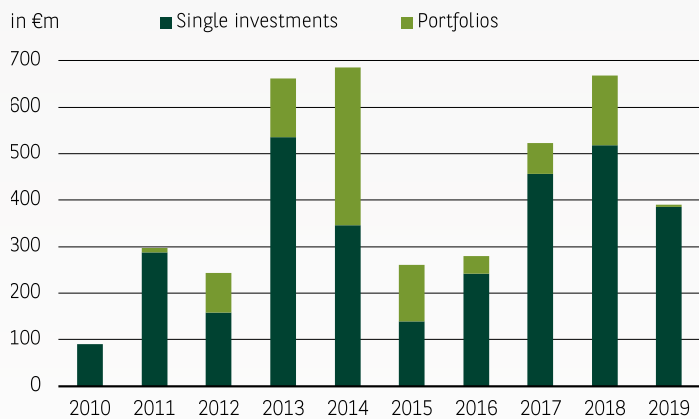




At a Glance **Q1 2019**

INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf Q1

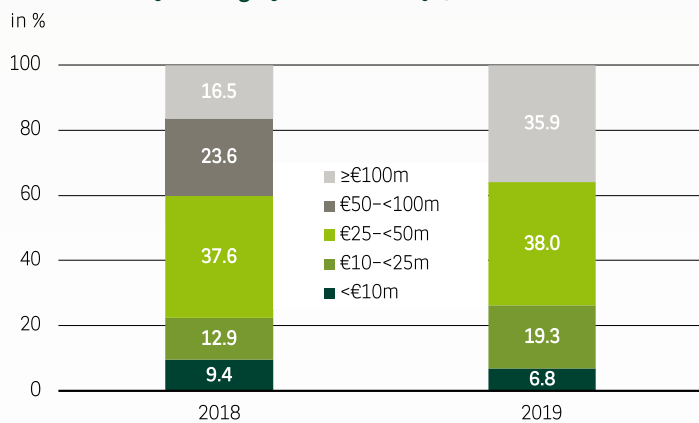


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MODERATE START AT THE BEGINNING OF THE YEAR

Compared to the very strong start in 2018, the Düsseldorf investment market recorded a rather moderate result at the start of 2019. With a volume of about 390 million €, the result of the previous year's quarter (-42 %) was clearly missed. The decline is mainly attributable to two developments. On the one hand, the number of transactions was halved compared with the first three months of the previous year. On the other hand, proportionately included portfolio deals, which accounted for a substantial 22 % of the total in the previous year, have so far hardly played a role. Nevertheless, due to the low number of transactions and the dominance of a major transaction with over 100 million €, the average volume per sale rose slightly to around 28 million €.

Investments by € category in Düsseldorf Q1

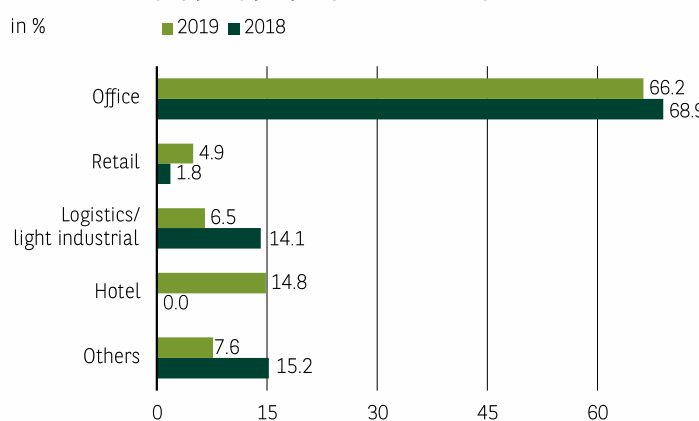


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MAJOR TRANSACTION SHAPES QUARTERLY RESULTS

The beginning of the year on the Düsseldorf market was marked by the sale of the Herzogterrassen office complex, which was purchased by Godewind. With a volume of 140 million €, this deal contributed 36 % to the total volume and is also the only transaction with a volume of over 50 million €. The traditionally strong middle-size classes between 10 and 25 million € as well as 25 and 50 million € were able to increase their relative share compared to the previous year to currently 57 %. Smaller transactions under 10 million €, on the other hand, lost some of their importance with a share of just under 7 %.

