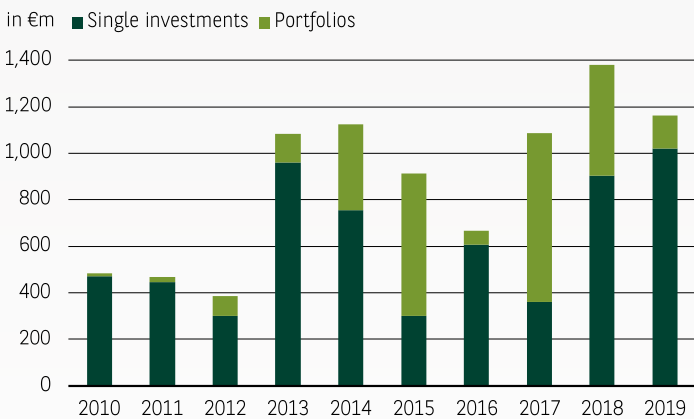




At a Glance **Q2 2019**

INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf H1

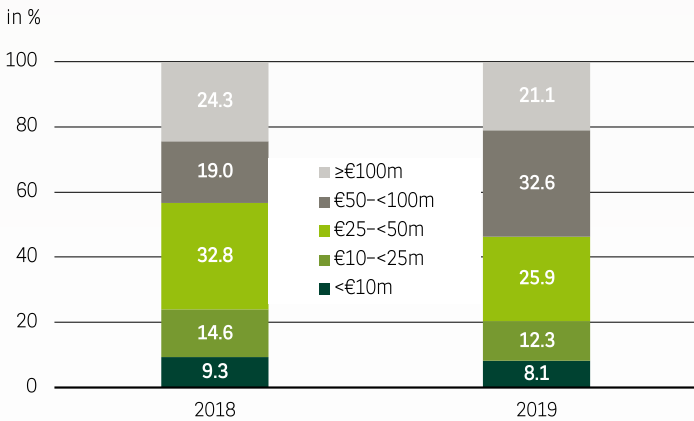


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➤ INVESTMENT MARKET PICKS UP SPEED SIGNIFICANTLY

After a moderate start to the year, the Düsseldorf investment market records an excellent half-year result. With an investment volume of around €1.2 billion, the second-best result was achieved after last year's record (-16%) and at the same time the 10-year average was exceeded by a whopping 33%. The strong result is largely attributable to individual deals, which, when added together, broke the €1billion barrier for the first time within a half-year. What is particularly impressive is that the number of deals fell to 41 compared with the previous year and, as a result, the average transaction volume increased further to €28 million. The fact that the total turnover did not turn out even better can only be attributed to the low contribution of portfolio deals, which, with a volume of €144 million, account for a rather small share of 12% of the total.

Investments by € category in Düsseldorf H1

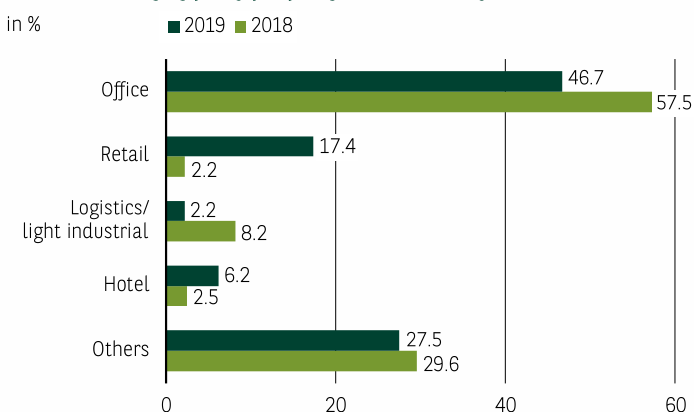


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➤ WIDE DISTRIBUTION AMONG SIZE CLASSES

As in the previous year, the half-year result for 2019 is mainly based on three pillars. The sale of Herzogterrassen, in particular, contributed a good 21% of the volume with major transactions worth €100 million. The size category between €50 million and €100 million has an unusually large influence on investment turnover, with a significant increase over the previous year to just under 33%. Thus deals of more than €50 million together account for more than half of the volume. The third pillar is the size class between €25 and 50 million with in a long-term comparison an average share of more than a quarter. Finally, deals under €25 million contribute a good 20% to the result.

