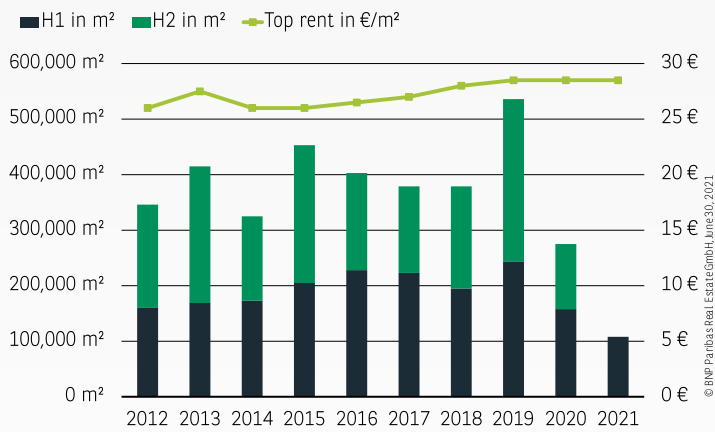




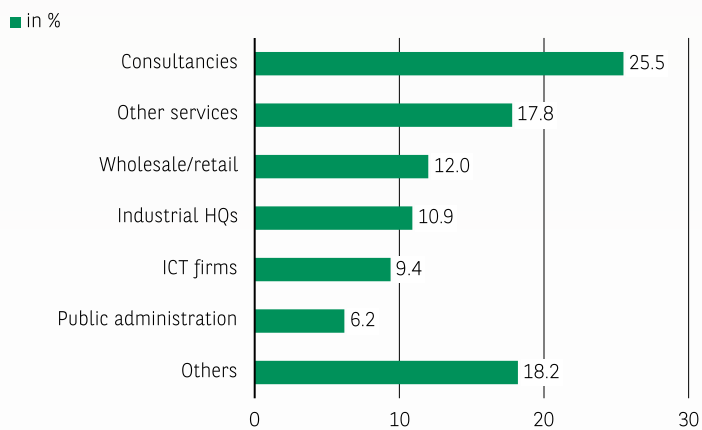
At a Glance **Q2 2021**

OFFICE MARKET DÜSSELDORF

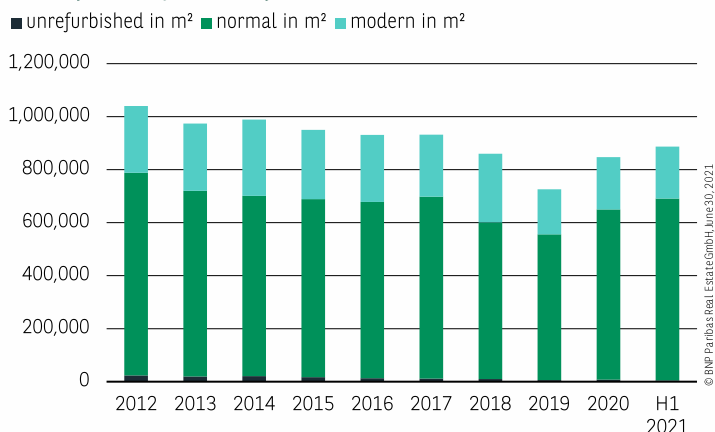
Development of take-up and top rents



Take-up by sector H1 2021



Development of vacant space



➤ MANY DEALS, BUT LIMITED TAKE-UP YET

The Düsseldorf office market is still subdued at the end of the first half of 2021. The currently registered take-up of 108,000m² is almost a third below that of the previous year and a good 42% below the long-term average. However, the seemingly drastic decline is somewhat put into perspective when one takes a look at the number of deals: with more than 230 registered transactions, the market is even more active in this respect than in the first six months of 2019, when the previous take-up record was set. A take-up that is at least average in a long-term comparison was missed primarily because there have not been any deals in the >5,000 m² segment yet. The largest deal of the year was the lease of 4,200 m² by Mitsubishi Chemical Europe in the new Trigon development. The lack of large deals can be attributed in particular to the challenging market environment for many companies in the wake of the Corona pandemic, which often leads to a wait-and-see attitude. With the rapid progress of the vaccination campaign, however, this should change noticeably in the coming months.

