

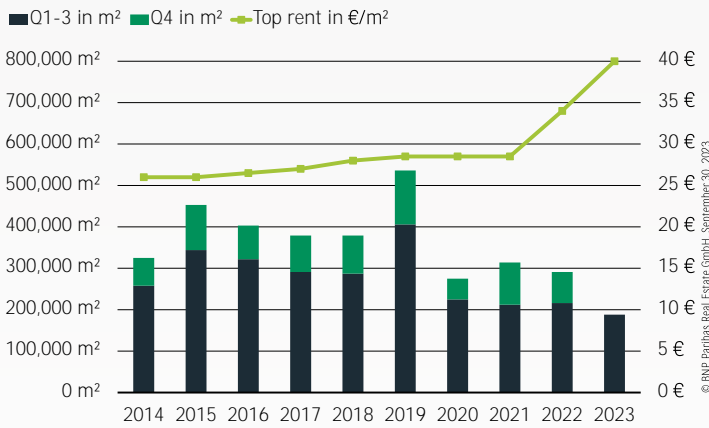


RESEARCH

At a Glance **Q3 2023**

OFFICE MARKET DÜSSELDORF

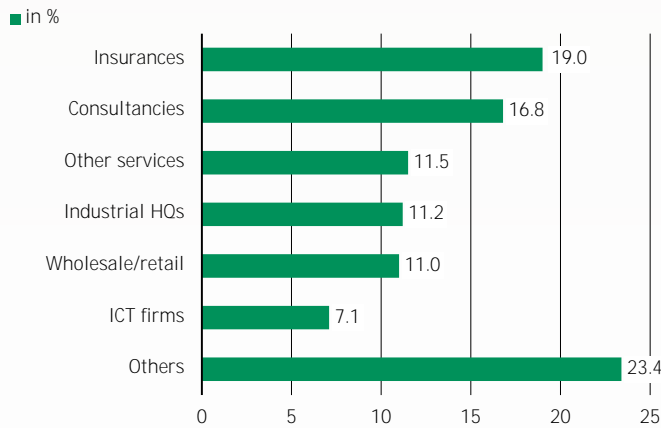
Development of take-up and top rents



➤ STRONG THIRD QUARTER, BUT STILL BELOW AVERAGE

After a subdued first half of the year, the Düsseldorf office market has returned with strong take-up in the third quarter. While at the middle of the year there was still a lack of around 46% compared with the previous year's result and 47% compared with the long-term average, in the third quarter take-up caught up significantly at 188,000 m² so that the current figure is only 13% below prior years result and 31% lower than long-term average. With 93,000 m² in the last three months, an above-average result was achieved in comparison with recent years. This high volume is primarily attributable to the owner-occupier deal concluded by ÖRAG/Deutsche Rückversicherung for 27,100 m² in the Twin Cubes project in Heerdt. However, even without this major deal, a number of other contracts with more than 2,000 m², such as the contract concluded by the Amt für Gebäudemanagement in the "élise", would have resulted in the strongest period of the year to date. In the submarket overview, the office market zones Düsseldorf West/Linksrheinisch (35,800 m²), CBD/Banking District (27,700 m²) and Kennedydamm (21,700 m²) are in the lead, not least due to the larger contracts concluded here.

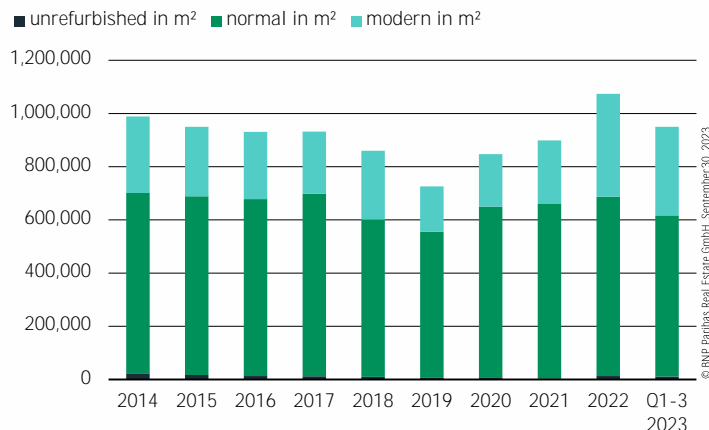
Take-up by sector Q1-3 2023



➤ INSURANCES DUE TO OWNER OCCUPIER IN THE LEAD

The impact of large-volume contracts is also reflected in the distribution of take-up by sectors: insurance companies led the ranking for the first three quarters with 19 %, due to the above mentioned letting by ÖRAG/Deutsche Rückversicherung. Following closely on second place with almost 17% are the consulting companies, benefiting among other things from the contract signed by Hegeler Müller (9,600 m²) in the Trinkhaus Karree. Other services (12%), industrial administration (11%), retail (11%) and ICT firms (7%) also rank above the 5% mark.

