

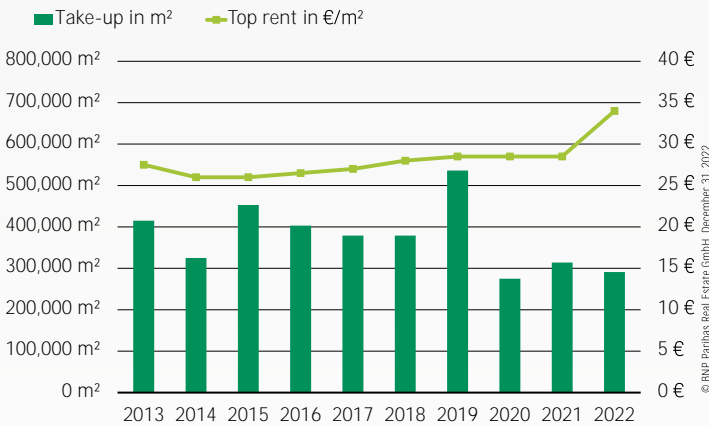


RESEARCH

At a Glance **Q4 2022**

OFFICE MARKET DÜSSELDORF

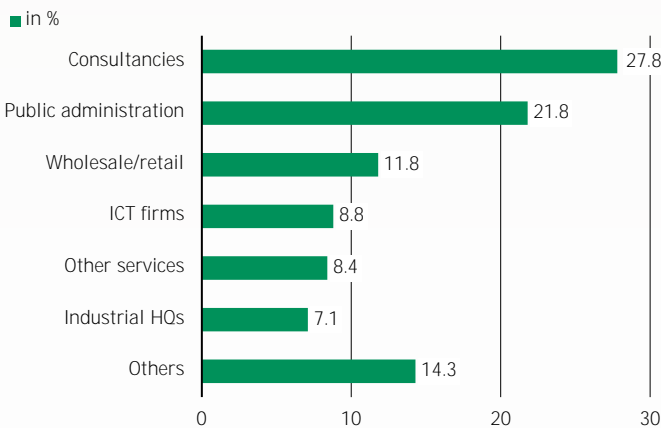
Development of take-up and top rents



UPWARD TREND IN THE FOURTH QUARTER

The Düsseldorf office market presented itself comparatively restrained in 2022. With a take-up of 291,000 m², the previous year's result was missed by around 7% and the long-term average by almost 23%. After a very solid interim result in the first half of the year (H1: 177,000 m²), the weak third quarter with only 39,000 m² take-up was responsible for the below-average full-year figure. The market recovery in the fourth quarter was a positive factor. Despite the continuing weakness of the German economy, a clear upward trend was observed again in Düsseldorf with 75,000 m² of take-up. Remarkable is the development of rents in the absolute top segment, which, driven by a very special combination of factors, has seen an increase of 33%, for the first time on the market. As in the other German office markets, high demand for top space in prime locations in Düsseldorf coincides with a very low vacancy rate that is compatible with demand. The situation in the Rhine metropolis is particularly special due to the fact that the current project developments, especially around Königsallee, are bringing product and space qualities to the market that Düsseldorf has not seen for some time. In certain cases, space in these premium projects were already successfully let for 38.00 €/m² at the end of the fourth quarter, and further lettings at a comparable rent level are expected to follow soon. The realised prime rent calculated according to "gif" is currently quoted at 34.00 €/m² (+19.3% compared to Q4 2021).

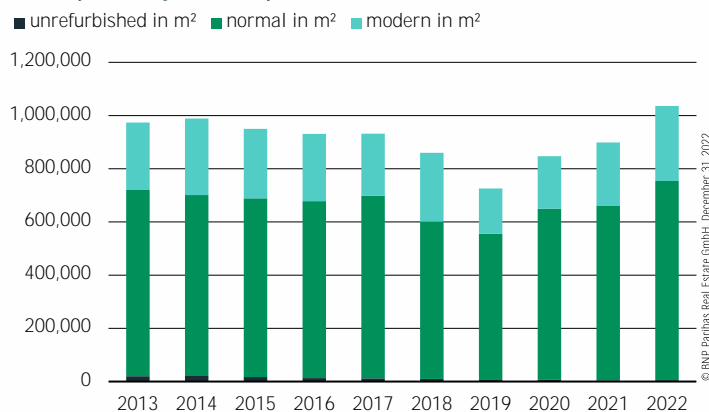
Take-up by sector 2022



CONSULTANCIES ACHIEVE STRONG RESULT

Once again, the consultancies lead the sector distribution, registering the second-best result of the past ten years with more than 80,000 m². Ernst & Young concluded the largest deal here with 14,700 m². Public administration contributed around 63,000 m² (22%) to take-up with two large deals. Retail companies follow with a slightly below-average result of 34,000 m² (12%).

