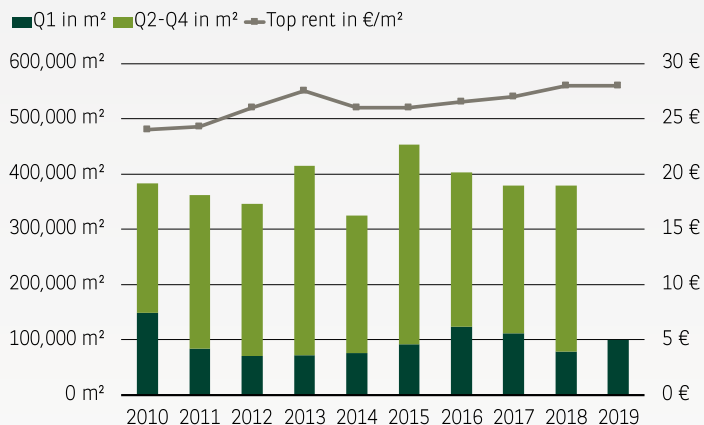




At a Glance **Q1 2019**

# OFFICE MARKET DÜSSELDORF

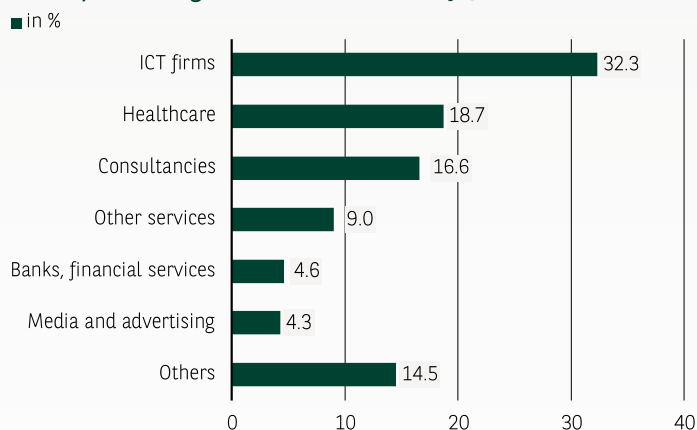
## Development of take-up and top rents in Düsseldorf



## ► SUCCESSFUL START TO THE YEAR ON THE OFFICE MARKET

The Düsseldorf office market is getting off to a very good start in 2019 and achieved a take-up of 99,000 m² in the first quarter. This corresponds to an increase of more than a quarter compared with the same period of the previous year. Furthermore, the 10-year average was exceeded by a good 4%. As usual, the city zones contributed the lion's share to the overall result with 92,000 m² (93 %), while a total of 7,000 m² of office space (7 %) was taken up in the periphery. A noticeably high letting activity was observed in the Seestern office market zone, where not only almost one third of the total turnover of the Düsseldorf city area was achieved, but also three of the six largest deals were concluded. Thereby, Barmer Krankenkasse, which has secured a total of 13,500 m² of office space near Lake Albertsee, can claim the most prominent contract for itself.

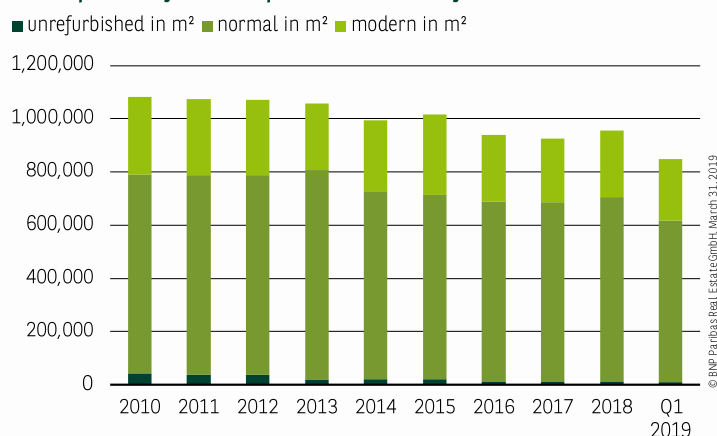
## Take-up according to sectors in Düsseldorf Q1 2019



## ► TECHNOLOGY SECTOR LEADS THE FIELD

Thanks to three major contracts signed by Ubisoft (8,000 m²) in the Grafenberger Allee submarket and IBM Deutschland (7,500 m²) and Damovo (4,000 m²) in the Seestern office market zone, ICT firms are now at the top of the industry distribution, accounting for almost a third of turnover. With a share of just under 19% of the total result, the healthcare industry, which benefits from the above-mentioned major contract from Barmer Krankenkasse, climbed to second place on the podium. The consulting companies that are otherwise often dominant in Düsseldorf contribute around 17% to the overall result and have to settle for third place in the first quarter of 2019. Other notable take-up shares were generated in the sectors of other services (9.0%), banks and financial services (4.6 %) and media and advertising (4.3 %).

