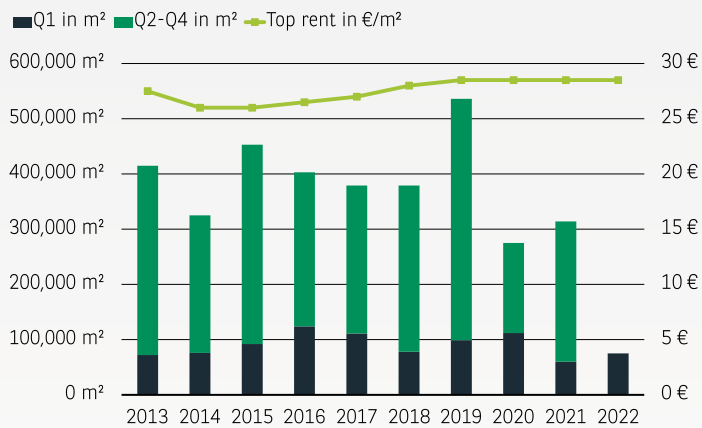




At a Glance **Q1 2022**

OFFICE MARKET DÜSSELDORF

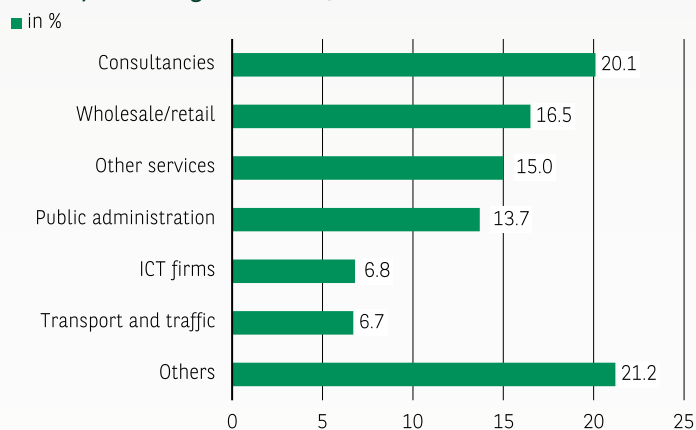
Development of take-up and top rents



➤ SOUND START IN THE FIRST QUARTER

With take-up of 75,000 sqm, the Düsseldorf office market has made a solid start into the new year. Thereby the take-up of the last three months is around 25% higher than the take-up of the weak quarter of the previous year. The current result for the North Rhine-Westphalian state capital is attributable to an increased take-up in all submarkets. The analysis by size class shows the increase in leasing activity in the mid-sized segment in particular. Contracts beyond 10,000 sqm have not been concluded after date, but in contrast to the previous year, deals between 5,001 and 10,000 sqm can be registered. The Bundesanstalt für Immobilienaufgaben (BIMA) leased 7,900 sqm of office space in the Düsseldorf North submarket through BNPPRE. There was also a noticeable increase between 2,000 and 5,000 sqm compared with the previous year (+73%). The size segment below 1,000 sqm once again presented a solid foundation with a volume of around 44,000 sqm.

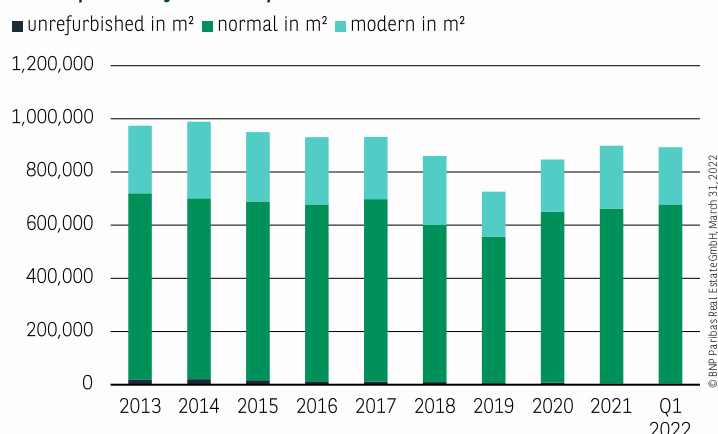
Take-up according to sectors Q1 2021



➤ CONSULTANCIES CONTINUE TO LEAD THE FIELD

As in the previous year, the consulting companies again emerged as the clear sales winners in the first three months of this year. With around 20%, Düsseldorf underlines its position as a stronghold of consulting. It is particularly worth mentioning that this result was achieved without a major deal. Retail comes in second place of sector distribution with just under 17%, including the 3,000 m² deal of Epson Germany. The retail sector's letting more than doubled overall, with contracts in the smaller segment being the main contributors. Other services (15%) ranked the third place. The above-average take-up of public administration are primarily attributable to the aforementioned BIMA contract.

