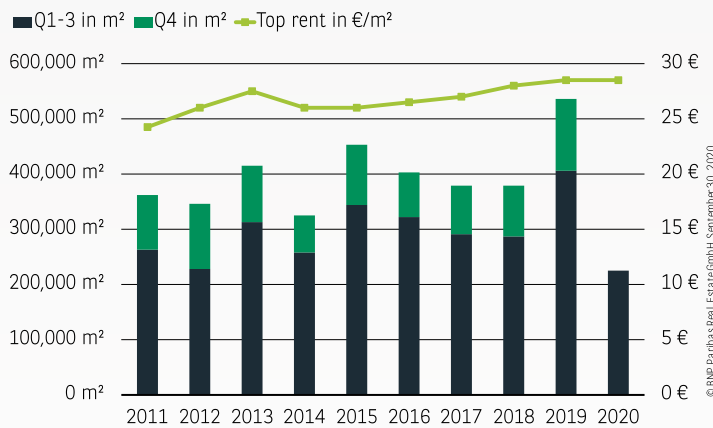




At a Glance **Q3 2020**

# OFFICE MARKET DÜSSELDORF

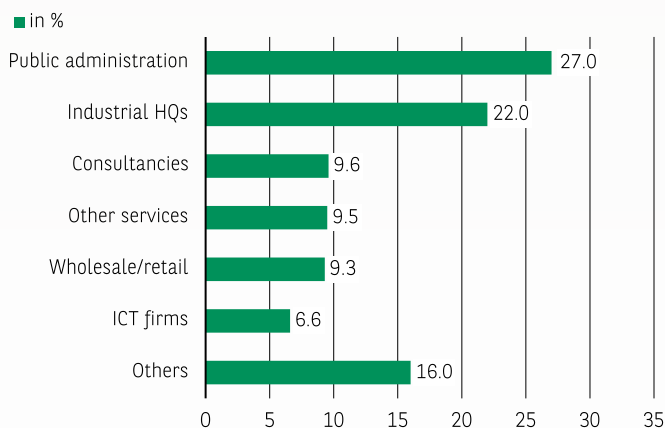
## Development of take-up and top rents



## SLIGHT INCREASE OF MARKET ACTIVITY IN Q3

Although the Corona pandemic and the lockdown in the second quarter had a strong impact on the Düsseldorf office market, letting activity was slightly higher in the third quarter of this year. With a take-up of 225,000 m², the long-term average was missed by 24%. The results for the separate quarters demonstrate the Corona effect: in Q1, 112,000 m² of office space was taken up almost as much as in the six months afterwards (113,000 m²). Also in the third quarter many companies still act cautiously and planned leases have been postponed in selected cases for the time being. This restraint is particularly evident in the size segments above 5,000 m², which have made a below-average contribution to overall take-up in the year to date.

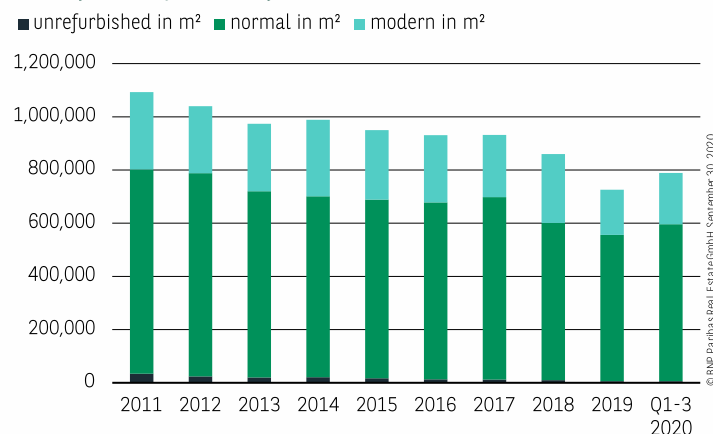
## Take-up by sector Q1-3 2020



## PUBLIC ADMINISTRATION IS ANCHOR OF STABILITY

As in previous crises, the public administration is an important tenant in the Corona period as well. The public sector is at the top of the sector distribution with a share of 27%, and has benefited in particular from the major deal of the Oberfinanzdirektion (29,800 m²) in the City East submarket. The administrations of industrial companies rank second with 22% and at the same time have achieved their best percentage result of the last ten years. In this context, the lease of 10,300 m² from Fujifilm in Ratingen East is worth mentioning. On a comparable level, consultancies (10%), other services (9.5%) and wholesale/retail companies (9%) follow the leading duo.

