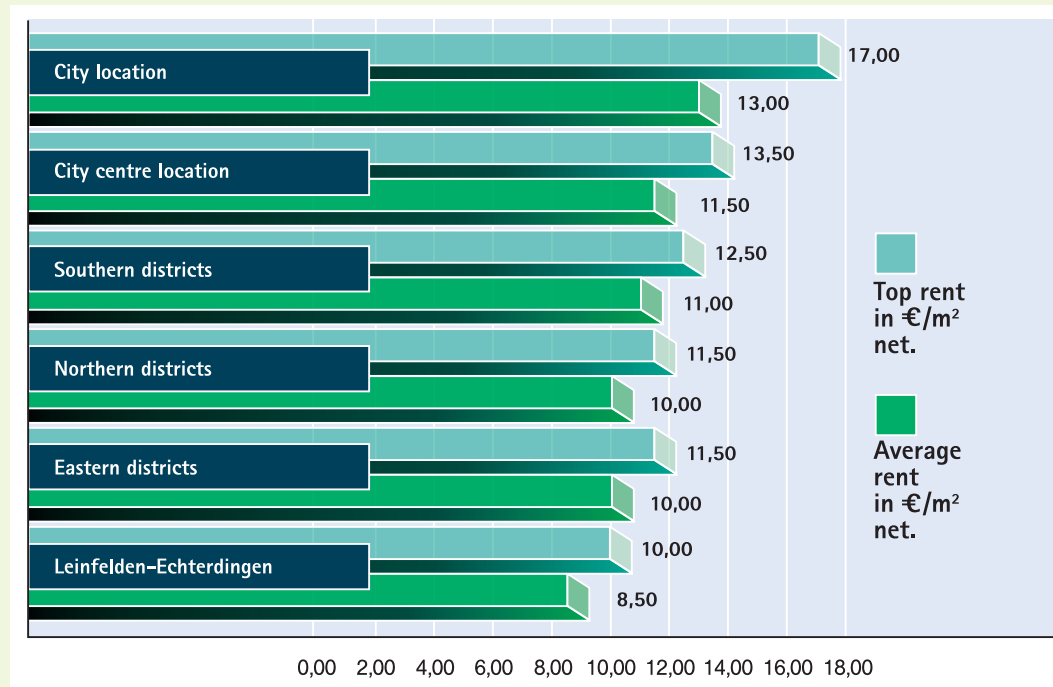


## Rents by location



# Stuttgart



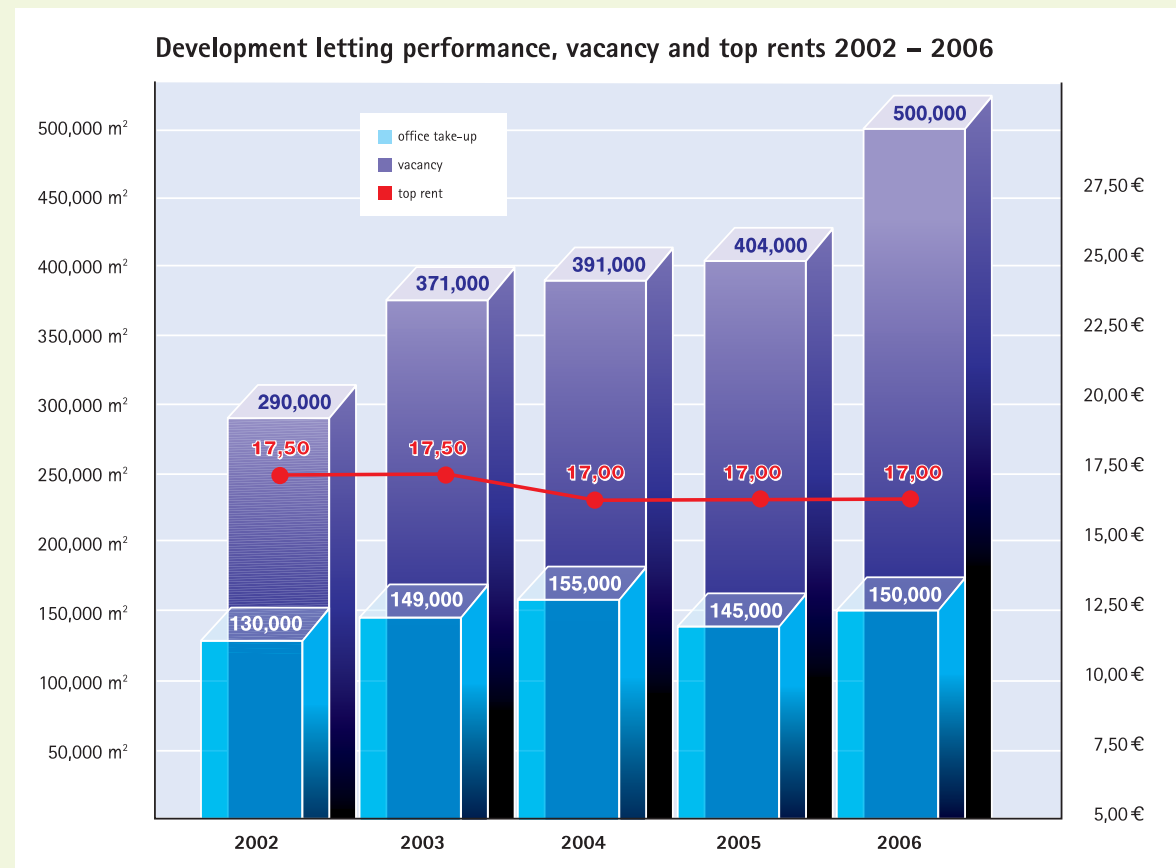
# Research



## Higher demand due to attractive projects

In 2006 office market Stuttgart was traditionally stable. Take-up of approx. 150,000 m<sup>2</sup> is slightly above previous year's of approx. 145,000 m<sup>2</sup>, amongst others as a result of a lease contract with KPMG (approx. 9,000) concluded at the end of the year. Currently Stuttgart's office market has a stock of approx. 8.3 m. m<sup>2</sup>. Submarket Leinfelden-Echterdingen offers further

The relatively high vacancy in Leinfelden-Echterdingen will decrease in a medium range due to the Exhibition Centre which will be opened in 2007 and the presumably positive decision for an ICE railway station at the airport. However, current demand here is still quite unenthusiastic. The ongoing excellent economical situation of medium-sized businesses was able to



500,000 m<sup>2</sup>. Total vacancy is approx. 6.5 %, with the City of Stuttgart at 6.1 % and Leinfelden-Echterdingen at 12.4 %. Vacancy is equivalent to approx. 500,000 m<sup>2</sup>. Since there is demand for medium-sized and larger areas it can be expected that high-class offices and office space in new buildings will slowly but surely get rare.

make up for the mass dismissal of e.g. Daimler Chrysler, IBM, HP and Siemens. In 2007 demand for office space will probably increase for the entire area of Stuttgart. Our take-up forecast is again approx. 140,000 to 150,000 m<sup>2</sup>.

## Growth engine Stuttgart 21

The latest office market study 2006 - ordered by the City of Stuttgart - confirms this positive picture on a medium and long term range. The predicted increase of office employees by 15,000 until 2015 is the basis for an increasing demand for office space. Therefore Stuttgart will remain the German office stronghold with the lowest vacancy by far. It is quite striking to note the disproportionately high vacancy in buildings built in 1990 and after. The sound building structure and correspondingly modern fit-outs of these spaces provide a persistently good letting potential and will contribute to the reduction of vacancy. Large-scale project Stuttgart 21 will arrange for a significant vitalisation

of the city centre market and therefore for a further reduction of vacancy on a long-term basis. The growth of the regional capital will be secured by Europe's largest building project for at least three decades. With Stuttgart 21 investors await one of the most attractive city markets of the continent. Medium-term a space potential of around 500,000 m<sup>2</sup> GFS is available in the city centre, for the entire Stuttgart office market including City Prag (Heilbronner Straße from the city centre to Feuerbach), approx. 1.90m m<sup>2</sup>. Due to the brilliant condition of the local medium-sized businesses increasing top and average rents are to be expected.

