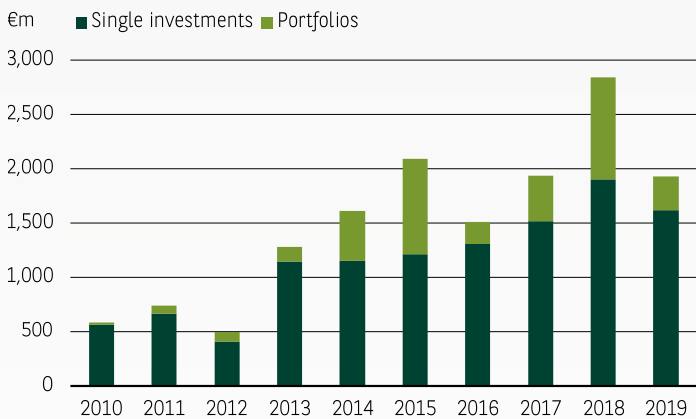




At a Glance **Q3 2019**

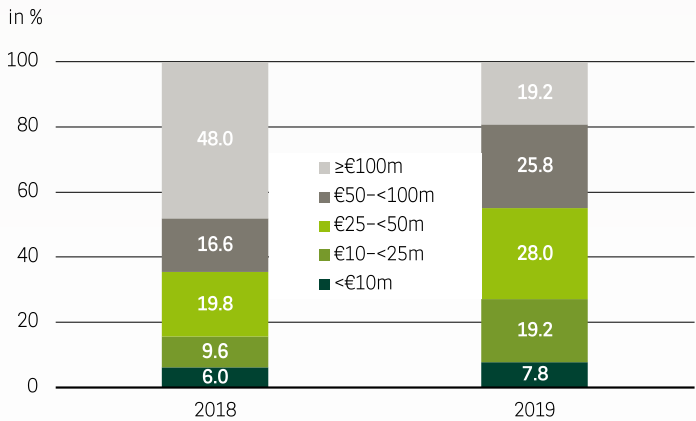
INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf Q1-3



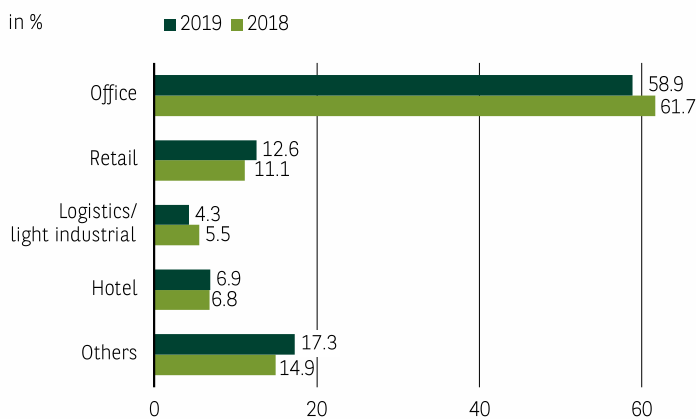
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Investments by € category in Düsseldorf Q1-3



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Investments by type of property in Düsseldorf Q1-3



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LIVELY INVESTMENT MARKET

After a mixed start to the year, at the end of the third quarter the Düsseldorf transaction market is again in strong shape and, with an investment volume of around €1.93 billion, is approaching the excellent results of recent years. In contrast to 2018, only a few large-volume individual and portfolio deals worth more than €100 million were concluded, with the result that a decline of around one third was recorded compared with the exceptional result of the previous year. Nevertheless, a comparison with the 10-year average shows a substantial increase of just under 29%. Looking only at the individual deals, the transaction volume of €1.62 billion is the second-best result of all time. It is particularly noteworthy that in the first nine months of the year more than 60 sales were concluded, more than in the same period last year. This can be seen as evidence that Düsseldorf is selected by investors as a very targeted investment location and that the volume is significantly influenced by the range of products on offer.

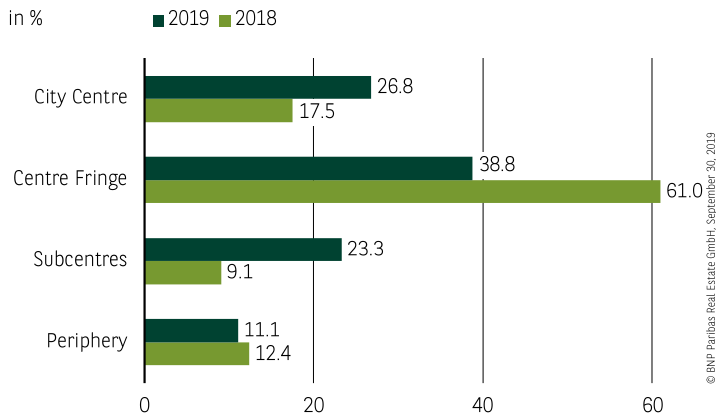
BALANCED SIZE CLASS DISTRIBUTION

The distribution of investment turnover among the individual size classes shows an exceptionally balanced result in the first three quarters of the year. While almost two thirds of the record result of the previous year was based on large transactions of more than €50 million, the share of large-volume deals is currently only 45%. Thus, significantly more than half of the transaction volume is attributable to small and medium-sized deals, which is clear evidence of the lively market activity on the Düsseldorf investment market. In view of the market's high receptiveness, it can be argued that an even higher result was only prevented by the lack of large-volume investment opportunities.

