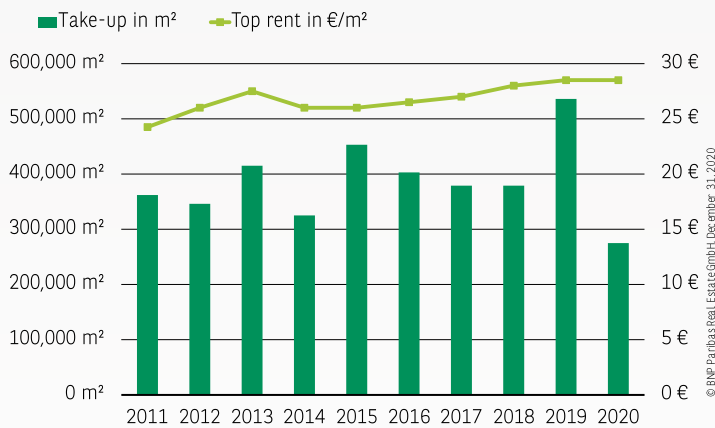




At a Glance **Q4 2020**

OFFICE MARKET DÜSSELDORF

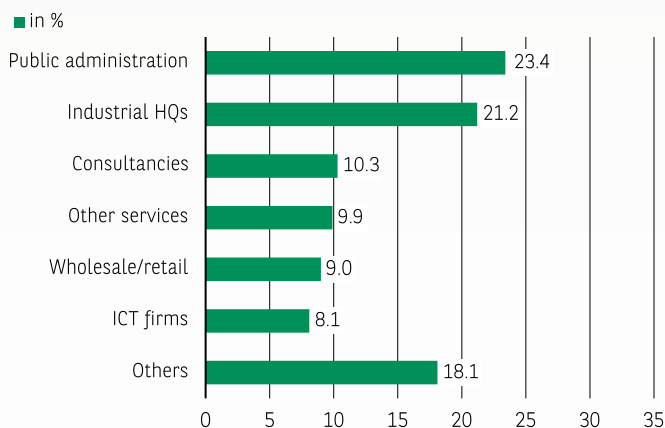
Development of take-up and top rents



➤ CORONA AFFECTS LETTING ACTIVITY

Corona had a strong impact on the Düsseldorf office market in 2020. With a take-up of 275,000 m², the record result of 2019 was clearly undercut by around 49%. The long-term average was also missed by almost 29 %. This below-average result is clearly due to the Corona crisis and the related uncertainties for companies, which as a result avoided long-term investment decisions and accordingly postponed some planned lettings for the time being. The course of the pandemic is clearly reflected in the corresponding quarterly results: In the first quarter of the year, a good volume of 112,000 m² was still achieved, whereas the first lockdown noticeably shaped the Q2 result (46,000 m²). In the third quarter a slight upswing in market activity was observed (67,000 m²), which then slowed again (50,000 m²) due to the renewed social restrictions in the traditionally strong last quarter.

