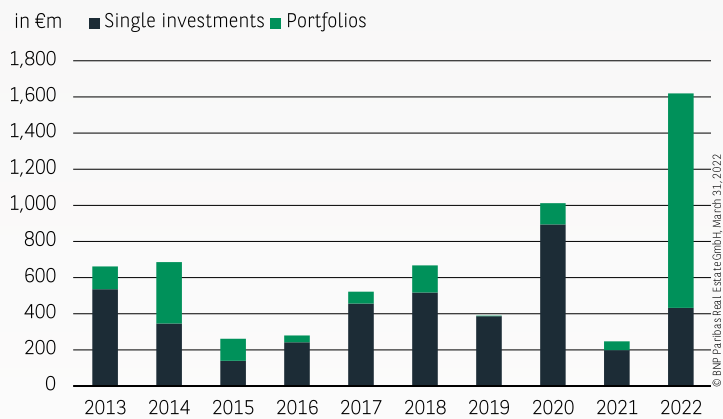




At a Glance **Q1 2022**

# INVESTMENT MARKET DÜSSELDORF

Investment volume in Düsseldorf Q1

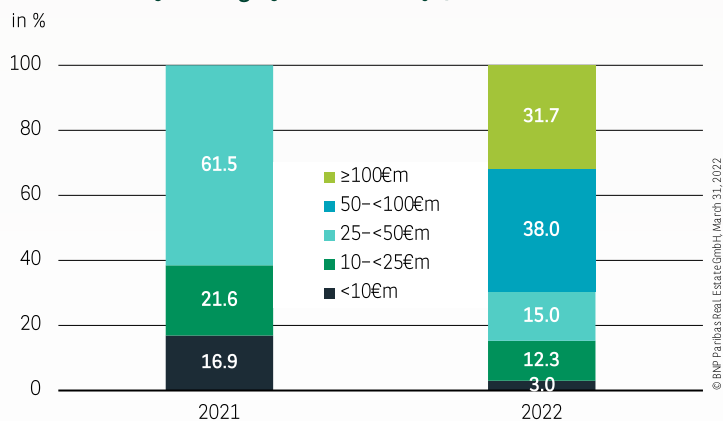


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➤ **NEW RECORD DUE TO HIGH PORTFOLIO SHARES**

After a comparatively weak year of 2021, the Düsseldorf investment market got off to a flying start in the new year. With a transaction volume of €1.62 billion, a remarkable new record was set. For the second time ever, the €1 billion mark was excelled in the first three months. Thus the very low value from the previous year was exceeded multiple times, as well as the long-term average by around 150 %. When analyzing this top result, however, it should be considered that portfolio sales, which are included on a pro rata basis, were the main factor contributing to this exceptional level of sales. At just under €1.19 billion, they accounted for around 73% of the total result. Thereof, by far the largest share is attributable to the properties from the alstria buyout by Brookfield. Although individual deals were also able to more than double their previous year's result to €432 million, they are more or less in line with the average of the last ten years, which can also be seen as a good result given the currently difficult time.

Investments by € category in Düsseldorf Q1

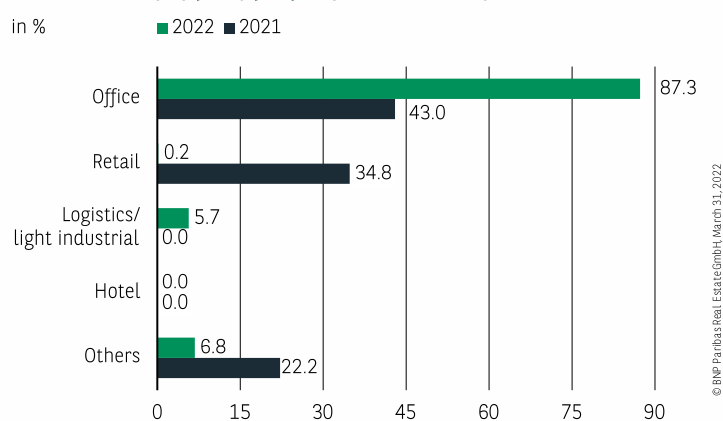


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➤ **MAJOR DEALS AT A VERY HIGH PERCENTAGE**

Whereas no transactions above €50 million were registered in the same period of the previous year, around 70% of the transaction volume in this first quarter of 2022 is attributable to that size category. This is almost twice as high as the ten-year average. With almost 32%, properties in the triple-digit million range contributed almost a third of that size categorie. However, high transactions were also recorded in the smaller size categories, even though their relative share has fallen. By around €200 million, properties between €10 and €25 million set a new record, and sales of €25 to €50 million also recorded the second-best value ever. This shows that the increased demand is based on a broad foundation.

