

○ DÜSSELDORF

REPORT OFFICE MARKET

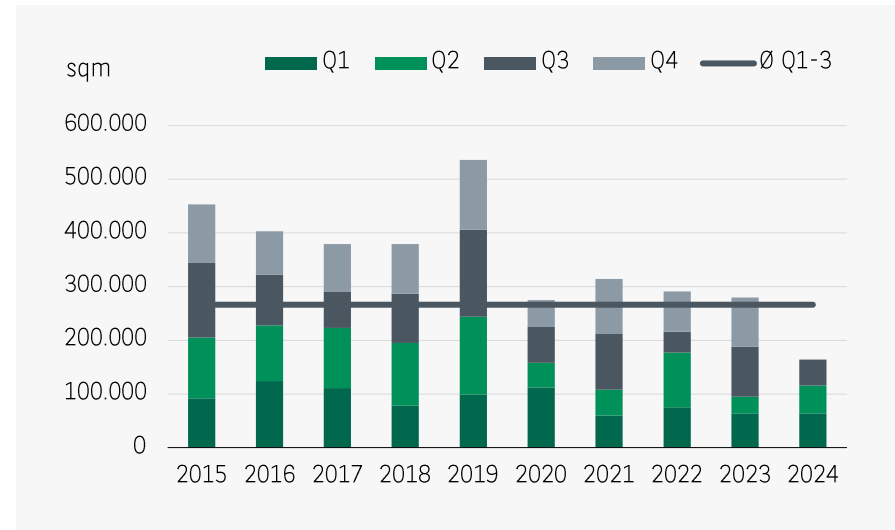
Q1-3 2024



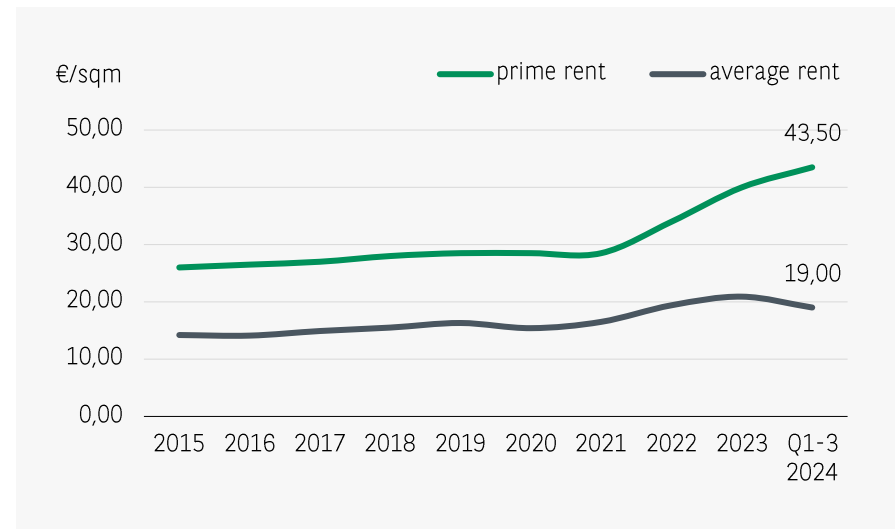
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Development of take-up



