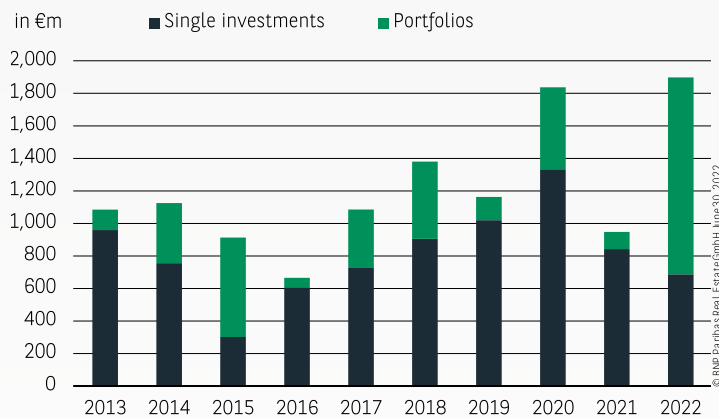




At a Glance **Q2 2022**

# INVESTMENT MARKET DÜSSELDORF

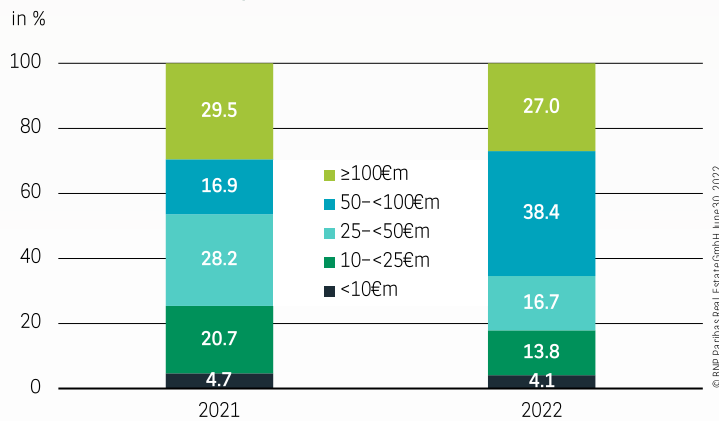
Investment volume in Düsseldorf H1



➤ **NEW BEST MARK THANKS TO STRONG FIRST QUARTER**

With a commercial investment volume of €1.9 billion, a new record was set on the Düsseldorf investment market at the end of the first half of 2022. The current volume is around 57% above the long-term average and almost doubles the subdued result of the previous year. However, the record figure was primarily made possible by the high volume of portfolio transactions included on a pro rata basis. Above all, the alstria takeover by Brookfield in the first quarter was a volume driver. Accordingly, the outstanding start to the year is also largely responsible for the record. Due to the geopolitical upheavals, the gloomy economic outlook and the interest rate turnaround now heralded by the ECB, a significantly more wait-and-see attitude on the part of many investors has been noticeable over the course of the past three months. Accordingly, the registered investment volume for the second quarter is only €278 million and thus falls short of the average quarterly value of the past 10 years by 63%.

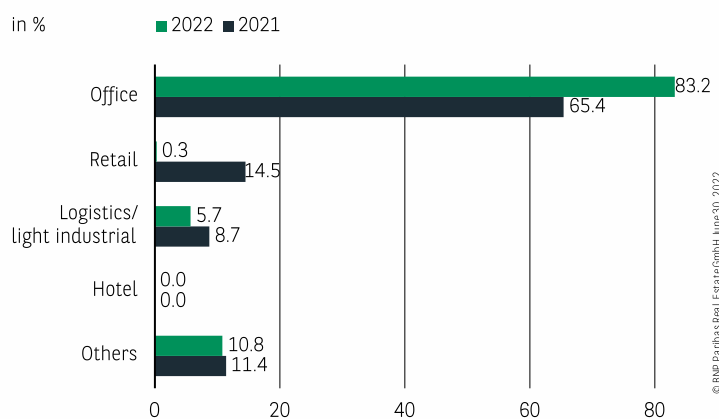
Investments by € category in Düsseldorf H1



➤ **HIGH PORTFOLIO SHARE INFLUENCES SIZE DISTRIBUTION**

The distribution of the volume among the individual size segments clearly reflects the high portfolio share. At the end of the first half of the year, transactions in the segment above the €50 million mark account for €1.24 billion. Even though their relative shares have fallen, in absolute terms significantly above-average volumes can also be reported for the size classes of €10 to 50 million.

