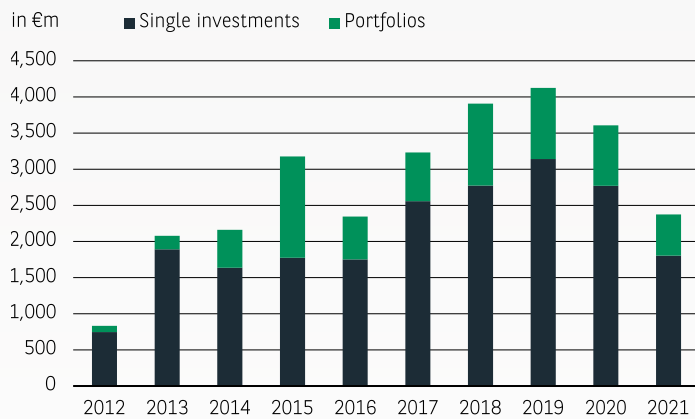




At a Glance **Q4 2021**

INVESTMENT MARKET DÜSSELDORF

Investment volume

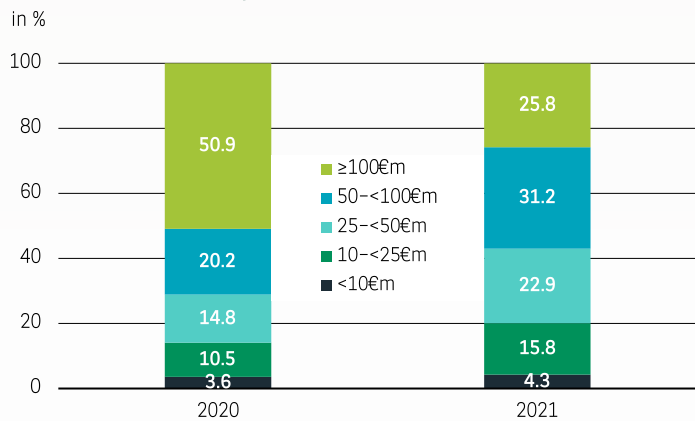


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POSITIVE DEVELOPMENT IN THE FINAL QUARTER

After defying the corona pandemic and the associated uncertainties with a strong result in 2020, the Düsseldorf investment market was unable to match this performance in 2021 with a transaction volume of around €2.4 billion. The result is around 34% below the prior-year result, and the long-term average was also missed by around 15%. The moderate market performance is attributable in particular to the lack of supply of core properties within the market area of the state capital of North Rhine-Westphalia, which are in particular demand from investors. Irrespective of this, a significant market recovery was observed towards the end of the year. The above-average dynamic final quarter, in which around €944 million was achieved, twice as much as in the third quarter, illustrates this positive trend.

Investments by € category

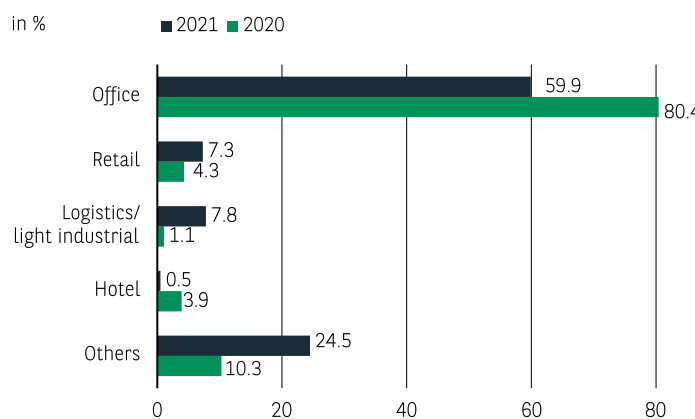


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ONLY A FEW MAJOR TRANSACTIONS

Another reason why the Düsseldorf investment market was unable to reach the transaction level of previous years in 2021 can be seen in the analysis of investments by size category. Over the year, only four deals were registered in the size segment above €100 million, meaning that this category achieved a significantly below-average result and did not account for the largest share of the total investment volume, as is usually the case. The most prominent deal of the year was the purchase of the HSBC headquarters in Königsallee with a volume of well over €150 million. At 31%, the €50 to 100 million segment accounted for the largest share of the annual result.