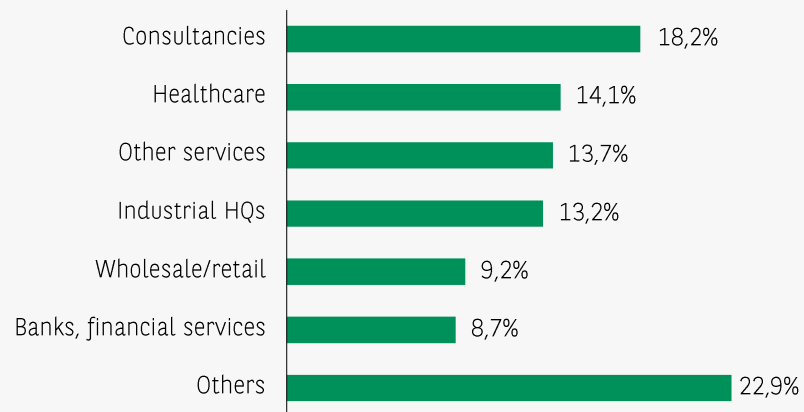
Prime and average rents



SIGNIFICANTLY LOWER TAKE-UP; LIVELY MOMENTUM IN THE SMALL SPACE SEGMENT

- With a take-up of around 154,000 m² in the Düsseldorf municipality area, the result for the Düsseldorf office market is well below average. Compared to the same period last year, around 14% less space was taken up within the city borders. The letting volume in the entire market area including the periphery also totalled just 164,000 m², which is almost 13% below the previous year's figure and a good 38% below the long-term average (266,000 m²).
- There is a particular lack of large deals: While twice as many deals of 5,000 m² or more were registered in the previous year, market activity in the current year is concentrated on the space segments up to 5,000 m² - around 92% of take-up was generated in these size categories. This means that BLB NRW's letting in Kennedydamm remains the largest contract of the current calendar year at around 7,000 m². The dynamic in the space segment up to 500 m² is particularly lively with over 50,000 m² (~31%) of take-up.
- Overall, 94% of the result is attributable to the city area, where the CBD/Banking District recorded the highest take-up in submarket comparison at around 20,000 m². The Seestern (a good 19,000 m²) and Kennedydamm (just under 18,000 m²) submarkets also achieved significant take-up volumes.
- The increasing shortage of modern space in the city's prime locations has pushed prime rents to a new record of €43.50/m² (+9% compared to Q3 2023). The generally more volatile average rent was €19.00/m² at the end of September 2024.

Take-up by sector Q1-3 2024



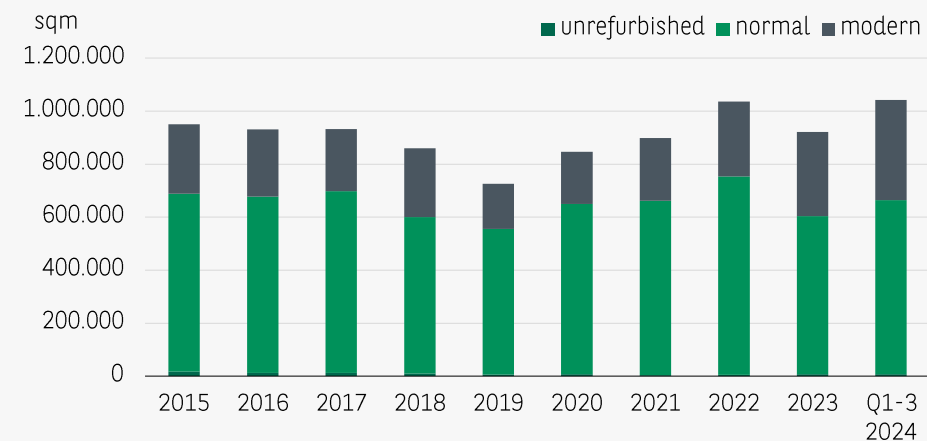
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q2	2.3	Bau- und Liegenschaftsbetrieb NRW	6,900
Q1	1.1	Noerr Partnerschaftsgesellschaft	6,000
Q1	2.3	Oddo BHF SE	3,900
Q1	2.4	voestalpine Edelstahl Deutschland	3,900
Q2	4.2	City of Düsseldorf	3,400
Q1	2.6	GEA Group	3,300

VACANCY OVER 1 MILLION M²; ONLY 36% MODERN FIT-OUT

- The broad-based demand is reflected in the distribution of take-up by sector. Four groups have double-digit shares. The traditionally strong consultancies took first place with around 18% ahead of companies from the healthcare sector (14%), which were able to significantly increase their contribution compared to the same period last year (+7.8 percentage points).
- After falling below the 1 million m² mark at the end of 2023, the vacancy volume rose again over the course of the year to the current 1.04 million m², up almost 10% on the previous year. The share of modern space in total vacancies remains at a low level, reaching just 36%. The vacancy rate has risen year-on-year and stands at 7.6% in the city and 10.5% in the market area.