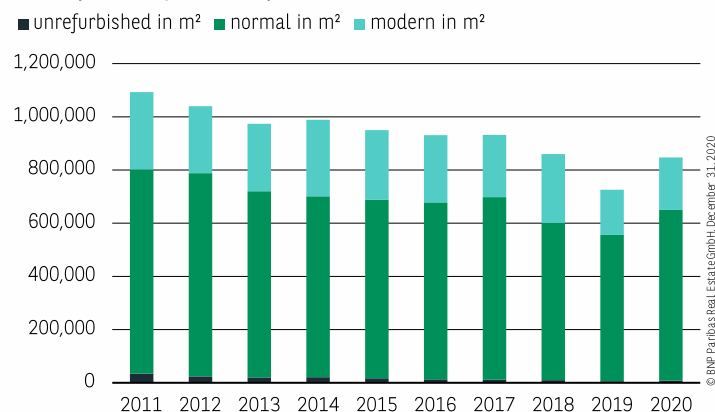
Take-up by sector 2020



➤ TWO SECTORS AT THE TOP

As in previous crises, the public sector is also an important source of demand in times of the Corona pandemic. The public administration is at the top of the sector distribution with a share of a good 23% and also contributed the largest deal of the year with the major deal for the Oberfinanzdirektion (29,800 m²) in the City East submarket. With 21%, the administrations of industrial companies, which were also not as strongly affected by the second lockdown, have secured second place and at the same time achieved their best percentage result of the last ten years. In this context, the letting of 10,300 m² by Fujifilm in Ratingen East is worth mentioning. Consultancies (10%), other services (10%) and retail (9%) are ranked one place behind.

Development of vacant space



➤ RESTRAINED DEMAND INFLUENCES SUPPLY

As a result of the weaker demand, a slight increase in vacancies was observed on the Düsseldorf office market over the course of 2020. At the end of the year, 847,000 m² of office space was vacant in the entire Düsseldorf market area, which corresponds to a vacancy rate of 8.8%. In the last ten years, a lower rate was only recorded at the end of 2019. The share of the modern office space category, which is particularly favoured by companies, remains at just over a quarter. In the more narrowly defined Düsseldorf city area, the total amount of vacant space has also risen slightly (518,000 m²). The current vacancy rate in the city area, which is in particularly high demand, is only 6.4%.

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	8,700
4.1	IT.NRW	7,700
2.6	LEG	7,600

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Trends in important market indicators

	2019	2020	Trend 2021
Take-up	536,000 m²	275,000 m²	↗
Vacant space	726,000 m²	847,000 m²	↗
Space under construction (total)	211,000 m²	249,000 m²	→
Space under construction (available)	41,000 m²	70,000 m²	↘
Top rent	28.50 €/m²	28.50 €/m²	→

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➤ CONSTRUCTION ACTIVITY AT A HIGH LEVEL

The volume of space under construction has increased by another 18% in the past 12 months and currently totals 249,000 m². However, a large part of this space is either being built by owner-occupiers or has already been pre-let, so that only around 28% is available to the rental market. In addition, almost three quarters of the volume will not be completed until 2022, so that no serious short-term effects on the supply can be assumed as a result of the construction activity. The fact that market participants consider the Düsseldorf office market to be attractive in the long term is reflected in the volume of projected space (572,000 m²).

➤ RENTS IN THE TOP SEGMENT STABLE

Despite the lower demand, office rents remained robust in 2020. The top rent stayed stable due to the low supply of modern space and was still at 28.50 €/m² at the end of the year. Compared to the previous year, a slight decline in the average rent was registered, which is currently at 15.40 €/m².

➤ OUTLOOK

Also the Düsseldorf office market was not immune to the Corona pandemic and recorded lower market activity. Despite the difficult market conditions that will persist at the beginning of 2021, the start of the vaccination and the resulting return to a more normal social life in the course of the second quarter allow us to look optimistically into the new year. Against this background, letting activity should pick up noticeably towards the middle of the year at the latest, so that rents can be expected to remain stable.

Key indicators 2020

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	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		19,500	43,000	20,500	3,000	4,000	4,000	47,000	8,500
1.2 Inner City	26.50		22,500	50,000	4,000	0	5,000	4,000	54,000	0
2 Office Centres	14.00 - 25.00		77,500	203,500	106,500	27,000	121,000	30,500	234,000	169,000
3 Centre Fringe	14.50 - 24.00		55,500	41,500	7,500	0	74,000	0	41,500	61,000
4 Subcentres	14.00 - 22.00		68,000	180,000	30,500	0	42,000	31,500	211,500	287,500
Total Düsseldorf			243,000	518,000	169,000	30,000	246,000	70,000	588,000	526,000
5 Periphery	10.00 - 15.00		32,000	329,000	28,000	2,000	3,000	0	329,000	46,000
Total			275,000	847,000	197,000	32,000	249,000	70,000	917,000	572,000

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

** The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2020](#)

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