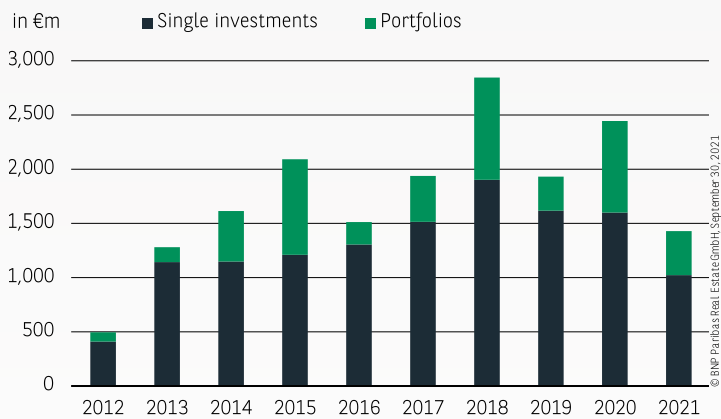




At a Glance **Q3 2021**

# INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf Q1-3

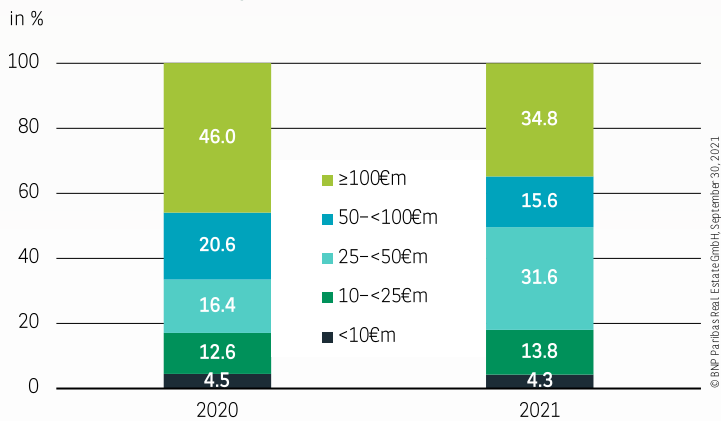


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➤ **RESTRAINED MARKET ACTIVITY**

At the end of the third quarter, the Düsseldorf investment market still recorded a solid result, but one that was noticeably below average in a long-term comparison. The currently registered transaction volume of a good €1.4 billion corresponds to a minus of 19% compared to the 10-year average. The result from the same period of the previous year was even undercut by 41.5%, although it must be put into perspective that this was the second -best volume ever registered in Düsseldorf. One of the reasons for the rather weak performance recently is the lack of available core properties in the state capital. Nevertheless, the average transaction volume of around €34 million is still above average in a long-term comparison. The number of transactions, however, is significantly lower than in previous years.

Investments by € category in Düsseldorf Q1-3

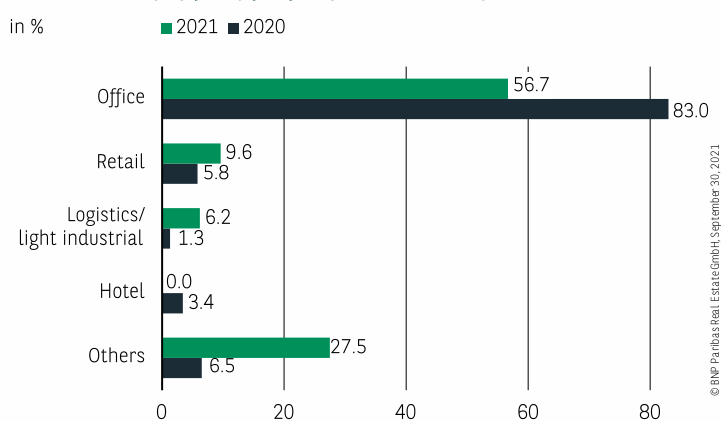


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➤ **LARGE DEALS ONLY JUST AHEAD**

Due to the lack of large deals in the year to date, the transaction volume is distributed relatively homogeneously among the individual size categories. Unlike in previous years, the category ≥€100 million (around 35%) is only just at the top of the ranking. So far, only three transactions have been recorded in this segment. Probably the most prominent deal here is the purchase of the HSBC headquarters on the famous Kö Boulevard by Momeni for more than €150 million. This is closely followed by transactions in the range of €25 to 50 million with a share of 32%. While all other categories recorded comparatively modest results in absolute terms, the more than €450 million registered there correspond to a result above the long-term average.

