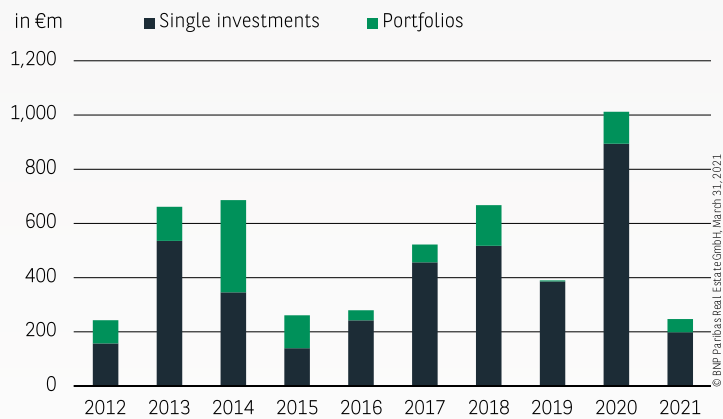




At a Glance **Q1 2021**

INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf Q1

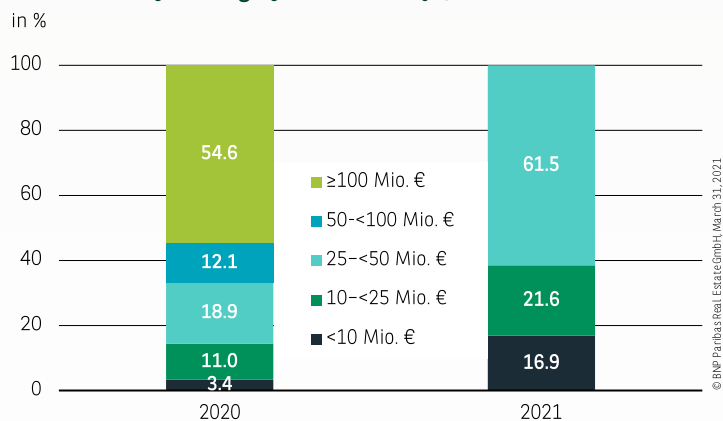


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➤ **LOW MARKET ACTIVITY IN THE FIRST THREE MONTHS**

After a strong final quarter 2020, the Düsseldorf investment market has started the new year on a rather subdued note with a volume of €247 million. The record from the previous year was clearly missed, and even the long-term average is around 50% higher than the result for the first three months. However, that certain fluctuations in the result of the first quarter are not entirely unusual as shown by the comparable investment turnover of 2012, 2015 as well as 2016. Responsible for the rather moderate transaction volume is the lack of large deals. So far, no deal with a volume of more than €50 million has been registered. Among the largest deals of the year by now were the Zwei-Scheiben-Haus in Ratingen and the B8 Fachmarktcenter in the City-Ost submarket. Of the total volume, 80% was accounted for by individual sales and 20% by portfolio deals. It is also worth noting that, at around 36%, an above-average amount of capital was invested in Düsseldorf by foreign investors.

Investments by € category in Düsseldorf Q1

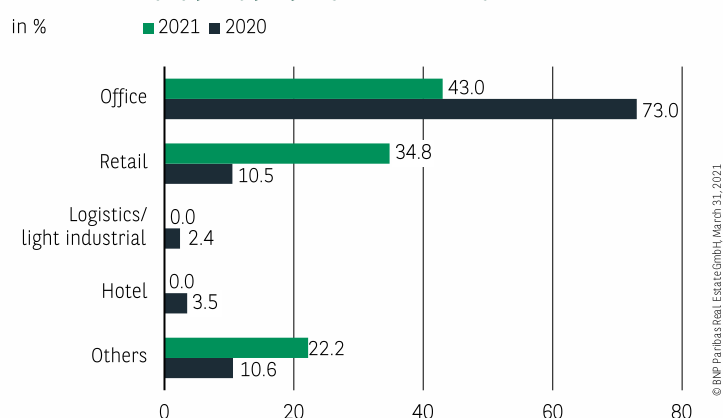


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➤ **FOCUS ON MEDIUM-SIZED AND SMALL INVESTMENTS**

In contrast to the previous year, when market activity was dominated by the size classes above €50 million, buyers in the first three months of the year tended to focus on medium to small investment properties. However, it needs to be stressed that there was a considerable shortage of supply in the segment above €50 million at the beginning of the year, which limited the investment volume. At 61.5%, the lion's share of transactions took place in the segment between €25 million and €50 million. This represents an above-average figure by long-term standards. The remaining volume was spread among transactions of less than €25 million.

