Even though the result registered in the first three months of 2016 must be considered somewhat modest by long-term standards, turnover in the Düsseldorf investment market – at 280 m € – was more than 7 % up on the prior-year period. Particularly pleasing is the fact that nearly 87 % of this was due to single deals; that is a substantial figure, since the relevant proportion in the first quarter of 2015 was only just over half. Just like last year, the number of transactions has also been relatively high again, at around 20. Since these have not included any major deals, market activity up to now has been confined to the three size categories below 50 m €. Nevertheless, the average volume per sale has risen to over 13 m €.

Assets priced at between 25 and 50 m € headed the size category table by a considerable margin, with almost half of total investment, after not being represented at all in the same period last year. In second place came deals in the low double-digit range of between 10 and 25 m €; they accounted for just under 34 %. The smallest size bracket, of up to 10 m €, was responsible for a share of just over 17 % of the total and also for the majority of concluded deals. The fact that there have so far been no major transactions is not unusual, since market activity in this segment is frequently limited to just a few deals.

To an even greater extent than last year, office buildings dominated the asset-class ranking by generating almost 72 % of the aggregate transaction volume, more than 200 m € in all. In a long-term comparison, this was more than in any opening quarter apart from that in 2014. In second place came logistics complexes, with just over 11 %, which, though, corresponded to a year-on-year fall of 9 percentage points. Retail properties moved up into third place with a share of just under 7 % of all investment. Up to now there have been no hotel sales at all. Miscellaneous real estate – which has so far meant just development sites – attracted close to 11 % of the total.
**CENTRE FRINGE AGAIN HEADS GEOGRAPHICAL SPREAD**

Thanks to several sales of office buildings in the double-digit million euro range, the Centre Fringe precincts – just as in the last two years – again headed the distribution of investment across the market area, with just over 44 % of the total. A sizeable proportion, of just over one quarter, was also generated by the subcentres, which thus stepped up their share by more than 12 percentage points year-on-year. City Centre addresses attracted close to 19 %. The share obtained by the periphery fell somewhat, to slightly over 11 %.

**SPECIAL-PURPOSE FUNDS TOP INVESTOR RANKING**

Altogether, four investor categories generated double-digit turnover shares, which indicates the great interest exhibited by market players of different types and with different profiles. At the top came special-purpose funds and investment/asset managers; with 30 % and just under 24 % respectively, they accounted for over half the total volume. Then came property developers and pension funds, with more or less equal shares of around 11 %. All the other groupings were in the single-digit percentage area. They included equity/real estate funds and banks, each with just over 6 %, and private investors, with 5.5 %. Foreign investors were responsible for just over one quarter of all the capital deployed.

**STABLE YIELDS**

After falling somewhat further during the closing spurt in 2015, prime yields have this year so far just firmed at the levels reached then. The net initial yield in the premium office building segment is 4.35 %, which puts Düsseldorf just marginally behind Frankfurt in the nationwide ranking. Yields for first-rate logistics complexes now stand at 5.25 %, which is 85 basis points lower than at this time last year but the same as at the end of December. The yield for premium retail/office properties in the best parts of the high-footfall shopping streets is 3.80 %.

**OUTLOOK**

The Düsseldorf investment market continues to benefit from a wide spectrum of demand, as reflected primarily by the substantial number of individual transactions in the first quarter of this year. Thanks to healthy rental markets, it also offers a broad range of investment opportunities in all market segments. In addition, several large-unit deals in the triple-digit million area are currently being marketed, so it should definitely prove feasible to register another very good result above the long-term average. In view of the positive prospects, prime yields in Düsseldorf may possibly fall somewhat further and thus get closer to those posted in the other major investment locations.