Investments by type of property in Düsseldorf Q1

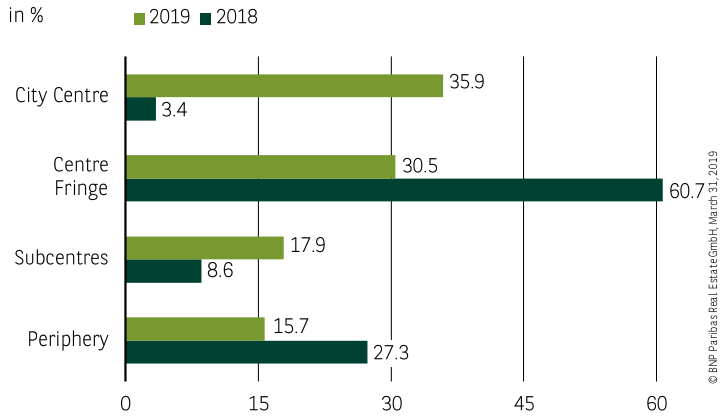


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OFFICE INVESTMENTS CLEARLY AT THE FOREFRONT

The dominance of office investments in the Düsseldorf market is also evident in the first quarter of 2019. With a share of 66%, which represents a slight decline compared with the same quarter of the previous year, they once again contribute more to the total volume than all other asset classes combined. A significant increase in transaction activity compared to the same quarter of the previous year was recorded in the hotel segment, which accounted for 15 % of the result. On the other hand, the share of logistics and other types of use was halved. Although retail investments can increase to 5 %, they remain well below their long-term average.

Investments by location in Düsseldorf Q1



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CITY CENTRE AND SUBCENTRES GAIN IN IMPORTANCE

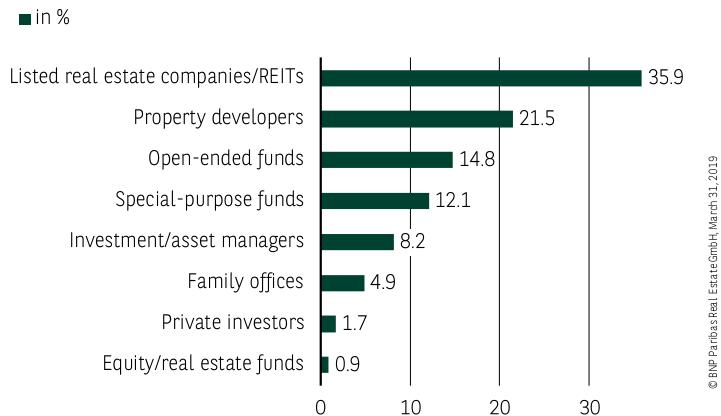
Due to the major "Herzogterrassen" transaction, the City Centre is becoming significantly more important than in the same quarter of the previous year. At 36 %, it even surpasses the traditionally strong Centre Fringe, which at 31 % can only boast about half of the share from the previous year. A further increase in transaction activity was observed in the Subcentres, which reached 18 % and thus returned to a level that is customary in a long-term comparison. The same applies to the peripheral locations, which currently account for just under 16 %.

BROAD DIVERSIFICATION OF DIFFERENT INVESTORS

The fact that the moderate start to the year is primarily due to the low supply and not to a decline in investor interest is also reflected in the broad participation of various investors. In total, four groups account for double-digit shares of the volume. Due in part to the sale of Herzogterrassen, listed real estate companies/REITs took the lead with just under 36 %, followed by property developers (21.5 %) and open-end funds, which contributed around 15 %. Special-purpose funds, which reach a good 12 %, complete the management quartet. All other buyers are in the single-digit range. The larger shares are still held by investment managers (8 %) and family offices (5 %). The low proportion of foreign buyers (20 %) should be seen more as a snapshot.

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Investments by buyer group in Düsseldorf Q1 2019

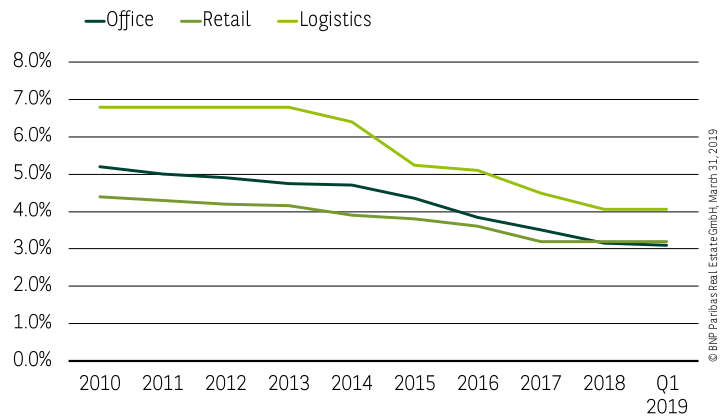


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PRIME YIELDS LARGELY STABLE

After yields in all asset classes have fallen significantly in recent years, the situation at the beginning of the year was predominantly stable. Only the net prime yield for premium office properties fell again slightly by five basis points to 3.10 %. By contrast, inner-city retail/office buildings in the highly frequented shopping streets are still listed at 3.20 %. The same applies to logistics properties, which (as in all other important logistics agglomerations) remain unchanged at 4.05 %.

Net prime yields by type of property in Düsseldorf



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PERSPECTIVES

Despite the comparatively restrained start to the year, the Düsseldorf investment market has good prospects. Important framework conditions, such as the interest rate level and the occupier markets, are right, so that there continues to be strong interest on the part of investors. The further development will therefore depend not least on the available supply. However, since some major deals are in concrete marketing, everything indicates that a transaction volume above the five-year average can be achieved for the year as a whole. A result between 2.5 and 3 billion € seems quite realistic.

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