Development of vacant space



➤ VACANCY RATE FALLS BELOW THE 10% MARK

The increased market momentum has also been reflected in the development of vacancy volumes: while a slight increase in volumes was still evident in the first half of the year, vacant space in the Düsseldorf market area fell below one million square meters (around 950,000 m²) in the third quarter. This represents a decline of just under 7% over the past 12 months. A total of 333,000 m², or just 35%, is currently accounted for space with a modern fit-out. Alongside the positive development in the amount of space available at short notice, the vacancy rate has also fallen and is now below the 10% mark again for the first time since the second quarter of 2022 in the Düsseldorf market area.

Major contracts

Sub-market	Company	m ²
4.4	ÖRAG & Deutsche Rück	27,100
1.1	Hengeler Müller	9,600
5.1.2	NGK Spark Plug Europe	5,700
3.1	Amt für Gebäudemanagement	5,600
2.6	Ed. Züblin	4,200
2.3	munichfashion.company	4,200

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Trends in important market indicators

	Q1-3 2022	Q1-3 2023	Trend remaining year
Take-up	216,000 m ²	188,000 m ²	↗
Vacant space	1,020,000 m ²	950,000 m ²	↗
Space under construction (total)	355,000 m ²	325,000 m ²	↘
Space under construction (available)	225,000 m ²	168,000 m ²	↘
Top rent	30.00 €/m ²	40.00 €/m ²	↗

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➤ CONSTRUCTION ACTIVITY DOWN, PRE-LETTING RATE UP

The second supply component, space under construction, is also showing a downward trend in Düsseldorf, as it is nationwide. Compared with the previous year, the volume fell by just under 9% to around 325,000 m². There has been a much more significant decline of 25% to 168,000 m² in space that is still available to the rental market. Of the total construction volume, only just under 52% has not been let yet. In terms of the distribution of construction activity across the market area, Kennedydamm (77,500 m²), Düsseldorf North (72,000 m²) and CBD/Bankenviertel (51,900 m²) stand out.

➤ FURTHER INCREASE IN RENTAL PRICES

Rental levels continued their upward trend in the third quarter: Overall, the prime rent has risen by a good 33% to 40 €/m² in the last 12 months due to the limited availability of very high-quality space in top locations. The average rent also increased by a good 10% to the current level of 20.30 €/m².

➤ OUTLOOK

The Düsseldorf office market is looking back on a good third quarter, which does not hide the overall moderate result, but certainly sends a positive signal for the coming months. The most important trends include, in particular, the fact that the central locations and the CBD are likely to move successively further into the focus of demand in terms of both searches and take-up. As a result, the already tight supply/demand situation is likely to keep the pressure on the development of prime rents very high, especially for premium space in top locations.

Key indicators Q1-3 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	Q1-3 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	40.00		27,700	26,300	14,200	4,300	51,900	31,000	57,300	76,900
1.2 Inner City	28.50		14,900	46,700	8,800	0	15,000	2,900	49,600	28,100
2 Office Centres	16.50 - 28.00		69,500	292,500	180,000	20,300	97,600	88,100	380,600	141,200
3 Centre Fringe	17.00 - 25.00		13,600	47,800	22,900	0	39,200	21,900	69,700	77,600
4 Subcentres	15.00 - 23.00		52,300	199,700	58,100	18,400	121,300	24,100	223,800	364,200
Total Düsseldorf			178,000	613,000	284,000	43,000	325,000	168,000	781,000	688,000
5 Periphery	10.00 - 15.50		10,000	337,000	49,000	4,000	0	0	337,000	0
Total			188,000	950,000	333,000	47,000	325,000	168,000	1,118,000	688,000

* 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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