

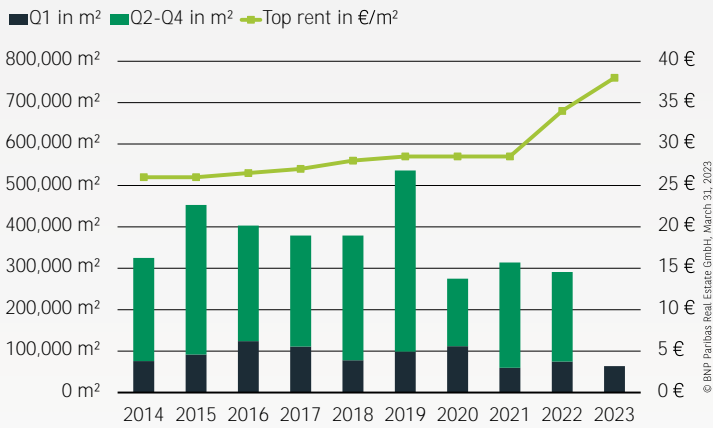


RESEARCH

At a Glance **Q1 2023**

OFFICE MARKET DÜSSELDORF

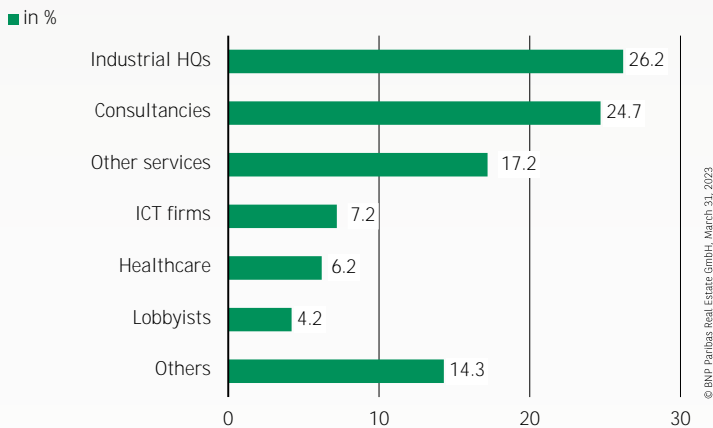
Development of take-up and top rents



➤ MEDIUM-SIZED SPACE DOMINATES TAKE-UP

With 64,000 m², the Düsseldorf office market has started the new year comparatively cautious, but is still in line with the two previous year's quarterly results. For a more robust take-up, the office market of North Rhine-Westphalia capital is essentially lacking large lettings. Against the background of changed general conditions and a new macroeconomic climate, many occupiers remain rather cautious about letting new large spaces. Thus, as in the previous year, contracts for large spaces of over 10,000 m² were not concluded in the first quarter. The mainstay of take-up are lettings of up to 2,000 m². Their share of take-up registered a good 64.5%. The most significant contract concluded was the letting by the law firm Hengeler Müller for 9,600 m² in the Trinkaus Karree.

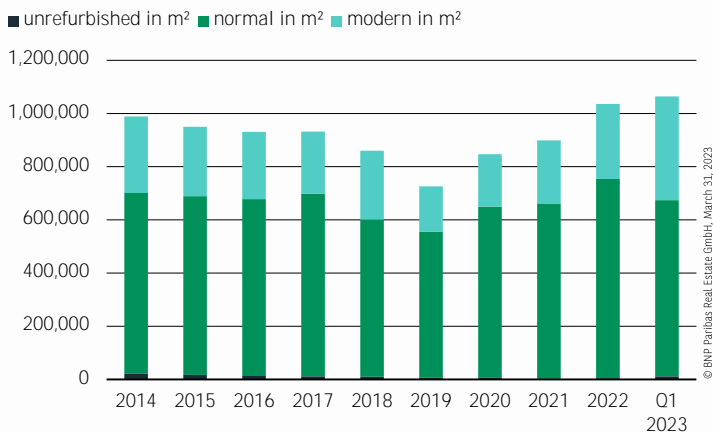
Take-up according to sectors Q1 2023



➤ CONSULTING FIRMS PUSHED DOWN TO SECOND PLACE

Compared to the previous year, industrial HQs (26%) are the strongest take-up driver in the Rhine metropolis, just ahead of consulting firms (25%). The industrial HQs thus achieve a clearly above-average result (10-year average: 13%). Mainly contributed due to the letting of the Japanese group NGK Spark Plug Europe GmbH in Ratingen East for 5,700 m² and Ed. Züblin AG with around 4,200 m² in Airport City. Other services follow in third place with a share in the double-digit percentage range (17%). They are followed by ICT (7%), healthcare (6%) and lobbyists (4%). On the other hand, last year's take-up driver, public administration, has been absent so far this year.