## Development of vacant space



## VACANT SPACE SLIGHTLY INCREASED

As a result of the weaker demand caused by the pandemic, a slight upward trend in vacancies on the Düsseldorf office market was recorded in the course of the year. At the end of the third quarter, the total amount of vacant office space in the entire market area was 789,000 m² (+9% since the beginning of the year). As before, vacancies with modern quality still totals up to just under a quarter. Vacant space has also risen slightly in Düsseldorf's more narrowly defined city area and stands currently at 479,000 m². This corresponds to a vacancy rate of only 5.9%, which shows the generally moderate level of vacant space in the highly sought-after locations.

## Major contracts

Sub-market	Company	m²
3.2	Oberfinanzdirektion	29,800
5.1.2	Fujifilm	10,300
4.1	ThyssenKrupp Elevator	9,200
3.1	City of Düsseldorf	8,900
4.1	IT.NRW	7,700
2.6	LEG	7,600

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## Trends in important market indicators

	Q1-3 2019	Q1-3 2020	Trend remaining year
Take-up	406,000 m²	225,000 m²	➔
Vacant space	810,000 m²	789,000 m²	↗
Space under construction (total)	243,000 m²	244,000 m²	➔
Space under construction (available)	48,000 m²	67,000 m²	↘
Top rent	28.00 €/m²	28.50 €/m²	➔

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## ➤ SIGNIFICANT INCREASE IN PROJECTED SPACE

Currently, 244,000 m² of office space are under construction, of which about 27% is still available to the leasing market. However, the majority of the available space will not be completed until 2022, thus construction activity will have only a minor impact on the supply in the short term. It is also worth mentioning that the amount of projected space has risen even in these economically uncertain times (+39% year-on-year). This development demonstrates the overall high attractiveness of the Düsseldorf office market for project developers.

## ➤ RENTS REMAIN STABLE

Due to the generally scarce supply, office rents in Düsseldorf have remained mostly stable even during the Corona pandemic. As at the beginning of the year, the top rent is 28.50 €/m² and is paid for modern office space in the CBD. As usual, the average rent over the entire city area is subject to slight fluctuations and is currently at 15.20 €/m², just below the previous year's level.

## ➤ OUTLOOK

Like in the other major German office markets, the Q1-3 result was clearly affected by the Corona shock. Due to the existing uncertainty and the Covid-19 infection figures that are picking up speed again, a below-average result can also be expected in the last quarter. Against this background, a further moderate increase in vacancies can be predicted. Nevertheless, stable rents are the most likely scenario from today's perspective due to the overall moderate vacancy level.

## Key indicators Q1-3 2020

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1-3 2020	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	28.50		14,000	34,500	16,000	3,000	4,000	4,000	38,500	8,000
1.2 Inner City	26.50		19,000	46,000	4,000	0	5,000	4,000	50,000	0
2 Office Centres	14.00 - 25.00		54,500	194,500	106,000	27,000	105,000	27,000	221,500	184,500
3 Centre Fringe	14.50 - 24.00		52,000	42,500	7,500	0	74,000	0	42,500	61,500
4 Subcentres	14.00 - 22.00		60,500	161,500	30,500	0	53,000	32,000	193,500	318,000
<b>Total Düsseldorf</b>			<b>200,000</b>	<b>479,000</b>	<b>164,000</b>	<b>30,000</b>	<b>241,000</b>	<b>67,000</b>	<b>546,000</b>	<b>572,000</b>
5 Periphery	10.00 - 15.00		25,000	310,000	29,000	4,000	3,000	0	310,000	46,000
<b>Total</b>			<b>225,000</b>	<b>789,000</b>	<b>193,000</b>	<b>34,000</b>	<b>244,000</b>	<b>67,000</b>	<b>856,000</b>	<b>618,000</b>

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

\*\* The relevant office market zone can be found on our website under "Research".

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