Development of vacant space



NOTICEABLE RISE IN VACANCY

Compared to the previous year, the vacancy rate increased by 1.4 percentage points to 10.6%. This brings the vacancy volume to around 1 million m². In the modern space segment the rise over the course of the year amounted to 45,000 m², so currently around 282,000 m² of space is available in short terms. In the sought-after CBD/banking district submarket in particular, the supply situation remains very tight. The vacancy rate there is still only at 3.5%.

Major contracts

Sub-market	Company	m ²
2.5	VHS Düsseldorf	17,600
3.1	Ernst & Young	14,700
2.5	Bau- und Liegenschaftsbetrieb NRW	12,900
1.1	Hogan Lovells LLP	9,200
2.1	Bezirksregierung Düsseldorf	8,000
4.1	Bundesanstalt für Immobilienaufgaben (ITZ Bund)	7,900

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➤ HIGH CONSTRUCTION ACTIVITY

The construction volume is currently at a very high level of 343,000 m², which is proof of the unbroken confidence of project developers in the Düsseldorf market. Of this, around 226,000 m² space is still available to the letting market, which places the pre-letting rate at 34%. A large proportion of the projects under construction are currently scheduled for completion by 2025/2026. Given the low supply of space in Düsseldorf's Banking District, the pre-letting rates of the premium developments in particular can be expected to rise further in the short term.

➤ TOP RENT REACHES NEW LEVEL

The combination of high demand for prime space in the CBD, a virtually non-existent modern vacancy in this location and the realisation of premium space previously unseen in Düsseldorf have caused the achievable top rent rising to 38.00 €/m². This has already been realised in individual lettings and further contracts at this level will follow shortly. The average rent rose from 16.50 €/m² to 19.40 €/m² (+18%) in the course of the year.

Trends in important market indicators

	2021	2022	Trend 2023
Take-up	314,000 m ²	291,000 m ²	➔
Vacant space	899,000 m ²	1,036,000 m ²	➔
Space under construction (total)	218,000 m ²	343,000 m ²	➡
Space under construction (available)	53,000 m ²	226,000 m ²	➡
Top rent	28.50 €/m ²	34.00 €/m ²	➔

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➤ OUTLOOK

The stronger fourth quarter provides confidence for the challenging months that could still follow in the context of a further possible slowdown in the German economy. Confidence in Düsseldorf as an office location is present and impressively underlined by the latest premium lettings. Further ones are expected in short terms, so that the prime rent is likely to consolidate at the new level. Against the background of rising demand for modern office space, the average rent is also likely to rise further.

Key indicators 2022

	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	2022	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City										
1.1 CBD/Banking District	34.00		39,000	25,000	8,000	2,000	57,500	51,500	76,500	77,000
1.2 Inner City	27.00		18,000	74,000	9,000	0	15,000	5,000	79,000	28,000
2 Office Centres	14.50 - 28.00		140,000	337,500	209,000	29,000	101,000	91,000	428,500	267,000
3 Centre Fringe	14.50 - 25.00		31,000	48,000	6,000	0	43,500	22,500	70,500	102,500
4 Subcentres	14.00 - 22.00		49,000	196,500	32,000	4,000	126,000	56,000	252,500	388,500
Total Düsseldorf			277,000	681,000	264,000	35,000	343,000	226,000	907,000	863,000
5 Periphery	10.00 - 15.00		14,000	355,000	18,000	0	0	0	355,000	91,000
Total			291,000	1,036,000	282,000	35,000	343,000	226,000	1,262,000	954,000

* The top rent given applies to a market segment of 3-5 % 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 2022](#)

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