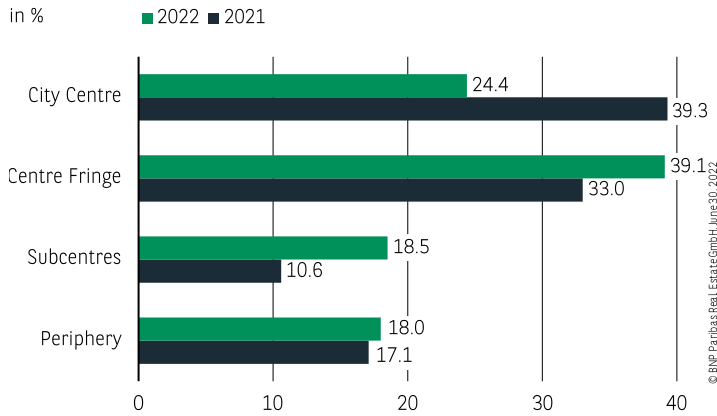
Investments by type of property in Düsseldorf H1



➤ **ALSTRIA TAKEOVER DRIVES UP OFFICE SHARE**

Office properties account for the majority of the investment volume in the first half of 2022. At just under €1.58 billion, they even set a new record. However, it should also be noted here that the properties included in the alstria sale significantly boost the result. The relative share of logistics properties has fallen by 3 percentage points to around 6% compared to the previous year. However, a look at the absolute values reveals that this asset class generated around €108 million and thus the third-best half-year result ever recorded. A large part of the volume stems from the purchase of a speculative logistics development in Dormagen for a good €76 million by Tritax EuroBox in the first quarter. The collective category of other property types, which includes several land sales and mixed-use properties, also contributes a double-digit share of just under 11%.

**Investments by location in Düsseldorf H1**



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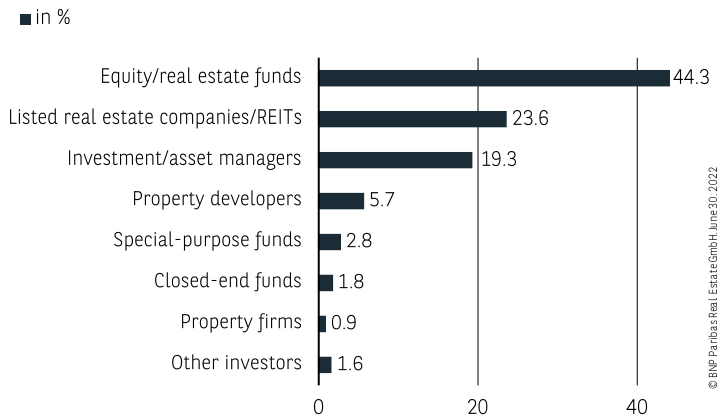
➤ **CENTRAL LOCATIONS STRONGEST, AS USUAL**

In the distribution of investments by location, the Centre Fringe is currently in the lead, as has been the case in recent years. With a share of 39%, it relegates the City Centre, which contributes a good 24% to the result, in second place by a clear margin. Cumulatively, more than €1.2 billion is attributable to central locations, which must again be seen in connection with the alstria sale. In absolute terms, however, both the Subcentres (+90%) and the Periphery (+57%) record results above their respective long-term averages.

➤ **EQUITY/REAL ESTATE FUNDS CLEARLY IN THE LEAD**

The market shares of the individual buyer groups is also essentially determined by the portfolio shares. Equity/real estate funds account for a good 44% of the transaction volume. In second place are listed real estate companies/REITs, whose share of 24% results from two further package sales, which were included proportionately in the Düsseldorf result. A double-digit share of the volume can also be reported for investment/asset managers (a good 19%).

**Investments by buyer group in Düsseldorf H1 2022**

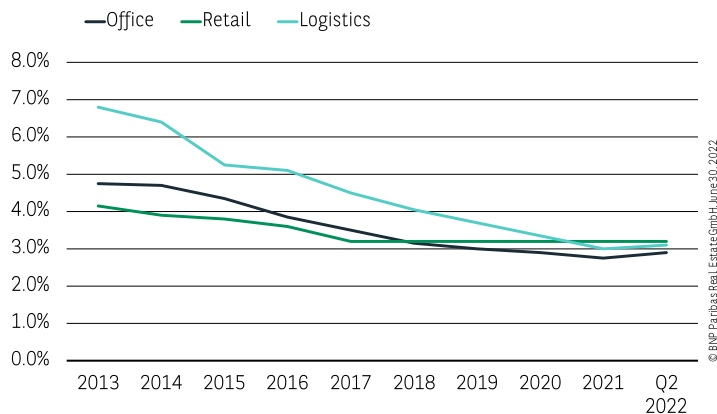


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➤ **YIELDS RISE FOR THE FIRST TIME SINCE THE FINANCIAL CRISIS**

The changing financing conditions are now also visible in the development of yields. For the first time since the financial crisis, an increase in the net prime yield can be reported for both the office and the logistics segment. While 3.10% is now to be expected for logistics properties, which corresponds to an increase of 10 basis points compared to the previous quarter, the increase in the office segment is 15 basis points to 2.90%. In contrast, a sideways movement has so far been reported for high street properties. In Düsseldorf's prime locations, stable 3.20% is being quoted.

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



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➤ **OUTLOOK**

The changed interest rate environment and the new reality on the financial markets mean that the commercial investment markets are in a price-finding phase for the time being. Sellers and buyers must first agree on a new level that is acceptable to both sides. Experience shows that such processes are gradual and take some time. The net prime yields should therefore continue to differentiate depending on the asset class and move upwards in the coming months. The necessary evidence is still lacking for a serious statement about the level at which they will eventually settle. However, the fact that the occupier markets continue to perform well in the majority of asset classes should be seen as a positive sign. It therefore does not seem unlikely that transaction activity will pick up again somewhat by the end of the year.

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