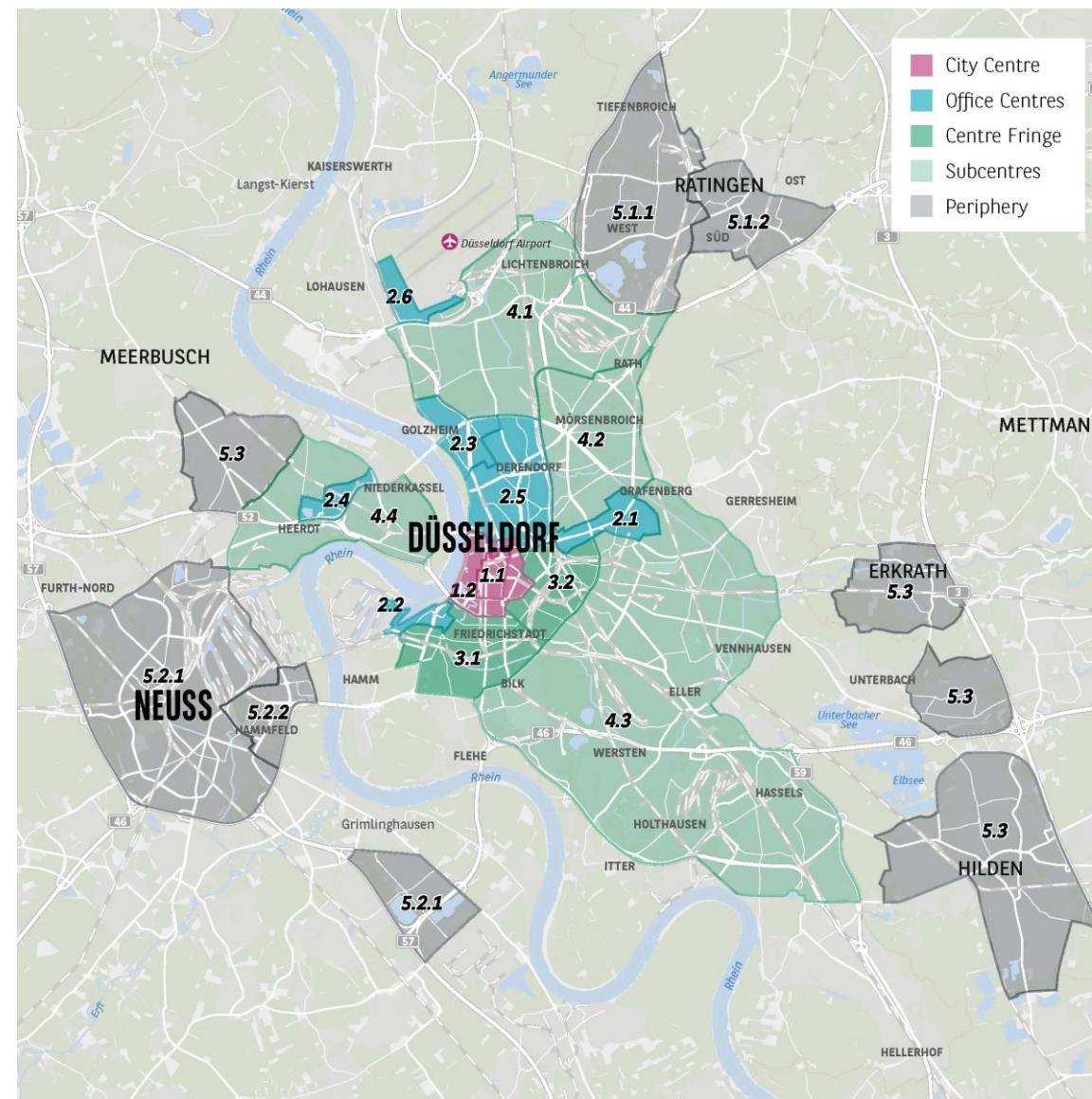
Development of vacant space



OUTLOOK

- The Düsseldorf office market recorded subdued letting activity in first nine months of 2024. Take-up levels have remained below long-term average so far. The sluggish overall economic situation continues to have a noticeable dampening effect on demand on the Düsseldorf office market, particularly in the large-scale segment. Small and medium-sized space take-up dominates in the current market environment. Against this backdrop and in anticipation of a slowly recovering economy, a slight increase in take-up is nevertheless expected for the final quarter, meaning that take-up of around 230,000 m² is a realistic scenario for the year as a whole.
- On the supply side, a further, albeit more moderate increase in vacancies cannot be ruled out for the time being, with the 1.1 million m² mark (total market area) likely to be within reach. Due to the focus of demand on high-quality office space, the increase in vacancies is likely to occur in the segment of older and non-ESG-compliant office properties in particular.
- At the same time, the still challenging framework conditions for developers are likely to lead to a decline in new construction activity in the medium to long term. The construction volume currently stands at 300,000 m². Only around 154,000 m² of this is still available to the letting market, which represents a decline of around 8% and reflects the rapid absorption of new-build space.
- Due to the tight supply/demand situation particularly for premium space in top locations, the pressure on prime rents is likely to remain high. Thus, a further rise in prime rents cannot be ruled out.

Office submarkets Düsseldorf



Key indicators office market Düsseldorf

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)		
		from	to	Q1-3 2024	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		43.50	19,800	24,700	16,800	1,200	57,000	16,000	40,700	53,700
1.2	Inner City		28.50	11,800	53,900	7,400	600	18,000	2,000	55,900	28,100
2	Office Centres	16.50 -	28.50	75,600	300,900	177,000	12,900	83,100	71,100	372,000	162,800
3	Centre Fringe	17.00 -	25.00	8,600	43,900	21,900	0	39,200	20,300	64,200	59,700
4	Subcentres	15.00 -	23.00	38,200	218,600	82,900	20,300	102,700	44,600	263,200	295,700
Total Düsseldorf				154,000	642,000	306,000	35,000	300,000	154,000	796,000	600,000
5	Periphery	10.00 -	15.50	10,000	400,000	72,000	3,000	0	0	400,000	0
Total				164,000	1,042,000	378,000	38,000	300,000	154,000	1,196,000	600,000

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

** The relevant submarket can be found on our website under „Research“.

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