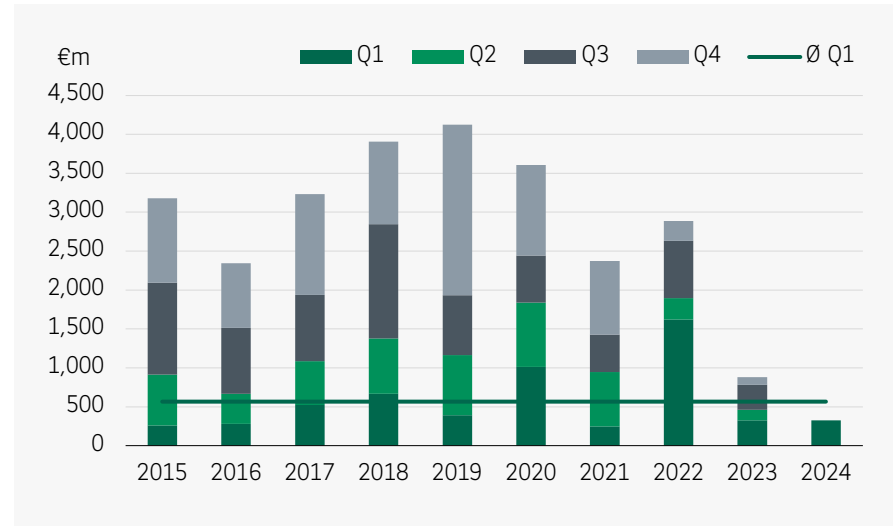


○ DÜSSELDORF

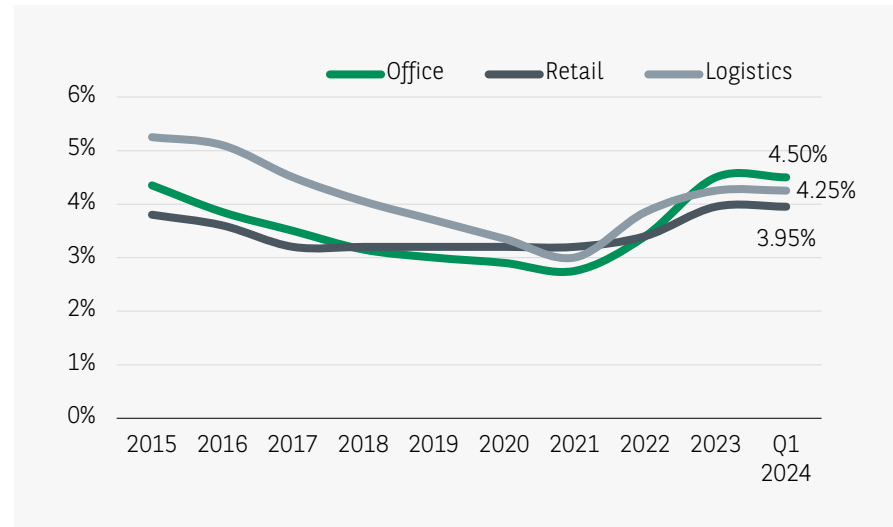
REPORT INVESTMENT MARKET

Q1 2024

Development of investment volume



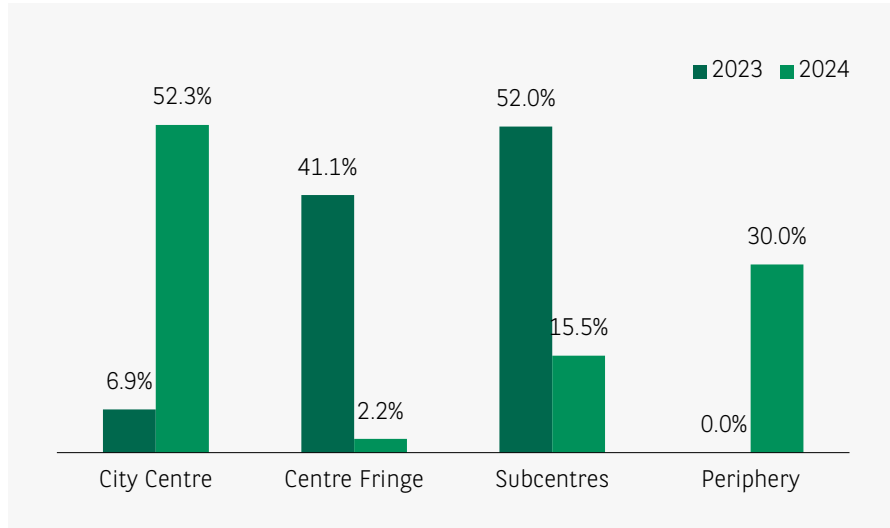
Net prime yields by type of property



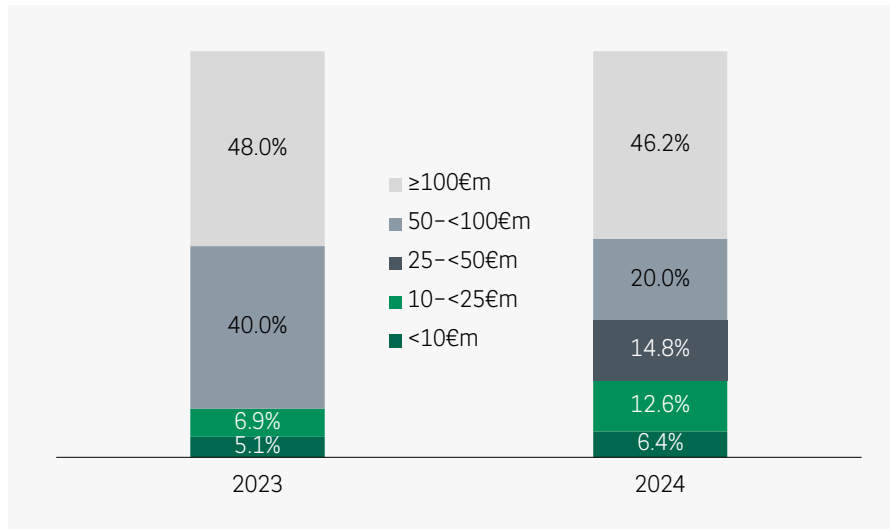
TRANSACTION VOLUME AT PREVIOUS YEAR'S LEVEL, BUT BELOW LONG-TERM AVERAGE

- The Düsseldorf investment market got off to a subdued start in 2024, but nevertheless recorded a target landing compared to the previous year. Accordingly, the transaction volume totaled €325 million, as in the previous year. At the same time, the long-term average was missed by almost 43%. This places Düsseldorf in fourth position in the ranking of A-locations behind Munich, Berlin and Hamburg. It is noticeable that no portfolio transactions have yet been included in the investment volume. Looking only at individual deals, the 10-year average was undercut by only around 17%.
- Due to the low number of deals and the dominance of one major transaction with over €100 million, the average volume per transaction is around €25 million. By far the largest transaction recorded in the market area so far this year is the sale of the Centrum Group's shares in Kö-Bogen II to the co-owner B&L.
- An unusual picture for Düsseldorf can be seen in the distribution of the investment volume by origin of capital. Foreign buyers have not yet played a role on the Düsseldorf investment market.
- Following a significant rise in prime yields in all asset classes over the last two years, a sideways movement can be observed at the beginning of the year. The prime yield for office properties remains unchanged at 4.50%. The same applies to logistics properties and retail buildings, for which yields remain unchanged at 4.25% and 3.95% respectively.

Investments by location Q1



Investments by € category Q1



MAJOR TRANSACTION IMPACTS QUARTERLY RESULT

- The aforementioned major deal is reflected in the current distribution of the investment volume across the individual size categories. The size segment > €100 million accounts for 46%.
- An increase in transaction activity can be observed in the City Centre. With an above-average share of 52% and a volume of over €170 million, it even outperforms the traditionally strong Centre Fringe (2%).