Investments by type of property

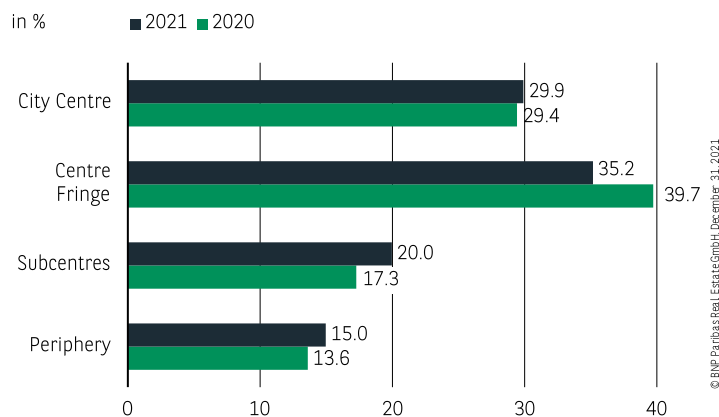


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OFFICE INVESTMENTS REMAIN IN FOCUS

As usual, the lion's share of the transaction volume in the Rhine metropolis was invested in office properties (just under 60%), although the proportion was down 20 percentage points on the previous year. This decline can be attributed in particular to the strong result achieved by the "Other" collective category, which not only posted a record result of around €580 million, but also accounted for the second-largest share at 24.5%. This high volume is based on a number of traded development plots. However, logistics properties (8%) and retail properties (7%) also accounted for a higher market share than in the previous year. The hotel asset class was only marginally involved in market activity due to the still difficult market conditions.

Investments by location

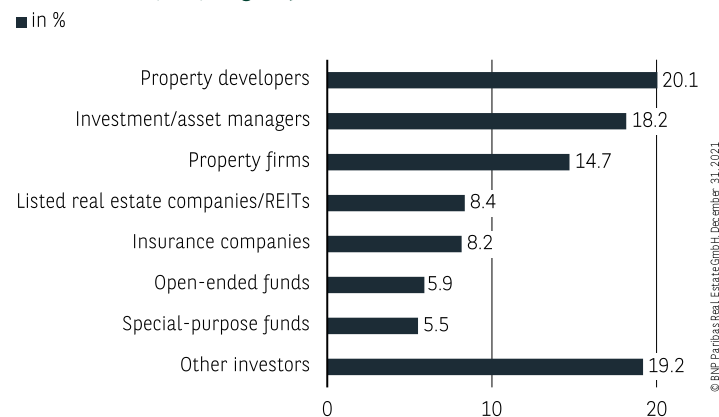


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CITY AND CENTRE FRINGE IN HIGH DEMAND

As in the previous year, investors focused particularly on City and Centre Fringe locations, which is not surprising given the Corona pandemic and the associated uncertainties. The Centre Fringe accounted for the largest share, at just over 35%, but at around €835 million, it was the lowest volume since 2013. The Centre of the state capital represents the second pillar of the annual result with 30%, which is not least due to the HSBC Stammhaus deal already mentioned. Subcentres (20%) and the Periphery (15%) were able to increase their share year-on-year, which can be explained, among other things, by the sale of large-volume development plots.

Investments by buyer group 2021



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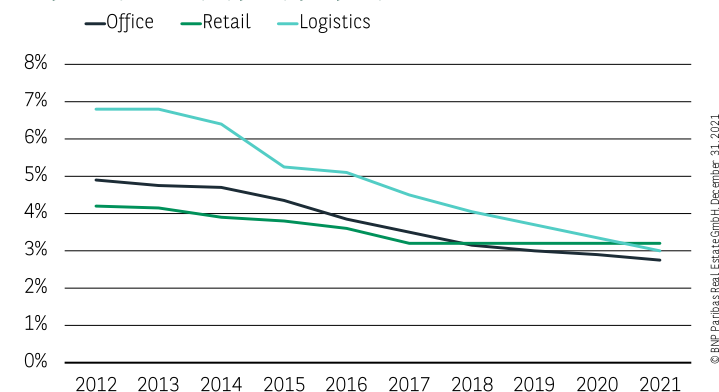
THREE BUYER GROUPS PARTICULARLY ACTIVE

The analysis of the investment volume by buyer group illustrates that three types of investors were particularly active in 2021. At the top of the distribution were property developers, who, with a share of 20%, achieved a significantly above-average result. They are closely followed by investment/asset managers with 18%. The third place on the podium is taken by real estate companies (15%). This high volume can be explained by the multi-billion euro acquisition of a project portfolio by Aggregate Holding, which includes some assets in Düsseldorf.

OFFICE AND LOGISTICS YIELDS CONTINUE TO DECLINE

Against the backdrop of generally high demand for core properties and limited supply, prime yields for office and logistics properties continued to fall in the final quarter of 2021. The prime yield for office properties is currently quoted at 2.75%, 10 basis points below the level at the end of September. The decline is even more pronounced for logistics assets, whose prime yield at the end of the year is 3.00% (-20 basis points). Highstreet property yields are stable at 3.20%.

Net prime yields by type of property



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OUTLOOK

Despite the somewhat more moderate market activity in 2021, from today's perspective it is now reasonable to be optimistic about 2022. In addition to the generally high demand for Düsseldorf commercial real estate, this is also supported by the prospect of significantly accelerating economic growth in the course of the year with corresponding impetus for the rental markets. The provision of new products due to extensive construction activity is also likely to have a positive impact on investment activity, with the result that a transaction volume in the region of the long-term average is the most likely scenario for 2022.

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