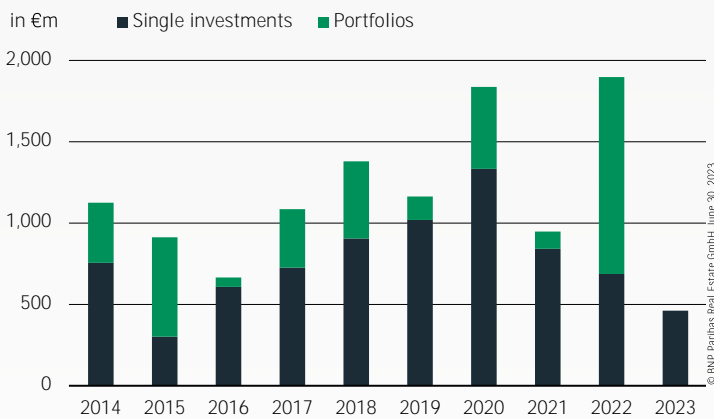




At a Glance **Q2 2023**

# INVESTMENT MARKET DÜSSELDORF

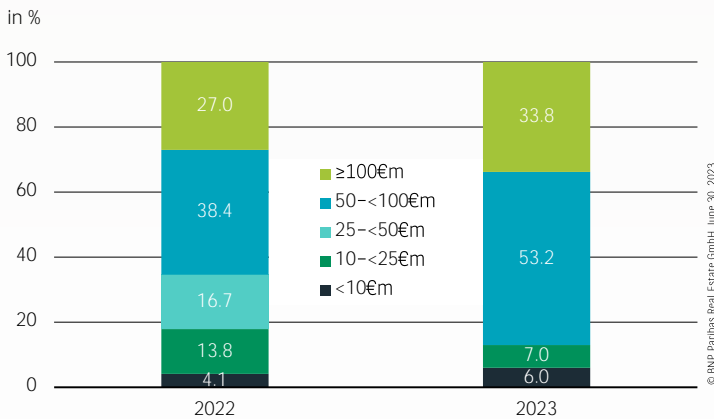
### Investment volume in Düsseldorf H1



### ➤ INVESTMENT VOLUME REMAINS LOW, AS EXPECTED

With an investment volume of € 461 million in the first half of 2023, the Düsseldorf market achieved as expected a below-average result, which is three quarters under the previous year's figure. The ten-year average was also undercut by almost 60%. Consequently, Düsseldorf's performance is currently similar to all other major investment locations. This is primarily due to the combination of a still difficult financing landscape and a currently weak economy. The pricing phase, which has not yet been completed, combined with weak results on the occupier markets - especially the office segment - is adding uncertainty among investors, resulting in a much more restrained level of market activity. Given this background, it is not surprising that in the first half of the year only one large-volume deal has been registered so far, consisting of the "Areal Böhler" transaction for more than € 150 million.

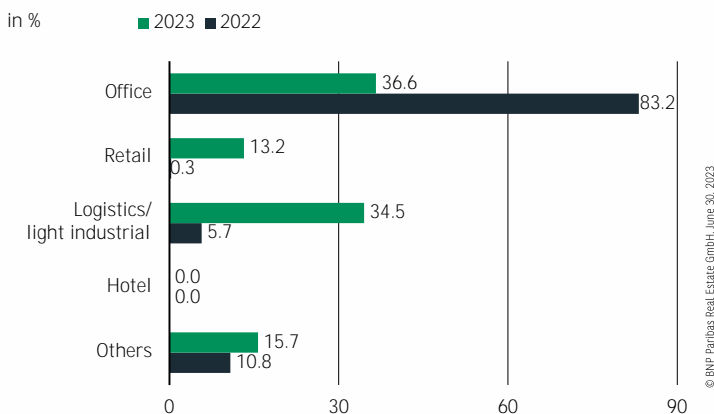
### Investments by € category in Düsseldorf H1



### ➤ HIGHEST VOLUME IN THE MID-SIZED SEGMENT

By far the largest contribution to the transaction volume to date was made by medium-sized deals between € 50 and 100 million. In total, four transactions were recorded in this market segment, which are responsible for a good 53% of the overall result. The size category above € 100 million, in which only the deal mentioned above took place, contributes one third and is therefore around 20% above the long-term average. It is remarkable that no transactions from € 25 to 50 million have been recorded so far. Even in the small-scale segment up to € 25 million, only a very limited degree of investment activity was observed in the first half of the year.