Investments by type of property in Düsseldorf Q1-3

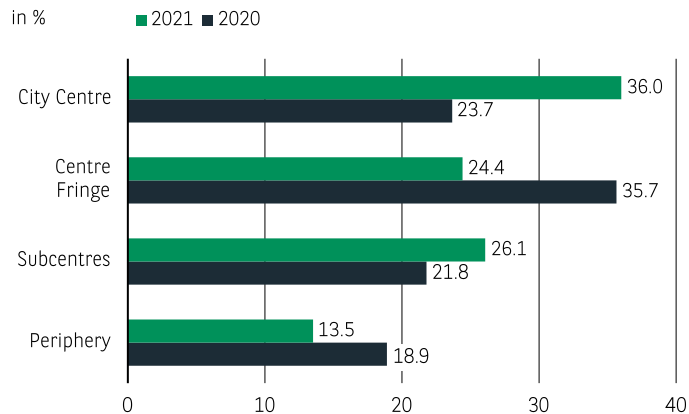


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➤ **OFFICE INVESTMENTS STILL IN DEMAND**

By the end of the third quarter, around 57% of the investment volume had flowed into office properties. This means that, as is usual for Düsseldorf, the office segment again accounts for the lion's share of turnover, but the proportion is noticeably lower than in previous years. The slight shift in the balance of power is due, among other things, to the strikingly strong performance of the "Other" category, which accounted for almost €400 million. This category mainly comprises a number of development properties. Meanwhile, investment activity in the retail segment (10%) is noticeably higher after a slowdown in the previous year, and so is the market performance in logistics properties (6%).

**Investments by location in Düsseldorf Q1-3**

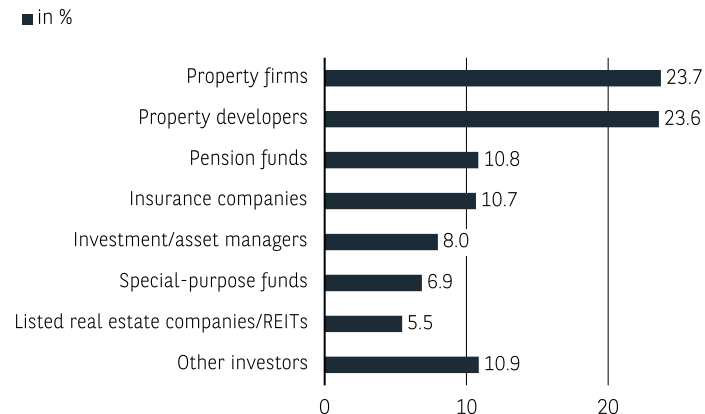


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**CITY CENTRE CURRENTLY MOST POPULAR**

With a turnover share of 36%, the City Centre is currently by far the most popular investment destination in Düsseldorf. Not least driven by the sale of the HSBC headquarters, more than €510 million is accounted for by the Centre of the state capital. The usually dominant Centre Fringe, on the other hand, generated only a good 24% or around €350 million in the year to date, which is the lowest result in the past 10 years. For the first time, the Centre Fringe ranks even behind the Subcentres, where more than €370 million was invested, 50% more than the long-term average. The strong performance is due, besides other things, to the large-volume sale of development sites. The Periphery, on the other hand, suffered somewhat and contributed only 13.5% to the latest result.

**Investments by buyer group in Düsseldorf Q1-3 2021**

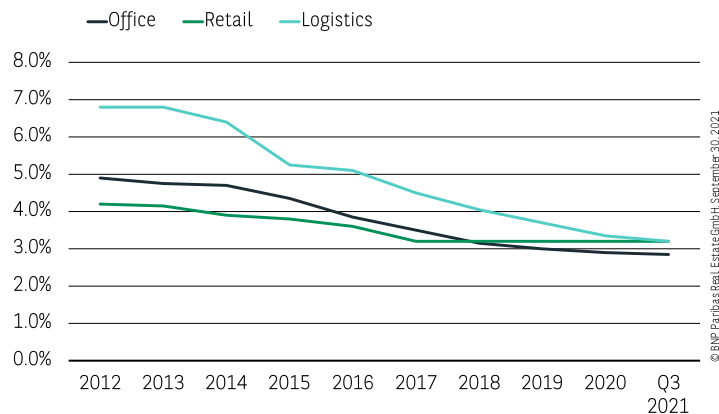


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**HEAD-TO-HEAD RACE AMONG BUYER GROUPS**

In the distribution of investment turnover according to buyer groups, there is currently a neck-and-neck race, which property firms can win by a razor-thin margin. The strong performance is due, among other things, to the multi-billion euro acquisition of a development sites portfolio by Aggregate Holding, which includes some assets in Düsseldorf. In second place are property developers who invested more than €330 million and thus achieved their second-best result ever recorded at the end of a third quarter. Pension funds and insurance companies are also active, each accounting for around 11% of the volume. For both investor groups, real estate is currently a crucial component of their investment strategy, not least due to the Corona pandemic. The share of foreign investors is average at just under 35%.

**Net prime yields by type of property in Düsseldorf**



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**PRIME YIELDS ARE FALLING SLIGHTLY AGAIN**

After a sideways movement was discernible in the preceding quarters, yields have again fallen slightly in some cases in the past three months. The net prime yield for offices, for example, fell by 5 basis points to 2.85%. In the logistics segment, which is in high demand nationwide, the compression amounts to as much as 15 basis points, so that 3.20% is now on the books. Highstreet properties remained stable at 3.20%.

**OUTLOOK**

Even though it can be assumed that the transaction activity will experience another significant revival in the next three months, it is likely that the result at the end of the year will be significantly below the long-term average of €2.8 billion. However, as demand remains very high, it cannot be ruled out from today's perspective that this will once again be reflected in a slight yield compression.

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