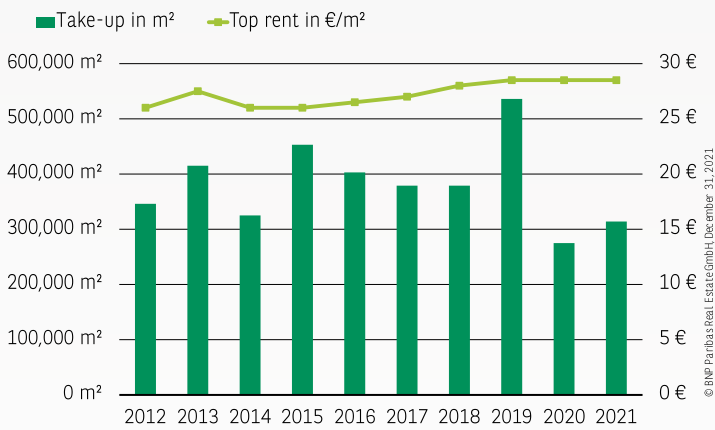




At a Glance **Q4 2021**

# OFFICE MARKET DÜSSELDORF

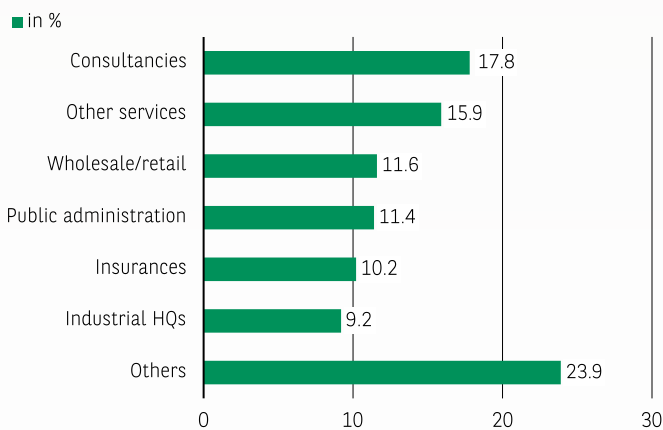
### Development of take-up and top rents



### CONSTANTLY HIGH ACTIVITY IN THE 2ND HALF OF THE YEAR

In a very challenging environment, the Düsseldorf office market ends 2021 with two strong final quarters and annual take-up of 314,000 m². Thus, the previous year's result is exceeded by a good 14%. The upward trend is attributable to the significant increase in market activity, for which a consistently high level of 104,000 and 102,000 m² can be noted in the last two quarters. Despite the revival in the leasing market at the end of the year, the result falls noticeably short of the long-term average (-18%). A total of just under 480 leases were registered in 2021, an increase of more than 100 leases compared to the prior year. The peak value of 2019 was only just missed (-6%). This demonstrates a very high level of market activity in the Düsseldorf office market, with the majority of lettings being in the small-volume segment and large deals remaining the exception.

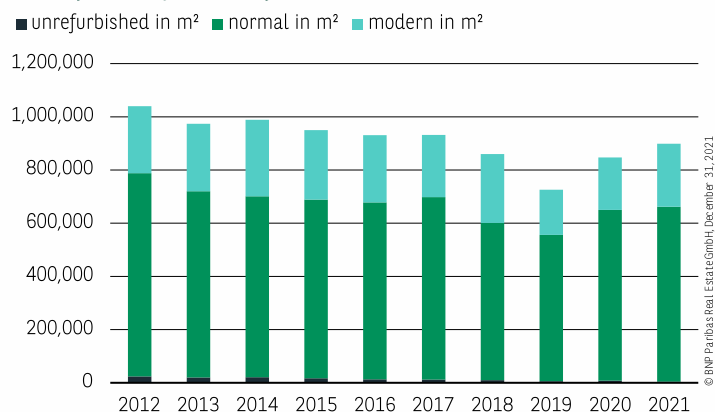
### Take-up by sector 2021



### VERY BROAD RANGE OF DEMAND

The distribution of take-up by sector shows a very broad range, which is clear evidence of the diversified demand base in the Rhineland metropolis. The ranking is led by the traditionally strong consultancies, which account for just under 18% of take-up. Other services also achieve a very good result with around 16%, which is due, among other things, to the Alltours deal for 10,600 m². Third place goes to the wholesale/retail sector, which is responsible for just under 12% of the overall outcome. Thanks to the major deals concluded by BlmA for the Hauptzollamt (12,600 m²) and AOK Rheinland / Hamburg (26,000 m²), public administration as well as insurance also make significant contributions to the result with a good 11% and 10% respectively.

