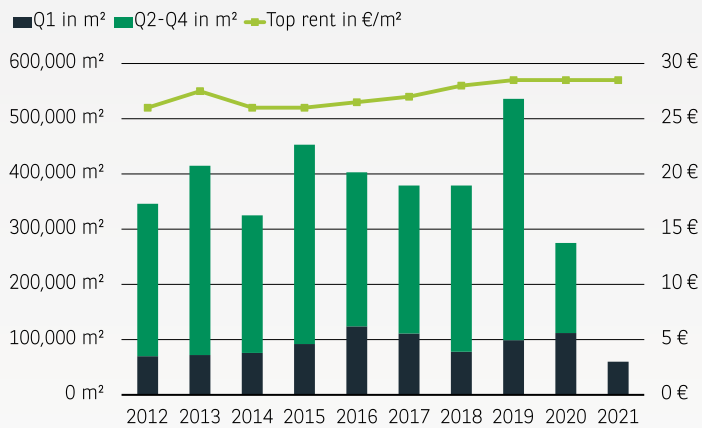




At a Glance **Q1 2021**

OFFICE MARKET DÜSSELDORF

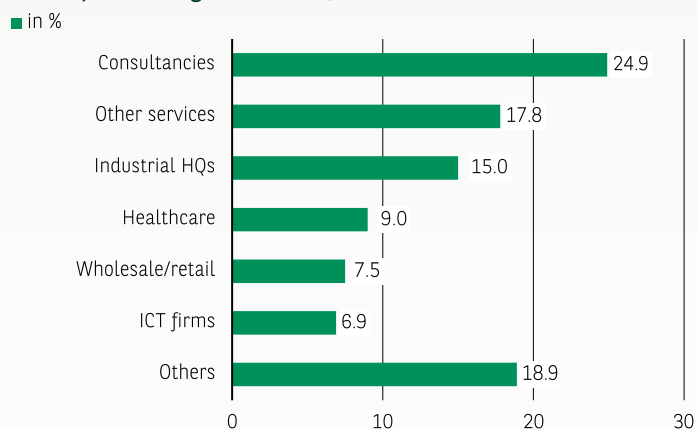
Development of take-up and top rents



RESTRAINED MARKET ACTIVITY IN THE FIRST QUARTER

With a take-up of 60,000 m², the Düsseldorf office market started quite slowly into the new year. The result is around one third below the long-term average. Why the office market in the North Rhine-Westphalian state capital did not really get going yet is attributable to two factors. On the one hand, the ongoing Corona pandemic and the related uncertainties continue to confront market participants with a number of challenges, with the result that some planned lettings are still pending. On the other hand, in the first three months no deal with a volume of more than 5,000 m² was registered and, compared to previous years, significantly fewer deals between 1,000 - 5,000 m², which highlights the current restrained momentum in the market as a whole. Despite the difficult conditions, the central City locations achieved an above-average result (7%) in the first quarter thanks to a large number of small-scale lettings, which impressively underlines the brisk demand for the City locations of the Rhine metropolis.