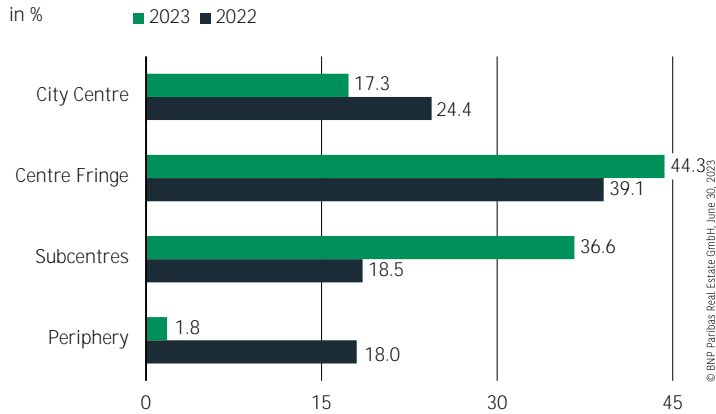
### Investments by type of property in Düsseldorf H1



### ➤ OFFICE AND LOGISTICS ALMOST ON A PAR

In terms of the asset class distribution, an unusual situation can be observed. Office and logistics investments are almost tied at the top with shares of just under 37% and 35% respectively. Logistics is highly represented (average: 10%), as a result of the aforementioned large-scale deal of the "Areal Böhler". At the same time, the contribution of office buildings is strongly below average (average: 60%). Here it becomes noticeable that the low take-up in the occupier markets is somewhat reducing investors' appetite at the moment. Retail properties achieve a result at their usual level with a good 13%. Another 16% are in the category "other", which mainly includes development sites.

**Investments by location in Düsseldorf H1**

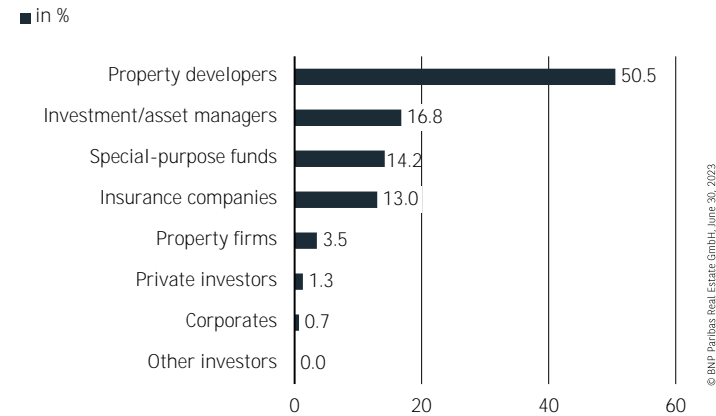


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**CITY CENTRE LOCATIONS AS USUAL AT THE TOP**

The Centre Fringe, which in Düsseldorf typically account for a high proportion of investment volume, took a clear lead in the first half of 2023 with a share of a good 44% of the overall result. The contribution of the City Centre was slightly weaker than usual, with a share of 17%. The periphery (2%), which usually achieve significantly higher shares, has hardly contributed to the result so far. At almost 37%, the subcentres have so far recorded an above-average volume, which, in relative terms, is around twice as high as the long-term average.

**Investments by buyer group in Düsseldorf H1 2023**



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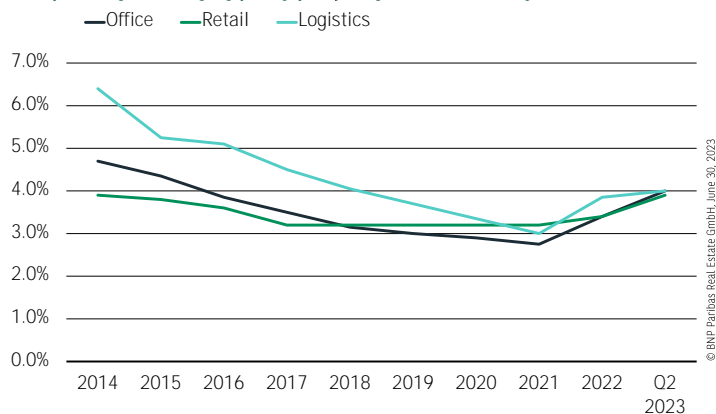
**PROPERTY DEVELOPERS CONTRIBUTE AROUND 50%**

Due to the transaction of the "Areal Böhler", property developers have taken the lead by far among the buyer groups that were active in the market so far this year. In total, with a transaction volume of € 233 million, they are responsible for about half of the total volume. On top of that, there are three other investor groups that generate double-digit contributions. In second place with a share of almost 17% are investment/asset managers, just ahead of special-purpose funds with a good 14% and insurance companies with 13%.

**FURTHER EXPANSION OF YIELDS**

Net prime yields once again expanded in Düsseldorf during the second quarter, as they did in all other locations, which is not surprising given further interest rate hikes by the central banks. For office properties, the net prime yield is now 4.00%, representing an increase of 15 basis points compared to the first quarter. Prime yields for retail highstreet properties rose by 20 basis points and are currently at 3.90%. The logistics segment also recorded a slight expansion by a moderate 5 basis points to now 4.00%.

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



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**OUTLOOK**

Considering the currently still prevailing circumstances, the transaction volume for the full year is expected to remain significantly below the average. In the medium term market activities are expected to increase again noticeably. This is supported by an economy that is expected to pick up again from 2024 onwards, spurred on by certain catch-up effects, a lasting decline of inflation, more planning security in the financing conditions, rising take-up of on the occupier markets and, from today's perspective, further rising rent levels. Just like after past crisis, the medium-term perspectives for real estate investments in Düsseldorf offer good opportunities.

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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](http://www.realestate.bnpparibas.de)