Investments by type of property in Düsseldorf H1

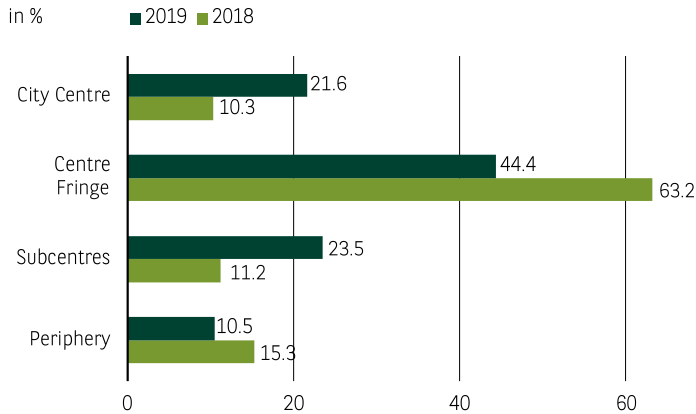


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➤ OFFICE INVESTMENTS REMAIN POPULAR

Although a significant year-on-year decline in the share of office properties in the investment volume is evident, they still represent the most popular asset class among investors. At just under 47%, offices dominate the distribution by property type. A significant increase in transaction activity compared to the previous year is evident in the retail segment, which contributes a good 17% to the total in this half-year. The interest in hotel investments is also extraordinarily strong, with an above-average result compared over many years and thus contributing around 6% to the turnover.

Investments by location in Düsseldorf H1

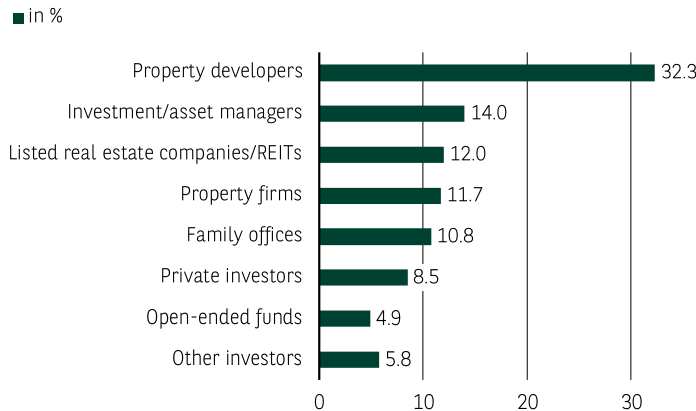


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➤ CENTRE FRINGE ONCE AGAIN IN THE SPOTLIGHT

While in the first quarter of 2019 investors were still focusing on the City Centre, in the further course of the year the Centre Fringe was able to regain its traditional strength. Nevertheless, at a good 44%, this submarket contributes just under 19 percentage points less to the result than in the same period of the previous year. Against this backdrop, the City Centre (around 22%) and Subcentres (23.5%) have gained significantly in importance compared with the previous year. Particularly noteworthy are the Subcentres, which have recorded the highest proportion in 10 years. The Periphery (10.5%) remains at a slightly below-average level in a long-term comparison.

Investments by buyer group in Düsseldorf H1 2019

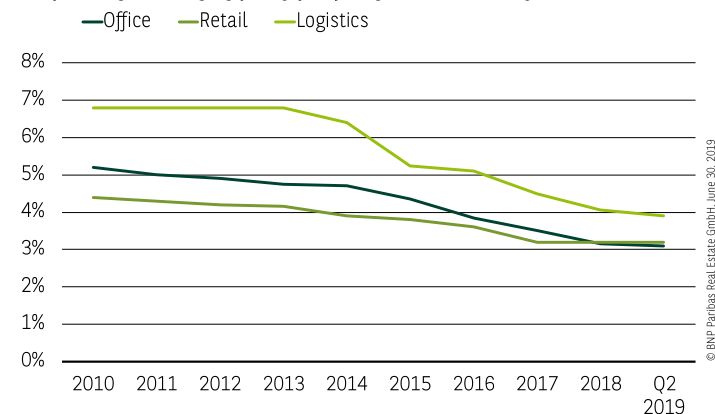


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➤ INVESTMENT MARKET IS DRIVEN BY PROPERTY DEVELOPERS

The half-year result is highly influenced by investments made by property developers (e.g. the site of the old Siemens headquarters), who register record volumes and thus account for almost one third of the transaction volume. The strong demand on the Düsseldorf investment market is also reflected in the broad participation of four other investor groups, which achieve a double-digit share. Investment/asset managers (14%) rank second among buyer groups, followed by listed real estate companies/REITs (12%). It should be emphasised that property firms (approx. 12%) and family offices (approx. 11%) were able to achieve record results in a long-term comparison and consequently make a significant contribution to the result. The low proportion of foreign buyers (21%) is to be regarded as a snapshot.

Net prime yields by type of property in Düsseldorf



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➤ YIELDS ON LOGISTICS REAL ESTATE DOWN

The sustained high demand for large logistics properties and the intense competition for these investments are increasing the pressure on the net prime yield, which fell by 15 basis points in the first half of the year and now stands at 3.90%. The prime yield for premium office buildings has also fallen slightly since the beginning of the year, by a further five basis points to 3.10%. Only retail properties in prime high street locations remain unchanged at a level of 3.20% compared with the end of last year.

➤ PERSPECTIVES

In the second quarter the investment market in the North Rhine-Westphalian state capital started a furious race to catch up and achieved a very pleasing half-year result. Due to the generally unchanged good framework conditions, especially with regard to financing and occupier markets, sustained strong demand is to be expected. In view of the fact that some major deals are currently being marketed, an above-average transaction volume of between €2.5 billion and €3 billion does not appear unrealistic.

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