OFFICE INVESTMENTS STILL IN DEMAND

Office investments remain the measure of all things in Düsseldorf. Despite a slight percentage decline compared to the same period of the previous year, office properties are by far the most popular asset class from the investors' point of view and achieve a market share of just under 59%. By contrast, the retail sector was able to slightly increase its percentage contribution to the investment volume to around 13%. Hotel properties were able to maintain their share of turnover (7%), while logistics properties were slightly less in demand (4%).

Investments by location in Düsseldorf Q1-3

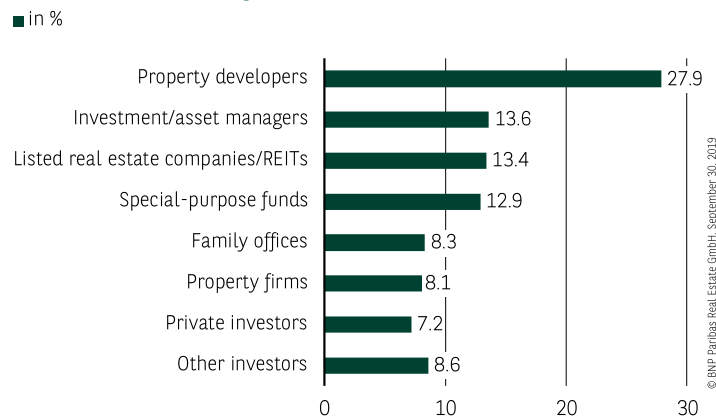


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➤ CITY CENTRE AND SUBCENTRES ARE CATCHING UP

Compared to the same period of the previous year, the distribution of the volume by location is currently much more balanced. By far the most sought-after location on the Düsseldorf investment market is and remains the Centre Fringe, which accounts for around 39% of the transaction volume in the first three quarters. Compared to the previous year, however, there was a decline of a good 22 percentage points. The Subcentres (23%) in particular are benefiting from this, as they can more than double their market share. The City Centre is also showing significant growth and adds just under 27% to the total turnover. The Periphery has to record slight losses, but nevertheless again achieves a double-digit contribution (11%).

Investments by buyer group in Düsseldorf Q1-3 2019



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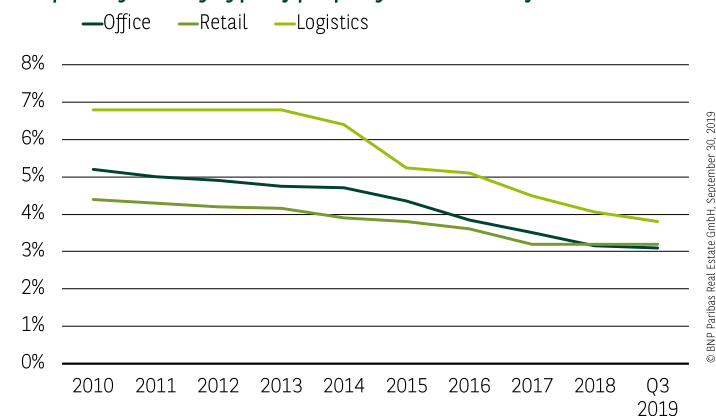
➤ PROPERTY DEVELOPERS IN THE FRONT ROW

Market activity in the first three quarters was dominated by investments by property developers, who account for two of the three largest deals (e.g. the site of the old Siemens headquarters). With a turnover share of just under 28% they clearly lead the way. Investment/asset managers (14%), who can boast the largest transaction of the year with the purchase of the office property Herzogterrassen in the City Centre, rank second (14%). Other important buyer groups are listed real estate companies/REITs (13%) and special-purpose funds (13%), which also generate double-digit shares.

➤ YIELDS ON LOGISTICS REAL ESTATE DECLINING

The constantly high demand for logistics real estate is maintaining the pressure on the prime yield in this asset class. At the end of the third quarter, the net prime yield for logistics properties is only 3.80%, which represents a decline of 25 basis points compared with the end of the previous year. The prime yield for office properties fell by 5 basis points to 3.10%. The yield compression has only come to an end for the time being for retail properties in the top high street locations. The prime yield has remained at 3.20%.

Net prime yields by type of property in Düsseldorf



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➤ PERSPECTIVES

After a sluggish start to the year, the Düsseldorf investment market gained considerable momentum in the second and third quarters and, with a transaction volume of just under €2 billion, has moved back to the record levels of previous years. This is all the more remarkable as relatively few large transactions over €100 million were registered. All in all, the state capital of North Rhine-Westphalia is an extremely popular investment target for numerous domestic and foreign investor groups, so that a strong investment result of at least €2.5 billion can be expected for 2019 as a whole.

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