RECORD RESULT WITHIN REACH

At the end of the third quarter, with a transaction volume of 1.94 bn € the Düsseldorf investment market is already nudging the 2 bn € mark, which has only been topped once to date - in 2015 (2.1 bn €). In the light of this situation, it is no surprise that the already good year-end result for 2016 has been outstripped to the tune of 28%. Individual deals have hit a new peak in terms of both volume (1.5 bn €) and the number of transactions, which totals almost 60. Last year's transaction volume has also been increased more than twofold with regard to portfolio content pertaining to the Düsseldorf market, at 424 m €. An exceptionally high volume in the third quarter made a decisive contribution of 843 m € (44%) to the outstanding overall result. The average volume per deal corresponds to the multi-year average, at a good 22 m €.

SEGMENTS UP TO 100 M € CONTRIBUTE MAJOR SHARE

Exceptionally high investment volumes, including record figures in some instances, were generated in all size categories below 100 m €. Particularly high figures are reported for the three categories between 10 and 100 m €, each of which contributes between 23% and a good 28% to the total transaction volume. The smallest properties making up the category up to 10 m € also produced a gratifying result, topping 200 m € for the first time (corresponding to a good 10% of the total volume). In contrast, deals in the range over 100 m € have fallen substantially, amassing half of last year's volume to contribute a share of just under 13%, which makes the overall result all the more impressive in view of the lack of trophy deals.

OFFICES SET NEW BENCHMARK

The success story for office investments not only continued, but actually picked up added momentum in the third quarter, outstripping the previous record result from 2006 by a striking 42%, at almost 1.4 bn €. Office properties consequently accounted for a markedly higher share of the total transaction volume than in the corresponding period last year, at just under 72%. Logistics properties are also among the winners, claiming a share of just under 12%. Portfolio transactions pertaining to Düsseldorf play a particularly significant role here, also setting a new benchmark. With regard to the traditionally strong retail investments, the shortage of supply is making itself felt, limiting this asset class to a share of only 2% in the course of the year to date. Hotels account for a further share of 6%.
INVESTMENT VERY HIGH IN ALL LOCATIONS

As in recent years, the bulk of the investment volume continues to be generated in the more central locations. The Centre Fringe zones contribute 40%, while the City Centre accounts for just over one quarter of the total investment volume. The peripheral locations also attracted investments on a large scale, however, benefiting not least of all from the excellent result for logistics properties and contributing more than a fifth to the total transaction volume. The subcentres also increased their volume in absolute terms (contributing a good 13% share). Overall, just under half of the office volume relates to the Centre Fringe locations, where several office transactions in excess of 50 m € were reported. At almost 42 m €, the highest average volume per deal is attained in the City Centre, whereby this figure represents a substantial increase on last year.

INVESTMENT MANAGERS SEIZING THE MOMENT

Investment/asset managers, who are highly active nationwide, also represent the prime demand group on the Düsseldorf market. They clearly lead the breakdown of investor categories, accounting for almost 30% of the total transaction volume. The following rankings show just how broad the spectrum of investors is, however: Equity/real estate funds, insurances and special-purpose funds follow neck and neck with shares ranging between 12 and 13%. Property developers are also among the five strongest investors, contributing just under 9% to the total. The market’s appeal to numerous other categories of investor is underscored by the high percentage attributable to Others (14%). It is additionally notable that 56% of the capital originates from abroad - with only Berlin attaining a higher figure among the Big Six.

YIELD COMPRESSION CONTINUES IN THIRD QUARTER

Düsseldorf’s popularity with investors and the strained supply situation are manifested in the yield trend. The most significant price increase was to be observed for premium retail properties in prime locations and for logistics assets: The net prime yields fell by 40 basis points for each of these categories, to 3.20% and 4.70% respectively. A further drop of 20 basis points to a current level of 3.70% was also to be observed for prime office properties.

OUTLOOK

The Düsseldorf market is heading for the second-best investment year of all time. There are no indications that the final quarter will witness any lapse in the highly dynamic activity which is characterised by the even spread of investment volumes across the size categories and the large number of deals. A transaction volume in excess of the 2.5 bn € threshold therefore appears likely, thus exceeding all previous end-of-year results with the exception of the record figure reported in 2015.