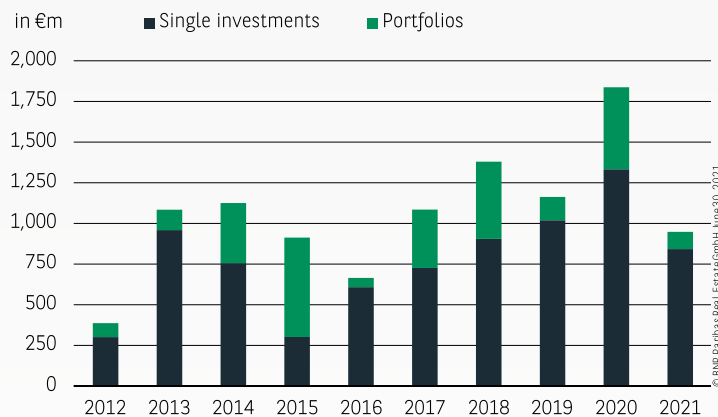




At a Glance **Q2 2021**

INVESTMENT MARKET DÜSSELDORF

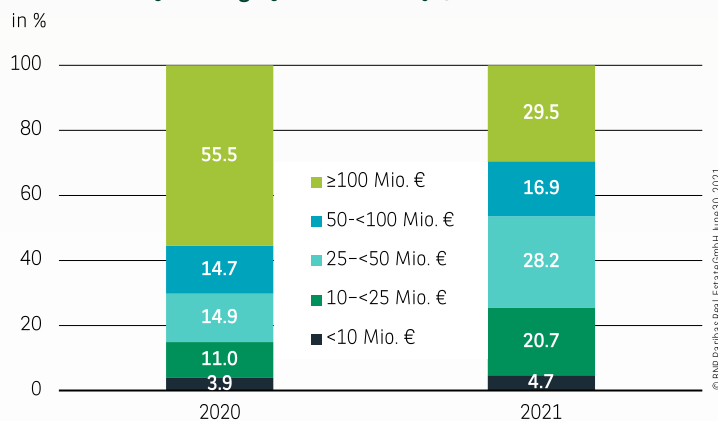
Investment volume in Düsseldorf Q2



BELOW-AVERAGE HALF-YEAR RESULT

With a sales volume of € 948 million, the Düsseldorf investment market is still somewhat subdued at the end of the second quarter. The result is almost 50% below that of the same period last year. However, this statement is somewhat distorted by the fact that last year's result was the best half-year to date in the capital of North Rhine-Westphalia. Although sales also fell short of the long-term average, the decline here was much more moderate at -10.5%. A look at the transaction volume by quarter shows that the moderate performance is primarily attributable to the first three months of the year. While the figure for the first three months was only €247 million, market activity in the second quarter soared, with sales of €700 million. Meanwhile, the share of portfolio transactions is strikingly low, accounting for only around 11% of the volume, which was also a driver for the below-average overall result.

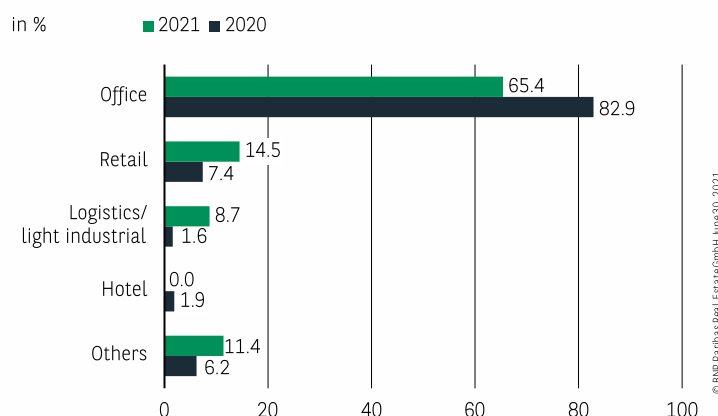
Investments by € category in Düsseldorf Q2



HARDLY ANY LARGE DEALS SO FAR

The distribution of transaction volume by size category has been relatively homogeneous so far this year. While more than half of the volume in the previous year was attributable to large transactions of ≥ €100 million, only two transactions with a share of 29.5% can be registered in this segment for 2021. The largest deal of the year so far is the purchase of the HSBC headquarters on Königsallee by Momeni for more than €150 million. Although some of the other categories achieved significantly higher shares of sales than in previous years, this is mainly due to the current lack of major transactions. In absolute terms, they achieved average results at most in a long-term comparison.

