HIGH LEVEL OF DEMAND CONTINUES

On the Düsseldorf office market, take-up in the city area totalled 202,000 m² in the first half of 2017. While this figure is down by a good 3 % on last year’s record result, it is nevertheless well above the ten-year average, by almost 26 %. A similar trend applies to the overall market (city area + periphery). Take-up here stood at 223,000 m², outperforming the multi-year average by around 20 %. Several large-volume deals make up a major component of this good result. These include the leases signed back in the first quarter by the banks HSBC Trinkaus & Burkhard for 20,000 m² in the office market zone Düsseldorf West/Left Bank and Bankhaus Lampe for 13,000 m² in the Kennedydamm market zone. In the second quarter, Creditreform additionally took out a lease on more than 14,000 m² in Neuss.

FINANCE SECTOR RANKS FIRST

In the breakdown of take-up by sector the above-mentioned major deals make a marked impact, the category of banks and financial service providers assuming the lead with a good 24 %. They are followed by information and communication technologies, with around 16 %. Notable contributory factors here include the letting of over 7,600 m² to ATOS and over 5,800 m² to Trivago. Other services rank third, taking a share of more than 12 %. Robust demand was also evident from consultancies (9 %), wholesale/retail companies (8 %) and public administration (5 %). All the other sectors, which are grouped together here under Miscellaneous, account for lower percentage shares.

MODERN PREMISES BECOMING SCARCE

The decline in vacant space continues: At the end of the first half of the year, the volume of space available at short notice in the market territory has fallen by a good 1 %, to 914,000 m². Only a quarter of this vacant space is fitted out to a modern standard (230,000 m²). In contrast, the city area has witnessed a marked reduction in vacant space in the past 12 months, falling by almost 10 % to 555,000 m², which represents the lowest figure since the end of 2003. The largest volumes of vacant space are to be found here in the market zones Seestern (91,000 m²), Inner-City (69,500 m²) and Düsseldorf North (65,500 m²). The reduction in available office space is reflected in the vacancy rate, which has fallen to 7.1 % in the city area and to 9.8 % in the market area as a whole.
CONSTRUCTION ACTIVITY SLIGHTLY BELOW AVERAGE

At 237,000 m², space under construction has fallen by almost 5 % in comparison to last year. This figure is slightly below the ten-year average. The majority of this space has been let prior to completion or is owner-occupied, and is thus no longer available to the market. Only 66,000 m², corresponding to a share of 28 %, have yet to be allocated to a new user. At 980,000 m², the total volume of available space (vacant space plus available space under construction) remains at the previous year's level.

PRIME RENT STABLE

The prime rent has stabilised at 26.50 €/m² over the course of the year. In contrast, the top rents in certain market zones, such as Inner City (+7 % to 23.50 €/m²) and Düsseldorf West/west of the Rhine (+19 % to 22 €/m²) display rising trends. These positive changes are essentially attributable to the available supply of high-priced space in each instance. The average rent has also risen over the course of the year, by 9 % to 15.70 €/m².

OUTLOOK

In view of the good mid-term result and the continuing good climate on the Düsseldorf office market, an end-of-year result above the ten-year average and in the order of 400,000 m² is attainable. While the decline in vacant space is likely to continue particularly in the modern premises segment, no change is to be expected with regard to the prime rent.