## Development of vacant space in Düsseldorf



## ► VACANCY FURTHER DECLINING

The reduction of vacancies on the Düsseldorf office market continues at the beginning of 2019. At the end of the first quarter, a total of 849,000 m² of office space was vacant in the entire market area, a full 108,000 m² or a good 11 % less than at the end of the same period last year. The share of modern space, which is particularly in demand among users, is slightly more than a quarter of total vacancies; in this segment, only 232,000 m² of office space is available in the short term (-8 %). The vacancy rate falls by 1.3 percentage points to only 8.9 %, the lowest figure since 2002. When considering only the Düsseldorf municipal area, vacancies fell by a good 9 % to 534,000 m², resulting in a vacancy rate of 6.7 % (-0.8 percentage points).

## Major contracts in Düsseldorf

Sub-market	Company	m²
2.4	Barmer Health Insurance	13,500
2.1	Ubisoft	8,000
2.4	IBM Deutschland	7,500
3.1	Infosys	4,500
2.4	Damovo Deutschland	4,000
2.5	TWT Digital Group	3,500

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## Trends in important market indicators in Düsseldorf

	Q1 2018	Q1 2019	Trend remaining year
Take-up	78,000 m²	99,000 m²	↗
Vacant space	957,000 m²	849,000 m²	↘
Space under construction (total)	186,000 m²	178,000 m²	↗
Space under construction (available)	47,000 m²	76,000 m²	↘
Top rent	27.00 €/m²	28.00 €/m²	↗

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## MANAGEABLE CONSTRUCTION ACTIVITY

Project developers and investors are rather cautious when it comes to the construction of new office space. The construction volume at the end of the first quarter was 178,000 m², which is a relatively low figure compared to the other top office locations. Construction activities are concentrated primarily in the office market zones of Friedrichstadt (49,000 m²), Derendorf (45,000 m²), Medienhafen (29,000 m²) and CBD (25,000 m²), i.e. on submarkets that usually benefit from high demand for office space. In the Düsseldorf market area as a whole, the pre-letting rate is just under 60 %, which again illustrates that modern office space is still in high demand in Düsseldorf.

## FURTHER INCREASE OF PRIME RENTS

The top rent on the Düsseldorf office market remained unchanged at 28.00 €/m² at the end of the first quarter, with a year-on-year increase of just under 4 %. The prime rent is still being paid for well-equipped, high-quality office space in the CBD. But also in the Inner City office market zone top rents of 26.50 €/m² are being charged. Compared to the first quarter of 2018, the average rent rose slightly by 0.1 €/m² to 15.00 €/m².

## PERSPECTIVES

Following the successful start to the year, the stage is set for growth for the rest of the year. Subject to a continued favourable macroeconomic environment, an office space take-up of 400,000 m² appears realistic for the full year 2019. In addition, a further slight decline in vacancy and a moderate increase in prime rents are expected.

## Key indicators Düsseldorf Q1 2019

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2019	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City										
1.1 CBD/Banking District		28.00	8,000	21,000	9,500	0	25,000	6,000	27,000	4,000
1.2 Inner City		26.50	8,000	31,500	4,000	500	5,000	5,000	36,500	0
2 Office Centres	13.50	- 24.00	54,000	218,500	92,000	4,000	80,000	23,000	241,500	172,500
3 Centre Fringe	13.50	- 22.50	11,500	49,500	34,500	0	49,000	37,500	87,000	51,500
4 Subcentres	12.00	- 20.00	10,500	213,500	48,000	0	19,000	4,500	218,000	176,000
<b>Total Düsseldorf</b>			<b>92,000</b>	<b>534,000</b>	<b>188,000</b>	<b>4,500</b>	<b>178,000</b>	<b>76,000</b>	<b>610,000</b>	<b>404,000</b>
5 Periphery	7.50	- 14.00	7,000	315,000	44,000	5,500	0	0	315,000	51,000
<b>Total</b>			<b>99,000</b>	<b>849,000</b>	<b>232,000</b>	<b>10,000</b>	<b>178,000</b>	<b>76,000</b>	<b>925,000</b>	<b>455,000</b>

\* The top rent given applies to a market segment of 35 % in each case.

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