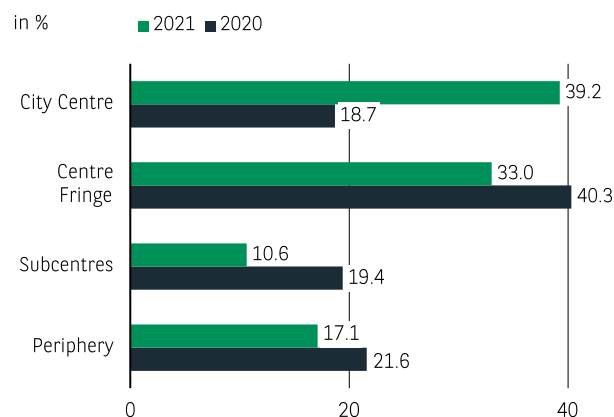
Investments by type of property in Düsseldorf Q2



OFFICE REMAINS MOST IMPORTANT ASSET CLASS

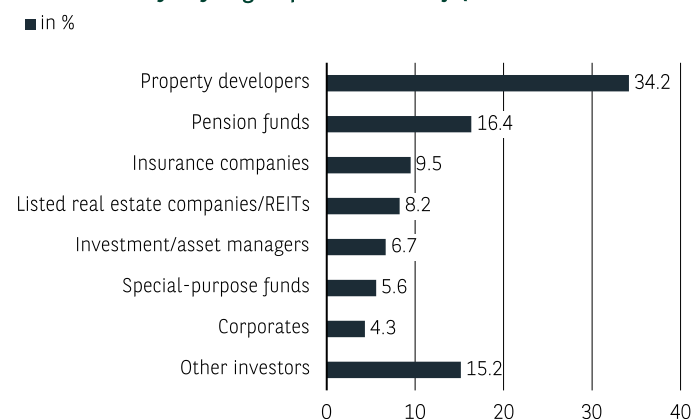
As is usual for Düsseldorf, the lion's share of transaction volume in the first half of 2021 is again accounted for by office properties, at around 65%. The €620 million registered here corresponds to a midfield position in a long-term comparison. In second place are retail properties (14.5%), followed by the collective category of „other“ investments (11%), which includes a number of development properties. While logistics properties (9%), which are currently in particularly high demand, achieved a disproportionately high result for the Düsseldorf market, the hotel asset class has not yet made any appearance at all.

Investments by location in Düsseldorf Q2



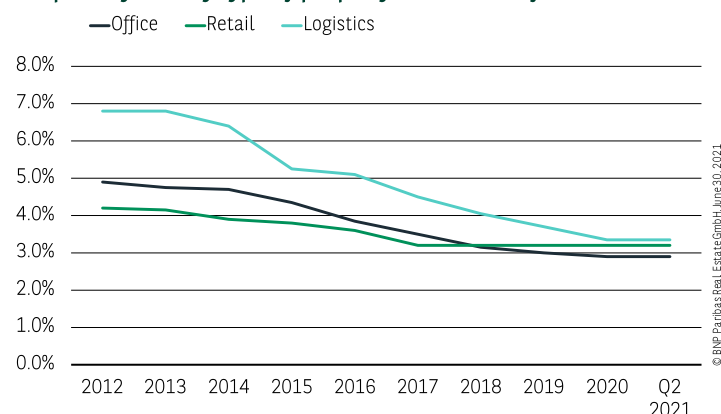
© BNP Paribas Real Estate GmbH, June 30, 2021

Investments by buyer group in Düsseldorf Q2 2021



© BNP Paribas Real Estate GmbH, June 30, 2021

Net prime yields by type of property in Düsseldorf



© BNP Paribas Real Estate GmbH, June 30, 2021

CITY WITH SIGNIFICANT GROWTH

Driven, among other things, by the sale of HSBC's headquarters on Königsallee, the City Centre submarket is gaining strongly in significance compared with the same period last year. The €372 million currently registered corresponds to the third-best result in a long-term comparison. With a share of 39%, the City Centre even clearly outperforms the Centre Fringe, which usually dominates Düsseldorf, accounting for only 33% of the sales volume and thus achieving a noticeably below-average result. Transaction activity in the other locations has also been somewhat less dynamic than usual in the year to date. While the transaction volume in the periphery is around 14% lower than the 10-year average, the Subcentres are even a third lower.

PROPERTY DEVELOPERS WITH HIGH LEVEL OF ACTIVITY

Düsseldorf remains one of the most dynamic commercial locations in Germany. This is clearly demonstrated by the fact that investment activity is currently being dominated by property developers, who are investing almost €324 million in the future of the state capital, thus achieving their second-best half-year result ever recorded. Pension funds are also very active and, driven by the Corona pandemic, are increasingly investing in real assets. At around 16%, they are in second place, well ahead of insurance companies (9.5%), for whom real estate investments are currently also an essential component of their investment strategy. At just over 20%, the share of foreign investors is below average, but this should be seen as more of a snapshot.

YIELDS STABLE SINCE THE BEGINNING OF THE YEAR

Although the market environment in the first half of the year was characterized by the Corona pandemic and was correspondingly challenging, net prime yields in Düsseldorf, as in many other major locations, have been stable since the start of the year. In the office segment, for example, yields are currently unchanged at 2.90% and 3.20% for highstreet property in premium locations. The rapid yield compression of recent years for logistics investments has come to a halt for the time being, with yields remaining at 3.35%.

OUTLOOK

Due to the continued high level of interest on the part of buyers, a further upturn in transaction activity is expected in the second half of the year. However, it remains to be seen whether the market will start a race to catch up, at the end of which a result in line with the long-term average of a good €2.8 billion will be achieved. From today's perspective, it also cannot be ruled out that the strong demand will once again be reflected in a slight yield compression.

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2020

Further Information BNP Paribas Real Estate GmbH | Branch office Düsseldorf | Phone +49 (0)211-52 00-00 | www.realestate.bnpparibas.de