ASSETS IN DÜSSELDORF REMAIN IN DEMAND

Although the result posted by the Düsseldorf investment market at the end of the first nine months – 1.5 bn € – failed to match the performances of the two previous years, it was still the third-best of all time. In this, a key role was played by the third quarter; by itself this accounted for around 56 % of the volume so far. Especially gratifying was the excellent transaction volume in the field of single deals: at more than 1.3 bn €, this represented a new high and was responsible for more than 86 % of the overall result. The fact that investment has nevertheless declined compared with the record year of 2015 is due above all to the volume of portfolio deals included on a pro rata basis: last year, these contributed more than four times as much to aggregate turnover. There has also been a slight fall in the number of sales covered by this survey.

GREAT ACTIVITY IN ALL MARKET SEGMENTS

In the first nine months, the distribution of investment presented a relatively balanced picture, being split more or less equally below and above the 50 m € mark. In the third quarter, several properties priced in the triple-digit million euro range changed hands and this helped to give the size bracket upwards of 100 m € the biggest share of turnover, with nearly 34 %. With just under 19 %, the 50-100 m € size class generated a bigger share than it had last year. As before, the smallest size class registered the largest number of deals, giving it a slice of almost 7 %. Together, the two mid-range categories between 10 and 50 m € made the substantial contribution of 41 %.

OFFICES STILL MOST FAVOURED ASSET CLASS

Offices headed the asset-class ranking quite clearly, attracting 55 % of all the capital invested; at 825 m €, this was a very good result by long-term standards, too. Retail properties, on the other hand, posted a considerable year-on-year decline in turnover share, to 19 %; it must be borne in mind, though, that last year’s figure had been boosted by huge sales, like those of the Sevens and the Düsseldorf Arcaden. In fact, the number of deals in this asset class has been higher this year than in 2015. Hotels have made a notably substantial contribution to the transaction volume, with over 15 %; this was fuelled, for instance, by the triple-digit million euro sale of the Hyatt Regency. Logistics complexes have so far accounted for just under 7 %.
THREE-QUARTERS OF TURNOVER IN MUNICIPAL AREA
Just as in previous years, the largest proportion of investment has been generated by the more central parts of Düsseldorf. The ranking is headed, once again, by the Centre Fringe zones (42 %). That is where two of the total of four triple-digit million euro deals were registered. In second place comes the City Centre, with one third of all turnover and an absolute result that was lower than before, due among other things to the shortage of supply in the premium segment. In contrast, the subcentres posted not only a much higher number of individual sales but also a 34 % larger volume than in 2015, to secure a share of just under 16 %. Assets changing hands in the periphery accounted for just over 9 % of the total.

SPECIAL-PURPOSE FUNDS DOMINATE THE MARKET
With a share of more than 38 %, special-purpose funds formed by far the most active buyer grouping and stepped up their prior-year investment volume in absolute terms by around 61 %. Well behind in second place came investment/asset managers with a contribution of nearly 14 % but a lower-than-last-year turnover. The same applies to equity/real estate funds, which were responsible for 13 % of the total. Pension funds, on the other hand, registered an increase, with a turnover share of more than 11 %. Other sizeable slices of the transaction volume were obtained by private investors (7.5 %), property developers and insurances (each: just under 6 %).

YIELDS CONTINUE DOWNWARD MOVEMENT
In combination with an insufficient supply of core products, the strong demand has produced a further easing of net prime yields in all the asset classes. The biggest declines, of 50 basis points in each case, were registered by office buildings and logistics complexes. Their yields fell to 3.90 % and 5.10 % respectively. The yield for premium retail/office properties in top City Centre locations now stands 3.60 %, corresponding to a drop of 20 basis points.

OUTLOOK
Following on from last year’s record performance (around 2.1 bn €), Düsseldorf is set to generate another outstanding result. The liveliness of the market is underlined in particular by the excellent turnover figure achieved in the single-deal field and the broad spread of investment across all size classes. Against this background, the positive development can be expected to continue undiminished in the final quarter, too. Given adequate asset availability, there is a good chance that the result for 2016 as a whole will rank among the best of the past decade.