### Development of vacant space



### FURTHER SLIGHT INCREASE OF VACANCIES

After an extensive reduction in vacancies between 2011 and 2019, a slight increase in vacant office space was recorded for the second year in a row. The current figure is just under 900,000 m² in 2021 (+6%). The vacancy rate rose from 8.8% to 9.2%. However, it is also apparent in Düsseldorf that the highly preferred central locations in particular only have a limited supply. The vacancy rate in the CBD is only 3.9%. Looking only at the market segment for modern office space, the rise in the volumen of vacant space is somewhat more significant. Here, 237,000 m² of office space is available at short notice, 20% more than in the previous year. The reason for this are certain speculatively constructed new buildings with corresponding vacancies as well as a few vacant spaces due to the departure of the current tenants.

Major contracts

Sub-market	Company	m <sup>2</sup>
4.1	AOK Rheinland / Hamburg	26,000
4.1	BlmA Hauptzollamt	12,600
1.2	Alltours	10,600
3.2	Verbraucherzentrale NRW	6,500
1.2	RKW Architekten	5,700
3.2	SPIE Deutschland & Zentraleuropa	4,700

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➤ HIGH PRE-LETTING RATE

Around 218,000 m<sup>2</sup> of office space is currently under construction with only one quarter of this volume still available to the rental market. The high pre-letting rate is clear evidence of the continuing strong demand for office space. In some locations, such as in the City or the Centre Fringe, the supply of modern office space is definitely scarce, despite the relatively high vacancy rate overall in the Rhine metropolis.

➤ AVERAGE RENT RISES SIGNIFICANTLY

Despite the overall uncertain economic situation, the top rent in Düsseldorf has remained stable at 28.50 €/m<sup>2</sup> since 2019. An increase in the prime rent is currently only being prevented by a shortage of appropriate supply of space in the prime locations. By contrast, the average rent, which is much broader in scope, has recently developed very dynamically and currently stands at 16.50 €/m<sup>2</sup>, representing growth of 7% year-on-year.

Trends in important market indicators

	2020	2021	Trend 2022
Take-up	275,000 m <sup>2</sup>	314,000 m <sup>2</sup>	➔
Vacant space	847,000 m <sup>2</sup>	899,000 m <sup>2</sup>	➔
Space under construction (total)	249,000 m <sup>2</sup>	218,000 m <sup>2</sup>	➔
Space under construction (available)	70,000 m <sup>2</sup>	53,000 m <sup>2</sup>	➡
Top rent	28.50 €/m <sup>2</sup>	28.50 €/m <sup>2</sup>	➔

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➤ OUTLOOK

Even though there is still uncertainty regarding the further course of the Corona pandemic, the overall economic prospects are fundamentally positive. The Düsseldorf office market is also likely to benefit from this, which should pick up further in 2022 and register a result well in excess of the 300,000 m<sup>2</sup> mark. In view of the still bulging development pipeline, vacancy rates are not expected to fall significantly in the short term. Nevertheless, an increase in prime rents does not seem unlikely, as high-quality space in the top locations of the Rhine metropolis is likely to remain scarce.

Key indicators 2021

Submarkets**	Top rent* (€/m <sup>2</sup> )		Take-up (m <sup>2</sup> )	Vacant space (m <sup>2</sup> )			Space under construction (m <sup>2</sup> )		Space on offer (m <sup>2</sup> )	
	from	to	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		29,000	29,000	15,500	1,500	11,000	8,000	37,000	86,500
1.2 Inner City	26.50		40,000	49,000	7,500	0	10,000	0	49,000	25,000
2 Office Centres	14.50 - 26.00		97,000	249,500	147,000	27,500	91,000	19,000	268,500	222,500
3 Centre Fringe	14.50 - 24.00		17,000	48,500	0	0	40,000	0	48,500	138,500
4 Subcentres	14.00 - 22.00		100,000	183,000	43,000	0	66,000	26,000	209,000	318,500
<b>Total Düsseldorf</b>			<b>283,000</b>	<b>559,000</b>	<b>213,000</b>	<b>29,000</b>	<b>218,000</b>	<b>53,000</b>	<b>612,000</b>	<b>791,000</b>
5 Periphery	10.00 - 15.00		31,000	340,000	24,000	2,000	0	0	340,000	91,000
<b>Total</b>			<b>314,000</b>	<b>899,000</b>	<b>237,000</b>	<b>31,000</b>	<b>218,000</b>	<b>53,000</b>	<b>952,000</b>	<b>882,000</b>

\* The top rent given applies to a market segment of 35 % in each case.

\*\* The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2021](#)

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