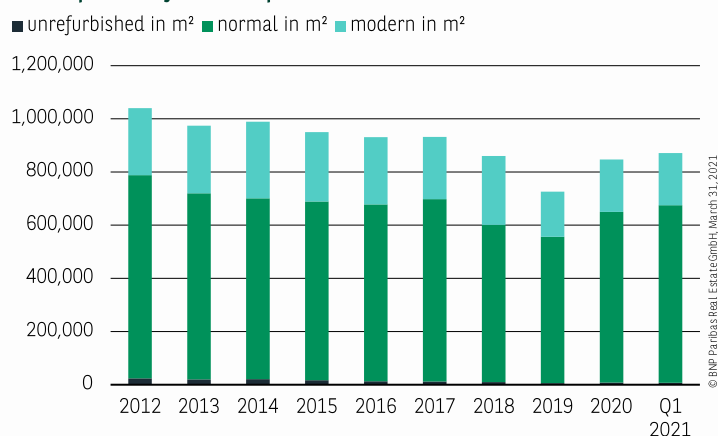
Take-up according to sectors Q1 2021



CONSULTANCIES ONCE AGAIN THE MOST ACTIVE

In the first three months of the year, Düsseldorf once again justified its reputation as a consulting powerhouse. With just under a quarter, the consultancies are anew the driving force of the Düsseldorf office market. This result is particularly noteworthy as this sector has not been able to record any large deals over 2,000 m² yet. The traditionally strong category of other services ranks second with just under 18%. Industrial companies follow close behind with 15%, registering the largest deal of the year so far with the Mitsubishi Chemical Europe contract (4,200 m² in the Düsseldorf West/Linksrheinisch zone). Meanwhile, in a long-term comparison, the public sector is still acting restrained in the first quarter.

Development of vacant space



INCREASE IN VACANCY SLOWS DOWN

Although the total amount of vacant space in the Düsseldorf market area has risen by 20% in the past 12 months due to Corona, a significant slowdown in this upward development has been observed since the end of the year. Currently a total of 871,000 m² of office space is vacant, but only 22.5% of this space has a modern fit-out quality. The vacancy rate of 9.0 % is roughly at the same level as at the end of the year 2020. In the particularly highly sought after CBD/bank district submarket even a slight reduction of vacancies has been recorded since the end of the year, and the vacancy rate is only at 5.7%.

Major contracts

Sub-market	Company	m²
4.4	Mitsubishi Chemical Europe	4,200
2.3	BIMA	2,700
2.2	Mediadesign Hochschule für Design und Informatik	1,900
5.1.2	Postcon Service	1,800
5.2.2	Medisana	1,300
1.2	Buse Heberer Fromm	1,300

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➤ VERY HIGH PRE-LETTING RATE

In the last 12 months, the amount of space under construction declined by 11%, even though the construction volume is still at a relatively high level in a long-term comparison. However, more importantly only 70,000 m², and thus only a good quarter, is still available to the letting market. No other A-city has a similarly low figure. On the other hand, there is a high volume of projected space.

➤ STABLE RENT DEVELOPMENT

Due to the still relatively low supply of modern space in the particularly highly attractive central office market locations, the prime rent is stable and remains at 28.50 €/m². Compared to the end of 2020, the average rent even increased slightly by almost 6 % and is back at 16.30 €/m² just as it was in the same quarter of the previous year.

Trends in important market indicators

	Q1 2020	Q1 2021	Trend remaining year
Take-up	112,000 m²	60,000 m²	➔
Vacant space	728,000 m²	871,000 m²	↗
Space under construction (total)	282,000 m²	250,000 m²	➔
Space under construction (available)	85,000 m²	68,000 m²	↘
Top rent	28.50 €/m²	28.50 €/m²	➔

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➤ OUTLOOK

Although the year 2021 started with a moderate result and the general conditions are still challenging due to the Corona pandemic, it can be assumed that the market dynamics will pick up in the further course of the year and that take-up will increase noticeably due to the accelerating vaccination campaign and potential catch-up effects. From today's perspective, a continuing stabilisation of the vacancy level during the year is the most likely scenario. Along with this, a sideways movement of rents can be assumed.

Key indicators Q1 2021

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2021	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		8,000	42,500	21,000	3,000	8,500	7,500	50,000	50,500
1.2 Inner City	26.50		8,000	52,000	7,500	0	5,000	3,000	55,000	0
2 Office Centres	14.00 - 25.00		22,000	205,000	102,000	27,000	121,500	26,000	231,000	186,500
3 Centre Fringe	14.50 - 24.00		2,000	43,500	7,500	0	74,000	0	43,500	113,500
4 Subcentres	14.00 - 22.00		11,000	198,000	32,000	0	41,000	31,500	229,500	310,500
Total Düsseldorf			51,000	541,000	170,000	30,000	250,000	68,000	609,000	661,000
5 Periphery	10.00 - 15.00		9,000	330,000	26,000	2,000	0	0	330,000	45,000
Total			60,000	871,000	196,000	32,000	250,000	68,000	939,000	706,000

* 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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