Investments by type of property in Düsseldorf Q1

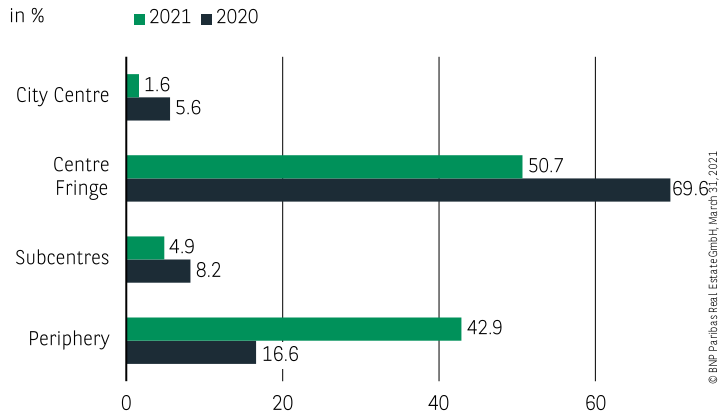


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➤ **OFFICE AND RETAIL AT THE TOP**

Traditionally, office properties are in high demand in the Düsseldorf market area, which is also reflected in this year's quarterly results. At 43%, this asset class leads the distribution by property type. In contrast to the previous year, retail properties (35%) again made a significant contribution to the transaction volume in 2021. This asset class benefited in particular from the aforementioned sale of the B8 retail park. The third pillar of the result is represented by the collective category "others" (22%), which include a large number of development properties. To date, no significant deal has been recorded in the logistics and hotel sectors.

Investments by location in Düsseldorf Q1



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LOW VOLUME IN THE CITY SO FAR

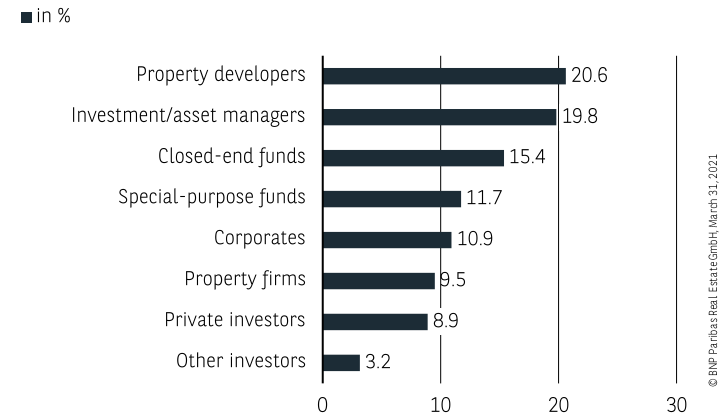
As usual, the Düsseldorf Centre Fringe is a major investment target. At just under 51%, the lion's share of the transaction volume was again invested in these locations. In comparison, market activity in the city center (as in the previous year) was still moderate in the first three months of the year, but is likely to gain significantly in importance as the year progresses, provided there is appropriate supply. Proportionally above-average volumes of capital have so far been invested in the periphery of the North Rhine-Westphalian state capital, which, with a share of 43%, is just behind the volume of the Centre Fringe.

DIVERSE TYPES OF INVESTORS IN THE MIX

The fact that no fewer than five investor groups have made a double-digit contribution to earnings shows the great interest shown by a variety of investors. At the top of the ranking are property developers (21%), who secured a large number of development sites in the Düsseldorf market area in the first quarter. Close behind in second place are investment/asset managers with 20%. Closed-ended funds achieved an above-average result (15%), whereas special-purpose funds, with a volume of €29 million (12%), have so far accounted for a disproportionately low share of transaction volume by their very own standards.

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Investments by buyer group in Düsseldorf Q1 2021

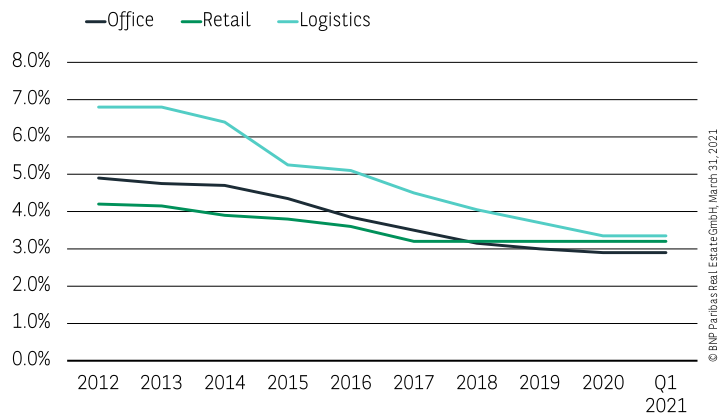


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PRIME YIELDS UNCHANGED IN THE FIRST QUARTER

At the beginning of the year, no movement was registered in the development of net prime yields compared to Q4 2020. The prime yield for offices, which had decreased by 10 basis points last year, continued to trade at 2.90% at the end of the first quarter. Despite the Corona crisis, highstreet properties in Düsseldorf's prime locations are showing comparatively high stability, with prime yields still standing at 3.20%. The 2020 logistics net prime yield has fallen a full 35 basis points (3.35%), but it also moved sideways in the first quarter.

Net prime yields by type of property in Düsseldorf



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OUTLOOK

Even though the start to the year in Düsseldorf was still somewhat subdued, there is optimism for the next nine months given that the vaccination campaign is gaining speed and positive macroeconomic forecasts have been recorded. Should large-volume investment opportunities come onto the market in the further course of the year, a transaction volume in the region of the long-term average (over €2.5 billion) still seems possible from today's perspective. In addition, further compression of net prime yields cannot be ruled out.

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