Development of vacant space



➤ SIDEWAYS MOVEMENT IN VACANCY RATES

Although there was a slight increase in the vacancy volume compared with the same quarter of the previous year, which now marks at 893,000 sqm (+3%), we are currently observing a sideways movement in vacancy, which remains below the long-term average of 923,000 sqm. Only 215,000 sqm of space has a modern fit-out quality, which is only around 24% of the total vacancy. In the central locations, the supply of modern space remains short. The vacancy rate stands at 9.2%, which is the same level as at the end of 2021. The vacancy rate in Düsseldorf's narrower urban area has also remained the same at around 6.8%.

Major contracts

Sub-market	Company	m²
4.1	Bundesanstalt für Immobilienaufgaben	7,900
4.4	EPSON Germany	3,000
2.2	Hays	2,700
3.1	TRU Fitness	2,500
3.2	Gesamtverband der Genossenschaften	2,500
2.6	Adler Group // SSN Development	2,000

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Trends in important market indicators

	Q1 2021	Q1 2022	Trend remaining year
Take-up	60,000 m²	75,000 m²	↗
Vacant space	871,000 m²	893,000 m²	↗
Space under construction (total)	250,000 m²	220,000 m²	→
Space under construction (available)	68,000 m²	50,000 m²	→
Top rent	28.50 €/m²	28.50 €/m²	→

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PRE-LETTING RATE REMAINS HIGH

There is currently 220,000 sqm of office space under construction. Compared with the previous year, construction activity has fallen slightly by 12%, but the volume is still above the long-term average of 201,000 sqm. This underlines the confidence of project developers in Düsseldorf as a business and office location. Only around 20% (50,000 sqm) of the registered construction volume is still available to the rental market. Compared with the other A-cities, Düsseldorf thus records the lowest value. The high pre-letting rate demonstrates the strong demand for high-quality office space.

CONSTANCY IN RENTAL PRICE DEVELOPMENT

At the beginning of the new year, the prime rent in Düsseldorf remains constant and continues to be at 28.50€/sqm, as in the same quarter of the previous year. The traditionally volatile average rent falls slightly by 1.8% compared with the end of 2021 and is located at 16.20 €/sqm in the first quarter of 2022 (Q1 2021 16.30 €/sqm).

OUTLOOK

The Düsseldorf office market is in good shape at the beginning of the new year 2022. The extent to which the expected after-effects and catch-up effects of the Corona pandemic will be felt under the impact of the war against Ukraine cannot be conclusively assessed at present. Certainly the Düsseldorf market has the potential to achieve take-up in line with the long-term average. Given the limited supply of high-quality space in prime locations, an increase in prime rents can be expected in the following months.

Key indicators Q1 2022

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2022	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		4,000	43,000	21,000	1,000	10,500	7,500	50,500	86,500
1.2 Inner City	26.50		7,000	58,000	7,000	0	12,000	2,000	60,000	25,000
2 Office Centres	14.50 - 26.00		34,000	216,500	116,000	34,000	90,500	19,000	235,500	229,500
3 Centre Fringe	14.50 - 24.00		3,500	52,500	8,500	0	40,000	0	52,500	138,500
4 Subcentres	14.00 - 22.00		24,500	185,000	39,500	0	67,000	21,500	206,500	318,500
Total Düsseldorf			73,000	555,000	192,000	35,000	220,000	50,000	605,000	798,000
5 Periphery	10.00 - 13.00		2,000	338,000	23,000	1,000	0	0	338,000	91,000
Total			75,000	893,000	215,000	36,000	220,000	50,000	943,000	889,000

* 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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