Investments by type of property in Düsseldorf Q1

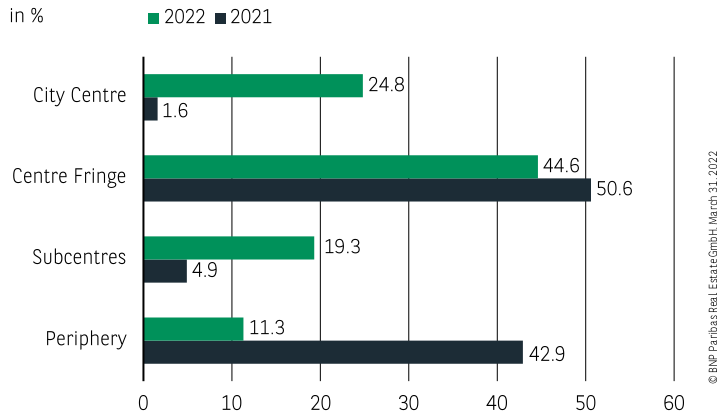


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➤ **ALSTRIA ACQUISITION DOMINATES ASSET CLASSES**

The relative distribution of investments across the individual asset classes is not very meaningful in Q1 2022, as it is clearly dominated by the properties included in the alstria takeover. As a result, office properties are responsible for around 87% of transaction. By contrast, if we look at the absolute investment volumes, it is noticeable that logistics properties, with over €90 million, only narrowly missed their record set in 2018. Overall, they contributed almost 6% to the Düsseldorf result. Slightly more, namely just under 7%, was invested in the other category, which includes development properties and mixed-use properties.

**Investments by location in Düsseldorf Q1**

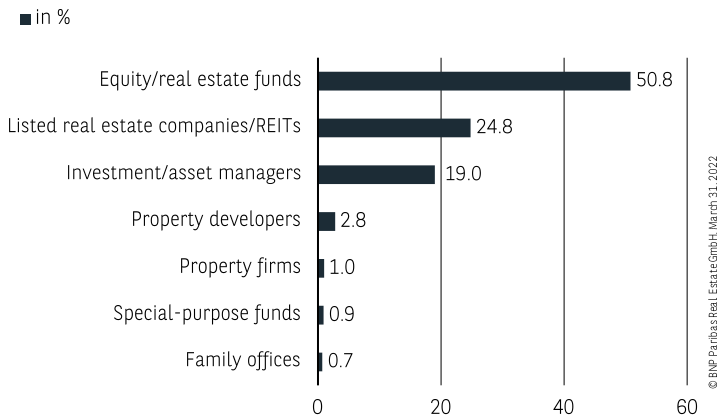


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**NO SURPRISES IN INVESTMENTS BY LOCATION**

Whereas in the same period last year, it was mainly the City Fringe and the Periphery that benefited from the results, the current distribution across the market area is in line with the traditional long-term pattern. The City Fringe have taken the lead with a share of just under 45%, followed by the City Centre with 25%. Thereby around 70% is attributable to inner-city locations, to which the properties included in the alstria portfolio also made a significant contribution. The Subcentre locations (19%), in which a number of properties from the aforementioned package transactions are also located, perform somewhat disproportionately. The remaining 11% was invested in the Periphery.

**Investments by buyer group in Düsseldorf Q1 2022**



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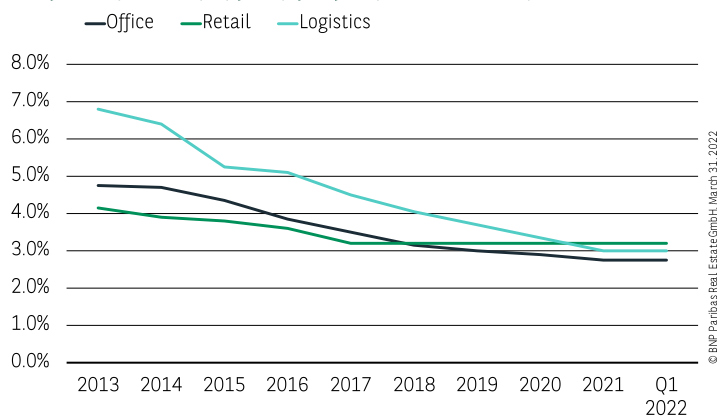
**TOP THREE INVESTOR GROUPS CONTRIBUTE 95 %**

Similar to the asset classes, the participation of the individual buyer groups is also unusual and is essentially determined by the portfolio shares. Accordingly, equity/real estate funds account for a good half of the transaction volume, due to the alstria takeover. In second place are real estate AGs, which account for a round a quarter. Their result was mainly driven by two further package transactions, which were included pro rata in Düsseldorf. The leading trio is completed by investment managers, who are responsible for a further 19%. The low share of project developers (just under 3%) is noteworthy, but this is only a snapshot in the first quarter.

**STABLE YIELDS IN THE FIRST QUARTER OF THE YEAR**

While yields have fallen continuously in recent years, particularly in the logistics and office segments, they have remained stable so far in the first quarter of 2022. The net prime yield for offices remains unchanged at 2.75%, for commercial properties at 3.20% and for logistics properties at 3.00%

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



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**OUTLOOK**

Even if it cannot be assumed that the coming quarters will show investment sales similar to those of the first three months, it is likely that the investment markets will remain lively due to the high level of investor interest. The volume of sales for the year as a whole will depend to a large extent on the supply available, while it remains to be seen whether and to what extent the effects of the war in Ukraine might lead to a postponement of investments. However, based on the very good start to the year, an above-average result for the year as a whole seems likely. Yields are expected to move sideways, at least in the short term.

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