Development of vacant space



➤ VACANCY RATE IN THE CBD/BANK DISTRICT REMAINS LOW

Compared to the previous quarter, there has been a slight increase in the vacancy volume to now 1.1 million m² (+3%). This is around 15% above the long-term average (923,000 m²). Modern space also recorded an increase (+38%) in the vacancy volume to 390,000 m². The share of modern vacancies in total vacant space has thus risen to just under 37%. Compared to the same quarter of the previous year, the vacancy rate rose from 9.2% to 10.8%. In the particularly relevant office market zone CBD/Banking District, however, the vacancy rate rose only marginally and remains at a low 3.9%.

Major contracts

Sub-market	Company	m ²
1.1	Hengeler Müller	9,600
5.1.2	NGK Spark Plug Europe	5,700
2.6	Ed. Züblin	4,200
2.2	SRAM Deutschland	2,000
4.1	TÜV Rheinland	1,500
2.3	Blades 1775	1,400

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➤ SIGNIFICANTLY ABOVE-AVERAGE CONSTRUCTION ACTIVITY

347,000 m² of office space is currently under construction. This represents a significant 58% increase in construction activity compared to the same quarter last year. This result is also well above the long-term average (215,000 m²) and further underlines the solid basic confidence of project developers in the Düsseldorf office market. However, of the total registered construction volume, around 63% (220,000 m²) is still available for letting. Although this means the pre-letting rate (37%) is significantly below the previous year's figure, it is only slightly below the average pre-letting rate of the Big Six cities (46%).

➤ PRIME AND AVERAGE RENTS RISE AGAIN

An increase of around 12% to 38 €/m² was observed in the prime rent. The rather volatile average rent also increased significantly by 26% at the beginning of the year and is thus quoted at 20.40 €/m² in the first quarter of 2023 (Q1 2022: 16.20 €/m²).

Trends in important market indicators

	Q1 2022	Q1 2023	Trend remaining year
Take-up	75,000 m ²	64,000 m ²	➔
Vacant space	893,000 m ²	1,064,000 m ²	➔
Space under construction (total)	220,000 m ²	347,000 m ²	➔
Space under construction (available)	50,000 m ²	220,000 m ²	➔
Top rent	28.50 €/m ²	38.00 €/m ²	➔

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➤ OUTLOOK

At the beginning of 2023, the take-up in the Düsseldorf office market is in a similar range as in the two previous years. Nevertheless, the changed economic conditions and the macroeconomic uncertainties are having an impact on all user markets. The further development of the Düsseldorf office market is likely to be positively influenced by the expected economic recovery in the course of the year. A further moderate increase in prime rents seems likely against the backdrop of unabated good demand in the CBD, a low vacancy in the corresponding central location and prestigious new construction projects.

Key indicators Q1 2023

	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	Q1 2023	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	38.00		16,800	27,500	15,100	4,300	49,200	31,500	59,000	76,900
1.2 Inner City	27.00		4,500	49,800	8,800	0	15,000	5,000	54,800	28,100
2 Office Centres	15.50 - 28.00		24,800	372,300	234,300	23,100	116,100	105,100	476,400	251,100
3 Centre Fringe	14.50 - 25.00		2,800	54,400	28,800	0	39,200	21,800	76,200	77,600
4 Subcentres	14.00 - 22.00		9,100	216,000	70,000	3,600	127,500	56,600	272,600	367,300
Total Düsseldorf			58,000	720,000	357,000	31,000	347,000	220,000	939,000	801,000
5 Periphery	10.00 - 15.00		6,000	344,000	33,000	0	0	0	344,000	91,000
Total			64,000	1,064,000	390,000	31,000	347,000	220,000	1,283,000	892,000

* The top rent given applies to a market segment of 3-5 % in each case.

** The relevant office market zone can be found on our website under "Research".

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Further Information BNP Paribas Real Estate GmbH | Branch office Düsseldorf | Phone +49 (0)211-52 00-00 | www.realestate.bnpparibas.de