- As Kö-Bogen II is to be classified as a retail property despite a certain proportion of office space, this asset class is clearly at the top of the property types with a share of 54%. Office properties, which still led the field in the same period of the previous year, only took third place and contributed around 18% to investment volume.

Investments by type of property Q1



OUTLOOK

- Even though the result after the first three months of 2024 is one of the more moderate ones in a long-term analysis, the Düsseldorf investment market achieved a precision landing compared to the same period of the previous year. In a nationwide comparison, Düsseldorf thus recorded the fourth-highest investment volume.
- The changed framework conditions on the investment markets continue to determine events in Düsseldorf. This also reflects the continuing reluctance of investors to buy, particularly in the office property sector.
- However, the stable prime yields compared to the fourth quarter indicate that at least the pricing phase has probably come to an end. A slight yield compression towards the end of the year with a minimal fall in prime yields cannot be completely ruled out. Nevertheless, this depends on the interest rate decisions of the major central banks.
- The expectation of a moderate economic recovery and the prospect of stable or even slightly falling interest rates should favor a more dynamic investment market in the further course of 2024.
- Despite this, the result at the end of the year is likely to be below average. Whether the € billion mark will be reached remains to be seen for the time being.

Key facts investment market Düsseldorf

INVESTMENT VOLUME	Q1 2023	Q1 2024	CHANGE
Total (€m)	325	325	-0.1%
Portfolio share	0.0%	0.0%	+0.0%pts
Share above €100 million	48.0%	46.2%	-1.8%pts
Office share	48.0%	17.7%	-30.3%pts
Share of city locations	6.9%	52.3%	+45.4%pts
Share of foreign investors	48.0%	0.0%	-48.0%pts

NET PRIME YIELDS	Q1 2023	Q1 2024	CHANGE
Office	3.85%	4.50%	+65bps
Retail	3.70%	3.95%	+25bps
Logistics	3.95%	4.25%	+30bps

CONTACT

BNP Paribas Real Estate GmbH

Kö-Quartier | Breite Straße 22 | 40213 Düsseldorf

Phone: +49 (0)211-52 00-00

All rights reserved. This report is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint: Publisher and copyright: BNP Paribas Real Estate GmbH
Edited by: BNP Paribas Real Estate Consult GmbH | As of: 31.03.2024
Photo credits: ©TensorSpark - stock.adobe.com

LEARN
MORE 