➤ CONSULTANCIES ONCE AGAIN AT THE TOP

As Düsseldorf is considered one of Germany's consultancy capitals, and thus once again the federal state capital is living up to its reputation on the office market in the first half of 2021: with slightly more than a quarter of the total take-up, consultancies clearly dominate the sector ranking. Despite the lack of a major deal, they also achieved their second-best result of the past ten years in absolute terms with more than 27,500 m². In second place is the traditionally strong category of other services (18%), followed by wholesale/retail companies, which account for 12% of take-up. The large number of different sectors that currently account for relevant take-up shares is strong evidence of the broad demand base, which remains widely diversified despite the Corona pandemic.

➤ VACANCY RATE IN THE CBD DECREASES AGAIN

Although office vacancy has increased by around 5% since the beginning of the year and thus currently amounts to 887,000 m², only slightly more than one fifth of this space is of modern quality. Within this segment, the volume of vacant space has even fallen minimally by around 1,000 m². While the vacancy rate across the entire market is slightly higher than at the beginning of the year at 9.2%, it declined by 30 basis points to 5.5% in the CBD/Banking district, which is in particularly high demand.

Major contracts

Sub-market	Company	m ²
4.4	Mitsubishi Chemical Europe	4,200
2.6	Deutsche Glasfaser Holding	3,000
2.3	BIMA	2,700
2.5	s. Oliver	2,500
2.4	Land Nordrhein-Westfalen	2,100

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▶ SPACE UNDER CONSTRUCTION STILL AT A HIGH LEVEL

Although the vacancy rate in Düsseldorf is comparatively high overall, there has been a mismatch between supply and demand in the modern space segment for years. As a result of the lack in modern space, the market is reacting and the volume of space under construction has been at a consistently high level since mid-2019. It currently amounts to 256,000 m². However, only around 75,000 m² of this is still available to the rental market. With the exception of Cologne (70,000 m²), the supply of new space is in no other A-city as low as in the capital of North Rhine-Westphalia.

▶ AVERAGE RENT BACK AT PRE-CORONA LEVEL

As the supply of modern space remains low, particularly in the central submarkets, the prime rent holds firm at a consistently high level of 28.50 €/m² despite the challenging market environment. It is achieved in the CBD/Banking district. The average rent has even increased by around 6% since the beginning of the year and is thus already back at the pre-Corona level of 16.30 €/m².

Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	158,000 m ²	108,000 m ²	↗
Vacant space	762,000 m ²	887,000 m ²	↗
Space under construction (total)	283,000 m ²	256,000 m ²	↗
Space under construction (available)	98,000 m ²	75,000 m ²	↘
Top rent	28.50 €/m ²	28.50 €/m ²	→

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▶ OUTLOOK

Due to the progress of the vaccination campaign and the economic upswing that is becoming apparent, the market dynamics will probably gain further momentum in the second half of the year. It is therefore likely that by the end of the year major contracts will be concluded again and that the unbroken high demand, despite the difficult general conditions, will then also be reflected in the take-up of space. From today's perspective, a further stabilisation of the vacancy level is the most likely scenario. Accordingly, the sideways movement of rents is expected to continue.

Key indicators H1 2021

Submarkets**	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	H1 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		15,000	41,000	19,500	3,000	8,000	7,000	48,000	65,500
1.2 Inner City	26.50		10,000	55,000	7,500	0	5,000	3,000	58,000	0
2 Office Centres	14.00 - 25.00		51,000	208,000	103,000	27,000	127,000	33,000	241,000	181,000
3 Centre Fringe	14.50 - 24.00		3,500	46,500	7,000	0	74,000	0	46,500	113,500
4 Subcentres	14.00 - 22.00		19,500	202,500	31,000	0	42,000	32,000	234,500	311,000
Total Düsseldorf			99,000	553,000	168,000	30,000	256,000	75,000	628,000	671,000
5 Periphery	10.00 - 15.00		9,000	334,000	28,000	2,000	0	0	334,000	46,000
Total			108,000	887,000	196,000	32,000	256,000	75,000	962,000	717,000

* 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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